

Q1 2019 RESULTS

Conference Call, May 09th 2019

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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).

Financial Results

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Il numero uno dei portali italiani



Normalised Results



Starting from FY 2018 results, we have decided to highlight a “*normalised*” view of EBITDA and consequently of EBIT and Net Result, in order to isolate some normalised items and give more evidence to the effective profitability of our business. That allow us to more clearly describe you our performances, strategies and objectives for future years

- ✓ The **EBITDA *normalised*** figures commented in this presentation are net of normalised items* mainly due to the releases of accruals prudentially posted in the previous years for the restructuring process, following the merger between Italiaonline and former Seat PG
- ✓ The **EBIT** and **Net Results *normalised*** figures include EBITDA normalised effects and do not include restructuring and non-recurring costs

* Items not considered representative of the standard business operations and not to be considered for the purposes of a like-for-like comparison

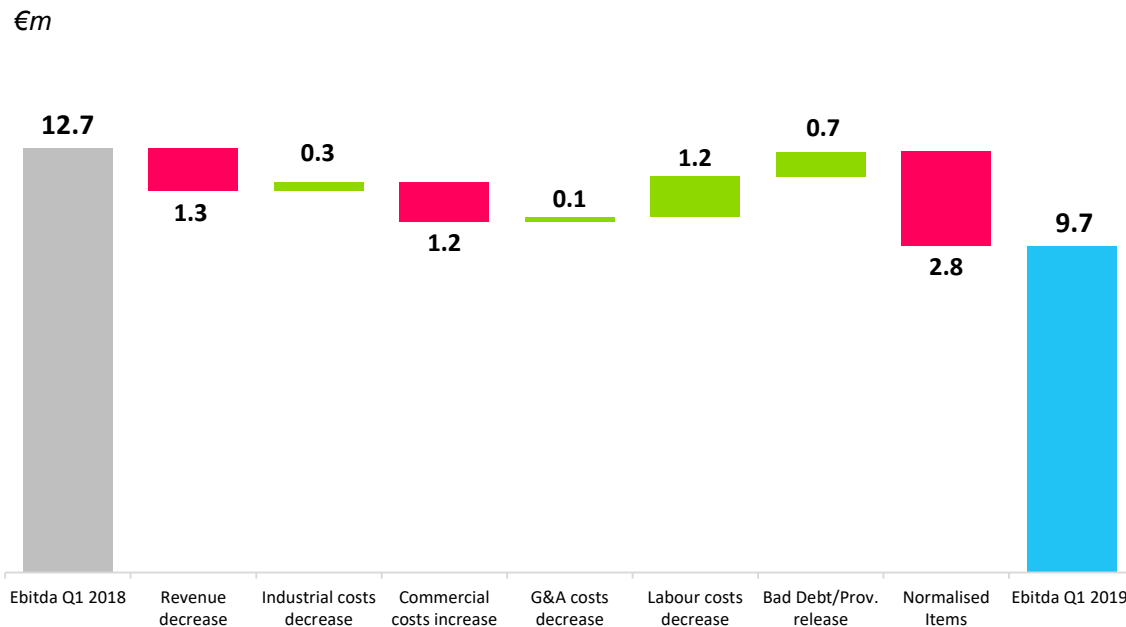
Q1 2019 Results | Reported and normalised figures

€ m	Q1 2018	Q1 2019	YoY % Change
Revenue	69.5	68.2	(1.8)%
o/w Digital revenue	57.8	60.4	+4.6%
EBITDA	12.7	9.7	(23.1)%
<i>Ebitda margin</i>	18.2%	14.3%	(4.0) p.p.
EBITDA normalised	8.7	8.6	(1.4)%
<i>Ebitda normalised margin</i>	12.5%	12.6%	+0.1 p.p.
EBIT	1.9	0.3	(82.0)%
<i>Ebit margin</i>	2.7%	0.5%	(2.2) p.p.
EBIT normalised	(1.9)	(0.7)	+64.1%
Net Result	3.9	0.4	(90.2)%
Net Result normalised	0.2	(0.7)	n.m.

HIGHLIGHTS

- Revenue -1.8% YoY, in line with guidance
- Digital Revenue + 4.6% YoY, thanks to both Advertising and Presence segment improvement
- EBITDA € 9.7 m vs € 12.7 m in 2018, the evolution is mainly due to higher normalised items in 2018 figure
- EBITDA normalised at € 8.6 m substantially in line with 2018
- EBIT normalised at € -0.7 m vs € -1.9 m in Q1 2018
- Net Result at € 0.4 m compared with €3.9 m in 2018 which benefitted from i) € 2 m Emittente Titoli's dividend and ii) € 1.3 m Capital Gain due to the disposal of investment in the 11880 Solutions AG

EBITDA Bridge Q1 2019 vs Q1 2018



HIGHLIGHTS

- Q1 2019 EBITDA reflects: the decrease in revenue and the increase in commercial costs, which were completing **offset by savings** in the other operating costs, excluding normalised items
- The increase in commercial costs is mainly due to a different timing in the distribution of commercial rewards during 2019 vs 2018, which boosted the Q1 2019 orders intake trend
- The Q1 2019 reported figure evolution was negatively effected by lower normalised items compared with Q1 2018

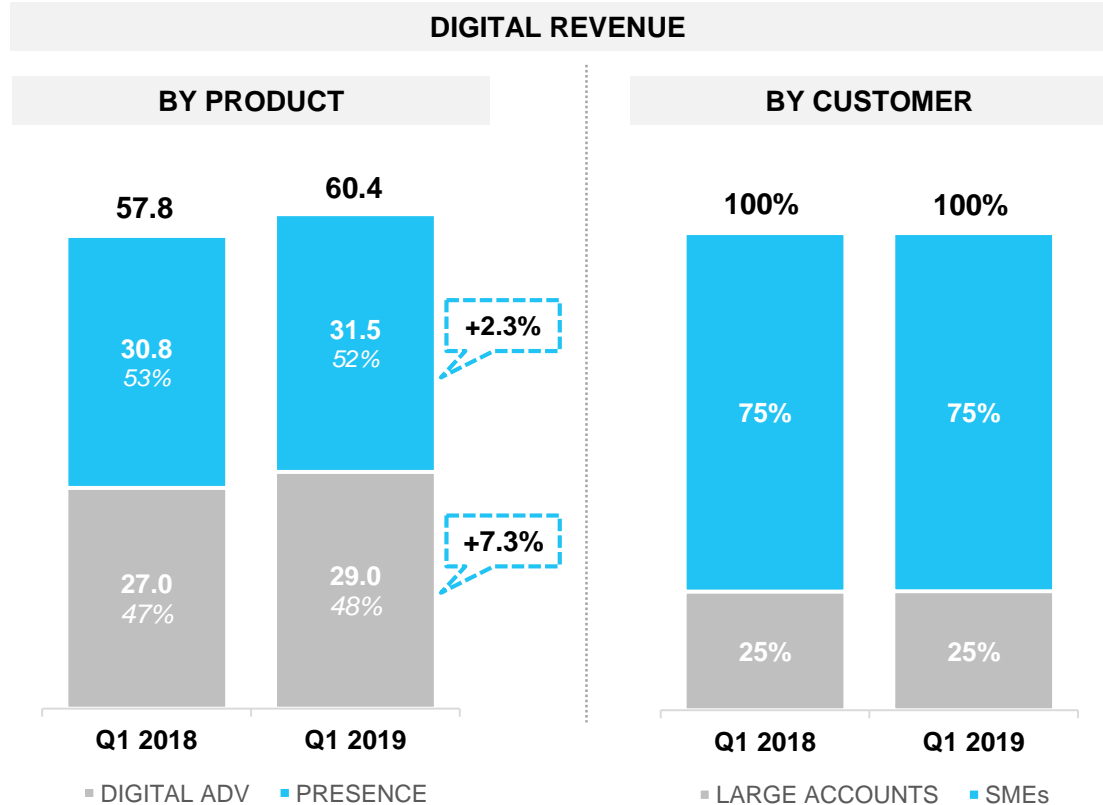
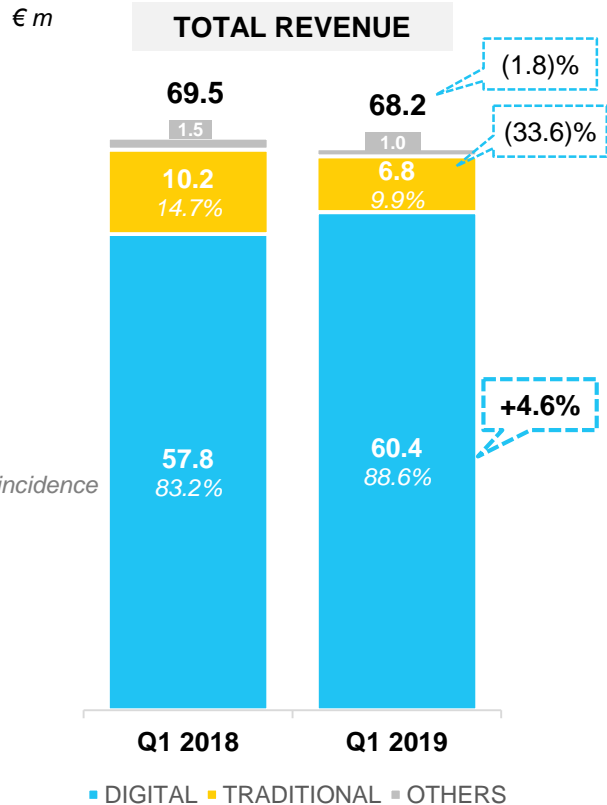
Q1 2019 Results | Still strong EBITDA cash conversion

