



FIERA MILANO

1st Half 2019 Consolidated Results

FIERA MILANO GROUP

CONFERENCE CALL – 31 July 2019

CONTENTS



Highlights



Financial Results



Business outlook

HIGHLIGHTS



In the first half 2019, the positive business performance, far higher than the 2017 comparable period, significantly offset the less favourable exhibition calendar of the period

Key figures (€m)	1H19	of which IFRS 16 impact	1H18	1H17
Revenues	153.9		157.7	133.9
EBITDA	62.4	24.2	46.1	11.9
EBIT	39.6	4.0	43.1	8.4
Profit	24.1	(2.2)	31.7	5.6

Key figures (€m)	30/06/19	31/12/18	31/12/17
Net cash (pre-IFRS16)	(58.0)	(23.7)	0.8

Income statement and statement of financial position figures for the first half 2019 included the effects of the new accounting standard IFRS 16 – Leases

ACHIEVEMENTS



- On 17 July 2019 Fiera Milano signed a preliminary binding contract for the **acquisition of 60% of the company MADE Eventi S.r.l.**, organiser of the international biennial architecture and construction exhibition MADE expo
- On 9 July 2019 the exhibition trademark **Cartoomics, in the comics, gaming and entertainment sector, was acquired**
- On 29 May 2019 **Fiera Milano and the Controlling Shareholder Fondazione Fiera Milano**, owner of the exhibition sites, **signed an agreement for the rental fee of the fieramilanocity exhibition site regarding a Euro 1.5 million/year reduction**, on the previous rental fee of Euro 2.9 million a year, starting from 1 June 2019
- As part of the **plan to streamline the Group's corporate structure**, on 6 June 2019, a deed was drawn up for the **reverse merger of the Brazilian subsidiary Eurofairs International Consultoria e Participações Ltda**, into its 100% owned subsidiary CIPA Fiera Milano Publicações e Eventos Ltda

CONTENTS



 Highlights

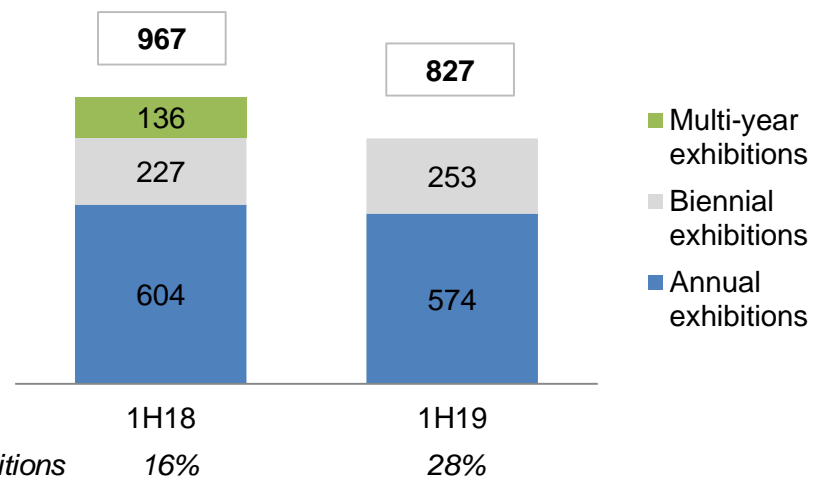
 **Financial Results**

 Business outlook

ITALIAN EXHIBITIONS



Exhibition space rented out
(^{'000} net sq.m.)



- **Annual exhibitions:** absence of ENCI winner and Tempo di Libri
- **Biennial exhibitions:** presence of Tuttofood and absence of Mostra Convegno Expocomfort
- **Multi-year exhibitions:** absence of The Innovation Alliance

ITALIAN EXHIBITION BUSINESS



Italian Exhibition Business	1H19	1H18
Revenues (€m)	129.2	138.6
EBITDA (€m)	52.3	43.0
% on revenues	40.5%	31.0%
EBIT (€m)	32.2	41.1
% on revenues	24.9%	29.6%

- The trend of revenues is mainly attributable to the exhibition calendar
- The trend of EBITDA is primarily related to the IFRS 16 effect (Euro 22.2 million) and to the good commercial performance that has partially compensated the effects of the less favorable exhibition calendar in the period under review

Gross of adjustments for inter-segment transactions

FOREIGN EXHIBITION BUSINESS



Foreign Exhibition Business	1H19	1H18
Revenues (€m)	3.1	2.7
EBITDA (€m)	2.5	1.8
% on revenues	80.7%	68.5%
EBIT (€m)	2.3	1.6
% on revenues	73.2%	61.0%

