



**FIERA MILANO**

Strategic plan 2018 - 2022

# **FIERA MILANO GROUP**

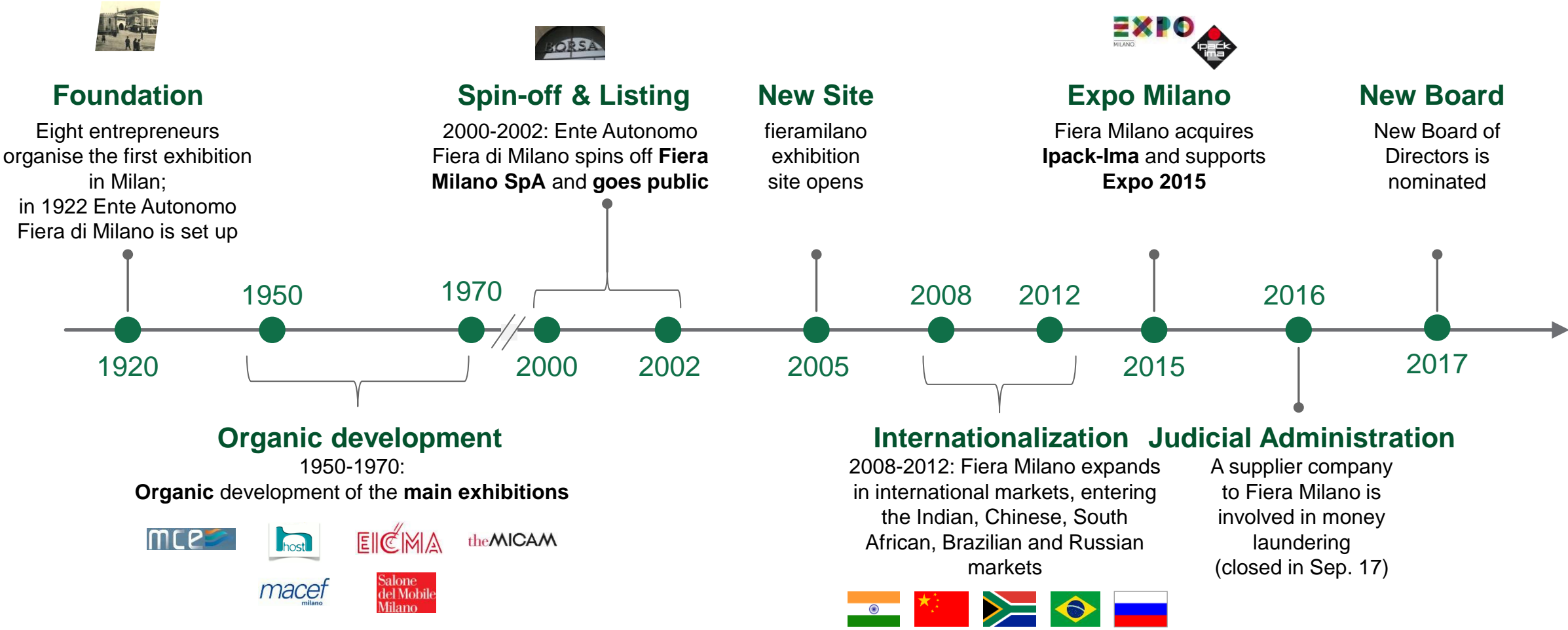
May 23<sup>rd</sup> 2018

# AGENDA

---

-  FMG recent evolution: on track
-  Market context
-  FMG ambition and strategy
-  FMG strategic plan 2018-2022: key figures
-  Closing remarks and Q&A

# KEY MILESTONES OF FIERA MILANO GROUP TO DATE



# SOME FACTS ALREADY IN THE BOOKS



## New guidance and organization

*Guiding Principles*

- One group
- People engagement
- Execution excellence
- Market focus



## Profitability recovery

Full-year EBITDA: -1% to +6% ('16 vs. '17)  
 Q1 2018 EBITDA: 19.7€m (vs. 8.1€m 2017)

Improved annual exhibitions portfolio

- +ca. 50,000 sqm (+5% vs. '16)

Recurring costs addressed

- +3pp profitability through efficiencies



## Successful track record of key recent events

Exhib. performance 2017 vs previous edition

Sicurezza +39% sqm (+47% visitors)

Host +3% sqm (+31% visitors)

Lineapelle +5% sqm (+7% visitors)

Return to the STAR segment on Apr. 30<sup>th</sup> 2018

FMG Stock performance +36%<sup>1</sup> vs. end 2017



## International footprint rationalized

Restructuring plan launched in Brazil

Recovery in profitability in South Africa

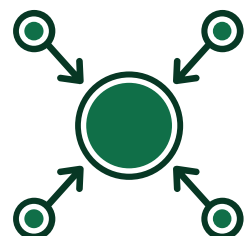
1. As of market close May 18<sup>th</sup> 2018

# GUIDING PRINCIPLES INSPIRING NEW FIERA MILANO GROUP



## One group

Break *silos* view and create an integrated company with reinforced cross-functions



## People engagement

Engage and empower whole team, strengthen accountability, reward best performance



## Execution excellence

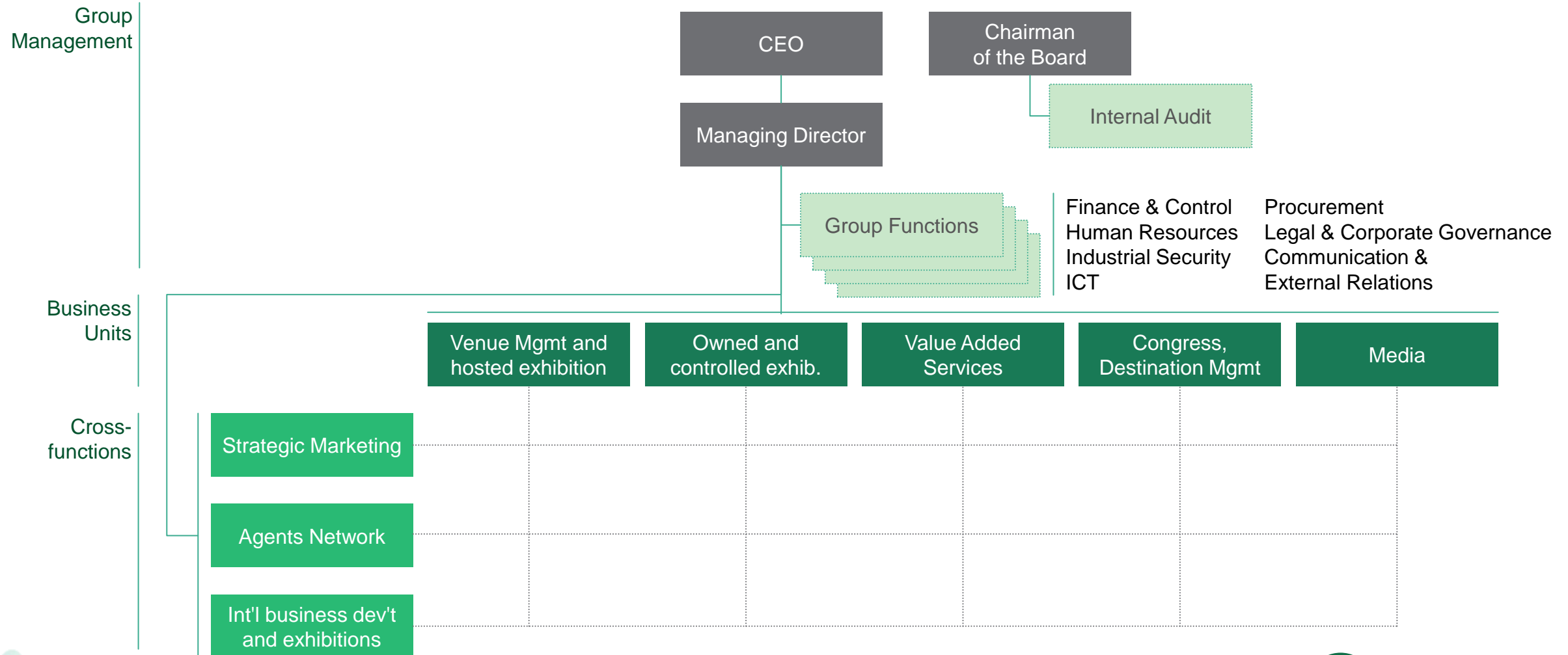
Command perfect and agile execution, gain operational efficiency through rigorous cost control and effective organization



