

# FIERA MILANO GROUP

Virtual STAR Conference 2020 – Fall edition

Milan, 6 October 2020



**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.



# 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, China and India



# 1.2

## Fiera Milano highlights

**399,000 sqm**

**Gross Exhibition Capacity**

345,000 sqm fieramilano  
54,000 sqm fieramilanocity

**2,045,625 sqm**

**Net Exhibition  
Space Occupied**

of which 511,225 sqm  
abroad

**80**

**Exhibitions**

of which 28  
abroad

**39,945**

**Exhibitors**

of which 9,630 abroad

**171**

**Congresses**

290,543  
participants

**9 (560,000 copies)**

**Number of technical  
publications**

**12**

**Number of  
publishing portal**

**98**

**Number of  
training events**

**707**

**Group permanent  
employees**

of which 105 abroad

**280 million**

**Consolidated revenues**

**106 million**

**Consolidated  
EBITDA**

# 1.3

## 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

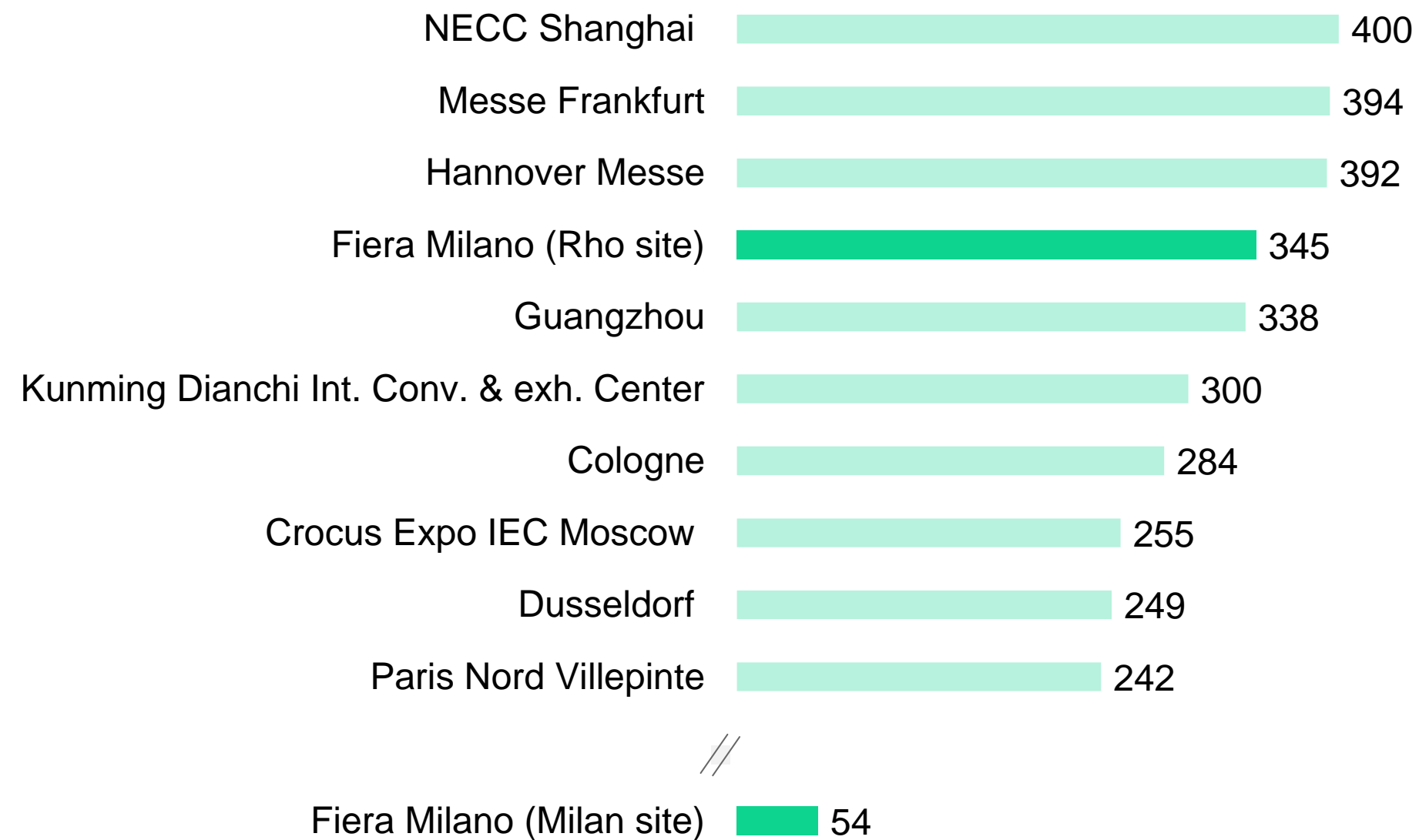


# 1.5

## Strong position worldwide

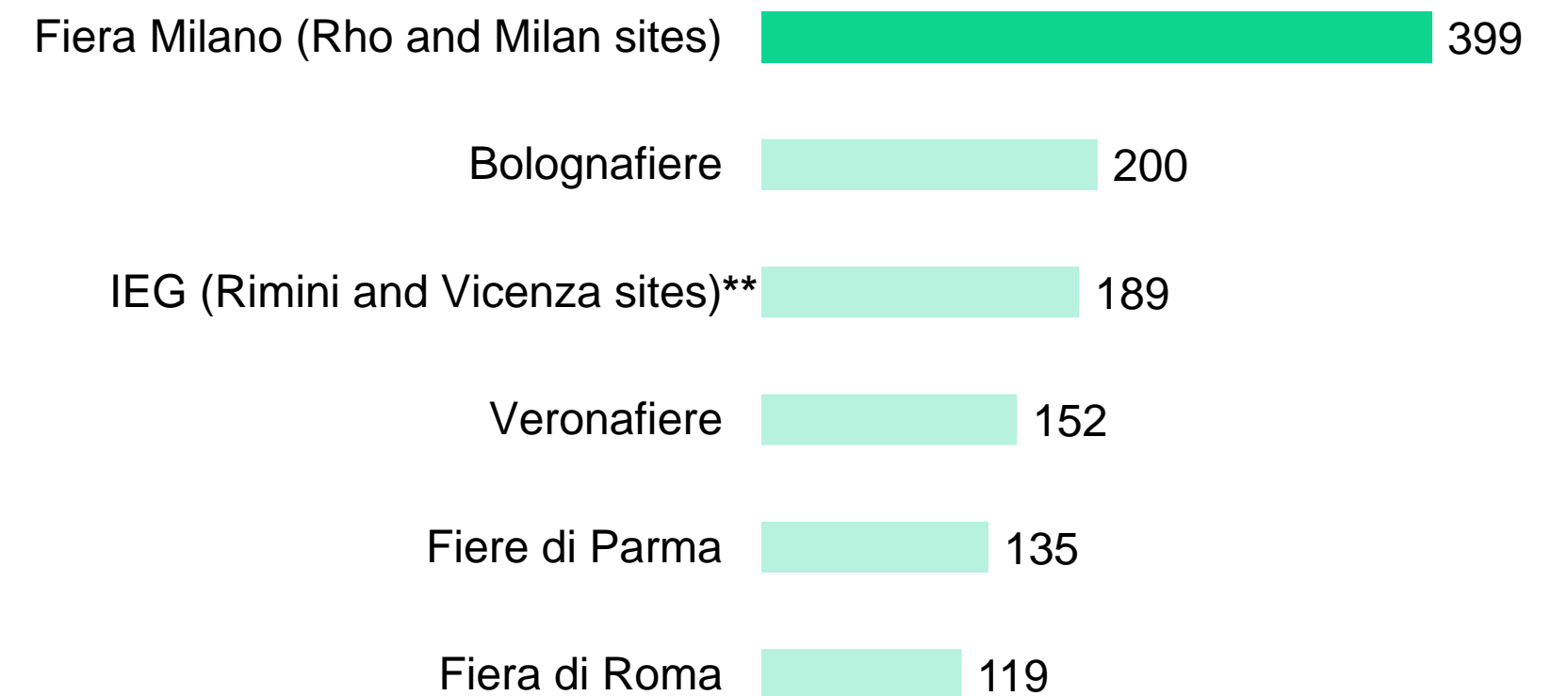
### Top exhibition sites worldwide\*

('000 sqm)



