



FIERA MILANO: THE BOARD OF DIRECTORS APPROVES THE INTERIM MANAGEMENT REPORT AT 30 SEPTEMBER 2021

Fiera Milano bounces back in the third quarter with physical exhibitions and congresses showing results above expectations in terms of attendance.

The results for the first nine months of 2021 were affected by the prolonged suspension of exhibition and congress activities in the first half, due to the ongoing Covid-19 pandemic.

First nine months 2021:

- **Revenues:** Euro 39.9 million, compared to 67.3 million in the first nine months of 2020
- **EBITDA:** Euro -7 million, compared to 4.7 million in the first nine months of 2020
- **EBIT:** Euro -40.5 million, compared to -28.9 million in the first nine months of 2020
- **Profit/(loss) before tax:** Euro -49.5 million, compared to -38.8 million in the first nine months of 2020
- **Net financial debt:** Euro 14.5 million (before the effects of IFRS 16) compared to Euro 64.9 million at 30 June 2021

Third quarter 2021:

- **Revenues:** Euro 35.3 million compared to Euro 11.3 million in the third quarter of 2020
- **EBITDA:** Euro 16 million compared to Euro -5.8 million in the third quarter of 2020
- **EBIT:** Euro 4.8 million compared to Euro -17 million in the third quarter of 2020
- **Profit/(loss) before tax:** Euro 1.2 million compared to Euro -20.2 million in the third quarter of 2020

Eleven physical exhibitions were held in Italy in the third quarter, in line with the schedule.

On 5 November, the Ministry of Tourism announced the results of the calculations for allocating resources from the fund referred to in Article 1, paragraph 1, letter a), of Ministerial Decree of 24 June 2021, prot. 1004, admitted to registration by the Court of Auditors on 19 July 2021, no. 2117. As part of the fund, Euro 350 million was allocated to compensate for losses suffered in 2020 by the exhibitions, congresses and logistics sector.

The Fiera Milano Group could benefit from a total "theoretical" grant of approximately Euro 35 million. Disbursement is subject to the formal checks set out by the relevant legislation, leading to the definitive allocation decree which will be published soon.

Updated forecasts put expected revenues at around Euro 130 million and, in light of the aforementioned grant, EBITDA at Euro 52-57 million compared to a previous indication of Euro 23-28 million, and a net cash position before IFRS 16 effects in the range of Euro 0-10 million compared to the previous forecast of net debt of Euro 24-28 million.

Milan, 8 November 2021. The Board of Directors of Fiera Milano S.p.A. ("**Fiera Milano**" and/or the "**Company**"), chaired today by Luca Palermo, has examined and approved the **Consolidated Interim Report** as at 30 September 2021.



Luca Palermo, Fiera Milano's CEO and MD, said: *“The exhibition sector is finally back on track with physical events and Fiera Milano had more than 30 events scheduled for the second half of the year. All of this was made possible by the companies that took up the challenge of coming back to physical exhibitions – and the numbers have proved them right. During the first exhibitions organised and hosted in our pavilions, international buyers were able to see for themselves the quality of Italian and foreign products. This confirms once more the strategic role of exhibitions and of Fiera Milano, which continues to support the country's recovery. Business resumed and with it, stand fitting services and congresses, which performed well. Furthermore, Fiera Milano Congressi has been awarded the management of the new congress centre to be built in Turin. All of this is in line with the implementation of our CONN.E.C.T. 2025 Strategic Plan, which was announced in February this year. Fiera Milano remains committed to making Milan a European hub for trade fairs and congresses. The Italian exhibition industry is one of the sectors that has suffered the most as a result of the pandemic. Now we can finally count on adequate relief. We want to thank the Italian Government and the Ministry of Tourism for what has been achieved, which will allow us to be even more supportive in our efforts to give Italian business a fresh boost through our national and international exhibitions.”*

The exhibition/congress sector was one of the worst affected by the crisis caused by the emergence of the Covid-19 pandemic, which led to the suspension of exhibition and congress activities in Italy under legislation for the containment and prevention of the pandemic. It was possible to restart exhibitions from 15 June 2021 and congresses from 1 July 2021. The results achieved by the Group during the third quarter and over the first nine months reflect, to a large extent, the activities carried out in June, July and mostly in September 2021.

