





COMPANY PRESENTATION

November 23<sup>th</sup> 2016



*The gateway to your digital presence*



# Agenda

- DADA at a Glance
- 9M 2016 Achievements
- Market & Positioning
- 9M 2016 Financials & KPIs
- Strategic Guidelines
- Investment Highlights

# Leading European Player in Digital & Online Services for SMBs

## WHO WE ARE

- **Leading European Player** in **Digital Services** for the **Online Presence & E-Business**
- **Domains & Hosting** services targeted at **SMBs & SoHo**
- Broad **Suite of Solutions** from “**Do It Yourself**” to “**We Do It For You**”
- Fully Integrated **Technology Infrastructure**, Proprietary **Datacenter**, World Class **Data Driven Platform**
- Listed on the **STAR Segment** of the Milan Stock Exchange (EV € 65.0\*\* mln)

## BY THE NUMBERS

**15** years  
Successful **Track Record** in the Industry

**600\*** k  
paying **Clients** (+11% yoy)

**1.9** 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) - **18% Ebitda Margin**

**455**  
Highly Qualified **Employees\***

\* Data as of 30 September 2016

\*\* Data as of 11 Nov 2016, NFP as of 30 September 2016

# DADA Key Assets

## BUSINESS & METRICS



600 K CUSTOMERS



1.9 MLN DOMAINS



1.8 MLN EMAILS



650 K HOSTING

## BRANDS & RANKING

#2 ITALY



( ) register.it  
( ) etinet  
( ) sfera

#4 UK



( ) names.co.uk  
( ) simply  
HOSTING & SERVERS

#2 IRELAND



( ) register365

#1 PORTUGAL TOP 5 FRANCE



( ) amen.pt



( ) amen.fr

TOP 9 SPAIN



( ) nominalia

## PLATFORM & SUPPORT

OUTSTANDING LOCAL & INTERNAL CUSTOMER CARE  
(120 EMPLOYEES)

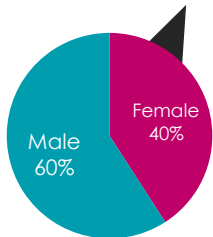
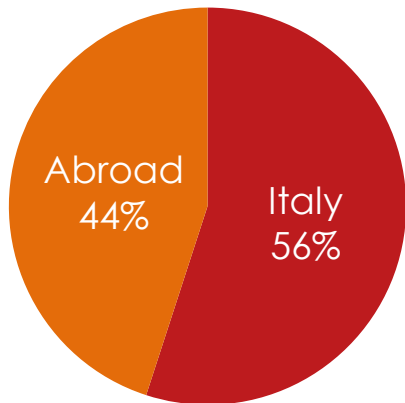
PREMIER DATA DRIVEN  
PLATFORM & MNGT.  
SYSTEMS

DATACENTER  
5.000 sq.m  
99.9% UPTIME SLA

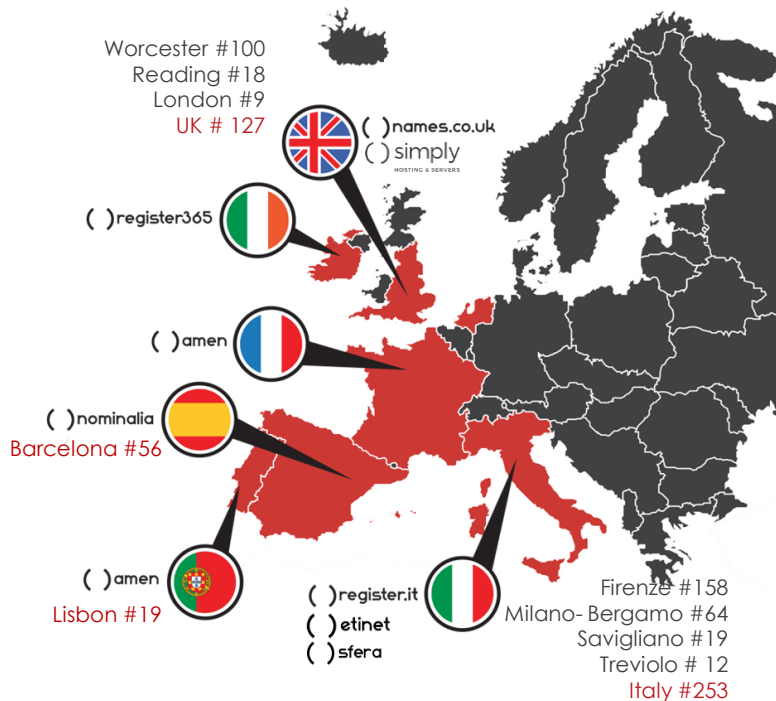
7 PETABYTES  
INFRASTRUCTURE  
DATA STORAGE

# Human Capital

455 Highly Skilled Employees\*

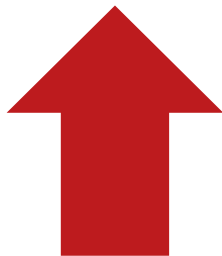


\*As of 30 September 2016



# DADA's Suite of Products & Services

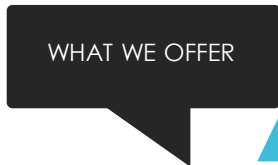
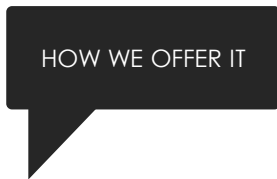
WE DO IT FOR YOU



DO IT WITH ME

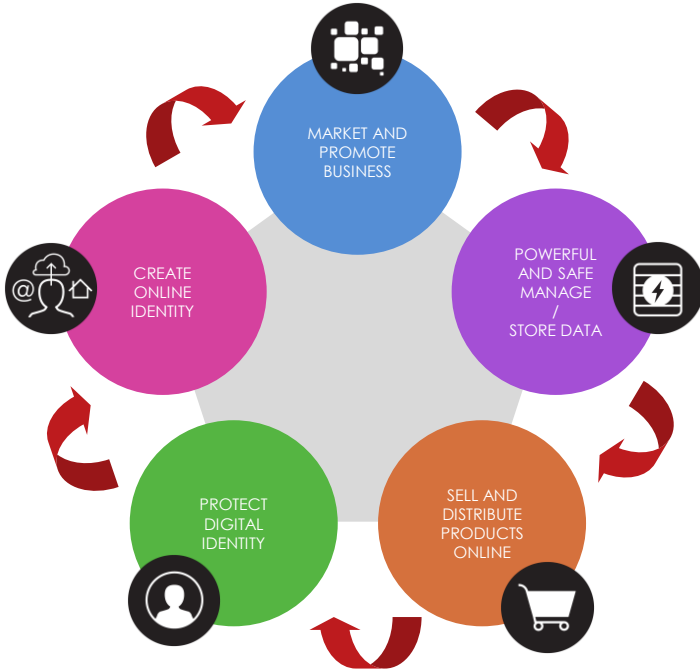


DO IT YOURSELF





# We Help SMBs Go Digital



- ✓ Wide and complete suite of Products
- ✓ High level of Security and Reliability
- ✓ Constant Support and Consultancy
- ✓ Tailor made Solutions

DADA at a Glance

## ..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 Service and Top Level Support**



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# 9M 2016 - Consistent Execution of Strategic Guidelines



Continued Strong Growth yoy...

