





COMPANY PRESENTATION

IT DAY BANCA IMI – February 23<sup>th</sup> 2017



*The gateway to your digital presence*



# Agenda

- DADA at a Glance
- Business Overview
- Market & Positioning
- Financials & KPIs
- Strategic Guidelines
- Investment Highlights

# Leading European Player in Digital & Online Services for SMBs

## WHO WE ARE

- **Leading European Player in Digital Services** for the **Online Presence & E-Business**
- **Domains & Hosting** services targeted at **SMBs & SoHo**
- **Product suite** covering the entire hosting value chain: **Domains, Application, Hosting, Cloud & Managed Hosting.**
- Fully Integrated **Technology Infrastructure**, Proprietary **Datacenter**, World Class **Data Driven Platform**
- Listed on the **STAR Segment** of the Milan Stock Exchange (EV € 78.0\*\* mln)

## BY THE NUMBERS

**15** years  
Successful **Track Record** in the Industry

**600\*** k  
paying **Clients (+11% yoy)**

**1.9** mln  
**Domains\*** under management

Presence in **7**  
**European countries**

**€62.2** mln  
**Revenues FY2015 (+4.5% yoy)**, o/w **56% International**

**€10.5** mln  
**Ebitda FY2015 (+14% yoy)** - **18% Ebitda Margin**

**455**  
Highly Qualified **Employees\***

\* Data as of 30 September 2016

\*\* Data: Mk Cap as of 17 Feb. 2017, NFP as of 30 September 2016

## DADA at a Glance

# DADA today enjoys a strong presence in the main European D&H Markets...

- DADA operates mainly in **UK & Italy** where is the **1-3 top player** across **D&H** segment
- The Group is present in **France, Spain, Portugal** and **Ireland** with leading positioning too
- Offering its products through its **long – standing Brands** such as Register.it, Names.co.uk, Nominalia and Amen with **industry- leading NPS score...**
- ...and also with the **recent acquired** ones (Etinet and Sfera)



DADA enjoys a leading position in 3 of 10 TOP ccTLDs

## DADA BRANDS & RANKING

**#2 ITALY**  
( ) register.it  
( ) etinet  
( ) sfera

**#3 UK**  
( ) names.co.uk  
( ) simply

**#1 IRELAND**  
( ) register365

**#2 PORTUGAL**  
( ) amen.pt

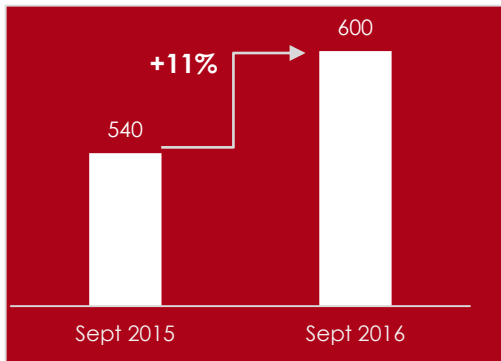
**TOP 5 FRANCE**  
( ) amen.fr

**TOP 8 SPAIN**  
( ) nominalia

DADA at a Glance

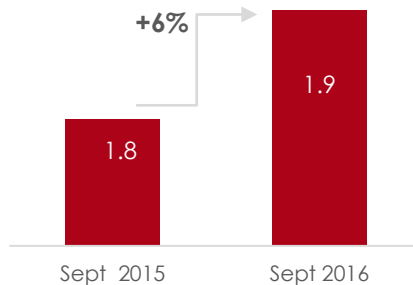
# ... with a strong Set of fast growing Business KPIs..

### Customer Base Trend



**+45% yoy  
New Customers  
in 9M 2016**

### Domains Stock



**+30% yoy  
New Domains  
in 9M 2016**

### BUSINESS & METRICS



**600 K  
CUSTOMERS**



**1.9 MLN  
DOMAINS**



**1.8 MLN EMAILS**



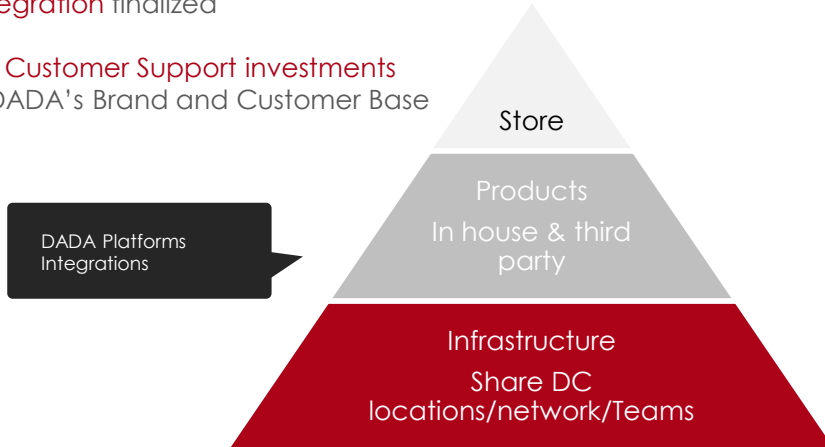
**10.000 +  
SERVERS**

DADA at a Glance

# ...Strong business momentum on the back of investments undertaken during 2013-2016

In the last 3 years DADA invested in focalizing on :

- ✓ New **Datacenter** in UK started in 2013 and completed in 2015
- ✓ **Platforms integration** finalized
- ✓ **Marketing & Customer Support investments** to improve DADA's Brand and Customer Base



**PLATFORM & SUPPORT**

**CUSTOMER CARE**  
Outstanding local & internal desks

**PREMIER DATA DRIVEN**  
platform & mgt. systems

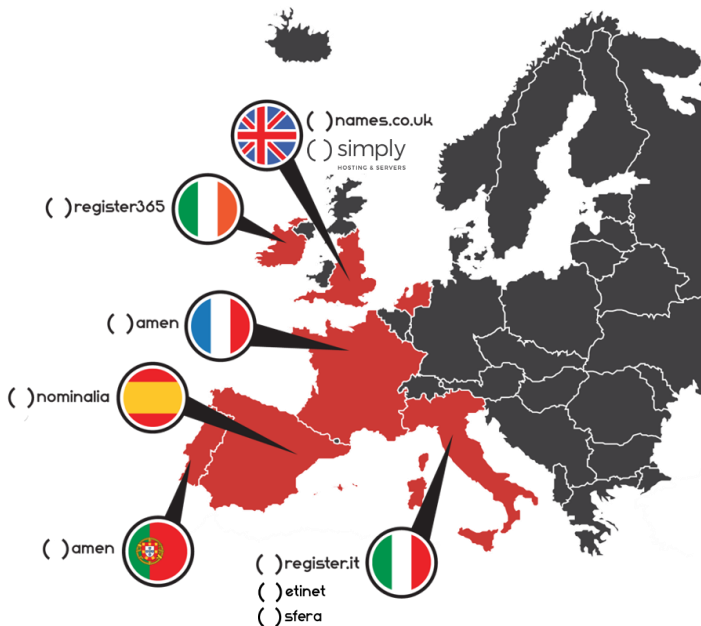
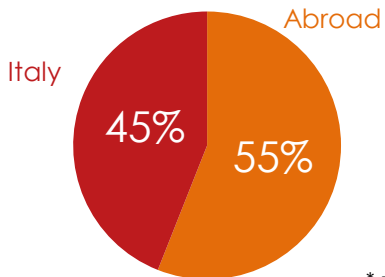
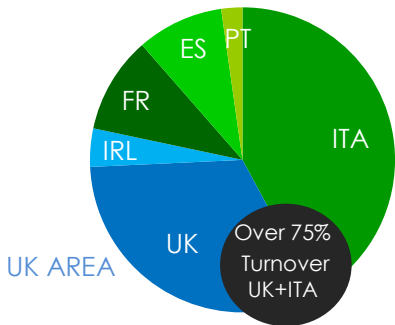
**DATACENTER**  
5.000 sq.m  
99.9% uptime sla

