

# Fiera Milano Group

Virtual STAR Conference 2020

Milan, 27 May 2020



**FIERA MILANO**



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1.0

# Group overview

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



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1.1

## An integrated business model

### Italian Exhibitions

Fiera Milano organises proprietary exhibitions providing exhibition space and services directly to exhibitors; it also uses exhibition sites to host exhibitions for third parties

### Congresses

Management of one of most modern convention centre in Europe and the only one capable of hosting up to 18,000 delegates

### Hospitality

Assisting its customers travel arrangements through accommodation services, site location, flight tickets, Visa procedures, transfers, train tickets

### Stand fitting services

Concept design & engineering, exhibitions & booths, including shell scheme area, lounges, public space and outdoor structures

### Media

Online and offline content and publishing services, management courses, event organisation

### Foreign Exhibitions

Outside domestic market, organiser of exhibitions in Brazil, South Africa, China and India



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1.2

## Fiera Milano highlights

**399,000 sqm**

**Gross Exhibition Capacity**

345,000 sqm fieramilano  
54,000 sqm fieramilanocity

**2,045,625 sqm**

**Net Exhibition Space Occupied**

of which 511,225 sqm  
abroad

**80**

**Exhibitions**

of which 28  
abroad

**39,945**

**Exhibitors**

of which 9,630  
abroad

**171**

**Congresses**

290,543  
participants

**9 (560,000 copies)**

**Number of technical publications**

**12**

**Number of publishing portal**

**98**

**Number of training events**

**707**

**Group permanent employees**

of which 105 abroad

**280 million**

**Consolidated revenues**

**106 million**

**Consolidated EBITDA**

Figures refer to FY2019



# Key milestones of Fiera Milano Group to date

## Foundation

Eight entrepreneurs organise the first exhibition in Milan; in 1922 Ente Autonomo Fiera di Milano is set up

## Spin-off & Listing

Ente Autonomo Fiera di Milano spins off Fiera Milano SpA and goes public

## Internationalization

Fiera Milano expands in international markets, entering the Indian, Chinese, South African and Brazilian markets

## Strategic Plan

Fiera Milano presents the 2018-2022 Strategic Plan



## Organic development

of the main exhibitions

## New site

fieramilano exhibition site opens

## EXPO Milano

Fiera Milano supports EXPO 2015

## Digital transformation

Fiera Milano starts the process of digital transformation of its exhibition sites to provide a better customer experience





1.4

## Strong position worldwide

The number one exhibition entity in Italy and one of the main exhibition entities worldwide in terms of gross indoor exhibition space



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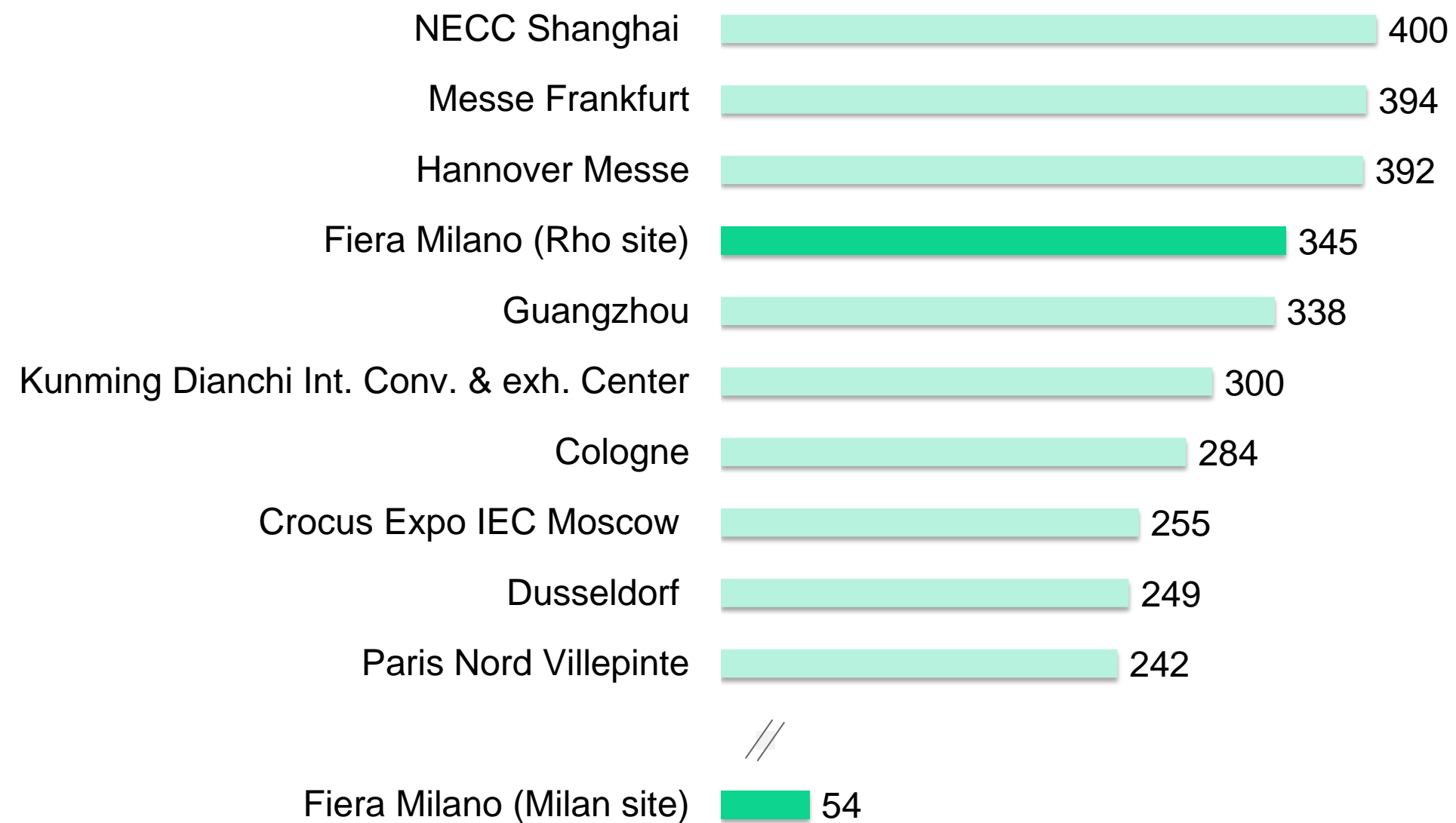


