

FIRST QUARTER 2022 FINANCIAL RESULTS

Robust performance in France and UK

- **Solid Net Sales growth of +9.7% LfL driven by contract wins of 2021**
- **Recurring EBITDA of €46.9 million and margin of 6.3% down year-on-year mostly due challenges in the USA and phasing in costs**
- **Liquidity remaining solid at €279 million ⁽¹⁾**
- **Net financial debt of €1,250 million and leverage at 6.1x**
- **Equity injection to be finalised by Summer 2022**

Performance Q1 2022 – Group Figures

€ million	Q1 2022	Q1 2021	change	var LfL (%)
Net Sales	747.4	682.5	+9.5%	+9.7%
Recurring EBITDA	46.9	53.0	-11.5%	-9.9%
<i>Recurring EBITDA Margin (%)</i>	6.3%	7.8%	-150bps	
Operating Profit	19.2	31.1	(11.9)	
Net profit (loss) for the period	(6.4)	2.0	(8.4)	
Cash Flow from Operations (CFFO)	(0.0)	34.1	(34.1)	
Net Financial Debt	1,250.1	1,160.2	89.9	
<i>Leverage ratio (LTM)</i>	6.1x	5.3x		

According to Group: "Atalian started 2022 strongly with like-for-like net sales growth of 9.7% in the first quarter driven by the contract wins of 2021. Commercial activity remains strong with new contract wins amounting to €116 million in Q1 2022 and ongoing pipeline ⁽²⁾ up 40% versus 2021, boding well for the rest of the year performance. As expected, Q1 2022 Recurring EBITDA margin of 6.3% included the lower contribution of Covid-19 related extra works and furlough scheme, phasing in costs and the impact of integration challenges in the USA.

The progressive profitability improvement expected in the USA combined with revenue indexation and productivity plans, should lead to a sequential improvement in Recurring EBITDA in the coming quarters, and to a Recurring EBITDA margin close to 7.5% in 2022.

The Group confirms its ambition to finalise the equity injection by Summer 2022."

¹ Including factoring headroom and excluding uncommitted credit facilities. Liquidity was c.€235 million excluding factoring headroom and uncommitted credit facilities

² Annualised net sales

Regional Performance

FRANCE

€ million	Q1 2022	Q1 2021	change	var LfL (%)
Net Sales	341.1	324.1	+5.2%	+5.2%
Recurring EBITDA	37.0	35.8	+3.4%	+3.4%
<i>Recurring EBITDA Margin (%)</i>	<i>10.8%</i>	<i>11.0%</i>	<i>-20bps</i>	
of which: Cleaning	35.0	32.5	+7.7%	+7.7%
Other activities	2.0	3.3	-39.4%	-39.4%

(*) excluding corporate holdings

In the first quarter of 2022, Net Sales increased by €17.0 million, or +5.2% (as reported and like-for-like), to €341.1 million, as compared to €324.1 million in the first quarter of 2021. Net Sales growth was driven by dynamic commercial development of 2021 benefiting all activities.

Recurring EBITDA increased by €1.2 million, or +3.4%, to €37.0 million, as compared to €35.8 million in the first quarter of 2021. Recurring EBITDA margin reached 10.8%, down 20 basis points compared to the first quarter of 2001, due to the lower contribution of Covid-19 related extra works and the impact of the relatively low profitability at start of the major contracts won in 2021.

UK

€ million	Q1 2022	Q1 2021	change	var LfL (%)
Net Sales	210.0	165.9	+26.6%	+21.1%
Recurring EBITDA	13.6	12.1	+12.4%	+7.6%
<i>Recurring EBITDA Margin (%)</i>	<i>6.5%</i>	<i>7.3%</i>	<i>-80bps</i>	

In the first quarter of 2022, Net Sales increased by €44.1 million or +26.6%, to €210.0 million, as compared to €165.9 million in the first quarter of 2021. The appreciation of the UK pound sterling versus the euro had a €9.1 million positive impact (+5.5%) on Net Sales. Net Sales growth was 21.1% like-for-like versus 2021, driven by strong growth in all activities (including Catering) thanks to the benefit of 2021 contract wins and the end of Covid-19 restrictions since early July 2021.

Recurring EBITDA increased by €1.5 million, or +12.4%, to €13.6 million, as compared to €12.1 million in the first quarter of 2021. Recurring EBITDA margin decreased by 80 basis points to 6.5% compared to 7.3% in the first three months of 2021, due to reduction in Covid extra works and the non-recurring benefit from furlough scheme of 2021.

INTERNATIONAL

€ million	Q1 2022	Q1 2021	change	var LfL (%)
Net Sales	196.9	192.2	+2.4%	+7.7%
Recurring EBITDA	10.5	15.4	-31.8%	-22.5%
<i>Recurring EBITDA Margin (%)</i>	5.3%	8.0%	-270bps	
of which: Central & Eastern Europe	4.0	4.5	-11.1%	+2.5%
USA	(0.3)	4.2	-107.1%	-106.8%
Other	6.8	6.7	+1.5%	+12.6%

(*) excluding country corporate holdings

In the first quarter of 2022, Net Sales increased by €4.7 million, or +2.4%, to €196.9 million in 2021, as compared to €192.2 million in the first quarter of 2021. When excluding the negative effects of perimeter (minus €6.1 million or -3.2%) and foreign exchange rates (minus €3.9 million or -2.0%, mainly due to the depreciation of the Russian ruble and the Turkish lira versus the euro), like-for-like Net Sales increased by 7.7% in the first quarter of 2022 compared to the first quarter of 2021. This performance mainly resulted from the recovery of operations in Benelux, Central & Eastern Europe, Africa and Aktrion, partly offset by the 13.3% Net Sales decrease in the USA.

Recurring EBITDA decreased by €4.9 million to €10.5 million, as compared to €15.4 million in the first three months of 2021, down -22,5% on like-for-like basis. Recurring EBITDA margin went down 270 basis points to 5.3% mainly reflecting the impact of Net Sales decrease in the US leading to a €4.5 million decline in Recurring EBITDA in this geography, as well as the impact of the current Ukraine crisis in Central & Eastern Europe.

Outlook

Atalian started 2022 strongly with net sales like-for-like growth of 9.7%. Based on the strength of the Group's commercial performance of 2021 and its solid commercial pipeline, the Group aims for like-for-like growth in net sales in 2022 in a range of 4% to 6%.

Recurring EBITDA in the first quarter of 2022 was impacted by the USA, the lower contribution of Covid-19 related special works and the phasing of costs. The progressive profitability improvement expected in the USA combined with revenue indexation starting in the second quarter and productivity measures should lead to a sequential improvement in Recurring EBITDA margin in the coming quarters, and to a Recurring EBITDA margin close to 7.5% in 2022.

The announced equity injection is expected to be finalised by Summer 2022.



Atalian will hold a Q1 2022 Results Release Conference Call for Investors and Analysts on April 28, 2022 at 3:00pm CEST (Brussels/Paris time).

The Unaudited Consolidated Financial Statements for the period ended March 31, 2022 and a slide presentation will be available on the Atalian website before the call (<https://atalian.com/investors-area/investors-news>). The conference call details will be available on our website. A replay on demand on our website will be accessible on our website during three months after the conference call ends.

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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.

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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.

- **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 and other non-recurring costs.

- **Non-recurring costs**

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:

- + 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