## Market focus






Focus organization to capture market opportunities and become customer champions

# NEW ORGANIZATION EFFECTIVE AS OF TODAY



# AGENDA

---

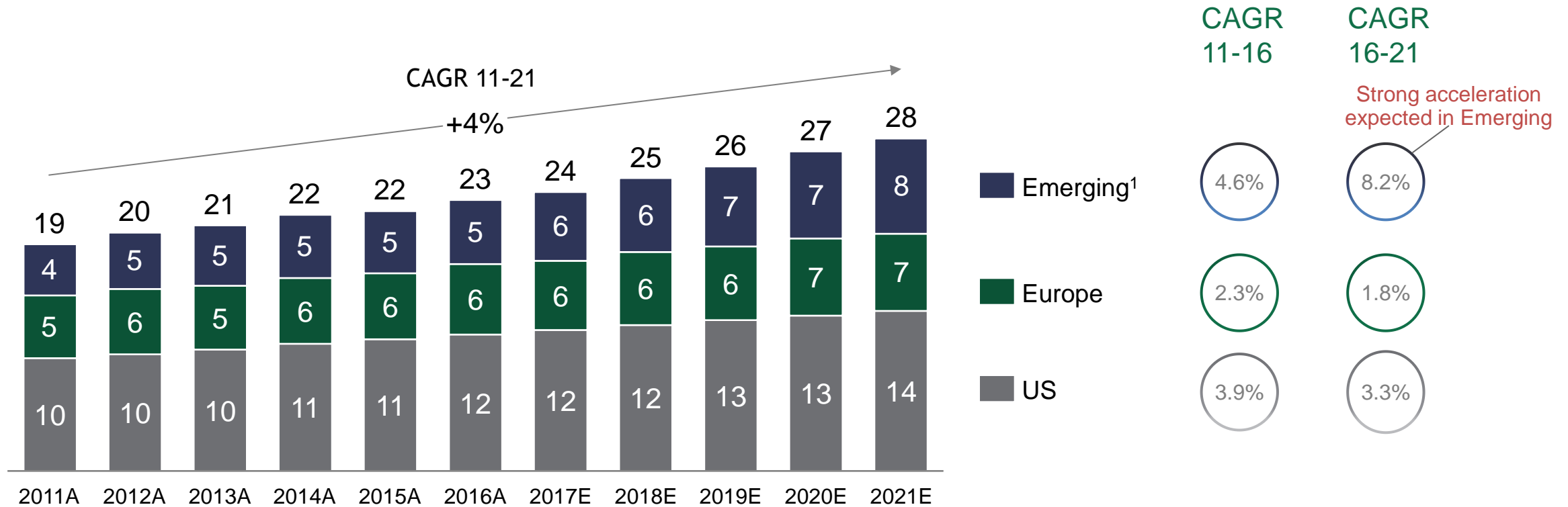
-  FMG recent evolution
-  **Market context**
-  FMG ambition and strategy
-  FMG strategic plan 2018-2022: key figures
-  Closing remarks and Q&A



# EXHIBITION MARKET EXPECTED TO KEEP GROWING AT 4% CAGR

## Global Exhibition market 2011-2021

€b



1. Emerging include: Brazil, China, Gulf Cooperation Council, India, Indonesia, Mexico, Russia, Turkey, Hong Kong  
 Note: Totals exclude SEA countries (Singapore, Malaysia, Thailand, Philippines, Vietnam, Macau); SEA countries market data available only for 2016 (0.6\$b) and forecasts for 2021 (0.9\$b) Note: EUR / \$ fixed 2016 = 0.904 Source: AMR international Globex report 2017

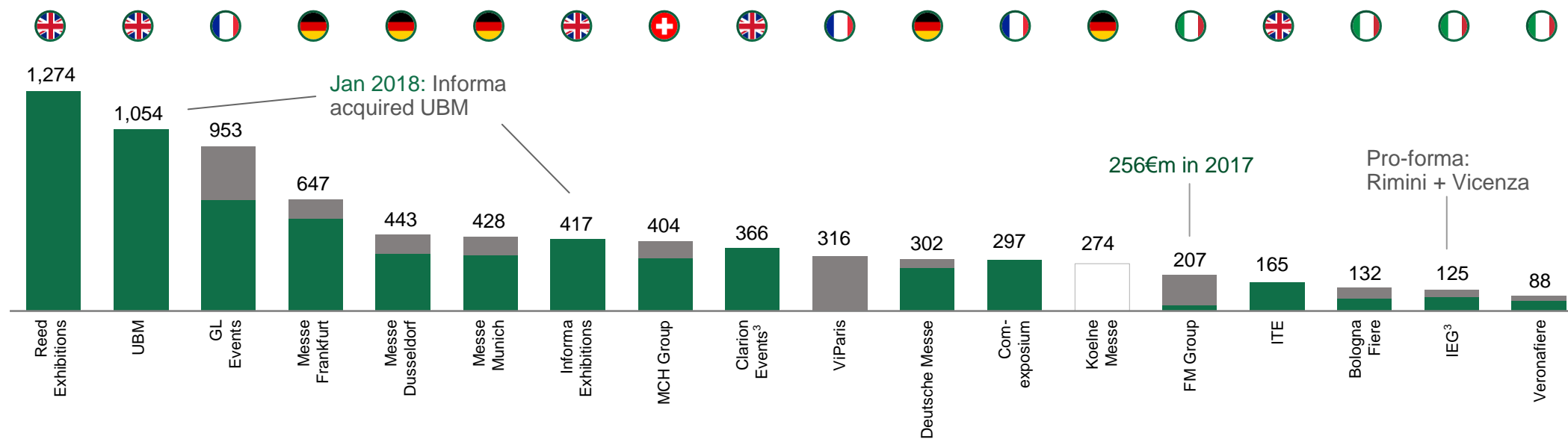


# TOP PLAYERS GROWING REVENUE AND PROFITABILITY

## Top players by Revenue 2016

€m

Venue and other services  
 Exhib. & Events Organization  
 Split not available



Revenue growth (vs. 2014)

+18% +16% +1% +17% +8% +40% +70% -3% n.a. n.a. +8% +19% +15% -9% -23% +11% n.a. +5

Operating Margin (% Revenues 2016)

26% 32%<sup>1</sup> 24%<sup>1</sup> 19%<sup>2</sup> 19%<sup>2</sup> 34%<sup>2</sup> 39% 10%<sup>1</sup> n.a. n.a. n.a. n.a. 7%<sup>2</sup> -1%<sup>2</sup> 27%<sup>4</sup> 16%<sup>2</sup> 18%<sup>3,4</sup> 15%<sup>2</sup>

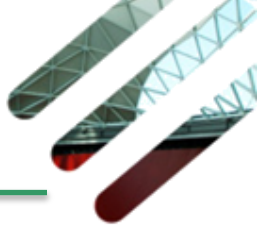
vs. 2014

+1pp +1pp +2pp +1pp n.a. +12pp +5pp - n.a. n.a. n.a. n.a. n.a. - -7pp -2pp n.a. n.a.

1. EBIT 2. EBITDA 3. Estimates 4. EBT

Note: Fiera Milano Group figures are restated; 2016 exchange rate (EUR/GBP = 0.82 , EUR/USD = 1.11, EUR/CHF = 1.10); Split quota of revenue of venue operators based on AMR report 2017 Source: AMR Globex Report 2017, Company annual reports, Press search

# THREE EMERGING MACRO-TRENDS IN THE EXHIBITION MARKET

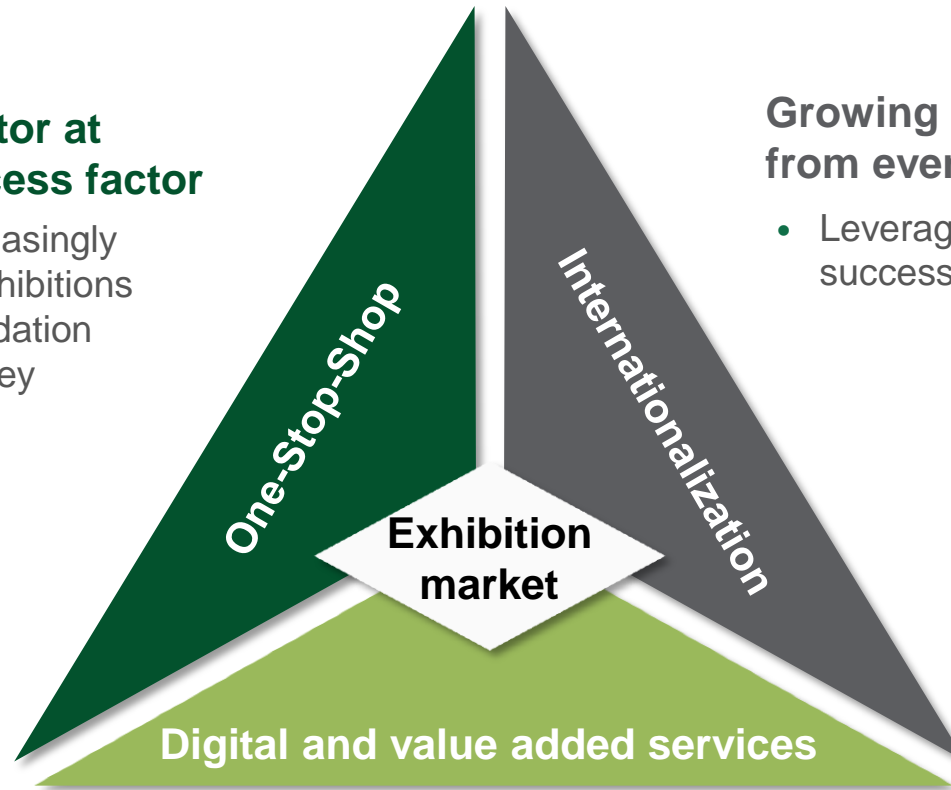


## Leadership in industry sector at regional level is a key success factor

- Exhibitors and visitors increasingly tend to attend only tier 1 exhibitions
- As a consequence, consolidation trend accelerating among key market players

## Growing share of business for key players from events outside domestic market

- Leveraging on geo-cloning of successful domestic exhibitions



## Increased use of digital products to complete exhibition offer

- Driving customer understanding
- Only secondary source of revenue



# SOME CHALLENGES AHEAD FOR FMG... AS WELL AS SOME OPPORTUNITIES



## Players and event consolidation

- Most industry sectors concentrating on few leading exhibitions
- Market consolidation accelerating through M&A



## Increased competition from international players

- Leading European players with >50% of revenues from International markets



## Digital imperative

- Digital ecosystem as a key differentiator for venues and exhibitions



## Italy is a fragmented market

- Top 5 Italian players: 43% MS (Vs 64% in Germany)



## Milan has increased its appeal vs other international cities

- Expo triggered >4€b investment in city infrastructure
- Historical safety track record vs. other European cities

