

CEO Jukka Ruuska  
11 February 2020

ASIAKASTIETO GROUP PLC

# FINANCIAL STATEMENTS

**1.1.–31.12.2019**

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Intelligent decisions.  
Bigger dreams.



# Content



## → Asiakastieto Group in brief

- Asiakastieto - in business for 115 years
- Nordic company with strong local brands
- Four business areas
- Growth formula

## → Q4 / 2019 review

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- Nordic business development
- Resilience over the cycle

## → Key ratios Q4 / 2019



A leading Nordic  
company in digital  
services and data  
innovation.





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

# Asiakastieto - in business for 115 years

- In **1905**, Suomen Luotonantajyhdistys and in **1912** Liikemiesten Tiedonantoyhdistys (since 1933 Luottotieto ry) were founded.
- In **1961**, Luottokontrolli Oy, a data distributor on hire purchase agreements and payment defaults, was established.
- In **1973**, UC AB was established.
- in **1987**, Luottokontrolli Oy (since 1988 Suomen Asiakastieto Oy) acquired Maksutieto Oy, a supplier of credit default information.
- In **1995**, Suomen Asiakastieto Oy acquired Suomen Luottotieto-osuuskunta (SLOK), which was formed as a result of merger between Suomen Luotonantaja-yhdistys and Luottotieto ry in 1992.
- In **2006 / 2008**, Suomen Asiakastieto Oy was sold to private equity.
- In **2013**, UC acquired Ljungqvist fastighetsinformation (renamed to UC Bostadsvärdering).
- On **30 of March 2015**, Asiakastieto Group listed on Nasdaq Helsinki.
- In **2016**, UC gained full ownership of allabolag.se.
- In **2016 / 2017**, Asiakastieto acquired Intellia Oy and Emaileri Oy.
- In June **2018**, UC and Asiakastieto combined.
- Since July **2019**, Proff has been part of Asiakastieto Group.



# Asiakastieto Group

Asiakastieto and UC AB joined forces in 2018. In Finland we operate under the brand Suomen Asiakastieto Oy and in Sweden under UC AB. Since July 2019 Proff has been part of the Group.

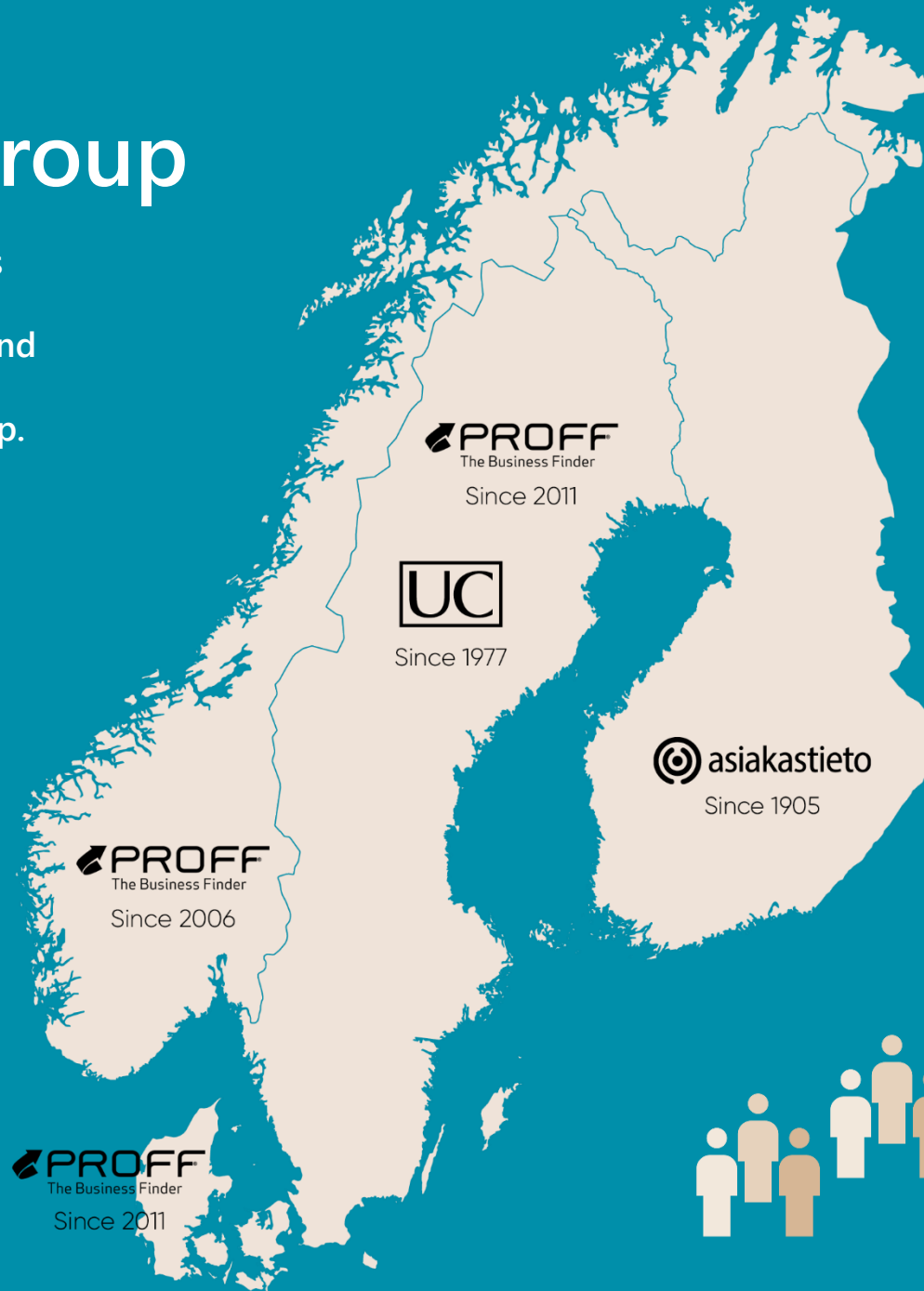


LISTED ON  
NASDAQ HELSINKI

NUMBER OF EMPLOYEES 31.12.2019

172  
FINLAND  
210  
SWEDEN  
40  
NORWAY  
DENMARK

422  
TOGETHER



Intelligent decisions.  
Bigger dreams.

MARKET CAPITALISATION

31.12.2019

756 MEUR



Partners in  
Nordic region  
and in Europe.

Approximately 55 000  
corporate customers  
within banking, finance,  
retail, public sector and  
small companies.



Almost  
500 000  
consumer  
customers



# In the front within digitalisation and data innovation



# Asiakastieto's four business areas



## DIGITAL PROCESSES

### Services and solutions

- 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.

