



# Rekeep Group

*J.P. Morgan European High Yield & Leveraged Finance Conference*

*September 9<sup>th</sup>, 2020*

# Disclaimer

*This presentation has been prepared for information purposes only as part of the J.P. Morgan European High Yield & Leveraged Finance Conference and cannot 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*

*Rekeep Group's 2020 Half Year Results are subject to limited auditors' review*

*All Pro-Forma figures shown in this presentation are unaudited*

# Index and Presenters



## Rekeep speakers



### Giuliano Di Bernardo

*Chairman and CEO*



### Luca Buglione

*CFO*



## Index

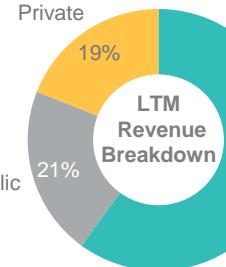
- Rekeep Overview
  - Group Structure
  - Group Repositioning as Healthcare Provider
  - International Expansion
  - Solid Results despite Covid19
- Annex
- Q&A session

# Rekeep Group At-a-Glance

## The Group

- Rekeep is an Italy-based provider of facility management and laundering & sterilization services for:
  - ✓ Healthcare providers (hospitals and private clinics)
  - ✓ Public entities (schools, public offices, museums, etc.)
  - ✓ Private enterprises
- Rekeep offers multi-year contract-based services such as cleaning, heating, laundering, sterilization, maintenance, technical services, landscaping, property management and logistics
- €2.9Bn of Backlog as of Q2 2020 (2.8x LTM revenue), of which 75% in Healthcare
- 90% of revenue from existing contracted customers each year, with close to 100% renewal rate on top clients
- Rekeep has a leading position in Italy (with #1 or #2 position in each segment) thanks to its competitive advantages:
  - ✓ Unique expertise in managing large, complex multi-service contracts
  - ✓ Broadest service offering with a focus on healthcare clients
  - ✓ Ability to offer service quality guarantees
  - ✓ Cost competitiveness and nationwide presence
- In October 2019, Rekeep made its first international acquisition, acquiring Poland-based Naprzod, which represents c.13% of LTM Q2 2020PF revenue

