



**First half**

2019 - 2020

# Financial results

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Wednesday, May 27, 2020

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# 01

## First half highlights





# First half 2019-2020 context



**Up until the outbreak of COVID-19, Elixir was well oriented to deliver its annual objectives**

- › French strikes compensated by good performance
- › Retention 93% versus 90% year ago
- › Maintained capex below 3% of revenue: 2.2%
- › Returned to shareholder €20 million share buyback



**COVID-19**



# Thank Elior's teams



Elior Services



Elior Restauration





# Community actions during COVID-19



Elior Italy supports the most vulnerable populations by donating meals



Aladdin partners with the Jewish Community Center in Pittsburgh to serve seniors



Elior supports the Red Cross in France



Elior UK joins forces with Olio to help people in need



Serunion guaranteed the distribution of 18,000 meals to Andalusian students during the lockdown







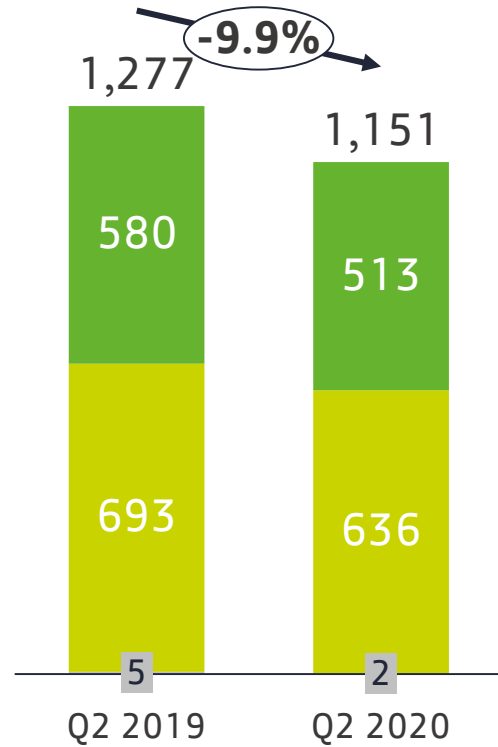
# 02

## First half 2019-2020 performance

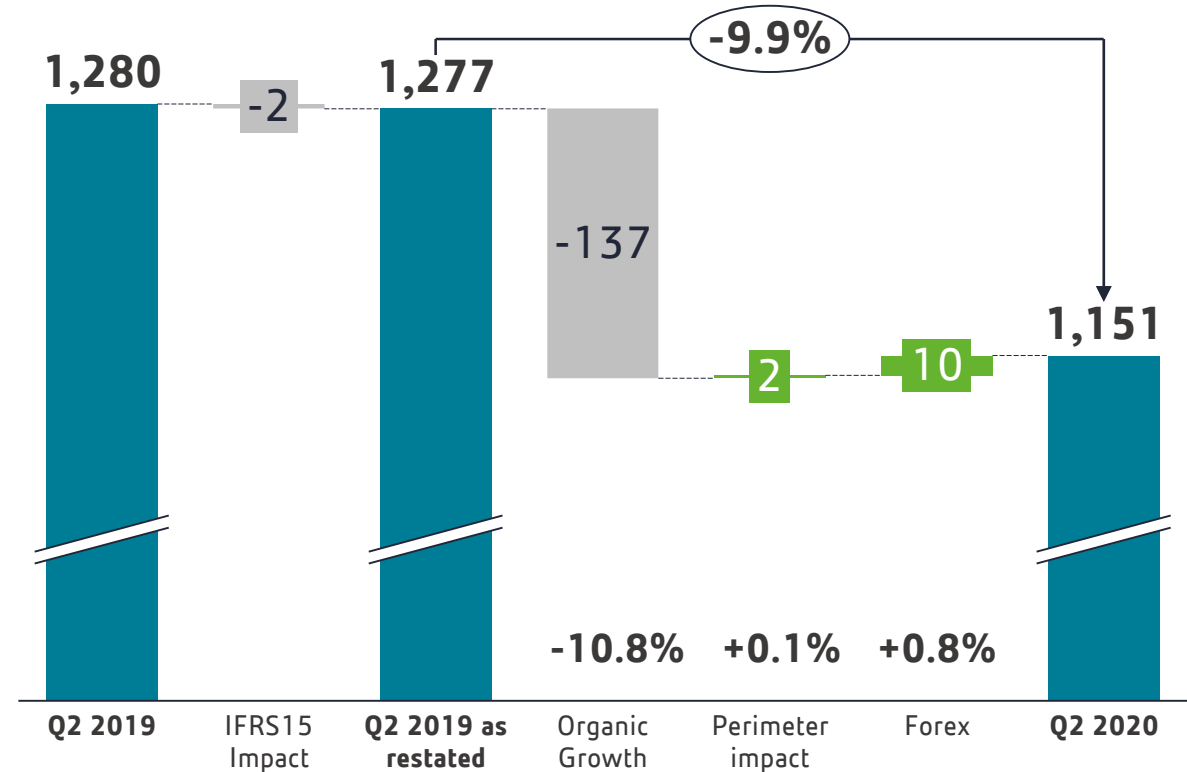


# Second Quarter Revenue Analysis

Group Revenue (€ in million)



