



# SPAFID CONNECT

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*Testo del comunicato*

Vedi allegato.

## PRESS RELEASE

### THE BOARD OF DIRECTORS APPROVES THE INDUSTRIAL BUSINESS PLAN 2020-2022 CAGR OF REVENUE 2018-2022 UP TO +1% GUIDANCE APPROVED ON MARCH 19, 2019 CONFIRMED

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THE FUTURE DEVELOPMENT OF THE LARGEST ITALIAN INTERNET COMPANY WILL GO THROUGH:

- THE CONTINUOUS ENRICHMENT OF THE DIGITAL OFFERING TO SMEs WITH VALUE-ADDED SERVICES, AIMED AT DEVELOPING THE BUSINESS OF CUSTOMERS
- THE DEVELOPMENT OF THE AUDIENCE AND TRAFFIC GENERATED BY THE GROUP'S WEB PROPERTIES, ALSO THROUGH THE INTRODUCTION OF TRANSACTIONAL SERVICES
- THE GROWTH OF THE DIGITAL INVENTORY UNDER MANAGEMENT

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BY 2022 THE TRANSITION TO DIGITAL REVENUE WILL BE COMPLETE, WHICH WILL REPRESENT AROUND 95% OF TOTAL REVENUE

*Assago (MI), 9 July 2019* – The Board of Directors of **Italiaonline S.p.A.** (hereinafter "Italiaonline"), a company listed on MTA of Borsa Italiana, leader in the Italian Internet market, under the direction of the new CEO Roberto Giacchi, has examined and approved the **Industrial Business Plan** for the **2020-2022** period.

It should be noted that on 19 March 2019 the Board of Directors of Italiaonline, in approving the results as at 31 December 2018, approved a Technical Update of the previous Business Plan (hereinafter "Technical Update"), updating the economic and financial objectives for the 2019-2021 period, pending preparation of the Industrial Business Plan 2020-2022, then approved as of today.

## GUIDELINES FOR THE INDUSTRIAL BUSINESS PLAN 2020-2022

The guidelines for the Industrial Business Plan 2020-2022 focus on a clear strategy that will allow a **complete transition to digital business**: this segment, by the **end of 2022**, will represent around 95% of total revenue, in line with the positioning of Italiaonline as the largest Italian Internet Company.

This strategy aims to transform Italiaonline from a **Media Company** to a **Provider of high value-added digital services**, and includes the following development drivers:

- **for the business segment dedicated to SMEs:** i) enrichment of the digital offering dedicated to SMEs with a view to a partnership aimed at supporting them in the development and growth of their business; ii) renewal of Italiaonline Digital Directories through the development of vertical marketplaces with transactional features where SMEs and professionals can interact and deal directly with end consumers; iii) strengthening multi-channel market coverage; iv) improvement of the Customer Experience through a Customer-centric operating model;
- **for the Consumer business segment:** i) acceleration of the growth of the audience and traffic for properties managed by IOL to support leadership in the digital media area, through the development of new verticals and the improvement of content, to also attract younger generations; ii) to leverage unique IOL users in order to grow transactional services through the development of new businesses;
- **for the large account segment:** i) to expand the Digital Inventory managed in order to consolidate the leadership of IOL as a digital agency on the Italian market, through new partnerships and the development of new display network advertising services; ii) to maximise the effectiveness of the monetisation of IOL properties by strengthening direct channel coverage.

### The aforementioned guidelines will leverage the operating model that provides for:

- the establishment of an organisation of **Customer-centric** activities to improve the Customer Experience by merging services into a single centre of expertise;
- the simplification and digitalisation of processes by implementing new CRM, ERP and resource management systems;
- continuation of the process of cost regulation and productivity efficiency;
- the ongoing growth of Italiaonline's brand awareness;
- the training of staff and development of digital skills.

## ESTIMATES FOR THE INDUSTRIAL BUSINESS PLAN 2020-2022

With reference to the estimates for the **Industrial Business Plan 2020-2022**, it should be noted that the 2020 and 2021 financial years substantially confirmed the economic-financial objectives already communicated to the market on 19 March 2019, when the Technical Update of the previous Plan was approved.

