



**Summary of the Results at  
September 30, 2014**

*Call with Bondholders,  
November 17, 2014, 17CET*



# Disclaimer

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*This presentation has been prepared for information purposes only as part of the conference to present the results as of September 30, 2014 of Manutencoop FM Group and can not be reproduced in any way, in part or in whole.*

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## MFM speakers today



**Milva Carletti**  
*CFO*



**Riccardo Bombardini**  
*Head of Investor Relations*



**Federico Rossi**  
*Investor Relations*

- ✓ **A word from the CFO**
- ✓ **3Q 2014 Highlights**
- ✓ **Focus on:**
  - ✓ P&L
  - ✓ Sales Activity
  - ✓ Capex
  - ✓ Net Financial Position
- ✓ **Annex**

# A word from the CFO

1Q and 2Q P&L trends confirmed, NWOC trend confirms improvement

## Flash

- Revenues behind 3Q13 but stable on a L4L basis considering TI contract reduction
- A depressed and sluggish economic environment leads to severe price pressure and fewer commercial opportunities on the market that ultimately drive margins down
- This is reflected in a less consistent backlog

## EBITDA Adj. %\*

**10.3%** 12.2%  
in 3Q13  
Statutory EBITDA  
10.3 % 11.3% in 3Q13

## Backlog

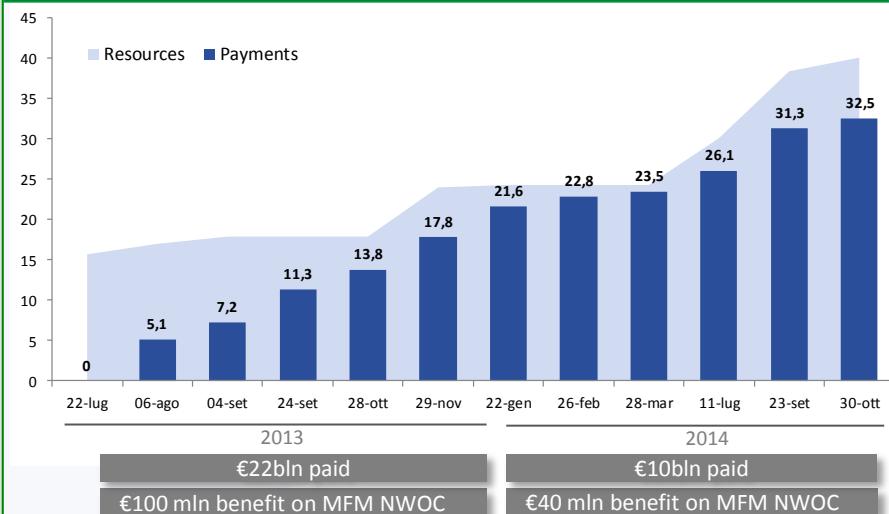
**€2,869 mln** 2,950  
in 3Q14 in 3Q13  
€3,216 mln in 4Q13  
New signed Contracts  
€245 mln in 3Q14

\*EBITDA Adj. does not include pro-forma items

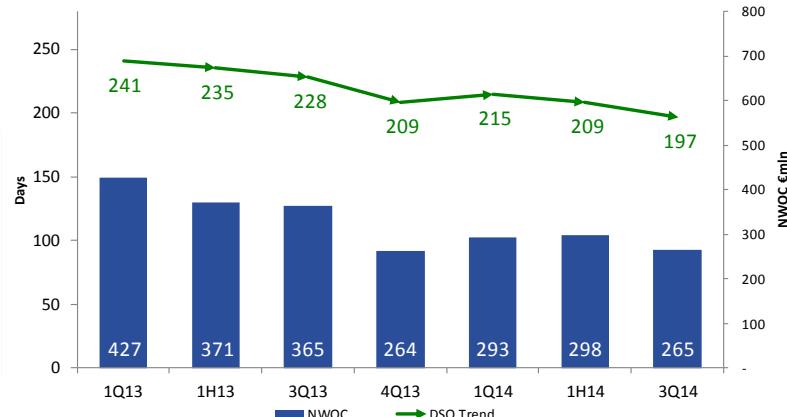
# A word from the CFO

## NWOC improves at slow but constant pace

### Official data by Italian Government



### DSO and Net Working Operating Capital\*



NWOC continues to improve benefitting from DSOs steady decline and after some benefits passed on to suppliers too

