



Rekeep Group



Deutsche Bank European Leveraged
Finance Conference

London, June 5th, 2019

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According to the Offering Memorandum, for purposes of any calculations pursuant to the Indenture, IFRS shall be deemed to treat operating leases in a manner consistent with the treatment thereof under IFRS as in effect on the Issue Date, notwithstanding any modifications or interpretative changes thereto that may occur after the Issue Date.

For this reason, the figures presented in this document do not reflect any impact arising from the adoption of IFRS16, however a reconciliation slide has been inserted in Q1 2019 Results presentation on IR online section for the benefit of the bondholders.

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Q1 results of Rekeep Group are unaudited

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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- Company Profile
- Key Credit Highlights
- Results at Q1 2019
- Q&A session



Company Profile



Rekeep – Key highlights

One-stop-shop and mission critical services

Market leading position with national presence

Contract-based business with multi-year backlog

Strong financial profile

Six core services

- ✓ Cleaning
- ✓ Technical services
- ✓ Landscaping
- ✓ Property management
- ✓ Logistics
- ✓ Laundering & Sterilization

#1 Player in the **Facility Management** industry

#1 Player in the **Sterilization** industry

#2 Player in the **Laundering** industry

~3.0x Revenue backlog

90+% Revenue from existing contracted customers each year

98% Renewal rate on top 30 customers¹

€946.3m Normalized LTM Q1 2019 Revenues

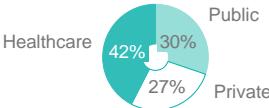
€101.4m Normalized LTM Q1 2019 EBITDA

70% Steady-state cash conversion²

Source: Company information

¹ Calculated by taking the average renewal rates of our top 30 customers in each of the last seven years, 2010-2017, excluding Telecom Italia, FCA and Pirelli ; ² Cash Conversion = (Norm. EBITDA – Capex)/(Norm. EBITDA)

An integrated service and solution provider...

	Facility Management	Laundering & Sterilization
Main activities	<ul style="list-style-type: none"> ✓ Maintenance, cleaning, energy services, fire prevention, safety of assets / people and property management ✓ 47 branches across Italy 	<ul style="list-style-type: none"> ✓ Linen rental and industrial laundering service ✓ Fabrics and surgical instruments sterilization ✓ 100+ healthcare entities served (24 sterilization centers, 4 laundering plants)
LTM Q1 2019 Normalized Revenue ¹	€819.5m (86% of LTM Q1 2019 total Revenue)	€129.2m (14% of LTM Q1 2019 total Revenue)
LTM Q1 2019 Normalized EBITDA	€71.2m (70% of total – 8.7% Margin)	€30.2m (30% of total – 23.4% Margin)
LTM Q1 2019 EBITDA-Capex	€57.4m (81% of EBITDA)	€8.9m (30% of EBITDA)
LTM Q1 Revenue Breakdown	Healthcare 42%  Public 30% Private 27%	Sterilization 25%  Laundering 75% Fastest growing segment
Brands		
Positioning in Italy	# 1	# 1 in Sterilization - # 2 in Laundering



