



minds that work

**Call on Q3  
2024 Results**

**November 14,  
2024, 17CET**



# Disclaimer

*This presentation has been prepared for information purposes only as part of the conference to present the results as of 30 September, 2024 of Rekeep Group 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 Q3 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*

# Recent Developments

*Further to what we had lastly reported in connection with our previous results presentation, we have been proactively engaging in comprehensive analyses to address the Group's upcoming maturities and to ensure debt sustainability.*

*To that extent, we have appointed leading national and international advisors to devise optimal strategies and explore potential counterparties for extraordinary transactions, including asset/business/equity disposals and refinancing opportunities.*

*As of today's date, these activities are still ongoing, and we continue to work closely with our advisors on several opportunities, including combined scenarios involving both asset disposals and refinancing of all or part of our outstanding high yield notes in the leveraged loan and high yield bond markets.*

*We will communicate any further updates in due course, in compliance with applicable laws and the provisions of our outstanding indebtedness.*

# Index and Presenters



## Rekeep speakers



**Giuliano Di Bernardo**  
CEO



**Marco Baroni**  
Director Finance & Control  
(joined in September 2024)



**Riccardo Bombardini**  
Head of Investor Relations



## Index

- Key Quarter Highlights
- Q3 2024 Results
- Annex
- Q&A session

# Key Quarter Highlights

## Profit & Loss

### Revenues

- Rekeep Group Q3 2024 has registered an increase vs Q3 2023 (+25.8 m€; equivalent to a +3.0%) mainly due to International business performance. Poland continues to deliver a sustained growth (+33%).

### EBITDA

- Q3 2024 Ebitda, without Tax Credit, increases by +18% mainly due to the ongoing positive contribution coming from Poland and loss reduction in Saudi. LTM Ebitda stands at €120m, in line with previous LTM datapoint.
- Same trend on Q3 YTD figures

### Backlog & Commercial Activity

- Q3 2024 shows a Backlog which stands at € 2.7bn. Backlog/Revenues ratio stands at 2.2x.

### Net Financial Expenses

- Q3 2024 monetary net financial expenses are stable vs previous period, however renegotiation of Poland Shareholders agreement brings a **non monetary** € +19.1m increase in the Put Option contingent liability vs Q1 24.

## Balance Sheet

### Working Capital

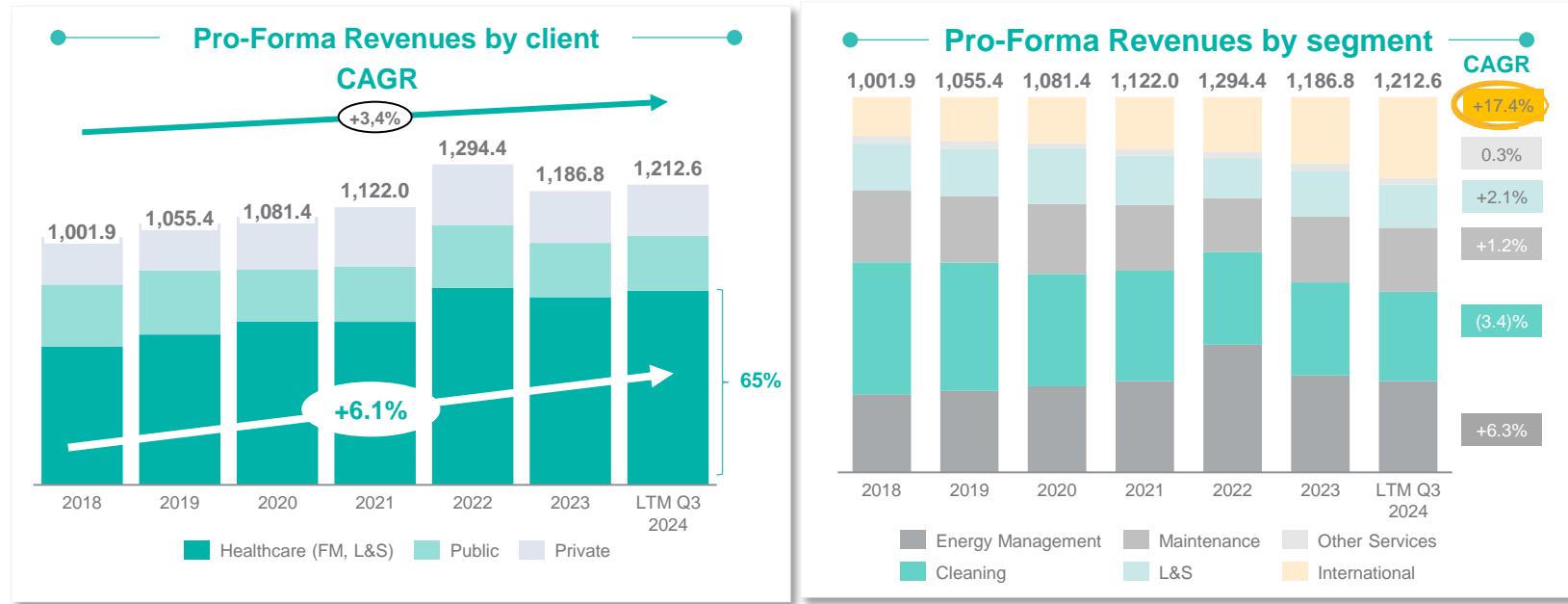
- **Q3 2024 NOWC reaches €148.4m (vs €149.6m same period last year)**, driven by an increase mainly coming from Italy while Poland is stable. NWOC, excluding Poland, increases vs Q2 2024 by circa €33m (from €76.7m to €110.2m) and declines vs Q3 2023 where it stood at € 119m.

