



# Call on Q1 2024 Results

May 16, 2024  
17CET



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*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



**Giuliano Di Bernardo**

*CEO*



**Riccardo Bombardini**

*Head of Investor Relations*



## Index

- Key Quarter Highlights
- Q1 2024 Results
- *Annex*
- *Q&A session*

# Key Quarter Highlights

## Profit & Loss

### Revenues

- The Group Q1 2024 has registered a decrease vs Q1 2023 (-7.3 m€; equivalent to a -2.3%) **due to the reduction of primary energy cost of energy and gas. Poland continues to deliver a sustained growth while L/S services revenues are down by -5.7% QoQ.**

### EBITDA

- Q1 2024 Ebitda increases by +12% on a like-for-like basis without the tax credit effect, vs Q1 2023 mainly because of the **positive contribution coming from Poland, Saudi and L/S**. Considering tax credit Ebitda decreases by circa 20%.

### Backlog & Commercial Activity

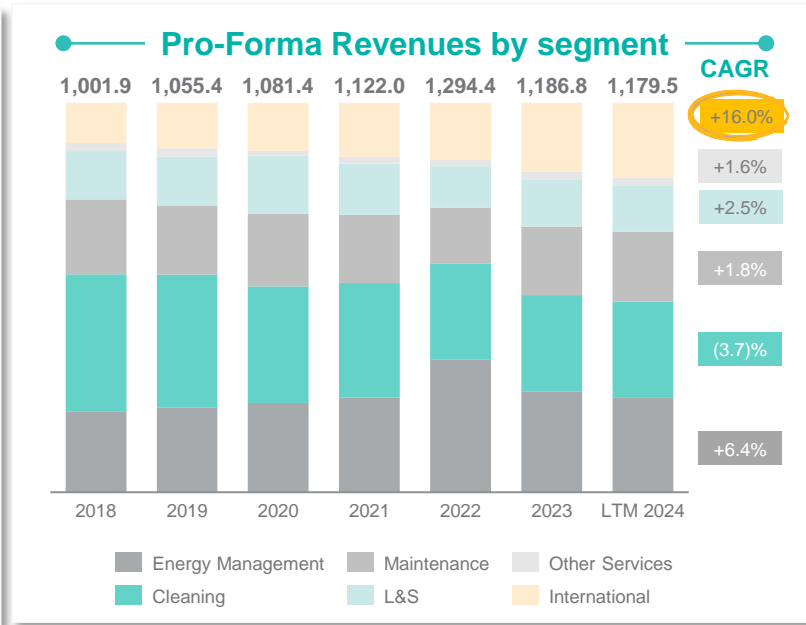
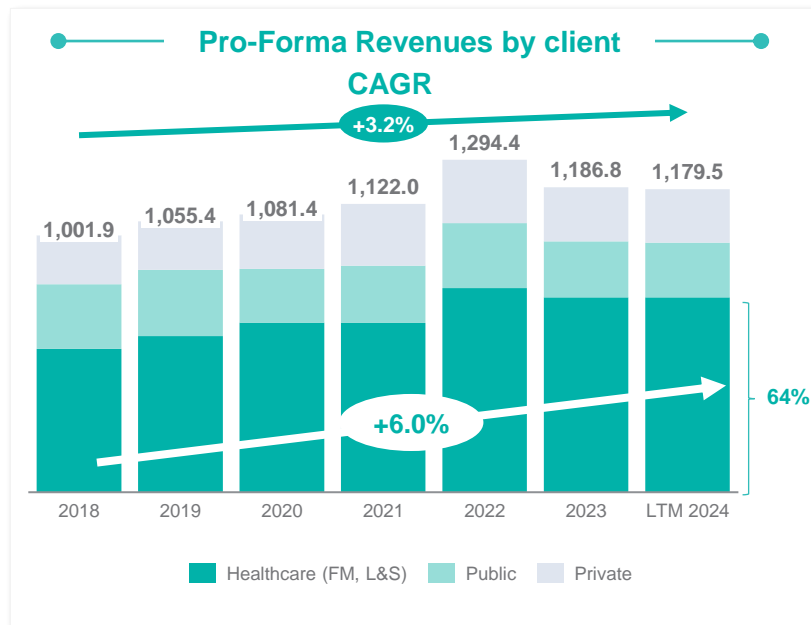
- Q1 2024 commercial performance underperforms on new contracts gained vs previous first quarters whereas backlog remains stable around 3.0 bn€. Backlog/Revenues stands at 2.5x
- Net Financial Expenses
- Q1 2024 net financial expenses are stable vs previous period.

## Balance Sheet

### Working Capital

- **Q1 2024 NOWC reaches €121.1m**, which is driven, compared to Q1 2023, by a **reduction mainly coming from Italy and an increase from Poland**. NWOC excluding Poland decreases vs Q1 2023 by circa €10m (from €91.4m to €81.2m)
- Net Financial Position
- In Q1 2024, NFP (w/o Potential Debt) stands at €456.3m with leverage at 4.0x on EBITDA. With Potential debt added NFP reaches €476.6m vs €469.6m at Q1 2023.
- The on-balance NFP (ie with the pro-soluto factoring) stands at €528.4m in reduction vs €549.4 at Q1 2023 (€ -21.0m).
- The Company reaffirms its commitment to deleverage, while retaining a sound liquidity position