## Group repositioning

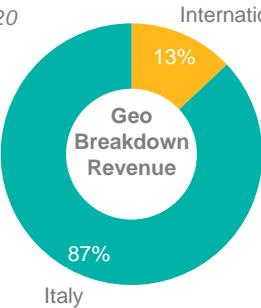


Additionally,  
Backlog at Q2 2020  
is 75% Healthcare

Data as of LTM Q2 2020

## International Expansion

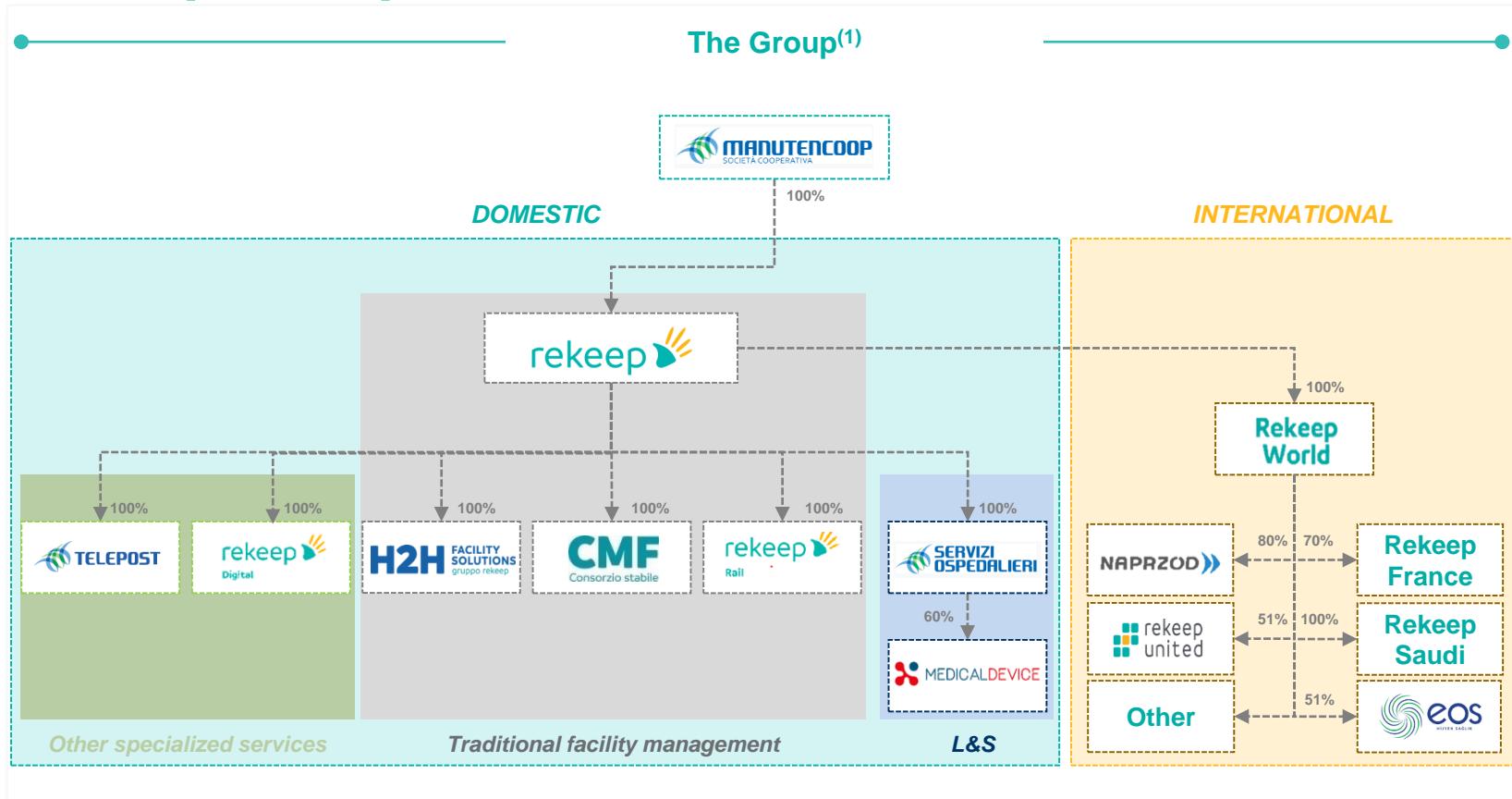
Data as of Q2 2020



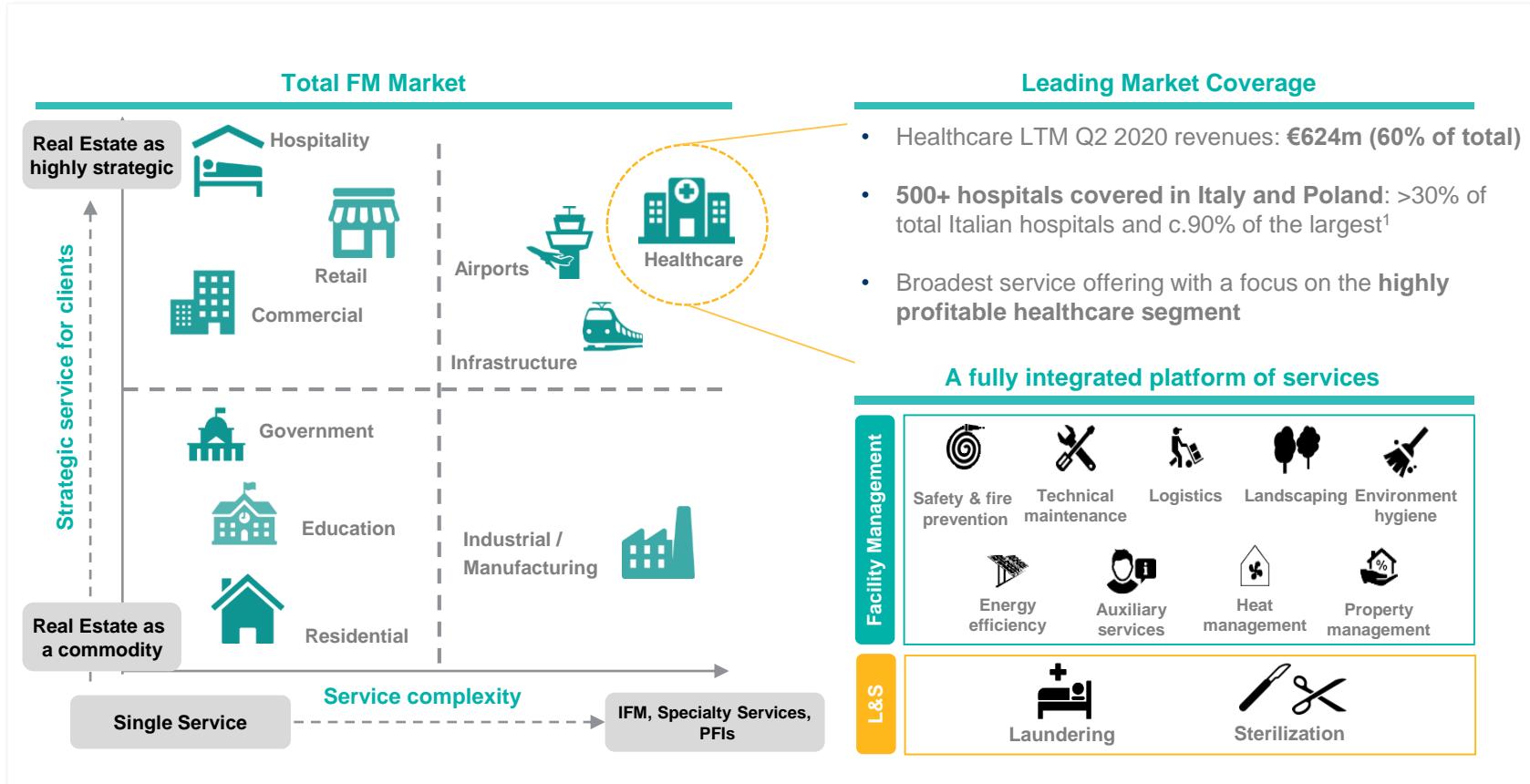
## International Presence



# Rekeep Group structure overview



# Group repositioning as healthcare services provider

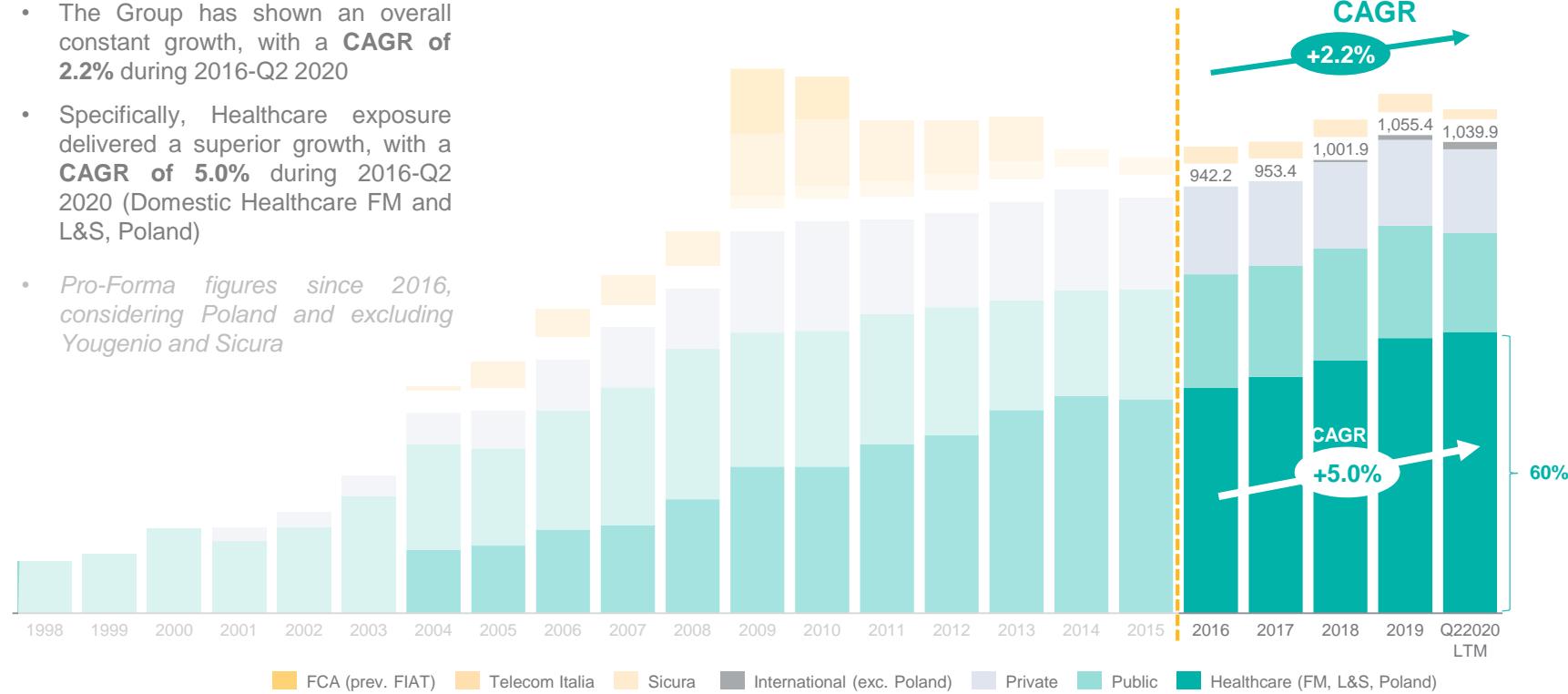


# Group repositioning as healthcare services provider

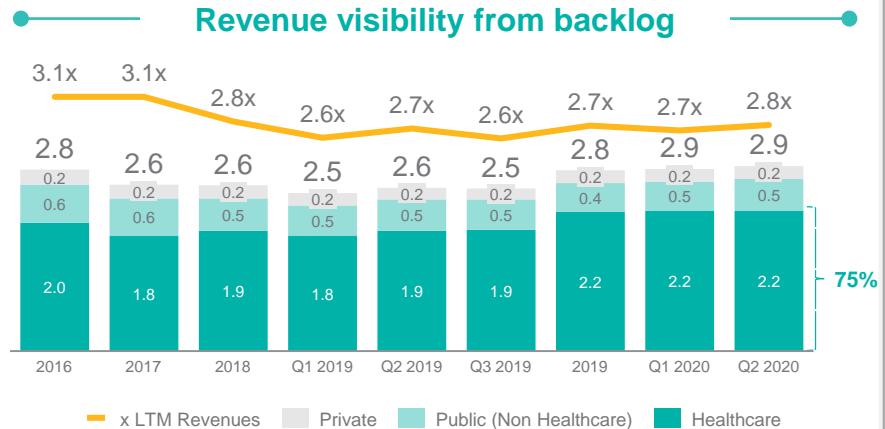
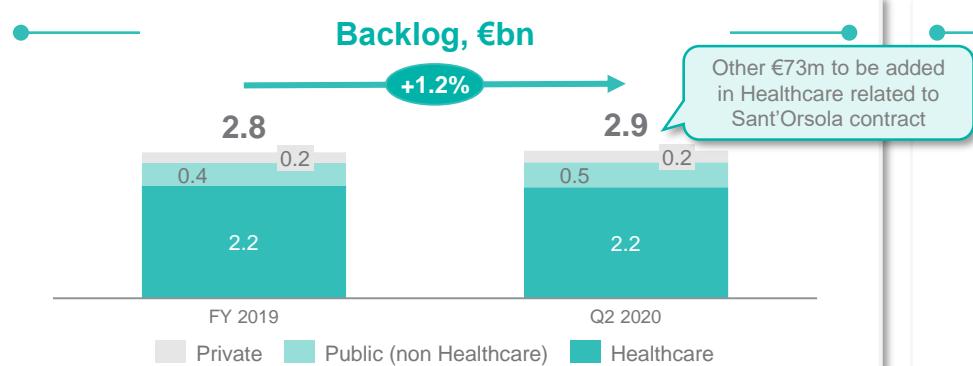
	HEALTHCARE CUSTOMERS	PUBLIC CUSTOMERS	PRIVATE CUSTOMERS
<b>HIGHLY VISIBLE</b>	<ul style="list-style-type: none"> <li>✓ Backlog: €2.2bn</li> <li>✓ Contract length: <ul style="list-style-type: none"> <li>▪ FM (healthcare): 3+ yrs</li> <li>▪ Laundering: 3+ yrs</li> <li>▪ Sterilization: 5+ yrs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ Backlog: €0.5bn</li> <li>✓ Contract length: <ul style="list-style-type: none"> <li>▪ FM (public): 3+ yrs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>✓ Backlog: €0.2bn</li> <li>✓ Contract length: <ul style="list-style-type: none"> <li>▪ Private: 1 to 3 yrs (often with automatic renewal clauses)</li> </ul> </li> </ul>
<b>DIVERSIFIED</b>	<p>Revenues LTM Q2 20 - <b>€617m</b></p>  <p>Top 10 clients 25%</p>	<p>Revenues LTM Q2 20 - <b>€229m</b></p>  <p>Top 10 clients 44%</p>	<p>Revenues LTM Q2 20 - <b>€187m</b></p>  <p>Top 10 clients 38%</p>
<b>RECURRING</b>	<p><b>+90%</b> Revenue from <b>existing contracted customers</b> each year</p> <p><b>90%-95%</b> Renewal rate on top customers (2014 - 2019)</p>		
<p>Revenue base is highly visible through backlog and contracted nature of the business, recurring through high renewal rates and limited ramp-up of new business each year, diversified through a balanced split in the three key segments</p>			