### Top exhibition companies in Italy\*

('000 sqm)



\* Source: AUMA - 1 January 2019

\*\* Company data



## 1.6

## 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	140,900	2,145
The Innovation Alliance	Processing and packaging machinery	Multi-year	136,435	2,515
The MICAM (Spring and Autumn)	Textile, clothing & accessories	Biannual	121,235	2,500
Eicma Moto	Vehicles and related equipment	Annual	117,005	770
EMO	Industrial machinery	Multi-year	116,995	1,540
Mostra Convegno Expocomfort	Building and related furniture	Biennial	115,400	1,570
ITMA	Textile machinery	Multi-year	109,570	1,690
HOMI / HOMI Fashion&Jewels / HOMI Outdoor	Homeware and gift, bijoux, outdoor	Annual	105,980	1,975
Lineapelle (I and II semester)	Leather	Biannual	98,540	2,245
Tuttofood	Food	Biennial	64,130	1,395
Artigiano in fiera	Art and crafted products	Annual	56,885	1,475

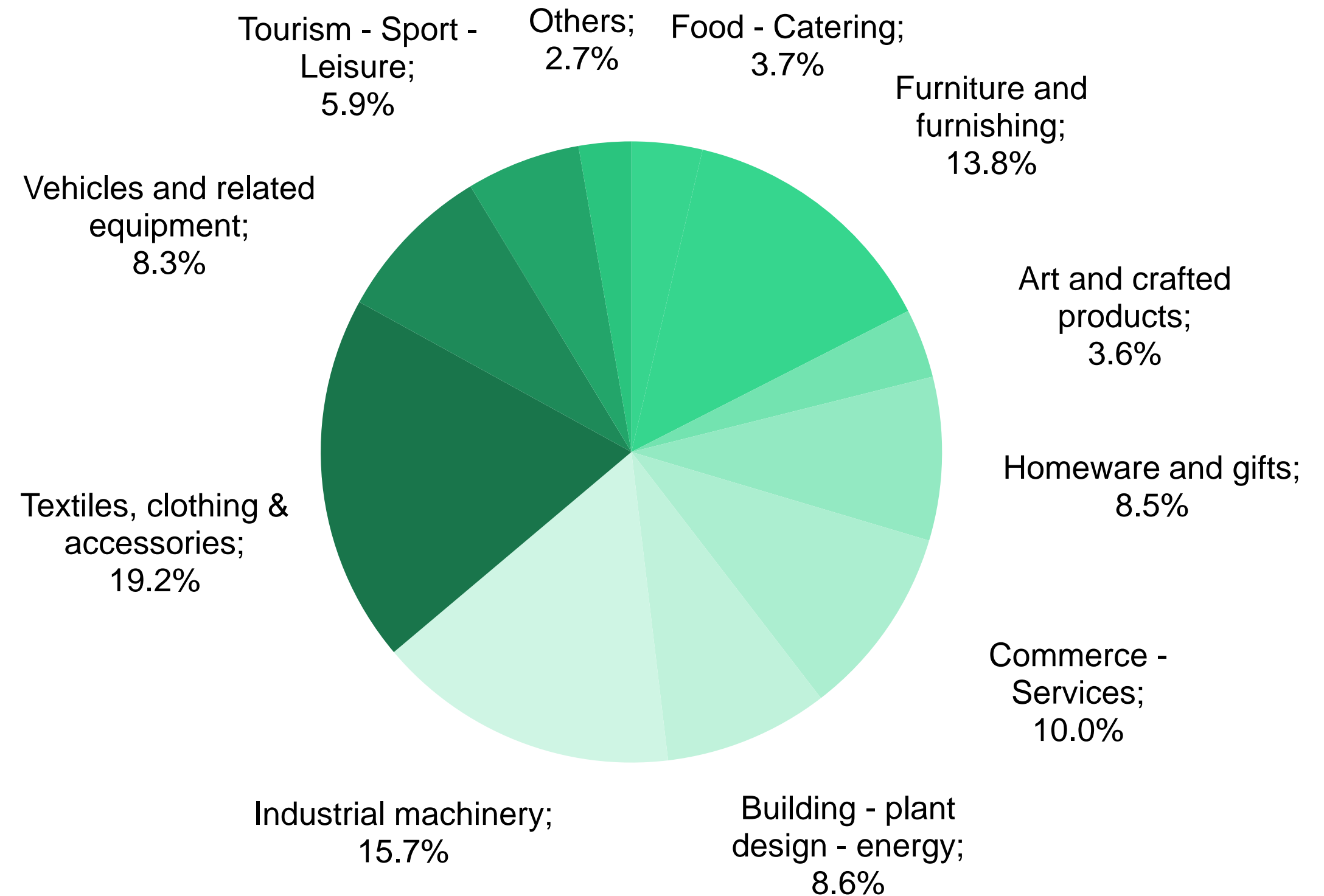
\* Data based on most recent exhibitions hosted prior to 31 December 2019

# 1.7

## 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)



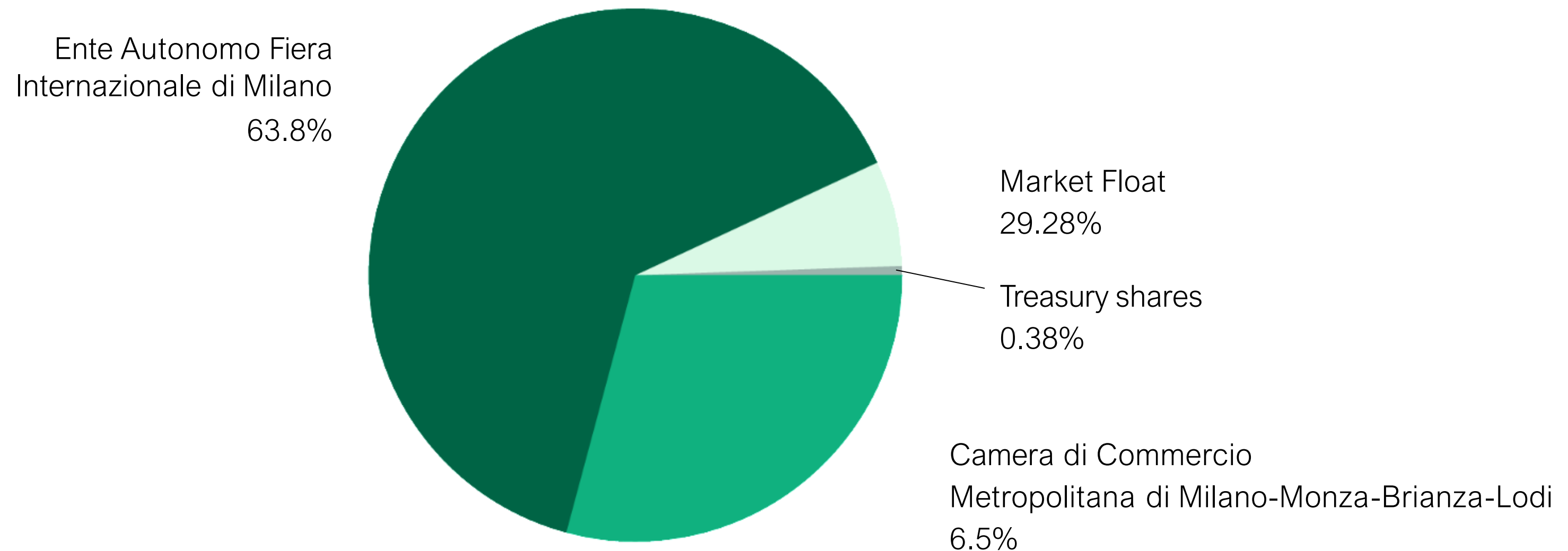
Figures refer to net exhibition space rented out in Italy (average 2017-2019)



