



## FIERA MILANO

### **FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2019<sup>1</sup> AND REVISES UPWARDS THE EBITDA TARGET FOR 2019**

**The positive performance of the business in the first half of the year and the business outlook in the second half of the year have allowed us to revise upwards the EBITDA forecast for 2019 within a range of Euro 96-100 million, compared to the previous Euro 84-88 million**

#### **First half of 2019:**

- **Revenues:** Euro 153.9 million compared to Euro 157.7 million in the first half of 2018 and Euro 133.9 million in the first half of 2017, comparable period as for the exhibition calendar
- **EBITDA:** Euro 62.4 million (of which Euro 24.2 million relating to the impact of IFRS 16) compared to Euro 46.1 million in the first half of 2018 and Euro 11.9 million in the first half of 2017
- **Net profit:** Euro 24.1 million (of which Euro -2.2 million relating to the impact of IFRS 16) compared to Euro 31.7 million in the first half of 2018 and Euro 5.6 million in the first half of 2017

**Milan, 31 July 2019.** The Board of Directors of Fiera Milano S.p.A., meeting under its Chairperson, Mr Lorenzo Caprio, approved the Half-Year Financial Report as of 30 June 2019.

*The Chief Executive Officer and General Manager of Fiera Milano, Fabrizio Curci, commented: "In the first half of the year, the business areas are all up compared to 2017, a comparable period based on exhibition calendar. Sales performance improved as demonstrated by the latest edition of Tuttofood. These factors, combined with the greater penetration of services and the excellent performance of the congress business, contributed to strong cash generation, a fundamental lever for recent acquisitions such as MADE Eventi, organiser of MADE expo, and the Cartoomics trademark. All these factors, together with a strong performance expected in the fourth quarter, allowed us to revise the EBITDA target for 2019 upwards".*

#### **■ RESULTS OF THE FIRST SIX MONTHS**

The **business of the Group is seasonal** due to exhibitions that have a biennial and multi-annual frequency. Moreover, the absence of exhibitions in July and August and the presence of exhibitions from September onwards make a comparison of the financial figures between the first and second semesters of the year meaningless.

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<sup>1</sup> The economic, equity and financial figures of the first half of 2019 reflect the effects of the new IFRS 16 accounting standard on the accounting of lease agreements, mainly relating to lease agreements for exhibition sites and the congress centre. The application of the accounting standard did not result in the restatement of the compared previous periods (modified retrospective approach).



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**Revenues from sales and services** amounted to Euro 153.9 million compared to Euro 157.7 million in the first half of the previous financial year, mainly due to the different exhibition calendar in Italy, which included The Innovation Alliance and Mostra Convegno Expocomfort in 2018, mainly offset by the presence of the biennial Tuttofood exhibition and by the general positive trend of the exhibition and congress business. Note that in the first half of 2017, a comparable period for the exhibition calendar, Revenues amounted to Euro 133.9 million.

The **EBITDA** was Euro 62.4 million compared to Euro 46.1 million in the first six months of 2018. Net of the effect from the application of the IFRS 16 accounting standard, equal to Euro 24.2 million, the change takes into account the positive sales performance, which significantly offset the aforementioned effects of the exhibition calendar. In the first half of 2017, EBITDA amounted to Euro 11.9 million.

**EBIT** amounted to Euro 39.6 million compared to Euro 43.1 million in the first half of 2018. It reflects the impact from IFRS 16 (Euro 4.0 million) and the change in EBITDA. In the first half of 2017, EBIT amounted to Euro 8.4 million.

**Net profit** amounted to Euro 24.1 million, of which Euro -2.2 million relating to the impact of IFRS 16, compared to Euro 31.7 million in the first half of 2018 and Euro 5.6 million in the first half of 2017.