**7 PETABYTES**  
infrastructure data storage



# International Business

## 9M '16 Revenue\* Breakdown



\* Revenues as of 30 Sept 2016: €47.7 mln

# From Local Player to European Leading Position

## 2005 - 2010

From a pure Italian player to a Leading Multinational

- ( ) register.it
- ( ) names.co.uk
- ( ) register365
- ( ) poundhost
- ( ) nominalia
- ( ) amen

D&H REVENUES: 5%

## 2011 - 2013

Focus on Core Business and DC start-up

2011 Sale 100% of 

2013 Start New UK Data Center



D&H REVENUES: 75%

## 2014 - 2015

Optimization and Refocusing Completed

2015 Sale 100% of:

- ( ) moqu-adv
- ( ) simply

July 2015 Acquisition of

- ( ) etinet

D&H REVENUES: 97%

## 2016-2017

Leading European Player in Online Presence for SMBs

- o Strongly Positioned in 
- o **Broad Suite of Solutions & High – Performance UK Datacenter**
- o July 2016 Acquisition of 
- o CISPE Certification 

D&H REVENUES: 100%

Core Business incidence on total Revenues



# Agenda

- DADA at a Glance
- Business Overview
- Market & Positioning
- Financials & KPIs
- Strategic Guidelines
- Investment Highlights

# We Help SMBs Go Digital



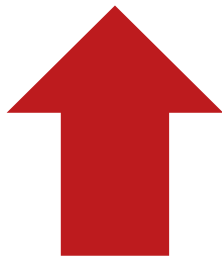
- ✓ Wide and complete suite of Products
- ✓ High level of Security and Reliability
- ✓ Constant Support and Consultancy
- ✓ Tailor made Solutions



Dada complies with the code of conduct of CISPE:  
Cloud Infrastructure Services Provider in Europe

# DADA's Suite of Products & Services

WE DO IT FOR YOU



DO IT WITH ME



DO IT YOURSELF



# Broad Suite of Solutions to Meet Different Customer Needs...



TECHNICAL  
USERS

- Dedicated
- VPS
- Backup
- Cloud
- Reseller packages
- Biz Apps
- Custom DC solutions



DIY  
DO IT YOURSELF

- Domain
- Hosting
- Site Builders
- Advertising packages
- Email solutions
- Biz Apps



DIWM  
DO IT WITH ME

- Customer build and manage its online presence with the help of a coach via Phone, Chat, ...



DIFY  
DO IT FOR YOU

- Base packages
- Build for me
- Local & Social
- Paid enhanced support
- Web agency services
- OBP

Business Overview

## ..Supported by World-Class Customer Care

SUPPORT, CONSULT AND DELIGHT OUR CUSTOMERS

CUSTOMER FACING RESOURCES

**30% of Human Capital**

PROPRIETARY LOCAL PRESENCE

**5 Local Desks**

MULTICHANNEL

**Phone, Email, Chat, Webinar..**

WORD-CLASS PERFORMANCES

**Top NPS based goals**

AND PROMPT

**85% in 30sec.**

**90% tickets in 4h**

15



Pre Sales Assistance &  
Post Sales Technical Support Team  
For High Value Service and Top Level Support

## Business Overview

# ..and by a Powerful IT Infrastructure

Reading (UK)

## PROPRIETARY POWERFUL & RELIABLE DATACENTER

- 5,000 sq. m Green Park Allocation
- Tier 4 like
- 4 Petabytes Data Storage
- 80+Gbps Transit Bandwidth
- 10,000+ Servers
- 24/7/365 Onsite Engineers customer Support
- Certified ISO 27001:2005

Reading (DADA)+Milan (BT)

## COMPLETE INFRASTRUCTURE

- Tier 4
- 7 Petabytes Data Storage
- 120 + Gbps Transit Bandwidth
- 11,000+ servers
- 24/7 customer support

All our Services are built on a fully integrated and redundant IT Infrastructure, based on best in class technologies



# Data Driven Platform & Management Systems

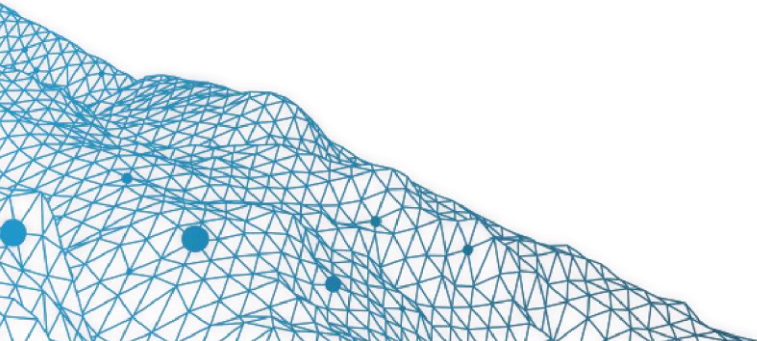
## Cutting edge Data Management Systems

- Real time data to Support Sales and Marketing Teams
- In depth Analysis of Customer Segments and Cohorts
- Data driven Product Development

## Fuelled by

- Big Data internally developed Platforms
- A.I. proprietary Algorithms
- Dedicated "Quants" Teams

In depth Data Driven understanding of Customer Base and monitoring of Business Financials



# Investing in Diverse and Efficient Customer Acquisition Channels



## BRAND AWARENESS

- Investment in brand and offer of free products to create customer prospect



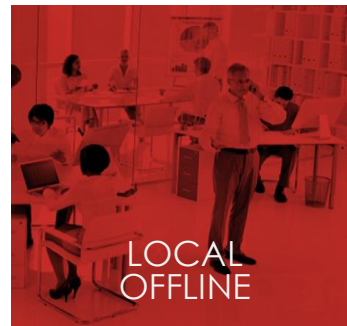
## ONLINE MARKETING

- Pay per Click campaigns
- Banner Ads & affiliates



## IN & OUTBOUND TELESALES

- Wholly-owned and local functions, not out-sourced
- Driven cross-sell and up-sell



## LOCAL OFFLINE

- Offline sales desks
- Web agency
- Targeting premium customer, higher ARPU



## CO-BRANDING

- Boost brand awareness



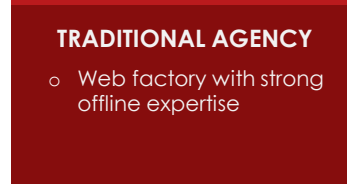
## CUSTOMER POOL

- Acquiring basic client



## PRE & POST-SALES

- Commercial offers
- Renewals: alert deadline
- Orders intake



## TRADITIONAL AGENCY

- Web factory with strong offline expertise

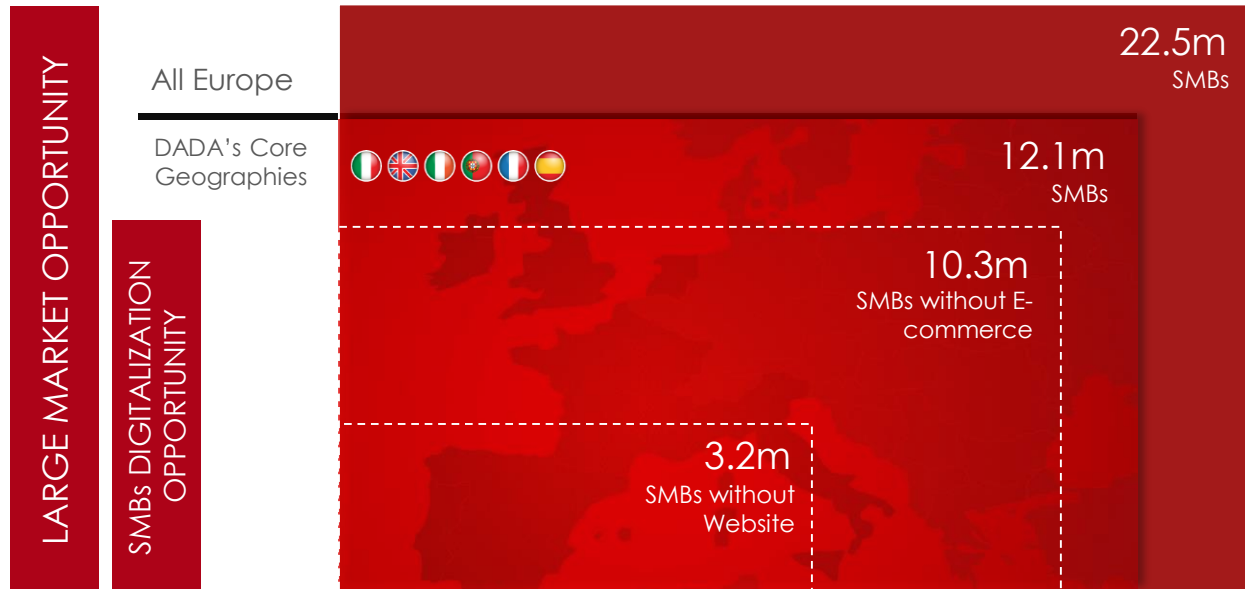


# Agenda

- DADA at a Glance
- Business Overview
- Market & Positioning
- Financials & KPIs
- Strategic Guidelines
- Investment Highlights

