

FIRST QUARTER 2020 RESULTS

Continued strong operational performance and successful mitigation of the current crisis

- Growth in Net Sales of +2.5% like-for-like to €739m with significant contribution from UK and international segments
- Recurring EBITDA⁽¹⁾ of €52m with a healthy growth of +14.5% mainly driven by a margin step up in Cleaning activities and sharp cost measures taken in March
- Strong Cash Flow from Operations⁽¹⁾ of €38m leading to a Net Financial Debt position at €1,311m decreased by €32m within Q1 2020
- Operational crisis measures implemented since March have immediately delivered on a highly variable cost base and have generated a strong liquidity position
- Closing of the agreement on a State Guaranteed Loan (“French PGE”) of €50m anticipated by early June

Performance Q1 2020 – Group Figures (post-IFRS16)

Group (in million €)	Q1 2020	Q1 2019	change	LfL
Net Sales	739	747	-1.1%	2.5%
Recurring EBITDA (post-IFRS16)	52	48	8.3%	14.5%
Recurring EBITDA margin (%)	7.1%	6.5%		
Current Operating Profit	28	23		
Net Profit (Loss)	(4)	(10)		
Free Cash Flow from Operations	38	(39)		
Net Financial Debt	1 311	1 420		
Leverage Ratio	6.2x	7.0x		

According to Group: “In Q1 2020 as new management, we delivered for the 4th consecutive time a robust quarter and continued progress on all the metrics despite the exceptional circumstances of the sanitary crisis. Our Q1 results (show) demonstrate resilience of our activities.

The Group was able to overcompensate the financial impact of the lockdown in March and delivered a growth of +2.5% in Net Sales and +14.5% in EBITDA post-IFRS16 on a like-for-like basis vs. prior year Q1. Mainly in March, the operational performance benefited from the timing and determination of a strong set of actions, a highly variable cost base and a favourable business mix.

¹ post-IFRS 16

As far as possible, Management remains fully mobilized to mitigate the impact of the crisis beyond Q1, to be ready for progressive exit of lock-down in each country and to realize new business opportunities. Management is convinced of the needs to support the economy in the disinfection and preparation of the restart post (de-confinement) exit of the lockdown. Behavioural changes will take place creating opportunities for the Facility Management (FM) markets. Atalian is well positioned to benefit from this change. The strong liquidity position at the end of March 2020 secures full focus on our Strategy 2022 to deliver top line growth, improve our operational performance and deleverage the Group.”

Regional Performance

(in million €)	Net Sales				Recurring EBITDA			
	Q1 2020	Q1 2019	change	LfL	Q1 2020	Q1 2019	change	LfL
France ⁽¹⁾	316	330	-4.2%	0.8%	33	29	15.7%	20.2%
UK	204	189	7.6%	5.2%	14	13	6.2%	4.7%
International ⁽¹⁾	220	227	-2.9%	3.4%	13	15	-9.5%	2.7%

⁽¹⁾ Excl Holdings and Corporate costs

The France segment revenue of €316m in Q1 was impacted by Covid with an estimated (14m€). Deducting the prior year Q1 sales contribution from the divested landscaping division of €17m, France segment top line still grew by +0.8% in Q1 2020. Immediate crisis related direct and indirect cost reductions, furlough leave arrangements and supplier renegotiations have led to a steep increase in EBITDA margin of +20.2%.

The comparable UK revenue growth of +5.2% was driven by underlying growth in Cleaning and Multi-tech, partially offset by Covid impact mainly in Catering and Integrated Solutions. EBITDA improvement of +4.7% was mainly due to the profitability of new business in Cleaning and stringent cost reduction initiatives overcompensating Covid-related business disruption in Multitech, Integrated Solutions and Catering.

The International segment revenue of €220m grew by 3,4% on a comparable basis with strong growth contributions from all zones and specifically Asia. With significant contributions from higher margin disinfection jobs and crisis related support function cost savings, EBITDA margins have improved throughout all zones versus prior year Q1. The growth in International segment profitability was mainly diluted by the Aktrion Automotive activity severely impacted by the crisis.

Financing

Atalian is finalizing the documentation for an early June closing with three banks, for an amount of €50m, of a bank loan secured by a French State guarantee (PGE Loan).

Outlook 2020: developments related to the outbreak of the Coronavirus

Despite a robust financial performance and successful mitigation of negative business impacts in Q1, we expect the Covid outbreak to have an impact on our business and financial results in the remainder of 2020, particularly in Q2.

Management is actively pursuing the implementation of initiatives to mitigate the impact of the COVID crisis and remains confident in its ability to compensate the impact. The uncertainty around the crisis and the speed of recovery remains high. The impact on 2020 Financial Results will depend on the timing of the ramp up of the business. Post crisis we expect recurring benefit on our business post crisis, following likely behaviour changes, increase in our customers spending and new business opportunities that may arise from the current situation, particularly in our Cleaning activity.

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FINANCIAL DEFINITIONS

- **Like for like**

Like-for-like information is information factoring out changes in the scope of consolidation (such as divestments and acquisitions occurring in 2020 and 2019) and currency translation effects (2020 figures are converted with 2019 exchange rates in order to calculate the currency effects).

- **EBITDA**

The 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 assets

- **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 after capitalized expenditures. It is defined as:

+ EBITDA;

+/- Non Recurring cash items

+/- Other Operating Non Cash Adjustments

+/- Change in Working capital after non-recourse factoring

– Net Capitalized Expenditures, including leased capex;

– Income Tax paid

- **Free Cash Flow**

The Cash Flow is an indicator to measure the level of cash generated by the Group after spending Capitalized Expenditures, and after payment of financial interest. It is defined as:

+/- Free Cash flow from operations;

– Financial interest paid