



#SAFE BUSINESS BY IEG



3Q-9M 2020 RESULTS

CONFERENCE CALL - November 12th, 2020

**ITALIAN
EXHIBITION
GROUP**
Providing the future



KEY FINANCIALS (M€)	3Q20	3Q19	change	9M20	9M19	% change
Revenues	6.4	28.4	(77.4%)	68.2	128.3	(46.8%)
EBITDA	(6.6)	3.9	>(100%)	9.1	30.6	(70.3%)
% EBITDA margin	>(100%)	13.7%		13.3%	23.9%	
EBIT	(10.5)	(0.4)	>100%	(7.1)	17.5	>(100%)
% EBIT margin	>(100%)	(1.3%)		(10.4%)	13.6%	
Net Income	(8.5)	(1.8)	>100%	0.8	8.9	(90.7%)
% Net Income margin	>(100%)	(6.5%)		1.2%	7.0%	
Minority Interests	(0.3)	(0.5)	(39.1%)	(0.7)	0.5	>(100%)
Parent Company	(8.2)	(1.3)	>100%	1.6	8.4	(81.4%)

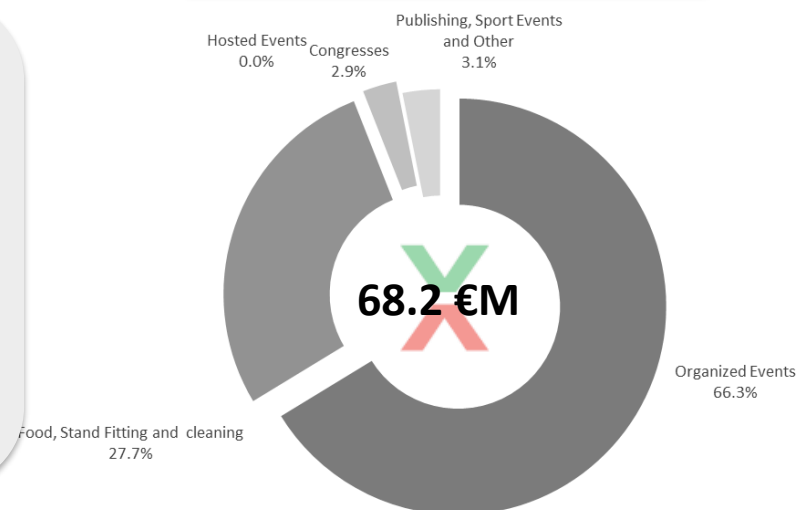
	30/9/20	30/6/20	31/12/19	30/9/19
NFP	116.7	104.8	104.5	119.1
"Monetary" NFP (*)	79.7	65.8	53.2	63.7

*NFP without debts from IFRS16, Put Options, MTM/Fair value Interest Rate Swap

IFRS16 Leases Impact

Revenue	0,3
EBITDA	3,3
EBIT	0,7
Net Results	0,2
NFP	25,4

Revenues Breakdown



NUMBER OF EVENTS

	3Q20	3Q19	change	9M20	9M19	change
Organized Events	1	3	-2	9	22	-13
Hosted Events	0	0	+0	1	9	-8
Congress Events	15	30	-15	27	127	-100
Other Events	0	1	-1	0	3	-3
Total Events	16	34	-18	37	161	-124

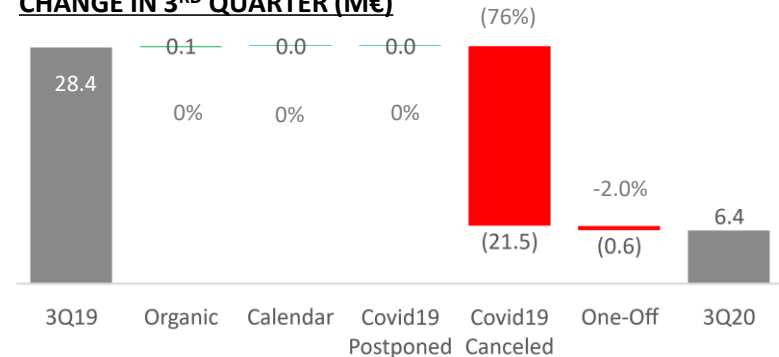
REVENUES BY BUSINESS LINES (M€)

