



**Summary of the Results at
June 30, 2017**

*Call on Results
August 30, 2017, 17CET*

Disclaimer

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Half year results are subject to a limited auditors' review

Index

MFM speakers today

Index



Aldo Chiarini

CEO



Riccardo Bombardini

Head of Investor Relations

- Results at 1H 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

1H 2017 KPI Reconciliation (statutory vs adjusted), €mln

	For the period ended June 30, 2017		
	Consolidated Statutory	Adj	Consolidated Adjusted
Revenues	455,3		455,3
EBITDA	54,0	(4,1)	50,0
EBITDA % on Revenues	11,9%		11,0%
EBIT	40,0	(6,0)	34,0
EBIT % on Revenues	8,8%		7,5%
Net Result	15,7		15,7

	June 30, 2017		
	Consolidated Statutory	Factoring Outstanding	Consolidated Adjusted
NWOC	92,8	20,5	113,3
NFP	(159,2)	(20,5)	(179,8)

Period **adjusted EBITDA** and **adjusted EBIT** include non recurring items referring to:

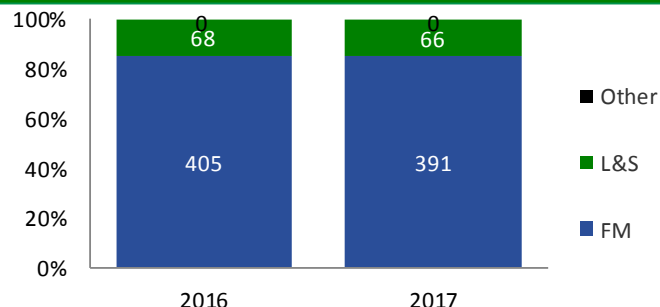
- ✓ Income from release of system charges («oneri di sistema») due to change in regulation for € (6.2) mln ;
- ✓ Litigation legal expenses for 0.4 mln €;
- ✓ Restructuring related costs for € 1.7 mln.
- ✓ Release of provisions for € (1.9) mln for potential administrative penalty on a contract, accrued in 2016

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

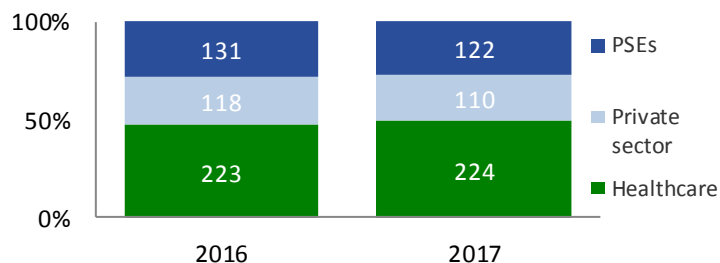
Revenues



Revenues by Segment, €mln



Revenues by Client, €mln



- Revenues decrease vs previous year same period by €16.2 mln, (3.4%).

- This is explained:

➤ by Segment

- € (14) mln in FM due to PSEs and Private market reduction;
- € (2) mln in L&S due to end of some sterilization contracts.

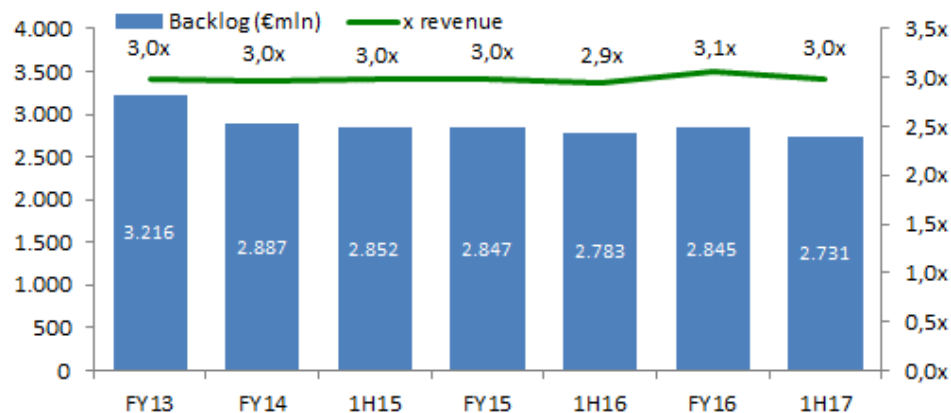
➤ by Client

- € (9) mln PSEs due to current unfavourable situation in portfolio rotation;
- € (8) mln Private due to redimensioning of some contracts, on one of which we already expected some renegotiations to occur;
- € +1 mln Healthcare due to contract start-ups.

