



**Summary of the Results at  
December 31, 2015**

*Call with Bondholders,  
March 21, 2016, 18CET*



# 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 December 31, 2015 of Manutencoop FM Group and can not be reproduced in any way, in part or in whole.*

*The information in this presentation may include references to possible future events and is based on the state of current expectations. These indications regarding the future are subject to risks and uncertainties related to the business activities, the performance of the reference sectors and the economy. There is, therefore, no liability in relation to them, not even about their possible amendment or revision.*

*Annual Report figures in this presentation have been approved by Board of Directors, waiting for approval by Supervisory Board and formal auditors' opinion.*

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MFM speakers today

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- Annex

# Main 2015 KPIs

Reconciliation table of principal economic and balance sheet items coming from consolidated annual statutory accounts and *ADJUSTED* in order to normalize non recurring events, with particular regard to the **ICA fine provision**.

## 2015 KPI Reconciliation (statutory VS adjusted), €mln

	For the year ended Dec 31, 2015			
	Statutory Consolidated FS	ICA Fine Provision	Other adjustments	Adjusted Consolidated FS
Revenues	955,7			955,7
EBITDA	93,1		4,0	97,1
EBITDA % on revenues	9,7%			10,2%
EBIT	9,0	48,5	4,0	61,5
EBIT % on revenues	0,9%			6,4%
Net Result	(45,4)	50,0		4,6 (*)

	December 31, 2015			
	Statutory Consolidated FS	ICA Fine Provision	Factoring Outstanding	Adjusted Consolidated FS
NWOC	143,7		1,4	145,1
NFP	(240,6)		(1,4)	(242,0)

(\*) adjusted for ICA provision only

*The economic performance has been deeply impacted by the provisioning of €48,5 mln by MFM SpA due to the ICA fine (decided on December 22, 2015 and notified on January 20, 2016).*

*MFM has appealed against to TAR (Regional Administrative Court)*

# Business Overview

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## Country

- ✓ According to the International Monetary Fund estimates, Italy ended 2015 with a **0.8% increase in GDP**. Spain grew by 3.2%, while Germany, France and the United Kingdom rose by 1.5%, 1.1% and 2.2%, respectively.
- ✓ Employment figures are still critically low, however improved since 2014, in some European countries: Italy's **unemployment** in October 2015 was 11.9%, Spain's 19.9% and France's 9.9%. The situation is different in Germany, where unemployment rate is 4.7%. (Source: IMF)
- ✓ Looking at 2016, International Monetary Fund expects for Italy a real GDP growth of 1.3%.

## Industry

- ✓ Manutencoop Group, with its turnover of just below € 1.0 billion, is again the leading Italian operator.
- ✓ The Italian Facility Management market is still subject to **pressure on prices**.
- ✓ Tendency to outsource, especially in the **public sector**, is unaltered.
- ✓ Rising trend of tenders issued by centralized (National, Regional and Local) procurement entities (i.e. Consip and Regional Procurement entities). As of today 35 public procurement entities (D.Lg. 24/4/2014 n.66) on the Italian territory.
- ✓ Given the macroeconomics crisis, price continues to be one of the most important criteria for the selection of suppliers instead of quality and innovation.

# 2015 Achievements

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	(March 2015 ) Guidance for 2015	2015 Actual	
Revenues	950 mln€	955 mln€	✓
Ebitda	10%	10%	✓
Cost savings (impacting on Ebitda)	10-12 mln€	12 mln€	✓✓
DSO	≈(20) days	(4) days	✗
NWOC/Revenues	≈18%	15,2% 18,8% net of effect of new VAT fiscal regime worth ca 35 mln €	✓
NFP	260 mln€	242 mln€	✓

# Revenues

FY 2015

€955.7 mln

FY 2014

€974.3 mln

## Revenues by Segment, €mln



## Revenues by Client (\*), €mln

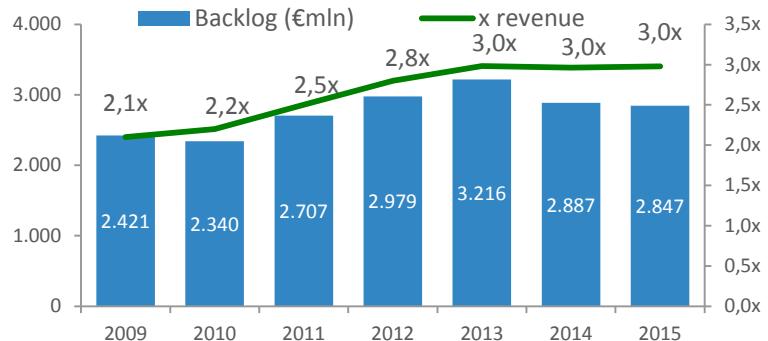


(\*) 2014 restated for MIA and SMAIL disposal

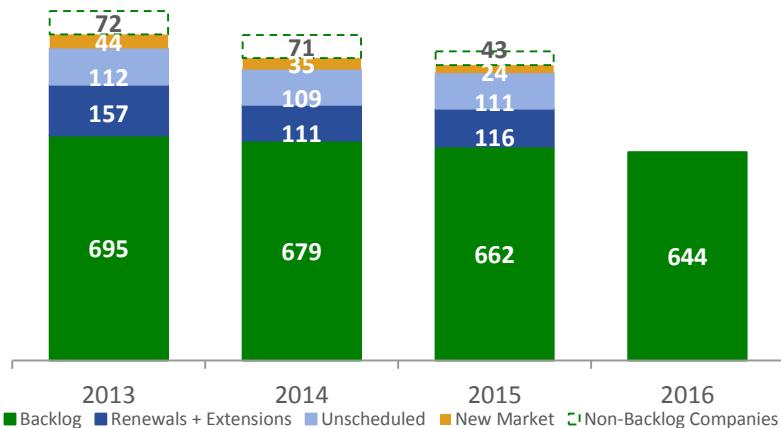
- Revenues have declined by 18.6 mln € (-2.6%) in a stagnant market (both public and private) with little or no sign of improvement.
- Lack of growth is attributable to the ongoing *spending review* process of the Italian PA and to the sluggishness of the PA awarding process (which is main Client).
- Contraction of revenues were therefore expected, and in particular:
  - by Segment most significant is L&S declining by a 4% (-€6,3 mln), Other (building activity which is "under divestment") declined by -€6,5 mln and FM declined by 1% (- €5,2 mln).
  - by Client most important decline is attributable to private sector (- €23 mln) which suffered from reduction in working spaces, other than Clients' budget reduction (e.g. Telepost vs Telecom)
- Mix between FM and L&S and Clients remain substantially unchanged.
- Healthcare remains most important Client (ca 50% on Revenues) where we provide mission critical and most value added services.

