



1H 2017 RESULTS CONF CALL

August 03rd 2017

Antonio Converti – CEO

Gabriella Fabotti – CFO

Chiara Locati – IR



Disclaimer



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Pursuant to art. 154-bis, paragraph 2, of the Italian Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Italiaonline S.p.A., Gabriella Fabotti, declares that the accounting information contained herein correspond to document results, books and accounting records.

PRO FORMA 1H 2016

1H 2016 results have been normalized (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages subsidiary, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with 1H 2017 results. 1H 2016 NFP and Net Income are reported data. In the presentation the comparison with 1H 2016 results, only for Revenue, EBITDA and Unl FCF is made versus 1H 2016 pro-forma (as before described).

1H 2017 HIGHLIGHTS



Financials

- 1H 2017 **Revenue** at € 166 mln vs € 189 mln pro forma¹⁾ 1H 2016
- In 2Q 2017 **Revenue decrease reduced** by 7 pp vs 1Q 2017
- Strong increase in **profitability** (+24% yoy Ebitda), and **Net Income** (+64.6% yoy)
- Unl FCF €37 million (+5% yoy), Ebitda **Cash Conversion²⁾** 103%
- Positive **Net Financial Position** at €69 million, despite €80 million dividend distribution



Business

- Renewed **Management Team**
- **Large Accounts** – new partnerships to boost prospective revenue
- **SMEs** – The improvement of digital product portfolio continued
- **Increased Audience³⁾**:  **+13% Mobile DAUs**  **+4.6% TDA DAUs**

(1) 1H 2016 normalized results (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages SA, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with H1 2017 results. 1H 2016 Net Income reported data

(2) Cash Conversion = Op FCF (Ebitda-Capex+ ΔNWC) / EBITDA - (3) Source: Audiweb Database, powered by Nielsen, May 2017 vs Avg. FY.2016 | TDA: Total Digital Audience, DAUs: Daily Active User

1H 2017 Business Overview



Management team of excellence



Antonio Converti – CEO

37 yrs of Experience



Maurizio Mongardi – COO

28 yrs of Experience



Gabriella Fabotti – CFO

25 yrs of Experience



Carlo Meglio – CDO

20 yrs of Experience



Ivan Ranza – CCO SME

23 yrs of Experience



Andrea Fascetti – CHRO

26 yrs of Experience



Andrea Chiapponi – CCO Large account

20 yrs of Experience

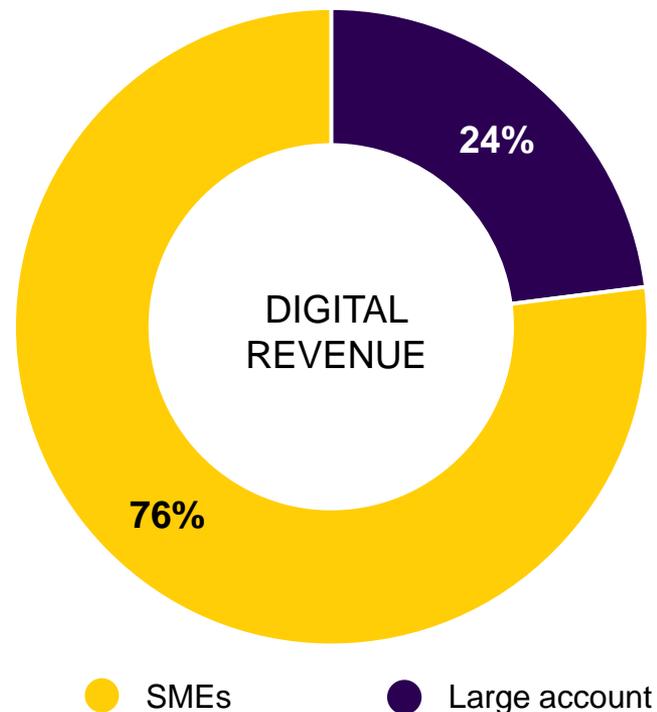
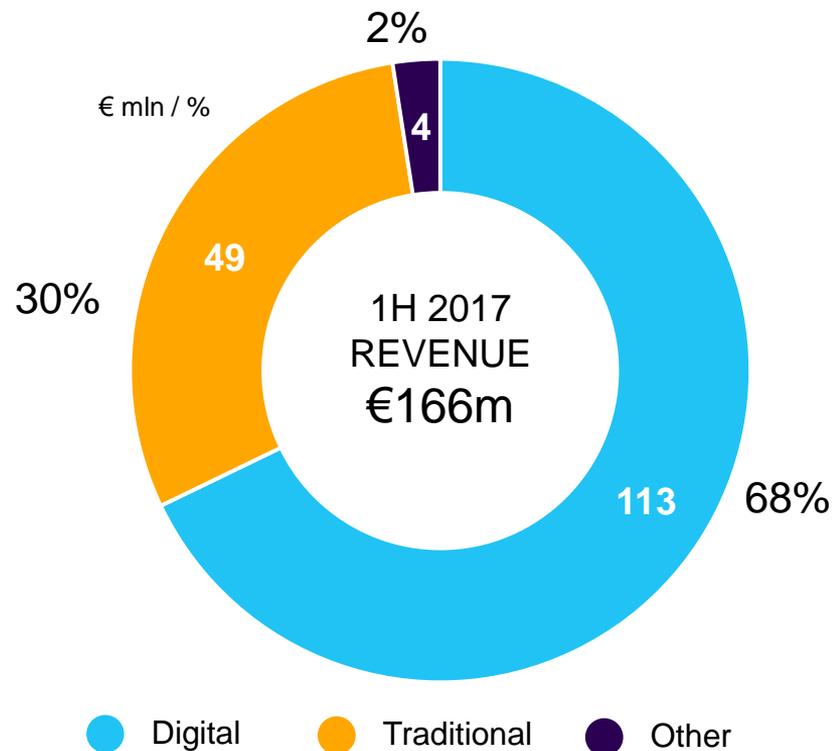