# Revenues historical trend

- The Group has shown an overall constant growth, with a **CAGR of 2.2%** during 2016-Q2 2020
- Specifically, Healthcare exposure delivered a superior growth, with a **CAGR of 5.0%** during 2016-Q2 2020 (Domestic Healthcare FM and L&S, Poland)
- Pro-Forma figures since 2016, considering Poland and excluding Yougenio and Sicura*



# Backlog



## Comments

- Group Backlog ranks €2.9bn, registering a slight increase, +1.2% vs end of 2019
- Sensible contribution to the Backlog provided both by international and domestic activities with acquisitions of new contracts in H1 2020
- Slight increase to 2.8x over Pro-Forma Revenues vs Q4 2019 and Q1 2020, higher than other quarters in 2019
- Healthcare accounts for more than 75% of total Backlog

### Sant'Orsola Tender:

- On the basis of the appeal promoted by Rekeep, the Council of State accepted Rekeep's appeal and awarded the Group the contract for the Sant'Orsola Hospital in Bologna (Facility and Laundering services) for a total annual amount of € 12.2m, for 6 years (ca €73.3m)
- Contract expected to start in Q3 2020

# Naprzod: first step of international expansion

Strengthen the presence  
in Healthcare market

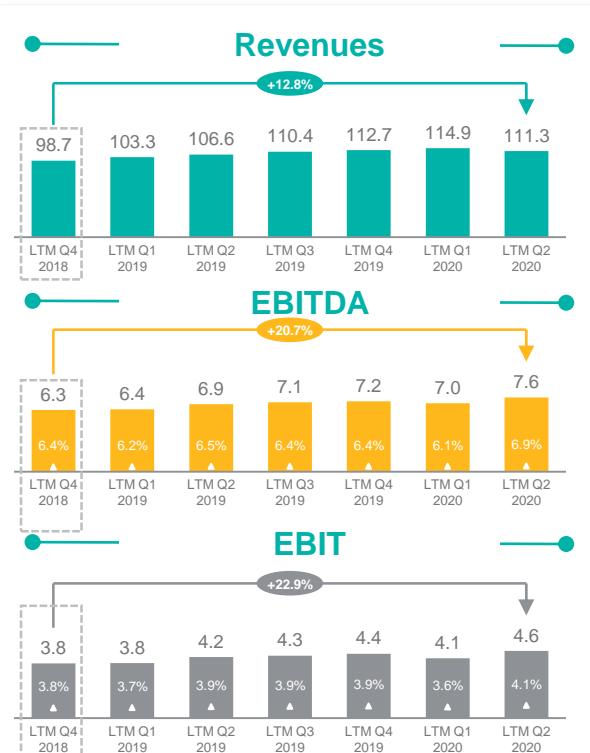
Acquisition of market  
leader in reference region



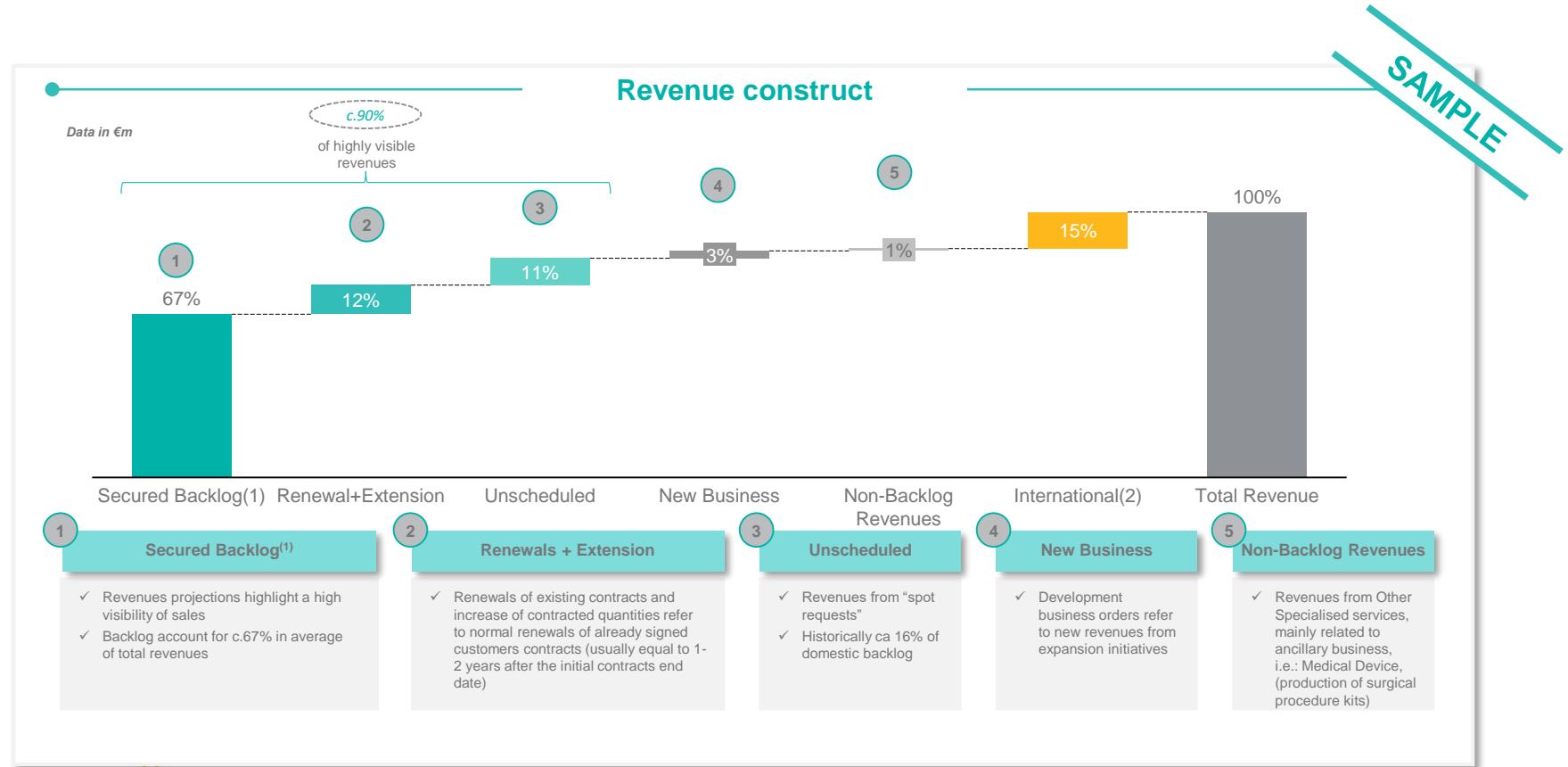
Significant value creation  
potential through  
synergies, cross-selling

Ideal platform for growth  
in a fast-pace developing  
country

- Naprzod Group is a **leading player** in Poland in the offering of integrated services in **healthcare environment**
- Its business is divided in 3 operating segments:
  - ✓ Facility Management
  - ✓ Catering
  - ✓ Medical Transport
- Serves more than **250 hospitals** in Poland
- Full coverage of all Polish regions with its services



# Highly visible, diversified and recurring revenue base



# ...also during health system emergencies

## Technical capabilities

### Laundering & Sterilization



- ✓ Sterilization in a controlled environment of textile fabrics and surgical instruments with certified and totally traceable processes over the entire service life cycle
- ✓ Supply of disposable sterile kits for operating room and for surgery in sterile environments
- ✓ High-level disinfection of endoscopes

### Cleaning



- ✓ Sanitation and disinfection of high risk care units (operating rooms, recovery rooms, intensive care)
- ✓ Sanitation and disinfection in low and medium risk hospital areas