1.8

## 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



## 1.9

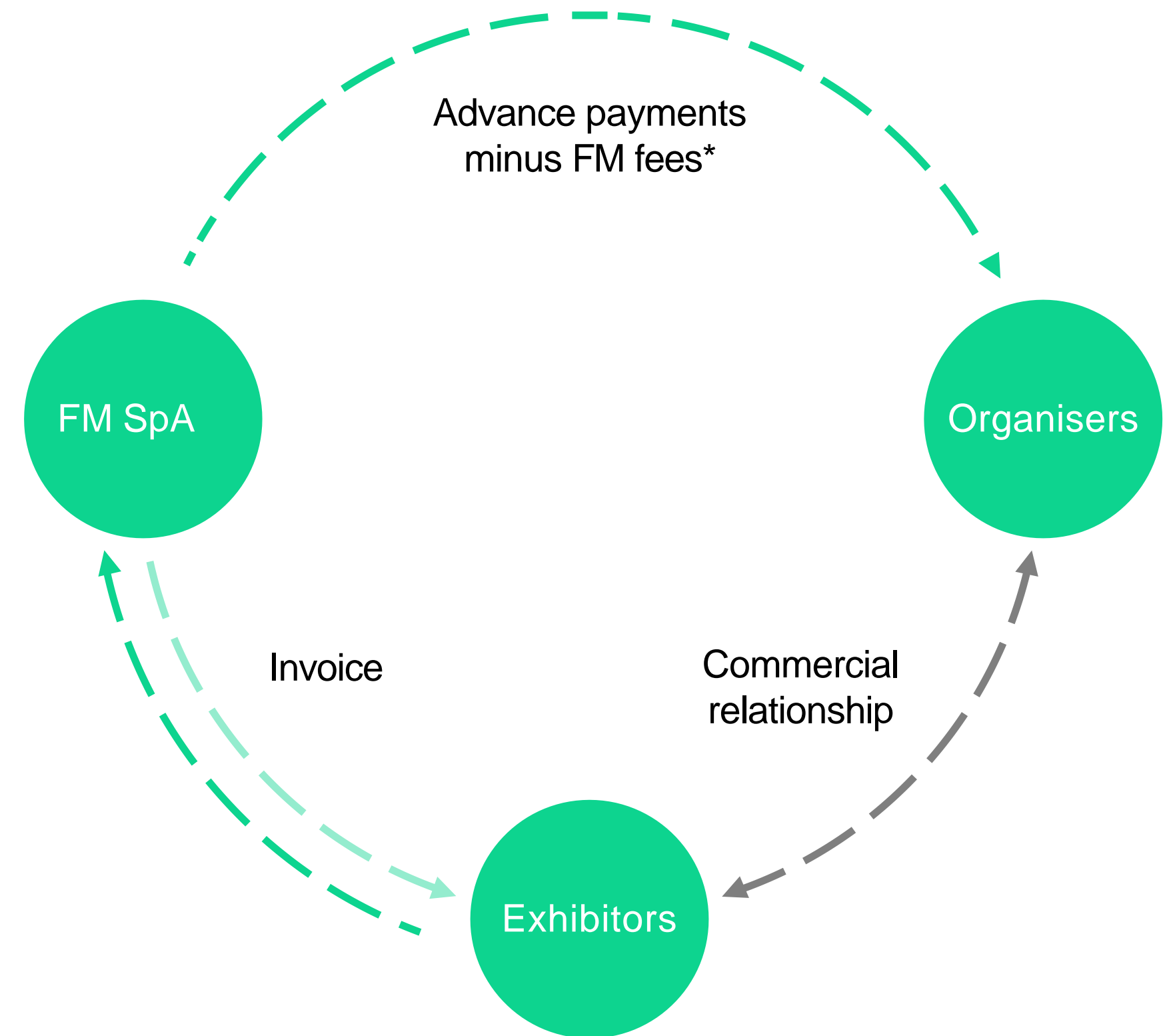
# Favourable Payment Cycle

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)



# 1.10

## 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

# 1.11

## Key ambition enabler

Five-year 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



2.0

The exhibition sector is a key player in the economic recovery post Covid-19 emergency

