Atalian Q2 2018 results

August 31, 2018

ATALIAN
GLOBAL SERVICES

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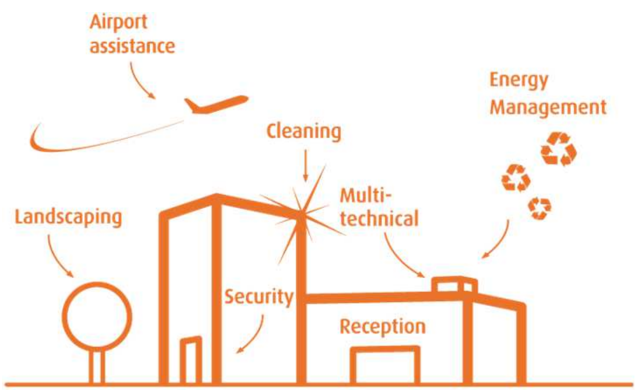


EUROPE - USA - ASIA - AFRICA

Summary & presenting team

Matthieu de Baynast

Chief Executive Officer of ATALIAN Group

Robert Legge

Chairman UK - USA

Main board Director Atalian Servest Group

Stéphane Vermersch

Group General Secretary

1 KEY HIGHLIGHTS OF H1 2018

Key items of New H1 2018

Main events of H1

- **Acquisition of the entire share capital of Servest Limited completed on May 9, 2018** (including 28.8% equity investment in Getronics Services UK Limited)
- **Successful closing of €350M 5.125%** senior unsecured notes due 2025 **and £225M 6.625%** senior unsecured notes due 2025
- **Q2 Group organic growth of +2,7% including France for +1,9% and International for 3,8%**
- **Servest integration achieved smoothly** ; promotion of some key Servest executives to Group role positions
- **Reorganisation in France** and corporate structure **delivers first results** through **organic growth restart**
- **Purchase synergies on track with targets**, worldwide tenders launched on all main nature of purchases
- **Bolt-on acquisitions** in France, Europe and Asia

Financial performance

- Group **revenue**: €1,224M in H1 2018 vs. €936M for H1 2017, +30.8% mainly due to external growth
- Increase of recurring **EBITDA** reaching €66.9M in H1 2018 vs. €57.7M in H1 2017
- **Adjusted net debt** as of June 30, 2018 of €1,272M vs. €534M at the end of December 2017

New Contracts

PHILIPS
DASSAULT AVIATION
Ford
LG Electronics
Ministerstvo obrany České republiky
William HILL
METROPOLITAN POLICE
suez
Park Suites APPART - HÔTELS
Zagrebačka banka UniCredit Group
CENTRE DE LUTTE CONTRE LE CANCER LEON BERARD
HM Revenue & Customs
randstad
Matmut
Fleury Michon
HEP ELEKTRA d.o.o.
PROLOGIS

Post Q2 events

- Atalian Servest maintained a significant stake (28,3%) and influence in Getronics by **investing €23.2M in July 2018** to **contribute to the extension of Getronics into the USA**. Bottega Investco SARL (shareholder of Getronics) acquired Pomeroy Group Holdings Inc, one of the leading US providers of digital workplace transformation services. **The Getronics and Pomeroy business has combined revenues of approximately $1.3 billion per annum.**

A leading global Facility Management provider

ATALIAN GLOBAL SERVICES
+
servest

France	International	Servest
• **Reinforcement of commercial structure** early 2018 • Restructuring of Business line management • **Organic growth ~2%** in Q2 and 14.7% including acquisitions • Cross selling between business lines	• **Asia**: 42% strong growth vs 2017 • **USA:** – New management team in place (CFO, HR, COO) – Reinforcement of commercial structure – Synergies on going with late 2017 acquisitions • **Europe:** – Organic growth ~2% – Organic growth to be more reflected during H2 – Selective contracts renewals	• **Organic growth of 15%** for May and June 2018 vs 2017 • Expected organic growth in H2 > 20% • Integration of Servest teams within Atalian-Servest • Productivity plan and lean management presently on-going

Corporate governance changes

- Mr. Loïc Evrard, Chief Financial Officer of the Atalian Group, has stepped down from his position and will leave the Atalian Group to pursue other career interests. Mr. Evrard will remain with the Group until the end of September 2018 to help ensure a smooth transition. In his position as Chief Financial Officer of the Atalian Group since 2012, Mr. Evrard has played an integral role in the Group's strong growth in recent years.

- Mr. Stéphane Vermersch has been appointed Chief Financial Officer of the Atalian Group in addition to his duties as Group General Secretary. Mr. Vermersch has developed his experience in various CFO positions for 25 years and he held the position of Group Finance Officer for 15 years and of Deputy General Manager for 8 years in an international service and insurance company.

