Un monde d'attentions elior

FY 2013-2014 results

December 11th, 2014


Agenda

Financial objectives achieved or exceeded

Revenue growth	**+6.5 % (including +3.9% organic)** ✓
EBITDA margin	**8.4 % - stable year-on-year** ✓
Leverage ratio[1]	**3.1x EBITDA vs 4.9x LY and < 3.25x guided** ✓
CF generation	**Operating cash flow of €301M (+37% vs LY), representing a 67% conversion rate of EBITDA** ✓

→ Strong financial performance: proposed dividend: 0.20€ per share (69% payout)

[1] Calculated in accordance with SFA methodology: net debt excluding unamortized issuance fees and mark to market of hedging rate instruments/ LTM EBITDA, pro forma for acquisitions

Execution of the group’s strategy to build the future

1. Strong business development in Catering
2. Selective footprint expansion
3. Continuous focus on customer needs
4. Adapting to market environment
5. Strengthened balance sheet and additional financial resources

1 Strong business development in Contract Catering & Support Services

- Significant progress in contract signature: +12%(1) vs 2012-2013

B&I	Education	Healthcare	Services
Carrefour, Banca d'Italia, EDF, Safran	Hauts-de-Seine Conseil Général, University of West London, Telecom ParisTech, Comune di Prato	Arnault Tzanck, Médipôle Sud Santé, Consorci Hospital General Universitari València, Nottingham University Hospitals NHS Trust	Parly2, UGAP, Institut Paoli-Calmettes

- Retention rate remains high at 93%(2)

(1) Excluding THS and Trenitalia contract in 2012-2013
(2) Excluding Tesco business in the UK – back insourced

2

Selective footprint expansion

- Growth in the UK: acquisition of Lexington
  - High-end catering activities in the City of London
  - Complementary to Elior historical footprint in the UK
  - Commercial and operational synergies
  - Price consideration and return in line with Group's acquisition criteria

- Focus on key geographies: disposal of stake in Arcoprime in Chile and activities in Argentina and Morrocco
  - Proactive portfolio management
  - Non strategic asset / no operational management

→ Targeted ambitious external growth remains a pillar of development strategy, notably in the US : €450m envelope over 2014-2017

Focus on customer needs: innovation as a result of a twofold process

B2B
Client / partner orientation

IDP Optimum

From traditional kitchen to pre-prepared meals

SMART food by elior

Low capex, low cost, easy and flexible attractive concepts

B2C
End consumer orientation

Brands

EXKi natural, fresh & ready

PAUL MAISON DE QUALITÉ FONDÉE EN 1889

monop'daily

bert's café contemporain

bonsens FREE LOUNGE CUISINE

Increasing share of grab & go and fast food in contract catering activities

→ Reactivity and flexibility are key to ensure long term customer satisfaction

4 Adapting to market environment: permanent cost optimisation process

- Protect margins in difficult economic environment through enhanced efficiency and productivity whilst improving the quality of service

Difficult market environment	Site by site analysis	Diagnosis elaboration	Local action plans	Efficiency and productivity enhancement
• France • Italy • Spain	• Loss-making contracts • Declining profit sites	• Deep review of operational schedules	• Operational workforce adjustment • Rescheduling • Negotiated amendments	• Expected full year payback as from FY 2015-2016

- Elior Ambition 2 program: operational efficiency actions and costs reduction
  - improvement of site productivity
  - optimization of central kitchen network
  - overhead cost reduction
  - upgraded version of site manager IS
  - international supplier purchasing agreements

→ Flexibility is part of the Group's DNA

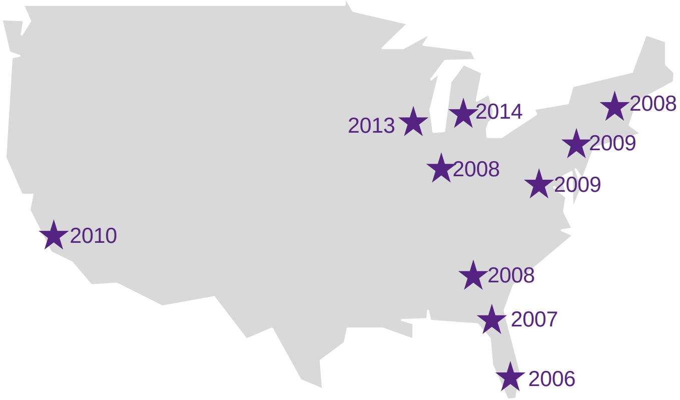
Adapting to market environment: leveraging global footprint in concessions

