ATALIAN GROUP

Q1 2023

CONSOLIDATED FINANCIAL RESULTS

ATALIAN

GLOBAL SERVICES

DISCLAIMER

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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Maximilien PELLEGRINI
Group CEO

Bruno BAYET
Group CFO

NEW CEO'S ROADMAP: COMMUNICATION TO FINANCIAL MARKETS

May 2, 2023

Maximilien Pellegrini joins Atalian as CEO

May-July 2023

First assessment
Review of operations

- Clients
- Teams
- Performance

May-September 2023

New strategic plan

- Ambition
- Growth drivers
- Value proposition
- Operating model
- Business plan

IMPLEMENTATION OF REFINANCING
(to be finalised by end February 2024)

May | **June** | **July** | **August** | **September** | **October** | **November** | **December**

→ October 2023

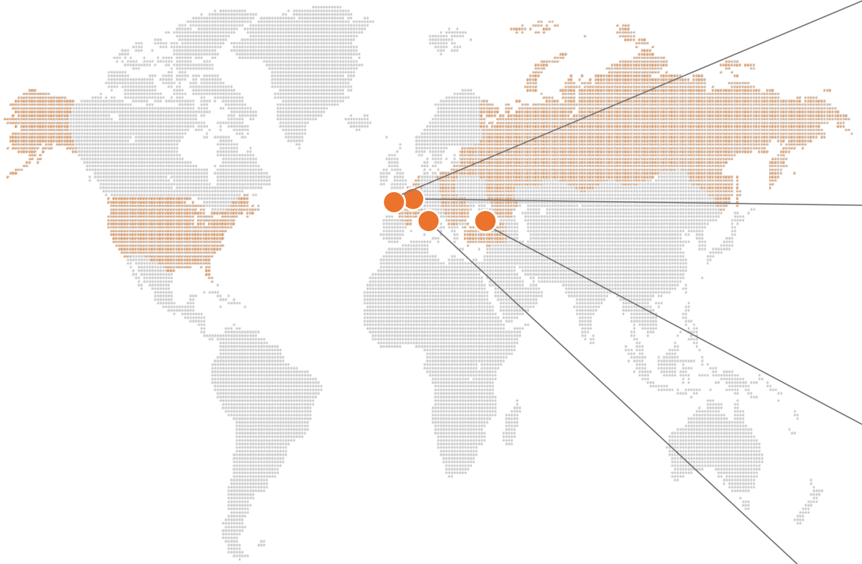
Implement new processes & governance

- Compliance processes
- Internal control processes
- Management Business Review
- Comex and management team

May 26
Q1 Result

October 2023
CAPITAL MARKETS DAY

SOLID COMMERCIAL ACTIVITY IN THE FIRST MONTHS OF 2023 (1) AND PIPELINE OF €1.8 BILLION



FRANCE

- Contract wins of €101 million, up 13% year-on-year
- Main wins : real-estate (€5.6m), SNCF (€5.5m), Accor (€5.0m)
- Retention rate: 91%, flat year-on-year

BENELUX

- Contract wins of €9 million, down 7% year-on-year
- Main wins: administration (Belgium, €0.8m), chemicals (Belgium, €0.7m)
- Retention rate: 96%, flat year-on-year

CEE

- Contract wins of €34 million, up 127% year-on-year
- Main wins: banking (Poland, €3.3m), Galataport (Turkey, €2.0m), automotive equipment (Turkey, €2.0m)
- Retention rate: 88% versus 85%

IFM

- Contract wins of €67 million
- Main wins: automotive equipment (€41m), retail (€15m), banking (€6m)

(1) Annualised net sales

2023 SHORT TERM ACTION PLAN

OBJECTIVES		Total: > +€60m EBITDA	STATUS
Turnaround of US operation	– Reduced SG&A headcount by 50% – Contractual efficiency and Indexation to restore performance on low profitability contracts – Termination of non-profitable contracts	> +€20m EBITDA	On track Breakeven EBITDA achieved in March 2023
FRANCE – Indexation plan	– +3% for the full year – Full year impact: +€42m in net sales	+€5m (1) EBITDA	80% of cleaning contracts indexed to date (wave 1) Negotiation about to start for ¾ of them (wave 2)
FRANCE – Productivity measures	– Cleaning: €11m through greater efficiency – SG&A: €11m through cost reduction incl. corporate – Security: €2m through rationalization of customer portfolio	+€24m EBITDA	All measures implemented First benefit as of Q2
Productivity measures in International	– Efficiency and cost program	+€15m EBITDA	All measures implemented First benefit as of Q2
Focus on cash generation	– Working capital optimization – Utilization of factoring programs – Capex reduction: -€5m to -€10m versus 2022		Factoring line increased to €250m

