

# Q1 2018 RESULTS

Conference Call, May 10<sup>th</sup> 2018



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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.

## **Accounting standard IFRS 15 – IFRS 16**

Starting from 01 January 2018 entered into effect the IFRS 15 - Revenue from Contracts with Customers and Amendments and IFRS 9, furthermore Italiaonline decided to early adopt IFRS 16 - Leases – from 01 January 2018 (instead of 01 January 2019). The IFRS 15 had a negative impact of € 1 million on revenues and of € 0.9 million on the EBITDA for the first quarter of 2018. This effect is temporary and will be next to zero over the full year, thus it is not considered relevant. The IFRS 16 on the Q1 2018 results had a positive impact on EBITDA of about € 2.2 m. In addition the introduction of IFRS 16, according to which all rents have to be treated as depreciation, implies the recognition in the statement of financial positions of a financial liability, against the value in use of leased assets, which at 31 March 2018 amounted to € 40 million.

# Q1 2018 | a positive set of results...in line with FY2018 guidance



## Economics

- Q1 2018 <sup>1</sup> revenues at €69.5 m vs €70.3 m Q1 2017 (-1.1% YoY)
- Digital revenues improved by +6% YoY
- EBITDA at €12.7 m vs €10.4 m in Q1 2017, EBITDA margin 18.2%
- Net of IFRS 16 EBITDA<sup>1</sup> at €10.5m (+0.7%YoY), EBITDA margin 15.1% (14.8% Q1 2017)
- Improved net income at €3.9 m vs €1.6 m in Q1 2017





## Cash Flow

- Unl FCF positive at €17.3 m and EBITDA Cash Conversion<sup>2</sup> at 137%
- Cash holdings<sup>3</sup> €92.1 m +23% vs €75.1 m of 31 Dec. 2017
- Positive NFP<sup>4</sup> €52.2 m (€72.9 m YE 2017), after €40 m financial liability due to IFRS16



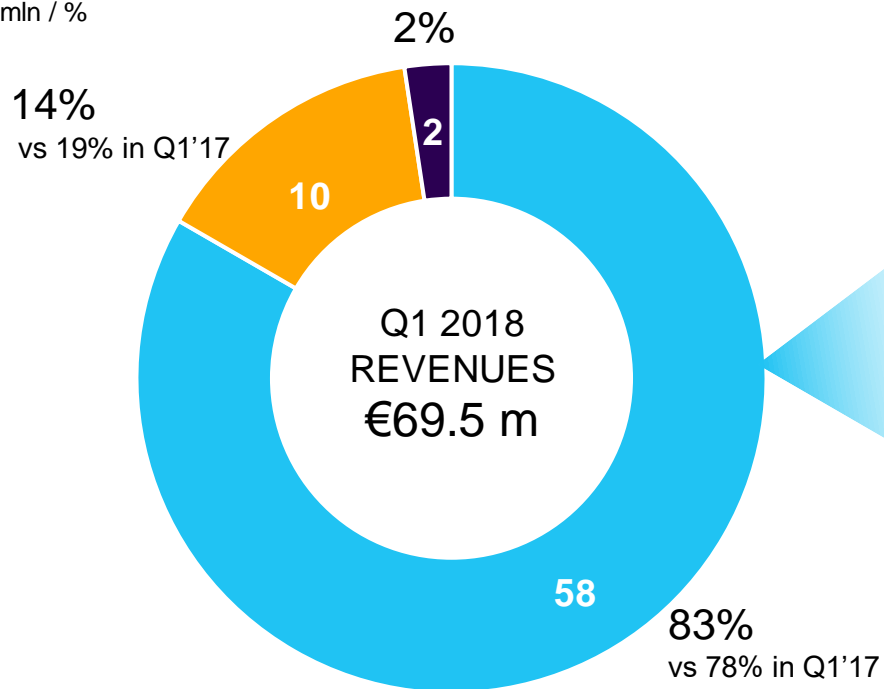
## Audience

- Increased audience<sup>5</sup>  +13% mobile daily audience  +14% total daily audience

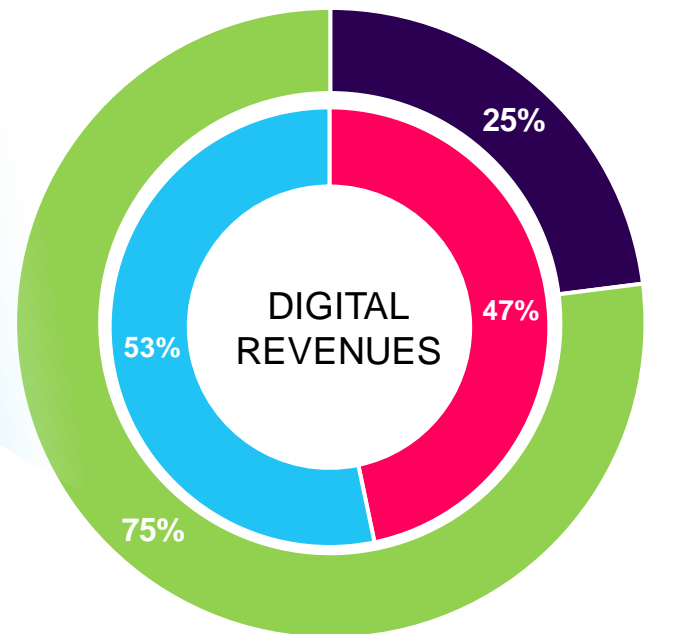
(1) Accounting standards please see note at page 2 | (2) Cash conversion = Unl FCF / EBITDA | (3) Includes Cash and Current financial receivables from third parties | (4) NFP at 31 March 2018 see slide 2 | (5) Source: Audiweb Database, powered by Nielsen, Avg. 12M (Febr 2018- Mar.2017) vs Avg. (Febr 2017- Mar.2016). TDA: Total Digital Audience, DAUs: Daily Active User

