



**FIERA MILANO**

***FIERA MILANO: THE BOARD OF DIRECTORS APPROVES  
THE HALF-YEARLY FINANCIAL REPORT AT 30 JUNE 2020***

***The results for the first half of 2020 felt the impact of the suspension of trade fair activities as of 23 February due to the Covid-19 pandemic***

- ***Revenues: Euro 56.0 million as compared to 153.9 million in the first half of 2019***
- ***EBITDA: Euro 10.6 million as compared to 62.4 million in the first half of 2019***
- ***Net profit: Euro -12.6 million as compared to 24.1 million in the first half of 2019***

***Due to further changes to the trade fair and conference calendar, based on information currently available, the EBITDA target for 2020 has been revised at break-even, compared to the previous range of Euro 38-43 million***

***Milan, 29 July 2020.*** The Board of Directors of Fiera Milano S.p.A., which met today under the presidency of Carlo Bonomi, approved the Half-Yearly Financial Report at 30 June 2020.

The results for the first half of 2020 suffered from the suspension of trade fair and congress activities as of 23 February due to the Covid-19 (i.e. Coronavirus) pandemic.

The Company has immediately taken all necessary actions to protect the health and safety of its customers, suppliers and employees, establishing, among other measures, remote working initiatives.

The events and congresses held in Italy in the first two months of the year achieved results in line with expectations. The health emergency has led to the adoption of a series of steps that have called for, among other measures, the suspension of trade fair and congress activities. Following its spread in Italy, the health emergency extended to many other countries, including those of trade fairs and congresses' exhibitors and visitors.

The calendars of activities have undergone important amendments, events were first re-scheduled in later months of the year and then major trade fairs – such as Il Salone Internazionale del Mobile, Mostra Convegno Expocomfort, and MIDO – had to be cancelled, also due to the restrictions on international travel.

To counteract the effects of this situation, Fiera Milano has implemented important cost reduction actions related, among other things, to the management of exhibition sites and staff. Among other activities, negotiations are underway between the Company and Fondazione Fiera Milano, owner of the exhibition sites, to determine a reduction in rent for the year 2020, in relation to the suspension of activities due to force majeure.

Moreover, the Company is implementing important initiatives aimed at ensuring a restart in the exhibition sector. Among these, thanks to the collaboration with a team of experts and in synergy with the main sector players, the Company has worked on the creation of a “Protocol to contain the spread of the new Coronavirus”. Through the Fiera Milano Platform, a new platform dedicated to the entire supply chain community, which will be gradually restarting from September 2020, the Company will be able to expand its offer of innovative services supporting the digital evolution of exhibitions and provide a better customer experience in the exhibition



## FIERA MILANO

site. Finally, among other initiatives aimed at supporting SMEs, Fiera Milano will make access to credit easier for exhibiting companies by financially supporting the investment.

### ■ **HALF-YEAR RESULTS**

It should be remembered that **the Group's activities are typically seasonal** with regard to recurring trade fair exhibitions or those held every two years.

**Revenues from sales and services** amounted to Euro 56.0 million as compared to Euro 153.9 million in the first half of the previous financial year, due to the aforementioned suspension of trade fair activities as of 23 February.

**EBITDA** amounts to Euro 10.6 million as compared to Euro 62.4 million in the first half of 2019. The variation is attributable to the trend in revenues, as well as to the lower results of the joint venture operating in China in relation to the amendments to the trade fair calendar due to Covid-19. This situation was partially offset by the containment of operating costs. It should be noted that the effect of the IFRS 16 in the first half of 2020 resulted in an amount of Euro 23.7 million (Euro 24.2 million in the first half of 2019).

**EBIT** amounts to Euro -11.9 million as compared to Euro 39,6 million in the first half of 2019. The effect of the IFRS 16 resulted in an amount of Euro -3.9 million as compared to Euro -4.0 million in the first half of 2019.

The **Net profit** amounts to Euro -12.6 million as compared to Euro 24.1 million in the first half of 2019.

