



**Summary of the Results at
September 30, 2016**

*Conference Call
November 15, 2016, 17CET*



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3Q results are not subject to any auditors' review.

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MFM speakers today



Marco Canale

Chairman



Aldo Chiarini

CEO



Riccardo Bombardini

Head of Investor Relations

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KPIs at a glance - Adjusted

Reconciliation table of principal economic and balance sheet items coming from consolidated statutory accounts and ADJUSTED in order to normalize non recurring events and off balance sheet items

3Q2016 KPI Reconciliation (statutory vs adjusted), €mln

	For the period ended September 30, 2016		
	Statutory Consolidated FS	Adj	Adjusted Consolidated FS
Revenues	679,8		679,8
EBITDA	69,6	4,1	73,7
EBITDA % on revenues	10,2%		10,8%
EBIT	42,8	4,1	46,9
EBIT % on revenues	6,3%		6,9%
Net Result	13,6		13,6

	September 30, 2016		
	Statutory Consolidated FS	Factoring Outstanding	Adjusted Consolidated FS
NWOC	157,9	16,5	174,4
NFP	(227,0)	(16,5)	(243,5)

Period adjusted EBITDA and adjusted EBIT include non recurring items worth € 4,1 mln and refer to:

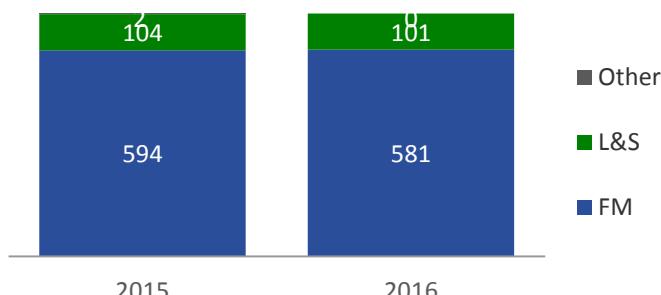
- ✓ up-front fees on pro-soluto (i.e. non recourse) receivables sale;
- ✓ ICA related legal expenses;
- ✓ Damage reimbursement on arbitral award;
- ✓ Restructuring related costs.

Adjusted NFP and NWOC include net value of receivables sold on a pro-soluto basis but still not cashed-in from factor agent at September 30, 2016.

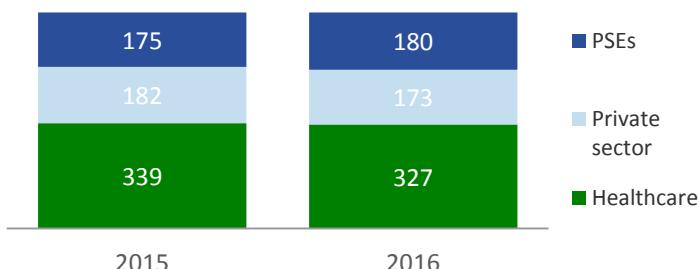
Revenues



Revenues by Segment, €mln



Revenues by Client, €mln



Revenues decrease vs previous periods:

- €17 mln (-2.4%) vs YTD.
- €8 mln vs Q315.

Additional to previous quarter €9 mln reduction due to less requalification works, additional third quarter downside effects are mainly due to re-awardings of existing contracts with smaller volumes.

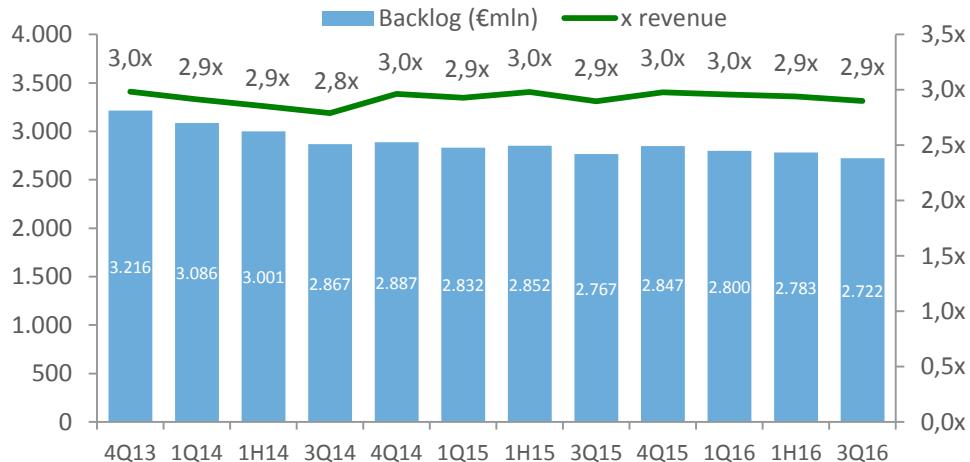
By Segment, deltas vs 3Q15 are due to:

- circa €2 mln due to ceased businesses in OTHER seg.
- circa €2.5 mln in L&S due to spending review on laundering and delays in sterilization contracts awarding;
- Circa €13 mln in FM

By Client past trends in Healthcare reduction is confirmed (mainly due to above mentioned reasons). Weight of PSE increases also because of significant startups in the Bologna area (roads maintenance).

Backlog

Revenue Visibility from Backlog



3Q 2016

€ 2.7 bln

FY 2015

€ 2.8 bln

- Backlog shows a slight reduction vs previous quarters.
- Reduction vs 4Q15 is coherent with past trends and backlog burn-out and more concentrated awardings in year end
- Backlog / Revenues 2.9x
- Backlog at beginning of 2016 represented circa 70% of FY 2016 revenues. We expect last quarter revenues deriving from backlog to cover ca 95% of expected 2016 revenues.

