



30 July 2020

Results to 30 June 2020

Cerved Group



Today's Presenters

Andrea Mignanelli
Chief Executive Officer



- ▶ 10 years at Cerved
- ▶ 10 years of TMT industry experience
- ▶ **Prior experience:** Jupiter, McKinsey, GE
- ▶ **Education:** MBA from INSEAD and Corporate Finance degree from Bocconi University

Giovanni Sartor
Chief Financial Officer



- ▶ 11 years at Cerved
- ▶ 11 years of TMT industry experience
- ▶ **Prior experience:** Seves Group, Nylstar (RP-Snia JV), Eni, Heinz
- ▶ **Education:** MBA from Eni University; Statistics and Economics degree from University of Padua

Emanuele Bona
Chief Financial Officer from 1 August 2020



- ▶ Former CFO at Banca Farmafactoring/ BFF Group
- ▶ **Prior experience:** Apax, Merrill Lynch, Goldman Sachs, McKinsey
- ▶ **Education:** MBA from the MIT Sloan School of Management and MSc in Industrial Engineering from Politecnico di Torino

Pietro Masera
Head of IR, ESG & Structured Finance



- ▶ 7 years at Cerved
- ▶ 16 years of TMT industry experience
- ▶ **Prior experience:** CVC, Deutsche Bank, Bankers Trust, UBS, SEAT
- ▶ **Education:** degree in Economics and Business Administration from University of Bergamo

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Executive Summary

H1 2020 Financial Results

- ▶ Overall positive results despite severe lockdown from March to May
- ▶ Revenues of EUR 239.7m -2.6% vs H1 2019, -8.6% organic
- ▶ Adjusted EBITDA of EUR 99.4m -10.5% vs H1 2019, -14.1% organic
- ▶ Operating Cash Flow of EUR 78.6m -2.8% vs H1 2019
- ▶ Adjusted Net Income of EUR 50.7m -14.4% vs H1 2019
- ▶ Leverage 2.7x LTM proforma Adjusted EBITDA

Covid-19

- ▶ Cerved demonstrated its resiliency during the lockdown, particularly in Q2. Current situation warrants for an improvement in H2 in Italy, although further lockdowns cannot be ruled out, and the long term impacts on the company are difficult to predict

Refinancing

- ▶ Finalised **EUR 713m refinancing on 13 May 2020** and related hedging agreements leading to c. €1m annual interest savings vs prior financing package

New CFO

- ▶ **Emanuele Bona** appointed as Chief Financial Officer effective from 1 August 2020, following successful careers at BFF Group, Apax, Merrill Lynch, Goldman Sachs and McKinsey

Financial Outlook

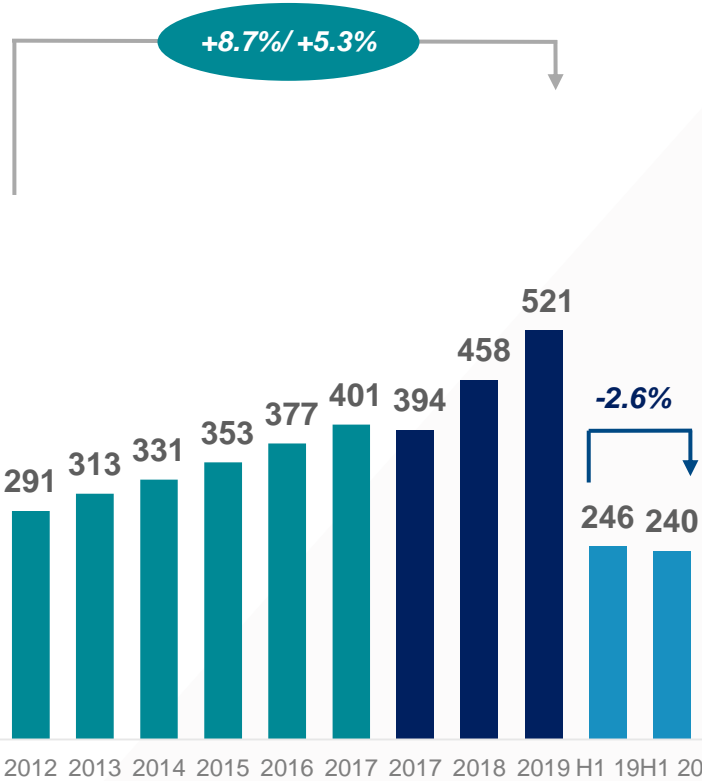
- ▶ Medium to long term **Financial Outlook suspended**, envisaged to be provided in Cerved's third Investor Day scheduled for H2 2020

Consistent Growth and Cash Flow Generation

Total CAGR% / Organic Growth %
%/ %

Revenues (€m)

Consistent Growth

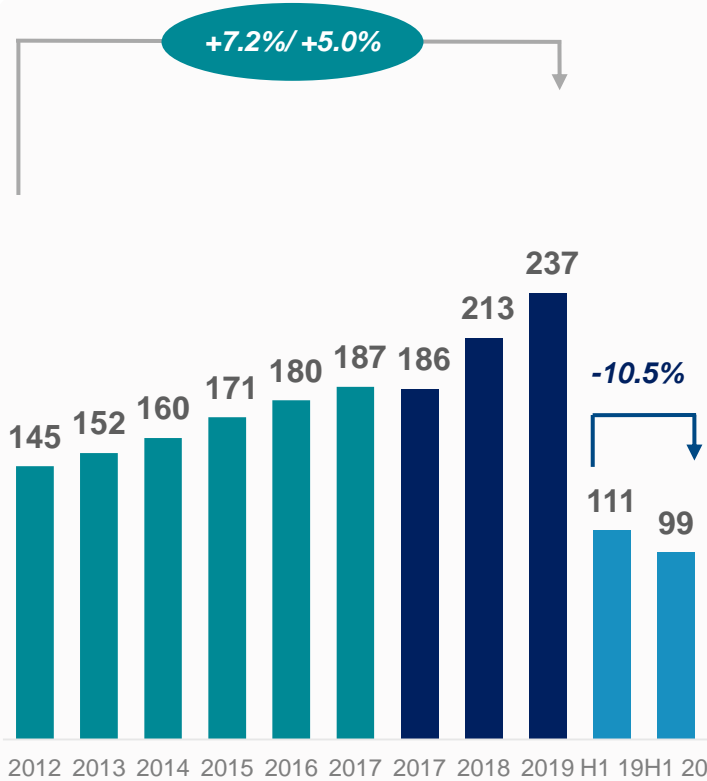


Not restated

Application of IFRS 9, 15, 16

Adjusted EBITDA¹ (€m)

Sustainable profitability

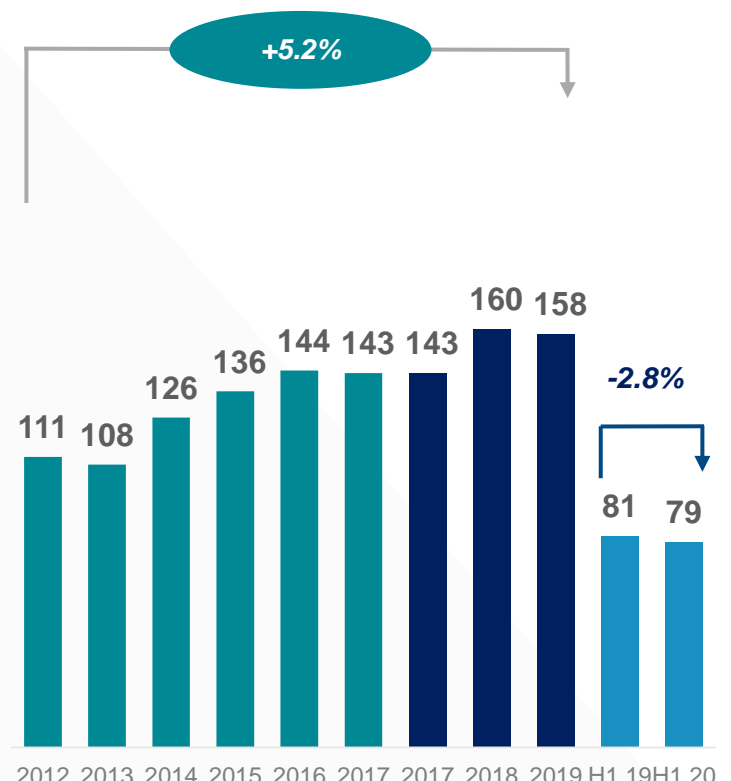


Not restated

Application of IFRS 9, 15, 16

Operating Cash Flow (€m)

