Company Presentation – Results 2015

March 2016

The gateway to your digital presence

# Agenda

- DADA at a Glance
- Market & Positioning
- Business Overview
- FY2015 Financial Results & KPI's
- Strategic Guidelines
- Investment Highlights

# Leading European Player in Online Services for SMBs

## WHO WE ARE

o **Leading European Player** in **Digital Services** for the **Online Presence** & **E-commerce**

o **Domains & Hosting** services targeted at **SMBs** & **SoHo**

o Broad **Suite of Solutions** from **Do It Yourself** to **We Do It For You**

o Fully Integrated **Technology Infrastructure**, Proprietary **Datacenter**, World Class **Data Driven Platform**

o Listed on the **STAR Segment** of the Milan Stock Exchange (EV € 71.7** mln)

## BY THE NUMBERS

**560** k
paying **Clients* (+6% yoy)**

**1.8** mln
**Domains*** under management

Presence in **7**
**European countries**

**€62.2** mln
**Revenues** FY2015 **(+4.5% yoy)**, o/w **56% International**

**€10.5** mln
**Ebitda** FY2015 **(+14% yoy)**

**400**
Highly Qualified **Employees***

∗     Data as of 31 Dec 2015
∗∗   Data as of 29 Feb 2016, NFP as of 31 Dec 2015

# Key Assets

## BUSINESS & METRICS

**560 K CUSTOMERS**   **1.8 MLN DOMAINS**   **1.6 MLN EMAILS**   **650 K HOSTINGS**

## BRANDS & RANKING

**#2 ITALY**   **#4 UK**   **#2 IRELAND**   **#1 PORTUGAL**   **TOP 5 FRANCE**   **TOP 9 SPAIN**

register.it   names.co.uk   register365   amen.pt   amen.fr   nominalia
etinet   poundhost

## PLATFORM & SUPPORT

**OUTSTANTING OWNED & LOCAL CUSTOMER CARE (120 EMPLOYEES)**

**PREMIER DATA DRIVEN PLATFORM & MNGT. SYSTEMS**

**DATACENTER (UK) 5.000 sq.m 99.9% UPTIME SLA**

**7 PETABYTES INFRASTRUCTURE DATA STORAGE**

# From Local Player to European Leading Position

## 2005 - 2010

**From a pure Italian player to a Leading Multinational**

(◉) register.it

(◉) names.co.uk

(◉) register365

(◉) poundhost

(◉) nominalia

(◉) amen

D&H REVENUES:
5%

## 2011 - 2013

**Focus on Core Business and DC start-up**

2011 Sale 100% of *Dada.net*

2013 Start New UK Data Center

D&H REVENUES:
75%

## 2014 - 2015

**Optimization and Refocusing Completed**

2015 Sale 100% of:

(◉) moqu·adv

(◉) simply

July 2015 Acquisition of
(◉) etinet

D&H REVENUES:
97%

## 2016…

**Leading European Player in Online Presence Services for SMBs**

o **Strongly Positioned in**

o **Broad Suite of Solutions** to serve from DIY to DIFY

o Integrated **Tech Platforms** and High – Perfomance **UK Datacenter**

D&H REVENUES:
100%

Core Business incidence on total Revenues

# FY 2015 Highlights- Refocusing on D&H completed

## STRONG OPERATIONAL & FINANCIAL PERFORMANCES

o Enhanced main **Business Metrics & Market Share**

o Strong Increase in **Operating Margins**

o Improved Net Operating **Cash Flow**

## DADA GROUP CORPORATE STRUCTURE FINALIZED

o **2011 Sale** of *Dada.net*

o **2015 Divestment Adv Division:**

moqu·adv

simply

o **2015 Acquisition** of

etinet

## PROVISIONING & CUSTOMER SUPPORT FURTHER ENHANCED

o New Proprietary **Datacenter in UK completed in H1 2015** and now **fully operational**

o **120** qualified employees in **Customer Facing Support & Assistance**

o EU/UK **Platforms Integration**
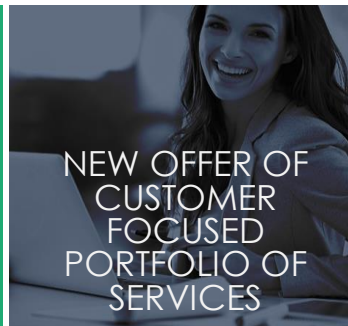
## NEW OFFER OF CUSTOMER FOCUSED PORTFOLIO OF SERVICES

o From **DIY** to **DIFY Services** to **assist and serve** the **European SMB's**

o Launch of **Integrated Suite of Services** for the **Online Presence** and **Visibility**

o Focus on Customer **Delight**

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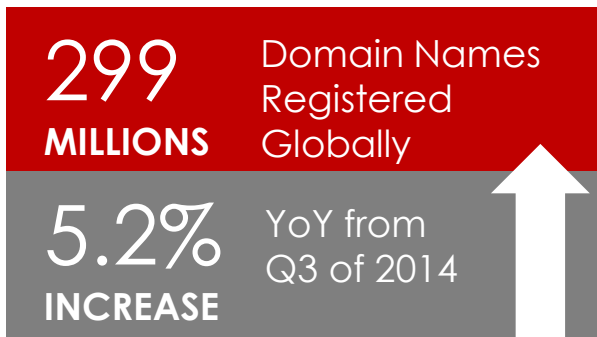- o Investment Highlights

# A Large & Underserved Market

Sources: Eurostat, Forrester Research Online Retail Forecast, July 2015

**LARGE MARKET OPPORTUNITY**

**SMBs DIGITALIZATION OPPORTUNITY**

All Europe

DADA's Core Geographies

22.5m
SMBs

12.1m
SMBs

10.3m
SMBs without E-commerce

3.2m
SMBs without Website

European E-Commerce Market Cagr 2011-19: +14%

Market & Positioning

# Global Domains Market Still Looking Positive

## GLOBAL DOMAINS

**299 MILLIONS** Domain Names Registered Globally

**5.2% INCREASE** YoY from Q3 of 2014

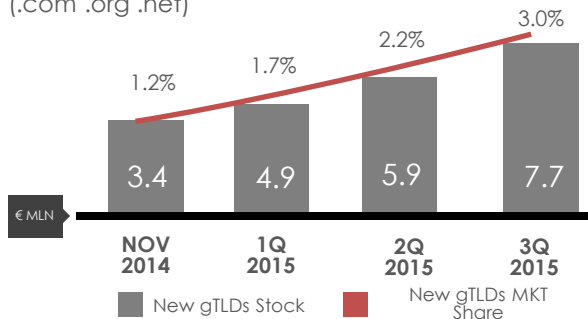Q3 2015 closed with approx. 299 mln domain name registrations across all top-level domanins (TLDs)

Registrations have grown by 14.8 million, or 5.2 % yoy

*   Source www.centr.org, Global TLD Stat Report
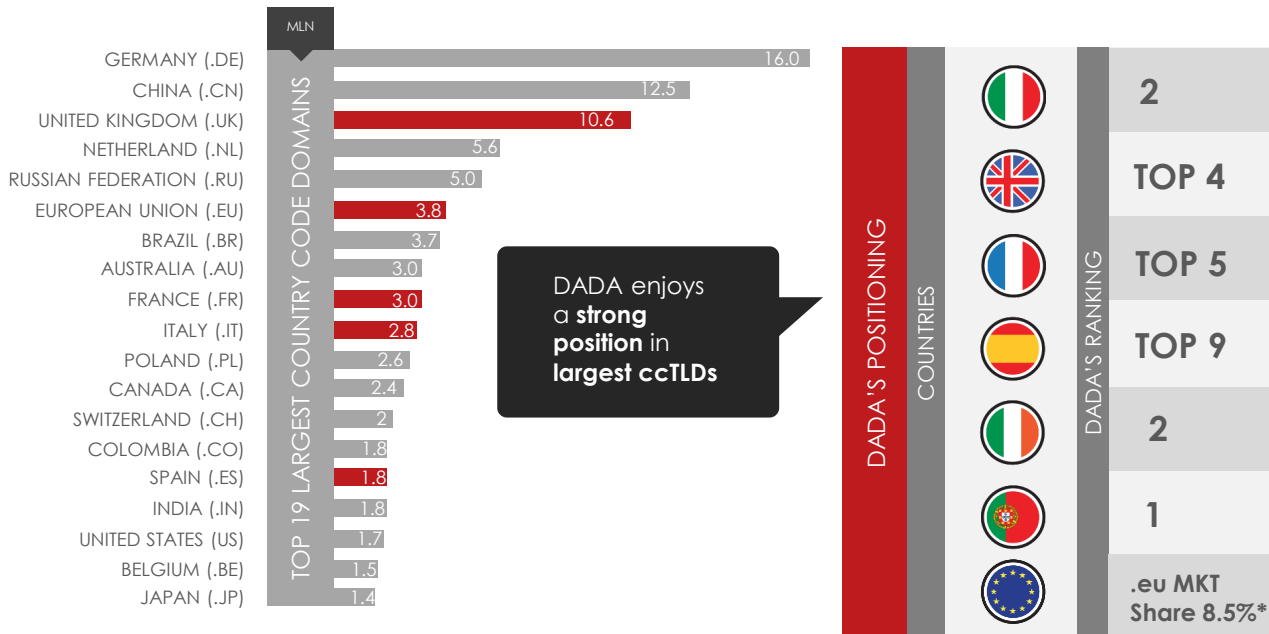    Keys : cc.TLDs : .it, .fr .es -  gTLDs : .com  .net -  New gTLDs : .sport .bio

