



FIERA MILANO

FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 31 MARCH 2018

Strong growth in all first quarter 2018 financial and economic figures.

2018 EBITDA expected in the upper part of the Euro 15-17 million range already communicated due to the strong performance of the exhibitions held in the first quarter.

- Revenues of Euro 77.3 million, a 24% increase compared to the figure of Euro 62.1 million in the first quarter of 2017
- EBITDA of Euro 19.7 million, a significant improvement compared to the figure of Euro 8.1 million in the first quarter of 2017
- EBIT of Euro 18.2 million compared to Euro 6.4 million in the first quarter of 2017
- Profit before taxes of Euro 18.1 million compared to Euro 6.2 million in the first quarter of 2017
- Net cash of Euro 20.6 million, compared to net debt of Euro 0.8 million at 31 December 2017, which also reflected the positive trend in working capital

The 2018-2022 Business Plan will be presented on 23 May 2018

Milan, 11 May 2018. The Board of Directors of Fiera Milano S.p.A., meeting under its Chairperson, Mr Lorenzo Caprio, approved the Consolidated Interim Management Report for the First Quarter 2018.

The Chief Executive Officer and General Manager of Fiera Milano, Mr Fabrizio Curci, commented: *“The positive performance of the exhibitions in the first quarter, the more favourable exhibition calendar in the first part of the year and the positive impact of the cost restructuring have afforded us particular satisfaction. The better than expected results means that guidance for full-year 2018 EBITDA is expected to be in the upper part of the previously stated range. Confirmation that we are on the right path also came from the recent re-admission of our shares to the STAR segment of the Italian stock market.”*

There was a considerable year-on-year increase in the first quarter 2018 results of the Fiera Milano Group. This improvement was mainly attributable to the more favourable exhibition calendar and to the commercial success of the exhibitions and the consequent increase in sales of related services. The ongoing cost restructuring also had a positive impact.

The Board of Directors has appointed Mr Marco Pacini, CFO of Fiera Milano Group, as the Manager responsible for the Company financial statements from the date of publication of the Interim Management Report for the First Quarter 2018.

Lastly, the Board of Directors, using the mandate given it by the Shareholders' Meeting of 23 April 2018 and on the proposal of the Appointments and Remuneration Committee, approved the rules for implementation of the Performance Share Plan 2018-2019, which also identify the



beneficiaries of the Plan and the allocation of the variable component of remuneration to the latter.

■ **FIRST QUARTER RESULTS**

Revenues from sales and services were Euro 77.3 million, an increase of 24% compared to the figure of Euro 62.1 million in the first quarter 2017.

EBITDA was Euro 19.7 million compared to Euro 8.1 million in the first quarter of 2017; the increase reflected mainly the higher revenues and the effects of the cost restructuring that were, in part, offset by higher employee costs for the variable component of remuneration.

The **net operating result (EBIT)** was Euro 18.2 million compared to Euro 6.4 million in the first quarter of 2017 and reflected the increase in EBITDA.

Profit before taxes was Euro 18.1 million compared to Euro 6.2 million in the first quarter of 2017.

Cash flow before taxes (calculated as the profit before taxes plus depreciation, amortisation, provisions and impairment charges) was Euro 19.7 million compared to Euro 8.6 million in the first quarter of 2017.

■ **RESULTS BY OPERATING SEGMENT**

In the quarter under review, seventeen exhibitions and eight congresses with related exhibition space were held in the **fieramilano** and **fieramilanocity** sites covering a total of 529,190 net square metres of exhibition space, compared to 467,275 net square metres in the same quarter of 2017. The number of exhibitors rose from 9,385 in first quarter 2017 to 11,090 in first quarter 2018. Fiera Milano organised four exhibitions abroad in the period under review covering a total of 95,380 net square metres of exhibition space (82,435 net square metres in first quarter 2017) with 1,865 exhibitors (1,795 in first quarter 2017).

Revenues from sales and services, before elimination of inter-segment transactions, totalled Euro 91.9 million, an increase of 25% compared to the figure of Euro 73.4 million in the first quarter of 2017.