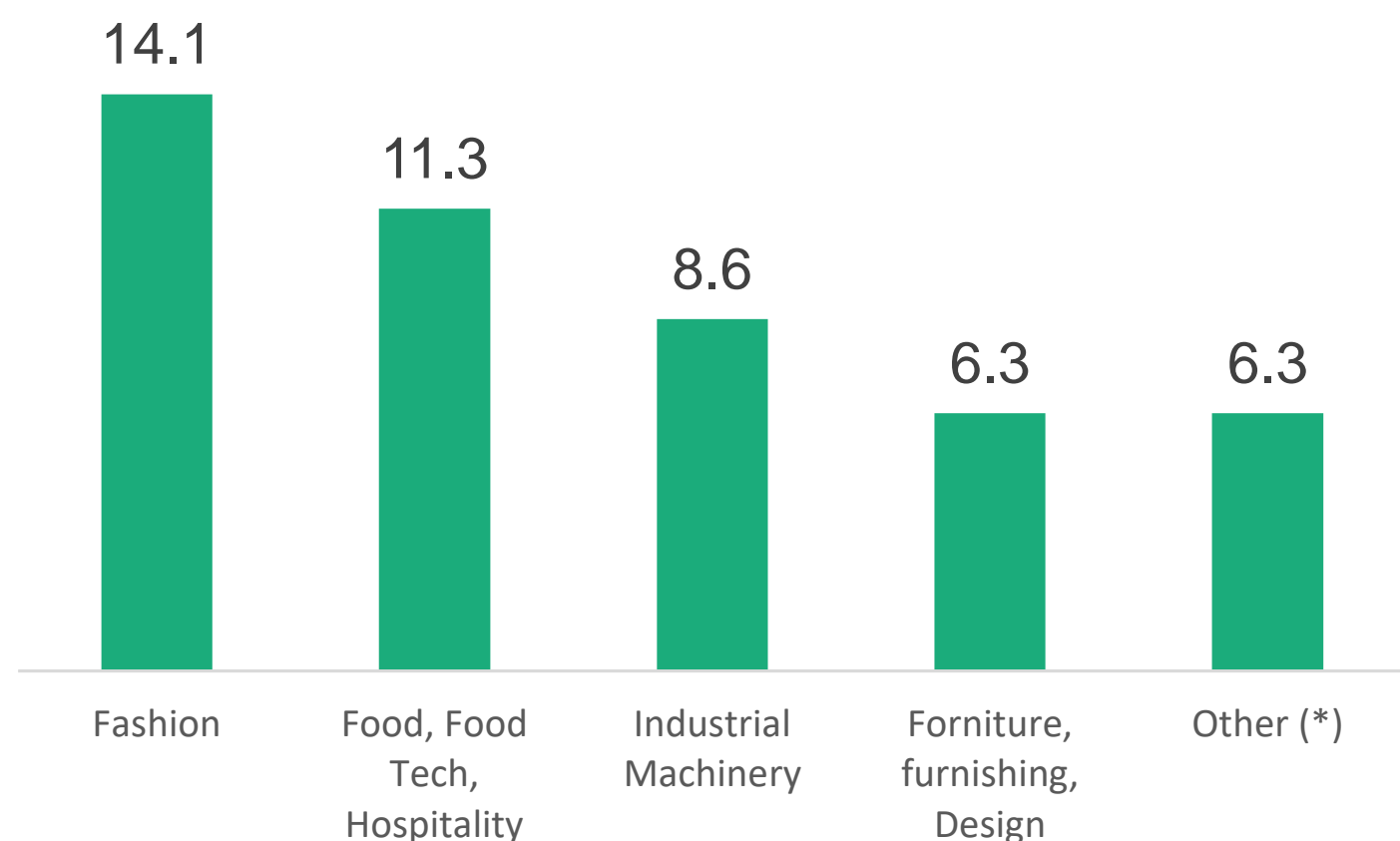


# 2.1

## Fiera Milano's impact on its Italian exhibitors

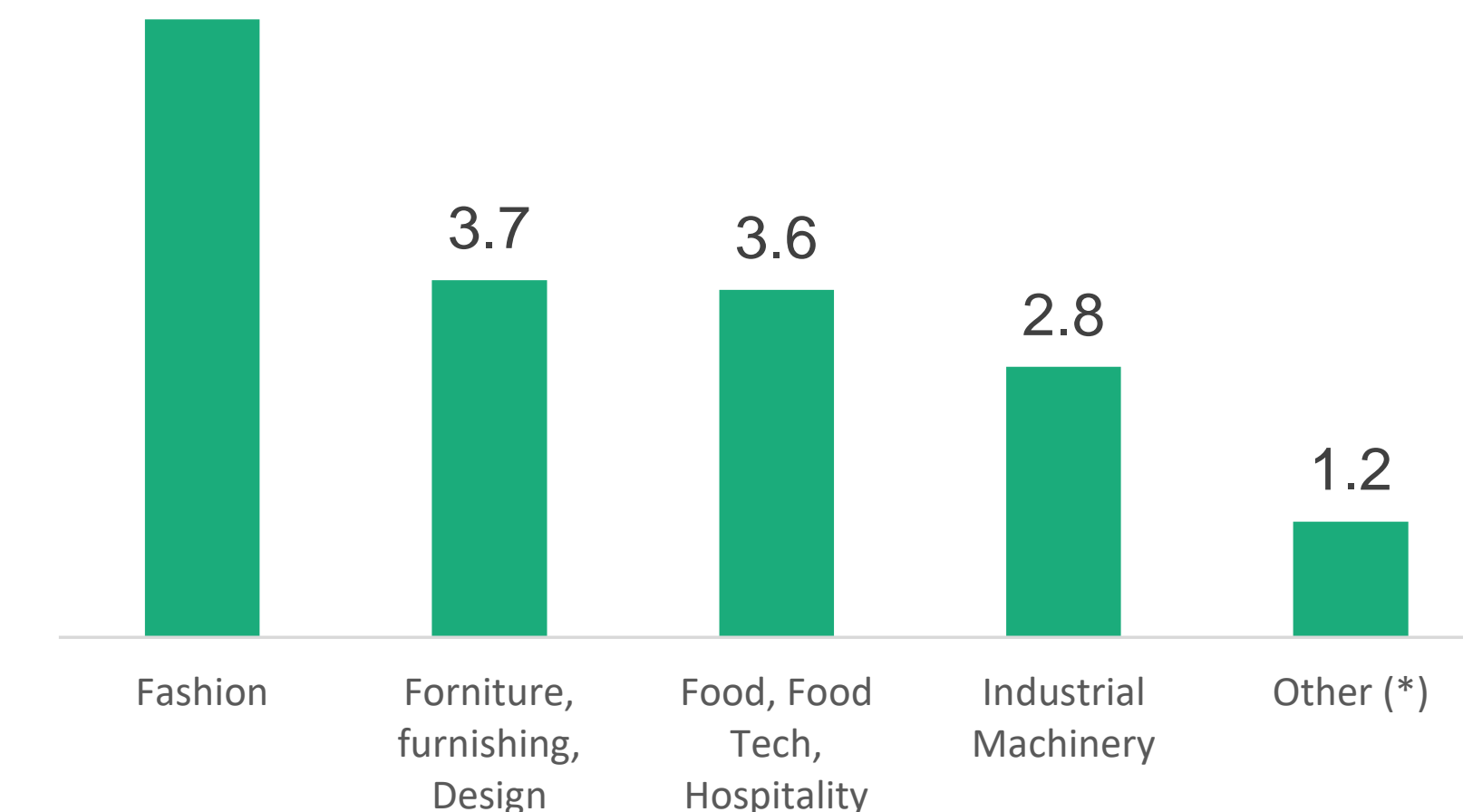
Revenues of Italian exhibitors from their participation at Fiera Milano events in 2019: **€46.6 billion**, equal to approximately 6% of the overall annual turnover of the exhibition sectors analysed

€bn



**€17.5 billion in exports**, equal to 38% of the annual turnover generated through their participation in Fiera Milano's trade fairs

€bn



\* Digital, Banking & Finance, Tourism, Leisure, Mobility

Source: Strategic study, "Il futuro dell'industria italiana tra resilienza, rilancio dopo la crisi sanitaria globale e competitività di lungo periodo", 2020, The European House Ambrosetti – Fondazione Fiera Milano



## 2.2

# A big impact on 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

3.0

# Restart and impact of COVID-19 on activities



# 3.1

## Exhibition restart (1/5)

8 September 2020 – Fiera Milano hosted the 31<sup>st</sup> edition of MILANO UNICA, the first physical exhibition held in Italy since lockdown