### Net Financial Position

- Q3 2024 NFP (w/o Potential Debt) stands at €497.9m (vs € 474.3m in Q3 23) . With Potential debt added, NFP reaches €536.6m vs €491.3m in Q3 2023.
- The on-balance NFP (ie including non-recourse factoring) stands at €588.6m increasing vs €549.7 at Q3 2023. Factoring utilization declines by € 6m vs Q3 23 (from € 58.4 to € 52.0m).

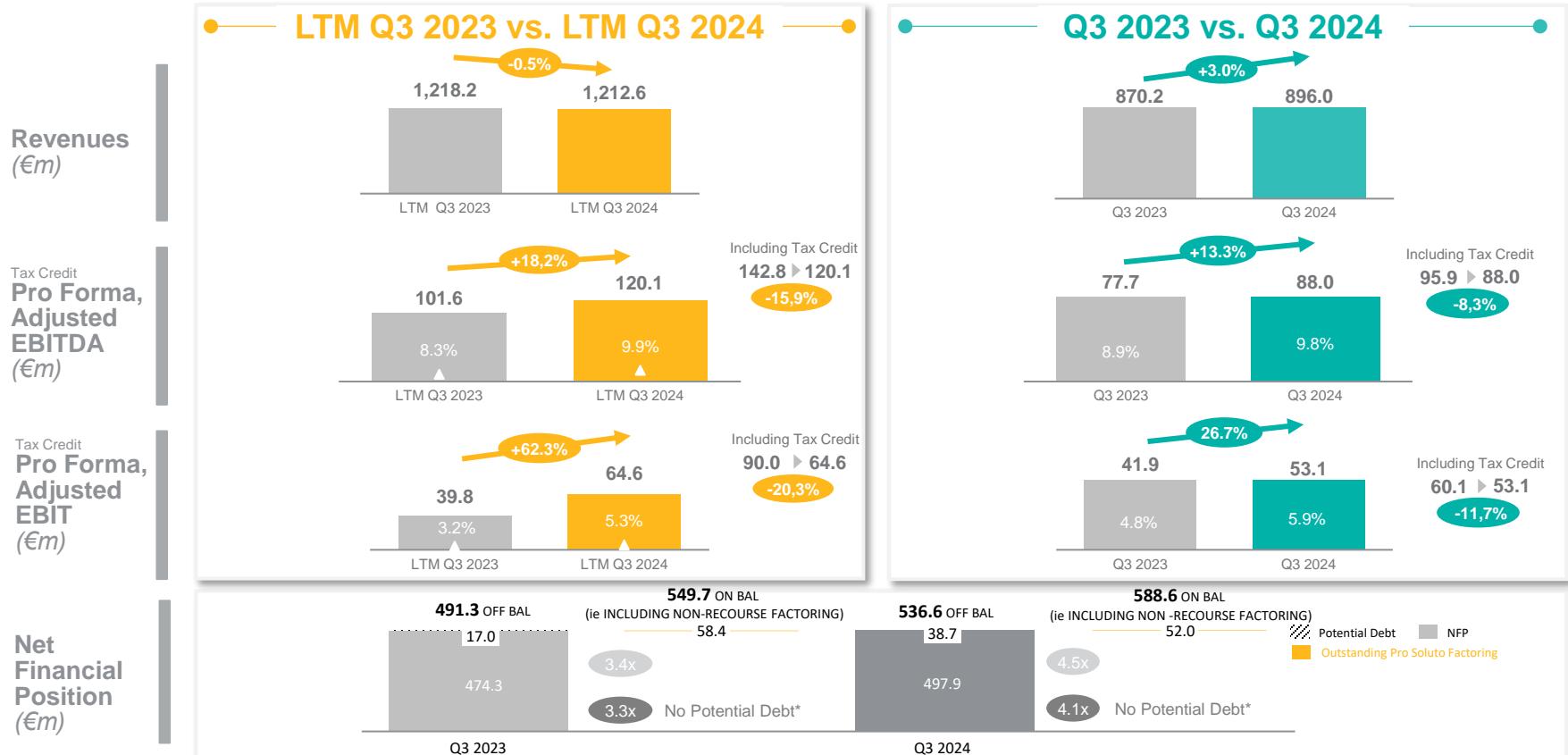
- The Company reaffirms its commitment to **structural deleverage**, while retaining a sound liquidity position

