



minds that work

Call on Q1 2024 Results

May 16, 2024
17CET



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Rekeep Group's Q1 2024 Results are unaudited

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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CEO



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Head of Investor Relations



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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

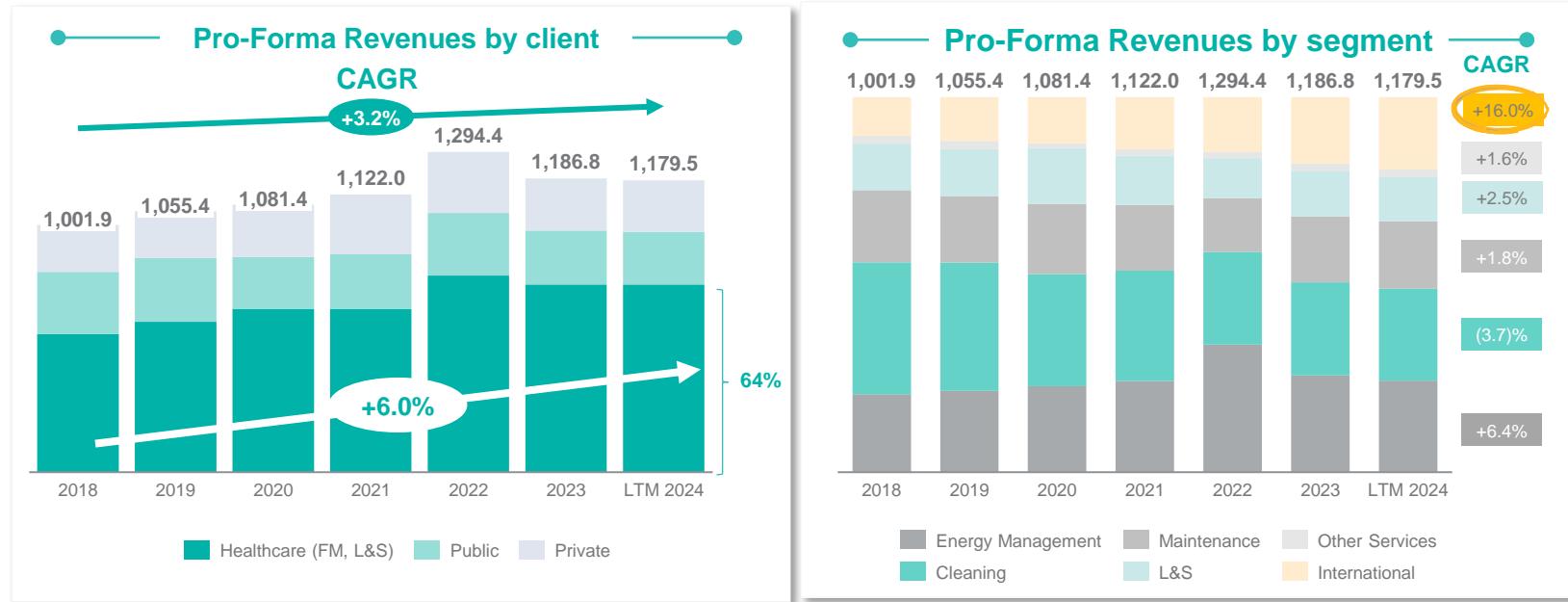
- **Q1 2024 NOWC reaches €121.1m**, which is driven, compared to Q1 2023, by a **reduction mainly coming from Italy and an increase from Poland**. NWOC excluding Poland decreases vs Q1 2023 by circa €10m (from €91.4m to €81.2m)

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).

