GRUPPO MANUTENCOOP

Summary of the Results at December 31, 2017

Call on Results
March 19, 2018, 17CET

Disclaimer

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Annual Report figures in this presentation have been approved by Board of Directors, waiting for formal auditor's opinion.

Index & Presenters

MFM speakers today

Giuliano Di Bernardo

Chairman & CEO

Luca Buglione

Director - M&A, IR, Strategic Finance

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Manutencoop Group – Overview

Facility Management
One-stop-shop on
mission critical services

Six core services

- ✓ Cleaning
- ✓ Technical services
- ✓ Landscaping
- ✓ Property management
- ✓ Logistics
- ✓ Laundering & Sterilization

Market leading position
with Italian national presence

- **#1** Player in the **Facility Management** industry
- **#1** Player in the **Sterilization** industry
- **#2** Player in the **Laundering** industry

Contract-based business with
multi-year backlog

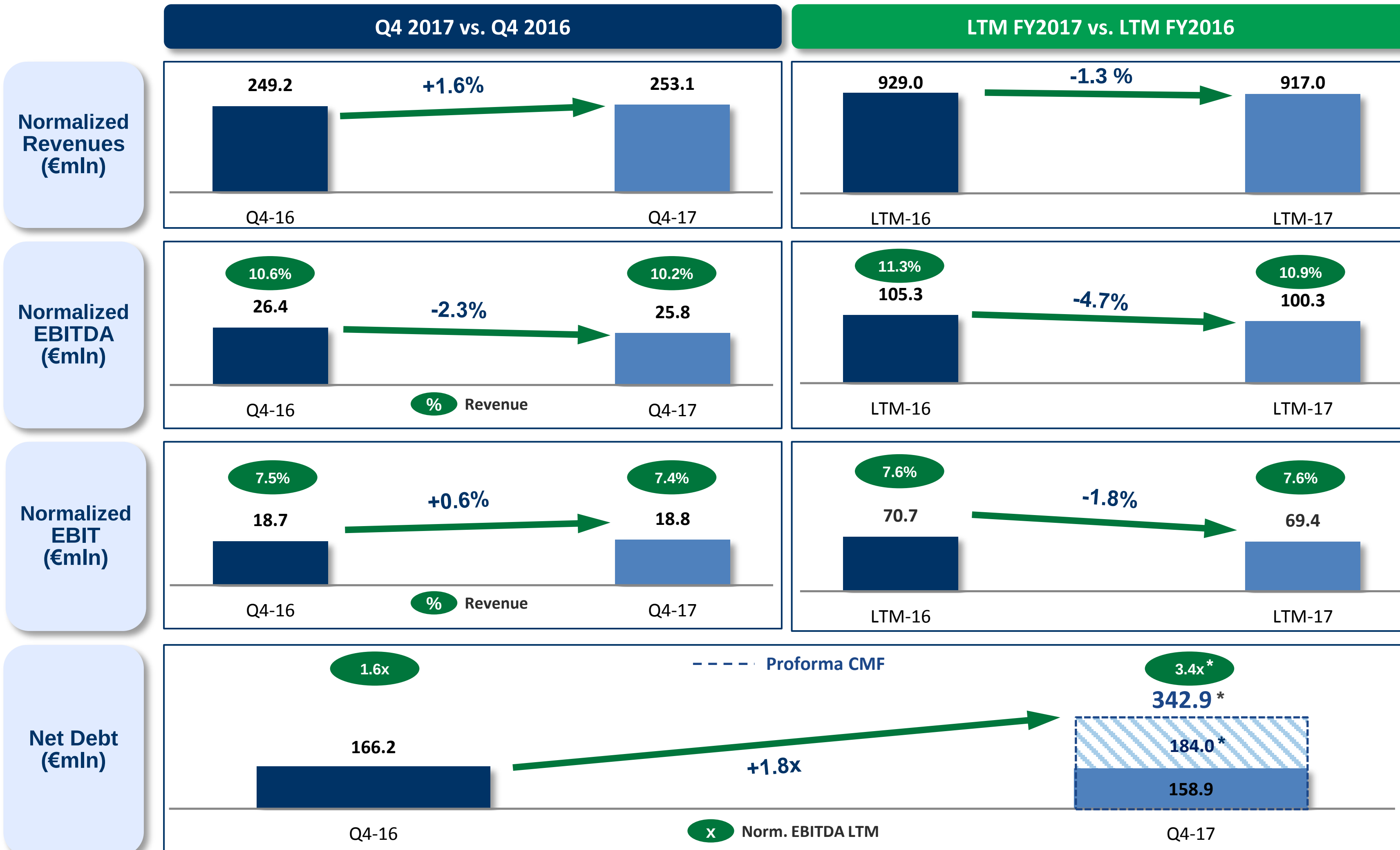
- **3.1x** Revenue **backlog** (including Mies2)
- **90+%** Revenue from **existing contracted customers** each year
- **98%** **Renewal rate** on top 30 customers[1]

[1] *Calculated by taking the average renewal rates of our top 30 customers in each of the last seven years, 2010-2017, excluding Telecom Italia, FCA and Pirelli*

Key highlights of the year

- **Revenue Growth**
  - *Group Consolidated revenues stabilised in the last two quarters, after a decrease in the last years*
- **EBITDA growth / margin**
  - *Decrease in EBITDA LTM but operating performance stable at EBIT level*
  - *Focus on cost reduction initiatives during the budgeted year to off-set price pressure*
- **Capex**
  - *Overall Capex impacted by the tight discipline in return on capital investment*
- **Net financial profile and cash position**
  - *Focus on liquidity buffer*
- **Backlog & Pipeline**
  - *Increasing pipeline to support portfolio and market share*
  - *Backlog and pipeline fueled by the saturation of the framework agreement (MIES2) and fostered by the regional "Soggetti Aggregatori"*
- **NWOC**
  - *Working capital at the lower level as % of revenues, by an enduring improvement of DSO*

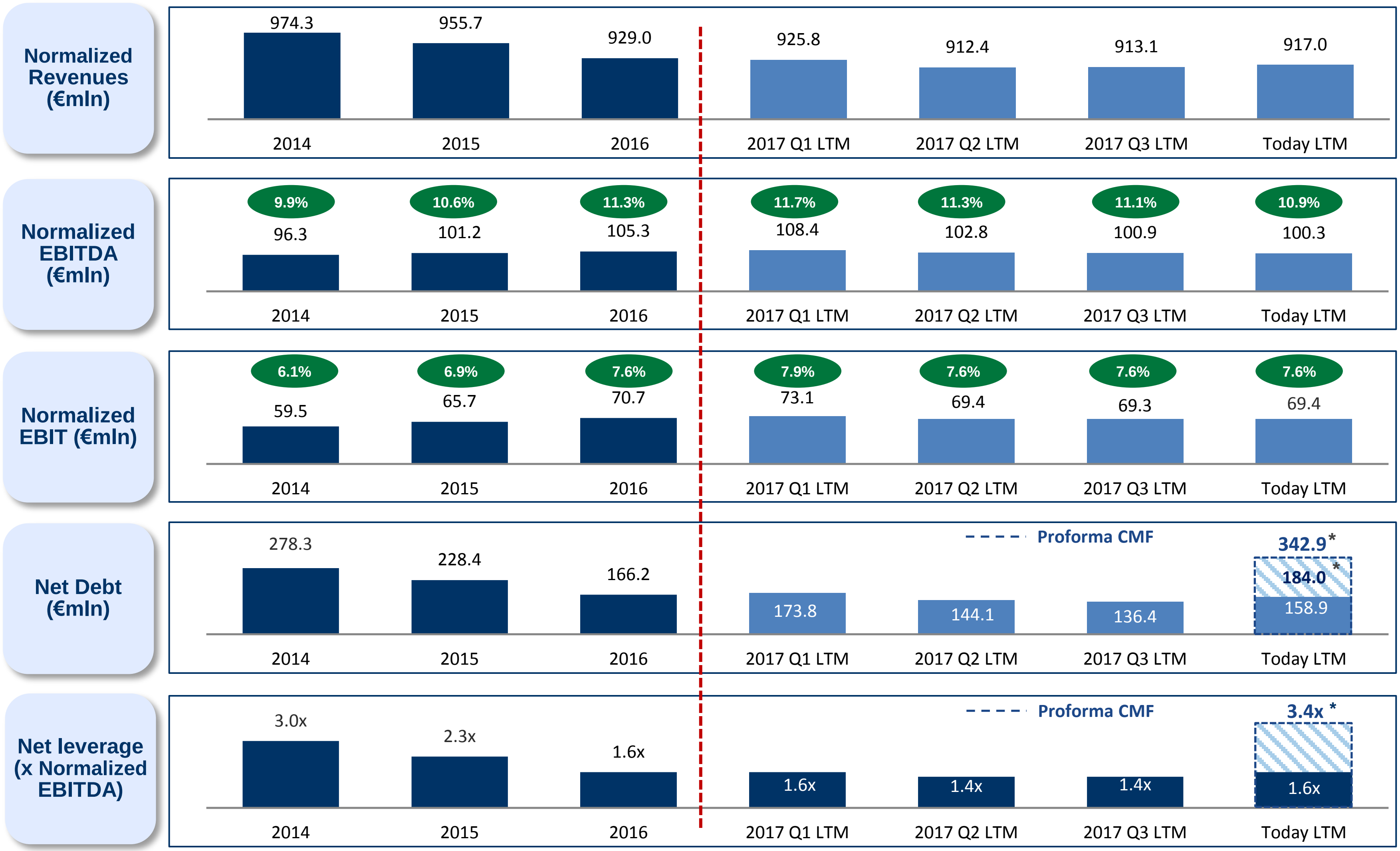
3 months and LTM KPIs at a glance



(*) Data not audited. Information provided for illustrative purpose only

Leverage calculation: [Net Debt proforma (incl. CMF impact)/EBITDA normalized]

