



Call on Q4 and FY 2018 Results

March 25, 2019, 17CET



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Annual Report figures in this presentation have been approved by Board of Directors, waiting for formal auditor's opinion

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
- Q4 and FY 2018 Results
- Annex
- Q&A session

Key Quarter Highlights

- *Accomplished Guidance provided in early 2018*

Revenues

- Confirmed revenues growth, particularly in facility management, with a +2.2% increase on a year-on-year basis
- Facility Healthcare still driving the growth, consolidated stabilization in Private sector

Backlog & Pipeline

- Company devotes its effort to carry-on a robust pipeline, while the fulfillment of MIES2 advances – today at 75%
- Commercial activity boosted by a robust increase in new customers acquisitions, especially in healthcare, despite a flat market

EBITDA / EBITDA Margin

- Reported quarterly Normalized EBITDA €27.1m, increased by +€1.3m vs. Q4 2017, leading to a €101.3m LTM with a 10.8% margin,

Capex

- Capex confirmed stable compared to last year at 3.4% on revenues, in line with expectations
- Specific development Capex mainly in L&S renewals and newly acquired contracts

NWC

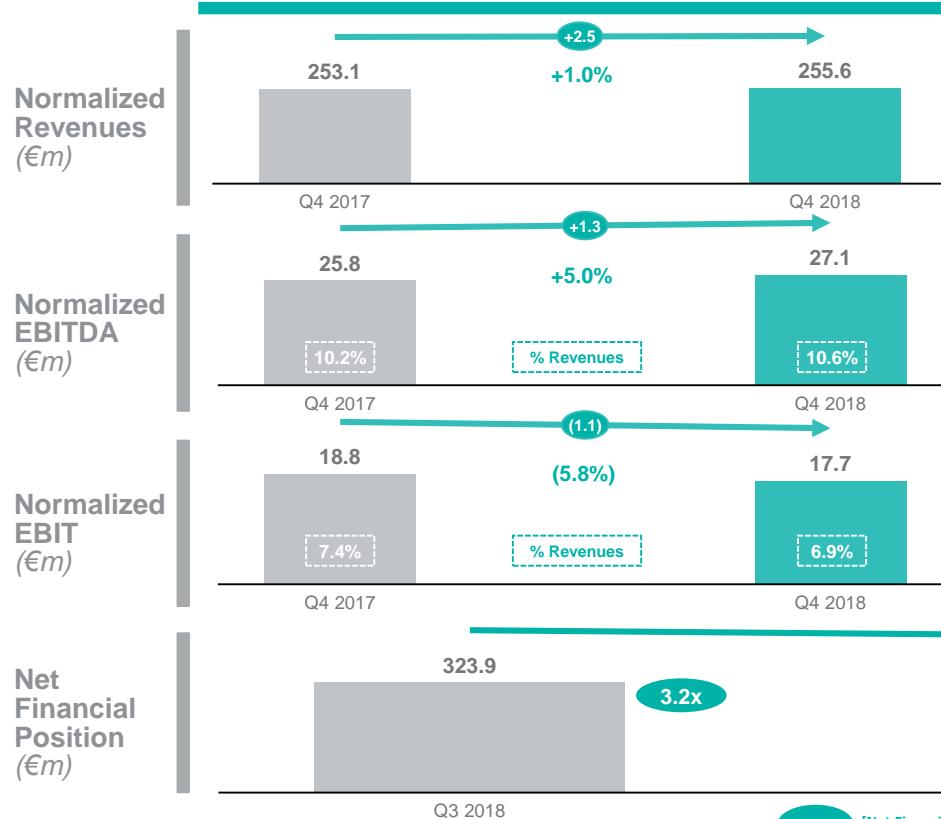
- NWC hits a new minimum level at 2.7% on revenues, down by a 1.9pp from the previous year

Net Financial Profile and Cash Position

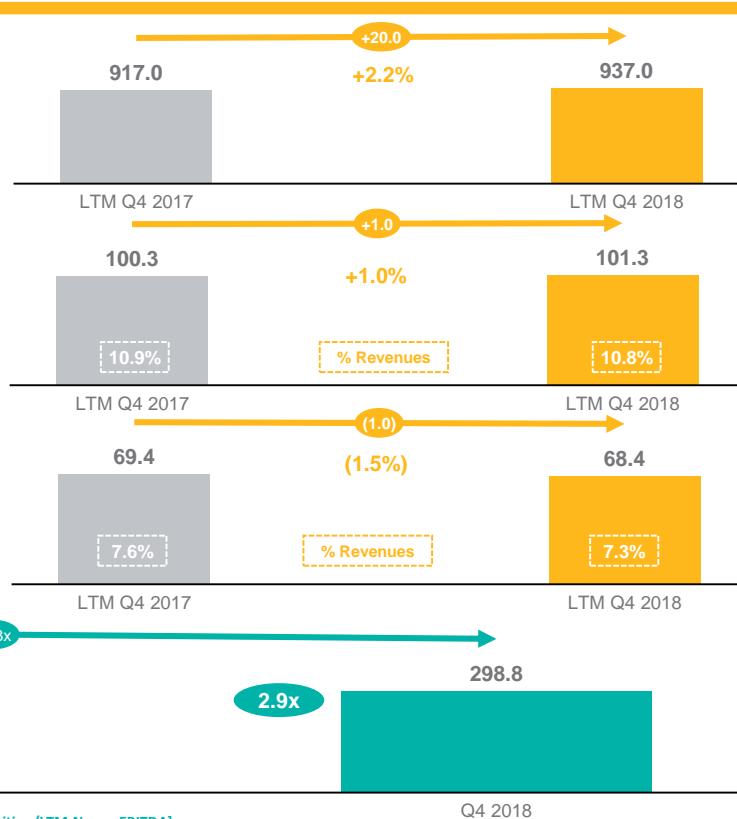
- The Company is still committed on deleverage as a priority, retaining an adequate liquidity level increased by BFF new factoring facility
- *Pursuant to privately negotiated open-market transactions, in the past 60 days Rekeep has repurchased approx. €10m aggregate principal amount of its Notes directly from holders – such securities are currently held by Rekeep and will be cancelled shortly. Consistently with our policy to proactively manage our debt profile, the Company may make further purchases of notes from time to time*

