

PRESS RELEASE

CERVED INFORMATION SOLUTIONS: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED RESULTS AS OF 30 JUNE 2017

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

- **Revenues: Euro 200.7 million, +6.8% compared to Euro 187.8 million in the first semester of 2016;**
- **Adjusted EBITDA¹⁾: Euro 93.3 million, +5.0% compared to Euro 88.9 million in the first semester of 2016, resulting in an Adjusted EBITDA margin of 46.5%;**
- **Adjusted Net Income: Euro 48.6 million, +10.4% compared to Euro 44.0 million in the first semester of 2016;**
- **Operating Cash Flow²⁾: Euro 74.5 million, +13.9% compared to Euro 65.4 million in the first semester of 2016;**
- **Consolidated Net Financial Position: Euro 522.8 million as of 30 June 2017, equating to 2.8x last twelve month Adjusted EBITDA.**

RECEPTION OF BINDING COMMITMENTS FROM A GROUP OF LENDERS ALLOWING CERVED TO LAUNCH A CONSENT SOLICITATION PROCESS TO AMEND THE EXISTING CREDIT FACILITIES AND ACHIEVE ANNUAL SAVINGS OF APPROX. EURO 2 MILLION

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 July 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 Semiannual Report as of 30 June 2017.

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

“In the first half of 2017 the Group achieved positive results, with a total Revenues growth of +6.8%, Adjusted EBITDA of +5.0% and Adjusted Net Income of +10.4%.”

“On a divisional basis, Credit Information achieved growth of Revenues and Adjusted EBITDA higher than in previous years, with positive results both in the corporate and financial institutions segments. The Credit Management division continues to be an important growth engine for the Group. We remain positive regarding the mid-term growth trajectory, also thanks to the recently signed agreement with Barclays as well as a number of other large scale transactions which are coming to the NPL servicing sector.”

“The results for the first half of 2017 confirm the Group’s strong cash flow generation capabilities, with a leverage ratio of 2.8x despite the payment of dividends of Euro 48.2 million in May.”

Analysis of Consolidated Revenues

In the first half of 2017 the Group’s revenues increased by 6.8%, reaching Euro 200.7 million compared to Euro 187.8 million in the first half 2016 (+5.1% on an organic basis).

The Credit Information division grew by 3.7% thanks to the positive contribution of both business segments. The Corporate segment grew by 5.9% compared to the first half of 2016, thanks to the launch of new products and the contribution of bolt-on acquisitions finalised in the latter part of 2016. The Financial Institutions segment confirmed the performance of previous quarters, growing by 1.1%; this was mainly driven by the strong demand for appraisals in the real estate segment and the positive contribution of new product launches, coupled with the positive performance of the business information segment in the first half.

The Credit Management division grew by 11.2%. Such growth is entirely organic and reflects the solid performance of credit workout and the growth of legal services in the banking NPLs segment. This result, despite a decline in the asset remarketing segment, also incorporates the positive performance of the receivables-based segment for corporates and utilities clients.

The Marketing Solutions division grew by 35.5% in the first half 2017, thanks to organic growth as well as the consolidation of ClickAdv S.r.l. in 2017.

Consolidated Revenues <i>in millions of Euro</i>	First Half 2017	First Half 2016	% Growth
Credit Information - Corporates ¹⁾	79,9	75,5	5,9%
Credit Information - Financial Institutions	64,7	64,0	1,1%
Credit Information	144,6	139,5	3,7%
Credit Management	46,0	41,3	11,2%
Marketing Solutions ²⁾	12,0	8,8	35,5%
Intra-segment revenues	(1,9)	(1,9)	
Consolidated Revenues	200,7	187,8	6,8%

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 Quarterly Revenues

With reference to the second quarter of 2017, total growth of revenues was +3.5% compared to the second quarter 2016 (+3.0% on an organic basis).

The Credit Information division grew by 3.0%, including an increase of 5.3% in the corporate segment, benefitting also of the bolt-on acquisitions made in the second half 2016, and an increase of 0.1% in the financial institutions segment. The Credit Management division grew by 3.0%, while the Marketing Solutions division grew by 11.7%.

Quarterly Revenues <i>in millions of Euro</i>	Second Quarter 2017	Second Quarter 2016	% Growth
Credit Information - Corporates ¹⁾	40,9	38,9	5,3%
Credit Information - Financial Institutions	32,0	32,0	0,1%
Credit Information	73,0	70,9	3,0%
Credit Management	24,5	23,9	3,0%
Marketing Solutions	6,4	5,7	11,7%
Intra-segment revenues	(1,0)	(1,2)	
Consolidated Revenues	102,8	99,3	3,5%

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

Analysis of Consolidated Adjusted EBITDA

The Consolidated Adjusted EBITDA of Euro 93.3 million in the first half 2017 represents growth of 5.0% with respect to the first half of 2016 (+4.3% on an organic basis). The Adjusted EBITDA margin of the Group was 46.5%, 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 0.7 million. The Consolidated EBITDA – which includes such costs – was Euro 92.7 million, representing growth of +4.2% with respect to the first half of 2016, resulting in a Group EBITDA margin of 46.2%.

