

Atento Reports Fiscal 2019 Fourth Quarter and Full-Year Results

Continue diversifying revenues with accelerated Multisector growth in all regions driving a 2.1% revenue growth to \$1.7 billion in 2019

- Transformation Plan gained additional momentum with accelerated Multisector growth at better margins, with a 13,9% increase in multisector revenues in all regions in the last quarter of the year.
- Multisector revenues up 13.9% growing across all regions, accounting for a raise of 370 bps.
- Record in sales: 3 horizons strategy resulted in a record sales year in 2019, reflecting 45% growth versus 2018, as well as improving quality and contribution margin. Company is focused on Born-digital and healthcare segments.
- Q4 run rate continued the positive trend (4th Q in a row) in revenue, contribution margin and EBITDA growth, strengthening the 3 horizons strategy presented during Investor day in Nov 2019.

NEW YORK, March 3, 2020 -- Atento S.A. (NYSE: ATTO) (“Atento” or the “Company”), the largest provider of customer-relationship management and business-process outsourcing services in Latin America, and among the top five providers globally, today announced its fourth-quarter and full-year operating and financial results for the period ending December 31, 2019. All comparisons in this announcement are year-over-year (YoY) and in constant-currency (CCY), unless noted otherwise, and may differ from the 6-K due to certain intra-group eliminations. For more information, please refer to <http://investors.atento.com/>.

Q4 2019 highlights

13.9% Multisector growth in Q4 drove a 4.8% YoY increase in consolidated revenue

- Multisector growth in all regions: 6.3%, 27.3% and 9.8% in Brazil, Americas and EMEA, respectively
- Born-digital companies and healthcare providers drove Multisector growth in Brazil, while higher volumes from new and existing contracts drove Multisector sales up in the Americas

Run rate EBITDA increased 3.3% YoY in the quarter reflecting better mix revenue expansion

- Normalized Adjusted EBITDA margin expanded 50 bps and 40 bps in Brazil and Americas, respectively

FCF of \$41.0 million, reflecting improved working capital

- Historical positive seasonality in the quarter
- Collection recovery from a specific renegotiated contract, as noted on previous earnings call

1.3 million shares repurchased in Q4 for \$3.4 million, demonstrating management confidence in the transformation plan and prospects of the business

Full Year 2019 highlights

7.5% Multisector growth in 2019 drove a within guidance 2.1% YoY increase in consolidated revenue

- Multisector growth in all regions: 6.4%, 9.4% and 10.3% in Brazil, Americas and EMEA, respectively
- Born-digital companies and healthcare providers drove multisector growth in Brazil, while higher volumes from new and existing contracts drove Multisector sales in the Americas
- Multisector accounted for 64.7% of total revenue in FY 2019, a 370bps increase
- A record sales year: 45% YoY growth in New In-Year Revenues with better profitability

EBITDA improving sequentially throughout the year

- Positive trend reflecting better revenue mix and operational improvements initiatives
- Programs returned to clients in Brazil in 2H19 expected to contribute ~100bps in Adjusted EBITDA margin of the country in 2020

Operating cashflow of \$52.7 million helping to fund transformation plan and return to shareholders

- Impact from extraordinary items related to transformation plan that will lead to improved profitability in 2020
- \$14.9 million to consolidate the minority stakes that the company did not have in Interfile and RBrasil
- FCF of -\$9.6 million

4.4 million shares repurchased in 2019 for \$11.1 million, demonstrating management confidence in the transformation plan and prospects of the business

Messages from the CEO and CFO

Carlos López-Abadia, Atento’s Chief Executive Officer, commented, “Among our encouraging fourth quarter results was robust multisector revenue growth across all regions, demonstrating that our Three Horizon Plan continues to gain traction with improved overall results quarter after quarter. Having completed my first year as Atento’s CEO, I am also encouraged to see colleagues at all levels of our company starting to absorb the cultural changes we have been realizing under our extensive transformation plan. That includes making some tough decisions, such as returning client programs that are no longer profitable or not aligned with our long-term growth strategy. We are confident that this and other measures we have been taking will lead to improved profitability quarter after quarter in 2020 and expect such progress to be reflected in Atento’s share price.”

José Azevedo, Atento’s Chief Financial Officer said “I have just completed my first 100 days at Atento. I am very excited about the future of the company and glad to be part of this team that is building a strong foundation to lead the next generation CX. I have been implementing a number of changes in Atento’s finance department to help changing the culture of the company to increasingly focus at improving cashflow and profitability. I am confident we have the strategy and tools to maximize shareholder return over the long term.”