## SME AND CONSUMERS

### 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.

## CUSTOMER DATA MANAGEMENT

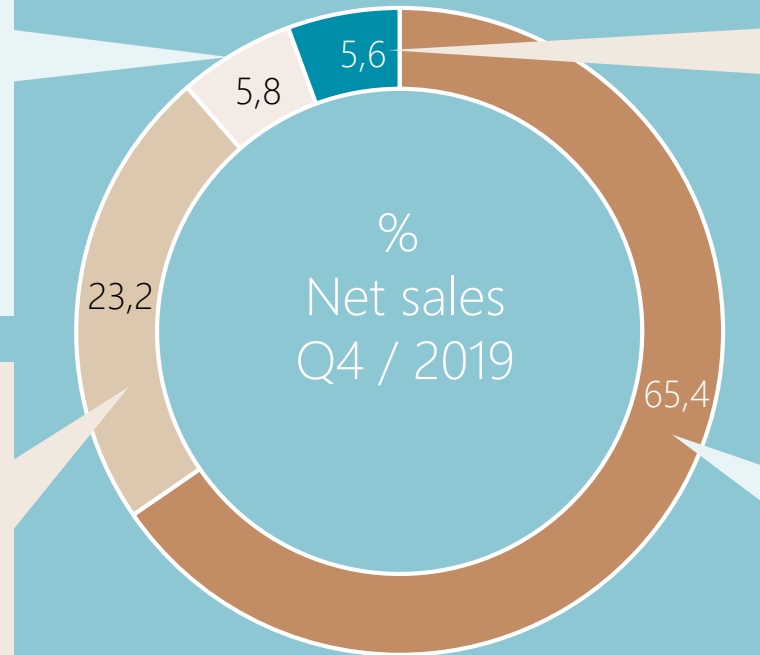
### Services and solutions

- 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

## RISK DECISIONS

### 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



# Key figures Q4 / 2019



Net Sales

**39,2**  
MEUR

Net sales growth  
at comparable FX

**11,1**  
%

Net Debt to  
Adjusted EBITDA

**2,7**  
X

Number of Personnel  
31.12.2019

**422**

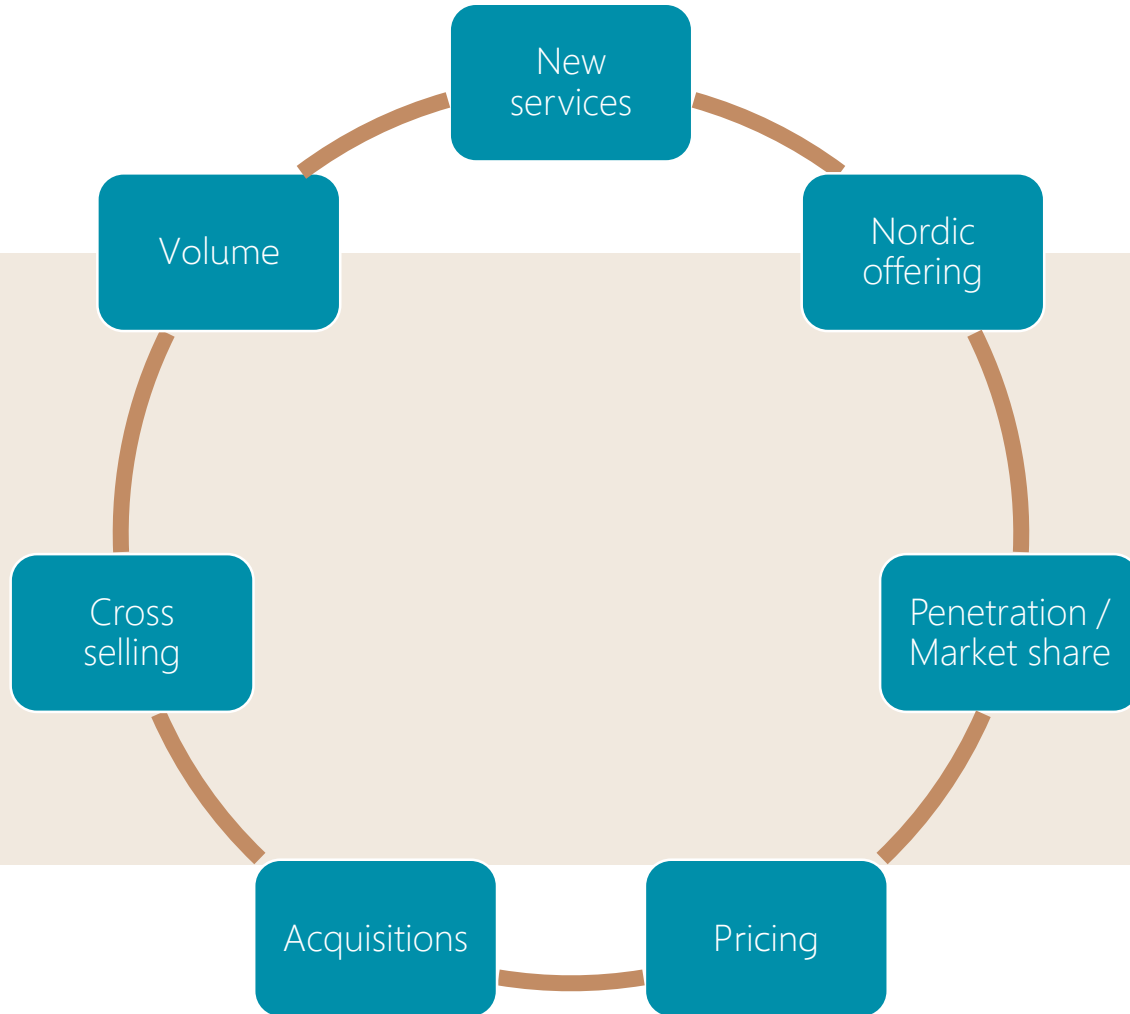
Adjusted  
EBITDA

**13,6**  
MEUR

Adjusted  
EBITDA Margin

**34,7**  
%

# 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 2020 to be close to the upper limit of its long-term target range (5-10 %), weighted to the first half of the year.

**EBITDA:** Asiakastieto Group expects its adjusted EBITDA margin to grow somewhat in 2020 in comparison to previous year.

**Capital expenditure:** Asiakastieto Group expects its capitalised product development and software expenses in 2020 to exceed the previous year's level.

*The outlook is based on the assumption that exchange rates prevail at the current level.*



# Nordic integration progress

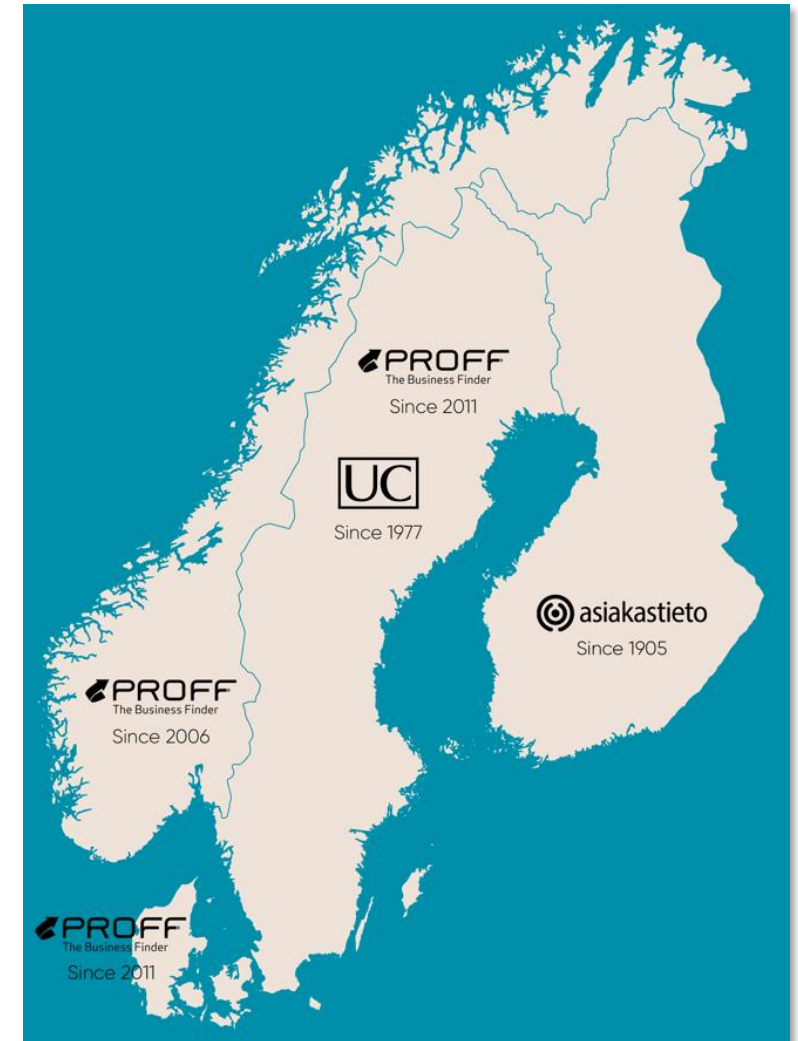




# Integration proceeding according to plan

## Half of the planned synergies realised

- Integration work is proceeding according to the plan.
- Half of the synergy benefits of EUR 17,8 million in total from the combination of Asiakastieto, UC and Proff have been realised.
  - Most of the cost synergies have been realised.
  - Focus in 2020 and 2021 is in revenue synergies (new services and cross-utilisation of existing services)



