

## **PRESS RELEASE**

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### **CERVED INFORMATION SOLUTIONS: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED RESULTS AS OF 31 MARCH 2017**

#### **GROWTH IN REVENUES, ADJUSTED EBITDA, ADJUSTED NET INCOME AND OPERATING CASH FLOW**

- **Revenues: Euro 97.8 million, +10.5% compared to Euro 88.5 million in the first quarter 2016;**
- **Adjusted EBITDA<sup>1)</sup>: Euro 44.5 million, +6.3% compared to Euro 41.8 million in the first quarter 2016, resulting in an EBITDA margin of 45.4%;**
- **Adjusted Net Income: Euro 22.8 million, +17.1% compared to Euro 19.5 million in the first quarter 2016;**
- **Operating Cash Flow<sup>2)</sup>: Euro 21.6 million, +2.3% compared to Euro 21.1 million in the first quarter 2016;**
- **Consolidated Net Financial Position: Euro 510.0 million as of 31 March 2017, equating to 2.8x last twelve month EBITDA.**

#### **CONFIRMED STRATEGIC OUTLOOK TO 2018 AS COMMUNICATED TO THE MARKETS ON 10 MAY 2016**

- 1) *Adjusted EBITDA excludes the impact of the Performance Share Plan 2019-2021.*
- 2) *Adjusted Net Income excludes non-recurring income and expenses, amortisation of capitalized financing fees, amortisation of the Purchase Price Allocation and non-recurring income taxes.*
- 3) *Based on Adjusted EBITDA.*

**San Donato Milanese, 28 April 2017** – The Board of Directors of Cerved Information Solutions S.p.A. (MTA: CERV, the “Company”) – parent holding company of the Cerved Group, the largest information provider and credit servicer in Italy – today approved the Interim Report as of 31 March 2017.

Marco Nespolo, Chief Executive Officer of the Group, commented:

*“The Group achieved very positive results in this first quarter of 2017. At the consolidated level, organic growth was respectively +7,4% for Revenues and +5,0% for EBITDA, higher than recent performance.”*

*“In terms of divisional performance, Credit Information continues to sustain the growth of the Group, thanks to the positive results achieved by both the corporate and financial institutions segments. I also highlight the strong contribution of the Credit Management division which will further benefit from the important agreement recently signed with Barclays to manage its performing mortgage loans.”*

*“The Group’s strong cash flow generation capabilities are confirmed by the 2.8x leverage ratio. This will allow us to finance potential M&A transactions and/or share buybacks, or to increase dividends, as indicated in our medium to long term strategic outlook.”*

*“In terms of prospects for the medium to long term, we confirm the objectives until 2018 as indicated during the course of our Investor Day on 10 May 2016, and we expect to host another Investor day for investors and financial analysts following the publication of our results for the first quarter of 2018.”*

## Analysis of Consolidated Revenues

In the first quarter of 2017 the Group's revenues increased by 10.5%, reaching Euro 97.8 million compared to Euro 88.5 million in the first quarter 2016 (+7.4% on an organic basis).

The Credit Information division grew by 4.4% thanks to the positive contribution of both business segments. The Corporate segment grew by 6.5% compared to the first quarter of 2016 showing positive signals in terms of sales and consumption; the result was achieved thanks to the launch of new products and to the contribution of bolt-on acquisitions made in the second part of 2016. The Financial Institutions segment, confirming the performance of previous quarters, grew by 2.1%; this was mainly driven by the strong demand for appraisals in the real estate segment and the positive contribution of new product launches.

The Credit Management division grew by 23.3% reflecting the solid performance of all the segments related to banking NPLs (credit workout, legal services and asset remarketing) and the positive result of the receivables-based segment for corporate and utilities clients.

The Marketing Solutions division grew by 79.8% in the first quarter 2017, thanks to organic growth coupled with the consolidation of ClickAdv S.r.l. in 2017.