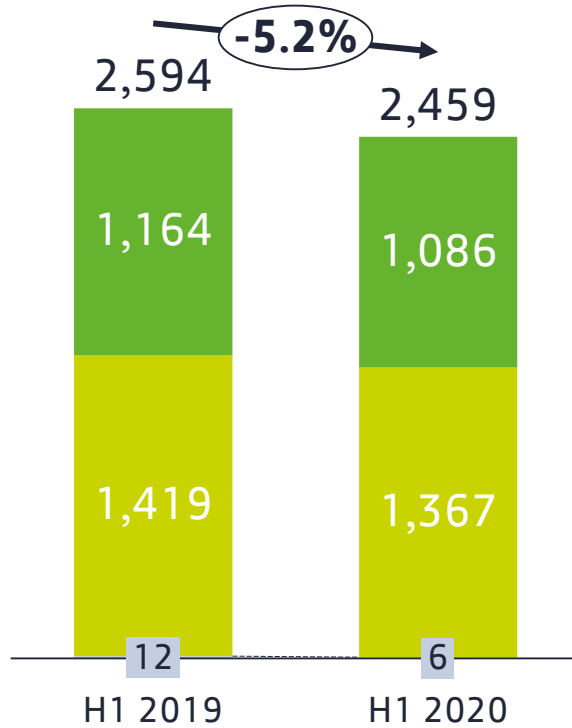
- France contract catering & services
- International contract catering
- Corporate & other