### Highlights on Cash

- Cash position at 3Q 2014 = €85mln
- Following 3Q14 MFM purchased €25 million principal amount of its 8.5% Senior Secured Notes due 2020 on the open market on different dates

### NWOC\* / Revenues

25.7%  
24.5% in 4Q13

- Ratio declines from 33.7% in 3Q13
- Leverage Ratio 3.6x

Note: \*Data include Factoring. Since 1Q2014 DSOs are calculated on LTM Revenues. NWOC from 1Q13 to 4Q13 are restated ex IFRS 10

# 3Q 2014 - Highlights

3Q 2014 Results, year-to-date				
3Q 2013				
Euro Million, unless otherwise stated	3Q 2014	Restated	3Q vs 3Q	
Revenues	<b>739,5</b>	789,7	-6,4%	
Ebitda	<b>75,8</b>	89,0	-14,8%	
Ebitda margin	<b>10,3%</b>	11,3%		
Ebitda Adjusted	<b>75,8</b>	96,5	-21,4%	
Ebitda Adjusted margin	<b>10,3%</b>	12,2%		
Ebit	<b>45,5</b>	55,9	-18,6%	
Ebit margin	<b>6,2%</b>	7,1%		
Tax Rate %	<b>85%</b>	54%		
Net Result	<b>2,6</b>	18,0	-85,7%	
Net result margin	<b>0,3%</b>	2,3%		
Net Financial Position	<b>372</b>	426	(54)	
DSOs	<b>197 days</b>	228 days	-31 days	
Net Working Operating Capital (*)	<b>265</b>	365	(100)	

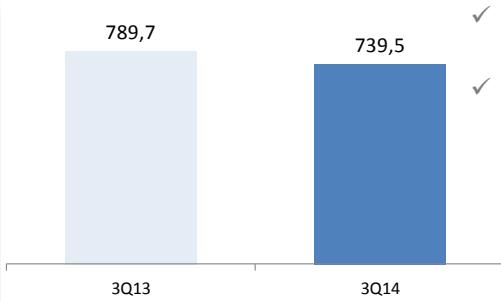
*\*(trade receivables + factoring + inventory - trade payables)*

New IFRS 10 and IFRS 11 accounting standards on consolidated accounts and JVs, effective from Jan 01, 2014. Consequently, 3Q 2013 has been restated for a proper comparison.

# Focus on...P&L

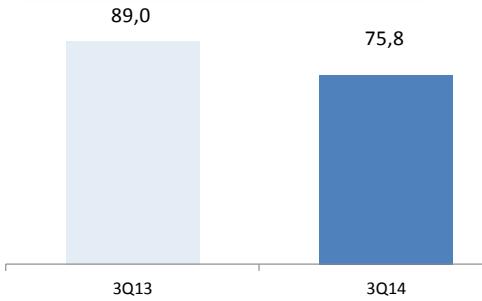
## Profit & Loss, €mln

### Revenues



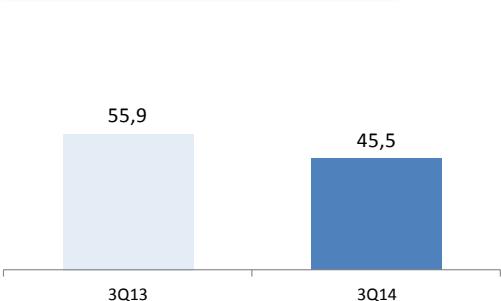
- ✓ Revenues down compared to 3Q 2013
- ✓ On a TI L4L basis revenues increase by €13 mln

