ATALIAN GROUP
Q2 & H1 2023
CONSOLIDATED FINANCIAL RESULTS

Maximilien PELLEGRINI
Group CEO

Laurent CAROZZI
Group CFO

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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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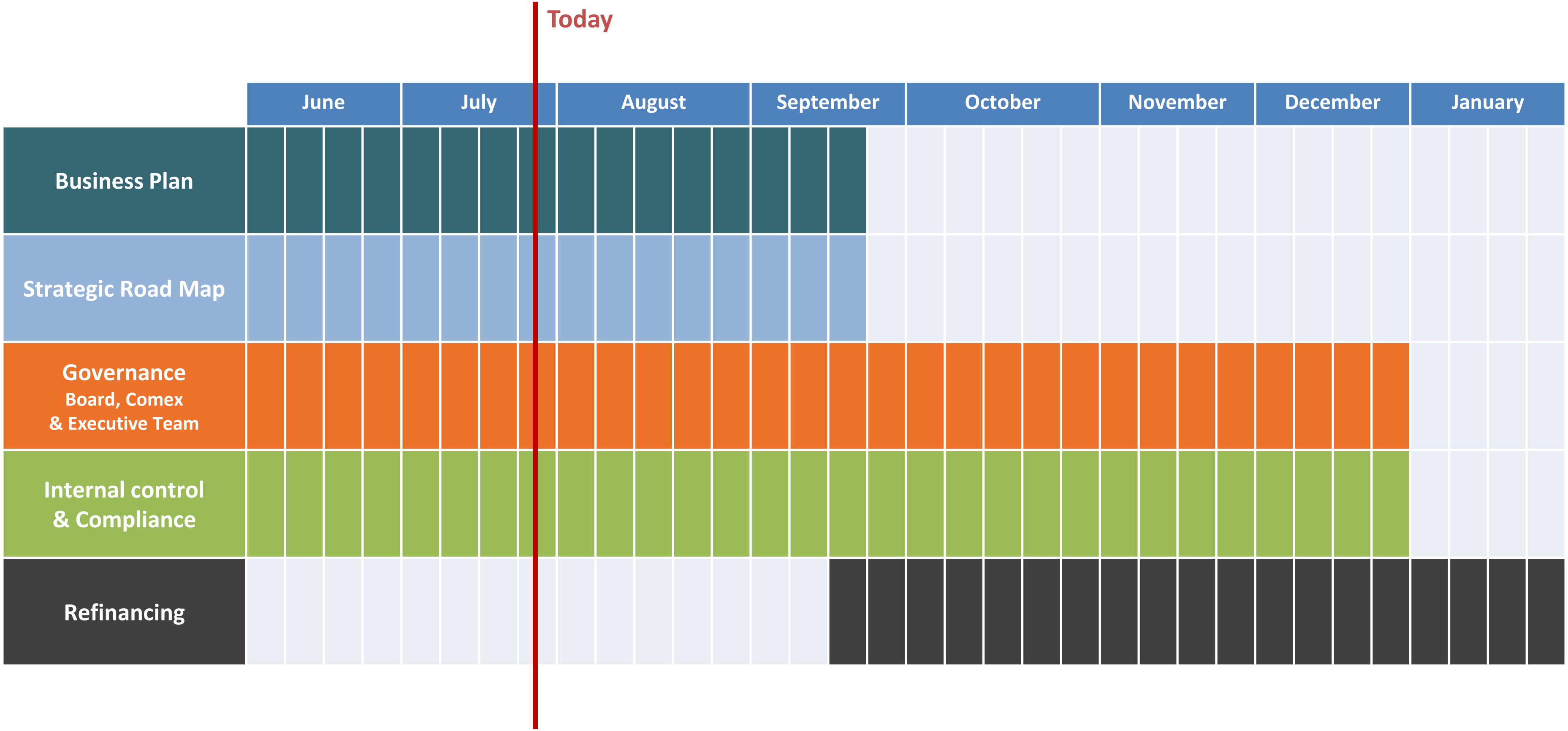
Strategic Update

Maximilien PELLEGRINI, Group CEO

UPDATE ON NEW CEO'S ROADMAP



STRATEGIC REVIEW: WHERE WE STAND

General View

Atalian has a unique positioning on the marketplace as FM player based on self delivery and its expertise in niche industrial markets. Its European footprint and employee engagement are important assets to address efficiently the IFM market

	Strengths	Room for improvement
Strategy & Business	• FM player based on 2 pillars: single FM team and self delivery • Strong expertise in niche markets (Health and safety, agrobusiness, manufacturing, retails…) • European footprint	• Strategic roadmap
Ways of functioning	• Productivity program as part of the culture • Entrepreneurial spirit and reactivity	• Silo functioning • Process and IT tools to be strengthened • Lack of communication
People	• Good level of expertise and competences • Strong culture based on numerous internal promotions	• Recruitment at stake specially in hard services • Career path and talent management to be implemented
Culture	• High level of engagement • Hard work • Bottom line approach	• Client centricity to be reinforced • Transversal and collaborative approach to be strengthened

HIGHLIGHTS

- **France: Indexation plan and productivity measures all underway**
  - ➲ **Solid improvement in Recurring EBITDA in France vs the last 3 quarters, above Q2 2022** (1)
- **USA: Strong improvement in Recurring EBITDA versus Q2 2022**
  - ➲ **€7.5 million increase year-on-year in Q2 2023** (2)