# Backlog

## Revenue Visibility from Backlog



## Backlog contribution to Revenues, €mln

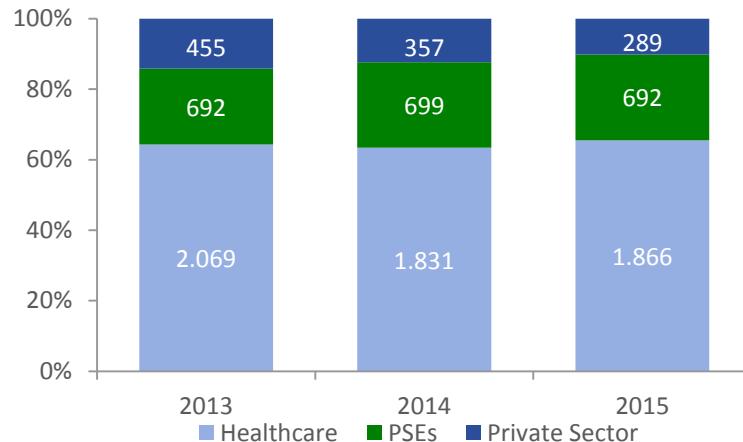


- Thanks to the 2015 positive awarding trend, backlog remains in line with 2014.
- Backlog / Revenues are stable at 3.0x
- Backlog will contribute to 2016 Revenues for ≈€644mln.
- Circa 50% of backlog will burn out within 2018.

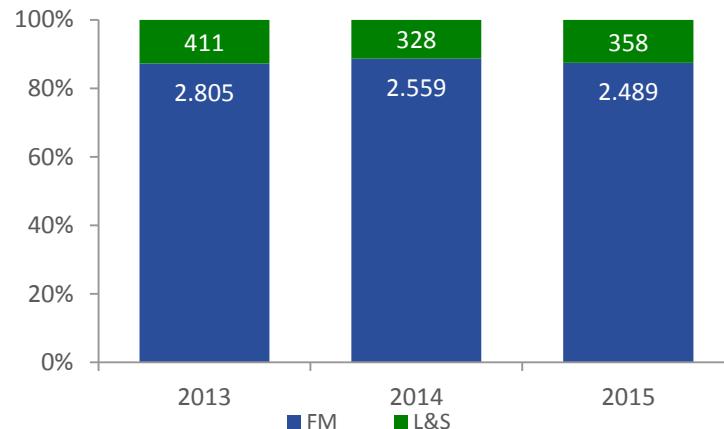
Backlog is defined as the total amount of uncancelable and already secured revenues in respect of which MFM Group has received binding commitments from customers

# Backlog

## Backlog Split by Client, €mln



## Backlog Split by Segment, €mln



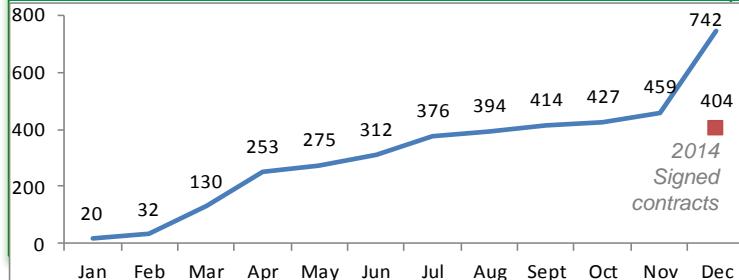
- Backlog by Client: Healthcare grows to 65% of total. Stable backlog on PSEs (24%), declines on Private (10%).

- Backlog by Segment: substantially unchanged: FM stands at 88% and L&S at 12%.

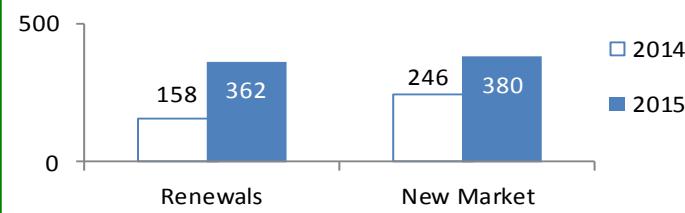
- Backlog/Revenues on FM equals 3,0x
- Backlog/Revenues on L&S equals 2,5x

# Signed Contracts

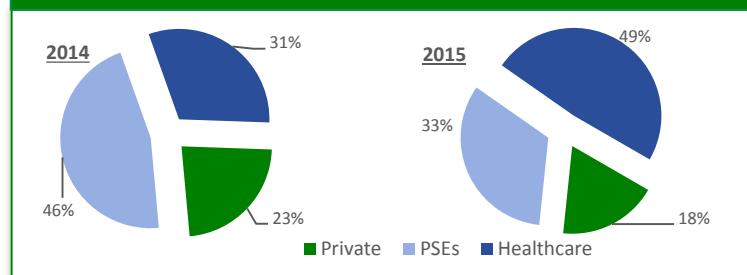
## Value of contracts signed in FY2015, €mln



## Breakdown of signed contracts YTD, €mln



## Signed contracts by Client



## Sales Activity

- 2015 awardings almost double vs 2014.
- Pluriannual awardings in 2015 equal €742mln (€404mln in 2014) with average annual value worth €250mln (€193mln in 2014)
- Renewals equal €362mln, more than double vs 2014 (€158mln)
- New Market equals €380mln, vs €246mln in 2014
- Average duration maintains itself on a 3 years basis, with traditional distinctions between PA and Private.