High cash flow generation



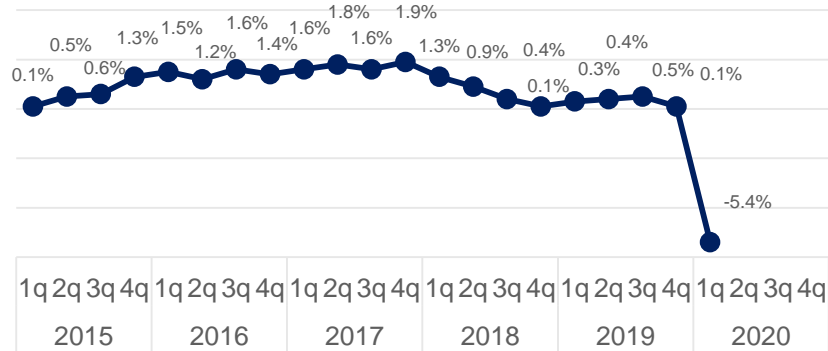
Not restated

Application of IFRS 9, 15, 16

Macro Highlights

GDP growth rate compared to the previous quarter

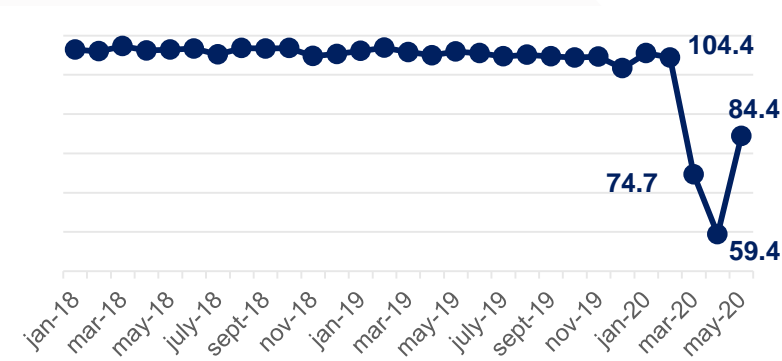
Seasonally adjusted, 2015-2020



Source: ISTAT

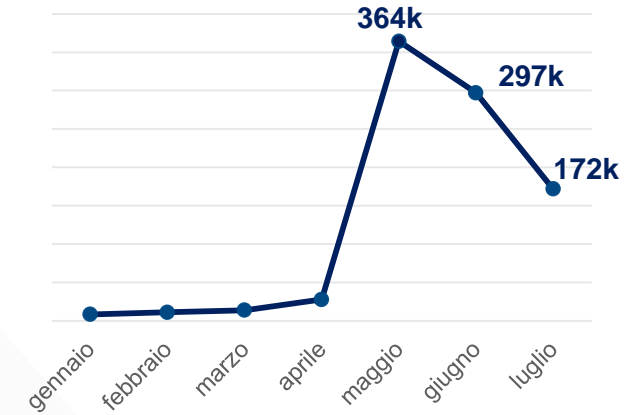
Industrial Production Index

Index number 2015=100



Source: ISTAT

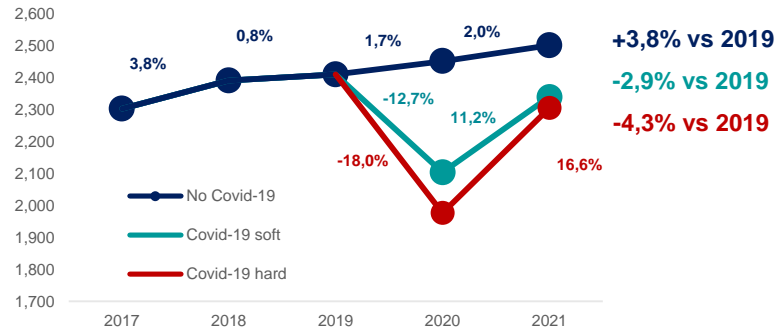
Number of guaranteed loans



Source: Fondo Centrale di Garanzia

Revenue trend for Italian firms

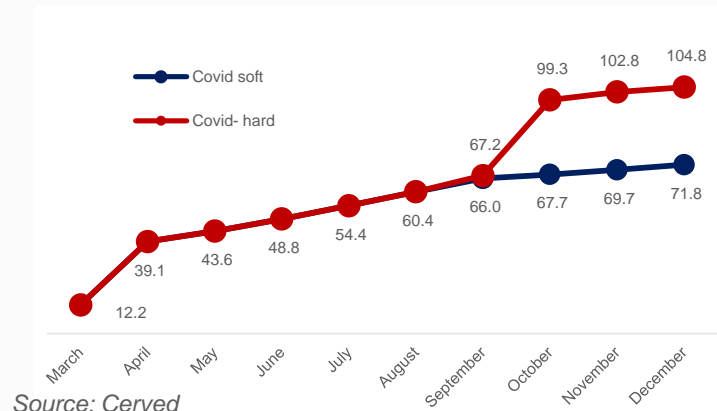
Data in millions €, estimates for 2019 and forecasts for 2020 and 2021



Source: Cerved

Estimated liquidity shortage for firms

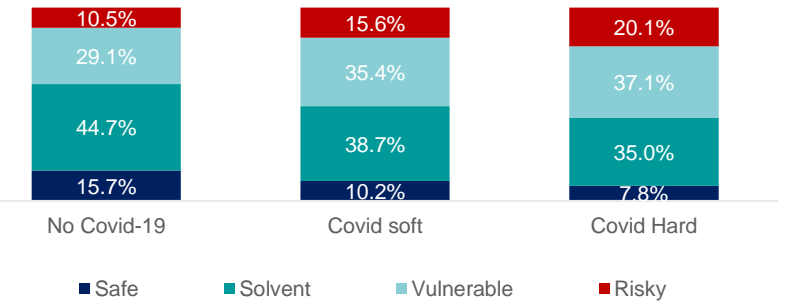
In billions €



Source: Cerved

Covid-19 impact on corporate default risk

Cerved Group Score



Source: Cerved

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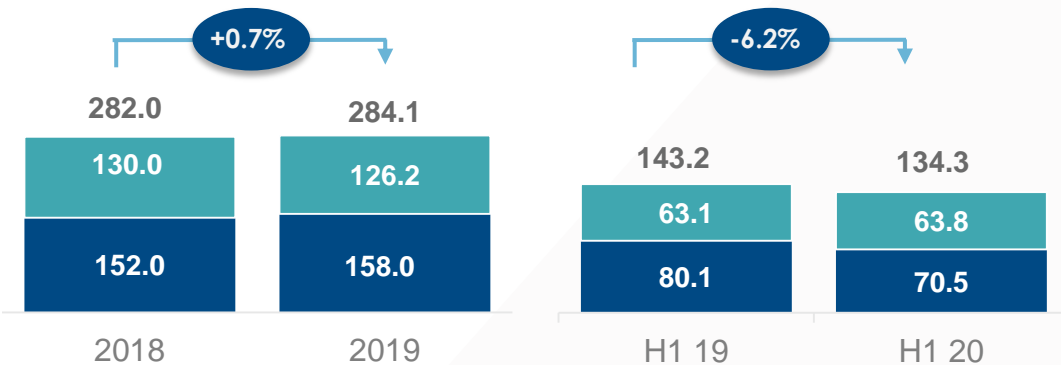
Snapshot of H1 2020 Divisional Results

Area	Revenues	Adj. EBITDA	Drivers
Risk Management <i>Financial Institutions</i>	<p>63.1 (H1 19), 63.8 (H1 20), +1.1%</p>	<p>77.0 (H1 19), 69.9 (H1 20), -9.1%</p>	<ul style="list-style-type: none"> ▶ Growth in Financial Institutions segment thanks to resilient Business Info and subsidized finance ▶ Higher impact of Covid-19 on Corporate segment due to lockdown of SMEs from March to May
Risk Management <i>Corporates</i>	<p>80.1 (H1 19), 70.5 (H1 20), -12.0%</p>		<ul style="list-style-type: none"> ▶ Higher impact on EBITDA due to operating leverage compensated by careful cost management
Growth Services	<p>17.5 (H1 19), 29.9 (H1 20), +70.9%</p>	<p>3.2 (H1 19), 6.4 (H1 20), +103%</p>	<ul style="list-style-type: none"> ▶ Organic Revenue growth for the division in H1, particularly in MBS, Atoka and legacy segments ▶ Overall growth in Revenues and EBITDA positively impacted by first time consolidation of MBS
Credit Management	<p>85.5 (H1 19), 75.5 (H1 20), -11.6%</p>	<p>30.9 (H1 19), 23.0 (H1 20), -25.5%</p>	<ul style="list-style-type: none"> ▶ Covid-19 impact on March-May revenues due to court closures impacting collection of NPLs, albeit strong recovery in June and July ▶ Excluding the MPS agreement, the LFL Revenue and EBITDA decline would have been much lower
Group	-2.6%	-10.5%	

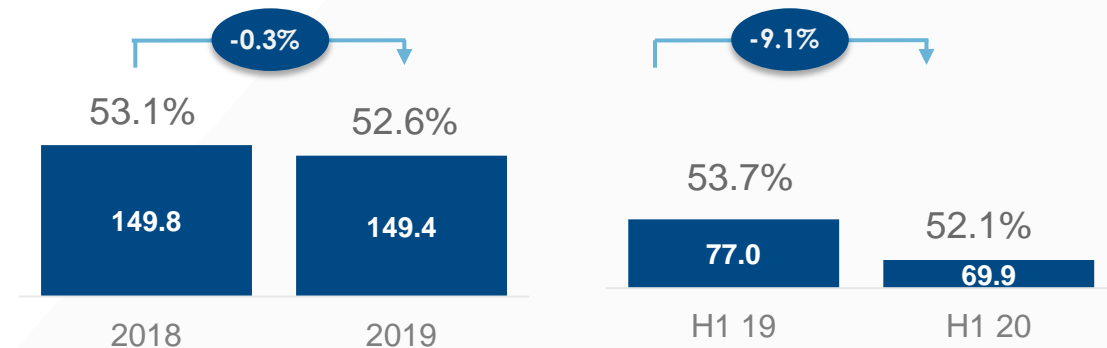
Risk Management

Revenues (€m) and revenues growth (%)

■ **Fin. Institutions** +1.1%
 ■ **Corporates** -12.0%



Adj. EBITDA (€m) and Adj. EBITDA Margin (%)



