

CEO Jukka Ruuska
8 November 2018

Asiakastieto Group Plc

INTERIM REPORT

1.1.–30.9.2018



CONTENTS

- Asiakastieto Group in brief
- Group development in Q3 / 2018
 - From the integration planning to normal operation
 - New services review
- Key ratios of Q3 / 2018
- Summary of Financial Statements Q3 / 2018

Creating Stronger FUTURE TOGETHER



BACKGROUND AND HISTORY



ASIAKASTIETO GROUP TODAY

- A leading business and consumer information service provider in Finland and Sweden
- Company brands
 - UC in Sweden
 - Asiakastieto in Finland
- International partner network in Europe and globally
- Listed on Nasdaq Helsinki
- Approx. 500 employees based in Finland and Sweden
- Pro Forma Net Sales for 2017 was 130 MEUR
- 70 000 customers within banking, finance, retail, public sector and small companies
- 400 000 consumers (private individuals)

ABOUT THE NEW COMBINATION

29 JUNE 2018

Joining forces to meet the **changing customer needs and market environment**

Engaged and competent people in the core

Transfer of **existing services** between the markets

Potential for **higher efficiency** enabling **future growth**

Together one of the **leaders in digital services and data innovations**



COMBINATION BENEFITING EMPLOYEES, CUSTOMERS AND SHAREHOLDERS

Employees

- A solid Group committed to invest in development and growth
- Unique journey to create a new Nordic company together
- Inspiring, respectful and passionate working community

Customers

- Competence base & resources to accelerate service development
- Ability to invest in new technologies and innovations such as AI
- Transfer of existing services between the markets

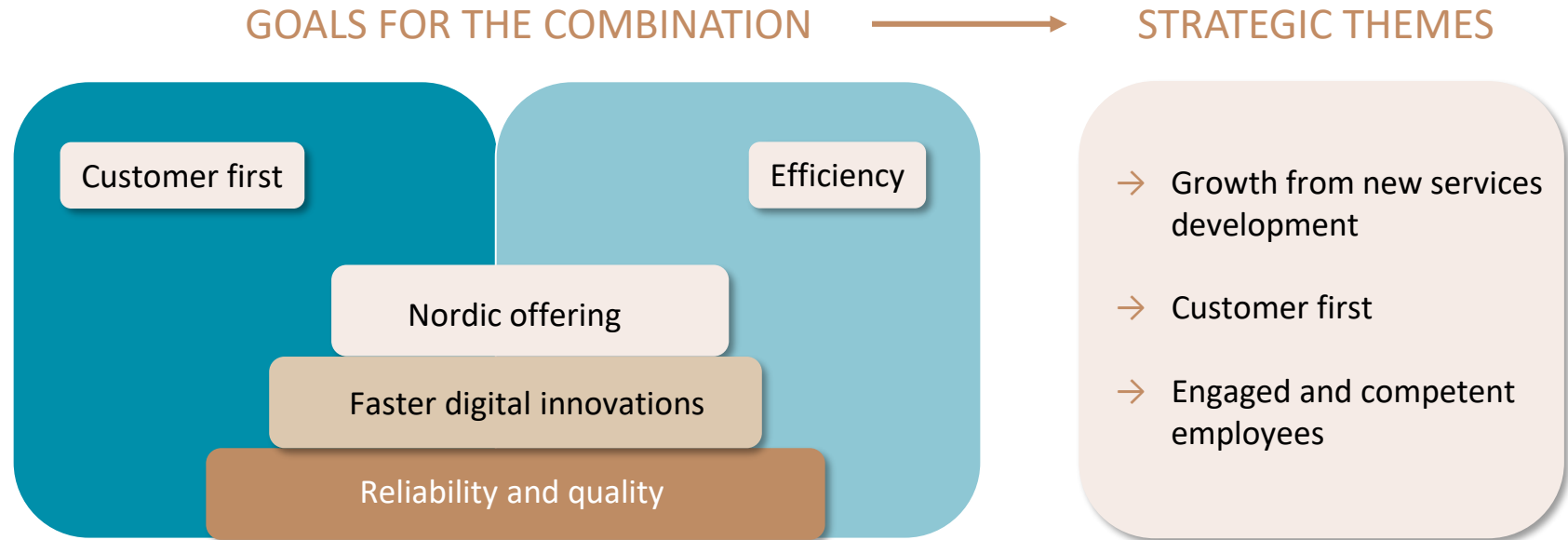
Shareholders

- Well positioned to leverage the market opportunity
- Increasing efficiency
- Shareholder value creation

 asiakastieto.fi

UC

FROM STRATEGY TO THE CORE THEMES 2019



IMPLEMENTATION OF INTEGRATION

29 June 2018
AT + UC Combination

1 July 2018
Day1 organisation

1 October 2018
Target organisation

25 May 2018
Board of Directors
supplemented by the EGM

29 June 2018
New Management
Team

Significant synergies

- Significant cost synergies
- Considerable sales synergies
- Recurring capex savings

Estimated synergies ≥ 17 MEUR

Expected to be fully implemented by 2021.

