



## **PRESS RELEASE**

### ***SAFE BAG PRESENTS ITS STRATEGIC LINES 2017-2020 AND MAIN ECONOMIC-FINANCIAL TARGETS.***

***THE GROUP ENVISAGES FOR 2020 REVENUES OF € 50 MILLION, EBITDA AT 22% FOR € 11 MILLION AND NET FINANCIAL POSITION (CASH) FOR (€ 10 MILLION). EXTRAORDINARY DIVIDEND YEAR 2017 EQUAL TO 1 MILLION.***

***DIVIDENDS POLICY DURING THE PLAN EQUAL TO 35% OF DISTRIBUTABLE PROFITS.***

***DEMERGER OF PASSENGER ASSISTANCE BUSINESS AND FOUNDING OF SOSTRAVEL.COM S.P.A***

*Milan, 6 June 2017.* Safe Bag S.p.A. (AIM Italia – Ticker SB), world leader in luggage protection and tracing services for airport passengers communicates that the Board of Directors which met yesterday afternoon approved the Industrial Plan 2017-2020.

### **PREMISE-FINANCIAL ECONOMIC TARGETS**

The analysis of 2016 figures shows the success of the sales of luggage tracing assistance services at Safe Bag points of sale and believes that there is a considerable opportunity of offering the same services (together with other new ones also concerning assistance to travellers) through different sales channels and in particular through digital WEB and APP channels.

The targets of the Plan relating to the two Safe Bag business areas (the “traditional” wrapping one and the one indicated above of integrated assistance to travellers) for 2020 are as follows:

- **Revenues equal to € 49.6 mil;**
- **Ebitda equal to € 11.1 mil, equivalent of 22% of revenues;**
- **Ebit equal to € 9.5 mil;**
- **Net profit equal to € 6.3 mil;**
- **NFP (Cash) equal to (€ 10.8 mil.)**



In order to achieve the targets mentioned above and to seize and organise development opportunities in a more efficient way, the Board of Directors also scheduled the demerger from Safe Bag of the company branch dedicated to providing Assistance services, allocating it to a newly established joint stock company called SOSTRAVEL.COM.

A description follows of the main information relating to the two company branches

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### **SAFE BAG S.P.A.**

#### **FOCUS ON GROWTH AND DEVELOPMENT:**

- **NEW AIRPORTS**

after acquisition of the two recent international licences of Vancouver and Warsaw, the Group currently operates in 24 airports, located in different countries: Italy, France, Portugal, Switzerland, USA, Canada and Poland. From a prudential point of view, only 2 new additional licences were included in the first two years of the Plan (2017-2018), and 4 new licences in the second part of the Plan (2019-2020). The main airport licences in the portfolio expire after 2020, as shown by the average weighted duration of licenses as of 31.12.2016, equal to 3.8 years.

- **EXPANSION OF THE OFFER AT POINTS OF SALE**

Additional airport services will be added at the points of sale where the Group is present linked to luggage: luggage deposit, luggage delivery, luggage release and fly, weigh and save, sale of travel accessories.

- **OPERATING EFFICIENCY**

The Group intends governing growth with a number of staff resources which will remain essentially unchanged, continuing to invest in the automation of processes and the development of production software.

#### **MERGER AND ACQUISITION**

The company has identified and launched negotiations with some players in the sector in various geographical areas of the globe, with the idea of fostering a “build up” process for external routes, which prudentially was not included in the Plan.

- **TRANSITION TO MTA AND/OR NASDAQ**



Finally, the Plan envisages the transfer of Safe Bag S.p.A. to MTA and/or the “double listing” at NASDAQ by the end of 2020, bearing in mind the significant weight of business in North America (44% of total revenues between Canada and the USA) and the opportunities of further development in both Americas.