Long Term Performance

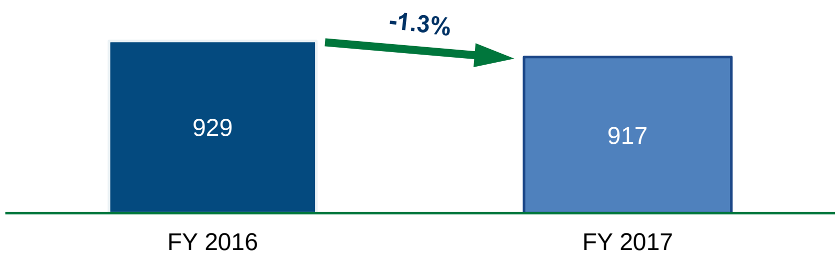


(*) Data not audited. Information provided for illustrative purpose only

% margin

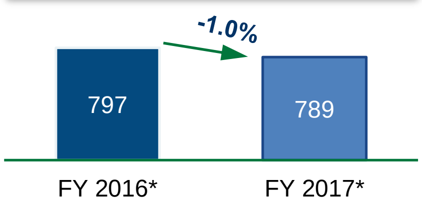
Normalized Revenues

Normalized revenues, €mln

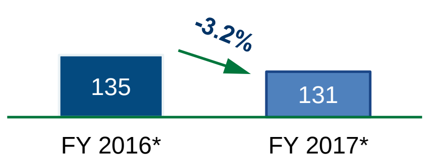


Revenues by segment, €mln

Facility Management



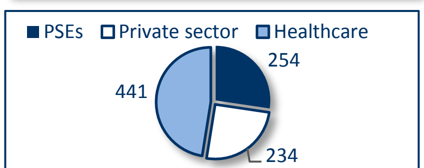
Laundering & Sterilization



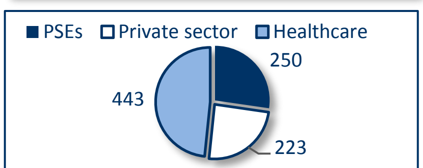
(*) Gross of intra-group eliminations ≈ €3mln per annum

Revenues by client, €mln

FY 2016



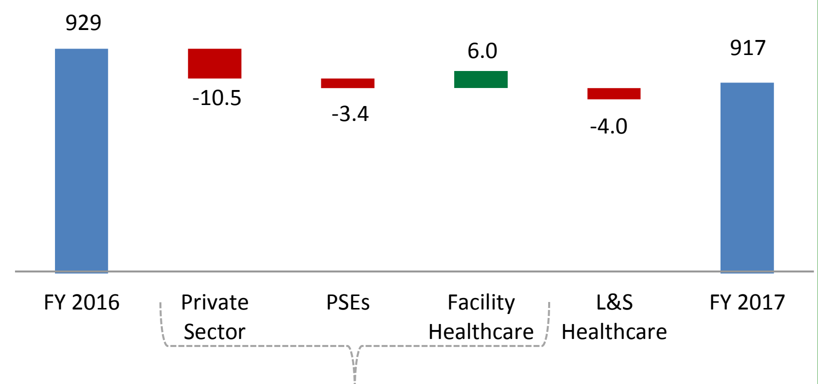
FY 2017



Considerations

- Normalized Revenues decrease from €929mln in FY16 to €917mln in FY17 (-€12mln or -1.3%) driven by:
  - €(7.9)mln in FM due to the Private and Public market reduction (respectively -€10.5mln and -€3.4mln) partially offset by the increase of Healthcare's revenues;
  - €(4.0)mln in L&S due to ending of some sterilization contracts and renewals at lower prices.

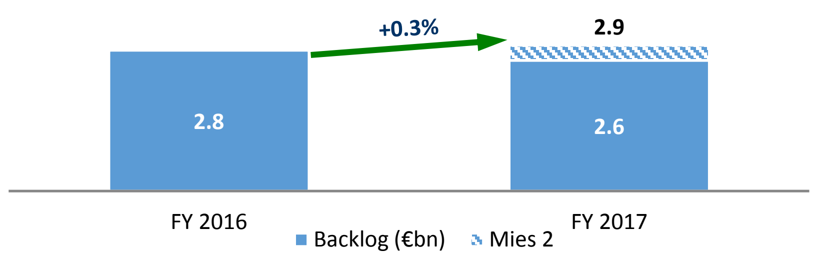
Revenues bridge by client, €mln



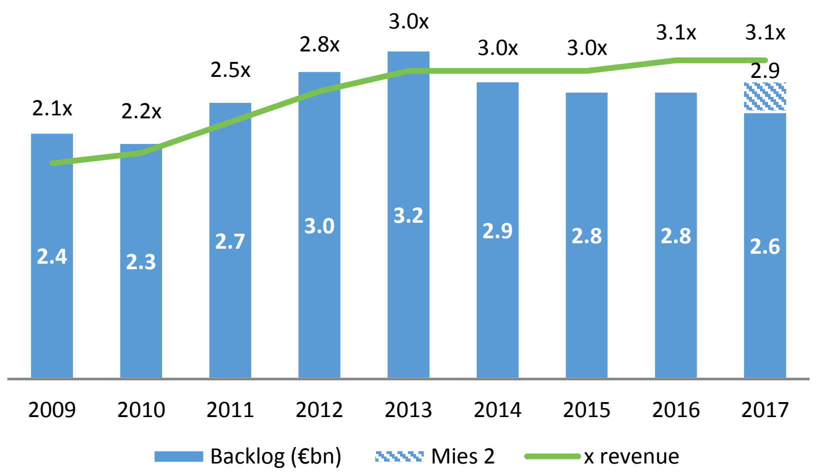
- Private Sector: decline due to re-dimensioning of some contracts (mainly Telecom Italia).
- PSEs: unfavorable situation in portfolio rotation during 1H17.
- Facility Healthcare: increase driven by the start of some new tenders.

Backlog

Backlog, €bn



Revenue Visibility from Backlog

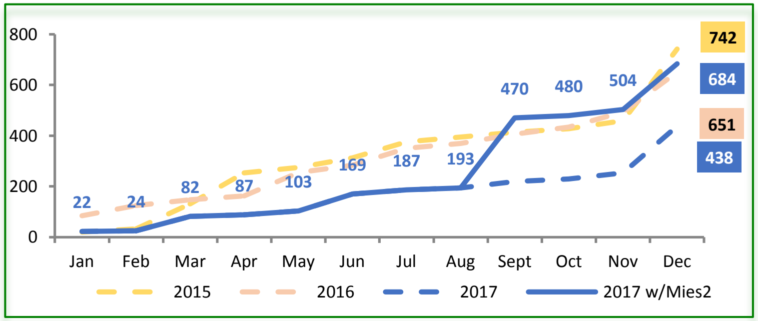


- As announced on September 20, 2017, Consip has signed the **MIES 2 Framework Agreement** with MFM.
- We expect an overall increase of backlog of nearly €246mln* to be added formally to backlog in 2018 once single customer sign the specific underlying contracts.
- If we add up future revenues form Mies2, Backlog turns out to be €2.9bln proofing a steady revenues ratio, in line with the previous year.