Backlog



Revenue Visibility from Backlog

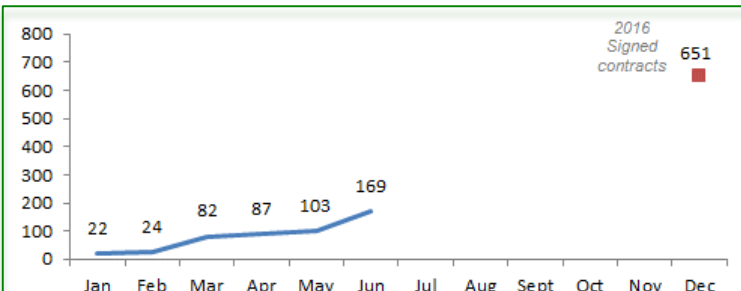


- Physiological decrease of Backlog in 1H 2017 combines with delay in PA awardings bring reduction of € 114 mln vs FY2016.;
- Backlog / Revenues 3.0x

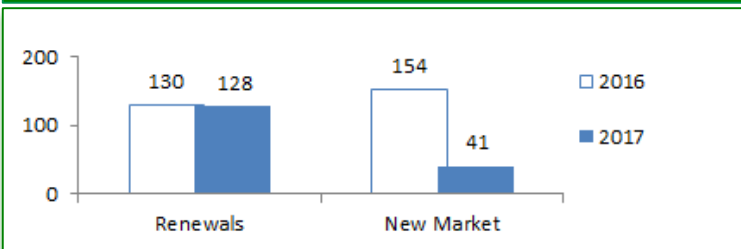
Backlog is defined as the total amount of uncancellable and already secured revenues in respect of which MFM Group has received binding commitments from customers

Signed Contracts

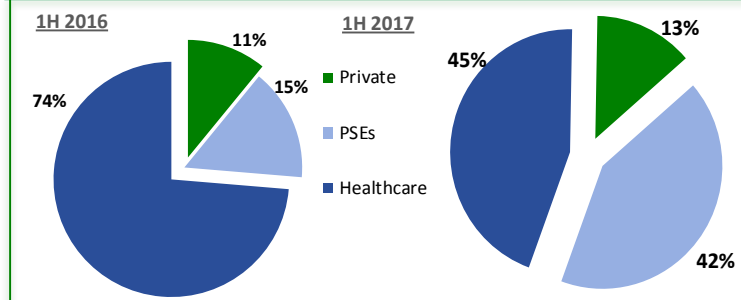
Value of contracts signed in 1H 2017, €mln



Breakdown of signed contracts YTD, €mln



Signed contracts by Client



Sales Activity

- Awarded pluriannual volumes reach in 2Q17 €169 mln vs € 284 mln in 2Q16;
- Delay in New Market awards is mainly explained by an important awarding in 1Q16 worth €81 mln (A.O.ULSS Treviso);
- Renewals almost equal vs same period of previous year;
- Average contract duration 3 years with usual distinction between PSEs, Healthcare and Private.
- In pie chart, PSEs show 42% due to HERA re-awarding.

Main signed contracts in 1H 2017

- Renewal: APSS Trento cleaning services worth 24.5 mln, duration 3 years;
- Renewal: University of Bologna cleaning services worth €10.1 mln, duration 3 years;
- Renewal: Parma Province energy services worth € 4.7mln, duration 6 years;
- Renewal: A.S.L. N.22 NOVI LIGURE laundering services worth €3.8 mln, duration 5 years;
- Renewal: University of Parma energy services worth €3.5 mln, duration 3 years.

Tenders Pipeline (as of July 15, 2017)

€ Million, Bid Base

Tenders Joined		Awarded to the market		Pending		WON by MFM Group	
#	Total Value	#	Total Value	#	Total Value	#	Total Value
111	€ 2.496mln	30	€ 101mln	77	€ 2.382mln	4	€ 13mln

until April 2017

from April 2017 until today

Tenders Joined		Awarded to the market		Pending		WON by MFM Group	
#	Total Value	#	Total Value	#	Total Value	#	Total Value
40	€ 298mln	6	€ 11mln	30	€ 267mln	4	€ 21mln

New Tenders from April 2017 until today

Pending ^(*)

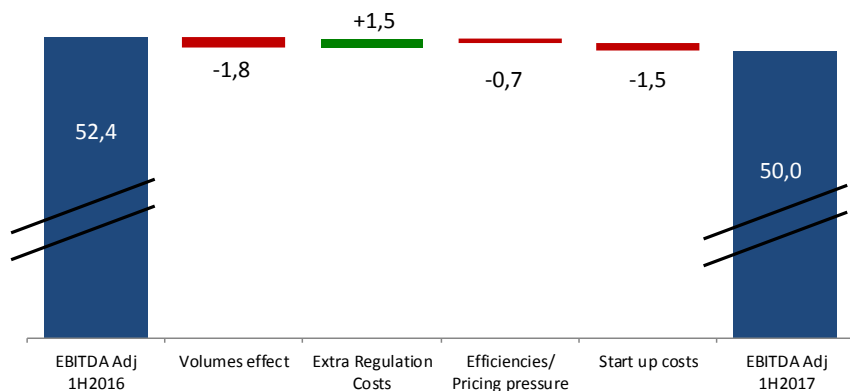
#	Total Value
107	€ 2.649mln

- 71% in volume of which pending for more than 1 year
- 78% of which related to procurement entities tenders

