



FIERA MILANO

**FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE
HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2018**

Significant increases in all economic and financial figures, also due to the exhibition calendar that had a higher concentration of exhibitions in the first months of 2018 and to actions taken to control costs

The performance of the exhibitions in the first semester, which was particularly strong, has led to an upgrade in the full-year 2018 EBITDA forecast, which is now expected to be in the range of Euro 24 – 26 million compared to the previous forecast of Euro 17 million

- Revenues of Euro 157.7 million, an 18% increase compared to the figure of Euro 133.9 million in the first semester 2017
- EBITDA of Euro 46.1 million, a significant improvement on the figure of Euro 11.9 million in the first semester of 2017
- EBIT of Euro 43.1 million compared to Euro 8.4 million in the first semester of 2017
- Net profit of Euro 31.7 million compared to Euro 5.6 in the first semester of 2017
- Net cash of Euro 26.3 million compared to net debt of Euro 0.8 million at 31 December 2017

The Board approved the plan for the merger through incorporation of the 100%-owned subsidiary Ipack-Ima S.p.A. into its parent company Fiera Milano S.p.A.

Milan, 27 July 2018. The Board of Directors of Fiera Milano S.p.A., meeting under its Chairperson, Mr Lorenzo Caprio, approved the Half-year Financial Report at 30 June 2018.

The Chief Executive Officer and General Manager of Fiera Milano, Mr Fabrizio Curci, commented: “This was an excellent semester that produced results ahead of expectations; these benefited from an increase in exhibition space and in services, a more favourable exhibition calendar in the first months of the year, and from actions taken to control costs. From a business perspective, I am delighted with the success of Innovation Alliance, the large new event that united for the first time five exhibitions covering similar supply chains, and of the Salone Internazionale del Mobile which consolidated its position as one of the events held in Milan the generates the highest interest. We have upgraded our target forecast for full-year EBITDA, which confirms the robustness of our strategy that is focused on executing the Strategic Plan and achieving the targets we have set ourselves”.

In the first semester 2018, the Fiera Milano Group had a year-on-year improvement in results that reflected the **more favourable exhibition calendar in the period**, the **commercial success of the exhibitions** and the consequent **increase in sales of services** linked to these exhibitions. There was also a positive impact from actions taken to control costs.



The Board of Directors also approved the plan for the **merger by incorporation of the 100%-owned subsidiary Ipack-Ima S.p.A. into its parent company Fiera Milano S.p.A.**

The merger will have no capital, economic or financial impact at the consolidated level of the Fiera Milano Group nor will there be any share swap as the company being incorporated is already 100% owned by Fiera Milano S.p.A.

The merger decision was taken by the Board of Directors given the provisions of Article 2505 of the Italian Civil Code and Article 17 of the Articles of Association of Fiera Milano S.p.A.

The transaction is part of the Fiera Milano Group corporate restructuring process aimed at optimising corporate governance.

■ **RESULTS FOR THE FIRST SEMESTER**

The business of the Group is seasonal due to exhibitions that have a biennial and multi-annual frequency. Moreover, the absence of exhibitions in July and August and the presence of exhibitions from September onwards make a comparison of the financial figures between the first and second semesters of the year meaningless.

Revenues from sales and services totalled Euro 157.7 million, an increase of 18% compared to the figure of Euro 133.9 million in the first semester of 2017; the increase was primarily due to the aforementioned growth in the exhibition business and an increase in sales of stand-fitting services.

EBITDA was Euro 46.1 million compared to Euro 11.9 million in the first semester 2017; this increase primarily reflected the higher revenues and the impact of the actions taken to control costs.

EBIT was Euro 43.1 million compared to Euro 8.4 million in the first semester of 2017 and reflects the growth in EBITDA.

Net profit was Euro 31.7 million compared to Euro 5.6 million in the first semester of 2017.

Cash flow before taxes (calculated as the profit before taxes plus depreciation, amortisation, provisions and impairment charges) was Euro 35.2 million compared to Euro 10.7 million in the first semester of 2017.

■ **RESULTS BY OPERATING SEGMENT**

In the semester under review, 32 exhibitions and nineteen congresses with related exhibition space were held in the **fieramilano** and **fieramilanocity** exhibition sites and one exhibition was held outside the sites covering a total of 995,110 net square metres of exhibition space, compared to 866,405 net square metres in the same period of 2017. The number of exhibitors rose from 15,215 in the first semester of 2017 to 17,550 in the first semester of 2018. Fiera Milano organised twelve exhibitions abroad in the period under review covering a total of 144,120 net square metres of exhibition space (128,160 square metres in the first semester of 2017) with 3,535 exhibitors (3,625 in the first semester of 2017).