Backlog is defined as the total amount of uncancelable and already secured revenues in respect of which MFM Group has received binding commitments from customers

Signed Contracts

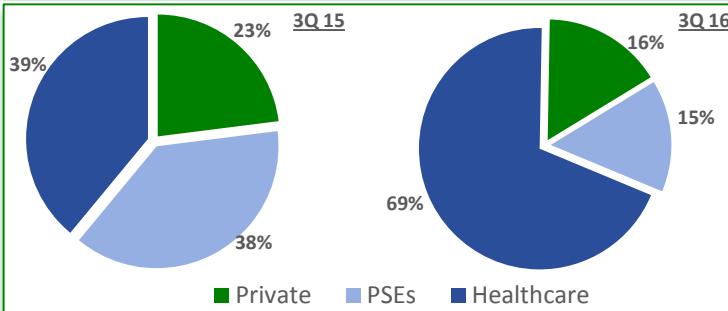
Value of contracts signed in 3Q2016, €mln



Breakdown of signed contracts YTD, €mln



Signed contracts by Client



Sales Activity

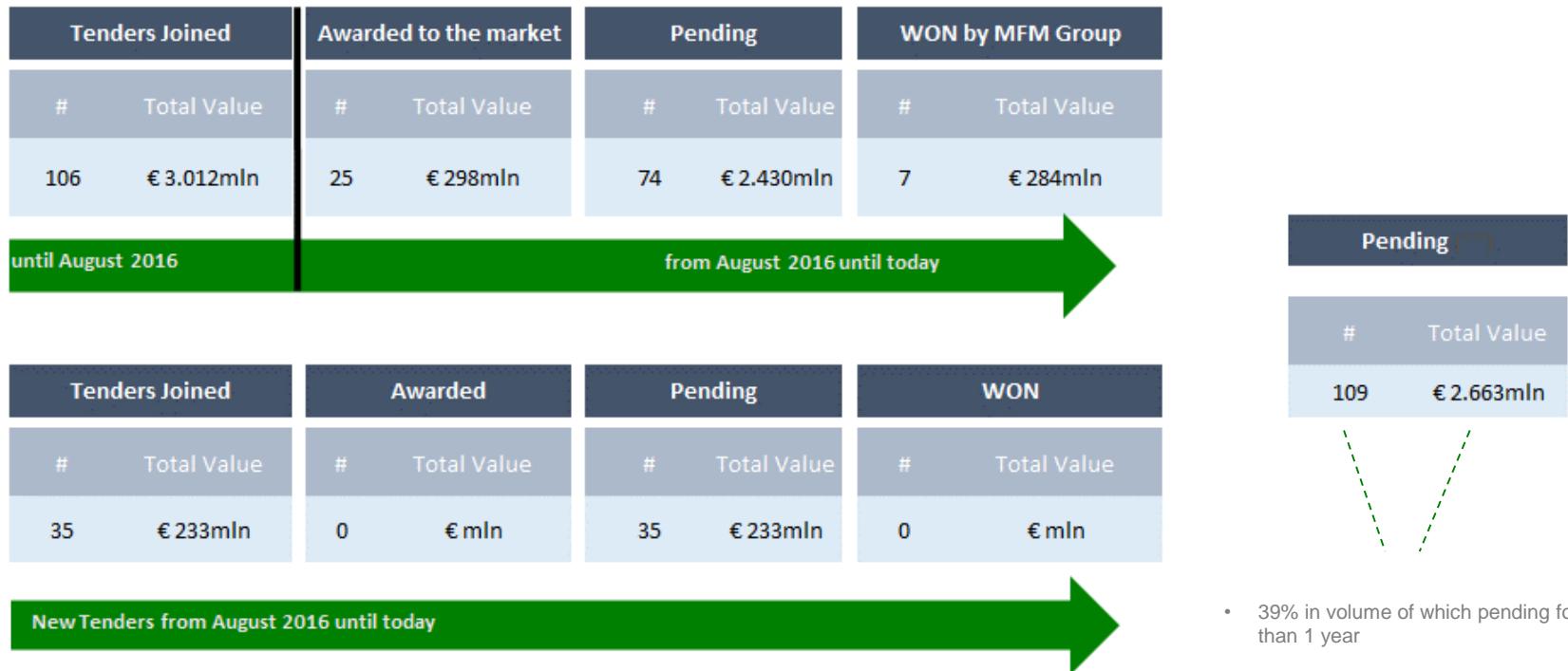
- The positive awarding trend continues as plurennial total value of contract signed equals €405mln.
- Awarded contracts deriving from new market are superior to previous year due to Healthcare Clients.
- Renewals in slight reduction due to delays in awardings compensated by contract extensions.
- Average duration is confirmed in circa 3 years with usual distinctions between PSEs, Healthcare and Private Clients.
- Healthcare weight doubles vs same period previous year.

Main signed contracts in 3rd quarter of 2016

- Re-awarding/new market: Telecom Italia, maintenance services for ca €29m, duration 3 years.
- New market: ASP Palermo, energy mgmt and maintenance, for ca €27m, duration 9 years.
- New market: ASL Torino 4, energy mgmt, for ca €21m, duration 9 years.
- New market: Azienda Ospedaliera «S. Antonio Abate» di Gallarate, laundering services, for ca €6m, duration 6 years.
- Renewal: Nuovo ospedale di Legnano, laundering services, for ca €6m, duration 6 years

