ATALIAN
GLOBAL SERVICES

INVESTOR RELEASE

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Q4 AND FY 2020 RESULTS

Atalian Group delivering a robust financial performance and a strong Free Cash Flow in 2020 despite the pandemic

- 2020 Net Sales limited drop to -3,7% (LfL)
- Recurring EBITDA growth of +12,7% LfL with margin of 7,8% up by +100 bps
- Net Results closing at -5,6 m€, positive in Q4, benefiting from Deferred Tax Assets activation
- Cash Flow from operations of 239 m€ [1]
- Strong liquidity at 420 m€ incl. 75 m€ of Deferred Payments
- Net Financial Debt leverage improved to 5,3x from 6,5x last year

Performance Q4 and FY 2020 – Group Figures (post-IFRS16)

(in million €)	Q4 2020	Q4 2019	change	LfL	12M 2020	12M 2019	change	LfL
Net Sales	740	780	-5,2%	-2,0%	2 809	3 059	-8,2%	-3,7%
Recurring EBITDA	52	52	0,0%	5,9%	218	207	5,5%	12,7%
Recurring EBITDA margin (%)	*7,0%*	*6,7%*			*7,8%*	*6,8%*		
Current Operating Profit	23	19	16,8%		114	91	29,5%	
Net Profit (Loss)	12	(84)	96		(6)	(128)	123	
Cash Flow from Operations	94	30	64,2		239	96	143,3	
Net Financial Debt	1 162	1 343	(181)		1 162	1 343	(181)	
Leverage Ratio (LTM)	*5,3x*	*6,5x*			*5,3x*	*6,5x*		

According to Group: "The 2020 results have proven the resilience of our business and organisation in an unprecedented crisis. Q4 results contributed again to our improved performance and demonstrate the ability of the Group to deliver on its ambition. The management measures have allowed the Group to adjust to the new business context with a progressive full recovery of our activities in most of the underlying end markets.

We are emerging from the crisis with a robust financial performance. New cleaning services, a shift in segments and sectors, cost savings, discipline on SG&A and crisis measures have mitigated the disruption in our business during the peak of the pandemic in 2020. All regions have delivered on their respective crisis measures, adapting their product offering and realising cost savings in line with shifts in underlying demand.

Management focus on cash generation and leveraging on all support measures has generated a strong free cash flow and reduced our net financial debt by 181 million €. Our liquidity position remains ample with no short-term debt maturities and we have realized in 2020 a further step to reduce our leverage ratio.

We will maintain a sharp focus on our financial ambitions and are prepared to benefit from the momentum we have seen going into 2021."

[1] Including 75 m€ of deferred payments

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Regional Performance

	Net Sales				Recurring EBITDA			
(in million €)	12M 2020	12M 2019	change	LfL	12M 2020	12M 2019	change	LfL
France	1 290	1 363	-5,4%	-0,5%	144	133	8,3%	13,3%
UK	701	796	-11,9%	-11,1%	50	51	-0,6%	1,1%
International	821	903	-9,1%	-2,1%	64	55	16,0%	29,6%

FRANCE

In 2020, strong performance in France with a limited Net Sales contraction of -0.5% LfL and a gradual recovery in underlying activities. The sales development plan launched with a reinforced organisation focussing on cross-selling, special COVID works, customer retention actions and FM activities delivered robust results despite the Pandemic.

During the Q4, the French operations generated a positive growth of +3.8% on Net Sales thanks to new wins starting during the quarter, a level of activity on our activities almost back to pre-COVID crisis level and extra works.

In 2020, the EBITDA for this Region has further progressed with a margin contribution of +11.2% (vs +9,8% last year). This performance reflects the ability of the Management to adjust to the environment and to control operational and fixed costs.

UK

In 2020, UK operations have been more impacted than the rest of the Group due to the higher contribution from catering, projects and hospitality activities. Cleaning and Security divisions performed strongly throughout FY20 as both divisions generated additional COVID related works.

During the Q4, the level of activity was still impacted by stronger lockdown measures compared to other countries.

In 2020, the EBITDA performance in the UK continued to improve with a margin progression of +80 bps to 7,2% thanks to improved contracts productivity, and the restructuring of underperforming activities and specific COVID works.

The margin eroded in Q4 compared to Q3 2020 due to less generous job retention schemes and new lockdown measures.

INTERNATIONAL

In 2020, our international activities demonstrated a strong resilience with a contraction of Net Sales by -2,1% (LfL). During Q4, the net Sales drop was limited to -1,1% (LfL).

- **USA** delivered a strong performance benefiting from the restructuring done in 2019 and specific Infection Prevention Services. USA is the main contributor for the performance in this segment.

- **CEE** reflects a year of transformation initiated in 2019 with continuous performance improvement. The region was impacted by the COVID and was able to compensate by additional services and performance measures.

- **Other Regions** include **Benelux, Africa, Aktrion** and contributed to the overall performance. Asia has a lower contribution due to lockdown impact on these economies. **Singapore** and **Indonesia** showed a good level of activity with gradual recovery in Q4.

2021 Outlook and 2022 Targets

Exit from the pandemic still remains challenging, with further lockdown restrictions in some of the regions anticipated. We believe this will drag into H2 2021, however we do expect a more favourable second half to the year with a strong sales pipeline underpinning expectations for 2021.

2021 will be another year of progress for the Group.

For 2022, based on the adaptation of both our product offering and cost base, management is confident to achieve its ambitions on margins, liquidity and deleveraging:

- Net sales growth of +4% to +6% p.a.
- EBITDA margin between 8% and 8,5%
- Cash generation above 50%
- Deleveraging of the Group below 4.0x with equity injection between €200m and €300m based on FY2021 published accounts.

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

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