Revenues from sales and services, before elimination of inter-segment transactions, totalled Euro 185.1 million, an increase of 17% compared to the figure of Euro 158.1 million in the first semester of 2017.

- **Italian Exhibitions** had revenues of Euro 137.2 million (+20% compared to the first semester of 2017). EBITDA was Euro 39.9 million (Euro 11.2 million in the first semester of



2017) and EBIT was Euro 38.7 million (Euro 9.7 million in the first semester of 2017).

- **Foreign Exhibitions** generated revenues of Euro 2.7 million compared to Euro 3.6 million in the first semester of 2017; the lower revenues were primarily due to the absence of the biennial exhibition Reatech in Brazil. EBITDA was Euro 1.8 million (Euro 0.2 million in the first semester of 2017) and benefited from the restructuring of the South African subsidiary, from damages paid to the Brazilian subsidiary following settlement of a legal dispute, as well as from higher results in the Chinese joint venture. EBIT was Euro 1.6 million (it was breakeven in the first semester 2017).
- **Stand-fitting Services** had revenues of Euro 23.5 million, an increase compared to the figure of Euro 18.6 million in the first semester of 2017 reflecting good sales penetration due to the more favourable exhibition calendar in the period under review. EBITDA was Euro 3.1 million (Euro 0.2 million in the first semester of 2017) and EBIT was Euro 2.4 million (in the first semester of 2017, there was negative EBIT of Euro 0.7 million) reflecting the trend in segment revenues.
- The **Media** segment had revenues of Euro 6.2 million, 17% higher than in the first semester 2017, due to higher revenues from billboard advertising, sponsorship and digital services provided to exhibition organisers. EBITDA was Euro 0.7 million (negative EBITDA of Euro 0.1 million in the first semester 2017) and EBIT was Euro 0.5 million (negative EBIT of Euro 0.3 million in the first semester of 2017).
- **Congresses** had revenues of Euro 15.5 million compared to Euro 16.2 million in the first semester of 2017. EBITDA was Euro 0.6 million (Euro 0.4 million in the first semester of 2017) but there was negative EBIT of Euro 0.1 million (negative EBIT of Euro 0.2 million in the first semester of 2017).

■ **NET FINANCIAL POSITION**

At 30 June 2018, the Group had net cash of Euro 26.3 million compared to net debt of Euro 0.8 million at 31 December 2017. The improvement in the net financial position reflected the positive cash flow from operations in the semester, which was, in part, offset by changes in net working capital.

■ **BUSINESS OUTLOOK**

The results of the first semester, and in particular of the second quarter, were ahead of expectations. It should be noted that business levels in the second semester will be lower than in the first semester due to the normal suspension of exhibition activity in the summer months that characterises this sector and also to the absence of biennial exhibitions in the fourth quarter of the year. Net exhibition space rented out in Italy in the second semester is forecast to be 490,000 square metres compared to 995,000 square metres in the first semester.

The results of the first semester have led to an upgrade of the forecast for full-year EBITDA. This is now expected to be in the range of Euro 24-26 million, compared to the previously communicated target of Euro 17 million.

The Manager responsible for preparing the Company's financial statements, Mr Marco Pacini, in accordance with paragraph 2 article 154-bis of the Consolidated Finance Law herewith declares that the accounting information contained in the present release is consistent with the Company's official documents, books and accounting records.



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CONFERENCE CALL

There will be a conference call at 16:30 (CET) today, Friday 27 July, during which the management of Fiera Milano will present the first half 2018 consolidated results. To take part in the conference call, please call:

+39 02 805 88 11 (Italy)

+44 1 212818003 (UK)

+ 1 718 7058794 (USA)

The presentation may be downloaded prior to the start of the conference call from the section Investor Relations/Presentations on the Fiera Milano website, www.fieramilano.it.