To ensure that visitors, exhibitors and organisers can attend exhibitions and events held within exhibition sites and congress centres in complete safety, the Fiera Milano Group has adopted procedures for holding exhibitions and congresses in full compliance with the Italian rules and protocols. In addition, thanks to the implementation of the Green Pass certification, the Fiera Milano Group is able to offer visitors to events in exhibition and congress centres a “Covid free” venue.

In July, Fiera Milano received a grant of Euro 10 million from SIMEST's Integrated Promotion Fund (FPI) to meet fixed costs not covered by profits.

The third quarter of 2021 saw the full resumption of Fiera Milano's operations, with physical 11 exhibitions held. Exhibitions definitively returned to the Fiera Milano pavilions in September 2021, following on from the Si Sposaitalia Collezioni and Milano Unica editions in June and July. The success of “supersalone” (a special event of Salone del Mobile) stood out in the exhibition calendar, with over 60,000 visitors from 113 countries (in total 50% from abroad) and 425 brands (16% from abroad) in attendance. Fiera Milano then played host to the fashion accessory sector, which occupied around 84,000 net square metres of exhibition space at the Rho exhibition site. It is also worth mentioning the successful physical return of miart, Milan's international modern and contemporary art fair organised by Fiera Milano.

In September, the MiCo congress centre welcomed almost 400 young people from 197 countries during the Youth4Climate event: Driving Ambition. Following on, the congress centre also hosted the Milan Pre-COP26, attended by President Sergio Mattarella and Prime Minister Mario Draghi.



On 5 September, Fiera Milano also signed an important partnership with dmg events, an international exhibition company, for the launch of FIND (Furniture, INteriors and Design), the leading Asian exhibition for the design sector, to take place in Singapore in 2022, 2023 and 2024. Thanks to the partnership with dmg events, in September 2022 Fiera Milano will also host Gastech, the world's largest international event dedicated to the energy industry, with more than 50,000 industry professionals and 1,000 exhibitor companies expected to occupy more than 60,000 square metres.

Lastly, through its subsidiary Fiera Milano Congressi, the Fiera Milano Group will manage the new international congress centre in Turin, to be built on the site of the former Westinghouse factory. Construction is scheduled to begin next year, with completion expected in 2024/25.

SUSTAINABILITY

Along with getting back to business, Fiera Milano has also launched a new project to define its sustainability framework for the years of the CONN.E.C.T. 2025 plan.

In this context, Fiera Milano obtained ISO 20121:2013 certification for sustainable event management for the first time and was re-awarded ISO 9001:2015 certification for its quality management system.

Fiera Milano has also embarked on a process to assess the environmental footprint of exhibitions held in its exhibition spaces, using the Life Cycle Assessment (LCA) approach. The LCA methodology makes it possible to quantify the overall environmental footprint – from start to finish – of products and services, but also events of any size, spanning planning, setup, delivery, closure, dismantling of stands, transport and accommodation of visitors.

RESULTS FOR THE FIRST NINE MONTHS OF 2021

The Group's business has seasonal elements due to exhibitions that are held on a biennial or multi-year basis. In addition, the almost total absence of exhibitions in the summer months of July and August had a major effect on Q3 results. 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. In this context, the Covid-19 pandemic has introduced an additional element of complexity in terms of comparing income statement and balance sheet data.

