GRUPPO MANUTENCOOP

Summary of the Results at March 31, 2018

Call on Results
May 16, 2018, 17CET

Disclaimer

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Index & Presenters

MFM speakers today

Giuliano Di Bernardo

Chairman & CEO

Luca Buglione

Director - M&A, IR, Strategic Finance

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- Results at Q1 2018
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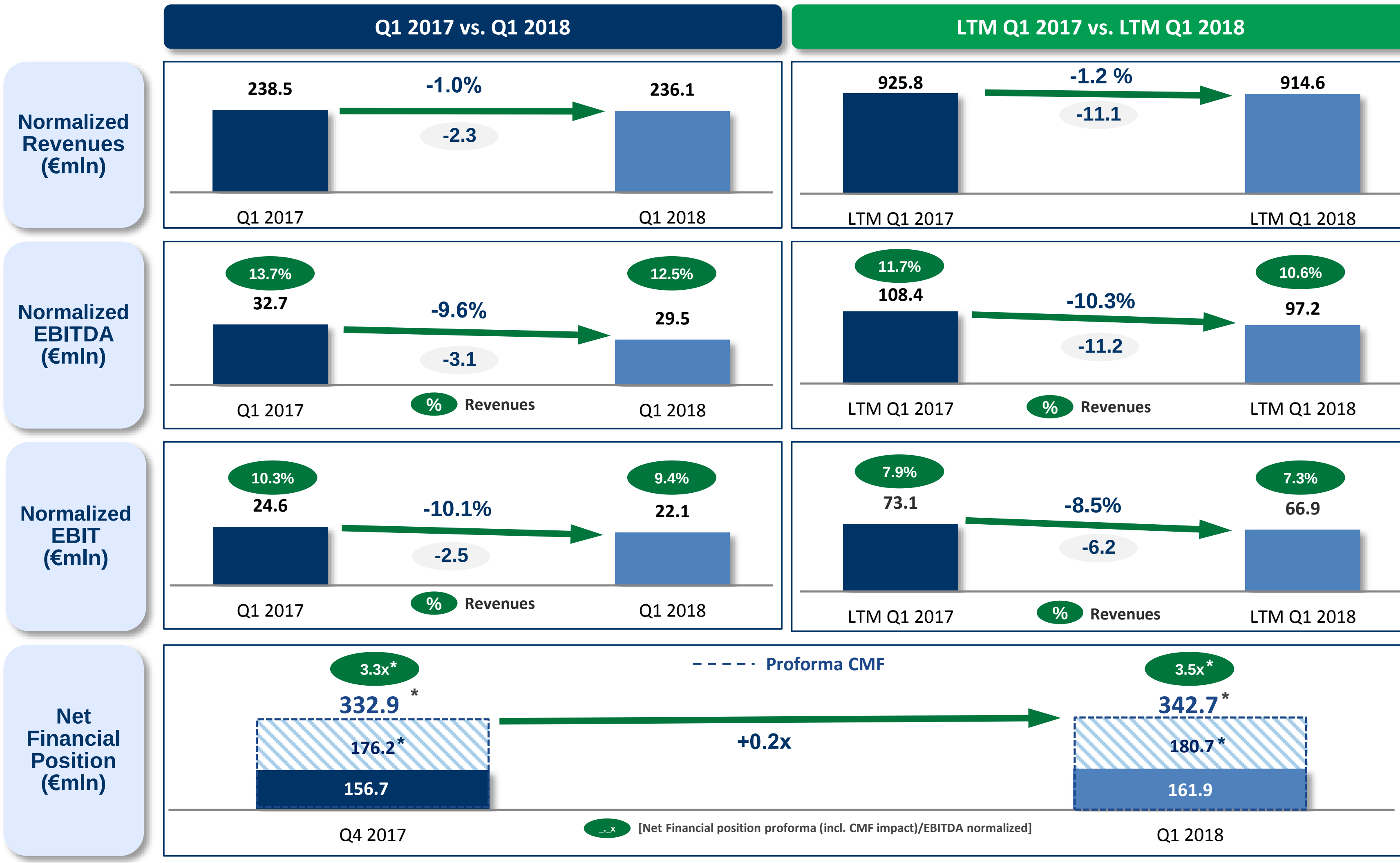
Key Quarter Highlights

- ***Revenues***
  - *We reported quarterly revenues €236.1mln, in line with last year*
  - *Marginal decrease by a (-1%), mainly driven by L&S and Private Market*
- ***Backlog & Pipeline***
  - *Company devotes its effort to increase and carrying-on a robust pipeline, while the fulfillment of MIES2 is still ongoing*
  - *Strong increase in new contracts*
- ***EBITDA / EBITDA Margin***
  - *We reported quarterly Normalized EBITDA €29.5mln, corresponding to 12.5% margin*
  - *Compared to last year, it corresponds to a decline by 9.6% in EBITDA and 1.2% in margin, mainly due to price pressure*
  - *The Company is focusing on cost reduction initiatives to off-set price pressure – with an already defined and detailed plan for Group cost reduction*
- ***Capex***
  - *Stable compared to last year and in line with expectations*
  - *Group investment strategy stressed to maintain the recurring level of capex on revenues, while financing development Capex mainly in L&S*
- ***NWC***
  - *Development in line with seasonality*
- ***Net Financial Profile and Cash Position***
  - *Company is committed on liquidity level and deleverage as a priority*

3 months and LTM KPIs at a glance



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

Long Term Performance

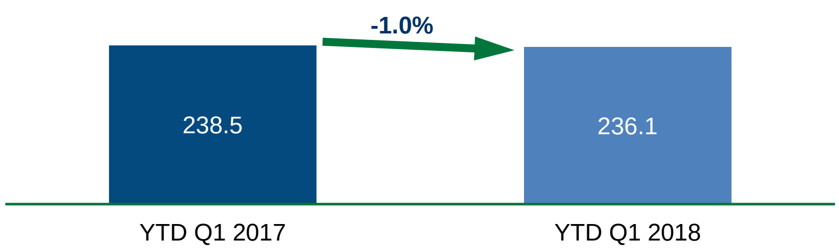
(*) Data not audited. Information provided for illustrative purpose only

_._% % margin

_._x Net Financial Position /Normalized EBITDA

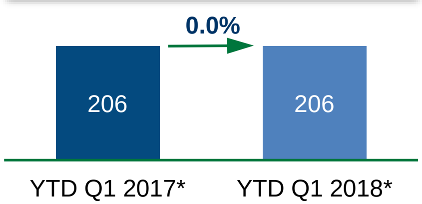
Normalized Revenues

Normalized revenues, €mln

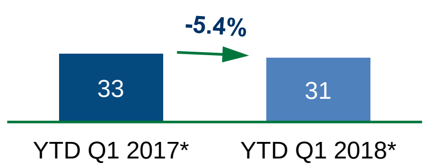


Revenues by segment, €mln

Facility Management



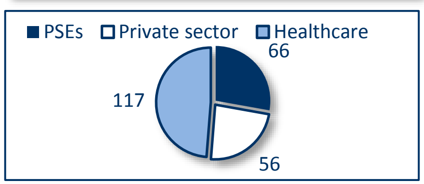
Laundering & Sterilization



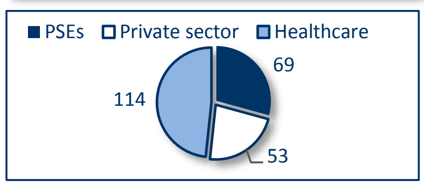
(*) Gross of intra-group eliminations ≈ €3mln per annum

Revenues by client, €mln

YTD Q1 2017



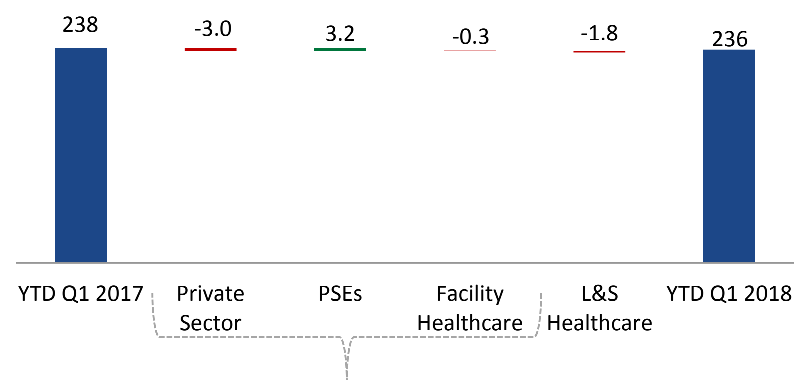
YTD Q1 2018



Considerations

- Normalized Revenues decrease from €238.5mln in Q1 2017 to €236.1mln in Q1 2018 (-€2.3mln or -1.0%) is mainly driven by **€(1.8)mln decrease in L&S**, impacted by the ending of some contracts and pricing pressure on renewals
- **FM Revenues are stable** due to the Private market reduction (-€3mln) partially offset by the increase in Public revenues;

Revenues bridge by client, €mln



- Focus on FM Revenues;

