



Company Presentation

September 2017



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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.

PRO FORMA H1 2016

H1 2016 results have been normalized (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages subsidiary, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with H1 2017 results. H1 2016 NFP and Net Income are reported data. In the presentation the comparison with H1 2016 results, only for Revenue, EBITDA and Unl FCF is made versus H1 2016 pro-forma (as before described).

Digital for growth

Our mission is digitizing Italian companies



Italiaonline snapshot



We are the largest Italian internet company and we provide a complete product portfolio to digitize Italian companies



FY 2016 Revenues
€ 390 m
2017 H1
€ 166 m

FY 2016 EBITDA
€ 67 m⁽¹⁾ (margin 17.2%)
2017 H1
€ 36 m (margin 21.7%)



The undisputed Italian internet leader with **55% market reach**⁽²⁾



Strong footprint on the territory

- **63 SME Media Agencies with 851 sales rep**⁽³⁾
- **35 Large Enterprises accounts**



Diversified Customer base

- **700 Large Enterprise**⁽⁴⁾
- **230,000 SMEs**⁽⁴⁾

(1) Ebitda FY 2016 before the write-down of Consodata S.p.A. trade receivables (€3.2m), as result of the decision to dispose the Company

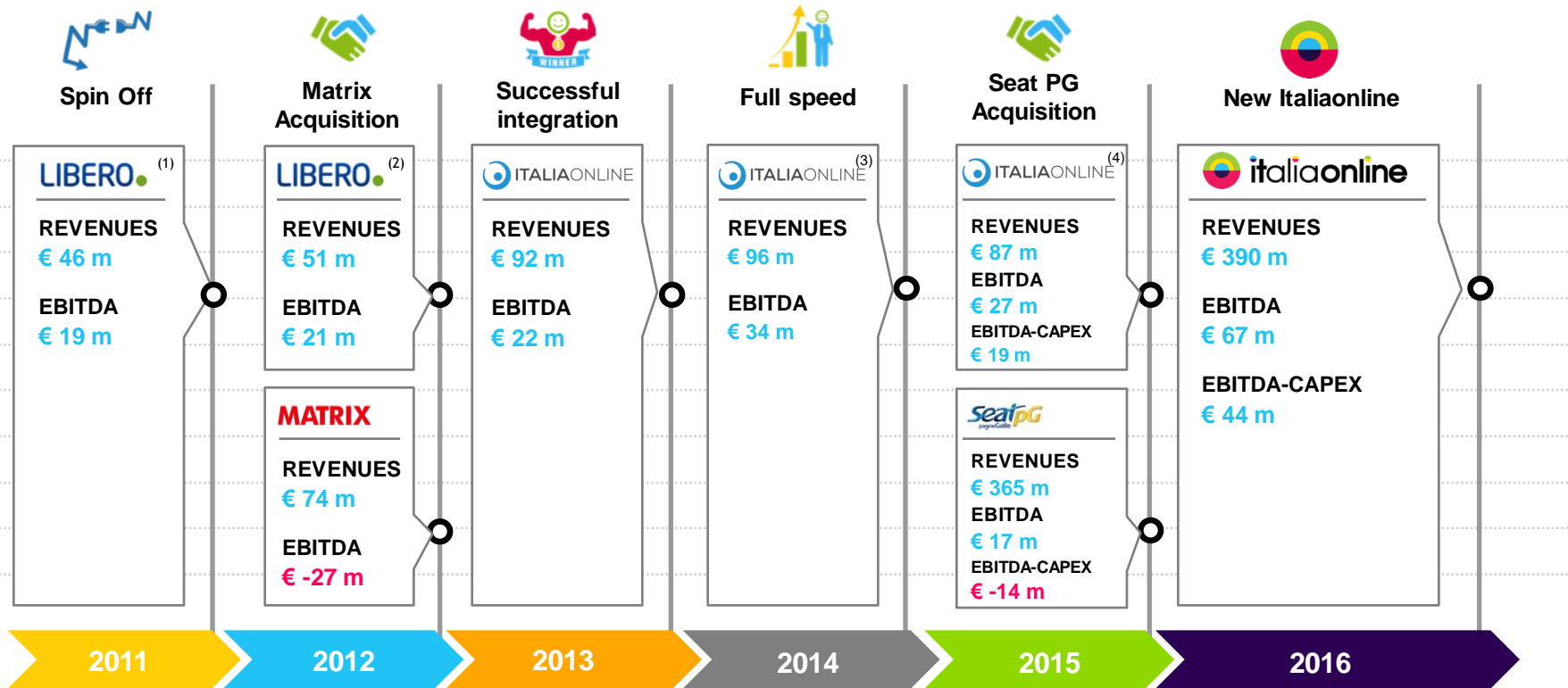
(2) Audiweb Database, powered by Nielsen, TDA avg. H1 2017

(3) # of active agents at the end of June 2017

(4) # of customers at the end of June 2017



A history growth and of successfully executed M&A



(1) 2011 pro-forma data to represent FY revenues since spin-off from Wind Telecomunicazioni occurred on March '11

(2) EBITDA is adjusted for the Matrix acquisition cost of €2.1m

(3) EBITDA is adjusted for IPO costs effect (1.8€m)

(4) EBITDA is adjusted for extraordinary costs effect (8,0€m, mostly related to Seat deal)

Rich digital product portfolio



SME

iOL | Connect

Web Presence

iOL | Website

Website and eCommerce

iOL | Audience

Digital Marketing



Large
Accounts

iOL | Advertising

AD Sales House



Consumers

LIBERO.

V:RGILIO

 Pagine**Gialle**

SUPERQVA

LIBERO /
TECNOLOGIA.

Si Viaggia

Di Lei **V:VIDEO**

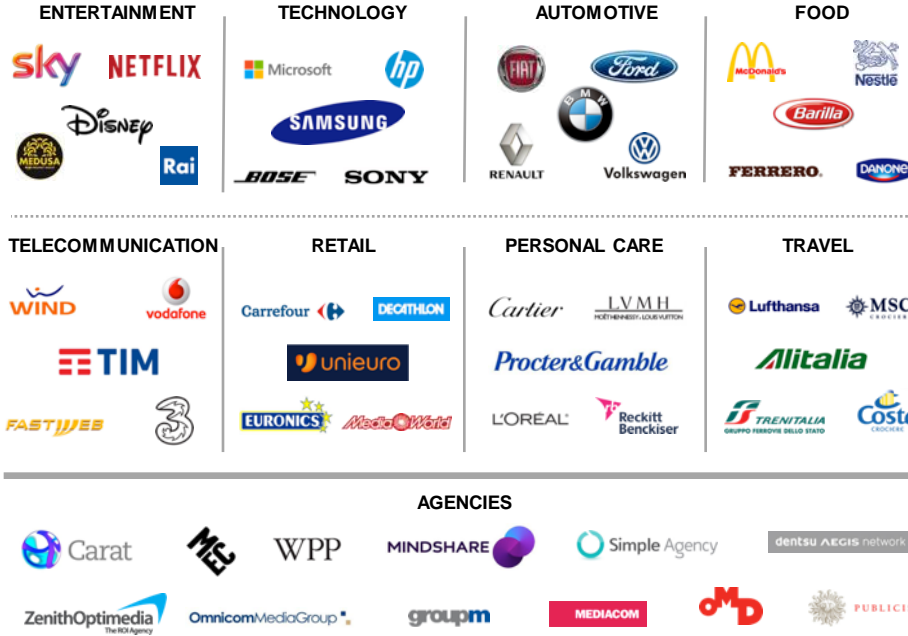
V:SPORT

V: MOTORI

QF
QuiFinanza
Economia, Finanza, Borsa

 **italiaonline**

Diversified Customer base

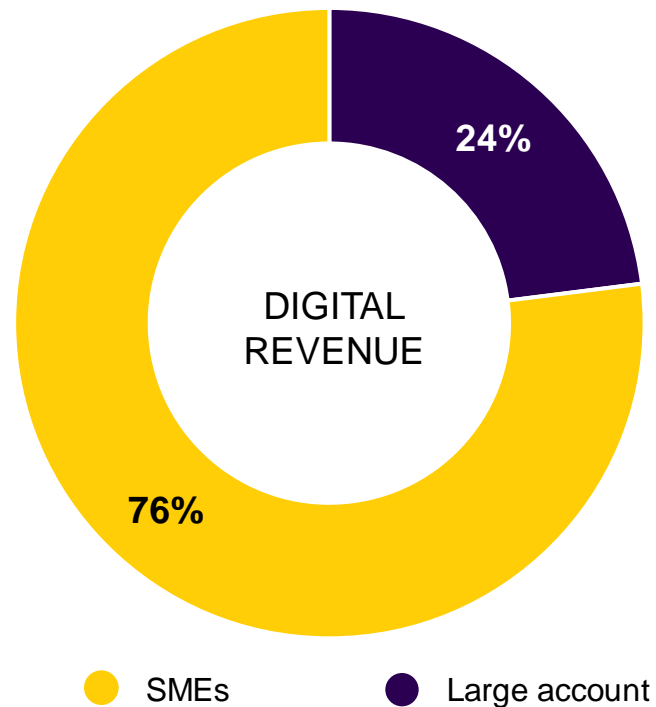
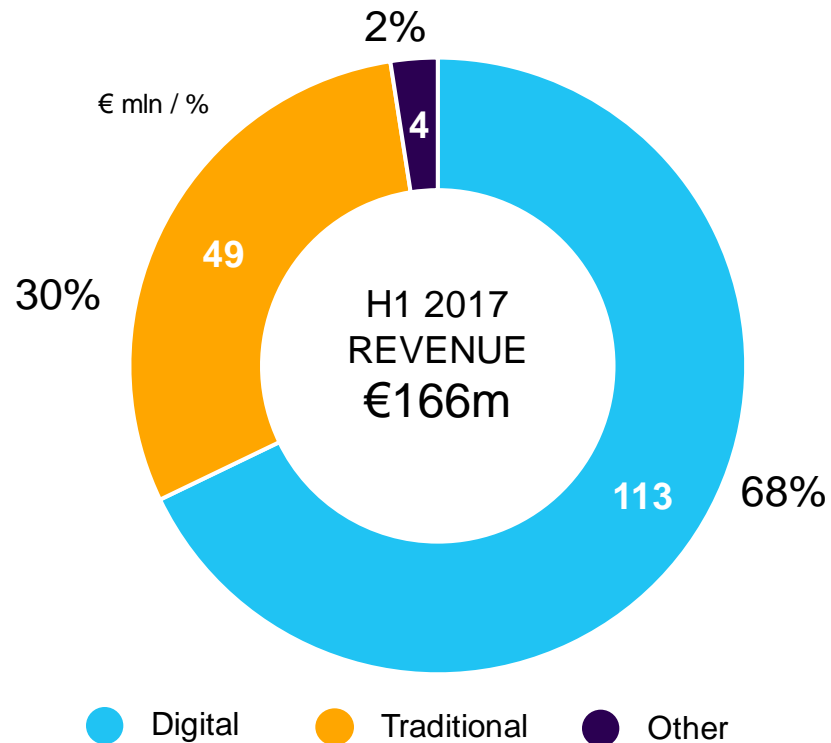


