

PRESS RELEASE

RESULTS AT 31 MARCH 2018

TOTAL REVENUES¹ € 69.5 MILLION -1.1% YoY, DIGITAL REVENUES UP +6%

EBITDA € 12.7 MILLION COMPARED TO €10.4 MILLION IN Q1 2017, EBITDA Q1 2018 NET OF IFRS 16² IMPACT AT € 10.5 MILLION (+0.7%)

NET PROFIT OF € 3.9 MILLION COMPARED TO €1.6 MILLION IN Q1 2017

CASH HOLDINGS AT € 92 MILLION, +23% COMPARED TO 31 DECEMBER 2017

ITALIAONLINE IS CONFIRMED AS THE LARGEST ITALIAN INTERNET COMPANY WITH DAILY AUDIENCE⁶ UP +14% YoY

- **Revenues** at € 69.5 million compared to € 70.3 million in Q1 2017 (-1.1%). **Digital revenues** grew by **+6%** to **€ 57.8** million, boosted by the growth of the **digital advertising** segment, which in the quarter increased by **+28.5%** YoY. The revenue trend also benefitted from the lower incidence of the traditional segment usually recorded for the first quarter of the year, furthermore, in Q1 2018, this incidence fell by around 5 percentage points compared to the same period of 2017 (14% vs 19% in Q1 2017).
- **EBITDA**³ amounted to **€ 12.7** million compared to € 10.4 million in Q1 2017, EBITDA margin at **18.2%** (14.8% in Q1 2017). The Q1 2018 **EBITDA** Net of IFRS 16² impact, equal to €2.2million, would have been €10.5 million (+0.7% YoY), with an EBITDA margin of **15.1%** up **+0.3** percentage points compared to Q1 2017.
- **EBIT** of **€ 1.9** million, compared to €3.2 million in Q1 2017, which had benefitted of € 2.1 million in non-recurring income resulting from the sale of two finance lease agreements.
- **Net Profit** of **€ 3.9** million up compared to €1.6 million in Q1 2017.
- **FCF (unlevered)**⁴ positive at **€ 17.3** million (€ 29.9 million at 31 March 2017).
- **Cash holdings**⁵ of **€ 92.1** million up **+23%** compared to € 75.1 million as of 31 December 2017.
- **Net Financial Position (NFP) positive** by **€ 52.2** million (€ 72.9 million as of 31 December 2017). The NFP at 31 March 2018 includes € 40 million of financial liabilities due to the early adoption of IFRS 16² from 01 January 2018.
- **Audience** Figures⁶ (data February 2018 last available month | average 12 m), Italiaonline is confirmed as the **largest Italian digital company** with YoY growth in daily audience:
 - +14%** total digital audience;
 - +13%** mobile audience;
 - +4.4%** average time spent browsing on iOL web properties.

¹ IFRS 15: Q1 2018 results incorporate the impact of the introduction of the IFRS 15 accounting standards. The IFRS 15 had a negative impact of € 1 million on revenues and of € 0.9 million on the EBITDA for Q1 2018. This impact is temporary and will be next to zero over the full year, thus it is not considered relevant.

² IFRS 16: Italiaonline has chosen to early adopt the accounting standard IFRS 16 (Leases) from 01 January 2018. The IFRS 16 had the following impacts on the results as at 31 March 2018: i) positive effect of € 2.2 million on EBITDA, ii) recognition in the statement of financial positions of a financial liability, against the value in use of leased assets, which at 31 March 2018 amounted to € 40 million.

³ EBITDA net of allocations to the allowance for doubtful debts and business risks and other operating income and expense, and gross of non recurring expenses.

⁴ Unl. FCF: Operating FCF (EBITDA-Capex+ ΔNWC) adjusted for the amount of income taxes paid.

⁵ Includes Cash and Current financial receivables from third parties.

⁶ Source: Audiweb Database, powered by Nielsen, average 2017 vs average 2016 | TDA: Total Digital Audience, DAUs: Daily Active Users.



Milan, 9 May 2018. The Board of Directors of Italiaonline, a Company listed in the MTA of Borsa Italiana, leader on the Italian digital market, has examined and approved the quarterly periodic information as of **31 March 2018**.

“In the first quarter of 2018 digital revenues recorded an increase of + 6% on an annual basis, continuing the positive trend already observed in the last quarters of 2017 and successfully supporting the process of stabilising the top line, which is the objective for the current year. Within digital revenues the digital advertising segment, also in the first quarter of 2018, recorded double-digit growth of +28.5%, and in particular the media planning offer dedicated to SMEs (iOL Audience) recorded an increase of +32%, enabling us to further strengthen our positioning in Italy. We are working on further optimising the Company’s organisational and operating model, which will enable us to considerably increase the quality of the sales processes and Customer service, overcoming the effects of the legacy of the former Seat Pagine Gialle, and therefore continue to pursue our mission to sustain the digital development of Italian companies”.