Chiara Locati – IR

21 yrs of Experience



Multiple revenue streams

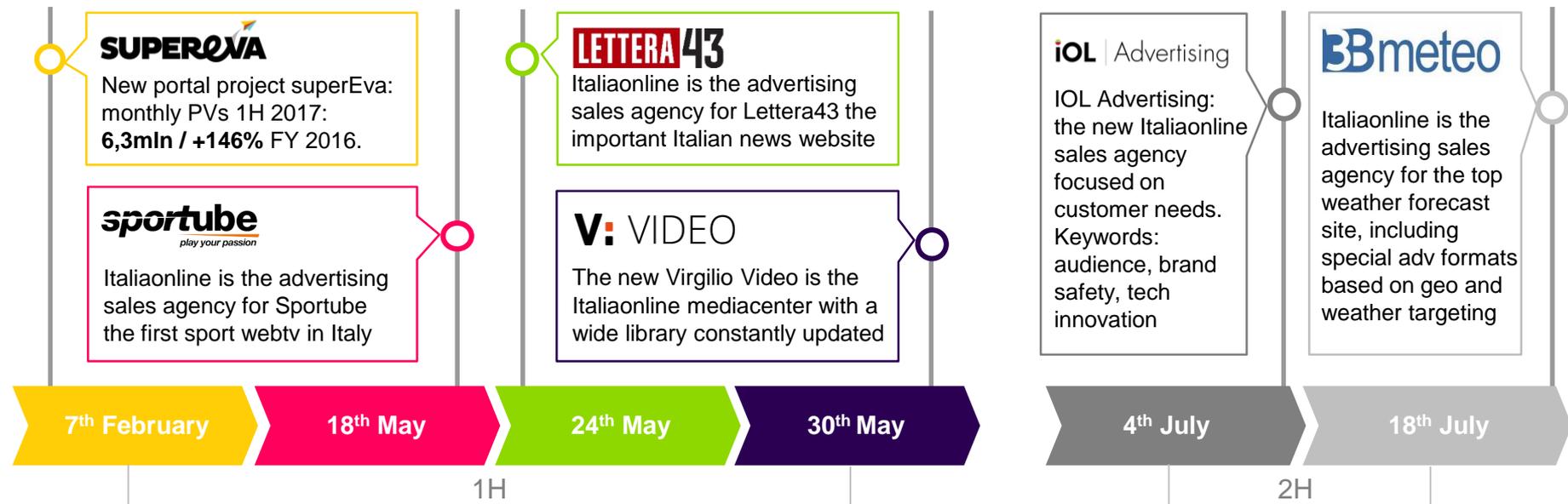


1H 2017 for Large Accounts

iOL | Advertising

IOL Advertising grew double-digit figures on revenues in 2Q 2017 vs -1% Market decrease

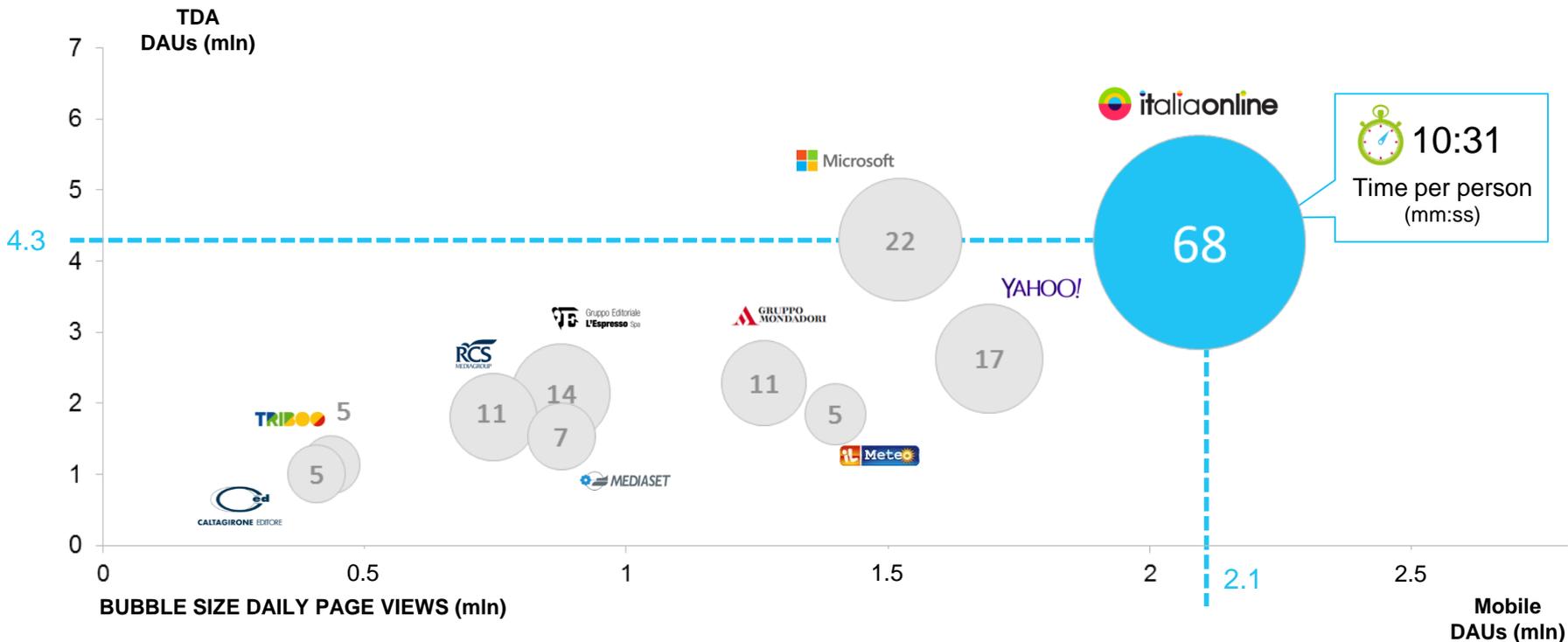
Increased audience² for:  +13% Time per person  +13% Mobile DAUs  +4.6% TDA DAUs  +4.3% PVs



