

Company Presentation

2018 Italian Stock Market Opportunities Banca IMI

Milano 26 Sep. 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.

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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 € 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.

Digital for growth

Our mission is digitizing Italian companies



Italiaonline snapshot



Largest Italian internet company with complete offer to support Italian companies to go digital



| | |
|-------------------------|------------------------------|
| FY 2017 Revenues | FY 2017 EBITDA |
| € 338 m | € 68 m (margin 20.0%) |
| H1 2018 | H1⁽¹⁾ 2018 |
| € 157.4 m | € 37.9 m (margin 24.1%) |



The undisputed Italian internet leader with 54% market reach⁽²⁾



Strong footprint on the territory
52 SME Media Agencies with 709 sales rep⁽³⁾
1,781 employees⁽³⁾



Diversified Customer base

- **700 Large Enterprise⁽⁴⁾**
- **238,000 SMEs⁽⁴⁾**

1) Accounting Standards IFRS 15, IFRS 16 please see slide 2

2) Audiweb Database, last 12 months | Mar.2018- Apr 2017.

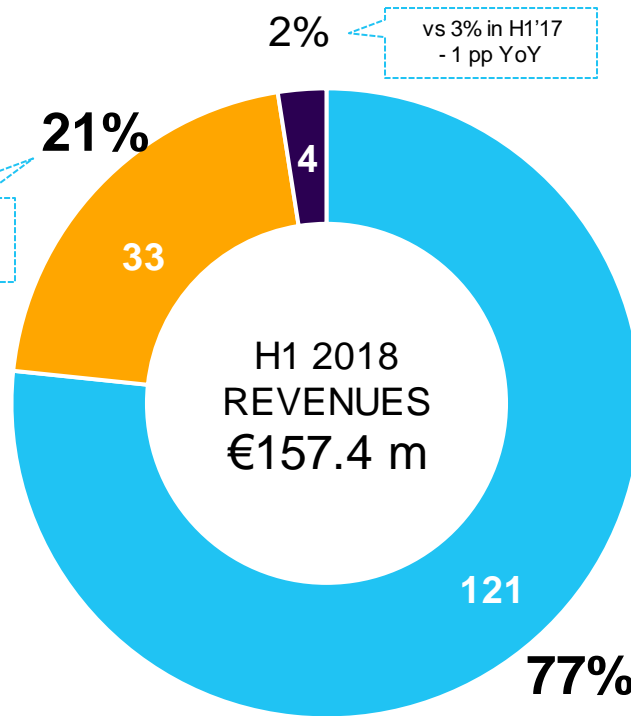
3) # of employees and active agents at 30 June 2018. SME commercial active agencies at 30 June 2018

4) Number of active customers, 12 months average at 30 June 2018.

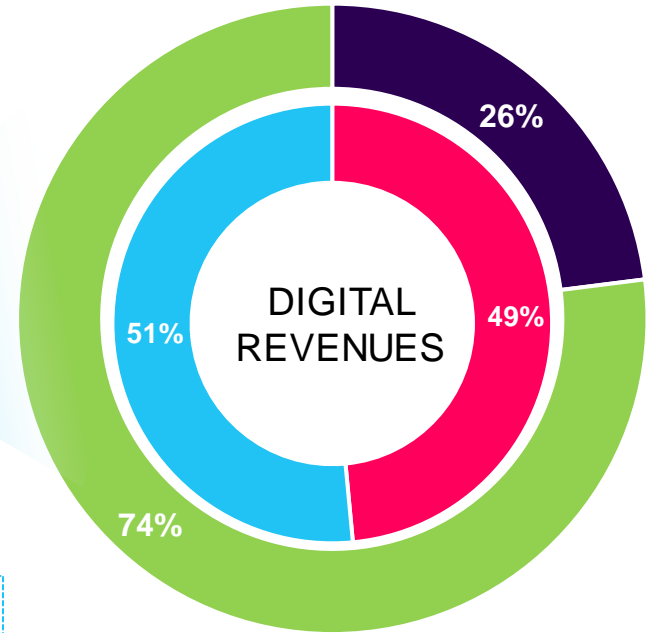


H1 2018 revenues streams

€ mln / %



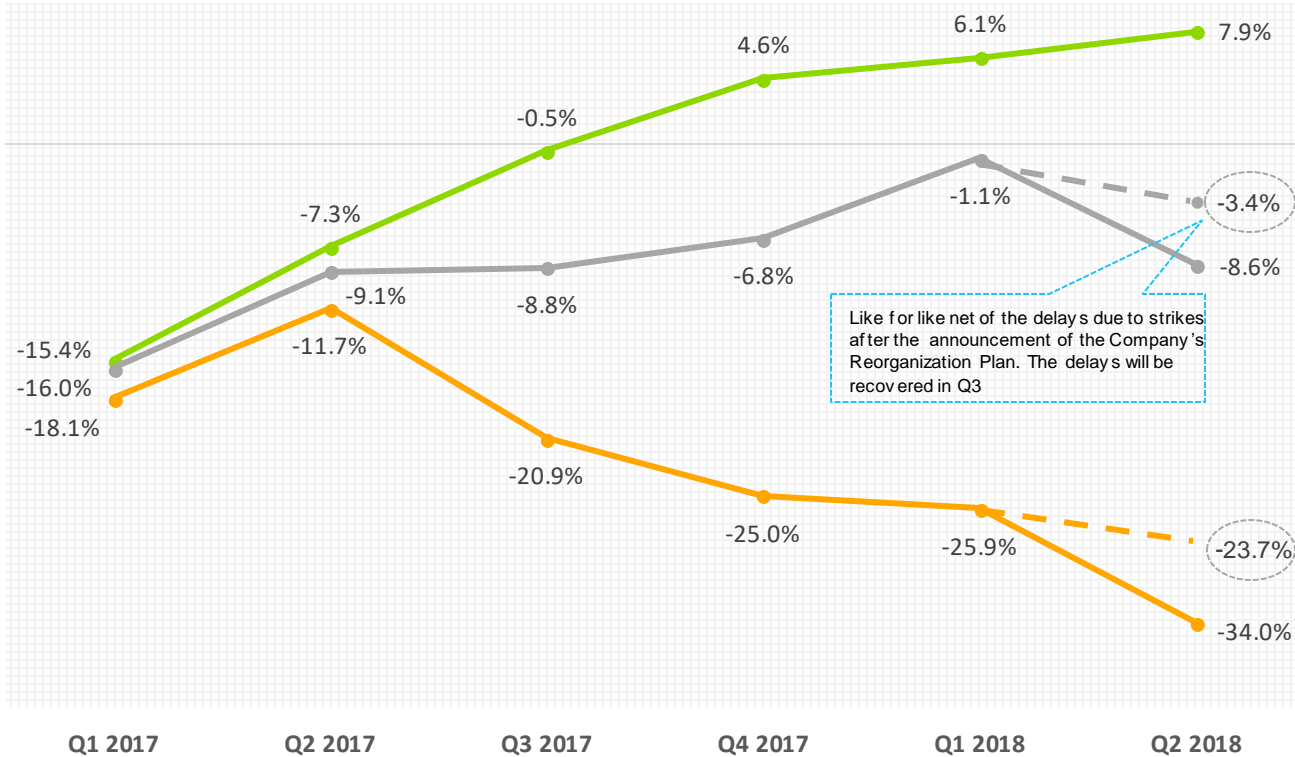
● Digital
 ● Traditional
 ● Other



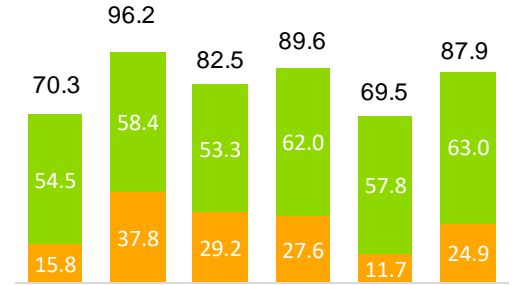
● SMEs
 ● Large account
● Presence
 ● Digital Advertising

