

FIERA MILANO GROUP

FY 2020 Consolidated Results

CONFERENCE CALL – 15 March 2021



FIERA MILANO

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Highlights

1.1

Highlights

FY 2020 results negatively affected by the suspension of activities due to the Covid-19 pandemic

- Onsite trade fairs and congresses suspended from 23 February
- Temporary restart of activity in September/October but with low attendance figures
- EBITDA benefiting from the agreement with Fondazione Fiera Milano (landlord) on the reduction of rent for the Rho and Milan exhibition sites and the "MiCo" congress centre for a total value of Euro 14 million

KEY FIGURES (€m)	FY 2020	<i>of which IFRS 16 impact</i>	FY 2019	FY 2018
Revenues	73.6		279.7	247.2
EBITDA	10.4	47.3	106.1	31.9
EBIT	(34.3)	7.8	59.6	25.1
Net Profit / (Net Loss)	(34.2)	-3.7	34.3	18.6

KEY FIGURES (€m)	FY 2020	FY 2019	FY 2018
Net debt (net cash) pre IFRS16	23.9	(68.3)	(23.7)

2.0

Financial results

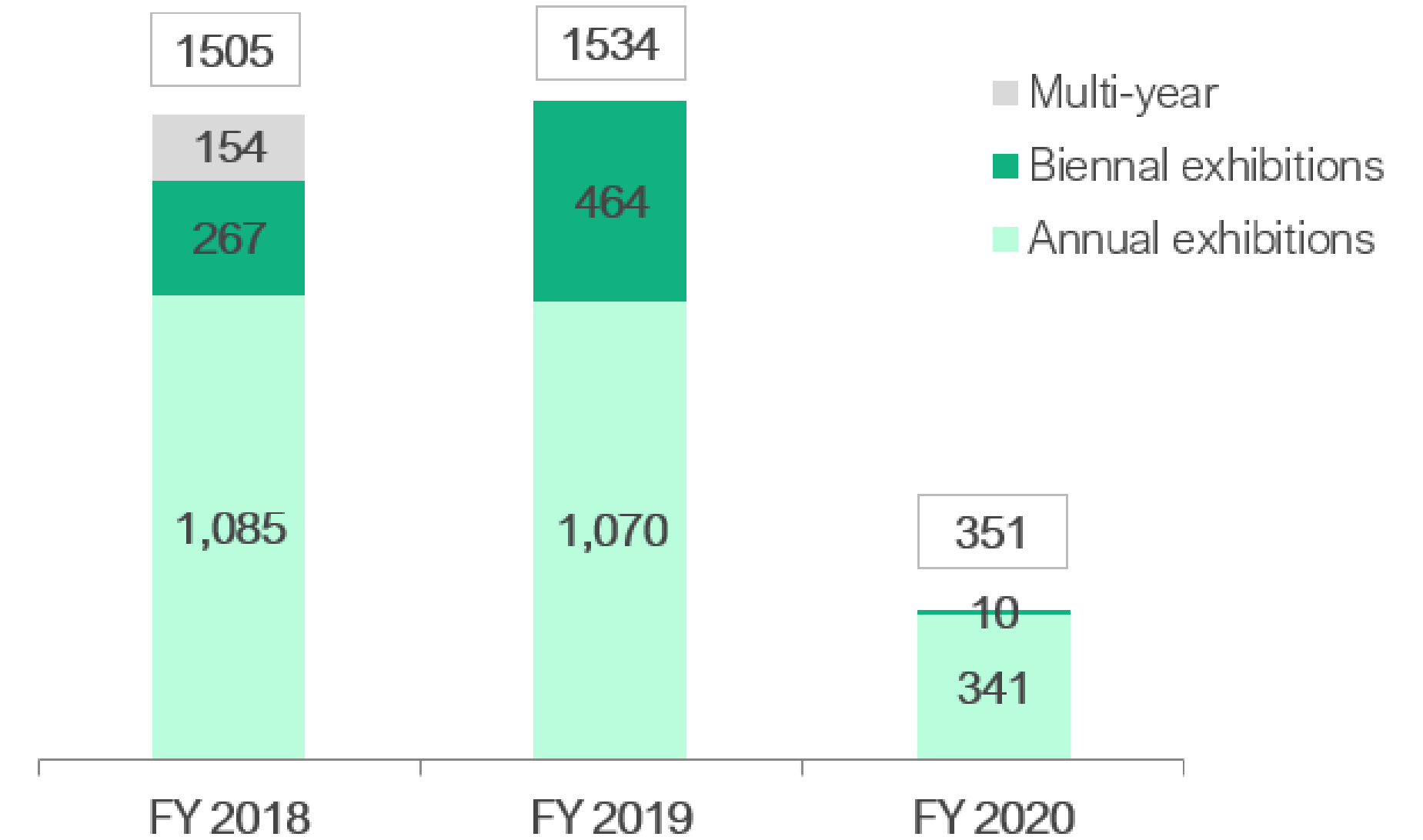


2.1

Italian exhibitions



Exhibition space rented out
('000 net sq.m.)



- The exhibition calendar saw significant adjustments in 2020. Events were first re-scheduled in later months of the year and then major trade fairs – such as Il Salone del Mobile, Mostra Convegno Expocomfort, MIDO, EICMA – were cancelled.
- Exhibitions held in September and October (such as HOMI Fashion&Jewels, Micam and Bimu) were of reduced size
- Absence of **biennial exhibitions** HOST, Made Expo, Tuttofood and Transpotec Logitec

2.2

Italian exhibition business



Italian Exhibition Business (€m)	FY 2020	FY 2019
Revenues	63.6	235.3
EBITDA	11.3	90.6
<i>% on revenues</i>	<i>18%</i>	<i>38.5%</i>
EBIT	(28.1)	50.7
<i>% on revenues</i>	<i>neg.</i>	<i>21.6%</i>

- The trend in **revenues** was affected by very limited activity (4 months: January, February, September and October)
- The change in **EBITDA** was mainly related to the trend in revenues, which was partially offset by the actions taken to reduce the cost base and by the renegotiation of the lease agreements with Fondazione Fiera Milano



2.3

