

Cerved Technologies S.p.A.

Financial Results January-September 2013

November 13th, 2013 Conference call @ 10.00 GMT / 11.00 CET



- **Revenues in Q3** showed a particularly strong performance with 12,2% growth vs. 2012 (of which 6.2% organic)
- **Revenues September YTD** increased from €209.0m in 2012 to €223.7m in 2013 (+7.0%), of which :
 - 3.0% was organic growth (largely from Credit Collection and Corporate)
 - 4.0% came from the acquisitions of Experian Data Services and Tarida
- **Revenues September YTD** benefited from improved momentum across all business segments
 - Credit Information Corporate revenues grew by 9.3% YTD, with the acceleration vs. Q2 supported by strong sales and consumption from SMEs, new products and the Cerved Data Services⁽¹⁾ business
 - Credit Information Banks revenues declined 0.8% YTD, in line with our expectations and mainly driven by Rating Systems
 - Performance in the small & medium bank market remained robust in Q3 and Cerved Data Services⁽¹⁾ also contributed positively
 - Value Added Services revenues grew by €6.6m (28.7%), of which €4.3m is from the Tarida acquisition

(1) Formerly Experian Data Services

- **EBITDA September YTD** grew from €99.3m to €106.2m (+7.0%), bringing LTM EBITDA to €149.0m
 - Total operating costs for the period were €7.7m higher than prior year, of which €7.4m related to acquisitions
 - Organic costs increased by €0.3 m as a result of an increase in Credit Collection variable costs of €1.9m and a decrease in other costs of € 1.6m, or 1.5%
 - EBITDA Margin remains strong at 47.5%, the same level as in the prior year

- September YTD **Operating Cash Flow** ⁽¹⁾ was €85.2m, an increase of €6.4m (8.1%) compared with 2012
 - Operating Cash Flow (% of EBITDA) increased to 80.2% vs. 79.4% in prior year, with growth in Capital Expenditures limited to 2.6%

(1) Defined as EBITDA – Capex.

September 2013 YTD Results Summary

Summary financials (€ in thousands)

€ in thousands	2013 Actual		2012 Actual		Var vs P.Y. YTD		Var vs P.Y. QTD	
	Sept - YTD	Q3	Sept - YTD	Q3	€/000	%	€/000	%
	€/000		€/000					
<i>Credit Information</i>	194.004	59.906	186.173	54.251	7.831	4,2%	5.655	10,4%
<i>Value Added Services & Others</i>	29.669	9.683	22.838	7.792	6.831	29,9%	1.891	24,3%
TOTAL REVENUES	223.673	69.589	209.011	62.043	14.662	7,0%	7.546	12,2%
Ebitda	106.202	31.810	99.253	27.951	6.949	7,0%	3.859	13,8%
<i>Ebitda Margin</i>	47,5%	45,7%	47,5%	45,1%				
Capital Expenditures	(21.000)	(7.706)	(20.471)	(6.454)	(529)	2,6%	(1.252)	19,4%
Operating Cash Flow (1)	85.202	24.104	78.782	21.497	6.420	8,1%	2.607	12,1%
<i>Operating Cash Flow (% of Ebitda)</i>	80,2%	75,8%	79,4%	76,9%				

- Revenue growth was concentrated in Credit Collection with associated direct cost – consequently cost of service increased €7.3m (14.3%) YTD vs. 2012
- Important savings in database of €1.0m (-5.5%) and overheads costs of €0.2m (-1.3%) have partly compensated for this impact
- EBITDA growth includes €0.9m from acquisitions, or 0.9%
- Capital expenditures marginally higher than prior year due to new ERP development and implementation

(1) Defined as EBITDA – Capex.