Concessions strengths

- 2,300 restaurants and points of sales
- 12 countries
- International and experienced teams
- Strong partnerships with high quality brands
- Innovative concepts and design and marketing capabilities
- Sharing of best practices, resources and own brands

Case study: US airports

- Market entry: 2006
- Presence in 10 airports



- Growth : market development (5%+) and market share gain

→ Elior has valuable assets and resources to further expand organically worldwide

5 Strengthened Group's balance sheet and additional financial resources

IPO
June 11, 2014

- €785m rights issue
- Immediate refund of €736m of term loan and high yield bonds

Refinancing
Dec. 10, 2014

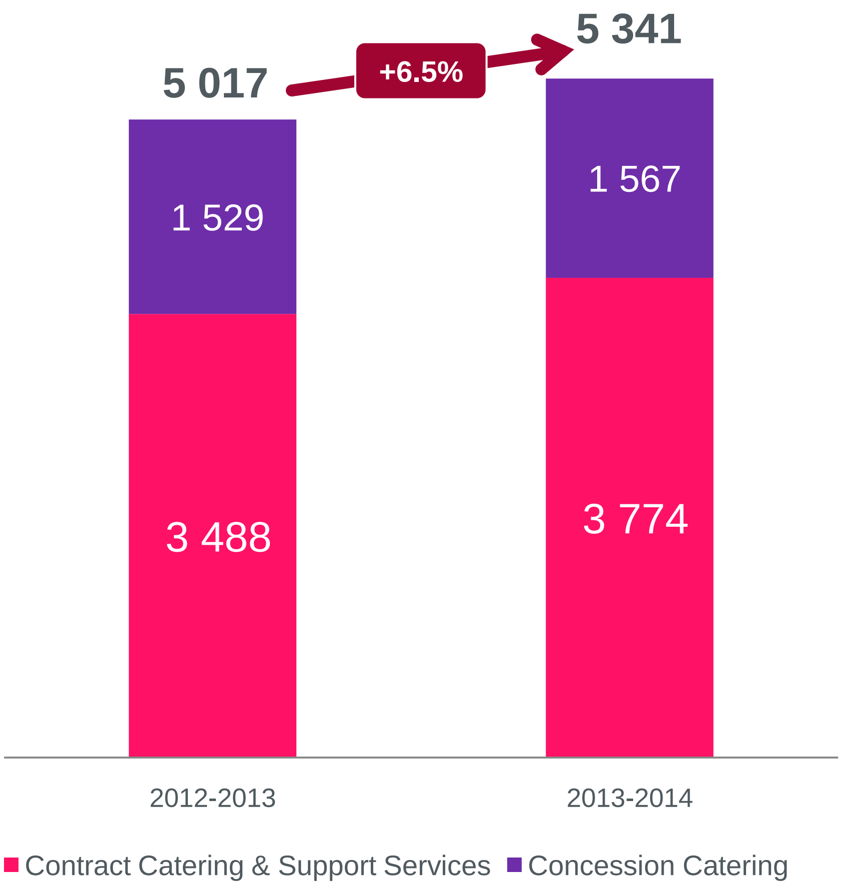
- €950m Term Loan
  - €800m 5-year maturity at 190 bps at current leverage ratio
  - €150m 8-year maturity at 270 bps at current leverage ratio
- €300m 5 year-maturity revolving credit facility (+€130M with extended maturity)

→Moody's ans S&P' rating upgraded: B3 and BB
→Significant reduction of financing cost as from 2014-2015