3 months and LTM KPIs at a glance

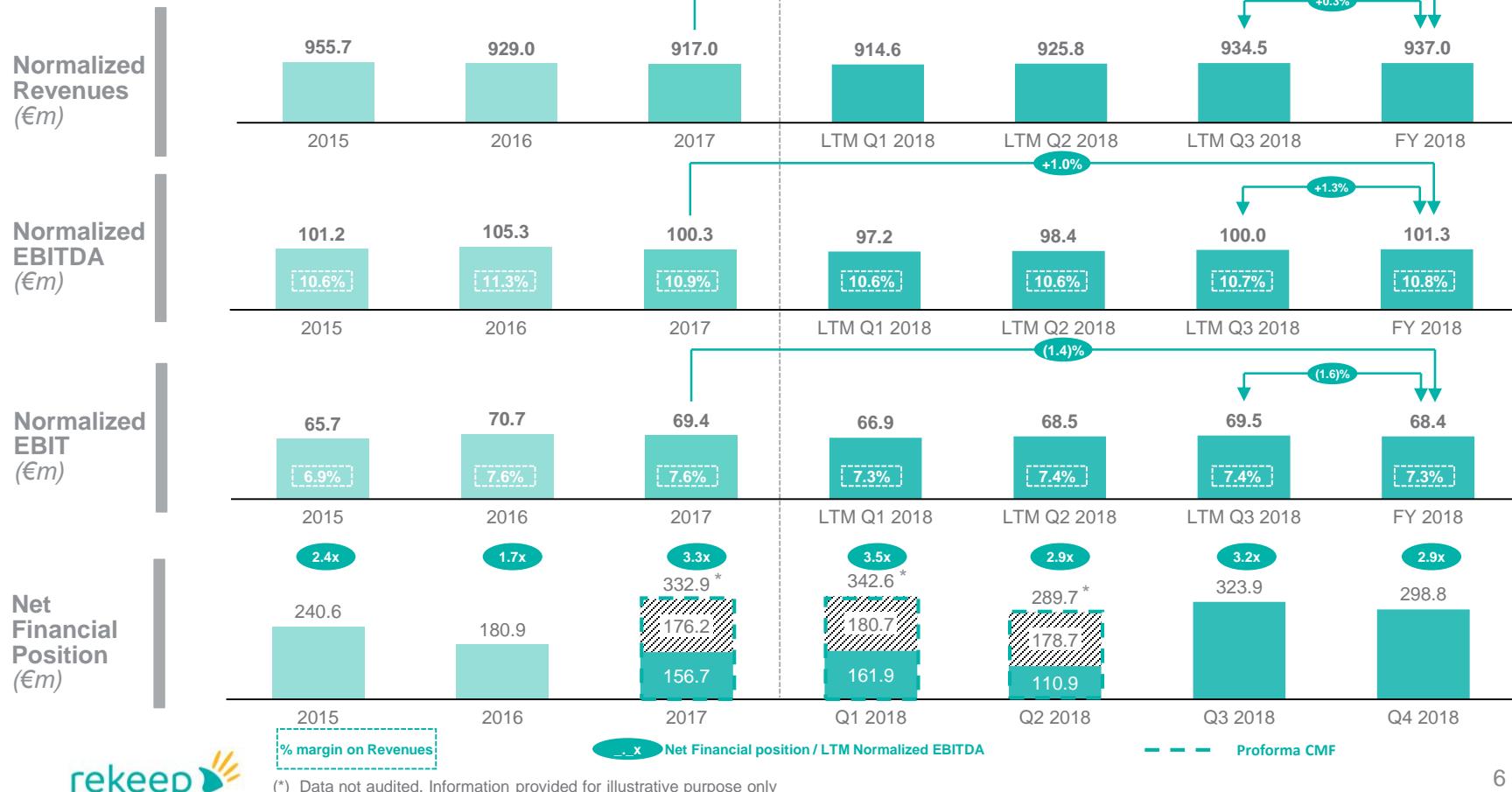
Q4 2017 vs. Q4 2018



LTM Q4 2017 vs. LTM Q4 2018



Long Term Performance



Normalized Revenues

Normalized Revenues, €m



Considerations

- Higher normalized revenues in Q4 2018 (+1.0%) driven by an increase in both sectors, FM and L&S
 - ✓ FM Revenues increase in Q4 2018 by €2.1m (+0.9%)
 - ✓ Slight recovery of L&S revenues conversely from previous quarters, increased by €0.3m (+0.7%)

Normalized Revenues by segment, €m



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

Normalized Revenues bridge by client, €m

Client Segment	Q4 2017	Q4 2018
Facility Healthcare	253.1	255.6
Private Sector	12.2	12.2
PSEs	(9.9)	(9.9)
L&S Healthcare	0.2	0.2

- Facility Healthcare** still drives the growth: increase mainly due to MIES2 development and start-up of some new contracts (2018 revenues MIES2 accounted for 16.1 Mio Euro)
- PSEs** decrease mainly due to perimeter change of a large customer, and a loss of some contracts

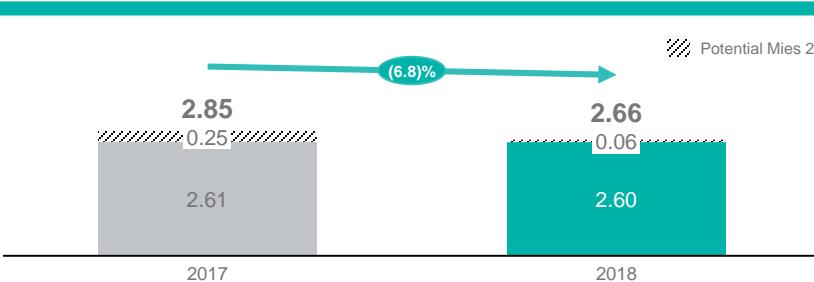
Normalized Revenues by client, €m

Client Segment	Q4 2017	Q4 2018
PSEs	77	67
Private Sector	61	61
Healthcare	115	127

+10%

Backlog

Backlog, €bn



- Slight decrease of the coverage of future revenues, 2.8 times FY revenues, mainly due to the increase of technical extensions of contracts in portfolio, related to a lower market tendering activity carried out by the Purchasing Entities
- As of today, approximately 75%^(*) of the total Mies2 FA has been saturated

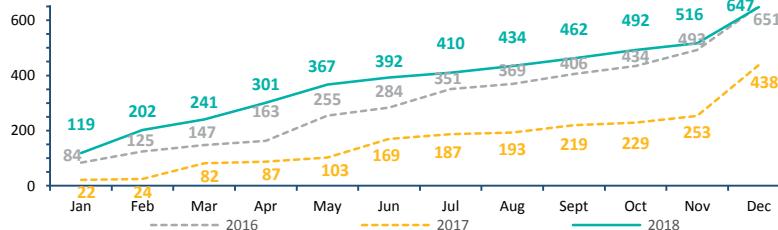
Revenue visibility from backlog



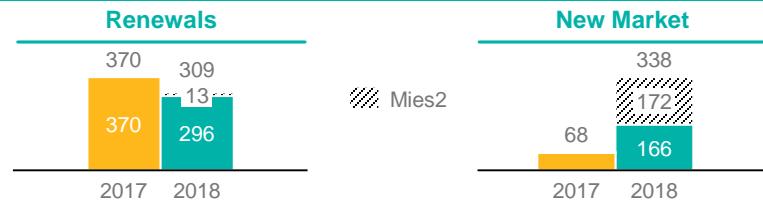
(*) Total Plafond Mies2 ≈ €251m. €189m already acquired during December 2017 – December 2018 i.e included in BCKLG. €251m - €189m ≈ €61m.

