



**Call on H1 Results
August 29, 2018,
17CEST**



Disclaimer

This presentation has been prepared for information purposes only as part of the conference to present the results as of June 30, 2018 of Rekeep 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

Half year results of Rekeep Group are subject to a limited auditors' review

All CMF pro-forma figures are unaudited

Index and Presenters



Rekeep speakers



Giuliano Di Bernardo

Chairman and CEO



Luca Buglione

Director – M&A, IR, Strategic Finance



Index

- Rekeep Overview
- Results at H1 2018
- Annex
- Q&A session

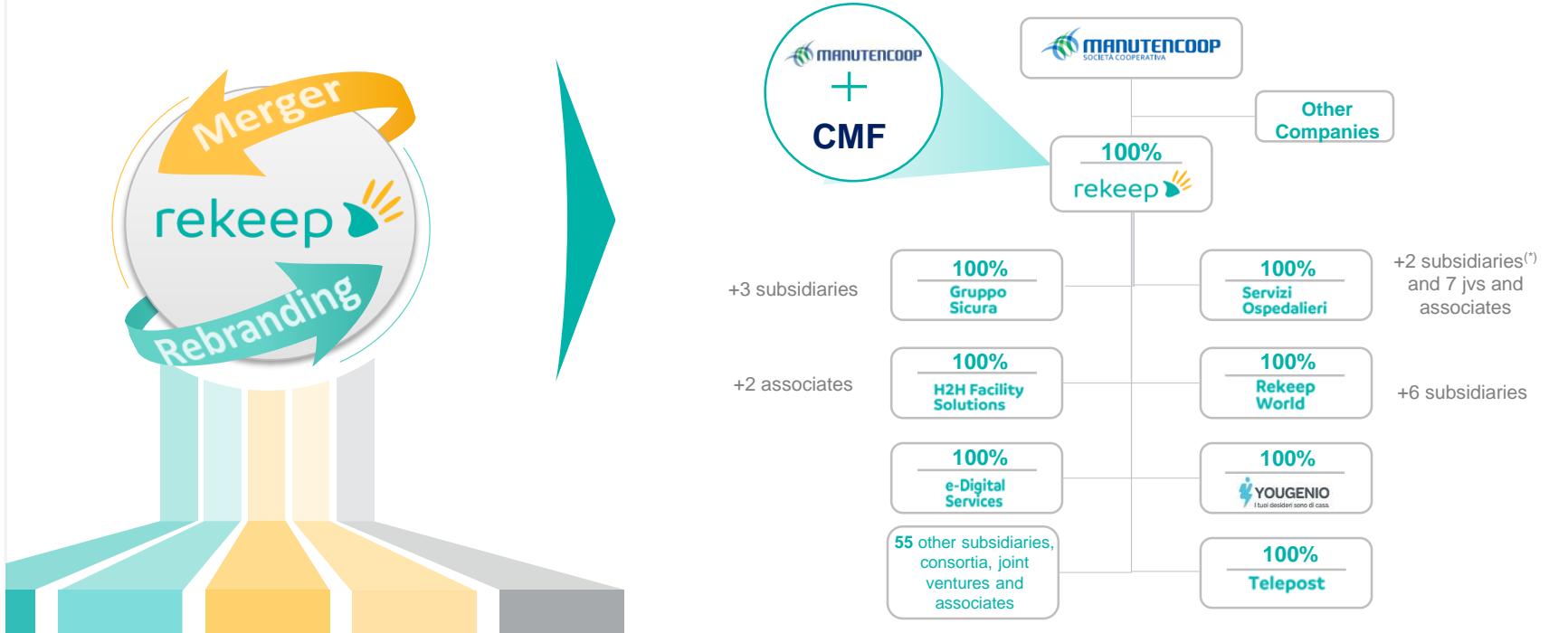
New corporate structure and Rebranding

Merger

On June the 29th, CMF is merged by incorporation into MFM (effective starting from July the 1st)

Rebranding

On July the 2nd, MFM becomes officially Rekeep, thus completing the new corporate structure and rebranding process



Key Quarter Highlights

Revenues

- Confirmed revenues growth, particularly in facility management, with a 5.1% increase compared to Q2 of the previous year
- Decline in Private sector finally halted

Backlog & Pipeline

- Company devotes its effort to carry-on a robust pipeline, while the fulfillment of MIES2 still ongoing
- Commercial activity delivering a strong increase in new contracts

EBITDA / EBITDA Margin

- Reported quarterly Normalized EBITDA €21.5m, increased by €1.2m vs. Q2 2017, leading to a €98.4m LTM with a 10.6% margin,
- +5.9% increase in EBITDA mainly driven by facility management segment
- The Company still committed on cost reduction initiatives to off-set price pressure

Capex

- Capex confirmed stable compared to last year at 3.2% on revenues, in line with expectations
- Specific development Capex mainly in L&S newly acquired contracts

NWC

- NWC management has pushed at the lower historical level of NWOC on Revenues achieved (3.1%)

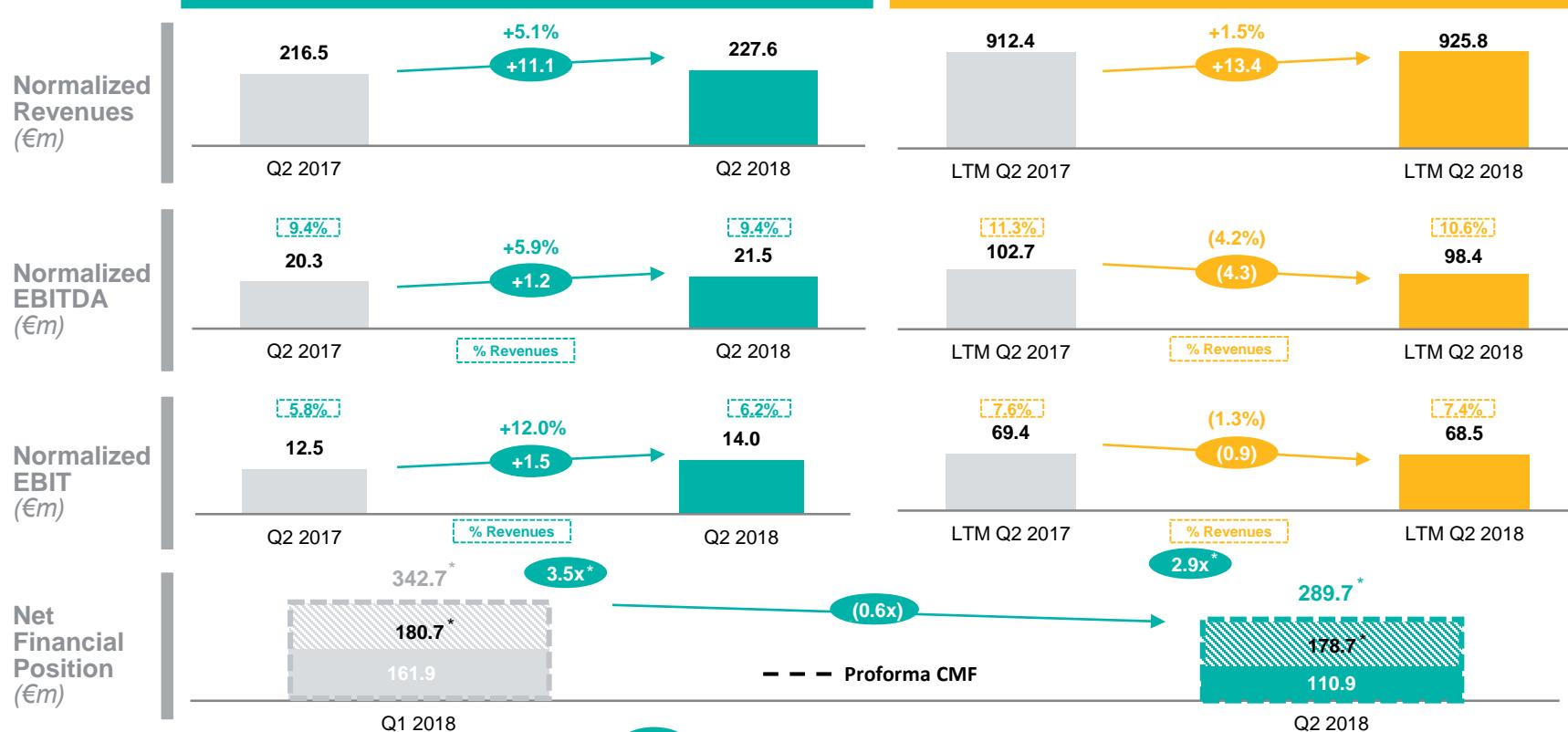
Net Financial Profile and Cash Position

- NWC management and cost reduction have delivered a robust decrease in Net Debt with a leverage below 3 times EBITDA
- The Company is still committed on liquidity level and continuing the deleverage as a priority

