



Evolve
Capital Partners

Cerved Information Solutions

June 2014

Summary of Initial Public Offering



**SPECIALIZED INVESTMENT BANKERS AT
THE INTERSECTION OF FINANCE & TECHNOLOGY**

Cerved Information Solutions IPO – Executive Summary

Initial Public Offering Overview



BIT: CERV



Business Description

Cerved Information Solutions SPA is one of the largest credit rating agencies, credit information providers, and credit management solutions providers in Europe. Businesses and financial institutions use Cerved's services to assess the solvency and credit ratings of their business partners, monitor and manage credit risk across phases, and define their marketing strategies.



Offer Details

Cerved announced a public offering for a minimum of 8,400,000 shares from June 9, 2014 - June 18, 2014 of which one tranche for a maximum of 346,250 shares was reserved for employees or agents. A simultaneous listing of a maximum of 75,600,000 shares was reserved for institutional investors. The offering was covered more than two times at the final price with demand for 188,262,057 shares from retail and institutional investors.

Source(s): Pitchbook, Capital IQ and Company website

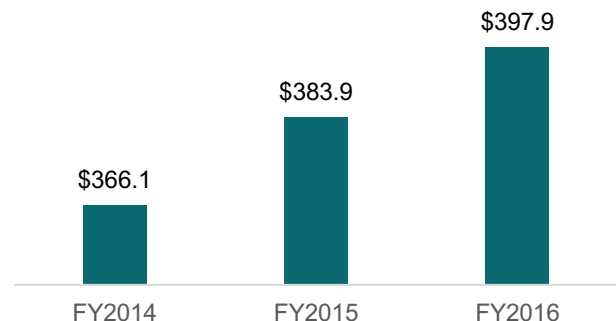
	Headquarters	Milan, Italy
	Founded	1974
	Employees	1,903
	Listing Date	06/24/2014
	Lead Underwriters	
	Issue Price	\$6.93
	Shares Offered	84 million
	Gross Proceeds	\$582 million

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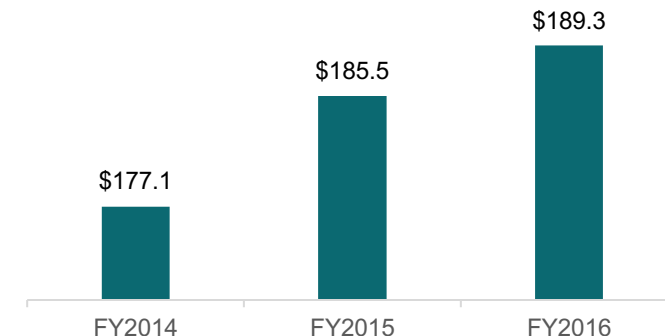
Key Metrics

Shares Offered at the time of IPO	84 million
Issue Price	\$6.93
Total Shares Outstanding after IPO	195 million
Market Value at Issue Price*	\$1.35 billion
Enterprise Value at Issue Price#	\$2.26 billion
EV / 2016 Revenue	5.7x
Listing Date	06/24/2014
Listing Price	\$6.79
Listing Premium	-2.0%

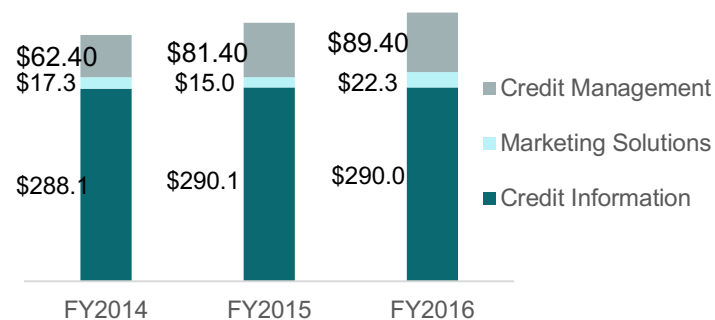
Total Revenue (\$mm)



EBITDA (\$mm)



Revenue by Segment (\$mm)