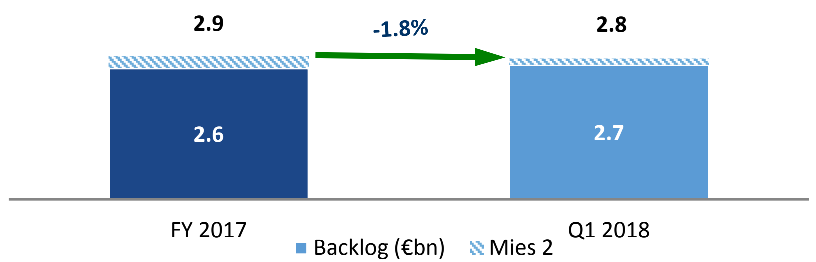
✓ Private Sector decline is due to re-dimensioning of some contracts;

✓ PSEs increase is driven by the start-up of some new contracts;

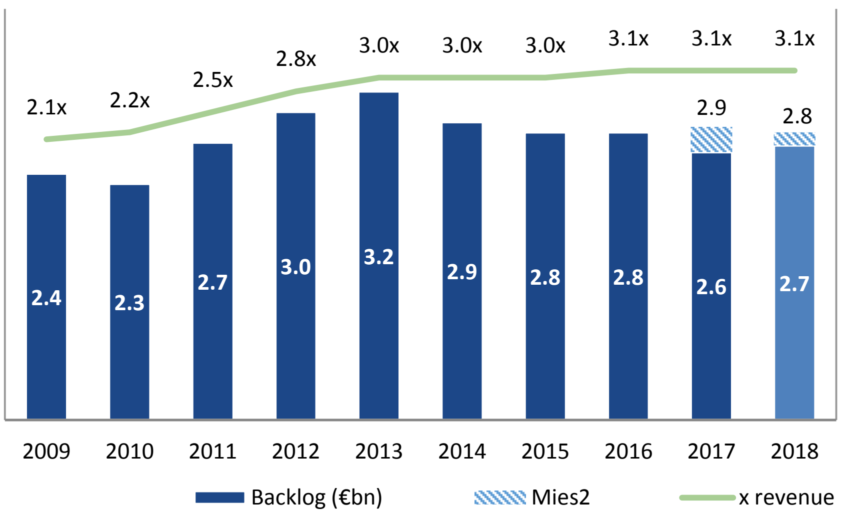
✓ Facility Healthcare is substantially stable considering the expiration of some contracts mainly offset by the start of some new contracts, and in the view of the MIES2 development.

Backlog

Backlog, €bn



Revenue Visibility from Backlog

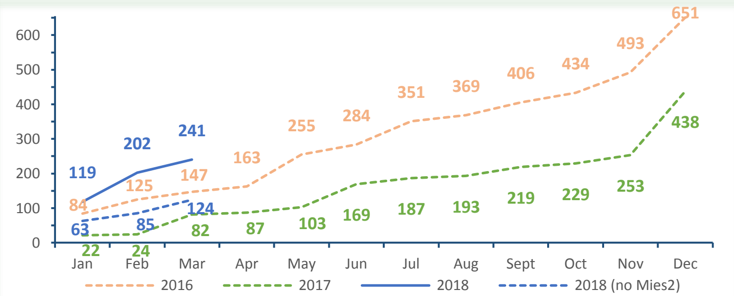


- As announced on March 19, 2018, MFM increased *formally* its backlog by new signed contracts related to Mies2 (€117mln)
- We do expect a further increase of backlog for approximately €129mln*, to be added to backlog once every single customer signs the specific underlying contracts.
- Including the potential revenues from Mies2, Backlog remains flat at 3.1times on revenues, in line with the previous year.
- **As of today (16 May 2018), approx. 60%** of the total Mies2 FA has been saturated**.

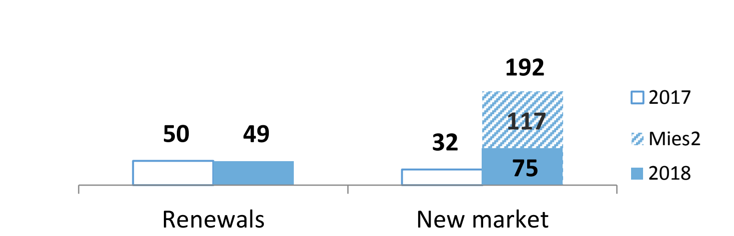
(*) Total Plafond Mies2 = €251mln. €122mln already acquired during December 2017 – March 2018 i.e included in BCKLG. €251mln - €122.2mln = €128.8mln.
(**) As of today (16 May 2018) total amount of Mies2 acquired is €151mln (€29mln acquired in April 2018) hence 60% of the total has been saturated (€151mln/251€mln)

Signed Contracts

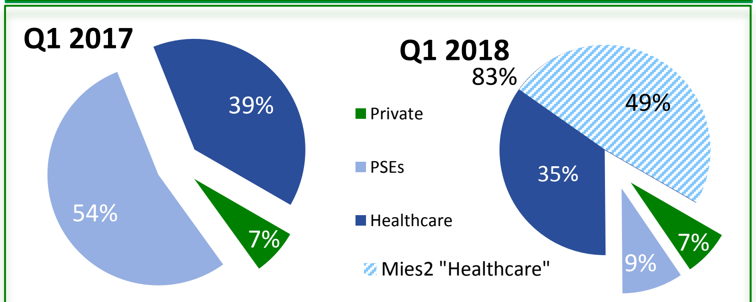
Value of contracts signed Q1 2018 , €mln



Breakdown of signed contracts YTD, €mln



Signed contracts by Client, €mln



Sales Activity

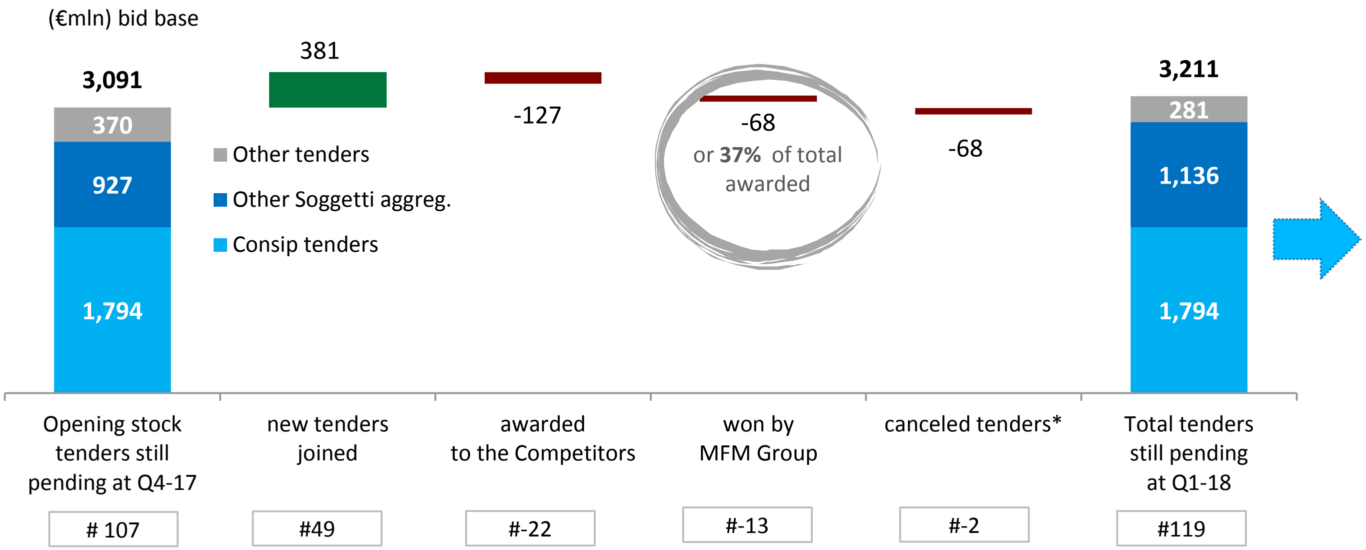
- Awarded pluriannual volumes reached €241mln in Q1 2018 vs €82mln in Q1 2017.
- This increase is driven by «New Market» acquisitions of €192mln including €117mln from Consip Mies2 Framework Agreement.
- Again, segmentation by market confirms acquisitions mainly in Healthcare segment, including Mies2 (totally Healthcare).
- The acquisition trend confirms the consistent Group development in healthcare market, in which Manutencoop Group can rely on a consolidated expertise and know-how.