Commercial Activity

Value of contracts signed Q4 2018 , €m



Breakdown of signed contracts YTD, €m



Signed contracts by Client, €m



Sales activity

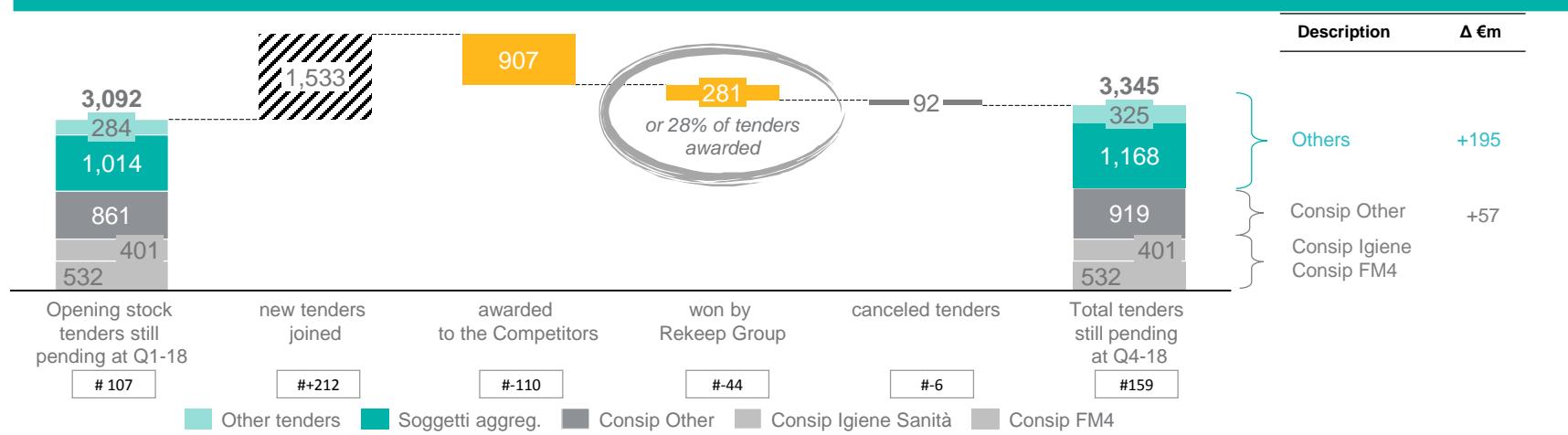
- Awarded pluriannual volume FY 2018 is significantly higher than FY 2017 €647m vs €438m respectively
 - ✓ This increase is pushed by «New Market» acquisitions of €338m confirming the consistent Group development in healthcare market, in which Rekeep Group can rely on a consolidated expertise and know-how
 - ✓ Lower level of renewal vs FY 2017 mainly due to the market delay / postponement in the awarding process of some major contracts

Sales activity in Q4 2018

Client	Service	Annual Value	Duration	Acquisition type
Intercenter Healthcare Emilia Romagna	Energy/Maintenance	€6.8m	7 years	Portfolio
Bologna Metropolitan City - Schools	Energy	€1.3m	6 years	New Market
Coop Alleanza 3.0	Cleaning	€7.5m	2 years	Portfolio

Tenders Pipeline - annual

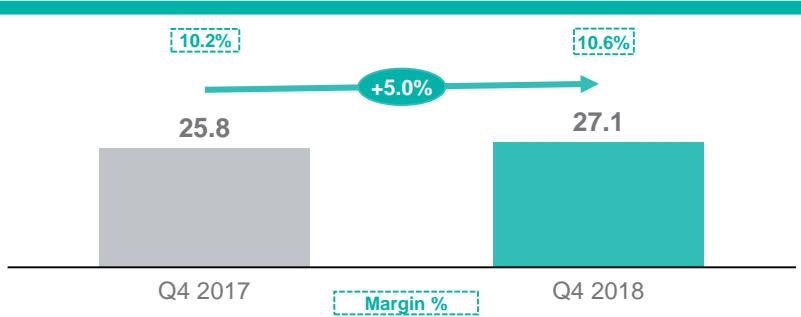
Tenders Pipeline Bridge by Stock tenders and New tenders



- In 2018 Rekeep Group achieved a win rate of 28% on # of tenders (44 out of 154) and 24% on value of tenders
- Total amount of tenders still pending accounts for €3.3bn
- 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

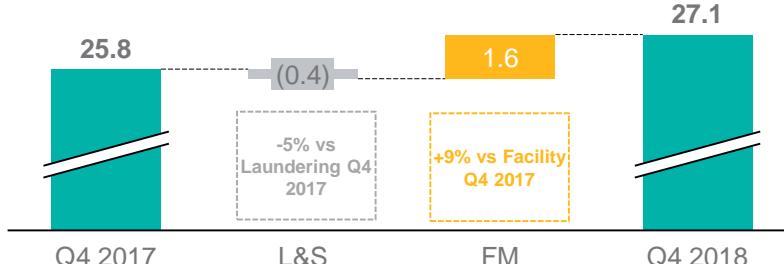
Normalized EBITDA Q4, €m



- Normalized EBITDA Q4 2018 vs Q4 2017 increased by €1.3m - mainly driven by Facility Management sector:

- ✓ Higher efficiency achieved by the cost saving plan in Rekeep
- ✓ 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

Bridge Normalized EBITDA, €m



Normalized EBITDA FY, €m

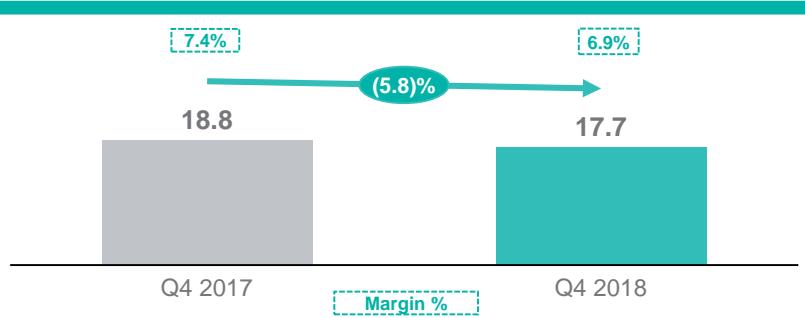


- In 2018, EBITDA is not adjusted for bonus to employees as it is no longer considered as one-off item following a contractual performance scheme signed
- 2018 Normalized EBITDA before bonus to employees is €104.3m, delta YoY is +4.0% on a like for like basis

Q4 2017 adjustments on EBITDA are +€9.7m vs -€0.1m in Q4 2018

Normalized EBIT

Normalized EBIT, €m



- Normalized EBIT decreases to €17.7m, down €1.1m QoQ
- The decrease is mainly driven by provisions/releases effect:
 - ✓ in FM -€1.7m mainly due to a specific positive 2017Q4 release of risk provisions related to some particular contracts and tax matters
 - ✓ in L&S by a positive delta in 2018 +€0.5m, mainly due to a release of a provision previously accrued, and concerning a legal case defined in favor of Servizi Ospedalieri / Rekeep Group

