



FIERA MILANO

FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 30 SEPTEMBER 2019¹ AND RAISES THE EBITDA TARGET FOR 2020

The third quarter and the first nine months results were better than those of 2018, net of the different exhibition calendar, and those of 2017, a comparable period

As a result of the favourable performance of exhibitions, confirmed by the biennial HOST exhibition held after the end of the quarter, for 2019 EBITDA is estimated to be in the upper part of the range, announced previously, of Euro 96-100 million (of which approximately Euro 48 million relating to the impact of IFRS 16)

The positive implementation of the 2018-2022 Strategic Plan allowed the target EBITDA for 2020 to be raised in the range of Euro 71-75 million, compared to the Euro 61-65² million

First nine months of 2019:

- **Revenues** of Euro 183.9 million compared to Euro 193.3 million and Euro 177.4 million in the first nine months of 2018 and 2017
- **EBITDA** of Euro 64.4 million (of which Euro 36.0 million relating to the impact of IFRS 16) compared to Euro 41.1 million and Euro 0.7 million in the first nine months of 2018 and 2017
- **EBIT** of Euro 30.4 million (of which Euro 5.9 million relating to the impact of IFRS 16) compared to Euro 36.6 million and Euro -4.5 million in the first nine months of 2018 and 2017
- **Profit before taxes** of Euro 20.3 million (of which Euro -4.4 million relating to the impact of IFRS 16) compared to Euro 36.5 million and loss before taxes of Euro 5.3 million in the first nine months of 2018 and 2017

Third quarter 2019:

- **Revenues:** Euro 30.1 million compared to Euro 35.6 million in 2018 and Euro 43.5 million in 2017, which benefited by approximately Euro 16 million from destination management services relating to a major international congress
- **EBITDA:** Euro 2.0 million (of which Euro 11.8 million relating to the impact of IFRS 16) compared to Euro -5.0 million and Euro -11.2 million in the third quarters of 2018 and 2017
- **EBIT:** Euro -9.2 million (of which Euro 1.9 million relating to the impact of IFRS 16) compared to Euro -6.5 million and Euro -12.9 million in the third quarters of 2018 and 2017
- **Loss before taxes:** Euro 12.4 million (of which Euro -1.4 million relating to the impact of IFRS 16) compared to loss before taxes of Euro 6.5 million and Euro 13.0 million in the third quarters of 2018 and 2017

Share purchase agreement signed for 60% of Made Eventi S.r.l.

¹ The profit and loss, capital and financial values in the third quarter and in the first nine months of 2019 incorporate the effects of the new IFRS 16 Leases, relating primarily to lease agreements for the exhibition sites and the congress centre. Application of the modified retrospective approach on adoption of the accounting standard meant that restatement of previous comparison periods was not necessary.

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.



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Milan, 14 November 2019. The Board of Directors of Fiera Milano S.p.A., meeting today under its Chairperson, Mr Lorenzo Caprio, examined and approved the Consolidated Interim Management Report for the third quarter of 2019.

The Company reports that, further to the announcement of 17 July 2019, the share purchase agreement was signed today for 60% of MADE Eventi S.r.l., organiser of the MADE expo, the biennial international architecture and construction exhibition.

■ **FIRST NINE MONTHS 2019 RESULTS**

The business of the Group is seasonal due to a calendar of biennial and multi-annual exhibitions. Moreover, the lack of exhibitions in Italy in July and August has a significant impact on the results for the quarter. Given this seasonality, the revenues and results of a single quarter cannot be ratioed to the entire year and can also vary significantly from quarter to quarter.

Revenues from sales and services in the first nine months of 2019 totalled Euro 183.9 million compared to Euro 193.3 million in the same period of 2018. This change is primarily due to the different exhibition calendar, which in the previous year included the triennial event The Innovation Alliance, the biennial Mostra Convegno Expocomfort and the Lineapelle exhibition, partly offset by the presence of the biennials Tuttofood and MADE expo, the commercial growth of congresses and exhibitions and the stronger penetration of ancillary services. In the first nine months of 2017, a period comparable in exhibition calendar terms, Revenues totalled Euro 177.4 million.

EBITDA was Euro 64.4 million compared to Euro 41.1 million in the first nine months of 2018. Net of the effect of application of IFRS 16, amounting to Euro 36.0 million, the change mainly reflects the trend in Revenues, partly offset by the positive commercial performance. In the first nine months of 2017, EBITDA stood at Euro 0.7 million.

EBIT was Euro 30.4 million, of which Euro 5.9 million relating to the impact of IFRS 16, compared to Euro 36.6 million in the corresponding period of 2018. In the first nine months of 2017, EBIT was negative for Euro 4.5 million.

The **Profit before taxes** amounted to Euro 20.3 million, of which Euro -4.4 million relating to the impact of IFRS 16, compared to Euro 36.5 million in the same period of 2018 (Euro -5.3 million in the first nine months of 2017).