**Expected economic-financial consolidated results 2017-2020  
(wrapping business line):**

**Safe Bag S.p.A. - Consolidate Balance Sheet 2016 and Plan 17 -20**

(figures in Mil. €)	2016	2017	2018	2019	2020
<b>REVENUES</b>	26,5	29,9	32,4	37,0	42,5
<b>EBITDA</b>	4,6	5,0	5,8	7,0	8,5
<b>Ebitda %</b>	17%	17%	18%	19%	20%
<b>EBIT</b>	3,9	4,2	4,4	5,6	7,1
<b>P&amp;L</b>	3,1	2,7	2,9	3,7	4,7
<b>PFN (Cash)</b>	0,5	(0,9)	(1,2)	(3,6)	(7,5)



## **Dividends policy**

In light of the above-indicated expected results, the Board of Directors finally defined a dividends policy for the years of the Plan, aimed at achieving a balanced remuneration mix for shareholders and support for growth. With this in mind, the pay-out ratio for the years 2017-2020 was fixed at 35% of distributable profits.

For the current year, the Board of Directors will propose to the Shareholders' Meeting **the distribution of an extraordinary dividend equal to a total of 1 million euros.**

Subject to approval by the Shareholders' Meeting, the dividend will be ready for payment from 26 July 2017, with coupon stripping on 24 July 2017 and record date on 25 July 2017.

The NFP of the Plan obviously takes into account dividend distributions in favour of shareholders during the Plan, of the investments necessary for the development, demerger of the company being founded SOSTRAVEL.COM S.p.A. and a prudential conversion of warrants.

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## **SOSTRAVEL.COM S.P.A.**

The envisaged demerger of "software as a Service" ("SAAS") activities and of luggage tracing assistance (Safe Bag 24 service) into a new Newco S.p.A., which will be called SOSTRAVEL.COM.

On one hand, the operation is functional to creating an autonomous organisational structure, aimed at exercising a totally autonomous activity with respect to the traditional wrapping service and, on the other hand, to separating the investments necessary for supporting its development.

The operation will be completed by the end of 2017 and will include proportional allocation, with technical methods currently being defined, of SOSTRAVEL.COM shares to all Safe Bag shareholders.

The Board of Directors expects that the demerged company will have the characteristics of an innovative small-medium size enterprise and plans on launching the procedure aimed at putting the new company onto the AIM market.

SOSTRAVEL.COM will put at the disposal of its own clients an e-commerce platform, accessible both via WEB and via APP and where it will be possible to purchase the best and most innovative assistance services dedicated to travellers.



## **THE SERVICES**

- Safe Bag 24 - Lost & found Concierge - Tracking - Insurance;
- Legal Assistance for delays, flight cancellation and overbooking;
- Medical insurance;
- Travel insurance;
- Real Time Flight Info.

## **MARKET**

The digital characteristics of the SOSTRAVEL.COM sale channels will allow immediate access to the global travellers market (3.5 billion passengers).

The potential market of proposed services is also much wider than the target referable to the wrapping activity typically offered by Safe Bag (3% of travellers): in fact it involves services that have an average penetration on travellers of about 20%.

## **GROWTH AND DEVELOPMENT STRATEGY**

The first group of customers on whom the new company will focus are the 2 million passengers who annually use wrapping services at the Safe Bag points of sale. Following this, Advertising, promotion and marketing campaigns are planned on the main TV and web media and we will seek agreements with partners operating in the tourism sector such as air lines, tour operators and holiday and flight sale portals.

The main development will follow the logic of development by country with focus on the main European countries.



**Expected consolidated economic-financial results 2017-2020 (line of business passenger assistance):**

**SOS Travel.com S.p.A. - Plan 17 -20**

(figures in Mil. €)	2016	2017	2018	2019	2020
<b>REVENUES</b>	N/A	0,4	1,7	4,3	7,1
<b>EBITDA</b>	N/A	0,0	-0,7	0,6	2,5
<b><i>Ebitda %</i></b>		-7%	-42%	13%	35%
<b>EBIT</b>	N/A	-0,2	-0,8	0,4	2,4
<b>P&amp;L</b>	N/A	-0,2	-0,8	0,4	1,6
<b>PFN (Cash)</b>	N/A	(1,4)	(0,9)	(1,5)	(3,3)

**Upside of the Business Plan**

We believe that the expected business, services and results indicated above can be scaled rapidly, repeating investments on new markets and countries: to this end, in support of growth, cash generated within the Plan will be utilised together with a Bond Loan launched ad hoc.

