



DADA

DOMAINS & ADVERTISING



9M 2014 Results

Agenda

DADA in a snapshot

Core Business Overview:
Domains & Hosting

New Business Overview:
Digital Advertising

9M 2014 Financials

DADA Group at a glance

1 Domains & Hosting (core business)

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 (new business)


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

Simply: a digital advertising solution, 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

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

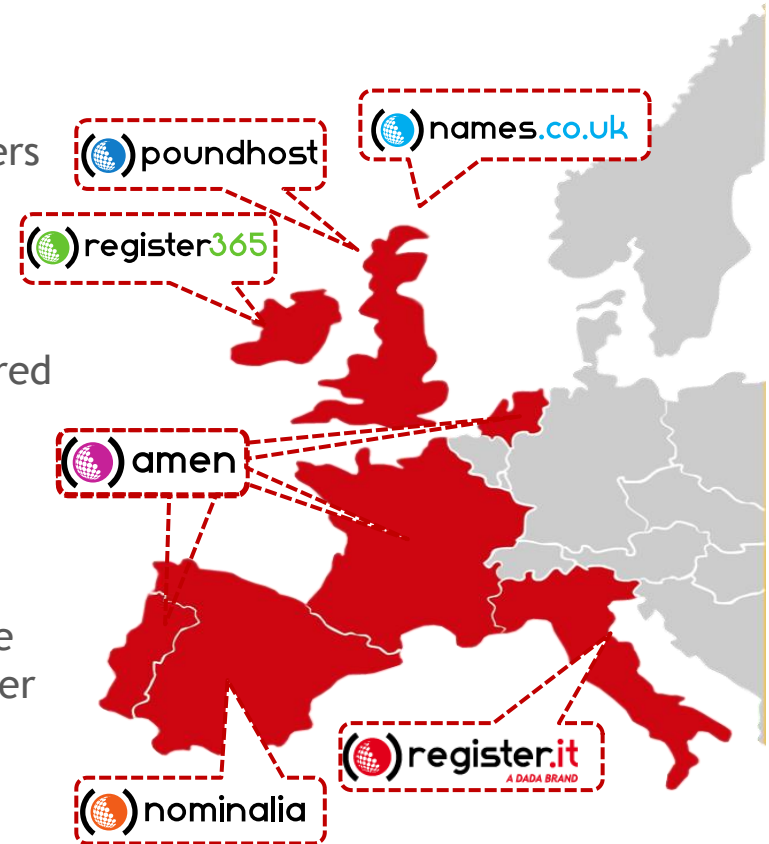
**Core Business Overview:
Domains & Hosting**

New Business Overview:
Digital Advertising

9M 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 **retaining** the existing customer base
- Increasing **competition** in most of the geographies, due to the entry of major international big players and lower demand for **new registrations**



Domains & Hosting

Product Offering

CUSTOMER NEEDS

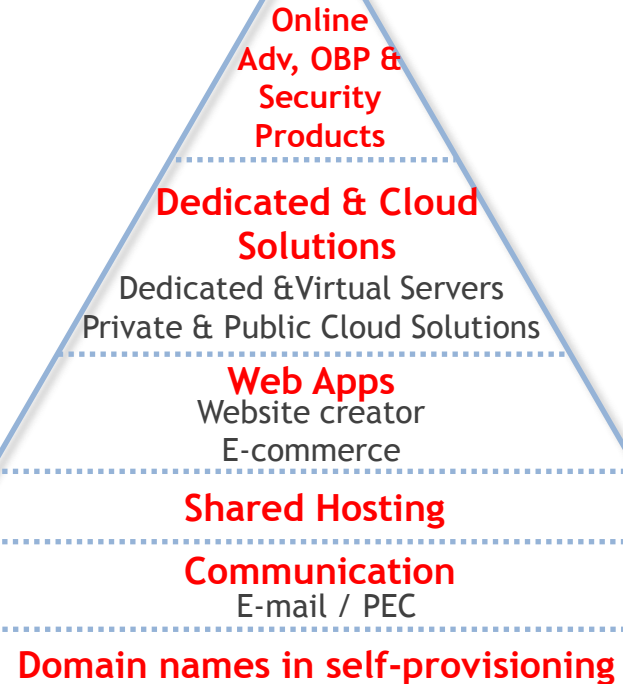
- **One-Stop-Shop** to:
 - Create online presence
 - Market and promote businesses
 - Sell and distribute products online
- **Product quality, ease-to-use:**
 - Simple way to find, purchase and use the right service

Online solutions
are increasingly
key for SMEs

DADA'S SUITE OF SERVICES

PRICE

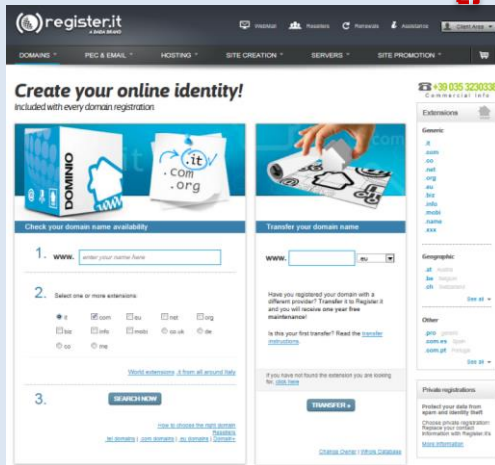
N. Of
CUSTOMERS



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

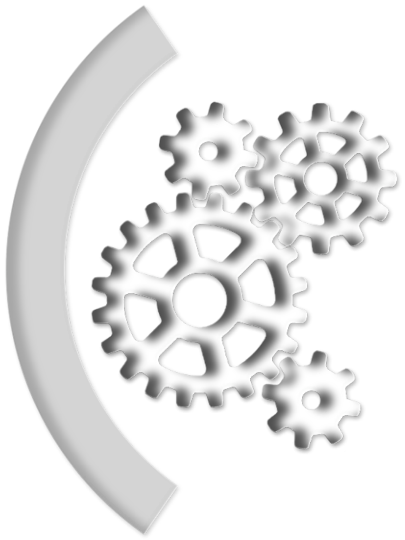


- Key Products:**
- Website builder
 - Shared Hosting (email)
 - Dedicated and virtual servers