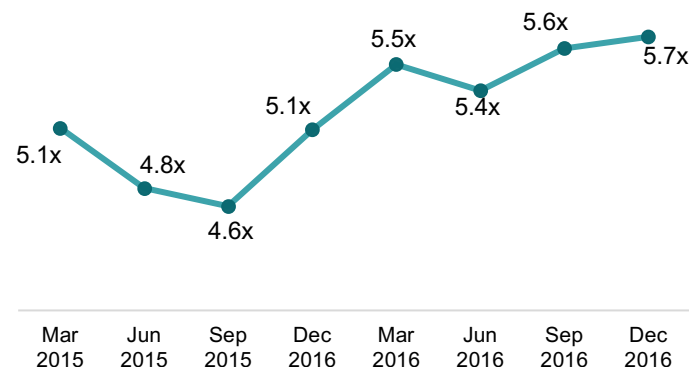


Source(s): Capital IQ and Pitchbook

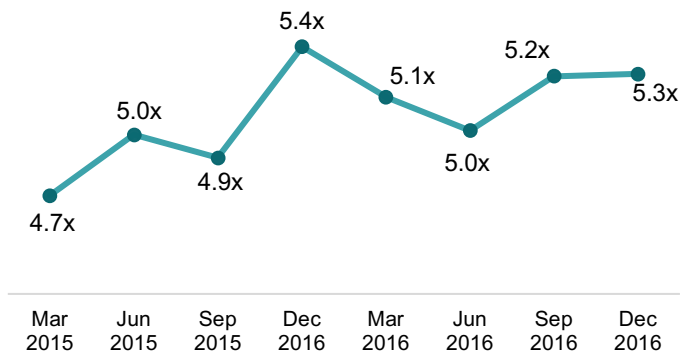
* Market Value based on shares outstanding as of listing date and IPO issue price of \$6.93 per share;

#Enterprise Value is based on the calculated Market Value at Issue Price, and Net Debt and Cash & Cash Equivalents as of 03/31/2014.

EV / Total Revenue



EV / EBITDA








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Company Overview

Established in 1974 as a data processing center for the Veneto Chambers of Commerce, Cerved grew through continuous innovation of its products and new business development. Today it is a solid, dynamic company that has been a market leader for over 40 years.

- Cerved offers the most extensive, complete range of information products and services for financial institutions, corporations, insurance companies, public administrations, professionals and private customers.
- Its databases offer a wealth of information, unique in Italy in terms of quality, completeness and historic depth. This depth illustrates the trends of phenomena over time and tells the story of businesses, groups and individuals.
- Every year, more than 30,000 customers rely upon Cerved to assess solvency and credit ratings, monitor and manage credit risk through all its phases, accurately define marketing strategies and manage non-performing loans.
- Cerved owns 100% of the share capital of Cerved Rating Agency, a registered European rating agency that specializes in the credit rating assessment of non-financial businesses.

Key Statistics

 Credits Managed	EUR 13.3 billion of managed credits as of December 31, 2016
 Customers	More than 30,000 licensed users have driven an expansion in spend under management over time
 Payment Experience	65 million payment experiences collected as of August 2016
 Industry Leadership	Cerved has been a market leader for over 40 years
 Market Position	Cerved's clientele includes 90% of Italian banks and over 80% of Italy's top 1,000 companies

Source(s): Company Website and Capital IQ

Cerved Information Solutions IPO – Executive Summary

Company Overview

Cerved operates through four business lines:

Credit Information

Cerved helps its customers protect themselves against credit risk by providing data and information to assess the economic and financial profile and the reliability of businesses and individuals. Its information services also help customers assess the risk level of their entire credit portfolio. The company also supports customers in defining assessment models and decision-making systems with integrated, smart solutions developed over Cerved's 40 years of service in the banking space.

Marketing Solutions

The Marketing Solutions business line offers an extensive, in-depth range of services available in real time online, along with customized design solutions providing the most effective commercial strategies and business growth opportunities. These solutions include searching for new customers and partners, conducting competition analysis, improving performance and increasing awareness of Cerved's customer base.

Credit Management

Cerved is the leading independent market player that offers assessments based on certified information and quantitative data. These services integrate specialist skills in different areas – from credit assessment to credit management (in and out of court) to the remarketing of securities and property. Cerved helps its clients identify the most effective solutions throughout the credit lifecycle to take rapid, professional action and reduce cash flow normalization times.

Research

Leveraging Cerved's enormous collection of information, the Research Department conducts economic analysis and research to offer a snapshot of the Italian business and economic system from a unique, privileged observation point.

Source(s): Company Website

Flagship Products and Services

Cerved SMEs Report

The wealth of data gathered and its analysis of the world of SMEs make this report a unique tool. It analyzes the economic and financial health of 150,000 small to medium enterprises, with in-depth studies by sector and company size.

Monitor of Bankruptcies, Insolvency Proceedings and Business Closures

Provides a snapshot of the trends of bankruptcies and other insolvency proceedings, distinguishing between industries, geographic areas and company size.

Monitor of Accounts

An overview of the Italian system through periodic analysis of financial statements filed by Italian companies.