This press release contains forward-looking statements. These statements are based on the current expectations and assumptions of the Group regarding future events and by their very nature are subject to certain risks and uncertainties. The actual results could differ materially from those contained in these statements for a variety of factors that include changes in general economic and business conditions, continued volatility and a further deterioration in the capital and financial markets and many other factors, the majority of which are outside the control of the Group. The levels of Group activity reflect the frequency/seasonality of exhibitions. Therefore, the operating results and changes in the net financial position cannot be extrapolated to calculate a precise forecast of the results expected for the year.

Fiera Milano

Fiera Milano is the domestic market leader and one of the main integrated operators worldwide in the exhibition and congress sector. The Group manages the leading exhibition site in Italy and dominates events in numerous manufacturing sectors: fashion, publishing, furniture and furnishings, home and lifestyle, mechanical tooling industry, tourism, professional hospitality, food, plant engineering and energy, construction, art, and sailing. Specifically, the business of the Group is focused on the management, organisation and hosting of fairs, exhibitions and other events through ensuring the availability of equipped exhibition space, project support and related services. Its offer is completed by engineering services, stand-fitting services - for both pre-fabricated and customised stands - stand-fitting technical and logistic services, as well as a multichannel platform that includes specialist publications, web content and congresses.

Fiera Milano has been listed in the STAR segment of the Mercato Telematico Azionario of the Italian stock market since 2002.

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Attachments:

Consolidated Statement of Financial Position
Consolidated Statement of Comprehensive Income
Consolidated Statement of Cash Flows



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	(€ '000)	
Consolidated Statement of Financial Position	30/06/18	31/12/17
ASSETS		
Non-current assets		
Property, plant and equipment	12,317	13,765
Leased property, plant & equipment	-	-
Investments in non-core property	-	-
Goodwill	94,216	94,216
Intangible assets with a finite useful life	11,251	12,493
Equity accounted investments	19,089	18,339
Other investments	61	61
Other financial assets	-	-
Trade and other receivables	11,563	11,687
<i>of which from related parties</i>	<i>11,466</i>	<i>11,598</i>
Deferred tax assets	1,213	976
Total	149,710	151,537
Current assets		
Trade and other receivables	45,363	46,277
<i>of which from related parties</i>	<i>7,214</i>	<i>7,172</i>
Inventories	4,224	3,485
Contracts in progress	-	-
Current financial assets	3,561	2,809
<i>of which from related parties</i>	<i>3,561</i>	<i>2,809</i>
Cash and cash equivalents	30,656	17,922
Total	83,804	70,493
Assets held for sale		
Assets held for sale	-	-
Total assets	233,514	222,030
EQUITY AND LIABILITIES		
Equity		
Share capital	41,645	41,645
Share premium reserve	9,435	10,299
Revaluation reserve	-	-
Other reserves	3,388	3,059
Retained profits/(losses)	8,418	5,831
Profit/(loss) for the period	31,838	1,637
Total Group equity	94,724	62,471
Equity at attributable to non-controlling interests	105	564
Total equity	94,829	63,035
Non-current liabilities		
Bonds in issue	-	-
Bank borrowings	1,505	3,503
Other financial liabilities	44	42
Provision for risks and charges	665	834
Employee benefit provisions	9,359	9,379
Deferred tax liabilities	3,290	3,225
Other non-current liabilities	-	-
Total	14,863	16,983
Current liabilities		
Bonds in issue	-	-
Bank borrowings	5,225	17,252
Trade payables	45,473	48,437
Advances	28,429	43,057
Other current financial liabilities	1,157	729
Current provision for risks and charges	4,313	7,193
Current tax liabilities	14,065	2,010
Other current liabilities	25,160	23,334
<i>of which to related parties</i>	<i>2,627</i>	<i>1,496</i>
Total	123,822	142,012
Liabilities held for sale		
Liabilities held for sale	-	-
Total liabilities	233,514	222,030



