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Call on Q3 2021 Results

November 16th, 2021, 17CET

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Rekeep Group’s Q3 2021 Results are not subject to auditor’s review

Pro-Forma Revenues, EBITDA and EBIT are not audited or reviewed or intended to comply with applicable accounting standards – they are provided for illustrative purposes only and does not purport to represent or project current or future results

Index and Presenters

Rekeep speakers

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Chairman and CEO

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CFO

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- *Q&A session*

Key Quarter Highlights

Revenues

- On LTM basis, robust increase of 6.2% in LTM Q3 2021 figures landing at €1,121.0m thanks to both International and Domestic activities
- Pro-Forma Revenues in Healthcare registers a solid 6.2% CAGR (vs. 3.7% on a Group basis) in FY2016-Q3 2021 consistent with Group's repositioning strategy on Healthcare, confirming to be the largest and preferred market with a 59% share of Total Revenues on LTM basis at September 2021
- Quarterly Q3 2021 volumes at €259.6m, in line with Q3 2020

EBITDA / EBITDA Margin

- LTM Q3 2021 EBITDA increase +3.1% vs LTM Q3 2020, with marginality at 10.6% level
- Quarterly EBITDA at €25.4m, decreased by 2.0m vs. Q3 2020, mainly due to negative impact from Saudi contract. Net of the latter, recurring Quarterly EBITDA would register an increase (+1.3%), keeping the pace of previous quarters

Backlog & Commercial Activity

- *Strong commercial performance YTD*, both in Renewals and New Market mainly in Healthcare market segment
- 9M 2021 performance in commercial activity (€671m) has reached the level recorded in FY2020 (€668m), with Healthcare new contracts award in 9M 2021 accounts for 65% of total
- Solid win rate (both on # of tenders and multi-annual value) achieved in Q3 2021 confirms the leading role of the Group in Italy as well as in Poland
- Stable level for Backlog at €3.0Bn - 2.6xRevenues in line with previous quarters

(*) Net Financial position (w/o Potential Debt) / LTM Pro-Forma EBITDA

Key Quarter Highlights

NWC

- DSOs down at 146 days at Q3 2021, with a sharp reduction (-17 DSOs) vs Q3 2020 which marks lowest level ever registered by the Group proving the intense effort by Management to tackle NWOC
- DPOs decrease at 196 days mainly due to tactic release to suppliers
- Domestic NWOC at €41.3m, constantly decreasing in volumes over the past Q3s of previous years despite the sensible volume increase (4.1% of Domestic Revenues at Q3 2021 vs 4.4% at Q3 2020)
- No-recourse factoring utilization slightly below previous quarters, at €55.6m

Net Financial Profile and Cash Position

- The Company continues to show its commitment to deleverage, while retaining a sound liquidity position
- In Q3 2021, NFP (w/o Potential Debt) at €383.3m with leverage* at 3.2x

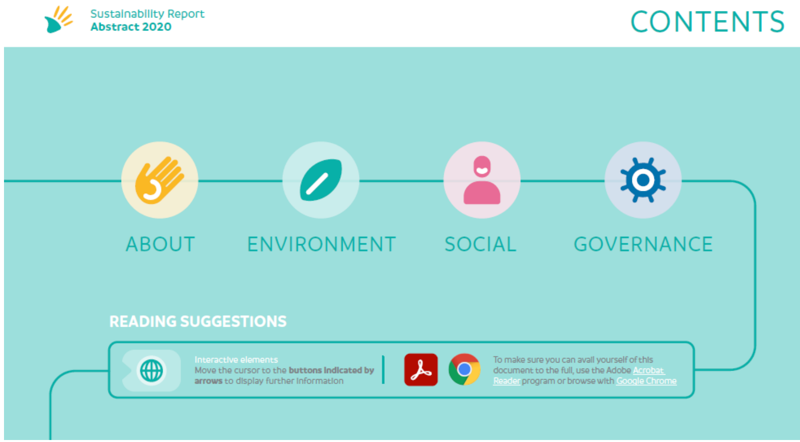
Other

- Saudi – Rekeep undergoing interim agreement on Saudi contract providing clarity on future costs
- ESG - The Group is deploying a specific project to implement a brand new approach to execute ESG strategy

(*) Net Financial position (w/o Potential Debt) / LTM Pro-Forma EBITDA

ESG Strategy

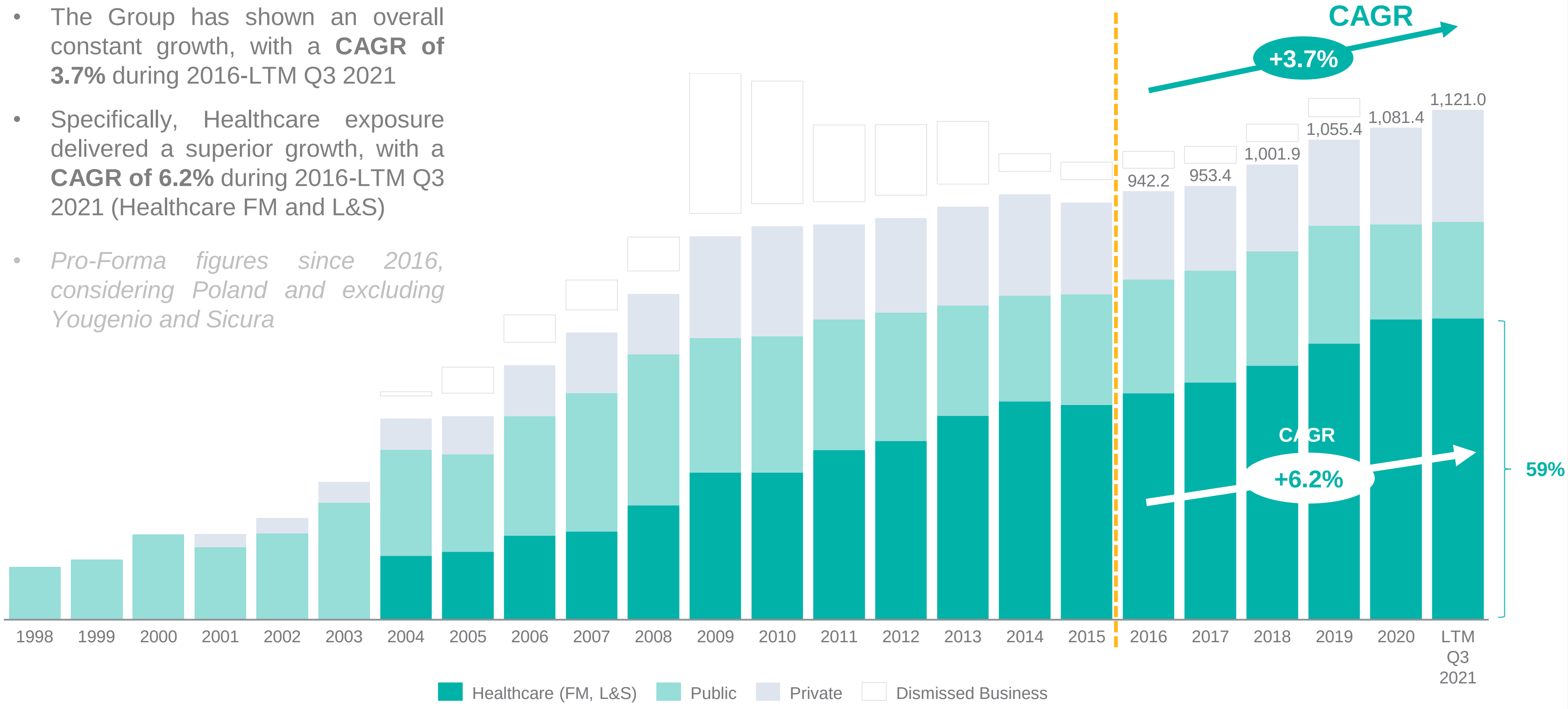
- ❑ **ESG - The Group is implementing a brand new approach with a dedicated ESG Committee and definition of comprehensive procedures to execute ESG strategy**
  - In September Rekeep has launched a specific reorganizational project to support ESG plan and target definition – to be released in the H1 2022