- Antonio Converti, Italiaonline CEO remarked

CONSOLIDATED RESULTS

Italiaonline closed the first quarter 2018 with consolidated **revenues** of **€ 69.5** million compared to € 70.3 million achieved in first quarter 2017 (-1.1%). The consolidated turnover trend in Q1 2018 shows an improvement compared with the last quarters of 2017, moving for the first time towards a stabilization and reflects, on the one hand, the growth of the **digital segment** (+6% YoY) and, on the other hand, the continuation of the structural decline of traditional products based on telephone directories and telephony.

In particular, at 31 March 2018 the **digital segment** recorded revenues of **€ 57.8** million, up +6% compared to € 54.5 million of Q1 2017, representing **83%** of total revenues. The rise of digital segment was boosted in particular by the **digital advertising segment** which in the period grew by **+28.5%** YoY.

The **traditional segment** continues to fall, shrinking 25.9% in the quarter (vs -20.9% and -25.0% in Q3 and in Q4 2017). The impact of this declining segment on our aggregate results for the quarter is mitigated by the publishing schedule, which is lightest during calendar Q1.

EBITDA³ at 31 March 2018 amounted to **€ 12.7** million, up compared to € 10.4 million of Q1 2017, with an **EBITDA margin** of **18.2%** (14.8% in the same period of 2017).

Net of IFRS 16² impacts the Q1 2018 **EBITDA** would have been **€ 10.5** million (**+0.7%** YoY), with an EBITDA margin of **15.1%** up **+0.3** percentage points compared to Q1 2017.

EBIT in the Q1 2018 amounted to **€ 1.9** million compared to €3.2 million recorded at 31 March 2017; note that the EBIT of first quarter 2017 had benefitted from non-recurring income (€ 2.1 million) resulting from the sale to Engineering Ingegneria Informatica S.p.A of the two residual finance lease agreements related to the buildings of the Turin office.

Net Profit at 31 March 2018 was **€ 3.9** million, compared to € 1.6 million at 31 March 2017. The Net Profit in Q1 2018 benefitted from € 1.3 million income resulting from the sale of the equity investment in 11880 Solution AG (occurred on 14 February 2018) and from €2.0 million dividend of Emittente Titoli. Net Profit in Q1 2018 recorded an increase against the figure for the corresponding period of 2017, also net of extraordinary items and of non-recurring income present in both periods.

Capex in first quarter 2018 amounted to **€ 5.1** million (**7%** of revenues) down by **-27.4%** compared to € 7 million (10% of revenues) in Q1 2017.

The **unlevered Free Cash Flow** generated during Q1 2018 was positive at **€ 17.3** million, (€ 29.9 million at 31 March 2017). The change with respect to the Q1 2017 figure reflects a change in Net Working Capital, which was positive at €9.8 million, but lower than Q1 2017 (€ 27.3 million), mainly due to the turnover slowdown, partially offset by lower Capex. The **Cash Conversion**⁷ EBITDA for the period is **137%**.

Cash holdings⁵ were **€ 92.1** million up **+23%** compared to € 75.1 million as of 31 December 2017.

Net Financial Position (NFP) was **positive** at **€ 52.2** million (€ 72.9 million as of 31 December 2017). The NFP at 31 March 2018 includes € 40 million Financial Liabilities due to the early adoption IFRS 16² from 01 January 2018.

Audience Figures⁶: Italiaonline is confirmed as the **largest Italian digital company** (source Audiweb data February 2018 last month available | average 12 m, average figures 2017) with an average of 4.8 million single users per day (+14% YoY). The mobile audience figure also places Italiaonline in the lead, above the other top players, with an average of over 2.4 million single users per day (+13% YoY). Lastly, Audiweb data also confirmed Italiaonline as leading the field of Italian internet for the average time spent browsing per day (11:07 min, +4.4% YoY).

⁷ Calculates as Unl. FCF / EBITDA.

€m	Q1 2018	Q1 2018 without IFRS16	Q1 2017	Change YoY	
				Q1 2018 reported	Q1'18 whitout IFRS16
Revenues	69.5	69.5	70.3	(1.1)%	(1.1)%
- of which Digital Revenues	57.8	57.8	54.5	+6.1%	+6.1%
EBITDA	12.7	10.5	10.4	+21.6%	+0.7%
EBITDA Margin	18.2%	15.1%	14.8%	+3.4 pp	+0.3 pp
CAPEX	5.1	5.1	7.0	(27.4)%	(27.4)%
EBITDA-CAPEX	7.6	5.4	3.4	+122.3%	+58.6%
Net Income	3.9	3.9	1.6	n.s.	n.s.