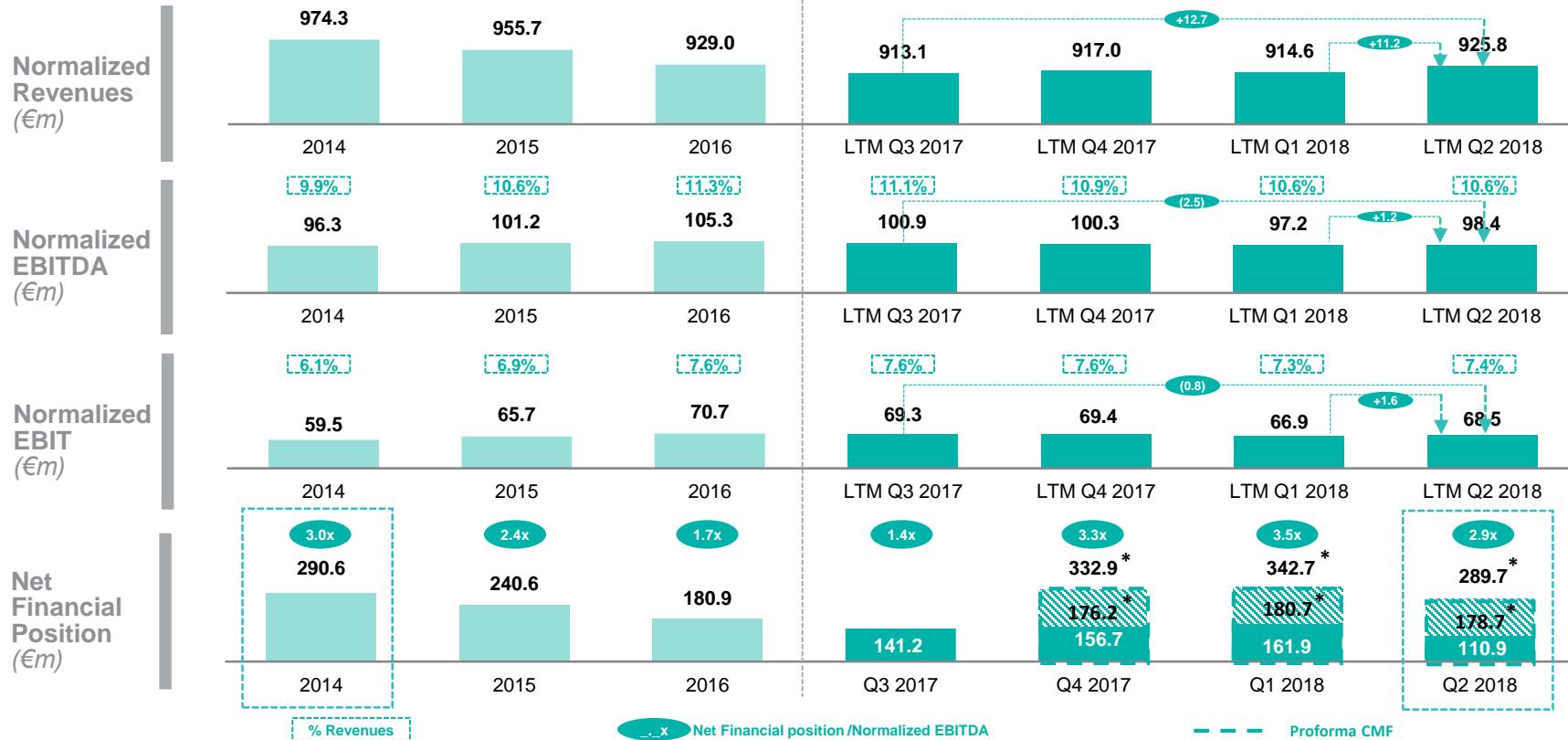
3 months and LTM KPIs at a glance

Q2 2017 vs. Q2 2018

LTM Q2 2017 vs. LTM Q2 2018



Long Term Performance



Normalized Revenues

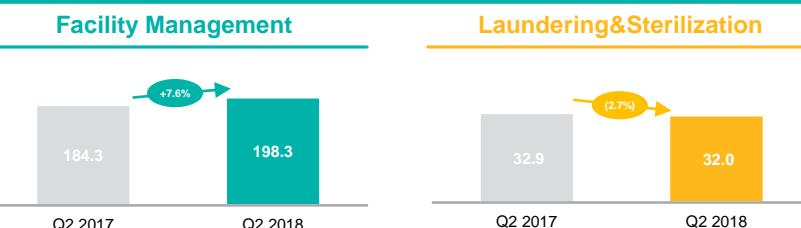
Normalized Revenues, €m



Considerations

- Higher normalized revenues in Q2 2018 (+5.1%) mainly driven by a robust increase in facility management sector
- FM Revenues increase in Q2 2018 by €14m (+7.6%) has been slightly offset by the decrease in L&S by €0.9m (-2.7%) mainly due to contract loss at the end of 2017

Normalized Revenues by segment, €m



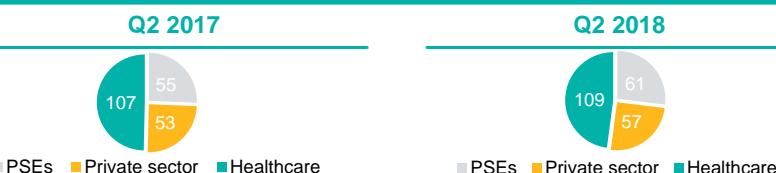
(*) Gross of intra-group eliminations ≈ €3m per annum

Normalized Revenues bridge by client, €m



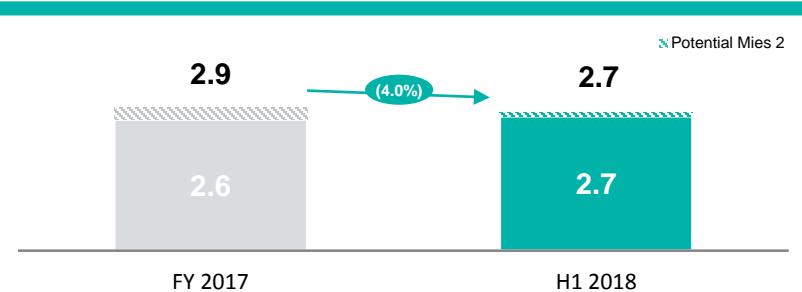
- PSEs** increase is driven by the start-up of some new contracts
- Facility Healthcare** increase in the view of the MIES2 development
- Private sector** increase mainly due to Sicura Group
- L&S Healthcare** decline is due to price-pressure related to some contracts renewal

