

## **PRESS RELEASE**

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### **CERVED GROUP: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED RESULTS AS OF 31 MARCH 2018**

#### **GROWTH IN REVENUES, ADJUSTED EBITDA AND ADJUSTED NET INCOME <sup>1)</sup>**

- **Revenues: Euro 105.3 million, +8.4% compared to Euro 97,2 million in the first quarter 2017;**
- **Adjusted EBITDA <sup>2)</sup>: Euro 47.6 million, +8.4% compared to Euro 43.9 million in the first quarter 2017, resulting in an Adjusted EBITDA margin of 45.1%;**
- **Adjusted Net Income <sup>3)</sup>: Euro 23.1 million, +3.1% compared to Euro 22.4 million in the first quarter 2017;**
- **Operating Cash Flow: Euro 19.8 million, (8.3%) compared to Euro 21.6 million in the first quarter 2017;**
- **Net Financial Position: Euro 477.3 million as of 31 March 2018, equating to 2.6x last twelve month Adjusted EBITDA.**

#### **CONFIRMED STRATEGIC OUTLOOK TO 2018 AS COMMUNICATED TO THE MARKETS ON 10 MAY 2016; NEW INVESTOR DAY TO BE HOSTED ON 25 JUNE 2018 TO COMMUNICATE THE NEW STRATEGIC OUTLOOK**

**San Donato Milanese, 7 May 2018** – The Board of Directors of Cerved Group S.p.A. (MTA: CERV, the “Company” and previously Cerved Information Solutions S.p.A.) – 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 2018.

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

*“2018 has kicked off with strong growth in the first quarter: Revenues increased by +8.4% and also Adjusted EBITDA grew by +8.4%, both of which important results which allow us to lay the foundations for a year in line with expectations.”*

*“The first quarter benefits from strong growth in Revenues and Adjusted EBITDA in the Credit Management division thanks to an increase in assets under management in excess of 20 billion Euros from the Quaestio, REV Gestione Crediti and Banca Popolare di Bari portfolios.”*

*“In confirming – for the meanwhile – our strategic outlook as highlighted in our first Investor Day in May 2016, we have scheduled a second Investor Day this forthcoming 25th of June 2016 in order to meet with investors and financial analysts to communicate our strategy and our economic and financial targets for the medium to long term.”*

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<sup>1</sup> Adoption of the new accounting principles with the 2018 reporting year and restatement of the comparative data for 2017

<sup>2</sup> Adjusted EBITDA excludes the impact of the Performance Share Plan 2019-2021

<sup>3</sup> Adjusted Net Income excludes non-recurring income and expenses, amortisation of capitalized financing fees, amortisation of the Purchase Price Allocation, fair value adjustment of put & call options, and the fiscal impact of previous items

## Analysis of Consolidated Revenues

In the first quarter of 2018 the Group's revenues increased by 8.4%, reaching Euro 105.3 million compared to Euro 97.2 million in the first quarter 2017 (+7.1% on an organic basis).

The Credit Information division grew by 1.4% thanks to the positive contribution of both business segments. The Corporate segment grew by 0.5% compared to the first quarter of 2017 which was particularly positive and the solid performance of the fourth quarter of 2017. The Financial Institutions segment exceeded the performance of previous quarters growing by 2.6%, mainly thanks to the strong demand for appraisals in the real estate segment and the positive results of the new initiatives in advanced analytics solutions.

The Credit Management division grew by 32.9% reflecting the solid performance of the credit workout and legal services segments related to banking NPLs, and the positive result of the segment related to the management of receivables for corporate and utilities clients and performing credit exposures.

The Marketing Solutions division grew by 2.6% in the first quarter 2018.

<b>Consolidated Revenues</b> <i>in millions of Euro</i>	<b>First Quarter 2018</b>	<b>First Quarter 2017 (restated)</b>	<b>% Growth</b>
Credit Information - Corporates	38,5	38,4	0,5%
Credit Information - Financial Institutions	33,3	32,5	2,6%
Credit Information	71,8	70,8	1,4%
Credit Management	28,8	21,7	32,9%
Marketing Solutions	5,7	5,6	2,6%
Intra-segment revenues	(1,0)	(0,9)	
<b>Consolidated Revenues</b>	<b>105,3</b>	<b>97,2</b>	<b>8,4%</b>

## Analysis of Consolidated Adjusted EBITDA

The Consolidated Adjusted EBITDA of Euro 47.6 million in the first quarter 2018 represents a growth of 8.4% with respect to the first quarter 2017 (+6.8% on an organic basis). The Adjusted EBITDA margin of the Group was 45.1%, in line with 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 0.9 million. The Consolidated EBITDA – which includes such costs – was Euro 46.6 million, representing a growth of 7.2% with respect to the first quarter 2017, with a Group EBITDA margin of 44.2%.