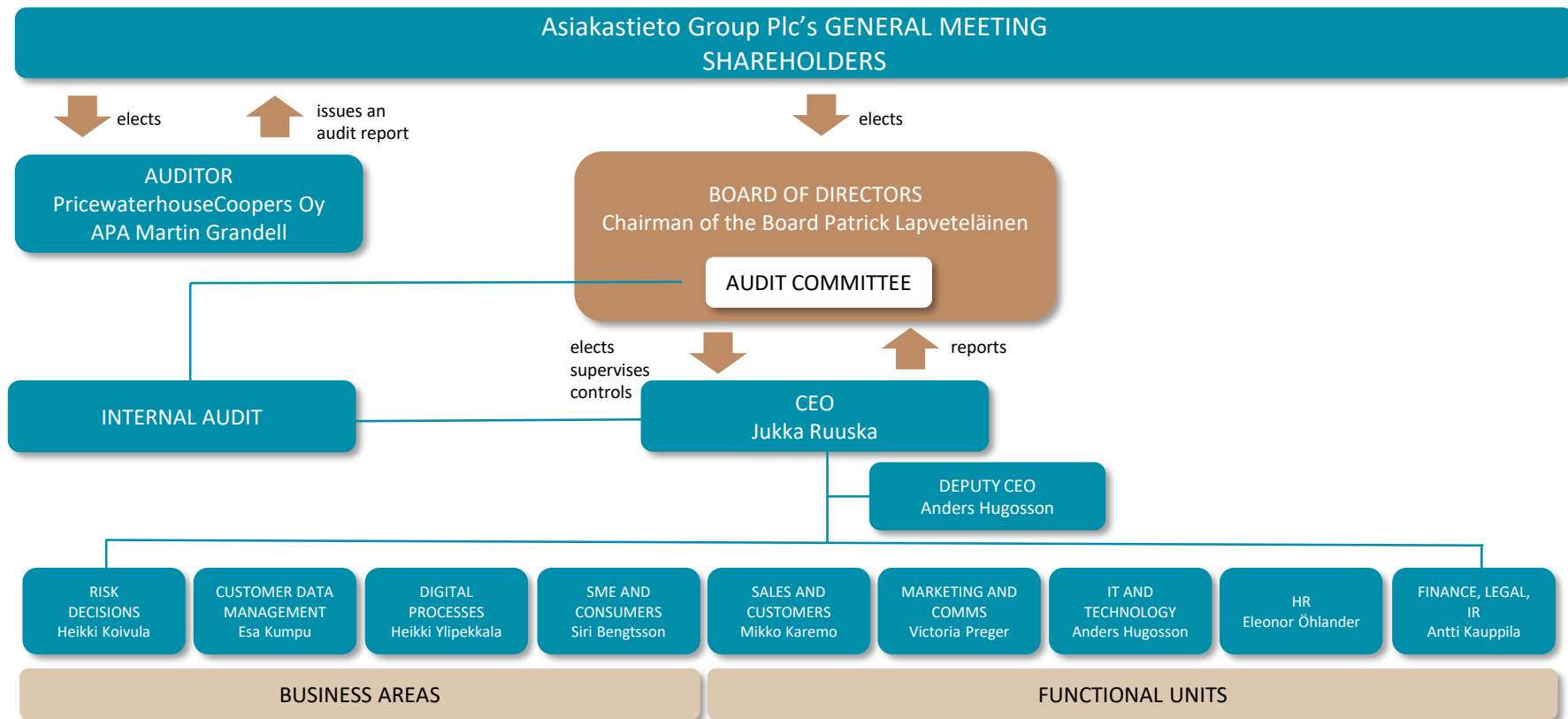
Considerable financial benefits

- Significant contribution from synergies
- Well positioned to tap on the existing growth opportunities with greater scale and resources

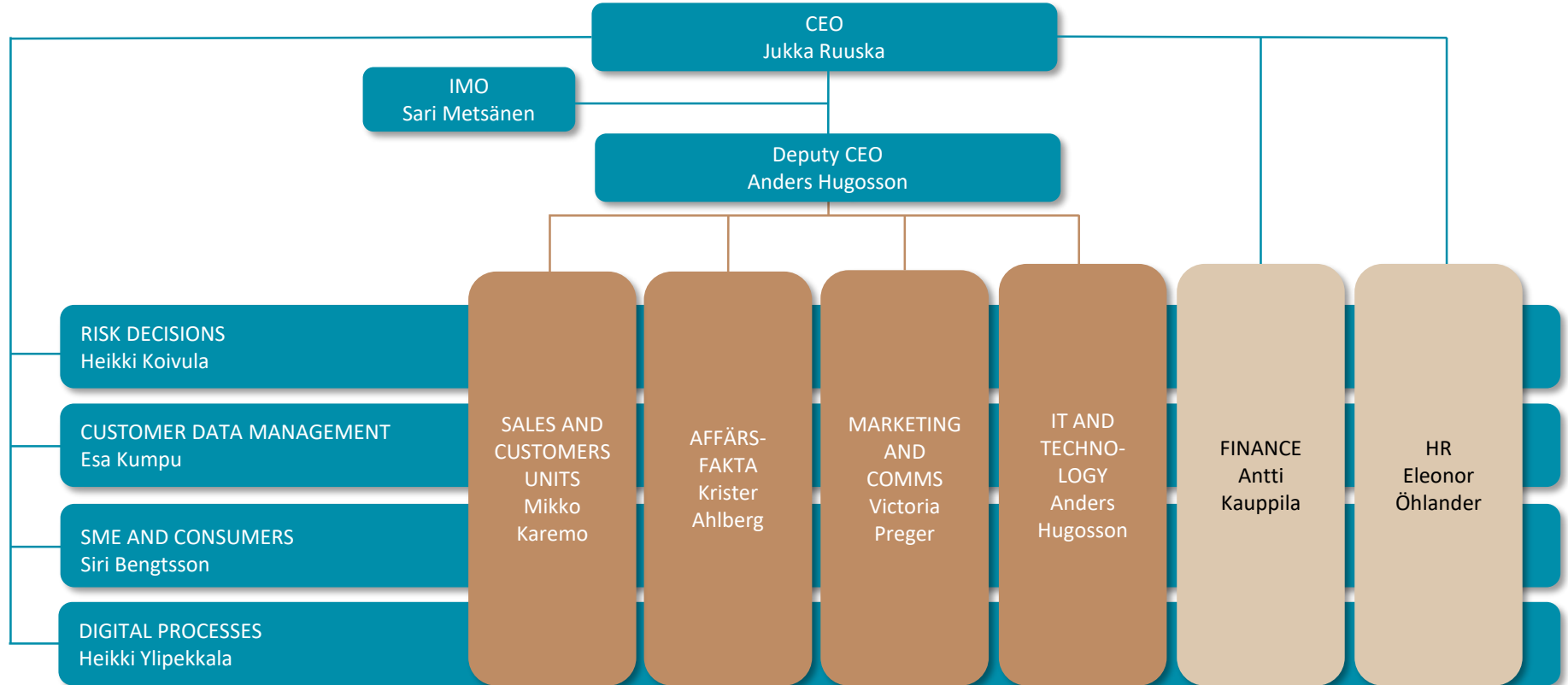
Accretive to EPS

From the first full calendar year following the completion of the transaction.