Agenda

Strong revenue growth driven by organic and external growth

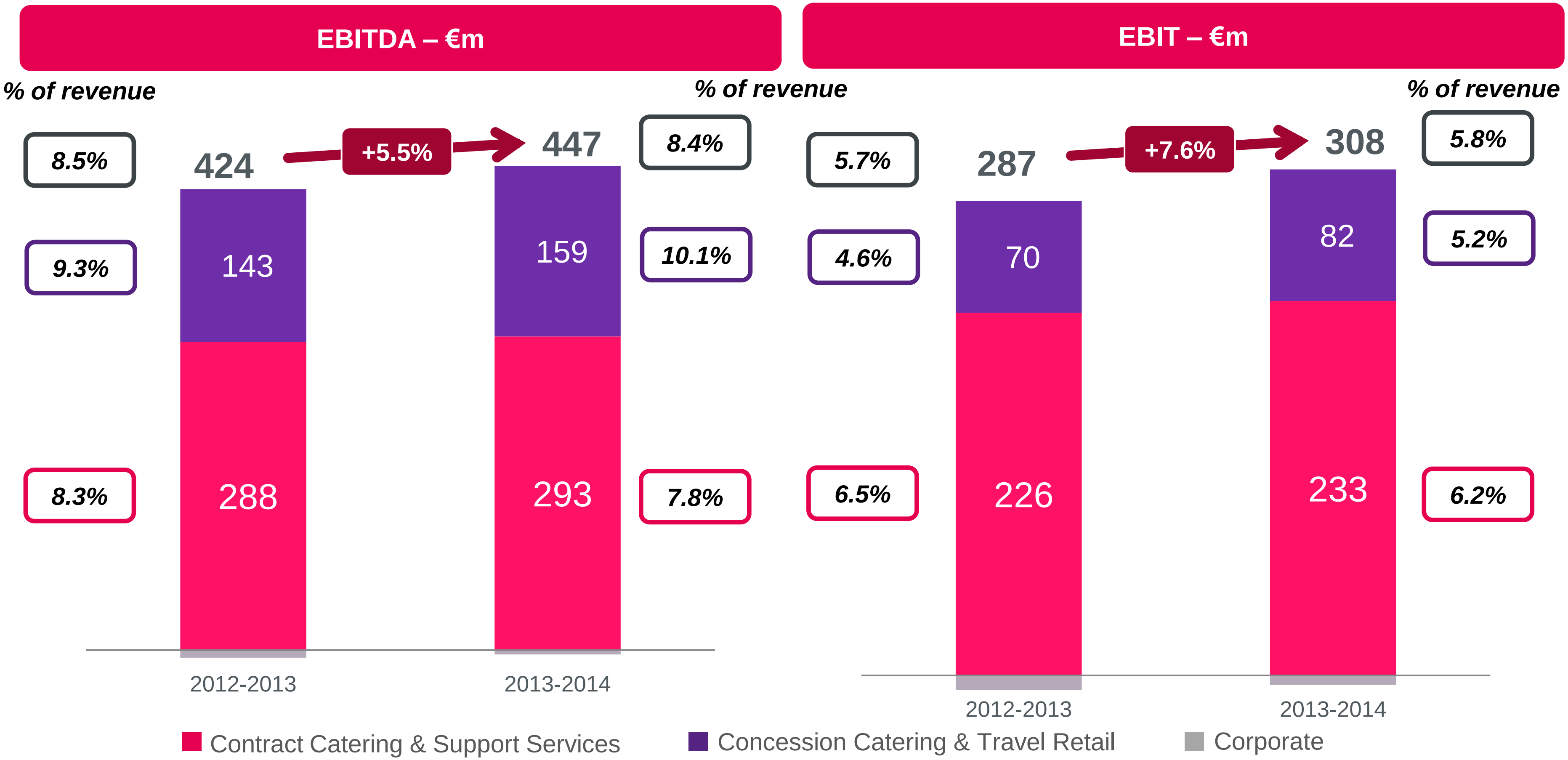
REVENUE – €m



- Organic growth: + 3.9 %
- Perimeter impact: + 3.1 %
- # of days impact: - 0.2 %
- Forex impact: - 0.3 %