Main signed contracts in Q1 2018

Client	Service	Annual Value	Duration	Acquisition type
Umbria Salute	Laundering	€9.0mln	5 years	New Market
ASP Siracusa	Energy (Mies2)	€5.0mln	7 years	New Market
ASP Agrigento	Energy (Mies2)	€6.2mln	5 years	New Market
AO Catania "Cannizaro"	Energy (Mies2)	€5.2mln	5 years	New Market

Tenders Pipeline

Tenders Pipeline Bridge by Stock tenders and New tenders



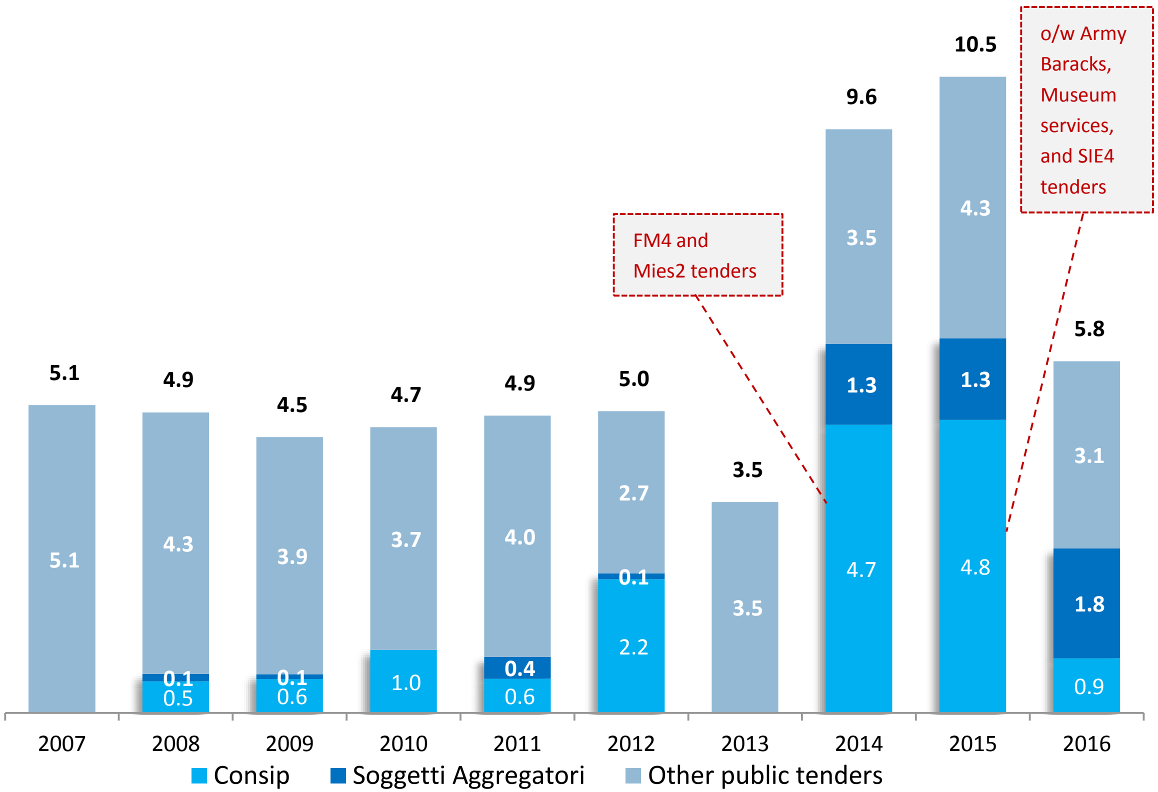
Description	€ mln
Consip FM4	532
Consip Igiene	401
Consip Other	861
Others	1.417
Total	**3.211**

- Total amount of tenders still pending accounts for €3.2bn, of which:
  - €1.8bn Consip (o/w €933mln already won by MFM Group but still pending to complete the formal procedure of awarding a public contract)
  - €1.4bn Other (market non Consip) **(+€120mln vs Q4 2017**)
- 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 not awarded due to an interruption of the bidding process by the contracting authority

Contracting Entities*

Tenders published in Italian facility management sector, €bn



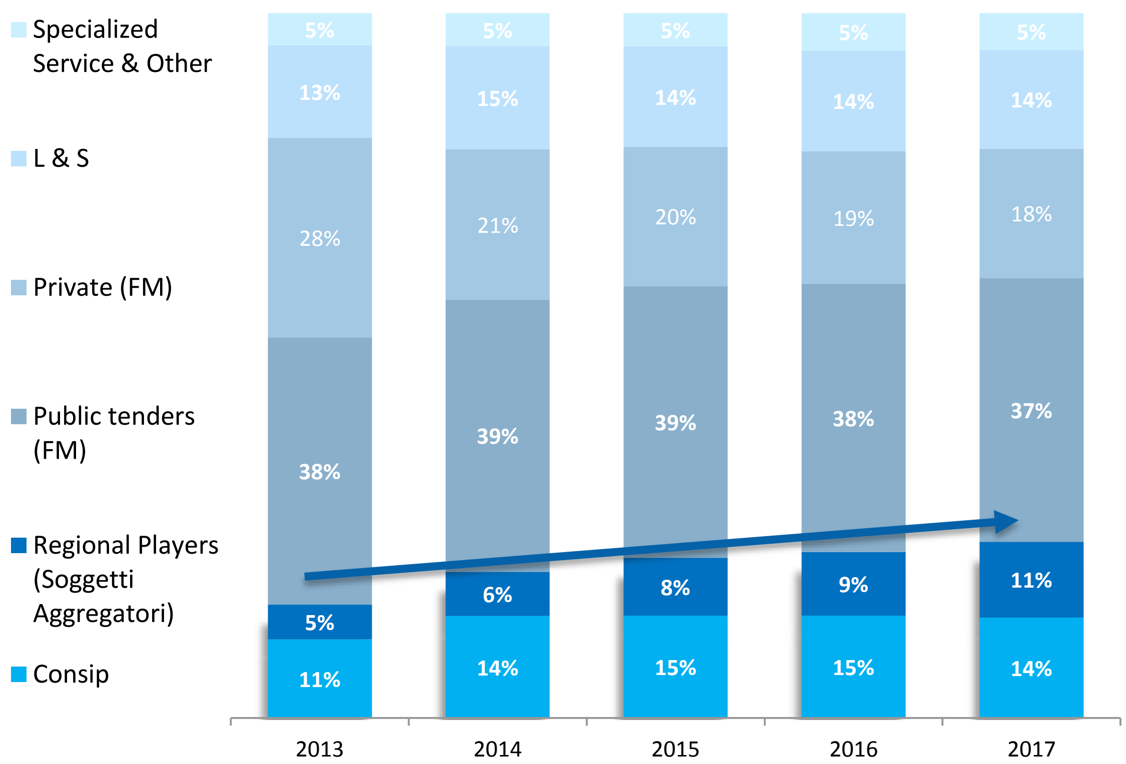
(*) Source: *Cresme Europa Servizi – Osservatorio Nazionale del Facility Management*
«Il mercato pubblico dei servizi di FM per gli edifici in Italia 2007-2016»

- The chart shows the breakdown of tenders by the 3 main segments of contract entities from 2007 to 2016 (Single Public entities, Soggetti Aggregatori, Consip)
- In the recent years, the role of "Soggetti Aggregatori" has increased significantly due to the acceleration of the centralization of purchasing activities.
- *"Soggetti Aggregatori" as defined in the resolution ANAC n. 784/2016.*

- **CONSIP has impacted the market with a significant role in 2014 and 2015, then it was subsequently replaced by "Soggetti Aggregatori"**

Revenues Breakdown

Group Revenues Breakdown

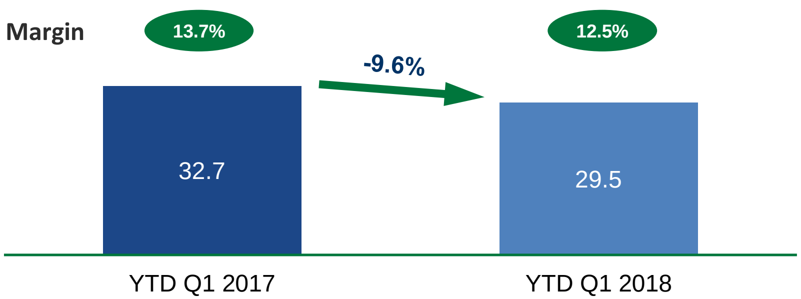


- The chart shows the historical evolution of The Group revenues breakdown by Contract/Purchasing Entities
- Since 2013 the percentage of revenues with CONSIP and Soggetti Aggregatori has grown from 16% to 25% of the total revenues, of which
  - Soggetti Aggregatori from 5% to 11%
  - Consip from 11% to 14%
- As of today the weight of Soggetti Aggregatori and Consip accounts for approximately 25% with an increasing trend consistent with market evolution

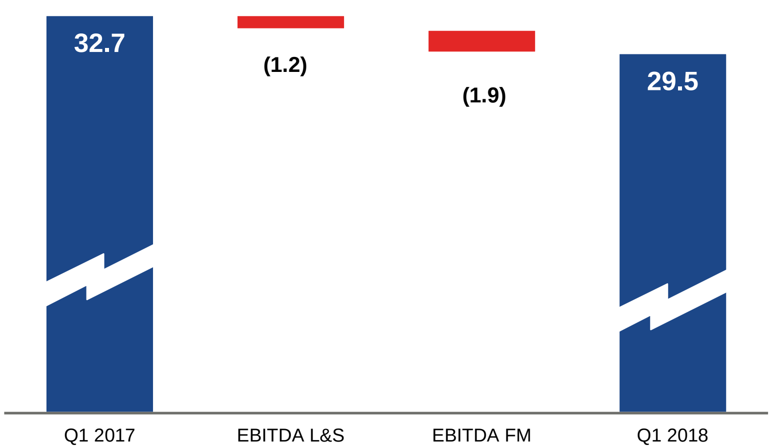
- **Manutencoop revenues breakdown is aligned with Framework Agreements evolution (Consip and Soggetti Aggregatori), consistently with the market trend.**

