



**FIERA MILANO**

1<sup>st</sup> Quarter 2018 Consolidated Results

# **FIERA MILANO GROUP**

CONFERENCE CALL - 11 MAY 2018

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# HIGHLIGHTS

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**Strong, higher than expected quarterly results, reflecting the more favourable exhibition calendar and a general positive trend in exhibitions** combined with lower operating costs due to restructuring measures

- **Net exhibition space occupied in Italy:** 529,190 square metres (19% by directly organised exhibitions), +13% year-on-year
- Consolidated **revenues:** Euro 77.3 million, +24% year-on-year
- Consolidated **EBITDA:** Euro 19.7 million (Euro 8.1 million in 1Q17)
- Consolidated **EBIT:** Euro 18.2 million (Euro 6.4 million in 1Q17)
- Consolidated **profit before taxes:** Euro 18.1 million (Euro 6.2 million in 1Q17)
- **Net cash:** Euro 20.6 million (Net debt of Euro 0.8 million at 31 December 2017)

**Fiera Milano shares readmitted to the STAR segment** of the Italian equity market on 30 April 2018



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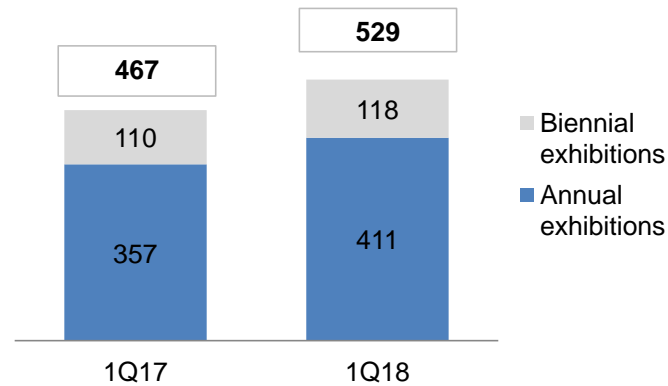
 Business outlook



# ITALIAN EXHIBITIONS



**Exhibition space rented out**  
(’000 net sq.m.)



**of which directly organised**

Biennial exhibitions	57	-
Annual exhibitions	88	102

- General positive performance of annual exhibitions
- Bit and Tempo di Libri held in 1Q 2018 and not in the 2Q as in 2017
- Presence of Mostra Convegno Expocomfort, a biennial exhibition organised by a third-party and the leading international exhibition for civil and industrial plant; the presence of the latter was partly offset by the absence of Made Expo

*Annual exhibitions include congresses with related exhibition space*





Italian exhibitions	1Q18	1Q17 restated*
<b>Revenues (€m)</b>	<b>68.9</b>	<b>54.9</b>
<b>EBITDA (€m)</b>	<b>16.8</b>	<b>7.4</b>
% on revenues	24.4%	13.4%
<b>EBIT (€m)</b>	<b>16.2</b>	<b>6.6</b>
% on revenues	23.5%	12.0%