The Credit Information division reached an Adjusted EBITDA margin of 53.8%, slightly higher than the 53.3% achieved in the first half of 2016. The Credit Management division reached an Adjusted EBITDA margin of 25.8%, lower than 27.6% achieved in the first half 2016, mainly due to the comparison with the excellent results achieved in 2016, in addition to the timing of a number of items impacting revenues and costs during the course of 2017. The Marketing Solutions division reached an Adjusted EBITDA margin of 31.1%, lower than 35.6% in the first half 2016, due to the consolidation of ClickAdv S.r.l. in 2017.

Consolidated Adjusted EBITDA <i>in millions of Euro</i>	First Half 2017	First Half 2016	% Growth
Credit Information ¹⁾	77,8	74,4	4,6%
Credit Management	11,9	11,4	4,0%
Marketing Solutions ²⁾	3,7	3,1	18,3%
Adjusted EBITDA	93,3	88,9	5,0%
Adjusted EBITDA Margin	46,5%	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 Quarterly Adjusted EBITDA

In the second quarter 2017 the Group's Adjusted EBITDA stood at Euro 48.9 million, a growth of 3.8% compared to the second quarter 2016 (3.7% on an organic basis).

In the same period the Adjusted EBITDA of the Credit Information division grew by 5.6% with respect to 2016, whereas the Adjusted EBITDA of the Credit Management division decreased by 3.0%, the latter due to the reasons illustrated above in the analysis of Consolidated Adjusted EBITDA. The Adjusted EBITDA of the Marketing Solutions division decreased by 2.8% chiefly due to a limited number of non-recurring items related to the integration of ClickAdv S.r.l. into the Cerved Group.

Quarterly Adjusted EBITDA <i>in millions of Euro</i>	Second Quarter 2017	Second Quarter 2016	% Growth
Credit Information ¹⁾	39,5	37,4	5,6%
Credit Management	7,4	7,6	(3,0%)
Marketing Solutions	2,0	2,0	(2,8%)
Adjusted EBITDA	48,9	47,1	3,8%
Adjusted EBITDA Margin	47,5%	47,4%	

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

Analysis of Consolidated Net Income

With respect to Consolidated Net Income, in the first half 2017 the profit was Euro 24.8 million, improving by Euro 0.8 million compared to Euro 24.0 million in the first half 2016.



Adjusted Net Income – which excludes non-recurring income and expenses, amortization of capitalized financing fees, amortization of the Purchase Price Allocation and non-recurring income taxes – reached Euro 48.6 million, yielding an increase of 10.4% compared to Euro 44.0 million in the first half of 2016.

Analysis of Consolidated Net Financial Position

As of 30 June 2017 the Net Financial Position of the Group, which includes Euro 48,2 million of dividends paid out in May 2017, was Euro 522.8 million, compared to Euro 510.0 million as of 31 March 2017 and Euro 523.4 million as of 31 December 2016. The ratio of Net Financial Position to last twelve month EBITDA was 2.8x as of 30 June 2017.

Consolidated Net Financial Position <i>in millions of Euro</i>	As of 30 June 2017	As of 31 March 2017	As of 31 December 2016
Net Financial Position	522,8	510,0	523,4
LTM Adjusted EBITDA Multiple ¹⁾	2,8x	2,8x	2,9x

1) 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 of processes, with the aim of improving both the Group's profitability and its generation of Operating Cash Flow.

Resolution to launch consent solicitation process to amend the existing financing agreements

Further to Cerved Group S.p.A. receiving binding commitments in relation to changes to certain provisions of the existing financing agreements from a group of lenders, Cerved Group has resolved to start a formal consent solicitation process in relation to such provisions. The amendments will enable the Group to improve its capital structure by taking advantage of current market conditions and secure annual savings of approximately Euro 2 million.

Main changes are i) the reduction of margins applicable to the existing credit lines, ii) the transformation of the existing Term Loan A from amortising to bullet, and iii) the release of the existing security and guarantee package (including the pledge over Cerved Group S.p.A. shares). In order to ensure a successful outcome, Cerved Group has received binding commitments from a group of lenders providing back-up commitments to bridge any financial needs in relation to the take out of potential dissenting lenders.

The process is expected to complete in the third quarter of 2017.

Conference call to comment results as of 30th June 2017

The conference call with institutional investors and financial analysts to comment the results as of 30 June 2017 will take place this afternoon, 28 July 2017, at 15:30 (Milan time). For further details visit the website of the Company (<http://company.cerved.com>, *Investor Relations* section, *Financial Calendar* area).

The Half-Year Consolidated Financial Statements as of June 30, 2017, will be made available, in accordance with terms imposed by current law, at the registered office of the Company (Via dell'Unione Europea n. 6A/6B – 20097, San Donato Milanese), on the authorised storage system eMarketSTORAGE



(www.emarketstorage.com) and on the Company website (<http://company.cerved.com>, *Investor Relations* area, *Financial Statements*).

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.

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.

