LA FINANCIERE ATALIAN
INVESTOR REPORT
NINE MONTHS ENDED AND AS AT SEPTEMBER 30, 2019

OPERATING AND FINANCIAL REVIEW

The following review summarises the significant factors affecting our results of operations and financial condition during the first nine months of 2019. The historical information discussed below for the Group is as of and for the nine months ended September 30, 2019 and is not necessarily representative of the Group's results of operations for any future period or our financial condition at any future date. We have prepared the unaudited consolidated financial statements in accordance with IFRS.

The following discussion includes forward-looking statements based on assumptions about our future business. Our future results could differ materially from those contained in these forward-looking statements. Percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

The "Group", "we", "our" and "us", unless otherwise indicated, collectively refer to La Financière ATALIAN S.A.S. and its consolidated subsidiaries.

Management financial measures

We use Recurring EBITDA to analyse our results of operations. We define Recurring EBITDA as operating profit, as reported in our consolidated financial statements, adjusted to exclude the following line items, each of which is as reported in our consolidated financial statements: depreciation and amortisation, net; provisions and impairment losses, net; and non-recurring operating income and expenses.

Recurring EBITDA corresponds to the line item "Recurring operating profit before depreciation, amortisation, provisions and impairment losses" in our unaudited consolidated financial statements. Recurring EBITDA is not a specifically prescribed line item under IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to the profit for the period determined in accordance with IFRS, cash flows generated by operating activities determined in accordance with IFRS or any other measure prescribed by IFRS. We believe that the inclusion of Recurring EBITDA in this report is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance. Recurring EBITDA has important limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results of operations. Because not all companies calculate Recurring EBITDA identically, this presentation of Recurring EBITDA may not be comparable to the similarly titled measure of other companies.

In the first nine months of 2019, we had total revenue of €2,278.2 million, EBITDA of €119,6 million, Recurring EBITDA of €127.1 million and a net loss of €40.4 million.

Overview of reporting segments

Since 2018 and the consolidation of Servest UK and the Group's reorganization, we report on the three following segments:

- *France*: This segment aggregates the two former segments of "Cleaning" and "Facility Management".
- *UK*: This is a new segment created following the acquisition of Servest UK in May 2018. This segment is composed of Servest UK and its consolidated subsidiaries.

- *International*: This segment remains unchanged. It comprises all companies outside the France and UK segments.

In addition, in our consolidated financial statements, we present in our segment information an additional item labelled "Other" which (i) includes the activities of our holding companies, such as group-level management of finance, legal, accounting, procurement, human resources, fiscal and customer relations matters, and (ii) reflects the elimination of intragroup transactions between reporting segments in consolidation.

Revenue for each of our reporting segments for the first nine months of 2019 was as follows:

- *France:* In the first nine months of 2019, our France segment generated €1,021.6 million, or 45.0%, of our revenue (compared to €957.6 million during the same period in 2018). The two business lines that generate our revenue in France are Cleaning and Facility Management:

  - *Cleaning*

    We offer cleaning and associated services, which include periodic cleaning of offices and retail outlets and specialized cleaning services in the health, food-processing, transportation, manufacturing and nuclear industries in France. In the first nine months of 2019, our cleaning business in France generated €698.4 million of revenue (compared to €650.5 million in the first nine months of 2018).

  - *Facility Management*

    Our facility management businesses include multi-technical and multi-service management, safety and security, reception services, painting and landscaping services. We also offer bundled facility management services, while reception services are provided through our cooperation with City One. In the first nine months of 2019, our facility management business generated €323.1 million of revenue (compared to €307.1 million in the first nine months of 2018).

- *UK:* In the first nine months of 2019, our UK segment generated €601.6 million, or 26.4%, of our revenue. We provide in UK facilities management services and operate the following main divisions: cleaning, catering, security, technical services and projects. In addition, UK has two other operating divisions, pest control and compliance. Aktrion, which was acquired in February 2018 and provides bespoke manufacturing support services, represents a new business line within this segment.

- *International:* In the first nine months of 2019, our International segment generated €659.5 million, or 28.9%, of our revenue. As at September 30, 2019, we operated in 32 countries (outside of France and the United Kingdom), in Europe, United States, Southeast Asia, Africa, providing cleaning, multi-technical, security and bundled facility management services.

