



DADA

DOMAINS & ADVERTISING



2015 Star Conference

Milan, 24 March 2015



DADA

DOMAINS & ADVERTISING

The gateway to your digital presence

Agenda

DADA in a snapshot

Core Business Overview:
Domains & Hosting

Digital Advertising Update

Financials

Core business: Domains & Hosting

- ❖ 84% of total DADA's revenues of 2014
- ❖ +2% in Gross Margin, + 8% in EBITDA YoY
- ❖ 2,4% net growth in customers in 2014
- ❖ Constant Like for Like Turnover YoY

Highlights

- ❖ 520k companies served in seven European countries
- ❖ More than 1.7 mn domains managed
- ❖ 35 mn monthly U.V.
- ❖ Leading position in all its 6 geographies

Discontinued Business: Digital Advertising

Shrinking volumes and margins due to Google continuous changes (-40% Turnover, -83% Ebitda YoY).

Business sold on 23 March to Italiaonline for 5 mln cash + 1 mln earn-out

Brands



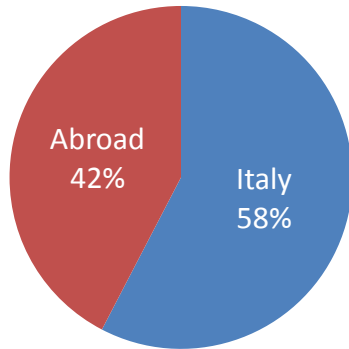
Geographic Coverage



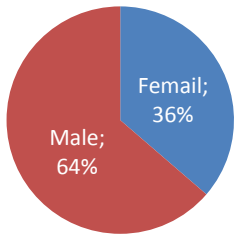
- Italy
- UK
- France
- Spain
- Ireland
- Portugal
- The Netherlands

Total Headcount: 364 people in 5 Countries and 9 Offices

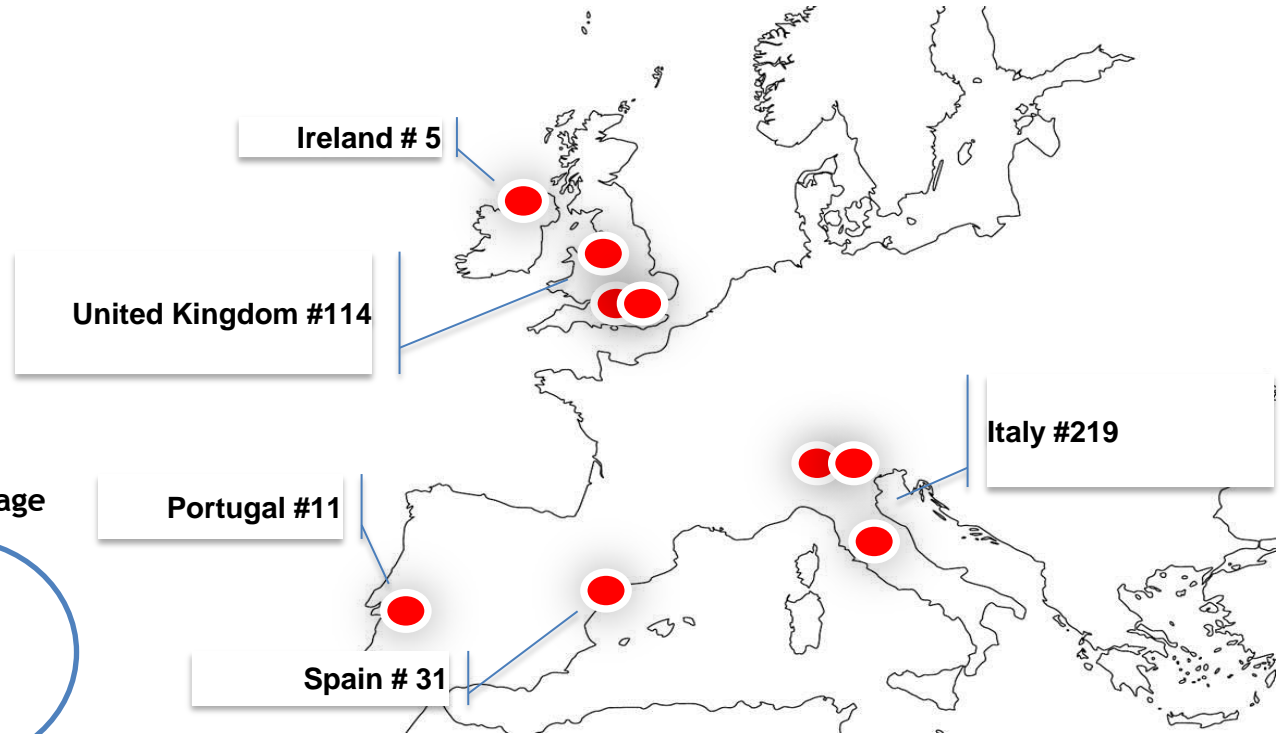
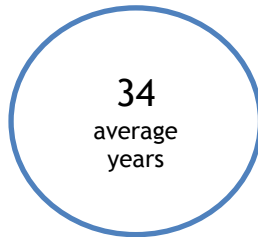
Italy vs Europe



Gender



Age Average



Key Financials 2014 vs 2013

€ mn

	FY 2014	FY 2013	YoY
Revenue	67.5	75.3	-10,4%
EBITDA	9.3	10.6	-7,3%
<i>Ebitda margin %</i>	15%	14%	
EBIT	1.5	2.4	<i>n.m.</i>
Net Profit	-2.2	-1.3	<i>n.m.</i>
NFP	-33.6	-30.9	
N. Headcount	364	395	

Key Financials 2014 by BU vs 2013

€ mn

	FY 2014				FY 2013			
	D&H	Perf.Adv	Other	ToT	D&H	Perf.Adv	Other	ToT
Revenue	59.0	8.5	0	67.5	60.4	14.6	0.3	75.3
EBITDA	9.6	0.6	(0.4)	9.8	9.9	1.9	(1.2)	10.6
	16%	8%	<i>nm</i>	15%	16%	13%	<i>nm</i>	14%
EBIT	2.3	0	(0.8)	1.5	3.3	1.3	(2,2)	2.4

Agenda

Dada in a snapshot

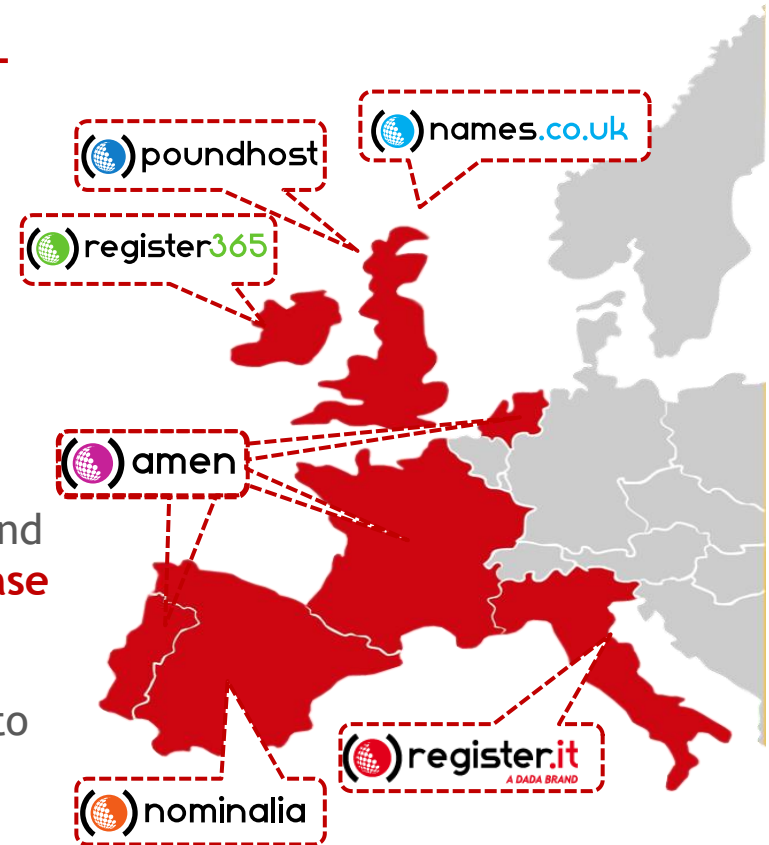
**Core Business Overview:
Domains & Hosting**

