

# FIERA MILANO GROUP

3rd Quarter 2021 Consolidated Results

CONFERENCE CALL – 8 November 2021



FIERA MILANO

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1.0

# Highlights



# 1.1

## Highlights (1/4)

3Q21 driven by the resumption of exhibitions and congresses: a busy exhibition calendar supported by an extraordinary organisational effort

11 events held in Italy during the quarter despite the traditional pause in business activities in July and August

9M21 results were affected by the prolonged suspension of exhibition and congress activities in the first half, as required by Italian government regulations to contain and prevent the COVID-19 pandemic

It was only possible to resume exhibitions from 15 June 2021 and congresses from 1 July 2021

KEY FIGURES (€m)	3Q21	3Q20
Revenues	35.3	11.3
EBITDA	16.0	-5.8
EBIT	4.8	-17.0
Profit (loss) before tax	1.2	-20.2

KEY FIGURES (€m)	9M21	9M20
Revenues	39.9	67.3
EBITDA	-7.0	4.7
EBIT	-40.5	-28.9
Profit (loss) before tax	-49.5	-38.8
Net debt pre IFRS16	14.5	13.5

## 1.2 Highlights (2/4)

During the quarter, Fiera Milano completed a number of initiatives to boost the internationalisation of Fiera Milano's direct-organised and hosted exhibitions and to consolidate the company's leadership in the domestic congress market

- **Gastech** – In September 2022, Fiera Milano will host the 50th edition of Gastech, the world's largest exhibition for the gas, LNG, hydrogen and energy industry, which takes place annually in different locations
- **FIND: Design Fair Asia** – Singapore Council and Singapore Tourism Board in partnership with Fiera Milano, dmg events and MP Singapore will organise FIND (Furniture, Interiors and Design) the leading Asian exhibition for the design sector, to take place in Singapore in 2022, 2023 and 2024.
- **Fiera Milano Congressi** will manage the new Turin Congress Center (5,000 seats), to be built on the site of the former Westinghouse factory. Construction is scheduled to begin next year, with completion expected in 2024/25.



## 1.3 Highlights (3/4)

Ongoing commitment to integrate sustainability into Fiera Milano Group business-model processes

- Fiera Milano has launched a **new project to define its sustainability framework** for the years of the CONN.E.C.T. 2025 plan.
- In July 2021 Fiera Milano **obtained ISO 20121:2013 certification** for sustainable event management **for the first time**
- Fiera Milano has also embarked on a **process to assess the environmental footprint of exhibitions** held in its exhibition spaces, **using the Life Cycle Assessment (LCA) approach**. The LCA methodology makes it possible to quantify the overall environmental footprint – from start to finish – of products and services, but also events of any size, spanning planning, setup, delivery, closure, dismantling of stands, transport and accommodation of visitors.

## 1.4 Highlights (4/4)

### Significant event after the quarter

- On 5 November, the Ministry of Tourism announced the results of the calculations for allocating resources from the fund referred to in Article 1, paragraph 1, letter a), of Ministerial Decree of 24 June 2021, prot. 1004, admitted to registration by the Court of Auditors on 19 July 2021, no. 2117. As part of the fund, Euro 350 million was allocated to compensate for losses suffered in 2020 by the exhibitions, congresses and logistics sector.
- The Fiera Milano Group could benefit from a total "theoretical" grant of approximately Euro 35 million. Disbursement is subject to the formal checks set out by the relevant legislation, leading to the definitive allocation decree which will be published soon.
- Updated forecasts put expected revenues at around Euro 130 million and, in light of the aforementioned grant, EBITDA at Euro 52-57 million compared to a previous indication of Euro 23-28 million, and a net cash position before IFRS 16 effects in the range of Euro 0-10 million compared to the previous forecast of net debt of Euro 24-28 million.