### Supply of medical devices



- ✓ Supply of devices for individual protection against pathogens
- ✓ Supply of disposable emergency and first aid kits for general practitioner
- ✓ R&D: protective solutions for medical staff (BarrierTech®, SO.Hybirdus®, SO.XVersus®)

### Other



- ✓ Support through multi-year experienced product specialists in operating rooms and with "instrumental nurse" masters' degree
- ✓ Microchip for the traceability of products

## Logistical capabilities

### Laundering & Sterilization



- ✓ 20 sterilization plants (CSSDs) in Italy
- ✓ 4 hospitals' linen cleaning facilities in Italy
- ✓ > 300 private and public hospitals in which Rekeep is present and offers its services

## Managerial capabilities

### Laundering & Sterilization



- ✓ 700k operating rooms managed and 300k surgery in one year (BarrierTech®, SO.Hybirdus®)
- ✓ Ca. 7k specialized employees operating in: i) hygiene services (ca. 5k), ii) integrated services and iii) sanitation/disinfection of surgery equipment and fabrics
- ✓ 104 engineers and 9 architects employed by Rekeep
- ✓ A network of ca. 600 partners specialized in the supply of healthcare products and services

### Laundering & Sterilization



- ✓ Call center for real time and on-field management of customers relations
- ✓ IT systems for real time management of clients data
- ✓ Education program for technical personnel

### Covid 19 Crisis

*Regional procurement centers: Centrali di Acquisto Regionali ARIA (Lombardia) and Azienda Zero (Veneto) have contacted the Group at the beginning of the crisis, for urgent supply requests of protection devices for medical personnel*

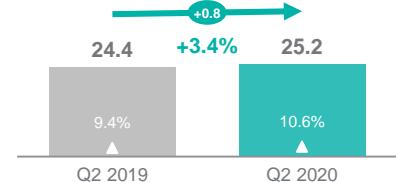
Emergency management with dedicated plans for the supply of personal protective equipment to medical personnel and intensification of disinfections (COVID-19)

# 3 months and LTM KPIs at a glance

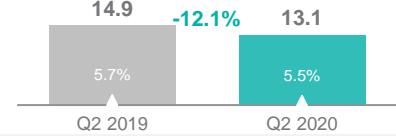
Pro-Forma Revenues  
(\$m)



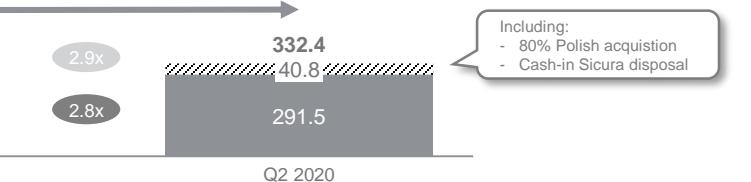
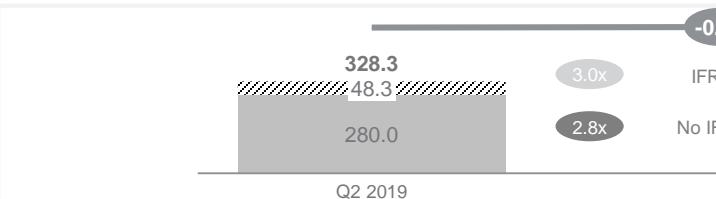
Pro-Forma EBITDA  
(\$m)



Pro-Forma EBIT  
(\$m)

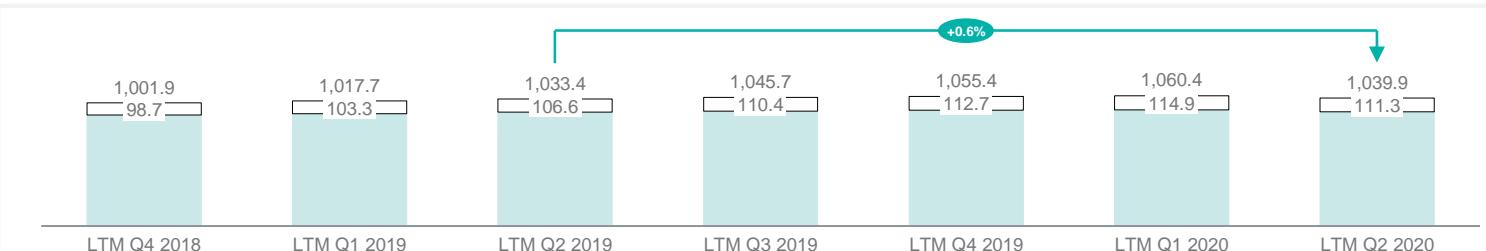


Net Financial Position  
(\$m)



# LTM Performance

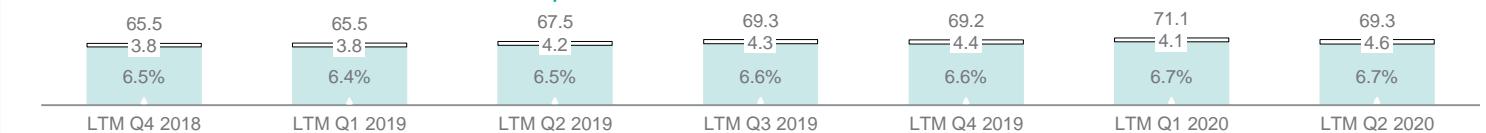
Pro-Forma Revenues  
(\$m)



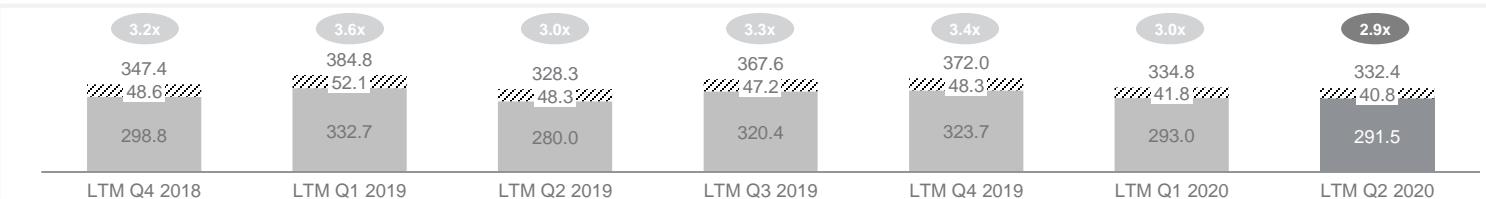
Pro-Forma EBITDA  
(\$m)



Pro-Forma EBIT  
(\$m)

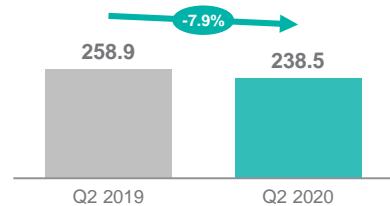


Net Financial Position  
(\$m)



