

THIRD QUARTER & 9 MONTHS 2023 FINANCIAL RESULTS

Q2 2023 positive performance confirmed in Q3 2023

- **Net sales of €522.6 million in Q3 2023, representing a growth of 8.7% on a comparable basis¹ in Q3 2023 driven by contract wins and indexation, leading to +8.7% for the first nine months of 2023.**
- **Recurring EBITDA of €23.0 million in Q3 2023 up 7.3% on a comparable basis driven by profitability, leading to €65.9 million in the first nine months of 2023.**
 - **France:** Indexation plan and productivity measures all underway, along with commercial discipline and deep review of clients' portfolio;
 - **International:** strong growth of operations in Central & Eastern Europe.
- **Positive CFFO excluding non-recurring items at €6.7 million in Q3 2023 and at €17.2 million for the first 9 months of 2023. CFFO improvement of €22.9 million in Q3 2023 versus Q3 2022 when excluding non-recurring items.**

Frédéric Baverez, Group CEO, said: *"I joined ATALIAN in a context of gradual improvements of its financial and operating fundamentals, which started in the second quarter and are being confirmed in the third quarter. These achievements result from in-depth work on productivity, pass-through of inflation in our contracts and business development. This momentum, which I have been able to size up since my arrival in my contacts with the management team, still needs to be strengthened, and is clearly illustrated in the third quarter results trend when compared to the third quarter of 2022. On a comparable basis and excluding the United States, where the Group successfully concluded the disposal of its assets in October, ATALIAN reported an increase of +8.7% in net sales and +7.3% in recurring EBITDA. Going forward, excluding the USA, the Group expects a Q4 2023 Recurring EBITDA higher than Q4 2022 EBITDA and slightly below Q3 2023 level.*

During this period, ATALIAN stayed focus on the objective - previously announced to the market – to refinance the Group by February 28, 2024. The management has drawn up a new strategic plan, involving a refocusing on continental Europe, now almost complete, and a new 2024/2026 business plan. These provide a solid ground to the Group's global refinancing plan. Initial discussions have already taken place with the advisors appointed by a significant group of bondholders to represent them. These initial discussions confirm the objective and timetable previously announced.

I am very excited and proud to join the Group at this pivotal time and deploy the strategy aiming at further developing the ATALIAN group businesses."

¹ Comparable basis means excluding USA operations, other change in the scope (Africa), and currency translation effects.

Performance Q3 & 9M 2023 – Group Figures

€ million	Q3 2023 Actual	Q3 2022 IFRS5	change	9M 2023 Actual	9M 2022 IFRS5	change
Net Sales	522.6	511.9	+2.1%	1,573.9	1,521.8	+3.4%
Recurring EBITDA	23.0	20.3	+13.2%	65.9	77.4	-14.9%
<i>Recurring EBITDA Margin (%)</i>	<i>4.4%</i>	<i>4.0%</i>	<i>+40bps</i>	<i>4.2%</i>	<i>5.1%</i>	<i>-90bps</i>
Operating Profit ex non-recurring items	7.2	8.8	(1.6)	20.9	46.2	(25.3)
Operating Profit	(9.9)	18.6	(28.5)	161.4	27.9	133.5
Net profit (loss) for the period	(25.0)	(2.6)	(22.4)	114.3	(31.3)	145.6
Cash Flow from Operations (CFFO)	(10.8)	(5.6)	(5.2)	(15.7)	(43.7)	28.0
CFFO excl non-recurring items	6.7	(16.2)	22.9	17.2	(31.5)	48.7

Note IFRS5: activities in the UK, Ireland, Asia and Aktrion are meeting the IFRS 5 criteria and reclassified as discontinued activities. Activities in Africa sold in Q1 2023 are however retained in the continued activities perimeter. US activities were sold in October 2023 and therefore not reclassified as discontinued activities for September closing. USA Net sales were €26.6 million in Q3 2023 and €33.6 million in Q3 2022, and €85.3 million and €108.1 million for the first nine months of 2023 and 2022, respectively. USA Recurring EBITDA was -€3.7 million in Q3 2023 and -€6.4 million in Q3 2022, and -€5.1 million and -€14.3 million for the first nine months of 2023 and 2022, respectively.

Regional Performance

France

€ million	Q3 2023 Actual	Q3 2022 IFRS5	change	9M 2023 Actual	9M 2022 IFRS5	change	var comp. basis (%)
Net Sales	350.7	347.1	+1.0%	1,065.9	1,031.6	+3.3%	+3.3%
Recurring EBITDA	28.6	29.7	-3.6%	81.9	100.4	-18.4%	-18.4%
<i>Recurring EBITDA Margin (%)</i>	<i>8.2%</i>	<i>8.5%</i>	<i>-30bps</i>	<i>7.7%</i>	<i>9.7%</i>	<i>-200bps</i>	
of which: Cleaning	29.4	27.4	+7.5%	77.2	94.1	-17.9%	-17.9%
Other activities	(0.8)	2.3	na	4.7	6.3	-25.4%	-25.4%

In Q3 2023, Net Sales increase by +1.0%, to €350.7 million, as compared to €347.1 million in Q3 2022. This growth is driven by cleaning operations and dynamic commercial development in iFM, and despite the losses of several security contracts.

