



**FIERA MILANO**

[www.fieramilano.it](http://www.fieramilano.it)

**STAR Conference 2015**

# Fiera Milano Group

London – 6 October 2015



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Official Partner



# Fiera Milano in brief

The Group is the market leader in Italy and one of the world's leading operators across the entire value chain of the exhibition industry

**Total gross exhibition space:**

388,000 square metres

of which:

345,000 square metres

in the **fieramilano** exhibition site

43,000 square metres

in the **fieramilanocity** exhibition site

**Consolidated revenues:** Euro 245 million

of which Euro 19 million generated outside Italy

**Group employees:**

807 of which 185 abroad

**Net exhibition space:**

1,634,425 square metres

of which 414,300 square metres  
abroad

**Number of exhibition held:**

113 of which 62 abroad

**Number of exhibitors:**

32,790 of which 10,360 abroad





# Fiera Milano history

**1920**

Eight entrepreneurs organise the first trade fair in Milan to exhibit sample products in order to acquire commercial agreements

**1922**

Fiera Milano Campionaria Internazionale ("Ente Autonomo") is set up by the group of eight entrepreneurs and obtains charitable status

**1960-1970**

Fiera Campionaria expands fast to become the market place for "Made in Italy" products

**1980**

Fiera Campionaria becomes "Fiera d'Aprile". In addition to the traditional annual trade fair, the first sector exhibitions are launched. Since 1991, the exhibition calendar comprises only sector based exhibitions



**1990**

In 1997 Ente Autonomo increases the exhibition capacity by opening three new pavilions located in an industrial area next to Fiera (the "Portello" area)

**2000**

From February 2000, Ente Autonomo acts as a "Fondazione" and, in July 2000, spins off Fiera Milano ("FM"), a new company active in exhibitions management and related services. In October 2000 FM starts its activities

**2001**

FM acquires the previously rented trade fair business from Fondazione

**2002- today**

In December 2002 FM is listed on the Italian Stock Exchange. In 2005 the Rho exhibition site opens. FM acquires some important exhibition organisers in Italy and develops services. FM starts its internationalisation process

# The Fiera Milano mission

- **Fiera Milano offers a means for companies to grow and become more international**
- **It contributes to economic growth**
- **It promotes socio-economic improvement in the region in which it is based**

The Company's aims are:

- to feature among the leading global companies in the exhibition sector
- to offer companies a more effective business platform to raise awareness of their existence, instigate fruitful contacts and increase their business opportunities
- to be a leader in new growth areas worldwide while promoting Made in Italy exports
- to facilitate the interaction of different corporate cultures, the exchange of know-how and experience, and to encourage innovation



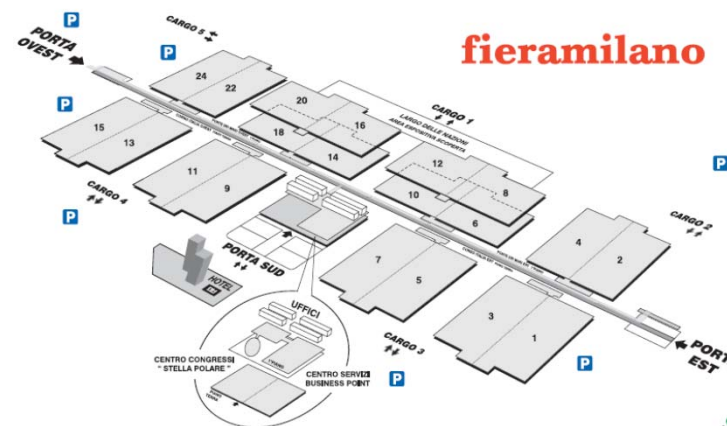
# Italian and foreign exhibitions

## In Italy Fiera Milano hosts exhibitions

- operating as a «facility manager» through its management of the exhibition sites of **fieramilano** and **fieramilanocity**, promoting and offering equipped show areas and also design support and ancillary services to third party organisers

## and directly organises its own exhibitions

- providing exhibition space and services directly to exhibitors



## Abroad the Group:

- operates as a direct organiser of exhibitions in fast-growing countries (Brazil, China, India, South Africa, Russia) through a direct presence or through joint ventures or partnerships with local operators



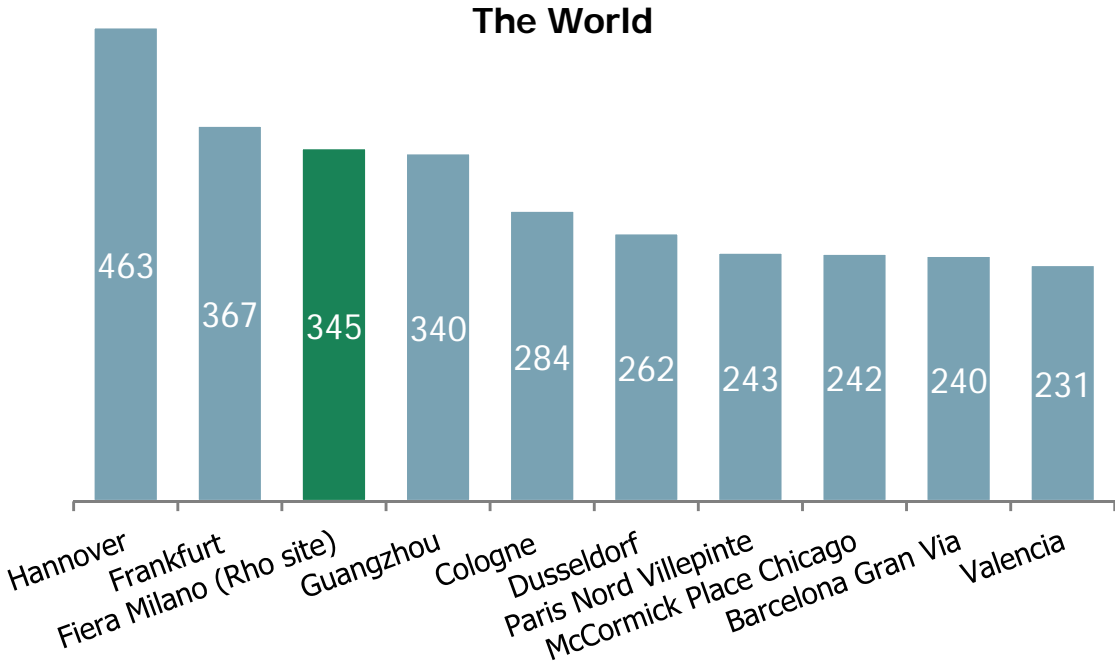
The calendar of biennial and multi-year exhibitions creates fluctuations in annual and quarterly revenues



