

Fiera Milano Group

Virtual STAR Conference 2021

Fall edition

12 October 2021



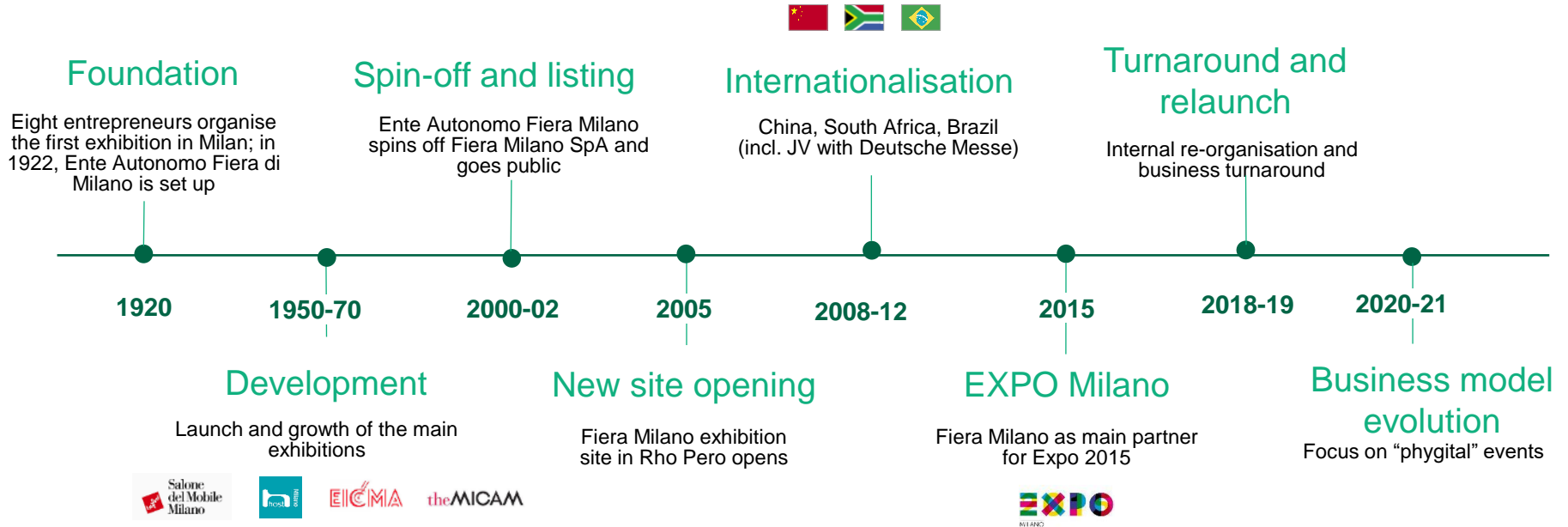
FIERA MILANO

01

Group overview

Fiera Milano: a history of more than 100 years of growth

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



The Group is active in 4 businesses

Exhibition organisation



Direct organisation of proprietary **exhibitions**, providing space to **exhibitors** in Italy (mainly in Milan Venue) and abroad

EUR 89 m
[32%]

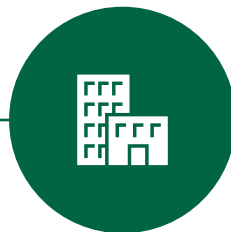
Services



Provision of services to organisers, exhibitors and visitors (e.g. stands set-ups, catering, media)

EUR 79 m
[28%]

Venue



Hosting of third-party exhibitions, providing space to **Italian and International organisers** in **Milan Venue**

EUR 72 m
[26%]

