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Call on Q3 Results

November 15, 2018, 17CET

Disclaimer

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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

Nine months 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

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- **Rekeep Overview**
- **Results at Q3 2018**
- **Annex**
- **Q&A session**

Key Quarter Highlights

Revenues

- Confirmed revenues growth, particularly in facility management, with a +6.8% increase compared to Q3 of the previous year
- Consolidated stabilization in Private sector and robust growth driven by Facility Management in Healthcare segment

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 €23.2m, increased by +€1.6m vs. Q3 2017, leading to a €100.0m LTM with a 10.7% margin,
- +7.4% increase in EBITDA led by facility management segment

Capex

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

NWC

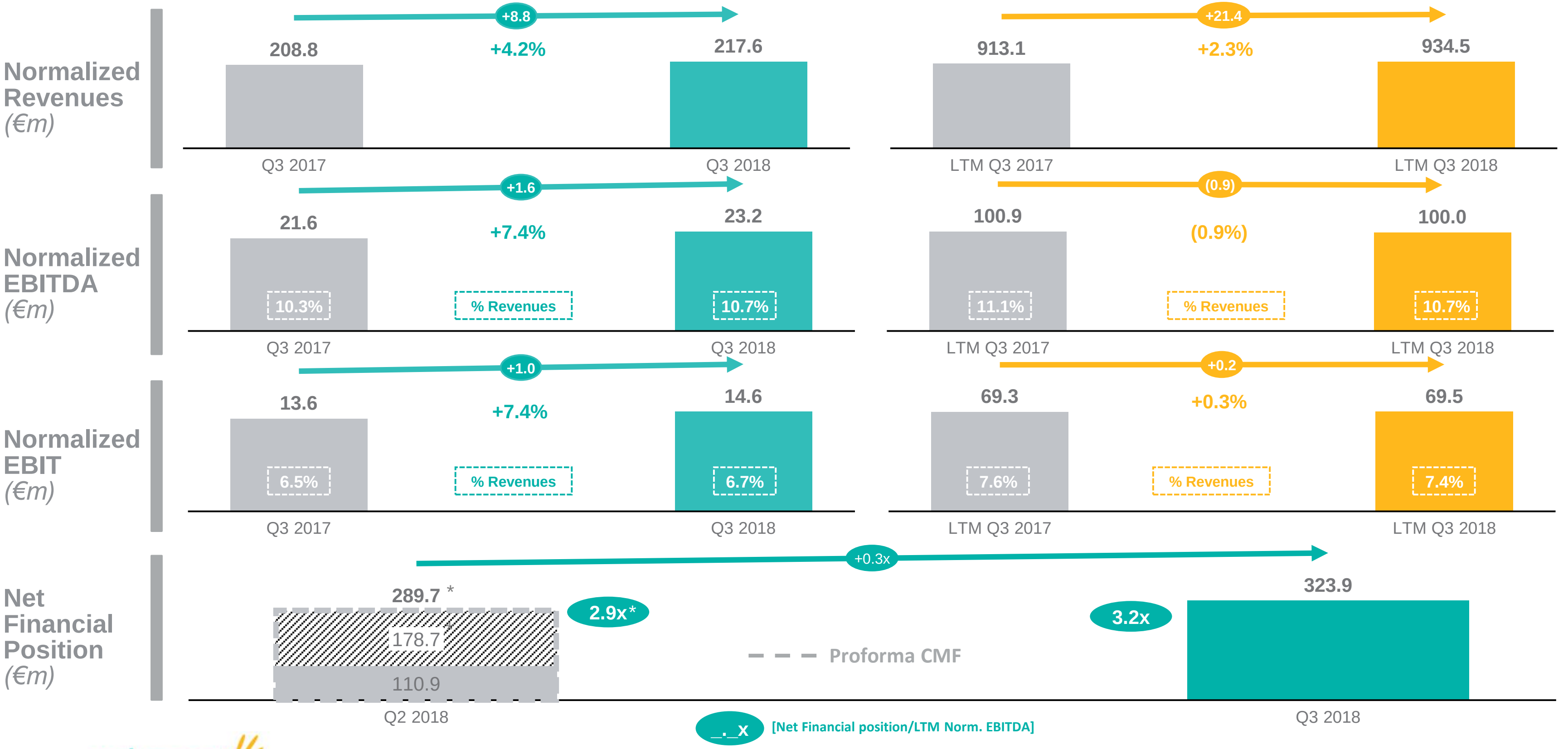
- NWC under control landed to a 4.7% on revenues, down by a 2.2pp from the previous Q3
- Slight increase in NWC compared to the previous quarter 2018

Net Financial Profile and Cash Position

- The Company is still committed on deleverage as a priority, with an adequate liquidity level

