

H1 2018 RESULTS

Conference Call, August 3rd 2018



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.

This presentation does not constitute a recommendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Italiaonline S.p.A. or any of its subsidiaries.

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 € 0.7 million on revenues and EBITDA for the first semester 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 H1 2018 results had a positive impact on EBITDA of about € 4.5 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 30 June 2018 amounted to € 37 million.

H1 2018 | Financial highlights: growing digital revenues



Revenues

- Q2 2018 **Digital** revenues **+7.9%** accelerating from **+6.1%** in Q1 2018
- H1 2018 **Digital** revenues **+7.0%**, thanks to **digital advertising** at **+26.4%**
- H1 2018 **Tot Revenues** at €157.4 m (€166.4 m H1 2017), -5.4%, adversely affected by delays due to the strikes for the company's reorganization plan, **-2.4%** without this effect¹



Economics

- **EBITDA** at €37.9 m (€36.1 m H1 2017), **+1.9%** LFL²
- Negative **EBIT** for €10 m due to non recurring restructuring costs, positive **€17.2 m EBIT** before these effects³ in line with H1 2017 (€17 m)
- Negative **Net income** for € 7.4 m (positive € 6.3 m H1 2017)



Cash Flow

- **Cash Holdings**⁴ €92.8 m, **+23.5%** vs €75.1 m YE 2017
- Positive **NFP**⁵ at €55.9 m (€72.9 m YE 2017), after €37m financial liability due to IFRS 16

(1) excluding from H1 2017, €5.1 m revenues of printed directory volumes not published in H1 2018

(2) LFL = Like for like excluding €4.5 m positive effects of IFRS 16 on H1 2018 EBITDA and excluding from H1 2017 EBITDA €3.3 m contribution of printed directories not published in H1 2018;

(3) EBIT before non recurring (€ 0.8 m) and net restructuring costs (€26.8 m)



(4) It includes Cash and Current Financial Assets

(5) NFP at 30 June 2018 is bank debt free. The introduction of IFRS 16, from Jan. 1st 2018, implies the accounting of all rents NPV as asset and financial liabilities

H1 2018 | Business highlights



Business

- New **media planning** product¹ for SMEs **iOL** | Audience CUSTOM
- **Evergreen** contracts (with automatic renewal called **Facile**) were **35%** of sales in H1 2018.
- New **digital advertising** partnerships to strengthen leadership on the Italian market
- Increased **audience**²  **+13%** mobile daily audience  **+18%** total daily audience



Strategies

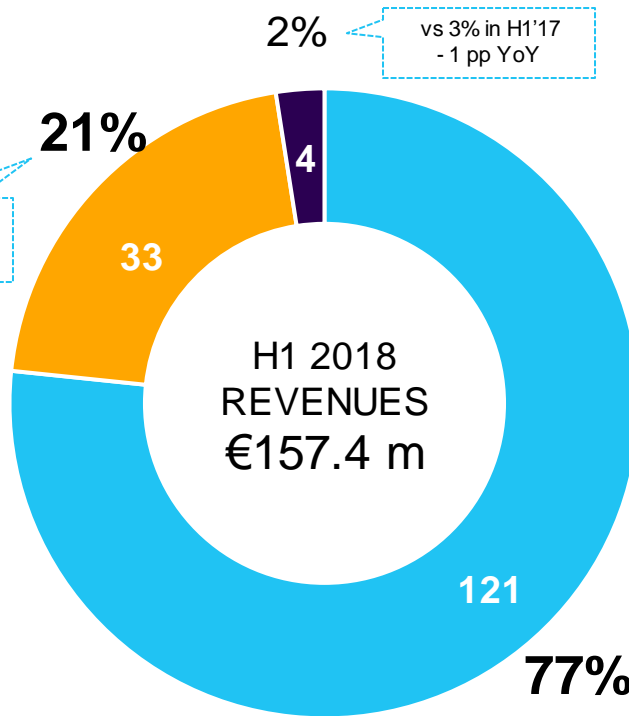
- **Agreement** with Trade Unions reached on July 2nd for 245 redundancies with incentives and 100 re-trained headcounts
- Start-up of the new **Digital Factory** division to insource web presence and website production partially leveraging re-trained staff

(1) Details @ slide n.12

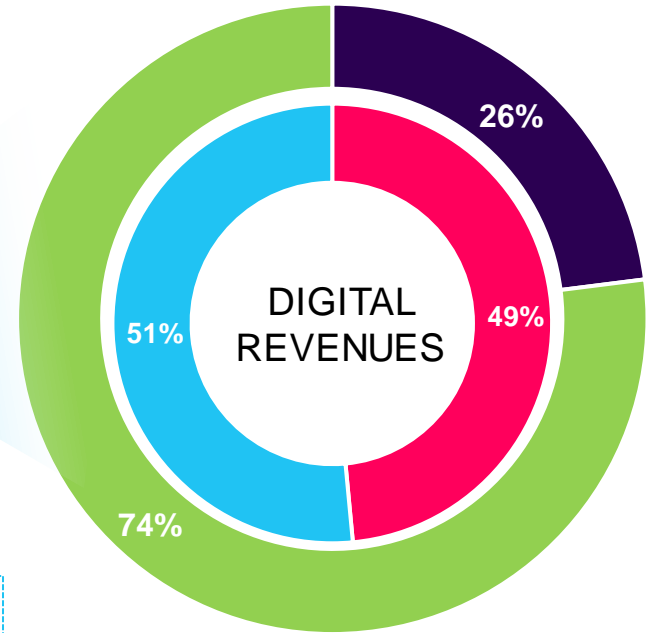
(2) Source: Audiweb Database powered by Nielsen, Avg. 12M (Mar 2018 – Apr 2017) vs Avg. (Mar 2017- Apr 2016); TDA Total Digital Audience; DAUs Daily Active Users