Sept/Q3 2013 Revenue Performance vs. Sept/Q3 2012

Summary revenues (€ in thousands)

€ in thousands	2013 Actual		2012 Actual		Var vs P.Y. YTD		Var vs P.Y. QTD	
	Sept - YTD	Q3	Sept - YTD	Q3	€/000	%	€/000	%
	€/000		€/000					
TOTAL CREDIT INFORMATION	194.004	59.906	186.173	54.251	7.831	4,2%	5.655	10,4%
<i>BU Banks</i>	<i>93.104</i>	<i>29.971</i>	<i>93.845</i>	<i>28.645</i>	<i>(741)</i>	<i>-0,8%</i>	<i>1.326</i>	<i>4,6%</i>
<i>BU Corporate</i>	<i>100.900</i>	<i>29.935</i>	<i>92.328</i>	<i>25.606</i>	<i>8.572</i>	<i>9,3%</i>	<i>4.329</i>	<i>16,9%</i>
TOTAL CREDIT COLLECTION	24.702	8.063	17.257	5.704	7.445	43,1%	2.359	41,4%
MARKETING SERVICES	4.978	1.594	5.797	2.256	(819)	-14,1%	(662)	-29,3%
OTHER(1)	(11)	25	(216)	(168)	205	-94,8%	193	-115,1%
GRAND TOTAL	223.673	69.589	209.011	62.043	14.662	7,0%	7.546	12,2%

- Modest decline in Credit Information Banks, partly mitigated by impact of Cerved Data Services
- Credit Information Corporate, after the rebound in Q2, delivered double digit growth in Q3. The integration of Cerved Data Services is well underway
- Value Added Services growth continues to be driven by Credit Collection in both the corporate and bank segments and order entry continues to be good. The integration of Tarida is almost complete
- Marketing Services revenues remain behind prior year. Order entry continues to be soft in the third quarter, however sales activity is expected to reduce the shortfall in Q4

(1) Other revenues include other credit information revenues net of intersegment revenues.

€ in thousands	2013 Actual		2012 Actual		Var vs P.Y. YTD		Var vs P.Y. QTD	
	Sept - YTD	Q3	Sept - YTD	Q3	€ /000	%	€ /000	%
	€ /000		€ /000		€ /000	%	€ /000	%
BU Banks	93.104	29.971	93.845	28.645	(741)	-0,8%	1.326	4,6%
BU Corporate	100.900	29.935	92.328	25.606	8.572	9,3%	4.329	16,9%
TOTAL CREDIT INFORMATION	194.004	59.906	186.173	54.251	7.831	4,2%	5.655	10,4%

■ Banks

- Business Information organic revenue declined by 2.4% YTD, however increased by 0.4% in Q3 due to better than anticipated performance of small and medium sized banks. In addition, Cerved Data Services contributed €1.5m of revenues YTD
- Real Estate revenues benefitted from the ramp up of the Real Estate Appraisal business, with revenues in Q3 14.9% higher than 2012, bringing September YTD growth to +2.6% vs. 2012. Organic growth was +9.6% for Q3 and -0.3% for September YTD
- Rating Systems remains well below prior year due to the insourcing of the ECAI service by 2 banks in H2 2012, however Q3 was only 1.8% lower than in 2012

■ Corporate

- Business Information continues to outperform 2012 both organically (+4.8% YTD, +10% in Q3) and including acquisitions (+6.5% YTD, +13.1% in Q3). Cerved Data Services contributed €1.5m of revenues YTD
- New products: Public Administration and B-Circles continue to sell well, with YTD revenues of €2.6m
- Positive trend in new customers (+1.0% in number and +12.2% in value) vs. prior year

