



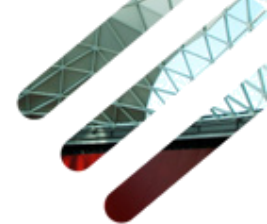
**FIERA MILANO**

**Mid & Small in Milan**

**FIERA MILANO GROUP**

Milan, 19 November 2018

# AGENDA



Group overview



Strategic Plan 2018-2022



Closing remarks



# INTEGRATED BUSINESS MODEL

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



**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



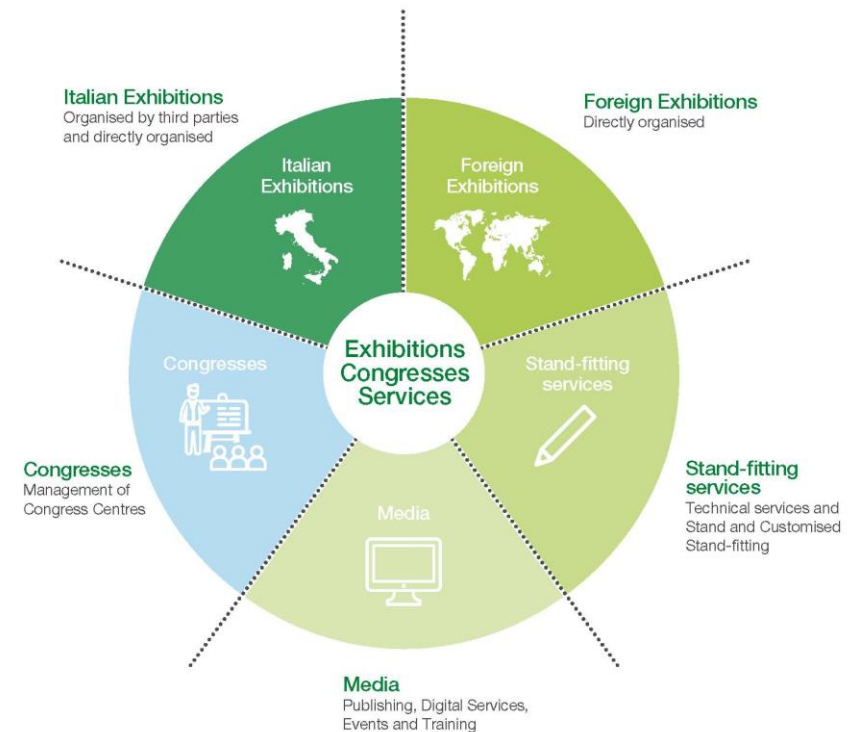
**Stand fitting services:** concept design & engineering, exhibitions & booths, including shell scheme area, lounges, public space and outdoor structures



**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



# FIERA MILANO HIGHLIGHTS



## Total gross exhibition capacity

399,000 sqm of which  
345,000 sqm **fieramilano** site  
54,000 sqm **fieramilanocity** site

## Net exhibition space occupied

1,888,965 sqm  
of which 371,760 sqm abroad

## Number of exhibitions

83 of which 29 abroad

## Number of exhibitors

36,385 of which 8,600 abroad

## Consolidated revenues\*

Euro 256 million (+24% vs. 2016)

## Group permanent employees

693 of which 100 abroad

## Congresses

165 congresses  
345,000 participants

## Number of training events

114

## Number of technical publications

10 (580,000 copies)

## Number of publishing portals

10

## Stand fittings

160,000 sqm fitted and furnished

# KEY MILESTONES OF FIERA MILANO GROUP TO DATE



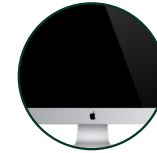
## Foundation

Eight entrepreneurs organise the first exhibition in Milan; in 1922 Ente Autonomo Fiera di Milano is set up



## Spin-off & Listing

2000-2002: Ente Autonomo Fiera di Milano spins off **Fiera Milano SpA** and goes public



## New Site

fieramilano exhibition site opens



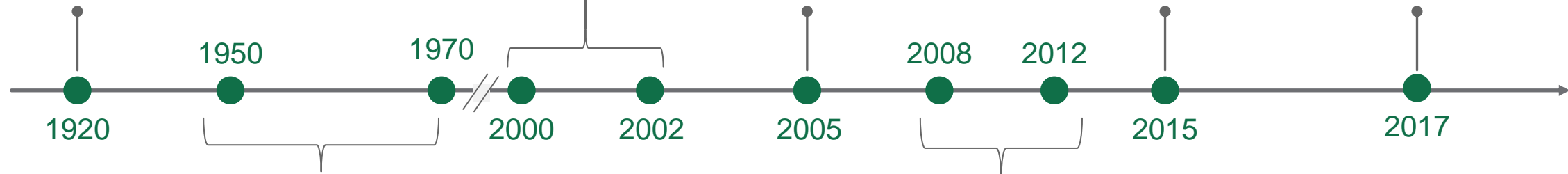
## Expo Milano

Fiera Milano acquires **ipack-ima** and supports **Expo 2015**



## New Board

New Board of Directors is nominated



## Organic development

1950-1970:

**Organic** development of the **main exhibitions**



theMICAM



## Internationalization

2008-2012: Fiera Milano expands in international markets, entering the Indian, Chinese, South African, Brazilian and Russian markets