### EBITDA

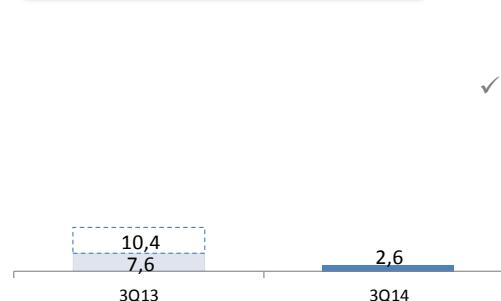


- ✓ Ebitda is re-dimensioned following
  - Startup costs for Consip Scuole tender in 1Q,
  - Telecom Italia reduction
  - Pressures on margins
  - Margin reductions vs lagging G&A reduction

### EBIT



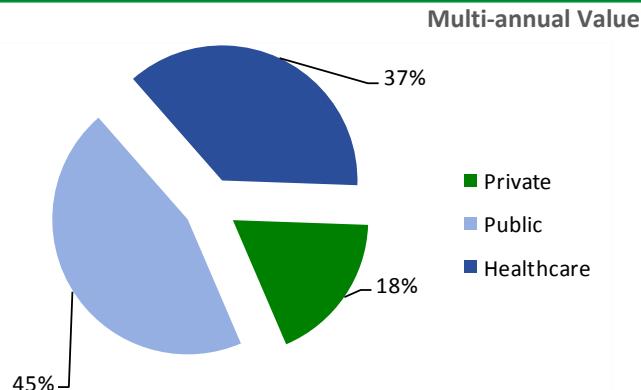
### Net Result



- ✓ Higher interests on debt for €10,4mln compared to 3Q14
- ✓ IRAP impacts more than proportionally on a reduced EBT

# Focus on...Sales Activities

## Signed contracts in 3Q14, by client type



## Main signed contracts in third quarter 2014

Multi-annual Value

- ✓ Laundry Services for APSS Trento worth a total of €12.7mln in 4 years
- ✓ Cleaning Services for Policlinico Torvergata worth a total of €9.4mln in 4 years
- ✓ Cleaning Services for ASL Santobono worth a total of €7.5mln in 3 years

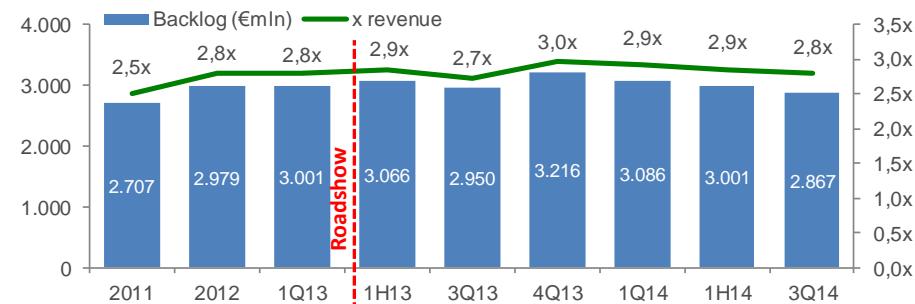
## Value of contracts signed in first 9 months of 2014, €mln



