INVESTOR RELEASE
28 April 2023

FOURTH QUARTER & FULL YEAR 2022 FINANCIAL RESULTS

Readiness for the New Atalian: Maximilien Pellegrini to join as CEO and Atalian aiming for Recurring EBITDA growth as of 2023

- **Disposal of activities in the UK, Ireland, Asia and Aktrion completed early 2023 leading to significant deleverage and focus on core profitable markets**
- **Action plan to boost profitability of operations in France and the USA**
- **Net Sales growth of +2.6% LfL in Q4 2022 leading to +2.9% LfL in FY 2022**
- **Recurring EBITDA of €94.7 million in FY 2022 impacted by France and the USA**
- **Liquidity of €199 million [1] and net financial debt of €595.8 million after disposal of activities in the UK, Ireland, Asia and Aktrion**

Performance FY 2022 – Group Figures ([2]) ([3])

€ million	FY 2022	FY 2022 excluding non-recurring items	FY 2021 [2] excluding non-recurring items	Change	LfL change
Net Sales	**2,065.1**	**2,065.1**	**2,032.1**	**+1.6%**	**+2.9%**
Recurring EBITDA	**94.7**	**94.7**	**151.0**	**-37.3%**	**-33.7%**
Recurring EBITDA Margin (%)	*4.6%*	*4.6%*	*7.4%*	*-280bps*	
Operating Profit	(65.6)	35.5	84.9	(49.4)	
Net Profit / (loss)	**(168.8)**	**(55.8)**	**(18.9)**	**(36.9)**	
Cash Flow from Operations (CFFO)	(9.4)	16.0	41.7	(25.7)	
Net Financial Debt	**1,343.9**	**1,343.9**	**1,230.1**	**113.8**	
Net Financial Debt, proforma [3]	**595.8**	**595.8**			

[1] Including factoring headroom and shareholders' current account and excluding uncommitted credit facilities. Liquidity was c.€118 million including factoring headroom and shareholders' current account and excluding factoring headroom and uncommitted credit facilities
[2] Non-recurring items of 2021 include provision on CJIP and other expenses and income
[3] Net debt includes €748.1 million net debt reduction (including €55 million VLN to be received in February 2025) resulting from the disposal of activities in the UK, Ireland, Asia and Aktrion, and finalised on 28 February 2023

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ATALIAN GLOBAL SERVICES

According to Group: "*Net Sales increased by 2.9% on a like-for-like basis despite the non-recurring Covid-19 related special works of 2021. Recurring EBITDA was impacted by an increased attrition in France, and higher losses in the USA.*

Due to the challenging environment of 2022, Atalian has taken the necessary actions to accelerate the deleveraging and improve profitability in 2023. First, with the disposal of activities in the UK, Ireland, Asia and Aktrion at an attractive 11.5 times post-IFRS16 EBITDA, Atalian has significantly improved the level of its financial leverage to 6.3x with liquidity of €650 million post redemption of RCF for €103 million, and the Group is now fully focused on its core profitable markets. Second, through an ambitious plan, operations in France should be back to EBITDA growth for the full year, starting in H2 2023, and the USA should be profitable for the full year. As announced previously, all the options are being considered regarding the future of our operations in the USA as part of the assessment of its business portfolio.

With his appointment as CEO as of May 2, 2023, Maximilien Pellegrini's mission is to continue the development of the Group, in particular in the facility management activity, along with the implementation of a global refinancing strategy which is expected to be completed by 28 February 2024."

Disposal of activities in the UK, Ireland, Asia and Aktrion

On 16 December 2022, Atalian announced the signature of an agreement with Clayton, Dubilier & Rice ("CD&R"), under which CD&R will acquire Atalian's activities in the UK, Ireland and Asia, and including Aktrion. With a turnover of €1.075 billion in 2022, the enterprise value of these entities is €735 million. The transaction was closed on 28 February 2023 with proceeds of €753.6 million ([4]). It includes a cash payment of €698.6 million and a payment in the form of a Vendor Loan Note of €55 million, bearing interest at an annual rate of 7% (capitalized annually) and for a period of two years.

UK and Ireland, Aktrion and Asian entities represent geographical areas of operations. Consequently, and following Atalian's engagement to dispose of these entities through a joint share disposal agreement, the operation falls under the scope of Discontinued Operations as per IFRS 5. These operations were not previously classified as held-for-sale or as discontinued operation, the comparative consolidated income statement and statement of other comprehensive income have been restated to disclose the discontinued operations separately from continuing operations.