# Multiple revenues streams

€ mln / %



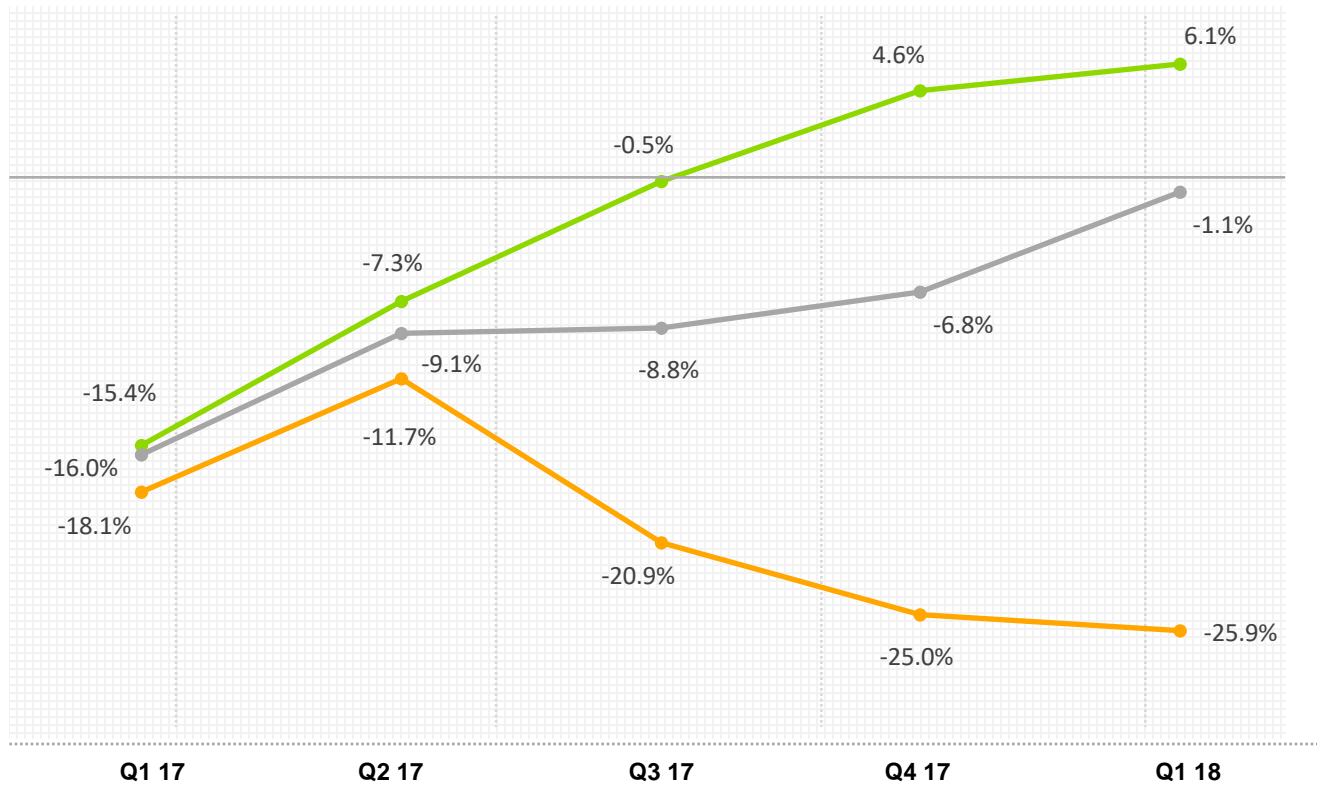
● Digital    ● Traditional    ● Other



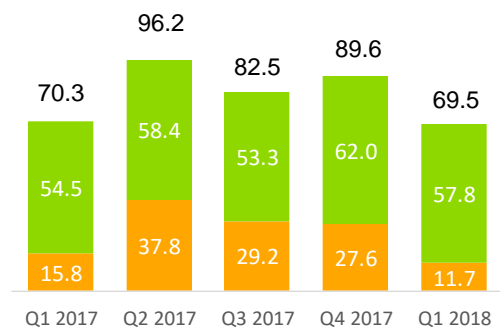
● SMEs    ● Large account  
● Presence    ● Digital Advertising

# Digital growth boosts total revenues trend

YoY %



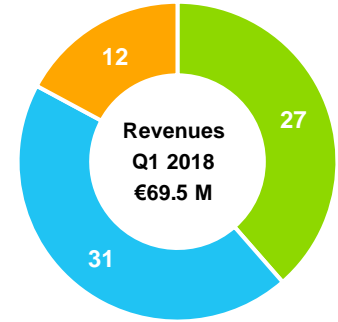
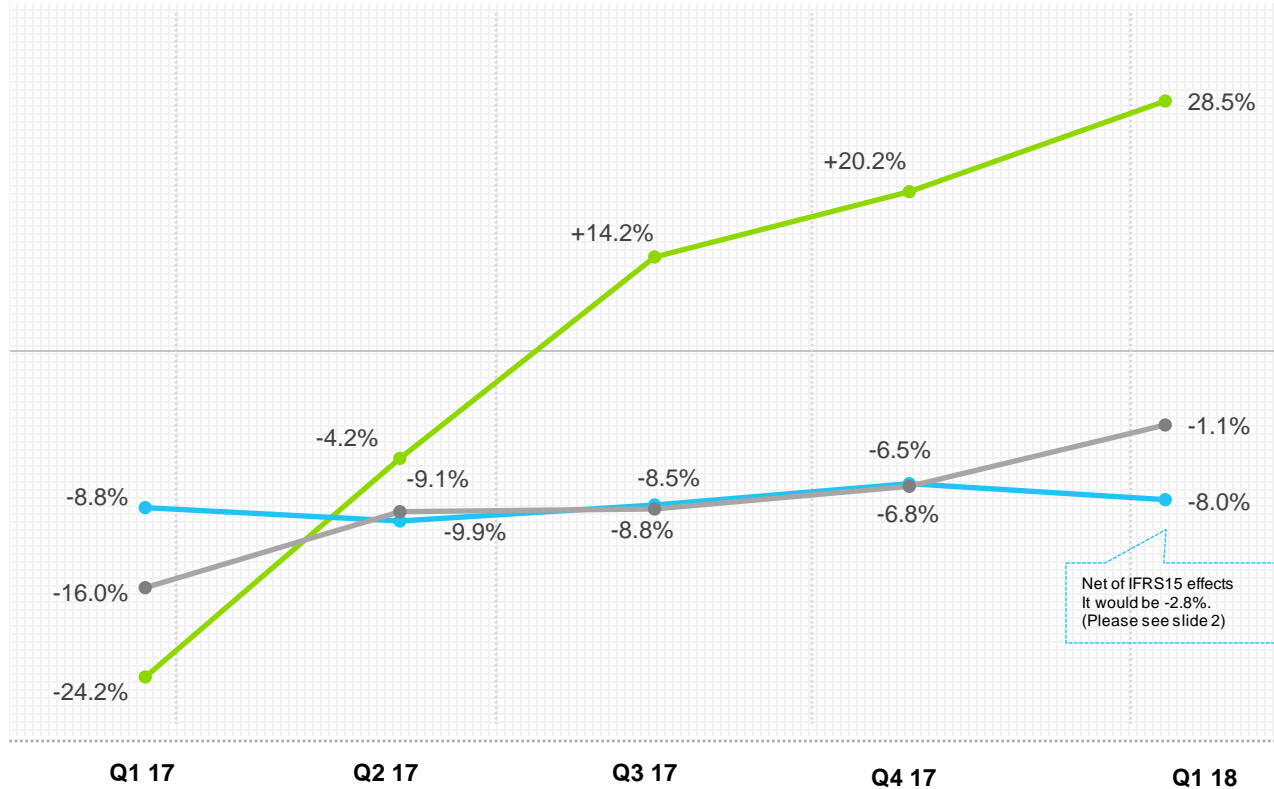
Revenues, € Million



Total	Q1 2018 -1.1% YoY
Digital	Q1 2018 +6.1% YoY
Traditional & Others	Q1 2018 -25.9% YoY

# Digital Advertising is still growing double digit

YoY %



Total	Q1 2018 -1.1% YoY
Digital Advertising	Q1 2018 +28.5% YoY
Presence	Q1 2018 -8.0% YoY
Traditional & Others	Q1 2018 -25.9% YoY

# Q1 2018 Key Business Achievements



# A unique and integrated business model



## WEB PROPERTIES

a leading audience and advertising inventory

LIBERO.