Congresses

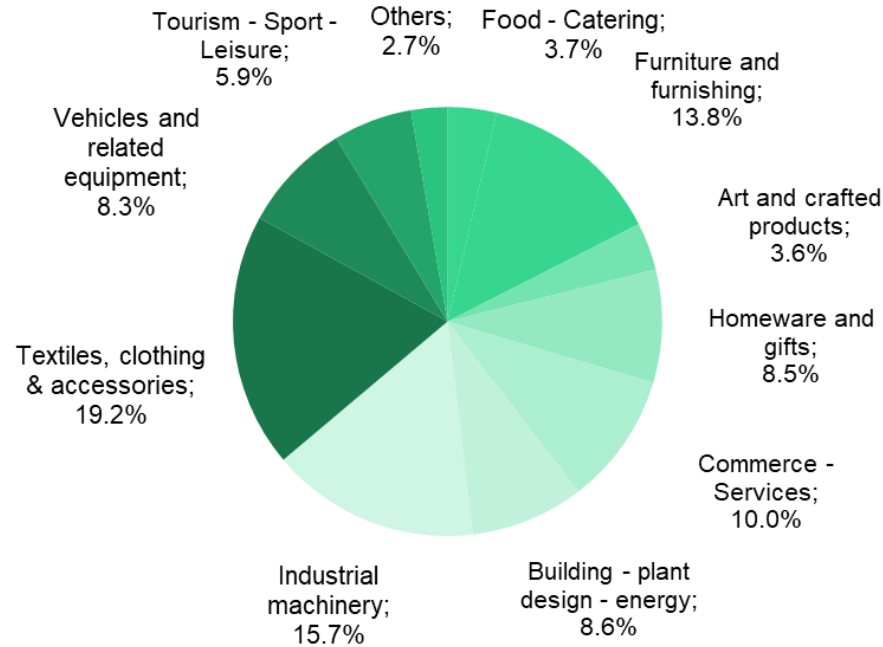


Direct management of one of the largest and most modern **convention centers** in Europe, **MiCo**

EUR 40 m
[14%]

Revenues
2019

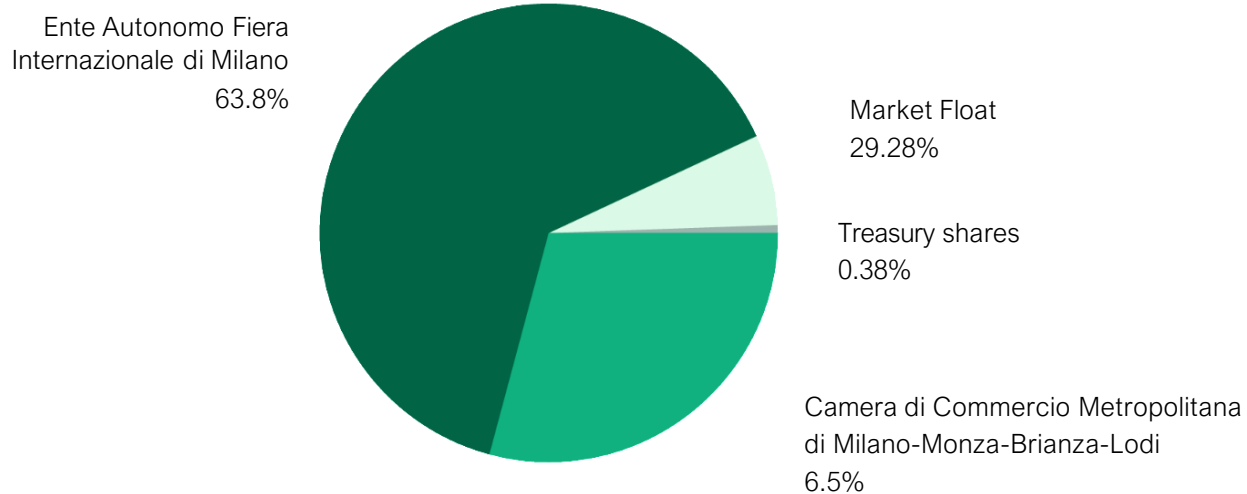
A well diversified exhibition portfolio: almost entirely B2B and exposed to sectors where the “Made in Italy” label has strong appeal



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

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



Updated as at 30 April 2021

Fiera Milano – a big impact on the Italian economy

- **Total economic impact of Fiera Milano**

EUR 8.1 billion

of which in Lombardy

EUR 4.3 billion

- **Effect generated by Fiera Milano: € 6.6 billion**

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

- **Contribution to public budget: € 1.5 billion**

Direct, indirect and induced contribution to the public budget through different taxes: VAT, income tax, tax on profits and other taxes

- **Fiera Milano as job generator**

~52,500 labour units



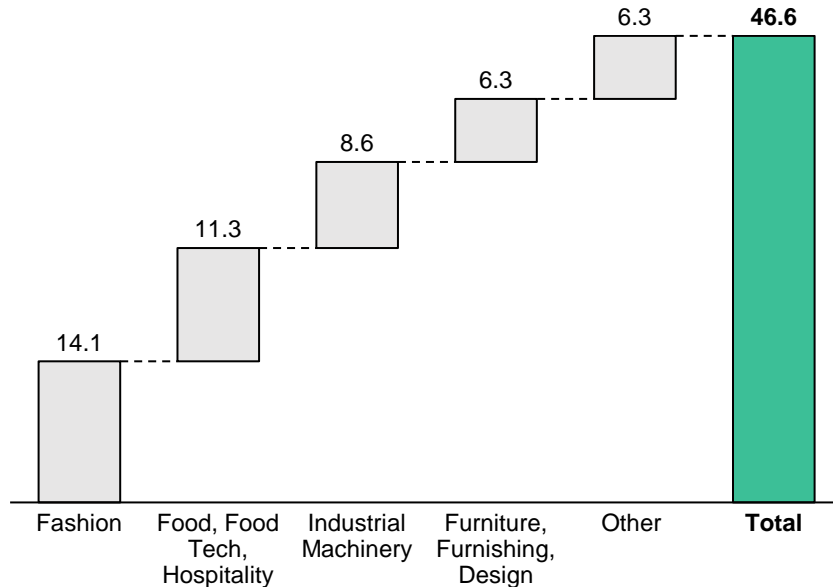
~34,100 labour units

Direct, indirect and induced employment generated by Fiera Milano

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

Italian exhibitors made EUR ≈ 47 bn sales in Fiera Milano fairs in 2019 – Exports accounted for 38% of total revenues