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 |

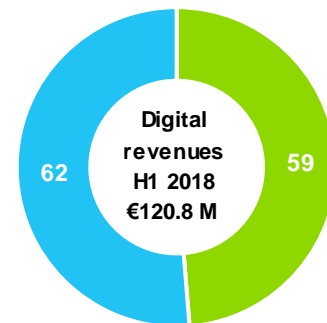
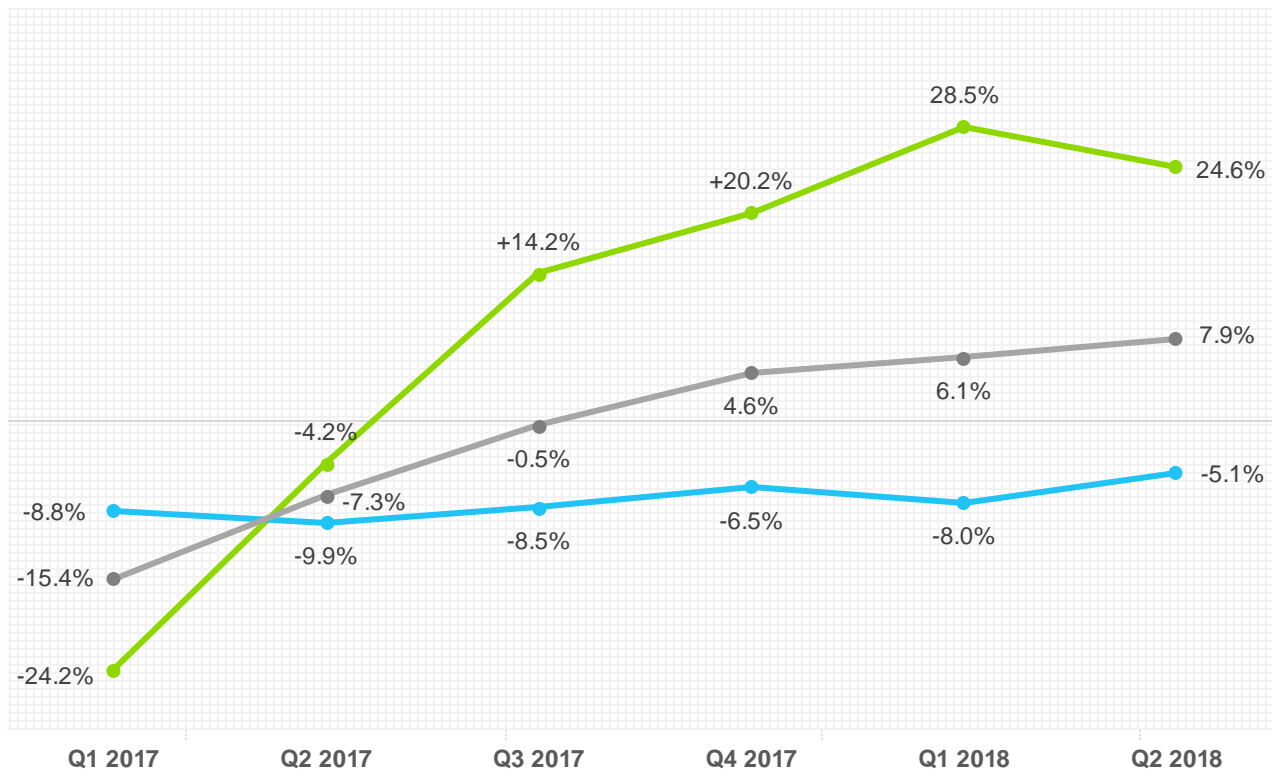
| | |
|---------|-----------|
| Digital | H1 2018 |
| | +7.0% YoY |

| | |
|---|------------|
| 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

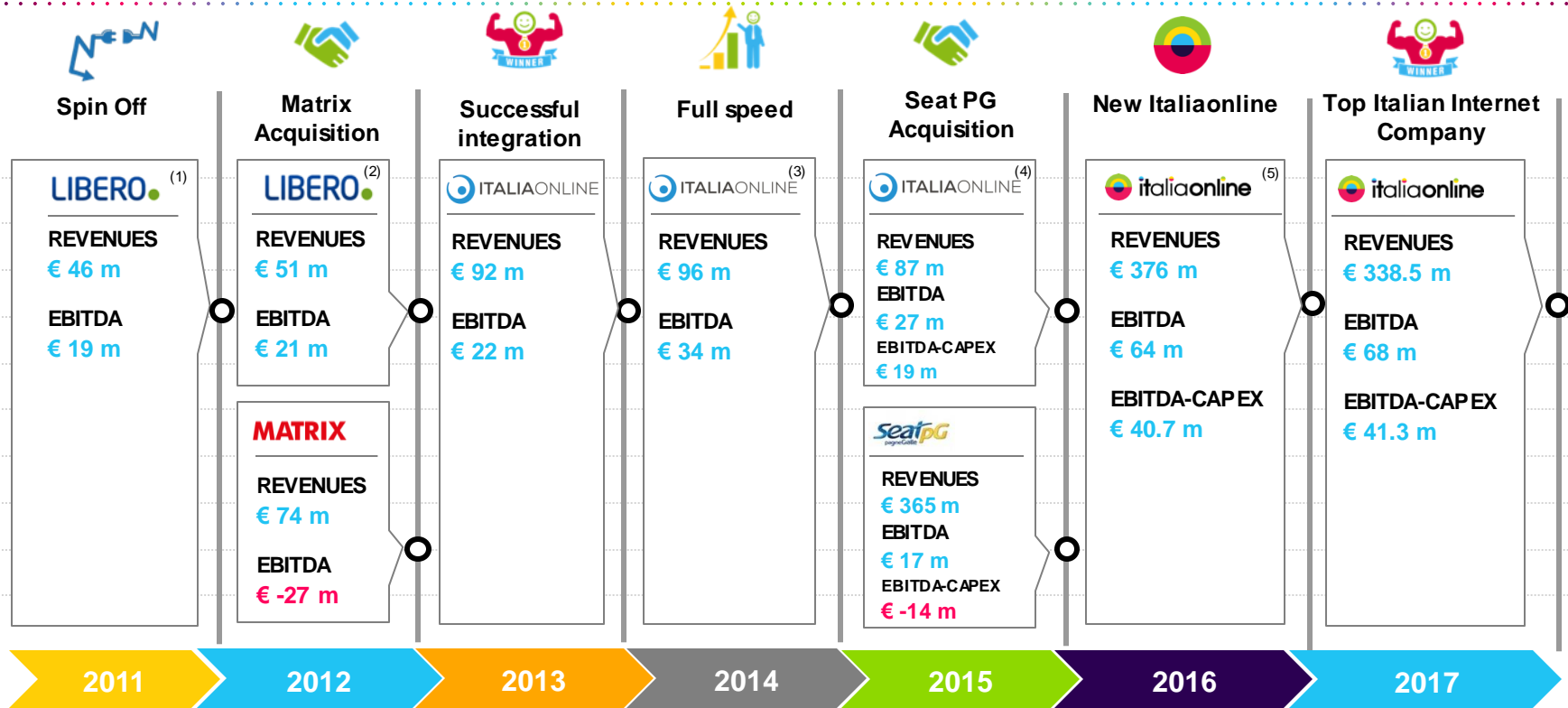
Digital growing +8% in Q2 and Digital Advertising double digit

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 |

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)

(5) FY 2016 – FY 2017 Revenues | EBITDA pro forma, see slide 2

A unique and integrated business model



WEB PROPERTIES

a leading audience and advertising inventory

LIBERO

VIRGILIO

SUPEROVA

DiLei

QF QuiFinanza

SiViaggia

Buonissimo
salle e tavoli

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



5.0 mln
TDA DAUs¹



2.4 mln
MOBILE DAUs¹



11 min
TIME SPENT
PER PERSON¹

INTERNET
17.6m Users¹
(average monthly)

| ENTERTAINMENT | TECHNOLOGY | AUTOMOTIVE | FOOD |
|--|---------------------|--------------------------|-------------------|
| sky NETFLIX | Microsoft hp | FERRARI Ford | McDonald's Nestlé |
| Disney Rai | SAMSUNG BOSE | BMW RENAULT | Barilla FERRERO |
| TELCO | RETAIL | PERSONAL CARE | TRAVEL |
| WIND vodafone | Carrefour DECHETLON | Cartier LVMH | Lufthansa MSC |
| TIM FASTWEB | unieuro MediaWorld | LOREAL Reckitt Benckiser | Alitalia Costa |
| AGENCIES | | | |
| Carat M&S WPP MINDSHARE Simple Agency dentsu AEGIS network | | | |
| ZenithOptimedia OmnicomMediaGroup groupm MEDIACOM M&P PUBLICIS | | | |