ADMINISTRATION AND MANAGEMENT



ORGANISATION



THE BOARD OF DIRECTORS



Patrick
Lapveteläinen
Chairman of BOD



Petri
Carpén



Bo
Harald



Nicklas
Ilebrand



Martin
Johansson



Carl-Magnus
Månsson



Anni
Ronkainen

THE EXECUTIVE TEAM



Jukka
Ruuska
CEO



Anders
Hugosson
*Deputy CEO;
CIO*



Antti
Kauppila
*CFO; Finance,
Legal, IR*



Siri
Bengtsson
*SME &
Consumers*



Mikko
Karemo
*Sales and
Customers*



Heikki
Koivula
Risk Decisions



Esa
Kumpu
*Customer
Data Mngmt*



Victoria
Preger
*Marketing &
Comms*



Heikki
Ylpekkala
*Digital
Processes*



Eleonor
Öhlander
HR

New Business Areas NORDIC SERVICE OFFERING



NEW BUSINESS AREAS

Companies engaging in corporate and consumer business, use our decision services and solutions for

- General risk management
- Credit risk management
- Management
- Customer acquisition
- Decision making
- Fraud and credit loss prevention
- Gaining knowledge of and identifying their customers
- API-solutions

We help sales and marketing professionals to improve the efficiency of their work and to boost customer management by our

- Target group tools
- Services for surveying potential customers
- Register updates and maintenance
- Target group extractions

Risk
Decisions

Digital
Processes

Customer
Data
Management

SME &
Consumers

Services in this business area include

- Real estate and apartment information
- Information about buildings and their valuation
- Solutions that help customers to automate their collateral management processes and digitalise the administration of housing purchases.
- For compliance purposes; for example to identify companies' beneficial owners and politically exposed persons.

Services for small and micro companies

- Easy to use applications and user interfaces for the evaluation of risks and sales potential
- Acquisition of other relevant information on customers and business partners and proof of own creditworthiness.

Services for consumers

- Help consumers to understand and better manage their finances, while simultaneously protecting them from identity theft and fraud.

EXAMPLES OF THE NEW SERVICES Q3 / 2018

Provides the basic information on the deceased person, their spouse, possible former spouses, children, parents and siblings to support death-related bank processes.

- Improves the customer experience, as it is not necessary to request all information from the next of kin themselves.
- Reduces the need for manual checks at banks and their back office functions, and automates the personal business processes of the widow/-er.

Family
Relation
Check (FIN)

Verifies if a specific person has the authority to sign on behalf of a company and in what way.

Verification in four levels

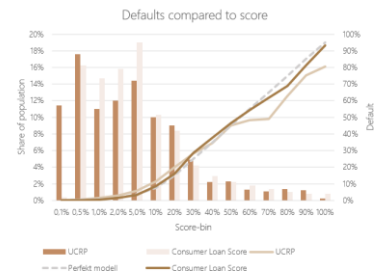
- Company representative: Y/N
- Rights in the ordinary course of business: Y/N
- Sole signatory rights: Y/N
- In pair with another person: Y/N + name and security identification number of the person(s)

Score
Consumer
Loan
(SWE)

Signatory
Check
(SWE)

New credit score for individuals, optimised for unsecured loans.

- Sorts the applicants from low to high risk in a better way (improved AR/GINI).
- Gives better precision from low to high risk (comparing prognosis and actual default).

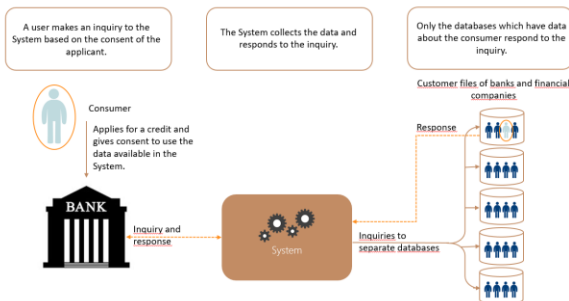


THE IMPORTANCE OF POSITIVE CREDIT INFORMATION

IS SUPPORTED BY THE EFFICIENT SYSTEMS IN BOTH COUNTRIES.

CONSUMER CREDIT INQUIRY SYSTEM

- Since 2013 – unique data in Finland
- Types of credits
 - Credit cards
 - Instalment loans
 - Unsecured loans
- Aims:
 - Giving better credit assessments
 - Lowering risk of credit defaults for the creditor
 - Protecting consumer from overindebtedness
- Data has been part of 4,5 million credit decisions in the last couple of years
- Participating creditors in total 39 (Oct. 2018)
- Daily updated data



CREDIT REGISTER

- Since 1990 - unique data in Sweden
- Type of credits
 - Credit cards
 - Instalment loans
 - Unsecured loans
 - Mortgages
- Aims:
 - Giving better credit assessments
 - Lowering risk of credit defaults for the creditor
 - Protecting consumer from overindebtedness
- Participating creditors in total 134 (Sept. 2018)
- Daily or monthly updated data



Key ratios Q3 / 2018



OVERVIEW OF Q3 / 2018

EUR million (unless stated otherwise)	Q3 / 2018	Q3 / 2017	FY 2017
Net Sales	31,4	13,3	56,2
Growth (year-on-year)	135,4 %	14,0 %	14,3 %
Adjusted EBITDA	10,9	6,1	24,8
Adjusted EBITDA margin	34,6 %	45,7 %	44,2 %
Adjusted EBIT	9,8	5,4	22,0
Adjusted EBIT margin	31,3 %	40,3 %	39,1 %
New products and services (% of Net Sales)	8,6 %	12,9 %	14,6 %
Value-added services (% of Net Sales)	80,3 %	69,4 %	69,2 %
EBITDA	8,2	6,0	24,3
EBIT	4,4	5,3	21,2

COMMENTS

→ Q3 / 2018 was the first quarter with UC AB results consolidated to Asiakastieto Group.