H1 2018 revenues streams

€ mln / %



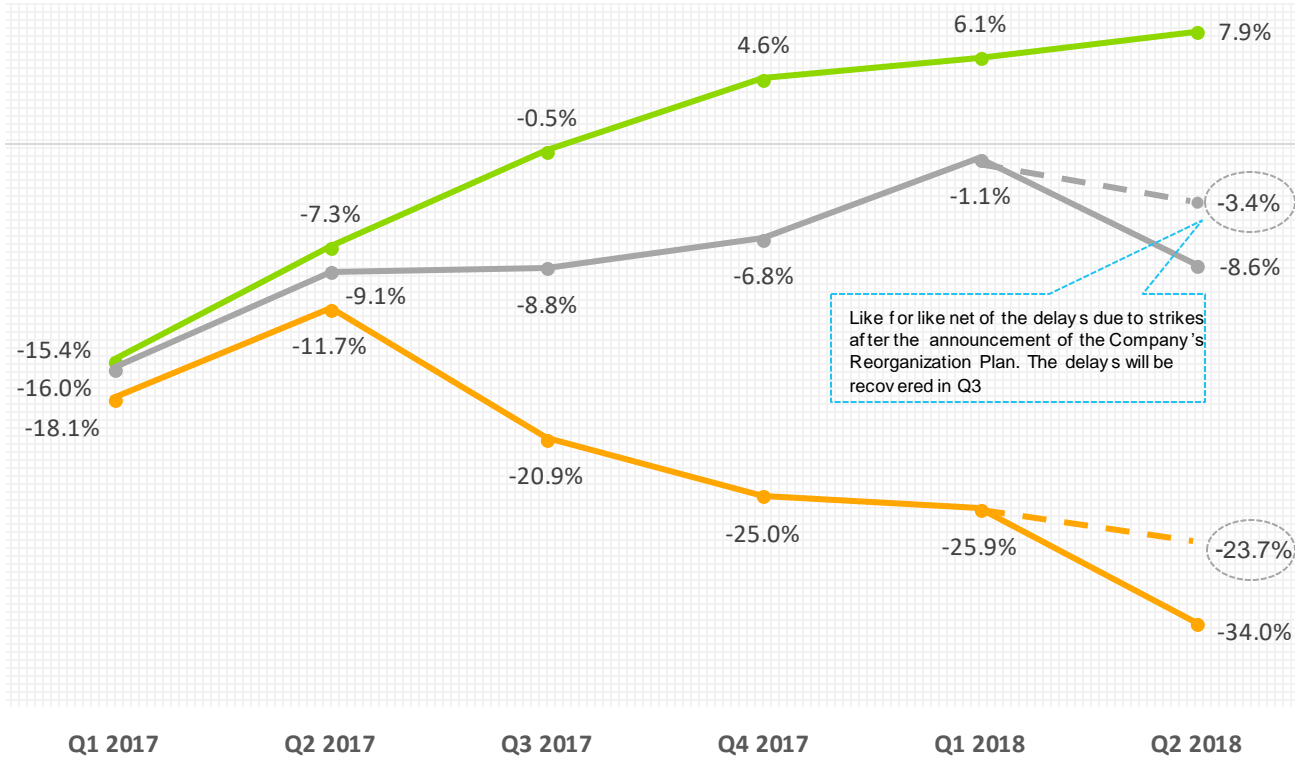
● Digital ● Traditional ● Other



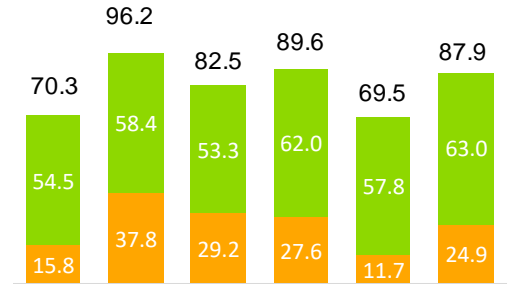
● SMEs ● Large account
● Presence ● Digital Advertising

Digital growth boosts total revenues trend

YoY %



Revenues, € Million



Q1 2017 Q2 2017 Q3 2017 Q4 2017 Q1 2018 Q2 2018

Total Like for like ¹	H1 2018
	-5.4% YoY
	-2.4% YoY

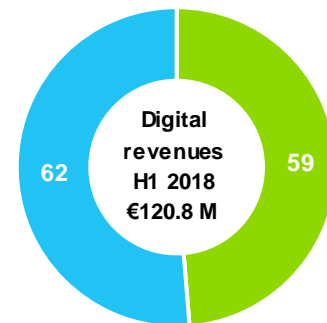
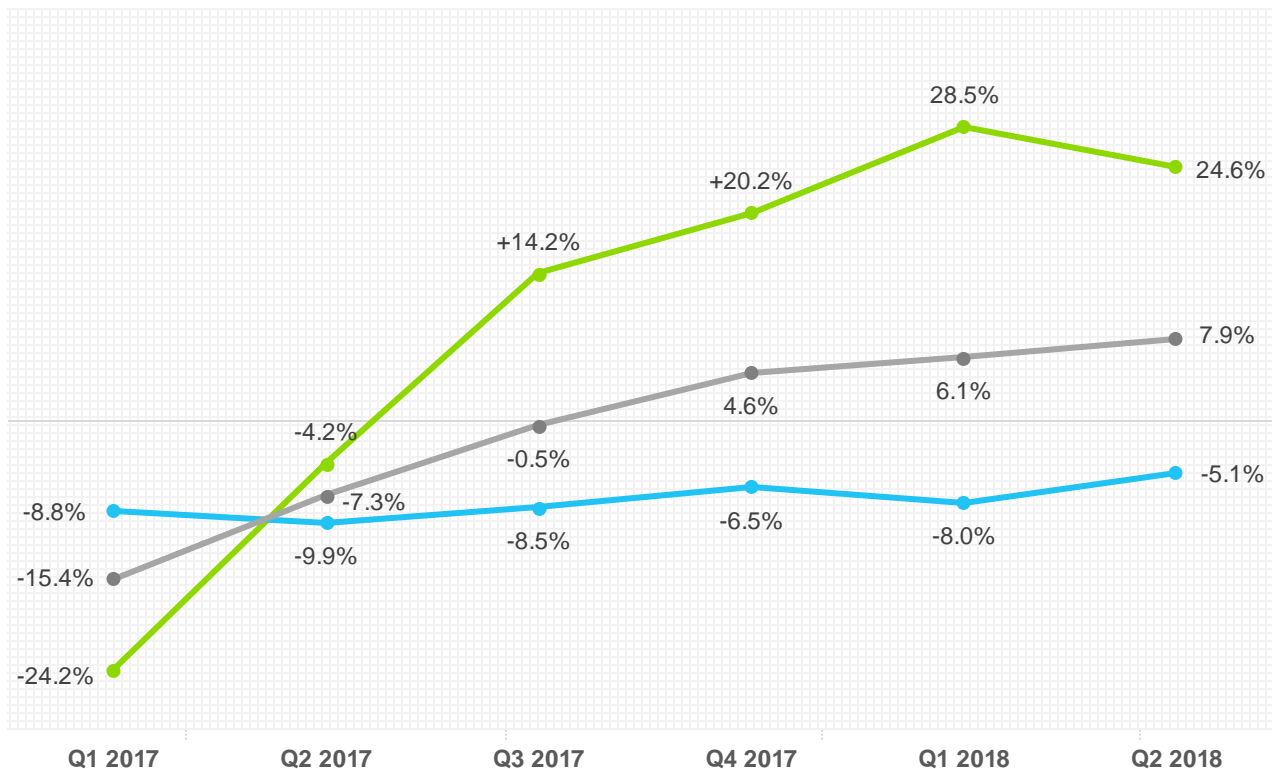
Digital	H1 2018
	+7.0% YoY

Traditional & Others Like for like ¹	H1 2018
	-31.6% YoY
	-24.4% YoY

(1) Performance calculated removing €5.1m from H12017 revenues, equal to the contribution of directories not distributed in H1'18

Digital growing +8% in Q2 and Digital Advertising double digit

YoY %



Total Digital	H1 2018 +7.0% YoY
Digital Advertising	H1 2018 +26.4% YoY
Presence Net of IFRS15	H1 2018 -6.6% YoY -2.2% YoY

H1 2018 Key Business Highlights



Diversified customer base



5.0 mln
TDA DAUs¹



2.4 mln
MOBILE DAUs¹



11 min
TIME SPENT
PER PERSON¹

INTERNET
17.6m Users¹
(average monthly)