LARGE ACCOUNT 700 Customers

SMEs 230K Local Customers

Note: # of customers H1 2017

Multiple revenue streams



Management team of excellence



Antonio Converti – CEO

37 yrs of Experience



Maurizio Mongardi – COO

28 yrs of Experience



Gabriella Fabotti – CFO

25 yrs of Experience



Carlo Meglio – CDO

20 yrs of Experience



Ivan Ranza – CCO SME

23 yrs of Experience



Andrea Fascetti – CHRO

26 yrs of Experience



Andrea Chiapponi – CCO Large account

20 yrs of Experience



Chiara Locati – IR

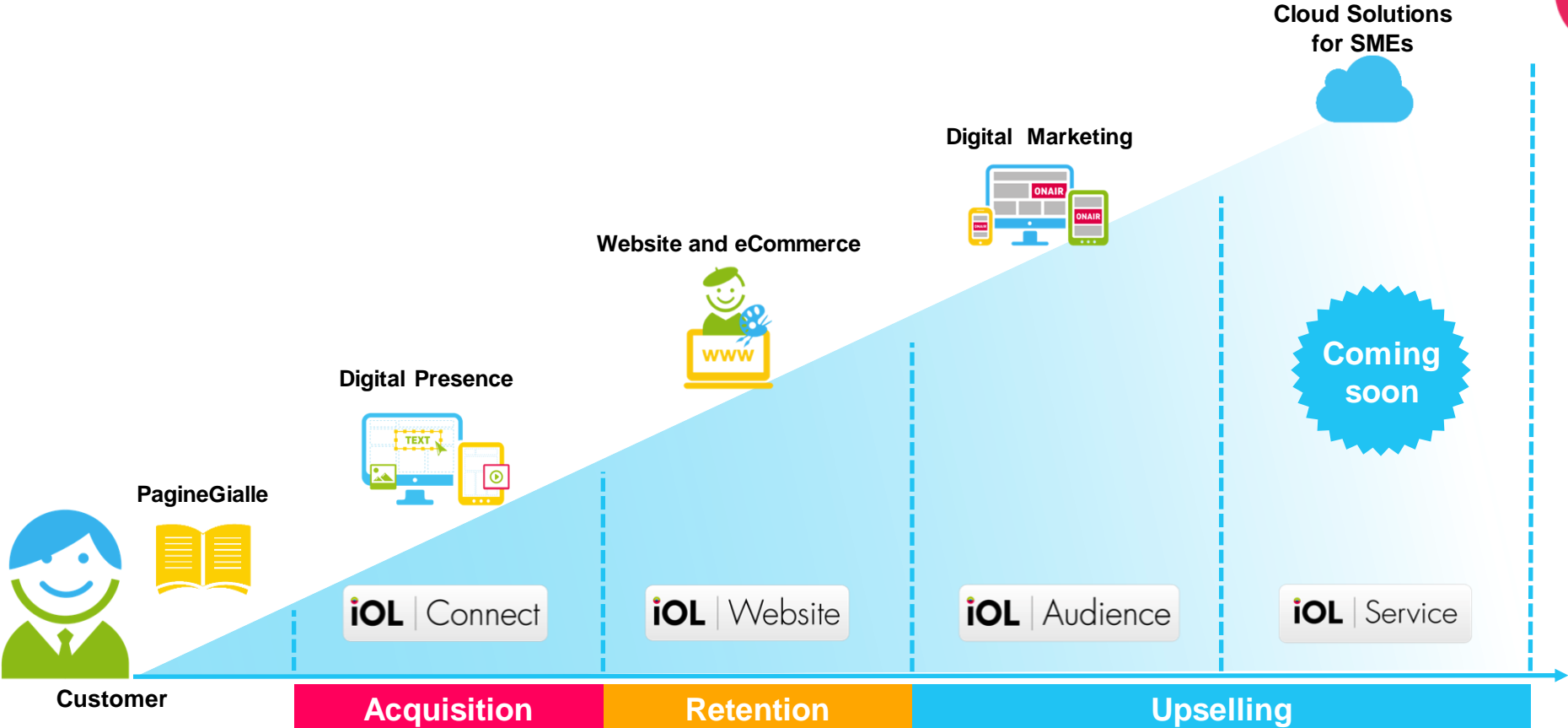
21 yrs of Experience



Italiaonline for SMEs



Products to lead the digital transformation of Italian SMEs



PagineGialle

Customer

Acquisition

Retention

Upselling

We put the SME businesses where people search for it

Presence



A familiar presence for Italian households



113 books, one for each Italian province⁽¹⁾



16.1 million copies distributed to Italian households and businesses⁽¹⁾

iOL | Connect

We put your business where people search for it



CAR NAVIGATION SYSTEMS



(1) FY 2016 data

Cutting edge professional web site development

Presence

Website



partnership
with Duda,
Spotzer,
Ecwid



website and
eCommerce
production and
maintenance



Professional
web design
with SEO
optimization



responsive and
mobile website
builder



80,000 sites
developed



live website
creation with
online web
designer

We do for SMEs what top AD agencies do for top brands

Presence

Website

Digital Mktg

360° media service for SMEs



Display
Google Display Network (GDN)
Italiaonline Network



Social
Facebook
Instagram



Search
Google AdWords
Bing



Remarketing
Tracking tag
Tagless Remarketing



Shopping
Ecommerce
Optimization



Email Marketing
Libero/Virgilio email
Third Party email

Powered by **matchcraft**

Strategic partnership with

Google **facebook** **sky**



We have a unique sales network that our partners can rely on



Unique offer proposition



Most advanced datacenter to deliver SME cloud applications

Presence

Website

Digital Mktg

Cloud



**SUPERNAP
ITALIA**

Largest and most reliable datacenter in Italy: **Tier IV Gold**

iOL | Service

- SaaS (Software as a Service)
- Cloud storage and archiving services
- Hosting services
- eCommerce services

Coming in 2018

H1 2017 for SMEs

The order intakes of IOL Audience, media planning services dedicated to SMEs, improved double digit in Q2 2017 YoY, NPS improved in Q2 2017



Italiaonline Large Account



Leader digital AD sales house with best programmatic skills

iOL | Digital Solutions

DIRECT SALES

50%

- Human sales to advertisers and Media Centers
- Both branding and performance goals



PROGRAMMATIC SALES

50%

- Deals (Human & Machine2machine)
- Open market (Machine2machine)



DMP (Data Management Platform)

Leveraging proprietary data for inventory enrichment and multivariable targeting

- 17 m users (TDA)
- 8 m email subscribers

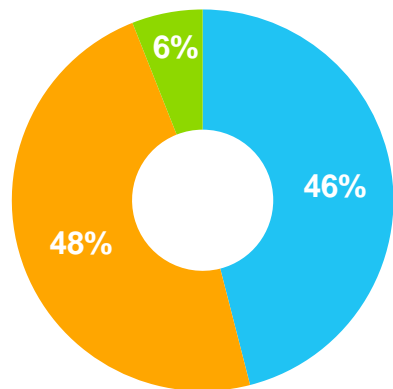
The largest Italian advertising inventory

Online ADs

Display **3.6 bln** monthly impressions



Traditional and innovative formats



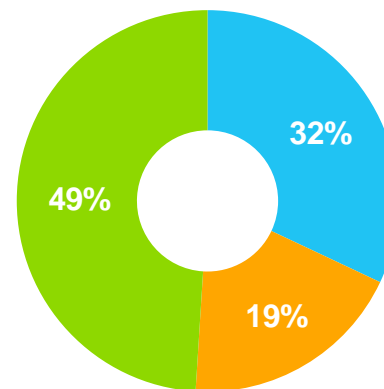
■ Premium ■ Open market ■ Private deals

54% programmatic

Video **130 mln** monthly impressions



Top notch “viewability” and completion rate



■ Premium ■ Open market ■ Private deals

68% programmatic

Source: internal data H1 2017

The most active email accounts

Online ADs

Direct Marketing

Email Marketing



Libero Mail Saas

Subscription services



9.9 mln active accounts ⁽¹⁾



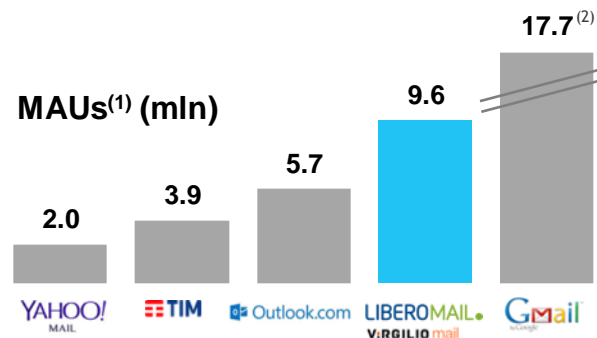
3.6 bln exchanged messages ⁽¹⁾

time spent per person

2:18

1:11

MAUs⁽¹⁾ (mln)