Introducing Fiscal 2020 Guidance

Atento forecasts low single-digit revenue growth in 2020, in constant-currency terms. Sales growth is expected to come from the acceleration of the Company’s digital business with Multisector clients, while baseline volumes are expected to continue declining, particularly in the more massive CRM. EBITDA margin is expected to be in the range of 12% to 13%, including the effects of IFRS16. For the year, cash capex is expected to be 4.0% to 4.5% of revenues, above the level presented in the recent years as the company accelerates its digital offering.

Consolidated Revenue Growth (CCY)	low single-digit
EBITDA Margin Range (CCY)	12.0% - 13.0%
Interest Expenses ⁽¹⁾	(\$35 MM – \$40 MM)
Cash Capex (as % of Revenues)	4.0% - 4.5%

Environmental, Social and Governance

Atento has been implementing various environmental-related initiatives. The program has been initiated in Brazil and we expect to roll-out to the other countries we operate. During 2019, we delivered a series of results in Brazil, including (i) 6% reduction in water consumption, (ii) rainwater recycling capabilities in all new sites, (iii) 60,000 common light bulbs replaced by LED, (iv) 7% reduction in energy consumption, (v) 50% of energy deriving from renewable sources, (vi) 70% reduction in paper towel usage by installing hand driers, (vii) 1,000 tree seedlings donated to preserve the Atlantic Forest and (viii) 100% e-waste reutilization/recycling.

We are very proud of our culture to take care of our main asset, our people. In 2019, Atento has been named one of the World’s 25 Best Multinational Workplaces and one of the Best Multinationals to Work for in Latin America by Great Place to Work®. In Spain, we were granted the Top Employer Award for the tenth consecutive year, while in Brazil we were granted this award for sixth consecutive year. Our employee experience includes human values, opportunities and engagement propositions. Our employees represent over 20 nationalities, with 64% being female and 46% from generation Y. Over 60% of the opportunities we have are fulfilled with internal promotions, while the level of engagement of our employees surpasses 80%.

About Atento

Atento is the largest provider of customer relationship management and business process outsourcing (CRM BPO) solutions in Latin America, and among the top five providers globally, based on revenues. Atento is also a leading provider of nearshoring CRM/BPO services to companies that carry out their activities in the United States. Since 1999, the company has developed its business model in 13 countries where it employs 150,000 people. Atento has over 400 clients to whom it offers a wide range of CRM/BPO services through multiple channels. Atento's clients are mostly leading multinational corporations in sectors such as telecommunications, banking and financial services, health, retail and public administrations, in addition to born-digital ones, among others. Atento's shares trade under the symbol ATTO on the New York Stock Exchange (NYSE). In 2019, Atento has been named one of the World's 25 Best Multinational Workplaces and one of the Best Multinationals to Work for in Latin America by Great Place to Work®. For more information visit www.atento.com.

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Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements can be identified by the use of words such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "continue" or similar terminology. These statements reflect only Atento's current expectations and are not guarantees of future performance or results. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. These risks and uncertainties include, but are not limited to, competition in Atento's highly competitive industries; increases in the cost of voice and data services or significant interruptions in these services; Atento's ability to keep pace with its clients' needs for rapid technological change and systems availability; the continued deployment and adoption of emerging technologies; the loss, financial difficulties or bankruptcy of any key clients; the effects of global economic trends on the businesses of Atento's clients; the non-exclusive nature of Atento's client contracts and the absence of revenue commitments; security and privacy breaches of the systems Atento uses to protect personal data; the cost of pending and future litigation; the cost of defending Atento against intellectual property infringement claims; extensive regulation affecting many of Atento's businesses; Atento's ability to protect its proprietary information or technology; service interruptions to Atento's data and operation centers; Atento's ability to retain key personnel and attract a sufficient number of qualified employees; increases in labor costs and turnover rates; the political, economic and other conditions in the countries where Atento operates; changes in foreign exchange rates; Atento's ability to complete future acquisitions and integrate or achieve the objectives of its recent and future acquisitions; future impairments of our substantial goodwill, intangible assets, or other long-lived assets; and Atento's ability to recover consumer receivables on behalf of its clients. In addition, Atento is subject to risks related to its level of indebtedness. Such risks include Atento's ability to generate sufficient cash to service its indebtedness and fund its other liquidity needs; Atento's ability to comply with covenants contained in its debt instruments; the ability to obtain additional financing; the incurrence of significant additional indebtedness by Atento and its subsidiaries; and the ability of Atento's lenders to fulfill their lending commitments. Atento is also subject to other risk factors described in documents filed by the company with the United States Securities and Exchange Commission.

These forward-looking statements speak only as of the date on which the statements were made. Atento undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.