● Growth %

[%] Margin%

Key highlights

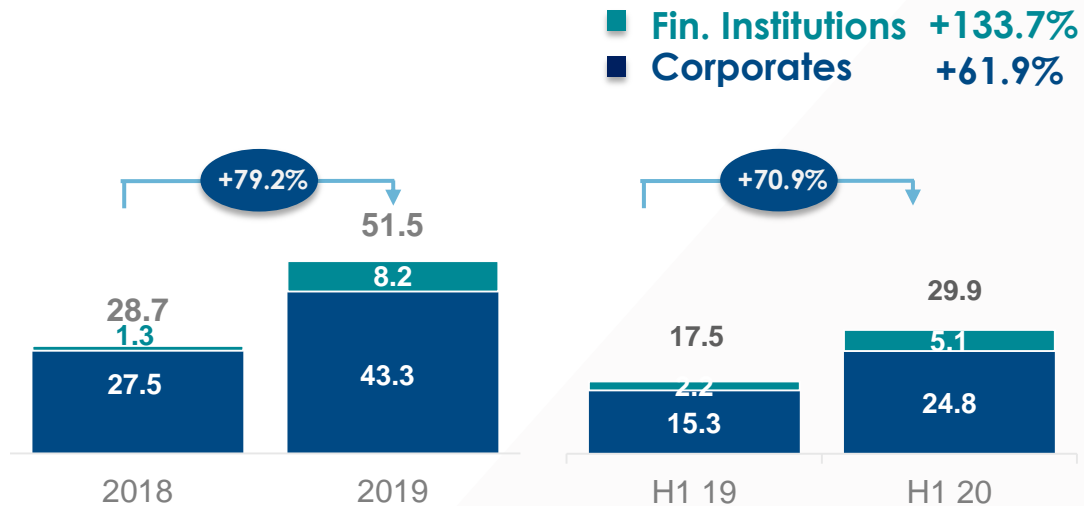
- ▶ Growth in the Financial Institutions segment thanks to the resiliency of mission critical Business Information services with flat-fee contracts, with a surge in subsidized finance/ BPO for liquidity decree more than compensating for the drop in Real Estate services
- ▶ Corporate performance directly correlated to Covid-19 lockdown March to May (-6.3% in Q1 and -17.3% in Q2) resulting in lower sales and consumption. Improvement since June with gradual relaxation of lockdown. Sales expected to recover faster than consumption due to renewals postponed by SME customers during lockdown

Key highlights

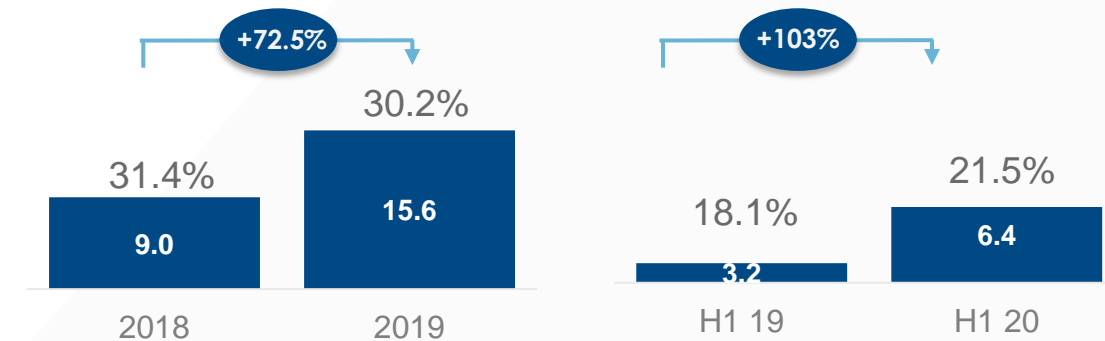
- ▶ YTD decline in EBITDA of -9.1%, with margins declining from 53.7% in H1 2019 to 52.1% in 2020
- ▶ Despite high operating leverage of the Risk Management division, margins were protected by careful management of discretionary and variable costs, e.g. real estate data and field sales commissions

Growth Services

Revenues (€m) and revenues growth (%)



Adj. EBITDA (€m) and Adj. EBITDA Margin (%)



Growth %

[%] Margin%

Key highlights

- ▶ Growth Services division registered positive organic growth in H1, increasing to +71% thanks to first time consolidation of MBS
- ▶ Financial Institutions segment boosted by cross-selling initiatives from MBS and Atoka, as well as from positive growth trends in the legacy service offering
- ▶ Corporate segment reflecting organic growth for all segments save for Digital Marketing with growth in ProWeb SEO solutions more than compensated by contraction in PayClick DEM services

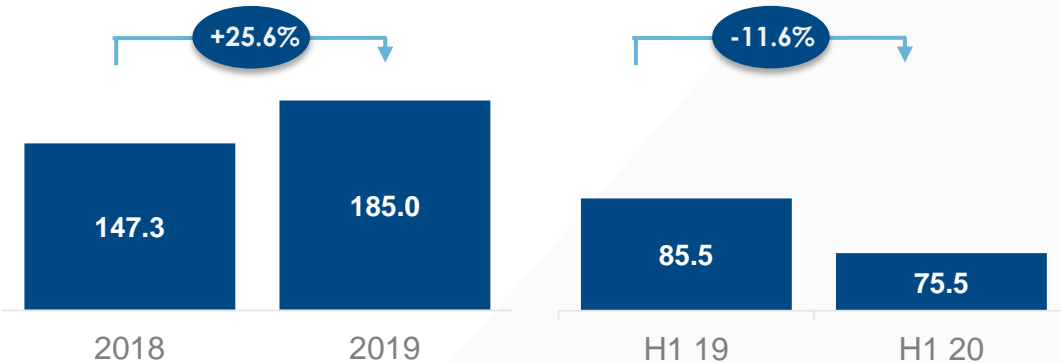
Key highlights

- ▶ Strong growth of EBITDA of +103%, with EBITDA growing from EUR 3.2m to EUR 6.4m. Growth in EBITDA also on a proforma basis including MBS
- ▶ Strong results with growth in all segments and despite the negative contribution from the Digital Marketing segment

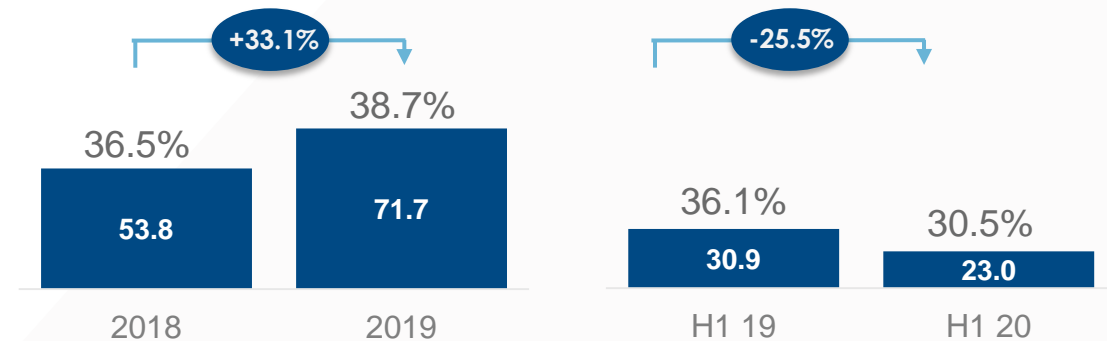
SEO = Search engine optimization; DEM = Direct e-mail marketing

Credit Management

Revenues (€m) and revenues growth (%)



Adj. EBITDA (€m) and Adj. EBITDA Margin (%)



Growth %

[%] Margin%

Key highlights

- ▶ Revenues in H1 2020 from the MPS agreement were c. EUR 3m. On a LFL basis excluding this agreement, Revenues would have declined at a low single digit rate
- ▶ Covid-19 mainly impacted the NPL segment (c. 60% of Revenues) due to court closures from May to March, strong pickup from June, also considering seasonality
- ▶ Solid performance of the corporate collection, legal and Greece segments, with positive organic growth
- ▶ AUMs as of 30/06/2020 of EUR 45.5bn of which EUR 36.9bn NPLs and EUR 8.6bn Performing and Sub-Performing (82% perf. sec., 18% sub performing)

Key highlights

- ▶ EBITDA in H1 2020 from the MPS agreement on forward flows was c. EUR 1.5m. On a LFL basis excluding this agreement, EBITDA would have declined at a low double digit rate
- ▶ As for Revenues, the segment most impacted by Covid-19 relates to NPL servicing. The corporate collection segment registered strong EBITDA growth also on an organic basis, as did the Greek perimeter

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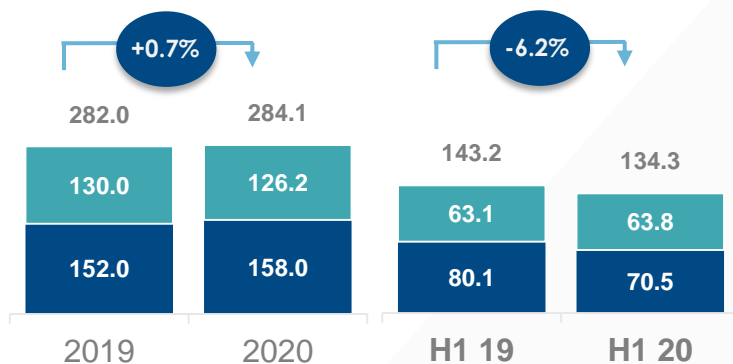
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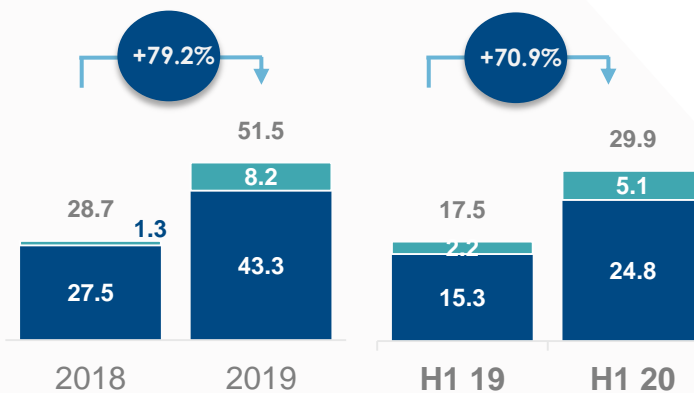
Summary of Group Divisional Performance