[4] In accordance with the terms of the sale agreement, the amount paid at closing is based on an estimate made by Atalian of the consolidated net financial debt of the scope sold, the change in WCR of the scope sold and the balance of the intra-group debt of the scope sold on the date of closing. CD&R has until 29 May 2023 to confirm or contest Atalian's estimate as part of a procedure based on completion accounts, on the date of closing, of the scope sold.

Regional Performance

France

€ million		Q4 2022	Q4 2021	Change	LfL change	FY 2022	FY 2021	Change	LfL change
Net Sales		**358.6**	**368.6**	**-2.7%**	**-2.7%**	**1,390.3**	**1,378.3**	**+0.9%**	**+0.9%**
Recurring EBITDA		**22.9**	**42.1**	**-45.6%**	**-45.6%**	**123.3**	**155.5**	**-20.7%**	**-20.7%**
Recurring EBITDA Margin (%)		*6.4%*	*11.4%*	*-500bps*		*8.9%*	*11.3%*	*-240bps*	
of which:	Cleaning	20.4	37.9	-46.2%	-46.2%	114.5	141.7	-19.2%	-19.2%
	Other activities	2.5	4.2	-40.5%	-40.5%	8.8	13.8	-36.2%	-36.2%

In Q4 2022, Net Sales decreased by €10.0 million or 2.7% (as reported and like-for-like) to €358.6 million, as compared to €368.6 million in Q4 2021 due to the impact of Covid-19 related special works of 2021 and increased attrition, partly mitigated by the benefit of contract wins and the solid growth of IFM. For the full year of 2022, Net Sales increased by €12.0 million or 0.9% to €1,390.3 million, as compared to €1,378.3 million in FY 2021

Recurring EBITDA decreased by €19.2 million, or 45.6%, to €22.9 million in Q4 2022, as compared to €42.1 million in Q4 2021. Recurring EBITDA margin reached 6.4% versus 11.4% a year ago. For the full year of 2022, Recurring EBITDA decreased by €32.2 million, or 20.7%, to €123.3 million, as compared to €155.5 million in FY 2021. Recurring EBITDA margin reached 8.9% versus 11.3% a year ago, due to the impact of contract losses at high margin not offset by the benefit of contract wins at lower margin at start, and the loss of contribution of Covid-19 related special works. Salary inflation has been fully compensated by indexation and productivity measures.

A number of actions have been implemented in order to restore the profitability of operations in France to pre-Covid-19 levels:

- Through an ambitious strategy, the indexation campaigns of 2022 and 2023 should more than compensate the impact of inflation,
- Significant commercial action and productivity plans should positively contribute to Recurring EBITDA versus 2022, more than offsetting the negative impact of mix of contract wins and losses and renewals.

Overall, the objective is to improve Recurring EBITDA for the full year of 2023, starting in H2 2023.

International

€ million		Q4 2022	Q4 2021	Change	LfL change	FY 2022	FY 2021	Change	LfL change
Net Sales		**185.0**	**166.1**	**+11.4%**	**+14.6%**	**678.7**	**655.5**	**+3.5%**	**+7.5%**
Recurring EBITDA		**(0.6)**	**(3.0)**	**-80.0%**	**ns**	**9.5**	**34.6**	**-72.5%**	**-56.6%**
Recurring EBITDA Margin (%)		*-0.3%*	*-1.8%*	*+230bps*		*1.4%*	*5.3%*	*-290bps*	
of which:	Central & Eastern Europe	6.5	6.5	+0.0%	+8.1%	19.0	21.1	-10.0%	+0.3%
	USA	(5.9)	(12.7)	ns	ns	(20.1)	(3.7)	ns	ns
	Other	(1.2)	3.2	ns	ns	10.6	17.2	-38.4%	-32.6%

In Q4 2022, Net Sales increased by €18.8 million, or 11.3% to €184.9 million as compared to €166.1 million in Q4 2021. Year-on-year Net sales variation includes the effects of changes in perimeter for minus 2.0 million (disposal of Northcom in the Philippines and the Group's operations in Vietnam) and foreign exchange rates for minus €3.5 million (depreciation of the Turkish lira versus the euro being partly mitigated by the appreciation of the US dollar). Excluding those items, in Q4 2022, like-for-like Net Sales increased by 14.6%. When excluding the 19.9% decrease in Net Sales in the USA due to the termination of loss-making contracts and delayed commercial recovery, like-for-like Net Sales growth was +24.1% in Q4 2022 driven by the benefit of contract wins and indexation in Benelux and Central & Eastern Europe.