Normalized EBITDA

Normalized EBITDA, €mln



Bridge Normalized EBITDA YoY, €mln

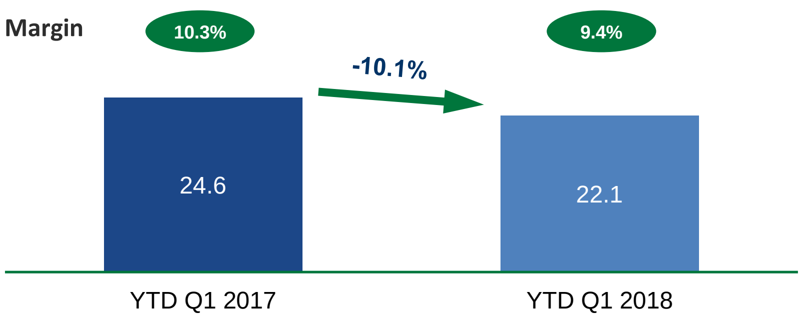


- The Normalized EBITDA decrease by €3mln (-9.6%), vs same period previous year, and EBITDA margin reduction (-1.2%) are mainly driven by:
  - ❑ Decrease in L&S EBITDA of €(1.2)mln, mainly due to some pricing pressure on renewals and a contract loss in laundering;
  - ❑ Facility Management EBITDA reduction of €(1.9)mln, due to
    - ✓ Termination and resizing of some key contracts, and to the continuing pricing pressure on portfolio rotation and renewals.
    - ✓ Start-up costs for recently acquired contracts
    - ✓ Customary settlements with clients after year end

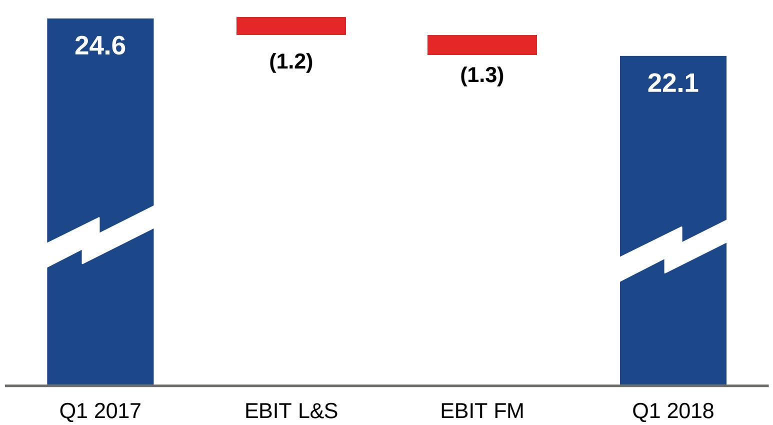
    Only a portion of the FM EBITDA decrease is estimated going forward on the year
- *Q1 2017 adjustments are €(4.5)mln vs +€0.5mln in Q1 2018*

Normalized EBIT

Normalized EBIT, €mln



Bridge Normalized EBIT YoY, €mln



- Normalized EBIT decreases by €2.5mln.
- The negative effect of EBITDA is substantially reflected on EBIT for both segments.
- However, in FM, this negative effect is lower due to a decrease of bad debt provision compared to Q1 2017.
- *Q1 2017 adjustments are equal to €(4.5)mln vs +€0.5mln in Q1 2018.*

Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses

Q1 2018 MFM

€5.0mln

Q1 2018 (CMF + MFM)

€9.5mln

Q1 2017 MFM

€7.1mln

- Financial expenses in Q1 2018 have been negatively affected by the refinancing.

Taxes

Q1 2018 MFM

€6.8mln *EBT €15.6mln Tax Rate: 44%*

Q1 2018 (CMF + MFM)

€6.7mln *EBT €10.9mln Tax Rate: 62%*

Q1 2017 MFM

€8.0mln *EBT €21.4mln Tax Rate: 38%*

- EBT 2017 has been negatively affected by the refinancing transaction.

Net Result

Q1 2018 MFM

€8.7mln 3,7% of Revenues

Q1 2018 (CMF + MFM)

€4.1mln 1,8% of Revenues

Q1 2017 MFM

€13.4mln 5,6% of Revenues

- Net income Q1 2017 MFM includes €6.2mln of system charges.
- *Excluding system charges one-off in 2017, the net income would have been €7.2mln (3% of Revenues).*

Industrial Capex

Q1 2018

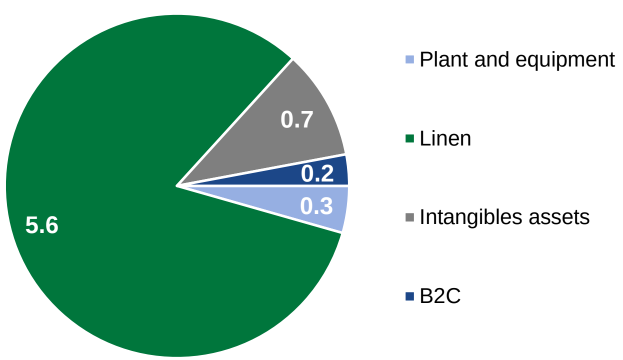
€6.8mln

Q1 2017

€10.0mln

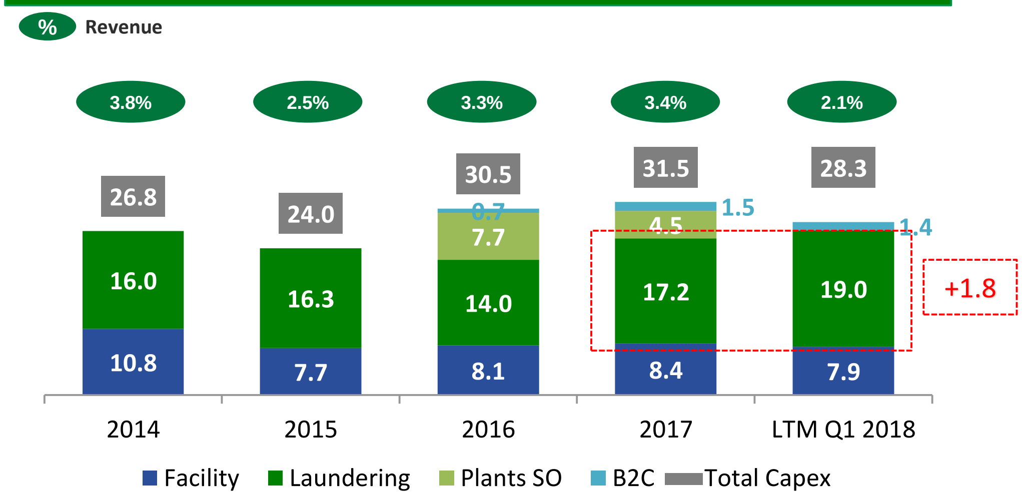
- *Net of the one-off effects in 2017 (€4,5mln Q1 2017 plants SO)*, capex increase by €1.2mln vs Q1 2017, mainly due to investment in laundering +€1.8mln:
  - Renewal of larger contracts, mainly USL Bologna: capex Q1 2018 €1.3mln [total capex €2.5mln; total contract value €25.9mln; **6 years**];
  - Development of new clients, of which KOS CARE: capex Q1 2018 €0.5mln [total capex €0.6mln; total contract value €4.6mln; **3.5 years**]
- L&S Capex are still the main item (~84%) of total Capex Q1 2018.

Capex Breakdown Q1 2018, €mln



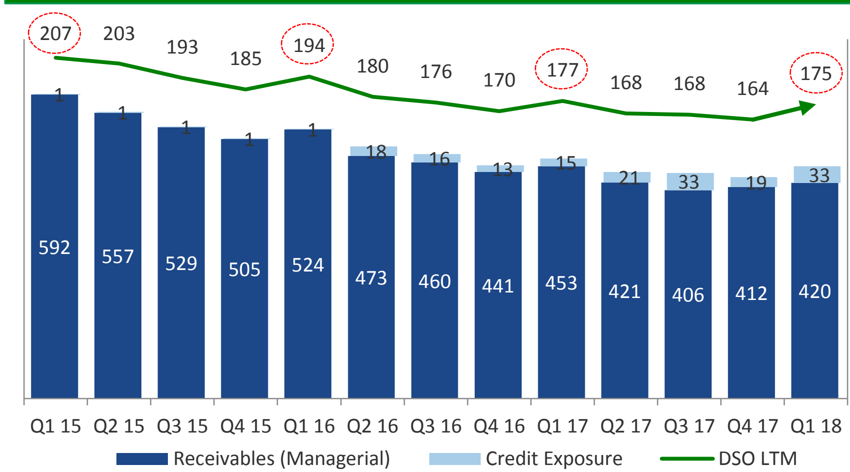
Capex for intangible assets are mainly represented by ICT development

Capex overview, €mln

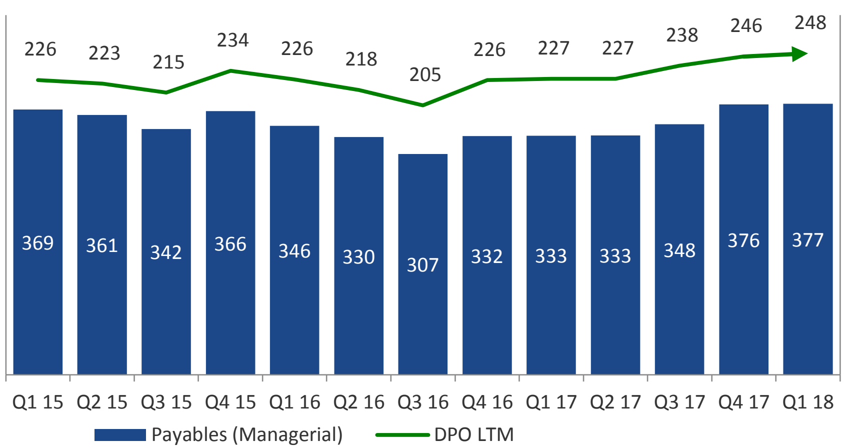


DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- Increase in DSOs by +11 days versus Q4 2017, as expected in every first quarter due to the seasonality effect

- However, the evolution confirms the decreasing trend, in line with previous years

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.