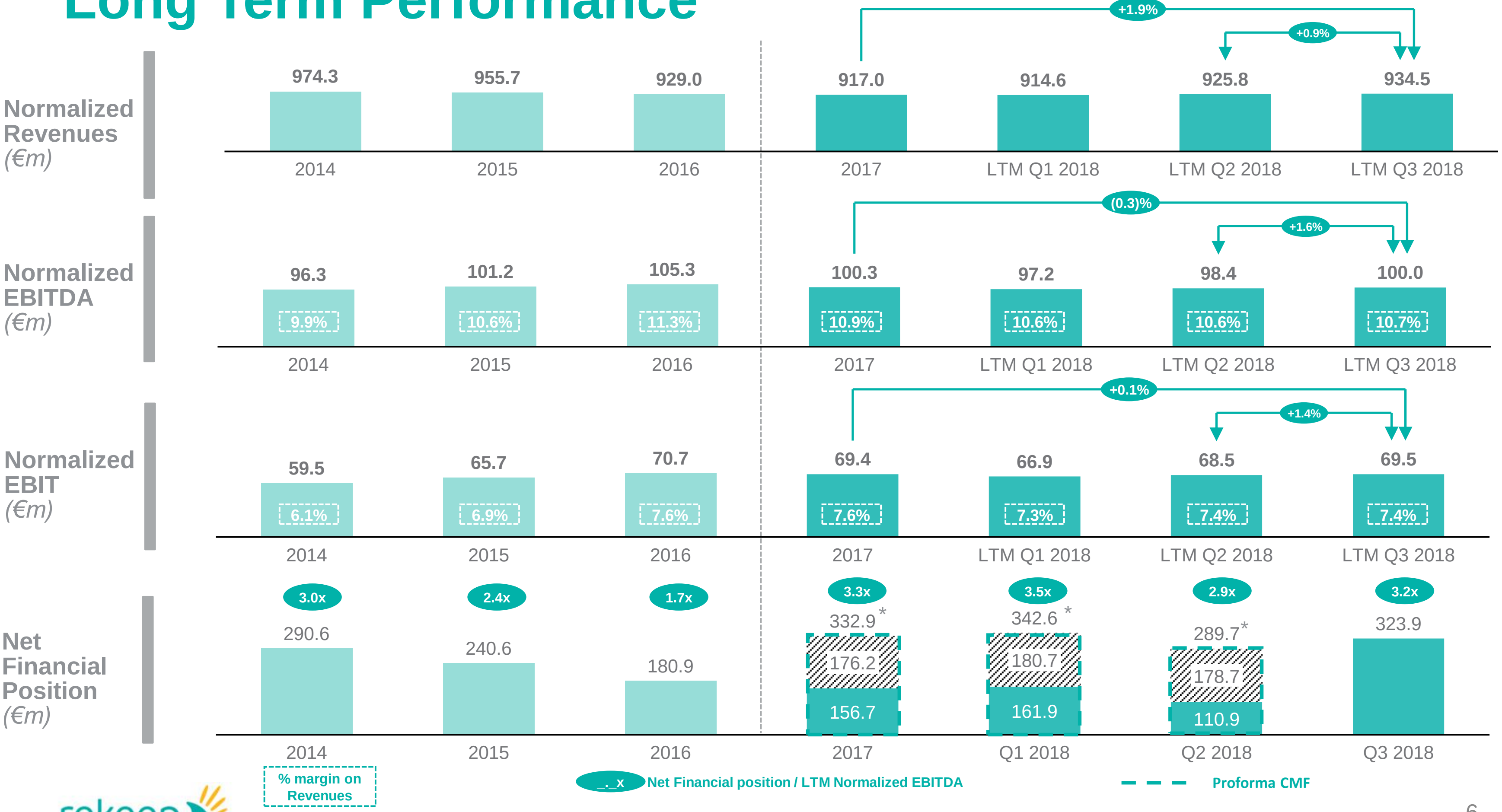
3 months and LTM KPIs at a glance

Q3 2017 vs. Q3 2018   LTM Q3 2017 vs. LTM Q3 2018



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

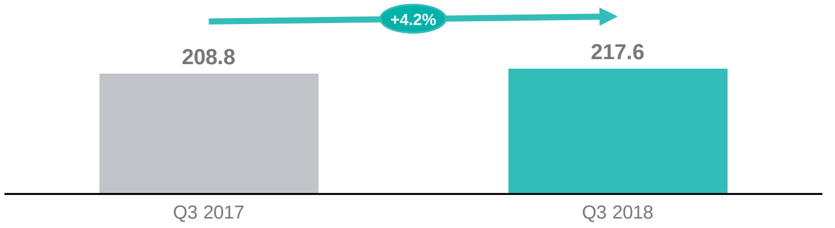
Long Term Performance



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

Normalized Revenues

Normalized Revenues, €m

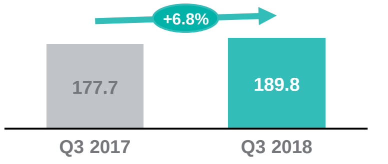


Considerations

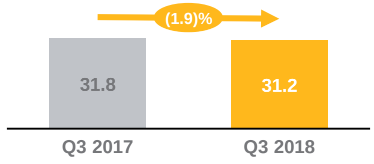
- Higher normalized revenues in Q3 2018 (+4.2%) mainly driven by a robust increase in facility management sector
- FM Revenues increase in Q3 2018 by €12.1m (+6.8%) has been slightly offset by the decrease in L&S by €0.6m (-1.9%) mainly due to contract loss at the end of 2017 as already introduced in the previous quarter

Normalized Revenues by segment, €m

Facility Management

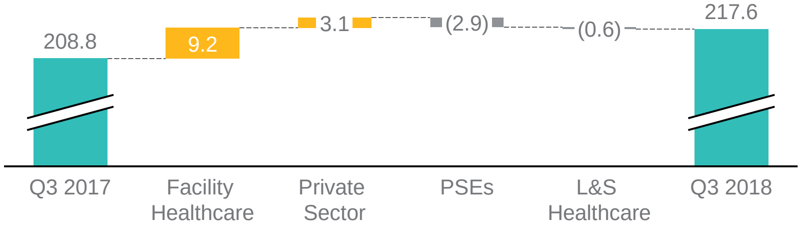


Laundering&Sterilization



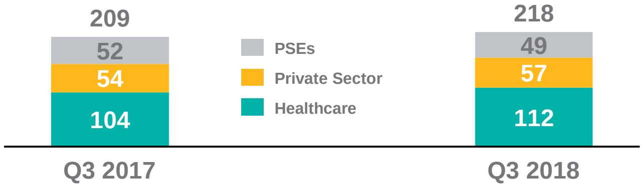
(*) Gross of intra-group eliminations ≈ €3m per annum

Normalized Revenues bridge by client, €m



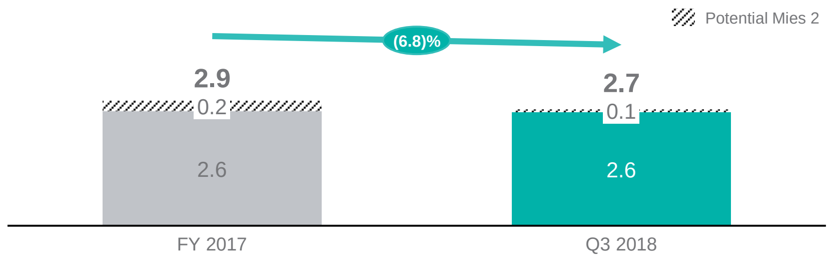
- **Facility Healthcare** increase mainly due to MIES2 development and start-up of some new contracts
- **Private** sector increase mainly due to Sicura Group (€1.6m) and renegotiation of some contracts (NTV €1.0m)
- **PSEs** decrease mainly due to lower unscheduled revenues

Normalized Revenues by client, €m

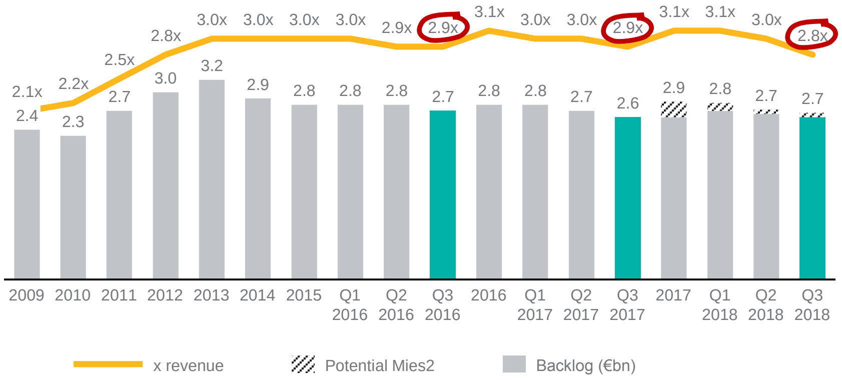


Backlog

Backlog, €bn



Revenue visibility from backlog



- Slight decrease of the coverage of future revenues due to seasonality, 2.8 times LTM revenues, however aligned with Q3 level in the last recent years
- As of today, approximately 74%(*) of the total Mies2 FA has been saturated

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

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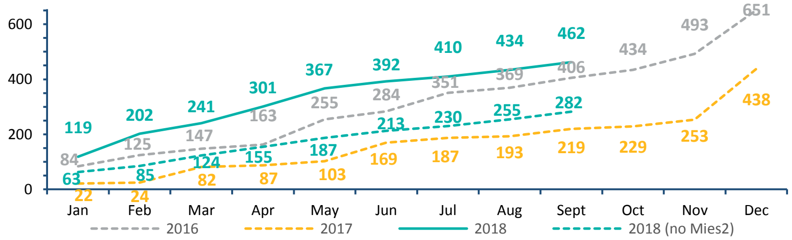
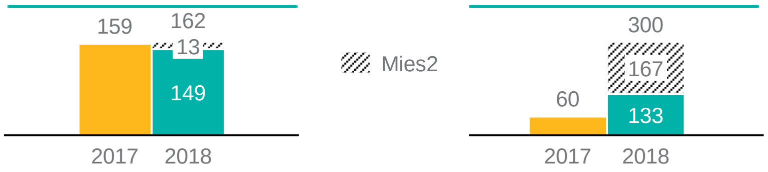
Commercial Activity

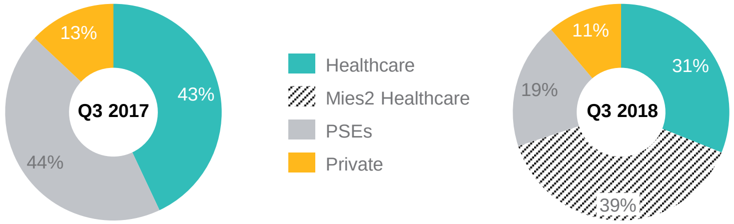
Value of contracts signed Q3 2018 , €m



Breakdown of signed contracts YTD, €m



Signed contracts by Client, €m



Sales activity

- Including Mies2, awarded pluriannual volumes more than double, reaching €462m in 9M 2018 vs €219m in 9M 2017
- This increase is pushed by «New Market» acquisitions of €300m confirming the consistent Group development in healthcare market, in which Rekeep Group can rely on a consolidated expertise and know-how