(1) Source: internal data, 90 days active mailboxes, avg. H1 2017

(2) Includes Android & Google accounts

One-stop-shop digital marketing solutions for leading brands

Online Ads

Direct Marketing

Custom Projects

Bespoke solutions



- Branded content
- Creative formats
- Websites and mini-sites
- 20% Customer base benefits from bespoke solutions

Programmatic buy-house

- Best of breed campaign management buying platforms (DoubleClick/Google)
- Full access to Italian and international inventory and global AD Exchanges
- Accurate targeting through first and third party data
- Performance and branding campaigns

 DoubleClick Campaign Manager

 DoubleClick Search

 DoubleClick Bid Manager

 DoubleClick Ad Exchange

 iOL | Adv Network

 iOL | DMP

 Google AdWords

 Facebook Audience Network

H1 2017 for Large Accounts

iOL Advertising

IOL Advertising grew double-digit figures on revenues in Q2 2017 vs -1% Market decrease



(1) Source: FCP-Assointernet, Apr-Jun 2017

Web Properties



AUDIENCE PLATFORM

LIBERO.

16.8 mln MAUs (1)

9.9 mln FREE SUBSCRIBERS(2)



9.1 mln
Unique Audience (1)



27.9%
Market Reach (1)



1.6 bln
Page Views (1)



8.1 mln
Active Subscribers (2)



2:09 h
Average Time Spent (1)
Per Person

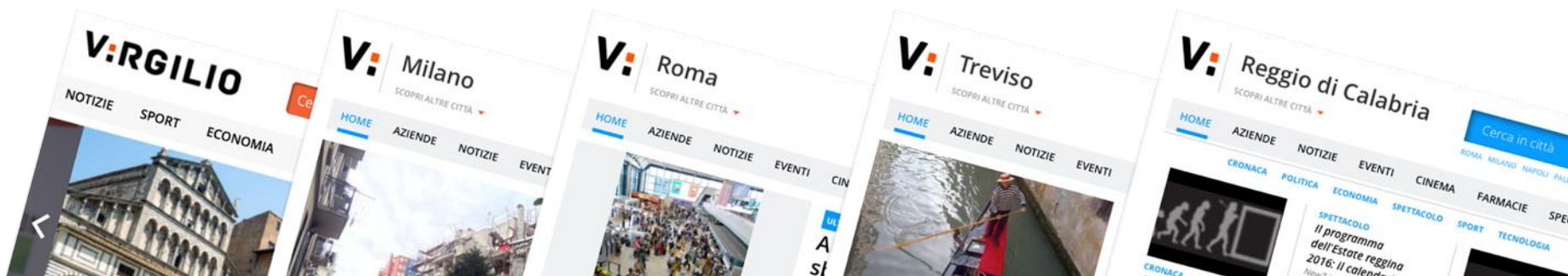
(1) Source: Audiweb View, powered by Nielsen, TDA avg. H1 2017 | (2) Source: internal data, 90 days active mailboxes, avg. H1 2017

AUDIENCE PLATFORM

16.8 mln
MAUs ⁽¹⁾

VIRGILIO

9.9 mln
FREE SUBSCRIBERS ⁽²⁾



11.7 mln
Unique Audience ⁽¹⁾



38.2%
Market Reach ⁽¹⁾



0.4 bln
Page Views ⁽¹⁾



1.8 mln
Active Subscribers ⁽²⁾



0:23 h
Average Time Spent ⁽¹⁾
Per Person

(1) Source: Audiweb View, powered by Nielsen, TDA avg. H1 2017 | (2) Source: internal data, 90 days active mailboxes, avg. H1 2017



4.1 mln
Unique Audience ⁽¹⁾



13.4%
Market Reach ⁽¹⁾



12.4 mln
Page Views ⁽¹⁾



16.1 mln
Copies distributed



0:03h
Average Time Spent ⁽¹⁾
Per Person

(1) Source: Audiweb View, powered by Nielsen, TDA avg. H1 2017

Innovative content factory based on internet trends



Data Driven Publishing

Topics selection based on real-time **search** and **social** trends

SUPEROVA

1.8 mln

Di•Lei

1.5 mln

QF QuiFinanza
Economia, mercati, lavoro.

1.5 mln



Content Factory

Content production based on **crowdsourcing** and/or content syndication

Si Viaggia

1.2 mln

LIBERO /
TECNOLOGIA.

0.9 mln

Buonissimo
Italia, a tavola!

0.9 mln



Engagement

Proprietary tools for optimizing **engagement** rate and making contents go viral

