Atalian New Q4 2017 results

April 9, 2018

ATALIAN
GLOBAL SERVICES

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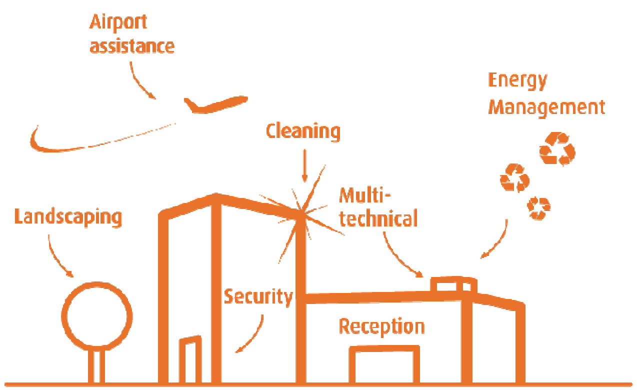

EUROPE - USA - ASIA - AFRICA

Summary & presenting team

Matthieu de Baynast

Chief Executive Officer of ATALIAN Group
Chairman of ATALIAN International

Loïc Evrard

Chief Financial Officer of ATALIAN Group

Stéphane Vermersch

General Secretary

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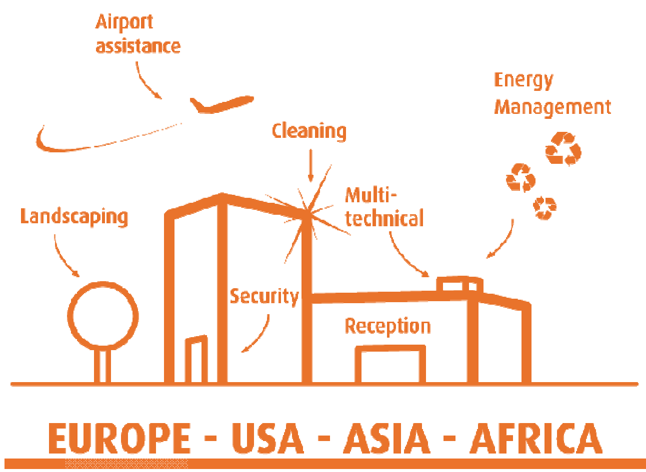
1 KEY HIGHLIGHTS OF NEW 12M 2017



Key items of New Q4 2017

Financial performance

- Overall good financial performance despite challenging environment
  - Group **revenue**: €575M in new Q4 2017 vs. €466M for new Q4 2016, +23% mainly due to external growth in France and abroad
  - Continued increase of **EBITDA** reaching €42.4M in new Q4 2017 vs. €34.8M in new Q4 2016 restated*
  - **Adjusted net debt** as of December 31, 2017 of €534M vs. €435M at the end of December 2016 with successful refinancing through new bond issuance of €625M at 4% closed on May 5, 2017

New Contracts

aselsan "Reliable Technology" ASELSAN A.Ş. is a Turkish Armed Forces Foundation company

TESCO Lotus

Carrefour

SIAAP Service public de l'assainissement francilien

BORDEAUX MÉTROPOLE

MONOPRIX NATURALIA

AREVA l'avenir pour énergie Malési Narbonne

luminus

TIAA GLOBAL ASSET MANAGEMENT

ch2m:

FEDERAL RESERVE SYSTEM UNITED STATES

BASF We create chemistry

GUSTAVE ROUSSY CANCER CAMPUS GRAND PARIS

EDF Le Havre

sonepar france

AEROPORT NICE COTE D'AZUR

Last acquisitions

- **Significant acquisitions in Europe, Asia and USA**
  - **AB Facility** in Slovakia and Czech Republic (FM business)
  - **Visschedijk** in Netherlands
  - **Facilicom Group**'s French subsidiaries in France
  - **Cleaning Express** and **Ramky** in Singapore
  - USA :
    - **AETNA** completed in May 31, 2017 – FY turnover around €28M – EBITDA Proforma expected around €2.4M
    - **SUBURBAN** completed in December 2017 – FY turnover around €45M – EBITDA Proforma around €3.6M
    - **CENTAUR** completed in December 2017 – FY turnover around €26M – EBITDA Proforma around €2M

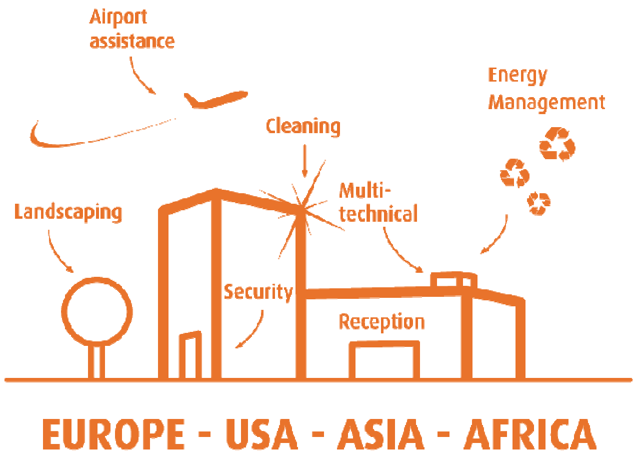
Post Q4 events

- **Acquisition of Servest Limited**

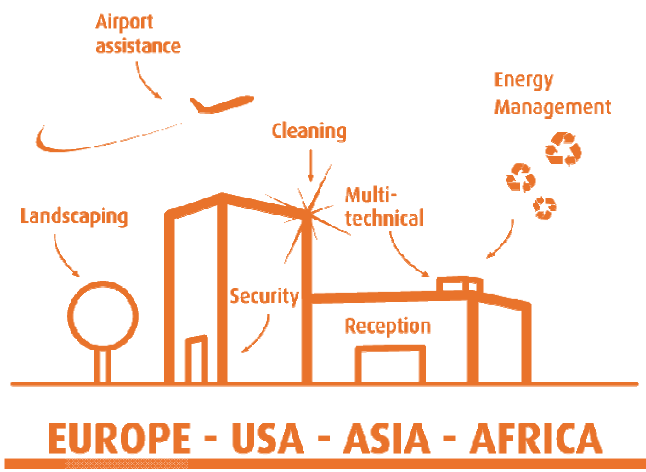
Atalian Group has agreed to acquire the entire share capital of Servest Limited, a leading provider of facility management services in the United Kingdom with which Atalian Group has had a commercial partnership: the consideration for the acquisition included £457M of enterprise value for Servest Limited and £83 million for Servest Limited's 28.8% equity investment in Getronics Services UK Limited