Sales activity in Q3 2018

Client	Service	Annual Value	Duration	Acquisition type
Reggio Emilia Province	Energy	€2.7m	5 years	New Market/Portfolio
Valsamoggia (PFI)	Energy	€0.7m	15 years	New Market
Zecca dello Stato	Maintenance	€1.0m	3 years	New Market
Parma Global Strade	Maintenance	€0.8m	3 years	New Market

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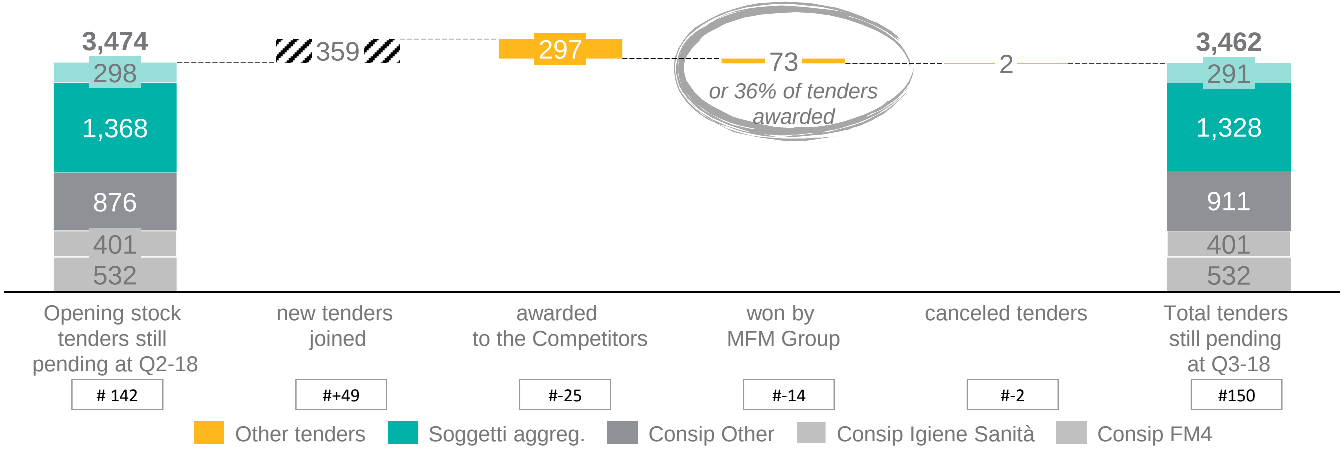
Tenders Pipeline

Tenders Pipeline Bridge by Stock tenders and New tenders

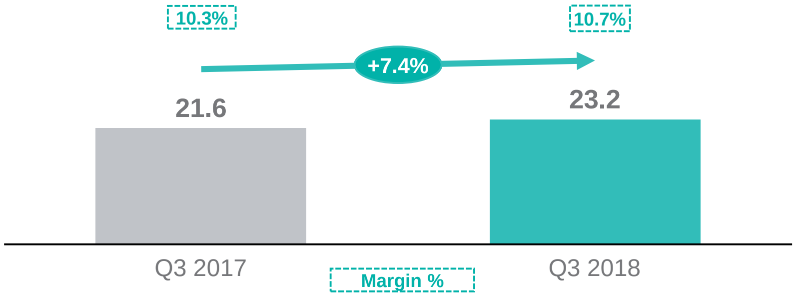


Description	Δ €m
Others	-47
Consip Other	+35
Consip Igiene Consip FM4	

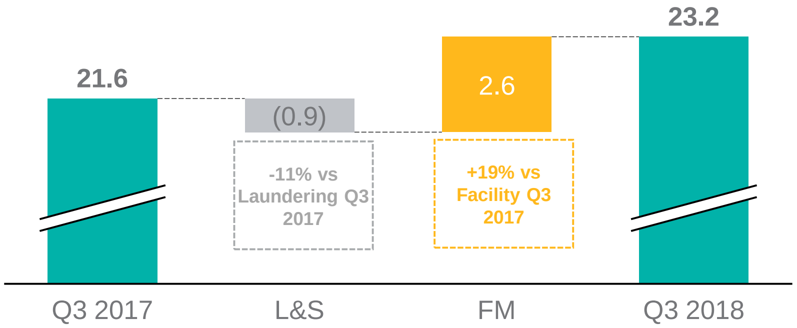
- In Q3 Rekeep Group achieved a win rate of 36% on # of tenders (14 out of 39)
- Total amount of tenders still pending accounts for €3.5bn
- The tenders held by other central purchasing bodies (“Soggetti Aggregatori”) keeps on covering significant share of the total pipeline and allows to maintain the current portfolio and develop new business

Normalized EBITDA

Normalized EBITDA, €m



Bridge Normalized EBITDA, €m

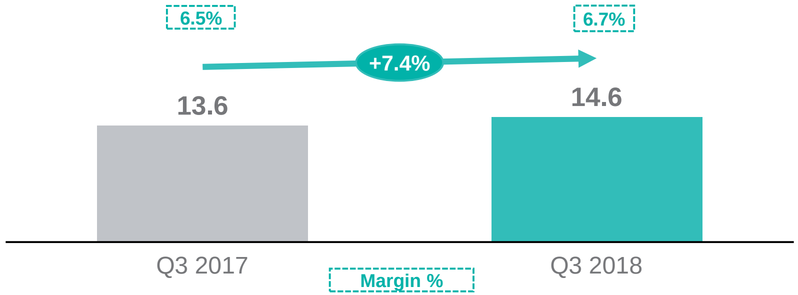


- Normalized EBITDA faces an increase to €23.2m QoQ driven by a +19% increase in FM
- Normalized EBITDA Q3 2018 vs Q3 2017 increases by €1.7m - mainly driven by Facility Management sector:
  - Rekeep: higher efficiency achieved by the cost saving plan
  - Gruppo Sicura: accomplishment of turnaround plan
  - Telepost: performance improvement due to a change in mix of services
  - Again, the negative impact ongoing from the previous quarters in Laundering, partially offsets the positive performance

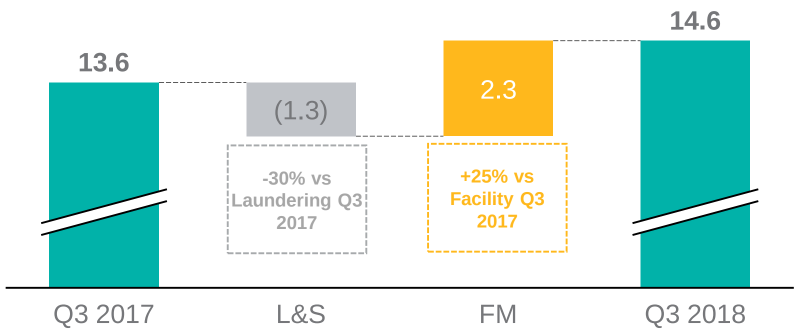
Q3 2017 adjustments are +€0.2m vs +€2.0m in Q3 2018

Normalized EBIT

Normalized EBIT, €m



Bridge Normalized EBIT, €m



- The effect of EBITDA increase is substantially reflected on EBIT for both segments (FM, L&S)

- Normalized EBIT increases to €14.6m, up €1.0m QoQ specifically driven by +25% in FM [+€2.3m]

Q3 2017 adjustments are +€0.2m vs +€2.0m in Q3 2018

Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses, €m

9M 2018

€21.8m — ***€31m** Proforma (CMF + REKEEP)**

9M 2017

€21.4m

- Financial expenses in line with previous year *(excluding pro-forma interests cost)*

Taxes, €m

9M 2018

€9.3m — ***€9.9m** Proforma (CMF + REKEEP)**

EBT €19.8m — *Tax Rate 47%*

9M 2017

€13.6m

EBT €31.5m — *Tax Rate 43%*

- Increase of tax rate vs 9M 2017 due to higher weight of fixed components (IRAP) that do not change proportionally with EBT.