FINANCIALS

- **Net sales growth of 6.9% like-for-like in Q2 2023** driven by contract wins and indexation (+4.9%), leading to +7.1% for H1 2023 (of which +5.1% for indexation)
- **Recurring EBITDA of €26.8 million in Q2 2023 up 13.8% like-for-like** driven by profitability improvement in the USA, leading to €42.9 million in H1 2023
- **Positive CFFO at €38.0 million in Q2 2023, and close to breakeven at €(4.9) million at end June. When excluding non-recurring items, CFFO was €13.9 million in H1 2023**

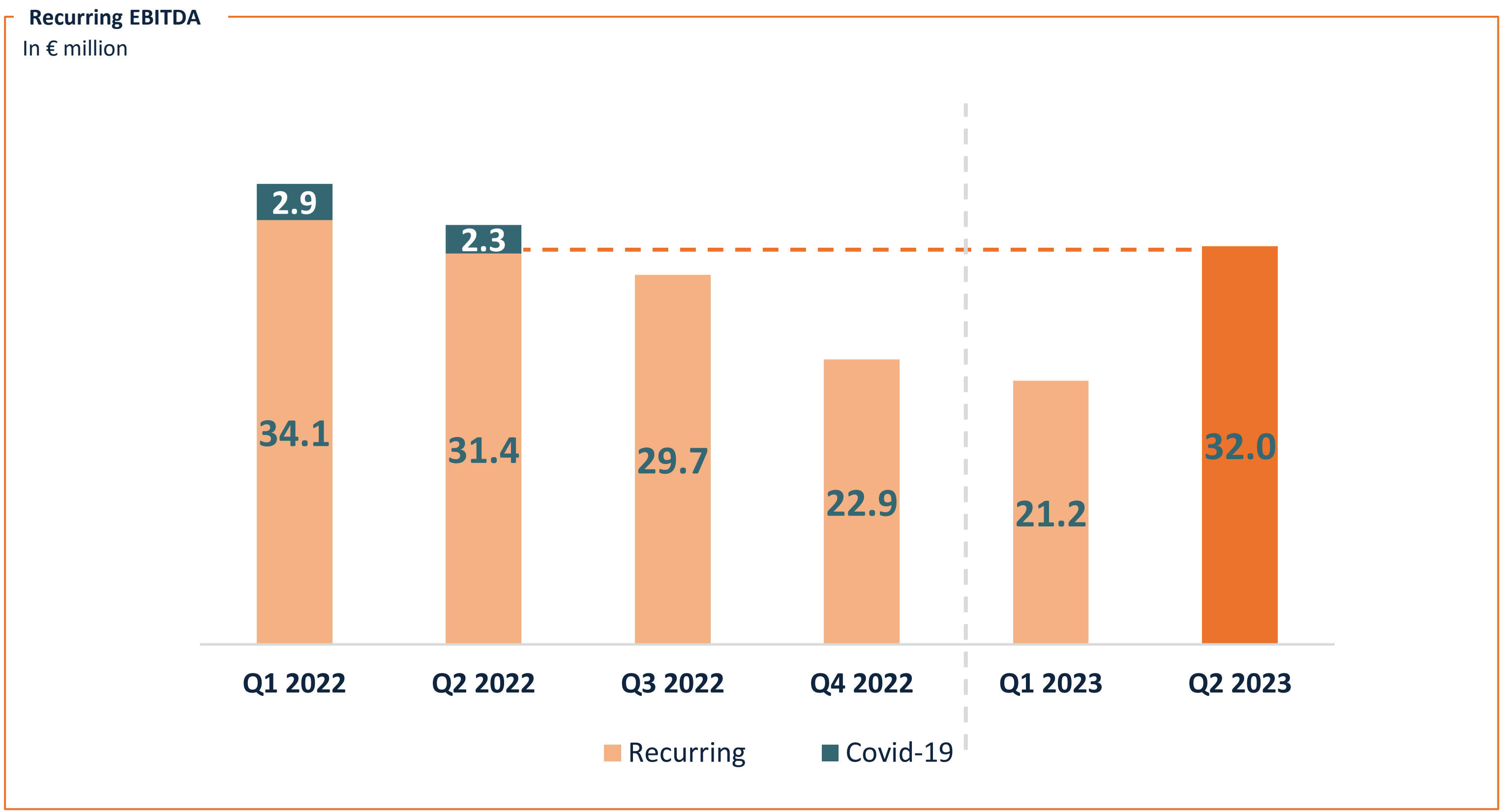
(1) Excluding EBITDA contribution of Covid-19 related special works of €2.3 million in Q2 2022
(2) Excluding non-recurring cost of €0.2 million in Q2 2023