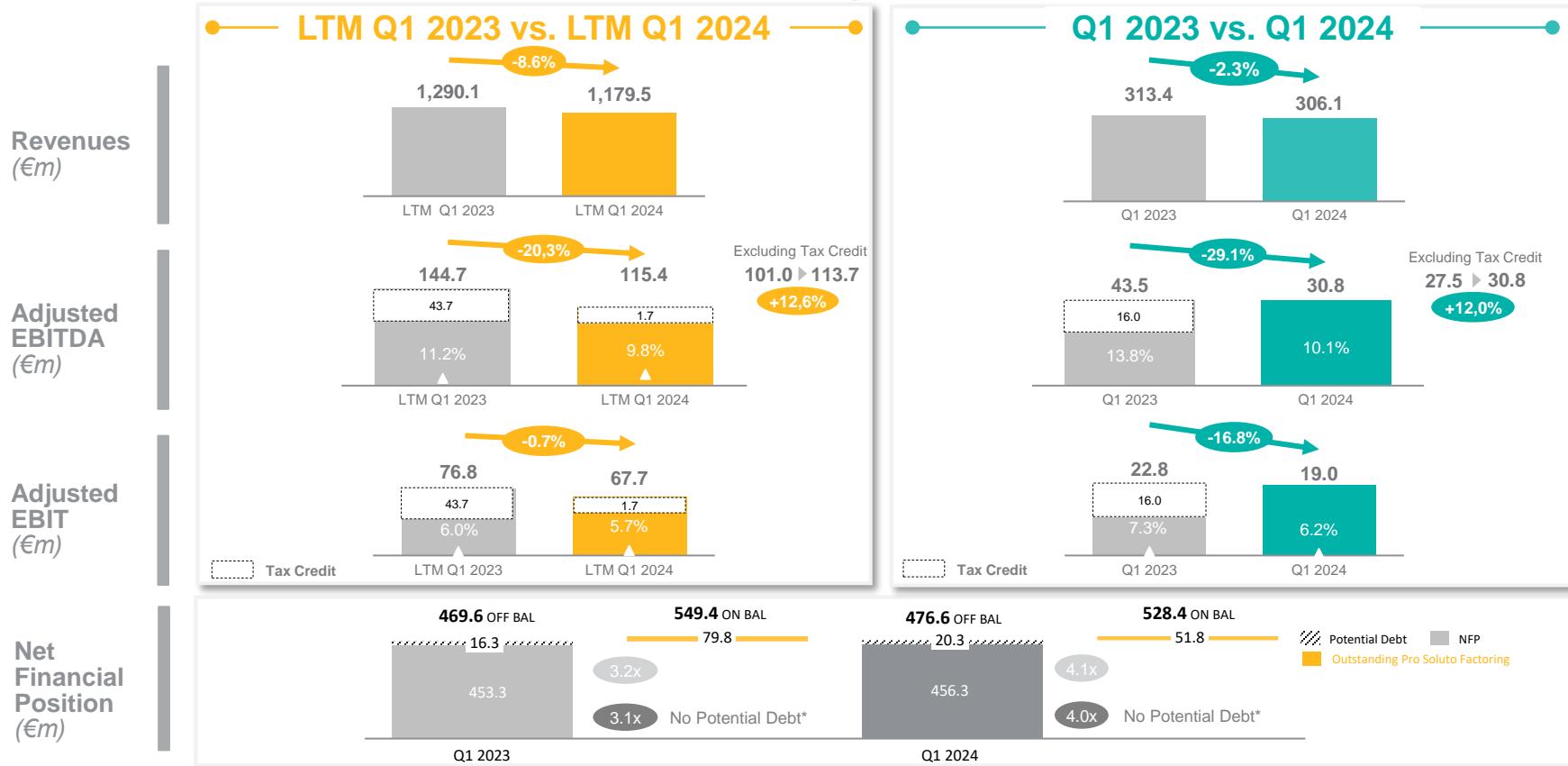
- The Company reaffirms its commitment to deleverage, while retaining a sound liquidity position

Revenues historical trend by market segment



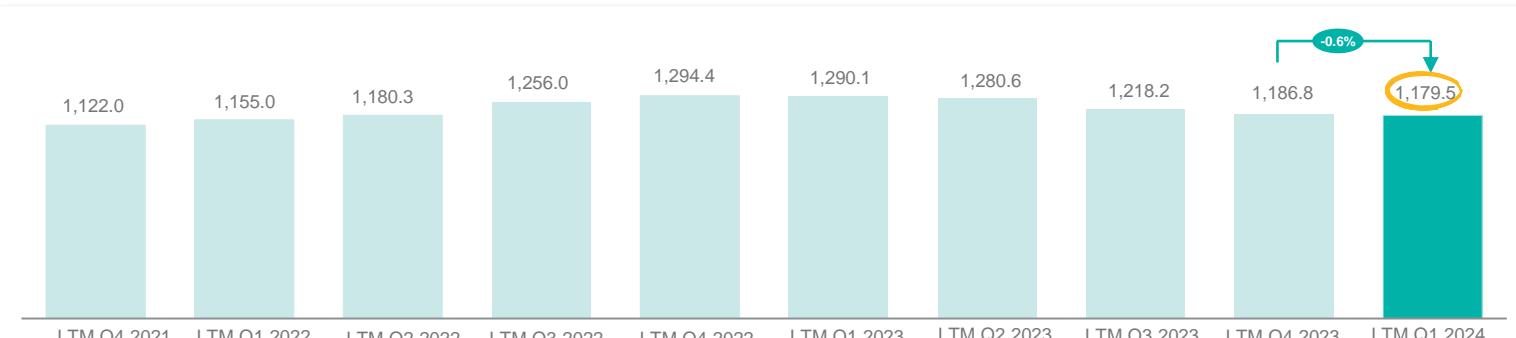
- The Group has shown an overall constant growth, with a **CAGR of +3.2%** during 2018 – LTM 2024
- Specifically, **Healthcare** exposure delivered a superior growth, with a **CAGR of +6.0%** during 2018 – LTM 2024, as well as **International business** showing a strong increase with a Pro-Forma **CAGR 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 Performance