# Revenues, QoQ

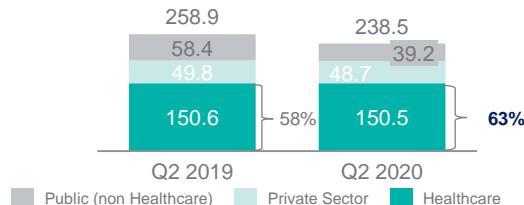
## Pro-Forma Revenues



## Pro-Forma Revenues by segment<sup>(\*)</sup>



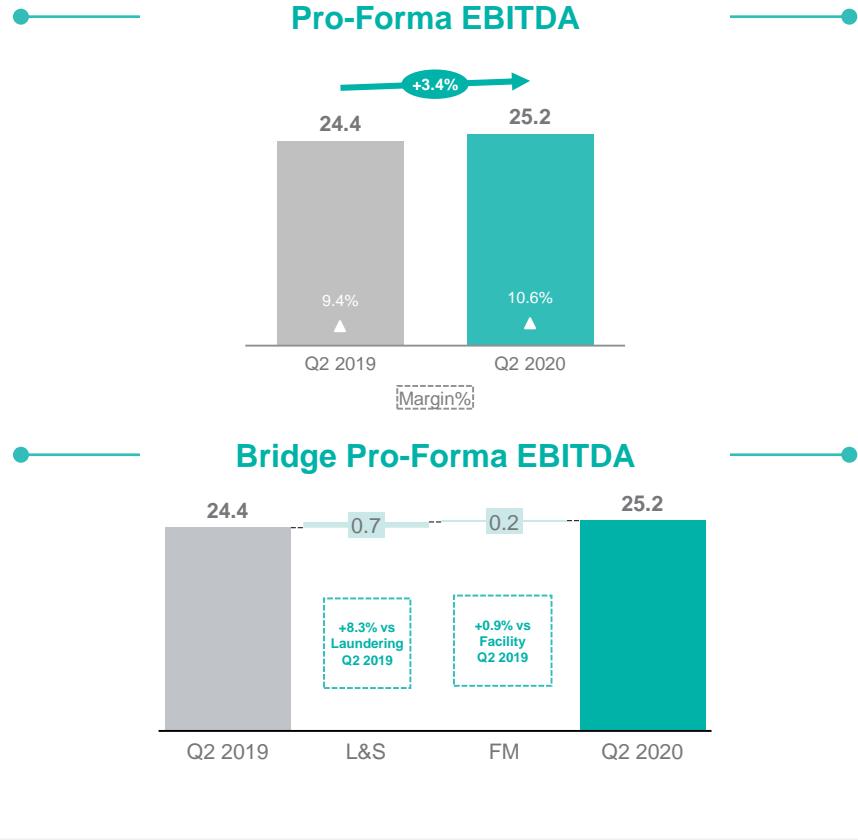
## Pro-Forma Revenues by client



## Comments

- Lower Pro-Forma Revenues figures (-7.9%), leading to €238.5m in Q2 2020
- The decrease is driven by a reduction in FM partially compensated by an increase in L&S:
  - FM decrease in Q2 2020 by 11.8%
  - Bold increase of L&S by 20.2% in Q2 2020
- Reduction in volumes in Q2 2020 is mainly impacted by:
  - Re-insource of schools cleaning since March 2020 (Consip School)
  - Voluntary termination of not profitable contracts
  - Covid19 outbreak
  - Decrease of Heat Management services performance due to higher external degree recorded if compared to the same period in 2019
- Healthcare strengthens its share of revenues (63%) in the quarter**

# EBITDA, YoY



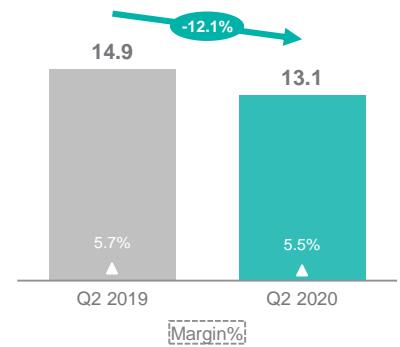
**Comments**

- Pro-Forma EBITDA Q2 2020 vs Q2 2019 increased by +€0.8m, due to the positive performance of:
  - FM, with an increase by +0.2m in Q2 2020
  - L&S with an increase by +€0.7m in Q2 2020
- Increase in marginality, up +1.2pp to 10.6% in Q2 2020 vs 9.4% registered in Q2 2019
- Increase is mainly driven by:
  - Extraordinary services in Healthcare with higher marginality
  - Voluntary dismissal of some not profitable contracts

*Q2 2020 adjustments on EBITDA are +€1.2m vs +€0.4m in Q2 2019*

# EBIT, YoY

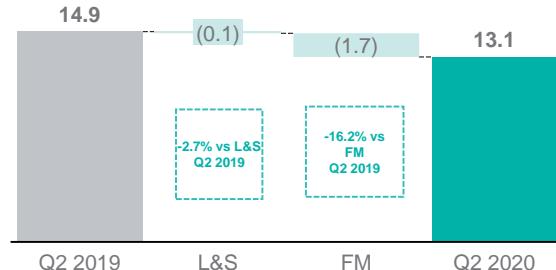
## Pro-Forma EBIT



## Comments

- Pro-Forma EBIT shows a decrease (-12.1% vs Q2 2019) mainly driven by the performance of FM:
  - FM decreased -1.7m in Q2 2020 due to higher provisions related to some tax assets and aged commercial receivables
  - L&S decreased -0.1m in Q2 2020
- Marginality pretty stable to 5.5% in Q2 2020 vs 5.7% in Q2 2019

## Bridge Pro-Forma EBIT

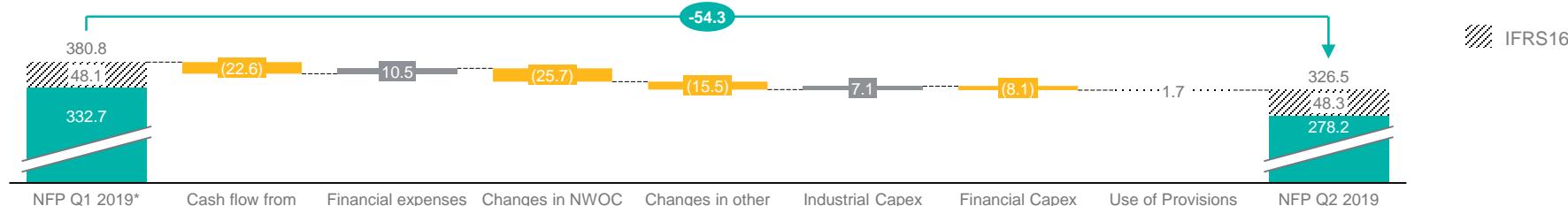


**Adjustment on EBIT:** FM4 fine provision, following TAR Lazio decision, has been accounted for €82.2m

Q2 2020 adjustments on EBIT are +€84.8m vs +€0.4m in Q2 2019

# Focus on NFP changes Q2 2020 vs Q2 2019 (€m)

## Q2 2019



## Q2 2020



### Main changes in Q2 2020 vs Q2 2019:

- ① Increase in **Change in NWOC** due to a release in DPOs (-12days) to relieve pressure on suppliers, which more than offsets the ongoing commitment in reducing DSO carried out by the Group
- ② Lower **Changes in other items of NWC** due to tax receivables already anticipated in Q1 2020, generally cashed-in in Q2

# Focus on Liquidity and Credit Facilities

Data as of June 2020

Amount  
(€m)x  
Pro-Forma  
EBITDA

Liquidity Available

Reference LTM EBITDA	113.0		
Cash on Balance Sheet	(116.5)		(116.5)
Short Term Financial Assets	(5.4)		(5.4)
SSN @ 2022 - 9% Coupon <sup>(*)</sup>	333.9		
Other on SSN and RCF (Amortized Cost, Accrued Interest)	(5.7)		
RCF (€50m)	50.0		
<b>Total Senior Secured NFP</b>	<b>256.3</b>	<b>2.3x</b>	
Recourse Factoring	5.2		
Term Loans & Bank Overdrafts	9.0		
Financial Leasing	6.1		
Other Financial Debt	15.1		
<b>Net Financial Position, net of IFRS Adjustments</b>	<b>291.5</b>		
IFRS Adjustments	40.8		
<b>Net Financial Position</b>	<b>332.4</b>	<b>2.9x</b>	
No-Recourse Factoring	53.8		(146.2) <sup>**</sup>

(\*) Consistently with our policy to proactively manage our debt profile, the Company may make further purchases of notes from time to time

(\*\*) Committed revolving credit facility of €200m

# Litigation Update

## Recent Development/Updates

### • FM4 Investigation:

- ❑ On May 9, 2019 the Italian Competition Authority decided to impose a fine of €91.6 million against Rekeep Group. Rekeep maintains that the ICA decision is unjustified and disproportionate, and it has instructed its legal advisors to take any action and/or pursue any remedy, before the competent courts, to safeguard its rights and interests
- ❑ Rekeep obtained for deferred payment by the collection agency Agenzia delle Entrate: 72 monthly growing instalments from end of January 2020. After 3 instalments paid (ca €3.0 million), due to Covid19 outbreak, monthly payments of the fine have been suspended
- ❑ On July 27 TAR Lazio decision partially accepted Rekeep appeal, with respect to the criteria used in calculating the fine and set the parameters for its recalculation. **TAR Lazio reverted the case to the ICA to recalculate the fine on the basis of the such parameters**

### • Santobono Case:

- ❑ The hearing at Italian Supreme Court originally scheduled on March 10<sup>th</sup> has been postponed due to Covid-19 to October 20<sup>th</sup>, 2020
- ❑ Second alternative appeal for “revocazione” before State Council is set on September 24<sup>th</sup>, 2020

## Next Steps

- ❑ ICA recalculation of the fine based on criteria set by TAR Lazio is expected in September 2020
- ❑ We expect Rekeep will obtain from Agenzia delle Entrate a similar plan for payment in instalments also on the recalculated fine
- ❑ Instalments already paid will be either reimbursed by the Agenzia delle Entrate or deducted from the new payment plan
- ❑ The Company will appeal against the TAR Lazio decision
- ❑ Italian Supreme Court hearing to be held on 20 October 2020 (ruling expected late 2020)



