FOURTH QUARTER & FULL YEAR 2023 FINANCIAL RESULTS

A year of key strategic achievements and improved results in line with targets

- **Productivity measures, indexation plan, commercial discipline and in-depth review of clients' portfolio all underway, reflected in progressive improvements in results throughout the year**
  - Net sales of €2,003 million in FY 2023, representing a growth of 4.1% and of 8.3% on a comparable basis[1]
  - EBITDA of €97 million in FY 2023, down 15.8% or -12.3% on a comparable basis
- **Positive net result of €40 million mostly driven by the capital gain of the sale of operations in the UK, Ireland and Asia**
- **Improvement in CFFO despite significant non-recurring expenses:**
  - 2023 CFFO slightly positive at +€5 million vs. -€1 million in 2022
  - CFFO before non-recurring items up €24 million to €39 million
- **Launch of a new customer-centric and profitability-oriented strategic plan, positioning Atalian as a pan European leader in Facility Management**
- **Successful refinancing finalized in 2024 with quasi unanimous support of noteholders**
  - Refinancing will provide Atalian with greater financial visibility and flexibility over the next few years

Frédéric Baverez, Group CEO, said: "*2023 has been a transformative year for the ATALIAN Group. Throughout the year, we refocused on Continental Europe, implemented a new consumer-centric and profitability-oriented strategic plan, renewed the management team with seasoned executives and, with a conclusion early in 2024, successfully refinanced our bond debt. As illustrated in our financial performance, we managed to drive efficient productivity measures, indexation and commercial progress, while navigating in an economic environment impacted by inflation.*

These achievements are significant advances, bolstering our confidence in the future and strengthening the group's ability to better capitalize on the vast opportunities across the various facility management service segments in Europe. This market is outpacing GDP growth in many of our operating countries, opening up further avenues for growth.

Following a year of transformation and achievements, we anticipate 2024 to be a year of stabilization and consolidation for all the implemented action plans, and by 2025, we expect to fully realize the benefits of our new strategy.

Through our new strategic roadmap, ATALIAN has what it takes to transform its ambition into reality: being the preferred partner of European customers in specific or global facility management services.

[1] *Comparable basis means excluding change in the scope (mainly Africa), and currency translation effects. Activities in the UK, Ireland, Asia and Aktrion as well as US operations are meeting the IFRS 5 criteria and reclassified as discontinued activities. Activities in Africa sold in Q4 2022 are however retained in the continued activities perimeter in 2022. US activities were sold in October 2023 and therefore not reclassified as discontinued activities for September closing.*

I would like to thank all our teams for their hard work and unwavering dedication to our clients throughout the year. They are the cornerstone of our success. Finally, I also want to thank our customers and partners for their trust in our business and services."

Performance Q4 & FY 2023 – Group Figures

€ million	Q4 2023 Actual	Q4 2022 IFRS 5[(1)]	change	FY 2023 Actual	FY 2022 IFRS 5[(1)]	change
Net Sales	**514.5**	**510.1**	**+0.8%**	**2,003.0**	**1,923.8**	**+4.1%**
Recurring EBITDA	**26.4**	**22.9**	**+15.3%**	**96.5**	**114.5**	**-15.8%**
Recurring EBITDA Margin (%)	5.1%	4.5%	*+64 bps*	4.8%	6.0%	*-114 bps*
Operating Profit excl. non-recurring items	**12.8**	**(9.1)**	**+21.9**	**40.9**	**50.7**	**(9.8)**
Operating Profit	(9.2)	(10.6)	+1.4	(1.9)	38.2	(40.1)
Net Profit (loss) for the period from continued operations	**(59.8)**	**(51.6)**	**(8.2)**	**(102.2)**	**(78.7)**	**(23.5)**
Net profit (loss) for the period	**(90.2)**	**(157.1)**	**+66.9**	**39.9**	**(168.8)**	**+208.7**
Cash Flow from Operations (CFFO)	**9.0**	**28.0**	(19.0)	**4.9**	**(0.6)**	+5.5
CFFO excl non-recurring items	**23.4**	**45.0**	(21.6)	**39.1**	**14.8**	+24.3

Note IFRS 5: activities in the UK, Ireland, Asia and Aktrion as well as US operations are meeting the IFRS 5 criteria and reclassified as discontinued activities. Activities in Africa sold in Q4 2022 are however retained in the continued activities perimeter in 2022. US activities were sold in October 2023 and therefore not reclassified as discontinued activities for September closing.

FY 2023 results are in line with the Group's November guidance, reflecting a constant improvement in our performance across the year.

In 2023, consolidated net sales amount to €2,003 million, up 4.1%. After forex impact (-2.3%, mainly due to the variation of the lira in Türkiye) and scope impacts (-1.8% mainly due to the sale of activities in Africa), net sale increase by 8.3% on a comparable basis. This growth reflects growth of operations driven by indexation and contract wins, notably in Central & Eastern Europe. Central & Eastern Europe net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.