€ m	Q1 2018	Q1 2019
EBITDA	12.7	9.7
Decrease (increase) in operating working capital	9.8	12.8
Capex	(5.1)	(9.3)
Other changes and movements	(0.2)	(0.7)
Operating FCF	17.1	12.5
Payment of income taxes	0.2	0.1
Unlevered FCF	17.3	12.6
<i>EBITDA cash conversion</i>	<i>136.7%</i>	<i>129.3%</i>
<i>EBITDA normalised cash conversion</i>	<i>198.9%</i>	<i>146.6%</i>
Payment of non-recurring and restructuring costs	(2.8)	(25.1)
Dividend distribution	0.0	0.0
Payments IFRS 16	(1.1)	(2.6)
Other movements	3.5	0.2
Net cash flow	16.9	(15.0)
Cash holdings EoP	91.4	86.1
Net financial position	52.2	55.8
-o/w IFRS 16 Financial liabilities	39.9	30.4
-o/w Other Net Financial Liabilities/ (Assets)	(0.7)	(0.1)

HIGHLIGHTS

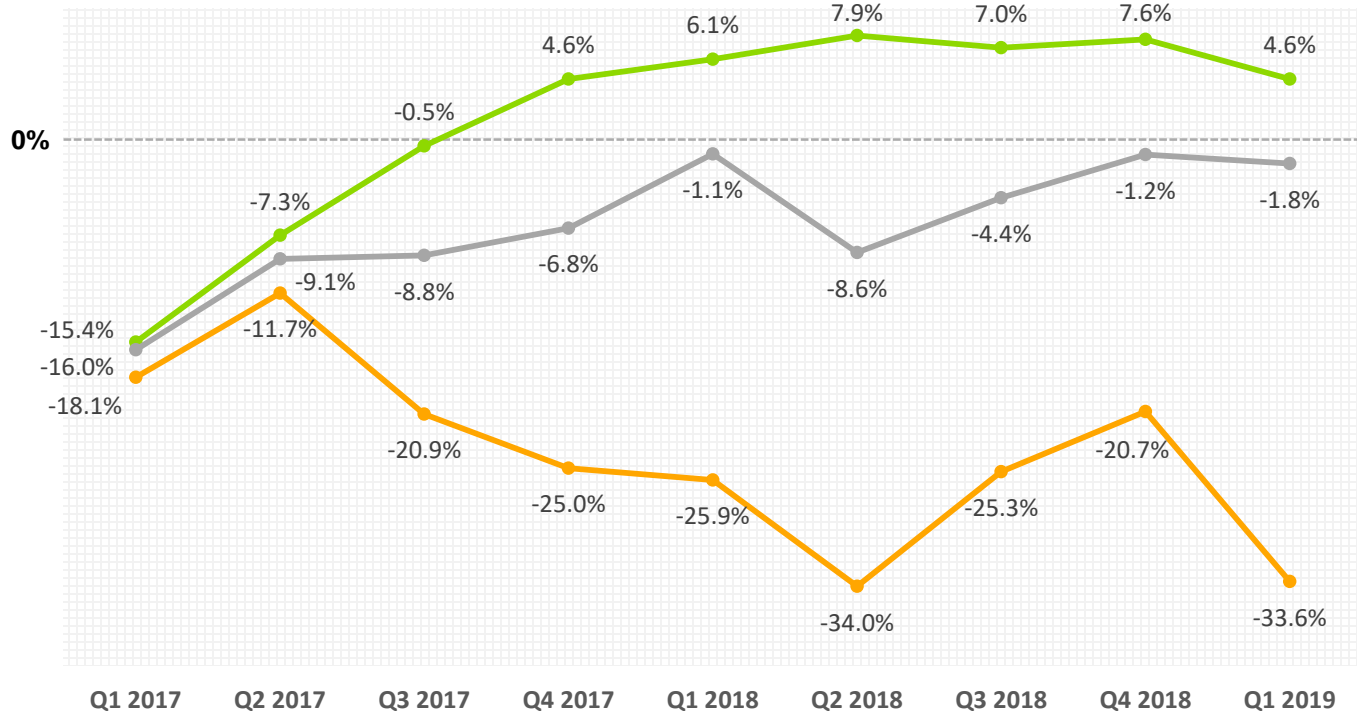
- The Unl FCF evolution vs Q1 2018 reflects higher Capex, due to some non recurring investments, only partially offset by positive NWC change
- Cash Conversion of normalised EBITDA still high at **146.6%**
- Q1 2019 Payment of non recurring and restructuring costs include:
 - i) the cash out for restructuring costs mainly due the Agreement with Union Trades. The restructuring costs, already accounted in 2018, were completely paid by Q1 2019
 - ii) €6 m cash in due to the positive outcome of a dispute with Revenue Agency
- Q1 2019 Cash Holdings still at € 86 m (€ 101 m in FY 2018), despite the cash out for the restructuring process