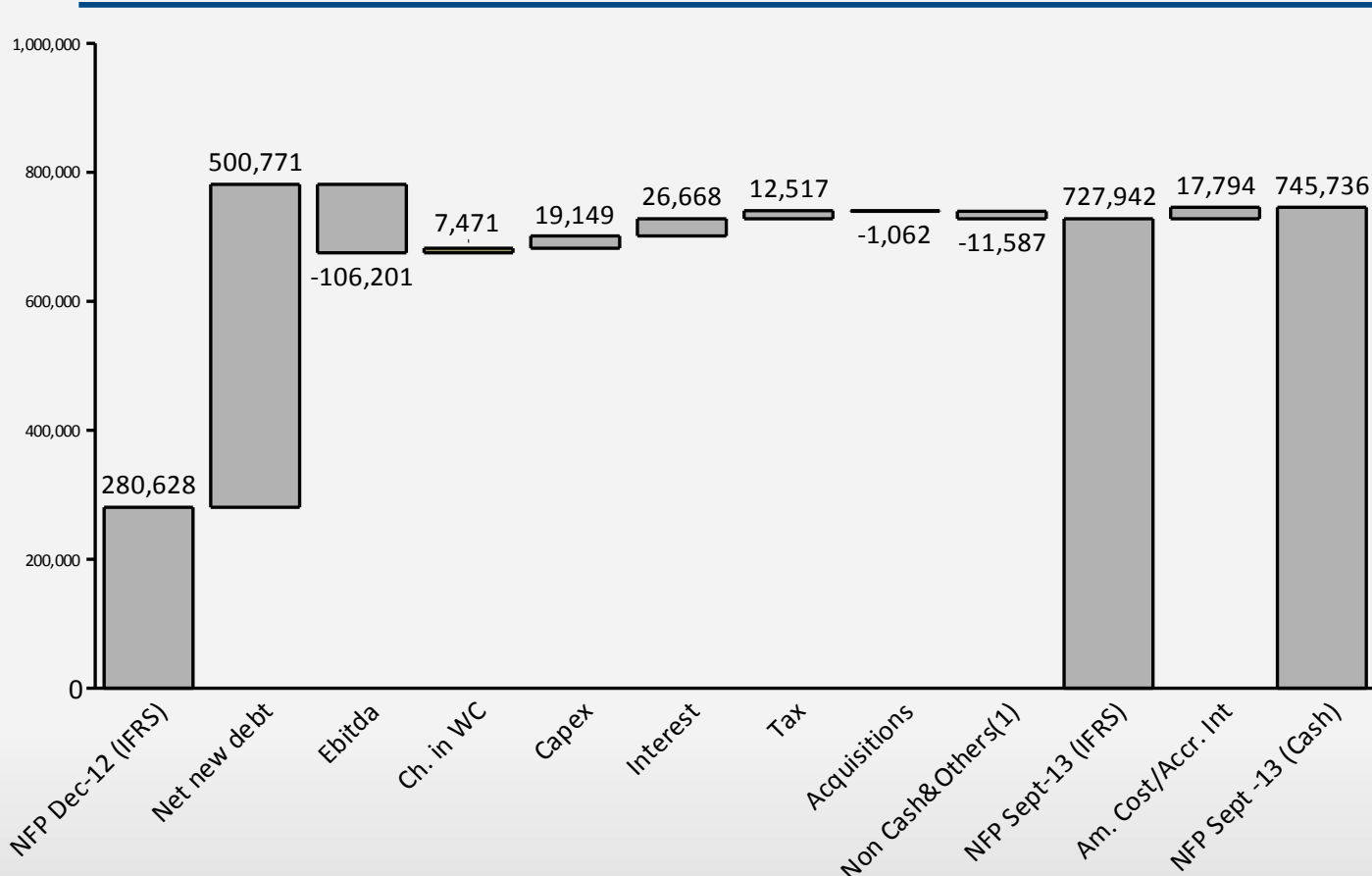
Strong Business Information performance as of September, however Rating Systems remains in decline

€ in thousands	2013 Actual		2012 Actual		Var vs P.Y. YTD		Var vs P.Y. QTD	
	Sept - YTD	Q3	Sept - YTD	Q3	€/000	%	€/000	%
	€/000		€/000					
<i>Credit Collection Banks</i>	17.036	5.664	10.617	3.565	6.419	60,5%	2.099	58,9%
<i>Credit Collection Corporate</i>	7.666	2.399	6.640	2.139	1.027	15,5%	260	12,2%
<i>Marketing Services</i>	4.978	1.594	5.797	2.256	(819)	-14,1%	(662)	-29,3%
TOTAL ADDED VALUE	29.680	9.657	23.053	7.960	6.627	28,7%	1.698	21,3%

- Credit Collection Banks has seen very strong growth, which is expected to continue in Q4 due to new portfolios
 - Total assets under management will grow further with the intake, in these days, of the third Credit Agricole portfolio. Integration of Tarida will be finalized by year end
- Growth in Credit Collection Corporate was slightly slower but remained at double digit (+12.2%) in Q3
- Marketing Services deliveries declined by 29.3% in Q3, bringing YTD revenue growth to -14.1%. However, order entry in Q3 was fairly good (+1.6% vs. 2012) after 2 consecutive quarters lower than 2012

