



**Summary of the Results at
March 31, 2017**

*Call on Results, May 16,
2017, 17CET*

Disclaimer

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1Q results are not subject to any auditors' review.

Index

MFM speakers today

Index



Aldo Chiarini

CEO



Riccardo Bombardini

Head of Investor Relations

- Results at 1Q 2017
- Annex

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

1Q2017 KPI Reconciliation (statutory vs adjusted), €mln

	For the period ended March 31, 2017		
	Consolidated Statutory	Adj	Consolidated Adjusted
Revenues	238,6		238,6
EBITDA	35,4	(4,5)	30,9
EBITDA % on Revenues	14,9%		13,0%
EBIT	27,3	(4,5)	22,8
EBIT % on Revenues	11,4%		9,6%
Net Result	13,4		13,4

	March 31, 2017		
	Consolidated statutory	Factoring Outstanding	Consolidated Adjusted
NWOC	124,7	15,1	139,8
NFP	(182,6)	(15,1)	(197,7)

Period **adjusted EBITDA** and **adjusted EBIT** include non recurring items worth € (4.5) mln and refer to :

- ✓ Income from release of system charges («oneri di sistema») due to change in regulation for (€6.2 mln) ;
- ✓ ICA related legal expenses for 84k€;
- ✓ Restructuring related costs for € 1,6 mln.

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

Revenues



- Revenues decrease vs previous quarter by €3.1 mln (-1.3%).
- This is explained:

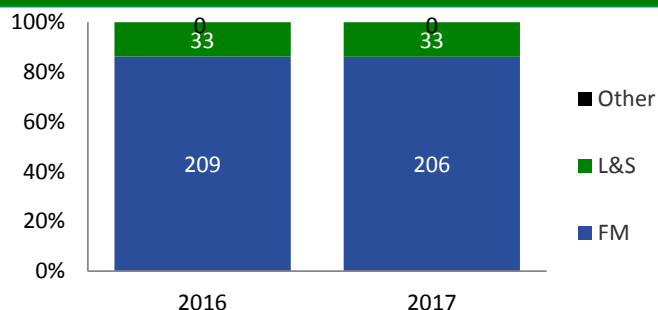
by Segment:

- Mainly in FM (-1.4%,- €3.0 mln) due to delays in start-ups.

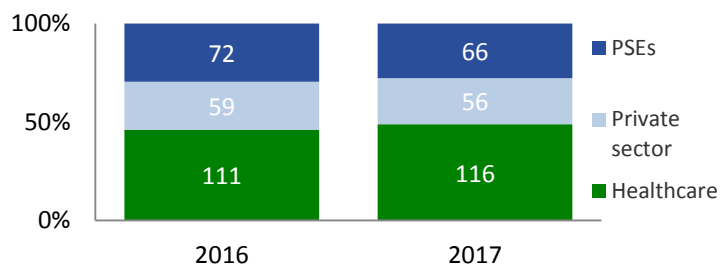
by Client:

- Increase in volumes in Healthcare segment due to start-up of 2 contracts combined with several Client's inflation adjustments from past years.

Revenues by Segment, €mln



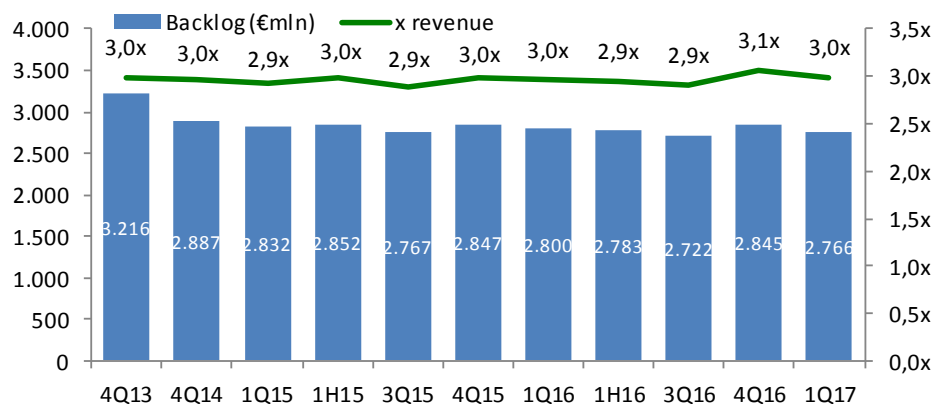
Revenues by Client, €mln



Backlog



Revenue Visibility from Backlog

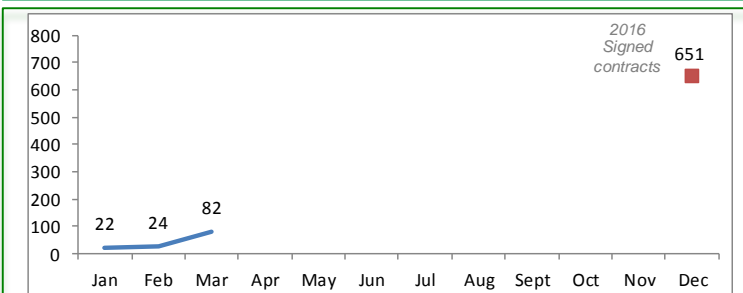


- Physiological decrease of Backlog in 1Q combines with delay in awardings bring reduction of € 79 mln vs 4Q2016.
- Backlog / Revenues 3.0x

