

FIERA MILANO GROUP

1st Half 2021 Consolidated Results

CONFERENCE CALL – 28 July 2021



FIERA MILANO

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1.0

Highlights



1.1 Highlights

During these months of forced inactivity, Fiera Milano worked closely with institutions and health authorities, third-party organisers, partners and industry associations to meticulously plan the restart of our exhibition and conference events, and to ensure that our customers can meet in complete safety and therefore get back to generating new networking and business opportunities

- H1 2021 results reflected the suspension of exhibition activities due to the restrictive measures adopted by the Italian Authorities to contain the spread of the COVID-19 pandemic
- The lack of revenues negatively affected profitability and led to a net loss of Euro 24.6m
- Net Financial Debt before IFRS 16 effects reached Euro 64.9m compared to Euro 23.9m at the end of 2020

KEY FIGURES (€m)	H1 2021	H1 2020 (*)
Revenues	4.6	56.0
EBITDA	(23.0)	10.6
EBIT	(45.3)	(11.9)
Net Profit (loss)	(24.6)	(12.6)

KEY FIGURES (€m)	H1 2021	FY 2020
Net debt (net cash) pre IFRS16	64.9	23.9

(*) In the first two months of 2020 the activity was carried out under normal conditions

1.2 Carefully planning the restart: main actions (1)

- Revision of the H1 2021 exhibition calendar in close coordination with organisers and exhibitors, repositioning events in different periods to those originally planned
 - ✓ Extraordinary organisational effort to support a very busy calendar: >30 exhibitions in H2 2021
 - ✓ Exploiting synergies between similar/adjacent sectors, transforming a moment of crisis into an opportunity

MILANO TORNA FIERA



1.2

Carefully planning the restart: main actions (2)

- **Intense dialogue with government institutions** and **health authorities**, also in coordination with the Italian trade fairs associations, in order to ensure the best possible conditions for the resumption of activities
- **Strict cost control and implementation of efficiency measures** in the management of exhibition sites and personnel (utilisation of the Italian wage supplementation fund “*FIS - Fondo Integrazione Salariale*”)
- **Large financial resources** to ensure business continuity, providing additional financial flexibility and supporting the delivery of the strategic plan in exceptional circumstances due to the inability to carry out the core business for a prolonged period of time.
 - ✓ Euro 87 million of medium-term loans
 - ✓ Euro 75 million of credit lines
- **Expansion of the offered solutions and services especially in the digital field** to develop hybrid (“phygital”) exhibition formats
- **New organisation structure** and **strengthened management team** to speed up the execution of the strategic plan CONN.E.C.T. 2025

1.3

Sustainability: main actions and achievements

- Sustainability has become an integral part of the CONN.E.C.T 2025 strategic plan and a cross-cutting issue for the company organisation
- Definition of Fiera Milano's **purpose**, revision of **mission** and **corporate values**, update of the **materiality matrix**
- Update of **Fiera Milano's protocol** to contain the spread of coronavirus, in full compliance with Italian health rules and protocols, covering all exhibition phases
- Obtained the **ISO 20121:2013 certification** for event sustainability management systems
- Launched an extraordinary training plan called "**Fiera Milano Education**", feeding into the process of strengthening employees' digital skills. The project is part of the broader skill transformation path envisaged in the CONN.E.C.T. 2025 plan.
- Fiera Milano **ranked 1st in 2021 IGI (Integrated Governance Index) awards in the "extra 100" category** and in the **150 companies** classified as "**Sustainability Leaders**" in 2021 according to an analysis by "Statista" and "Il Sole 24 Ore"

1.4

Digital edition

9-14 May 2021 – Fiera Milano organised Bit Digital Edition, the digital marketplace focused on tourism

Bit DIGITAL EDITION
MILANO YOUR TRAVEL EXHIBITION

6 DAYS OF EXHIBITION

BUSINESS

- +1600 EXHIBITORS
- 600 BUYER
- 7000 BUSINESS DATE
- 58MILA UNIQUE USERS

EVENTS

- 161 BIT TALKS
- 57MILA VIEWS

SOCIAL MEDIA

- 1,5 MILLIONS IMPRESSIONS
- 38MILA UNIQUE USERS

Bit DIGITAL EDITION YOUR TRAVEL EXHIBITION

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138 Eventi - Programma

Ricerca per Titolo Evento

3-9 maggio 2021

Programma

- B2B
- B2C
- BIT SPECIAL TALKS
- EXPERIENTIAL TOURISM
- FOOD AND WINE TOURISM
- HOT TOPICS
- TECHNOLOGY & INNOVATION
- TRAINING