### ■ **RESULTS BY OPERATING SECTOR**

In the first half of the year, ten exhibitions and three congresses with related exhibition space were held in the fieramilano and fieramilanocity exhibition sites, for a total of 273,785 net square metres of exhibition space, as compared to 864,315 in the same period in 2019. The number of exhibitors decreased from 15,445 in the first half of 2019 to 5,085 in the first half of 2020. One event (13 in the first half of 2019) was held abroad, for a total of 3,910 net square metres of exhibition space (175,700 square metres in the first half of 2019) and 100 exhibitors (4,610 in the first half of 2019).

Revenues from sales and services, before elimination of inter-segment transactions, amount to Euro 58.1 million as compared to Euro 159.3 million in the first half of 2019.

- The **Italian Exhibitions Business** sector recorded revenues of Euro 49.4 million (Euro 129.2 million in the first half of 2019) due to the aforementioned amendments to the trade fair calendar. EBITDA amounts to Euro 11.9 million (Euro 52.3 million in the first half of 2019) and EBIT amounts to -7.9 million euros (Euro 32.2 million in the first half of 2019).
- The **Foreign Exhibitions Business** sector recorded revenues of Euro 1.1 million as compared to Euro 3.1 million in the first half of 2019. EBITDA amounts to Euro -1.0 million (Euro 2.5 million in the first half of 2019) due to the effects of Covid-19 on the activities of Joint Venture in China. EBIT amounts to Euro -1.2 million (Euro 2.3 million in the first half of 2019).
- The **Media** sector recorded revenues of Euro 3.4 million as compared to Euro 5.8 million in



## FIERA MILANO

the first half of 2019, mainly due to a lower number of billboard advertisements and lower revenues from publications. EBITDA amounts to Euro 0.2 million (Euro 0.8 million in the first half of 2019) and EBIT amounts to Euro 0.1 million (Euro 0.7 million in the first half of 2019).

- The **Congress** sector recorded revenues of Euro 4.2 million as compared to Euro 21.2 million in the first half of 2019 due to amendments to the congress calendar. EBITDA amounts to Euro -0.4 million (Euro 6.8 million in the first half of 2019) and EBIT amounts to Euro -2.9 million (Euro 4.4 million in the first half of 2019).

### ■ **NET FINANCIAL POSITION**

Before the effects of IFRS 16, net cash at 30 June 2020 stood at Euro 20.2 million, compared to cash of 68.3 million at 31 December 2019. The variation is attributable not only to the distribution of dividends by the Parent Company, but also by the aforementioned suspension of trade fair activities, which had a significant impact on the working capital.

Net financial debt, including IFRS 16 lease liability amounts to Euro 449.6 million as compared to Euro 405.1 million at 31 December 2019.

### ■ **BUSINESS FORECAST**

The results for the first half of the year were higher than expected after the health emergency, thanks to significant cost containment measures implemented by the Group. Nevertheless, the extent and duration of the epidemiological emergency in Italy and abroad, still ongoing in many countries, has led to the cancellation by third-party organisers of important international trade fairs which were scheduled for the second half of 2020, including the EICMA (Milan Motorcycle Show) and the Mostra Convegno Expocomfort, the latter initially postponed to September 2020. For confirmed events, however, a significant reduction in the participation of exhibitors and visitors can be expected, also due to the current restrictions on international travel.

The scenario changes are such as to determine, on the basis of currently available information, an estimate of net exhibition area in Italy in the last part of the current year of about 150 thousand square metres, as compared to the previous forecast of 700 thousand square metres and a 2020 EBITDA target at break-even, as compared to the previous range of Euro 38-43 million. The updated target does not include any reductions in the rent for the exhibition site at the end of the ongoing negotiations with Fondazione Fiera Milano in relation to the suspension of activities due to force majeure in 2020.

All ongoing initiatives confirm Fiera Milano's desire to support SMEs in order to make a concrete contribution to the economic recovery of the country's productive fabric, as, indeed, trade fair business represents a fundamental tool to support the growth and internationalisation of companies.

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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.



## FIERA MILANO

### CONFERENCE CALL

There will be a conference call **at 17:00 (CET) today Wednesday 29 July**, during which the management of Fiera Milano will present the first half 2020 consolidated results. To take part in the conference call, please call:

+39 02 805 88 11 (Italy)

+41 225954727 (Switzerland)

+44 1 212818003 (UK)

+ 1 718 7058794 (USA)

The presentation may be downloaded prior to the start of the conference call from the section Investors on the Fiera Milano website, [www.fieramilano.it](http://www.fieramilano.it).