# A Large & Underserved Market

Sources: European Commission - SME Performance Review – SME Company Analysis



With more than 600.000 SMB European customers, the current DADA's Market Penetration in its core geographies is **5%**

# Market trends D&H

Opportunities arising from new gTLDs, released by ICANN from 2014

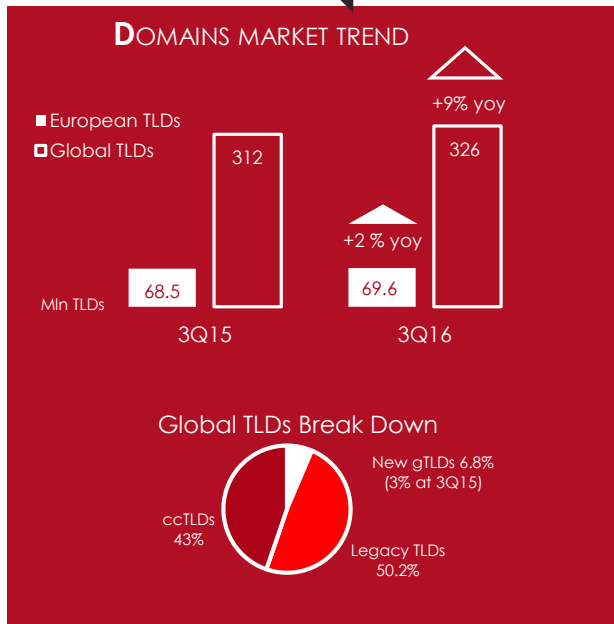
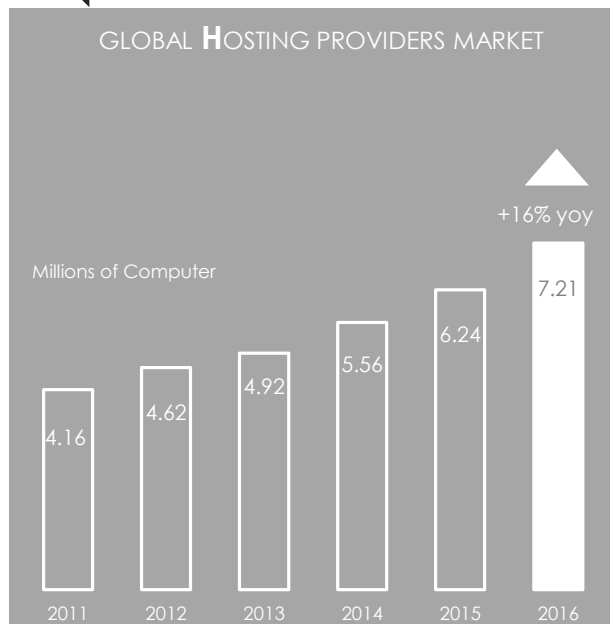


Figure at 3Q 2016 - Source www.centr.org, Domain Wire Global TLD Stat Q2 2016  
 Keys : ccTLDs (.it, .uk, .ru); gTLDs (.com, .net); new gTLDs (.wine, .London, .sport)

The Market is composed by Hosting Providers (Cloud DC, colo solutions) and IT Providers (Telco, cabling). The trend is increasing.



Source : Netcraft report nov 2016

# Well Positioned to Beat the Market 1/2

## MARKET FEATURES AND TRENDS

- **ccTLD** Domains Markets stabilizing – Arising opportunities from **New gTLDs**
- Expected **Growth** of the **Web Presence** and **Hosting / Servers** market segment
- Increasing **Competition** to acquire new customers and **Rising COA**
- Market **Consolidation** Trend (M&A)

## DADA STRATEGIC POSITIONING

- Leading Positioning in **ccTLD**, First Adopter **New gTLDs**
- Fast Growing **IaaS Player**
- **European leader** in **digitization, online presence, Hosting** and **business services tailored** to SMBs
- **Diverse & Efficient** customer **Acquisition Channels**
- Low Customer Churn (monthly) – **<1.2%** & Enhanced **upselling** strategies to **Base**

## Well Positioned to Beat the Market 2/2

### MARKET KEY DRIVERS / BARRIERS

- **Quality & Reliability** of Services
- Complete **Range** of **Products**
- **Brand** Recognition
- **Scale** dimensions
- **Full Support** and Premium **Consulting** (from DIY to DIFY)

### DADA ASSETS / STRENGTHS

- Broad **Suite of Solutions**, **Agile Dev.** Teams
- Integrated Tech. **Platforms & Powerful DC**
- Premier **Brands Awareness**
- Strongly **increasing Customer Base – high retention rate**
- Enhanced **Tailored Products (DIFY) & World Class Proprietary Customer Care**

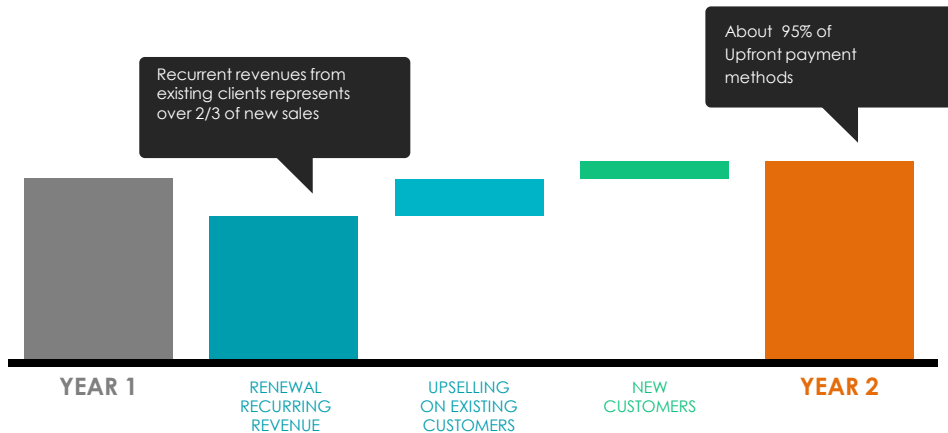
A black and white photograph of a business meeting. In the foreground, a laptop is open on a desk, with a pen resting on a document that features a bar chart. In the background, three people in business attire are standing near a large window, looking out at a cityscape. The right side of the image is overlaid with a red semi-transparent rectangle containing the agenda text.

