

# FIERA MILANO GROUP

3<sup>rd</sup> Quarter 2020 Consolidated Results

CONFERENCE CALL – 11 November 2020



FIERA MILANO

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1.0

# Highlights

## 1.1

# Highlights

Q3 and 9M20 results were affected by the prolonged suspension of exhibition activities from 23 February due to the Covid-19 pandemic.

Events resumed in September but with lower attendance figures.

### 9 Months 2020

- 9M20 **revenues** of Euro 67.3 million (Euro 183.9 million in 9M19)
- 9M20 **EBITDA**: Euro 4.7 million (Euro 64.4 million in 9M19)
- 9M20 **EBIT**: Euro -28.9 million (Euro 30.4 million in 9M19)
- 9M20 **Pre-tax result**: Euro -38.8 million (Euro 20.3 million in 9M19)
- **Net debt** (pre-IFRS 16) Euro 13.5 million at 30 June 2020 (net cash 20.2 million at 30 June 2020 and 68.3 million at 31 December 2019)

### Q3 2020

- Q320 **revenues** of Euro 11.3 million (Euro 30.1 million in Q319)
- Q320 **EBITDA**: Euro -5.8 million (Euro 2.0 million in Q319)
- Q320 **EBIT**: Euro -17.0 million (Euro -9.2 million in Q319)
- Q320 **Pre-tax result**: Euro -20.2 million (Euro -12.4 million in Q319)
- **Net exhibition space occupied in Italy**: 63,290 square metres (6% from directly organised exhibitions), compared to 158,105 square metres in Q319

1.2

## Events after the end of the period

New suspension of exhibition activity  
(both trade fairs and congresses)  
until 3 December 2020

Development of a new business plan

- Prime Ministerial Decree (DPCM) of 18 October stopped conventions and congresses (excluding those that are held remotely).
- Prime Ministerial Decree (DPCM) of 24 October stopped all trade fairs (both domestic and international events).
- Prime Ministerial Decree (DPCM) of 3 November extended the suspensions of all exhibition activities until 3 December.
- Fiera Milano is preparing a new business plan to adapt its growth and development pathway to the changing scenario and to be able to compete successfully in the "New Normal".
- The plan will be presented to the market in early 2021.