(1) Source: FCP-Assointernet, Apr-Jun 2017

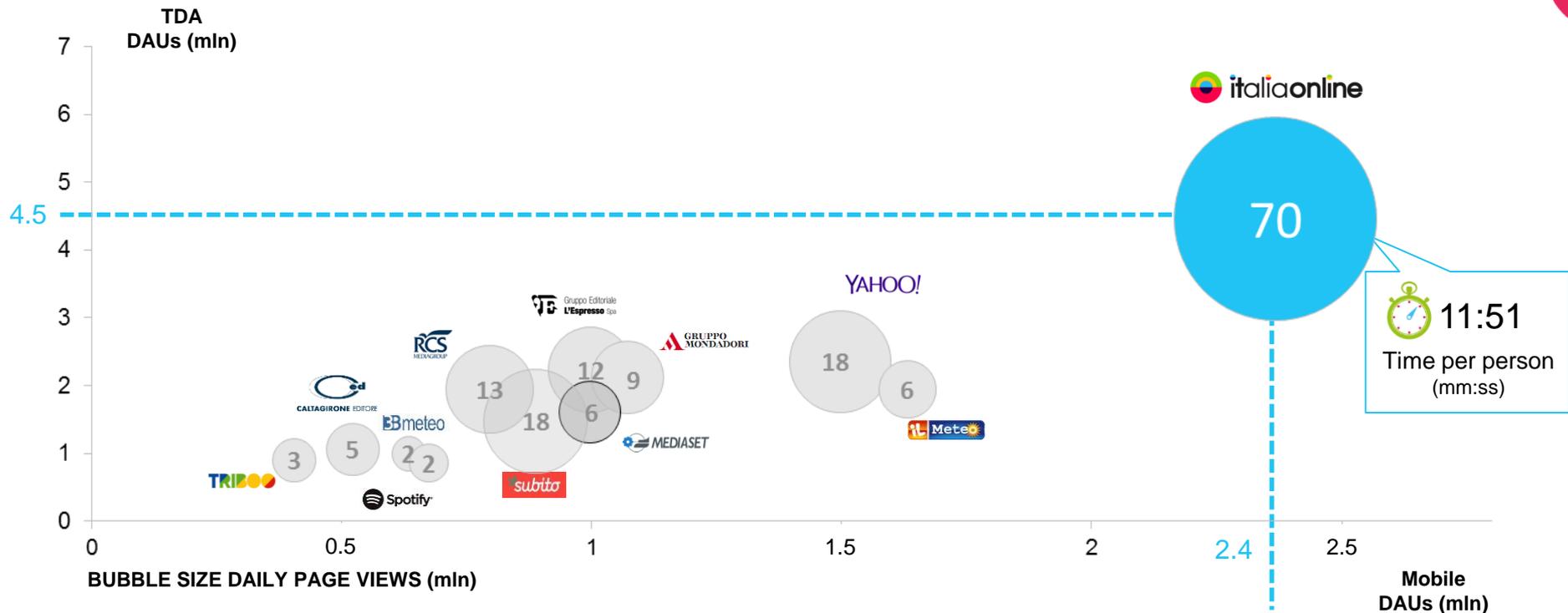
(2) Source: Audiweb Database, powered by Nielsen, May 2017 vs Avg. FY.2016 | TDA: Total Digital Audience, DAUs: Daily Active User

Daily Audience | Average FY 2016



Source: Audiweb Database, powered by Nielsen, Avg. FY.2016 | Google and Facebook are not in Audiweb Database
 Note: TDA – Total Digital Audience | DAUs – Daily Active Users

Daily Audience | Month of May 2017



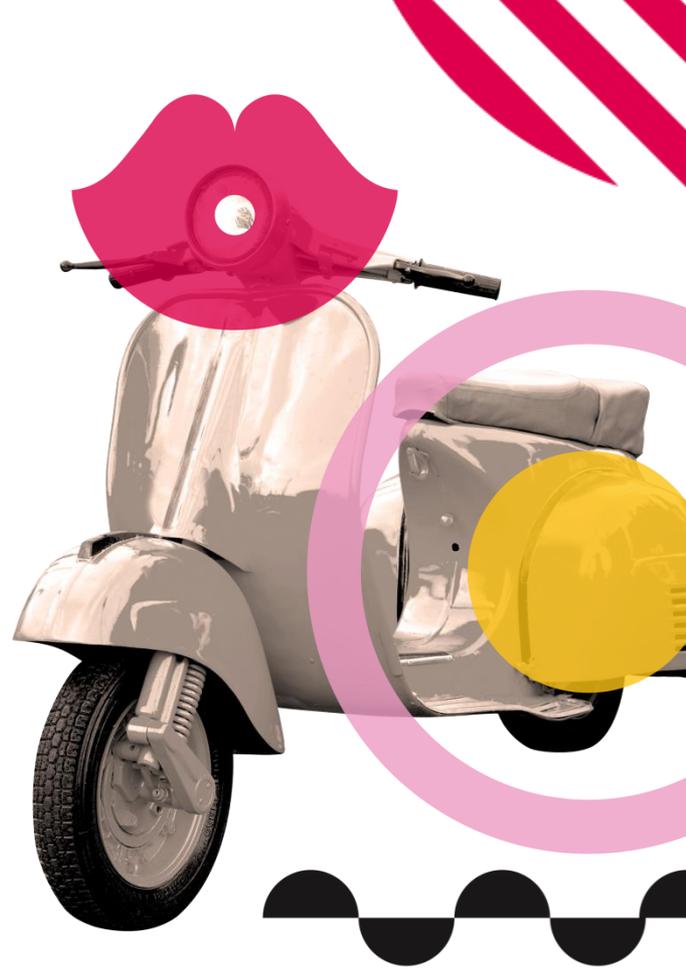
Source: Audiweb Database, powered by Nielsen, May 2017 | Google, Facebook and Microsoft are not in Audiweb Database
 Note: TDA – Total Digital Audience | DAUs – Daily Active Users

1H 2017 for SMEs

The order intakes of IOL Audience, media planning services dedicated to SMEs, improved double digit in 2Q 2017 YoY, NPS improved in 2Q 2017