→Increased proportion of international revenue: 47% of Group revenue vs 44% LY

Strong and steady profitability



→ Sustained EBITDA margin in line with IPO guidance

Non current items affecting net results

IPO-related costs	IPO costs: €(27)m Early repayment of debt: €(16)m
Exceptional provisions	Restructuring in France, Italy and Spain: €(22)m Social and fiscal risk: €(11)m
Change in perimeter	Capital gain on disposal of Arcoprime: +€17m Disposal of activities in Argentina and Morocco: €(3)m THS PPA: €(5)m

Consolidated Income Statement

€m, 30/09	2013-2014	2012-2013	Yoy change
Revenue	5,341	5,017	+6.5%
EBITDA	447	424	+5.5%
EBIT	308	287	+7.6%
Non-recurring	(73)	(106)	-30.9%
Financial charges	(137)	(139)	-1.4%
Income tax	(41)	(39)	+5.9%
Minority interest	(9)	6	ns
Net income Group share	**48**	**9**	**x 5.5**

Comments

- 75 bps repricing in February 2014
- Early reimbursement of part of high yield bond and senior term loan

- Impact of THS acquisition
- Impact of non recurring tax credits in Italy in 2012-2013

→ Reported EPS multiplied by 3.6

Consolidated Cash Flow Statement and Net Debt Evolution

€m, 30/09	2013-2014	2012-2013	Yoy change (€m)
EBITDA	447	424	+23
Change in WCR	35	(29)	+64
Capex	(181)	(176)	-6
Operating Cash Flow	301	219	+82
Cash interest	(131)	(133)	+2
Cash tax	(43)	(39)	-4
Acquisitions / disposals	7	(241)	+248
Others	(67)	(66)	-1
Net Free Cash Flow	67	(260)	+327
Change in equity and forex	734	(9)	
Change in debt	801	(268)	
Net debt (-) / cash (+)	**(1,380)**	**(2,181)**	**-801**
Leverage ratio[(1)]	**3.1x**	**4.9x**	

Comments

- Strong reduction of receivables
- Specific action plans on WCR monitoring, notably in France & Italy

- Completion of investments on US turnpikes

In 2013-2014 Others include:

- Cash outflows related to the IPO and debt repayment
- Restructuring costs accrued in prior years

- Better-than guided

[1] Calculated in accordance with SFA methodology: net debt excluding unamortized issuance fees and mark to market of hedging rate instruments/ LTM EBITDA, pro forma for acquisitions

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Contract Catering & Support Services Revenue by Region

REVENUE – €m		2013-2014	2012-2013
France	Revenue	2,122	2,093
	Organic growth	***+1.9%***	
	Perimeter changes	-	
	Total growth	***+1.4%***	
International	Revenue	1,652	1,395
	Organic growth	***+5.7%***	
	Perimeter changes	*+12.7%*	
	Total growth	***+18.4%***	
Total Contract Catering	Revenue	3,774	3,488

Comments

- **Negative calendar effect**
- **Start-up of new contracts and strong development in B&I**
- **Higher attendance in Education**
- **Business development and higher revenue on existing contracts in Healthcare**
- **Strong development in Services for hotels, leisure and distribution**

- **Start-up of Itinere contract in Italy**
- **Growth in Education, notably in the US and the UK**
- **Benefits of recovery in Spain**
- **Depressed Italian market**

→ +3.4% organic growth

Contract Catering & Support Services Profitability by Region

EBITDA & EBIT – €m

		2013-2014	2012-2013
France	EBIT	148	156
	EBIT margin	***7.0%***	***7.5%***
	EBITDA	185	190
	EBITDA margin	***8.7%***	***9.1%***
International	EBIT	85	69
	EBIT margin	***5.2%***	***5.0%***
	EBITDA	108	99
	EBITDA margin	***6.6%***	***7.1%***
Total Contract Catering	EBIT	233	226
	EBIT margin	***6.2%***	***6.5%***
	EBITDA	293	288
	EBITDA margin	***7.8%***	***8.3%***

Comments

- **Negative calendar impact**
- **Increase in structure costs in line with higher level of activity**
- **Start-up costs of new contracts**

