

ASIAKASTIETO GROUP PLC

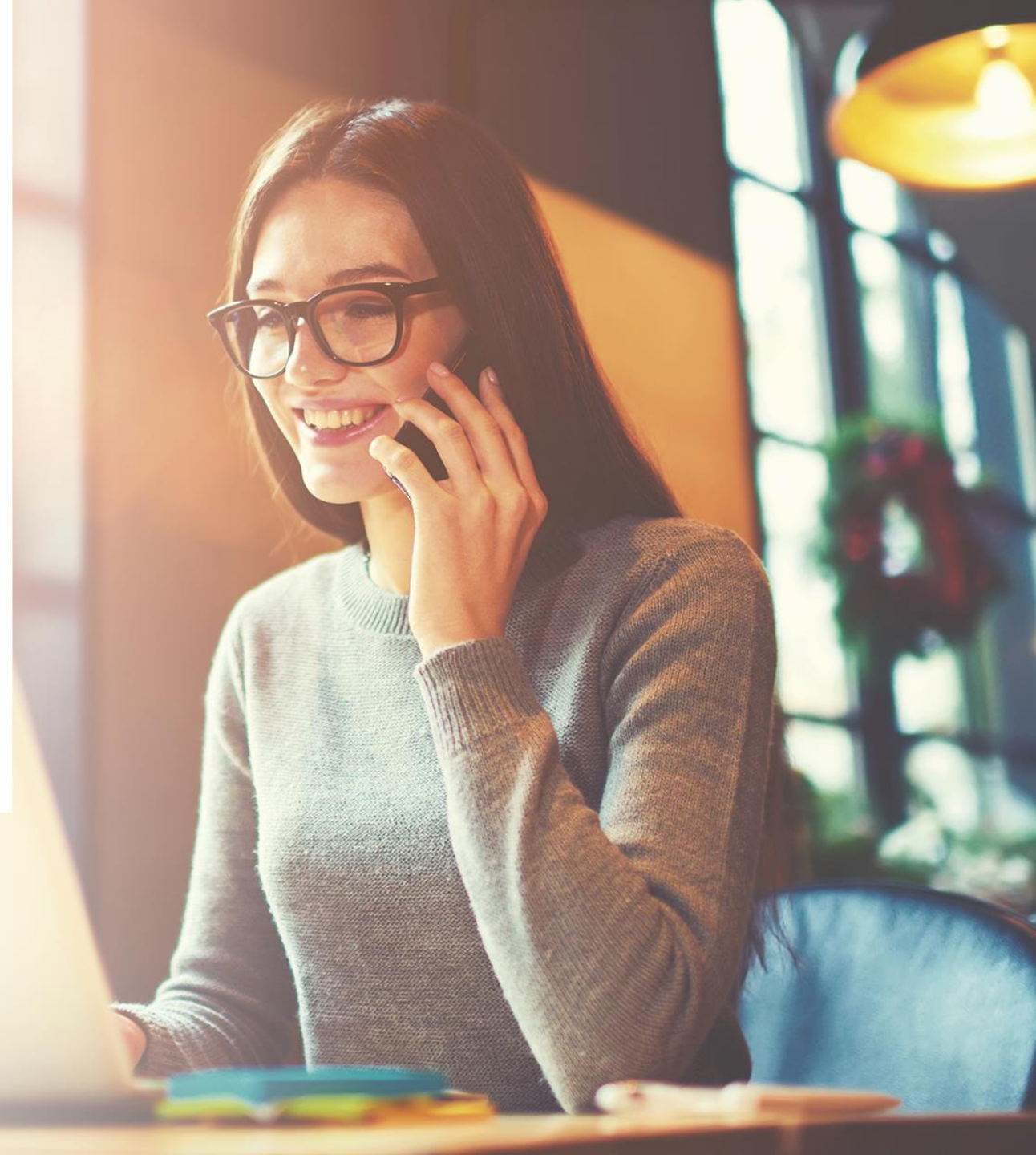
INTERIM REPORT

1.1.–31.3.2019

CEO Jukka Ruuska

10 May 2019

Intelligent decisions.
Bigger dreams.



Content

→ Asiakastieto Group in brief

- Nordic company with strong local brands
- Business areas and Functional units
- Strategy 2019

→ Highlights of Q1 / 2019

- Integration progress
- Business development
- Acquisition of Solidinfo.se
- Sustainability as a business opportunity

→ Key ratios Q1 / 2019



A leading Nordic
company in digital
services and data
innovation.



We provide services based on analyzed and enriched data so that companies, individuals and societies can make **intelligent decisions**. Intelligent decisions allow our customers to grow.

Asiakastiето Group

2018

Asiakastiето Group and UC AB have joined forces.

Operations continues under strong company brands, Asiakastiето in Finland and UC in Sweden.



LISTED ON
NASDAQ HELSINKI

NUMBER OF EMPLOYEES 31.12.2018

164
FINLAND

283
SWEDEN

447
TOGETHER



UC

Since 1977

asiakastiето
Since 1905

Intelligent Decisions.
Bigger Dreams.

MARKET CAPITALISATION

31.12.2018

589,3 MEUR



Partners in
Nordic region
and in Europe

Almost 70 000 customers within
banking, finance, retail, public
sector and small companies

Around

400 000

consumer
customers



In the front within digitalization and data innovation



Key figures pro forma Q1 / 2019



Net Sales

34,5
MEUR

Increase in
Net Sales
at comparable FX

7,7
%

Net Debt to
Adjusted EBITDA

3,0
X

Number of Personnel
31.3.2019

452

Adjusted
EBITDA

11,7
MEUR

Adjusted
EBITDA Margin

34,0
%

Business areas and Functional units



Business areas

Sales and marketing professionals can improve the efficiency of their work and boost customer management by our

- Target group tools for surveying potential customers
- Register updates and maintenance
- Target group extractions
- GDPR Service (outsourcing of customer registers)
- Consumer behaviour analytics and forecasting models

Customer Data Management

Services for small and micro companies

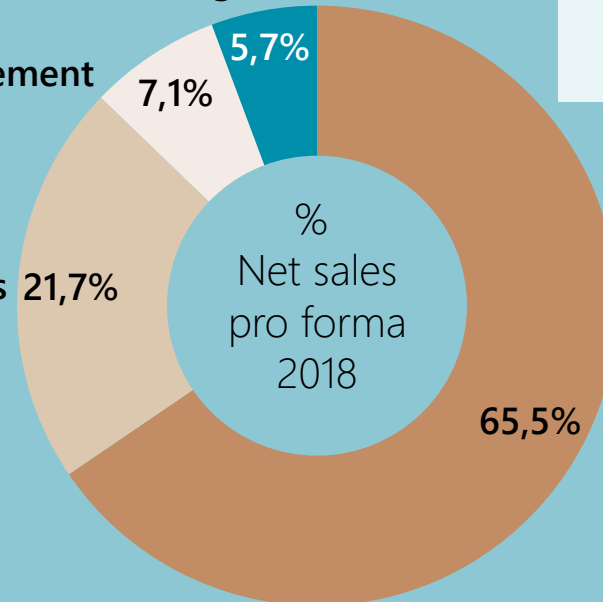
- Easy to use applications and user interfaces for the evaluation of risks and sales potential
- Acquisition of other relevant information on customers and business partners and proof of own creditworthiness.

Services for consumers

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

SME and Consumers 21,7%

Digital Processes 5,7%



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.
- For compliance purposes; for example to identify companies' beneficial owners and politically exposed persons.

