Atalian Q3 2016 results

July 28, 2016

ATALIAN
GLOBAL SERVICES

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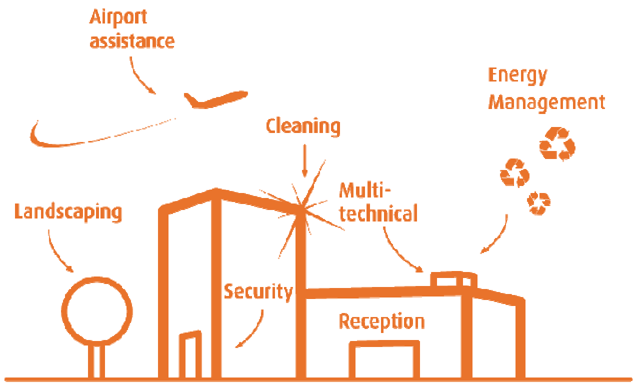

Summary & presenting team

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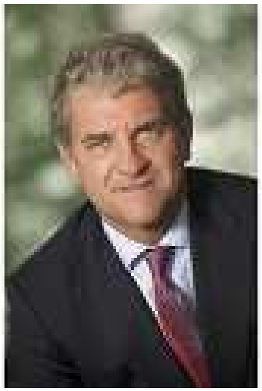
Loïc Evrard

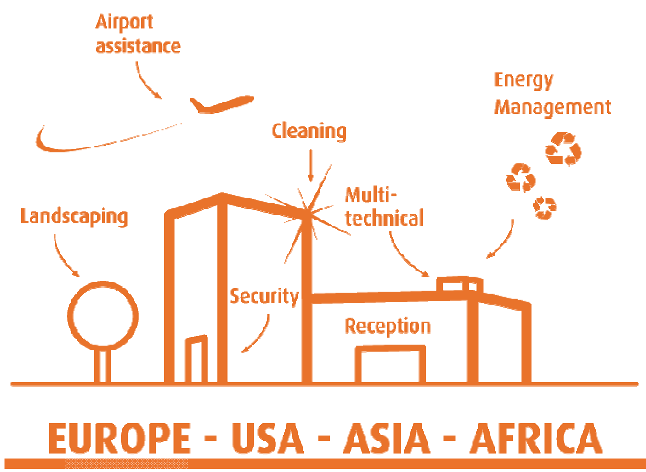
Chief Finance Officer of ATALIAN Group



Matthieu de Baynast

Chairman of ATALIAN International

1 KEY HIGHLIGHTS OF Q3 2016



Key items of Q3 2016

Financial performance

- Overall good financial performance despite challenging environment
  - Group **revenue**: €440M in Q3 2016 vs. €347M for Q3 2015, +26.7% mainly due to external growth on international scope with essentially the integration of TEMCO
  - **EBITDA increasing** to €27M for Q3 2016 vs. €23M in Q3 2015 (+16.2%)
  - **Adjusted net debt** of €412M vs. €327M at the end of August 2015
    - Bonds €400M
    - Other net debts €12M

New Contracts 9M (previous Q3)

MICHELIN, francetv, dalkia GROUPE EDF, PARIS AÉROPORT (renewal), CAISSE D'EPARGNE, O-I (glass factory), Radicare Indonésia, NYC Department of Education, Serbia: JKP (Public Utility Companies)