<b>Consolidated Revenues</b> <i>in millions of Euro</i>	<b>First Quarter</b> <b>2017</b>	<b>First Quarter</b> <b>2016</b>	<b>% Growth</b>
Credit Information - Corporates <sup>1)</sup>	39,0	36,6	6,5%
Credit Information - Financial Institutions	32,7	32,0	2,1%
Credit Information	71,7	68,6	4,4%
Credit Management	21,5	17,4	23,3%
Marketing Solutions <sup>2)</sup>	5,6	3,1	79,8%
Intra-segment revenues	(0,9)	(0,7)	
<b>Consolidated Revenues</b>	<b>97,8</b>	<b>88,5</b>	<b>10,5%</b>

1) Major1 S.r.l. e Fox&Parker S.r.l. consolidated from August and September 2016 respectively

2) ClickAdv S.r.l. consolidated from April 2016

## Analysis of Consolidated Adjusted EBITDA

The Consolidated Adjusted EBITDA of Euro 44.5 million in the first quarter 2017 represents a growth of 6.3% with respect to the first quarter 2016 (+5.0% on an organic basis). The Adjusted EBITDA margin of the Group was 45.4%, slightly lower than the prior year. This result excludes costs related to the attribution of grants for the long term incentive plan *Performance Share Plan 2019-2021* for Euro 0.4 million. The Consolidated EBITDA – which includes such costs – was Euro 44.1 million, representing a growth of 5.4% with respect to the first quarter 2016, with a Group EBITDA margin of 45.1%.

The Credit Information division reached an Adjusted EBITDA margin of 53.4%, slightly lower than 53.8% achieved in the first quarter 2016. The Credit Management division reached an Adjusted EBITDA margin of 20.8%, slightly lower than 21.7% achieved in the first quarter 2016, mainly due to the growth of the receivables and remarketing segments which have lower margins compared to the rest of the division. The Marketing Solutions division reached an Adjusted EBITDA margin of 31.2%, lower than 35.7% in the first quarter 2016, due to the consolidation of ClickAdv S.r.l. in 2017.

<b>Consolidated Adjusted EBITDA</b> <i>in millions of Euro</i>	<b>First Quarter</b> <b>2017</b>	<b>First Quarter</b> <b>2016</b>	<b>% Growth</b>
Credit Information <sup>1)</sup>	38,3	36,9	3,6%
Credit Management	4,5	3,8	18,2%
Marketing Solutions <sup>2)</sup>	1,7	1,1	57,4%
<b>Adjusted EBITDA</b>	<b>44,5</b>	<b>41,8</b>	<b>6,3%</b>
Adjusted EBITDA Margin	45,4%	47,3%	

1) Major1 S.r.l. e Fox&Parker S.r.l. consolidated from August and September 2016 respectively

2) ClickAdv S.r.l. consolidated from April 2016

## Analysis of Consolidated Net Income

With respect to Consolidated Net Income, in the first quarter of 2017 the result was a profit of Euro 13.6 million, a significant improvement compared to Euro 8.4 million of the first quarter 2016.

Adjusted Net Income – which excludes non-recurring income and expenses, amortisation of capitalised financing fees, amortisation of the Purchase Price Allocation and non-recurring income taxes – reached Euro 22.8 million, an increase of 17.1% compared to Euro 19.5 million in the first quarter of 2016.

## Analysis of Consolidated Net Financial Position

As of 31 March 2017 the Net Financial Position of the Group was Euro 510.0 million, compared to Euro 523.4 million as of 31 December 2017 and Euro 499.6 million as of 31 December 2015. The ratio of Net Financial Position to last twelve month EBITDA was 2.8x as of 31 March 2017.