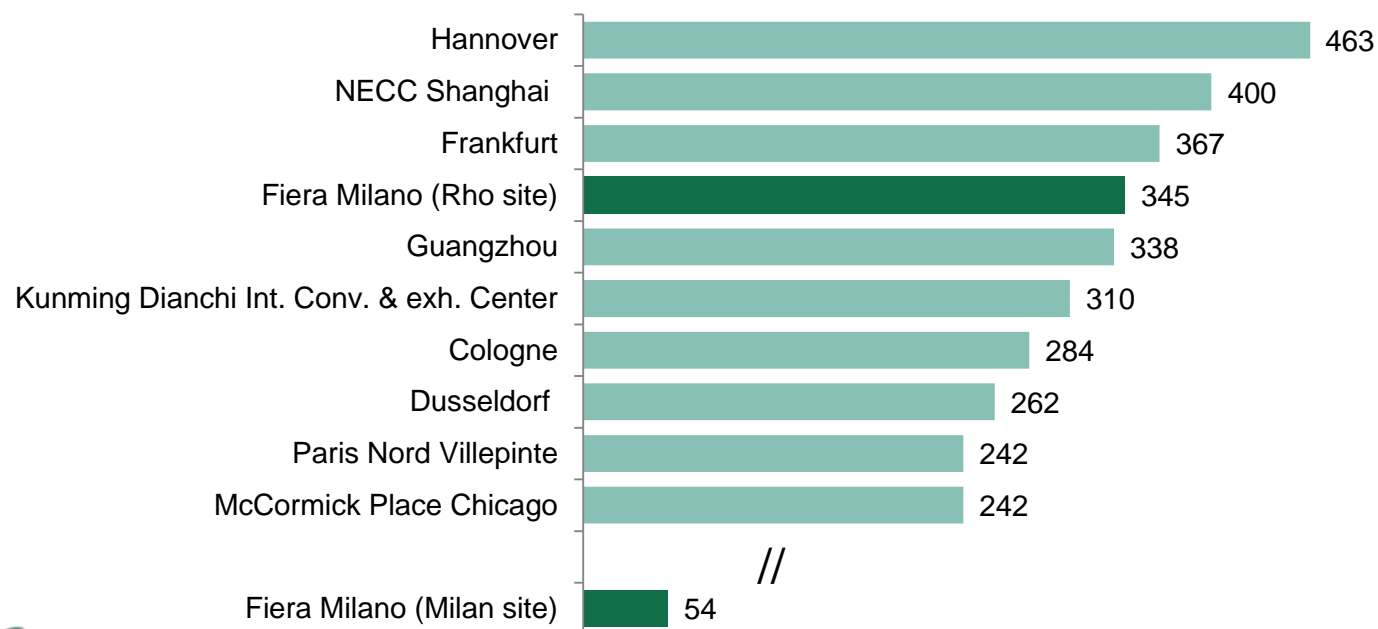


# STRONG POSITION WORLDWIDE

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

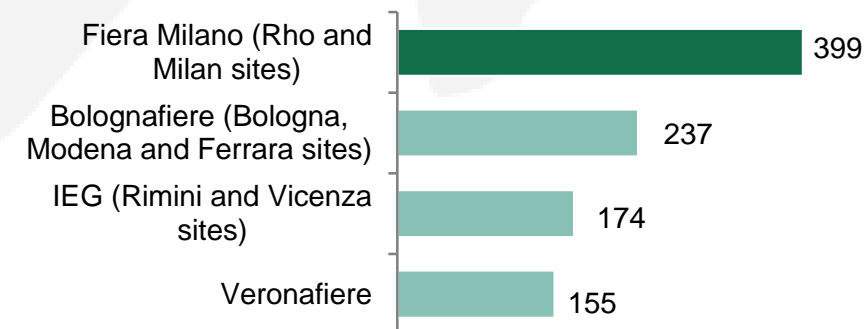
## Top exhibition sites worldwide\*

('000 sqm)



## Top exhibition companies in Italy\*\*

('000 sqm)



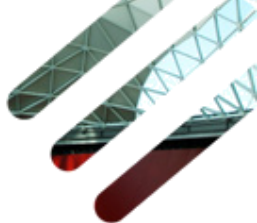
\* Source: UFI – January 2018 - \*\* Source: AMR International Globex Report 2017