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Professional services for the on-line presence

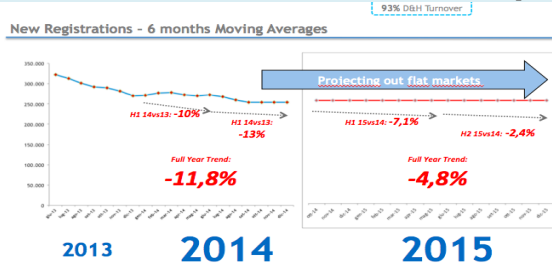
- Targeted to European **SMEs, professionals** and **high-end** customers in Europe
- Pan-European presence in **7 countries** with a high potential of scalability thanks to **unified platforms**
- Large **customer base** (**520k clients** for **1.7 mn** registered **domains**) upon which DADA can **up-sell** additional services
- Ongoing focus on the launch of **new applications** and the optimization of **marketing initiatives** to **increase** and **retain** the existing customer base
- New **UK proprietary Datacenter** fully operational to improve quality and support future growth while driving operational efficiency



Domains & Hosting

Main Market trends of 2014

Domain Markets in Europe



➤ European **D&H markets** have materially **worsened** during 2014 (-11.8% YoY)

Competitors

united
internet

web.com™

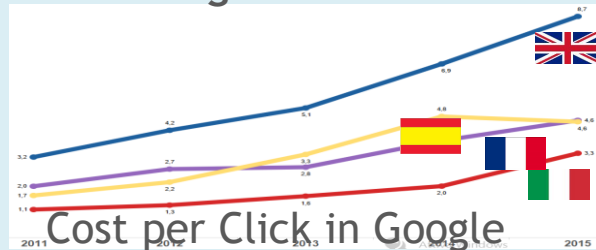
WIX

Google Domains
INVITE-ONLY BETA

➤ New **aggressive entrants** are pouring millions in advertising:

- Wix invested \$160 Mln in last 36 Quarters and \$25Mln in Q3 2014 alone
- Google Launched Google Domains in US and will roll out world wide

Advertising Costs



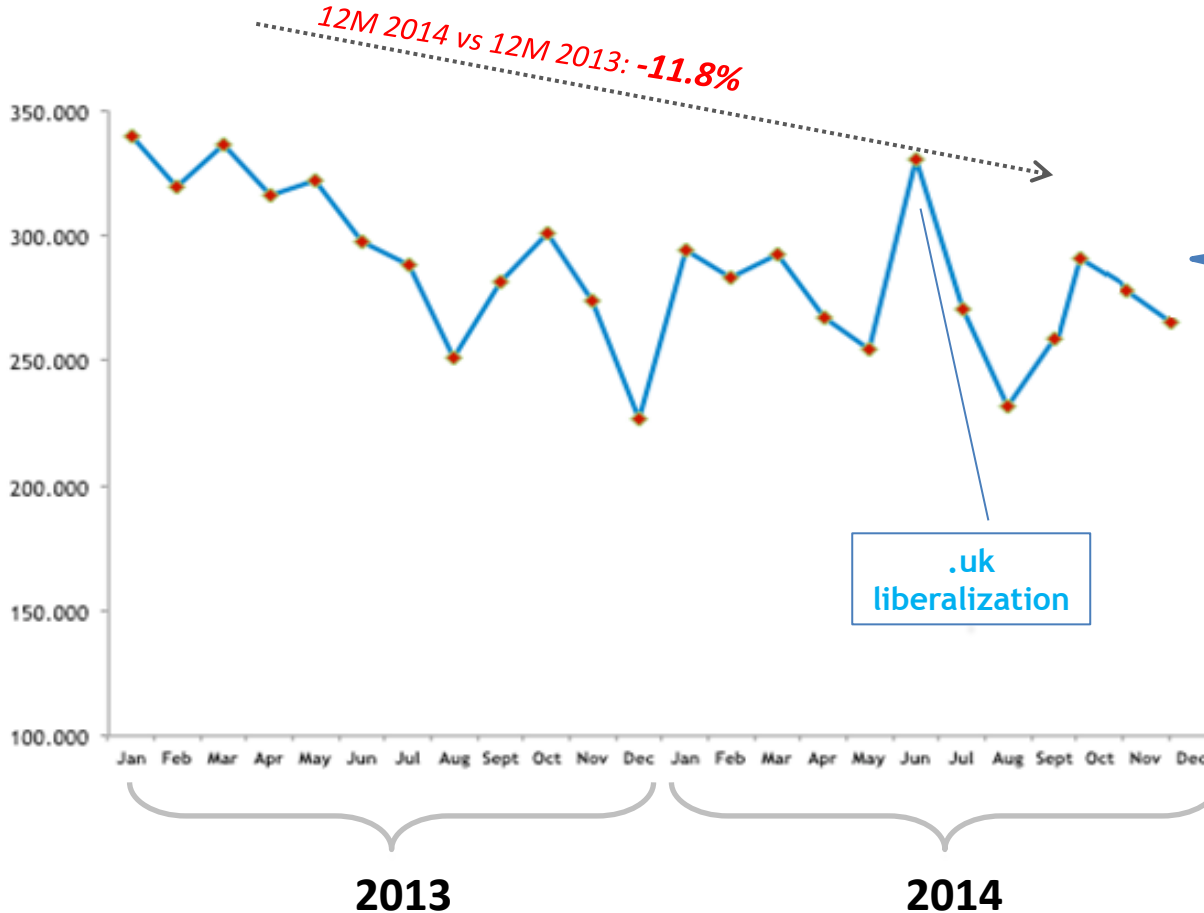
➤ Low demand and increased competition saturated the adv market, making even **more difficult to acquire customers**

