



FIERA MILANO

3rd Quarter 2017 Consolidated Results

FIERA MILANO GROUP

CONFERENCE CALL - 14 NOVEMBER 2017

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CONTENTS

Highlights

Financial result

Business outlook



HIGHLIGHTS

- **In the first nine months of 2017 results were in line with expectations** despite some extraordinary costs related to the reorganisation of the company governance
 - **Revenues of Euro 186.9 million** (Euro 178.9 million in the same period of 2016): the increase was due to the presence of the international congress ERS and the different exhibition portfolio, partially offset by a decrease in the stand-fittings business
 - **Gross operating profit of Euro 2.7 million** (Euro 14.6 million in the same period of 2016), affected by the different exhibition calendar, some extraordinary costs and costs for the launch of new proprietary exhibitions
- **The 3rd Quarter includes** a structurally weak period for Fiera Milano and the exhibition business due to **the absence of activity in Italy in the summer months and the postponement of an important exhibition**
 - **Net exhibition space occupied in Italy: 175,850 square metres** (32% from directly organised events) compared to 214,695 square metres in 3Q16
 - **Revenues of Euro 45.1 million** (Euro 40.3 million in 3Q16) increased mainly due to ERS, partially offset by the postponement of an exhibition
 - **Gross operating loss of Euro 10.8 million** (a loss of Euro 6.6 million in 3Q16) mainly because of the aforementioned postponement and lower margins from the stand-fitting business
 - **Net operating loss of Euro 12.9 million** (a loss of Euro 9.1 million in 3Q16)
- On 28 September 2017, **the Milan Court – Prevention Court Independent Section revoked the Administration Order**

CONTENTS

Highlights

Financial result

Business outlook



ITALIAN EXHIBITION CALENDAR



Exhibitions	Net sq. metres of exhibition space	
	3Q16	3Q17
Directly organised	58,310	55,485
Organised by 3rd parties	147,550	105,630
Total annual exhibitions	205,860	161,115
Total exhibitions	205,860	161,115
Congresses with related exhibition area	8,835	14,735
Total	214,695	175,850

- Postponement of Lineapelle to the fourth quarter 2017 (46,875 net square meters in 3Q16)



ITALIAN EXHIBITIONS



Italian exhibitions	3Q16	3Q17	9M16	9M17
Revenues (€'000)	31,733	25,961	146,076	148,209
Gross operating result (€'000)	-6,575	-10,738	9,048	1,758
% on revenues	-20.7%	-41.4%	6.2%	1.2%
Net operating result (€'000)	-7,983	-11,585	4,770	-1,909
% on revenues	-25.2%	-44.6%	3.3%	-1.3%



- The year-on-year decrease in quarterly revenues and results mainly reflected the postponement of Lineapelle
- The year-on-year increase in revenues in the first nine months reflected the contribution of new exhibitions; results were affected by costs arising from the review of company processes, costs for the launch of new proprietary exhibitions and the repositioning of Bit

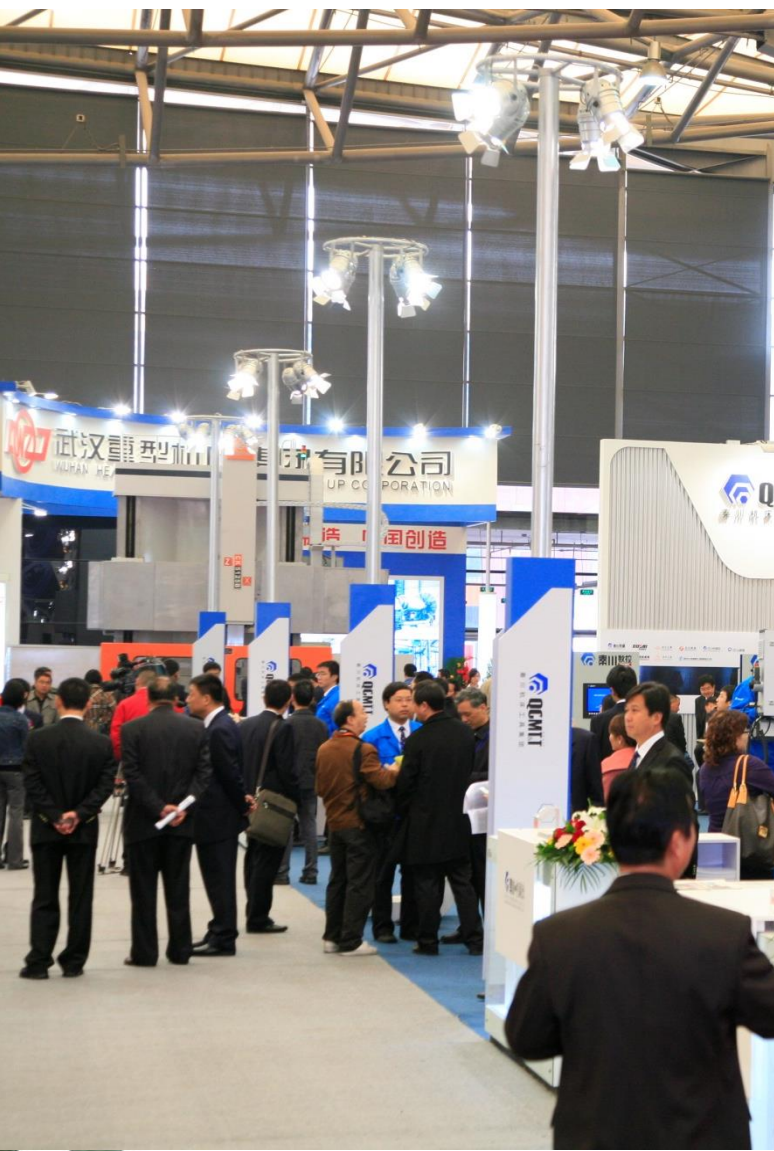
Gross of adjustments for inter-segment transactions