ENTERTAINMENT

sky NETFLIX

Disney

Rai

TECHNOLOGY

Microsoft hp

SAMSUNG BOSE

AUTOMOTIVE

FIAT Ford

BMW RENAULT

FOOD

McDonald's Nestlé

Barilla FERRERO

TELCO

WIND vodafone

TIM FASTWEB

RETAIL

Carrefour DECATHLON

unieuro MediaWorld

PERSONAL CARE

Cartier LVMH

LOREAL Reckitt Benckiser

TRAVEL

Lufthansa MSC

Alitalia Costa

AGENCIES

Carat M&S WPP MINDSHARE Simple Agency dentsu AEGIS network

ZenithOptimedia OmnicomMediaGroup groupm MEDIACOM M&P PUBLICIS

LARGE ACCOUNT
~ 700 Customers

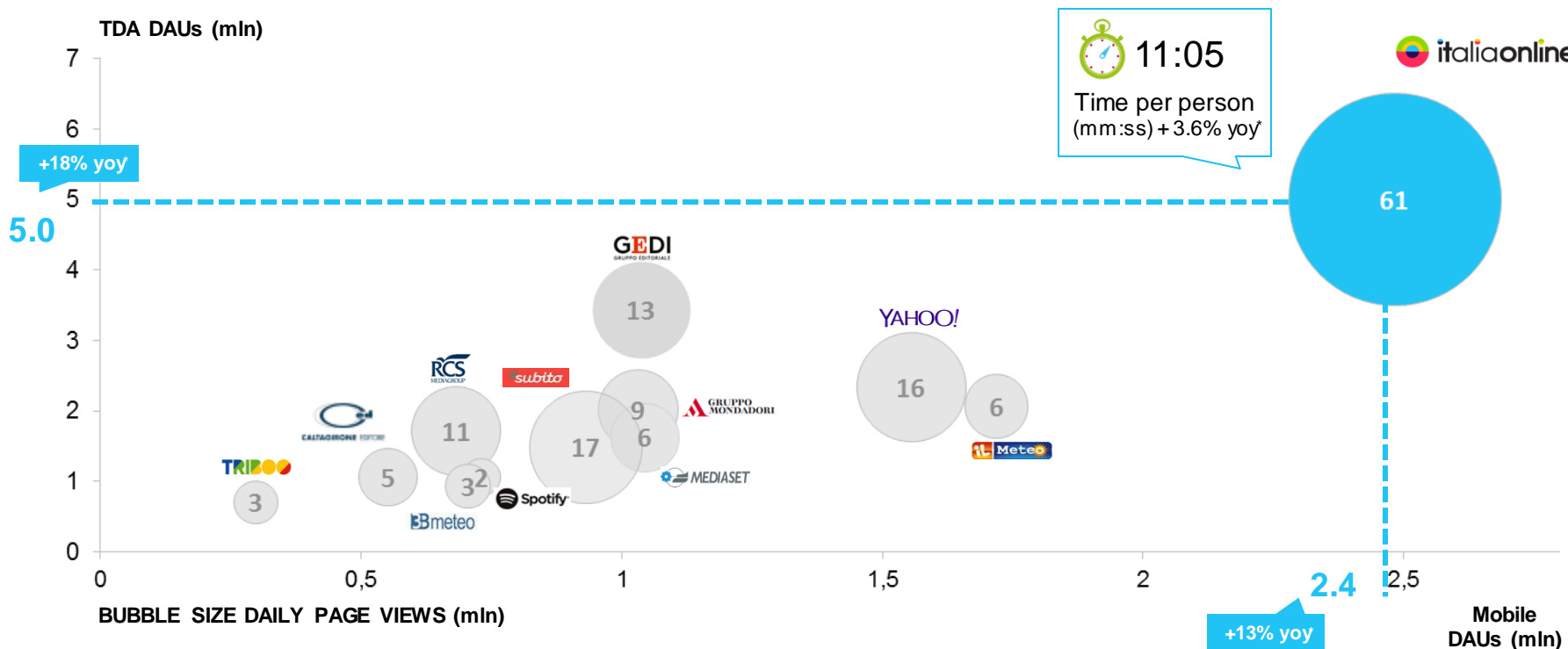


SMEs
238k Active Customers²

¹ Source: Audiweb / Nielsen, Av.g. last 12 months | March 2018- Apr 2017 | TDA – Total Digital Audience | DAUs – Daily Active Users

² Number of active customers, 12 months average at 30 June 2018. Figure at 31 March 2018: 245 k active customers

Audience | Italian leadership further improved



Source: Audiweb Database, powered by Nielsen, Av.g. last 12 months | Mar. 2018 - Apr 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. (Mar. 2018- Apr.2017) vs Avg. (Mar. 2017- Apr. 2016)

The largest Italian sales network | proximity to enterprises



Strong footprint on the territory
52 SME Media Agencies⁽¹⁾ with 709 sales agents
after a first sales network optimization



Headquarters in Milano and corporate
sites in Torino, Florence, Pisa and Rome
1,781 employees



Data as of June 30, 2018
1) SME commercial active agencies

iOL Audience Custom | a unique media planning offer for SMEs



- Build up of an audience based on **purchase intentions** expressed on iOL web properties (54% of the Italian market reach)

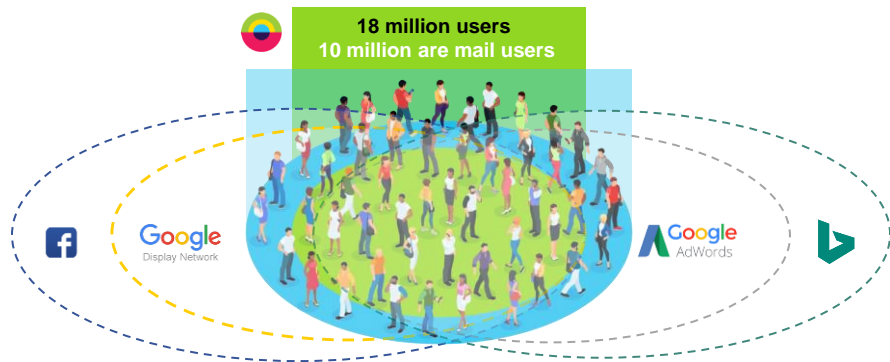
- A **profiled audience** for each SME

- Full **remarketing** solutions to track online users on iOL, Google and Facebook properties



- **Complete online marketing** solutions including search, video, display, mail, social, and native ADs

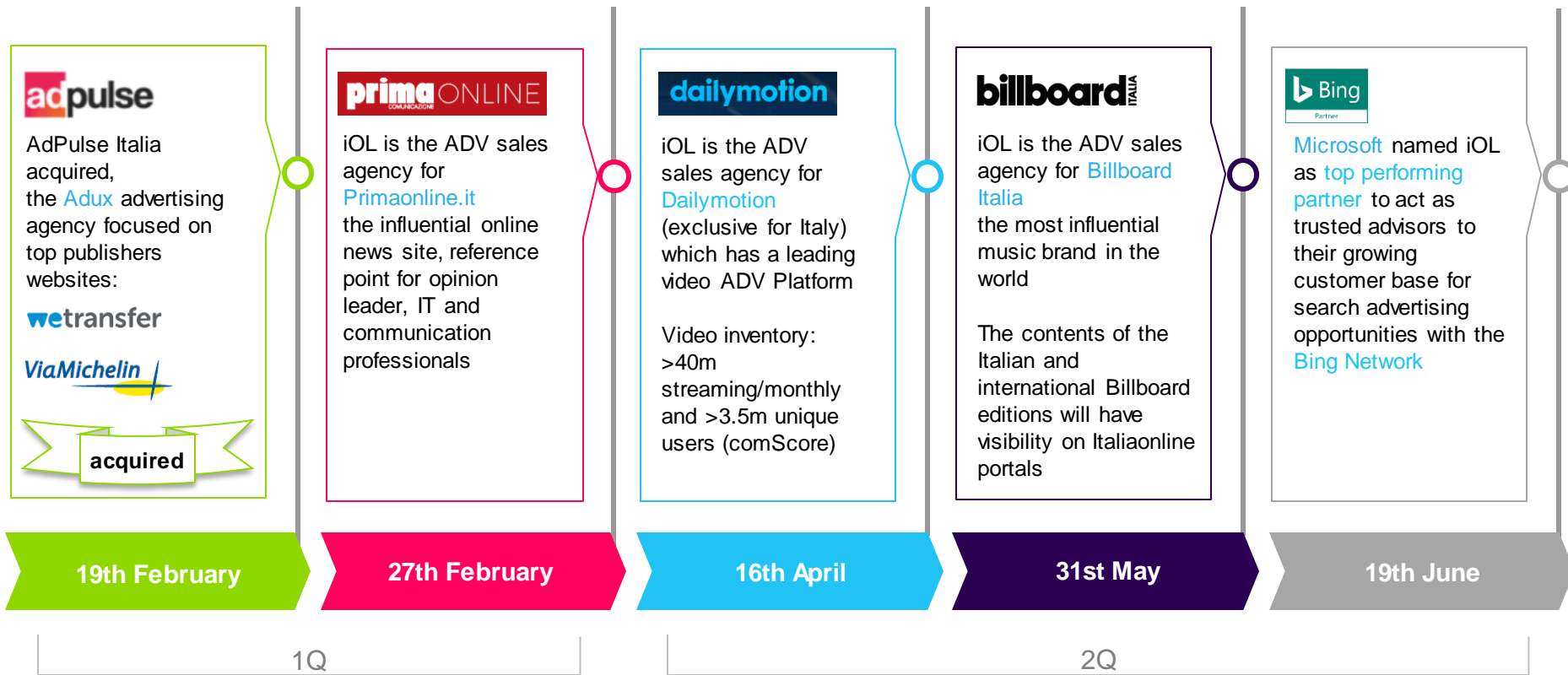
The "Custom Audience"



