

# ATALIAN GROUP

## Q2 & H1 2020 CONSOLIDATED FINANCIAL RESULTS

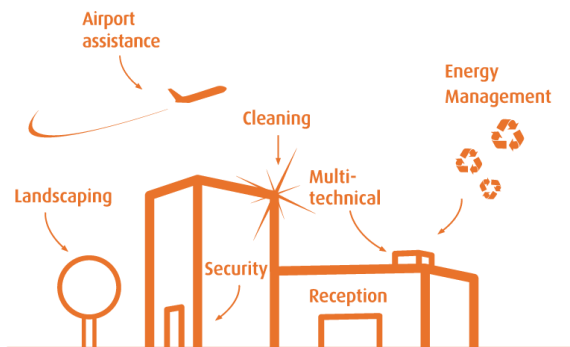




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EUROPE - USA - ASIA - AFRICA

**Rob Legge**  
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**Bruno Bayet**  
Group Controller



## Successful sanitary crisis management generating in Q2 significant uplift in profit margins and substantial rise in liquidity

- **Visible resilience** of our activities with Net Sales reduction limited to -12.1% LFL at €635M in Q2
- Recurring EBITDA of €54.2M **up +15.9%** LFL with margin of 8.5% in Q2
- **CFFO rising significantly to €144M** in Q2, benefitting both from internal operational Working Capital measures and Government initiatives on tax and social charges
- Further deleveraging with a **LTM leverage at 5.5x** at end of Q2
- **Solid Group liquidity** position of €358M, strengthened by the closing in June of a new state guaranteed loan of €50M

in €M	Q2 2020 Reported	Q2 2019 Reported	change	var LfL (%)	H1 2020 Reported	H1 2019 Reported	change	var LfL (%)
<b>Net Sales</b>	<b>634.5</b>	<b>763.2</b>	<b>-16.9%</b>	<b>-12.1%</b>	<b>1,373.0</b>	<b>1,509.8</b>	<b>-9.1%</b>	<b>-4.9%</b>
<b>Recurring EBITDA</b>	<b>54.2</b>	<b>50.8</b>	<b>6.7%</b>	<b>15.9%</b>	<b>106.4</b>	<b>99.1</b>	<b>7.4%</b>	<b>15.2%</b>
<i>EBITDA Margin (%)</i>	8.5%	6.7%	+180 bps		7.7%	6.6%	+110 bps	
Operating Profit	28.2	19.7	<b>43.1%</b>		52.8	42.3	<b>24.8%</b>	
<b>Net profit (loss) for the period from continuing operations</b>	<b>(13.2)</b>	<b>(17.5)</b>	<b>4.3</b>		<b>(17.1)</b>	<b>(27.4)</b>	<b>10.3</b>	
Cash Flow from Operations <sup>(1)</sup>	144.1	23.6	120.5		183.0	(13.9)	196.9	
<b>Net Financial Debt</b>	<b>1,183</b>	<b>1,422</b>	(239.4)		<b>1,183</b>	<b>1,422</b>	(239.4)	
<i>Leverage ratio (LTM) <sup>(2)</sup></i>	5.5x	7.1x			5.5x	7.1x		

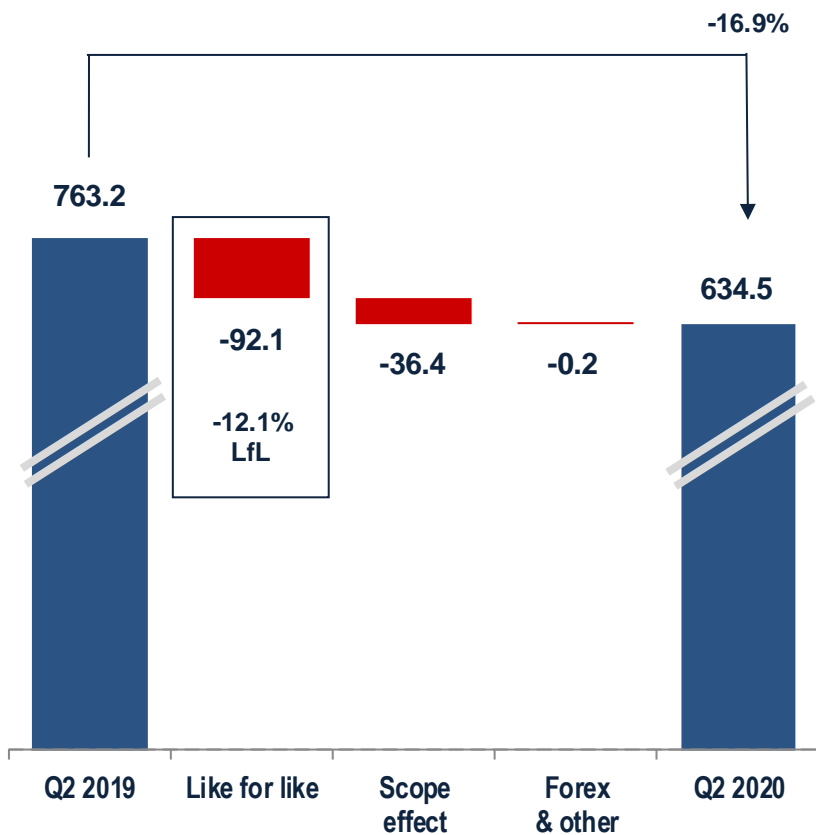
<sup>(1)</sup> CF from Operations before financial Interests, dividends, acquisitions and divestments