LARGE ACCOUNT
~ 700 Customers

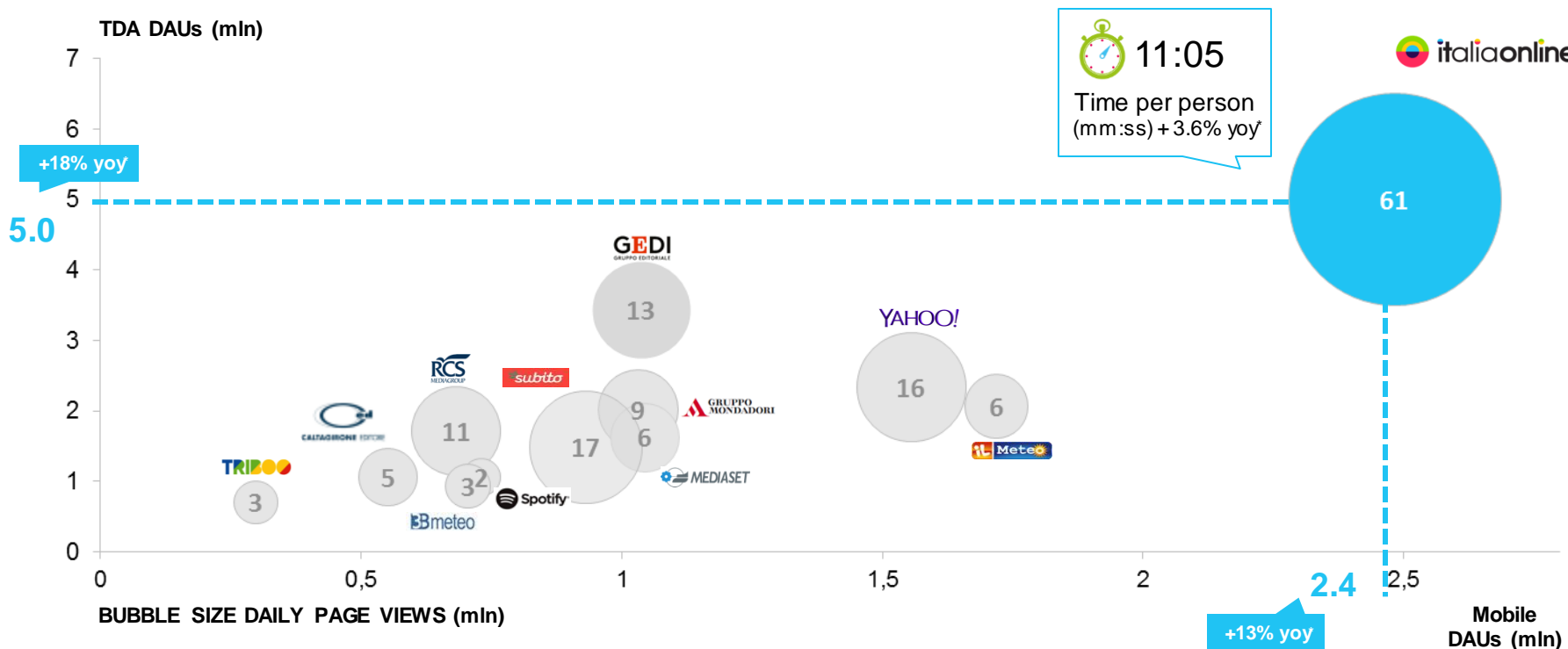


SMEs
238k Active Customers²

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.

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)

Strategic partnerships with market leaders

DIGITAL ADVERTISING PARTNERS



TECHNOLOGICAL PARTNERS





H1 2018 Key Business Highlights



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

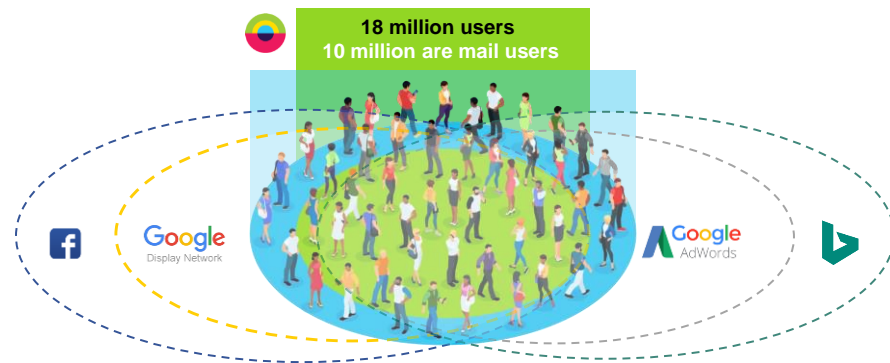
iOL Audience Custom | a unique media planning offer for SMEs



- 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



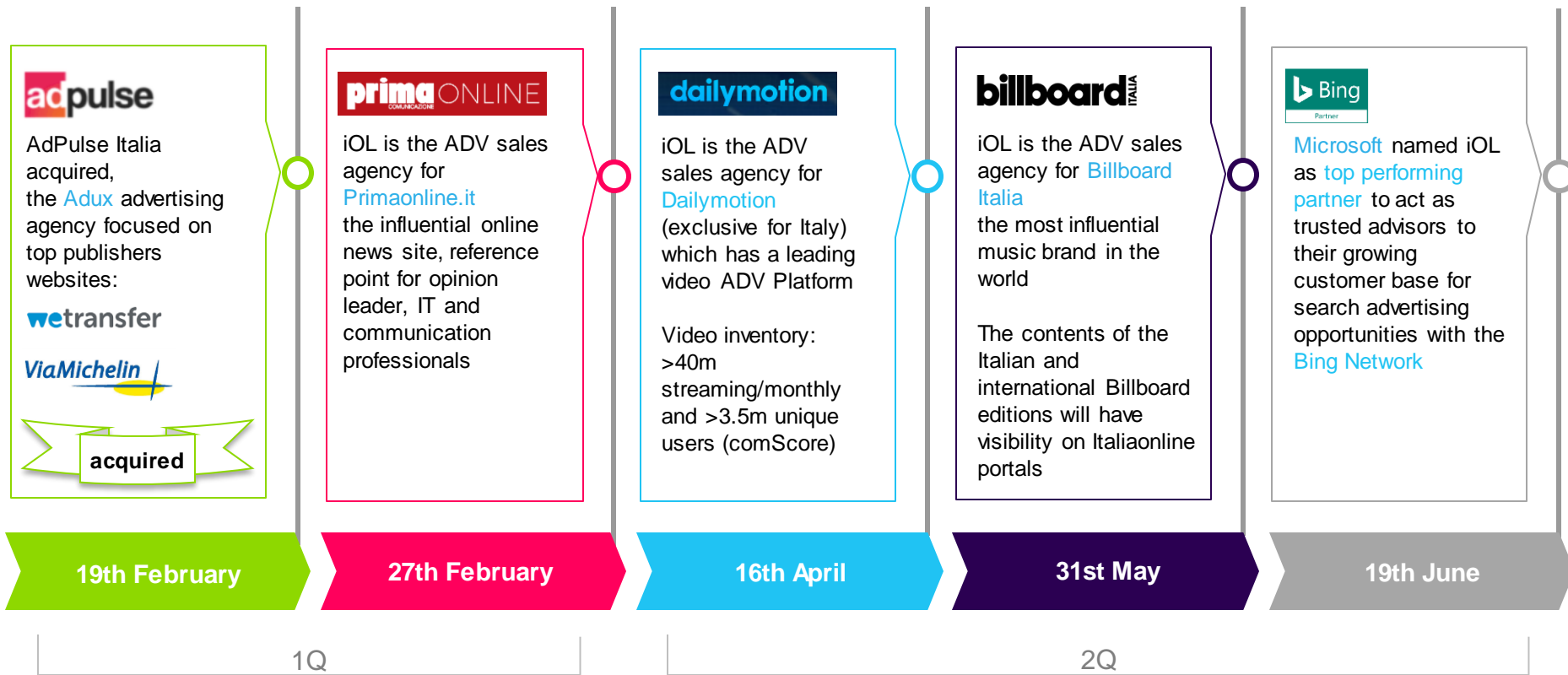
The "Custom Audience"