Normalized Revenues by client, €m



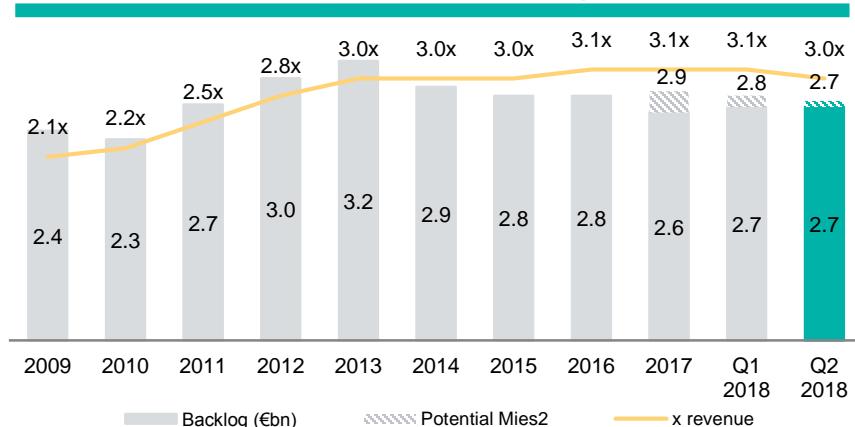
Backlog

Backlog, €bn



- Coverage of future revenues is in line with previous years, 3 times LTM revenues
- Rekeep increased formally its backlog by new signed contracts related to Mies2 (€185m), with remaining potential of €66m^(*) in negotiation, and to be added to backlog once every single customer signs the specific underlying contracts
- As today, approximately 74%^(*) of the total Mies2 FA has been saturated

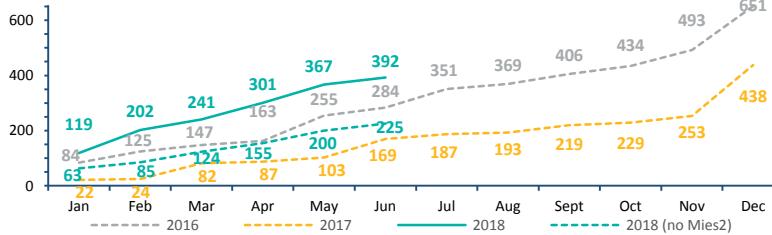
Revenue visibility from backlog



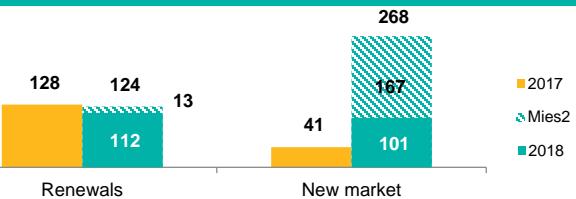
(*) Total Plafond Mies2 = €251m. €185m already acquired during December 2017 – June 2018 i.e included in BCKLG. €251m - €185m = €66m.

Commercial Activity

Value of contracts signed H1 2018 , €m

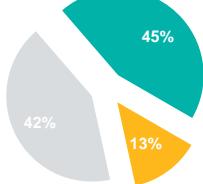


Breakdown of signed contracts YTD, €m



Signed contracts by Client, €m

H1 2017



H1 2018



Sales activity

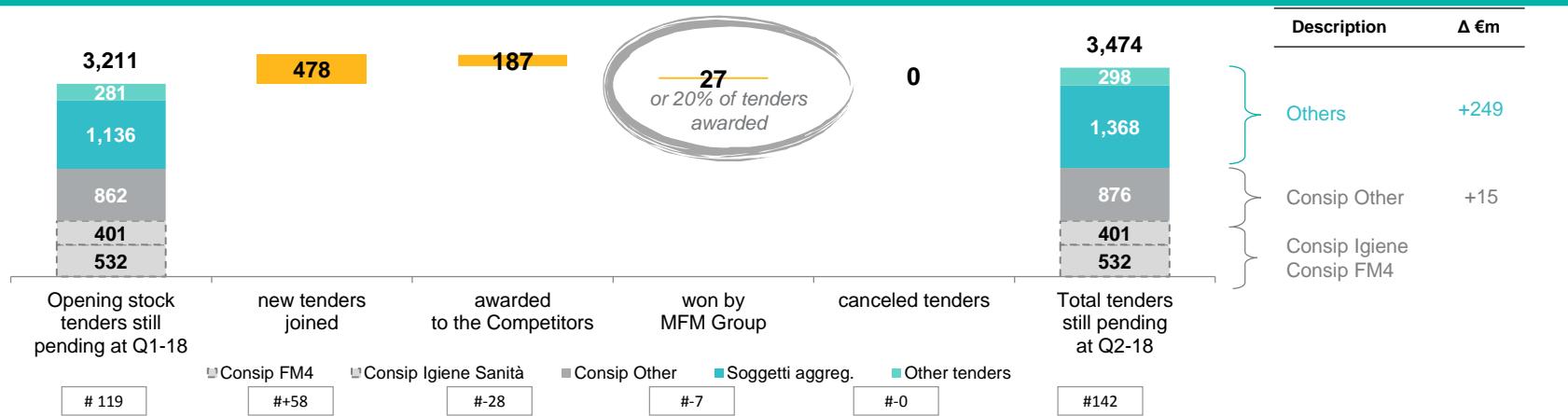
- Awarded pluriannual volumes more than double, reaching €392m in H1 2018 vs €169m in H1 2017
- This increase is pushed by «New Market» acquisitions of €268m including €167m from Consip Mies2 Framework Agreement in 2018
- The acquisition trend confirms the consistent Group development in healthcare market, in which Rekeep Group can rely on a consolidated expertise and know-how

Sales activity in Q2 2018

Client	Service	Annual Value	Duration	Acquisition type
ASST del Garda	Energy (Mies2)	€6.7m	5 years	New Market/Portfolio
ASP Caltanissetta	Energy (Mies2)	€5.2m	5 years	New Market
Trenitalia DPO Piemonte	Cleaning	€3.2m	3 years	New Market
Carrefour	Cleaning	€5.7m	2 years	Portfolio

Tenders Pipeline

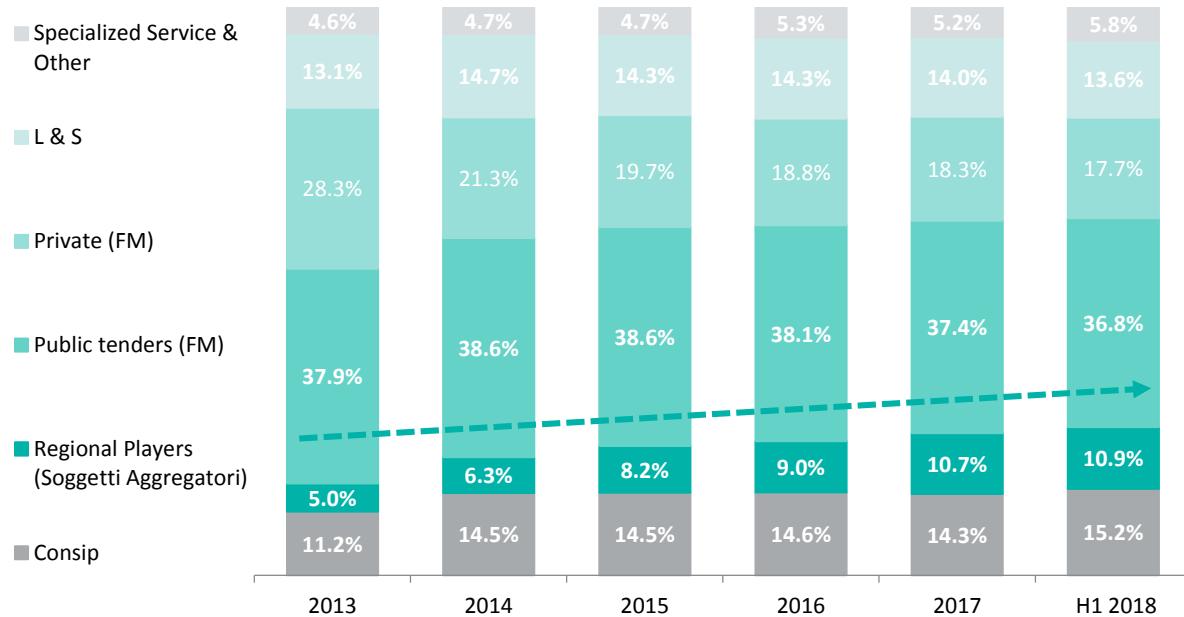
Tenders Pipeline Bridge by Stock tenders and New tenders