Credit Collection growth continues to be very strong

FY2013 Net Financial Position Development

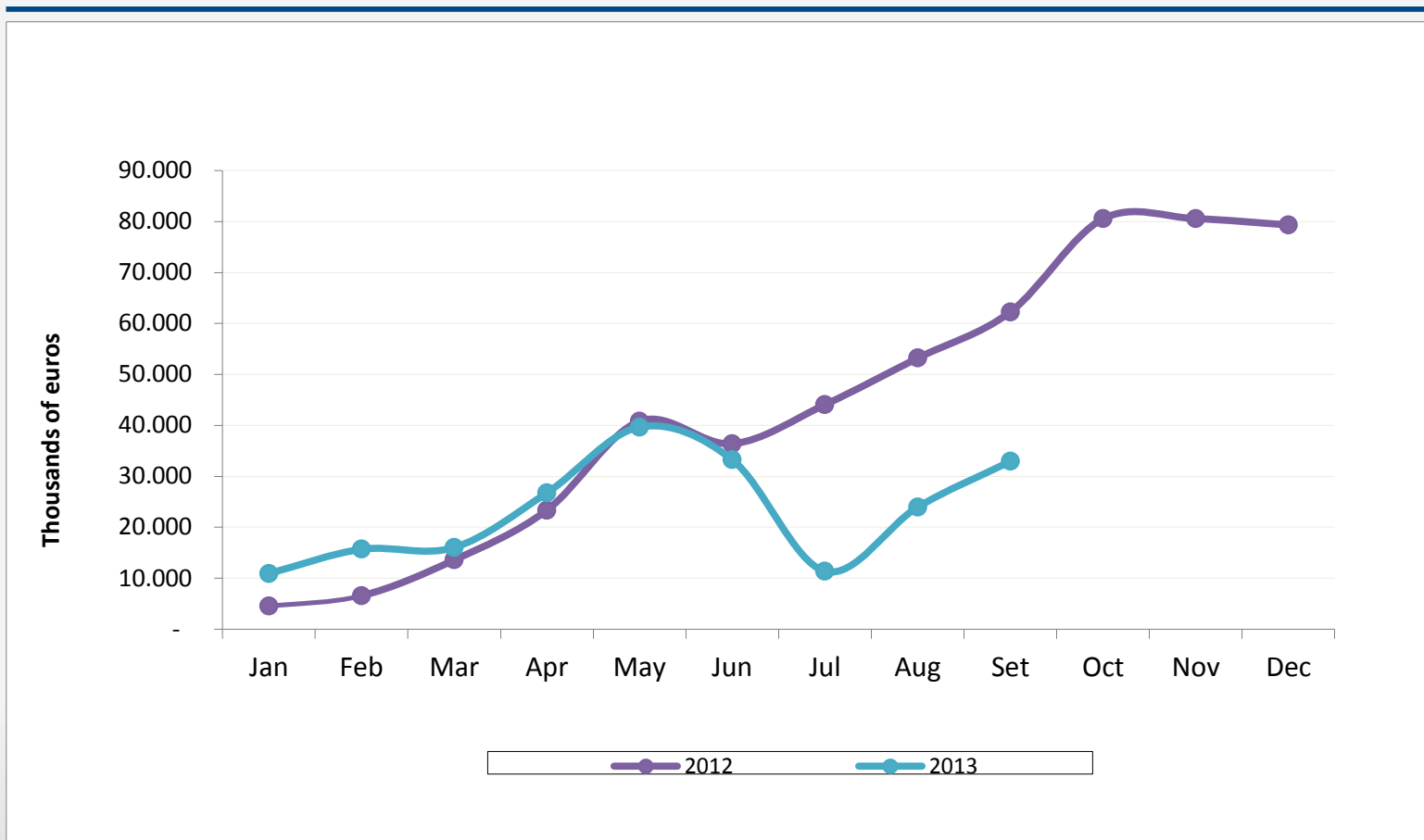


■ Semi-annual interest payment on July 15th largely offset by cash generation in the quarter

Net debt broadly flat vs. June, despite semi-annual interest payment

(1) Includes movements in accrual/provision.

