

Fiera Milano Group

Banca IMI - 2019 Italian Stock Market Opportunities Conference

Milan, 2 October 2019



FIERA MILANO

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1.0

Group overview

Fiera Milano is the market leader in Italy and one of the world's leading operators across the entire value chain of the exhibition industry



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1.1

An integrated business model

Italian Exhibitions

Fiera Milano organises proprietary exhibitions providing exhibition space and services directly to exhibitors; it also uses exhibition sites to host exhibitions for third parties

Congresses

Management of one of most modern convention centre in Europe and the only one capable of hosting up to 18,000 delegates

Hospitality

Assisting its customers travel arrangements through accommodation services, site location, flight tickets, Visa procedures, transfers, train tickets

Stand fitting services

Concept design & engineering, exhibitions & booths, including shell scheme area, lounges, public space and outdoor structures

Media

Online and offline content and publishing services, management courses, event organisation

Foreign Exhibitions

Outside domestic market, organiser of exhibitions in Brazil, South Africa and China



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1.2

Fiera Milano highlights

399,000 sqm

**Gross Exhibition
Capacity**

345,000 sqm **fieramilano**
54,000 sqm **fieramilanocity**

1,972,175 sqm

**Net Exhibition
Space Occupied**

of which 466,795 sqm
abroad

79

Exhibitions

of which 27
abroad

35,615

Exhibitors

of which 7,750
abroad

169

Congresses

271,246
participants

360,000 sqm

**Stand fitted and
furnished**

10 (570,000 copies)

**Number of technical
publications**

12

**Number of
publishing portal**

127

**Number of
training events**

696

**Group permanent
employees**

of which 97 abroad

247 million

**Consolidated
revenues**

31.9 million

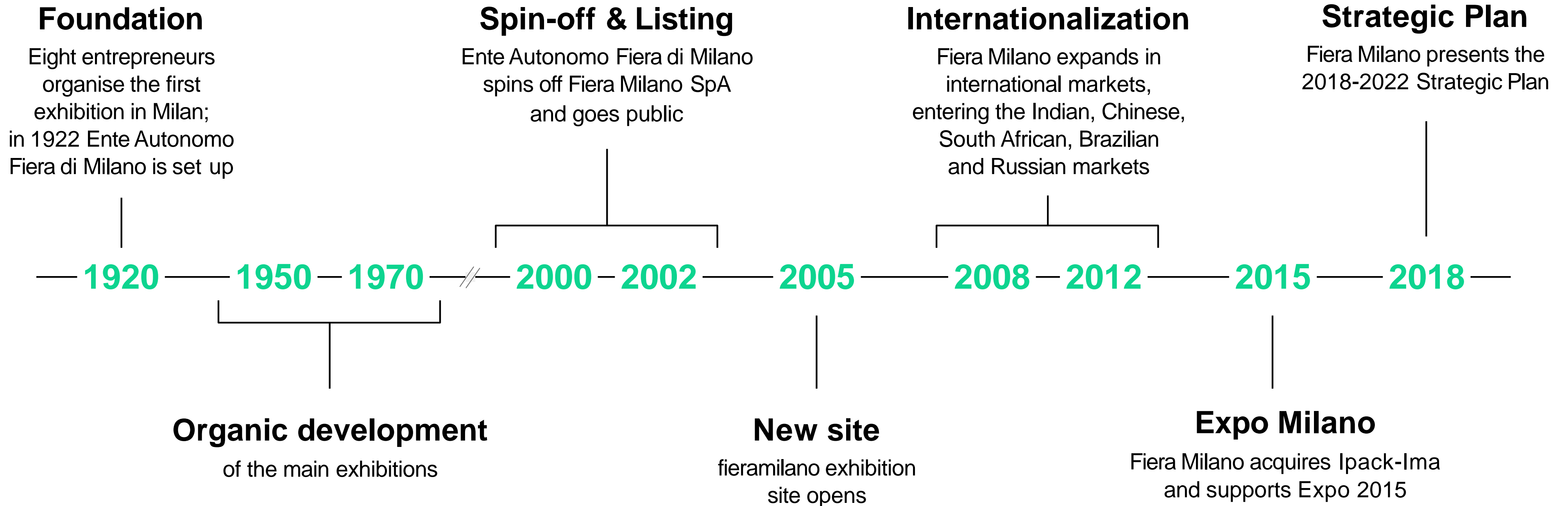
Consolidated EBITDA

Figures refer to FY2018



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Key milestones of Fiera Milano Group to date



1.4

Strong position worldwide

The number one exhibition entity in Italy and one of the main exhibition entities worldwide in terms of gross indoor exhibition space

