



## **FIERA MILANO**

### **FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 31 MARCH 2020**

**Results for the first quarter of 2020 confirm the Group's robust capital and financial position, despite being affected by the suspension of exhibition activities from 23 February due to the Covid-19 pandemic**

- Revenues of Euro 47.6 million, compared to 71.0 million in the first quarter of 2019
- EBITDA of Euro 15.0 million, compared to 29.0 million in the first quarter of 2019
- EBIT of Euro 3.8 million, compared to 17.5 million in the first quarter of 2019
- Profit/(loss) before tax attributable to shareholders of the controlling entity at break-even, compared to 14.1 million profit in the first quarter of 2019
- Net cash, before the effects of IFRS 16, of Euro 55.8 million compared to 68.3 million at 31 December 2019

**EBITDA target for 2020 confirmed in the range of Euro 38-43 million, assuming a recovery in exhibition activities in Italy from September 2020**

**Milan, 12 May 2020.** The Board of Directors of Fiera Milano S.p.A. ("**Fiera Milano**"), which met today under the chairmanship of Carlo Bonomi, approved the consolidated interim report for the first quarter of 2020.

The results for the first quarter of 2020 were particularly affected by the suspension of exhibition and congress activities from 23 February due to the Covid-19 ("Coronavirus") pandemic.

The Company has immediately taken all necessary measures to protect the health and safety of its customers, suppliers and employees, including using remote working.

The exhibitions and congresses held in Italy in the first two months of the year achieved results in line with expectations. The health emergency, which initially affected China, subsequently spread to the rest of the world, including Italy, leading to the adoption of a series of measures that required, inter alia, the suspension of exhibition and congress activities.

The calendars of activities were therefore rescheduled. Regarding the fairs in the first quarter, this led to the cancellation of the 2020 edition of the Mido exhibition and the postponement until subsequent quarters of the year of other exhibitions, including the biennial Mostra Convegno Expocomfort. In the comparison with the first quarter of the previous year, it is important to note the different exhibition calendar due to the absence of the biennial events Made Expo and Transpotec Logitec.

To counter the effects of this situation, Fiera Milano has launched major cost reduction actions, particularly in the period under review, relating to site management costs and personnel expenses.



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## ■ **QUARTERLY RESULTS**

It is noted that **the Group's activities have some seasonal elements**, due to exhibitions that are held on a biennial or multi-year basis. Given this seasonality, revenues and results in individual quarters may vary significantly from quarter to quarter.

**Revenues from sales and services** amounted to Euro 47.6 million compared to 71.0 million in the first quarter of 2019, mainly due to the cancellation of the 2020 edition of the Mido exhibition and the postponement until subsequent quarters of the biennial Mostra Convegno Expocomfort, as well as the absence of the biennial Made Expo and Transpotec Logitec exhibitions.

**EBITDA** was Euro 15.0 million, compared to 29.0 million in the first quarter of 2019. The change is attributable to the trend in revenues, as well as the lower earnings of the joint venture in China due to the changes in the exhibition calendar as a result of the Covid-19 emergency. The situation was partially offset by the containment of operating costs. The effect of the application of IFRS 16 was Euro 11.8 million in the first quarter of 2020 (Euro 12.1 million in the first quarter of 2019).

**EBIT** was Euro 3.8 million, compared to 17.5 million in the first quarter of 2019. The effect of the application of IFRS 16 was Euro 1.9 million compared to Euro 2.0 million in the first quarter 2019.

**Profit/(loss) before tax** showed a loss of Euro 0.1 million, compared to profit of 14.1 million in the first quarter of 2019. Profit/(loss) before tax attributable to shareholders of the controlling entity was at break-even, compared to 14.1 million profit in the first quarter of 2019.

## ● **PERFORMANCE BY OPERATING SEGMENT**

During the quarter, 10 exhibitions and 3 congresses with related exhibition space were held in the fieramilano and fieramilanocity exhibition sites, for a total of 273,785 net square metres of exhibition space, compared to 478,450 in the same period of 2019. The number of exhibitors fell from 9,780 in the first quarter of 2019 to 5,085 in the first quarter of 2020. There was 1 exhibition held outside Italy (4 in the first quarter of 2019), for a total of 3,910 net square metres of exhibition space (105,970 square metres in the first quarter of 2019) with 100 exhibitors (2,055 in the first quarter of 2019).

Revenues from sales and services, before elimination of inter-segment transactions, amounted to Euro 49.5 million compared to Euro 73.4 million in the first quarter of 2019.