FOREIGN EXHIBITION CALENDAR

Exhibitions	Net sq. metres of exhibition space	
	3Q16	3Q17
China	76,600	77,000
South Africa	3,490	3,850
India	1,200	2,075
Total annual exhibitions	81,290	82,925
Brazil	11,345	-
Total biennial exhibitions	11,345	-
Total	92,635	82,925

- China: Motor Show Chengdu
- South Africa: Good Food & Wine Show Gauteng
- Brazil: absence of the biennial exhibitions Fesqua and Feitintas

FOREIGN EXHIBITION



Foreign exhibitions	3Q16 restated*	3Q17	9M16 restated*	9M17
Revenues (€'000)	1,570	465	3,623	4,085
Gross operating result (€'000)	151	-365	243	-70
% on revenues	9.6%	-78.5%	6.7%	-1.7%
Net operating result (€'000)	-55	-726	-1,817	-758
% on revenues	-3.5%	-156.1%	-50.2%	-18.6%

* Some figures in the Consolidated Financial Statements at 30 September 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Worldex and Haikou Worldex finalised on 24 April 2017.



- The year-on-year decrease in quarterly revenues and margins mainly reflected the less favourable exhibition calendar in Brazil
- In the first nine months of the year, the year-on-year increase in revenues was mainly due to the positive performance of some exhibitions in Brazil, while the gross operating result decreased due to higher personnel costs

STAND-FITTING SERVICES



Stand-fitting services	3Q16	3Q17	9M16	9M17
Revenues (€'000)	7,687	6,566	33,970	25,197
Gross operating result (€'000)	670	-528	4,487	-151
% on revenues	8.7%	-8.0%	13.2%	-0.6%
Net operating result (€'000)	121	-988	3,193	-1,638
% on revenues	1.6%	-15.0%	9.4%	-6.5%



- The year-on-year decrease in quarterly revenues was primarily due to the aforementioned postponement of the exhibition and lower activities; the gross operating result was affected by extraordinary costs
- The year-on-year decrease in revenues and margins for the first nine months of 2016 was attributable to lower revenues from customised stand-fittings and non-exhibition contracts present in 2016, as well as the absence of activities related to Expo 2015

Gross of adjustments for inter-segment transactions

MEDIA



Media	3Q16	3Q17	9M16	9M17
Revenues (€'000)	2,384	2,139	8,292	7,474
Gross operating result (€'000)	-56	-58	211	-164
% on revenues	-2.3%	-2.7%	2.5%	-2.2%
Net operating result (€'000)	-137	-145	-787	-459
% on revenues	-5.7%	-6.8%	-9.5%	-6.1%



- The year-on-year decrease in revenues for the quarter was due to a reduction in sponsorship, print advertising and billboard advertising; the gross operating result was in line with the figure for the third quarter 2016
- In the first nine months of 2017 there was also a negative impact on the revenues due to the different exhibition calendar. The year-on-year change in the gross operating result reflected lower revenues offset by lower personnel costs and rental costs

CONGRESSES



Congresses	3Q16	3Q17	9M16	9M17
Revenues (€'000)	5,464	18,082	20,859	34,315
Gross operating result (€'000)	-619	877	737	1,316
% on revenues	-11.3%	4.9%	3.5%	3.8%
Net operating result (€'000)	-878	559	-43	330
% on revenues	-16.1%	3.1%	-0.2%	1.0%