### ■ **RESULTS BY OPERATING SEGMENT**

In the six-month period, 26 exhibitions, 2 non-site exhibitions and 23 congresses with related exhibition space were held in the **fieramilano** and **fieramilanocity** exhibition sites, covering a total of 864,345 net square metres of exhibition space, compared to 995,345 in the same period of 2018. The number of exhibitors went from 17,550 in the first half of 2018 to 15,465 in the first half of 2019. 13 exhibitions were held abroad (12 in the first half of 2018), covering a total of 171,225 net square metres of exhibition space (148,955 square metres in the first half of 2018) with 4,615 exhibitors (3,075 in the first half of 2018).

Revenues from sales and services, before elimination of inter-segment transactions, totalled Euro 159.3 million compared to Euro 163.0 million in the first half of 2018.

- **Italian Exhibitions Business** generated Revenues of Euro 129.2 million (Euro 138.6 million in first half of 2018). EBITDA amounted to Euro 52.3 million (Euro 43.0 million in the first half of 2018) and benefited from the impact relating to IFRS 16, equal to Euro 22.2 million. EBIT was Euro 32.2 million (Euro 41.1 million in first half of 2018).
- The **Foreign Exhibitions Business** sector recorded Revenues of Euro 3.1 million, up compared to Euro 2.7 million in the first half of 2018 mainly due to the presence of the biennial Reatech exhibition in Brazil. EBITDA was Euro 2.5 million (it was Euro 1.8 million in the first half of 2018) and benefited from the better results of the Chinese joint venture. EBIT was Euro 2.3 million (Euro 1.6 million in first half of 2018).
- The **Media** segment recorded Revenues of Euro 5.8 million compared to Euro 6.2 million in the first half of 2018 in relation to lower billposting revenues due to the absence of Mostra Convegno Expocomfort. EBITDA was Euro 0.8 million compared to Euro 0.7 million in the first half of 2018 due to actions to optimise the production costs of publications. EBIT was Euro 0.7 million (Euro 0.5 million in first half of 2018).



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- The **Congress** sector recorded Revenues of Euro 21.2 million, up from 15.5 million in the first half of 2018 due to the holding of important international congresses such as the World Congress of Dermatology and the Congress on Radiotherapy. EBITDA amounted to Euro 6.8 million (Euro 0.6 million in the first half of 2018) and benefited from the impact relating to the IFRS 16 accounting standard, equal to Euro 1.9 million. EBIT was Euro 4.4 million (Euro -0.1 million in first half of 2018).

### ■ **NET FINANCIAL POSITION**

As of 30 June 2019, before IFRS 16 effects, the Group had net cash of Euro 58.0 million compared to Euro 23.7 million as of 31 December 2018. This improvement is due to the positive cash flow generated by the operating activities of the half year and the advances collected for the events scheduled in the following months, partially offset by the distribution of dividends. The net financial debt including the IFRS 16 lease liability amounted to Euro 431.3 million.

### ■ **EVENTS OCCURRING DURING THE HALF YEAR**

On 29 May 2019, Fiera Milano signed with the parent company, Ente Autonomo Fiera Internazionale di Milano – holder of a stake equal to 63.821% of the share capital - an agreement containing certain amendments to the lease agreement in effect between the same parties, respectively as lessee and lessor concerning the Milan exhibition site (**fieramilanocity**). The amendment agreement establishes, with effect from 1 June 2019: (a) a **reduction of Euro 1.5 million per year in the original rent, which was Euro 2.9 million per year**, as well as (b) the exclusion of certain areas of the Milan exhibition site mainly used for parking.

As part of the **rationalisation plan for the corporate structure of the Group**, on 6 June 2019, there was signing of the deed of merger by reverse takeover of the Brazilian subsidiary, Eurofairs International Consultoria e Participações Ltda, by its own wholly owned subsidiary, CIPA Fiera Milano Publicações e Eventos Ltda.

### ■ **EVENTS AFTER THE END OF THE HALF YEAR**

On 17 July 2019, Fiera Milano signed a binding preliminary contract for the **acquisition of 60% of the company, MADE Eventi S.r.l.** (“MADE eventi”).