# Revenues historical trend by market segment



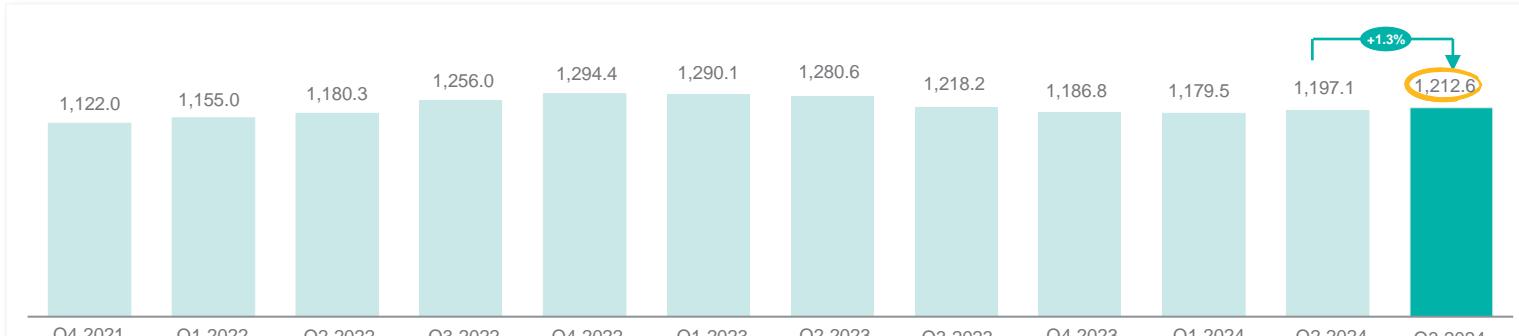
- The Group has shown an overall constant growth, with a **CAGR of +3.4%** during 2018 – LTM Q3 2024
- Specifically, **Healthcare** exposure delivered a superior growth, with a CAGR of +6.1% during 2018 – LTM Q3 2024, as well as **International business** showing a strong increase with a Pro-Forma **CAGR of +17.4%** in the period 2018 – LTM Q3 2024 (vs 1.1% Domestic revenues growth in the same period)

# LTM and 9 months KPIs at a glance



# LTM Performance

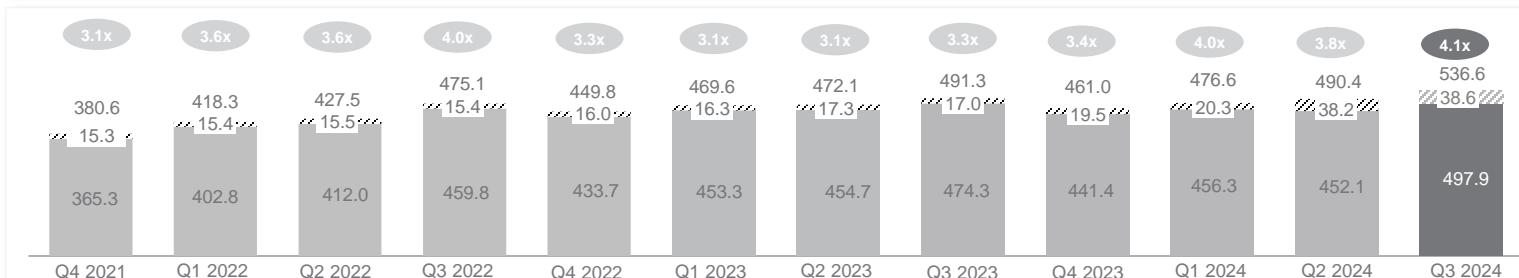
LTM Revenues  
(\$m)



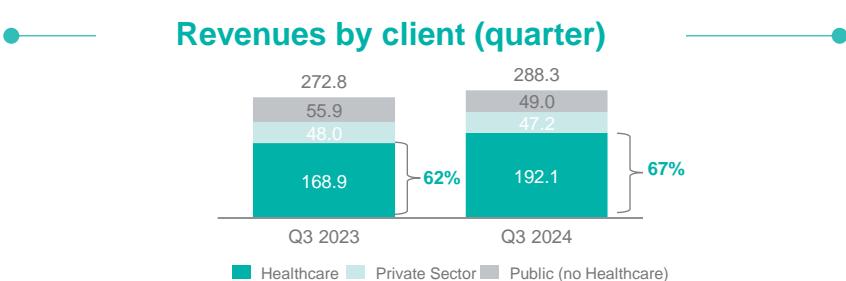
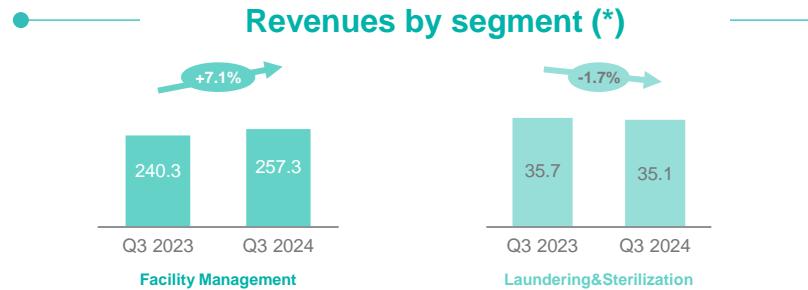
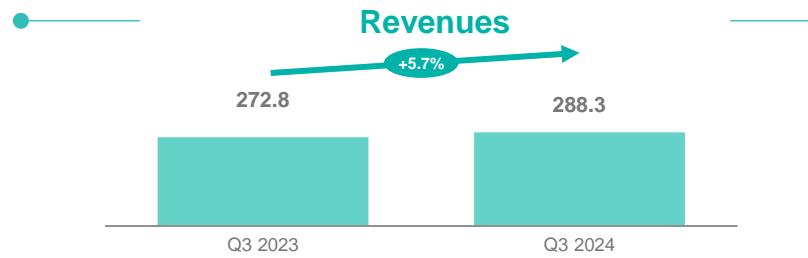
LTM Adjusted EBITDA  
(\$m)



