

## FIRST QUARTER 2024 FINANCIAL RESULTS

- **Q1 2024 profitability improvement mainly driven by international operations and productivity efforts**
- **Pursuit of the commercial and operational efforts to foster & generate organic growth**
  - Net sales of €500 million, representing a growth of 0.3% and of 4.3% on a comparable basis<sup>1</sup> compared to Q1 2023
  - EBITDA of €17 million, up 5.1% or +11.8% on a comparable basis compared to Q1 2023
- **As expected Q1 is a low quarter due to low level of Special Works and cyclical indexation lag impact**
- **Further investment in additional commercial initiatives and improvement actions to secure business and performance in particular in our French cleaning operations**
- **Atalian confirms 2024 guidance**

Frédéric Baverez, Group Executive President, said: *“Navigating in a challenging environment, we are working on gradually positioning the company in a stronger position to generate organic growth to execute our strategic plan.*

*During the quarter, we successfully strengthened our balance sheet through an ambitious refinancing transaction, providing Atalian greater financial visibility and flexibility for the future.*

*We also continued to make progress in revamping our commercial and operational organisations to foster and generate organic growth. This was reflected in the improved first-quarter performance, compared to the same period last year, although Q1 remains a low quarter due to low level of Special Works and cyclical indexation lag impact. We recorded strong performance in the Central and Eastern Europe, along with notable improvements in iFM and Maintenance & Energy. In addition, in the cleaning operations in France, expected negative impact of last year contract losses and indexation lag were mitigated by productivity actions.*

*To further strengthen our business and performance amid an ongoing challenging environment, we continue to invest in additional commercial initiatives and continuous improvement actions. And we continue to capitalize on our team’s agility to reinforce our trade balance, gain new customers and support them on a daily basis, driving their performance and our own.*

*These investments are expected to begin contributing as from the end of the first half, with full impact anticipated in the second half of the year, leading us to confirm our 2024 full year guidance.*

*Our ambition is clear, and our actions and teams are now in place to deliver expected results, cementing our position as the preferred partner for European customers in specific or global facility management services.”*

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<sup>1</sup> Comparable basis means excluding change in the scope and currency translation effects. Activities in the US operations are meeting the IFRS 5 criteria and reclassified as discontinued activities.

## Performance Q1 2024 – Group Figures

€ million	Q1 2024 Actual	Q1 2023 IFRS 5 <sup>(1)</sup>	change
<b>Net Sales</b>	<b>500.4</b>	<b>498.8</b>	<b>+0.3%</b>
<b>Recurring EBITDA</b>	<b>17.1</b>	<b>16.3</b>	<b>+5.1%</b>
<i>Recurring EBITDA Margin (%)</i>	3.4%	3.3%	+15 bps
Operating Profit excluding non-recurring items	3.5	2.2	+1.3
Operating Profit	(12.6)	2.2	(14.8)
<b>Net Profit (loss) for the period from continued operations</b>	<b>(34.7)</b>	<b>(13.6)</b>	<b>(21.1)</b>
<b>Net profit (loss) for the period<sup>(2)</sup></b>	<b>(35.1)</b>	<b>144.2</b>	<b>(179.3)</b>
Cash Flow from Operations (CFFO)	(75.8)	(8.7)	(67.1)
CFFO excluding non-recurring items	(61.7)	(7.8)	(53.8)

Note IFRS 5: In compliance with IFRS 5 in order to disclose the consolidated income statement comparative for the Q1 as of March 31, 2024, the consolidated income statement for Q1 ended as of March 31, 2023 has been re-presented to disclose the discontinued operations separately from the continuing operations.

In Q1 2024, consolidated net sales amount to €500.4 million, up 0.3%. After forex impact (mainly due to the variation of the lira in Türkiye) net sales increase by 4.3% on a comparable basis. This growth reflects good improvement in Central and Eastern Europe (CEE) and of integrated FM (iFM). These effects were offset by still challenging French trade-balance mainly driven by loss of contracts in 2023 (loss of a major Security and Safety contract end of Q1 2023), along with unfavourable exchange rate impacts in Türkiye, limiting the positive impact of a very strong organic growth.

Q1 2024 recurring EBITDA is up 5.1% (+11.8% at constant exchange rate). Positive contribution of continuous improvement measures (productivity) combined with the positive CEE trade balance and lower holding costs were partly offset by negative trade balance in France, along with lag effect to fully passthrough the 2024 French staff cost increase in a context where cleaning staff cost evolution overpass the INSEE general price index as well as the minimum wage (SMIC) increase.

Operating profit excluding non-recurring items amounted to €3.5 million, compared to €2.2 million in Q1 2023. This increase is mainly explained by the EBITDA performance. Non-recurring items accounted for in Q1 2024 amounted to €16 million, corresponding to the refinancing of the bond debt finalized in March 2024.

