

## FIRST QUARTER 2021 FINANCIAL RESULTS

Atalian had a good start into the year with continued ongoing margins progression and regaining visible sales momentum

- **Quarterly Net Sales contracted only by -5,5% (LfL)**
- **Recurring EBITDA growth of +4,1% LfL and 7,8% margin up by +70 bps**
- **Net Result of €2,0m turning positive**
- **Cash Flow from operations at 34 m€ in line with expectation**
- **Strong overall liquidity at €426m<sup>(\*)</sup>, including factoring facility**
- **Net Financial Debt leverage improved to 5,3x from 6,2x year over year**

### Performance Q1 2020 – Group Figures

(in million €)	Q1 2021	Q1 2020	change	LfL
<b>Net Sales</b>	683	739	-7,6%	-5,5%
<b>Recurring EBITDA</b>	53	52	1,3%	4,1%
<i>Recurring EBITDA margin (%)</i>	7,8%	7,1%	+70bps	
<b>Current Operating Profit</b>	32	28	16,7%	
<b>Net Profit (Loss)</b>	2	(4)	6	
Cash Flow from Operations	34	38	(4,2)	
<b>Net Financial Debt</b>	1 160	1 311	(151)	
<i>Leverage Ratio (LTM)</i>	5,3x	6,2x		

According to Group: “The Q1 2021 financial results confirm the progress achieved over the last 2 years of transformation and the successful mitigation of the pandemic crisis. We had a strong start into the year with the 8th consecutive quarter of financial performance improvement despite these challenging times.

Recurring EBITDA up by +4,1% LfL with Net Sales impacted by -5,5% LfL compared to last year demonstrate again the ability of the Group to adapt to its market environment and deliver on its ambition. The resilience of our business and the agility of our organization continue to pay off in steady margin improvement. However management remains vigilant to the circumstances and prepares the progressive exit from lockdown with active development of the commercial pipeline and the transition to post-COVID service offerings.

The cash generation remained solid during the quarter leading to a liquidity position of €426 million and a stable Net Financial Debt of € 1 160 million.

Our business momentum, a solid sales pipeline and the ambitions of our teams give us great confidence for reaching our targets for the full year.”

<sup>(\*)</sup> Liquidity of €426m incl. factoring headroom and excl. uncommitted credit facilities, €359m excl. factoring headroom and incl. uncommitted credit facilities

## Regional Performance

(in million €)	Net Sales				Recurring EBITDA			
	Q1 2021	Q1 2020	change	LfL	Q1 2021	Q1 2020	change	LfL
France	324	316	2,7%	2,7%	36	33	7,8%	7,7%
UK	166	204	-18,5%	-16,9%	12	14	-11,7%	-10,0%
International	192	220	-12,6%	-6,9%	15	13	15,8%	24,7%

### FRANCE

Our activities in France have achieved continued growth with Net Sales up by +2,7% during the quarter supported by Covid related works. Cleaning activities were benefiting specifically from extra-works while base business activity almost fully recovered. Management action plans to further streamline cost and improve productivity are progressing well. The sales organisation has been strengthened in cross-selling, Facility Management and International Sales with a customer centric culture. Process optimisation is on track with a successful roll out of new tools, automation and fleet management. Extension of shared services centers and the first wave of corporate simplification are delivering a new foundation for sustainable profitability.

### UK

UK sales were still visibly impacted during the quarter compared to prior year Q1 with Multitech and Catering business remaining exposed to site closures and extended national lockdown measures. Cleaning business expanded with extra Covid-related work and Security activities benefited from project delays and extensions. Recurring EBITDA margins improved compared to prior year by +60bps to 7,3%. Vaccination levels and re-opening of the activities started to progressively restore underlying activity in Catering and Project works.

### INTERNATIONAL

International segment delivered overall a strong performance recurring EBITDA progressing by +24,7% LfL and margin by +200bps to 8,0%.

USA activities continued to grow with good demand for infection prevention services. Transition has been launched from specific works such as deep cleaning to reopening of businesses, developments in healthcare, education, transportation as well as post-COVID customer demands as employees return to work

Central Eastern Europe: Solid performance in Q1 has been achieved despite a difficult regional pandemic situation. Top line impacted by delays and lower specific extra-works have been compensated by additional performance and productivity plans.

Asia: Lower volume in the region has been partly offset by the new development in India. The region has been impacted by fx effects (-6,7%), however performance remained solid benefiting from government subsidies.

Benelux: Sales have been impacted by comparably stricter lockdowns in Netherlands and Belgium with negative margin impacts overcompensated by deep cleaning works

## Outlook 2021

Despite the still challenging way out from the pandemic, management starts seeing favourable business momentum in most business areas and is confident that this overall positive trend will continue in 2021.

Although further recovery will likely drag into H2 2021, management confirms the previous guidance of a more favourable second half to the year with a strong sales pipeline underpinning expectations for the year. 2021 will be another year of progress for the Group.

Atalian will hold a Q1 2021 Results Release Conference Call for Investors and Analysts on April 30, 2021 at 3:00pm CEST (Brussels/Paris time).

The Unaudited Interim Consolidated Financial Statements for the period ended March 31, 2021 and a slide presentation will be available on the Atalian website before the call (<https://atalian.com/investors-area/investors-news>). The conference call will be available as a replay on demand on our website during three months after the conference call.

Please let us know if you have any further queries and if you wish to register for the Conference Call:

### INVESTOR CONTACT

[investorcontact.fr.ag@atalianworld.com](mailto:investorcontact.fr.ag@atalianworld.com)

*The figures in this release are based on our unaudited interim financial statements for the respective period. Percentage figures which support comparisons with earlier periods refer to the prior year or to the corresponding quarter in the prior year unless otherwise stated.*

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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, and currency translation 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, excluding leased capex;

– Rent expenses and embedded interest related to IFRS 16

– 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