## Main signed contracts in fourth quarter of 2015

- New Market: ASL Frosinone - Energy Management – worth €120mln over 9 years.
- New Market: City of Alessandria – Energy Saving Service concession - worth €61mln over 15 years.
- New Market: Trenitalia - Cleaning - worth €11mln over 3 years.
- New Market: Valduce Hospital – Digital Services (B2B) – worth €7,2mln over 5 years.
- Renewal: ASL Ravenna – Laundering - worth €21mln over 6 years.

# Tenders Pipeline

Tenders Joined		Awarded to the market		Pending		WON by MFM Group	
#	Total Value	#	Total Value	#	Total Value	#	Total Value
82	€ 2.421mln	24	€ 100mln	51	€ 2.074mln	7	€ 247mln

until November 16, 2015 Call

from November 16, 2015 until today

Pending

Tenders Joined		Awarded		Pending		WON	
#	Total Value	#	Total Value	#	Total Value	#	Total Value
27	€ 585mln	0	€ mln	27	€ 585mln	0	€ mln

New Tenders from November 16, 2015 until today

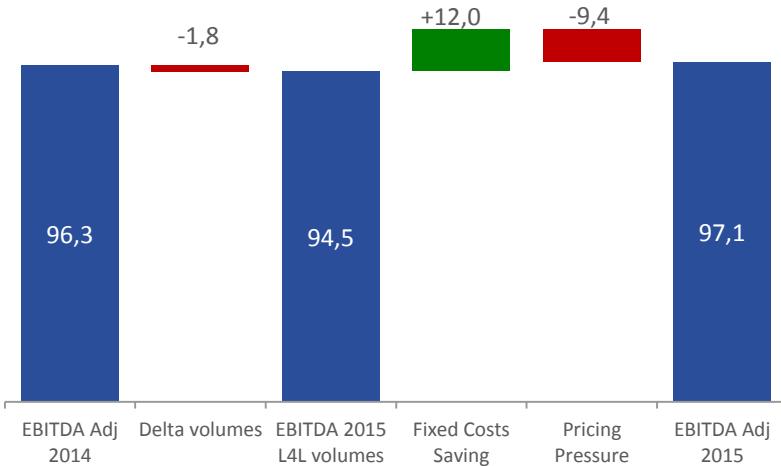
50% in volume of  
which pending for  
more than 1 year

85% of which related to  
central procurement  
entity tenders

# EBITDA Adjusted



## Bridge EBITDA YoY, €mln

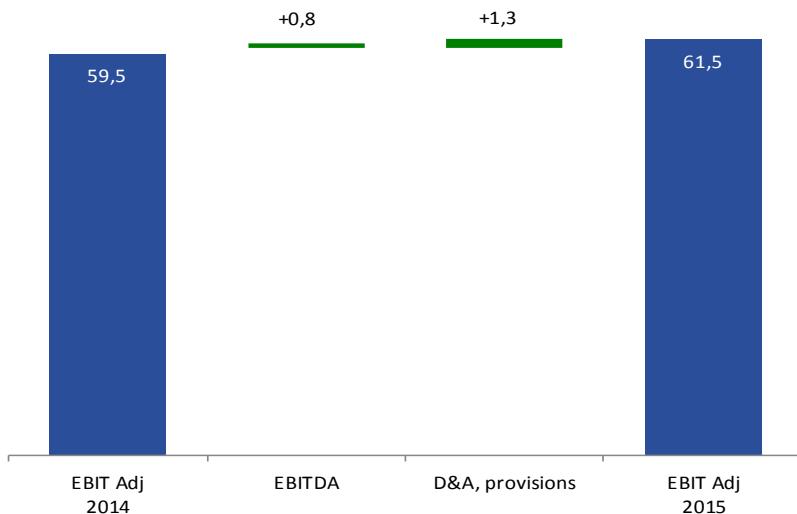


- Improved profitability vs 2014 and also vs fourth quarter last year (4Q2015 9.7% vs 8.8% 4Q2014 )
- 2015 Adjustments are worth €4,0 mln vs €3,4 mln in 2014.
- Net of the volume effect (€ -1,8 mln, mainly attributable to Private and L&S) the sole fixed cost savings (€-12mln, of which €3.2 related to personnel costs) permits to offset a pricing pressure which is worth 1 %point on Ebitda.
- The pricing pressure has also been less accentuated due to more contract extensions vs the one we planned

# EBIT Adjusted

FY 2015
€61.5 mln (6.4%)
FY 2014
€59.5 mln (6.1%)