Tenders Pipeline

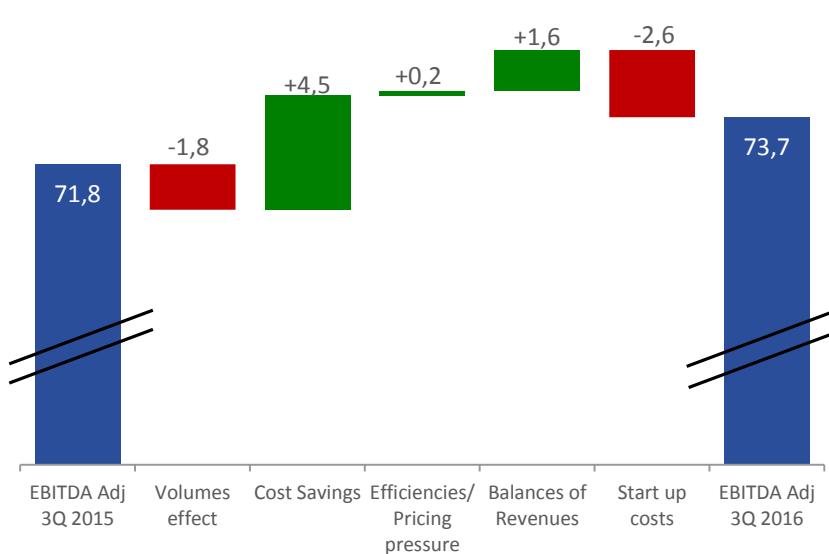
€ Million, Bid Base



EBITDA Adjusted

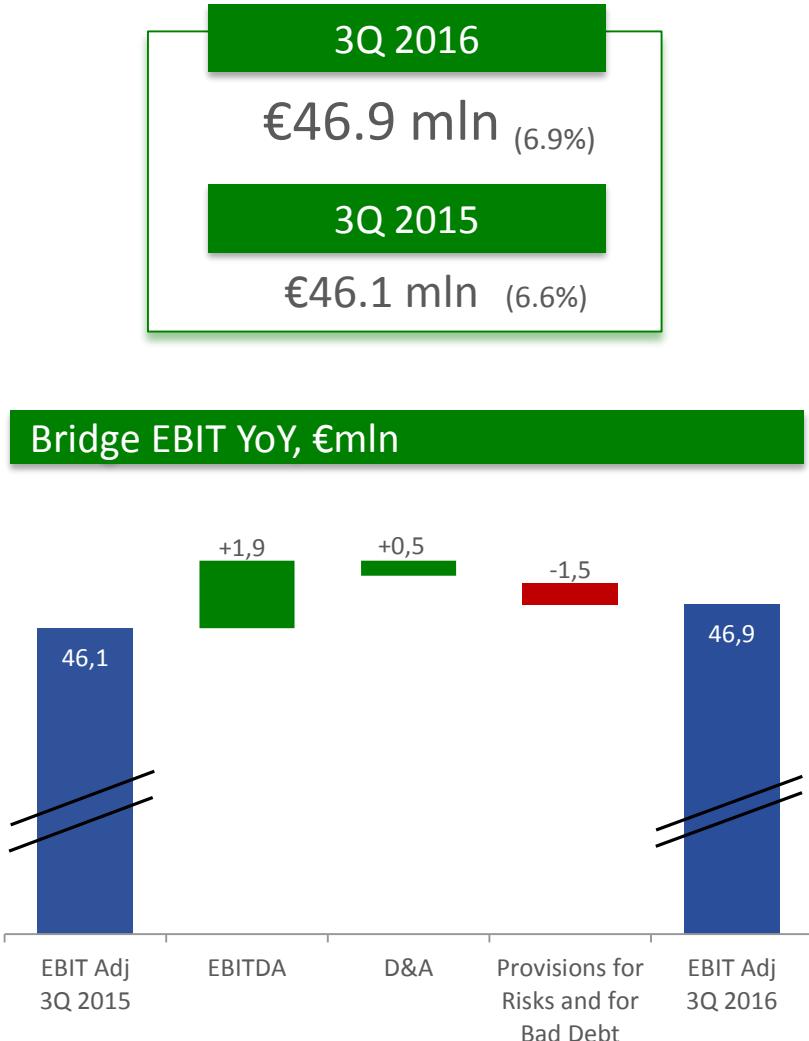


Bridge EBITDA YoY, €mln



- Adjusted EBITDA grows by €1.9 mln vs 3Q15 (+2.6%) despite volume decline (Adjs in 3Q16 are €4.1 mln vs €1.9 mln in 3Q15).
- EBITDA margin +0,5 p.p. as net effect of:
 - Delta volume (-€1.8 mln) coherent with revenues decline, as already stated in previous quarters;
 - Cost savings (+€4.5mln) due to fixed costs saving actions;
 - Combined effect of price pressure mitigated by contract extensions and efficiencies on direct production costs (+€0.2 mln);
 - Balancing on revenues in L&S (+ €1,6 mln);
 - Start-up costs (-€2.6 mln) mainly due to international development and new technology based services.

EBIT Adjusted



- Adjusted EBIT Adj increases by €0.8 mln vs 3Q15 (+1.8%), less than proportionally than EBITDA (+2.6%).
- EBIT results as:
 - ❑ More EBITDA (+ €1.9 mln);
 - ❑ Less D&As for €0.5 mln, of which -€ 1.6 mln in L&S as an effect of linen capex rationalization and +€ 1.1 mln in FM segment;
 - ❑ More provisions for bad debts for €1.9 mln (for specific items vs less generic items provisions) and less accruals for risks for €0.4 mln.

Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses	Taxes	Net Result
3Q 2016 € 21.3 mln	3Q 2016 € 10.8 mln EBT € 23.4 mln Tax Rate: 46%	3Q 2016 € 13.6 mln 2.0% of Revenues
3Q 2015 € 26.8 mln	3Q 2015 € 10.0 mln EBT € 19.5 mln Tax Rate: 52%	3Q 2015 € 7.6 mln 1.1% of Revenues
Less financial expenses for €5.5mln vs 3Q15 mainly due to: <ul style="list-style-type: none"><input type="checkbox"/> Less interest expenses on Bond for €2.8 mln (Tender €80 mln from June 2015)<input type="checkbox"/> 3Q15 included one-off Tender costs for €3.0 mln	<ul style="list-style-type: none">• EBT increases by €3.9 mln (€23.4 mln in 3Q16 vs €19.5 mln in 3Q15) but with more taxes for only €0.8 mln vs 3Q 15.• Tax rate decreases vs 3Q15 thanks to tax components not linked to EBT (mainly IRAP): more IRES for €0.8 mln and unchanged IRAP.	Net Result includes proceeds from ceased activities for €1.4mln (mainly earn-out on Smail) net of tax effects for €0.3mln. Period's Net Result is positively influenced by positive trend of EBT (+20%) vs substantially unchanged taxes.