- **Italian Exhibitions** had revenues of Euro 68.9 million (+25% compared to the first quarter 2017). EBITDA was Euro 16.8 million (Euro 7.4 million in first quarter 2017) and EBIT was Euro 16.2 million (Euro 6.6 million in first quarter 2017).
- **Foreign Exhibitions** generated revenues of Euro 0.9 million compared to a figure of Euro 0.5 million in the first quarter of 2017. EBITDA was Euro 1.8 million (Euro 0.9 million in first quarter 2017) and benefited from improved results in South Africa and from other income for damages paid to the Brazilian subsidiary following settlement of a legal dispute. EBIT was Euro 1.7 million (Euro 0.7 million in first quarter 2017).
- **Stand-fitting Services** had revenues of Euro 12.7 million, an increase compared to the figure of Euro 9.8 million in the first quarter of 2017 that reflected the more favourable exhibition calendar. EBITDA was Euro 1.3 million (Euro 0.6 million in first quarter 2017) and EBIT was Euro 1.0 million (Euro 0.1 million in first quarter 2017).
- The **Media** segment had revenues of Euro 2.9 million, up 19% year-on-year, due to higher billboard and sponsorship revenues. EBITDA was Euro 0.1 million (a negative figure of Euro



0.3 million in first quarter 2017) and EBIT was breakeven (a negative figure of Euro 0.4 million in first quarter 2017).

- **Congresses** had revenues of Euro 6.5 million compared to Euro 5.7 million in the first quarter of 2017. Both EBITDA and EBIT were negative, Euro 0.4 million and Euro 0.7 million respectively, and were unchanged year-on-year reflecting the absence of important international congresses.

■ **NET FINANCIAL POSITION**

At 31 March 2018, the Group had net cash of Euro 20.6 million compared to net debt of Euro 0.8 million at 31 December 2017. The improvement in the net financial position was from the positive operating cash flow generated in the period under review and from advance payments as, in coming months, the exhibition calendar includes some important exhibitions. The improvement was, in part, offset by the advance payment of the six-monthly rent for the exhibition sites.

■ **BUSINESS OUTLOOK**

The positive business trend has also been confirmed by the exhibitions held after the end of the first quarter. In particular, the Salone del Mobile had a new record edition.

Following the good performance of the exhibitions in the first quarter, 2018 EBITDA is expected to be in the upper part of the previously stated range of Euro 15-17 million; this is higher than the figure for the previous financial year and will be achieved also through the cost restructuring and despite the less favourable exhibition calendar in Italy in the absence of some important directly organised biennial exhibitions.

The management report for the first quarter to 31 March 2018 will be made publicly available today at the operational and administrative offices of the Company and may be consulted on the eMarket Storage system www.emarketstorage.com and in the Investor Relations/ Financial Reports section of the Company website www.fieramilano.it.

The Manager responsible for preparing the Company's financial statements, Mr Sebastiano Carbone, in accordance with paragraph 2 article 154-*bis* of the Consolidated Finance Law herewith declares that the accounting information contained in the present release is consistent with the Company's official documents, books and accounting records.

CONFERENCE CALL

There will be a conference call at 16:00 (CET) today, Friday 11 May, during which the management of Fiera Milano will present the first quarter 2018 consolidated results. To take part in the conference call, please call:

+39 02 805 88 11 (Italy)

+44 1 212818003 (UK)

+ 1 718 7058794 (USA)

The presentation may be downloaded prior to the start of the conference call from the section Investor Relations/Presentations on the Fiera Milano website, www.fieramilano.it.



FIERA MILANO

This press release contains forward-looking statements. These statements are based on the current expectations and assumptions of the Group regarding future events and by their very nature are subject to certain risks and uncertainties. The actual results could differ materially from those contained in these statements for a variety of factors that include changes in general economic and business conditions, continued volatility and a further deterioration in the capital and financial markets and many other factors, the majority of which are outside the control of the Group.

For further information:

*Investor Relations Fiera Milano S.p.A.
Gianna La Rana Tel +39 0249977816
gianna.larana@fieramilano.it
www.fieramilano.it*

*Ufficio Stampa Fiera Milano S.p.A.
Gabriele De Giorgi Tel +39 0249977428/76077
gabriele.degiorgi@fieramilano.it
www.fieramilano.it*

*Image Building
Giuliana Paoletti, Vanessa Corallino Tel +39 02 89011300
fieramilano@imagebuilding.it*

Attachments (not subject to legal audit):