Revenues
(\$m)



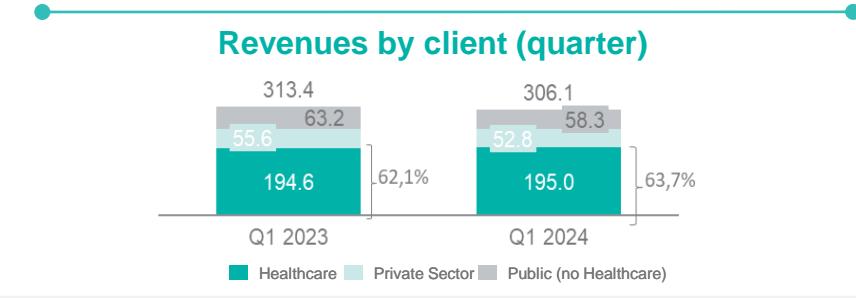
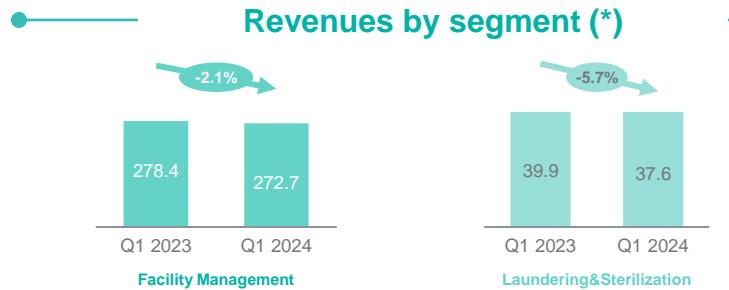
Adjusted
EBITDA
(\$m)



Net
Financial
Position
(\$m)