- Mr. Fabien Antignac will join the Atalian Group on October 1st, 2018 as advisor to the Chairman and to the CEO in respect, in particular, to the Group financial strategy. Before joining the Atalian Group, Mr Antignac was the Head of investment banking for France, Belgium and Luxembourg at Crédit Suisse, where he spent more than 20 years. At Crédit Suisse, he held various executive positions in the M&A Group and the Leverage Finance Group; he was promoted managing director in 2009.

2 FINANCIAL REVIEW

2 FINANCIAL REVIEW

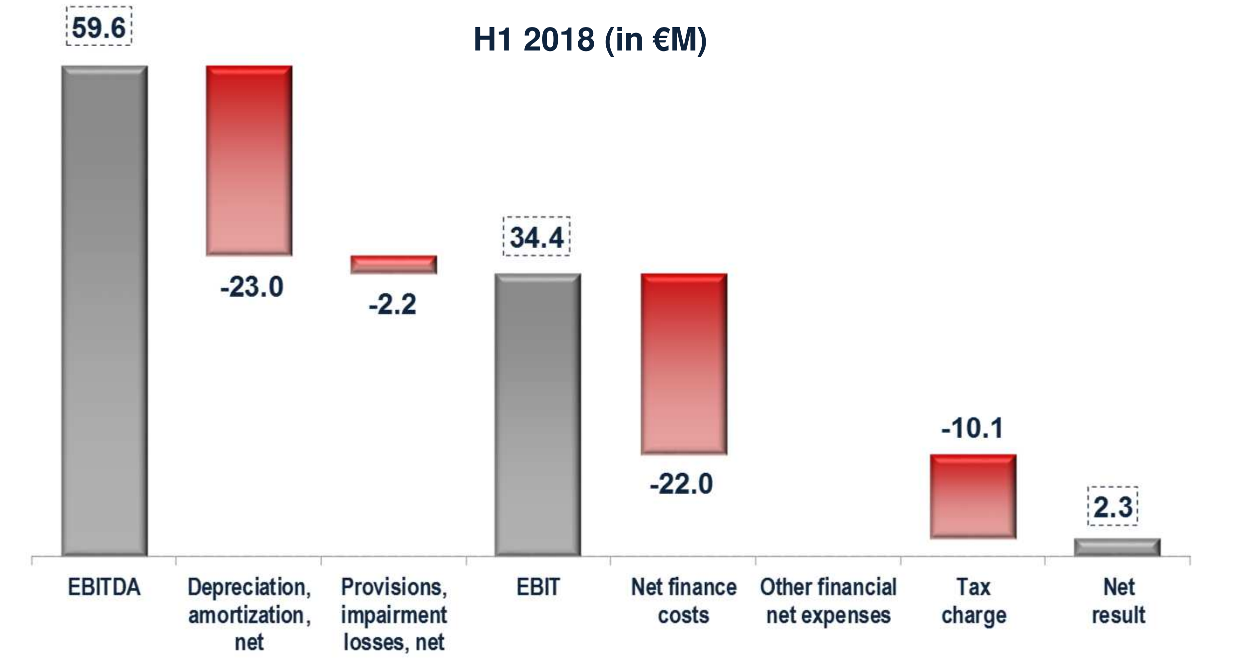
EBITDA – H1 2018

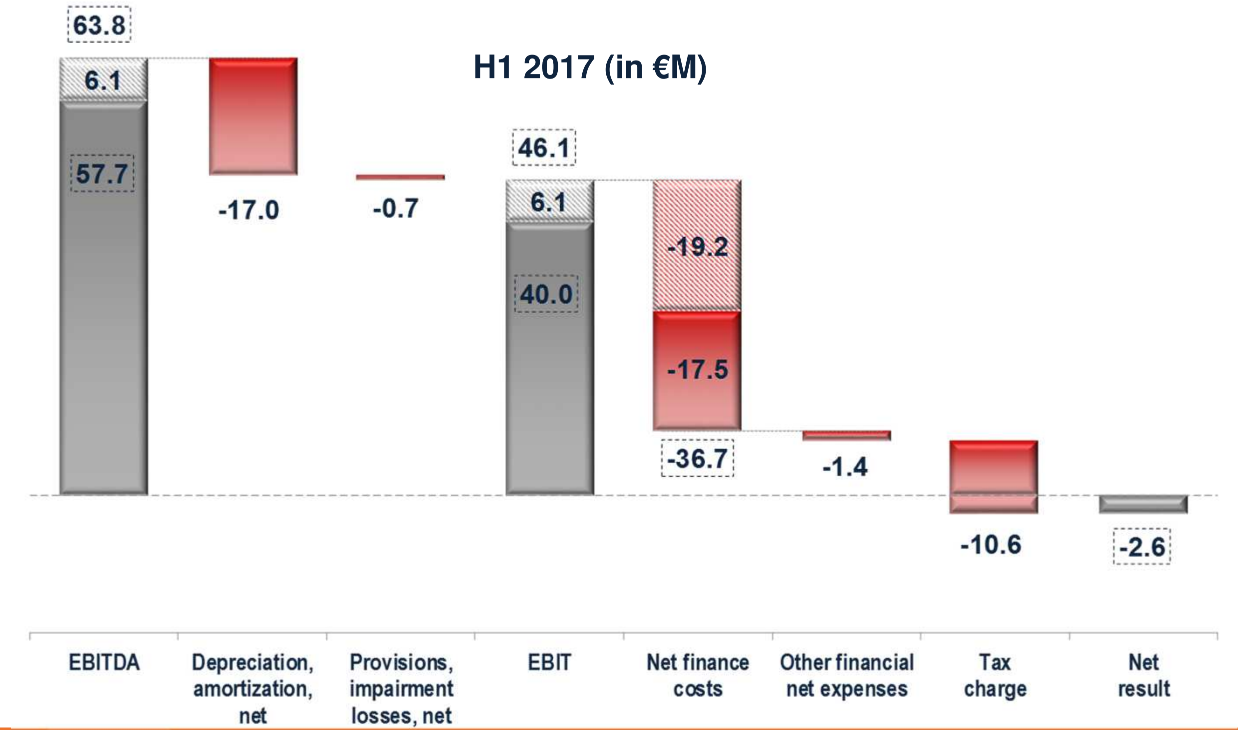
in €M	H1 2018	H1 2017	*Change*
Revenue	**1 224.4**	**936.1**	***30.8%***
Payroll costs	(814.3)	(613.4)	
% of revenue	*66.5%*	*65.5%*	
Raw materials & consumables used	(251.2)	(198.2)	
% of revenue	*20.5%*	*21.2%*	
External expenses	(76.6)	(57.2)	
% of revenue	*6.3%*	*6.1%*	
Other operating net expenses	(15.4)	(9.5)	
% of revenue	*1.3%*	*1.0%*	
Total operating costs	**(1 157.5)**	**(878.3)**	***31.8%***
% of revenue	*94.5%*	*93.8%*	
Recurring EBITDA	**66.9**	**57.8**	***15.7%***
Recurring EBITDA margin	***5.5%***	***6.2%***	
EBITDA	**59.6**	**63.9**	***-6.7%***
EBITDA margin	***4.9%***	***6.8%***	

June 2018 vs June 2017

- Increase of payroll costs in % of revenue:
  - Reduction of the CICE rate (competitiveness and employment tax credit) from 7% to 6% in 2018: negative impact of €3M in H1 2018
    - At constant CICE rate, EBITDA margin would reach **5.7%** of turnover
  - Reinforcement of corporate structure in accordance with Q2 2018 Servest integration
  - Newly UK contracts not yet at full profitability level
  - Decrease of EBITDA margin mainly due to last acquisitions before expected synergies effect by the end of the year
- Non recurring EBITDA:
  - in Q1 2017, assignment of trademarks (€6.1M)
  - In Q2 2018,
    - Servest acquisition costs (-€5.6M)
    - Restructuration costs (-€1.7M)