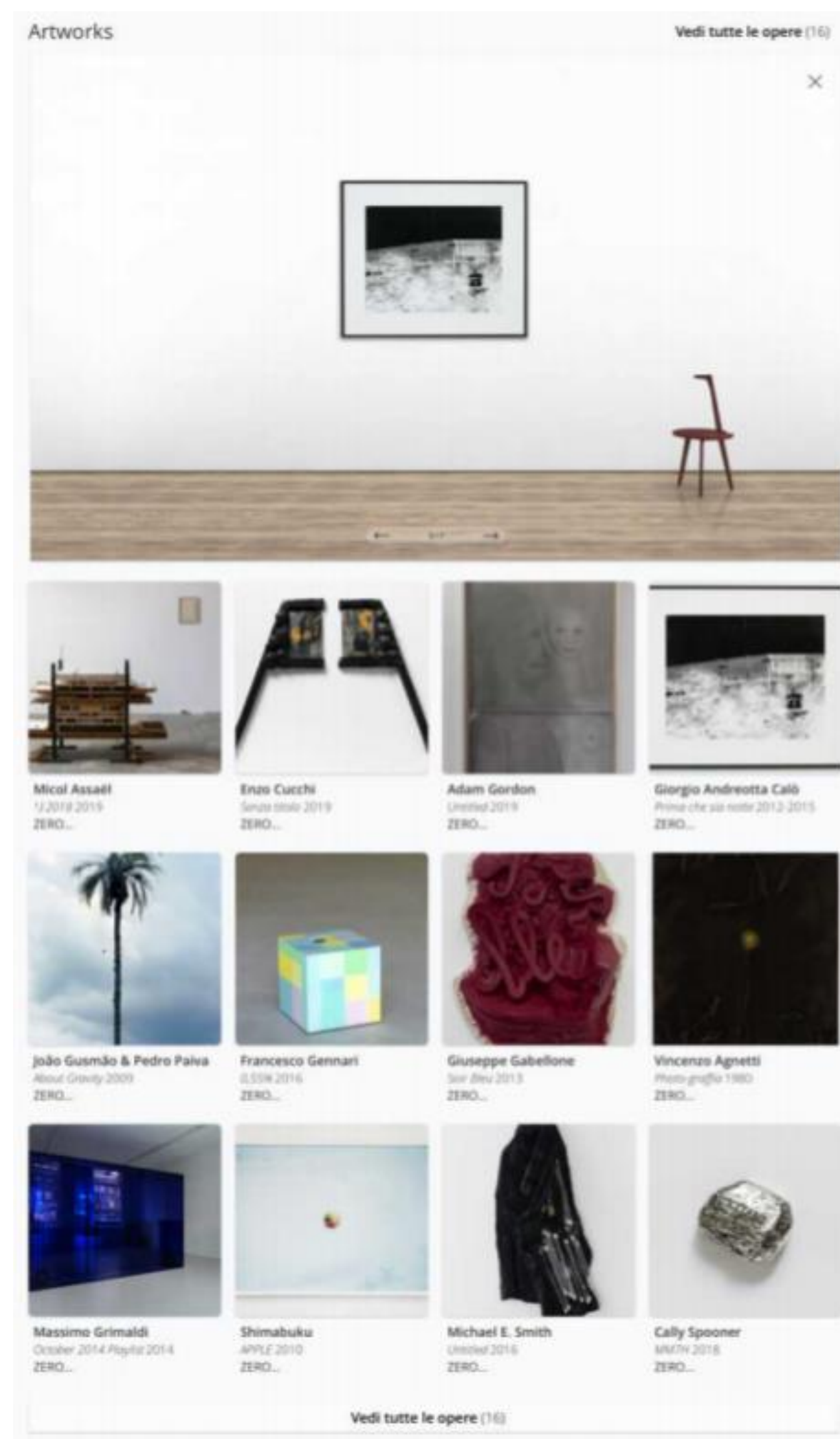
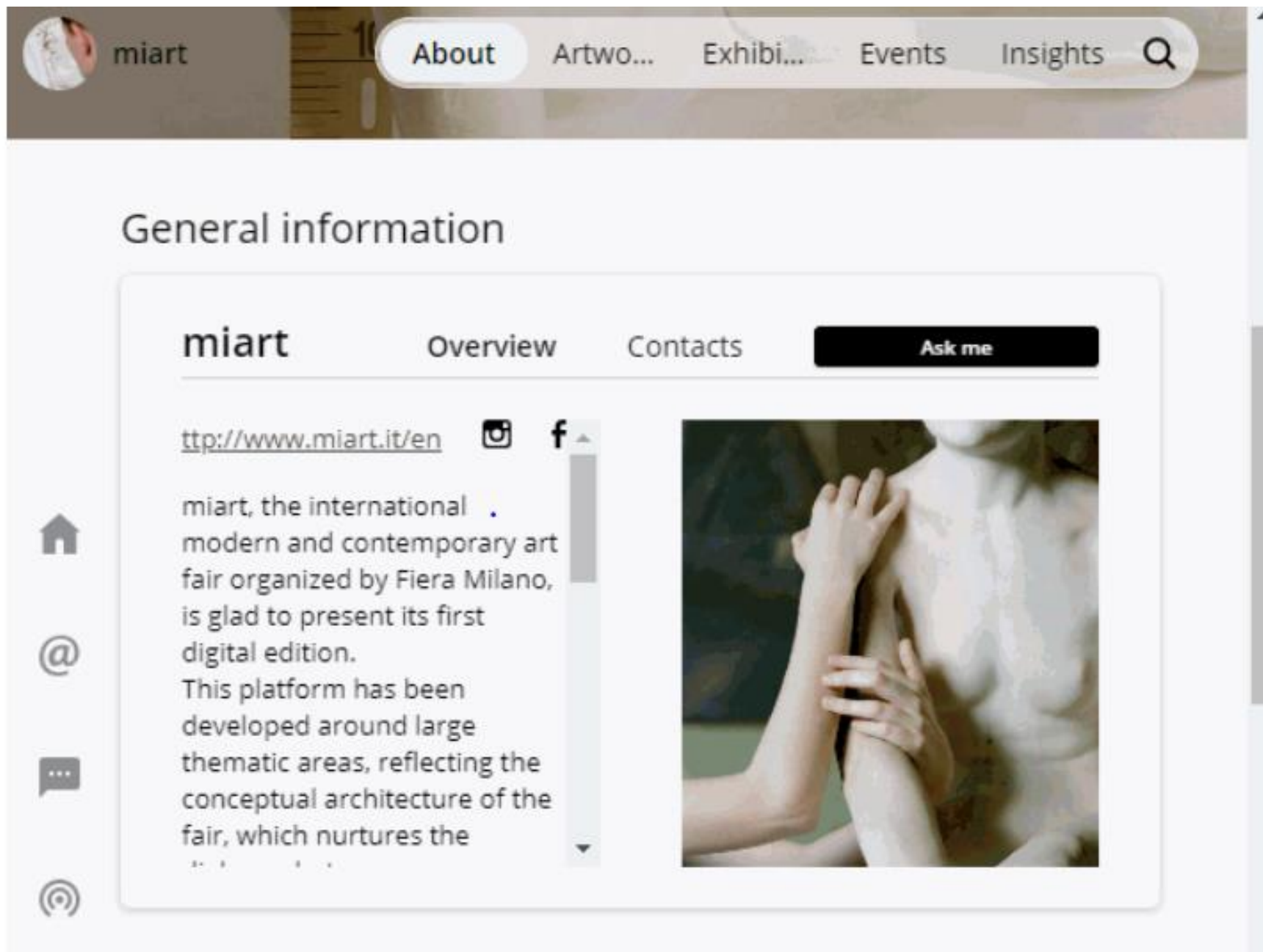


# 3.2

## Exhibition restart (2/5)

11 September 2020

Fiera Milano launched the first digital edition of Miart





## 3.3

# Exhibition restart (3/5)

19 - 23 September 2020

“Stronger together”

Six events with one big goal, to restart stronger than ever:

- HOMI Fashion & Jewels
- MICAM
- MIPEL
- A NEW POINT OF VIEW by LINEAPELLE
- TheOneMilano Special
- DaTE (in Florence)





3.4

## Exhibition restart (4/5)

25 - 27 September 2020

Milano Autoclassica, the first automotive exhibition held in Europe post lockdown





# 3.5

## Exhibition restart (5/5)

### September – December 2020 trade fairs calendar

	Exhibition	Sector	Date
Digital	MILANO UNICA	Textiles, clothing & accessories	8-9 September 2020
	MIART	Art and crafted products	11-13 September 2020
	HOMI Fashion&Jewels (II semester)	Homeware and gifts	19-22 September 2020
	MICAM (Spring)	Textiles, clothing & accessories	20-23 September 2020
	MIPEL (Spring)	Textiles, clothing & accessories	20-23 September 2020
	THE ONE MILANO (MIFUR-MIPAP) (Spring)	Textiles, clothing & accessories	20-23 September 2020
	LINEAPELLE (II semester)	Textiles, clothing & accessories	22-23 September 2020
	MILANO AUTO CLASSICA	Tourism - Sport - Leisure	25-27 September 2020
	FILO (II semester)	Textiles, clothing & accessories	7-8 October 2020
	BIMU	Industrial machinery	14-17 October 2020
Digital	SMAU	IT	20-21 October 2020
	SALONE FRANCHISING MILANO	Commerce - Services	22-24 October 2020
Digital	CHIBIMART	Homeware and gifts	13-16 November 2020
	VISCOM	Commerce - Services	17-18 November 2020
Digital	G! COME GIOCARE	Tourism - Sport - Leisure	20-22 November 2020
Digital	FA' LA COSA GIUSTA	Tourism - Sport - Leisure	27-29 November 2020
	CARTOOMICS	Tourism - Sport - Leisure	27-29 November 2020
Digital	MILAN GAMES WEEK	Tourism - Sport - Leisure	27-29 November 2020
	L'ARTIGIANO IN FIERA	Art and crafted products	5-13 December 2020