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

- General risk management
- Credit risk management
- Financial management
- Decision making
- Fraud and credit loss prevention
- Gaining knowledge of and identifying customers

Strategic themes 2019

Customer
first



Engaged and
competent
personnel



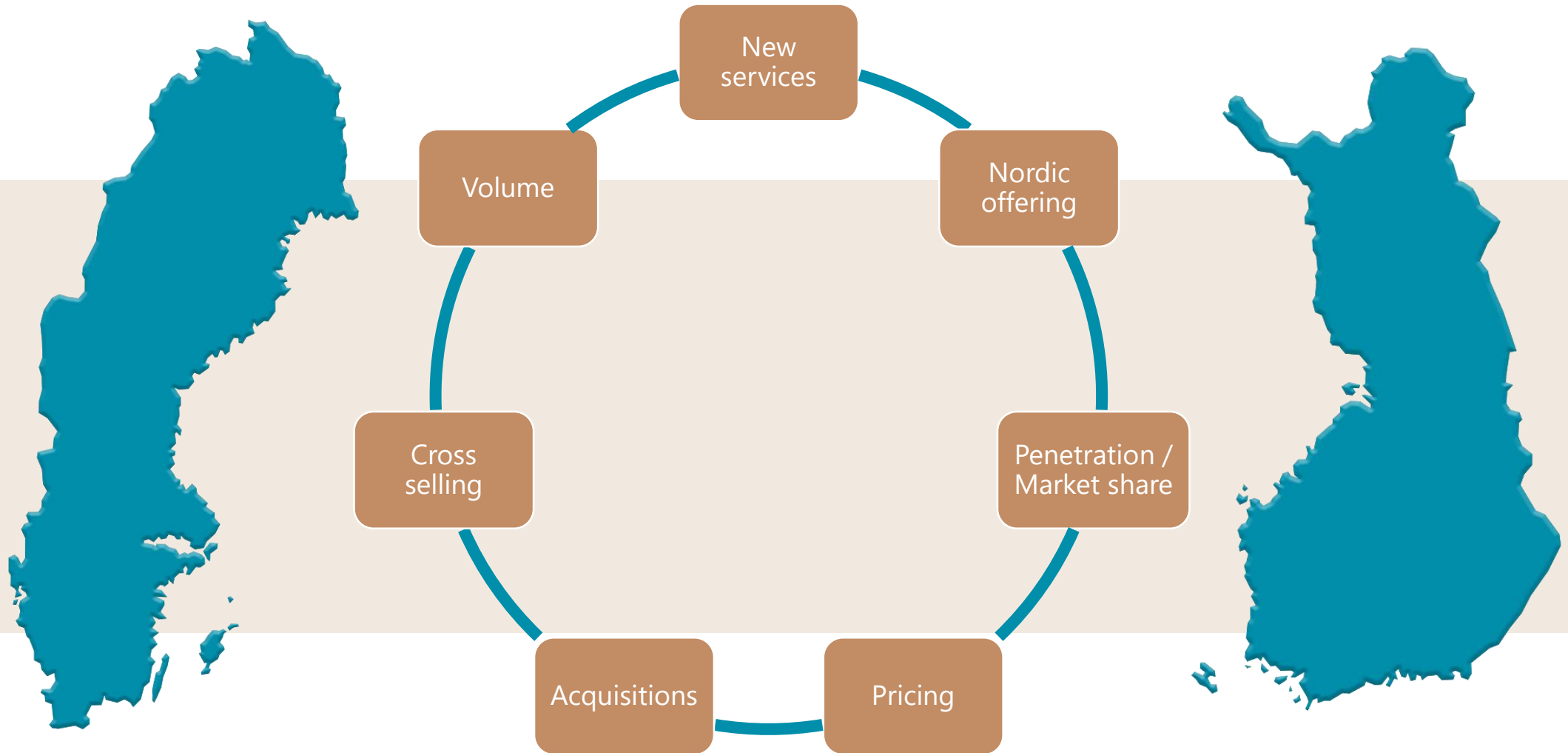
Business
development



Financial
growth



Growth formula



Long term financial targets



Growth

Achieve 5-10 percent average growth in Net sales.

Profitability

Achieve a rate of EBITDA growth that exceeds the percentage growth of Net sales.

Balance sheet structure

Maintain net debt to EBITDA of less than 3x while continuing to maintain an efficient capital structure.

Future outlook



Net sales: Asiakastieto Group expects its net sales growth in 2019 to be in the middle of the range of its long-term target (5–10 %) or slightly below it compared to the previous year's pro forma net sales.

EBITDA: Asiakastieto Group expects its adjusted EBITDA, excluding the effect of IFRS 16 transition, to grow in 2019 at a percentage rate that exceeds the rate of net sales growth compared to the previous year's pro forma adjusted EBITDA.

Capital expenditure: Asiakastieto Group expects its capitalised product development and software expenses in 2019 to exceed the previous year's level on a pro forma basis.

Highlights



Highlights of Q1 / 2019

Asiakastieto & UC integration

- Integration proceeds as planned

Business Development

- Continued development of new services
- EXAMPLES:
 - Income Intelligence
 - Housing transaction services

Acquisition of Solidinfo.se

- Free company information services:
 - LOI signed on 12 February 2019
 - Transaction closed on 8 March 2019

Sustainability as a business opportunity

- Acting in a responsible and sustainable manner as a company
- Helping our customers to act responsibly and sustainably by launching services that support corporate responsibility

Integration progress



Integration progressing as planned



- We were able to realize **cost synergies** as planned already during H2/2018.
- **Cross sales and new services** are in planning phase in all Business Areas.
- **Synergy benefits of EUR 17 million** (run rate 2021): We are proceeding according to plan.



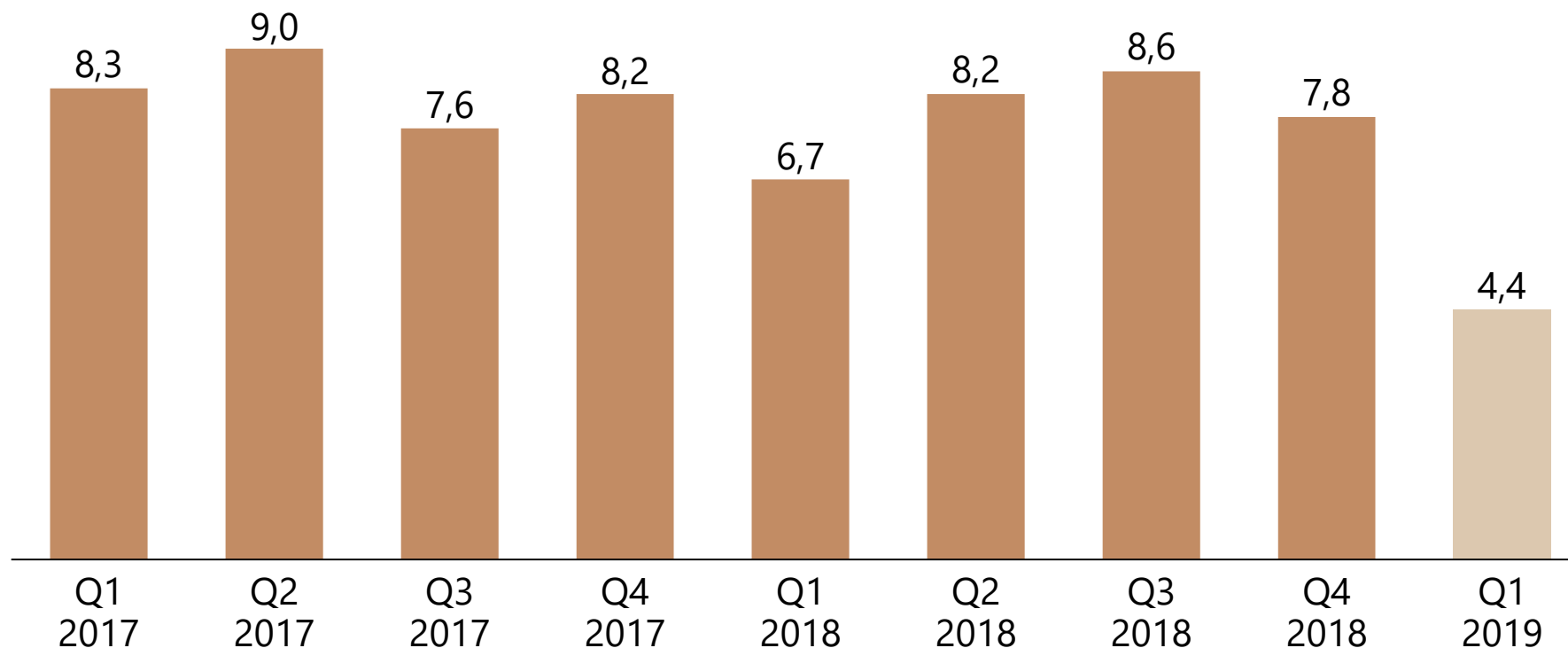
Business development



New services share of net sales pro forma

COMMENTS

■ % of Net sales



- Share of new services was 4,4 %.
- Three new services launched during the first quarter.
- Attributable to our integration projects and the retargeting of our development portfolio at Nordic projects, the Net sales contribution of new services remained below our long-term target level in the first quarter.

