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Oggetto : CERVED GROUP: THE BOARD OF
DIRECTORS APPROVES THE
CONSOLIDATED RESULTS AS OF 30
JUNE 2021

Testo del comunicato

Vedi allegato.

PRESS RELEASE

CERVED GROUP: THE BOARD OF DIRECTORS APPROVES THE CONSOLIDATED RESULTS AS OF 30 JUNE 2021

POSITIVE RESULTS IN THE FIRST SEMESTER OF 2021

- Revenues: Euro 251.7 million, +5.0% compared to 239.7 million of the first six months of 2020;
- Adjusted EBITDA¹: Euro 105.7 million, +6.4% compared to 99.4 million of the first six months of 2020, with an incidence on Revenues of 42.0%;
- Adjusted Net Profit¹: Euro 54.1 million, +12.7% compared to 48.0 million of the first six months of 2020;
- Operating Cash Flow: Euro 87.6 million, +11.5% compared to 78.6 million of the first six months of 2020;
- Consolidated Net Financial Position: Euro 559.2 million at 30 June 2021, equal to 2.7x the Adjusted LTM EBITDA, an improvement compared to Euro 587.7 as of December 31, 2020.

San Donato Milanese, 29 July 2021 - The Board of Directors of Cerved Group S.p.A. (MTA: CERV, the “**Company**” or “**Cerved Group**”), leading operator in Italy in credit risk analysis and credit management, today approved the consolidated financial statements as of 30 June 2021.

Andrea Mignanelli, Chief Executive Officer of the Group, commented:

“In the first half of 2021 we resumed our growth trajectory, with positive results with respect to all the key economic and financial indicators.

The results in the first half of 2021 represent a trajectory that is in line with the Strategic Outlook 2021-2023 and gives us confidence in facing our future challenges. Our activities in the Data Intelligence area, which represent our core business with the Risk Intelligence and Marketing Intelligence business units, have already exceeded pre-Covid levels in terms of Revenues and EBITDA, with strong results in the financial institutions channel and in Marketing Intelligence. The Credit Management business unit is still impacted by the long tail of the Covid-19 impact. From a financial point of view, the solid cash flow generation and the level of indebtedness offer us ample flexibility in continuing to pursue our strategy.”

With reference to the ongoing public tender offer, the Board of Directors of Cerved Group, as indicated in the Issuer's Statement published on 15 July 2021, after careful evaluation of the available documentation, “*considers that the unsolicited voluntary public tender offer is not adequate for the shareholders of Cerved Group*”.

Analysis of consolidated Revenues

In the first six months of 2021, the consolidated Revenues of the Group increased by +5.0%, reaching Euro 251.7 million compared to Euro 239.7 million in the first six months of 2020 (+4.5% on an organic basis).

The Revenues of the **Risk Intelligence** business unit increased from Euro 134.3 million in 2020 to Euro 146.3 million in 2021, an increase of +9.0%:

¹ Adjusted EBITDA excludes the impact of the Performance Share Plan with reference to the plan 2019-2021 and plan 2022-2024; Adjusted Net Income, after the minorities, excludes non-recurring income and expenses, amortisation of capitalized financing fees, amortisation of the Purchase Price Allocation and non-recurring income taxes

- the Corporate segment showed an increase of +9.8% compared to the first semester of 2020, mainly in the Credit Risk and Credit & ESG Rating service lines;
- the Financial Institutions segment also recorded an increase compared to 2020 (+8.0%), mainly thanks to the Credit Risk and Credit & ESG Rating services and the support services provided to banks with respect to loans issued under the Fondo Centrale di Garanzia.

Revenues relating to the **Marketing Intelligence** business unit increased from Euro 29.9 million in 2020 to Euro 31.6 million in 2021, up by +5.8% compared to the previous period, mainly due to the following combined effect:

- the recovery of the delay detected in the first quarter of 2021 in the Advanced Analytics area on certain projects;
- the growth in revenues from Sales Intelligence and Digital Marketing.

Revenues relating to the **Credit Management** business unit declined from Euro 75.5 million in 2020 to Euro 73.7 million in 2021, down by Euro 1.8 million, equal to -2.4%. This result is mainly affected by:

- the decrease in the NPL Banking service line, which in the first half of 2020 still benefited from the tail end of the contract with Monte Paschi di Siena for an amount equal to Euro 3.1 million;
- the delay in collections due to the Covid 19 pandemic, which resulted in the closure of the courts for three months starting from April 2020, with impacts on the timing of the judicial auctions.