	3Q20	3Q19	change YoY	% change YoY	9M20	9M19	change YoY	% change YoY	Change									
									Organic		Calendar		COVID19 postponed		COVID19 cancelled		One-off	
Organized Events	1.8	13.6	(11.8)	(87.0%)	45.2	67.3	(22.0)	(32.7%)	2.8	4.2%	0.0	0.0%	(2.9)	(4.2%)	(22.0)	(32.7%)	0.0	0.0%
Hosted Events	0.0	(0.0)	0.0	(105.2%)	0.0	1.8	(1.8)	(99.0%)	(0.2)	(9.0%)	(0.1)	(4.0%)	0.0	0.0%	(1.5)	(86.1%)	0.0	0.0%
Congress Events	1.1	2.0	(1.0)	(48.0%)	1.9	9.7	(7.7)	(79.8%)	0.0	0.0%	0.0	0.0%	0.0	0.0%	(7.7)	(79.8%)	0.0	0.0%
Food, Stand Fitting and Cleaning	2.4	10.1	(7.6)	(75.7%)	18.9	45.2	(26.3)	(58.2%)	0.1	0.2%	0.0	0.0%	(1.0)	(2.1%)	(25.7)	(56.8%)	0.2	0.4%
Publishing, Sport Events and Other	1.1	2.6	(1.5)	(57.8%)	2.1	4.3	(2.2)	(50.8%)	(0.2)	(3.5%)	0.0	0.0%	0.0	0.0%	(1.3)	(29.8%)	(0.8)	(17.5%)
Total Revenues	6.4	28.4	(22.0)	(77.4%)	68.2	128.3	(60.1)	(46.8%)	2.6	2.0%	(0.1)	(0.1%)	(3.8)	(3.0%)	(58.2)	(45.4%)	(0.6)	(0.4%)

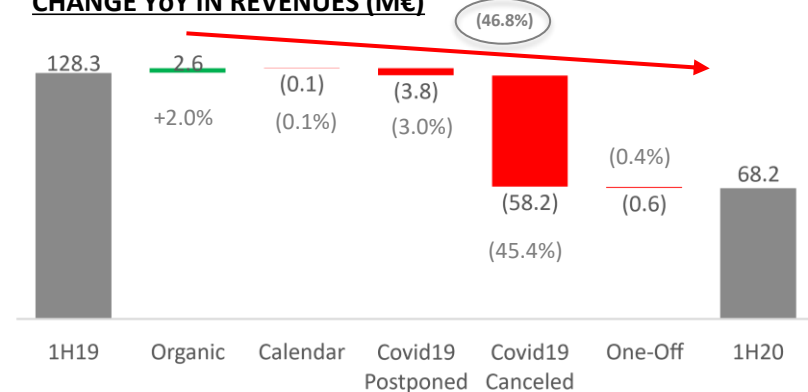
CHANGE REASONS YoY

- **Organic, +2.0%:** great performances of January's and February's Organized Events, especially Sigepe, VO January and Beer&Food Attraction.
- ❌ **Calendar, -0.1%:** biennial impact on hosted events.
- ❌ **Covid19 - postponed events, -3.0%:** impact due to changes in the rescheduling of some events and conferences in 4th quarter. Effects on catering and stand fitting arise from the relocation of IEG's events.
- ❌ **Covid19 – cancelled events, -45.4%:** impact due to the cancellation of events planned in 2020 that could not be relocated to other periods in the same year
- ❌ **One-Off, -0.4%:** in the 3rd quarter 2019 part of costs of IPO were extraordinarily charged to the shareholders

CHANGE IN 3RD QUARTER (M€)



CHANGE YoY IN REVENUES (M€)





Health and Safety

- Smart Working for all employees
- Distribution of PPE (Personal Protection Equipment) and serological tests on a voluntary basis
- #safebusiness project and GABC STAR™ standard adoption



Financial security

- Focus on credit collection and disbursement planning
- No dividend distribution
- Blocking of non-fundamental investments
- Deferment of mortgage payments and taxes



Economics

- Staff costs: efficiency and use of Government support («FIS»)
- Reduction in fixed costs, (less activities and contracts review)
- Cost structure characterized by a high incidence of variable costs



Development

- Rescheduling of cancelled events
- Improvement of Digital Strategy
- Prosecution in M&A activities
- Bologna Fiera project