Net Financial Position  
(\$m)



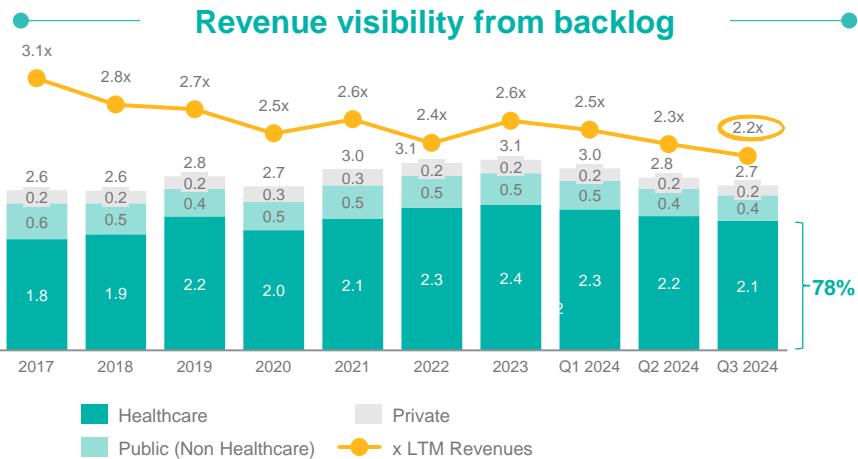
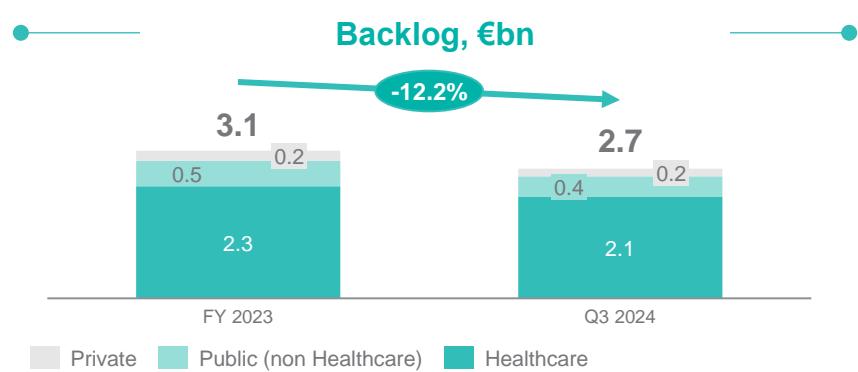
# Revenues, YoY (€m)



## Comments

- Q3 2024 Revenues increases vs Q3 2023 (+5.7% QoQ) landing at €288.3m (from €272.8m)
- The trend in volumes in Q2 2024 is driven by:
  - ✓ FM segment increasing +7.1% vs Q3 2023, driven by good performance from International business, especially coming from Poland.
  - ✓ L/S segment declining by 1.7%
- **Healthcare confirms to cover circa 2/3 of volumes in Q3 2024**

# Backlog

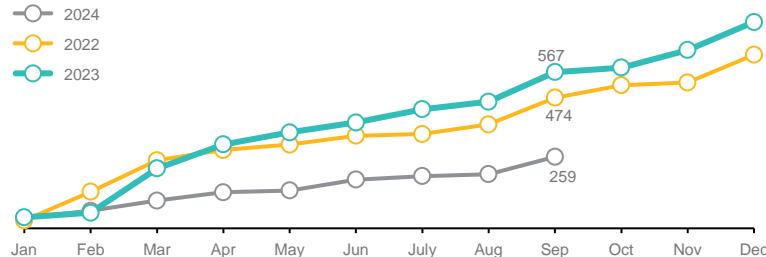


### Comments

- Backlog stands at € 2.7bn as of Q3 2024 declining compared to FY 2023 year end, due to lower volumes of awarded tenders.
- Backlog/Revenues ratio stands at 2.2x on LTM Q3 2024 Revenues.
- 78% of Backlog refers to Healthcare.