"Remarketing"



H1 2018 acquisitions and partnerships to improve digital advertising



Reorganization Plan | accelerate digital transformation



Agreement with trade unions reached on July 2th 2018 relating the Company reorganization plan proposal provided for the 2018- 2020 Business Plan:



- 245 layoffs with incentives
- 100 re-trained headcounts
- 55 people re-employed into other Company's departments
- Reinvestment in the Turin site trough the creation of a "Digital Factory" to insource web production activities and costs



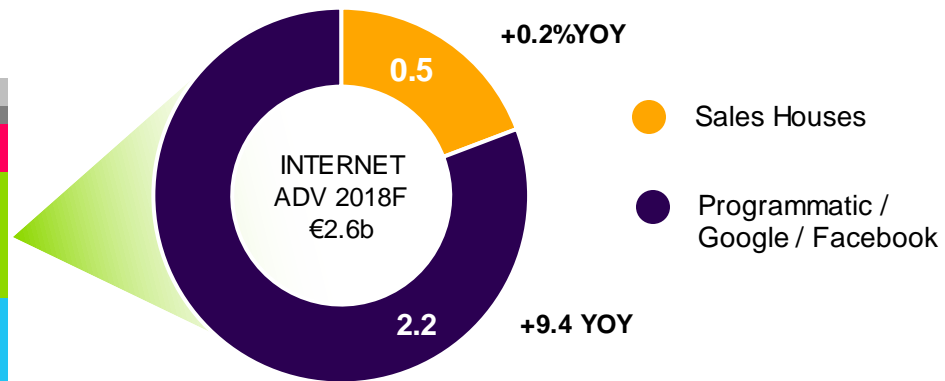
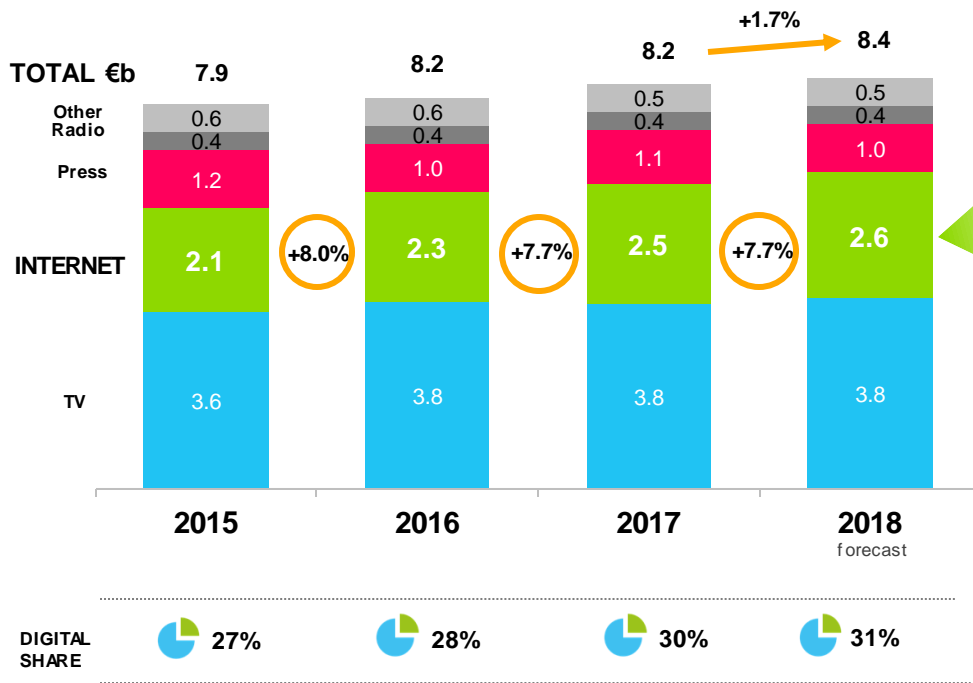
- The described measures will be managed through 6M of CIGS*
- Total restructuring total cost will be € 37 m

*CIGS = Extraordinary Wage Guarantee Fund approved for a period of 6-months

Market and iOL Positioning

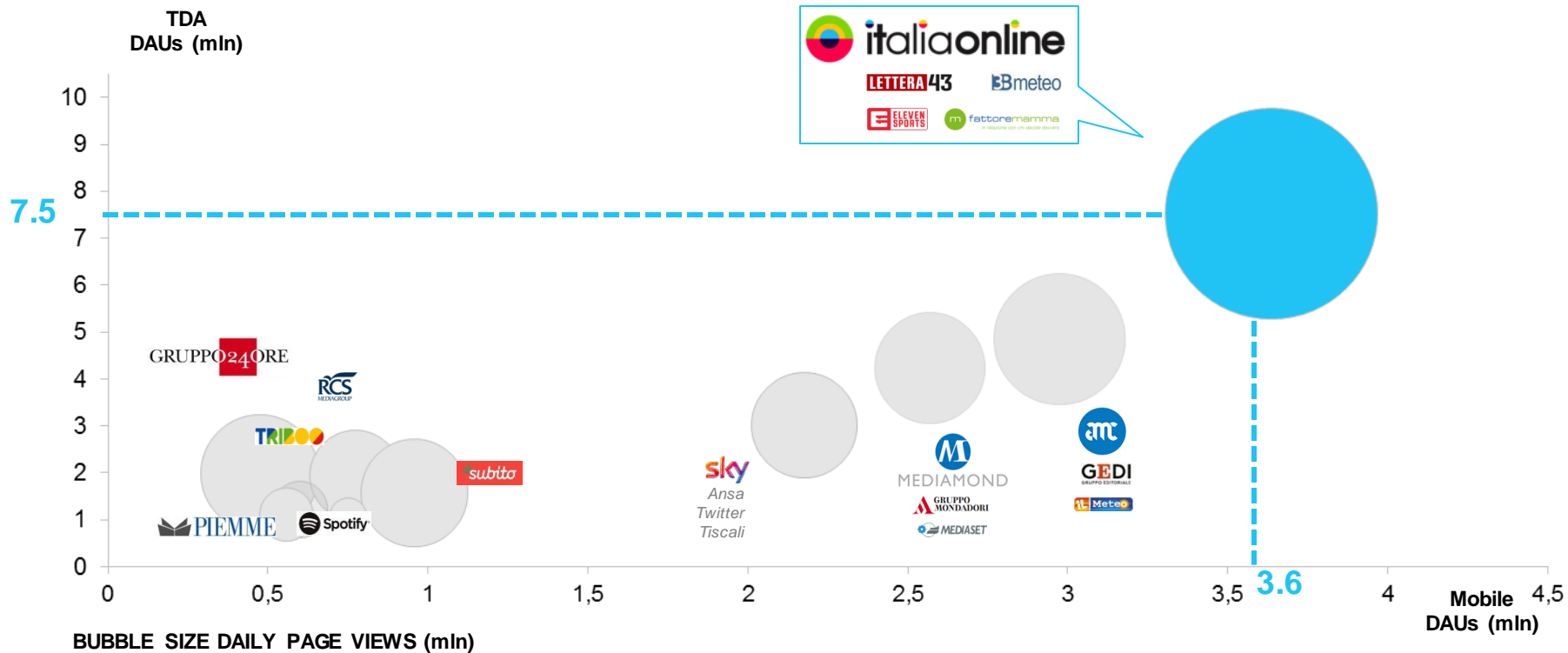


Internet is driving the Italian advertising market growth



Source: Nielsen – Forecast June 2018

Italiaonline is also a leader Italian digital sales house



Source: Audiweb DB, Powered by Nielsen | Unique Audience (mln), PVs (bln) - Daily data, Top Ten Custom Property (March 2018)