With reference to the **Data Intelligence** area, made up of the Risk Intelligence and Marketing Intelligence business units, it should be noted that Revenues in the first six months of 2021 amounted to Euro 177.9 million, +10.7% higher than Euro 160.7 million in the first six months of 2019.

Revenues <i>in millions of Euro</i>	First Semester 2019	First Semester 2020	First Semester 2021	% Growth 2021/ 2020	% Growth 2021/ 2019
<i>Risk Intelligence – Financial Institutions</i>	63.1	63.8	68.9	8.0%	9.2%
<i>Risk Intelligence – Corporates</i>	80.1	70.5	77.4	9.8%	(3.4%)
Risk Intelligence	143.2	134.3	146.3	9.0%	2.2%
Marketing Intelligence	17.5	29.9	31.6	5.8%	80.6%
Data Intelligence	160.7	164.2	177.9	8.2%	10.7%
Credit Management	85.5	75.5	73.7	(2.4%)	(13.8%)
Consolidated Revenues	246.2	239.7	251.7	5.0%	2.2%

Analysis of Consolidated *Adjusted* EBITDA

Consolidated Adjusted EBITDA of Euro 105.7 million in the first six months of 2021 represents an increase of +6.4% compared to the first six months of 2020 (+6.3% on an organic basis). The Group's Adjusted EBITDA margin stood at 42.0% compared to 41.5% in the previous period.

With reference to the **Data Intelligence** area, made up of the Risk Intelligence and Marketing Intelligence business units, it should be noted that EBITDA in the first six months of 2021 stood at Euro 86.4 million, +7.8% higher than the Euro 80.1 million in the first six months of 2019.

Adjusted EBITDA <i>in millions of Euro</i>	First Semester 2019	First Semester 2020	First Semester 2021	% Growth 2021/ 2020	% Growth 2021/ 2019
<i>Risk Intelligence</i>	77.0	69.6	76.5	9.8%	(0.6%)
<i>Marketing Intelligence</i>	3.2	6.7	9.9	47.1%	213.3%
Data Intelligence	80.1	76.4	86.4	13.1%	7.8%
Credit Management	30.9	23.0	19.3	(16.0%)	(37.4%)
Adjusted EBITDA	111.0	99.4	105.7	6.4%	(4.8%)

Adjusted EBITDA Margin	First Semester 2019	First Semester 2020	First Semester 2021
<i>Risk Intelligence</i>	53.7%	51.9%	52.3%
<i>Marketing Intelligence</i>	18.1%	22.6%	31.3%
Data Intelligence	49.9%	46.5%	48.6%
Credit Management	36.1%	30.5%	26.2%
Adjusted EBITDA Margin	45.1%	41,5%	42,0%

Analysis of the Consolidated Net Result

As of June 30, 2021, the Consolidated Net Result before minorities was Euro 84.3 million.

The Adjusted Net Result after the minorities - which excludes non-recurring expenses and income, the amortized cost of loans, the amortization of the capital gains allocated resulting from business combinations, the adjustment of the fair value of the options and the tax effect of previous items - amounted to Euro 54.1 million, an increase of +12.7% compared to Euro 48.0 million in the first six months of 2020.

Analysis of Consolidated Net Financial Position

At June 30, 2021, the Group's Net Financial Position stood at Euro 559.2 million compared to Euro 544.5 million at March 31 2021 and Euro 587.7 at December 31, 2020. The ratio between Net Financial Position and Adjusted EBITDA LTM stood at 2.7x as of June 30, 2021, in line with March 31, 2021

Consolidated Net Financial Position <i>in millions of Euro</i>	As of 31 December 2020	As of 31 March 2021	As of 30 June 2021
Net Financial Position	587.7	544.5	559.2
LTM Adjusted EBITDA Multiple ¹⁾	2.9x	2.7x	2.7x

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

Share buy-back program

On 12 May 2021, following the authorization obtained by the Shareholders' Meeting on 27 April 2021 and the resolution passed by the Board of Directors on the same date, a share buy-back program was launched, in order to fulfill the obligations deriving from share option programs or other assignments of shares to

employees or members of the administrative or supervisory bodies of the Company or of subsidiaries or associates.

Specifically, the program is functional to fulfill the obligations deriving from the "Performance Share Plan 2022-2024" approved by the Shareholders' Meeting on April 16, 2019 and addressed to the management and directors of the Company and the Cerved Group and described below. In the period from 12 May to 30 June 2021, n. 1,515,609 Shares of Cerved Group S.p.A., the maximum number envisaged by the program, for an equivalent value of Euro 14.8 million, have been purchased. Complete information on the share buy-back program is available to the public at <https://company.cerved.com/en/buy-back-0>.