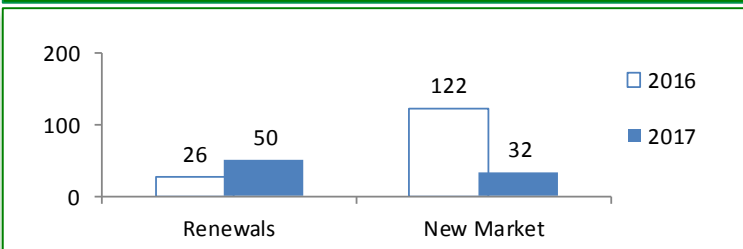
Backlog is defined as the total amount of uncancellable and already secured revenues in respect of which MFM Group has received binding commitments from customers

Signed Contracts

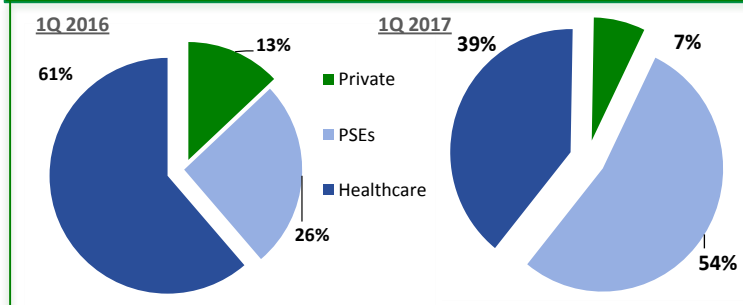
Value of contracts signed in 1Q 2017, €mln



Breakdown of signed contracts YTD, €mln



Signed contracts by Client



Sales Activity

- Awarded pluriannual volumes reach in 1Q2017 €82 mln vs €148 mln in 1Q2016.
- Delay in New Market awards (€32 mln vs €122 mln) is mainly explained by an important awarding in 1Q16 worth €81 mln (A.O.ULSS Treviso).
- Renewals higher than 1Q16 mainly due to HERA contract re-awarding.
- Average contract duration 4 years with usual distinction between PSEs, Healthcare and Private.
- In pie chart PSEs show 54% due to HERA re-awarding.

Main signed contracts in 1st quarter of 2017

- Renewal: HERA SPA global services worth €38 mln, duration 5 years
- New Market: Mater Olbia SPA worth €17.7 mln of which 11.2 mln sterilization services and €5.5mln laundering services, duration 9 years
- New Market: ASUR Marche San Benedetto del Tronto energy services worth €7.9 mln, duration 15 years
- Renewal: "Comune di Bologna – Scuole" (Intercenter4) cleaning services worth €3 mln, duration 3 years
- New Market: Iper Montebello SPA cleaning services worth €2.6 mln, duration 2 years

Tenders Pipeline (as of April 27, 2017)

€ Million, Bid Base

Tenders Joined		Awarded to the market		Pending		WON by MFM Group	
#	Total Value	#	Total Value	#	Total Value	#	Total Value
102	€ 2.663mIn	11	€ 208mIn	87	€ 2.296mIn	4	€ 60mIn

until February 2017

from February 2017 until today

Tenders Joined		Awarded to the market		Pending		WON by MFM Group	
#	Total Value	#	Total Value	#	Total Value	#	Total Value
28	€ 203mIn	3	€ 1mIn	24	€ 200mIn	1	€ 2mIn

New Tenders from February 2017 until today

Pending (**)

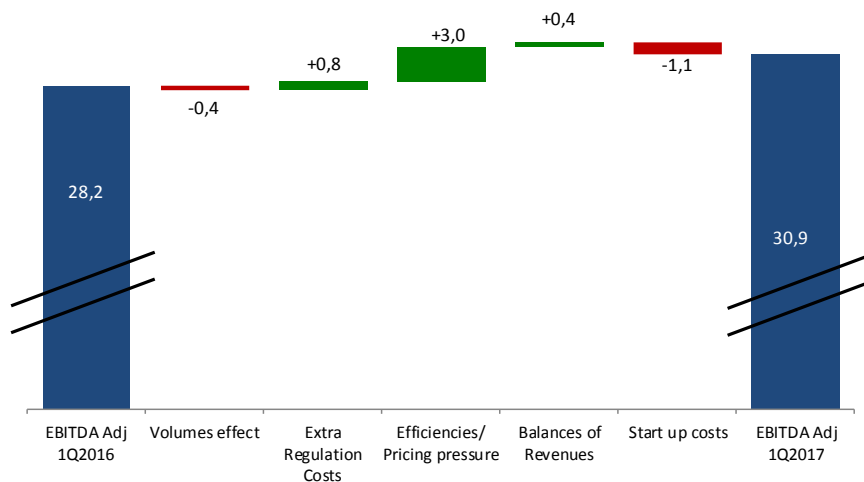
#	Total Value
111	€ 2.496mIn

- 77% in volume of which pending for more than 1 year
- Circa 83% of which related to procurement entities tenders