For the first nine months of 2023, Net Sales increase by €34.3 million, or +3.3% (as reported and on a comparable basis), to €1,065.9 million, as compared to €1,031.6 million for the first nine months of 2022, mainly driven by cleaning and iFM operations.

In Q3 2023, Recurring EBITDA decreases by €1.1 million, or -3.6%, to €28.6 million. Recurring EBITDA margin reaches 8.2%, down 30 basis points compared to Q3 2022. Indexation plans and

productivity measures were mainly offset by staff cost incremental inflation in Cleaning occurred in July for which indexation positive impacts will occur with a lag effect and loss of some contracts for other activities.

For the first nine months of 2023, Recurring EBITDA decreases by €18.5 million, or -18.4%, to €81.9 million. When excluding the benefit of Covid-19 related special works of the first nine months of 2022 for €6.2 million, Recurring EBITDA is down 13.0% year-on-year. Recurring EBITDA margin reaches 7.7%, down 200 basis points compared to the first nine months of 2022. Indexation plans and productivity measures were more than offset by 2022 non-recurring balance sheet and P&L positive reclassification, the non-recurring benefit of special works of 2022, and inflation.

International

€ million	Q3 2023 Actual	Q3 2022 IFRS5	change	var comp. basis (%)	9M 2023 Actual	9M 2022 IFRS5	change	var comp. basis (%)
Net Sales	173.9	166.1	+4.7%	+25.0%	512.9	494.4	+3.7%	+20.0%
Recurring EBITDA	6.9	2.0	+245.0%	+185.0%	19.4	9.9	+96.0%	+25.3%
<i>Recurring EBITDA Margin (%)</i>	<i>4.0%</i>	<i>1.2%</i>	<i>+280bps</i>		<i>3.8%</i>	<i>2.0%</i>	<i>+180bps</i>	
of which: Central & Eastern Europe	6.5	4.1	+58.5%	+2.5%	16.5	12.5	+32.0%	+2.5%
USA	(3.7)	(6.4)	ns	ns	(5.1)	(14.3)	ns	ns
Other	4.1	4.4	ns	ns	8.0	11.7	-31.6%	

In Q3 2023, Net Sales increase by €7.8 million, or +4.7%, to €173.9 million, as compared to €166.1 million in Q3 2022. When excluding the negative effects of perimeter changes (-5.1%), the US (-4.2%), and foreign exchange rates (-11.0%, mainly due to the depreciation of the Turkish lira versus the euro), on a comparable basis Net Sales increase by 25.0% in Q3 2023 compared to Q3 2022. This performance mainly results from the strong growth of operations in Central & Eastern Europe, where specific actions and new operational governance have been implemented to re-boost organic growth and to secure appropriate pass-through to clients in all geographies.

For the first nine months of 2023, Net Sales increase by €18.5 million, or +3.7%, to €512.9 million. When excluding the negative effects of perimeter changes (-5.5%), the United States (-4.6%), and foreign exchange rates impact (-6.2%), Net Sales on a comparable basis increase by 20.0% for the first nine months of 2023 compared to the same period in 2022.

In Q3 2023, Recurring EBITDA increases by €4.9 million to €6.9 million. When excluding the negative effects of perimeter changes (-€0.3 million), the USA (+€2.7 million), and foreign exchange rates impacts (-€1.2 million), Recurring EBITDA on a comparable basis increases by €3.7 million in Q3 2023 compared to Q3 2022. This improvement is mainly due to Central & Eastern Europe EBITDA. Recurring EBITDA margin is up 280 basis points to 4.0%. Excluding the USA, International Recurring EBITDA margin is 7.2% in Q3 2023 up 90bps year-on-year, driven by accounts wins and productivity measures in CEE, partly offset by the impacts of inflation and low profitability of new contracts in Benelux.

For the first nine months of 2023, Recurring EBITDA increases by €9.5 million, or +96.0%, to €19.4 million as compared to €9.9 million for the same period in 2022. When excluding the negative effects of perimeter changes (-€0.7 million), the USA (+€9.2 million), and foreign exchange rates

(-€1.5 million), Recurring EBITDA on a comparable basis increases by 25.3% in the first nine months of 2023 compared to the first nine months of 2022. Recurring EBITDA margin is up 180 basis points to 3.8%. Excluding USA, International Recurring EBITDA margin of 5.7% is down 60bps year-on-year.

In Q3 2023, Recurring EBITDA for the USA is -€3.7 million, compared to -€6.4 million in Q3 2022. For the first nine months of 2023, USA Recurring EBITDA is -€5.1 million compared to -€14.3 million for the first nine months of 2022 reflecting profitability improvement occurred since Q2 2023, but negative commercial flows in the third quarter of 2023.

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

ATALIAN will hold Q3 & 9M 2023 Earnings Release Conference Call for Investors and Analysts on November 15, 2023 at 2:00pm BST / 3:00pm CEST. An audio webcast will be available at [Q3 & 9M 2023 EARNINGS RELEASE \(royalcast.com\)](https://royalcast.com).

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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DISCLAIMER

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

- **Comparable basis**

On a comparable basis information is information factoring out changes in the scope of consolidation, such as divestments and acquisitions, the USA, 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
- Net Financial interest paid, net of embedded interest