- *Other*: In addition, the activities of our holding companies and the elimination of transactions between reporting segments amounted to a €4.5 million in the first nine months of 2019.

Results of Operations for the first nine months of 2019 compared to the first nine months of 2019

in €M	9M 2019 Reported	9M 2019 pre-IFRS 16	9M 2018 pre-IFRS 16	change
Net Sales	**2 278,2**	**2 278,2**	**1 945,3**	**332,9**
Recurring EBITDA	**155,0**	**127,1**	**105,8**	**21,3**
EBITDA Margin (%)	*6,8%*	*5,6%*	*5,5%*	*+10 bps*
Depreciation and Amortization	(73,5)	(48,8)	(35,8)	(13,0)
PPA amortization	(6,4)	(6,4)	(0,6)	(5,8)
Provisions and Impairment losses (ne	(2,9)	(2,9)	(3,2)	0,3
Current Operating Profit	**72,2**	**69,0**	**66,2**	**2,8**
Current operating profit margin (%)	*3,2%*	*3,0%*	*3,4%*	*-40 bps*
Other operating net expenses	(7,5)	(7,5)	(9,8)	2,3
Operating Profit	**64,7**	**61,5**	**56,4**	**5,1**
Net financial costs	(64,9)	(58,3)	(40,9)	(17,4)
Other financial expenses	(0,9)	(0,9)	-	(0,9)
Income tax expenses	(14,2)	(14,2)	(16,2)	2,0
Net Profit (loss) for the period before associates	**(15,3)**	**(11,9)**	**(0,7)**	**(11,2)**
Share of profit (loss) of associates	(28,5)	(28,5)	-	(28,5)
Net Profit (loss) for the period	**(43,8)**	**(40,4)**	**(0,7)**	**(39,7)**

Revenue

The following table sets out forth the breakdown of our revenue for the periods indicated by reporting segment, in € millions:

Revenue	**For the 9 months ended September 30,**	
	2018	2019
France	957,6	1 021,6
Cleaning	*650,5*	*698,5*
Facility Management	*307,1*	*323,1*
UK	328,1	601,6
International	658,1	659,5
Other	1,5	(4,5)
Total Revenue	**1 945,3**	**2 278,2**

Note : Other includes elimination of holding company activities and intragroup transactions.

Revenue increased by €333.0 million, or 17.1%, to €2,278.2 million in the first nine months of 2019 as compared to €1,945.3 million in the first nine months of 2018. The increase was mainly attributable to the acquisition of Servest UK, which contributed €601.6 million to revenue in in the first nine months of 2019, compared to €328.1 million during the first nine months of 2018, as it was consolidated starting from May 2018. This increase also reflected the acquisition in 2018 of Limpa and BBA in France.

Excluding the contribution of acquired businesses and foreign exchange impacts, revenue growth during the first nine months of 2019 was 5.1%, principally reflecting a strong commercial dynamic both in UK and in France.

Revenue by segment:

France. France segment revenue increased by €64.0 million, or 6.7%, to €1,021.6 million for the nine months ended September 30, 2019 as compared to €957.6 million for the first nine months of 2018. This increase was primarily attributable to organic growth, which contributed €39.3 million, mainly in our cleaning business.

Cleaning: Revenue increased by €48.0 million, or 7.4%, to €698.5 million in the first nine months of 2019, as compared to €650.4 million in the first nine months of 2018. This increase was mainly due to organic growth (5.0%) and to the 2018 acquisitions of Limpa and BBA, which contributed €15.9 million to revenue (+2.4%) within the first nine months of 2019 compared to same period in 2018.

Facility Management: Revenue increased by €16.0 million, or 5.2%, to €323.1 million in the first nine months of 2019 as compared to €307.1 million in the first nine months of 2018. This increase was mainly due to the acquisition of Cadiou in 2018 which contributed €7.4 million to our consolidated revenue of the first three quarters of 2019, as well as organic growth of €8.6 million.

UK. UK entities generated €601.6 million of revenue in the first nine months of 2019 compared to €328.1 million in the first nine months of 2018, from the acquisition of Servest in May 2018 to September 30, 2018. During the nine months ended September 30, 2019, UK experienced strong organic growth of approximately 14%, principally due to new customer wins, notably new major contracts in Cleaning, as well as increased revenue from top clients, despite the loss of the Tesco Catering contract.