Net Working Operating Capital

NWOC

Q1 2018

€49.2mln

FY 2017

€42.2mln

NWOC / Revenues

Q1 2018

5.4 %*

FY 2017

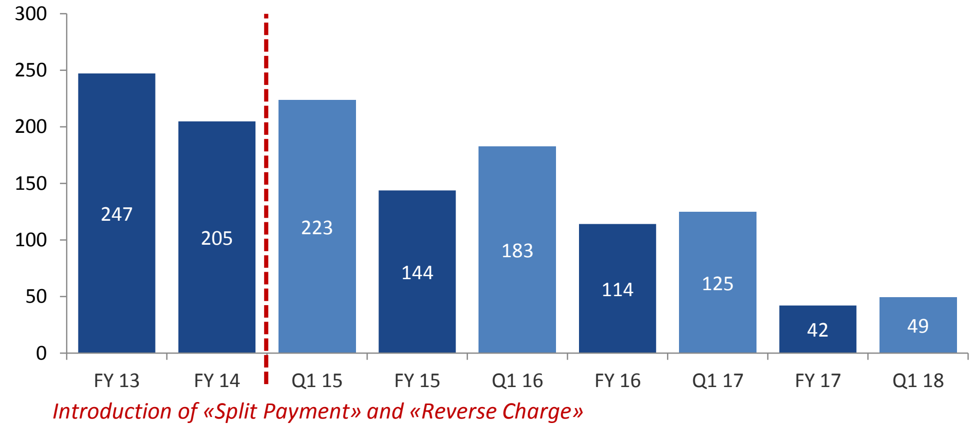
4.6 %

NWOC slightly increases by €7mln vs FY 2017 mainly due to following elements:

- DSOs +11 days partially compensated by DPOs +2 days;
- Changes in mix in volumes and purchases.

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

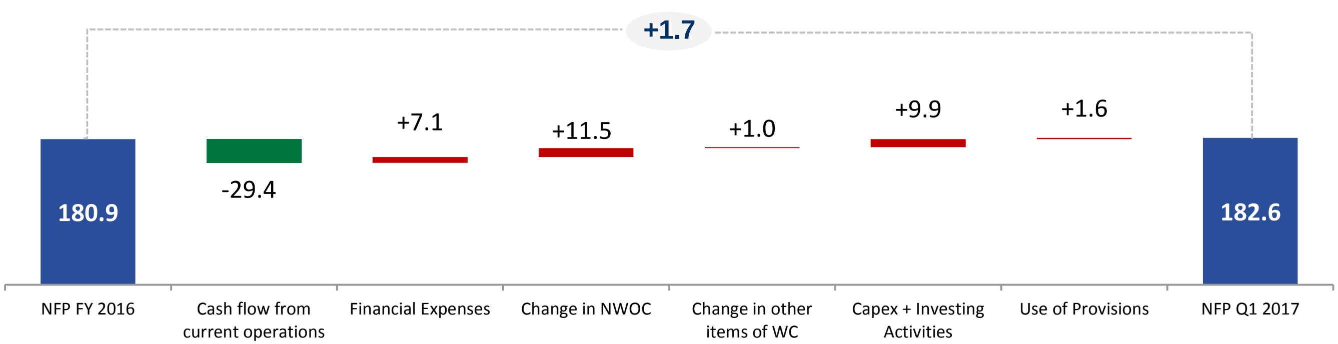
Net Working Operating Capital, €mln



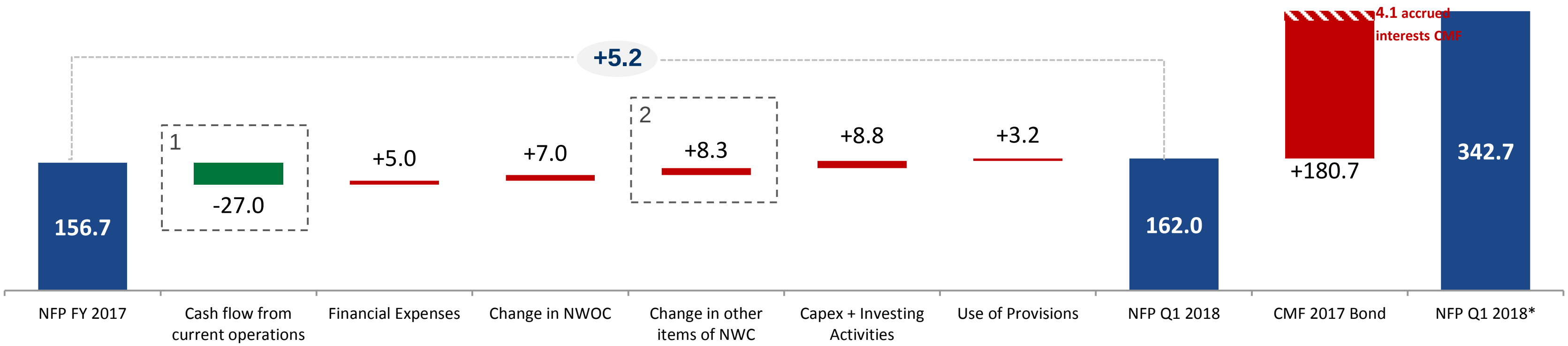
** NWOC = €49.2mln; Revenues LTM = €914,6mln. NWOC / Rev = €49.2mln / €914.6mln*

…Focus on NFP changes Q1 2017 vs Q1 2018 (€mln)

Q1 2017



Q1 2018

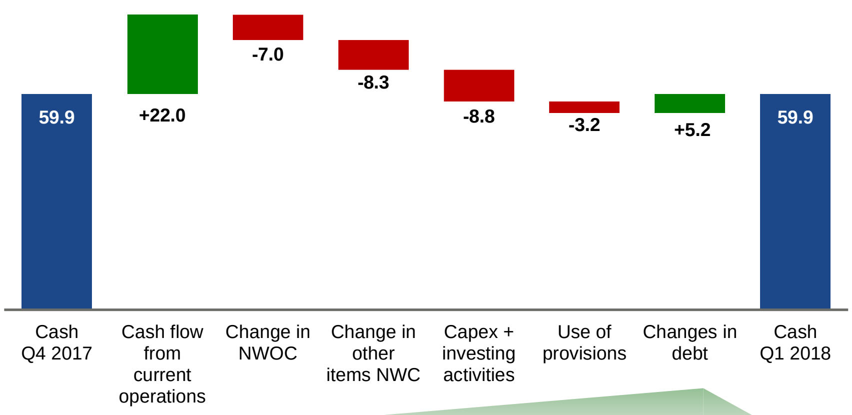


*Net Financial Indebtedness CMF Group does not include the amount of CMF Shareholder's Funding.

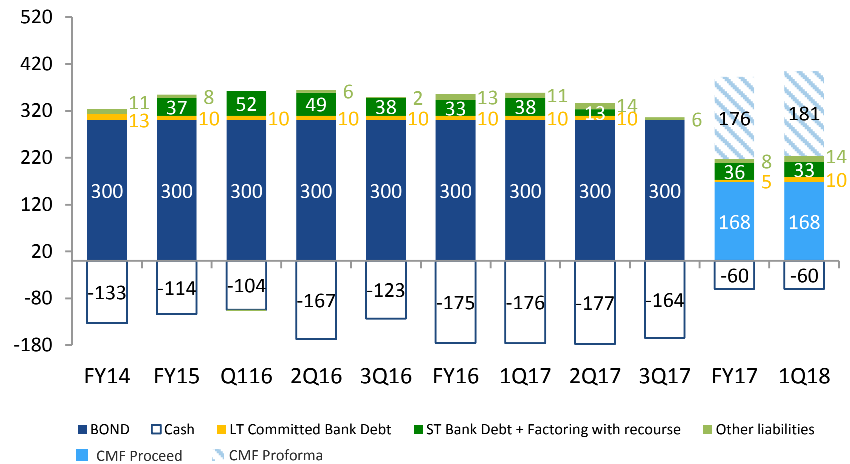
1. Lower cash flow from current operations Q1 2018 vs Q1 2017 mainly due to decrease in EBITDA.
2. Higher effect from "*change in other items of NWC*" mainly due to higher VAT credit (€5.0mln) and fine installments' payments (€1.5mln)

...Focus on Credit Facilities

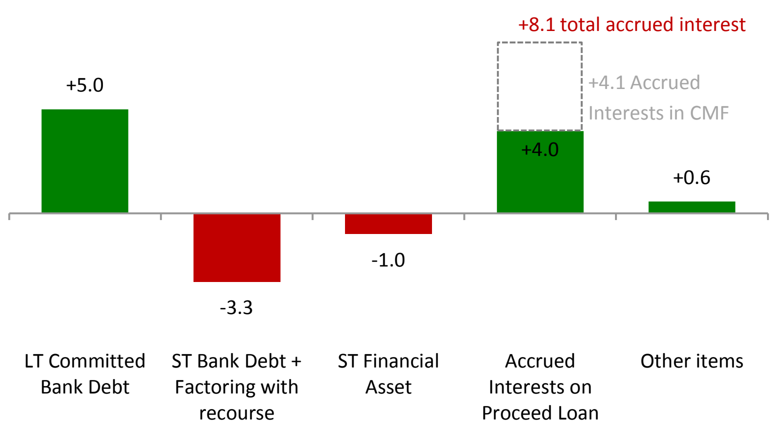
Changes in Cash Q1 2018, €mln



Debt Breakdown, €mln



Detail of changes in debt Q1 2018, €mln



Committed facilities at 31Mar18 (€/mln)