VIRGILIO

SUPEROVA

DiLei

QF QuiFinanza

SiViaggia

Buonissimo  
ITALIA, IL TAVOLO

Pagine Gialle

Pagine Bianche

Tutto Città



## DIGITAL ADVERTISING

programmatic and direct sales, special projects

iOL | Advertising



## DIGITAL AGENCY

solutions for local business to get digital and be found

iOL | Connect

iOL | Website

iOL | Audience

B2C Consumers

B2B Large Accounts

B2B SMEs



# Diversified customer base



**4.8 mln**  
TDA DAUs<sup>1</sup>



**2.4 mln**  
MOBILE DAUs<sup>1</sup>



**11 min**  
TIME SPENT  
PER PERSON<sup>1</sup>

**INTERNET**  
**17.5m Users<sup>1</sup>**  
(average monthly)



**LARGE ACCOUNT**  
**700 Customers**



**SMEs**  
**245k Active Customers<sup>2</sup>**

<sup>1</sup> Source: Audiweb / Nielsen, Average Mar 2018 – Feb 2017 | TDA – Total Digital Audience | DAUs – Daily Active Users

<sup>2</sup> Number of active customers, 12 months average at 31 March 2018. FY2017: 250k active customers

# Strong footprint on the territory

Largest Italian sales network to reach and support both large accounts and SMEs



**Strong footprint on the territory**  
**63** SME Media Agencies with **727** sales rep <sup>(1)</sup>  
**35** key accounts for large corporates