Housing related services

FINLAND	SWEDEN
Real Estate Information Services <ul style="list-style-type: none">• For banks, brokers and other users since 2010• Services based on Real Estate Register data	Real Estate Information Services <ul style="list-style-type: none">• To be evaluated in 2019 if or what type of services could be created based on Lantmäteriet's data
Apartment Information Services <ul style="list-style-type: none">• Digital apartment information services based on the data from housing company management systems (Q2/2019)• Digital Apartment Register (osakehuoneistorekisteri) reports (Q4/2019)	Apartment Information Services <ul style="list-style-type: none">• Financial information of housing companies (BRF = Bostadsrättsförening) available on Bostadsvärdering• Digital Ownership Register does not exist in Sweden
Housing Valuation Services (Starting Q2/2019) <ul style="list-style-type: none">• For Banks	Housing Valuation Services (Bostadsvärdering since 2013) <ul style="list-style-type: none">• For Banks, Brokers and others
Housing Transaction Services <ul style="list-style-type: none">• Digital real estate trade service• Housing transaction service (Tambur type service, H2/2019)	Housing Transaction Services <ul style="list-style-type: none">• Tambur (Housing transaction service) since Q2/2018 for Banks and Brokers
Collateral management <ul style="list-style-type: none">• Property document drafting service (e.g. Mortgage applications)• Apartment document drafting service (Q1/2020)• Valuation for housing collateral	Collateral management <ul style="list-style-type: none">• Valuation for housing collateral

Housing related services for banks and brokers

Customer processes



Asiakastiето Group's services for customer process

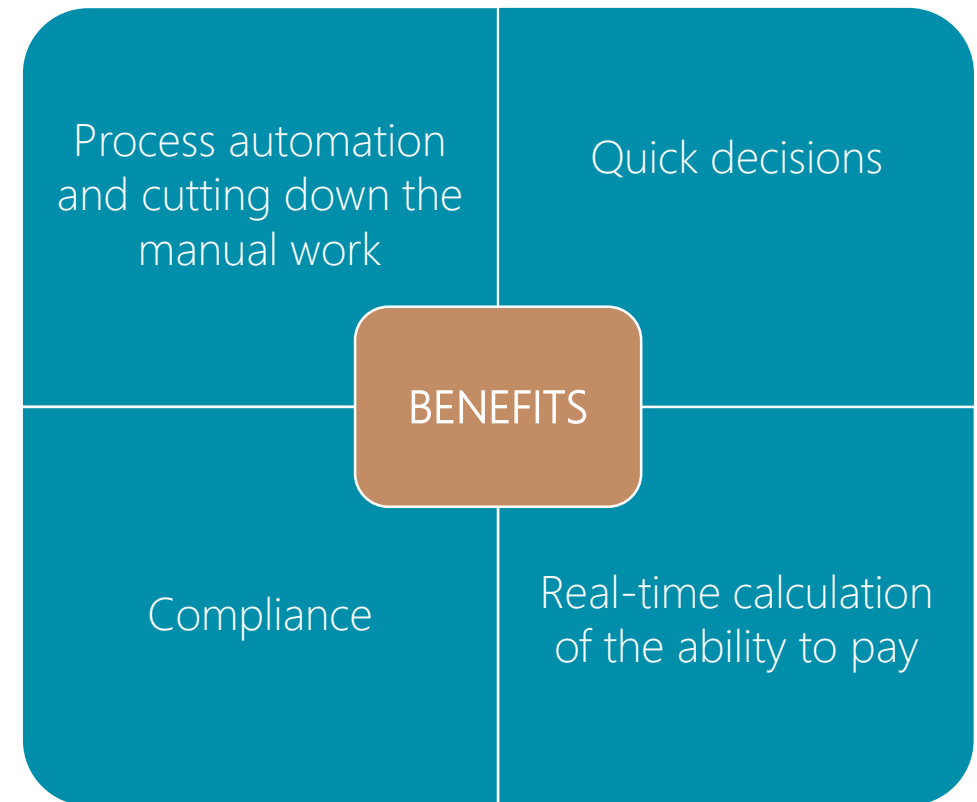


Income Intelligence

Income Intelligence is an API service that enables the digital management of a pay slip document within a client's online process, e.g. a loan application form or other webservice.

The pay slip is read in real-time by using optical reading and text analytics methods. The necessary data is returned in a structural format into the system of the client.

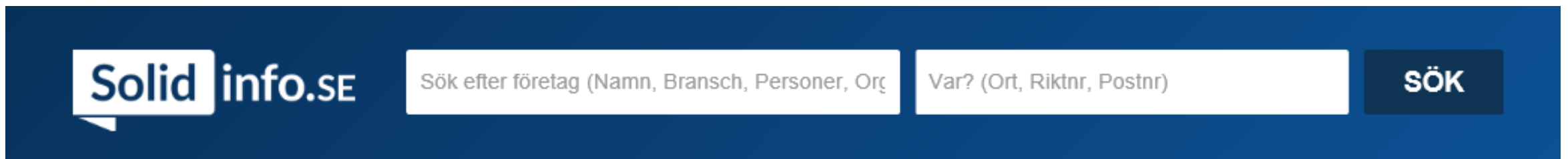
The service is built together with Asiakastieto's pilot clients. The solution's concept is scalable for other document processing needs.



Solidinfo.se



- A website with more than 100 000 weekly unique visitors
- Similar free company information as allabolag.se service in Sweden and asiakastieto.fi/yritykset service in Finland
- Strengthen our position in the freemium corporate data segment
- Increase our digital accessibility
- Advance our market position in SME segment
 - LOI signed on 12 February 2019
 - Transaction closed on 8 March 2019



The screenshot shows the Solidinfo.se search interface. It features a dark blue header with the 'Solid info.SE' logo on the left. To the right of the logo is a search bar with the placeholder text 'Sök efter företag (Namn, Bransch, Personer, Org)'. Further right is another search bar with the placeholder text 'Var? (Ort, Riktnr, Postnr)'. On the far right of the header is a dark blue button with the white text 'SÖK'.

Sustainability as a business opportunity



Acting in a responsible and sustainable manner

DIRECT IMPACT

- Customer
- Personnel
- Shareholders
- Security and privacy
- Laws and regulation

SOCIETAL IMPACT

- Environment
- Community



INDIRECT SOCIETAL IMPACT

- Enabling our customer to act in responsible and sustainable manner, for example:

ESG-report

Positive data

Key ratios

Q1 / 2019



Overview of Q1 / 2019



EUR million (unless stated otherwise)	Q1 / 2019	Q1 / 2018	FY 2018
Net Sales	34,5	15,1	98,1
Growth (year-on-year)	128,8 %	8,9 %	74,6 %
Adjusted EBITDA	11,7	6,4	36,1
Adjusted EBITDA margin	34,0 %	42,6%	36,8 %
Adjusted EBIT	9,8	5,6	32,0
Adjusted EBIT margin	28,5 %	37,2 %	32,7 %
New products and services (% of Net Sales)	4,4 %	9,6 %	8,8 %
EBITDA	11,3	5,1	26,7
EBIT	6,7	4,2	16,7

COMMENTS

→ Q1/2019 was the third quarter with UC AB results consolidated to Asiakastiето Group.