# ITALIAN EXHIBITION PORTFOLIO: MAIN EVENTS

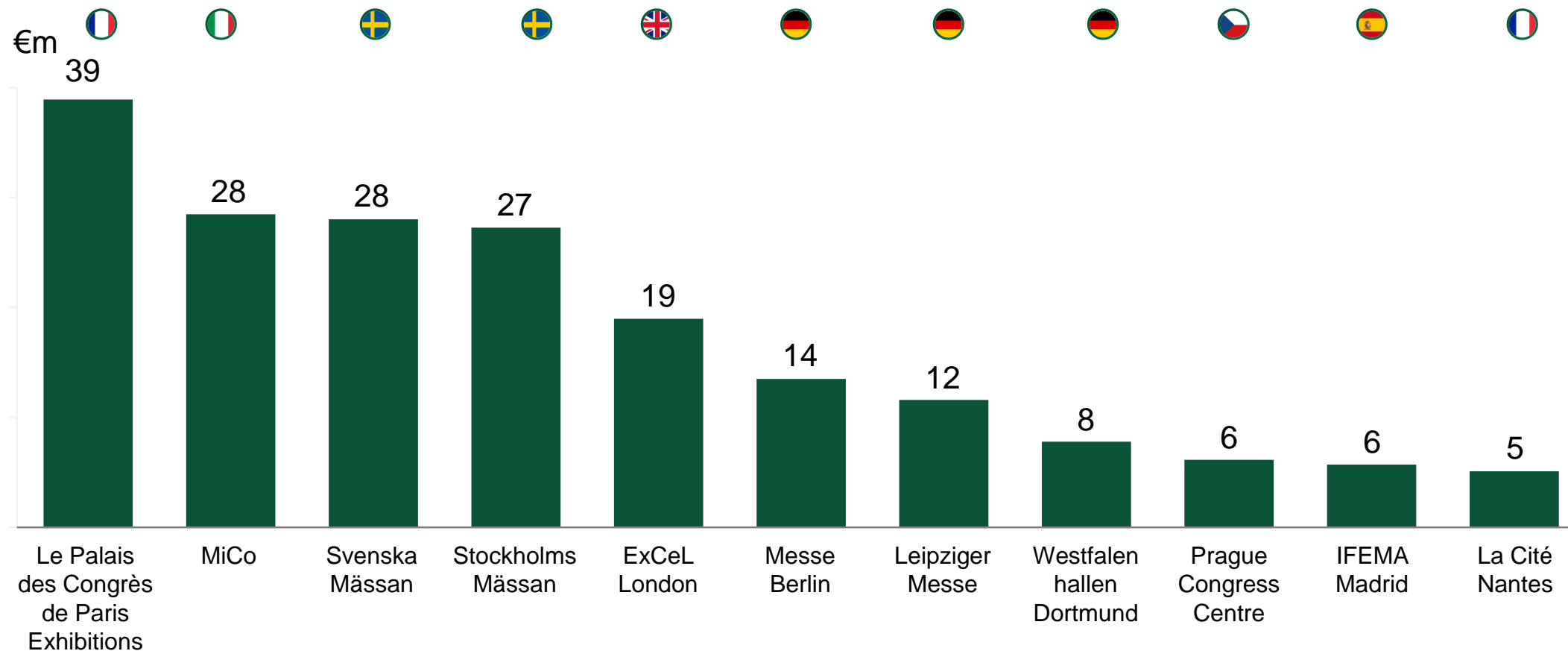
Exhibition	Industry	Frequency	Sq. Meters	Number of exhibitors
<b>Salone del Mobile / Eurocucina / Salone del Bagno</b>	Furniture and furnishing	Annual/Biennial	220,415	1,360
<b>HOST</b>	Horeca	Biennial	137,005	2,060
<b>The Innovation Alliance</b>	Processing and packaging machinery	Multi-year	136,435	2,515
<b>The MICAM (Spring and Autumn)</b>	Textile, clothing & accessories	Biannual	125,995	2,635
<b>HOMI (I and II semester)</b>	Homeware and gift	Biannual	121,165	2,455
<b>EMO</b>	Industrial machinery	Multi-year	116,995	1,540
<b>Mostra Convegno Expocomfort</b>	Building and related furniture	Biennial	115,400	1,570
<b>ITMA</b>	Textile machinery	Multi-year	109,570	1,690
<b>Eicma Moto</b>	Vehicles and related equipment	Annual	109,160	695
<b>Lineapelle (I and II semester)</b>	Leather	Biannual	99,340	2,260
<b>Tuttofood</b>	Food	Biennial	64,770	1,235
<b>Made Expo</b>	Architecture, design and building	Biennial	52,515	800