## GLOBAL NEW gTLDs

Global market **opportunities arising** with **new gTLDs** which **improved** their global market share in 2015 from 1.2% **to 3.0%**

Since Jan 2014 **ICANN** started to release about **700 New gTLDs** (.bio .wine) in addition to traditional gTLDs (.com .org .net)

€ MLN

| | NOV 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 |
|---|---|---|---|---|
| Stock | 3.4 | 4.9 | 5.9 | 7.7 |
| MKT Share | 1.2% | 1.7% | 2.2% | 3.0% |

New gTLDs Stock      New gTLDs MKT Share

# Top European Player with Leading Positioning in Largest ccTLDs

MLN

**TOP 19 LARGEST COUNTRY CODE DOMAINS**

| Country | Value |
|---|---|
| GERMANY (.DE) | 16.0 |
| CHINA (.CN) | 12.5 |
| UNITED KINGDOM (.UK) | 10.6 |
| NETHERLAND (.NL) | 5.6 |
| RUSSIAN FEDERATION (.RU) | 5.0 |
| EUROPEAN UNION (.EU) | 3.8 |
| BRAZIL (.BR) | 3.7 |
| AUSTRALIA (.AU) | 3.0 |
| FRANCE (.FR) | 3.0 |
| ITALY (.IT) | 2.8 |
| POLAND (.PL) | 2.6 |
| CANADA (.CA) | 2.4 |
| SWITZERLAND (.CH) | 2 |
| COLOMBIA (.CO) | 1.8 |
| SPAIN (.ES) | 1.8 |
| INDIA (.IN) | 1.8 |
| UNITED STATES (US) | 1.7 |
| BELGIUM (.BE) | 1.5 |
| JAPAN (.JP) | 1.4 |

DADA enjoys a **strong position** in **largest ccTLDs**

**DADA'S POSITIONING** | **COUNTRIES** | **DADA'S RANKING**

| Country | Ranking |
|---|---|
| Italy | 2 |
| United Kingdom | TOP 4 |
| France | TOP 5 |
| Spain | TOP 9 |
| Ireland | 2 |
| Portugal | 1 |
| European Union | .eu MKT Share 8.5%* |

\*   Mk share calculated on .EU TLDs in DADA core geographies

# Well Positioned to Beat the Market 1/2

## MARKET FEATURES AND TRENDS

o   **ccTLD** Domains Markets stabilizing – Arising opportunities from **New gTLDs**

o   Expected **Growth** of the  **Web Presence** and **Hosting / Servers** market segment

o   Increasing **Competition** to acquire new customers and **Rising COA**

o   Market **Consolidation** Trend (M&A)

## DADA STRATEGIC POSITIONING

o   Leading Positioning in **ccTLD,** First Adopter **New gTLDs**

o   Reduced Churn – **<1.2%** monthly

o   Enhanced **upsell to Base** – Improved ARPU

o   **New** customer **Acquisition Channels**

o   Price **repositioning** – **Premium Services**

Market & Positioning

# Well Positioned to Beat the Market 2/2

## MARKET KEY DRIVERS

o **Quality** & **Reliability** of Services

o Complete **Range** of **Products**

o **Brand** Recognition

o From **DIY** to **DIWM/DIFY**

o **Full Support** and Premium **Consulting**

## DADA'S ASSETS

o Broad **Suite of Solutions**, **Agile Dev.** Teams

o Integrated Tech. **Platforms** and **Powerful DC**

o Premier **Brands Awareness**

o Enhanced **Tailored Products (DIFY)**

o Word Class Proprietary **Customer Care**

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Business Overview
# How do We Help SMBs



MARKET AND PROMOTE BUSINESS

POWERFUL AND SAFE MANAGE / STORE DATA

CREATE ONLINE IDENTITY

PROTECT DIGITAL IDENTITY

SELL AND DISTRIBUTE PRODUCTS ONLINE
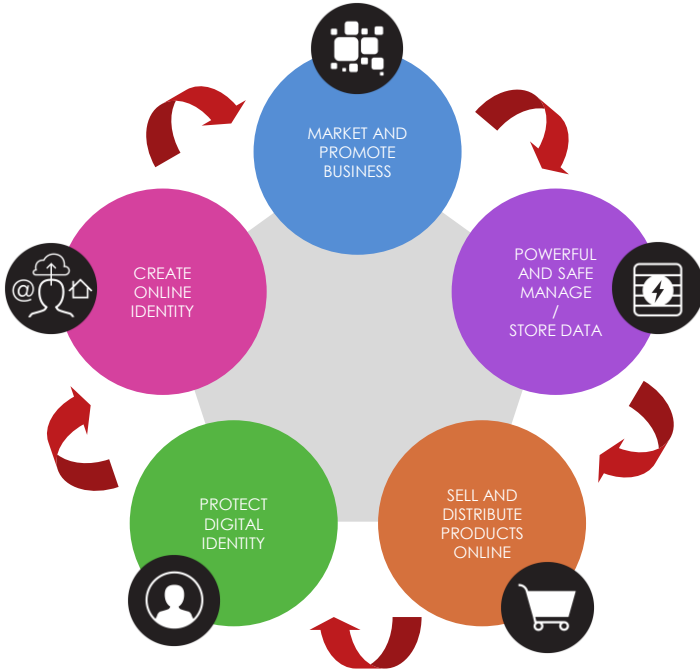
✓ Wide and complete suite of Products

✓ High level of Security and Reliability

✓ Constant Support and Consultancy

✓ Tailor made Solutions

# DADA's Suite of Products & Services
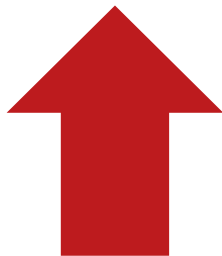
# Broad Suite of Solutions to Meet Different Customer Needs…

## TECHNICAL USERS

o Dedicated
o VPS
o Backup
o Cloud
o Reseller packages
o Biz Apps
o Custom DC solutions

## DIY
### DO IT YOURSELF

o Domain
o Hosting
o Site Builders
o Advertising packages
o Email solutions
o Biz Apps

## DIWM
### DO IT WITH ME

o Customer build and manage its online presence with the help of a coach via Phone, Chat, …

## DIFY
### DO IT FOR YOU

o Base packages
o Build for me
o Local & Social
o Paid enhanced support
o Web agency services
o OBP

# ..Supported by World-Class Customer Care

## SUPPORT, CONSULT AND DELIGHT OUR CUSTOMERS

CUSTOMER FACING RESOURCES
**30% of Human Capital**

PROPRIETARY LOCAL PRESENCE
**5 Local Desks**

MULTICHANNEL
**Phone, Email, Chat, Webinar..**

WORD-CLASS PERFORMANCES
**Top NPS based goals**

AND PROMPT
**85% in 30sec.**
**90% tickets in 4h**

Pre Sales Assistance &
Post Sales Technical Support Team
**For High Value Product and First Level Support**

Business Overview

# ..and by a Powerful IT Infrastructure

Reading (UK)

## PROPRIETARY POWERFUL & RELIABLE DATACENTER

- o 5,000 sq. m Green Park Allocation
- o Tier 4 like
- o 4 Petabytes Data Storage
- o 80+Gbps Transit Bandwidth
- o 10,000+ Servers
- o 24/7 customer support

Reading (DADA)+Milan (BT)

## COMPLETE INFRASTRUCTURE

- o Tier 4
- o 7 Petabytes Data Storage
- o 120 + Gbps Transit Bandwidth
- o 11,000+ servers
- o 24/7 customer support

All our Services are built on a fully integrated and redundant IT Infrastructure, based on best in class technologies

