

Full year 2016 results

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March 15th, 2016



Disclaimer



This presentation contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Italiaonline S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Italiaonline S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price, and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Italiaonline S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party.

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Pursuant to art. 154-bis, paragraph 2, of the Italian Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Italiaonline S.p.A., Gabriella Fabotti, declares that the accounting information contained herein correspond to document results, books and accounting records.

Financial performance



Accounting data



FY 2016 results are compared with FY 2015 "comparable" data, calculated as if the merger by incorporation of Italiaonline S.p.A. into Seat Pagine Gialle S.p.A. had taken place on January 1st, 2015 and normalized with respect to the revenue recognition criteria.

As it was already done for the FY 2015, Q1 2016, H1 2016 and 9M 2016 results, in order to enable comparison between the FY 2016 and FY 2015 results, the latter (with reference to Seat Pagine Gialle S.p.A. only) were reduced due to the non recurring effect arising from the change in revenue recognition criteria adopted from January 1st, 2015 on the PagineBianche® offer amounting to € 9.9 million at revenue level and € 9.4 million at Ebitda level in FY 2015.

FY 2016 Results | Highlights

Revenues of **€390m**, -13.4% compared to FY 2015. FY 2016 revenues are affected by (i) the structural decline of traditional business based on telephone directories, (ii) the disposal of some business lines that reduced the consolidated perimeter of FY 2016 compared with FY2015 and (iii) by the worse than expected quality of the existing products for SMEs. Consistently, in 2016 the Company developed a brand new product portfolio for the digitization of SMEs, whose sales started in September, leading to a +30% in the number of new customers acquired in the last four months of 2016, compared to the same period of 2015

MOL⁽¹⁾ up **26.3%** at **€86m** (vs. € 68m in FY 2015), with a **margin** of **22.0%** (vs. 15.1% in FY 2015) benefiting from the cost synergies achieved after the merger of Italiaonline into Seat Pagine Gialle

Adjusted EBITDA⁽²⁾ up **52.2%** at **€67m** (vs. €44m in FY 2015) % exceeding the Business Plan by €15m or +29%, with a **margin** of **17.2%** (vs. 9.8% in FY 2015). EBITDA up 44.9% at €64m (margin at 16.4%) benefiting from the reduction in bad debt and risk provisions (down by -8.2%) thanks to the improved credit management performance

Adjusted EBITDA – Capex at **€44m**, equal to **8.2x** the FY 2015 results

Adjusted Net income⁽³⁾ up **€56m** at **€39m** (vs. -€16 in FY 2015). Net Income up €39m, at €23m. Part of the net profit (€612k) will be distributed to the savings shareholders in the form of preferred dividends, in compliance with statutory regulations

Net Financial Position up **€48m** at **€122m** (vs. €75m at December 31, 2015). **Cash Holdings of € 121.6m** allowing the Company the implementation of a policy of **external growth**

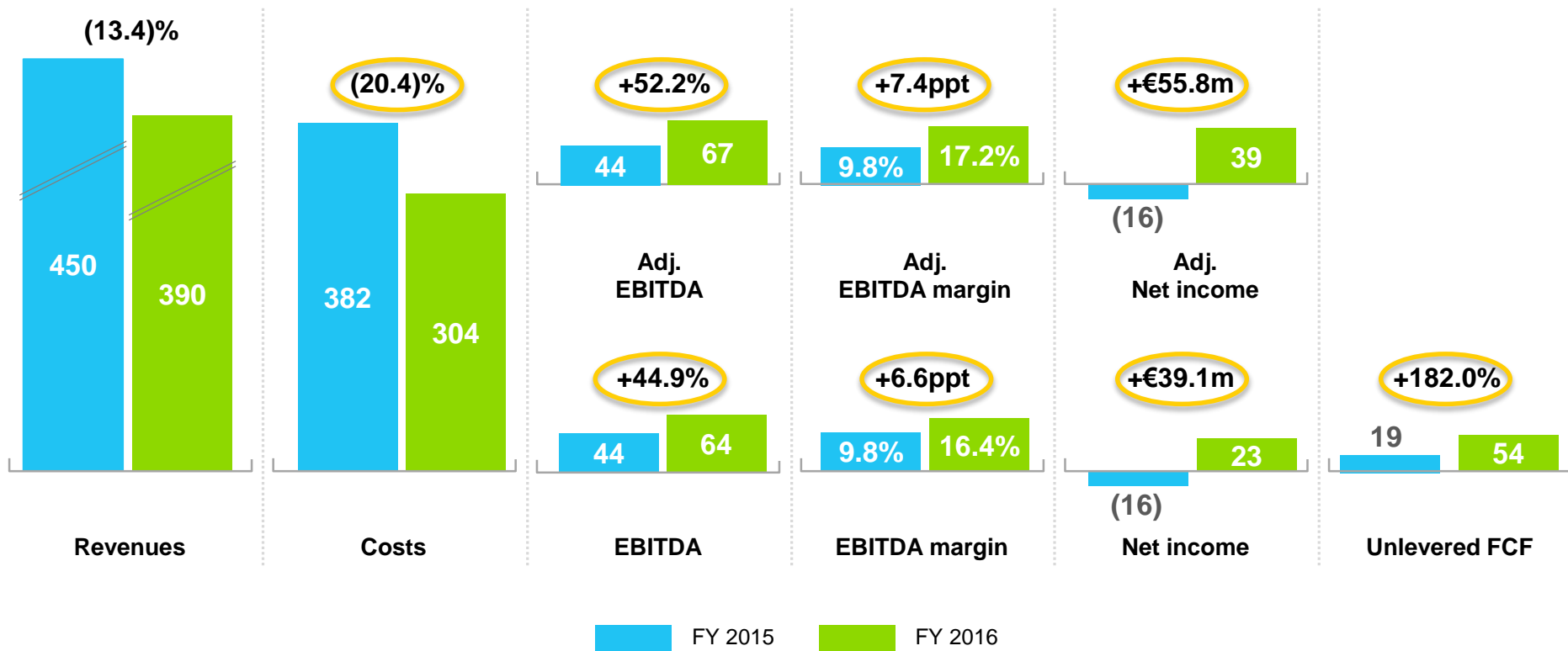
(1) Ebitda before other operating income and expenses, net valuation adjustments and provisions for risk and charges

(2) Ebitda before the write-down of Consodata S.p.A. trade receivables (€3.2m), as a result of the decision to dispose of this investment which, given the non-materiality of values in relation to those of Italiaonline Group, was reclassified into "Net non-current assets held for sale"

(3) Net income before the write-down of Consodata S.p.A. current & non-current assets (€7.6m) and non-recurring costs (€9.1m)