**+11% Customer Base**

**+45% New Customers**

**+30% New Domains reg.**

Increased **Virtual & Private Servers** Clients

Improved **Market Share** in major geographies



**REVENUE increased +6%** yoy like for like, +2% rep.  
to **€47.7 mln**

**EBITDA €8.2 mln** (vs €8.5 9M15), **Ebitda margin 17%**

**EBIT improved by +6%** yoy to **€3.2 mln**

**NFP € 29.4 mln**, following acquisition of Sfera  
for €3.2 mln

# 9M 2016 - Consistent Execution of Strategic Guidelines



Improved **Off Line Sales**, **Customer Support** & **Tailor Made Services**

**Focus** on **Virtual**, **Private** & **Dedicated Servers** and **IT Managed Solutions**

Continued **Initial Offering** Promotions to **Develop Customer Base**

Increased **COA** efficiency



Acquired 100% of **SFERA NETWORK** (July 14<sup>th</sup>)  
specialized in **managed** & **customized IT services**

**Sfera** positively contributed to 3Q'16

**ETINET** - acquired in 2H15 **fully integrated** and **performing** well

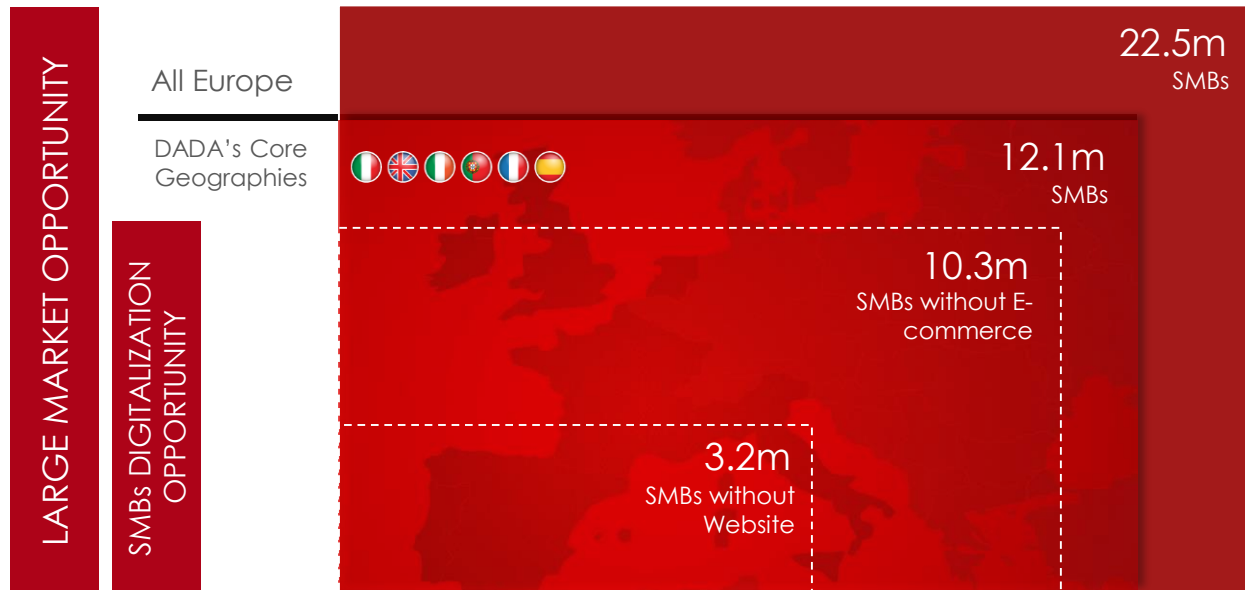


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# A Large & Underserved Market

Sources: European Commission - SME Performance Review – SME Company Analysis



With more than 600.000 SMB European customers, the current DADA's Market Penetration in its core geographies is **5%**

## Market & Positioning

# Top European Player with Leading Positioning in Largest ccTLDs

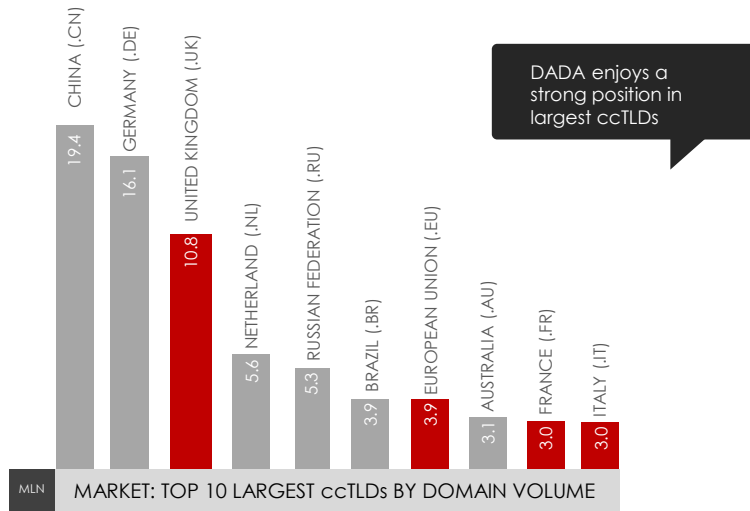


Figure at 2Q 2016 - Source www.centr.org, Domain Wire Global TLD Stat Q2 2016

### DADA'S POSITIONING IN ITS CORE GEOGRAPHIES



2



TOP 4



TOP 5



TOP 9



2



1



.eu MKT Share\* 8.5%

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

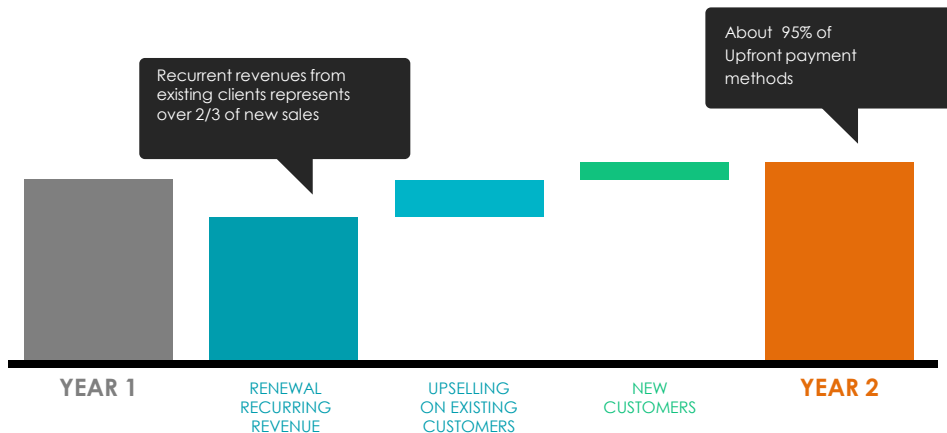




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## An Appealing Revenue Model..