Net Result, €m

9M 2018

€10.5m — ***€0.7m** Proforma (CMF + REKEEP)**

1.5% of Revenues

9M 2017

€17.9m

2.7 % of Revenues

- Net income 9M 2017 includes €6.2m of system charges
- Excluding system charges one-off in 2017, the net income would have been €11.7m (1.8% of Revenues)

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

Industrial Capex

YTD Q3 2018

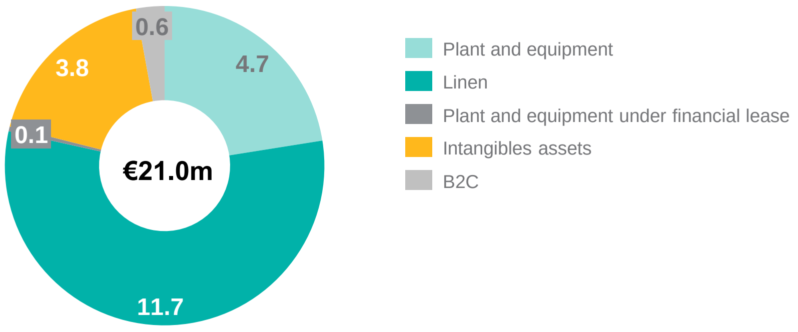
€21.0m

YTD Q3 2017

€22.4m

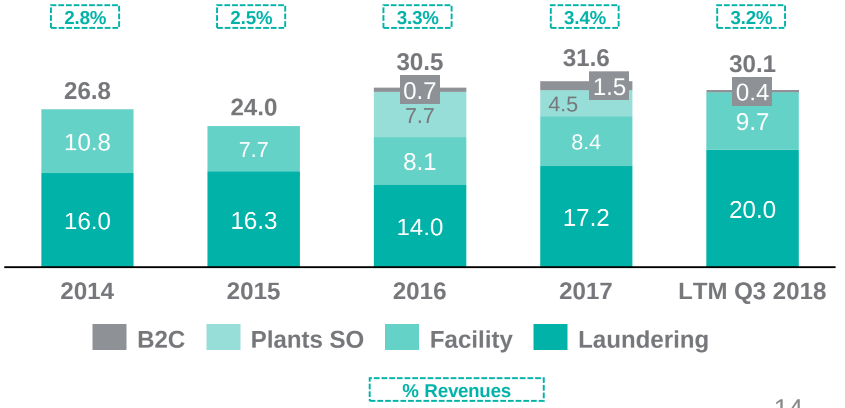
- LTM Q3 Capex accounted for a 3.2% on Revenues. Net of the one-off effects in 2017 (€4.5m Q1 2017 plants SO), capex increase by +€3.1m vs YTD Q3 2017, mainly due to investment in laundering +€2.9m related to:
  - ✓ **Renewal of larger contracts**, mainly USL Bologna: capex Q1 2018 €1.3m [total capex €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 €0.5m
- L&S Capex are still the main item (62%) of total Capex 9M 2018

Capex Breakdown YTD Q3 2018, €m



Capex for intangible assets are mainly represented by ICT development

Capex overview, €m



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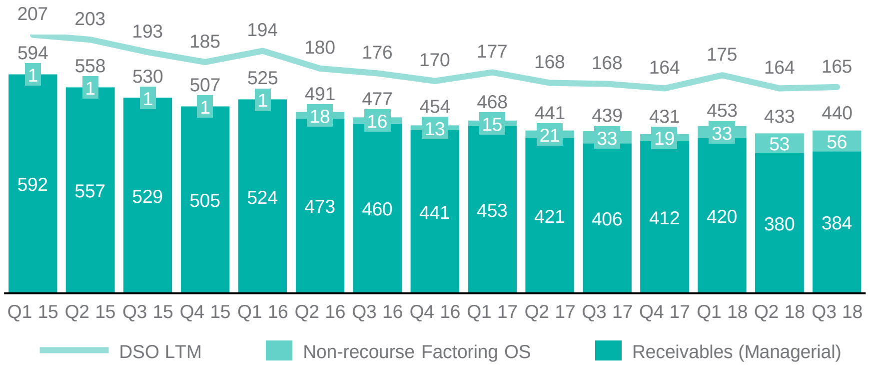
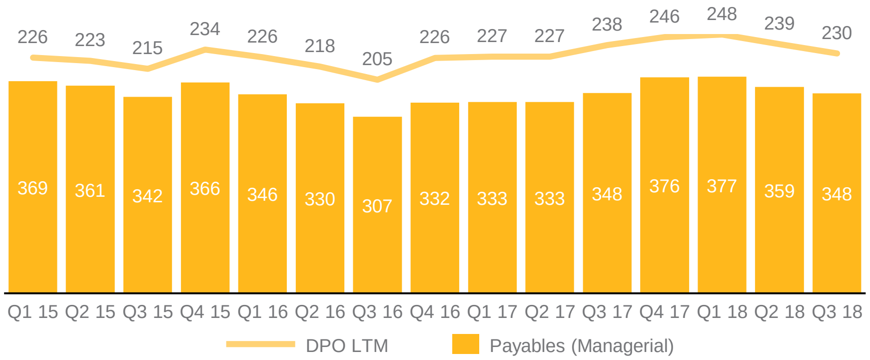
DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- DSOs are stable at lower historical level. However, the evolution confirms the decreasing trend versus previous years (-3 days compared with Q3 2017 and -15 days compared with Q2 2016)
- Stable level of non-recourse factoring
- DPOs decrease due to acceleration of payment to suppliers in this quarter

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.

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Net Working Operating Capital

NWOC

Q3 2018
€43.7m
Q3 2017
€63.0m

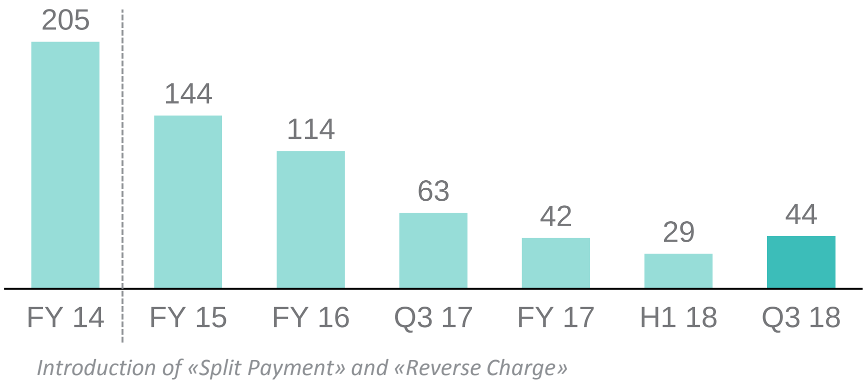
NWOC / Revenues*

9M 2018
4.7%
9M 2017
6.9%

- NWOC decrease by €19.3m vs Q3 2017 is mainly due to following elements:
  - Lower DSO and trade receivables
  - Increase in non-recourse factoring
- The continuous effort on the Working Capital management delivered a lower level of NWOC% on Revenues to 4.7% (vs. 6.9% in Q3 2017), with a slight increase vs the previous quarter (+€15m)