EBITDA Adjusted



Bridge EBITDA YoY, €mln

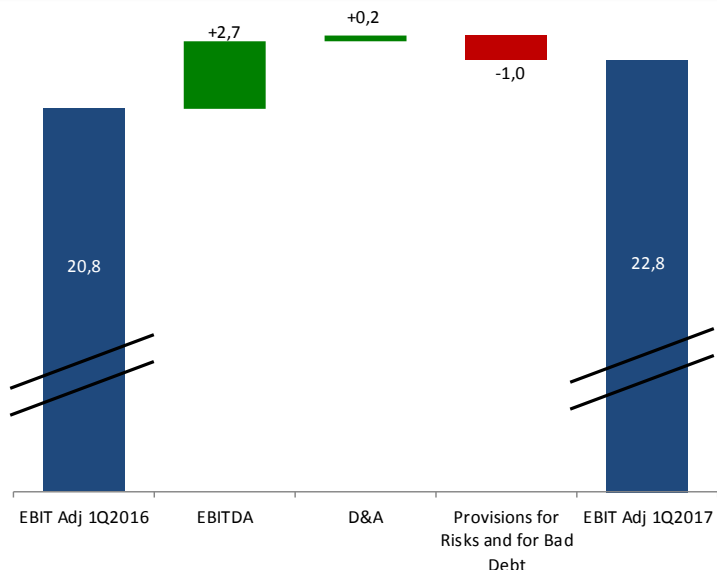


- Adj. EBITDA increases by €2.8 mln (+9.8%) despite slight revenues reduction.
- 1Q2017 adjustments are equal to (€4.5) mln vs +€0.9 mln in 1Q2016.
- EBITDA margin increase by +1,3 p.p. due to net effect of:
 - Volumes (-€0.4 mln) coherent with revenues decline
 - Less system charges for +€0.8 mln due to regulation change;
 - Combined effect of pricing pressure more than compensated on cost efficiencies (+€3.0 mln);
 - Balance of revenues +€0.4 mln in L&S segment;
 - Start-up costs (€1.1 mln) due to B2C initiatives.
- Fixed costs have not been further improved due to significant optimizations obtained in previous quarters/years.

EBIT Adjusted



Bridge EBIT YoY, €mln



- Adj. EBIT increases by €2.0 mln (+9.6%), mainly tied to EBITDA change (+ 9.8%).
- Adj. are the same pertaining to EBITDA (€4.5 mln) vs €0.9 mln in 1Q2016.
- Adj. EBIT benefitting from more EBITDA (+€2.8 mln) also reflects combination of:
 - ❑ Less D&As for €0.2 mln, of which (€ 0.3) mln in L&S, due the rationalization of linen capex policy and +€ 0.1 mln in FM;
 - ❑ More provisions: more receivables write downs for €0.7 mln and more risk accruals for €0.3 mln, almost all attributable to FM segment.

Net Financial Expenses, Taxes, Net Profit

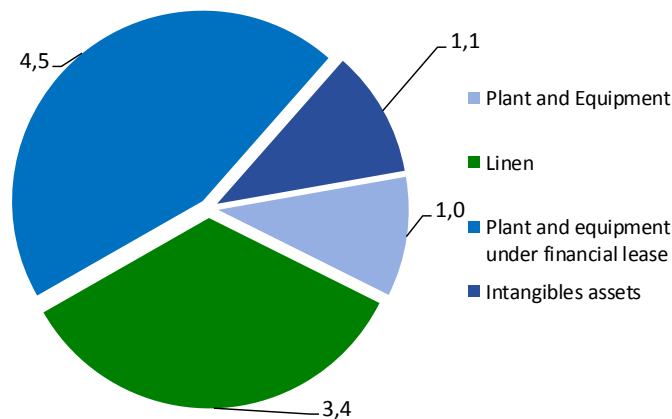
Net Financial Expenses	Taxes	Net Result
<div>1Q 2017</div> <div>€ 7.1 mln</div> <div>1Q 2016</div> <div>€ 7.1 mln</div>	<div>1Q 2017</div> <div>€ 8.0 mln</div> <div><i>EBT € 21.4 mln Tax Rate: 38%</i></div> <div>1Q 2016</div> <div>€ 5.8 mln</div> <div><i>EBT € 13.7 mln Tax Rate: 42%</i></div>	<div>1Q 2017</div> <div>€ 13.4 mln</div> <div><i>5.6% of Revenues</i></div> <div>1Q 2016</div> <div>€ 7.9 mln</div> <div><i>3.3% of Revenues</i></div>
<p>Same result as previous quarter mainly due to opposed effect:</p> <ul style="list-style-type: none"> ❑ Less positive interests on arrears for € 0.6 mln; ❑ Less interest expenses for € 0.6 mln due to due to selling of tax assets 1Q2016. 	<ul style="list-style-type: none"> • EBT increase by €7.7 mln (+56.5%) vs 1Q 2016. • More taxes for € 2.3 mln vs 1Q2016: more IRES for € 1.9 mln and more IRAP for € 0.3 mln • Tax rate decreases vs 1Q2016 thanks to mainly IRAP components that do not vary with EBT. 	<ul style="list-style-type: none"> • Net Result increases by €5.5 mln vs 1Q2016 and benefits from higher EBT deriving from release of system charges costs accounted for in previous years not due anymore because of recent changes in regulation.