MADE eventi organises MADE expo, the biennial international trade show for architecture and construction dedicated to designers, companies, buyers and specialised operators, in the Rho exhibition site of Fiera Milano. The agreed purchase price for 60% of MADE eventi is set at Euro 1.86 million. The price is based on the absence of any financial debts of the acquired company. The signing of the purchase agreement is expected to be by the end of October 2019.

On 9 July 2019, **the Cartoomics trademark was acquired**, an event operating in the comics, gaming and entertainment sectors. The purchase price was Euro 320 thousand.



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## ■ **BUSINESS OUTLOOK**

The results of the first semester, and in particular of the second quarter, were ahead of expectations. With reference to the second part of the year, it is recalled that the third quarter will be characterised by the usual suspension of exhibitions in the summer months, typical of this sector and by the postponement of an important biannual exhibition to the month of October. A very positive performance is expected in the fourth quarter, also due to the holding of the directly organised biennial event, Host, which is expected to achieve a new record edition.

The results of the first half year and the business outlook in the remainder of the year have led to an upgrade of the forecast for EBITDA in 2019 as a whole within the range of 96-100 million, compared to the previously communicated target of Euro 84-88 million.

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The Manager responsible for preparing the Company's financial statements, Mr Marco Pacini, 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.

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## **CONFERENCE CALL**

There will be a conference call at 17:00 (CET) today, Wednesday 31 July, during which the management of Fiera Milano will present the half year 2019 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 Investors on the Fiera Milano website, [www.fieramilano.it](http://www.fieramilano.it).

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*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. The levels of Group activity reflect the frequency/seasonality of exhibitions. Therefore, the operating results and changes in the net financial position cannot be extrapolated to calculate a precise forecast of the results expected for the year.*

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### **Fiera Milano**

*Fiera Milano is the domestic market leader and one of the main integrated operators worldwide in the exhibition and congress sector. The Group manages the leading exhibition site in Italy and dominates events in numerous manufacturing sectors: fashion, publishing, furniture and furnishings, home and lifestyle, mechanical tooling industry, tourism, professional hospitality, food, plant engineering and energy, construction, art, and sailing. Specifically, the business of the Group is focused on the management, organisation and hosting of exhibitions and other events through ensuring the availability of equipped exhibition space, project support and related services. Its offer is completed by engineering services, stand-fitting services - for both pre-fabricated and customised stands - stand-fitting technical and logistic services, as well as a multichannel platform that includes specialist publications, web content and congresses.*

*Fiera Milano has been listed in the STAR segment of the Mercato Telematico Azionario of the Italian stock market since 2002.*



## **FIERA MILANO**

**For further information:**

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

*Press Office Fiera Milano S.p.A.  
Marina Tamagnini  
Tel +39 0249977812  
marina.tamagnini@fieramilano.it  
www.fieramilano.it*

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

**Attachments:**

*Consolidated Statement of Financial Position  
Consolidated Statement of Comprehensive Income  
Consolidated Statement of Cash Flows*