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		(€ '000)	
Consolidated Statement of Comprehensive Income		1st Half at 30/06/18	1st Half at 30/06/17 restated*
Revenues from sales and services		157,724	133,893
<i>of which with related parties</i>		<i>6,491</i>	<i>95</i>
Total revenues		157,724	133,893
Cost of materials		1,481	1,956
Cost of services		64,708	69,485
<i>of which with related parties</i>		<i>1,017</i>	<i>1,269</i>
Cost of use of third-party assets		25,454	25,294
<i>of which with related parties</i>		<i>23,240</i>	<i>23,038</i>
Personnel expenses		23,201	23,505
Other operating expenses		2,390	2,685
Total operating expenses		117,234	122,925
Other income		1,876	1,256
Results of equity accounted associates and joint ventures		4,260	1,277
Provisions for doubtful receivables and other provisions		531	1,650
EBITDA		46,095	11,851
Depreciation of property, plant and equipment		1,996	2,115
Depreciation of property investments		-	-
Amortisation of intangible assets		997	1,307
Adjustments to asset values		1	11
EBIT		43,101	8,418
Financial income and similar		356	213
Financial expenses and similar		376	936
Valuation of financial assets		-	-
Profit/(loss) before tax		43,081	7,695
Income tax		11,431	2,056
Profit/(loss) for the period from continuing operations		31,650	5,639
Profit/(loss) for the period from discontinued operations		-	-
Profit/(loss) for the period		31,650	5,639
Profit/(loss) attributable to:			
The shareholders of the controlling entity		31,838	5,863
Non-controlling interests		(188)	(224)
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period			
Revaluation of defined benefit schemes		101	274
Tax effects		24	59
Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss of the period			
Currency translation differences of foreign subsidiaries		(102)	324
Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss for the period			
Revaluation of defined benefit schemes		6	10
Tax effects		(1)	2
Currency translation differences of foreign subsidiaries		10	(170)
Other comprehensive income/(loss) for the period net of related tax effects		(8)	377
Total comprehensive income/(loss) for the period		31,642	6,016
Total comprehensive income/(loss) for the period attributable to:			
The shareholders of the controlling entity		31,839	6,240
Non-controlling interests		(197)	(224)
Earnings/(losses) per share (€)			
	Basic	0.4486	0.0826
	Diluted	0.4486	0.0826

* Starting with the Consolidated Financial Statements at 31 December 2017, operating profitability will be calculated as EBITDA therefore the figures in the Consolidated Financial Statements at 30 June 2017, that shows a figure for gross operating profit, have been restated to reflect this change. The figures for 2017 reflect the application of the new standard IFRS 15 from 1 January 2018.

	(€ '000)	
Consolidated Statement of Cash Flows	1st Half at 30/06/18	1st Half at 30/06/17 restated*
Net cash at beginning of the period	17,922	22,118
Cash flow from operating activities		
Net cash from operating activities <i>of which from related parties</i>	24,259 <i>(18,092)</i>	35,068 <i>(23,020)</i>
Interest paid	(216)	(398)
Interest received	20	47
Income taxes paid	-	(2,492)
Total from continuing operations	24,063	32,225
Total from assets held for sale	-	686
Cash flow from investing activities		
Investments in tangible assets	(579)	(2,800)
Investments in intangible assets	(75)	(244)
Total from continuing operations	(654)	(3,044)
Total from assets held for sale	-	-
Cash flow from financing activities		
Equity	96	260
Non-current financial liabilities	(1,996)	(11,859)
Current financial assets	2,800	(2,010)
Current financial liabilities <i>of which from related parties</i>	(11,323) <i>(242)</i>	(10,916) <i>(1,695)</i>
Dividends paid	(358)	-
Total from continuing operations	(10,781)	(24,525)
Total from assets held for sale	-	-
Total translation differences	106	602
Net cash for the period from continuing operations	12,628	4,656
Net cash for the period from assets held for sale	-	686
Net cash at the end of the period	30,656	28,062

* Some figures in the Consolidated Statements of Cash Flow have been restated for comparative purposes to reflect the accounting under IAS 7.

	(€ '000)	
Net cash from operating activities	1st Half at 30/06/18	1st Half at 30/06/17 restated*
Result of continuing operations	31,650	5,639
<i>Adjustments for:</i>		
Profit from equity accounted investments	(4,260)	(1,277)
Depreciation and Amortisation	2,993	3,422
Provisions, write-downs and impairment	384	1,060
Capital gains and losses	30	81
Personell cost "Performance Shares Plan "	421	-
Net change in employee provisions	81	65
Changes in deferred taxes	(196)	1,680
Inventories	(739)	2,213
Trade and other receivables	1,038	(19,410)
Trade payables	(2,964)	13,521
Advances	(14,628)	22,261
Tax payables	12,055	2,887
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(2,192)	(1,508)
Payables to Organisers	586	4,434
Total	24,259	35,068

* Some figures in the Consolidated Statements of Cash Flow have been restated for comparative purposes to reflect the accounting under IAS 7.