2.0

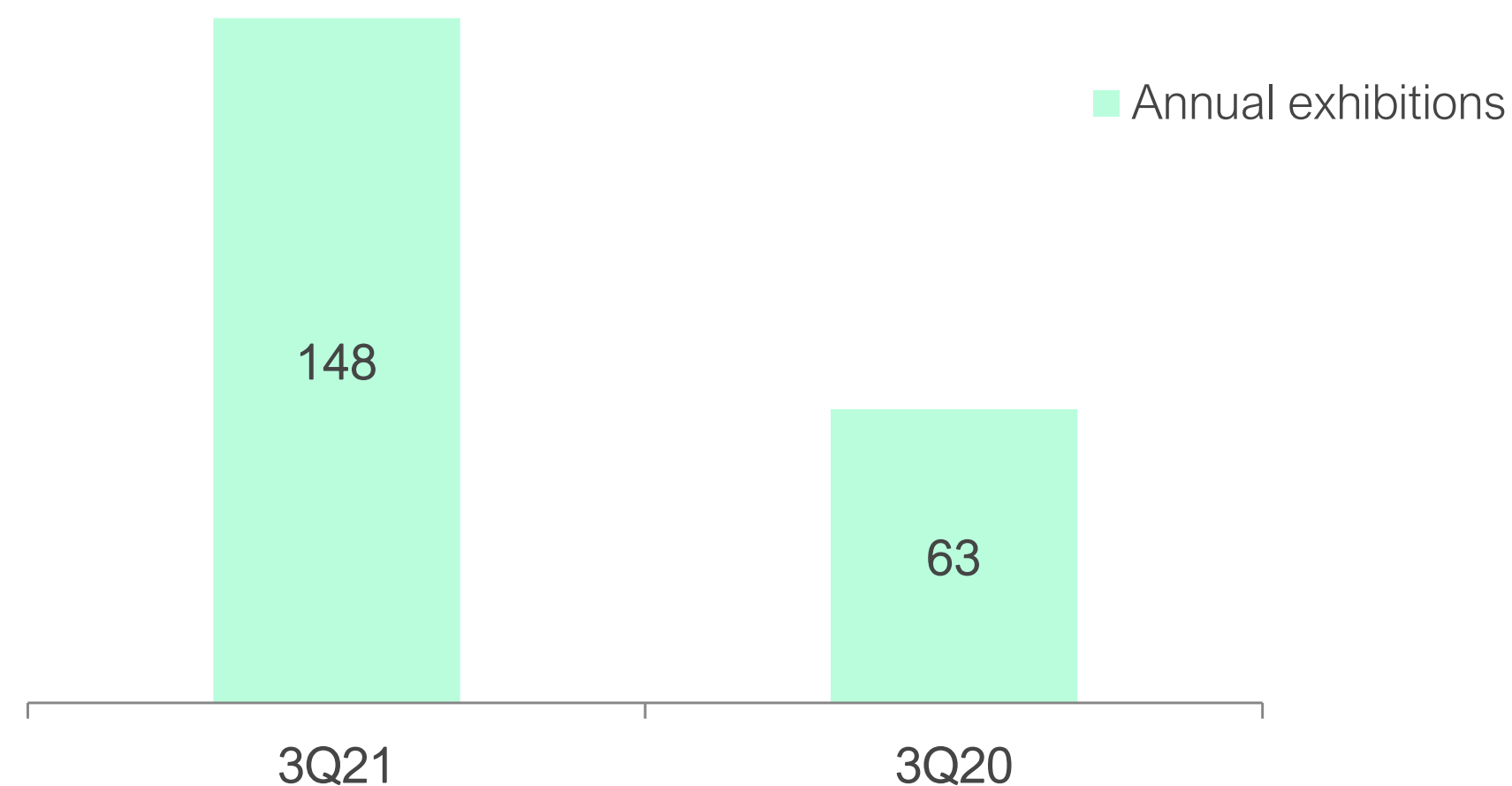
# Financial results





## 2.1 Italian Exhibitions

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



- 3Q21 saw a different exhibition calendar to usual due to the rescheduling of exhibitions originally planned for the first half of the year; in the same period of 2020 some events were held in a reduced form
- 3Q21 saw satisfactory performance in terms of number of visitors in almost all the exhibitions held in September, albeit at a reduced scale. supersalone – a special edition of Salone del Mobile – recorded over 60,000 visitors from 113 countries (50% from abroad)