FY2013 Free Cash Flow Development vs. FY2012



- Payment of €20.9m of interest to Bondholders on July 15th

Free Cash Flow generation impacted by interest payment, but operating cash flow trend in line with 2012

Debt Capitalisation and Leverage

€ m	Sept-13	June-13	March-13	Maturity	Pricing
Cash & Cash Equivalents	(35,3)	(36,6)	(11,7)		
Super Senior RCF (€75m)	0,0	0,0	0,0	Nov 18	E + 450bps
Senior Secured FRN (1)	250,0	250,0	250,0	Jan-19	E + 537.5bps
Senior Secured Fixed Rate Notes	300,0	300,0	300,0	Jan-20	6,375%
Net Senior Secured Debt	514,7	513,4	538,3		
Senior Subordinated Notes	230,0	230,0	230,0	Jan-21	8,00%
Other third party debt	0,7	0,9	1,3		
Net Total Debt	745,4	744,3	769,6		
Net Debt / EBITDA	5,0x	5,1x	5,4x		
LTM EBITDA	149,0	145,2	142,7		

(1) From July 15, 2013, EURIBOR hedged at an effective rate of 0.5516%.

Deleveraging continues as scheduled – consistent cash generation and EBITDA growth

- Experian Data Services business has been integrated into the Cerved organization since July 1st. Synergy realization is on schedule and the company will be merged into Cerved Group at year end
- Tarida integration plan has been finalized and implementation is almost complete. The company will be merged into Cerved Credit Management (formerly Jupiter Asset Management) at year end
- The Board of Directors is considering the spin off of the rating agency activity in to a fully owned subsidiary to better serve customers and promote governance best practice
- Company reorganization complete, with a new COO joining the business

Income Statement

<i>CONSOLIDATED INCOME STATEMENT</i>	<i>Sept - 2013</i>	<i>%</i>	<i>Q3 - 2013</i>	<i>%</i>	<i>Sept - 2012</i>	<i>%</i>	<i>Q3 - 2012</i>	<i>%</i>	<i>YTD Change</i>	<i>% Change</i>	<i>Q3 Change</i>	<i>% Change</i>
Total Revenue	223.673	100%	69.589	100%	209.011	100%	62.043	100%	14.662	7,0%	7.546	12,2%
Cost of raw material and other materials	548	0%	157	0%	490	0%	126	0%	58	11,9%	31	24,8%
Cost of services (Includes Data Base costs)	58.333	26%	18.800	27%	51.017	24%	14.653	24%	7.316	14,3%	4.147	28,3%
Personnel costs	48.970	22%	15.933	23%	48.763	23%	16.078	26%	207	0,4%	(145)	-0,9%
Other operating costs	5.588	2%	1.691	2%	5.652	3%	1.851	3%	(64)	-1,1%	(160)	-8,6%
Impairment of Receivables and other provisions	4.032	2%	1.199	2%	3.836	2%	1.383	2%	196	5,1%	(184)	-13,3%
Total operating costs	117.471	53%	37.778	54%	109.758	53%	34.092	55%	7.713	7,0%	3.686	10,8%
EBITDA	106.202	47%	31.810	46%	99.253	47%	27.951	45%	6.949	7,0%	3.859	13,8%
Depreciation and amortization	(34.162)	-15%	(11.779)	-17%	(51.940)	-25%	(19.504)	-31%	17.778	-34,2%	7.725	-39,6%
Operating profit	72.039	32%	20.031	29%	47.313	23%	8.447	14%	24.727	52,3%	11.584	137,1%
Non recurring income and expenses	(11.024)	-5%	(1.221)	-2%	7.985	4%	10.889	18%	(19.009)	N.S.	(12.110)	N.S.
Operating profit after non recurring items	61.015	27%	18.810	27%	55.298	26%	19.336	31%	5.717	10,3%	(526)	-2,7%
Financial income	681	0%	539	1%	335	0%	315	1%	346		224	
Financial expenses	(43.439)	-19%	(15.255)	-22%	(17.347)	-8%	(5.901)	-10%	(26.092)	150,4%	(9.354)	158,5%
Income tax expenses	(15.681)	-7%	(6.266)	-9%	(12.302)	-6%	(2.149)	-3%	(3.379)	27,5%	(4.117)	191,6%
Profit of the period	2.576	1%	(2.173)	-3%	25.984	12%	11.601	19%	(23.408)	-90,1%	(13.773)	-118,7%