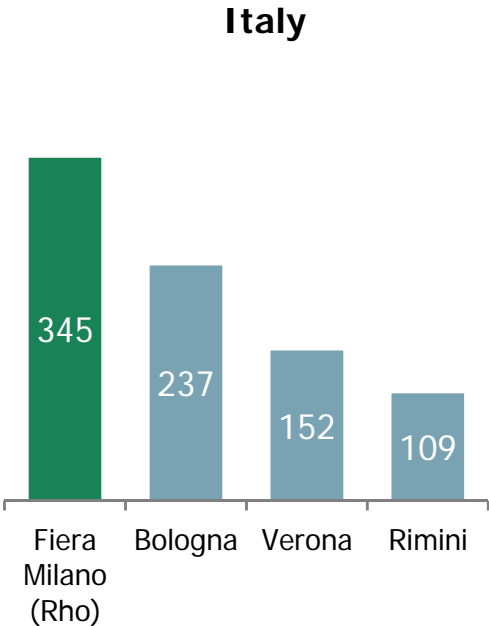
# Fiera Milano's market position

**Fiera Milano is the largest exhibition entity in Italy and among the largest in the world in terms of Gross Indoor Exhibition Capacity**

(‘000 sq m)



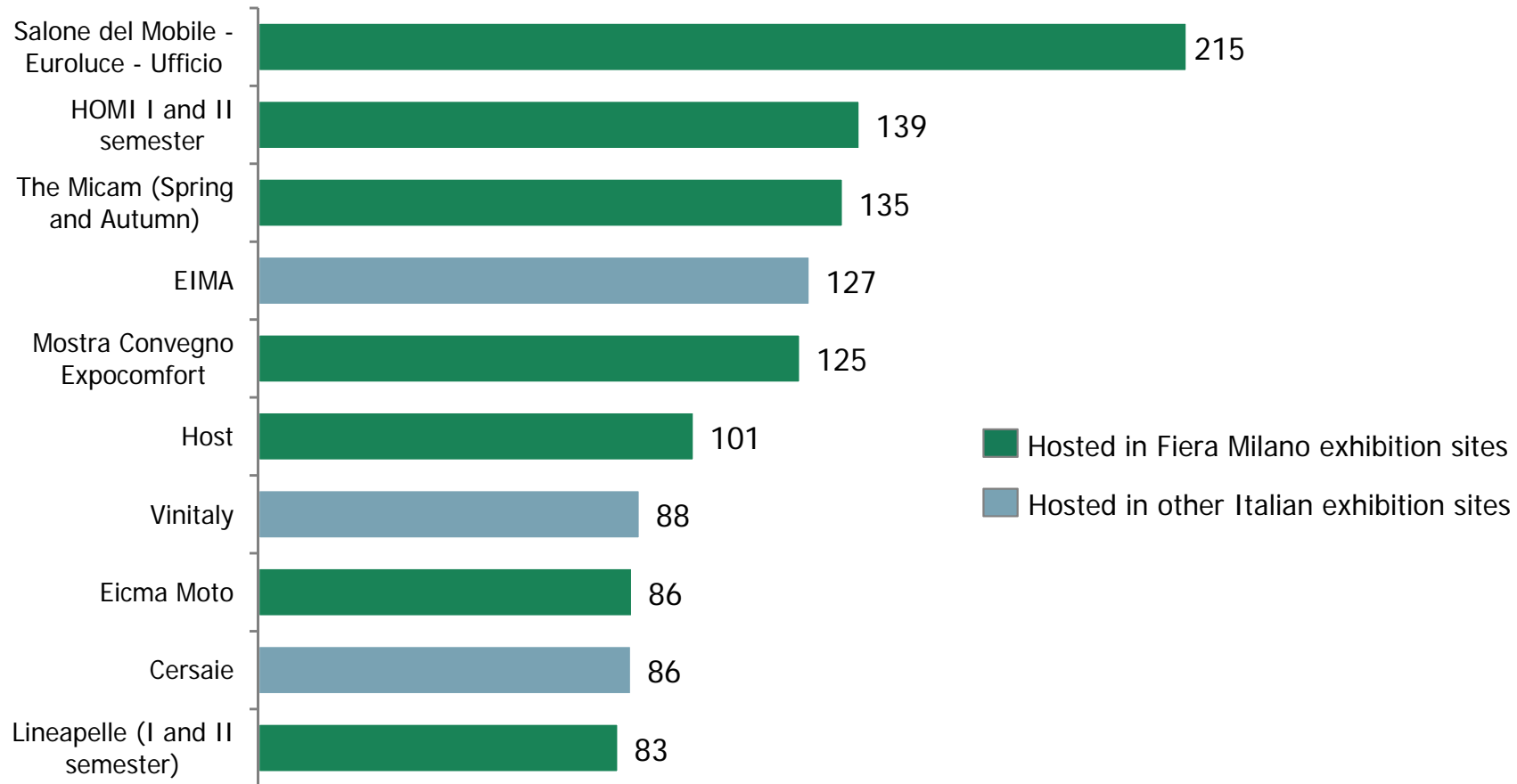
Source: AUMA, January 2015



Source: AMR International Globex Report 2015

# The majority of Italian exhibitions are organized in Fiera Milano's sites

Top 10 exhibitions in Italy by net exhibition space (000 sqm, last edition)