Q1 2019 Revenue Overview

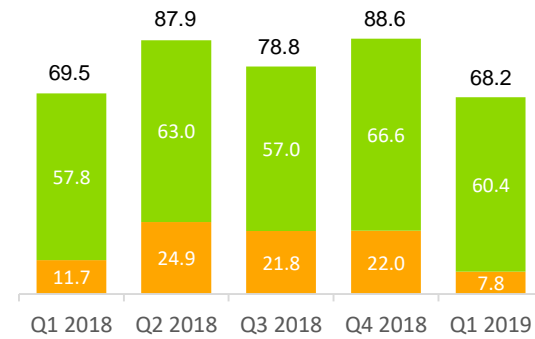


Revenue by quarter | Digital growth boosts Total Revenues trend

YoY %



Revenues, € Million



Total

Q1 2019
-1.8% YoY

Digital

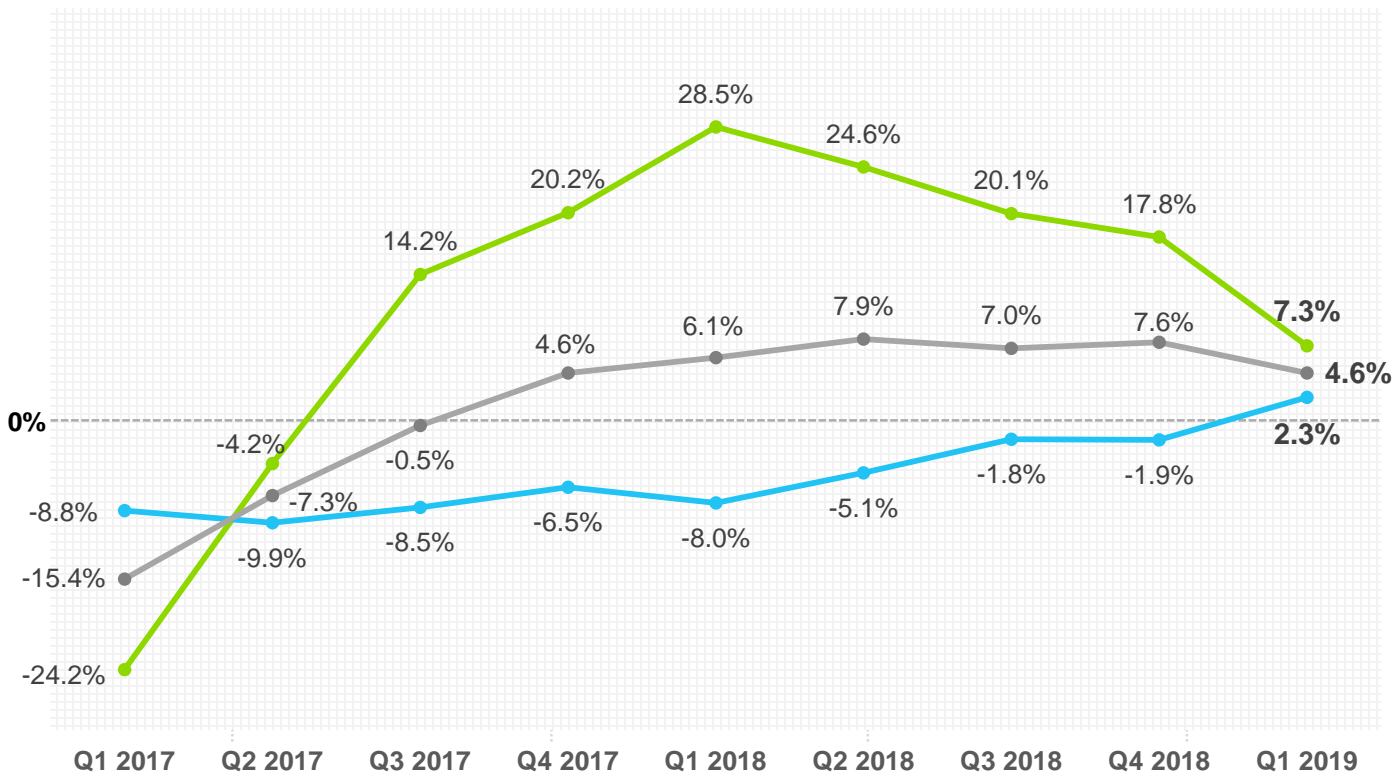
Q1 2019
+4.6% YoY

Traditional
& Others

Q1 2019
-33.6% YoY

Digital Revenue Trend by quarter | Presence starts growing

YoY %



Digital Advertising:

High single digit growth

Presence:

Return to growth in Q1 2019, the first quarter with a positive YoY performance since 2016

Total Digital:

Middle single digit growth in line with the 2019 guidance

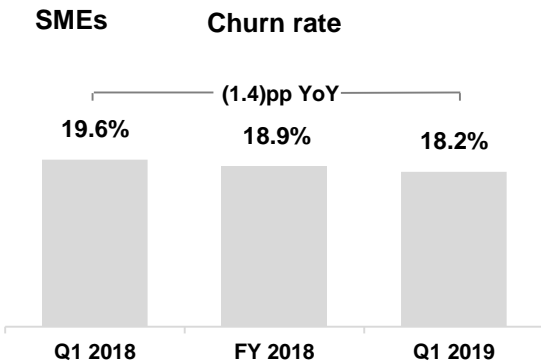
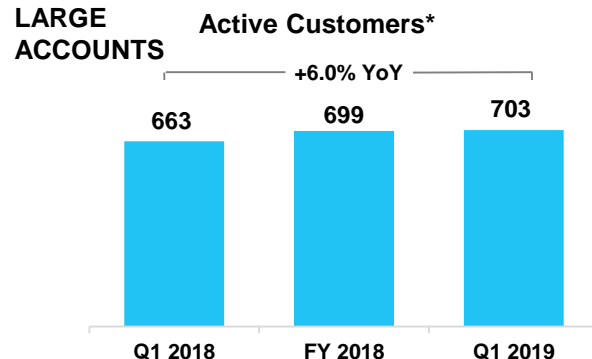
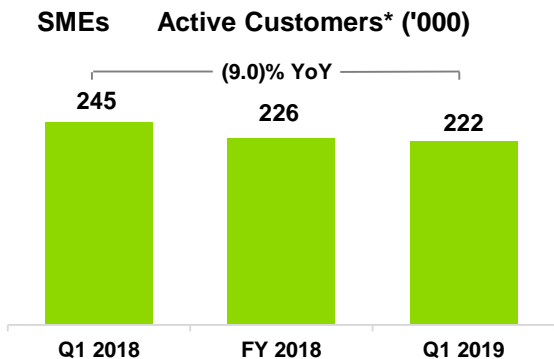
KPIs | Business Customers