"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



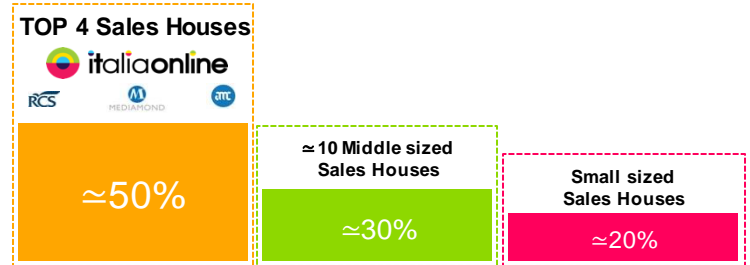
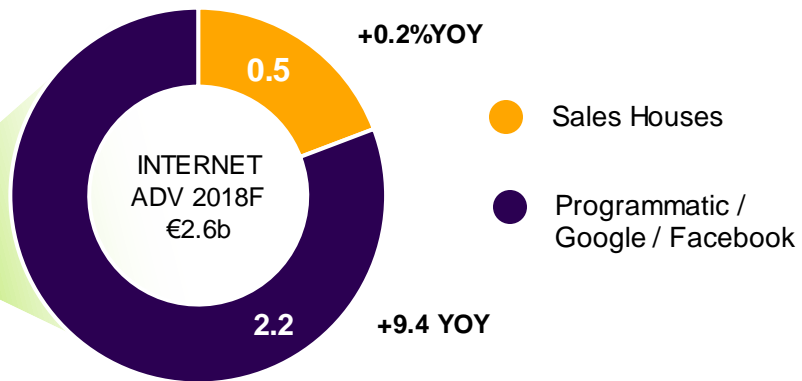
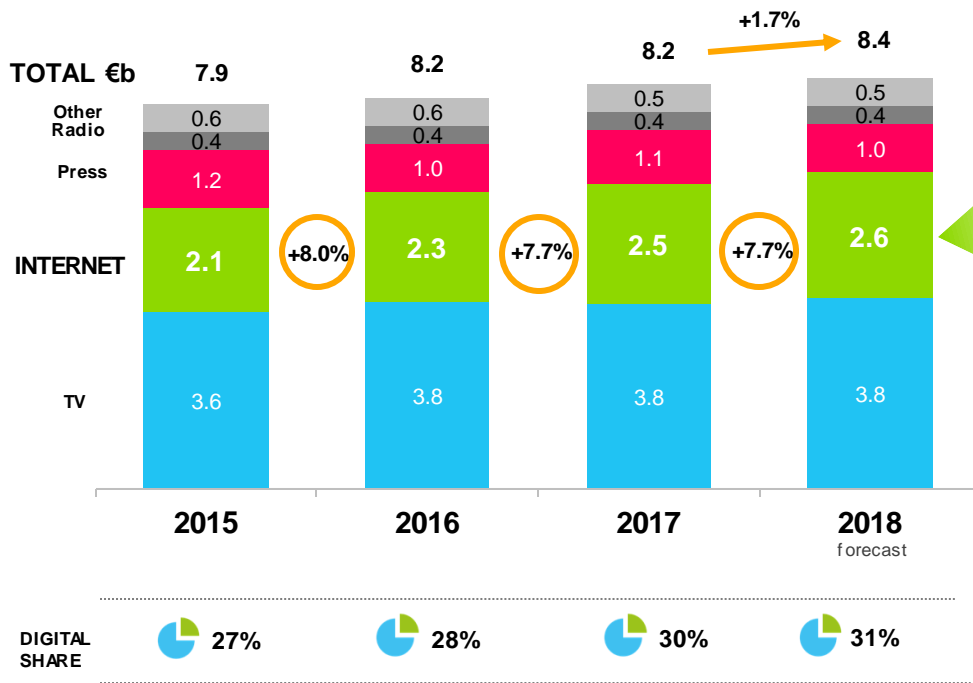
- The described measures will be managed through 6M of CIGS*
- Total restructuring total cost will be € 37 m

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

Market and iOL Positioning

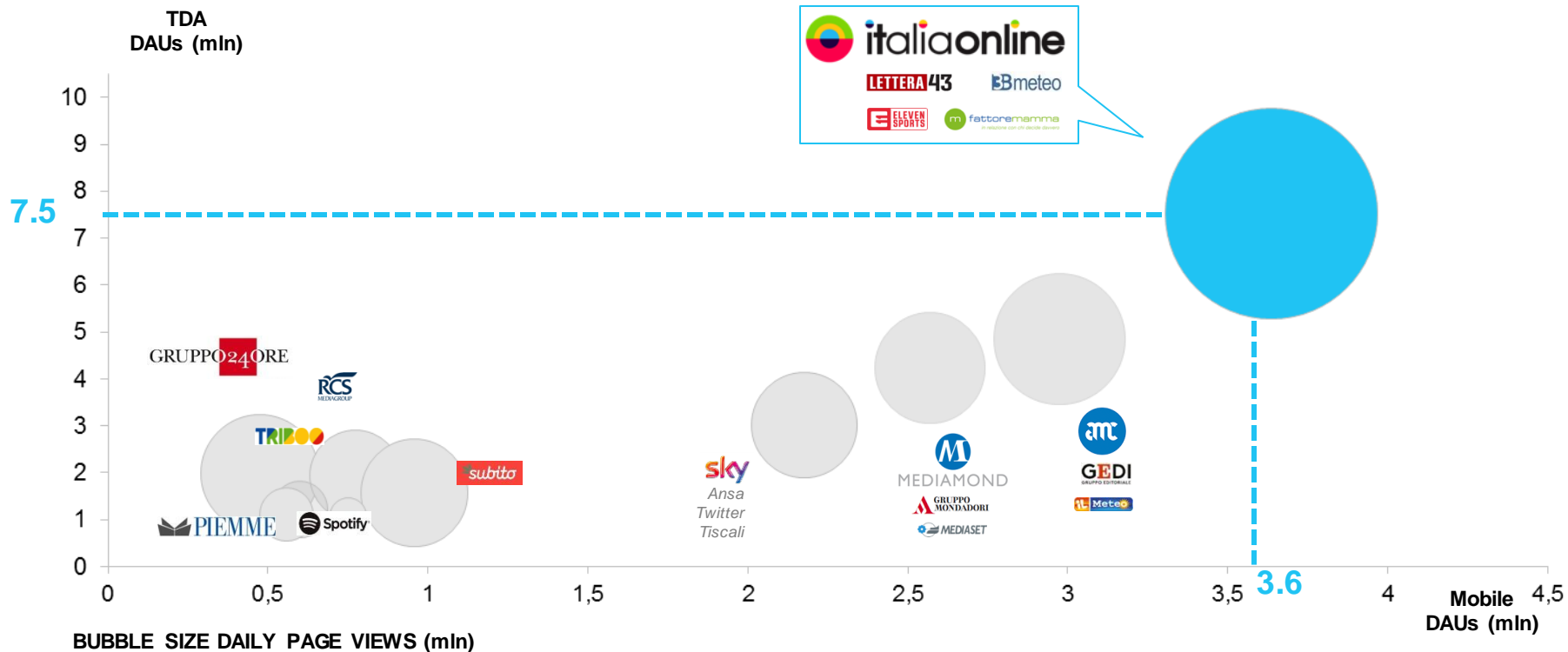


Internet is driving the Italian advertising market growth



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)

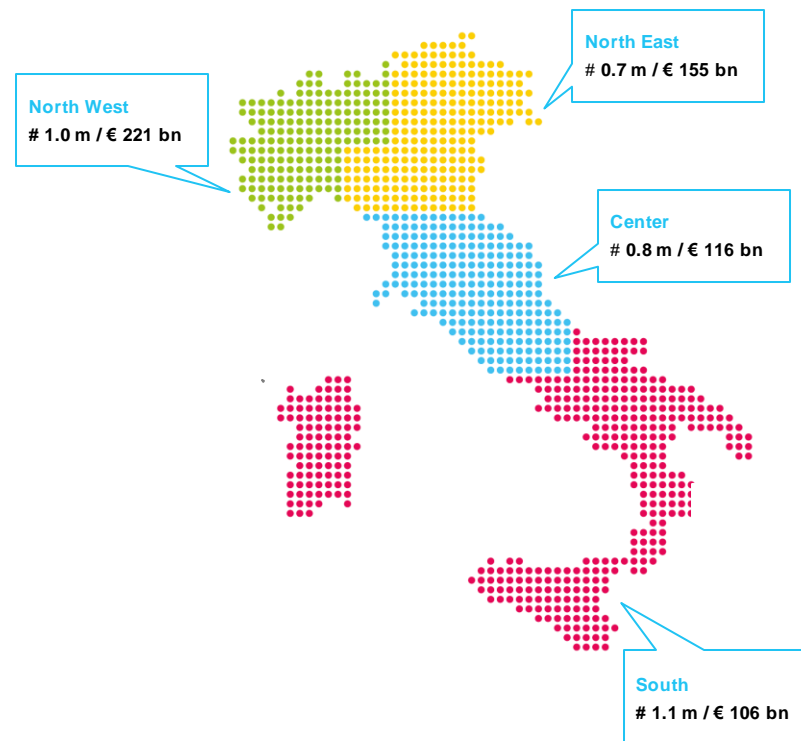
- SMEs account for **68%** country's Added Value (GDP proxy)
- More than **80%** of the Italian SMEs Added Value is in North and Center regions**
- iOL market share is **7%**
- Significant market opportunity:
 - **88%** of SMEs don't invest in Digital Advertising
 - **33%** of SMEs don't have a website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