### 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**

# 9M '16 Customer Base Growth – Investing for the future

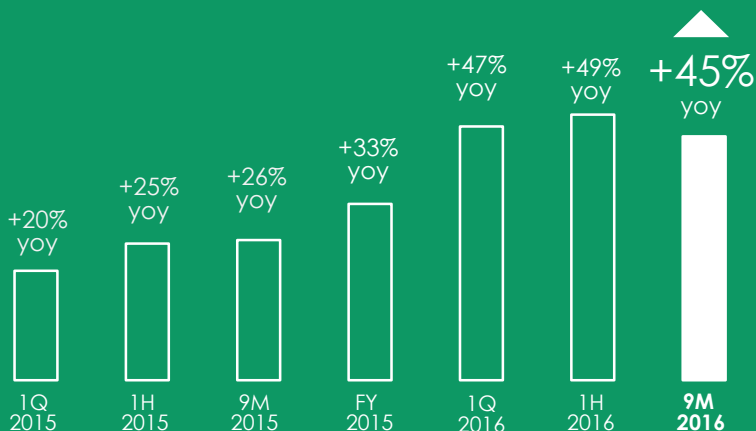
Monthly Churn <1.2%

Strong **New Customers increase**: effective marketing strategies from 1H2015, improved **COA** efficiency

CUSTOMERS – STOCK  
(000s)

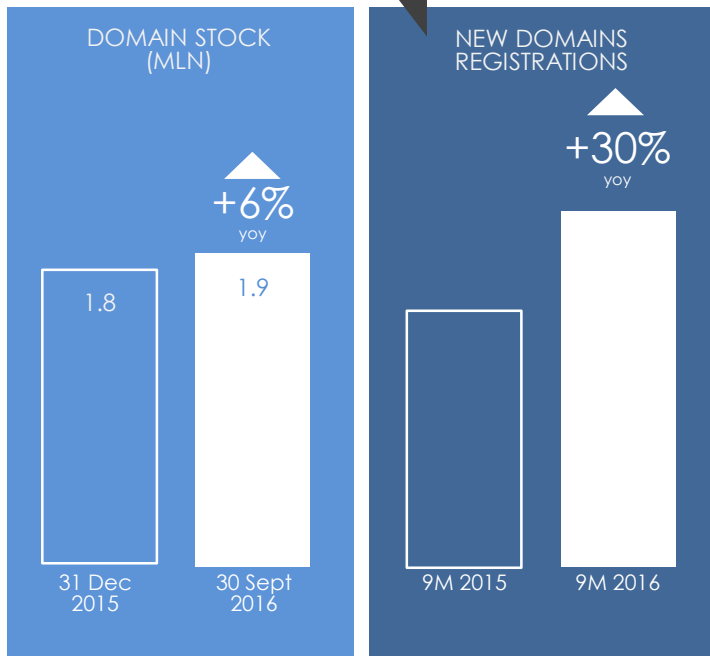


NEW CUSTOMERS ACQUIRED  
YOY GROWTH



# 9M '16 Business Metrics - Growing Faster than the Market

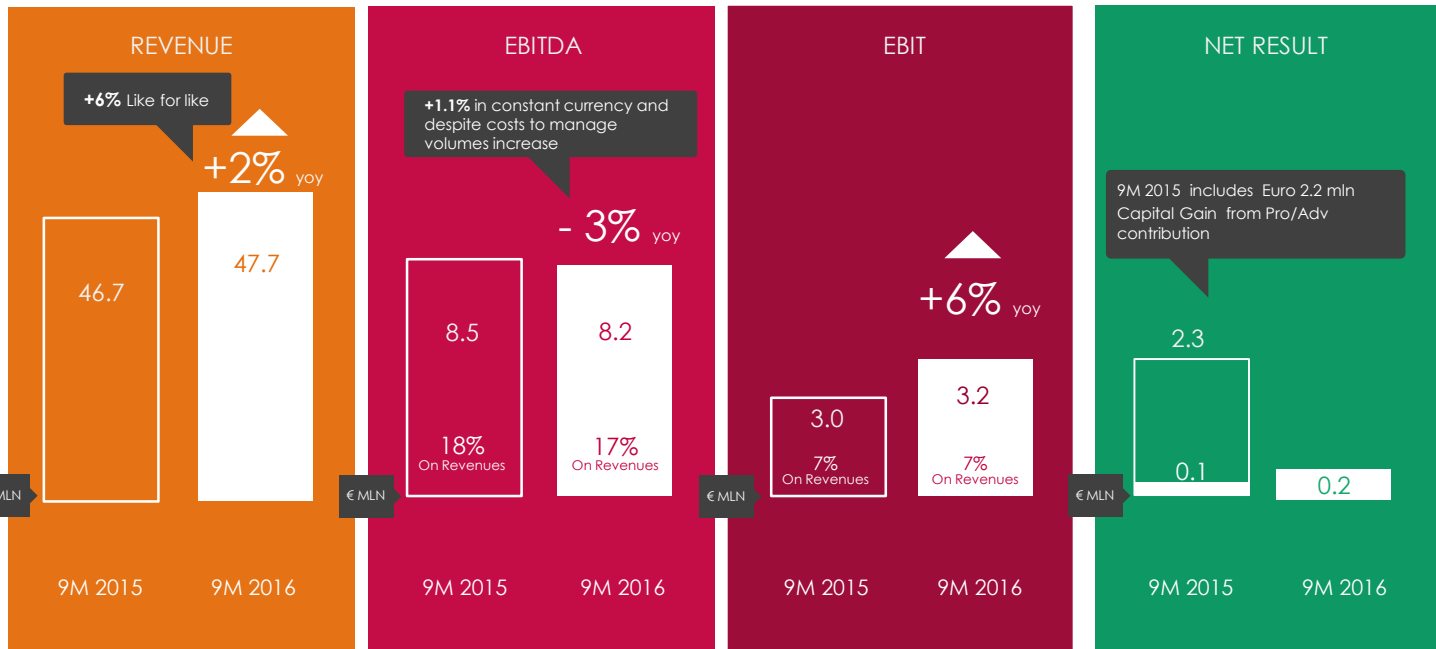
DADA continues to grow faster than the Mkt ,  
grabbing **Mkt Share** from competitors