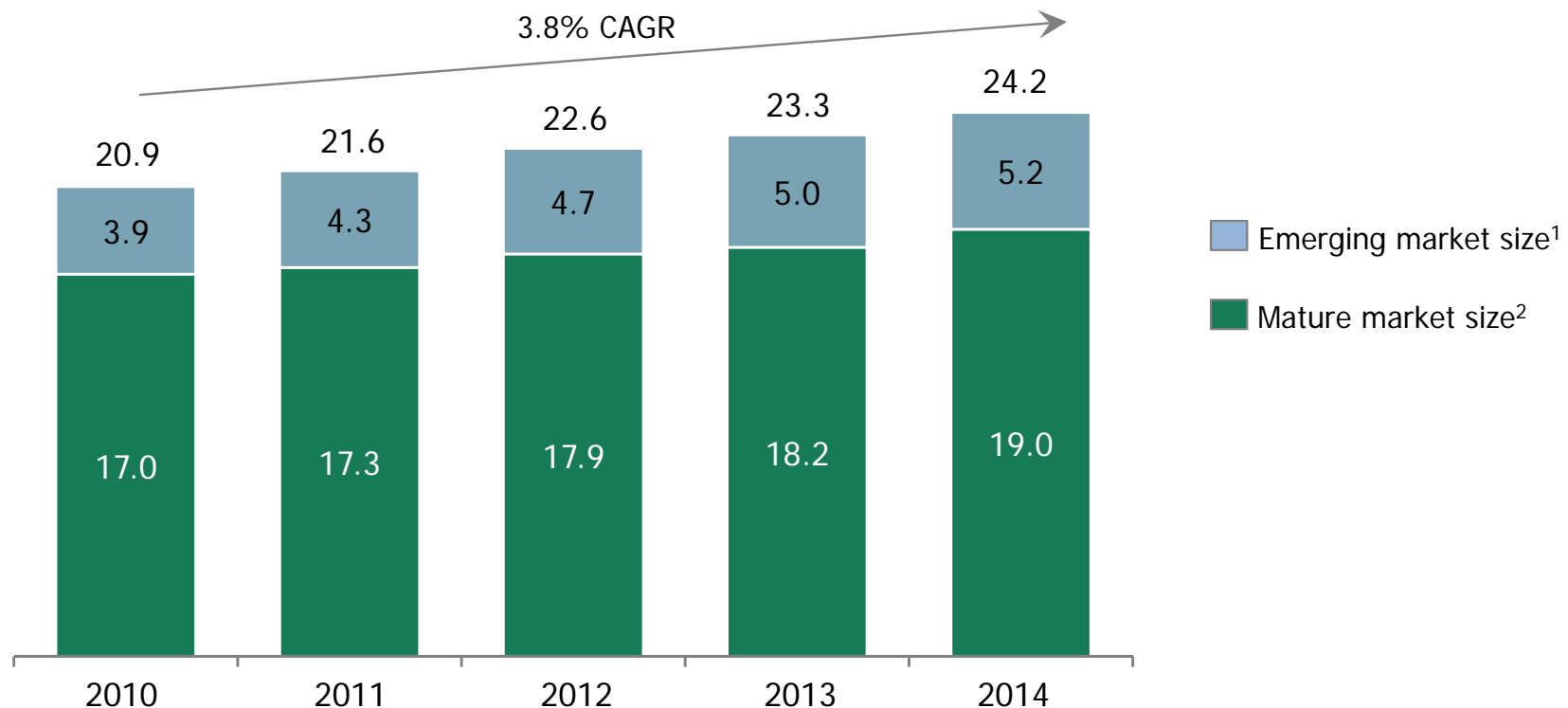


Source: website, AUMA, CFI



# The global exhibition market

(US\$ bn)



Post recession, the market continues to recover following a period of shrinkage and stagnation in mature markets and, in 2014, finally returned to pre-recession levels



1. Emerging Markets: China, Russia, India, Brazil, Mexico, Turkey, Gulf Cooperation Council 2. Mature Markets: US, Germany, UK, France, Italy, Hong Kong  
Note: Countries represented in AMR account for approx. 83% of global market  
Source: AMR International Globex Report 2015

# Group structure

## FOREIGN EXHIBITIONS



Direct organisation of exhibitions



**FIERA MILANO**

## ITALIAN EXHIBITIONS

Rent of space and related services to exhibition organisers and direct organisation of exhibitions



**FIERA MILANO  
CONGRESSI**

## CONGRESSES

Management of conventions and congresses



**FIERA MILANO  
MEDIA**

## MEDIA

A multimedia and multi-channel communications system including printed publications, internet and conferences



**FIERA MILANO  
NOLOSTAND**

## STAND-FITTING SERVICES

Stand-fitting services

# Stand-fitting services and Media



The subsidiary NoloStand offers **stand-fitting services**, technical services and all exhibition site services for exhibitions and congresses

