

## SECOND QUARTER & FIRST HALF 2023 FINANCIAL RESULTS

- **Solid commercial performance at end June 2023: wins up 22% in France and +87% in CEE versus 2022**
- **Recurring EBITDA in France above the level achieved in each of the last 3 quarters thanks to indexation and productivity measures**
- **Improvement in Recurring EBITDA in the USA of €7.5 million in Q2 2023 vs Q2 2022**
- **Net Sales growth of +6.9% like-for-like in Q2 2023 leading to +7.1% like-for-like in H1 2023**
- **Recurring EBITDA of €26.8 million in Q2 2023 up 13.8% like-for-like, leading to €42.9 million in H1 2023**
- **Liquidity of €663 million <sup>(1)</sup> and net financial debt of €722.2 million at end June 2023**

### Performance Q2 & H1 2023 – Group Figures

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

<sup>1</sup> 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.

Maximilien Pellegrini, Group CEO, said: *“The Group sustained a solid Net Sales increase of 6.9% on a like-for-like basis in Q2 2023 after the 7.3% growth of Q1 2023, driven by indexation and commercial performance. As expected, Recurring EBITDA returned to year-on-year growth in Q2 2023 with the first benefit of productivity measures and the significant improvement in Recurring EBITDA of our US operations.*

*Commercial performance of the first six months of 2023 was solid with 22% and 87% increases in contract wins, respectively in France and in CEE when compared with the first six months of 2022. Pipeline in excess of 1.6 billion euros bolds well for the rest of the year.*

*The pick-up in Recurring EBITDA of Q2 2023 is a good sign of the announced recovery of Atalian, and we anticipate the recovery to continue in H2 2023. Since my arrival on May 2, I have started my assessment of the Group and will continue to do so over the next couple of months, in parallel to the elaboration of the new strategic plan. We will then launch the global refinancing of the Group, with the objective to finalise it by February 28, 2024.”*

## Regional Performance

### France

€ million	Q2 2023 Actual	Q2 2022 IFRS5	change	var LfL (%)	6M 2023 Actual	6M 2022 IFRS5	change	var LfL (%)
<b>Net Sales</b>	<b>356.6</b>	<b>343.3</b>	<b>+3.9%</b>	<b>+3.9%</b>	<b>715.2</b>	<b>684.5</b>	<b>+4.5%</b>	<b>+4.5%</b>
<b>Recurring EBITDA</b>	<b>32.0</b>	<b>33.7</b>	<b>-5.0%</b>	<b>-5.0%</b>	<b>53.3</b>	<b>70.7</b>	<b>-24.6%</b>	<b>-24.6%</b>
<i>Recurring EBITDA Margin (%)</i>	<i>9.0%</i>	<i>9.8%</i>	<i>-80bps</i>		<i>7.5%</i>	<i>10.3%</i>	<i>-280bps</i>	
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%

In Q2 2023, Net Sales increased by €13.3 million, or +3.9% (as reported and like-for-like), to €356.6 million, as compared to €343.3 million in Q2 2022. Net Sales growth was driven by indexation and dynamic commercial development of 2022 benefiting all activities, despite non-recurring benefit of special works of 2022.

In H1 2023, Net Sales increased by €30.7 million, or +4.5% (as reported and like-for-like), to €715.2 million, as compared to €684.5 million in H1 2022.

In Q2 2023, Recurring EBITDA decreased by €1.7 million, or -5.0%, to €32.0 million, as compared to €33.7 million in Q2 2022. When excluding the benefit of Covid-19 related special works of Q2 2022 for €2.3 million, Recurring EBITDA was up 1.9% year-on-year. Recurring EBITDA margin reached 9.0%, down 80 basis points compared to Q2 2022, due to the lower contribution of special works and the impact of the relatively low profitability at start of the major contracts won in 2022.

In H1 2023, Recurring EBITDA decreased by €17.4 million, or -24.6%, to €53.3 million, as compared to €70.7 million in H1 2022. When excluding the benefit of Covid-19 related special works of H1 2022 for €5.2 million, Recurring EBITDA was down 18.6% year-on-year.

## International

€ million	Q2 2023 Actual	Q2 2022 IFRS5	change	var LfL (%)	6M 2023 Actual	6M 2022 IFRS5	change	var LfL (%)
<b>Net Sales</b>	<b>169.2</b>	<b>163.0</b>	<b>+3.8%</b>	<b>+14.0%</b>	<b>339.1</b>	<b>327.9</b>	<b>+3.4%</b>	<b>+12.6%</b>
<b>Recurring EBITDA</b>	<b>6.9</b>	<b>0.5</b>	<b>ns</b>	<b>ns</b>	<b>12.6</b>	<b>7.9</b>	<b>+59.5%</b>	<b>+70.7%</b>
<i>Recurring EBITDA Margin (%)</i>	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%

In Q2 2023, Net Sales increased by €6.2 million, or +3.8%, to €169.2 million, as compared to €163.0 million in Q2 2022. When excluding the negative effects of perimeter (minus €9.4 million or -5.8%) and foreign exchange rates (minus €7.3 million or -4.5%, mainly due to the depreciation of the Turkish lira versus the euro), like-for-like Net Sales increased by 14.0% in Q2 2023 compared to Q2 2022. This performance mainly resulted from the strong growth of operations in Benelux and Central & Eastern Europe, partly offset by the 18.2% Net Sales decrease in the USA.

In H1 2023, Net Sales increased by €11.2 million, or +3.4%, to €339.1 million, as compared to €327.9 million in H1 2022. When excluding the negative effects of perimeter (minus €18.8 million or -5.7%) and foreign exchange rates (minus €11.5 million or -3.5%, mainly due to the depreciation of the Turkish lira versus the euro), like-for-like Net Sales increased by 12.6% in H1 2023 compared to H1 2022.

In Q2 2023, Recurring EBITDA increased by €6.4 million to €6.9 million, as compared to €0.5 million in Q2 2022. The improvement was mainly due to the recovery of the US operations. Recurring EBITDA margin went up 380 basis points to 4.1%.

In H1 2023, Recurring EBITDA increased by €4.6 million, or +59.5%, to €12.6 million as compared to €7.9 million in H1 2022. When excluding the negative effects of perimeter (minus €0.4 million or -5.6%) and foreign exchange rates (minus €0.5 million or -5.7%, mainly due to the depreciation of the Turkish lira versus the euro), like-for-like Recurring EBITDA increased by 70.7% in H1 2023 compared to H1 2022.

The Unaudited Consolidated Financial Statements for the period ended 30 June 2023 are available on the Atalian website (<https://atalian.com/investors-area/investors-news>).

Atalian will hold Q2 & H1 2023 Results Release Conference Call for Investors and Analysts on 27 July 2023 at 1:00pm BST / 2:00pm CEST.

Presentation slides and conference call details will be available on our website just before the meeting / 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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**The figures in this release are based on our unaudited 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
- 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