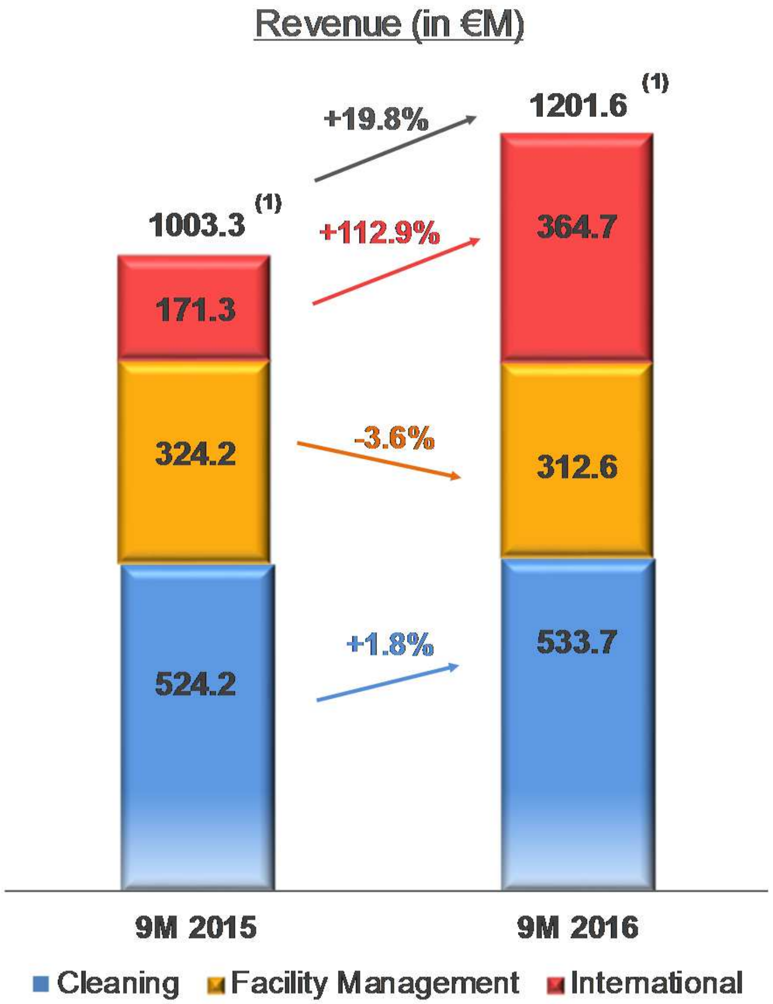
Q3 main events

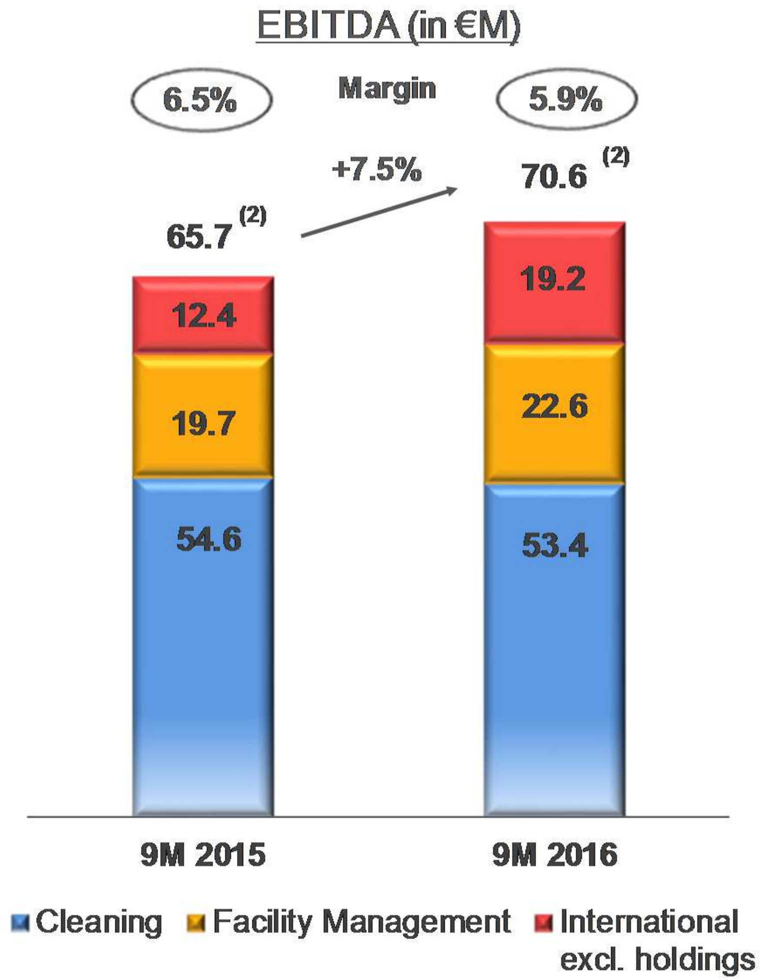
- **Significant acquisition in Croatia**
  - **Luxor**, operating in facility management, completed in March 2016 – Full year turnover around €15.5M – EBITDA around €1.2M
- **Several acquisitions in Asia**
  - **Vietnam: Unicare** (FY revenue around €2M)
  - **Indonesia: Indoservices** (FY revenue around €1.8M)
  - **Cambodia: Kleen 11** (FY revenue around €1.6M)

Ongoing acquisition processes

- **Philippines**: **Ables group**, operating in cleaning services (full year revenue around €4.5M)
- **Thailand**: new acquisitions to be achieved in Q4 2016
  - **PPT** (FY revenue around €3.4M)
  - **PTS** (FY revenue around €1.5M)

Key figures – 9M 2016





- Increase of revenue mainly due to external growth in Cleaning and International activities, partially offset by ending non-core activities in Facility Management

- EBITDA margin decreased from 6.5% to 5.9% given:
  - Development costs related to the ramp-up and profitability improvement of the international activities
  - International EBITDA margin decreased from 7.2% to 5.3% while the level of revenue doubled, essentially following acquisition of TEMCO

(1) Including inter-sectors transactions (€(9.4)m for 9M 2016 and €(16.4)m for 9M 2015)

(2) Including Holding costs

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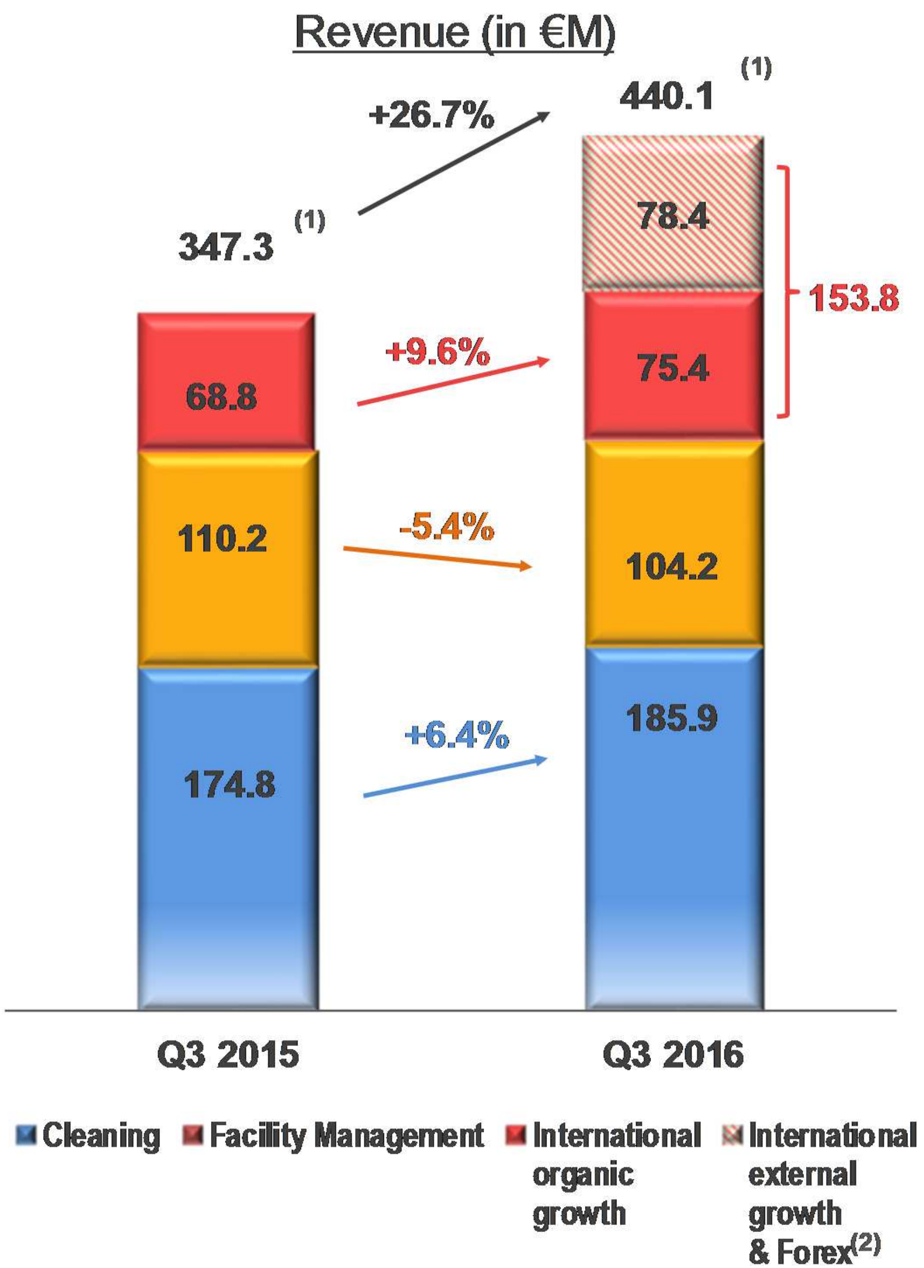
Revenue – Q3 2016