<sup>(2)</sup> Q2 2019 leverage ratio based on LTM vs reported 6.2x

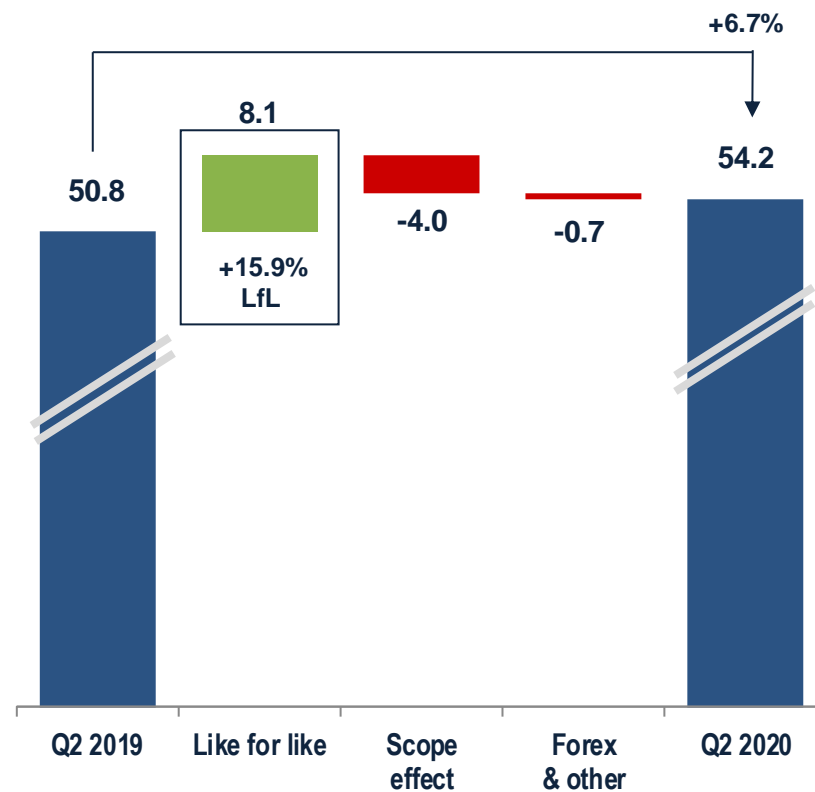
- Hands-on management and focus on action plans delivered a solid operational performance throughout all regions
- Commercial initiatives partially mitigated the crisis impact on Net Sales
- Strict cost discipline supported by part time/furlough schemes and Government initiatives enabled to achieve a solid operational performance