2.0

# Financial results

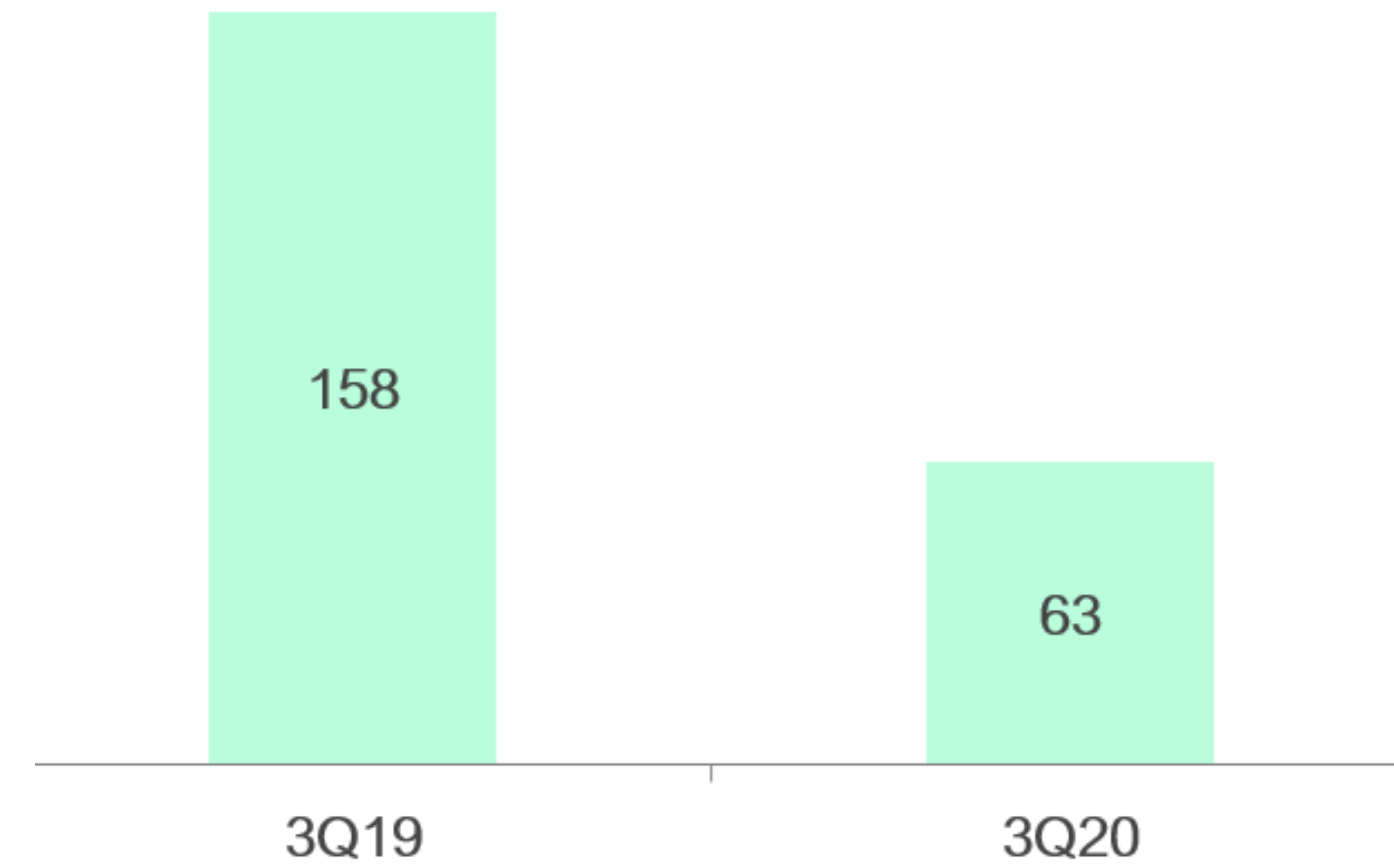


2.1

# Italian exhibitions



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



- Suspension of activity in July and August.
- The exhibitions held in Italy in September were of reduced size and showed lower attendance (in terms of exhibitors, visitors, etc.) compared to their previous editions.

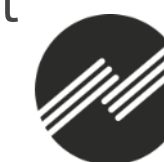
# Italian Exhibition Business



Italian Exhibition Business (€m)	3Q20	3Q19	9M20	9M19
Revenues	10.3	22.9	59.7	152.1
EBITDA	(4.4)	(0.6)	7.4	51.7
% on revenues	neg.	neg.	12.5%	34.0%
EBIT	(14.2)	(10.4)	(22.1)	21.7
% on revenues	neg.	neg.	neg.	14.3%

- The year-on-year trend in **revenues** was affected by the suspension of exhibition activities from the end of February to the beginning of September, which led to several cancellations (e.g. Salone del Mobile, Mido, Mostra Convegno Expocomfort) and the absence of biennial exhibitions (Tuttofood, Made and Transpotec Logitec).
- Activities resumed in September with 7 exhibitions (of which 6 were physical events) but with reduced size and attendance.
- The change in **EBITDA** was primarily related to the trend in revenues, partially offset by actions taken to reduce the cost base.

*Gross of adjustments for inter-segment transactions*



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# Foreign Exhibition Business

Foreign Exhibition Business (€m)	3Q20	3Q19	9M20	9M19
Revenues	0.0	0.2	1.1	3.3
EBITDA	(0.1)	1.0	(1.1)	3.5
% on revenues	neg.	n.m.	neg.	104.9%
EBIT	(0.1)	0.9	(1.3)	3.1
% on revenues	neg.	n.m.	neg.	94.4%

- The year-on-year trend in **revenues** mainly reflected the impact of Covid-19 on the Brazilian exhibition calendar.
- **EBITDA** was affected by lower results from the joint venture activities in China, where exhibitions resumed in August.

# Media

Media (€m)	3Q20	3Q19	9M20	9M19
<b>Revenues</b>	1.3	1.9	4.7	7.7
<b>EBITDA</b>	(0.3)	(0.1)	(0.1)	0.7
<i>% on revenues</i>	neg.	neg.	neg.	8.8%
<b>EBIT</b>	(0.3)	(0.2)	(0.1)	0.5
<i>% on revenues</i>	neg.	neg.	neg.	6.6%

- The change in **revenues** was mainly related to lower billboard and technical publications revenues, due to both cancelled fairs and the reduced size of the exhibitions held.
- The change in **EBITDA** primarily reflected the trend in revenues.

2.5

# Congresses

Congresses (€m)	3Q20	3Q19	9M20	9M19
<b>Revenues</b>	<b>0.3</b>	<b>6.2</b>	<b>4.5</b>	<b>27.3</b>
<b>EBITDA</b>	<b>(1.1)</b>	<b>1.8</b>	<b>(1.5)</b>	<b>8.6</b>
<i>% on revenues</i>	neg.	29.4%	neg.	31.4%
<b>EBIT</b>	<b>(2.4)</b>	<b>0.6</b>	<b>(5.3)</b>	<b>5.0</b>
<i>% on revenues</i>	neg.	10.0%	neg.	18.4%

- The year-on-year trend in **revenues** and **EBITDA** reflected the change in the congress calendar caused by the Covid-19 emergency, with several events postponed to 2021.