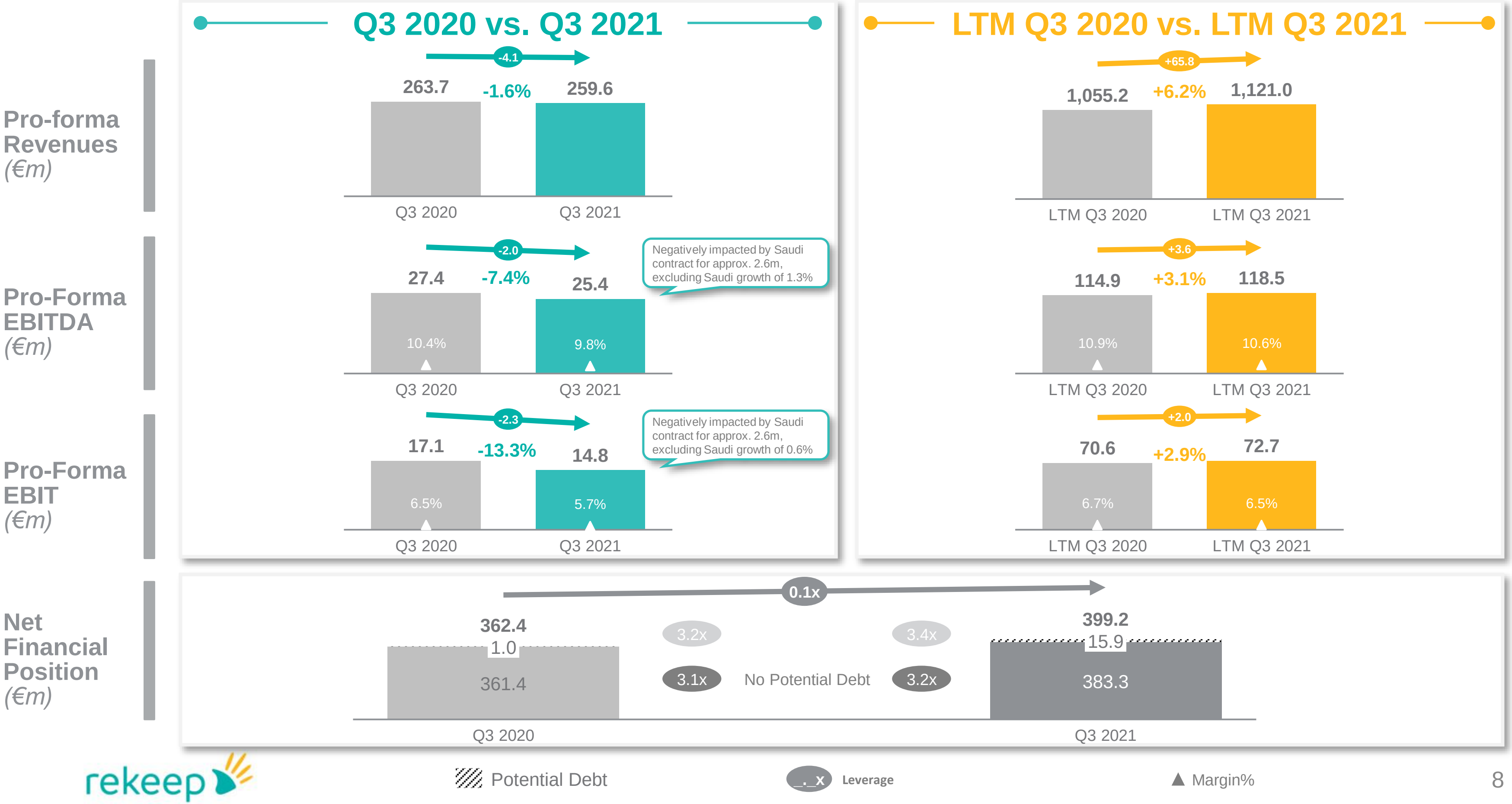
- ❑ For more information about Rekeep's commitment towards Corporate Social Responsibility detailed reports can be found [here]