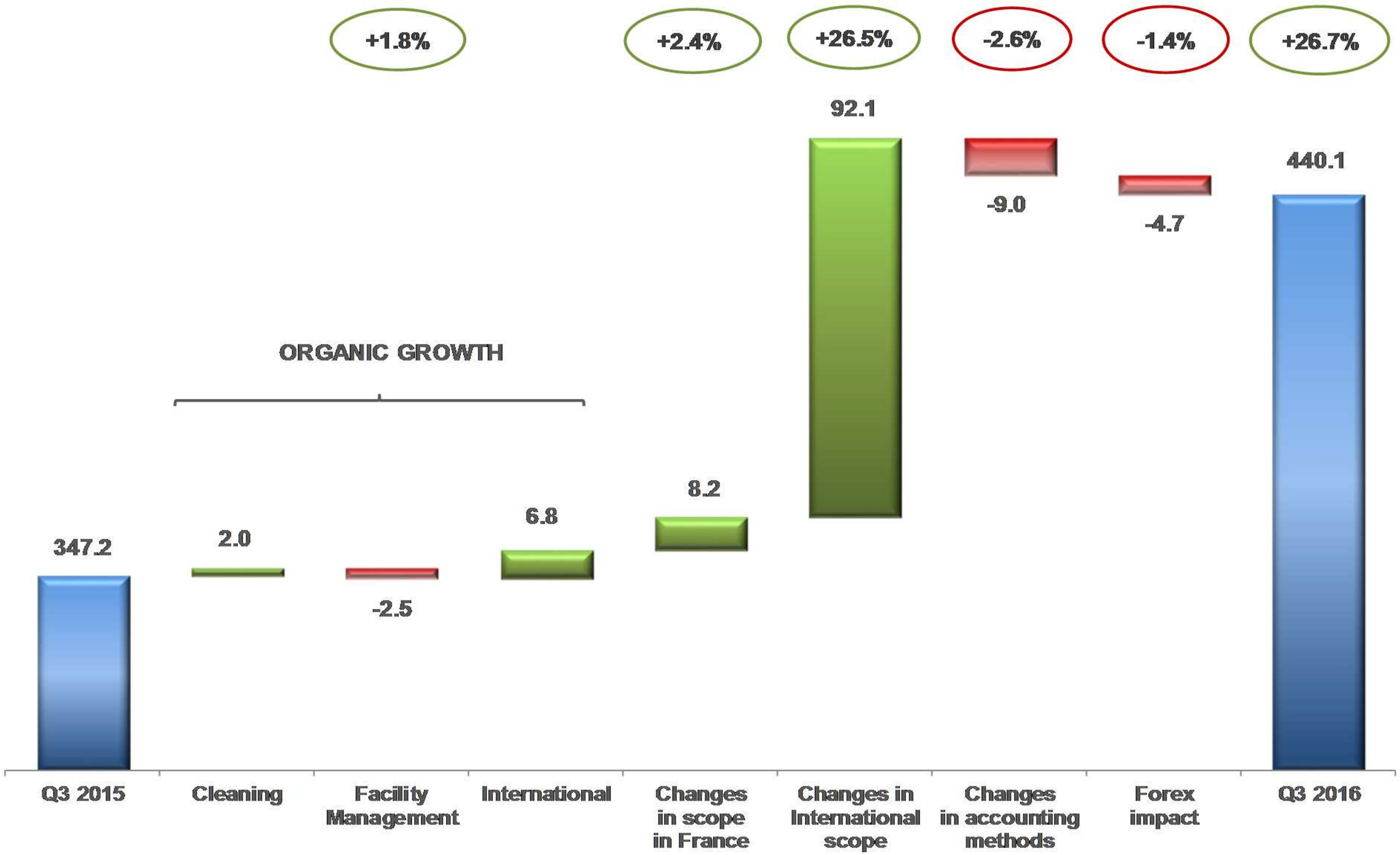


- **FRANCE: slight increase of revenue (+€5.1M)**
  - **Cleaning**
    - increase of revenue mainly due to external growth: acquisition of HEI & Net Express (+€10.9M) in H1 2016
    - strong competitive pressure
  - **Facility management**:
    - disposal of non-core activities in Q4 2015 (freight, logistics and transportation activities)
    - partially offset by a strong growth in demand for security services and by starting up airport activity
    - increased price competition for Multi-technical activities

- **INTERNATIONAL: strong increase of revenue (+€85M) mainly due to**
  - Integration of TEMCO in January 2016 (+€68.3M)
  - Other external growth and changes in accounting methods (+€10.1M) mainly in Poland, Indonesia, Philippines, Ivory Coast, Morocco, Serbia and Croatia

(1) Including inter-sectors transactions (€(3.8)M in 2016 and €(6.5)M in 2015)
(2) Including changes in accounting methods

Revenue – Q3 2016 (in €M)



- Despite a complicated market, especially for Cleaning, slight organic growth of 1.8% generated by the Group
- Negative forex impact essentially due to Turkish Lira (-€3.3M), Malaysian Ringgit (-€1.0M) and Polish Zloty (-€0.5M) weakening against the euro

- Positive impact of change in International scope of +€92M, mainly related to TEMCO (+€68.3M) and other acquisitions in Poland, Asia and Morocco
- Positive impact of change in French scope mainly due to last acquisitions in Cleaning (+€10.9M), partially offset by exit of French non-core activities (Transportation)

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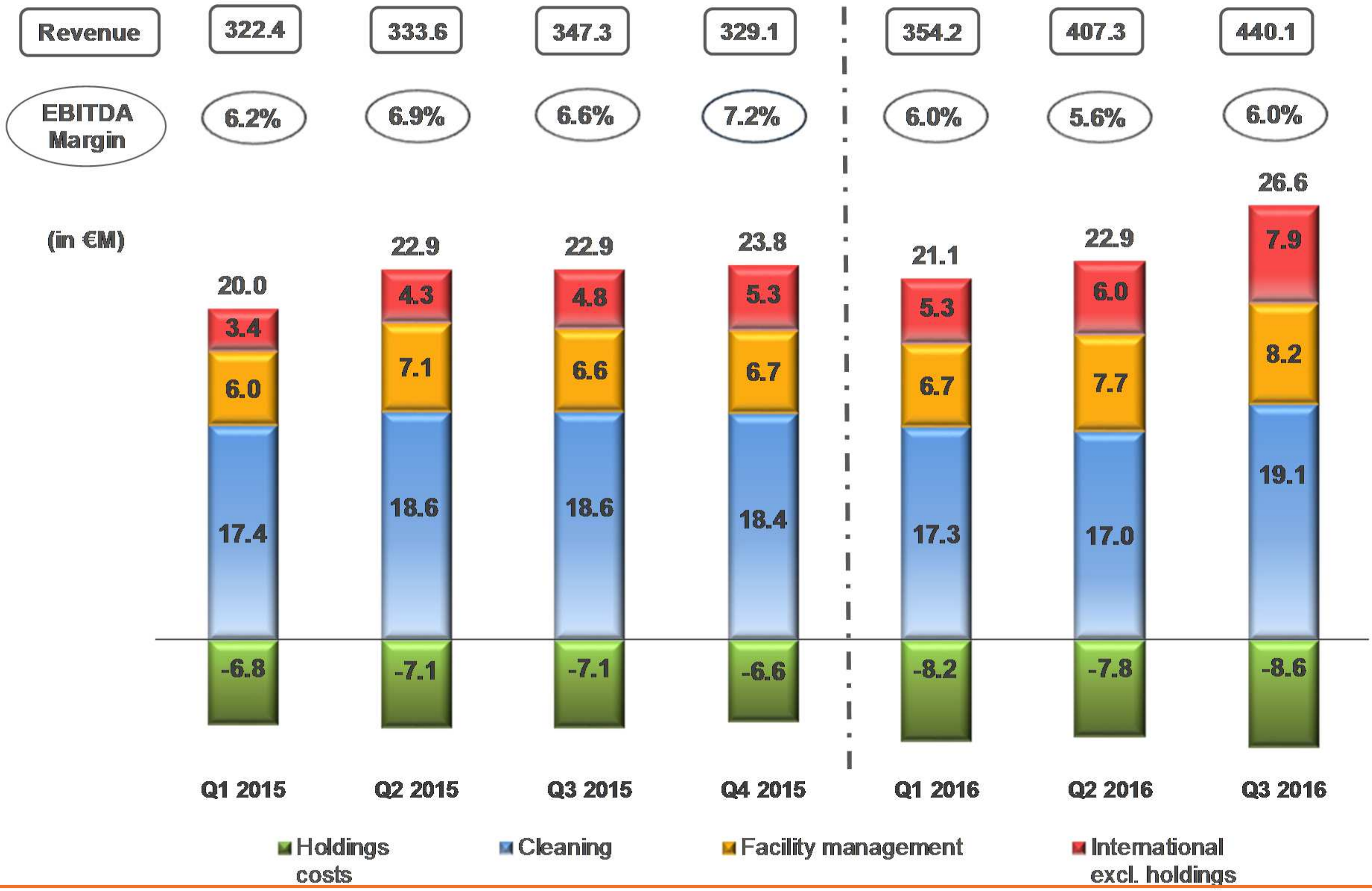
EBITDA – Quarterly evolution