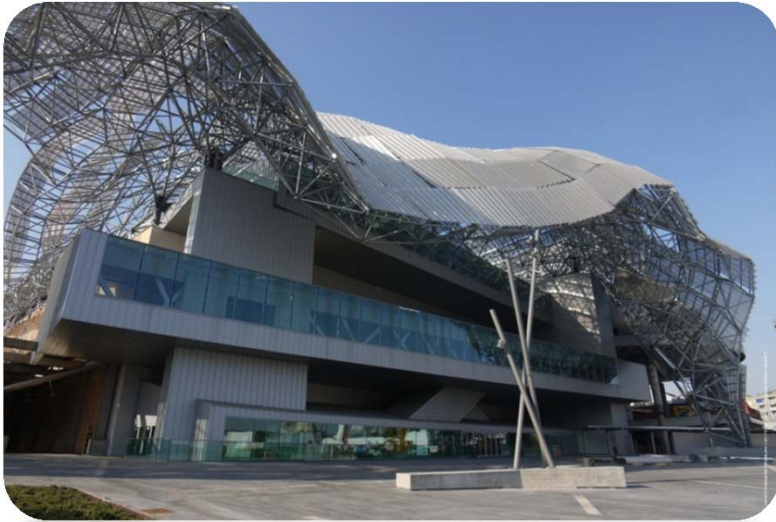
The Group produces content and supplies on line and off line publishing services, as well those associated with the organisation of events and congresses

This segment includes the following sectors:

- publishing and digital services
- events and training



# Congresses



Fiera Milano Congressi organises congresses, conventions and conferences through its **management of Europe's newest and largest congress centre, MiCo - Milano Congressi:**

- 18,000 seats, an auditorium with 4,500 seats, 73 rooms with seating capacity for 20 - 2,000, ancillary exhibition space of 54,000 sq m

The Group also manages:

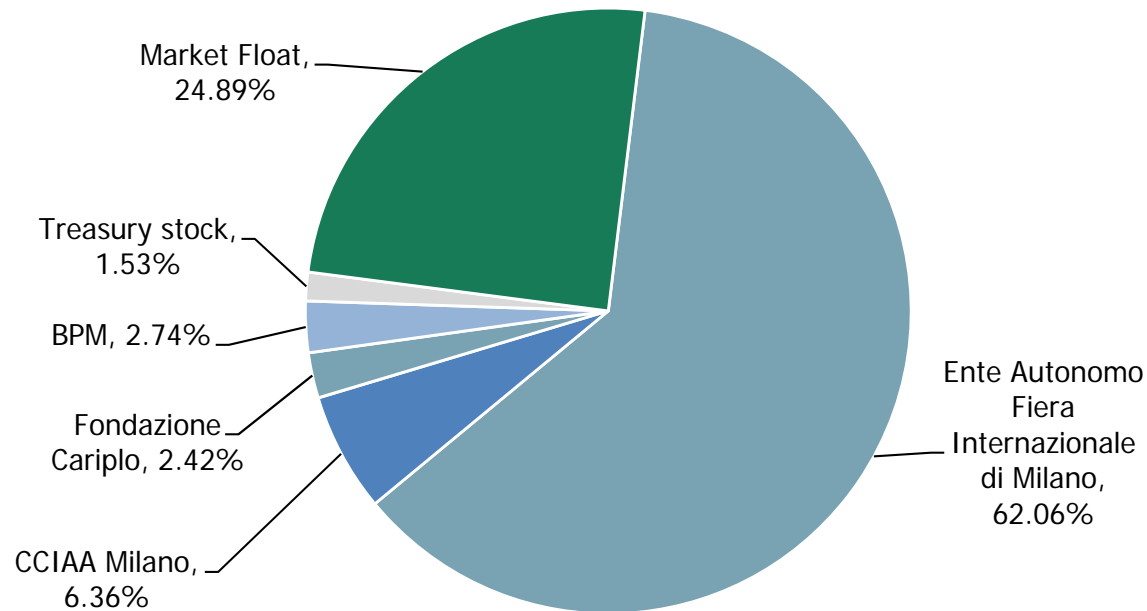
- the Stella Polare Congress Center (Rho)
- the Stresa Convention Centre, an events venue on Lake Maggiore
- Momec, the executive business suite in Rome

The Company runs over 500 events a year ranging from large international congresses and conventions to gala dinners and product launches

Fiera Milano Congressi also operates in the management, promotion and sale of tourism services (i.e. destination management)



# Shareholder structure



**Fiera Milano is controlled by Fondazione Fiera Milano, a non-profit private law foundation that has a corporate mission to develop the exhibition sector in Italy and abroad**