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

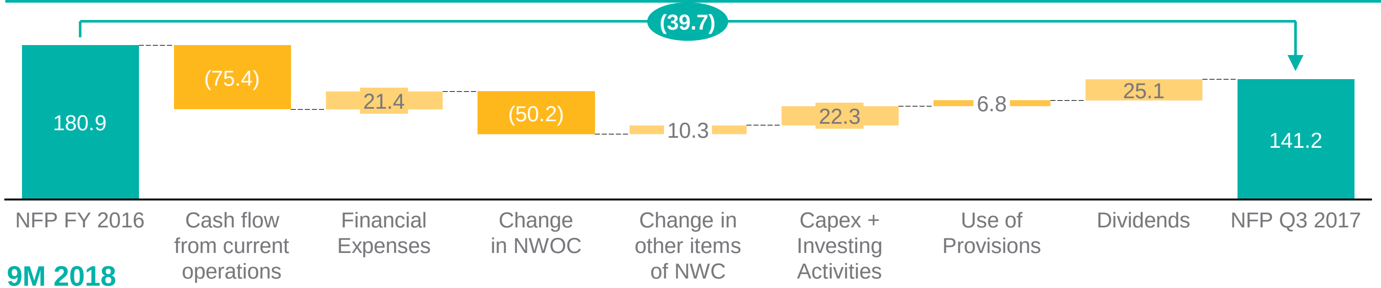
Net Working Operating Capital, €m



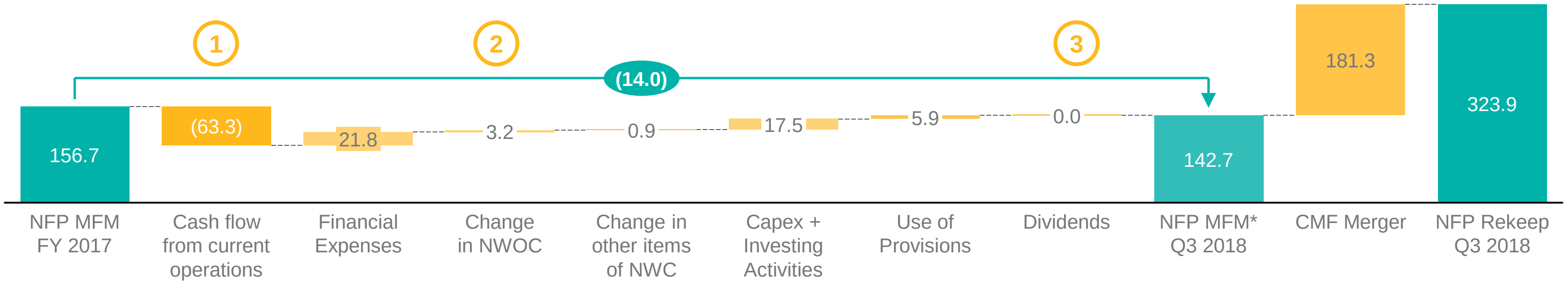
** NWOC / LTM Revenues*

…Focus on NFP changes 9M 2017 vs 9M 2018 (€m)

9M 2017



9M 2018



1. Lower cash flow from current operations 9M 2018 vs 9M 2017 mainly due to decrease in EBITDA [including impact from startup costs and adjustments]
2. Lower efficiency in NWOC management versus previous year
3. No dividend distribution in 9M 2018

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

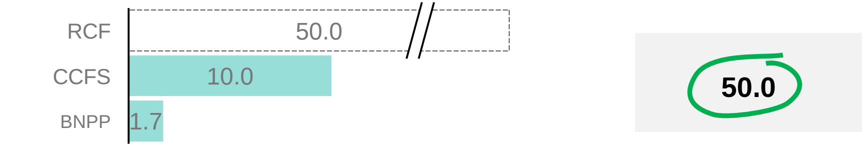
(*) Data not audited. Information provided for illustrative purpose only

…Focus on Liquidity and Credit Facilities

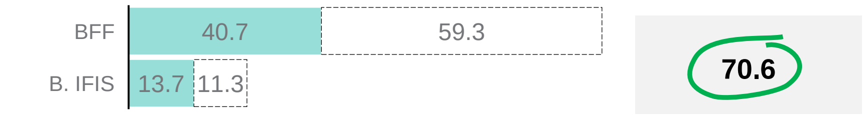
Liquidity and Credit Facilities

Long Term Facilities

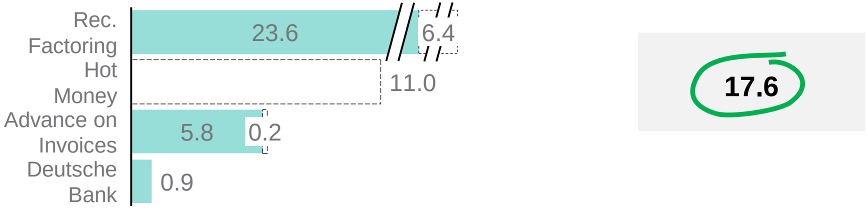
Liquidity Available



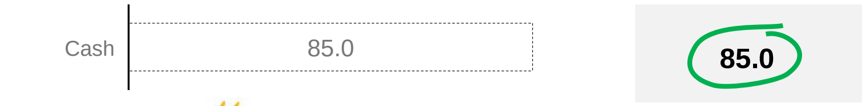
Non Recourse Factoring Facilities



Short Term Facilities

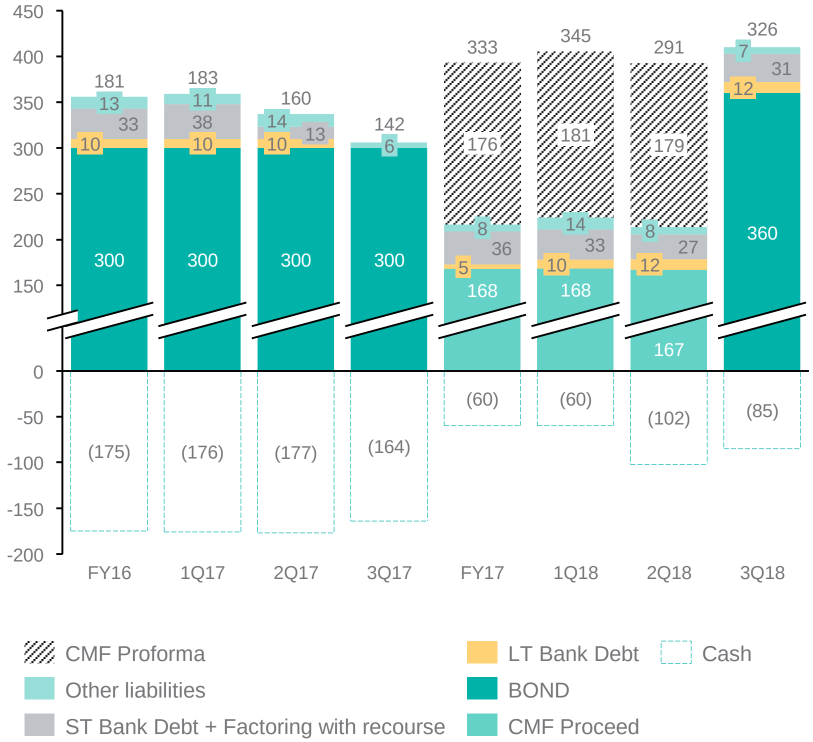


Cash and Cash Equivalents



Drawn Down Liquidity Available

Debt Breakdown, €m



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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 February 15th, 2019

Next Steps

- The hearing on the merits of Company's appeal was held on June 28, 2018

- The proceedings are currently pending

- February 15, 2019

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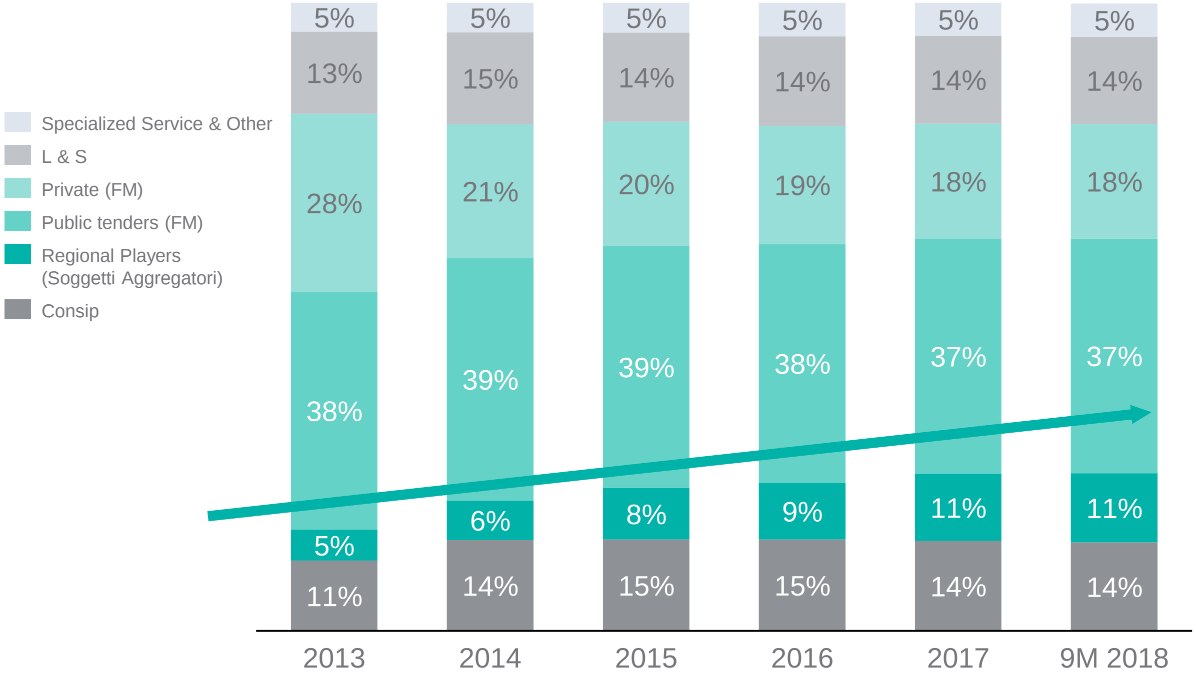
Annex