Step 3
Increase your visibility and sell online

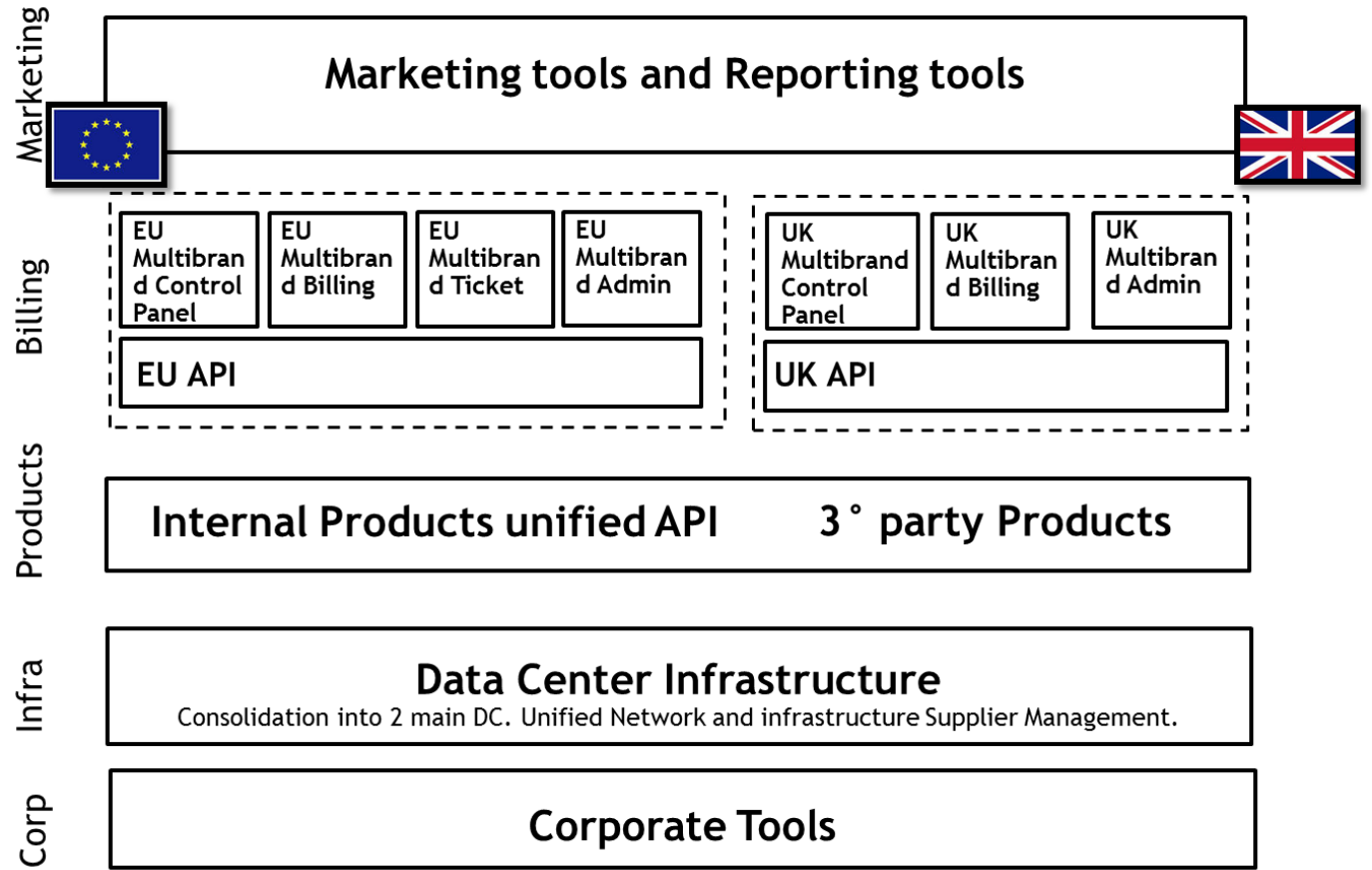


- Key Products:**
- Search Engine Optimization
 - Online marketing solutions
 - E-Commerce solutions



Domains & Hosting

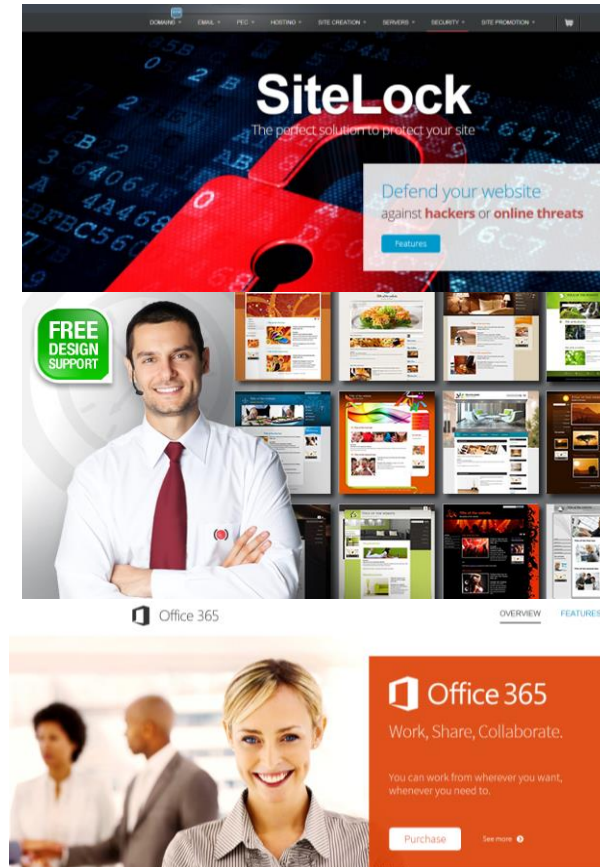
...thanks to our Unified Technological Backbone



Domains & Hosting

New Services in the first half of the year

- Launch of a new **security-focused channel** which provides clients with a high level of **stability, integrity** and **protection** of websites
- Launch of a new **customer support** dedicated service to assist customers in the development and management of their website aimed at **increasing their online business opportunities**
- The launch of a new service built around **Microsoft Office 365**, complementing the product portfolio to offer our clients a “**virtual office**” tool





Domains & Hosting

New gTLDs Outlook

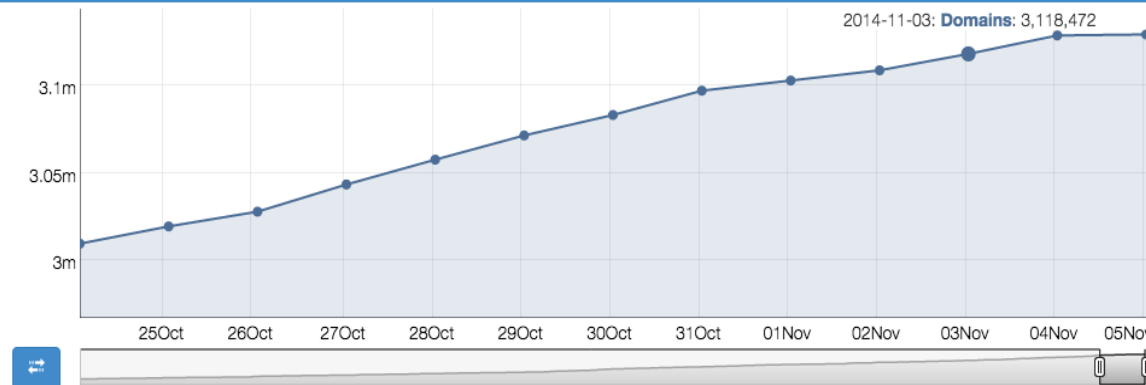


11,500 registrations in DADA's stores (on 3 millions worldwide*)