UPDATE ON 2023 SHORT TERM ACTION PLAN

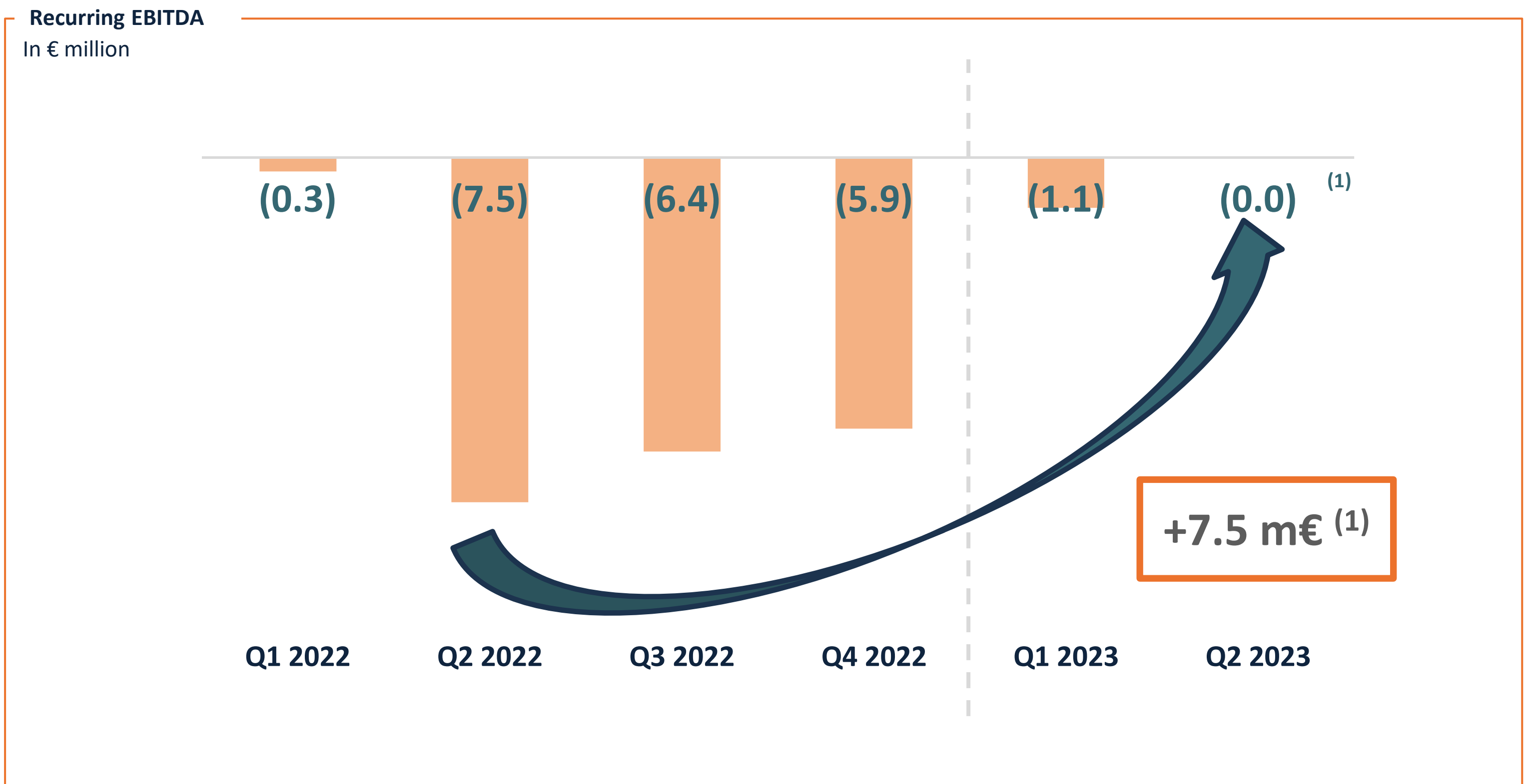
OBJECTIVES (as presented on May 28, 2023)		Total: > €60m [1]	UPDATES
Turnaround of US operation	– Reduced SG&A headcount by 50% – Contractual efficiency and Indexation to restore performance on low profitability contracts – Termination of non-profitable contracts	> +€20m	+€6.7m achieved in H1 2023 (o/w +€7.5m in Q2) [3]
FRANCE – Indexation plan	– +3% for the full year – Full year impact: +€42m in net sales	+€5m [2]	+€3.0m achieved in H1 2023
FRANCE – Productivity measures	– Cleaning: €11m through greater efficiency – SG&A: €11m through cost reduction incl. corporate – Security: €2m through rationalization of customer portfolio	+€24m	+€17.5m achieved in H1 2023
Productivity measures in International	– Efficiency and cost program	+€15m	+€2.9m achieved in H1 2023
Focus on cash generation	– Working capital optimization – Utilization of factoring programs – Capex reduction: -€5m to -€10m versus 2022		Positive CFFO in H1 2023 (excl. non-recurring items)

(1) This figure is gross, and does not include the impact of 2022 indexation and inflation, contract wins, losses and renewals, reinvestments and inflation outside France
(2) Net of inflation
(3) Excluding non-recurring cost of €0.2 million in Q2 2023

RECOVERY IN RECURRING EBITDA IN FRANCE, ABOVE Q2 2022 (EXCLUDING COVID-19 RELATED SPECIAL WORKS)