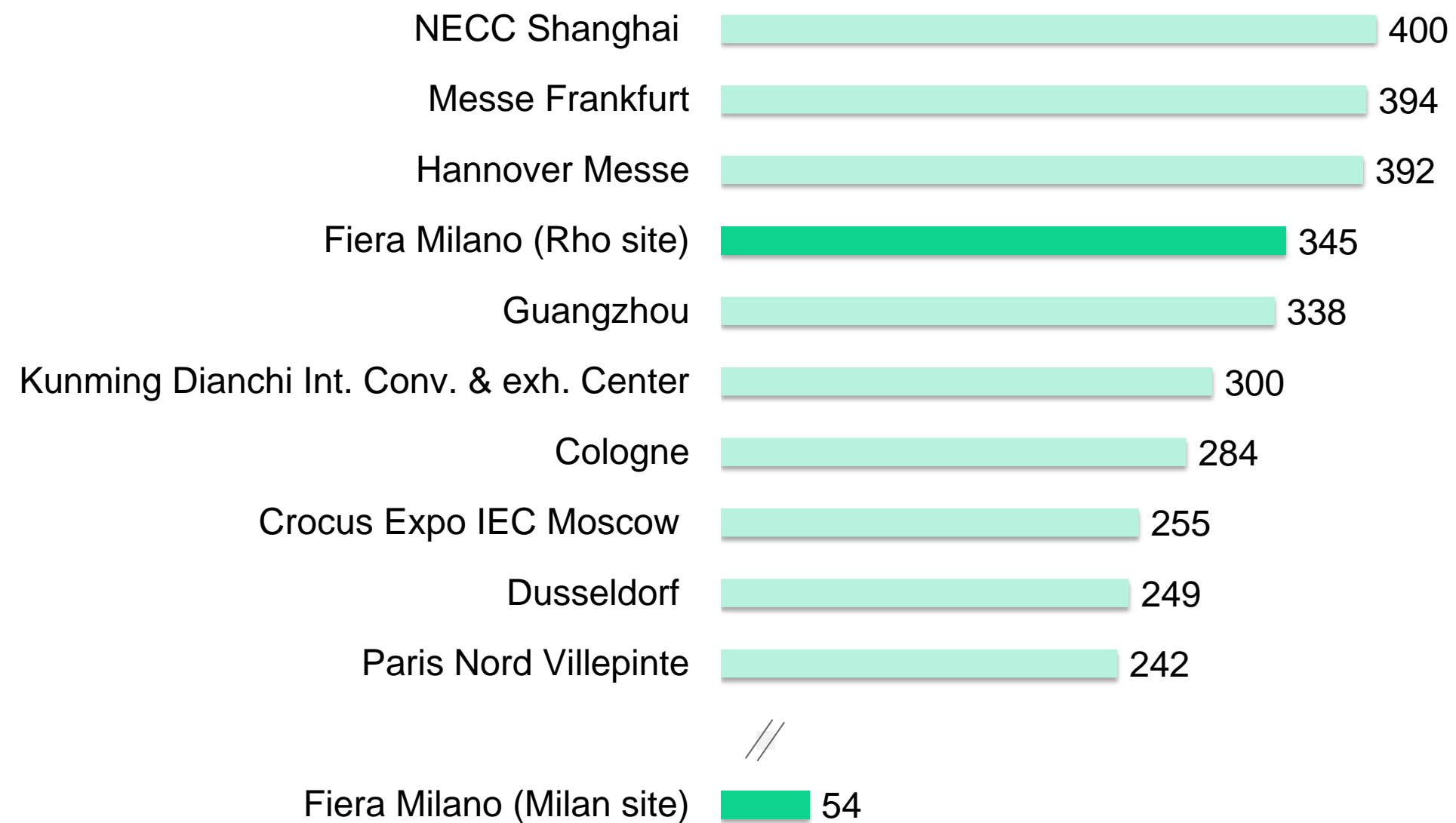


1.4

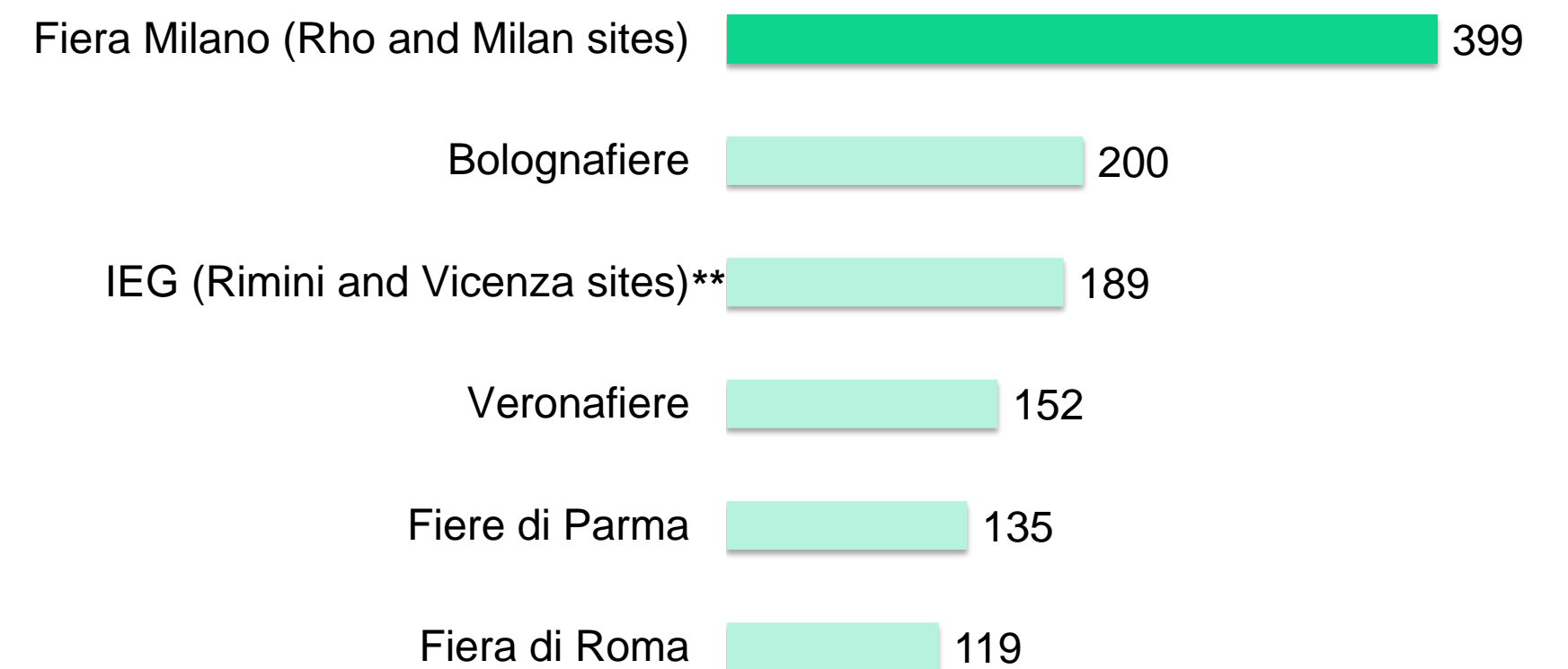
Strong position worldwide

Top exhibition sites worldwide*

('000 sqm)



Top exhibition companies in Italy * ('000 sqm)



* Source: AUMA - 1 January 2019

** Company data



1.5

Italian exhibitions portfolio: main events

Exhibition	Industry	Frequency	Sq. Meters	Number of exhibitors
Salone del Mobile / Euroluce / Workplace 3.0	Furniture and furnishing	Annual/Biennial	216,705	1,410
HOST	Horeca	Biennial	137,005	2,060
The Innovation Alliance	Processing and packaging machinery	Multi-year	136,435	2,515
The MICAM (Spring and Autumn)	Textile, clothing & accessories	Biannual	123,835	2,585
EMO	Industrial machinery	Multi-year	116,995	1,540
Mostra Convegno Expocomfort	Building and related furniture	Biennial	115,400	1,570
HOMI (I and II semester)	Homeware and gift	Biannual	112,875	2,245
ITMA	Textile machinery	Multi-year	109,570	1,690
Eicma Moto	Vehicles and related equipment	Annual	101,770	560
Lineapelle (I and II semester)	Leather	Biannual	98,760	2,265
Tuttofood	Food	Biennial	64,130	1,395
Artigiano in fiera	Art and crafted products	Annual	59,170	1,540