Revenues

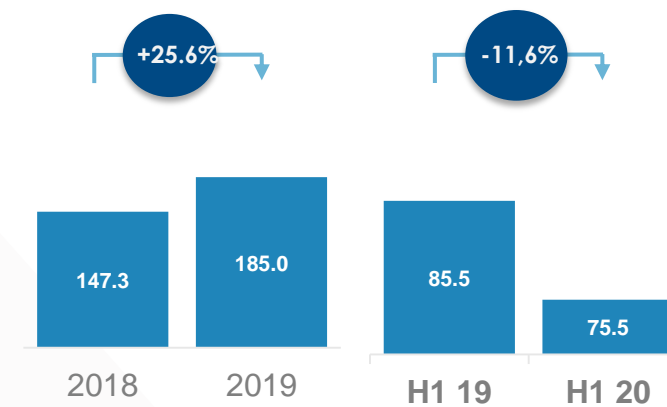
Risk management



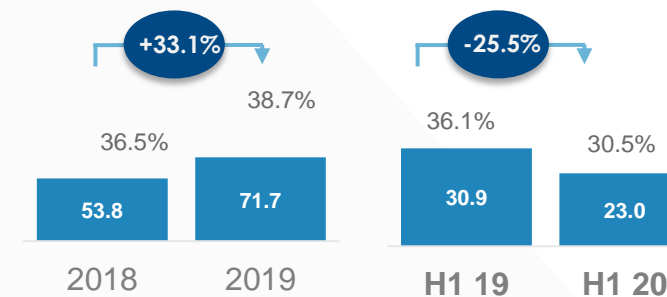
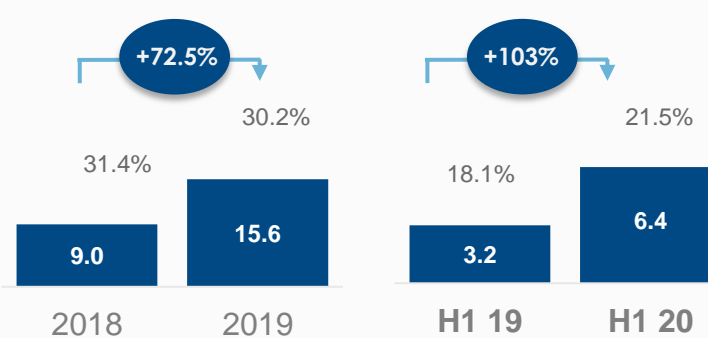
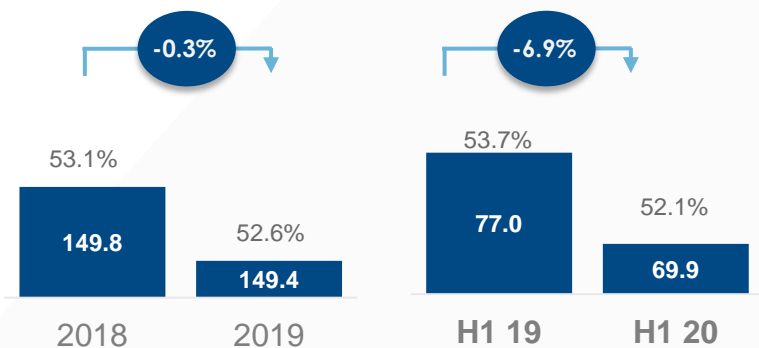
Growth services



Credit Management



Adj. EBITDA



Summary Profit and Loss

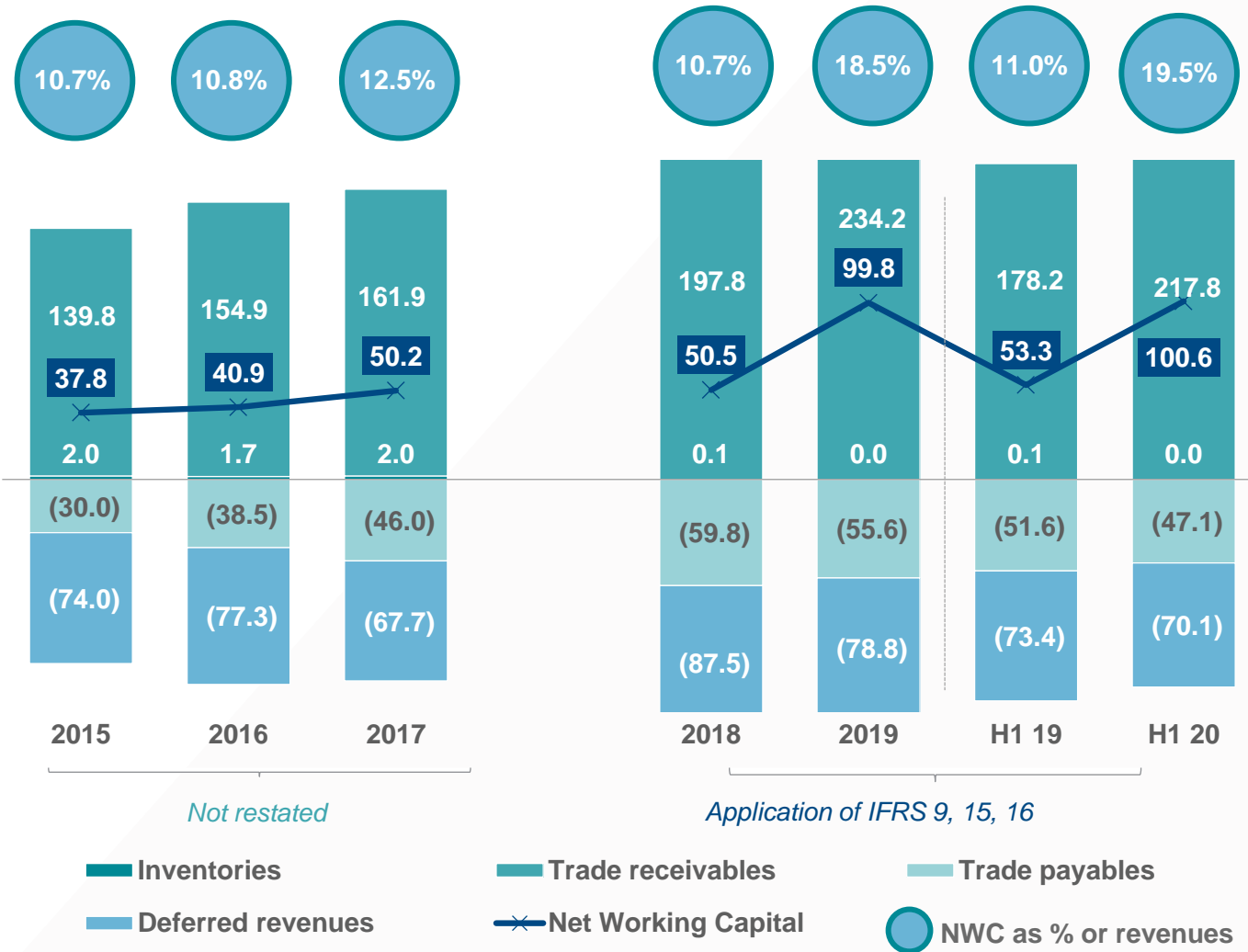
€m	2015	2016	2017	2018	2019	H ₁ 19	H ₁ 20
Revenues¹	353.7	377.1	401.7	458.1	520.6	246.2	239.7
YoY growth %	6.7%	6.6%	6.5%	16.1%	13.7%	10.4%	-2.6%
Adjusted EBITDA	170.8	180.0	187.3	212.6	236.6	111.0	99.4
Margin % on Revenues	48.3%	47.7%	46.6%	46.4%	45.4%	45.1%	41.5%
Performance Share Plan	-	(0.7)	(1.8)	(5.0)	(9.5)	(3.1)	(0.3)
EBITDA	170.8	179.3	185.5	207.6	227.1	107.9	99.1
Depreciation & amortization	(28.5)	(30.6)	(34.3)	(40.9)	(41.6)	(20.6)	(19.9)
EBITA	142.3	148.7	151.2	166.7	185.1	87.3	79.2
PPA Amortization	(45.8)	(47.4)	(32.8)	(36.4)	(43.3)	(20.2)	(21.8)
Non-recurring Income and exp.	(3.8)	(6.5)	(7.3)	(7.2)	(9.1)	(23.0)	(14.2)
Non-recurring (Juliet impact)					(18.8)		
EBIT	92.8	94.8	111.1	123.1	114.3	44.1	43.2
Margin % on Revenues	26.2%	25.1%	27.7%	26.9%	22.0%	17.9%	18.0%
Interest expenses on facilities & Bond	(40.4)	(16.5)	(14.6)	(13.4)	(13.8)	(6.8)	(6.8)
Other net financial (recurring)	(1.7)	(2.3)	(15.2)	(1.2)	(15.2)	(4.1)	9.5
Net financial (non-recurring)	(52.4)	(0.5)	5.2	2.9	(0.0)	0.0	(15.8)
PBT	(1.7)	75.5	86.5	111.3	85.3	33.2	30.1
Income tax expenses	5.3	(26.8)	(28.2)	(22.5)	(27.1)	(13.7)	(9.3)
of which non-recurring	-	4.5	-	-	5.2	5.2	(1.2)
Reported Net Income	3.6	48.7	58.3	88.8	58.2	24.7	19.6
Reported Minorities	(2.2)	(1.4)	(1.6)	(4.0)	(3.6)	3.2	(1.5)
Reported Net Income (post minorities)	1.4	42.8	56.8	84.8	54.6	27.9	18.0
Adjusted Net Income	68.5	92.0	98.2	116.7	121.9	59.2	50.7
Adjusted Minorities	(2.5)	(1.9)	(2.0)	(6.2)	(14.7)	(5.4)	(2.7)
Adjusted Net Income (post minorities)	66.0	90.1	96.1	110.5	107.2	53.9	48.0

Not restated

Application of IFRS 9, 15, 16

- ▶ Adjusted Net Income after minority interests decreased by 10.9%. Minority interest significantly declined due to Cerved reaching a 100% ownership stake in the Juliet platform in February
- ▶ Adjustment of the impact of the Performance Share Plan, due to Covid-19 impact on vesting expectations
- ▶ D&A stable, PPA amortization increases due to EUR 14.8m of write-down of PayClick and legacy Marketing Solutions
- ▶ Other net financial (recurring) has a EUR 12.1m fair value adjustment for residual stakes in MBS and ProWeb
- ▶ Non-recurring financial items of EUR 15.8m related to upfront fees, of which EUR 6.4m to extinguish the IRS agreement for the prior financing
- ▶ Taxation in 2020 does not yet include specific benefits from “Patent Box”, under negotiation with tax authorities