Industrial Capex



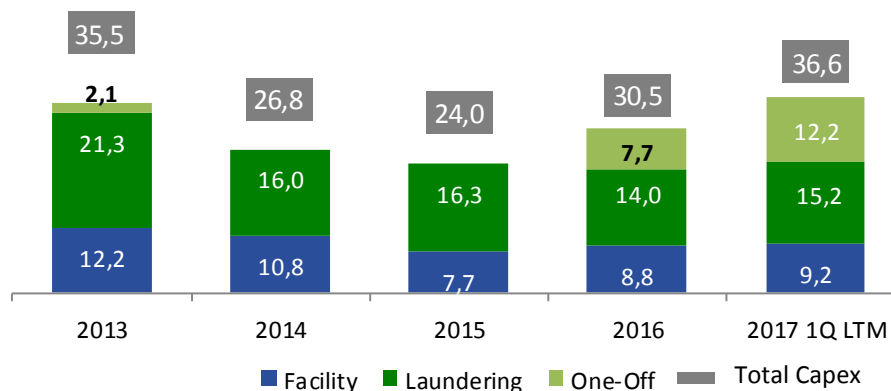
- 1Q2017 industrial Capex are equal to €10.0 mln, of which €4.5 mln are one-off due to the acquisition under financial leasing of a real estate asset (SO Lucca laundering/sterilization plant).
- Net of the one-off effect capex increase by €1.5 mln vs 1Q2016, €1.1 mln in L&S (linen capex due to contract start-ups) and € 0,4 mln in FM due to more operating investments mainly on the road maintenance contract in Bologna.
- L&S capex remain main item (\approx 62% of total Capex net of the one-off).

Capex Breakdown 2016, €mln



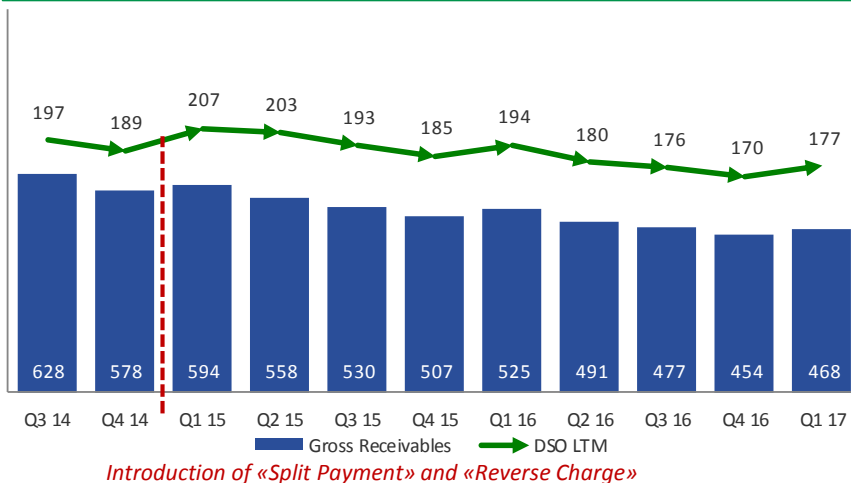
Capex for intangible assets are mainly represented by ICT development

Capex overview, €mln



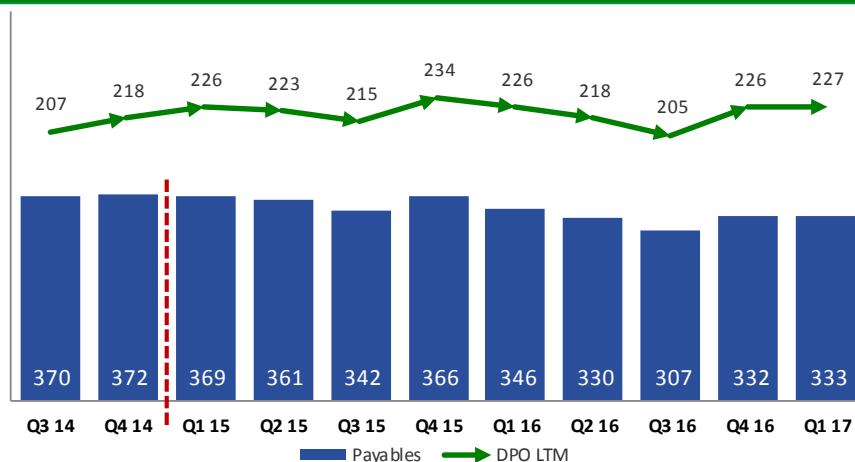
DSOs & DPOs

Gross Receivables and DSOs



- 1Q2017 shows the physiological 1Q increase of DSOs vs 4Q (+7 days) however more contained vs 1Q2016 (+9 days).
- DPOs substantially unchanged vs 4Q2016 and 1Q2016.

Payables and DPOs



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

NWOC

1Q 2017

€139.8 mln

FY 2016

€127.1 mln

NWOC increases by circa €13mln vs 4Q16 due to:

- DSOs (+7 days) and DPOs (+1 day) for total $\approx + \text{€ } 15 \text{ mln}$;
- Less volumes and purchases for total $\approx \text{€ } (2) \text{ mln}$.

NB: stock values before FY 2014 are not comparable due to the 2015 introduction of VAT new fiscal regime (Split payment e Reverse charge).