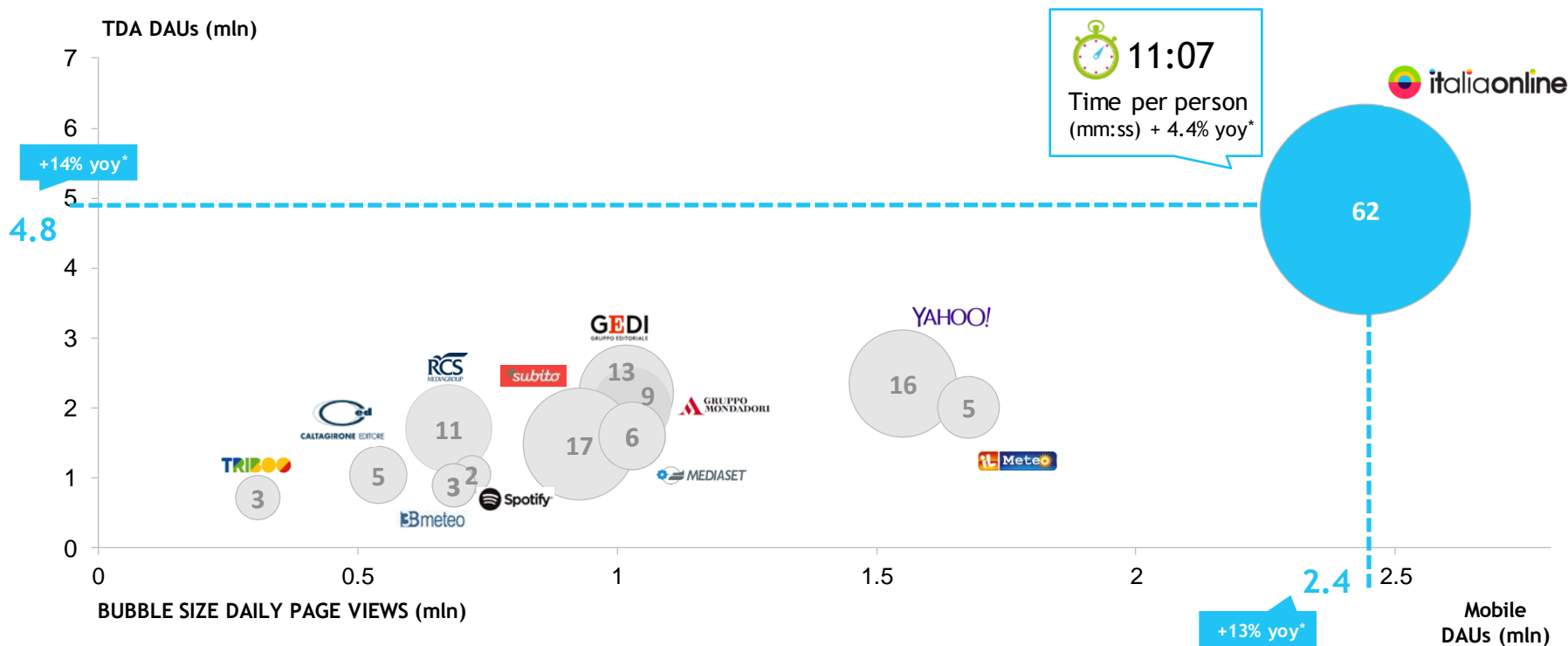


**Headquarters in Milano and corporate sites in Torino, Florence, Pisa and Rome**  
**1,825** employees <sup>(1)</sup>

1) # workforce and active agents as of March 31, 2018



# Audience | Italian leadership further improved

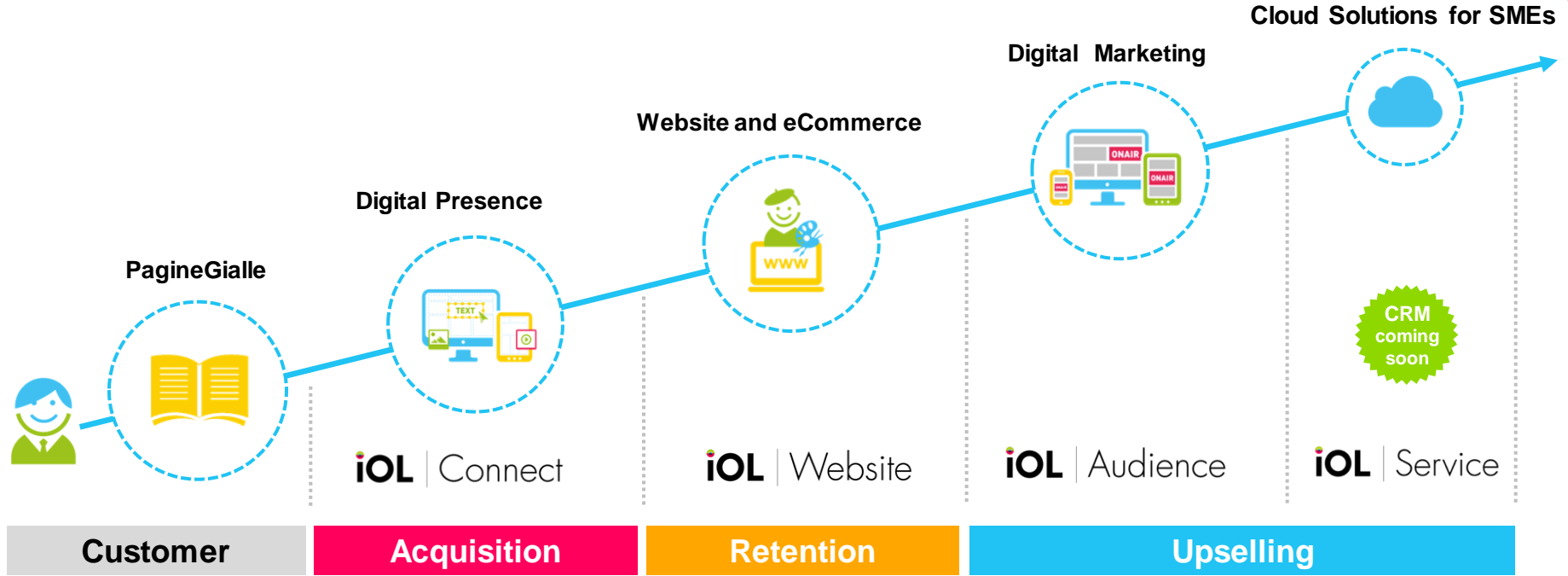


Source: Audiweb Database, powered by Nielsen, Avg. last 12 months | Feb.2018- Mar 2017 | (TDA – Total Digital Audience | DAUs – Daily Active Users)

Note: Google and Facebook are not in Audiweb Database, GEDI: data available from May 2017, Yahoo!: data available from March to December 2017

(\*) YoY Avg. Feb. 18- Mar.17 vs Avg. Feb. 17- Mar.16

# Complete product portfolio to lead SME digital transformation



We cover the complete digital products value chain

From off-the-shelf products to tailor made solutions



# Digital advertising sales house with top programmatic skills

iOL | Advertising

## DIRECT ADVERTISING SALES

- Human sales to advertisers and media centers
- Both branding and performance goals