V: NOTIZIE

1 mln

V: SPORT

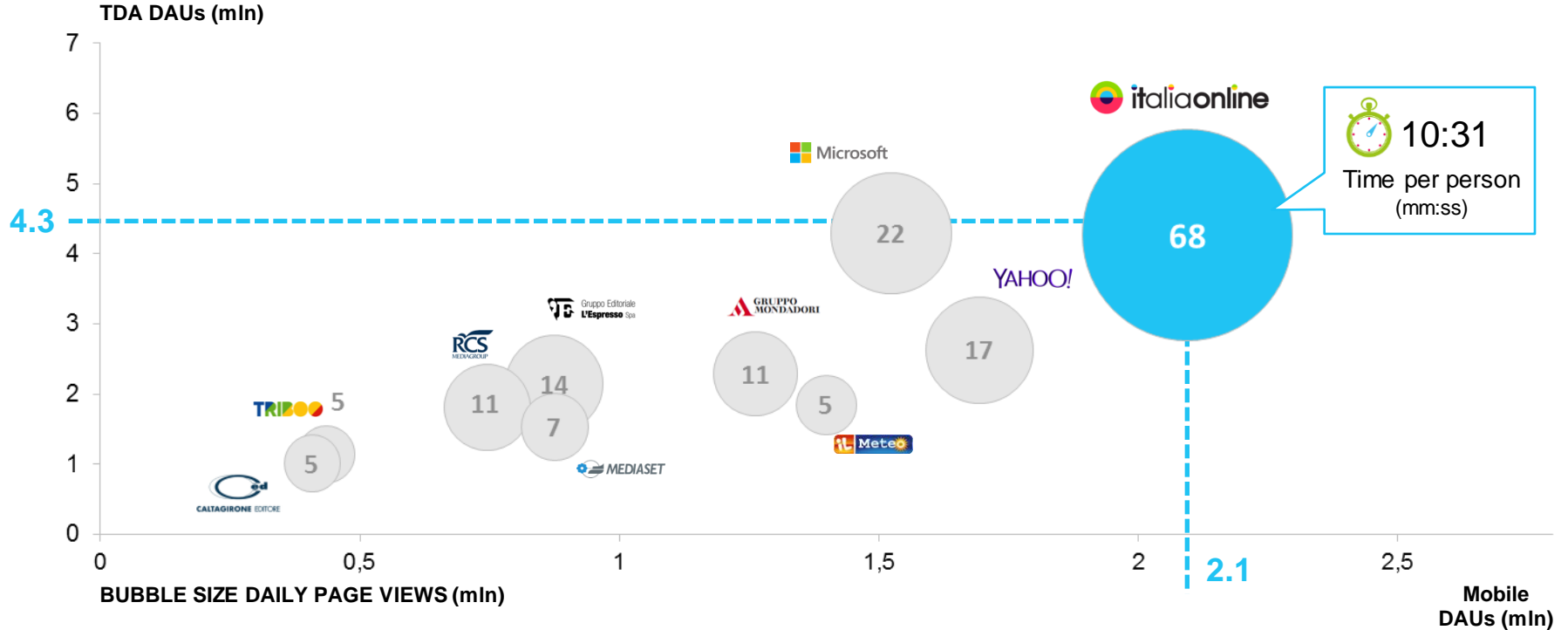
0.2 mln

V: MOTORI

0.9 mln

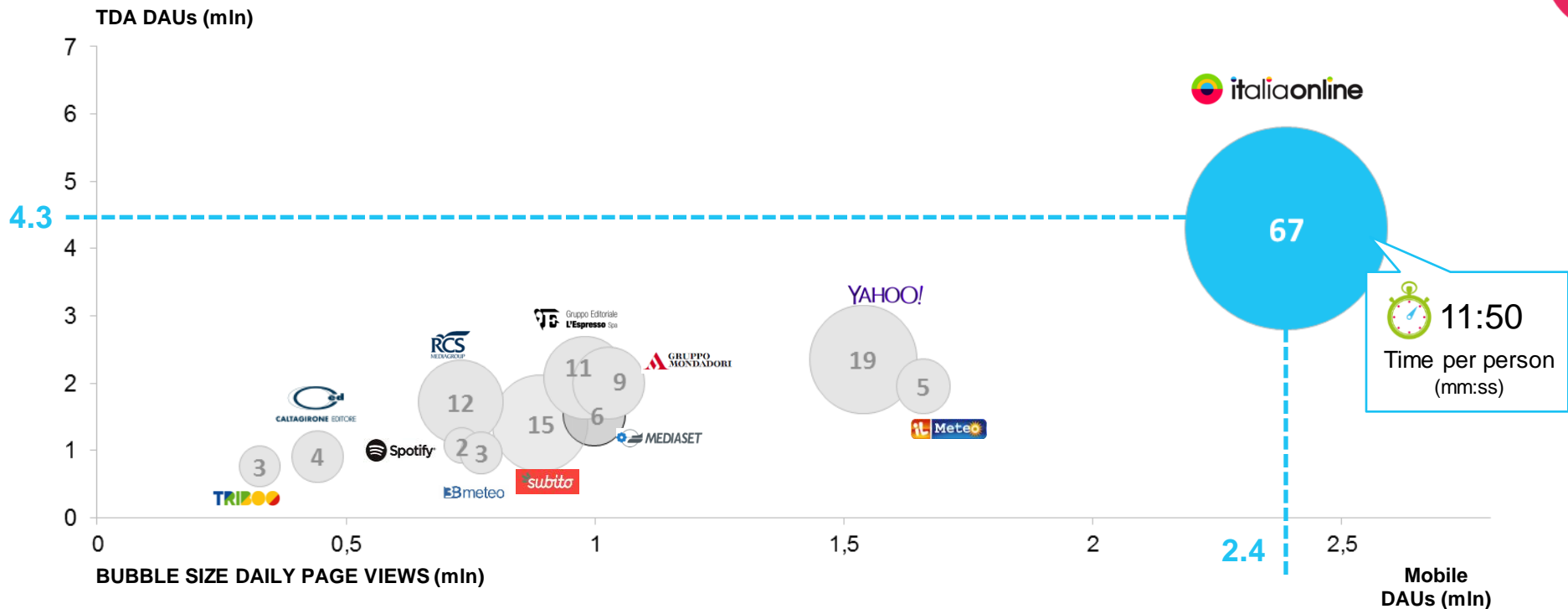
Source: Audiweb View, powered by Nielsen, TDA avg. H1 2017

The undisputed Italian internet leader | average daily audience 2016



Source: Audiweb Database, powered by Nielsen, Avg. FY.2016 | Google and Facebook are not in Audiweb Database
 Note: TDA – Total Digital Audience | DAUs – Daily Active Users

Daily Audience | Month of June 2017



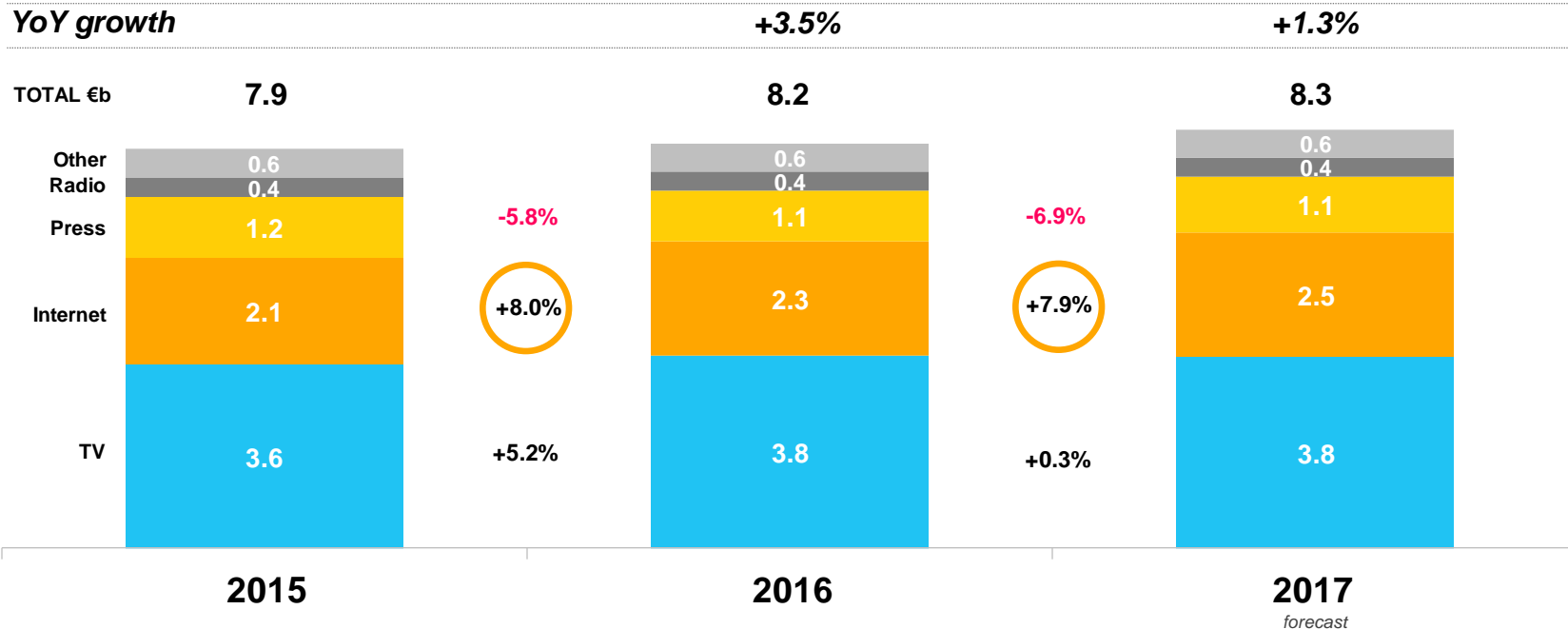
Source: Audiweb Database, powered by Nielsen, June 2017 | Google, Facebook and Microsoft are not in Audiweb Database
 Note: TDA – Total Digital Audience | DAUs – Daily Active Users

Market Outlook



Internet is driving the advertising market growth

YoY growth

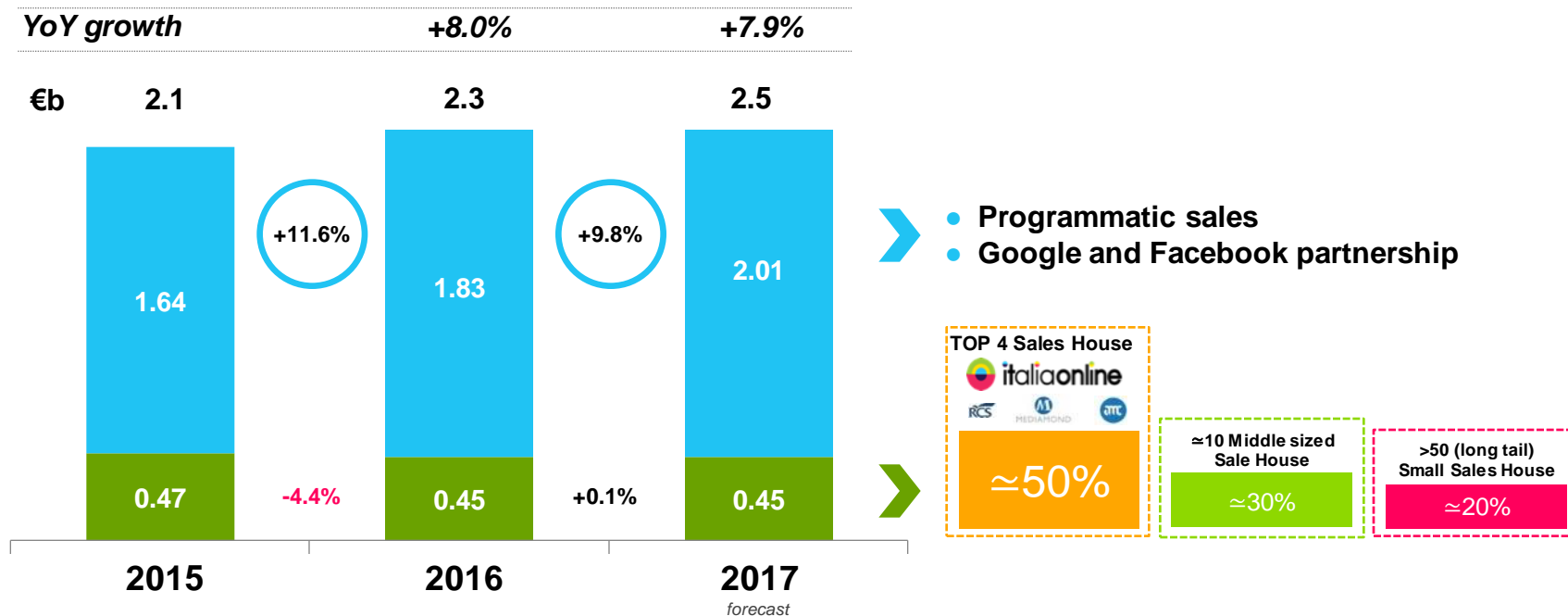


DIGITAL SHARE

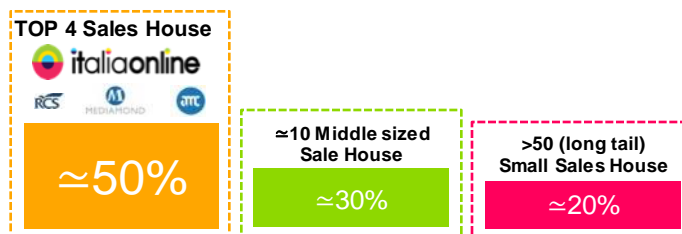


Source: Nielsen, June 2017

Internet is driving the advertising market growth



- Programmatic sales
- Google and Facebook partnership



Source: Nielsen, June 2017 | Others: operators not associated with FCP.