Income Statement (M€)	3Q20	3Q19	% change	9M20	9M19	% change
Revenues	6,4	28,4	(77,4%)	68,2	128,3	(46,8%)
Operating costs	(8,2)	(16,5)	(50,2%)	(41,9)	(71,6)	(41,5%)
Value Added	(1,8)	11,8	>(100,0%)	26,3	56,6	(53,5%)
<i>% Value Added margin</i>	-28,7%	41,7%		38,6%	44,2%	
Staff costs	(4,7)	(7,9)	(40,5%)	(17,2)	(26,0)	(33,8%)
EBITDA	(6,6)	3,9	>(100,0%)	9,1	30,6	(70,3%)
<i>% Ebitda Margin</i>	>100%	13,7%		13,3%	23,9%	
Amortisation	(4,0)	(4,2)	(5,1%)	(12,6)	(12,3)	1,9%
Impairment of intangibles assets	0,0	0,0	na	(2,6)	0,0	na
Other depreciation & Provision	(0,0)	(0,1)	(91,5%)	(1,1)	(0,8)	29,1%
EBIT	(10,5)	(0,4)	>(100,0%)	(7,1)	17,5	>(100,0%)
<i>% Ebit Margin</i>	>100%	-1,3%		-10,4%	13,6%	
Equity Investments Results	(0,1)	0,0	>(100,0%)	(0,3)	0,1	>(100,0%)
Financial Results	(0,8)	(1,2)	(31,1%)	6,8	(3,9)	>(100,0%)
<i>Financial Revenues (Charges)</i>	(0,5)	(0,2)	>100%	(1,4)	(1,2)	17,7%
<i>Changes in IRS MTM</i>	(0,1)	(0,5)	(80,2%)	(0,2)	(1,2)	(85,2%)
<i>IFRS16 Financial Charges</i>	(0,2)	(0,2)	(0,1%)	(0,5)	(0,5)	(0,7%)
<i>Remesurement of PUT Options debts</i>	0,0	0,0	na	9,3	0,0	na
<i>Financial charges on PUT Options</i>	(0,1)	(0,3)	(71,9%)	(0,5)	(0,9)	(46,2%)
<i>Gain/(Losses) on Foreign Exchange</i>	0,1	(0,0)	>(100,0%)	0,1	(0,1)	>(100,0%)
Profit before Tax	(11,4)	(1,6)	>100,0%	(0,6)	13,7	>(100,0%)
<i>% PBT Margin</i>	>100%	-5,5%		-0,9%	10,7%	
Taxes	2,9	(0,3)	>(100,0%)	1,4	(4,7)	>(100,0%)
<i>Tax rate</i>	25,3%	-17,9%		>100%	34,6%	
Net income	(8,5)	(1,8)	>100,0%	0,8	8,9	(90,7%)
<i>% Net Income Margin</i>	>100%	-6,5%		1,2%	7,0%	
<i>of which:</i>						
Minority Interests	(0,3)	(0,5)	(39,1%)	(0,7)	0,5	>(100,0%)
Parent Company	(8,2)	(1,3)	>100,0%	1,6	8,4	(81,4%)