Net Result – H1 2018



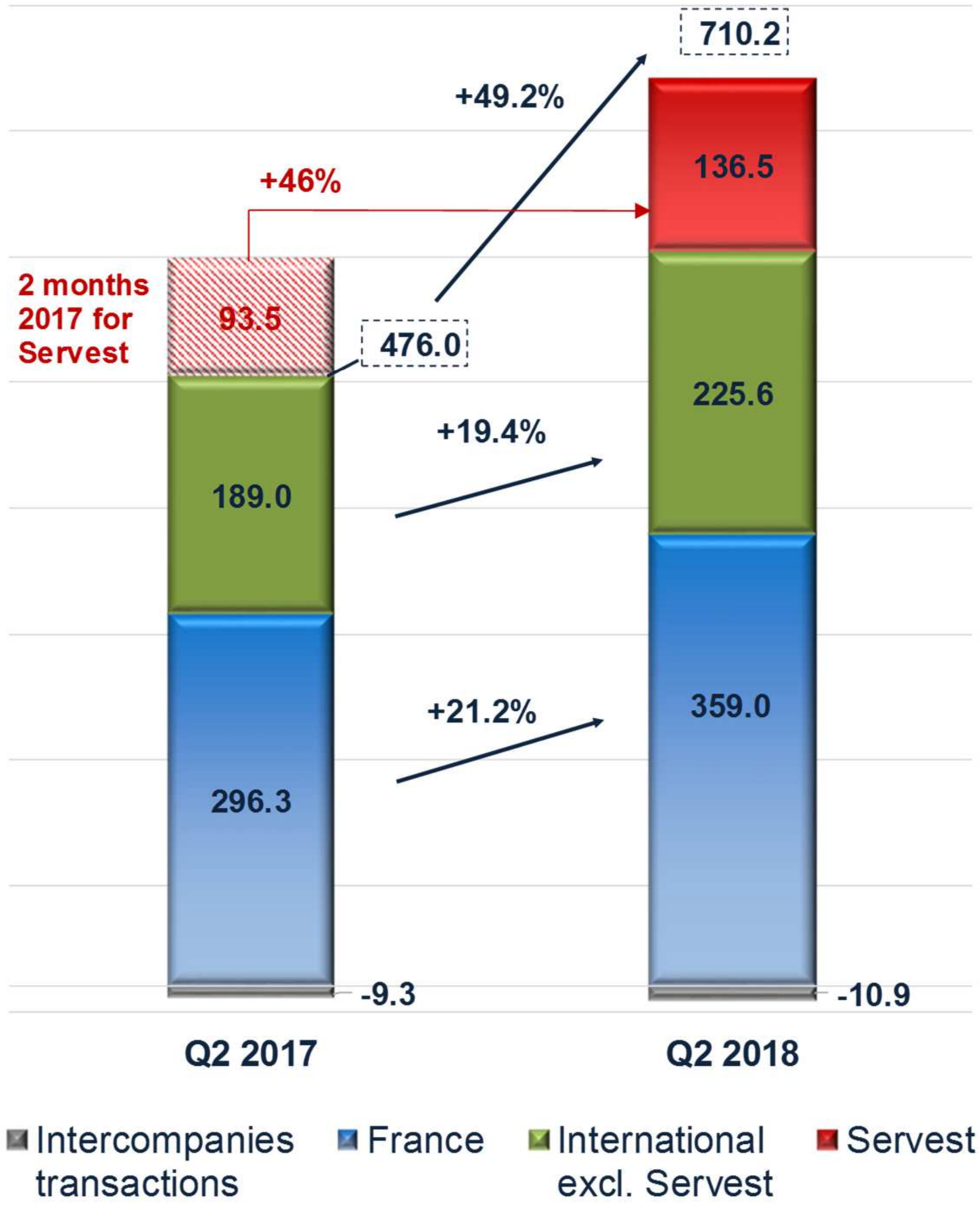


June 2018 vs June 2017

- Net depreciation & amortization stabilized at 1.9% of revenue
- In H1 2017, non recurring net financial expenses due to payment of penalties related to early repayment of previous bonds