Italian exhibitors' sales at FM fairs by industry [2019; EUR m]

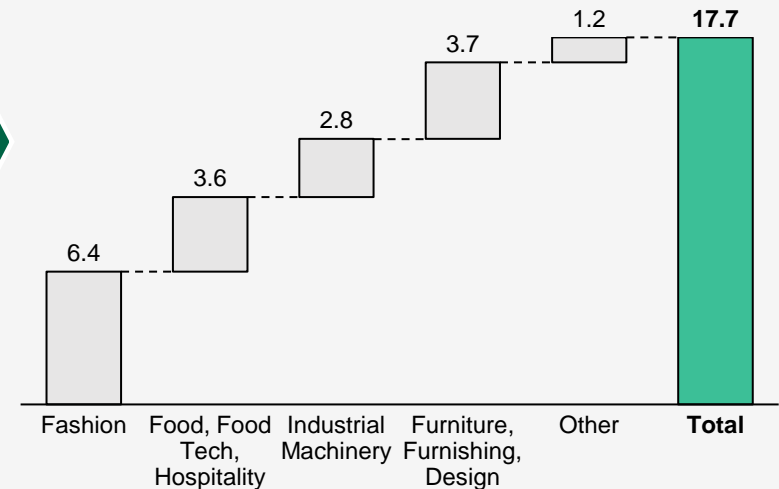


Source: Fondazione Fiera Milano, The European House Ambrosetti

Focus on exports [2019; EUR m]



Exports account for 38% of total revenues generated by Italian exhibitors in FM



02

Exhibition resumption

A busy exhibition calendar supported by an extraordinary organisational effort

During the months of forced inactivity, Fiera Milano worked closely with all the main stakeholders to meticulously plan the restart of its exhibition and conference events:

- **the first two fairs** (Sì Sposaitalia on 25-27 June and Milano Unica on 6-7 July), **successful held just a few days after the end of the suspension period** (15 June)
- **extraordinary organisational effort to support a busy calendar:** >30 exhibitions in H2 2021;
- **exploiting synergies between similar/adjacent sectors**, transforming a moment of crisis into an opportunity



Exhibition resumption (1/2)

Supersalone and **HOMI** opened the busy September calendar, followed by all the other scheduled exhibitions



CALENDAR - SEPTEMBER	DATE
SUPERSALONE	05-10
HOMI	05-08
PTE	07-08
MIART	17-19
HOMI FASHION&JEWELS	18-20
THE ONE MILANO	19-21
MIPEL	19-21
MICAM	19-21
LINEAPELLE	22-24
SIMA TANNING TECH	22-24
BRICODAY	22-23
HARDWARE FORUM	22-23
EXPO FERROVIARIA	28-30
FILO	29-30
VISCOM	30-02

Supersalone – a successful event attended by...

60,000 visitors (from 113 countries) returned to the venue; more than half were sector operators and buyers (of which 47% from abroad). Almost 1,800 accredited journalists from all over the world.



...PTE, MIART, HOMIF&J,

Satisfactory performances in terms of number of visitors in almost all the exhibitions held

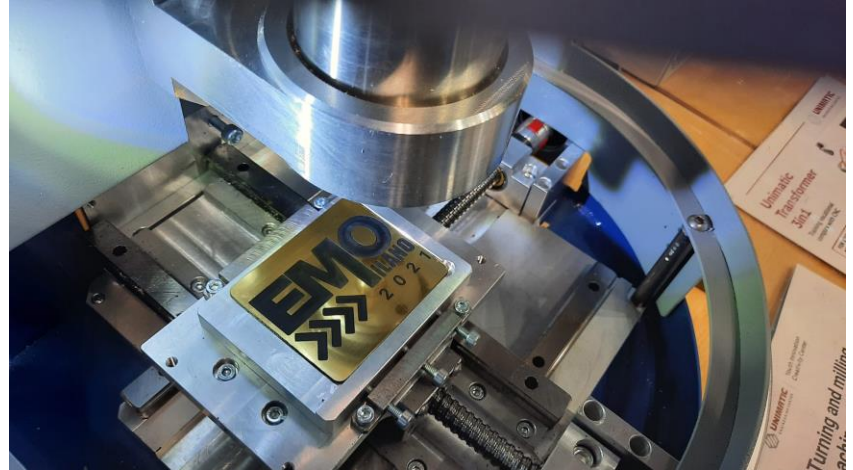


Exhibition resumption (2/2)