International. International segment revenue increased slightly by €1.4 million, or 0.2%, from €658.1 million in the first nine months of 2018 to €659.5 million in the first nine months of 2019.

This slight increase in revenue was due to strong growth in Africa (+30.6), Asia (+2.3%), and the US (+4.1%), offset in part by Europe (-3.4%), which was impacted by adverse currency exchange fluctuations relating to the Turkish Lira.

Excluding the contribution of acquired businesses and foreign exchange effects, International segment revenue growth was 2.1% during the first nine months of 2019, compared to the same period in 2018, mainly driven by Africa (+19.4%), Asia (+8.9%) and Europe (+2.5%). Revenue growth in the United States was primarily due to positive impact of currency exchange fluctuations with limited organic growth. We are implementing a plan to drive growth, performance and cash generation in our US business, as well as control costs through relocation of our US HQ and the development of shared services.

Recurring EBITDA

The following table sets forth the breakdown of Recurring EBITDA for the periods indicated by reporting segments, in € millions, pre IFRS 16 :

Recurring EBITDA	**For the 9 months ended September 30,**	
	2018	2019
France	80,1	85,6
Cleaning	*59,8*	*63,6*
Facility Management	*20,3*	*22,0*
UK	16,5	38,5
International	36,6	31,5
Other	(27,4)	(28,6)
Total EBITDA	**105,8**	**127,1**

Note : Other includes elimination of holding company activities and intragroup transactions.

Recurring EBITDA was €155.0 million for the first nine months of 2019. Excluding the impact of IFRS 16, Recurring EBITDA increased by €21.3 million, or 20.1%, to €127.1 million in the first nine months of 2019, as compared to €105.8 million in the first nine months of 2018. Our Recurring EBITDA margin increased from 5.5% in the first nine months of 2018 to 5.6% in the first nine months of 2019, mainly due to Recurring EBITDA margin improvement in the UK, which had a dilutive effect at the time of acquisition of Servest, as the company had a lower Recurring EBITDA margin than the rest of the Group. In addition, the Group is continuously working on costs savings programs and synergies. The positive impact of these programs are close to €10 million for the first nine months of 2019.

Recurring EBITDA by segment, excluding the impact of IFRS 16

France. Recurring EBITDA for the France segment increased by €505.0 million, or 6.9%, to €85.6 million in the first nine months of 2019, as compared to €80.1 million in in the first nine months of 2018. The Recurring EBITDA margin of the France segment was stable between the two periods, at 8.4%. This stability reflected both a 32 bps margin improvement in the Facility Management activities, mainly Technical Services, and a 10 bps margin deterioration in the Cleaning activity.

Cleaning: Recurring EBITDA increased by €3.8 million, or 6.9%, to €63.6 million in the first nine months of 2019 as compared to €59.8 million in 2018, same period, mainly driven by organic growth. The Recurring EBITDA margin of the cleaning business decreased marginally to 9.1% in in the first nine months of 2019, as compared to 9.2% in the first nine months of 2018, mainly due to the acquisition and/or renewal of contracts with lower margins, partly offset by the positive effect of social charges reduction in France in replacement of the CICE and Recurring EBITDA margin improvements from acquisition synergies at Limpa and BBA.

Facility Management: Recurring EBITDA increased by €1.7 million, or 8.6%, to €22.0 million in the first nine months of 2019, as compared to €20.3 million in the first nine months of 2018. The Recurring EBITDA margin of the facility management business increased by 32 bps from 6.6% in the first nine months of 2018 to 6.8% in the first nine months of 2019. This increase resulted from the improvement in the Recurring EBITDA margin of the Technical Services activity, both from organic growth and the synergies realised following the acquisition of Cadiou in 2018.

UK. UK contributed €38.5 million to our Recurring EBITDA in the first nine months of 2019, compared to €16.5 million for the period from May 2018 to September 2018. UK delivered solid organic growth of 61.2% during the first nine months of 2019 compared to the same period in 2018, thanks to the strong performance of the cleaning division and the Catering division turnaround plan initiated at the end of 2018.

As a result, as a percentage of sales, the Recurring EBITDA margin in the UK segment increased significantly from 5.0% in the first nine months of 2018 to 6.4% for the nine-month period ended September 30, 2019.

International. Recurring EBITDA for the International segment decreased by €5.0 million, or 13.8%, to €31.6 million in the first nine months of 2019, as compared to €36.6 million in the same period in 2018.