EBITDA Adjusted



Bridge EBITDA YoY, €mln

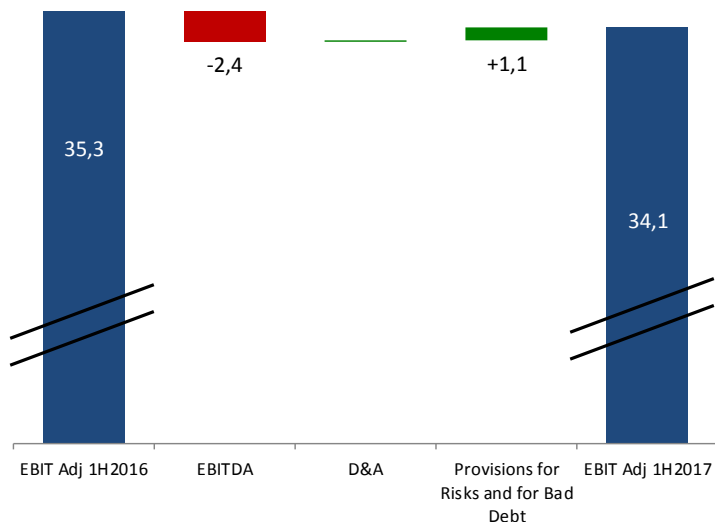


- Adjusted EBITDA decreases by €2.4 mln (-4.6%), vs previous same period previous year, due to revenues reduction.
- 1H17 adjustments are € (4.1) mln vs + €1.0 mln in 1H16.
- EBITDA margin diminishes by -0.1 p.p. due to net effect of:
 - Volumes € (1.8) mln;
 - Less system charges (“Oneri di Sistema”) by +€1.5 mln due to Italian regulation change;
 - Pricing pressures embeds a negative one-off effect of total € 1.1 mln due to a single contract renegotiation (occured in the second quarter of 2017), which includes a retroactive effect of 500k€ (out of the €1.1 mln) effect in 1Q17. Net of this effect this item would be have been positive for € 0.4 mln.
 - Start-up costs € (1.5) mln due to B2C initiatives, that were still not incepted in 1H16.

EBIT Adjusted



Bridge EBIT YoY, €mln



- Adjusted EBIT decreases by €1.3 mln (3.7%).
- 1H17 adjustments are equal to € (6.0) mln vs circa € +1.0 mln in 1H16.
- Negative EBITDA adj for € (2.4) mln is mitigated by less provisions, in particular:
 - Substantially same D&As;
 - Less provisions € (1.1) mln, related to bad debt

Net Financial Expenses, Taxes, Net Profit

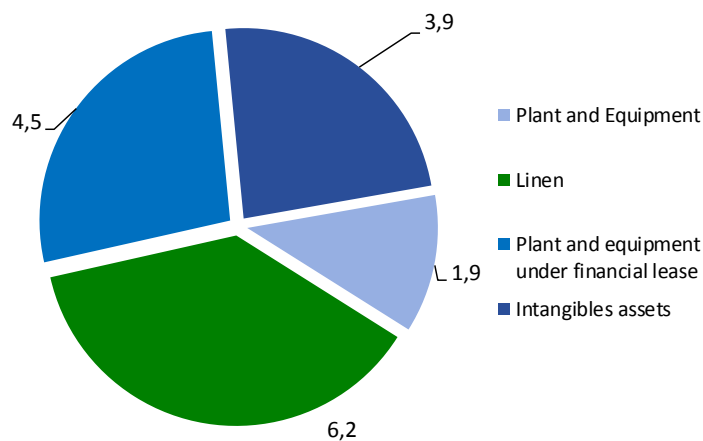
Net Financial Expenses	Taxes	Net Result
<div>1H 2017</div> <div>€ 14.2 mln</div> <div>1H 2016</div> <div>€ 14.1 mln</div>	<div>1H 2017</div> <div>€ 11.2 mln</div> <div><i>EBT € 27.0 mln Tax Rate: 42%</i></div> <div>1H 2016</div> <div>€ 9.9 mln</div> <div><i>EBT € 21.8 mln Tax Rate: 45%</i></div>	<div>1H 2017</div> <div>€ 15.7 mln</div> <div><i>3.5% of Revenues</i></div> <div>1H 2016</div> <div>€ 13.0 mln</div> <div><i>2.7% of Revenues</i></div>
<p>Same result as previous quarter mainly due to opposed effect:</p> <ul style="list-style-type: none"> ❑ Less interests on arrears for € 0.6 mln; ❑ Less interest expenses for €0.5 mln due to selling of tax assets 1Q2016. 	<ul style="list-style-type: none"> • EBT increase by €5.2 mln, +23.9% vs 1H 2016. • More taxes for € 1.3 mln vs 1H2016: more IRES for € 1.1 mln and more IRAP for € 0.2 mln; • Tax rate decreases vs 1H2016 thanks to mainly IRAP components that do not vary with EBT. 	<ul style="list-style-type: none"> • Net Result increases by €2.7 mln vs 1H2016.