* See slide 12

2 FINANCIAL REVIEW



2 FINANCIAL REVIEW



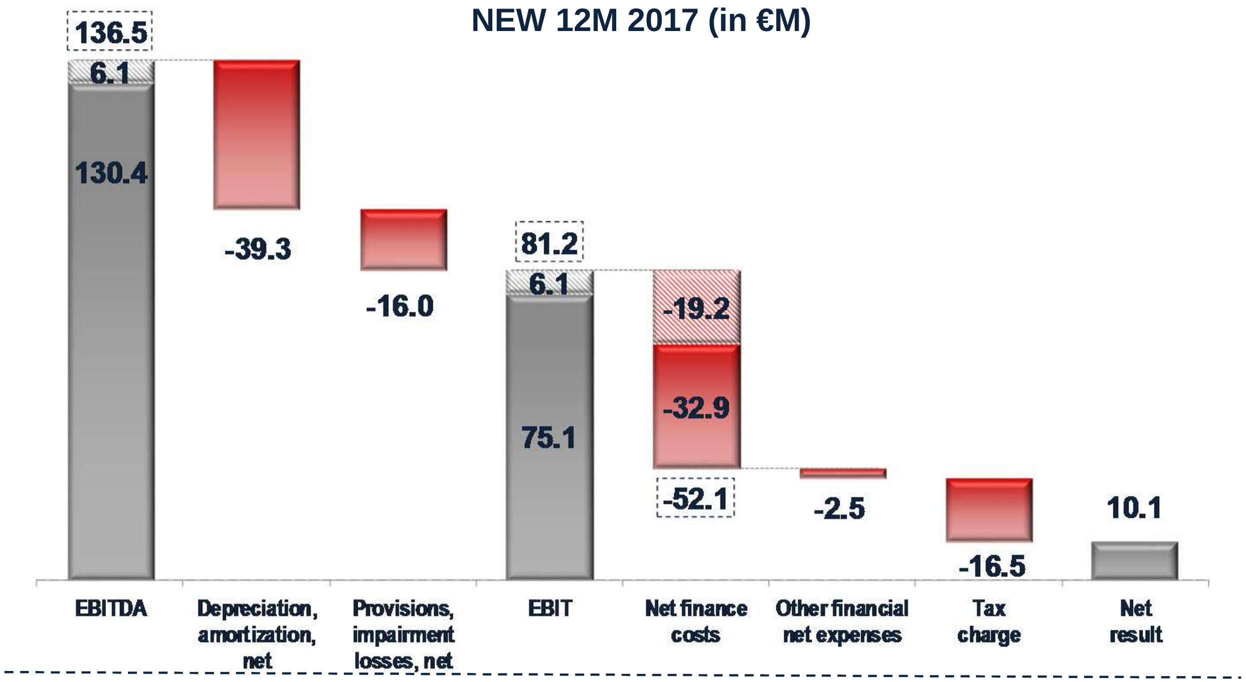
EBITDA – New 12 months 2017

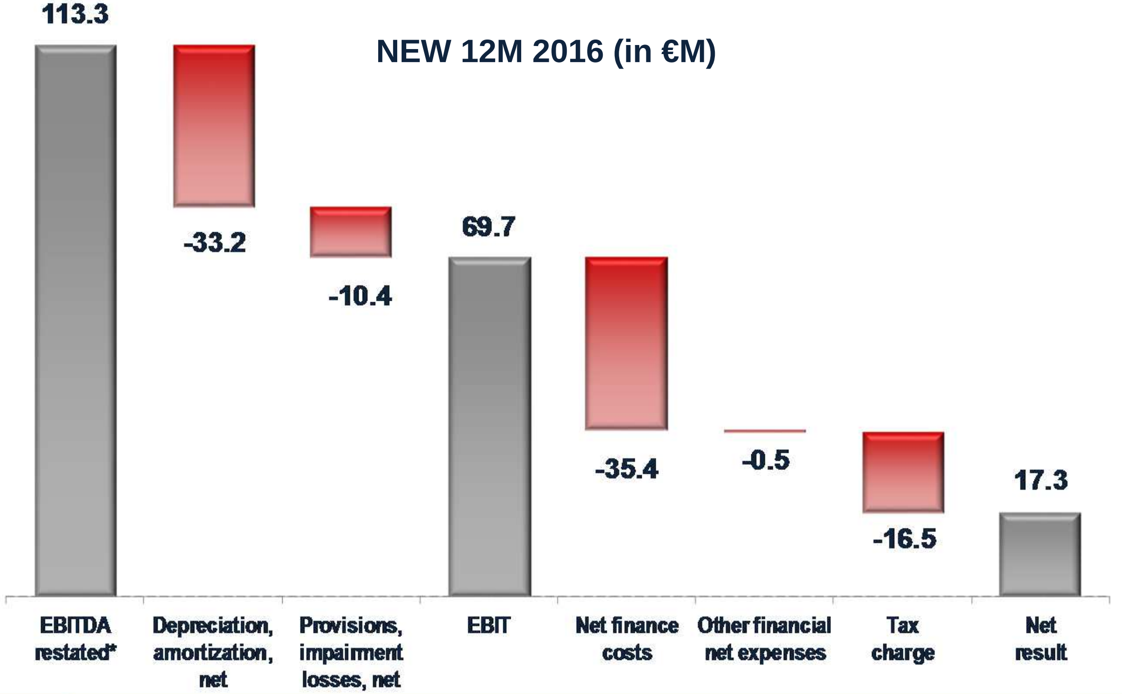
in €M	12 months Dec. 2017	12 months Dec. 2016 restated *	*Change*
Revenue	**2,028.5**	**1,790.0**	***13.3%***
Payroll costs	(1307.9)	(1203.2)	
% of revenue	*64.5%*	*67.2%*	
Raw materials & consumables used	(443.9)	(352.3)	
% of revenue	*21.9%*	*19.7%*	
External expenses	(122.3)	(102.1)	
% of revenue	*6.0%*	*5.7%*	
Other operating net expenses	(24.0)	(19.1)	
% of revenue	*1.2%*	*1.1%*	
Total operating costs	**(1,898.1)**	**(1,676.7)**	***13.2%***
% of revenue	*93.6%*	*93.7%*	
Recurring EBITDA	**130.4**	**113.3**	***15.1%***
Recurring EBITDA margin	***6.4%***	***6.3%***	
EBITDA	**136.5**	**113.3**	***20.5%***
EBITDA margin	***6.7%***	***6.3%***	

