

THIRD QUARTER AND FIRST NINE MONTHS 2021 FINANCIAL RESULTS

Continued sales recovery to pre-Covid-19 levels
and solid recurring EBITDA performance

- **Confirmed positive momentum in contract wins**
- **Solid net sales growth of +4.6% LfL in Q3 2021 leading to +4.5% LfL in the first 9 months of 2021**
- **Robust Q3 2021 Recurring EBITDA of €57 million and solid Recurring EBITDA margin of 7.7%, back to "normalised" level**
- **Cash Flow conversion of 55% at end September 2021, excluding expected deferred payment of social charges and taxes of €56 million**
- **Ample liquidity at €332 million ⁽¹⁾**
- **Net financial debt of €1,244 million and leverage at 5.8x**

Performance Q3 & 9M 2021 – Group Figures

in € million	Q3 2021	Q3 2020	change (%)	var LfL (%)	9M 2021	9M 2020	change (%)	var LfL (%)
Net Sales	738.1	696.2	+6.0%	+4.6%	2,151.9	2,069.2	+4.0%	+4.5%
Recurring EBITDA	57.0	60.0	-5.0%	-6.7%	164.6	166.4	-1.1%	-0.4%
<i>Recurring EBITDA margin (%)</i>	<i>7.7%</i>	<i>8.6%</i>	<i>-90bps</i>		<i>7.6%</i>	<i>8.0%</i>	<i>-40bps</i>	
Current Operating Profit	32.8	35.1	-6.6%		96.3	90.6	+6.3%	
<i>Current operating margin (%)</i>	<i>4.4%</i>	<i>5.0%</i>	<i>-60bps</i>		<i>4.5%</i>	<i>4.4%</i>	<i>+10bps</i>	
Net profit (loss) for the period from continuing operations	(7.1)	(0.0)	-7.1		(14.7)	(17.1)	+2.4	
Cash Flow from Operations	(5.3)	(46.8)	+41.5		35.3	131.4	-96.1	
Net Financial Debt	1,244.4	1,247.6	-3.2		1,244.4	1,247.6	-3.2	
<i>Leverage ratio (LTM)</i>	<i>5.8x</i>	<i>5.7x</i>			<i>5.8x</i>	<i>5.7x</i>		

According to Group: "Q3 2021 financial results confirmed the progress achieved over the last two years of transformation and the successful mitigation of the pandemic crisis. Commercial successes with €350 million of new wins ⁽²⁾ year-to-date, up 27% versus last year, and net sales up +4.6% like-for-like, confirm the recovery of the group's activities. Following an atypical 2020 year, the group posted a 7.7% Recurring EBITDA margin in Q3 2021, in line with the trajectory communicated at the CMD of January 2020, and consistent with a "normalised" level.

¹ Including factoring headroom and excluding uncommitted credit facilities. Liquidity was c.€269 million excluding factoring headroom and including uncommitted credit facilities

² Annualised net sales

Management monitors the ongoing recovery and is prepared for the progressive exit from lockdown with the transition to post-COVID service offerings. The business has a positive momentum with a solid pipeline and focus on client retention should support growth going forward.”

Regional Performance

FRANCE

in € million (*)	Q3 2021	Q3 2020	change (%)	var LfL (%)	9M 2021	9M 2020	change (%)	var LfL (%)
Net Sales	345.3	329.7	+4.7%	+4.7%	1,009.7	942.7	+7.1%	+7.1%
Recurring EBITDA	38.2	38.5	-0.8%	-0.8%	113.4	105.9	+7.1%	+7.1%
<i>Recurring EBITDA margin (%)</i>	11.1%	11.7%	-60bps		11.2%	11.2%	-	
of which Cleaning	34.9	32.7	+6.7%	+6.3%	103.8	90.2	+15.1%	+14.9%
Other activities (incl. FM)	3.3	5.8	-43.1%	-41.9%	9.6	15.7	-38.9%	-37.8%

(*) excluding corporate holdings

At end September 2021, net sales increased by €67.0 million, or 7.1% (as reported and like-for-like), to €1,009.7 million, as compared to €942.7 million in 2020. It includes a 4.7% net sales growth (LfL) in Q3 driven by new contracts, and the headwind of lower Covid-19 related extra works year-on-year, the latter impacting Cleaning net sales which were flat year-on-year. Technical and Facility management remained strong in the third quarter of 2021 in a context of lockdowns and governmental restrictions being gradually lifted as penetration rate of vaccination increases.

In the first nine months of 2021, recurring EBITDA increased by €7.5 million, or 7.1%, to €113.4 million, as compared to €105.9 million in 2020. The recurring EBITDA margin reached 11.2% in the first nine months of 2021, stable compared to the first nine months of 2020. The decrease in Q3 2021 versus Q3 2020 is due to lower Covid-19 related extra works and the relatively lower profitability at start of the major contracts won earlier in 2021.