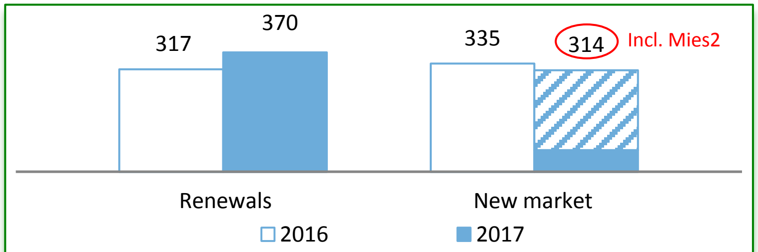
(*) Total Plafond Mies2 = €251mln. €5mln already acquired in 2017 i.e included in BCKLG. €251mln - €5mln = €246mln

Signed Contracts

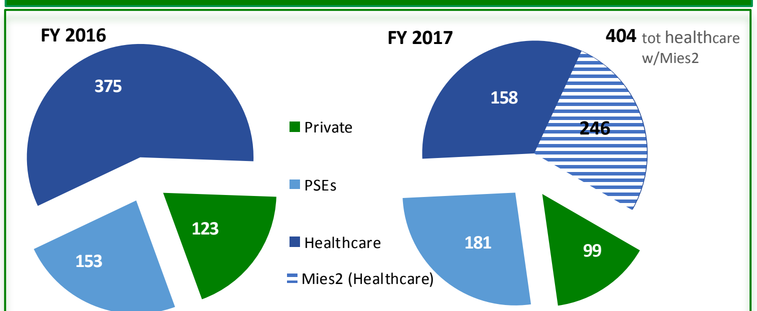
Value of contracts signed FY 2017, €mln



Breakdown of signed contracts YTD, €mln



Signed contracts by Client, €mln



Sales Activity

- Awarded pluriannual volumes reached in FY17 €684mln vs €651mln in FY16; this is mainly due to «New Market» and including Consip Mies2 Framework Agreement potential fulfillment (€246mln).
- View by client type, the pie charts show acquisitions in line with previous year, if we include Mies2 as mentioned above.
- This confirms consistent development in healthcare market in which the Group can rely on a consolidated expertise and unparalleled know-how.

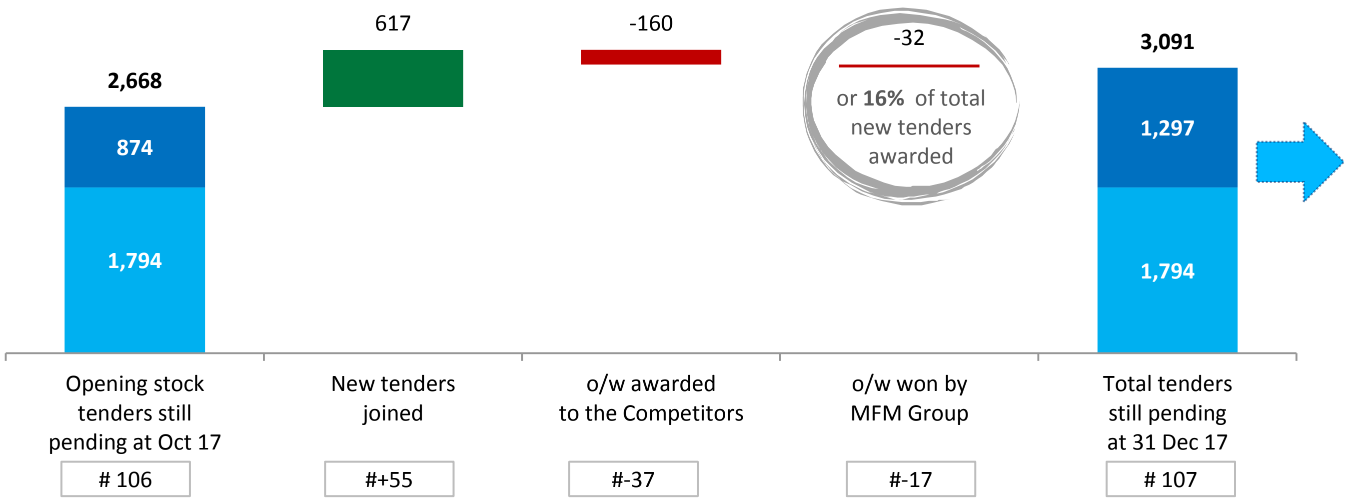
Main signed contracts in 4th quarter of 2017

Client	Service	Annual Value	Duration	Acquisition type
NTV	Cleaning	€8.1mln	3 years	Renewal
Wind Tre S.p.A	Global	€3.7mln	3 years	Renewal
ER.GO	Global	€2.9mln	4 years	Renewal
Nexi S.p.A.	Global	€1.9mln	3 years	New Market

Tenders Pipeline

Tenders Pipeline Bridge by Stock tenders and New tenders

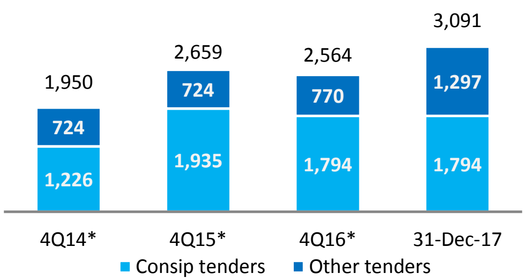
(€mln)



Description	€ mln
Consip FM4	532
Consip Igiene	401
Consip Other	861
Others	1,297
Total	**3,091**

Consip tenders
Other tenders

Historical figures

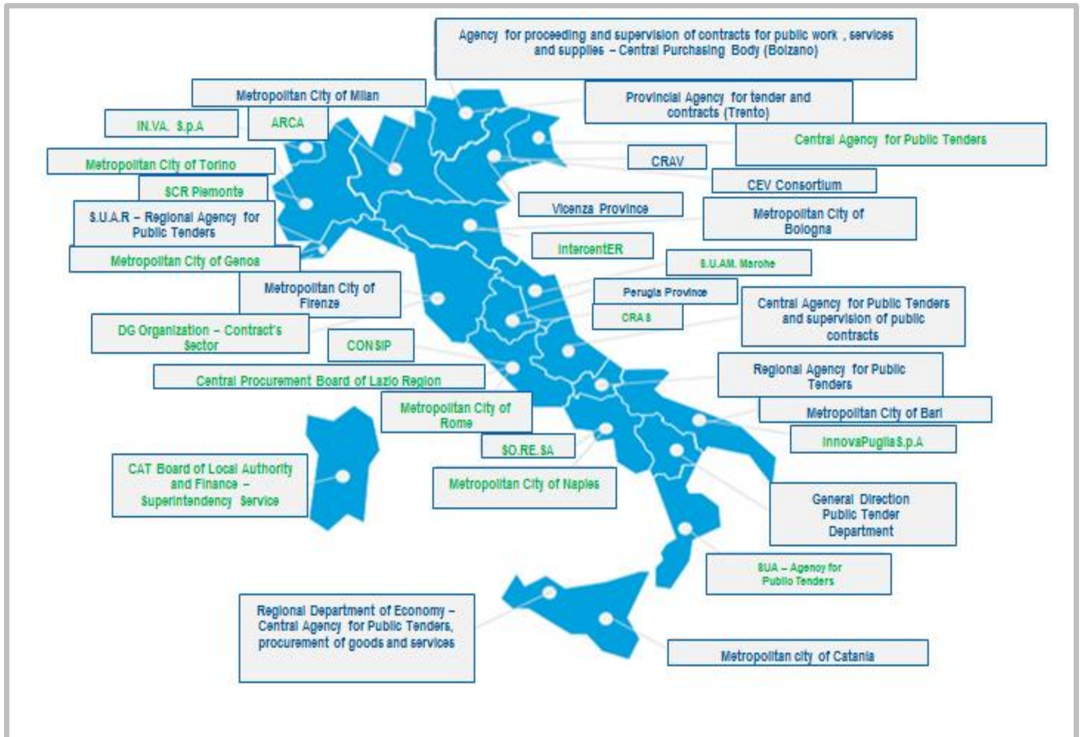


(*) figures reported refers to closing stock of 4Qxx conference call

- Total amount of tenders still pending accounts for €3.1bn, of which:
  - €1.8bn Consip
  - €1.3bn Other (market non Consip)
- Despite the delay in awarding process of Consip tenders, the group is participating in an increasing number of tenders held by other central purchasing bodies (“Soggetti Aggregatori”).
- This allows to further defend the current portfolio and develop new business.