- Strong increase of EBITDA in Q3 2016 (+€3.7M vs. Q3 2015, increasing of 16.2%)
- EBITDA margin decreased from 6.6% to 6.0% given development costs related to the ramp-up and profitability improvement of the international activities following recent acquisitions
- Holdings: costs increase for strengthening trade structures for key accounts, organization and methods office, innovation unit
- Temporary dilutive effect on EBITDA margin following TEMCO subsidiaries acquisition in USA (with EBITDA margin of 3%)

EBITDA – Q3 2016

in €M	Q3 2016	Q3 2015	*Change*	9M 2016	9M 2015	*Change*
Revenue	**440.1**	**347.3**	***26.7%***	**1,201.6**	**1,003.3**	***19.8%***
Payroll costs	(303.0)	(219.4)		(806.1)	(634.9)	
% of revenue	*68.8%*	*63.2%*		*67.1%*	*63.3%*	
Raw materials & consumables used	(79.1)	(76.8)		(239.1)	(220.6)	
% of revenue	*18.0%*	*22.1%*		*19.9%*	*22.0%*	
External expenses	(23.4)	(22.9)		(67.8)	(64.7)	
% of revenue	*5.3%*	*6.6%*		*5.6%*	*6.4%*	
Other operating income & expenses	(8.0)	(5.3)		(18.0)	(17.4)	
% of revenue	*1.8%*	*1.5%*		*1.5%*	*1.7%*	
Total operating costs	**(413.5)**	**(324.4)**	***27.5%***	**(1,131.0)**	**(937.6)**	***20.6%***
% of revenue	*94.0%*	*93.4%*		*94.1%*	*93.5%*	
EBITDA	**26.6**	**22.9**	***16.2%***	**70.6**	**65.7**	***7.5%***
EBITDA margin	***6.0%***	***6.6%***		***5.9%***	***6.5%***	

- Improvement of Q3 results: EBITDA reached €26.6M (+16.2% vs. Q3 2015), with a slight decrease of EBITDA margin
- Increase of payroll costs as percentage of revenue mainly due to integration of TEMCO, HEI, Net Express, Rafindo and CBM
- Continued cost control in other operating expenses overall

2 FINANCIAL REVIEW

Q3 2016 Summary P&L

in €M	Q3 2016	Q3 2015	*Change*	9M 2016	9M 2015	*Change*
EBITDA	**26.6**	**22.9**	***3.7***	**70.6**	**65.7**	***4.9***
% margin	*6.0%*	*6.6%*		*5.9%*	*6.5%*	
Depreciation and amortization, net	(7.3)	(6.2)		(19.3)	(16.5)	
Provisions and impairment losses, net	–	(1.4)		(0.4)	(1.7)	
Operating profit	**19.3**	**15.3**	***4.0***	**50.9**	**47.5**	***3.4***
% margin	*4.4%*	*4.4%*		*4.2%*	*4.7%*	
Financial income	0.1	0.1		0.2	0.5	
Financial expenses	(9.3)	(7.0)		(23.6)	(20.6)	
Net financial costs	**(9.2)**	**(6.9)**	***(2.3)***	**(23.4)**	**(20.1)**	***(3.3)***
Other financial income and expenses	(0.8)	(0.3)	*(0.5)*	(1.3)	0.1	*(1.4)*
Net financial expense	**(10.0)**	**(7.2)**	*(2.8)*	**(24.7)**	**(20.0)**	***(4.7)***
Income tax expense	(5.0)	(4.0)	*(1.0)*	(13.5)	(11.8)	*(1.7)*
Share of profit (loss) of associates	–	–			–	–
Profit from continuing operations	**4.3**	**4.1**	***0.2***	**12.7**	**15.7**	***(3.0)***
Loss for the period from discontinued operations	–	–	–	–	–	–
Profit for the period	**4.3**	**4.1**	*0.2*	**12.7**	**15.7**	*(3.0)*

- Excluding external growth, Q3 2016 in line with expectations, with net profit up 4.9% vs. Q3 2015
- Depreciation and amortization are following the upward trend of revenue with changes in scope
- Net financial costs: increase of €2.3M vs. Q3 2015 mainly due to new bond issue of €150M in January 2016
- Increase of tax expenses mainly due to changes in International scope (especially integration of TEMCO)

Net debt

in €M	9M 2016	January 2016 (acquisition of TEMCO)	FY 2015	9M 2015
Net cash and cash equivalents	**96.5**		**54.3**	**58.8**
HY bonds	400.0		250.0	250.0
Factoring	28.7		48.0	52.4
Bilateral credit lines	27.9		–	–
Others	31.8		21.1	24.2
Total gross debt (1)	**488.4**		**319.1**	**326.6**
Financial instrument	1.3		1.3	–
Total net debt	**393.2**		**266.1**	**267.8**
Deconsolidated Factoring	19.3		61.1	76.4
Adjusted Net Debt (2)	**412.5**	**392.0**	**327.2**	**344.2**
Proforma EBITDA (3)	110	100	94.4	91.2
Adjusted net debt / proforma EBITDA (3)	**3.7x**	**3.9x**	**3.5x**	**3.8x**