# Revenues historical trend by market segment

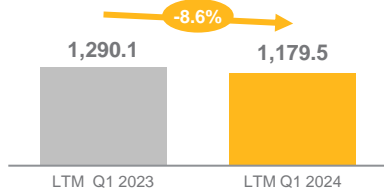


- The Group has shown an overall constant growth, with a **CAGR of +3.2%** during 2018 – LTM 2024
- Specifically, **Healthcare** exposure delivered a superior growth, with a **CAGR of +6.0%** during 2018 – LTM 2024, as well as **International business** showing a strong increase with a Pro-Forma **CAGR of +16.0%** in the period 2018 – LTM 2024 (vs 1.1% Domestic revenues growth in the same period)

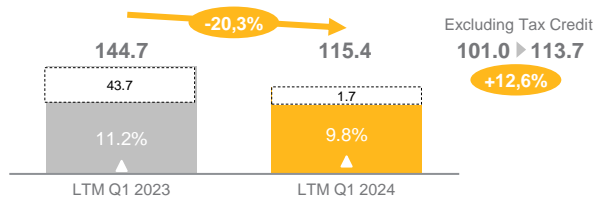
# FY and 3 months KPIs at a glance

## LTM Q1 2023 vs. LTM Q1 2024

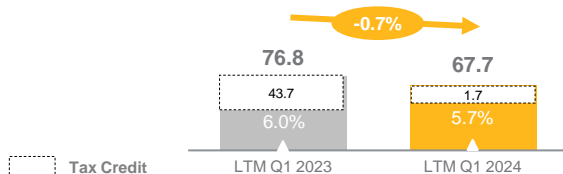
Revenues  
(€m)



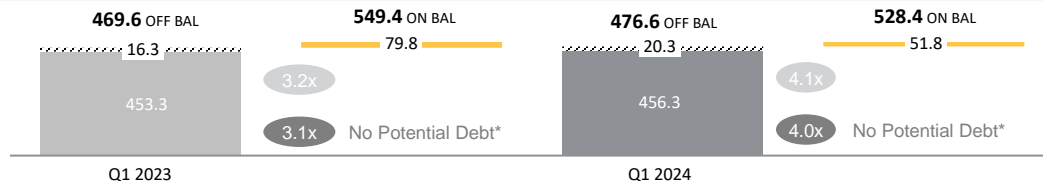
Adjusted  
EBITDA  
(€m)



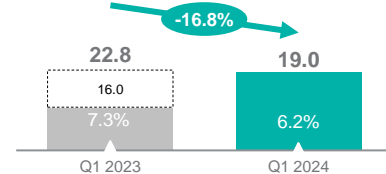
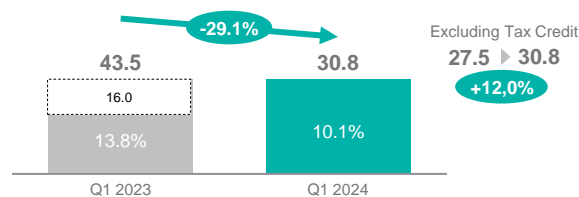
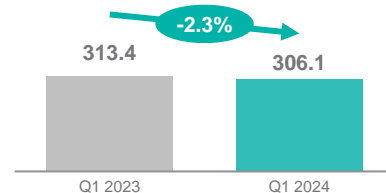
Adjusted  
EBIT  
(€m)



Net  
Financial  
Position  
(€m)