Filtri

- Ricorrente
- Organizzato da Espositore
- Organizzato da BIT Digital Edition

Titolo Evento	Relatori	Data	Ora
Convegno inaugurale di BIT Digital Edition	Relatori: Luca Palermo, Alfonso Morvillo, Caroline Bremner, Alessandra Pirante, Thierry Breton, Massimo Garavaglia, Modera...	09-05-2021	11:00
Prenotare un viaggio in Italia con la OTA mytakeit.com: il prezzo lo fai tu!	mytakeit.com	09-05-2021	12:00
XXIV Rapporto sul Turismo Italiano	Relatori: Alfonso Morvillo, Emilio Becheri, Mara Manente, Fabrizio Arosio, Flavia Mana Coccia, Alessandra Marasco, Pio Grollo, Oriana...	09-05-2021	14:00
Prenotazioni dirette, i trend e le strategie migliori per la ripresa	Modera: Giulia Fremita, Strategia e Comunicazione digitale nel Turismo. Relatori: Silvia Cantarella, Revenue Acrobats; Simone...	09-05-2021	14:00
2020, l'anno zero per il business model delle OTA. I principali attori del mercato raccontano cosa è cambiato nell'anno del...	Relatori: Silvia Montini, CEO & Founder, Dormoa; Erika De Santi, Co-founder & Managing Director & Equity Partner WeRoad; Gianpaolo...	09-05-2021	14:00
Destinazione Italia: la scommessa 2021	Relatori: Lara Magoni, Giorgio Palmucci, Luca Scandale, Giacomo Trovato, Francesco Palumbo, Laura Dominici	09-05-2021	14:00

1.5

Exhibition restart (1/1)

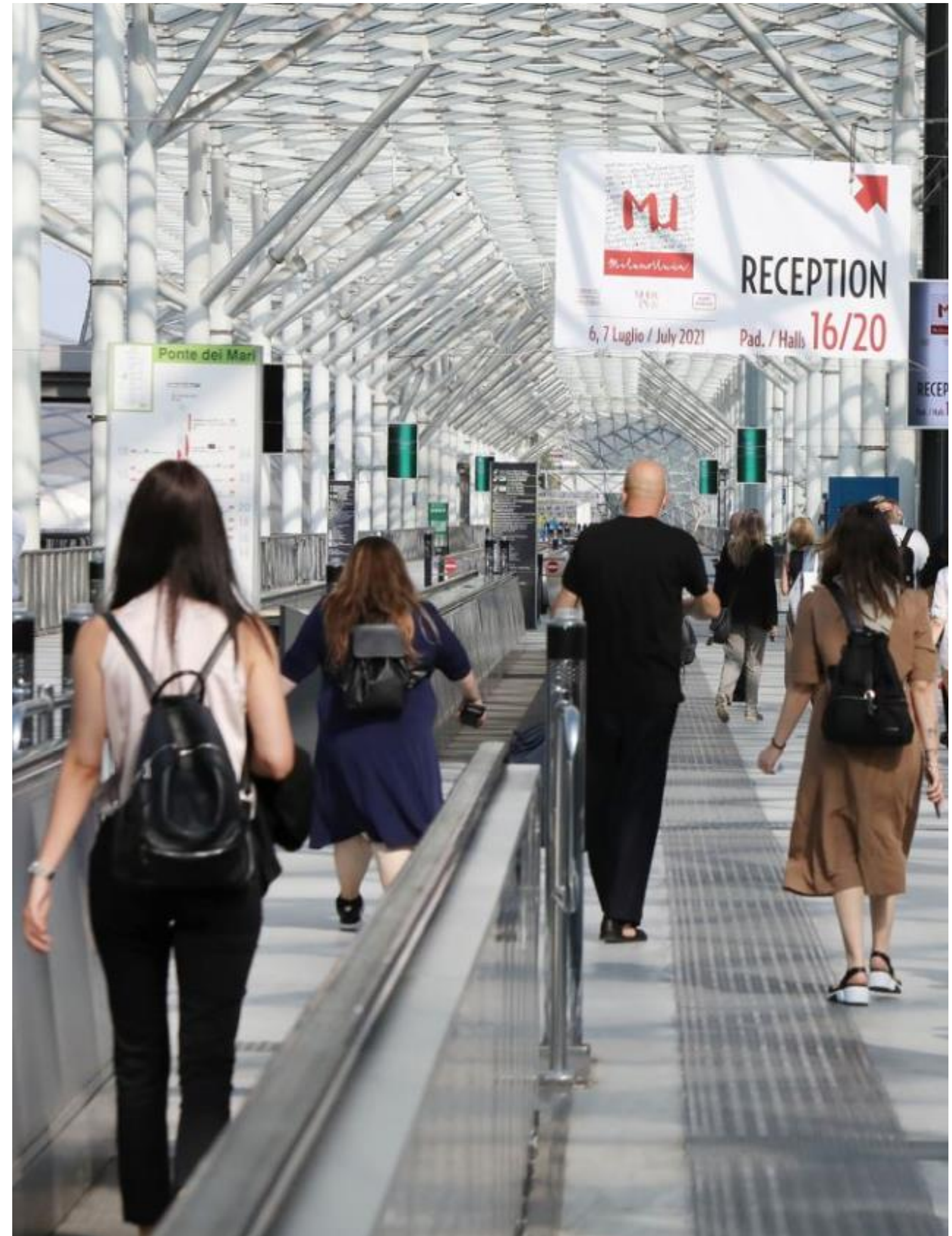
25-27 June 2021 – Fiera Milano hosted Sì Sposaitalia Collezione, its first physical exhibition after the resumption of activities...