- Continued improvement of EBITDA margins validates Group's strategy pursued in the last 4 years
- Strong decrease of percentage of revenue for payroll costs mainly related to full year Temco US impact following the loss of DOE contract and subcontracting's effect, impacting also Raw materials & consumables used
- Non recurring EBITDA: assignment of certain trademarks relating to our business outside of France (€6.1M at the end of December 2017) – as already disclosed during the last quarter
- Constant tight control of operating expenses

*** New 12M 2016 restated from errors corrections**

Net Result – New 12 months 2017





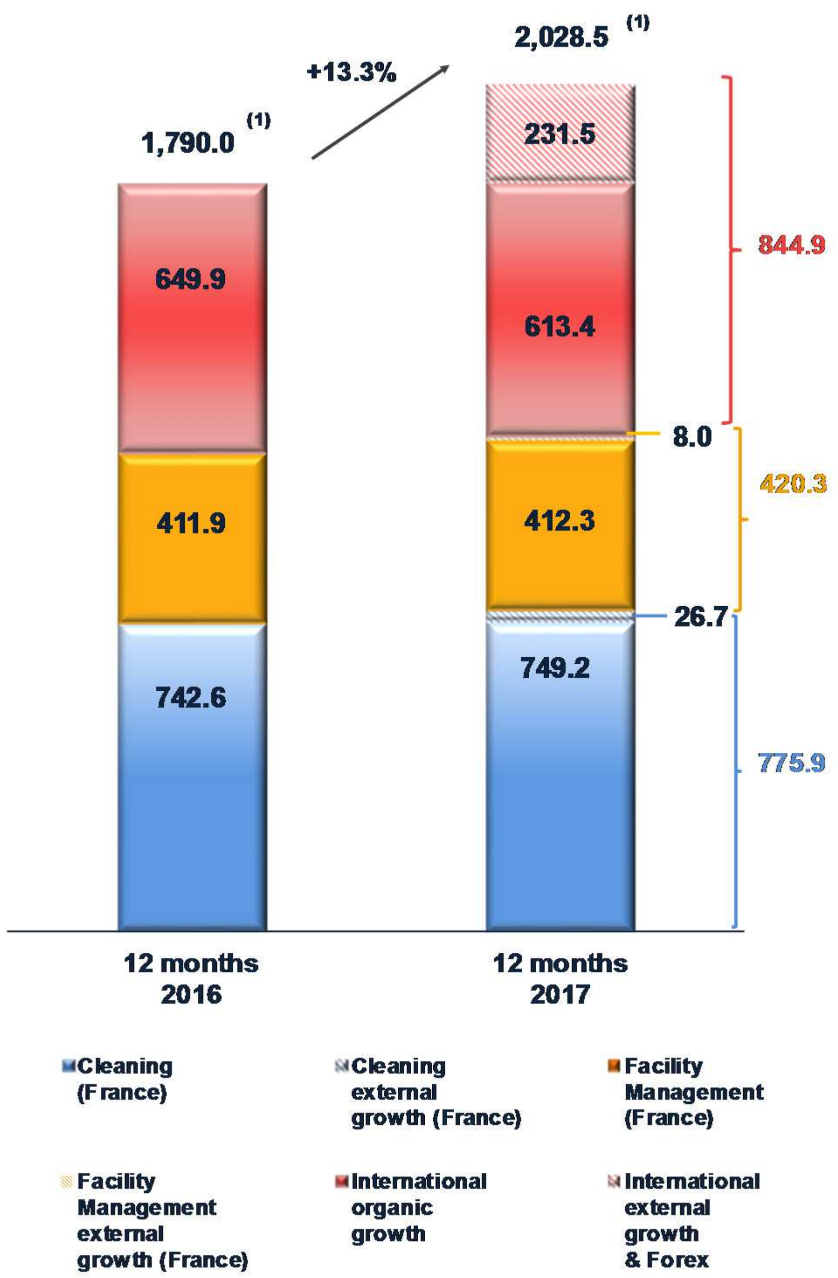
December 2017 vs December 2016 (12 months)

- Net depreciation & amortization stabilized at 1.9% of revenue
- Recurring EBIT: restated from €6.1M (non-recurring assignment of trademarks), stabilized margin around 4%
- Decrease in recurring net financing costs from -€3.1M before new bond issuance to -€2.5M per month after the debts restructuration
- Non recurring net finance costs: mainly due to payment of penalties related to early repayment of previous bonds and related issue costs write-off (-€19.2M)
- Net result excluding non recurring items would reach +€23.2M at the end of December 2017 compared to +€17.3M in December 2016

* New 12M 2016 restated from errors corrections

Revenue – New 12 months 2017

Revenue (in €M)



(1) Including inter-sectors transactions (-€12.6M in 2017 and -€14.4M 2016)