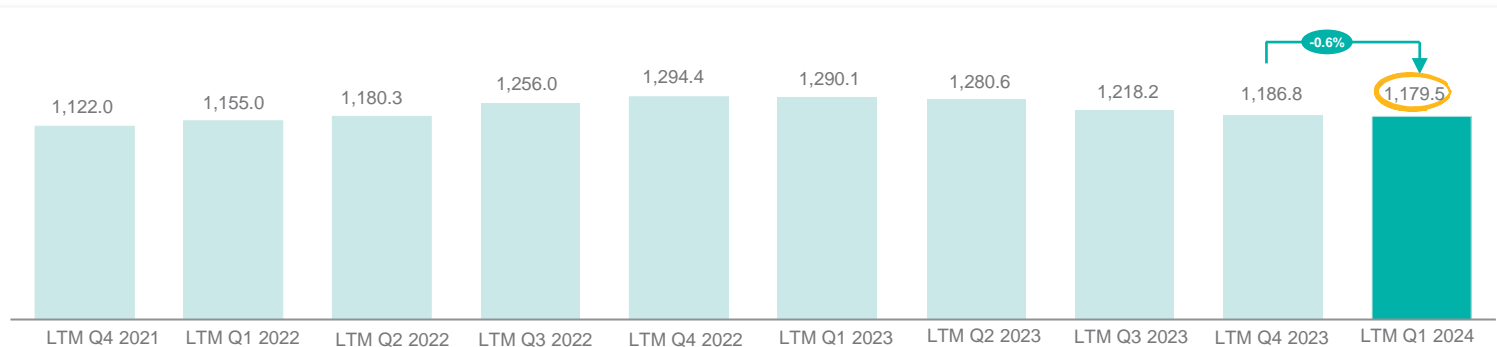


## Q1 2023 vs. Q1 2024

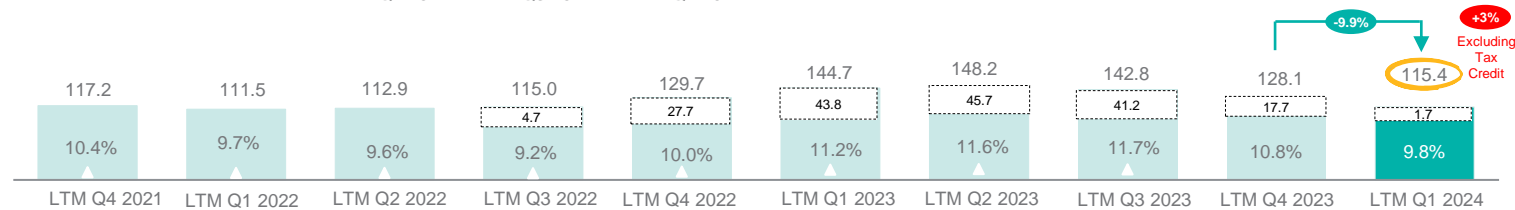


# LTM Performance

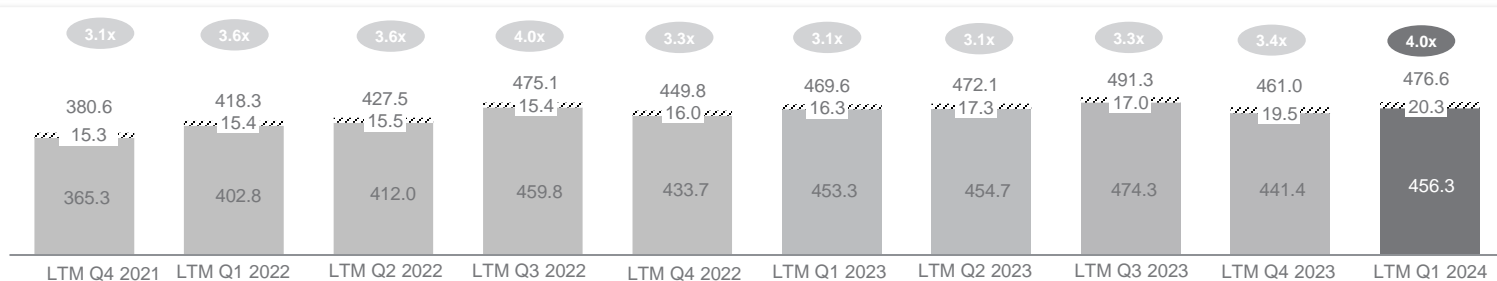
Revenues  
(€m)



Adjusted  
EBITDA  
(€m)

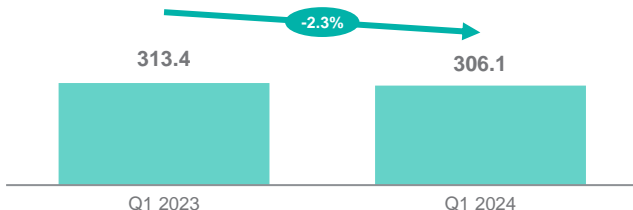


Net  
Financial  
Position  
(€m)



# Revenues, YoY (€m)

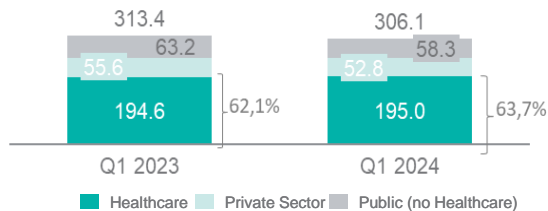
## Revenues



## Revenues by segment (\*)



## Revenues by client (quarter)



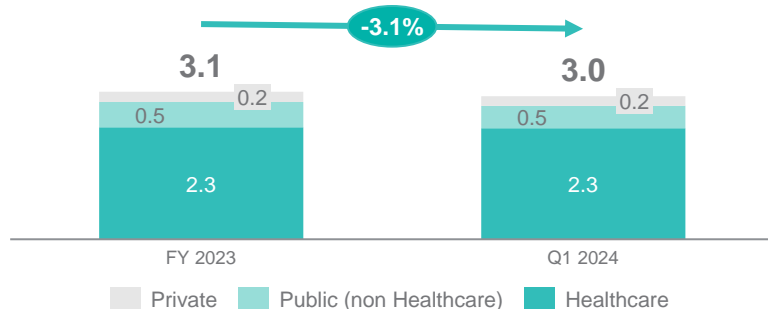
## Comments

- Q1 2024 Revenues decrease vs Q1 2023 (-2.3% QoQ) landing at €306.1m (from €313.4m)
- The trend in volumes in Q4 2023 is driven by:
  - ✓ FM segment decreasing -2.1% vs Q1 2023, due to reduction in primary energy prices reducing revenue volumes combined by increase from Poland, while L&S shows a decrease (-5.7% - QoQ) due a mix effect of in-out contracts.
  - ✓ A good performance for International business, especially from Polish activities (c.€ +15m / +36% QoQ)
- Healthcare confirms to cover circa 2/3 of volumes in Q1 2024**