# Nordic business development



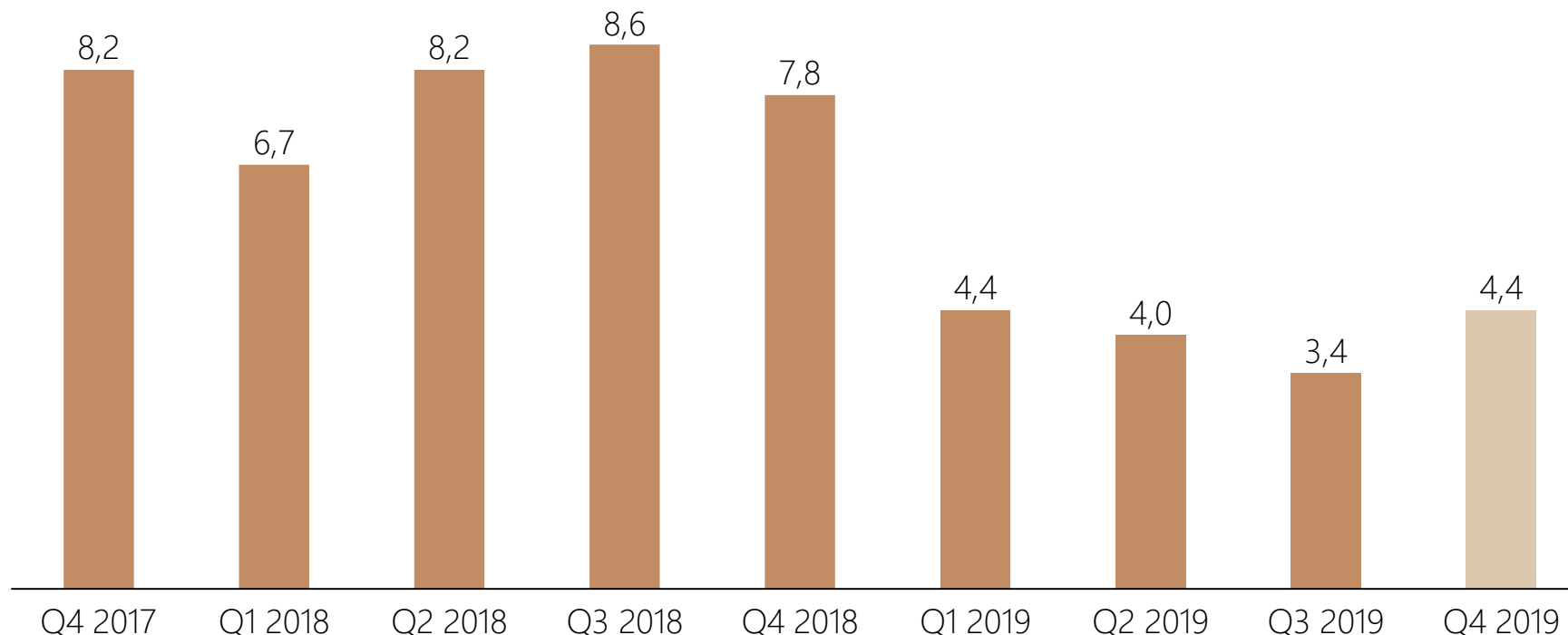
# New services share of net sales pro forma



## COMMENTS

- Share of new services was 4,4 %.
- Eight new services launched during the fourth quarter.
- Net sales contribution of new services – although increasing from previous quarters – remained below long-term target level in the fourth quarter.
- Activity in service development has remained high, and the aim is to increase new services net sales contribution next year.

■ New services, % of net sales





# Examples of new services

## Q4 / 2019



Account  
Insight (PSD2)  
to the Finnish and  
Swedish Market

Housing  
Transaction  
Service  
to the Finnish  
Market

First transaction  
on 19 December 2019

GDPR Service  
to the Swedish Market

Digital Inbox  
to the Swedish  
Market

- Provides access to bank data, thus reducing the risk of overindebtedness
- Provides means for the calculation of consumer customers' payment ability, even more reliably than before.
- Apartment and Real Estate trade processes have been based on emails, telephone calls and physical meetings
- Digital Housing Transaction Service ("Asuntokauppapalvelu") is the service platform enabling digital transaction processes
- Transaction related documents can be signed electronically for example from home instead of bank offices.
- Manages customer and other personal records with a solution that meets the requirements of GDPR
- Provides user interface for checking personal information, reducing manual work
- At the same time companies can keep their customer records up to date.
- New service to Swedish consumer platform – minUC
- Possibility to receive credit check notifications digitally instead of printed letter.

# Resilience over the cycle

## Risk Management services

- Helping customers to be ready for the more difficult economic environment (For example new services 2019: PSD2 based offering and Blanco scoring)

## Non-cyclical offering

- Cost savings (for example digitalisation of the housing market processes and automatisisation of compliance processes)
- Often combined with improved customer experience

## Must-have offering

- Compliance services
- Sustainability services

# Key ratios

## Q4 / 2019





# Overview of Q4 / 2019



EUR million (unless stated otherwise)	Q4 / 2019	Q4 / 2018	FY 2019	FY 2018
Net Sales	39,2	35,9	146,0	98,1
Growth (year-on-year)	9,1 %	146,4 %	48,7 %	74,6 %
Adjusted EBITDA	13,6	12,2	51,5	36,1
Adjusted EBITDA margin	34,7 %	34,0 %	35,3 %	36,8 %
Adjusted EBIT	11,6	10,9	42,6	32,0
Adjusted EBIT margin	29,5 %	30,2 %	29,2 %	32,7 %
New products and services (% of Net Sales)	4,4 %	7,8 %	4,0 %	8,8 %
EBITDA	12,8	11,4	48,3	26,7
EBIT	7,8	7,1	27,8	16,7

## COMMENTS

- Net sales growth was +9,1 % at reported FX rates and +11,1 % at comparable FX rates.
- Adjusted EBITDA excluding IFRS 16 impact increased by +6,6 % at reported FX rates and +8,3 % at comparable FX rates.
- Adjusted EBITDA increased year-on-year by the good development of net sales, the cost-efficiency effect of actions taken to leverage synergies, and the Proff acquisition.
- Margin development was moderated by investments to strategy process and platform transformation preparation, as well as the margin dilution impact of the acquired Proff business.

# Overview of FY 2019



EUR million (unless stated otherwise)	FY 2019 actual	FY 2018 pro forma
Net Sales	146,0	134,3
Growth (year-on-year)	8,7 %	3,6 %
Adjusted EBITDA	51,5	42,1
Adjusted EBITDA margin	35,3 %	31,3 %
Adjusted EBIT	42,6	37,7
Adjusted EBIT margin	29,2 %	28,1 %
New products and services (% of Net Sales)	4,0 %	7,8 %
EBITDA	48,3	34,8
EBIT	27,8	19,2

## COMMENTS

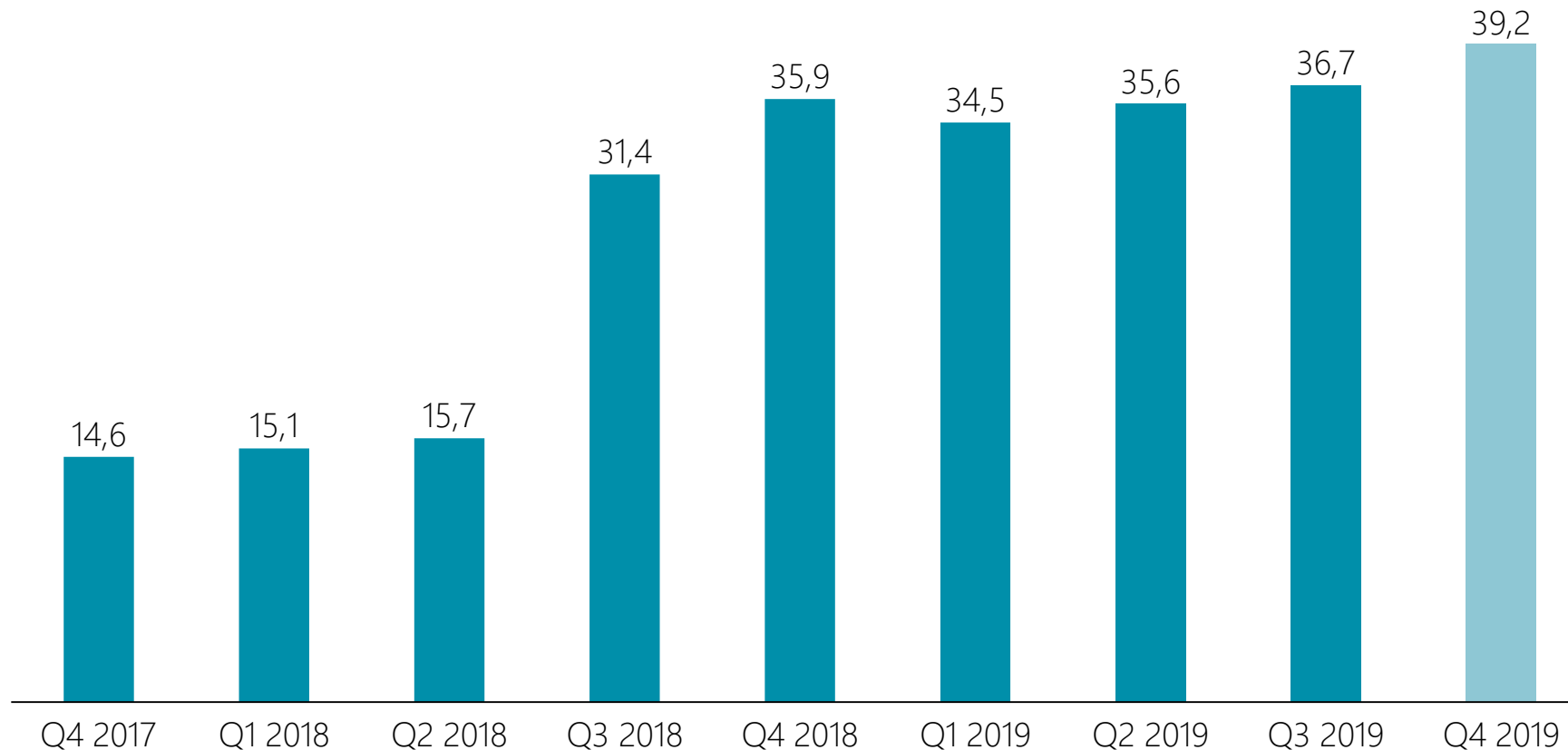
- Net sales growth was +8,7 % at reported FX rates and +10,6 % at comparable FX rates.
- Adjusted EBITDA excluding IFRS 16 impact increased by +17,1 % and +18,4 % at comparable FX rates.
- Adjusted EBITDA margin impacted by positive development in net sales and synergy actions driven cost-efficiencies.
- Discontinuation and write-down of the UC KYC service in Q2/19 had an impact of EUR -1,5 million on adjusted EBIT and EUR -0,3 million on adjusted EBITDA.