## BESPOKEN SOLUTIONS

- Branded content
- Creative formats and content
- Websites and mini-sites

## DMP (Data Management Platform)

Proprietary data for inventory enrichment and multivariable targeting

- 18 m users (TDA)
- 10 m email subscribers

## PROGRAMMATIC SALES

- Customer deals
- Open market

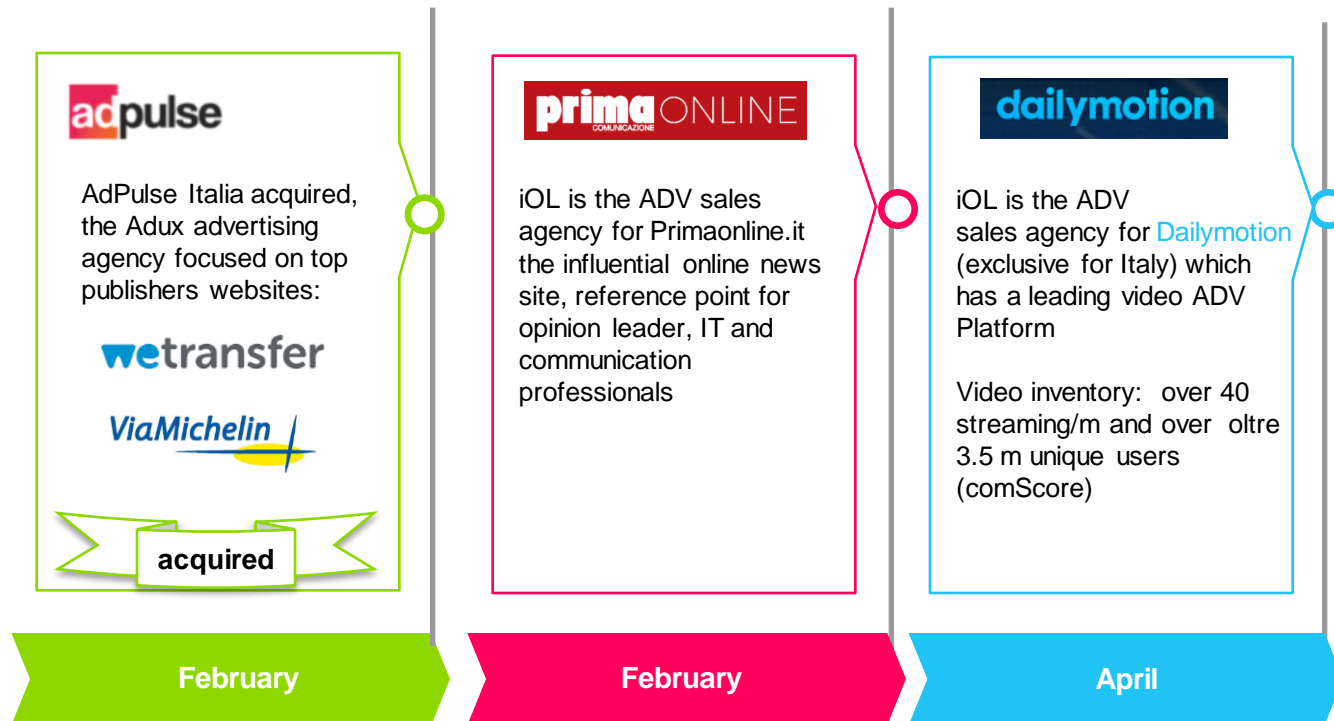


## PROGRAMMATIC BUY

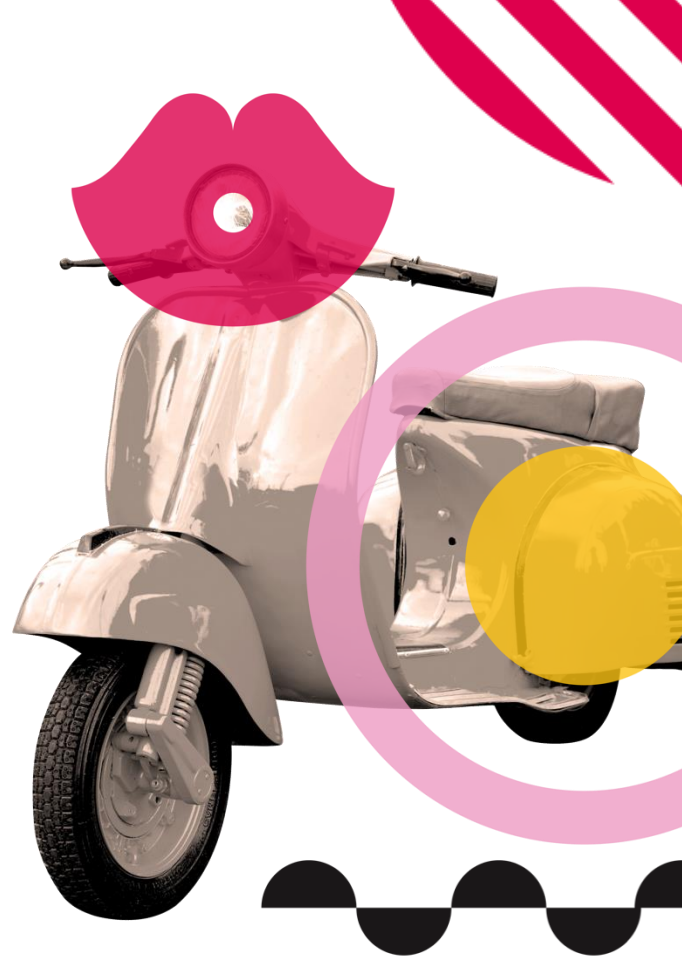
- Media planning and buying
- Audience extension on selected targets