1.5

Exhibition restart (2/2)

...followed a few days later by Milano Unica (6-7 July 2021)



2.0

Financial results



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2.1

Italian Exhibitions Business

Italian Exhibitions Business (€m)	H1 2021	H1 2020 (*)
Revenues	2.9	49.4
EBITDA	(20.4)	11.9
<i>% on revenues</i>	<i>neg.</i>	<i>24.0%</i>
EBIT	(40.1)	(7.9)
<i>% on revenues</i>	<i>neg.</i>	<i>neg.</i>

- The change in **revenue** was due to absence of on-site events until 15 June 2021. The exhibition calendar was revised, where possible, by postponing events originally planned for the first half to the second half of the year
- The change in **EBITDA** was mainly due to the trend in revenues, which was partially offset by the actions taken to reduce the cost base

Gross of adjustments for inter-segment transactions

() In the first two months of 2020 figures referred to pre-Covid 19 activities*



2.2

Foreign Exhibitions Business

Foreign Exhibitions Business (€m)	H1 2021	H1 2020 (*)
Revenues	0.0	1.1
EBITDA	(0.5)	(1.0)
% on revenues	neg.	neg.
EBIT	(0.6)	(1.2)
% on revenues	neg.	neg.

- The contraction in **revenues** reflected the effect of Covid-19 on the exhibition calendar in Brazil and South Africa
- The improvement in **EBITDA** was due to the positive result of the joint venture in China (JV with Deutsche Messe AG), whose activity in H1 2020 was halted as a result of the Covid-19 emergency, which hit the country from January 2020

Gross of adjustments for inter-segment transactions

() In the first two months of 2020 figures referred to pre-Covid 19 activities*



2.3

Media

Media (€m)	H1 2021	H1 2020 (*)
Revenues	0.9	3.4
EBITDA	(0.8)	0.2
<i>% on revenues</i>	<i>neg.</i>	<i>5.4%</i>
EBIT	(0.8)	0.1
<i>% on revenues</i>	<i>neg.</i>	<i>4.0%</i>

- **Revenues** were affected by the suspension of the business due to COVID-19 restrictions
- The change in **margins** was primarily due to the trend in revenues
- In Q1 2021 the publishing business was sold to Quine Srl, a publishing company specialising in technical magazines