Tenders Pipeline

Evolution of the tendering to “Soggetti Aggregatori”



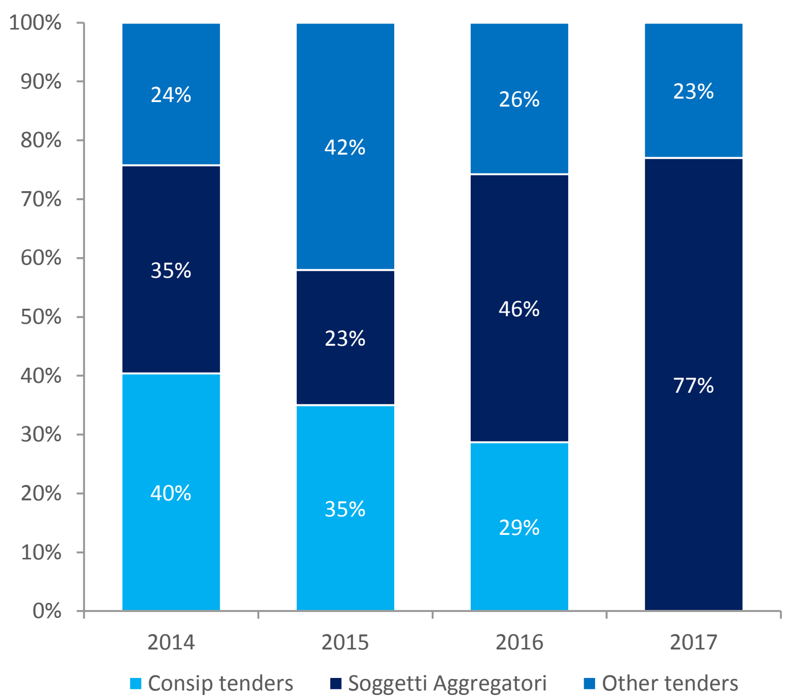
- **2000** - Ministerial decree set Consip in charge of assisting the PA in the procurement (goods, services).
- **2007** - Budget law established regional purchasing agencies
- **2007-2009** - Specific laws established PA should purchase certain goods and services from framework agreements
- **2014-2016** - Law decree provides for the identification of goods and services and thresholds for which the central and local administrations, their consortia and associations, and the National Health Service entities should purchase from centralized purchasing agencies.
- **Now** - A list of 35 central purchasing bodies is set down.

- ❑ The efforts of the Italian government to rationalize and centralize procurement practices have supported the increase in demand for services assigned through framework agreements.
- ❑ Centralized tenders are run by central purchasing bodies such as Consip or other regional agencies (e.g. Intercenter for healthcare in Emilia Romagna). The trend has led to fewer but sizeable tenders, and to only 35 public bodies enabled for tenders.

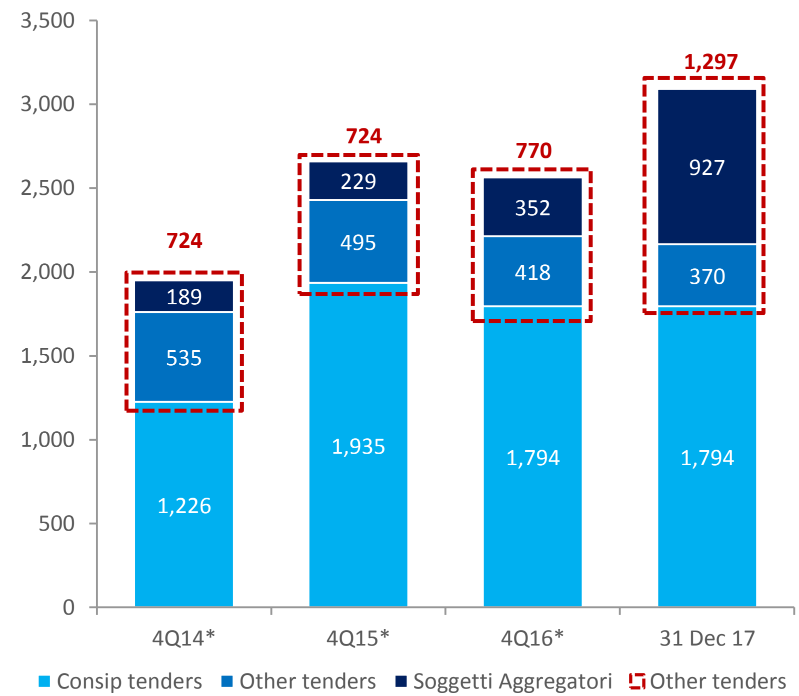
Tenders Pipeline

Evolution of the tendering to “Soggetti Aggregatori”

Tenders / Market bid by MFM Group



Historical snapshot of pending tenders (€mln)

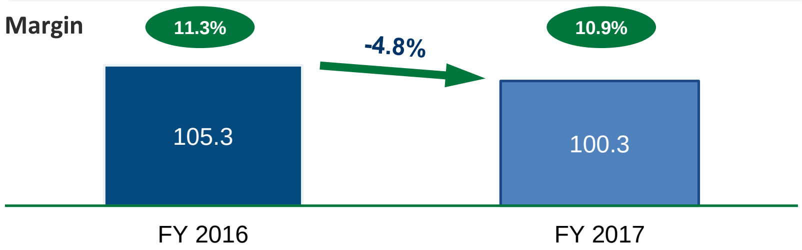


(*) figures reported refers to closing stock of 4Qxx conference call

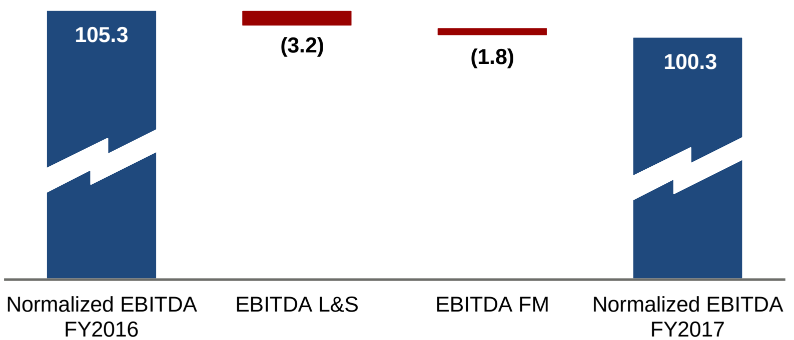
- ❑ The increasing of tenders held by “Soggetti Aggregatori” represents a new opportunity of development
- ❑ The Group increased almost 5 times the bidding pipeline to “Soggetti Aggregatori” since 2014

Normalized EBITDA

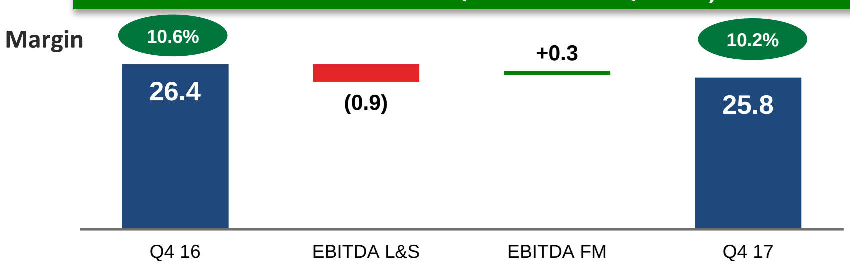
Normalized EBITDA, €mln



Bridge Normalized EBITDA YoY, €mln



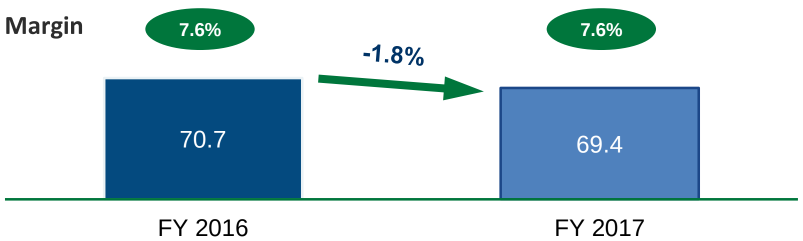
Normalized EBITDA Q4 16 vs. Q4 17, €mln



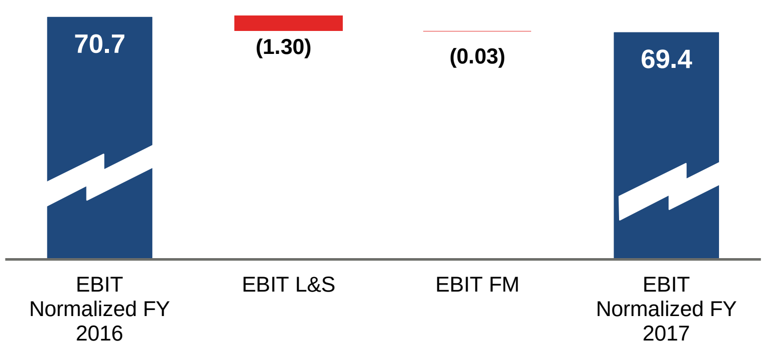
- Normalized EBITDA decreases by €5mln (-4.8%), vs same period previous year, in line with our guidance provided in November.
- FY17 adjustments are +€5.8mln vs +€5.3mln in FY16;
- EBITDA margin reduction (by -0.4%) can be explained a result of:
  - ❑ Decrease in L&S EBITDA of €(3.2)mln, mainly due to some renewals at lower prices and contract lost in sterilisation
  - ❑ Facility Management EBITDA reduction of €(1.8)mln, due to the termination of some contracts and to the continuing pricing pressure on portfolio rotation and renewals.
  - ❑ Last quarterly trend impacted positively by FM segment

Normalized EBIT

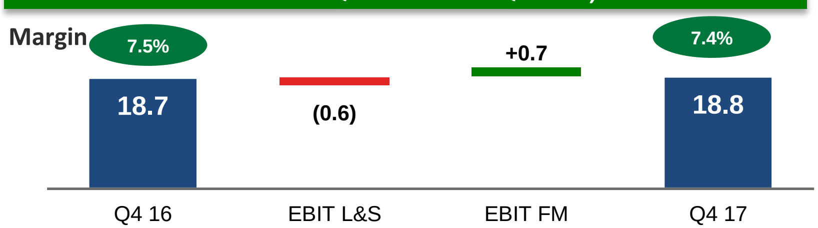
Normalized EBIT, €mln



Bridge Normalized EBIT YoY, €mln



Normalized EBIT Q4 16 vs. Q4 17, €mln



- Normalized EBIT decreases by €1.3mln.
- FY17 adjustments are equal to +€5.2mln vs €(6.6)mln in FY16.
  - The negative effect of EBITDA is marginal on EBIT and is mainly reflected on L&S segment €(1.3)mln.
  - Facility management EBIT remains in line with previous year.
  - Again, last quarterly trend impacted positively by FM segment

Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses

FY 2017

€39.7mln

FY 2016

€28.3mln

- Financial expenses in FY2017 have been negatively affected by the refinancing.
- Without one-off impacts, the total amount of financial expenses would be in line with previous year same period, as some material positive interests from customers have balanced the increase of financial interests of the last quarter.

