Atento Reports Fiscal 2021 Fourth Quarter and Full Year Results

2021 revenue up 7.9% on recurring basis, with balanced contribution from Telefónica and Multisector

Annual Recurring EBITDA growth of 23.7%, with Recurring EBITDA margin of 12.9% and 15.5% in fourth quarter

Cyberattack has non-recurring revenue impact of $34.8 million in fourth quarter, following three quarters of solid revenue and EBITDA growth

Total Annual Value of sales of new business rises 20% to record $215 million

US annual revenue up 34% to $114.8 million, with US and EMEA representing 26% of recurring 2021 EBITDA

Reinforced presence in key growth sectors such as tech, healthcare and fintech, which accounted for 54%, 16% and 11% of new wins in 2021 and represented 37% of sales

Secured and extended key agreements with Telefónica, while expanding share of wallet

Latin America's higher inflation, interest rates and currency fluctuations increased financing costs, and impacting 2021 shareholder equity and free cash flow

NEW YORK, March 30, 2022 – Atento S.A. (NYSE: ATTO) ("Atento" or the "Company"), one of the five largest providers of Customer Relationship Management and Business Process Outsourcing (CRM / BPO) services worldwide and sector leader in Latin America, announced today its fourth quarter and full year operating and financial results for the period ending December 31, 2021. All comparisons in this announcement are year-over-year (YoY) and in constant-currency (CCY), unless otherwise noted.

Total Annual Value of Sales (TAV) rise to record

- TAV increased 20% to $215 million, growing 59% in US
- New In-Year revenue for new business rose 21%, increasing 69% in the US
- Cyberattack disruption on Brazil operations resulted in $34.8 million in lost revenue
- Annual revenue grew 5.3% to $1.45 billion, up 7.9% on a recurring basis (excluding impact of cyberattack)
- Annual Multisector sales rose 5.4%, increasing 11.7% and 8.4% in the Americas and EMEA, respectively, while declining 3.1% in Brazil; Recurring Brazil Multisector sales grew 1.1%
- Telefónica (TEF) sales grew 5.3% in 2021, or 9.1% on a recurring basis, as share of wallet continued to grow
- Key service agreements with TEF were secured and extended
- Atento won 61 new clients in 2021, with sales in fast-growing tech, healthcare and fintech sectors accounting for 54%, 16% and 11% of new wins, respectively, and representing 37% of total annual sales in 2021
- US revenues increased 34.1% to $114.8 million in 2021
- Hard-currency revenues expand 220 bps to 24% of 2021 revenue and 26% of EBITDA

Strong recurring and hard currency EBITDA

- 2021 Recurring EBITDA rose 23.7% to $191.9 million and with corresponding margin expanding 150 bps to 12.9%, mainly on 240 bps increase in Brazil. 2021 EBITDA declined 7.1% to $149.8 million
- 4Q Recurring EBITDA down slightly to $50.8 million and with margin expanding 110 bps to 15.5%. 4Q EBITDA decreased 84.2% to $8.7 million, mainly due to the $34.8 million in lost revenue in Brazil and $7.3 million in costs related to the cyberattack
- US EBITDA of $4.7 million in Q4 and $22.1 million in 2021, up 60.3% and representing 14.7% of consolidated EBITDA, with EBITDA Margin at 10.9% in Q4 and 14.1% for the year, 320 bps higher than in 2020
- Hard currency EBITDA represented 26% of total EBITDA at year-end, up 600 bps, mainly due to US expansion
- Recurring Net Loss of $1.6 million in Q4 and net loss of $48.2 million in 2021
- Reported EPS of -$3.11 in Q4 and -$6.42 in 2021, mainly due to $42.1 million impact of cyberattack and $45.7 million of net financial expense

Leading
Next Generation CX

Debt leverage and maturity profile remain healthy

- At year-end 2021, net debt-to-EBITDA was 3.9x, or 2.9x when excluding EBITDA impact of cyberattack
- Solid cash position of $129 million, including $56 million drawdown in revolving credit facilities
- At December 31, 2021, shareholders' equity was -$10.2 million, partly impacted by $85.1 million in non-cash items consisting of -$42.8 million of balance sheet and P&L conversion as well as -$42.3 million change in fair value of derivatives instruments

Solid improvements in ESG performance

- Scope 1 carbon emissions decreased 16% in 2021
- Approximately 60% of Company's energy comes from renewable resources
- New record for client satisfaction, which increased 280 bps versus 2020
- Improved gender equality, with women comprising approximately 50% of management team