# 3.6

## Focus on safety and security

### further enhanced by adoption of sanitary protocols at venues

Fiera Milano has adopted a protocol to contain the spread of coronavirus, in full compliance with Italian health rules and protocols, covering all exhibition phases




Entering the exhibition centre



Management of exhibition areas



During the exhibition



Catering at the stand

# 3.7

## Technological and digital transformation process continues: Fiera Milano Platform

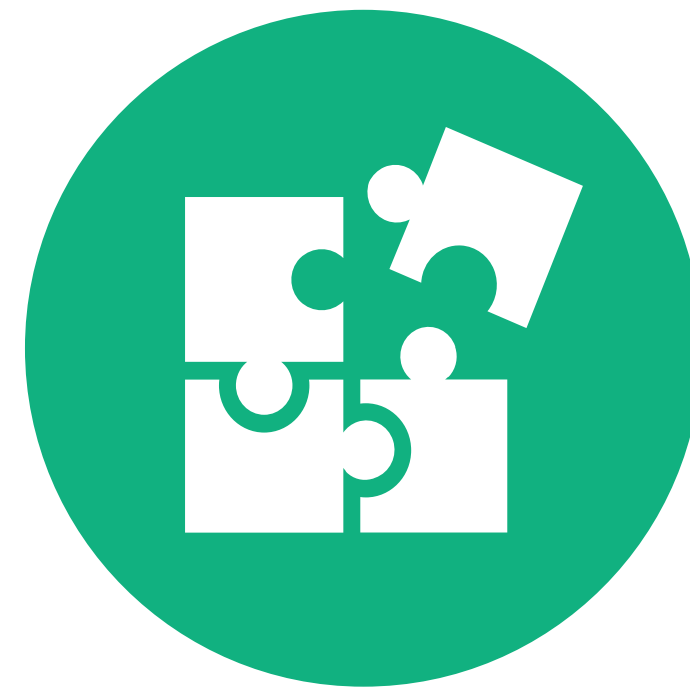
Key supporting factors for achieving the Group's goals:



To enhance directly  
organised events



To enrich our  
portfolio of  
hosted  
exhibitions and  
congresses



To expand the  
range of services  
offered



To expand international  
business



## 3.8 COVID-19

# A huge impact on the exhibition sector

The **UFI** (Global Association of the Exhibition Industry) said in its “Global Exhibition Barometer” (25<sup>th</sup> edition published in July 2020, based on a global survey conducted in June) that:

- 85% of participants declared a “normal” level of activity in January, but this percentage fell to 15% in March and to 5%-6% in April, May and June
- more than 70% of companies reported “no activity” in April and May
- most of the companies plan to restart national events during H2 2020, but with a reduced level of activity in Q4
- in all reference areas, the majority of companies believe that international events will start again in 2021

According to the latest Globex updated 2020 forecast released by **AMR International**, the global exhibition market is set to contract by at least 60% in 2020



# 3.9

## Actions taken to counteract the negative effects of the pandemic



Actions to safeguard the health and safety of our main stakeholders



Actions to maintain business and competitive positioning



Actions to improve Fiera Milano's financial situation



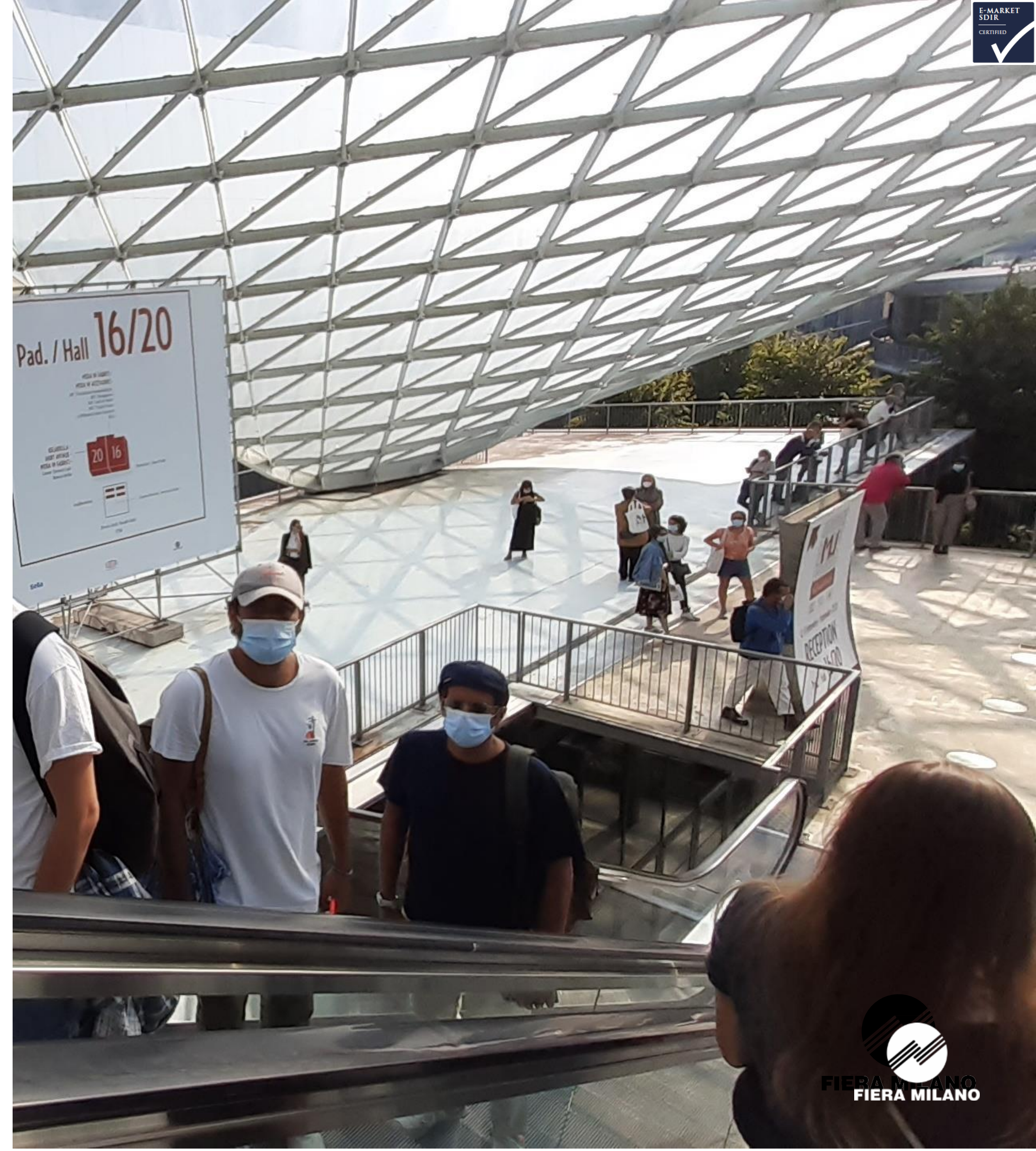
## 3.10

# Actions to safeguard the health and safety of our main stakeholders

### Adoption of anti-COVID-19 protocol

when conducting events and conferences (in compliance with current regulations and guidelines set by UFI and EMECA), to ensure the highest standards of safety, hygiene and sanitary conditions for workers, customers and suppliers