Data based on most recent exhibitions hosted prior to 30 September 2018

# MICO WELL-RANKED AMONG TOP EUROPEAN CONGRESSES PLAYERS



Top European players by Revenues 2016



Source: ASERI analyses, ICCA Statistics Report



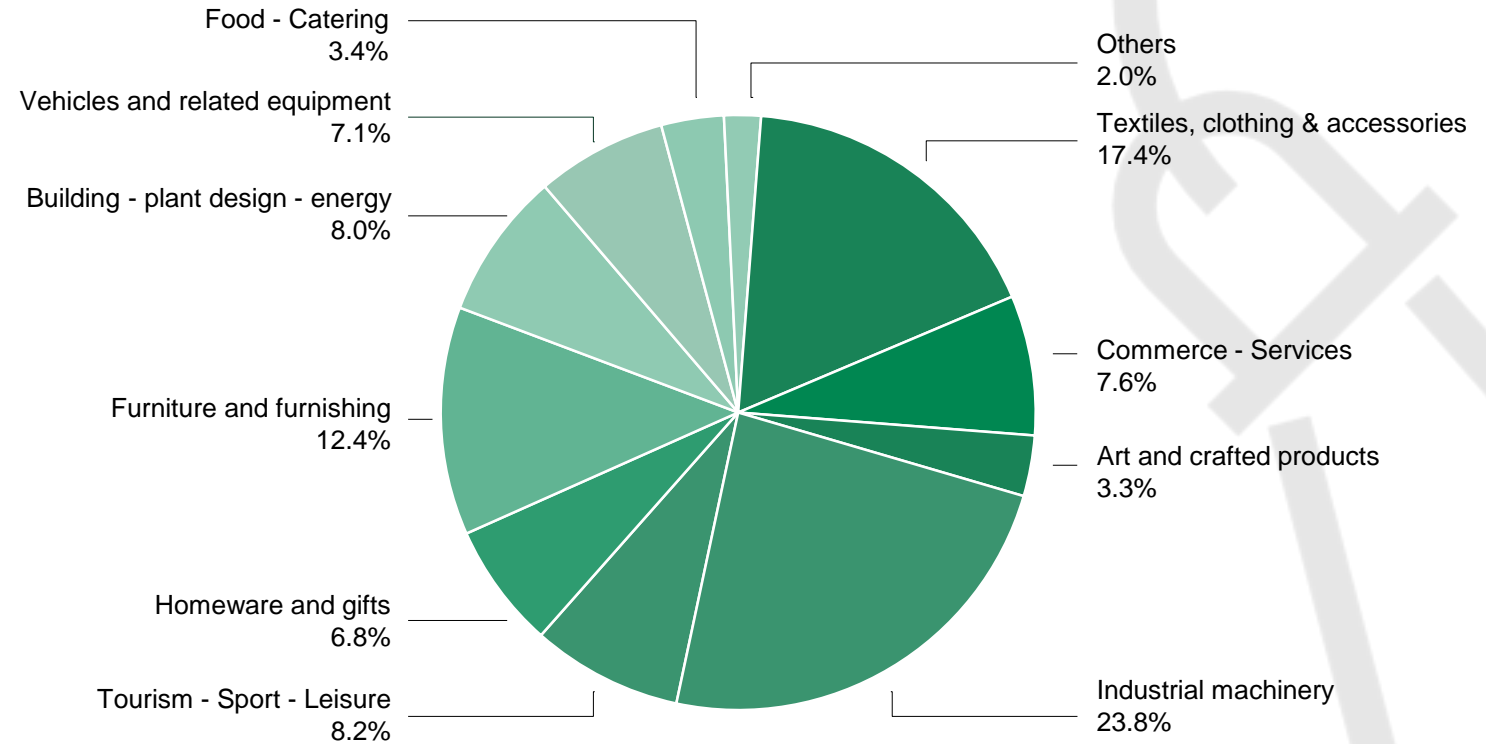
# EXHIBITION PORTFOLIO



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 2015-2017)