FRANCE: strong increase of revenue (**+€41M**) as a combination of

- **Cleaning's turnover rise of +€33M related to**
  - Increase of revenue mainly due to external growth: acquisition of **Facilicom Group**'s French subsidiaries
  - Organic growth thanks to strengthening of commercial teams focusing on key accounts
- An increase of €8M in **Facility management** revenue mostly explained by external growth
  - Increase of Landscaping's turnover thanks to the acquisition of Bordet Services and a good commercial trend line in general
  - Acquisition of a Facilicom Group's subsidiary operating in Security and Safety
  - Acquisition of several entities operating in technical heating maintenance

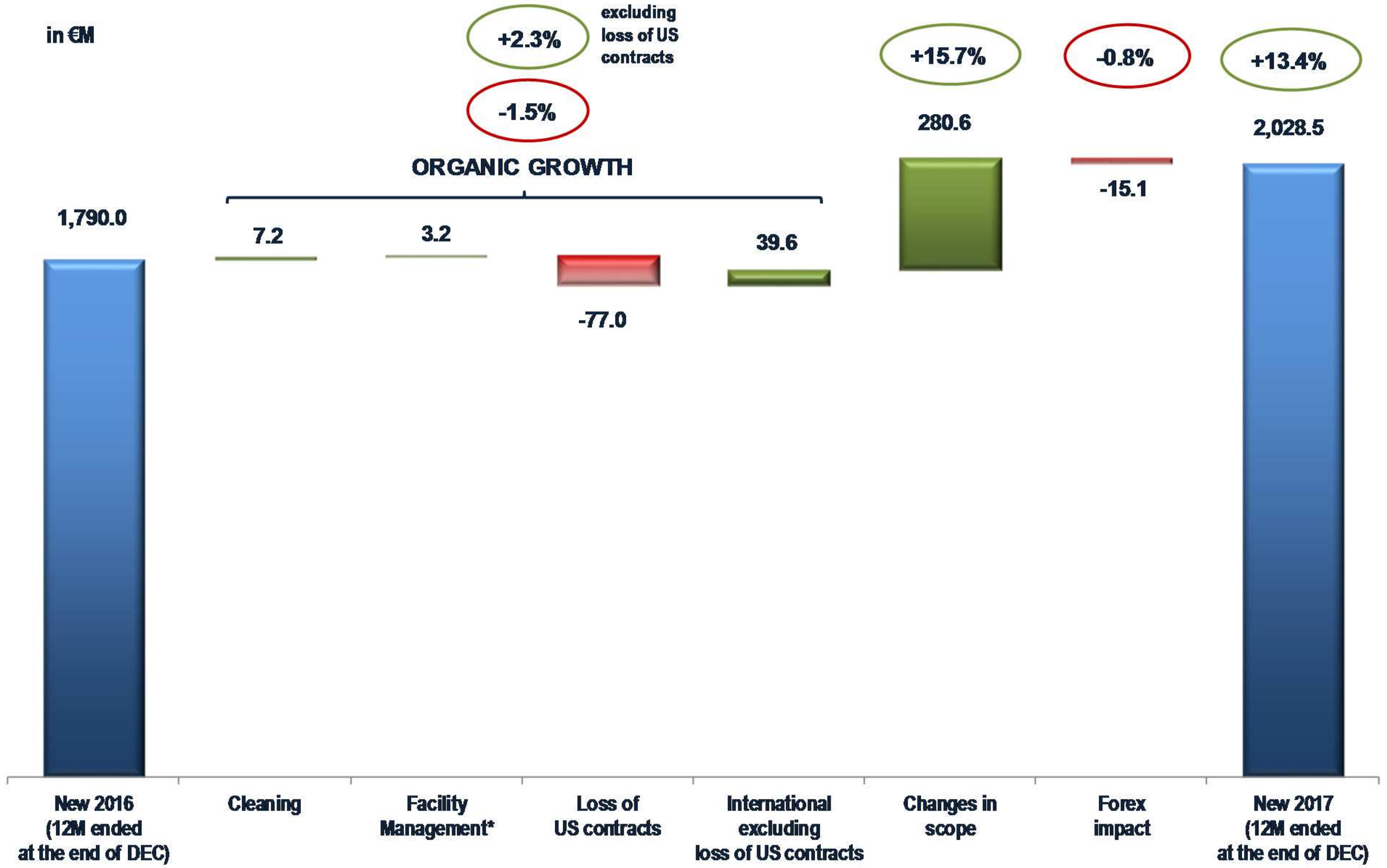
INTERNATIONAL: strong increase of revenue (+€195M) mainly driven by recent acquisitions

- Integration of AB Facility in Czech Republic and Slovakia (+€69M)
- Integration of Atalian BV and Visschedijk in Netherlands (+€39M)
- Integration of Cleaning express group and Ramky in Singapore (+€76M)
- Other external growth mainly in Philippines (Northcom and Able), USA (Aetna, Suburban and Centaur) and Russia

Regarding organic growth, there are two trends:

- negative impact related to the loss of significant US contracts
- increase of turnover mainly in Turkey, Czech Republic, Hungary, Russia, Morocco and Asia

Revenue bridge – New 12 months 2016 to New 12 months 2017



- Negative organic growth of -1.5% mainly due to the loss of DOE in New York and other US contracts (-4%) partially offset by positive organic growth in France and in other countries (mainly Europe, Africa and Asia)

- Positive impact of change in International scope of +€247M, mainly related to Europe with AB Facility in Czech Republic and Slovakia, and Visschedijk in Netherlands, and other significant acquisitions in USA (Aetna, Suburban and Centaur) and South East Asia (Singapore)
- Negative forex impact essentially due to Turkish lira and US Dollar