## Breakdown of signed contracts in 3Q14

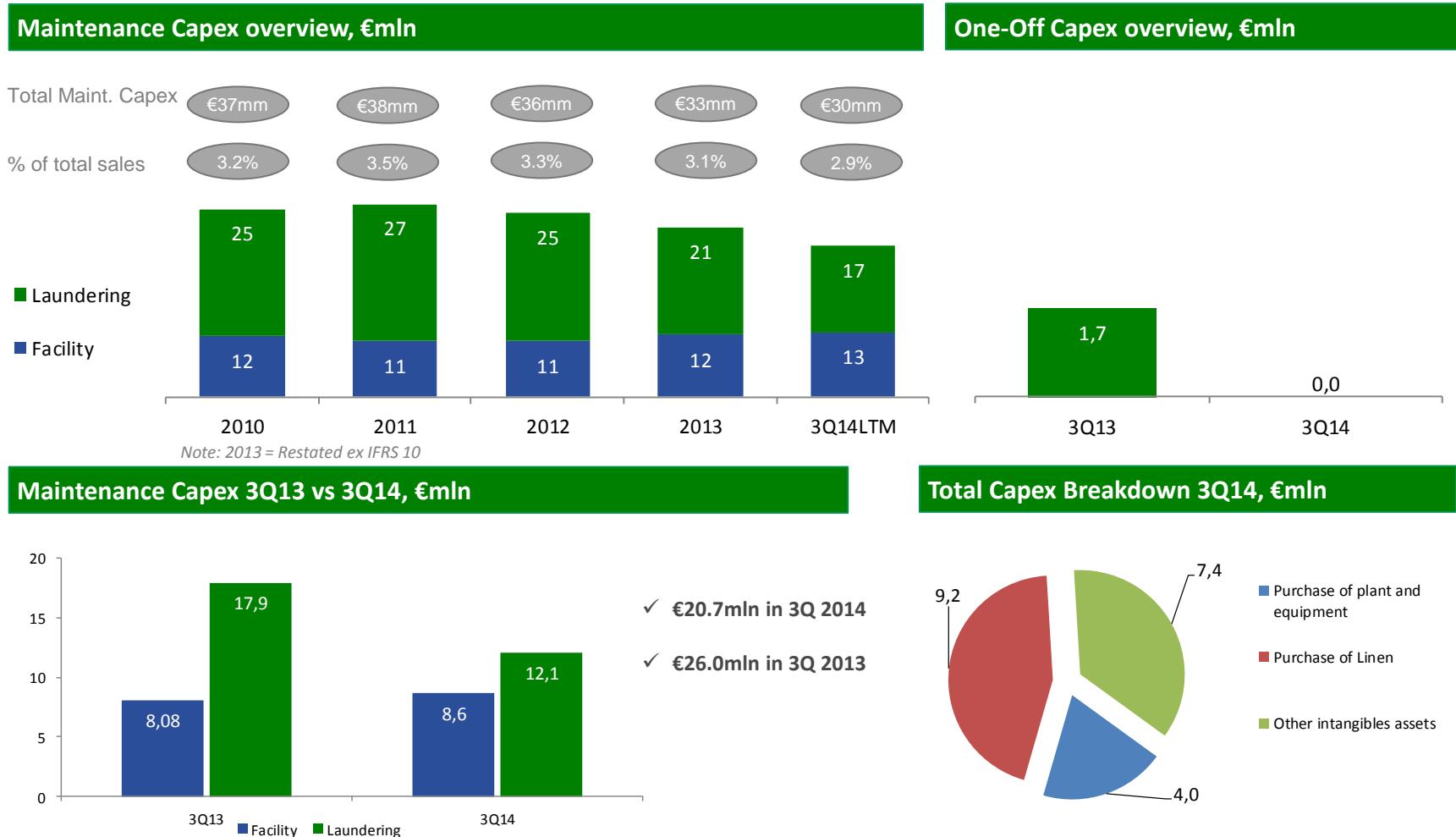


## Revenue Visibility from Backlog<sup>1</sup>



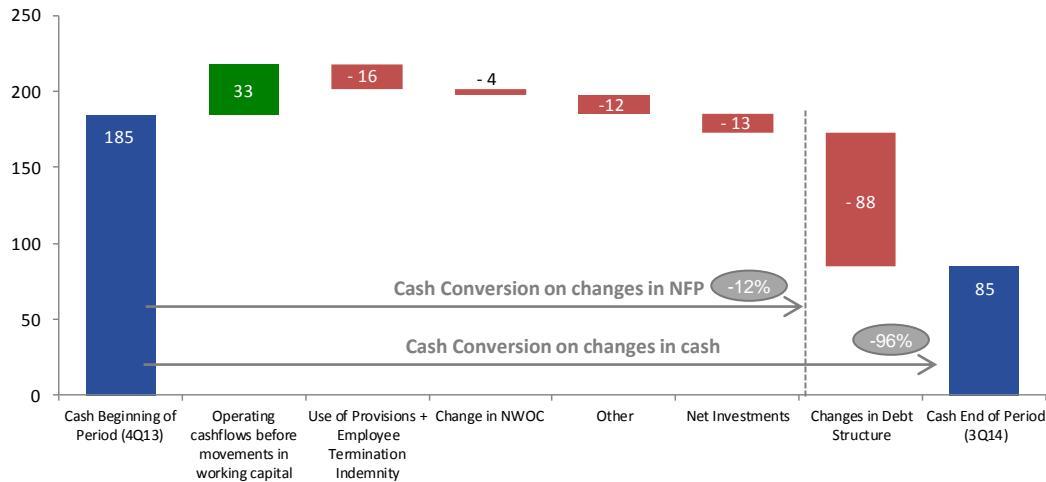
<sup>1</sup> Backlog is defined as the total amount of uncancelable and already secured revenues in respect of which MFM Group has received binding commitments from customers

# Focus on...Capex



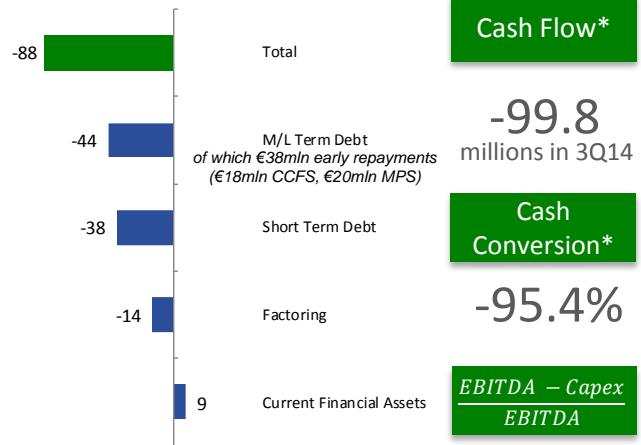
# Focus on...Net Financial Position

## Cashflow Bridge, 2013 vs 3Q 2014



\* Cash Flow = Cash end of period – Cash beginning of period, Cash Conversion = Cash Flow / EBITDA 3Q14 LTM

## Changes in Debt Structure



Cash Flow\*

-99.8  
millions in 3Q14

Cash  
Conversion\*

-95.4%

$\frac{EBITDA - Capex}{EBITDA}$

82.7%

## Net Financial Position (on balance sheet, €mln)



NFP from 1Q 2013 to 4Q13 are restated ex IFRS 10

Breakdown of Net Financial Position	September 30, 2014
Long-term financial debt	435.787
Bank borrowings, including current portion of long-term debt, and other financial liabilities	23.022
<b>Gross financial indebtedness</b>	<b>458.809</b>
Cash and cash equivalents	(84.692)
Current financial assets	(4.495)
<b>Net financial indebtedness</b>	<b>369.622</b>
Factoring outstanding	2.449
<b>Net financial indebtedness adjusted</b>	<b>372.071</b>

