PRESS RELEASE

Paris, May 5, 2020

Elior Group Coronavirus (COVID-19) update and preliminary financials for the first half ending March 31, 2020
Elior, solid and organized to weather out the Covid-19 crisis

Elior Group (Euronext Paris – ISIN: FR 0011950732), is providing an update on the Coronavirus (COVID-19) pandemic impact to its operations and certain preliminary first half financials 2019-2020 before IFRS 16 application.

Expected preliminary first half 2019-2020 figures:

- Revenues of €2,459m, down 6.2% on an organic basis year-on-year
- Adjusted EBITA of €51m compared to €122m first half last year
- Covid-19 related impact estimated at €157m on revenues and €70m on adjusted EBITA
- Up until the outbreak of Covid-19, Elior was well oriented to deliver its annual objectives
- Available liquidity at March 31 of €917m and net debt leverage ratio at 2.5x versus a covenant of 4.5x

Quick and decisive action plan deployed to mitigate the impact of Covid-19:

- Rollout of crisis governance and the war room throughout the organization
- Protection reinforced of health and safety for employees, clients and guests
- Supporting mobilization and engagement of teams on the front line
- Rapid adaptation of the cost structure
- Reinforcement of cash management discipline to minimize cash consumption
- Securing Elior's core-business revenues and activating new revenue streams
- Anticipation and preparation for the recovery
- Creation of a solidarity fund to support employees most impacted by the crisis

Philippe Guillemot, Elior Group's Chief Executive Officer, said: "*Following a good start to the year, our activity was severely disrupted in the course of March as a result of lockdown measures implemented in all of the countries where we operate and the ramp-up of work from home that significantly impacted our Education and Business & Industry segments. In this unprecedented situation, we have been quick to react and adapt to the new reality. Elior's first priority is to protect the health and wellbeing of our teams, customers and guests. At the same time, Elior has mobilized to preserve our financial flexibility and maintain strict cost discipline while continuing to support our clients. Our teams have been demonstrating an exceptional commitment in this context which I would like to pay tribute to and thank them for. We have, and will continue to, implement measures to ensure business continuity across the countries where we operate with a long-term mindset that guarantees that we come out of this situation well positioned for our future.*"

Operations update

Up until the outbreak of Covid-19, Elior was well oriented to deliver its objectives for the full-year 2019-2020 in terms of organic growth, adjusted EBITA margin and operating Free Cash Flow, thanks to the mobilization of Elior team's performance and despite the impact of the general strikes in France in December 2019 and early January 2020.

At the outbreak of Covid-19 Elior announced on March 17, that it was not in a position to accurately determine precisely the net impact of this crisis on its full-year 2019-2020 objectives, thereby withdrawing its objectives.

First official Elior site closure		Government lockdown
Italy	February 24th	March 9th
France	March 1st	March 16th
UK	March 2nd	March 24th
US	March 10th	March 19th (California)
Spain	March 11th	March 15th
India	March 15th	March 25th

The rapid closure of schools and non-essential businesses and stay-at-home mandates had an immediate adverse impact on operations in March, which this year should have been a strong month in terms of activity for Elior as there were no bank holidays and only a few school vacations in any of the countries in which the Group operates. The consequences from the confinement measures resulted in an estimated impact on Elior's first-half results of €157 million on revenues and €70 million on adjusted EBITA.

Actions deployed to mitigate the impact of Covid-19

Quick and decisive actions were taken to mitigate the impact of Covid-19 and ensure operational continuity, including:

- Deploying crisis governance as of March 3 throughout the organization, based on Elior's experience in Italy, where the Group provides catering services at the hospital of Codogno, the epicenter of the pandemic in Europe. This experience enabled the Group to learn and share best-practices rapidly and implement an international action plan. Crisis governance and war rooms were implemented in all countries where the situation was monitored day-by-day while teams showed great proactivity in supporting clients from before the initial lockdowns and are now preparing for a phased reopening.

- Protection reinforced of health and safety for employees, clients and guests. Starting at the end of January, the Group launched a large scale communication campaign aimed at its 110,000 employees, reminding them of the necessity of social distancing and other protective measures, while ensuring the provision of personal protective equipment adapted to the specific tasks of the teams.

- Supporting the mobilization and engagement of teams on the front-line through amplified internal and external communications efforts. 25,000 Elior employees are supporting hospitals, clinics, residential care homes, centers for disabled persons, or the elderly who live alone, medical personal and key state workers (army, police, fire departments), that relying notably on our central kitchens.

- Adapting quickly Elior's cost structure to minimize the economic and social impact of this crisis on its teams by using systematically all flexibility measures: use of vacation days, training, internal mobility and partial unemployment – or equivalent measures in the different countries - based on government plans to support their national economies. The cost flexibility plan focuses on optimization opportunities such as indirect spend e.g.: leases, insurance, maintenance, repair and operating supplies.

- Reinforcing cash management discipline to minimize cash outflows. Each country is managing its cash position daily, taking all necessary actions to control cash outflows. In terms of capex, the even more rigorous allocation rules will apply in the second half.