* Data based on most recent exhibitions hosted prior to 30 June 2019



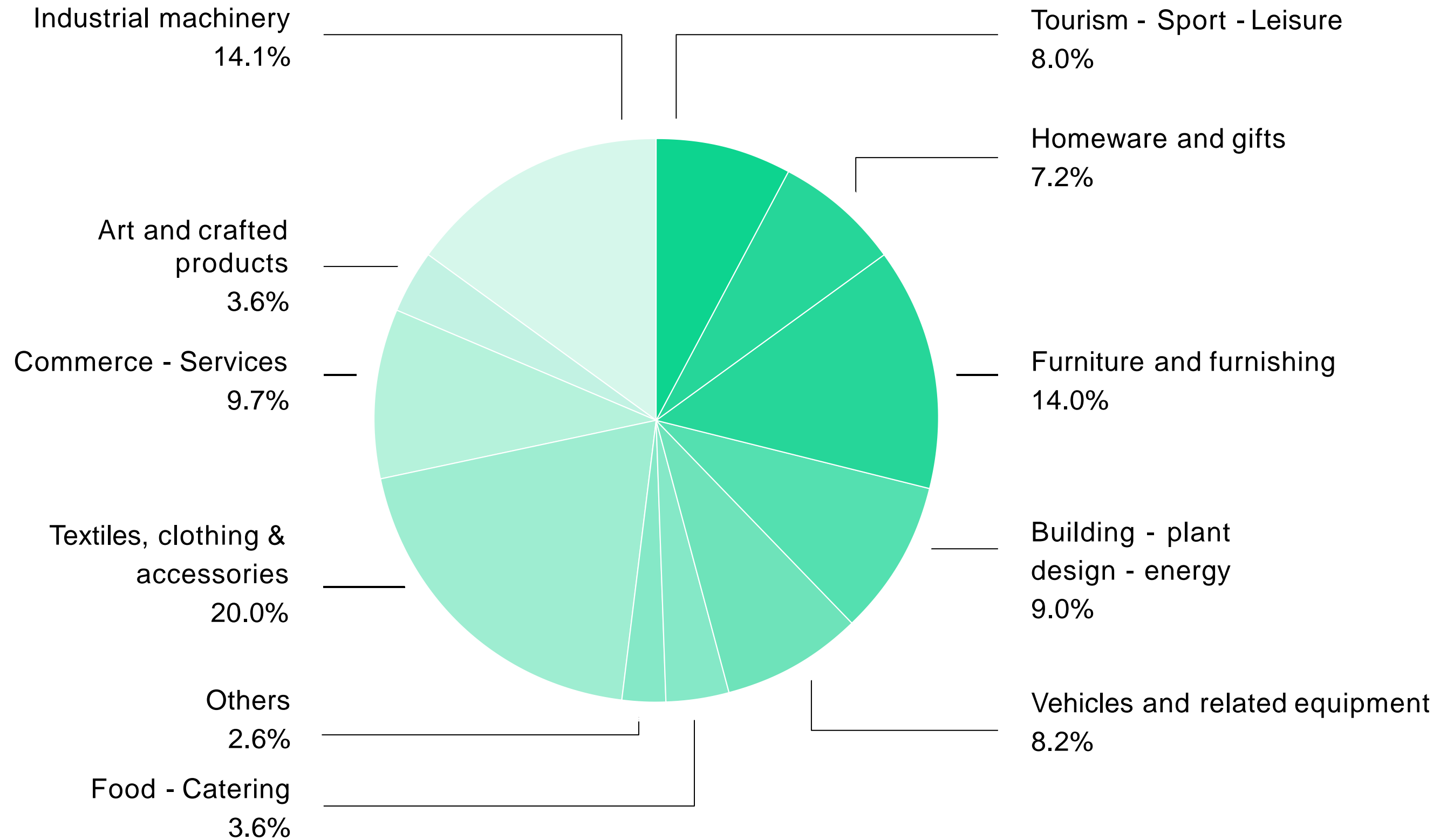
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1.6

Exhibition portfolio

A well diversified
PORTFOLIO OF EXHIBITIONS,
almost entirely B2B

The Group is strong in
DYNAMIC MARKETS (with sound
growth expectations and where
the “Made in Italy” label has appeal)