# Data Driven Platform & Management Systems

## Continuous improvement of our cutting edge Data Management Systems:

o Real time data to Support Sales and Marketing Teams

o In depth Analysis of Customer Segments and Cohorts

o Data driven Product Development

## Fuelled by

o Big Data internally developed Platforms

o A.I. proprietary Algorithms

o Dedicated "Quants" Teams

In depth Data Driven understanding of Customer Base and monitoring of Business Financials
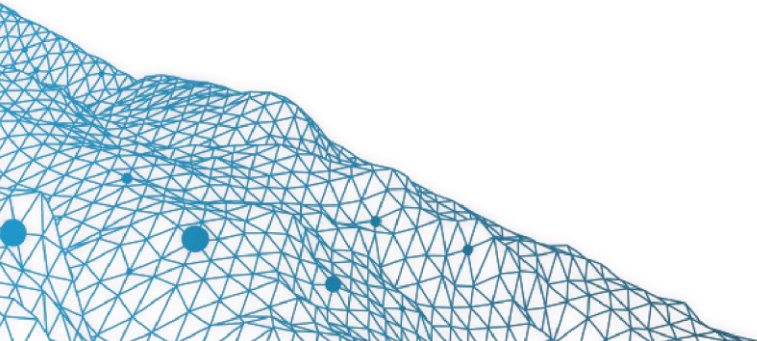
# Investing in Diverse and Efficient Customer Acquisition Channels

## BRAND AWARENESS

o Investment in brand and offer of free products to create customer prospect

### CO-BRANDING

o Boost brand awareness

## ONLINE MARKETING

o Pay per Click campaigns
o Banner Ads & affiliates

### CUSTOMER POOL

o Acquiring basic client

## IN & OUTBOUND TELESALES

o Wholly-owned and local functions, not out-sourced
o Driven cross-sell and up-sell

### PRE & POST-SALES

o Commercial offers
o Renewals: alert deadline
o Orders intake

## LOCAL OFFLINE

o Offline sales desks
o Web agency
o Targeting premium customer, higher ARPU
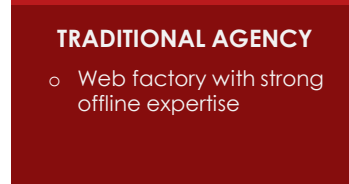
### TRADITIONAL AGENCY

o Web factory with strong offline expertise

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# An Appealing Revenue Model..



Recurrent revenues from existing clients represents over 2/3 of new sales

About 95% of Upfront payment methods

**YEAR 1**

RENEWAL RECURRING REVENUE

UPSELLING ON EXISTING CUSTOMERS

NEW CUSTOMERS

**YEAR 2**
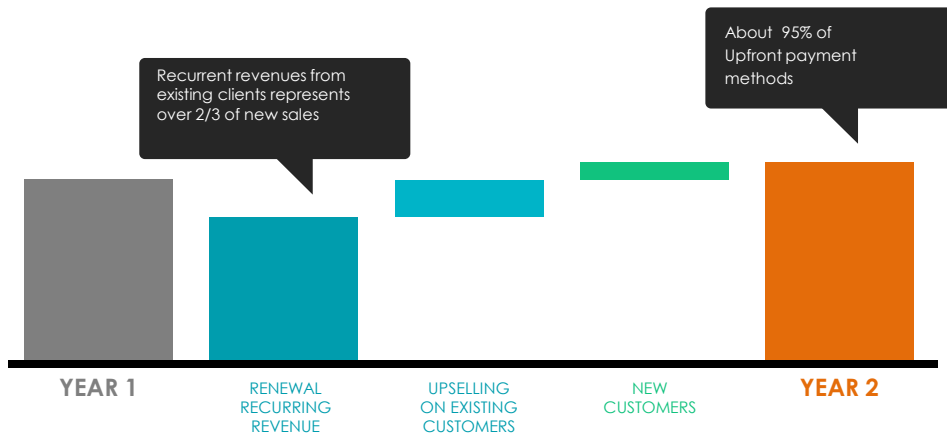
## KEY FEATURES AND INTRINSIC STRENGTHS

✓ High **Revenues Visibility** & **Predictability**  - Customer retention **> 85%**

✓ **ARPU** increasing overtime – Upgrade to **Premium** Services and **Upsell**

✓ Low **credit risk** & **NWC** invest. - **95%** Revenues from **Upfront Payment**

# .. With Powerful Retention Economics

## RETAIN EXISTING CUSTOMERS INCREASE ARPU & MARGINS

- ✓ Once customer is "set up" incremental margins are attractive
- ✓ Satisfied customers buy additional services (Upsell)
- ✓ Drive UP the Lifetime Value
- ✓ Increase efficiency of COA investment

## FOCUS ON INCREASED RETENTION

- ✓ Investment in Customer Support - DIWM strategies
- ✓ Platform performance
- ✓ Value added products
- ✓ Enhanced user interface

Revenues and Margin per User increase over time



UPSELL

REVENUE INITIAL PURCHASE

COST TO ACQUIRE AND SERVICE

€

**Time**
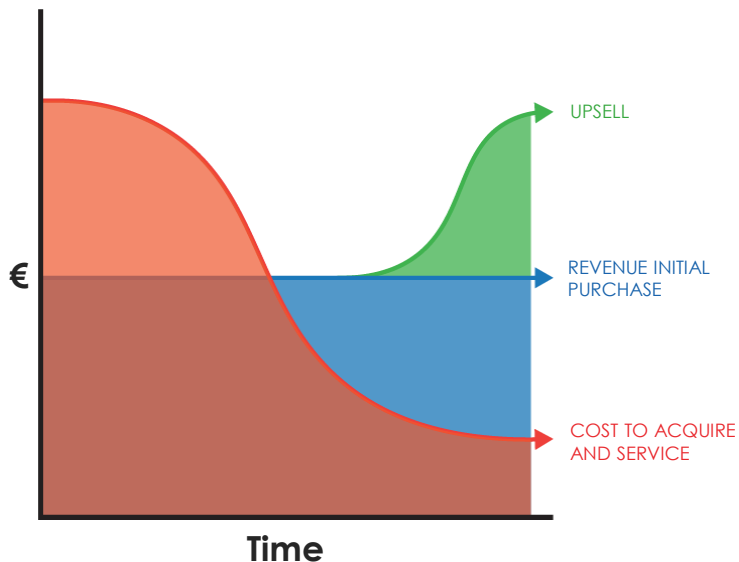
# Organic Growth Drivers & Impact on DADA's Metrics

**CUSTOMER BASE GROWTH**

Increase Customer Volumes & Gain Market Share

**NEW PRODUCTS & UPSELLING**

Increase ARPU, Reduce Churn & Expand Marginality

**INCREASE RETENTION**

Leverage on Recurring Revenue & Reduce COA

**ENRICH REVENUE MIX**

By Countries & Highest Profitability Products

# 2015 Key Financial Highlights

## KEY ACHIEVEMENTS

o **IMPROVED ALL MAIN BUSINESS METRICS**

o **STRONG GROWTH IN OPERATING MARGINS**

o **IMPROVED CASH FLOW**

## BY THE NUMBERS

o **+ 22%** yoy New Domains
o **+ 32%** yoy New Customers acquired
o **+ 6%** yoy Customer Base

o **Ebitda +14% yoy** (+140 bps Ebitda Margin)
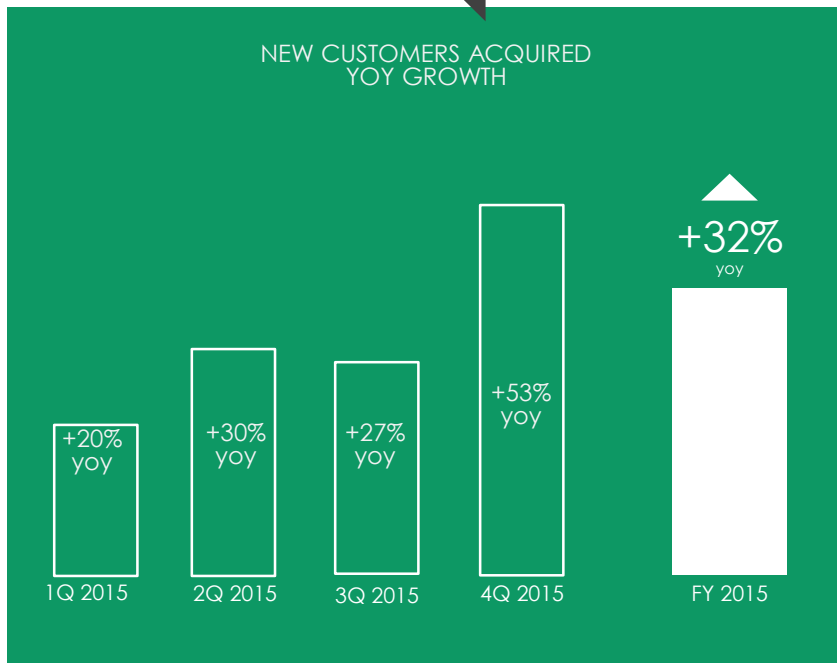o **EBIT +111% yoy**

o **Net Operating Cash Flow** € 7.4 mln (+105% yoy)
o **NFP at € 27.7mln** in '15 vs € 33,6 mln in'14