iOL | Connect

iOL | Website

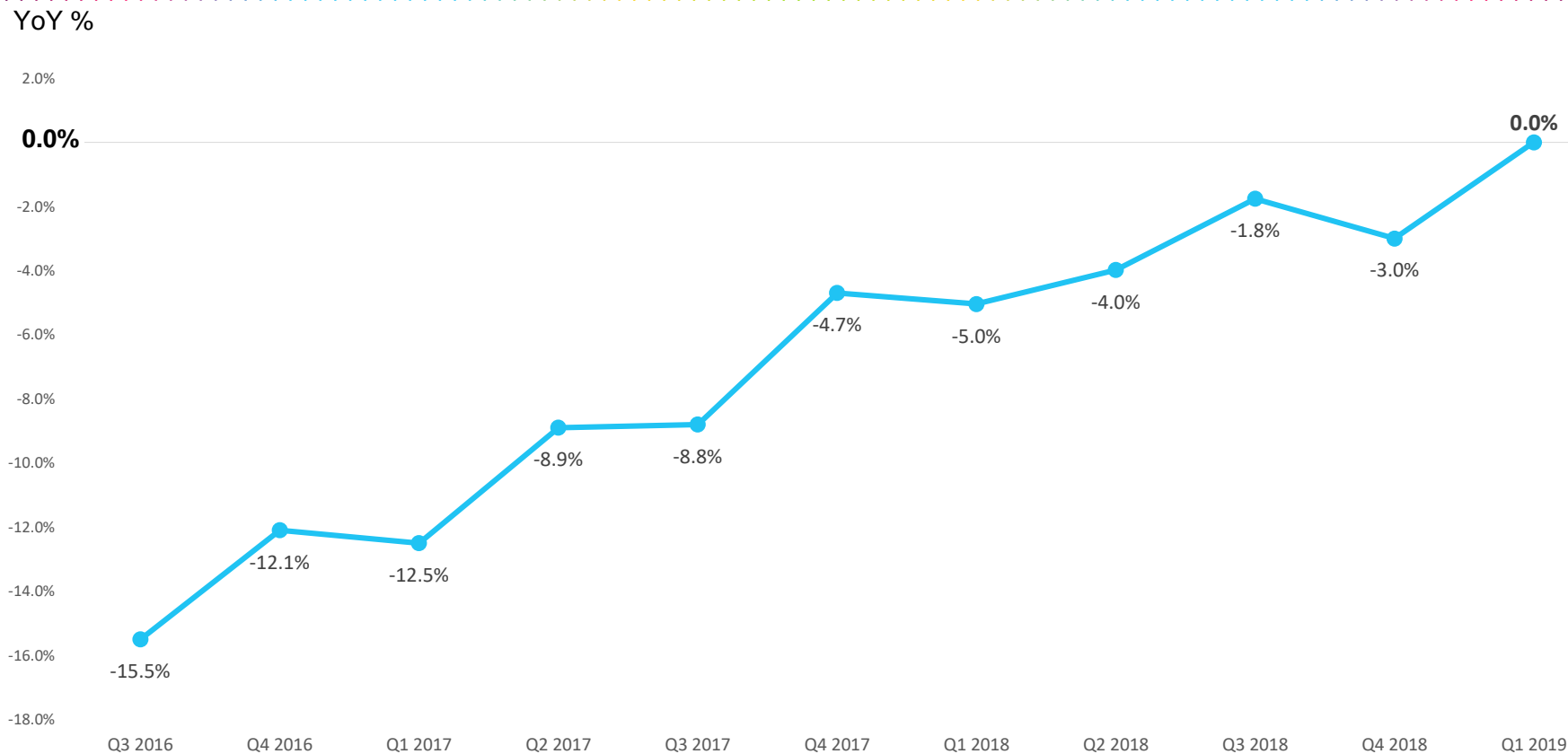
iOL | Audience

iOL | Advertising



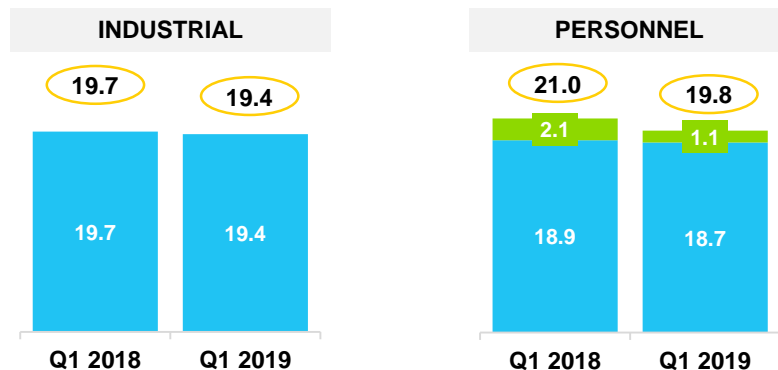
- The **SMEs** CB reduction has been partially offset by the increase in average **ARPA**
- Reduction in **Churn Rate** (-1.4 pp vs Q1 2018) thanks to enriched product offering and caring activities
- In Q1 2019, **57%** of SMEs Customers (new and renewed) signed contracts with **automatic renewal**
- Improvement in LA Customers is due to **enriched** advertising offer and partnerships signed in 2018

Q1 2019 SME Order Intake | The first quarter in balance since 2016



Q1 2019 Operating costs analysis | normalised view

€ m

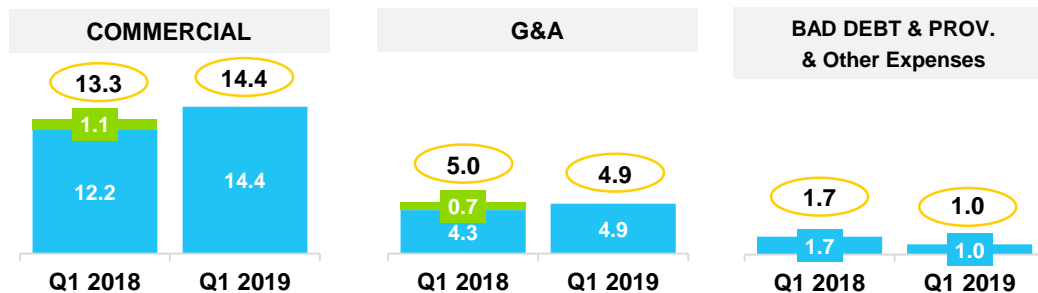


HIGHLIGHTS

- The charts show the **normalised costs** with the evidence of the break down between reported costs and normalised items
- The slight increase in Industrial costs incidence on revenue, despite a reduction in absolute value, is due to Revenue Shares with third parties for some digital products.
- The personnel costs were € 1.2 million lower than Q1 2018, thanks to the first effects of re-organization process carried out in 2018
- The increase in Commercial costs incidence is due to a different timing in the distribution of commercial rewards during 2019 vs 2018, which boosted the Q1 2019 orders intake trend
- G&A were substantially in line with 2018
- Bad Debt and provisions were about € 0.7 m lower than Q1 2018, thanks to an improvement in Credits quality

on revenue

28.3% 28.5% 30.3% 29.1%



on revenue

19.1% 21.2% 7.2% 7.2% 2.5% 1.5%

REPORTED COSTS NORMALISED ITEMS RELEASES AND 2017 IFRS 16 NORMALISED COSTS

Workforce and Sales network evolution

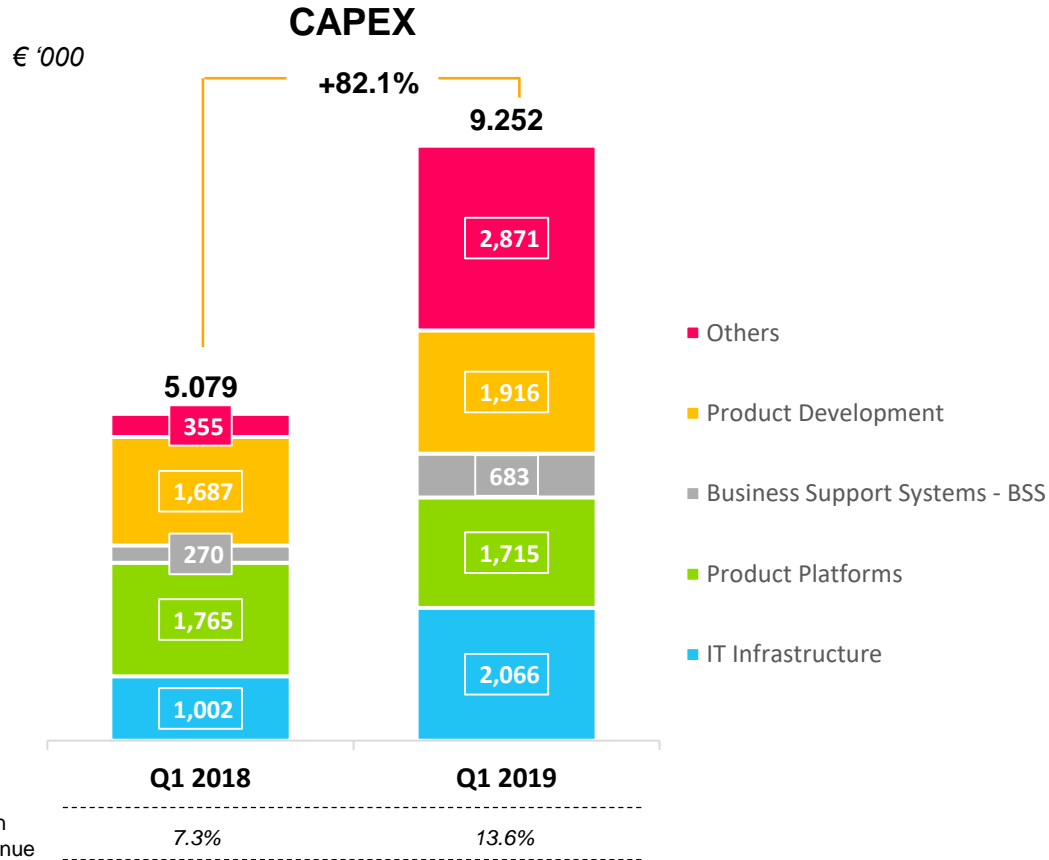


Workforce & Sales Network				
#	FY 2017	Q1 2018	FY 2018	Q1 2019
Workforce*	1,830	1,825	1,675	1,416
Agents	776	727	664	687
Agencies	63	63	55	54

* Workforce (including Directors) at the end of the period.
o/w in CIGs: n 243 in 2017 n 239 at 31 March 2018 and 293 at 31 December 2018



Q1 2019 Capex increased vs Q1 2018



HIGHLIGHTS

In Q1 2019 Capex was € 4.2 m higher than Q1 2018 mainly due to:

- Higher (€1.0 m) IT Infrastructure Capex for the IT project “*Changing IOL*” (in particular Salesforce) started in the second half of 2018
- A slight increase in investment for Business support systems and in development costs which include R&D
- A € 2.5 m increase in Others Capex due to the periodic renewal of software licenses

Business Highlights

VIRGILIO

Il primo portale
internet nato in Italia



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Q1 2019 Business highlights



- Improvement of **digital offer** to SMEs continues

iOL | Connect

iOL | Website

iOL | Audience



- **Digital Factory**: started in Q1 2019 the insourcing of web presence production

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- **Partnerships** signed in 2018 and the enriched offer boost **iOL | Advertising** performances and customer base
- Italiaonline confirmed to be the **Italian leading internet company** thanks to its web properties daily audience⁽¹⁾

(1) Source: Audiweb Database, Feb 2019 | Google, Facebook and Microsoft are not in Audiweb Database | TDA – Total Digital Audience | DAUs – Daily Active Users

PG Casa | a successful digital marketplace for home services



NEW WEBSITE LAUNCHED IN JUNE 2018 BECAME THE # 2 MARKETPLACE FOR HOME SERVICES IN ITALY * ... AND IS STILL GROWING

Q1 2019 KPIs



25 k TOT LEADS**

8x Q1 2018 | +15% vs. Q4'18



8.3 m PVs

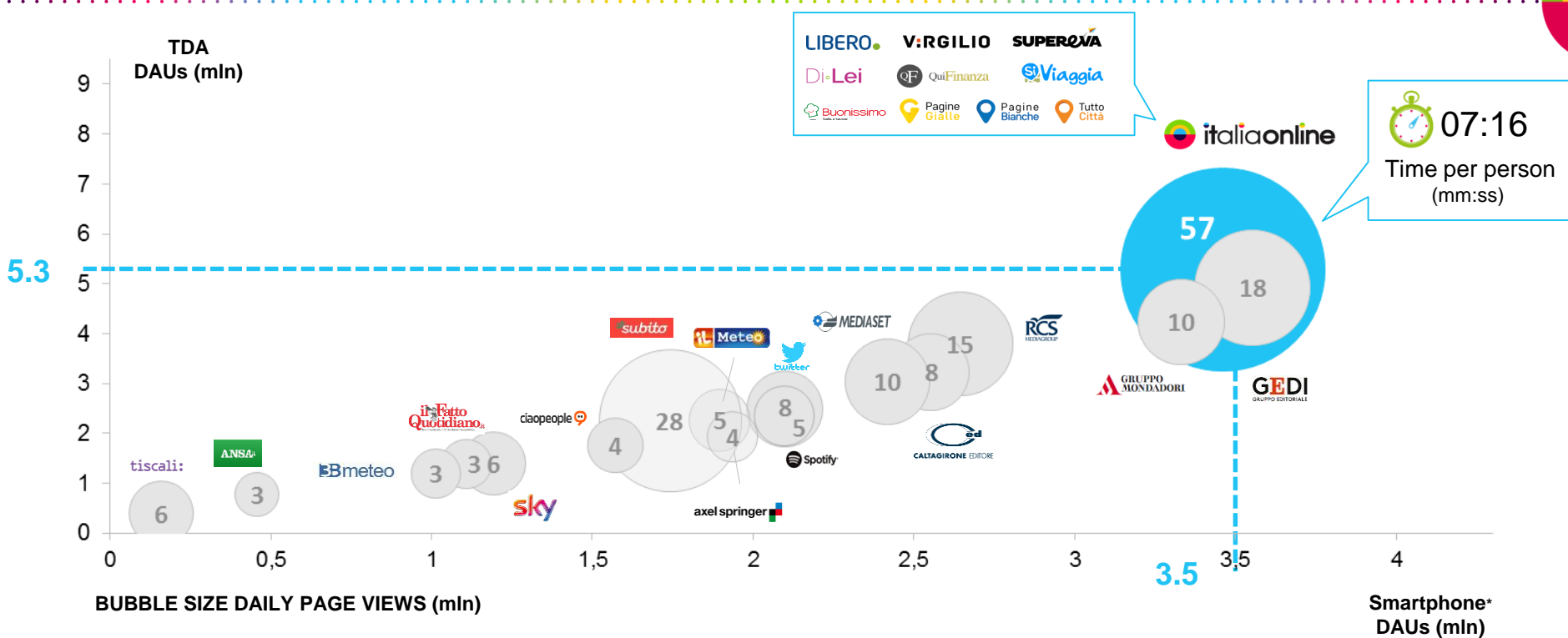
3x Q1 2018 | +13% vs. Q4'18



9.7% CONVERSION RATE***

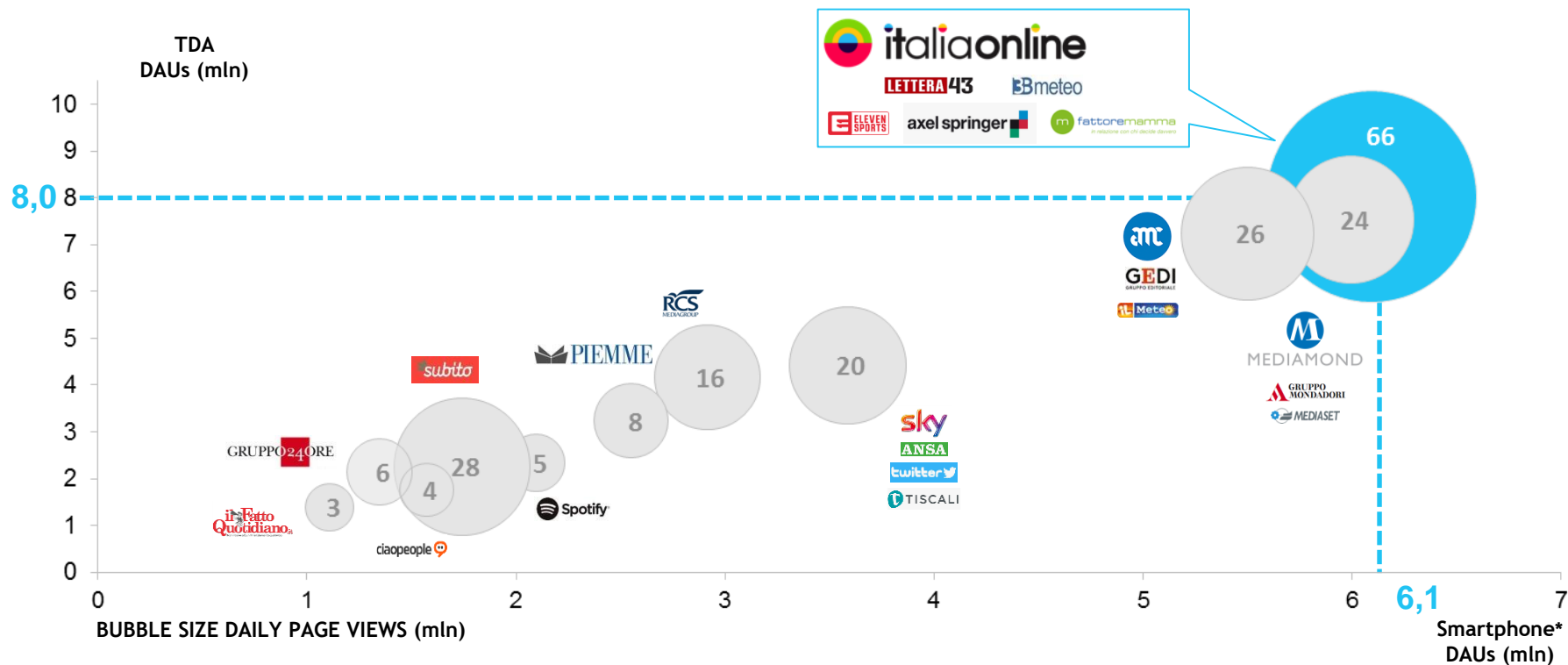
(vs. 5.5% Q1 2018)

Italiaonline properties: top market audience



Source: Audiweb Database, powered by Nielsen, February 2019 | Google, Facebook and Microsoft are not in Audiweb Database
 Note: TDA – Total Digital Audience | DAUs – Daily Active Users
 * New Audiweb 2.0 survey: "mobile" data split between smartphone and tablet audience

Daily Audience | February 2019



source: Audiweb DB, Powered by Nielsen | Unique Audience (mln) - Daily data, Top Ten Custom Property (February 2019)

*Nuova rilevazione Audiweb 2.0: split dei dati "mobile" tra audience da smartphone e audience da tablet

KPIs | Market Reach | IOL Digital Properties KPIs

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Pagine Gialle

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Italia, a tavola!