Revenues historical trend by market segment

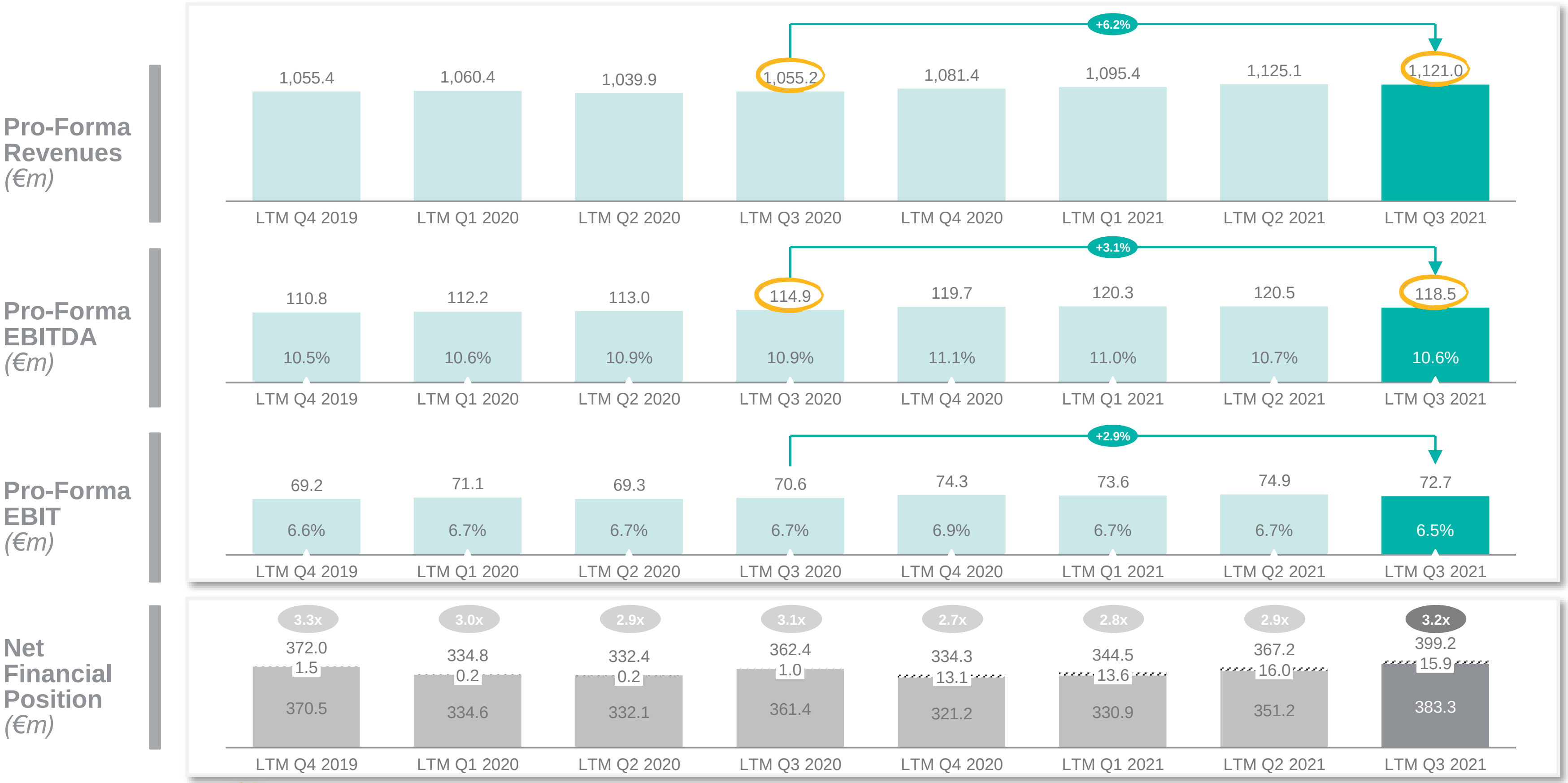
- The Group has shown an overall constant growth, with a **CAGR of 3.7%** during 2016-LTM Q3 2021
- Specifically, Healthcare exposure delivered a superior growth, with a **CAGR of 6.2%** during 2016-LTM Q3 2021 (Healthcare FM and L&S)
- *Pro-Forma figures since 2016, considering Poland and excluding Yougenio and Sicura*



3 months and LTM KPIs at a glance



LTM Performance



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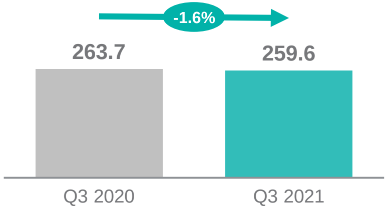
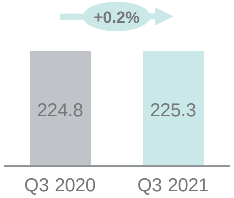
Potential Debt | _._x Leverage w/o Potential Debt (see Definitions) | ▲ Margin%

Revenues, YoY

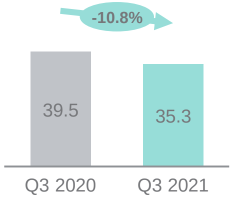
Revenues



Revenues by segment(*)

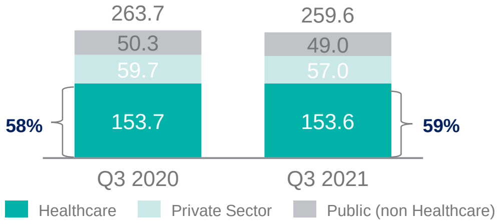


Facility Management



Laundering&Sterilization

Revenues by client



Comments

- Q3 2021 Revenues (€259.6m) substantially in line with the volumes registered in Q3 2020, resulting from the mixed effect of slowdown in L&S business activity while FM keeping a limited but constant increase (+0.2% vs Q3 2020)

- The trend in volumes in Q3 2021 is driven by:
  - a slowdown in L&S due to lower extra-ordinary activity related to Covid19 partially offset by a recover being business back to a more stable level of activity
  + FM segment kept the pace with Q3 2020 (+0.2%), which was a very positive quarter due to full re-opening after Covid19 peak at the beginning of 2020
  + a positive performance from Polish business as well as from French activities vs Q3 2020

- **Healthcare confirms being almost 2/3 of volumes (59%) in Q3 2021 in line with Q3 2020**

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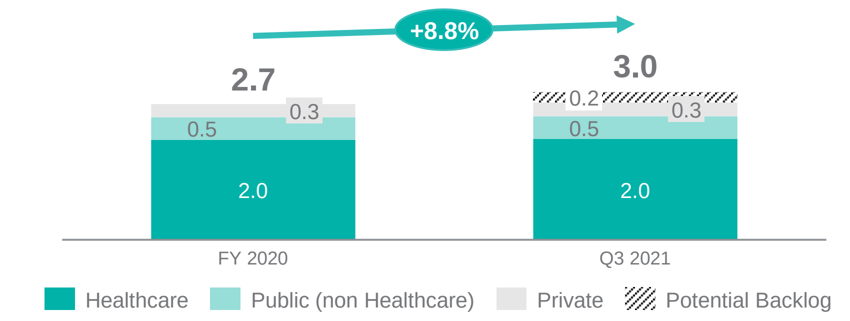
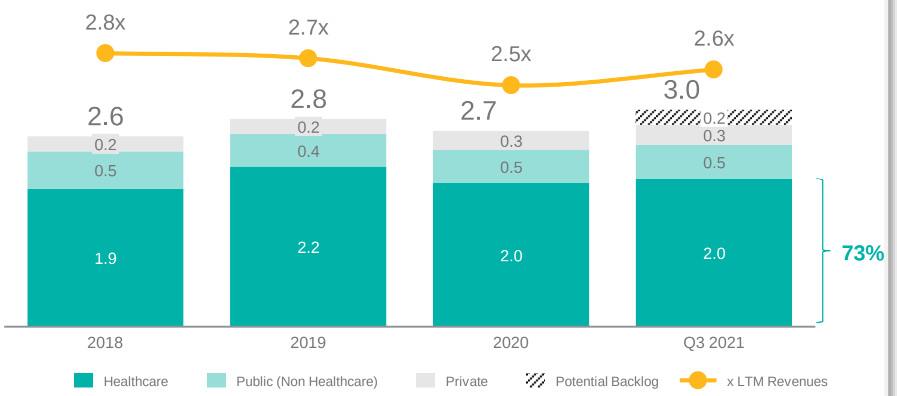
(*) Gross of intra-group eliminations ≈ €3m per annum