# FY'15 Customers Base Increase – Investing in the future

**Monthly Churn <1.2%**

CUSTOMERS – STOCK
(000S)

+6%
yoy

530

560

FY 2014

FY 2015
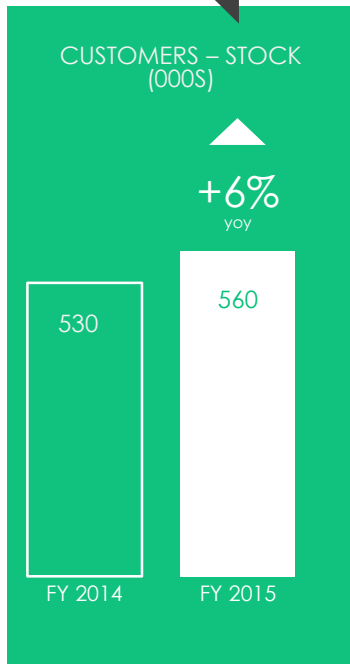
**Strong New Customers improvement
thanks to marketing investments in 2H'15**

NEW CUSTOMERS ACQUIRED
YOY GROWTH

+32%
yoy

+20%
yoy

+30%
yoy

+27%
yoy

+53%
yoy

1Q 2015

2Q 2015

3Q 2015

4Q 2015

FY 2015

# FY'15 Business Metrics - Growing Faster Than the Market

DADA grew vs a stagnating Mkt
**grabbing Mkt Shares** from competitors

**DOMAIN STOCK (MLN)**

+6%
yoy

1.7 — FY 2014
1.8 — FY 2015

**NEW DOMAINS REGISTRATIONS**

+22%
yoy

FY 2014
FY 2015
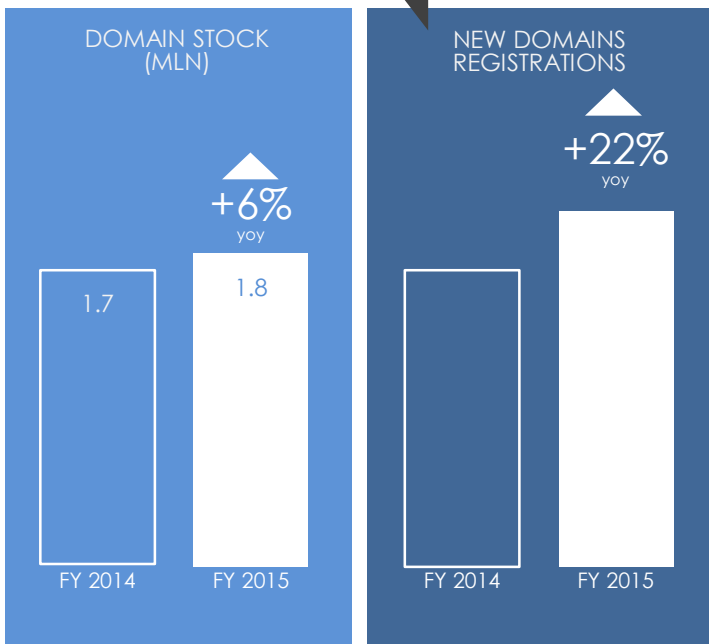
- o **Strong new domain registrations growth** in 2015, grabbing market share from main competitors in a **stable market**

- o Domains registrations as a **key driver to acquire new customers** , trough marketing investments

- o **116** additional **new GTLDs** available on our store

- o Strong **market share** in main new gTLDS:
  .wine **8% worldwide** (60% In Italy)
  .bio **18% worldwide**

# Key Financial Results FY 2015

FY 2015 includes Euro 1.8 million
Result from discontinued operations

## REVENUES

+4.5%
yoy

60.2

62.2

€ MLN

FY 2014 | FY 2015

## EBITDA

+14%
yoy

9.2

10.5

15.4%
On Revenues

16.8%
On Revenues

FY 2014 | FY 2015

## EBIT € MLN

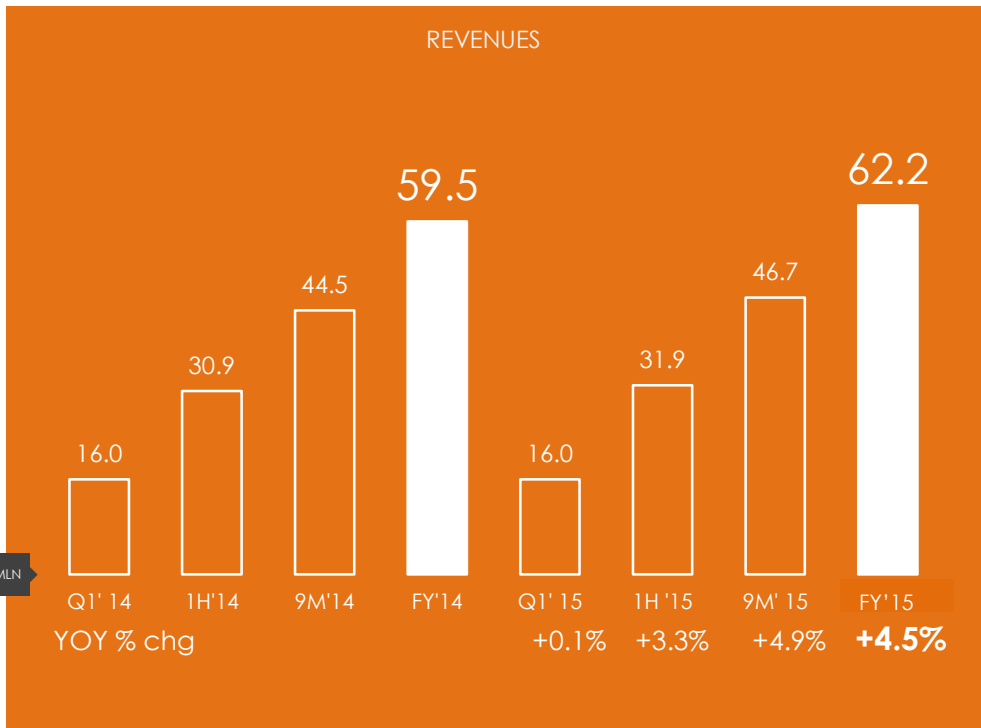+111%
yoy

1.3

3.2

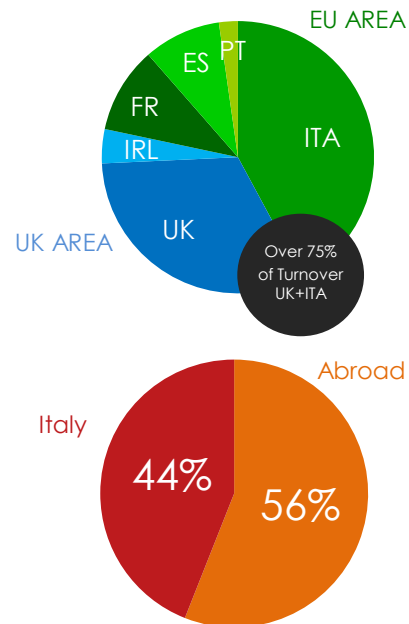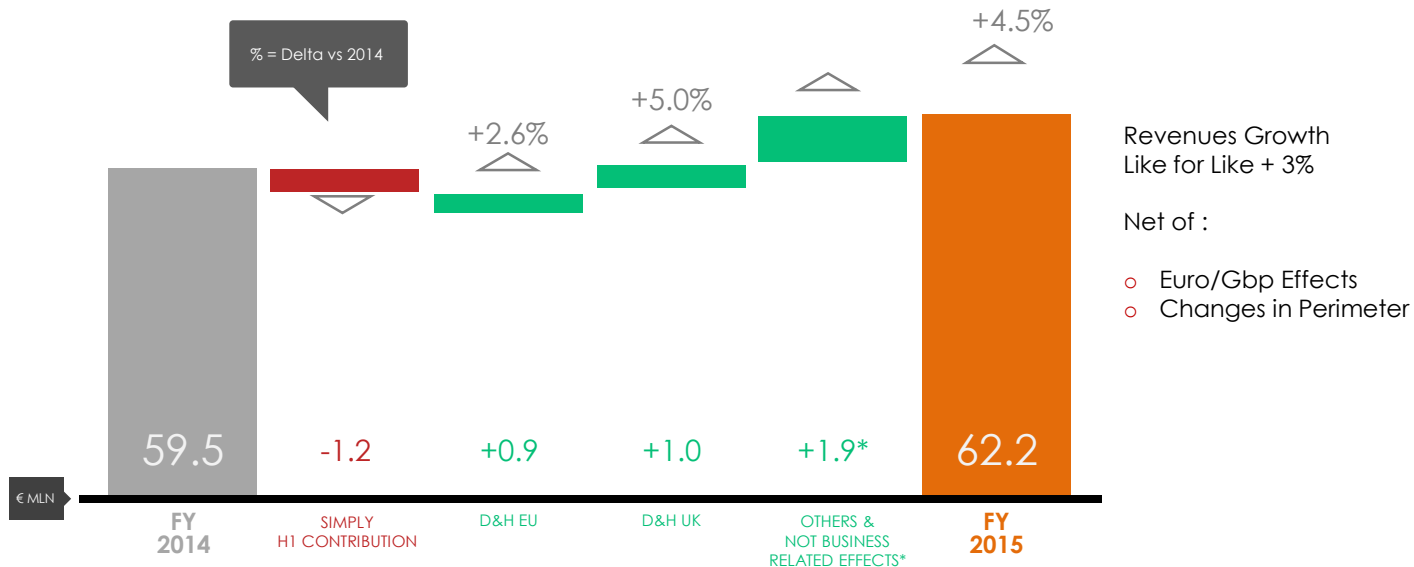FY 2014 | FY 2015