* Including contracts managed by holdings

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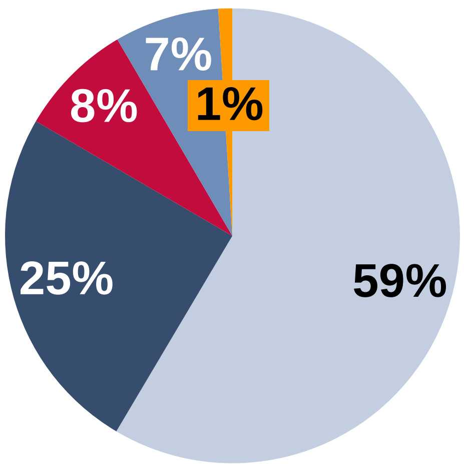
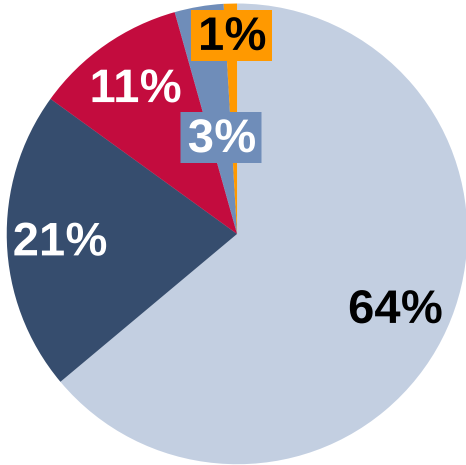
Revenue by areas and activities – 12 months 2017 vs 2016

BY AREAS



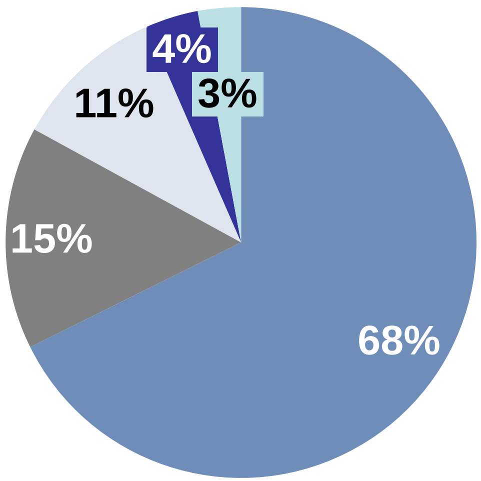
- France
- Europe (excl. France)
- USA
- Asia
- Africa