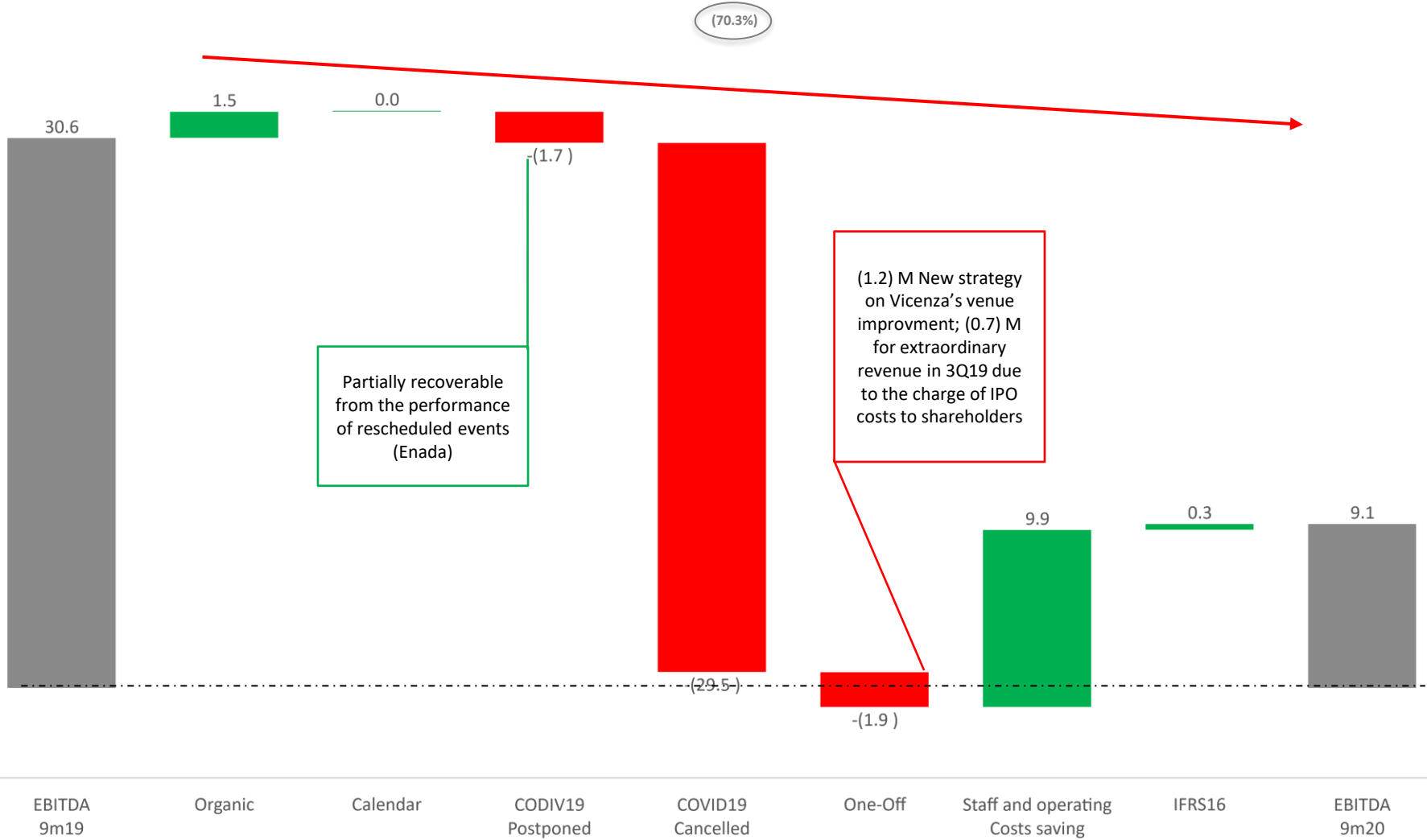
Great performances until February

Measures to contain Covid19 impact

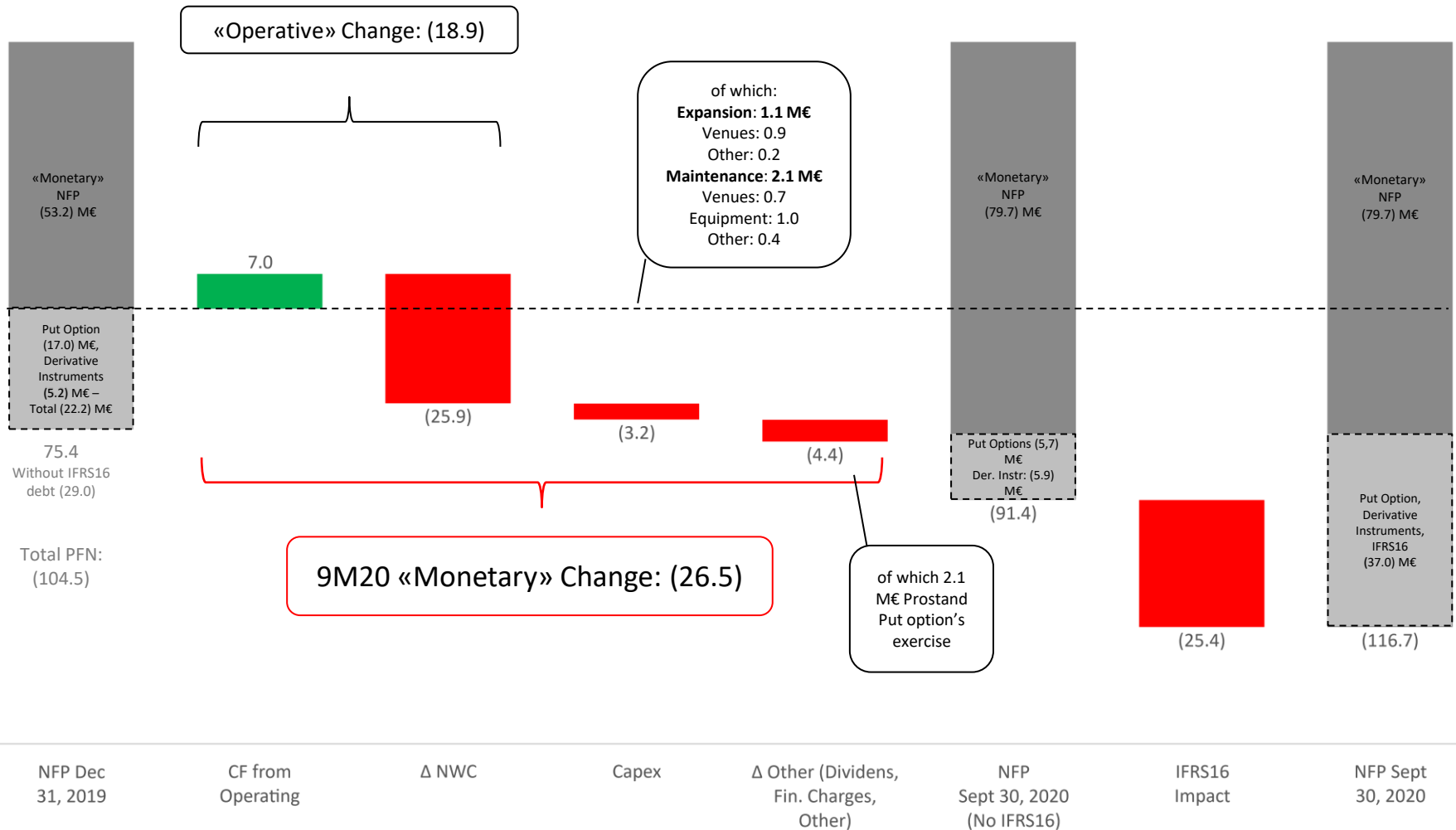
Attenuate impact of Covid19 on operating profitability

The results have been impacted by the following non-recurring items:

- Revenues +0,7 M€, mainly for remeasurement of IFRS 16 debts, thanks to renegotiation of the lease contracts payment +0.4 M€
- New strategy for expansion project in Vicenza Venue (-1.2 M€)
- Impairment of intangible assets (-2.6 M€)
- Remesurement of Put Options debts (9.3 M€)



Net Financial Position (M€)



Business Activities in 4Q

- 6 organized events until half October: Enada, TTG Travel Experience, Sia Regeneration, Sun Beach & Outdoor Style, Ibe – International Bus Expo and Abilmente Autunno
- 8 Congresses held in Congress centers
- Good signs also from Food, Stand fitting and Cleanings.
- Conversion of some of the cancelled events in digital events, as for Ecomondo, Koinè and Tecnargilla.

COVID-19 Impact

- On October 24th has been defined by new government's disposition a new suspension of exhibition and congress activities until November 24th
- 19 organized events, 2 hosted event, 75 congresses and 2 sport events cancelled. No more significant event scheduled in calendar for 2020. Estimated revenues for 2020 in a range between 74-78 M€
- Postponement of the main events scheduled in January and February to March and April (i.e. Sigep, VicenzaOro and Beer&Food Attraction).
- The Group will continue to:
 - improve plans to protect safety and health of stakeholders;
 - control financial and economic impacts of the crisis;
 - focus on protecting company liquidity to be ready to seize opportunities in next months (cash and available credit lines not less than 57 M€).

Further Actions & Development

- Project of integration between IEG and BolognaFiere S.p.a by the signing of a non-binding agreement based on an exchange ratio of 1:1 and in the manner still to be defined.
- Improvement of digital strategy
- New loan agreement of 5 M€ with Volksbank and current negotiations with other banks
- Finalization of purchase of 100% of the shares of "HBG Events"
- Rimini Expo Center's expansion plan frozen awaiting strong market recovery from Covid19 crisis.

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