## 2.2

# Italian Exhibitions Business

Italian Exhibition Business (€m)	3Q21	3Q20	9M21	9M20
<b>Revenues</b>	27.3	10.3	30.2	59.7
<b>EBITDA</b>	13.5	(4.4)	(6.9)	7.4
<i>% on revenues</i>	49.5%	neg.	neg.	12.5%
<b>EBIT</b>	3.8	(14.2)	(36.3)	(22.1)
<i>% on revenues</i>	13.8%	neg.	neg.	neg.

- Positive performance in terms of revenues and margins due to the bounce back, the presence of supersalone and to the Euro 10 million grant disbursed by SIMEST, to reimburse fixed costs not covered by profits.

*Gross of adjustments for inter-segment transactions  
In the first two months of 2020 figures referred to pre-Covid 19 activities*





## 2.3

# Foreign Exhibitions Business

Foreign Exhibition Business (€m)	3Q21	3Q20	9M21	9M20
<b>Revenues</b>	0.1	0.0	0.2	1.1
<b>EBITDA</b>	(0.4)	(0.1)	(0.9)	(1.1)
<i>% on revenues</i>	neg.	neg.	neg.	neg.
<b>EBIT</b>	(0.4)	(0.1)	(1.0)	(1.3)
<i>% on revenues</i>	neg.	neg.	neg.	neg.

- The results of foreign business are linked to foreign subsidiaries activities that have been affected by the continuing COVID-19 pandemic. In particular, exhibitions organised by the joint venture in China (JV with Deutsche Messe AG) have been postponed to the last part of the year and the events in Brazil have been postponed in 2022.

*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)	3Q21	3Q20	9M21	9M20
<b>Revenues</b>	<b>9.4</b>	<b>0.3</b>	<b>10.7</b>	<b>4.5</b>
<b>EBITDA</b>	<b>3.2</b>	<b>(1.1)</b>	<b>1.9</b>	<b>(1.5)</b>
<i>% on revenues</i>	33.6%	neg.	17.4%	neg.
<b>EBIT</b>	<b>1.8</b>	<b>(2.4)</b>	<b>(1.9)</b>	<b>(5.3)</b>
<i>% on revenues</i>	19.5%	neg.	neg.	neg.

- The year-on-year increase in quarterly revenues and margins mainly reflected the resumption of congress activities, which included important events on climate change (Youth4Climate and Pre Cop 26), ESOT (the reference event in Europe for organ transplantation) and “Salone del Risparmio”

*Gross of adjustments for inter-segment transactions  
In the first two months of 2020 figures referred to pre-Covid 19 activities*





## 2.6

# Net Financial Position

31/12/2020	Consolidated Net Financial Position (€m)	30/09/2021	30/06/2021
<b>20.4</b>	<b>Cash &amp; cash equivalents</b>	<b>79.9</b>	<b>58.7</b>
<b>1.3</b>	<b>Current financial assets</b>	<b>2.4</b>	<b>2.4</b>
49.0	Current bank borrowings	0.0	37.0
0.0	Current portion of non-current debt	0.6	0.3
1.7	Other current financial liabilities	13.2	7.4
<b>50.8</b>	<b>Current financial debt</b>	<b>13.8</b>	<b>44.7</b>
<b>29.0</b>	<b>Net current financial debt (cash)</b>	<b>(68.5)</b>	<b>(16.4)</b>
5.1	Non-current financial assets	5.6	5.6
0.0	Non-current bank borrowings	88.4	86.5
0.0	Other non-current payables	0.3	0.4
<b>(5.1)</b>	<b>Non-current financial debt</b>	<b>83.0</b>	<b>81.3</b>
<b>23.9</b>	<b>Net financial debt (cash) before IFRS 16 effects</b>	<b>14.5</b>	<b>64.9</b>
449.6	IFRS 16 financial effects	427.9	436.1
<b>473.4</b>	<b>Net financial debt/(cash) after IFRS 16 effects</b>	<b>442.4</b>	<b>501.0</b>

The improvement of net financial debt is due to the positive operating cash flow generated in the quarter under review and advance payments for the exhibition calendar, which includes some important exhibitions in the coming months.