## Bridge EBIT YoY, €mln

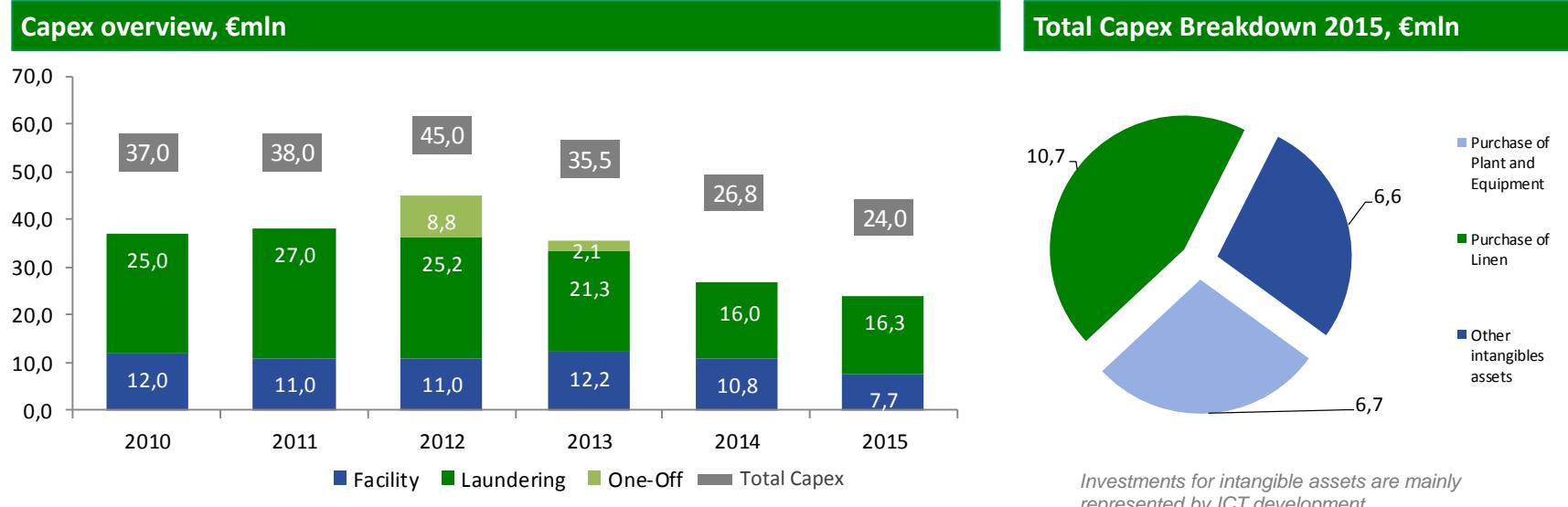


- EBIT grows by €2.1 mln vs 4Q 2014 (+ 0.3%) and also vs same 2014 quarter (4Q2015 6.0% vs 5.6% 4Q2014)
- 2015 adjustments equal €52,5 mln (of which €4,0 mln on EBITDA and ICA fine for €48.5 mln) vs €12.5mln (of which €3,4 mln on EBITDA) in 2014.
- EBIT benefits from net effect of:
  - ❑ Less D&A for €1,6 mln in L&S, due to rationalization process of linen replacements.
  - ❑ Less D&A in FM for €2.5mln due to completion of specific projects and to 2014 write-off of intangible assets on ICT
  - ❑ More receivables write downs worth €2,3 mln on specific positions

# Industrial Capex



- 2015 industrial Capex equal €24,0 mln, with a reduction of €2.8mln vs 2014:
  - €1.1 mln less linen and €0,8 mln of more surgical instruments in L&S
  - €2,7 mln less ICT in FM
- Linen Capex in L&S are the largest item which represents ≈45% of total industrial Capex.

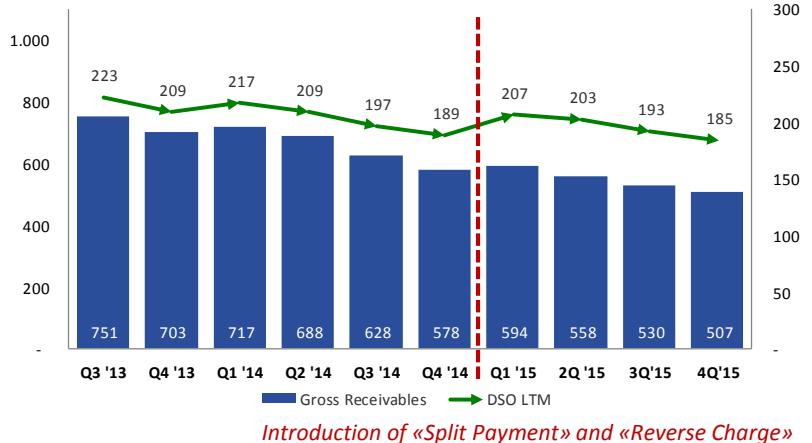


# Net Financial Expenses, Taxes, Net Result

Net Financial Expenses	Taxes (*)	Net Result
<p>FY 2015</p> <p>€ 33.6 mln</p> <p>FY 2014</p> <p>€ 36.2 mln</p>	<p>FY 2015</p> <p>€ 17.2 mln</p> <p>Tax Rate: 85%</p> <p>FY 2014</p> <p>€ 11.3 mln</p> <p>Tax Rate: 47%</p>	<p>FY 2015</p> <p>(€ 45.4) mln</p> <p>€4.6 mln € no ICA fine; 0.5% on Revenues</p> <p>FY 2014</p> <p>€ 12.6 mln</p> <p>1.3% on Revenues</p>
<ul style="list-style-type: none"><li>Less financial expenses for €2.6mln vs 2014 mainly because of:<ol style="list-style-type: none"><li>1. Less Notes interests for € 7,4 mln</li><li>2. More net costs (one-off more costs for Notes buy-back and less capital gains) for total € 5,1 mln</li></ol></li></ul>	<ul style="list-style-type: none"><li>FY2014 and FY2015 have substantially same EBT (€24,0 mln in 2014 Vs €20,3mln in 2015 excluding ICA prision effects) but with significantly different tax rates:<ul style="list-style-type: none"><li>❑ In 2014 half of EBT (≈€13mln) was in Part.EXemp. regime, with a halving of Tax rate</li><li>❑ In 2015 tax rate:<ul style="list-style-type: none"><li>• Has benefitted from a more favorable IRAP regime (≈€5mln);</li><li>• No revenue items under Part.EXemp. regime;</li><li>• Has undergone a write-off of deferred tax assets for ≈€4mln (whose future recoverability has been evaluated on forecast used by Management for Impairment Test purposes)</li></ul></li></ul></li></ul>	<ul style="list-style-type: none"><li>Net result is negatively impacted other than tax rate, also by :<ul style="list-style-type: none"><li>❑ ICA fine on MFM S.p.A. for €48,5 mln</li><li>❑ ICA fine on Roma Multiservizi S.p.A. for €1,5 mln (included in "Share of net profits from associates" item).</li></ul></li></ul>