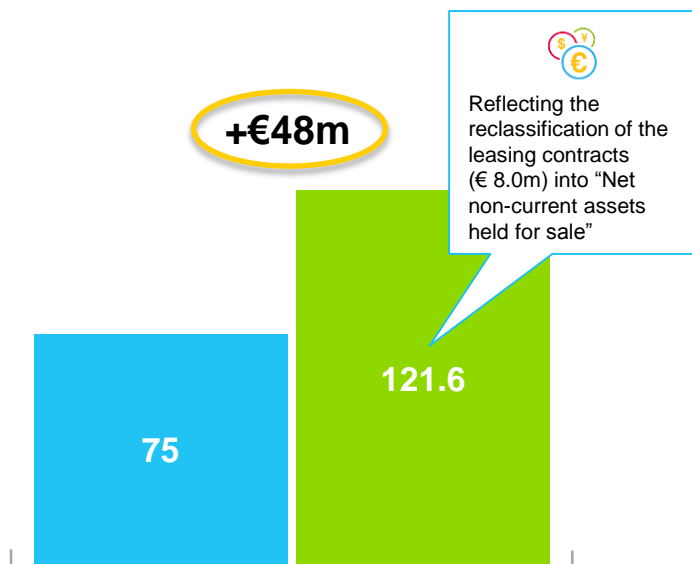
FY 2016 Group Results | YoY Comparison

In millions of Euro, except for percentages

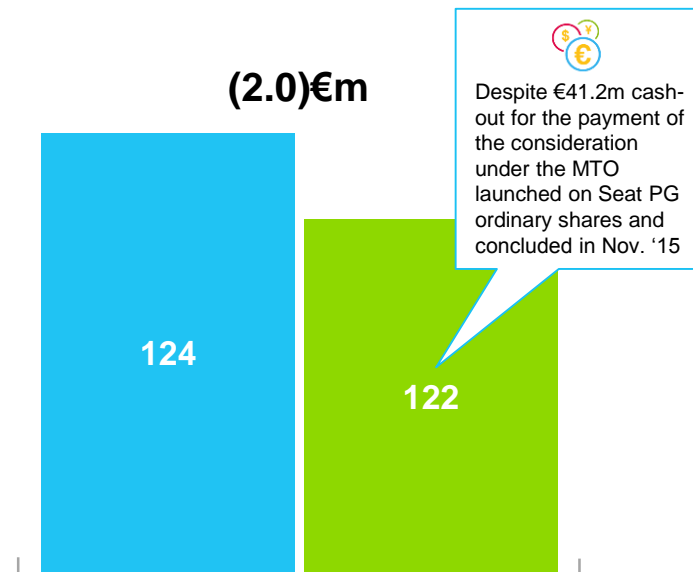


FY 2016 Group Results | YoY Comparison

In millions of Euro



Net financial position



Cash holdings



As of Dec. 31st, 2015



As of Dec. 31st, 2016

FY 2016 Group Results | Actual versus Business Plan

In millions of Euro	FY 2016 BP ⁽¹⁾	FY 2016E ⁽²⁾		FY2016A	Δ
		min	max		
Revenues	425	391 ⁽³⁾	401	390 ⁽³⁾	-8%
EBITDA	52	64	67	67 ⁽⁴⁾	+29%
Ebitda <i>margin</i>	12.2%	16.4%	16.7%	17.2%	+5ppt
Ebitda - Capex	14	39	42	44	3x
Cash holdings	81	115	120	122	+51%
Net financial position	81	107	112	122	+51%

(1) Business Plan announced last January 15, 2016

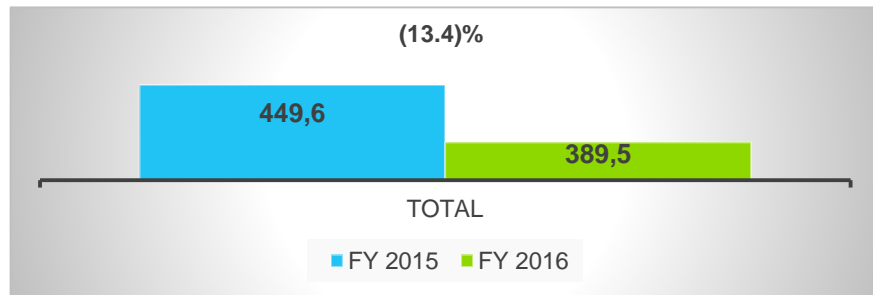
(2) Group FY 2016 guidance issued last August 4, 2016

(3) On November 9, 2016 the Company anticipated FY 2016 revenues close to the lower-end of the guidance

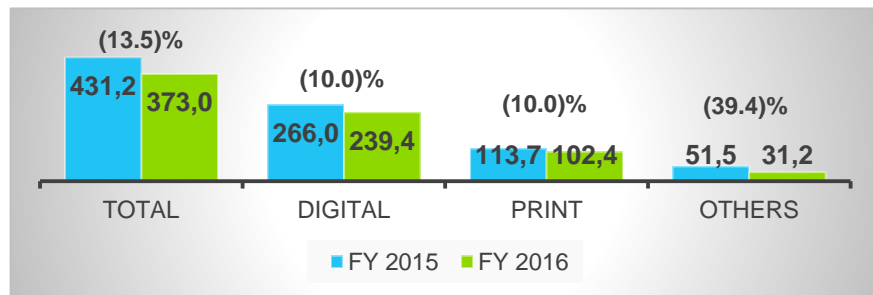
(4) Adjusted EBITDA

FY 2016 | Revenues

GROUP REVENUES (€M)



CORE BUSINESS⁽¹⁾ REVENUES BY PRODUCT (€M)



(1) Core business revenues | Italiaonline+DLS+Moqu

(2) Due to the sale of 100% of Europages subsidiary (on August 4, 2016) and 12.54 business (effective from July 1, 2016).

HIGHLIGHTS

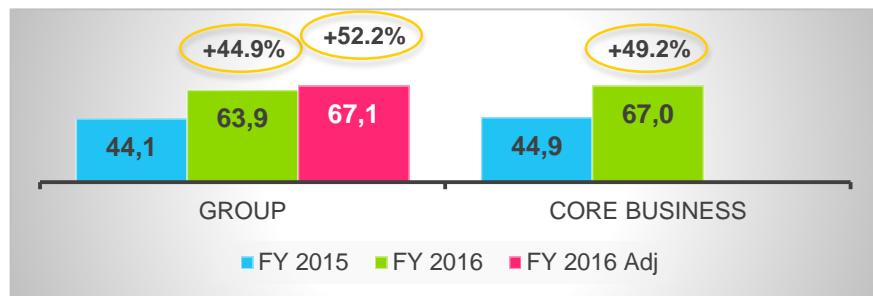
Group revenues down by 13.4% YoY. This change is related to the physiological decline of traditional business and to the different YoY scope of consolidation⁽²⁾. Furthermore, revenue performance does not reflect (i) the repositioning of the subsidiary Moqu business that from the month of September ended the arbitration agreement on Google Ad Sense market to manage the platform of digital marketing campaigns IOL Audience and (ii) incorporates the planned termination, at the end of 2015, of two relevant Telco advertising contracts

Core business revenues (95.8% of Group revenues) down by 13.5% YoY reflecting:

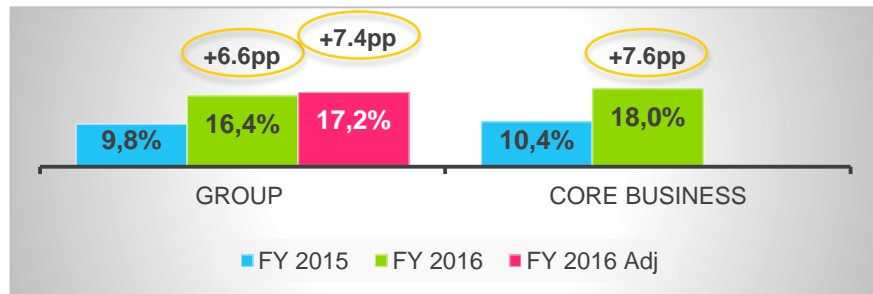
- **Print revenues** (27.4% of tot. revenues) down by 10% YoY. Net of Telco rebates on directories distribution, print revenues down by 21.0% YoY
- **Other revenues** (8.4% of tot. revenues) decreased by 39.4% YoY as a results of the decline (down by 35.6% YoY) in the DA services
- **Digital revenues** (64.2% of tot. revenues) down by 10.0% YoY not yet incorporating the positive growth trend in order intake from the new digital products launched in Q3'16 which will be visible in the P&L with a six months late, due to the internal revenue accounting principles

FY 2016 | Ebitda

GROUP & CORE BUSINESS EBITDA (€M)



GROUP AND CORE BUSINESS⁽¹⁾ EBITDA MARGIN (%)



(1) Core business Ebitda | Italiaonline+DLS+Moqu

HIGHLIGHTS

Group Adjusted EBITDA up by 52.2% YoY

Group Ebitda up by 44.9% YoY

Group Adjusted EBITDA margin up by 7.4ppt YoY

Group EBITDA margin up by 6.6ppt YoY

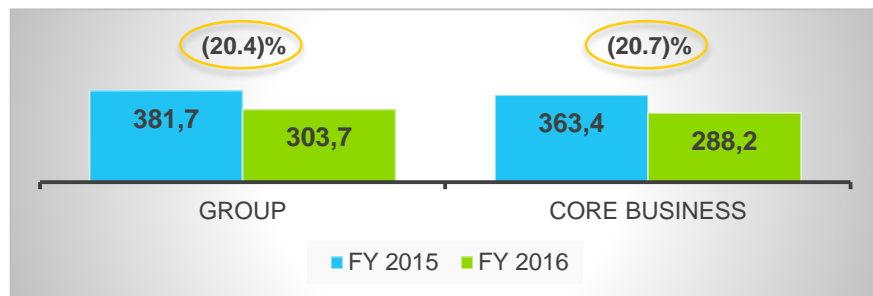
Core business EBITDA up by 49.2% YoY thanks to:

- **Cost efficiency** (down by 20.7% YoY). More than 50% of these savings are not related to revenue decline
- Reduction in **bad debt, risk provisions and others** (down by 22.0% YoY) thanks to the improved credit performance

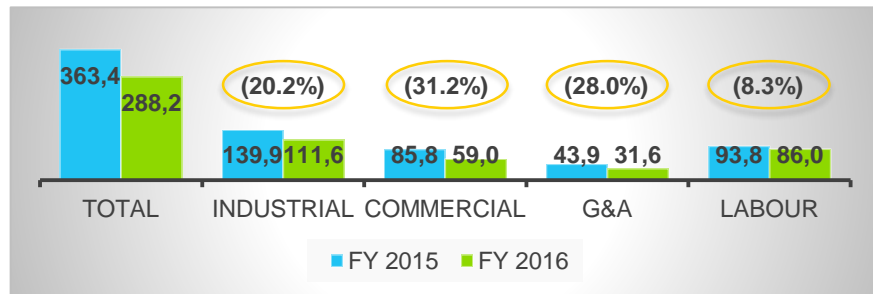
Core business EBITDA margin up 7.6 ppt YoY

FY 2016 | Costs

GROUP & CORE BUSINESS COSTS (€M)



CORE BUSINESS⁽¹⁾ COST BREAKDOWN (€M)



(1) Core business costs | Italiaonline+DLS+Moqu | (2) Includes advertising | (3) Does not include capitalized labour costs

HIGHLIGHTS

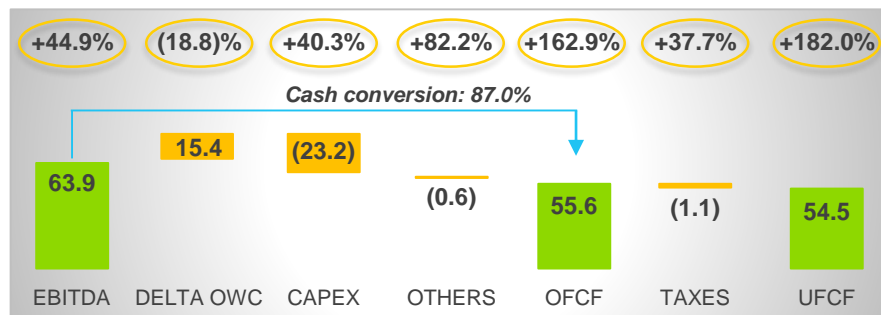
Group costs down by 20.4% YoY

Core business costs down by 20.7% YoY:

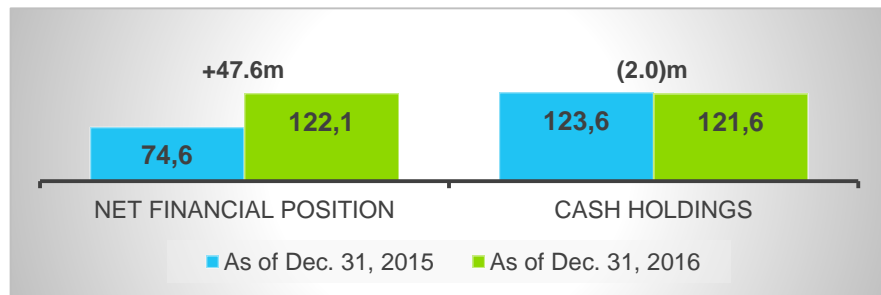
- **Industrial costs** down by 20.2% (or €28.3m) YoY thanks to lower printing, distribution and website production costs and including savings in the directory assistance call center costs
- **Commercial costs** down by 31.2% (or €26.8m) YoY following the decrease in the # of sales reps (from 1,295 at the end of Dec. 2015 to 868 at the end of Dec. 2016)
- **General⁽²⁾ costs** down by 28.0% (or €12.3m) YoY mainly thanks to a reduction in advertising and other G&A costs
- **Labour⁽³⁾ costs** down by 8.3% (or €7.8m) YoY mainly attributable to non-payroll related items

FY 2016 | Free Cash Flow & Net Financial Position

FY 2016 GROUP UNLEVERED FCF (€M)



GROUP NET FINANCIAL POSITION (€M)