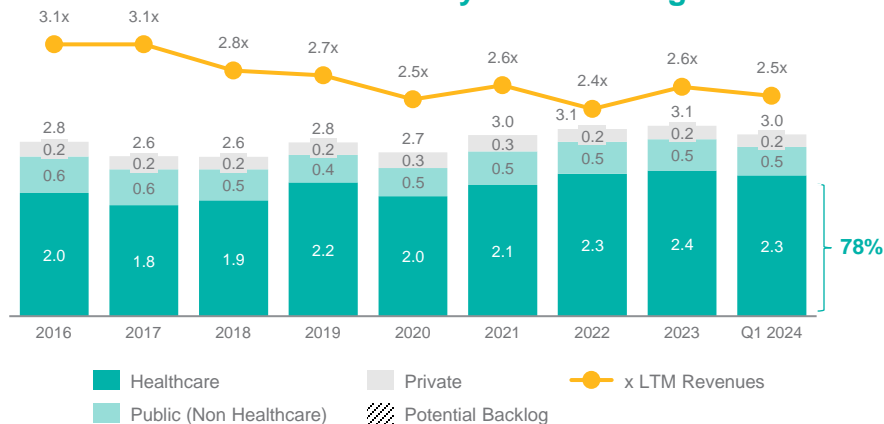


# Backlog

## Backlog, €bn



## Revenue visibility from backlog

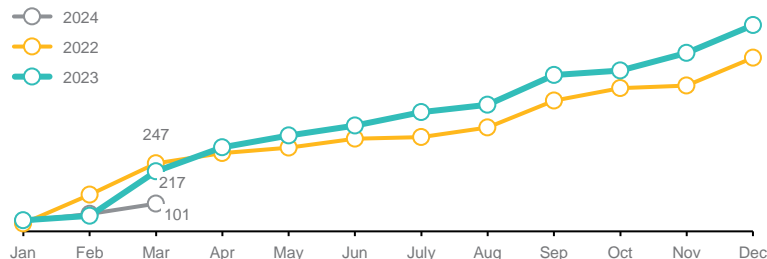


## Comments

- Backlog's value is approx. €3.0Bn in slight reduction vs Q4 2023 due to limited new volumes acquired in the first quarter
- YTD 2024: Backlog / Revenues stands at 2.5x
- 78% of backlog refers to Healthcare segment

# Performance summary: commercial performance

## Monthly trend of new contract - YTD, €m

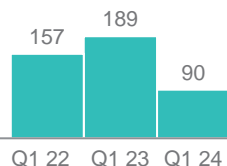


## Comments

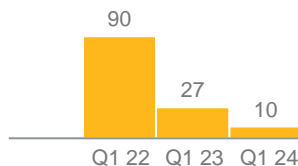
- Commercial performance shows an under performance in Q1 2024 vs previous years, same period, especially due to the limited contribution coming of the New Market.
- In particular, Q1 2024 commercial activity was impacted by:
  - ✓ Renewals: €90m
  - ✓ New Market: €10m new business acquisition mainly in Healthcare
- Dedicated focus on Healthcare clients which represents 78% of new signed contracts (both Renewals and New market), reaffirming Group strategy in repositioning as Healthcare FM provider

## New contracts value (Multi-annual) - YTD 2024, €m

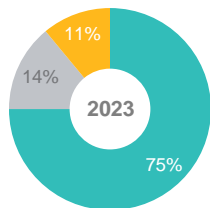
### Renewals



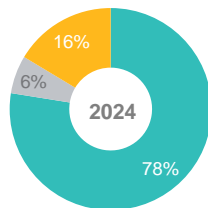
### New Market



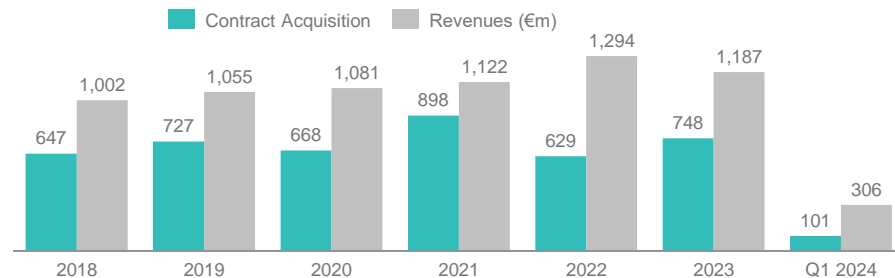
## New contracts by client - YTD 2024, %