This decrease was mainly due to contract losses in 2019 and the impact of 2018 contract losses at the Temco business in the United States and operational losses on specific contracts in Singapore. This decrease was partly offset by strong Recurring EBITDA growth in the Czech Republic, Russia and Turkey and an improvement in Recurring EBITDA in Africa.

As a result, as a percentage of sales, Recurring EBITDA margin decreased to 4.8% in the first nine months of 2019, as compared to 5.6% in the first nine months of 2018.

Depreciation and amortisation

As reported, depreciation and amortisation was €73.5 million for the first nine months of 2019.

Excluding the impact of IFRS 16, depreciation and amortisation increased by €13.0 million, or 36.3%, from €35.8 million in the first nine months of 2018 to €48.8 million in the first nine months of 2019. This was mainly due to (i) an increase in the total amount of tangible assets following the acquisition of Servest UK, which resulted in additional depreciation and amortisation of €10.0 million, and (ii) the implementation of our policy of capitalization of workers equipment across the Group, which had an impact of €2.3 million.

As a percentage of revenue, depreciation and amortisation slightly increased from 1.8% in the nine-month period ending September 30, 2018 to 2.1% in the same period in 2019, primarily as a result of the integration of Servest UK, which had a relatively higher level of depreciation and amortisation as a percentage of revenue due to its high share of Technical Services revenue.

Provisions and impairment losses, net

Provision and impairment losses decreased by €0.3 million, or 10.0%, from €3.2 million in the first nine months of 2018 to €2.9 million in the same period of 2019.

Recurring operating profit

As reported, recurring operating profit was €69.0 million for the first nine months of 2019.

Excluding the impact of IFRS 16, recurring operating profit increased by €2.8 million, or 4.2%, from €66.2 million in the first nine months of 2018 to €69.0 million in the first nine months of 2019, for the reasons explained above.

Non-recurring operating income and expenses

As described above, certain non-recurring operating income and expenses are excluded from Recurring EBITDA. For the nine months ended September 30, 2019, these costs amounted to €7.5 million and principally included: (i) a one-off loss linked to the settlement of a pension fund claim in the US for €6.2 million (ii) restructuring costs of €1.3 million, notably in France for the top management positions of the Group in France.

Operating profit

As reported, operating profit reached €64.7 million for the period ended September 30, 2019. Excluding the impact of IFRS 16, operating profit increased by €5.1 million, or 9.0%, from €56.4 million in the first nine months of 2018 to €61.5 million in the first nine months of 2019, for the reasons explained above.

Net financial expenses

Net financial expenses was €64.9 million for the first nine months of 2019. Excluding the impact of IFRS 16, Net financial expenses increased by €17.4 million, or 42.5%, from €40.9 million in the in the first nine months of 2018 to €58.3 million in the first nine months of 2019.

This increase was principally due to additional interest expenses following the issuance of new bonds to finance the Servest UK acquisition in May 2018.

Income tax expense

The income tax expense is amounting €14.2 million and is mainly constituted by the French tax called CVAE (*Contribution à la Valeur Ajoutée des Entreprises*).

Income tax expense decreased by €2.0 million, or 12.3%, from €16.2 million in the first nine months of 2018 to €14.2 million in the same period in 2019, mainly due to a differed tax adjustment of €3 million in UK, related to 2018.