*Source: Management analysis based on available market data

Domains & Hosting

Overall Market Evolution (ITA+UK+ES+FR) - New ccTLD monthly registrations

93%
of H1 D&H Turnover



DADA Group:
YOY *stable*



Domains & Hosting

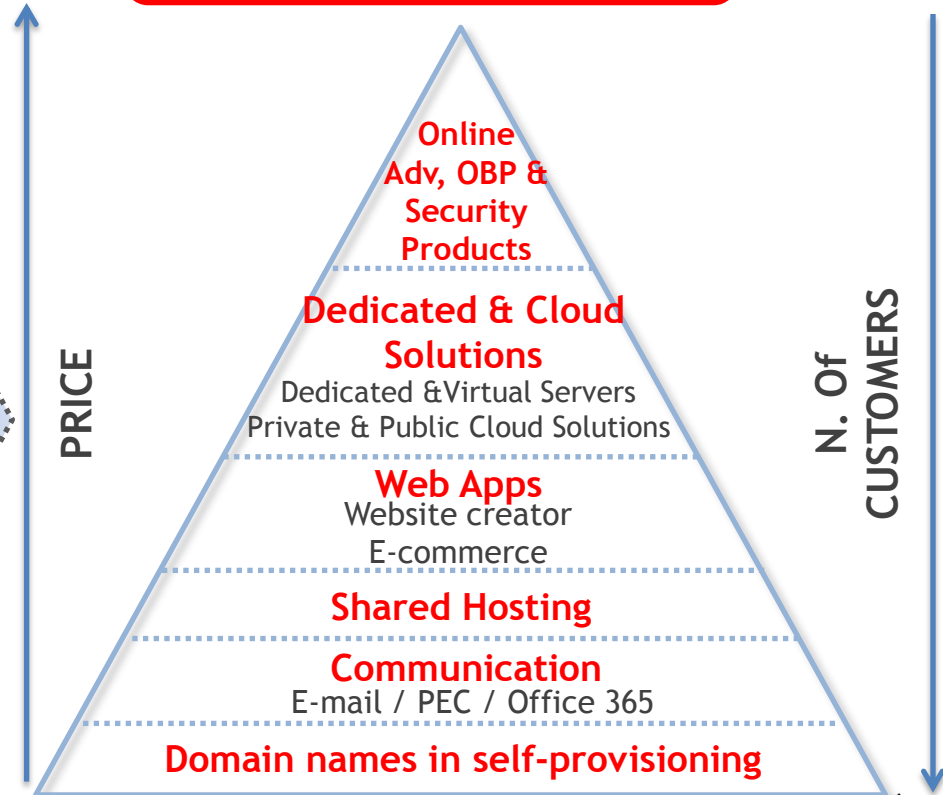
Product Offering

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

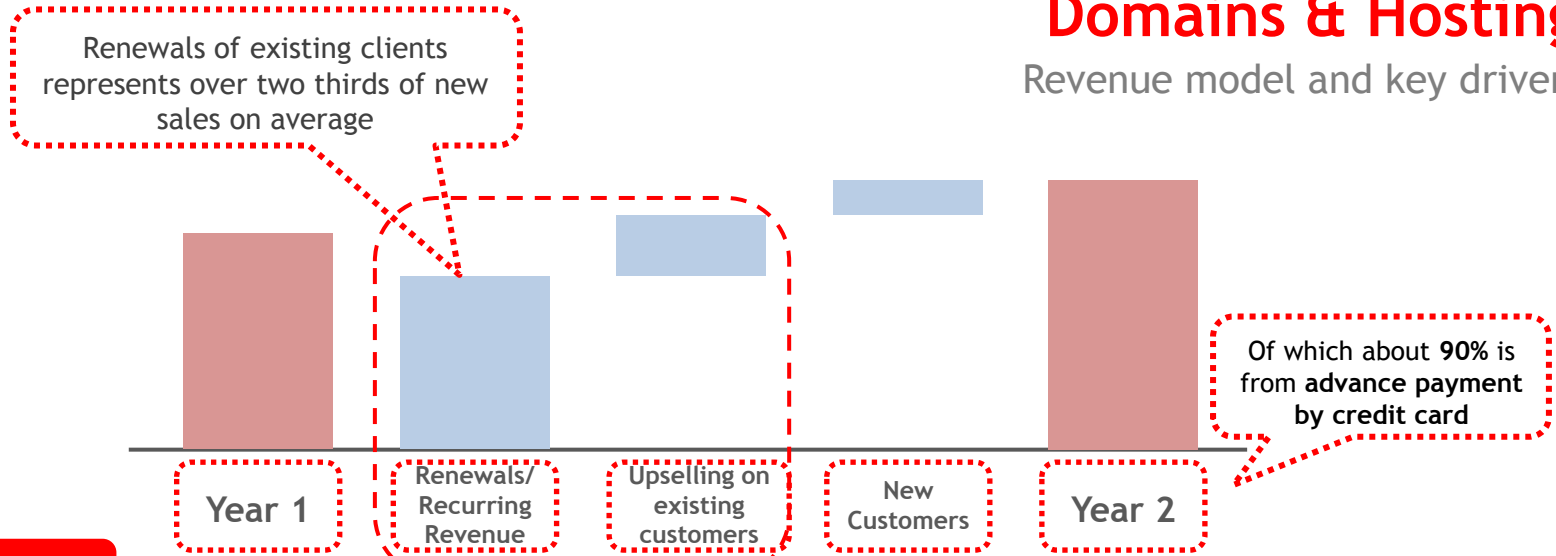
Online solutions
are increasingly
key for SMEs

DADA'S SUITE OF SERVICES



Domains & Hosting

Revenue model and key drivers



2015 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

What we offer...

Step 1

Get a domain name to start online presence



Key Products:

- Domain name registrations
- Domain renewals and transfers
- newGtlds pre-registration
- TMCH and DPML

Step 2

Build a web presence

Site creation

All the tools you need to build your website

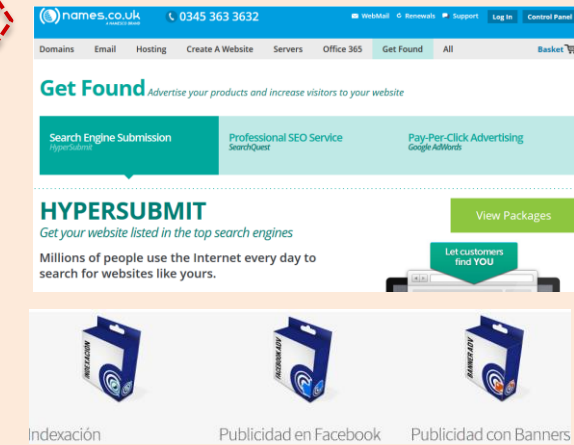


Key Products:

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

Step 3

Increase your visibility and sell online



Key Products:

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

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

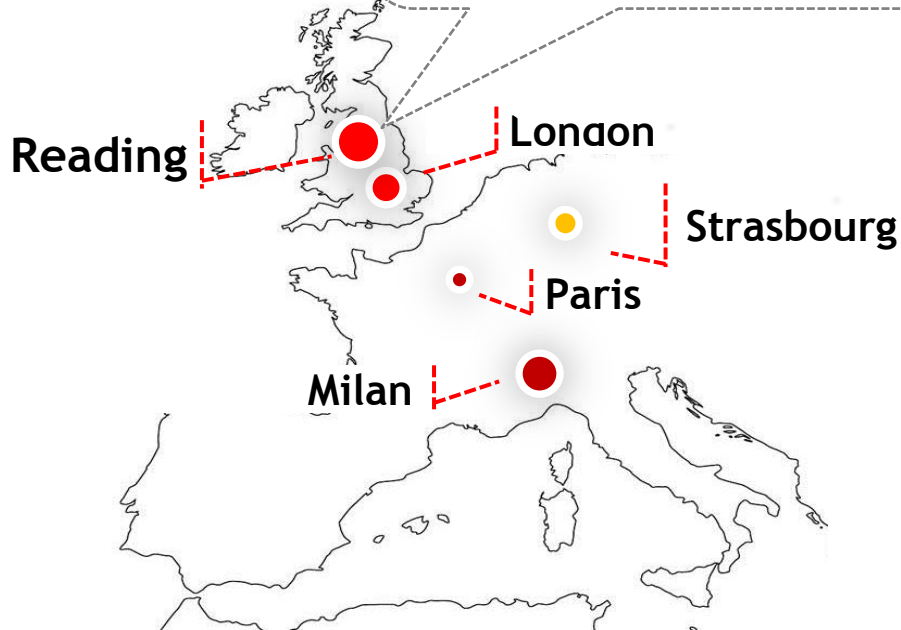
Increase the channels:

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



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

...and to the DADA's IT new Infrastructure



- ❖ More than **450 newGtlds** released, with great success in most countries
- ❖ Increase of market share in **server segment** due to a new product range
- ❖ Focus on **customer delight**, support and consultancy services
- ❖ New **UK proprietary Datacenter** built in 2013 now fully operational and aimed to improve quality and support future growth while driving operational efficiency

Domains & Hosting

2015 Strategic Priorities

Objective

Deliverable

Impact

1	Reduce Churn	<ul style="list-style-type: none">• Platform performance• Value add products• Enhanced user interface	<ul style="list-style-type: none">• Improved renewal rates• Lower customer attrition
2	Upsell to Base	<ul style="list-style-type: none">• Develop offline sales channel• Introduce new products• Enhanced user interface	<ul style="list-style-type: none">• Offline sales improved• New/enhanced products• Improved ARPU
3	Platform integration	<ul style="list-style-type: none">• Network infrastructure• Platform consolidation• Team integration	<ul style="list-style-type: none">• Savings delivered• Operational efficiency• Speed to market
4	New cust channels	<ul style="list-style-type: none">• New local and social products• Co-brand marketing• New market entrance	<ul style="list-style-type: none">• Growth in new customers• Operating in Indian and South American market• Acquiring without domain lead

Domains & Hosting

Key pillars of Future Strategy

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

1. Strengthening Email and Social collaboration tools, Hosting and related value-added products
2. Expanding the offer of virtual and dedicated servers, also in fully managed mode
3. Improving on- and off-line customer service, for customer delight and further increasing retention and ARPU rates

... WHILE DRIVING PROFITABILITY IMPROVEMENT

1. Integrating technology platforms
2. Capitalize the rationalization of the Data Centers structure started in 2014
3. Ensuring tight operating cost control to increase overall efficiency

2015 - 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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In light of current **strategic priority to focus on D&H activities** (which account for 87% of Group Revenue and 94% of EBITDA), DADA started a competitive sale process for MOQU and finally **signed on March, 16th a binding agreement with Italiaonline:**

Main terms of the transaction:

- ❖ Consideration for 100% of the MOQU share capital: **€5mln** cash at closing + **€1mln** earn-out based on 2015 revenues
- ❖ Price: 100% cash, fully paid at closing on March 23rd
- ❖ Earnout: proportional to 2015 Revenues within the range €6-8mln
- ❖ MOQU FY 2014 metrics: Revenue €8,6mln, Ebitda €0,5mln; NFP €0; Headcount of 21
- ❖ MOQU Jan-Feb 2015 metrics: Revenues €1,2mln

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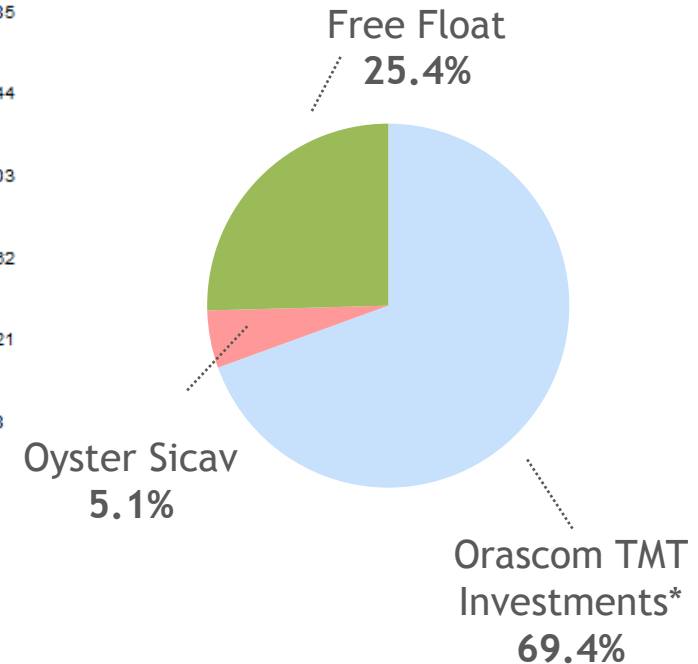
3Y Stock Performance



Share Information

Ticker	DA IM (Bloomberg), DA.MI (Reuters)
Market cap (FTSE STAR Segment)	€48.84 mn
Shares issued	16.210.069
Last 3 Month avg. daily trade	39.955

Shareholding Structure



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

Financials

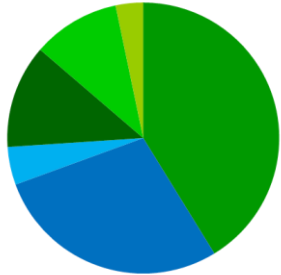
Profit & Loss

€ mn	FY 2014	% on sales	FY 2013	% on sales
Net Revenues	67.5		75.3	
EBITDA	9.8	14,5%	10.6	14%
EBIT	1.5	2,2%	2.6	3%
Profit before Tax	(1.3)	<i>n.m.</i>	(0.6)	<i>n.m.</i>
Group Net Profit	(2.2)	<i>n.m.</i>	(1.3)	<i>n.m.</i>