OVERVIEW OF Q3 / 2018 PRO FORMA

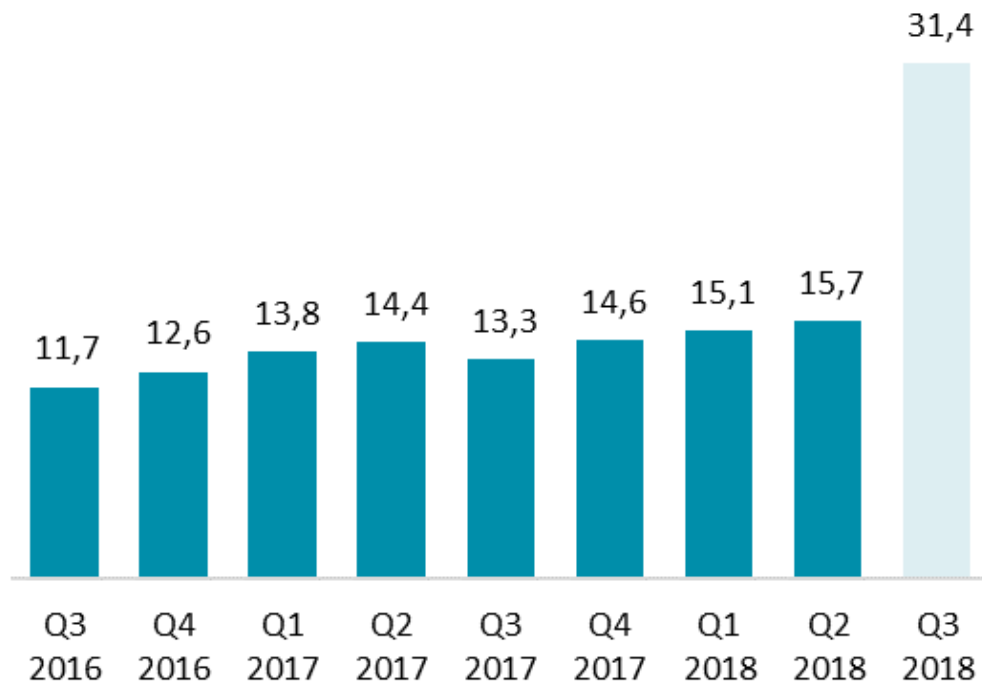
EUR million (unless stated otherwise)	Q3 / 2018	Q3 / 2017	FY 2017
Net Sales	31,4	31,1	129,6
Growth (year-on-year)	1,0 %	n/a	n/a
Adjusted EBITDA	10,9	11,6	43,1
Adjusted EBITDA margin	34,6 %	37,3 %	33,2 %
Adjusted EBIT	9,8	10,8	39,6
Adjusted EBIT margin	31,3 %	34,6 %	30,6 %
New products and services (% of Net Sales)	8,6 %	7,6 %	8,3 %
EBITDA	8,2	11,3	35,6
EBIT	4,4	7,6	20,9

COMMENTS

- Net sales growth was +1,0 % at reported FX rates and +6,0 % at comparable FX rates.
- Adjusted EBITDA decreased by -6,4 % (-2,6 % at comparable FX rates).
- Adjusted EBITDA margin impacted by sales mix as well as higher spending on non-capitalized IT development.

QUARTERLY NET SALES

(EUR MILLION)

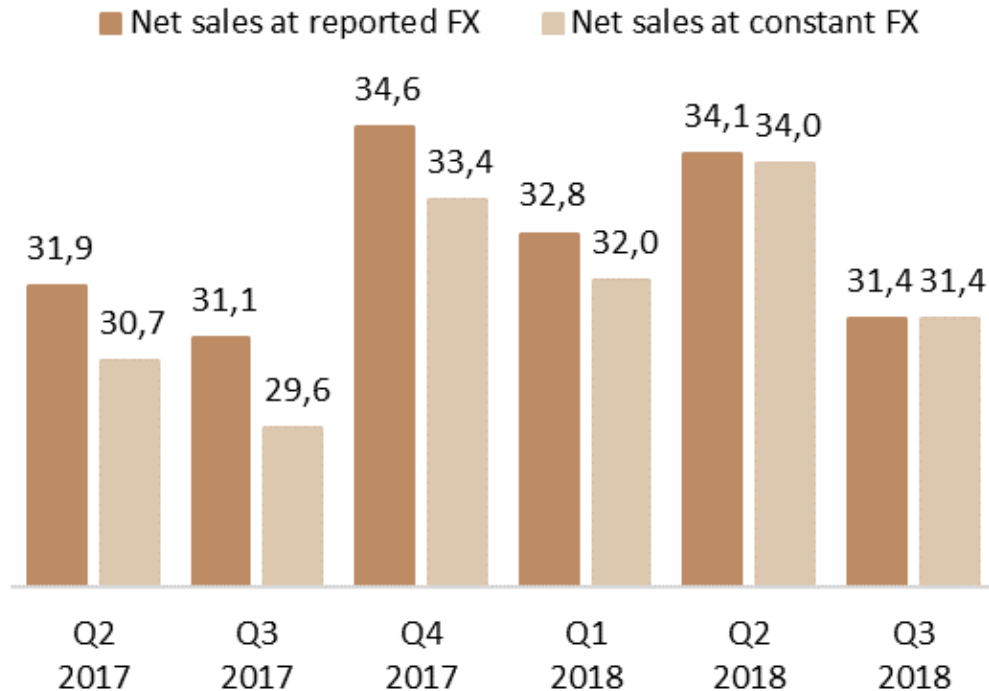


COMMENTS

- Q3 / 2018 was the first quarter with UC AB results consolidated to Asiakastieto Group.

QUARTERLY NET SALES PRO FORMA

(EUR MILLION)



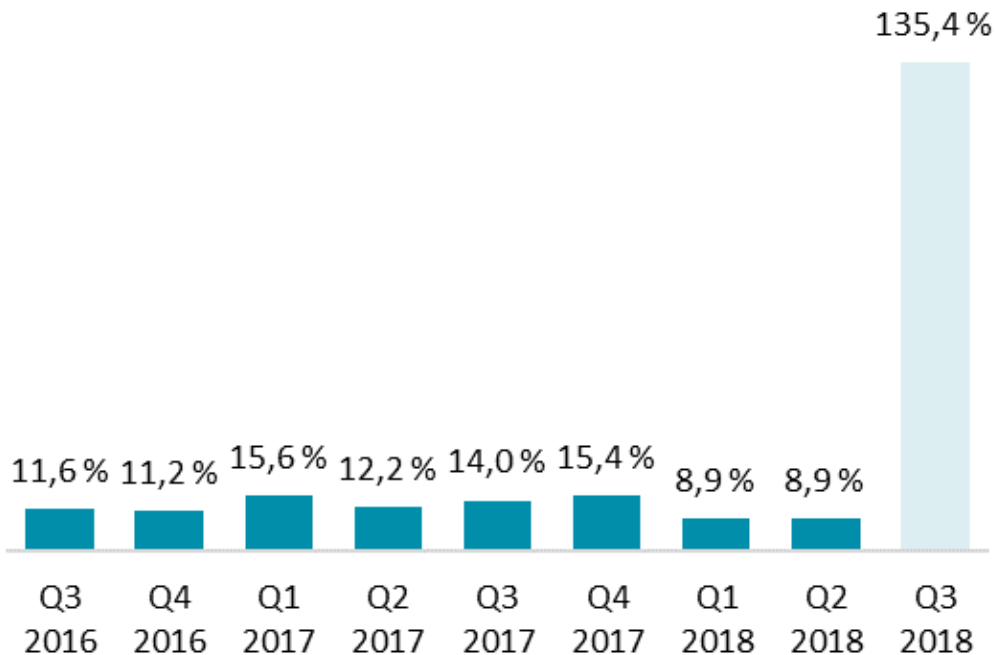
COMMENTS

- Net sales growth was +1,0 % at reported FX rates and +6,0 % at comparable FX rates.