- Reported net debt increased to €412.5M as of 9M 2016 (+€85.3M vs. net debt as of August 31, 2015) mainly due to acquisitions in H1
- Net leverage stabilized at 3.7x

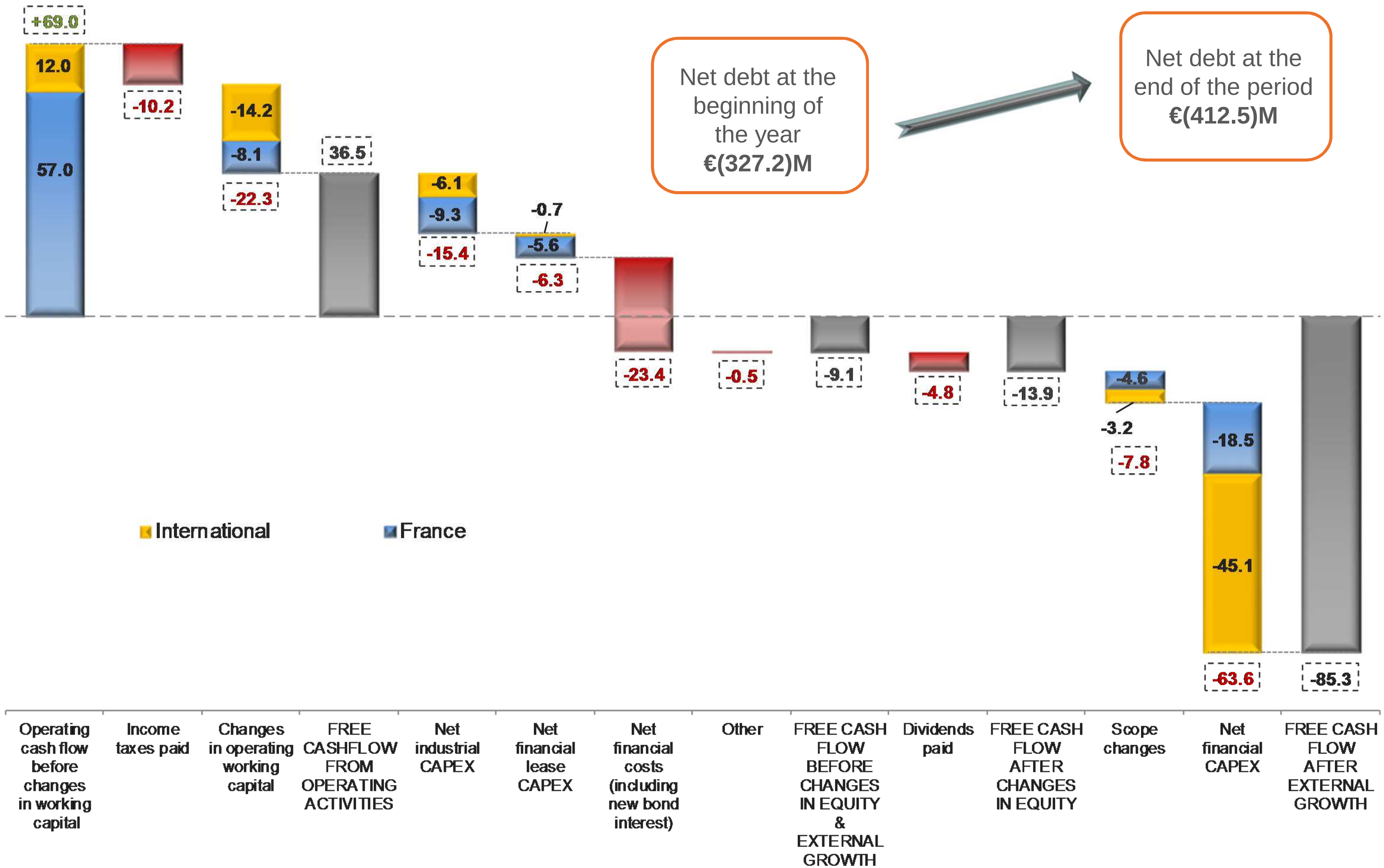
(1) Excluding the fair value of financial instrument

(2) Adjusted of the deconsolidating factoring of receivables

(3) Proforma EBITDA 2016 is calculated as if the main acquisitions realized during the first 9M 2016 had occurred for 12 months

In €M	Cash and cash equivalents	Factoring loans	Bilateral credit lines	Revolving Credit Facility	Total
Confirmed lines		140.0	60.0	18.0	
Utilised lines		45.7	27.9	-	
Head room		**94.3**	**32.1**	**18.0**	
Cash available to support Group development	**96.5**	**94.3**	**32.1**	**-**	**222.9**

9M net debt evolution (in €M)