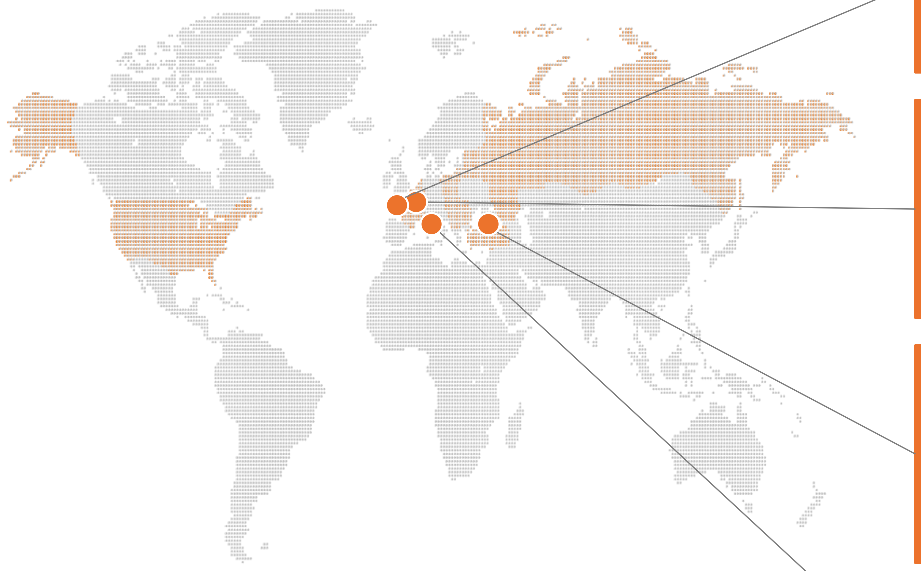


RECURRING EBITDA IN THE USA AT BREAKEVEN IN Q2 2023, A €7.5 MILLION IMPROVEMENT (YEAR-ON-YEAR) [1]



(1) *Excluding non-recurring cost of €0.2 million in Q2 2023*

SOLID COMMERCIAL ACTIVITY IN THE SIX MONTHS OF 2023 [1] AND PIPELINE OF €1.6 BILLION



FRANCE

- Contract wins of €115 million, up 22% year-on-year
- Retention rate: 91%, flat year-on-year
- Main wins : real-estate (€5.6m), SNCF (€5.5m), Accor (€5.0m)

BENELUX

- Contract wins of €11 million, down 55% year-on-year
- Retention rate: 96%, flat year-on-year
- Main wins: administration (Belgium, €0.8m), chemicals (Belgium, €0.7m)

CEE

- Contract wins of €40 million, up 87% year-on-year
- Retention rate: 88% versus 85%
- Main wins: banking (Poland, €3.3m), Galataport (Turkey, €2.0m), automotive equipment (Turkey, €2.0m)

IFM

- Contract wins of €77 million
- Main wins: automotive industry (€41m), retail (€15m), banking (€6m)