Note: constant FX rate = EUR/SEK 10,4197.

NET SALES GROWTH

(NET SALES GROWTH, YEAR-ON-YEAR)

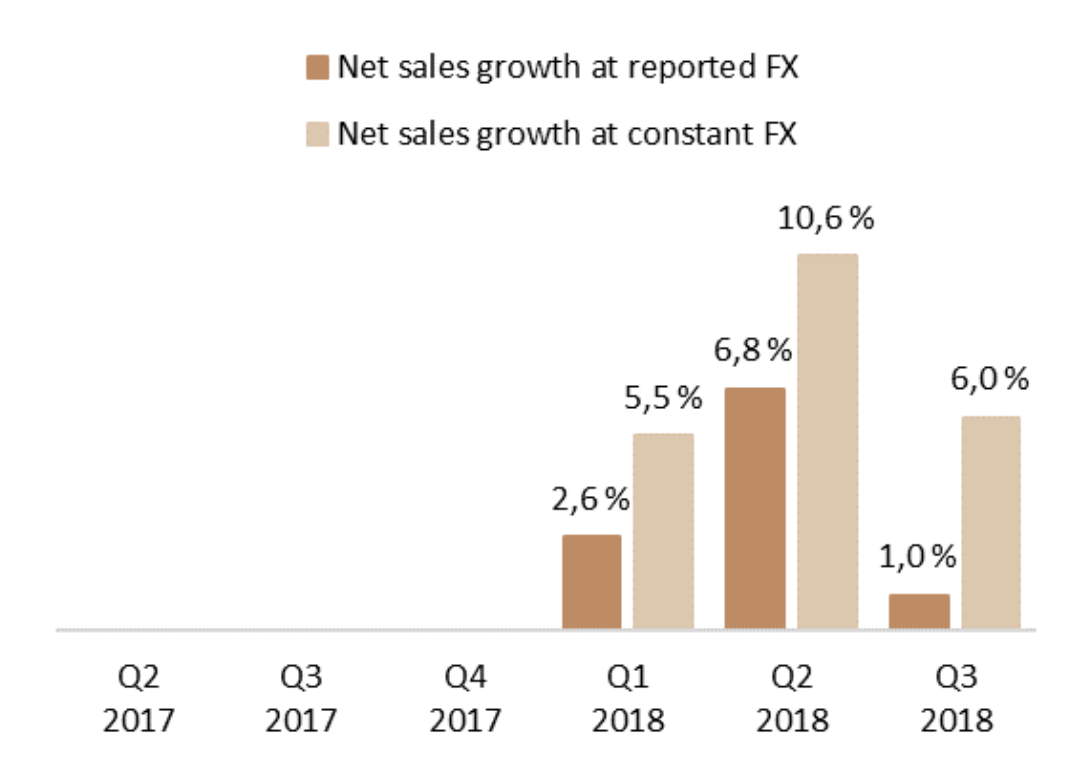


COMMENTS

- Q3 / 2018 was the first quarter with UC AB results consolidated to Asiakastieto Group.

NET SALES GROWTH PRO FORMA

(NET SALES GROWTH, YEAR-ON-YEAR)



COMMENTS

- Same number of banking days in Q3 / 2018 than in corresponding period.
- FX comparable growth rate 6,0 %.
- Growth driven by Risk Decisions consumer risk management solutions as well as new services.

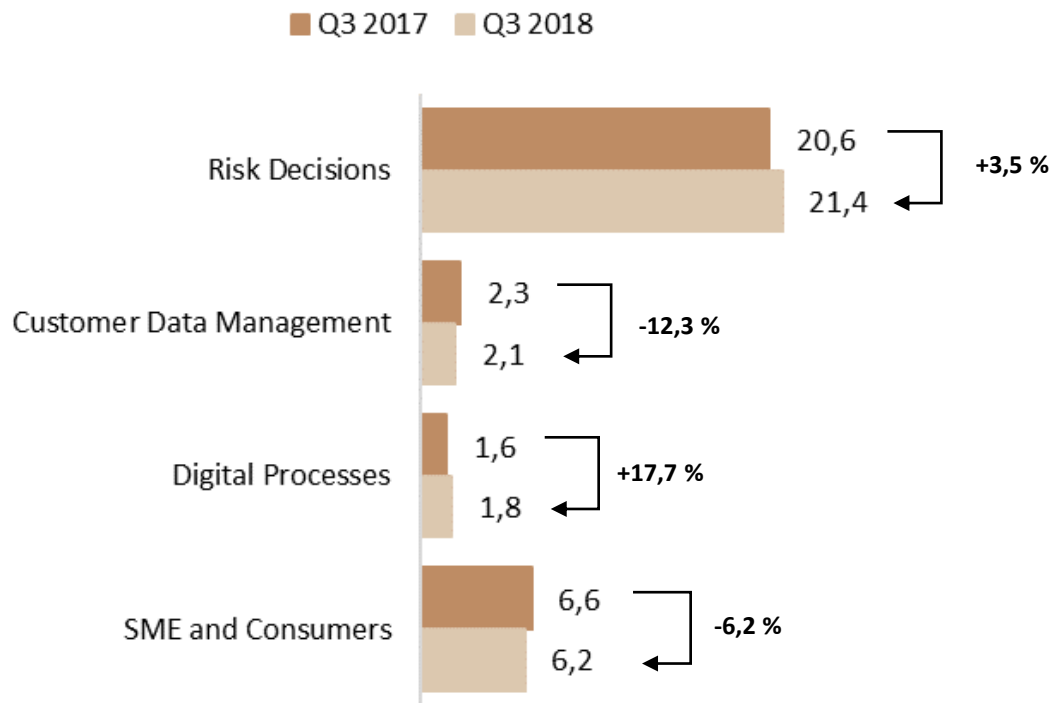
Note: constant FX rate = EUR/SEK 10,4197.

