



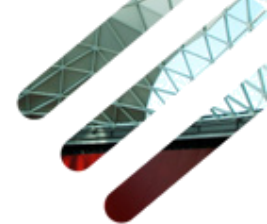
**FIERA MILANO**

**1<sup>st</sup> Quarter 2019 Consolidated Results**

# **FIERA MILANO GROUP**

CONFERENCE CALL – 8 May 2019

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Highlights



Financial Results



Business outlook



# HIGHLIGHTS



In the first quarter 2019, a **positive business performance**, in line with expectations and far higher than the 2017 comparable year, significantly offset the less favourable exhibition calendar of the period

- **Net exhibition space occupied in Italy:** 478,450 square metres (30% from directly organised exhibitions), compared to 530,315 square metres in 1Q18
- 1Q19 Consolidated quarterly revenues of **Euro 71.0 million** (Euro 77.3 million in 1Q18)
- 1Q19 consolidated **EBITDA: Euro 29.0 million** (Euro 19.7 million in 1Q18)
- 1Q19 consolidated **EBIT: Euro 17.5 million** (Euro 18.2 million in 1Q18)
- Consolidated **profit before tax:** Euro 14.1 million (Euro 18.1 million in 1Q18)
- Consolidated **net cash (pre-IFRS 16):** Euro 60.1 million (Euro 23.7 million at 31 December 2018)

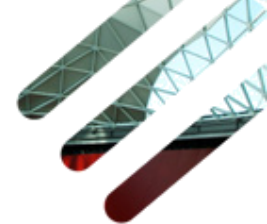
*Income statement and statement of financial position figures for the first quarter 2019 included the effects of the new accounting standard IFRS 16 – Leases*



## EVENT AFTER THE END OF THE PERIOD



- Today **Fiera Milano** and the **Controlling Shareholder Fondazione Fiera Milano**, owner of the exhibition sites, reached an agreement on the rental fee of the **fieramilanocity** exhibition site
- **The rental fee will be reduced by Euro 1.5 million a year**, on the current rental fee of Euro 2.9 million a year, starting from 1 June 2019
- All the other terms of the rental contract remain unchanged

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# IFRS 16 IMPACT

- As of 1 January 2019, the new IFRS 16 Leases accounting standard eliminates the distinction between operating leases and finance leases for a lessee
- As allowed by the standard, the comparative periods have not been restated (modified retrospective approach)

IMPACT ON BALANCE SHEET 31/03/2019 (€m)	
Capital employed	↑ 514.0
Net Financial Position	↓ 514.0

IMPACT ON INCOME STATEMENT 1Q19 (€m)	
Cost of use of third-party assets	↓ 12.1
EBITDA	↑ 12.1
Amortisation	↑ 10.2
EBIT	↑ 2.0
Financial Expenses	↑ -3.5
Profit before income tax	↓ -1.6

# ITALIAN EXHIBITIONS



## Net sq. metres of exhibition space

Exhibitions	1Q19	1Q18
Directly organised	93,050	115,360
Organised by 3rd parties	278,310	284,145
<b>Total annual exhibitions</b>	<b>371,360</b>	<b>399,505</b>
Directly organised	51,150	-
Organised by 3rd parties	45,935	118,855
<b>Total biennial exhibitions</b>	<b>97,085</b>	<b>118,855</b>
<b>Total exhibitions</b>	<b>468,445</b>	<b>518,360</b>
Congresses with related exhibition area	10,005	11,955
<b>Total</b>	<b>478,450</b>	<b>530,315</b>

- Presence of the **biennial exhibitions** Made Expo and Transpotec & Logitec that only partially offset the absence of Mostra Convegno Expocomfort

# ITALIAN EXHIBITION BUSINESS



Italian Exhibition Business	1Q19	1Q18
<b>Revenues (€m)</b>	<b>63.0</b>	<b>69.8</b>
<b>EBITDA (€m)</b>	<b>24.6</b>	<b>18.2</b>
% on revenues	39.1%	26.0%
<b>EBIT (€m)</b>	<b>14.5</b>	<b>17.2</b>
% on revenues	23.1%	24.6%

- The trend of revenues is mainly attributable to the exhibition calendar
- The trend of EBITDA is primarily related to the IFRS 16 effect (Euro 11.1 million) and to the good commercial performance that has mostly compensated the effects of the less favorable exhibition calendar in the quarter under review

Gross of adjustments for inter-segment transactions



# FOREIGN EXHIBITION BUSINESS



Foreign Exhibition Business	1Q19	1Q18
Revenues (€m)	0.8	0.9
EBITDA (€m)	2.3	1.8
% on revenues	286.5%	199.9%
EBIT (€m)	2.2	1.7
% on revenues	271.8%	188.5%