# Quarterly net sales



## COMMENTS

■ Net sales, EUR million



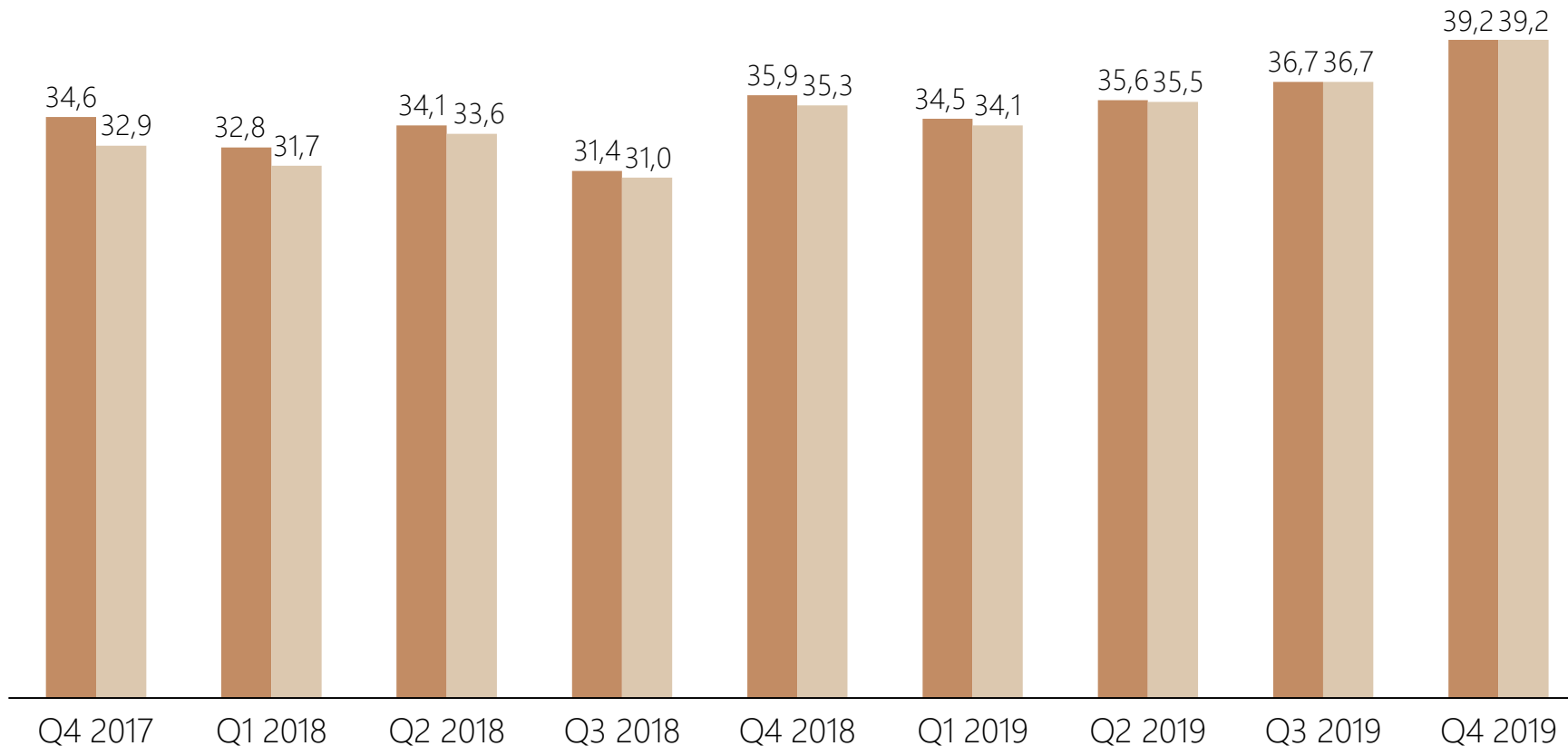
- Q4/2018 – Q4/2019 with UC AB results consolidated to Asiakastieto Group.
- Q3/2019 – Q4/2019 with Proff companies' results consolidated to Asiakastieto Group.

# Quarterly net sales

## pro forma



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



## COMMENTS

- Net sales growth Q4/2019 was +9,1 % at reported FX rates and +11,1 % at comparable FX rates.
- The development of net sales from consumer related risk management services in the Risk Decisions business area continued strong in the fourth quarter in Sweden. Finnish market impacted by the interest rate cap regulation on consumer credit, which decreased demand and moderated the growth rate.
- Proff companies consolidated to Group from the beginning of Q3.