REVENUE BY PRODUCT AREA PRO FORMA

(EUR MILLION)

COMMENTS

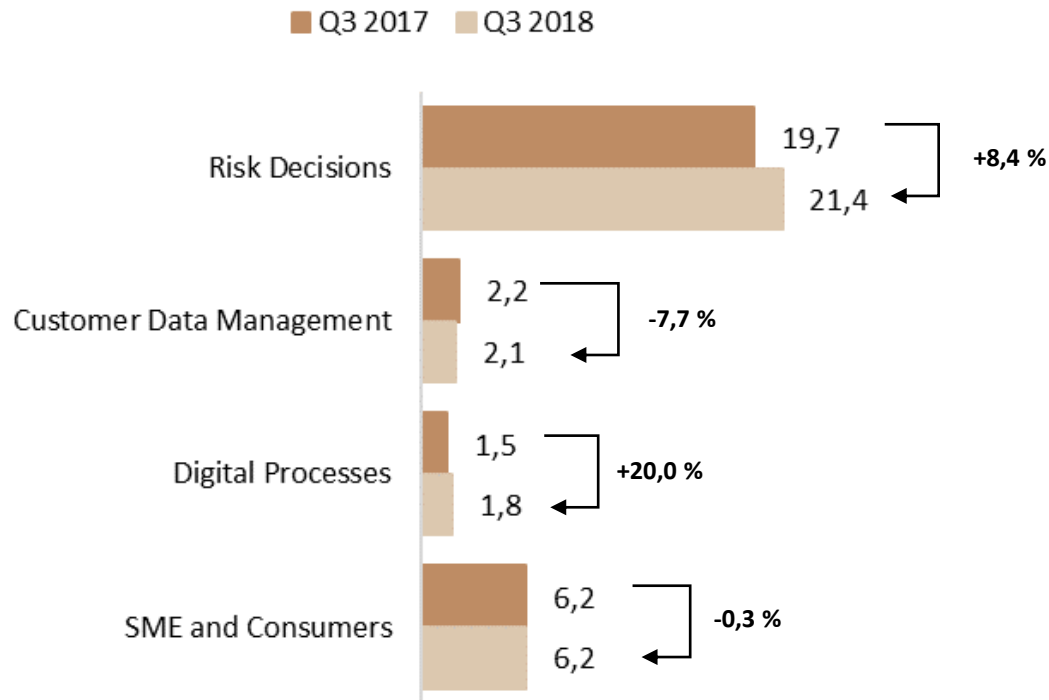
→ Reported net sales growth negatively impacted by FX rate changes.



REVENUE BY PRODUCT AREA PRO FORMA

(EUR MILLION, AT COMPARABLE FX)

COMMENTS

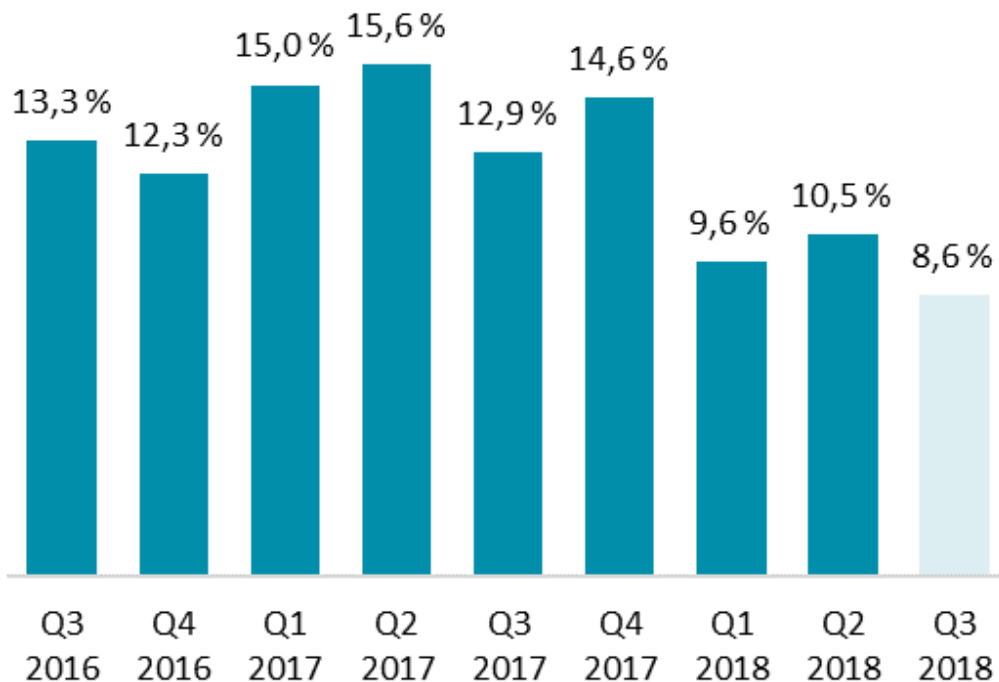


- Risk Decisions growth driven by consumer risk management solutions.
- Customer Data Management decreasing is a result of disposed of activities.
- Digital Processes growth driven by the launch of Tambur (in Q2/18) as well as demand in compliance services.
- SME and Consumers growth impacted by extraordinary timing of revenue recognitions in the comparison period.

Note: constant FX rate = EUR/SEK 10,4197.

NEW SERVICES SHARE OF NET SALES

(% OF NET SALES)

