



Press release

ITALIAN EXHIBITION GROUP (Euronext Milan: IEG)

THE BOARD OF DIRECTORS APPROVE THE INTERIM MANAGEMENT REPORT AS OF 31 MARCH 2023

- Revenues at € 77.0 million, record result for the Group on the first quarter;
- *Adjusted* EBITDA at € 24.7 million, *Adjusted* EBITDA margin at 32.1%, +13,7 pts compared to the first quarter 2022;
- *Adjusted* EBIT at € 20.5 million;
- Net Financial Position improving at € 91.3 million (Monetary Net Financial Position at € 54.6 million);

Rimini, 10 May 2023 – The Board of Directors of Italian Exhibition Group S.p.A. (Borsa Italiana S.p.A.: IEG), a listed company at Euronext Milan of Borsa Italiana S.p.A and a leading Italian company in the organization of international trade fair events, today approved its Interim Management Report as at 31 March 2023.

IEG Group CEO, Corrado Arturo Peraboni, commented as follows: “In the first quarter 2023 the IEG Group achieved extremely positive results, with record turnover, the comeback to profitability and cash generation. The signs of post-pandemic restart, which made themselves known at the end of 2022, were further reinforced and allowed the Group to recover the turnover of some events that have been postponed in the first quarter 2022, but above all to observe a solid organic growth, together with an expansion of the product portfolio with the first editions of K.EY, after its spin-off from Ecomondo, and My Plant & Garden, at the first edition after its acquisition. We will continue the pursuit of our strategic goals in 2023 by accomplishing our investment and development plans, both domestically and internationally, through strategic partnerships, new acquisitions and expansions of our products, keeping our focus on margin recovery.”

FINANCIAL HIGHLIGHTS

	31/03/2023	% of Revenues	31/03/2022	% of Revenues	Variation	Var. %
Revenues	76,993	100.0%	38,040	100.0%	38,953	>100%
Adjusted gross operating margin (EBITDA)	24,709	32.1%	7,002	18.4%	17,707	>100%
Adjusted operating income (EBIT)	20,457	26.6%	2,996	7.9%	17,462	>100%
Profit/(Loss) for the year	13,952	18.1%	1,801	4.7%	12,151	>100%
Net Financial Position (NFP)	(91,286)		(107,239)		15,953	-15%

Group **Revenues** as of 31 March 2023 stood at 77.0 million euros, an increase of 39.0 million euros from 31 March 2022.

The first quarter 2022 was still characterized by a limited operation caused by the resurgence of the Covid-19 pandemic, which forced the postponement or the suspension of some of the Group's main events, both in organized events and conferences. The recovery of turnover related to the post-Covid restart ('Restart' effect) with the scheduling of cancelled, suspended, or reduced events amounted to 14.2 million euros (+37.3%), while the incremental revenue for the biennial nature of some events contributed 0.3 million euros (+0.8%) to the first quarter 2023.

Organic revenue growth in the first quarter was 15.5 million euros (+40.6% compared to first quarter 2022), driven in particular by higher volumes and price effects.

In the first quarter 2023 a contribution to revenues growth was given by the increase of the scope of consolidation of 3.3 million euros (+8.4%), after the inclusion of the affiliate company V Group S.r.l., while the changes in schedule which have led to move up some events from the second and third quarter, contributed to the revenue's growth of 5.4 million euros (+14.1%).

With reference to the Group's only operating segment such as "Hosting of trade fairs, events and performance of related services", revenue figures disaggregated by line of business are shown below:

	31/03/2023	%	31/03/2022	%	Variation	Var. %
Organized Events	52,794	69%	25,931	68%	26,863	>100%
Hosted Events	439	1%	63	0%	376	>100%
Conferences	3,752	5%	1,472	4%	2,279	>100%
Related Services	19,322	24%	10,011	27%	9,312	93%
Publishing, Sporting Events and Other Activities	686	1%	562	1%	124	22%
TOTAL REVENUES	76,993	100%	38,040	100%	38,953	>100%

Revenues from **Organized Events**, which represented 69% of the Group's revenues in the first quarter, were 52.8 million euros, an increase of 26.9 million euros compared to first quarter 2022. A standard pre-pandemic schedule of two of the most important events organized by the Group such as 'Sigep', 'Vicenzaoro January' and 'T.Gold' has been restored in the first quarter 2023. The incremental change in turnover represented by the "Restart" effect was 10.4 million euros (+38,5%), while the organic growth of the events was 8.8 million euros, marking +32.6% compared to the previous period.