In the first nine months of the year, **Revenues from sales and services** amounted to Euro 39.9 million compared to Euro 67.3 million in the same period of last year, down 46% due to the prolonged suspension of exhibition and congress activities, which led to a significant change in their schedules and the cancellation in the first quarter of several important exhibitions including Mostra Convegno Expocomfort, in addition to the postponement of other exhibitions to the final quarter of 2021 including Made Expo and Tuttofood, which are held in odd-numbered years.

EBITDA was negative Euro 7 million, compared to positive Euro 4.7 million in the same period of last year. The change was mainly attributable to the contraction in revenues, only partially offset by the additional cost containment measures implemented by the Company in 2021 and the Euro 10 million grant from SIMEST to reimburse fixed costs not met by profits.



EBIT was negative at Euro 40.5 million compared to negative Euro 28.9 million in the first nine months of 2020.

Profit/loss before tax showed a loss of Euro 49.5 million compared to a loss of Euro 38.8 million in the first nine months of 2020.

THIRD QUARTER 2021 RESULTS

During the third quarter, 11 exhibitions and seven congresses with related exhibition space were held in the **fieramilano** and **Mico-fieramilanocity** exhibition and congress sites, totalling 147,685 net square metres of exhibition space, compared to 63,290 net square metres of exhibition space in the same period of the previous year. Four exhibitions were held at exhibition sites abroad (6 in the third quarter of 2020) and the net square metres of exhibition space totalled 104,790 square metres (159,985 square metres in the third quarter of 2020).

The Company reported **Revenues from sales and services** of Euro 35.3 million in the third quarter, compared to Euro 11.3 million in the third quarter of 2020. This result was due to the return of exhibition and congress activities.

EBITDA for the quarter was Euro 16 million, compared to negative Euro 5.8 million in the third quarter of 2020. The increase was mainly attributable to the trend in revenues and the Euro 10 million grant from SIMEST to reimburse fixed costs not met by profits.

EBIT was Euro 4.8 million, compared to negative Euro 17 million in the third quarter of 2020.

Profit/loss before tax showed a profit of Euro 1.2 million, compared to a loss of Euro 20.2 million in the third quarter of 2020.

PERFORMANCE BY OPERATING SEGMENT IN THE THIRD QUARTER OF 2021

The trend of the main operating sectors that contributed to the result for the period is described below, in particular:

- The **Italian Exhibitions Business** saw revenues of Euro 27.3 million compared to Euro 10.3 million in the third quarter of 2020. The change is mainly due to the holding of the supersalone in September and the different exhibition calendar following the rescheduling of exhibitions originally planned for the first half of the year, including the proprietary events HOMI and miart and the hosted event Simac Tanning Tech. In the quarter, EBITDA was positive Euro 13.5 million (it was negative Euro 4.4 million in the third quarter of 2020), with the increase mainly driven by the trend in revenues as well as the Euro 10 million grant disbursed by SIMEST, to reimburse fixed costs not covered by profits. EBIT amounted to Euro 3.8 million (it was negative Euro 14.2 million in the third quarter of 2020).
- The **Foreign Exhibitions Business** recorded revenues of Euro 120 thousand compared with a negative Euro 15 thousand in the third quarter of 2020. The increase in the quarter mainly relates to the ICTAF 2021 virtual event organised by the South African subsidiary. EBITDA was negative Euro 364 thousand (compared with negative Euro 54 thousand in the third quarter of 2020), due also to the lower earnings of the joint venture in China. EBIT was negative Euro 424 thousand (compared with a negative Euro 123 thousand in the third quarter of 2020).



- The **Congresses** segment recorded revenues of Euro 9.4 million compared to Euro 331 thousand in the same period of 2020, mainly attributable to the resumption of congress activity which included the presence of important events on climate change: Youth4Climate and Pre Cop 26. It should be noted that congress activity was suspended in the same period of 2020 due to the Covid-19 pandemic. EBITDA was positive at Euro 3.2 million (negative Euro 1.1 million in the third quarter of 2020), driven by the increase in revenues. EBIT was positive at Euro 1.8 million (negative Euro 2.4 million in the third quarter of 2020).

