



DADA

DOMAINS & ADVERTISING



Q1 2014 Results & Strategic Outlook

Agenda

DADA in a snapshot

Core Business Overview:
Domains & Hosting

New Business Overview:
Digital Advertising

Q1 2014 Financials

DADA Group at a glance

1 Domains & Hosting

Professional online presence services (registration of domain names, offer of shared, dedicated and virtual hosting, website creation and online brand protection) with a strong European footprint

2 Digital Advertising

Performance Adv: web traffic monetization through internationally scalable search models and vertical portals

Simply: digital advertising solutions, managed on an exclusive basis in Italy by an external agency

Highlights

- 520k companies served in seven European countries
- More than 1.7 mn domains managed
- 35 mn monthly U.V.

Brands

 register.it  nominalia

 names.co.uk

 register365  amen

 poundhost

 moqu.adv
A DADA BRAND

 simply

Geographic Coverage



- Italy
- UK
- France
- Spain
- Ireland
- Portugal
- The Netherlands

Agenda

DADA in a snapshot

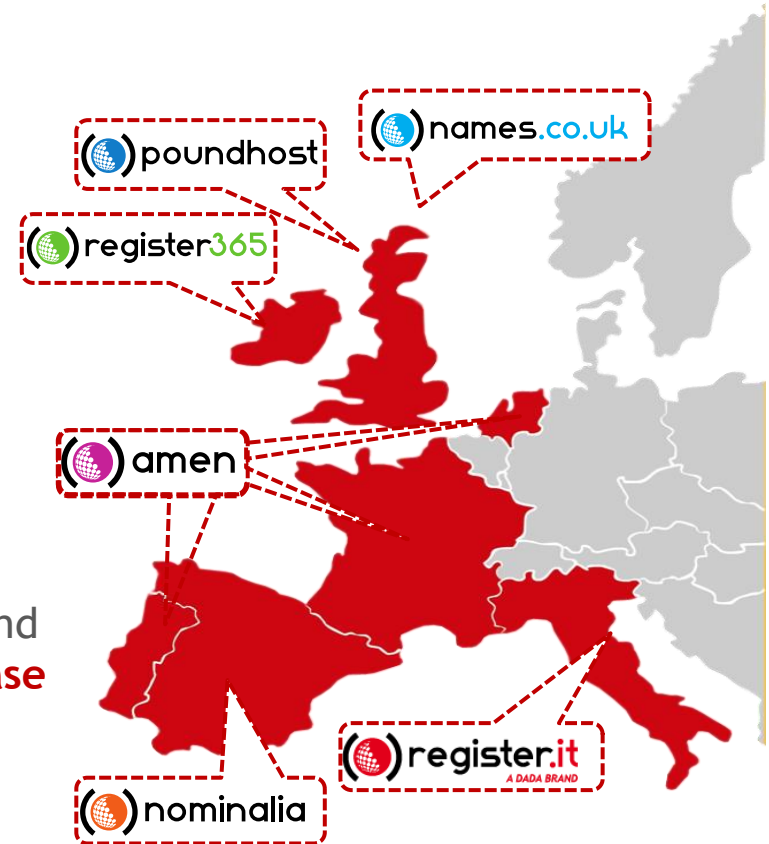
**Core Business Overview:
Domains & Hosting**

New Business Overview:
Digital Advertising

Q1 2014 Financials

Professional services for on-line presence

- Targeted to **SMEs, professionals** and **high-end** customers
- Pan-European presence in **7 countries** with a high potential of scalability thanks to **unified platforms**
- Large **customer base** (**520k clients** for **1.7 mn** registered **domains**) upon which DADA can **up-sell** additional services
- Ongoing focus on the launch of **new applications** and the optimization of **marketing initiatives** to **increase** and **retain** the existing customer base



Domains & Hosting

What we offer...

Step 1

Get a domain name to start online presence



Key Products:

- Domain name registrations
- Domain renewals and transfers

Step 2

Build a web presence



Key Products:

- Website builder
- Shared Hosting (email)
- Dedicated and virtual servers

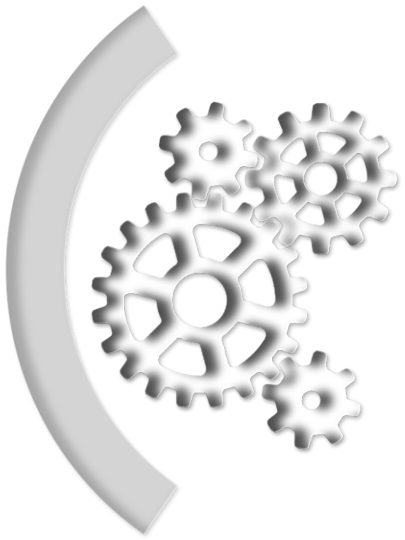
Step 3

Increase your visibility and sell online



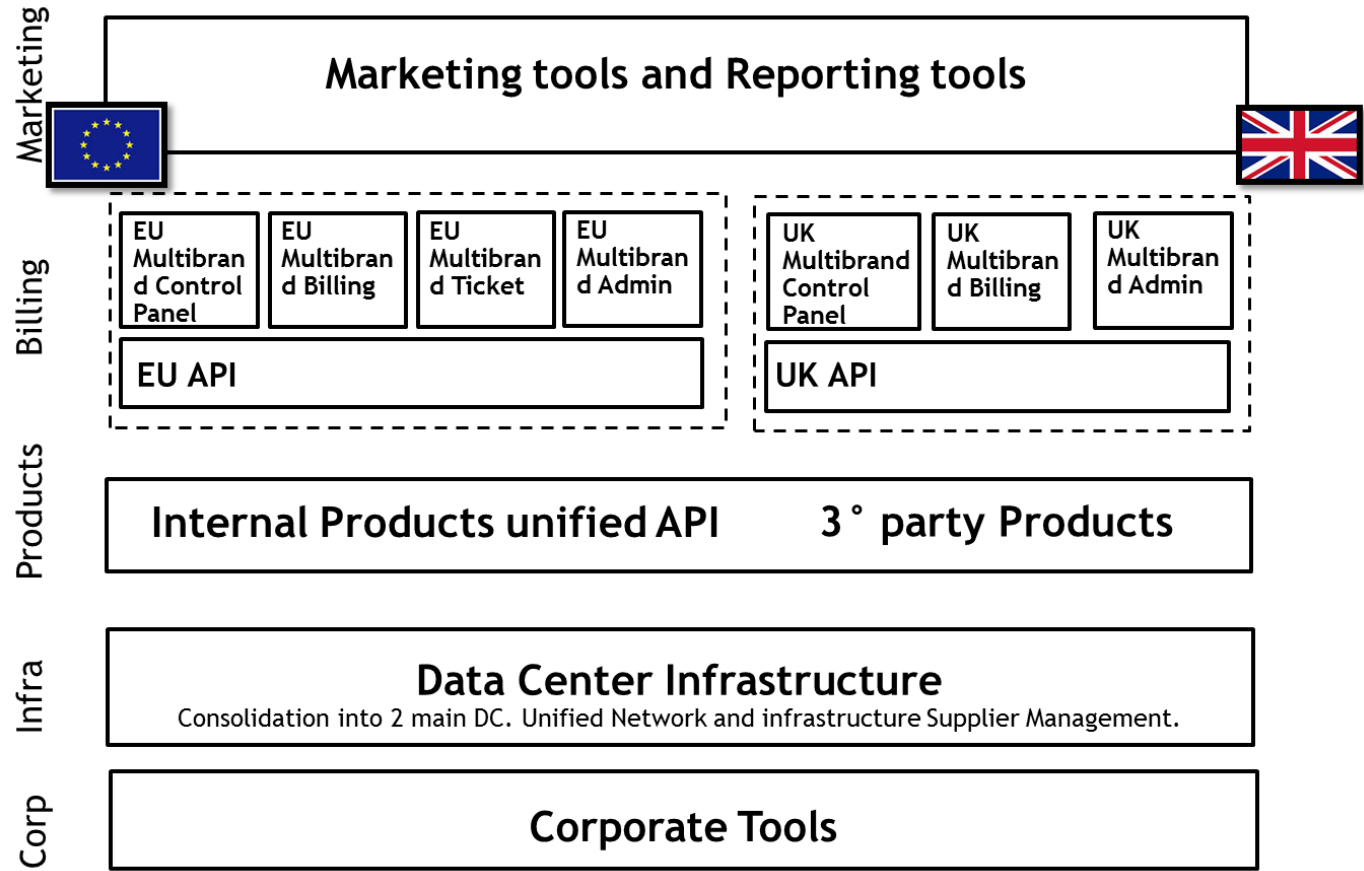
Key Products:

- Search Engine Optimization
- Online marketing solutions
- E-Commerce solutions



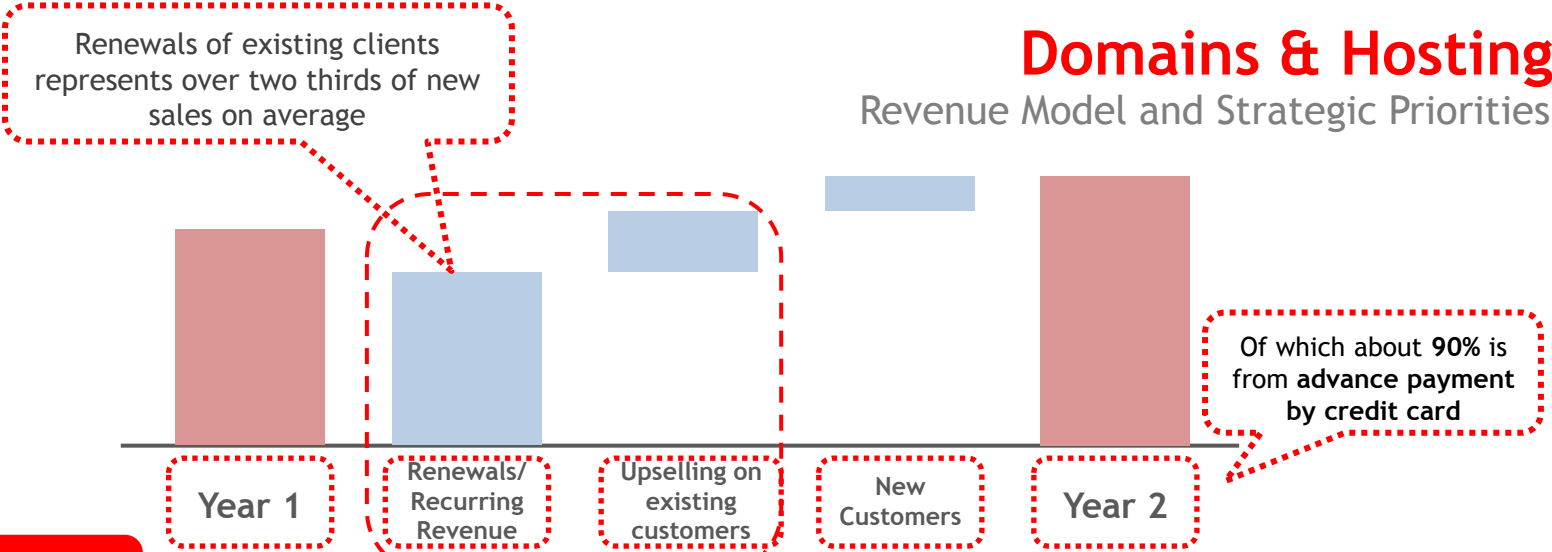
Domains & Hosting

...thanks to our Unified Technological Backbone



Domains & Hosting

Revenue Model and Strategic Priorities



STRATEGIC DRIVERS

Current Customers are key for driving long-term growth and extracting future value

Strategic priority on:

- ✓ reducing Churn
- ✓ upselling to Current Customers

Working closely on **RETENTION**

Domains & Hosting

Launch of New Services in the quarter ...