- 4 exhibitions (unchanged compared to 1Q18) and 95,410 net square metres of exhibition space occupied in 1Q19 (97,845 square metres in 1Q18)
- The trend in revenues reflected the exhibition calendar
- Margins benefitted from the higher results of the Chinese joint venture

Gross of adjustments for inter-segment transactions

# MEDIA



Media	1Q19	1Q18
Revenues (€m)	2.7	2.9
EBITDA (€m)	0.3	0.1
% on revenues	9.5%	2.8%
EBIT (€m)	0.2	0.0
% on revenues	7.3%	0.5%

- The trend in revenues was mainly attributable to lower billboard advertising because of the different exhibition calendar
- The improvement of margins was mainly due to the optimization of production of technical publications

Gross of adjustments for inter-segment transactions

# CONGRESSES



Congresses	1Q19	1Q18
Revenues (€m)	6.9	6.5
EBITDA (€m)	1.8	(0.4)
% on revenues	25.7%	-5.5%
EBIT (€m)	0.6	(0.7)
% on revenues	8.7%	-10.8%

- The year-on-year increase in quarterly revenues reflected the presence of important international congresses and conventions
- EBITDA benefitted from the IFRS 16 effect (Euro 1.0 million) and the improvement of revenues

Gross of adjustments for inter-segment transactions

# NET FINANCIAL POSITION

Consolidated Net Financial Position (€m)	31/03/19	31/12/18
<b>Cash &amp; cash equivalents</b>	<b>61.1</b>	<b>28.4</b>
<b>Current financial assets</b>	<b>2.1</b>	<b>0.0</b>
Current bank borrowings	0.0	0.0
Current portion of non-current debt	2.5	3.5
Other current financial liabilities	0.6	1.3
<b>Current financial debt</b>	<b>3.1</b>	<b>4.8</b>
<b>Net current financial debt (cash)</b>	<b>(60.1)</b>	<b>(23.6)</b>
<b>Non-current financial assets</b>	<b>0.1</b>	<b>0.1</b>
<b>Non-current financial debt</b>	<b>(0.1)</b>	<b>(0.1)</b>
<b>Net financial debt (cash) before IFRS 16 effects</b>	<b>(60.1)</b>	<b>(23.7)</b>
<b>IFRS 16 financial effects</b>	<b>514.0</b>	<b>0.0</b>
<b>Net financial debt/(cash) after IFRS 16 effects</b>	<b>453.8</b>	<b>(23.7)</b>

The improvement of the net financial position pre-IFRS16 is attributable to the positive cash flow in the quarter and the positive change in cash flows arising from net working capital, principally as a result of advances for exhibitions that are to take place in later quarters

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## BUSINESS OUTLOOK

- The positive performance of operations, also supported by the results of the exhibitions held in Italy after the end of the quarter, made it possible to confirm **the EBITDA target in the range of Euro 84-88 million** for the whole 2019

# FORWARD-LOOKING STATEMENT

Data and information herewith set forth are extracted from the press release relating to Fiera Milano Consolidated Interim Management Report to 31 March 2019 filed with the 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 Marco Pacini 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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# BACK-UP

# FINANCIAL OVERVIEW – INCOME STATEMENT

Consolidated Income Statement (€m)	1Q19	1Q18
<b>Revenues</b>	<b>71.0</b>	<b>77.3</b>
Cost of materials	0.6	0.8
Cost of services	29.7	32.8
Costs for use of 3rd-party assets	0.2	12.4
Personnel expenses	12.8	12.8
Other operating expenses	1.3	1.1
<b>Total operating costs</b>	<b>44.7</b>	<b>59.9</b>
Other income	0.5	0.9
Results of equity-accounted companies	2.3	1.6
Allowance for doubtful accounts and other provisions	0.2	0.1
<b>EBITDA</b>	<b>29.0</b>	<b>19.7</b>
Depreciation and amortisation	11.5	1.5
Adjustments to asset values	0.0	0.0
<b>EBIT</b>	<b>17.5</b>	<b>18.2</b>
Financial income/(expenses)	(3.5)	(0.1)
<b>Profit/loss before income tax</b>	<b>14.1</b>	<b>18.1</b>
<i>of which attributable to Shareholders of the controlling entity</i>	<b>14.1</b>	<b>18.2</b>

# FINANCIAL OVERVIEW – STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (€m)	31/03/19	31/12/18
Non-current assets	664.9	148.4
Net working capital	(97.6)	(73.1)
<b>Gross capital employed</b>	<b>567.3</b>	<b>75.3</b>
Non-current liabilities	16.8	16.9
<b>Total net capital employed</b>	<b>550.5</b>	<b>58.4</b>
<b>Equity</b>	<b>96.6</b>	<b>82.1</b>
<b>Net financial position</b>	<b>453.8</b>	<b>(23.7)</b>
<b>Equity and net financial position</b>	<b>550.5</b>	<b>58.4</b>