- Total amount of tenders still pending accounts for €3.5bn
- 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
- Considering the tenders awarded by "Soggetti Aggregatori" in the last four months (April to July), Rekeep Group won 29% of the tenders (2 out of 7) which corresponds to 26% in terms of pluriannual value

Revenues Breakdown

Group Revenues Breakdown

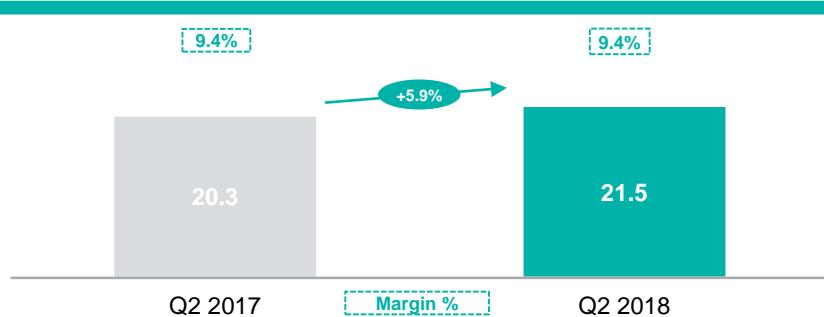


- The chart shows the historical evolution of The Group revenues breakdown by Contract/Purchasing Entities
- Since 2013 the percentage of revenues with CONSIP and Soggetti Aggregatori has grown from 16% to 26% of the total revenues, of which
 - Soggetti Aggregatori from 5% to 11%
 - Consip from 11% to 15%
- As of today the weight of Soggetti Aggregatori and Consip accounts for approximately 26% with a **slow but constantly increasing** trend consistent with market evolution

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

Normalized EBITDA

Normalized EBITDA, €m

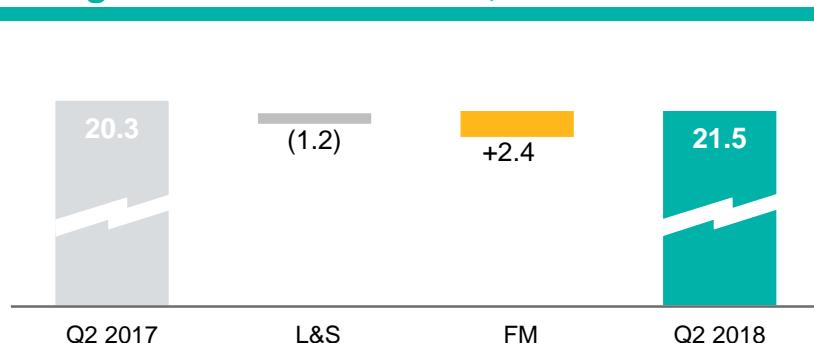


- Normalized EBITDA faces an increase to €21.5 Mio on the second quarter

- Normalized EBITDA Q2 2018 vs Q2 2017 increases by €1.2m - mainly in Facility Management sector – and is due to:

- Rekeep: higher efficiency achieved by the cost saving plan
- Telepost: performance improvement due to a change in mix of services
- Gruppo Sicura: ongoing cost saving activity
- Negative impact from the L&S partially offsets the performance, and is mainly due to pricing pressure on renewals and a contract loss in laundering

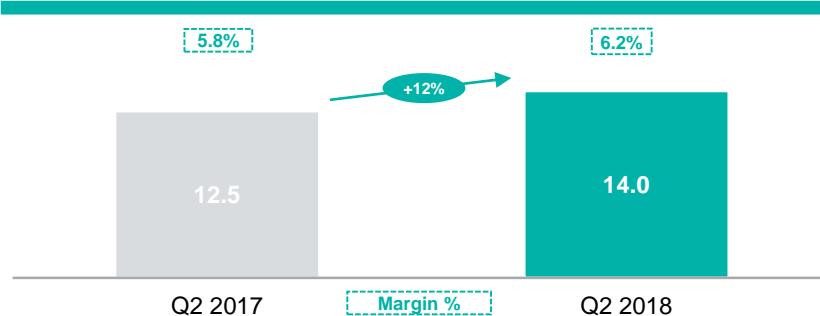
Bridge Normalized EBITDA, €m



Q2 2017 adjustments are +€0.4m vs +€2.0m in Q2 2018

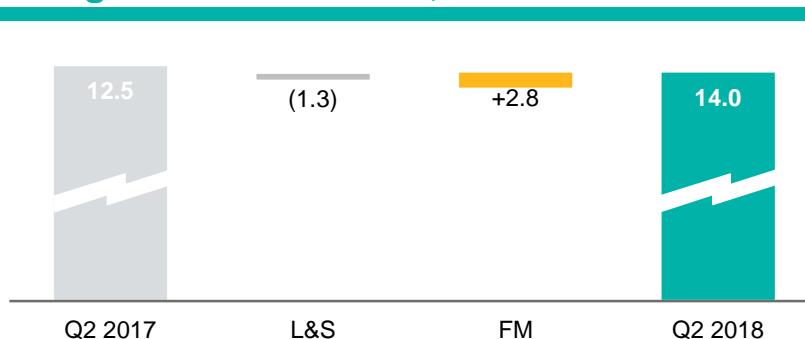
Normalized EBIT

Normalized EBIT, €m



- Normalized EBIT increases to €14m, up €1.5m quarterly
- The effect of EBITDA increase is substantially repeated on EBIT for both segments(FM, L&S)
- However, a further positive effect in Q2 is due to a quarterly decrease of bad debt provision in FM

Bridge Normalized EBIT, €m



Q2 2017 adjustments are -€1.4m vs +€2.0m in Q2 2018

Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses, €m

H1 2018 MFM

€10.7m

H1 2018 Rekeep (CMF + MFM)

€19.7m

H1 2017 MFM

€14.2m

Taxes, €m

H1 2018 MFM

€8.5m

EBT €20.2m

H1 2018 Rekeep (CMF + MFM)

€9.0m

EBT €11.1m

H1 2017 MFM

€11.2m

EBT €27.0m

Net Result, €m

H1 2018 MFM

€11.8m

2.5% of Revenues

H1 2018 Rekeep (CMF + MFM)

€2.1m

0.5% of Revenues

H1 2017 MFM

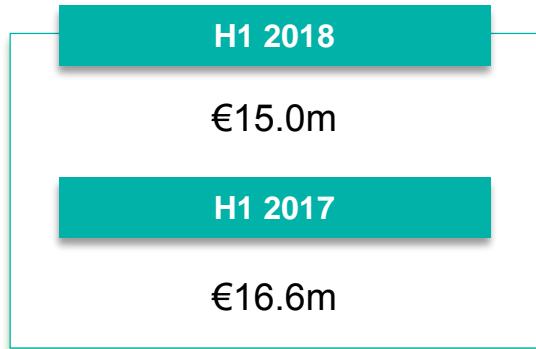
€15.7m

3.5 % of Revenues

- Financial expenses in H1 2018 have been negatively affected by the refinancing, with a direct impact on Net Income

- Net income H1 2017 MFM includes €6.2m of system charges
- Excluding system charges one-off in 2017, the net income would have been €9.5m (2.1% of Revenues)

Industrial Capex

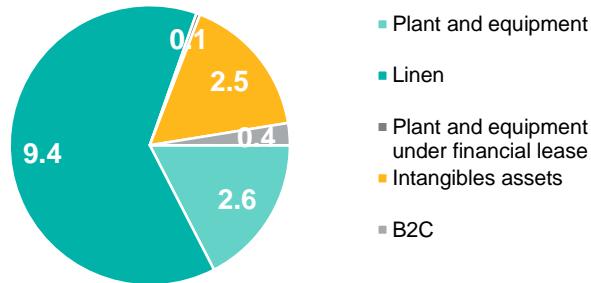


- LTM Q2 Capex accounted for a 3.2% on Revenues. Net of the one-off effects in 2017 (€4.5m Q1 2017 plants SO), capex increase by +€3.9m vs Q2 2017, mainly due to investment in laundering +€3.3m related to:

- ✓ **Renewal of larger contracts**, mainly USL Bologna: capex Q1 2018 €1.3m [total capex €2.5m; total contract value €25.9m; 6 years];
- ✓ **Development of new clients**, of which KOS CARE [total capex €0.6m; total contract value €4.6m; 3.5 years] and Campus Biomedico [total capex €0.6m; total contract value €2.7m; 3 years]
- ✓ Higher investments for new equipment €0.6m

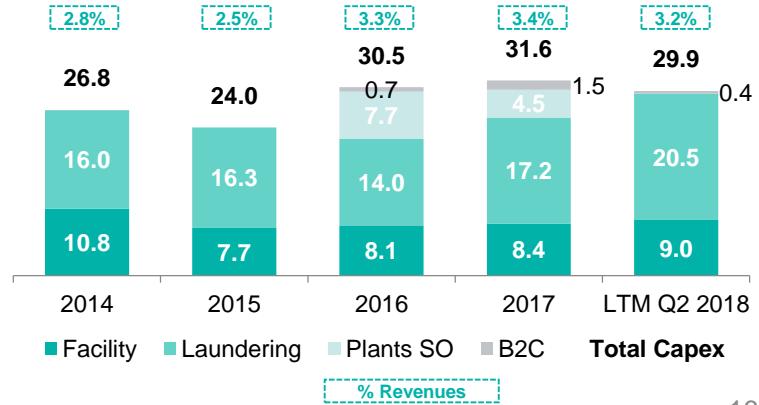
- L&S Capex are still the main item (~70%) of total Capex H1 2018

Capex Breakdown H1 2018, €m



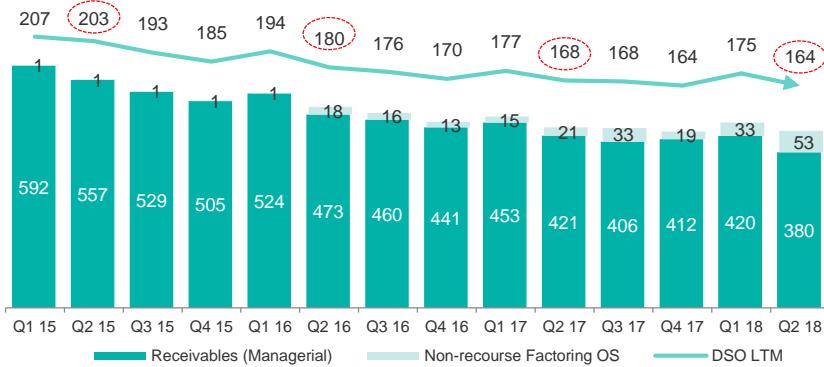
Capex for intangible assets are mainly represented by ICT development

Capex overview, €m

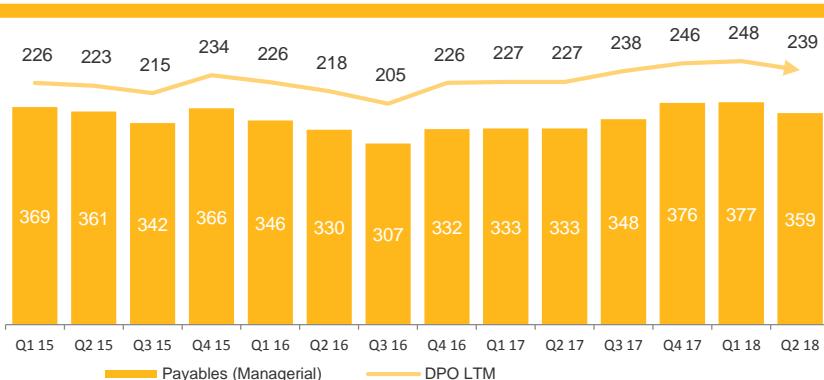


DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- DSOs are in line with Q4 2017, after an increase registered in Q1 2018, due to the seasonality effect
- However, the evolution confirms the decreasing trend, in line with previous years (-4 days compared with Q2 2017 and -16 days compared with Q2 2016)
- DPOs decrease reflects the improvement achieved in DSOs

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

H1 2018

€29.1m

H1 2017

€92.8m

NWOC / Revenues

H1 2018

3.1%*

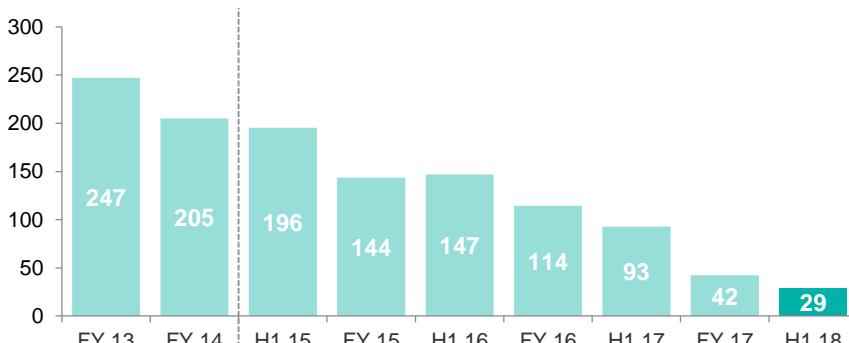
H1 2017

10.2%

- The continuous effort on the Working Capital management delivered a historical low level of NWOC% on Revenues to 3.1%
- NWOC decrease by €64m vs H1 2017 is mainly due to following elements:
 - Joint effect of lower DSOs and higher DPOs
 - Increase in non-recourse factoring

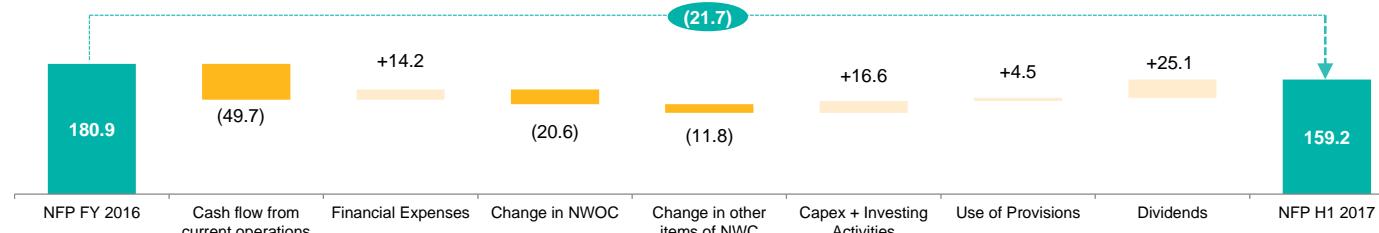
NB: stock values before FY 2014 are not comparable due to the 2015 introduction of VAT new fiscal regime (Split payment e Reverse charge)

Net Working Operating Capital, €m

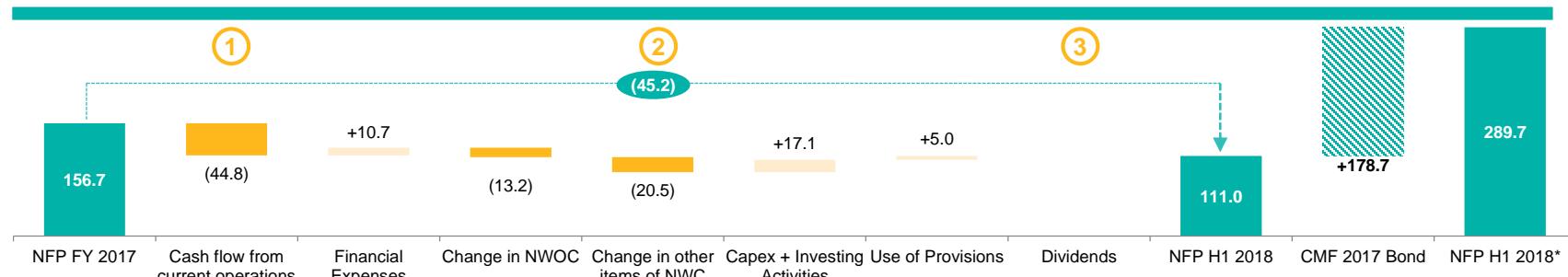


...Focus on NFP changes H1 2017 vs H1 2018 (€m)