For the full year of 2022, Net Sales increased by €23.2 million, or 3.5% to €678.7 million as compared to €655.7 million in FY 2021. Year-on-year Net sales variation includes the effects of changes in perimeter for minus 10.3 million (disposal of Harta in Malaysia, Northcom in the Philippines and the Group's operations in Vietnam) and foreign exchange rates for minus €15.5 million (depreciation of the Turkish lira versus the euro being partly mitigated by the appreciation of the US dollar). Excluding those items, FY 2022 like-for-like Net Sales increased by 7.5%. When excluding the 20.5% decrease in Net Sales in the USA, like-for-like Net Sales growth was +16.3% in FY 2022.

Recurring EBITDA improved by €2.4 million to €(0.6) million in Q4 2022, as compared to €(3.0) million in Q4 2021, due to reduced losses in the USA while profitability deteriorated in Benelux due the impact of large new contracts. For the full year of 2022, Recurring EBITDA decreased by €25.1 million to €9.5 million as compared to €34.6 million in FY 2021 due to increased losses in the USA as a result of lower net sales.

The Group expects Recurring EBITDA for International activities to reach €40 million for the full year of 2023.

Outlook: Readiness For The New Atalian

Due to the challenging environment of 2022, Atalian has taken the necessary actions to accelerate deleveraging and improve profitability in 2023.

1. Disposal of activities in the UK, Ireland, Asia, Africa and Aktrion

Atalian completed in February 2023 the disposal of its activities in the UK, Ireland, Asia and Aktrion leading to a €753.6 million cash inflow (of which €55 million will be received in February 2025).

The Group reduced its financial debt by more than 50%, through the disposal of one third of net sales at an attractive valuation of 11.5 times 2022 EBITDA (post-IFRS16). Value creation for the Group reached €134 million, net of tax.

Atalian has reduced its financial leverage to 6.3 times and is now focused on its core profitable markets in 20 countries with 70,600 employees, in a leaner and more efficient organisation.

2. Restoring profitable growth in France and restructuring on track with plan the USA

Atalian has implemented several actions since Q3 2022 in order to put France and the USA back to improved Recurring EBITDA year-on-year versus full year 2022.

Regarding France:

- Indexation to fully compensate the gap of 2022 and the anticipated inflation in 2023,
- Productivity actions to streamline operations and structures to better deliver services to customers.

The objective is to improve Recurring EBITDA for the full year of 2023, starting in H2 2023.

In the USA:

- Significant reorganization,
- Contractual efficiency and Indexation,
- Negotiations with customer to restore performance on low profitability contracts,
- Termination of loss-making contracts.

While the Group keeps all options open regarding the future of US operations within the Group, the objective is to deliver Recurring EBITDA breakeven for the full year of 2023.

3. New governance to drive the Group's future

Atalian has made several changes to its governance in order to accelerate the Group's development.

- Mr. Franck Julien is the shareholder of AHDS, the parent company of La Financière Atalian, with a non-executive role.
- Mr. Maximilien Pellegrini will join Atalian on May 2, 2023 as Group Chief Executive Officer.

  He was Deputy CEO of the Suez Group since 2021, in charge of all activities Water and Waste in France and Italy, and he actively participated in the construction and development of the "New Suez". He has more than 20 years of experience in business services, both in France and internationally.

  His mission is to continue the development of Atalian, in particular in the Facility Management activity, along with the implementation of global refinancing strategy.

4. Outlook 2023

With the implementation of the new governance and delivery of improved Recurring EBITDA in France and the USA, Atalian anticipates the finalisation of its global refinancing by 28 February 2024.

For the full year of 2023, Atalian expects net sales of more than €2,050 million with a significant improvement in Recurring EBITDA above €130 million. As a result, financial leverage should continue to improve, below 5.4 times.

The Audited Consolidated Financial Statements for the period ended 31 December 2022 are available on the Atalian website (https://atalian.com/investors-area/investors-news).

Atalian will hold a Q4 & FY 2022 Results Release Conference Call for Investors and Analysts on 28 April 2023 at 3:00pm CEST (Brussels/Paris time).

Speaker:
Mr. Bruno Bayet, Group Chief Financial Officer

Presentation slides and conference call details will be available on our website just before the call.

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 audited 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