In €M

## Net Sales – Q2

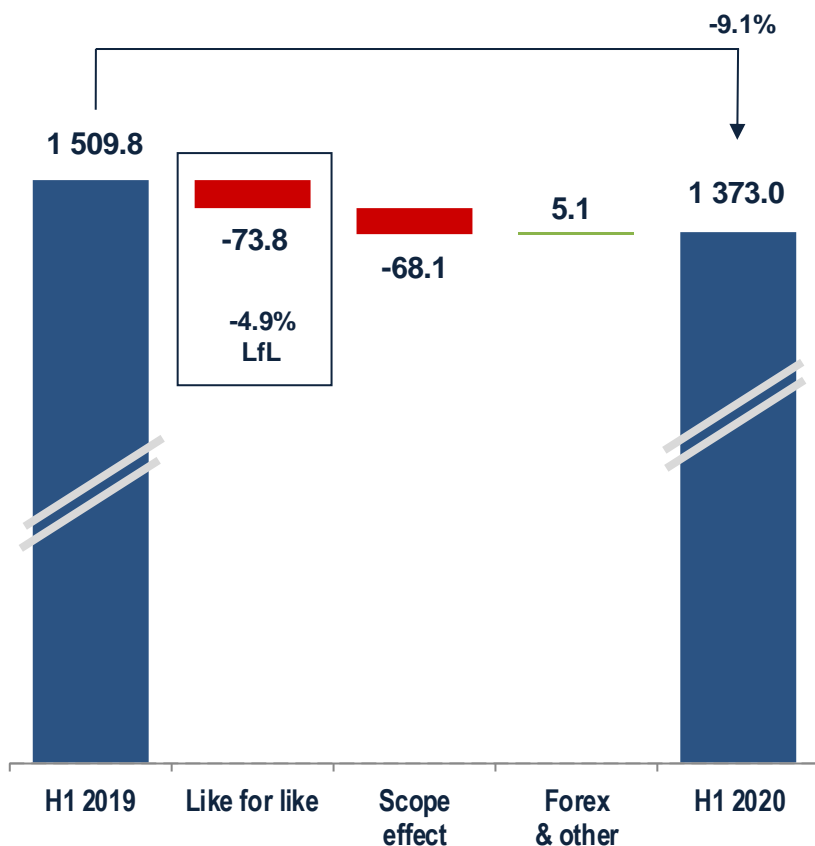


## Recurring EBITDA – Q2

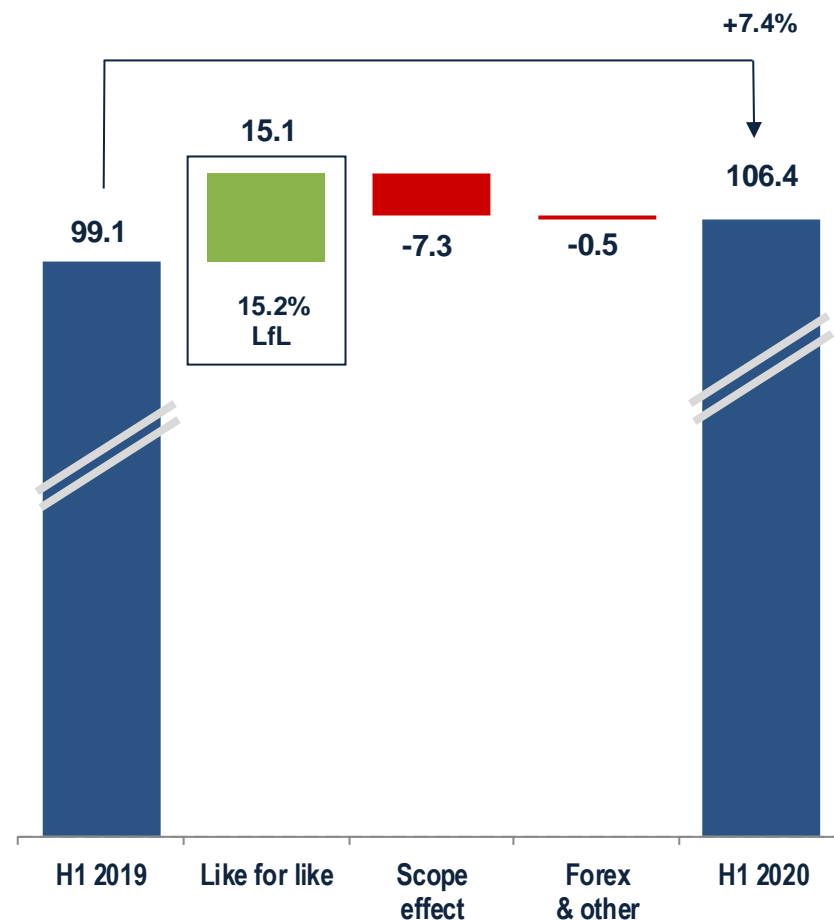


In €M

## Net Sales – YTD June



## Recurring EBITDA – YTD June



in €M	Q2 2020 Reported	Q2 2019 Reported	change	var LfL (%)	H1 2020 Reported	H1 2019 Reported	change	var LfL (%)
<b>Net Sales</b>	<b>297.5</b>	<b>346.4</b>	<b>-14.1%</b>	<b>-7.7%</b>	<b>613.0</b>	<b>675.9</b>	<b>-9.3%</b>	<b>-3.5%</b>
<b>Recurring EBITDA</b>	<b>34.2</b>	<b>32.8</b>	<b>4.3%</b>	<b>12.2%</b>	<b>67.5</b>	<b>61.5</b>	<b>9.8%</b>	<b>16.1%</b>
<i>EBITDA Margin (%)</i>	<i>11.5%</i>	<i>9.5%</i>	<i>+200 bps</i>		<i>11.0%</i>	<i>9.1%</i>	<i>+190 bps</i>	
of which Cleaning	30.2	23.8	26.9%	26.9%	57.6	45.4	26.9%	26.9%
Other activities (incl. FM)	4.0	9.0	-55.6%	-26.7%	9.9	16.1	-38.5%	-14.3%

- Lower activity (-€44M) in Q2 partially compensated by Covid extra works (€18M)
- Stable contract renewal rate has been achieved in Q2
- Variable payroll costs have been adjusted with a reduction in direct and indirect staff in line with reduced revenues, recruitment freeze executed
- Staff adjustments will be maintained for customer sites and businesses that are still subject to lockdown measures and limitations, mainly in the airport sector
- Scope effect of the Landscaping divestment amounts to -€22M in Q2 Net Sales



in €M	Q2 2020 Reported	Q2 2019 Reported	change	var LfL (%)	H1 2020 Reported	H1 2019 Reported	change	var LfL (%)
<b>Net Sales</b>	<b>149.8</b>	<b>197.8</b>	<b>-24.3%</b>	<b>-24.5%</b>	<b>353.4</b>	<b>387.1</b>	<b>-8.7%</b>	<b>-9.9%</b>
<b>Recurring EBITDA</b>	<b>12.8</b>	<b>11.7</b>	<b>9.4%</b>	<b>9.4%</b>	<b>26.5</b>	<b>24.6</b>	<b>7.7%</b>	<b>6.9%</b>
<i>EBITDA Margin (%)</i>	<i>8.5%</i>	<i>5.9%</i>	<i>260 bps</i>		<i>7.5%</i>	<i>6.4%</i>	<i>110 bps</i>	

- Covid impact (-€60M) on Net Sales in Q2 mainly in Catering, Hospitality services and Printing
- 3 new service lines developed during the crisis:
  - Fever screening (security systems division)
  - PPE (focused on Gloves, Masks and Sanitiser)
  - Fogging (sanitising office and warehouse space)
- Reduction in all fixed costs and recruitment freeze
- Full benefit in Q2 of Government's Coronavirus Job Retention Scheme on staff costs mainly in support function

in €M	Q2 2020 Reported	Q2 2019 Reported	change	var LfL (%)	H1 2020 Reported	H1 2019 Reported	change	var LfL (%)
<b>Net Sales</b>	<b>187.6</b>	<b>223.7</b>	<b>-16.1%</b>	<b>-9.7%</b>	<b>407.5</b>	<b>450.3</b>	<b>-9.5%</b>	<b>-3.1%</b>
<b>Recurring EBITDA</b>	<b>16.4</b>	<b>14.5</b>	<b>13.1%</b>	<b>27.6%</b>	<b>29.6</b>	<b>29.2</b>	<b>1.4%</b>	<b>15.1%</b>
<i>EBITDA Margin (%)</i>	<i>8.7%</i>	<i>6.5%</i>	<i>+220 bps</i>		<i>7.3%</i>	<i>6.5%</i>	<i>+80 bps</i>	
of which Central Europe (excl. Aktrion)	6.6	5.4	22.2%	37.0%	10.4	9.8	6.1%	14.3%
USA	3.9	0.9	333.3%	317.1%	6.6	2.3	187.0%	173.9%
Other	5.9	8.2	-28.0%	-9.8%	12.6	17.1	-26.3%	-5.8%

- **CEE** : drop on Net Sales highly impacted by crisis (-€12M) but partially mitigated by new Covid services (€3M). Regional performance supported by State subsidies
- **USA** : Q2 performance largely driven by new disinfection and sanitization services
- **Other**
  - **Asia** : Covid biggest impact in Singapore and Philippines due to restrictions, compensated by growth in Malaysia, Indonesia and Thailand
  - **Africa**: new services and operational costs reductions partly mitigated the crisis impact
  - **Benelux**: lower activity in Catering and Cleaning almost fully compensated by new sales
  - **Aktrion**: this activity has been the most impacted by the Covid crisis (-75%)

## Specialist Cleaning and Disinfection Services



Atalian's mobile expert teams are available for planned and rapid response 24/7, trained to provide specialist solutions safely, legally and discretely.