Net Working Capital



- ▶ Net Working Capital reached 19.5% of LTM pro forma Revenues to June 2020, higher than 11% in June 2019 albeit slightly lower than March 2020
- ▶ The increase in Trade Receivables is attributable to the following factors: (i.) the contribution of approx. EUR 15m from M&A targets (Cerved Finline, EuroLegal Service and MBS Consulting); (ii.) higher invoices to be issued, and (iii.) higher DSO vis-à-vis SME clients as an effect of Covid-19
- ▶ Trade Payables declined by EUR 4.6m, due to lower business volumes, lower capex and few payables in recently acquired companies
- ▶ Deferred Revenues decreased by EUR 3.2m due to increased difficulties in selling pre-paid points to clients during the lockdown

Operating Cash Flow

€m	2015	2016	2017
Adjusted EBITDA	170.8	180.0	187.3
Net Capex	(31.6)	(33.5)	(38.9)
Adjusted EBITDA-Capex	139.1	146.5	148.4
<i>as % of Adjusted EBITDA</i>	81%	81%	79%
Cash change in Net Working Capital	3.0	(4.6)	(8.9)
Change in other assets / liabilities	(6.0)	2.0	3.0
Operating Cash Flow	136.1	144.0	142.6

Not restated

2018	2019	H ₁ 19	H ₁ 20
212.6	236.6	111.0	99.4
(39.7)	(35.7)	(19.2)	(17.0)
172.8	200.9	91.8	82.3
81%	85%	83%	83%
(19.1)	(33.2)	1.2	5.2
6.4	(9.6)	(12.1)	(8.9)
160.1	158.1	80.9	78.6

Application of IFRS 9, 15, 16

- ▶ Very resilient performance of Operating Cash Flow in H1 2020 which decreased by only 2.8% to EUR 78.6m
- ▶ As anticipated in the FY results presentation, positive collection in the early part of 2020 arising from the build-up of trade receivables which had occurred in Q4
- ▶ Decrease in Capital Expenditure, from EUR 19.2 in H1 2019 to EUR 17.0m in H1 2020, mainly within Risk Management division
- ▶ Positive impact of lower VAT compared to the prior year for an amount of EUR 4-5m

Financial Indebtedness

€m	2015	2016	2017	2018	2019	H ₁₉	H ₂₀
Senior Bank facilities	530.0	557.6	548.0	548.0	548.0	548.0	563.0
Other financial Debt	41.8	17.0	35.8	46.7	37.4	57.5	48.7
Accrued Interests & Other (including IFRS 16)	17.3	6.6	4.5	51.0 ¹	58.9 ¹	52.8 ¹	55.3 ¹
Gross Debt	589.1	581.3	588.3	645.7	644.3	658.3	666.9
Cash	(50.7)	(48.5)	(99.2)	(42.4)	(86.2)	(47.5)	(46.9)
Amortized cost	(1.5)	(9.3)	(14.9)	(12.2)	(8.6)	(10.5)	(11.1)
IFRS Net Debt	536.8	523.4	474.2	591.1	549.5	600.3	608.9
Non-recurring impact of "Forward Start" transaction	37.7						
Adj Net Debt	499.1	523.4	474.2	591.1	549.5	600.3	608.9
Net Debt/ LTM Adj. EBITDA	2.9x	2.9x	2.5x	2.7x	2.3x	2.7x	2.7x

Not restated

Application of IFRS 9, 15, 16

- ▶ Net Debt reached EUR 608.9m as of 30 June 2020, compared to EUR 549.5m as of 31 December 2019
- ▶ The leverage ratio as of 30 June 2020 was 2.7x based on proforma LTM Adjusted EBITDA
- ▶ Financial indebtedness includes EUR 86m for M&A minorities (Juliet holdco, CCMG, MBS, EuroLegal, ProWeb, SpazioDati and Greece) and EUR 15m related to the refinancing exercise
- ▶ Closed EUR 713m refinancing on 13 May 2020 with EUR 150m RCF, 5-year maturity and 4.5 year average life. Margin ratchet with 2.0% margin with leverage of 2.0x-2.5x and 2.25% margin with leverage 2.5x-3.0x. Interest Rate Swap from floating to fixed at a rate of -8bps, leading to yearly savings of c. EUR1m p.a. at constant leverage

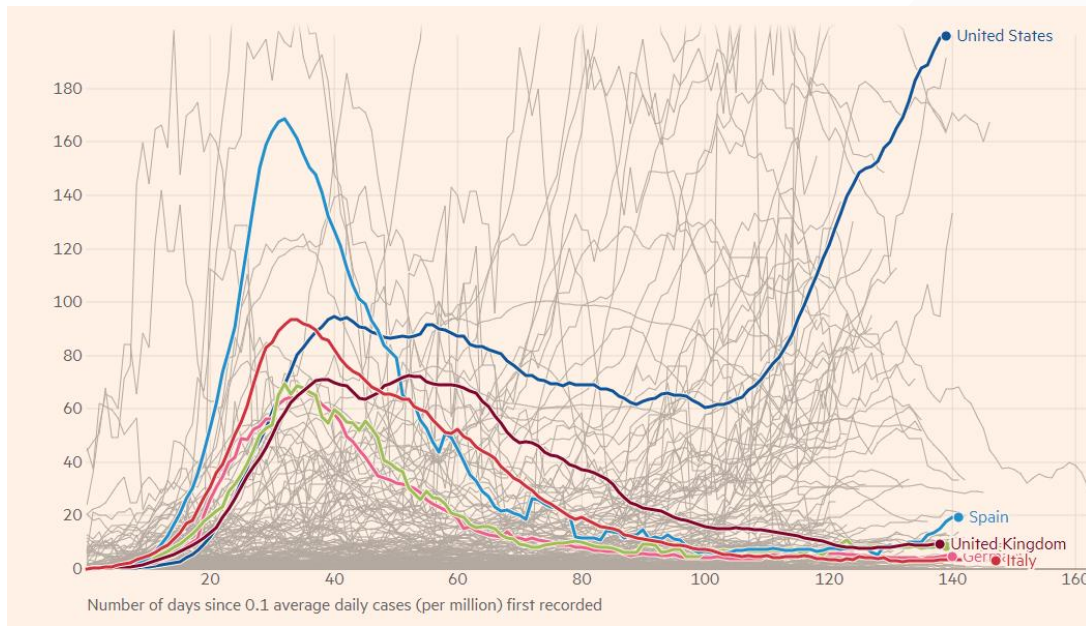
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Covid-19 Impact on the Italian Economy

New confirmed cases of Covid-19



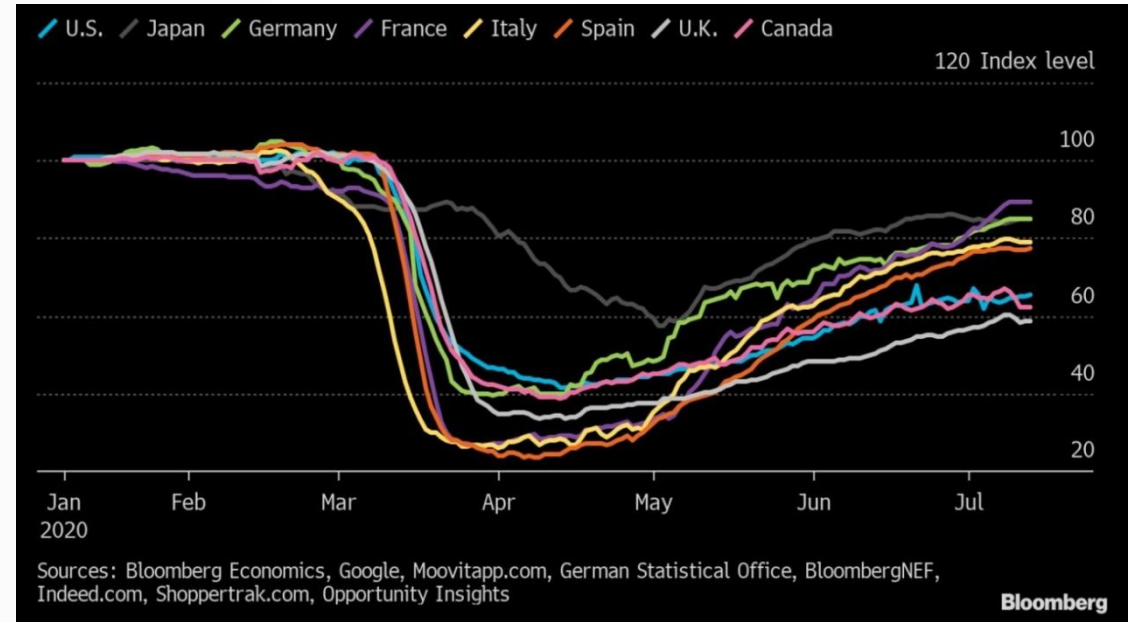
Source: Financial Times

Seven-day rolling average of new cases (per million), by number of days since 0.1 average daily cases (per million) first recorded

Key highlights

- ▶ Tight and lengthy lockdown, but Italy is now performing better than almost all of its peers
- ▶ The likelihood and impact of a potential new wave appear to be lower than initial expectations