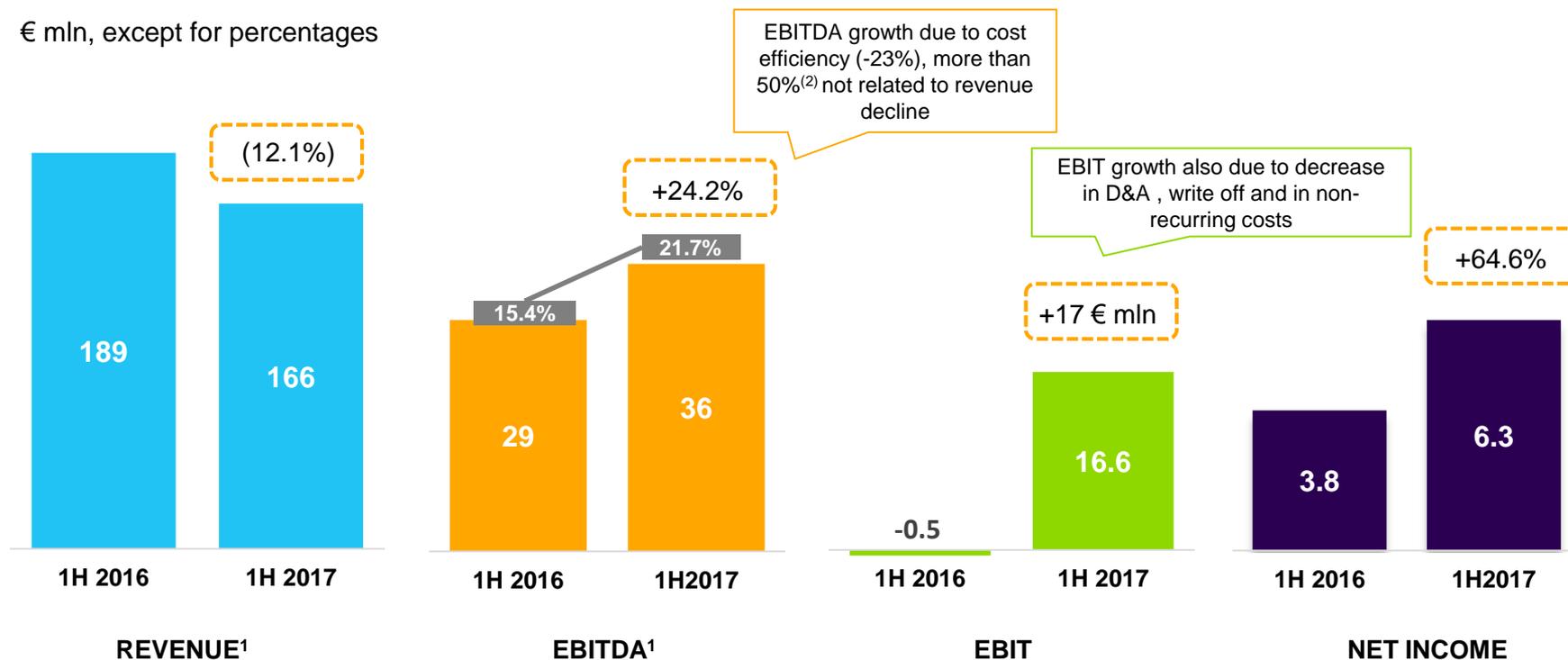


1H 2017 Financial Overview



1H 2017 | Strong Profitability and Net Income growth

€ mln, except for percentages



(1) H1 2016 normalized results (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages subsidiary, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with H1 2017 results

(2) Figure referred to IOL core business only

Key Results | Improved profitability and reduced revenue decrease

€m	Q1 2017	Q2 2017	H1 2017	Q1 2016 pro-forma	Q2 2016 pro-forma	H1 2016 pro-forma ⁽¹⁾	YoY Change		
							Q1	Q2	H1
Revenue	70	96	166	84	106	189	(16)%	(9)%	(12)%
<i>o/w Core Business Digital</i>	<i>54</i>	<i>58</i>	<i>113</i>	<i>64</i>	<i>63</i>	<i>127</i>	<i>(15)%</i>	<i>(7)%</i>	<i>(11)%</i>
EBITDA	10	26	36	6	23	29	64%	13%	24%
EBITDA Margin	14.8%	26.7%	21.7%	7.6%	21.5%	15.4%	7.2 pp	5.3 pp	6.4 pp
EBITDA-CAPEX	3	16.5	20	0.3	17	17	n.m.	(1)%	17%
Unlevered FCF	30		37	21		35	40%		5%
Net Result ⁽²⁾	2		6	(11)		4	n.m.		65%

(1) 1H 2016 normalized results (pro-forma data) for an amount of revenues (-€ 10.3 million) and Ebitda (-€ 0.4 million) to reflect the change in the perimeter due to the sale and termination of certain business lines (Europages subsidiary, 12.54 business and Moqu arbitration agreement on Google Ad Sense market) in the course of 2016 and thus to enable comparison with H1 2017 results

(2) Reported Figure

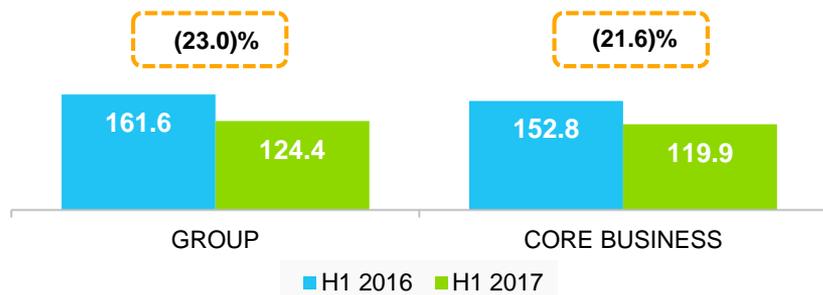
H1 2017 Results | Highlights

€m	Q1 2017	H1 2017	H1 2016	FY 2016	Change	
					Q1'17 vs FY'16	H1'17 vs FY'16
NFP	144.9	68.8	102.0	122.1	18.6%	(43.7)%
NFP (ex dividend) ⁽¹⁾	64.8	68.8	22.0	42.1	54.1%	63.5%
Cash Holdings	144.1	67.9	109.8	121.6	18.6%	(44.1)%
Cash Holdings (ex dividend) ⁽¹⁾	64.1	67.9	29.7	41.5	54.3%	63.6%

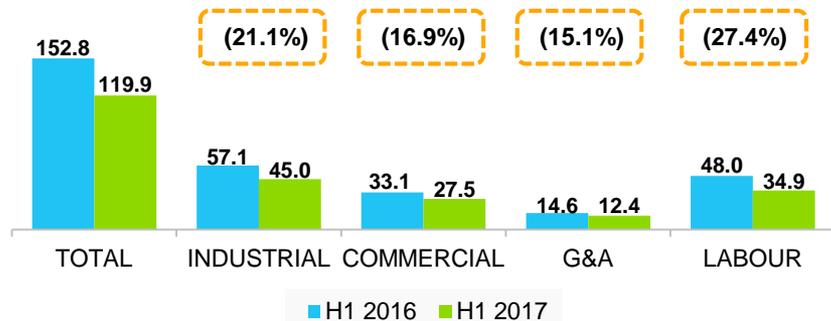
(1) Net of €80 million dividend approved by the Shareholders' Meeting of April 27, 2017 and paid on May 10, 2017

1H 2017 | Reduced Operating Costs (reported figures)

GROUP & CORE BUSINESS⁽¹⁾ COSTS (€M)



CORE BUSINESS⁽¹⁾ COST BREAKDOWN (€M)



(1) Core business costs | Italiaonline+DLS+Moqu

(2) Figure referred to IOL core business only | (3) Includes advertising | (4) Does not include capitalized labour costs

HIGHLIGHTS

Group costs down by 23.0% YoY; more than 50%⁽²⁾ of these savings are not related to revenue decline