# AGENDA

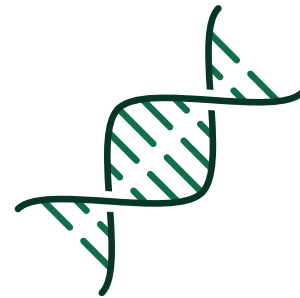
---

- FMG recent evolution
- Market context
- FMG ambition and strategy**
- FMG strategic plan 2018-2022: key figures
- Closing remarks and Q&A

# THREE PRINCIPLES INSPIRED DEFINITION OF STRATEGIC PLAN



Maximize  
venue potential



Invest in core  
industry sectors

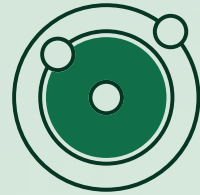


Build on  
human capital

# FIERA MILANO GROUP STRATEGY AND AMBITION



Enrich portfolio of **hosted exhibitions & congresses**



Capture full potential of **services**



Grow portfolio of leading **owned exhibition**



Expand **international exhibitions**



Create a **smarter venue**



Step up **organization**



# FIERA MILANO GROUP STRATEGY



## Enrich portfolio of hosted exhibitions & congresses

- Attract new leading/ high potential exhibitions
- Support organizers to expand their exhibitions
- Optimize saturation with new activities
- Attract leading congresses



## Capture full potential of services

- Boost stand fitting
- Push Destination management
- Expand media services



## Grow portfolio of leading owned exhibition

- Foster Host & Tuttofood
- Strengthen HOMI
- Leverage organic growth
- Develop attractive niches



## Expand international exhibitions

- Develop geo-clones of top owned brands leveraging partnerships (Focus on China & USA)



## Create a smarter venue

- Full service, eco-compatible and innovative infrastructure



## Step up organization

- Enhanced organization, empowered governance and integrated systems





# KEY AMBITION ENABLER

## ~€100M INVESTMENT PLAN BY FONDAZIONE FIERA MILANO TO ENHANCE THE VENUE

### Safe & Smart District

Highest safety standards  
Data-rich venue

### Environmental Sustainability & Innovation

Best-in-class sustainable venue  
(eg. solar roof coverings)

### Operational Excellence







Maximum accessibility for  
suppliers, exhibitors & visitors

### Enhanced Customer Experience

Shortest time to customer  
Seamless customer experience

*~€30m already invested*

# SERVICES GROUPED IN 6 MACRO-CLUSTERS

Cluster	Description	Potential for Growth	Strategic guidelines
Stand Fitting	Custom stands, Standard stands, Hanging, Other stand-fitting services	 High – huge potential, underpenetrated	<ul style="list-style-type: none"> <li>Maximize penetration</li> <li>Grow capabilities</li> </ul>
Exhibition Services	Insurances, Stand services, Hostess & Tickets, Parking, Surveillance, Other	 Low – passive sales, will grow with FM volumes	<ul style="list-style-type: none"> <li>Tactically capture opportunities</li> </ul>
Food & Beverage	Catering and Restaurants	 Medium – opportunity to improve quality offer	<ul style="list-style-type: none"> <li>Drive revenue growth through improvement of quality offer</li> </ul>
Technical Services	Customer service, Technologies, Electrical services, Hydraulic services, Other	 Medium – opportunity to increase penetration	<ul style="list-style-type: none"> <li>Maximize penetration through enhanced selling process</li> </ul>
Digital & Media	Advertising and Media	 High – huge potential, underpenetrated	<ul style="list-style-type: none"> <li>Leverage smart district to build additional business lines</li> </ul>
Destination Management	In-bound & out-bound logistics for visitors, buyers and exhibitors	 High – huge potential, underpenetrated	<ul style="list-style-type: none"> <li>Expand penetration among Fiera Milano customers</li> </ul>





# GROW PORTFOLIO OF LEADING OWNED EXHIBITIONS

## Foster leadership of top brands

Bring Host to Global leadership

- Grow through alliances
- Complete category offer
- Boost foreign attendance

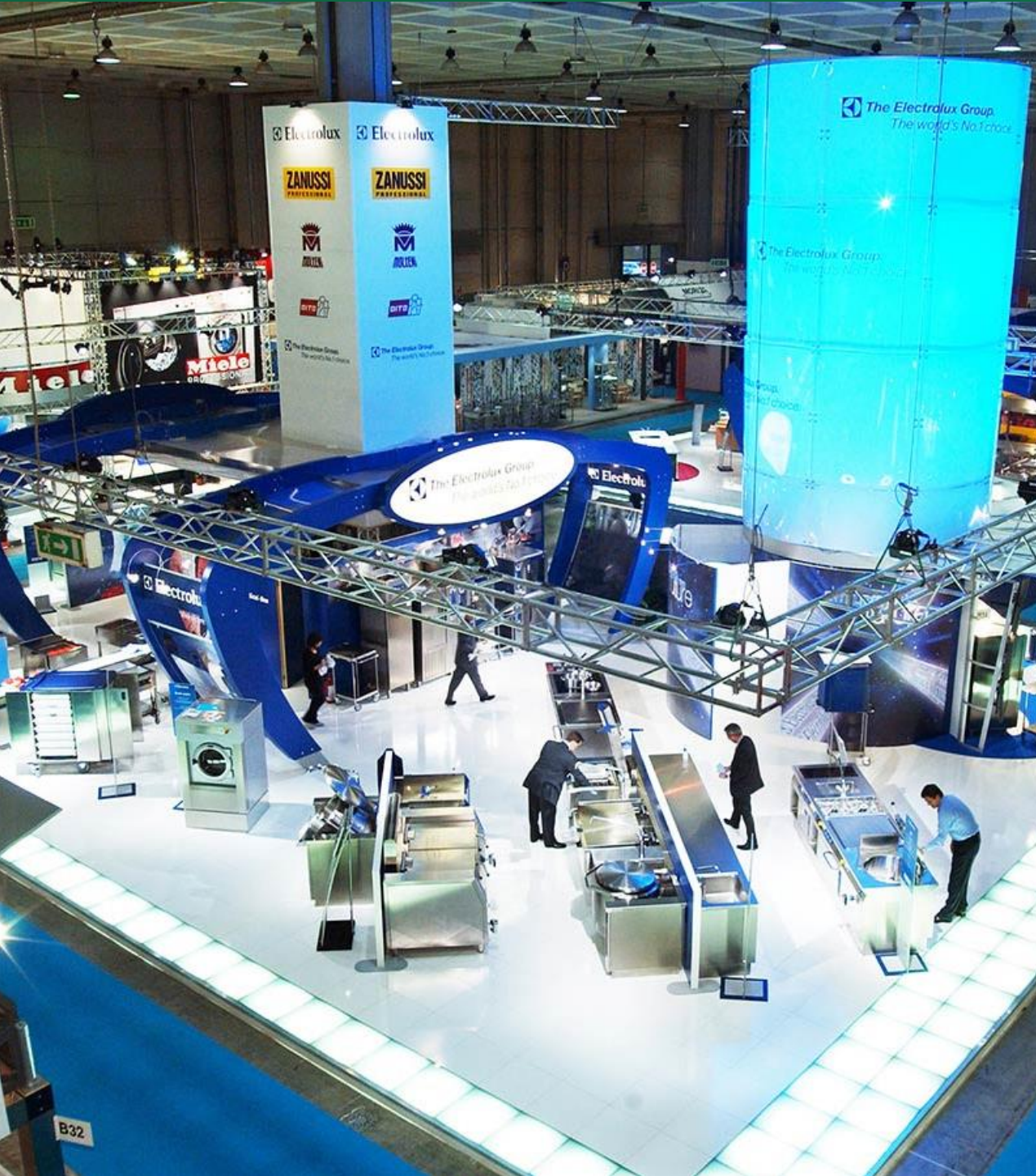
Set-up Tuttofood as a leading exhibition

- Establish partnership with associations
- Increase attractiveness of international exhibitors
- Expand into attractive categories

## Strengthen Homi to recover growth

- Focus on core categories
- Attract leading brands and buyers

## Develop attractive niches







# EXPAND INTERNATIONAL EXHIBITIONS

Develop geo-clones of top owned brands leveraging partnerships



HOMI

Focus on:



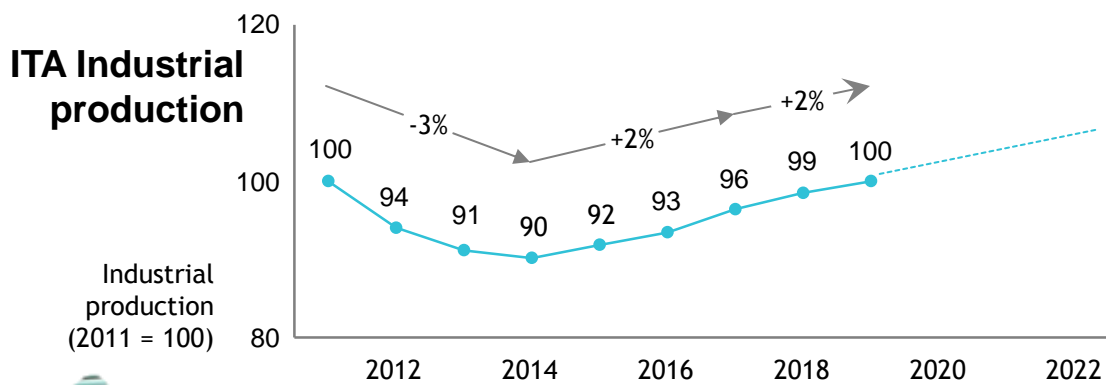
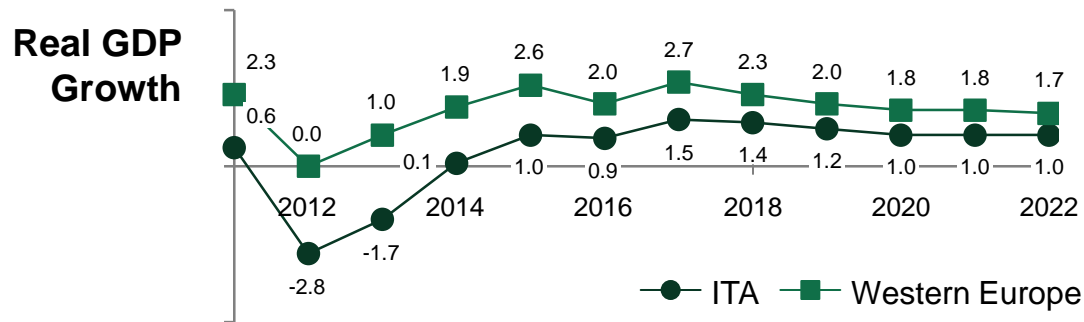
# AGENDA