Overview of Q1 / 2019 pro forma

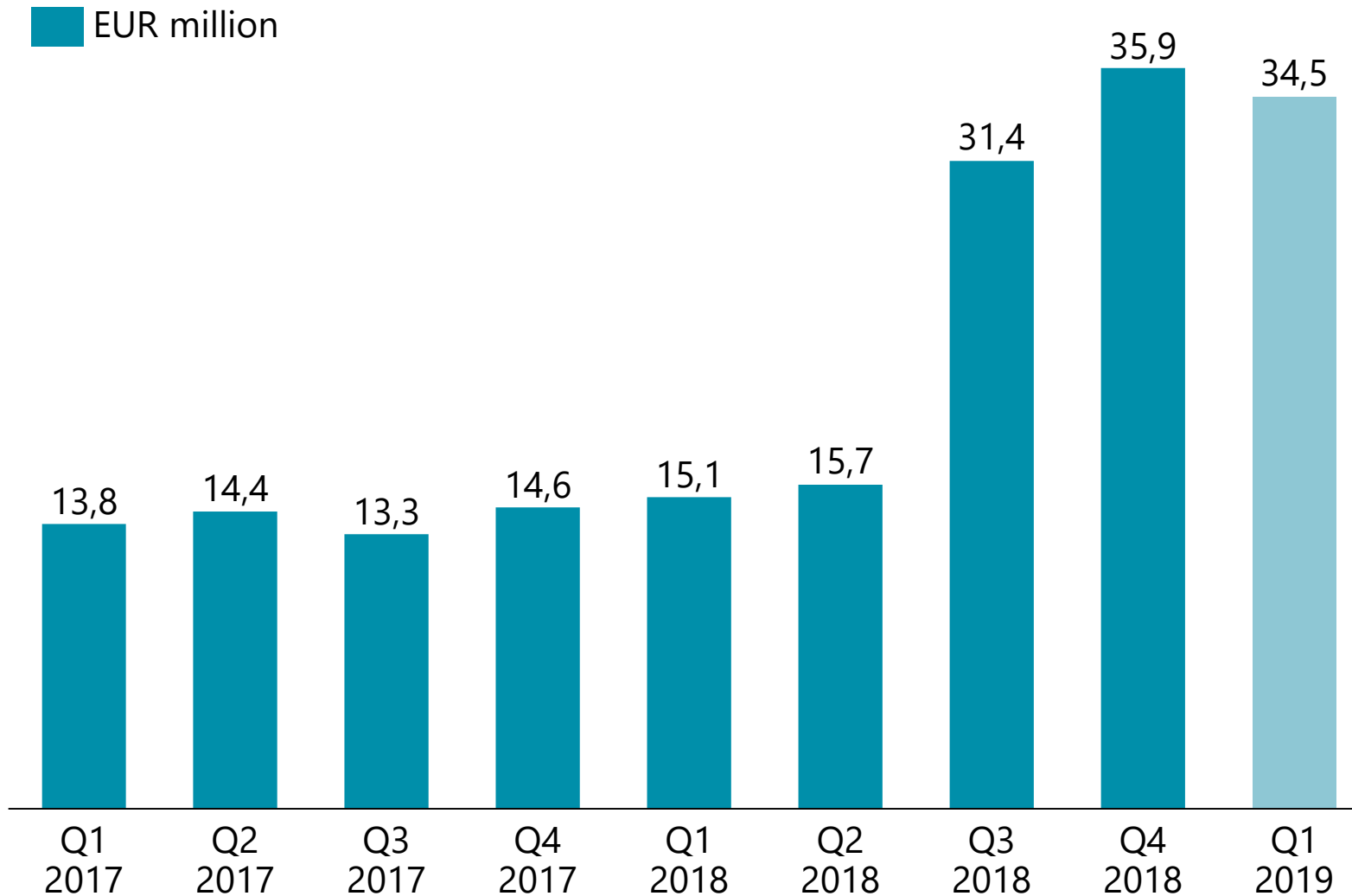


EUR million (unless stated otherwise)	Q1 / 2019	Q1 / 2018	FY 2018
Net Sales	34,5	32,8	134,3
Growth (year-on-year)	5,2 %	n/a	3,6 %
Adjusted EBITDA	11,7	9,3	42,1
Adjusted EBITDA margin	34,0 %	28,2 %	31,3 %
Adjusted EBIT	9,8	8,3	37,7
Adjusted EBIT margin	28,5 %	25,3 %	28,1 %
New products and services (% of Net Sales)	4,4 %	6,7 %	7,8 %
EBITDA	11,3	8,2	34,8
EBIT	6,7	4,5	19,2

COMMENTS

- Net sales growth was +5,2 % at reported FX rates and +7,7 % at comparable FX rates.
- Adjusted EBITDA excluding IFRS 16 increased by +20,8 % (+22,4 % at comparable FX rates).
- Adjusted EBITDA margin impacted by good development in net sales, lower than planned personnel expenses and impact of the synergy actions.

Quarterly net sales

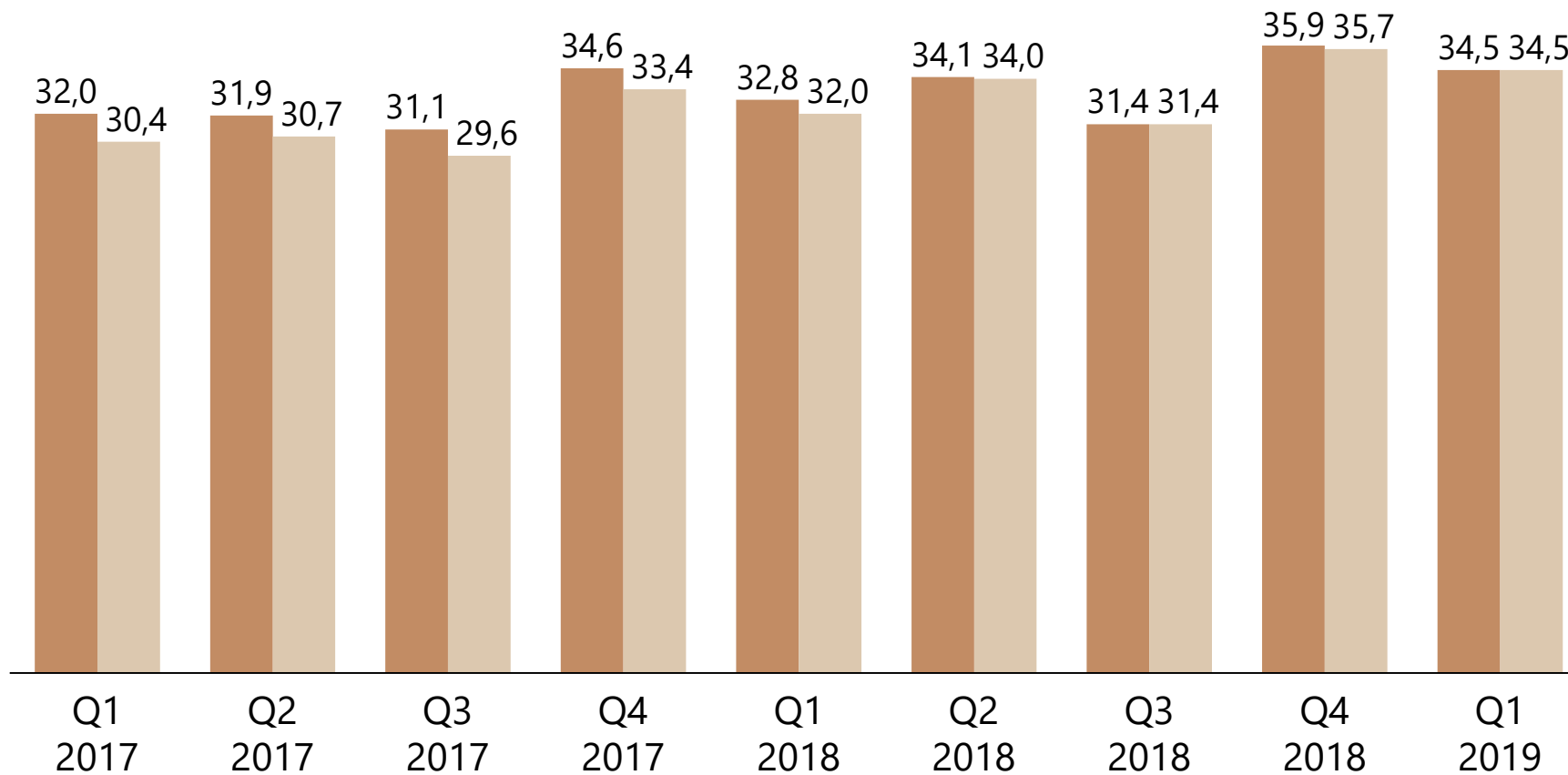


COMMENTS

- Q3-Q4/2018 and Q1/2019 with UC AB results consolidated to Asiakastiето Group.