2 FINANCIAL REVIEW

Revenue (in €M) – Q2 2018

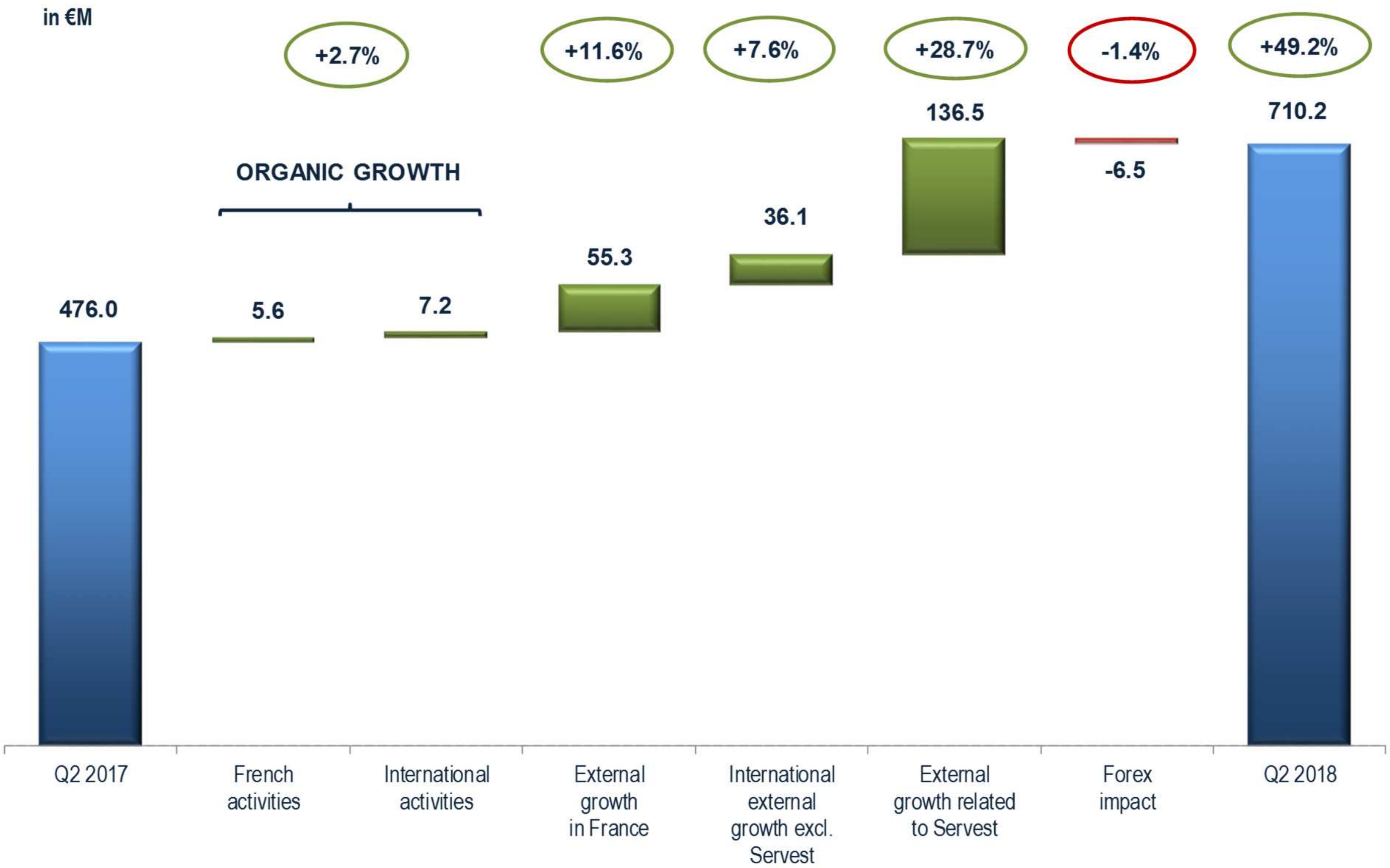


- **<u>FRANCE</u>:** strong increase of revenue (**+€62.7M**) as a combination of
  - **Organic growth of 1.9%** thanks to strengthening of commercial teams focusing on key accounts
  - Increase of revenue mainly due to external growth: late Q4 2017 acquisition of GOM (€10M in H1 2018) and recent acquisition in 2018 of LIMPA (€24M) and BBA (€20M)

- **<u>INTERNATIONAL (excluding UK)</u>** strong increase of revenue **(+€36.6M)** mainly due to
  - **Organic growth of 3.8%** mainly driven by Europe and Asia
  - External growth and forex impact: +15.6%

- **<u>UK</u> : 118 M£ of annualized value of new contracts** acquired during H1 leading to 24% of revenue growth including acquisitions (6 months June 2018 vs 2017)