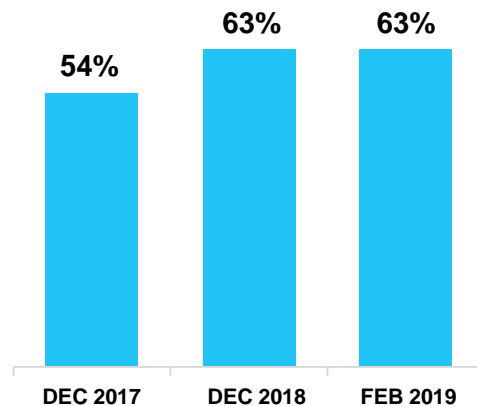
DiLei

Pagine Bianche

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TOT Market Reach*

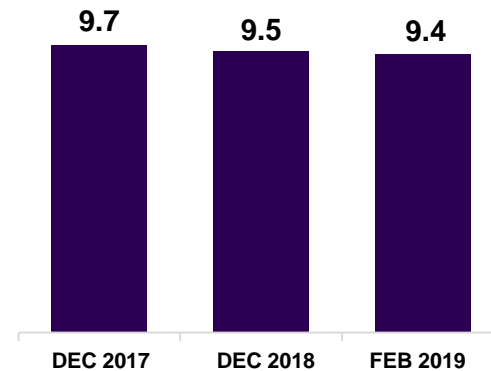


Since April 2018 Audiweb 2.0 new methodology

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Email Accounts (mln)**



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May 8, 2019

*2017: Audiweb 1.0 and 2018: Audiweb 2.0, figure are not comparable

** 90 days active account, Libero and Virgilio Mail

Guidelines 2019-2021

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L'home service
su misura



2019 - 2021 guidelines

REVENUE

DIGITAL REVENUE CAGR 2018 - 2021 [+4.5% ÷ +5.5%]
TOT REVENUE CAGR 2018 - 2021 [-1% ÷ +1%]

EBITDA

2021 EBITDA normalised 17% ÷ 20%

CAPEX

CAPEX at about 6.5% ÷ 8% of revenue

CASH CONVERSION

2019 – 2021 EBITDA Cash Conversion¹ 60% ÷ 65%

FY 2019 guidance confirmed: **Revenue** low single-digit decrease, **EBITDA normalised** in line with 2018, **Cash Holding** single-digit increase

BP as approved by the BOD of March 19th 2019

1) EBITDA Cash Conversion: Unl FCF / EBITDA | Unl FCF: Operating FCF (EBITDA-Capex+ ΔNWC) - adjusted taxes paid.

Closing Remarks



New Business Plan 2020 - 2022 by H1 2019 Results approval



Launched at the beginning of 2019 : 7 “Projects Transforming iOL”



Deliver value growth for our Stakeholders

Q&A

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Quando le notizie
sono di tendenza



Appendix

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 Pagine Bianche

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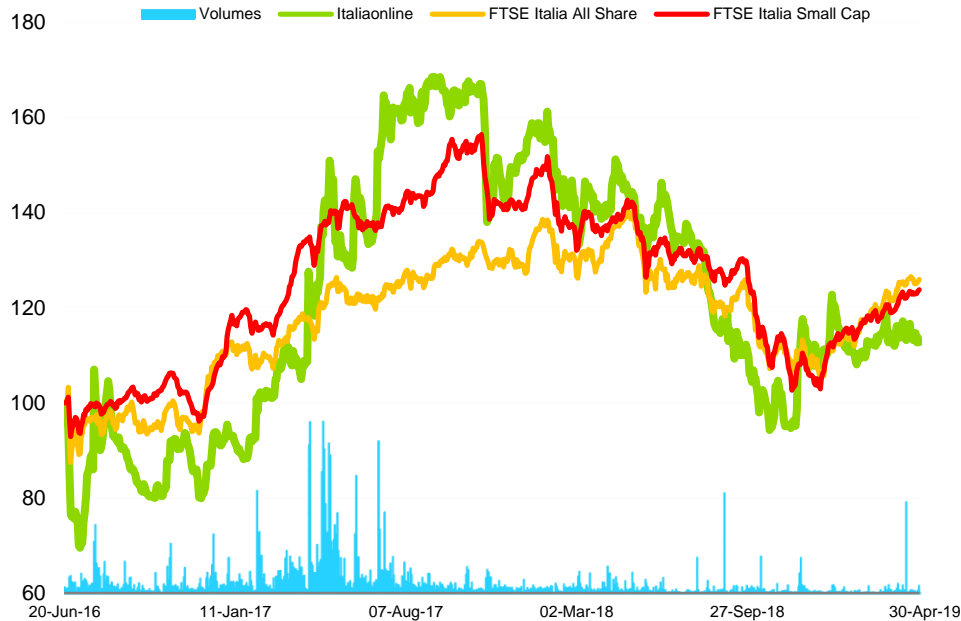
Pagine Gialle

Tutto ciò di cui hai bisogno, da sempre



Italiaonline Share Analysis

iOL versus indices: June 20, 2016 – April 30, 2019

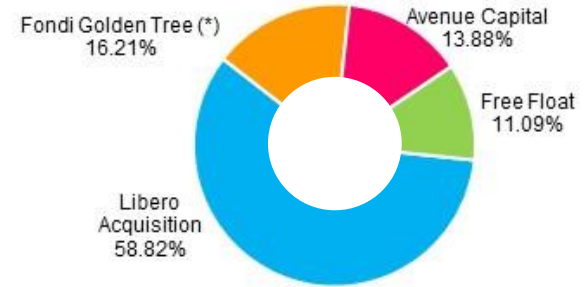


Source: Thomson Reuters EIKON



May 8, 2019

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 April 30, 2019

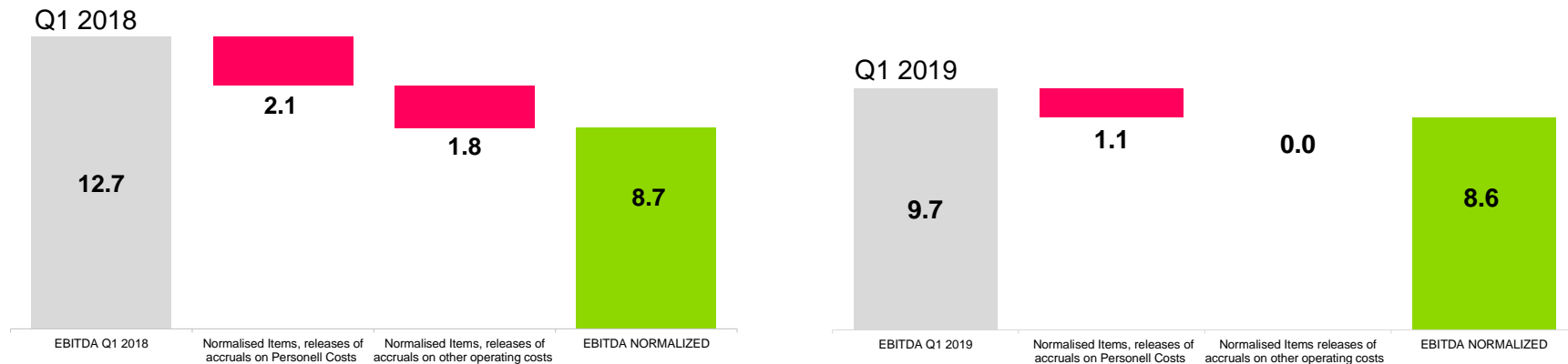
MARKET	MTA
NOSH Ord (€mln)	114.8
PRICE (€)	2.30
MKT CAP Ord (€mln)	264.0
PERFORMANCE (YTD)	2.2%
RELATIVE PERF.vs FTSE Italia All Share (YTD)	-16.4%
AVG DAILY VOLUMES YTD (€)	42,085