Gross of adjustments for inter-segment transactions

() In the first two months of 2020 figures referred to pre-Covid 19 activities*



2.4

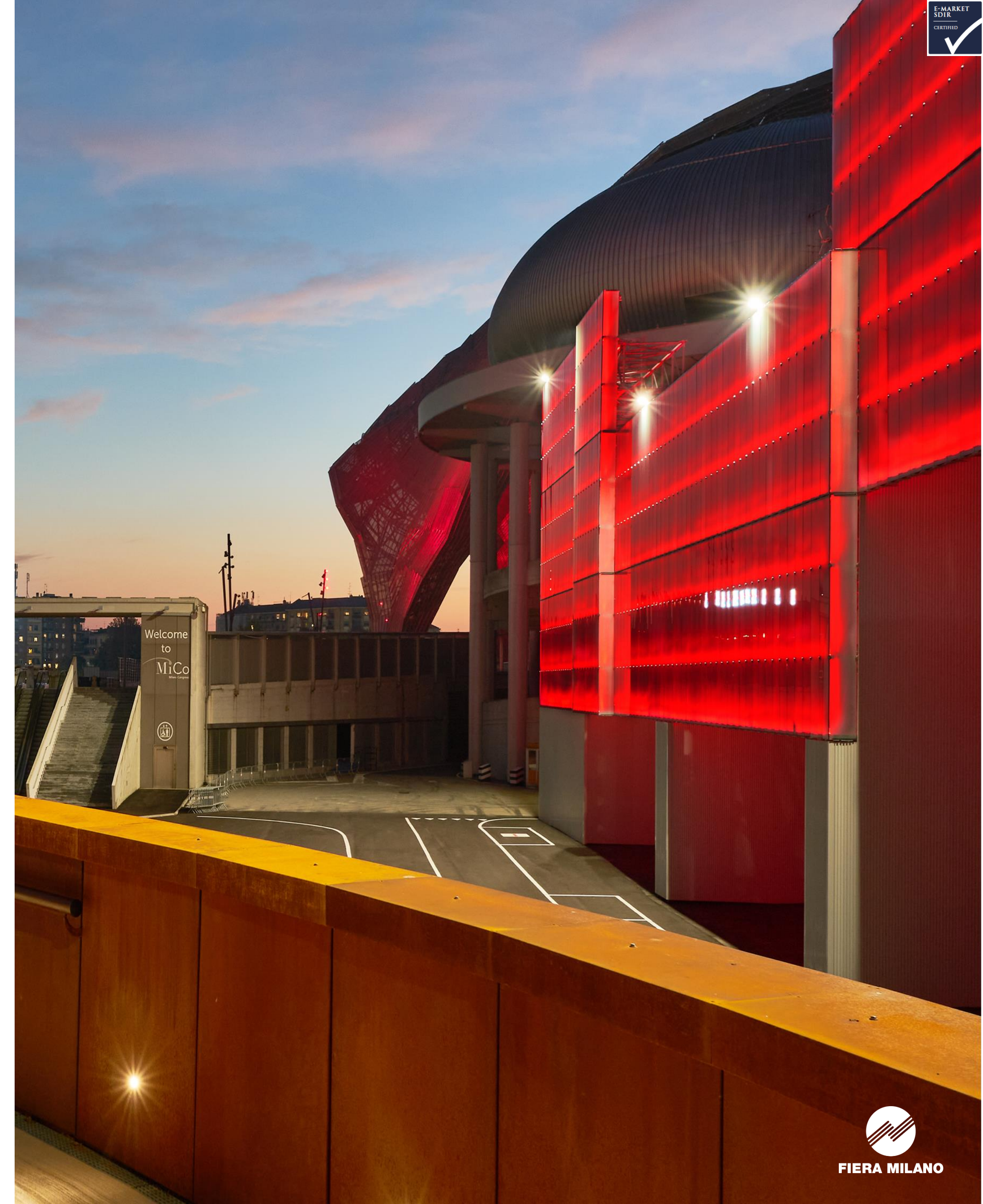
Congresses

Congresses (€m)	H1 2021	H1 2020 (*)
Revenues	1.2	4.2
EBITDA	(1.3)	(0.4)
% on revenues	neg.	neg.
EBIT	(3.8)	(2.9)
% on revenues	neg.	neg.