# Performance summary: commercial performance

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



## Comments

Commercial performance shows an under performance in Q3 2024 vs previous years, same period, especially due to the limited contribution coming of the New Market.

- In particular, Q3 2024 commercial activity was impacted by:

✓ Renewals: €226m

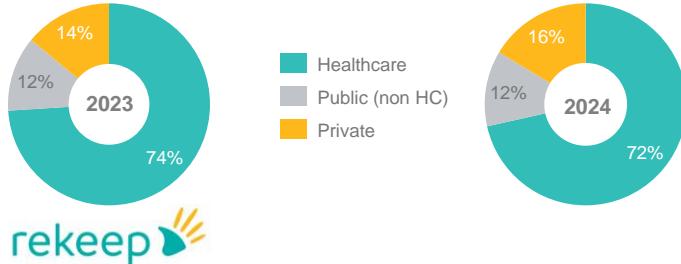
✓ New Market: €33m new business acquisition mainly in Healthcare

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

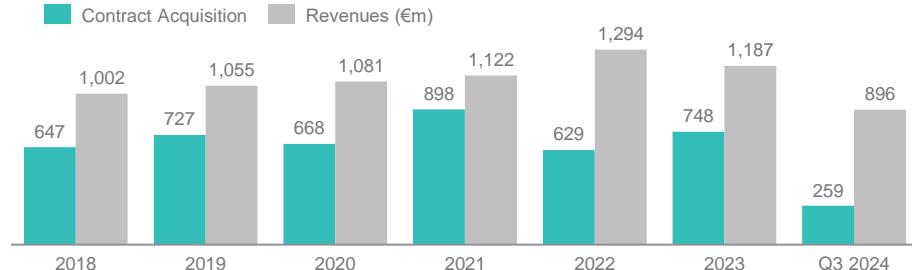


- Dedicated focus on Healthcare clients which represents 72% of new signed contracts (both Renewals and New market).

## New contracts by Client - YTD 2024, %



## Revenues and Contract Acquisition



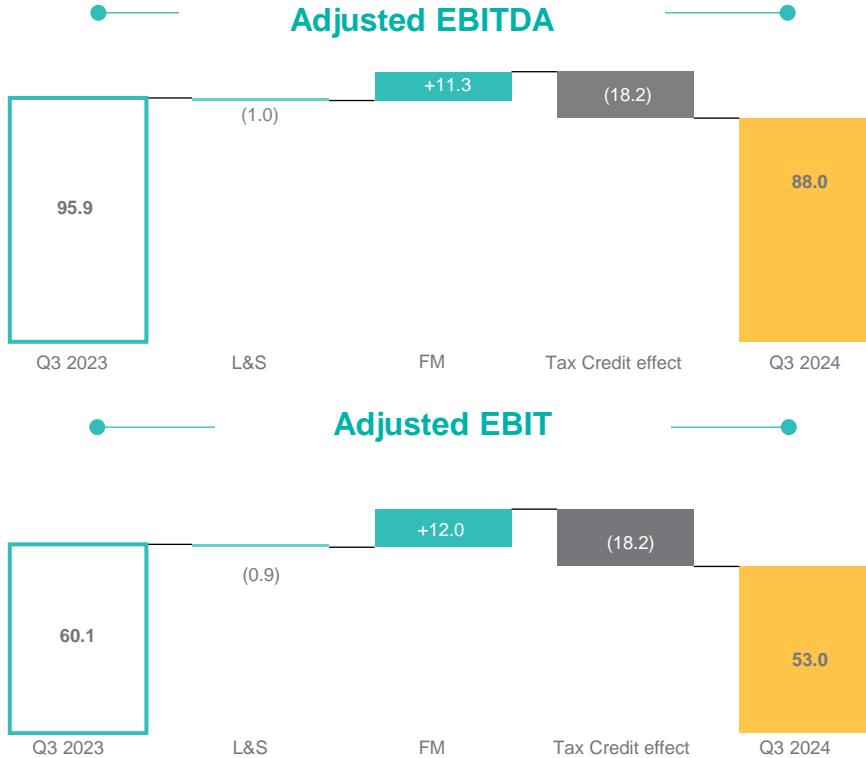
# Tenders Pipeline – Q3 2024

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



- In Q3 2024, Rekeep Group achieved a win rate of 30% on # of tenders and 8% on multi-annual value of tenders, including Poland contribution
- Total amount of tenders still pending (Pipeline) accounts for approx. € 1.4 bn