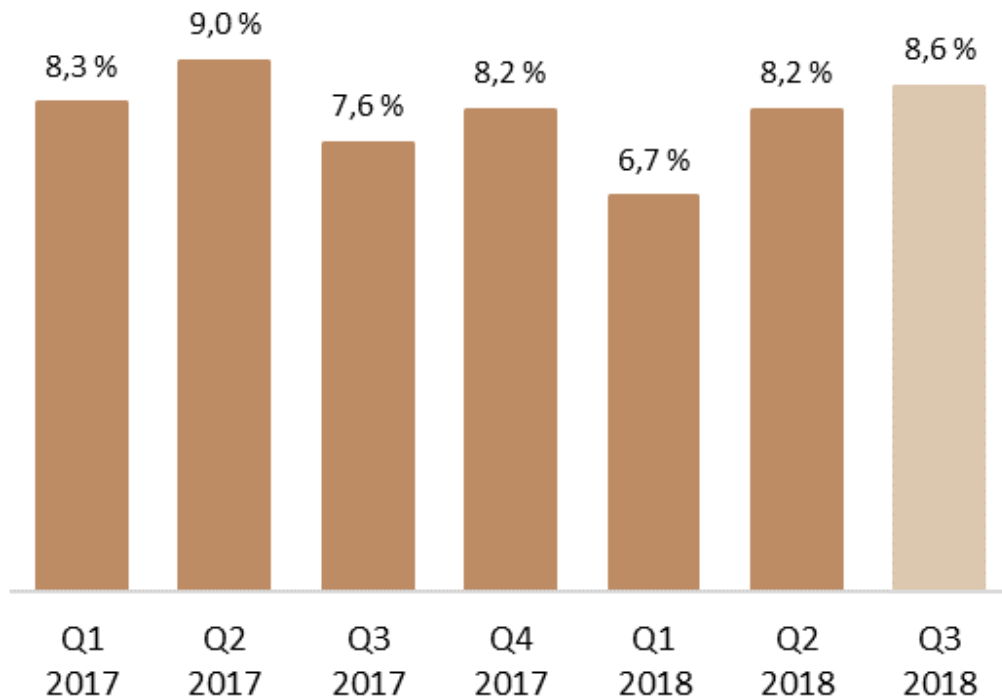


COMMENTS

- Q3 / 2018 was the first quarter with UC AB results consolidated to Asiakastieto Group.
- Share of new services was 8,6 %.
- Eight new services launched during the third quarter.

NEW SERVICES SHARE OF NET SALES PRO FORMA

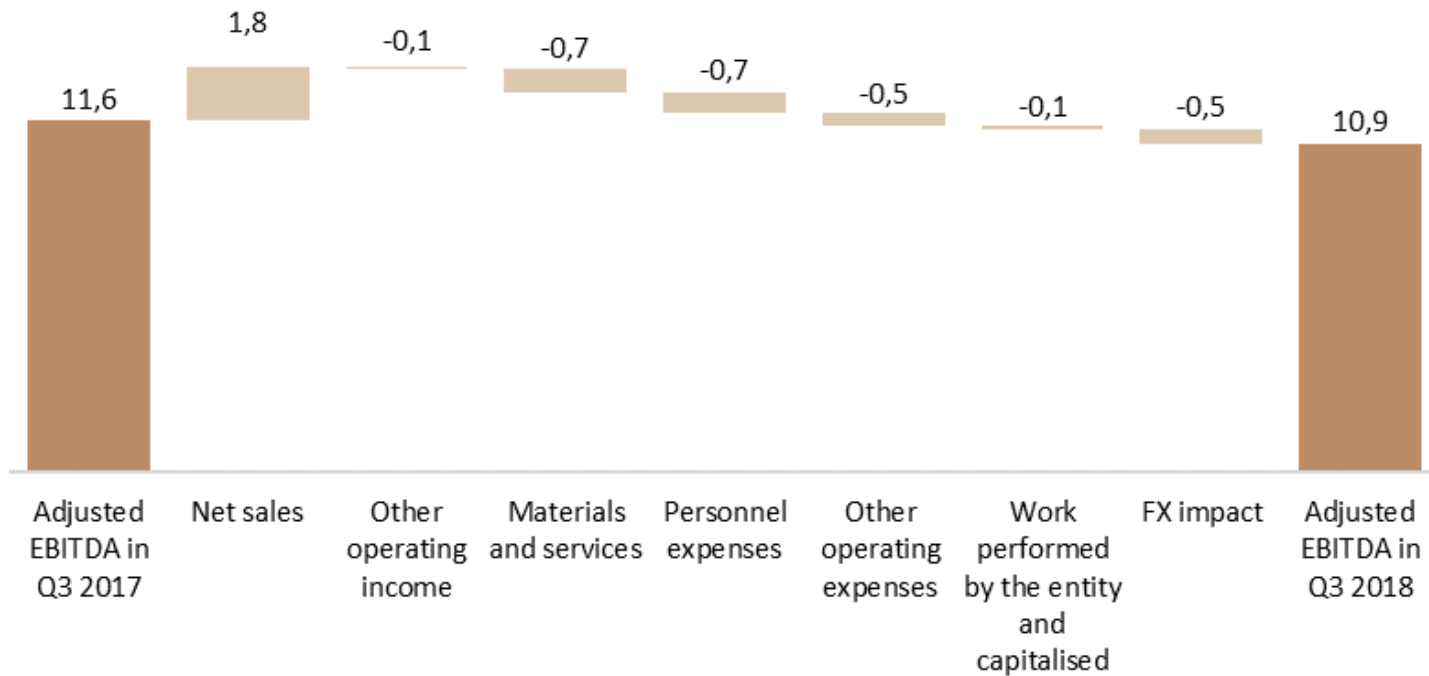
(% OF NET SALES)



COMMENTS

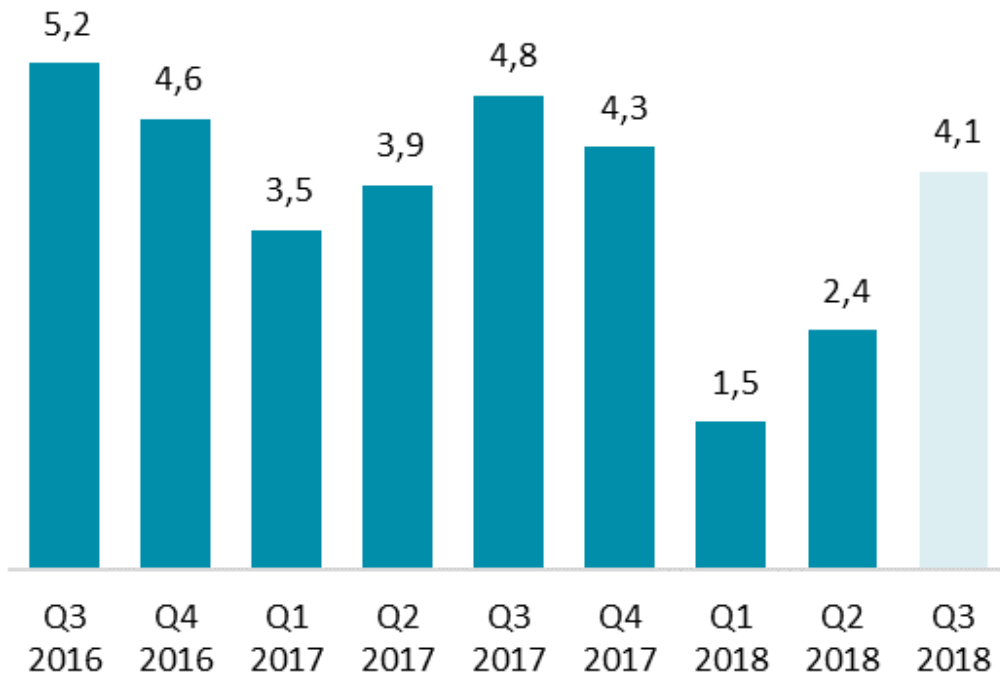
- Share of new services was 8,6 %.
- Eight new services launched during the third quarter.