## Personal Protective Equipment (PPE) Supply



Atalian have the ability to source and supply a full range of PPE equipment and supplies, through a global supply chain of trusted partners.

## Antimicrobial Technology and Electrostatic Spraying



Unrivalled antimicrobial technology provides germ-free surfaces for up to 30 days, removing the need for a daily disinfection regime.

## Thermal Fever Screening Technology



Installation of thermal fever screening cameras detect people with high temperatures, reducing potential risk to customer properties and critical areas of sites.

## Key Market Sectors



Retail



Transport



Corporate



Food Manufacturing

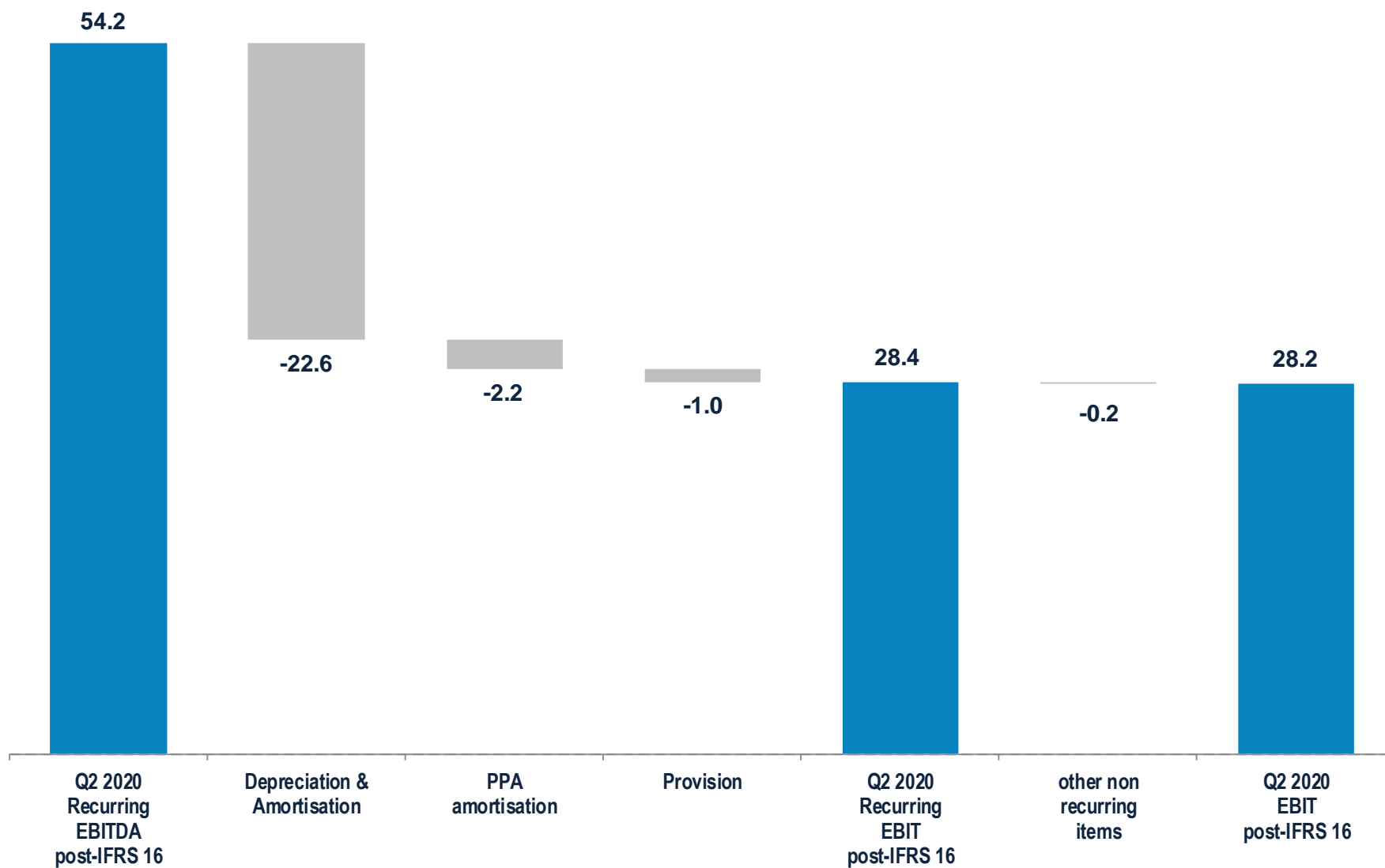


Distribution



Education

In €M

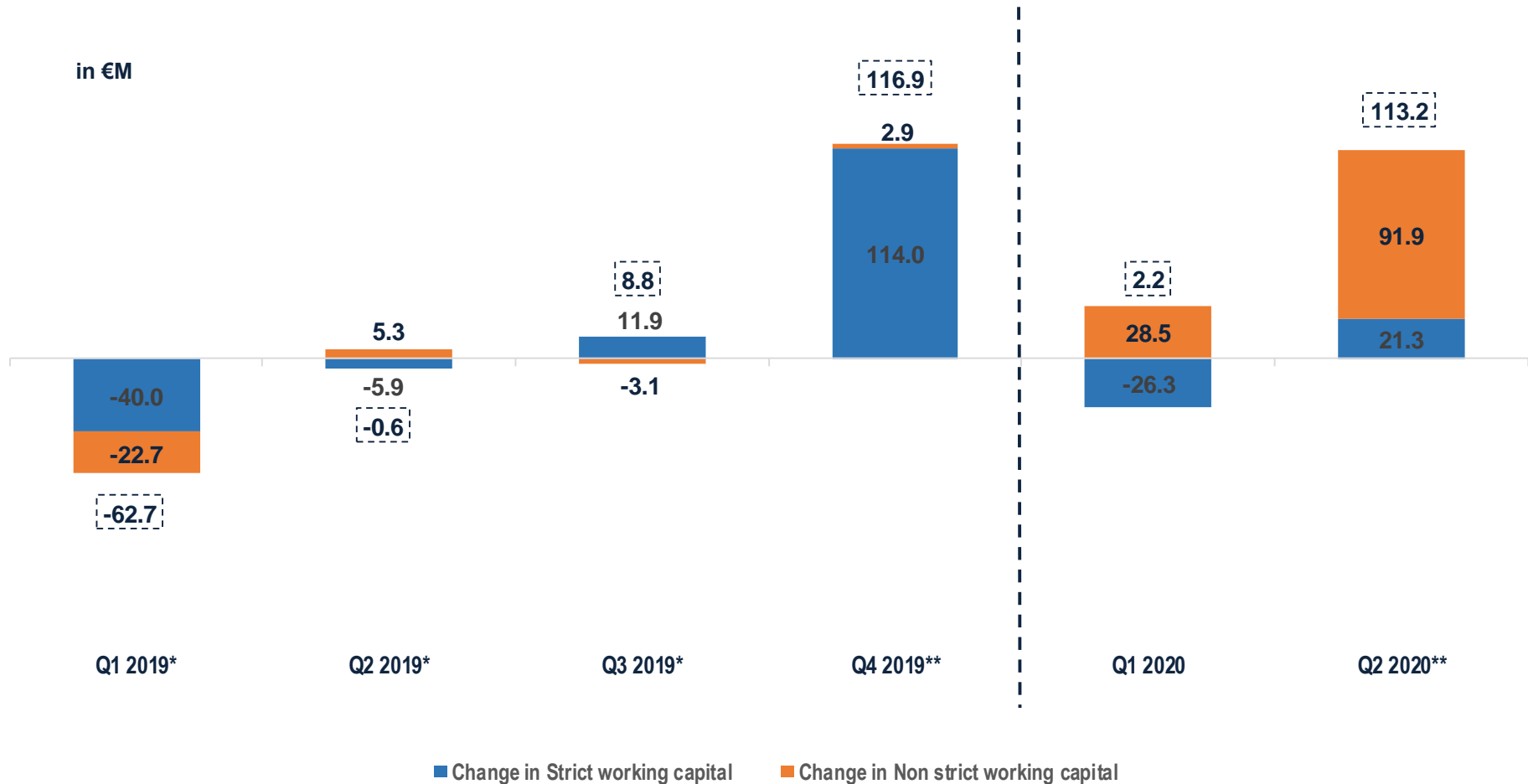


in €M	Q2 2020 Reported	Q2 2019 Reported	change	Var LFL (%)	H1 2020 Reported	H1 2019 Reported	change	Var LFL (%)
<b>Net Sales</b>	<b>634.5</b>	<b>763.2</b>	<b>(128.7)</b>	<b>-12.1%</b>	<b>1,373.0</b>	<b>1,509.8</b>	<b>(136.8)</b>	<b>-4.9%</b>
<b>Recurring EBITDA</b>	<b>54.2</b>	<b>50.8</b>	<b>3.4</b>	<b>15.9%</b>	<b>106.4</b>	<b>99.1</b>	<b>7.3</b>	<b>15.2%</b>