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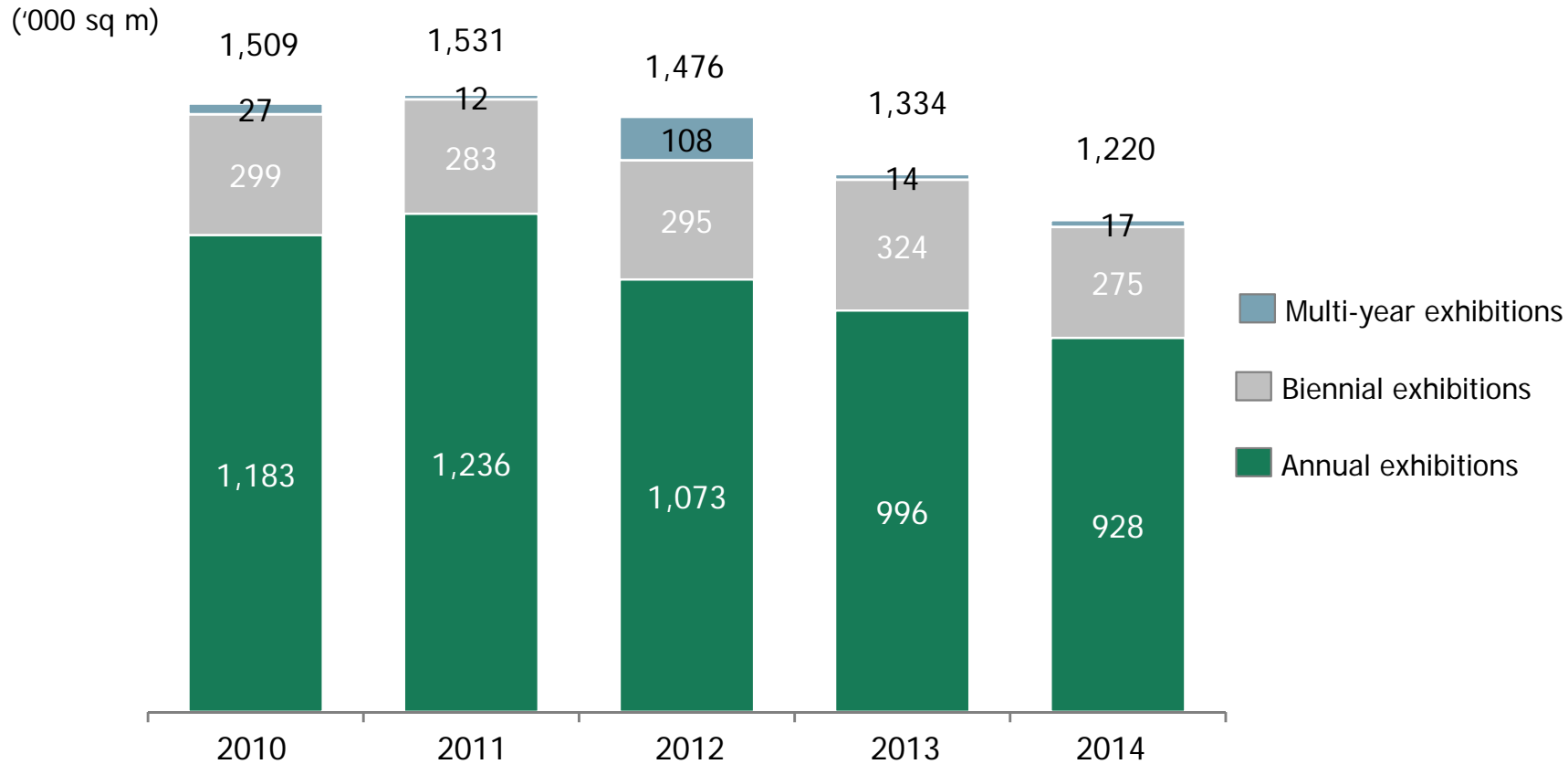
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# Exhibition space rented out in Italy



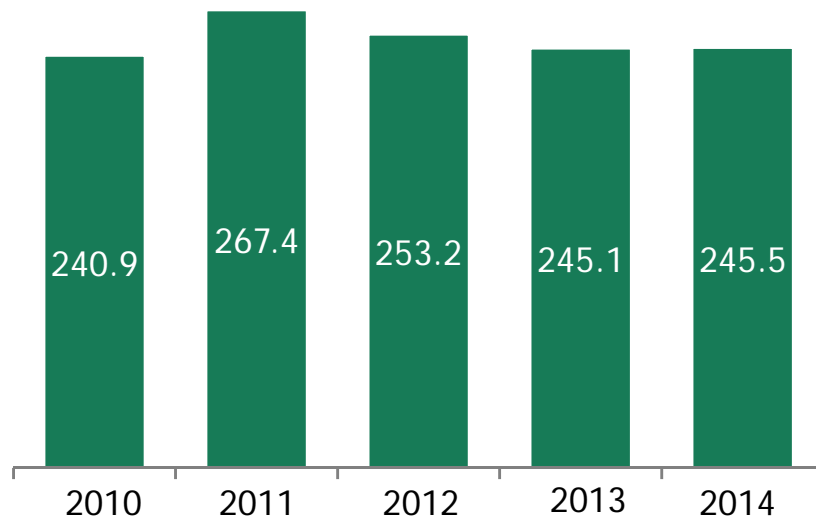
Exhibition space rented out was affected by the weak economy and, in particular, in 2014, by the absence of multi-year exhibitions and important directly organised biennial exhibitions



# Consolidated revenues

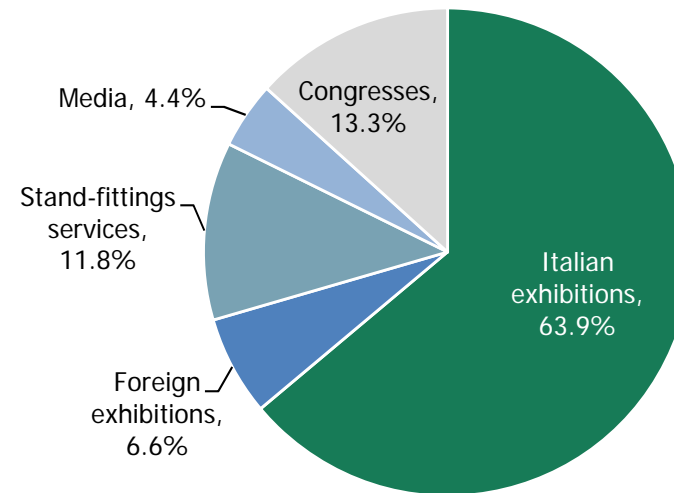
(€ million)