H1 2017



H1 2018

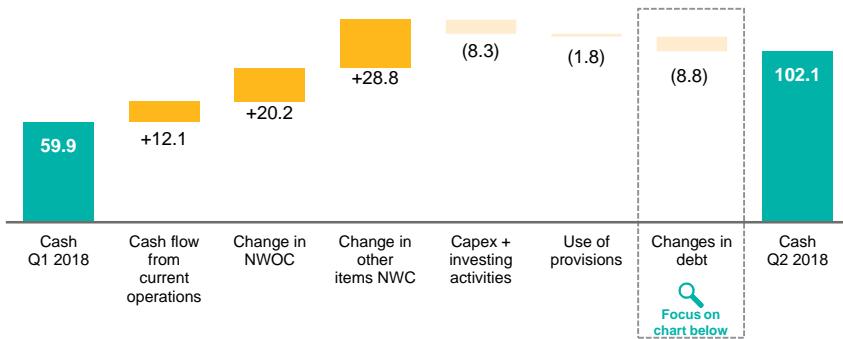


*Net Financial Indebtedness CMF Group does not include the amount of CMF Shareholder's Funding.

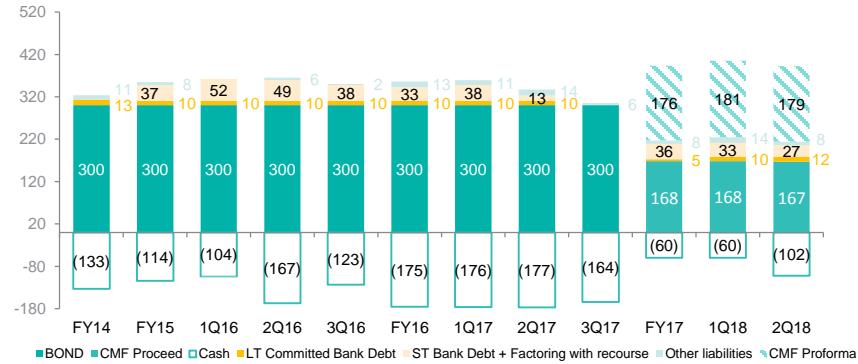
- ① Lower cash flow from current operations H1 2018 vs H1 2017 mainly due to decrease in EBITDA [including impact from startup costs and adjustments]
- ② Increased efficiency in net working capital management
- ③ No dividend distribution in H1 2018

...Focus on Credit Facilities

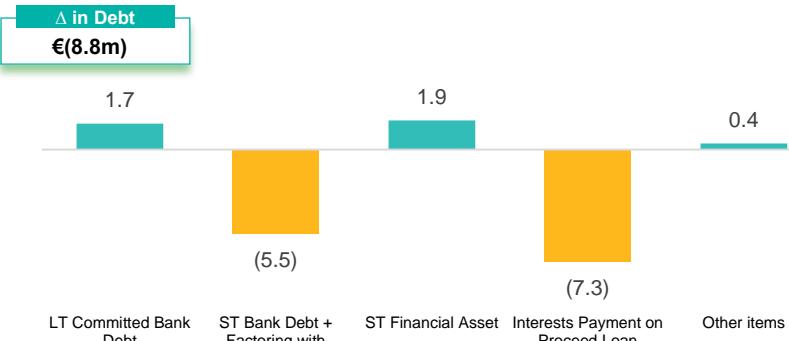
Changes in Cash Q2 2018, €m



Debt Breakdown, €m



Detail of Changes in debt Q2 2018, €m



Long term facilities at 30Jun18 (€m)

Description	Plafond	Utilization	Utilization %	Maturity	Availability from 30Jun18
RCF	50.0	-	0.0%	Dec21	50.0
ARTIGIANCASSA (BNP PARIBAS)	1.7	(1.7)	100%	Mar26	-
CCFS	10.0	(10.0)	100%	Apr23	-
Long term facilities	61.7	(11.7)	19%		50.0

NR Factoring (Pro Soluto) at 30Jun18 (€m)

Description	Plafond	Utilization	Utilization %	Maturity	Availability from 30Jun18
NR Factoring (Pro Soluto) BFF (*)	100.0	(33.0)	33%	Feb19	67.0
NR Factoring (Pro Soluto) IFIS	25.0	(19.3)	77%	-	5.7
Total Pro Soluto	125.0	(52.4)	42%		72.6

(*) Plafond per annum

Short term facilities at 30Jun18 (€m)

Description	Plafond	Utilization	Utilization %
Recourse Factoring (Pro Solvendo)	30.0	(22.1)	74%
Hot Money	11.0	-	0%
Advances on invoices	6.0	(5.1)	85%
Total short term	47.0	(27.2)	58%

Cash & Cash equivalents

102.1

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.

Next Steps

- The hearing on the merits of Company's appeal was held on June 28, 2018
- The proceedings are currently pending
- December 31, 2018