## NET RESULT

-2.2

1.3

FY 2014 | FY 2015

# Revenues Trend by quarters & Breakdown



REVENUES

| Q1' 14 | 1H'14 | 9M'14 | FY'14 | Q1' 15 | 1H '15 | 9M' 15 | FY'15 |
|--------|-------|-------|-------|--------|--------|--------|-------|
| 16.0 | 30.9 | 44.5 | 59.5 | 16.0 | 31.9 | 46.7 | 62.2 |

€ MLN

YOY % chg          +0.1%   +3.3%   +4.9%   **+4.5%**

**FY 2015 Revenues Breakdown**

EU AREA

ES  PT
FR
IRL
ITA
UK AREA
UK

Over 75%
of Turnover
UK+ITA

Italy        Abroad

44%    56%

# FY 2015 Revenue Bridge vs FY 2014



% = Delta vs 2014

+4.5%

+2.6%

+5.0%

€ MLN

| 59.5 | -1.2 | +0.9 | +1.0 | +1.9* | 62.2 |
| FY 2014 | SIMPLY H1 CONTRIBUTION | D&H EU | D&H UK | OTHERS & NOT BUSINESS RELATED EFFECTS* | FY 2015 |

Revenues Growth
Like for Like + 3%

Net of :

o   Euro/Gbp Effects
o   Changes in Perimeter

*Not business related effects:
€/GBP exchange rate                    + €2.3 mln
2014 UK ADSL revenue (dismissed in May '14)  - €0.3 mln

Figures excluding Performance Adv results since January 2014

# EBITDA Trend by quarters



EBITDA

| Q1' 14 | 1H '14 | 9M' 14 | FY'14 | Q1' 15 | 1H '15 | 9M' 15 | FY'15 |
|---|---|---|---|---|---|---|---|
| 2.3 | 4.9 | 7.0 | 9.2 | 2.8 | 6.1 | 8.5 | 10.5 |

Yoy % chg

+25.1%  +24.0%  +20.3%  **+14.2%**

€ MLN
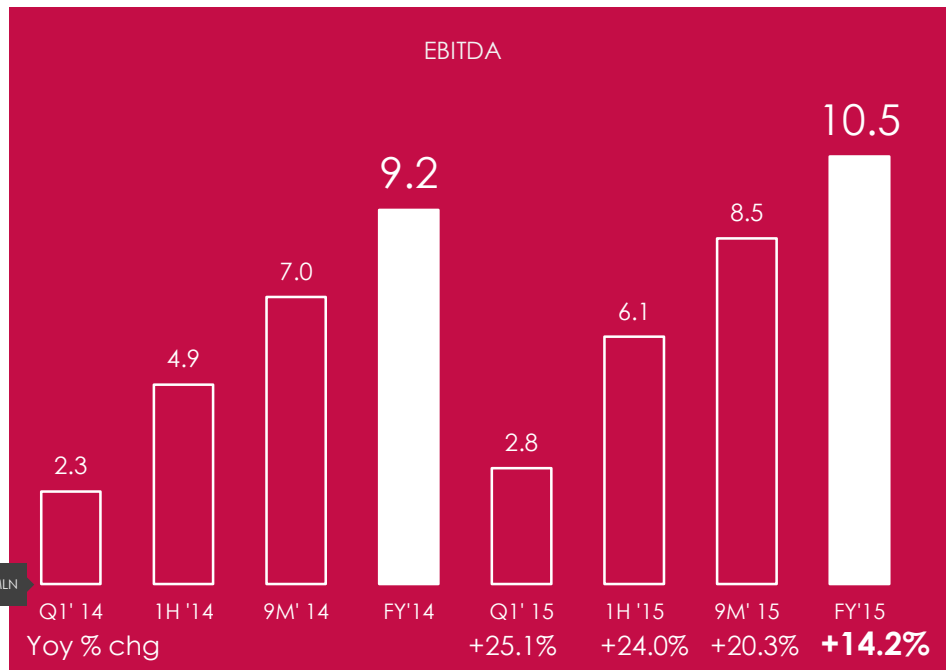
In 2015 **Ebitda** increased thanks to **PM improvement** and **Opex reduction** despite:

o  **COA increase**, particularly **in Q4** (+45% yoy), aimed to **improve** acquisition of **New Customers**

o  Negative impact of **USD** appreciation only partially offset by Euro/GBP effect

COA

| FY'14 | FY'15 |
|---|---|
| | +37% yoy |
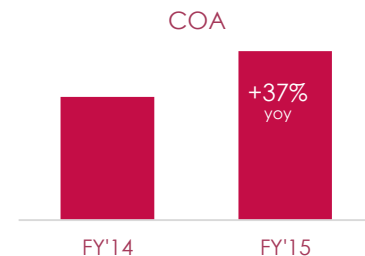
# FY 2015 EBITDA Bridge vs FY 2014

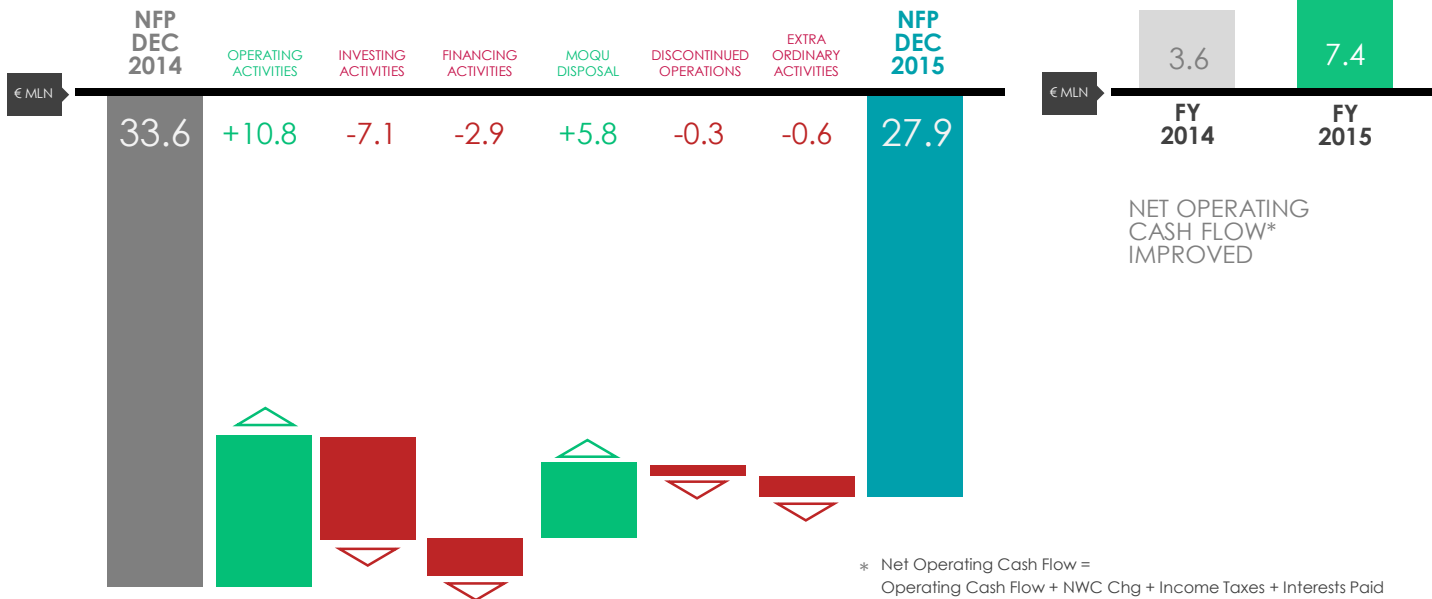Figures excluding Performance Adv results since January 2014