(1) Net of inflation

Q1 2023 Financial Results

HIGHLIGHTS

- **Significant net debt reduction in Q1** due to the divestment of activities in the UK, Ireland, Asia, Africa and Aktrion
- **France: Indexation plan and productivity measures all underway**
- **USA: Breakeven achieved in March**

FINANCIALS

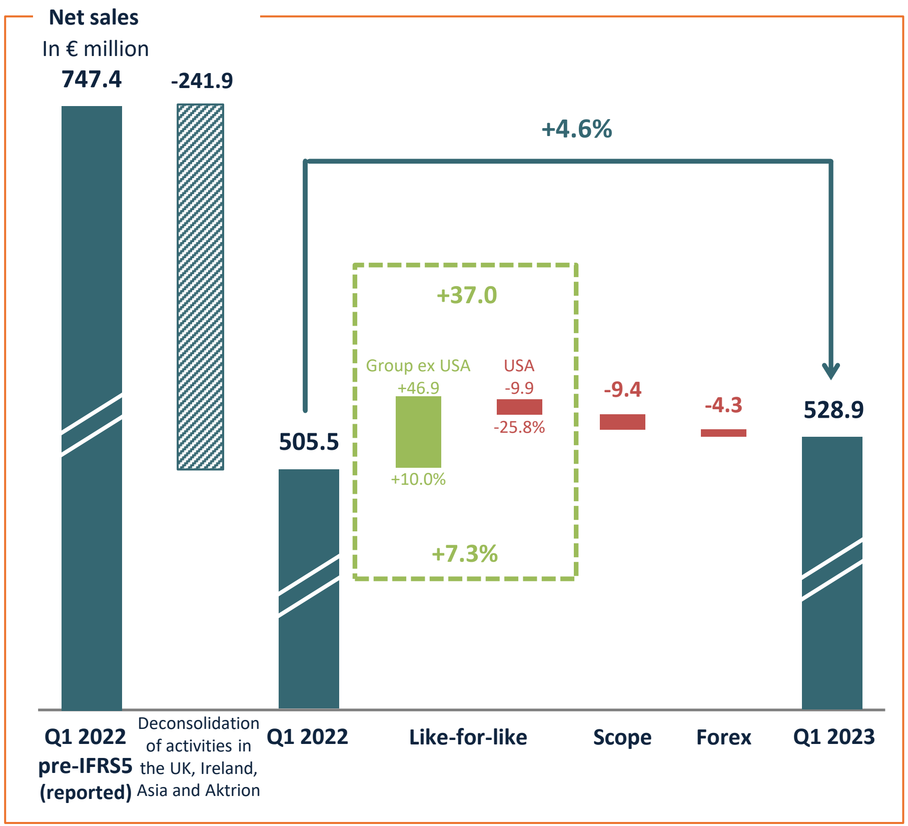
- **Net sales growth of 7.3% like-for-like in Q1 2023** driven by contract wins and indexation
- **Recurring EBITDA of €16.1 million in Q1 2023 as expected, down 50.6% like-for-like** due to impact of loss of contracts in France, not offset by low profitability at start of new contracts and non-recurring special works of 2022
- **CFFO of €(32.8) million excluding non-recurring items** due to seasonality, new project starts and inflation impact