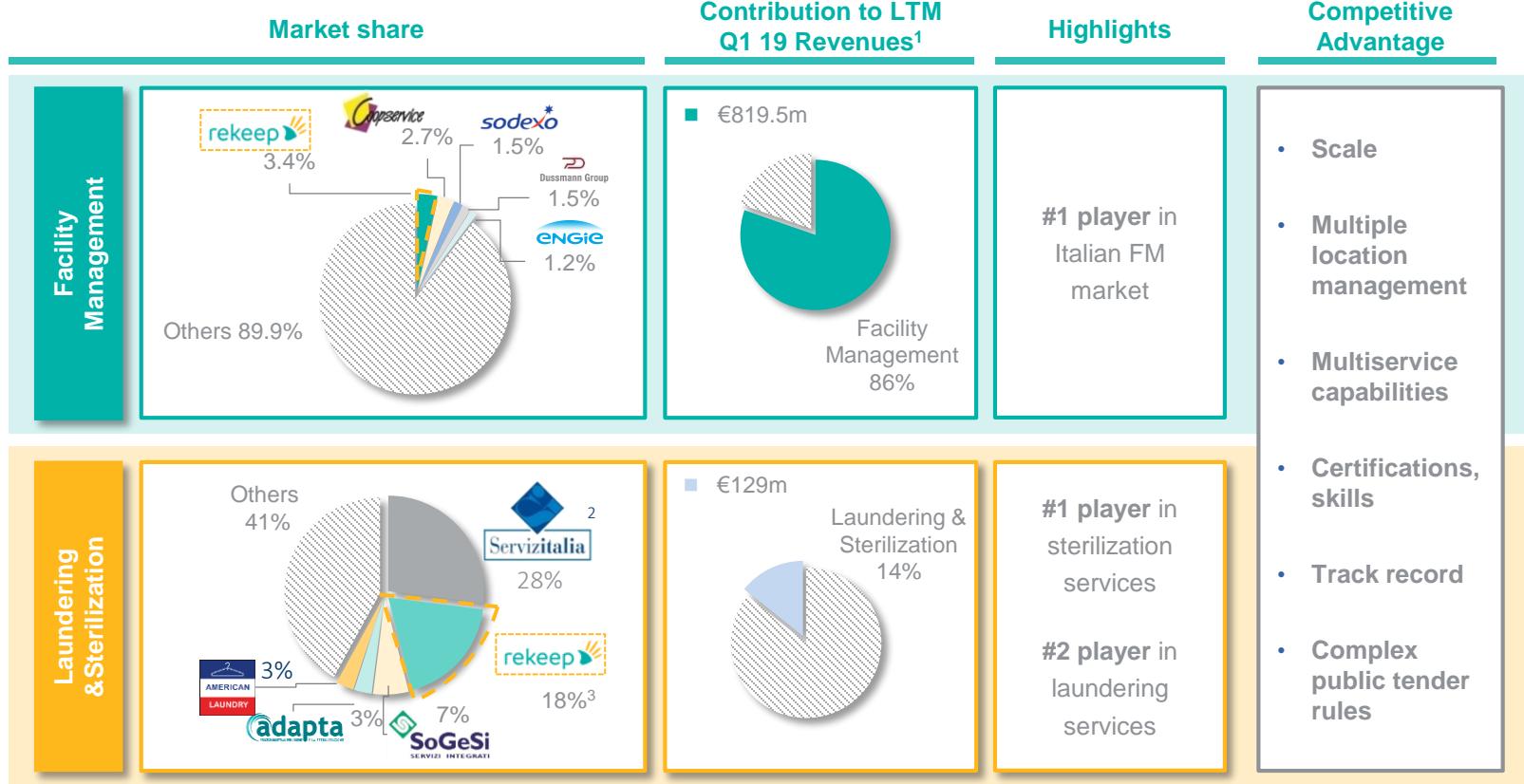
Key Credit Highlights



Key Credit Highlights

	1 >	Industry with consistent growth and positive secular outsourcing trend
	2 >	Leading position in a highly fragmented industry
	3 >	Broadest service offering with a focus on the highly profitable healthcare segment
	4 >	Nationwide presence in growing reference market
	5 >	Diversified and long-standing customer base
	6 >	Highly visible, recurring and diversified revenue base
	7 >	Highly variable cost structure and asset-light financial profile

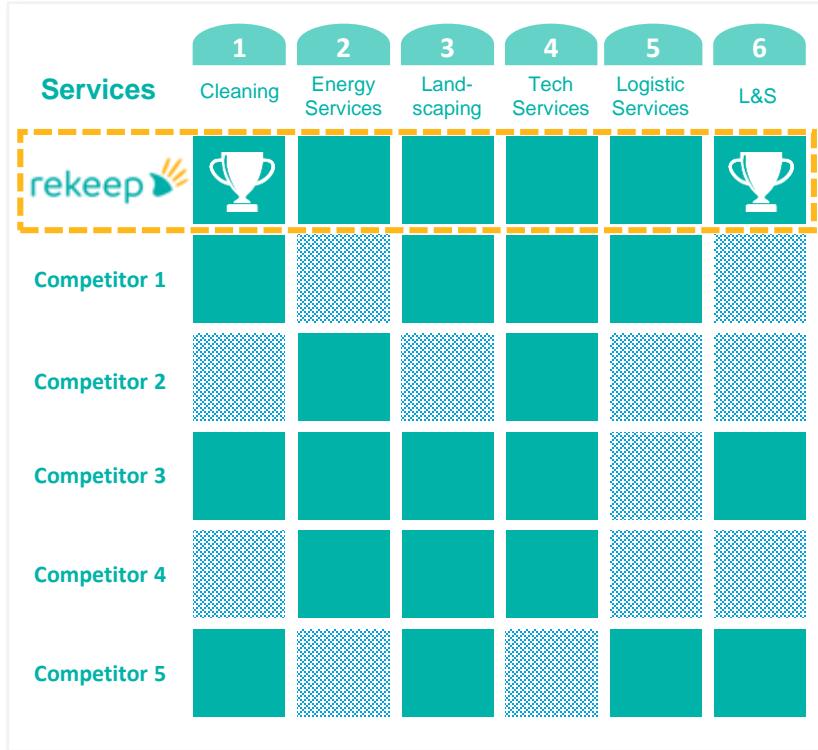
Leading position in a highly fragmented industry



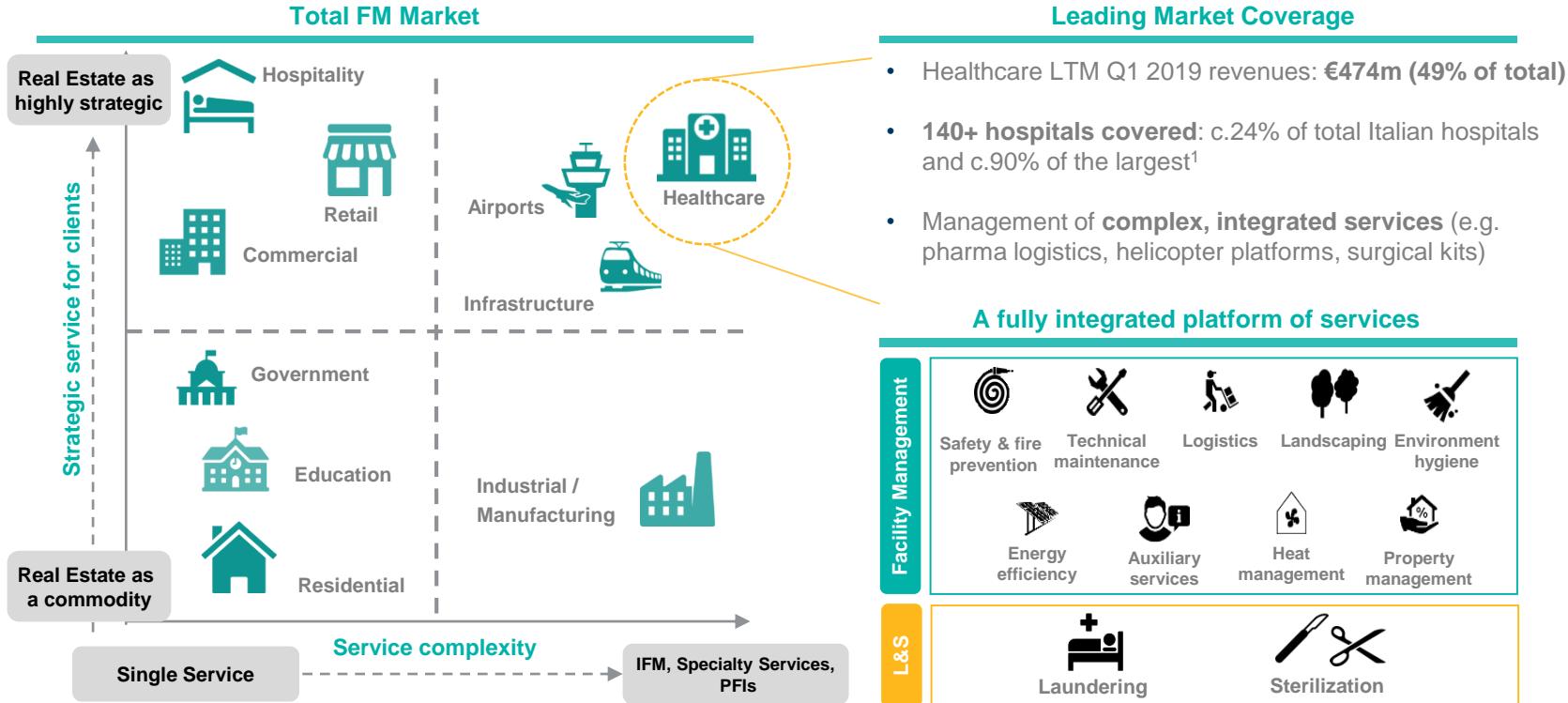
Rekeep Group is the clear leader with strong competitive advantages in a highly fragmented market