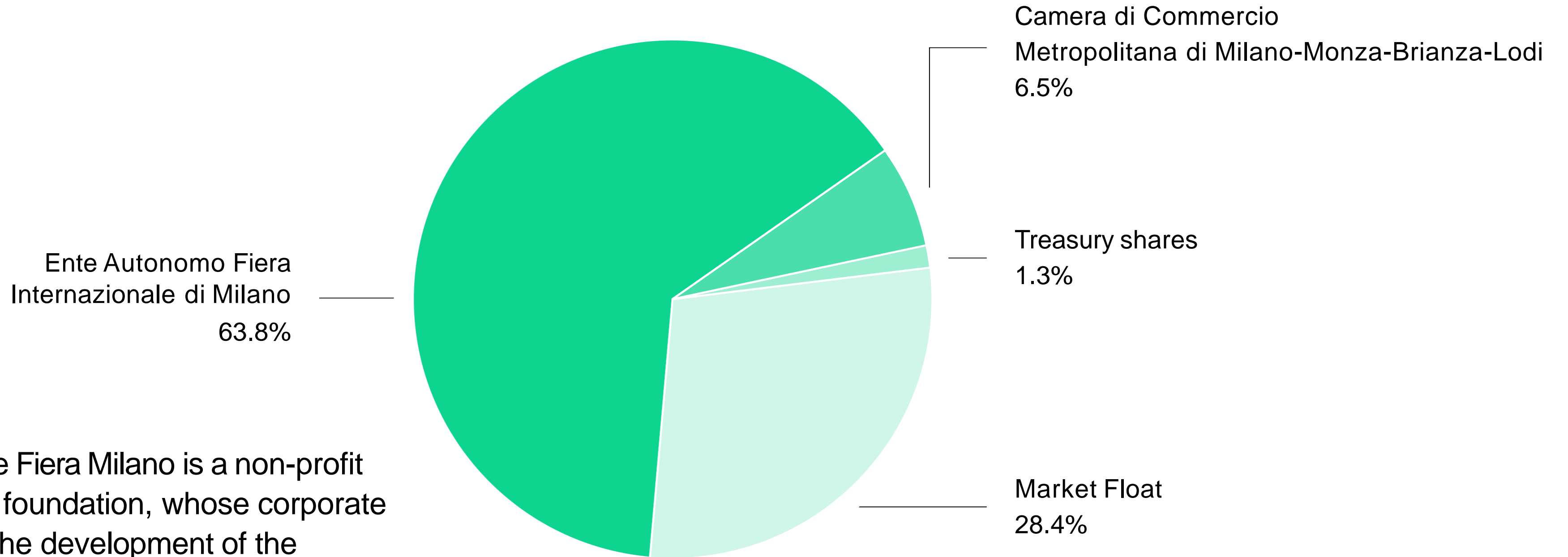
Figures refer to net exhibition space rented out in Italy (average 2016-2018)



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1.7

Shareholder structure



Fondazione Fiera Milano is a non-profit private law foundation, whose corporate mission is the development of the exhibition sector in Italy and abroad

1.8

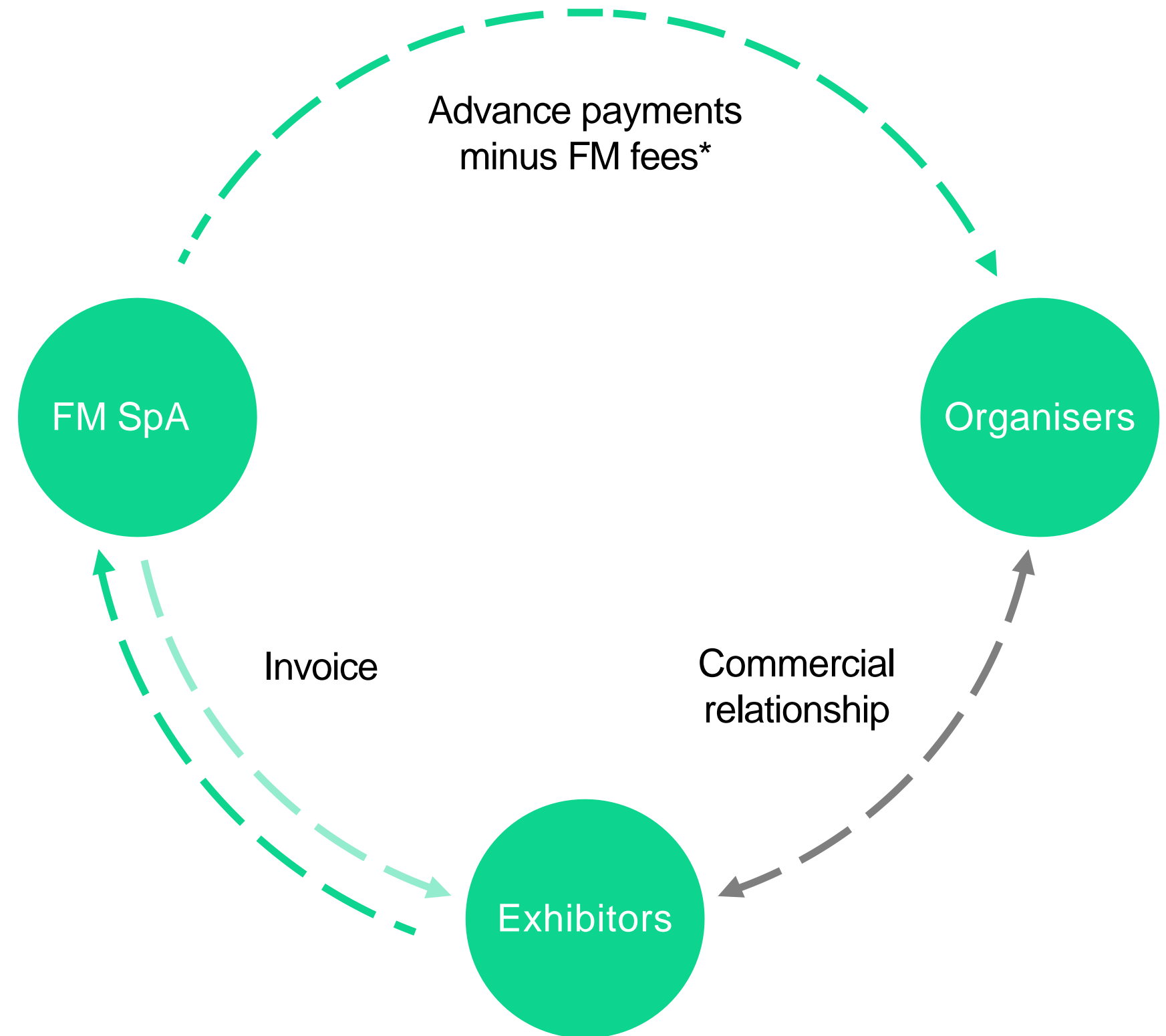
Long Term Visibility and Favourable Payment Cycle