3.0

# Business outlook





## 3.1

# Business outlook

- The current situation is more stable than the recent past, despite the persistently uncertain public health scenario. Thanks to the rise in vaccine coverage levels and the introduction of the Green Pass system, it has been possible to glean positive signals from scheduled exhibitions. This is despite levels of attendance and space occupation being lower than initially estimated due to limited travel within the EU area and restrictions on international travel outside the EU. In the last quarter of the Italian exhibition calendar, 18 events are scheduled (9 of which took place in October). Of particular note was the excellent performance of the events held in the first part of the month dedicated to industrial machinery, as well as the success of the proprietary exhibitions Host and Tuttofood, which had more than 150,000 visitors.
- **Based on the most up-to-date forecasts and in light of the relief to be granted by the end of the year, the Group expects to revise upwards its previously announced EBITDA and net financial debt targets for the current year.**
- Updated forecasts put expected **revenues at around Euro 130 million, EBITDA at Euro 52-57 million** compared to a previous indication of Euro 23-28 million, and a **net cash position before IFRS 16 effects in the range of Euro 0-10 million** compared to the previous forecast of net debt of Euro 24-28 million.
- Fiera Milano has a balanced financial position and the covenants on its medium and long-term loans are amply respected. The level of debt is appropriate to guarantee the operational flexibility needed to plan the 2022 calendar and to 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 Interim Consolidated Financial Report to 30 September 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)	3Q21	3Q20	9M21	9M20
<b>Revenues</b>	<b>35.3</b>	<b>11.3</b>	<b>39.9</b>	<b>67.3</b>
Cost of materials	0.8	0.3	1.1	1.6
Cost of services	19.0	9.3	32.0	38.6
Costs for use of 3rd-party assets	0.2	0.1	0.3	0.3
Personnel expenses	9.1	7.3	25.4	24.5
Other operating expenses	0.8	0.6	1.8	1.9
<b>Total operating costs</b>	<b>30.0</b>	<b>17.5</b>	<b>60.6</b>	<b>66.9</b>
Other income	11.3	0.5	14.7	1.7
Results of equity-accounted companies	(0.6)	(0.0)	(0.7)	(0.8)
Allowance for doubtful accounts and other provisions	0.1	0.1	0.4	(3.4)
<b>EBITDA</b>	<b>16.0</b>	<b>(5.8)</b>	<b>-7.0</b>	<b>4.7</b>
Depreciation and amortisation	11.2	11.1	33.5	33.6
Adjustments to asset values	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.8</b>	<b>(17.0)</b>	<b>(40.5)</b>	<b>(28.9)</b>
Financial income/(expenses)	(3.6)	(3.2)	(9.8)	(10.0)
Valuation of financial assets	0.0	0.0	0.0	0.0
<b>Profit/loss before income tax</b>	<b>1.2</b>	<b>(20.2)</b>	<b>(50.3)</b>	<b>(38.8)</b>
<i>o/w attributable to the shareholders of the controlling entity</i>	1.3	(20.1)	(49.3)	(38.6)



# Financial overview – Reclassified Statement of Financial Position

31/12/2019	Reclassified Consolidated Statement of Financial Position (€m)	30/09/2021	30/06/2021
593.8	Non-current assets	562.1	594.0
(35.4)	Net working capital	(85.2)	(40.0)
558.4	<b>Gross capital employed</b>	476.8	554.0
21.7	Non current liabilities	20.1	14.2
<b>536.7</b>	<b>Total net capital employed</b>	<b>456.8</b>	<b>539.8</b>
<b>63.2</b>	<b>Equity (*)</b>	<b>14.3</b>	<b>38.8</b>
<b>473.4</b>	<b>Net financial position</b>	<b>442.4</b>	<b>501.0</b>
<b>536.7</b>	<b>Equity and net financial position</b>	<b>456.8</b>	<b>539.8</b>