Fully integrated service provider with strong set of competitive advantages

Size	Largest national player
Portfolio	Breadth of service offering Integrated, advanced IFM solutions
Track Record	70+ years in operation Preferred counterparty of PAs
Organizational Excellence	Unique responsiveness to client requests Best-in-class responses to tenders Continuous quality checks
Technical Capabilities	Advanced IT systems and digitalization Highly integrated with ability to scale-up
IT Platform	State-of-the art IT platform
Certifications	Health and Safety RINA, Quality IQNET



Broadest service offering with a focus on the highly profitable healthcare segment



Nationwide presence in growing reference market

Nationwide Presence

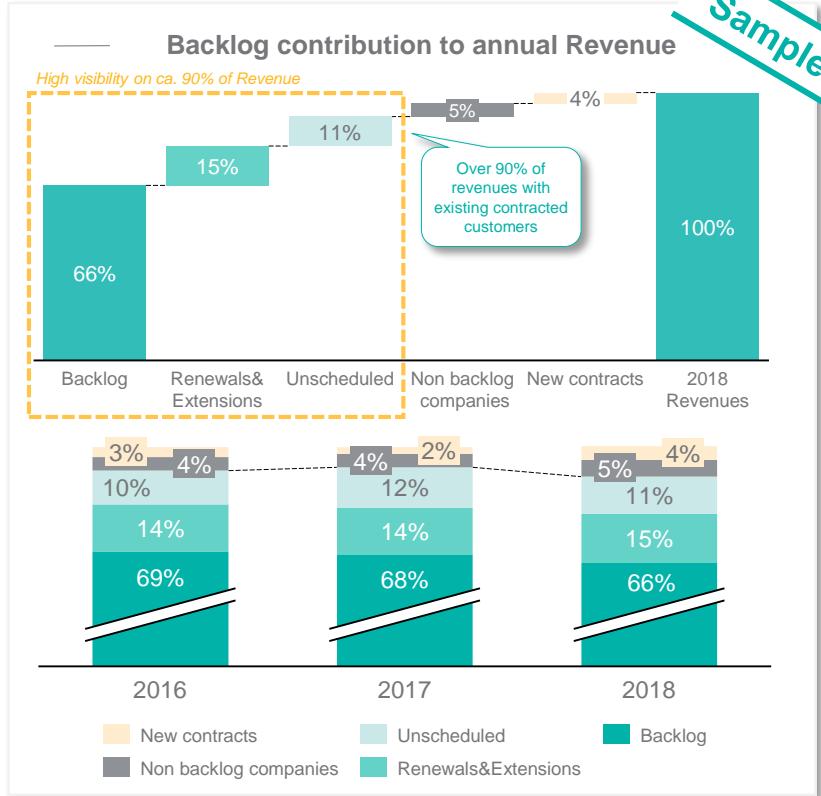


Growing Reference Market



Unique granularity of network and national reach

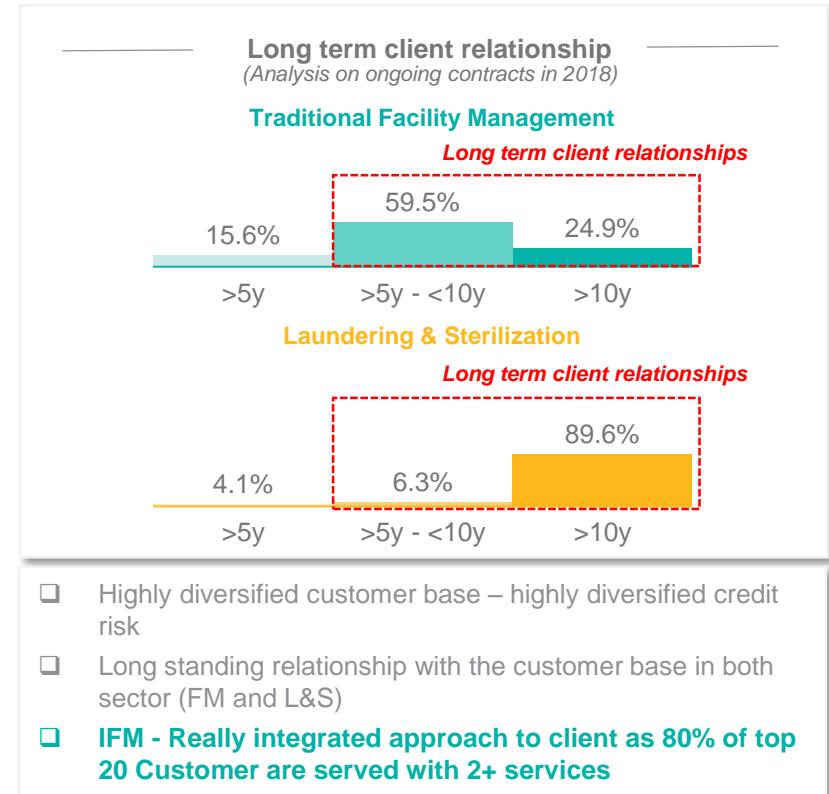
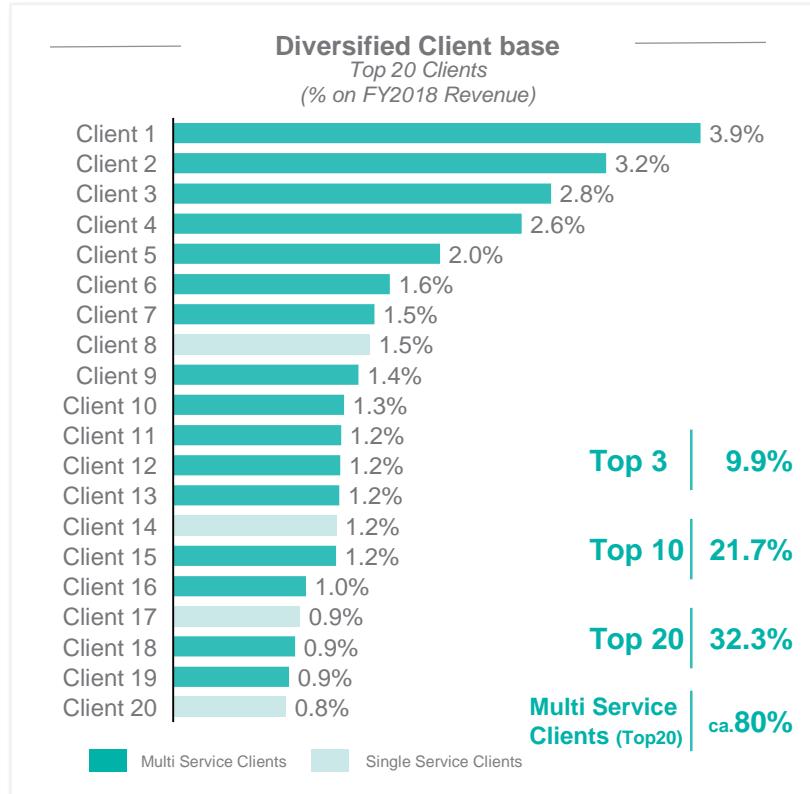
Highly visible, recurring and diversified revenue base