Italy is the country of SMEs, there is a substantial room for growth


Italian SMEs represent **68.0%** of the total **added value** over the national economy, the highest ratio among main European Countries





	Number of SMEs	
	Number	%
SMEs	3,733,146	99.9%
Corporates	3,086	0.2%
Total	3,736,232	100.0%



 SME Customers: **230,000**

 Market penetration: **6.1%**

 Large Account Customers: **700**

 Market penetration: **22.7%**

Source: European Commission, 2016 SBA Fact Sheet

Growth Strategies

Organic & M&A



Six organic growth pillars



SMEs

1 Churn Reduction

- Shift to evergreen contracts
- Dedicated retention team
- Customer profiling for churn prevention

2 Win Back

- Improve penetration in segments w/o web
- Win back on web Customer
- Improve sales channel balance

3 Up Selling

- Multi channel strategy based on ARPA
- Maximize digitization of Customers
- Focus on website sales



Large Account

1 Custom Projects

- Special Advertising
- Branded Content / Native Advertising
- Digital Marketing Solutions

2 Programmatic

- Rich Inventory
- Header Bidding / Google Exchange Bidding
- Programmatic Sales House

3 3rd Party Sales

- Acquire third party inventories
- Increase market share
- Grow brand portfolio and audience

Investments and M&A opportunities



CLOUD



COMMERCE



CONTENT

STRATEGY

Acquire applications and/or technology company to improve product portfolio for SMEs

Acquire e-commerce and marketplaces company

Acquire premium content and creative platforms

OBJECTIVE

Strengthen Italiaonline market position in digital offer for SMEs

- Develop the “*Made in Italy*” marketplace
- Improve local growth through switching and gig economy

- Increase market share and advertising inventory
- Acquire valuable customers’ segments

RESULTS

Revenues increase and improve marginality through disintermediation and synergies

Revenue increase and complete offer for SMEs

Revenues increase and improve growth speed

Other small opportunistic targets may also be considered

M&A opportunities – Tax Assets



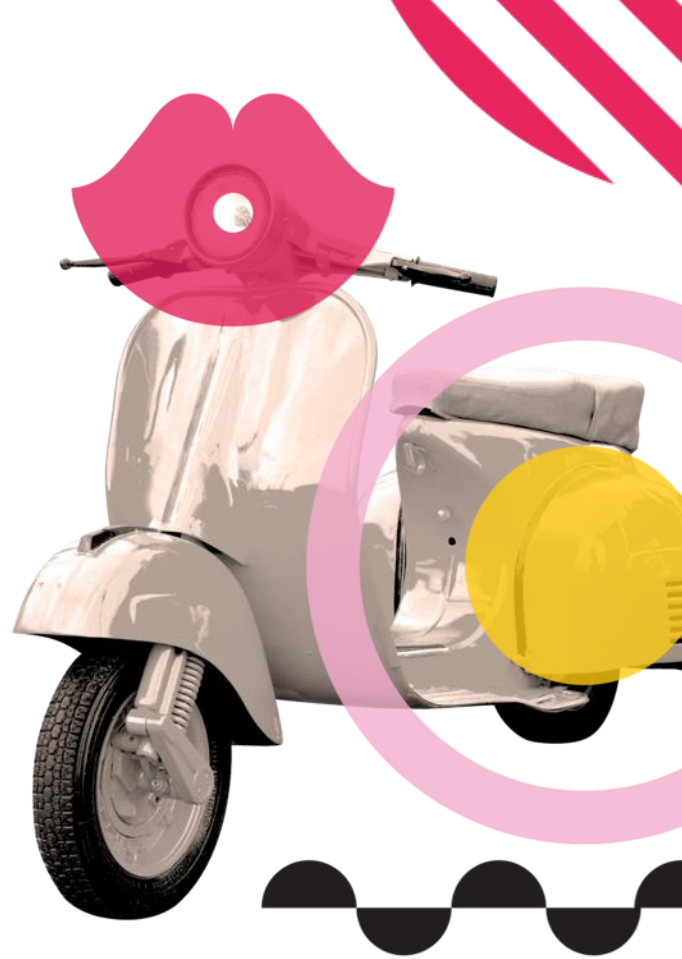
Tax Assets would provide a tax shield
in any M&A deals which involve the consideration of profits



Tax assets as of 31 Dec. 2016 €808 m



Financial Overview



H1 2017 | Financial highlights



H1 2017 **Revenue** at € 166 m vs € 189 m pro forma⁽¹⁾ H1 2016



Q2 2017 **Revenue decrease reduced** by 7 pp vs Q1 2017



Strong increase in **profitability** (+24% Ebitda), and **Net Income** (+64.6%)



Unlevered FCF €37 m (+5% yoy), Ebitda **Cash Conversion²⁾** 103%



Positive **Net Financial Position** at €69 m, despite €80 m dividend distribution



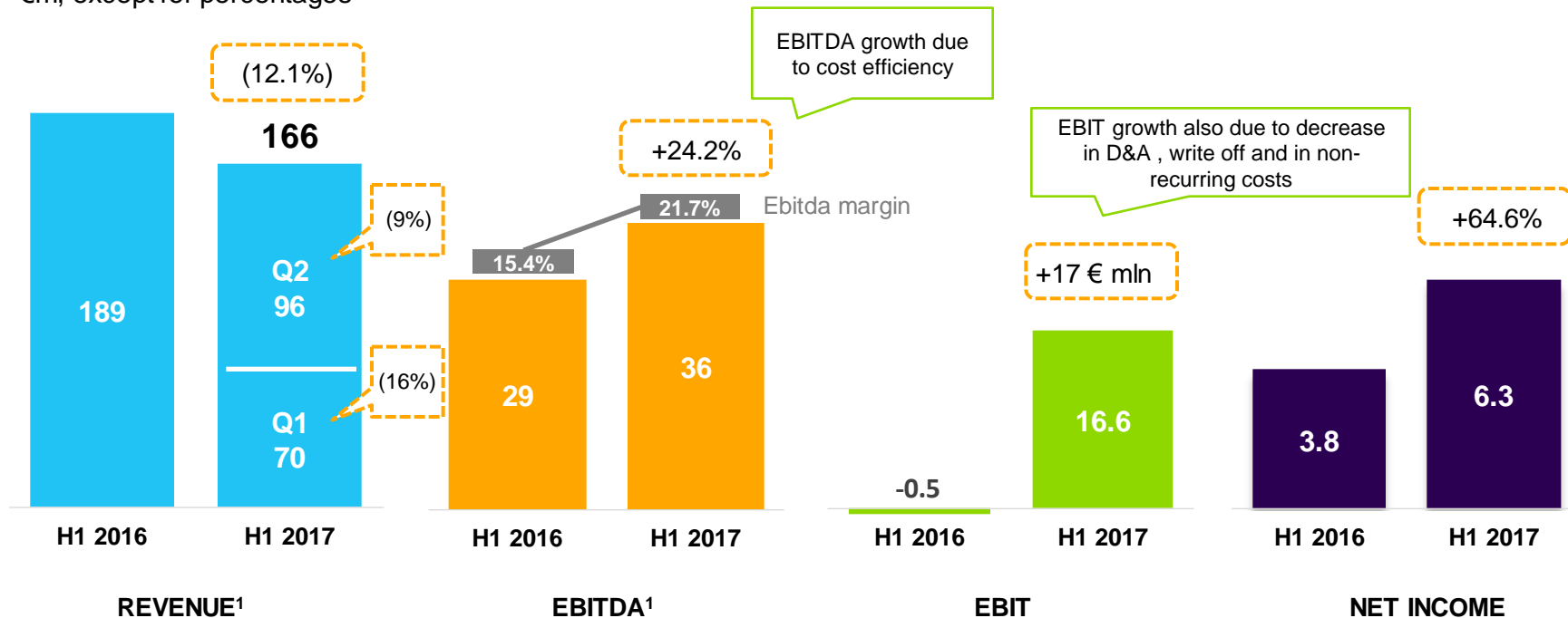
Increased Audience⁽³⁾:  **+14% Mobile DAUs**  **+13% Time per person**

(1) H1 2016 normalized results (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages SA, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with H1 2017 results. H1 2016 Net Income reported data

(2) Cash Conversion = Op FCF (Ebitda-Capex+ ΔNWC) / EBITDA - (3) Source: Audiweb Database, powered by Nielsen, June 2017 vs Avg. FY.2016 | DAUs: Daily Active User

H1 2017 | Strong Profitability and improvement in Revenue trend

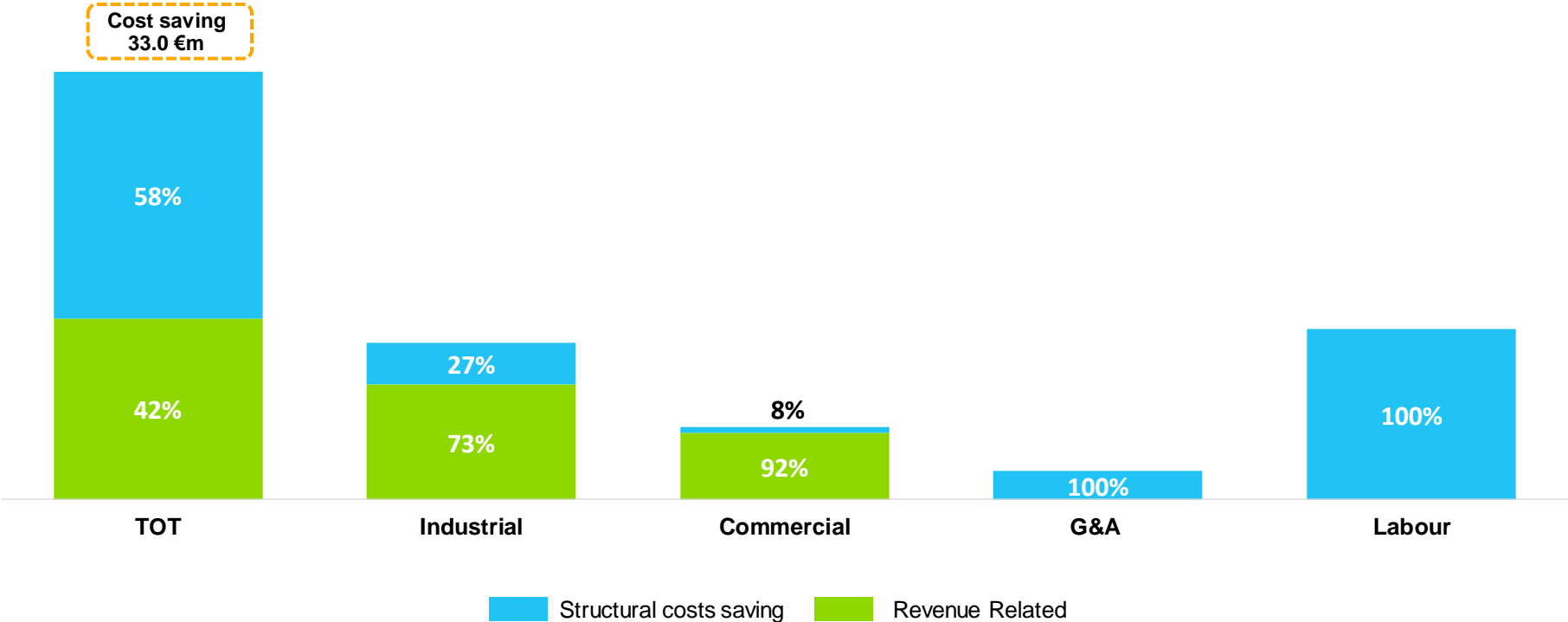
€m, except for percentages



Note: Figures referred to IOL core business only

(1) H1 2016 normalized results (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages subsidiary, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with H1 2017 results