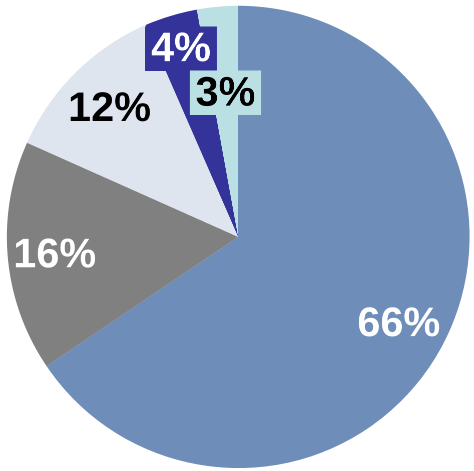
2017

Reminder 2016

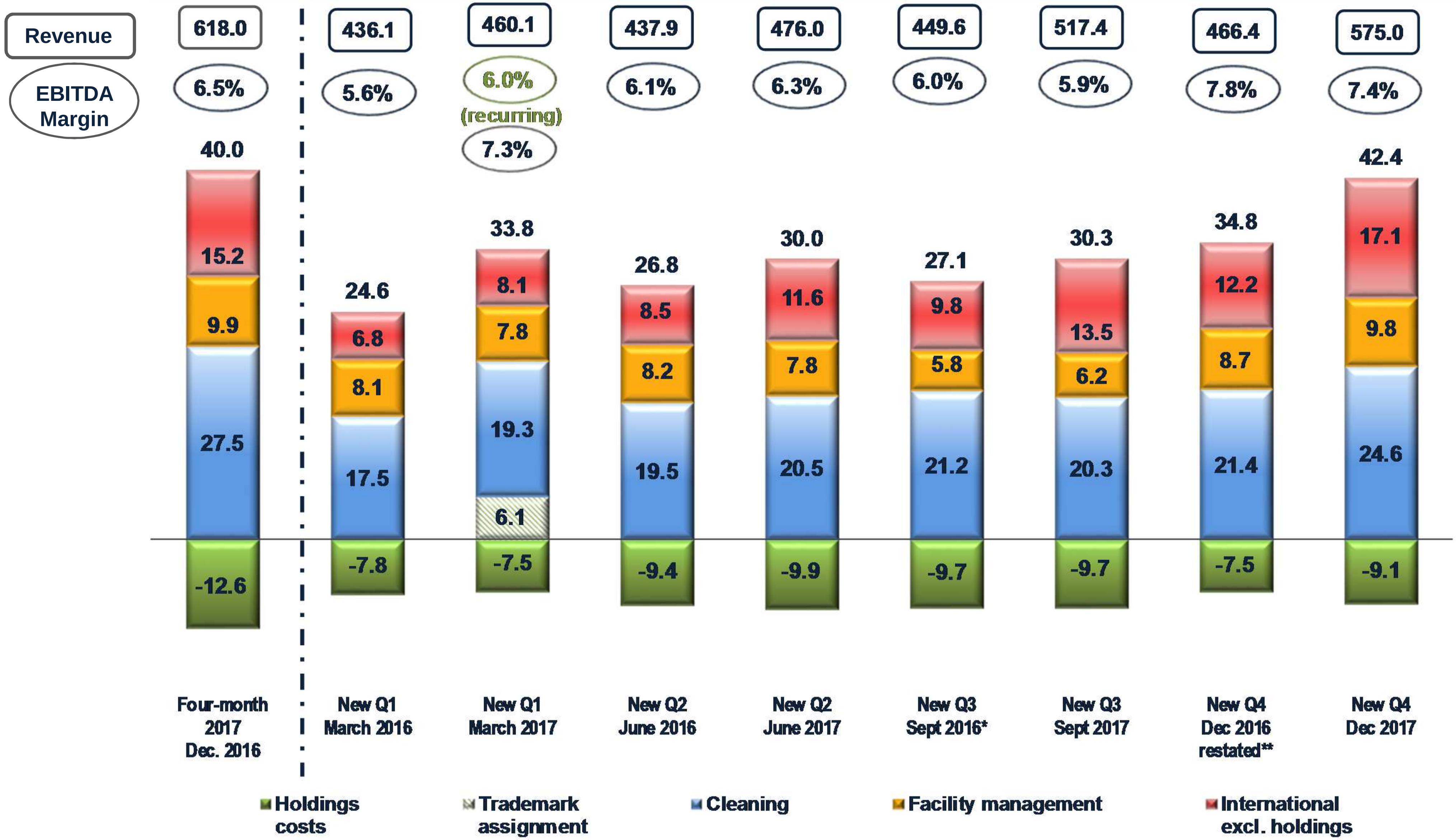
BY ACTIVITIES



- **Cleaning**
- **Multi-technical**
- **Safety & Security**
- **Landscaping**
- **Other**



EBITDA – Quarterly evolution



- Continuous increase of recurring EBITDA in new Q4 2017 at €42.4M (+€6M vs. new Q4 2016 restated)
- Non recurring item in new Q1 2017: trademark assignment of €6.1M
- Holdings costs rate slight decreased from Q3 2017 reaching 1.6% of revenue in Q4 2017

* New Q3 2016 restated from provisions recognized as revenue in EBITDA as the related cost incurred in August 2016

** New Q4 2016 restated from errors corrections and from provisions recognized as revenue in EBITDA as the related cost incurred in August 2016

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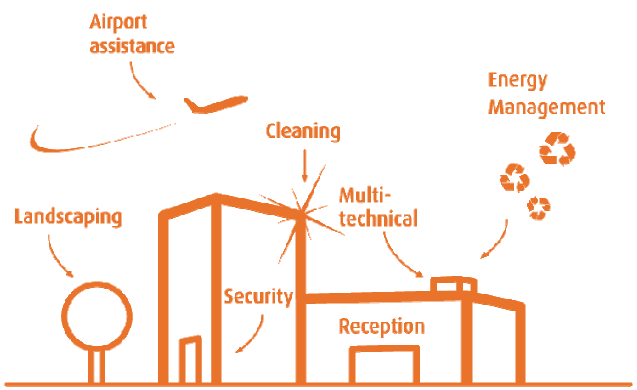
2 FINANCIAL REVIEW



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Net debt

in €M	December 2017	Four-month period ended December 31, 2016
Net cash and cash equivalents	**144.5**	**89.1**
HY bonds	625.0	400.0
Factoring	8.8	22.5
Bilateral credit lines	–	29.0
Others	28.4	40.7
Total gross debt [(1)]	**662.2**	**492.2**
Financial instrument	1.3	2.1
Total net debt	**519.0**	**405.2**
Deconsolidated Factoring	14.6	30.0
Adjusted Net Debt [(2)]	**533.6**	**435.2**
Proforma EBITDA [(3)]	144	115
Adjusted net debt / proforma EBITDA [(3)]	**3.7x**	**3.8x**

- Reported net debt increased to €533.6M as of December 31, 2017 (+€98.4M vs. net debt as of December 31, 2016) following refinancing of existing €400M 2020 Senior Notes with €625M of new 2024 Senior Notes
- Slight decrease of leverage ratio Net debt / Proforma EBITDA at the end of December 2017

(1) **Excluding the fair value of financial instrument**

(2) **Adjusted of the deconsolidating factoring of receivables**

(3) **Proforma EBITDA 2017 is calculated as if the main acquisitions realized during the 12M 2017 and FY 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		18.0	
Utilised lines		23.4		-	
Head room		**116.6**		**18.0**	
Cash available to support Group development	**144.5**	**116.6**		**-**	**261.1**

