

FIERA MILANO GROUP

3rd Quarter 2019 Consolidated Results

CONFERENCE CALL – 14 November 2019



FIERA MILANO

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1. Highlights

1.1 Highlights

Key figures (€m)	3Q19	of which IFRS 16 impact	3Q18	3Q17
Revenues	30.1		35.6	43.5
EBITDA	2.0	11.8	(5.0)	(11.2)
EBIT	(9.2)	1.9	(6.5)	(12.9)
Profit/loss before income tax	(12.4)	(1.4)	(6.5)	(13.0)

The **3rd Quarter** includes a structurally weak period for the exhibition business since activities stop in Italy during the summer months

- Compared to 2018, postponement of an important exhibition to the last quarter 2019, partially offset by a positive business performance of congresses
- Improvement of results compared to 2017, a comparable period for the exhibition calendar

Key figures (€m)	9M19	of which IFRS 16 impact	9M18	9M17
Revenues	183.9		193.3	177.4
EBITDA	64.4	36.0	41.1	0.7
EBIT	30.4	5.9	36.6	(4.5)
Profit/loss before income tax	20.3	(4.4)	36.5	(5.3)

In the **first nine months** 2019

- A different exhibition calendar compared to 2018, partially offset by good performance of business
- Well-performing business together with cost reductions compared to 2017, a comparable period

2.

Financial Results



Italian Exhibitions



Exhibitions (Net sq. Metres)	3Q19	3Q18
Directly organised	33,255	40,145
Organised by 3rd parties	116,620	156,210
Total annual exhibitions	149,875	196,355
Total exhibitions	149,875	196,355
Congresses with related exhibition area	8,245	11,675
Total	158,120	208,030

- Traditional suspension of business activities in July and August
- Postponement of Lineapelle to the 4Q

Italian Exhibition Business

Italian Exhibition Business	3Q19	3Q18	9M19	9M18
Revenues (€m)	22.9	29.1	152.1	167.7
EBITDA (€m)	(0.6)	(5.7)	51.7	37.3
% on revenues	-2.6%	-19.5%	34.0%	22.2%
EBIT (€m)	(10.4)	(6.7)	21.7	34.4
% on revenues	-45.5%	-22.8%	14.3%	20.5%

- The year-on-year change in quarterly revenues and results mainly reflected the exhibition calendar; the IFRS 16 effect on EBITDA is equal to Euro 10.8 million
- The year-on-year trend in revenues and margins in the first nine months is primarily related to the different exhibition calendar (absence of The Innovation Alliance, Mostra Convegno Expocomfort, Lineapelle, partially offset by the presence of Tuttofood and Made Expo) and the commercial growth of exhibitions, together with higher sales of ancillary services; the IFRS 16 effect on EBITDA is equal to Euro 32.9 million

Foreign Exhibition Business

Foreign Exhibition Business	3Q19	3Q18	9M19	9M18
Revenues (€m)	0.2	2.3	3.3	5.0
EBITDA (€m)	1.0	2.1	3.5	3.9
% on revenues	461.3%	89.9%	104.9%	78.4%
EBIT (€m)	0.9	2.0	3.1	3.6
% on revenues	406.6%	86.0%	94.4%	72.6%

- 147,445 net square metres of exhibition space covered in 3Q19 (157,050 square metres in 3Q18) because of the absence of the biennial exhibition Fesqua in Brazil
- The year-on-year change in quarterly revenues and margins mainly reflected the exhibition calendar in Brazil
- In the first nine months of the year, the year-on-year change in revenues was mainly due to the Brazilian business; EBITDA benefited from higher results of the Chinese subsidiary

Media



Media	3Q19	3Q18	9M19	9M18
Revenues (€m)	1.9	2.3	7.7	8.5
EBITDA (€m)	(0.1)	0.1	0.7	0.7
% on revenues	-7.1%	3.0%	8.8%	8.7%
EBIT (€m)	(0.2)	0.0	0.5	0.5
% on revenues	-10.0%	0.2%	6.6%	6.4%

- The year-on-year change in revenues and results for the quarter was due to the different exhibition calendar and lower training events
- Results for the first nine months of 2019 benefited from the optimization of costs for producing technical publications