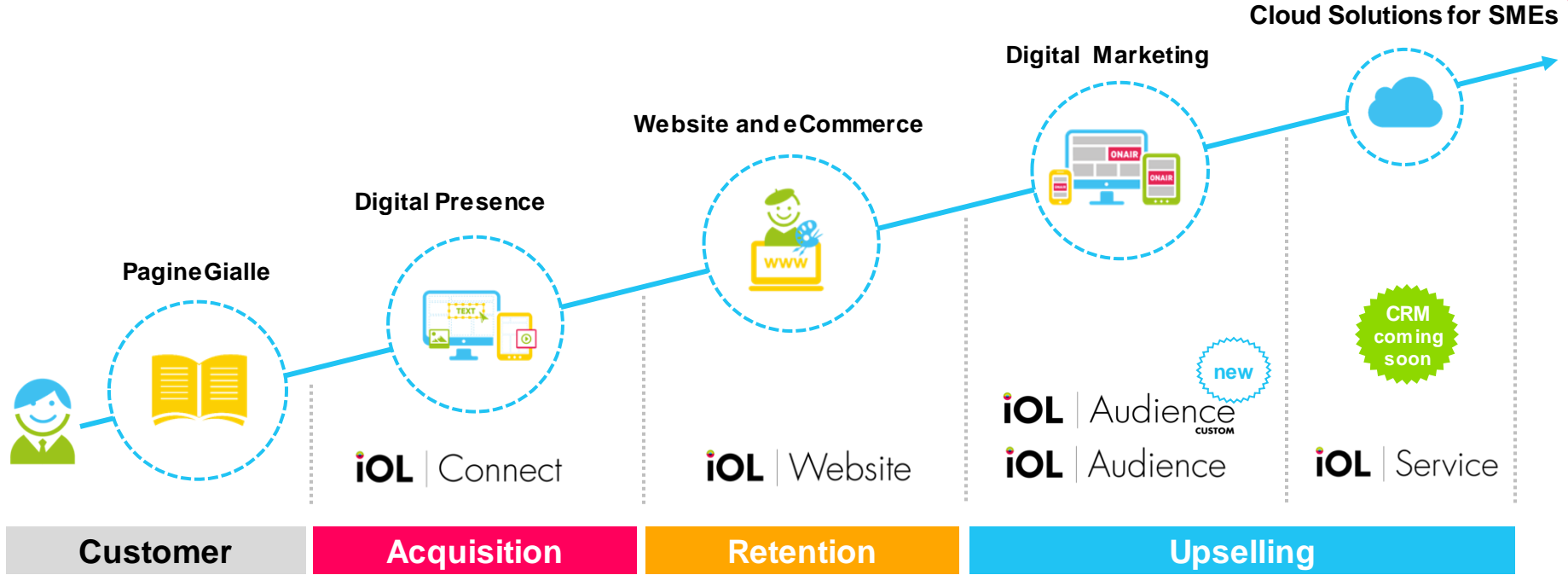
ITALIAN SMEs DISTRIBUTION (#/m)* / ADDED VALUE (€/bn)**



Italiaonline for SMEs



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



Our unique offering tailored to Italian SMEs

iOL | Connect

We put your business where people search for it

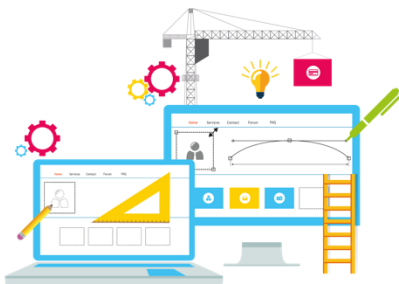


Google facebook Bing V:RGILIO

Partner with
yext

iOL | Website

Cutting edge professional web site development



80k sites developed

live website creation with online web designer

Partner with

Spotzer, **duda**

iOL | Audience

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



Trough the unique expertise
of **moqu-adv**
(100% controlled by IOL)

Powered by

matchcraft

Italiaonline Large Account



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



Italiaonline products | Webmail



9.7 mln

90 days active accounts ⁽²⁾



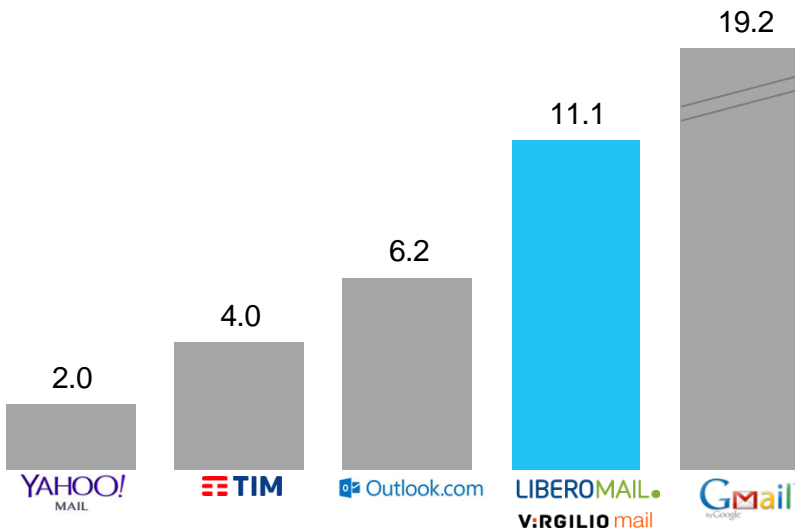
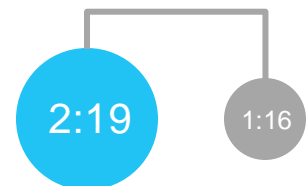
3.80 bln

exchanged messages⁽³⁾



MAUs⁽¹⁾ (mln)

Time spent per person (hh:mm)



(1) Source: Audiweb View, powered by Nielsen, TDA Avg. last 12 months | Mar.2018- Apr.2017]
 (2) Source: internal data, 90 days active mailboxes, Avg. last 12 months | Mar.2018- Apr. 2017]
 (3) Source: internal data, monthly figures, Avg. last 12 months | Mar. 2018- Apr. 2017]

Web Properties



AUDIENCE PLATFORM

17.6 mln
MAUs ⁽¹⁾



9.7 mln
FREE SUBSCRIBERS⁽²⁾



10.1 mln
Unique Audience ⁽¹⁾



31.1%
Market Reach ⁽¹⁾



1.4 bln
Page Views ⁽¹⁾



7.9 mln
Active Subscribers ⁽²⁾



2:08 h
Average Time Spent ⁽¹⁾
Per Person

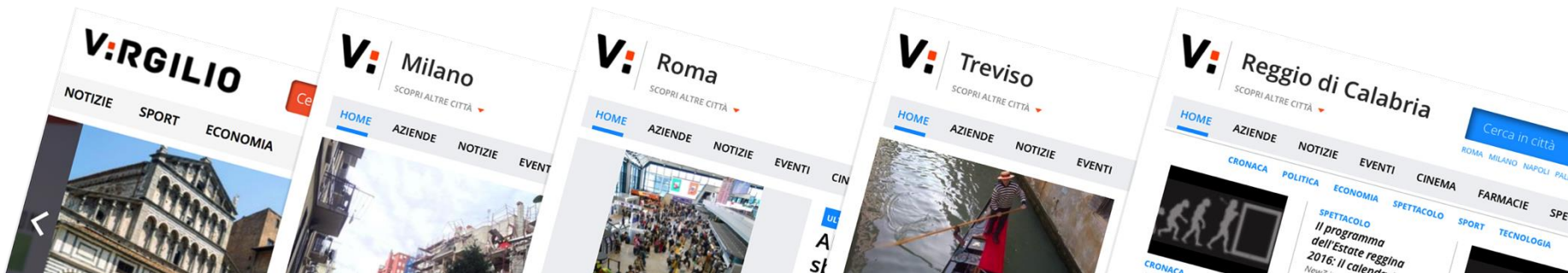
⁽¹⁾ Source: Audiweb View, powered by Nielsen, TDA Avg. last 12 months | Mar.2018 - Apr 2017 | ⁽²⁾ Source: internal data, 90 days active mailboxes, Avg. last 12 months | Mar .2018 - Apr 2017