Bridge Normalized EBIT, €m



Q4 2017 adjustments on EBIT are +€10.9m vs +€0.2m in Q4 2018

Net Financial Expenses, Taxes, Net Profit

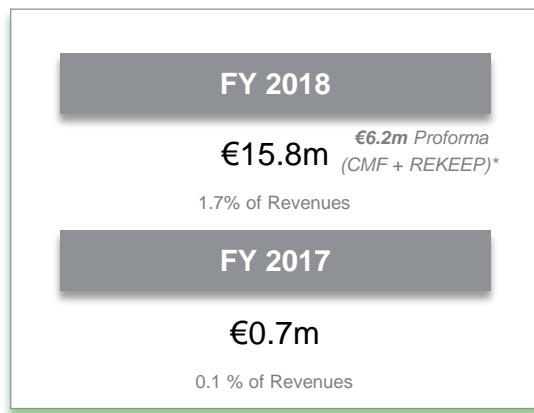
Net Financial Expenses, €m



Taxes, €m



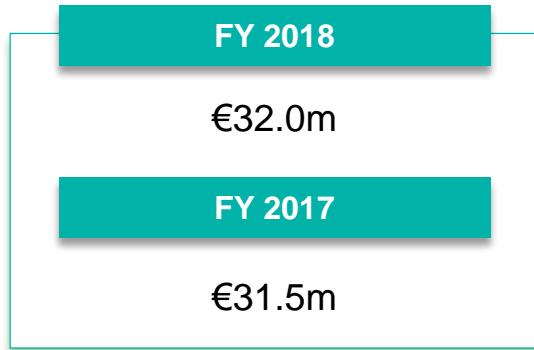
Net Result, €m



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

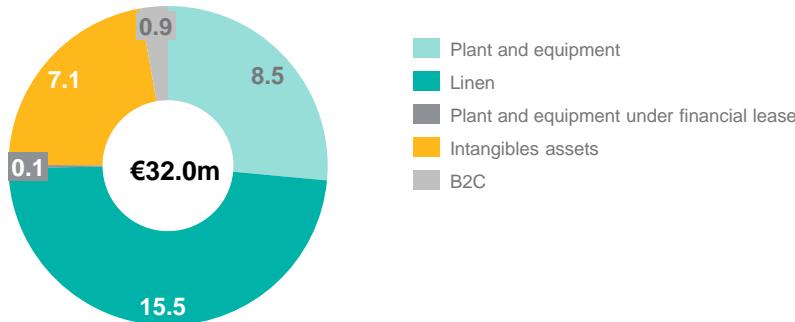
- Net income for FY2017 includes €16.8m of non recurring items mainly related to system charges and to refinancing costs of the Notes
- *Net Income on a PF basis including CMF would be €6.2 Mio*

Industrial Capex



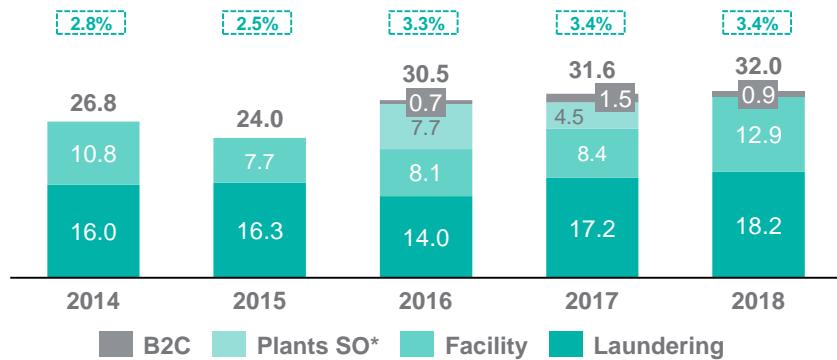
- 2018 Capex accounted 3.4% of FY Revenues, in line with previous years. Capex increase in Facility and Laundering mainly due to:
 - **Laundering:** +€1.0m for renewal of larger contracts and development of new clients as shown in the previous quarters
 - **Facility:**
 - Higher investments in Rekeep World (France) €0.6m.
 - Update of ICT software infrastructure and new IT projects for €1.4m
 - *Investments in tangible assets €2m (PFI - ELE project/Casalecchio Municipality).*

Capex Breakdown FY 2018, €m



Capex for intangible assets are mainly represented by ICT development

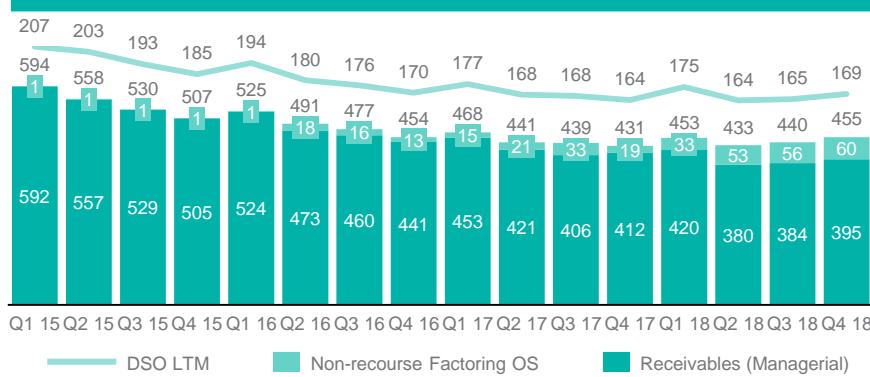
Capex overview, €m



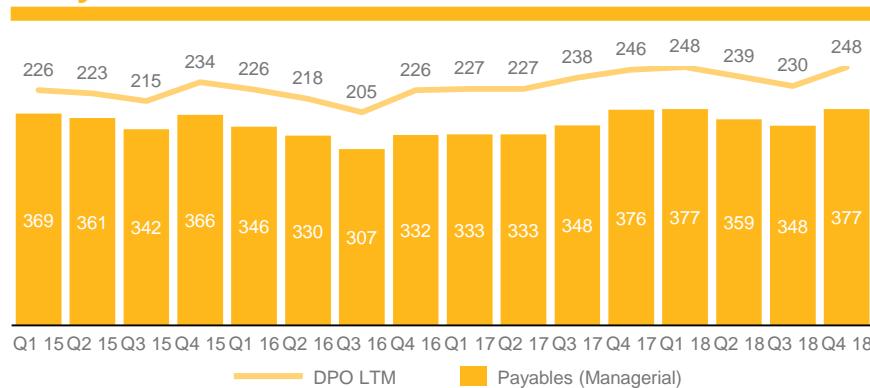
*one-off capex

DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- DSOs reach 169 days showing an increase, differently from the previous years in Q4
- Increase is mainly due to a delay in invoicing (+8 days) vs Q3 2018, only partially offset by a decrease in collection (-4 days)
- Stable level of non-recourse factoring at €60 Mio
- DPOs registered an increase (+2 days) vs Q4 2017, in line with Q4 2017 and Q1 2018

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

Q4 2018

€25.7m

Q4 2017

€42.2m

NWOC / Revenues*

FY 2018

2.7%

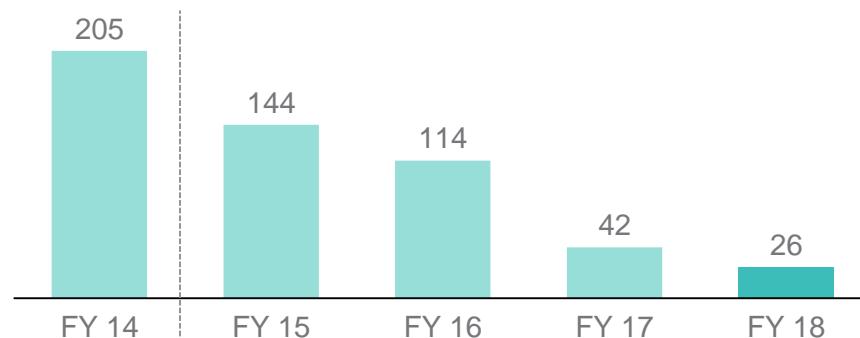
FY 2017

4.6%

- NWOC decrease by €17.9m vs 2017 is mainly due to following elements:
 - Higher DPOs
 - Increase in non-recourse factoring
- The continuous effort on the Working Capital management delivered a historically low level of NWOC% on Revenues to 2.7% (vs. 4.6% in Q4 2017)