# DSOs & DPOs

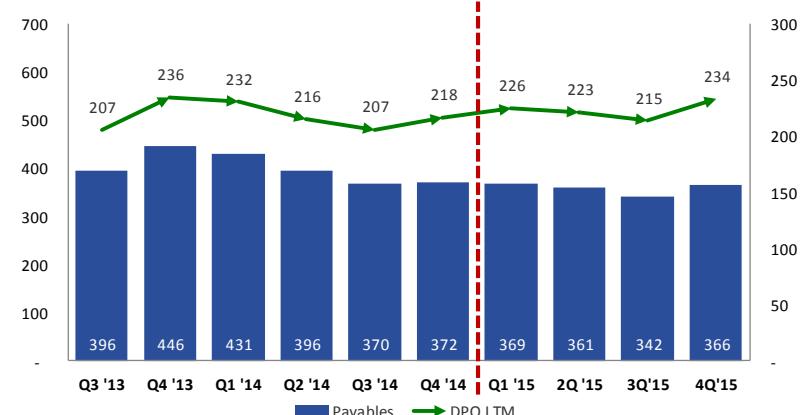
## Gross Receivables and DSOs



- As repeatedly recalled, the introduction in 2015 of a new VAT fiscal regime (so called Split Payment and Reverse Charge) has slowed down the internal invoicing process procedures (active and passive) and thus compromised significantly DSO reduction target trend.

- However, in the last part of 2015 positive signals have arisen on the fine tuning of the new system and hence, DSOs have still been reduced by 4 days on a full year basis.

## Payables and DPOs



- Typically DPOs trend is coherent with DSOs, with the exception of 4Q where DPOs show an upward rebound. In December 2015, 30% of receivables collection has occurred from 28 to 31 December, making it harder to consequently reprogram payments on suppliers and therefore share some benefits with them.

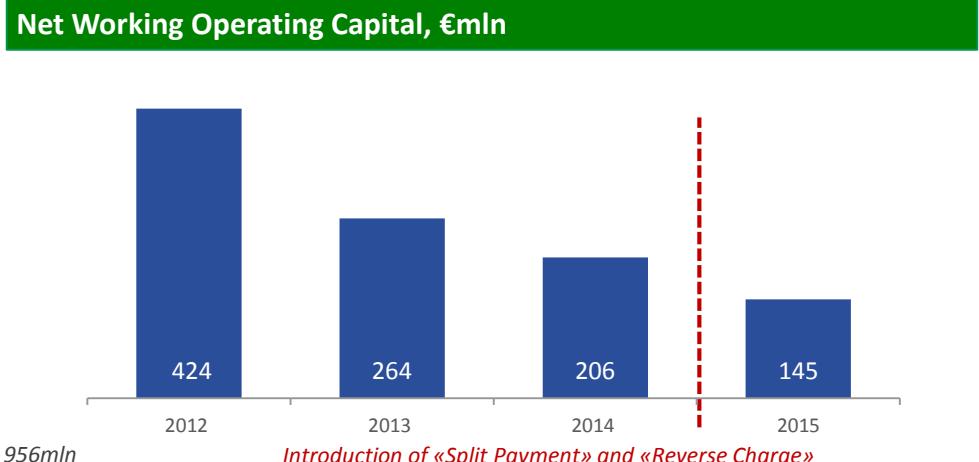
# Net Working Operating Capital

NWOC
FY 2015
€145.1 mln
FY 2014
€206.4 mln

2015 NWOC is not comparable with 2014 NWOC because of the introduction of “Split Payment” e “Reverse Charge” VAT regime (VAT not anymore included in receivables and payables).  
The impacts are positive (reduction) on NWOC for ≈€35mln (neutral on NWC)

- Net of this effect 2015 NWOC reduces itself by € 26mln vs 2014 due to:
  - ✓ DSO reduction (-4 days) and DPO increase (+16 days) for total ≈€37 mln
  - ✓ Less volumes on Capex and third party suppliers costs worth ≈€10 mln.

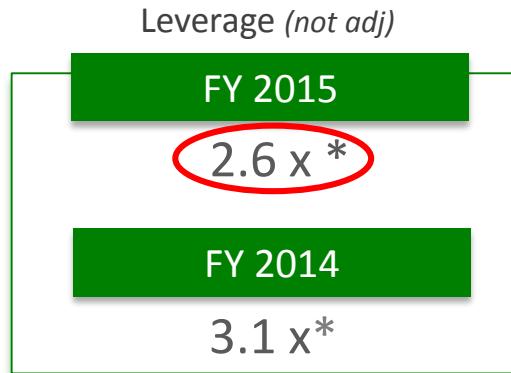
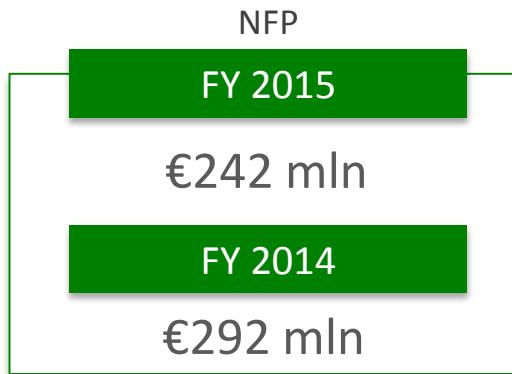
NWOC / Revenues
FY 2015
15.2 %**
FY 2014
21.2 %