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Financial Position</b>	<b>30/06/19</b>	<b>31/12/18</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,663	10,812
Right-of-use assets	488,490	-
<i>of which from related parties</i>	481,224	-
Investments in non-core property	-	-
Goodwill	94,127	94,127
Intangible assets with a finite useful life	10,140	10,791
Equity accounted investments	21,774	19,914
Other investments	32	32
Other financial assets	50	50
Trade and other receivables	11,302	11,431
<i>of which from related parties</i>	11,203	11,335
Deferred tax assets	1,353	1,270
<b>Total</b>	<b>636,931</b>	<b>148,427</b>
<b>Current assets</b>		
Trade and other receivables	47,767	45,136
<i>of which from related parties</i>	5,327	7,669
Inventories	2,921	3,481
Contracts in progress	-	-
Current financial assets	2,299	14
<i>of which from related parties</i>	2,299	14
Cash and cash equivalents	57,754	28,409
<b>Total</b>	<b>110,741</b>	<b>77,040</b>
<b>Assets held for sale</b>		
Assets held for sale	-	-
<b>Total assets</b>	<b>747,672</b>	<b>225,467</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	41,645	41,645
Share premium reserve	9,379	9,379
Revaluation reserve	-	-
Other reserves	4,136	3,667
Retained profits/(losses)	17,576	8,495
Profit/(loss) for the period	24,105	18,848
<b>Total Group equity</b>	<b>96,841</b>	<b>82,034</b>
<b>Equity attributable to non-controlling interests</b>	<b>37</b>	<b>61</b>
<b>Total equity</b>	<b>96,878</b>	<b>82,095</b>
<b>Non-current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	-	-
Financial liabilities related to the right-of-use of assets	455,763	-
<i>of which from related parties</i>	449,951	-
Other financial liabilities	-	-
Provision for risks and charges	729	729
Employee benefit provisions	9,585	8,958
Deferred tax liabilities	6,850	7,180
Other non-current liabilities	-	-
<b>Total</b>	<b>472,927</b>	<b>16,867</b>
<b>Current liabilities</b>		
Bonds in issue	-	-
Bank borrowings	1,506	3,514
Trade payables	41,025	38,548
Advances	59,554	49,659
Financial liabilities related to the right-of-use of assets	33,507	-
<i>of which from related parties</i>	32,006	-
Other current financial liabilities	631	1,297
<i>of which to related parties</i>	-	678
Current provision for risks and charges	5,918	6,603
Current tax liabilities	11,253	2,229
Other current liabilities	24,473	24,655
<i>of which to related parties</i>	3,394	3,874
<b>Total</b>	<b>177,867</b>	<b>126,505</b>
<b>Liabilities held for sale</b>		
Liabilities held for sale	-	-
<b>Total equity and liabilities</b>	<b>747,672</b>	<b>225,467</b>



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Comprehensive Income</b>	<b>1st Half at 30/06/19</b>	<b>1st Half at 30/06/18</b>
Revenues from sales and services	153,882	157,724
<i>of which with related parties</i>	<i>471</i>	<i>6,491</i>
<b>Total revenues</b>	<b>153,882</b>	<b>157,724</b>
Cost of materials	1,383	1,481
Cost of services	66,628	64,708
<i>of which with related parties</i>	<i>3,423</i>	<i>1,017</i>
Cost of use of third-party assets	284	25,454
<i>of which with related parties</i>	<i>7</i>	<i>23,240</i>
Personnel expenses	24,172	23,201
Other operating expenses	2,530	2,390
<b>Total operating expenses</b>	<b>94,997</b>	<b>117,234</b>
Other income	1,331	1,876
Results of equity accounted associates and joint ventures	2,371	4,260
Provisions for doubtful receivables and other provisions	188	531
<b>EBITDA</b>	<b>62,399</b>	<b>46,095</b>
Depreciation of property, plant and equipment	21,901	1,996
<i>of which with related parties</i>	<i>19,428</i>	<i>-</i>
Depreciation of property investments	-	-
Amortisation of intangible assets	925	997
Adjustments to asset values	-	1
<b>EBIT</b>	<b>39,573</b>	<b>43,101</b>
Financial income and similar	280	356
Financial expenses and similar	7,126	376
<i>of which with related parties</i>	<i>6,860</i>	<i>10</i>
Valuation of financial assets	-	-
<b>Profit/(loss) before tax</b>	<b>32,727</b>	<b>43,081</b>
Income tax	8,646	11,431
<b>Profit/(loss) for the period from continuing operations</b>	<b>24,081</b>	<b>31,650</b>
<b>Profit/(loss) for the period from discontinued operations</b>	<b>-</b>	<b>-</b>
<b>Profit/(loss) for the period</b>	<b>24,081</b>	<b>31,650</b>
Profit/(loss) attributable to:		
The shareholders of the controlling entity	24,105	31,838
Non-controlling interests	(24)	(188)
<b>Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss for the period</b>		
Revaluation of defined benefit schemes	(686)	101
Tax effects	(164)	24
<b>Other comprehensive income/(loss) that will be reclassified subsequently to profit or loss of the period</b>		
Currency translation differences of foreign subsidiaries	52	(102)
<b>Other comprehensive income/(loss) of equity accounted associates and joint ventures that will not be reclassified subsequently to profit or loss for the period</b>		
Revaluation of defined benefit schemes	(23)	6
Tax effects	(5)	(1)
Currency translation differences of foreign subsidiaries	(4)	10
<b>Other comprehensive income/(loss) for the period net of related tax effects</b>	<b>(492)</b>	<b>(8)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>23,589</b>	<b>31,642</b>
Total comprehensive income/(loss) for the period attributable to:		
The shareholders of the controlling entity	23,613	31,839
Non-controlling interests	(24)	(197)
<b>Earnings/(losses) per share (€)</b>		
	Basic	0.3396
	Diluted	0.3396
		0.4486
		0.4486