Quarterly net sales pro forma

Net sales at reported FX, EUR million
Net sales at constant FX, EUR million

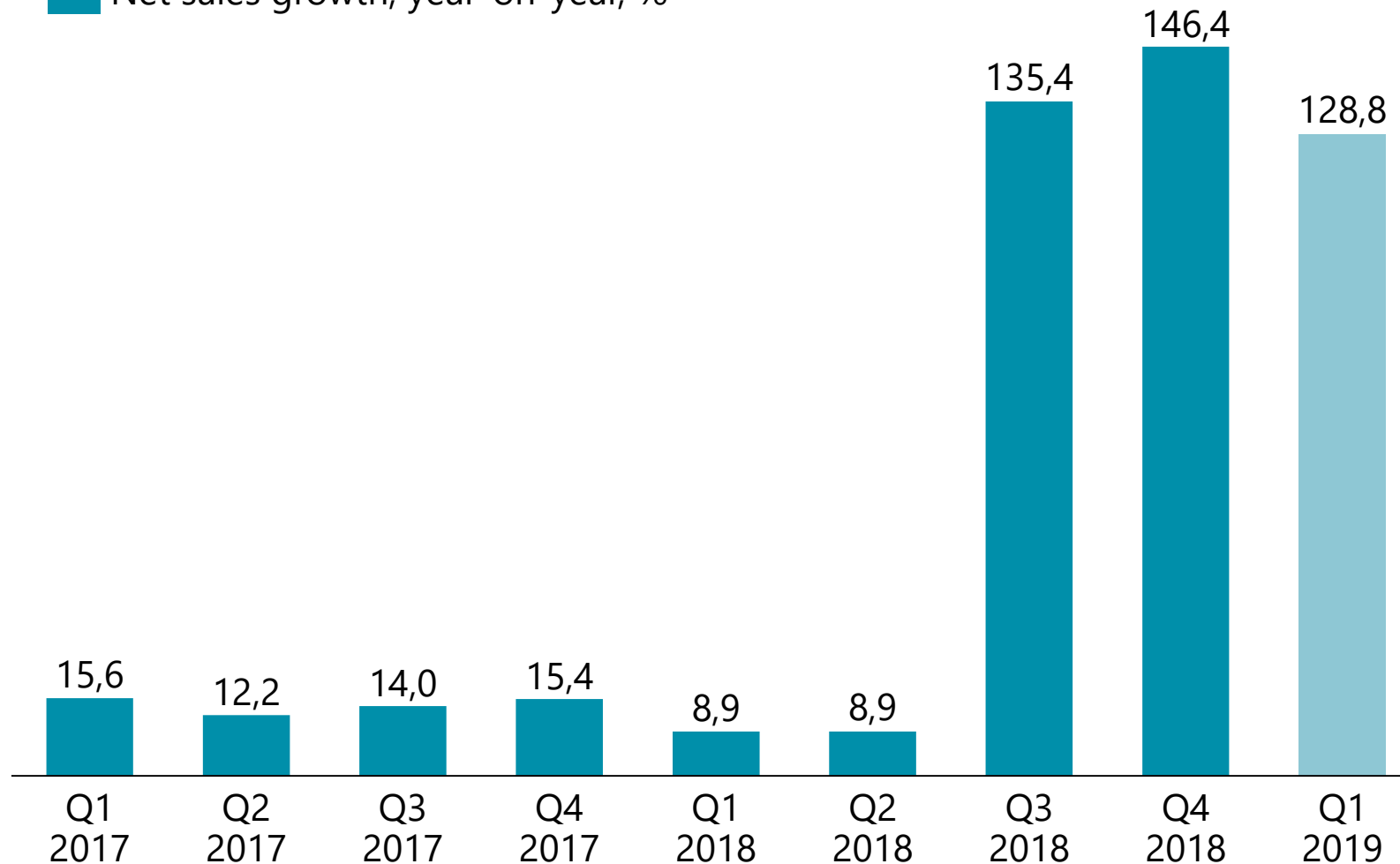


COMMENTS

→ Net sales growth Q1/2019 was +5,2 % at reported FX rates and +7,7 % at comparable FX rates.

Net sales growth

Net sales growth, year-on-year, %

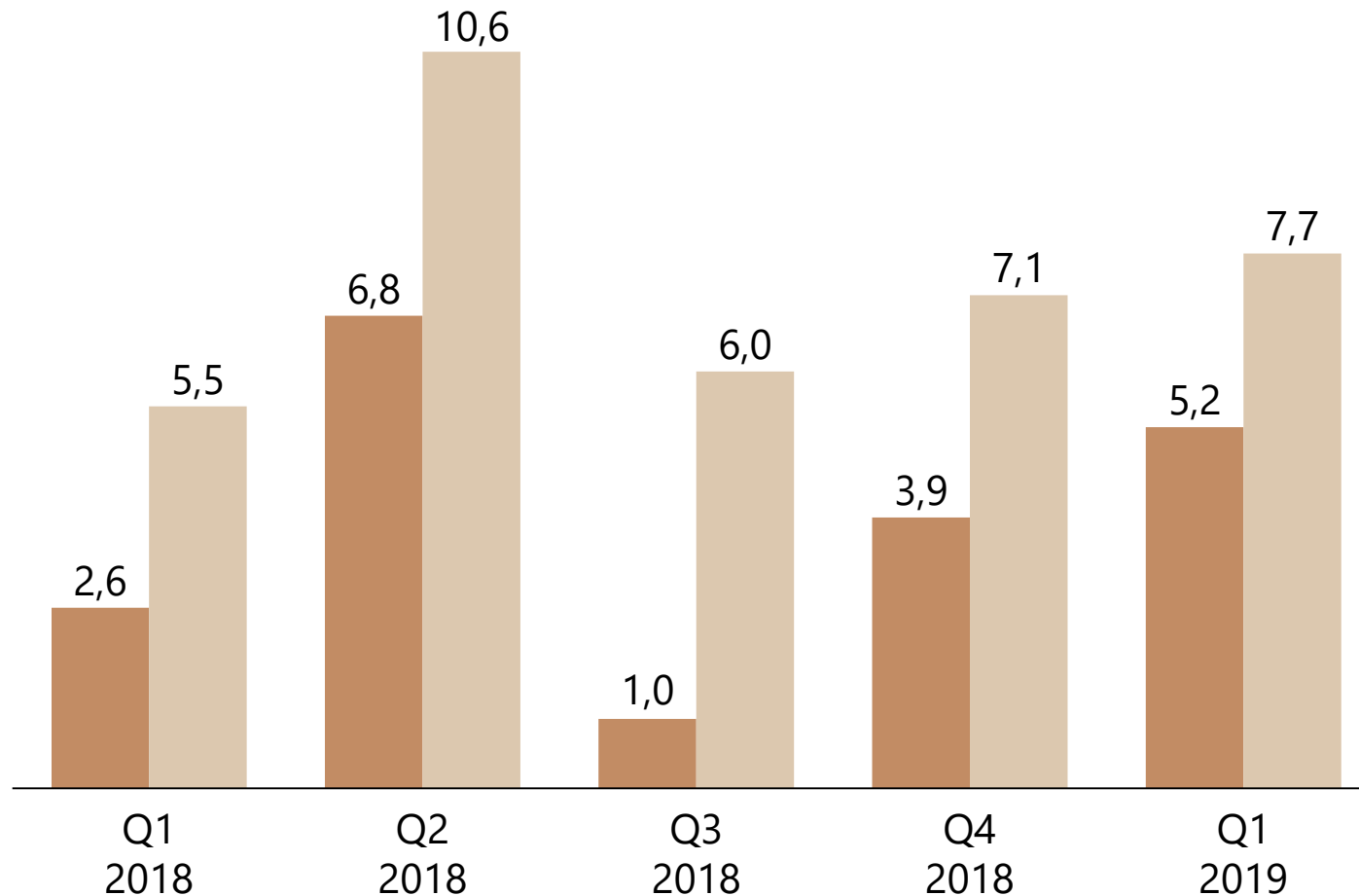


COMMENTS

→ Q3-Q4/2018 and Q1/2019 with UC AB results consolidated to Asiakastieto Group.