## Annex



# Key Quarter Highlights

## Revenues

- Q2 2020 Pro-Forma Revenues shows a -7.9% decrease vs. Q2 2019, mainly due to a reduction in FM only partially offset by a robust increase in L&S driven by additional services provided to face Covid19 outbreak
- LTM figures still showing a positive trend, with a slight increase at +0.6% vs LTM Q2 2019
- Impact by Covid19 outbreak in Q2 is not material and largely offset by solid increase in L&S additional services provided, leading the Healthcare revenues in the quarter to 63% of the total

## EBITDA / EBITDA Margin

- Despite a decrease in volumes, Quarterly Pro-Forma EBITDA of €25.2m, increased by +3.4% vs. Q2 2019, with a marginality up to 10.6% (*IFRS 16 compliant*)
- LTM Q2 2020 EBITDA at €113.0m with a +3.0% increase vs Q2 2019, with margin at 10.9% (*IFRS 16 compliant*)

## Backlog & Pipeline

- Solid commercial performance with both higher Renewals and New Market, thanks to the acquisition of important new contracts both on domestic and international market
- Stable level for the Q2 2020 Backlog at 2.8 times LTM Revenues, also supported by Polish Naprzod contribution

## NWC

- Stable level of NWOC despite some reduction in DPOs to reduce stress on suppliers
- DSOs landing at 151 days, also including Poland – lowest level ever registered by the Group – showing ongoing Management commitment in reducing NWC
- Despite Covid-19, no sign of deterioration in clients' ability to pay, so far

## Net Financial Profile and Cash Position

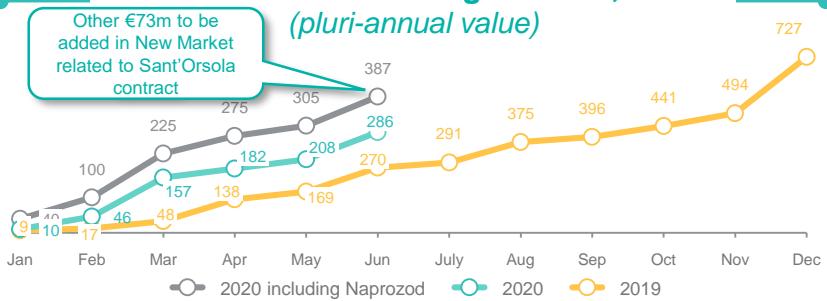
- The Company continues to show its commitment to deleverage, while retaining a sound liquidity position
- SSRCF is still in place after being fully drawn in March, for precautionary measures leading to a strong cash position on B/S of €116.5m cash
- NFP at €332.4m - *IFRS 16 compliant* – with further decrease of the leverage\* by -0.1x (2.9x) vs Q1 2020 - **[2.8x excluding IFRS16 effect]**
- In Q2 2020, the Group repurchased €15.8m of its Notes (nominal value) leading to a total bond buyback at €26.1m. Bond outstanding at €333.9m

## Other

- In relation to the FM4 Tender and the ICA fine, on July 27, TAR Lazio decision partially accepted Rekeep appeal, with respect to the criteria used in calculating the fine and set the parameters for its recalculation
- From May 1st, Yougenio/B2C ceased to provide services and is being winded up
- *Consistently with the policy to proactively manage the debt profile, the Company may make further purchases of notes from time to time*

# Commercial Activity

## Value of contracts signed YTD, €m (pluri-annual value)

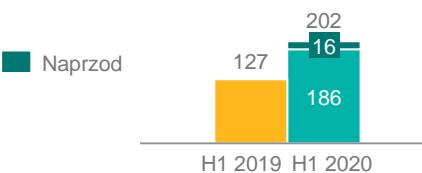


## Breakdown of signed contracts YTD, €m

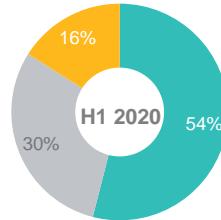
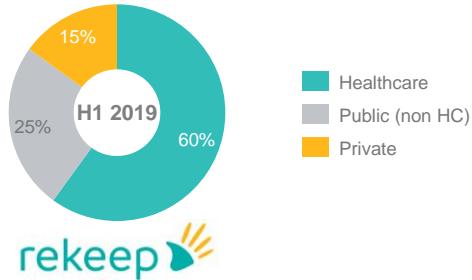
### Renewals



### New Market



## Signed contracts by Client YTD, %



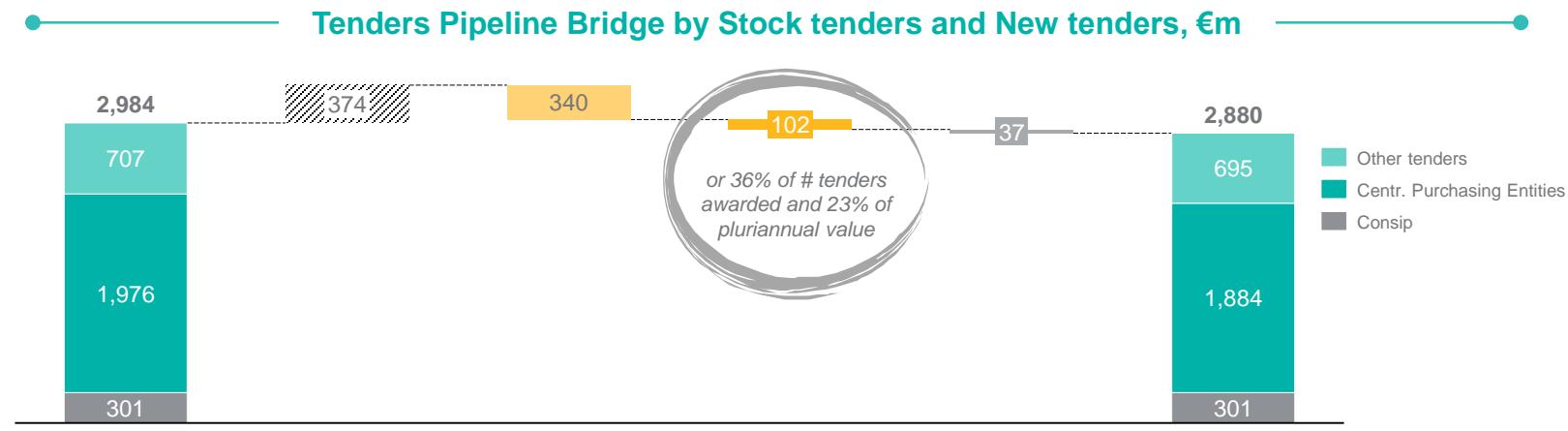
## Sales activity

- Intense commercial activity both for Renewals and New Market acquisition during H1 2020: multi-annual value of €387m vs 270m recorded in H1 2019:
  - ✓ **Renewals:** domestic activity driven by contracts in Healthcare both in domestic (especially L&S) and international market Poland (€85m) leading to €185m
  - ✓ **New market:** positive performance given by both the International new contracts signed in Poland, France, Turkey and in Italy, especially in Healthcare market and L&S. FM in line with 2019 figures
- Contribution of **Poland** is accounted starting from 30 October 2019, once has become part of Rekeep Group

## Main Contracts signed in Q2 2020

Client	Service	Annual Value	Duration	Acquisition type
ATER ROMA - SERVIZIO ENERGIA	Energy	€ 6.3m	7 years	New Market
Uniwersyteckie Centrum Kliniczne Warszawskiego Uniwersytetu Medycznego	Cleaning	€ 4.0m	3 years	Portfolio
ASL PESCARA	Sterilization	€ 1.9m	7 years	New Market

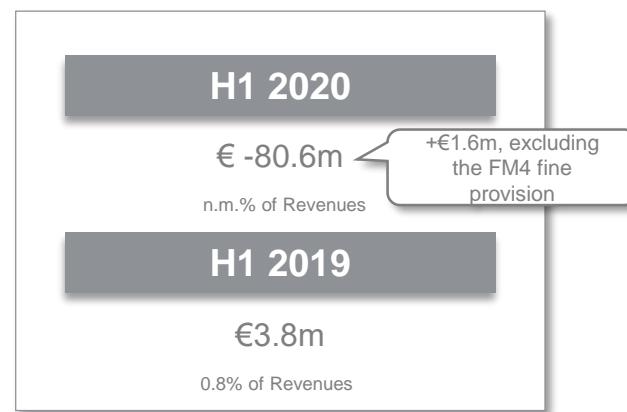
# Tenders Pipeline – Q2 2020



- In Q2 2020, Rekeep Group achieved a win rate of 36% on # of tenders (58 out of 163) and 23% on value of tenders, including Poland contribution
- Total amount of tenders still pending accounts for €2.9bn.
- The tenders held by other regional Centralized Purchasing Entities ("Soggetti Aggregatori") keeps on covering significant share of the total pipeline and allows to maintain the current portfolio and develop new business, **accounting today for approx. 2/3 of total pipeline.**