H1 2017 | 58% of costs saving is structural

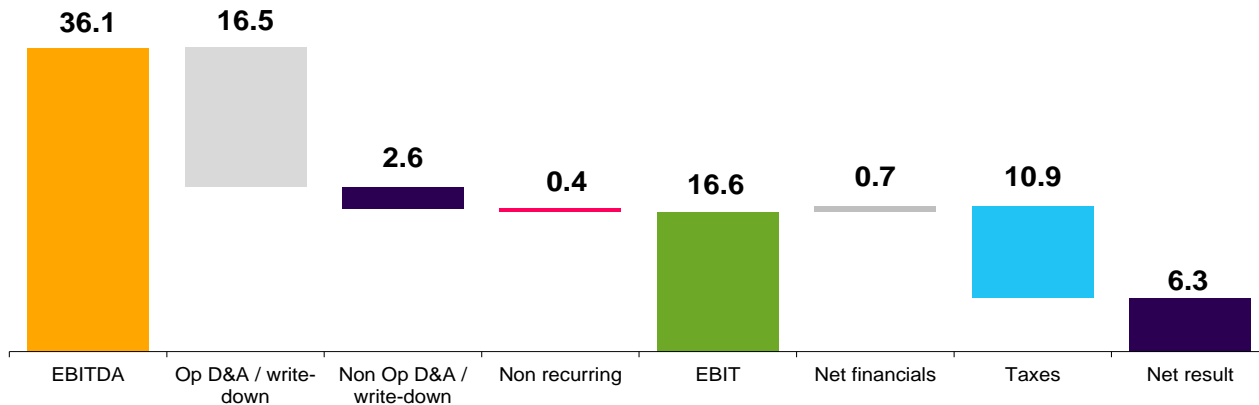


Note: Reported figures referred to Core business costs only | Italiaonline+DLS+Moqu

H1 2017 | From EBITDA to Net Result

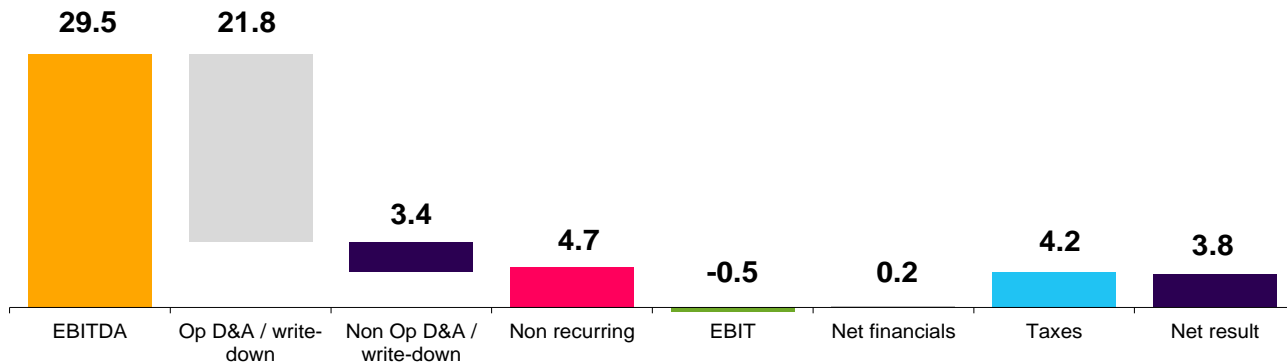
H1
2017

€m



H1
2016
reported

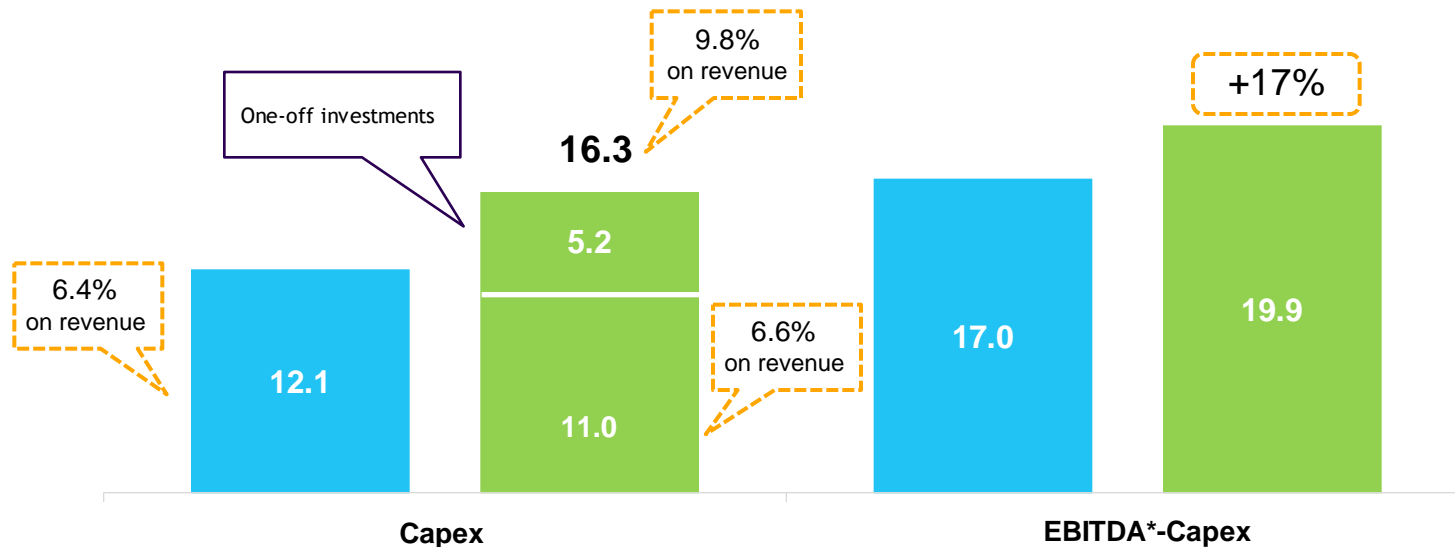
€m



H1 2017 | Capital Expenditures & EBITDA

Net of one-off investments H1 2017 capex amounted to €11.0m, (- 8.8% YoY)