1.5

## Strong position worldwide

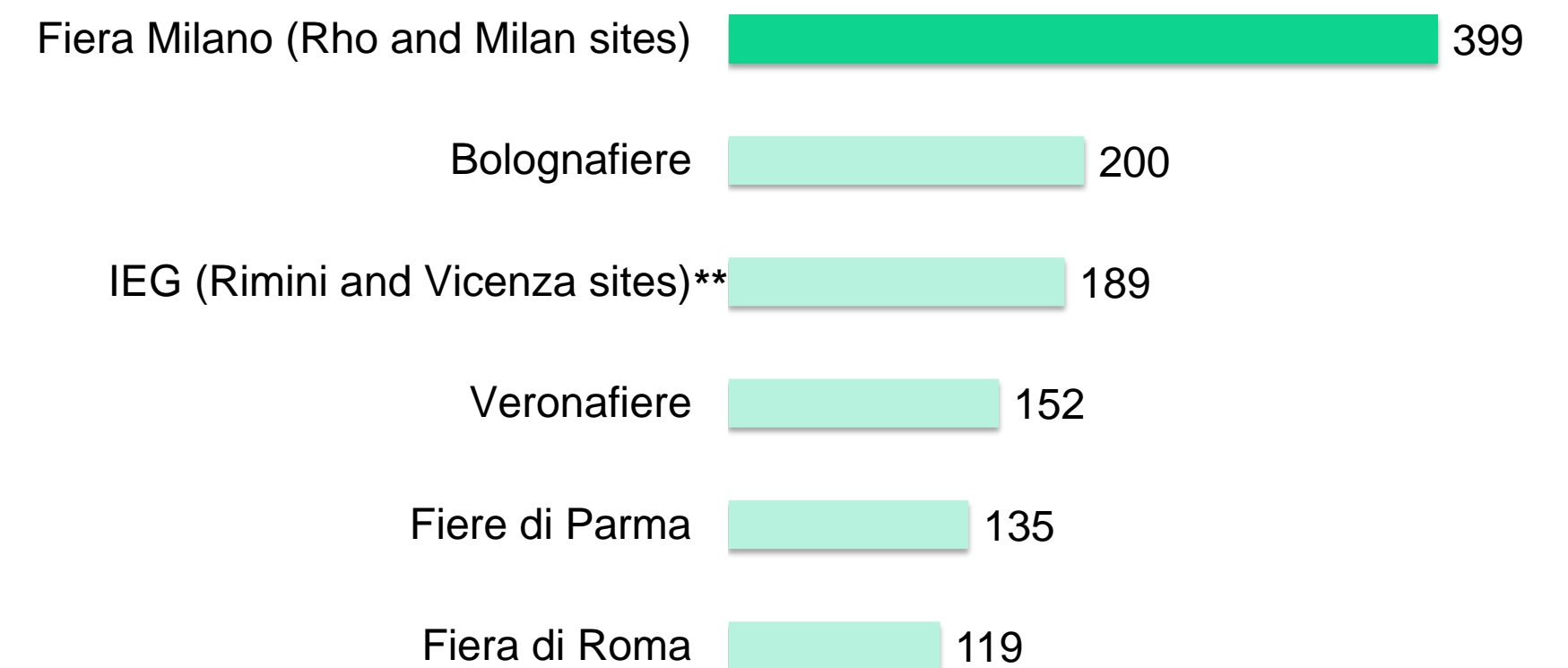
### Top exhibition sites worldwide\*

('000 sqm)