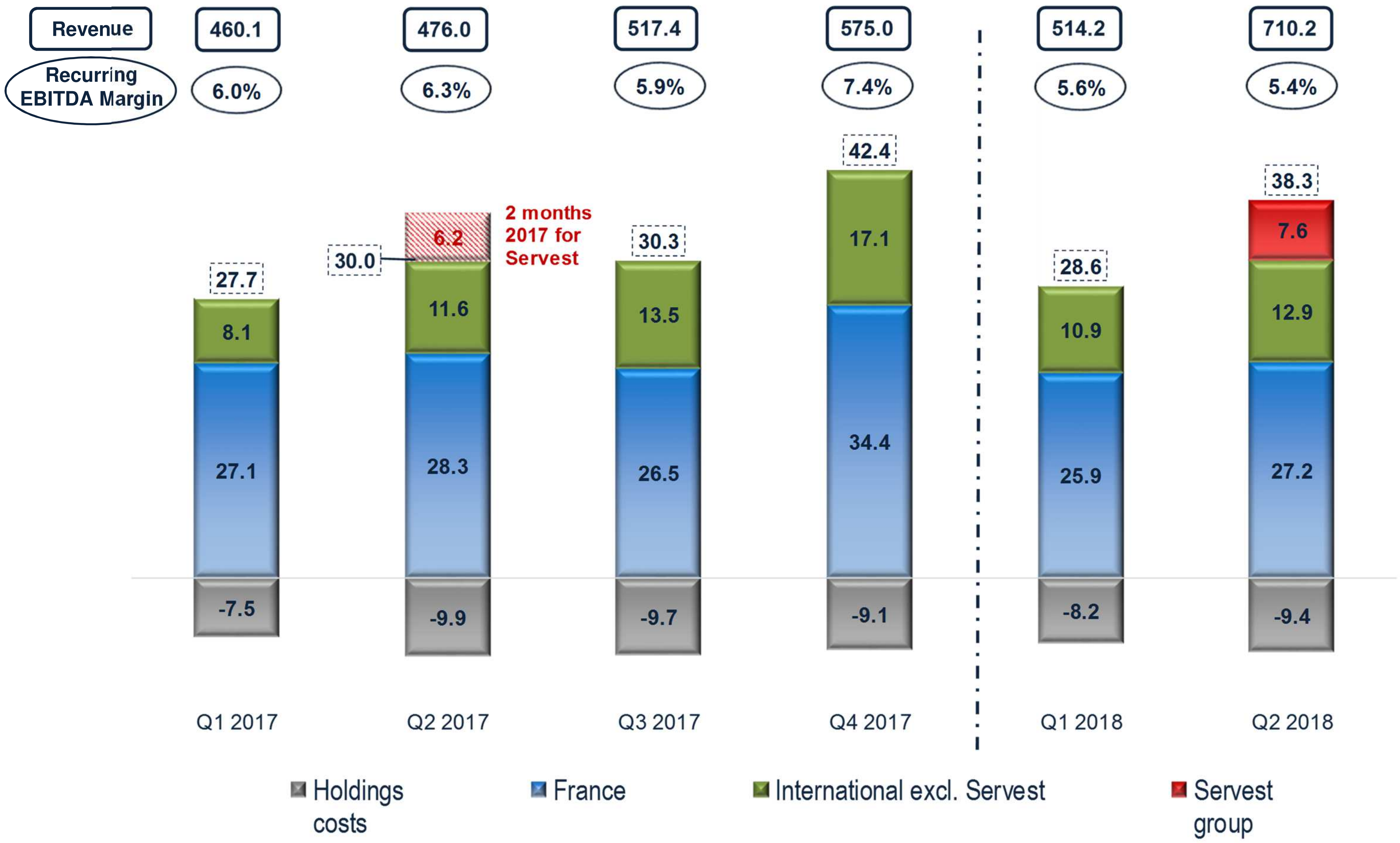
Revenue bridge – Q2 2017 to Q2 2018



- Overall organic growth in France and abroad of 2.7%
- External growth in French cleaning activities: +€55M mainly related to acquisition of LIMPA, BBA and Net 38

- International external growth of €36M mainly due to late Q4 2017 acquisitions in USA and recent acquisitions in Belgium, Vietnam and Thailand
- Positive impact of +€136.5M linked to the change in International scope with integration of Servest Group
- Negative forex impact essentially due to Turkish lira (-€4.4M) and US Dollar (-€2.5M)