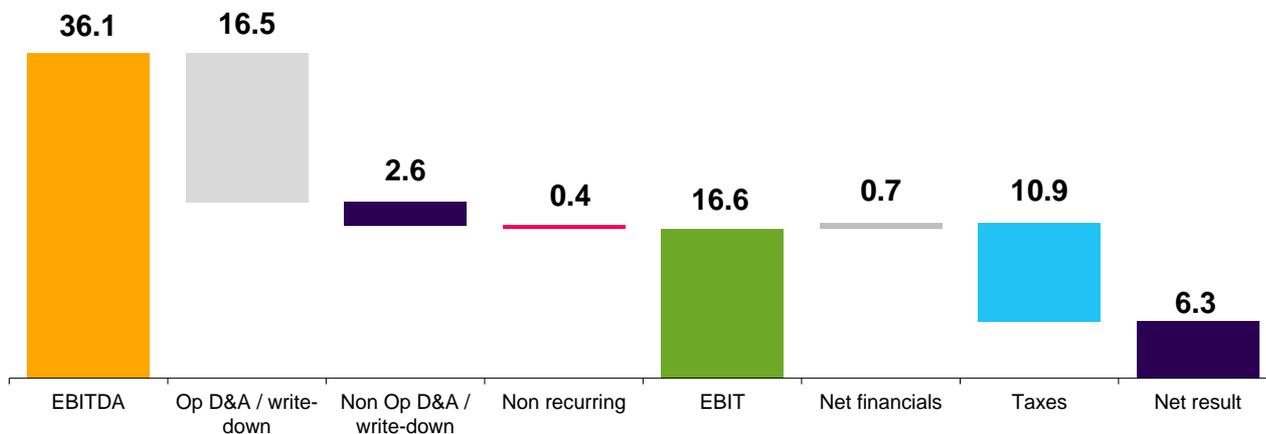
Core business costs down by 21.6% YoY:

- **Industrial costs** down by 21.1% (or €12.1m) YoY. The decrease is due for ~€8m to the traditional segment and for the remaining part to the digital segment
- **Commercial costs** down by 16.9% (or €5.6m) YoY following the decrease in the # of sales reps (from 1,037 at the end of June 2016 to 831 at the end of June 2017)
- **General⁽³⁾ costs** down by 15.1% (or €2.2m) YoY mainly thanks to a reduction in advertising and other G&A costs
- **Labour⁽⁴⁾ costs** down by 27.4% (or €13.1m) YoY