### Top exhibition companies in Italy\*

('000 sqm)



\* Source: AUMA - 1 January 2019

\*\* Company data





1.6

## Italian exhibitions portfolio: main events

| Exhibition                                   | Industry                           | Frequency       | Sq. Meters | Number of exhibitors |
|--|------------------------------------|-----------------|------------|----------------------|
| Salone del Mobile / Euroluce / Workplace 3.0 | Furniture and furnishing           | Annual/Biennial | 216,705    | 1,410                |
| HOST   | Horeca                             | Biennial        | 140,900    | 2,145                |
| The Innovation Alliance                      | Processing and packaging machinery | Multi-year      | 136,435    | 2,515                |
| The MICAM (Spring and Autumn)                | Textile, clothing & accessories    | Biannual        | 121,235    | 2,500                |
| Eicma Moto                                   | Vehicles and related equipment     | Annual          | 117,005    | 770                  |
| EMO  | Industrial machinery               | Multi-year      | 116,995    | 1,540                |
| Mostra Convegno Expocomfort                  | Building and related furniture     | Biennial        | 115,400    | 1,570                |
| ITMA   | Textile machinery                  | Multi-year      | 109,570    | 1,690                |
| HOMI / HOMI Fashion&Jewels / HOMI Outdoor    | Homeware and gift, bijoux, outdoor | Annual          | 105,980    | 1,975                |
| Lineapelle (I and II semester)               | Leather                            | Biannual        | 98,540     | 2,245                |
| Tuttofood                                    | Food                               | Biennial        | 64,130     | 1,395                |
| Artigiano in fiera                           | Art and crafted products           | Annual          | 56,885     | 1,475                |

\* Data based on most recent exhibitions hosted prior to 31 December 2019



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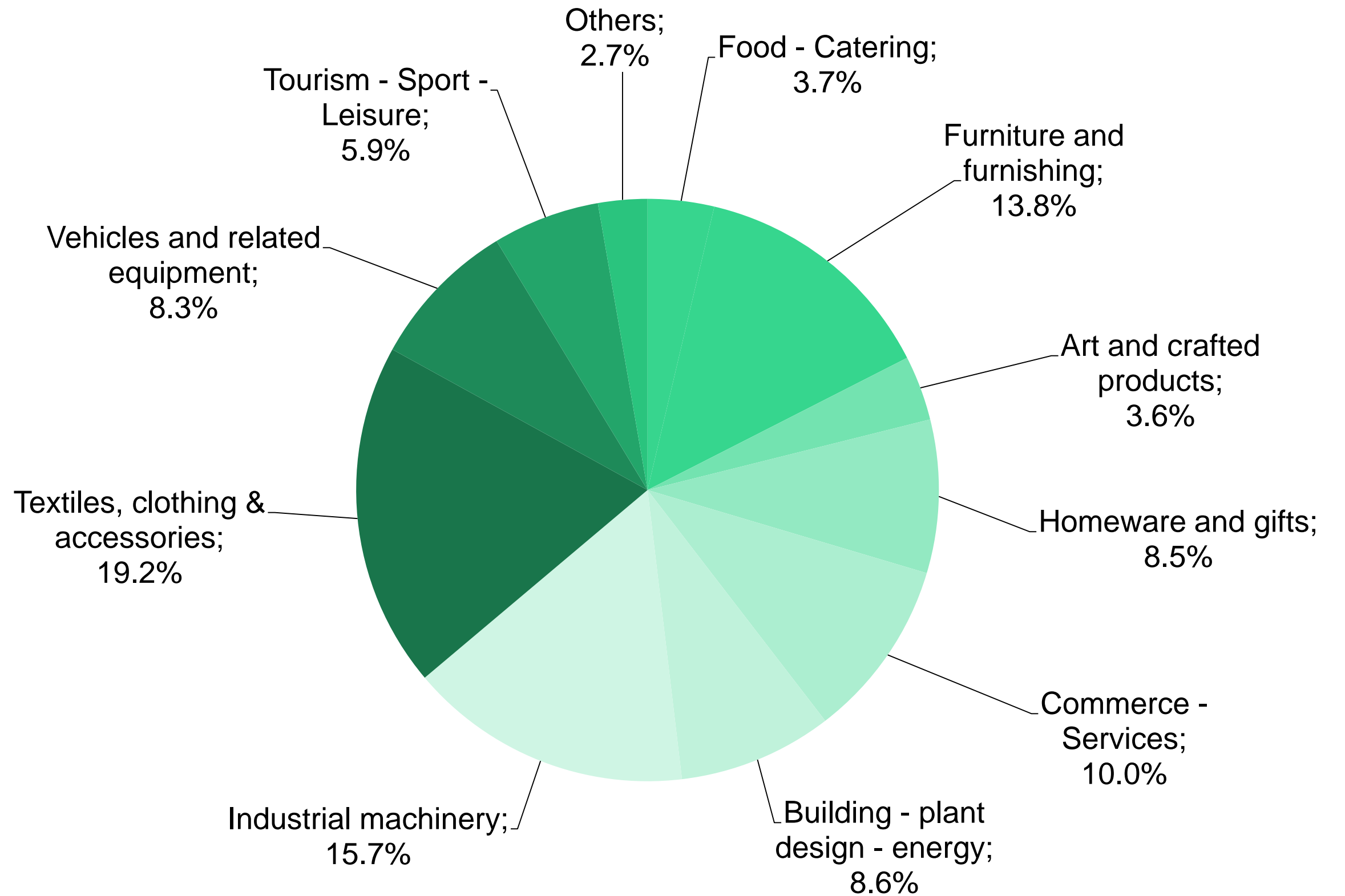