- The partnership with **SiteLock**, international leader in website protection solutions, through which DADA has strengthened its international offering, by providing clients with new security services and a high level of stability, integrity and protection of websites;
- **New gTLDs**: so far*, the Group's stores have recorded about 6,000 registrations and the same number of pre-registrations, besides the continued online brand protection consulting service;
- **Web Coaching**: the launch of a dedicated service to assist customers in the development and management of their website, by customized content and design that enables effective communication aimed at increasing their online business opportunities;



Are you ready for the new web revolution?

The new domain names are coming.
Choose the ones for you. It's free!

START NOW ▶



Domains & Hosting

... supported by Continued Outstanding Customer Care

HOW? Dedicated Phone Assistance and Technical Support Team

POST- SALES ACTIVITIES:

Renewals:

alert deadline, payment,
credit recovery

Order intake:

cart conversion, transfer
support, starter kit

Support:

First-level support



PRE- SALES ACTIVITIES:

Commercial offers

Commercial
informations on
products

Hight value product

800 734 478

Increase the channels:

*in bound call, out bound call, e-mail, chat, webinar,
networking*

Domains & Hosting

New gTLDs Outlook



Top preferred domains*



- 01 | .email
- 02 | .photography
- 03 | .bike
- 04 | .guru
- 05 | .technology
- 06 | .company
- 07 | .clothing
- 08 | .solutions
- 09 | .shoes
- 10 | .photos

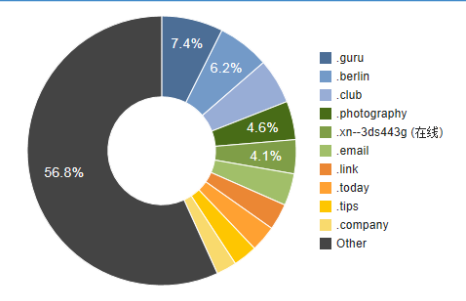
new gTLD Summary

Domains:	765,359	TLDs:	252	Registrars:	128
Last Update:	2014-05-15T12:17:40Z	Signed Zones:	1,460	Unprocessed:	39

new gTLD Domains



new gTLD distribution



Source: <https://czdap.icann.org/en>

* According to DADA Group's Registrations as of May 13, 2014

Domains & Hosting

Key pillars of Future Strategy

STRENGTHENING CUSTOMERS BASE FOCUSING ON THE BUSINESS SEGMENT OF SMEs...

1. Introducing new products
2. Leveraging on increase demand for mobility
3. Strengthening **Customer Loyalty** improving before and after-sales customer service

... WHILE DRIVING PROFITABILITY IMPROVEMENT

1. Integrating technology platforms
2. Finalizing the rationalization of the datacentres structure starting from H2 2014
3. Ensuring tight cost control to increase overall efficiency

2014 - 2016

TOPLINE:

Mid-single digit

CAGR*

(with a higher rate from the second part of the period)

PROFITABILITY:

**More than proportional
increase vs Rev growth**

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FY 2013 Financials

Performance Advertising

Business Model

Key Financials

€ mn	Q1 2014	Q1 2013	YoY
Revenue	2.1	4.3	-50%
EBITDA	0.1	0.5	-77%
<i>Ebitda margin %</i>	5%	11%	

Oct 2012 / Jan. 2014: changes in procedures for advertisers to acquire traffic on the Google network have significantly reduced sales, and consequently margins, generated by the growing traffic from mobiles and tablets

Main Products



A search engine specialised in blog, vlog and every form of micropublishing search



A social bookmarking service to save, keep and manage web pages reachable from all computers and mobile devices



Recent launch of the new job search vertical portal, landing in the Classified Ads segment

KPI

About 35 mn monthly U.V.:

The business model is based on traffic monetization through partnership with the most relevant search engines worldwide

Performance Advertising

Current Strategy & Future Outlook



▶ **Consolidation** of current business (*search portals*), also through **alternative partnerships** to attenuate new Google global policy's impact

Outlook for 2014

Revenue and margins lower than 2013, due to Google new policies



▶ **Geographical expansion** of the current business in **new languages** focusing on **medium and short tail segment**



▶ **Launch of new international vertical products** in the **Classified** segment, specifically in the *automotive, shopping and travel* areas, to offer more appealing services to end users

Agenda

DADA in a snapshot

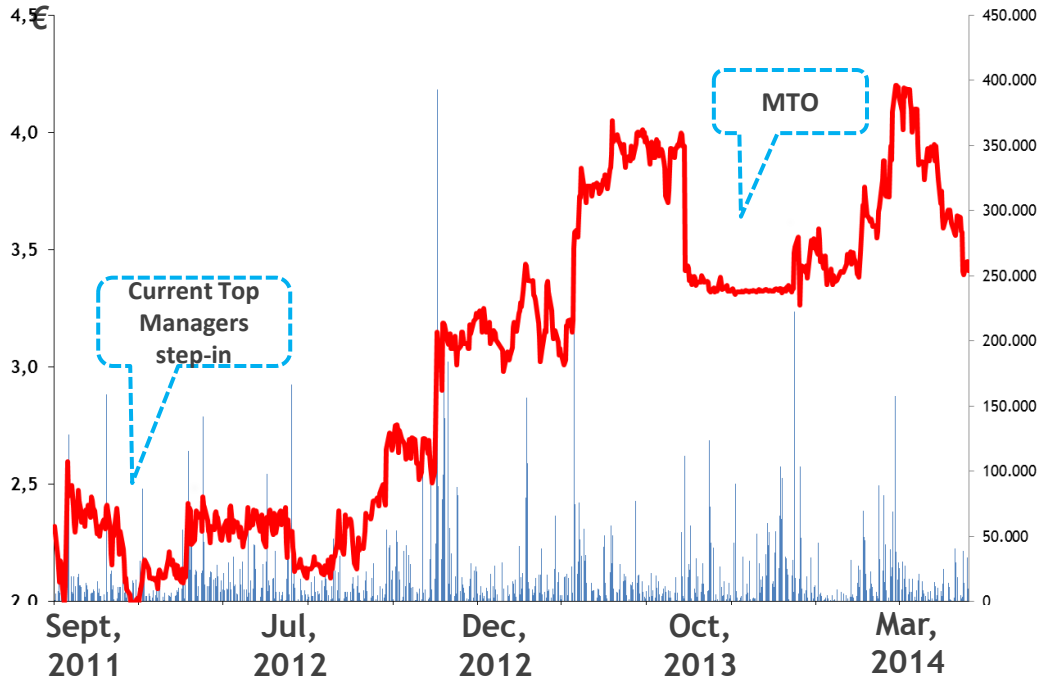
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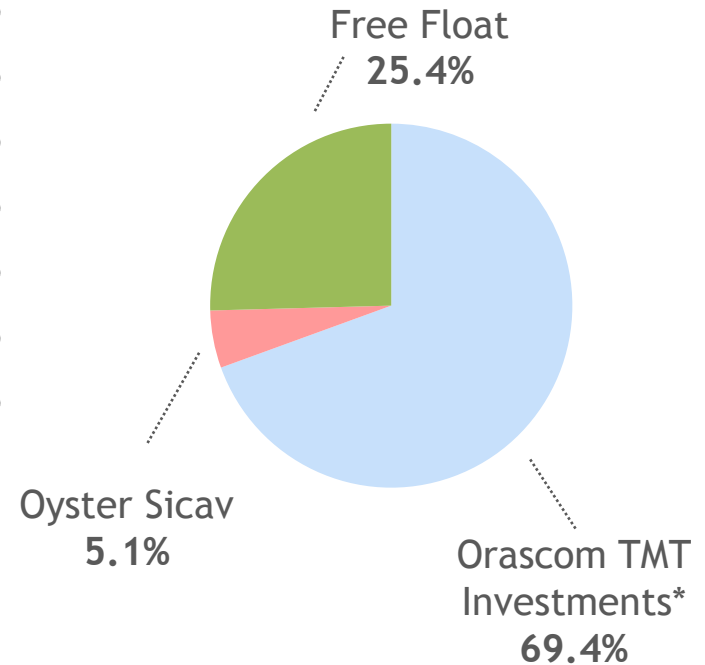
Q1 2014 Financials