---

- FMG recent evolution
- Market context
- FMG ambition and strategy
- FMG strategic plan 2018-2022: key figures**
- Closing remarks and Q&A

# 2018-22 PLAN ASSUMES A STABLE MACROECONOMIC OUTLOOK

**Stable economic outlook, with industrial production slowly recovering..**



**.. and Italian key industry exports consolidating growth**

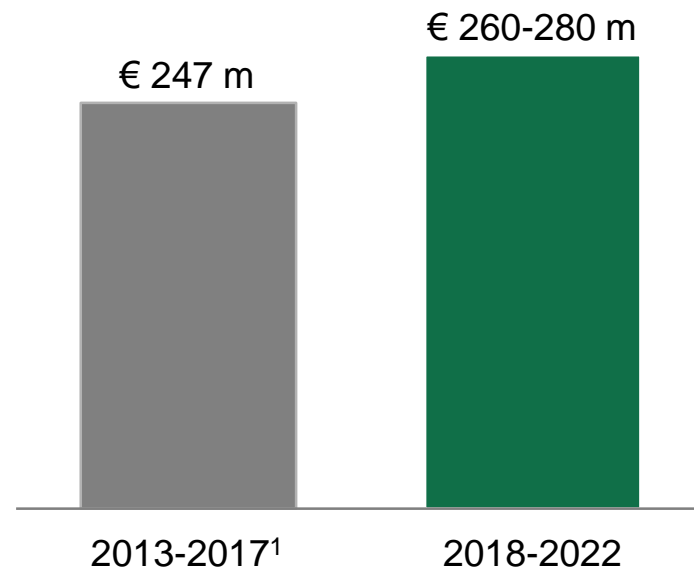
Select Key industries for Fiera Milano <sup>1</sup>	Italian Export Performance KPIs	Size 2016 (€b)	CAGR '13-'16	CAGR '17-'20 <sup>1</sup>
Automation & engineering		85	2%	3%
Textile, apparel, fashion		39	3%	4%
Automobiles, motorcycle		45	8%	5%
Food & beverage, hospitality		22	5%	5%
Furniture, interior design		21	4%	4%

1. Data from Sace Export Unchained report, considering "Mezzi di Trasporto" for "Automobiles, Motorcycle", "Meccanica Strumentale" for "Automation & Engineering", "Tessile e Abbigliamento" for "Textile, apparel, fashion", "Prodotti in legno" for "Furniture, interior design", "Prodotti alimentari" for "Food & Beverage, Hospitality"  
 Source: Euromonitor (based on Eurostat, OECD, IMF statistics), SACE

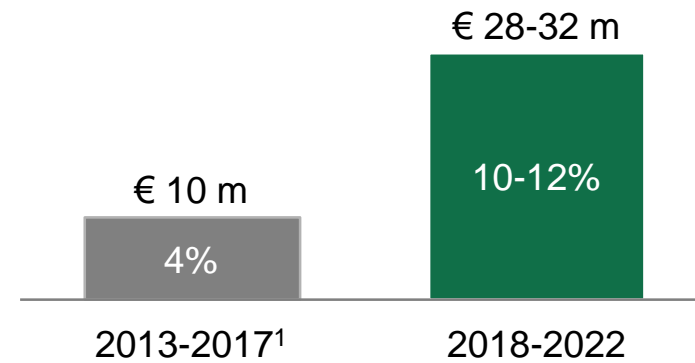
# STRATEGIC PLAN TARGET € 260-280M AVERAGE REVENUE AND € 28-32M AVERAGE EBITDA FOR NEXT 5 YEARS

## FMG Strategic Plan vs. Recent Trend

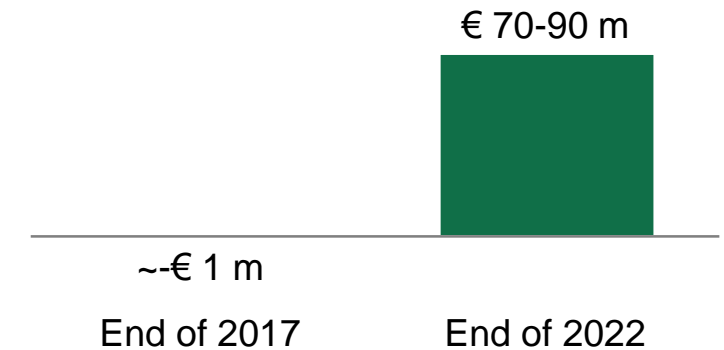
Average Revenue



Average EBITDA  
(% revenues)



Net Financial Position



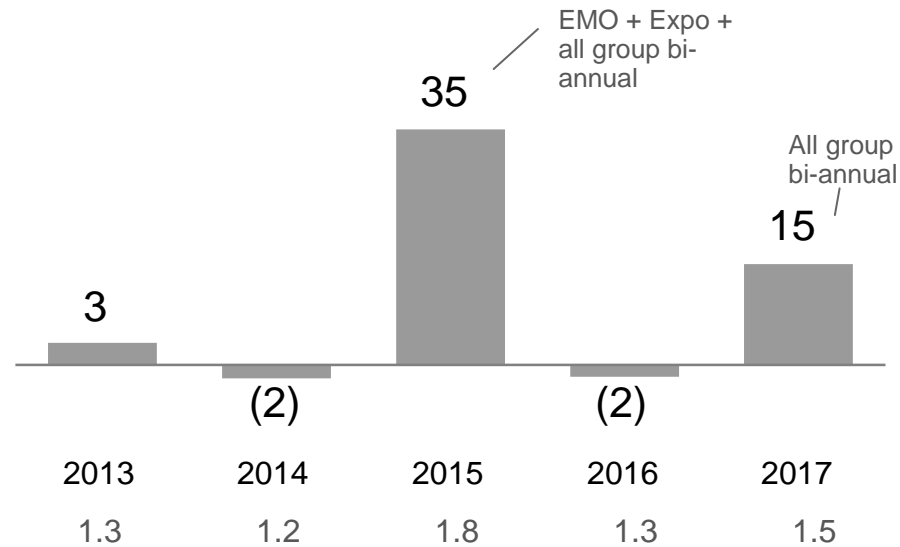
Strategic targets do not reflect and/or include any effect from M&A activity

1. Restated

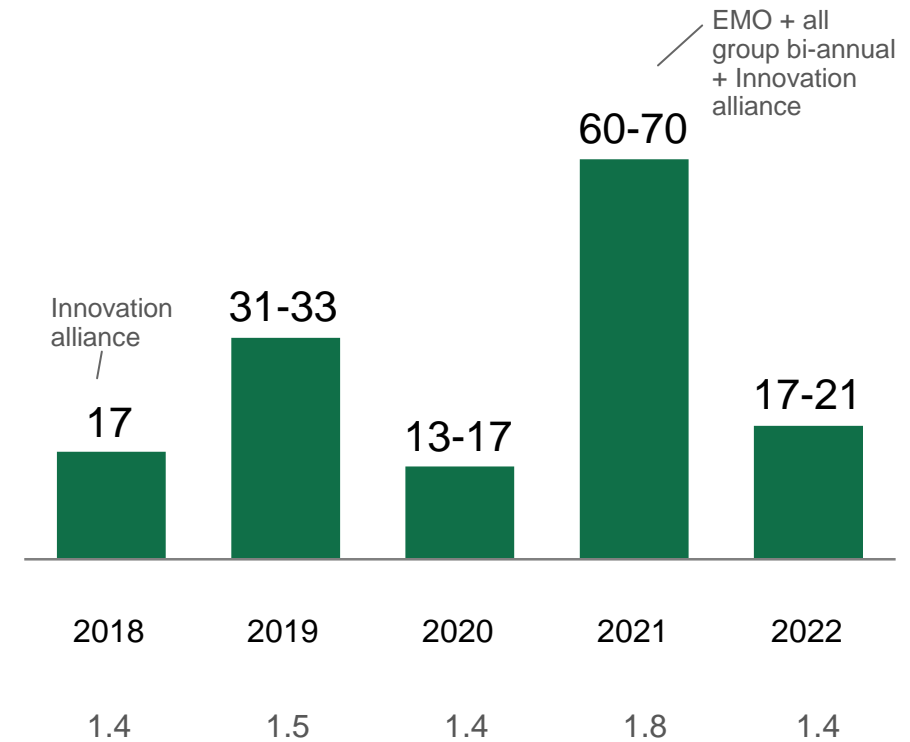


# STRATEGIC PLAN WILL EVOLVE IN LINE WITH FMG SEASONALITY

FMG Historical EBITDA [€m]



FMG Plan EBITDA [€m]








