

Press Release

## **Italian Exhibition Group: the Board of Directors approves the half-yearly financial report as at June 30<sup>th</sup>, 2019**

**Total revenues in the first six months at € 99.9 million, compared to € 77.3 million in the previous year**

**EBITDA<sup>1</sup> and EBIT respectively of € 26.6 million (of which a positive € 1.9 million relating to the impact of IFRS 16) and € 17.7 million, compared to € 17 million and € 11.8 million in the first half of 2018**

**Consolidated net profit of € 10.7 million (+ 40.2% compared to € 7.6 million in the previous year)**

*Rimini, August 27th, 2019* – The Board of Directors of Italian Exhibition Group S.p.A (IEG), a company listed last June on the Milan Stock Exchange organised and managed by Borsa Italiana S.p.A., approved, on today's date, the half-yearly financial report as at June 30<sup>th</sup>, 2019.

### **Main consolidated results in the first half of 2019**

The total revenues of the IEG Group amounted to € 99,932 thousand, growth of 29.3% over the € 77,309 thousand in the same period of the previous year. This result augments the significant growth already recorded at the end of 2018 (+ 22% over the previous year) and confirms IEG's ability in development and integration projects.

EBITDA<sup>1</sup>, following the application of IFRS 16, which generated a positive effect of approximately € 1.9 million, and EBIT reached € 26,575 thousand and € 17,691 thousand respectively, growth compared to the 2018 values, which did not reflect the effects of IFRS 16, which stood at € 17,039 and € 11,801 thousand respectively.

Without taking account of the effects of the aforementioned accounting standard, EBITDA<sup>1</sup> and EBIT therefore recorded increases of + 44.8% and + 49.6% compared to the same period in the previous year, also confirming the further strengthening in the ability to manage operating costs and stabilise the efficiencies already achieved in the second part of the previous year.

The Group's net result, albeit feeling the effects of the higher financial management expenses due to the application of IFRS 16 amounting to € 330 thousand and other expenses connected to the figurative payables from put options, stood at € 10,679 thousand, growth of 40.2% compared to € 7,618 thousand in the first half of 2018.

As at June 30<sup>th</sup>, 2019, the net cash financial situation, therefore without taking into account the higher payables of roughly € 32 million as a result of IFRS 16, financial payables for any future put options of € 15.8 million and derivative financial instruments for € 5.9 million, totalled € 66.5 million compared to € 66.9 million as at June 30<sup>th</sup>, 2018 and € 49.2 million as at December 31<sup>st</sup>, 2018. The latter increase is due primarily to the changes in Net Working Capital resulting from the seasonal cycle (around € 4.6 million), investments (€ 5.7 million) and the distribution of ordinary dividends which took place in May (€ 5.6 million).

The consolidated shareholders' equity as at June 30<sup>th</sup>, 2019 came to approximately € 105.2 million, compared to € 102.5 million as at December 31<sup>st</sup>, 2018.

### **Results by business segment in the first half of 2019**

The significant growth in revenues in the period derives from the positive results achieved by each business line and the increase of roughly € 22.6 million compared to the same period of the previous year is due to both the purely organic growth (up € 7.4 million equal to + 9.6%) and the change in the scope of consolidation. The latter takes account, for an amount of around € 15.2 million, of the revenues resulting from the acquisitions of stand fitting activities carried out last year (FB international in the US in March and Prostand – Colorcom in Italy in September 2018) and the arithmetic sum (with balance close to zero) of multi-year events or held in a different half from that of the previous year.

In particular, the Group's "core business", comprised of the direct organisation of trade show events, accounted for 53.7% of total revenues during the half, and recorded an increase of 6.6% compared to the previous year. This increase is attributable to the main leading products in the "Food & Beverage" and "Jewellery & Fashion" categories. The seasonal nature of the trade show calendar has a negligible impact and relates, in particular, to the Koinè event (biennial event in odd years) in February 2019.

The Convention Events business line, which accounts for 7.6% of total Group revenues, recorded an increase of 26% (up € 1.6 million) compared to the first half of 2018, thanks to the holding of larger conventions in terms of the number of participants, convention areas used and additional services required.