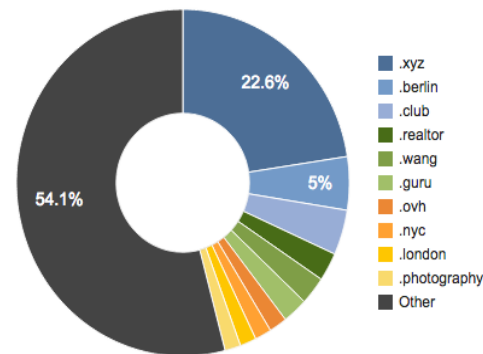
new gTLD Summary

Domains:	3,095,956	TLDs:	429	Registrars:	212
Last Update:	2014-11-05T10:41:57Z	Signed Zones:	40,746 (1.32%)	Parked Domains:	2,069,734 (66.85%)

new gTLD Domains

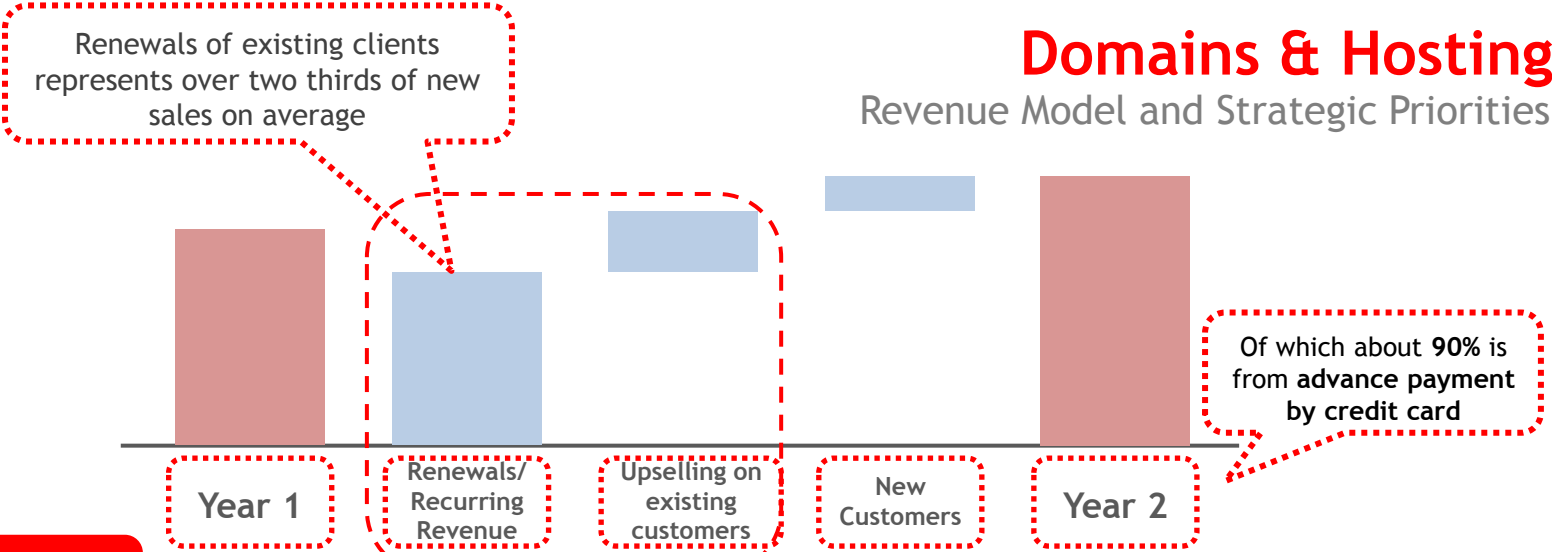


new gTLD distribution



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**

Core D & H Development

- New gTLD
- Brand Audit development
- Automated alert management

Protect
Corporate

Product Diversification

- Online brand protection Service
- ADV self prov.
- Advanced SEO

- Security & backup offer
- Improved shared offer
- Server Firewalls offer

Promote

Larger/more technically advanced SME

- Turn key product
- News Letter manager
- Landing page dev

- Updated ecommerce offer
- Email offer new UI
- Website design support
- Product training tools

Presence

Volumes of low technical competency SME

- Virtual office tools
- Communication tools
- Inbound marketing

Domains & Hosting

... supported by Continued Outstanding Customer Care

HOW? Dedicated Phone Assistance and Technical Support Team

POST- SALES ACTIVITIES:

Renewals:

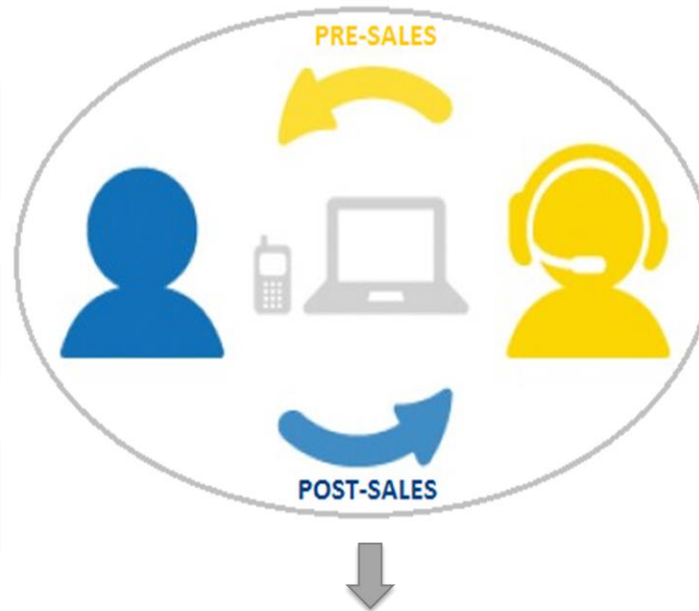
alert deadline, payment,
credit recovery

Order intake:

cart conversion, transfer
support, starter kit

Support:

First-level support



PRE- SALES ACTIVITIES:

Commercial offers

Commercial
informations on
products

Hight value product

Increase the channels:
*in bound call, out bound call, e-mail, chat, webinar,
networking*

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 started in 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**

Agenda

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9M 2014 Financials

Performance Advertising

Business Model

Key Financials

€ mn	9M 2014	9M 2013	YoY
Revenue	6.6	11.7	-44%
EBITDA	0.6	1.6	-62%
Ebitda margin %	9%	14%	

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, videoblog and every form of micropublishing search



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



A new job search vertical portal, in the Classified segment with more than **250,000 users registered**



Launch of a new international shopping comparison portal

In Q3 2014 a new vertical channel dedicated to **cars and motors**

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, in particular on mobile and tablet's traffic