- The **Italian Exhibitions Business** recorded revenues of Euro 42.3 million (63.0 million in the first quarter of 2019) due to the aforementioned changes to the exhibition calendar. EBITDA amounted to Euro 15.1 million (24.6 million in the first quarter of 2019), and EBIT amounted to Euro 5.2 million (14.5 million in the first quarter of 2019).
- The **Foreign Exhibitions Business** recorded revenues of Euro 1.1 million compared to 0.8 million in the first quarter of 2019. EBITDA was negative Euro 0.1 million (2.3 million in the first quarter of 2019) due to the effects of Covid-19 on the activities of the joint venture in China, mainly due to the postponement until subsequent quarters of the biennial Chinafloor Domotex Shanghai exhibition. EBIT was negative Euro 0.2 million (2.2 million in the first quarter of 2019).
- The **Media** segment recorded revenues of Euro 2.1 million compared to 2.7 million in the



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first quarter of 2019 mainly due to lower billboard revenue. EBITDA was negative Euro 0.2 million (0.3 million in the first quarter of 2019), and EBIT was negative Euro 0.3 million (0.2 million in the first quarter of 2019).

- The **Congresses** segment recorded revenues of Euro 4.0 million, compared to 6.9 million in the first quarter of 2019 due to the aforementioned changes in the congress calendar. EBITDA was Euro 0.3 million (1.8 million in the first quarter of 2019), and EBIT was negative Euro 0.9 million (0.6 million in the first quarter of 2019).

### • **NET FINANCIAL POSITION**

Before the effects of IFRS 16, net cash at 31 March 2020 stood at Euro 55.8 million, compared to cash of 68.3 million at 31 December 2019. The change was mainly due to lower advance payments collected because of the postponement of exhibitions until later months.

Net financial debt including IFRS 16 lease liabilities amounted to Euro 410.9 million, compared to Euro 405.1 million at 31 December 2019.

### • **BUSINESS OUTLOOK**

Despite a scenario of extreme uncertainty, the Company has confirmed its EBITDA target for 2020 in a range of Euro 38-43 million, even since the deferral to 2021 of Salone del Mobile, assuming a recovery in exhibition activities in Italy from September 2020 and a net exhibition area estimated at around 700 thousand square metres in the last part of this year.

The Group remains committed to controlling costs, with further action taken after the end of the quarter, including the voluntary reduction in the salaries of Group managers, recourse to nine-week salary integration fund (FIS) and further containment of operating costs.

The exhibition business will play a key role in the economic recovery. As such, Fiera Milano is working closely with Italian and international exhibition associations to facilitate a return to normal business, including by drawing up strict safety protocols. The digital transformation plan will also provide an additional tool to ensure safety within exhibition sites and drive an expansion of innovative services, supporting the digital development of exhibitions and leading to better customer experience on-site.

The Group will continue to pursue the strategy set out in the 2018-2022 Strategic Plan, built on its robust capital and finances and the management efficiency it has achieved over recent years, which put it in a position to deal with the impact of the current situation.

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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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The Consolidated Interim Management Report at 31 March 2020 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](http://www.emarketstorage.com) and in the Investors section of the Company website [www.fieramilano.it](http://www.fieramilano.it).



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### CONFERENCE CALL

There will be a conference call **at 17:00 (CET) today Tuesday 12 May**, during which the management of Fiera Milano will present the first quarter 2020 consolidated results. To take part in the conference call, please call:

+39 02 805 88 11 (Italy)

+41 225954727 (Switzerland)

+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 fairs, 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 Statements  
Reclassified Consolidated Statement of Financial Position