## What's next

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Financial Calendar for 2015 will be published in January 2015 on:

[www.manutencoopfm.it/eng/investor-relations\\_calendario.asp](http://www.manutencoopfm.it/eng/investor-relations_calendario.asp)

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# ANNEX

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<i>(in thousands of Euro)</i>	<b>September 30, 2014</b>	<b>December 31, 2013 Restated</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipments	70.927	77.320
Property, plant and equipments under lease	3.039	3.598
Goodwill	415.094	415.094
Other intangible assets	30.210	29.062
Investments accounted for under the equity method	29.227	31.858
Other investments	3.438	3.038
Non-current financial assets	9.670	10.840
Other non-current assets	1.592	1.638
Deferred tax assets	24.113	24.126
<b>Total non-current assets</b>	<b>587.310</b>	<b>596.574</b>
<b>Current assets</b>		
Inventories	6.174	6.162
Trade receivables and advances to suppliers	637.170	694.704
Current taxes receivables	25.520	16.495
Other current assets	27.186	29.139
Current financial assets	4.495	13.374
Cash and cash equivalents	84.692	184.538
<b>Total current assets</b>	<b>785.237</b>	<b>944.412</b>
Assets classified as held for sale	0	7.868
<b>Total assets classified as held for sale</b>	<b>-</b>	<b>7.868</b>
<b>Total assets</b>	<b>1.372.547</b>	<b>1.548.854</b>