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*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.*

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### **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*



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Financial Position</b>	<b>30/06/20</b>	<b>31/12/19</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,707	9,155
Right-of-use assets	451,427	469,571
<i>of which from related parties</i>	1,726	462,382
Investments in non-core property	-	-
Goodwill	95,036	95,036
Intangible assets with a finite useful life	14,137	14,640
Equity accounted investments	19,099	19,905
Other investments	32	32
Other financial assets	4,734	50
Trade and other receivables	11,038	11,170
<i>of which from related parties</i>	10,939	11,071
Deferred tax assets	3,538	2,971
<b>Total</b>	<b>608,748</b>	<b>622,530</b>
<b>Current assets</b>		
Trade and other receivables	34,744	40,356
<i>of which from related parties</i>	9,798	3,404
Inventories	4,099	2,231
Contracts in progress	-	-
Financial assets	1,708	1,320
<i>of which from related parties</i>	1,708	1,320
Cash and cash equivalents	39,179	68,031
<b>Total</b>	<b>79,730</b>	<b>111,938</b>
<b>Assets held for sale</b>		
Assets held for sale	-	-
<b>Total assets</b>	<b>688,478</b>	<b>734,468</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	42,284	41,645
Share premium reserve	10,256	9,324
Revaluation reserve	-	-
Other reserves	2,008	4,400
Retained earnings	42,660	17,482
Profit/(loss) for the period	(12,484)	34,425
<b>Total Group equity</b>	<b>84,724</b>	<b>107,276</b>
<b>Equity attributable to non-controlling interests</b>	<b>466</b>	<b>580</b>
<b>Total equity</b>	<b>85,190</b>	<b>107,856</b>
<b>Non-current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	-	-
Financial liabilities related to the right-of-use of assets	423,567	439,402
<i>of which from related parties</i>	418,698	433,693
Other financial liabilities	-	-
Provision for risks and charges	721	1,833
Employee benefit provisions	9,884	9,898
Deferred tax liabilities	5,803	10,127
Other liabilities	-	-
<b>Total</b>	<b>439,975</b>	<b>461,260</b>
<b>Current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	24,940	1
Trade payables	20,160	41,985
Advances	36,925	49,227
Financial liabilities related to the right-of-use of assets	46,229	33,992
<i>of which from related parties</i>	33,000	32,423
Other financial liabilities	449	1,057
Provision for risks and charges	1,874	5,225
Tax liabilities	4,432	2,979
Other liabilities	28,304	30,886
<i>of which to related parties</i>	7,356	8,438
<b>Total</b>	<b>163,313</b>	<b>165,352</b>
<b>Liabilities held for sale</b>		
Liabilities held for sale	-	-
<b>Total equity and liabilities</b>	<b>688,478</b>	<b>734,468</b>



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Comprehensive Income</b>	<b>1st Half at 30/06/20</b>	<b>1st Half at 30/06/19</b>
Revenues from sales and services	55,988	153,882
<i>of which with related parties</i>	<i>3,616</i>	<i>471</i>
<b>Total revenues</b>	<b>55,988</b>	<b>153,882</b>
Cost of materials	1,311	1,383
Cost of services	29,285	66,628
<i>of which with related parties</i>	<i>1,243</i>	<i>3,423</i>
Cost of use of third-party assets	256	284
Personnel expenses	17,285	24,172
Other operating expenses	1,234	2,530
<b>Total operating expenses</b>	<b>49,371</b>	<b>94,997</b>
Other income	1,188	1,331
Results of equity accounted associates and joint ventures	(737)	2,371
Provisions for doubtful receivables and other provisions	(3,504)	188
<b>EBITDA</b>	<b>10,572</b>	<b>62,399</b>
Depreciation of property, plant and equipment and right-of-use assets	21,333	21,901
<i>of which with related parties</i>	<i>18,978</i>	<i>19,428</i>
Depreciation of property investments	-	-
Amortisation of intangible assets	1,116	925
Adjustments to asset values	-	-
<b>EBIT</b>	<b>(11,877)</b>	<b>39,573</b>
Financial income and similar	142	280
Financial expenses and similar	6,933	7,126
<i>of which with related parties</i>	<i>6,376</i>	<i>6,860</i>
Valuation of financial assets	-	-
<b>Profit/(loss) before tax</b>	<b>(18,668)</b>	<b>32,727</b>
Income tax	(6,068)	8,646
<b>Profit/(loss) for the period from continuing operations</b>	<b>(12,600)</b>	<b>24,081</b>
<b>Profit/(loss) for the period from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period</b>	<b>(12,600)</b>	<b>24,081</b>
Profit/(loss) attributable to:		
<b>The shareholders of the controlling entity</b>	<b>(12,484)</b>	<b>24,105</b>
Non-controlling interests	(116)	(24)
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period</b>		
Revaluation of defined benefit schemes	75	(686)
Tax effects	17	(164)
<b>Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss of the period</b>		
Currency translation differences of foreign subsidiaries	(749)	52
<b>Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss for the period</b>		
Revaluation of defined benefit schemes	14	(23)
Tax effects	3	(5)
Currency translation differences of foreign subsidiaries	(72)	(4)
<b>Other comprehensive income/(loss) for the period net of related tax effects</b>	<b>(752)</b>	<b>(492)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(13,352)</b>	<b>23,589</b>
Total comprehensive income/(loss) for the period attributable to:		
The shareholders of the controlling entity	(13,238)	23,613
Non-controlling interests	(114)	(24)
<b>Earnings/(losses) per share (€)</b>		
Basic	(0.1753)	0.3396
Diluted	(0.1753)	0.3396