H1 2017 | From EBITDA to Net Result

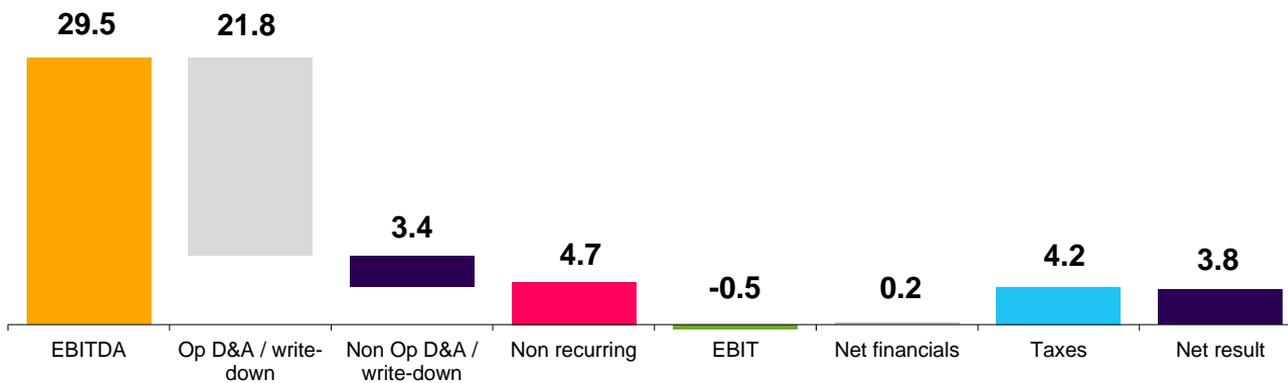
H1
2017

€ MLN



H1
2016
reported

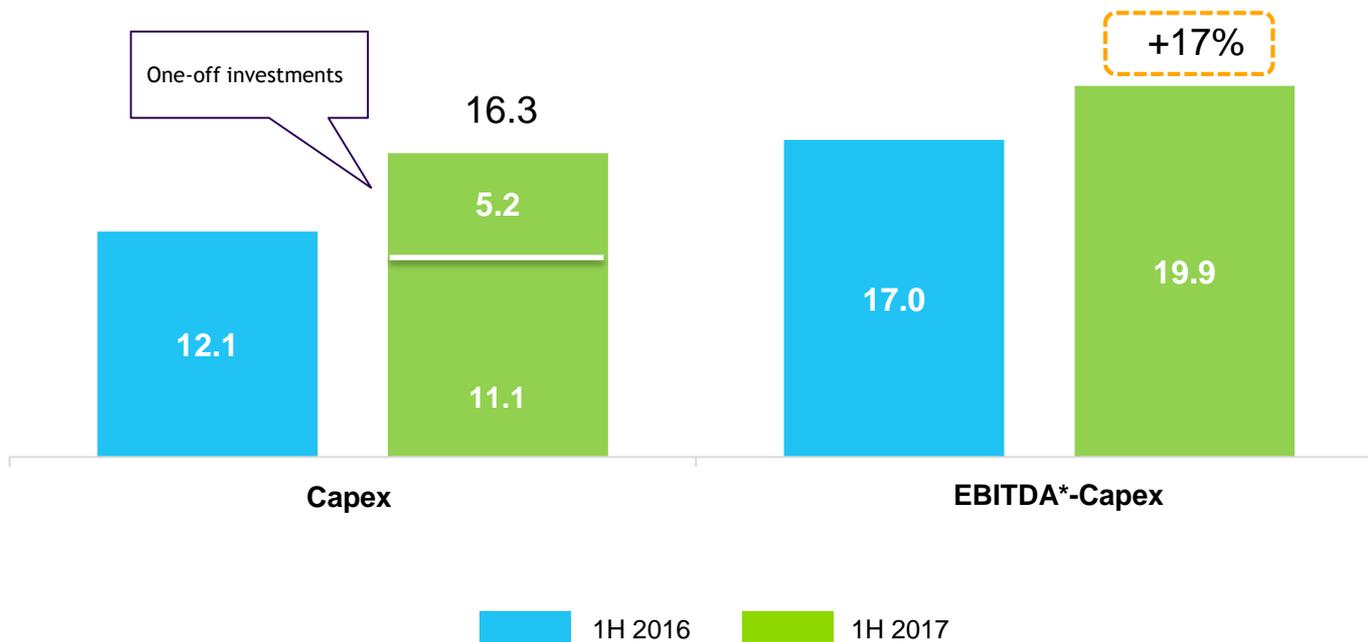
€ MLN



1H 2017 | Capital Expenditures & EBITDA

€ mln

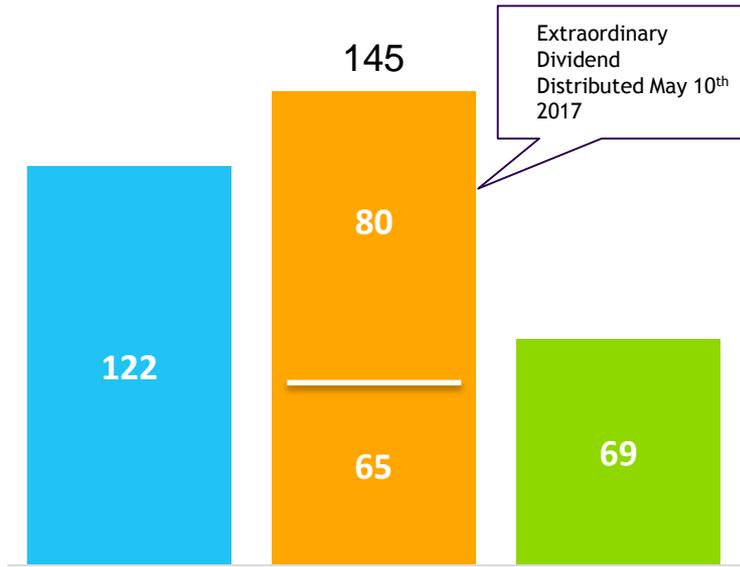
Net of one-off investments 1H 2017 capex amounted to €11.0m, down 8.8% YoY, at 6.6% of revenue



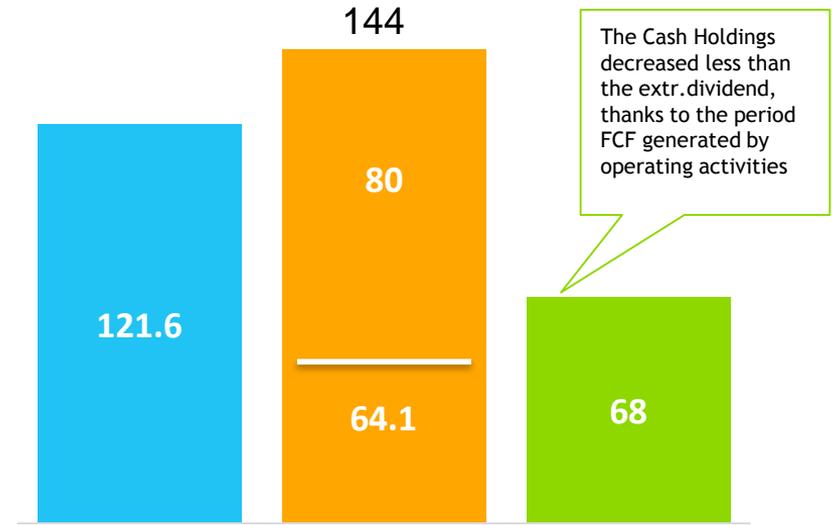
* Ebitda 1H 2016 pro-forma

1H 2017 | Positive Net Financial

€ mln



Net financial position



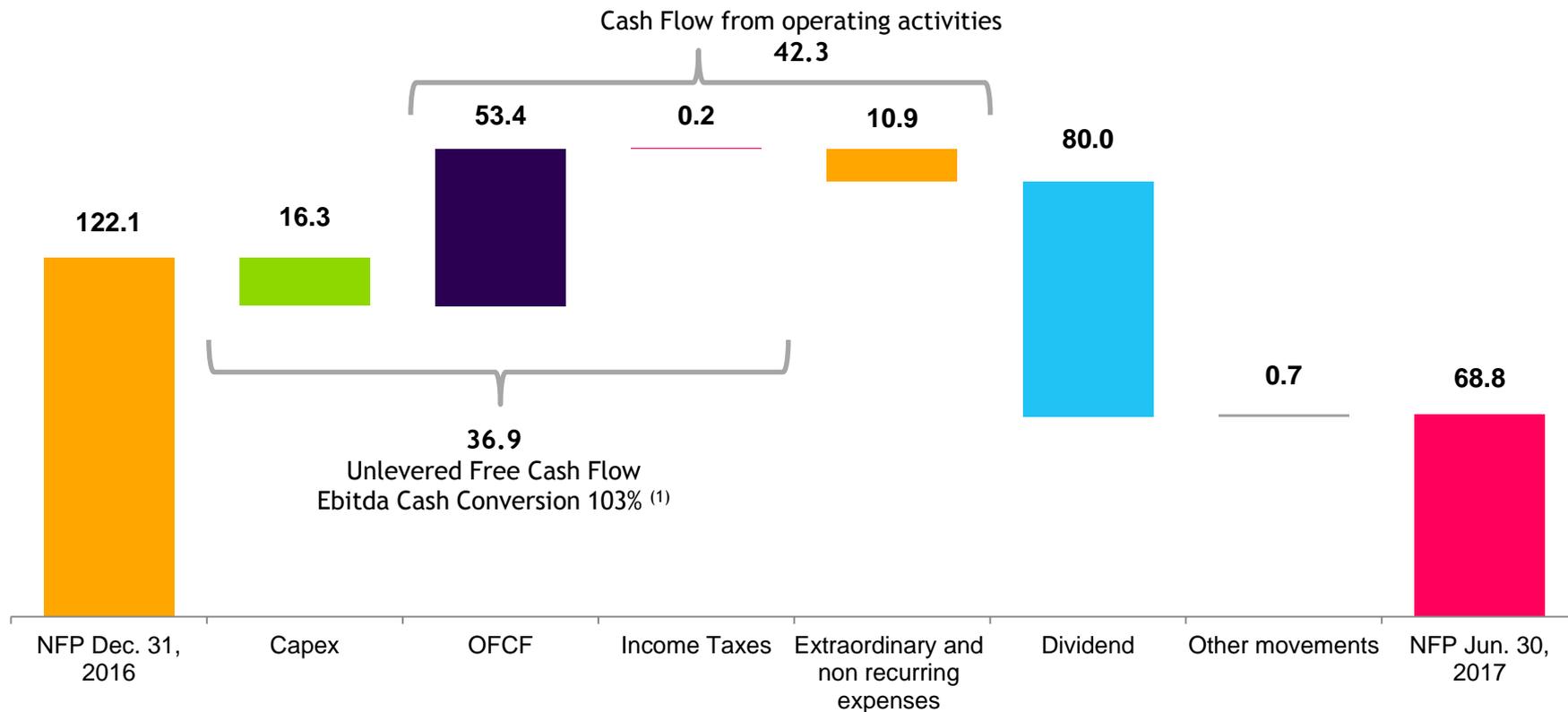
Cash holdings

As of Dec. 31st, 2016

As of Mar. 31st, 2017

As of Jun. 30th, 2017

1H 2017 | Change in Net Financial Position



(1) Cash conversion = Op FCF (EBITDA-Capex+ΔNWC) / EBITDA

Business plan 2017-2019 guidelines (organic growth only)

Revenues

Revenues are expected to grow with a CAGR 2015 - 2019 of [0%÷0.4%]

EBITDA

Steady growth of marginality to reach 22%÷27% EBITDA margin in 2019

CAPEX

CAPEX expected to decline during the plan and to stabilize at about 6% of revenue in 2019