Yearly Net Profit expected positive throughout period of strategic plan

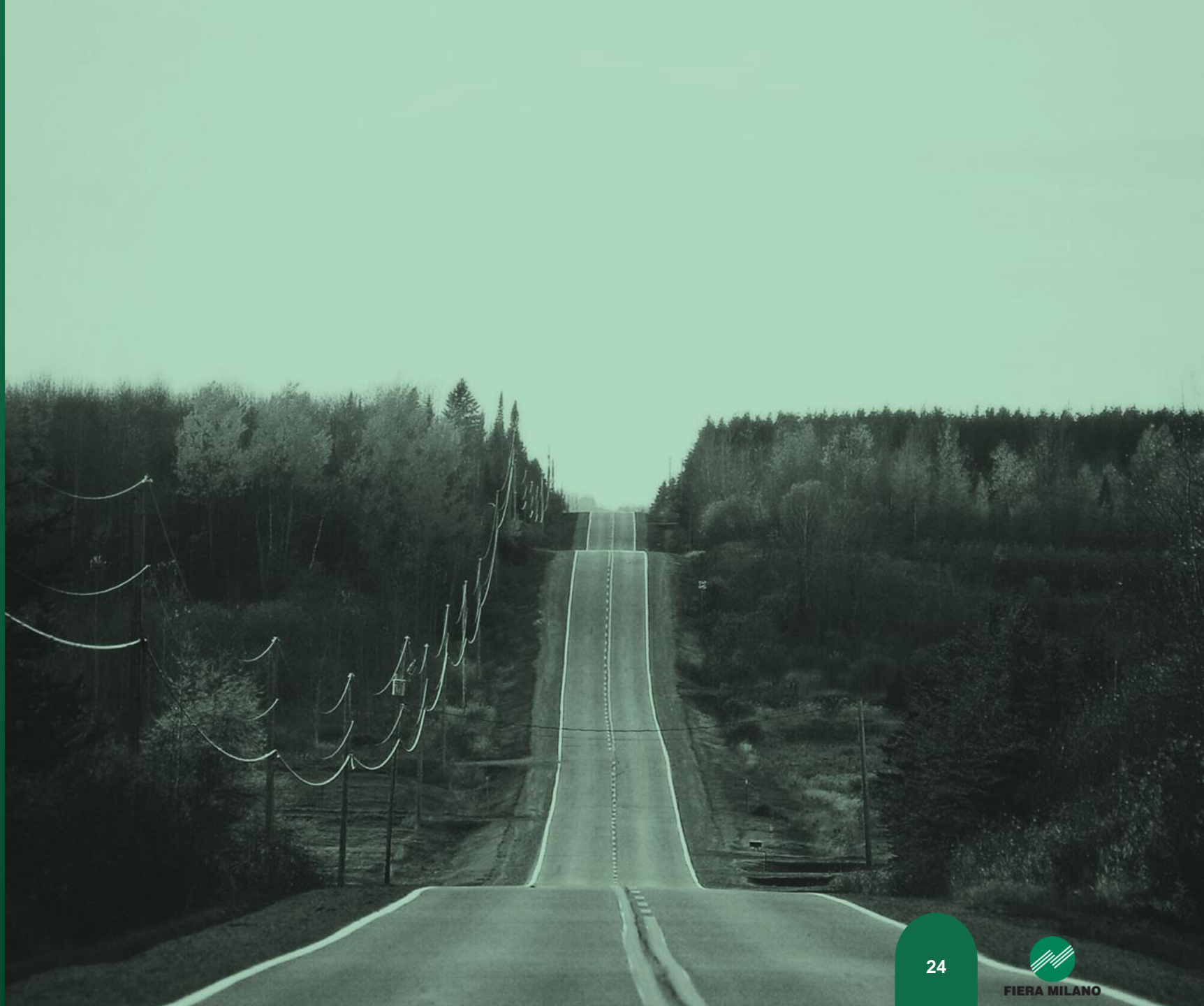
1. Net of International sqm

# AGENDA

---

-  FMG recent evolution
-  Market context
-  FMG ambition and strategy
-  FMG strategic plan 2018-2022: key figures
-  Closing considerations and Q&A

# WHY WE BELIEVE IN OUR PLAN



# CLOSING REMARKS

**FMG plan is more than the sum of its parts**

It is a group with a vision

**We have a strong leadership trust**

We have a clear definition of the ingredients for our success

**We are not engaging into the unknown**

We invest our resources to foster our core

**We will not be caged by our venue**

We'll seek most promising opportunities where they are

**We take our social responsibility seriously**

We will actively ensure our business will have a sustainable impact

# Q&A SESSION



# FORWARD-LOOKING STATEMENT

---

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.

This document includes forward-looking statements. These forward-looking statements express current expectations and projections about future events, involve predictions and are subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based. Prospective investors are cautioned not to place undue reliance on these forward-looking statements because they involve known and unknown risks, uncertainties and other factors which are, in many cases, beyond our control. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed in this document might not occur and no assurance can be given that the anticipated results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing Fiera Milano and its subsidiaries. Such risks and uncertainties include, but are not limited to increased competition and regulatory, legislative and judicial developments that could cause actual results to vary materially from future results indicated, expressed or implied in such forward-looking statements. Moreover, any statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

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.



For further information, please contact:

Investor Relations Department  
Tel +39 02.4997.7816/7911  
email: [investor.relations@fieramilano.it](mailto:investor.relations@fieramilano.it)



**Fiera Milano SpA**  
S.S. del Sempione 28  
20017 Rho (Milano) - Italia  
[www.fieramilano.it](http://www.fieramilano.it)



**FIERA MILANO**

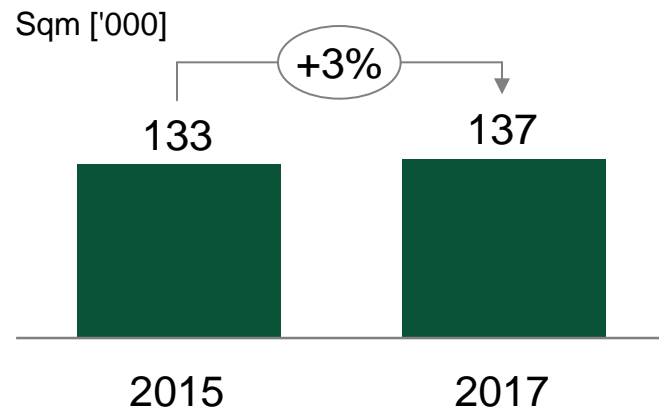


# BACK-UP

# SUCCESSFUL TRACK RECORD OF KEY RECENT EVENTS

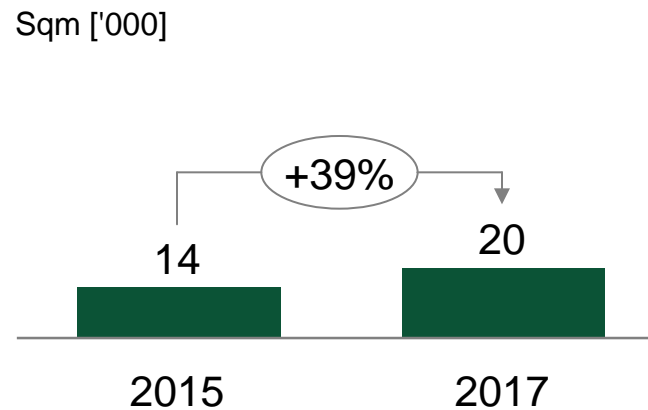
Select examples 

Host 



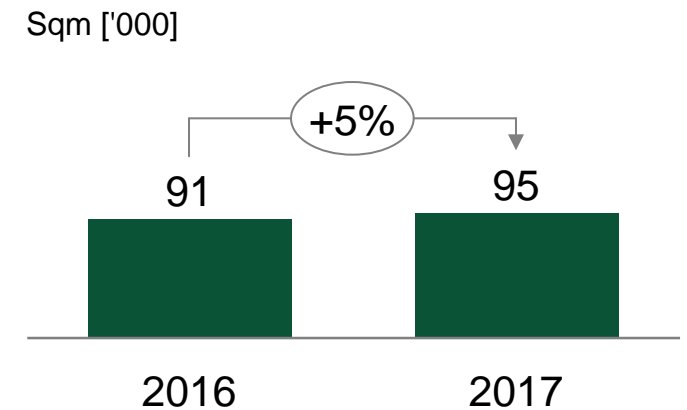
- +80 international exhibitors (+10% vs. '15)

Sicurezza 



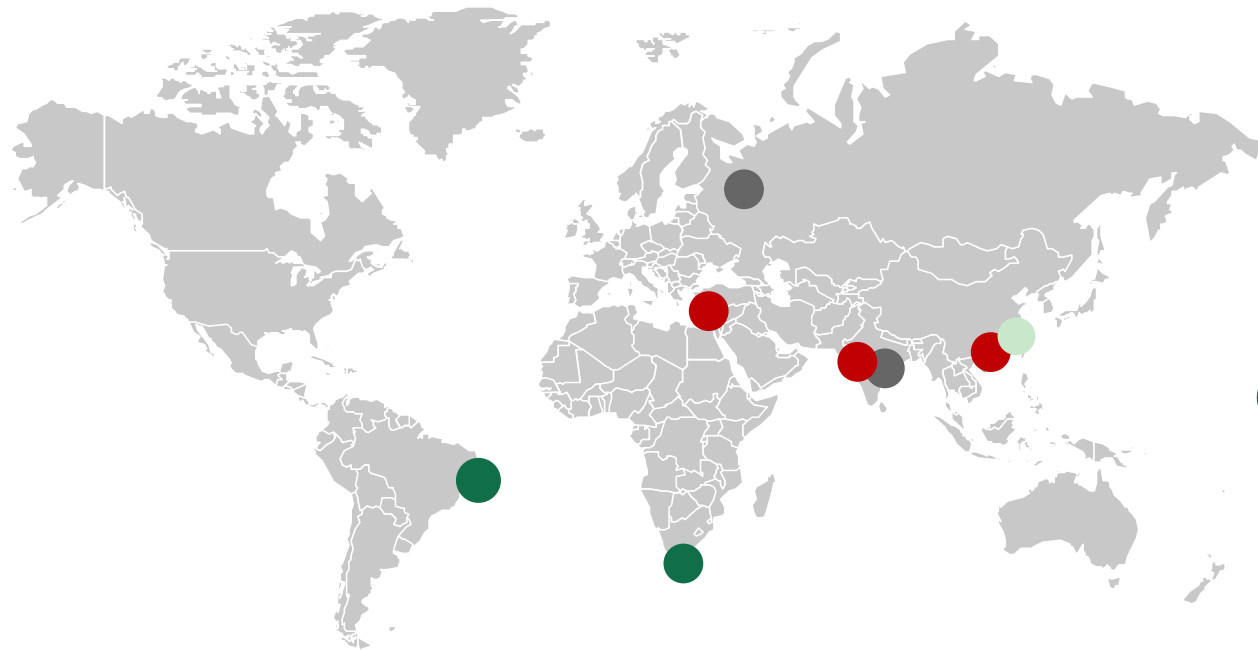
- 100 international exhibitors (+56% vs. '15)