The Credit Information division reached an Adjusted EBITDA margin of 52.5%, in line with the 52.8% of the first quarter 2017. The Credit Management division reached an Adjusted EBITDA margin of 27.7%, higher than the 21.5% achieved in the first quarter 2017, thanks also to the consolidation of the industrial partnership with Banca Popolare di Bari and the new servicing agreements recently signed in the previous months. The Marketing Solutions division reached an Adjusted EBITDA margin of 33.2%, higher than 31.8% of the first quarter 2017.

<b>Consolidated Adjusted EBITDA</b> <i>in millions of Euro</i>	<b>First Quarter 2018</b>	<b>First Quarter 2017 (restated)</b>	<b>% Growth</b>
Credit Information	37,7	37,4	0,7%
Credit Management	8,0	4,7	70,7%
Marketing Solutions	1,9	1,8	7,0%
<b>Adjusted EBITDA</b>	<b>47,6</b>	<b>43,9</b>	<b>8,4%</b>
Adjusted EBITDA Margin	45,1%	45,1%	

## Analysis of Consolidated Net Income

With respect to Consolidated Net Income, in the first quarter of 2018 the result was a profit of Euro 16.0 million, an improvement compared to Euro 13.2 million of the first quarter 2017.

Adjusted Net Income – which excludes non-recurring income and expenses, amortisation of capitalised financing fees, amortisation of the Purchase Price Allocation, fair value adjustment of put & call options, and the fiscal impact of previous items – reached Euro 23.1 million, an increase of 3.1% compared to Euro 22.4 million in the first quarter of 2017.

## Analysis of Consolidated Net Financial Position

As of 31 March 2018 the Net Financial Position of the Group was Euro 477.3 million, compared to Euro 474.2 million as of 31 December 2017 and Euro 510.0 million as of 31 March 2017. The ratio of Net Financial Position to last twelve month EBITDA was 2.6x as of 31 March 2018.

Consolidated Net Financial Position in millions of Euro	As of 31 March 2018	As of 31 December 2017 (restated)	As of 31 March 2017 (restated)
Net Financial Position	477,3	474,2	510,0
LTM Adjusted EBITDA Multiple <sup>1)</sup>	2,6x	2,6x	n.a.

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

## Business Outlook

With respect to the progress of the Group's business operations for the current year, it is foreseeable that financial year 2018 will register growth in Revenues and Adjusted EBITDA substantially aligned to the strategic outlook as per the Investor Day presentation dated 10 May 2016.

## 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 on 25 June 2018 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 2018

The conference call with institutional investors and financial analysts to comment the results as of 31 March 2018 will take place today, 7 May 2018, at 18:00 (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 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 approximately 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 2018</b>	<b>As of March 31 2017 (restated)</b>
<b>Revenues</b>	<b>105,3</b>	<b>97,2</b>
Other Income	0,1	0,0
Cost of raw materials and other materials	(1,9)	(2,7)
Cost of services	(26,8)	(22,2)
Personnel costs	(25,9)	(24,5)
Other operating costs	(2,2)	(2,1)
Impairment of receivables and other accruals	(1,2)	(1,8)
Total operating costs	(57,8)	(53,4)
<b>Adjusted EBITDA</b>	<b>47,6</b>	<b>43,9</b>
Performance Share Plan	(0,9)	(0,4)
<b>EBITDA</b>	<b>46,6</b>	<b>43,5</b>
Depreciation and amortization	(16,6)	(18,7)
<b>Operating profit before non recurring items</b>	<b>30,0</b>	<b>24,8</b>
Non recurring items	(1,3)	(1,8)
<b>Operating profit</b>	<b>28,7</b>	<b>23,1</b>
Financial income	0,0	0,2
Financial charges	(4,0)	(4,7)
Non recurring financial charges	(0,6)	-
Income tax expense	(8,2)	(5,3)
Non recurring Income tax expense	-	-
<b>Net Income</b>	<b>16,0</b>	<b>13,2</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 Group S.p.A. as of March 31, 2018*