- **Full-year contribution of the US**
- **Dynamic business development in the UK**
- **Start-up costs of Itinere contract in Italy**
- **Slight increase in corporate costs in Spain linked with ongoing recovery**

Concession Catering & Travel Retail Revenue by Region

REVENUE – €m

		2013-2014	2012-2013
France Belgium Germany Italy	Revenue	948	924
	Organic growth	***+3.3%***	
	Perimeter changes	*(0.7)%*	
	Total growth	***+2.6%***	
Iberia and Americas	Revenue	619	605
	Organic growth	***+7.4%***	
	Perimeter changes	*(2.6)%*	
	Total growth	***+2.3%***	
Total Concession Catering	Revenue	1,567	1,529

Comments

- **Service area openings in Germany and Italy and low consumption level and traffic in France in Motorways**
- **Opening of new points of sale in Rome and Bale Mulhouse in Airports**
- **No biennial trade fairs in France in 2013-2014**
- **Air France pilot strike**

- **Ramp up of US turnpikes in Motorways**
- **Opening of new points of sale in Airports in Spain and in the US**
- **Growing contribution of Barajas Airport**

→ **+4.9% organic growth**

Concession Catering & Travel Retail Profitability by Region

EBITDA & EBIT – €m

		2013-2014	2012-2013
France Belgium Germany Italy	EBIT	61	62
	EBIT margin	*6.4%*	*6.7%*
	EBITDA	105	102
	EBITDA margin	***11.0%***	***11.0%***
Iberia and Americas	EBIT	21	8
	EBIT margin	*3.4%*	*1.3%*
	EBITDA	54	41
	EBITDA margin	*8.7%*	*6.7%*
Total Concession Catering	EBIT	82	70
	EBIT margin	*5.2%*	*4.6%*
	EBITDA	159	143
	EBITDA margin	*10.1%*	*9.3%*

Comments

- **Lower revenue on French Motorways**
- **Ramp up of service areas in Germany and Italy**
- **Improvement of margin in Leisure and Railways**

- **Ramp up of US activities and Madrid Barajas airport**

→ Resilience in France and major improvement in Iberica and the Americas

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Underlying market trends by geography

Confirmed high market growth potential

- GDP expected to grow c.2.5-3% per annum by 2017
- Inflation rates above 2% per annum
- Motorway traffic expected to benefit from lower fuel prices in the US
- Outsourcing rates still below 40% in the US, around 50% in the UK

Ongoing recovery

- Outlook from major institutions improved since mid-2014 with strongly positive GDP
- Increase in air and motorway traffic

More difficult economic environment

- Higher unemployment trends than in mid-2014
- Lower private consumption
- Pressure on public spending, tax and social charges increase

FY 2014-2015 guidance account for economic and inflation-free environment and action plan

Revenue	Growth of over 4% (including at least 2% of organic growth) This objective does not include upcoming acquisitions in the fiscal year.
EBITDA	Stable Group EBITDA margin
Operating cash flow	Growing year-on-year
EPS	Growing strongly year-on-year
Dividend	40% of net result Group share

Note: Guidance to be considered in conjunction with the assumptions detailed in the Document de Base

Long-term targets remain unchanged

Revenue	+3.5% average annual organic growth over FY 2015-2016 and 2016-2017
EBITDA	EBITDA margin to reach 9% in FY 2016-2017
Dividend	40% of net result Group share

Note: Guidance to be considered in conjunction with the assumptions detailed in the Document de Base

[1] Leverage calculated with SFA calculation methodology: net debt excluding unamortized issuance fees and mark to market of hedging rate instruments/ LTM EBITDA, pro forma for acquisitions

Straightforward strategy to generate profitable growth

- Focus on strong expertise and leadership in catering
- Consolidate positions in France, Italy and Spain
- Increase exposure to growing US and UK markets
- Pursue expansion strategy into adjacent segments and international airports
- Pursue acquisition strategy with €450m investment envelope
- Focus on cash generation and shareholder return

Agenda

Financial Communication Calendar

- February 10, 2015: Q1 2014-2015 sales release
- March 10, 2015: Q1 2014-2015 results release
- March 10, 2015: Annual Shareholders Meeting

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