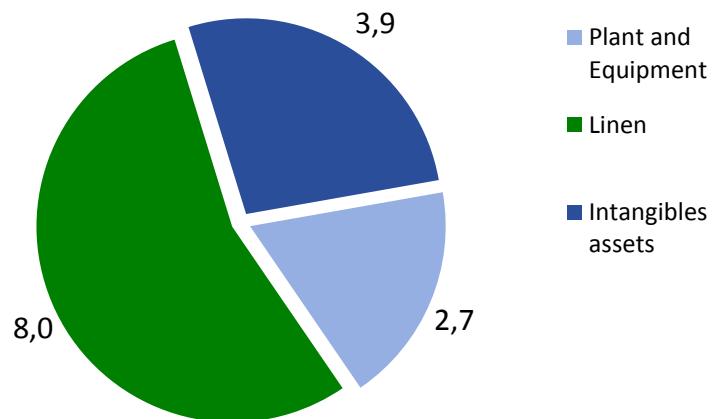
Industrial Capex



3Q16 industrial Capex are equal to €14.5 mln, in reduction by €2.3 mln vs 3Q15, of which ca €2.6mln in L&S (mostly in surgical instruments).

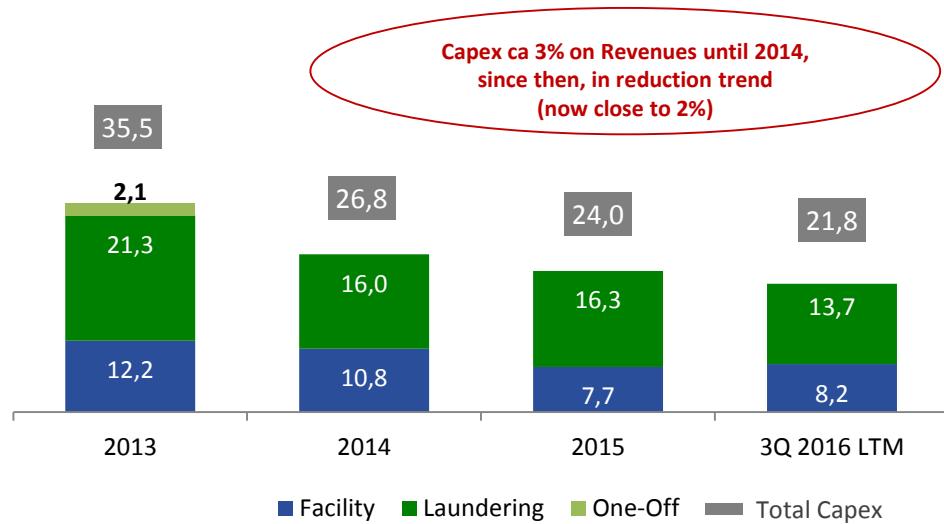
Capex for linen remain main investment item (≈55% Capex).

Capex Breakdown 3Q 2016, €mln



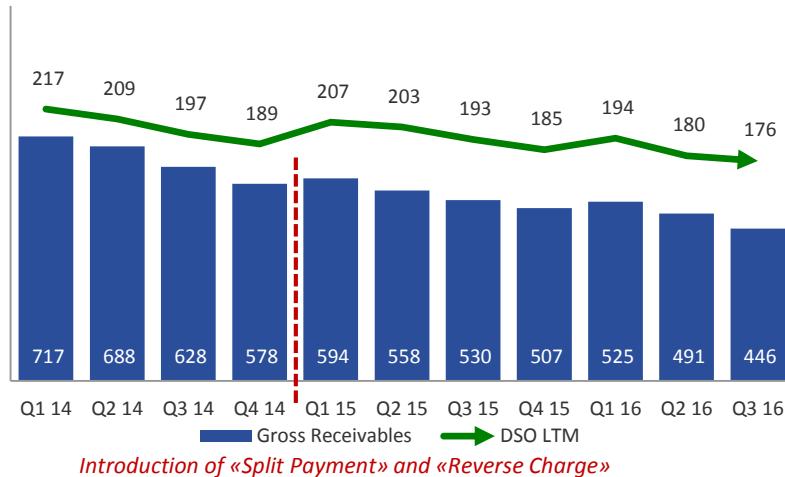
Capex for intangible assets are mainly represented by ICT development

Capex overview, LTM €mln

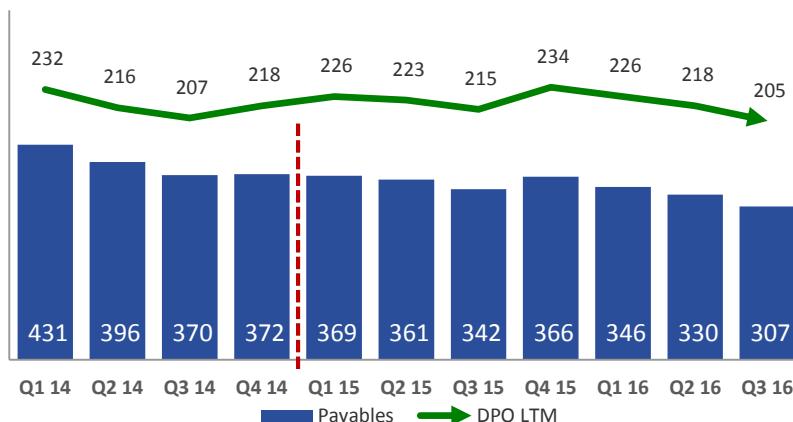


DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



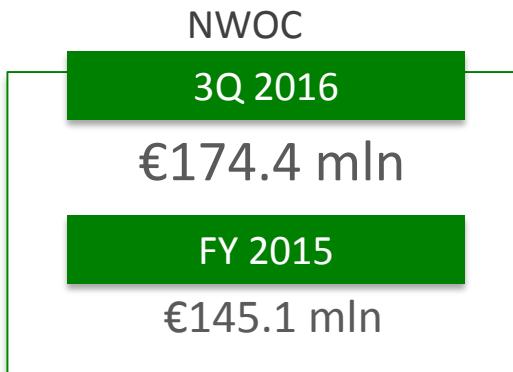
- Decreasing DSOs trend is substantially in line with expectations and with previous quarters: compared to 4Q15 in reduction of 9 days and to 3Q15 in reduction of 17 days.