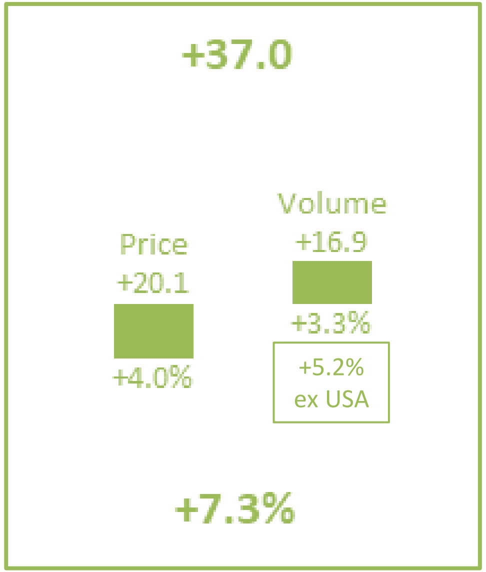
Q1 2023: PERFORMANCE HIGHLIGHTS [1]

€ million	Q1 2023	Q1 2022	Change	LfL change
Net Sales	**528.9**	**505.5**	**+4.6%**	**+7.3%**
Recurring EBITDA	**16.1**	**32.8**	**-50.8%**	**-50.6%**
Recurring EBITDA Margin (%)	*3.0%*	*6.5%*	*-350bps*	
Operating Profit excluding non-recurring items	0.9	16.9	(16.0)	
Operating Profit	164.1	13.1	151.0	
Net Profit / (loss)	**155.1**	**(6.4)**	**161.6**	
Cash Flow from Operations (CFFO)	(42.9)	(22.3)	(20.7)	
Net Financial Debt	**727.5**	**1,264.5**	**(537.0)**	