Description	Plafond	Utilization	Utilization %	Maturity	Avaliability from 31Mar18
RCF	50.0	-	0.0%	Dec21	50.0
CCFS	10.0	10.0	100.0%	Apr23	-
Total commited	**60.0**	**10.0**	**17%**		**50.0**
Factoring Pro Soluto BFF (*)	**100.0**	**10.4**	**10%**	**Feb19**	**89.6**

(*) Plafond per annum

Short term facilities at 31Mar18 (€/mln)

Description	Plafond	Utilization	Utilization %
Factoring Pro Solvendo	30.0	23.0	76.8%
Hot Money MPS	*5.0*	*-*	*0.0%*
Hot Money BPM	*6.0*	*6.0*	*100.0%*
total Hot Money	11.0	6.0	54.5%
Advances on invoices	6.0	3.7	61.2%
Total short term	**47.0**	**32.7**	**70%**

Cash & Cash equivalents	**59.9**

Litigation Update

Recent Development / Updates

- ❑ **Consip Healthcare and Army Barracks** - The Council of State (Consiglio di Stato) on April 5, 2018, suspended the decision of the Lazio Administrative Tribunal ("TAR") issued on March 2, 2018, which had rejected Company's appeal against Consip's resolution to exclude the Company from the tenders for "barrack cleaning" and "public hospital cleaning".

- ❑ **FM4 Investigation** – Administrative procedure ongoing. Hearing held on 24 April 2018. The ICA has postponed the FM4 investigation deadline until December 31st, 2018.

- ❑ The hearing on the merits of Company's appeal will be held on **June 28, 2018.**

- ❑ **December 31, 2018.**

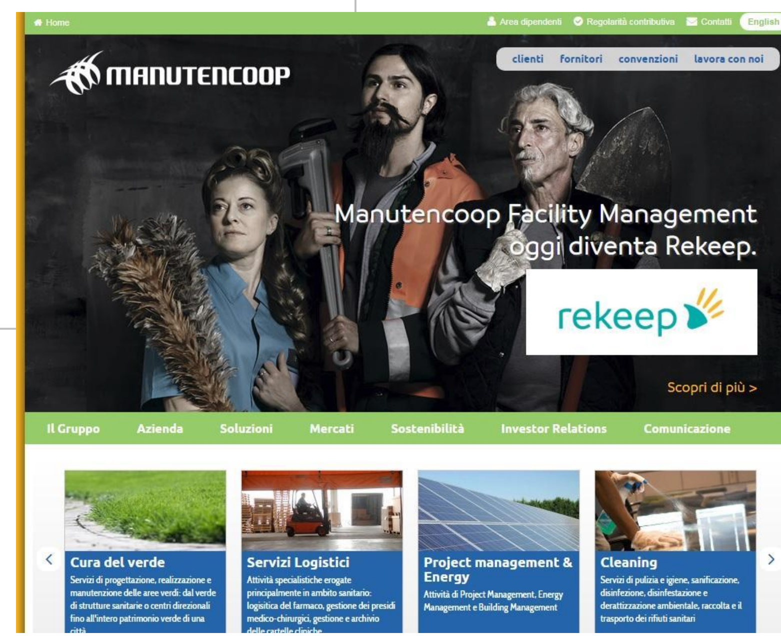
ANNEX

Rebranding

Manutencoop Facility Management becomes Rekeep.

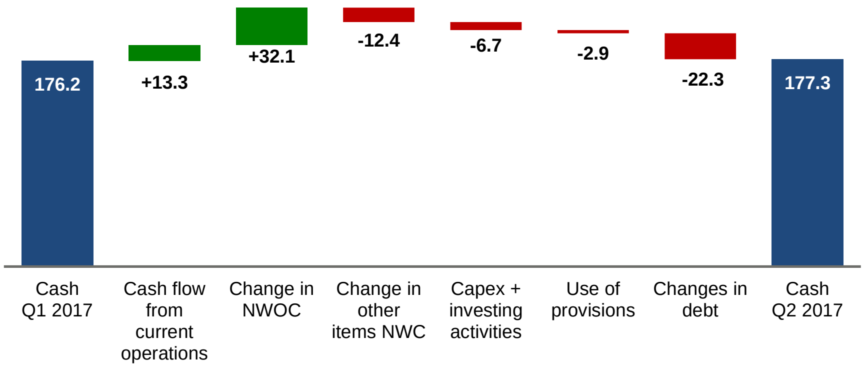
rekeep

minds that work

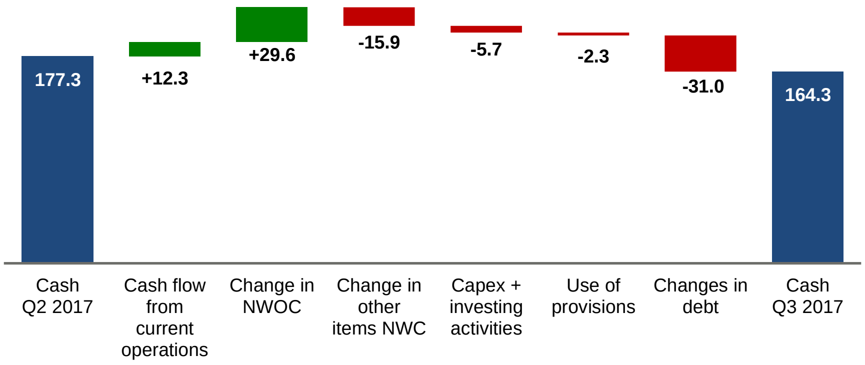


Cash evolution by quarter (MFM Group)