Company Profile

Stock Performance



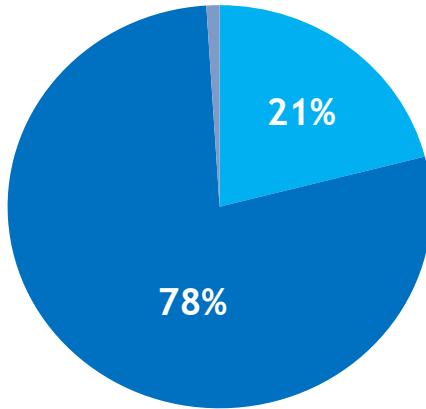
Shareholding Structure



* Through its wholly-owned subsidiary Libero Acquisition S.à r.l.

Q1 2014 - Revenue Breakdown by Business Line

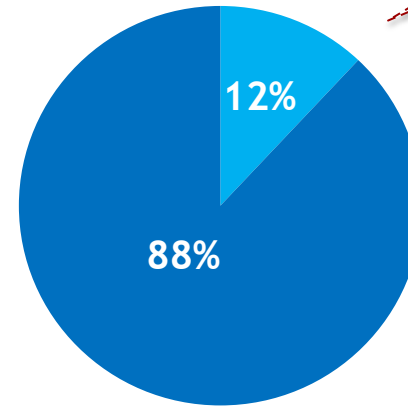
Q1
2013



Tot. Revenue € 20.6 mn

- D&H Rev = 16.1 mn
- Perf. Adv. Rev = 4.3 mn

Q1
2014



Tot. Revenue € 17.9 mn

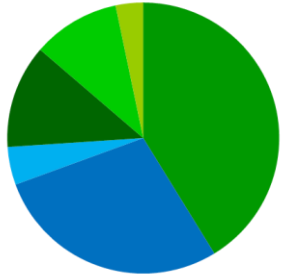
- D&H Rev = 15.8 mn (-2%, +1% yoy like-for-like, excluding Simply*)
- Perf. Adv. Rev = 2.1 mn (-50% yoy)

39% Italy
61% Abroad

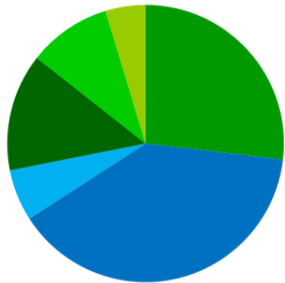
* Simply.com: an advertising network with more than 3,000 publishers managed through a proprietary Adserver . Its sale is managed on an exclusive basis in Italy by an external agency.