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<i>(in thousands of Euro)</i>	<b>September 30, 2014</b>	<b>December 31, 2013 Restated</b>
<b>Shareholders' equity and Liabilities</b>		
Share capital	109.150	109.150
Reserves	170.738	167.797
Retained earnings	42.553	33.606
Profit for the period attributable to equity holders of the parent	2.396	13.747
<i>Equity attributable to equity holders of the parent</i>	<b>324.837</b>	<b>324.300</b>
Capital and reserves attributable to non-controlling	1.863	1.611
Profit for the period attributable to non-controlling	179	344
<i>Equity attributable to non-controlling interests</i>	<b>2.042</b>	<b>1.955</b>
<b>Total shareholders' equity</b>	<b>326.879</b>	<b>326.255</b>
<b>Non-current liabilities</b>		
Employee termination indemnity	23.122	27.599
Provisions for risks and charges, non-current	13.008	11.715
Long-term financial debt	435.787	456.369
Deferred tax liabilities	11.696	12.144
Other non-current liabilities	28	7
<b>Total non-current liabilities</b>	<b>483.641</b>	<b>507.834</b>
<b>Current liabilities</b>		
Provisions for risks and charges, current	16.273	24.973
Trade payables and advances from customers	381.123	453.687
Current tax payables	7.468	226
Other current liabilities	134.141	148.343
Bank borrowings, including current portion of long-term	23.022	85.116
<b>Total current liabilities</b>	<b>562.027</b>	<b>712.345</b>
Liabilities directly associated with assets classified as	0	2.420
<b>Total liabilities directly associated with assets</b>	<b>0</b>	<b>2.420</b>
<b>Total shareholders' equity and Liabilities</b>	<b>1.372.547</b>	<b>1.548.854</b>

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<i>(in thousands of Euro)</i>	<b>For the 9 months ended 30 September,</b>	
	<b>2014</b>	<b>2013 Restated</b>
<b>Revenue</b>		
Revenue from sales and services	736.932	788.272
Other revenue	2.576	1.422
<b>Total revenue</b>	<b>739.508</b>	<b>789.694</b>
<b>Operating costs</b>		
Costs of raw materials and consumables	(103.609)	(121.411)
Costs for services and use of third party assets	(272.326)	(288.059)
Personnel costs	(283.087)	(286.603)
Other operating costs	(4.659)	(6.372)
Capitalized internal construction costs	0	1.788
Amortization, depreciation, write-downs and write-	(28.372)	(27.755)
Accrual of provisions for risks and charges	(1.944)	(5.357)
<b>Total operating costs</b>	<b>(693.997)</b>	<b>(733.769)</b>
<b>Operating Income</b>	<b>45.511</b>	<b>55.925</b>
<b>Financial income and expenses</b>		
Share of net profit of associates	667	2.029
Dividends and income from sales of investments	210	358
Financial income	2.375	1.871
Financial expenses	(31.729)	(20.977)
<b>Profit (loss) before taxes from continuing</b>	<b>17.030</b>	<b>39.207</b>
Income taxes	(14.455)	(21.211)
<b>Profit (loss) from continuing operation</b>	<b>2.575</b>	<b>17.996</b>
Profit (loss) from discontinued operation	0	0
<b>Net profit (loss) for the period</b>	<b>2.575</b>	<b>17.996</b>
Net profit (loss) for the period attributable to non	(179)	(234)
<b>Net profit (loss) for the period attributable to equity holders of the</b>	<b>2.396</b>	<b>17.762</b>