# 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

Ente Autonomo Fiera Internazionale di Milano

63.8%

Camera di Commercio Metropolitana di Milano-Monza-Brianza-Lodi

6.5%

Treasury shares

1.3%

Market Float

28.4%

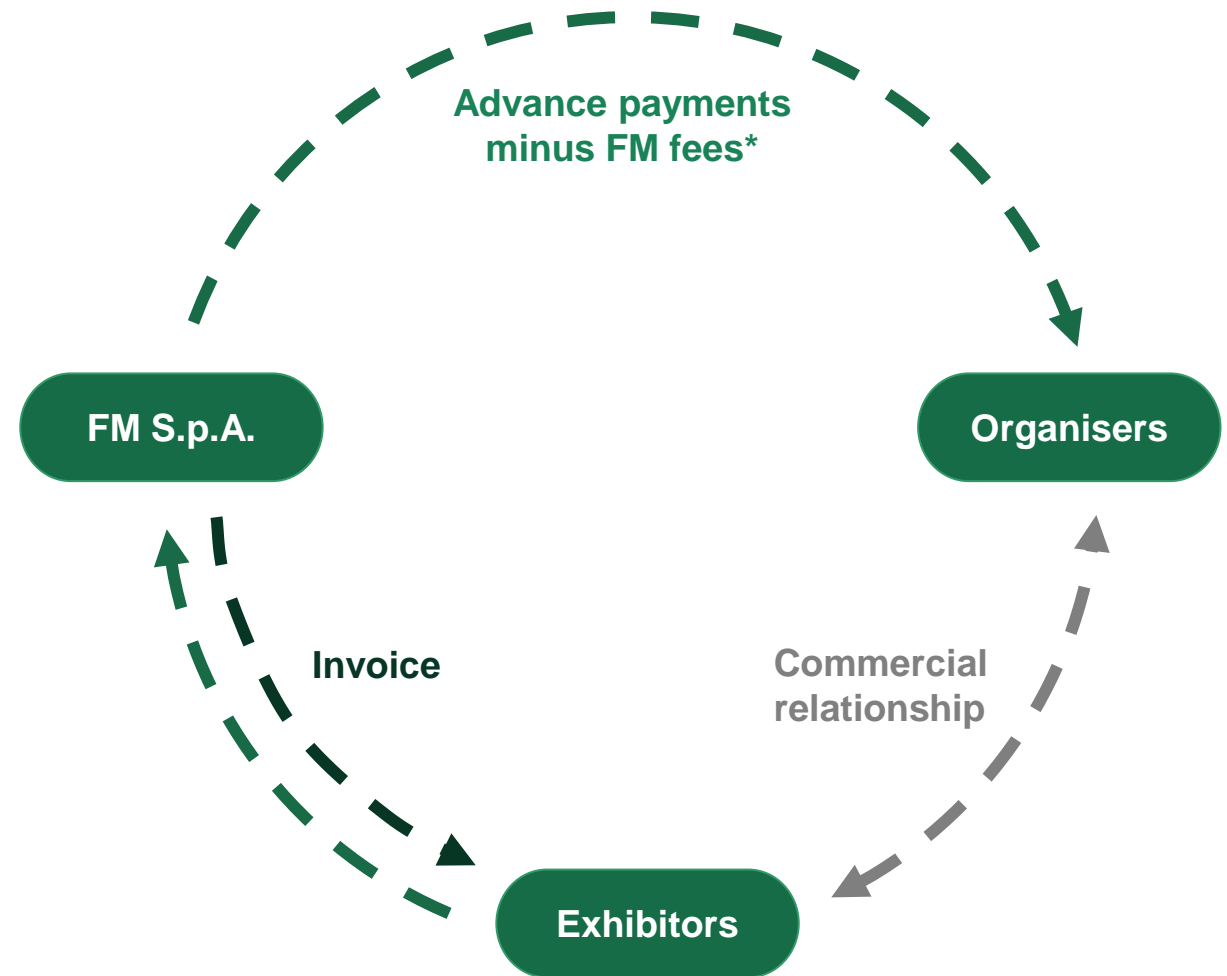
# LONG TERM VISIBILITY AND FAVOURABLE PAYMENT CYCLE

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

Main financial clauses in the contractual agreements with organisers:

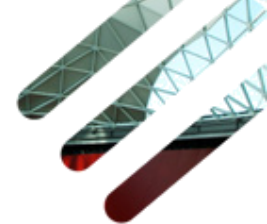
- standard contract guarantee (minimum guaranteed)
- significant advance payments
- treasury management services on behalf of organisers