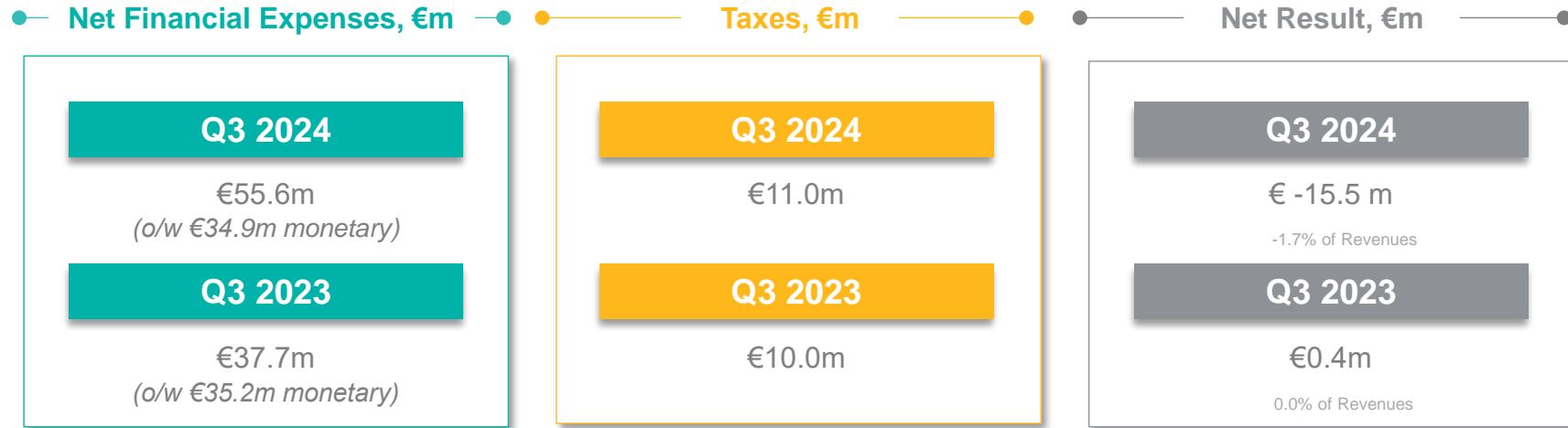
# EBITDA and EBIT, YoY (€m)



## Comments

- The 9 months Quarterly Adjusted EBITDA registers a decrease, vs previous same period last year, standing at €88.0m, with a -8.2% change vs Q3 2023, mainly due to the tax credit delta effect QoQ (approx. €-18.2m);
- Excluding Tax Credit effect, Q3 2024 margins are impacted by:
  - ✓ L&S: declining ca €1 m vs previous period
  - ✓ FM: mainly due to the main combined effect of:
    1. Reduction of negative contribution from Saudi resulting in a ca + €5.2m QoQ
    2. Good performance from Polish activities with a ca + €7.0m increase QoQ.
    3. Reduction by ca € 1.7m in domestic perimeter QoQ

# Net Financial Expenses, Taxes, Net Result



Monetary Net Financial Expenses substantially stable vs last year same period, excluding impact of adjustment of Put Option value on Poland worth € 19.1m

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

Net Result negative by €15.5m impacted by Poland Put Option value adjustment

# Industrial Capex

**Q3 YTD 2024**

€35.8m

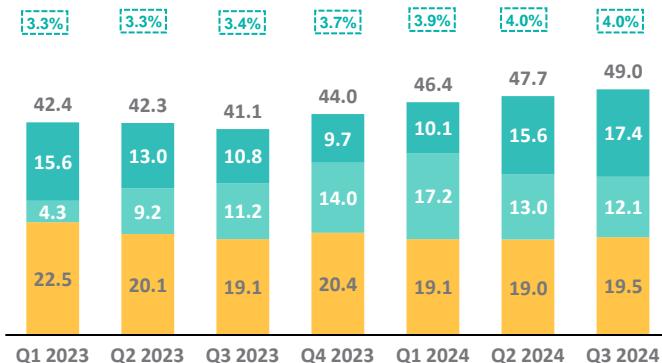
**Q3 YTD 2023**

€30.8m

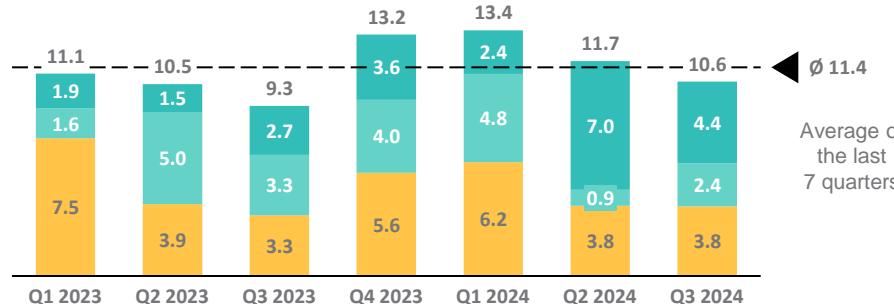
- Q3 2024 Capex reach €10.6, while LTM Q3 2024 amount to €49.0m
- LTM Industrial Capex are mainly driven by (i) Catering in Poland and by (ii) L/S
- L&S Capex mainly refer to purchase of linen (for both current and new contracts) while Catering Capex refer mainly to the central kitchen construction project
- LTM Q3 Capex on revenues reach 4,0%