€m	31-Mar-18	Q1 2018 without IFRS16	31-Dec-17	Change vs 31 December 2017	
				Q1 2018 reported	Q1'18 without IFRS16
Cash Holdings	92.1	92.1	75.1	+22.6%	+22.6%
Net Financial Position	52.2	92.1	72.9	(28.5)%	+26.2%

Starting from 01 January 2018 Italiaonline S.p.A. has chosen to early adopt the accounting standards IFRS 16 (Leases).

OUTLOOK FOR THE CURRENT YEAR

In 2018 the management will be engaged in the execution of the updated Business Plan 2018-2020, approved by the Board of Directors on 15 March 2018 on the occasion of the approval of the results as of 31 December 2017. In particular in 2018, as already indicated during the approval of the results as at 31 December 2017, in line with the strategy already pursued in the 2017 financial year, management will continue to recover operating margins through further cost optimization actions and will focus on a series of initiatives aimed at support growth of the top line and, in particular to support the growth of digital segment revenues. For more details, see the press release "*The Italiaonline Board of Directors approves the results as at 31 December 2017 and the update of the Business Plan*" published on the website www.italiaonline.it in the price sensitive section of investor / press releases.

CONFERENCE CALL

As already announced, the Company will present the results achieved as at 31 March 2018 to the financial community, during the conference call scheduled for tomorrow 10 May 2018 at 10:00 a.m. (Italian time). The presentation will be made available before the start of the conference call on the authorised storage facility eMarket STORAGE www.emarketstorage.com, managed by Spafid Connect S.p.A., and also on the website of the Company www.italiaonline.it (in the section Investor/Presentations). The conference call will take place in English. The phone numbers to call to take part in the conference call are:

ITALY:	+39 02 805 88 11
UK:	+ 44 121 281 8003
USA:	+1 718 7058794
STAMPA:	+39 02 805 88 27

To follow the conference call live streamed click here:

<http://services.choruscall.eu/links/italiaonline180510.html>

This press release is also available on the Company's website www.italiaonline.it in the section investor/ price sensitive press release

Disclaimer

This press release contains some forward looking statements that reflect the current opinion of Company management on future events and financial and operational results of the Company and of its subsidiaries. These forward looking statements are based on current expectations and assessments of Italiaonline S.p.A. regarding future events. Considering that these forward looking statements are subject to risk and uncertainty, the actual future results may considerably differ from what is indicated in the above forward looking statements as these differences may arise from several factors, many of which lie beyond Italiaonline S.p.A.'s ability to accurately check and estimate them. Amongst these - including but not limited to - there are potential changes in the regulatory framework, future developments in the market, price fluctuations and other risks. Therefore, the reader is asked to not fully rely on the content of the forecasts provided. They have been included only with reference up to the date of the above-mentioned press release. Italiaonline S.p.A. does not assume any obligation to publicly disclose updates or amendments of the forecasts included regarding events or future circumstances that occur after the date of the above-mentioned press release. The information contained in this press release is not meant to provide a thorough analysis and has not been independently verified by any third party.

This press release does not constitute a recommendation on the Company's financial instruments. Furthermore, this press release does not constitute an offer of sale or an invitation to purchase financial instruments issued by the Company or by its subsidiaries.

Pursuant to Art. 154-bis, paragraph 2 of the Consolidated Law on Finance of 24 February 1998, the Chief Financial Officer of Italiaonline S.p.A., Gabriella Fabotti, states that she certifies to the matching of the accounting results of the accounting information included in this press release



ITALIAONLINE

Italiaonline - a company listed on the electronic equity market (MTA) of Borsa Italiana - is the leading Italian Internet company with 5.4 million unique users* that navigate its web property every day, of which 2.6 million from mobile devices, and with a 54% market reach. Italiaonline offers web marketing and digital advertising services, including management of advertising campaigns and the generation of leads through the social networks and search engines. The company's strategic objective is to consolidate its Italian leadership role in the market of digital advertising for large accounts and in local marketing services - with the mission of digitalising the country's SMEs. Italiaonline offers the SMEs - the country's real backbone - a portfolio complete with products integrated with the entire value chain of digital services, including online presence, digital advertising, web design, web marketing and cloud solutions.

Part of Italiaonline today are the portals Libero, Virgilio and superEva, the services for companies and citizens Pagine Gialle, Pagine Bianche and Tuttocittà, the online advertising agency iOL Advertising and over 60 media agencies scattered throughout the peninsula that with their more than 800 agents form the largest Italian network of services and products consultants for large and small enterprises, serving over 200,000 SMEs and 700 large customers.