Upside

- At the beginning of the year, ca. 90% of budgeted revenues already secured, due to the multi-years customary structure of contracts, (2018 Budget – see *upper left chart*)
- Budgeting Phase - High revenue visibility from backlog, contracts' renewals and extensions (*historically recurring – see bottom left chart*)
- Deep visibility on the year provide grip to management to focus on appropriate fixed cost structure (G&A and indirect costs)

Diversified and longstanding customer base



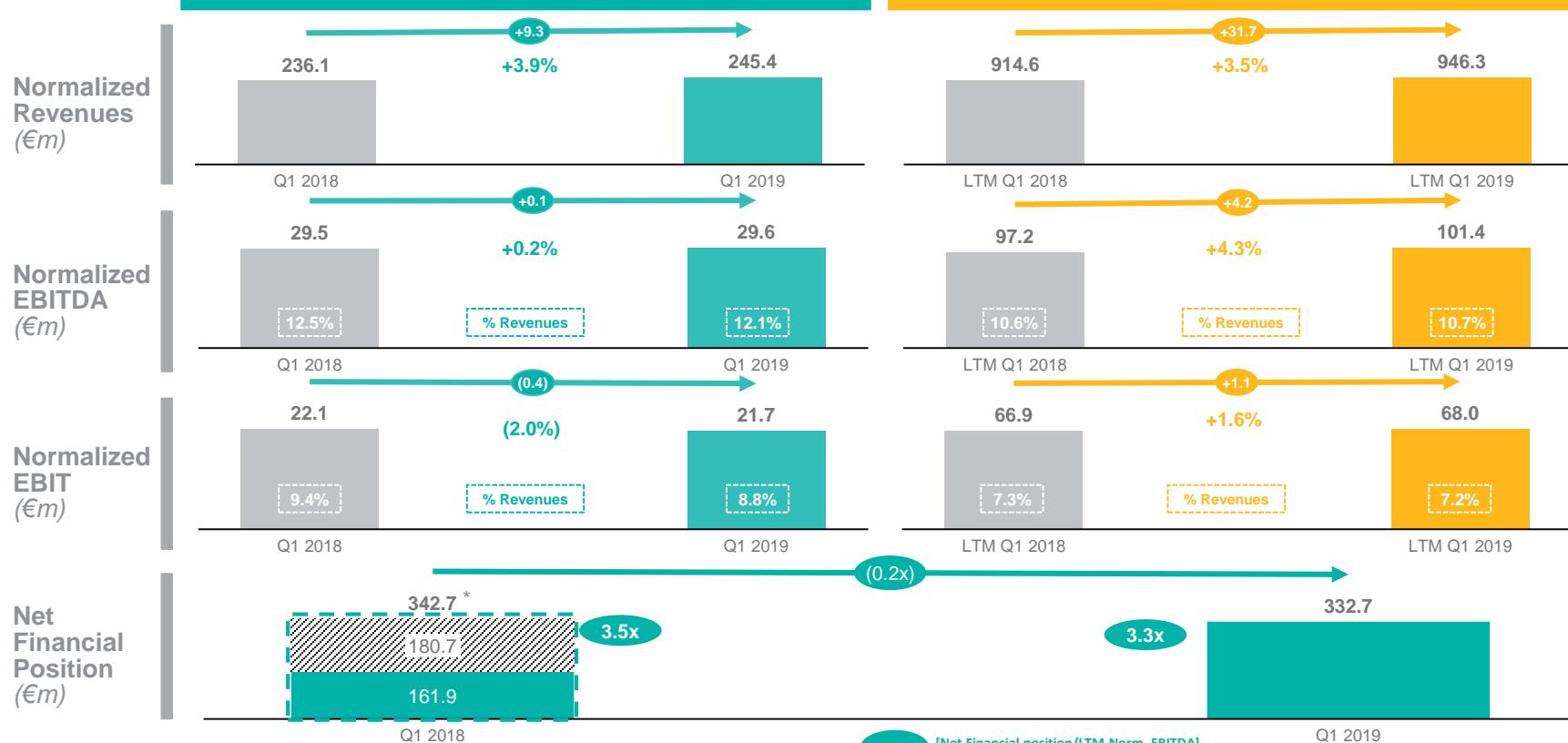


KPIs and main Financial Results at Q1 2019

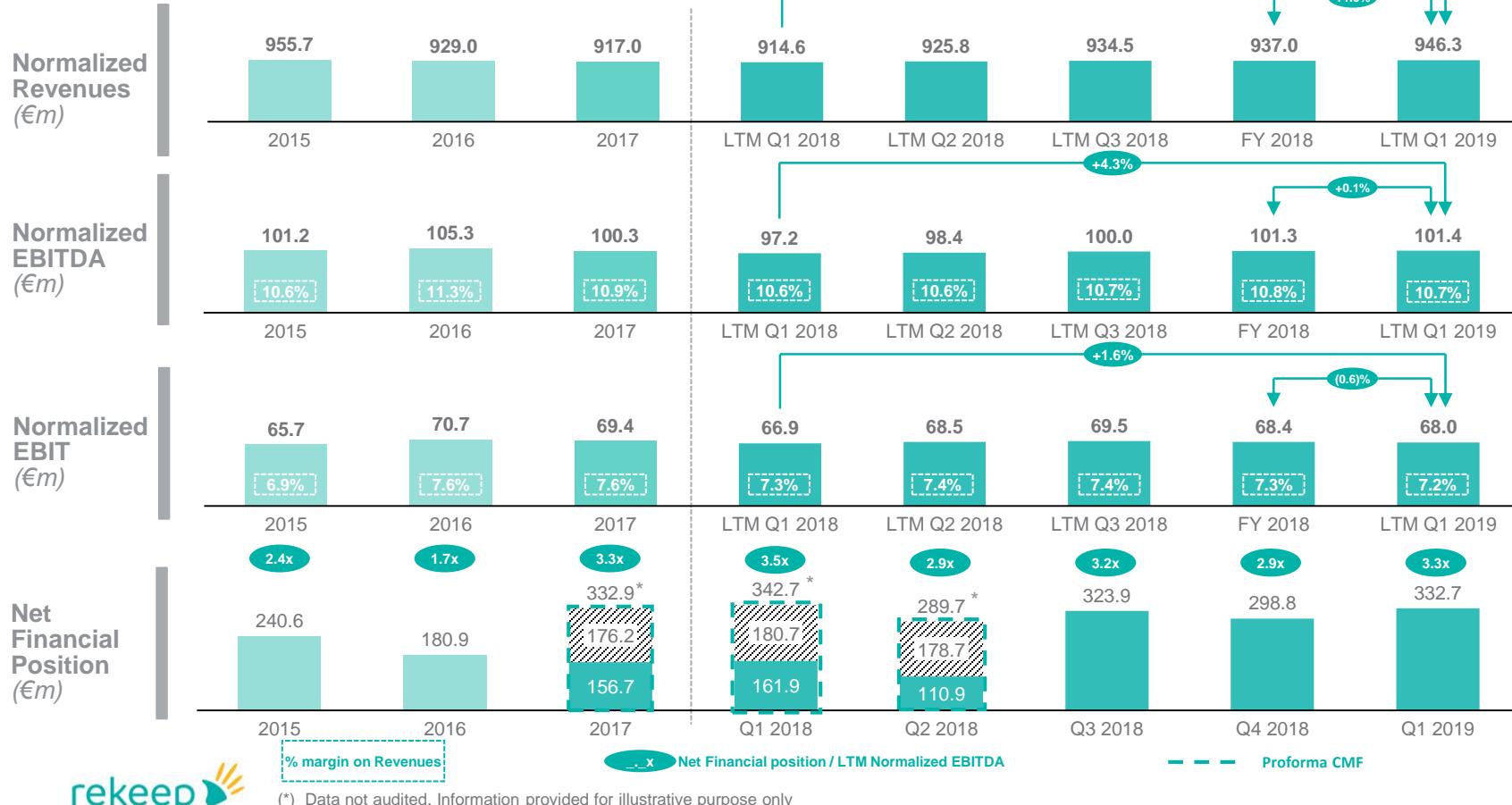
3 months and LTM KPIs at a glance

Q1 2018 vs. Q1 2019

LTM Q1 2018 vs. LTM Q1 2019

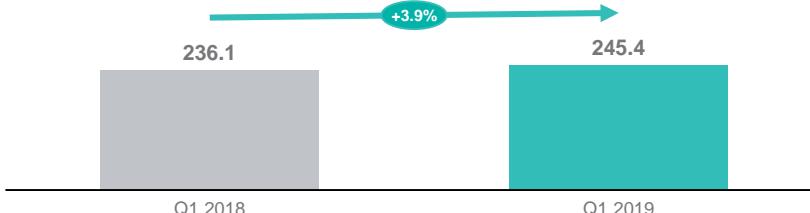


Long Term Performance



Normalized Revenues

Normalized Revenues, €m



Considerations

- Higher normalized revenues (+3.9%) driven by an increase in both sectors, FM and L&S
 - ✓ FM Revenues increase in Q1 2019 by €7.4m (+3.6%)
 - ✓ Continuous increase of L&S by €1.8m (+5.7%)

Normalized Revenues by segment, €m



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