As repeatedly recalled, the introduction in early 2015 of a new VAT fiscal regime (so called Split Payment and Reverse Charge) has slowed down the internal invoicing process procedures (active and passive) and thus compromised significantly DSO reduction target trend.

- DPOs show a substantial decrease vs 4Q15 (-29 days) and vs 3Q15 (-10 days). This derives from more cash-in-from-Clients-benefit transferred onto suppliers.

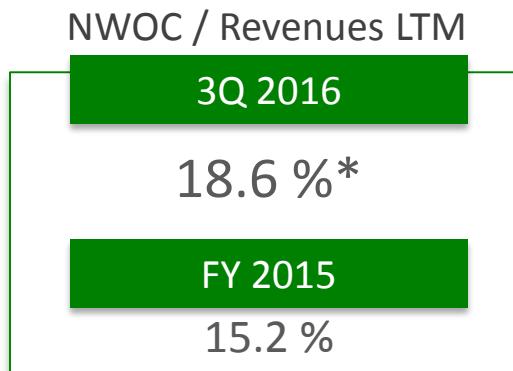
NB: Due to introduction of Split Payment and Reverse Charge mechanisms in 2015, receivables and payables are not comparable with periods before 01/01/2015. DPOs and DSOs, however, are.

Net Working Operating Capital Adjusted

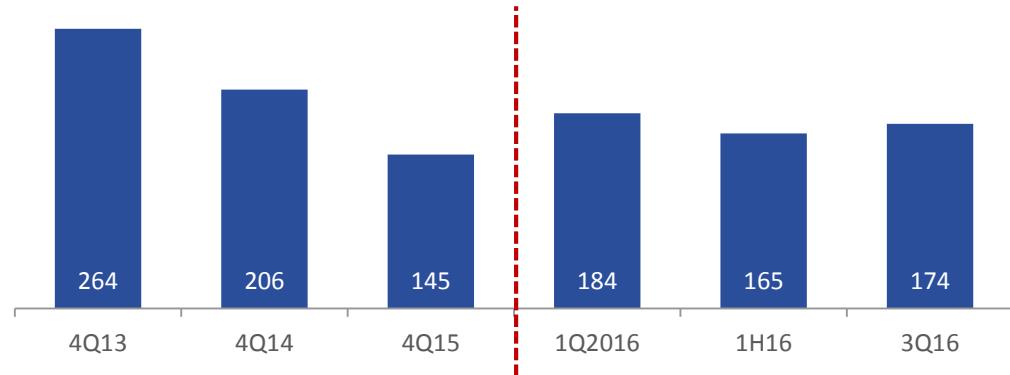


In 3Q16 NWOC increases by circa €29mln vs FY15.

Increase is mainly due to transfer of receivable collection onto suppliers. Also, typically, 1Qs and 3Qs are NWOC absorbers.



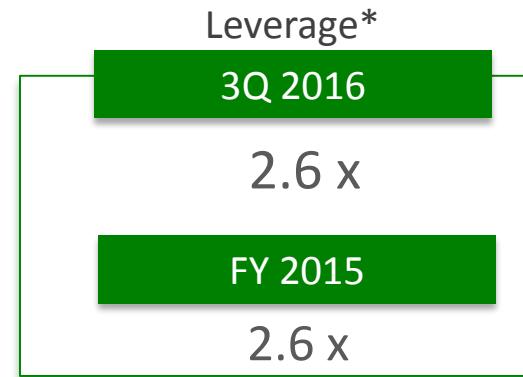
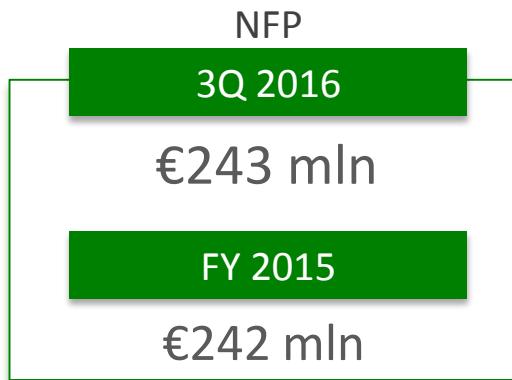
Net Working Operating Capital, €mln



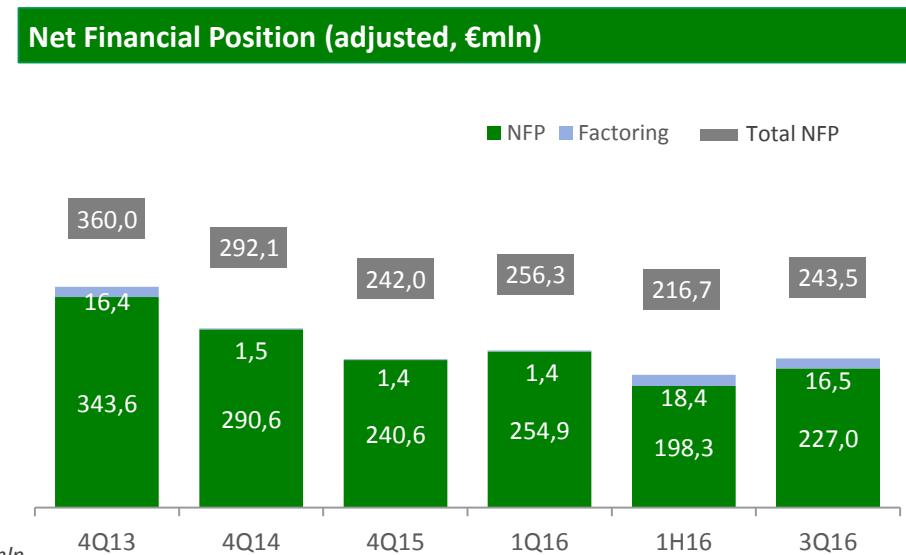
* NWOC = €174 mln; Revenues LTM = €939mln. NWOC / Rev = €174mln / € 939mln

Introduction of «Split Payment» and «Reverse Charge»