Industrial Capex



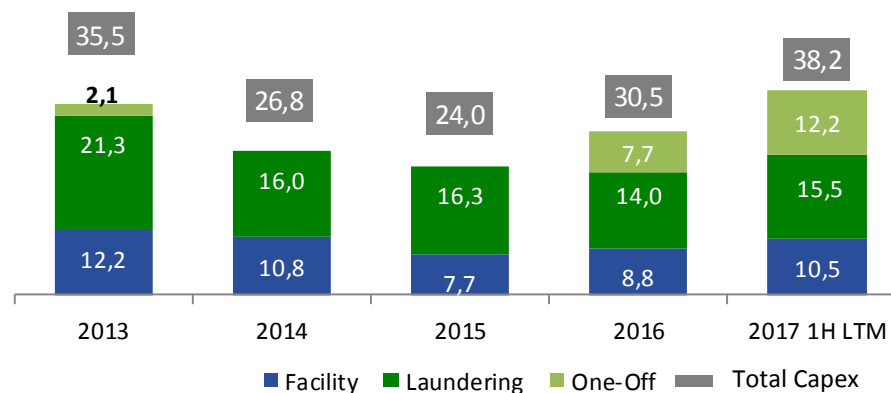
- 1H17 industrial Capex are equal to €16.6 mln, of which €4.5 mln are one-off due to the acquisition under financial leasing of a real estate asset (SO Lucca laundering/sterilization plant).
- Net of the one-off effect capex increase by €3.2 mln vs 1H16, €1.7 mln in L&S (linen capex due to contract start-ups) and € 1.7 in intangible assets related to IT platform for B2C activities startup.
- L&S capex remain main item (\approx 51% of total Capex net of the one-off).

Capex Breakdown 1H 2017, €mln



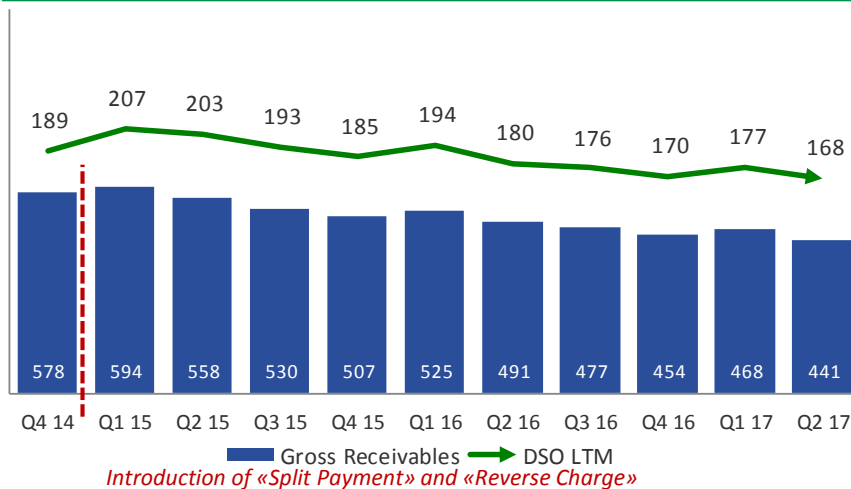
Capex for intangible assets are mainly represented by ICT development

Capex overview, €mln

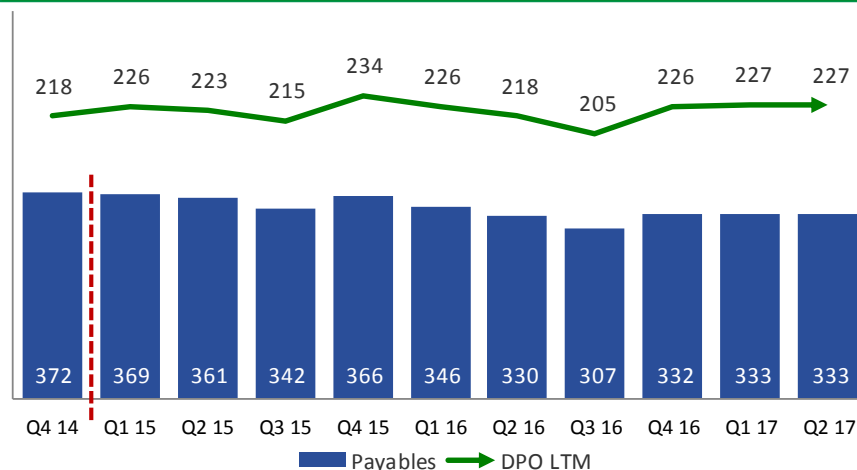


DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- 1H17 sees a further reduction in DSOs vs 4Q16, (2) days and (10) days vs 1H16 reaching a minimum low to 168 days.
- DPOs substantially unchanged vs 4Q2016 and 1Q2016.

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

1H 2017

€113.3 mln

FY 2016

€127.1 mln

NWOC decreases by €13.8 mln vs FY16 due to:

- DSOs (2) days and DPOs +1 day equivalent to ≈ € (7) mln;
- Less volumes and purchases for total ≈ € (7) 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