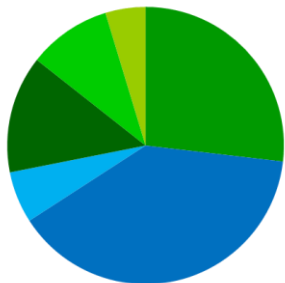
Financials

Breakdown by Country

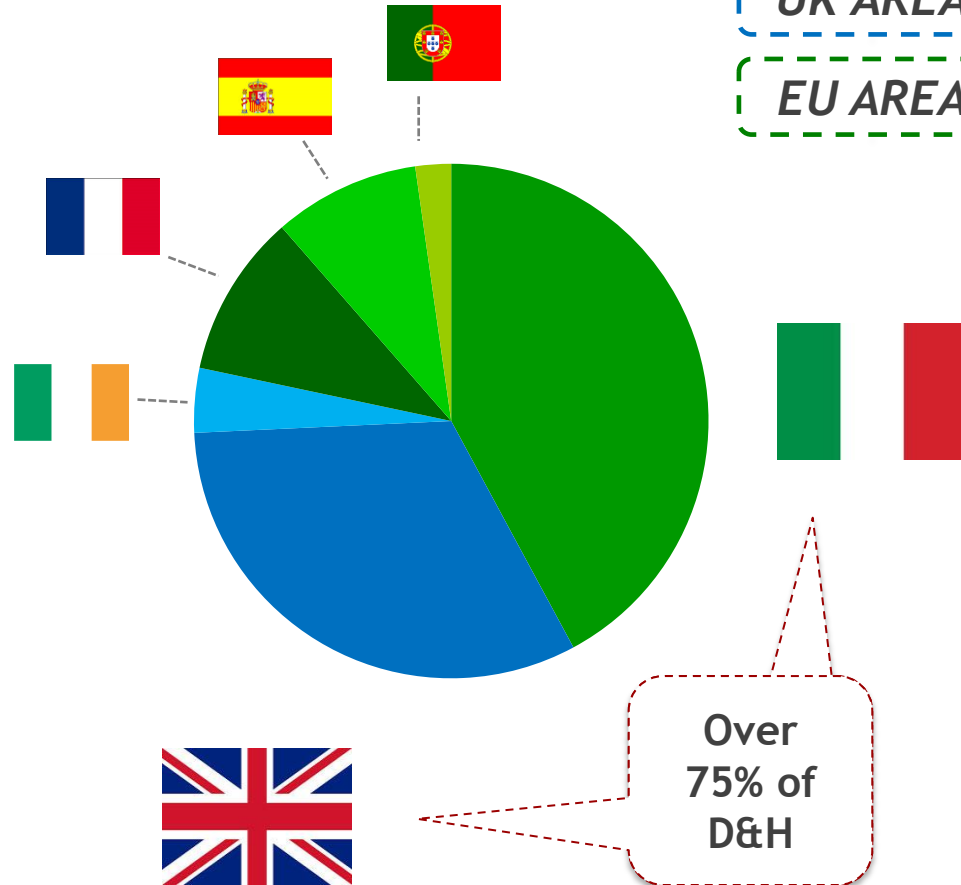
Domains Under Management



Customer Base

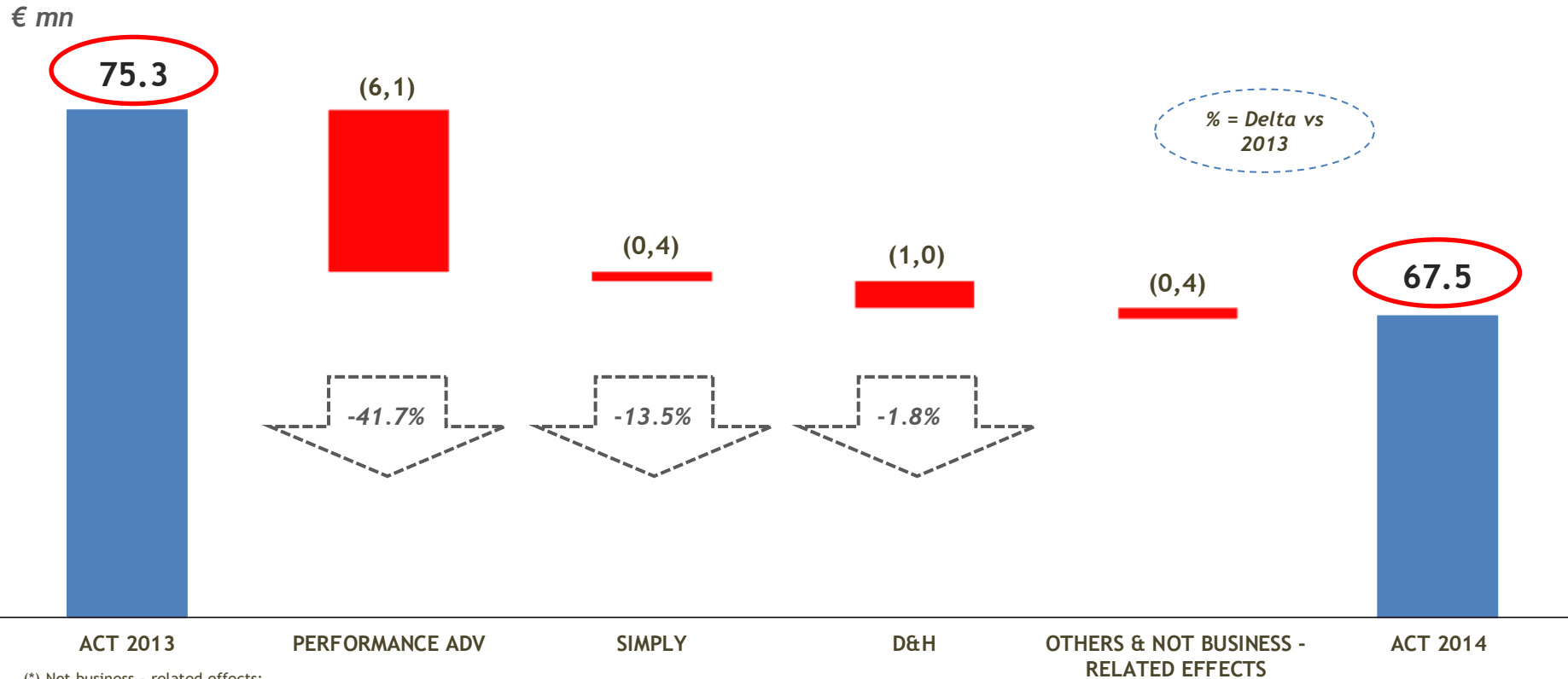


- Italy
- UK
- Ireland
- France
- Spain
- Portugal



Financials

Key Revenues components



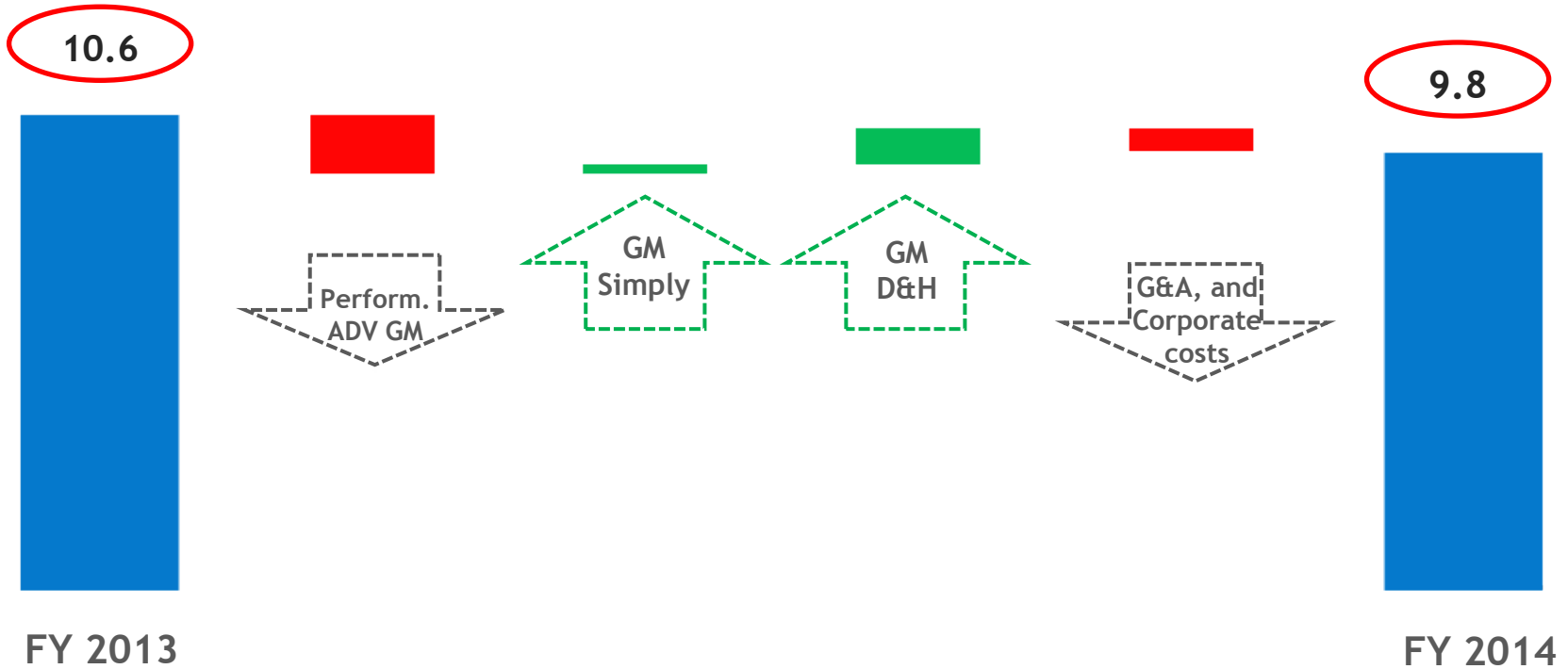
(*) Not business - related effects:

Exchange Rate €/GBP	+€1.0 mn
Deconsolidation D&H UK Adsl	-€0.6 mn
Deconsolidation D&H UK Colo Sales	-€0.4 mn
Florence Office Rental Recharges to BI	-€0.3 mn

Financials

Key EBITDA components

€ mn



% of Revenue 17%

* Simply.com: an advertising network with more than 3,000 publishers managed through a proprietary Adserver which allows its clients to effectively plan their own advertising campaigns. Its sale is managed on an exclusive basis in Italy by an external agency.

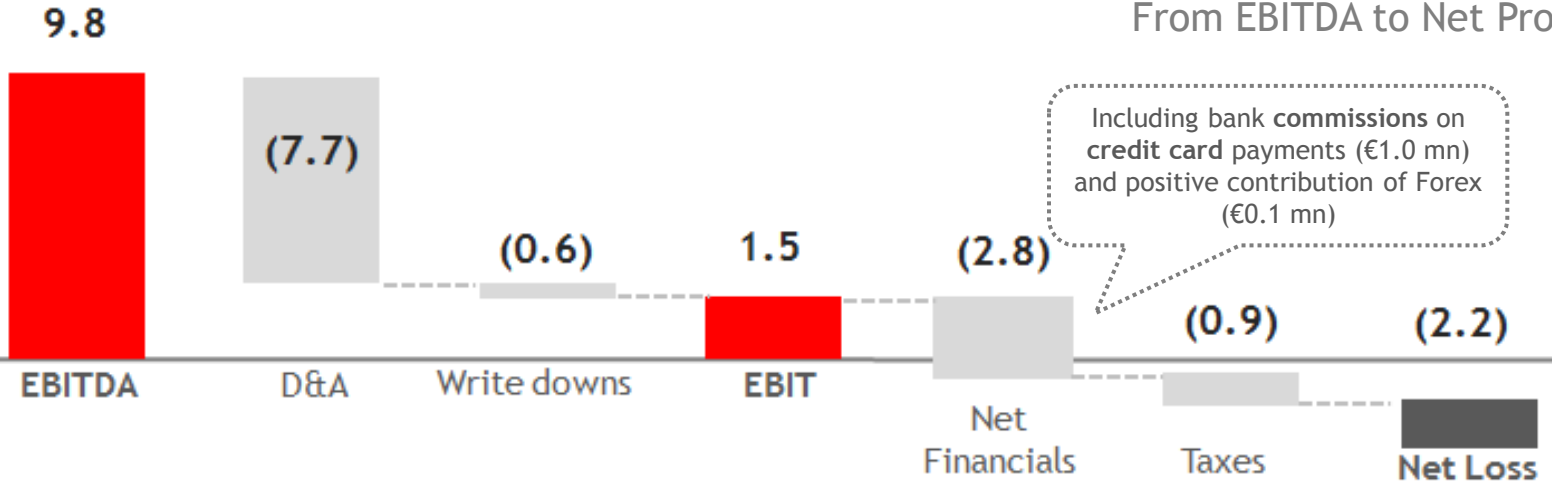
15%

Financials

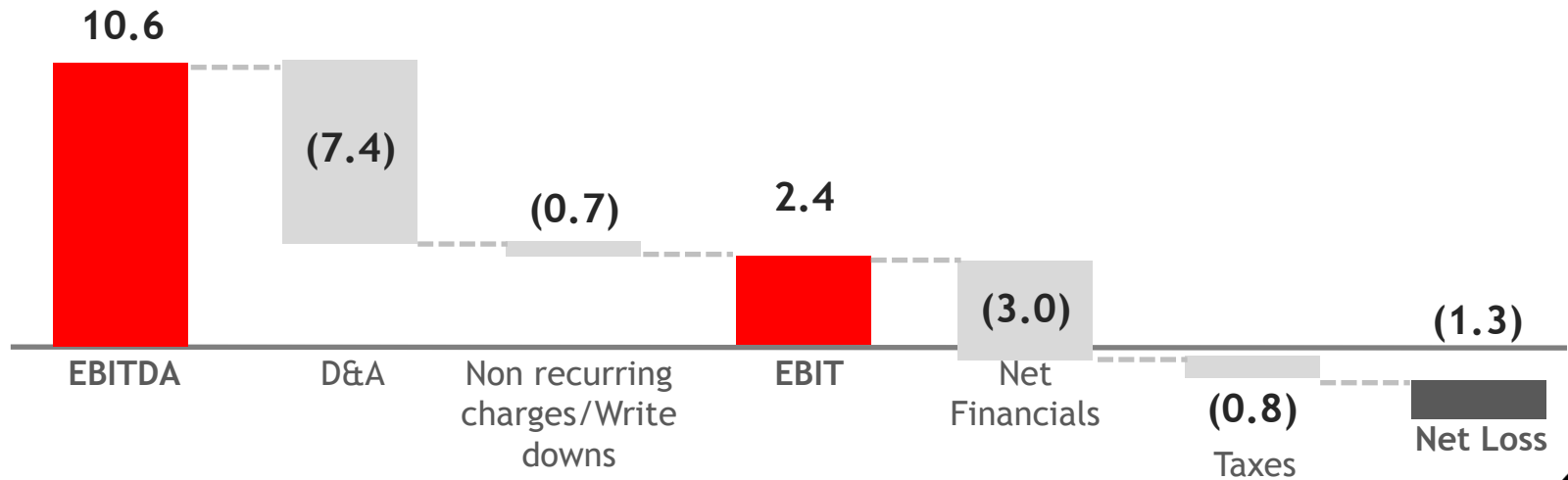
From EBITDA to Net Profit

€ mn

**FY
2014**



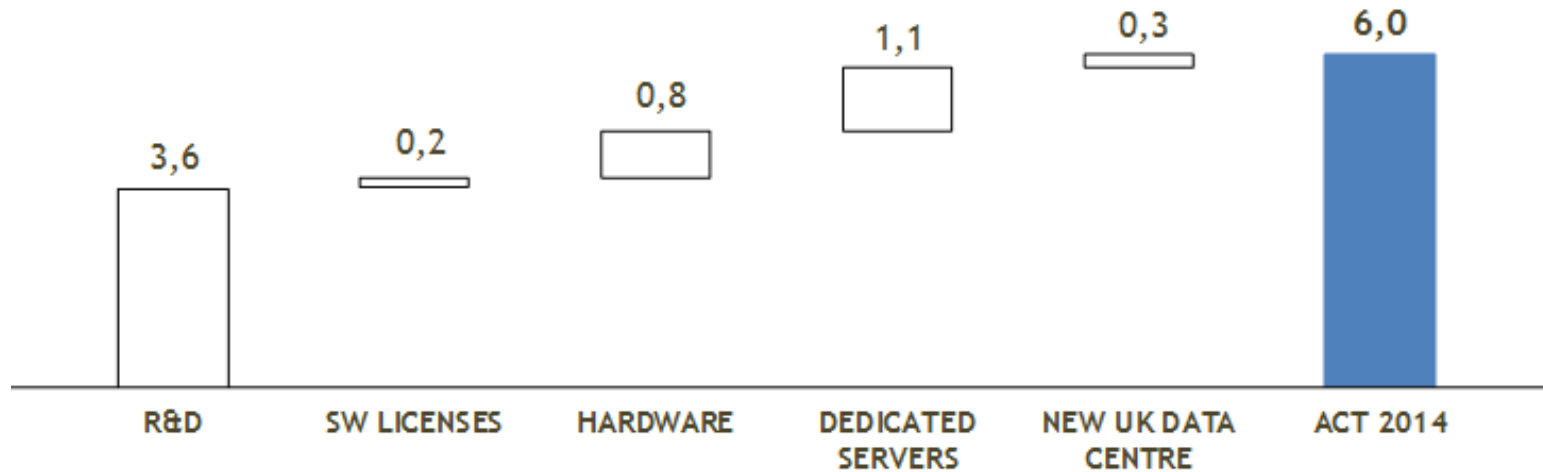
**FY
2013**



Financials

Capex Composition

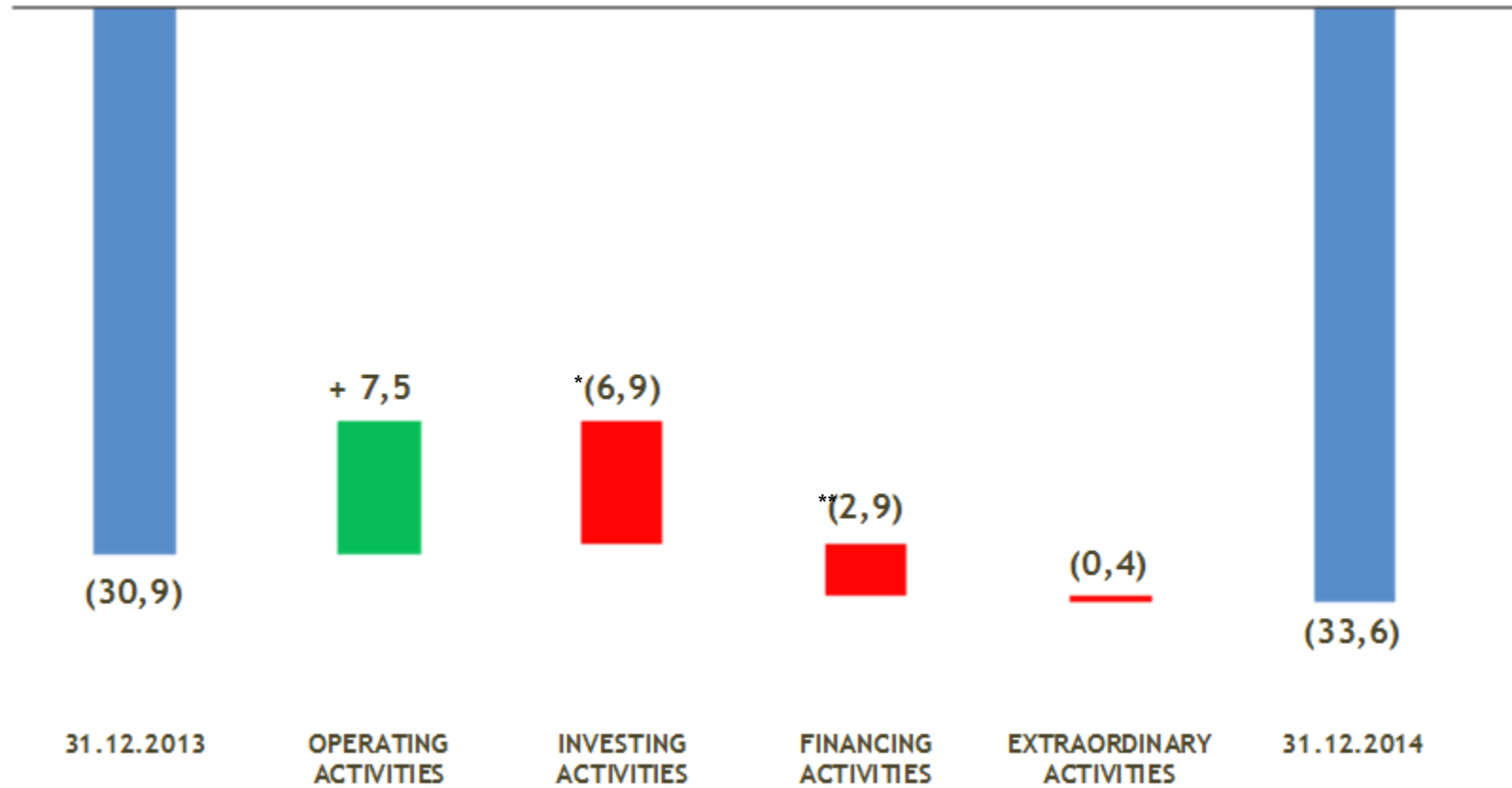
€ mn



Financials

Cash Flow Composition

€ mn



* Of which -€0.3 mn related to the new Data Centre; ** Of which -€1.0 mn related to CC commissions