CeGRI (Cerved Group Risk Index)





The summary index that, every six months, provides a forecast of the average risk of insolvency of Italian companies over time, by sector and by various areas of the country.

Monitor of Company Payments and Non-Payment Protests

Through official data on protests and through Payline, the Cerved database on payment practices of over 2 million businesses, the report acts as an updated, reliable thermometer of liquidity trends of Italian companies.

Cerved Information Solutions IPO – Executive Summary

Key Recent Partnerships

Date	Partner	Partnership Details
02/08/2017		Quaestio Holding SA (parent company of Quaestio Capital Management SRA S.p.A) and Cerved Group SpA (owned by Cerved Information Solutions), signed an agreement for an industrial partnership in special servicing activities. The companies also reached a binding agreement with Banca Monte dei Paschi di Siena SpA (“BMPS”) to acquire its credit servicing platform.
06/28/2016		BHW Bausparkasse AG – Italian branch (part of the German banking group Deutsche Postbank AG) and Cerved Credit Management Group (subsidiary of Cerved Information Solutions), finalized an agreement to extend their long-term industrial partnership for the management of non-performing loans in order to include support and administrative activities on a portfolio of performing, sub-performing and non-performing loans for approximately 1.5 billion Euros.
04/20/2017		Cerved Credit Management Group signed an agreement with Barclays Bank PLC whereby Cerved Group will be in charge, on an exclusive basis, of the coordination of the servicing activities related to the mortgage portfolio of approximately 11.4 billion Euros beginning in June 2017.
02/21/2017		SACE (CDP Group) and Cerved joined their credit recovery expertise and announced the finalization of a collaboration agreement to offer companies more effective services in Italy and abroad. Through this agreement, the two companies will provide their respective clients with the foreign credit recovery services developed by SACE and the domestic credit recovery services developed by Cerved Credit Management.

Source(s): Company Website and Media Reports

Cerved Information Solutions IPO – Executive Summary

Market Opportunity

All four business lines of Cerved are expected to witness strong growth as the company capitalizes on its market leadership to make the most of a highly favorable industry environment.

Credit Information

Cerved generated over 70% of its revenues from Credit Information services in 2016. This segment is expected to remain highly resilient given the uncertainty of the current macroeconomic environment where the risk of counterparts is highest. This risk leads to greater use of information for scrutiny and analysis of credit positions.

The relatively non-cyclical nature of the credit information business means that revenues also remain strong in a favorable macroeconomic environment. During favorable economic conditions, volumes are driven by more commercial transactions and credit claims. Resilient volumes in the Credit Information segment, and the other two segments, is also a function of volumes being driven by the stock of financial and commercial debt, rather than on the annual volume of credit delivery.

Marketing Solutions

Marketing Solutions is a high-growth area as businesses are expanding their marketing initiatives and exploring unconventional alternatives to reach customers and prospects. The potential of this space is underestimated by most operators and, therefore, not many of them have a strong presence in it. This has given Cerved a critical advantage in this area. The company is well-placed to consolidate its position by using its own database, IT infrastructures, large customer base and extensive sales network.

Credit Management

Credit Management is a growing industry in Italy due to the long repayment periods of companies and their frequent failure to meet payment deadlines. These factors increase the bad debts on companies' books and slow the Italian judicial process. Cerved has an opportunity to extend its leadership in this area.

Source(s): Cerved Information Solutions Information Prospectus

Key Growth Drivers

Long-term Growth Trend in the Use of Advanced Credit Information and Decision-making Systems by Lenders

Increasingly Demanding Credit Regulations

Continuing Macroeconomic Unpredictability





Steady Increase in Non-performing Loans

Increasing use of Technology aside of Customer Base

Growing Demand for Credit Management Services Due to Longer Repayment Periods

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Financing History

Date	Type	Amount (\$mm)	Investor	Transaction Notes
05/20/2015	Secondary Transaction - Private	\$331	NA	CVC Capital Partners sold its 24.4% stake in the company by selling 47.7 million shares at \$6.9 per share. This deal values the equity value of the company at \$1.4 billion.
06/24/2014	IPO	\$582	NA	The company raised \$582 million in its initial public offering on the Borsa Italiana Stock Exchange under the ticker symbol of CERV.
02/01/2013	Buyout/LBO	\$1,510		The company was acquired by CVC Capital Partners through a \$1.5 billion SBO.
01/01/2009	Buyout/LBO	NA	  	The company was acquired by Bain Capital, Clessidra Capital Partners, and Hourglass Capital. Bain Capital merged it with portfolio company Lince, the #2 player in the industry, and formed the clear industry leader with over 30,000 clients.

Source(s): Pitchbook

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