The first events in October took place as scheduled and Fiera Milano is on track to deliver its challenging H2 2021 exhibition calendar plan

CALENDAR - OCTOBER	DATE
MILANO AUTOCLASSICA	01-03
EMO	04-09
MADE IN STEEL	05-07
VITRUM	05-08
WORLD ROUTES	10-12
SMAU	12-13
SALONE FRANCHISING MILANO	21-23
HOST	22-26
TUTTOFOOD	22-26
MEAT-TECH	22-26

CALENDAR – NOVEMBER / DECEMBER	DATE
CPHI	09-11
MILANO GAMES WEEK & CARTOOMICS	12-14
CHIBIMART	12-15
G! COME GIOCARE	19-21
SICUREZZA	22-24
SMART EXPO BUILDING	22-24
MADE EXPO	22-25
EICMA	23-28
ENIT EUROPE	30-02
ARTIGIANO IN FIERA	04-12



Business plan execution

Besides the preparations for the resumption of activity, management has been working to speed up the execution of CONN.E.C.T. 2025 business plan, whose goals include the transformation of Fiera Milano into a European hub, the improvement of the level of internationalisation of both Fiera Milano's direct-organised and hosted exhibitions, and the consolidation of the company's leadership in the domestic congress market

Some specific initiatives have been recently announced in these fields:

- **Gastech** – In September 2022, Fiera Milano will host the 50th edition of Gastech, the world's largest exhibition for the gas, LNG, hydrogen and energy industry, which takes place annually in different locations
- **FIND: Design Fair Asia** – Singapore Council and Singapore Tourism Board in partnership with Fiera Milano, dmg events and MP Singapore will organise FIND (Furniture, Interiors and Design) in September 2022 – the first new international design fair
- **Fiera Milano Congressi** has been awarded the contract to manage the new Turin Congress Center (5,000 seats), which is expected to begin operating in 2025

03

H1 2021 results & FY 2021 outlook

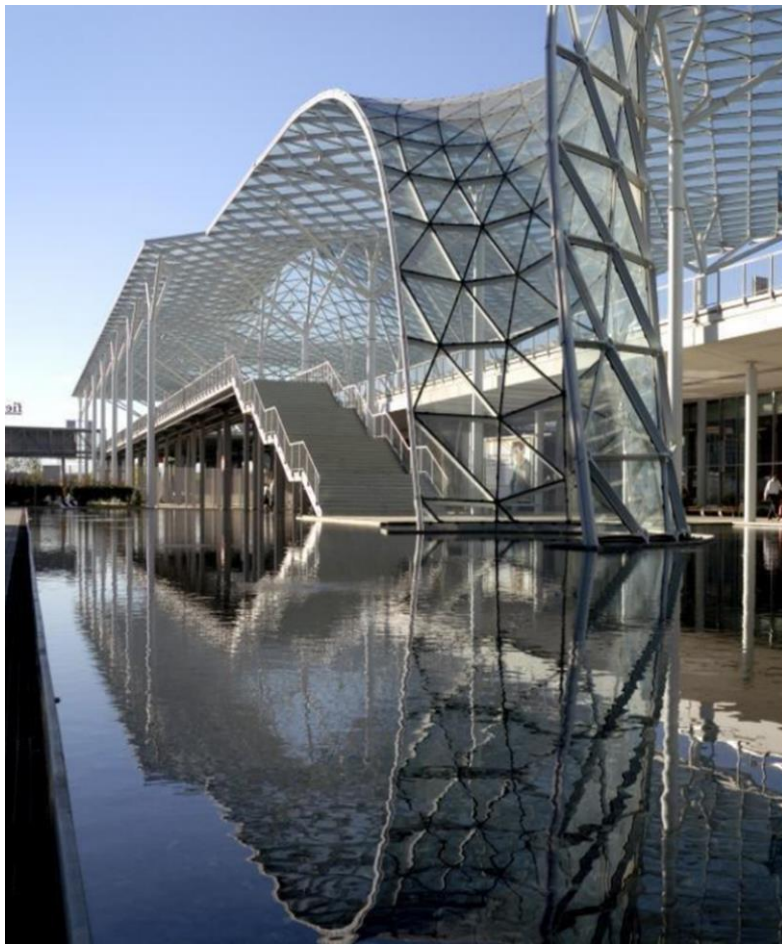
Financial overview

Consolidated Income Statement (€m)	H1 2021	H1 2020 (*)
Revenues	4.6	56.0
Total costs	27.6	45.4
EBITDA	(23.0)	10.6
Depreciation and amortisation	22.3	22.4
EBIT	(45.3)	(11.9)
Financial income/(expenses)	(6.2)	(6.8)
Profit/Loss before income tax	(51.5)	(18.7)
Income Tax	26.4	6.1
Net Profit/Loss	(24.6)	(12.6)
<i>o/w attributable to the shareholders of the controlling entity</i>	<i>(24.5)</i>	<i>(12.5)</i>