NET FINANCIAL DEBT

Net financial debt at 30 September 2021, before IFRS 16 effects, stood at Euro 14.5 million, compared to Euro 64.9 million at 30 June 2021 (Euro 23.9 million at 31 December 2020).

The improvement is due to the positive operating cash flow generated in the quarter under review and advance payments for the exhibition calendar that, in coming months, includes some important exhibitions.

Net financial debt including the IFRS 16 lease liability amounted to Euro 442.4 million, compared to Euro 501.0 million at 30 June 2021 (Euro 473.4 million at 31 December 2020).

BUSINESS OUTLOOK

The current situation is more stable than the recent past, despite the persistently uncertain public health scenario. Thanks to the rise in vaccine coverage levels and the introduction of the Green Pass system, it has been possible to glean positive signals from scheduled exhibitions. This is despite levels of attendance and space occupation being lower than initially estimated due to limited travel within the EU area and restrictions on international travel outside the EU. In the last quarter of the Italian exhibition calendar, 18 events are scheduled (9 of which took place in October). Of particular note was the excellent performance of the events held in the first part of the month dedicated to industrial machinery, as well as the success of the proprietary exhibitions Host and Tuttofood, which had more than 150,000 visitors.

Based on the most up-to-date forecasts and in light of the relief to be granted by the end of the year, the Group expects to revise upwards its previously announced EBITDA and net financial debt targets for the current year.

Updated forecasts put expected revenues at around Euro 130 million, EBITDA at Euro 52-57 million compared to a previous indication of Euro 23-28 million, and a net cash position before IFRS 16 effects in the range of Euro 0-10 million compared to the previous forecast of net debt of Euro 24-28 million.

Fiera Milano has a balanced financial position and the covenants on its medium and long-term loans are amply respected. The level of debt is appropriate to guarantee the operational flexibility needed to plan the 2022 calendar and to seize any growth opportunities that may arise.



The Manager responsible for preparing the Company's financial statements, Mr Andrea Maldì, in accordance with paragraph 2 Art. 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 17:00 (CET) today Monday 8 November, during which the management of Fiera Milano will present the 3rd Quarter 2021 consolidated results. To take part in the conference call, please call:

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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.

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 and art. 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 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

Full year to 31/12/20	Consolidated Income Statement (Amounts in €'000)		3rd Quarter to 30/09/21		3rd Quarter to 30/09/20		9 months to 30/09/21		9 months to 30/09/20	
		%		%		%		%		%
73,635	100	Revenues from sales and services	35,303	100	11,279	100	39,902	100	67,267	100
1,586	2.2	Cost of materials	835	2.4	286	2.5	1,061	2.7	1,597	2.4
45,519	61.8	Cost of services	19,041	53.9	9,274	82.2	32,032	80.3	38,559	57.3
453	0.6	Costs for use of third party assets	192	0.5	60	0.5	337	0.8	316	0.5
31,852	43.3	Personnel expenses	9,099	25.8	7,259	64.4	25,368	63.6	24,544	36.5
2,467	3.4	Other operating expenses	791	2.2	641	5.7	1,758	4.4	1,875	2.8
81,877	111.2	Total operating costs	29,958	84.9	17,520	155.3	60,556	151.8	66,891	99.4
16,875	22.9	Other income	11,285	32.0	533	4.7	14,727	36.9	1,721	2.6
532	0.7	Results of equity-accounted companies	(553)	(1.6)	(36)	(0.3)	(713)	(1.8)	(773)	(1.1)
(1,278)	(1.7)	Allowance for doubtful accounts and other provisions	114	0.3	98	0.9	387	1.0	(3,406)	(5.1)
10,443	14.2	EBITDA	15,963	45.2	(5,842)	(51.8)	(7,027)	(17.6)	4,730	7.0
44,761	60.8	Depreciation and amortisation	11,163	31.6	11,149	98.8	33,455	83.8	33,598	49.9
-	-	Adjustments to asset values	-	-	-	-	22	0.1	-	-
(34,318)	(46.6)	EBIT	4,800	13.6	(16,991)	(150.6)	(40,504)	(101.5)	(28,868)	(42.9)
(12,707)	(17.3)	Financial income/(expenses)	(3,603)	(10.2)	(3,181)	(28.2)	(9,789)	(24.5)	(9,973)	(14.8)
-	-	Valuation of financial assets	-	-	-	-	-	-	-	-
(47,025)	(63.9)	Profit/(loss) before income tax from continuing operations	1,197	3.4	(20,172)	(178.8)	(50,293)	(126.0)	(38,841)	(57.7)
-	-	Profit/(loss) before income tax from discontinued operations	-	-	-	-	836	2.1	-	-
(47,025)	(63.9)	Profit/(loss) before income tax:	1,197	3.4	(20,172)	(178.8)	(49,457)	(123.9)	(38,841)	(57.7)
(46,767)	(63.5)	- attributable to the shareholders of the controlling entity	1,256	3.6	(20,115)	(178.3)	(49,251)	(123.4)	(38,638)	(57.4)
(258)	(0.4)	- attributable to non-controlling interests	(59)	(0.2)	(57)	(0.5)	(206)	(0.5)	(203)	(0.3)