Foreign exhibition business

Foreign Exhibition Business (€m)	FY 2020	FY 2019
Revenues	1.2	4.3
EBITDA	(0.8)	3.3
<i>% on revenues</i>	<i>neg.</i>	78.1%
EBIT	(1.1)	2.9
<i>% on revenues</i>	<i>neg.</i>	68.2%

- The contraction in **revenues** mainly reflected the effect of Covid-19 on the Brazilian exhibition calendar
- The **EBITDA** was affected by the decline in revenues and lower results from the joint venture activities in China (JV with Deutsche Messe AG), where exhibitions restarted in August 2020

Media

Media (€m)	FY 2020	FY 2019
Revenues	6.4	11.1
EBITDA	0.0	0.8
<i>% on revenues</i>	<i>0.3%</i>	<i>7.3%</i>
EBIT	(0.1)	(0.6)
<i>% on revenues</i>	<i>neg.</i>	<i>neg.</i>

- The decline in **revenues** was primarily related to lower billboard and technical publications revenue due to both cancellations of fairs and the reduced size of those exhibitions that were held
- The contraction in **Margins** was caused by the drop in revenues only partially offset by cost cutting actions. It should also be noted that in 2019 **EBIT** was pulled lower by a Euro 1.2 million write-down

2.5

Congresses



Congresses (€m)	FY 2020	FY 2019
Revenues	5.7	39.7
EBITDA	(0.0)	11.3
<i>% on revenues</i>	<i>neg.</i>	<i>28.6%</i>
EBIT	(5.0)	6.6
<i>% on revenues</i>	<i>neg.</i>	<i>16.5%</i>

- The year-on-year trend in **revenues** and **margins** reflected the change in the congress calendar as a result of the Covid-19 emergency with several events cancelled or postponed to 2021

2.6

Net Financial Position

Consolidated Net Financial Position (€m)	FY 2020	FY 2019
Cash & cash equivalents	20.4	68.0
Current financial assets	1.3	1.3
Current bank borrowings	49.0	0.0
Current portion of non-current debt	0.0	0.0
Other current financial liabilities	1.7	1.1
Current financial debt	50.8	1.1
Net current financial debt (cash)	29.0	(68.3)
Non-current financial assets	5.1	0.1
Other non-current payables	0.0	0.0
Non-current financial debt (cash)	(5.1)	(0.1)
Net financial debt (cash) before IFRS 16 effects	23.9	(68.3)
IFRS 16 financial effects	449.6	473.4
Net financial debt/(cash) after IFRS 16 effects	473.4	405.1