Lineapelle 



- 33k international visitors (+100% vs. '16)

# INTERNATIONAL BUSINESS RATIONALIZATION ALREADY EFFECTIVE



## Key

- Current existing international legal entities
- Inactive legal entities (Russia, FieraMI/India)
- Dismissed legal entities (Turkey and Worldex)
- JV with Deutsche Messe

International footprint rationalization already launched before new BoD nomination

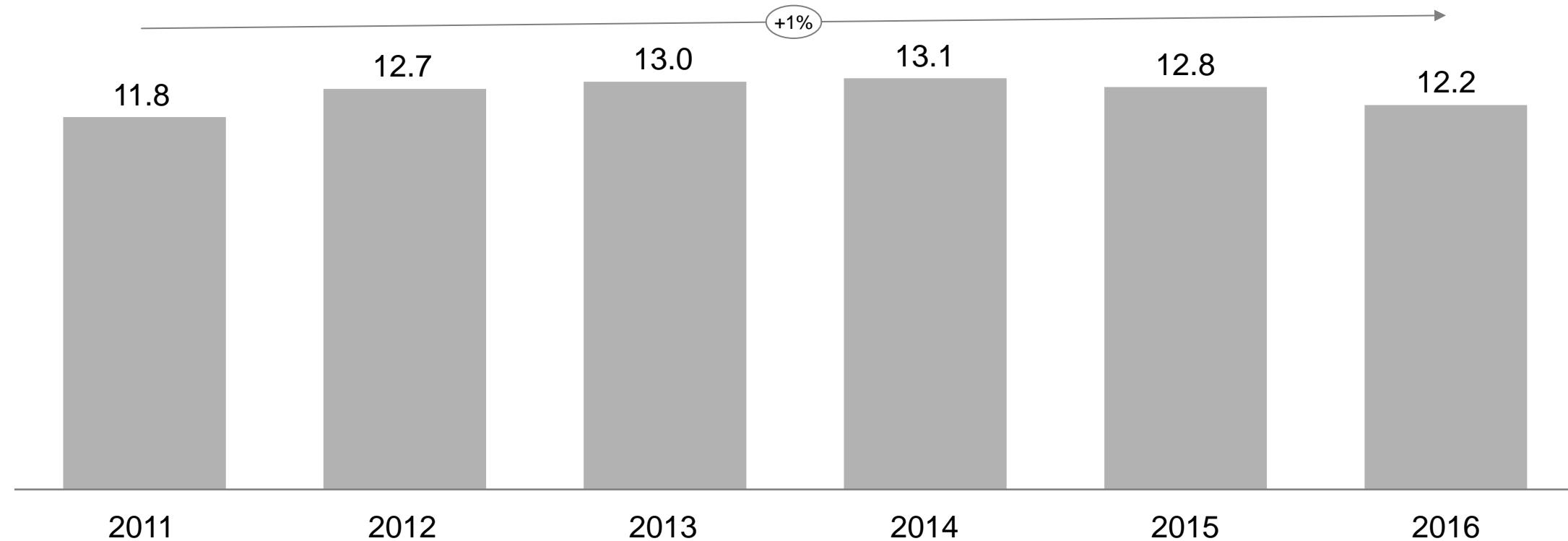
Further consolidation effort launched in 2017

- Launched restructuring plan in Brazil
- Recovered profitability in South Africa

# GLOBAL CONGRESSES MARKET FAIRLY STABLE OVER LAST 5 YEARS

Global congresses market 2011-2016

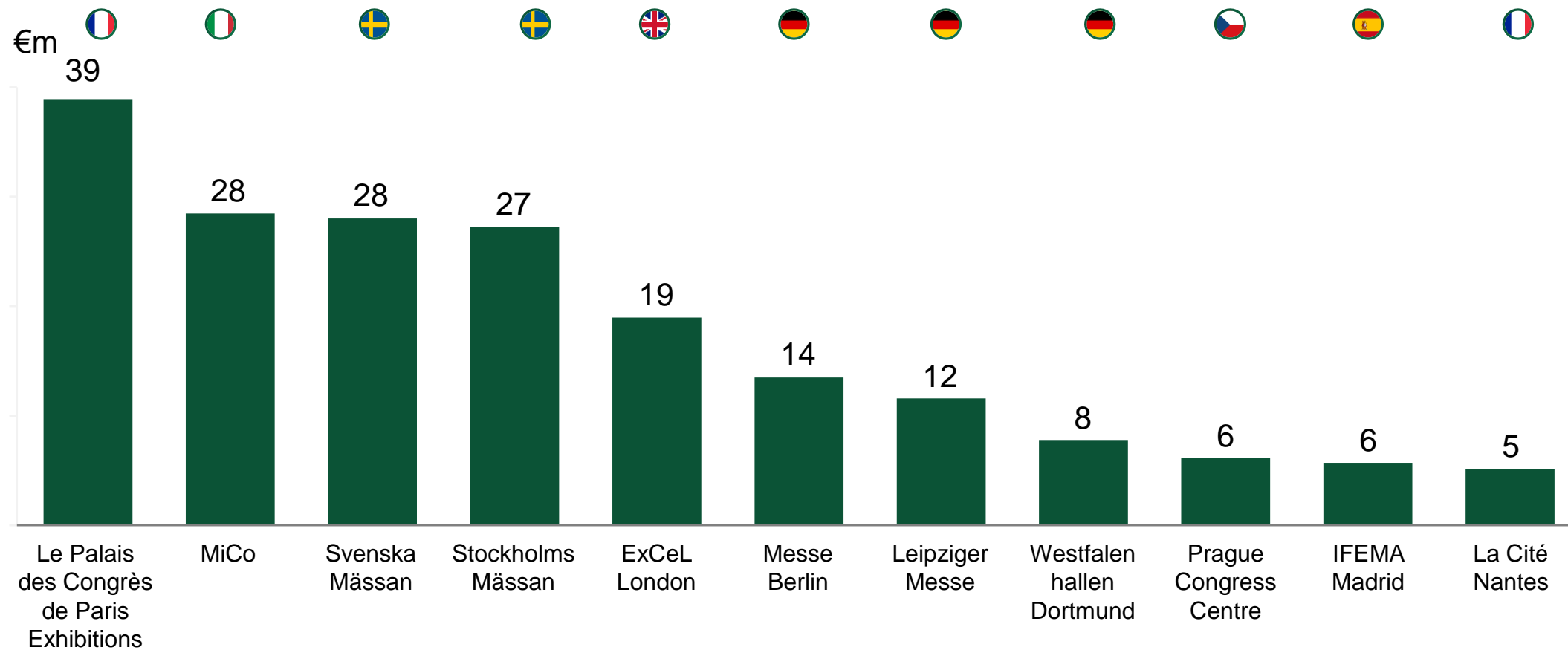
# events ('000)