Contacts: Community – Strategic Communication Advisers
Marco Rubino
Tel. +39 02 89404231
marco.rubino@communitygroup.it

Cerved Information Solutions
Investor Relations
Pietro Masera
ir@cervedinformationsolutions.com

CONSOLIDATED RECLASSIFIED INCOME STATEMENT

<i>(in millions of Euros)</i>	As of June 30 2017	As of June 30 2016
Revenues	200,7	187,8
Other Income	0,1	0,2
Cost of raw materials and other materials	(4,2)	(3,9)
Cost of services	(47,5)	(42,6)
Personnel costs	(48,3)	(45,9)
Other operating costs	(4,3)	(4,1)
Impairment of receivables and other accruals	(3,1)	(2,6)
Total operating costs	(107,4)	(99,1)
Adjusted EBITDA	93,3	88,9
Performance Share Plan	(0,7)	-
EBITDA	92,7	88,9
Depreciation and amortization	(34,6)	(38,1)
Operating profit before non recurring items	58,1	50,8
Non recurring items	(3,9)	(4,4)
Operating profit	54,2	46,4
Financial income	0,5	0,5
Financial charges	(16,3)	(10,7)
Non recurring financial charges	-	(0,5)
Income tax expense	(13,6)	(11,7)
Non recurring Income tax expense	-	-
Net Income	24,8	24,0

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 Half-Year Report of Cerved Information Solutions S.p.A. as of June 30, 2017

CONSOLIDATED RECLASSIFIED BALANCE SHEET

<i>(in millions of Euros)</i>	As of June 30 2017	As of December 31 2016
Intangible assets	408,8	423,7
Goodwill	732,3	732,5
Tangible assets	20,8	19,8
Financial assets	8,8	8,7
Fixed assets	1.170,7	1.184,7
Inventories	0,9	1,7
Trade receivables	143,2	154,9
Trade payables	(38,7)	(38,5)
Deferred revenues	(61,8)	(77,3)
Net working capital	43,6	40,9
Other receivables	9,0	7,7
Other payables	(58,3)	(53,9)
Net corporate income tax items	(8,3)	0,3
Employees Leaving Indemnity	(12,4)	(13,1)
Provisions	(6,9)	(7,3)
Deferred taxes (1)	(92,6)	(91,9)
Net Invested Capital	1.044,7	1.067,4
IFRS Net Debt (2)	522,8	523,4
Group Equity	521,9	543,9
Total Sources	1.044,7	1.067,4

Notes:

For further details on the financials of the Group, please refer to the Half-Year Report of Cerved Information Solutions S.p.A. as of June 30, 2017

(1): Non cash item

(2): Net of capitalized financing fees

CONSOLIDATED CASH FLOW STATEMENT

<i>(in millions of Euros)</i>	As of June 30 2017	As of June 30 2016
EBITDA Adjusted	93,3	88,9
Net Capex	(20,1)	(17,0)
EBITDA Adjusted-Capex	73,2	71,9
<i>as % of EBITDA</i>	78%	81%
Cash change in Net Working Capital	(0,2)	(8,2)
Change in other assets / liabilities	1,4	1,7
Operating Cash Flow	74,5	65,4
Interests paid	(8,7)	(22,7)
Cash taxes	(9,6)	(10,6)
Non recurring items	(7,2)	(3,7)
Cash Flow (before debt and equity movements)	49,1	28,4
Dividends	(47,7)	(44,5)
Acquisitions / deferred payments / earnout (1)	(1,8)	(23,6)
Other	-	-
Refinancing	-	(35,5)
Net Cash Flow of the Period	(0,4)	(75,1)

Notes:

For further details on the financials of the Group, please refer to the Half-Year Report of Cerved Information Solutions S.p.A. as of June 30, 2017

(1): Includes cash contributed by acquired companies

CONSOLIDATED NET FINANCIAL POSITION

<i>(in millions of Euros)</i>	As of June 30 2017	As of December 31 2016	As of June 30 2016
A. Cash	0,0	0,0	0,0
B. Cash equivalent	43,0	48,5	30,0
C. Trading securities	-	-	-
D. Liquidity (A)+(B)+(C)	43,0	48,5	30,0
E. Current Financial Receivables	-	-	-
F. Current Bank debt	(0,2)	(0,2)	(28,0)
G. Current portion of non-current debt	(11,1)	(11,4)	(5,2)
H. Other current financial liabilities	(2,4)	(2,6)	(2,2)
I. Current Financial Debt (F)+(G)+(H)	(13,8)	(14,2)	(35,4)
J. Net Current Financial Indebtedness (D)+(E)+(I)	29,3	34,3	(5,4)
K. Non-current Bank loans	(552,0)	(556,8)	(560,6)
L. Bond Issued	-	-	-
M. Other non current loans	(0,1)	(0,9)	(2,7)
N. Non-current Financial Indebtedness (K)+(L)+(M)	(552,1)	(557,7)	(563,2)
O. Net Financial Indebtedness (J)+(N)	(522,8)	(523,4)	(568,6)

Notes:

For further details on the financials of the Group, please refer to the Half-Year Report of Cerved Information Solutions S.p.A. as of June 30, 2017