

## THIRD QUARTER AND 9 MONTHS RESULTS

### Accelerated growth momentum and profitability improvement

- Net Sales up +7.8% LFL at €M768
- Recurring EBITDA<sup>1</sup> of €M46 in Q3 up +22.4% with margin improving by +50bps
- SG&A cost savings programme delivering results ahead of target
- Strong improvement of cash generation and solid €M39 Free Cash Flow from operations in Q3 (*pre-IFRS 16*)
- Divestment programme underway with €M34 already executed

### Performance Q3 & 9 months 2019

in €M	Q3 2019 Reported	Q3 2019 pre-IFRS 16	Q3 2018 pre-IFRS 16	change	var LfL (%)	9M 2019 Reported	9M 2019 pre-IFRS 16	9M 2018 pre-IFRS 16	change	var LfL (%)
Net Sales	768,4	768,4	720,9	6,6%	7,8%	2 278,2	2 278,2	1 945,3	17,1%	5,1%
Recurring EBITDA	55,9	45,8	39,3	16,5%	22,4%	155,0	127,1	105,8	20,1%	8,4%
EBITDA Margin (%)	7,3%	6,0%	5,5%	+50 bps		6,8%	5,6%	5,5%	+10 bps	
Operating Profit	22,3	21,1	22,0	-4,1%		64,7	61,5	56,4	9,0%	
Net Profit (loss) for the period before associates	(4,0)	(1,7)	(2,9)	1,2		(15,3)	(11,9)	(0,7)	(11,2)	
Net profit (loss) for the period	(16,4)	(14,2)	(3,0)	(11,2)		(43,8)	(40,4)	(0,7)	(39,7)	
Free Cash Flow from Operations <sup>(1)</sup>	49,4	39,3	6,2	33,1		70,0	42,1	(12,4)	54,5	
Net Financial Debt	1 438	1 361	1 327	34		1 438	1 361	1 327	34	

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

**According to Group: “For the second consecutive quarter under the new management, we delivered a strong third quarter 2019, clearly indicating a continued improvement of the Group’s performance. We are particularly satisfied with the sales growth achieved during the third quarter. Performance continued to strongly improve in Q3 2019 with Recurring EBITDA growth over-proportional to Net Sales, with +50bps of EBITDA margin increase.**

**Our financial discipline is generating value, we are making significant progress in cash conversion, deleveraging our balance sheet and improving our liquidity.”**

**The divestment plan has been well initiated with €M34 already executed”**

**Looking forward, we anticipate to overachieve our 2019 targets with growth between 5% and 6% and continued margin improvement, supported by the commitment and determination of all teams.”**

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

The newly created Audit Committee, chaired by H el ene Ploix, former Executive Board Member of IMF and the World Bank, and the Board of AHDS reviewed and approved the Q3 and 9 Months 2019 Consolidated Financial Statements.

## **Regional Performance**

<b>(in million €)</b>	<b>Net Sales</b>				<b>Recurring EBITDA<sup>(1)</sup></b>			
	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>change</b>	<b>LfL</b>	<b>Q3 2019</b>	<b>Q3 2018</b>	<b>change</b>	<b>LfL</b>
France <sup>(2)</sup>	346	310	11,4%	6,5%	32	27	15,3%	15,7%
UK	200	192	4,3%	15,7%	14	9	44,7%	64,9%
International <sup>(2)</sup>	224	220	1,9%	2,6%	10	13	-22,0%	-19,7%

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

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

### **France**

Robust third quarter confirming our growth trend, supported by commercial development (new contracts and better contract renewal rate) and improvement in operational performance.

### **UK**

Strong results supported by new contract wins, and recovery in Catering operations. Synergies from the Servest acquisition are delivering expected outcome.

### **International**

Central Europe continued to perform well mainly in Turkey, Czech Republic and Russia. USA turnaround plan is being deployed and delivering as planned. Improvement will be visible in Q4. Asia remains a growth platform despite the performance of the quarter.

## **OUTLOOK 2019**

- Net sales growth between 5% and 6% LfL in FY 2019
- Recurring EBITDA margin improvement to continue
  - France: margin to continue on a positive trend
  - UK: continued growth and margin improvement
  - International: improvement from the US expected end of Q4. Low single digit growth in Europe. Africa and Asia to restore profitability in Q4
  - Holding and Corporate costs reduction plan underway with expected €M15 savings on a full year basis
- Deleveraging actions with an improved working capital trend and first results of our divestment programme
  - Sound working capital management practices delivering
  - Capex capped at circa €M50 for 2019

### **Investor Relations:**

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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, 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

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