Outlook for 2014

Revenue and margins lower than 2013, mainly 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 and travel* areas, to offer more appealing services to end users

Agenda

DADA in a snapshot

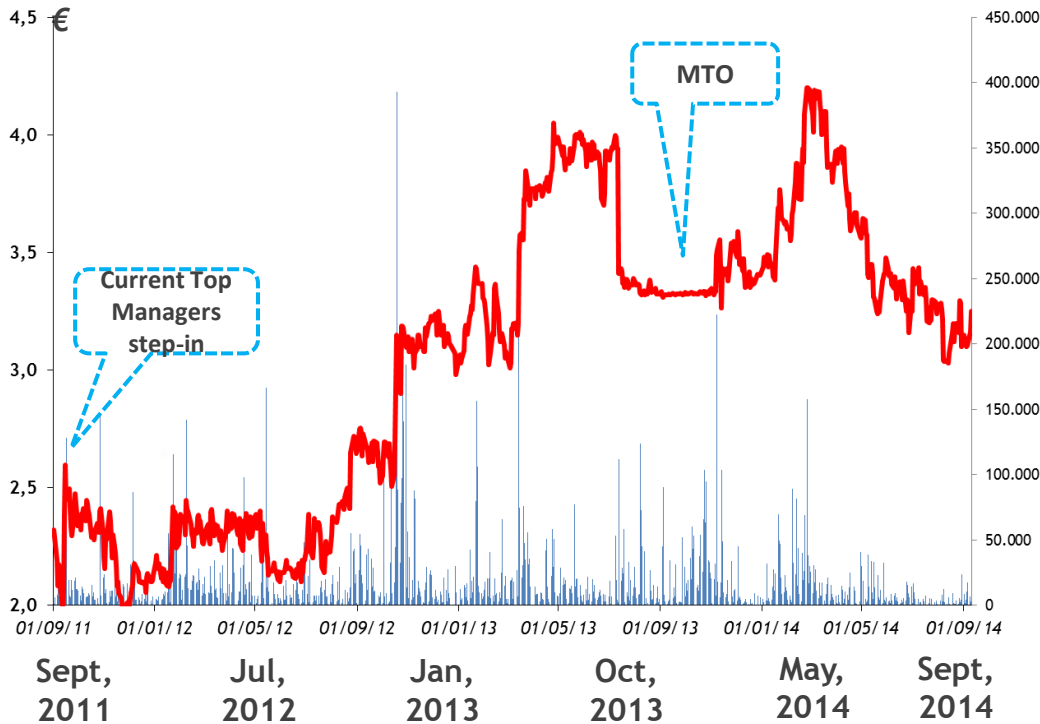
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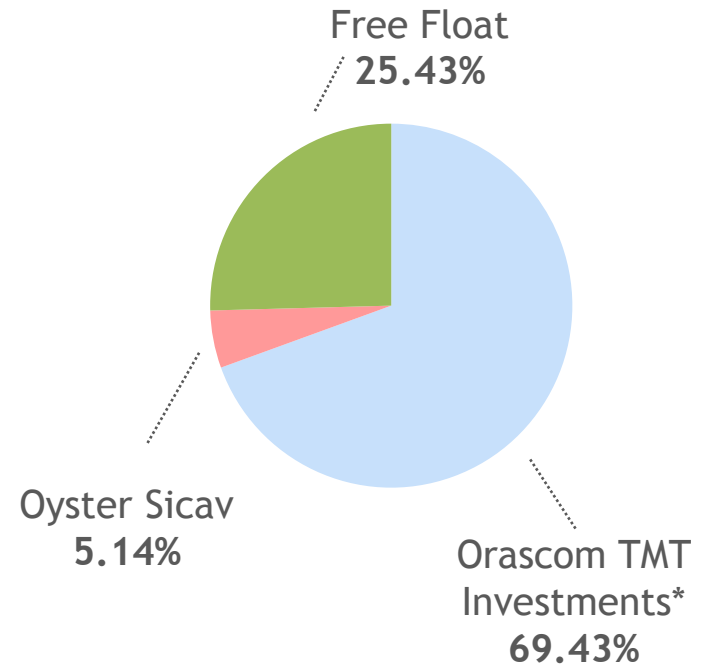
9M 2014 Financials

Company Profile

Stock Performance



Shareholding Structure



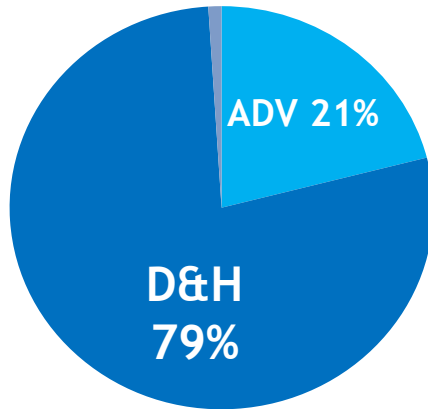
* Through its wholly-owned subsidiary Libero Acquisition S.à r.l.

9M 2014 Results - Profit & Loss

€ mn	9M 2014	% on sales	9M 2013	% on sales
Net Revenues	50.6		57.1	
EBITDA	7.6	15%	8.1	14%
EBIT	1.4	3%	2.2	4%
Profit before Tax	(0.6)	-1%	0.0	0%
Group Net Profit	(1.4)	-3%	(0.5)	-1%

9M 2014 - Revenue Breakdown by Business Line

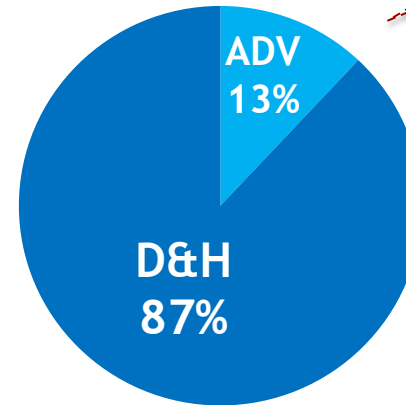
9M
2013



Tot. Revenue € 57.1 mn

- D&H = 45.0 mn
- Perf. Adv. = 11.7 mn

9M
2014



Tot. Revenue € 50.6 mn

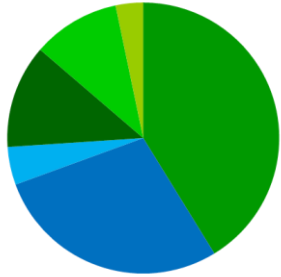
- D&H = 44.0 mn (-2%, in line with 9M 2013 excluding Simply*)
- Perf. Adv. = 6.6 mn (-44% yoy)

39% Italy
61% Abroad

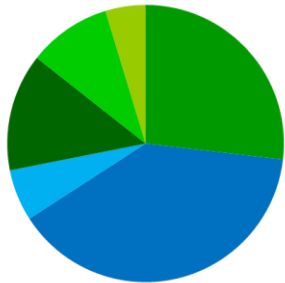
* Simply.com: an advertising network with more than 3,000 publishers managed through a proprietary Adserver . Its sale is managed on an exclusive basis in Italy by an external agency.