## FIERA MILANO

	(€ '000)	
<b>Consolidated Statement of Cash Flows</b>	<b>1st Half at 30/06/19</b>	<b>1st Half at 30/06/18</b>
<b>Net cash at beginning of the period</b>	<b>28,409</b>	<b>17,922</b>
<b>Cash flow from operating activities</b>		
Net cash from operating activities	67,989	24,259
<i>of which from related parties</i>	<i>(874)</i>	<i>(18,092)</i>
Interest paid	(72)	(216)
Interest received	92	20
<b>Total from continuing operations</b>	<b>68,009</b>	<b>24,063</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Cash flow from investing activities</b>		
Investments in tangible assets	(529)	(579)
Investments in intangible assets	(261)	(83)
Decrease in intangible assets	26	8
Investments in joint ventures	490	3,552
<b>Total from continuing operations</b>	<b>(274)</b>	<b>2,898</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Equity	-	96
Non-current financial liabilities	(23,851)	(1,996)
<i>of which from related parties</i>	<i>(22,956)</i>	<i>-</i>
Current financial assets	(2,285)	(752)
<i>of which from related parties</i>	<i>(2,285)</i>	<i>(752)</i>
Current financial liabilities	(3,033)	(11,323)
Dividends paid	(9,227)	(358)
<b>Total from continuing operations</b>	<b>(38,396)</b>	<b>(14,333)</b>
<b>Total from assets held for sale</b>	<b>-</b>	<b>-</b>
Total translation differences	6	106
<b>Net cash for the period from continuing operations</b>	<b>29,339</b>	<b>12,628</b>
<b>Net cash at the end of the period</b>	<b>57,754</b>	<b>30,656</b>

	(€ '000)	
<b>Net cash from operating activities</b>	<b>1st Half at 30/06/19</b>	<b>1st Half at 30/06/18</b>
Result of continuing operations	24,081	31,650
<i>Adjustments for:</i>		
Profit from equity accounted investments	(2,371)	(4,260)
Depreciation and Amortisation	22,826	2,993
Provisions, write-downs and impairment	(81)	384
Capital gains and losses	-	30
Financial expenses on leased assets	6,961	-
Personell cost "Performance Shares Plan"	421	421
Net change in employee provisions	(59)	81
Changes in deferred taxes	(249)	(196)
Inventories	560	(739)
Trade and other receivables	(5,001)	1,038
Trade payables	2,477	(2,964)
Advances	9,895	(14,628)
Tax payables	9,024	12,055
Provisions for risks and charges and other liabilities (excluding payables to Organisers)	(1,657)	(2,192)
Payables to Organisers	1,162	586
<b>Total</b>	<b>67,989</b>	<b>24,259</b>