NWOC / Revenues

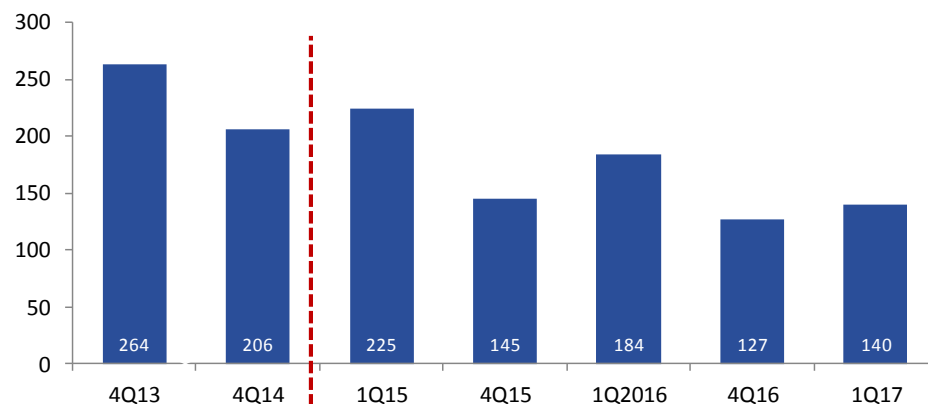
1Q 2017

15.1 %*

FY 2016

13.7 %

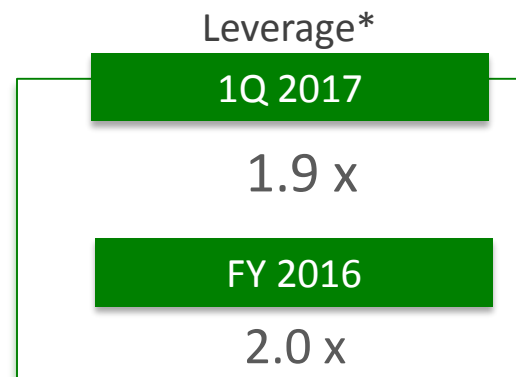
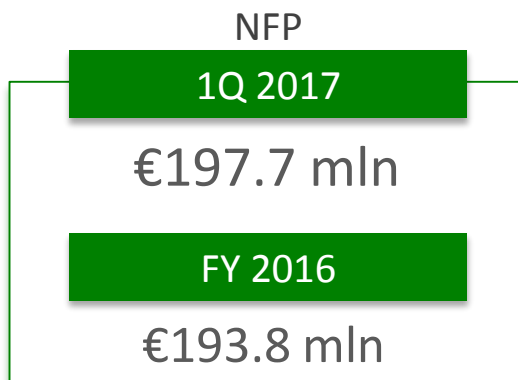
Net Working Operating Capital, €mln



* NWOC = €140 mln; Revenues LTM = €926mln. NWOC / Rev = €140mln / € 926mln

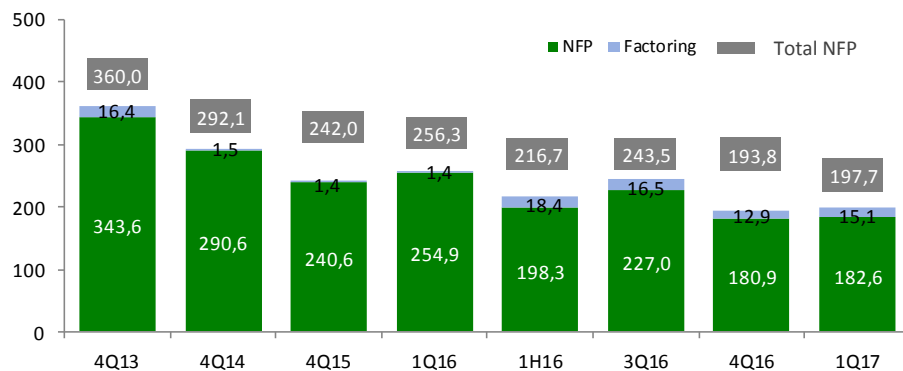
Introduction of «Split Payment» and «Reverse Charge»

Net Financial Position Adjusted



<i>(in thousands of Euro)</i>	March 31, 2017	December 31, 2016
Long-term financial debt	308,8	305,5
Bank borrowings, including current portion of long-term debt, and other financial liabilities	52,1	52,8
Gross financial indebtedness	360,9	358,3
Cash and cash equivalents	(176,2)	(175,0)
Current financial assets	(2,1)	(2,4)
Net financial indebtedness	182,6	180,9
Factoring outstanding	15,1	12,9
Net financial indebtedness adjusted	197,7	193,8

Net Financial Position (adjusted, €mln)