The guidance for **2019**, communicated to the market on 19 March 2019, is also confirmed, which provides: i) a slightly downward (low single digit) top line compared to 2018, which reflects a mid-single digit growth in digital revenue, capable of almost completely offsetting the downturn in traditional business; ii) normalised EBITDA which is substantially stable compared to the normalised figure for 2018; iii) and an impact of investments (Capex) on revenue of between 7% and 8%. With reference to cash and cash equivalents at the end of 2019, the expectations of a single-digit percentage growth compared to the figure as at 31 December 2018 are confirmed, net of the collection of a tax (IRES) receivable requested for reimbursement, amounting to € 18 million, not provided for in the *guidance*.

The **Industrial Business Plan 2020-2022**, approved today, with reference to **digital revenue** provides for a **2018 - 2022 CAGR** of **[+4.5% ÷ +5.5%]** capable of compensating for the physiological downturn of traditional business during the Plan period.

**Consolidated revenue** in **2022** are expected to be substantially stable compared to the 2018 figure (**2018 - 2022 CAGR** of **[-1% ÷ +1%]**).

Normalised **EBITDA** is expected to grow over the period of the Plan compared to the normalised 2018 figure, with a normalised **EBITDA margin** by **2022** in the range of 17% and 20%.

The impact of **industrial investments** (Capex) on revenue in the Plan period is expected to be between 6.5% and 8%.

Finally, with reference to **generated cash flow**, EBITDA cash conversion<sup>1</sup> is expected to be between 60% and 65% throughout the 2020 - 2022 period.

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### **Disclaimer**

*This press release contains some forward looking statements that reflect the current opinion of Company management on future events and financial and operational results of the Company and of its subsidiaries. These forward looking statements are based on current expectations and assessments of Italiaonline S.p.A. regarding future events. Considering that these forward looking statements are subject to risk and uncertainty, the actual future results may considerably differ from what is indicated in the above forward looking statements as these differences may arise from several factors, many of which lie beyond Italiaonline S.p.A.'s ability to accurately check and estimate them. Amongst these - including but not limited to - there are potential changes in the regulatory framework, future developments in the market, price fluctuations and other risks. Therefore, the reader is asked to not fully rely on the content of the forecasts provided. They have been included only with reference up to the date of the above-mentioned press release. Italiaonline S.p.A. does not assume any obligation to publicly disclose updates or amendments of the forecasts included regarding events or future circumstances that occur after the date of the above-mentioned press release. The information contained in this press release is not meant to provide a thorough analysis and has not been independently verified by any third party.*

<sup>1</sup> EBITDA Cash Conversion = Unl FCF / EBITDA normalised. Unl FCF = Operating FCF (EBITDA-Capex+ ΔNWC) adjusted for the amount of tax paid.



*This press release does not constitute a recommendation on the Company's financial instruments. Furthermore, this press release does not constitute an offer of sale or an invitation to purchase financial instruments issued by the Company or by its subsidiaries.*

*Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Law on Finance of 24 February 1998, the Chief Financial Officer of Italiaonline S.p.A., Francesco Guidotti, states that he certifies to the matching of the accounting results of the accounting information included in this press release.*

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#### ITALIAONLINE

Italiaonline - a company listed MTA of Borsa Italiana - is the largest Italian Internet company with 4.8 million unique users\* that navigate its web property every day, of which 3.2 million from smartphone devices, and with a 63% market reach\*\*. Italiaonline offers web marketing and digital advertising services, including management of advertising campaigns and the generation of leads through social networks and search engines. The company's strategic objective is to consolidate its Italian leadership role in the market of digital advertising for large accounts and in local marketing services - with the mission of digitalising the country's SMEs. Italiaonline offers the SMEs - the country's real backbone - a portfolio complete with products integrated with the entire value chain of digital services, including online presence, digital advertising, web design, web marketing and cloud solutions.

Part of Italiaonline today are the portals **Libero**, **Virgilio** and **superEva**, the services for companies and citizens **Pagine Gialle**, **Pagine Bianche** and **Tuttocittà**, the online advertising agency **iOL Advertising** and 55 media agencies scattered throughout the peninsula that with their about 700 agents form the largest Italian network of services and products consultants for large and small enterprises.

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\* Source: Audiweb 2.0, powered by Nielsen, TDA DAUs December 2018. \*\* Source: Audiweb 2.0, powered by Nielsen December 2018

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