- 13 exhibitions (12 in 1H18) and 171,225 net square metres of exhibition space in 1H19 (148,955 square metres in 1H18)
- The trend in revenues reflected the presence of the biennial exhibition Reatech in Brazil
- Margins benefitted from the higher results of the Chinese joint venture

Gross of adjustments for inter-segment transactions

MEDIA



Media	1H19	1H18
Revenues (€m)	5.8	6.2
EBITDA (€m)	0.8	0.7
% on revenues	14.1%	10.8%
EBIT (€m)	0.7	0.5
% on revenues	12.1%	8.7%

- The trend in revenues was mainly attributable to lower billboard advertising because of the different exhibition calendar
- The improvement in margins was mainly due to the optimization of costs for producing technical publications

Gross of adjustments for inter-segment transactions

CONGRESSES



Congresses	1H19	1H18
Revenues (€m)	21.2	15.5
EBITDA (€m)	6.8	0.6
% on revenues	32.0%	3.9%
EBIT (€m)	4.4	(0.1)
% on revenues	20.8%	-0.5%

- The year-on-year increase in revenues reflected the presence of important international congresses
- EBITDA benefitted from the improvement in revenues and the IFRS 16 effect (Euro 1.9 million)

Gross of adjustments for inter-segment transactions

NET FINANCIAL POSITION

Consolidated Net Financial Position (€m)	30/06/19	31/12/18
Cash & cash equivalents	57.8	28.4
Current financial assets	2.3	0.0
Current bank borrowings	0.0	0.0
Current portion of non-current debt	1.5	3.5
Other current financial liabilities	0.6	1.3
Current financial debt	2.1	4.8
Net current financial debt (cash)	(57.9)	(23.6)
Non-current financial assets	0.1	0.1
Non-current financial debt	(0.1)	(0.1)
Net financial debt (cash) before IFRS 16 effects	(58.0)	(23.7)
IFRS 16 financial effects	489.3	0.0
Net financial debt/(cash) after IFRS 16 effects	431.3	(23.7)

The improvement in the net financial position pre-IFRS16 is attributable to the positive cash flow in the period and advances for exhibitions that will take place in later months, partially offset by the dividend payment

CONTENTS



 Highlights

 Financial Results

 Business outlook

BUSINESS OUTLOOK

- The results of the first semester, and especially of the second quarter, were **ahead of expectations**
- With reference to the second half, it should be noted that the third quarter will feature the normal **suspension of exhibition activity in the summer months and the postponement of an important biannual exhibition** to October
- In the fourth quarter the business performance is estimated to be very positive also thanks to the presence of the biennial organized exhibition **HOST**, that is expected to reach **a new record edition**
- The results of the first semester and the expected performance of operations in the second semester have led to an **upgrade of the forecast for full-year EBITDA**: this is now expected to be **in the range of Euro 96-100 million**, compared to the previously communicated target of Euro 84-88 million

FORWARD-LOOKING STATEMENT

Data and information herewith set forth are extracted from the press release relating to Fiera Milano Consolidated Half-Year Financial Report to 30 June 2019 filed with the Italian authorities regulating exchanges and securities and disseminated concomitantly with this presentation.

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The Manager responsible for preparing the company's financial reports Marco Pacini declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this document corresponds to the document results, books and accounting records.

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BACK-UP

FINANCIAL OVERVIEW – INCOME STATEMENT

Consolidated Income Statement (€m)	1H19	1H18
Revenues	153.9	157.7
Cost of materials	1.4	1.5
Cost of services	66.6	64.7
Costs for use of 3rd-party assets	0.3	25.5
Personnel expenses	24.2	23.2
Other operating expenses	2.5	2.4
Total operating costs	95.0	117.2
Other income	1.3	1.9
Results of equity-accounted companies	2.4	4.3
Allowance for doubtful accounts and other provisions	0.2	0.5
EBITDA	62.4	46.1
Depreciation and amortisation	22.8	3.0
Adjustments to asset values	0.0	0.0
EBIT	39.6	43.1
Financial income/(expenses)	(6.8)	(0.0)
Valuation of financial assets	0.0	0.0
Profit before income tax	32.7	43.1
Income tax	8.6	11.4
Profit	24.1	31.7
<i>of which attributable to Shareholders of the controlling entity</i>	24.1	31.8

FINANCIAL OVERVIEW – STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (€m)	30/06/19	31/12/18
Non-current assets	636.9	148.4
Net working capital	(91.5)	(73.1)
Gross capital employed	545.3	75.3
Non-current liabilities	17.2	16.9
Total net capital employed	528.2	58.4
Equity	96.9	82.1
Net financial position	431.3	(23.7)
Equity and net financial position	528.2	58.4