Saving Share: NOSH 6.803 | Closing Price (€) 400 | Market Cap (€ mln) 2.7

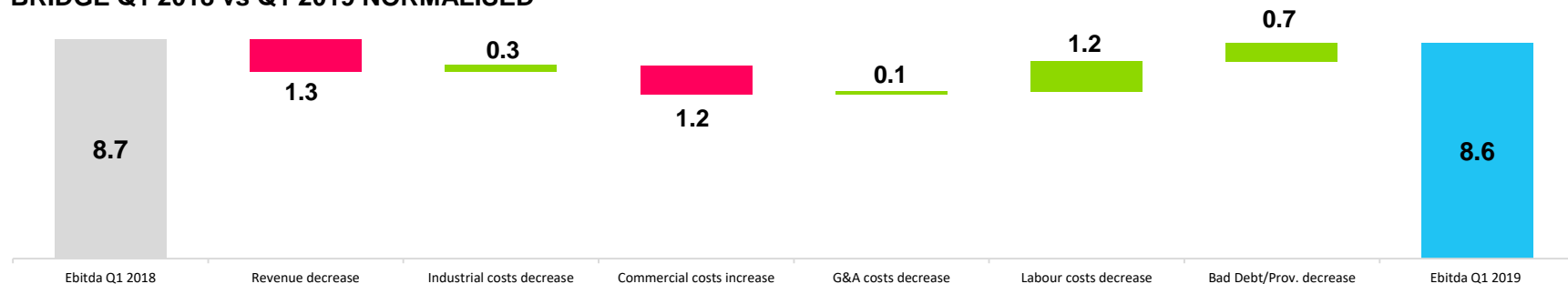
Italiaonline S.p.A. company subject to the direction and coordination activity of Libero Acquisition S.à r.l.

Reported vs normalised Figures

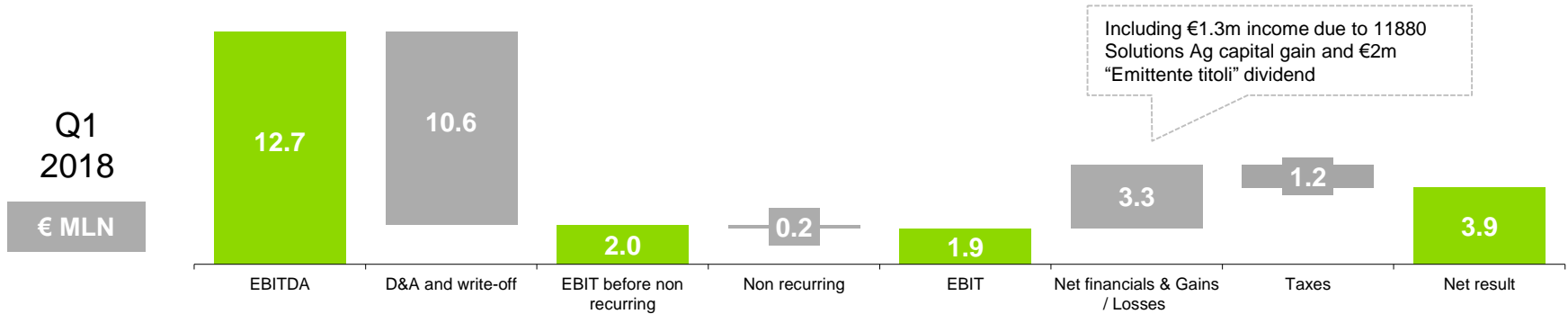
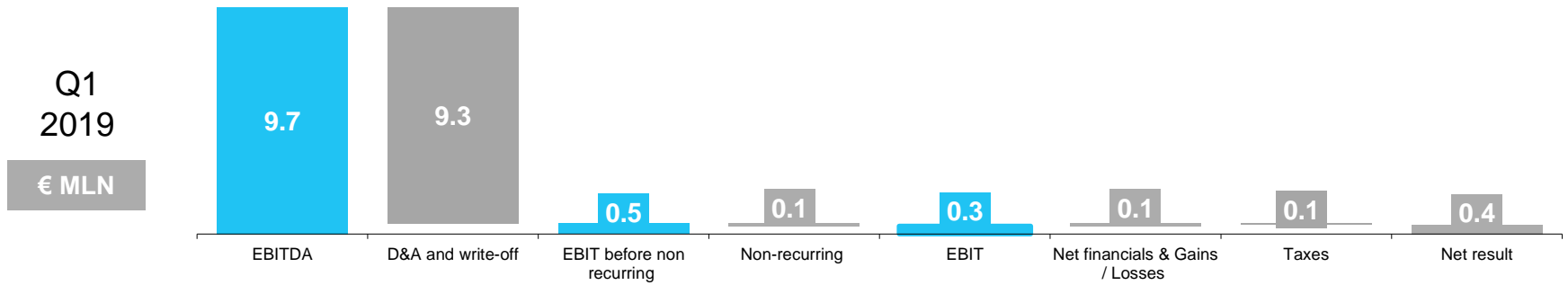
€m FROM REPORTED TO NORMALISED EBITDA



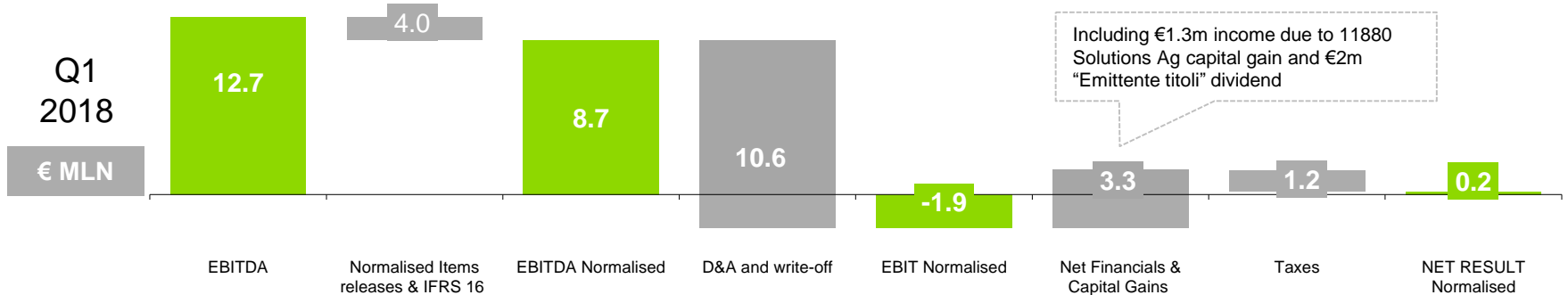
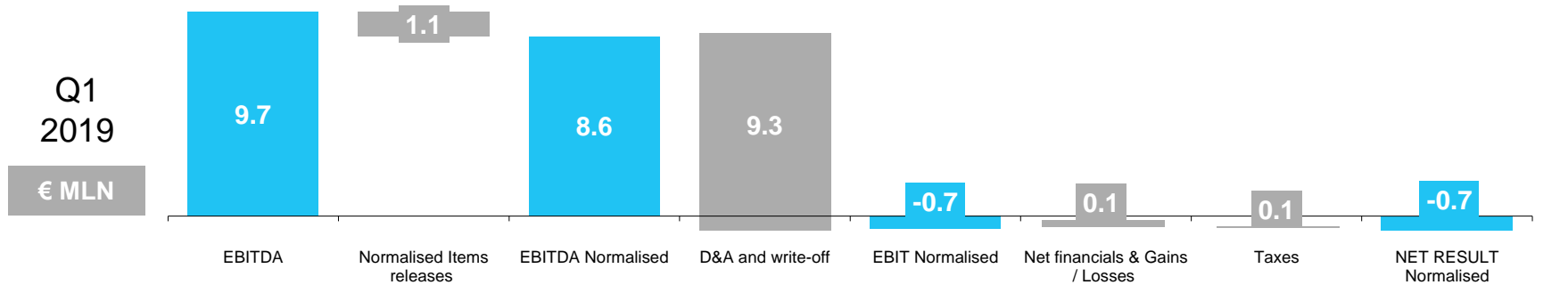
BRIDGE Q1 2018 vs Q1 2019 NORMALISED



