**PRESS RELEASE**

Paris, November 6, 2020

# Preliminary full-year 2019-2020 financial results
# With solid fundamentals, Elior maintains a strong liquidity position through rigorous management and a flexible business model

Ahead of its full-year results announcement on November 25, 2020, Elior Group (Euronext Paris – ISIN: FR 0011950732) provides a business and Covid-19 impact update, and announces its preliminary, unaudited financial results for the year 2019-2020 prior to the application of IFRS 16.

**Preliminary fiscal 2019-2020 figures:**

- Revenues were €3.967 billion, compared with €4.923 billion in 2018-2019, an organic decrease of 19.7%.
- Adjusted EBITA from continuing activities was a loss of €71 million, compared with a profit of €176 million a year ago.
- Covid-19 impacted revenues and adjusted EBITA by an estimated €1.003 billion and €268 million respectively. The drop-through impact of weaker full-year revenues on adjusted EBITA was 27%, less than 30%, as previously announced.
- Excluding Covid-19, strikes in France, voluntary contract exits in Italy and the Tesco contracts scope reductions in the UK, organic growth in 2019-2020 was +1.7%.
- Liquidity at September 30, 2020, amounted to €630 million, compared with €709 million at June 30, 2020.
- Net debt amounted to €767 million at September 30, compared with €539 million a year ago and €563 million at March 31, 2020.

**Elior Group CEO, Philippe Guillemot, said:** *"Faced with exceptional circumstances, Elior swiftly executed a coordinated, Group-wide action plan. We managed to preserve a high level of liquidity because of our adaptability, flexible organization, and strict cost management. Thanks to our solid economic and financial fundamentals, expertise in hygiene and food safety, and teams dedicated to the well-being of our clients and guests, Elior is well equipped to meet the challenges posed by the second Covid-19 wave. Business remains brisk in healthcare, education, and industry excluding white collar, both in contract catering and in services. We are also stepping up the roll-out of new food service offerings that are more flexible in terms of 'when and where'—without compromising on quality—to better serve the needs of businesses in the white collar sector, which represented less than 20% of consolidated revenues in the previous fiscal year. Today, Elior is at the forefront of this historical sector transformation as a socially and environmentally responsible caterer."*

## Trading update

Without the Covid-19 crisis, Elior would have achieved its fiscal 2019-2020 targets for organic growth, adjusted EBITA margin, and operating free cash flow, even despite the impact of strikes in France in December 2019 and early January 2020.

During the second half, Elior leveraged its solid fundamentals to strengthen its positions in both contract catering and services in Education, Healthcare, and Business & Industry. In these segments, excluding the white collar sector, business is now close to pre-Covid-19 levels.

In the white collar sector, which represents less than 20% of consolidated Group revenues, the pandemic has accelerated the structural changes affecting work practices and our guests' new expectations. While reaffirming its core identity as a responsible caterer and service provider, Elior has therefore moved quickly to develop and roll out a new range of more agile corporate dining solutions using digital technologies that will enable it to meet the needs of not only its traditional clients (corporate headquarters and large sites) and smaller companies (SMEs, smaller sites), but potentially also employees working remotely.

## Preliminary fiscal 2019-2020 results

| *(€ million)* | 2019-2020 unaudited | 2018-2019 | Change |
|---|---|---|---|
| Revenues | 3,967 | 4,923 | -19.7% |
| EBITA (adjusted)* | -71 | 176 | -€247m |
| As a % of revenues | *-1.8%* | *3.6%* | *-5.4bp* |
| **before IFRS 16* | | | |

**Revenues totaled €3.967 billion** in fiscal 2019-2020. The 19.4% year-on-year decline includes a positive impact of €4 million from acquisitions and a positive impact of €8 million from exchange rates. Negative impacts during the year ended September 30, 2020, included (i) €1.003 billion due to Covid-19, (ii) €11 million due to strikes in France, and (iii) €39 million due to voluntary contract exits in Italy and reduction in scope of the Tesco contracts in the UK.

Excluding those factors, organic growth in 2019-2020 would have been +1.7%.

**International** revenues totaled €2.182 billion. Organic growth was -19.3%.

**Revenue generated in France** totaled €1.778 billion. Organic growth was -19.6%.

The Corporate & Other segment posted revenue of €7 million, down from €22 million a year earlier.

International revenues represented 55% of the total in 2019-2020, the same as in the year ended September 30, 2019.

The Business & Industry division generated revenues of €1.620 billion, Education generated €1.149 billion, and Healthcare generated €1.198 billion, representing year-on-year declines of 28.2%, 18.7%, and 4.4% respectively.

