

## JUNE 2019 – 1<sup>ST</sup> HALF YEAR RESULTS

### Strong operational performance improvement in Q2

- Strong growth in Net Sales up +4,0% LFL at €M763
- Recurring EBITDA<sup>1</sup> of €M42 in Q2 up +11% with margin improving by +20bps
- Stabilized net financial debt in Q2 at €M1,422
- Divestments for circa €M 60 to be secured and closed before year-end

### Performance Half Year 2019

in €M	Q2 2019 Reported	Q2 2019 pre-IFRS 16	Q2 2018 pre-IFRS 16	change	var LfL (%)	H1 2019 Reported	H1 2019 pre-IFRS 16	H1 2018 pre-IFRS 16	change	var LfL (%)
<b>Net Sales</b>	763.2	763.2	710.2	7.5%	4.0%	1 509.8	1 509.8	1 224.4	23.3%	3.1%
<b>Recurring EBITDA</b>	50.8	41.9	37.9	10.6%	10.8%	99.1	81.3	66.5	22.3%	0.2%
<i>EBITDA Margin (%)</i>	6.7%	5.5%	5.3%	+20 bps		6.6%	5.4%	5.4%		
Operating Profit	19.7	18.7	17.1	9.4%		42.3	40.4	34.4	17.4%	
<b>Net profit (loss) for the period</b>	(17.5)	(16.6)	(0.7)	(15.9)		(27.4)	(26.2)	2.3	(28.5)	
Free Cash Flow from Operations <sup>(1)</sup>	42.6	31.4	20.5	10.9		22.5	2.9	(18.5)	21.4	
<b>Net Financial Debt</b>	1 422	1 350	1 267	83		1 422	1 350	1 267	83	

<sup>(1)</sup> FCF from Operations before Capex, financial interests, dividends, acquisitions and divestments

*According to Group: « We had a strong second quarter 2019, clearly indicating an inflection in the Group's performance. We are particularly satisfied with the sales growth achieved in the first half of the year and during the second quarter. Performance strongly improved in Q2 2019 with Recurring EBITDA growth over proportional to Net Sales, with +20bps of EBITDA margin increase.»*

*“The divestment plan has been initiated with already circa €M60 to be secured and closed before year end at attractive valuations. Other assets are being considered for divestment as announced.”*

*“Looking forward, our current momentum and the ambition and determination of our teams give us great confidence to deliver solid and growing results.”*

<sup>1</sup> Recurring EBITDA pre-IFRS 16

## **Regional Performance**

<b>(in million €)</b>	<b>Net Sales</b>				<b>Recurring EBITDA<sup>(1)</sup></b>			
	<b>H1 2019</b>	<b>H1 2018</b>	<b>change</b>	<b>LfL</b>	<b>H1 2019</b>	<b>H1 2018</b>	<b>change</b>	<b>LfL</b>
France <sup>(2)</sup>	676	647	4.4%	2.9%	54	53	1.7%	0.2%
UK	402	137	194.3%	11.9%	25	7	250.7%	56.3%
International <sup>(2)</sup>	436	438	-0.6%	1.9%	22	24	-8.8%	-8.4%

<sup>(1)</sup> Recurring EBITDA pre-IFRS16

<sup>(2)</sup> Excl Holdings and Corporate costs

### **France**

Robust second quarter confirming our growth trend supported by commercial development (new contracts and better contracts renewal rate). Acquisition from Limpa, BBA and Cadiou in 2018 delivering positive contribution to our results.

### **UK**

Strong growth in top line and earnings have been achieved, supported by new contract wins and transformation initiated by the new management. Synergies from the acquisition with Servest delivering expected outcome.

### **International**

Strong performance in several sub-regions have been impacted by the disappointing performance in the USA. We have recorded strong Central Europe performance, mainly in Turkey, Czech Republic and Russia. Asia has consolidated its performance in Q2, supported by Indonesia. The improvement in Africa was mainly driven by Morocco. USA underperformed, however the new management is deploying a turnaround plan.

## **OUTLOOK 2019**

- Net sales growth between 3 and 4% LfL in H2
- Recurring EBITDA margin improvement to continue
  - France: progressive improvement
  - UK: strong growth
  - International: gradual improvement from the US starting in Q4
  - Holding and Corporate costs reduction plan underway
- Acceleration of our deleveraging actions with an improved working capital trend and first results from our divestment program
  - Sound Working Capital Management practices being implemented
  - Capex (capped at circa €M50 for 2019)
  - Divestment program to deliver between €M100 and 200 within next 15 months

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## FINANCIAL DEFINITIONS

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- **Like for like**

Like-for-like information is information factoring out changes in the scope of consolidation (such as divestments and acquisitions occurring in 2019 and 2018) and currency translation effects (2019 figures are converted with 2018 exchange rates in order to calculate the currency effects).

- **Recurring EBITDA**

The Recurring EBITDA (Earnings before interest, tax, depreciation and amortization) is an indicator to measure the performance of the Group excluding the impacts of non-recurring items. It is defined as:

+/- Operating profit (EBIT)

– depreciation, amortization and impairment of operating assets;

– restructuring, litigation, implementation and other non-recurring costs.

- **Non-Recurring items**

Restructuring, litigation, implementation and other non-recurring costs comprise significant items that, because of their exceptional nature, cannot be viewed as inherent to the Group's ongoing performance, such as strategic restructuring, major items relating to antitrust fines and other business-related litigation cases.

- **Net Financial Debt**

The Net financial debt ("Net debt") is an indicator to measure the financial debt of the Group after deduction of the cash. It is defined as:

+ Financial liabilities (long-term and short-term) including accrued interests and derivative liabilities;

– Net cash and cash equivalents; and

– Derivative asset

- **Free Cash Flow from Operations**

The Cash Flow from Operations is an indicator to measure the level of cash generated by the Operations of the Group before spending cash to maintain or expand its asset base. It is defined as:

+ Recurring EBITDA;

+/- Non Recurring cash items

+/- Other Operating Non Cash Adjustments

+/- Change in Working capital after deconsolidated factoring

– Income Tax paid

- **Free Cash Flow**

The Free Cash Flow is an indicator to measure the level of cash generated by the Group after spending cash to maintain or expand its asset base, and after payment of financial interest. It is defined as:

+/- Free Cash flow from operations; and

– Net Maintenance and Expansion Capex, including leased capex

– Financial interest paid

**Investor Relations:**

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