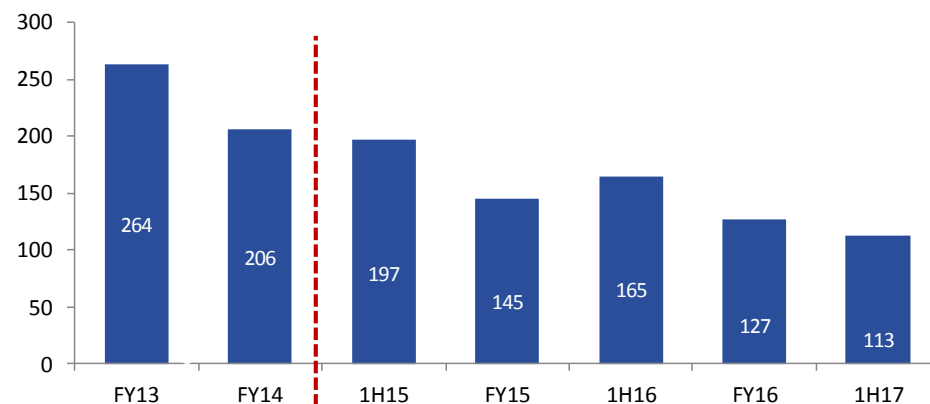
1H 2017

12.4 %*

FY 2016

13.7 %

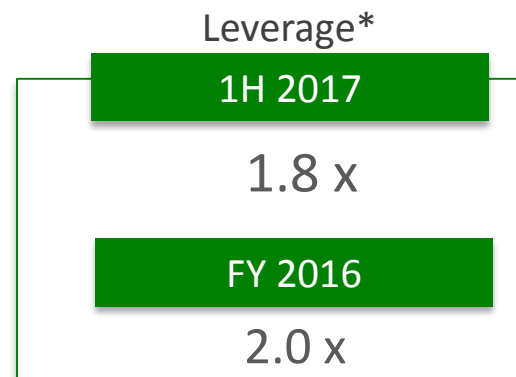
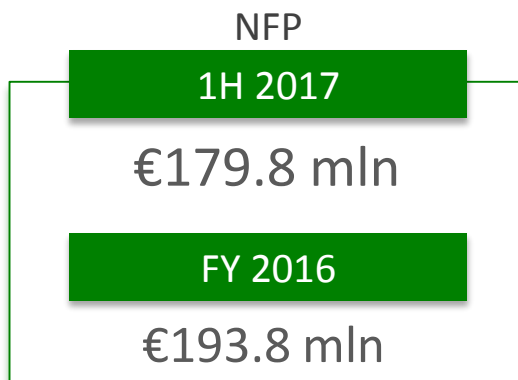
Net Working Operating Capital, €mln



* NWOC = €113 mln; Revenues LTM = €913mln. NWOC / Rev = €113 mln / € 913mln

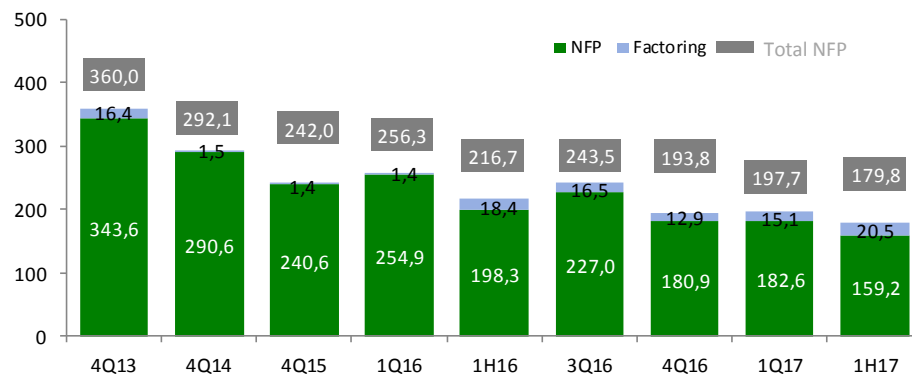
Introduction of «Split Payment» and «Reverse Charge»

Net Financial Position Adjusted



<i>(in thousands of Euro)</i>	June 30, 2017	December 31, 2016
Long-term financial debt	308.601	305.482
Bank borrowings, including current portion of long-term debt, and other financial liabilities	33.494	52.839
Gross financial indebtedness	342.095	358.321
Cash and cash equivalents	(177.315)	(174.992)
Current financial assets	(5.550)	(2.387)
Net financial indebtedness	159.230	180.942
Factoring outstanding	20.547	12.883
Net financial indebtedness adjusted	179.777	193.825

Net Financial Position (adjusted, €mln)