(1) Definitions in Appendices

Solid like-for-like growth driven by indexation and contract wins

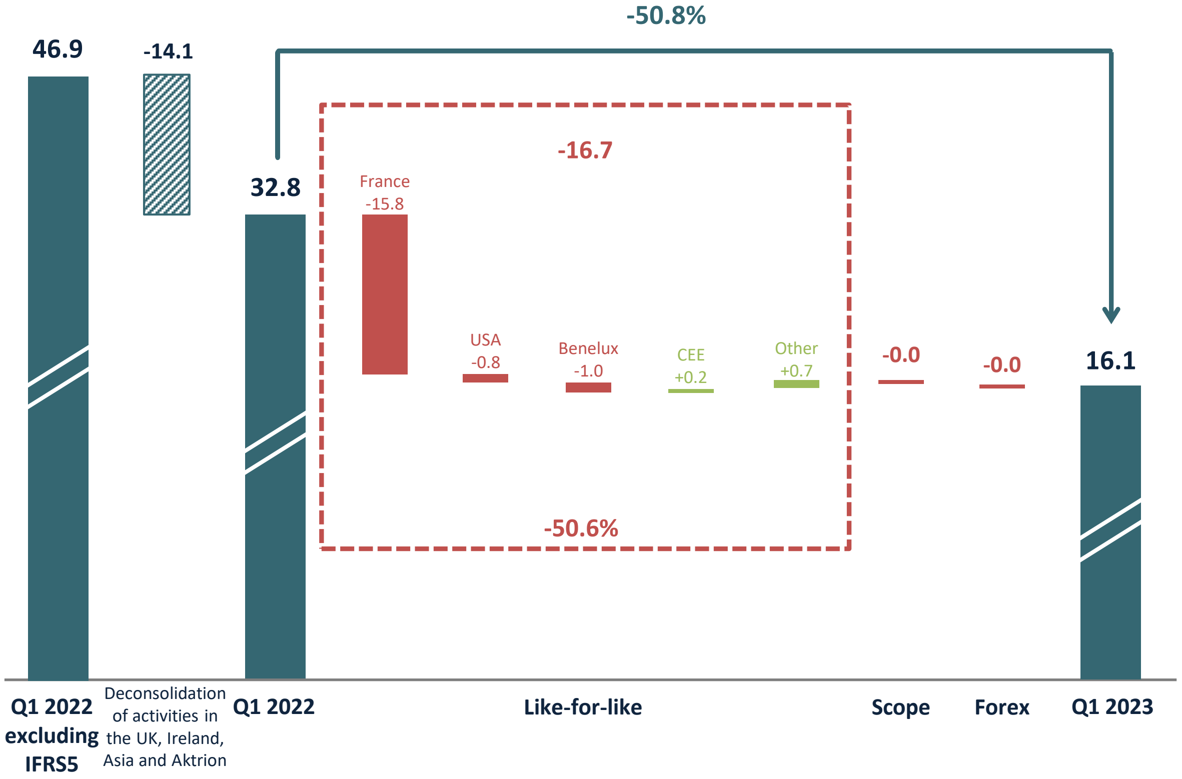




Recurring EBITDA impacted by contract losses in France

Recurring EBITDA

In € million



€ million	Q1 2023	Q1 2022	Change	LfL change
Net Sales	**358.9**	**341.1**	**+5.2%**	**+5.2%**
Recurring EBITDA	**21.2**	**37.0**	**-42.7%**	**-42.7%**
Recurring EBITDA Margin (%)	*5.9%*	*10.8%*	*-490bps*	
of which: Cleaning	19.2	35.0	-45.1%	-45.1%
Other activities	2.0	2.0	+0.0%	+0.0%

- Net sales up 5.2% LfL in Q1 2023, including the benefit of indexation (+2.6%) and the non-recurring benefit of special works of 2022 (-4.3%)
- Growth driven by strong commercial development of 2022, benefit of Integrated FM strategy (+64%). Main client wins include SNCF, Adoma, Accor, UGAP.
- Recurring EBITDA down 42.7% to €21.2 million due to lower profitability in cleaning, impact of lower contribution from special works, and lower margins of contract renewals and high margin of contract losses not offset by lower margins at start of new contracts
- Inflation in Q1 2023 offset by indexation and productivity measures

€ million		Q1 2023	Q1 2022	Change	LfL change
Net Sales		**169.8**	**164.9**	**+3.0%**	**+11.3%**
Recurring EBITDA		**5.7**	**7.5**	**-24.0%**	**-22.5%**
Recurring EBITDA Margin (%)		*3.4%*	*4.5%*	*-110bps*	
of which:	Central & Eastern Europe	4.2	4.0	+5.0%	+5.9%
	USA	(1.1)	(0.3)	ns	ns
	Other	2.6	3.8	ns	ns

- Q1 2023 net sales up 11.3% LfL despite the 25.8% decline in the USA. Excluding the USA, LfL net sales growth of 22.5% in Q1 2023
- Recurring EBITDA margin of 3.4% in Q1 2023 due to negative EBITDA in the USA. Excluding the USA, margin of 4.9% in Q1 2023 down 120bps year-on-year
- **CEE:** Higher recurring EBITDA driven by solid topline growth notably in Turkey
- **USA:** Negative recurring EBITDA due to lower net sales. Breakeven reached in March 2023 as expected
- **Other:** Mostly driven by impact of inflation and low profitability of new contracts in Benelux