Taxes

FY 2017

€16.0mln

EBT €16.7mln *Tax Rate: 96%*

FY 2016

€14.7mln

EBT €47.2mln *Tax Rate: 31%*

- EBT 2017 has been negatively affected by the refinancing transaction.
- Tax rate increase is mainly due to cumulated effect on financial expenses and Deferred Tax Assets (DTA) write-off with non monetary effect.

Net Result

FY 2017

€0.7mln

0.1% of Revenues

FY 2016

€32.3mln

3.5% of Revenues

- Net result at €0.7mln is a consequence of the previously indicated one-off items

Industrial Capex

FY 2017

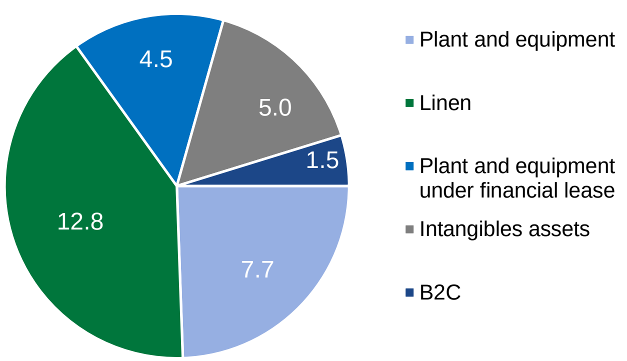
€31.5mln

FY 2016

€30.5mln

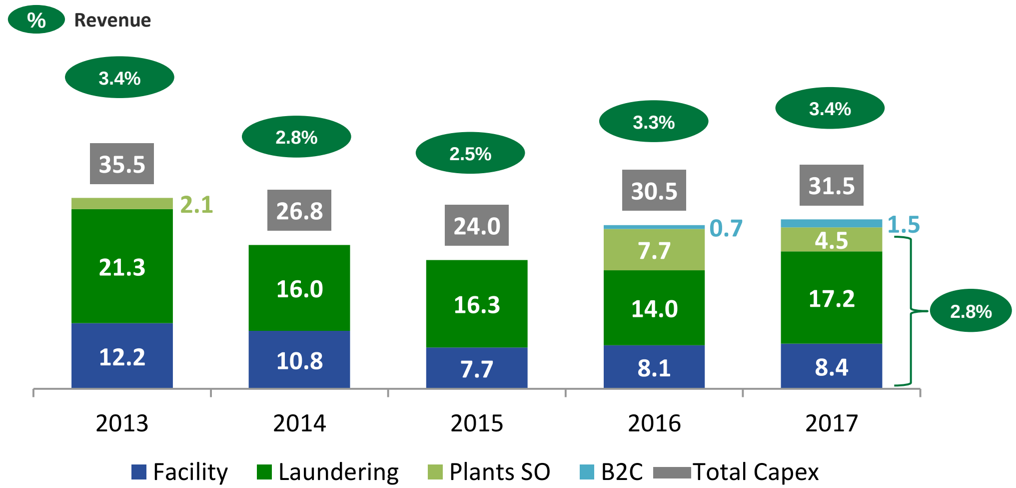
- FY17 industrial Capex are equal to €31.5mln, of which €4.5mln are one-off due to the acquisition under financial leasing of a real estate asset (SO Lucca laundering/sterilization plant).
- *Net of the one-off effects*, capex increase by €4.2mln vs FY16, €3.2mln in L&S (linen capex due to contract start-ups), €0.8mln in intangible assets related to IT platform for B2C activities startup, € 0.3mln in other capex.
- L&S Capex are still the main item (~64% of total Capex net of one-off).

Capex Breakdown FY 2017, €mln



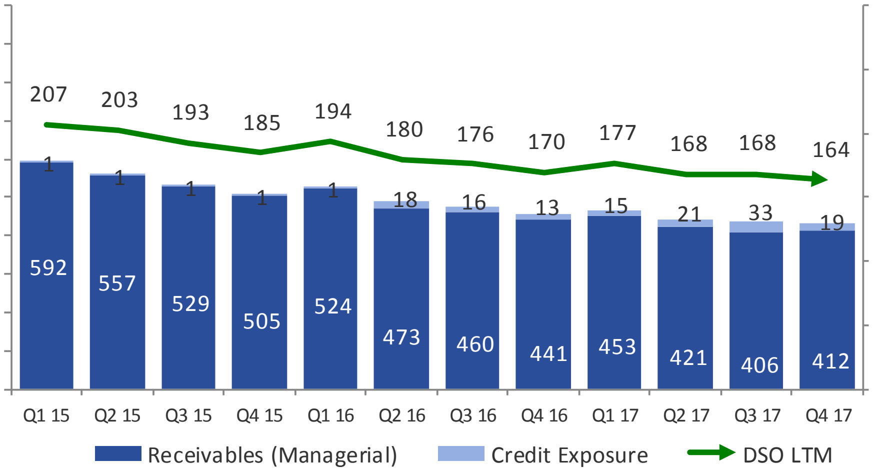
Capex for intangible assets are mainly represented by ICT development

Capex overview, €mln

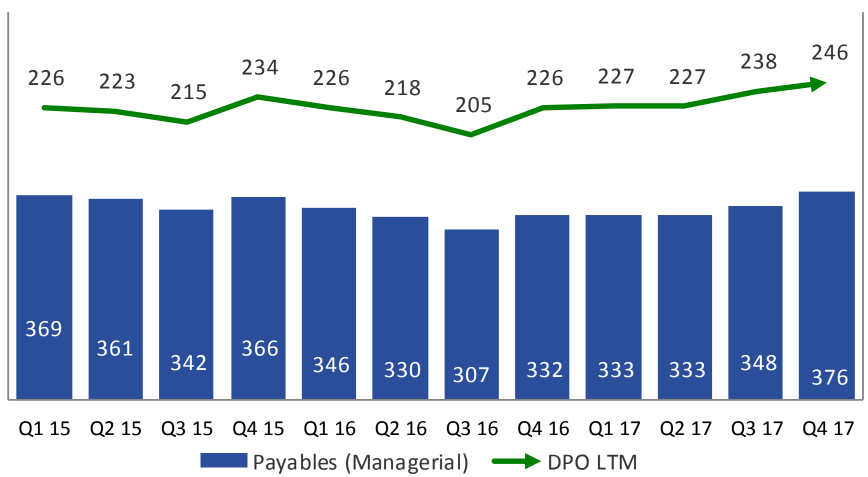


DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- In Q4 2017, DSOs decreased at their minimum low (164 days);
- DPO increased by 6 days in the last quarter, mainly due to suppliers renegotiations

- *In the upper chart, on top of gross receivables, the amount of factoring outstanding receivables for each quarter is separately depicted, which is taken into consideration to calculate DSOs (consistently with the past).*

Net Working Operating Capital

NWOC

FY 2017

€42.2mln

FY 2016

€114.2mln

NWOC / Revenues

FY 2017

4.6 %*

FY 2016

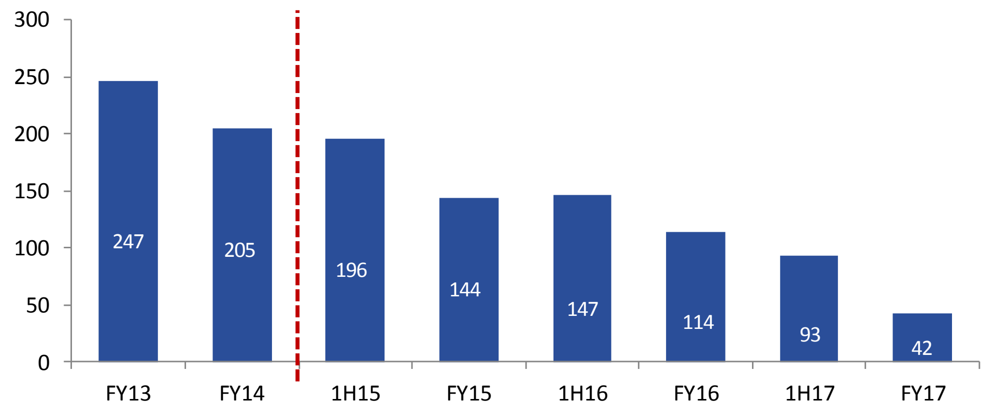
12.3 %

NWOC decreases by €72mln vs FY16 mainly due to following elements:

- DSOs (6) days and DPOs +20 days;
- Changes in mix in volumes and purchases;
- Increase of Factoring Pro-Soluto.