1.7

## Exhibition portfolio

A well diversified  
**PORTFOLIO OF EXHIBITIONS**,  
almost entirely B2B

The Group is strong in  
**DYNAMIC MARKETS** (with sound  
growth expectations and where  
the “Made in Italy” label has appeal)



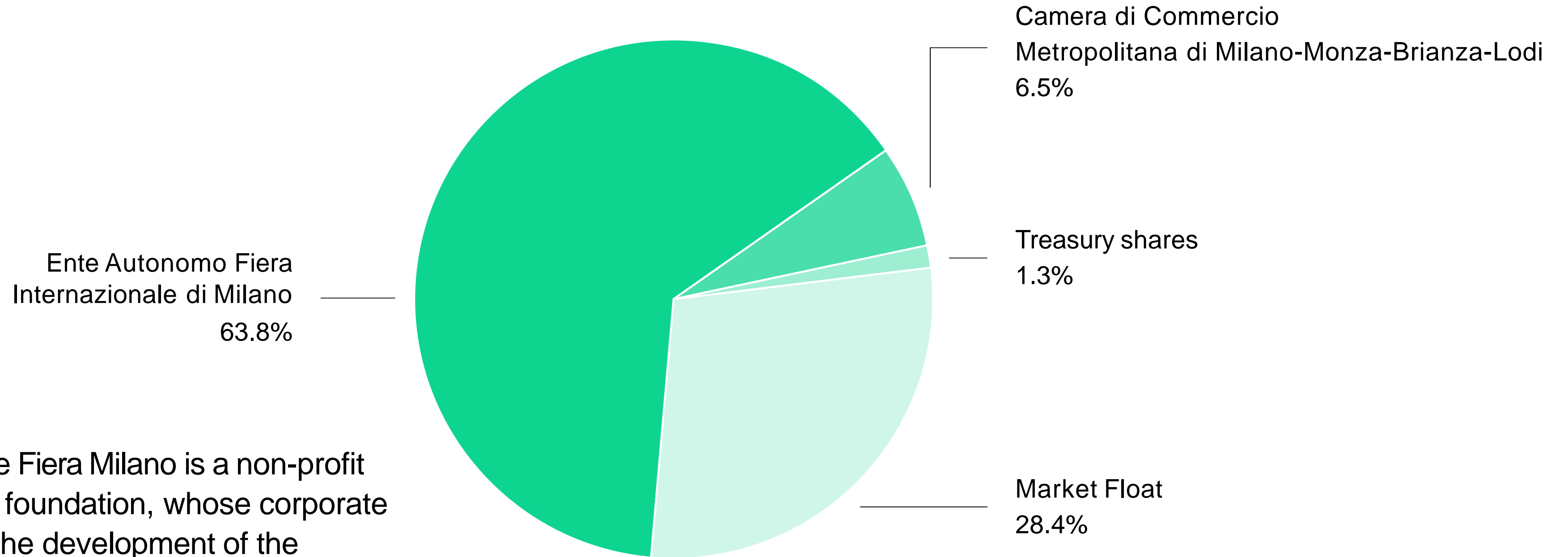
Figures refer to net exhibition space rented out in Italy (average 2017-2019)





1.8

## Shareholder structure



Fondazione Fiera Milano is a non-profit private law foundation, whose corporate mission is the development of the exhibition sector in Italy and abroad