FCF

Free cash flow generation to improve during the plan and reach the 55%÷60% cash conversion of the EBITDA from 2018

2017 guidance

- Revenue is expected to continue to decrease, mainly because of the physiological contraction of some traditional businesses, despite the gradual improvement in the performance of digital activities
- Profitability: Ebitda margin improvement vs FY 2016

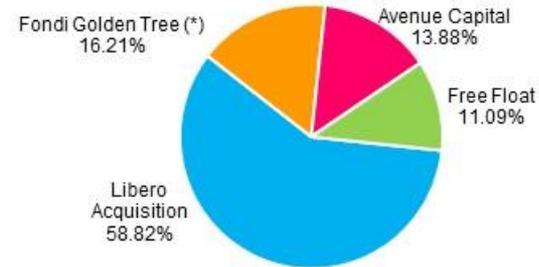
BP as approved by the BoD of March 15th 2017

Italiaonline Share

Share data as of July 27, 2017

MARKET	MTA
NOSH Ord (€mln)	114.8
PRICE (€)	3.30
MKT CAP Ord (€mln)	379
PERFORMANCE (from June 20, 2016)	+61.8%
RELATIVE PERF. vs FTSE MIB (from June 20, 2016)	+37.2%
AVG DAILY VOLUMES YTD (€)	405,289
Saving Share: NOSH 6,803 Closing Price (€) 304.0 Market Cap (€ mln) 2.1	

Shareholders structure

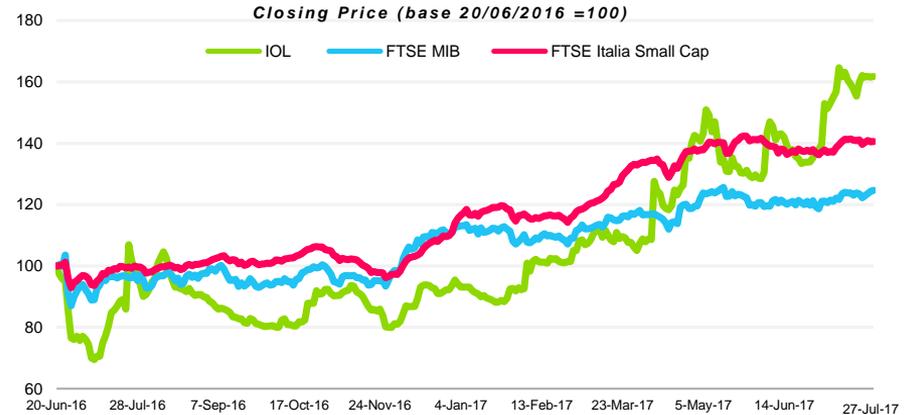


(*) GoldenTree Asset Management Lux S.à r.l., GoldenTree SG Partners L.P., GT NM L.P. e San Bernardino County Employees Retirement Association

IOL prices & volumes: June 20, 2016 – July 27, 2017

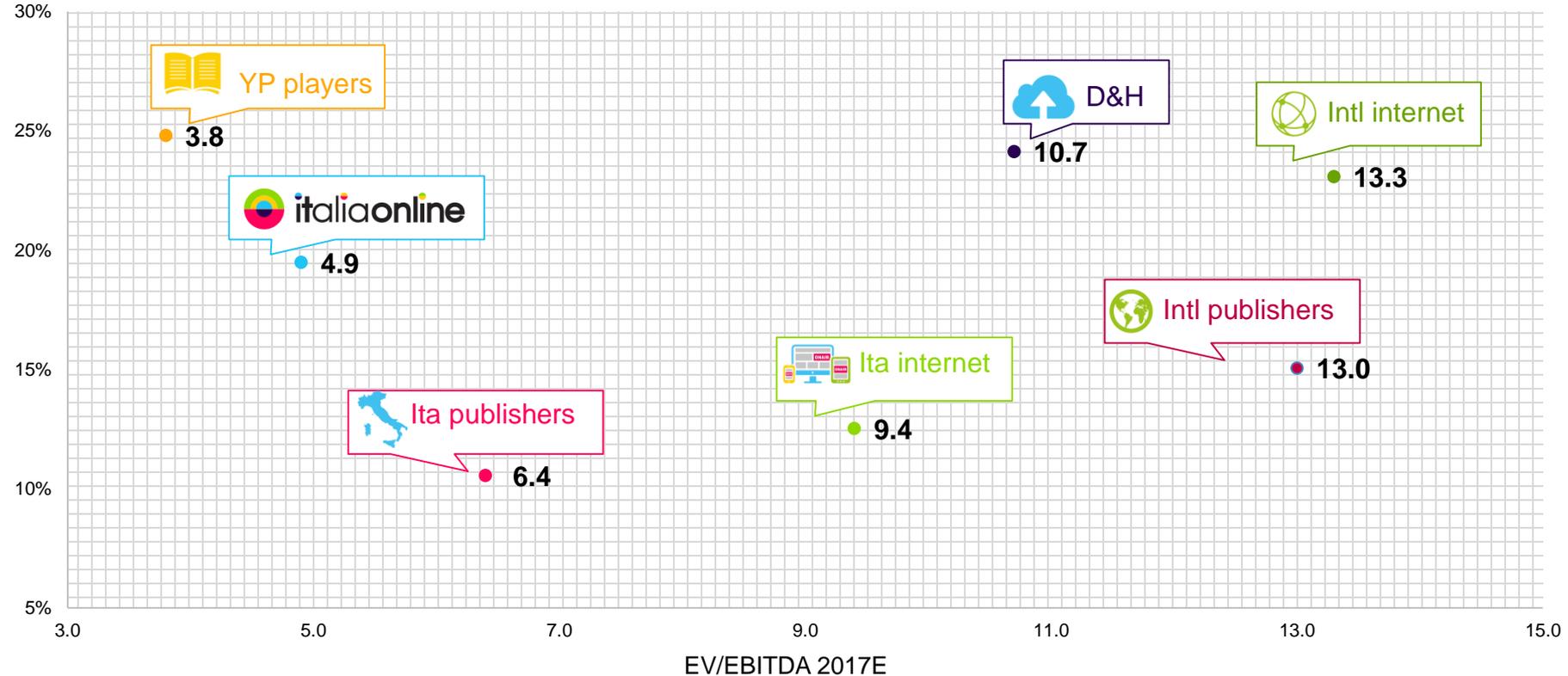


IOL versus indices: June 20, 2016 – July 27, 2017



IOL vs Baskets of Peers (average values)