The Group has structural negative NWC



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

# AGENDA



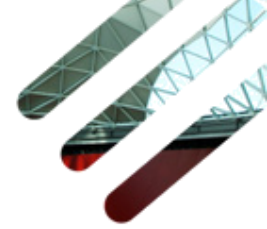
 Group overview

 Strategic Plan 2018-2022

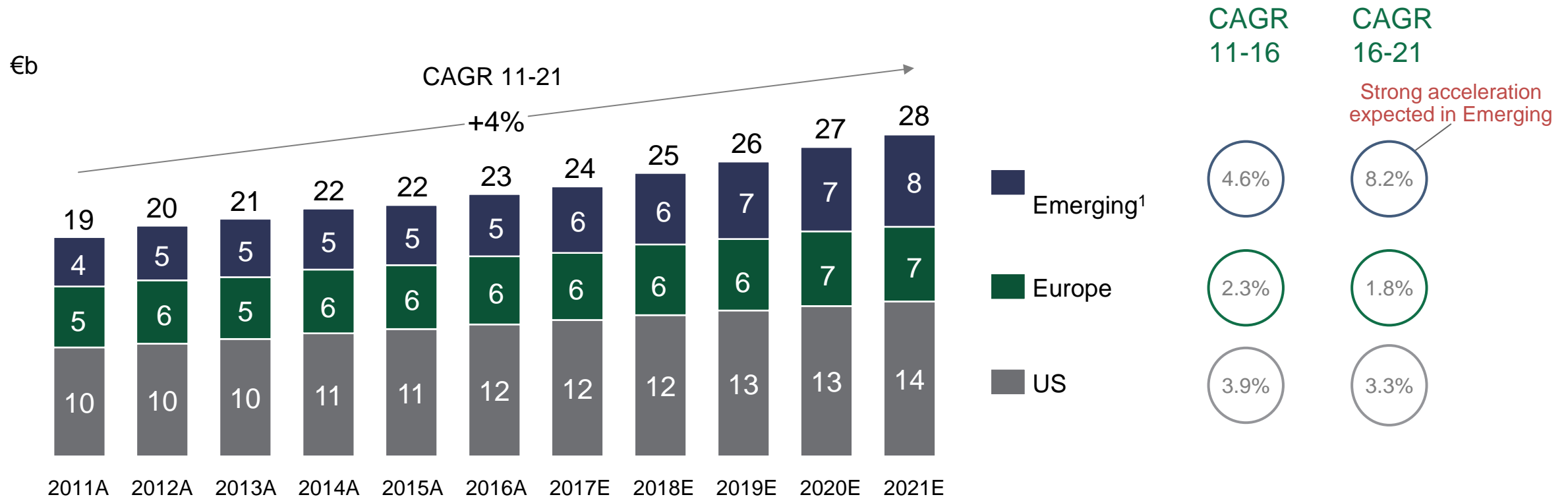
 Closing remarks



# GLOBAL EXHIBITION MARKET 2011-2021

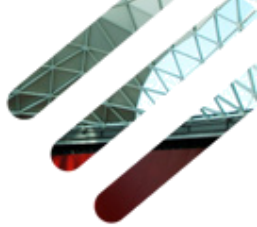


Exhibition market expected to keep growing at 4% CAGR



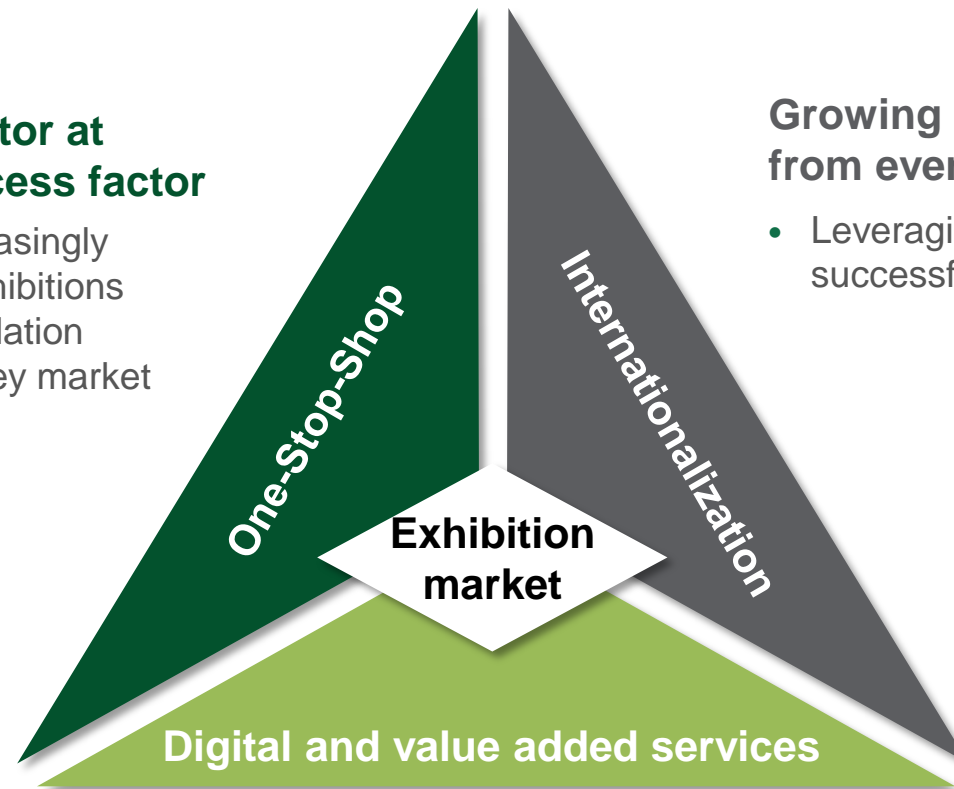
1. Emerging include: Brazil, China, Gulf Cooperation Council, India, Indonesia, Mexico, Russia, Turkey, Hong Kong  
 Note: Totals exclude SEA countries (Singapore, Malaysia, Thailand, Philippines, Vietnam, Macau); SEA countries market data available only for 2016 (0.6\$b) and forecasts for 2021 (0.9\$b) Note: EUR / \$ fixed 2016 = 0.904 Source: AMR international Globex report 2017

# 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



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

- Leveraging on geo-cloning of successful domestic exhibitions

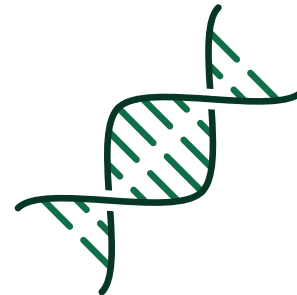
## Increased use of digital products to complete exhibition offer

- Driving customer understanding
- Only secondary source of revenue

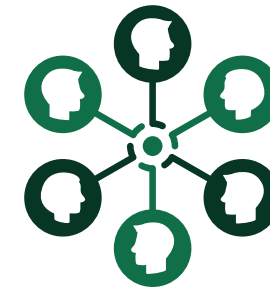
# THREE PRINCIPLES INSPIRED DEFINITION OF STRATEGIC PLAN



Maximize  
venue potential



Invest in core  
industry sectors



Build on  
human capital

# 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



## 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 & USA)



## Create a smarter venue

- Full service, eco-compatible and innovative infrastructure



## Step up organization

- Enhanced organization, empowered governance and integrated systems



## KEY AMBITION ENABLER

~€100M INVESTMENT PLAN BY THE CONTROLLING SHAREHOLDER  
FONDAZIONE FIERA MILANO  
TO ENHANCE THE VENUE

### Safe & Smart District

Highest safety standards  
Data-rich venue

### Environmental Sustainability & Innovation

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

### Operational Excellence

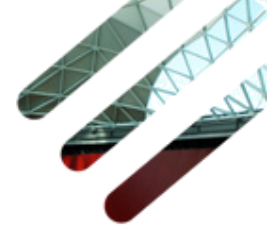
Maximum accessibility for  
suppliers, exhibitors & visitors