Share of profit (loss) of equity-accounted companies

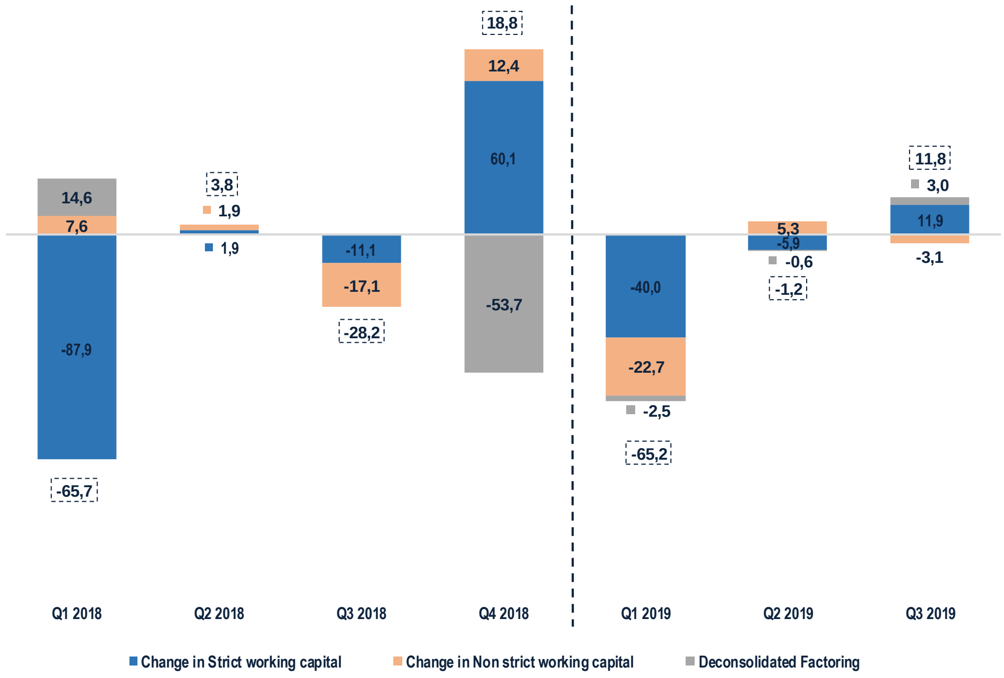
We recorded a share of loss of equity-accounted companies of €28.5 million for the first nine months of 2019, compared to no record in 2018 for the same period, as all share of profit or loss for 2018 was recorded in the fourth quarter of 2018 .

The loss in 2019 was primarily attributable to Getronics, in which the Group has a 27.18% equity stake. See "Recent Developments" below.

Net income (loss) for the period

Reported net loss was €43.8 million for the period ended September 30, 2019. Excluding the impact of IFRS 16, net loss increased by €39.7 million from net loss €0.7 million in the first nine months of 2018 to net loss of €40.4 million in the same period of 2019, for the reasons stated above.

Changes in Net Working Capital



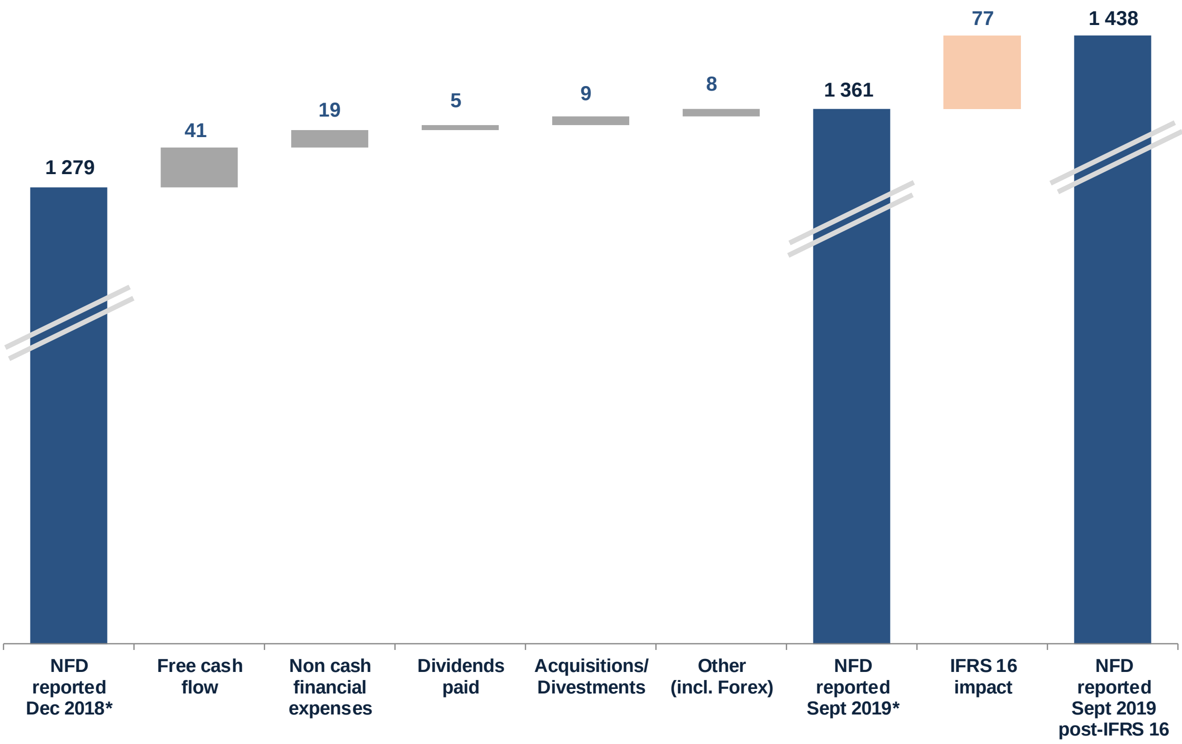
In € million

The above graph presents changes in net working capital items for each quarter since the beginning of 2018.