High visibility on revenues due to long-term contracts with organisers

Main financial clauses in the contractual agreements with organisers:

- standard contract guarantee (minimum guaranteed)
- significant advance payments
- treasury management services on behalf of organisers

The Group has structural negative NWC



* Advance payments (on average 6 months ahead for annual and 12 months ahead for biennial events)



1.9

A big impact in the Italian economy

€ 8.1 billion

Total impact of Fiera Milano

of which in Lombardy

€ 4.3 billion



Effect generated by Fiera Milano: € 6.6 billion

This is the effect associated to suppliers, investments, payments of salaries and the expenses of the exhibitors and the visitors/delegates associated with the exhibitions

Contribution to public budget: € 1.5 billion

This is direct, indirect and induced contribution to the public budget through different taxes: VAT, Income tax, tax on profits and other taxes

Source: "Study of the socio-economic impact, Fiera Milano" - March 2019 KPMG, on 2017 data



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2.0

Strategic Plan 2018–2022



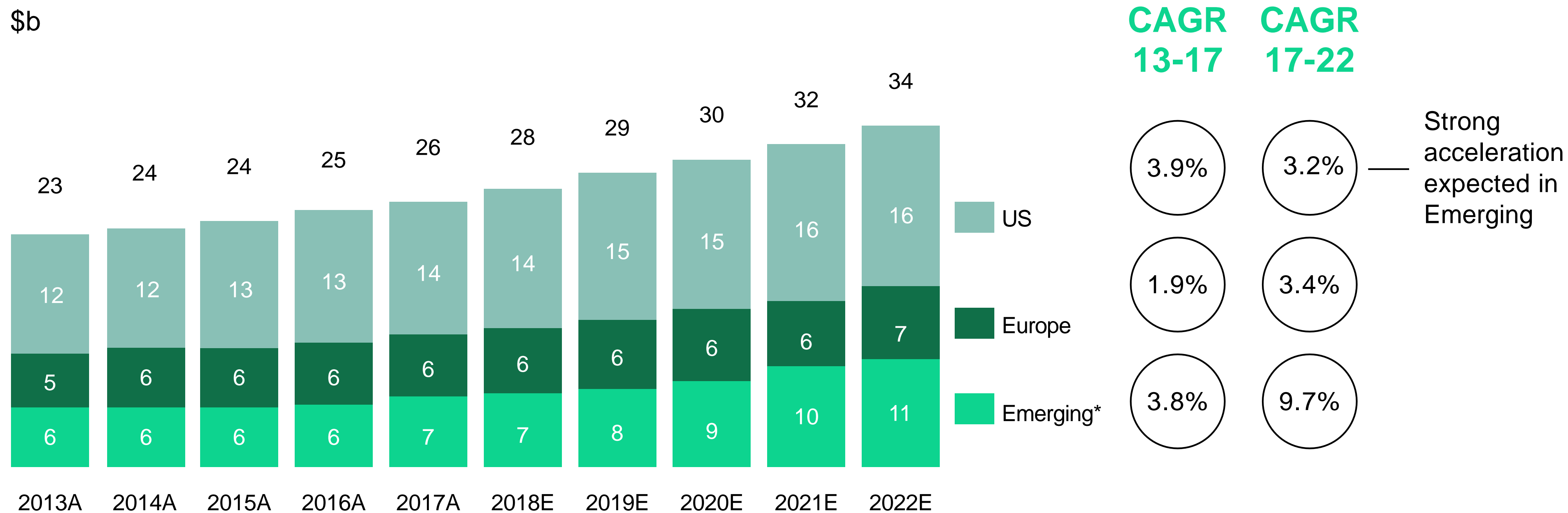
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2.1

Global exhibition market 2013-2022

Exhibition market expected to grow at 5% CAGR

\$b



* Emerging include: Brazil, China, Gulf Cooperation Council, India, Indonesia, Mexico, Russia, Turkey, Hong Kong
 Note: Totals exclude SEA countries (Singapore, Malaysia, Thailand, Philippines, Vietnam, Macau)
 Source: AMR International Globex report 2018