Source: ICCA Statistics Report

# MICO WELL-RANKED AMONG TOP EUROPEAN CONGRESSES PLAYERS

### Top European players by Revenues 2016



Source: ASERI analyses, ICCA Statistics Report

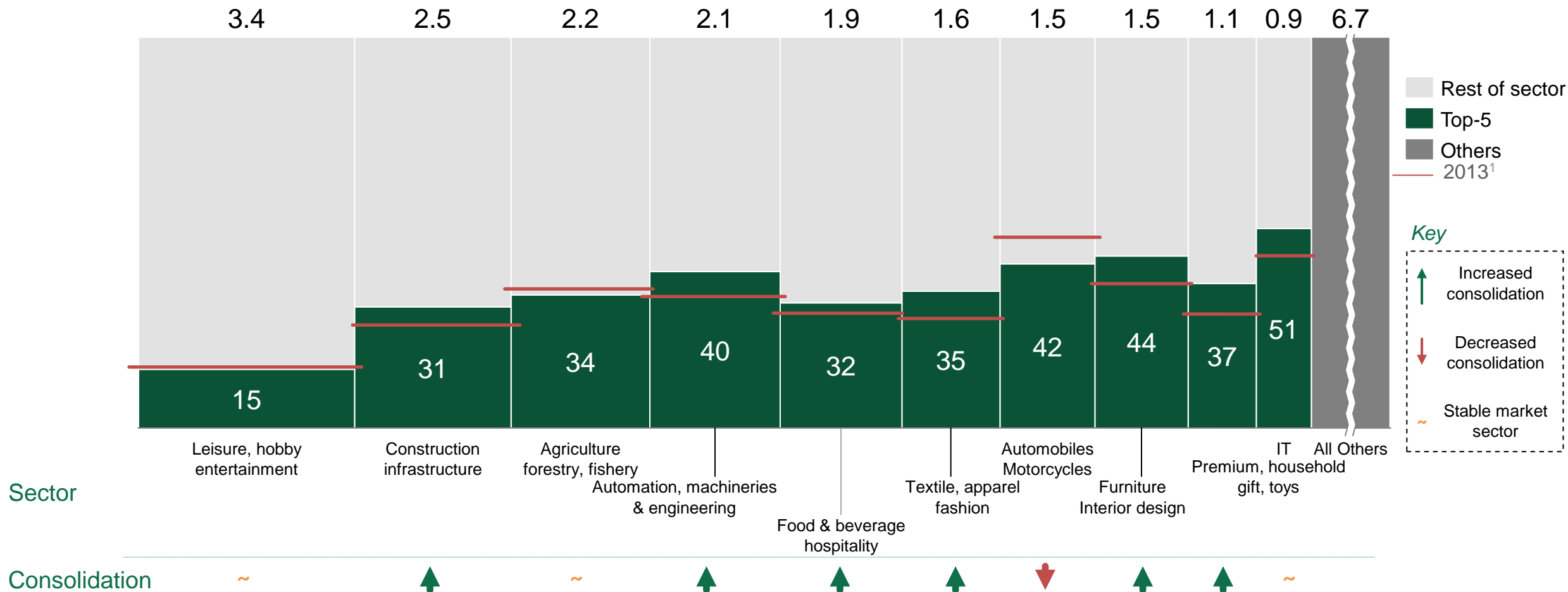
# MARKET TRENDING TOWARDS ONE-STOP-SHOP APPROACH



Source: Expert interviews

# INCREASED RELEVANCE OF ONE-STOP-SHOP APPROACH IN MOST SECTORS

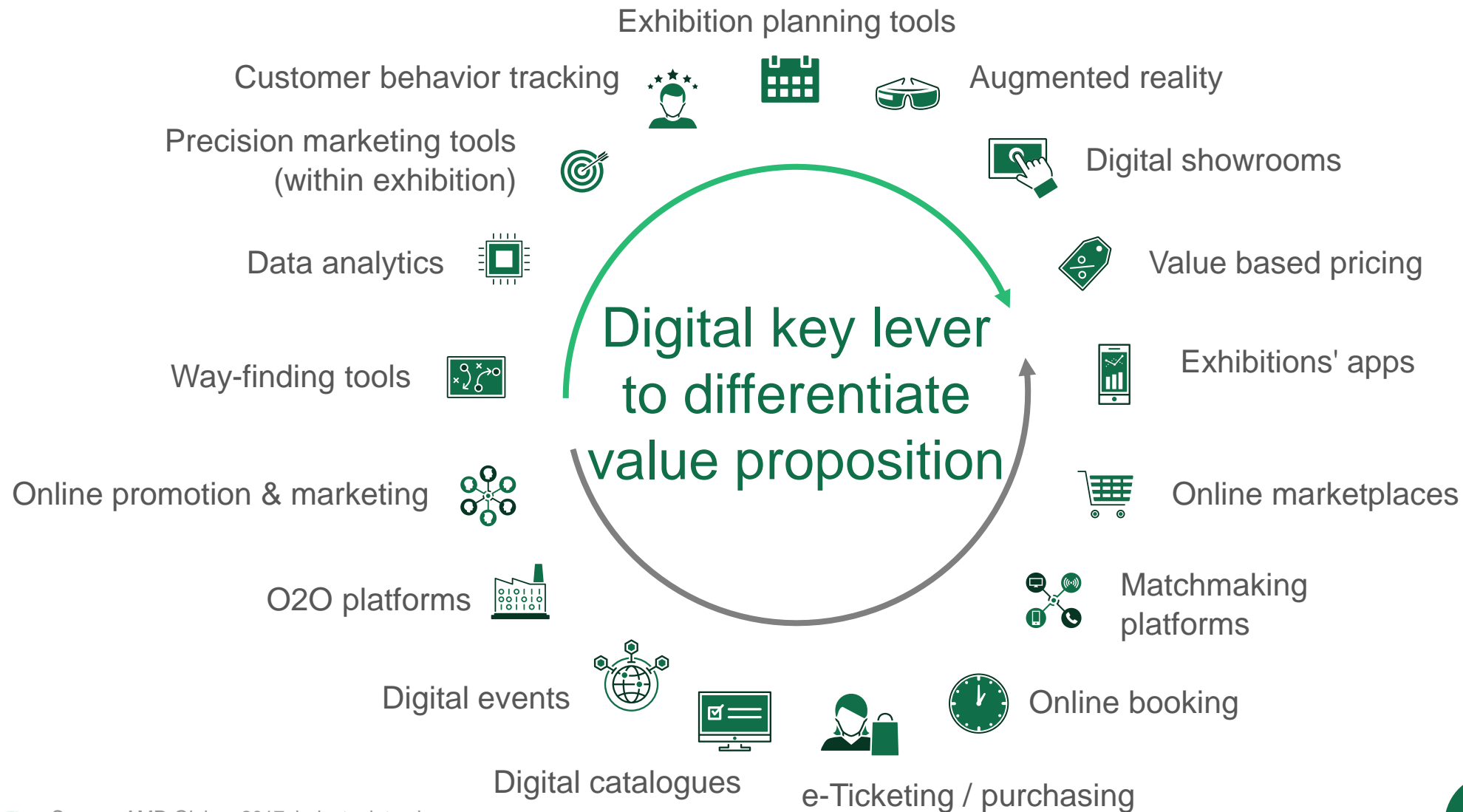
Annualized European market [Average mn sqm 2016/2017]



1. Avg. mn sqm 2013  
Source: UFI Eurostatistics 2012-2016, BCG analysis

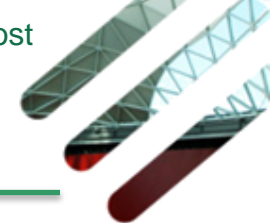


# KEY PLAYERS ARE BUILDING THEIR DIGITAL OFFERING AS AN ECOSYSTEM

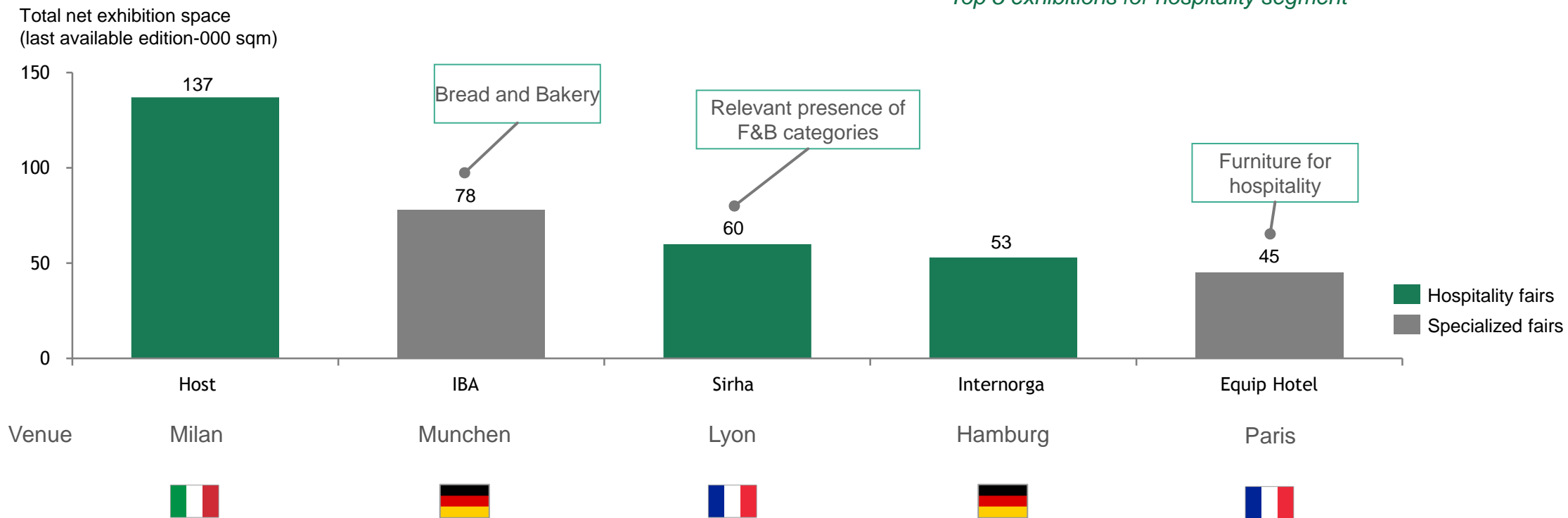


Source: AMR Globex 2017, industry interviews

# HOST WITH STRONG LEADERSHIP POSITION IN EUROPE WITHIN HOSPITALITY SECTOR



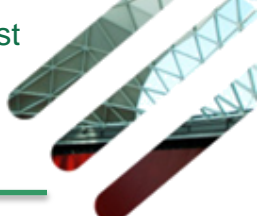
Top 5 exhibitions for hospitality segment