Italian SMEs market (99.9% of total Enterprises)

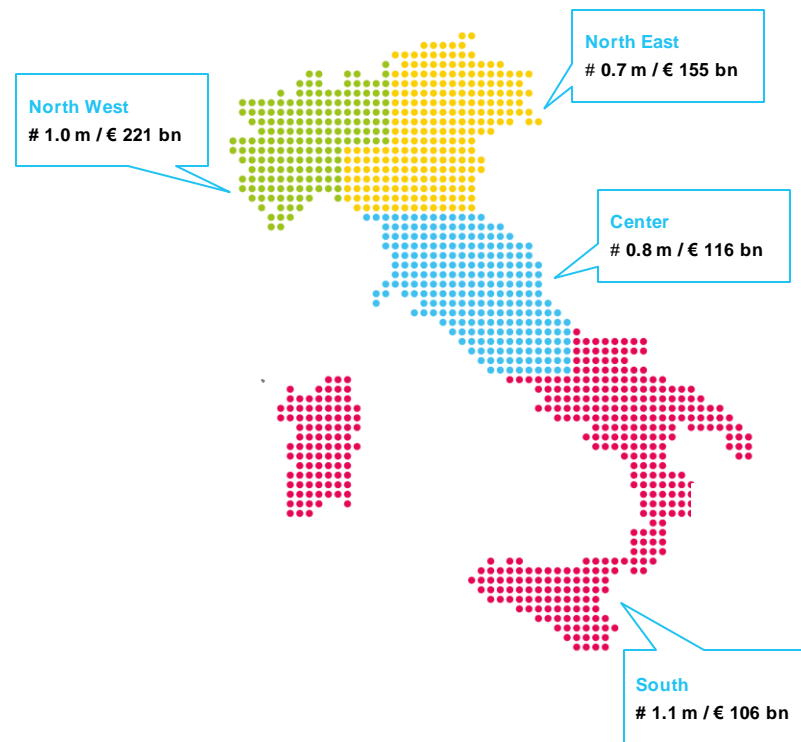
- SMEs account for **68%** country's Added Value (GDP proxy)
- More than **80%** of the Italian SMEs Added Value is in North and Center regions**
- iOL market share is **7%**
- Significant market opportunity:
 - **88%** of SMEs don't invest in Digital Advertising
 - **33%** of SMEs don't have a website
 - only **12.5%** of SMEs have e-commerce

Category*	Employees	Turnover	Number #	% on tot. Enterprises
Micro Enterprises	<10	≤ € 2 m	3,489,966	93.6%
Small Enterprises	<50	≤ € 10 m	209,931	5.6%
Medium Enterprises	<250	≤ € 50 m	27,994	0.7%
SMEs	0-249	€ 0-49 m	3,727,891	99.9%
Large Enterprises	≥250	≥ € 50 m	2,683	0.1%

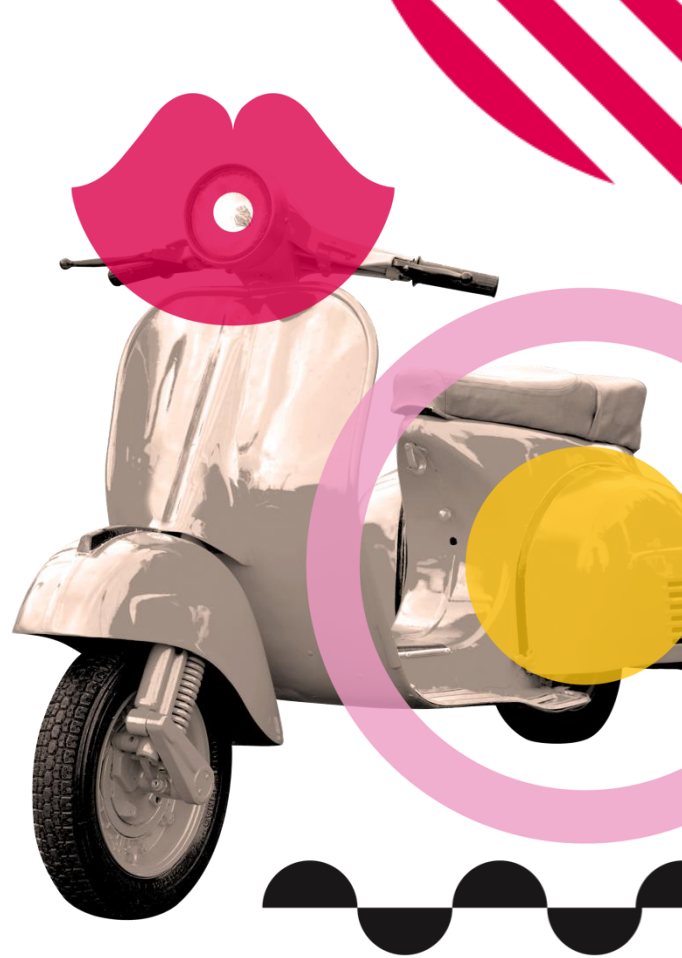
*Sources: Cerv ed | iOL – internal analysis and elaborations | European Commission

**Source: Istat Report Frame Territoriale, iOL analysis and elaborations – Added Value: Revenues – Industrial Costs (Services / Purchases costs, Change in inventories)

ITALIAN SMEs DISTRIBUTION (#/m)* / ADDED VALUE (€/bn)**

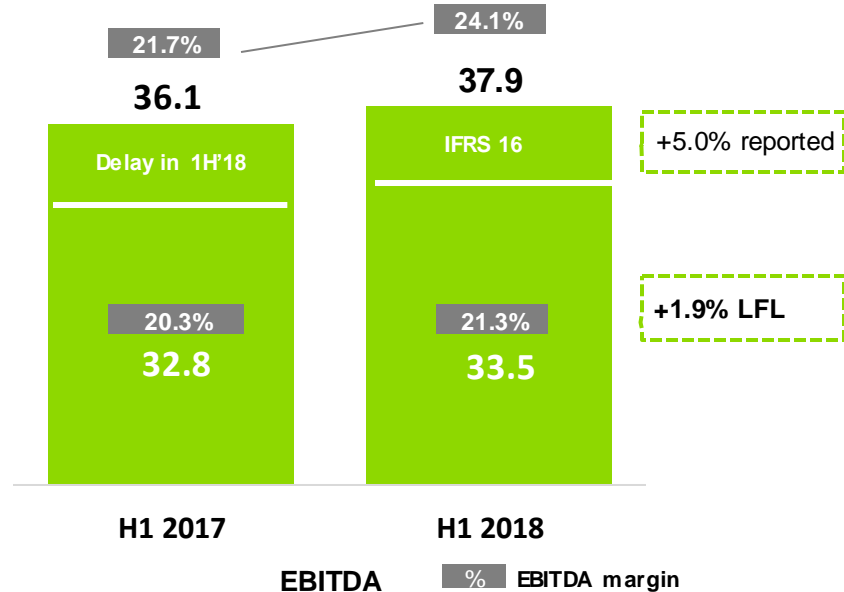
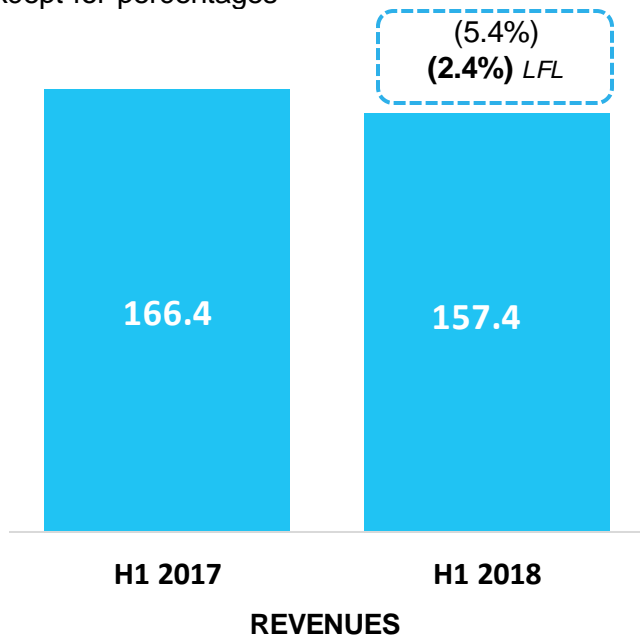


