

PRESS RELEASE

**ATALIAN REACHES AN AGREEMENT FOR THE REFINANCING OF ITS OUTSTANDING NOTES**

**Paris (France) –19 January 2024** - Atalian is pleased to announce that it has reached an agreement on a common set of commercial terms with respect to a long-term solution for the refinancing of the Group (the "**Transaction**") with a representative group of noteholders.

During 2023, Atalian has been considering its strategic options, including with respect to the maturity of its €625m 4.000% senior unsecured notes due May 2024, the €350m 5.125% senior unsecured notes due May 2025, and the £225m 6.625% senior unsecured notes due May 2025 (the "**Existing Notes**").

After a period of confidential discussions with an ad hoc group of representative noteholders of the Existing Notes (the "**AHG**"), Atalian is pleased to announce that it has reached an agreement on a common set of commercial terms with respect to a long-term solution for the refinancing of the Group with noteholders representing 39% of the Existing Notes. The key features of the proposed Transaction are described in a presentation available on Atalian's website and include:

1. a cash redemption of €400m in respect of the Existing Notes at consummation of the Transaction, with a specified allocation of €100m for participating noteholders;
2. a reinstatement of remaining amounts under the Existing Notes, to be issued in the form of new Euro denominated senior secured notes due 30 June 2028 and in an aggregate amount of approximately €836m ("**Exchange Notes**").

Other agreed aspects of the Transaction include (i) a "double Luxco" security package, (ii) part of the newly reset interest rate will be "payable in kind" and (iii) scope for potential bolt-on acquisitions by Atalian.

The main shareholder of Atalian has been instrumental throughout the discussions with the AHG. As part of the Transaction, this shareholder has consented to the implementation of a "double Luxco" structure above the existing Atalian group and to transfer to the Atalian group its minority stake in Atalian Propreté and Atalian Sûreté for the benefit of the Exchange Notes.

The Transaction will be implemented either via an exchange offer, requiring 90% in aggregate principal amount outstanding of each of the Existing Notes due May 2024 and the Existing Notes due May 2025 to participate, or, if required, through an accelerated safeguard proceeding subject to the support of noteholders representing not less than 2/3 in aggregate principal amount outstanding of each of the applicable class or classes of Existing Notes (as determined for the accelerated safeguard proceedings).

Atalian and the representative noteholders have signed a "Lock-Up Agreement" to bind each party into supporting the Transaction on the above-proposed terms.

Frédéric Baverez, Executive President of Atalian, stated: *"This agreement with a representative group of noteholders is a major step forward to refinance our debt and strengthen Atalian's financial position. This is a sign of their confidence in our teams, the resilience of our business and our strategy. I would like to thank all parties involved for engaging in a constructive dialogue, allowing us to reach an agreement that takes into account the group's social and economic interests as well as growth perspectives. The completion of the refinancing in the coming weeks will provide us with greater visibility and flexibility over the next few years, with a healthier financial horizon."*

The Lock-up Agreement is being made available for signature by all holders of Notes. Holders of Notes that are not already party to the Lock-up Agreement can accede to the Lock-up Agreement by completing an accession letter in the form appended as a schedule to the Lock-up Agreement. Holders of the Notes should contact the calculation agent Kroll Issuer Services Limited at [atalian@is.kroll.com](mailto:atalian@is.kroll.com) to access further information relating to the Transaction and for details of how to obtain a copy of, and accede to, the Lock-up Agreement.

A fee of 50 bps (the "**Lock-up Fee**") will be payable upon consummation of the Transaction to each participating noteholder who is originally party to the Lock-up Agreement or accedes to the Lock-up Agreement within 15 business days of its execution (i.e. by 9 February 2024). Noteholders will not be eligible for the Lock-up Fee if they accede to the Lock-up Agreement after 9 February 2024 (save with respect to any Notes acquired by them which were already eligible to receive a Lock-up Fee).

Participating noteholders that vote in favour of the Transaction (including potential accelerated safeguard) within the first 10 business days of the exchange offer being launched, will also receive a pro rata share of a €100m cash redemption.

### **5-year Business Plan key targets:**

Since early summer 2023, Atalian's operational and top management teams have been working on a strategic roadmap prepared with a bottom-up approach.

This strategy is based around five core pillars:

1. Building a pan-European Group: This refocusing on continental Europe is achieved following the recent disposal of the US assets. Atalian's current geographic footprint allows it to address clients' multi-countries needs.
2. Improving profitability: The improvement of profitability will be driven by a systematic contract portfolio review, including indexation improvements, continuous productivity efforts and increased client retention.
3. Organic growth: Achieving organic growth opportunities in Atalian's historic activities with the development of new contracts with existing clients and new clients acquisition combined with an improved retention rate.
4. Developing integrated Facility Management (iFM): Developing iFM will increase multi-tech services in the mix, activities with higher margins and barriers to entry. This will also enhance Atalian's historic Soft FM activities by incorporating them in enlarged offerings contributes.
5. External growth strategy: Atalian will continue to create value from external growth through small acquisitions under a bolt-on logic. Targets will present high synergies potential in terms of structure and completion of product offering (i.e. sales coverage, know-how...).