1.9

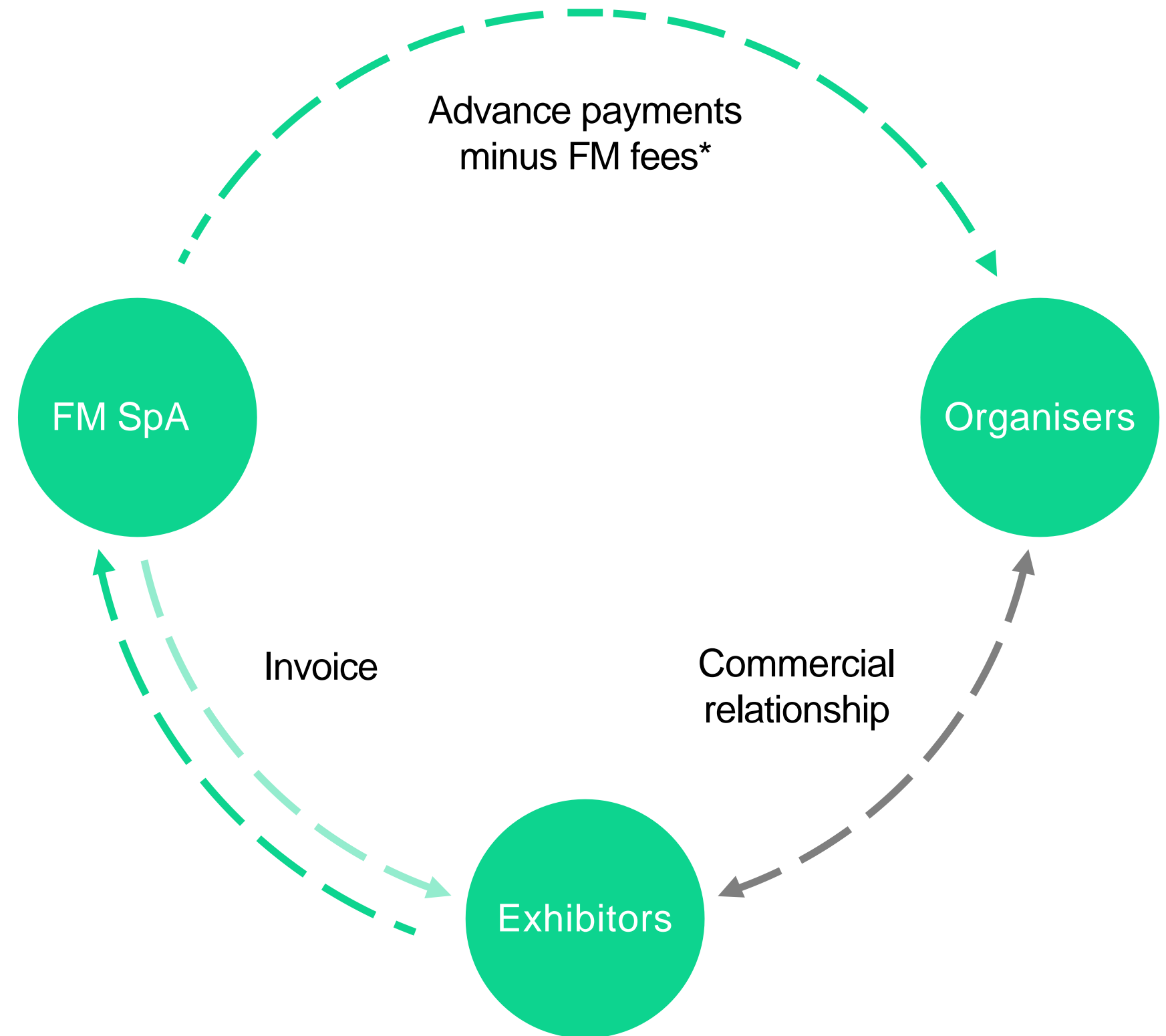
## Long Term Visibility and Favourable Payment Cycle

High visibility on revenues due to long-term contracts with organisers

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



\* Advance payments (on average 6 months ahead for annual and 12 months ahead for biennial events)





1.10

## A big impact in the Italian economy

**€ 8.1 billion**

Total impact of Fiera Milano

of which in Lombardy

**€ 4.3 billion**



### Effect generated by Fiera Milano: € 6.6 billion

This is the effect associated to suppliers, investments, payments of salaries and the expenses of the exhibitors and the visitors/delegates associated with the exhibitions

### Contribution to public budget: € 1.5 billion

This is direct, indirect and induced contribution to the public budget through different taxes: VAT, Income tax, tax on profits and other taxes

Source: "Study of the socio-economic impact, Fiera Milano" - March 2019 KPMG, on 2017 data