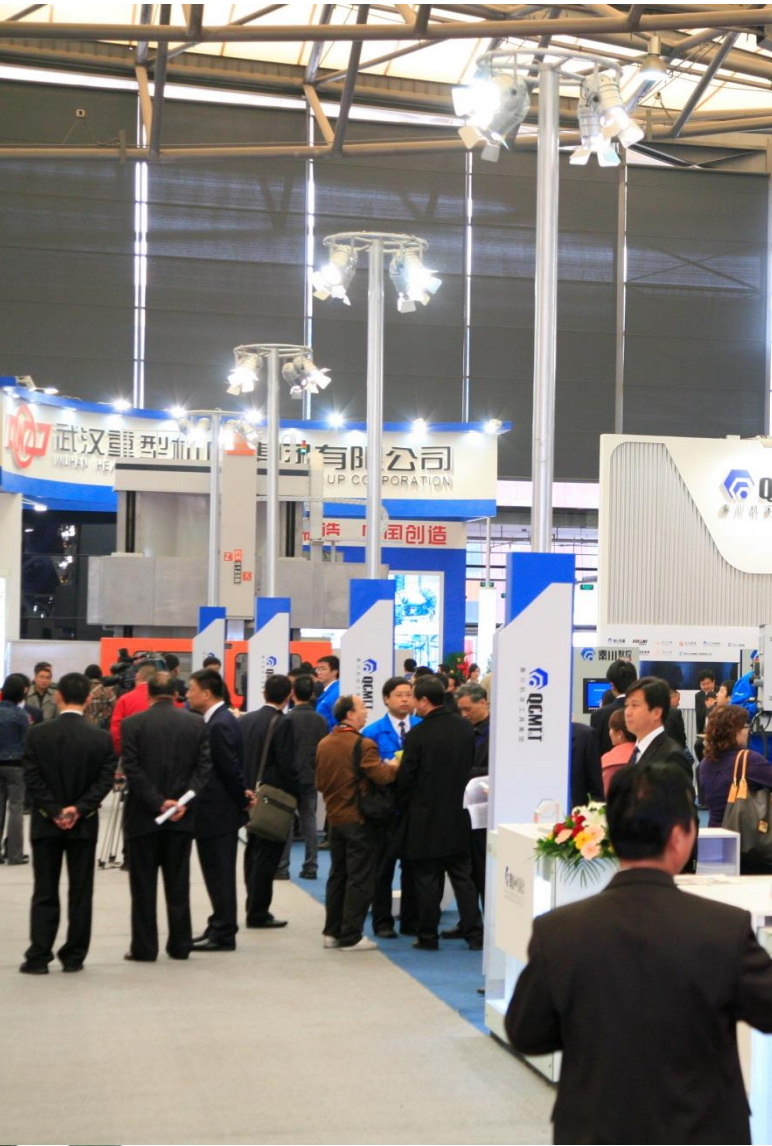
*The figures for the first quarter 2017 reflect the application of the new standard IFRS 15 from 1 January 2018.*



- The 1Q18 increase in revenues was mainly attributable to the favourable exhibition calendar and the good performance of the annual exhibitions
- EBITDA reflected the increase in revenues and the positive effect of reductions in costs following the implementation of rationalization measures, although this was partly offset by higher personnel costs due to the variable component of remuneration



# FOREIGN EXHIBITIONS



Foreign exhibitions	1Q18	1Q17
<b>Revenues (€m)</b>	<b>0.9</b>	<b>0.5</b>
<b>EBITDA (€m)</b>	<b>1.8</b>	<b>0.9</b>
% on revenues	199.9%	165.3%
<b>EBIT (€m)</b>	<b>1.7</b>	<b>0.7</b>
% on revenues	188.5%	140.7%



- Net exhibition space occupied abroad totalled 95,380 square metres vs 82,435 square metres in 1Q2017
- The increase in revenues was mainly due to higher demand for exhibition space at the Cape Town Art Fair
- The growth in EBITDA primarily reflected the better performance of activities in South Africa and also other income for damages paid to the Brazilian subsidiary following the settlement of a legal dispute

*Gross of adjustments for inter-segment transactions*

# STAND-FITTING SERVICES



Stand-fitting services	1Q18	1Q17
Revenues (€m)	12.7	9.8
EBITDA (€m)	1.3	0.6
% on revenues	10.4%	5.7%
EBIT (€m)	1.0	0.1
% on revenues	7.7%	1.2%



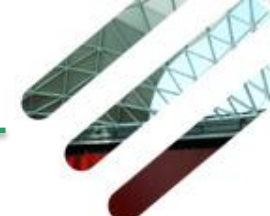
- The trend in revenues and margins reflected higher volumes in the stand-fitting business linked to the favourable exhibition calendar





Media	1Q18	1Q17
<b>Revenues (€m)</b>	<b>2.9</b>	<b>2.5</b>
<b>EBITDA (€m)</b>	<b>0.1</b>	<b>(0.3)</b>
% on revenues	2.8%	-11.3%
<b>EBIT (€m)</b>	<b>0.0</b>	<b>(0.4)</b>
% on revenues	0.5%	-15.0%

- The increase in revenues and EBITDA was mainly due to higher billboard advertising and sponsorship



Congresses	1Q18	1Q17 restated*
<b>Revenues (€m)</b>	<b>6.5</b>	<b>5.7</b>
<b>EBITDA (€m)</b>	<b>(0.4)</b>	<b>(0.4)</b>
% on revenues	-5.5%	-7.1%
<b>EBIT (€m)</b>	<b>(0.7)</b>	<b>(0.7)</b>
% on revenues	-10.8%	-12.4%

*The figures for the first quarter 2017 reflect the application of the new standard IFRS 15 from 1 January 2018.*