The change in net financial position was mainly due to the suspension of exhibition activities

3.0

Events after the end of the period

3.1

Events after the end of the period

Approval of 2021-2025 Strategic Plan

CONN.E.C.T 2025

(Connections, Exhibitions, Community, Transformation)

- Strategic Plan 2021-2025 to respond effectively to the impacts of the pandemic, outlining future scenarios and identifying the key factors for successfully competing in a "New Normal" context, in which innovation technology and digital transformation will play a leading role
- New business model focused on four strategic directions to become a leading European hub with an international presence
- Solid enabling factors represented by the enhancement of human capital, a commercial and product approach aimed at excellence, digital transformation and major investments aimed at increasing management efficiency and site competitiveness
- Focus on Sustainability as a tool for value creation for all Stakeholders
- 2025 targets linked to both financial and ESG parameters

3.2

Events after the end of the period

Subscribed three new loans for a total amount of Euro 82 ml

Disposal of Fiera Milano Media publishing business

New suspension of exhibition activity until 6 April 2021

- Higher financial flexibility to support the execution of the strategic plan
 - ✓ Euro 55 million (maturity 31.12.2025) from a syndicate of Italian leading banks (Intesa Sanpaolo, Banco BPM, UniCredit) backed by a SACE guarantee
 - ✓ Euro 20 million (maturity 31.12.2025) from Cassa Depositi e Prestiti backed by a SACE guarantee
 - ✓ Euro 7 million (maturity 31.12.2027) from SIMEST within the framework of the 394/81 Fund
- Sale of Fiera Milano Media publishing business unit specialised in Tech, Ho.Re.Ca. and ICT magazines to Quine Srl for a price of Euro 1.3ml subject to some adjustments
- Prime Ministerial Decree (DPCM) on 2 March 2021 confirmed the suspension of onsite exhibitions until 6 April 2021

4.0

Business outlook



4.1

Business outlook

- The extreme uncertainty about how the pandemic will evolve makes forecasting for the current year complex and subject to great volatility. Therefore, **two scenarios have been considered:**
 - 1) **Restart of exhibitions in Q2 2021 (May)**
 - ✓ Revenue: Euro 180-200 million
 - ✓ EBITDA: Euro 40-50 million
 - ✓ Net Financial Position: Euro +5/-5 million
 - 2) **Restart of exhibitions in Q3 2021 (September)**
 - ✓ Revenue: Euro 160-180 million
 - ✓ EBITDA: Euro 35-45 million
 - ✓ Net Financial Position: Euro 0-10 million
- Both scenarios do not include the effects of a new revision of the lease agreements in place with Fondazione Fiera Milano and only marginally any government contributions under the “*de minimis*” scheme

Forward-looking statement

Data and information herewith set forth are extracted from the Fiera Milano Press Release relating to Consolidated Results 31 December 2020 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)	FY 2020	FY 2019
Revenues	73.6	279.7
Cost of materials	1.6	2.5
Cost of services	45.5	121.2
Costs for use of 3rd-party assets	0.5	0.5
Personnel expenses	31.9	47.4
Other operating expenses	2.5	4.8
Total operating costs	81.9	176.4
Other income	16.9	2.4
Results of equity-accounted companies	0.5	3.8
Allowance for doubtful accounts and other provisions	(1.3)	3.5
EBITDA	10.4	106.1
Depreciation and amortisation	44.8	45.2
Adjustments to asset values	0.0	1.3
EBIT	(34.3)	59.6
Financial income/(expenses)	(12.7)	(13.4)
Valuation of financial assets	0.0	0.0
Profit/loss before income tax	(47.0)	46.2
Income Tax	(12.9)	11.9
Net Profit/loss	(34.2)	34.3
<i>o/w attributable to the shareholders of the controlling entity</i>	(33.9)	34.4

Financial overview – Reclassified Statement of Financial Position

Reclassified Consolidated Statement of Financial Position (€m)	FY 2020	FY 2019
Non-current assets	593.8	622.5
Net working capital	(35.4)	(87.7)
Gross Capital Employed	558.4	534.8
Non current liabilities	21.7	21.9
Total net Capital Employed	536.7	512.9
Equity	63.2	107.9
Net financial position	473.4	405.1
Equity and Net financial position	536.7	512.9
Net financial position pre-IFRS 16 effects (Net Cash)	23.9	(68.3)