Reclassified Consolidated Statement of Financial Position (€m)	30/06/2021	31/12/2020
Non-current assets	594.0	593.8
Net working capital	(40.0)	(35.4)
Gross Capital Employed	554.0	558.4
Non current liabilities	14.2	21.7
Total net Capital Employed	539.8	536.7
Equity (*)	38.8	63.2
Net Financial Debt	501.0	473.4
Equity and Net Financial Debt	539.8	536.7
Net Financial Debt pre-IFRS 16 effects (Net Cash)	64.9	23.9

Remarks

- **H1 2021 results reflected the suspension of exhibition activities due to the restrictive measures adopted by the Italian Authorities to contain the spread of the COVID-19 pandemic**
- On-site trade fairs suspended until 15th June, congresses until 1st July
- The lack of revenues negatively affected profitability and led to a net loss of Euro 24.6m
- Net Financial Debt before IFRS 16 effects reached Euro 64.9m compared to Euro 23.9m at the end of 2020



Business outlook FY 2021

Despite the still uncertain public-health scenario, with the spread of new variants of COVID-19, **the current situation is more stable than in the recent past.** This is mainly due to the increase in vaccine uptake and the Green Pass system, which came into force on 1 July, facilitating mobility within the EU area, which is key to ensuring participation in international exhibitions and congresses

The calendar of trade fairs for the period September-December 2021 is very busy with over 30 events scheduled. However, **expected attendance and occupancy levels are lower than initially estimated** due to persistent uncertainties over the evolution of the pandemic.

Based on the information currently available, **revenues** are forecast to be between Euro **130m and 140m**, with **EBITDA** of between Euro **23m and 28m** and **net debt** before IFRS 16 effects in the range of Euro **24m-28m**.

04

Our sustainable approach

Fiera Milano's sustainable approach

Fiera Milano is deeply committed to integrating sustainability into its business-model processes

- Sustainability Reporting since 2015 (from 2017 also compliant with Non-Financial Disclosure regulation)
- Sustainability embedded in the organisation through focal points in relevant departments
- BoD involved in ESG matters
- In 2021, first strategic plan including ESG targets linked to UN 2030 Agenda for Sustainable Development
- ESG goals integrated in Company reward system and PLM (Performance Leadership Management)
- In September 2021, launch of a new project for further integration of the sustainability strategy into the “CONN.E.C.T. 2025” plan guidelines

ESG main highlights

E

-36%
Waste 2019 vs. 2018

99%
non-hazardous

97%
sent to recovery plants

21%
energy from
renewable
sources

75%
of the carpet collected
annually recycled



S

684
Employees in H1 2021
of which **~60%** were female

~55,000
Hours of training
expected in 2021

0
fatal injuries in 2019-2021

~6ml

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

Customer satisfaction survey for own exhibitions



G

Diverse and experienced Board: **7/9** independent, **56%** female

~4,100 suppliers on the supplier register

86% of qualified suppliers with operating headquarters less than 300 km from Fiera Milano exhibition sites

~800 reputational assessments per year

In 2021 Fiera Milano obtained **ISO 20121 certification for sustainable events** and **Silver LEED certification for MiCo congress centre**



Forward-looking statement

Data and information herewith set forth are extracted from the Fiera Milano Press Release relating to Fiera Milano Consolidated Half-Year Financial Report to 30 June 2021 filed with the Italian authorities regulating exchanges and securities and disseminated concomitantly with this presentation.

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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 Andrea Maldi 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.