- Domain registrations is the first step for the SMBs "go digital" and is a **key driver to acquire new customers**
- Continued strong **New registrations growth** in 9M 2016, **DADA grew faster than the market**
- In **Italy (.it – ccTLD) market penetration\*** exceeded **20%**
- Market penetration increased thanks to **effective sales policies**, and continuous **products improvement**
- **Launched** in the period **new gTLDs** such as: **.BARCELONA; .PROMO; .CARS; .INSURANCE; .SHOP.**
- Strong **market share** in main new gTLDs: **.wine 8% worldwide** (60% In Italy) **.bio 18% worldwide**

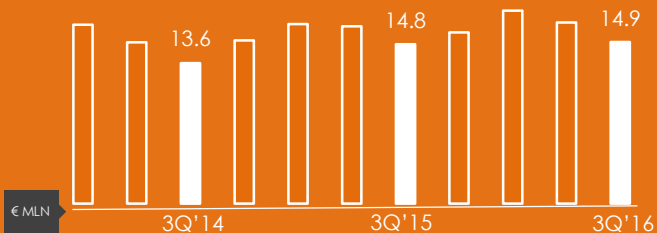
\*Calculated on new registrations. Data Registro.it and DADA analysis

# 9M '16 Key Financial Results

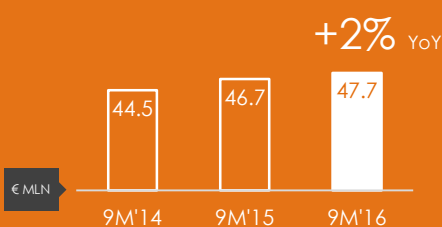


# Revenue Trend : +6% like for like

REVENUE by Quarter\* as reported



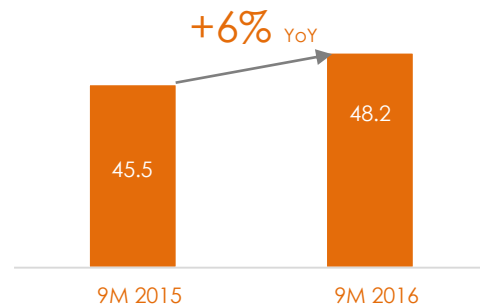
REVENUE 9M as reported



Revenue **continued to improve** all along the 3 quarters of 2016 **despite** negative Euro/Gbp impact in particular in 2Q16 & 3Q16

\*Considering before 2015 only D&H BU

REVENUE 9M like for like

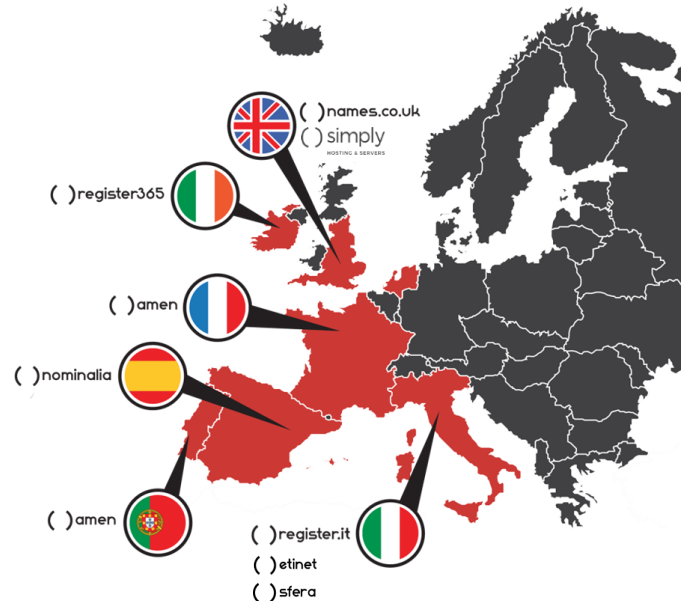
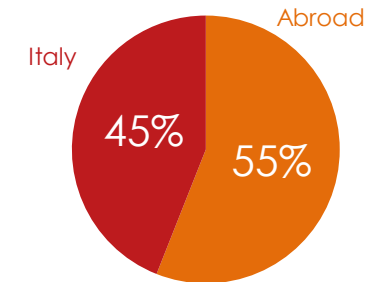
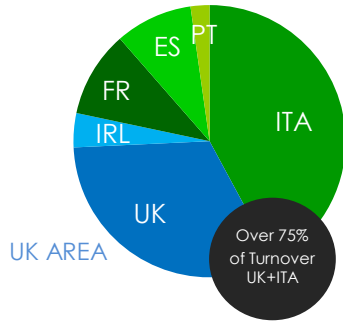


## Like for like view is net of

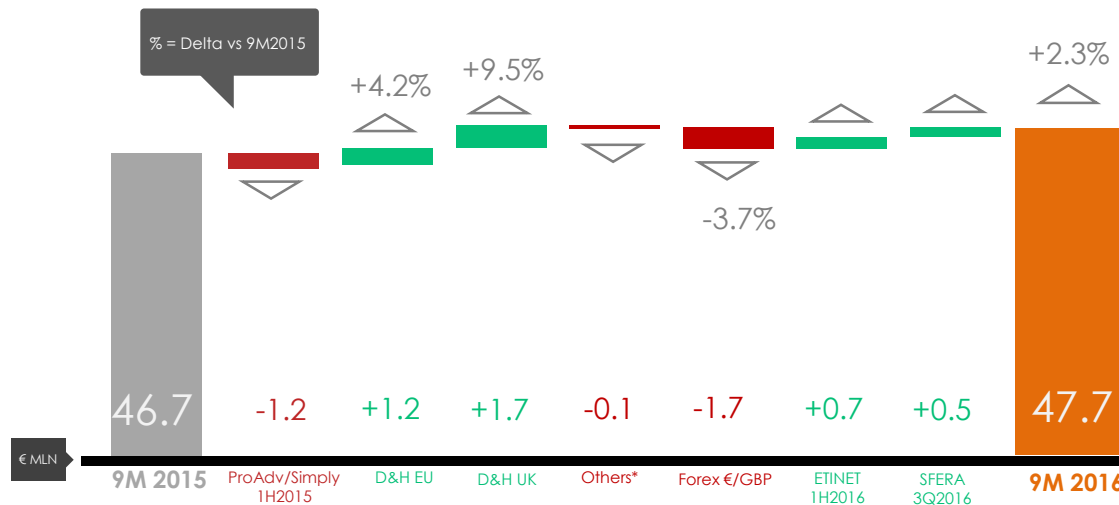
- €/GBP Effects - €1.7 mln
- Changes in Perimeter:
  - ProAdv €1.2 mln (1H2015)
  - Efinet €0.7 mln (1H2016)
  - Sfera €0.5 mln (3Q2016)