<i>EBITDA Margin (%)</i>	<i>8.5%</i>	<i>6.7%</i>	<i>+180 bps</i>		<i>7.7%</i>	<i>6.6%</i>	<i>+110 bps</i>	
Depreciation and Amortisation	(22.6)	(25.3)	2.7		(45.2)	(47.7)	2.5	
PPA amortisation	(2.2)	(2.2)	-		(4.4)	(4.3)	(0.1)	
Provisions and Impairment losses (net)	(1.0)	(3.8)	2.8		(1.3)	(4.8)	3.5	
<b>Current Operating Profit</b>	<b>28.4</b>	<b>19.5</b>	<b>8.9</b>		<b>55.5</b>	<b>42.3</b>	<b>13.2</b>	
<i>Current operating profit margin (%)</i>	<i>4.5%</i>	<i>2.6%</i>	<i>+190 bps</i>		<i>4.0%</i>	<i>2.8%</i>	<i>+120 bps</i>	
Other operating net expenses	(0.2)	0.2	(0.4)		(2.7)	-	(2.7)	
<b>Operating Profit</b>	<b>28.2</b>	<b>19.7</b>	<b>8.5</b>		<b>52.8</b>	<b>42.3</b>	<b>10.5</b>	
Net financial costs	(21.0)	(21.6)	0.6		(41.9)	(41.6)	(0.3)	
Other financial expenses	(8.0)	(2.5)	(5.5)		(10.8)	(1.1)	(9.7)	
Income tax expenses	(11.9)	(4.3)	(7.6)		(16.8)	(11.0)	(5.8)	
<b>Net Profit (loss) for the period before associates</b>	<b>(12.7)</b>	<b>(8.7)</b>	<b>(4.0)</b>		<b>(16.7)</b>	<b>(11.4)</b>	<b>(5.3)</b>	
Share of profit (loss) of associates	(0.5)	(8.8)	8.3		(0.4)	(16.0)	15.6	
<b>Net Profit (loss) for the period from continuing operations</b>	<b>(13.2)</b>	<b>(17.5)</b>	<b>4.3</b>		<b>(17.1)</b>	<b>(27.4)</b>	<b>10.3</b>	