BACK - UP

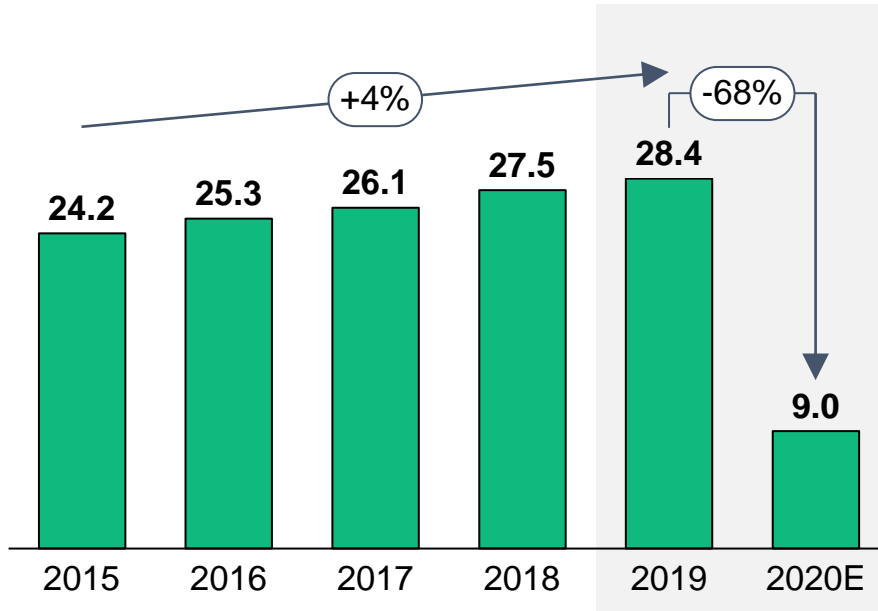
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2021-2025 Strategic Plan

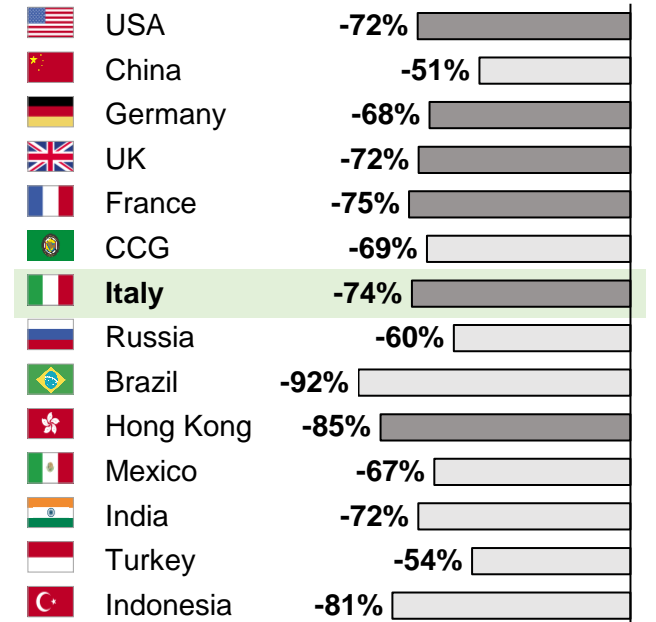
**CONN.E.C.T. 2025 (Connections,
Exhibitions, Community, Transformation)**

After Covid-19 impact, in 2020 the Exhibition market dropped by 68% in revenues compared to 2019

Exhibition market size – Main 14 countries [2015-2020e; USD bn]



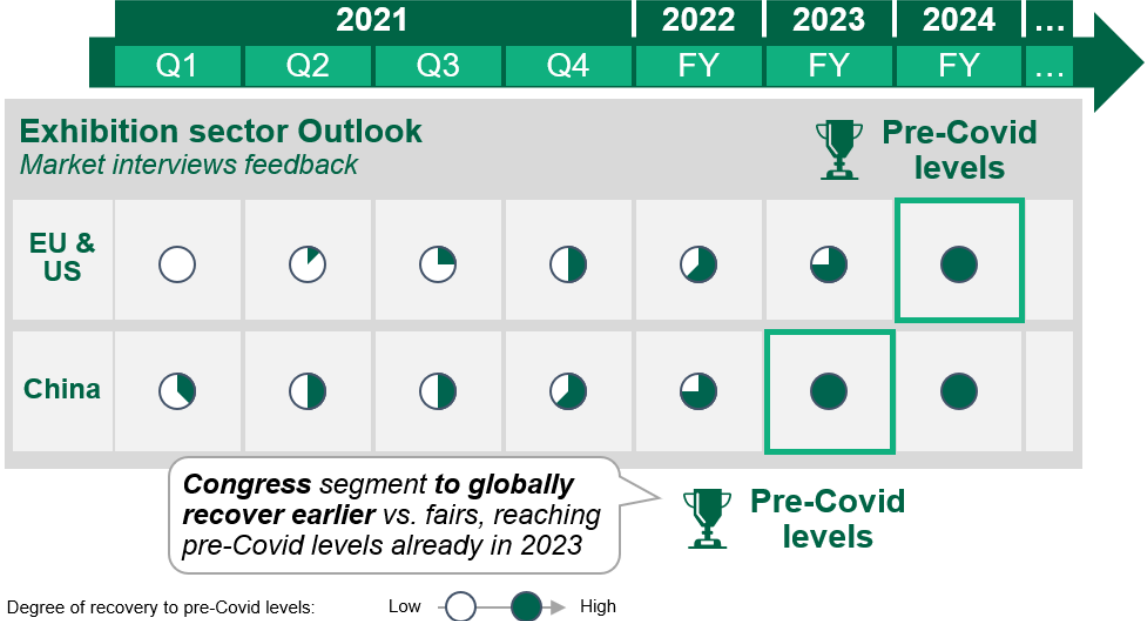
Estimated decline in mkt size – Main 14 countries [2020 vs 2019]