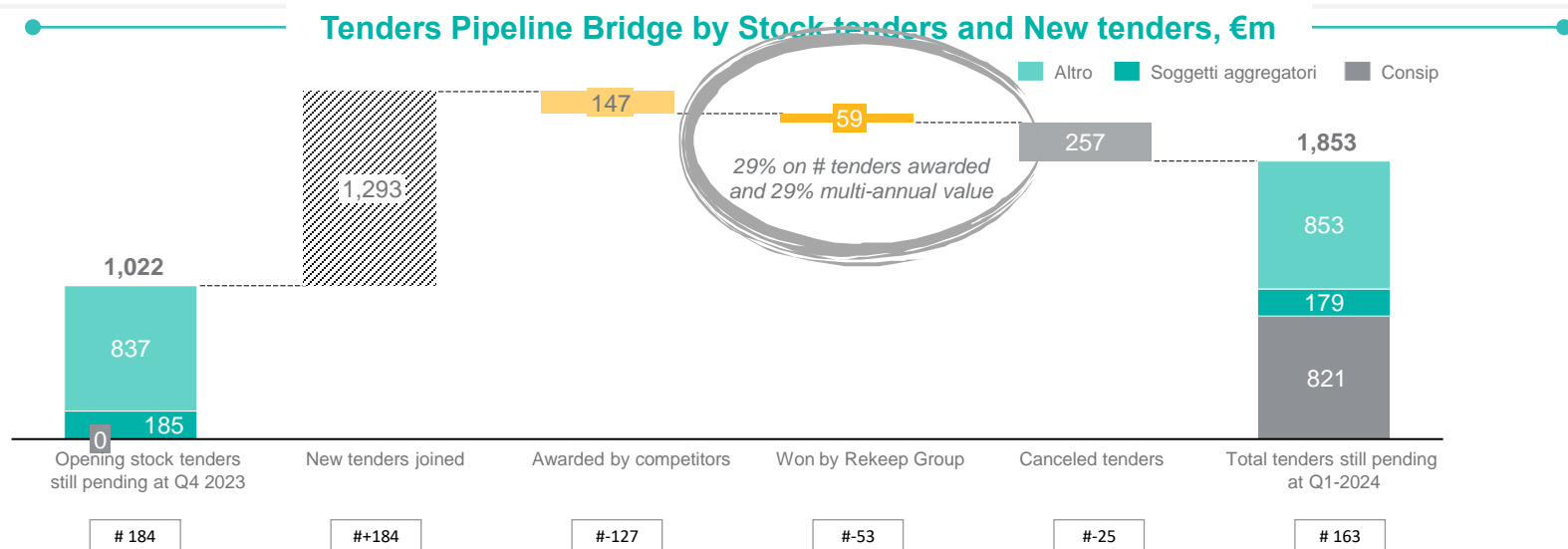
Healthcare  
Public (non HC)  
Private



## Revenues and Contract Acquisition



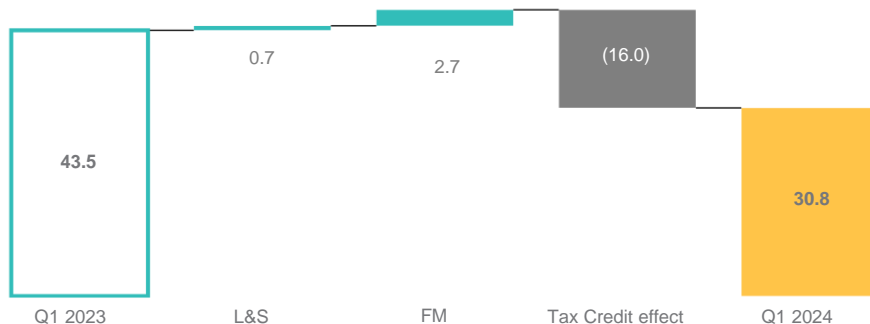
# Gare in Pipeline – YTD Gruppo



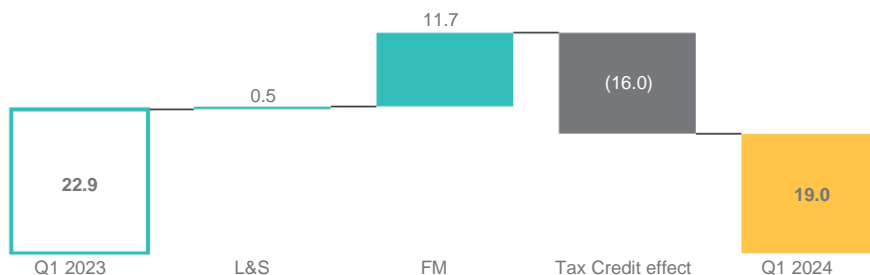
- At 4Q 23, Rekeep Group achieved a win rate of 29% on # of tenders and 29% on value of tenders, including Rekeep Polska
- Total amount of tenders still pending ("Pipeline") account for approx. €1,9bn.

# EBITDA and EBIT, YoY (€m)

## Adjusted EBITDA



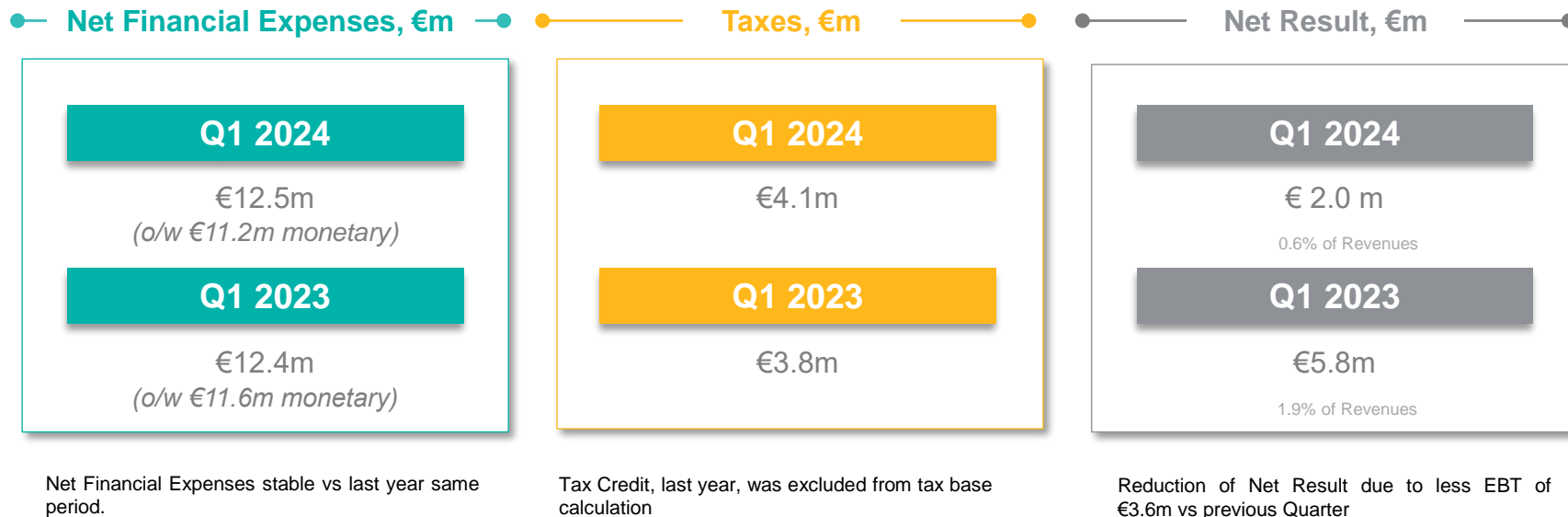
## Adjusted EBIT



## Comments

- Quarterly Adjusted EBITDA registers a decrease landing at €30.8m, with a -29.1% change vs Q1 2023, mainly due to the tax credit delta effect QoQ (approx. €-12.7m);
- Excluding Tax Credit effect, 4Q23 margins are impacted by:
  - ✓ L&S: internal cost efficiencies vs previous period
  - ✓ FM: mainly due to the combined effect of:
    - Reduction of negative contribution from Saudi resulting in a + €2.2m QoQ
    - Good performance from Polish activities with a + €3.2m increase QoQ.
    - Reduction in domestic perimeter of €2.7m QoQ
- ✓ Increase in EBIT FM vs Q1 2023, on top of Ebitda increase, is attributable largely to Saudi