(1) *Annualised net sales*

Q2 & H1 2023 Financial Results

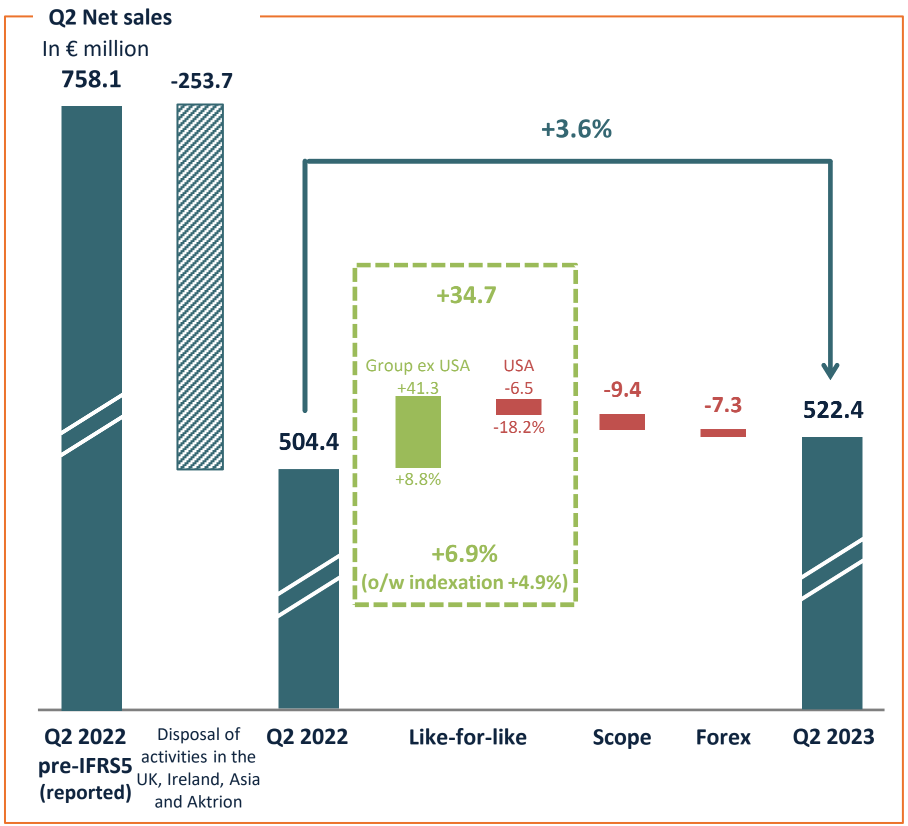
Laurent CAROZZI, Group CFO

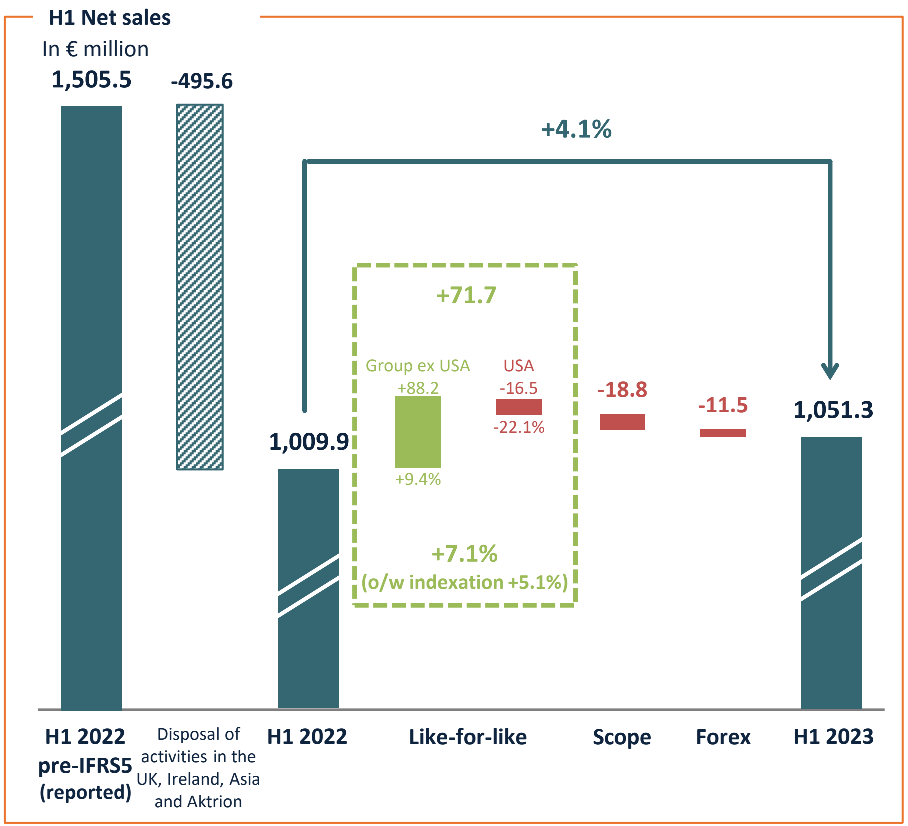
Q2 & H1 2023: PERFORMANCE HIGHLIGHTS [1]

€ million	**Q2 2023 Actual**	Q2 2022 IFRS5	change	var LfL (%)	**6M 2023 Actual**	6M 2022 IFRS5	change	var LfL (%)
Net Sales	**522.4**	**504.4**	**+3.6%**	**+6.9%**	**1,051.3**	**1,009.9**	**+4.1%**	**+7.1%**
Recurring EBITDA	**26.8**	**24.3**	**+10.3%**	**+13.8%**	**42.9**	**57.1**	**-24.8%**	**-23.3%**
Recurring EBITDA Margin (%)	*5.1%*	*4.8%*	*+30bps*		*4.1%*	*5.7%*	*-160bps*	
Operating Profit excluding non-recurring items	**12.8**	**20.4**	**(7.6)**		**13.7**	**37.3**	**(23.6)**	
Operating Profit	7.2	(3.9)	11.1		171.3	9.1	162.2	
Net profit (loss) for the period	**(15.8)**	**(22.4)**	**6.6**		**139.3**	**(28.8)**	**168.1**	
Cash Flow from Operations (CFFO)	38.0	(13.7)	51.7		(4.9)	(38.1)	33.2	
Net Financial Debt	**722.2**	**1,329.7**	**(607.5)**		**722.2**	**1,329.7**	**(607.5)**	