As of June 30, 2021, the company holds 1,515,609 treasury shares for a value of Euro 14,825 thousand.

Information on the Covid-19 phenomenon

As indicated in the CONSOB Notice no. 6/20 of 9 April 2020 and in the Consob Notice no. 1/21 of February 16, 2021, with reference to the impacts of the COVID-19 pandemic, it should be noted that the strong reduction in infections and deaths recorded in recent months, favored by the successful outcome of the vaccination campaign, has allowed the reopening of many sectors hit hard by the pandemic and is gradually bringing the economy closer to a normal situation.

This has led to an upward revision of expectations on the rebound of the Italian economy. However, some uncertainties remain, first of all linked to the potential impact of the delta variant, which in the United Kingdom is affecting the younger part of the population, not yet vaccinated.

A rapid and effective application of the National Recovery and Resilience Plan ("PNRR"), capable of stimulating growth and productivity, will be decisive for a lasting recovery of the Italian economy.

As regards the Cerved Group, it is recalled that:

- (i) as of June 30, 2021, no impairment indicators emerged compared to those that had led to the preparation of the impairment test on the economic and financial situation at December 31, 2020;
- (ii) in light of the results realized as of 30 June 2021, it was not deemed necessary to update the impairment test.

Public tender offer

On 8 March 2021 Castor S.r.l. with sole shareholder, communicated that on the same date it had taken the decision to promote a voluntary public offer concerning all the ordinary shares of Cerved Group SpA, including the treasury shares directly or indirectly held, from time to time, of Cerved Group SpA, pursuant to and by effect of art. 102, paragraph 1, of the Legislative Decree n. 58 of 24 February 1998, as subsequently amended (the "TUF"), as well as art. 37 of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended (the "Issuers' Regulation").

On 15 July 2021, the Board of Directors of Cerved Group S.p.A. unanimously approved the press release drawn up pursuant to art. 103, paragraphs 3 and 3-bis, of Legislative Decree 58/1998 and art. 39 of the Issuers' Regulations, relating to the offer (the "Issuer's Statement"). In particular, the Board of Directors, after careful evaluation of the available documentation, considers that the unsolicited voluntary public tender offer is not adequate for the shareholders of Cerved Group.

Further documentation is available on the Cerved Group S.p.A. website at <http://company.cerved.com>, "Investor Relations & Sustainability (ESG)" section, "Tender Offer" area, as well as in the Half-Year Financial Report at 30 June 2021.

Business Outlook and expectations for the Group's economic and financial performance

At present and in light of the results achieved up to 30 June 2021, trends in the current year are expected to be in line with the targets of the 2021-2023 Business Plan.

Conference call to comment results as of 30 June 2021

The conference call with institutional investors and financial analysts to comment the results as of 30 June 2021 will take place this afternoon, 29 July 2021, at 17:30 (Milan time). For further details visit the website of the Company (<http://company.cerved.com>, Investor Relations section, Financial Calendar area). The presentation of the results and the transcript of the conference call will be made available on the company's website (<http://company.cerved.com>, Investor Relations section, Presentations area).

According to paragraph 2 of Article 154-*bis* of the TUF, the Executive appointed to draft corporate accounts, Ms. Francesca Perulli, stated that the accounting information herein contained tallies with the company's documentary evidence, ledgers and accounts.

Cerved helps companies, banks, institutions and individuals to protect themselves from risk and grow in a sustainable way. Thanks to a unique wealth of data and analytics, it provides clients with digital and artificial intelligence services and platforms to manage risk and support data-driven growth, also involving customised consultancy solutions. Through Cerved Credit Management it helps the financial and real system to dispose of and recover impaired loans. Cerved Rating Agency, one of Europe's leading rating agencies, operates within the group.