Backlog

Backlog, €bn



Revenue visibility from backlog

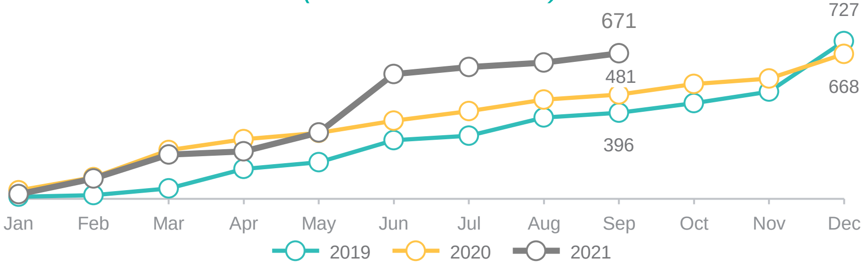


Comments

- Group Backlog ranks €2.8bn, substantially higher compared to the end of 2020
- Potential additional backlog leading to a rebound of the total Backlog at around €3.0Bn due to increase of approx. €200m related to already awarded framework agreements (FA) to be then transformed into signed contracts
- Backlog coverage at 2.6x over Revenues is in line with previous quarters and higher compared to FY2020
- Healthcare accounts for more than 73% of total Backlog
- *As of today, Backlog does not include Saudi contract backlog*

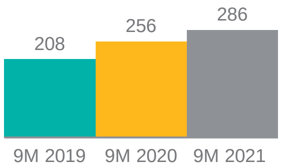
Commercial Activity

Value of contracts signed 9M 2021, €m
(multi-annual value)

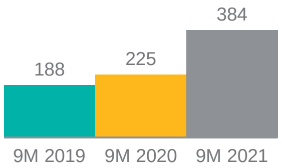


Breakdown of signed contracts 9M 2021, €m

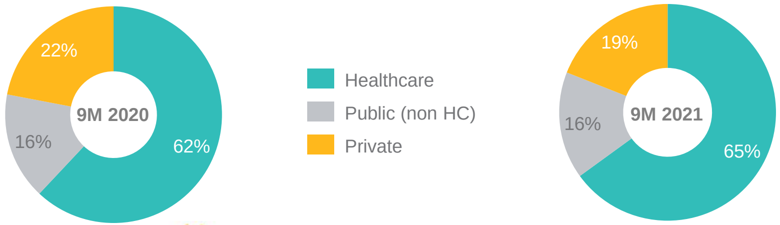
Renewals



New Market



Signed contracts by Client 9M 2021, %



Sales activity

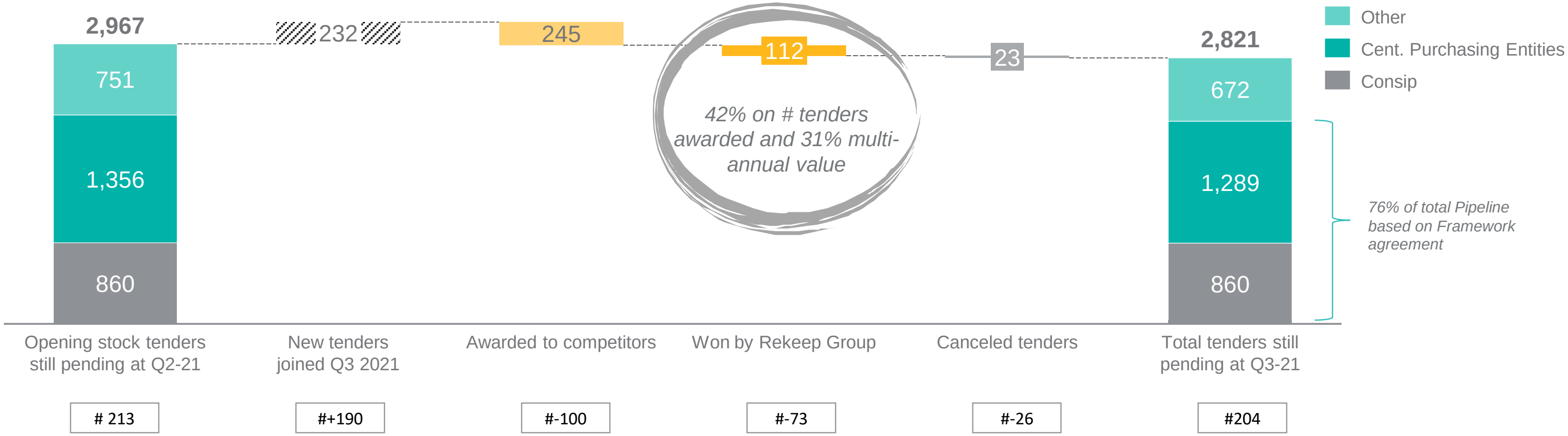
- 9M 2021 commercial activity has widely outperformed 9M 2020 (€671m vs €481m) and it is also superior compared with 9M 2019
- At 9M 2021 the commercial activity has already outreached the FY2020 performance:
  - ✓ **Renewals**: +12% growth compared to 2020 (€286m vs €256m), with solid performance in FM and Healthcare (renewals of contracts with key clients)
  - ✓ **New market**: largely outperforming 9M 2020 performance: €384m vs €225m
    - domestic market registered a very positive pace thanks to new acquisitions both in healthcare and private segments
    - substantial contribution to growth has been given by the international activity, particularly by French and Polish markets
- Dedicated focus on Healthcare clients which remains the main segment, representing **65%** of signed contracts (+3p.p. vs Q3 2020)

Main Contracts signed in Q3 2021

Client	Service	Annual Value	Duration	Acquisition type
CDS AO PUGLIESE CIACCIO CATANZARO	Sterilization	1.1m	10 years	New Market
OSP. BAMBINO GESU' LOGISTICA	Maintenance	1.7m	5 years	New Market
SNCF MOUNTROUGE	Cleaning	4.2m	2 years	Portfolio

Tenders Pipeline – Q3 2021

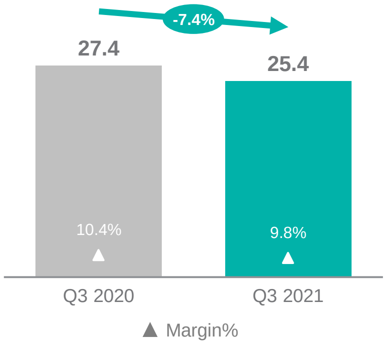
Tenders Pipeline Bridge by Stock tenders and New tenders, €m



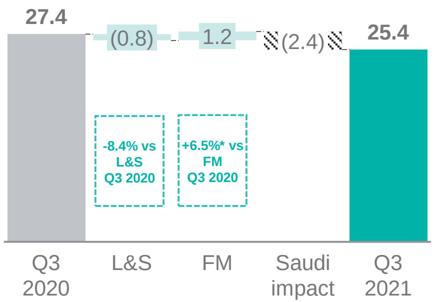
- In Q3 2021, Rekeep Group achieved a win rate of 42% on # of tenders (73 out of 173) and 31% on value of tenders, including Poland contribution
- Total amount of tenders still pending (Pipeline) accounts for €2.8bn
- The tenders held by other regional Centralized Purchasing Entities ("Soggetti Aggregatori") keeps on covering significant share of the total pipeline and allows to maintain the current portfolio and develop new business, **accounting today for approx. half of total pipeline**