# International Business

## 9M '16 Revenue Breakdown



# 9M '16 Revenue Bridge vs 9M '15

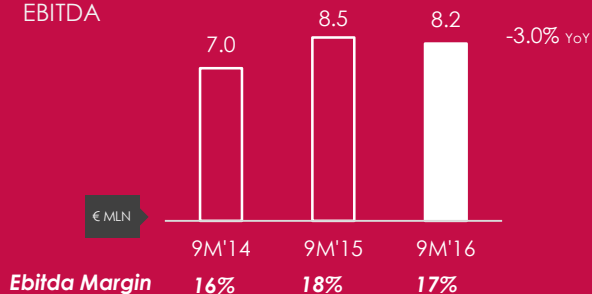


\*Mainly service fees verso Moqu & 4W MarketPlace

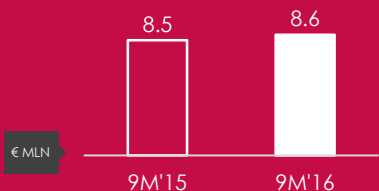


# EBITDA: 17% margin despite investments to expand the business

## EBITDA



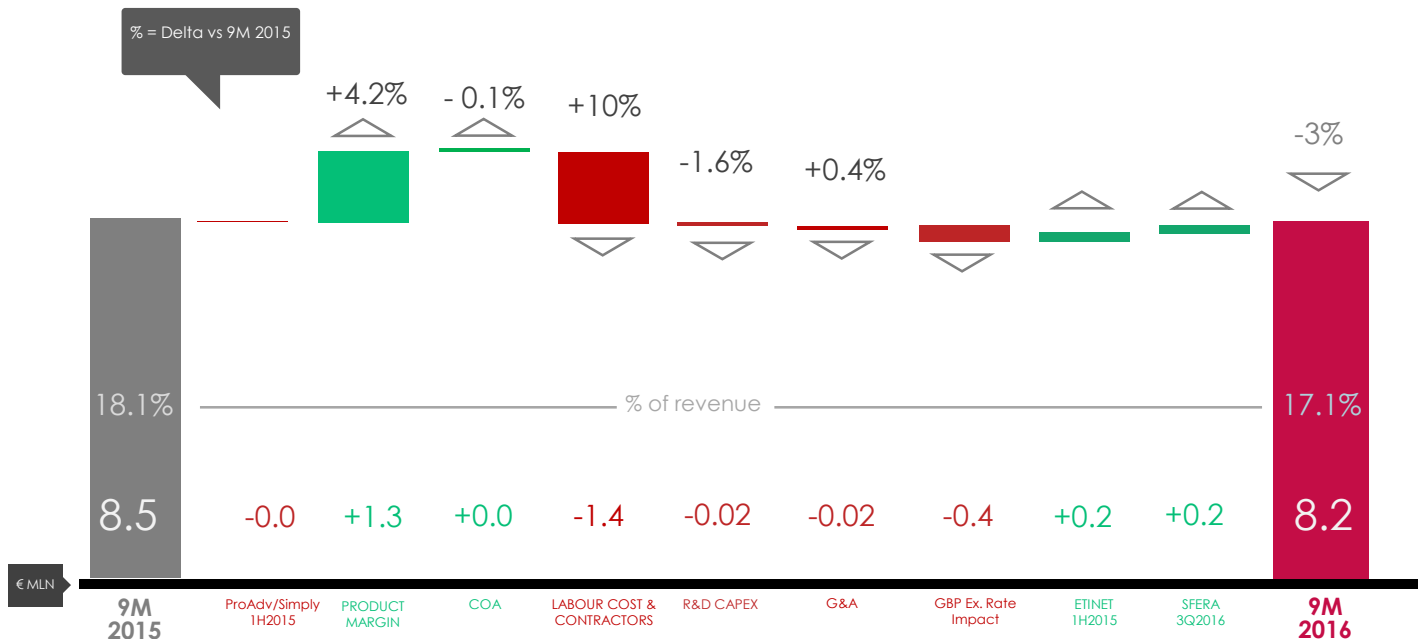
## EBITDA constant Currency + 1.1%



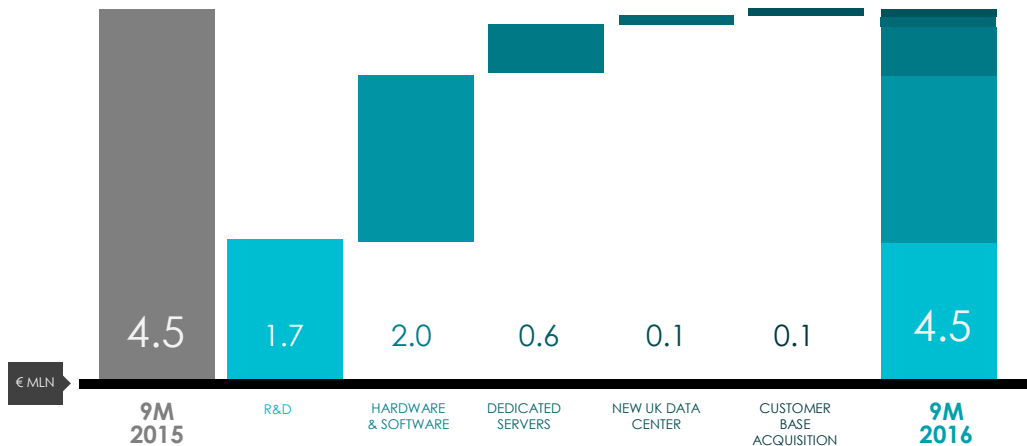
9M'16 Ebitda trend is due to:

- **Benefits arising** from full operation of new Datacenter and integration of the operational platforms
- **Costs to manage** the **growth in volumes** aimed to **improve future profitability** including:
  - ✓ **Initial Promotion Strategies (time –limited)** affecting new customer Arpu and Direct Margins
  - ✓ **Cost of personnel** increase to face **higher volumes**, maintain **quality of services** & provide new tailor made solutions (Insourcing of Customer Care in '15, Improving off line channels, consolidation of acquisitions)
- Recent acquisitions **Einet** and **Sfera** contributed **positively**. Changes in perimeter contributions offset the negative effects of **Euro/Gbp** trend (-€0.4 mln)