# Net Financial Expenses, Taxes, Net Profit

Net Financial Expenses, €m      Taxes, €m      Net Result, €m



- Net Financial expenses higher than H1 2019 due to i) bond buy-back\* effect in H1 2019 ii) interest on RCF (undrawn in 2019) and iii) interest on Poland bank debt (not present in H1 2019)

- H1 2020 Net Result takes into account the provision for €82.2m related to FM4 fine following TAR Lazio decision
- Net of the provision effect, the Net Results would be €1.6m

# Industrial Capex

Figures not  
Pro-Forma

Q2 2020

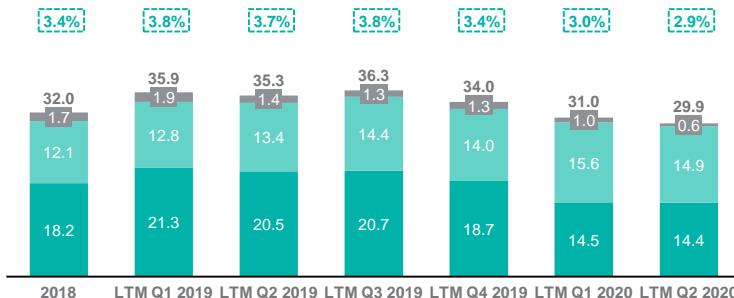
€6.4m

Q2 2019

€7.5m

- Q2 2020 Capex lower than the same quarter of previous year (-€1.1m) due to lower investment FM, mainly IT projects
- Ongoing trend of reduction in Capex, since Q4 2019: LTM Q2 2020 Capex lower than previous quarters where major investments for start-up of new contracts have been carried out

● LTM Capex overview, €m



● Capex by quarter (excl. One-off capex Plant SO), €m

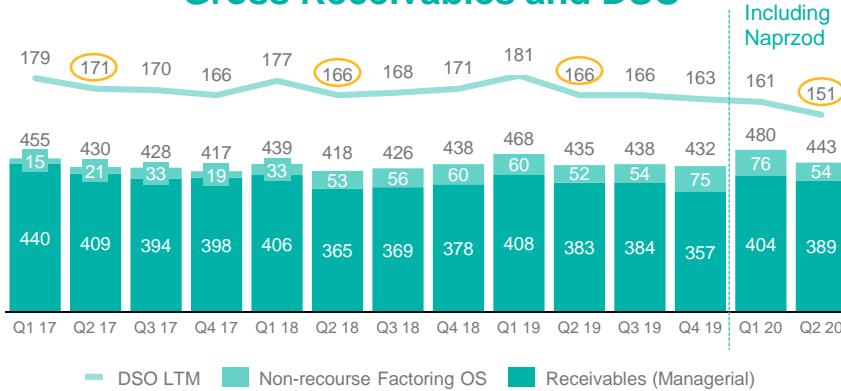


\*one-off capex

% on LTM Revenues

# DSOs & DPOs

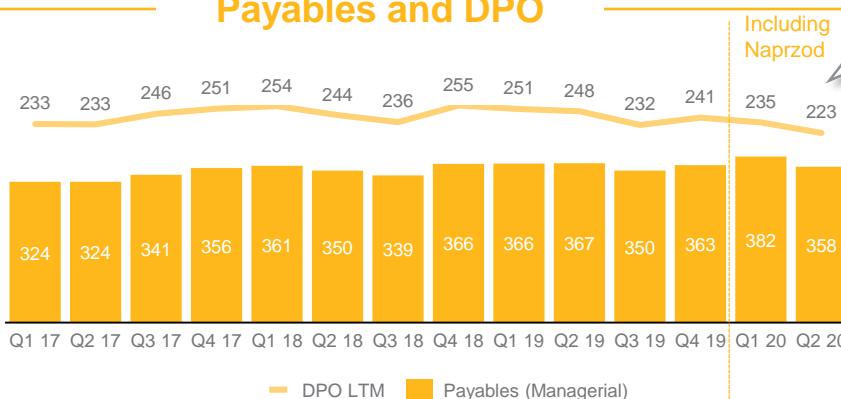
## Gross Receivables and DSO



## Comments

- DSOs/DPOs exclude the effect of Sicura (sold) and Yougenio (terminated), while include Naprzod since Q1 2020
- Lower level of DSOs ever registered by the Group** showing continuous Management commitment to improve liquidity
- DSOs reach 151 days (160 considering only domestic perimeter) showing a constant decrease compared to Q2 of previous years
- Lower level of non-recourse factoring vs Q4 2019 and Q1 2020 (€54m), in line with past quarters
- As of today, no sign of deteriorated ability to pay by clients due to Covid-19 outbreak
- DPOs registered a further decrease (-12 days) vs Q1 2020, to the lower historical level to 223 days

## Payables and DPO



*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

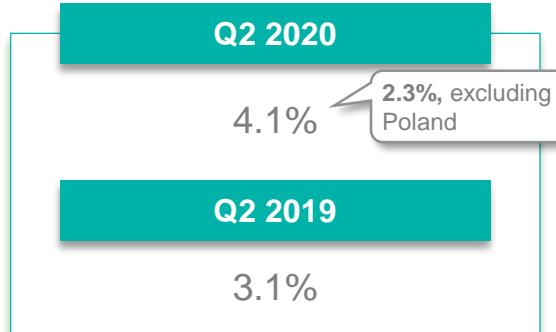
## NWOC



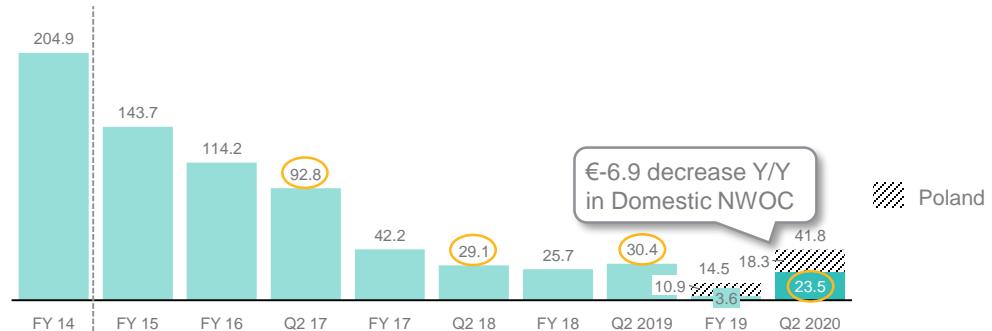
- Stable level in NWOC in Q2 with consistently with previous half year results
- Excluding the Naprzod Group contribution, NWOC is of €23.5m (2.3% of LTM revenues)
- As of today, no sign of deteriorated ability to pay by clients due to Covid-19 outbreak

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

## NWOC / LTM Revenues



## Net Working Operating Capital Trend, €m



Introduction of «Split Payment» and «Reverse Charge»

# Covid-19 Update

- Rekeep performs mission critical services in Healthcare sector for approx. 63% of total turnover in Q2 2020
- Rekeep business is based on multi-year contracts - typically 3-5+ years – with high visibility over the following 12-24 months revenues

## General Update on current situation with reference to COVID-19

- The Company is fully running: blue collars and site operators are *regularly working dutifully and appropriately protected*
- Moreover, Rekeep keeps on regularly carrying out activities in various sectors that require essential services such as telecommunications, large-scale distribution and the banking sector
- Certain pressure on volumes due to reduction in Facility Management activity partially mitigated by an increase in L&S activity mainly linked to the Healthcare sector
- Improvement in group's profitability given the product mix shift towards the higher margin Healthcare services