### Adoption of remote working initiatives for Fiera Milano employees





## 3.11

# Actions to maintain business and competitive positioning (1/3)

**Implementation of cost-cutting and efficiency measures** in the management of exhibition sites and personnel

- Use of Italian wage supplementation fund (*FIS, Fondo Integrazione Salariale*)
- Voluntary reductions in group managers' salaries
- Containment of operating costs (including through the renegotiation of contracts)
- Renegotiation of rental costs (ongoing negotiations with Fondazione Fiera Milano, the owner of the exhibition sites)

**Revision of the exhibition calendar** in close coordination with organisers and exhibitors, repositioning events in different periods to those originally planned

**Launch of digital and hybrid exhibition formats ("phygital")** to provide alternative services, keep relationships alive and improve customer experience

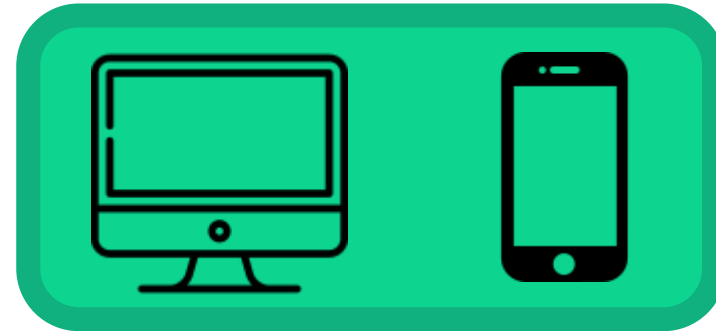
**Development of the Fiera Milano Platform**, a digital platform dedicated to the entire business community (organisers, exhibitors and visitors), offering several services to be rolled out gradually from September, including:

- Enhanced content on event websites and social media
- Webinars
- New catalogues for the presentation and sale of exhibitors' products
- Digital maps for the remote access of events
- Trading venues for real-time direct negotiations

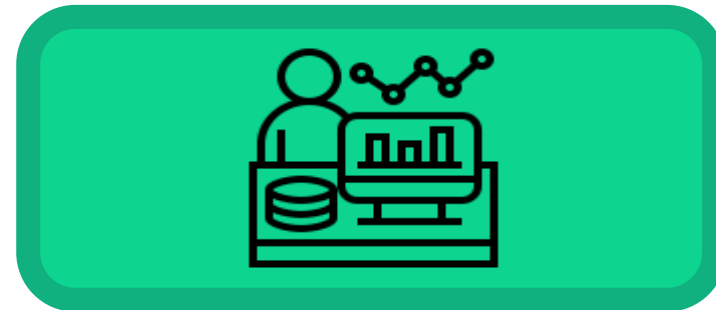


# 3.12

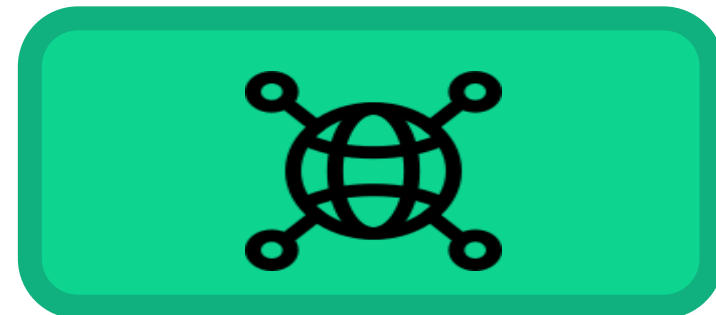
## Fiera Milano Platform



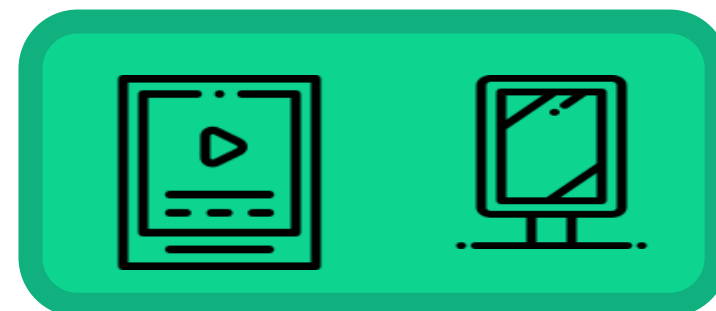
Websites, smart App, one catalogue



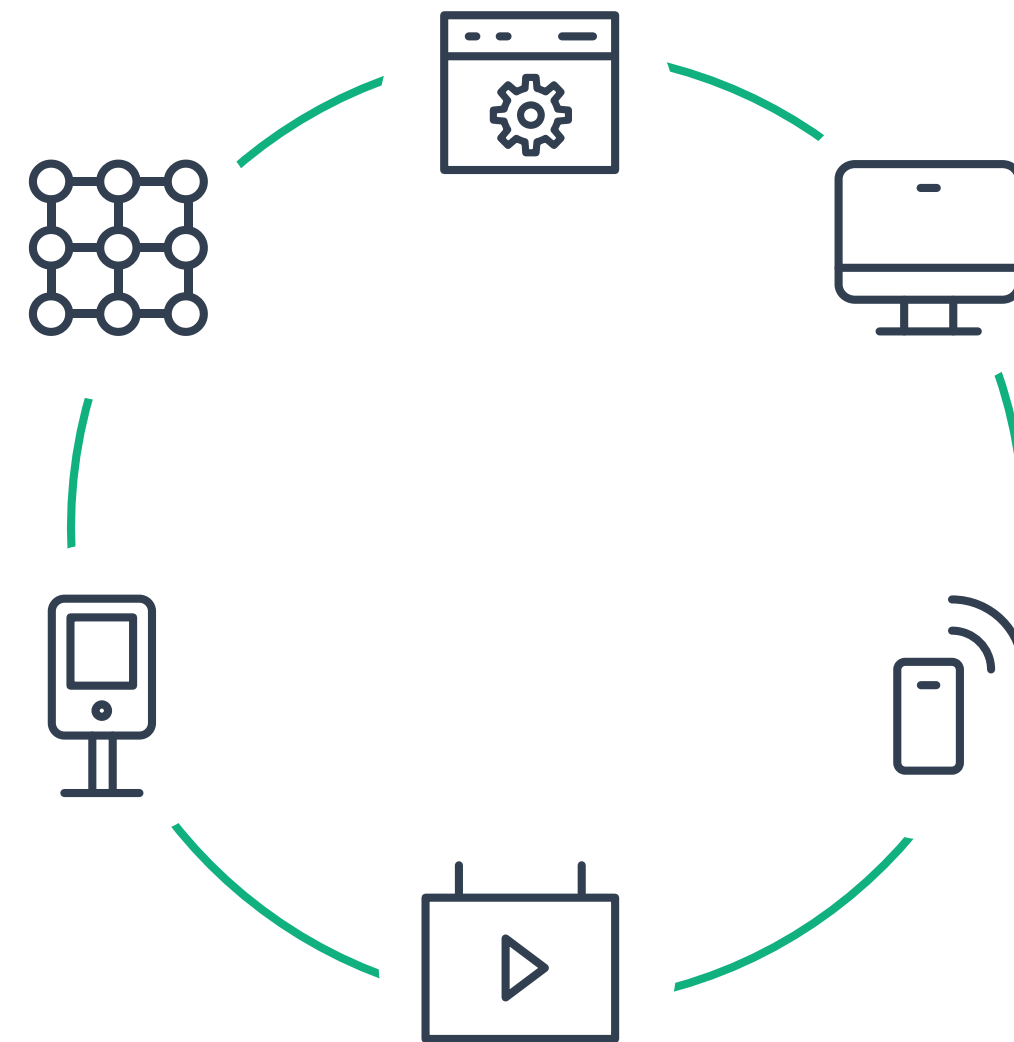
Customisation and data scientist



Portal B2B, matching and virtual keynote



Digital signage



1. Organisers portal
2. Exhibitors portal
3. Stand fitters portal
4. Event website
5. Exhibition app
6. Digital signage
7. Totems
8. Smart grid