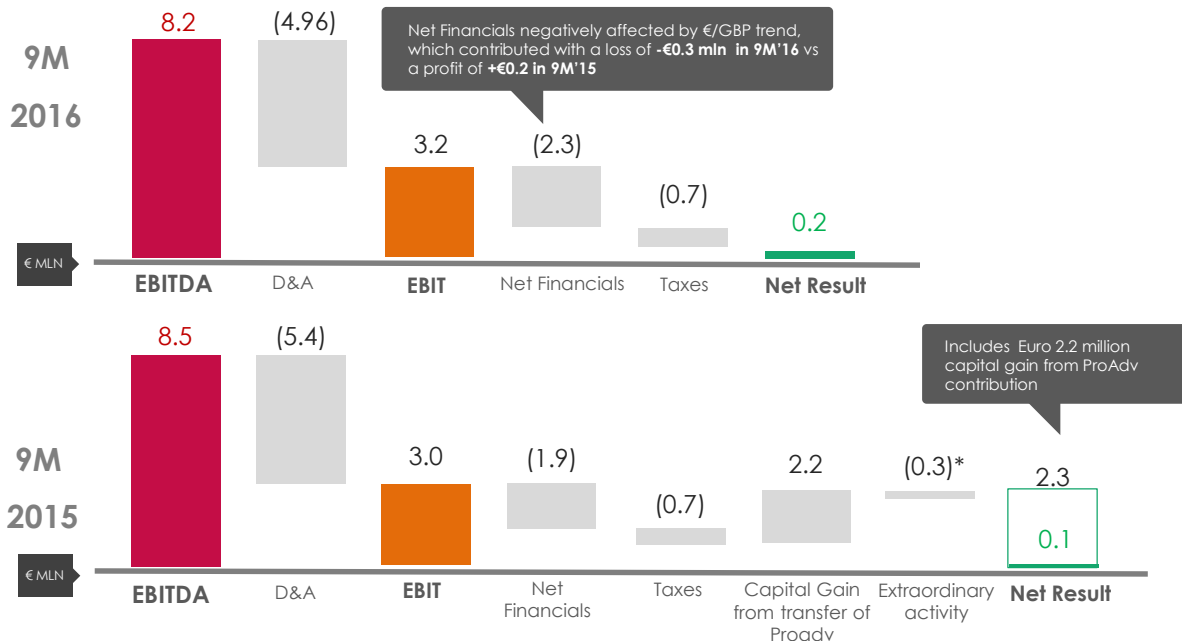
# 9M '16 EBITDA Bridge vs 9M '15



# 9M '16 Capex Composition

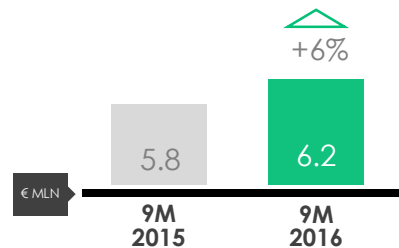
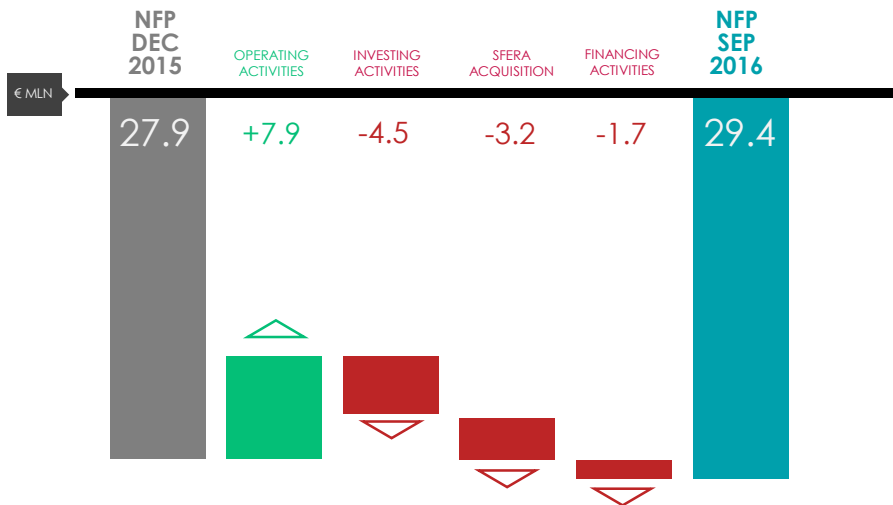


# 9M '16 From EBITDA to Net Result



\* Performance Advertising Division Sold in March 2015

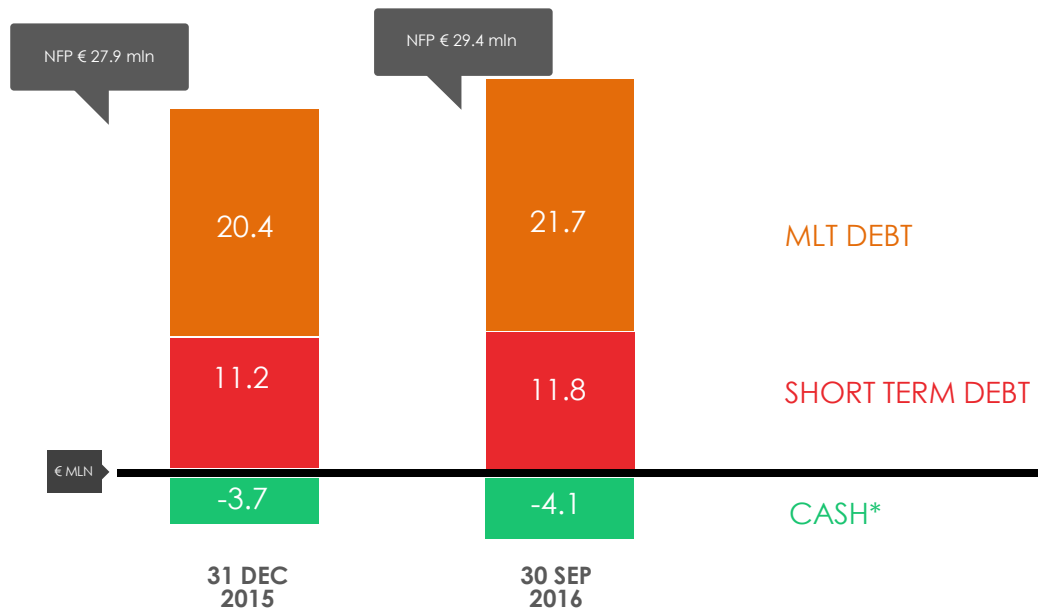
# 9M '16 Cash Flow



NET OPERATING CASH FLOW\* IMPROVED

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

# 9M'16 Net Financial Position



\* Cash = Cash, bank and post office deposits

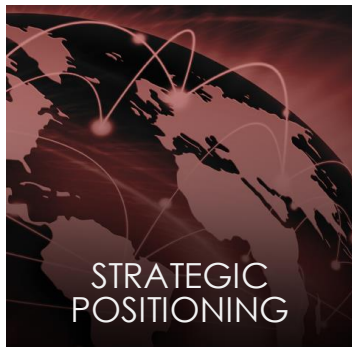


# Agenda

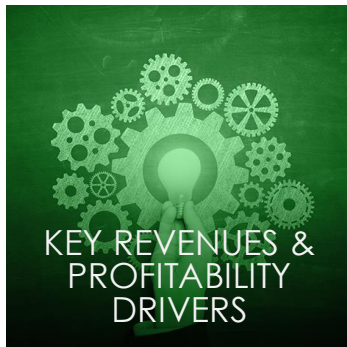
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# Key Pillars of Future Strategy & 2016 Guidelines