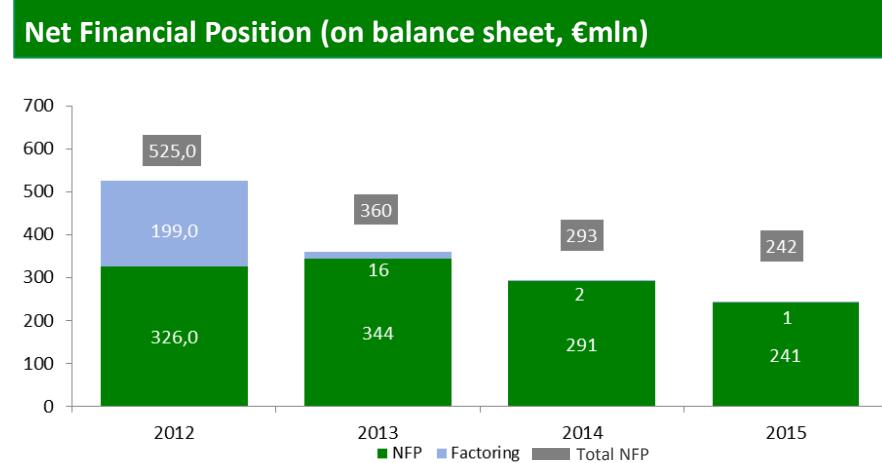
\* including NWOC from MIA and NWOC from SMAIL

\*\* NWOC = €145 mln; Revenues YTD = €956mln. NWOC / Rev = €145mln / € 956mln

# Net Financial Position



Breakdown of Net Financial Position	December 31, 2014	December 31, 2015
Long-term financial debt	379	312
Bank borrowings, including current portion of long-term debt, and other financial liabilities	28,5	48,6
<b>Gross financial indebtedness</b>	<b>407,5</b>	<b>360,2</b>
Cash and cash equivalents	(113,4)	(114,4)
Current financial assets	(3,5)	(5,3)
<b>Net financial indebtedness</b>	<b>290,6</b>	<b>240,6</b>
Factoring outstanding	1,5	1,4
<b>Net financial indebtedness adjusted</b>	<b>292,1</b>	<b>242,0</b>

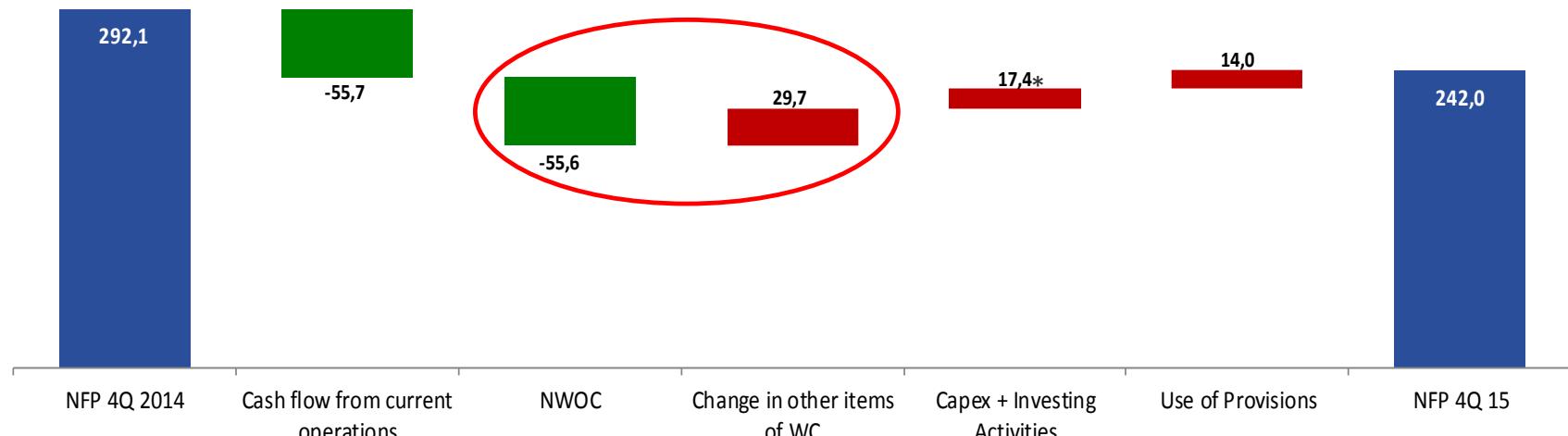


\* Leverage Ratio calculated at perimeter without MIA and SMAIL.

- FY2015. NFP = €242mln; EBITDA = €93mln; Leverage = €242mln / € 93mln
- FY2014. NFP = €292mln; EBITDA = €93mln; Leverage = €292mln / €93mln

# ...Focus on NFP changes from December 31, 2014

## Changes in Net Financial Position FY 2014 vs FY 2015, €mln



- ✓ NFP reduces YoY 2015 by €50,0 mln
- ✓ Cash Flow from current operation generates ≈€56 mln
- ✓ NWOC and “Change in other items of NWC” overall generate cash flow of ≈€ 26mln (introduction of “Split Payment” and “Reverse Charge” creates a transfer from NWOC to “Changes in “Other items of WC” worth ≈€ 35mln)
- ✓ Capex and use of provisions absorb flows, respectively, for € 17.4 mln and € 14 mln (of which €9.6 mln for restructuring and severance indemnity)