'Organized Events' revenues in the first quarter 2023 benefit from the move up of some events, which were organized in the second and third quarters in 2022, with a contribution to the increase of revenues of 4.2 million euros. It should be noted the organization of the event 'K.EY' among the main events moved up in the

quarter, at its first edition after the spin-off from 'Ecomondo', which has achieved particularly positive results by doubling its volume both in exhibiting terms and visit terms.

The variation in the scope of consolidation, through the inclusion of the event 'My Plant & Garden' contributed to the growth of revenues of 3.3 million euros.

Hosted Events recorded revenues of 0.4 million euros, up from the first quarter 2022.

Conferences hold the results from the operation of Rimini Convention Centre and Vicenza Convention Centre (VICC). In the first quarter 2023 a total of 25 conferences were held in the two locations, with revenues of 3.8 million euros, and an incremental change of 2.3 million euros compared to the same period in 2022 (when the amount was 1.5 million euros), thanks to the recovery of the on-site congress events, which were restricted in the first quarter 2022.

Revenues from **Related Services** in the first quarter 2023 amounted to 19.3 million euros (10.0 million euros at 31 March 2022), with an increase of 9.3 million compared to the same period in the previous financial year, driven by an organic growth of 6.2 million euros, the post-pandemic "Restart" effect contributed to the growth of revenues for 1.5 million euros, while the schedule move up contributed for 1.2 million euros.

Publishing, Sports Events and Other Activities, through the publishing activities carried out for tourism sector (TTG Italia, Turismo d'Italia e HotelMag) and for the gold sector (VO+ e Trendvision), the sports events and other residual revenues, have developed total revenues for 0.7 million euros, with an increase of 0.1 million compared to the first quarter 2022 result.

Operating Costs as of 31 March 2023 amounted to 41.7 million euros (22.5 million euros as of 31 March 2022) with the percentage of turnover decreasing from 59.1% to 54.1%. The recovery in volume allows for a 5.0 percentage point improvement in the percentage of sales despite inflationary increases in material and transportation procurement costs on related services and energy costs.

The **Value Added** recorded in the period amounted to 35.3 million euros, with an increase of 19.8 million euros compared to the previous period (15.5 million euros). The Value added improves by 5.0 percentage points compared to 31 March 2022, from 40.9% to 45.9% recorded in the first quarter 2023.

Staff Costs amounted to 10.6 million euros in the first quarter 2023, with an increase of 2.1 million euros compared to the first quarter 2022 (+24.4%), The percentage of revenues improves from 22.5% to 13.8% in the first quarter 2023, thanks to the recovery of volumes.

Adjusted Gross Operating Margin (Adjusted EBITDA) amounted to 24.7 million euros in the first quarter 2023, with an increase of 17.7 million compared to the same period of the previous financial year, when it amounted to 7.0 million euros. **Adjusted EBITDA Margin** at 32.1% of revenues, compared to the same period in 2022, when it was 18.4%. The margin recovery of 13.7 percentage points in the first quarter 2023, was encouraged by the post-pandemic recovery of the volumes ('Restart' effect), and by the organic growth, while the increase due the variation of the consolidation scope and the schedule variation was compensated for the higher structural costs.

Adjusted Operating Income (Adjusted EBIT) amounted to 20.5 million euros in the first quarter 2023, up 17.5 million euros compared to the same period of the previous financial year, with a percentage of revenues of 26.6%, compared to the 7.9% of the previous period in 2022.

The **Financial Management** decrease by 1.2 million euros compared to the first quarter 2022. The change is mainly attributable to the negative spread fair value spread of derivative financial instruments.

Income before taxes amounted to 19.5 million euros, an improvement of 16.2 million euros compared to the same period of the previous financial year.

Income taxes amounted to 5.6 million euros, with a tax rate of 28.6%.

The **Group's Period Result** amounted to 14.0 million euros, an increase of 12.2 million compared to 31 March 2022.

Net Invested Capital, at 199.1 million euros (189.5 million euros as of 31 December 2022), shows an increase of 9.6 million euros, of which 14.2 million euros as incremental change on Net Working Capital and 4.2 million euros as decrease in in fixed assets.

Fixed Capital (249.4 million euros as of 31 March 2023) marks an overall decrease of 4.2 million euros mainly attributable to the amortization of the period of 4.0 million euros and to the release of deferred tax asset of 3.0 million euros on past tax losses, partially offset by the recognition of goodwill for 2.2 million euros related to the acquisition of two events in Singapore through the participated company IEG Asia.