■ **THIRD QUARTER 2019 RESULTS**

Revenues from sales and services in the third quarter of 2019 were Euro 30.1 million, compared to Euro 35.6 million in the corresponding quarter of the previous year. The change is mainly attributable to the different exhibition calendar, which in the same period of 2018 hosted the Lineapelle exhibition whereas this is postponed to the fourth quarter of 2019, partly offset by the positive performance of congress business. In the third quarter of 2017, Revenues amounted to Euro 43.5 million.

EBITDA in the third quarter of 2019 amounted to Euro 2.0 million, of which Euro 11.8 million due to the impact of IFRS 16, compared to Euro -5.0 million in the third quarter of 2018 (Euro -11.2 million in the third quarter of 2017).

EBIT in the third quarter of 2019 was negative for Euro 9.2 million, of which Euro 1.9 million due to the impact of IFRS 16, compared to a negative Euro 6.5 million in the third quarter of 2018. In the third quarter of 2017, EBIT was negative for Euro 12.9 million.

The **Loss before taxes** was Euro 12.4 million, of which Euro -1.4 million from the impact of IFRS 16, compared to a negative Euro 6.5 million in the same period of 2018 (Euro -13.0 million in the third quarter of 2017).



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■ **THIRD QUARTER 2019 RESULTS BY OPERATING SEGMENT**

During the third quarter, 7 exhibitions and 7 congresses with related exhibition space were held at the two sites of **fieramilano** and **fieramilanocity**. Net exhibition space occupied totalled 158,120 square metres, compared to 208,030 square metres in the same period of 2018. The number of exhibitors fell from 5,205 in the third quarter of 2018 to 3,605 in the third quarter of 2019. 3 exhibitions were held abroad with a total net exhibition space occupied of 147,445 square metres (157,050 square metres in the third quarter of 2018) and 1,355 exhibitors (1,445 in the third quarter of 2018).

Revenues from sales and services, gross of adjustments for inter-segment transactions, totalled Euro 31.2 million compared to Euro 37.1 million in the third quarter of 2018.

- The **Italian Exhibition Business** had **Revenues** of Euro 22.9 million in the third quarter of 2019 (Euro 29.1 million in the third quarter of 2018). **EBITDA** was negative for Euro 0.6 million (negative for Euro 5.7 million in the third quarter of 2018), benefiting from the impact of IFRS 16 amounting to Euro 10.8 million. The change is primarily due to the different exhibition calendar.
- The **Foreign Exhibition Business** generated **Revenues** of Euro 0.2 million (Euro 2.3 million in the third quarter of 2018), due to the absence of the biennial exhibition Fesqua in Brazil. **EBITDA** was Euro 1.0 million (Euro 2.1 million in the third quarter of 2018).
- The **Media** segment had **Revenues** of Euro 1.9 million (Euro 2.3 million in the third quarter of 2018) and **EBITDA** negative for Euro 0.1 million (positive for Euro 0.1 million in the third quarter of 2018).
- **Congresses** had **Revenues** of Euro 6.2 million (Euro 3.3 million in the same period of 2018). **EBITDA** was Euro 1.8 million, compared to the negative Euro 1.5 million of the third quarter of 2018. The improvement is primarily due to the presence of The Lions major international convention and to the impact of IFRS 16 (Euro 1.0 million).

■ **NET FINANCIAL POSITION**

The **net financial position** at 30 September 2019, before the effects of IFRS 16, was positive for Euro 51.7 million compared to Euro 58.0 million at 30 June 2019 (Euro 23.7 million at 31 December 2018). The change compared to 30 June 2019 is due to the operating cash flows deriving from the suspension of activities in the summer months, partly offset by advances received for exhibitions to be held in future months.

The net financial debt inclusive of the IFRS 16 lease liability amounted to Euro 429.3 million.

■ **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 latest edition setting a new record with over 200,000 attendees (+8% compared to 2017). 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 71-75³ million, compared to the previous range of Euro 13-17 million which did not include the effect of IFRS 16 amounting to approximately Euro 48 million.

³ The new target includes the effect of suspension of the cost of personnel dedicated to directly organised biennial and multi-annual exhibitions, estimated at approximately Euro 2 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.

The Consolidated Interim Management Report at 30 September 2019 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 Investors section of the Company website www.fieramilano.it.

CONFERENCE CALL

There will be a conference call at 17:00 (CET) today, Thursday 14 November 2019, during which the management of Fiera Milano will present the third quarter 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 Investors section on the Fiera Milano website, www.fieramilano.it.

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.

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.