## LTM Industrial Capex, €m

% on LTM Revenues



## Industrial Capex by quarter, €m



# Net Operating Working Capital

## NOWC



- NOWC increases from €115.5m in Q2 2024 figure to €148.4m in Q3 2024. Stable 3Q24 vs 3Q23.
- This increase is mainly attributable to a) a typical increase in third Qs b) a further increase due to receivables to be issued, most of which are in the process of being issued after end of third quarter.
- Poland is stable vs last Quarter.
- Excluding Rekeep Polska, NOWC is 11.1% of Domestic Revenues

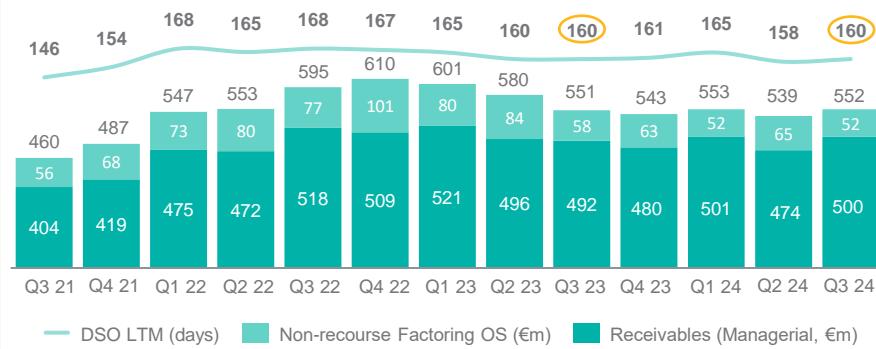


## — Net Operating Working Capital Trend, €m —



# DSOs & DPOs

## Gross Receivables and DSO



## Payables and DPO

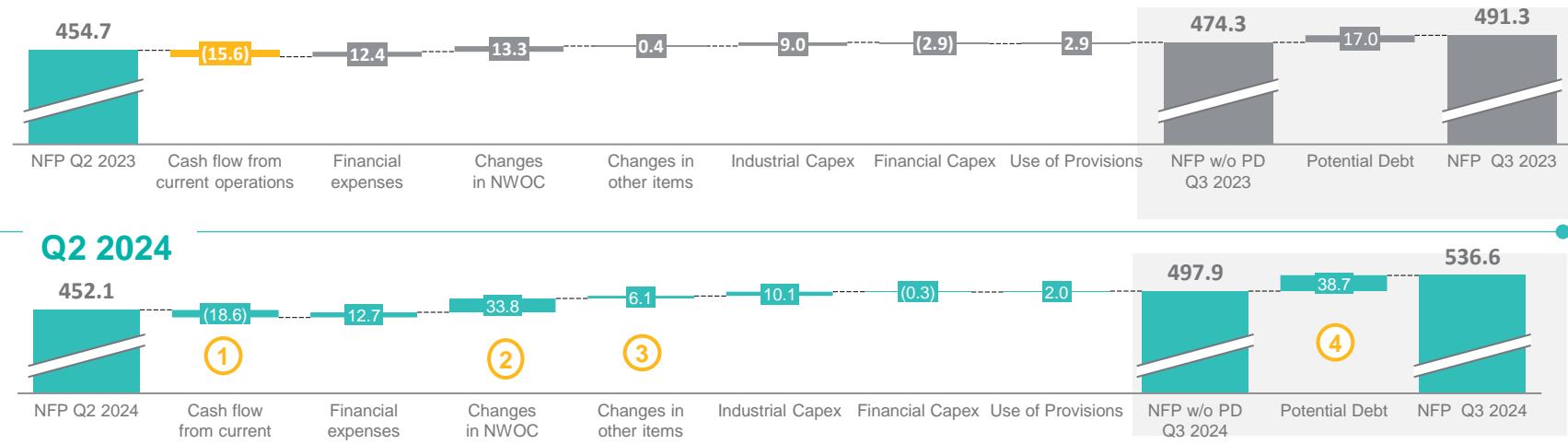


## Comments

- Substantially stable DSO trend vs Q3 2023 and FY 2023.
- Utilization of non recourse factoring decrease vs utilization same period last year and previous ones, due to reduction of revenues driven by current lower energy prices.
- DPOs increase by +14 days vs Q3 2023 and decrease by 7 days vs Q2 2024 because of € 12m SACE confirming credit facility signed in May 2024.
- 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 Q3 2024 vs Q3 2023 (€m)



## Main changes in Q3 2024 vs Q3 2023

- ① Cash flow from current operations higher vs same period last year due to higher contribution from current operations;
- ② Changes in NWOC depicts an increase vs same period last year, due to increase in receivables and reduction of payables;
- ③ Changes in Other Items impacted by FM4 fine instalments;
- ④ Put Options related to potential future payment of minorities.