Q1 2014 - D&H KPIs Breakdown by Country

Domains Under Management

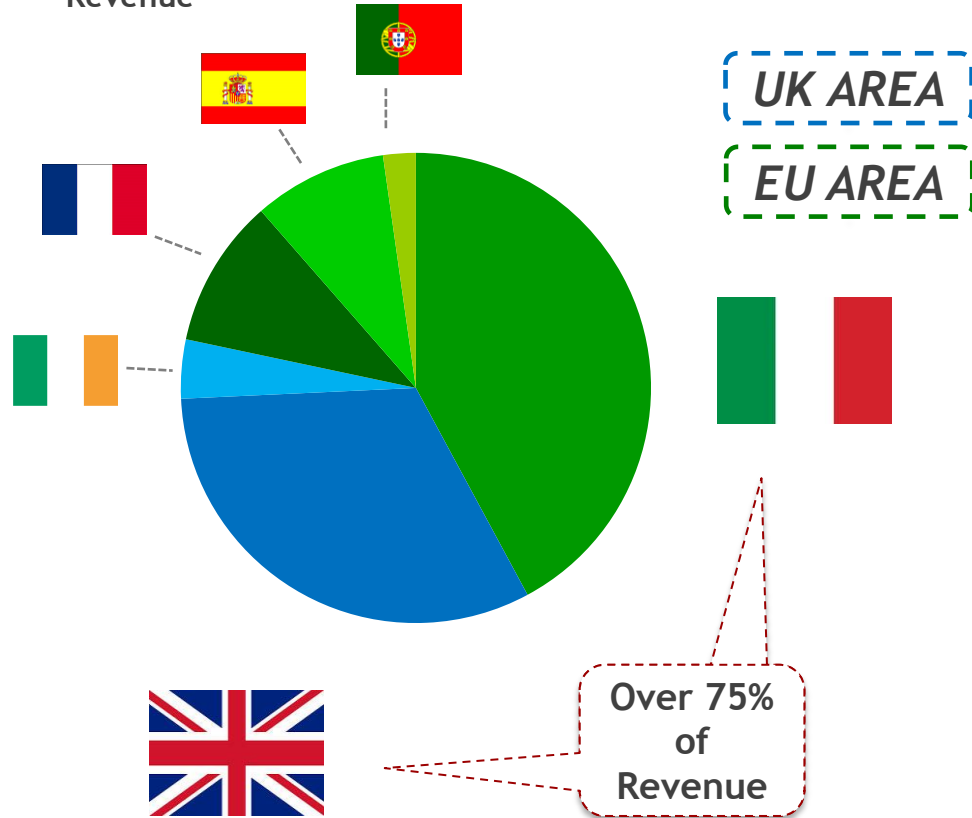


Customer Base

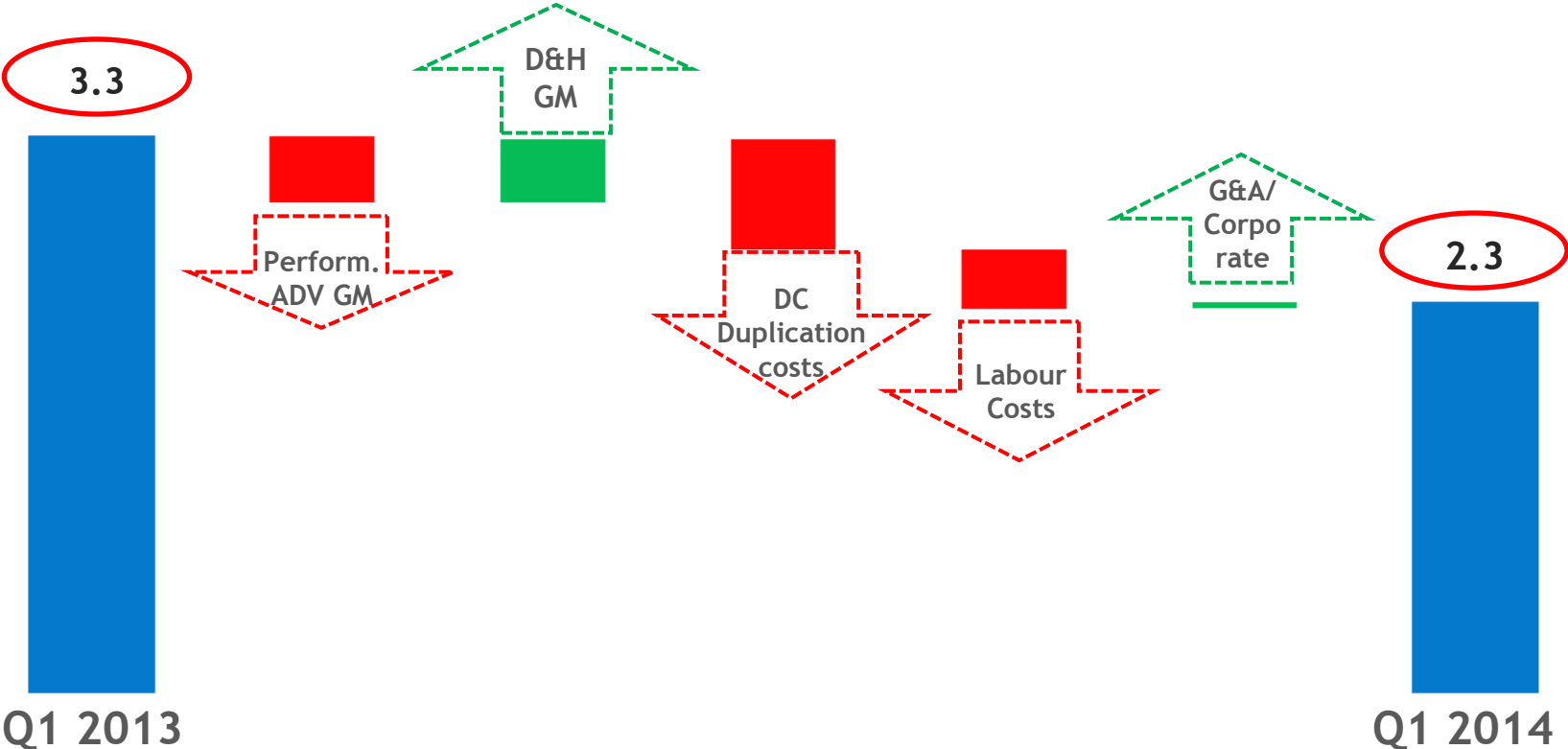


- Italy
- UK
- Ireland
- France
- Spain
- Portugal

Revenue



Q1 2014 Results - Analysis of Key EBITDA components



% of Revenue **16%**

13%

Q1 2014 Results - Revenues & EBITDA Breakdown

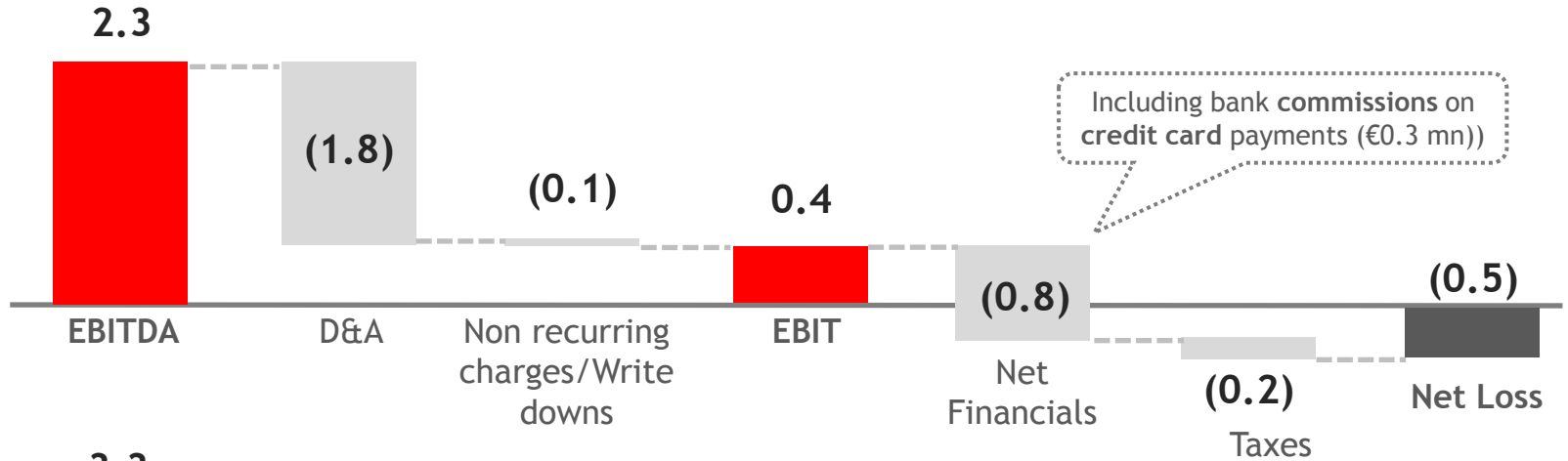
€ mn		Q1 2014	EBITDA margin %	Q1 2013	EBITDA margin %
Domains & Hosting	Revenues	15.8	14%	16.1	19%
	EBITDA*	2.2		3.1	
Performance Advertising	Revenues	2.1	5%	4.3	11%
	EBITDA	0.1		0.5	
Adjustments	Revenues	(0.1)		0.2	
	EBITDA			(0.3)	
DADA Group	Revenues	17.9	13%	20.6	16%
	EBITDA	2.3		3.3	

* It includes in Q1 2014 the duplication of costs related to the UK datacenter (€-0.6 mn) and the different corporate costs allocation (€-0.3 mn)