**The adjusted EBITA of the Group's continuing activities** was a €71 million loss for the year to September 30, 2020, compared with a profit of €176 million in 2018-2019. As a result of the €247 million year-on-year decline, the adjusted EBITA margin was -1.8% compared with +3.6% in 2018-2019. The French strikes accounted for -€7 million, voluntary contract exits in Italy, contract terminations with the Ministry of Defense plus Tesco contracts scope reduction in the UK combined amounted to -€5 million, while the Covid-19 pandemic impact was -€268 million in 2019-2020.

Elior had estimated that the Covid-19 drop-through from revenues to adjusted EBITA would be less than 30% over the full year. The actual final figure is 27%.

In the **International** segment, adjusted EBITA totaled -€31 million for a margin of -1.4% of revenues, versus 3.3% in 2018-2019.

In **France**, adjusted EBITA came to -€14 million for a margin of -0.8% of revenues, versus 4.9% in 2018-2019.

**Capex** for the fiscal year 2019-2020 was €89 million, 2.2% of revenues, compared with €114 million, 2.3% of revenues, a year ago.

**Liquidity**

At end-September 2020, Elior's liquidity amounted to €630 million, compared with €709 million at end-June 2020.

The change is chiefly attributable to the final adjustment related to the sale of Areas (-€48 million), the increase in securitization tied to the resumption of business (+€31 million), the impact of exchange rate movements on our dollar-denominated facilities (-€11 million), and negative operating free cash flow excluding securitization (-€22 million).

**Net financial debt** came to €767 million at September 30, 2020, compared with €563 million at March 31, 2020, and €539 million at September 30, 2019.

The next test for the Group's covenants will be at end-2021 based on results at September 30, 2021.

For detailed information, please watch for the Elior Group's full-year results announcement on November 25, 2020.

Financial calendar:

- November 25, 2020: Full-year 2019-2020 results - press release published before the start of trading and will host a Webconference

## Appendix 1: Definition of alternative performance indicators

*The English-language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinion expressed therein, the original language version of this document in French takes precedence over this translation.*

**About Elior Group**

Founded in 1991, Elior Group has grown into one of the world's leading operators in contract catering and support services has become a benchmark player in the business & industry, education, healthcare and leisure markets. With strong positions in 6 countries, the Group generated €4,923 million in revenue in fiscal 2018-2019.
Our 110,000 employees feed over 5 million people on a daily basis in 23,500 restaurants on three continents, and offer services on 2,300 sites in France.
Innovation and social responsibility are at the core of our business model.

For further information please visit our website at http://www.eliorgroup.com or follow us on Twitter (@Elior_Group)

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## Appendix 1: Definition of Alternative Performance Indicators

**Organic growth in consolidated revenue:** as described in Chapter 4, Section 4.1.2.1 of the fiscal 2018-2019 Universal Registration Document, growth in consolidated revenue expressed as a percentage and adjusted for the impact of (i) changes in exchange rates, (ii) changes in accounting policies, notably the first-time application of IFRS 15 in 2018-2019 and (iii) changes in scope of consolidation.

**Adjusted EBITA:** Recurring operating profit reported including the share of profit of equity-accounted investees adjusted for the impact of share-based compensation expense (stock options and performance shares granted by Group companies) and net amortization of intangible assets recognized on consolidation.
The Group considers that this indicator best reflects the operating performance of its businesses as it includes the depreciation and amortization arising as a result of the capex inherent to the Group's business model. It is also the most commonly used indicator in the industry and therefore permits comparisons between the Group and its peers.

**Adjusted EBITA margin:** Adjusted EBITA as a percentage of consolidated revenue.

**Operating free cash flow:** The sum of the following items as defined in the 2018-2019 Universal Registration Document and recorded either as individual line items or as the sum of several individual line items in the consolidated cash flow statement:

- EBITDA.
- Net capital expenditure (i.e. amounts paid as consideration for property, plant and equipment and intangible assets used in operations less the proceeds received from sales of these types of assets).
- Change in net operating working capital.
- Other cash movements, which primarily comprise cash outflows related to (i) non-recurring items in the income statement and (ii) provisions recognized for liabilities resulting from fair value adjustments recognized on the acquisition of consolidated companies.

This indicator reflects cash generated by operations and is the indicator used internally for the annual performance appraisals of the Group's managers.

**Revenue loss related to Covid-19:** difference between actual revenue and the forecast made at the end of December 2019, at constant exchange rates and at constant perimeter, with no price effect noted at this stage.

**Impact of Covid-19 on Ebita:** lost revenues less associated residual costs, net of savings achieved to date (government aid, renegotiation of supplier contracts, insurance indemnity, etc.).

**Impact of strikes in France:** on revenues, it was measured site-by-site in relation to the normal level of activity in the weeks preceding the start of the strikes; on Ebita, it corresponds to the costs that could not be variabilized.