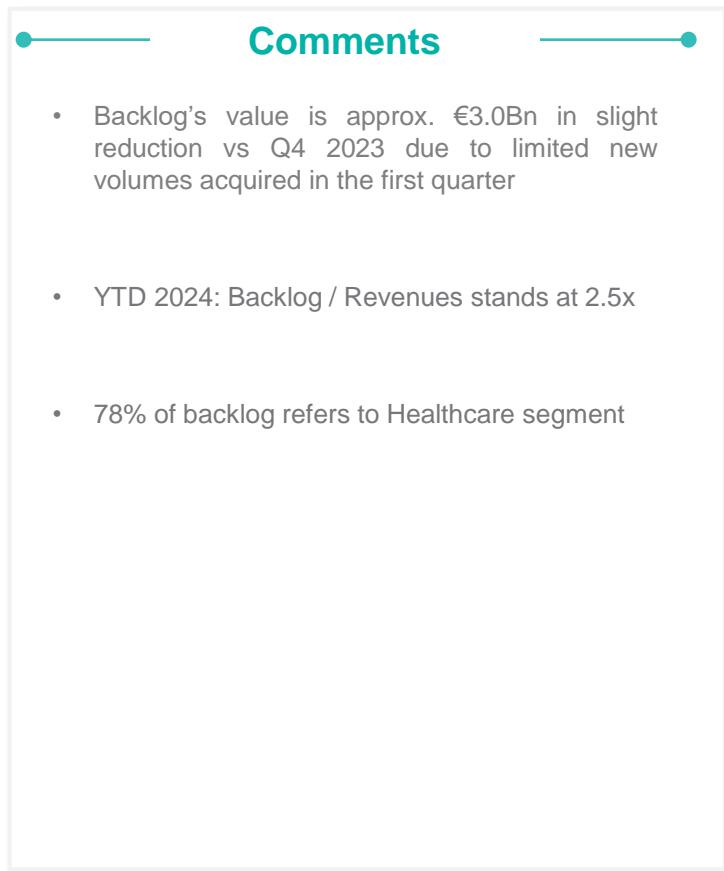
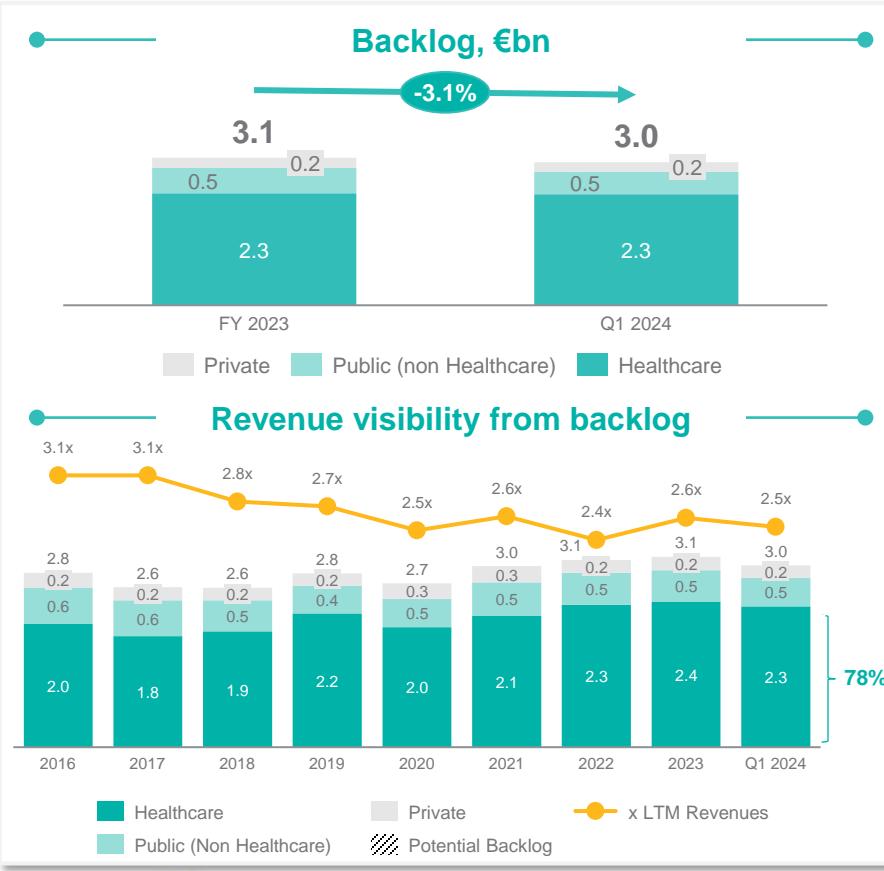
Revenues, YoY (€m)



Comments

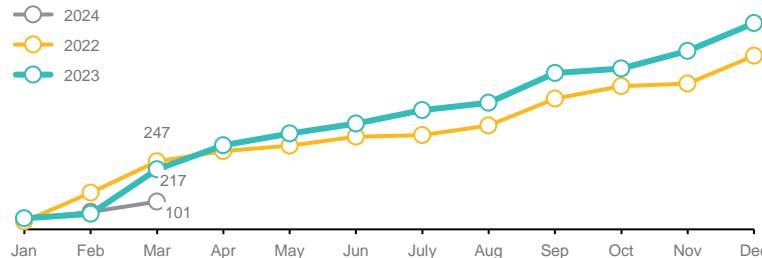
- Q1 2024 Revenues decrease vs Q1 2023 (-2.3% QoQ) landing at €306.1m (from €313.4m)
- The trend in volumes in Q4 2023 is driven by:
 - ✓ FM segment decreasing -2.1% vs Q1 2023, due to reduction in primary energy prices reducing revenue volumes combined by increase from Poland, while L&S shows a decrease (-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



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

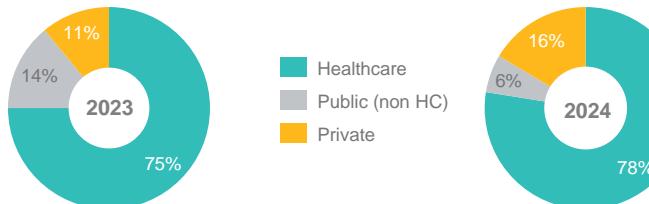
✓ New Market: €10m new business acquisition mainly in Healthcare