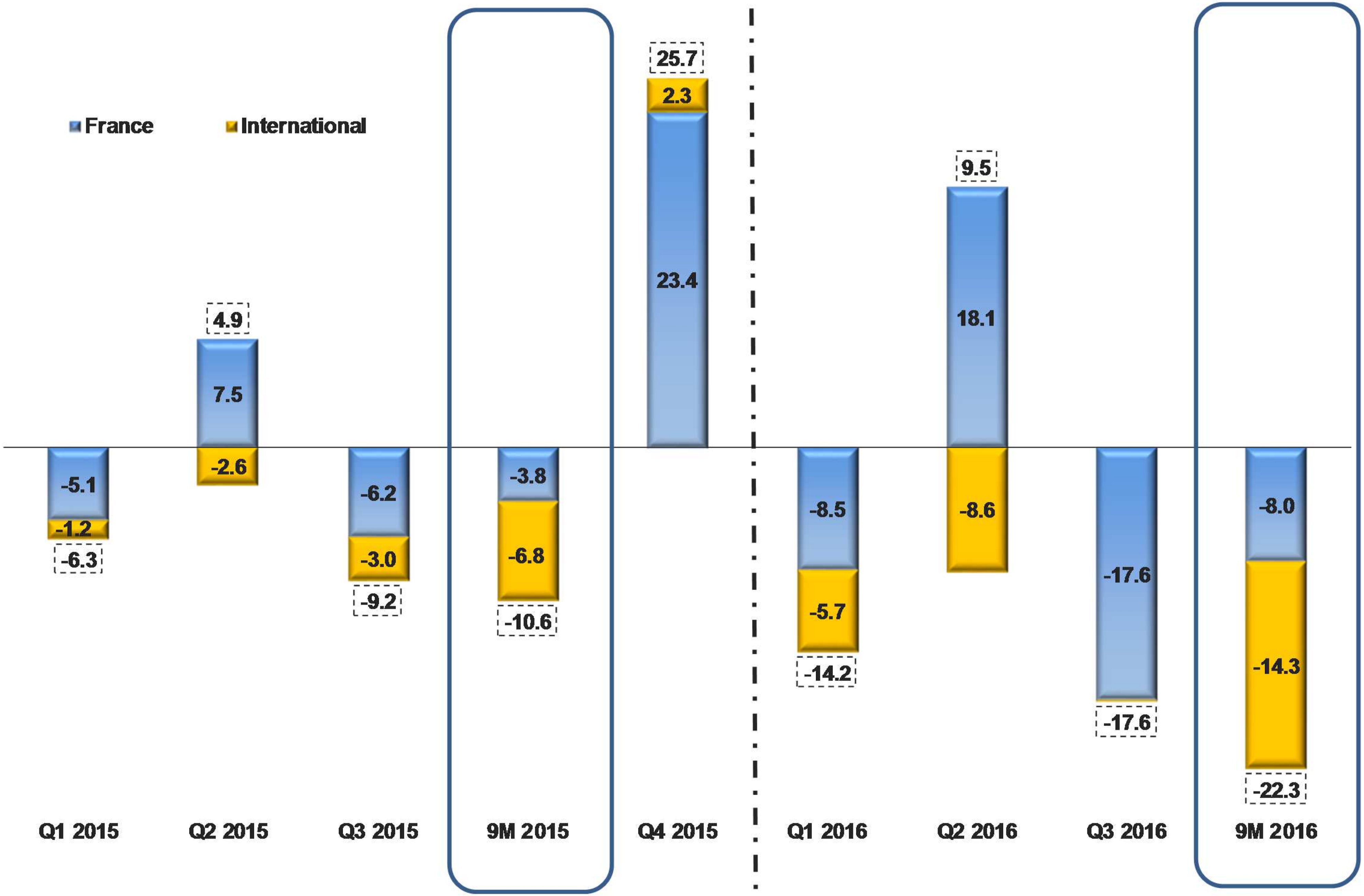


Key cash flow items

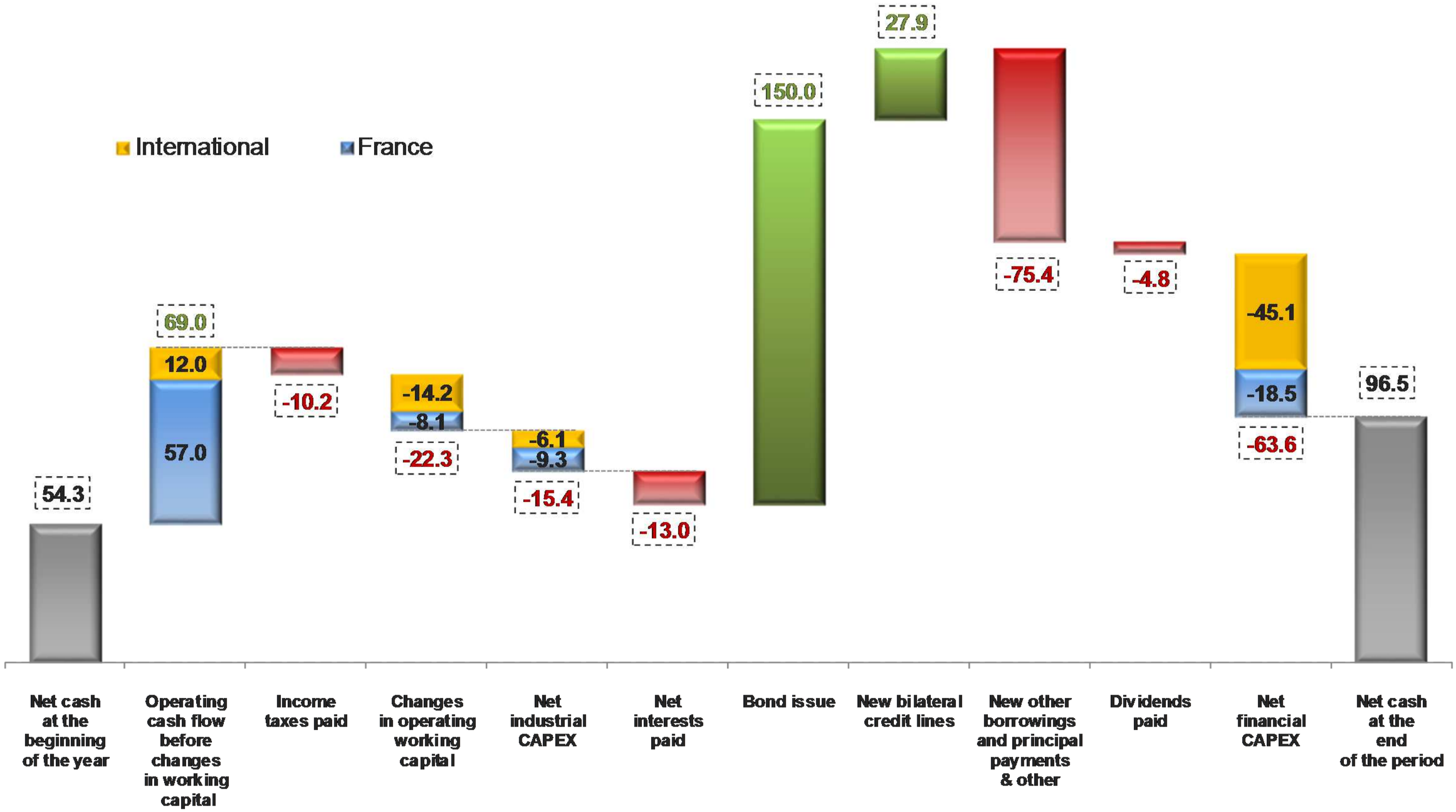
in €M	H1 2016	H1 2015	H1 *Change*	Q3 2016	Q3 2015	Q3 *Change*	9M 2016	9M 2015	9M *Change*
EBITDA	**44.0**	**42.8**	***1.2***	**26.6**	**22.9**	***3.7***	**70.6**	**65.7**	***4.9***
Change in Working Capital - France	*9.5*	*2.4*	*7.1*	*(17.6)*	*(6.2)*	*(11.4)*	*(8.1)*	*(3.8)*	*(4.3)*
Change in Working Capital - International	*(14.2)*	*(3.8)*	*(10.4)*	–	*(3.0)*	*3.0*	*(14.2)*	*(6.8)*	*(7.4)*
Change in Working Capital - Group	**(4.7)**	**(1.4)**	***(3.3)***	**(17.6)**	**(9.2)**	***(8.4)***	**(22.3)**	**(10.6)**	***(11.7)***
Capex	**(71.1)**	**(23.2)**	*(47.9)*	**(7.9)**	**(11.6)**	***3.7***	**(79.0)**	**(34.8)**	***(44.2)***
o/w maintenance capex, net	*(10.2)*	*(6.8)*	*(3.4)*	*(5.2)*	*(4.7)*	*(0.5)*	*(15.4)*	*(11.5)*	*(3.9)*
o/w expansion capex	*(60.9)*	*(16.4)*	*(44.5)*	*(2.7)*	*(6.9)*	*4.2*	*(63.6)*	*(23.3)*	*(40.3)*
Unlevered pre-tax free cash flow	**(31.8)**	**18.2**	***(50.0)***	**1.1**	**2.1**	***(1.0)***	**(30.7)**	**20.3**	***(51.0)***