Net Financial Position Adjusted



(in thousands of Euro)	September 30, 2016	December 31, 2015
Long-term financial debt	305,3	311,7
Bank borrowings, including current portion of long-term debt, and other financial liabilities	51,8	48,6
Gross financial indebtedness	357,0	360,2
Cash and cash equivalents	(122,6)	(114,4)
Current financial assets	(7,4)	(5,3)
Net financial indebtedness	227,0	240,6
Factoring outstanding	16,5	1,4
Net financial indebtedness adjusted	243,5	242,0

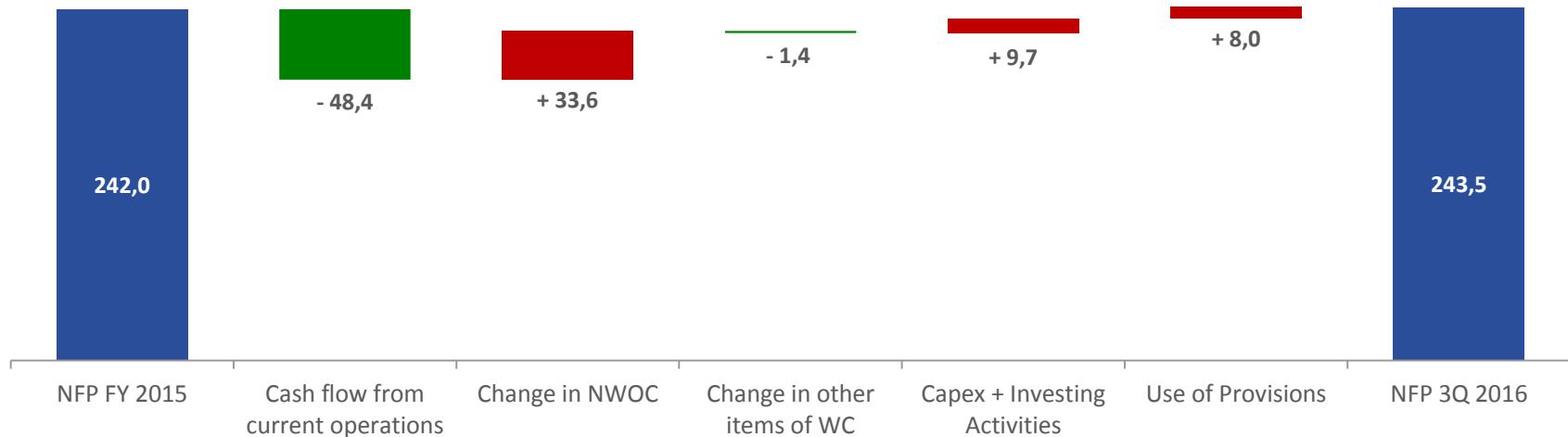


* Leverage Ratio calculated as following:

- **3Q2016.** NFP = €243mln; EBITDA LTM = €93mln; Leverage = €243mln / € 93mln
- **FY2015.** NFP = €242mln; EBITDA = €93mln; Leverage = €242mln / € 93mln

...Focus on NFP changes from December 31, 2015

Changes in Net Financial Position FY 2015 vs 3Q 2016, €mln

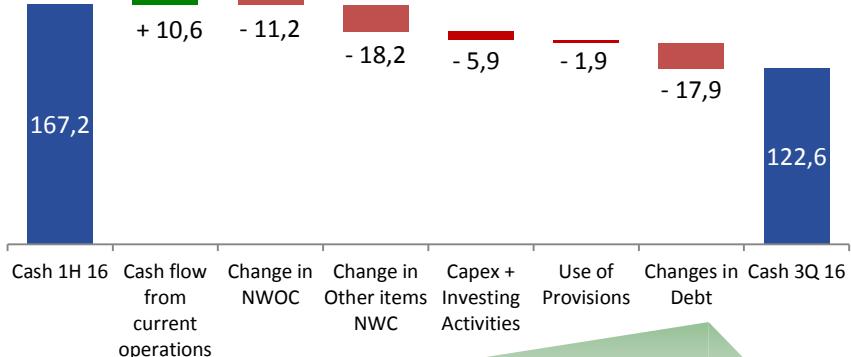


Stable NFP from 4Q15 to 3Q16 (+€ 1.5 mln):

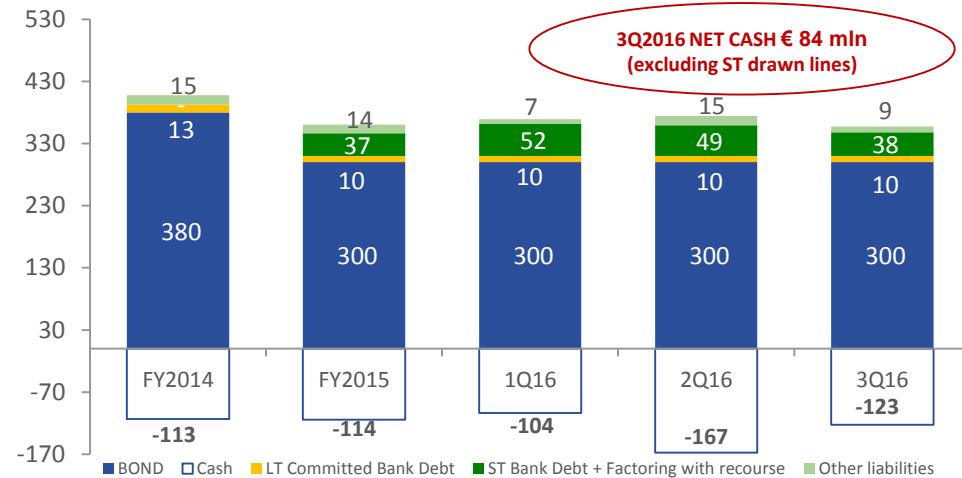
- ✓ Cash flow from current operations positive for €48.4 mln
- ✓ NWOC absorbs €33.6 mln
- ✓ “Change in other items of WC” mainly includes flow deriving from selling on a pro-soluto basis of tax assets for ca € 12 mln vs an increase of net VAT assets for € 6,1 ml, besides seasonal dynamics of personnel related liabilities.
- ✓ Capex and Investing Activities absorb €9.7 mln, as a difference between net industrial capex for €13.8 mln and flows coming from investing activities for €4.2 mln (short term reclassification of second MIA escrow MIA worth € 5.0 mln)
- ✓ Use of provisions absorb €8.0 mln (of which €1.8mln for severance indemnity, €2.8mln restructuring)