HIGHLIGHTS

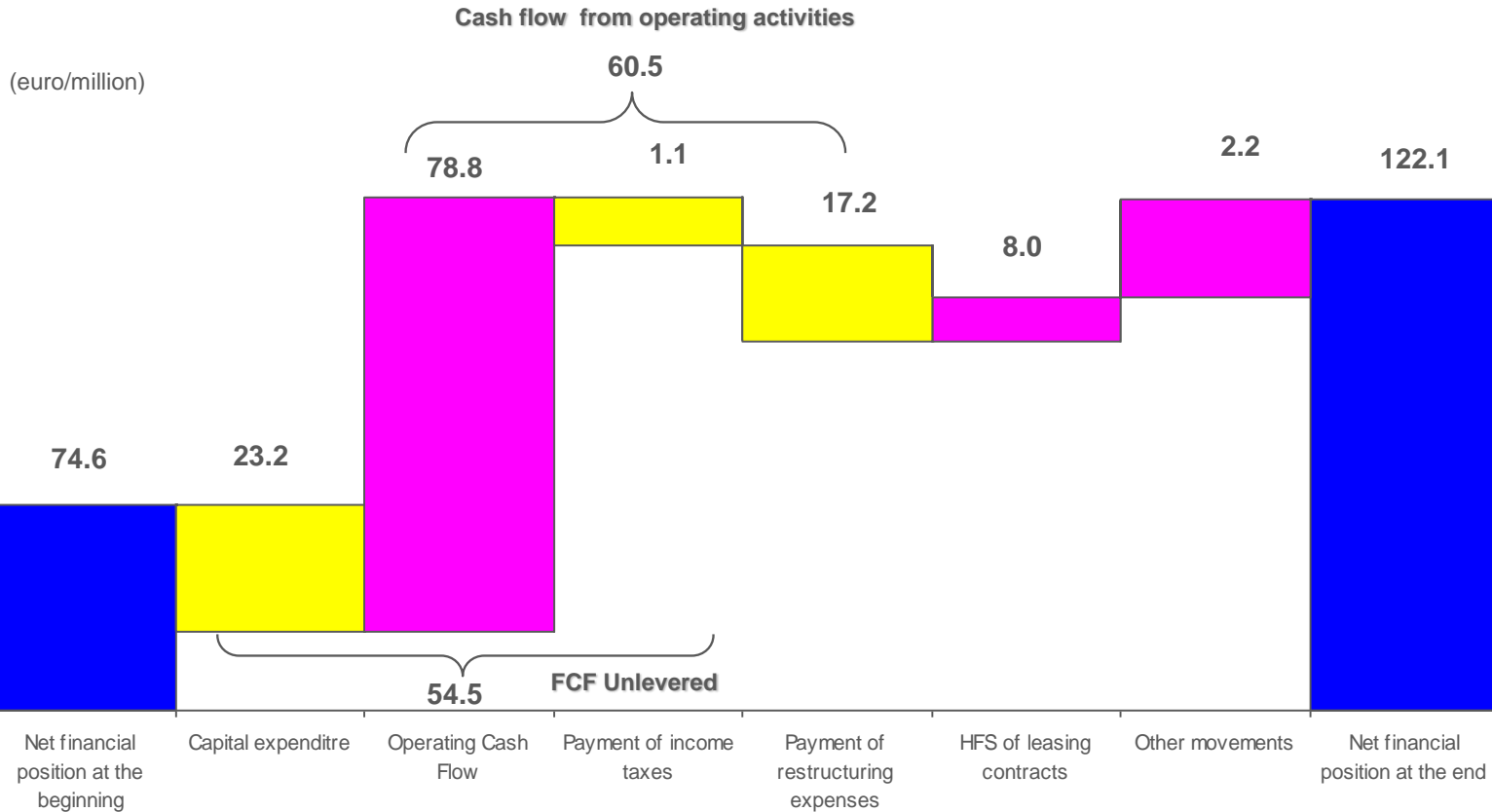
Group unlevered FCF improved by 182.0% YoY with a cash conversion of 87.0%. This result mainly benefits from:

- the continuing operating cash flow generation supported by careful management of collections policy and an improvement in terms of payment
- the 44.9% (or €19.8m) YoY increase in **EBITDA**
- the rationalization of **capital expenditure** down by 40.3% (or €15.6m) YoY
- the lower **tax payments** by 37.7% (or €0.7m) YoY

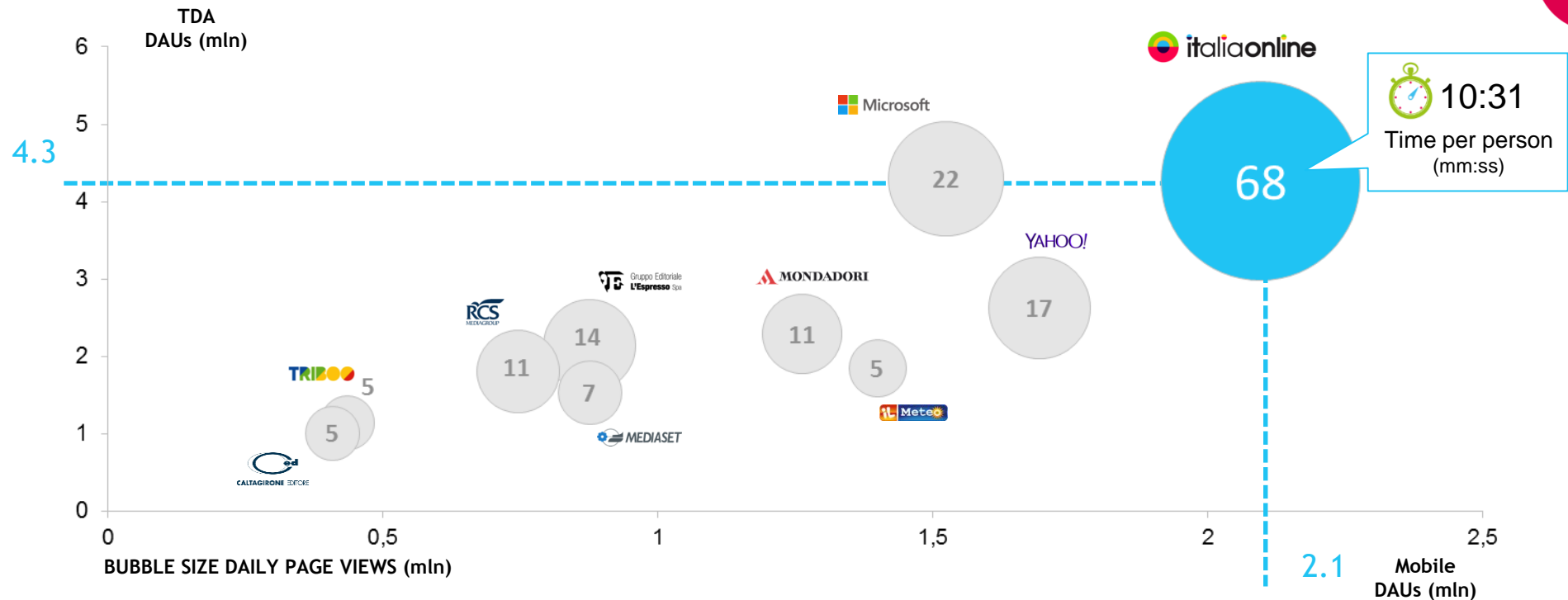
As of Dec. 31st, 2016 **Group net financial position** was positive at €122.1m (reflecting the reclassification of the leasing contracts for an amount of € 8.0m into “Net non-current assets held for sale”), an improvement of €47.6m compared to Dec. 31st, 2015 when it was positive for €74.6m