EBITDA and EBIT, YoY

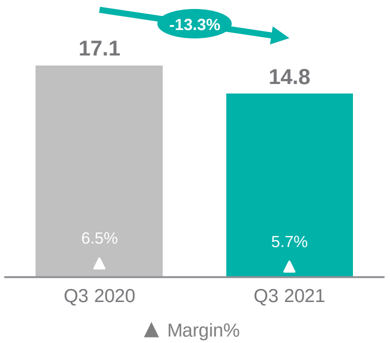
Adjusted EBITDA



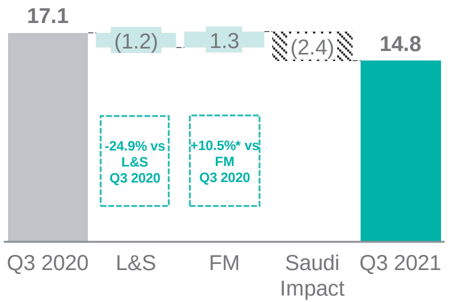
Bridge Adjusted EBITDA



Adjusted EBIT



Bridge Adjusted EBIT



Comments

- Quarterly Adjusted EBITDA – net of Saudi impact – ***would register a growth of 1.3%*** due to FM increase (+1.2m vs Q3 2020) which more than offsets the slight decrease in L&S (-0.8m vs Q3 2020)
- The trend in Adjusted EBITDA is driven by:
  - ✓ Slowdown in L&S, due to lower level of extra-ordinary activity only partially offset by a gradual recovery being business back to a standard level
  - ✓ Negative contribution by Saudi contract partially offset by a moderate recover in FM segment for both public and private clients as business is gradually back to normality
- EBITDA Marginality at 9.8% in Q3 2021 (10.8% excluding the negative impact of Saudi contract)
- Adjusted EBIT decreased by €2.3m, due to:
  - ✓ Decline in L&S by €1.2m
  - ✓ More than offset by an increase in FM EBIT of €1.3m (net of Saudi impact)
  - ✓ Negative impact of Saudi contract

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Data in €m
Q3 2021 Adjustments on EBITDA are €1.4m (vs. €0.5m in Q3 2020)
Q3 2021 Adjustments on EBIT are €1.4m (vs. €1.0m in Q3 2020)
**net of Saudi impact*

Net Financial Expenses, Taxes, Net Result

Net Financial Expenses, €m

9M 2021

€31.5m(*)
(o/w €27.8m monetary)

9M 2020

€34.8m
(o/w €31.2m monetary)

- Recurring 9M 2021 Net Financial expenses are lower than Q3 2020 (€31.5m vs €34.8m) mainly due to lower SSN coupon expenses
- Taking into account also the expenses related to SSN refinancing in January totaling approx. €23.6m, Net Financial Expenses are €55.1m

Taxes, €m

9M 2021

€8.7m

EBT € n.m. *Tax Rate n.m.%*

9M 2020

€10.0m

EBT € n.m. *Tax Rate n.m.%*

Net Result, €m

9M 2021

Net of extra-ordinary costs related to SSN refi, Net Results would be **€9.5m**

€ -14.3m

n.m.% of Revenues

9M 2020

Including FM4 fine accrual for €82.2m

€-82.7m

n.m.% of Revenues

- Q3 2021 Net Result is affected by extra-ordinary costs related to refinancing of SSN in January, totaling approx. 23.6m
- **Net of this effect, Net Results would be €9.5m**

(*) excluding approx. €23.6m of financial expenses related to SSN refinancing in January 2021: i) €15m premium to bondholders due to early redemption ii) €2.6m transaction fees iii) €6.0m amortized cost

Industrial Capex

Figures not Pro-Forma

Q3 2021

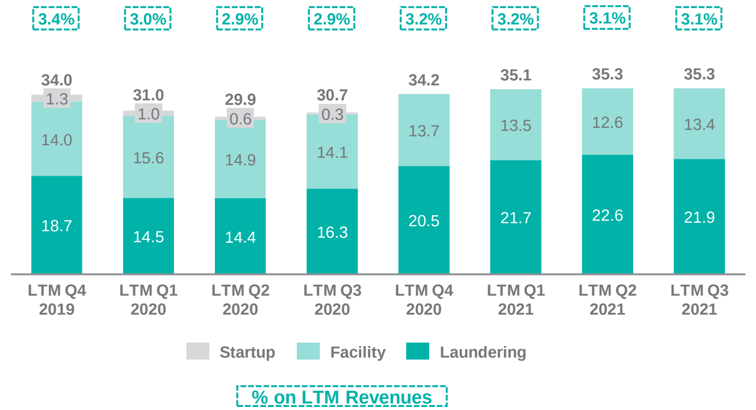
€7.8m

Q3 2020

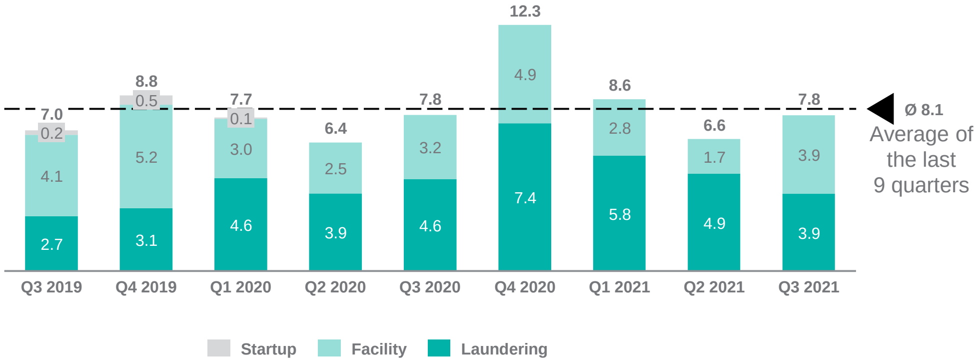
€7.8m

- Q3 2021 Capex (€7.8m) are in line with Q3 2020 and below the 9 last quarters average (€7.8m vs avg.€8.1m) equally driven by investments in Laundering and FM businesses (€3.9m each)
- LTM Q3 2021 Capex confirmed stable around approx. 3% of Revenues as sustainable level for the business