Daily Activity Indices



Source: Bloomberg

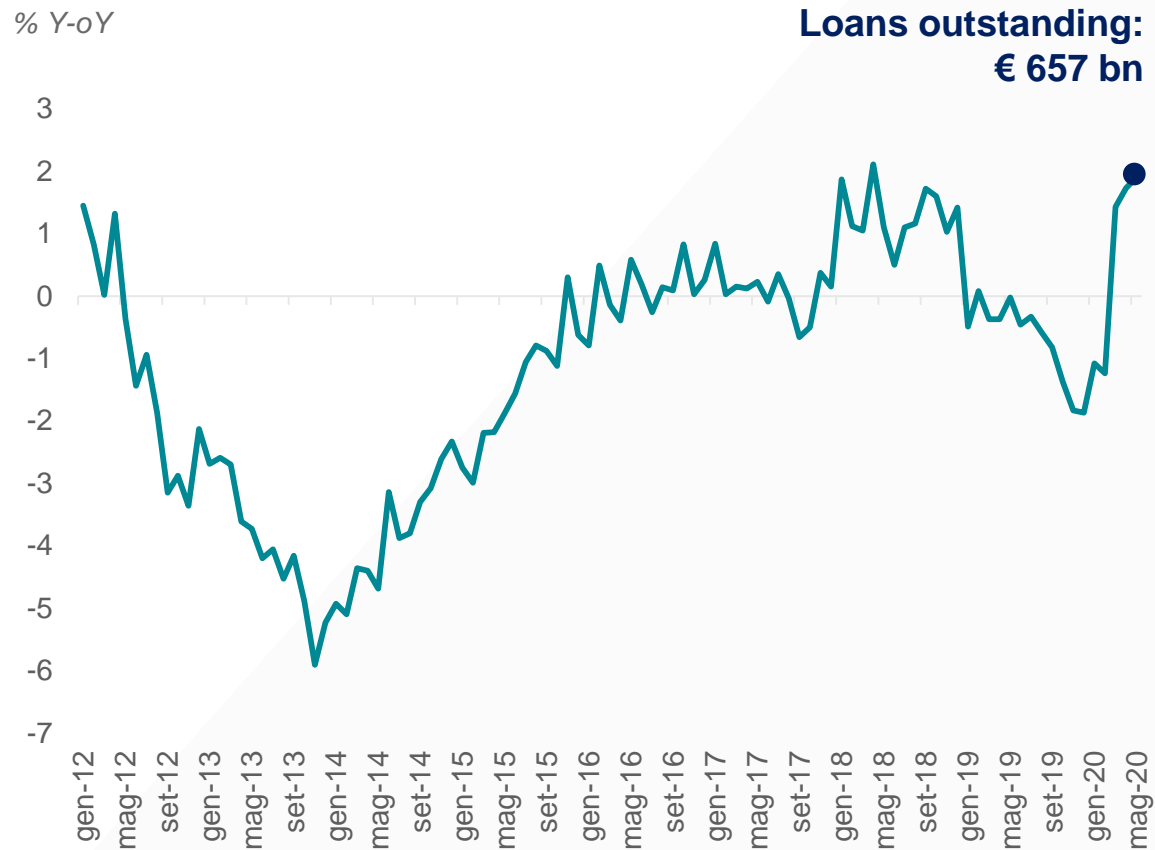
Key highlights

- ▶ Italy's GDP is expected to decline more than its peers, due to the tighter and longer lockdown
- ▶ The pace of recovery for most major advanced economies has stabilised, with Italy in line with the median

Covid-19 Impact on Lending and Non Performing Exposures

Loans to non financial corporations

12 month change on previous year



Key highlights - Lending

- ▶ As a response to the pandemic, the Italian Government approved the Liquidity Decree aimed at providing up to EUR 400bn of liquidity
- ▶ According to ABI, loans to corporates are booming: 861k applications as of 17 July 2020 for a total of EUR 55bn of guaranteed loans
- ▶ Situation expected to improve with the approval of the European Recovery Fund

Key highlights - NPEs

- ▶ Courts were closed from 9 March to 12 May, with opening of “Phase 2”. Strong pickup in June also via smart-working and further consolidation in July
- ▶ Government Decrees have blocked bankruptcy declarations until the end of June, and also postponed deadlines of negotiation procedures
- ▶ According to PWC, NPE new inflows in range of EUR 60-100bn in the next 18 months

Covid-19 Crisis Response – Overview

Areas and Activities

Business Continuity	People & Safety
	Continuity
Crisis Governance & Control	Crisis Management
	Financial Measures & Monitoring
Business Ecosystem Support	Covid-19 Related Product Offering
Community Support	

Description

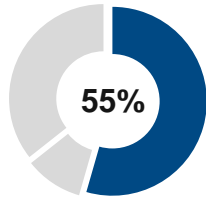
- **Smart-Working:** >99% of staff able to work effectively from remote locations
- **Office Safety:** detailed protocol for emergency phase to gradually allow re-opening of offices
- **Social safety net and holidays:** ad hoc initiatives immediately undertaken
- **Infrastructure:** strengthened in order to guarantee operational continuity
- **Insurance:** subscription of health and life insurance for all the employees
- **Ad-hoc Committees:** comprising top management figures to manage key areas
- **Stress Test Scenarios:** to assess the outcome of Covid-19 on group financials
- **Monitoring Dashboard:** to control the business metrics and performance indicators
- **Liquidity and Financial Flexibility:** refinanced facilities and extended maturities
- **Dividend Policy and Medium Term Outlook:** currently suspended
- **Dedicated Product Offering:** aimed at providing Banks and Corporates appropriate products and services to deal with Covid-19 crisis comprising for instance Research, Impact Risk assessments, Subsidised Finance services, etc.
- **Research:** provided free publications on the economic impact of Covid-19
- **Community:** portion of Revenues contributed to institutions such as hospitals and charitable organisations and other initiatives

Covid-19 Crisis Response – Top Line

% '19 Revs

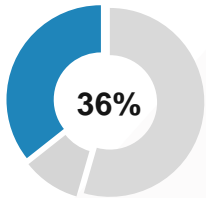
Top Line Impact and Initiatives

Risk Management



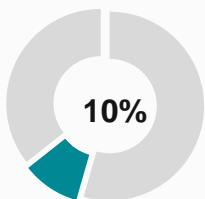
- ▶ **Financial Institutions:** Business Info and Ratings & Analytics resilient thanks to mission-critical offering and high incidence of flat-fee contracts. Real Estate suffering due to fall in demand in mortgages during lockdown. Massive increase in demand to assist banks in processing “Fondo Centrale di Garanzia” credit requests
- ▶ **Corporates:** Lockdown resulted in initial difficulties in contacting clients, particularly SMEs, subsequently improved via smart-working and gradual easing of lockdown. Large clients experiencing delays in new projects. Solid growth in risk analysis products and advisory services

Credit Management



- ▶ **NPL Segment:** short-term decrease in collections due to court closure during lockdown, increased financial difficulties of debtors, and envisaged moratoriums. Early termination of MPS contract
- ▶ **Credit Collection:** increased activity from surge in delinquent receivables, coupled with benefits from merger of corporate sales forces
- ▶ **Legal Services, Performing, Greece:** resilient due to limited correlation to short term collection
- ▶ **Medium term upside** due to expected increase of NPLs, UTPs and delinquent receivables

Growth Services



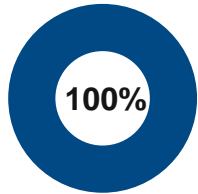
- ▶ **MBS Advisory:** continuing strong performance in 2020 thanks to high quality client base and size and duration of projects which were secured pre Covid-19 outbreak
- ▶ **Digital Marketing:** volume increase for search engine optimisation (“SEO”) more than compensated by contraction in PayClick DEM (direct e mail marketing) services; contraction of new business
- ▶ **Artificial Intelligence:** continuing strong performance chiefly driven by cross-selling opportunities to Cerved’s bank clients. Good performance of Atoka bundles in SME market also during lockdown period
- ▶ **Launch of ad-hoc Covid-19 solutions** available to support all categories of clients

Covid-19 Crisis Response – Costs & Capex

% '19 Revs

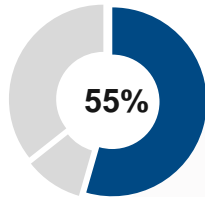
Cost and Capex Impact and Initiatives

All Divisions
& Corporate



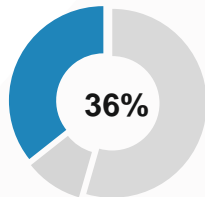
- ▶ **Personnel costs:** contingency plan already in place including hiring freeze, utilization of unused days of vacation, utilization of social safety net instruments (“Cassa Integrazione”)
- ▶ **Aggressive reduction of all discretionary costs:** marketing expenses, events, advisory services
- ▶ **Investment plan:** postponement of non-critical projects and capex, exclusion made for capex related to business continuity, smart-working and other similar initiatives
- ▶ **Covid-19 initiatives:** specific cost center to capture all Covid-19 related initiatives, in particular to foster safety and health requirements for all staff in offices

Risk
Management



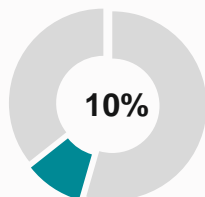
- ▶ **High level of cost variability:** cost of the field sales force of the Corporate segment, and real estate data and experts related to Real Estate services
- ▶ **Data costs:** selective savings particularly in areas which are showing reduced corporate activity

Credit
Management



- ▶ **High level of cost variability:** loan managers and call center operators for all collection activities on NPLs and Receivables (remuneration is a % of collection)
- ▶ **Personnel costs:** temporary shift of selected personnel to provide manpower to execute activities related to BPO of Fondo Centrale di Garanzia, supporting Risk Management services

Growth
Services



- ▶ **High level of cost variability:** reduction in use of external consultants (mainly related to MBS) and media agency fees (mainly related to DEM services)
- ▶ **Operating leverage:** remix of the product offering towards solutions with higher value-added for clients and with higher degree of scalability and operating leverage

Appendix

New Organisation

The new Cerved Purpose “*Help the Italian system protect itself from risk and sustainably grow*” has been reflected in Cerved’s revised divisional reporting starting from Q1 2020