## Consolidated revenues



Figures have been adjusted following the adoption of IFRS 11 Joint arrangements

## 2014 Revenues by operating segment



Gross of adjustments for inter-segment transactions



# Consolidated Income Statement

FY2014*	Consolidated Income Statement (€'000)	1H15	1H14 restated*
<b>242,711</b>	<b>Revenues</b>	<b>181,532</b>	<b>137,596</b>
<b>-3,159</b>	<b>Gross operating result</b>	<b>26,715</b>	<b>5,305</b>
-1.3%	Gross operating margin (%)	14.7%	3.9%
<b>-18,345</b>	<b>Net operating result (EBIT)</b>	<b>12,774</b>	<b>-210</b>
-7.6%	Net operating margin (%)	7.0%	-0.2%
<b>-23,216</b>	<b>Profit/loss before income tax</b>	<b>10,624</b>	<b>-2,820</b>
-9.6%	Profit/loss before tax margin (%)	5.9%	-2.0%
<b>-18,635</b>	<b>Profit/loss from continuing operations</b>	<b>5,136</b>	<b>-3,360</b>
-7.7%	Profit/loss margin (%)	2.8%	-2.4%
<b>-471</b>	<b>Profit/loss from discontinued operations</b>	<b>-1,988</b>	<b>-378</b>
<b>-19,106</b>	<b>Profit/loss</b>	<b>3,148</b>	<b>-3,738</b>
-7.9%	Profit/loss margin (%)	1.7%	-2.7%
<b>-18,836</b>	<b>-attributable to Shareholders of the controlling entity</b>	<b>3,946</b>	<b>-3,295</b>
-7.8%	Profit/loss before tax attributable to Shareholders of the controlling entity margin (%)	2.2%	-2.4%
<b>-270</b>	<b>-attributable to non-controlling interests</b>	<b>-798</b>	<b>-443</b>
-0.1%	Profit/loss before tax attributable to non-controlling interests margin (%)	-0.4%	-0.3%

\* Some figures in the Consolidated Financial Statements at 31 December 2014 and in the Interim Condensed Consolidated Financial Statements at 30 June 2014 have been restated for comparative purposes following the application of IFRS 5

**2014** results reflected not only a less favourable Italian exhibition calendar compared to the previous year but also the prolonged slowdown in the domestic market and were also impacted by write-downs and some non-recurring expenses

In the **first half 2015**, revenues and gross operating profit were considerably higher than in the same period of 2014, mainly due to a more favourable exhibition calendar and to activities related to Expo 2015; the net operating result was impacted by the write-down of goodwill and trademarks

# Consolidated Statement of Financial Position

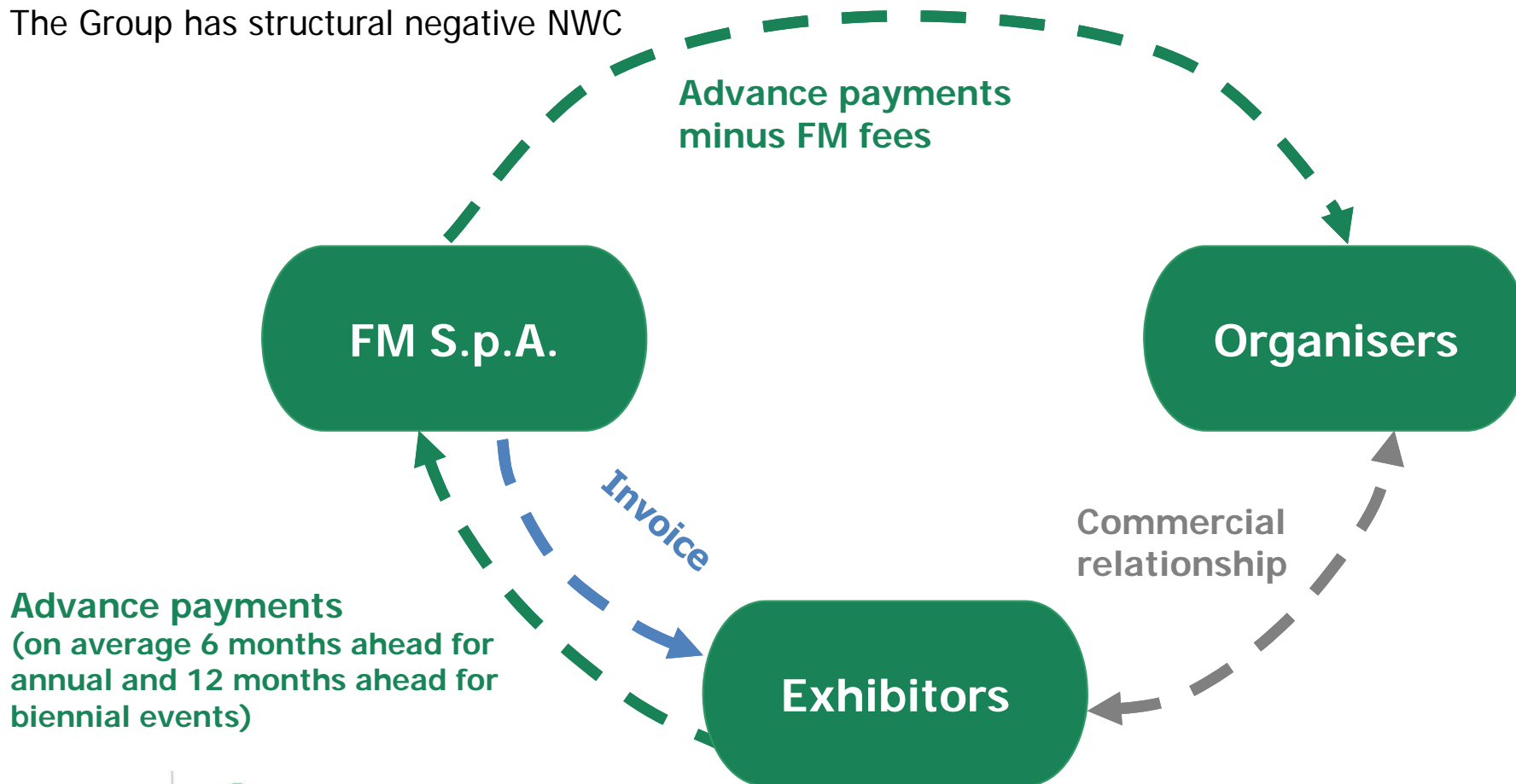
Consolidated Statement of Financial Position (€'000)	30/06/15	31/12/14
Non-current assets	186,925	204,730
Net working capital	-52,491	-44,135
<b>Gross capital employed</b>	<b>134,434</b>	<b>160,595</b>
Non-current liabilities	18,223	19,240
<b>Net capital employed from continuing operations</b>	<b>116,211</b>	<b>141,355</b>
<b>Net capital employed from discontinued operations</b>	<b>784</b>	<b>-</b>
<b>Total net capital employed</b>	<b>116,995</b>	<b>141,355</b>
<b>Equity</b>	<b>22,628</b>	<b>19,688</b>
<b>Net financial position from continuing operations</b>	<b>93,583</b>	<b>121,667</b>
<b>Net financial position from discontinued operations</b>	<b>784</b>	<b>-</b>
<b>Equity and net financial position</b>	<b>116,995</b>	<b>141,355</b>