FY 2023 Recurring EBITDA decreased by 15.8% or -12.3% on a comparable basis. Recurring EBITDA margin is down 114 bps to 4.8%, but up 64 bps to 5.1% in Q4 2023 compared to Q4 2022 reflecting the constant improvement throughout the year.
While productivity measures, indexation plan and commercial measures are all underway, recurring EBITDA was negatively impacted by lower contribution of Covid-19 special works notably in the first half of 2023, and by the lag effect of the full impact of indexation measures. In addition, FY 2022 EBITDA benefited by non-recurring balance sheet impacts and P&L positive reclassification.

Operating income excluding non-recurring items amounted to €40.9 million, compared to €50.7 million in 2022. The decrease is mainly explained by the EBITDA decrease. Non-recurring items accounted for in 2023 amounted to €43 million, reflecting a major transformation year, including €12 million restructuring costs, €10 million relating to the refocusing of the Group's operations, €4 million refinancing costs, €9 million of provision for sick-leave due to change in the French regulation, €3 million impairments and €5 million of miscellaneous non-recurring items.

Net profit for the period is positive to €39.9 million in 2023 as it includes capital gain from the sale of operations in the UK, Ireland and Asia in the discontinued operation line. 2022 includes losses from the US (including goodwill impairment) accounted for as discontinued operations.

CFFO improvement from -€0.6 million in 2022 to +€4.9 million in 2023 reflects the positive variation of change in working capital requirements, and lower operational capex, more than offsetting the EBITDA decrease. Excluding non-recurring items CFFO improves by €24 million, from €15 million to €39 million.

Net debt decreased from €1,397 million at the end of December 2022 to €791 million at the end of December 2023. This significant improvement mainly results from the sale of the of the operations in the UK, Ireland, and Asia to CD&R. As announced on March 28th, 2024, the Group finalized its refinancing. This transaction enables Atalian to reduce the nominal value of its long-term debt by €400 million, extend the maturity by 4.5 years to June 2028 and significantly reduce its annual cash interest expense.

Regional Performance

France & iFM

€ million	Q4 2023 Actual	Q4 2022 IFRS 5	change	FY 2023 Actual	FY 2022 IFRS 5	change
Net Sales	**363**	**361**	**+0.4%**	**1,429**	**1,392**	**+2.7%**
Recurring EBITDA*	**20**	**22**	**-10.9%**	**84**	**109**	**-23.0%**
Recurring EBITDA Margin (%)	*5.4%*	*6.1%*	*-69 bps*	*5.9%*	*7.8%*	*-196 bps*

** After re-allocation of dedicated holding costs*

In 2023, Net Sales increase by +2.7%, to €1,429 million, as compared to €1,392 million in 2022, mainly driven by cleaning operations and iFM operations. Indexation and benefits from new contracts gained end of 2022 and early 2023 have been partly offset by Covid-19 related special works in 2022 not reconducted in 2023 and loss of a major security contract. In Q4 2023, Net Sales were broadly stable (increase of +0.4%) to €363 million, as compared to €361 million in Q4 2022.

In 2023, recurring EBITDA decreases by €25 million, or -23.0%, to €84 million. When excluding the benefit of Covid-19 related special works in 2022 for €8.4 million, recurring EBITDA is down 16.5% year-on-year. Recurring EBITDA margin reaches 5.9%, down 196 basis points compared to 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 Covid-19 special works of 2022, and the inflation.
In Q4 2023, recurring EBITDA decreases by €2 million, or -10.9%, to €20 million. Recurring EBITDA margin reaches 5.4%, down 69 basis points compared to Q4 2022. Indexation plans and productivity measures were mainly offset by loss of a major security contract.

International

€ million	Q4 2023 Actual	Q4 2022 IFRS 5	change	FY 2023	FY 2022 IFRS 5	change	change @ comparable basis
Net Sales	**154**	**151**	**+1.6%**	**580**	**536**	**+8.2%**	**+23.2%**
Recurring EBITDA*	**10**	**5**	**+117.4%**	**32**	**26**	**+23.7%**	**+38.7%**
Recurring EBITDA Margin (%)	*6.7%*	*3.1%*	*+356 bps*	*5.6%*	*4.9%*	*+70 bps*	*+87 bps*

** After re-allocation of dedicated holding costs*

In 2023, Net Sales increase by +8.2%, to €580 million. When excluding the negative effects of perimeter changes (mainly Africa) and foreign exchange rates impact (mainly due to the depreciation of the Turkish lira versus the euro), Net Sales on a comparable basis increase by +23.2%. This strong increase reflects the growth of operations notably in Central & Eastern Europe, where specific actions and management changes in some countries have been implemented to re-boost organic growth and to secure appropriate passthrough to clients in all geographies. Central & Eastern Europe net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.
In Q4 2023, Net Sales increase by +1.6%, to €154 million, as compared to €151 million in Q4 2022, mainly driven by growth of operations in Central and Eastern Europe.