As of Dec. 31st, 2016 **Group cash holdings** amounted to €121.6m, substantially in line compared to € 123.6m as of Dec. 31st, 2015 (despite Italiaonline’s repayment of €41.2m consideration, inclusive of interest, resulting from the loan agreement entered into, for the mandatory takeover bid on Seat Pagine Gialle’s ordinary shares concluded in Nov. 2015)

FY 2016 | Change in Net Financial Position



Italiaonline | The undisputed Italian internet leader



Source: Audiweb Database, powered by Nielsen, Avg. January - December 2016 | Google and Facebook are not in Audiweb Database, Mondadori data available from July to December 2016
 Note: TDA - Total Digital Audience | DAUs - Daily Active Users

Outlook



Outlook 2017



Strategy

- Continuing to reduce **operating costs** with the goal of sustaining margins
- Return to **digital revenue growth**

Digital product innovation

- **Web Presence:** the **IOL Connect** platform, which allows SMEs to maximize searchability of their online presence, will be enriched by an offer dedicated to large enterprises, enabling to track the phone contacts and received messages
- **Website and eCommerce:** the **IOL Website** offer, for the turnkey construction of web sites, will include a customized solution addressed to a demanding market segment and a new range of integrated eCommerce with the Digital Marketing IOL Audience Platform
- **Digital Marketing:** the **IOL Audience** platform for the integrated management of SME advertising investments (which already supports Google AdWords, the Google Display Network and Italiaonline Display Network), will be enriched by the management of advertising campaigns on Facebook, and on SKY AdSmart (new platform for geolocated TV commercials through SKY decoder) providing customers an integrated and detailed reporting to monitor their ROI
- Focus on the renewal of the own **web properties** and on the development of new **digital products**. After the launch in February 2017 of a new version of superEva site, the first Italian portal of "Feel good" content based on search and social trends, in the coming months a new platform will be released with a completely new and responsive interface and new built-in features of cloud storage and sharing



Group Guidance 2017

- Ebitda margin is forecasted to increase compared to 2016
- Despite the expected return to digital revenue growth, an overall top line decline is still forecasted due to the physiological decrease of some traditional business (mainly print and directory assistance services)



Business update (from Q4'16)



Successful new product launches



LIBERO /
TECNOLOGIA

The new vortal focused on
technology

20th October 2016



LIBEROPAGES

Website creation
from Facebook fan page

21st November 2016



SUPEROVA

Data driven
publishing

7th February 2017

Libero Tecnologia





WEARABLE

Ecco Findster Duo: il collare intelligente per il vostro cane. Foto

In pelle e munito di GPS, con questo pet tracker sarà impossibile perdere il vostro animale, non ci sono canoni mensili ma premi in base alle attività svolte

TREND
TECH

IOS NOTEBOOK ANDROID BATTERIA GUIDE ALL'ACQUISTO WHATSAPP
NOKIA FITNESS TRACKER



INTERNET OF THINGS

Smart city, la connessione internet viaggia con i pali della luce. Foto

Libero Tecnologia | a window on innovation

The vortal to find everything related to technology and its applications in our daily lives, divided into different sections:



Tech News: the latest in technological news from around the world



Social: news and trends of the major social networks



Apple and Android: everything about these two planets



Digital Life, formed by three topics:

- Internet of things
- Wearable
- Smart Evolution

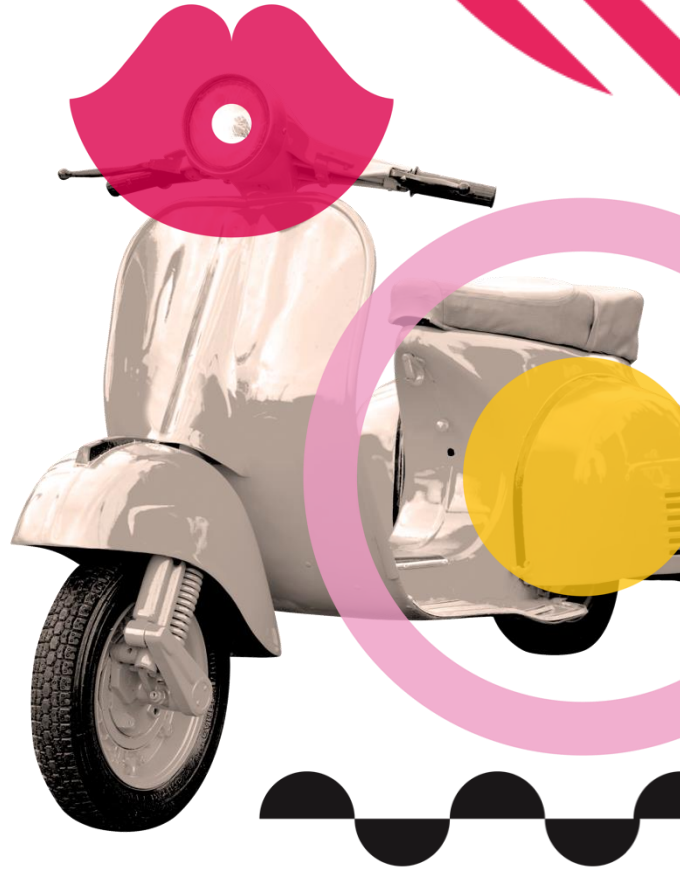


NEW: the IT Security section





Libero Pages



Crea un sito web dalla tua Pagina Facebook. È gratis!

Fai un test di pochi secondi, inserisci il nome della tua Pagina Facebook e guarda il risultato!

[Prova](#)

The screenshot shows a website layout for 'Concessionaria Fratelli Melis'. At the top, there is a navigation menu with 'NOTIZIE', 'ALBUM', 'EVENTI', and 'CONTATTI'. Below the menu is a large banner image of a winding road through a green landscape. The main content area features three featured posts:

- Crash test bambini senza seggi...**: A photo of a child in a car seat during a crash test. Text: '© 2010/2016 La sicurezza prima di tutto. Le nostre auto usate hanno superato oltre 500 test prima di essere messe in vendita.' Website: www.sicurezzaauto.it
- Nuova foto**: A photo of a red sports car on a road. Text: '© 2010/2016 Procuriamo e garantiamo auto sportive di ogni epoca.'
- Vespa Segway, due ruote elettri...**: A photo of a blue Vespa Segway scooter. Text: '© 2010/2016 In offerta la mitica Vespa Segway!'

At the bottom, there is a 'Contatti' section with a location pin icon and the text 'Concessionaria Fratelli Melis'.