Negative **Net Working Capital** amounted to 43.0 million euros as of 31 March 2023, shows a decrease of 14.2 million euros compared to 31 December 2022, when it amounted to 57.2 million euros, mainly attributable to the release of prepayments accounted at the end of 2022 against advances from customers for the events held in the first quarter 2023.

The Group's **Net Financial Position** as of 31 March 2023 was 91.3 million euros, an improvement of 4.1 million euros compared to 31 December 2022, thanks to an operating cash generation of 6.7 million euros.

SIGNIFICANT EVENTS DURING THE PERIOD

On 27 February 2023 has been finalized the acquisition of a company branch containing all the asset useful for the organization of two events such as *Singapore International Jewellery Event (SIJE)* and *Cafè Asia e Sweets & Bakes Asia & Restaurant Asia (CARA)*, which integrate the Group's portfolio in the Southeast Asia and in the food sector and in the jewellery sector. The consideration amount for the acquisition is composed by a fixed price of 1.1 million euros paid at the closing day and by a variable price estimated at 1.1 million euros, to be paid in 3 tranches and subject to the results of the future events, to be held in 2023 and 2024.

SUBSEQUENT EVENTS

Governance

On 28 April 2023 the Shareholders' Meeting appointed the member of the Board of Statutory Auditors, who were in charge until the Shareholders' Meeting for the approval of the Financial Statement as of 31 December 2022, and confirming Ms. Alessandra Pederzoli as Chairwoman and Mr. Stefano Berti and Mr. Fabio Pranzetti as Standing Auditor, and Ms. Meris Montemaggi and Ms. Luisa Renna as Alternate Auditor. The new Board of Statutory Auditors will be in charge until the approval of the Financial Statement as of 31 December 2025.

The Shareholders' Meeting confirmed Mr. Gian Luca Brasini as Independent Director, in charge from 29 August 2022 in replacement of Mr. Marino Gabellini, who left his role on 18 July 2022 (to meet the Article 2386, comma 1 of the Civil Code and the Article 14.14 of the Company Statute).

Other events

It should be noted that on 18 April 2023 has been issued the judgment of the Council of State, Sec. IV, 18 April 2023, n. 3880 to the Municipality of Rimini, the Province of Rimini and to the Chamber of Commerce of Romagna – Forlì, Cesena, Rimini, that are public shareholders of Rimini Congressi S.r.l., the controlling shareholder of Italian Exhibition Group, about shareholdings indirectly held by public entities through IEG. The mentioned judgment does not establish obligations for IEG, but only for IEG's public shareholders. IEG is currently not aware of the determination of the public shareholders of Rimini Congressi S.r.l. in order to comply with the judgment and, therefore, of any other effect that these determinations could have on the Company.

OUTLOOK

The macroeconomic scenario expected in 2023 continues to have elements of uncertainty. Continuing inflationary pressure, consequent restrictive monetary policies, as well as global geo-political tensions still lead to uncertainties about growth, even the post-pandemic recovery has been confirmed in the first months of the year, when the Group has reached and exceeded, in some business, the result of 2019.

The Group is confident, in this context and for the 2023, to be able to pursue the margin targets set out in the business plan, to improve the turnover and to reinforce the cash generation capability to support investments.

The manager in charge of preparing corporate accounting documents - Teresa Schiavina - declares, pursuant to paragraph 2 Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in the press release corresponds to the documentary results, books and accounting records.

The Interim Management Report as of 31 March 2023, today approved by the Board of Directors of Italian Exhibition Group S.p.A., will be made available on the website www.iegexpo.it to the section Investor Relations, at the company's registered office and at the authorized storage mechanism "1INFO Sdir and Storage" www.1info.it managed by Computershare S.p.A. - Via Lorenzo Mascheroni 19, 20145 Milano.

The financial results for the First Quarter 2023 will be presented in a conference call with the Financial Community scheduled for today at 6:00 pm (CET). The presentation will be available in the Investor Relations section on the website www.iegexpo.it from 5:45 pm.

It should also be noted that this press release contains forward-looking statements regarding the Group's intentions, beliefs, or current expectations regarding the Group's financial results and other aspects of the Group's activities and strategies. The reader of this press release should not place undue reliance on such forward-looking statements because actual results could differ significantly from those contained in such forecasts as a result of multiple factors, most of which are beyond the Group's control.