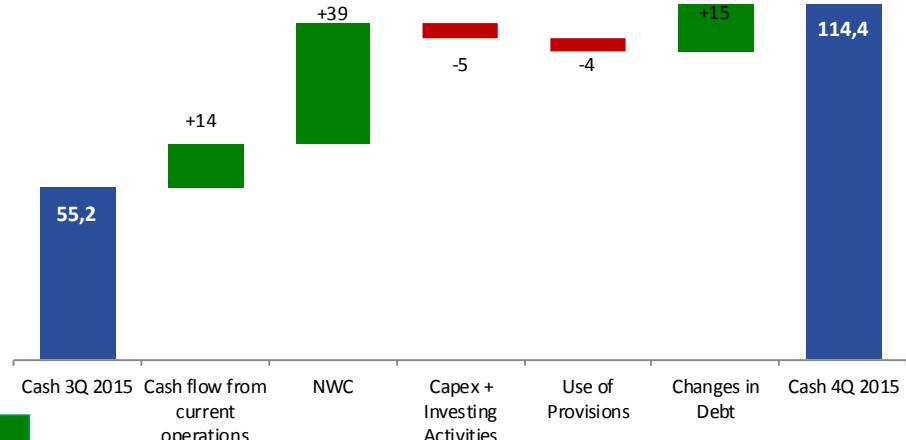
\* Capex Breakdown: €23.1mln of Industrial capex (net of disposal) , €5.7mln net financial divestments

# ...Focus on Credit Facilities

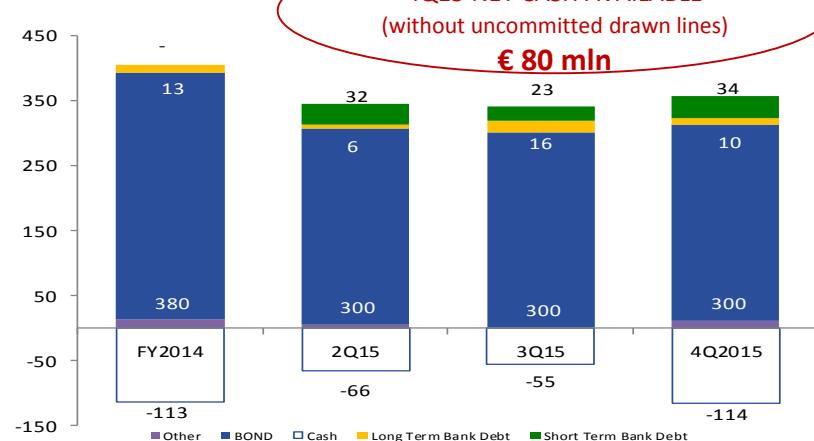
As of March 18, 2016 Manutencoop Facility Management has available the following facilities:

- €48 mln short term lines
- €50 mln Factoring recourse and revolving
- €14mln 3 years committed banking facilities
- Up to €100mln per year Factoring non recourse non revolving, 3 years committed

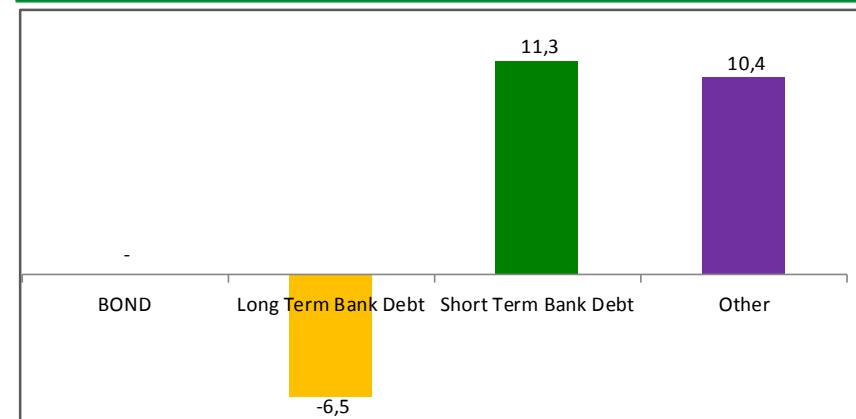
## Changes in Cash in fourth quarter of 2015, €mln



## Debt Breakdown, €mln



## Detail of changes in debt in 4th quarter of 2015, €mln



Note: «Other» mainly includes Accrued Interest on Coupon

## What's next

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- ✓ Manutewncoop Financial Calendar for 2016 is available on:  
[www.manutencoopfm.it/eng/investor-relations\\_calendario.asp](http://www.manutencoopfm.it/eng/investor-relations_calendario.asp)
- ✓ Next call with Bonholders on 1Q 2016 will be held on May 16<sup>th</sup>, 2016 – 17 CET

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## ANNEX

# ANNEX

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<i>(in thousands of Euro)</i>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipments	62.155	67.691
Property, plant and equipments under lease	2.217	2.867
Goodwill	370.456	369.860
Other intangible assets	26.005	24.782
Investments accounted for under the equity method	28.484	29.390
Other investments	3.502	3.341
Non-current financial assets	15.657	18.449
Other non-current assets	2.180	1.787
Deferred tax assets	19.044	27.439
<b>Total non-current assets</b>	<b>529.700</b>	<b>545.606</b>
<b>Current assets</b>		
Inventories	4.763	5.115
Trade receivables and advances to suppliers	519.194	580.629
Current taxes receivables	23.430	28.922
Other current assets	31.138	30.632
Current financial assets	5.257	3.501
Cash and cash equivalents	114.391	113.382
<b>Total current assets</b>	<b>698.173</b>	<b>762.181</b>
Assets classified as held for sale	0	5.003
<b>Total assets classified as held for sale</b>	<b>0</b>	<b>5.003</b>
<b>Total assets</b>	<b>1.227.873</b>	<b>1.312.790</b>