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

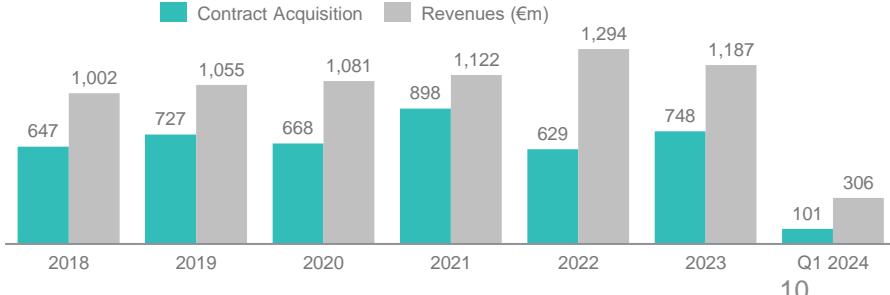


- Dedicated focus on Healthcare clients which represents 78% of new signed contracts (both Renewals and New market), reaffirming Group strategy in repositioning as Healthcare FM provider

New contracts by client - YTD 2024, %

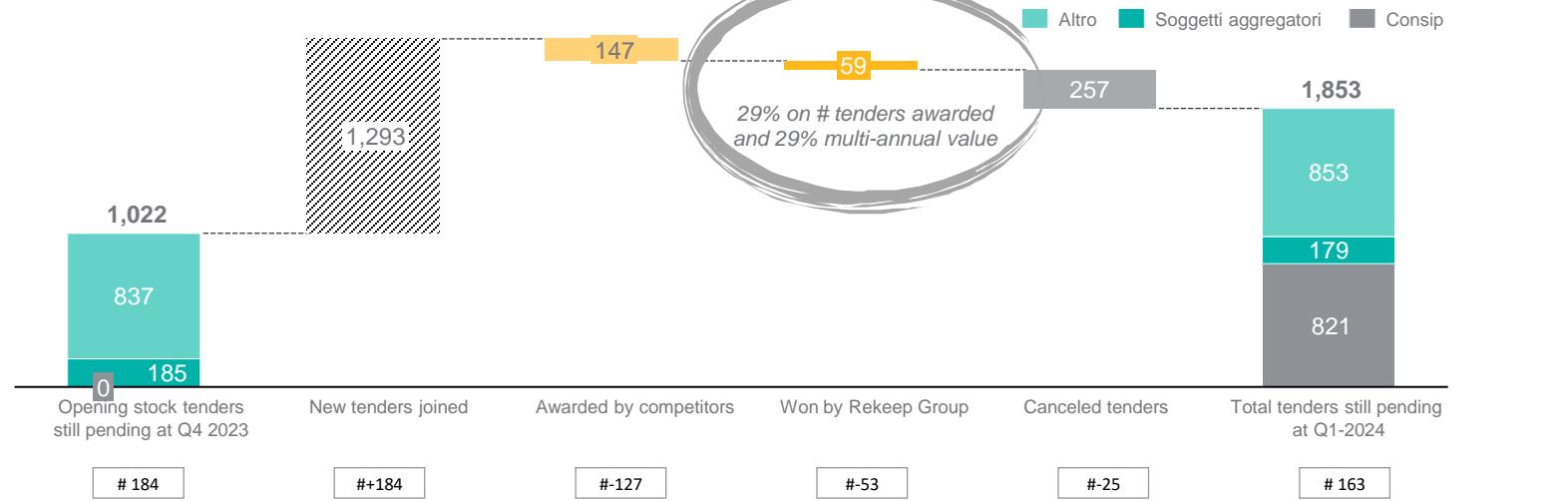


Revenues and Contract Acquisition



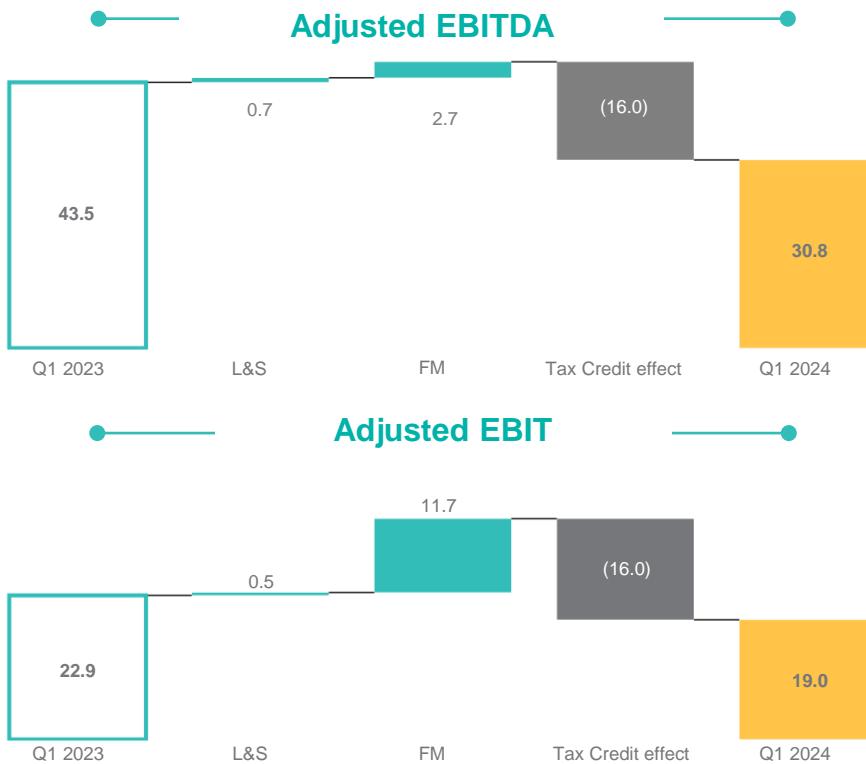
Gare in Pipeline – YTD Gruppo

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



- 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)



Comments

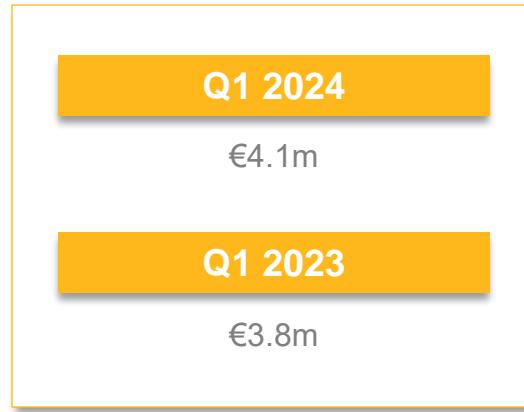
- Quarterly Adjusted EBITDA registers a decrease landing at €30.8m, with a -29.1% change vs Q1 2023, mainly due to the tax credit delta effect QoQ (approx. €-12.7m);
- Excluding Tax Credit effect, 4Q23 margins are impacted by:
 - ✓ L&S: internal cost efficiencies vs previous period
 - ✓ FM: mainly due to the combined effect of:
 1. Reduction of negative contribution from Saudi resulting in a + €2.2m QoQ
 2. Good performance from Polish activities with a + €3.2m increase QoQ.
 3. 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

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



Net Financial Expenses stable vs last year same period.