9M 2014 - D&H KPIs Breakdown by Country

Domains Under Management

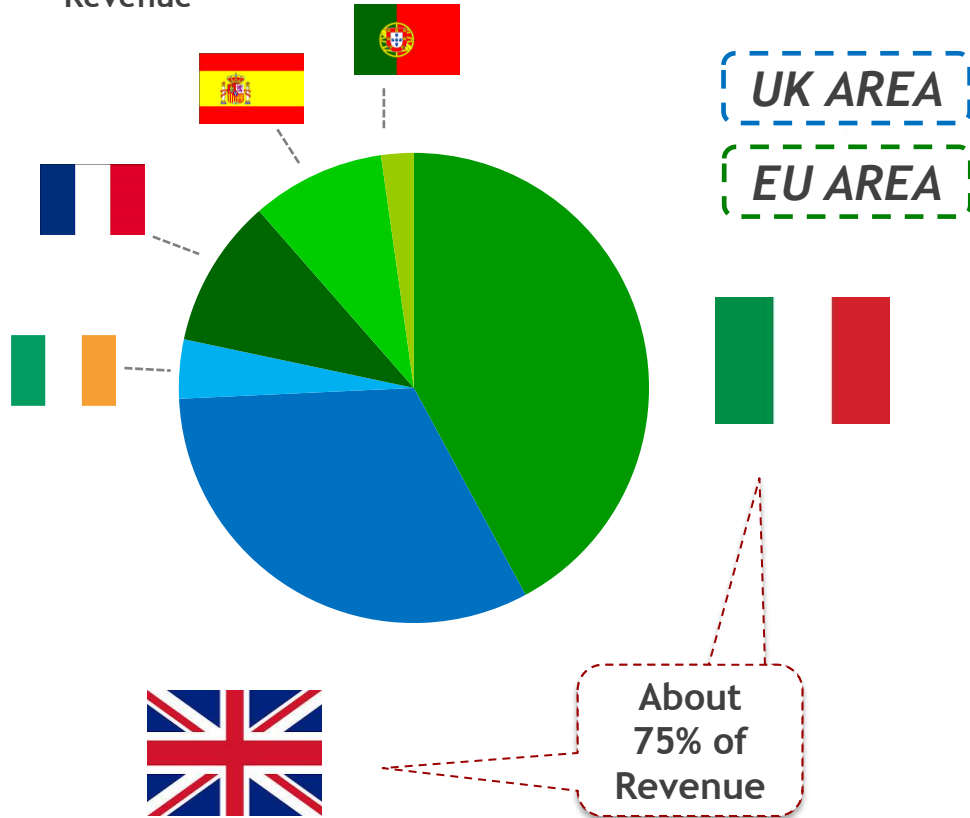


Customer Base

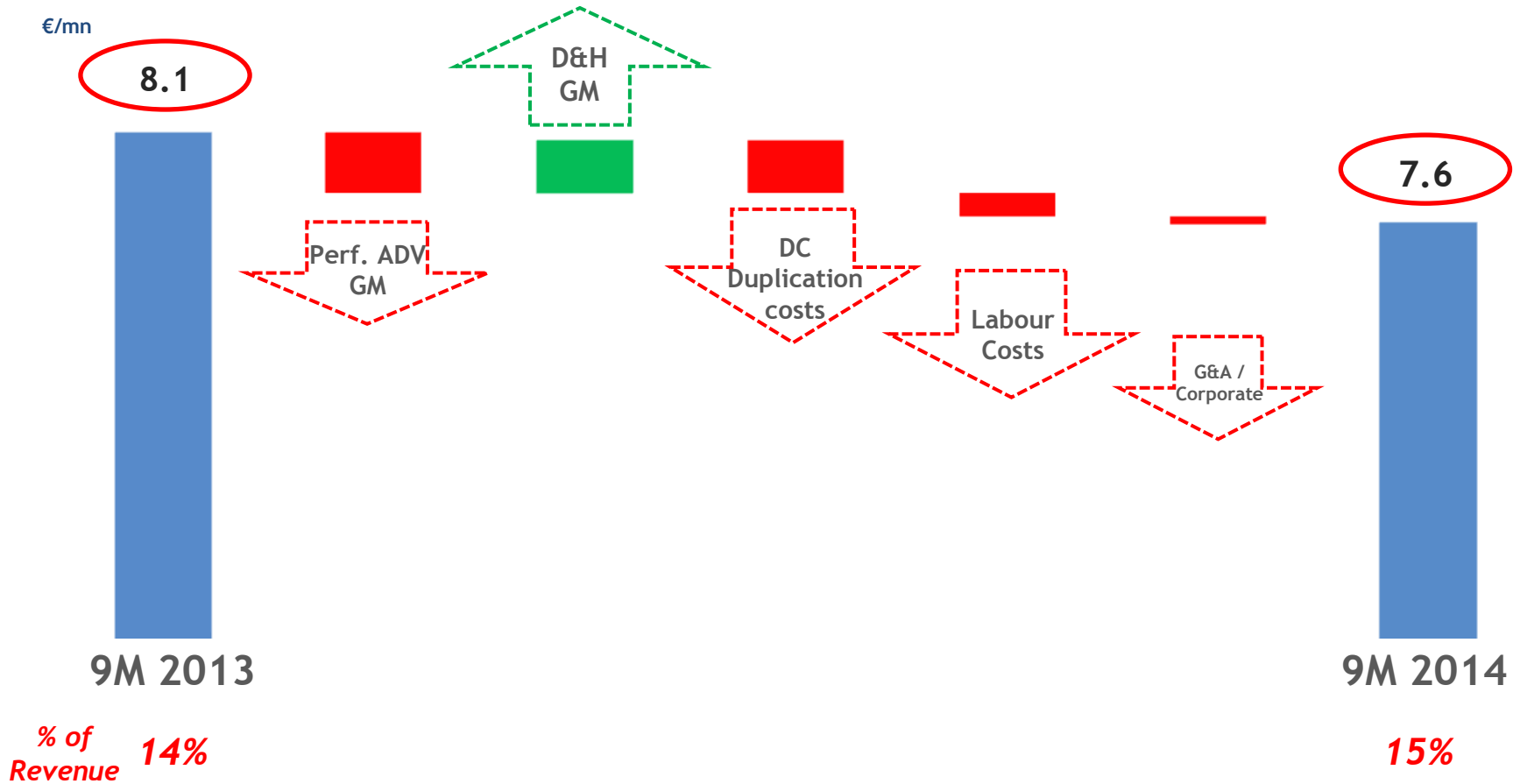


- Italy
- UK
- Ireland
- France
- Spain
- Portugal

Revenue



9M 2014 Results - Analysis of Key EBITDA components



9M 2014 Results - Revenues & EBITDA Breakdown

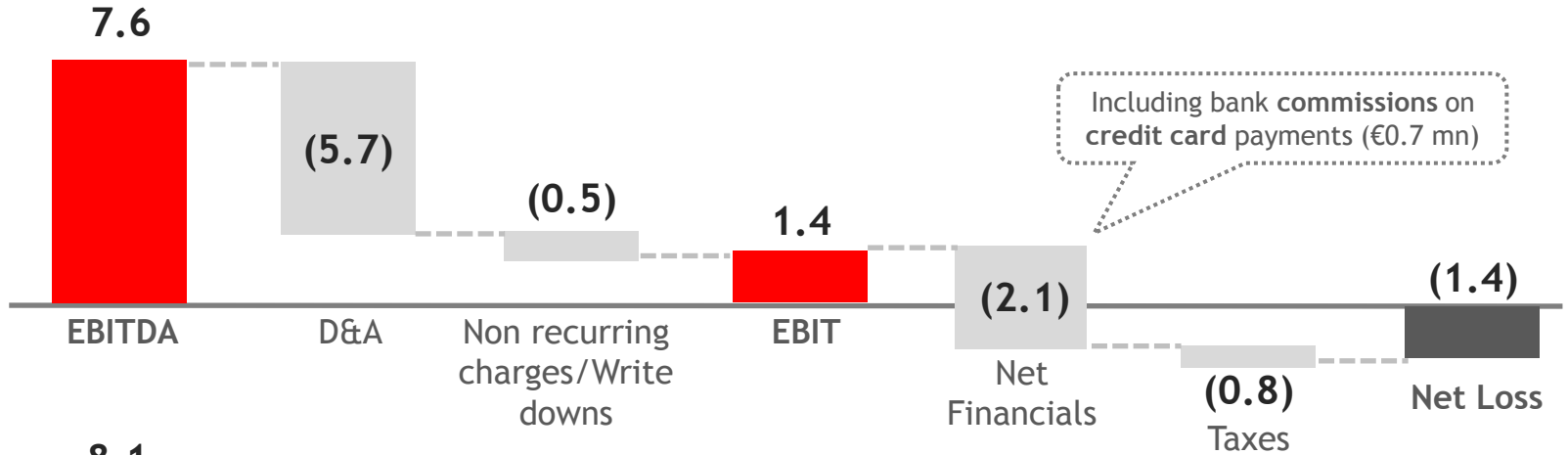
€ mn		9M 2014	EBITDA margin %	9M 2013	EBITDA margin %
Domains & Hosting	Revenues	44.0	15%	45.0	16%
	EBITDA*	6.6		7.3	
Performance Advertising	Revenues	6.6	9%	11.7	14%
	EBITDA	0.6		1.6	
Adjustments	Revenues	-		0.4	
	EBITDA	0.4		(0.8)	
DADA Group	Revenues	50.6	15%	57.1	14%
	EBITDA	7.6		8.1	

* It includes in 9M 2014 the duplication of some costs related to the UK datacenter (€-0.6 mn) and a different administrative corporate costs allocation (€-0.7 mn)