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

Net Working Operating Capital, €mln



Introduction of «Split Payment» and «Reverse Charge»

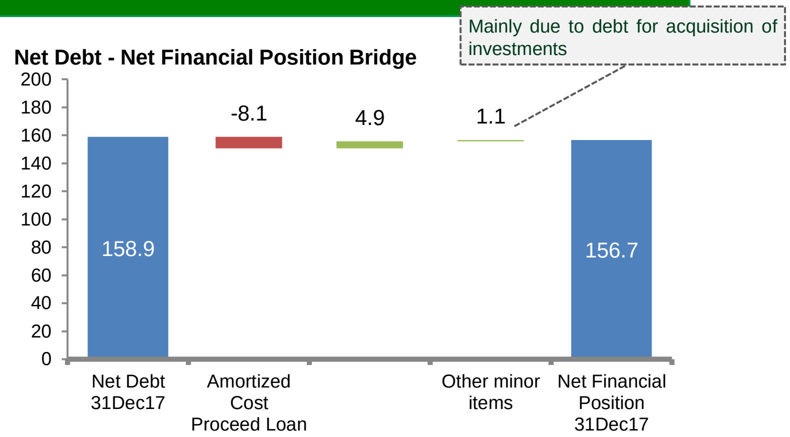
** NWOC = €42mln; Revenues LTM = €917mln. NWOC / Rev = €42mln / €917mln*

Net Financial Position

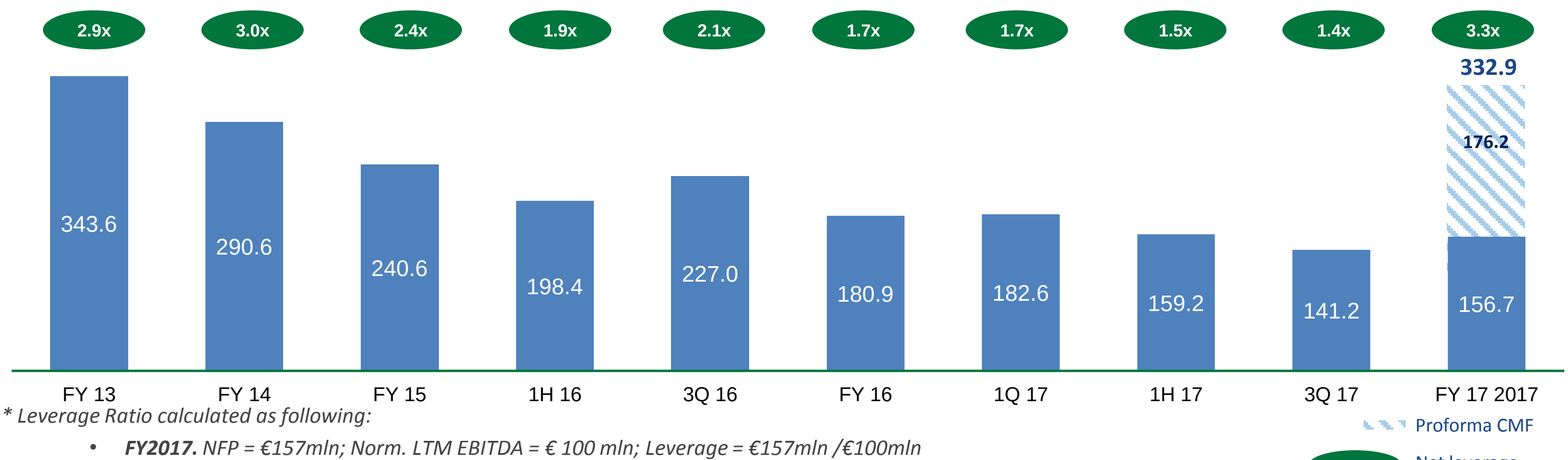
2017 Net Financial Position, €mln

	December 2017	December 2016
Long term financial debt	175.3	305.5
Bank borrowings, including current portion of long-term debt and other financial liabilities	43.2	52.8
Gross financial indebtness	***218.5***	***358.3***
Cash and cash equivalents	(59.9)	(175.0)
Current financial assets	(1.9)	(2.4)
Net financial indebtness	***156.7***	***180.9***
Pro forma CMF	176.2	0
Net financial indebtness CMF Group	***332.9***	***180.9***

Net Debt - Net Financial Position Bridge



Net Financial Position evolution, €mln

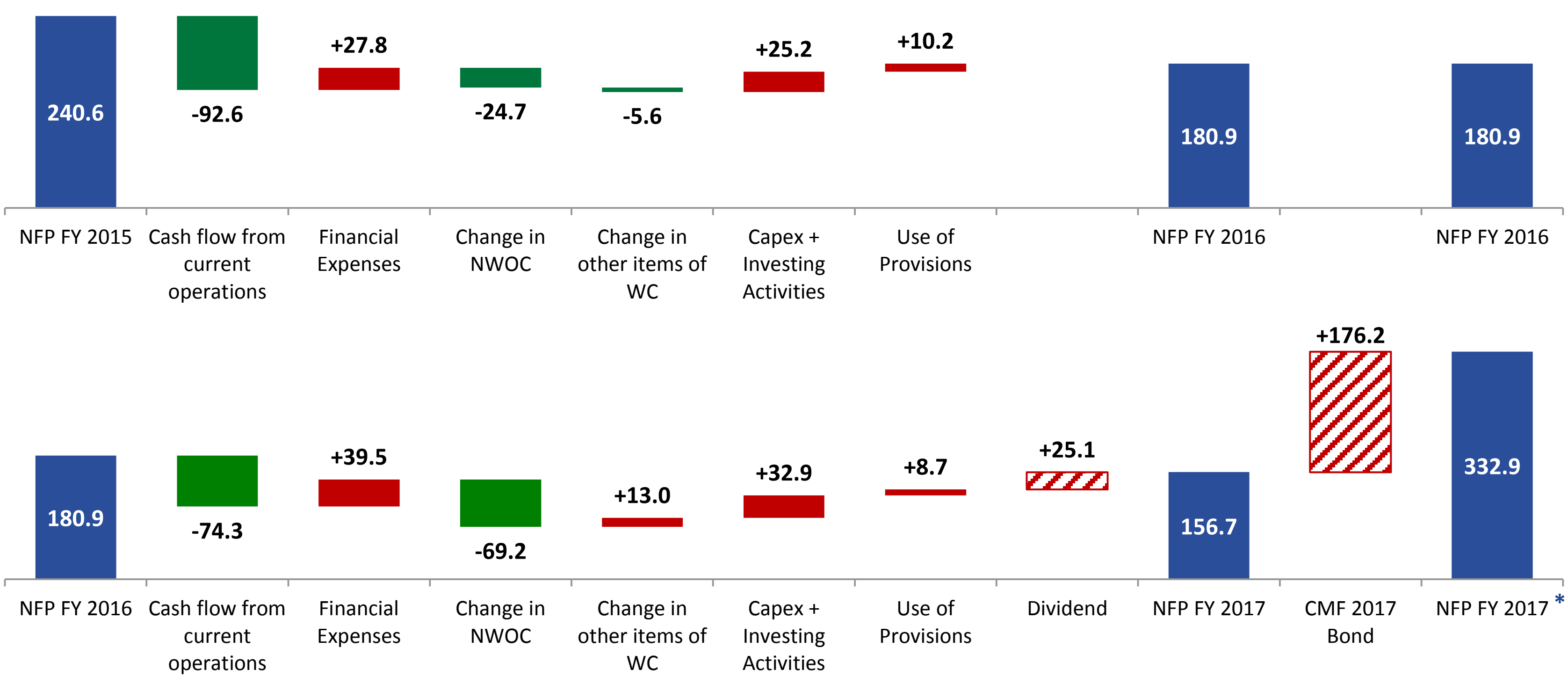


** Leverage Ratio calculated as following:*

- ***FY2017.*** *NFP = €157mln; Norm. LTM EBITDA = € 100 mln; Leverage = €157mln /€100mln*
- ***FY2016.*** *NFP = €181mln; Norm. LTM EBITDA = € 105mln; Leverage = €181mln /€105mln*