# Favourable payment cycle

Main financial clauses in the contractual agreements with organisers:

- standard contract guarantee (minimum guaranteed)
- significant advance payments
- treasury management services on behalf of organisers

The Group has structural negative NWC



# Consolidated Net Financial Position

Consolidated Net Financial Position (€'000)	30/06/15	31/12/14
Cash (including bank balances)	17,190	12,276
Other cash equivalents	-	-
Securities held for trading	-	-
<b>Cash &amp; cash equivalents</b>	<b>17,190</b>	<b>12,276</b>
<b>Current financial assets</b>	<b>-</b>	<b>-</b>
Current bank borrowings	34,192	62,908
Current portion of non-current debt	19,948	19,986
Other current financial liabilities	37,498	22,150
<b>Current financial debt</b>	<b>91,638</b>	<b>105,044</b>
<b>Current net financial debt (cash)</b>	<b>74,448</b>	<b>92,768</b>
Non-current bank borrowings	16,996	26,898
Debt securities in issue	-	-
Other non-current payables	2,139	2,001
<b>Non-current net financial debt</b>	<b>19,135</b>	<b>28,899</b>
<b>Net financial debt (cash) from continuing operations</b>	<b>93,583</b>	<b>121,667</b>
<b>Net financial debt (cash) from discontinued operations</b>	<b>784</b>	<b>-</b>
<b>Net financial debt (cash)</b>	<b>94,367</b>	<b>121,667</b>

Net debt decreased by Euro 27.3 million due to the positive cash flow generated in 1H 2015, cash flow from net working capital, and pre-payments and cash-in for exhibitions held in the period under review or due to be held in subsequent months



# 2015 financial targets

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- Current forecasts are for the positive trend in Italy in the first semester to continue also in the second semester, particularly given the significant exhibitions in the calendar and the contribution from EXPO 2015
- However, the performance of foreign exhibitions, particularly in Brazil, are likely to suffer a decrease given the downgrades in growth expectations
- The 2015 forecasts indicate revenues of over Euro 320 million and gross operating profit of over Euro 28 million, barring unforeseeable adverse events