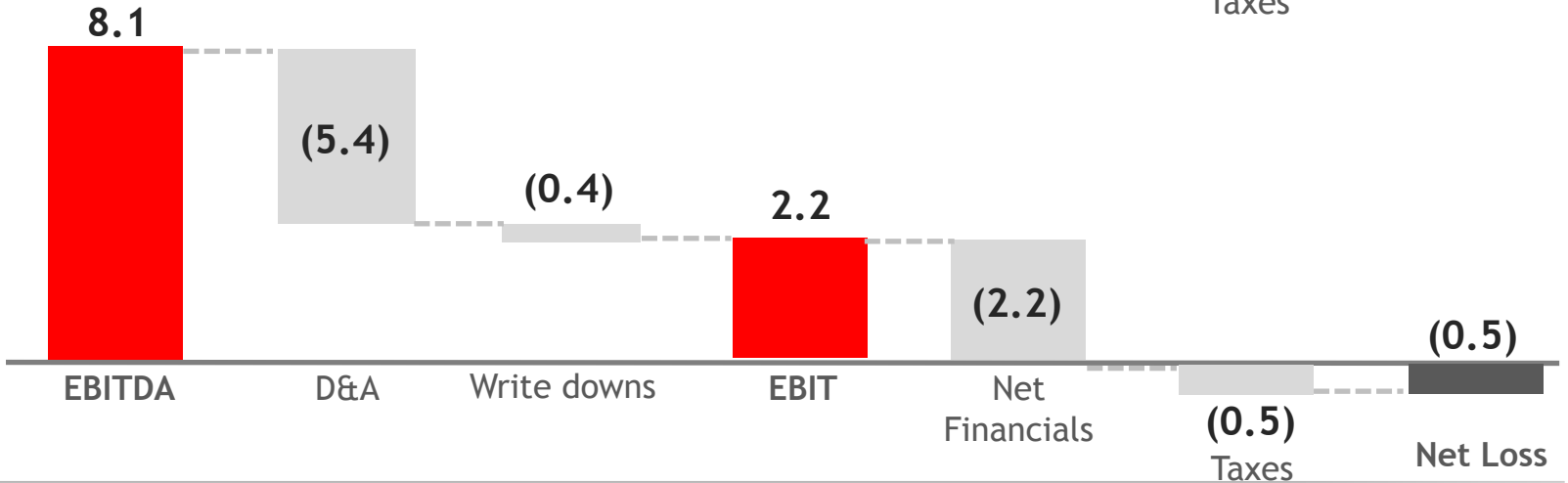
€ mn

9M 2014 Results - From EBITDA to Net Profit

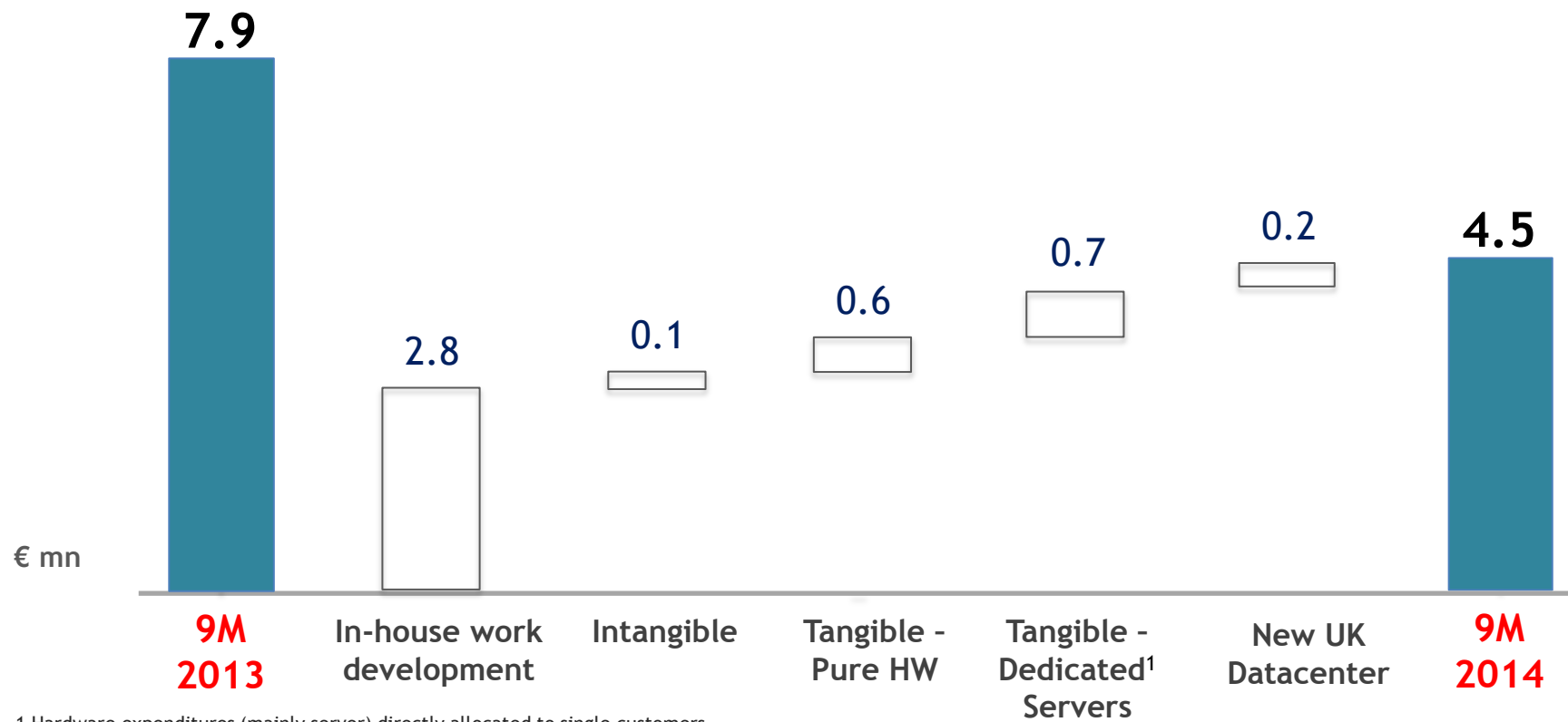
9M
2014



9M
2013



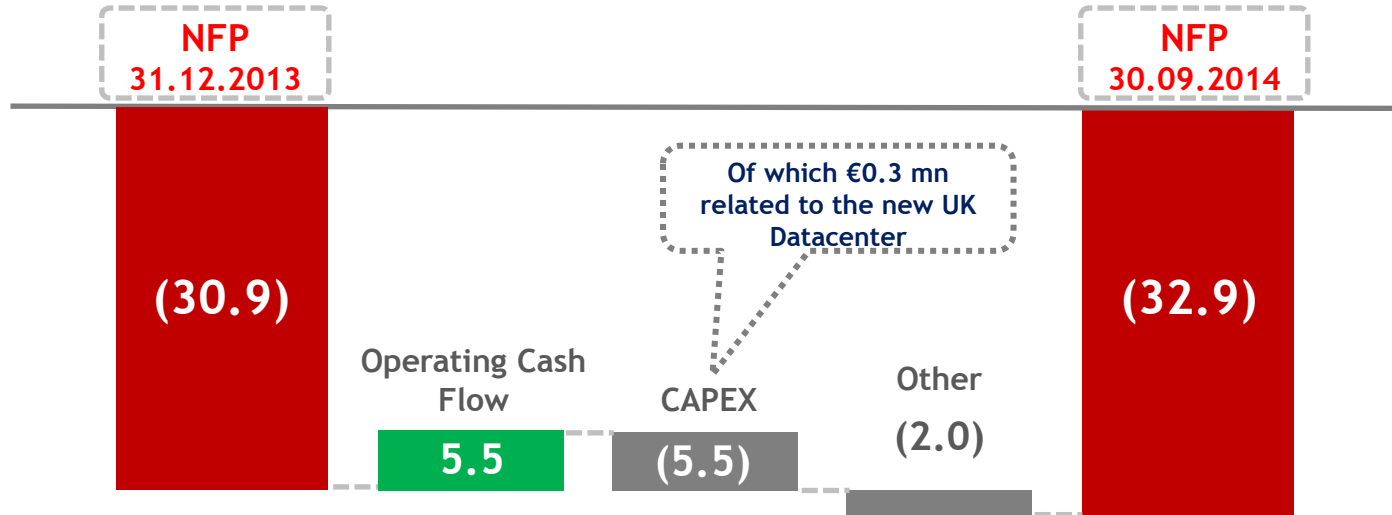
9M 2014 - CAPEX breakdown by kind



¹ Hardware expenditures (mainly server) directly allocated to single customers

9M 2014 Results - NFP evolution

€ mn



	31.12.2013	30.09.2014
Financial Assets	1.7	1.4
Current Financial Liabilities	(11.2)	(15.5)
Long Term Financial Liabilities	(21.3)	(18.8)
Financial Liabilities	(32.5)	(34.3)
Net Financial Position	(30.9)	(32.9)