Source: AMR International, Fiera Milano, Roland Berger analysis

□ Emerging market ■ Developed market

Exhibition market rebound to pre-Covid levels expected in '24 for Europe and US, possibly '23 for Asia – Global congresses recovery expected already in '23



Source: Fiera Milano, Roland Berger analysis

Fiera Milano aims to become the leading platform in the exhibitions and congresses business in the 'New Normal'

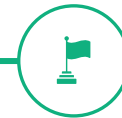
Purpose



Create a world of opportunities for businesses and individuals through our European Hub in Milan and beyond, and through our global network



Be the leading smart hybrid platform for innovative, sustainable and business-relevant events, with a European Hub and a Global reach



Mission

New Business Model



Enablers



HR Transformation & Organisational Alignment



Commercial and Product Development excellence



Digital transformation

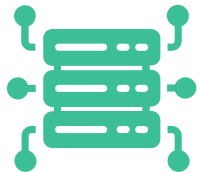


Investment in the Venue and continuous improvement

Strategic goals for each key business area

Services and content platform

Capture full potential of both traditional and digital services through a platform-driven business model



Exhibition organisation

Strengthen portfolio of organised exhibitions by focusing on internationalisation and new concepts



Venue

Secure and enhance hosted exhibitions and venue occupancy through strategic alliances with organisers and by attracting new exhibitions







Congresses

Consolidate and expand congresses' positioning by leveraging the venue, developing strategic alliances and being the enabler for 'phygital' events



Key strategic enablers

Enablers and Goals			
 HR Transformation & Organisational Alignment	 Commercial and Product Development excellence	 Digital transformation	 Investments on the Venue & continuous improvement
<p>> Deploy the right team and competencies to meet the ambition</p>	<p>> Set the right rules of the game</p>	<p>> Enable the platform business model and digital services</p>	<p>> Propose a top quality, efficient and sustainable venue</p>
<p>Key aspects</p> <ul style="list-style-type: none"> ★ New Roles (e.g. Digital/ Business Transformation) 👤 New Resources (e.g. Digital) 🏛️ Training (e.g. market orientation, product dev., digital) 	<ul style="list-style-type: none"> 👥 Integrated commercial processes 🔄 Customer-centric approach 🎯 KPIs and incentives 	<ul style="list-style-type: none"> 💻 State-of-the-art systems (e.g. CRM, Finance, etc.) 📄 Fiera Milano Platform 🛒 Data Hub and analytics 	<ul style="list-style-type: none"> 📶 Network 2.0 (Smart cameras, WiFi renovation) ☀️ Photovoltaic system 🌱 🏢 Continuous improvement
<p>Dedicated resources and skills alignment (Organic development)</p>		<p>≈ EUR 10-15 m (CapEx '21-'25)</p>	<p>≈ EUR 90-100 m (CapEx '21-'25)</p>
<p><i>Backed by Fiera Milano Group</i></p>		<p>Including resources for business experimentation</p>	<p><i>Backed by Fondazione Fiera Milano</i></p>

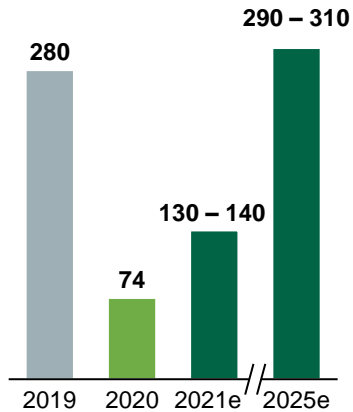
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2021-2025 targets & projections

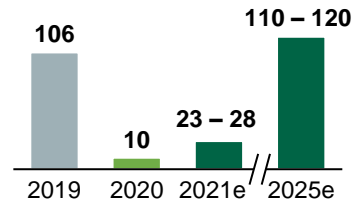
In '25, FMG expected to achieve EUR ≈290-310m revenues and EUR ≈110-120m EBITDA; net cash projected to a range of EUR ≈75-85m

Key financials 2019-25 – Overview

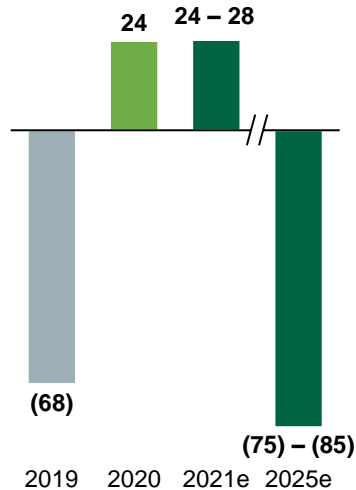
Revenues [EUR m]