...Focus on Credit Facilities

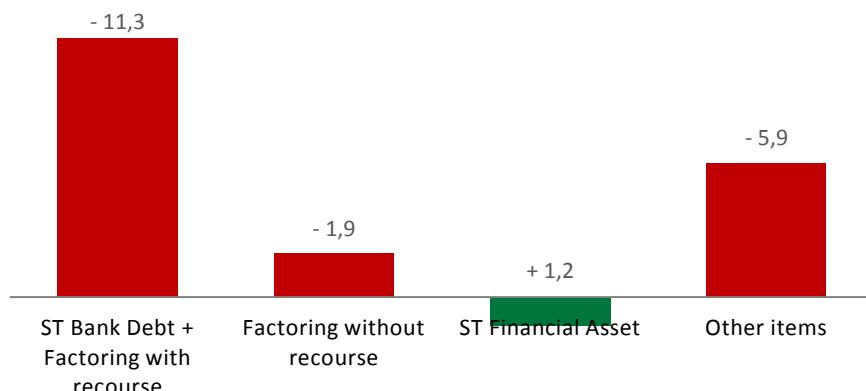
Changes in Cash in 3Q 2016, €mln



Debt Breakdown, €mln



Detail of «changes in debt» in 3Q 2016, €mln



Note: «Other» mainly includes Accrued Interest on Coupon for €4.3 mln

Up date as of October 31, 2016: Manutencoop has available the following facilities:

Short Term:

- €36 mln short term(hot money, invoice advance), utilized for €17 mln
- €40 mln Factoring pro-solvendo (i.e. recourse), utilized for €18 mln

Committed:

- €14mln 3 years banking facilities, utilized for €10mln
- Factoring pro-soluto (i.e. non-recourse) up to €100 mln per year, duration 3 years, utilized for €40mln

ANNEX

ANNEX

<i>(in thousands of Euro)</i>	September 30, 2016	December 31, 2015
Assets		
Non-current assets		
Property, plant and equipments	57.095	62.155
Property, plant and equipments under lease	1.728	2.217
Goodwill	370.456	370.456
Other intangible assets	24.941	26.005
Investments accounted for under the equity method	30.093	28.484
Other investments	3.925	3.502
Non-current financial assets	11.936	15.657
Other non-current assets	2.066	2.180
Deferred tax assets	19.089	19.044
Total non-current assets	521.329	529.700
Current assets		
Inventories	4.919	4.763
Trade receivables and advances to suppliers	476.266	519.194
Current taxes receivables	7.372	23.430
Other current assets	37.739	31.138
Current financial assets	7.398	5.257
Cash and cash equivalents	122.609	114.391
Total current assets	656.303	698.173
Assets classified as held for sale	0	0
Total assets classified as held for sale	0	0
Total assets	1.177.632	1.227.873

ANNEX

<i>(in thousands of Euro)</i>	September 30, 2016	December 31, 2015
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	186.730	188.349
Retained earnings	(7.519)	37.498
Profit for the period attributable to equity holders of the Parent	13.745	(45.412)
<i>Equity attributable to equity holders of the parent</i>	302.106	289.585
Capital and reserves attributable to non-controlling interests	347	337
Profit for the period attributable to non-controlling interests	(130)	43
<i>Equity attributable to non-controlling interests</i>	217	380
Total shareholders' equity	302.323	289.965
Non-current liabilities		
Employee termination indemnity	18.321	18.424
Provisions for risks and charges, non-current	58.184	58.738
Long-term financial debt	305.276	311.686
Deferred tax liabilities	10.953	11.167
Other non-current liabilities	28	28
Total non-current liabilities	392.762	400.043
Current liabilities		
Provisions for risks and charges, current	10.626	14.515
Trade payables and advances from customers	323.250	380.215
Current tax payables	3.797	0
Other current liabilities	93.119	94.572
Bank borrowings, including current portion of long-term debt, and other financial liabilities	51.755	48.563
Total current liabilities	482.547	537.865
Liabilities directly associated with assets classified as held for sale	0	0
Total liabilities directly associated with assets classified as held for sale	0	0
Total shareholders' equity and Liabilities	1.177.632	1.227.873

ANNEX

<i>(in thousands of Euro)</i>	For the 9 months ended September 30,	
	2016	2015
Revenues		
Revenue from sales and services	678.620	695.616
Other revenue	1.164	986
Total revenues	679.784	696.602
Operating costs		
Costs of raw materials and consumables	(84.370)	(97.460)
Change in inventories of finished goods	5	0
Costs for services and use of third party assets	(238.000)	(241.761)
Personnel costs	(280.209)	(280.613)
Other operating costs	(7.567)	(6.808)
Amortization, depreciation, write-downs and write-backs of assets	(24.607)	(23.194)
Accrual of provisions for risks and charges	(2.219)	(2.590)
Total operating costs	(636.967)	(652.426)
Operating Income	42.817	44.176
Financial income and expenses		
Share of net profit of associates	1.837	2.064
Dividends and income from sales of investments	238	(772)
Financial income	1.286	816
Financial charges	(22.776)	(26.810)
Profit/(loss) on exchange rate	(26)	(12)
Profit (loss) before taxes from continuing operations	23.376	19.462
Income taxes	(10.813)	(10.037)
Profit (loss) from continuing operations	12.563	9.425
Profit (loss) from discontinued operation	1.052	(1.796)
Net profit (loss) for the period	13.615	7.629
Net profit (loss) attributable to non controlling interests	130	(4)
Net profit (loss) for the period attributable to equity holders of the Parent	13.745	7.625