2.2

Three emerging macro-trends in the exhibition market

Leadership in industry sector at regional level is a key success factor

- Exhibitors and visitors increasingly tend to attend only tier 1 exhibitions
- As a consequence, consolidation trend accelerating among key market players

Increased use of digital products to complete exhibition offer

- Driving customer understanding
- Only secondary source of revenue

Growing share of business for key players from events outside domestic market

- Leveraging on geo-cloning of successful domestic exhibitions



2.3

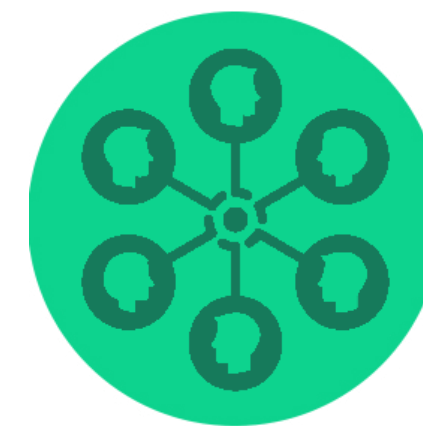
Three principles inspired definition of Strategic Plan



Maximize
venue potential



Invest on core
industry sectors



Build on
human capital



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2.4

Fiera Milano Group strategy

Enrich portfolio of hosted exhibitions & congresses

- Attract new leading/high potential exhibitions
- Support organizers to expand their exhibitions
- Optimize saturation with new activities
- Attract leading congresses

Capture full potential of services

- Boost stand fitting
- Push Destination management
- Expand media services

Create a smarter venue

- Full service, eco-compatible and innovative infrastructure

Grow portfolio of leading owned exhibition

- Foster Host & Tuttofood
- Strengthen HOMI
- Leverage organic growth
- Develop attractive niches

Expand international exhibitions

- Develop geo-clones of top owned brands leveraging partnerships (Focus on China)

Step up organization

- Enhanced organization, empowered governance and integrated systems



2.5

Key ambition enabler

~€100m investment plan by the controlling shareholder **FONDAZIONE FIERA MILANO** to enhance the venue

Safe & Smart Distric

- Highest safety standards
- Data-rich venue

Environmental Sustainability & Innovation

- Best-in-class sustainable venue (eg. solar roof coverings)