H1 2018 Financial Overview



H1 2018 | Revenues and EBITDA still good profitability

€ mln, except for percentages



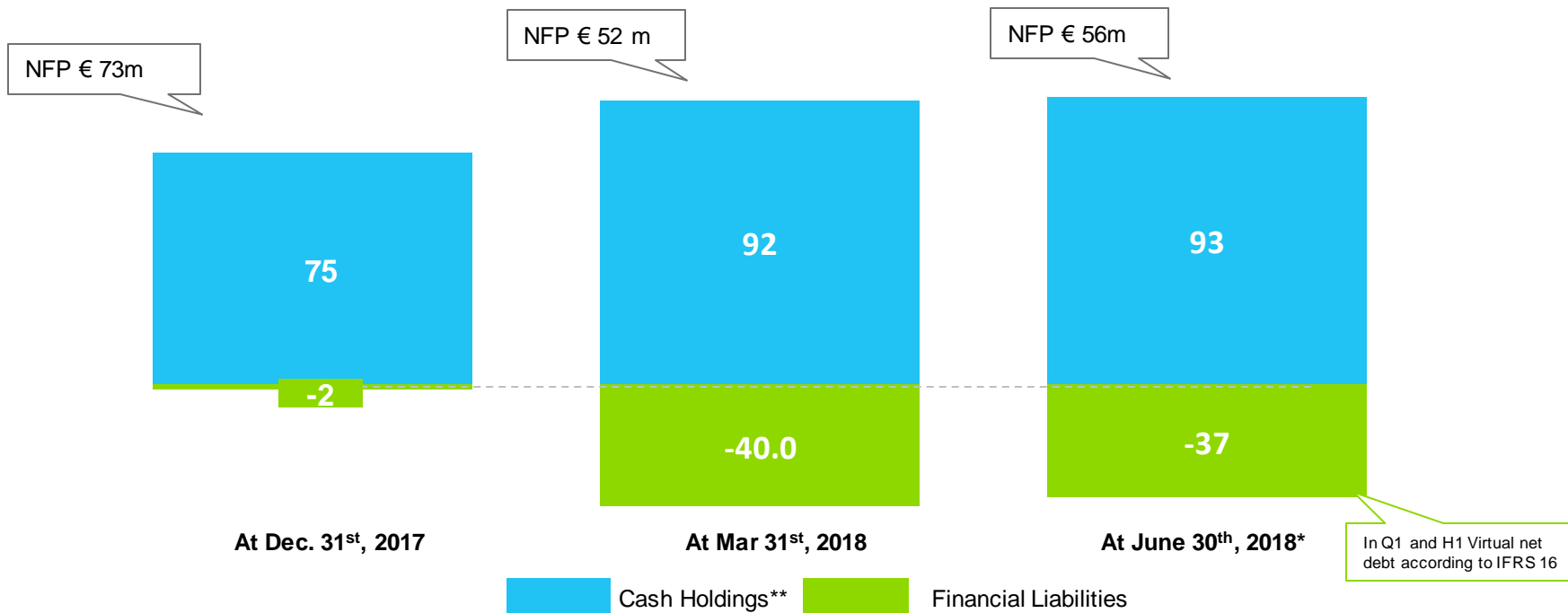
- **H1 2017** Like for like : Revenues (€ 161.3 m) and EBITDA (€32.8 m) excluding directories not delivered in H1 2018 due to disturbances after the announcement of the Company's Reorganization Plan, to be recovered in Q3 2018
- **H1 2018** Like for like: EBITDA (€ 33.5 m) net of IFRS € 4.5 m effects

H1 2018 | From EBITDA to Net Result



H1 2018 | NFP good cash generation

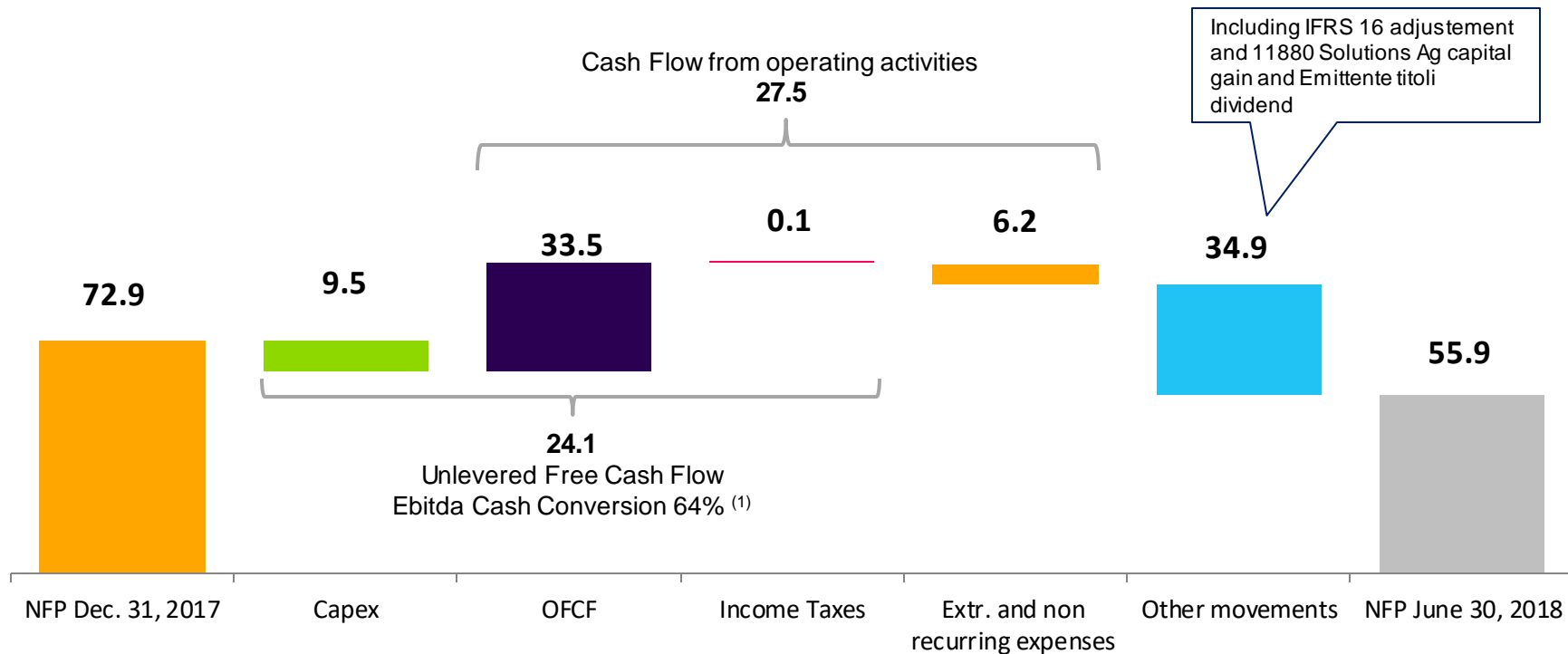
€ Million



*NFP at 30 June 2018 is bank debt free. The introduction of IFRS 16, from 1st January 2018, implies the accounting of all rents NPV as asset and financial liabilities (v virtual net debt at 30 June 2018 according to IFRS 16 equal to €37 million)