Tax Credit, last year, was excluded from tax base calculation



Reduction of Net Result due to less EBT of €3.6m vs previous Quarter

Industrial Capex

Q1 2024

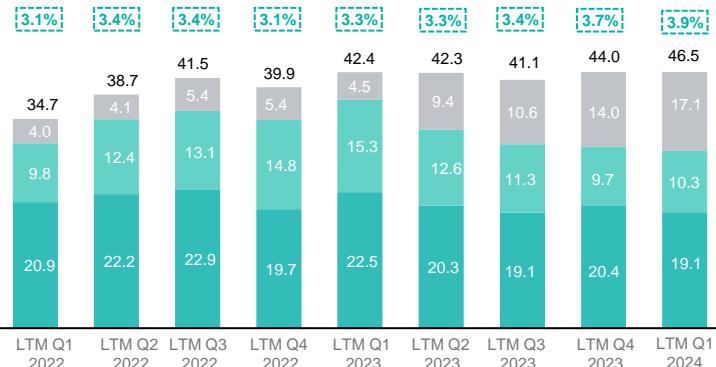
€13.5m

Q1 2023

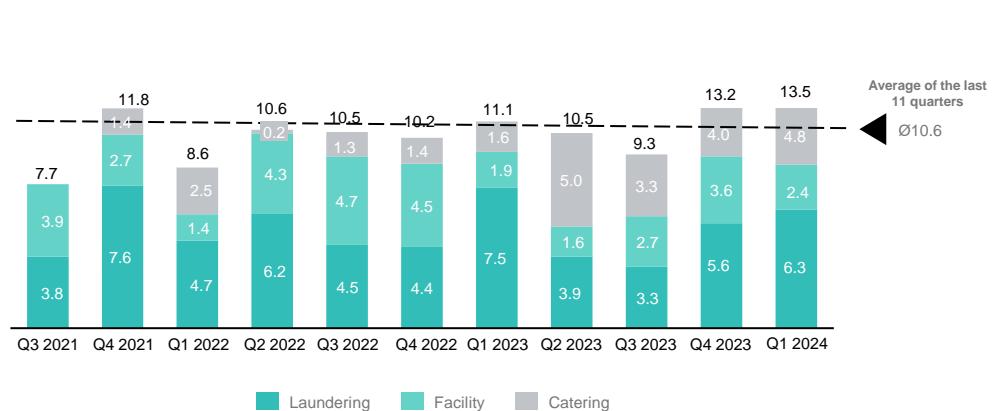
€11.1m

- 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



% on LTM Revenues

Laundering Facility Catering

Laundering Facility Catering

Net Operating Working Capital

NOWC



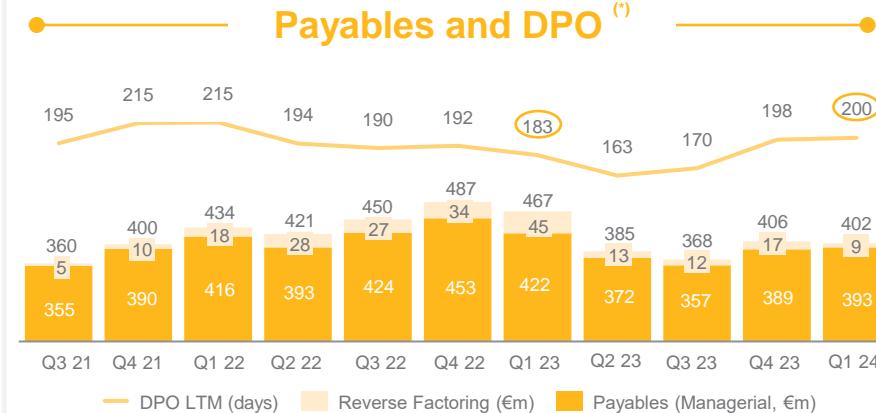
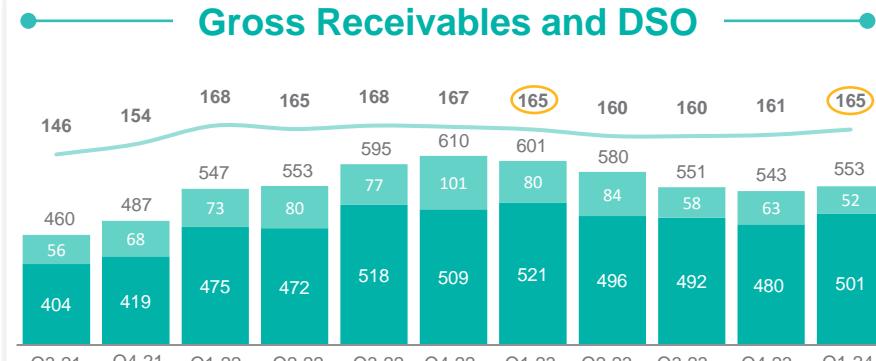
- NOWC increases to €121.1m from Q4 2023 figure (€104.2m).
- Although Q1 2024 shows an increase vs Q4 2023 and vs same period last year, NOWC is impacted by an increase coming from Polish business (from €21.1m in Q1 2023 to €39.9m in Q1 2024) while the rest of NOWC decreases by circa €10m vs Q1 2023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



— Net Operating Working Capital Trend, €m —



DSOs & DPOs



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 4Q 2023. This trend is mainly due to a continuing trend in:

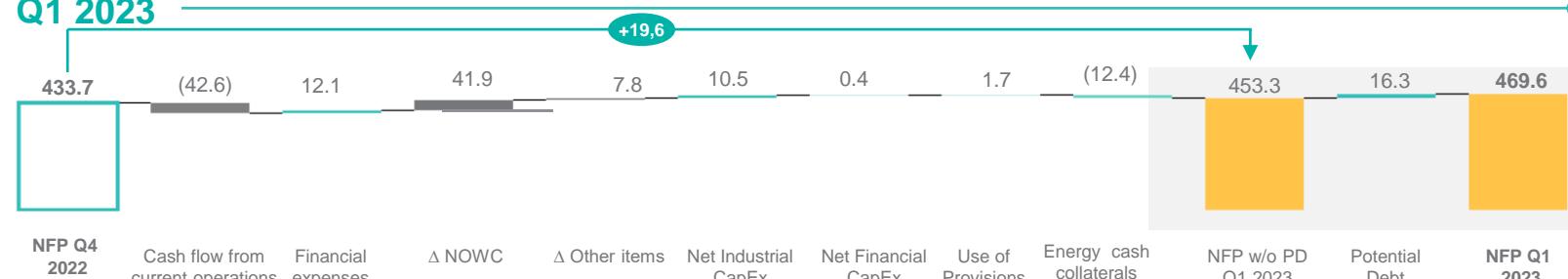
- Normalized energy raw materials prices
- Progressive normalization trend with suppliers

❖ 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

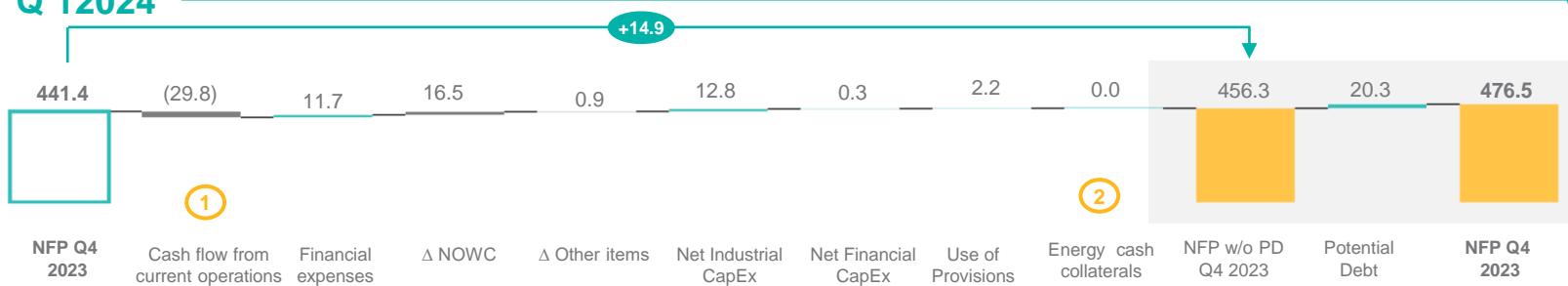
❖ In the lower chart, on top of payables, the amount of reverse factoring is separately depicted and is not taken in consideration to calculate DPOs

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

Q1 2023



Q1 2024



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 (€m)	x Pro-Forma EBITDA	Liquidity 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)
Total Senior Secured NFP	304,5	2,6x	
Recourse Factoring	21,7		
Reverse factoring	8,6		
Term Loans & Bank Overdrafts	60,2		
Financial Leasing	12,7		
Other Financial Debt	18,7		
<i>IFRS Adjustments</i>	29,9		
Net Financial Position w/o Potential Debt	456,3	3,95x	
Potential Debt	20,3		
Net Financial Position	476,5	4,1x	
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
Total Adjustments on EBITDA	0.6
Adjustments on EBIT, €m	
International Claim	0.0
Total Adjustments on EBIT	0.6

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)	31 Mar 2024	31 Dec 2023	Change
USES			
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)
Net working operating capital	121.062	104.186	16.876
Other element of working capital	(162.493)	(156.674)	(5.819)
Net working capital	(41.431)	(52.488)	11.057
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)
Operating fixed assets	636.500	632.291	4.209
Non current liabilities	(55.407)	(56.815)	1.408
Net invested capital	539.662	522.988	16.674
SOURCES			
Minority interests	6.650	6.515	135
Equity attributable to equity holders of the parent	56.479	55.486	993
Shareholders' equity	63.129	62.001	1.128
Net financial indebtedness	476.533	460.987	15.546
Total financing sources	539.662	522.988	16.674

ANNEX

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

ANNEX

STATEMENT OF CASH FLOW (Statutory) (€/000)	31 Mar 2024	31 Mar 2023
CASH at the beginning of the period	76.813	84.243
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
CASH at the end of the period	55.327	73.422

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>