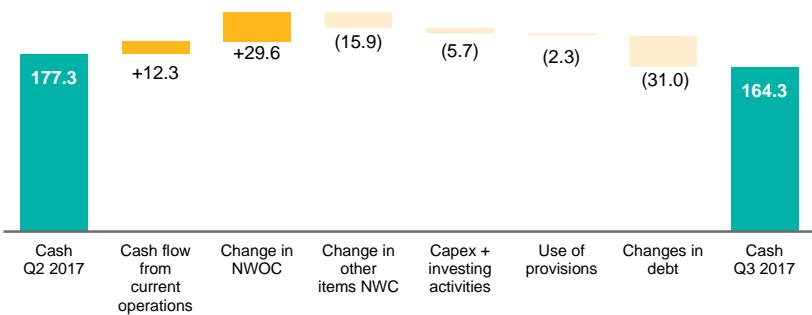


Annex

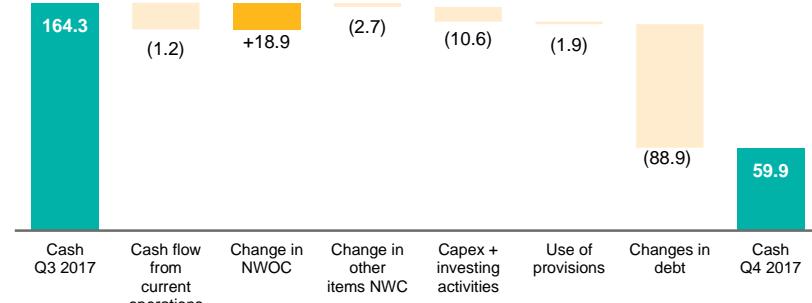


Cash evolution by quarter

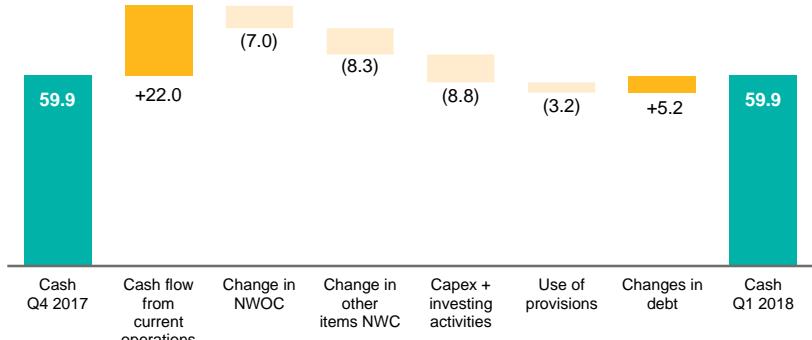
Q3 2017



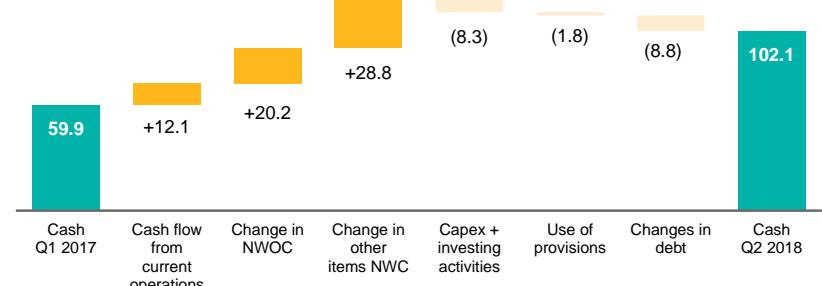
Q4 2017



Q1 2018

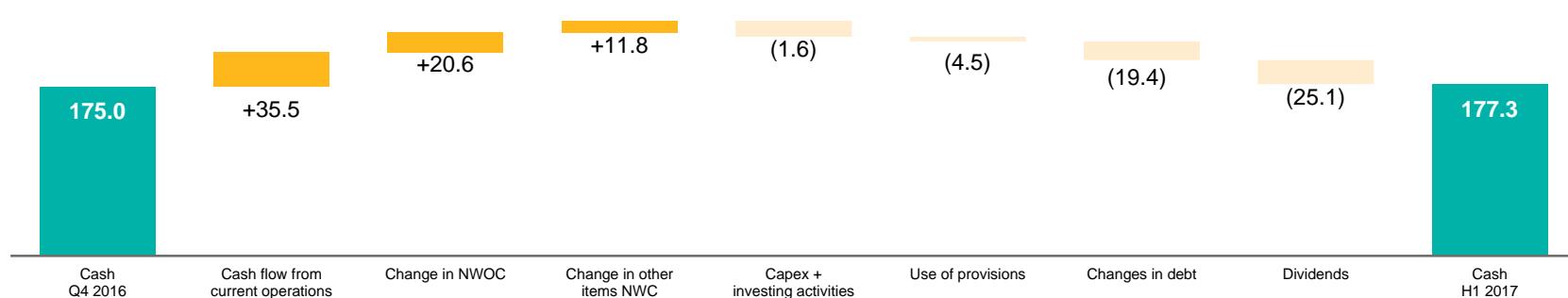


Q2 2018

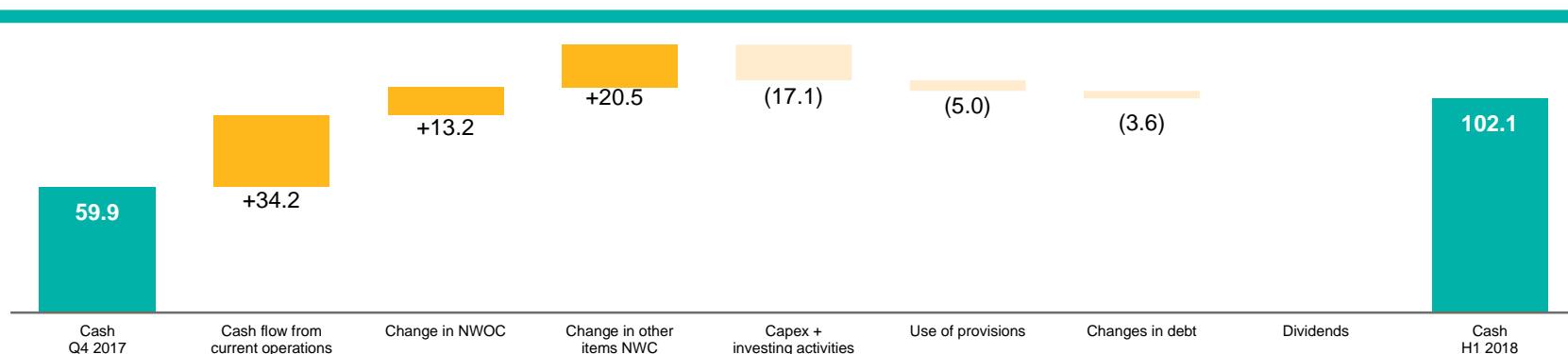


Cash evolution by semester

H1 2017

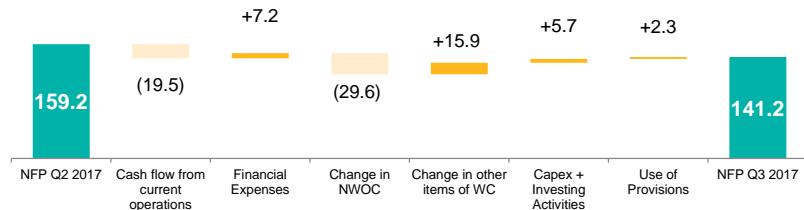


H1 2018

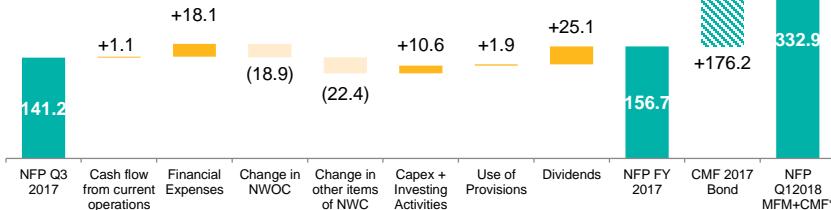


...Focus on NFP changes from June 30, 2017 (€m)

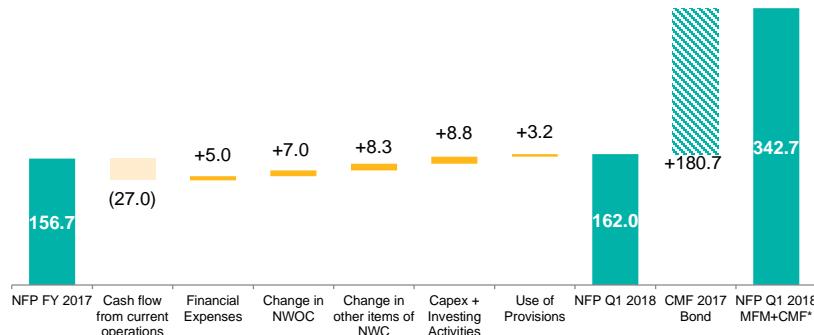
Q3 2017



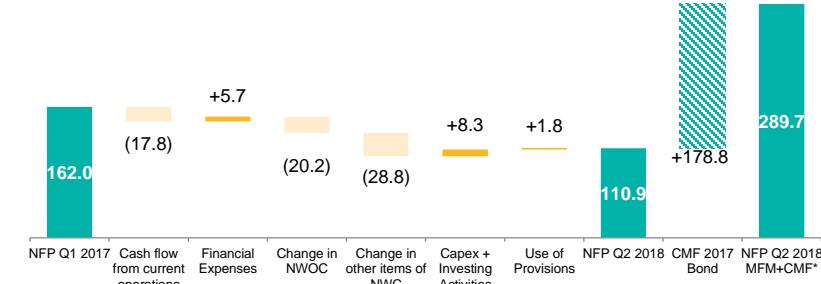
Q4 2017



Q1 2018



Q2 2018



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:

Q2 2018 KPI Reconciliation (statutory vs adjusted), €m

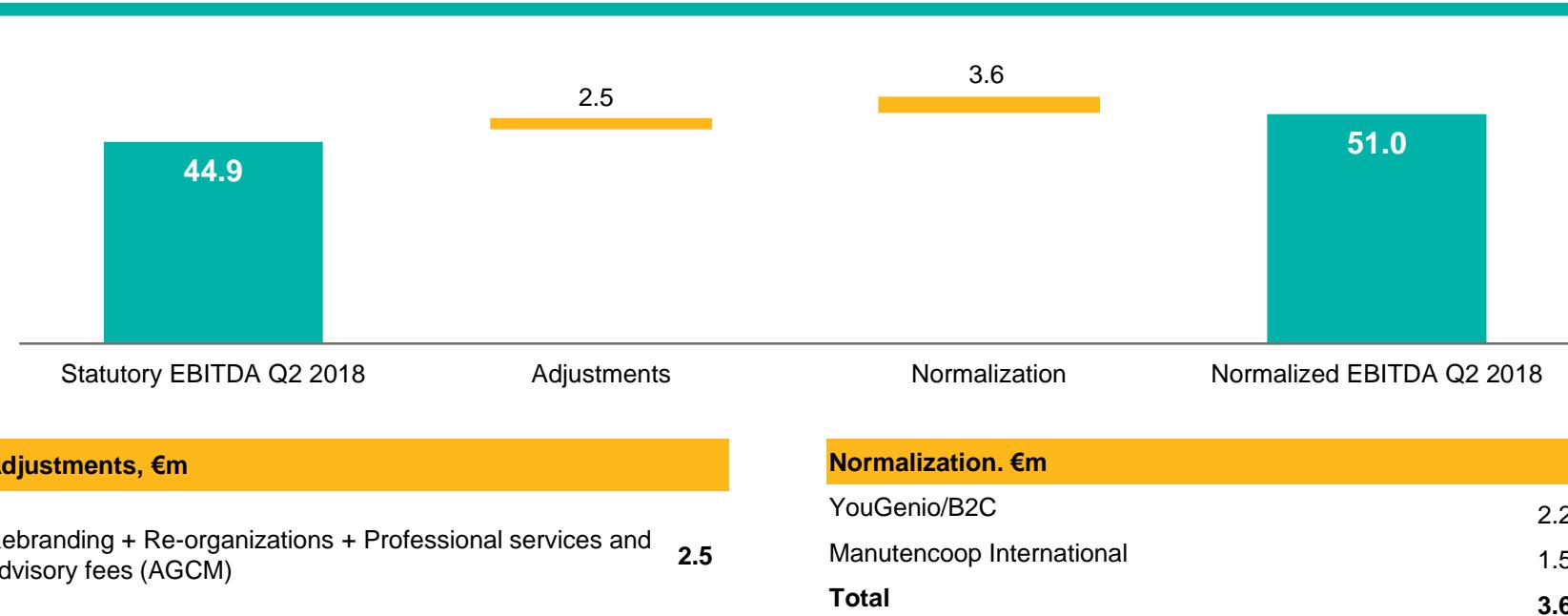
	Statutory Consolidated FS	Adj	Adjusted Consolidated FS	Normalization	Normalized Consolidated FS
Revenues	466.3	0.0	466.3	(2.5)	463.8
EBITDA	44.9	2.5	47.4	3.6	51.0
<i>EBITDA % on revenues</i>	<i>9.6%</i>		<i>10.2%</i>		<i>11.0%</i>
EBIT	29.6	2.5	32.2	4.0	36.1
<i>EBIT % on revenues</i>	<i>6.4%</i>		<i>6.9%</i>		<i>7.8%</i>
Net Result		11.8			
NWOC		29.1			
NFP		(110.9)			
NFP CFM Group*		(289.7)			

- Period adjusted EBITDA and adjusted EBIT include non recurring items referring to: Rebranding; 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, €m



Net Financial Position to Net Debt

H1 2018 Net Financial Position to Net Debt, €m

	30 th June 2018	30 th June 2017
Long term financial debt	181.6	308.6
Bank borrowings, including current portion of long-term debt and other financial liabilities	32.3	33.5
Gross financial indebtedness	214.0	342.1
Cash and cash equivalents	(102.1)	(177.3)
Current financial assets	(1.0)	(5.6)
Net financial indebtedness	110.9	159.2
<i>Pro forma CMF</i>	178.8	-
Net financial indebtedness CMF Group	289.7	159.2



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)

	YTD		For The Quarter ended 30 Jun		
	2018	2017	Q2 2018	Q2 2017	H1 2018 CMF
Total revenues	466,319	455,346	229,636	216,747	466,319
Total costs of production	(421,456)	(401,319)	(212,086)	(198,159)	(421,572)
EBITDA	44,863	54,027	17,550	18,588	44,747
EBITDA %	9.6%	11.9%	7.6%	8.6%	9.6%
Amortization/depreciation, write-downs and write-backs of assets	(14,441)	(14,602)	(7,347)	(7,030)	(14,441)
Accrual of provisions for risks and charges	(774)	528	(287)	1,081	(774)
Operating income	29,648	39,953	9,916	12,639	29,532
Risultato operativo %	6.4%	8.8%	4.3%	5.8%	6.3%
Share of net profit of associates	1,285	1,156	442	(71)	1,285
Net financial charges	(10,658)	(14,161)	(5,676)	(7,036)	(19,687)
Profit before taxes from continuing operations	20,275	26,948	4,682	5,532	11,130
Profit before taxes from continuing operations %	4.4%	5.9%	2.0%	2.6%	2.4%
Income taxes	(8,503)	(11,212)	(1,659)	(3,166)	(9,010)
Profit from continuing operations	11,772	15,736	3,023	2,366	2,120
Loss for the period from discontinued operation	-	-	-	-	-
Net profit for the period	11,772	15,736	3,023	2,366	2,120
Net profit for the period %	2.5%	3.5%	1.3%	1.1%	0.5%
Minority interests	(23)	(36)	43	(14)	(23)
Net profit for the period attributable to equity holders of the parent	11,749	15,700	3,066	2,352	2,097
Net profit for the period attributable to equity holders of the parent %	2.5%	3.4%	1.3%	1.1%	0.4%

ANNEX

BALANCE SHEET (€'000)	H1 2018	FY 2017	Change	H1 2018 CMF
USES				
Trade receivables and advances to suppliers	399,824	429,165	(29,341)	399,824
Inventories	6,155	6,057	98	6,155
Trade payables and advances from customers	(376,835)	(393,022)	16,187	(378,331)
Net working operating capital	29,144	42,200	(13,056)	27,648
Other element of working capital	(88,664)	(60,865)	(27,799)	(88,395)
Net working capital	(59,520)	(18,665)	(40,855)	(60,747)
Tangible assets	74,668	71,343	3,325	74,668
Intangibles assets	396,541	395,532	1,009	429,724
Investments accounted for under the equity method	27,962	27,294	668	27,962
Other non current assets	35,868	35,507	361	36,204
Operating fixed assets	535,039	529,676	5,363	568,558
Non current liabilities	(53,554)	(55,523)	1,969	(105,369)
Net invested capital	421,965	455,488	(33,523)	402,442
SOURCES				
Minority interests	911	381	530	911
Equity attributable to equity holders of the parent	310,134	298,401	11,733	111,872
Shareholders' equity	311,045	298,782	12,263	112,783
Net financial indebtedness	110,920	156,706	(45,786)	289,659
Total financing sources	421,965	455,488	(33,523)	402,442

ANNEX

<i>Statement of Cash flow (Statutory) (€'000)</i>	H1 2018	FY 2017
CASH at the beginning of the period	59,870	174,992
Cash flow from current operations	34,182	34,784
Use of provisions for risks and charges and for employee termination indemnity	(4,991)	(8,705)
Change in adjusted NWOC	13,151	69,170
Industrial Capex, net of disposals	(14,578)	(30,958)
Financial Capex	(2,525)	(1,924)
Other changes	20,547	(38,132)
Change in net financial liabilities	(3,599)	(139,358)
CASH at the end of the period	102,057	59,870

What's next

- ✓ Rekeep will participate at JPMorgan European High Yield & Leveraged Finance Conference on Thursday 6th, September, 2018
- ✓ Next call on Q3 2018 Results will be held on Nov 15, 2018
- ✓ Rekeep Financial Calendar and Replay available on:

<https://www.rekeep.com/en/investors/financial-info/financial-calendar>