# Q1 2018 acquisitions and new commercial partnerships

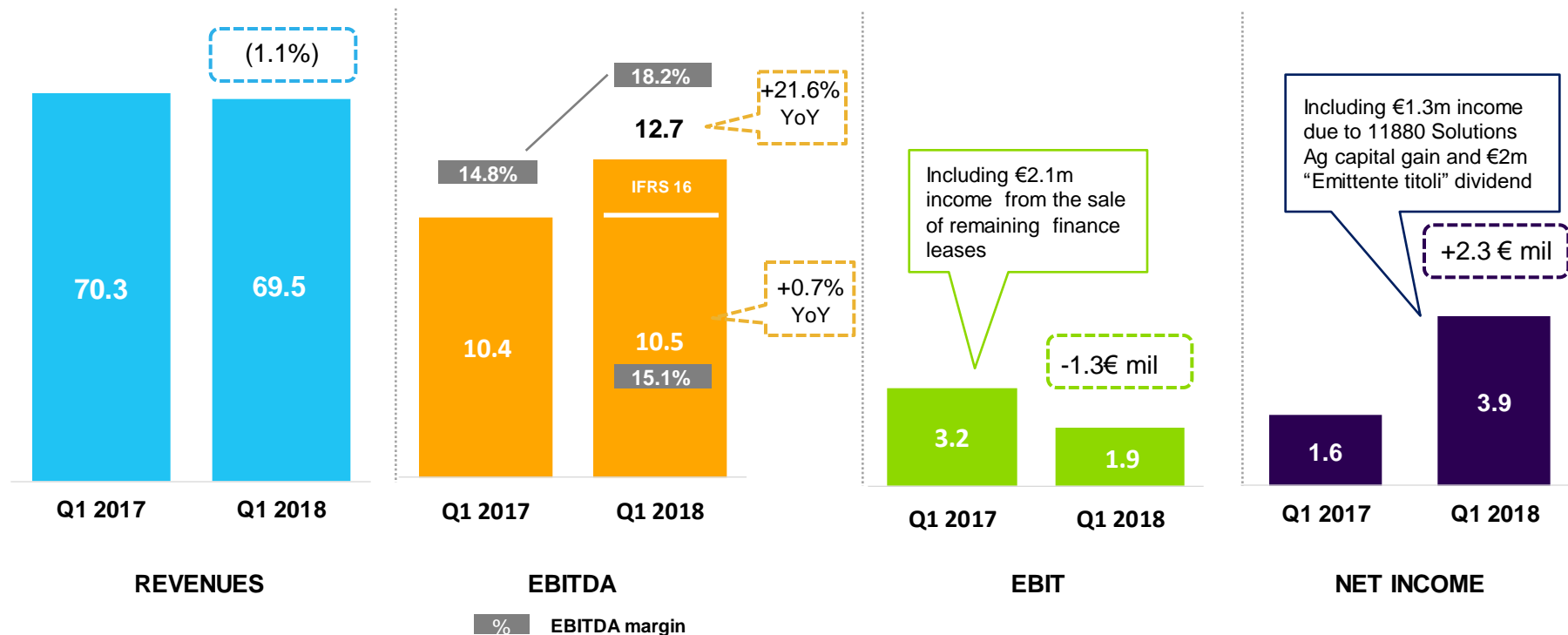


# Q1 2018 Financial Overview



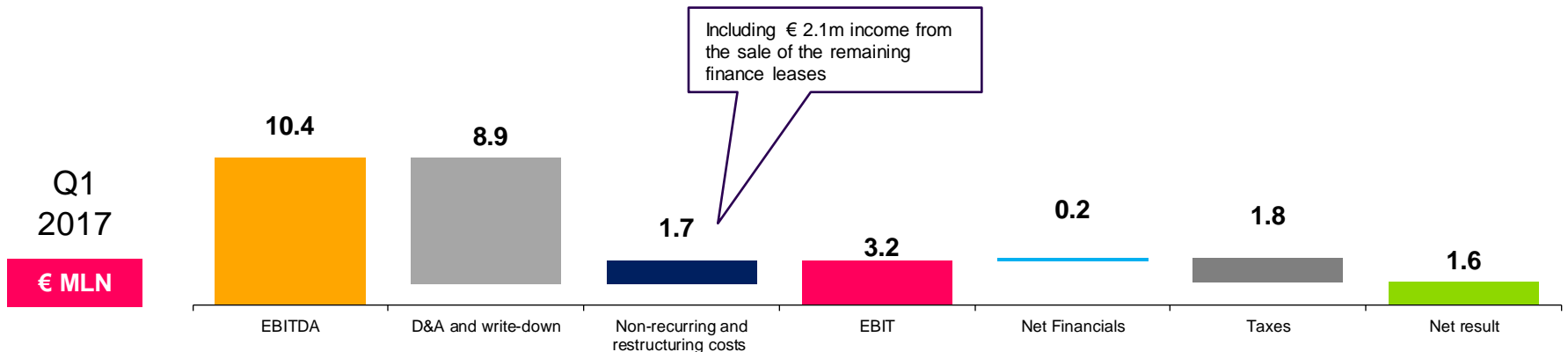
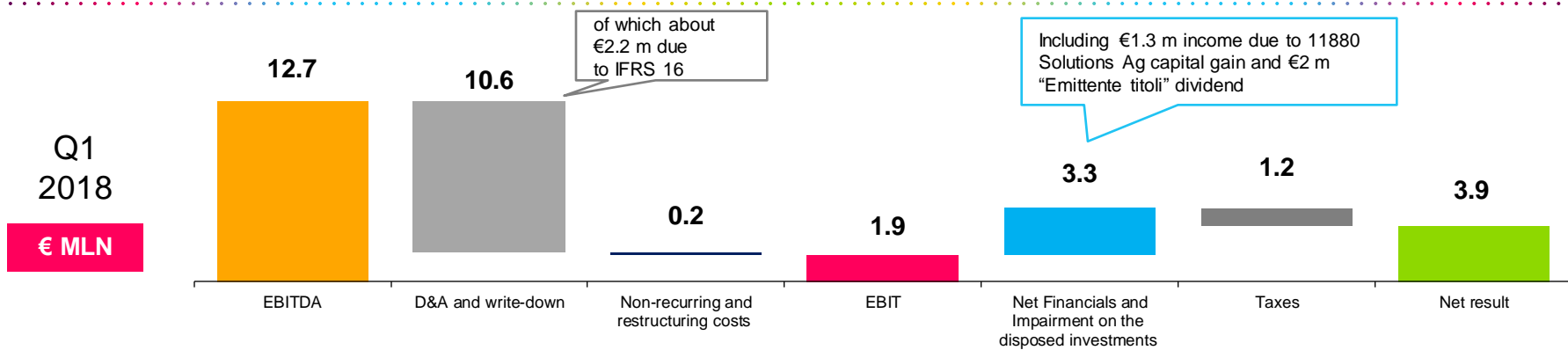
# Revenues towards stabilization | Net Result improving