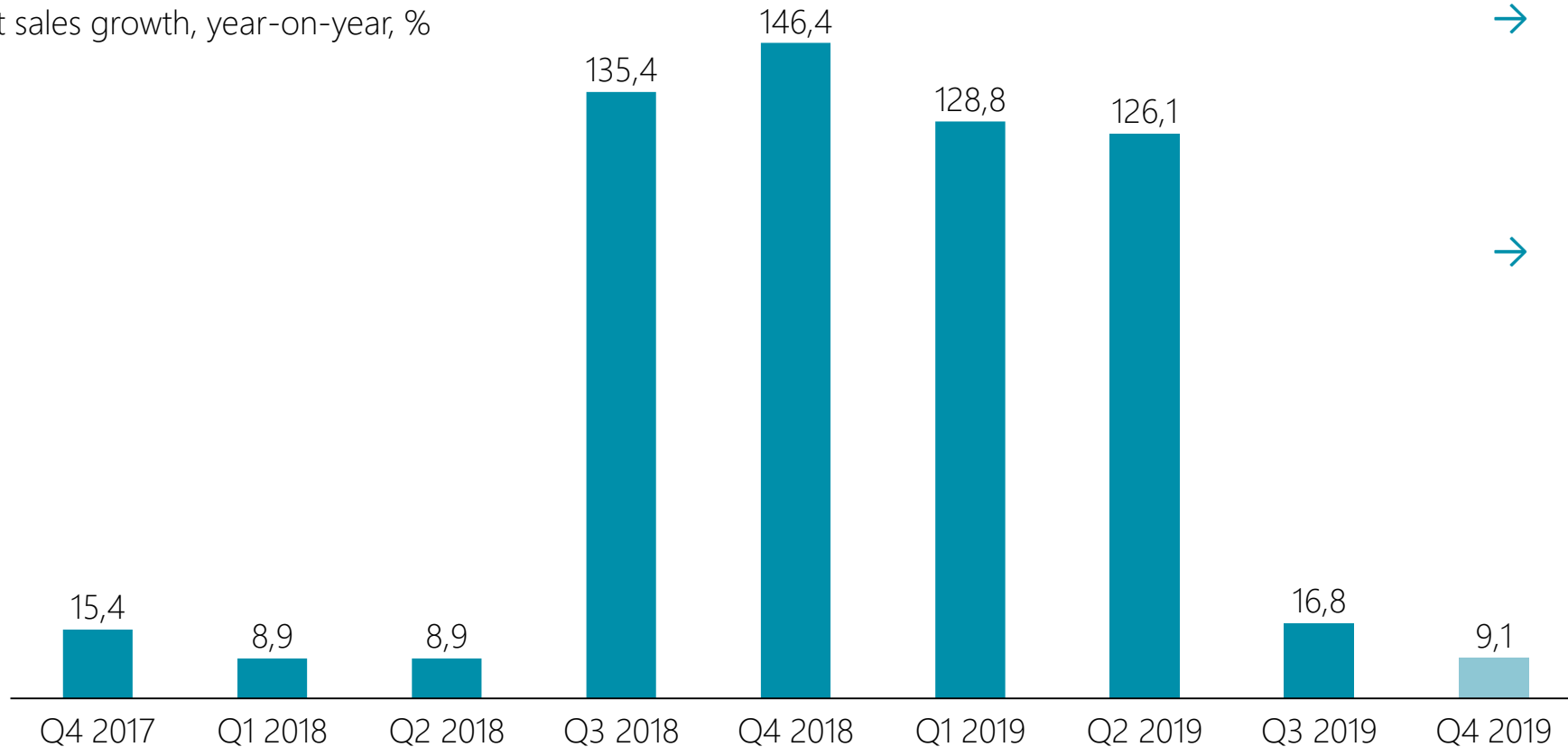


# Net sales growth



## COMMENTS

■ Net sales growth, year-on-year, %



→ Q4/2018 – Q4/2019 with UC AB results consolidated to Asiakastieto Group.

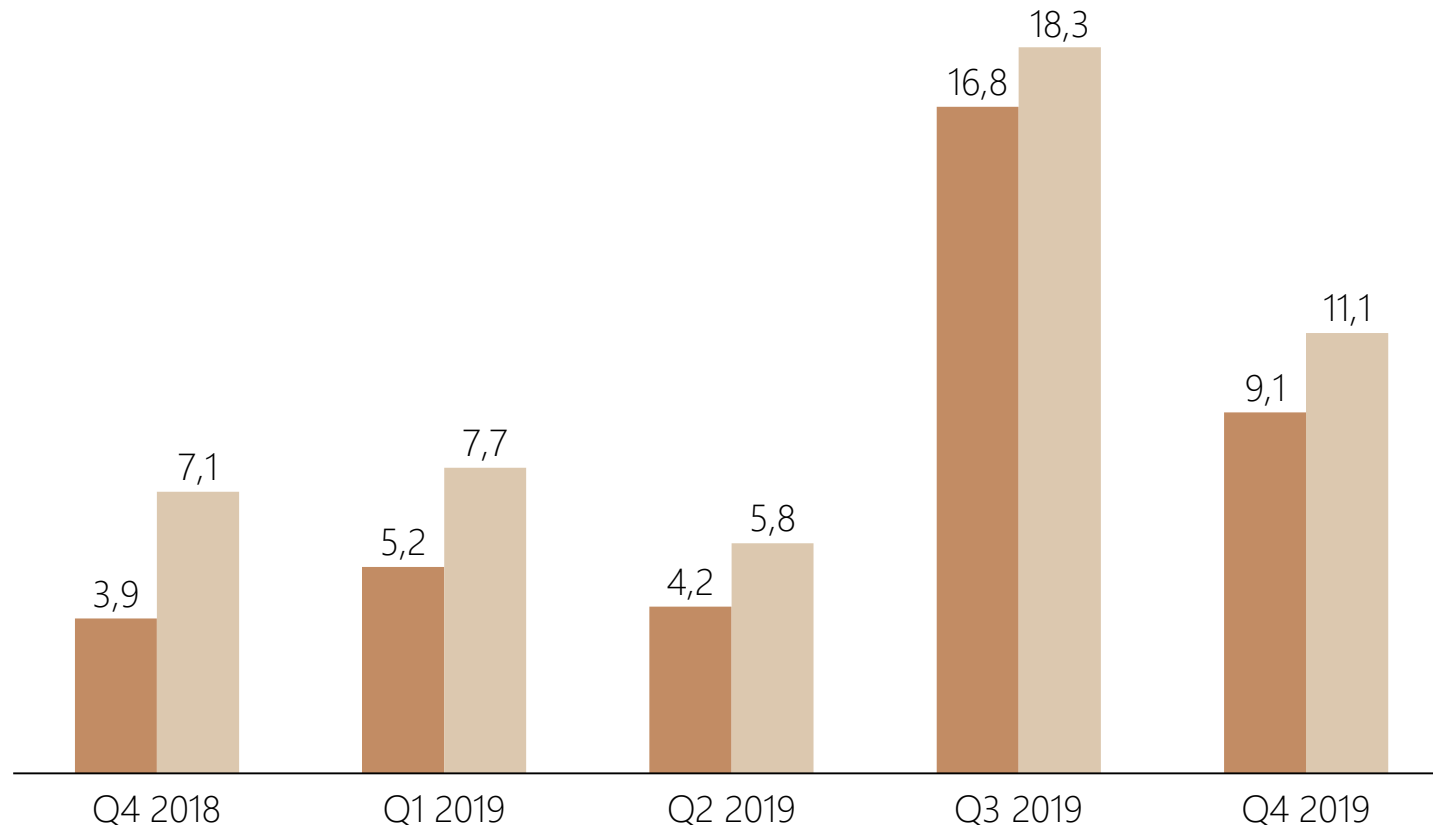
→ Q3/2019 – Q4/2019 with Proff companies' results consolidated to Asiakastieto Group.

# 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 +11,1 %.
- Risk Decisions consumer risk management solutions continued their strong net sales development in the fourth quarter in Sweden. The transition to higher value-added services has helped accelerate the development of net sales.
- Finnish market impacted in Q4 by the interest rate cap regulation on consumer credit, which decreased demand and moderated the growth rate.
- Proff companies consolidated to Group from the beginning of Q3.
- Same amount of banking days in both markets year-on-year.