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
- 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**

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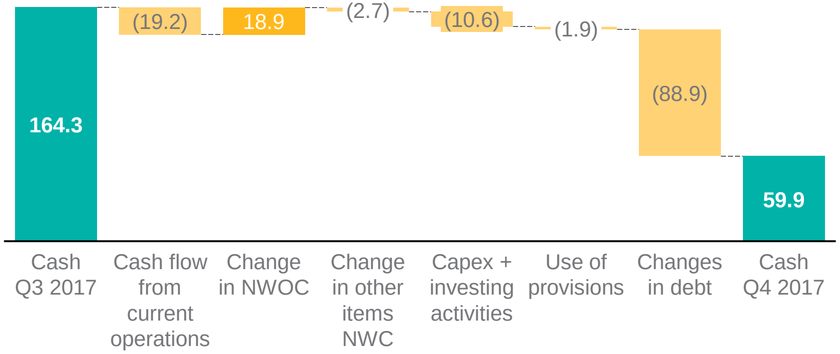
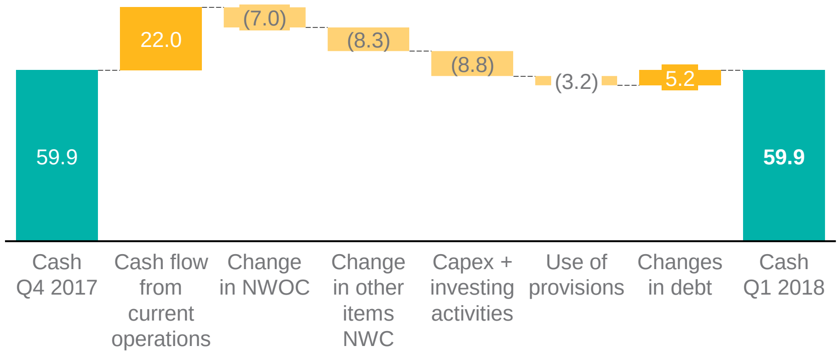
Cash evolution by quarter

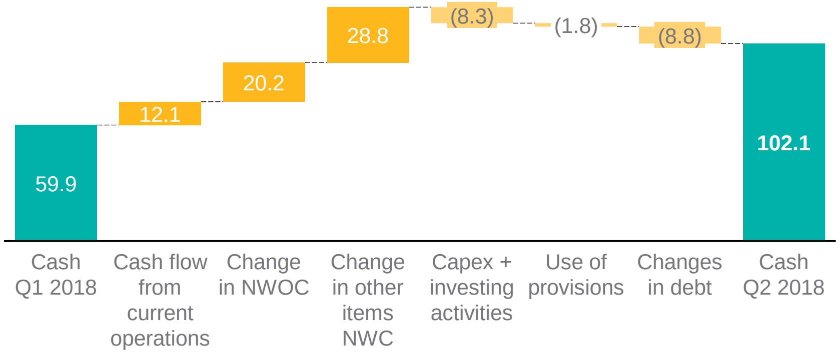
Q4 2017



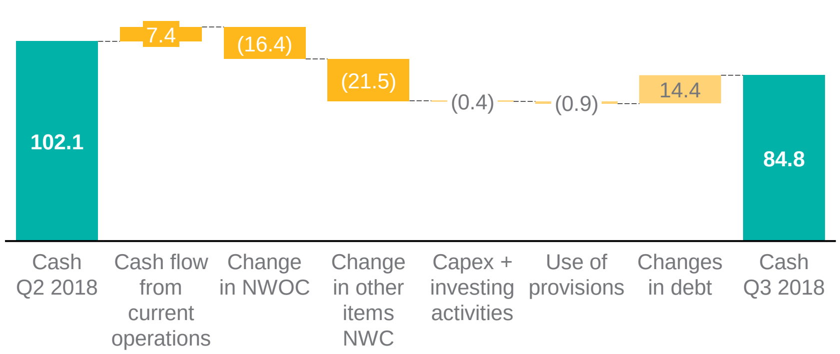
Q1 2018



Q2 2018

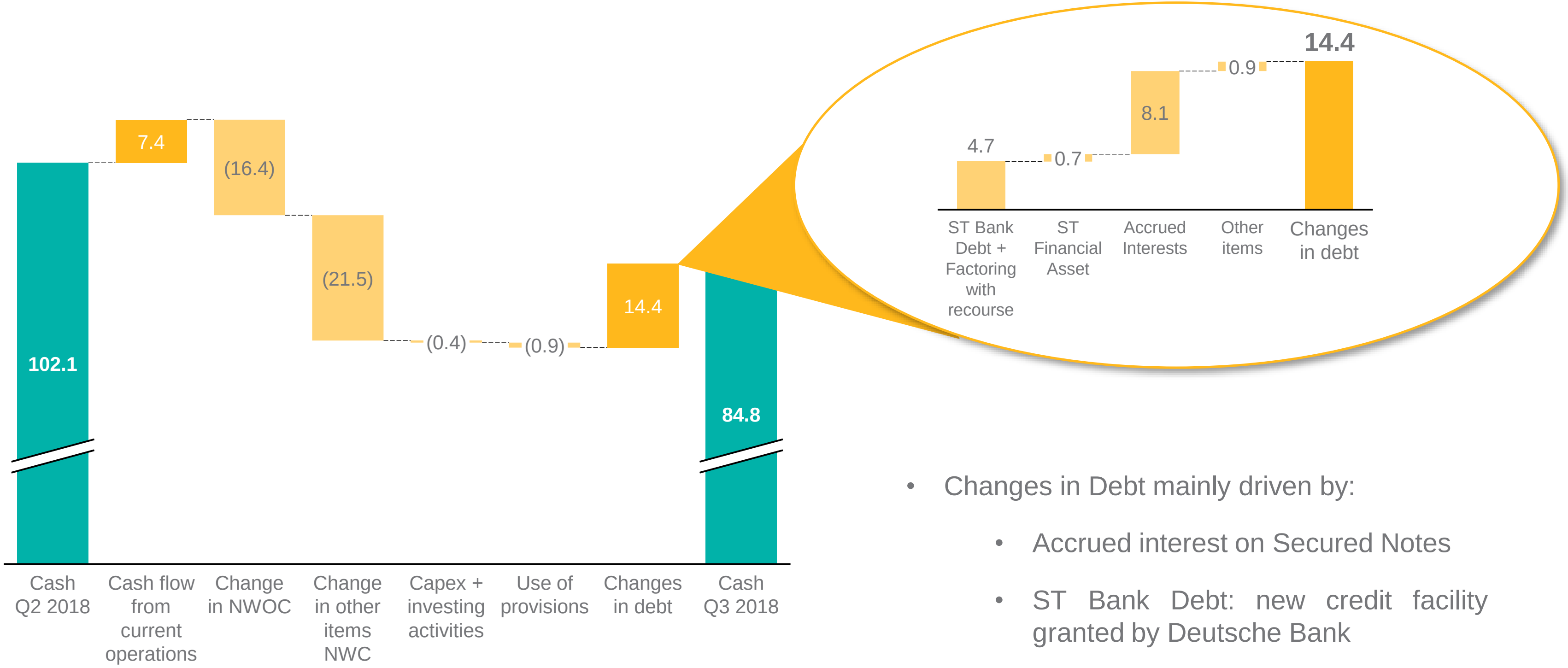


Q3 2018



…Focus on Credit Facilities

Changes in Cash Q3 2018, €m



- Changes in Debt mainly driven by:
  - Accrued interest on Secured Notes
  - ST Bank Debt: new credit facility granted by Deutsche Bank