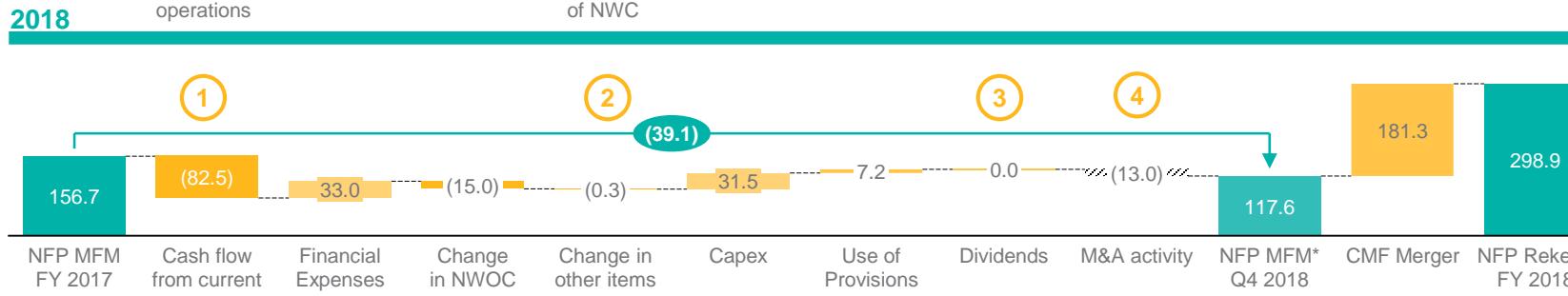
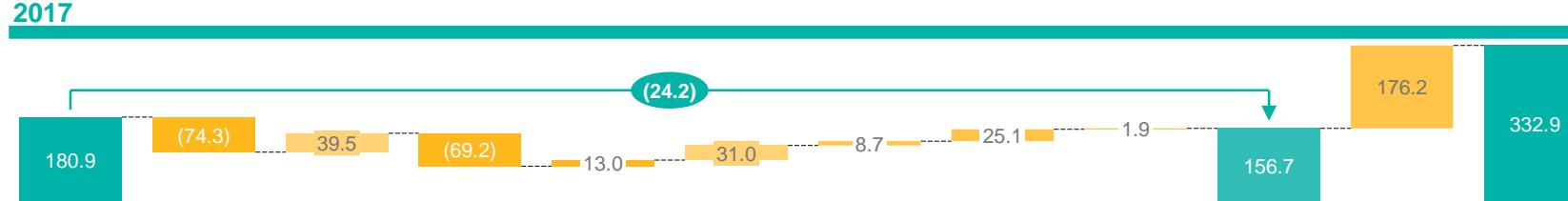
NB: stock values before FY 2014 are not comparable due to the 2015 introduction of VAT new fiscal regime (Split payment e Reverse charge)

Net Working Operating Capital, €m



Introduction of «Split Payment» and «Reverse Charge»

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



- ① **Higher cash flow from current operations** FY2018 vs FY2017 mainly due to increase in EBITDA [including impact from startup costs and adjustments] and more efficiency in NWC management
- ② **Normalization of the trend in VAT receivables** in Other NWC Items, following a 2017 change (and spike of +€13 Mio) in VAT regulation
- ③ **No dividend distribution in 2018**
- ④ **M&A activity** consists mainly in i) the sale of 95% of MFM Capital and the ii) sale of a PFI under pre-emption rights iii) ca. €2m investment for EOS acquisition in Turkey, **with an aggregated effect of +€13 Mio Cash**

...Focus on Liquidity and Credit Facilities

Type of Facility as of 31 Dec 2018

		Liquidity Available	Committed	Maturity	Details
BOND	Bond	360.0	-	Jun-22	<ul style="list-style-type: none"> SSN @2022 – 9% Coupon – 5NC3^(*)
Long Term	RCF	50.0			
	NR Factoring	46.0	204.1	Dec-21	<ul style="list-style-type: none"> Completely undrawn
	Other	11.8		Dec-21	<ul style="list-style-type: none"> New agreement in place with BFF: Revolving (no longer on a yearly plafond basis), max outstanding €200m, subject to availability of receivables to be sold
				Apr-23	<ul style="list-style-type: none"> 3 credit lines with different maturity
Short Term	Rec. Factoring	18.4			
	NR Factoring	8.6	61.2	Mar-26	<ul style="list-style-type: none"> Other than factoring facilities, the ST facilities are referable to Hot Money
	Other	5.8		Uncommitted facilities	<ul style="list-style-type: none"> In place to provide Company with daily management of WC
Cash	Cash	85.0			

Litigation Update

Recent Development/Updates

- **Brindisi Case** - With the sentence of February 27, 2019, the Court of Brindisi declared that it shall dismiss the case, proceed with the extinction of the crime for prescription; filing of the motivation is pending (please refer to p.167 of the Offering Memorandum and <https://www.rekeep.com/investors/download/221>)
- **Santobono Pausilipon** - The decision of the Council of State was challenged by the Company on January 9, 2019 before the Supreme Court for the purpose of obtaining its complete annulment due to an excess of judicial power, to have the Council of State applied a non-existent provision
- **FM4 Investigation** – Proceedings is still ongoing. On 12 December 2018, ICA delivered a notice concerning the evidence gathered in the proceedings thus far (Comunicazione delle Risultanze Istruttorie - Statement of Objections). *The Statement of Objections is an interim communication through which the ICA informs the subjects of the proceedings that, based on the evidence obtained, the investigation is not wholly without merit. The Statement of Objections does not set forth any decision on the merits of the investigation and does not assign any responsibility or levy penalties.*

Next Steps

- **Case dismissed**
- Suspension of effect until new decision
- End of proceeding postponed to: April 20th, 2019