In 2023, Recurring EBITDA increases by €6 million, or +23.7%, to €32 million. On a comparable basis, it was up 38.7%. Recurring EBITDA margin is up 70 basis points to 5.6%. This improvement mainly reflects account wins and productivity measures in Central and Eastern Europe, partly offset by impact of inflation and low profitability of new contracts in the Netherlands.
In Q4 2023, Recurring EBITDA broadly doubled to €10 million, mainly driven by significant improvements in Central & Eastern Europe.

Outlook

2024 is expected to be a year of stabilization and consolidation for all the action plans initiated in 2023.
The Group confirms initial targets, i.e.:

- Stable to slight revenue growth
- Recurring EBITDA of approximately €100 million
- CFFO in the range of €20-30 million.

The Unaudited Consolidated Financial Statements for the period ended 31 December 2023 are available on the ATALIAN's website (https://atalian.com/investors-area/investors-news).

ATALIAN will hold Q4 & FY 2023 Earnings Release Conference Call for Investors and Analysts on April 5th, 2024 at 2:00pm BST / 3:00pm CEST. An audio webcast will be available at FULL YEAR 2023 RESULTS (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

APPENDIX

As part of the strategic review and the implementation of the strategic plan, the Group has identified certain accounting changes and reclassifications aiming at improving the readability of the financial statements. The resulted in the following changes:

Accounting of the US as Discontinued Operations

- Subsequently to the sale of the US assets to GDI in October 2023, US operations have been accounted for Discontinued operations as per IFRS 5
  - ⇒ Change in the P&L with aggregated result of US operations accounted for on the Discontinued operations line: 2022 EBITDA impact of +€20 million

Accounting for non-recourse and recourse Factoring

- The Company has restated the financial statements reported for the financial year ended 31st December 2022. The adjustments have mainly impacted the French activities to clarify the impact of deconsolidation of factored receivables depending on the recourse capacity of the Factor. These adjustments relate to Cash collected for the Factor, rejected invoices by the factor and non-guaranteed invoices that can be asked for refunding by the Factor.
  - ⇒ The adjustments/restatements required to the consolidated financial statements reported for the financial year ended 31st December 2022 are:
    - ⇒ Decrease of Cash and Cash Equivalent for €25.9 million.
    - ⇒ Increase of Financial Debt – factoring of €26.9 million (see note 9.4 to the Consolidated Financial Statements)

€ million	FY 2022 as published	Sale of US Assets (IFRS 5)	Reclassification of non-guaranted invoices by the credit insurance	FY 2022 comparable basis
Recurring EBITDA	**94.7**	**19.9**		**114.5**
Change in working capital requirements	4.9	(12.2)	(14.9)	(22.1)
Change in factor deposit	(0.7)	0.0	1.8	1.2
Income tax paid	(14.2)	0.4		(13.7)
Net capex	(69.2)	4.1		(65.1)
Operational	*(28.2)*	*2.5*		*(25.7)*
Leases	*(41.0)*	*1.7*		*(39.3)*
CFFO excl non-recurring items	**15.6**	**12.3**	**(13.1)**	**14.8**
Non-recurring items	(25.6)	10.2		(15.4)
Cash Flow From Operations (CFFO)	**(10.0)**	**22.5**	**(13.1)**	**(0.6)**

Reclassification of the Capital Gain of operations sold to CD&R (Q1 2023)

- Capital gain for the sale of the operations in the UK, Ireland, Asia & Aktrion were reporting in "other income & expense" since Q1 2023. The related €149m have been reclassified in Discontinued Operations
  - ⇒ No impact on Net Income

Change in EBITDA definition as from Dec. 31, 2023

- Some provisions (other operational provisions and provisions for pensions) have been reintegrated in the EBITDA starting January 1st, 2023.
  - ⇒ If applied in 2022, EBITDA would have been -€3m lower

Holding cost re-allocation by segment

- As part of the new strategic plan and to better reflect the performance of each segment report, the Group has decided to re-allocate holding cost to each relevant segment vs. at Group level as previously reported
  - ⇒ No impact on Consolidated EBITDA but impact on Segment information

Segment number after holding costs re-allocation*								
In € million		**Q4 2022**	**FY 2022**	**Q1 2023**	**Q2 2023**	**Q3 2023**	**Q4 2023**	**FY 2023**
Net Sales		**510.1**	**1,923.8**	**498.8**	**493.7**	**496.1**	**514.5**	**2,003.0**
of which:	France	361.2	1,391.9	361.0	354.5	351.3	362.7	1,429.4
	International	151.3	536.0	139.3	140.2	146.8	153.7	580.1
	Other	(2.3)	(4.0)	(1.5)	(0.9)	(2.0)	(2.0)	(6.4)
Recurring EBITDA		**22.9**	**114.5**	**16.4**	**27.0**	**26.8**	**26.4**	**96.5**
of which:	France	22.0	108.9	15.9	26.2	21.9	19.8	83.8
	International	4.5	25.9	6.1	6.1	9.9	10.2	32.3
	Other	(3.6)	(20.2)	(5.7)	(5.4)	(5.0)	(3.6)	(19.6)

* As part of the new strategic plan and to better reflect the performance of each segment report, the Group has decided to re-allocate dedicated holding cost to each relevant segment vs. at Group level as previously reported.