# Methodology and data presentation

## Data Presentation

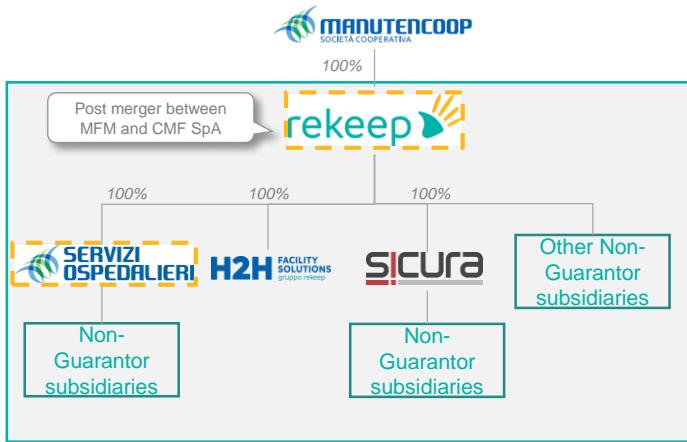
- Since the acquisition of Polish Naprzod in October 2019, International activities can be considered material and hence no longer as Start-up
- Therefore, the only normalization considered is the exclusion of B2B/B2C activities carried out by Yougenio
- On a **Pro-Forma** basis, Revenues, EBITDA and EBIT :
  - i) Include International activities, following the acquisition of Polish company Naprzod
  - ii) Do not include Yougenio activities: business under scrutiny
  - iii) Do not take into account Sicura as it is no longer part of the Rekeep Group

## IFRS16

- Please note that all the figures shown in **this presentation take into account the impacts of the first-time adoption of the new IFRS 16**, mandatory since 2019. For this reason, the figures may sensibly differ from those presented in previous investors presentations
- The adoption of this Standard led Rekeep to adapt its key financial indicators:
  - ✓ EBITDA no longer includes operating lease costs, while EBIT and Net Profit for the period include the depreciation of the right of use asset and interest on lease liabilities
  - ✓ Net Financial Debt includes the financial liability for operating leases calculated as the present value of future lease payments

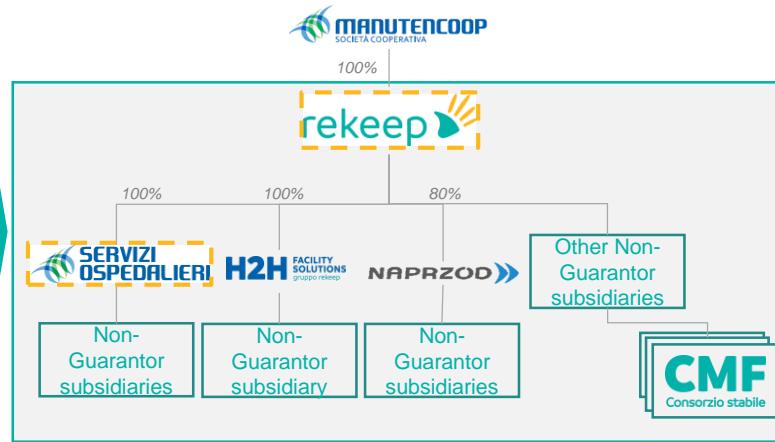
# Restricted Group and Pipeline Breakdown

# Offering Memo



- Acquisition of Naprzod Group
- Disposal of Sicura
- Set-up of new controlled entities, among which Consorzio Stabile CIMP

## Current Situation



## Pipeline Breakdown, as of June 2020

Data in €Bn



- As of June 2020, CMF records +50% of total Group Pipeline,
- Rekeep accounts €1.0Bn while SO €0.4Bn



## Restricted Group



# KPIs at a glance – Adjustment and normalization

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 2020 KPI Reconciliation, €m

	Statutory Consolidated FS	Adj	Adjusted Consolidated FS	normalization	Pro-Forma Q1 2020
Revenues	238.5	-	238.5	-	238.5
EBITDA	23.0	1.2	24.2	1.0	25.2
EBITDA % on revenues	9.6%		10.1%		10.6%
EBIT	(73.2)	84.8	11.6	1.5	13.1
EBIT % on revenues	n.m.		4.9%		5.5%
Net Result (*)			(80.6)		
NWOC			41.8		
NFP Rekeep Group			(332.4)		

- Period adjusted EBITDA and adjusted EBIT include non recurring items referring to: Re-organizations, professional services and advisory and legal fees

Pro-Forma Revenues, EBITDA and EBIT do not include Yougenio / B2C activities

# ANNEX

BALANCE SHEET (€/000)	30 Jun 2020	31 Dec 2019	Change
<b>USES</b>			
Trade receivables and advances to suppliers	419,408	412,572	6,836
Inventories	9,639	7,910	1,729
Trade payables and advances from customers	(387,199)	(405,950)	18,751
<b><i>Net working operating capital</i></b>	<b>41,848</b>	<b>14,532</b>	<b>27,316</b>
Other element of working capital	(83,297)	(115,344)	32,047
<b><i>Net working capital</i></b>	<b>(41,449)</b>	<b>(100,812)</b>	<b>59,363</b>
<b>Operating fixed assets</b>			
Tangible assets	124,035	126,491	(2,456)
Intangibles assets	413,066	414,601	(1,535)
Investments accounted for under the equity method	10,053	10,376	(323)
Other non current assets	33,131	123,603	(90,472)
<b><i>Operating fixed assets</i></b>	<b>580,285</b>	<b>675,071</b>	<b>(94,786)</b>
Non current liabilities	(134,213)	(54,826)	(79,387)
<b><i>Net invested capital</i></b>	<b>404,623</b>	<b>519,433</b>	<b>(114,810)</b>
<b>SOURCES</b>			
Minority interests	1,185	836	349
Equity attributable to equity holders of the parent	71,084	151,970	(80,886)
<b><i>Shareholders' equity</i></b>	<b>72,269</b>	<b>152,806</b>	<b>(80,537)</b>
Net financial indebtedness	332,354	366,627	(34,273)
<b><i>Total financing sources</i></b>	<b>404,623</b>	<b>519,433</b>	<b>(114,810)</b>

# ANNEX

PROFIT&LOSS (€/000)	For the period ended 30 June		For the period ended 30 June
	RESTATED IFRS5		REPORTED
	2020	2019	2019
Total revenues	509,678	471,043	490,050
Total costs of production	(454,446)	(420,887)	(437,612)
<b>EBITDA</b>	<b>55,232</b>	<b>50,156</b>	<b>52,438</b>
<i>EBITDA %</i>	<i>10.84%</i>	<i>10.65%</i>	<i>10.70%</i>
Amortization/depreciation, write-downs and write-backs of assets	(20,770)	(18,422)	(19,097)
Accrual of provisions for risks and charges	(86,556)	(735)	(721)
<b>Operating income</b>	<b>(52,094)</b>	<b>30,999</b>	<b>32,620</b>
<i>Operating income %</i>	<i>-10.22%</i>	<i>6.58%</i>	<i>6.66%</i>
Share of net profit of associates	(143)	708	708
Net financial charges	(22,152)	(19,660)	(19,804)
<b>Profit before taxes from continuing operations</b>	<b>(74,389)</b>	<b>12,047</b>	<b>13,524</b>
<i>Profit before taxes from continuing operations %</i>	<i>-14.60%</i>	<i>2.56%</i>	<i>2.76%</i>
Income taxes	(8,747)	(9,251)	(9,749)
<b>Profit from continuing operations</b>	<b>(83,136)</b>	<b>2,796</b>	<b>3,775</b>
Loss for the period from discontinued operation	2,540	979	-
<b>Net profit for the period</b>	<b>(80,596)</b>	<b>3,775</b>	<b>3,775</b>
<i>Net profit for the period %</i>	<i>-15.81%</i>	<i>0.80%</i>	<i>0.77%</i>
Minority interests	(625)	(44)	(44)
<b>Net profit for the period attributable to equity holders of the parent</b>	<b>(81,221)</b>	<b>3,731</b>	<b>3,731</b>
<i>Net profit for the period attributable to equity holders of the parent %</i>	<i>-15.94%</i>	<i>0.79%</i>	<i>0.76%</i>

# ANNEX

STATEMENT OF CASH FLOW (Statutory) (€/000)	30 jun 2020	30 jun 2019
<b>CASH at the beginning of the period</b>	<b>97,143</b>	<b>94,733</b>
Cash flow from current operations	30,458	33,003
Use of provisions for risks and charges and for employee termination indemnity	(4,611)	(3,949)
Change in NWOC	(28,342)	(6,007)
Industrial Capex, net of disposals	(13,758)	(17,679)
Financial Capex	50,970	8,104
Other changes	(444)	6,149
Change in net financial liabilities	(14,885)	(17,651)
<b>CASH at the end of the period</b>	<b>116,531</b>	<b>96,702</b>

# What's next

- ✓ Next call on Q3 2020 Results will be held on 12 November 2020
- ✓ Rekeep Financial Calendar and Replay available on:  
<https://www.rekeep.com/en/investors/financial-info/financial-calendar>