** Includes Cash and Current financial receivables from third parties

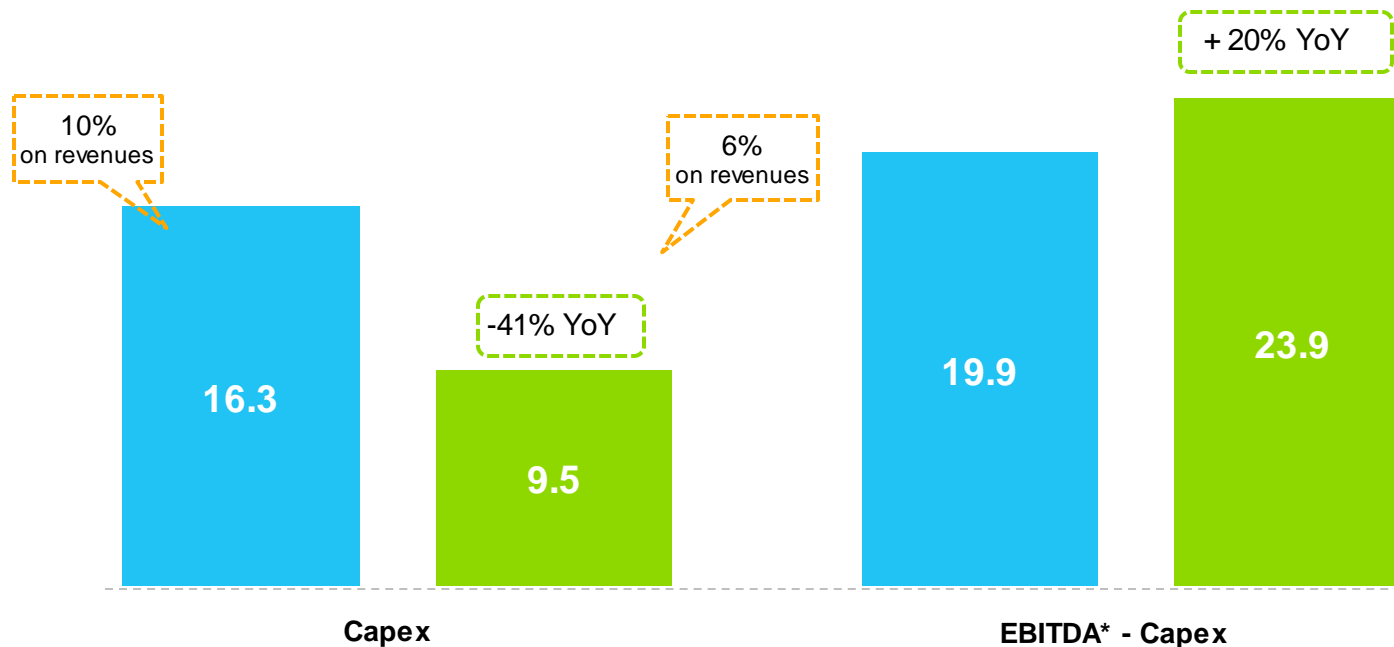
H1 2018 | Change in Net Financial Position



(1) Cash conversion = Unl FCF / EBITDA

H1 2018 | Capital Expenditures & EBITDA

€ mln

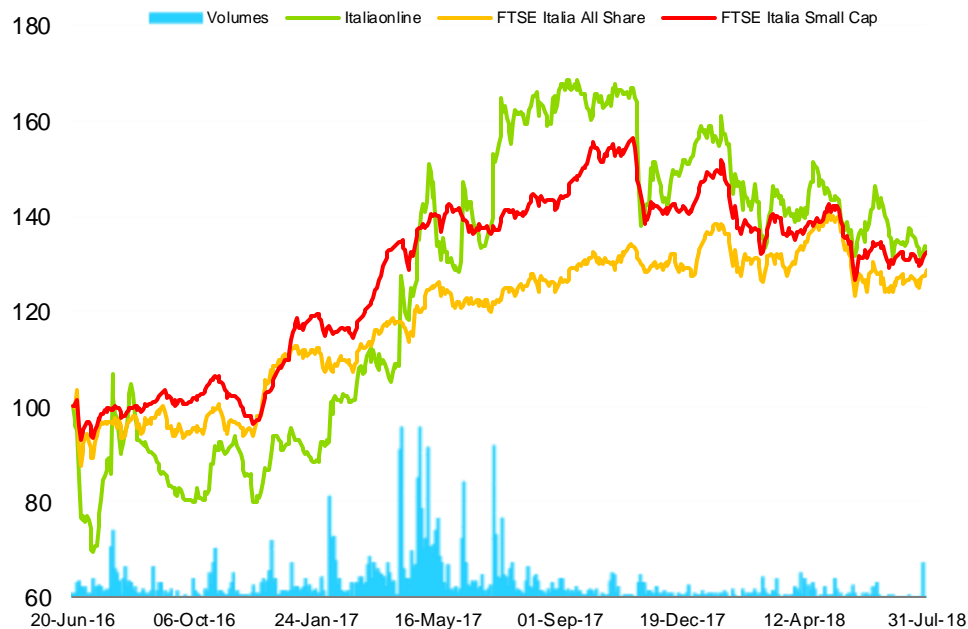


*EBITDA H1 2018 Net of IFRS 16 effects

■ H1 2017 ■ H1 2018

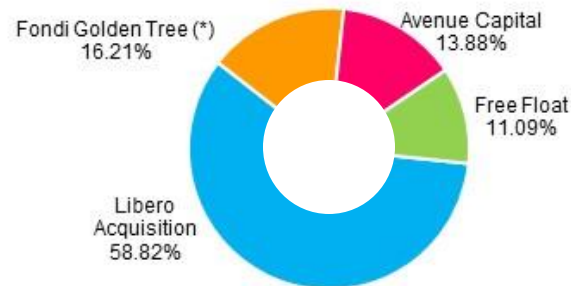
Italiaonline Share

IOL versus indices: June 20, 2016 – July 31, 2018



Source: Thomson Reuters EIKON

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 July 31, 2018

MARKET	MTA
NOSH Ord (€mln)	114.8
PRICE (€)	2.72
MKT CAP Ord (€mln)	312.151
PERFORMANCE (YTD)	-12.6%
RELATIVE PERF.vs FTSE Italia All Share (YTD)	-13.8%
AVG DAILY VOLUMES YTD (€)	78,266
Saving Share: NOSH 6.803 Closing Price (€) 362 Market Cap (€ mln) 2.5	

Q&A





Chiara Locati – IR Director

21 yrs of Experience



+ 39 349 8636553

chiara.locati@italiaonline.it

Appendix



H1 2018 | Group Profit & Loss

<i>(In millions of Euro)</i>	H1 2018	H1 2017	Change	
			mIn	%
Revenues from sales and services	157.4	166.4	(9.0)	(5.4)%
Costs	(115.8)	(124.4)	8.6	6.9%
Gross operating profit (GOP)	41.6	42.0	(0.4)	(1.0)%
<i>as % of revenues</i>	26.4%	25.2%		
Bad debt, risk provisions and others	(3.6)	(5.9)	2.2	38.0%
EBITDA	37.9	36.1	1.8	5.0%
<i>as % of revenues</i>	24.1%	21.7%		
Operating D&A and write-down	(18.1)	(16.5)	(1.6)	(9.4)%
Non operating D&A and write-down	(2.6)	(2.6)	0.0	0.0%
Non-recurring and restructuring costs, net	(27.6)	(0.4)	(27.2)	n.s.
EBIT	(10.4)	16.6	(27.0)	n.s.
<i>as % of revenues</i>	(6.6)%	10.0%		
Net financial income	2.1	0.7	1.5	n.s.
Impairment losses on financial assets and losses on the disposal of equity investments	1.2	0.0	1.2	n.s.
Profit (Loss) before income taxes	(7.0)	17.3	(24.3)	n.s.
Income taxes	(0.4)	(10.9)	10.6	96.7%
Profit (Loss) for the period	(7.4)	6.3	(13.7)	n.s.
of which pertaining to the Group	(7.4)	6.3	(13.7)	n.s.
of which non-controlling interest	0.0	0.0	0.0	n.s.