# Focus on Liquidity and Credit Facilities

Data as of September 2024	Amount (€m)	x Pro-Forma EBITDA	Liquidity Available
Reference LTM EBITDA	120,1		
Cash on Balance Sheet	(28,9)		(28,9)
Short Term Financial Assets	(5,7)		(5,7)
SSN @ 2026 - 7.25% Coupon	370,0		
Other on SSN (Amortized Cost, Accrued Interest)	2,0		
ssRCF (€75m)	15,0		(60,0)
<b>Total Senior Secured NFP</b>	<b>352,5</b>	<b>2,9x</b>	
Recourse Factoring	15,4		
Reverse factoring	13,5		
Term Loans & Bank Overdrafts	50,0		
Financial Leasing	15,1		
Other Financial Debt	23,5		
<i>IFRS Adjustments</i>	28,1		
<b>Net Financial Position w/o Potential Debt</b>	<b>497,9</b>	<b>4,14x</b>	
<i>Potential Debt</i>	38,7		
<b>Net Financial Position</b>	<b>536,6</b>	<b>4,5x</b>	
<i>No-Recourse Factoring</i>	52,0		(248,0)



## Annex



# Adjustments to EBITDA and EBIT



Adjustments on EBITDA, €m	
M&A	0.5
Re-organizations	0.5
International Claim	0.0
<b>Total Adjustments on EBITDA</b>	<b>1.0</b>
Adjustments on EBIT, €m	
International Claim	0.0
<b>Total Adjustments on EBIT</b>	<b>1.0</b>

# Definitions

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## More definitions

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- (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 2024	31 Dec 2023	Change
<b>USES</b>			
Trade receivables and advances to suppliers	549.268	513.771	35.497
Inventories	13.294	13.373	(79)
Trade payables and advances from customers	(414.200)	(422.958)	8.758
<b><i>Net working operating capital</i></b>	<b>148.362</b>	<b>104.186</b>	<b>44.176</b>
Other element of working capital	(113.321)	(156.674)	43.353
<b><i>Net working capital</i></b>	<b>35.041</b>	<b>(52.488)</b>	<b>87.529</b>
Tangible assets	170.519	162.098	8.421
Intangibles assets	422.364	424.431	(2.067)
Investments accounted for under the equity	11.375	11.758	(383)
Other non current assets	35.079	34.004	1.075
<b><i>Operating fixed assets</i></b>	<b>639.337</b>	<b>632.291</b>	<b>7.046</b>
Non current liabilities	(91.430)	(56.815)	(34.615)
<b><i>Net invested capital</i></b>	<b>582.948</b>	<b>522.988</b>	<b>59.960</b>
<b>SOURCES</b>			
Minority interests	7.119	6.515	604
Equity attributable to equity holders of the parent	39.212	55.486	(16.274)
<b><i>Shareholders' equity</i></b>	<b>46.331</b>	<b>62.001</b>	<b>(15.670)</b>
Net financial indebtedness	536.617	460.987	75.630
<b><i>Total financing sources</i></b>	<b>582.948</b>	<b>522.988</b>	<b>59.960</b>

# ANNEX

PROFIT&LOSS (€/000)	For the period ended 30 September	
	2024	2023
Total revenues	896.004	870.197
Total costs of production	(810.303)	(780.168)
<b>EBITDA</b>	<b>85.701</b>	<b>90.029</b>
<i>EBITDA %</i>	<i>9,56%</i>	<i>10,35%</i>
Amortization/depreciation, write-downs and write-backs of assets	(33.194)	(30.766)
Accrual of provisions for risks and charges	(1.743)	(11.248)
<b>Operating income</b>	<b>50.764</b>	<b>48.015</b>
<i>Operating Income %</i>	<i>5,67%</i>	<i>5,52%</i>
Share of net profit of associates	335	102
Net financial charges	(55.594)	(37.704)
<b>Profit before taxes from continuing operations</b>	<b>(4.495)</b>	<b>10.413</b>
<i>Profit before taxes from continuing operations %</i>	<i>-0,50%</i>	<i>1,20%</i>
Income taxes	(10.960)	(9.998)
<b>Profit from continuing operations</b>	<b>(15.455)</b>	<b>415</b>
Loss for the period from discontinued operation	-	-
<b>Net profit for the period</b>	<b>(15.455)</b>	<b>415</b>
<i>Net profit for the period %</i>	<i>-1,72%</i>	<i>0,05%</i>
Minority interests	(708)	(745)
<b>Net profit for the period attributable to equity holders of the parent</b>	<b>(16.163)</b>	<b>(330)</b>
<i>Net profit for the period attributable to equity holders of the parent %</i>	<i>-1,80%</i>	<i>-0,04%</i>

# ANNEX

STATEMENT OF CASH FLOW (Statutory) (€/000)	30 Sep 2024	30 Sep 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	26.940	48.478
Use of provisions for risks and charges and for employee termination indemnity	(6.690)	(7.874)
Change in NWOC	(44.439)	(80.941)
Industrial Capex, net of disposals	(32.271)	(29.789)
Financial Capex	(1.120)	14.005
Other changes	(18.050)	14.567
Change in net financial liabilities	27.722	17.743
<b><i>CASH at the end of the period</i></b>	<b>28.905</b>	<b>60.433</b>

# What's next

- ✓ Next call on Q4 2024 will be held in March 2025
- ✓ Rekeep Financial Calendar for 2025 will be available on:  
<https://www.rekeep.com/en/investors/financial-info/financial-calendar>