ISIN code: IT0005187940 - MTA:IOL

* Source: Audiweb Database, powered by Nielsen, TDA December 2017. The Audiweb Database data do not include Google, Facebook and Microsoft at the moment.

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Disclosure required by Consob on 22 July 2016 pursuant to Article 114 of Legislative Decree No. 58/98

Pursuant to the request sent by Consob of July 22, 2016, file no. 0067885/16, pursuant to Article 114 of Legislative Decree No. 58/1998, regarding the request to add some information to the annual and interim reports as from the interim financial statement started from the first half report at June 30, 2016 as well as the press releases concerning the approval of the above mentioned financial statements, in lieu of the disclosure requirements provided with the request of 7 September 2011, file no. 11076499, the additional information related to March 31, 2018 are reported below.

Net financial indebtedness of Italiaonline Group at March 31, 2018

(euro/thousand)		At 03.31.2018	At 12.31.2017	Change
A	Cash and cash equivalents	91,357	74,476	16,881
B	Other cash and cash equivalents	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	91,357	74,476	16,881
E.1	Current financial receivables due from third parties	730	666	64
E.2	Current financial receivables due from related parties	-	-	-
F	Current bank debt	-	-	-
G	Current portion of non-current debt	-	-	-
H.1	Other current financial debt to third parties	9,977	2,195	7,782
H.2	Other current financial debt due to related parties	-	-	-
I=(F+G+H)	Current financial debt	9,977	2,195	7,782
J=(I-E-D)	Net current financial indebtedness	(82,110)	(72,947)	(9,163)
K	Non-current bank debt	-	-	-
L	Bond issues	-	-	-
M.1	Other non-current loans due to third parties	29,928	-	29,928
M.2	Other non-current loans due to related parties	-	-	-
N=(K+L+M)	Non-current financial debt	29,928	-	29,928
O=(J+N)	Net financial indebtedness (ESMA)	(52,182)	(72,947)	20,765

The net financial indebtedness of the Italiaonline Group at March 31, 2018 is positive and amounted to € 52,182 thousand (of which € 52,760 thousand is related to Italiaonline S.p.A.) and includes € 40 million of financial debt due to the early adoption IFRS 16 starting from 01 January 2018.

The borrowing does not include covenants, negative pledges or other clauses involving limits on the use of financial resources.

Group overdue debt positions as of March 31, 2018

The breakdown of overdue accounts payable of the Company and the Group according to their nature (financial, trading, tax, social security and employees) and the related creditors' response initiatives (reminders, injunctions, suspension in supply, etc.) is provided below:

- overdue trade payables to suppliers as at March 31, 2018 were € 16,370 thousand (of which €15,892 thousand related to Italiaonline S.p.A.), paid in April 2018 for € 12,244 thousand (of which €11,836 thousand related to Italiaonline S.p.A.);
- there were no overdue financial or social security liabilities;
- overdue tax liabilities are of small amounts and, as such, do not affect the ordinary course of business.

This situation is deemed normal under the usual commercial relationships with the Group's suppliers. There were no significant actions by creditors that may affect the course of ordinary business.

Related party transactions

The related party transactions carried out by the companies of the Italiaonline group, including intra-group transactions, were all part of ordinary business and settled at market conditions or according to specific regulatory provisions. There were no atypical and / or unusual transactions, nor potential conflicts of interest. There were no changes or developments in the related party transactions described in the last approved financial statements that had a material effect on the financial position or results, of operations of the Group and Italiaonline S.p.A..

The following tables provide information on the related party transactions of the Parent:

ITALIAONLINE GROUP - INCOME STATEMENT 3 months 2018

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Other income	-	-	-	25	25
Costs for external services	-	-	-	(190)	(190)
Personnel expense	-	-	-	(1,321)	(1,321)

(*) "Other related parties" include Directors, statutory auditors, key management personnel

ITALIAONLINE GROUP - STATEMENT OF FINANCIAL POSITION at March 31, 2018

(euro/thousand)	Parent	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets					
Property, plant and equipment	-	-	-	9,807	9,807
Other current assets	90	-	-	139	229
Non-current financial debts	-	-	-	7,242	7,242
Liabilities					
Current financial debts	-	-	-	2,390	2,390
Trade payables	-	-	-	1,154	1,154
Liabilities for services to be provided and other current liabilities	-	-	-	242	242

(*) "Other related parties" include Directors, statutory auditors, key management personnel



Status of implementation of strategic and financial plans

It should be noted that on March 15, 2018 The Board of Directors of Italiaonline Spa approved an update of the Industrial Plan (already approved on 15 March 2017) extending to year 2020 and updating the economic and financial targets for the period 2018 – 2020.

Based on the data available for Q1 2018, the Group's main economic and financial indicators are substantially in line with the forecasts included in the above mentioned Business Plan.