AUDIENCE PLATFORM

17.6 mln
MAUs ⁽¹⁾



9.7 mln
FREE SUBSCRIBERS⁽²⁾



11.8 mln
Unique Audience ⁽¹⁾



36.4%
Market Reach ⁽¹⁾



0.4 bln
Page Views ⁽¹⁾



1.8 mln
Active Subscribers ⁽²⁾



0:26 h
Average Time Spent ⁽¹⁾
Per Person

(1) Source: Audiweb View, powered by Nielsen, TDA Avg. last 12 months | Mar. 2018- Apr. 2017 | (2) Source: internal data, 90 days active mailboxes, Avg. last 12 months | Mar.2018 - Apr. 2017

Innovative content factory based on internet trends



Data Driven Publishing

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



Content Factory

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

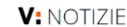


Engagement

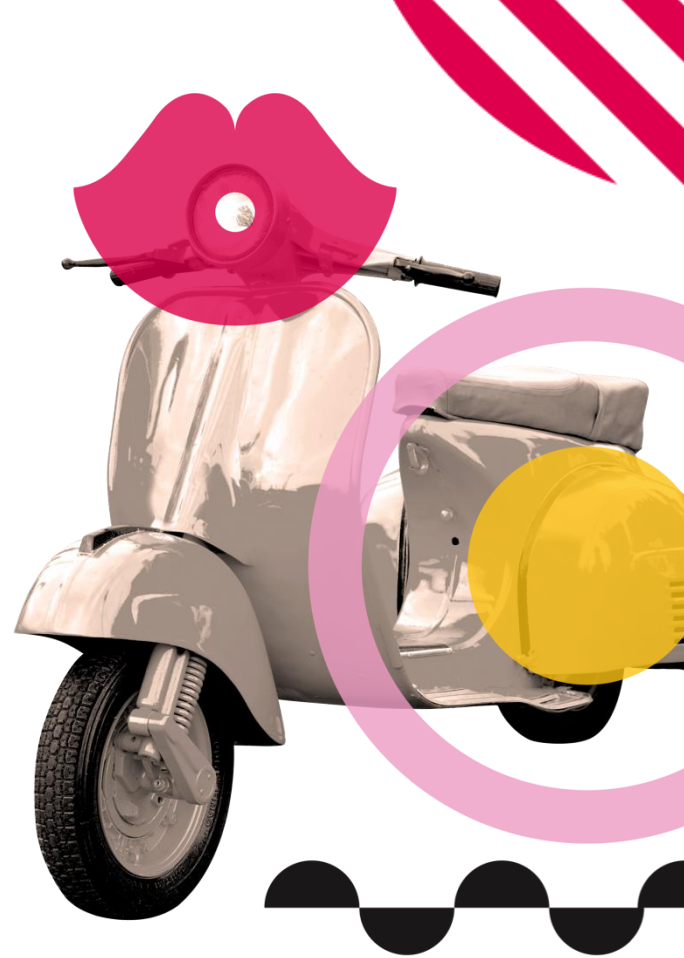
Proprietary tools for optimizing **engagement** rate and making contents go viral



OUR VORTALS



H1 2018 Financial Overview



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;

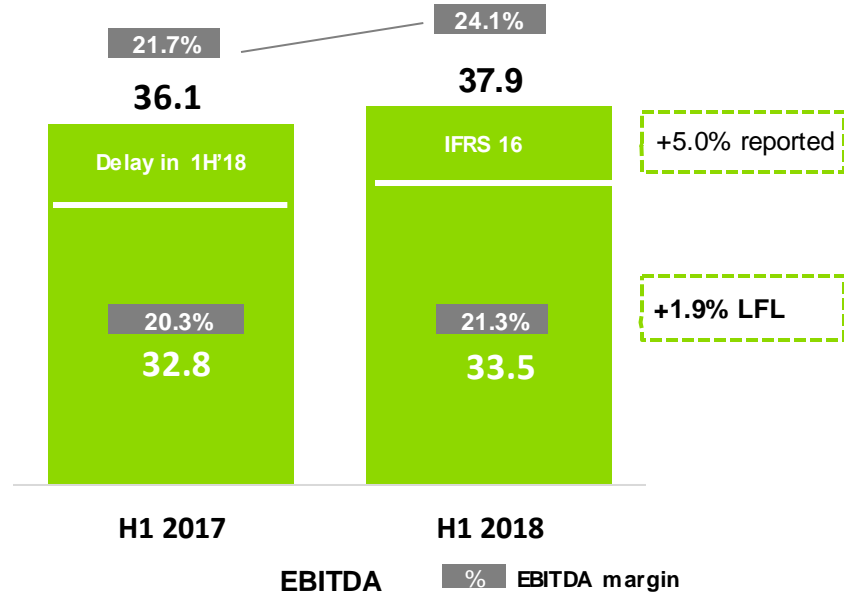
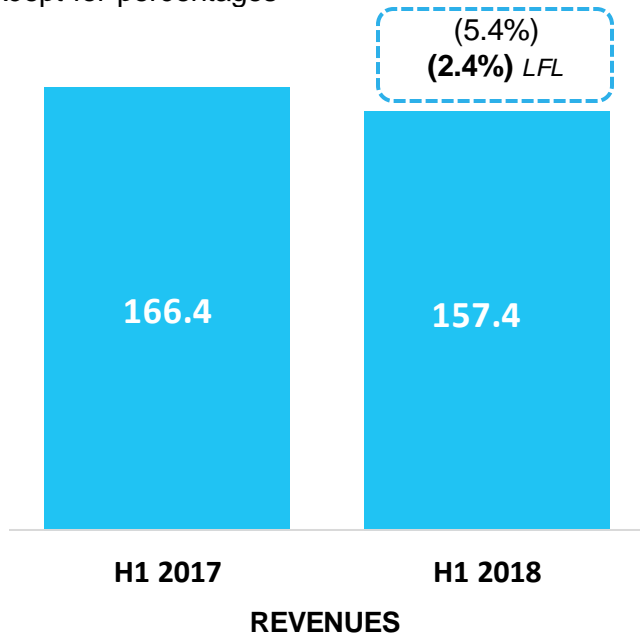
(3) EBIT before non recurring (€ 0.8 m) and net restructuring costs (€26.8 m)

(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 | Revenues and EBITDA still good profitability

€ mln, except for percentages



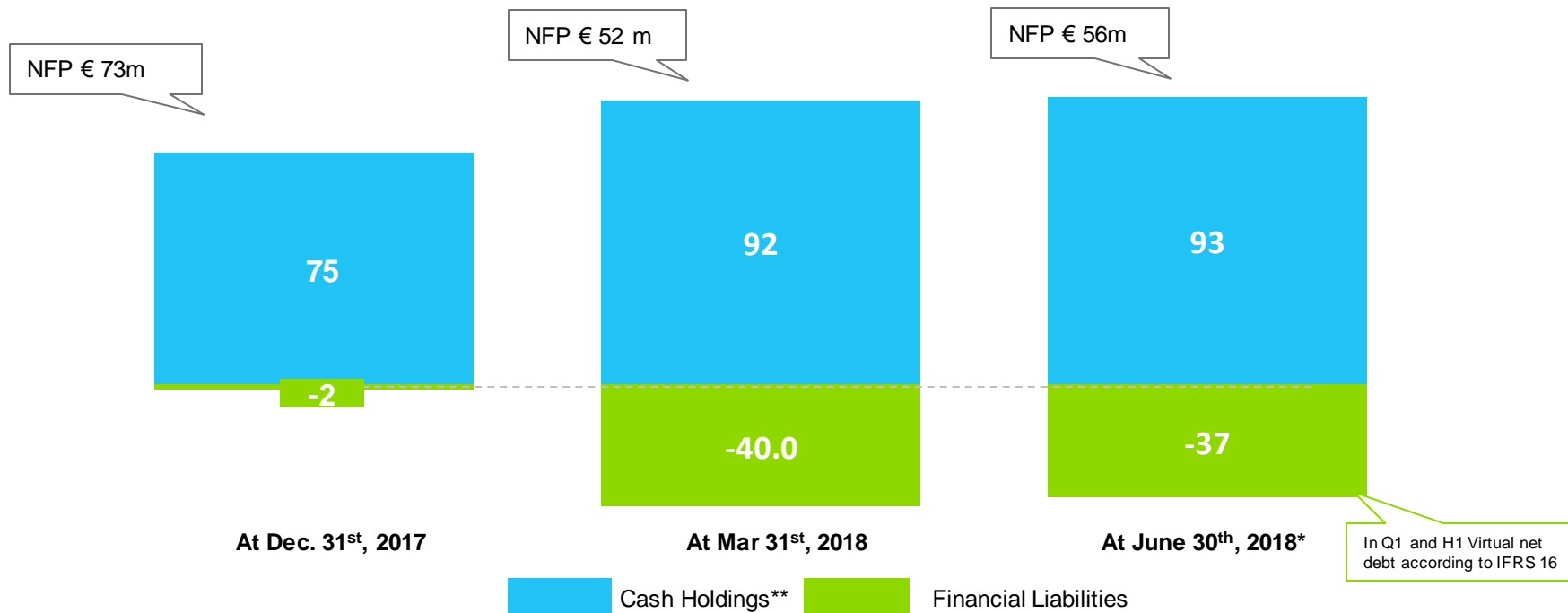
- **H1 2017** Like for like : Revenues (€ 161.3 m) and EBITDA (€32.8 m) excluding directories not delivered in H1 2018 due to disturbances after the announcement of the Company's Reorganization Plan, to be recovered in Q3 2018
- **H1 2018** Like for like: EBITDA (€ 33.5 m) net of IFRS € 4.5 m effects