Net working capital requirement for the first nine months reached €54 million compared to last year same period of €90 million.

This improvement was achieved through better cash management in all regions, despite additional working capital needs estimated at €19 million due to our organic growth, mainly in France and in the UK and a prepayment of 2020 French training tax (formation continue) of €6 million.

Net Financial Debt evolution



* *Pre IFRS 16*

Net financial debt at the end of September 2019 was €1,361 million, an increase of €82.0 million in the first nine months of 2019. This increase was mainly due to a cash outflow of €41.0 million related to changes in net working capital.

The non- cash financial expenses of €18.9 million represent the accrued interest related to our bonds for the nine-month period ended September 30, 2019.

In respect of the period ended September 30, 2019, dividends paid to shareholders of the parent company amounted to €5.0 million.

During the first nine months of the year, we acquired for additional €9.0 million of shares in existing participations, Termotech and Aktrion in the UK and Atalian Global Services in Indonesia.

The other items are mainly foreign exchange impacts coming from the British Pound, partly compensated by the US Dollar and the Indonesian Rupee.

UPDATE ON CERTAIN LEGAL MATTERS

Following the placement under formal investigation by the French judicial authorities of our indirect principle shareholder, internal and external audits were performed by the Group. As a result, as indicated in the FY 2018 and Q1 2019 report, we were not able to conclude that certain invoices submitted by subcontractors were properly supported by the services rendered. Invoices amounting approximately to €1.2 million appeared to be related to renovation and construction work in a Brussels building, for which the Group claimed reimbursement from the company owning the building.

The Group decided to join the proceedings as a plaintiff, and the application was granted by the judge on May and September 2019.

Some material deficiencies in the Group's accounting systems access controls were identified and led to the discovery of improper conduct on the part of certain of our former executive officers. In July 2019, we filed a criminal complaint against former executive officers for misuse of corporate assets and other wrongful conduct. All individuals involved have left by the Group.

We have taken appropriate measures to address the identified deficiencies by putting in place strong and qualified compliance, internal audit and internal control teams. The Group deployed in all countries a Code of Business Conduct, Compliance policies and Group procedures as well as related trainings.

OTHER RECENT DEVELOPMENTS

On May 29, 2019, the Group announced the appointment of three independent directors to the board of AHDS, the Group's holding company which is ultimately controlled by Franck Julien. The three independent directors are Mrs Hélène Ploix, M. Henri Proglio and M. Georges Fenech.

Mrs. Hélène Ploix is heading the Audit and Compliance committee. Mrs. Hélène Ploix is a former Executive Board Member of the IMF and the World Bank. She was Deputy Managing Director of La Caisse des Dépôts et Consignations and has held several board seats in listed and unlisted companies, including BNP Paribas, Publicis and Lafarge.

M. Henri Proglio is heading the Investment and Strategy committee. M. Henri Proglio is the former CEO of Electricité de France (EDF) and Veolia.

AHDS, represented by M. Franck Julien, is the chairman of the Group. The Group's Management Board comprises M. Franck Julien, as Chairman and Chief Executive Officer, M. Jean-Jacques Gauthier, as Deputy CEO and Chief Financial Officer in charge of all corporate functions, including finance, legal and compliance and human resources, and M. Rob Legge, as Deputy CEO and Chief Operating Officer.

In November 2019, the Group announced the closing of the divestment of the Landscaping activities in France for €34 million. This is part of the announced divestment program.

In November 2019, Getronics announced that it had reached an agreement with its stakeholders to receive a new capital investment and to undergo a recapitalization of the business. In light of these events, we anticipate assessing our investment in Getronics for likely impairment during fourth quarter of 2019. Our review could lead to a partial or full impairment of our investment in Getronics. The carrying value of our investment in Getronics at September 30, 2019 was €74 million.