	Mission	Service lines	Divisional Contribution								
Risk Management	<i>Help customers manage credit, operational and compliance risks</i>	<ul style="list-style-type: none"> Business Information KYC, AML & Antifraud Cerved Rating Agency ESG Solutions 	<table border="1"> <thead> <tr> <th>Risk Mgmt.</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>284.1</td> </tr> <tr> <td>Adj EBITDA</td> <td>149.4</td> </tr> <tr> <td>Margin %</td> <td>52.6%</td> </tr> </tbody> </table> 	Risk Mgmt.	2019	Revenues	284.1	Adj EBITDA	149.4	Margin %	52.6%
Risk Mgmt.	2019										
Revenues	284.1										
Adj EBITDA	149.4										
Margin %	52.6%										
Growth Services	<i>Help customers on all levers of business development</i>	<ul style="list-style-type: none"> Market & customer insights Service Design AI² for Sales & Marketing Digital Marketing 	<table border="1"> <thead> <tr> <th>Growth Serv.</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>51.5</td> </tr> <tr> <td>Adj EBITDA</td> <td>15.6</td> </tr> <tr> <td>Margin %</td> <td>30.2%</td> </tr> </tbody> </table> 	Growth Serv.	2019	Revenues	51.5	Adj EBITDA	15.6	Margin %	30.2%
Growth Serv.	2019										
Revenues	51.5										
Adj EBITDA	15.6										
Margin %	30.2%										
Credit Management	<i>Help customers to manage credit loans process throughout their entire life cycle</i>	<ul style="list-style-type: none"> Banking NPL & UTP Credit Collection Performing loans Value added services 	<table border="1"> <thead> <tr> <th>Credit Mgmt.</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Revenues</td> <td>185.0</td> </tr> <tr> <td>Adj EBITDA</td> <td>71.7</td> </tr> <tr> <td>Margin %</td> <td>38.7%</td> </tr> </tbody> </table> 	Credit Mgmt.	2019	Revenues	185.0	Adj EBITDA	71.7	Margin %	38.7%
Credit Mgmt.	2019										
Revenues	185.0										
Adj EBITDA	71.7										
Margin %	38.7%										

1) Subsidised financing (Cerved FinLine); 2) Artificial Intelligence (e.g. Atoka); 3) MBS Consulting; 4) Cerved Money&GO

Revenues and EBITDA for 2018 and 2019 following new reporting

New reporting restatement

Revenues ¹	2018					2019					2020		
	Q1	Q2	Q3	Q4	TOT	Q1	Q2	Q3	Q4	TOT	Q1	Q2	H1 2020
Risk Management	71.0	73.3	62.6	75.2	282.0	70.0	73.243	62.4	78.5	284.2	66.5	67.8	134.3
<i>F. Institutions</i>	32.9	32.2	31.3	33.6	130.0	31.6	31.504	29.7	33.4	126.2	30.5	33.3	63.8
<i>Corporates</i>	38.0	41.1	31.3	41.6	152.0	38.4	41.740	32.6	45.2	158.0	36.0	34.5	70.5
Growth Services	6.1	7.2	5.6	9.8	28.7	8.8	8.747	11.6	22.4	51.5	14.6	15.3	29.9
<i>F. Institutions</i>	0.2	0.3	0.3	0.4	1.3	1.1	1.089	1.9	4.1	8.2	2.6	2.5	5.1
<i>Corporates</i>	5.9	6.9	5.3	9.4	27.5	7.7	7.657	9.7	18.2	43.3	12.0	12.8	24.8
Credit Management	28.4	37.1	32.4	49.5	147.3	38.7	46.779	40.9	58.6	185.0	40.7	34.8	75.5
Group total	105.4	117.6	100.6	134.5	458.1	117.5	128.769	114.9	159.5	520.7	121.8	118.0	239.7

Adj. EBITDA	2018					2019					2020		
	Q1	Q2	Q3	Q4	TOT	Q1	Q2	Q3	Q4	TOT	Q1	Q2	H1 20
Risk Management	38.9	39.8	32.4	38.6	149.8	38.0	39.0	31.7	40.8	149.5	35.1	34.8	69.9
Growth Services	1.3	2.1	1.9	3.7	9.0	1.6	1.5	3.2	9.0	15.4	3.1	3.3	6.4
Credit Management	8.3	13.9	9.7	21.9	53.8	13.4	17.5	14.8	26.0	71.7	14.0	9.0	23.0
Group total	48.5	55.8	44.0	64.2	212.6	52.9	58.1	49.8	75.8	236.6	52.3	47.1	99.4

New Reporting Reconciliation

Reconciliation between former and new reporting for FY 2019

Former reporting

REVENUES	Euro
Credit Information	308.5
Marketing Solutions	29.7
Credit Management	187.3
(Intercompanies)	(4.8)
Total Revenues	520.6

Adj. EBITDA	Euro
Credit Information	156.4
Marketing Solutions	8.6
Credit Management	71.7
Total Adj. EBITDA	236.6

New reporting

REVENUES	Euro
Risk Management	284.1
old Credit Information	308.5
- MBS Consulting	(14.4)
- Artificial Intelligence (Atoka), Advisory and other products	(7.7)
(Intercompanies)	(2.2)
Growth Services	51.5
old Marketing Solutions	29.7
+ MBS Consulting	14.4
+ Artificial Intelligence (Atoka), Advisory and others	7.7
(Intercompanies)	(0.2)
Credit Management	185.0
old Credit Management	187.3
(Intercompanies)	(2.3)
Total Revenues	520.6

Adj. EBITDA	Euro
Risk Management	149.4
old Credit Information	156.4
- MBS Consulting	(6.4)
+ Artificial Intelligence (Atoka), Advisory and others	(0.6)
Growth Services	15.6
old Marketing Solutions	8.6
+ MBS Consulting	6.4
+ Artificial Intelligence (Atoka), Advisory and others	0.6
Credit Management	71.7
Total Adj. EBITDA	236.6

2016-H₁ 2020 Profit and Loss

€m	2016	2017	2018 (rest.)	2019	H ₁ 19	H ₁ 20
Total Revenues (including other income)	377.1	401.7	458.1	520.6	246.2	239.7
Cost of raw material and other materials	(7.4)	(7.1)	(3.2)	(1.3)	(0.6)	(0.3)
Cost of Services	(84.9)	(98.5)	(117.3)	(128.3)	(62.7)	(60.1)
Personnel costs	(91.7)	(96.8)	(114.1)	(140.9)	(65.3)	(72.6)
Other operating costs	(8.6)	(8.7)	(7.0)	(8.2)	(4.1)	(3.4)
Impairment of receivables and other provisions	(4.5)	(3.2)	(3.8)	(5.4)	(2.5)	(3.9)
Adjusted EBITDA	180.0	187.3	212.6	236.6	111.0	99.4
Performance Share Plan	(0.7)	(1.8)	(5.0)	(9.5)	(3.1)	(0.3)
EBITDA	179.3	185.5	207.6	227.1	107.9	99.1
Depreciation & amortization	(30.6)	(34.3)	(40.9)	(41.6)	(20.6)	(19.9)
EBITA	148.7	151.2	166.7	185.1	87.3	79.2
PPA Amortization	(47.4)	(32.8)	(36.4)	(43.3)	(20.2)	(21.8)
Non-recurring Income and expenses	(6.5)	(7.3)	(7.2)	(9.1)	(23.0)	(14.2)
Non- recurring impact of Juliet				(18.8)		
EBIT	94.8	111.1	123.1	114.3	44.1	43.2
Interest expenses on facilities & Bond	(16.5)	(14.6)	(13.4)	(13.8)	(6.8)	(6.8)
Other net financial (recurring)	(2.3)	(15.2)	(1.2)	(15.2)	(4.1)	9.5
Net financial (non-recurring)	(0.5)	5.2	2.9	(0.0)	(0.0)	(15.8)
PBT	75.5	86.5	111.3	85.3	33.2	30.1
Income tax expenses	(26.8)	(28.2)	(22.5)	(27.1)	(13.7)	(9.3)
<i>of which Non-recurring</i>	4.5	-	-	5.2	5.2	(1.2)
Reported Net Income	48.7	58.3	88.8	58.2	24.7	19.6
Reported Minorities	(1.4)	(1.6)	(4.0)	(3.6)	3.2	(1.5)
Reported Net Income (ex minorities)	42.8	56.8	84.8	54.6	27.9	18.0
Adjusted Net Income (pre minorities)	92.0	98.2	116.7	121.9	59.2	50.7
Adjusted Minorities	(1.9)	(2.0)	(6.3)	(14.7)	(5.4)	(2.7)
Adjusted Net Income (ex minorities)	90.1	96.1	110.5	107.2	53.9	48.0

Not restated

Application of IFRS 9, 15, 16

Adjusted Net Income

€m	2016	2017		2018 (rest.)	2019	H ₁ 19	H ₁ 20
Reported Net Income	48.7	58.3		88.8	58.2	24.7	19.6
Non recurring income and expenses	6.5	7.3		7.2	8.7	4.2	3.5
PPA Amortization	47.4	32.8		36.4	43.3	20.2	21.8
Capitalized financing fees (Amortised cost)	2.2	2.5		3.1	3.6	1.8	1.6
Financial charges non-recurring	0.5	(5.2)		0.6		-	15.8
Non-recurring income from investments				(3.5)	0.4	-	14.8
Fair value adjustment of options		12.8		(3.0)	9.4	2.0	(12.1)
Non recurring income					(40.0)	(40.0)	(6.1)
Depreciation of Juliet servicing contract and other PPA impairment					42.4	42.4	1.5
Non recurring taxes	4.5	-		-	11.2	11.2	1.7
Fiscal Impact of above components	(17.7)	(10.4)		(12.8)	(15.2)	(7.2)	(11.0)
Tot Adjustements	43.3	39.8		27.9	63.7	34.5	31.4
Adjusted Net Income (pre minorities)	92.0	98.184		116.7	121.9	59.2	50.7
Adjusted Minorities	(1.9)	(2.0)		(6.2)	(14.7)	(5.4)	(2.7)
Group Adjusted Net Income (ex minorities)	90.1	96.1		110.5	107.2	53.9	48.0