Working capital positively impacted by operational improvements and Government initiatives

in €M

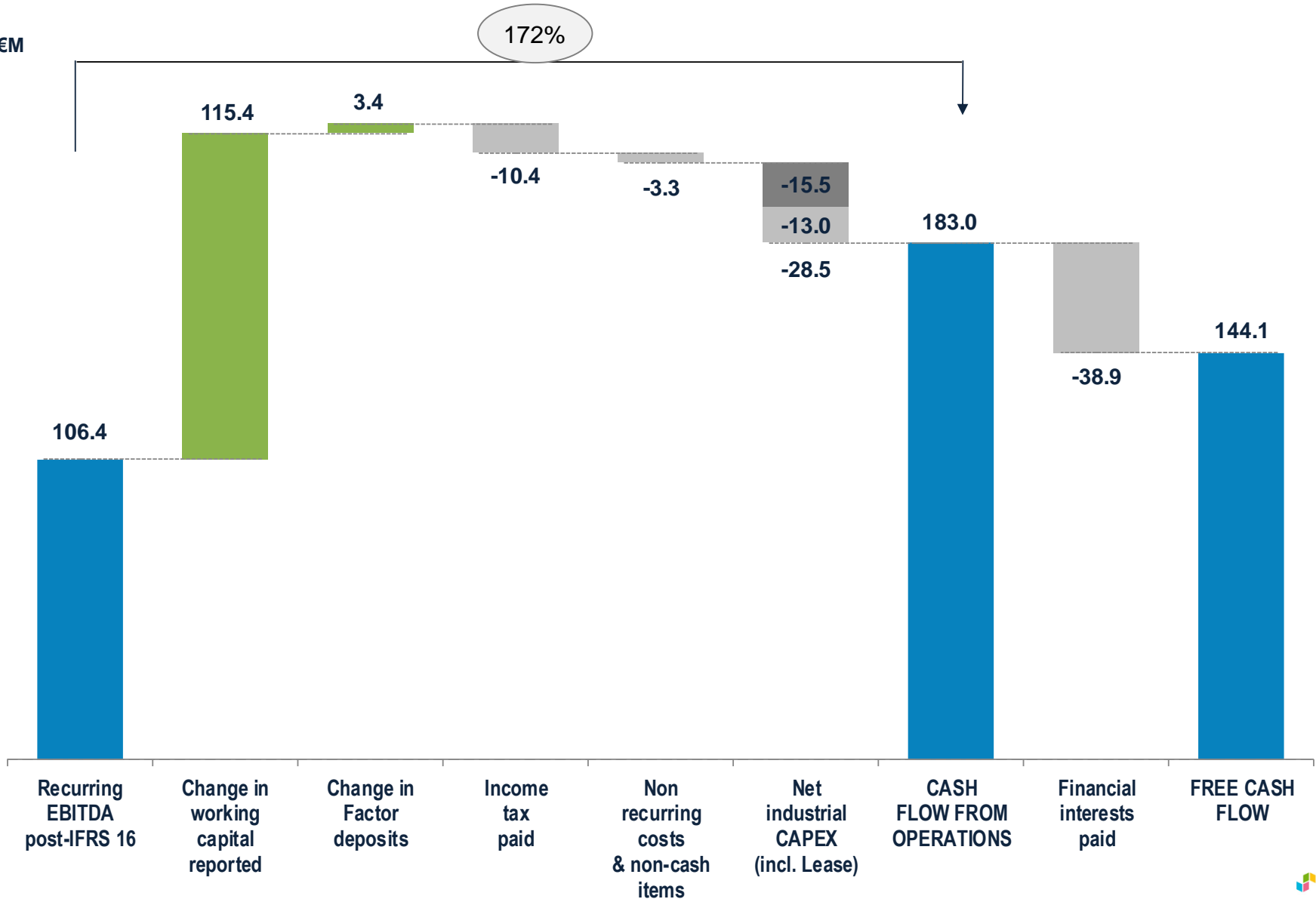


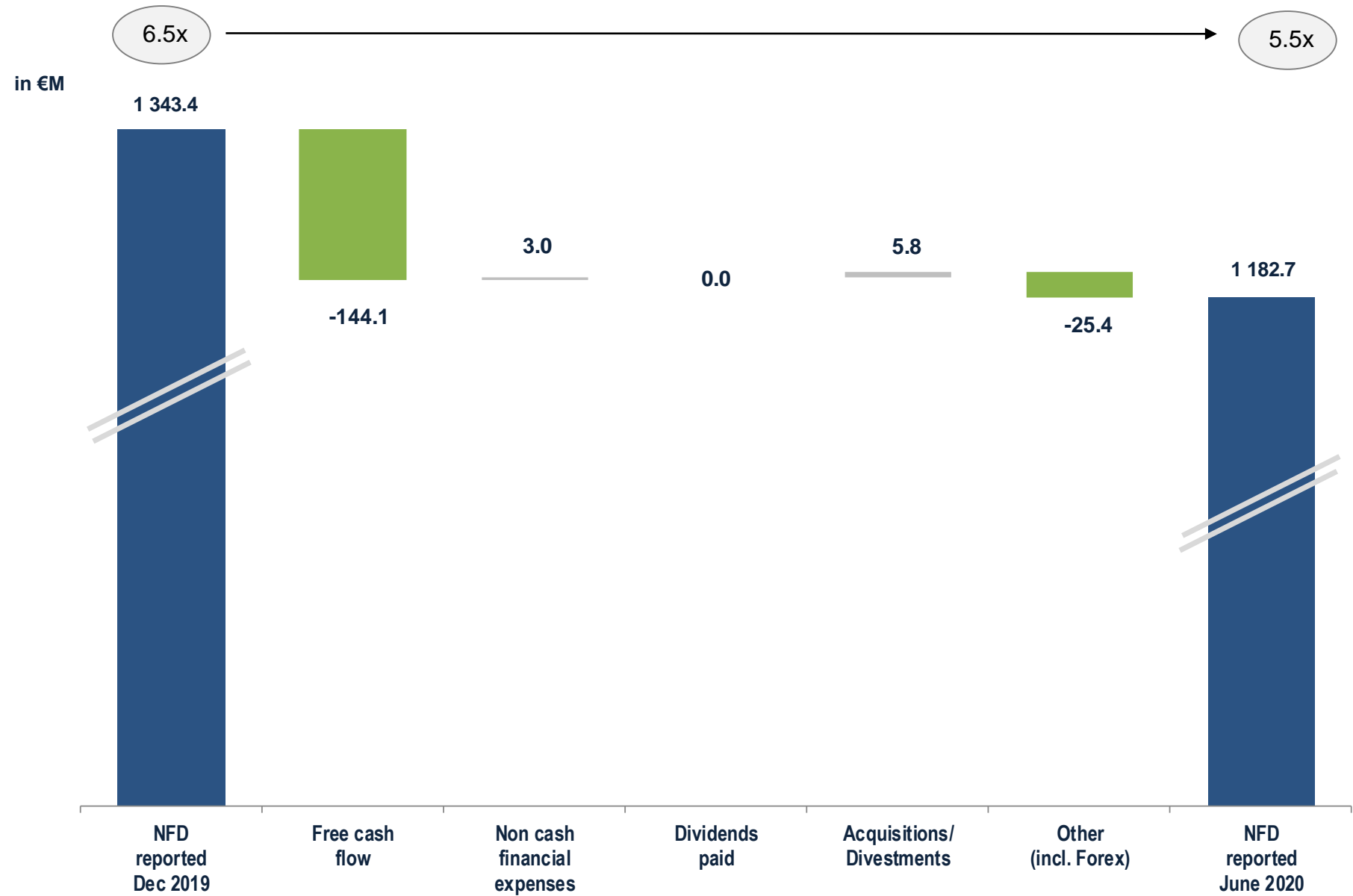
\* Including change in non recourse factoring in 2019:  
Q1 +€2.5M / Q2 +€0.6M / Q3 -€3.0M