Revenues from related services, such as stand fitting activities, catering and cleaning, account for 35.2% of the Group's total revenues and essentially doubled compared to the first half of the previous year (+97.8%). The growth in the revenues from catering services, driven by the development of trade show events organised and the management of new activities, was augmented by the higher revenues recorded in the event preparation services segment as a result of the already mentioned acquisitions.

### **Business outlook**

The results achieved by IEG in the first half, although it should be noted that trade show and convention event activities are highly seasonal in nature, with the subsequent difficulty in comparing the various quarters of the year with one another, confirm the success of the organisational and management decisions made by the Company and allow the management to confirm the planned consolidation and growth objectives.

The Corporate Officer responsible for drafting the company's accounting documents, Roberto Bondioli, hereby declares, pursuant to paragraph 2 of art. 154-bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documentary results, the books and the accounting records.

The Half-yearly Financial Report as at June 30th, 2019, approved on today's date by the Board of Directors of Italian Exhibition Group S.p.A., will be made available, together with the Independent Auditors' Report, on the Company's website [www.iegexpo.it](http://www.iegexpo.it) in the Investor Relations Section, as well as in the company's registered office and on the authorised storage system 1INFO Storage available at the address [www.1info.it](http://www.1info.it) managed by 1INFO - Computershare S.p.A. - Via Lorenzo Mascheroni 19, 20145 Milan.

The results of the first half of 2019 will be illustrated in a conference call with the Financial Community set for today at 17.30 (CET). The presentation will be available in the Investor Relations section of the website [www.iegexpo.it](http://www.iegexpo.it) from 17.15.

## **FOCUS ON ITALIAN EXHIBITION GROUP SPA**

Italian Exhibition Group (IEG), listed on the Milan Stock Exchange organized and managed by Borsa Italiana S.p.A., is the Italian leader in the organization of trade expos and one of the main players in Europe in the expo and conference sector, with its venues in Rimini and Vicenza. The IEG Group stands out for the organization of events in five categories: Food & Beverage; Jewellery & Fashion; Tourism, Hospitality & Lifestyle; Wellness, Sports and Leisure; Green & Technology. In recent years, IEG has launched an important process of foreign expansion, also by means of joint ventures inked with local players (e.g. in the United States, Arab Emirates and China). IEG ended the 2018 financial year with a total consolidated turnover of 159.7 million euros, an EBITDA of 30.8 million and a net consolidated profit of 10.8 million euros. In 2018, IEG held an overall total of 53 exhibitions organized or hosted and 181 conferences events in its Rimini and Vicenza expo and conference venues. [www.iegexpo.it](http://www.iegexpo.it)

This press release contains forecast elements and estimates that reflect the management's current opinions ("forward-looking statements"), particularly regarding future management performance, realization of investments, cash flow trends and the evolution of the financial structure. For their very nature, forward-looking statements have a component of risk and uncertainty, as they depend on the occurrence of future events. The effective results may differ (even significantly) from those announced, due to numerous factors, including, only by way of example: food service market and tourist flow trends in Italy, gold and jewelry market trends, green economy market trends; the evolution of raw material prices; general macroeconomic conditions; geopolitical factors and evolutions in the legislative framework. Moreover, the information contained in this release, does not claim to be complete, and has not been verified by independent third parties. Forecasts, estimates and objectives contained herein are based on the information available to the Company as at the date of this release.

<sup>1</sup> EBITDA is represented by the operating profit/(loss) before amortisation/depreciation. EBITDA is a measurement defined and used by the Group to monitor and evaluate the Group's operating performance, but is not defined within the scope of the IFRS; therefore, it must not be considered an alternative measurement for the evaluation of the trend in the Group's operating profit/(loss). The Company believes that EBITDA is an important parameter for measuring the Group's performance as it allows it to analyse its profit margins, by eliminating the effects of non-recurring economic elements. Since EBITDA is not a measurement whose determination is regulated by the reference accounting standards for the preparation of the Group's consolidated financial statements, the criterion applied for determining the EBITDA may not be consistent with that adopted by other groups, and therefore may not be comparable.

### **For more information:**

#### **ITALIAN EXHIBITION GROUP S.P.A.**

##### ***Investor Relator***

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