EBITDA Margin 2017E



Source: Iri Nasdaq – data as of 27 July 2017, and company analysis

Q&A



Appendix



H1 2017 | Group Profit & Loss

<i>(In millions of Euro)</i>	H1 2017	H1 2016 reported	Change	
			mln	%
Revenues from sales and services	166.4	199.7	(33.2)	(16.6)%
Costs	(124.4)	(161.6)	37.2	23.0%
Gross operating profit (GOP)	42.0	38.1	3.9	10.3%
<i>as % of revenues</i>	25.2%	19.1%		
Bad debt, risk provisions and others	(5.9)	(8.6)	2.7	31.9%
EBITDA	36.1	29.5	6.6	22.6%
<i>as % of revenues</i>	21.7%	14.8%		
Operating D&A and write-down	(16.5)	(21.8)	5.3	24.3%
Non operating amortization and write-down	(2.6)	(3.4)	0.8	0.2
Non-recurring and restructuring costs, net	(0.4)	(4.7)	4.3	91.7%
EBIT	16.6	(0.5)	17.1	n.s.
<i>as % of revenues</i>	10.0%	(0.2)%		
Interest expense, net	0.7	0.2	0.5	n.s.
Profit (Loss) before income taxes	17.3	(0.3)	17.6	n.s.
Income taxes	(10.9)	4.2	(15.1)	n.s.
Profit (Loss) for the period	6.3	3.8	2.5	64.6%
of which pertaining to the Group	6.3	3.9	2.4	63.2%
of which non-controlling interest	0.0	(0.0)	0.0	100.0%

H1 2017 | Group Cash flow statement

<i>(In millions of Euro)</i>	H1 2017	H1 2016 reported	Change	
			mln	%
EBITDA	36.1	29.5	6.6	22.6%
Decrease (increase) in operating working capital	18.0	18.7	(0.7)	(3.6)%
Capital expenditure	(16.3)	(12.1)	(4.2)	(34.4)%
Other changes and movements	(0.7)	0.2	(0.8)	n.s.
Operating FREE CASH FLOW	37.2	36.2	1.0	2.8%
Payment of income taxes	(0.2)	(0.7)	0.4	62.7%
Unlevered FREE CASH FLOW	36.9	35.5	1.4	4.0%
Cash-in of interest expense, net	(0.0)	1.4	(1.4)	n.s.
Payment of non-recurring and restructuring expense	(10.9)	(9.3)	(1.5)	(16.2)%
Payment of dividend	(80.0)	0.0	(80.0)	n.s.
Other movements	0.6	(0.1)	0.7	n.s.
Change in NET FINANCIAL DEBT	(53.3)	27.5	(80.8)	n.s.

H1 2017 | Group Balance sheet

<i>(In millions of Euro)</i>	30/06/2017	31/12/2016 reported	Change
Goodwill & marketing related intangible assets	275.1	277.7	(2.6)
Other non-current assets	77.1	77.6	(0.5)
Non-current liabilities	(59.2)	(59.8)	0.6
Working capital	(67.5)	(48.1)	(19.4)
Net non-current assets held for sale and discontinued operations	0.0	(2.1)	2.1
Net invested capital	225.5	245.2	(19.7)
Equity of the Group	294.3	367.3	(73.0)
Non-controlling interests	0.0	0.0	0.0
Total equity (A)	294.3	367.3	(73.0)
Current financial assets, cash and cash equivalent	68.9	122.2	(53.3)
Current financial debts	(0.1)	(0.1)	0.0
Non-current financial debts	0.0	0.0	0.0
Net financial position (B)	68.8	122.1	(53.3)
Total (A-B)	225.5	245.2	(19.7)

H1 2017 | Core Business Revenue breakdown

<i>(In millions of Euro)</i>	H1 2017	H1 2016 reported	Change	
			mln	%
Revenues	162.3	192.0	(29.7)	(15.5)%
Digital ⁽¹⁾	112.9	127.4	(14.5)	(11.4)%
<i>as % total revenues</i>	69.6%	66.4%		
Traditional ⁽²⁾	48.9	60.7	(11.8)	(19.4)%
<i>as % total revenues</i>	30.1%	31.6%		
Others ⁽³⁾	0.5	3.9	(3.4)	(88.1)%
<i>as % total revenues</i>	0.3%	2.0%		

(1) Includes IOL Presence, IOL Website, IOL Audience, Custom Projects and IOL Advertising

(2) Includes Print, Voice and Third Party Products

(3) Includes other revenues

H1 2017 | Core Business Revenue breakdown

<i>(In millions of Euro)</i>	H1 2017	H1 2016 reported	Change	
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(2) Includes Print, Voice and Third Party Products

(3) Includes other revenues

H1 2017 | Core Business Cost breakdown

(In millions of Euro)	H1 2017	H1 2016 reported	Change	
			mln	%
Revenues	162.3	192.0	(29.7)	(15.5)%
Costs	(119.9)	(152.8)	33.0	21.6%
<i>as % revenues</i>	73.8%	79.6%		
Industrial costs	(45.0)	(57.1)	12.1	21.1%
<i>as % revenues</i>	27.7%	29.7%		
Commercial costs	(27.5)	(33.1)	5.6	16.9%
<i>as % revenues</i>	17.0%	17.2%		
General costs ⁽¹⁾	(12.4)	(14.6)	2.2	15.1%
<i>as % revenues</i>	7.7%	7.6%		
Labour costs ⁽²⁾	(34.9)	(48.0)	13.1	27.4%
<i>as % revenues</i>	21.5%	25.0%		
Gross operating profit (GOP)	42.5	39.2	3.3	8.4%
<i>as % revenues</i>	26.2%	20.4%		
Bad debt, risk provisions and others	(5.7)	(7.6)	1.9	25.4%
<i>as % revenues</i>	3.5%	4.0%		
EBITDA	36.8	31.6	5.2	16.5%
<i>as % revenues</i>	22.7%	16.4%		

(1) Includes advertising costs

(2) Does not include capitalized labour costs

H1 2017 | Revenue and Ebitda breakdown by company

<i>(In millions of Euro)</i>	Revenues from sales and services				EBITDA			
	H1 2017	H1 2016 reported	Change		H1 2017	H1 2016 reported	Change	
			mln	%			mln	%
Core business ⁽¹⁾	162.3	192.0	(29.7)	(15.5)%	36.8	31.6	5.2	16.5%
Consodata	4.7	5.9	(1.2)	(20.3)%	(0.6)	(0.3)	(0.3)	(100.0)%
ProntoSeat	2.8	2.6	0.2	7.7%	(0.1)	(0.3)	0.2	66.7%
Intercompany elim. & others	(3.4)	(0.9)	(2.5)	n.s.	0.0	(1.5)	1.5	n.s.
GROUP	166.4	199.7	(33.2)	(16.6)%	36.1	29.5	6.6	22.6%

(1) Includes Italiaonline + DLS + Moqu

Thank you!

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