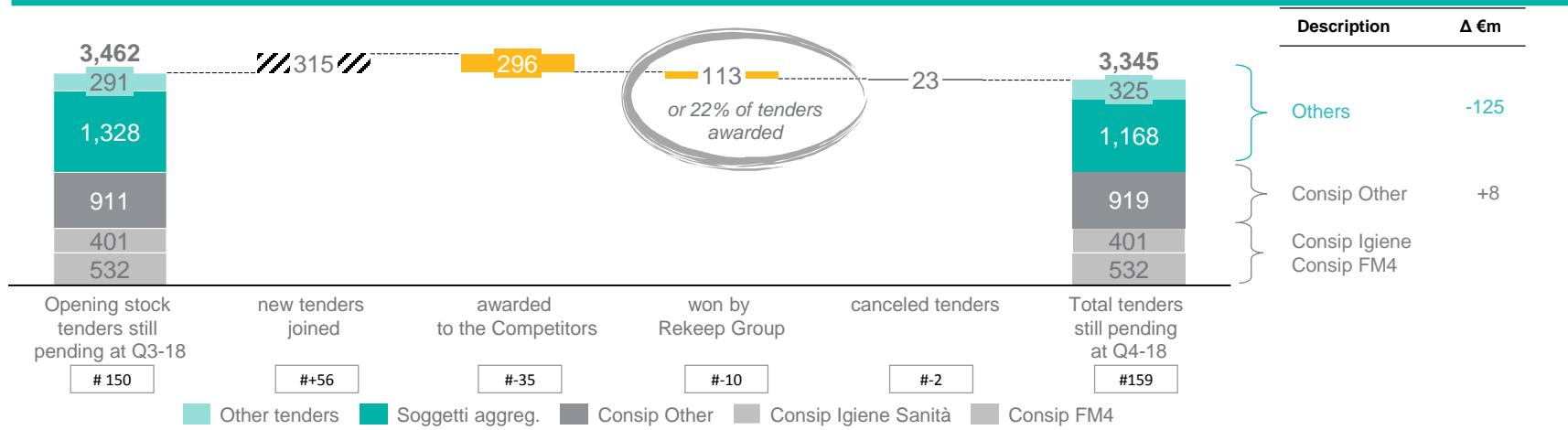


Annex



Tenders Pipeline

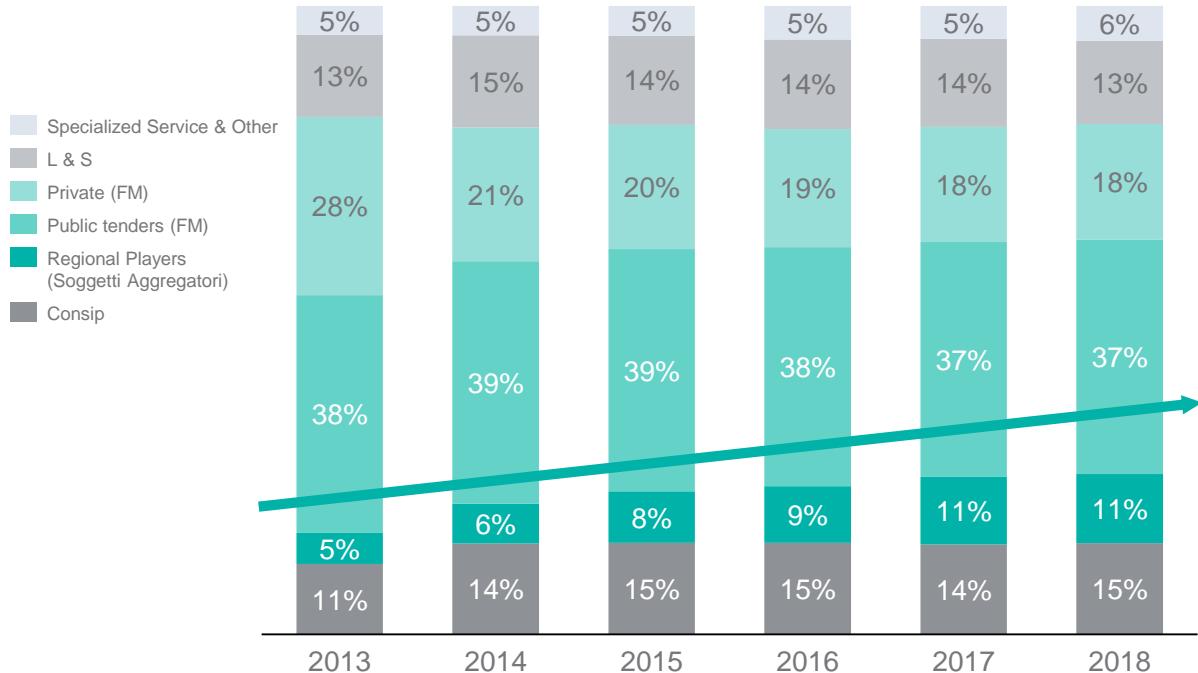
Tenders Pipeline Bridge by Stock tenders and New tenders



- In Q4 Rekeep Group achieved a win rate of 22% on # of tenders (10 out of 45) and 28% on value of tenders
- Total amount of tenders still pending accounts for €3.3bn
- 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

Revenues Breakdown

Group Revenues Breakdown

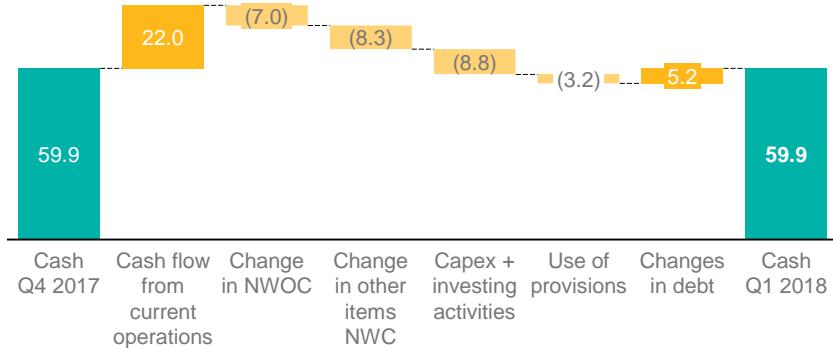


- The chart shows the historical evolution of The Group revenues breakdown by Contract/Purchasing Entities
- Since 2013 the percentage of revenues with CONSIP and Soggetti Aggregatori has grown from 16% to 26% of the total revenues
- As of today the weight of Soggetti Aggregatori and Consip accounts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

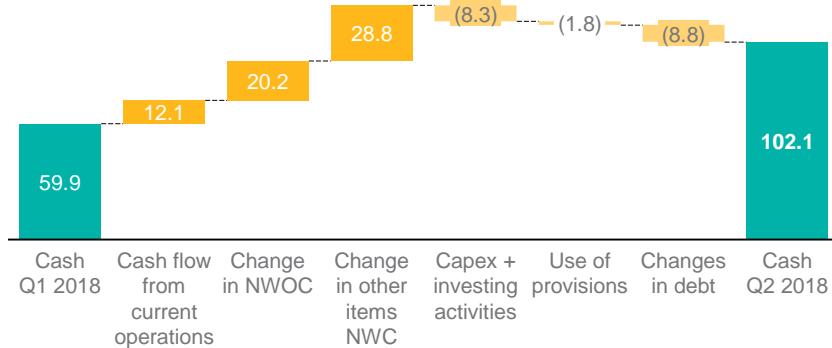
- Rekeep revenues breakdown is aligned with Framework Agreements evolution (Consip and Soggetti Aggregatori), consistently with the market trend