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Attachments (not subject to legal audit):
Consolidated Income Statement
Reclassified Consolidated Statement of Financial Position



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Full year to 31/12/18		Consolidated Income Statement (Amounts in €'000)									
		3rd Quarter to 30/09/19		3rd Quarter to 30/09/18		9 months to 30/09/19		9 months to 30/09/18			
%		%		%		%		%		%	
247,217	100	30,059	100	35,595	100	183,941	100	193,319	100		
2,410	1.0	347	1.2	413	1.2	1,730	0.9	1,894	1.0		
114,052	46.1	18,906	62.9	19,187	53.9	85,534	46.5	83,895	43.4		
50,343	20.4	67	0.2	12,351	34.7	351	0.2	37,805	19.6		
47,037	19.0	10,324	34.3	10,365	29.1	34,496	18.8	33,566	17.4		
4,525	1.8	458	1.5	605	1.7	2,988	1.6	2,995	1.5		
218,367	88.3	30,102	100.1	42,921	120.6	125,099	68.0	160,155	82.8		
2,806	1.1	586	1.9	215	0.6	1,917	1.0	2,091	1.1		
5,170	2.1	1,500	5.0	2,522	7.1	3,871	2.1	6,782	3.5		
4,963	2.0	(3)	-0.0	442	1.2	185	0.1	973	0.5		
31,863	12.9	2,046	6.8	(5,031)	-14.1	64,445	35.0	41,064	21.2		
5,871	2.4	11,202	37.3	1,467	4.1	34,028	18.5	4,460	2.3		
917	0.4	-	-	-	-	-	-	1	0.0		
25,075	10.1	(9,156)	-30.5	(6,498)	-18.3	30,417	16.5	36,603	18.9		
(123)	-0.0	(3,275)	-10.9	(48)	-0.1	(10,121)	-5.5	(68)	-0.0		
(29)	-1.2	-	-	-	-	-	-	-	-		
24,923	10.1	(12,431)	-41.4	(6,546)	-18.4	20,296	11.0	36,535	18.9		
-	-	-	-	-	-	-	-	-	-		
24,923	10.1	(12,431)	-41.4	(6,546)	-18.4	20,296	11.0	36,535	18.9		
25,239	10.2	(12,424)	-41.3	(6,444)	-18.1	20,327	11.1	36,840	19.1		
(316)	-0.1	(7)	-0.0	(102)	-0.3	(31)	-0.0	(305)	-0.2		



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31/12/18	Reclassified Consolidated Statement of Financial Position (Amounts in €'000)	30/09/19	30/06/19	Change
94,127	Goodwill	94,127	94,127	-
10,791	Intangible assets with a finite useful life	12,547	10,140	2,407
-	Right-of-use assets	478,664	488,490	(9,826)
10,812	Tangible fixed assets	9,117	9,663	(546)
32,647	Other non-current assets	35,771	34,461	1,310
148,377	A Non-current assets	630,226	636,881	(6,655)
3,481	Inventories and contracts in progress	3,920	2,921	999
45,136	Trade and other receivables	42,233	47,767	(5,534)
48,617	B Current assets	46,153	50,688	(4,535)
38,548	Trade payables	30,627	41,025	(10,398)
49,659	Advances	77,181	59,554	17,627
2,229	Tax liabilities	472	11,253	(10,781)
31,258	Provisions for risks and charges and other current liabilities	28,603	30,391	(1,788)
121,694	C Current liabilities	136,883	142,223	(5,340)
(73,077)	D Net working capital (B - C)	(90,730)	(91,535)	805
75,300	E Gross capital employed (A + D)	539,496	545,346	(5,850)
8,958	Employee benefit provisions	9,426	9,585	(159)
7,909	Provisions for risks and charges and other non-current liabilities	7,702	7,579	123
16,867	F Non-current liabilities	17,128	17,164	(36)
58,433	G NET CAPITAL EMPLOYED continuing operations (E - F)	522,368	528,182	(5,814)
-	H NET CAPITAL EMPLOYED assets held for sale	-	-	-
58,433	TOTAL NET CAPITAL EMPLOYED (G + H)	522,368	528,182	(5,814)
	covered by:			
82,034	Equity attributable to the Group	93,060 *	96,841	(3,781)
61	Non-controlling interests	30 *	37	(7)
82,095	I Total equity	93,090	96,878	(3,788)
(28,409)	Cash & cash equivalents	(51,621)	(57,754)	6,133
4,797	Current financial (assets)/liabilities	33,664	33,345	319
(50)	Non-current financial (assets)/liabilities	447,235	455,713	(8,478)
(23,662)	Net financial position from continuing operations	429,278	431,304	(2,026)
-	Net financial position from assets held for sale	-	-	-
(23,662)	L Net financial position (TOTAL)	429,278	431,304	(2,026)
58,433	EQUITY AND NET FINANCIAL POSITION (I + L)	522,368	528,182	(5,814)

* includes pre-tax result for the period