<b>Consolidated Net Financial Position</b> <i>in millions of Euro</i>	<b>As of 31 March</b> <b>2017</b>	<b>As of 31 December</b> <b>2016</b>	<b>As of 31 December</b> <b>2015<sup>1)</sup></b>
Net Financial Position	510,0	523,4	499,6
LTM Adjusted EBITDA Multiple <sup>2)</sup>	2,8x	2,9x	2,9x

1) Excluding the non-recurring impact of the Forward Start Transaction

2) Adjusted to include the EBITDA of the M&A transactions in the 12 months before the selected period

## Business Outlook

Insofar as the progress of the Group's business operations is concerned, the Group's scenario for 2017 calls for gains in revenues and EBITDA based on the contribution of all Divisions (Credit Information, Credit Management and Marketing Solutions) and an improvement of the integration, rationalization and efficiency boosting processes, with the aim of boosting both the Group's profitability and its generation of operating cash flow.

## Strategic Outlook

The Company confirms its strategic outlook as communicated to the markets during the course of the Investor Day on 10 May 2016, in which it presented to investors and analysts indications for the period 2016-2018 with respect to growth of EBITDA, capital structure and dividend policy. The Company expects to host an Investor Day following the publication of its 2018 first quarter results to provide the markets with revised indications for the medium and long term.



## Conference call to comment results as of 31<sup>st</sup> March 2017

The conference call with institutional investors and financial analysts to comment the results as of 31 March 2017 will take place on 2 May 2017, at 15:30 (CET). For further details visit the website of the Company (<http://company.cerved.com>, *Investor Relations* section, *Financial Calendar* area).

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According to paragraph 2 of article 154-bis of the Consolidated Finance Law, the Executive appointed to draft corporate accounts, Mr. Giovanni Sartor, stated that the accounting information herein contained tallies with the company's documentary evidence, ledgers and accounts.

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*Cerved Group is a leading information provider in Italy and one of the major credit rating agencies in Europe. It offers the most comprehensive range of products and services used by more than 30 thousand companies and financial institutions to assess the solvency and creditworthiness of its stakeholders, manage credit risk in all its phases, and accurately define marketing strategies. Furthermore, through Cerved Credit Management, Cerved is a leading independent player in offering solutions for the evaluation and management of credit exposures.*

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**CONSOLIDATED RECLASSIFIED INCOME STATEMENT**

<i>(in millions of Euros)</i>	<b>As of March 31 2017</b>	<b>As of March 31 2016</b>
<b>Revenues</b>	<b>97,8</b>	<b>88,5</b>
Other Income	0,0	0,1
Cost of raw materials and other materials	(2,7)	(0,9)
Cost of services	(22,3)	(20,1)
Personnel costs	(24,5)	(22,5)
Other operating costs	(2,1)	(2,0)
Impairment of receivables and other accruals	(1,7)	(1,3)
Total operating costs	(53,4)	(46,7)
<b>Adjusted EBITDA</b>	<b>44,5</b>	<b>41,8</b>
Performance Share Plan	(0,4)	-
<b>EBITDA</b>	<b>44,1</b>	<b>41,8</b>
Depreciation and amortization	(18,7)	(18,9)
<b>Operating profit before non recurring items</b>	<b>25,4</b>	<b>22,9</b>
Non recurring items	(1,8)	(2,3)
<b>Operating profit</b>	<b>23,7</b>	<b>20,6</b>
Financial income	0,2	0,2
Financial charges	(4,7)	(5,9)
Non recurring financial charges	-	(1,4)
Income tax expense	(5,5)	(5,0)
Non recurring Income tax expense	-	-
<b>Net Income</b>	<b>13,6</b>	<b>8,4</b>

**Notes:**

*Adjusted EBITDA excludes the impact of Performance Share Plan 2019-2021*

*EBITDA corresponds to the operating profit before depreciation, amortisation and non-recurring items*

*For further details on the financials of the Group, please refer to the Interim Report of Cerved Information Solutions S.p.A. as of March 31, 2017*