INCOME STATEMENT

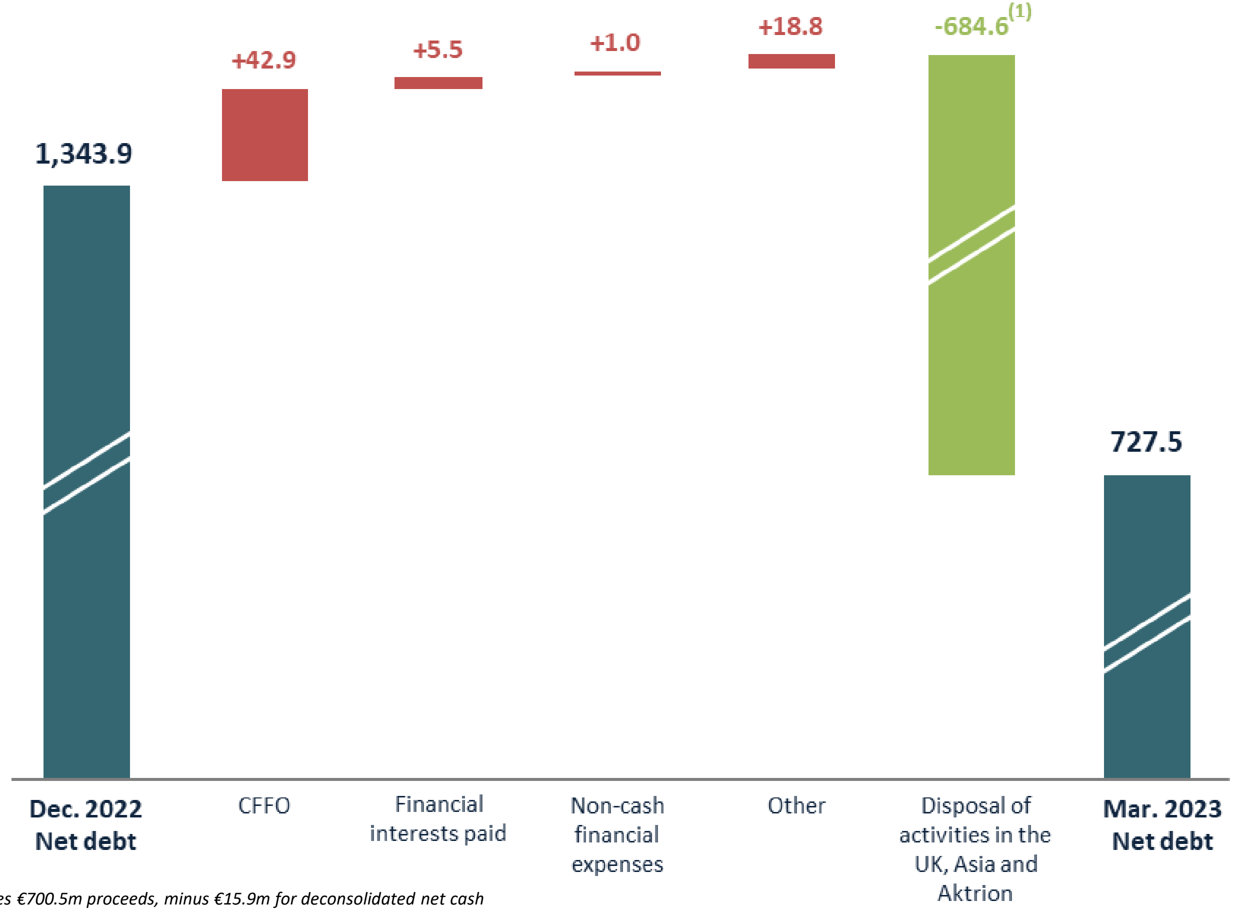
€ million	Q1 2023	Q1 2022	Change	LfL change
Net Sales	**528.9**	**505.5**	**+4.6%**	**+7.3%**
Recurring EBITDA	**16.1**	**32.8**	**-50.8%**	**-50.6%**
Recurring EBITDA Margin (%)	*3.0%*	*6.5%*	*-350bps*	
Depreciation and Amortisation	(15.0)	(15.4)	0.4	
PPA amortisation	(0.2)	(0.2)	0.0	
Provisions	(0.0)	(0.3)	0.3	
Operating Profit excluding non-recurring items	**0.9**	**16.9**	**(16.0)**	
Other income & expenses	163.2	(3.8)	167.0	
Operating Profit	**164.1**	**13.1**	**151.0**	
Net financial costs	(21.4)	(19.6)	(1.7)	
Other financial result	7.6	(0.4)	8.0	
Income tax expenses	(2.9)	(2.3)	(0.6)	
Net income / (loss) from discontinued operations	7.7	2.9	4.8	
Net Profit / (loss)	**155.1**	**(6.4)**	**161.6**	
Net Profit excluding non-recurring items	**(8.1)**	**(2.6)**	**(5.4)**	

CASH FLOW FROM OPERATIONS (CFFO)

€ million	**Q1 2023**	Q1 2022	Change
Recurring EBITDA	**16.1**	**32.8**	**(16.7)**
Change in working capital requirements	(31.0)	(34.1)	3.1
Change in factor deposit	(2.2)	(1.8)	(0.4)
Income tax paid	(1.5)	0.1	(1.6)
Net capex	(15.2)	(15.0)	(0.2)
Operational	*(4.5)*	*(5.6)*	*1.1*
Leases	*(10.7)*	*(9.4)*	*(1.3)*
Elimination of non-cash items	0.9	-	0.9
CFFO excluding non-recurring items	**(32.8)**	**(18.1)**	**(14.8)**
Non-recurring items	(10.1)	(4.2)	(5.9)
Cash Flow From Operations (CFFO)	**(42.9)**	**(22.3)**	**(20.7)**