### Enhanced Customer Experience

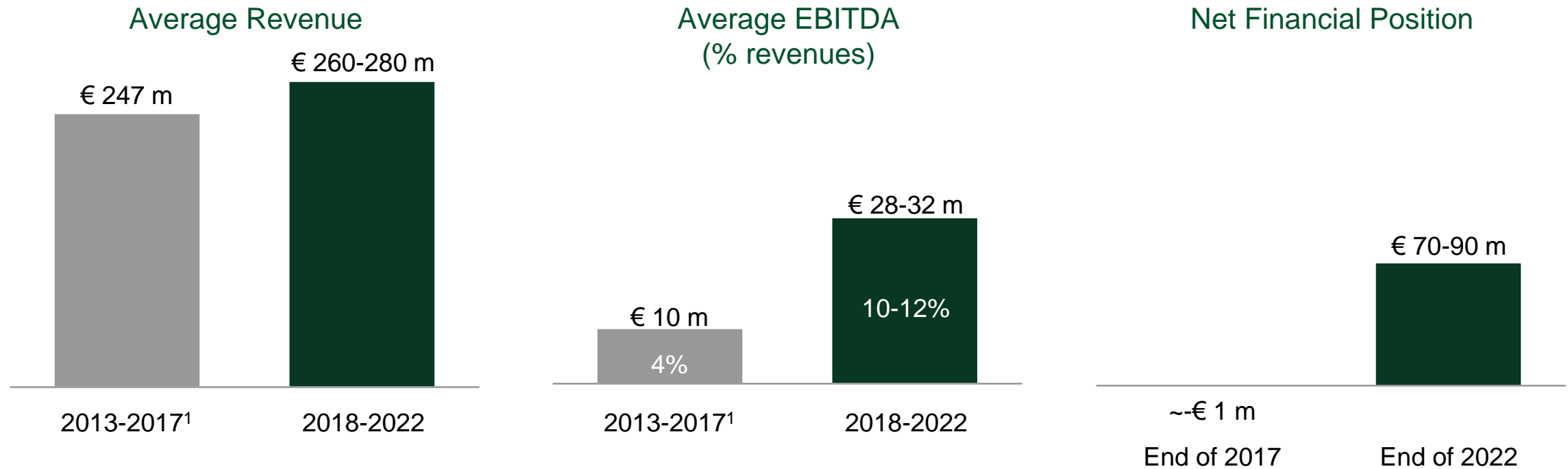
Shortest time to customer  
Seamless customer experience

*~€30m already invested*

# FMG STRATEGIC PLAN VS. RECENT TREND



Strategic Plan target € 260-280m average revenue and € 28-32m average EBITDA for next 5 years