- The increase in revenues was largely due to the destination management services provided to the exhibition Bit
- The negative EBITDA reflects the absence in both the first quarters 2018 and 2017 of important international congresses

# NET FINANCIAL POSITION



Consolidated Net Financial Position (€m)	31/03/18	31/12/17
<b>Cash &amp; cash equivalents</b>	<b>34.8</b>	<b>17.9</b>
<b>Current financial assets</b>	<b>1.1</b>	<b>2.8</b>
Current bank borrowings	0.0	0.7
Current portion of non-current debt	12.0	16.6
Other current financial liabilities	0.8	0.7
<b>Current financial debt</b>	<b>12.8</b>	<b>18.0</b>
<b>Net current financial debt (cash)</b>	<b>(23.1)</b>	<b>(2.8)</b>
Non-current bank borrowings	2.5	3.5
Other non-current payables	0.0	0.0
<b>Non-current net financial debt</b>	<b>2.5</b>	<b>3.5</b>
<b>Net financial debt (cash)</b>	<b>(20.6)</b>	<b>0.8</b>

The net financial position improved by Euro 21.4 million mainly due to the positive operating cash flow generated in the period under review and to advance payments as, in coming months, the exhibition calendar includes some important exhibitions; this increase was partly offset by the advance payment of the six-monthly rent for the exhibition sites



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# BUSINESS OUTLOOK

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- **The positive trend in business was confirmed by the exhibitions held in Italy after the end of quarter.** In particular, the Salone Internazionale del Mobile had a new record edition
- Following the good performance of the exhibitions in the first quarter, **2018 EBITDA is expected to be in the upper part of the previously stated range of Euro 15-17 million;** this is higher than the figure for the previous financial year and will be achieved also through the cost restructuring and despite the less favourable exhibition calendar
- **The 2018-2022 Industrial Plan will be presented on 23 May 2018**







## Appendix



# INCOME STATEMENT

FY17 restated	Consolidated Income Statement (€m)	1Q18	1Q17 restated
	<b>256.3 Revenues</b>	<b>77.3</b>	<b>62.1</b>
	3.2 Cost of materials	0.8	0.9
	133.3 Cost of services	32.8	27.9
	49.9 Costs for use of 3rd-party assets	12.4	13.3
	48.9 Personnel expenses	12.8	11.8
	5.4 Other operating expenses	1.1	1.3
	<b>240.7 Total operating costs</b>	<b>59.9</b>	<b>55.2</b>
	2.6 Other income	0.9	0.5
	2.6 Results of equity-accounted companies	1.6	1.5
	5.8 Allowance for doubtful accounts and other provisions	0.1	0.7
	<b>15.1 EBITDA</b>	<b>19.7</b>	<b>8.1</b>
	6.8 Depreciation and amortisation	1.5	1.7
	2.9 Adjustments to asset values	0.0	0.0
	<b>5.4 EBIT</b>	<b>18.2</b>	<b>6.4</b>
	(0.8) Financial income/(expenses)	(0.1)	(0.2)
	<b>4.6 Profit/loss before income tax</b>	<b>18.1</b>	<b>6.2</b>
	<b>4.3 of which attributable to Shareholders of the controlling entity</b>	<b>18.2</b>	<b>6.2</b>

Starting with the Consolidated Financial Statements at 31 December 2017, operating profitability will be calculated as EBITDA, therefore the figures at 31 March 2017, which showed the gross operating profit, have been restated to reflect this reclassification. The figures for 2017 also reflect the application of the new standard IFRS 15 from 1 January 2018.

# STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (€m)	31/03/18	31/12/17
Non-current assets	151.9	151.5
Net working capital	(77.9)	(74.3)
<b>Gross capital employed</b>	<b>74.0</b>	<b>77.3</b>
Non-current liabilities	13.5	13.4
<b>Total net capital employed</b>	<b>60.5</b>	<b>63.8</b>
<b>Equity</b>	<b>81.1</b>	<b>63.0</b>
<b>Net financial position</b>	<b>(20.6)</b>	<b>0.8</b>
<b>Equity and net financial position</b>	<b>60.5</b>	<b>63.8</b>

# FORWARD-LOOKING STATEMENTS

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Data and information herewith set forth are extracted from the press release related to Fiera Milano Consolidated Results to 31 March 2018 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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