Prudentially, such an accelerated growth scenario is not included in the numbers of the Plan and constitutes a potential upside of the same.

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“The Plan is the result of a far-reaching work of industrial project design and constitutes our “satellite navigator” towards the future”, states Alessandro Notari, CEO of Safe Bag. “Even with its ambitions, it represents a realistic projection which prudentially does not envisage different upsides which the Safe Bag team, composed of dynamic and efficient people, will certainly be able to seize!”

“The Industrial Plan 2017-20 represents the starting point of the path of the Group which – states Rudolph Gentile, Chairman of Safe Bag – aspires to grow considerably. The target is that of offering itself, on a global scale, as the point of excellence and reference for all airport travellers”.

### **Shareholders’ Meeting**

Safe Bag informs that the Board of Directors has deliberated to call the Shareholders’ Meeting for 28 June 2017 in first call and for 30 June 2017 in second call, to discuss and deliberate on the proposal to distribute an extraordinary dividend equal to a total of euro 1 (un) million.

The documentation concerning the agenda of the Meeting will be put at the disposal of the public as soon as it is available and in compliance with the deadlines established by law.

### **Suspension of exercise of Warrants and amendment of the Exercise Price**

With reference to the [Warrant Safe Bag 2013-2017](#) (ISIN IT0004954399), according to the Regulations published on the Company site (section Investor Relation – Info. for Shareholders), note the following:

- Art. 3: exercise of the same instrument will be suspended: from the day following (included) the date on which the Company board of directors calls the Shareholders’ Meeting up to the day (included) on which the shareholders’ meeting takes place. also in the call following the first one and in any case up to the day (excluded) of dividend stripping possibly deliberated by the meeting;
- Art. 4 (v): during the distribution of extraordinary dividends, the Exercise Price will be decreased by an amount equal to the value of the dividend. By “extraordinary dividends” for the purpose of this article we mean distributions of dividends, in cash or in kind, which the Company qualifies as additional with respect to the dividends deriving from the operating results or with respect to the normal dividends policy.



The new warrant exercise price will be notified following the decisions taken at the above-mentioned shareholders' meeting.

**Safe Bag**, founded in 1997 by Rudolph Gentile and guided by him together with the CEO Alessandro Notari, is the leader in the luggage protection and tracing service for airport passengers, through an integrated portfolio of solutions for passenger safety and comfort: luggage wrapping; traceability, reimbursement in the event of loss or damage to luggage, travel products and accessories.

The company has been listed on the Italian Stock Exchange Borsa Italiana – AIM segment – since September 2013.

Safe Bag, with headquarters in Gallarate (VA), has around 400 collaborators at global level, with around 2 million customers, and is present in the airports of Italy, France, Portugal, Switzerland, USA, Canada and Poland with around 80 points of sale.

The Group closed 2016 with a turnover of around 26.5 million euro.  
[www.safe-bag.com/it/](http://www.safe-bag.com/it/)

For further information:

Safe Bag S.p.A.  
Investor Relations  
Nicola De Biase  
[investor.relations@safe-bag.com](mailto:investor.relations@safe-bag.com)  
[www.safe-bag.com](http://www.safe-bag.com)  
Tel: +39 0331 777154  
Fax: +39 0331789141

Nomad  
Baldi Finance S.p.A.  
Antonio Boccia  
[antonio.boccia@baldifinance.it](mailto:antonio.boccia@baldifinance.it)  
Via San Damiano, 9  
20122 Milan, Italy  
Tel: +39 02 58318214  
Fax: +39 02 58310893

Spriano Communication & Partners  
Cristina Tronconi, Matteo Russo  
Mob. 346 0477901  
[ctronconi@sprianocommunication.com](mailto:ctronconi@sprianocommunication.com)  
[mrusso@sprianocommunication.com](mailto:mrusso@sprianocommunication.com)  
[www.sprianocommunication.com](http://www.sprianocommunication.com)