€m



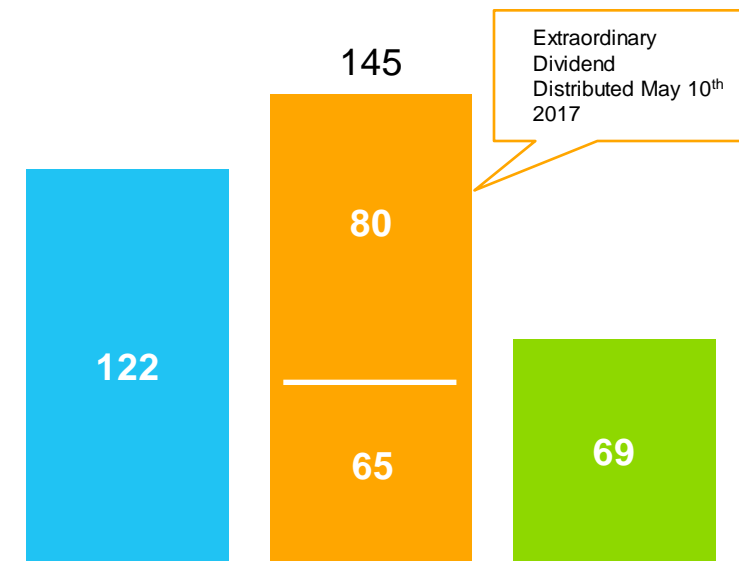
* Ebitda 1H 2016 pro-forma

H1 2016

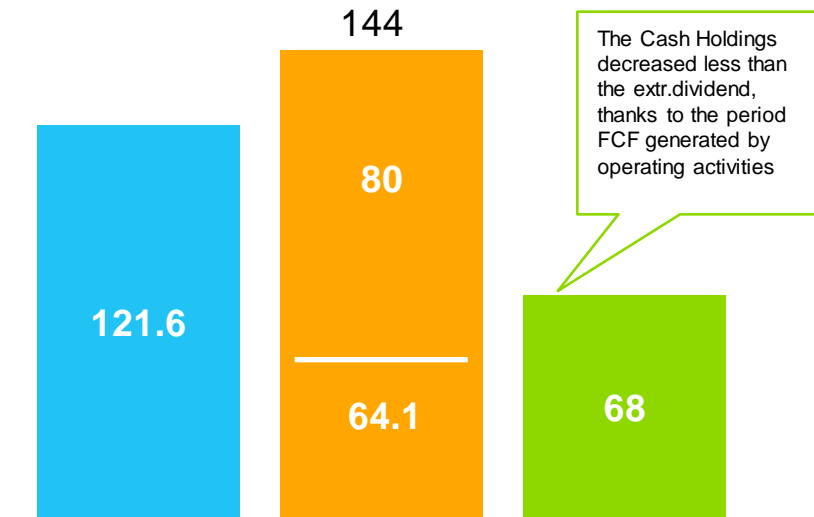
H1 2017

H1 2017 | Positive Net Financial

€m



Net financial position



Cash holdings

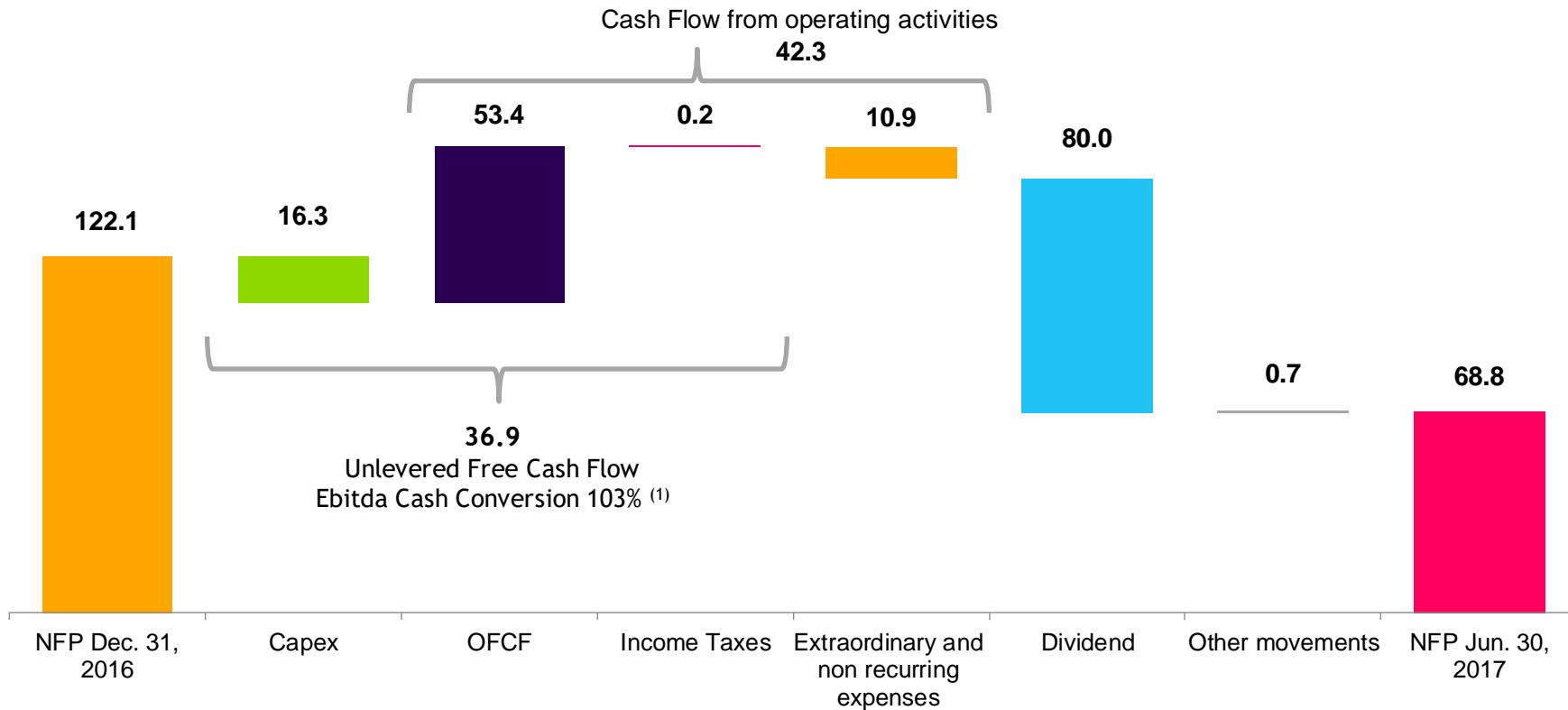
As of Dec. 31st, 2016

As of Mar. 31st, 2017

As of Jun. 30th, 2017

H1 2017 | Change in Net Financial Position

€m



(1) Cash conversion = Op FCF (EBITDA-Capex+ΔNWC) / EBITDA

Business plan 2017-2019 guidelines (organic growth only)

Revenues

Revenues are expected to grow with a CAGR 2015 - 2019 of [0%÷0.4%]

EBITDA

Steady growth of marginality to reach 22%÷27% EBITDA margin in 2019

CAPEX

CAPEX expected to decline during the plan and to stabilize at about 6% of revenue in 2019

FCF

Free cash flow generation to improve during the plan and reach the 55%÷60% cash conversion of the EBITDA from 2018

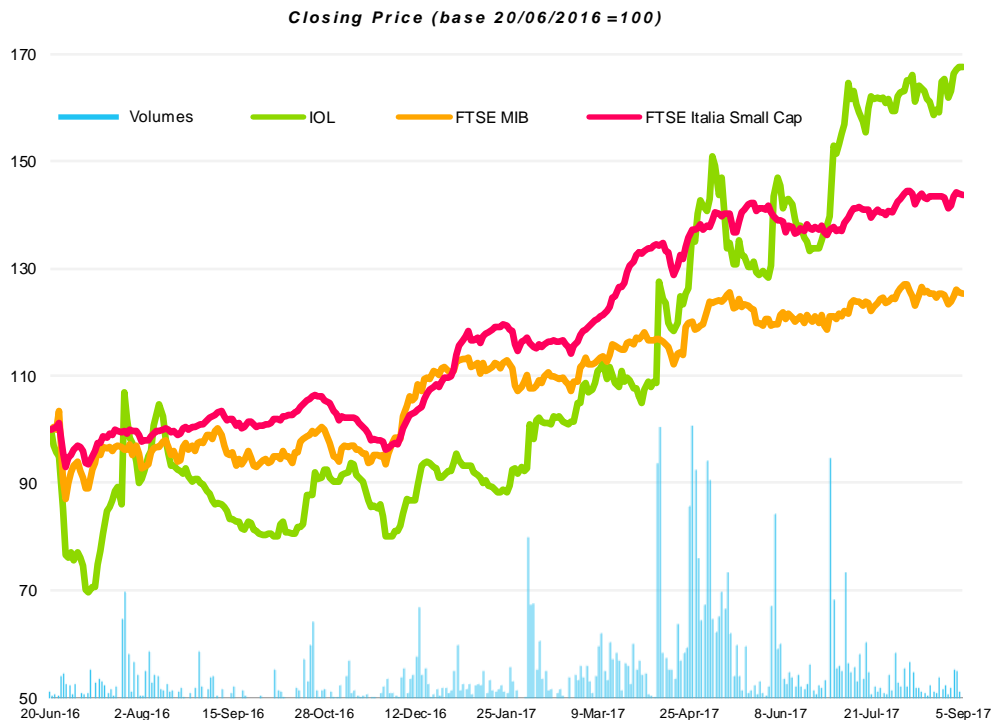
2017 guidance

- Revenue is expected to continue to decrease, mainly because of the physiological contraction of some traditional businesses, despite the gradual improvement in the performance of digital activities
- Profitability: Ebitda margin improvement vs FY 2016