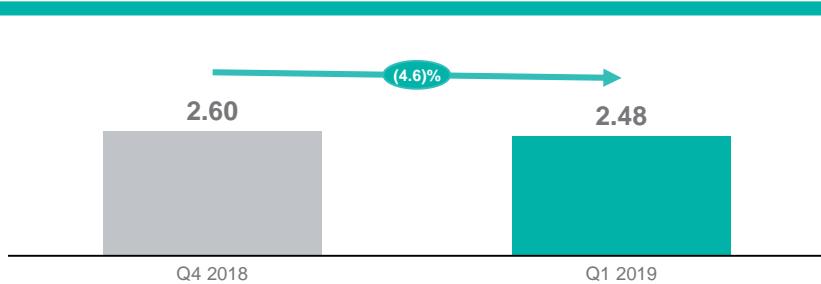
Normalized Revenues bridge by client, €m



- Facility Healthcare** still drives the growth: increase mainly due to MIES2 development
- Private Sector** increase mainly driven by H2H revenues
- PSEs** decrease mainly due to perimeter change of a large customer, and a loss of some contracts

Backlog

Backlog, €bn



Revenue visibility from backlog



- Decrease of the coverage of future revenues, 2.6 times FY revenues, mainly due to the increase of technical extensions of contracts in portfolio (+77% QoQ), related to a lower market tendering activity carried out by the Purchasing Entities
- As of 31 March 2019, approximately 76%(*) of the total Mies2 FA has been saturated.
- Moreover, after the Q1 end, further new contracts have been signed (in April 2019) for the plurennial value of €50m leading to a nearly full saturation of the FA (approximately 96%)
- From the formal activation of the MIES2 FA, the Company has almost completed the fulfillment in approx. 19 months, with an average length of contract of approx. 6 years