# ANNEX

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<i>(in thousands of Euro)</i>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
<b>Shareholders' equity and Liabilities</b>		
Share capital	109.150	109.150
Reserves	188.349	170.167
Retained earnings	37.498	42.553
Profit for the period attributable to equity holders of the parent	(45.412)	12.354
<i>Equity attributable to equity holders of the parent</i>	<b>289.585</b>	<b>334.224</b>
Capital and reserves attributable to non-controlling interests	337	409
Profit for the period attributable to non-controlling interests	43	273
<i>Equity attributable to non-controlling interests</i>	<b>380</b>	<b>682</b>
<b>Total shareholders' equity</b>	<b>289.965</b>	<b>334.906</b>
<b>Non-current liabilities</b>		
Employee termination indemnity	18.424	21.207
Provisions for risks and charges, non-current	58.738	12.373
Long-term financial debt	311.686	379.001
Deferred tax liabilities	11.167	11.755
Other non-current liabilities	28	28
<b>Total non-current liabilities</b>	<b>400.043</b>	<b>424.364</b>
<b>Current liabilities</b>		
Provisions for risks and charges, current	14.515	20.559
Trade payables and advances from customers	380.215	380.821
Current tax payables	0	4
Other current liabilities	94.572	123.624
Bank borrowings, including current portion of long-term debt, and other financial liabilities	48.563	28.512
<b>Total current liabilities</b>	<b>537.865</b>	<b>553.520</b>
Liabilities directly associated with assets classified as held for sale	0	0
<b>Total liabilities directly associated with assets classified as held for sale</b>	<b>0</b>	<b>0</b>
<b>Total shareholders' equity and Liabilities</b>	<b>1.227.873</b>	<b>1.312.790</b>

# ANNEX

<i>(in thousands of Euro)</i>	<b>For the year ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
<b>Revenues</b>		
Revenue from sales and services	953.813	970.524
Other revenue	1.916	3.766
<b>Total revenues</b>	<b>955.729</b>	<b>974.290</b>
<b>Operating costs</b>		
Costs of raw materials and consumables	(133.155)	(135.524)
Costs for services and use of third party assets	(336.114)	(364.040)
Personnel costs	(380.793)	(374.210)
Other operating costs	(12.602)	(7.645)
Capitalized internal construction costs	0	0
Amortization, depreciation, write-downs and write-backs of	(32.493)	(38.635)
Accrual of provisions for risks and charges	(51.561)	(7.238)
<b>Total operating costs</b>	<b>(946.718)</b>	<b>(927.292)</b>
<b>Operating Income</b>	<b>9.011</b>	<b>46.998</b>
<b>Financial income and expenses</b>		
Share of net profit of associates	90	1.198
Dividends and income from sales of investments	(459)	427
Financial income	984	5.679
Financial charges	(34.066)	(42.313)
Profit/(loss) on exchange rate	(10)	3
<b>Profit (loss) before taxes from continuing operations</b>	<b>(24.450)</b>	<b>11.992</b>
Income taxes	(18.032)	(11.414)
<b>Profit (loss) from continuing operations</b>	<b>(42.482)</b>	<b>578</b>
Profit (loss) from discontinued operation	(2.887)	12.049
<b>Net profit (loss) for year</b>	<b>(45.369)</b>	<b>12.627</b>
Net profit (loss) for the year attributable to non controlling interests	(43)	(273)
<b>Net profit (loss) for the year attributable to equity holders of the Parent</b>	<b>(45.412)</b>	<b>12.354</b>

# ANNEX

(in thousands of Euro)	For the year ended December 31,	
	2015	2014
Net profit (loss) from continuing operations	(42.482)	578
Income taxes for the year	18.032	11.414
<b>Profit before taxes from continuing operations</b>	<b>(24.450)</b>	<b>11.992</b>
Profit (loss) from discontinued operation	(2.887)	12.049
(Capital gains)losses from the transfer of equity investments	2.225	(13.351)
Other impairment on discontinued operation	0	2.752
Amortization, depreciation, write-downs and (write-backs) of assets	32.513	40.645
Accrual (reversal) of provisions for risks and charges	51.561	7.296
Employee termination indemnity provision	838	1.459
Payments of employee termination indemnity	(2.769)	(7.982)
Utilization of provisions	(11.244)	(10.296)
Share of net profit of associates	940	363
Financial charges (income) for the year	32.891	36.597
<b>Operating cash flows before movements in Working Capital</b>	<b>79.618</b>	<b>81.523</b>
Cash flows related to discontinued operations	(922)	1.784
Cash flows related to continuing operations	80.540	79.739
Decrease (increase) of inventories	(92)	345
Decrease (increase) of trade receivables and advances to suppliers	54.552	97.624
Decrease (increase) of other current assets	(985)	(3.216)
Increase (decrease) of trade payables and advances from customers	1.060	(70.806)
Increase (decrease) of other current liabilities	(28.742)	(23.865)
<b>Change in Working Capital</b>	<b>25.792</b>	<b>83</b>
Net interests received (paid) in the year	(32.639)	(34.019)
Income taxes paid in the year	(5.072)	(29.005)
<b>Net cash flow from operating activities</b>	<b>67.699</b>	<b>18.582</b>
Purchase of intangible assets, net of sales	(6.502)	(9.267)
Purchase of property, plant and equipment	(17.389)	(17.520)
Proceeds from sales of property, plant and equipment	793	1.811
Disposal (acquisition) of investments	848	692
Decrease (increase) of financial assets	(932)	5.837
Net cash used in business combination	(408)	0
Net cash from assets held for sale	4.932	58.842
<b>Net cash flow from (used in) investing activities</b>	<b>(18.659)</b>	<b>40.395</b>
Net proceeds from/(reimburse of) borrowings	(48.009)	(130.027)
Dividends paid	(20)	(107)
Acquisition/Sale of minority interests in subsidiaries	(1)	(0)
<b>Net cash flow from/(used in) financing activities</b>	<b>(48.030)</b>	<b>(130.134)</b>
<b>Changes in cash and cash equivalents</b>	<b>1.009</b>	<b>(71.156)</b>
Cash and cash equivalents at the beginning of the year	113.382	184.538
Changes in cash and cash equivalents	1.009	(71.156)
<b>Cash and cash equivalents at the end of the year</b>	<b>114.391</b>	<b>113.382</b>
<b>Details of cash and cash equivalents</b>		
Cash and bank current accounts	114.391	113.382
<b>Total cash and cash equivalents</b>	<b>114.391</b>	<b>113.382</b>



*Thank You  
For Your  
Attention!*