FOCUS ON

Italian Exhibition Group S.p.A., a joint stock company listed on Euronext Milan, a regulated market organised and managed by Borsa Italiana S.p.A., has, with its facilities in Rimini and Vicenza, achieved national leadership over the years in the organisation of trade shows and conferences. The development of activities abroad - also through joint-ventures with global or local organisers, in the United States, United Arab Emirates, China, Mexico, Germany, Singapore, Brazil, for example - now sees the company positioned among the top European operators in the sector.

For further information:

ITALIAN EXHIBITION GROUP S.P.A.

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**RECLASSIFIED FINANCIAL STATEMENTS
ALTERNATIVE PERFORMANCE INDICATORS (API)**

Management uses certain performance indicators that are not identified as accounting measures under IFRS (NON-GAAP measures), to enable a better assessment of the Group's performance. The determination criterion applied by the Group may not be consistent with that adopted by other Groups and the indicators may not be comparable with those determined by the latter. These performance indicators, determined in accordance with the provisions of the Guidelines on Performance Indicators issued by ESMA/2015/1415 and adopted by CONSOB in Notice No. 92543 of 3 December 2015, refer only to the performance of the accounting period covered by this Consolidated Annual Financial Report and the periods compared. The performance indicators should be considered as complementary and do not replace the information drafted in accordance with the IFRSs. Below is a description of the main indicators adopted.

- **EBIT (Earnings Before Interest, Taxes) or Operating Income:** this indicator is defined as Profit/(Loss) for the year from continuing operations before financial management and income taxes.
- **EBIT (Earnings Before Interest, Taxes) or Adjusted Operating Income:** this indicator is defined as Profit/(Loss) for the year from continuing operations before financial management and income taxes and costs and revenues considered by management to be non-recurring.
- **EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) or Gross Operating Margin:** this indicator is defined as Profit/(Loss) for the year from continuing operations before depreciation of tangible and intangible assets and rights of use, financial management and income taxes.
- **EBITDA or Adjusted Gross Operating Margin:** this indicator is defined as Profit/(Loss) for the year from continuing operations before depreciation and amortization of property, plant and equipment, intangible assets and usage rights, financial management, income taxes and costs and revenues considered by management to be non-recurring.
- **Net Commercial Working Capital:** this indicator is calculated as the sum of Inventories and Trade Receivables net of Trade Payables.
- **Net Working Capital:** this indicator is calculated as the sum of Commercial Net Working Capital and Other Current Assets and Liabilities including Current Provisions for Risks and Charges.
- **Net Invested Capital:** this indicator is total Current and Non-Current Assets, excluding financial assets, net of Current and Non-Current Liabilities, excluding financial liabilities.
- **NFP (Net Financial Position):** this indicator is calculated in accordance with the provisions of "Warning notice no. 5/21" dated 29 April 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 of 4 March 2021.
- **Monetary NFP (Monetary Net Financial Position):** this indicator is calculated in accordance with "Warning notice No. 5/21" dated 29 April 2021 issued by Consob, which refers to ESMA Guideline 32-382-1138 dated 4 March 2021, with the exclusion of items related to leases accounted for in accordance with IFRS 16, Put Options and Financial Derivative Instruments recognized in accordance with IFRS 9.
- **Free Cash Flow:** this indicator is calculated as cash flow from operating activities net of investments in property, plant and equipment and intangible assets (excluding fixed assets under right of use recognized during the year in accordance with IFRS 16) and financial and tax income and expenses serving operating activities.