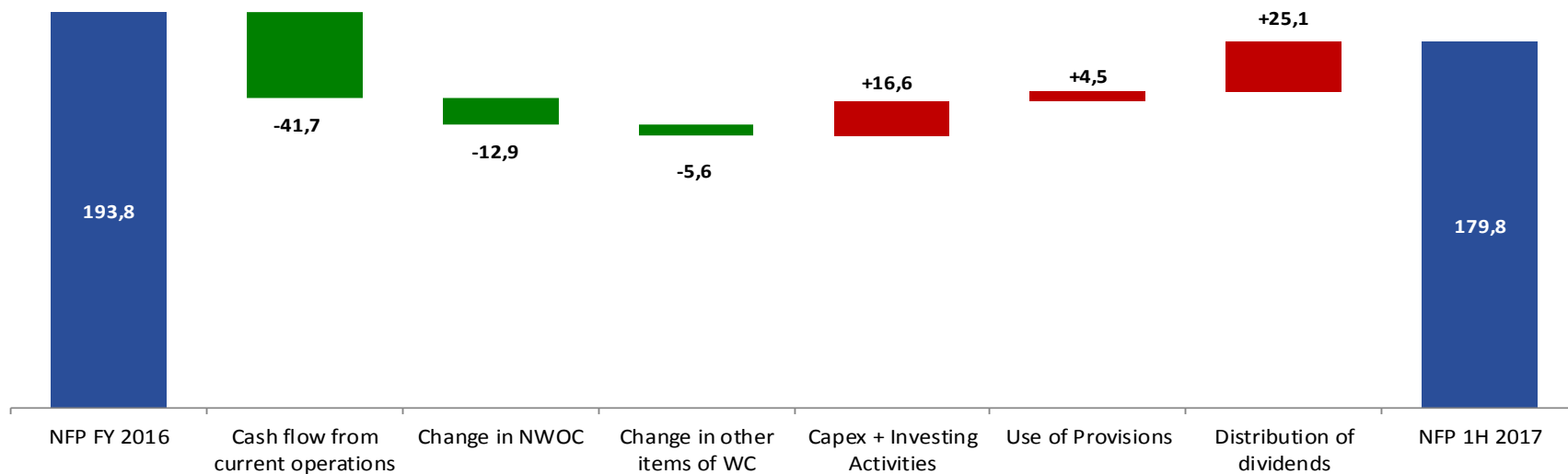


* Leverage Ratio calculated as following:

- **1H2017.** NFP Adj= €180mln; EBITDA LTM = €99mln; Leverage = €180mln / € 99mln
- **FY2016.** NFP Adj = €194mln; EBITDA LTM = €96mln; Leverage = €194mln / € 96mln

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

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

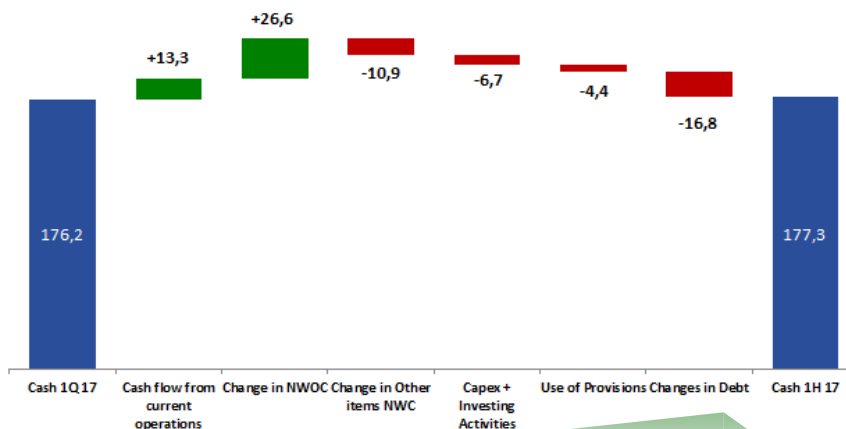


NFP in 1H17 shows a positive decrease vs FY 16 € (14) mln despite payment of € 25 mln of dividends in May 2017.

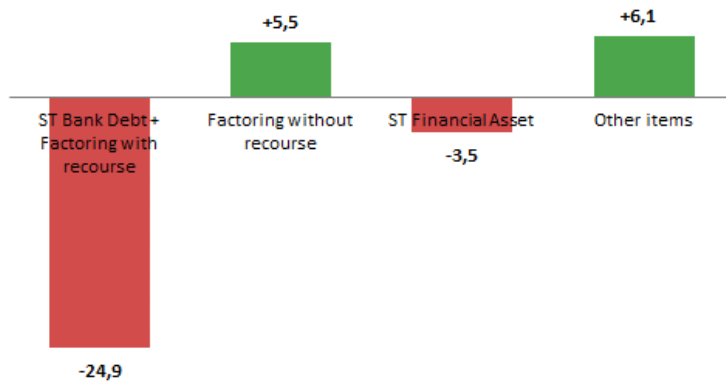
- ✓ Current operations cash flow generates €41.7 mln
- ✓ NWOC creates €12.9 mln
- ✓ “Change in other items of WC” creates € 5.6 mln mainly due seasonal debts vs employees and to the release of system charges costs for € 6.2 mln. This items contains monthly payments of ICA fine starting May 2017.
- ✓ Capex and Investing Activities absorb €16.6 mln, all referring to industrial capex;
- ✓ Use of provisions absorbs €4.5 mln
- ✓ Dividend distribution accounts for € 25.1 mln.