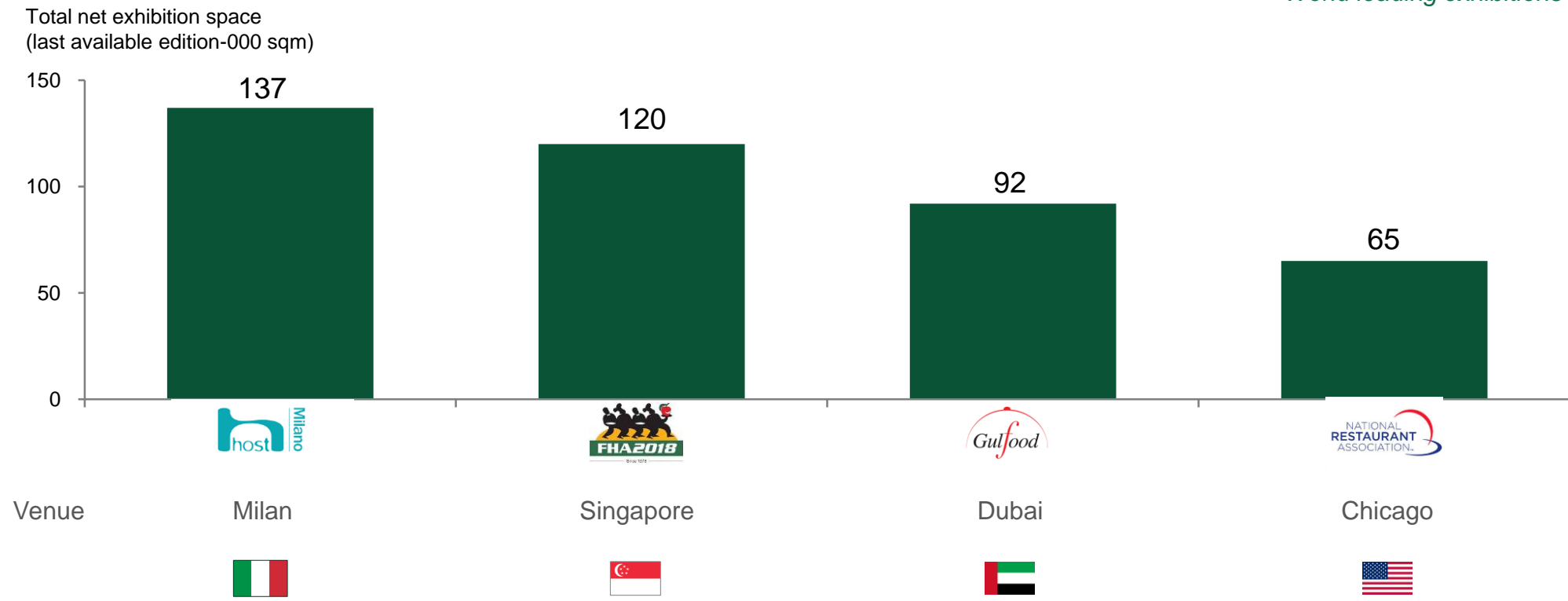
Source: UFI Euro Fair Statistics



# HOST IS NOW ABLE TO COMPETE AT GLOBAL LEVEL



*World leading exhibitions*



Venue



Milan

Singapore

Dubai

Chicago

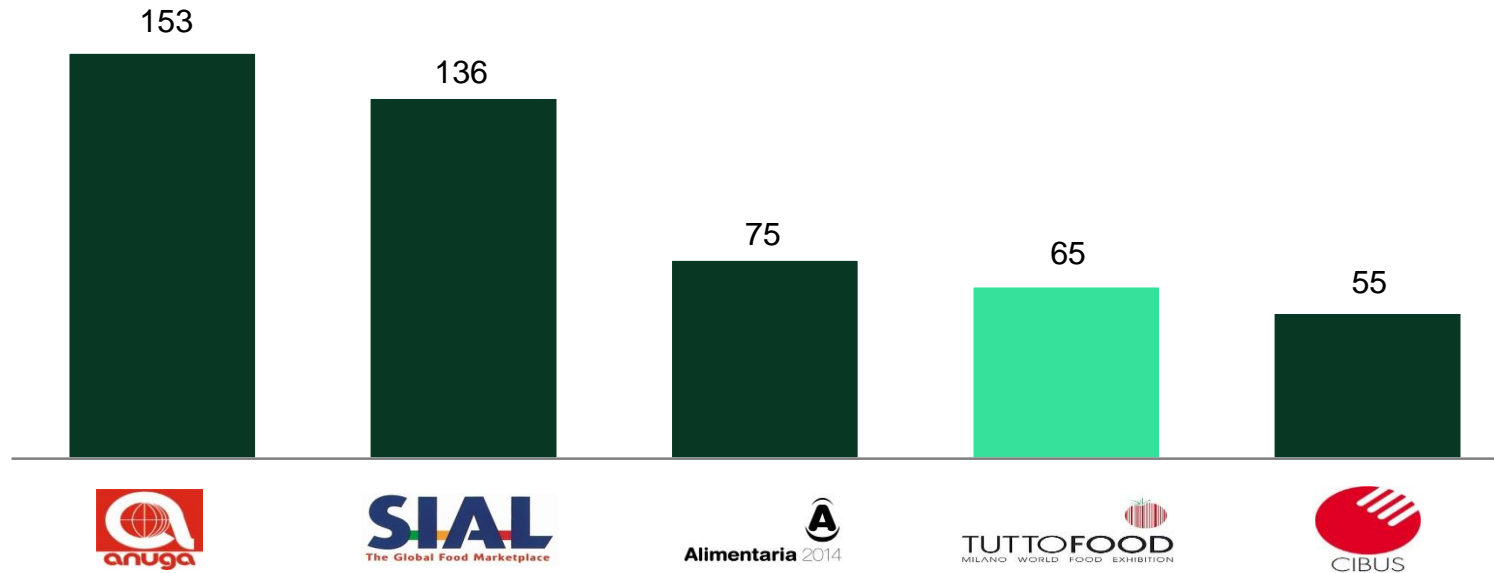


Source: web search, UFI Euro Fair Statistics



# TUTTOFOOD: POTENTIAL TO GROW THROUGH ATTRACTION OF FOREIGN EXHIBITORS

Last available exhibition space  
(000 sqm)



% of foreign exhibitors

90%

87%

27%

32%

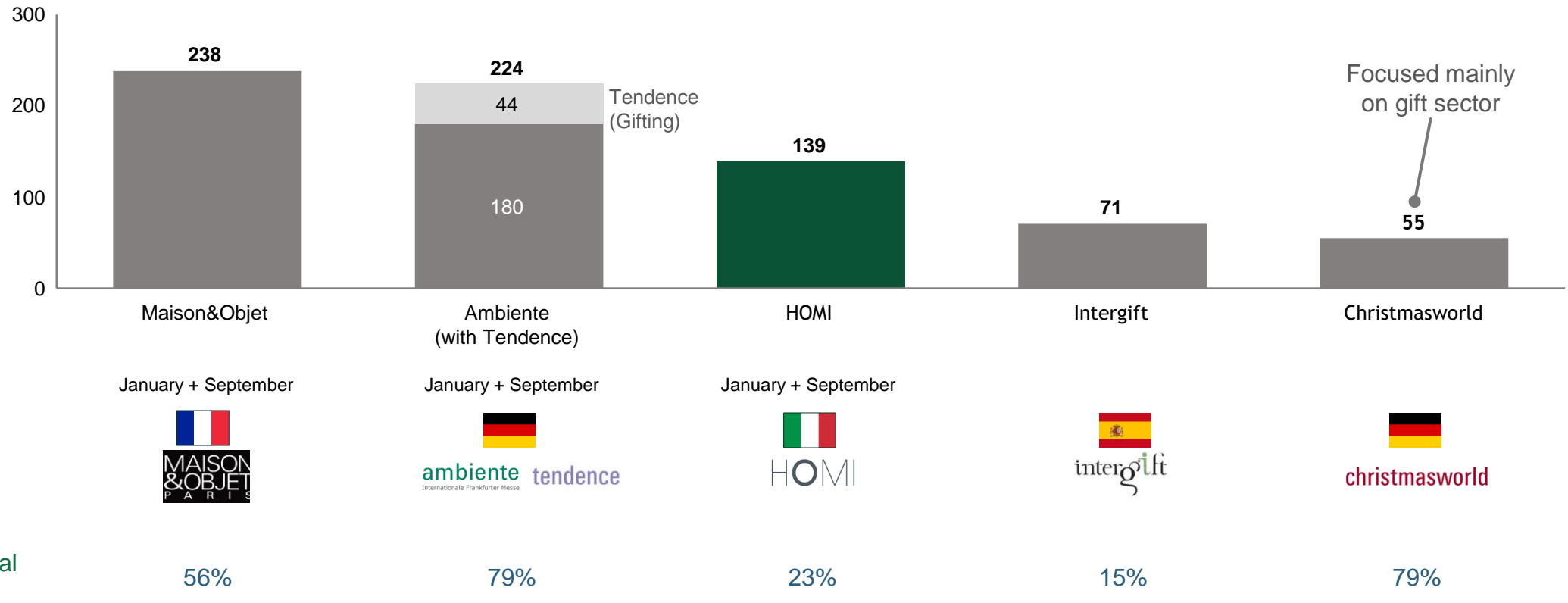
8%

Source: UFI Euro Fair Statistics

# HOMI THIRD EXHIBITION IN HOUSEHOLD SEGMENT

Top 5 exhibitions for Household segment

Total net exhibition space  
(last 2 available editions<sup>1</sup> - 000 sqm)



1. Both editions of one year aggregated  
Source: UFI Euro Fair Statistics



## A new approach to Internationalization

### Flexible approach

- Gradual roll-out: local, national, regional, international
- Leverage partnership to minimize initial investment
- Minimize losses in case of failure
- Focus on core distinctive categories

### Top FM exhibitions Brands and Methodology

- Adapt format to local context (eg. attract local key exhibitors in China for Host)
- Exhibition format (eg., layout)
- Commercial methodology: strategy definition, sales process, communication, planning & control

### Local knowledge

- Support from local institutions
- Scouting and attraction of manufacturers
- Build-up of valuable local buyers