## STRENGTHEN EUROPEAN LEADING POSITION & FURTHER IMPROVE FINANCIALS



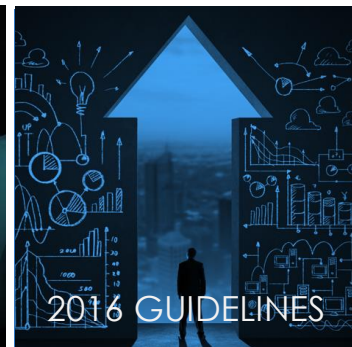
- Increase **Mkt Share** in core geographies
- Broaden range of services in "We do it for you" mode
- Strengthen positioning in **Cloud Hosting, Virtual Dedicated & Private Servers**



- Build **Volumes** – New Clients
- Enhance **Retention Rate** and **Upselling Activities** – increase ARPU
- Finalize **Platforms Integration**
- Increase **COA** efficiency



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



- **Mid-single digit Revenues increase** - on a like for like basis
- **Operating Margins** expected to **grow in 4Q'16** vs 4Q'15 also benefitting from operating initiatives implemented in the last months





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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 Outstanding 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

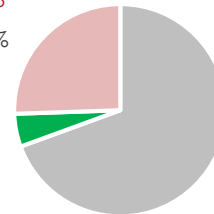
DADA Share

# Overview

## DADA AS OF NOV 11<sup>th</sup> 2016

MARKET	STAR SEGMENT – MTA
PRICE	€ 2.50
NOSH	€ 16.7 MLN
MKT CAP	€ 35.8 MLN
PERFORMANCE YTD (04Jan – 11 Novl)	+2.8%
RELATIVE PERF vs STAR INDEX YTD	+4.5%
AVERAGE DAILY VOLUMES YTD	14,303

## SHAREHOLDING STRUCTURE

As of NOV 11<sup>th</sup> 2016Other Investors < 5%  
25.54%Aruba Spa  
5.03%Orascom  
TMTI\*  
69.43%

\*Through its wholly-owned subs. Libero Acquisition S.à.r.l.





**DADA**

APPENDIX

# 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 for SMBs

- o Strongly Positioned in 
- o **Broad Suite of Solutions & High – Performance UK Datacenter**
- o July 2016 Acquisition of 

D&H REVENUES:  
100%

Core Business incidence on total Revenues

# Etinet & Sfera Strategic Fit

## RATIONALE



Complete DADA's offering of:

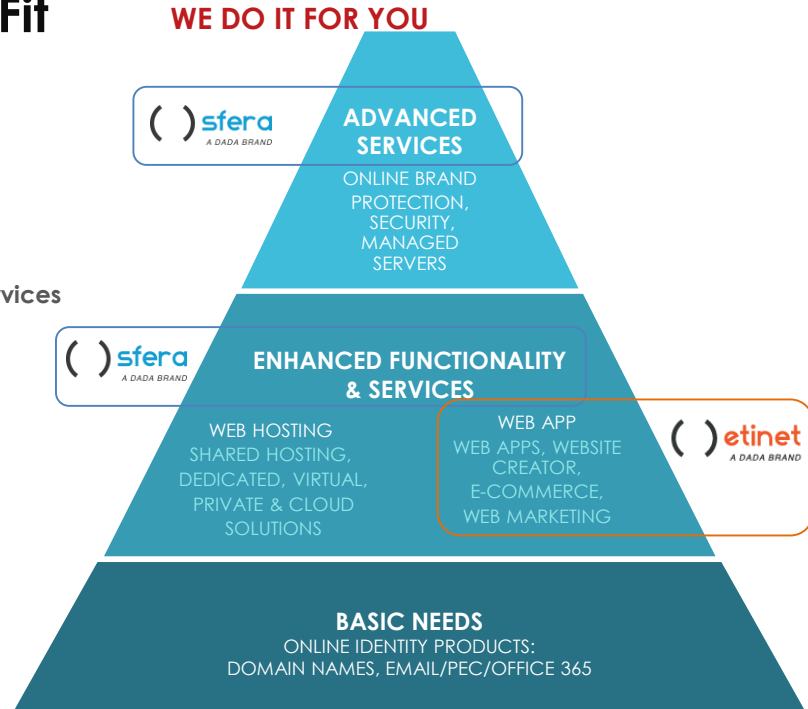
- o *tailor made web site* solutions
- o **managed & customized** higher- end IT services



Acquire Highly **qualified Human Capital**;



**Leverage** on respective **customer base**



**DO IT YOURSELF**

# 9M '16 – Dada Group Consolidated P&L

€/mln	9M 2016	9M 2015	Delta vs 2015	
<b>Revenue</b>	<b>47,7</b>	<b>46,7</b>	<b>1,1</b>	<b>2,3%</b>
COGS	-16,7	-16,2	-0,5	3,0%
<b>Product Margin</b>	<b>31,1</b>	<b>30,5</b>	<b>0,6</b>	<b>1,9%</b>
COA	-4,5	-4,7	0,2	-4,6%
<b>Gross Margin</b>	<b>26,6</b>	<b>25,8</b>	<b>0,8</b>	<b>3,0%</b>
Labour Cost & Contractors	-14,8	-13,7	-1,1	7,7%
R&D CAPEX & WIP	1,7	1,7	-0,0	-1,7%
G&A	-5,3	-5,3	0,0	-0,5%
<b>EBITDA</b>	<b>8,2</b>	<b>8,5</b>	<b>-0,3</b>	<b>-3,3%</b>
Non recurring charges/Write-downs	-0,3	-0,4	0,1	-19,2%
D&A	-4,7	-5,1	0,4	-7,7%
<b>EBIT</b>	<b>3,2</b>	<b>3,0</b>	<b>0,2</b>	<b>5,8%</b>
Net Financials	-2,3	-1,9	-0,4	22,6%
Taxes	-0,7	-0,7	-0,0	0,5%
Profit (Loss) from Discontinued Operations	0,0	-0,3	0,3	n.m.
<b>Net Result before Capital Gain</b>	<b>0,2</b>	<b>0,1</b>	<b>0,1</b>	<b>102,1%</b>
Capital Gain		2,2	-2,2	n.m.
<b>Net Result</b>	<b>0,2</b>	<b>2,3</b>	<b>-2,1</b>	<b>-91,7%</b>