Cash evolution by quarter

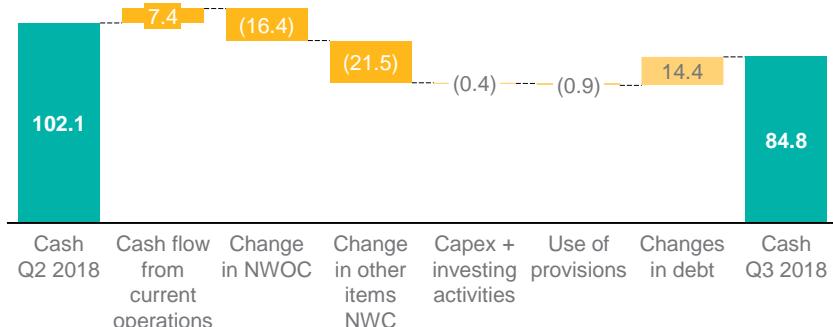
Q1 2018



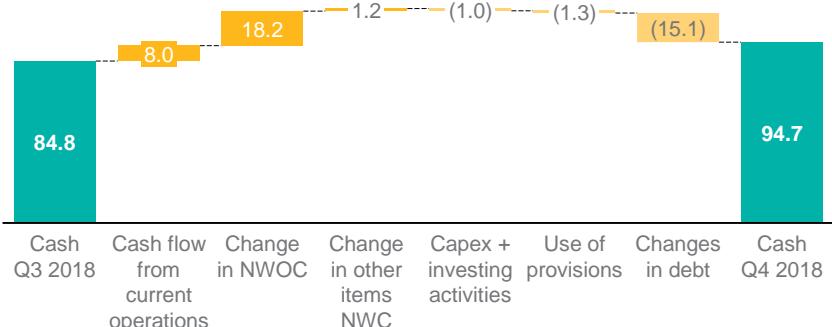
Q2 2018



Q3 2018

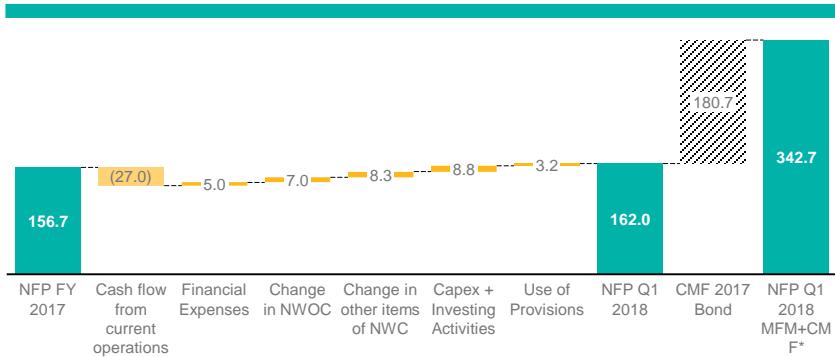


Q4 2018

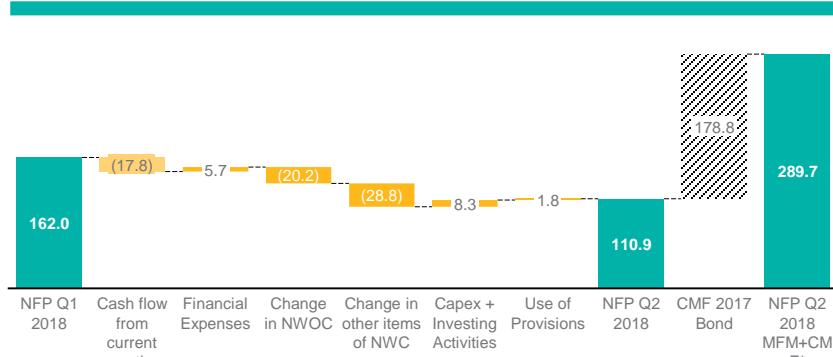


...Focus on NFP changes by quarter (€m)

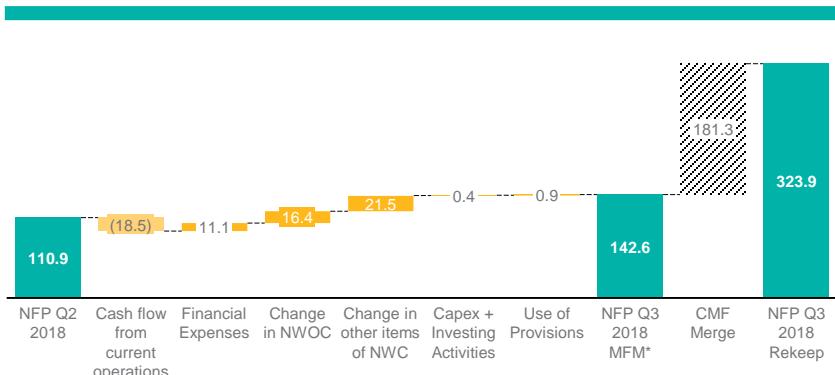
Q1 2018



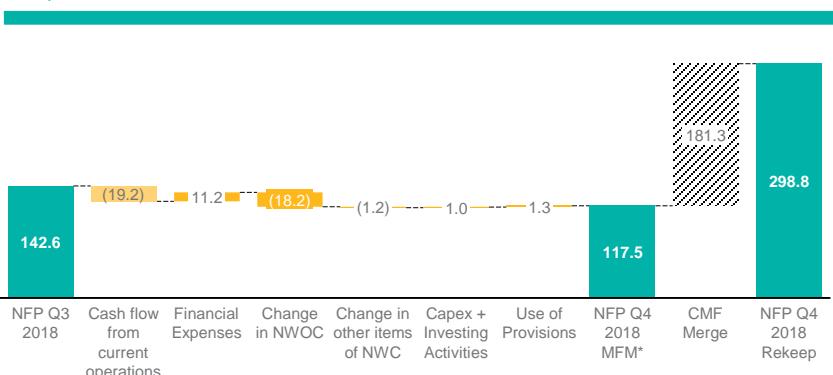
Q2 2018



Q3 2018



Q4 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:

Q4 2018 KPI Reconciliation (statutory vs adjusted), €m

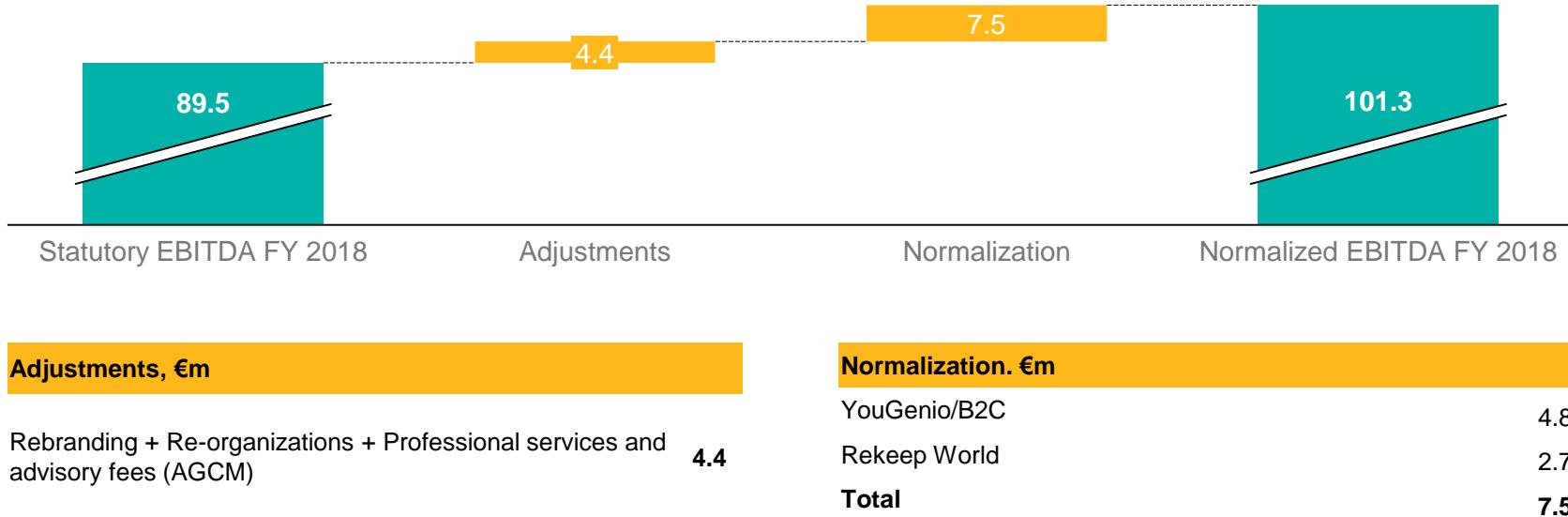
	Statutory Consolidated FS	Adj	Adjusted Consolidated FS	Normalization	Normalized Consolidated FS
Revenues	949.9	4.3	945.6	(8.6)	937.0
EBITDA	89.5	4.4	93.8	7.5	101.3
<i>EBITDA % on revenues</i>	<i>9.4%</i>		<i>9.9%</i>		<i>10.8%</i>
EBIT	55.8	4.4	60.1	8.3	68.3
<i>EBIT % on revenues</i>	<i>5.9%</i>		<i>6.4%</i>		<i>7.3%</i>
Net Result		15.8			
NWOC		25.7			
NFP Rekeep Group		(298.8)			