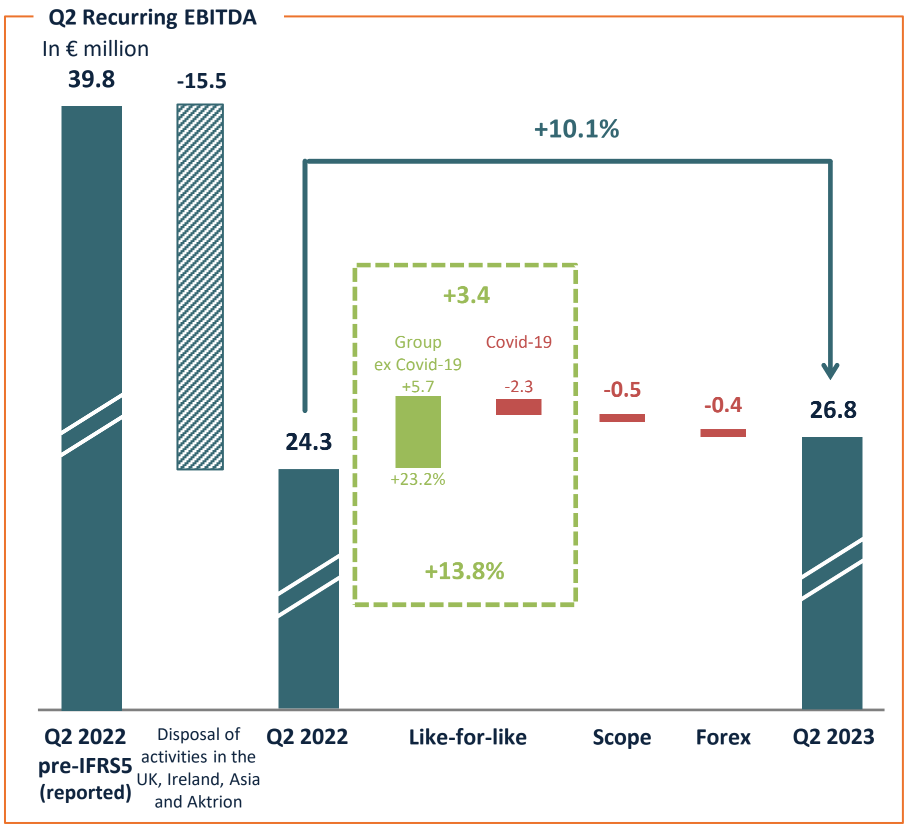
(1) Definitions in Appendices

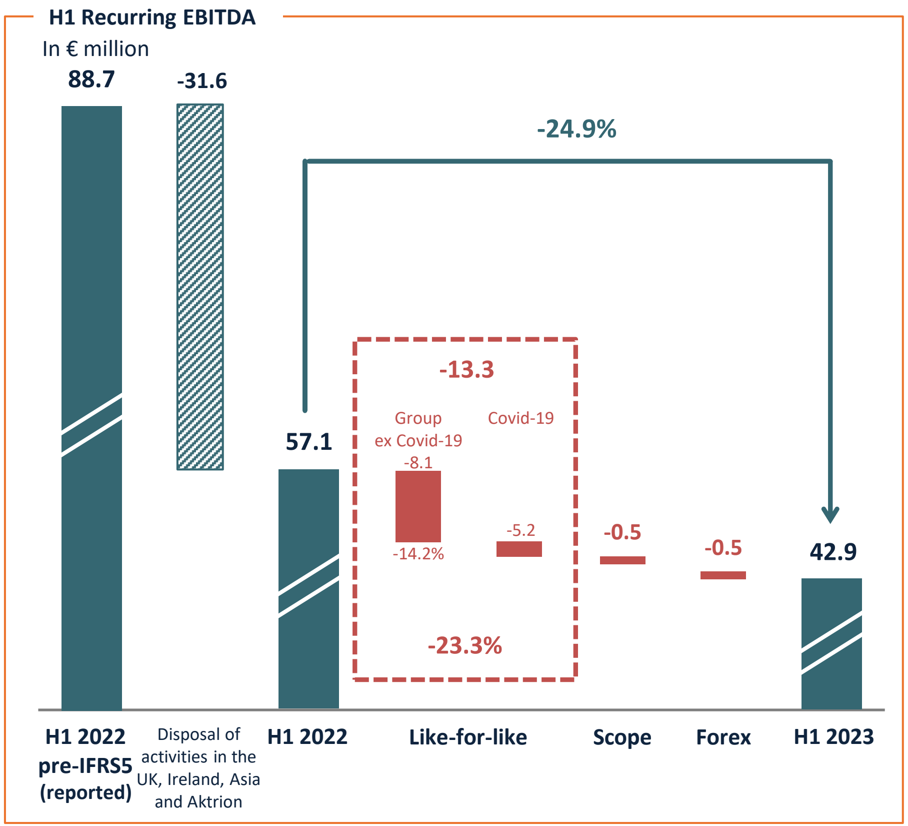
Solid like-for-like growth driven by indexation and contract wins





Recurring EBITDA improvement in Q2 driven by the USA





Q2 & H1 2023 EBITDA BRIDGE

€ million	Q2	H1	FY 2023 outlook
Recurring EBITDA 2022	**24.3**	**57.1**	
Indexation (net of inflation)	+0.4	-3.4	⇈
Productivity (net of reinvestment)	+11.9	+7.1	⇈
Wins / Losses / renewals	-3.9	-8.5	↗
Covid-19	-2.3	-5.2	→
Other	-2.6	-3.2	→
Scope	-0.5	-0.5	→
FX	-0.5	-0.5	
Recurring EBITDA 2023	**26.8**	**42.9**	

FOCUS FRANCE

€ million		Q2 2023 Actual	Q2 2022 IFRS5	change	var LfL (%)	6M 2023 Actual	6M 2022 IFRS5	change	var LfL (%)
Net Sales		**356.6**	**343.3**	**+3.9%**	**+3.9%**	**715.2**	**684.5**	**+4.5%**	**+4.5%**
Recurring EBITDA		**32.0**	**33.7**	**-5.0%**	**-5.0%**	**53.3**	**70.7**	**-24.6%**	**-24.6%**
Recurring EBITDA Margin (%)		*9.0%*	*9.8%*	*-80bps*		*7.5%*	*10.3%*	*-280bps*	
of which:	Cleaning	29.6	31.7	-6.6%	-6.6%	48.8	66.7	-26.8%	-26.8%
	Other activities	2.4	2.0	+20.0%	+20.0%	4.5	4.0	+12.5%	+12.5%

- Net sales up 3.9% LfL in Q2 2023, leading to +4.5% in H1 2023, including the benefit of indexation (of which 2023 indexation of +3.0%), the impact of wins & losses for +4.2% and the non-recurring benefit of special works of 2022 (-2.8%)
- Growth driven by strong commercial development of 2022, benefit of Integrated FM strategy (+56%). Main client wins include SNCF, Adoma, Accor, UGAP
- Recurring EBITDA of €32.0 million in Q2 2023 up €0.6 million vs Q2 2022 when excluding the contribution of Covid-19 related special works last year. In H1 2023, Recurring EBITDA was €53.3 million down 24.6% due to 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 H1 2023 more than offset by indexation and productivity measures