Net sales growth pro forma

- Net sales growth at reported FX, year-on-year, %
- Net sales growth at constant FX, year-on-year, %



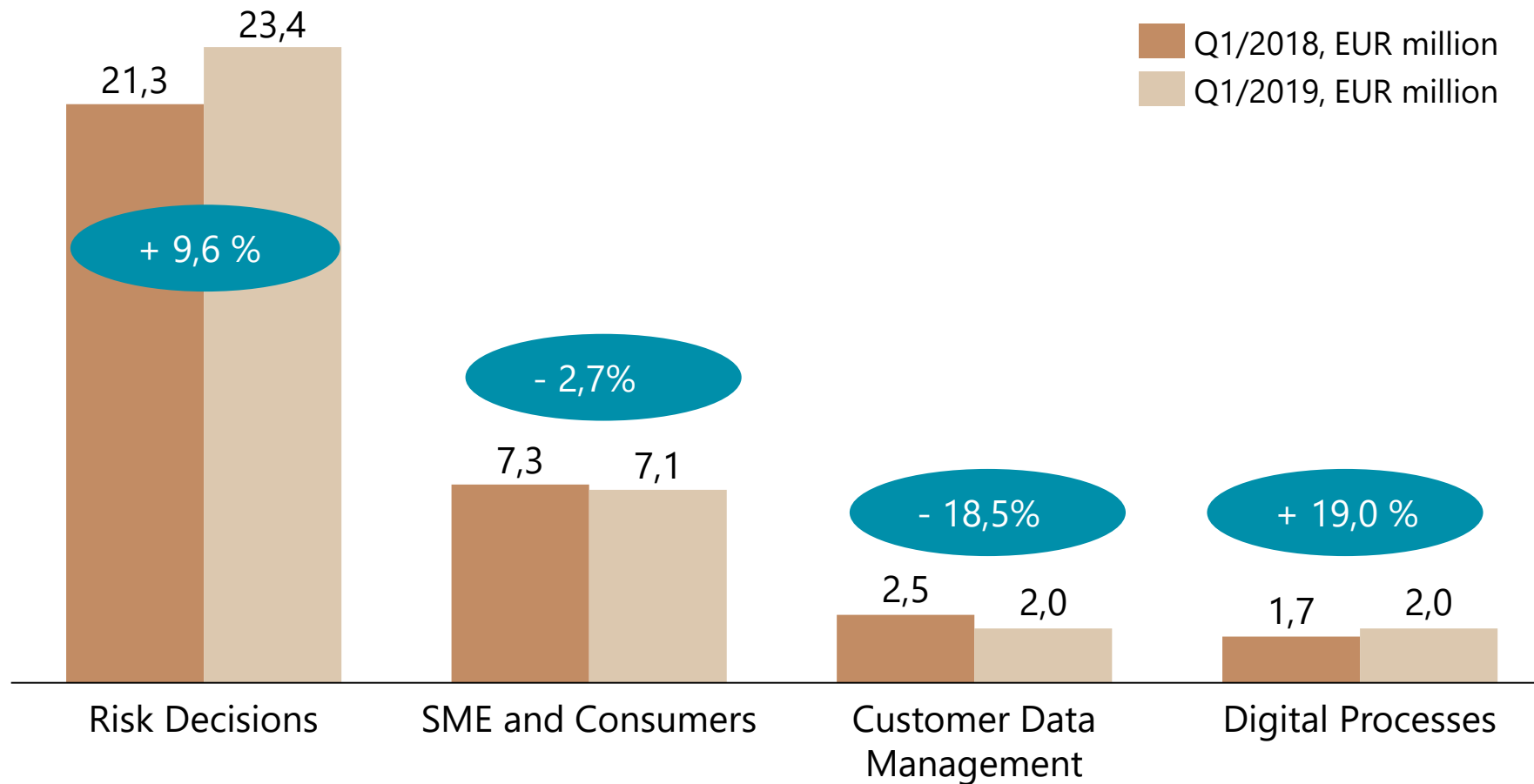
COMMENTS

- FX comparable growth rate 7,7 %.
- Growth driven by Risk Decisions consumer risk management solutions as well as new services.