LTM Capex overview, €m



Capex by quarter, €m



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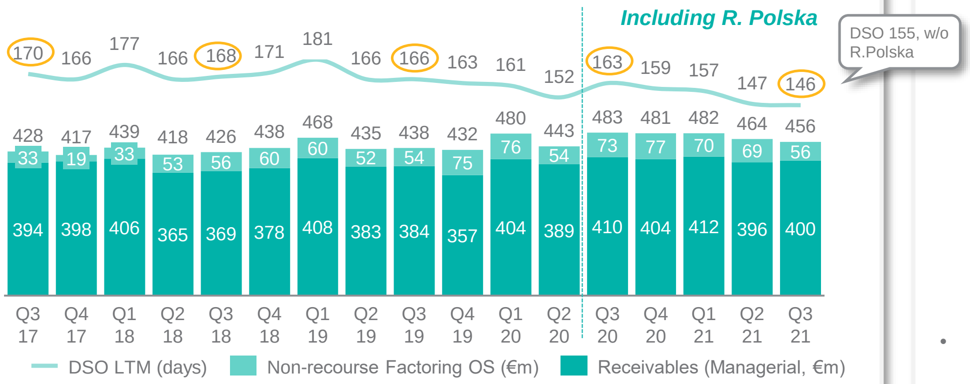
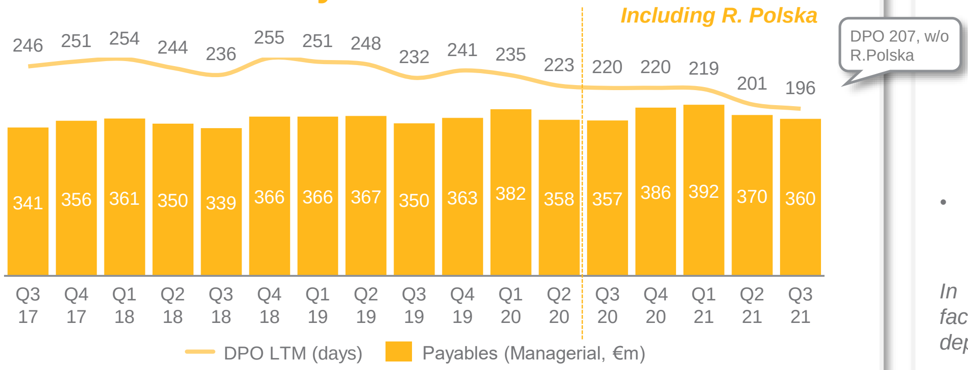
DSOs & DPOs

Gross Receivables and DSO



Payables and DPO



Comments

Reduction of DSO is in line with the strategy implemented by the management, and hitting the lowest level ever registered

- DSOs lands at 146 days (155 considering only domestic perimeter)
- -17 DSO vs Q3 2020 with general improvements in both Invoicing and Collection
- Level of Non-recourse factoring is slightly below previous quarters, reaching €56m at Q3 2021

- **DPOs hit the lowest historical level** at 196 (207 considering only domestic perimeter), outperforming by far the level registered in recent quarters
  - This is mainly due to advanced payment of certain energy suppliers and
  - the customary pass-through technical payments to selected subcontractors (linked to payments for social security) suitable to authorize Receivable payments
- *DSOs/DPOs exclude the effect of Sicura (sold) and Yougenio (terminated), while include Rekeep Polska since Q1 2020*

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 2021

€63.2m

(o/w €22.0m related to Poland)

Q3 2020

€63.5m

(o/w €21.4m related to Poland)

NWOC / LTM Revenues

Q3 2021

5.6%

(4.1% excl. Poland)

Q3 2020

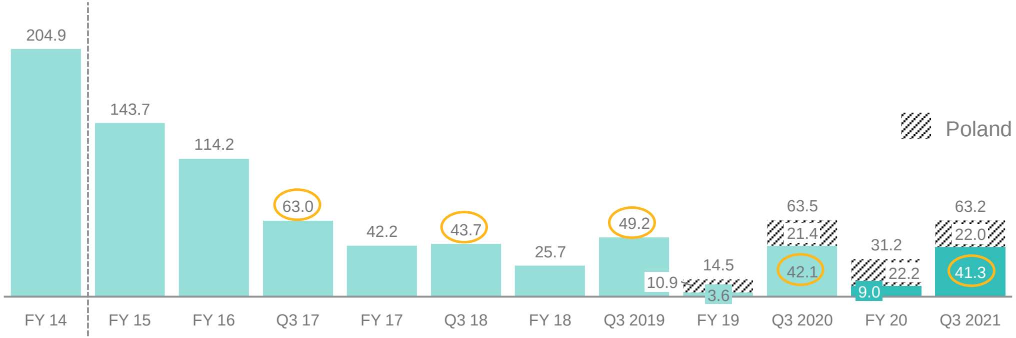
6.0%

(4.4% excl. Poland)

- NWOC slightly lower than Q3 2020 at €63.2m
- The slight decrease is reached despite a growth of volumes in the period, marking a 5.6% on Total Revenues (vs. 6.0% in Q3 2020)
- Decreasing trend is still confirmed: excluding the Rekeep Polska contribution, NWOC is €41.3m, 4.1% of LTM Domestic revenues, and lower if compared to Q3s of previous years despite a higher level of volumes

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

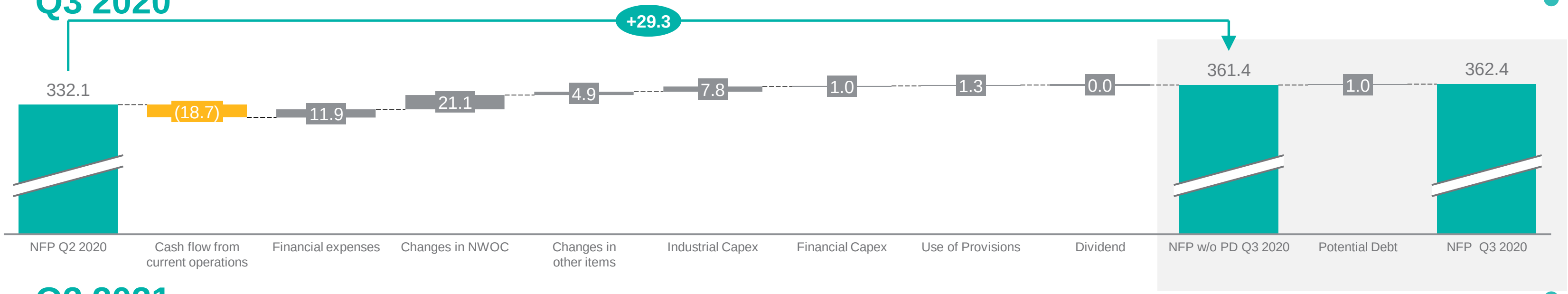
Net Working Operating Capital Trend, €m



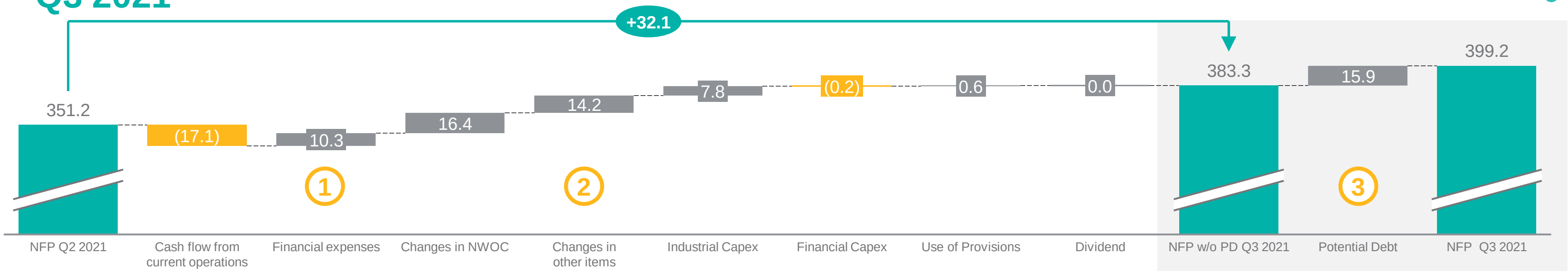
Introduction of «Split Payment» and «Reverse Charge»