Libero Pages | adding value to Facebook pages

Zero-effort platform to create an attractive, professional, fully responsive and graphically customizable website from a Facebook fan page



In partnership with Majeeko, a startup focused on design and implementation of innovative websites



Built on **Facebook** membership



Few clicks to import all the contents of Facebook fan page (post, gallery, video, etc.)

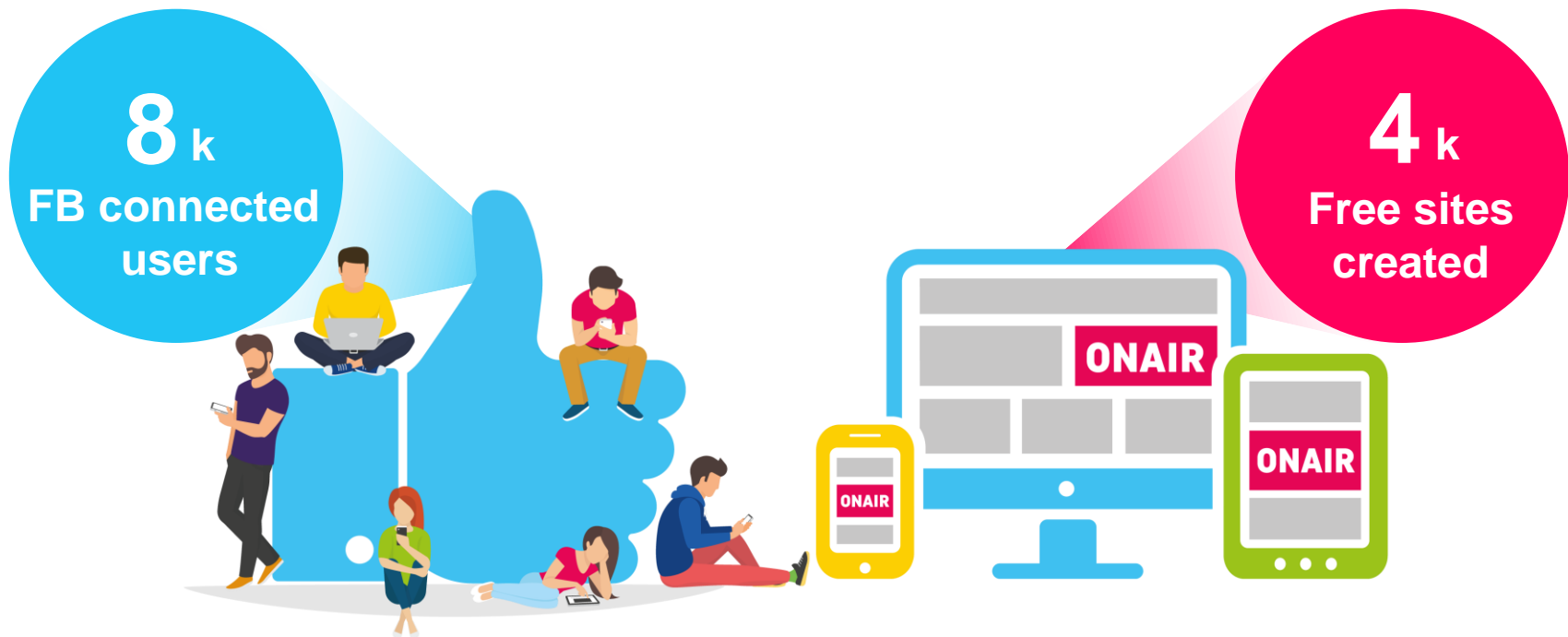


Freemium pricing proposition

- Completely **free** in the basic version
- **Premium** for more professional and personalized result, with an own domain name, e-mail boxes and e-commerce (from €99 to €179 per year)



Libero Pages | Connections & Sites – February 2017



superEva





LOL



GULP



LOVE



WOW



POP

NEWS

TRENDOMETRO

VIDEO

STORIE

COME FARE

ALTRO

CERCA I TREND



A 83 anni molla tutto e si mette a girare il mondo



Bambino prodigio: a 5 anni suona Chopin come pochi al mondo



Milionario regala il suo lussuoso appartamento. Ecco come averlo

superEva | Data driven publishing

Data Feeds

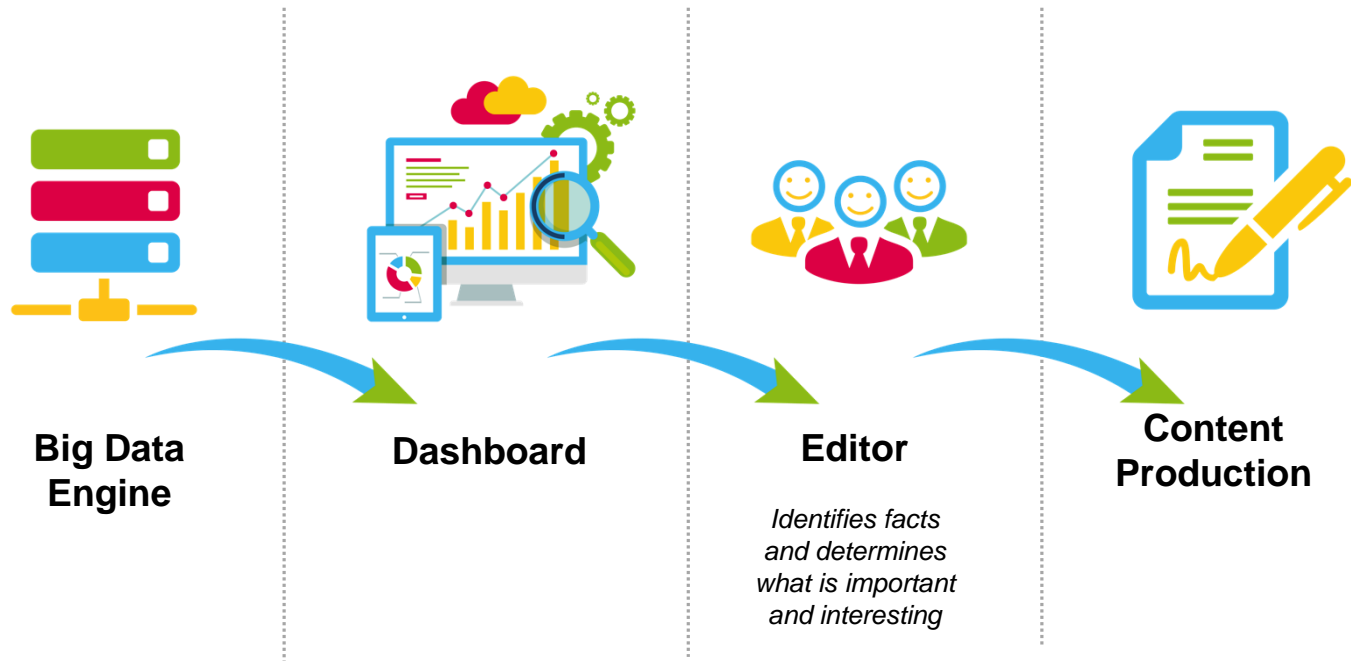
- Sport
- Financial
- News

Search Data

- Search trends
- Search keywords

Social Data

- Facebook
- Instagram
- Twitter
- SnapChat



superEva | Brand identity & Editorial contents



superEva

The new portal of
Trendy & Feel Good contents



Crazy News

Strange objects, incredible places,
new records, viral videos



Feel-Good Stories

Extraordinary stories, touching stories,
"good stories"