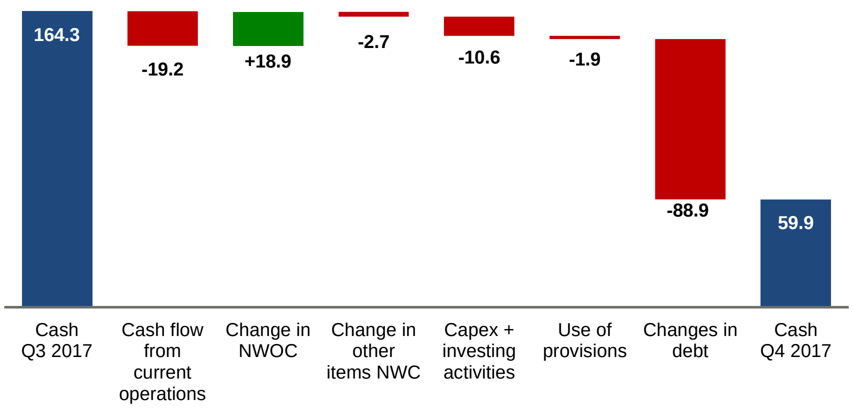
Q2 2017



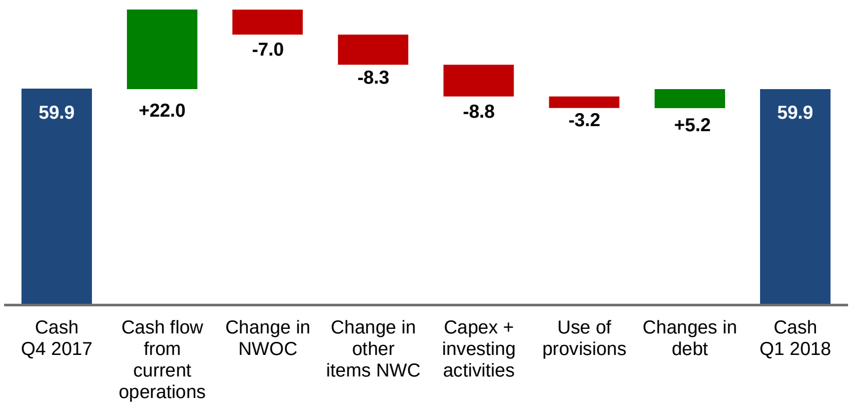
Q3 2017



Q4 2017

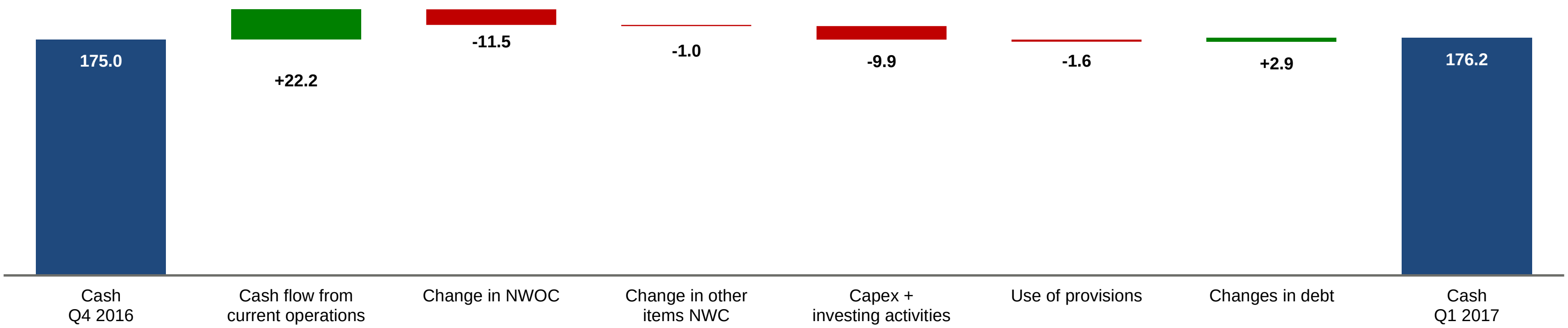


Q1 2018

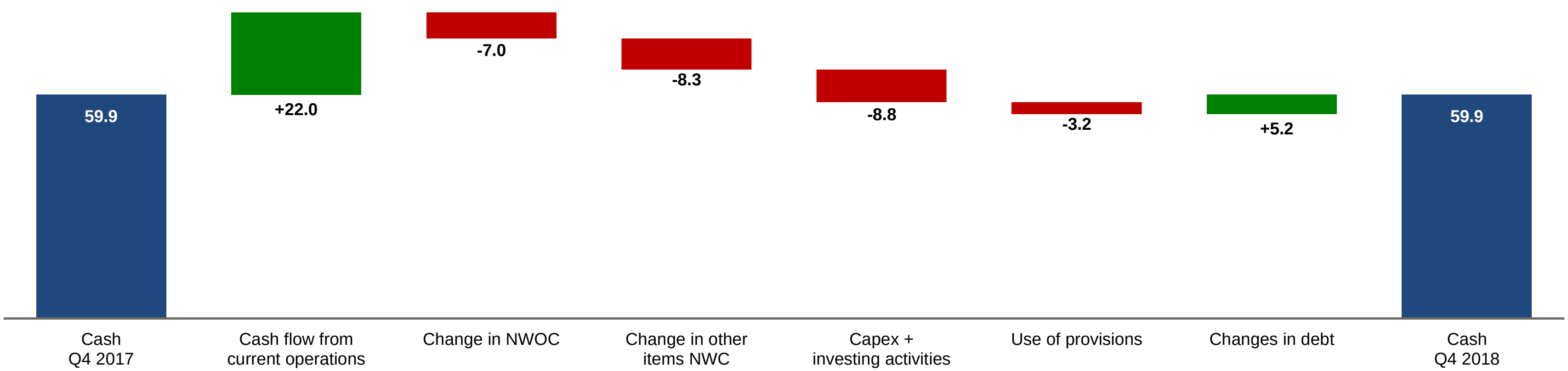


Cash evolution by quarter (MFM Group)

Q1 2017

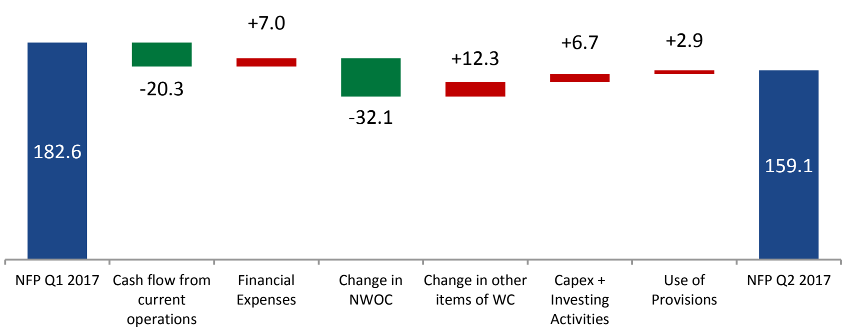


Q1 2018

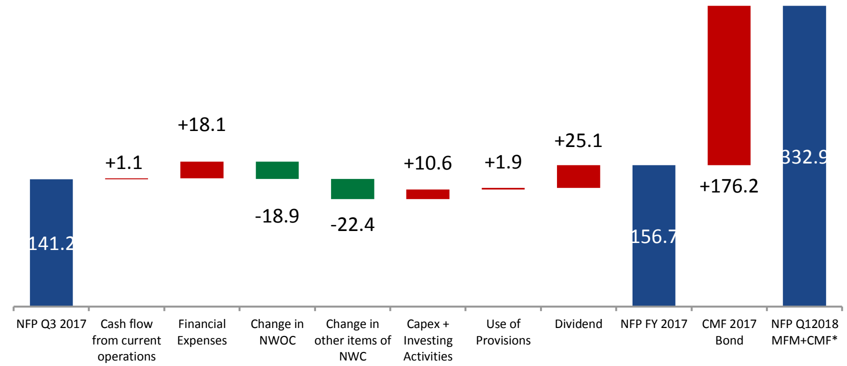


…Focus on NFP changes from March 31, 2017 (€mln)

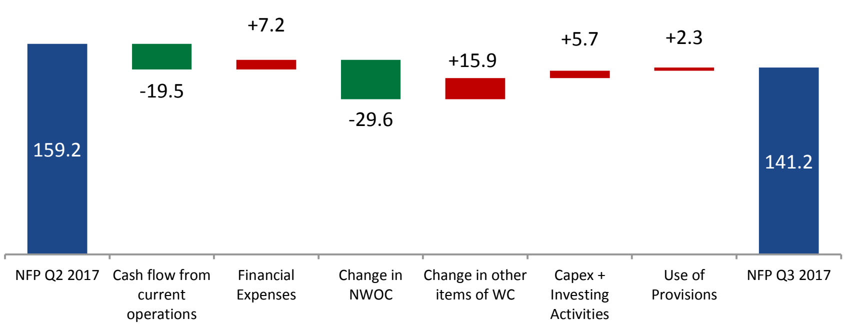
Q2 2017



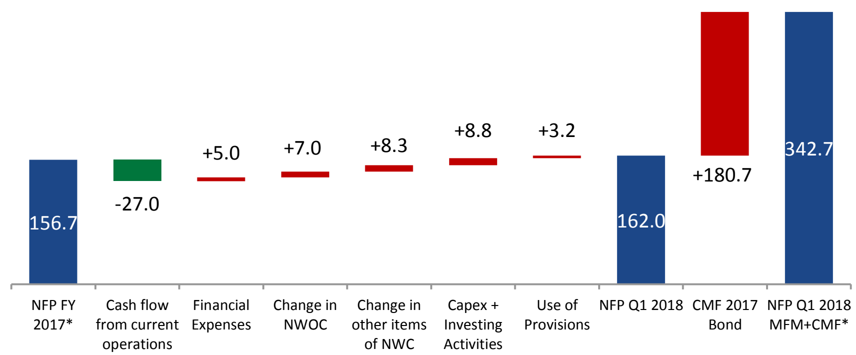
Q4 2017



Q3 2017



Q1 2018



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

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:

Q1 2018 KPI Reconciliation (statutory vs adjusted), €mln

	Statutory Consolidated FS	Adj	Adjusted Consolidated FS	Normalization	Normalized Consolidated FS
Revenues	236.7	0.0	236.7	-0.5	236.1
EBITDA	27.3	0.5	27.7	1.8	29.5
EBITDA % on revenues	*11.5%*		*11.7*		*12.5%*
EBIT	19.7	0.5	20.2	1.9	22.1
EBIT % on revenues	*8.3%*		*8.5%*		*9.4%*
Net Result	8.7				
NWOC	49.2				
NFP	(161.9)				
Net Financial Indebtedness CFM Group*	(342.7)				

*Excludes Shareholder's Funding at CMF

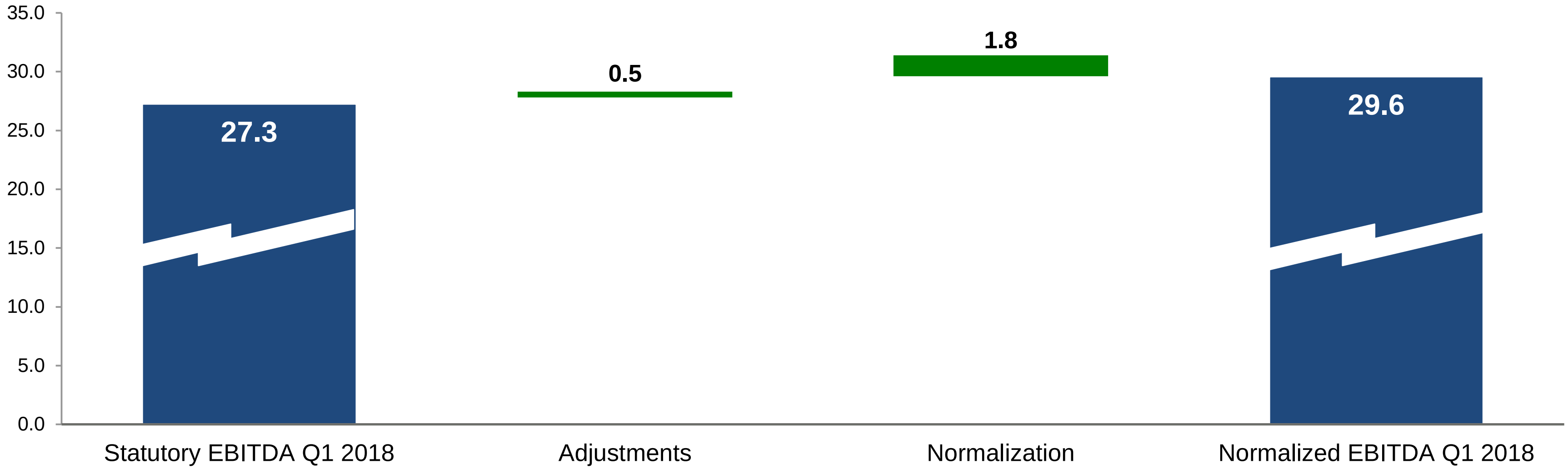
Period **adjusted EBITDA** and **adjusted EBIT** include non recurring items referring to:

- ✓ Professional services and advisory fees for extraordinary transactions and re-organizations + professional services and advisory fees – AGCM

Normalized Revenues, EBITDA and **EBIT** do not include our Start-ups' results.