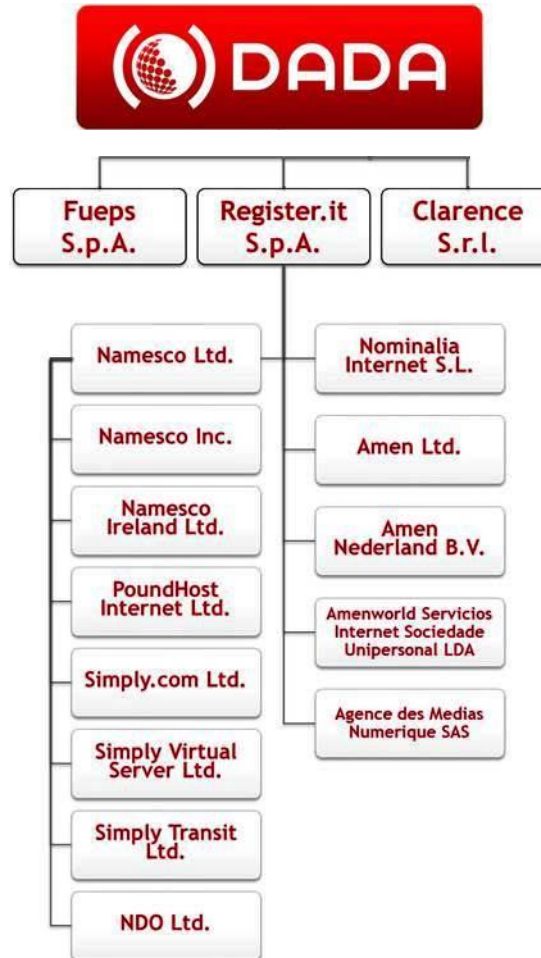


DADA

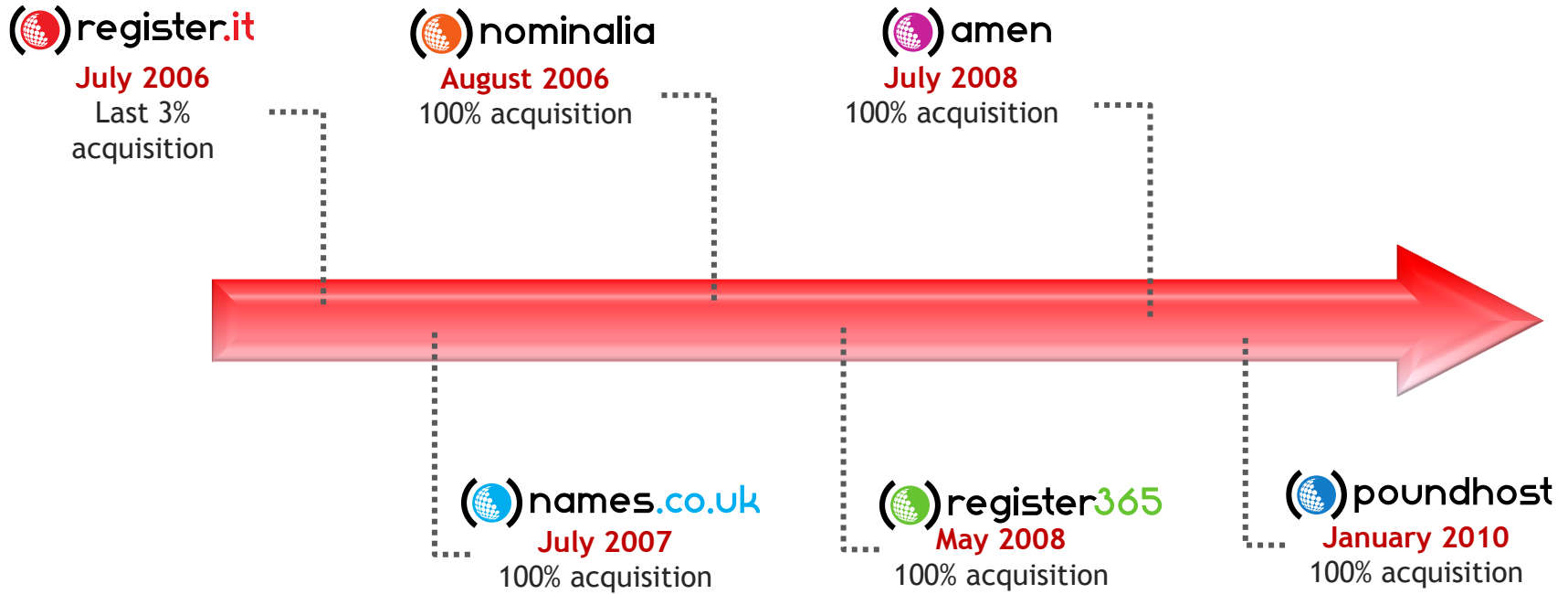
DOMAINS & ADVERTISING

Appendix

Group Corporate Structure as of April 2015














M&A activity in Domains & Hosting



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

M&A history

Country	Brand	Year	Acquisition Multiple	Dada Trading Multiple
 Spain	 nominalia	2006	2.7X	12.8X
 UK	 names.co.uk	2007	8.6X	15.1X
 Ireland	 register365	2008	4.9X	6.7X
 France	 amen	2008	6.8X	5.6X
 Portugal				
 UK	 poundhost	2010	2.7X	4.5X

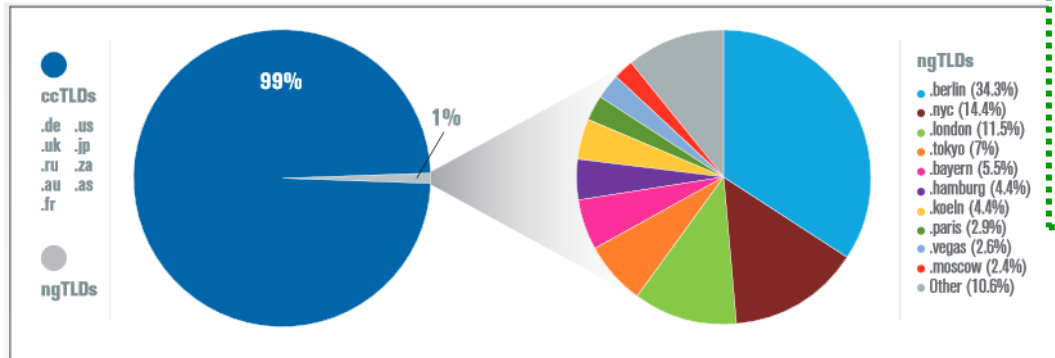
Domain & Hosting - Market Overview

The fourth quarter of 2014¹ showed 288 million domain name registrations worldwide, a growth of 6.2% yoy:

- the .com and .net TLDs reached a combined total of 130.6 mn names (+2.7% yoy)
- At the end of the fourth quarter of 2014, 478 new gTLDs were delegated into the root. New gTLD registrations totaled 3.6 million (+2.3% of total gTLD registrations)
- the base of ccTLDs was 134 mn names (+8.7% yoy) for more than 285 extensions globally



CCTLDS/NEWGTLDS DOMAINS PENETRATION



New Gtlds registration totaled 3,6 mln, on 2,3% on total gtlds registrations

1 "The Domain Name Industry Brief", Verisign, March. 2015

2 Zooknic, local registries

FY 2014 Results - Revenues & EBITDA Breakdown

€ mn		FY 2014	EBITDA margin %	FY 2013	EBITDA margin %
Domains & Hosting	Revenues	59.0	16%	60.4	16%
	EBITDA	9.5		9.9	
Performance Advertising	Revenues	8.5	8%	14.6	13%
	EBITDA	0.6		1.9	
Adjustments	Revenues	-		0.3	
	EBITDA	(0.3)		(1.2)	
DADA Group	Revenues	67.5	17%	75.3	14%
	EBITDA	9.8		10.6	

FY 2014 Results - Balance Sheet

€ mn	31.12.2014	31.12.2013
Net Working Capital	(10.3)	(11.7)
Fixed Assets	95.4	94.0
Severance and Other Funds	(1.4)	(1.8)
Other Payables beyond one year	(17)	(-)
Net Capital Employed	83.7	80.5
Net Financial Position	(33.6)	(30.9)
Total Shareholders' Equity	(50.1)	(49.7)

Differences between NCE and the sum of NFP and Net Equity area due to rounding

FY 2014 Results - Cash Flow Statement

€ mn	FY 2014	FY 2013
Cash and Cash Equivalents at the Beginning of Period	(9.5)	(7.7)
Group Net Profit (Loss)	(2.2)	1.3
Gross Operating Cash Flow	9.0	9.1
Working capital, Income taxes and Interest paid	(5.4)	(4.2)
Net Operating Cash Flow	3.7	4.8
Capex & Investing Activities	(6.3)	(10.6)
Financing Activities	(4.6)	4.0
Free Cash Flow	(7.3)	1.8
Cash and Cash Equivalents at the End of Period	(16.8)	(9.5)

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.

Contacts

Investor Relations DADA

Tel: +39 02 54027790

investor.relator@dada.eu