Tips & How To

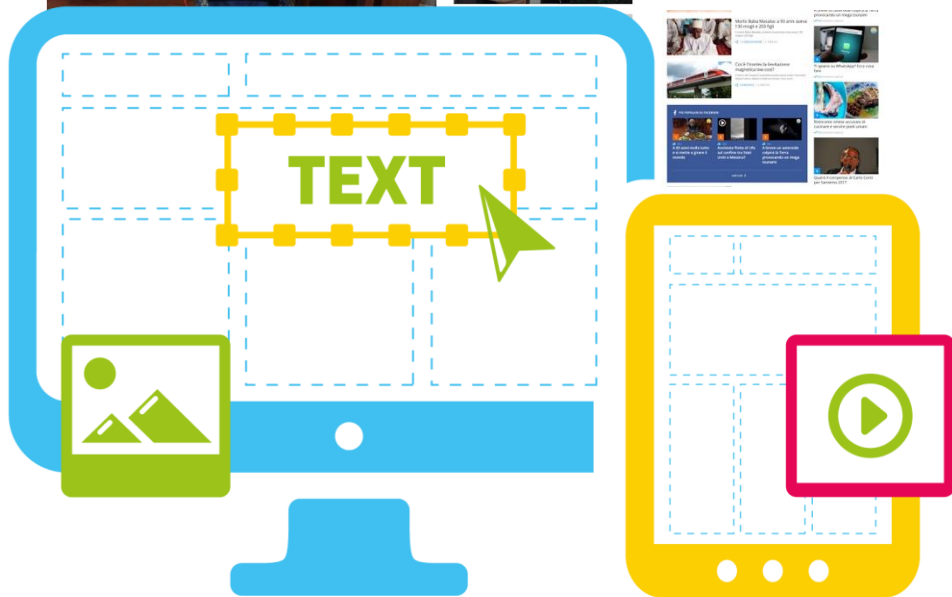
Useful tips for daily life,
food, health, technology, DIY

SUPEREVA



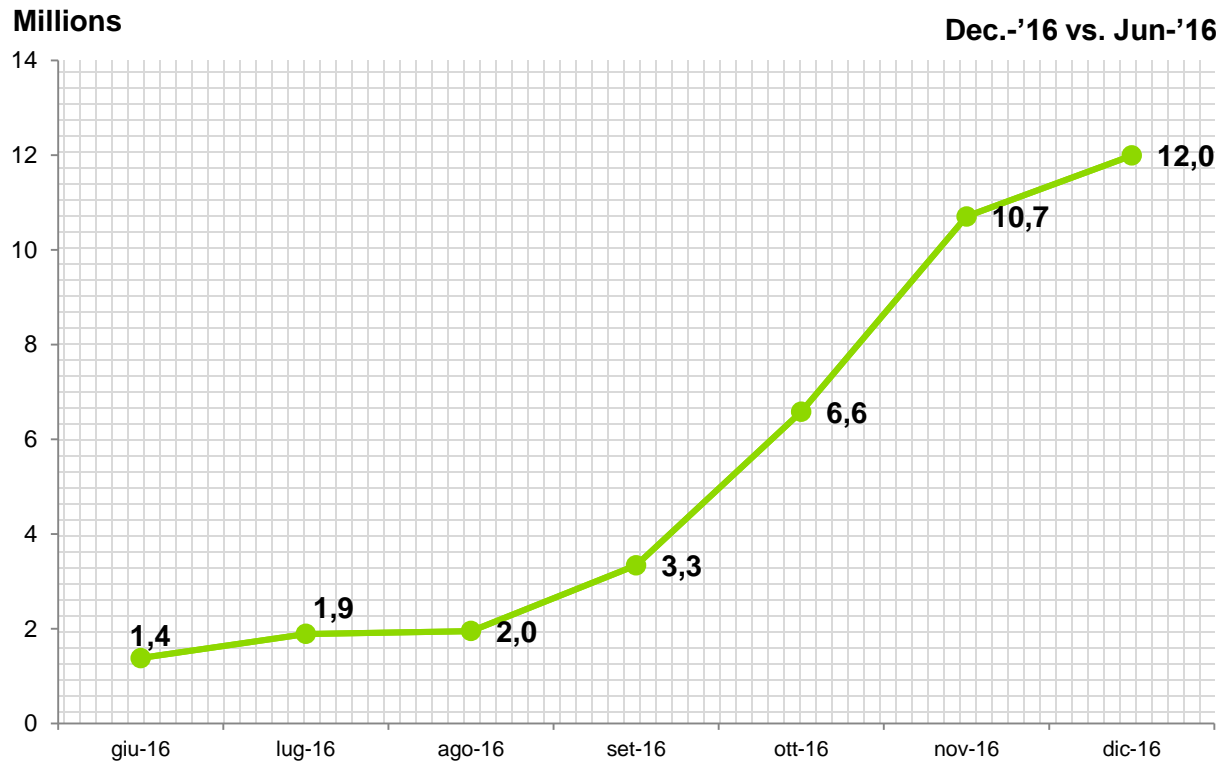
NEWS TRENDOMETRO VIDEO STORIE COME FARE ALTRO

CERCA | TRENDS



superEva | Strong increase in audience

OF TOTAL VISITS - MONTHLY



Total Visits
8x

SEO visits: 9x
Social visits: 5x

Source: ComScore DAX Analytics

Appendix



FY 2016 | Group Profit & Loss

<i>(In millions of Euro)</i>	FY 2016	FY 2015 <i>Comparable data</i> ⁽¹⁾	Change	
			mIn	%
Revenues from sales and services	389.5	449.6	(60.1)	(13.4)%
Costs	(303.7)	(381.7)	78.0	20.4%
Gross operating profit (GOP)	85.7	67.9	17.9	26.3%
<i>as % of revenues</i>	<i>22.0%</i>	<i>15.1%</i>		
Bad debt, risk provisions and others	(21.8)	(23.7)	2.0	8.2%
EBITDA	63.9	44.1	19.8	44.9%
<i>as % of revenues</i>	<i>16.4%</i>	<i>9.8%</i>		
Operating D&A and write-down	(48.1)	(49.5)	1.4	2.9%
Non operating amortization and write-down	(6.0)	(4.6)	(1.4)	(29.7)%
Non-recurring and restructuring costs, net	(9.1)	(16.9)	7.8	46.2%
EBIT	0.7	(27.0)	27.7	n.s.
<i>as % of revenues</i>	<i>0.2%</i>	<i>(6.0)%</i>		
Interest expense, net	0.1	(2.6)	2.7	n.s.
Value adjustments of financial assets and losses from subsidiaries disposal	(1.5)	(6.6)	5.1	77.3%
Net income from composition with creditors	0.0	5.9	(5.9)	(100.0)%
Profit (Loss) before income taxes	(0.7)	(30.3)	29.6	97.7%
Income taxes	23.3	13.7	9.7	70.9%
Profit (loss) on continuing operations	22.7	(16.6)	39.3	n.s.
Profit (loss) from non-current assets held for sale and discontinued operations	0.0	0.2	(0.2)	(100.0)%
Profit (Loss) for the period	22.7	(16.4)	39.1	n.s.