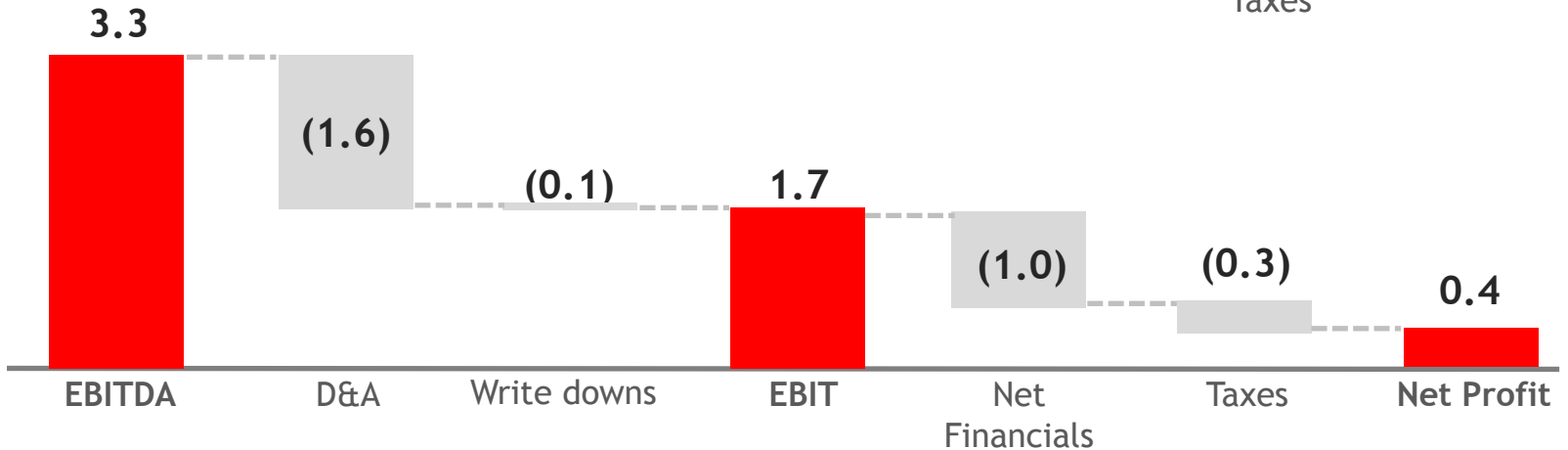
€ mn

Q1 2014 Results - From EBITDA to Net Profit

Q1
2014

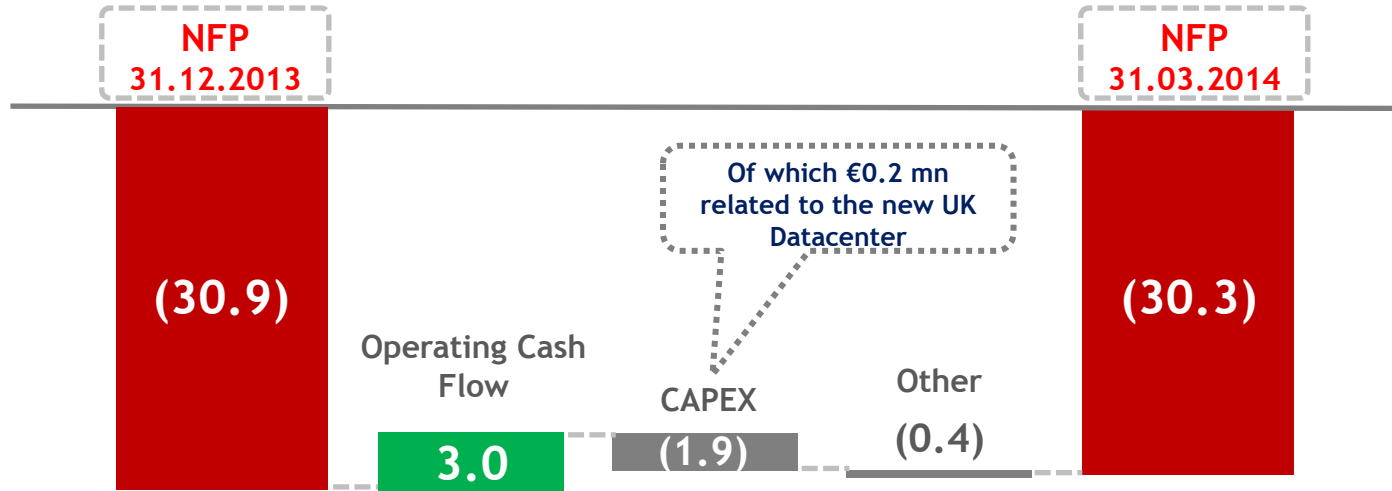


Q1
2013



Q1 2014 Results - NFP evolution

€ mn



	31.12.2013	31.03.2014
Financial Assets	1.7	2.3
Current Financial Liabilities	(11.3)	(11.2)
Long Term Financial Liabilities	(21.3)	(21.4)
Financial Liabilities	(32.6)	(32.6)
Net Financial Position	(30.9)	(30.3)

Appendix



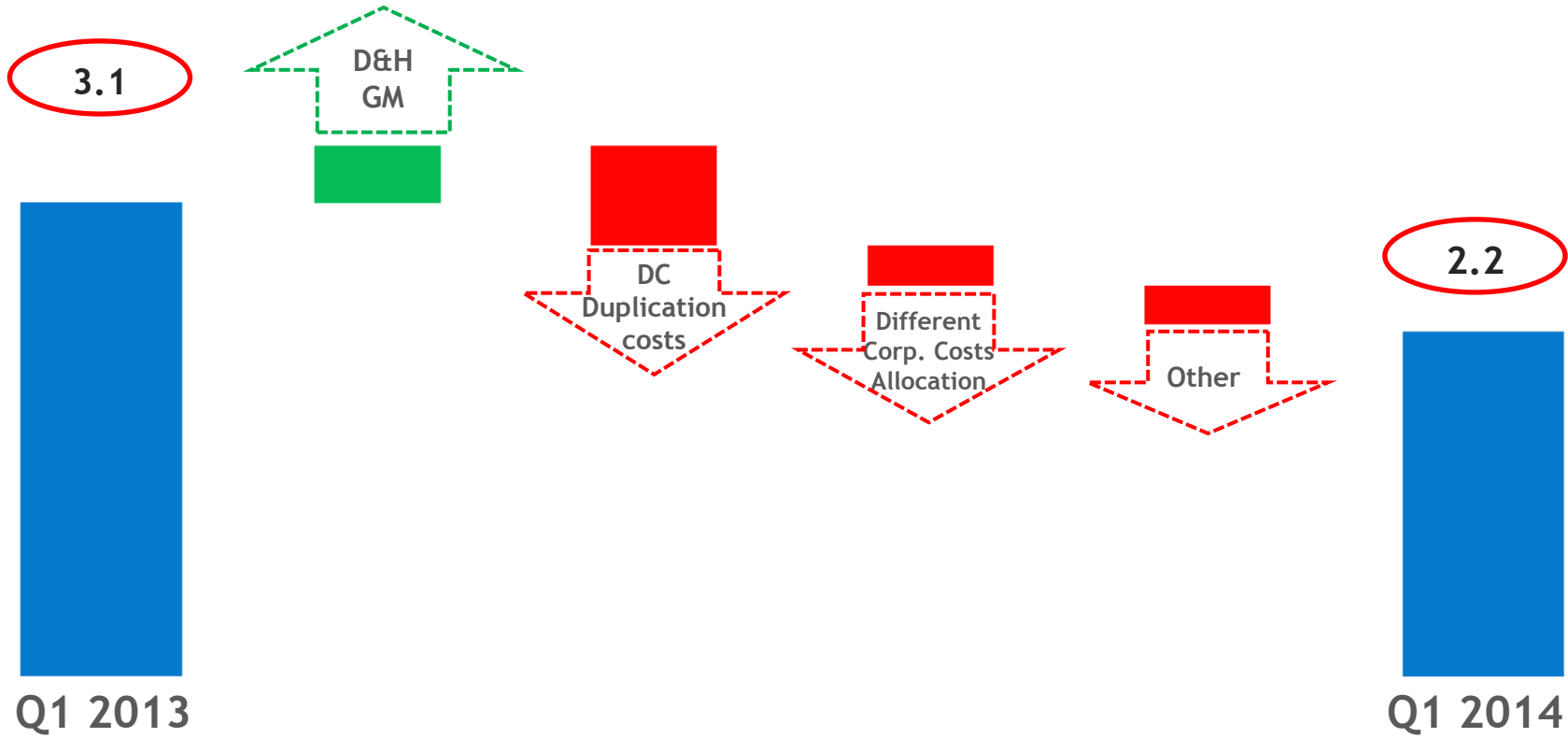
DADA

DOMAINS & ADVERTISING

Q1 2014 Results - Profit & Loss

€ mn	Q1 2014	% on sales	Q1 2013	% on sales
Net Revenues	17.9		20.6	
EBITDA	2.3	13%	3.3	16%
EBIT	0.4	2%	1.7	8%
Profit before Tax	-0.3	-2%	0.7	3%
Group Net Profit	-0.5	-3%	0.4	2%

Q1 2014 - Analysis of Key D&H EBITDA components



% of Revenue **19%**

14%

Q1 2014 Results - Balance Sheet

€ mn	31.03.2014	31.12.2013
Net Working Capital	(12.5)	(11.7)
Fixed Assets	93.9	94.0
Severance and Other Funds	(1.7)	(1.8)
Other Payables beyond one year	-	-
Net Capital Employed	79.7	80.5
Net Financial Position	(30.3)	(30.9)
Total Shareholders' Equity	(49.4)	(49.7)

Q1 2014 Results - Cash Flow Statement

€ mn	Q1 2014	Q1 2013
Cash and Cash Equivalents at the Beginning of Period	(9.5)	(7.7)
Group Net Profit (Loss)	(0.5)	0.4
Gross Operating Cash Flow	2.3	3.2
Working capital, Income taxes and Interest paid	0.3	(1.4)
Net Operating Cash Flow	2.5	1.8
Capex & Investing Activities	(1.9)	(2.4)
Financing Activities	0.1	(0.1)
Free Cash Flow	0.7	(0.7)
Cash and Cash Equivalents at the End of Period	(8.9)	(8.4)