ADJUSTED EBITDA DECREASE 6,4 % PRO FORMA (EUR MILLION)



FREE CASH FLOW

(EUR MILLION)



COMMENTS

- M&A and integration related non-recurring expenses impacted the free cash flow by EUR -3,7 million.

KEY INDICATORS

EUR million (unless stated otherwise)	Q3 / 2018	Q3 / 2017	FY 2017
Net debt	143,4	48,9	50,9
Net debt / adjusted EBITDA	3,5x *	2,0x	2,1x
Gearing, %	45,3	63,1	63,0
Equity ratio, %	58,9	50,0	51,0
Free cash flow	4,1	4,8	16,5
Cash conversion, %	49,4	80,6	68,0
Gross investments	1,3	0,6	4,3

COMMENTS

- Cash position of EUR 27,0 million.
- Net debt / adjusted EBITDA at 3,5x *.
- Free cash flow containing a EUR -3,7 million (EUR -0,1 million) impact from items affecting comparability mainly related to M&A and integration costs of UC combination.
- Gross investments EUR 1,3 million (EUR 0,6 million).

*) Net debt to adjusted EBITDA calculated by dividing net debt by LTM pro forma adjusted EBITDA

Summary FINANCIAL STATEMENTS Q3 / 2018



SUMMARY INCOME STATEMENT

EUR million	Q3 / 2018	Q3 / 2017	FY 2017
Net sales	31,4	13,3	56,2
Other operating income	0,0	0,1	0,2
Materials and services	-5,5	-2,9	-12,0
Personnel expenses	-9,9	-2,6	-12,6
Other operating expenses	-8,2	-2,0	-8,8
Work performed by the entity and capitalised	0,4	0,2	1,3
Depreciation and amortisation	-3,8	-0,8	-3,1
Operating profit	4,4	5,3	21,2
Finance income and expenses	-0,8	-0,3	-1,1
Result before income tax	3,6	5,0	20,2
Income tax expense	-0,7	-1,0	-4,1
Result for the period	2,9	4,0	16,0
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,12	0,26	1,06
Diluted earnings per share (EUR)	0,12	0,26	1,06

SUMMARY INCOME STATEMENT PRO FORMA

EUR million	Q3 / 2018	Q3 / 2017	FY 2017
Net sales	31,4	31,1	129,6
Other operating income	0,0	0,1	0,4
Materials and services	-5,5	-5,0	-21,3
Personnel expenses	-9,9	-8,2	-39,1
Other operating expenses	-8,2	-7,4	-37,6
Work performed by the entity and capitalised	0,4	0,6	3,7
Depreciation and amortisation	-3,8	-3,6	-14,6
Operating profit	4,4	7,6	20,9
Finance income and expenses	-0,8	-0,7	-3,0
Result before income tax	3,6	6,9	18,0
Income tax expense	-0,7	-1,4	-4,5
Result for the period	2,9	5,5	13,4
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,12	0,23	0,56
Diluted earnings per share (EUR)	0,12	0,23	0,56
Comparable earnings per share (EUR)	0,21	0,32	0,93

SUMMARY BALANCE SHEET

EUR million	30.9.2018	31.12.2017
ASSETS		
Goodwill	349,8	118,4
Other intangible assets	137,9	11,1
Property, plant and equipment	3,5	2,0
Deferred tax assets	1,2	1,6
Loan and other receivables	0,3	0,4
Total non-current assets	492,8	133,5
Account and other receivables	24,7	7,9
Cash and cash equivalents	27,0	18,9
Total current assets	51,7	26,8
Total assets	544,5	160,3

EUR million	30.9.2018	31.12.2017
EQUITY AND LIABILITIES		
Share capital	0,1	0,1
Invested unrestricted equity reserve	351,7	112,4
Translation differences	4,7	-47,4
Accumulated losses	-39,8	16,0
Total equity	316,7	81,1
Interest-bearing liabilities	170,2	69,8
Pension liabilities	3,8	
Deferred tax liabilities	25,6	
Account and other payables	0,3	0,7
Total non-current liabilities	199,9	70,4
Interest-bearing liabilities	0,2	
Advances received	6,6	1,4
Account and other payables	21,1	7,4
Total current liabilities	27,9	8,8
Total liabilities	227,8	79,2
Total equity and liabilities	544,5	160,3

SUMMARY CASH FLOW

EUR million	Q3 / 2018	Q3 / 2017	FY 2017
Cash flows from operating activities			
Result before income tax	3,6	5,0	20,2
Depreciation and amortisation	3,8	0,8	3,1
Finance income and expenses	0,8	0,3	1,1
Profit (-) / loss (+) on disposal of property, plant and equipment	0,0	0,0	-0,2
Other adjustments	-1,3	0,1	0,5
Change in working capital	0,2	0,5	0,0
Interest and other finance expenses paid	-0,3	-0,2	-1,0
Interest and other finance income received	0,0	0,0	0,0
Income taxes paid	-1,2	-1,1	-3,7
Net cash from operating activities	5,6	5,3	19,9
Cash flows from investing activities			
Purchases of property, plant and equipment	-0,1	-0,3	-1,5
Purchases of intangible assets	-1,7	-0,4	-2,9
Purchases of subsidiaries, net of cash acquired	0,0	0,0	-6,0
Proceeds from sale of property, plant and equipment	0,0	0,0	0,3
Non-current receivables	0,0	0,0	0,0
Net cash used in investing activities	-1,7	-0,6	-10,0
Cash flows from financing activities			
Proceeds from interest-bearing liabilities	0,0	0,0	0,0
Repayments of interest-bearing liabilities	0,0	0,0	0,0
Dividends paid and other profit distribution	0,0	0,0	-13,6
Net cash used in financing activities	0,0	0,0	-13,6
Net increase / decrease in cash and cash equivalents	3,8	4,7	-3,7
Exchange rate effect	0,2	0,0	0,0
Cash and cash equivalents at beginning of the period	23,0	16,2	22,6
Cash and cash equivalents at end of the period	27,0	20,8	18,9

QUESTIONS AND ANSWERS

Asiakastieto Group Plc

INTERIM REPORT 1.1.–30.9.2018