**CONSOLIDATED RECLASSIFIED BALANCE SHEET**

<i>(in millions of Euros)</i>	<b>As of March 31 2018</b>	<b>As of December 31 2017 (restated)</b>
Intangible assets	389,2	395,9
Goodwill	750,4	750,4
Tangible assets	20,4	20,6
Financial assets	10,5	10,5
<b>Fixed assets</b>	<b>1.170,6</b>	<b>1.177,4</b>
Inventories	0,5	2,0
Trade receivables	178,8	160,0
Trade payables	(47,0)	(46,0)
Deferred revenues	(82,9)	(85,5)
<b>Net working capital</b>	<b>49,4</b>	<b>30,5</b>
Other receivables	12,5	7,3
Other payables	(72,6)	(85,9)
Net corporate income tax items	(19,2)	(7,3)
Employees Leaving Indemnity	(13,6)	(13,3)
Provisions	(5,6)	(6,0)
Deferred taxes (1)	(84,1)	(85,1)
<b>Net Invested Capital</b>	<b>1.037,5</b>	<b>1.017,6</b>
IFRS Net Debt (2)	477,3	474,2
Group Equity	560,2	543,3
<b>Total Sources</b>	<b>1.037,5</b>	<b>1.017,6</b>

**Notes:**

*For further details on the financials of the Group, please refer to the Interim Report of Cerved Group S.p.A. as of March 31, 2018*

*(1): Non cash item*

*(2): Net of capitalized financing fees*

**CONSOLIDATED CASH FLOW STATEMENT**

<i>(in millions of Euros)</i>	<b>As of March 31 2018</b>	<b>As of March 31 2017 (restated)</b>
<b>EBITDA Adjusted</b>	<b>47,6</b>	<b>43,9</b>
Net Capex	(9,7)	(9,0)
<b>EBITDA Adjusted-Capex</b>	<b>37,8</b>	<b>34,9</b>
<i>as % of EBITDA</i>	80%	80%
Cash change in Net Working Capital	(21,3)	(17,7)
Change in other assets / liabilities	3,3	4,4
<b>Operating Cash Flow</b>	<b>19,8</b>	<b>21,6</b>
Interests paid	(3,9)	(7,0)
Cash taxes	-	(0,0)
Non recurring items	(0,4)	(4,9)
<b>Cash Flow (before debt and equity movements)</b>	<b>15,5</b>	<b>9,7</b>
Dividends	-	-
Acquisitions / deferred payments / earnout <sup>(1)</sup>	(18,0)	0,2
Other	-	-
Refinancing	(1,0)	-
<b>Net Cash Flow of the Period</b>	<b>(3,5)</b>	<b>9,9</b>

**Notes:**

*For further details on the financials of the Group, please refer to the Interim Report of Cerved Group S.p.A. as of March 31, 2018*

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

**CONSOLIDATED NET FINANCIAL POSITION**

<i>(in millions of Euros)</i>	As of March 31 2018	As of December 31 2017 (restated)	As of March 31 2017 (restated)
A. Cash	0,1	0,0	0,0
B. Cash equivalent	95,0	99,2	53,5
C. Trading securities	-	-	-
<b>D. Liquidity (A)+(B)+(C)</b>	<b>95,1</b>	<b>99,2</b>	<b>53,5</b>
E. Current Financial Receivables	-	-	-
F. Current Bank debt	(0,1)	(0,2)	(0,2)
G. Current portion of non-current debt	1,9	1,8	1,5
H. Other current financial liabilities	(2,9)	(3,3)	(12,9)
<b>I. Current Financial Debt (F)+(G)+(H)</b>	<b>(1,1)</b>	<b>(1,7)</b>	<b>(11,6)</b>
<b>J. Net Current Financial Indebtedness (D)+(E)+(I)</b>	<b>94,0</b>	<b>97,5</b>	<b>41,9</b>
K. Non-current Bank loans	(570,8)	(571,1)	(551,7)
L. Bond Issued	-	-	-
M. Other non current loans	(0,5)	(0,7)	(0,2)
<b>N. Non-current Financial Indebtedness (K)+(L)+(M)</b>	<b>(571,3)</b>	<b>(571,8)</b>	<b>(551,9)</b>
<b>O. Net Financial Indebtedness (J)+(N)</b>	<b>(477,3)</b>	<b>(474,2)</b>	<b>(510,0)</b>

Notes:

For further details on the financials of the Group, please refer to the Interim Report of Cerved Group S.p.A. as of March 31, 2018