# Agenda

- DADA at a Glance
- Business Overview
- Market & Positioning
- Financials & KPIs
- Strategic Guidelines
- Investment Highlights



# An Appealing Revenue Model..



## KEY FEATURES AND INTRINSIC STRENGTHS

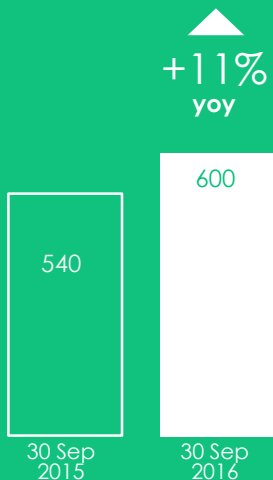
- ✓ High **Revenues Visibility & Predictability** - Customer retention > **85%**
- ✓ **ARPU** increasing overtime – Upgrade to **Premium** Services and **Upsell**
- ✓ Low **credit risk & NWC** invest. - **95%** Revenues from **Upfront Payment**

# 9M '16 Customer Base Growth – Investing for the future

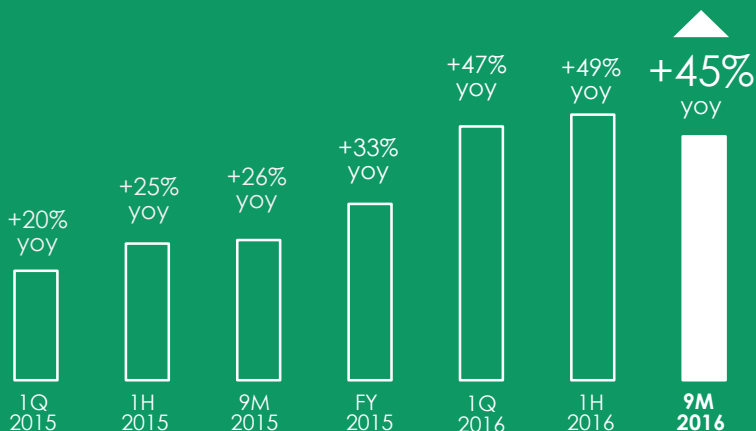
Monthly Churn <1.2%

Strong **New Customers** increase: effective marketing strategies from 1H2015, improved **COA** efficiency

CUSTOMERS – STOCK  
(000s)

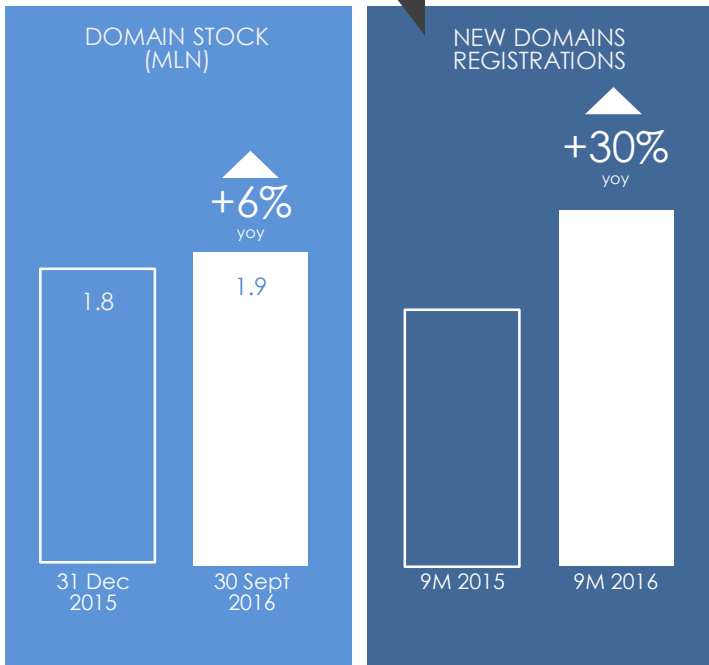


NEW CUSTOMERS ACQUIRED  
YOY GROWTH



# 9M '16 Business Metrics - Growing Faster than the Market

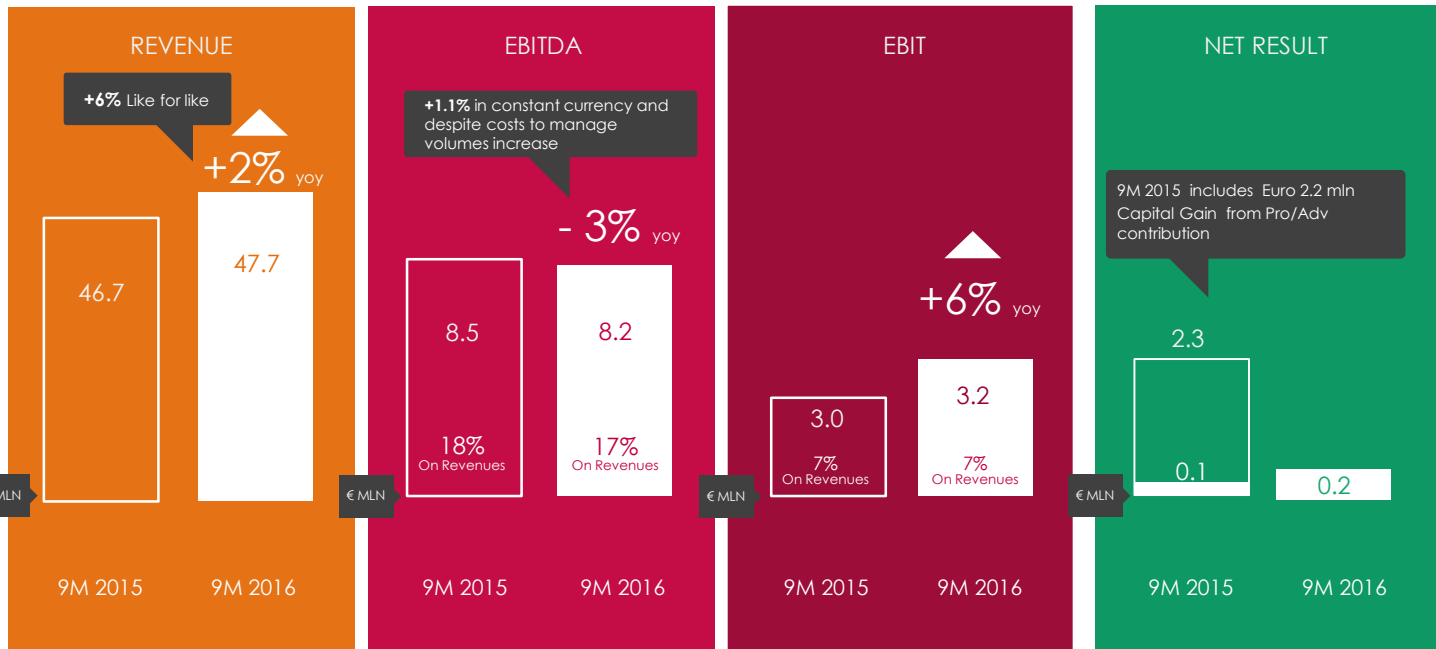
DADA continues to grow faster than the Mkt, **grabbing Mkt Share** from competitors



- Domain registrations is the first step for the SMBs "go digital" and is a **key driver to acquire new customers**
- Continued strong **New registrations growth** in 9M 2016, **DADA grew faster than the market**
- In **Italy (.it – ccTLD) market penetration\*** exceeded **20%**
- Market penetration increased thanks to **effective sales policies**, and continuous **products improvement**
- **Launched** in the period **new gTLDs** such as: **.BARCELONA; .PROMO; .CARS; .INSURANCE; .SHOP.**
- Strong **market share** in main new gTLDs: **.wine 8% worldwide** (60% In Italy) **.bio 18% worldwide**

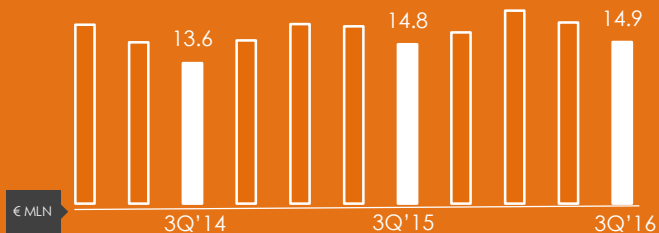
\*Calculated on new registrations. Data Registro.it and DADA analysis

