

October 29, 2020

Q3 AND 9M 2020 RESULTS

Strong resilience of our activities and further profit margins improvement

- Strong resilience of our activities in Q3 with Net Sales contraction of -3.2% LfL at €696M vs. prior year, up +9.7% vs. prior quarter
- Significant Recurring EBITDA margin uplift continuing, reaching 8.6% in Q3
- Recurring EBITDA up +14.5% LfL to €60M
- Cash Flow from Operations at €-47M in the Quarter and €131M YTD, normalising following the repayment of deferred social charges in France
- Ongoing deleveraging, with an LTM leverage at 5.7x at end of Q3
- Solid Group liquidity position maintained at €306M
- Rapid execution of sanitary crisis action plan is delivering visible results, with an over-proportional decline in cost base. Net Income turned positive in September

Performance Q3 and 9M 2020 – Group Figures (post-IFRS16)

(in million €)	Q3 2020	Q3 2019	change	LfL	9M 2020	9M 2019	change	LfL
Net Sales	696	768	-9.4%	-3.2%	2,069	2,278	-9.2%	-4.3%
Recurring EBITDA	60	56	7.3%	14.5%	166	155	7.4%	15.0%
<i>Recurring EBITDA margin (%)</i>	8.6%	7.3%			8.0%	6.8%		
Current Operating Profit	35	30	45.3%		91	72	31.8%	
Net Profit (Loss)	-	(17)	17		(17)	(44)	27	
Cash Flow from Operations	(47)	26	(73.1)		131	(13)	144.4	
Net Financial Debt	1,248	1,438	(190)		1,248	1,438	(190)	
<i>Leverage Ratio (LTM)</i>	5.7x	6.8x			5.7x	6.8x		

Q3 and 9M financial statements were reviewed and adopted by the Board of Directors on October 27, 2020.

According to Group: “Q3 2020 is our 6th consecutive quarter of improved performance, demonstrating our ability to deliver on our ambitions, as well as the resilience and agility of our businesses. Our commercial initiatives, combined with the reactivity and commitment of our workforce and the swift execution of action plans driving cost savings, have over compensated the impact of the pandemic crisis, generating a significant uplift in our operational margins. All regions improved their results and delivered on their respective crisis measures.

We delivered a Cash Flow from Operations of €131M year-to-date, after full repayment of deferred social charges in France. Our liquidity position remains strong with no short-term debt maturities and we are on track to reduce further our leverage ratio in the meanwhile.

Looking forward, we will maintain a sharp focus on our operational and financial ambitions to continue weather the pandemic crisis consequences on our businesses .”

Regional Performance

(in million €)	Net Sales				Recurring EBITDA			
	Q3 2020	Q3 2019	change	LfL	Q3 2020	Q3 2019	change	LfL
France	330	346	-4.6%	1.1%	39	35	8.8%	14.1%
UK	167	194	-13.9%	-13.2%	15	14	3.5%	4.9%
International	201	230	-12.6%	-1.2%	19	13	40.6%	55.6%

In France Q3 Net Sales have started to grow again, up by +1.1%, with solid growth in Cleaning overcompensating delayed activities, mainly in Multitech. France was once again able to step up its operational quarterly margin in absolute and percentage terms, thanks to operational performance and saving initiatives.

In the UK, our revenues in Hospitality, Catering and Multitech did not yet stabilize, impacted by pandemic crisis related restrictions of business travel, hotel occupancy as well as offices and construction sites shutdowns. Multitech returned to breakeven profitability. Solid performance of Cleaning activities contributed to the growth in EBITDA and EBITDA margins.

The International segment sales almost recovered in Q3. In the US, the proactive approach taken early in the year to sell infection prevention services has continued to pay off through Q3. Starting in July we successfully expanded our service capabilities with additional, recurring disinfecting product sales. In Q3, Benelux achieved a significant growth, both in business and underlying profitability from new contracts. In Asia, economic recovery was slow, general lockdown measures were eased but followed by specific sites shutdowns. Overall EBITDA margins have stepped up in every country of the International segment.

Outlook 2020:

In light of the ongoing pandemic crisis, Atalian continues to implement new productivity measures to further drive performance and deleveraging.

At this point in time, as the consequences of the COVID-19 pandemic on the economy are difficult to predict, we remain cautious as to quantifying the impact beyond 2020. Management remains however confident in achieving its 2020 ambitions on growth, margins and deleveraging.

- Net sales growth between -3% and -4% LFL in 2020
- Recurring EBITDA margin confirmed >7.5% for 2020
- Cash conversion: >60%
- Deleveraging: <5.8x

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 payment of financial interest. It is defined as:

- +/- Cash flow from operations;
- Financial interest paid