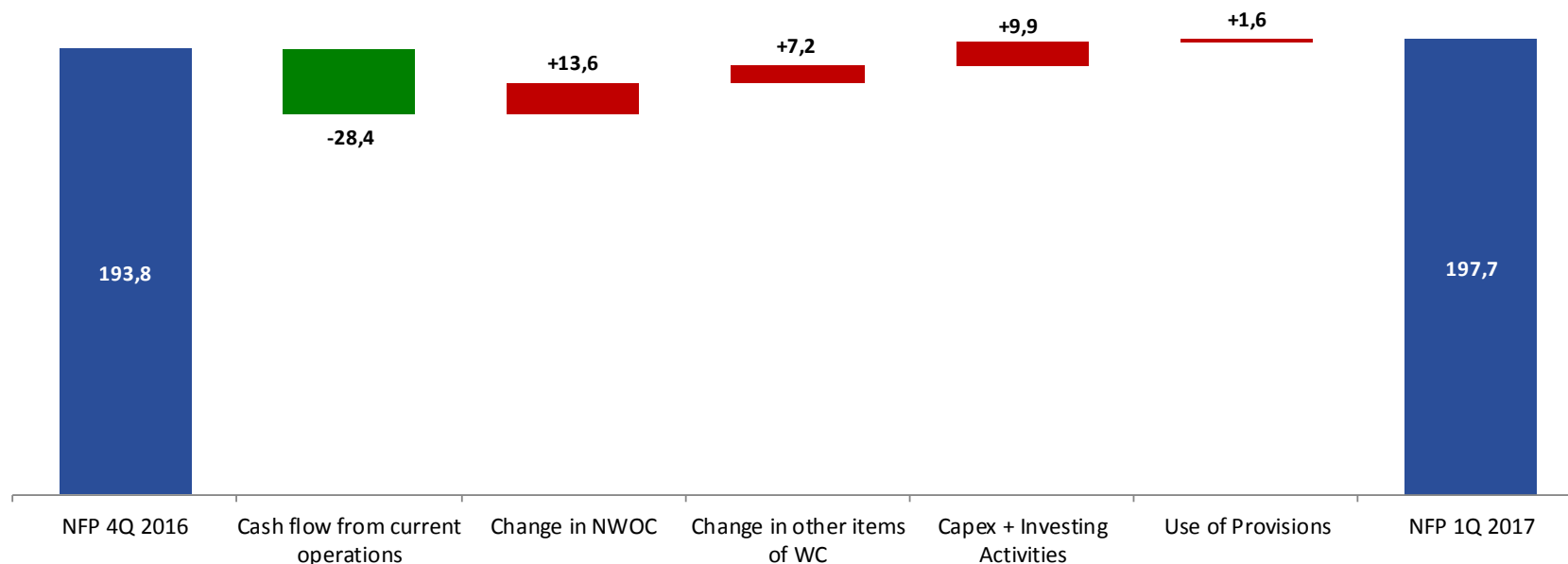


* Leverage Ratio calculated as following:

- **1Q2017.** NFP = €198mln; EBITDA = €104mln; Leverage = €198mln / € 104mln
- **FY2016.** NFP = €194mln; EBITDA = €96mln; Leverage = €194mln / € 96mln

...Focus on NFP changes from December 31, 2016

Changes in Net Financial Position FY 2016 vs 1Q 2017, €mln

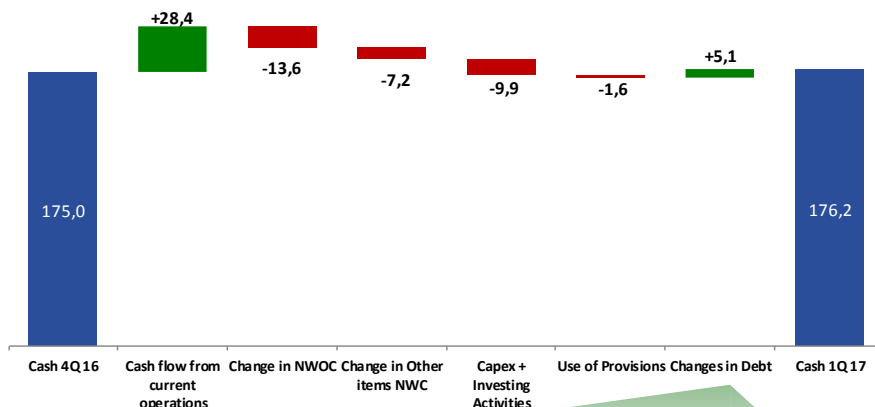


NFP in 1Q2017 shows a slight increase vs FY 16 (+3.9 mln):

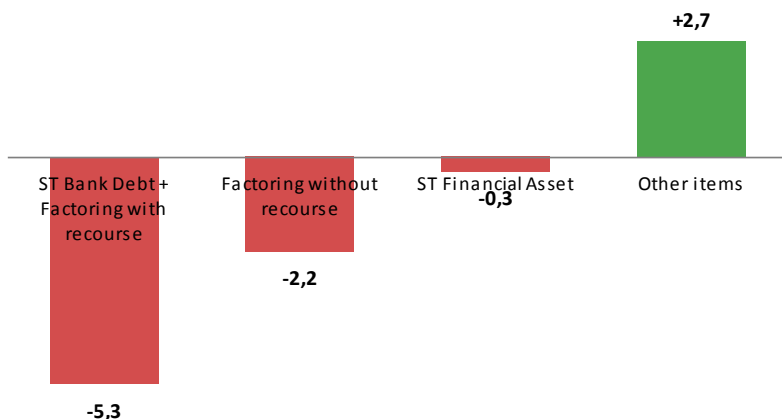
- ✓ Current operations cash flow generates €28.4 mln
- ✓ NWOC absorbs €13.6 mln
- ✓ "Change in other items of WC" absorbs € 7.2 mln mainly due to release of system charges costs for € 6.2 mln.
- ✓ Capex and Investing Activities absorb €9.9 mln, all referring to industrial capex;
- ✓ Use of provisions absorbs €1.6 mln

...Focus on Credit Facilities

Changes in Cash in 1st quarter of 2017, €mln

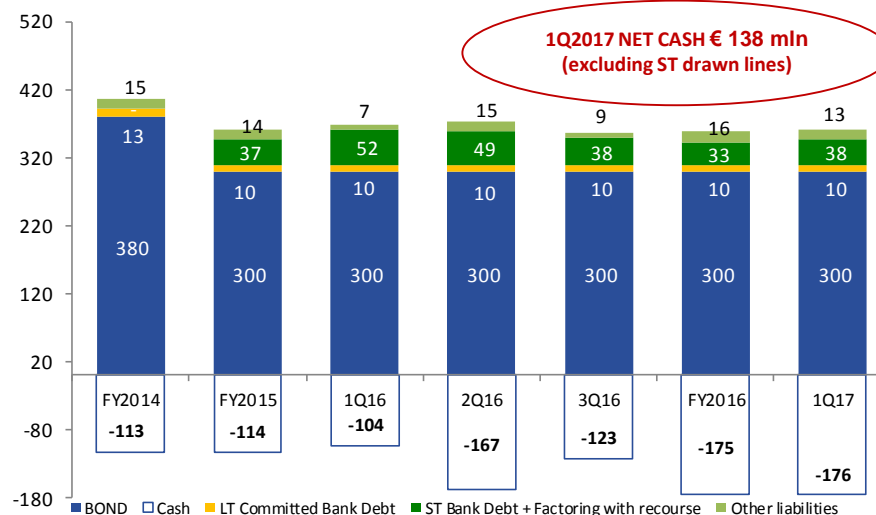


Detail of changes in debt in 1st quarter of 2017, €mln



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

Debt Breakdown, €mln



Up date as of May 4, 2017 MFM has available the following facilities:

Short Term:

- €18 mln short term (hot money, invoice advance), utilized for €15.4 mln
- €40 mln Factoring pro-solvendo, utilized for €21.7 mln

Committed:

- €14mln 3 years banking facilities, utilized for €10mln
- Factoring pro-soluta up to €100 mln per year, duration 3 years, utilized for €14.3mln

...Info on certain cash movements after 1Q17

- Dividends: on April 27, 2017 MFM's General Assembly of Shareholders has decided to distribute dividends equal to €25.1 mln that will be paid within May 31, 2017
- ICA fine: accepting MFM's request to pay the €14,7 mln in installments, ICA communicated its decision to agree on a 30 months instalments payments of the fine, with additional 0.1% (yearly basis) legal interests. First instalment paid on May 3, 2017. Each installment is equal to circa 490k€ per month.

ANNEX

ANNEX

<i>(in thousands of Euro)</i>	March 31, 2017	December 31, 2016
Assets		
Non-current assets		
Property, plant and equipments	64.080	64.483
Property, plant and equipments under lease	6.014	1.627
Goodwill	370.456	370.456
Other intangible assets	25.378	26.114
Investments accounted for under the equity method	31.147	30.534
Other investments	3.850	3.850
Non-current financial assets	11.758	11.769
Other non-current assets	2.819	2.323
Deferred tax assets	20.966	20.971
Total non-current assets	536.468	532.127
Current assets		
Inventories	4.579	4.382
Trade receivables and advances to suppliers	468.619	456.095
Current taxes receivables	387	3.500
Other current assets	29.210	25.932
Current financial assets	2.051	2.387
Cash and cash equivalents	176.231	174.992
Total current assets	681.077	667.288
Assets classified as held for sale	0	0
Total assets classified as held for sale	0	0
Total assets	1.217.545	1.199.415

ANNEX

<i>(in thousands of Euro)</i>	March 31, 2017	December 31, 2016
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	187.463	187.856
Retained earnings	25.910	(7.518)
Profit for the period attributable to equity holders of the Parent	13.348	33.649
<i>Equity attributable to equity holders of the parent</i>	<i>335.871</i>	<i>323.137</i>
Capital and reserves attributable to non-controlling interests	235	351
Profit for the period attributable to non-controlling interests	22	(116)
<i>Equity attributable to non-controlling interests</i>	<i>257</i>	<i>235</i>
Total shareholders' equity	336.128	323.372
Non-current liabilities		
Employee termination indemnity	16.459	17.043
Provisions for risks and charges, non-current	29.933	44.522
Long-term financial debt	308.831	305.482
Deferred tax liabilities	11.853	11.812
Other non-current liabilities	71	50
Total non-current liabilities	367.147	378.909
Current liabilities		
Provisions for risks and charges, current	10.346	10.715
Trade payables and advances from customers	348.484	346.308
Current tax payables	6.188	1.363
Other current liabilities	97.173	85.909
Bank borrowings, including current portion of long-term debt, and other financial liabilities	52.079	52.839
Total current liabilities	514.270	497.134
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	1.217.545	1.199.415

ANNEX

<i>(in thousands of Euro)</i>	For 3 months ended March 31,	
	2017	2016
Revenues		
Revenue from sales and services	238.356	241.390
Other revenue	243	306
Total revenues	238.599	241.696
Operating costs		
Costs of raw materials and consumables	(38.004)	(41.694)
Change in inventories of finished goods	0	20
Costs for services and use of third party assets	(75.169)	(75.782)
Personnel costs	(95.255)	(95.188)
Other operating costs	5.203	(1.804)
Amortization, depreciation, write-downs and write-backs of assets	(7.572)	(7.150)
Accrual of provisions for risks and charges	(553)	(208)
Total operating costs	(211.285)	(221.806)
Operating Income	27.314	19.890
Financial income and expenses		
Share of net profit of associates	1.227	871
Dividends and income from sales of investments	0	0
Financial income	219	777
Financial charges	(7.344)	(7.853)
Profit/(loss) on exchange rate	0	0
Profit (loss) before taxes from continuing operations	21.416	13.685
Income taxes	(8.046)	(5.782)
Profit (loss) from continuing operations	13.370	7.903
Profit (loss) from discontinued operation	0	0
Net profit (loss) for the period	13.370	7.903
Net profit (loss) attributable to non controlling interests	(22)	170
Net profit (loss) for the period attributable to equity holders of the Parent	13.348	8.073