Balance Sheet

Balance Sheet	30/09/2013	31/12/12	30/09/2012	31/12/11
€ thousands	Actual	Cerved Holding		
Intangible assets	234.114	248.744	260.674	272.740
Goodwill	915.124	275.849	275.849	287.522
Tangible assets	16.298	16.482	16.823	17.658
Financial assets	15.162	14.824	14.760	2.889
Fixed Assets	1.180.697	547.148	568.106	580.809
Inventory	158	69	2	19
Trade receivables - Third Parties	107.497	119.465	94.518	121.341
Trade payables - Third Parties	(23.037)	(25.409)	(19.375)	(26.800)
Accruals & prepayments	(64.249)	(83.453)	(67.916)	(83.977)
Trade Working Capital	20.369	10.673	7.229	10.584
Other receivables - Third Parties	6.451	3.367	14.365	3.830
Other payables - Third Parties	(19.888)	(35.335)	(53.638)	(35.809)
Corporate income tax items, net	(10.873)	(8.290)	(5.594)	(8.275)
Net Working Capital	(3.941)	(20.835)	(37.638)	(29.671)
Employees Leaving Indemnity	(10.981)	(9.644)	(9.376)	(9.837)
Provisions	(12.245)	(10.608)	(10.015)	(10.691)
Deferred taxes	(54.726)	(60.360)	(62.222)	(60.983)
Capital Employed, Net	1.098.804	445.702	448.855	469.627
Net Debt	727.941	280.628	259.155	297.652
Group Equity	368.287	160.436	189.700	155.288
Net result of the year	2.576	4.638		16.687
Total Sources	1.098.804	445.702	448.855	469.627
NFP IAS/IFRS	727.941			
Amortized costs	28.812			
Accrued interests	(11.017)			
NFP CASH	745.736			

Cash Flow and Change in Net Financial Position

<i>€ in thousands</i>	September		Q3		H1	
	2013	2012	2013	2012	2013	2012
	Cerved Tech	Cerved Holding	Cerved Tech	Cerved Holding	Cerved Tech	Cerved Holding
EBITDA	106.201	99.253	31.810	27.952	74.391	71.301
OWC	(4.964)	2.383	(2.067)	6.119	(2.897)	(3.736)
Other Debtors/Creditors	(2.096)	(1.701)	(4.397)	(1.200)	2.301	(501)
Capex (including Data Bases)	(19.149)	(20.387)	(6.055)	(6.371)	(13.094)	(14.016)
Leaving Indemnity- Net Balance	209	(461)	289	(124)	(80)	(337)
Provision for Risks & Charges - Net Balance	591	(340)	262	709	328	(1.049)
CASH FLOW FROM OPERATION	80.791	78.747	19.842	27.086	60.949	51.661
Interest Expenses Paid	(26.668)	(4.380)	(20.833)	(625)	(5.834)	(3.755)
Net balance of Income tax items	(12.517)	(15.090)	0	(4.262)	(12.517)	(10.828)
Miscellanea - non operating	(188)	7.985	(188)	10.889	(0)	(2.904)
FREE CASH FLOW	41.418	67.262	(1.180)	33.087	42.597	34.175
Acquisition/(Disposal)	(12.803)	0	0	0	(12.803)	
Other Equity Movement		(8.258)				
Cash Contributed by the Acquired Companies	13.865	0	(255)	0	14.120	
NET CASH FLOW	42.480	59.004	(1.436)	24.829	43.914	34.175
Net Financial Position IAS/IFRS (Opening)	(280.628)	(297.652)	(733.203)	(271.960)	(280.628)	(297.652)
Net Cash Flow	42.480	59.004	(1.436)	24.829	43.914	34.175
Consolidation of New Debt	(500.771)	0	0	0	(500.771)	
Non Cash Items (variance of the period)	10.976	(20.506)	6.695	(12.023)	4.282	(8.483)
Net Financial Position IAS/IFRS (Closing)	(727.942)	(259.154)	(727.942)	(259.153)	(733.203)	(271.960)

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