This strategic roadmap is reflected in the Business Plan. The Business Plan targets can be summarized as follows\*:

	2023E	2024E	2025E	2027 targets
<b>Sales</b>	c.€2bn	Stable/slight growth	Stable/slight growth	c.€2.2bn
<b>EBITDA</b>	Q4'23 higher than Q4'22 and slightly below Q3'23 level	c.€100m	c.€115-125m	EBITDA improvement of c. 5% / year with margin at c. 6%
<b>CFFO**</b>	Still negative	€20 – 30m	EBITDA conversion above 30%	>€50m

\* Excluding US following the disposal of the activities, before bolt-on acquisitions

\*\* CFFO before factoring interest

In addition, Atalian does not expect any major change in its current capex level, with total capex being comprised between €65m and €70m, including IFRS16. Gross capex excluding leases, are not expected to exceed €20m per year. Change in working capital is expected to be neutral as from 2024. Both income taxes and cash interests related to factoring and other financial liabilities are projected to be around €10m each per year for the business plan period. Finally, the Business Plan does not include any major non-recurring cash costs.

Atalian benefits from a significant cash & cash equivalent position, expected at around €582m at 2023 year end.

2024 is expected to be a year of stabilization and consolidation of the action plans initiated by the management in 2023, i.e.:

- Strengthening the business model around iFM;
- Internal reorganization: change of the management team, review of operational management, and governance;
- Customer segmentation and customer portfolio review;
- Expansion of the offer around new service lines and with a CSR approach at the heart of the offer;
- Indexation campaigns & productivity efforts.

2025 should benefit from the full impact of the actions taken since 2023 along with the implementation of strategic key levers for organic growth:

- Focus on continental Europe;
- Increase of share of iFM;
- Organic growth through the development of key segments (community services, residential);
- Restore profitability with a contract-by-contract approach.

Key assumptions used for this business plan can be summarized as follows:

- Improvement of the trade balance with an EBITDA contribution of contract wins netted by the impact of contract losses and renewal at breakeven as from 2026;
- Increased share of Hard Facility Management versus Soft Services driven by a strong improvement in CEE and gradual progression in France;
- Productivity efforts stabilized at a high level, reflecting a right balance between productivity gain, efficiency, quality and customer satisfaction;

- Neutral impact of the inflation with a passthrough close to 100% in all geographies;
- With 80% of sales in EUR, only CEE (c. 16% of Group sales) is impacted by Forex. Main currencies are Czech Crown (EUR/CZK assumed at 24) and New Turkish Lira (EUR/TRY assumed at 45 in 2024, 59.9 in 2025 and at 68.8 in 2026);
- Wages Inflation assumptions for 2024 are for France c. 3%, for Benelux c.6%, and for CEE c. 18% (including Turkey with c. 50%);
- As a reminder, the Business Plan is not considering any cost relating to the refinancing.

ATALIAN will hold a Conference Call for Investors and Analysts on 22 January 2024 at 2:00pm BT / 3:00pm CET. An audio webcast will be available at <https://atalian.com/investors-area/investors-news/?lang=en>

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

A replay on our website will be accessible on our website during three months after the conference call ends.

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### **Forward-Looking Information**

*This announcement may include “forward-looking statements” which involve risks and uncertainties. You can identify forward-looking statements because they contain words such as “believes”, “expects”, “may”, “should”, “seeks”, “approximately”, “intends”, “plans”, “estimates”, or “anticipates” or similar expressions that relate to Atalian’s strategy, plans or intentions. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, the Company’s actual results may differ materially from those that it expected. Atalian has based these forward-looking statements on its current views and assumptions about future events. While Atalian believes that these assumptions are reasonable, Atalian cautions that it is very difficult to predict the impact of known factors, and it is impossible for Atalian to anticipate all factors that could affect its actual results. The forward-looking statements included in this announcement should not be regarded as a representation by Atalian that its plans and objectives will be achieved. Atalian undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.*

### **About Atalian**

*With a turnover of 2 billion euros, more than 70,000 employees and a presence in 20 countries, Atalian is an independent European leader in outsourced business services. The Group has over 20,000 customers in the tertiary sector and industries. Its services are organized around several business lines: Facility Management, Cleaning, Security & Safety, Multi-Technical Maintenance & Energy Management, Hospitality.*

*For more information, please visit [www.atalian.com](http://www.atalian.com).*

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