\* income €2.2 mln from the transfer of ProAdv Bu to 4W Marketplace

## 9M '16 – Balance Sheet

€ mln	30.09.2016	31.12.2015
<b>Net Working Capital</b>	<b>(12.2)*</b>	<b>(11.5)</b>
<b>Fixed Assets</b>	<b>95.3</b>	<b>99.7</b>
Severance and Other Funds	(1.1)	(1.1)
<b>Net Capital Employed</b>	<b>82.1</b>	<b>87.2</b>
<b>Net Financial Position</b>	<b>(29.4)</b>	<b>(27.9)</b>
<b>Total Shareholders' Equity</b>	<b>(52.7)</b>	<b>(59.3)</b>

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

*\* Of which € 13.9 mln deferred revenues included*



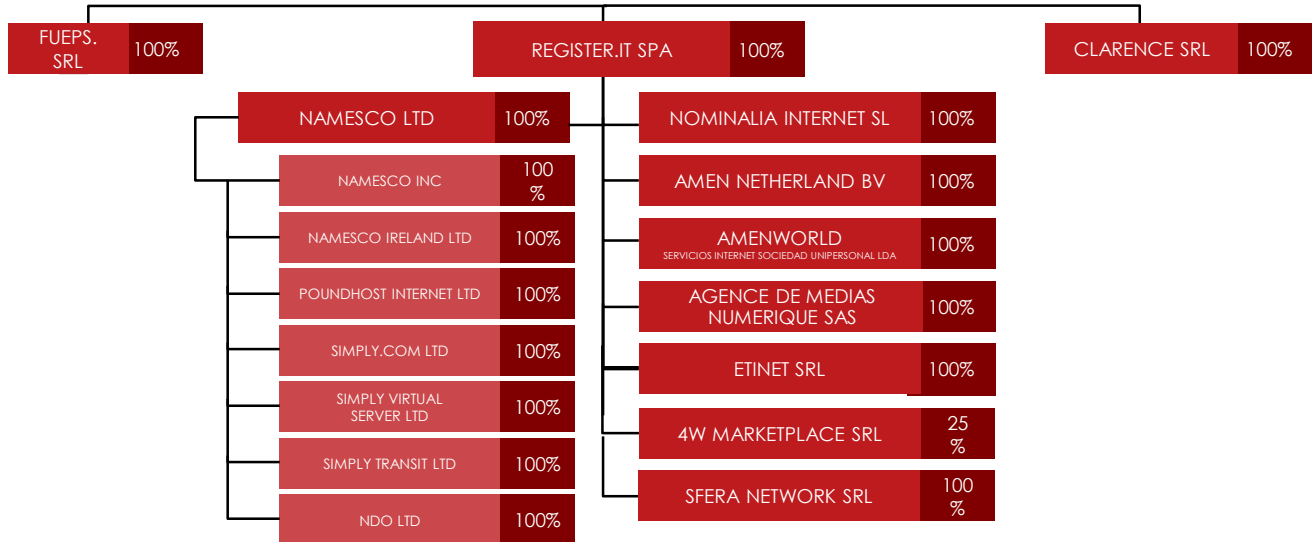
## 9M '16 – NPF Breakdown

€ mln	30.09.2016	31.12.2015
<b>Cash, bank and post office deposits</b>	<b>4.1</b>	<b>3.7</b>
Credit lines, account overdrafts and current bank borrowings	(11.7)	(11.1)
Non-current bank borrowings (M/L T)	(21.6)	(20.3)
Derivatives	(0.2)	(0.1)
<b>NPF</b>	<b>(29.4)</b>	<b>(27.9)</b>

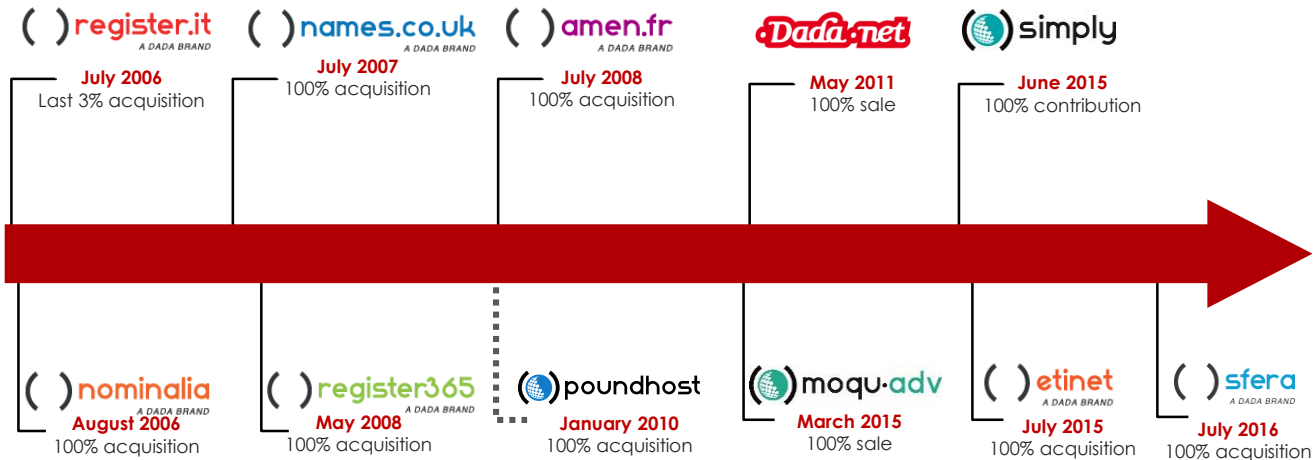
## 9M '16– Cash Flow Statement

€ mln	9M 2016	9M 2015
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>(8.8)</b>	<b>(16.8)</b>
Group Net Profit (Loss)	0.2	2.3
<b>Gross Operating Cash Flow</b>	<b>8.0</b>	<b>8.4</b>
Working capital, Income taxes and Interest paid	(1.9)	(2.6)
<b>Net Operating Cash Flow</b>	<b>6.2</b>	<b>5.8</b>
Capex & Investing Activities	(5.4)	(0.7)
Financing Activities	(0.2)	6.4
<b>Free Cash Flow</b>	<b>0.6</b>	<b>11.5</b>
<b>Cash and Cash Equivalents at the End of Period</b>	<b>(8.3)</b>	<b>(5.3)</b>









# Structure as of November 2016



# M&A Activity



# 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	( )amen.fr	2008	6.8x	5.6x
 Portugal	( )amen.pt			
 UK	( )poundhost	2010	2.7x	4.5x
 Italy	( )etinet	2015	2.6x	6.6x
 Italy	( )sfera	2016	4.8x / 5.5x	6.4x



# Many thanks!

## Contacts

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All forecasts included in this document are subject to risks and uncertainties of DADA itself and of Internet, media and Telco markets.

All forecasts are based on currently available information and reflect DADA Group management expectations.

All forecasts reflect market parameters, assumptions and other fundamentals which could change and therefore influence the future results.

All the forecasts are based on an hypothesis of organic growth and commercial and regulatory stability, particularly in the mobile market.

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