% = Delta vs 2014



| | | +8.0% | +31.4% | -6.1% | -24.9% | -12.1% | | | +14.2% |
|---|---|---|---|---|---|---|---|---|---|

% of revenue

15.4%

16.8%

€ MLN

| FY 2014 | SIMPLY PM (H1 CONTRIBUTION) | D&H PRODUCT MARGIN | D&H COA | LABOUR COST & CONTRACTORS | R&D CAPEX | G&A | USD Ex. Rate Impact | GBP Ex. Rate Impact | FY 2015 |
|---|---|---|---|---|---|---|---|---|---|
| 9.2 | -0.5 | +2.6 | -1.5 | +1.2 | -0.7 | +1.0 | -1.2 | +0.5 | 10.5 |
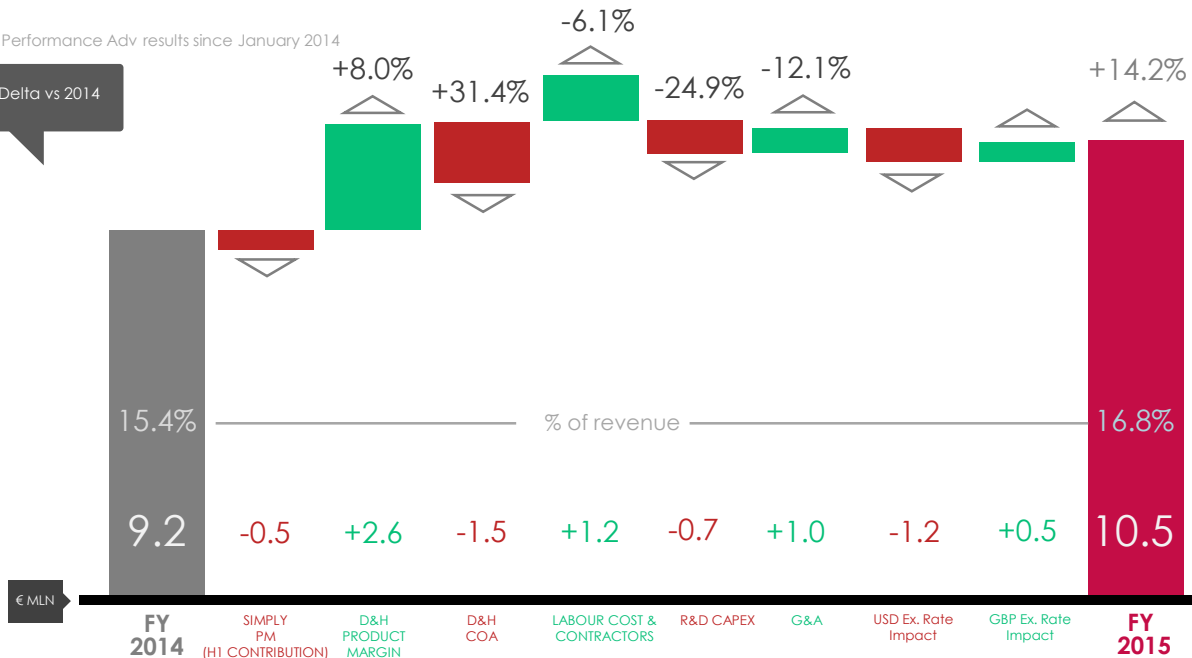
# FY 2015 Capex Composition

**2015 Capex** net of new Data center & Etinet acquisition = **€ 5.1 mln**
Figures excluding Performance Adv results since January 2014

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 5.4 | 2.3 | 0.1 | 1.6 | 1.1 | 1.3 | 0.8 | 7.2 |
| **FY 2014** | R&D | SW LICENSES | HARDWARE | DEDICATED SERVERS | NEW UK DATA CENTER | ETINET ACQUISITION | **FY 2015** |

€ MLN

# FY 2015 Cash Flow



| | NFP DEC 2014 | OPERATING ACTIVITIES | INVESTING ACTIVITIES | FINANCING ACTIVITIES | MOQU DISPOSAL | DISCONTINUED OPERATIONS | EXTRA ORDINARY ACTIVITIES | NFP DEC 2015 |
|---|---|---|---|---|---|---|---|---|
| € MLN | 33.6 | +10.8 | -7.1 | -2.9 | +5.8 | -0.3 | -0.6 | 27.9 |

| € MLN | FY 2014 | FY 2015 |
|---|---|---|
| | 3.6 | 7.4 |

NET OPERATING CASH FLOW*
IMPROVED

\* Net Operating Cash Flow =
Operating Cash Flow + NWC Chg + Income Taxes + Interests Paid

# FY 2015 Net Financial Position

@31 DEC 2015: **73% OF NFP MLT** VS 49% AT 31 DEC 2014

NFP € 33.6 mln

NFP € 27.9 mln

€ MLN

16.7

18.2

-1.4

**31 DEC 2014**

20.4  MLT DEBT

11.2  SHORT TERM DEBT

-3.7  CASH*

**31 DEC 2015**
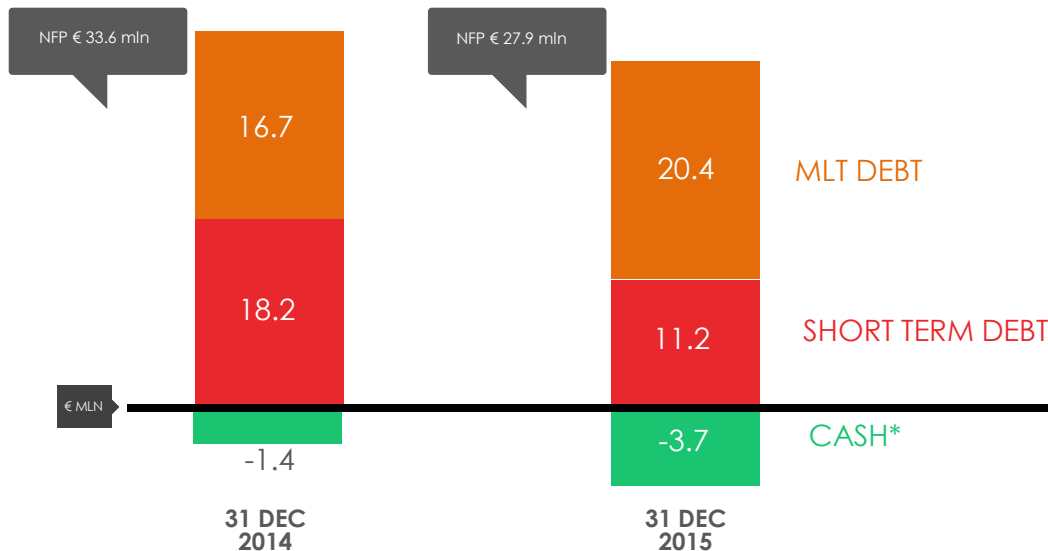
*   Cash = Cash, bank and post office deposits

# FY 2015 – Dada Group Consolidated P&L

| €/mln | FY 2015 | FY 2014 | Delta vs 2014 | |
|---|---|---|---|---|
| **Revenue** | **62.2** | **59.5** | **2.7** | *4.5%* |
| COGS | -21.7 | -21.4 | -0.3 | *1.5%* |
| **Product Margin** | **40.5** | **38.1** | **2.3** | *6.1%* |
| COA | -6.4 | -4.7 | -1.7 | *37.0%* |
| **Gross Margin** | **34.1** | **33.5** | **0.6** | *1.8%* |
| Labour Cost & Contractors | -18.6 | -19.2 | 0.6 | *-3.2%* |
| R&D CAPEX | 2.3 | 3.0 | -0.7 | *-24.4%* |
| G&A | -7.3 | -8.1 | 0.8 | *-9.9%* |
| **EBITDA** | **10.5** | **9.2** | **1.3** | *14.2%* |
| Non recurring charges/Write-downs | -0.4 | -0.5 | 0.1 | *-12.8%* |
| D&A | -6.9 | -7.2 | 0.3 | *-4.1%* |
| **EBIT** | **3.2** | **1.5** | **1.7** | *111.2%* |
| Net Financials | -2.5 | -2.7 | 0.2 | *-7.9%* |
| Taxes | -1.2 | -0.8 | -0.4 | *44.2%* |
| **Profit (Loss) from Continuing Operations** | **-0.5** | **-2.0** | **1.5** | *74.9%* |
| Profit (Loss) from Discontinued Operations + CG | 1.8 | -0.2 | 2.0 | |
| **Net Result** | **1.3** | **-2.2** | **3.5** | *160.8%* |