NET FINANCIAL DEBT: DEC-2022 TO MAR-2023 BRIDGE

in € million



(1) Net debt reduction includes €700.5m proceeds, minus €15.9m for deconsolidated net cash

- **As of March 31, 2023, Group's liquidity of €733 million [(1)]**
  - **After €40 million RCF redemption in March 2023 (out of €103 million)**
  - **Including €30 million extended factoring facility**
  - **Proceeds fully invested and secured on risk-free instruments, available upon notice in 32 days**

- Factoring Facility: €196 million drawn, of which 100% without recourse, and €54 million headroom [(1)]
  - Facility amount: increased in March 2023 from €220 million to **€250 million**
  - Maturity: extended by one year to **September 2024**

- Revolving Credit Facility: €103 million, fully repaid in April

(1) Including factoring headroom and excluding uncommitted credit facilities. Liquidity is €679 million excluding factoring headroom and excluding uncommitted credit. The use of factoring headroom remains subject to the stock of receivables that can be assigned.

EUR /USD
2,5386
3,7762
2,3574
MARGIN 59.25 USD
BUY
3,6538
SELL
4,5762
Order
18.73
volume
9.52

Conclusion

NEXT EVENTS:

- Q2 & H1 earnings release
- Capital Markets Day in October 2023
- Refinancing to be completed by 28 February 2024

INVESTOR RELATION CONTACT

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Appendices

NET FINANCIAL DEBT

(In € million)	Dec-20	Mar-21	Dec-21	Mar-22	Dec-22	Mar-23	Var Dec-21 / Mar-22	Var Dec-22 / Mar-23
Net Cash & Cash Equivalents	**227**	**160**	**153**	**132**	**109**	**680**	(22)	571
HY bonds	1 225	1 239	1 243	1 242	1 229	1 231	(1)	2
Factoring	10	17	1	1	0	0	(0)	(0)
RCF	0	0	0	0	103	63 *	0	(40)
PGE	50	38	25	13	0	0	(12)	(0)
Other	104	116	114	127	121	113	12	(8)
Total Gross Debt	**1 390**	**1 410**	**1 383**	**1 382**	**1 453**	**1 407**	(1)	(46)
Total Net Debt	**1 162**	**1 249**	**1 230**	**1 250**	**1 344**	**728**	**20**	**(616)**
Deconsolidated Factoring	166	190	214	239	214	196	25	(17)
Adjusted Net Debt	1 328	1 439	1 444	1 489	1 558	924	45	(634)
Recurring EBITDA	**207** **	**210**	**210**	**204**	**159**	**78** ***		
Leverage (Net debt / EBITDA)	**5,6x**	**5,9x**	**5,8x**	**6,1x**	**8,5x**	**9,4x**		

* As of 31 March 2023, the RCF was fully drawn. The financing is subject to a financial covenant (Secured Leverage Ratio, SLR = Total Secured Net Debt / Consolidated EBITDA) based on the Group's consolidated accounts. 'SLR' is tested every semester at closing on a 12-month rolling basis & shall not exceed 1.75

** Recurring EBITDA published in Dec 2020 : €218,3 million revised to €206,9 million

*** Excluding Madison 2 perimeter. Recurring 12-month EBITDA including Madison 2 perimeter : €137,5 million

DEFINITIONS

Like for like - Like-for-like factors out changes in the scope of consolidation, such as divestments and acquisitions, and currency translation effects

Recurring EBITDA – Recurring EBITDA (Earnings before interest, tax, depreciation and amortisation) measures the performance of the Group excluding the impacts of depreciation & amortisation and non-recurring items. It is defined as:

+ Operating profit (EBIT)
+ Depreciation, amortisation and impairment of operating assets
+ Restructuring, litigation, implementation, one-time items and other income and expenses.

Non-Recurring items - Restructuring, litigation, implementation, one-time items and other income and expenses 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 - 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 - Cash Flow from Operations ("CFFO") 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 - Free 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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For a better performance

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