ATALIAN GLOBAL SERVICES

INVESTOR RELEASE

July 30, 2020

Q2 AND HALF-YEAR 2020 RESULTS

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 strongly to €144M** in Q2
- Further deleveraging with a **LTM leverage at 5.5x** at end of Q2
- **Solid Group liquidity** position of €358M

Performance Q2 and H1 2020 – Group Figures (post-IFRS16)

(in million €)	Q2 2020	Q2 2019	change	LfL	H1 2020	H1 2019	change	LfL
Net Sales	635	763	-16.9%	-12.1%	1,373	1,510	-9.1%	-4.9%
Recurring EBITDA	54	51	6.7%	15.9%	106	99	7.4%	15.2%
Recurring EBITDA margin (%)	*8.5%*	*6.7%*			*7.7%*	*6.6%*		
Current Operating Profit	28	20	43.1%		56	42	24.8%	
Net Profit (Loss)	(13)	(18)	4.3		(17)	(27)	10.3	
Cash Flow from Operations	144	24	120.5		183	(14)	196.9	
Net Financial Debt	1,183	1,422	(239.4)		1,183	1,422	(239.4)	
Leverage Ratio (LTM)	*5.5x*	*7.1x*			*5.5x*	*7.1x*		

According to Group: "In Q2 our activities have demonstrated strong resilience thanks to Management focus on supporting our customers, reducing our costs and securing our liquidity. The Group has overcompensated the crisis impacts on Profitability and Cash. The operational performance throughout Q2 benefited from the cost savings measures initiated in 2019, from new COVID commercial offers, from strong cost discipline and from Government's initiatives. All regions reported strong like-for-like EBITDA growth.

In addition to the improvement of strict working capital, the Group raised a new Treasury Loan of €50M guaranteed by the French State ("Prêt garanti par l'Etat - PGE") which further strengthened the Group's liquidity.

In Q2 management has successfully weathered the sanitary crisis. The Management Board will continue to monitor the evolution country-by-country and remains fully focused on the performance of the Group and on its ambitions."

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Regional Performance

	Net Sales				Recurring EBITDA			
(in million €)	Q2 2020	Q2 2019	change	LfL	Q2 2020	Q2 2019	change	LfL
France	298	346	-14.1%	-7.7%	34	33	4.3%	12.2%
UK	150	198	-24.3%	-24.5%	13	12	9.4%	9.4%
International	188	224	-16.1%	-9.7%	16	15	13.1%	27.6%

Net Sales Q2 in France have contracted by -7.7% mainly from lockdown related lower activity in Multitech and Security mitigated by a strong resilience in the Cleaning business. Despite the market downturn in Q2, France has realised its 5th consecutive quarter of improvement in margins, driven by operational performance and savings initiatives.

The UK segment revenue reduced by -24.5% in Q2 vs. prior year to €149.8M, mainly driven by lockdowns in Catering and Integrated Solutions but partially offset by new business development in Cleaning. Despite shortfalls in Multitech/Projects performance in Q2, the margins of the reduced Catering, new business in Cleaning and cost savings delivered an overall +9.4% growth in operational profitability versus prior year.

International segment loss in Q2 like for like revenue of -9.7% to €187.4M is mainly due to lower sales in Central/Eastern Europe whereas sales in Asia have almost fully rebound to Q2 level of last year. The US business has been by far the strongest driver of growth in Q2 International segment profitability of +27.6% with strong margins from disinfecting and other new business development.

Outlook 2020: developments related to the sanitary crisis

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.

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FINANCIAL DEFINITIONS

- **Like for like (LFL)**

  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 (CFFO)**

  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 payment of financial interest. It is defined as:

  +/– Cash flow from operations;

  – Financial interest paid

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