# 9M '16 Key Financial Results

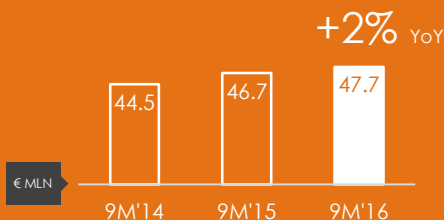


# Revenue Trend : +6% like for like

REVENUE by Quarter\* as reported

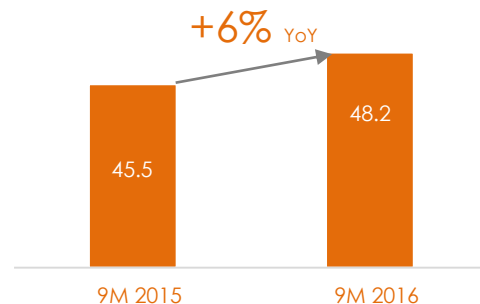


REVENUE 9M as reported



Revenue **continued to improve** all along the 3 quarters of 2016 **despite** negative Euro/Gbp impact in particular in 2Q16 & 3Q16

REVENUE 9M like for like

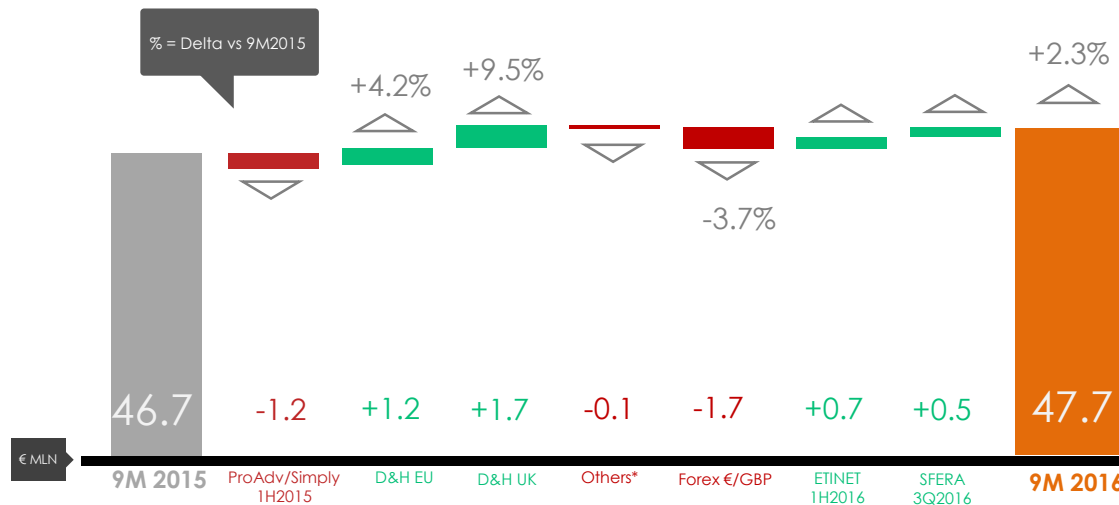


**Like for like view is net of**

- €/GBP Effects - €1.7 mln
- Changes in Perimeter:
  - ProAdv €1.2 mln (1H2015)
  - Efinet €0.7 mln (1H2016)
  - Sfera €0.5 mln (3Q2016)

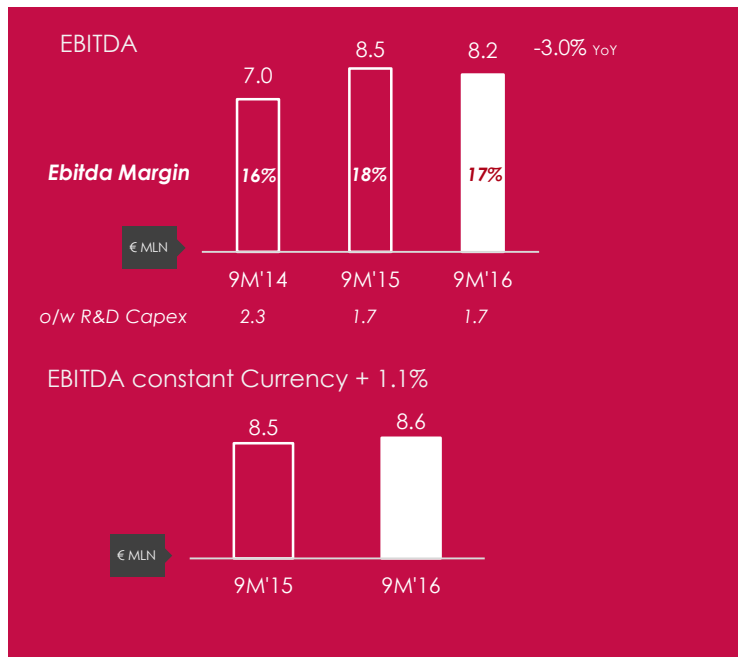
\*Considering before 2015 only D&H BU

# 9M '16 Revenue Bridge vs 9M '15



\*Mainly service fees verso Moqu & 4W MarketPlace

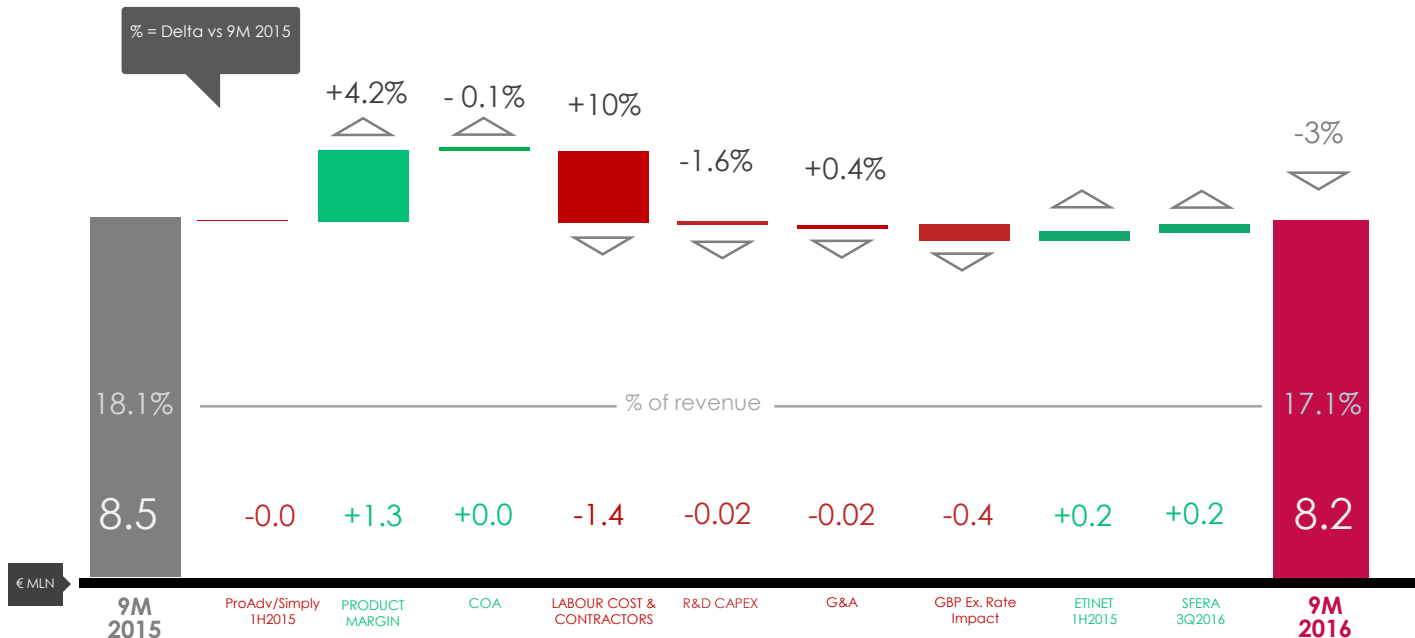
# EBITDA: 17% margin despite investments to expand the business



9M'16 Ebitda trend is due to:

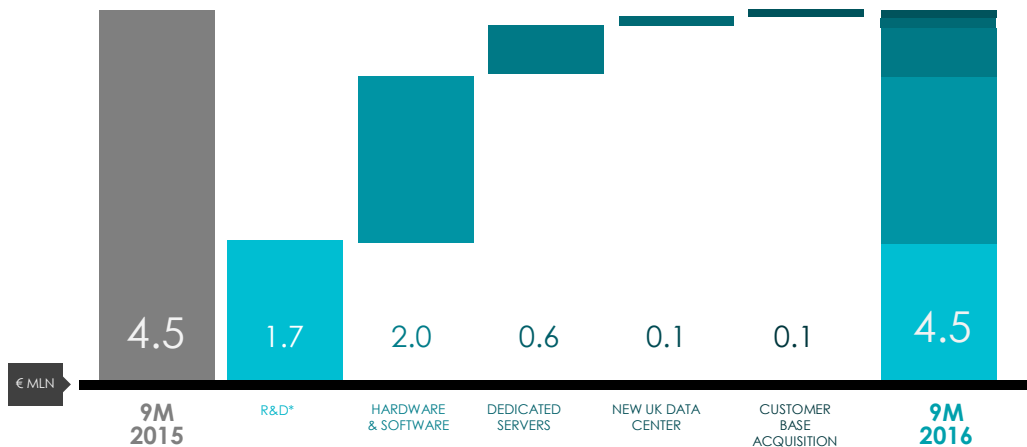
- **Benefits arising** from full operation of new Datacenter and integration of the operational platforms
- **Costs to manage** the **growth in volumes** aimed to **improve future profitability** including:
  - ✓ **Initial Promotion Strategies (time –limited)** affecting new customer Arpu and Direct Margins
  - ✓ **Cost of personnel** increase to face **higher volumes**, maintain **quality of services** & provide new tailor made solutions (Insourcing of Customer Care in '15, Improving off line channels, consolidation of acquisitions)
- Recent acquisitions **Elnet** and **Sfera** contributed **positively**. Changes in perimeter contributions offset the negative effects of **Euro/Gbp** trend (-€0.4 mln)

# 9M '16 EBITDA Bridge vs 9M '15



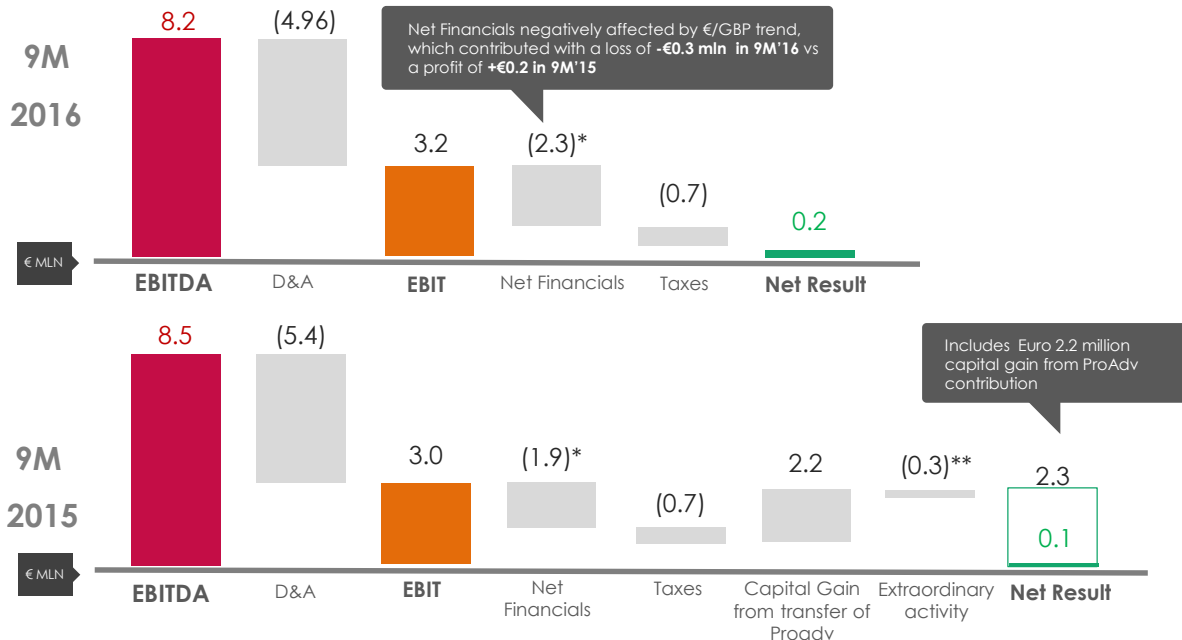


# 9M '16 Capex Composition



\* R&D: capitalization of the portion of Labor cost for the development of new internal products and processes

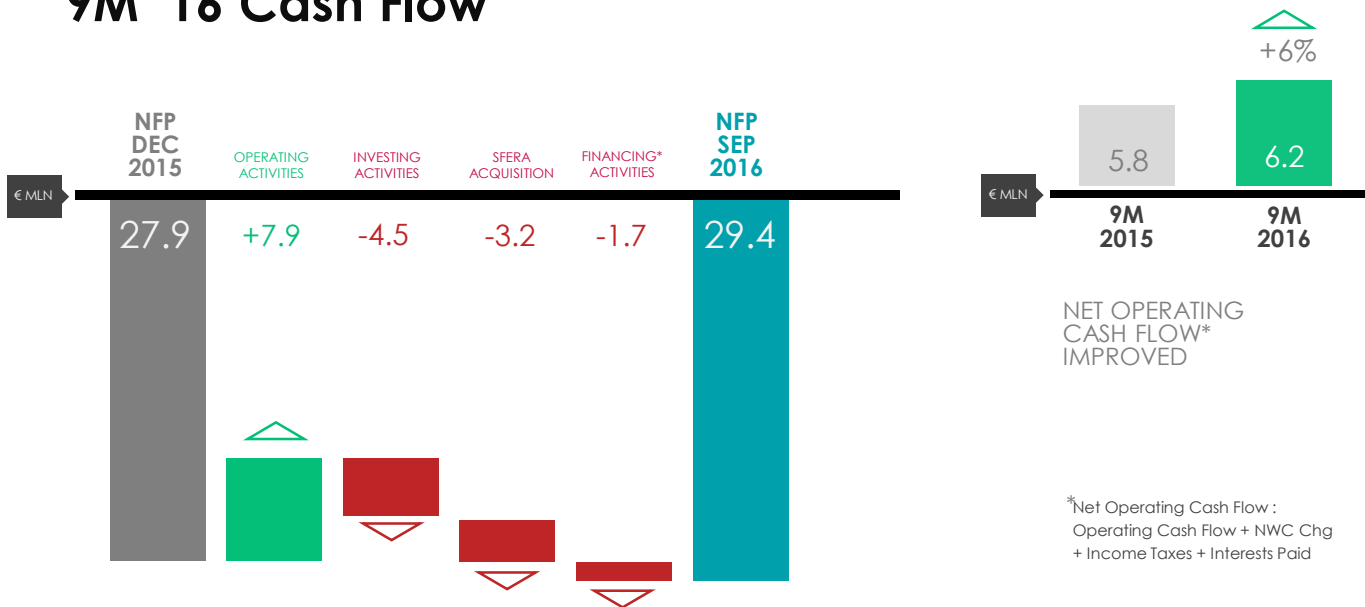
# 9M '16 From EBITDA to Net Result



\* Including Bank Commissions on Credit card payments: € 0.8 mln as of 30 Sept 2016 and 30 Sept 2015