- The year-on-year increase in quarterly revenues and results reflected the presence of the ERS congress
- The year-on-year first nine month trend in revenues reflected the quarterly change; the gross operating result was reduced by a fall in other income which, in the previous year, settlement of insurance claims

INCOME STATEMENT



Consolidated Income Statement (€'000)	3Q16 restated*	3Q17	9M16 restated*	9M17
Revenues	40,342	45,075	178,929	186,945
Gross operating result	-6,562	-10,805	14,559	2,696
Gross operating margin (%)	-16.3%	-24.0%	8.1%	1.4%
Net operating result (EBIT)	-9,078	-12,893	5,109	-4,475
Net operating margin (%)	-22.5%	-28.6%	2.9%	-2.4%
Profit/loss before income tax from continuing operations	-9,385	-13,015	4,693	-5,320
Profit/loss margin (%)	-23.3%	-28.9%	2.6%	-2.8%
Profit/loss before income tax from discontinued operations	192	-	-229	-
Profit/loss before income tax	-9,193	-13,015	4,464	-5,320
Profit/loss before tax margin (%)	-22.8%	-28.9%	2.5%	-2.8%
-attributable to Shareholders of the controlling entity	-9,215	-13,365	4,625	-5,449
-attributable to non-controlling interests	22	350	-161	129

* Some figures in the Consolidated Financial Statements at 30 September 2016 have been restated to reflect, under IFRS 5, the sale of the Chinese companies, Worldex and Haikou Worldex finalised on 24 April 2017.



STATEMENT OF FINANCIAL POSITION

31/12/16 after tax	Consolidated Statement of Financial Position (€'000)	30/06/17 after tax	30/09/17 before tax
160,882	Non-current assets	156,694	158,454
-46,527	Net working capital	-70,600	-65,422
114,355	Gross capital employed	86,094	93,032
16,409	Non-current liabilities	14,581	14,236
97,946	Net capital employed from continuing operations	71,513	78,796
2,049	Net capital employed from discontinued operations	-	-
99,995	Total net capital employed	71,513	78,796
61,679	Equity	67,399	56,453
39,530	Net financial position from continuing operations	4,114	22,343
-1,214	Net financial position from assets held for sale	-	-
99,995	Equity and net financial position	71,513	78,796

NET FINANCIAL POSITION

31/12/16	Consolidated Net Financial Position (€'000)	30/06/17	30/09/17
20,904	Cash (including bank balances)	28,062	20,294
-	- Other cash equivalents	-	-
-	- Securities held for trading	-	-
20,904	Cash & cash equivalents	28,062	20,294
2,622	Current financial assets	4,632	4,613
18,019	Current bank borrowings	6,465	22,598
27,523	Current portion of non-current debt	24,505	19,756
3,364	Other current financial liabilities	3,547	3,476
48,906	Current financial debt	34,517	45,830
25,380	Current net financial debt (cash)	1,823	20,923
14,108	Non-current bank borrowings	2,248	1,377
-	- Debt securities in issue	-	-
42	Other non-current payables	43	43
14,150	Non-current net financial debt	2,291	1,420
39,530	Net financial debt (cash) from continuing operations	4,114	22,343
-1,214	Net financial debt (cash) from assets held for sale	-	-
38,316	Net financial debt (cash)	4,114	22,343

The increase in net debt compared to 30 June 2017 was due to the negative cash flow caused by the absence of activity in summer months and the decrease in cash flows from working capital, mainly attributable to the advance payment of the six-monthly rental charge; this was, in part, offset by the cash-inflow received for exhibitions to be held in subsequent months

CONTENTS

Highlights

Financial result

Business outlook



BUSINESS OUTLOOK

- **The performance in the first nine months** of 2017 **was** positive and **in line with expectations**. The biennial exhibition **Host**, the leading professional hospitality exhibition worldwide, which was held after the end of the quarter under review, **reached another record** with a 24% increase in trade visitors; this figure reflects a generally improving trend
- Despite some extraordinary costs for consultancy fees linked to the restructuring of corporate procedures and barring any currently unforeseen events or circumstances, **the full-year forecast is for a significant year-on-year improvement in the gross operating profit** thanks to a more favourable exhibition calendar in the fourth quarter
- The Company remains focused on identifying an **optimum corporate strategy that, together with its restructured and strengthened corporate governance, will ensure value creation** for all Company stakeholders

FORWARD-LOOKING STATEMENTS



Data and information herewith set forth are extracted from Fiera Milano Consolidated Interim Management Report to 30 September 2017 filed with Italian authorities regulating exchanges and securities and disseminated concomitantly with this presentation.

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The Manager responsible for preparing the company's financial reports Sebastiano Carbone declares, pursuant to paragraph 2 of Article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this document corresponds to the document results, books and accounting records.



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