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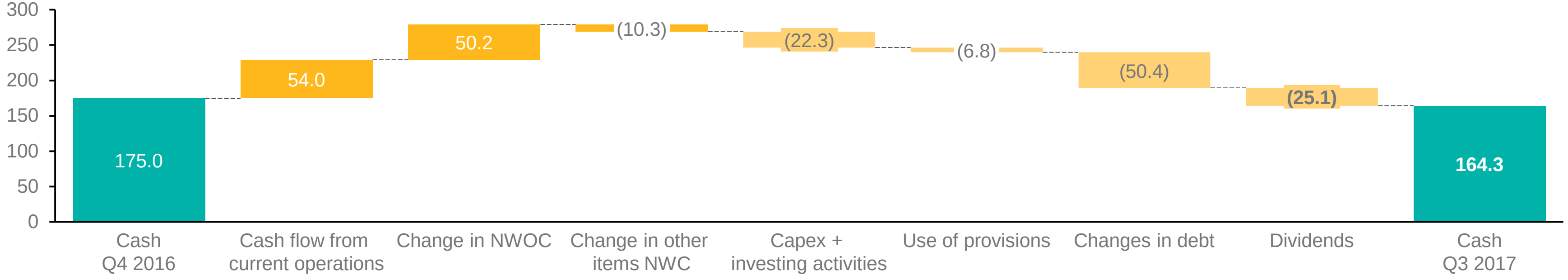
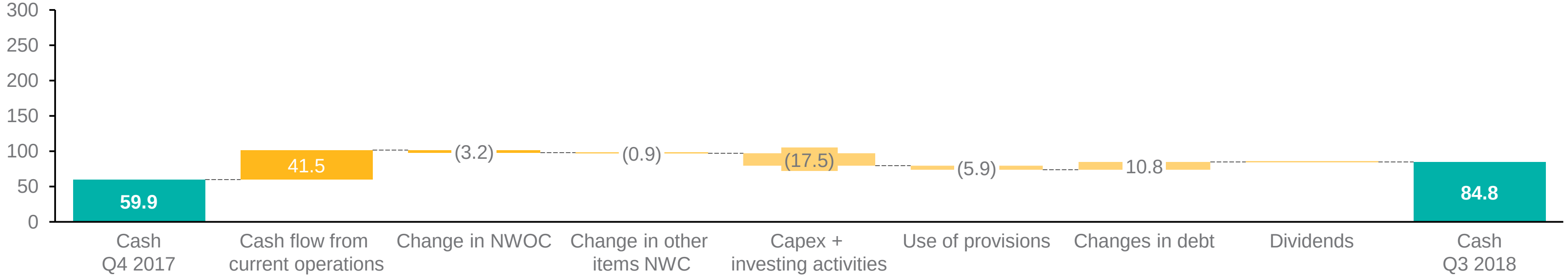
Cash evolution YTD 2018 vs 2017

9M 2017

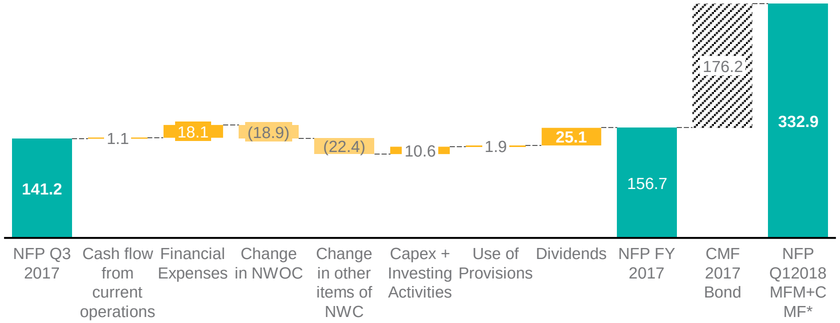


9M 2018

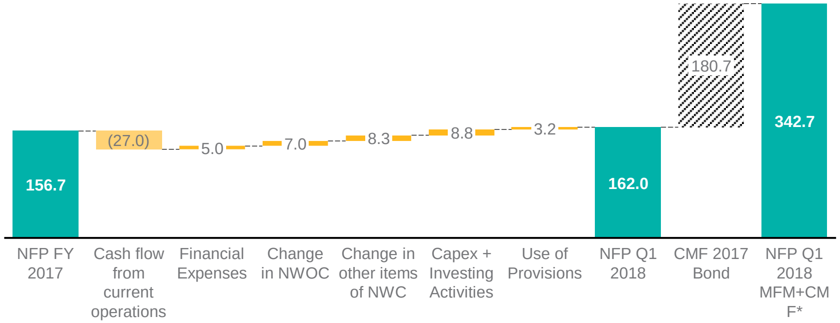


…Focus on NFP changes from September 30, 2017 (€m)

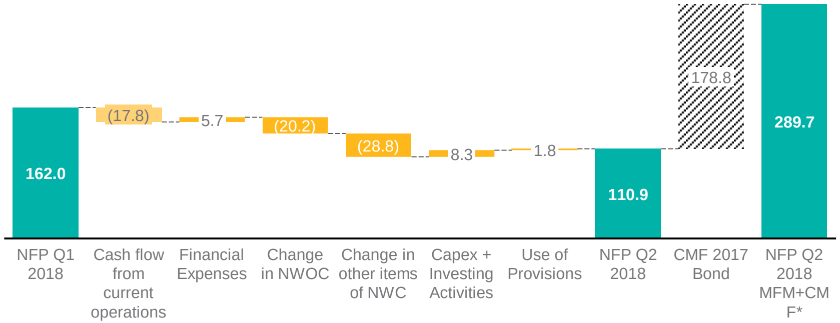
Q4 2017



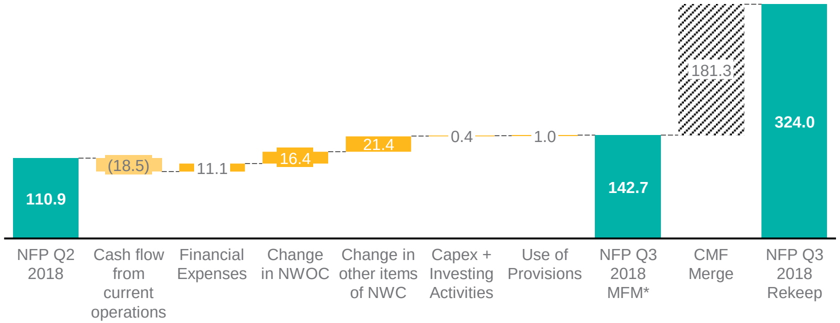
Q1 2018



Q2 2018



Q3 2018



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

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

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:

Q3 2018 KPI Reconciliation (statutory vs adjusted), €m

	Statutory Consolidated FS	Adj	Adjusted Consolidated FS	Normalization	Normalized Consolidated FS
Revenues	686.7	0.0	686.7	(5.3)	681.3
EBITDA	64.5	4.5	69.0	5.3	74.3
EBITDA % on revenues	*9.4%*		*10.0%*		*10.9%*
EBIT	40.4	4.5	44.9	5.8	50.7
EBIT % on revenues	*5.9%*		*6.5%*		*7.4%*
Net Result	10.5				
NWOC	43.7				
NFP Rekeep Gorup	(323.9)				