Differences between the totals and the relative sums are due to rounding

M&A activity in Domains & Hosting



July 2006

Last 3%
acquisition



August 2006

100% acquisition



July 2008

100% acquisition



July 2007

100% acquisition



May 2008

100% acquisition



January 2010

100% acquisition

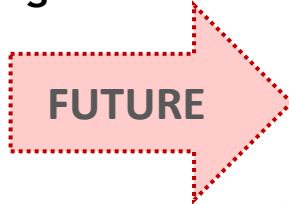
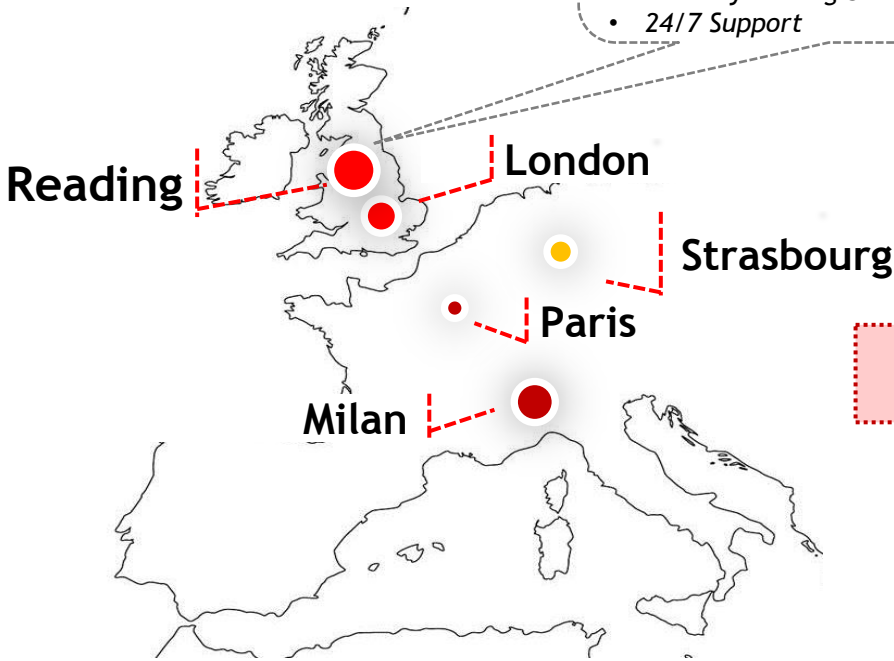
Over time DADA has proved that it can grow also by
external growth



DADA's D&H IT Infrastructure

The new UK DataCentre site is a **50,000 square foot facility** located near to the Green Park technology area:

- *Cutting-edge specifications (TIER 4 like)*
- *Industry leading SLAs*
- *24/7 Support*

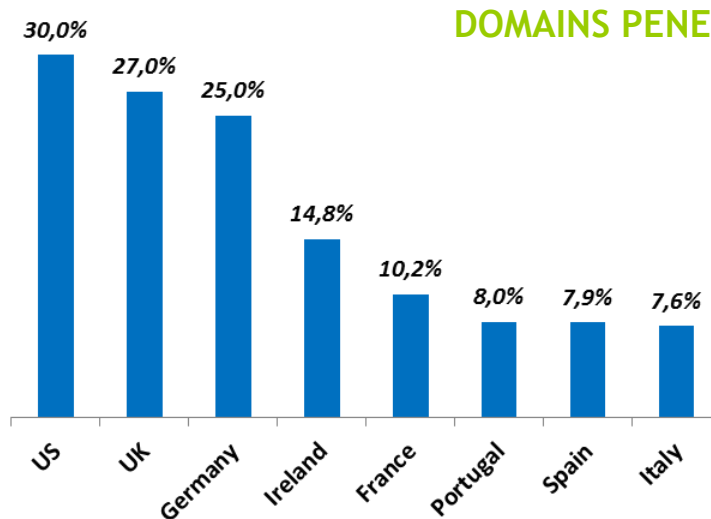
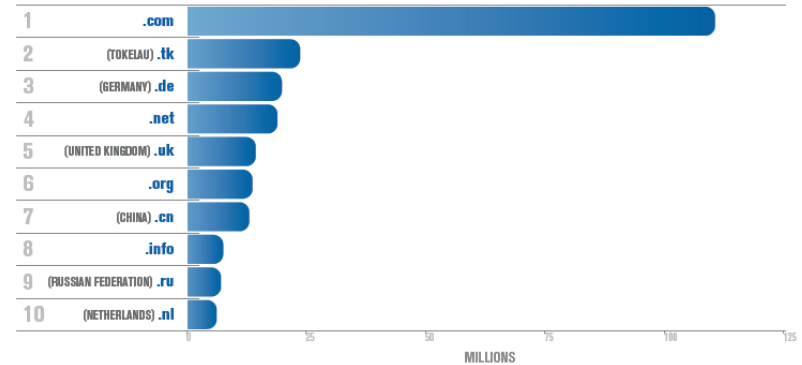


- Shared Hosting/ Network/ Other services
- Dedicated Virtual Servers
- All

Domains & Hosting

Global Market Overview

- 2013 closed with more than **271 million¹** domain name registrations worldwide;
 - ✓ the .com and .net TLDs reached a combined total of 127 mn names
 - ✓ the base of ccTLDs was 124 mn names for more than **290 extensions** globally



UK is the first among DADA's countries in terms of domain registration penetration¹²

¹ "The Domain Name Industry Brief", Verisign, Apr. 2014
² Zooknic, local registries

Many thanks!

All forecasts included in this document are subject to risks and uncertainties of DADA itself and of Internet, media and Telco markets.

All forecasts are based on currently available information and reflect DADA Group management expectations.

All forecasts reflect market parameters, assumptions and other fundamentals which could change and therefore influence the future results.

All the forecasts are based on an hypothesis of organic growth and commercial and regulatory stability, particularly in the mobile market.

This document does not constitute solicitation of public saving.

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