Revenue by product area pro forma

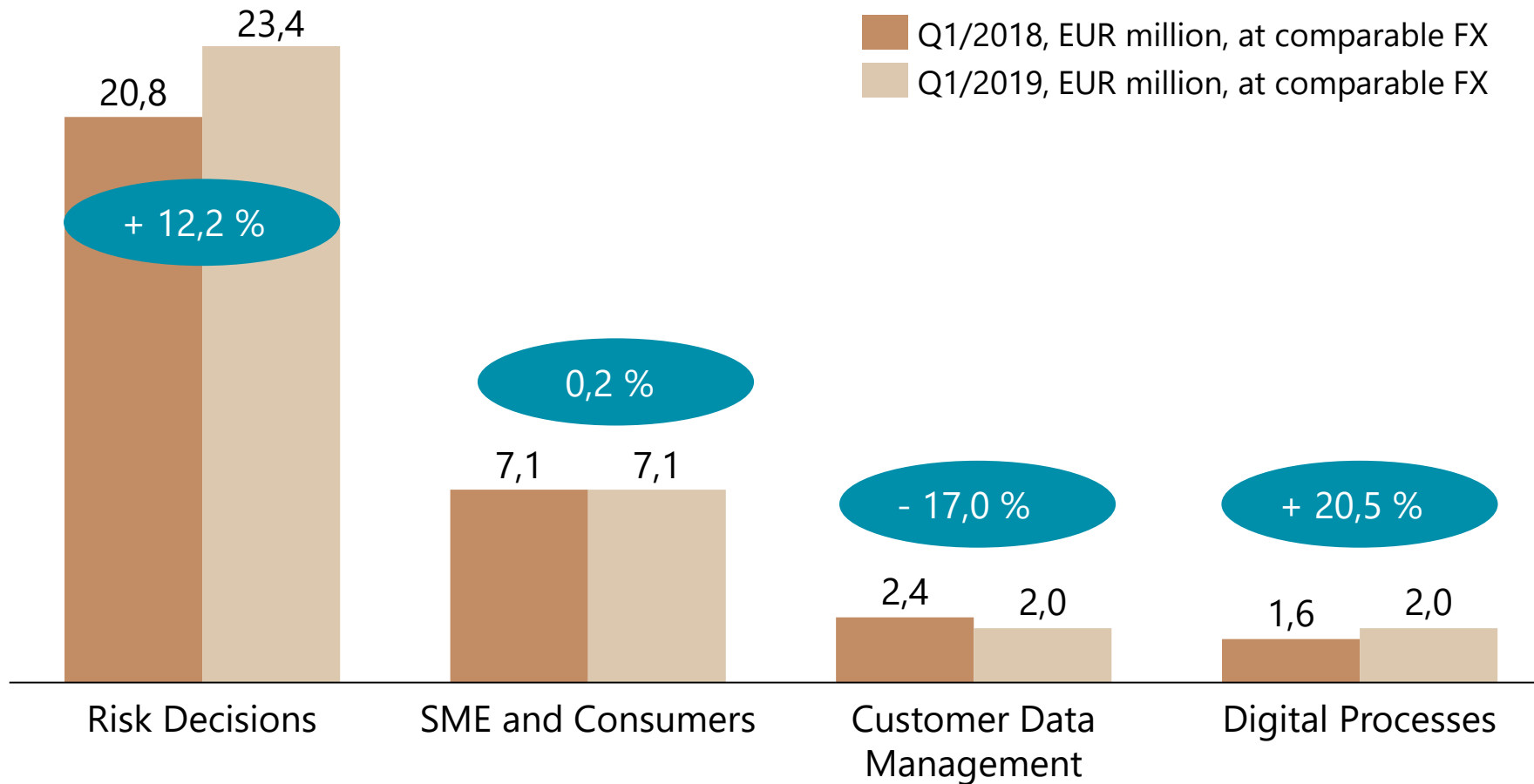
COMMENTS

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



Revenue by product area pro forma

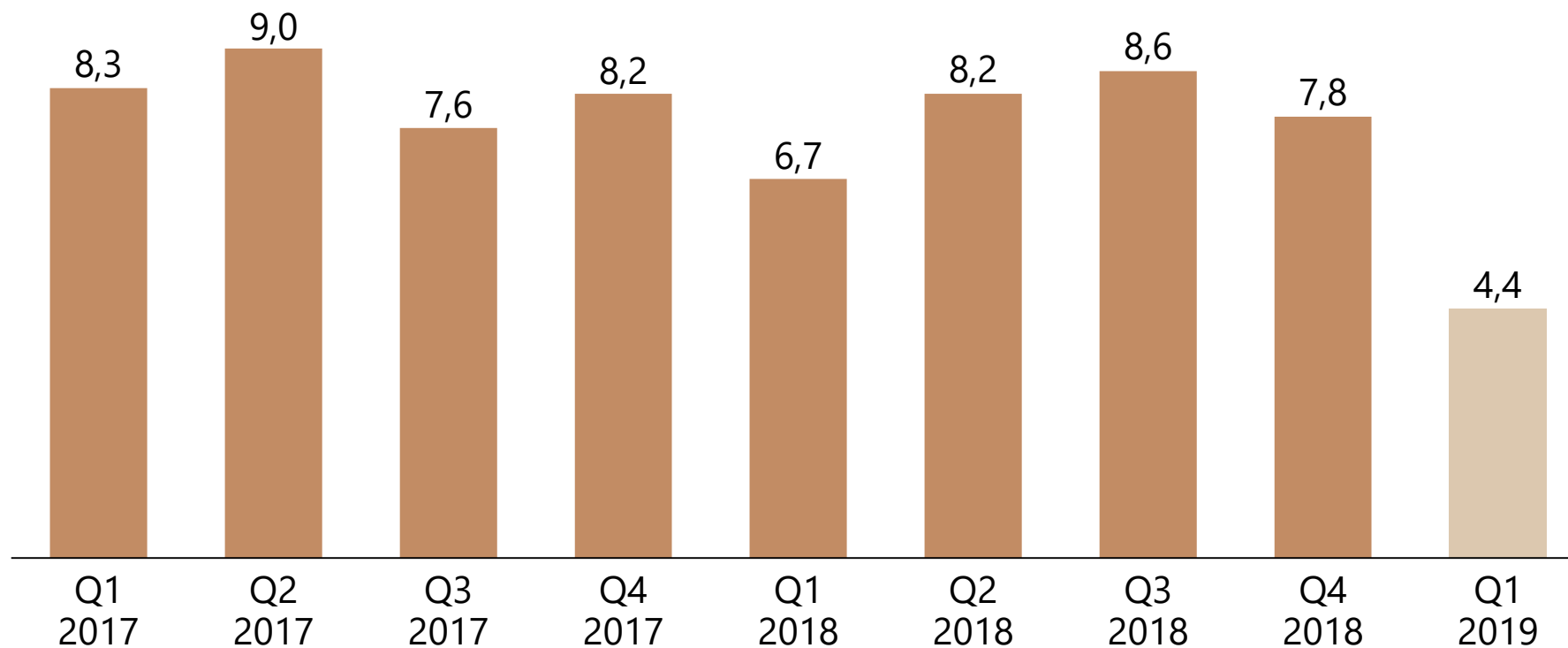
COMMENTS



- Risk Decisions growth driven by consumer risk management solutions.
- SME and Consumers developing well within online consumer services in Sweden and SME offering in Finland, but weaker than expected in consumer services Finland and allabolag.se.
- Customer Data Management negative growth is impacted by the discontinuation product offering (B2C Sweden).
- Digital Processes growth driven by the launch of Tambur (in Q2/18) as well as growth in the demand of real estate services in Finland.