Focus on NFP changes Q3 2021 vs Q3 2020 (€m)

Q3 2020



Q3 2021



Main changes in Q3 2021 vs Q3 2020:

1. Lower financial expenses due to lower SSN coupons expenses following the refinancing in January 2021
2. Changes in Other Items: the increase is mainly due to i) lower debt due to expired period for suspension - granted by Polish govt - of payment of social charges to employees and ii) payment of FM4 fine instalments
3. Put Option is mainly related to i) acquiring the remaining 20% stake of R.Polska in 2025, measured on expected (and significantly higher) EBITDA BP 2024, and ii) Earn-out for U.Jet acquisition

Focus on Liquidity and Credit Facilities

Data as of September 2021	Amount (€m)	x Pro-Forma EBITDA	Strong liquidity cushion on B/S
Reference LTM EBITDA		**118.5**	
Cash on Balance Sheet	(72.8)		(72.8)
Short Term Financial Assets	(5.3)		(5.3)
SSN @ 2026 - 7.25% Coupon	370.0		
Other on SSN (Amortized Cost, Accrued Interest)	(2.6)		
ssRCF (€75m)	-		(75.0)
Total Senior Secured NFP	**289.3**	**2.4x**	
Recourse Factoring	19.2		
Reverse factoring	5.0		
Term Loans & Bank Overdrafts	4.3		
Financial Leasing	6.3		
Other Financial Debt	20.1		
IFRS Adjustments	*39.1*		
Net Financial Position w/o Potential Debt	**383.3**	**3.2x**	
Potential Debt	*15.9*		
Net Financial Position	399.2	3.37x	
No-Recourse Factoring	*55.6*		*(144.4)* *

Includes 20% put option for the remaining stake in Poland (est. in 2025) and Earn-out to U.Jet

(*) Committed revolving credit facility of €200m

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Annex

Litigation Update

- **FM4 Investigation:**
  - On May 9, 2019 the Italian Competition Authority decided to impose a fine of €91.6 million against Rekeep Group.
  - 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 by ICA, which determined the new amount in €79.8m.
    - ✓ Rekeep accrued the cost in FY2020 Results for €82.2m including also the premium for the payment in instalments
    - ✓ Rekeep originally obtained for deferred payment by collection agency *Agenzia delle Entrate*, in 72 monthly instalments. After Covid19 suspension, Rekeep started to pay the remaining 69 remaining instalments (out of original 72), according to the amortization plan already agreed for the previous amount of the fine
    - ✓ To be noted the Unsecured class of the Fine and the so called "*Inability To Pay*" EU directive with reference to Antitrust Fines
    - ✓ As of end of October, Rekeep has paid 14 (out of 72) monthly instalments totaling to roughly €13.8m

- **Santobono Case:**
  - Following a series of court claims brought by Rekeep against the ANAC decision to exclude Rekeep from participating in public tenders for a period of six months and related court decisions, Rekeep submitted before ANAC an out-of-court request to amend the ANAC Decision and subsequently challenged before the TAR Lazio the negative outcome of such out-of-court request together with the entering of such decision in the relevant electronic register.
  - While the TAR Lazio rejected Rekeep's appeal, on April 23, 2021 the Council of State (acting as a second level court) granted Rekeep's request on a precautionary basis.
  - Based also on the advice received from its lawyers, Rekeep maintains that all the effects of the ANAC Decision are currently suspended and is vigorously defending such position

Next Steps

- Rekeep appealed the TAR Lazio decision before Council of State (i.e. the Italian supreme administrative Court): hearing postponed to January 2022
- Rekeep started paying the remaining 69 instalments in Q1 2021. As of end of August, Rekeep has paid 14 (out of 72) monthly instalments totaling to roughly €13.8m
- Council of State ruling on merit is expected at end of November 2021

Methodology and data presentation

Data Presentation

- Since the acquisition of Polish Naprzod (then Rekeep Polska) in October 2019, International activities can be considered material and hence no longer as Start-up
- Adjusted EBITDA and Adjusted EBIT do not include non-recurring elements recorded in the consolidated Statement of Profit/Loss for the year
- On a **Pro-Forma**(1) basis, Revenues, EBITDA and EBIT :

  i) Include International activities, following the acquisition of Polish company Rekeep Polska since November 2019 (for accounting purposes)

  ii) Do not include Yougenio activities. Since September 2020, Yougenio has been de-consolidated from Group figures

  iii) Do not take into account Sicura as it is no longer part of the Rekeep Group since February 2020

IFRS16

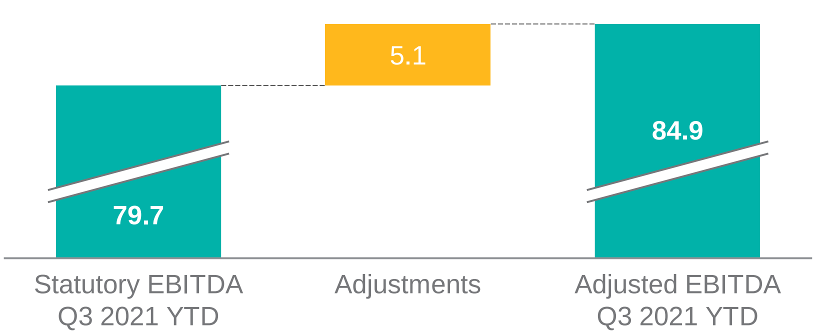
- Please note that all the figures shown in **this presentation take into account the impacts of the first-time adoption of the new IFRS 16**, mandatory since 2019. For this reason, the figures may sensibly differ from those presented in previous investors presentations
- The adoption of this Standard 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

(1) Pro-Forma Revenues, EBITDA and EBIT are not audited or reviewed or intended to comply with applicable accounting standards – they are provided for illustrative purposes only and does not purport to represent or project current or future results.