Conversely from previous presentations, both charts do not include potential Mies2 as this framework agreement is close to full saturation

Commercial Activity

Value of contracts signed Q1 2018 , €m



Breakdown of signed contracts Q1, €m



Signed contracts by Client, €m



Sales activity

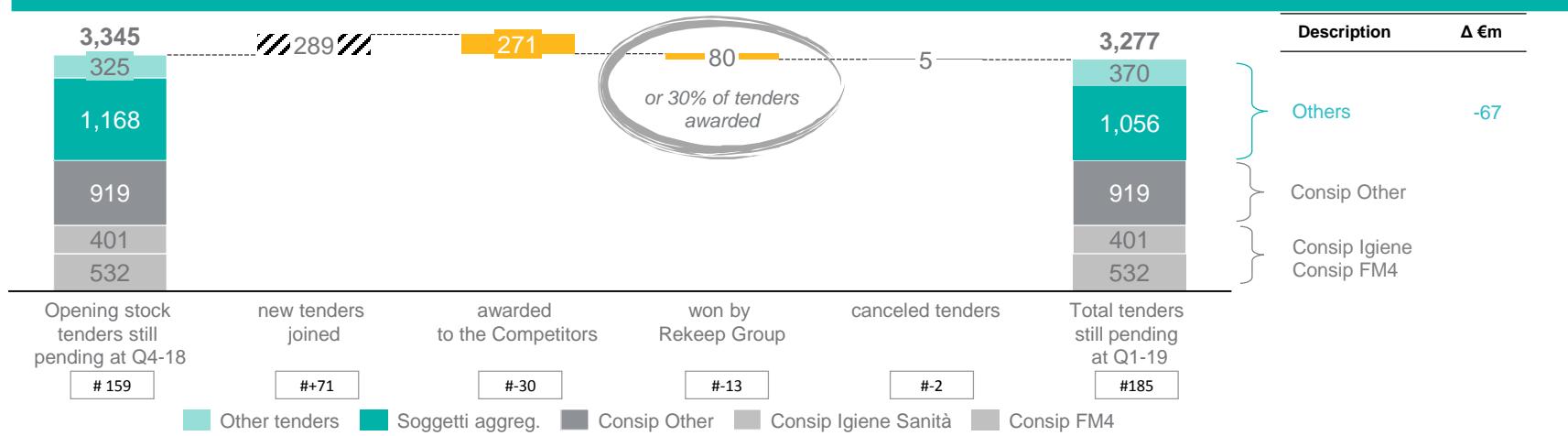
- Lower new contracts acquisitions and renewals due to:
 - ✓ Mies2 close to saturation
 - ✓ Lower market tendering activity in public sector lead to a higher technical extensions of actual contracts
- Increase mainly achieved in private market

Sales activity in Q1 2019

Client	Service	Annual Value	Duration	Acquisition type
TRENITALIA Lombardia, Campania e Molise	Cleaning	€11.1m	1 years	Portfolio
Coop Alleanza 3.0	Cleaning	€7.5m	1 years	Portfolio
Carrefour	Cleaning	€3.5m	1 years	New Market

Tenders Pipeline – Q1 2019

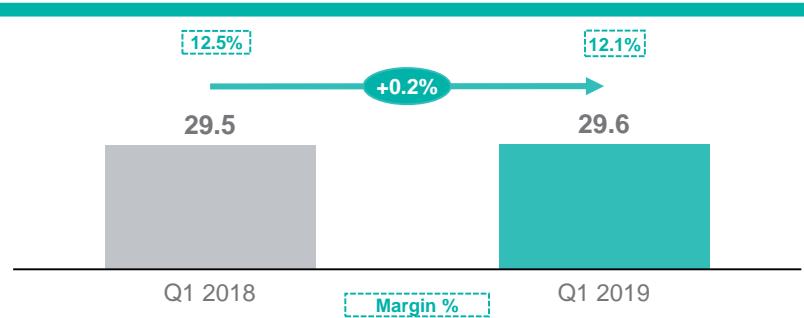
Tenders Pipeline Bridge by Stock tenders and New tenders



- In the modest awarding market environment, in Q1 2019 Rekeep Group achieved a win rate of 30% on # of tenders (13 out of 43) and 23% 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.

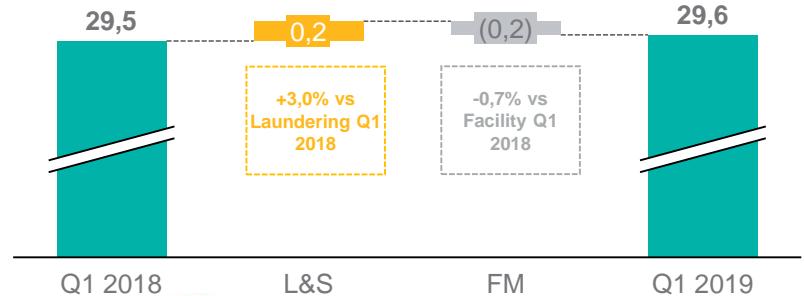
Normalized EBITDA

Normalized EBITDA, €m



- Normalized EBITDA Q1 2019 vs Q1 2018 increased by +€0.1m :
 - ✓ The positive performance in L&S (+€0.23m) is offset by the negative impact of the FM sector (-€0.16m)
 - ✓ In Q1 2019, L&S experienced an increase in Normalized EBITDA of 3.0% compared to Q1 2018, whereas FM underwent a decrease of 0.7% in the same period