ANNEX

(in thousands of Euro)	For 3 months ended March 31,	
	2017	2016
Net profit (loss) from continuing operations	13.370	7.903
Income taxes for the period	8.046	5.782
Profit before taxes from continuing operations	21.416	13.685
<i>Profit (loss) from discontinued operation</i>	0	0
<i>(Gains) losses from the transfer of equity investments</i>	0	0
Amortization, depreciation, write-downs and (write-backs) of assets	7.572	7.151
Accrual (reversal) of provisions for risks and charges	553	208
Employee termination indemnity provision	195	208
Payments of employee termination indemnity	(780)	(423)
Utilization of provisions	(811)	(1.852)
Share of net profit of associates	(1.227)	(871)
Financial charges (income) for the period	7.125	7.076
Operating cash flows before movements in Working Capital	34.043	25.182
<i>Cash flows related to discontinued operations</i>	0	-
<i>Cash flows related to continuing operations</i>	19.343	-
Decrease (increase) of inventories	(197)	185
Decrease (increase) of trade receivables and advances to suppliers	(13.429)	(20.514)
Decrease (increase) of other current assets	(3.774)	(2.093)
Increase (decrease) of trade payables and advances from customers	2.176	(18.909)
Increase (decrease) of other current liabilities	(3.415)	(2.083)
Change in Working Capital	(18.639)	(43.414)
Net interests received (paid) in the period	(13.131)	(12.519)
Income taxes paid in the period	(62)	9.875
Net cash flow from operating activities	2.211	(20.875)
Purchase of intangible assets, net of sales	(1.077)	(1.042)
Purchase of property, plant and equipment	(8.946)	(2.928)
Proceeds from sales of property, plant and equipment	108	158
Disposal (acquisition) of investments	0	(197)
Decrease (increase) of financial assets	(69)	(108)
Net cash used in business combination	0	0
Net cash from assets held for sale	100	0
Net cash flow from (used in) investing activities	(9.883)	(4.118)
Proceeds from non-current borrowings	0	0
Repayment of non-current borrowings	0	0
Change in finance lease liabilities	3.202	(159)
Proceeds from/(repayment of) current borrowings	4.131	(877)
Other change in financial debt	1.577	15.487
Dividends paid	0	0
Change in scope of consolidation	0	0
Net cash flow from/(used in) financing activities	8.911	14.452
Changes in cash and cash equivalents	1.239	(10.541)
Cash and cash equivalents at the beginning of the year	174.992	114.391
Changes in cash and cash equivalents	1.239	(10.541)
Cash and cash equivalents at the end of the period	176.231	103.850
Details of cash and cash equivalents		
Cash and bank current accounts	176.231	103.850
Total cash and cash equivalents	176.231	103.850

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

	For the quarter ended March 31, 2017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	174.992
CASH FLOW FROM CURRENT OPERATIONS:	28.446
Profit before taxes for the period	21.416
Profit (loss) from discontinued operation	0
Capital gain on disposal of discontinued operation	0
Other impairment on discontinued operation	0
Amortization, depreciation, write-downs and (write-backs) of assets	7.572
Accrual (reversal) of provisions for risks and charges	553
Employee termination indemnity provision	195
Share of net profit of associates, net of dividends collected	(1.227)
Financial charges (income) for the period	7.125
Net interest received (paid) in the period	(13.131)
Income tax paid in the year	(62)
Reclassifications:	
Non-cash net financial charges accounted for under the Statement of Profit or Loss	6.005
Cash flow related to the assignment without recourse of tax receivables from tax consolidation agreement, which forms in "Decrease (increase) of other current assets"	0
USES OF PROVISIONS FOR RISKS AND CHARGES AND PAYMENTS OF THE EMPLOYEE TERMINATION INDEMNITY:	(1.591)
Payments of Employee termination indemnity	(780)
Utilization of provisions	(811)
CHANGE IN ADJUSTED NWOC:	(13.636)
Decrease (increase) of inventories	(197)
Decrease (increase) of trade receivables	(13.429)
Increase (decrease) of trade payables and advances from customers	2.176
Adjustments:	
Change in the amount of trade receivables assigned without recourse to Factoring agencies and not yet collected by the latter	(2.186)
INDUSTRIAL AND FINANCIAL CAPEX:	(9.903)
(Purchase of intangible assets, net of sales)	(1.077)
(Purchase of property, plant and equipment)	(8.946)
Proceeds from sales of property, plant and equipment	108
(Acquisition of investments)	0
Decrease (increase) of financial assets	(69)
Net cash used in business combinations	0
Net cash from assets held for sale	100
Reclassifications:	
Change in current financial assets, to be included in Net Financial Liabilities	(21)
Payables for acquisition of equity investments and business combinations	0
CHANGE IN ADJUSTED NET FINANCIAL LIABILITIES:	5.111
Proceeds from non-current borrowings	0
Repayment of non-current borrowings	0
Change in finance lease liabilities	3.202
Proceeds from/(repayment of) current borrowings	4.131
Other change in financial debt	1.577
Adjustments:	
Change in the amount of receivables assigned without recourse to Factoring agencies and not yet collected by the latter	2.186
Reclassifications:	
Non-cash net financial charges accounted for under the Statement of Profit or Loss	(6.005)
Change in current financial assets, to be included in Net Financial Liabilities	20
Payables for acquisition of equity investments and business combinations	0
OTHER CHANGES:	(7.188)
Decrease (increase) of other current assets	(3.774)
Increase (decrease) of other current liabilities	(3.414)
Dividends paid	0
Change in consolidation scope	0
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"	0
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	176.231

What's next

- ✓ Next call with Bondholders on 2Q 2017 will be held on August 30, 2017
- ✓ Manutencoop Financial Calendar is available on:
www.manutencoopfm.it/eng/investor-relations_calendario.asp