H1 2018 | From EBITDA to Net Result



H1 2018 | NFP good cash generation

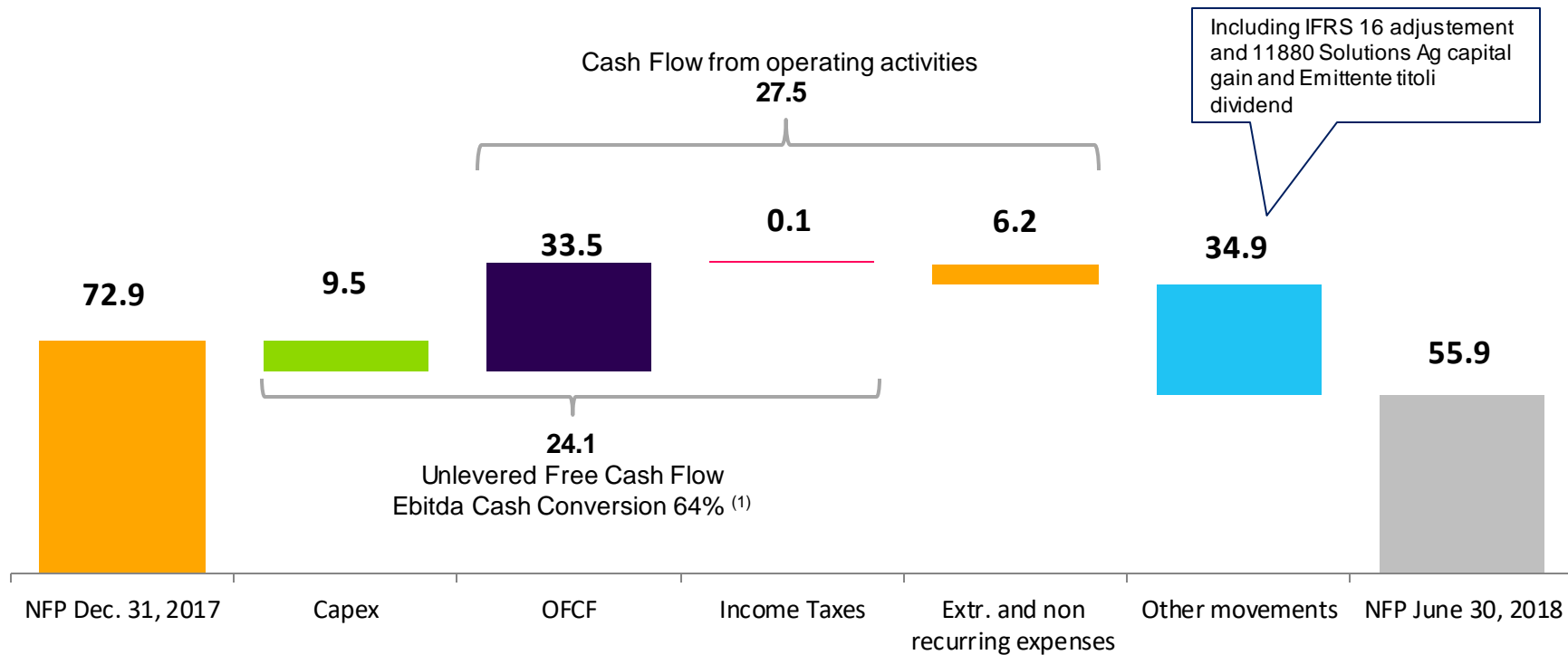
€ Million



*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 (virtual net debt at 30 June 2018 according to IFRS 16 equal to €37 million)

** Includes Cash and Current financial receivables from third parties

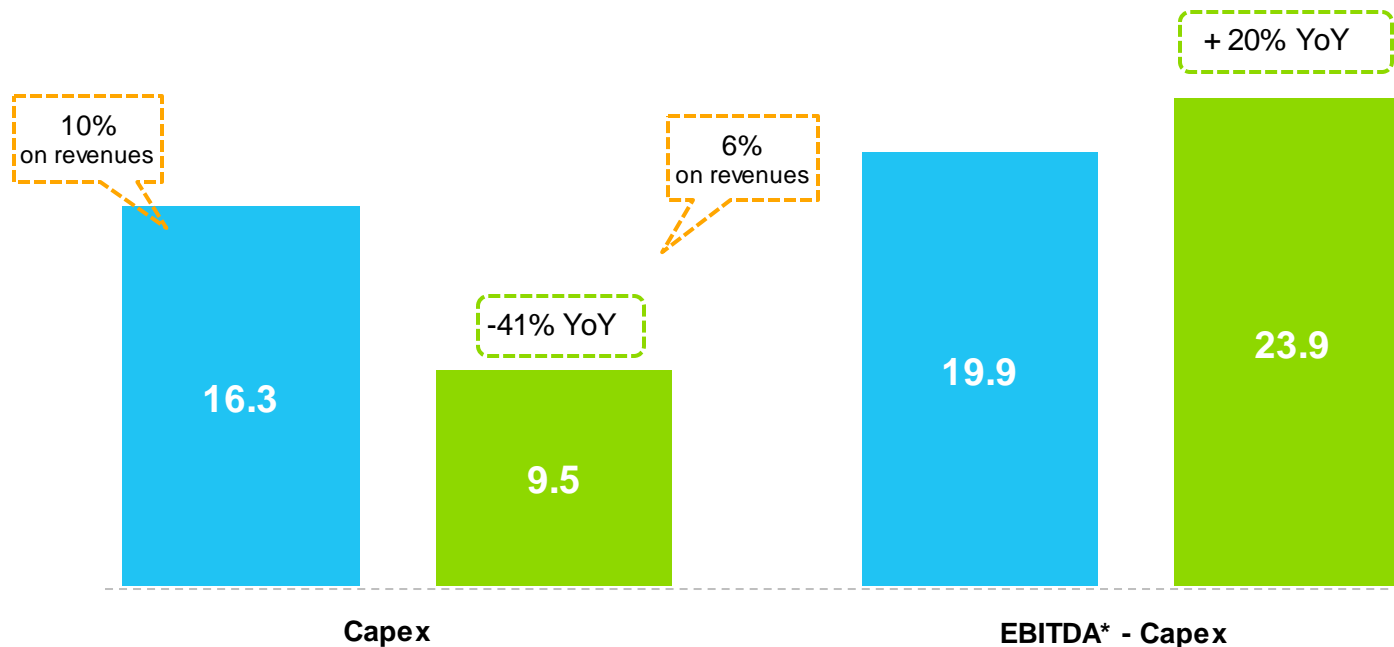
H1 2018 | Change in Net Financial Position