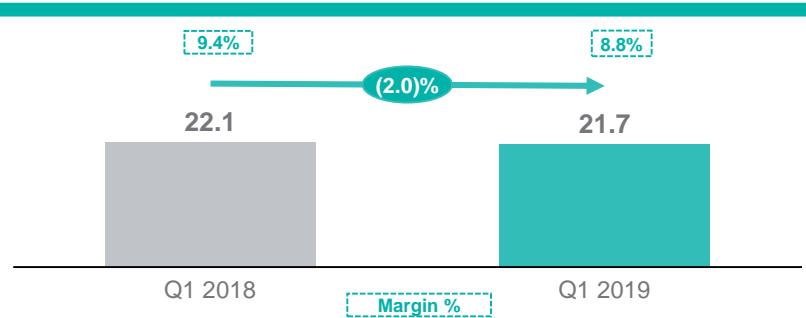
Bridge Normalized EBITDA, €m



Q1 2018 adjustments on EBITDA are +€0.5m vs +€0.8m in Q1 2019

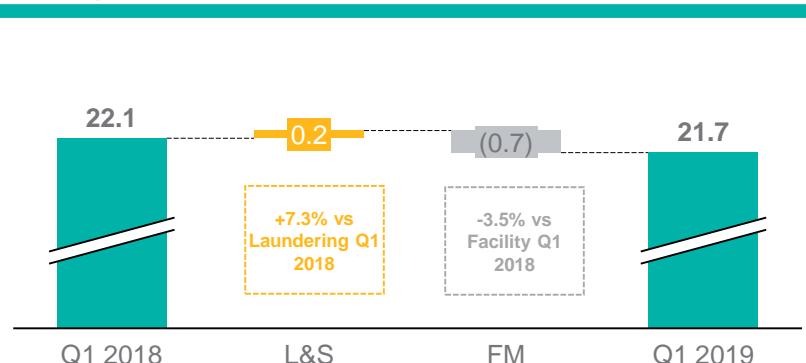
Normalized EBIT

Normalized EBIT, €m



- Normalized EBIT slightly decreases to €21.7m (-2%), down €0.4m QoQ due to higher level of D&A
- The decrease is mainly driven by the FM sector:
 - ✓ in FM Normalized EBIT is reduced by -€0.7m, which corresponds to a decrease of -3.5% compared to Q1 2018
 - ✓ in L&S Normalized EBIT rises by +€0.2m, which corresponds to an increase of +7.3% compared Q1 2018

Bridge Normalized EBIT, €m



Q1 2018 adjustments on EBIT are +€0.5m vs +€0.8m in Q1 2019

Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses, €m

Q1 2019 (REKEEP)	€8.6m
Q1 2018 (CMF + MFM)*	€9.5m

Taxes, €m

Q1 2019 (REKEEP)	€8.0m
EBT €10.5m	Tax Rate 76%
Q1 2018 (CMF + MFM)*	€6.7m
EBT €10.9m	Tax Rate 62%

Net Result, €m

Q1 2019 (REKEEP)	€2.5m
1.0% of Revenues	
Q1 2018 (CMF + MFM)*	€4.1m
1.8 % of Revenues	

- Financial expenses lower than Q1 2018 including the buy-back** effect occurred during Q1 2019

- Net Income negatively impacted by higher taxes and lower EBIT

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

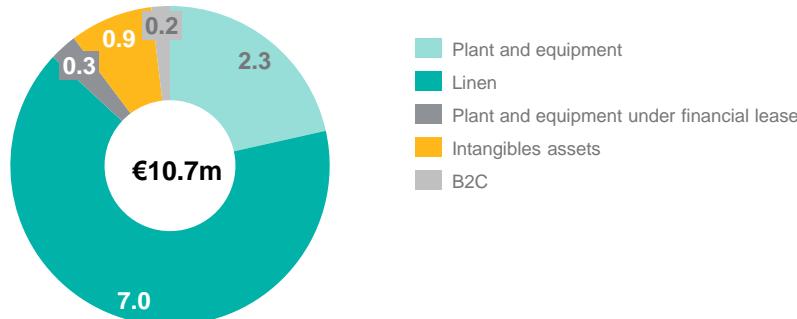
(**) Pursuant to privately negotiated open-market transactions, Rekeep has repurchased approx. €10m aggregate principal amount of its Notes directly from holders – such securities have been cancelled accordingly.

Industrial Capex

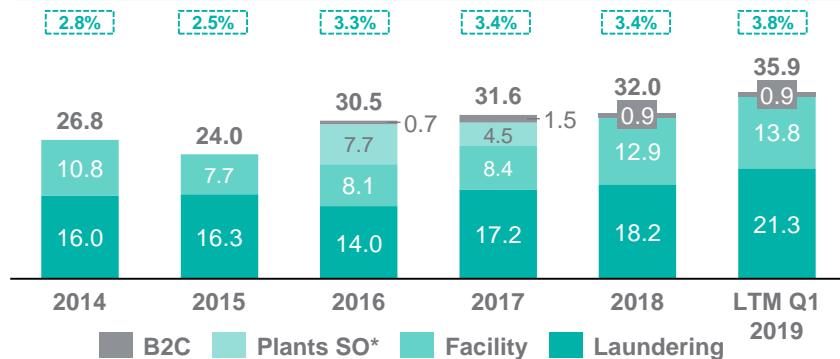


- 2019 Capex accounted 3.8% of FY Revenues. Capex increase in Facility and Laundering mainly due to:
 - **Laundering:** +€3.5m for the development of new major clients (Contracts annual value ~€9m for 5 years)
 - **Facility:** +€0.9m in tangible assets mainly for new PFI projects (PFI - Casalecchio Municipality and PFI – Valsamoggia Municipality)

Capex Breakdown FY 2018, €m



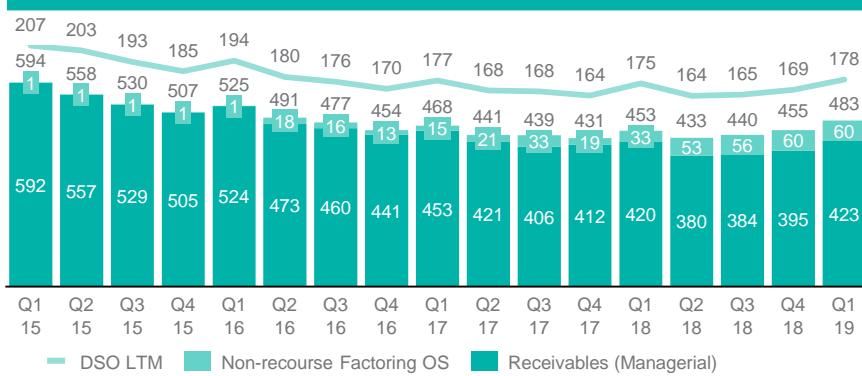
Capex overview, €m



Capex for intangible assets are mainly represented by ICT development

DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



- DSOs reach 178 days showing an increase, similarly to previous years in Q1
 - ✓ Increase is mainly due to a delay in invoicing (+13 days; +€35m) vs Q4 2018
 - ✓ partially offset by a decrease in collection (-4 days; -€7m).