\*\* Non-recourse factoring: 149€m as per 30/06/2020 vs 139€m as per 31/12/2019

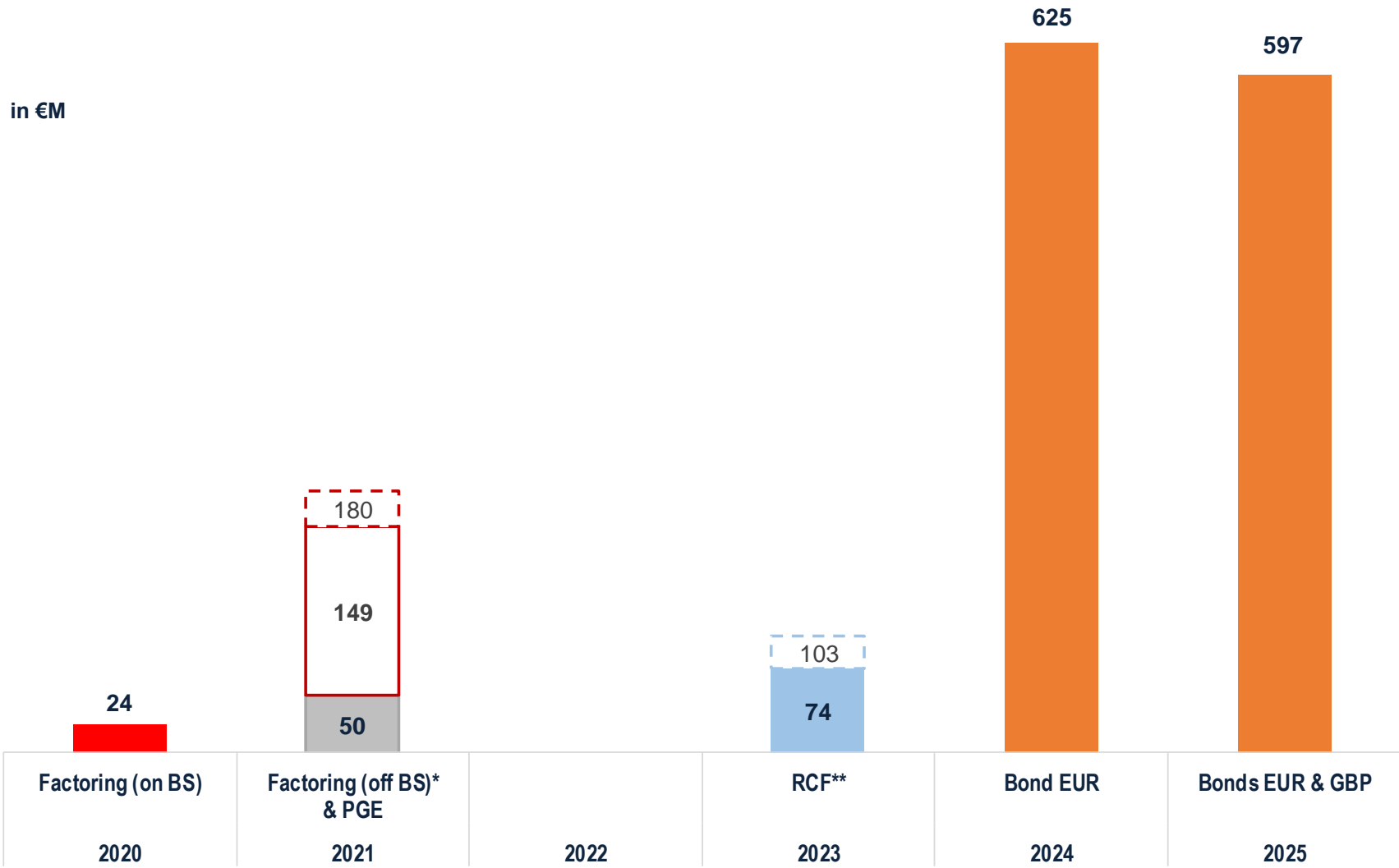
## Substantial Cash Flow generation benefitting from working capital improvements