\*\* Performance Advertising Division Sold in March 2015

# 9M '16 Cash Flow

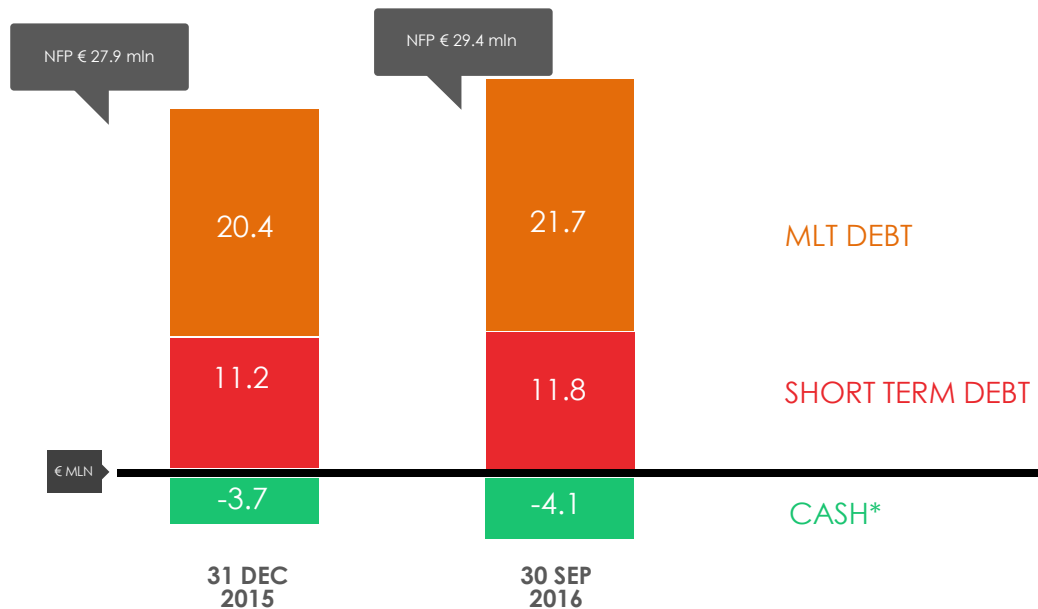


NET OPERATING CASH FLOW\* IMPROVED

\*Net Operating Cash Flow :  
Operating Cash Flow + NWC Chg  
+ Income Taxes + Interests Paid

\* Including Bank commissions on Credit card payments: € 0.8 mln as of 30 Sept 2016

# 9M'16 Net Financial Position



\* Cash = Cash, bank and post office deposits

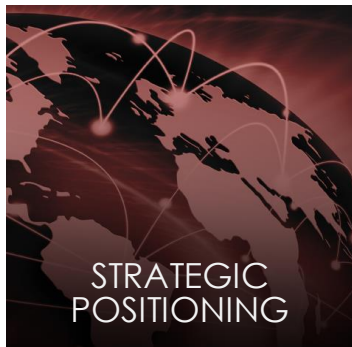


# Agenda

- DADA at a Glance
- Business Overview
- Market & Positioning
- Financials & KPIs
- Strategic Guidelines
- Investment Highlights

# Key Pillars of Future Strategy & 2016 Guidelines

## STRENGTHEN EUROPEAN LEADING POSITION & FURTHER IMPROVE FINANCIALS



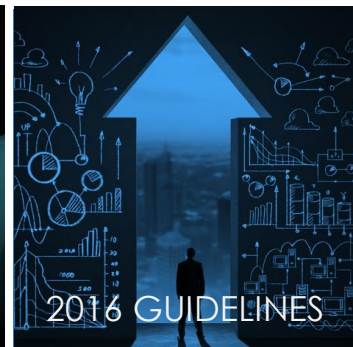
- Increase **Mkt Share** in core geographies
- Broaden range of services in "We do it for you" mode
- Strengthen positioning in **Cloud Hosting, Virtual Dedicated & Private Servers**



- Build **Volumes** – New Clients
- Enhance **Retention Rate** and **Upselling Activities** – increase ARPU
- Finalize **Platforms Integration**
- Increase **COA** efficiency



- Major offline/ online push – **Organic Growth**
- **Small Portfolio** acquisition to increase mkt share / add new services



- **Mid-single digit Revenues increase** - on a like for like basis
- **Operating Margins** expected to **grow in 4Q'16** vs 4Q'15 also benefitting from operating initiatives implemented in the last months



# Agenda

- DADA at a Glance
- Business Overview
- Market & Positioning
- Financials & KPIs
- Strategic Guidelines
- Investment Highlights

1

Large and Underserved Addressable Market

2

Leading Position in European Core Geographies

3

Successful Business Model: Broad and High Value Suite of Products, Powerful & Proprietary Infrastructure, Owned & Local Outstanding Customer Care

4

Good Revenues Visibility & Predictability

5

Significant Economies of Scale with Volumes Growth

6

Data-Driven Understanding & Managing of Customer Base & Customer Acquisition

7

Successful Track Record in Revenue Consolidation, Cost Optimization & M&A



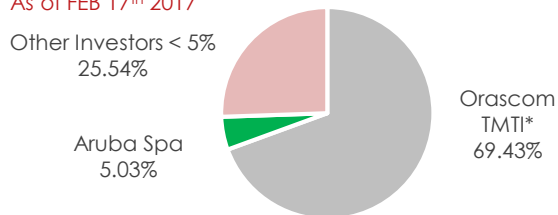
# Overview

## DADA AS OF FEB 17<sup>th</sup> 2017

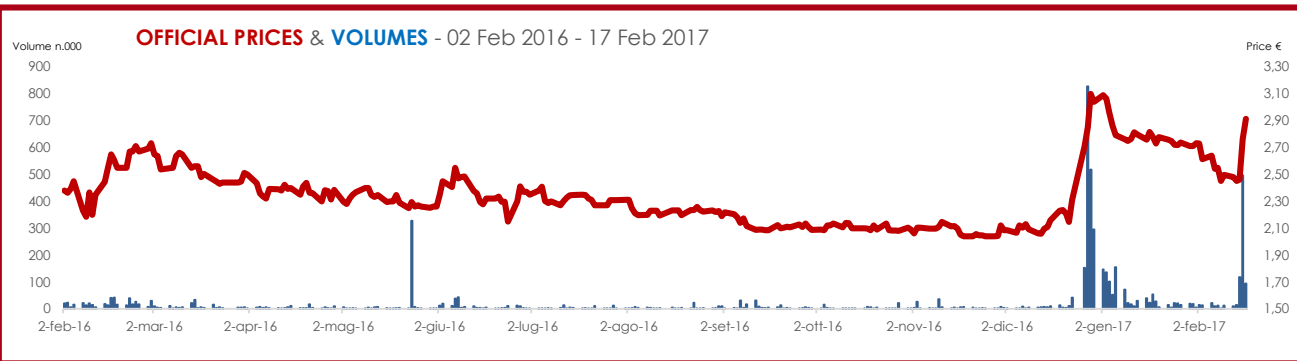
MARKET	STAR SEGMENT – MTA
PRICE	€ 2.9
NOSH	N.16.7 MLN
MKT CAP	€ 48.3 MLN
PERFORMANCE -3M	+40.5%
RELATIVE PERF vs STAR INDEX -1Y	+23.5%
AVERAGE DAILY VOLUMES Year to Date €	€ 147,069