€ mln, except for percentages



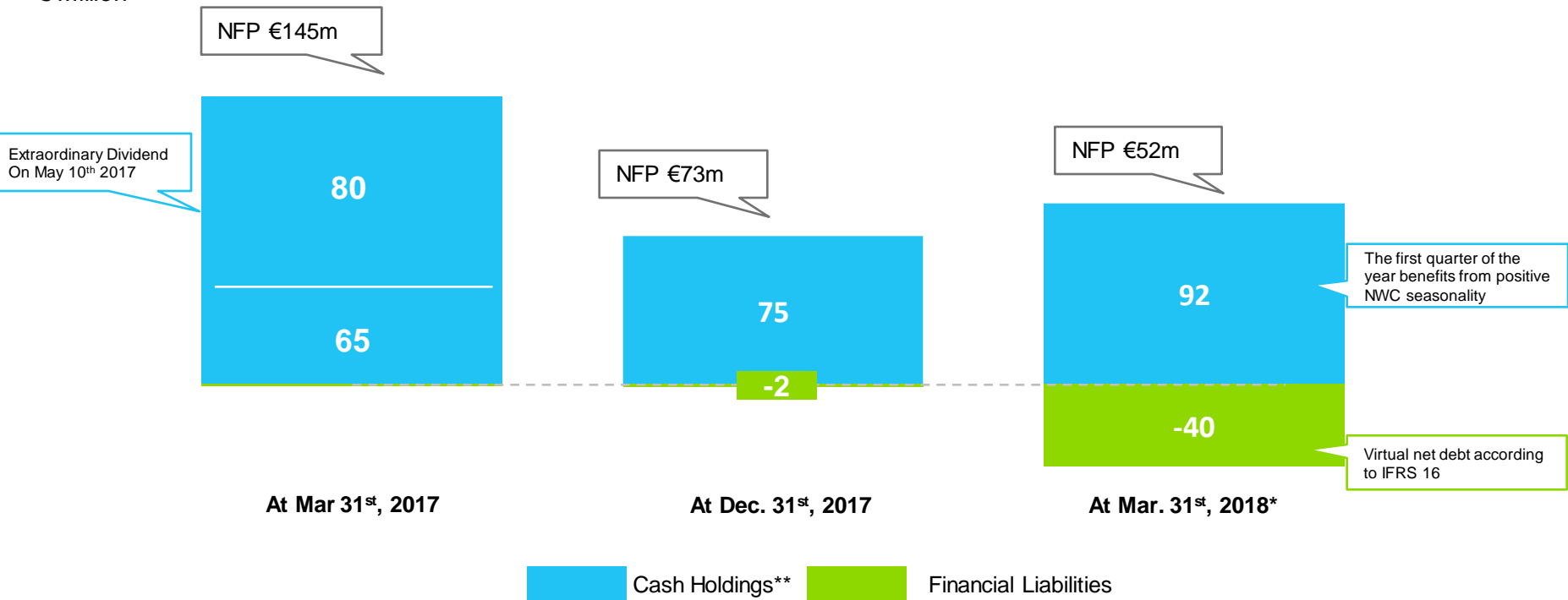


# Q1 2018 | From EBITDA to Net Result



# Positive Net Financial Position | good cash generation

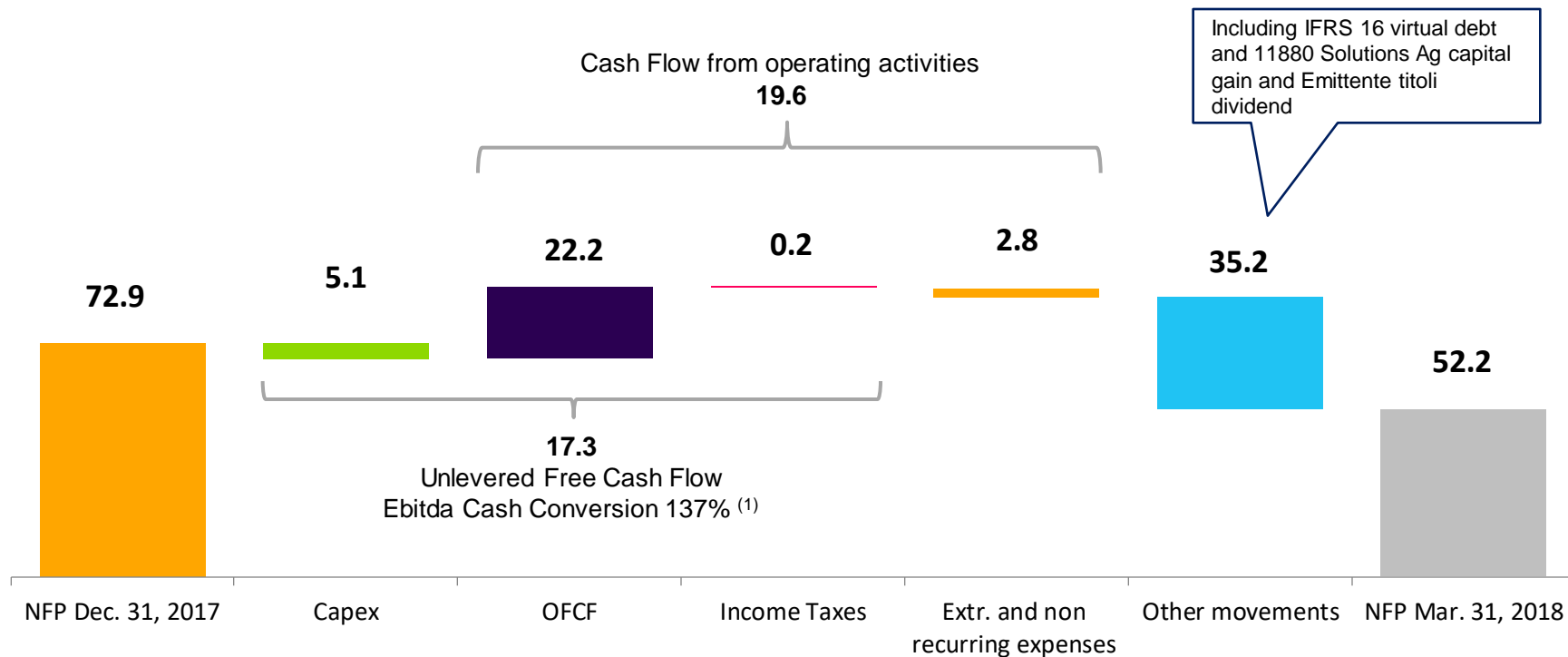
€ Million



\*NFP at 31 March 2018 is bank debt free. The introduction of IFRS 16, according to which all rents have to be treated as depreciation, implies the accounting of rents NPV as asset and financial liabilities (virtual net debt according to IFRS 16 equal to €40 million).

\*\* Includes Cash and Current financial receivables from third parties

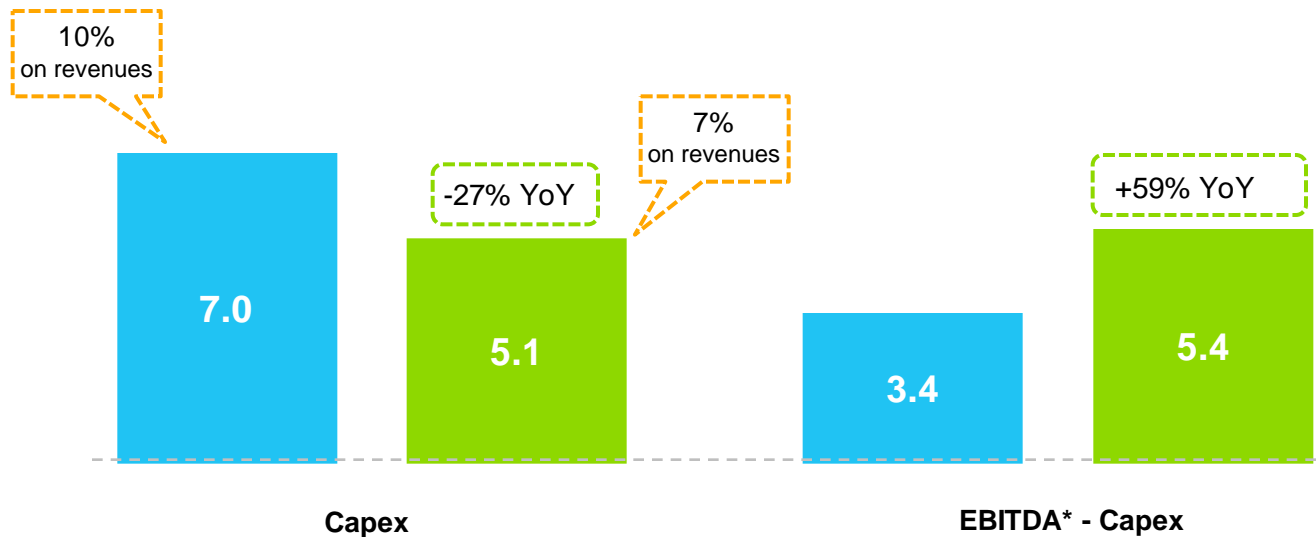
# Q1 2018 | Change in Net Financial Position