...Focus on Credit Facilities

Changes in Cash 1H 2017, €mln

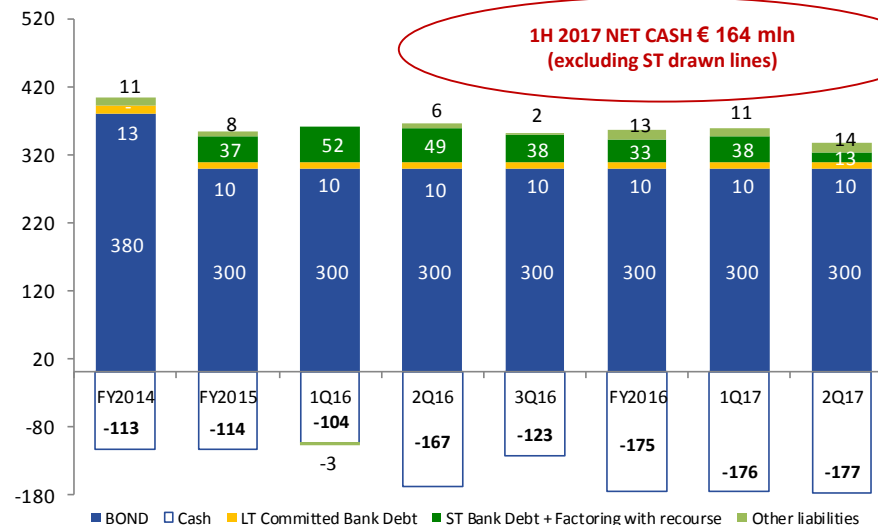


Detail of changes in debt 1H 2017, €mln



Note: «Other» mainly includes Accrued Interest on Coupon for €10.6 mln

Debt Breakdown, €mln



Update as of August 7, 2017: MFM has available the following facilities:

Short Term:

- €17 mln short term (hot money, invoice advance), utilized for €0.0 mln;
- €30 mln Factoring pro-solvendo, utilized for €0.0 mln;

Committed:

- €4 mln, 3 years banking facilities, utilized for €0mln;
- Factoring pro-soluto up to €100 mln per year, duration 3 years, utilized for €46 mln

ANNEX

ANNEX

<i>(in thousands of Euro)</i>	June 30, 2017	December 31, 2016
Assets		
Non-current assets		
Property, plant and equipments	62.779	64.483
Property, plant and equipments under lease	5.911	1.627
Goodwill	370.456	370.456
Other intangible assets	26.381	26.114
Investments accounted for under the equity method	29.794	30.534
Other investments	4.258	3.850
Non-current financial assets	11.627	11.769
Other non-current assets	2.837	2.323
Deferred tax assets	20.946	20.971
Total non-current assets	534.989	532.127
Current assets		
Inventories	4.744	4.382
Trade receivables and advances to suppliers	437.952	456.095
Current taxes receivables	0	3.500
Other current assets	25.523	25.932
Current financial assets	5.550	2.387
Cash and cash equivalents	177.315	174.992
Total current assets	651.084	667.288
Assets classified as held for sale	0	0
Total assets classified as held for sale	0	0
Total assets	1.186.073	1.199.415

ANNEX

<i>(in thousands of Euro)</i>	June 30, 2017	December 31, 2016
Shareholders' equity and Liabilities		
Share capital	109.150	109.150
Reserves	145.148	187.856
Retained earnings	43.755	(7.518)
Profit for the period attributable to equity holders of the Parent	15.700	33.649
<i>Equity attributable to equity holders of the parent</i>	<i>313.753</i>	<i>323.137</i>
Capital and reserves attributable to non-controlling interests	235	351
Profit for the period attributable to non-controlling interests	36	(116)
<i>Equity attributable to non-controlling interests</i>	<i>271</i>	<i>235</i>
Total shareholders' equity	314.024	323.372
Non-current liabilities		
Employee termination indemnity	15.705	17.043
Provisions for risks and charges, non-current	27.567	44.522
Long-term financial debt	308.601	305.482
Deferred tax liabilities	11.806	11.812
Other non-current liabilities	71	50
Total non-current liabilities	363.750	378.909
Current liabilities		
Provisions for risks and charges, current	9.376	10.715
Trade payables and advances from customers	349.942	346.308
Current tax payables	8.939	1.363
Other current liabilities	106.548	85.909
Bank borrowings, including current portion of long-term debt, and other financial liabilities	33.494	52.839
Total current liabilities	508.299	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	1.186.073	1.199.415

ANNEX

<i>(in thousands of Euro)</i>	For 6 months ended June 30,	
	2017	2016
Revenues		
Revenue from sales and services	454.511	470.914
Other revenue	835	633
Total revenues	455.346	471.547
Operating costs		
Costs of raw materials and consumables	(61.749)	(64.193)
Change in inventories of finished goods	0	20
Costs for services and use of third party assets	(152.592)	(159.094)
Personnel costs	(190.712)	(192.956)
Other operating costs	3.645	(3.942)
Amortization, depreciation, write-downs and write-backs of assets	(14.602)	(16.199)
Accrual of provisions for risks and charges	528	(882)
Total operating costs	(415.393)	(437.246)
Operating Income	39.953	34.301
Financial income and expenses		
Share of net profit of associates	1.156	1.601
Dividends and income from sales of investments	159	238
Financial income	604	1.089
Financial charges	(14.922)	(15.420)
Profit/(loss) on exchange rate	(2)	(3)
Profit (loss) before taxes from continuing operations	26.948	21.806
Income taxes	(11.212)	(9.907)
Profit (loss) from continuing operations	15.736	11.899
Profit (loss) from discontinued operation	0	1.052
Net profit (loss) for the period	15.736	12.951
Net profit (loss) attributable to non controlling interests	(36)	135
Net profit (loss) for the period attributable to equity holders of the Parent	15.700	13.086