31/12/20	Reclassified Consolidated Statement of Financial Position (Amounts in €'000)	30/09/21	30/06/21	Change
95,036	Goodwill	95,036	95,036	-
17,006	Intangible assets with a finite useful life	16,841	17,069	(228)
431,668	Right-of-use assets	402,159	412,254	(10,095)
7,040	Tangible fixed assets	5,809	5,811	(2)
43,062	Other non-current assets	42,205	63,795	(21,590)
593,812	A Non-current assets	562,050	593,965	(31,915)
5,557	Inventories and contracts in progress	8,546	7,574	972
26,705	Trade and other receivables	39,977	31,883	8,094
32,262	B Current assets	48,523	39,457	9,066
19,904	Trade payables	27,110	15,793	11,317
30,577	Advances	71,895	47,076	24,819
3,849	Tax liabilities	469	3,202	(2,733)
13,368	Provisions for risks and charges and other current liabilities	34,268	13,371	20,897
67,698	C Current liabilities	133,742	79,442	54,300
(35,436)	D Net working capital (B - C)	(85,219)	(39,985)	(45,234)
558,376	E Gross capital employed (A + D)	476,831	553,980	(77,149)
10,062	Employee benefit provisions	9,389	9,406	(17)
11,639	Provisions for risks and charges and other non-current liabilities	10,663	4,797	5,866
21,701	F Non-current liabilities	20,052	14,203	5,849
536,675	G NET CAPITAL EMPLOYED continuing operations (E - F)	456,779	539,777	(82,998)
-	H NET CAPITAL EMPLOYED assets held for sale	-	-	-
536,675	TOTAL NET CAPITAL EMPLOYED (G + H)	456,779	539,777	(82,998)
	covered by:			
62,883	Equity attributable to the Group	14,193 *	38,545	(24,352)
348	Non-controlling interests	145 *	237	(92)
63,231	I Total equity	14,338	38,782	(24,444)
(20,442)	Cash & cash equivalents	(79,949)	(58,683)	(21,266)
93,052	Current financial (assets)/liabilities	59,889	89,973	(30,084)
400,834	Non-current financial (assets)/liabilities	462,501	469,705	(7,204)
473,444	Net financial debt from continuing operations	442,441	500,995	(58,554)
-	Net financial debt from assets held for sale	-	-	-
473,444	L Net financial debt (TOTAL)	442,441	500,995	(58,554)
536,675	EQUITY AND NET FINANCIAL DEBT (I + L)	456,779	539,777	(82,998)

* includes pre-tax result for the period