H1 2018 | Group Cash flow statement

<i>(In millions of Euro)</i>	H1 2018	H1 2017	Change	
			mln	%
EBITDA	37.9	36.1	1.8	5.0%
Decrease (increase) in operating working capital	(3.8)	18.0	(21.8)	n.s.
Capital expenditure	(9.5)	(16.3)	6.7	41.4%
Other changes and movements	(0.6)	(0.7)	0.1	10.7%
Operating FREE CASH FLOW	24.0	37.2	(13.2)	(35.5)%
Payment of income taxes	0.1	(0.2)	0.4	n.s.
Unlevered FREE CASH FLOW	24.1	36.9	(12.8)	(34.8)%
Collection of interest and financial expense, net	0.2	(0.0)	0.2	n.s.
Payment of non-recurring and restructuring costs	(6.2)	(10.9)	4.7	43.1%
Dividend distribution	(0.2)	(80.0)	79.8	99.7%
IFRS 16 effect	(36.8)	0.0	(36.8)	n.s.
Other movements	1.9	0.6	1.2	n.s.
Change in NET FINANCIAL POSITION	(17.0)	(53.3)	36.3	68.1%

H1 2018 | Group Balance Sheet

<i>(In millions of Euro)</i>	30/06/2018	31/12/2017	Change
Goodwill & marketing related intangible assets	270.5	272.5	(2.0)
Other non-current assets	101.8	73.4	28.4
Non-current liabilities	(50.2)	(50.4)	0.2
Working capital	(64.4)	(52.8)	(11.6)
Net non-current assets held for sale and discontinued operations	0.0	0.0	0.0
Net invested capital	257.7	242.6	15.1
Equity of the Group	313.6	315.6	(2.0)
Non-controlling interests	0.0	0.0	0.0
Total equity (A)	313.6	315.6	(2.0)
Current financial assets, cash and cash equivalent	92.8	75.1	17.7
Current financial liabilities	(8.9)	(2.2)	(6.7)
Non-current financial liabilities	(28.0)	0.0	(28.0)
Net financial position (B)	55.9	72.9	(17.0)
Total (A-B)	257.7	242.6	15.1

H1 2018 | Core Business Revenue breakdown

<i>(In millions of Euro)</i>	H1 2018	H1 2017	Change	
			mIn	%
Revenues	154.3	162.3	(8.0)	(4.9)%
Digital ⁽¹⁾	120.8	112.9	7.9	7.0%
<i>as % total revenues</i>	<i>78.3%</i>	<i>69.6%</i>		
Traditional ⁽²⁾	32.9	48.9	(16.1)	(32.8)%
<i>as % total revenues</i>	<i>21.3%</i>	<i>30.1%</i>		
Others ⁽³⁾	0.6	0.5	0.1	20.5%
<i>as % total revenues</i>	<i>0.4%</i>	<i>0.3%</i>		

(1) Includes IOL Presence, IOL Website, IOL Audience, Custom Projects and IOL Advertising

(2) Includes Print, Voice and Third Party Products

(3) Includes other revenues

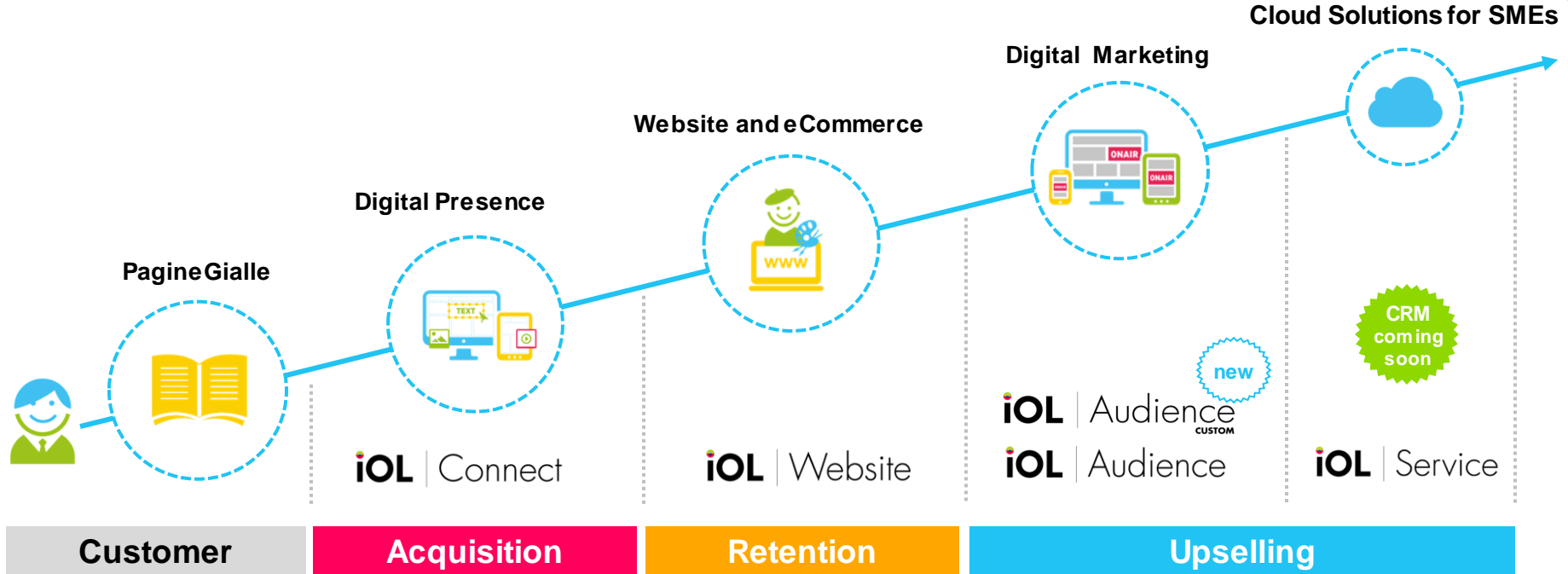
H1 2018 | Core Business Cost breakdown

<i>(In millions of Euro)</i>	H1 2018	H1 2017	Change	
			mln	%
Revenues	154.3	162.3	(8.0)	(4.9)%
Costs	(112.9)	(119.9)	7.0	5.8%
<i>as % revenues</i>	73.2%	73.8%		
Industrial costs	(46.2)	(45.0)	(1.2)	(2.6)%
<i>as % revenues</i>	29.9%	27.7%		
Commercial costs	(27.6)	(27.5)	(0.1)	(0.2)%
<i>as % revenues</i>	17.9%	17.0%		
General costs ⁽¹⁾	(9.3)	(12.5)	3.2	25.4%
<i>as % revenues</i>	6.0%	7.7%		
Labour costs ⁽²⁾	(29.8)	(34.9)	5.0	14.5%
<i>as % revenues</i>	19.3%	21.5%		
Gross operating profit (GOP)	41.4	42.5	(1.1)	(2.5)%
<i>as % revenues</i>	26.8%	26.2%		
Bad debt, risk provisions and others	(3.1)	(5.7)	2.5	44.7%
<i>as % revenues</i>	2.0%	3.5%		
EBITDA	38.3	36.8	1.5	4.0%
<i>as % revenues</i>	24.8%	22.7%		

(1) Includes advertising costs

(2) Does not include capitalized labour costs

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



Tax assets update



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



Tax assets as of 30 June 2018 about €799 m