Adjustments to EBITDA

Bridge to Normalized EBITDA, €mln



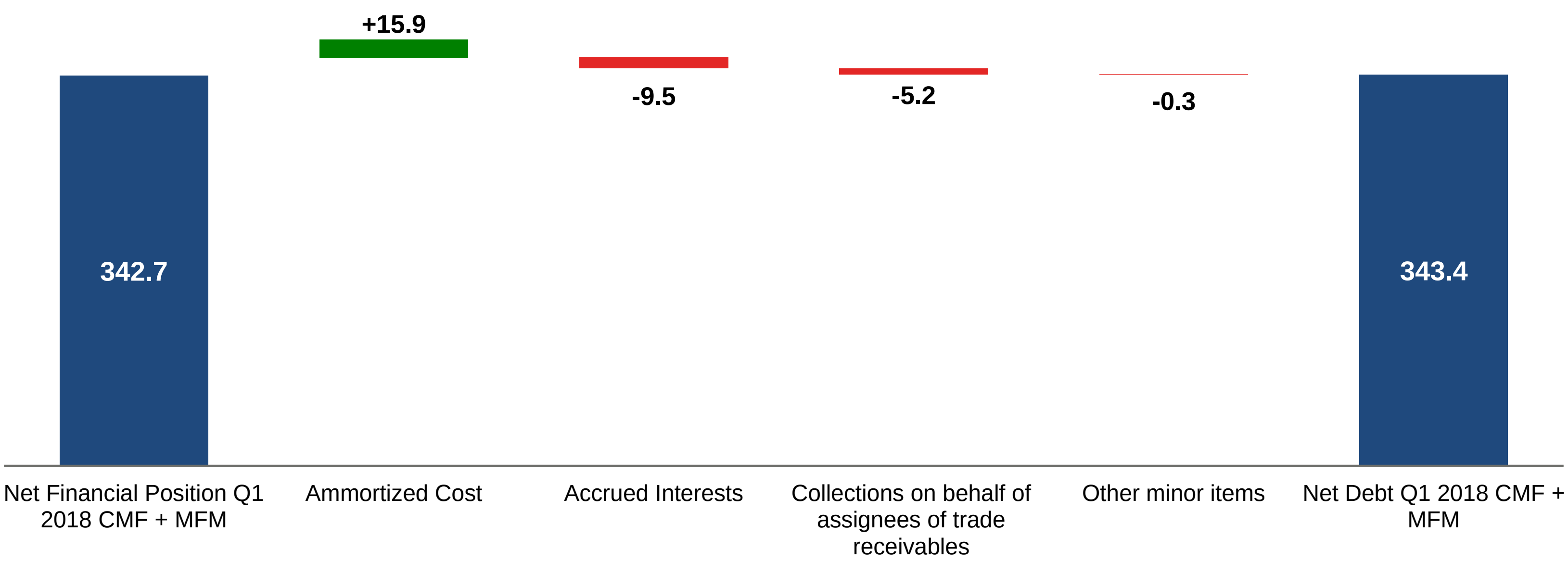
Adjustments, €mln	
Professional services and advisory fees for extraordinary transactions and re-organizations + professional services and advisory fees – AGCM	**0.5**

Normalization, €mlnC	
YouGenio/B2C	1.0
Manutencoop International	0.8
Total	**1.8**

Net Financial Position to Net Debt

Q1 2018 Net Financial Position to Net Debt, €mln

	31st March 2018	31st March 2017
Long term financial debt	181.3	308.8
Bank borrowings, including current portion of long-term debt and other financial liabilities	43.4	52.1
Gross financial indebtness	***224.7***	***360.9***
Cash and cash equivalents	(59.9)	(176.2)
Current financial assets	(2.9)	(2.1)
Net financial indebtness	***161.9***	***182.6***
Pro forma CMF	180.7	0
Net financial indebtness CMF Group	***342.7***	***182.6***



Definitions

More definitions available in Offering Memorandum

(1) **"Net Debt"** is defined as Gross Debt net of the balance of Cash and cash equivalents and Current financial assets.

(2) **"Gross Debt"** is defined as the sum of debts for principal referring to: i) Senior Secured Notes; ii) Long-term bank debts; iii) Current bank overdraft, advance payments and hot money; iv) Obligations arising from assignments of trade receivables with recourse; v) Financial lease obligations.

(3) **"NFP Net financial indebtedness** (PFN - Posizione Finanziaria Netta)" **-** Consolidated Net Financial Position represents the balance of Long-term debt, Derivatives, Bank borrowings (including current portion of long-term debt) and other financial liabilities, net of the amount of receivables and other current financial assets and Cash and Cash equivalents.

(4) **"Collections on behalf of factoring counterparties"** refers to the balances of bank accounts into which customers make payments on the trade receivables that have been sold to factoring counterparties as further discussed under "Description of certain financing arrangements—Factoring facilities—Banca Farmafactoring Facility." in Offering Memorandum.

ANNEX

PROFIT&LOSS *(€/000)*

	Q1 2018 MFM	Q1 2017 MFM	1Q 2018 CMF Group
Total revenues	236.683	238.599	236.538
Total costs of production	-209.370	-203.160	-209.419
EBITDA	**27.313**	**35.439**	**27.119**
EBITDA %	***11.54%***	***14.85%***	***11.46%***
Amortization/depreciation, write-downs and write-backs of assets	-7.094	-7.572	-7.094
Accrual of provisions for risks and charges	-487	-553	-487
Operating income	**19.732**	**27.314**	**19.538**
Risultato operativo %	***8.34%***	***11.45%***	***8.26%***
Share of net profit of associates	843	1227	843
Net financial charges	-4.982	-7.125	-9.508
Profit before taxes from continuing operations	**15.593**	**21.416**	**10.873**
Profit before taxes from continuing operations %	***6.59%***	***8.98%***	***4.60%***
Income taxes	-6.844	-8.046	-6.726
Profit from continuing operations	**8.749**	**13.370**	**4.147**
Loss for the period from discontinued operation	0	0	0
Net profit for the period	**8.749**	**13.370**	**4.147**
Net profit for the period %	***3.70%***	***5.60%***	***1.75%***
Minority interests	-66	-22	-66
Net profit for the period attributable to equity holders of the parent	**8.683**	**13.348**	**4.081**
Net profit for the period attributable to equity holders of the parent %	***3.67%***	***5.59%***	***1.73%***

ANNEX

BALANCE SHEET (€/000)	31 Mar 2018 MFM	31 Dec 2017 MFM	Change	31 Mar 2018 CMF Group
USES				
Trade receivables and advances to suppliers	438.218	429.165	9.053	438.217
Inventories	6.154	6.057	97	6.154
Trade payables and advances from customers	-395.134	-393.022	-2.112	-390.068
Net working operating capital	***49.238***	***42.200***	***7.038***	**54.303**
Other element of working capital	-57.991	-60.865	2.874	-57.030
Net working capital	***-8.753***	***-18.665***	***9.912***	**-2.727**
Tangible assets	73.663	71.343	2.320	73.663
Intangibles assets	396.478	395.532	946	429.661
Investments accounted for under the equity method	27.729	27.294	435	27.729
Other non current assets	35.437	35.507	-70	35.818
Operating fixed assets	***533.307***	***529.676***	***3.631***	**564.144**
Non current liabilities	-54.858	-55.523	665	-106.776
Net invested capital	***469.696***	***455.488***	***14.208***	**457.368**
SOURCES				
Minority interests	752	381	371	752
Equity attributable to equity holders of the parent	307.024	298.401	8.623	113.959
Shareholders' equity	***307.776***	***298.782***	***8.994***	**114.711**
Net financial indebtedness	161.920	156.706	5.214	342.657
Total financing sources	***469.696***	***455.488***	***14.208***	**457.368**

ANNEX

Statement of Cash flow (Statutory) (€/000)	**31 Mar 2018**	**31 Mar 2017**
CASH at the beginning of the period	**59.870**	**174.992**
Cash flow from current operations	22.048	28.446
Use of provisions for risks and charges and for employee termination indemnity	-3.199	-1.591
Change in adjusted NWOC	-7.008	-11.450
Industrial Capex, net of disposals	-6.439	-9.914
Financial Capex	-2.336	11
Other changes	-8.279	-7.188
Change in net financial liabilities	5.237	2.925
CASH at the end of the period	**59.893**	**176.231**

What's next

- ✓ **Next call on Q2 2018 Results will be held on Aug 30, 2018**

- ✓ Manutencoop Financial Calendar and Replay are available on:

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