BP as approved by the BoD of March 15th 2017

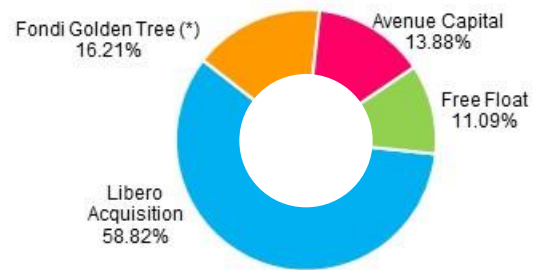
Italiaonline Share

IOL versus indices: June 20, 2016 – September 05, 2017



Source: Thomson Reuters EIKON

Shareholders structures



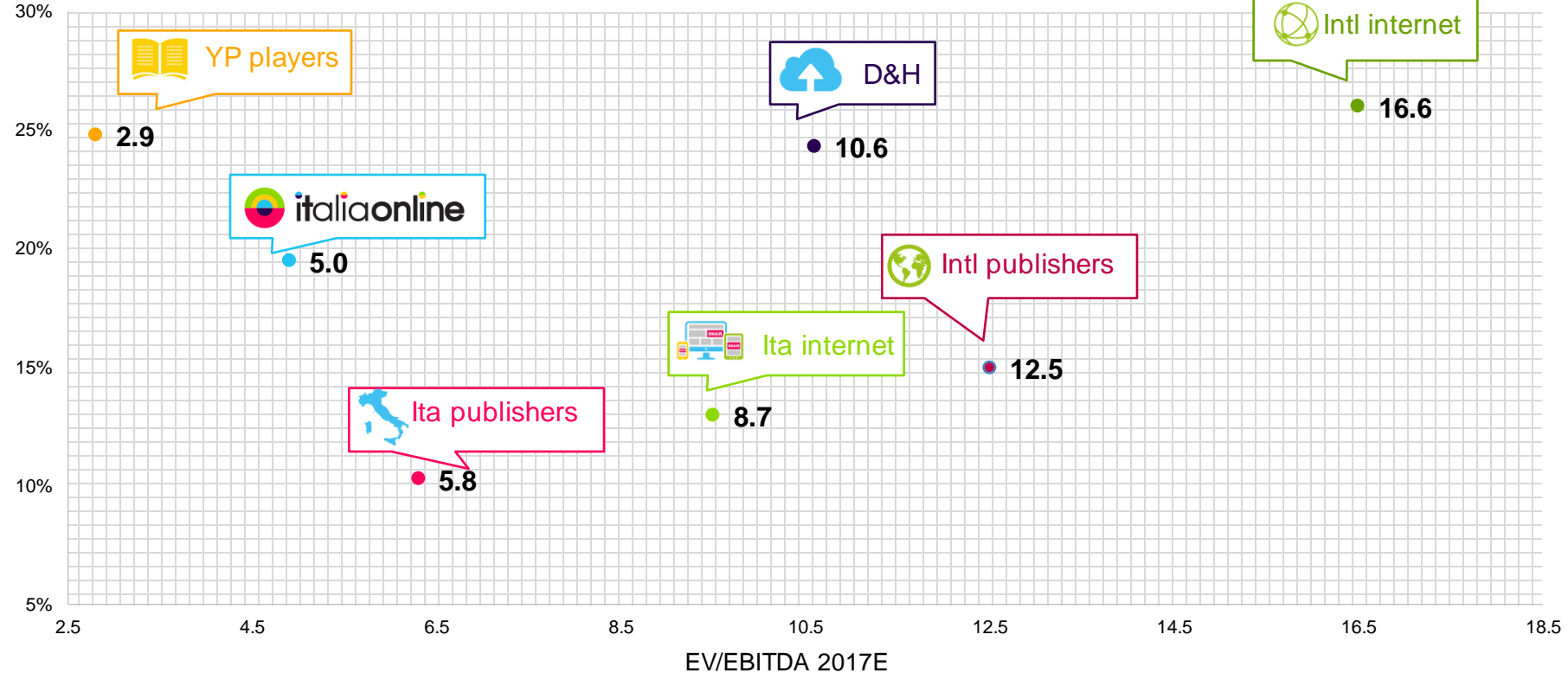
(*) GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners L.P., GT NM L.P. e San Bernardino County Employees Retirement Association

Share data as of September 05, 2017

MARKET	MTA
NOSH Ord (€mln)	114.8
PRICE (€)	3.4
MKT CAP Ord (€mln)	392
PERFORMANCE (from June 20, 2016)	+67.6%
RELATIVE PERF.vs FTSE MIB (from June 20, 2016)	42.3%
AVG DAILY VOLUMES YTD (€)	374,029
Saving Share: NOSH 6.803 Closing Price (€) 300 Market Cap (€ mln) 2.0	

IOL vs Baskets of Peers (average values)

EBITDA Margin 2017E



Source Thomson Reuters EIKON – data as of 05 Sept 2017 and company analysis

Investment Case



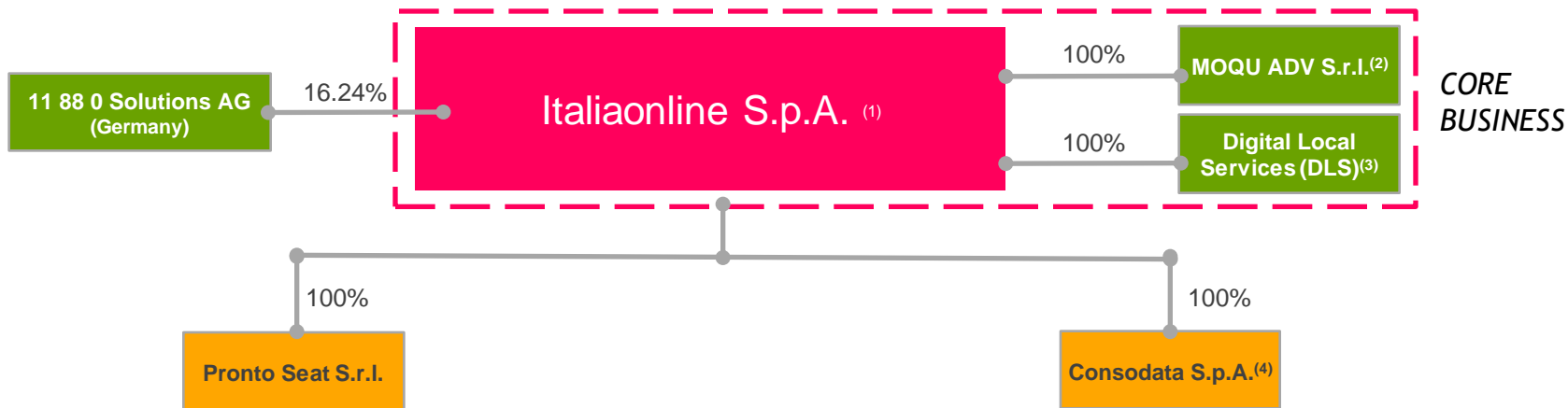
Key investment highlights

- 1 Largest internet company in Italy, best positioned to capture market growth
- 2 Market opportunities – Increasing Digital Advertising Market - Internet usage in Italy still lags compared to European Average
- 3 Solid geographical footprint and sales network in Italy
- 4 High quality/diversified Customer base
- 5 Unique capability to digitize Italian SMEs, technological partnership with leading internet player and strategic relationship with Google and Facebook
- 6 Clear path to sustainable profitable growth
- 7 Experienced management team with a solid track record in M&A execution

Appendix

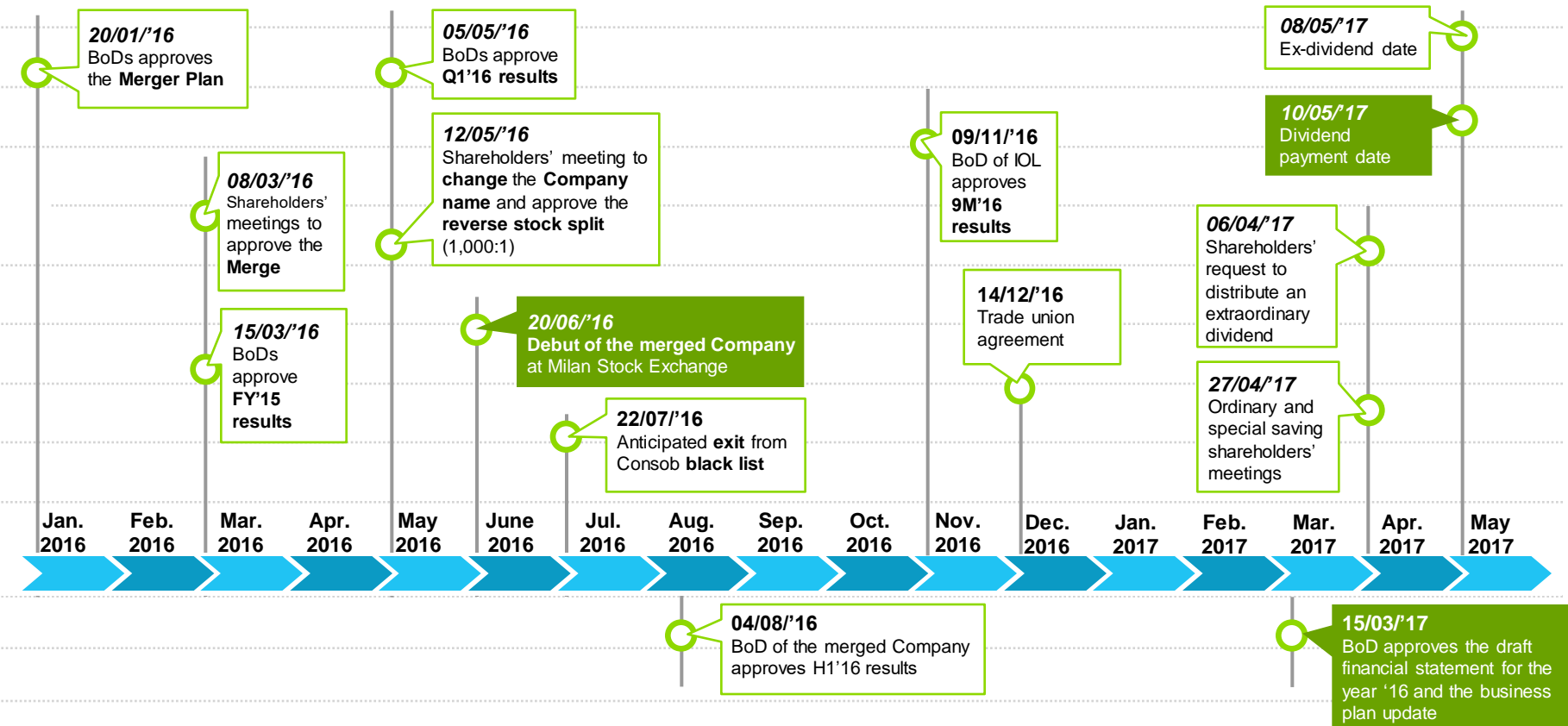


Group Structure as of 30 June 2017



- (1) Italiaonline also holds a 20% stake in Gold Five S.r.l. "in liquidazione", a 100% stake in Couponing Italia S.r.l. "in liquidazione" and a 100% stake in Telegate Holding GmbH "in liquidazione"
- (2) Moqu Adv S.r.l. holds a 100% stake in Moqu Adv Ireland Ltd "in liquidazione"
- (3) 63 active territorial units ("DLS") established as single shareholder limited liability companies directly owned by Italiaonline S.p.A.
- (4) As the plan of Parent Company to sell the equity holding in Consodata S.p.A. has been put on hold, the assets and liabilities referred to this company were no longer classified "net non-current assets held for sale", pursuant to IFRS 5.

Financial Road Map | Jan 2016 – May 2016



Thank you!

IR Contacts

Chiara Locati

+ 39 349 8636553

Chiara.locati@italiaonline.it