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Full year to 31/12/19	Consolidated Income Statement (Amounts in €'000)		1st Quarter to 31/03/20		1st Quarter to 31/03/19	
		%		%		%
<b>279,711</b>	<b>100</b>	<b>Revenues from sales and services</b>	<b>47,594</b>	<b>100</b>	<b>70,997</b>	<b>100</b>
2,489	0.9	Cost of materials	649	1.4	638	0.9
121,215	43.3	Cost of services	20,776	43.7	29,723	41.9
486	0.2	Costs for use of third party assets	193	0.4	208	0.3
47,432	17.0	Personnel expenses	10,797	22.7	12,783	18.0
4,778	1.7	Other operating expenses	722	1.5	1,305	1.8
<b>176,400</b>	<b>63.1</b>	<b>Total operating costs</b>	<b>33,137</b>	<b>69.6</b>	<b>44,657</b>	<b>62.9</b>
2,428	0.9	Other income	785	1.6	544	0.8
3,768	1.3	Results of equity-accounted companies	(109)	-0.2	2,287	3.2
3,453	1.2	Allowance for doubtful accounts and other provisions	92	0.2	187	0.3
<b>106,054</b>	<b>37.9</b>	<b>EBITDA</b>	<b>15,041</b>	<b>31.6</b>	<b>28,984</b>	<b>40.8</b>
45,171	16.1	Depreciation and amortisation	11,265	23.7	11,460	16.1
1,285	0.5	Adjustments to asset values	-	-	-	-
<b>59,598</b>	<b>21.3</b>	<b>EBIT</b>	<b>3,776</b>	<b>7.9</b>	<b>17,524</b>	<b>24.7</b>
(13,365)	-4.8	Financial income/(expenses)	(3,873)	-8.1	(3,468)	-4.9
-	-	Valuation of financial assets	-	-	-	-
<b>46,233</b>	<b>16.5</b>	<b>Profit/(loss) before income tax from continuing operations</b>	<b>(97)</b>	<b>-0.2</b>	<b>14,056</b>	<b>19.8</b>
-	-	<b>Profit/(loss) before income tax from discontinued operations</b>	-	-	-	-
<b>46,233</b>	<b>16.5</b>	<b>Profit/(loss) before income tax</b>	<b>(97)</b>	<b>-0.2</b>	<b>14,056</b>	<b>19.8</b>
<b>46,329</b>	<b>16.6</b>	<b>- attributable to the shareholders of the controlling entity</b>	<b>(21)</b>	<b>-0.0</b>	<b>14,068</b>	<b>19.8</b>
<b>(96)</b>	<b>-0.0</b>	<b>- attributable to non-controlling interests</b>	<b>(76)</b>	<b>-0.2</b>	<b>(12)</b>	<b>-0.0</b>



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<b>Reclassified Consolidated Statement of Financial Position</b> (Amounts in €'000)			
	<b>31/03/20</b>	<b>31/12/19</b>	<b>Change</b>
Goodwill	95,036	95,036	-
Intangible assets with a finite useful life	13,803	14,640	(837)
Right-of-use assets	461,323	469,571	(8,248)
Tangible fixed assets	8,507	9,155	(648)
Other non-current assets	33,532	34,078	(546)
<b>A Non-current assets</b>	<b>612,201</b>	<b>622,480</b>	<b>(10,279)</b>
Inventories and contracts in progress	3,079	2,231	848
Trade and other receivables	42,915	40,356	2,559
Other current assets	-	-	-
<b>B Current assets</b>	<b>45,994</b>	<b>42,587</b>	<b>3,407</b>
Trade payables	29,253	41,985	(12,732)
Advances	45,452	49,227	(3,775)
Tax liabilities	1,982	2,979	(997)
Provisions for risks and charges and other current liabilities	41,676	36,111	5,565
<b>C Current liabilities</b>	<b>118,363</b>	<b>130,302</b>	<b>(11,939)</b>
<b>D Net working capital (B - C)</b>	<b>(72,369)</b>	<b>(87,715)</b>	<b>15,346</b>
<b>E Gross capital employed (A + D)</b>	<b>539,832</b>	<b>534,765</b>	<b>5,067</b>
Employee benefit provisions	9,898	9,898	-
Provisions for risks and charges and other non-current liabilities	11,960	11,960	-
<b>F Non-current liabilities</b>	<b>21,858</b>	<b>21,858</b>	<b>-</b>
<b>G NET CAPITAL EMPLOYED continuing operations (E - F)</b>	<b>517,974</b>	<b>512,907</b>	<b>5,067</b>
<b>H NET CAPITAL EMPLOYED assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL NET CAPITAL EMPLOYED (G + H)</b>	<b>517,974</b>	<b>512,907</b>	<b>5,067</b>
covered by:			
Equity attributable to the Group	106,608 (*)	107,276	(668)
Non-controlling interests	504 (*)	580	(76)
<b>I Total equity</b>	<b>107,112</b>	<b>107,856</b>	<b>(744)</b>
Cash & cash equivalents	(50,073)	(68,031)	17,958
Current financial (assets)/liabilities	33,034	33,730	(696)
Non-current financial (assets)/liabilities	427,901	439,352	(11,451)
<b>Net financial debt/(cash) continuing operations</b>	<b>410,862</b>	<b>405,051</b>	<b>5,811</b>
<b>Net financial debt/(cash) assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>L Net financial debt/(cash) (TOTAL)</b>	<b>410,862</b>	<b>405,051</b>	<b>5,811</b>
<b>EQUITY AND NET FINANCIAL POSITION (I + L)</b>	<b>517,974</b>	<b>512,907</b>	<b>5,067</b>

(\*) includes pre-tax result for the period