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RECLASSIFIED INCOME STATEMENT

<i>(in millions of Euro)</i>	As of 30 June 2020	As of 30 June 2021	% Growth
Revenues	239.7	251.7	5.0%
Cost of raw material and other materials	-0.3	-0.3	-16.1%
Cost of services	-60.1	-63.2	5.1%
Personnel costs	-72.6	-77.2	6.4%
Other operating costs	-3.4	-3.5	1.1%
Impairment of receivables and other accruals	-3.9	-1.8	-53.2%
Total operating costs	-140.3	-145.9	4.0%
Adjusted EBITDA	99.4	105.7	6.4%
<i>Performance Share Plan</i>	-0.3	-2.3	827.6%
EBITDA	99.1	103.4	4.3%
Depreciation & amortization	-19.9	-18.3	-7.9%
PPA Amortization	-21.8	-18.9	-13.2%
Operating profit before non recurring items	57.4	66.2	15.2%
Non recurring items	-14.2	-4.7	-67.0%
Operating profit	43.2	61.5	42.2%
Interest expenses on facilities & Bond	-6.4	-6.9	8.8%
Other net financial (recurring)	9.0	-14.1	-256.8%
Net financial (non-recurring)	-15.8	0.0	-100%
Income tax expense	-10.5	43.9	-516.6%
of which Non recurring income tax expense	0.0	0.0	
Net Income pre minorities	19.6	84.3	331.1%
Net Income post minorities	18.0	83.7	363.7%
Adjusted Net Income pre minorities	50.7	55.4	9.3%
Adjusted Net Income post minorities	48.0	54.1	12.7%

RECLASSIFIED BALANCE SHEET

<i>(in millions of Euro)</i>	As of 30 June 2020	As of 30 June 2021	% Growth
Intangible assets	378.7	345.8	-8.7%
Goodwill	750.5	753.2	0.4%
Tangible assets	58.8	54.5	-7.4%
Financial assets	11.4	12.4	9.1%
Fixed assets	1,199.5	1,166.0	-2.8%
Inventories	0.0	0.0	-100.0%
Trade receivables	217.8	241.1	10.7%
Trade payables	-47.1	-42.7	-9.2%
Deferred revenues - commercial costs	-70.1	-65.2	-7.0%
Net working capital	100.6	133.1	32.3%
Other receivables	13.0	6.6	-49.3%
Other payables	-86.5	-100.0	15.6%
Net corporate income tax items	-13.6	-21.5	59.0%
Employees Leaving Indemnity	-16.4	-18.6	13.5%
Provisions	-5.0	-3.1	-37.9%
Net Deferred taxes	-82.9	-7.4	-91.1%
Net Invested Capital	1,108.8	1,155.1	4.2%
IFRS Net Debt	609.0	559.2	-8.2%
Group Equity	499.8	595.9	19.2%
Total Sources	1,108.8	1,155.1	4.2%

CASH FLOW

<i>(in millions of Euro)</i>	As of 30 June 2020	As of 30 June 2021	% Growth
Adjusted EBITDA	99.4	105.7	6.4%
Net Capex	-17.0	-16.8	-1.4%
Adjusted EBITDA -Capex	82.3	88.9	8.0%
Cash change in Net Working Capital	5.2	4.0	-22.4%
Change in other assets / liabilities	-8.9	-5.4	-40.0%
Operating Cash Flow	78.6	87.6	11.5%
Interests paid	-8.0	-7.2	-9.8%
Cash taxes	-35.2	-18.2	-48.4%
Non recurring items & Others	-0.4	2.3	-616.8%
Cash Flow (before debt and equity movements) FREE CASH FLOW	34.9	64.5	84.7%
Dividends			
Acquisitions / deferred payments / earnout	-86.1	-25.1	
BuyBack		-14.9	
Cerved La Scala Loan			
Refinancing	-14.4		
Net Cash of the Period	-65.6	24.5	-137.4%

CONSOLIDATED NET FINANCIAL POSITION

<i>(In thousands of euros)</i>	At 30 June 2020	At 31 December 2020	At 30 June 2021
A. Cash	28	30	36
B. Cash equivalent	46.844	56.487	60.558
C. Trading securities	-	-	-
D. Liquidity (A)+(B)+(C)	46.872	56.517	60.594
E. Current Financial Receivables	(33.448)	(27.438)	(11.505)
F. Current Bank debt	(11.841)	(6.680)	(3.233)
G. Current financial debt (F)+(G)+(H)	(45.289)	(34.118)	(14.738)
H. Net Current Financial Indebtedness (D)+(E)+(I)	1.583	22.399	45.857
I. Non-current Bank loans	(562.550)	(559.669)	(560.928)
J. Bonds Issued	(48.012)	(50.414)	(44.089)
K. Other non current loans	-	-	-
L. Non-current Financial Indebtedness (K)+(L)+(M)	(610.562)	(610.083)	(605.017)
M. Net Financial Indebtedness (J)+(N)	(608.979)	(587.684)	(559.160)

Fine Comunicato n.1597-78

Numero di Pagine: 11