# As of 31ᵗʰ December 2015



Abroad 46%

Italy 54%

Male 59%

Female 41%

Worcester #96
Reading #18
London #9
Tot # 123

names.co.uk
poundhost

register365

amen

nominalia
Barcelona #47

amen
Lisbon #14

register.it

Firenze #145
Milano- Bergamo #57
Savigliano #18
Tot #220
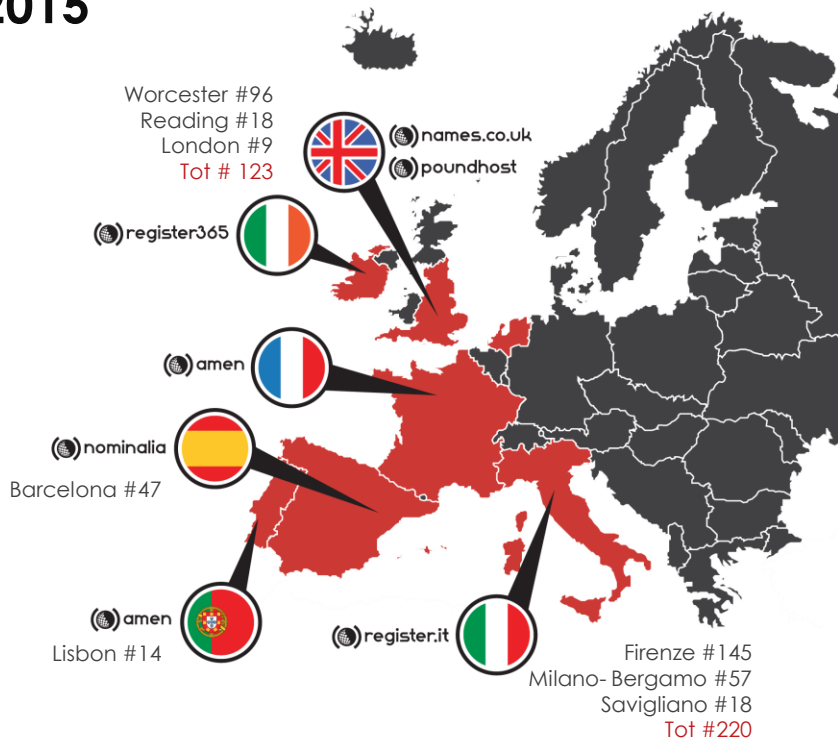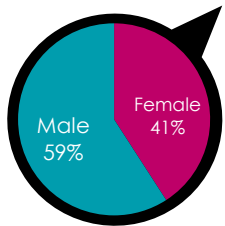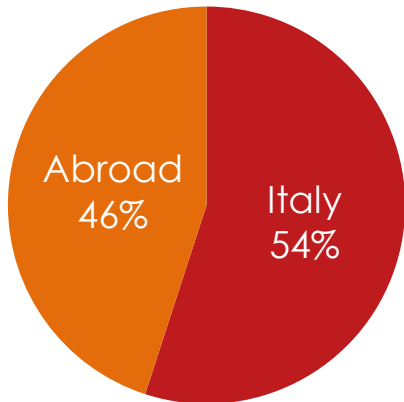
# Overview

## DADA AS OF FEB 29th 2016

| MARKET | STAR SEGMENT – MTA |
|---|---|
| PRICE | € 2.62 |
| NOSH | € 16.7 MLN |
| MKT CAP | € 43.8 MLN |
| PERFORMANCE YTD | +25.0% |
| RELATIVE PERF vs STAR INDEX YTD | +34.0% |
| AVERAGE DAILY VOLUMES YTD | 44,447 |

## SHAREHOLDING STRUCTURE
As of 29 FEB 2016

Other Investors < 5%
25.54%

Aruba Spa
5.03%

Orascom
TMTI*
69.43%
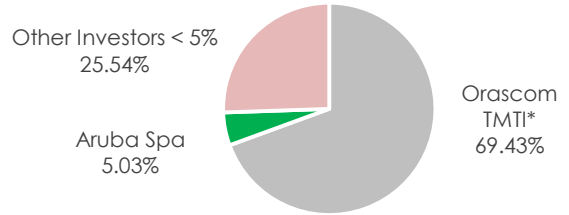
*Through its wholly-owned subs. Libero Acquisition S.à.r.l.

DADA STOCK
Feb 2015 - Feb2016

2.931
2.667
2.403
2.139
1.875
1.61

250k
0k

MAY15       JUL15       SEP15       NOV15       GEN16       FEB16

# Agenda

- DADA at a Glance

- Market & Positioning

- Business Overview

- FY2015 Financial Results & KPI's

- Strategic Guidelines

- Investment Highlights

# Key Pillars of Future Strategy & 2016 Guidelines

## STRENGTHEN EUROPEAN LEADING POSITION & FURTHER IMPROVE FINANCIALS
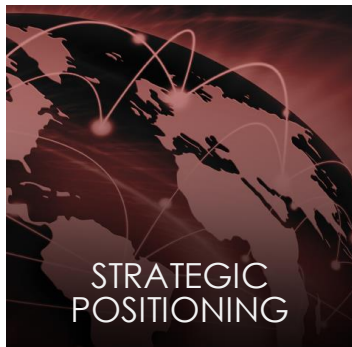
### STRATEGIC POSITIONING

- o **Increase Mkt Share** in core geographies
- o Broaden range of services in "**We do it for you**" mode
- o Strengthen positioning in **Cloud Hosting, Virtual Dedicated** & **Private Servers**
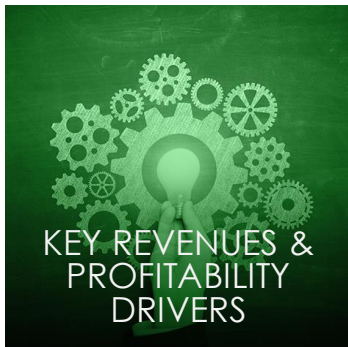
### KEY REVENUES & PROFITABILITY DRIVERS

- o Build **Volumes** – new clients
- o Enhance **Retention Rate** and **Upselling Activities** – increase ARPU
- o Finalize **Platforms Integration**
- o Enhance **COA** investments efficiency

### BOOST OPPORTUNITIES

- o Major offline/ online push – **Organic Growth**
- o **Small Portfolio** acquisition to increase mkt share / add new services
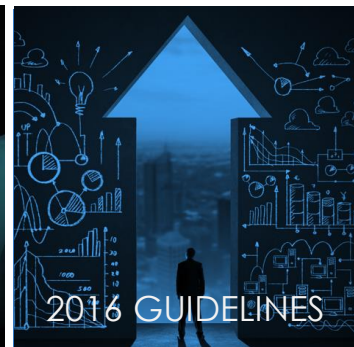
### 2016 GUIDELINES

- o **Mid-single digit Revenues increase** - on a like for like basis
- o **Benefits** from 2H15 Investments expected **from 2H2016** with the **Ebitda improving more than revenues** starting from **3Q**

# Agenda

- DADA at a Glance
- Market & Positioning
- Business Overview
- FY2015 Financial Results & KPI's
- Strategic Guidelines
- Investment Highlights

| 1 | Large and Underserved Addressable Market |
|---|---|
| 2 | Leading Position in European Core Geographies |
| 3 | Successful Business Model: Broad and High Value Suite of Products, Powerful & Proprietary Infrastructure, Owned & Local Oustanding Customer Care |
| 4 | Good Revenues Visibility & Predictability |
| 5 | Significant Economies of Scale with Volumes Growth |
| 6 | Data–Driven Understanding & Managing of Customer Base & Customer Acquisition |
| 7 | Successful Track Record in Revenue Consolidation, Cost Optimization & M&A |

APPENDIX

# Basic Needs: Online Identity

## DOMAINS

- +700 TLDs (cc + gTLD)
- Premium Domains
- Full management from personal Control Panel
- "Basic presence pack"
- Reseller programs

## COMMUNICATION TOOLS

- Professional Email Services
- Preset features or tailored offer
- PEC – Legal Mail
- Full range of Office 365 solutions

Business Overview
# Enhanced Functionality & Services

## WEB HOSTING

**Shared Hosting**
- o C-Panel based solutions
- o Reseller Hosting solution
- o Linux and Windows solutions

**VPS and Cloud VPS**
- o Based on top technology suppliers
- o Flexible and scalable solutions

**Dedicated Servers**
- o Fully dedicated to your business, top performance(99.9% LSA)

**Advanced support and consulting**
- o SSL Certificates
- o Security software

## WEB APPLICATIONS

**Web Site Builders**
- o E-Commerce solutions
- o Mobile editor

**Most common CMS**

**DIFY Solutions**

**Web Marketing**

**SEO/SEM/Social Media Advertising**

# Advanced Services

## ONLINE BRAND PROTECTION

- Domain management and recovery
- TMCH
- Trade Mark registration

## MANAGED SERVERS

- Hassle free solutions
- Consultancy for installation and monitoring and prompt intervention