Net profit from continued operations for the period is negative at -€34.7 million in Q1 2024 compared to -€13.6 million in Q1 2023. EBITDA improvement and lower financial and tax costs were more than offset by the €16 million non-recurring costs of the debt refinancing. Lower financial result is also generated by favorable forex impact in Q1 2023 not renewed in 2024.

In Q1 2024 net loss amounts to -€35.1 million compared to a net profit of €144.2 million in Q1 2023 strongly helped by the capital gain from the sale of UK, Ireland and Asia operations recorded in the discontinued operation line.

CFFO degradation from -€8.7million in Q1 2023 to -€75.8 million in Q1 2024 reflects negative change in working capital requirement in Q1 2024 mainly due to calendar effects in invoicing and factoring, which have proved to be smoothed out over the weeks following Q1 closing. CFFO includes -€14 million of non-recurring items in Q1 2023, due to the refinancing.

## Regional Performance

### France & iFM

€ million	Q1 2024 Actual	Q1 2023*	change YoY
<b>Net Sales</b>	<b>359</b>	<b>361</b>	<b>-0.5%</b>
<b>Recurring EBITDA</b>	<b>15.5</b>	<b>15.9</b>	<b>-2.8%</b>
<i>Recurring EBITDA Margin (%)</i>	<i>4.3%</i>	<i>4.4%</i>	<i>-10 bps</i>

\* After re-allocation of dedicated holding costs

In Q1 2024, net sales are down 0.5% to €359 million, as compared to €361 million in Q1 2023. The growth in iFM and Maintenance & Energy operations, along with positive contribution of indexation were offset by negative trade balance (mainly due to the loss of a major contract in Security and Safety business at the end of Q1 2023).

In Q1 2024, recurring EBITDA decreases by €0.4 million, or -2.8%, to €15.5 million. Recurring EBITDA margin reaches 4.3%, down 10 basis points compared to Q1 2023. This decline reflects lower revenues along with cyclical lag impact to fully passthrough 2024 staff costs increases to customers more than offsetting productivity improvements. Overall general INSEE inflation passthrough is being achieved but staff cost increase over and above it proves more difficult to be transferred.

### International

€ million	Q1 2024	Q1 2023*	change	change @ comparable basis
<b>Net Sales</b>	<b>142</b>	<b>139</b>	<b>2.1%</b>	<b>17.3%</b>
<b>Recurring EBITDA</b>	<b>6.2</b>	<b>6.1</b>	<b>1.4%</b>	<b>19.4%</b>
<i>Recurring EBITDA Margin (%)</i>	<i>4.4%</i>	<i>4.4%</i>	<i>-3 bps</i>	<i>8 bps</i>

\* After re-allocation of dedicated holding costs

In Q1 2024, net sales increase by +2.1%, to €142 million. When excluding the negative foreign exchange rates impact (due to the depreciation of the Turkish lira versus the euro), net sales on a comparable basis increase by +17.3%. This improvement reflects significant growth in CEE benefiting from actions taken in 2023 to re-boost organic growth and successful passthrough inflation to clients in all geographies. CEE net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.

CEE growth was marginally offset by the negative trade balance in Benelux, mainly due to loss of some contracts in 2023.

In Q1 2024, recurring EBITDA increases by €0.1 million, or +1.4%, to €6.2 million. On a comparable basis, it was up 19.4%. Recurring EBITDA margin is broadly flat at 4.4%. This improvement mainly reflects EBITDA growth in the CEE driven by improved trade balance along with positive impact of increased level of special works and positive contribution of continuous improvement measures.

## Outlook

Despite a low seasonal Q1 2024 vs Q4 2023, FY 2024 guidance is confirmed, with additional specific actions in place to secure business and results. These actions are expected to start contributing by the end of H1, with full impact in H2 2024.

- Pro-active sales activity to improve hit rate and develop special works
- Continuous improvement actions
- Additional indexation campaigns
- Specific actions on loss-making contracts
- Expansion of the offer, in particular around iFM
- Investments to secure organic growth (HR, legal rationalization, digitalization, IT infrastructure, etc..)

Along with actions already implemented in 2023, 2024 is as planned expected to be a year of stabilization, while 2025 should benefit from the full impact of the implementation of the strategy.

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.

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The Audited 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 Q1 2024 Earnings Release Conference Call for Investors and Analysts on May 24, 2024 at 2:00pm BST / 3:00pm CEST. An audio webcast will be available at [Q1 2024 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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***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**

Non-Recurring items comprise significant charges or income that, because of their one-time nature, cannot be viewed as inherent to the Group's regular course of business, such as strategic restructuring (impacting operations or the structure of the organization), litigations, projects implementations costs, impairments, capital gain or losses and other one-time items.

- **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 Free Cash Flow is an indicator to measure the level of cash generated by the Group after payment of financial interests. It is defined as:

- + Cash flow from Operations
- Net Financial interest paid, net of embedded interest