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

Changes in Net Financial Position FY 2015 vs FY 2016 and FY 2016 vs FY 2017, €mln



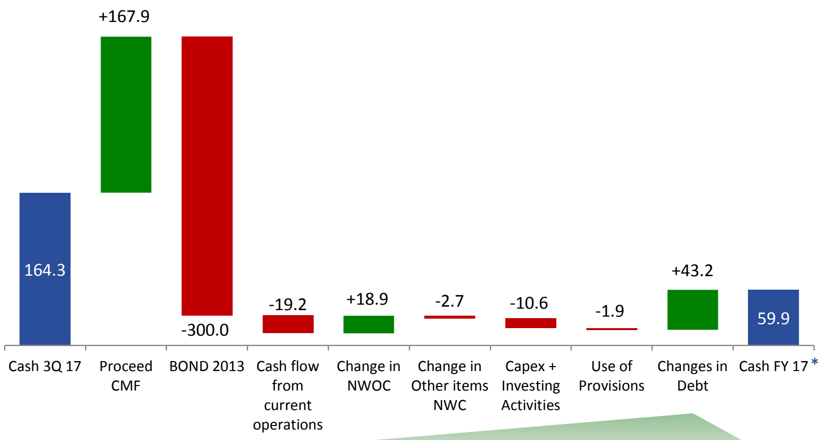
*Net Financial Indebtedness CMF Group do not include the amount of CMF Shareholder's Funding.

- NFP decreased by €24.2mln in 2017, despite both the payment of €25mln of dividends in May 2017 and the extraordinary costs related to refinancing. This result was achieved thanks to a positive contribution of current operations and NWOC.

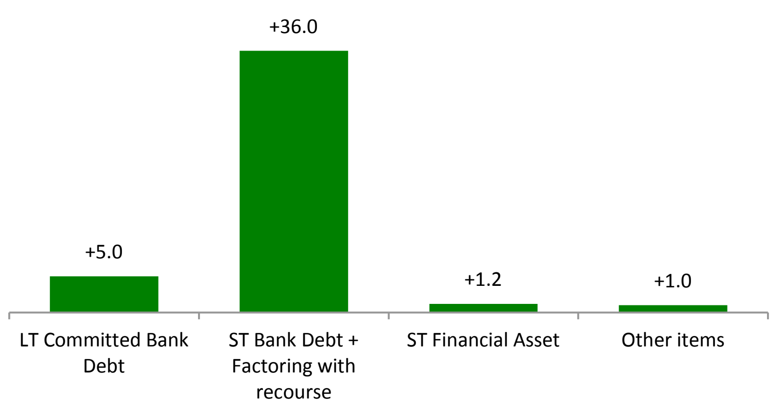
…Focus on Credit Facilities

Changes in Cash 4Q 2017, €mln

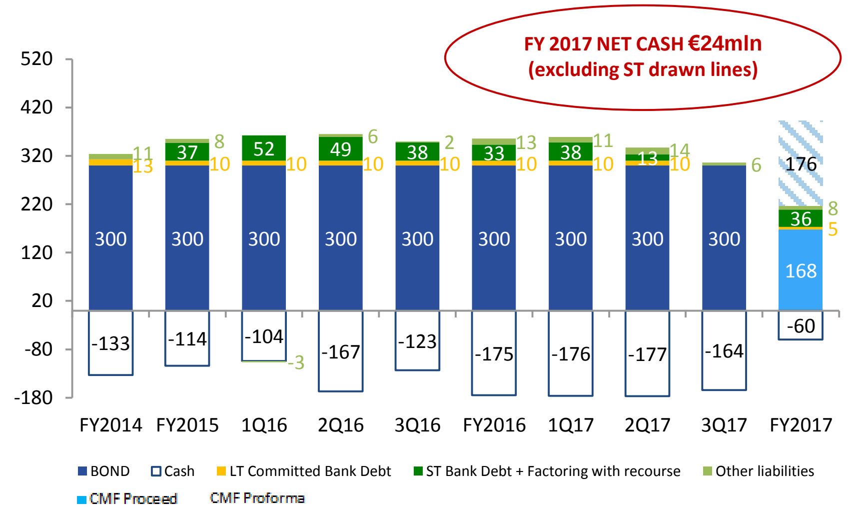
*Excludes ~€29k Cash at CMF, as of December 2017



Detail of changes in debt 4Q 2017, €mln



Debt Breakdown, €mln



Committed facilities at 31Dec17 (€mln)					
Description	Plafond	Utilization	Utilization %	Maturity	Avaliability from Feb18
RCF	50.0	-	-	Dec21	50.0
CCFS	10.0	5.0	50%	Apr23	5.0
Total commited (ex. Factoring)	**60.0**	**5.0**	**8%**		**55.0**
Factoring Pro Soluto BFF (*)	**100.0**	**91.8**	**92%**	**Feb19**	**100.0**

(*) Plafond per annum

Short term facilities at 31Dec17 (€mln)			
Description	Plafond	Utilization	Utilization %
Factoring Pro Solvendo	30.0	30.0	100%
MPS	*5.0*	*-*	*0%*
BPM	*6.0*	*6.0*	*100%*
Hot Money	11.0	6.0	55%
Advances on invoices	10.5	-	0%
Total short term	**51.5**	**36.0**	**70%**

Cash & Cash equivalents	**59.9**

Yearly Guidance

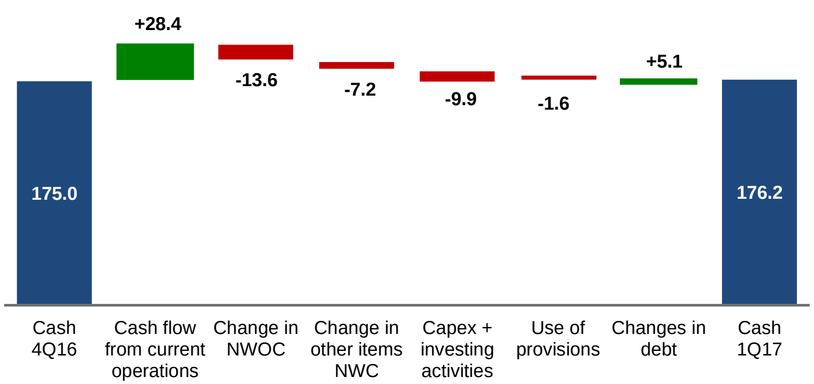
FY 2018 outlook

- **Focus on profitability and cash flow generation**
  - Expected 2018 steady revenues and profitability
  - We expect cash flow generation and Capex in line with previous years

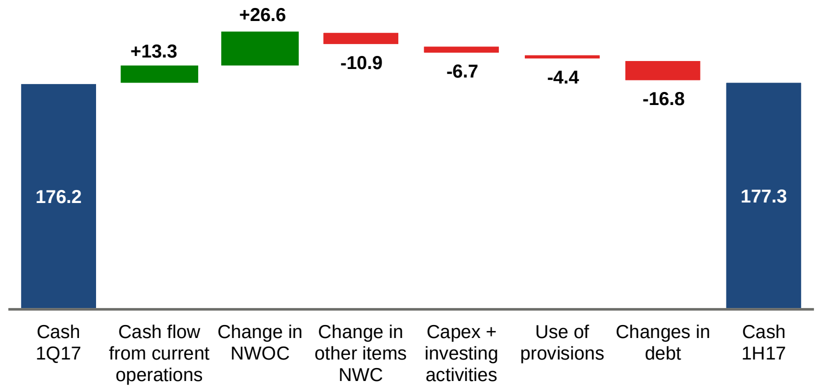
ANNEX

Cash evolution by quarter (MFM Group)

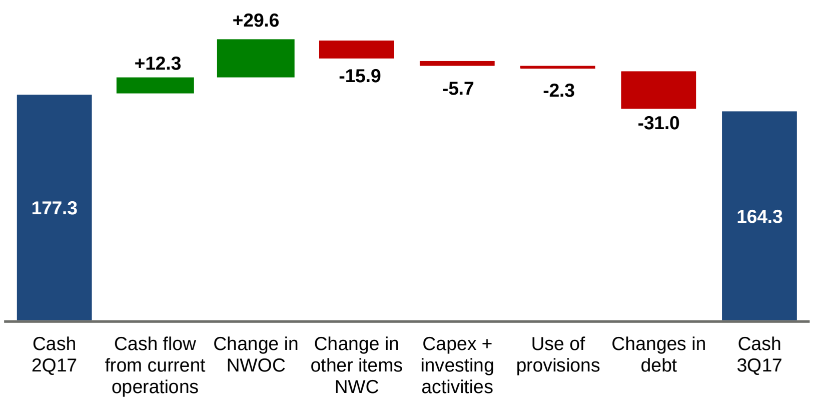
Q1 2017



Q2 2017

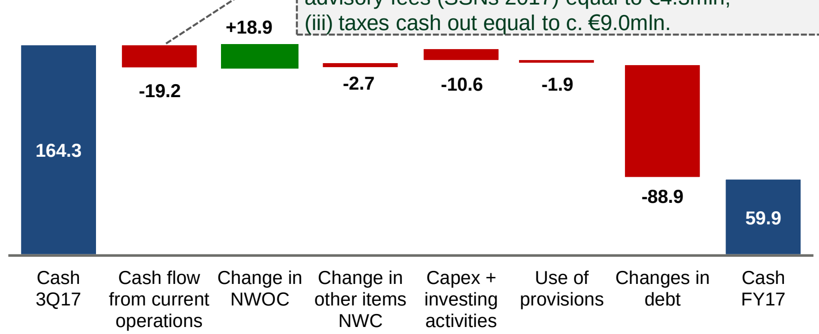


Q3 2017



Q4 2017

Negative cash flow from current operations is mainly driven by:
(i) early redemption SSN 2013 c.€13mln;
(ii) non recurring items for professional service and advisory fees (SSNs 2017) equal to €4.3mln;
(iii) taxes cash out equal to c. €9.0mln.