Not restated

Application of IFRS 9, 15, 16

2016-H₁ 2020 Balance Sheet

€m	2016	2017	2018 (rest.)	2019	H ₁ 19	H ₁ 20
Intangible assets	423.7	395.9	460.4	401.1	390.1	378.7
Goodwill	732.5	750.4	747.2	764.6	752.1	750.5
Tangible assets	19.8	20.6	55.6	62.0	56.1	58.8
Financial assets	8.7	9.0	11.8	12.5	12.5	11.4
Fixed assets	1,184.7	1,175.9	1,274.9	1,240.1	1,210.8	1,199.5
Inventories	1.7	2.0	0.1	-	0.1	0.0
Trade receivables	154.9	161.9	197.8	234.2	178.2	217.8
Trade payables	(38.5)	(46.0)	(59.8)	(55.6)	(51.6)	(47.1)
Deferred revenues	(77.3)	(67.7)	(87.5)	(78.8)	(73.4)	(70.1)
Net working capital	40.9	50.2	50.5	99.8	53.3	100.6
Other receivables	7.7	6.7	7.3	7.0	47.6	13.0
Other payables	(53.9)	(85.9)	(62.0)	(143.8)	(53.3)	(86.6)
Net corporate income tax items	0.3	(7.3)	(4.7)	(25.5)	(33.9)	(13.6)
Employees Leaving Indemnity	(13.1)	(13.3)	(13.6)	(15.8)	(14.2)	(16.3)
Provisions	(7.3)	(6.0)	(5.5)	(5.2)	(5.4)	(5.0)
Deferred taxes	(91.9)	(90.0)	(105.0)	(88.3)	(85.3)	(82.9)
Net Invested Capital	1,067.4	1,030.3	1,142.1	1,068.1	1,119.6	1,108.8
IFRS Net Debt	523.4	474.2	591.1	549.5	600.3	608.9
Group Equity	543.9	556.0	551.0	518.7	519.3	499.8
Total Sources	1,067.4	1,030.3	1,142.1	1,068.1	1,119.6	1,108.8

Not restated

Application of IFRS 9, 15, 16

2016-H₁ 2020 Cash Flow

€m	2016	2017	2018 (rest.)	2019	H ₁ 19	H ₁ 20
Adjusted EBITDA	180.0	187.3	212.6	236.6	111.0	99.4
Net Capex	(33.5)	(38.9)	(39.8)	(35.7)	(19.2)	(17.0)
Adjusted EBITDA-Capex	146.5	148.4	172.8	200.9	91.8	82.3
<i>as % of Adjusted EBITDA</i>	81%	79%	81.3%	84.9%	82.7%	82.9%
Cash change in Net Working Capital	(4.6)	(8.9)	(19.1)	(33.2)	1.2	5.2
Change in other assets / liabilities	2.0	3.0	6.4	(9.6)	(12.2)	(8.9)
Operating Cash Flow	144.0	142.6	160.1	158.1	80.9	78.6
Interests paid	(29.2)	(16.3)	(13.7)	(14.0)	(7.0)	(8.0)
Cash taxes	(27.3)	(22.5)	(38.2)	(31.8)	(0.1)	(35.2)
Non recurring items	(8.8)	(9.2)	(7.5)	38.4	(4.5)	(0.4)
Cash Flow (before debt and equity movements)	78.7	94.6	100.7	150.7	69.3	34.9
Net Dividends	(44.4)	(47.8)	(52.2)	(58.0)	(58.0)	
Acquisitions / deferred payments / earnout	(27.9)	(2.4)	(85.3)	(38.7)	(16.1)	(86.1)
BuyBack			(29.3)	(0.7)	(0.7)	
La Scala loan			(0.5)	(0.2)	(0.2)	
Refinancing & Penalties-Break Cost-Upfront-Amendment Fees	(35.5)	(2.9)	(1.0)			(14.4)
Net Cash Flow of the Period	(29.1)	41.5	(67.7)	53.1	(5.7)	(65.6)

Not restated

Application of IFRS 9, 15, 16

ESG Snapshot

Our path to value creation



Key ESG highlights

Fully committed to ESG agenda

Environment



ACHIEVEMENTS
2019

- ▶ **Environmental Policy** defined
- ▶ **42%** electricity purchased from **renewable sources**
- ▶ **Plastic free** initiative launched
- ▶ **Car Policy** defined with progressive adoption of hybrid vehicles
- ▶ **100%** waste recycling

MAIN TARGETS
2022

- ▶ Assessment of **ISO 50001/14001 environmental certification**
- ▶ Creation of a **CO2 emissions monitoring system**
- ▶ Increased use of **energy from renewable sources > 42%**
- ▶ Introduction of **ESG assessment criteria in the supply chain**

Social



- ▶ **61%** women employees
- ▶ **> 90%** smart working coverage
- ▶ **> 42,600 training hours** delivered (+10% vs 2018)
- ▶ **89%** employee satisfaction
- ▶ **Responsible Marketing Policy** defined
- ▶ **86%** customer satisfaction

- ▶ Increase the **number of women in executive positions** (with continuous gender pay gap reduction)
- ▶ **Full compliance with Italian Law 68/69** (protected categories)
- ▶ Consolidation of **institutional lobbying activities concerning sustainability**
- ▶ Development of **innovative ESG product offering and solutions (Cerved ESG Solutions)**

Governance



- ▶ **64 % Board independence** (with Lead Independent Director appointed)
- ▶ **Diversity Policy for Corporate Bodies** defined
- ▶ **Privacy Policy** and **Anti-money laundering Policy** defined
- ▶ **New ERM** (Enterprise Risk Management) function appointed

- ▶ **Business Continuity certification (ISO 22301)** to be obtained by 2020
- ▶ Achievement of **Anticorruption certification (ISO 37001)**
- ▶ **Group Fiscal Policy** to be obtained by 2020
- ▶ Introduction of **sustainability goals in the MBOs of top management**

Sustainability Plan 2020-2022

ACTION	Completed	Launched / to be launched
IDENTITY AND APPROACH TO SUSTAINABILITY		
Allocation of responsibilities in the Sustainability area to an internal board committee (Control, Risk and Sustainability Committee)		
Identification and appointment of an ESG manager		
Revision and publication of a Sustainability Policy		
Membership UN Global Compact (from signatory to participant)		
Introduction of sustainability goals in the MBOs of the CEO		
Increased engagement with investors and stakeholders in sustainability		
Allocation of management sustainability responsibilities to the Management Committee and the "Sustainability Ambassadors"		
Greater transparency towards stakeholders as regards commitment, programmes and sustainability actions		
Introduction of sustainability goals in the MBOs of top management		
GOVERNANCE, RISK, ETHICS AND COMPLIANCE		
Updating of Code of Ethics		
Adoption of a Whistleblowing system		
Adoption of policies on: <ul style="list-style-type: none"> › Privacy › Anti-money laundering › Human rights › Support to the community 		
Updating of Organisation and Management Model 231		
Adoption of a Tax Policy		
Achievement of ISO 37001 anticorruption certification		
PEOPLE AND HUMAN RIGHTS		
Extension of benefit plan		
Extension of smart working programme		
Measurement of employee satisfaction and engagement		
Development of Cerved Next Campus (employer branding action), in partnership with Universities, and scholarship initiatives for rewarding students		
Collaborations for the enhancement of resources with disabilities (autism, Asperger's syndrome and similar disorders)		
Continuation of training activities for employees and job-oriented programmes with inclusion of certifications		
Definition of an organic human resource enhancement and talent attraction strategy, with development of targeted propositions		
Achievement of ISO 18001/45001 occupational safety certification		
Definition of an identity consolidation/development plan based on a corporate culture integrated with sustainability		
Continuation of specific actions to identify and reduce inequalities, primarily by promoting diversity at senior management and employee level: <ul style="list-style-type: none"> › Greater number of women executives or managers › Reduction of Gender Pay Gap › Full compliance with Italian Law 68/69 (protected categories) › Reduction of unconscious bias › Female empowerment 		
Development of individual growth plans and continuous feedback		

CONTINUITY, INNOVATION AND VALUE CHAIN (CUSTOMERS/ SUPPLIERS)	SDGs	
Adoption of a Responsible Marketing Policy		
Extension of ISO 27001 information security certification to all the Group		
Definition of a regular customer satisfaction survey programme that is consistent within the Group		
Improvement of the complaint resolution process		
Greater number of parties involved in the training activities of Cerved Academy in partnership with reference Bodies and Organisations		
Introduction of ESG assessment criteria in the supply chain		
Introduction of ESG services in Cerved Rating Agency		
Adherence by Cerved Rating Agency to the ESG Credit Risk and Ratings initiative, promoted by UN PRI for the incorporation of ESG factors in credit risk analysis		
Refining of the sustainability assessment methodology and analysis of links with credit rating methodology		
Adherence to ESMA guidelines on transparency in credit rating communications		
Adherence to UN PRI as service provider		
Continuation and strengthening of Cerved Rating Agency's collaboration with Universities		
Definition and structuring of an innovation management process based on customer involvement and implementation of bottom-up proposals from production units		
IT enhancement aimed at reducing IT incidents		
Achievement of ISO 22301 business continuity certification		
COMMUNITY		
Continuation of publication activities through Cerved Know and Osservitalia and Cerved Next		
Development of collaboration with institutions (e.g. ABI, Bank of Italy, INPS, Confindustria,...) to carry out activities/research with economic and social impact as a guide for data driven decision-making processes		
Support to the activities of Fintech start-up accelerators in partnership with other Financial Institutions		
Enhancement of the initiative "Cara Cerved ti scrivo", aimed at promoting education and reducing the social gap between children/young people in disadvantaged areas		
Charitable work provided to the community, such as the Letizia Verga Committee, Milano City Marathon sponsorship and the Renato Einaudi Collegio Universitario of Turin		
Development of observatories having a great impact on the social and economic fabric in partnership with Organisations and Institutions, also promoting the sharing of data and know-how		
Development of strategic philanthropic activities consistent with Cerved's role in the social and economic system		
Consolidation of institutional lobbying activities concerning sustainability		
ENVIRONMENT		
Approval of Environmental Policy		
Adoption of Plastic-free behaviour at parent company level		
Extension of Plastic-free behaviour to all the group		
Creation of a CO2 emissions monitoring system and definition of a consumption reduction plan for the Group's offices		
Assessment of ISO 50001/14001 environmental certification		
Increased use of energy from renewable sources		
Increase in the percentage of vehicles with reduced environmental impact (e.g. hybrid vehicles) in the company fleet		
Extension of programmes for promoting circular economy		

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