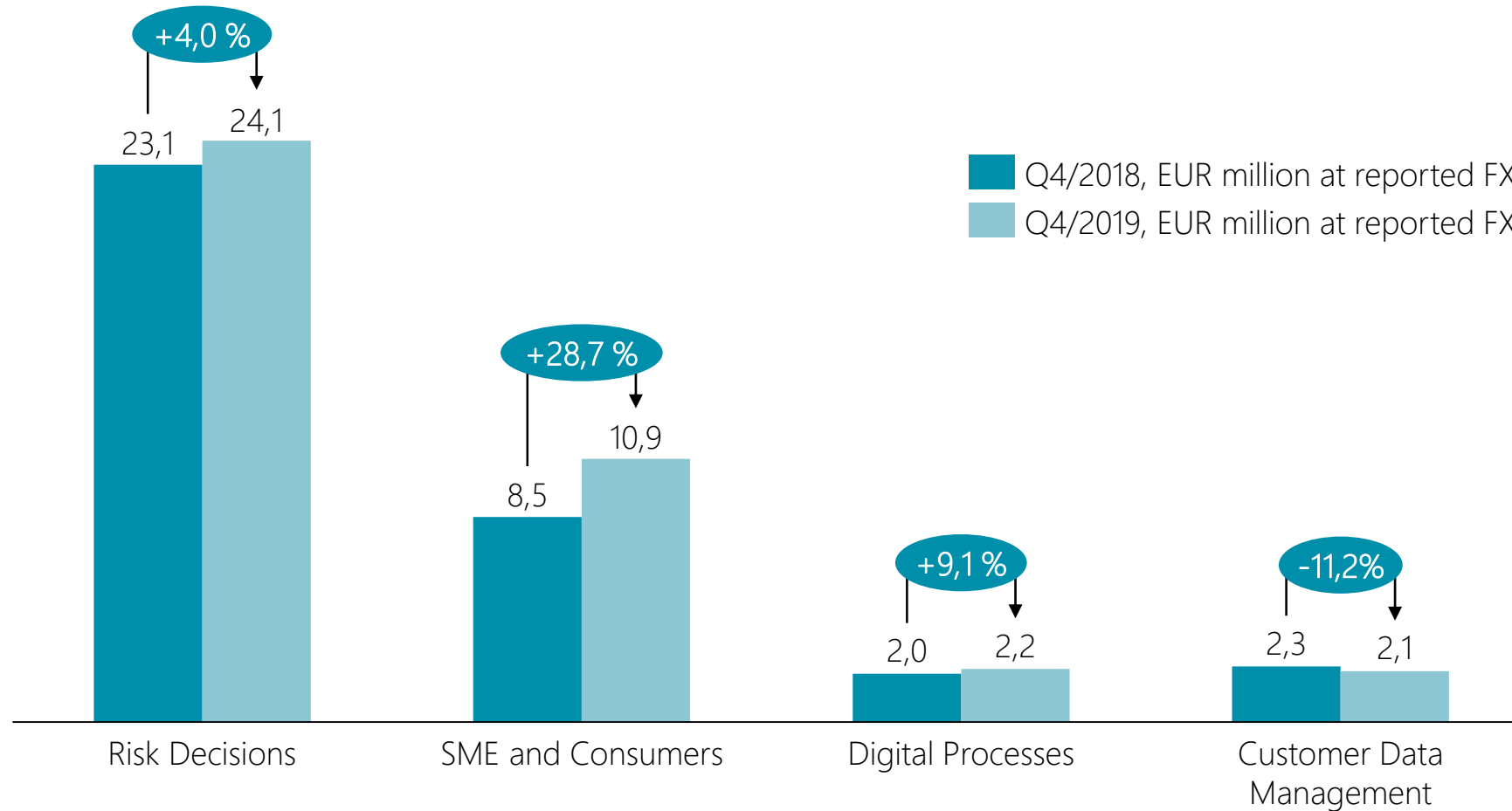
# Revenue by business area

at reported FX rates



## COMMENTS

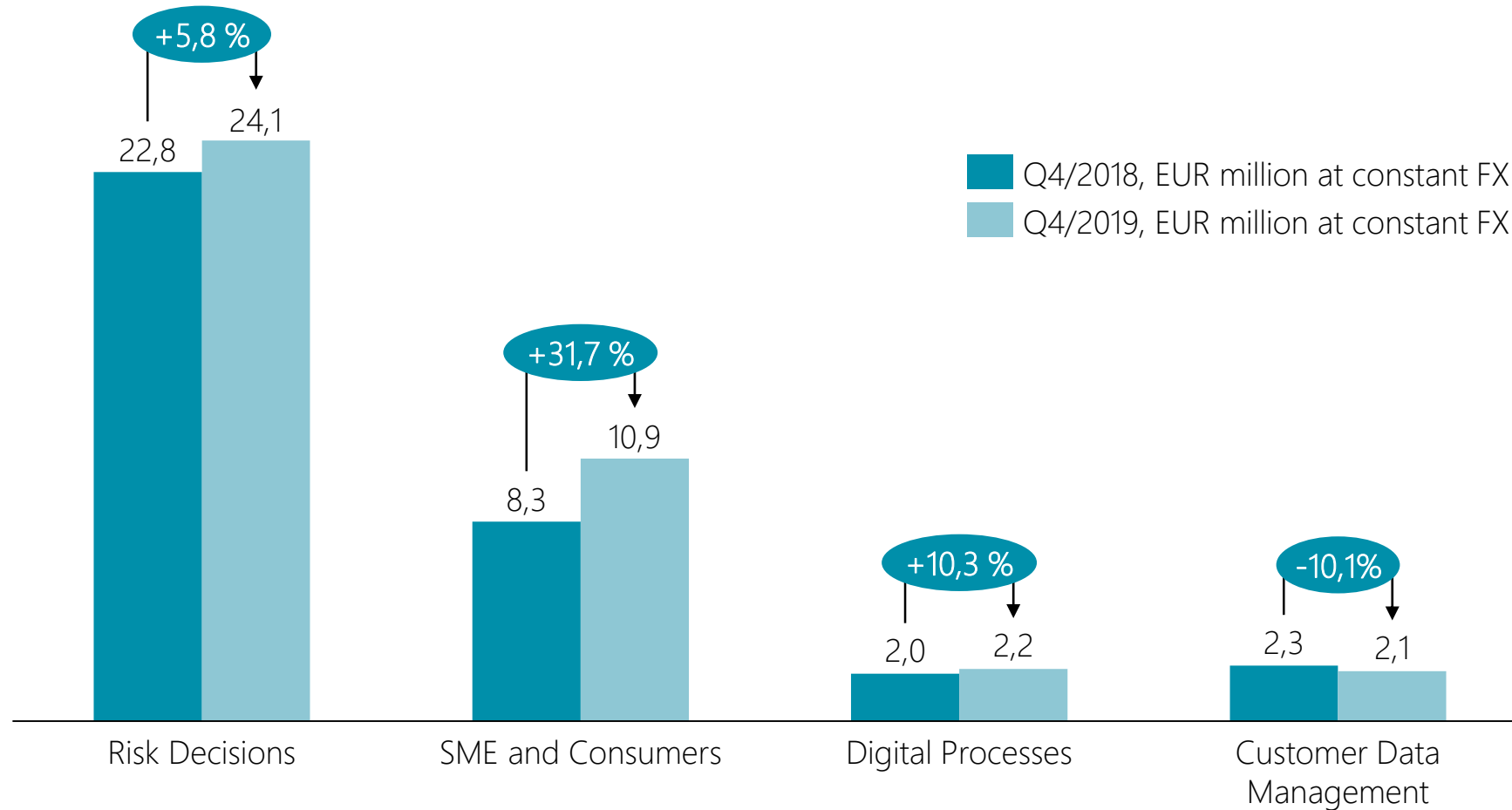
→ Reported net sales growth negatively impacted by FX rate changes year-on-year.





# Revenue by business area

## at constant FX rates



## COMMENTS

- Risk Decisions consumer risk management solutions continued their strong net sales development in the fourth quarter in Sweden. Finnish market demand was impacted negatively by the interest rate cap regulation on consumer credit.
- SME and Consumers growth driven by the acquisition of Proff as well as continued good development of online consumer services in Sweden.
- Digital Processes driven by good development in the sales of real estate and collateral management services in both markets, and strong development of compliance services in the Finnish market.
- Customer Data Management negative growth is impacted by the decline in the sales volumes of Emaileri electronic communication services as well as B2B services in Sweden. Positive development in B2C services in Finland.

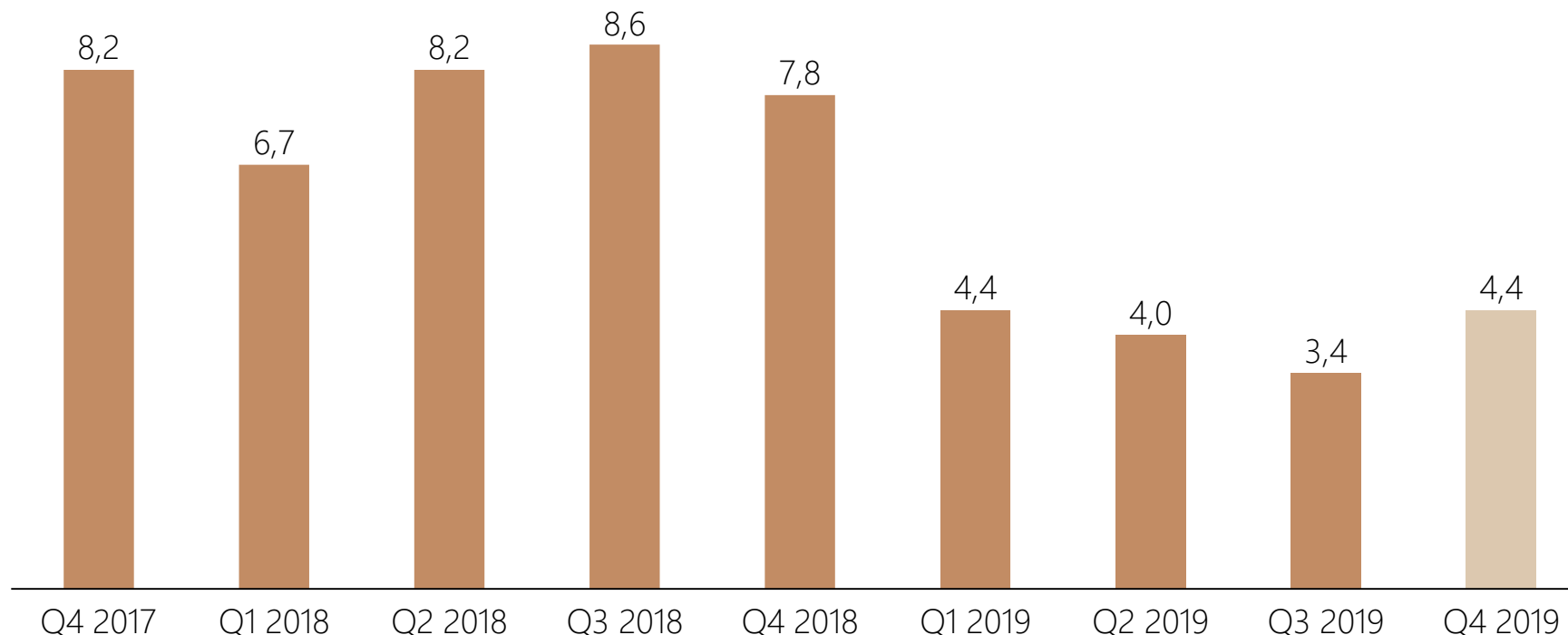
# New services share of net sales pro forma