KPIs at a glance – Adjusted and Normalized

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:

FY 2017 KPI Reconciliation (statutory vs adjusted), €mln

	For the period ended December 31, 2017				
	Statutory Consolidated FS	Adj	Adjusted Consolidated FS	Normalization	Normalized Consolidated FS
Revenues	918,1	0,0	918,1	-1,1	917,0
EBITDA	88,6	5,8	94,4	5,9	100,3
EBITDA % on revenues	*9,7%*		*10,3%*		*10,9%*
EBIT	58,2	5,2	63,4	6,1	69,4
EBIT % on revenues	*6,3%*		*6,9%*		*7,6%*
Net Result	0,7				
NWOC	42,2				
NFP	(156,7)				
Net Financial Indebtedness CFM Group*	(332,9)				

*Excludes Shareholder's Funding at CMF

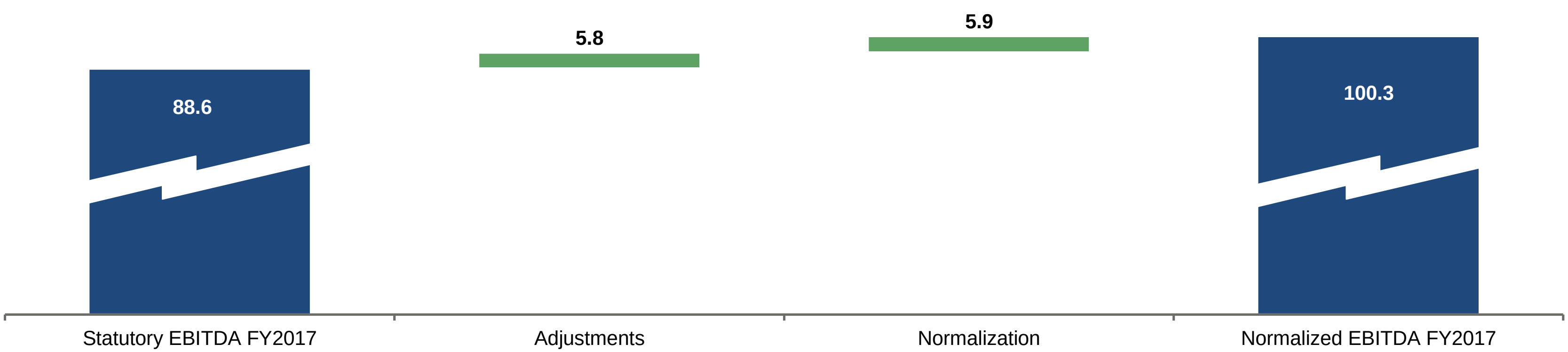
Period **adjusted EBITDA** and **adjusted EBIT** include non recurring items referring to:

- ✓ Income from release of system charges («oneri di sistema») due to change in regulation for €(6.2)mln;
- ✓ Reorganization and restructuring of company units €4.7mln;
- ✓ Refinancing costs for €4.3mln;
- ✓ Bonus to employees for €3.8mln;
- ✓ Legal advice fee concerning pending administrative disputes €0.4mln;
- ✓ Release of provisions for €(1.9)mln for potential administrative penalty on a contract, accrued in 2016.

Normalized Revenues, EBITDA and **EBIT** do not include our Start-ups' results. 4Q 2016 has been also normalized from costs of system charges recognized until 3Q 2016.

Adjustments to EBITDA

Bridge to Normalized EBITDA, €mln



Adjustments, €mln	
Energy Cost "oneri di sistema" relating to previous year	(6.2)
Costs from reorganization of company units	3.4
Bonus to employees	3.8
Professional services and advisory fees - Project Pascoli	4.3
Legal advice fee concerning pending administrative disputes	0.4
Total	**5.8**

Normalization, €mlnC	
YouGenio/B2C	3.2
Manutencoop International	2.7
Total	**5.9**

ANNEX

PROFIT&LOSS *(€/000)*	Full Year		For The Quarter ended 31 Dec	
	2017	**2016**	**4Q 2017**	**4Q 2016**
Total revenues	918.091	929.098	253.632	249.314
Total costs of production	-829.484	-833.201	-238.985	-223.060
EBITDA	**88.607**	**95.897**	**14.647**	**26.254**
EBITDA %	***9,70%***	***10,30%***	***5,80%***	***10,50%***
Amortization/depreciation, write-downs and write-backs of assets	-30.280	-32.714	-8.952	-8.107
Accrual of provisions for risks and charges	-143	10.107	621	12.326
Operating income	**58.184**	**73.290**	**6.316**	**30.473**
Risultato operativo %	***6,30%***	***7,90%***	***2,50%***	***12,20%***
Share of net profit of associates	-1.945	1.688	-2.974	-149
Net financial charges	-39.514	-27.759	-18.148	-6.481
Profit before taxes from continuing operations	**16.725**	**47.219**	**-14.806**	**23.843**
Profit before taxes from continuing operations %	***1,80%***	***5,10%***	***-5,80%***	***9,60%***
Income taxes	-16.010	-14.738	-2.392	-3.925
Profit from continuing operations	**715**	**32.481**	**-17.198**	**19.918**
Loss for the period from discontinued operation	0	1.052	0	0
Net profit for the period	**715**	**33.533**	**-17.198**	**19.918**
Net profit for the period %	***0,10%***	***3,60%***	***-6,80%***	***8,00%***
Minority interests	-73	116	-24	-14
Net profit for the period attributable to equity holders of the parent	**642**	**33.649**	**-17.222**	**19.904**
Net profit for the period attributable to equity holders of the parent %	***0,10%***	***3,60%***	***-6,80%***	***8,00%***

ANNEX

BALANCE SHEET (€/000)	31 Dec 2017	31 Dec 2016	Change
USES			
Trade receivables and advances to suppliers	429.165	456.095	-26.930
Inventories	6.057	4.382	1.675
Trade payables and advances from customers	-393.022	-346.308	-46.714
Net working operating capital	***42.200***	***114.169***	***-71.969***
Other element of working capital	-60.865	-68.555	7.690
Net working capital	***-18.665***	***45.614***	***-64.279***
Tangible assets	71.343	66.110	5.233
Intangibles assets	395.532	396.570	-1.038
Investments accounted for under the equity method	27.294	30.534	-3.240
Other non current assets	35.507	38.913	-3.406
Operating fixed assets	***529.676***	***532.127***	***-2.451***
Non current liabilities	-55.523	-73.427	17.904
Net invested capital	***455.488***	***504.314***	***-48.826***
SOURCES			
Minority interests	381	235	146
Equity attributable to equity holders of the parent	298.401	323.137	-24.736
Shareholders' equity	***298.782***	***323.372***	***-24.590***
Net financial indebtedness	156.706	180.942	-24.236
Total financing sources	***455.488***	***504.314***	***-48.826***

ANNEX

Statement of Cash flow (Statutory) (€/000)	**31 Dec 2017**	**31 Dec 2016**
CASH at the beginning of the period	**174.992**	**114.391**
Cash flow from current operations	34.784	64.779
Use of provisions for risks and charges and for employee termination indemnity	-8.705	-10.175
Change in adjusted NWOC	69.170	24.677
Industrial Capex, net of disposals	-30.958	-29.699
Financial Capex	-1.924	4.452
Other changes	-38.132	5.625
Change in net financial liabilities	-139.358	942
CASH at the end of the period	**59.870**	**174.992**

What's next

- ✓ **Next call on 1Q 2018 Results will be held on May 16, 2018**

- ✓ Manutencoop Financial Calendar is available on:

  www.manutencoopfm.it/eng/investor-relations_calendario.asp

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