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(in thousands of Euro)	For the 9 months ended 30 September,	
	2014	2013 Restated
Net profit (loss) from continuing operations for the period	2.575	17.996
Income taxes	14.455	21.211
<b>Profit before taxes from continuing operations</b>	<b>17.030</b>	<b>39.207</b> A
Amortization, depreciation, write-downs and (write-backs) of assets	28.371	27.755 A
Accrual of provisions for risks and charges	1.944	5.357 A
Employee termination indemnity provision	1.130	1.148 A
Payments of employee termination indemnity	(7.200)	(2.864) E
Utilization of provisions	(8.703)	(9.422) E
Share of net profit of associates	894	(292) A
Financial charges (income) for the period	29.358	19.105 A
<b>Operating cash flows before movements in Working Capital</b>	<b>62.824</b>	<b>79.994</b>
Decrease (increase) of inventories	(12)	3.138 B
Decrease (increase) of trade receivables	62.645	(69.520) B
Decrease (increase) of other current assets	1.947	(2.389) C
Increase (decrease) of trade payables and advances from customers	(72.564)	(31.376) B
Increase (decrease) of other current liabilities	(14.181)	12.327 C
<b>Change in Working Capital</b>	<b>(22.165)</b>	<b>(87.820)</b>
Net interests received (paid) in the period	(35.888)	(11.090) A
Income taxes paid in the period	(16.235)	(5.930) A
<b>Net cash flow from operating activities</b>	<b>(11.463)</b>	<b>(24.847)</b>
Purchase of intangible assets, net of sales	(7.431)	(6.629) D
Purchase of property, plant and equipment	(13.259)	(18.839) D
Proceeds from sales of property, plant and equipment	1.190	458 D
Acquisition of investments	715	(197) D
Decrease (increase) of financial assets	3.014	508 D
Net cash used in business combination	0	(854) D
Net cash from assets classified as held for sale	3.707	(6) D
<b>Net cash flow used in investing activities</b>	<b>(12.064)</b>	<b>(25.559)</b>
Net proceeds from/(reimburse of) borrowings	(76.229)	151.762 F
Dividends paid	(90)	(566) C
Acquisition/Sale of minority interests in subsidiaries	0	4
Reclassification of assets classified as held for sale	0	0
<b>Net cash flow from/(used in) financing activities</b>	<b>(76.319)</b>	<b>151.200</b>
<b>Changes in cash and cash equivalents</b>	<b>(99.846)</b>	<b>100.795</b>
Cash and cash equivalents at the beginning of the period	184.538	51.394
Changes in cash and cash equivalents	(99.846)	100.795
<b>Cash and cash equivalents at the end of the period</b>	<b>84.692</b>	<b>152.189</b>
<b>Details of cash and cash equivalents</b>		
Cash and cash equivalents	84.692	152.189
<b>Total cash and cash equivalents</b>	<b>84.692</b>	<b>152.189</b>

Euro/000	REF	Cashflow	Adj	Bridge	REF
<b>Cash at beginning of the period</b>		184.538			184.538
Cash flow from current operations	A	26.605	6.448		33.052
Use of provisions	E	(15.903)	0	(15.903)	
Change in NWOC (incl factoring)	B	(9.931)	6.165	(3.765)	2-3
Other	C	(12.234)	(90)	(12.324)	1+5
Investments	D	(12.064)	(1.056)	(13.120)	4-3
Change in debt structure	F	(76.319)	(11.467)	(87.785)	1-2-4-5
<b>Cash at the end of the period</b>		84.692	0	84.692	

Adjustments	REF
Dividends paid	90) 1
Change in factoring outstanding	(13.988) 2
Repurchase of factorized receivable	(7.823) 3
Changes in Current Financial Assets	(8.879) 4
Other differences (mainly unpaid interest expenses)	6.448 5



*Thank You  
For Your  
Attention!*