## 3.13

# Actions to maintain business and competitive positioning (2/3)

### Exploitation of the Smart District

- An infrastructure consisting of 80 high-resolution LED walls, which can be adapted to a wide variety of infotainment (digital signage)
- A heatmap to allow geolocation within the exhibition centre
- A map that monitors flows and routes in the halls for better interaction between buyers and exhibitors
- A new exhibition centre app to access a series of services (i.e. the new way-finding system, fast track, reservations for parking and food service, etc.)





## 3.14

# Actions to maintain business and competitive positioning (3/3)

**Advocacy with central government and regional institutions** to safeguard the interests of the company and of the whole trade fair industry, in cooperation with other trade fair operators and the AIFI trade association

**Financial and commercial support provided to exhibitors and organisers**

- Facilitation of access to credit for exhibitors willing to participate in trade fairs
- Assistance with event rescheduling



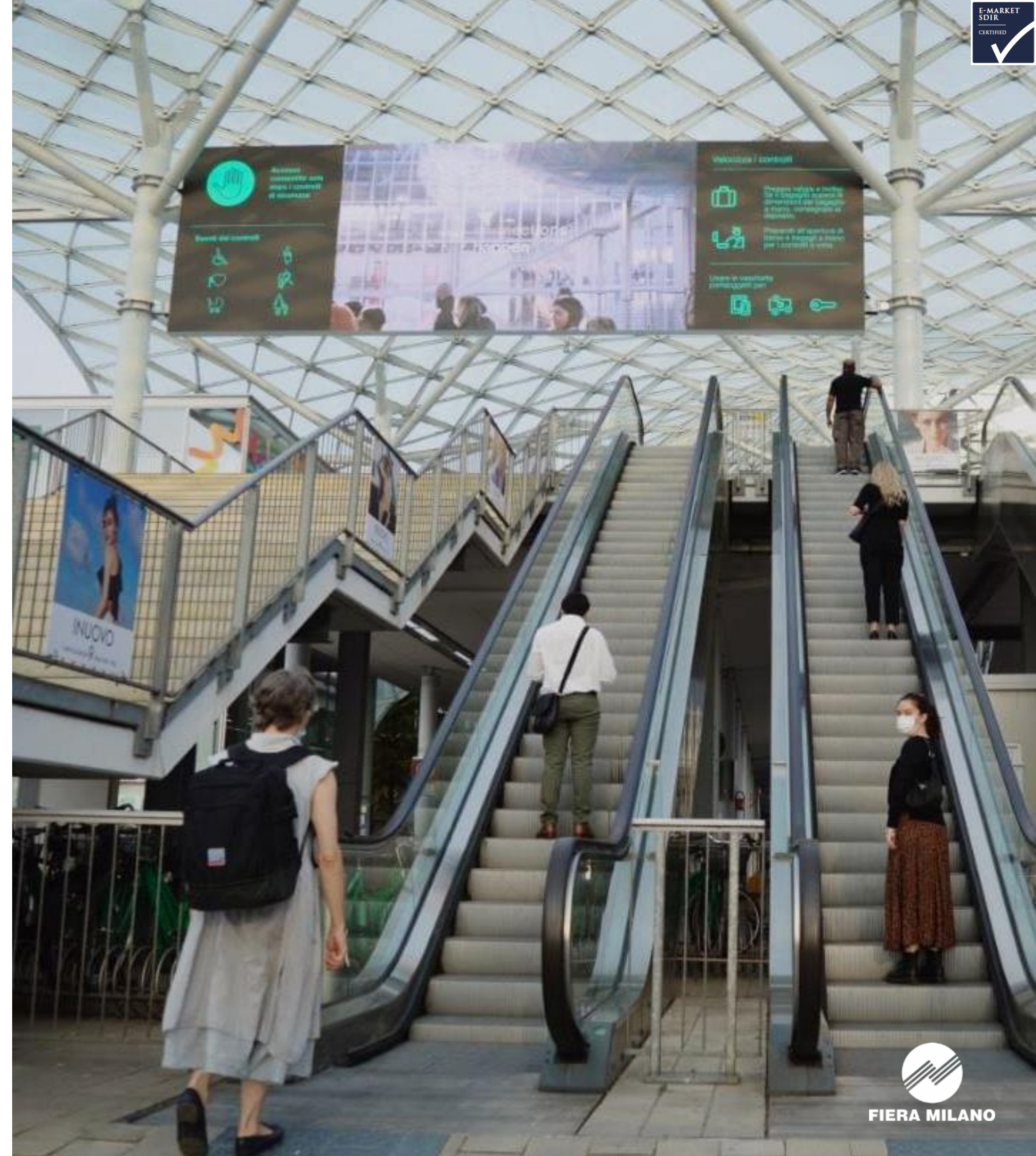


3.15

## Actions to improve Fiera Milano's financial situation

**€45 million extra financial resources** have been secured in order to provide additional financial flexibility

- New credit line (€20 million with Banco BPM)
- New short-term loan (€25 million with UBI)





4.0

# Financial results (H1 2020)

## 4.1

# Financial highlights

1H20 results were affected by the suspension of exhibition activities from 23 February on due to the Covid-19 pandemic

- Net exhibition space occupied in Italy: 273,785 square metres (35% from directly organised exhibitions), compared to 864,315 square metres in 1H19
- 1H20 consolidated **revenues** of Euro 56.0 million (Euro 153.9 million in 1H19)
- 1H20 consolidated **EBITDA**: Euro 10.6 million (Euro 62.4 million in 1H19)
- 1H20 consolidated **EBIT**: Euro -11.9 million (Euro 39.6 million in 1H19)
- 1H20 **net result**: Euro -12.6 million (Euro 24.1 million in 1H19)
- Consolidated **net cash** (pre-IFRS 16) Euro 20.2 million at 30 June 2020 (Euro 68.3 million at 31 December 2019)





## 4.2

# Business outlook

- The results for the first half of the year were higher than expected after the health emergency, thanks to significant cost containment measures. Nevertheless, the extent and duration of the epidemiological emergency has led to the cancellation of important international exhibitions.
- The scenario changes are such as to determine, on the basis of currently available information, an estimate of **net exhibition area in Italy in the last part of the current year of about 150 thousand square metres**, as compared to the previous forecast of 700 thousand square metres and a 2020 **EBITDA target at break even**, as compared to the previous range of Euro 38-43 million.
- The updated target does not include any reductions in the rent for the exhibition site at the end of the ongoing negotiations with Fondazione Fiera Milano in relation to the suspension of activities due to force majeure.



# 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.





For further information, please contact:  
Investor Relations Department  
Tel +39 02.4997.7816/7911  
email: [investor.relations@fieramilano.it](mailto:investor.relations@fieramilano.it)



**FIERA MILANO**

**Fiera Milano S.p.A.**  
S.S. del Sempione 28  
20017 Rho (Milano) - Italia  
[www.fieramilano.it](http://www.fieramilano.it)