ANNEX

(in thousands of Euro)	For the 9 months ended September 30,	
	2016	2015
Net profit (loss) from continuing operations	12.563	9.425
Income taxes for the period	10.813	10.037
Profit before taxes from continuing operations	23.376	19.462
<i>Profit (loss) from discontinued operation</i>	1.052	(1.796)
<i>(Gains) losses from the transfer of equity investments</i>	(1.409)	830
Amortization, depreciation, write-downs and (write-backs) of assets	24.607	23.210
Accrual (reversal) of provisions for risks and charges	2.219	2.690
Employee termination indemnity provision	574	578
Payments of employee termination indemnity	(1.811)	(1.542)
Utilization of provisions	(6.228)	(8.383)
Share of net profit of associates	(1.837)	(1.148)
Financial charges (income) for the period	21.516	25.796
Operating cash flows before movements in Working Capital	62.059	59.698
<i>Cash flows related to discontinued operations</i>	185	(1.125)
<i>Cash flows related to continuing operations</i>	(209)	60.823
Decrease (increase) of inventories	(156)	(334)
Decrease (increase) of trade receivables and advances to suppliers	38.501	41.653
Decrease (increase) of other current assets	(6.591)	393
Increase (decrease) of trade payables and advances from customers	(56.894)	(25.971)
Increase (decrease) of other current liabilities	(1.453)	(28.957)
Change in Working Capital	(26.593)	(13.216)
Net interests received (paid) in the period	(26.447)	(32.387)
Income taxes paid in the period	9.056	(2.356)
Net cash flow from operating activities	18.075	11.739
Purchase of intangible assets, net of sales	(3.931)	(4.042)
Purchase of property, plant and equipment	(10.642)	(12.709)
Proceeds from sales of property, plant and equipment	736	355
Disposal (acquisition) of investments	(351)	465
Decrease (increase) of financial assets	(754)	1.222
Net cash used in business combination	0	(408)
Net cash from assets held for sale	4.204	32
Net cash flow from (used in) investing activities	(10.738)	(15.085)
Net proceeds from/(reimburse of) borrowings	910	(54.768)
Dividends paid	(25)	(20)
Change in scope of consolidation	(4)	(1)
Net cash flow from/(used in) financing activities	881	(54.789)
Changes in cash and cash equivalents	8.218	(58.135)
Cash and cash equivalents at the beginning of the year	114.391	113.382
Changes in cash and cash equivalents	8.218	(58.135)
Cash and cash equivalents at the end of the period	122.609	55.247
Details of cash and cash equivalents		
Cash and bank current accounts	122.609	55.247
Total cash and cash equivalents	122.609	55.247

ANNEX

RECONCILIATION OF THE RECLASSIFIED STATEMENT OF CASH FLOWS AND THE STATUTORY SCHEDULES ITEMS

	For the 9 months ended September 30, 2016
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	114.391
	48.447
CASH FLOW FROM CURRENT OPERATIONS:	
Profit before taxes for the period	23.376
Profit (loss) from discontinued operation	1.052
Capital gain on disposal of discontinued operation	(1.409)
Other impairment on discontinued operation	0
Amortization, depreciation, write-downs and (write-backs) of assets	24.607
Accrual (reversal) of provisions for risks and charges	2.219
Employee termination indemnity provision	574
Share of net profit of associates, net of dividends collected	(1.837)
Financial charges (income) for the period	21.516
Net interest received (paid) in the period	(26.447)
Income tax paid in the year	9.056
Reclassifications:	
Non-cash net financial charges accounted for under the Statement of profit or loss	5.211
Cash flow related to the assignment without recourse of tax receivables from tax consolidation agreement, which forms in "Decrease (increase) of other current assets"	(9.471)
USES OF PROVISIONS FOR RISKS AND CHARGES AND PAYMENTS OF THE EMPLOYEE TERMINATION INDEMNITY:	(8.039)
Payments of Employee termination indemnity	(1.811)
Utilization of provisions	(6.228)
CHANGE IN ADJUSTED NWOC:	(33.609)
Decrease (increase) of inventories	(156)
Decrease (increase) of trade receivables	38.501
Increase (decrease) of trade payables and advances from customers	(56.894)
Adjustments:	
Change in the amount of trade receivables assigned without recourse to Factoring agencies and not yet collected by the latter	(15.060)
INDUSTRIAL AND FINANCIAL CAPEX:	(9.683)
Purchase of intangible assets, net of sales	(3.931)
(Purchase of property, plant and equipment)	(10.642)
Proceeds from sales of property, plant and equipment	736
(Acquisition of investments)	(351)
Decrease (increase) of financial assets	(754)
Net cash used in business combinations	0
Net cash from assets held for sale	4.204
Reclassifications:	
Payables for acquisition of equity investments and business combinations	(623)
Change in current financial assets, to be included in Net Financial Liabilities	1.680
CHANGE IN ADJUSTED NET FINANCIAL LIABILITIES:	9.701
Net proceeds from/(reimbursement of) borrowings	910
Adjustments:	
Change in the amount of receivables assigned without recourse to Factoring agencies and not yet collected by the latter	15.060
Reclassifications:	
Non-cash net financial charges accounted for under the Statement of Profit or Loss	(5.211)
Payables for acquisition of equity investments and business combinations	623
Change in current financial assets, to be included in Net Financial Liabilities	(1.680)
OTHER CHANGES:	1.398
Decrease (increase) of other current assets	(6.591)
Increase (decrease) of other current liabilities	(1.453)
Dividends paid	(25)
Change in consolidation scope	(4)
Reclassifications:	
Cash flow related to the assignment without recourse of tax receivables from tax consolidation agreement, which forms in "Decrease (increase) of other current assets"	9.471
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	122.609

What's next

- ✓ Next call with Bondholders on FY 2016 will be held, indicatively, in late March 2017.
- ✓ As soon as the 2017 financial calendar will be approved (January) we'll send an email alert.
- ✓ Manutencoop Financial Calendar is available on:
www.manutencoopfm.it/eng/investor-relations_calendario.asp