## SHAREHOLDING STRUCTURE

As of FEB 17<sup>th</sup> 2017



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





**DADA**

APPENDIX

# 9M '16 – Dada Group Consolidated P&L

€/mln	9M 2016	9M 2015	Delta vs 2015	
<b>Revenue</b>	<b>47,7</b>	<b>46,7</b>	<b>1,1</b>	<b>2,3%</b>
COGS	-16,7	-16,2	-0,5	3,0%
<b>Product Margin</b>	<b>31,1</b>	<b>30,5</b>	<b>0,6</b>	<b>1,9%</b>
COA	-4,5	-4,7	0,2	-4,6%
<b>Gross Margin</b>	<b>26,6</b>	<b>25,8</b>	<b>0,8</b>	<b>3,0%</b>
Labour Cost & Contractors	-14,8	-13,7	-1,1	7,7%
R&D CAPEX & WIP	1,7	1,7	-0,0	-1,7%
G&A	-5,3	-5,3	0,0	-0,5%
<b>EBITDA</b>	<b>8,2</b>	<b>8,5</b>	<b>-0,3</b>	<b>-3,3%</b>
Non recurring charges/Write-downs	-0,3	-0,4	0,1	-19,2%
D&A	-4,7	-5,1	0,4	-7,7%
<b>EBIT</b>	<b>3,2</b>	<b>3,0</b>	<b>0,2</b>	<b>5,8%</b>
Net Financials	-2,3	-1,9	-0,4	22,6%
Taxes	-0,7	-0,7	-0,0	0,5%
Profit (Loss) from Discontinued Operations	0,0	-0,3	0,3	n.m.
<b>Net Result before Capital Gain</b>	<b>0,2</b>	<b>0,1</b>	<b>0,1</b>	<b>102,1%</b>
Capital Gain		2,2	-2,2	n.m.
<b>Net Result</b>	<b>0,2</b>	<b>2,3</b>	<b>-2,1</b>	<b>-91,7%</b>

\* income €2.2 mln from the transfer of ProAdv Bu to 4W Markeplace

## 9M '16 – Balance Sheet

€ mln	30.09.2016	31.12.2015
<b>Net Working Capital</b>	<b>(12.2)*</b>	<b>(11.5)</b>
<b>Fixed Assets</b>	<b>95.3</b>	<b>99.7</b>
Severance and Other Funds	(1.1)	(1.1)
<b>Net Capital Employed</b>	<b>82.1</b>	<b>87.2</b>
<b>Net Financial Position</b>	<b>(29.4)</b>	<b>(27.9)</b>
<b>Total Shareholders' Equity</b>	<b>(52.7)</b>	<b>(59.3)</b>

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

\* Of which € 13.9 mln deferred revenues included

## 9M '16 – NPF Breakdown

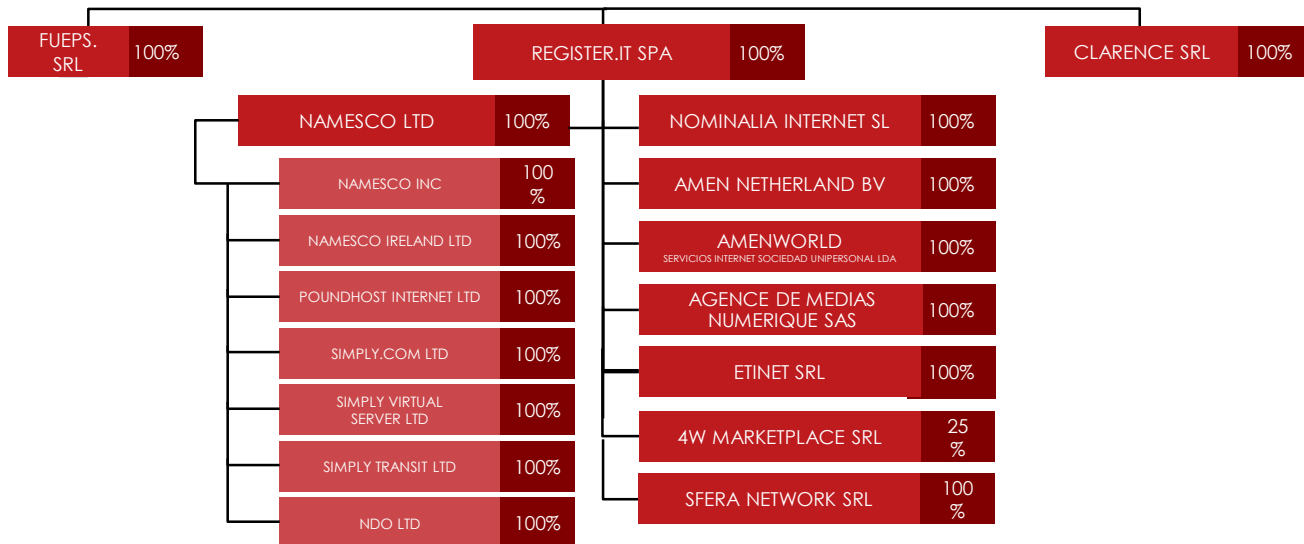
€ mln	30.09.2016	31.12.2015
<b>Cash, bank and post office deposits</b>	<b>4.1</b>	<b>3.7</b>
Credit lines, account overdrafts and current bank borrowings	(11.7)	(11.1)
Non-current bank borrowings (M/L T)	(21.6)	(20.3)
Derivatives	(0.2)	(0.1)
<b>NPF</b>	<b>(29.4)</b>	<b>(27.9)</b>

## 9M '16– Cash Flow Statement

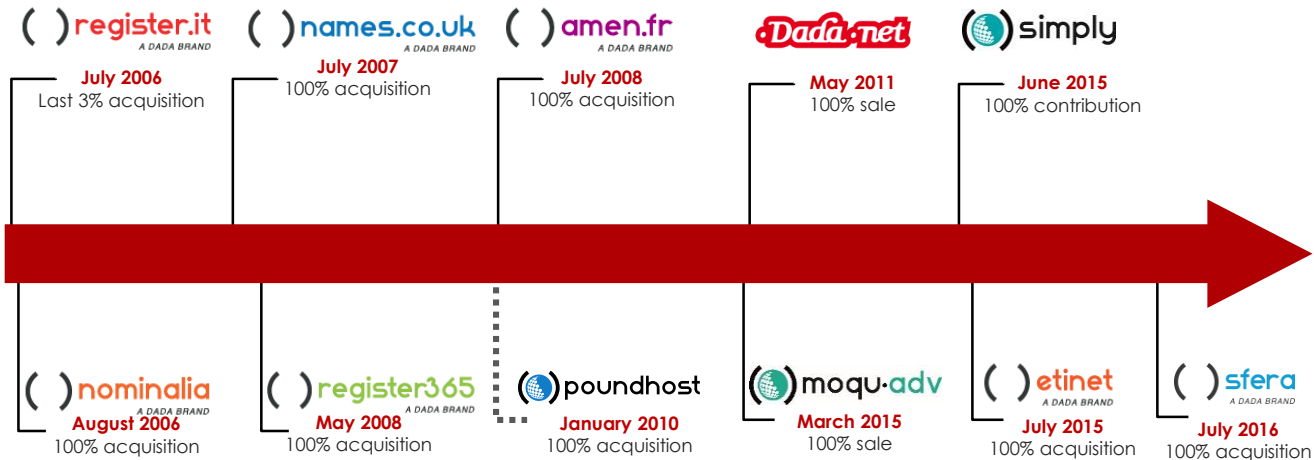
€ mln	9M 2016	9M 2015
<b>Cash and Cash Equivalents at the Beginning of Period</b>	<b>(8.8)</b>	<b>(16.8)</b>
Group Net Profit (Loss)	0.2	2.3
<b>Gross Operating Cash Flow</b>	<b>8.0</b>	<b>8.4</b>
Working capital, Income taxes and Interest paid	(1.9)	(2.6)
<b>Net Operating Cash Flow</b>	<b>6.2</b>	<b>5.8</b>
Capex & Investing Activities	(5.4)	(0.7)
Financing Activities	(0.2)	6.4
<b>Free Cash Flow</b>	<b>0.6</b>	<b>11.5</b>
<b>Cash and Cash Equivalents at the End of Period</b>	<b>(8.3)</b>	<b>(5.3)</b>

## Corporate Group

## Structure as of January 2017











# M&A Activity





# M&A Multiples

Country	Brand	Year	EV/Ebitda Acqu. 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.fr	2008	6.8x	5.6x
 Portugal	( )amen.pt			
 UK	( )poundhost	2010	2.7x	4.5x
 Italy	( )etinet	2015	2.6x	6.6x
 Italy	( )sfera	2016	4.8x	6.4x



# Many thanks!

## Contacts

Chiara Locati

Investor Relations DADA

Tel: +39 349 8636553

[chiara.locati@dada.eu](mailto:chiara.locati@dada.eu)

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.