## COMMENTS

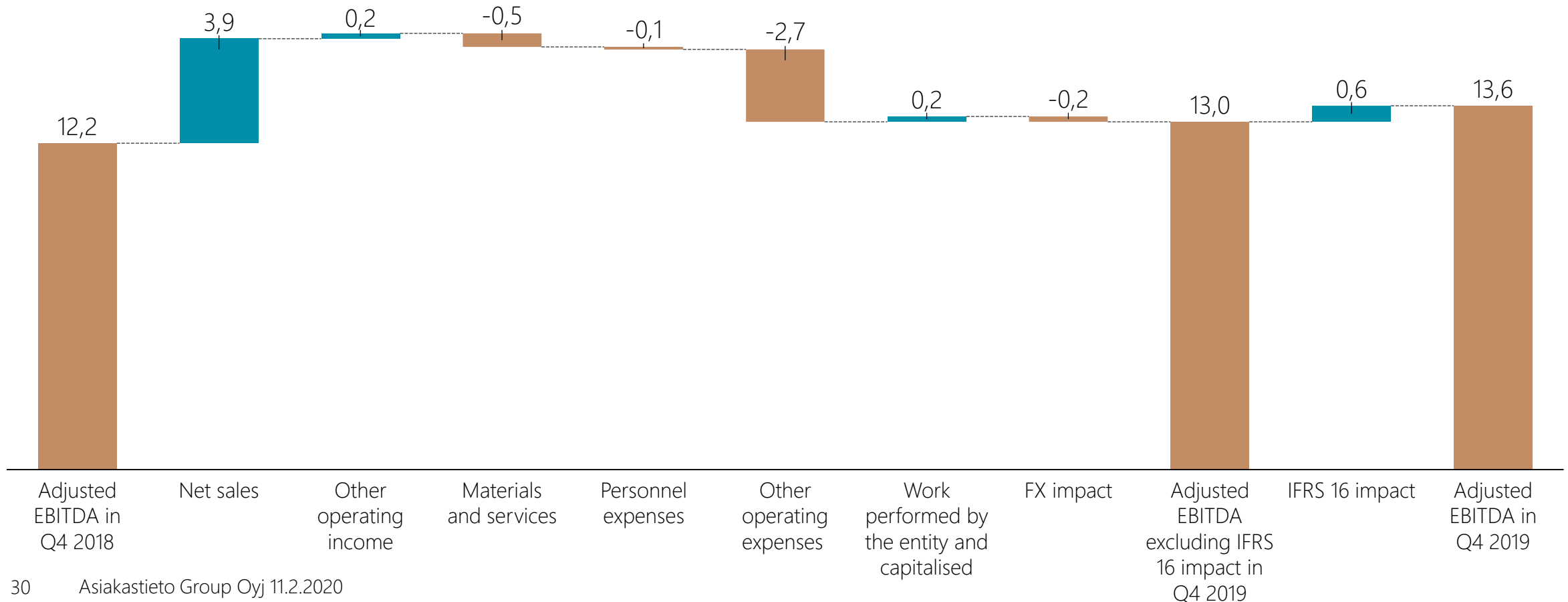
- Share of new services was 4,4 %.
- Eight new services launched during the fourth quarter.
- Net sales contribution of new services – although increasing from previous quarters – remained below long-term target level in the fourth quarter.
- Activity in service development has remained high, and the aim is to increase new services net sales contribution next year.

■ New services, % of net sales



# Adjusted EBITDA increased 6,6 % year-on-year in Q4 /2019

Excl. IFRS 16 impact, at reported FX

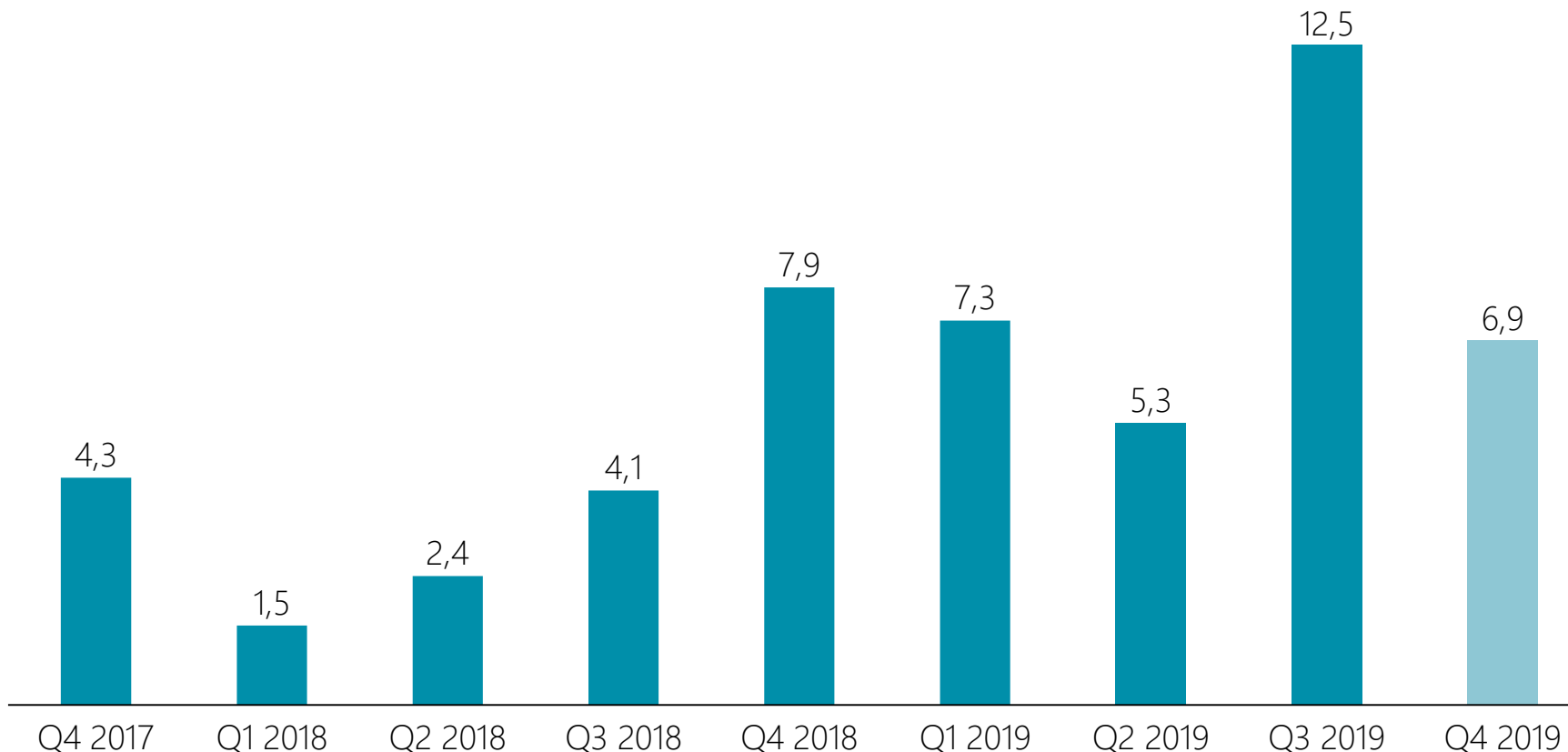


# Free cash flow



## COMMENTS

■ Free cash flow, EUR million



- Free cash flow impacted by negative net working capital development (timing) as well as high investment activity in the fourth quarter.
- Items affecting comparability impacted the free cash flow by EUR -0,7 million (EUR -2,6 million). The items affecting comparability consisted primarily of payments related to integration and restructuring of operations.