RECLASSIFIED INCOME STATEMENT AS OF 31 MARCH 2023⁽¹⁾

Reclassified Consolidated Income Statement	31.03.2023	%	31.03.2022	%	Variation	Var. %
Revenues	76,993	100.0%	38,040	100.0%	38,953	>100%
Operating costs	(41,653)	-54.1%	(22,491)	-59.1%	(19,162)	85.2%
Value added	35,339	45.9%	15,549	40.9%	19,790	>100%
Staff costs	(10,632)	-13.8%	(8,548)	-22.5%	(2,084)	24.4%
Amortization, depreciation and impairment	(4,251)	-5.5%	(4,006)	-10.5%	(245)	6.1%
Non-Recurring Charges and Income	-	0.0%	-	0.0%	-	n.a.
Adjusted Operating Income (EBIT)	20,457	26.6%	2,996	7.9%	17,462	>100%
Non-Recurring Charges and Income	-	0.0%	-	0.0%	-	n.a.
Operating Profit/Loss (EBIT)	20,457	26.6%	2,996	7.9%	17,462	>100%
Financial management	(910)	-1.2%	320	0.8%	(1,230)	>100%
Pre-tax result	19,547	25.4%	3,315	8.7%	16,232	>100%
Income tax	(5,595)	-7.3%	(1,515)	-4.0%	(4,080)	>100%
Group result for the period	13,952	18.1%	1,801	4.7%	12,150	>100%
Amortization, depreciation and impairment	(4,251)	-5.5%	(4,006)	-10.5%	(245)	6.1%
EBITDA	24,709	32.1%	7,002	18.4%	17,707	>100%
Non-Recurring Charges and Income	-	0.0%	-	0.0%	-	n.a.
EBITDA Adjusted	24,709	32.1%	7,002	18.4%	17,707	>100%

(1) Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) or Adjusted Gross Operating Margin: is an economic indicator not defined in IFRS, but used by the company's management to monitor and evaluate its operating performance, as it is not affected by volatility due to the effects of the different criteria for determining taxable income, the amount and characteristics of capital employed as well as the related depreciation policies. This indicator is defined by the Company as Profit/(Loss) for the year from continuing operations before depreciation and amortization of property, plant and equipment, intangible assets and usage rights, financial management, income taxes, and costs and revenues considered by management to be non-recurring.

RECLASSIFIED BALANCE SHEET AS OF 31 MARCH 2023 ⁽²⁾

	31.03.2023	31.12.2022	Variation	Var. %
Intangible fixed assets	11,972	12,373	(402)	-3.25%
Goodwill	27,388	25,360	2,027	7.99%
Tangible fixed assets	188,096	191,032	(2,936)	-1.54%
Financial assets and Investments in affiliates	18,265	18,223	42	0.23%
Other fixed assets	3,646	6,622	(2,977)	-44.95%
Capital Assets	249,367	253,611	(4,244)	-1.67%
Trade Receivables	22,996	30,041	(7,045)	-23.45%
Trade Payables	(43,886)	(42,807)	(1,079)	2.52%
Inventories	701	852	(151)	-17.70%
Commercial Net Working Capital (CNWC)	(20,188)	(11,914)	(8,274)	69.45%
Other current assets	6,854	7,382	(529)	-7.16%
Other Liabilities and Provisions for current risks	(29,660)	(52,680)	23,020	-43.70%
Net Working Capital (NWC)	(42,995)	(57,212)	14,217	-24.85%
Other non-current liabilities	(1,883)	(1,805)	(78)	4.31%
Employee severance indemnity	(3,062)	(2,959)	(102)	3.46%
Provisions for non-current risks	(2,349)	(2,174)	(174)	8.02%
NET INVESTED CAPITAL (NIC)	199,079	189,460	9,618	5.08%
Shareholders' equity	107,793	94,106	13,687	14.54%
Net Financial Position (NFP)	91,286	95,354	(4,068)	-4.27%
TOTAL SOURCES	199,079	189,460	9,618	5.08%

(2) The reclassified statement of financial position analysis shows aggregations used by management to assess the Group's financial performance. These are measures generally adopted in financial reporting practice that are immediately referable to the accounting data in the primary financial reporting formats, which, however, are not identified as accounting measures under IFRS.

NET FINANCIAL POSITION AS OF 31 MARCH 2023 ⁽³⁾

Net Financial Position	31/03/2023	31/12/2022
A. Cash and cash equivalents	51,771	50,586
B. Cash equivalents	-	-
C. Other current financial assets	147	137
D. Liquidity: (A) + (B) + (C)	51,917	50,722
E. Current financial payables	(8,888)	(10,272)
F. Current portion of non-current financial debt	(12,345)	(18,301)
G. Current financial debt: (E) + (F)	(21,233)	(28,572)
H. Current net financial indebtedness: (G + D)	30,684	22,150
I. Non-current financial liabilities	(117,962)	(114,073)
J. Debt instruments	-	-
K. Trade payables and other non-current payables	(4,008)	(3,431)
L. Non-current financial debt: (I)+(J)+(K)	(121,970)	(117,504)
M. Total financial debt: (H) + (L)	(91,286)	(95,354)

(3) Net financial position presented in accordance with the ESMA Guidelines of 4 March 2021 (Consob warning notice no.5/21)