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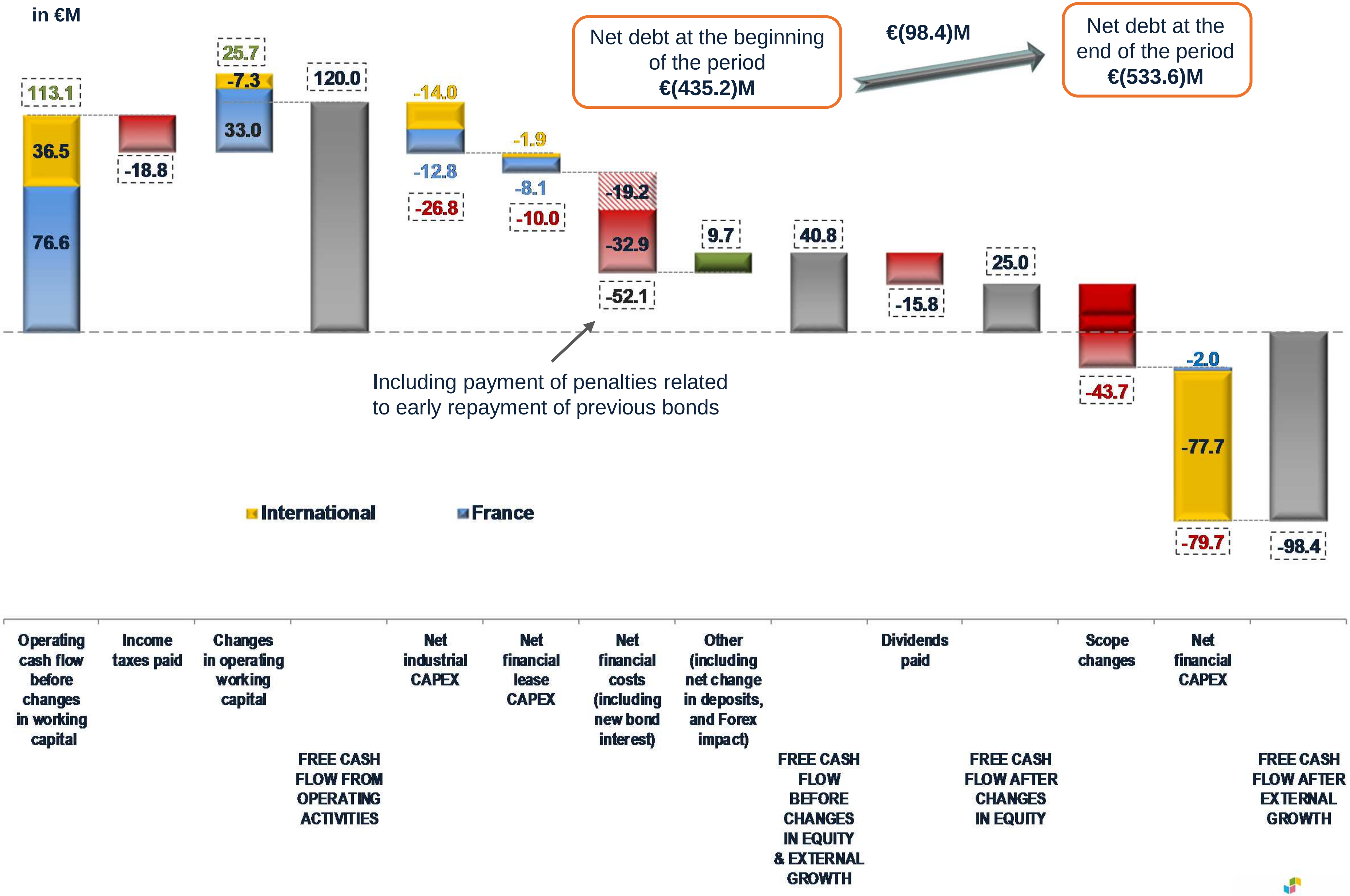
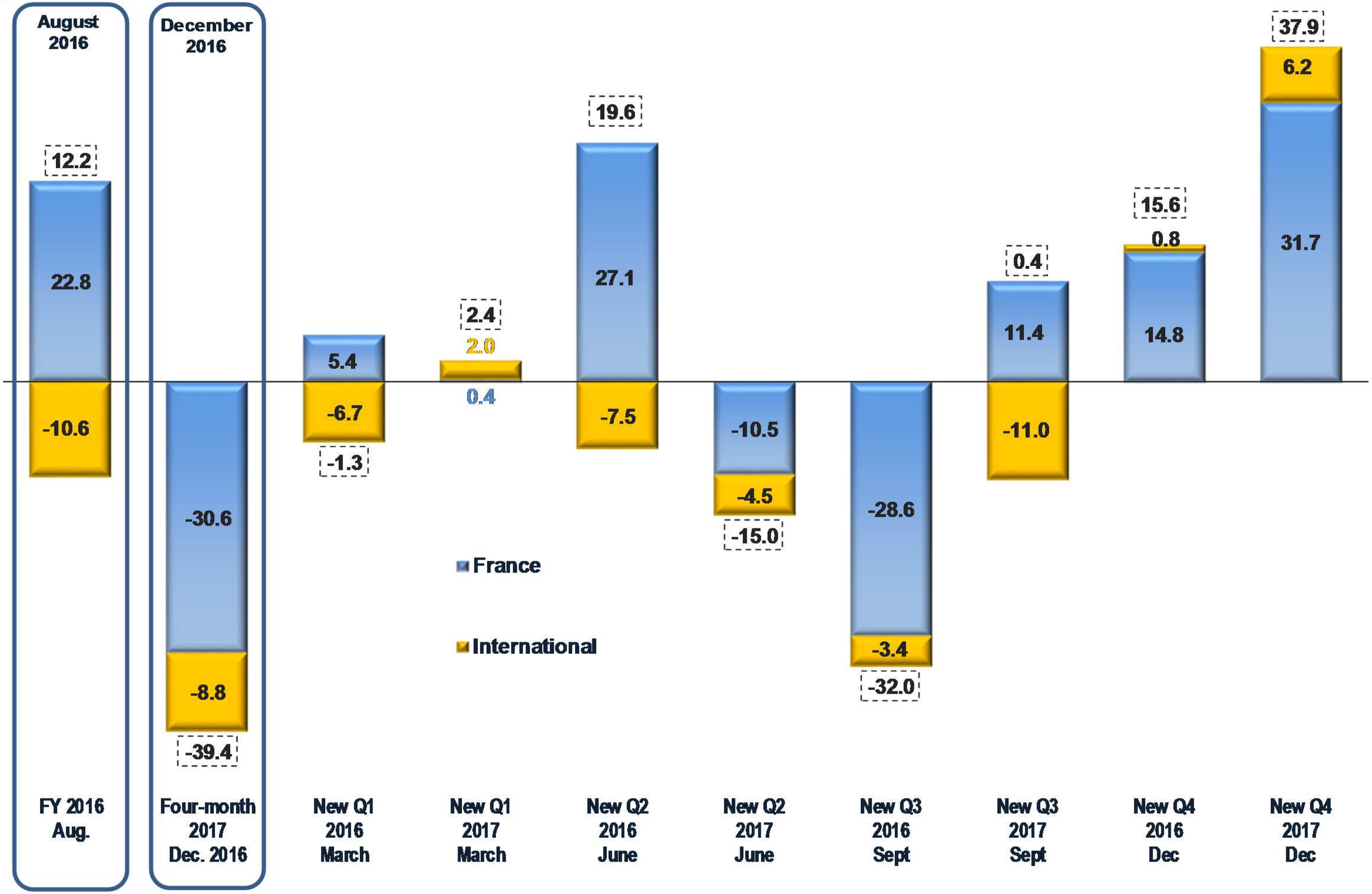
New 12 months net debt evolution