- Decrease of pre-tax free cash flow of -€51M in 9M mainly related to expansion capex in H1 2016:
  - **International** with the acquisition of TEMCO in January 2016 (-€37M)
  - **France** with the acquisition of HEI (-€14M) and Net Express (-€6M) in February 2016
- **Change in working capital – France**: negative effect in Q3 mainly due to strong demand for security services

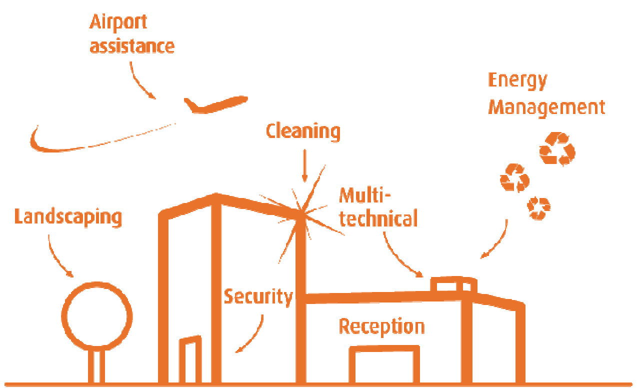
Focus on change in working capital (in €M)



9M net cash evolution (in €M)



3 STRATEGY UPDATE

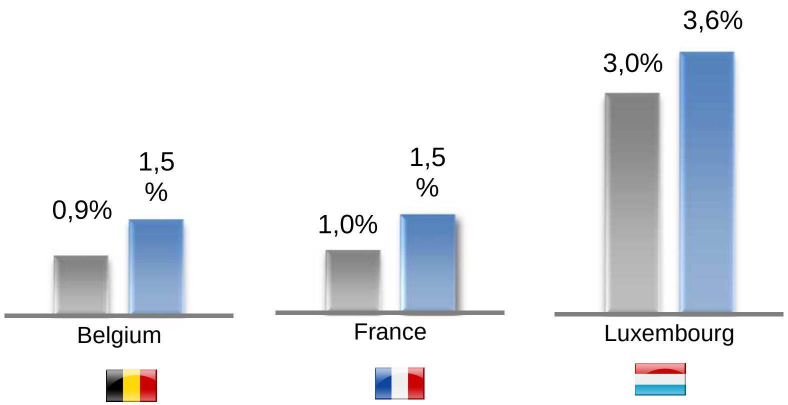


EUROPE - USA - ASIA - AFRICA

Western Europe *

W. Europe 2011-2015 avg. real GDP growth: 1.1%

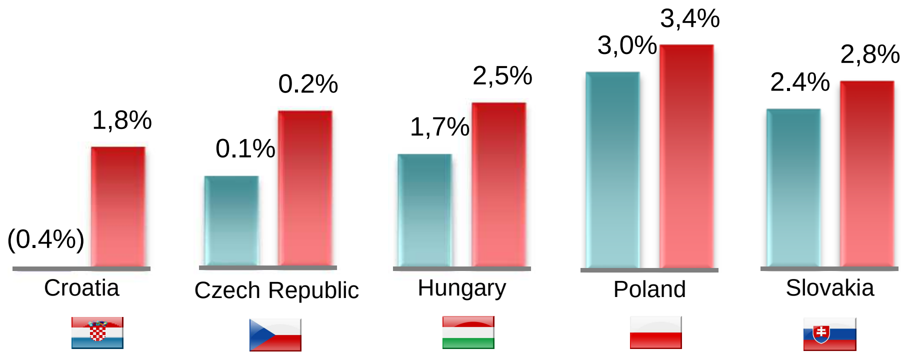
W. Europe 2016-2020 avg. GDP growth: 1.8%



Eastern Europe *

E. Europe 2011-2015 avg. real GDP growth: 1.7%

E. Europe 2016-2020 avg. GDP growth: 2.1%



France

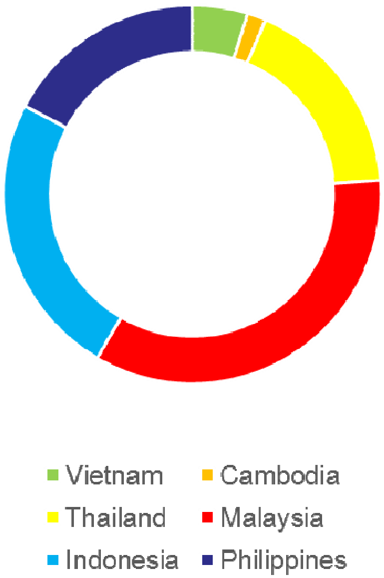
- Closely monitoring growth opportunities which could complement customers and local network
- Key accounts: enhanced trading in multi-technical and safety

Eastern Europe

- 1st multi-services network in Eastern Europe
- Achieved coverage in almost all countries (critical size reached)
- Top 3 position in each country
- Mutualization of central group functions enables quick generation of synergies with acquired entities
- Organic growth and businesses development: successful implementation of national and regional key accounts
- Focus on multi-services in all countries

* Source: Economist Intelligence Unit Estimates

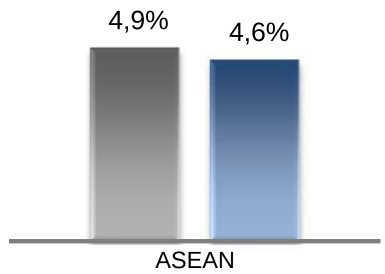
Strategy update in South East Asia



South East Asia *

S-E. Asia 2011-2015 avg. real GDP growth: 5.3%

S-E. Asia 2016-2020 avg. GDP growth: 4.5%



*** Source: Economist Intelligence Unit Estimates**

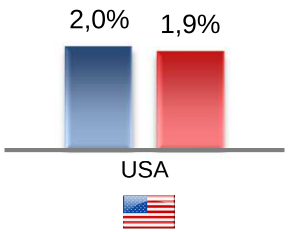
- **Context:** strong growth, low inflation, few outside competitors, significant population size, very few significant local competitors
- **Organic growth** driven by dynamic market
- French **framework partnership** in Indonesia, Vietnam and Malaisia (ex. Lafarge)
- Major growth drivers in developing countries for the future: mutual key accounts with Europe and USA
- **Acquisitions process**
  - Profitable small countries with inexpensive entry ticket
  - Very few large structures locally present: limited risk-taking
  - Learning process: discovering and securing before developing
  - Recruiting right people in organization: local and multicultural management team
  - Currently consulting large accounts to reach critical size in new countries
  - Focusing on multi-services
  - Long-term focus on organic growth