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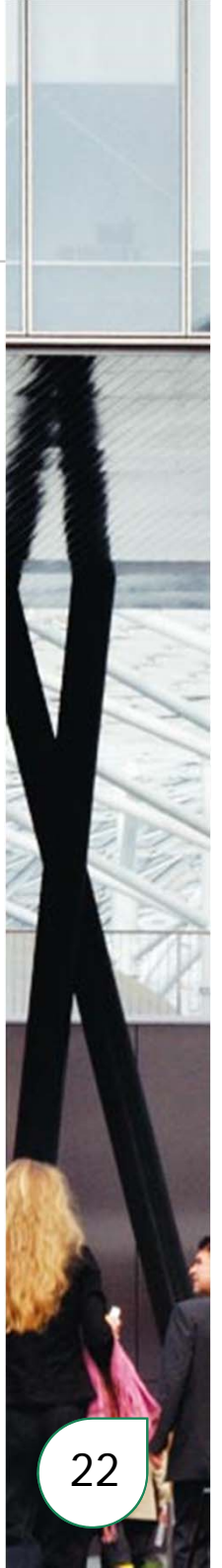
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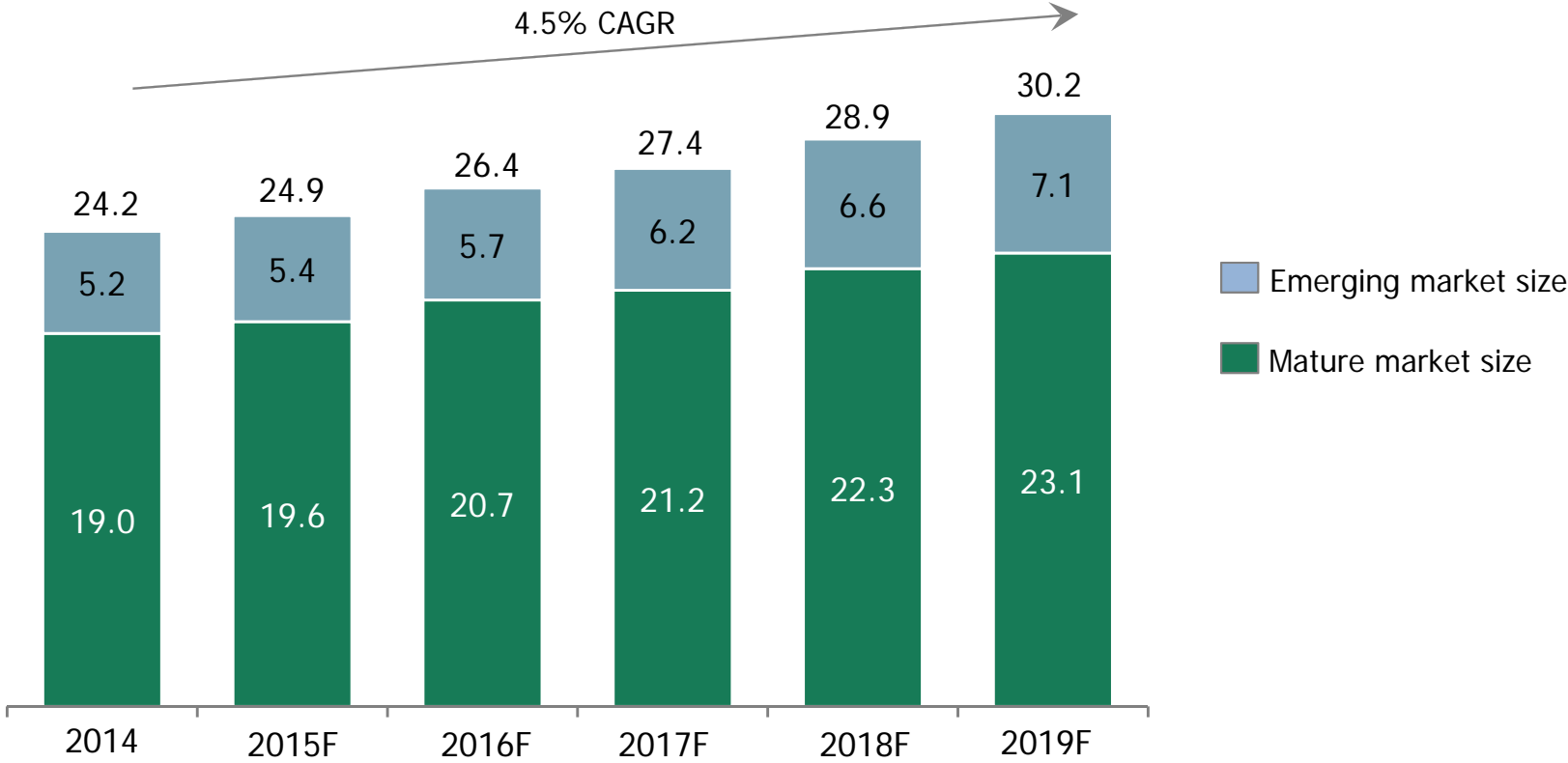


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# Global market forecast

(US\$ bn)



- If the current trend in the macro economy continues, AMR forecasts steady market growth of 4.5% CAGR to 2019
- AMR expects emerging markets to continue to demonstrate strong growth while mature markets will remain stable with moderate growth



Source: AMR International Globex Report 2015

# Strategy

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- The principal strategic aim of Fiera Milano Group is **the reinforcement of its leadership position in directly organised exhibitions and trade fairs** with high growth potential, **including the pursuit of growth through acquisitions** of companies, business divisions or exhibition brands that are synergistic with the sectors of the exhibitions that are currently in the Group portfolio
- Future acquisition targets will include **exhibitions already organised by third parties in Fiera Milano's exhibition sites**
- Fiera Milano Group also intends **to export some of its highly successful directly organised trade fairs** to certain foreign markets (i.e. geocloning) on the basis of the appropriateness of the trade fair to each market
- **Acquisitions or partnership agreements** will be made **abroad for exhibitions** that provide synergies with those exported to foreign markets



# Share capital increase

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- On 31 July 2015 the Shareholders' Meeting approved a **share capital increase** for a total **maximum amount of Euro 70 million**, to be offered to all shareholders of the Company, through the issue of new ordinary shares
- On 20 July 2015 **Fondazione Fiera Milano**, the controlling shareholder of Fiera Milano with 62.062% of the Company, **gave an irrevocable undertaking to subscribe to its share** of the new ordinary shares
- The capital increase will raise new financial resources to **strengthen the Company's capital position and reduce its financial leverage** and, at the same time, provide important **support to the Group investment and development plan**

# Forward-Looking Statements

This document has been prepared by Fiera Milano SpA solely for information purposes and for use in presentations of the Group. The information contained herein has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the company, its affiliates, or its representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

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The Manager responsible for preparing the company's financial reports Flaminio Oggioni 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 official documents, books and accounting records.

# Fiera Milano SpA

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**For further information, please contact:**

**Gianna La Rana**  
Investor Relations Manager

**Camilla Cusi**  
Investor Relations

Fiera Milano SpA  
Strada Statale del Sempione, 28  
20017 Rho (Milano) - ITALY  
**Tel:** + 39 02 4997.7816/7911  
**E-mail:** [investor.relations@fieramilano.it](mailto:investor.relations@fieramilano.it)  
[www.fieramilano.it](http://www.fieramilano.it)



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