# Net Financial Expenses, Taxes, Net Result

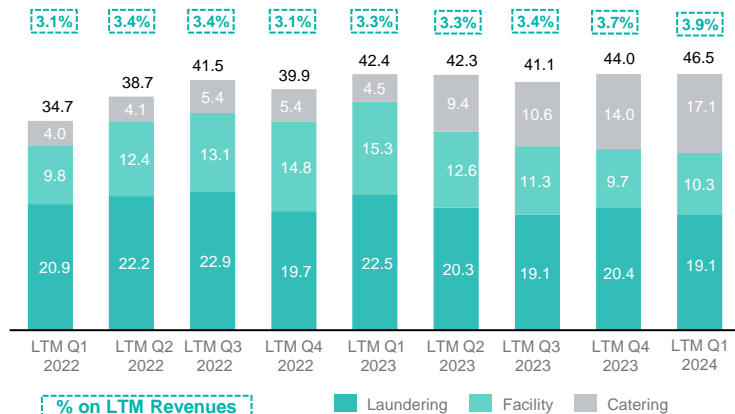


# Industrial Capex

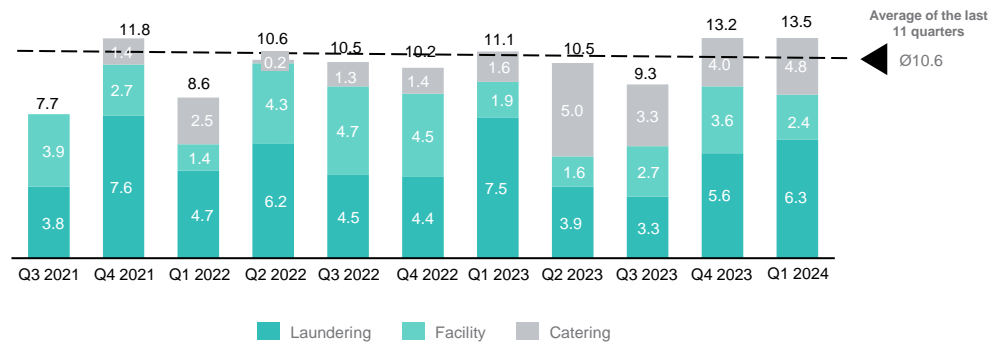


- Q1 2024 Capex reach €13.5m, while LTM Q1 2024 amount to €46.5m
- LTM Industrial Capex are mainly driven by (i) Catering in Poland and by (ii) L/S
- L&S Capex mainly refer to purchase of linen (for both current and new contracts) while Catering Capex refer mainly to the central kitchen construction project
- LTM Q4 Capex on revenues reach 3,9% because of realization of a central kitchen project in Poland

## LTM Industrial Capex, €m



## Industrial Capex by quarter, €m



# Net Operating Working Capital

## NOWC

### Q1 2024

€121.1m

(o/w €39.9m related to Poland)

### Q1 2023

€112.5m

(o/w €21.1m related to Poland)

- NOWC increases to €121.1m from Q4 2023 figure (€104.2m).
- Although Q1 2024 shows an increase vs Q4 2023 and vs same period last year, NOWC is impacted by an increase coming from Polish business (from €21.1m in Q1 2023 to €39.9m in Q1 2024) while the rest of NOWC decreases by circa €10m vs Q1 2023 and is almost stable vs Q4 2023.
- Excluding Rekeep Polska, NOWC is 8.5% of Domestic Revenues

## NOWC / LTM Revenues

### Q1 2024

10.3%

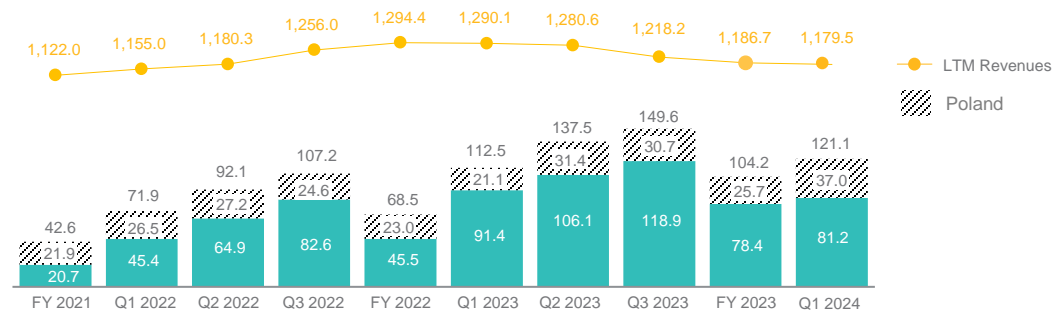
(8.5% excl. Poland)

### Q1 2023

8.7%

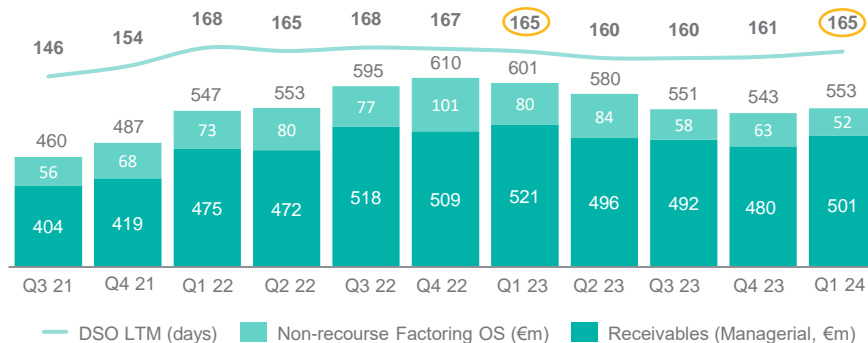
(8.0% excl. Poland)