UK

in € million	Q3 2021	Q3 2020	change (%)	var LfL (%)	9M 2021	9M 2020	change (%)	var LfL (%)
Net Sales	197.5	167.1	+18.2%	+10.6%	561.8	520.5	+7.9%	+5.4%
Recurring EBITDA	15.7	14.7	+6.8%	+0.0%	41.5	41.1	+1.0%	-1.5%
<i>Recurring EBITDA margin (%)</i>	7.9%	8.8%	-90bps		7.4%	7.9%	-50bps	

In the first nine months of 2021, net sales increased by €41.3 million or 7.9%, to €561.8 million, as compared to €520.5 million in 2020. During the period ended September 30, 2021, net sales growth was 5.4% like-for-like, including a strong 10.6% increase in the third quarter of 2021 versus the third quarter of 2020 when full lockdown was applied. Q3 growth was also driven by the good performance of FM activities, in a context of removal of restrictions related to Covid-19 since early July 2021. The latter also allowed a pick-up in the Catering business in the third quarter of 2021.

At end September 2021, recurring EBITDA increased by €0.4 million, or 1.0%, to €41.5 million, as compared to €41.1 million in 2020. As a percentage of sales, the recurring EBITDA margin decreased by 50 basis points to 7.4% for the first nine months of 2021, compared to 7.9% for the first nine months of 2020, mainly due to the reduction of Covid-19 related extra-works and the non-recurring benefit of furlough scheme of 2020.

INTERNATIONAL

in € million (*)	Q3 2021	Q3 2020	change (%)	var LfL (%)	9M 2021	9M 2020	change (%)	var LfL (%)
Net Sales	196.6	200.6	-2.0%	-0.4%	582.4	608.2	-4.2%	-0.2%
Recurring EBITDA	15.3	18.7	-18.2%	-20.4%	44.9	48.3	-7.0%	-2.9%
<i>Recurring EBITDA margin (%)</i>	<i>7.8%</i>	<i>9.3%</i>	<i>-150bps</i>		<i>7.7%</i>	<i>7.9%</i>	<i>-20bps</i>	
of which Central & Eastern Europe	4.8	5.4	-11.1%	-8.5%	14.6	15.7	-7.0%	-2.4%
USA	1.2	4.0	-70.0%	-77.5%	9.3	10.6	-12.3%	-8.2%
Other	9.3	9.3	+0.0%	-2.5%	21.0	22.0	-4.5%	-0.8%

(*) excluding country corporate holdings

Net sales decreased by €25.8 million, or 4.2%, to €582.4 million in the first nine months of 2021, as compared to €608.2 million in 2020. When excluding the negative effects of perimeter and forex, like-for-like net sales was -0.2% in the same period. In the quarter ending September 30, 2021, like-for-like net sales growth was -0.4%.

In the first nine months of 2021, Recurring EBITDA decreased by €3.4 million, or 7.0%, to €44.9 million, as compared to €48.3 million in 2020. On a like-for-like basis, recurring EBITDA decreased by 2.9%. Recurring EBITDA margin declined by 20 basis points to 7.7% due to ongoing Covid-19 related restrictions in Asia and the slower exit to the pandemic than previously anticipated in the USA (notably in the third quarter of 2021), partly offset by the benefit of cost efficiencies and growth of demand for higher margin infection prevention services in Belgium.

Governance

Mrs. Helene Ploix has stepped down as independent director of the Board of Directors of Atalian Holding Development and Strategy S.A. ("AHDS"). Mr. Franck Julien and all Board members thank her for the role she played in the transformation of the group and the reinforcement of the compliance, internal control and internal audit of Atalian.

Outlook 2021

Atalian has demonstrated its resilience through the pandemic and management anticipates favourable business momentum in most business areas. Outlook for 2021 is confirmed:

- Net sales growth (LfL) between +3% and +5%,
- Recurring EBITDA margin above 7.5%,
- Cash conversion above 50%,
- Leverage: net debt to recurring EBITDA ratio below 5.8x, including the full repayment of deferred social charges and taxes,
- Equity injection: on track to be finalised by Spring 2022.

Atalian will hold a Q3 & 9M 2021 Results Release Conference Call for Investors and Analysts on October 29, 2021 at 3:00pm CEST (Brussels/Paris time).

The Unaudited Interim Consolidated Financial Statements for the period ended September 30, 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.

INVESTOR CONTACT

Jean-Michel Bonamy, Head of Investor Relations & M&A
investorcontact.fr.ags@atalianworld.com



DISCLAIMER

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.

Certain statements in this presentation are forward-looking. All statements other than statements of historical facts included in this presentation, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from results, performance or achievements expressed or implied by such forward-looking statements. These include, among other factors, changes in economic, business, social, political and market conditions, success of business and operating initiatives, and changes in the legal and regulatory environment and other government actions. These and other factors could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this presentation. Information contained herein relating to markets, market size, market share, market position, growth rates, penetration rates and other industry data pertaining to the Company's business is based on the Company's estimates and is provided solely for illustrative purposes. In many cases, there is no readily available external information to validate market-related analyses and estimates, thus requiring the Company to rely on internal surveys and studies. The Company has also compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, for the purposes of its internal surveys and studies. Any such information may be subject to significant uncertainty due to differing definitions of the relevant markets and market segments described. This presentation contains references to certain non-IFRS financial measures and operating measures. These supplemental measures should not be viewed in isolation or as alternatives to measures of the Company's financial condition, results of operations or cash flows as presented in accordance with IFRS in its consolidated financial statements. The non-IFRS financial and operating measures used by the Company may differ from, and not be comparable to, similarly titled measures used by other companies.

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.

- **Recurring EBITDA**

The Recurring 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, prior year adjustments and other one-time items, and other non-recurring costs.

- **One-time items and Non-Recurring costs**

Restructuring, litigation, implementation, one-time items 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:

- + Recurring 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