(1) Cash conversion = Unl FCF / EBITDA

# Q1 2018 | Capital Expenditures & EBITDA

€ mln

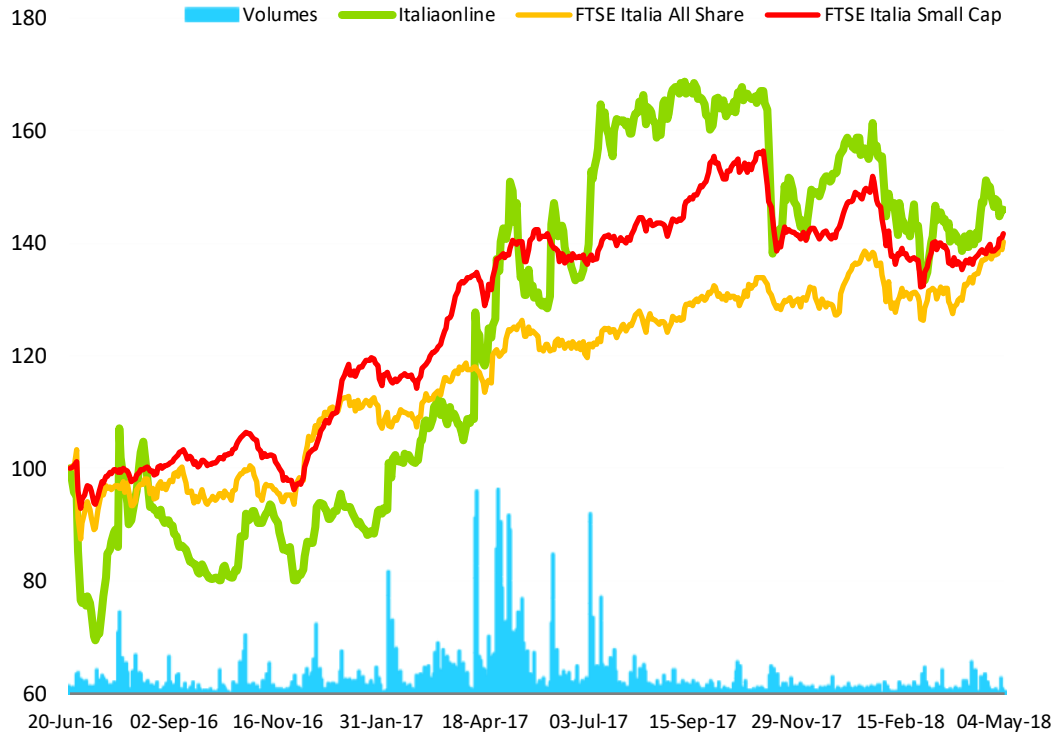


\*EBITDA Q1 2018 Net of IFRS 16 effects

■ Q1 2017 ■ Q1 2018

# Italiaonline Share

## IOL versus indices: June 20, 2016 – May 04, 2018

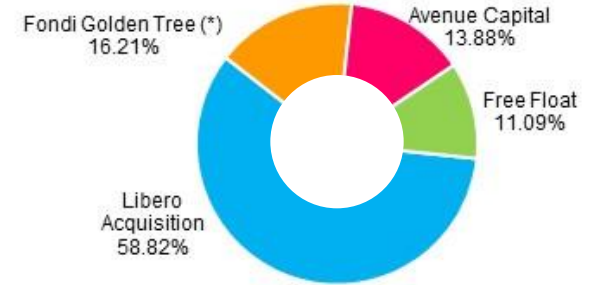


Source: Thomson Reuters EIKON



May 9, 2018

## Shareholders structure



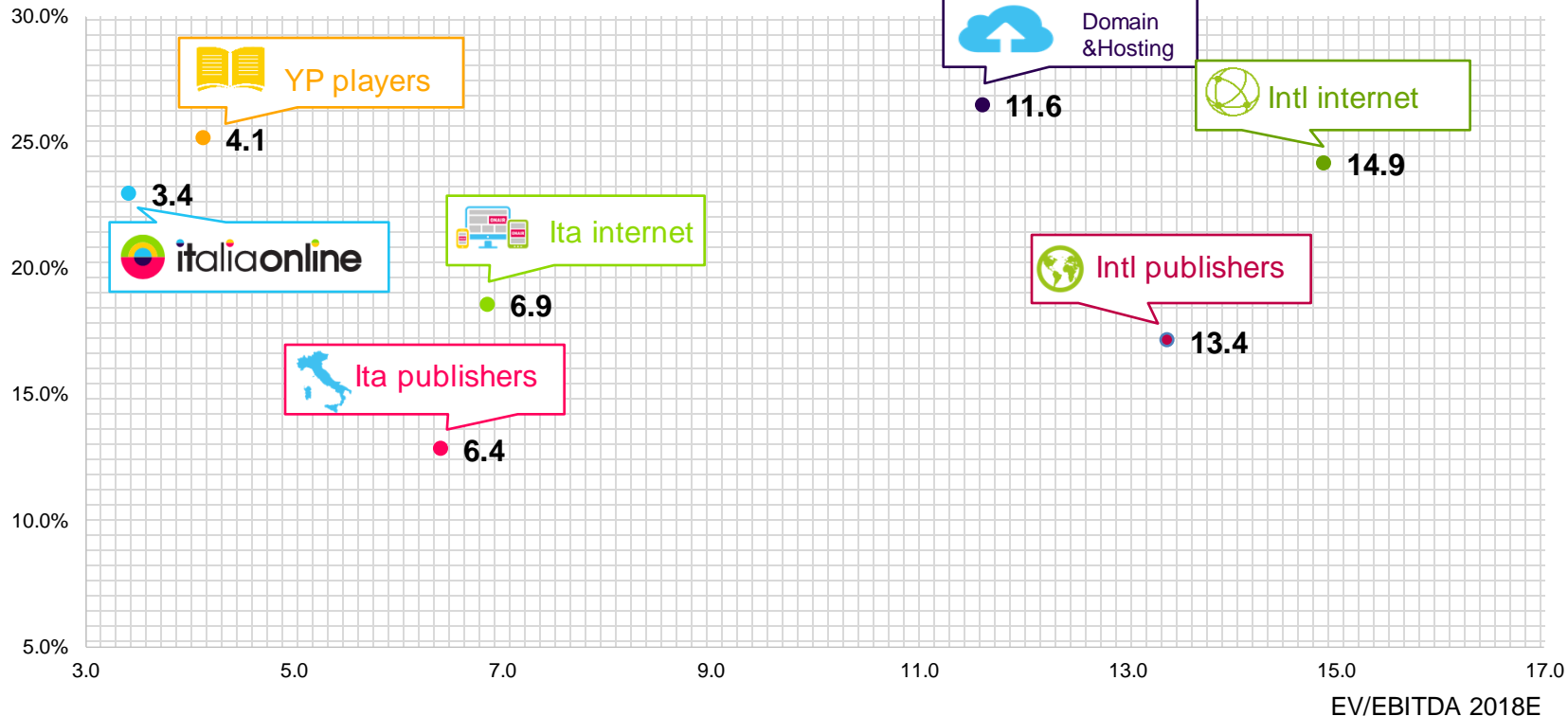
(\*) GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners L.P., GT NM L.P. e San Bernardino County Employees Retirement Association

## Share data as of May 04, 2018

MARKET	MTA
NOSH Ord (€mln)	114.8
PRICE (€)	3.0
MKT CAP Ord (€mln)	341.988
PERFORMANCE (from June 20, 2016)	+46.0%
RELATIVE PERF.vs FTSE MIB (from June 20, 2016)	5.8%
AVG DAILY VOLUMES YTD (€)	240,527
Saving Share: NOSH 6.803   Closing Price (€) 322   Market Cap (€ mln) 2.2	

# IOL vs baskets of peers EV/EBITDA 2018E (average values)

EBITDA Margin 2018E



Source Thomson Reuters EIKON – data as of 4 May 2018 and company analysis

# Investment Case



# Investment Summary

1

## Leadership

- Top Italian digital company
- leading audience and the largest advertising inventory

2

## National Footprint

- Largest Italian sales network sales (~ 800 sales rep and 63 agencies)
- Unique capability to reach and support local business

3

## Unique & Integrated Business Model

- Complete product offering to digitize ITA companies and strategic partnerships
- High quality/diversified Customer base

4

## Large Market Opportunity

- Significant market opportunity as SMEs continue to expand their online presence.
- Act as consolidator (M&A) in a fragmented sector, thanks to strong financial profile

5

## Attractive Financial Profile

- Cash Flow generation ( $\approx$  74% EBITDA to cash conversion in 2017) and Positive NFP (€ 73 m)
- Improving profitability

6

## Best in class management

- Long standing experience in digital sector
- Solid track-record in M&A execution



# Q&A





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