- 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

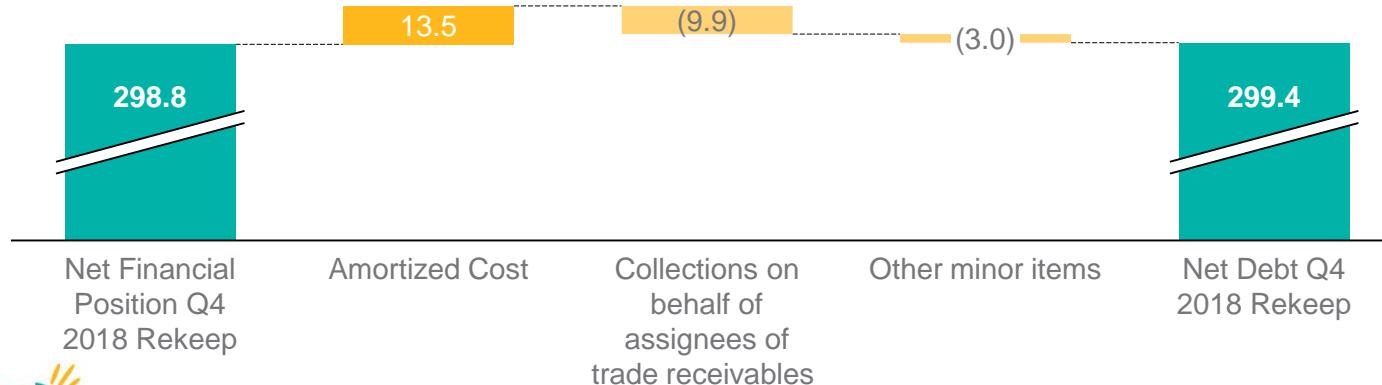
Bridge to Normalized EBITDA, €m



Net Financial Position to Net Debt

Q4 2018 Net Financial Position to Net Debt, €m

	31 st December 2018	31 st December 2017
Long term financial debt	361.7	175.3
Bank borrowings, including current portion of long-term debt and other financial liabilities	37.4	43.2
Gross financial indebtedness	399.1	218.5
Cash and cash equivalents	(94.7)	(59.9)
Current financial assets	(5.5)	(1.9)
Net financial indebtedness	298.8	156.7
Pro forma CMF		176.2
Net financial indebtedness Rekeep Group	298.8	332.9



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 31 Dec	
	2018	2017	4Q 2018	4Q 2017
Total revenues	949.882	918.091	263.138	253.632
Total costs of production	-860.427	-829.484	-238.150	-238.985
EBITDA	89.455	88.607	24.988	14.647
EBITDA %	9,42%	9,65%	9,50%	5,77%
Amortization/depreciation, write-downs and write-backs of assets	-31.122	-30.280	-7.673	-8.952
Accrual of provisions for risks and charges	-2584	-143	-1952	621
Operating income	55.749	58.184	15.363	6.316
Risultato operativo %	5,87%	6,34%	5,84%	2,49%
Share of net profit of associates	1.466	-1.945	265	-2.974
Net financial charges	-32.946	-39.514	-11.186	-18.148
Profit before taxes from continuing operations	24.269	16.725	4.442	-14.806
Profit before taxes from continuing operations %	2,55%	1,82%	1,69%	-5,84%
Income taxes	-8.426	-16.010	920	-2.392
Profit from continuing operations	15.843	715	5.362	-17.198
Loss for the period from discontinued operation	0	0	0	0
Net profit for the period	15.843	715	5.362	-17.198
Net profit for the period %	1,67%	0,08%	2,04%	-6,78%
Minority interests	-109	-73	32	-24
Net profit for the period attributable to equity holders of the parent	15.734	642	5.394	-17.222
Net profit for the period attributable to equity holders of the parent %	1,66%	0,07%	2,05%	-6,79%

ANNEX

BALANCE SHEET (€/000)	31 Dec 2018	31 Dec 2017	Change	31 Dec 2017 CMF
USES				
Trade receivables and advances to suppliers	417.930	429.165	-11.235	429.165
Inventories	7.421	6.057	1.364	6.057
Trade payables and advances from customers	-399.602	-393.022	-6.580	-387.052
Net working operating capital	25.749	42.200	-16.451	48.170
Other element of working capital	-61.284	-60.865	-419	-61.438
Net working capital	-35.535	-18.665	-16.870	-13.268
Tangible assets	73.975	71.343	2.632	71.343
Intangibles assets	433.256	395.532	37.724	428.715
Investments accounted for under the equity method	19.207	27.294	-8.087	27.294
Other non current assets	28.481	35.507	-7.026	36.454
Operating fixed assets	554.919	529.676	25.243	563.806
Non current liabilities	-55.104	-55.523	419	-57.741
Net invested capital	464.280	455.488	8.792	492.797
SOURCES				
Minority interests	668	381	287	381
Equity attributable to equity holders of the parent	164.824	298.401	-133.577	109.794
Shareholders' equity	165.492	298.782	-133.290	110.175
Subordinated Shareholder Funding	0	0	0	49.700
Net financial indebtedness	298.788	156.706	142.082	332.922
Total financing sources	464.280	455.488	8.792	492.797

ANNEX

Statement of Cash flow (Statutory) (€/000)	31 Dec 2018	31 Dec 2017
<i>CASH at the beginning of the period</i>	59.870	174.992
Cash flow from current operations	49.536	34.784
Use of provisions for risks and charges and for employee termination indemnity	-7.180	-8.705
Change in adjusted NWOC	14.965	69.170
Industrial Capex, net of disposals	-32.220	-30.958
Financial Capex	13.772	-1.924
Other changes	-180.956	-38.132
Change in net financial liabilities	176.946	-139.358
<i>CASH at the end of the period</i>	94.733	59.870

What's next

- ✓ Rekeep will attend the Morgan Stanley Leveraged Finance Conference in London, on April, 4th 2019
- ✓ Next call on Q1 2019 Results will be held on May, 15th 2019
- ✓ Rekeep Financial Calendar and Replay available on:

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