- 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

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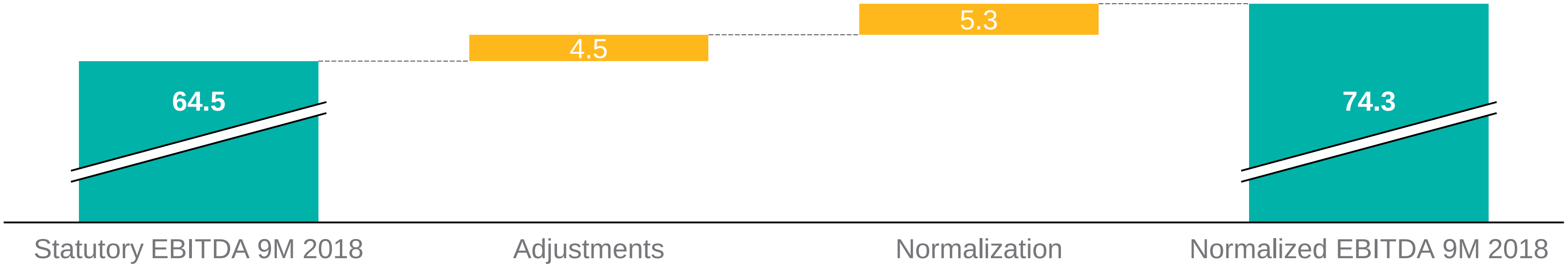
Adjustments to EBITDA

Bridge to Normalized EBITDA, €m



Adjustments, €m	
Rebranding + Re-organizations + Professional services and advisory fees (AGCM)	**4.5**

Normalization. €m	
YouGenio/B2C	3.4
Manutencoop International	1.9
Total	**5.3**

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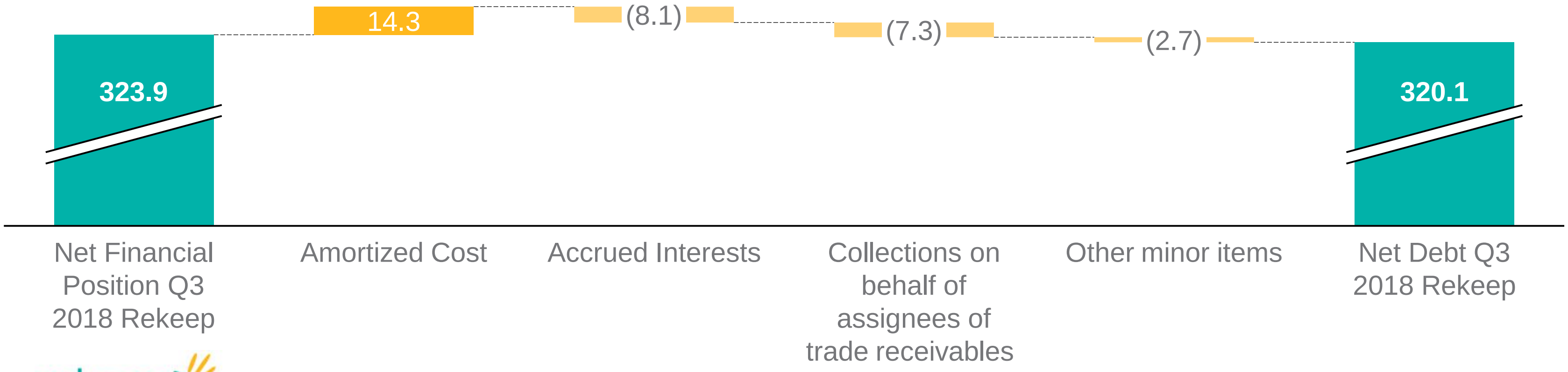
Net Financial Position to Net Debt

Q3 2018 Net Financial Position to Net Debt, €m

	30th September 2018	30th September 2017
Long term financial debt	360.9	298.8
Bank borrowings, including current portion of long-term debt and other financial liabilities	49.5	9.7
Gross financial indebtness	***410.3***	***308.6***
Cash and cash equivalents	(84.8)	(164.3)
Current financial assets	(1.7)	(3.0)
Net financial indebtness	***323.9***	***141.2***



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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 Sept	
	2018	2017	3Q 2018	3Q 2017
Total revenues	686,744	664,459	220,425	209,113
Total costs of production	(622,277)	(590,499)	(200,821)	(189,180)
EBITDA	**64,467**	**73,960**	**19,604**	**19,933**
EBITDA %	***9.4%***	***11.1%***	***8.9%***	***9.5%***
Amortization/depreciation, write-downs and write-backs of assets	(23,449)	(21,328)	(9,008)	(6,726)
Accrual of provisions for risks and charges	(632)	(764)	142	(1,292)
Operating income	**40,386**	**51,868**	**10,738**	**11,915**
Operating income %	***5.9%***	***7.8%***	***4.9%***	***5.7%***
Share of net profit of associates	1,201	1,029	(84)	(127)
Net financial charges	(21,760)	(21,366)	(11,102)	(7,205)
Profit before taxes from continuing operations	**19,827**	**31,531**	**(448)**	**4,583**
Profit before taxes from continuing operations %	***2.9%***	***4.7%***	***-0.2%***	***2.2%***
Income taxes	(9,346)	(13,618)	(843)	(2,406)
Profit from continuing operations	**10,481**	**17,913**	**(1,291)**	**2,177**
Loss for the period from discontinued operation	-	-	-	-
Net profit for the period	**10,481**	**17,913**	**(1,291)**	**2,177**
Net profit for the period %	***1.5%***	***2.7%***	***-0.6%***	***1.0%***
Minority interests	(141)	(49)	(118)	(13)
Net profit for the period attributable to equity holders of the parent	**10,340**	**17,864**	**(1,409)**	**2,164**
Net profit for the period attributable to equity holders of the parent %	***1.5%***	***2.7%***	***-0.6%***	***1.0%***

ANNEX

BALANCE SHEET (€'000)	30 Sep 2018	31 Dec 2017	Change	31 Dec 2017 CMF
USES				
Trade receivables and advances to suppliers	405,873	429,165	(23,292)	429,165
Inventories	7,223	6,057	1,166	6,057
Trade payables and advances from customers	(369,428)	(393,022)	23,594	(387,052)
Net working operating capital	***43,668***	***42,200***	***1,468***	***48,170***
Other element of working capital	(69,087)	(60,865)	(8,222)	(61,438)
Net working capital	***(25,419)***	***(18,665)***	***(6,754)***	***(13,268)***
Tangible assets	74,041	71,343	2,698	71,343
Intangibles assets	431,545	395,532	36,013	428,715
Investments accounted for under the equity method	23,649	27,294	(3,645)	27,294
Other non current assets	34,946	35,507	(561)	36,454
Operating fixed assets	***564,181***	***529,676***	***34,505***	***563,806***
Non current liabilities	(55,319)	(55,523)	204	(57,741)
Net invested capital	***483,443***	***455,488***	***27,955***	***492,797***
SOURCES				
Minority interests	771	381	390	381
Equity attributable to equity holders of the parent	109,076	298,401	(189,325)	109,794
Shareholders' equity	***109,847***	***298,782***	***(188,935)***	***110,175***
Subordinated Shareholder Funding	49,700	-	49,700	49,700
Net financial indebtedness	323,896	156,706	167,190	332,922
Total financing sources	***483,443***	***455,488***	***27,955***	***492,797***

ANNEX

Statement of Cash flow (Statutory) (€'000)	**'30 Sep 2018**	**30 Sep 2017**
CASH at the beginning of the period	**59,870**	**174,992**
Cash flow from current operations	41,537	53,988
Use of provisions for risks and charges and for employee termination indemnity	(5,861)	(6,789)
Change in adjusted NWOC	(3,219)	50,244
Industrial Capex, net of disposals	(20,544)	(21,954)
Financial Capex	3,088	(335)
Other changes	(182,190)	(35,411)
Change in net financial liabilities	192,074	(50,419)
CASH at the end of the period	**84,754**	**164,316**

What’s next

- ✓ Next call will be held, indicatively, on March 2019. As soon as the financial calendar will be approved, info will be provided on IR section of Rekeep’s website

- ✓ Rekeep Financial Calendar and Replay available on:

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