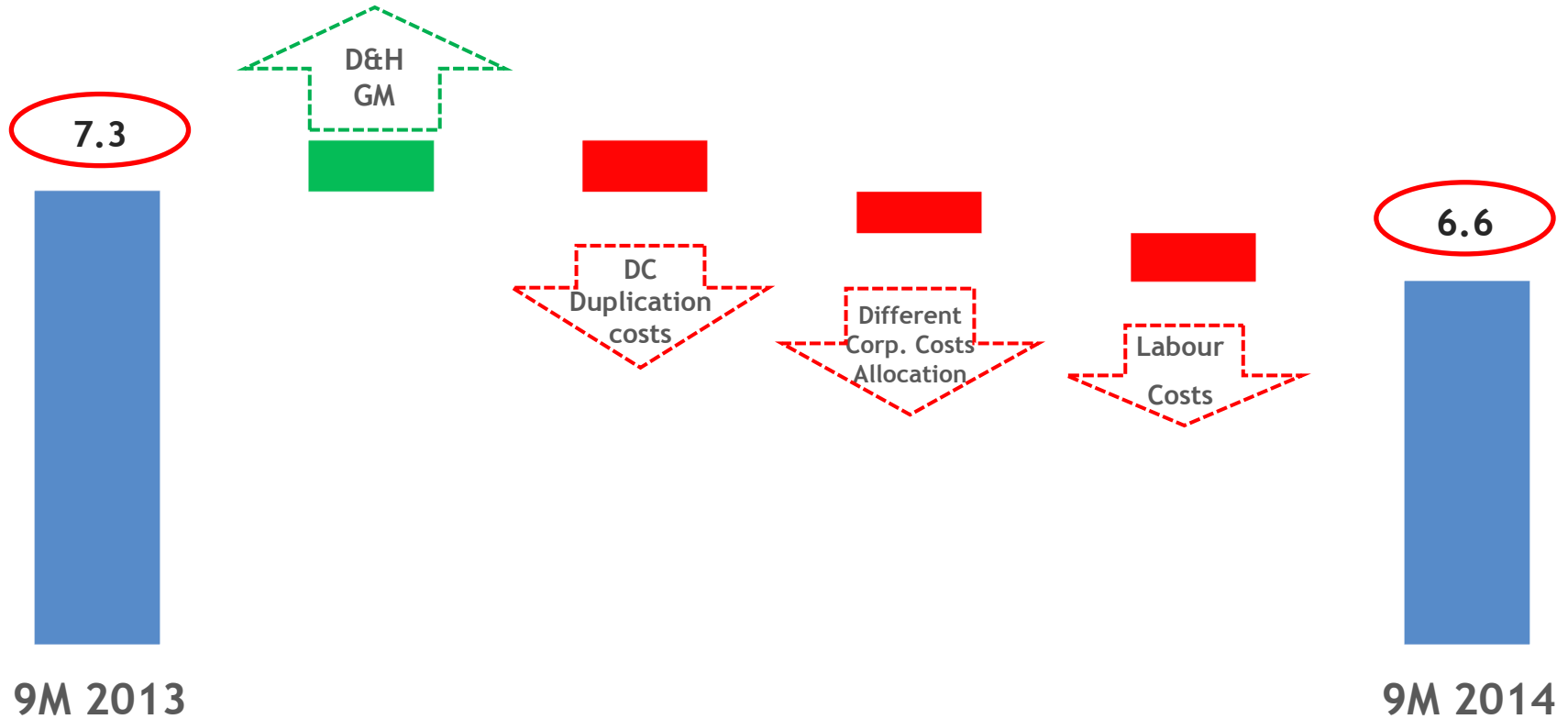
Appendix



DADA

DOMAINS & ADVERTISING

9M 2014 - Analysis of Key D&H EBITDA components



% of Revenue **16%**

15%

9M 2014 Results - Balance Sheet

€ mn	30.09.2014	31.12.2013
Net Working Capital	(10.4)	(11.7)
Fixed Assets	96.1	94.0
Severance and Other Funds	(1.7)	(1.8)
Other Payables beyond one year	-	-
Net Capital Employed	83.9	80.5
Net Financial Position	(32.9)	(30.9)
Total Shareholders' Equity	(51.1)	(49.7)

9M 2014 Results - Cash Flow Statement

€ mn	9M 2014	9M 2013
Cash and Cash Equivalents at the Beginning of Period	(9.5)	(7.7)
Group Net Profit (Loss)	(1.4)	(0.5)
Gross Operating Cash Flow	7.2	7.3
Working capital, Income taxes and Interest paid	(4.5)	(3.9)
Net Operating Cash Flow	2.7	3.5
Capex & Investing Activities	(4.5)	(7.8)
Financing Activities	(2.6)	(2.6)
Free Cash Flow	(4.4)	(6.9)
Cash and Cash Equivalents at the End of Period	(13.9)	(14.6)

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

9M 2014 - Dada Group Consolidated P&L

€/mn	9M 2014	9M 2013	Delta vs 2013	
Revenue	50,6	57,1	-6,5	-11,4%
COGS	-20,9	-26,6	5,7	
Product Margin	29,7	30,5	-0,8	-2,7%
COA	-3,5	-3,7	0,3	
Gross Margin	26,2	26,8	-0,6	-2,1%
Labour Cost & Contractors	-15,5	-15,4	-0,1	
R&D CAPEX	2,8	2,7	0,1	
G&A	-5,9	-6,1	0,1	
EBITDA	7,6	8,1	-0,5	-5,7%
Receivables write-downs	-0,5	-0,4	-0,1	
Non recurring charges			0,0	
D&A	-5,7	-5,4	-0,3	
EBIT	1,4	2,2	-0,8	-36,0%
Net Financials	-2,1	-2,2	0,2	
Taxes	-0,8	-0,5	-0,3	
Net Result	-1,4	-0,5	-0,9	n.m.

M&A activity in Domains & Hosting

 register.it

July 2006

Last 3%
acquisition

 nominalia

August 2006

100% acquisition

 amen

July 2008

100% acquisition

 names.co.uk

July 2007

100% acquisition

 register365

May 2008

100% acquisition

 poundhost

January 2010

100% acquisition

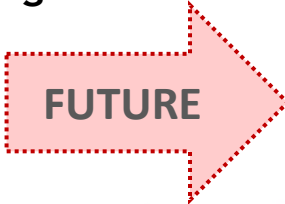
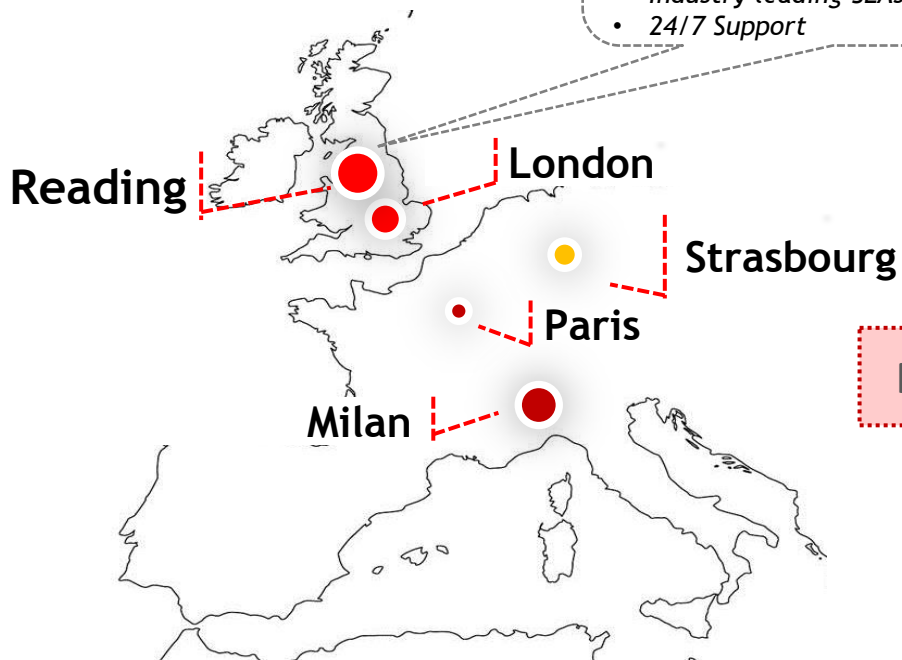
Over time DADA has proved that it can grow also by
external growth



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

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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DADA

DOMAINS & ADVERTISING

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