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Cash Flows</b>	<b>1st Half at 30/06/20</b>	<b>1st Half at 30/06/19</b>
<b>Net cash at beginning of the period from continuing operations</b>	<b>68,031</b>	<b>28,409</b>
<b>Net cash at beginning of the period from assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Cash flow from operating activities</b>		
Net cash arising from operations	(11,945)	67,989
<i>of which from related parties</i>	(4,259)	(874)
Interest paid	(10)	(72)
Interest paid on financial liabilities related to the right-of-use of assets	(6,469)	(6,961)
<i>of which from related parties</i>	(6,375)	(6,855)
Interest received	173	92
Income taxes paid	-	-
<b>Total from continuing operations</b>	<b>(18,251)</b>	<b>61,048</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Cash flow from investing activities</b>		
Investments in tangible assets	(1,999)	(529)
Investments in intangible assets	(613)	(261)
Write-downs of intangible assets	-	26
Investments in Joint Ventures	-	490
<b>Total from continuing operations</b>	<b>(2,612)</b>	<b>(274)</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Equity	-	-
Non-Current financial assets	(4,684)	-
Non-Current financial liabilities related to the right-of-use of assets	(17,577)	(16,890)
<i>of which from related parties</i>	(16,144)	(16,196)
Current financial assets	(561)	(2,285)
<i>of which from related parties</i>	(388)	(2,285)
Current financial liabilities related to the right-of-use of assets	555	(327)
Current financial liabilities	24,500	(2,706)
Dividends paid	(9,314)	(9,227)
<b>Total from continuing operations</b>	<b>(7,081)</b>	<b>(31,435)</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>-</b>
Total translation differences	(908)	6
<b>Net cash for the period from continuing operations</b>	<b>(27,944)</b>	<b>29,339</b>
<b>Net cash at the end of the period from continuing operations</b>	<b>39,179</b>	<b>57,754</b>

	(€ '000)	
<b>Net cash arising from operations</b>	<b>1st Half at 30/06/20</b>	<b>1st Half at 30/06/19</b>
Result of continuing operations	(12,600)	24,081
<i>Adjustments for:</i>		
Profit from equity accounted investments	737	(2,371)
Depreciation and Amortisation	22,449	22,826
Provisions, write-downs and impairment	-	(81)
Financial expenses related to the right-of-use of assets (IFRS 16)	6,469	6,961
Personnel costs "Performance Shares Plan"	-	421
Net change in employee provisions	52	(59)
Changes in deferred taxes	(4,891)	(249)
Inventories	(1,868)	560
Trade and other receivables	17,426	(5,001)
Trade payables	(21,825)	2,477
Pre-payments	(12,302)	9,895
Tax payables	1,453	9,024
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(7,186)	(1,657)
Payables to Organisers	141	1,162
<b>Total</b>	<b>(11,945)</b>	<b>67,989</b>