in €M





Debt maturity profile with no major short term refinancing need before 2023

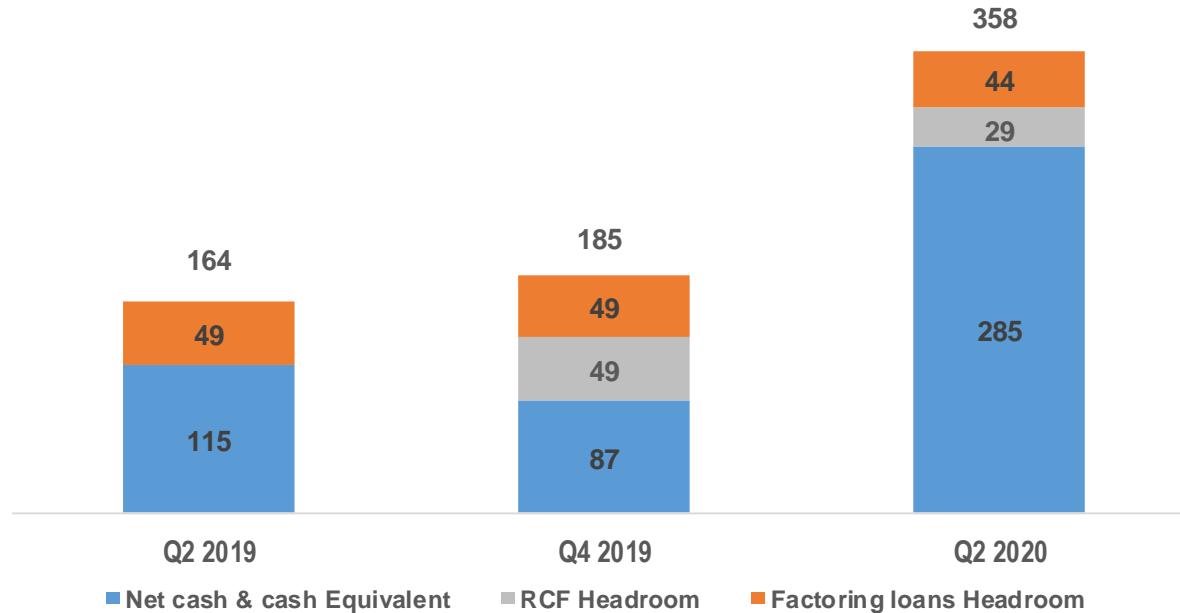


\* Non recourse factoring facility used at €149M at the end of June 2020

\*\* RCF (€103M) drawn at €74M at the end of June 2020

## Significant liquidity\* headroom of €358M at the end of Q2

in €M



- Liquidity has been significantly strengthened in Q2 by Government initiatives, internal cash generation, working capital improvements and the closing of the PGE
- Negotiation of Factoring programs extension is ongoing

\* Liquidity does not include €15M of uncommitted short term facilities



- Despite progressive exit from lockdown in most countries, visibility on the sanitary crisis, economic activity and government measures remains relatively low
- Most of our activities recovered gradually since June. Management will continue to focus on tight cost discipline, operational performance, commercial development and cash management

Next meeting / Disclosure

- **October 29, 2020:** Q3 et 9M 2020 Results

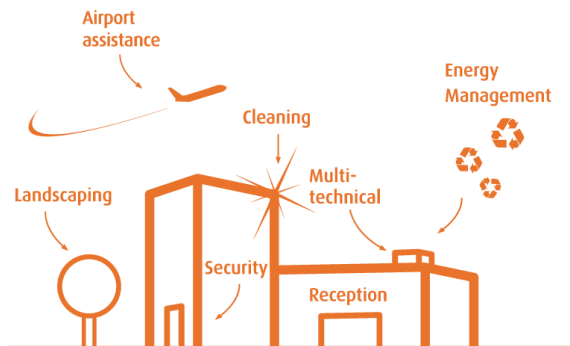
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€M	Capitalisation (incl. IFRS 16)			
30-jun-2020	Amount	xRec. EBITDA	Tenor	Margin / Coupon
LTM Rec. EBITDA	214.2			
<b>Cash</b>	<b>(284.6)</b>	<b>(1.3x)</b>		
Revolver	74.0	0.3x	3 years	E+250bps
Factoring	23.7	0.1x		c.2,500%
PGE*	50.0	0.2x	1 year*	
Other debt	23.4	0.1x		c.4,000%
<b>Gross secured debt</b>	<b>171.1</b>	<b>0.8x</b>		
Net secured debt	(113.5)	(0.5x)		
EUR 4.000% Senior Notes	625.0	2.9x	May-24	4.000%
EUR 5.125% Senior Notes	350.0	1.6x	May-25	5.125%
GBP 6.625% Senior Notes	246.6	1.2x	May-25	6.625%
IFRS 16 adjustment	74.6	0.3x		
<b>Total debt</b>	<b>1,467.3</b>	<b>6.8x</b>		
<b>Total net debt</b>	<b>1,182.7</b>	<b>5.5x</b>		

\* Extension option from 1 to 5 years

In €M	June 30, 2020	December 31, 2019
Intangible assets	1,105.9	1,147.7
Property, plant and equipment	169.7	189.7
Other non-current assets	102.9	123.6
Trade receivables	388.3	388.8
Cash and cash equivalents	285.3	89.7
Other current assets	342.6	315.5
<b>Total assets</b>	<b>2,394.7</b>	<b>2,255.0</b>
Equity (including non-controlling interests)	(111.6)	(69.2)
Financial debt (current and non-current)	1,464.2	1,426.9
Other non-current liabilities	42.3	44.0
Trade payables	227.4	258.0
Bank overdrafts & Financial instruments	3.8	6.2
Other current liabilities	768.6	589.1
<b>Total liabilities</b>	<b>2,394.7</b>	<b>2,255.0</b>