Operational Excellence

- Maximum accessibility for suppliers, exhibitors & visitors

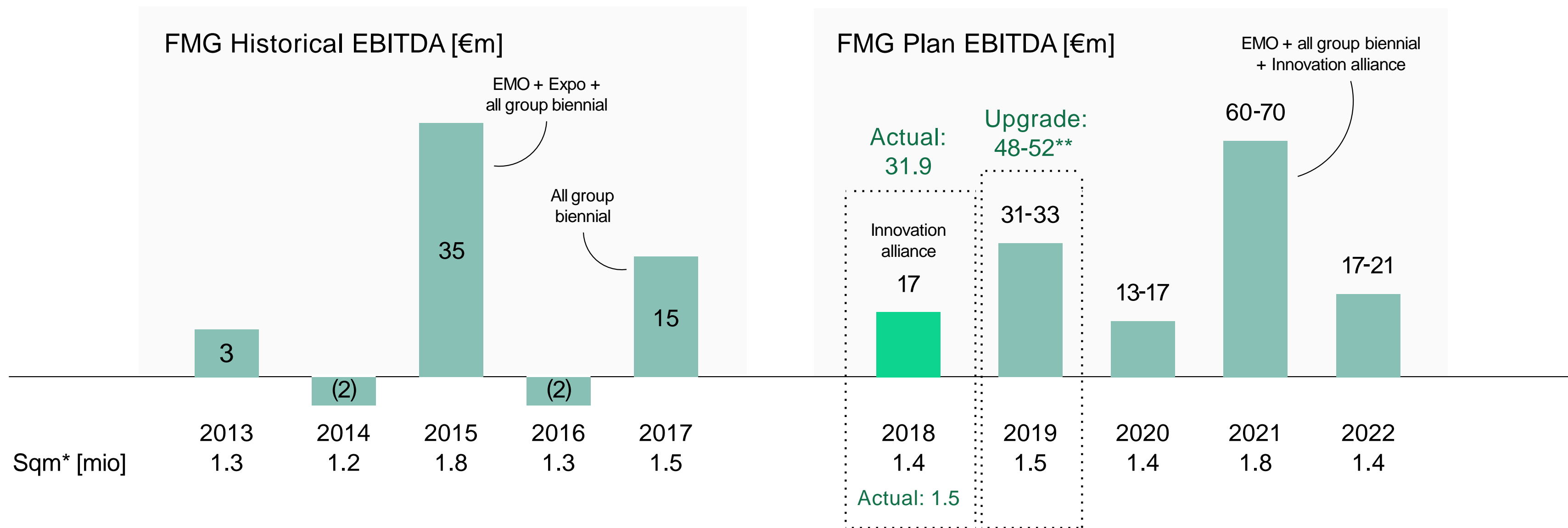
Enhanced Customer Experience

- Shortest time to customer
- Seamless customer experience



2.6

Strategic Plan will evolve in line with FMG seasonality



Yearly Net Profit expected positive throughout period of Strategic Plan

* Net of International sqm

** € 96-100 million following the application of IFRS 16 as of 1 January 2019



2.7

Achievements



New guidance and organization

Guiding Principles

- One group
- People engagement
- Execution excellence
- Market focus



Improved economic and financial performance

Profit: 0.7% to 7.5% ('17 vs. '18)

Recurring costs addressed: +5pp profitability through efficiencies ('18 vs. '17)

Net cash 58.0 million as at 30 June 2019*

Return to dividend: € 0.13 per share

FMG Stock performance +123%** vs. end 2017



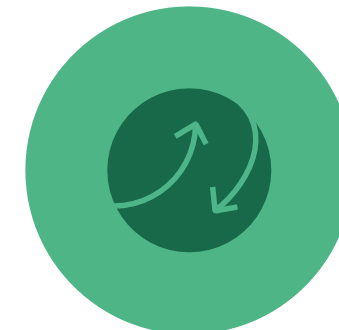
Growth of exhibition portfolio

Enrichment of hosted exhibition portfolio

- CPHI in 2020
- ITMA in 2023

Strengthening of owned exhibitions through acquisitions

- 60% of Made Eventi in the architecture and construction sectors
- Cartoomics in the comics, gaming and entertainment sectors



International development

Strengthening of the Chinese portfolio through the acquisition of Let China e Laserfair

Acquisition of 50% of Tubotech in Brazil

Launch of the new E-PACK TECH event, dedicated to e-commerce packaging in China

* Before IFRS 16 effects

** As of market close 26 September 2019



3.0 Q

Financial overview



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3.1

Income statement

FY18	Consolidated Income Statement (€m)	1H19	1H18
247.2	Revenues	153.9	157.7
2.4	Cost of materials	1.4	1.5
114.1	Cost of services	66.6	64.7
50.3	Costs for use of 3rd-party assets	0.3	25.5
47.0	Personnel expenses	24.2	23.2
4.5	Other operating expenses	2.5	2.4
218.4	Total operating costs	95.0	117.2
2.8	Other income	1.3	1.9
5.2	Results of equity-accounted companies	2.4	4.3
5.0	Allowance for doubtful accounts and other provisions	0.2	0.5
31.9	EBITDA	62.4	46.1
5.9	Depreciation and amortisation	22.8	3.0
0.9	Adjustments to asset values	0.0	0.0
25.1	EBIT	39.6	43.1
(0.1)	Financial income/(expenses)	(6.8)	(0.0)
(0.0)	Valuation of financial assets	0.0	0.0
24.9	Profit before income tax	32.7	43.1
6.4	Income tax	8.6	11.4
18.6	Profit	24.1	31.7
18.8	<i>of which attributable to Shareholders of the controlling entity</i>	24.1	31.8



3.2

Statement of financial position

Consolidated Statement of Financial Position (€m)	30/06/19	31/12/18
Non-current assets	636.9	148.4
Net working capital	(91.5)	(73.1)
Gross capital employed	545.3	75.3
Non-current liabilities	17.2	16.9
Total net capital employed	528.2	58.4
Equity	96.9	82.1
Net financial position	431.3	(23.7)
Equity and net financial position	528.2	58.4



3.3

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 INCOME STATEMENT 1H19 (€m)		
Cost of use of third-party assets	↓	-24.2
EBITDA	↑	24.2
Amortisation	↑	20.2
EBIT	↑	4.0
Financial income/(expenses)	↑	-7.0
Profit	↓	-2.2

IMPACT ON NET FINANCIAL POSITION 30/06/2019 (€m)	
Net Financial Position	↓ 489,3



4.0

Closing remarks



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4.1

Closing remarks

We have a strong leadership trust

- We have a clear definition of the ingredients for our success

We are ahead in the execution of our strategic plan

- We have completed the turnaround process, started our investments and are strengthening our portfolio of exhibitions

We will not be caged by our venue

- We'll seek most promising opportunities where they are

We take our social responsibility seriously

- We will actively ensure our business will have a sustainable impact



Forward-looking statement

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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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