Focus on change in working capital*



*** Including change in deconsolidated Factoring**

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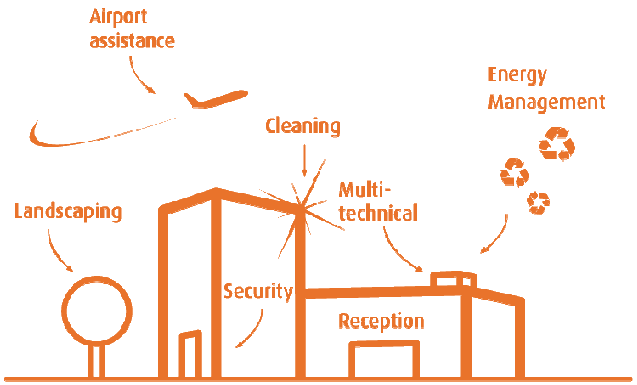
3 STRATEGY UPDATE



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Update on strategy going forward

1 International expansion	- Acquisitions: opportunistic approach to seize targets with quick return on investments – Focus on larger targets with less competitive bids - Continue strategy of prudent bolt-on acquisitions with low integration risks focused on enhancing geographic reach and achieving a truly global scale - Bolt-on acquisitions funded from new notes and operating cash flow - Progressive margin improvement as Atalian integrates its acquisitions
2 Operational excellence	- Optimise the management of support functions and network - Deploy Group purchase policies and take advantage of scale effect - Streamline information technology systems and infrastructure - Strengthen and streamline internal audit and reporting functions across operations
3 Innovation & integration of new services	- Develop service offering through the use of innovative technologies, including robotics – Potential to reduce operating costs over time - Continue to develop and integrate new services into outsourced building services offer
4 Seize market opportunities in France	- Seize opportunities in France - Continue to develop market leading technologies, such as mobile video surveillance - Continue to reinforce regional presence in France to expand domestic portfolio of small and medium-sized clients
5 Drive cash flow generation	- Generate strong cash flows from operations through improved management of operating expenses and continued low capital expenditures - Reduce operating expenses through the digitalization of various work processes

4 SERVEST UK AT A GLANCE

Servest UK at a glance

Executive summary

- Founded in 1997
- c. 24,000 employees in UK
- Integrated outsourcing solution throughout the UK, including Cleaning, Building Services, Catering and Security
- UK's growth largely driven by organic growth of the Cleaning division, in addition to acquisitions into Building Services (Arthur McKay) and Catering (Catering Academy and Accruo Catering)

Segment breakdown of Servest UK Limited

Sales 30th September 2017 12 months : £ 456,8 M

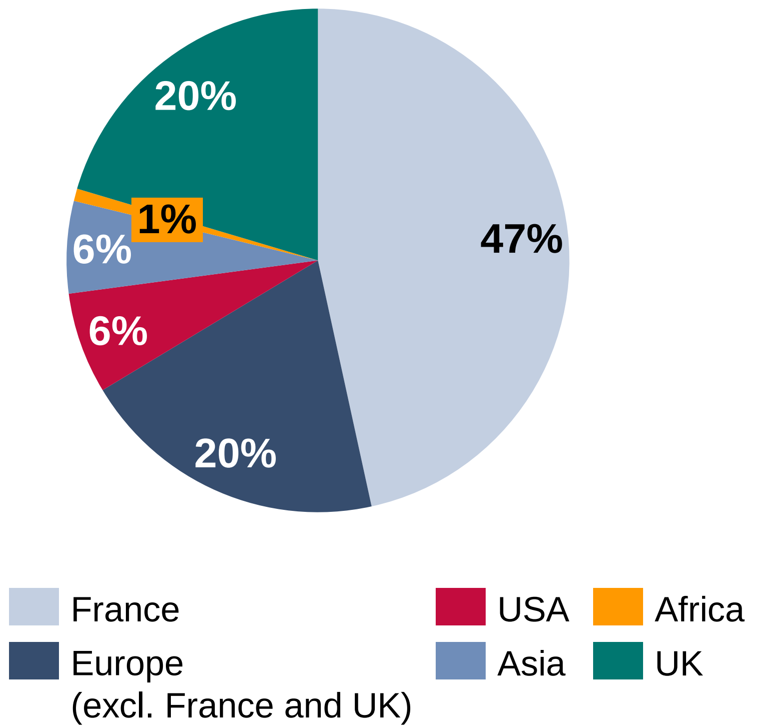
CLEANING

CATERING

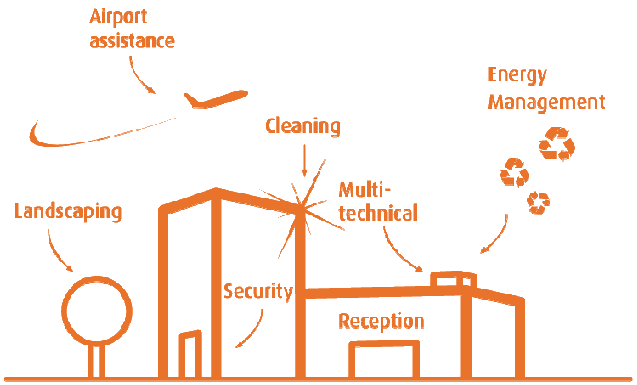
BUILDING SERVICES

OTHERS

Proforma Revenue by areas for combined Group



Q&A



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APPENDICES


Airport assistance
Energy Management
Cleaning
Multi-technical
Landscaping
Security
Reception
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Summary of consolidated statement of financial position

In €M	12 months period ended December 31, 2017	Four-month period ended December 31, 2016
Intangible assets	629.7	522.4
Property, plant and equipment	85.7	68.3
Other non-current assets	80.4	84.9
Trade receivables	387.9	339.8
Cash and cash equivalents	144.5	91.2
Other current assets	253.3	192.1
Total assets	**1,581.5**	**1,298.7**
Equity (including non-controlling interests)	143.4	130.0
Financial debt (current and non-current)	661.9	494.2
Other non-current liabilities	18.6	18.3
Trade payables	198.4	171.8
Bank overdrafts	0.2	2.2
Other current liabilities	559.0	482.2
Total liabilities	**1,581.5**	**1,298.7**

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