## Net Operating Working Capital Trend, €m

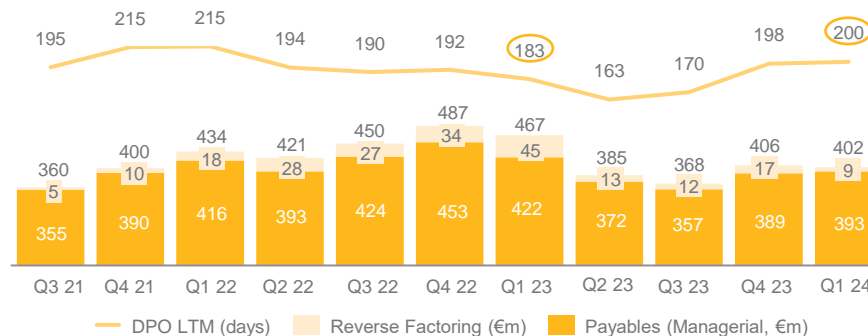


# DSOs & DPOs

## Gross Receivables and DSO



## Payables and DPO <sup>(\*)</sup>



## Comments

- **DSOs remain stable vs Q1 2023 and increase +4 days vs Q4 2023.**
- Utilization of non recourse factoring reduces vs Q1 2023 due to reduction of revenues driven by lower energy prices vs Q1 2023.
- **DPOs increase by +17 days vs Q1 2023 and by +2 days vs Q4 2023.** This trend is mainly due to a continuing trend in:
  - ✓ Normalized energy raw materials prices
  - ✓ Progressive normalization trend with suppliers

- ❖ In the upper chart, on top of gross receivables, the amount of factoring outstanding receivables is separately depicted, which is taken into consideration to calculate DSOs
- ❖ In the lower chart, on top of payables, the amount of reverse factoring is separately depicted and is not taken into consideration to calculate DPOs



# Focus on NFP changes Q1 2024 vs Q1 2023 (€m)



## Main changes in Q1 2024 vs Q1 2023

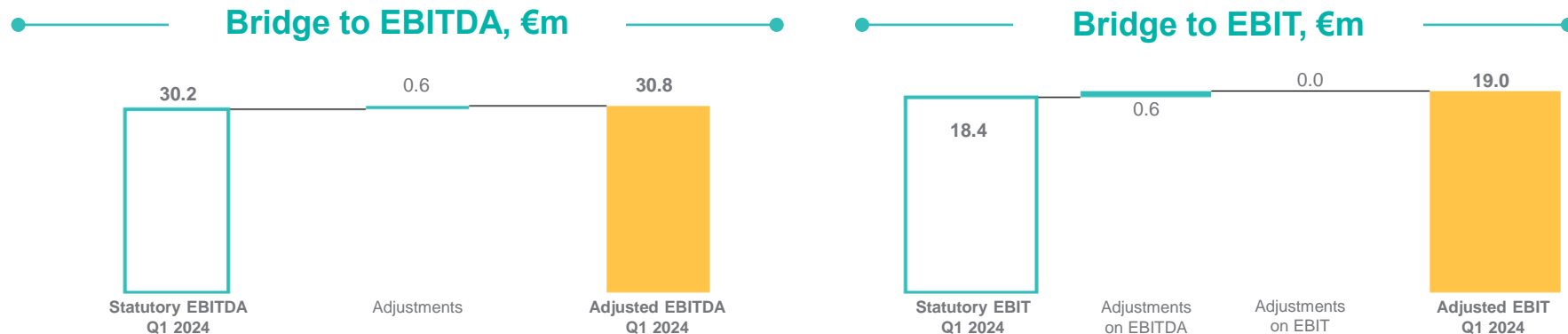
- ① Cash flow from current operations impacted by primary energy prices reduction
- ② Cash collaterals on energy all released by energy suppliers

# Focus on Liquidity and Credit Facilities

| Data as of March 2024                            | Amount<br>(€m) | x<br>Pro-Forma<br>EBITDA | Liquidity<br>Available |
|--|----------------|--------------------------|------------------------|
| Reference LTM EBITDA                             |                | 115,4                    |                        |
| Cash on Balance Sheet                            | (55,3)         |                          | (55,3)                 |
| Short Term Financial Assets                      | (11,2)         |                          | (11,2)                 |
| SSN @ 2026 - 7.25% Coupon                        | 370,0          |                          |                        |
| Other on SSN (Amortized Cost, Accrued Interest)  | 1,1            |                          |                        |
| ssRCF (€75m)                                     | -              |                          | (75,0)                 |
| <b>Total Senior Secured NFP</b>                  | <b>304,5</b>   | <b>2,6x</b>              |                        |
| Recourse Factoring                               | 21,7           |                          |                        |
| Reverse factoring                                | 8,6            |                          |                        |
| Term Loans & Bank Overdrafts                     | 60,2           |                          |                        |
| Financial Leasing                                | 12,7           |                          |                        |
| Other Financial Debt                             | 18,7           |                          |                        |
| IFRS Adjustments                                 | 29,9           |                          |                        |
| <b>Net Financial Position w/o Potential Debt</b> | <b>456,3</b>   | <b>3,95x</b>             |                        |
| Potential Debt                                   | 20,3           |                          |                        |
| <b>Net Financial Position</b>                    | <b>476,5</b>   | <b>4,1x</b>              |                        |
| No-Recourse Factoring                            | 51,8           |                          | (248,2)                |