ANNEX

<i>(in thousands of Euro)</i>	For 6 months ended June 30,	
	2017	2016
Net profit (loss) from continuing operations	15.736	11.899
Income taxes for the period	11.212	9.907
Profit before taxes from continuing operations	26.948	21.806
<i>Profit (loss) from discontinued operation</i>	0	1.052
<i>(Gains) losses from the transfer of equity investments</i>	0	(1.409)
Amortization, depreciation, write-downs and (write-backs) of assets	14.602	16.199
Accrual (reversal) of provisions for risks and charges	(528)	882
Employee termination indemnity provision	430	408
Payments of employee termination indemnity	(1.416)	(921)
Utilization of provisions	(3.066)	(5.180)
Share of net profit of associates	416	(1.601)
Financial charges (income) for the period	14.320	14.334
Operating cash flows before movements in Working Capital	51.706	45.570
<i>Cash flows related to discontinued operations</i>	0	185
<i>Cash flows related to continuing operations</i>	51.706	(209)
Decrease (increase) of inventories	(362)	173
Decrease (increase) of trade receivables and advances to suppliers	17.334	26.711
Decrease (increase) of other current assets	(406)	(3.714)
Increase (decrease) of trade payables and advances from customers	3.634	(32.323)
Increase (decrease) of other current liabilities	5.960	13.894
Change in Working Capital	26.160	4.741
Net interests received (paid) in the period	(13.592)	(13.316)
Income taxes paid in the period	(139)	9.714
Net cash flow from operating activities	64.135	46.708
Purchase of intangible assets, net of sales	(3.947)	(2.497)
Purchase of property, plant and equipment	(12.666)	(6.423)
Proceeds from sales of property, plant and equipment	274	616
Disposal (acquisition) of investments	(408)	(227)
Decrease (increase) of financial assets	(1.222)	(841)
Net cash used in business combination	0	0
Net cash from assets held for sale	110	3.984
Net cash flow from (used in) investing activities	(17.858)	(5.387)
Proceeds from non-current borrowings	0	0
Repayment of non-current borrowings	0	0
Change in finance lease liabilities	3.025	619
Proceeds from/(repayment of) current borrowings	(11.857)	(8.283)
Other change in financial debt	(10.031)	19.184
Dividends paid	(25.091)	(25)
Change in scope of consolidation	0	(4)
Net cash flow from/(used in) financing activities	(43.954)	11.491
Changes in cash and cash equivalents	2.323	52.813
Cash and cash equivalents at the beginning of the year	174.992	114.391
Changes in cash and cash equivalents	2.323	52.813
Cash and cash equivalents at the end of the period	177.315	167.204
Details of cash and cash equivalents		
Cash and bank current accounts	177.315	167.204
Total cash and cash equivalents	177.315	167.204

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

ANNEX

	For the year ended June 30, 2017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	174.992
CASH FLOW FROM CURRENT OPERATIONS:	41.729
Profit before taxes for the period	26.948
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	14.602
Accrual (reversal) of provisions for risks and charges	(528)
Employee termination indemnity provision	430
Share of net profit of associates, net of dividends collected	416
Financial charges (income) for the period	14.320
Net interest received (paid) in the period	(13.592)
Income tax paid in the year	(139)
Reclassifications:	
Non-cash net financial charges accounted for under the Statement of profit or loss	(728)
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:	(4.482)
Payments of Employee termination indemnity	(1.416)
Utilization of provisions	(3.066)
CHANGE IN ADJUSTED IWOC:	12.942
Decrease (increase) of inventories	(362)
Decrease (increase) of trade receivables	17.334
Increase (decrease) of trade payables and advances from customers	3.634
Adjustments:	
Change in the amount of trade receivables assigned without recourse to Factoring agencies and not yet collected by the latter	(7.664)
INDUSTRIAL AND FINANCIAL CAPEX:	(16.604)
(Purchase of intangible assets, net of sales)	(3.947)
(Purchase of property, plant and equipment)	(12.666)
Proceeds from sales of property, plant and equipment	274
(Acquisition of investments)	(408)
Decrease (increase) of financial assets	(1.222)
Net cash used in business combinations	0
Net cash from assets held for sale	110
Reclassifications:	
Change in current financial assets, to be included in Net Financial Liabilities	1.254
Payables for acquisition of equity investments and business combinations	0
CHANGE IN ADJUSTED NET FINANCIAL LIABILITIES:	(11.725)
Proceeds from non-current borrowings	0
Repayment of non-current borrowings	0
Change in finance lease liabilities	3.025
Proceeds from/(repayment of) current borrowings	(11.857)
Other change in financial debt	(10.031)
Adjustments:	
Change in the amount of receivables assigned without recourse to Factoring agencies and not yet collected by the latter	7.664
Reclassifications:	
Non-cash net financial charges accounted for under the Statement of Profit or Loss	728
Change in current financial assets, to be included in Net Financial Liabilities	(1.254)
Payables for acquisition of equity investments and business combinations	0
OTHER CHANGES:	(19.537)
Decrease (increase) of other current assets	(406)
Increase (decrease) of other current liabilities	5.960
Dividends paid	(25.091)
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	177.315

What's next

- ✓ Next call on 3Q 2017 Results will be held on November 15, 2017
- ✓ Manutencoop Financial Calendar is available on:
www.manutencoopfm.it/eng/investor-relations_calendario.asp