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2.0

# Strategic Plan 2018–2022



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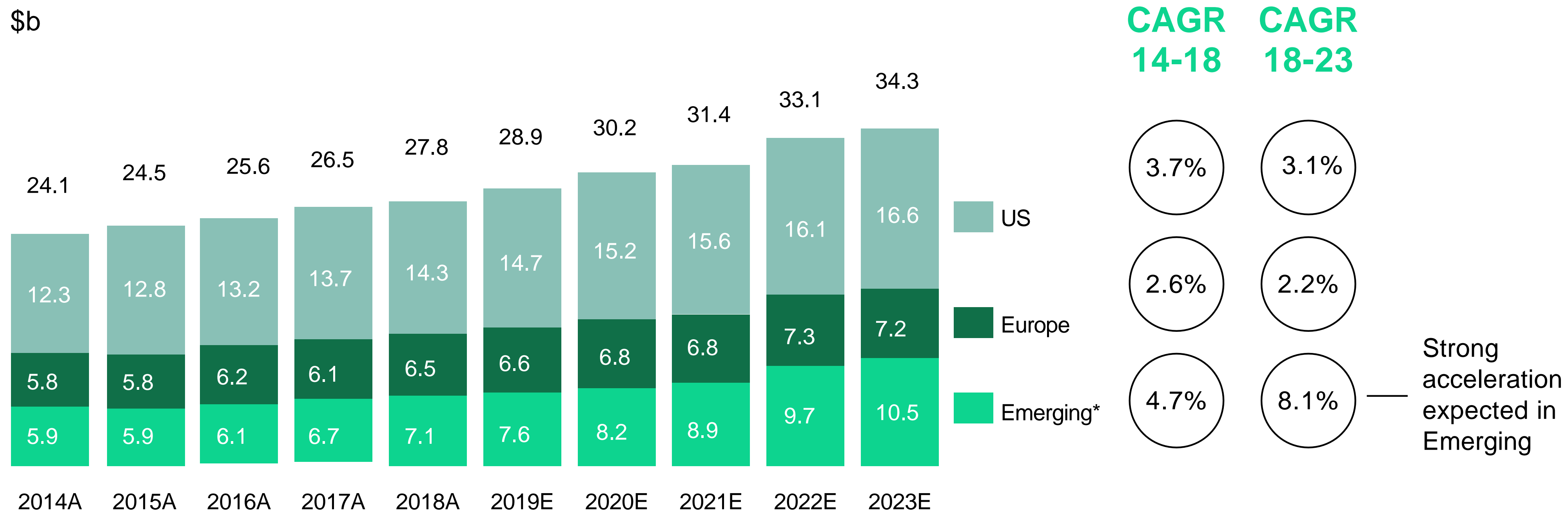


2.1

# Global exhibition market 2014-2023

Exhibition market expected to grow at 4% CAGR

\$b



\* 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)  
 Source: AMR International Globex report 2019



2.2

## 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

### Increased use of digital products to complete exhibition offer

- Driving customer understanding
- Only secondary source of revenue

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

- Leveraging on geo-cloning of successful domestic exhibitions





2.3

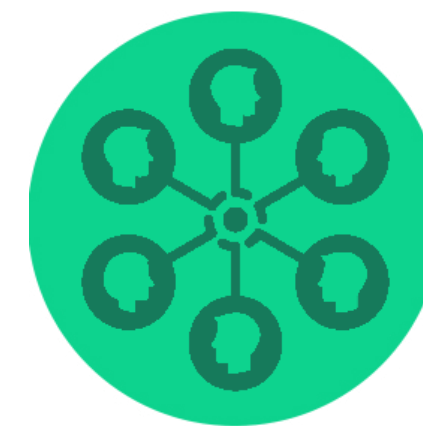
## Three principles inspired definition of Strategic Plan