# Key indicators



## COMMENTS

EUR million (unless stated otherwise)	Q4 / 2019	Q4 / 2018	FY 2019	FY 2018
Net debt	148,1	137,0	148,1	137,0
Net debt / adjusted EBITDA	2,7	pro forma 3,3	2,9	pro forma 3,3
Gearing, %	47,7	42,6	47,7	42,6
Equity ratio, %	58,3	59,6	58,3	59,6
Free cash flow	6,9	7,9	32,1	15,9
Cash conversion, %	53,7	69,4	66,4	59,6
Gross investments	4,5	1,8	12,4	5,6

- Cash position of EUR 20,4 million. RCF of EUR 10 million repaid in October (committed EUR 20 million facility remains fully unutilized).
- Net debt / adjusted EBITDA at 2,7x.
- Free cash flow containing EUR -0,7 million (EUR -2,6 million) impact from items affecting comparability.
- Gross investments EUR 4,5 million (EUR 1,8 million).

# Guidance 2020



Guidance <sup>1</sup>	
Net sales	Asiakastieto Group expects its net sales growth in 2020 to be close to the upper limit of its long-term target range (5-10 %), weighted to the first half of the year.
EBITDA	Asiakastieto Group expects its adjusted EBITDA margin to grow somewhat in 2020 in comparison to previous year.
Capital expenditure	Asiakastieto Group expects its capitalised product development and software expenses in 2020 to exceed the previous year's level.  <i>The outlook is based on the assumption that exchange rates prevail at the current level.</i>
Previous guidance for 2019	
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 %), 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 <sup>2</sup>	
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.*

# AGM 27 March 2020

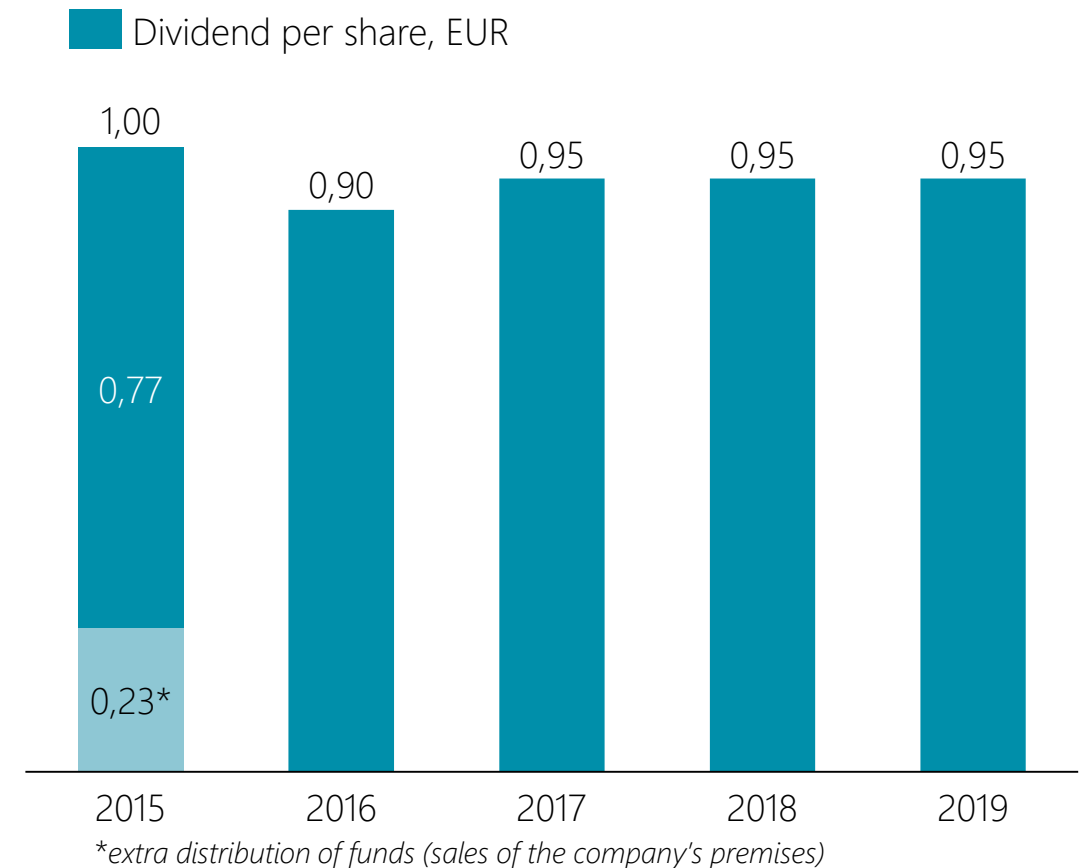
## Matters on the Agenda among others



### 8. Resolution on the use of the profit shown on the balance sheet and the distribution of funds

The Board of Directors proposes that from the financial year ended 31 December 2019, funds be distributed as equity repayment from the reserve for invested unrestricted shareholders' equity of EUR 0,95 per share, i.e. EUR 22 793 627,40 in total based on the company's registered total number of shares at the time of the proposal.

The Board of Directors proposes that the funds be paid on 9 April 2020.



# Financials Q4 / 2019 Summary





# Q4 / 2019 Income statement



EUR million	Q4 / 2019	Q4 / 2018	FY 2019	FY 2018
<b>Net sales</b>	<b>39,2</b>	<b>35,9</b>	<b>146,0</b>	<b>98,1</b>
Other operating income	0,2	0,0	0,3	0,1
Materials and services	-6,3	-5,9	-24,5	-18,3
Personnel expenses	-9,5	-10,0	-38,6	-26,8
Other operating expenses	-11,4	-9,1	-37,1	-28,1
Work performed by the entity and capitalised	0,7	0,5	2,2	1,6
Depreciation and amortisation	-5,1	-4,3	-20,5	-10,0
<b>Operating profit</b>	<b>7,8</b>	<b>7,1</b>	<b>27,8</b>	<b>16,7</b>
Finance income and expenses	-0,8	-0,8	-2,9	-2,2
<b>Profit before income tax</b>	<b>7,0</b>	<b>6,3</b>	<b>24,9</b>	<b>14,5</b>
Income tax expense	-1,6	-1,4	-5,2	-3,6
<b>Profit for the period</b>	<b>5,4</b>	<b>4,9</b>	<b>19,7</b>	<b>10,9</b>
Earnings per share attributable to the owners of the parent during the period:				
Basic earnings per share (EUR)	0,23	0,21	0,82	0,56
Diluted earnings per share (EUR)	0,22	0,21	0,82	0,56

# Income statement pro forma



EUR million	FY 2019	FY 2018
<b>Net sales</b>	<b>146,0</b>	<b>134,3</b>
Other operating income	0,3	0,1
Materials and services	-24,5	-22,8
Personnel expenses	-38,6	-40,7
Other operating expenses	-37,1	-38,2
Work performed by the entity and capitalised	2,2	2,0
Depreciation and amortisation	-20,5	-15,5
<b>Operating profit</b>	<b>27,8</b>	<b>19,2</b>
Finance income and expenses	-2,9	-3,1
<b>Profit before income tax</b>	<b>24,9</b>	<b>16,2</b>
Income tax expense	-5,2	-3,3
<b>Profit for the period</b>	<b>19,7</b>	<b>12,9</b>
Earnings per share attributable to the owners of the parent during the period:		
Basic earnings per share (EUR)	0,82	0,54
Diluted earnings per share (EUR)	0,82	0,54
Comparable earnings per share (EUR)	1,20	0,90

# Q4 / 2019 Cash flow



EUR million	Q4 / 2019	Q4 / 2018	FY 2019	FY 2018
<b>Cash flows from operating activities</b>				
Cash flows before change in working capital	13,0	11,5	47,8	25,0
Change in working capital	-0,7	-1,8	1,6	0,2
Net interests and other financing items	-1,2	-1,0	-2,6	-2,1
Income taxes paid	-0,9	-0,4	-4,9	-3,6
Net cash from operating activities	10,2	8,2	41,9	19,5
<b>Cash flows from investing activities</b>				
Net cash used in investing activities	-4,4	-1,7	-19,4	-90,8
<b>Cash flows from financing activities</b>				
Net cash used in financing activities	-10,5	-0,4	-35,0	85,2
<b>Cash and cash equivalents at beginning of the period</b>	24,7	27,0	33,2	18,9
<b>Cash and cash equivalents at end of the period</b>	20,4	33,2	20,4	33,2

# Upcoming events



Week 10

2020

Annual Report 2019  
distributed online

27 March

2020

AGM  
in Helsinki

2 April

2020

Capital Markets Day  
in Helsinki

8 May

2020

Q1 / 2020  
Interim Report



# Thank you!

## Further information

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