Consolidated Income Statement

Reclassified Consolidated Statement of Financial Position



FIERA MILANO

Full year to 31/12/17 restated	Consolidated Income Statement (Amounts in €'000)		1st Quarter to 31/03/18		1st Quarter to 31/03/17 restated	
		%		%		%
256,348	100	Revenues from sales and services	77,254	100	62,067	100
3,228	1.3	Cost of materials	761	1.0	895	1.4
133,300	52.0	Cost of services	32,774	42.4	27,937	45.0
49,868	19.5	Costs for use of third party assets	12,449	16.1	13,270	21.4
48,860	19.1	Personnel expenses	12,814	16.6	11,820	19.0
5,398	2.1	Other operating expenses	1,106	1.4	1,286	2.1
240,654	93.9	Total operating costs	59,904	77.5	55,208	88.9
2,604	1.0	Other income	871	1.1	450	0.7
2,603	1.0	Results of equity-accounted companies	1,593	2.1	1,510	2.4
5,841	2.3	Allowance for doubtful accounts and other provisions	110	0.1	726	1.2
15,060	5.9	EBITDA	19,704	25.5	8,093	13.0
6,834	2.7	Depreciation and amortisation	1,493	1.9	1,707	2.8
2,854	1.1	Adjustments to asset values	1	-	11	0.0
5,372	2.1	EBIT	18,210	23.6	6,375	10.3
(774)	(0.3)	Financial income/(expenses)	(134)	(0.2)	(207)	(0.3)
4,598	1.8	Profit/(loss) before income tax from continuing operations	18,076	23.4	6,168	9.9
-	-	Profit/(loss) before income tax from discontinued operations	-	-	-	-
4,598	1.8	Profit/(loss) before income tax	18,076	23.4	6,168	9.9
4,334	1.7	- attributable to the shareholders of the controlling entity	18,188	23.5	6,246	10.1
264	0.1	- attributable to non-controlling interests	(112)	(0.1)	(78)	(0.1)
20,127	7.9	Cash flow before income tax for the Group and non-controlling interests	19,680	25.5	8,612	13.9

Starting with the Consolidated Financial Statements at 31 December 2017, operating profitability will be calculated as EBITDA therefore the figures in the Consolidated Financial Statements at 31 March 2018, that shows a figure for gross operating profit, have been restated to reflect this change. The figures for 2017 reflect the application of the new standard IFRS 15 from 1 January 2018.



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Reclassified Consolidated Statement of Financial Position			
(Amounts in €'000)			
	31/03/18	31/12/17	Change
Goodwill	94,216	94,216	-
Intangible assets with a finite useful life	11,907	12,493	(586)
Tangible fixed assets	13,229	13,765	(536)
Other non-current assets	32,546	31,063	1,483
A Non-current assets	151,898	151,537	361
Inventories and contracts in progress	3,965	3,485	480
Trade and other receivables	68,113	46,277	21,836
Other current assets	-	-	-
B Current assets	72,078	49,762	22,316
Trade payables	47,616	48,437	(821)
Advances	62,948	43,057	19,891
Tax liabilities	1,276	2,010	(734)
Provisions for risks and charges and other current liabilities	38,146	30,527	7,619
C Current liabilities	149,986	124,031	25,955
D Net working capital (B - C)	(77,908)	(74,269)	(3,639)
E Gross capital employed (A + D)	73,990	77,268	(3,278)
Employee benefit provisions	9,394	9,379	15
Provisions for risks and charges and other non-current liabilities	4,058	4,059	(1)
F Non-current liabilities	13,452	13,438	14
G NET CAPITAL EMPLOYED continuing operations (E - F)	60,538	63,830	(3,292)
H NET CAPITAL EMPLOYED assets held for sale		-	-
TOTAL NET CAPITAL EMPLOYED (G + H)	60,538	63,830	(3,292)
covered by:			
Equity attributable to the Group	80,680 (*)	62,471	18,209
Non-controlling interests	451 (*)	564	(113)
I Total equity	81,131	63,035	18,096
Cash & cash equivalents	(34,831)	(17,922)	(16,909)
Current financial (assets)/liabilities	11,690	15,172	(3,482)
Non-current financial (assets)/liabilities	2,548	3,545	(997)
Net financial position continuing operations	(20,593)	795	(21,388)
Net financial position assets held for sale		-	-
L Net financial position (TOTAL)	(20,593)	795	(21,388)
EQUITY AND NET FINANCIAL POSITION (I + L)	60,538	63,830	(3,292)

(*) includes pre-tax result for the period