EBITDA (in €M) – Quarterly evolution



2 FINANCIAL REVIEW

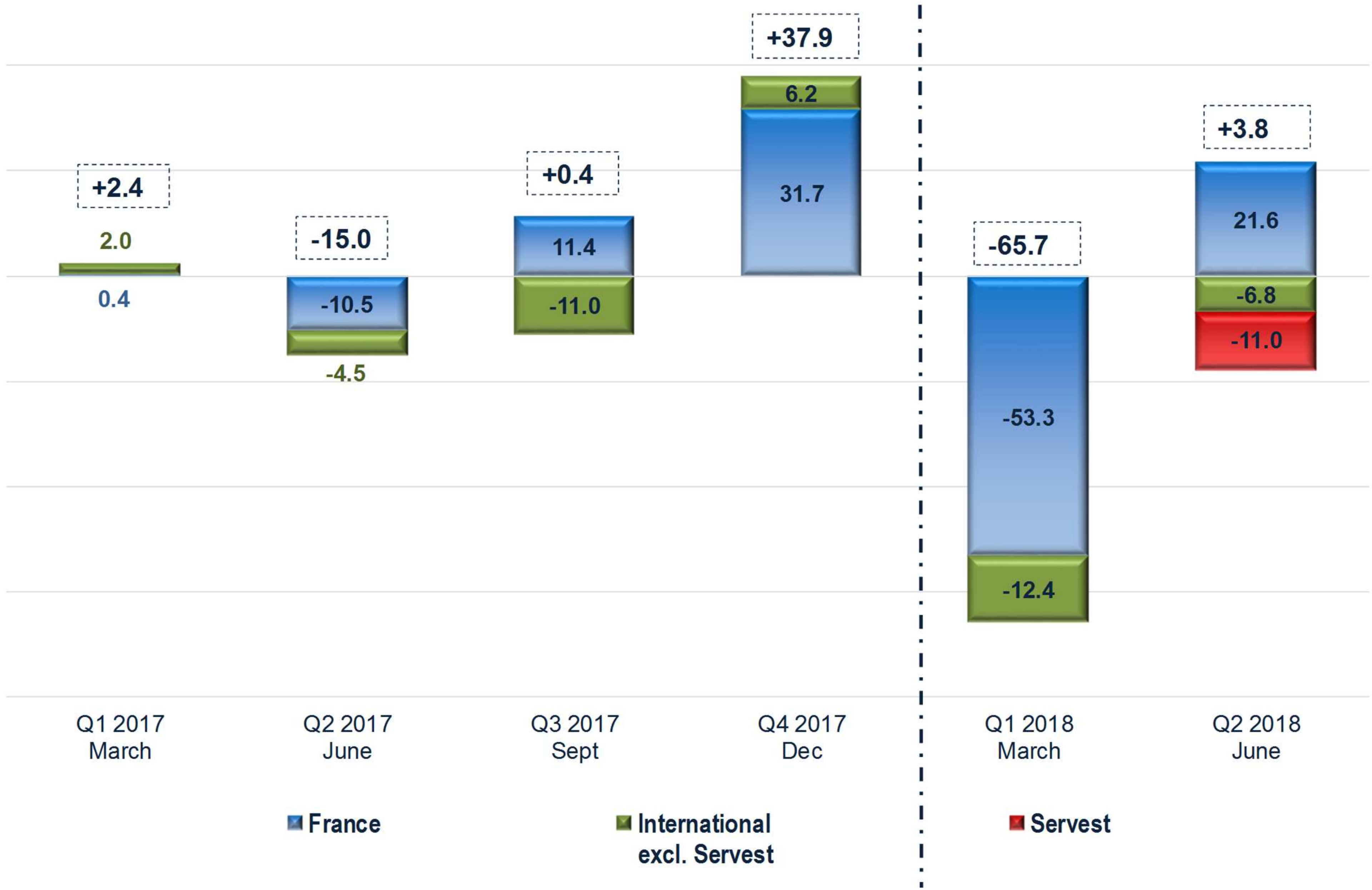
Q2 net debt

in €M	June 2018	March 2018	December 2017
Net cash and cash equivalents	**111.0**	**147.3**	**144.5**
HY bonds	1 228.9	625.0	625.0
Factoring	127.5	117.9	8.8
Bilateral credit lines	–	–	–
Other	25.0	35.9	28.4
Total gross debt	**1 381.4**	**778.8**	**662.2**
Financial instrument	1.4	1.2	1.3
Total net debt	**1 271.8**	**632.7**	**519.0**
Deconsolidated Factoring	–	–	14.6
Adjusted Net Debt	**1 271.8**	**632.7**	**533.6**

- Net debt increase vs March 2018 of €639M as a result of
  - Acquisitions (mainly Servest)
  - Change in working capital (see next slide)
- No longer deconsolidated factoring facility
- In Q3, the capacity of revolving credit facility will be increased
- We are confident for a leverage ratio Net debt / Proforma EBITDA of 4.5x in the next two years

In €M	Net cash and cash equivalents	Factoring loans	Bilateral credit lines	Revolving Credit Facility	Total
Confirmed lines		140.0		75	
Utilised lines		127.5			
Head room		**12.5**		**75**	
Liquidity available	**111.0**	**12.5**		**75**	**198.5**

Focus on quarterly change of working capital



Key operational cash flow items

in €M	Q1	Q2	H1
Recurring EBITDA	+28.6	+38.3	+66.9
Change in Working Capital	-65.7	+3.8	-61.9
Income tax paid	-0.1	-13.7	-13.8
CAPEX	-9.3	-16.8	-26.1
Pre-acquisitions FCF	-46.5	+11.6	-34.9
Acquisitions	-36.9	-651.0	-687.9

- Change in working capital: excluding Servest (-€11M), improvement of +€14.8M in Q2
- Income tax paid mainly due to CVAE payment related to 2017 and H1 2018
- CAPEX: around 2% of revenue in Q2
- Acquisitions mainly linked to Servest in UK, LIMPA and BBA in France

3 STRATEGY UPDATE

ATALIAN SERVEST

Update on strategy going forward

IMPROVE DELEVERAGING POST SERVEST ACQUISITION

- **Operational excellence**
  - Improve the margins by the deployment of a “lean” approach of all operations
  - Optimize the management of support functions and network
  - Deploy Group purchase policies and take advantage of scale effect
  - Streamline information technology systems and infrastructure
- **Tight cash management**
- **Integration of new acquisitions**
  - Implementation of synergies with the Group
  - Follow-up of performance post acquisition

INNOVATION AND DEVELOPMENT OF NEW SERVICES

- **Develop close cooperation with Getronics** in order to benefit from strategic investment mode and set up of a JV controlled by Atalian Servest
- Develop service offering through the use of **innovative technologies**, including robotics
- Continue to develop and integrate new services into outsourced building services offer

GROUP’S EXPANSION

- Acquisitions: **opportunistic approach** to seize targets **in France, UK and abroad** with quick return on investments
- Continue strategy of **prudent bolt-on acquisitions** with low integration risks focused on enhancing geographic reach and achieving a truly global scale
- Progressive margin improvement as long as Atalian completes the integration of its acquisitions
- Continue to develop market leading technologies, such as mobile video surveillance
- Continue to reinforce regional presence to **expand domestic portfolio of small and medium- sized clients**