€ million		Q2 2023 Actual	Q2 2022 IFRS5	change	var LfL (%)	6M 2023 Actual	6M 2022 IFRS5	change	var LfL (%)
Net Sales		**169.2**	**163.0**	**+3.8%**	**+14.0%**	**339.1**	**327.9**	**+3.4%**	**+12.6%**
Recurring EBITDA		**6.9**	**0.5**	**ns**	**ns**	**12.6**	**7.9**	**+59.5%**	**+70.7%**
Recurring EBITDA Margin (%)		*4.1%*	*0.3%*	*+380bps*		*3.7%*	*2.4%*	*+130bps*	
of which:	Central & Eastern Europe	5.8	4.4	+31.1%	+42.0%	10.0	8.4	+19.0%	+23.6%
	USA	(0.2)	(7.5)	ns	ns	(1.4)	(7.8)	ns	ns
	Other	1.4	3.6	-62.0%	-48.8%	4.0	7.3	-45.5%	-40.0%

- Q2 2023 net sales up 14.0% LfL despite the 18.2% decline in the USA. Excluding the USA, LfL net sales growth of 23.2% in Q2 2023. H1 2023 net sales up 12.6% LfL despite the 22.1% decline in the USA. Excluding the USA, LfL net sales growth of 22.9% in H1 2023 driven by indexation and contract wins
- Recurring EBITDA margin of 4.1% in Q2 2023 up 380bps year-on-year and 3.7% in H1 2023 up 130bps year-on-year, driven by significant improvement in the USA
- **CEE:** Higher recurring EBITDA driven by account wins and productivity measures
- **USA:** As expected, strong improvement in Q2 2023 vs Q2 2022 of €7.5 million excluding €0.2 million non-recurring cost in Q2 2023
- **Other:** Mostly driven by impact of inflation and low profitability of new contracts in Benelux

INCOME STATEMENT

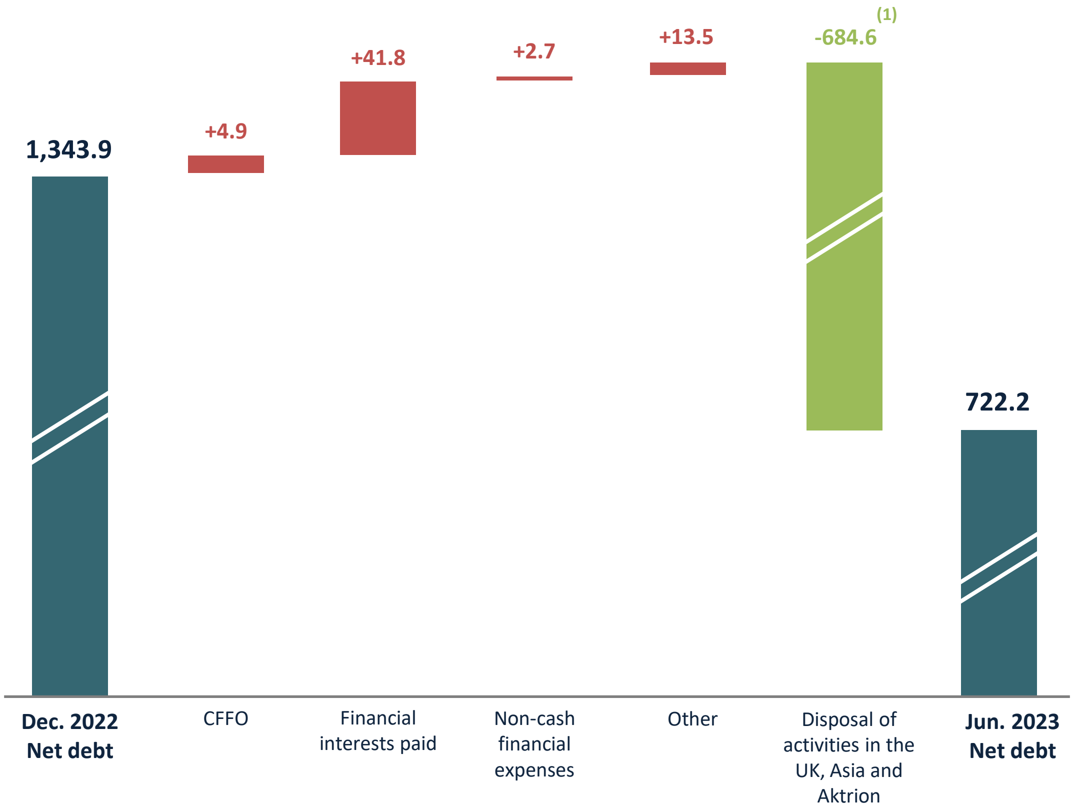
€ million	**Q2 2023 Actual**	Q2 2022 IFRS5	change	var LfL (%)	**6M 2023 Actual**	6M 2022 IFRS5	change	var LfL (%)
Net Sales	**522.4**	**504.4**	**+3.6%**	**+6.9%**	**1,051.3**	**1,009.9**	**+4.1%**	**+7.1%**
Recurring EBITDA	**26.8**	**24.3**	**+10.3%**	**+13.8%**	**42.9**	**57.1**	**-24.8%**	**-23.3%**
Recurring EBITDA Margin (%)	*5.1%*	*4.8%*	*+30bps*		*4.1%*	*5.7%*	*-160bps*	
Depreciation and Amortisation	(13.8)	(16.0)	2.2		(28.8)	(31.4)	2.6	
PPA amortisation	(0.2)	(0.2)	0.0		(0.4)	(0.4)	0.0	
Provisions and Impairment losses (net)	(0.0)	12.3	(12.3)		(0.0)	12.0	(12.0)	
Other income & expenses	(5.6)	(24.3)	18.7		157.6	(28.2)	185.8	
Operating Profit	**7.2**	**(3.9)**	**11.1**		**171.3**	**9.1**	**162.2**	
Operating Profit excluding non-recurring items	**12.8**	**20.4**	**(7.6)**		**13.7**	**37.3**	**(23.6)**	
Net financial costs	(21.7)	(19.8)	(1.9)		(43.1)	(39.4)	(3.7)	
Other financial result	2.7	(2.0)	4.7		10.3	(2.4)	12.7	
Income tax expenses	(4.0)	(3.9)	(0.1)		(6.9)	(6.2)	(0.7)	
Net profit from discontinued operations	-	7.2	(7.2)		7.7	10.0	(2.3)	
Net Profit (loss) for the period	**(15.8)**	**(22.4)**	**6.6**		**139.3**	**(28.8)**	**168.1**	