## 2.6

### Net financial position

31/12/2019	Consolidated Net Financial Position (€m)	30/09/2020	30/06/2020
68.0	<b>Cash &amp; cash equivalents</b>	27.6	39.2
1.3	<b>Current financial assets</b>	1.3	1.7
0.0	Current bank borrowings	35.0	24.9
0.0	Current portion of non-current debt	0.0	0.0
1.1	Other current financial liabilities	12.3	0.4
1.1	<b>Current financial debt</b>	47.3	25.4
(68.3)	<b>Net current financial debt (cash)</b>	18.4	(15.5)
0.1	Non-current financial assets	0.1	0.1
0.0	Other non-current payables	0.0	0.0
(0.1)	<b>Non-current financial debt</b>	(4.8)	(4.7)
(68.3)	<b>Net financial debt (cash) before IFRS 16 effects</b>	13.5	(20.2)
473.4	IFRS 16 financial effects	462.1	469.8
405.1	<b>Net financial debt/(cash) after IFRS 16 effects</b>	475.6	449.6

The change in net financial position was mainly due to the suspension of exhibition activities and subsequent lower advanced payments

3.0

# Business outlook





## 3.1

# Business outlook

- Although September saw the resumption of in-person events, the worsening of the health emergency due to a rapid rise in Covid-19 cases in Italy and elsewhere has led to new restrictions being put in place.
- In Italy, recent government regulations initially confirmed the possibility of holding exhibitions and congresses but subsequently **suspended conventions and congresses** (except if held remotely) **and then all exhibitions**.
- Against this highly uncertain and changeable environment, **the Company has taken further cost reduction actions** affecting both site management and staff, and through widespread adoption of remote working.
- The adoption of these measures, together with the effect of the probable reduction in rents for the Rho and Milan sites, subject to negotiation with Fondazione Fiera Milano, will make it possible to have a positive impact on the result for the current year.

# Forward-looking statement

Data and information herewith set forth are extracted from the Fiera Milano Press Release relating to Consolidated Interim Management report to 30 September 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.

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)



# BACK-UP



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# Financial overview – Income Statement

Consolidated Income Statement (€m)	3Q20	3Q19	9M20	9M19
<b>Revenues</b>	<b>11.3</b>	<b>30.1</b>	<b>67.3</b>	<b>183.9</b>
Cost of materials	0.3	0.3	1.6	1.7
Cost of services	9.3	18.9	38.6	85.5
Costs for use of 3rd-party assets	0.1	0.1	0.3	0.4
Personnel expenses	7.3	10.3	24.5	34.5
Other operating expenses	0.6	0.5	1.9	3.0
<b>Total operating costs</b>	<b>17.5</b>	<b>30.1</b>	<b>66.9</b>	<b>125.1</b>
Other income	0.5	0.6	1.7	1.9
Results of equity-accounted companies	(0.0)	1.5	(0.8)	3.9
Allowance for doubtful accounts and other provisions	0.1	(0.0)	(3.4)	0.2
<b>EBITDA</b>	<b>(5.8)</b>	<b>2.0</b>	<b>4.7</b>	<b>64.4</b>
Depreciation and amortisation	11.1	11.2	33.6	34.0
Adjustments to asset values	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>(17.0)</b>	<b>(9.2)</b>	<b>(28.9)</b>	<b>30.4</b>
Financial income/(expenses)	(3.2)	(3.3)	(10.0)	(10.1)
Valuation of financial assets	0.0	0.0	0.0	0.0
<b>Profit/loss before income tax</b>	<b>(20.2)</b>	<b>(12.4)</b>	<b>(38.8)</b>	<b>20.3</b>
<i>o/w attributable to the shareholders of the controlling entity</i>	(20.1)	(12.4)	(38.6)	20.3

# Financial overview – Reclassified Statement of Financial Position

31/12/2019	Reclassified Consolidated Statement of Financial Position (€m)	30/09/2020	30/06/2020
622.5	Non-current assets	590.4	604.0
(87.7)	Net working capital	(35.1)	(52.9)
<b>534.8</b>	<b>Gross capital employed</b>	<b>555.3</b>	<b>551.2</b>
21.9	Non current liabilities	20.9	16.4
<b>512.9</b>	<b>Total net capital employed</b>	<b>534.5</b>	<b>534.8</b>
<b>107.9</b>	<b>Equity (*)</b>	<b>58.9</b>	<b>85.2</b>
<b>405.1</b>	<b>Net financial position</b>	<b>475.6</b>	<b>449.6</b>
<b>512.9</b>	<b>Equity and net financial position</b>	<b>534.5</b>	<b>534.8</b>