- The board will submit a proposal at the next Annual General Meeting that the Group forgoes a dividend for the 2019-2020 financial year.

- Securing Elior's core-business revenues and enabling new revenue streams. The Covid-19 crisis is for Elior an opportunity to significantly accelerate the development of new offerings. For example: digital solutions such as "click and collect" and "click and delivery to the desk". These solutions will be implemented, as soon as sites re-open, in particular Education and Business and Industry segments.

- Anticipating and preparing for the recovery. The best practices in health and safety, and new operating models will be used during the de-confinement phase and re-opening of business.

- Creating a solidarity fund to support the most vulnerable employees. To finance this fund, Group Chairman, Directors and CEO have decided to temporarily reduce their compensation by 25% and the Executive Committee have all voluntarily agreed to reduce their compensation by 20%.

First half preliminary results

(in € million)	First Half* 2019-2020	First Half 2018-2019	Year-on-year change
Revenue	2,459	2,594	-5.2%
Adjusted EBITA	51	122	€(71)m
As a % of revenue	*2.1%*	*4.7%*	*- 2.6 bps*
**unaudited and excluding IFRS 16*			

Consolidated revenue from continuing operations totaled €2,459 million for the first half of 2019-2020. The 5.2% year-on-year decrease reflects a decline in organic growth of -6.2%, perimeter effect of +0.1% and forex impact of +0.9%. First half revenues includes (i) -€157 million from Coronavirus impact, (ii) -€11 million labor strikes in France, and €31m from voluntary exits in Italy and smaller scope of Tesco contracts in the UK.

Excluding all the aforementioned, first half 2020 organic growth was +1.5%

The proportion of revenue generated by international operations rose to 56% in the six months ended March 31, 2020 from 55% in first-half 2018-2019. Corporate and other was €6 million.

Business & Industry generated €1,056 million, Education €788 million and Healthcare was €615 million, down compared with the first half year-ago by 8.2%, 3.7% and 1.8% respectively.

Adjusted EBITA from continuing operations was €51 million in the six months ended March 31, 2020, with €71 million decrease, which resulted in an adjusted EBITA margin of 2.1% versus 4.7% in the first half of 2018-2019. The French strikes accounted for €7 million, voluntary exits in Italy and smaller scope of Tesco contracts was minor, while the Coronavirus pandemic impact was €70 million.

Capex for the first half was €53 million, 2.2% of revenues, for the first half 2019-2020 compared to €60 million, 2.3% of revenues, a year-ago.

Net Debt at the end of March 2020 was €563 million with a leverage ratio of 2.5x versus a covenant of 4.5x. This compared to a Net Debt of €539 million euros and a leverage ratio of 1.8x, at the end of September 2019.

Elior is in constructive discussions with existing relationship banks to obtain a covenant holiday for both the September 2020 and March 31, 2021 covenant tests dates for the senior facilities agreement.

Liquidity
Elior's Available Liquidity at the end of March 2020 was €917 million. This includes cash of €779 million after drawing down of the Revolving Credit Facilities of €450 million and US$250 million. Remaining available credit lines amount to €138 million.

Outlook

The resumption of economic activity in the sector depends upon government decisions to reopen schools and employees return to the office and industrial sites at the end of lockdown. In all likelihood, the process will be very gradual and vary considerably in the different countries where the Group operates.

Based on all known variables at this time, the assumptions under which the Group is currently planning and making its decisions are the following:

- Business & Industry should have the lowest level of activity in April and May and should very progressively recover from June through September.
- Education is likely to remain at a low level until the start of the new school year in September, knowing that historically the level of activity in this segment is low during the summer.
- Healthcare has been the most resilient segment, in both contract catering and services, yet nonetheless impacted notably in Europe with elective and non-critical surgeries being rescheduled until after the pandemic. As the pandemic easies, activity should gradually improve.

In this context, the impact on adjusted EBITA of lost revenues is anticipated to be around 30% for the full year 2019-2020 after the implementation of the mitigating measures described above.

Financial calendar:

- May 27, 2020: First-half 2019-2020 results - press release published before the start of trading and will host a conference call
- July 23, 2020: Revenue for the first nine months of fiscal 2019-2020 - press release published before the start of trading
- November 25, 2020: Full-year 2019-2020 results - press release published before the start of trading and will host a conference call

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 and 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. Elior Group has been a member of the United Nations Global Compact since 2004, reaching the GC Advanced Level in 2015.

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

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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 2018-201ç 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.

Leverage ratio (as defined in the covenants in the Senior Facilities Agreement and presented for the Group's debt at a given period-end): The ratio between (i) the Group's net debt (at the given period-end determined based on the definition and covenants in the Senior Facilities Agreement as described in Chapter 4, Section 4.7.2 of the 2018-2019 Universal Registration Document: "Senior Facilities Agreement", i.e. excluding unamortized issuance costs and the fair value of derivative instruments) and (ii) adjusted EBITDA calculated on a rolling basis for the twelve months preceding the period-end concerned, further adjusted to exclude the impacts of (a) acquisitions and divestments of consolidated companies during the twelve months preceding said period-end and (b) stock option and performance share plans.