# FY 2015 – Balance Sheet

| € mln | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Net Working Capital** | **(11.5)*** | **(10.3)** |
| **Fixed Assets** | **99.7** | **95.4** |
| Severance and Other Funds | (1.1) | (1.4) |
| **Net Capital Employed** | **87.2** | **83.7** |
| **Net Financial Position** | **(27.9)** | **(33.6)** |
| **Total Shareholders' Equity** | **(59.3)** | **(50.1)** |

*Differences between NCE and the sum of NFP and Net Equity area due to rounding*

*\* Of which 12.9mln deferred revenues included*

# FY 2015 – NPF Breakdown

| € mln | 31.12.2015 | 31.12.2014 |
|---|---|---|
| **Cash, bank and post office deposits** | **3.7** | **1.4** |
| Credit lines, account overdrafts and current bank borrowings | (11.1) | (18.2) |
| Non-current bank borrowings (M/L T) | (20.3) | (16.7) |
| Derivatives | (0.1) | (0.1) |
| **NPF** | **(27.9)** | **(33.6)** |

# FY 2015 – Cash Flow Statement

| € mln | FY 2015 | FY 2014 |
|---|---|---|
| **Cash and Cash Equivalents at the Beginning of Period** | **(16.8)** | **(9.5)** |
| Group Net Profit (Loss) | 1.3 | (2.2) |
| **Gross Operating Cash Flow** | **10.2** | **9.0** |
| Working capital, Income taxes and Interest paid | (2.8) | (5.4) |
| **Net Operating Cash Flow** | **7.4** | **3.6** |
| Capex & Investing Activities | (2.6) | (6.3) |
| Financing Activities | 3.1 | (4.6) |
| **Free Cash Flow** | **7.9** | **(7.3)** |
| **Cash and Cash Equivalents at the End of Period** | **(8.8)** | **(16.8)** |

# Structure as of December 2015

# M&A Activity

register.it
**July 2006**
Last 3% acquisition

names.co.uk
**July 2007**
100% acquisition

amen
**July 2008**
100% acquisition

Dada·net
**May 2011**
100% sale

simply
**June 2015**
100% contribution

nominalia
**August 2006**
100% acquisition

register365
**May 2008**
100% acquisition

poundhost
**January 2010**
100% acquisition

moqu·adv
**March 2015**
100% sale

etinet
**July 2015**
100% acquisition
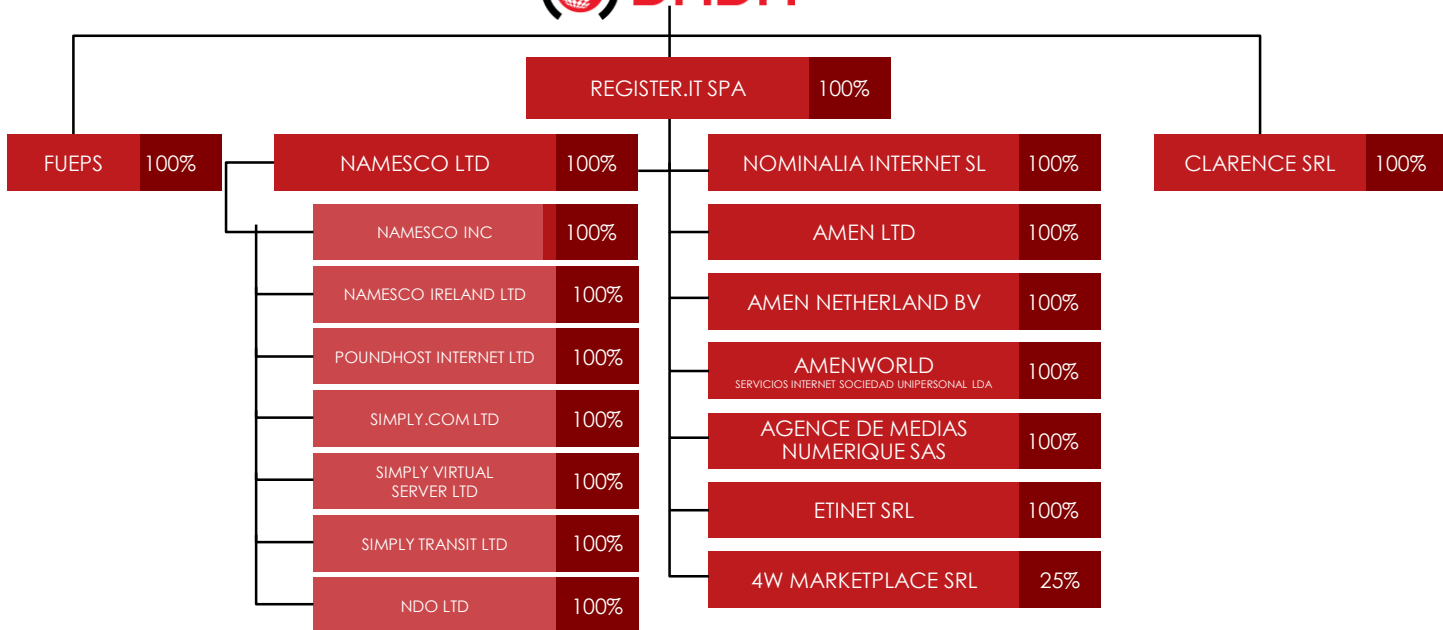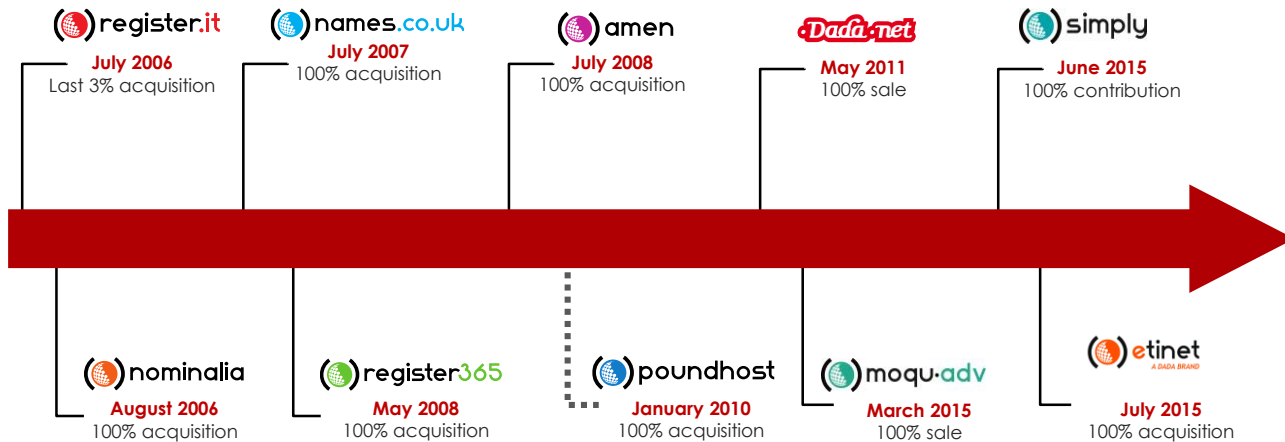
# M&A Multiples

| Country | Brand | Year | EV/Ebitda Acqu. Multiple | DADA Trading Multiple |
|---|---|---|---|---|
| Spain | nominalia | 2006 | 2.7x | 12.8x |
| UK | names.co.uk | 2007 | 8.6x | 15.1x |
| Ireland | register365 | 2008 | 4.9x | 6.7x |
| France / Portugal | amen | 2008 | 6.8x | 5.6x |
| UK | poundhost | 2010 | 2.7x | 4.5x |
| Italy | etinet A DADA BRAND | 2015 | 2.6x | 6.6x |

Simply Project

# From Customer Needs
# To a New Acquisition Channel

## FREEMIUM BUSINESS MODEL

User lead acquisition through **freemium pricing strategy:**

- ✓ **free of charge**
- ✓ **Premium Plan** for advanced features or apps

## SIMPLY SELLING POINT

Create a **website** in **2 minutes** by importing **content** from **Social** Business Pages.

(e.g. Facebook, LinkedIn, Google Plus).

## TARGET AUDIENCE

SMB with Social Page but no website:
- o **Presence online**
- o **No time** or **money** to invest
- o Be on line **preserving domain** and **identity**

Data identified from a Consumer Research Survey that import from Social Business Pages is what SMBs and professionals are looking for in website builder tool.

NEXT STEPS
…
FOR AN EARLY STAGE BUT PROMISING PROJECT

- ✓ Become a **new simple** and **fast way** to **create** an online presence by **limiting user's effort** on creating their website.

- ✓ **Export** Simply **across Europe** and some targeted states in the **U.S.**

# Many thanks!

## Contacts

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