(1) Cash conversion = Unl FCF / EBITDA

H1 2018 | Capital Expenditures & EBITDA

€ mln



*EBITDA H1 2018 Net of IFRS 16 effects

■ H1 2017 ■ H1 2018

Tax assets update



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

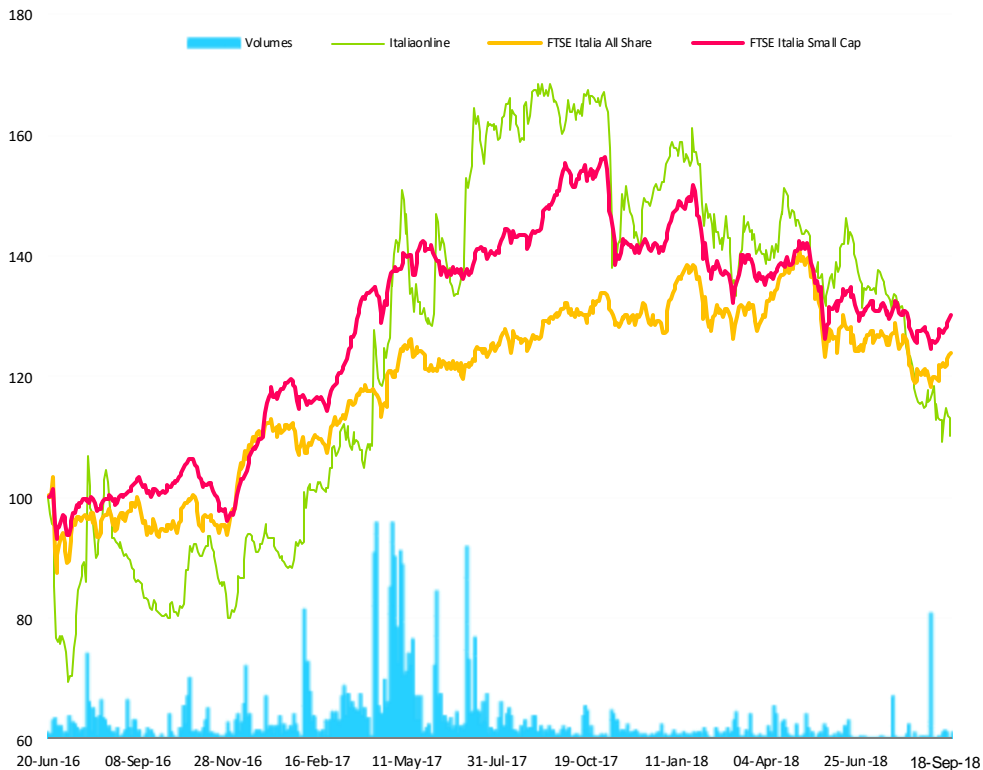


Tax assets as of 30 June 2018 about €799 m



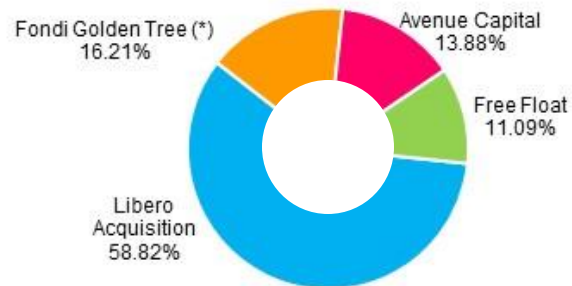
Italiaonline Share

IOL versus indices: June 20, 2016 – Sep. 18, 2018



Source: Thomson Reuters EIKON

Shareholders structure

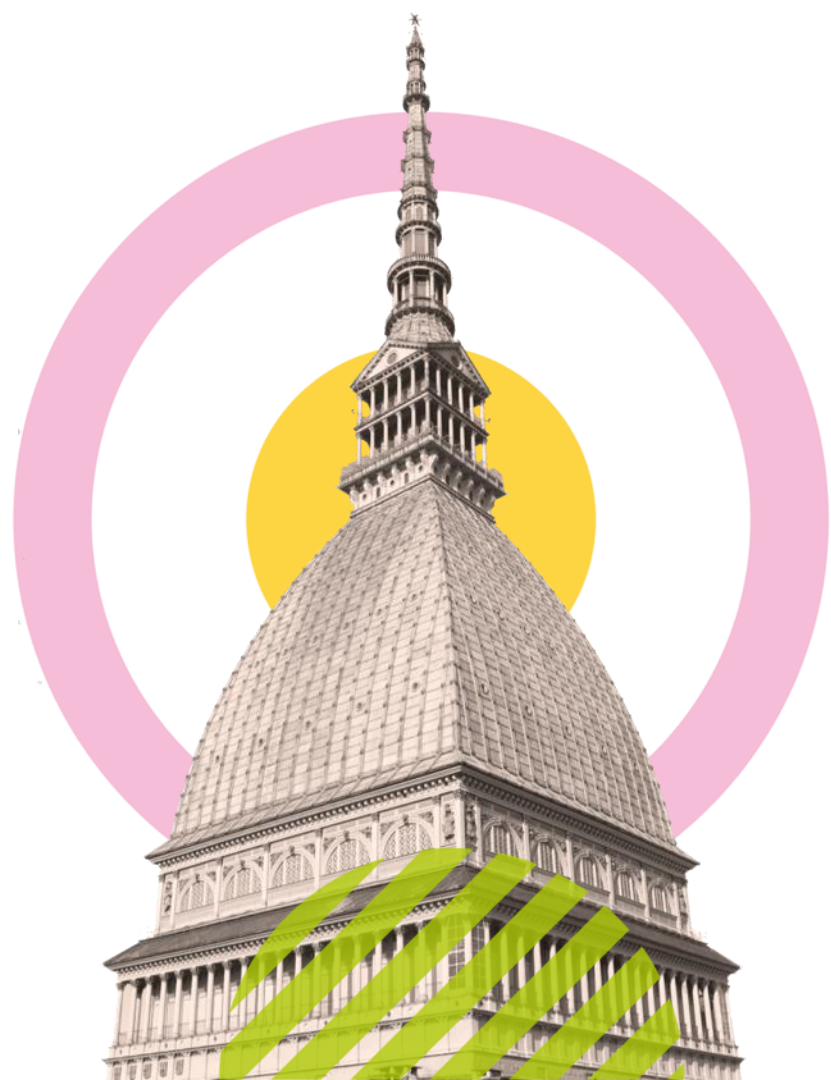


(*) GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners L.P., GT NM L.P. e San Bernardino County Employees Retirement Association

Share data as of September 18, 2018

| MARKET | MTA |
|---|---------|
| NOSH Ord (€mln) | 114.8 |
| PRICE (€) | 2.31 |
| MKT CAP Ord (€mln) | 265.098 |
| PERFORMANCE (YTD) | -26% |
| RELATIVE PERF.vs FTSE Italia All Share (YTD) | -23.0% |
| AVG DAILY VOLUMES YTD (€) | 77,309 |
| Saving Share: NOSH 6.803 Closing Price (€) 362 Market Cap (€ mln) 2.5 | |

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

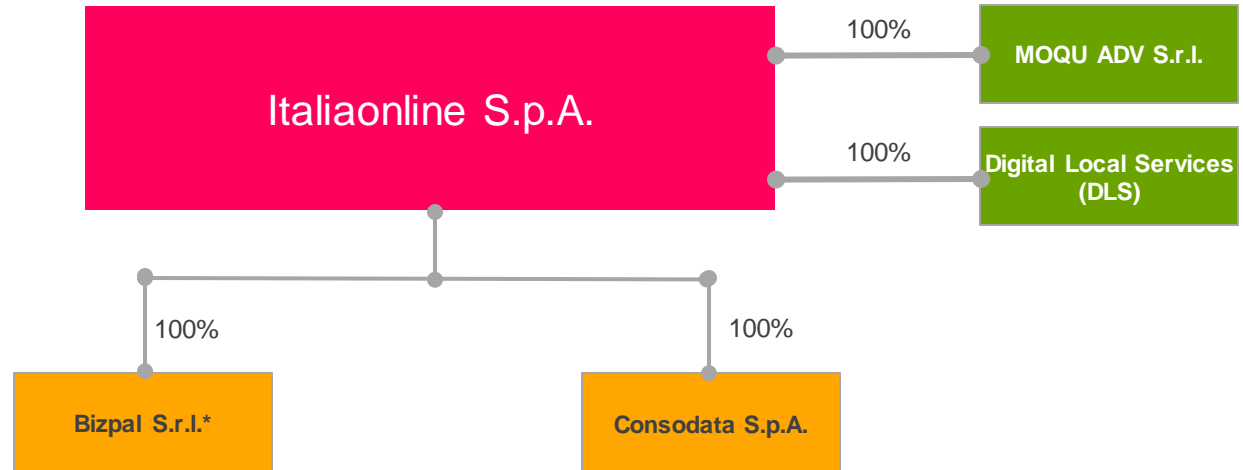
Best in class management

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

Appendix



Group Structure as of YE 2017



* ex Pronto Seat S.r.l.



Chiara Locati – IR Director

21 yrs of Experience



+ 39 349 8636553

chiara.locati@italiaonline.it