Q1 2019 | From EBITDA to Net Result reported



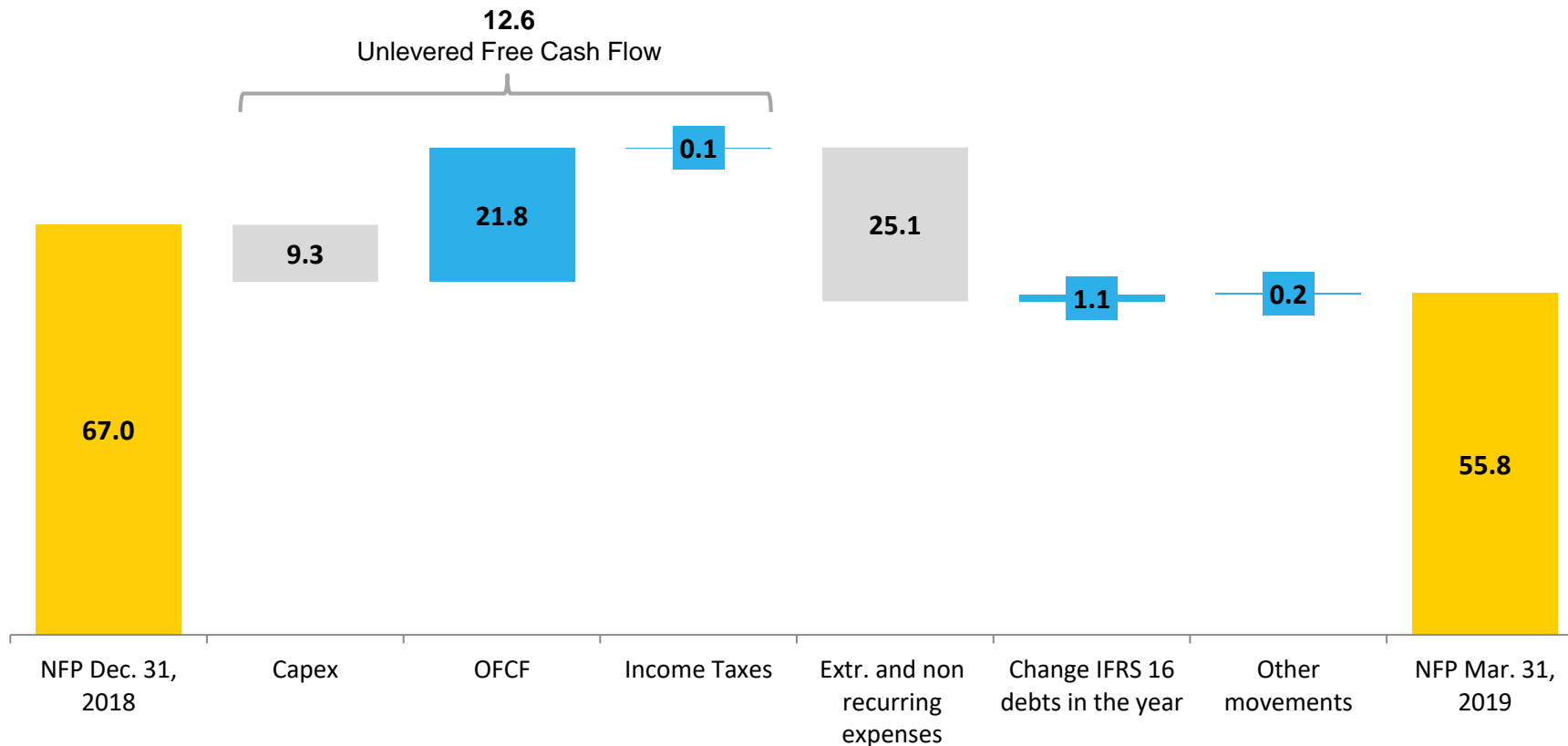
Q1 2019 | From EBITDA to Net Result normalised



Q1 2019 | Change in Net Financial Position

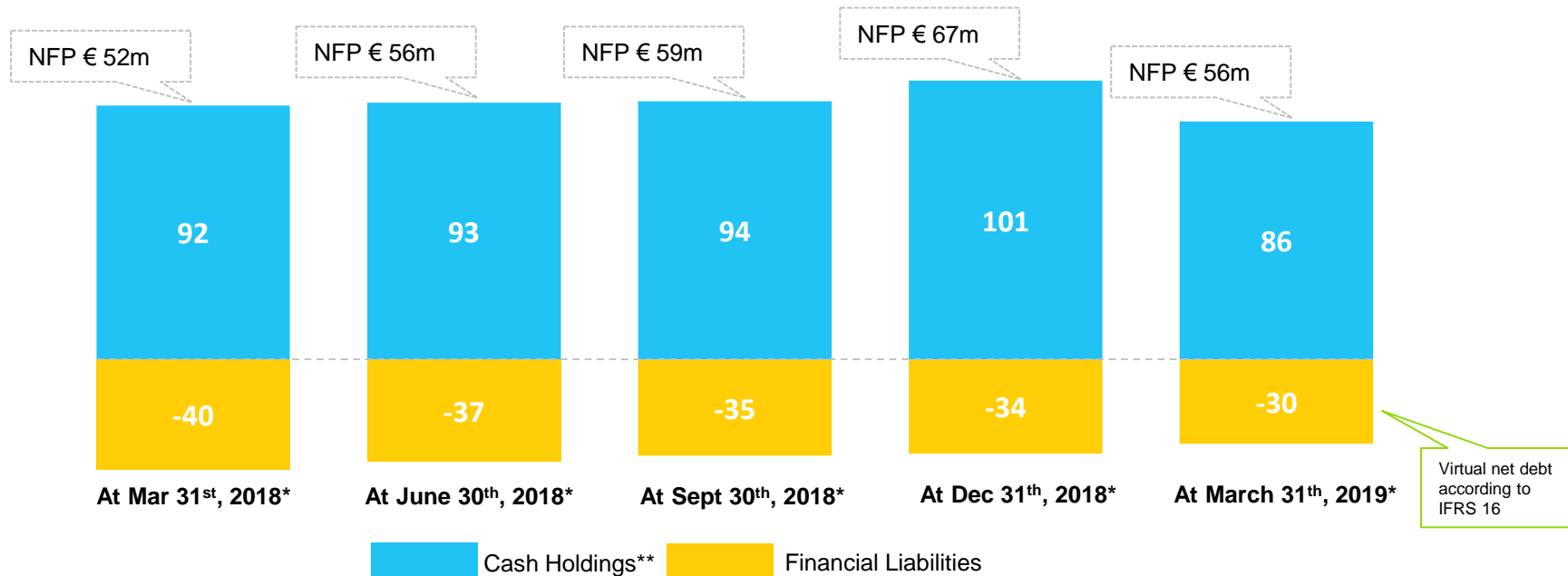


€ m



Q1 2019 | Positive NFP good cash generation

€ m



*NFP at 31 March 2019 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 31 March 2019 according to IFRS 16 equal to €30.4 million)

** Includes Cash and Current financial receivables from third parties

Tax assets update



Tax Assets



Tax assets as of 31 December 2018 about €812m



Generated by previous
Company losses

Generated from non-deducted interest expenses
(accumulated by SEAT)



Investor Relations



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