Q&A


Airport
assistance
Energy
Management
Cleaning
Multi-
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Landscaping
Security
Reception
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APPENDICES


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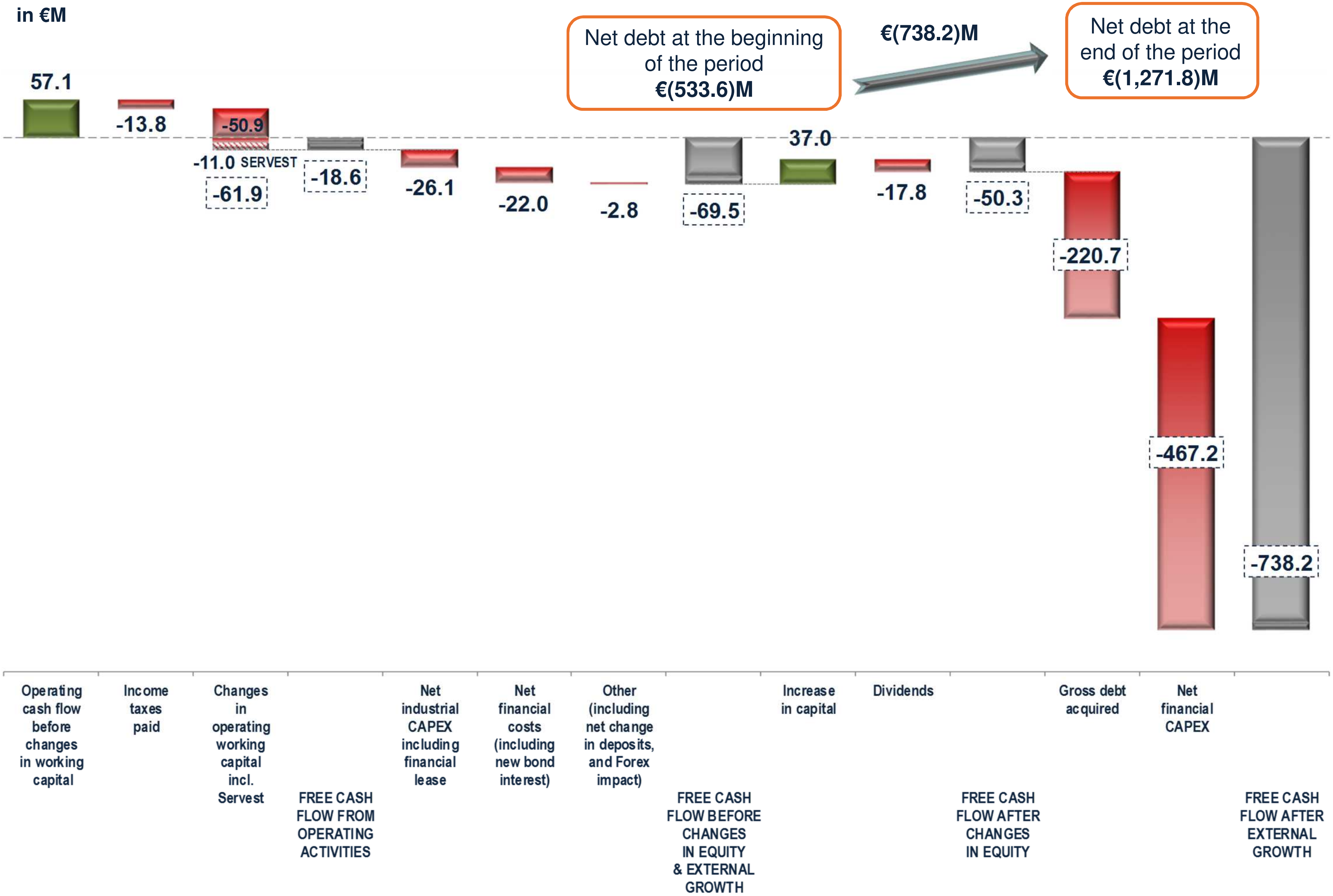
H1 2018 net debt evolution



Summary of consolidated statement of financial position

In €M	June 30, 2018	December 31, 2017
Intangible assets	1,202.8	629.7
Property, plant and equipment	128.6	85.7
Other non-current assets	102.9	80.4
Trade receivables	581.4	387.9
Other current assets	781.7	253.3
Cash and cash equivalents	115.9	144.5
Total assets	**2,913.3**	**1,581.5**
Equity (including non-controlling interests)	148.4	143.4
Financial debt (current and non-current)	1,381.4	661.9
Other non-current liabilities	33.4	30.2
Trade payables	287.9	198.4
Other current liabilities	1,057.3	547.4
Bank overdrafts	4.9	0.2
Total liabilities	**2,913.3**	**1,581.5**

INVESTOR RELATIONS CONTACT

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ATALIAN SERVEST