# Annex

# Adjustments to EBITDA and EBIT



| Adjustments on EBITDA, €m          |            |
|------------------------------------|------------|
| M&A                                | 0.4        |
| Re-organizations                   | 0.2        |
| International Claim                | 0.0        |
| <b>Total Adjustments on EBITDA</b> | <b>0.6</b> |
| Adjustments on EBIT, €m            |            |
| International Claim                | 0.0        |
| <b>Total Adjustments on EBIT</b>   | <b>0.6</b> |

# 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

| BALANCE SHEET (€/000)                               | 31 Mar 2024     | 31 Dec 2023     | Change        |
|---|-----------------|-----------------|---------------|
| <b>USES</b>   |                 |                 |               |
| Trade receivables and advances to suppliers         | 540.351         | 513.771         | 26.580        |
| Inventories   | 13.441          | 13.373          | 68            |
| Trade payables and advances from customers          | (432.730)       | (422.958)       | (9.772)       |
| <b>Net working operating capital</b>                | <b>121.062</b>  | <b>104.186</b>  | <b>16.876</b> |
| Other element of working capital                    | (162.493)       | (156.674)       | (5.819)       |
| <b>Net working capital</b>                          | <b>(41.431)</b> | <b>(52.488)</b> | <b>11.057</b> |
| Tangible assets                                     | 167.749         | 162.098         | 5.651         |
| Intangibles assets                                  | 423.441         | 424.431         | (990)         |
| Investments accounted for under the equity method   | 11.761          | 11.758          | 3             |
| Other non current assets                            | 33.549          | 34.004          | (455)         |
| <b>Operating fixed assets</b>                       | <b>636.500</b>  | <b>632.291</b>  | <b>4.209</b>  |
| Non current liabilities                             | (55.407)        | (56.815)        | 1.408         |
| <b>Net invested capital</b>                         | <b>539.662</b>  | <b>522.988</b>  | <b>16.674</b> |
| <b>SOURCES</b>                                      |                 |                 |               |
| Minority interests                                  | 6.650           | 6.515           | 135           |
| Equity attributable to equity holders of the parent | 56.479          | 55.486          | 993           |
| <b>Shareholders' equity</b>                         | <b>63.129</b>   | <b>62.001</b>   | <b>1.128</b>  |
| Net financial indebtedness                          | 476.533         | 460.987         | 15.546        |
| <b>Total financing sources</b>                      | <b>539.662</b>  | <b>522.988</b>  | <b>16.674</b> |

# ANNEX

| PROFIT&LOSS (€/000)   | For the period ended<br>31 Mar |               |
|---|--------------------------------|---------------|
|   | 2024                           | 2023          |
| Total revenues  | 306.122                        | 313.373       |
| Total costs of production   | (275.908)                      | (270.803)     |
| <b>EBITDA</b>   | <b>30.214</b>                  | <b>42.570</b> |
| <b>EBITDA %</b>   | <b>9,87%</b>                   | <b>13,58%</b> |
| Amortization/depreciation, write-downs and write-backs of assets                | (10.916)                       | (10.022)      |
| Accrual of provisions for risks and charges                                     | (882)                          | (10.593)      |
| <b>Operating income</b>   | <b>18.416</b>                  | <b>21.955</b> |
| <b>Operating Income %</b>   | <b>6,02%</b>                   | <b>7,01%</b>  |
| Share of net profit of associates   | 79                             | 68            |
| Net financial charges   | (12.469)                       | (12.411)      |
| <b>Profit before taxes from continuing operations</b>                           | <b>6.026</b>                   | <b>9.612</b>  |
| <b>Profit before taxes from continuing operations %</b>                         | <b>1,97%</b>                   | <b>3,07%</b>  |
| Income taxes  | (4.070)                        | (3.782)       |
| <b>Profit from continuing operations</b>  | <b>1.956</b>                   | <b>5.830</b>  |
| Loss for the period from discontinued operation                                 | -                              | -             |
| <b>Net profit for the period</b>  | <b>1.956</b>                   | <b>5.830</b>  |
| <b>Net profit for the period %</b>  | <b>0,64%</b>                   | <b>1,86%</b>  |
| Minority interests  | (199)                          | (312)         |
| <b>Net profit for the period attributable to equity holders of the parent</b>   | <b>1.757</b>                   | <b>5.518</b>  |
| <b>Net profit for the period attributable to equity holders of the parent %</b> | <b>0,57%</b>                   | <b>1,76%</b>  |

# ANNEX

| STATEMENT OF CASH FLOW (Statutory) (€/000)                                     | 31 Mar 2024   | 31 Mar 2023   |
|--|---------------|---------------|
| <b><i>CASH at the beginning of the period</i></b>                              | <b>76.813</b> | <b>84.243</b> |
| Cash flow from current operations  | 17.297        | 30.156        |
| Use of provisions for risks and charges and for employee termination indemnity | (2.213)       | (1.681)       |
| Change in NWOC   | (16.519)      | (41.937)      |
| Industrial Capex, net of disposals   | (12.821)      | (10.482)      |
| Financial Capex  | (346)         | 11.963        |
| Other changes  | (944)         | (7.834)       |
| Change in net financial liabilities  | (5.940)       | 8.993         |
| <b><i>CASH at the end of the period</i></b>                                    | <b>55.327</b> | <b>73.422</b> |



# What's next

✓ Next call on Q2 2024 will be held on August 29, 2024

✓ Rekeep Financial Calendar available on:

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