EBITDA¹⁾ [EUR m]



Net Financial Position²⁾ [EUR m]



Remarks


- In 2021, most of the events traditionally held in H1 were postponed to H2; from 2022, exhibition calendar planned to follow traditional/pre-COVID scheduling
- Fiera Milano expected to overachieve 2019 EBITDA in 2025
- NFP projected to improve from a net debt of EUR 24 m in 2020 to a net cash in the range of EUR 75-85 m in 2025

Note: 1) EBITDA values incorporate impacts of IFRS 16 (not including impact of venue rentals); 2) NFPs are calculated excluding impacts of IFRS 16;

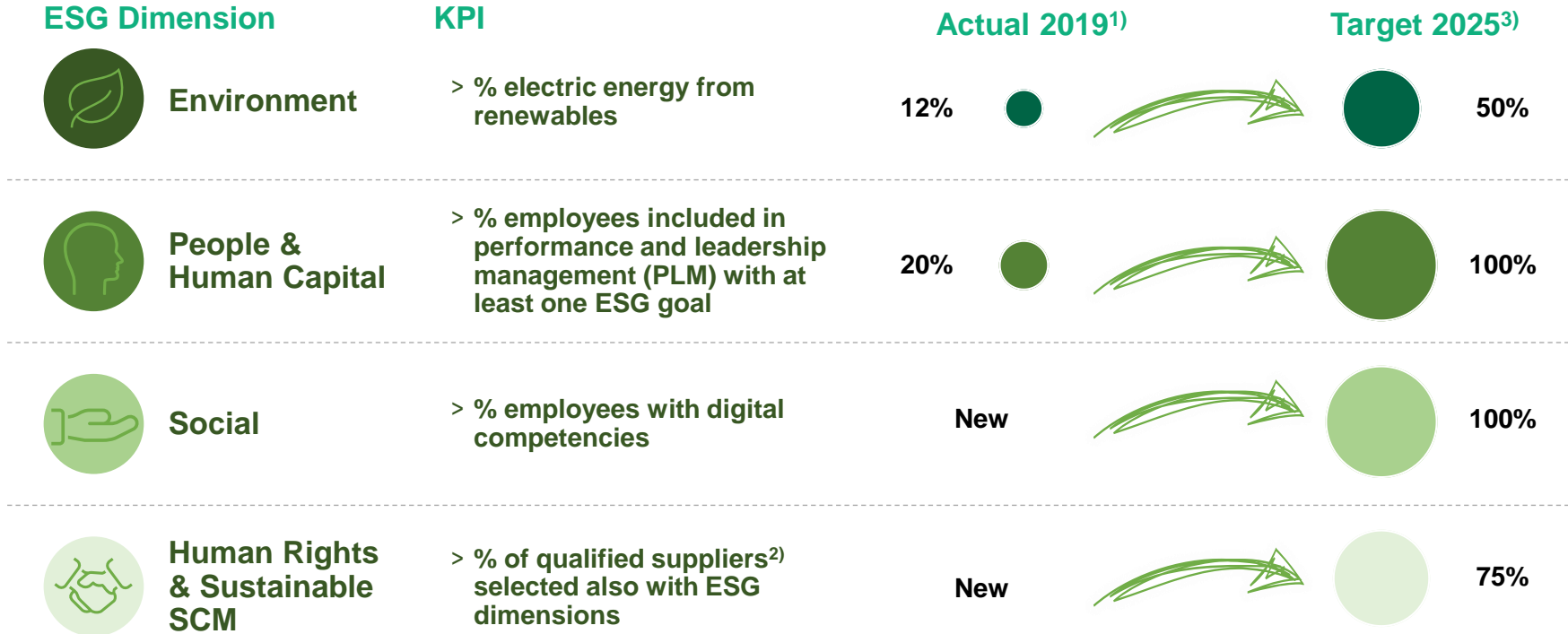
Additional opportunities have been identified and could be leveraged by FMG to gain full potential; potential risks mainly coming from exogenous factors

		Potential EBITDA impact
Upsides / Opportunities 	 Commercial agreements / key partnerships in exhibition sector	
	 M&A	
	 New organised exhibitions / new concepts / B2C	
	 Restructuring / Organisational alignment	
Downsides / risks 	 Slower than expected market recovery	
	 Increased competition (price reduction, loss of exhibitions)	

 Low impact

 High impact

On top of financial targets, FMG set specific ESG targets



Note: 1) 2019 figures related to FM S.p.A. and fully consolidated companies; 2) Suppliers of goods and services with highly sustainable impact; 3) Under current further assessment

Thanks for your attention

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