- Stable level of non-recourse factoring at €60m

- DPOs registered a decrease (-5 days) vs Q4 2018 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

Net Working Operating Capital

NWOC

Q1 2019

€56.7m

Q1 2018

€49.2m

NWOC / Revenues*

LTM Q1 2019

6.0%

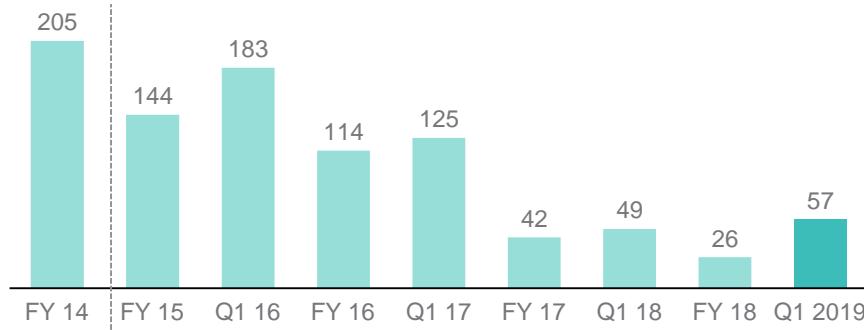
LTM Q1 2018

5.4%

- NWOC increase by €7.4m vs Q1 2018 is mainly due to following elements:
 - Higher DSOs
 - Lower DPOs
- Higher NWC vs Q4 2018 due to seasonality effect as in previous years

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

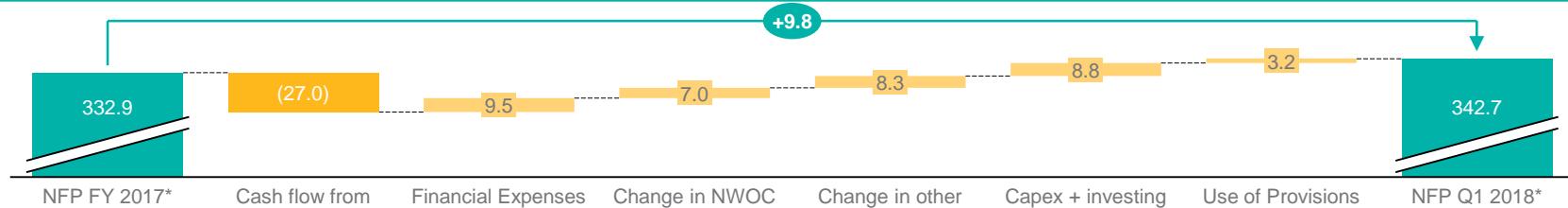
Net Working Operating Capital, €m



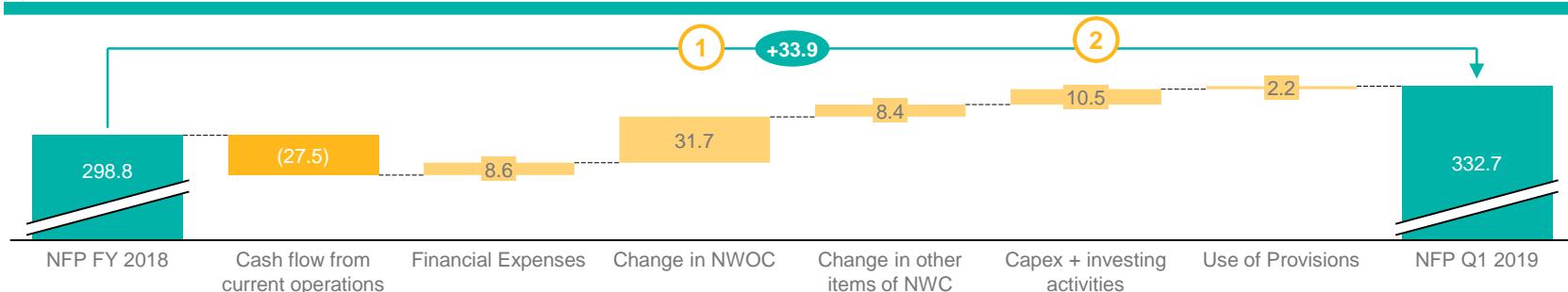
Introduction of «Split Payment» and «Reverse Charge»

...Focus on NFP changes Q1 2018 vs Q1 2019 (€m)

Q1 2018



Q1 2019



Increase in NFP in line with Q1 2018 following the business seasonality

① Change in NWOC increase due to higher revenues vs PY quarter

② Higher CAPEX mainly in L&S the development/start-up of new major clients and PFI investments

...Focus on Liquidity and Credit Facilities

Type of Facility as of 31 March 2019

		Liquidity Available	Committed	Maturity	Details
BOND	Bond	349.7	-	Jun-22	<ul style="list-style-type: none"> SSN @2022 – 9% Coupon – 5NC3^(*)
Long Term	RCF	50.0		Dec-21	<ul style="list-style-type: none"> Completely undrawn
	NR Factoring	50.5	201.1	Dec-21	<ul style="list-style-type: none"> New agreement in place with BFF: Revolving, max outstanding €200m, subject to availability of receivables to be sold
	Other	13.0		Apr-23 Mar-26	<ul style="list-style-type: none"> 4 credit lines with different maturity
Short Term	Rec. Factoring	19.1		Uncommitted facilities	<ul style="list-style-type: none"> Other than factoring facilities, the ST facilities are referable to Hot Money
	NR Factoring	9.7			<ul style="list-style-type: none"> In place to provide Company with daily management of WC
	Other	1.7		Dic-20	
Cash	Cash	54.9			

(*) Pursuant to privately negotiated open-market transactions, Rekeep has repurchased approx. €10m aggregate principal amount of its Notes directly from holders – such securities have been cancelled accordingly. Consistently with our policy to proactively manage our debt profile, the Company may make further purchases of notes from time to time

What's next

- ✓ Rekeep Financial Calendar and materials available on:

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



Q&A session