Update on Cybersecurity measures

- Reinforced cybersecurity protection, detection, and remediation measures
- Closed partnership agreements with best-in-class cyber security providers such as CrowdStrike and Microsoft, providing additional security for Company and customers
- Establishing best practices and working closely with defense groups and agencies to improve early warning and threat preparedness

Summarized Consolidated Financials

($ in millions except EPS)	Q4 2021	Q4 2020	*CCY Growth* (1)	2021	2020	*CCY Growth* (1)
Income Statement (6)						
Revenue	327.2	369.6	-7.4%	1,449.2	1412.3	5.3%
Recurring EBITDA (2)	50.8	53.5	*-0.6%*	191.9	161.2	23.7%
Recurring EBITDA Margin	*15.5%*	*14.5%*	*1.1 p.p*	*12.9%*	*11.4%*	*1.5 p.p*
Recurring Net Income/Loss (2)	(1.6)	4.8	*N.M.*	(48.2)	(9.9)	*N.M.*
EBITDA (2)	8.7	53.5	-83.0%	149.8	161.2	-3.5%
EBITDA Margin	*2.7%*	*14.5%*	*-11.8 p.p.*	*10.3%*	*11.4%*	-1.1 p.p.
Net Loss (3)	(43.7)	(8.0)	*N.M.*	(90.3)	(46.9)	94.3%
Earnings Per Share on the reverse split basis (2)	($3.11)	($0.57)	*N.M.*	($6.42)	($3.33)	92.9%
Recurring EPS on the reverse split basis (2) (5)	($2.43)	$0.34	*N.M.*	($1.01)	($0.71)	-62.9%
Cash Flow, Debt and Leverage						
Net Cash Used in Operating Activities	1.1	58.8		42.3	127.0	
Cash and Cash Equivalents	128.8	209.0				
Net Debt (4)	589.6	518.8				
Net Leverage (4)	3.9x	3.2x				

(1) Unless otherwise noted, all results are for Q4; all revenue growth rates are on a constant currency basis, year-over-year; (2) Recurring EBITDA, Recurring Net Income/Recurring Earnings per Share (EPS) are Non-GAAP measures adjusted only for the cyberattack impact; (3) Reported Net Income and Earnings per Share (EPS) include the impact of non-cash foreign exchange gains/losses on intercompany balances; (4) Includes IFRS 16 impact in Net Debt and Leverage; (5) Earnings per share and Recurring Earnings per share in the reverse split basis is calculated with weighted average number of ordinary shares outstanding. (6) The following selected financial information are unaudited.

Message from CEO and CFO

Like so many companies in the current era, including some of the world's technology leaders, we were struck by a cyberattack, which impacted our fourth quarter results. This impact proved to be far greater than we initially expected, due the complexities of these events and how the aftershocks manifest themselves.

Nevertheless, the fundamentals of our business remain strong, as our recurring results demonstrate, and we remain focused on our growth strategy, which has proven to be highly effective over the last two and a half years. We will overcome what we consider to be a temporary setback to our business, as we are an agile and resilient company. Throughout the pandemic, we consistently demonstrated these valuable traits.

Last year, we delivered three quarters of outperformance prior to the cyberattack and also outperformed on every key metric. We expanded in higher-growth, higher margin verticals in LatAm and the US, while generating higher levels of hard currency revenues. At the same time, we delivered a greater proportion of higher value next-generation services to Telefónica, while expanding volumes and renewing agreements with this key client. During the year, we also continued to strengthen operationally, enhance our digital capabilities, and drive innovation to broaden our portfolio of CX and BPO services.

We expect to regain momentum in the second half of the year, although we have lowered slightly the ranges of our margin and leverage targets that we set under our Three Horizon Plan. We have ramped up our much-improved sales organization and expect to replenish and grow volumes during the year, volumes that also carry higher margins, consistent with our strategy. Additionally, we are accelerating ongoing efficiency initiatives to further reduce our cost structure as well as improve our effectiveness as an organization, in terms of methodologies, best practices and technologies. We are also moving aggressively to reduce our cost of debt capital.

In summary, Atento remains a far more agile company and is better positioned in the Americas' growing CX market than when we launched our growth plan. We expect to perform at an even higher level this year than last, resuming the same profitable growth trajectory that we achieved and maintained most of last year.

Carlos López-Abadía
Executive Officer

José Azevedo
Chief Financial Officer