Maximize  
venue potential



Invest on core  
industry sectors



Build on  
human capital



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2.4

## 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

### Create a smarter venue

- Full service, eco-compatible and innovative infrastructure

### 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)

### Step up organization

- Enhanced organization, empowered governance and integrated systems



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2.5

## Key ambition enabler

€100m+ five-year investment plan

by the controlling shareholder **FONDAZIONE FIERA MILANO**

to enhance the venue

### Safe & Smart Distric

- 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

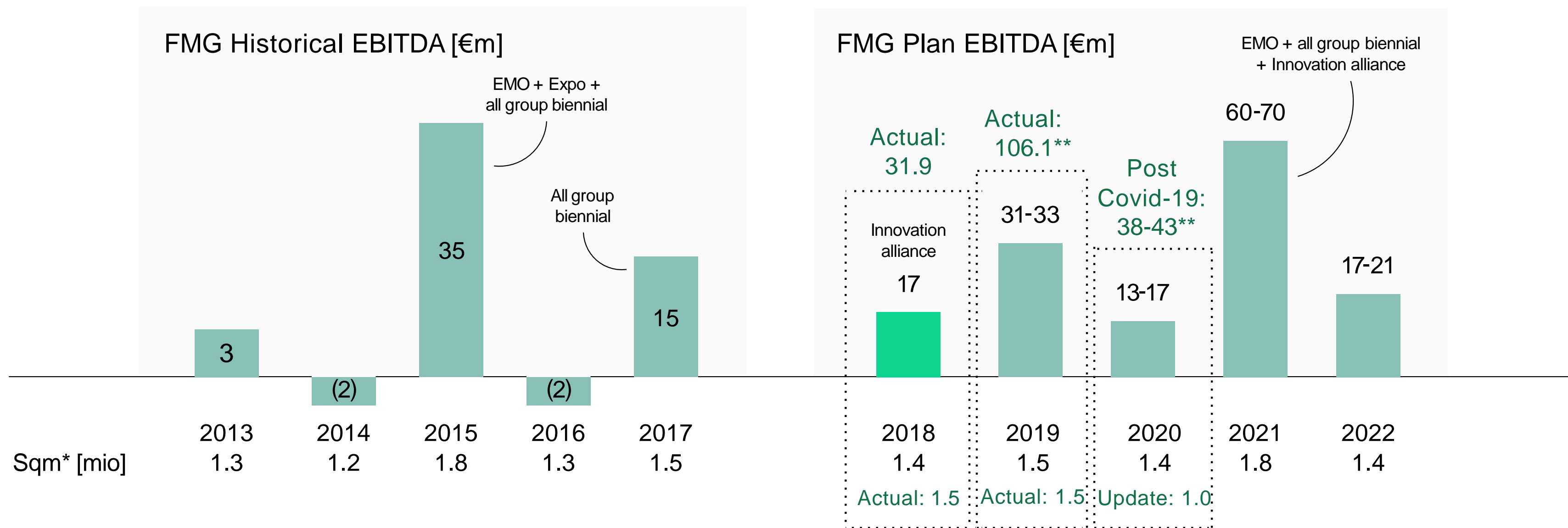
- Shortest time to customer
- Seamless customer experience





2.6

# Strategic Plan will evolve in line with FMG seasonality



\* Net of International sqm

\*\* Including the effect of IFRS 16 as from 1 January 2019 equal to about € 48 million



2.7

## Achievements



### New guidance and organization

Guiding Principles

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



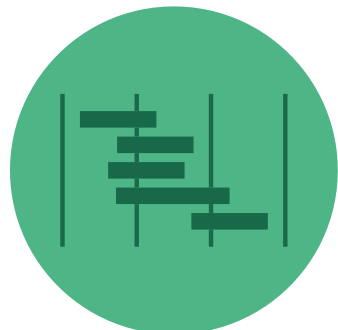
### Improved economic and financial performance

Profit: 0.7% to 12.3% ('17 vs. '19)

Net cash 68.3 million as at 31 December 2019\*

Return to dividend: € 0.13 per share in 2019 and 2020

FMG Stock performance +193% end 2019 vs. end 2017



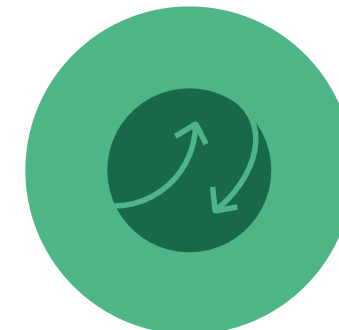
### Growth of exhibition portfolio

Enrichment of hosted exhibition portfolio

- CPHI in 2020
- ITMA in 2023

Strengthening of owned exhibitions through acquisitions

- 60% of Made Eventi in the architecture and construction sectors
- Cartoomics in the comics, gaming and entertainment sectors
- 62.5% of Milan Games Week dedicated to the gaming and entertainment sectors



### International development

Strengthening of the Chinese portfolio through the acquisition of Let China e Laserfair

Acquisition of 50% of Tubotech in Brazil

Launch of the new E-PACK TECH event, dedicated to e-commerce packaging in China

\* Before IFRS 16 effects



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2.8

## CSR strategy

For the past three years Fiera Milano has been strengthening its commitment to sustainability policies



Sustainability governance



Environmental policy



Enhancement of human capital



Stakeholder engagement



Promotion of ethics, legality, anti-corruption



Prevention and safety for users of exhibition sites and congress centre





2.9

## CSR commitment

Fiera Milano Group focuses its efforts on sustainability in 5 areas of activity and focuses its support on 6 SDGs (UN Sustainable Development Goals)



From 2019 Fiera Milano supports the CEO's Call to Action launched by CSR Europe, as a signal of its further, tangible commitment towards a sustainable development model

2.10

## CSR highlights

**646**

**Employee**

of which

**57% are female**

**56%**

**Female presence in BoD**

**-36%**

**Waste vs. 2018**

**99%**

**non-hazardous**

**97%**

**sent to recovery plants**

**75%**

**of the carpet collected  
was recycled**

**12,901**

**Hours of training  
delivered**

**20,6**

**Average hours of  
training per  
female employee**

**Euro 2.73**

**Energy costs for  
square metre  
occupied of the  
fieramilano site**

**-7%**

vs. 2017, a  
comparable year in  
terms of the exhibition  
calendar

**56%**

**of employee with  
Performance  
Leadership  
Management**

of which

**20%**

**with CSR target**

**-5%**

**Scope 1 + Scope 2  
Emissions  
vs. 2018**

**6,027,000**

**Number of bag and  
metal detector  
checks on  
entry points to  
exhibition sites**

**3,464**

**Suppliers on the  
supplier register**

**86%**

of qualified suppliers  
with operating headquarters  
less than 300 km from Fiera  
Milano exhibition sites