Congresses



Congresses	3Q19	3Q18	9M19	9M18
Revenues (€m)	6.2	3.3	27.3	18.8
EBITDA (€m)	1.8	(1.5)	8.6	(0.9)
% on revenues	29.4%	-45.2%	31.4%	-4.7%
EBIT (€m)	0.6	(1.8)	5.0	(1.9)
% on revenues	10.0%	-55.5%	18.4%	-10.2%

- The year-on-year increase in quarterly revenues and results mainly reflected the presence of The Lions international convention; the IFRS 16 effect on EBITDA is equal to Euro 1.0 million
- The year-on-year increase in first nine month revenues and results was due to the presence of international congresses and conventions; the IFRS 16 effect on EBITDA is equal to Euro 2.9 million

2.6

Net Financial Position

31/12/18	Consolidated Net Financial Position (€m)	30/09/19	30/06/19
28.4	Cash & cash equivalents	51.6	57.8
0.0	Current financial assets	1.4	2.3
0.0	Current bank borrowings	0.0	0.0
3.5	Current portion of non-current debt	0.8	1.5
1.3	Other current financial liabilities	0.6	0.6
4.8	Current financial debt	1.4	2.1
(23.6)	Net current financial debt (cash)	(51.7)	(57.9)
0.1	Non-current financial assets	0.1	0.1
0.0	Other non-current payables	0.0	0.0
(0.1)	Non-current financial debt	(0.1)	(0.1)
(23.7)	Net financial debt (cash) before IFRS 16 effects	(51.7)	(58.0)
0.0	IFRS 16 financial effects	481.0	489.3
(23.7)	Net financial debt/(cash) after IFRS 16 effects	429.3	431.3

The net financial position pre-IFRS16 improved compared to the end of 2018 mainly as a result of the positive operating cash flow in the period, and decreased compared to the end of June 2019 due to the lack of events in the summer months

3.0

Business outlook



3.1

Business Outlook

- The positive operating performance was also confirmed by exhibitions held in Italy after the end of the quarter, particularly the biennial HOST exhibition. The favourable trend in exhibitions allows **the 2019 EBITDA** to be estimated **in the upper part of the range**, announced previously, **of Euro 96-100 million**
- With reference to business forecasts for **2020** in the 2018-2022 Strategic Plan, the positive implementation of the plan allowed **the target EBITDA to be raised in the range of Euro 71-75¹ million**, compared to the previous range of Euro 61-65² million

¹ The new target includes the effect of suspension of the costs of personnel involved in biennial and multi-year directly organised exhibitions, whose estimated value is around Euro 2 million

² The range of Euro 61-65 million includes the effect of adopting IFRS 16, amounting to approximately Euro 48 million, net of which the range was Euro 13-17 million.

Forward-looking statement

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BACK-UP



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Financial overview – Income Statement

Consolidated Income Statement (€m)	3Q19	3Q18	9M19	9M18
Revenues	30.1	35.6	183.9	193.3
Cost of materials	0.3	0.4	1.7	1.9
Cost of services	18.9	19.2	85.5	83.9
Costs for use of 3rd-party assets	0.1	12.4	0.4	37.8
Personnel expenses	10.3	10.4	34.5	33.6
Other operating expenses	0.5	0.6	3.0	3.0
Total operating costs	30.1	42.9	125.1	160.2
Other income	0.6	0.2	1.9	2.1
Results of equity-accounted companies	1.5	2.5	3.9	6.8
Allowance for doubtful accounts and other provisions	0.0	0.4	0.2	1.0
EBITDA	2.0	(5.0)	64.4	41.1
Depreciation and amortisation	11.2	1.5	34.0	4.5
Adjustments to asset values	0.0	0.0	0.0	0.0
EBIT	(9.2)	(6.5)	30.4	36.6
Financial income/(expenses)	(3.3)	(0.0)	(10.1)	(0.1)
Profit/loss before income tax	(12.4)	(6.5)	20.3	36.5
<i>of which attributable to Shareholders of the controlling entity</i>	(12.4)	(6.4)	20.3	36.8

Financial overview – Statement of Financial Position

Consolidated Statement of Financial Position (€m)	30/09/19	31/12/18
Non-current assets	630.2	148.4
Net working capital	(90.7)	(73.1)
Gross capital employed	539.5	75.3
Non-current liabilities	17.1	16.9
Total net capital employed	522.4	58.4
Equity	93.1	82.1
Net financial position	429.3	(23.7)
Equity and net financial position	522.4	58.4