(1) FY 2015 figures shown on a comparable basis (see slide 4)

FY 2016 | Group Cash flow statement

(In millions of Euro)	FY 2016	FY 2015 Comparable data ⁽¹⁾	Change	
			mln	%
EBITDA	63.9	44.1	19.8	44.9%
Decrease (increase) in operating working capital	15.4	18.9	(3.6)	(18.8)%
Capital expenditure	(23.2)	(38.8)	15.6	40.3%
Other changes and movements	(0.6)	(3.1)	2.6	82.2%
Operating FREE CASH FLOW	55.6	21.1	34.5	162.9%
Payment of income taxes	(1.1)	(1.8)	0.7	37.7%
Unlevered FREE CASH FLOW	54.5	19.3	35.1	182.0%
Cash-in of interest expense, net	1.9	1.0	0.9	90.2%
Payment of non-recurring and restructuring expense	(17.2)	(27.0)	9.8	36.2%
Cash-in under the settlement for the action of responsibility	0.0	30.0	(30.0)	(100.0)%
Effects related to leases agreements	8.0	23.2	(15.2)	(65.6)%
Other movements	0.5	(0.7)	1.2	n.s.
Change in NET FINANCIAL DEBT	47.6	45.8	1.8	3.8%

(1) FY 2015 figures shown on a comparable basis (see slide 4)

FY 2016 | Group Balance sheet

<i>(In millions of Euro)</i>	31/12/2016	31/12/2015 Comparable data ⁽¹⁾	Change
Goodwill & marketing related intangible assets	277.7	283.7	(6.0)
Other non-current assets	77.6	91.8	(14.2)
Non-current liabilities	(59.8)	(83.5)	23.7
Working capital	(48.1)	(31.2)	(16.9)
Net non-current assets held for sale and discontinued operations	(2.1)	2.3	(4.4)
Net invested capital	245.2	263.1	(17.9)
Equity of the Group	367.3	288.2	79.1
Non-controlling interests	0.0	49.5	(49.5)
Total equity (A)	367.3	337.7	29.7
Current financial assets, cash and cash equivalent	122.2	124.4	(2.2)
Current financial debts	(0.1)	(42.0)	41.9
Non-current financial debts	0.0	(7.8)	7.8
Net financial position (B)	122.1	74.6	47.6
Total (A-B)	245.2	263.1	(17.9)

(1) FY 2015 figures shown on a comparable basis (see slide 4)

FY 2016 | Core Business Revenue breakdown

(In millions of Euro)	FY 2016	FY 2015 Comparable data ⁽⁴⁾	Change	
			mln	%
Revenues	373.0	431.2	(58.2)	(13.5)%
Digital ⁽¹⁾	239.4	266.0	(26.5)	(10.0)%
<i>as % total revenues</i>	<i>64.2%</i>	<i>61.7%</i>		
Print ⁽²⁾	102.4	113.7	(11.3)	(10.0)%
<i>as % total revenues</i>	<i>27.4%</i>	<i>26.4%</i>		
Others ⁽³⁾	31.2	51.5	(20.3)	(39.4)%
<i>as % total revenues</i>	<i>8.4%</i>	<i>11.9%</i>		

(1) Includes advertising on owned and third party web properties, web sites, web marketing services, premium subscribers services, direct marketing campaigns (DEM and SMS)

(2) Includes advertising on print directories (Smartbook) and Telco rebates on directories distribution

(3) Includes directory assistance services (89.24.24, 12.40, 12.88 and 12.54 advertising and traffic), third party products (media partnerships), direct marketing and merchandising

(4) FY 2015 figures shown on a comparable basis (see slide 4)

FY 2016 | Core Business Cost breakdown

<i>(In millions of Euro)</i>	FY 2016	FY 2015 <i>Comparable data ⁽¹⁾</i>	Change	
			mln	%
Revenues	373.0	431.2	(58.2)	(13.5)%
Costs	(288.2)	(363.4)	75.2	20.7%
<i>as % revenues</i>	<i>77.3%</i>	<i>84.3%</i>		
Industrial costs	(111.6)	(139.9)	28.3	20.2%
<i>as % revenues</i>	<i>29.9%</i>	<i>32.4%</i>		
Commercial costs	(59.0)	(85.8)	26.8	31.2%
<i>as % revenues</i>	<i>15.8%</i>	<i>19.9%</i>		
General costs ⁽²⁾	(31.6)	(43.9)	12.3	28.0%
<i>as % revenues</i>	<i>8.5%</i>	<i>10.2%</i>		
Labour costs ⁽³⁾	(86.0)	(93.8)	7.8	8.3%
<i>as % revenues</i>	<i>23.1%</i>	<i>21.8%</i>		
Gross operating profit (GOP)	84.8	67.7	17.1	25.2%
<i>as % revenues</i>	<i>22.7%</i>	<i>15.7%</i>		
Bad debt, risk provisions and others	(17.8)	(22.8)	5.0	22.0%
<i>as % revenues</i>	<i>4.8%</i>	<i>5.3%</i>		
EBITDA	67.0	44.9	22.1	49.2%
<i>as % revenues</i>	<i>18.0%</i>	<i>10.4%</i>		

(1) FY 2015 figures shown on a comparable basis (see slide 4)

(2) Includes advertising costs

(3) Does not include capitalized labour costs

FY 2016 | Revenue and Ebitda breakdown by company

(In millions of Euro)	Revenues from sales and services				EBITDA			
	FY 2016	FY 2015 Comparable data ⁽³⁾	Change		FY 2016	FY 2015 Comparable data ⁽³⁾	Change	
			mln	%			mln	%
Core business ⁽¹⁾	373.0	431.2	(58.2)	(13.5)%	67.0	44.9	22.1	49.2%
Consodata	14.7	15.0	(0.3)	(2.0)%	(1.2)	2.5	(3.7)	n.s.
Europages	4.5	7.3	(2.8)	(38.4)%	(1.4)	(1.7)	0.3	17.6%
ProntoSeat	5.1	5.4	(0.3)	(5.6)%	(0.6)	(0.1)	(0.5)	n.s.
Couponing in liquidazione ⁽²⁾	0.0	1.1	(1.1)	(100.0)%	0.1	(1.3)	1.4	n.s.
Intercompany elim. & others	(7.8)	(10.4)	2.6	24.9%	0.0	(0.2)	0.2	n.s.
GROUP	389.5	449.6	(60.1)	(13.4)%	63.9	44.1	19.8	44.9%

(1) Includes Italiaonline + DLS + Moqu

(2) Formerly named Glamoo

(3) FY 2015 figures shown on a comparable basis (see slide 4)

Thank you!