CASH FLOW FROM OPERATIONS (CFFO)

€ million	**Q2 2023 Actual**	Q2 2022 IFRS5	change	**6M 2023 Actual**	6M 2022 IFRS5	change
Recurring EBITDA	**26.8**	**24.3**	**2.5**	**42.9**	**57.1**	**(14.2)**
Change in working capital requirements	38.9	(1.9)	40.8	7.9	(11.2)	19.1
Change in factor deposit	(0.3)	10.5	(10.8)	(2.5)	(16.2)	13.7
Income tax paid	(6.8)	(8.0)	1.2	(8.3)	(10.2)	1.9
Net capex	(10.9)	(17.6)	6.7	(26.1)	(32.7)	6.6
Operational	*(2.1)*	*(7.9)*	*5.8*	*(6.6)*	*(13.5)*	*6.9*
Leases	*(8.8)*	*(9.8)*	*1.0*	*(19.5)*	*(19.2)*	*(0.3)*
Elimination of non-cash items	(4.3)	-	(4.3)	(3.4)	-	(3.4)
CFFO excl non-recurring items	**43.4**	**7.3**	**36.1**	**10.5**	**(13.2)**	**23.7**
Non-recurring items	(5.4)	(21.0)	15.6	(15.4)	(24.9)	9.5
Cash Flow From Operations (CFFO)	**38.0**	**(13.7)**	**51.7**	**(4.9)**	**(38.1)**	**33.2**

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

in € million



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

- **As of June 30, 2023, Group's liquidity of €663 million (1)**
  - **After €103 million RCF redemption**
  - **Including €30 million extended factoring facility**
  - **Proceeds fully invested and secured on risk-free instruments, available upon notice in 32 days**

- Factoring Facility: €209 million drawn, of which €202 million without recourse, and €41 million headroom (1)
  - Facility amount: increased in March 2023 from €220 million to **€250 million**
  - Maturity: extended by one year to **September 2024**

(1) Including factoring headroom and excluding uncommitted credit facilities. Liquidity is €622 million excluding factoring headroom and excluding uncommitted credit. The use of factoring headroom remains subject to the stock of receivables that can be assigned.

Conclusion

NEXT EVENTS:

- Q3 & 9M 2023 earnings release
- Refinancing to be completed by 28 February 2024

INVESTOR RELATION CONTACT

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Appendices

NET FINANCIAL DEBT

(In € million)	Dec-20	Jun-21	Dec-21	Jun-22	Dec-22	Dec-22 IFRS 5	Jun-23	Var Dec-21 / Jun-22	Var Dec-22 / Jun-23	Var Dec-22 IFRS 5 / Jun-23
Net Cash & Cash Equivalents	**227**	**188**	**153**	**132**	**109**	**82**	**622**	(21)	513	541
HY bonds	1 225	1 237	1 243	1 237	1 229	1 229	1 237	(6)	8	8
Factoring	10	2	1	1	0	0	7	0	7	7
RCF	0	0	0	103	103	103	0 *	103	(103)	(103)
PGE	50	50	25	0	0	0	0	(25)	(0)	(0)
Other	104	97	114	120	121	93	100	6	(21)	7
Total Gross Debt	**1 390**	**1 386**	**1 383**	**1 461**	**1 453**	**1 425**	**1 344**	78	(108)	(80)
Total Net Debt	**1 162**	**1 198**	**1 230**	**1 330**	**1 344**	**1 343**	**722**	**100**	**(622)**	**(621)**
Deconsolidated Factoring	166	205	214	226	214	168	202***	12	(11)	35
Adjusted Net Debt	1 328	1 403	1 444	1 556	1 558	1 511	925	112	(633)	(586)
Recurring EBITDA 12m **	**207**	**214**	**210**	**204**	**159**	**95**	**80**			
Leverage (Net debt / EBITDA)	**5,6x**	**5,6x**	**5,8x**	**6,5x**	**8,5x**	**14,2x**	**9,0x**			

* The RCF was fully drawn as of June 30, 2022 and fully repaid in H1 2023 (in March for €(40)m and in April for €(63)m) with no extension beyond maturity on April 22, 2023.

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

Recurring EBITDA published in June 2021 : €219,3 million revised to €214,0 million

*** Excluding Madison 2 perimeter (UK, Asia, Aktrion)

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
– 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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