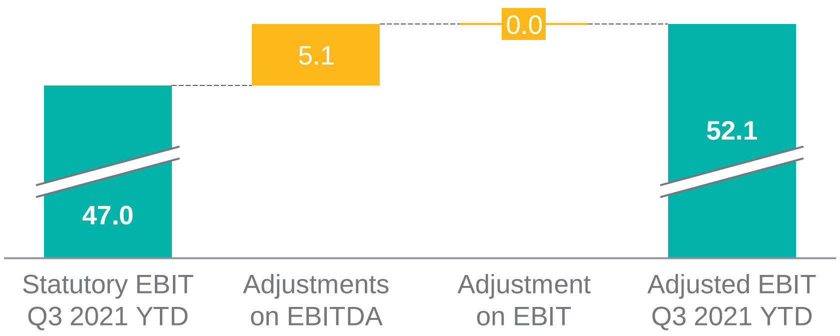
Exchange rate:
- *for P&L: average exchange rate Q3 2021 YTD*
- *For BS: exchange rate as of 30 September 2021*

Adjustments to EBITDA and EBIT

Bridge to EBITDA YTD, €m



Bridge to EBIT YTD, €m

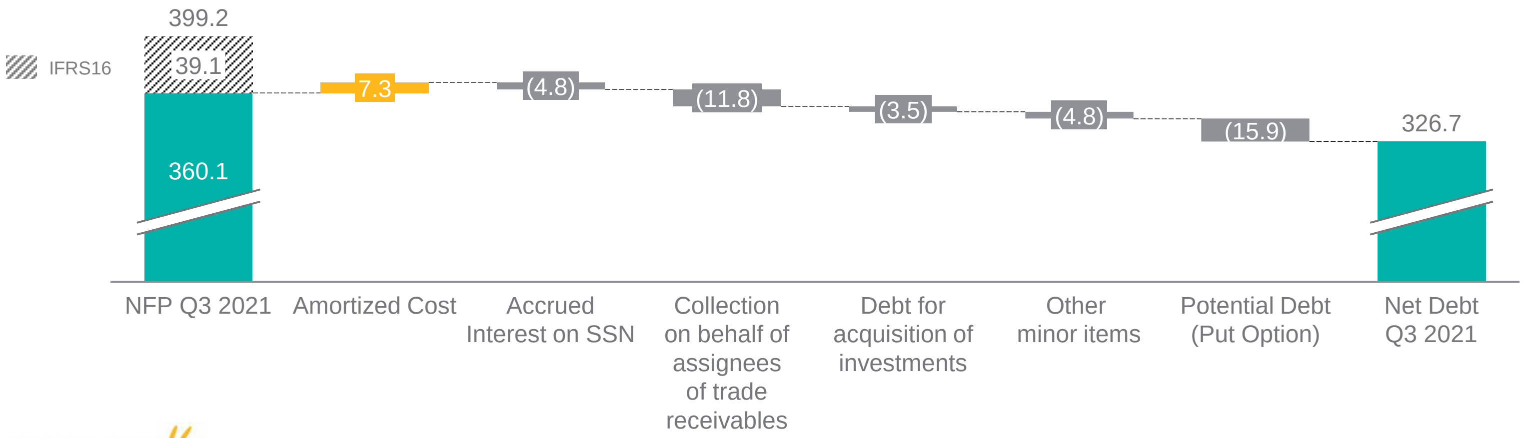


Adjustments on EBITDA, €m	
M&A and Advisory fee for extra-ordinary transaction/project	1.8
Extraordinary legal fees related to litigations	1.1
Re-organizations / Lay-off	2.2
Total Adjustments on EBITDA	**5.1**
Adjustments on EBIT, €m	
Adjustments on EBIT, net of Adjustments on EBITDA	-
Total Adjustments on EBIT	**5.1**

Net Financial Position to Net Debt

Q3 2021 Net Financial Position to Net Debt, €m

	30th September 2021	30th September 2020
Long term financial debt	414.4	367.8
Bank borrowings, including current portion of long-term debt and other financial liabilities	62.9	112.6
Gross financial indebtness	***477.3***	***480.4***
Cash and cash equivalents	(72.8)	(110.9)
Current financial assets	(5.3)	(7.1)
Net financial indebtness Rekeep Group	***399.2***	***362.4***



Definitions

More definitions

(1) **“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

(2) **“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

(3) **“NFP without Potential Debt”** means Consolidated Net Financial Position, net of Potential Debt (i.e. Put Options and Earn-out related to M&A transactions)

(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

ANNEX

BALANCE SHEET (€/000)	30 Sep 2021	31 Dec 2020	Change
USES			
Trade receivables and advances to suppliers	438,538	431,121	7,417
Inventories	13,345	12,921	424
Trade payables and advances from customers	(388,635)	(412,849)	24,214
Net working operating capital	***63,248***	***31,193***	***32,055***
Other element of working capital	(152,076)	(161,427)	9,351
Net working capital	***(88,828)***	***(130,234)***	***41,406***
Tangible assets	128,215	122,542	5,673
Intangibles assets	426,151	424,215	1,936
Investments accounted for under the equity method	10,782	9,140	1,642
Other non current assets	32,941	34,012	(1,071)
Operating fixed assets	***598,089***	***589,909***	***8,180***
Non current liabilities	(51,567)	(52,812)	1,245
Net invested capital	***457,694***	***406,863***	***50,831***
SOURCES			
Minority interests	4,834	3,199	1,635
Equity attributable to equity holders of the parent	53,622	69,337	(15,715)
Shareholders' equity	***58,456***	***72,536***	***(14,080)***
Net financial indebtedness	399,238	334,327	64,911
Total financing sources	***457,694***	***406,863***	***50,831***

ANNEX

PROFIT&LOSS *(€/000)*	For the period ended 30 September	
	2021	**2020**
Total revenues	812,463	772,864
Total costs of production	(732,717)	(688,900)
EBITDA	**79,746**	**83,964**
EBITDA %	***9.82%***	***10.86%***
Amortization/depreciation, write-downs and write-backs of assets	(31,130)	(29,912)
Accrual of provisions for risks and charges	(1,645)	(87,432)
Operating income	**46,971**	**(33,380)**
Operating Income %	***5.78%***	***-4.32%***
Share of net profit of associates	2,497	(6,689)
Net financial charges	(55,107)	(34,835)
Profit before taxes from continuing operations	**(5,639)**	**(74,904)**
Profit before taxes from continuing operations %	***-0.69%***	***-9.69%***
Income taxes	(8,661)	(9,994)
Profit from continuing operations	**(14,300)**	**(84,898)**
Loss for the period from discontinued operation	16	2,170
Net profit for the period	**(14,284)**	**(82,728)**
Net profit for the period %	***-1.76%***	***-10.70%***
Minority interests	(1,622)	(1,414)
Net profit for the period attributable to equity holders of the parent	**(15,906)**	**(84,142)**
Net profit for the period attributable to equity holders of the parent %	***-1.96%***	***-10.89%***

ANNEX

STATEMENT OF CASH FLOW (Statutory) (€/000)	30 Sep 2021	30 Sep 2020
CASH at the beginning of the period	**90,464**	**97,143**
Cash flow from current operations	14,740	36,468
Use of provisions for risks and charges and for employee termination indemnity	(2,958)	(5,904)
Change in NWOC	(32,012)	(49,423)
Industrial Capex, net of disposals	(22,203)	(21,601)
Financial Capex	(4,997)	50,018
Other changes	(17,480)	(5,327)
Change in net financial liabilities	47,198	9,501
CASH at the end of the period	**72,750**	**110,873**

What's next

- ✓ Next call on Q4 2021 will be indicatively held in March 2022. As soon as the financial calendar is approved, the info will be shared on IR section of Rekeep's website

- ✓ Rekeep Financial Calendar and Replay available on:

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