New services share of net sales pro forma

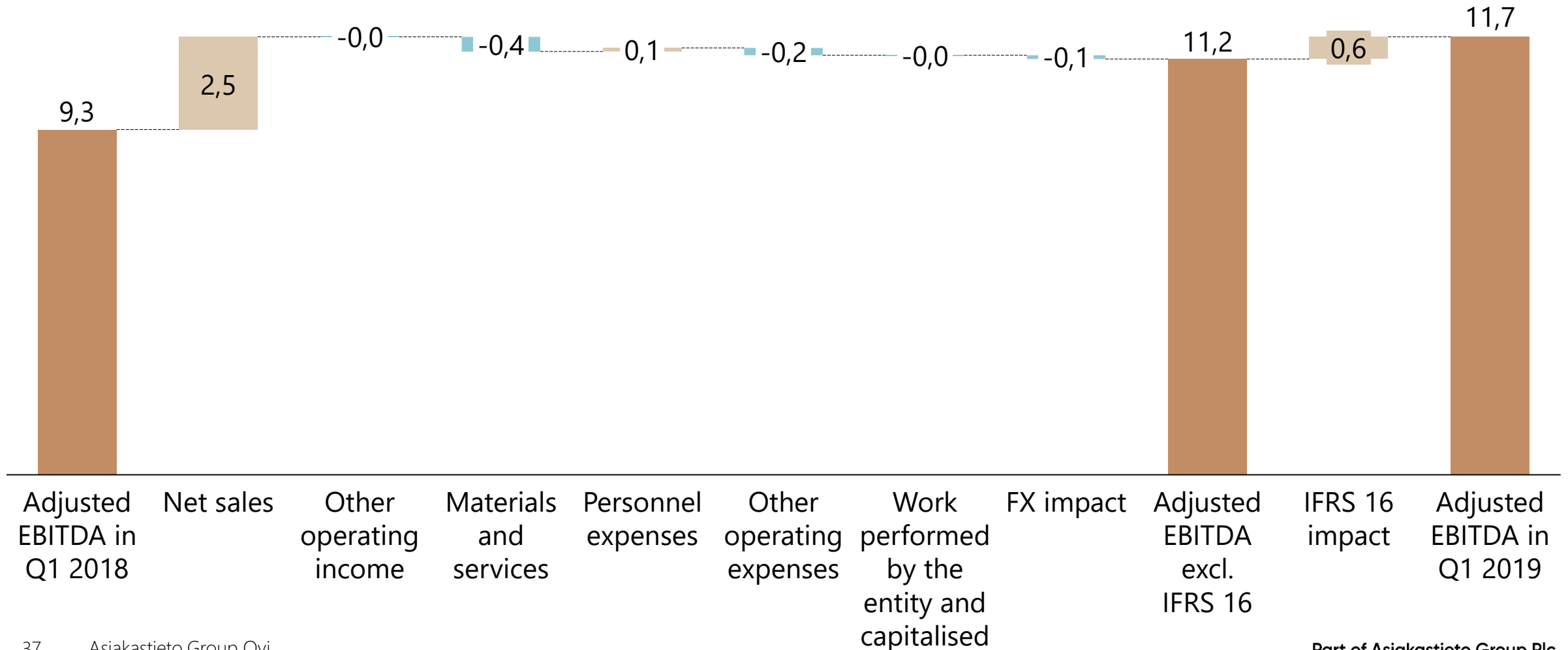
■ % of Net sales



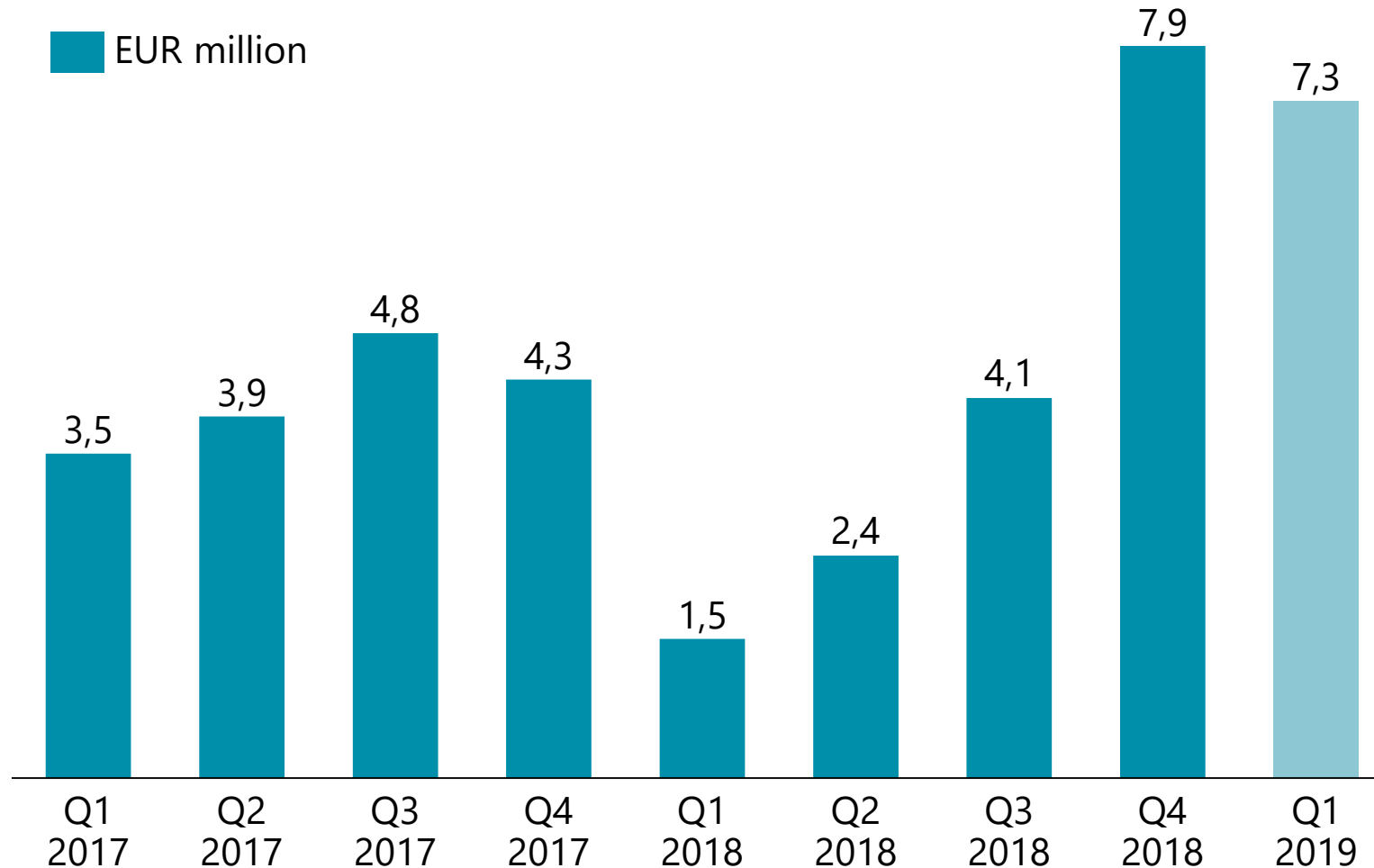
COMMENTS

- Share of new services was 4,4 %.
- Three new services launched during the first quarter.
- Attributable to our integration projects and the retargeting of our development portfolio at Nordic projects, the Net sales contribution of new services remained below our long-term target level in the first quarter.

Adjusted EBITDA increased 20,8 % pro forma (excl. IFRS 16 impact)



Free cash flow



COMMENTS

- Non-recurring redundancy-related payments arising from operational restructuring impacted the free cash flow by EUR -0,6 million.

Key indicators

EUR million (unless stated otherwise)	Q1 / 2019	Q1 / 2018	FY 2018
Net debt	140,9	49,6	137,0
Net debt / adjusted EBITDA	3,0	1,9	pro forma 3,3
Gearing, %	47,1	70,3	42,6
Equity ratio, %	54,0	43,1	59,6
Free cash flow	7,3	1,5	15,9
Cash conversion, %	64,4	29,5	59,6
Gross investments	2,6	1,5	5,6

COMMENTS

- Cash position of EUR 39,6 million.
- Net debt / adjusted EBITDA at 3,0x.
- Free cash flow containing EUR -0,6 million (EUR 0,0 million) impact from items affecting comparability mainly related to redundancy related payments arising from operational restructuring.
- Gross investments EUR 2,6 million (EUR 1,5 million).

Guidance 2019

Guidance ¹	
Net sales	Asiakastieto Group expects its Net sales growth in 2019 to be in the middle of the range of its long-term target (5–10 %) or slightly below it compared to the previous year's pro forma Net sales.
EBITDA	Asiakastieto Group expects its adjusted EBITDA, excluding the effect of IFRS 16 transition, to grow in 2019 at a percentage rate that exceeds the rate of net sales growth compared to the previous year's pro forma adjusted EBITDA.
Capital expenditure	Asiakastieto Group expects its capitalised product development and software expenses in 2019 to exceed the previous year's level on a pro forma basis.
Dividend policy ²	
Dividends	The Company's dividend policy is to distribute as dividends at least 70 per cent of the Company's net profit, whilst, taking into consideration the business development and investment needs of the Group. Any dividends to be paid in future years, their amount and the time of payment will depend on Asiakastieto Group's future earnings, financial condition, cash flows, investment needs, solvency and other factors.

Note: (1) This forward-looking statement is not a guarantee of future performance; (2) Subject to the business development and investment needs of the Company. Any dividends to be paid in future years, their amount and the time of payment will depend on Asiakastieto's future earnings, financial condition, cash flows, investment needs, solvency and other factors.

Financials Q1 / 2019 Summary



Q1 / 2019 Income statement

EUR million	Q1 / 2019	Q1 / 2018	FY 2018
Net sales	34,5	15,1	98,1
Other operating income	0,0	0,0	0,1
Materials and services	-5,6	-3,2	-18,3
Personnel expenses	-9,8	-3,5	-26,8
Other operating expenses	-8,3	-3,8	-28,1
Work performed by the entity and capitalised	0,6	0,4	1,6
Depreciation and amortisation	-4,7	-0,9	-10,0
Operating profit	6,7	4,2	16,7
Finance income and expenses	-0,8	-0,3	-2,2
Result before income tax	5,8	3,9	14,5
Income tax expense	-1,0	-0,8	-3,6
Result for the period	4,8	3,1	10,9
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,20	0,21	0,56
Diluted earnings per share (EUR)	0,20	0,20	0,56

Income statement pro forma

EUR million	Q1 / 2019	Q1 / 2018	FY 2018
Net sales	34,5	32,8	134,3
Other operating income	0,0	0,1	0,1
Materials and services	-5,6	-5,3	-22,8
Personnel expenses	-9,8	-10,1	-40,7
Other operating expenses	-8,3	-9,9	-38,2
Work performed by the entity and capitalised	1,0	0,6	2,0
Depreciation and amortisation	-4,7	-3,7	-15,5
Operating profit	6,7	4,5	19,2
Finance income and expenses	-0,8	-0,7	-3,1
Result before income tax	5,8	3,7	16,2
Income tax expense	-1,0	-0,6	-3,3
Result for the period	4,8	3,2	12,9
Earnings per share attributable to the owners of the parent during the period:			
Basic earnings per share (EUR)	0,20	0,13	0,54
Diluted earnings per share (EUR)	0,20	0,13	0,54
Comparable earnings per share (EUR)	0,29	0,22	0,90

Q1 / 2019 Cash flow

EUR million	Q1 / 2019	Q1 / 2018	FY 2018
Cash flows from operating activities			
Net cash from operating activities	9,9	2,8	19,6
Cash flows from investing activities			
Net cash used in investing activities	-2,4	-1,5	-90,8
Cash flows from financing activities			
Net cash used in financing activities	-0,6	-	85,2
Cash and cash equivalents at beginning of the period	33,2	19,0	19,0
Cash and cash equivalents at end of the period	39,6	20,2	33,2

Thank you!

Further information:

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