3.0 Q

# Financial overview



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## 3.1

**Income statement**

| FY19         | Consolidated Income Statement (€m)                              | 1Q20         | 1Q19        |
|--------------|---|--------------|-------------|
| <b>279.7</b> | <b>Revenues</b>   | <b>47.6</b>  | <b>71.0</b> |
| 121.2        | Cost of services  | 20.8         | 29.7        |
| 47.4         | Personnel expenses  | 10.8         | 12.8        |
| 7.8          | Other operating expenses  | 1.6          | 2.2         |
| <b>176.4</b> | <b>Total operating costs</b>                                    | <b>33.1</b>  | <b>44.7</b> |
| 2.4          | Other income  | 0.8          | 0.5         |
| 3.8          | Results of equity-accounted companies                           | (0.1)        | 2.3         |
| 3.5          | Allowance for doubtful accounts and other provisions            | 0.1          | 0.2         |
| <b>106.1</b> | <b>EBITDA</b>   | <b>15.0</b>  | <b>29.0</b> |
| 45.2         | Depreciation and amortisation                                   | 11.3         | 11.5        |
| 1.3          | Adjustments to asset values                                     | 0.0          | 0.0         |
| <b>59.6</b>  | <b>EBIT</b>   | <b>3.8</b>   | <b>17.5</b> |
| (13.4)       | Financial income/(expenses)                                     | (3.9)        | (3.5)       |
| <b>46.2</b>  | <b>Profit/loss before income tax</b>                            | <b>(0.1)</b> | <b>14.1</b> |
| 11.9         | Income tax  |              |             |
| <b>34.3</b>  | <b>Profit/loss</b>  |              |             |
| 34.4         | <i>of which attributable to Shareholders of the controlling</i> |              |             |





## 3.2

# Statement of financial position

| Reclassified Consolidated Statement of Financial Position (€m) | 31/03/2020   | 31/12/2019   |
|--|--------------|--------------|
| Non-current assets   | 612.2        | 622.5        |
| Net working capital  | (72.4)       | (87.7)       |
| <b>Gross capital employed</b>                                  | <b>539.8</b> | <b>534.8</b> |
| Non current liabilities  | 21.9         | 21.9         |
| <b>Total net capital employed</b>                              | <b>518.0</b> | <b>512.9</b> |
| <b>Equity (*)</b>  | <b>107.1</b> | <b>107.9</b> |
| <b>Net financial position</b>                                  | <b>410.9</b> | <b>405.1</b> |
| <b>Equity and net financial position</b>                       | <b>518.0</b> | <b>512.9</b> |

(\*) Equity at 31 March 2020 includes pre-tax result for the period





### 3.3

## Net Financial Position

| Consolidated Net Financial Position (€m)                | 31/03/2020    | 31/12/2019    |
|---|---------------|---------------|
| <b>Cash &amp; cash equivalents</b>                      | <b>50.1</b>   | <b>68.0</b>   |
| <b>Current financial assets</b>                         | <b>1.8</b>    | <b>1.3</b>    |
| Current bank borrowings                                 | 0.0           | 0.0           |
| Current portion of non-current debt                     | 0.0           | 0.0           |
| Other current financial liabilities                     | 0.5           | 1.1           |
| <b>Current financial debt</b>                           | <b>0.5</b>    | <b>1.1</b>    |
| <b>Net current financial debt (cash)</b>                | <b>(51.4)</b> | <b>(68.3)</b> |
| Non-current financial assets                            | 4.4           | 0.1           |
| Other non-current payables                              | 0.0           | 0.0           |
| <b>Non-current financial debt</b>                       | <b>(4.4)</b>  | <b>(0.1)</b>  |
| <b>Net financial debt (cash) before IFRS 16 effects</b> | <b>(55.8)</b> | <b>(68.3)</b> |
| IFRS 16 financial effects                               | 466.6         | 473.4         |
| <b>Net financial debt/(cash) after IFRS 16 effects</b>  | <b>410.9</b>  | <b>405.1</b>  |





4.0

# Closing remarks





4.1

## Closing remarks

### We have a strong leadership trust

- We have a clear definition of the ingredients for our success

### The exhibition sector is a key player in the economic recovery post Covid-19 emergency

- The Group will continue to pursue the strategy set out in the Strategic Plan, built on its robust capital and finances and the management efficiency it has achieved

### We will not be caged by our venue

- We'll seek most promising opportunities where they are
- The digital transformation plan will drive an expansion of innovative services, supporting the digital development of exhibitions and leading to better customer experience on-site

### We take our social responsibility seriously

- We will actively ensure our business will have a sustainable impact





# Forward-looking statement

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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.





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