Strategy update in USA

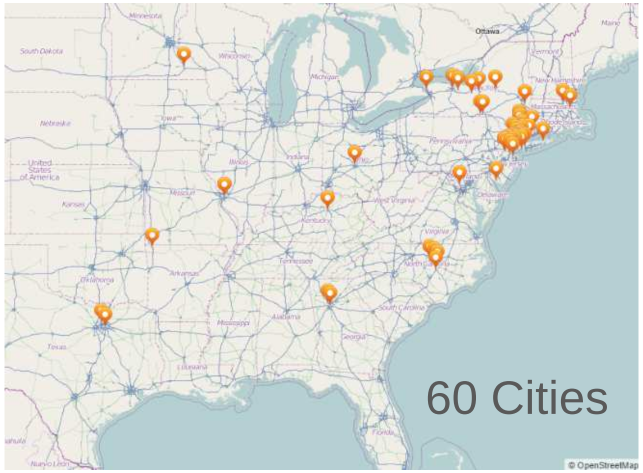
USA *

USA 2011-2015 avg. real GDP growth: 2.0%

USA 2016-2020 avg. GDP growth: 1.9%



*** Source: Economist Intelligence Unit Estimates**



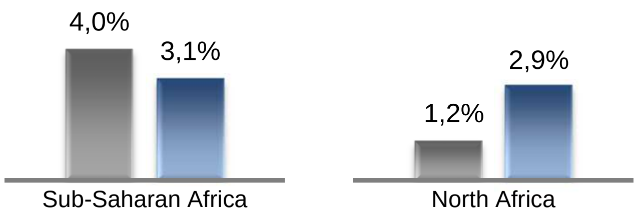
- **Strategic geographical area** for Atalian's development outside France and Europe
- Very few multi-services players invest on the US market
- Opportunity to benefit from **key accounts** for Asia, Africa, UK…
- Focus on **East Coast**
- 2 largest **markets**: New York and New Jersey
- Significant development on school sector
- Reorganization of local **management team**
- Administrative **synergies**
- Ongoing **real estate property disposal**

- **Strengthen foundation** – IT etc. – for both re-tooled organic and acquisitive growth. Invest in IT personnel
- **Restructure Sales Department**
  - Hire Business Development Executive
  - Improve Competitive Bidding Process
  - Regional or Vertical market Subject Matter Experts (SME)
- **Strengthen Finance/Accounting**
  - Leadership review
- **Strengthen Operations**
  - Use of technology/provide greater visibility for managing and for transparency
  - Strengthen/Upgrade skills through internal and external training
- **Strengthen Human Resources**
  - Talent search
  - Safety

Strategy update - Other

Africa *

Africa 2011-2015 avg. real GDP growth
Africa 2016-2020 avg. GDP growth



* Source: Economist Intelligence Unit Estimates

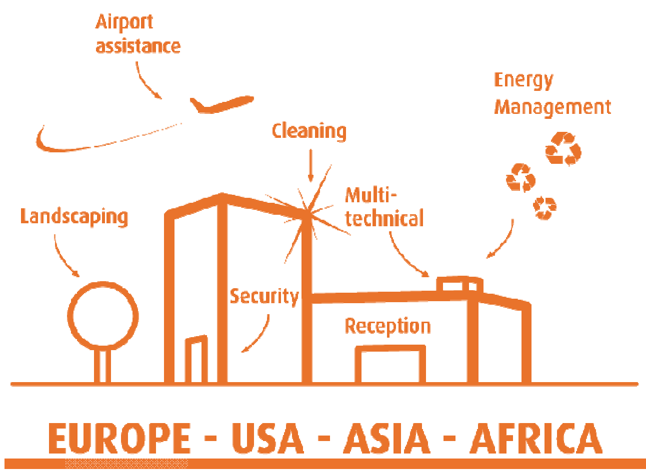
- **Very profitable geographical area** even with limited volumes
  - Network consolidation
- **Ivory Coast**: dynamic country

SERVEST Joint Venture

A tandem across pan-European contracts

- **Benefit for clients:** a central point of contact across Europe, with one invoice, one set of KPIs and a standardized set of audit scores
  - More efficient service
  - Reducing costs
  - Same language, same cultural references
- Implementation of **a central management information system**
- **Similar track record**
  - Both privately-owned
  - Recent fast growth with acquisitions
  - Both self-deliver services: direct control over the service delivered to customers on the ground
- **Joint focus on innovation**
- **Commercial synergies**
- **UK market access**

Q&A



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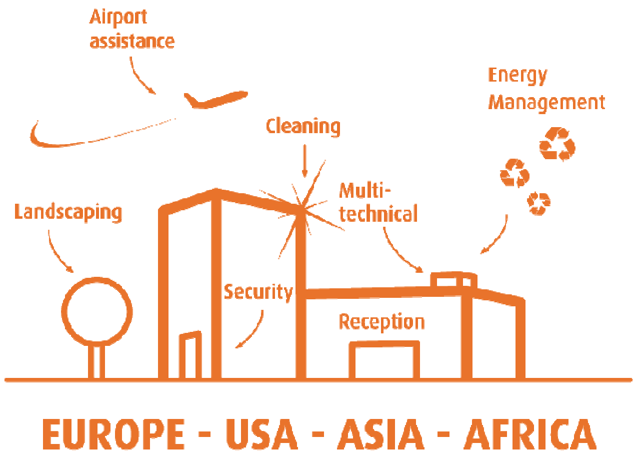
APPENDICES


Airport assistance
Energy Management
Cleaning
Multi-technical
Landscaping
Security
Reception
EUROPE - USA - ASIA - AFRICA

Summary of consolidated statement of financial position

In €M	9M 2016	Year ended August 31, 2015
Intangible assets	478.7	435.9
Property, plant and equipment	65.2	54.9
Other non-current assets	90.3	71.1
Trade receivables	345.6	245.1
Cash and cash equivalents	101.8	56.3
Other current assets	163.2	152.5
Total assets	**1,244.8**	**1,015.8**
Equity (including non-controlling interests)	138.0	132.0
Financial debt (current and non-current)	489.7	320.4
Other non-current liabilities	10.2	9.5
Trade payables	156.2	147.0
Bank overdrafts	5.3	2.0
Other current liabilities	445.4	404.9
Total liabilities	**1,244.8**	**1,015.8**

INVESTOR RELATIONS CONTACT

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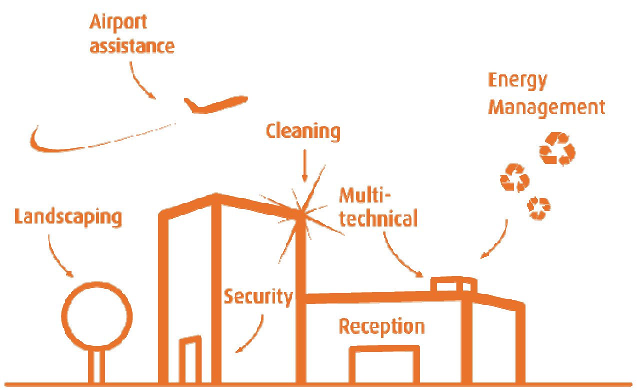

EUROPE - USA - ASIA - AFRICA