- The decline in **revenues** was due to the absence of on-site events as a result of the suspension of congress activities
- The change in **EBITDA** was primarily due to the trend in revenues

Gross of adjustments for inter-segment transactions

() In the first two months of 2020 figures referred to pre-Covid 19 activities*



2.5

Net Financial Position

Consolidated Net Financial Position (€m)	30/06/2021	31/12/2020
Cash & cash equivalents	58.7	20.4
Current financial assets	2.4	1.3
Current bank borrowings	37.3	49.0
Current portion of non-current debt	0.0	0.0
Other current financial liabilities	7.4	1.7
Current financial debt	44.7	50.8
Current net financial debt (cash)	(16.4)	29.0
Non-current financial assets	5.6	5.1
Non-current bank borrowings	86.5	0.0
Other non-current liabilities	0.4	0.0
Non-current financial debt (cash)	81.3	(5.1)
Net financial debt (cash) before IFRS 16 effects	64.9	23.9
IFRS 16 financial effects	436.1	449.6
Net financial debt/(cash) after IFRS 16 effects	501.0	473.4

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

3.0

Business outlook





3.1

Business outlook (1)

- Despite the still uncertain public-health scenario, with the spread of new variants of COVID-19, the current situation is more stable than in the recent past. This is mainly due to the increase in vaccine uptake and the Green Pass system, which came into force on 1 July, facilitating mobility within the EU area, which is key to ensuring participation in international exhibitions and congresses
- The calendar of trade fairs for the period September-December 2021 is very busy with over 30 events scheduled
- However, expected attendance and occupancy levels are lower than initially estimated due to persistent uncertainties over the evolution of the pandemic
- This situation has led the Company to revise its forecasts for the current year. Based on the information currently available, revenues are forecast to be between Euro 130m and 140m, with EBITDA of between Euro 23m and 28m and net financial debt before IFRS 16 effects in the range of Euro 24m-28m.



3.1

Business outlook (2)

- The previous estimates, reported in the 2021-2025 Strategic Plan in the the scenario of resumption of the activities from September, were based on: a turnover of Euro 160m-180m, an EBITDA between Euro 35m-45m and net financial debt before IFRS 16 effects between Euro 0 and 10m
- Despite prolonged inactivity, Fiera Milano presents a solid financial situation: Euro 59m of cash on hand plus Euro 38m of unused credit lines
- Fiera Milano is ready to:
 - ✓ welcome exhibitors and visitors under the best possible safety conditions
 - ✓ support SMEs and the Italian recovery
 - ✓ execute its strategic plan and seize any growth opportunities that may arise

Forward-looking statement

Data and information herewith set forth are extracted from the Fiera Milano Press Release relating to Fiera Milano Consolidated Half-Year Financial Report to 30 June 2021 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 Andrea Maldi 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)	H1 2021	H1 2020 (*)
Revenues	4.6	56.0
Cost of materials	0.2	1.3
Cost of services	13.0	29.3
Costs for use of 3rd-party assets	0.1	0.3
Personnel expenses	16.3	17.3
Other operating expenses	1.0	1.2
Total operating costs	30.6	49.4
Other income	3.4	1.2
Results of equity-accounted companies	(0.2)	(0.7)
Allowance for doubtful accounts an other provisions	0.3	(3.5)
EBITDA	(23.0)	10.6
Depreciation and amortisation	22.3	22.4
Adjustments to asset values	0.0	0.0
EBIT	(45.3)	(11.9)
Financial income/(expenses)	(6.2)	(6.8)
Valuation of financial assets	0.0	0.0
Profit/Loss before income tax	(51.5)	(18.7)
Income Tax	26.4	6.1
Net Profit/Loss from continuing operations	(25.1)	(12.6)
Net Profit/Loss from discontinued operations	0.5	0.0
Net Profit/Loss	(24.6)	(12.6)
<i>o/w attributable to the shareholders of the controlling entity</i>	<i>(24.5)</i>	<i>(12.5)</i>

(*) In the first two months of 2020 figures referred to pre-Covid 19 activities

Financial overview – Reclassified Statement of Financial Position

Reclassified Consolidated Statement of Financial Position (€m)	30/06/2021	31/12/2020
Non-current assets	594.0	593.8
Net working capital	(40.0)	(35.4)
Gross Capital Employed	554.0	558.4
Non current liabilities	14.2	21.7
Total net Capital Employed	539.8	536.7
Equity (*)	38.8	63.2
Net Financial Position	501.0	473.4
Equity and Net Financial Position	539.8	536.7
Net Financial Position pre-IFRS 16 effects (Net Cash)	64.9	23.9