**CONSOLIDATED RECLASSIFIED BALANCE SHEET**

<i>(in millions of Euros)</i>	<b>As of March 31 2017</b>	<b>As of December 31 2016</b>
Intangible assets	415,0	423,7
Goodwill	732,5	732,5
Tangible assets	20,2	19,8
Financial assets	8,9	8,7
<b>Fixed assets</b>	<b>1.176,5</b>	<b>1.184,7</b>
Inventories	1,5	1,7
Trade receivables	162,3	154,9
Trade payables	(35,3)	(38,5)
Deferred revenues	(69,6)	(77,3)
<b>Net working capital</b>	<b>58,9</b>	<b>40,9</b>
Other receivables	8,6	7,7
Other paybles	(52,5)	(53,9)
Net corporate income tax items	(10,1)	0,3
Employees Leaving Indemnity	(13,0)	(13,1)
Provisions	(7,2)	(7,3)
Deferred taxes (1)	(92,4)	(91,9)
<b>Net Invested Capital</b>	<b>1.068,7</b>	<b>1.067,4</b>
IFRS Net Debt (2)	510,0	523,4
Group Equity	558,7	543,9
<b>Total Sources</b>	<b>1.068,7</b>	<b>1.067,4</b>

**Notes:**

*For further details on the financials of the Group, please refer to the Interim Report of Cerved Information Solutions S.p.A. as of March 31, 2017*

*(1): Non cash item*

*(2): Net of capitalized financing fees*

**CONSOLIDATED CASH FLOW STATEMENT**

<i>(in millions of Euros)</i>	As of March 31 2017	As of March 31 2016
<b>EBITDA Adjusted</b>	<b>44,5</b>	<b>41,8</b>
Net Capex	(9,0)	(7,7)
<b>EBITDA Adjusted-Capex</b>	<b>35,5</b>	<b>34,1</b>
<i>as % of EBITDA</i>	80%	82%
Cash change in Net Working Capital	(15,5)	(14,7)
Change in other assets / liabilities	1,6	1,7
<b>Operating Cash Flow</b>	<b>21,6</b>	<b>21,1</b>
Interests paid	(7,0)	(19,0)
Cash taxes	-	-
Non recurring items	(4,9)	(1,4)
<b>Cash Flow (before debt and equity movements)</b>	<b>9,7</b>	<b>0,7</b>
Dividends	-	-
Acquisitions / deferred payments / earnout (1)	0,2	(10,7)
Other	-	-
Refinancing	-	(35,5)
<b>Net Cash Flow of the Period</b>	<b>9,8</b>	<b>(45,5)</b>

**Notes:**

*For further details on the financials of the Group, please refer to the Interim Report of Cerved Information Solutions S.p.A. as of March 31, 2017*

*(1): Includes cash contributed by acquired companies*

**CONSOLIDATED NET FINANCIAL POSITION**

<i>(in millions of Euros)</i>	As of March 31 2017	As of December 31 2016	As of March 31 2016
A. Cash	0,0	0,0	0,0
B. Cash equivalent	53,5	48,5	34,3
C. Trading securities	-	-	-
<b>D. Liquidity (A)+(B)+(C)</b>	<b>53,5</b>	<b>48,5</b>	<b>34,3</b>
E. Current Financial Receivables	-	-	0,2
F. Current Bank debt	(0,2)	(0,2)	(0,2)
G. Current portion of non-current debt	(9,0)	(11,4)	(3,1)
H. Other current financial liabilities	(2,5)	(2,6)	(0,9)
<b>I. Current Financial Debt (F)+(G)+(H)</b>	<b>(11,6)</b>	<b>(14,2)</b>	<b>(4,1)</b>
<b>J. Net Current Financial Indebtedness (D)+(E)+(I)</b>	<b>41,9</b>	<b>34,3</b>	<b>30,3</b>
K. Non-current Bank loans	(551,7)	(556,8)	(564,8)
L. Bond Issued	-	-	-
M. Other non current loans	(0,2)	(0,9)	-
<b>N. Non-current Financial Indebtedness (K)+(L)+(M)</b>	<b>(551,9)</b>	<b>(557,7)</b>	<b>(564,8)</b>
<b>O. Net Financial Indebtedness (J)+(N)</b>	<b>(510,0)</b>	<b>(523,4)</b>	<b>(534,5)</b>

Notes:

For further details on the financials of the Group, please refer to the Interim Report of Cerved Information Solutions S.p.A. as of March 31, 2017