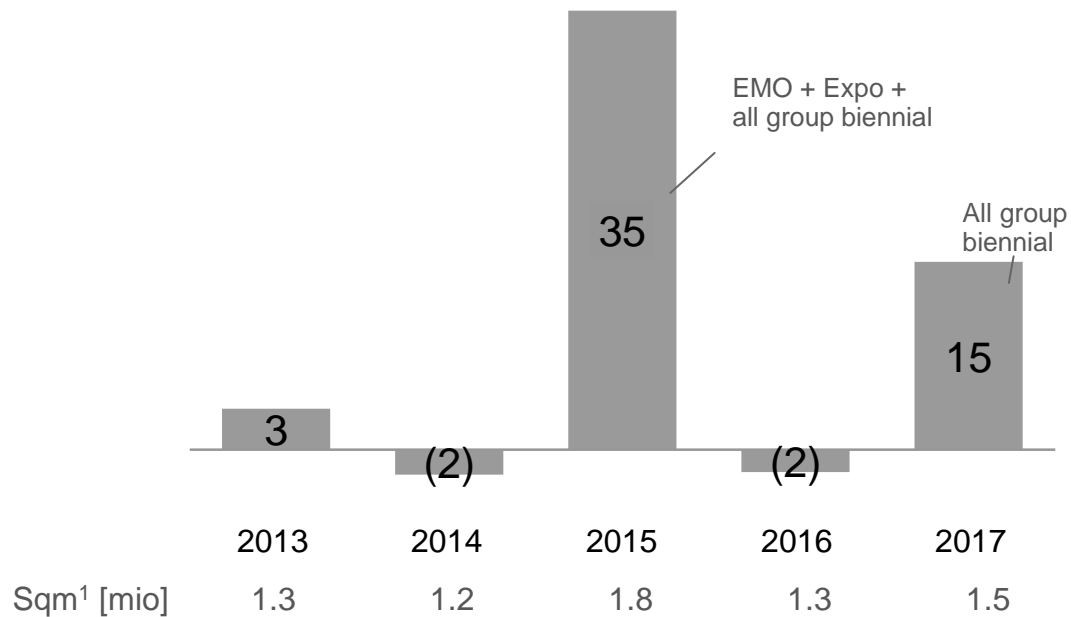


Strategic targets do not reflect and/or include any effect from M&A activity

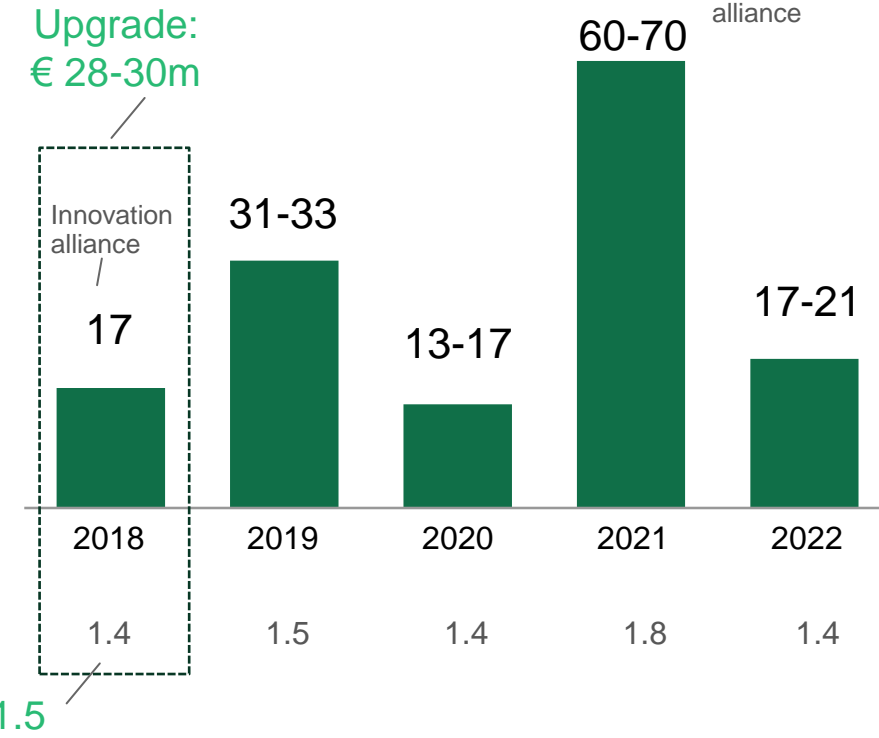
1. Restated

# STRATEGIC PLAN WILL EVOLVE IN LINE WITH FMG SEASONALITY

FMG Historical EBITDA [€m]



FMG Plan EBITDA [€m]



Yearly Net Profit expected positive throughout period of strategic plan

1. Net of International sqm

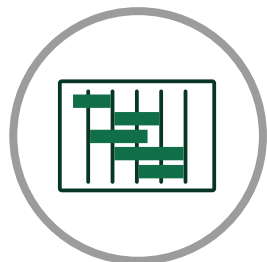
# SOME FACTS ALREADY IN THE BOOKS



## New guidance and organization

### Guiding Principles

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



## Successful track record of key recent events

Exhib. performance 2017 vs previous edition  
 Sicurezza +39% sqm (+47% visitors)  
 Host +3% sqm (+31% visitors)

In 2018 successful first edition of The Innovation Alliance  
 (150,000 visitors of which 27% international)

Return to the STAR segment on 30 April 2018

FMG Stock performance +109%<sup>1</sup> vs. end 2017



## Profitability recovery

Full-year EBITDA: -1% to +6% ('16 vs. '17)

9M 2018 EBITDA: € 41.1m (vs. € 0.7m in 9M 2017)

Recurring costs addressed

+3pp profitability through efficiencies

Upgrade of 2018 EBITDA target  
 from € 17m to € 28-30m



## International footprint rationalized

Restructuring plan launched in Brazil

Recovery in profitability in South Africa

Strengthening of the Chinese portfolio through  
 the acquisition of new exhibitions

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

1. As of market close 9 November 2018

# AGENDA



 Group overview

 Financials

 Closing remarks

# CLOSING REMARKS

**We have a strong leadership trust**

We have a clear definition of the ingredients for our success

**We are on track In the execution of our strategic plan**

We have completed the new organisation, started our investments and are strengthening our portfolio of exhibitions abroad

**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

This document has been prepared by Fiera Milano SpA solely for information purposes and for use in presentations of the Group. The information contained herein has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

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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

FY17 restated*	Consolidated Income Statement (€m)	9M18	9M17 restated*
<b>256.3</b>	<b>Revenues</b>	<b>193.3</b>	<b>177.4</b>
3.2	Cost of materials	1.9	2.5
133.3	Cost of services	83.9	100.7
49.9	Costs for use of 3rd-party assets	37.8	37.4
48.9	Personnel expenses	33.6	33.8
5.4	Other operating expenses	3.0	3.8
<b>240.7</b>	<b>Total operating costs</b>	<b>160.2</b>	<b>178.3</b>
2.6	Other income	2.1	1.9
2.6	Results of equity-accounted companies	6.8	1.7
5.8	Allowance for doubtful accounts and other provisions	1.0	2.0
<b>15.1</b>	<b>EBITDA</b>	<b>41.1</b>	<b>0.7</b>
6.8	Depreciation and amortisation	4.5	5.1
2.9	Adjustments to asset values	0.0	0.0
<b>5.4</b>	<b>EBIT</b>	<b>36.6</b>	<b>(4.5)</b>
(0.8)	Financial income/(expenses)	(0.1)	(0.8)
<b>4.6</b>	<b>Profit/loss before income tax</b>	<b>36.5</b>	<b>(5.3)</b>
<b>4.3</b>	<b><i>of which attributable to Shareholders of the controlling entity</i></b>	<b>36.8</b>	<b>(5.4)</b>

\* Starting with the Consolidated Financial Statements at 31 December 2017, operating profitability is calculated as EBITDA; therefore the 2017 figures, which showed the gross operating profit, have been restated to reflect this reclassification. The figures for 2017 also reflect the application of the new standard IFRS 15 from 1 January 2018.

# FINANCIAL OVERVIEW – STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (€m)	30/09/18	31/12/17
Non-current assets	150.7	151.5
Net working capital	(59.3)	(74.3)
<b>Gross capital employed</b>	<b>91.4</b>	<b>77.3</b>
Non-current liabilities	13.3	13.4
<b>Total net capital employed</b>	<b>78.1</b>	<b>63.8</b>
<b>Equity</b>	<b>99.7</b>	<b>63.0</b>
<b>Net financial position</b>	<b>(21.6)</b>	<b>0.8</b>
<b>Equity and net financial position</b>	<b>78.1</b>	<b>63.8</b>