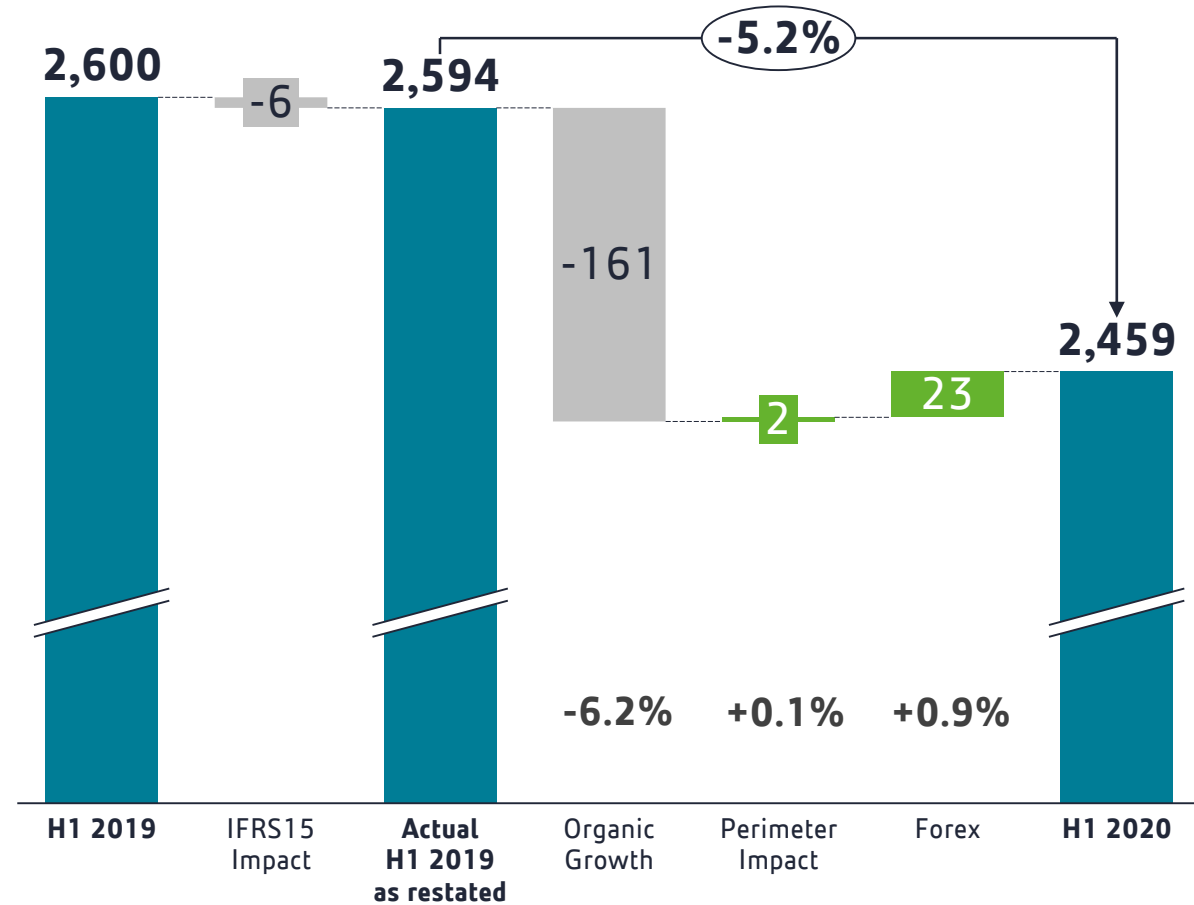


# First Half Revenue Analysis (1/2)

Group Revenue (€ in million)

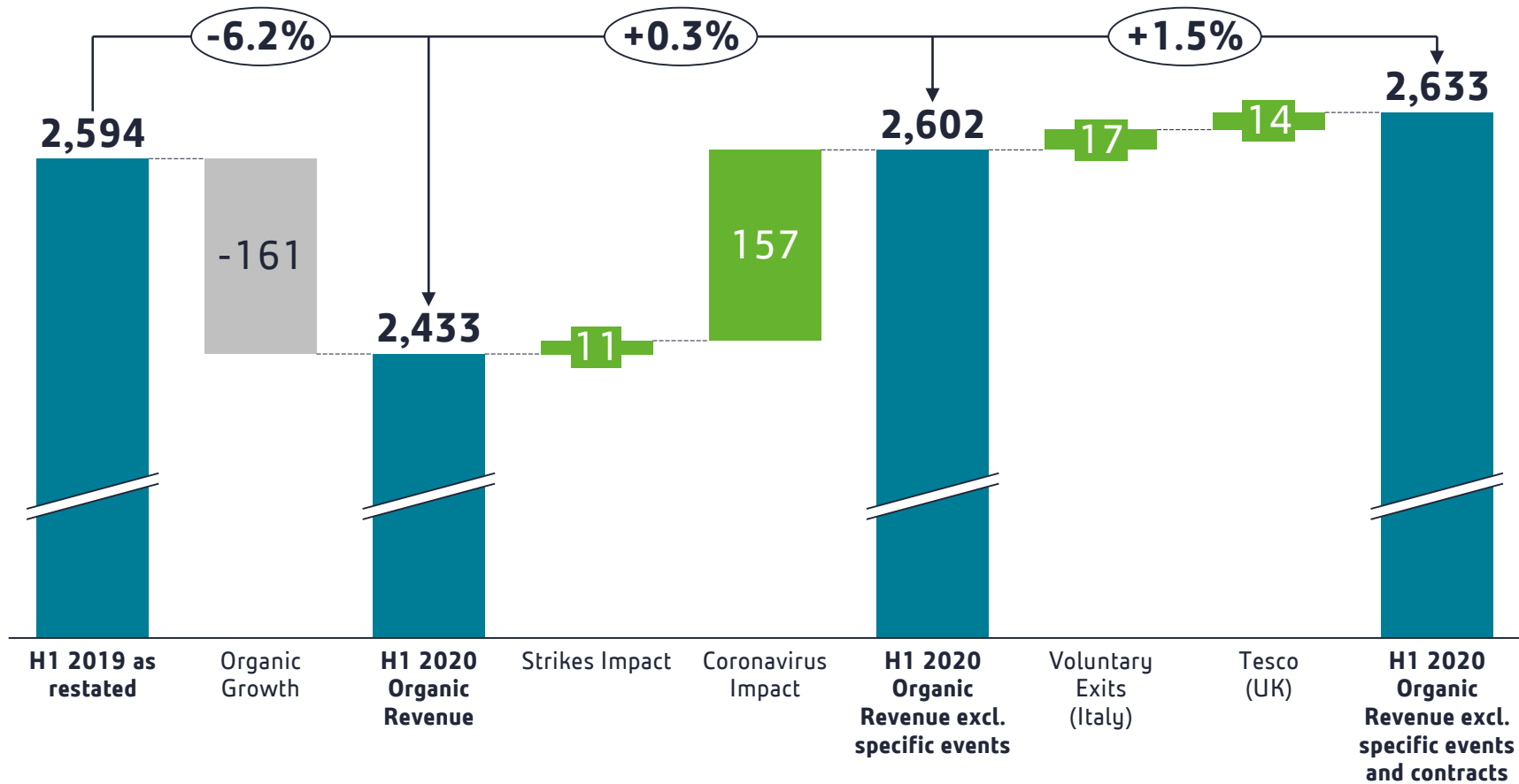


- France contract catering & services
- International contract catering
- Corporate & other



# First Half Revenue Analysis (2/2)

Group Revenue (€ in million)





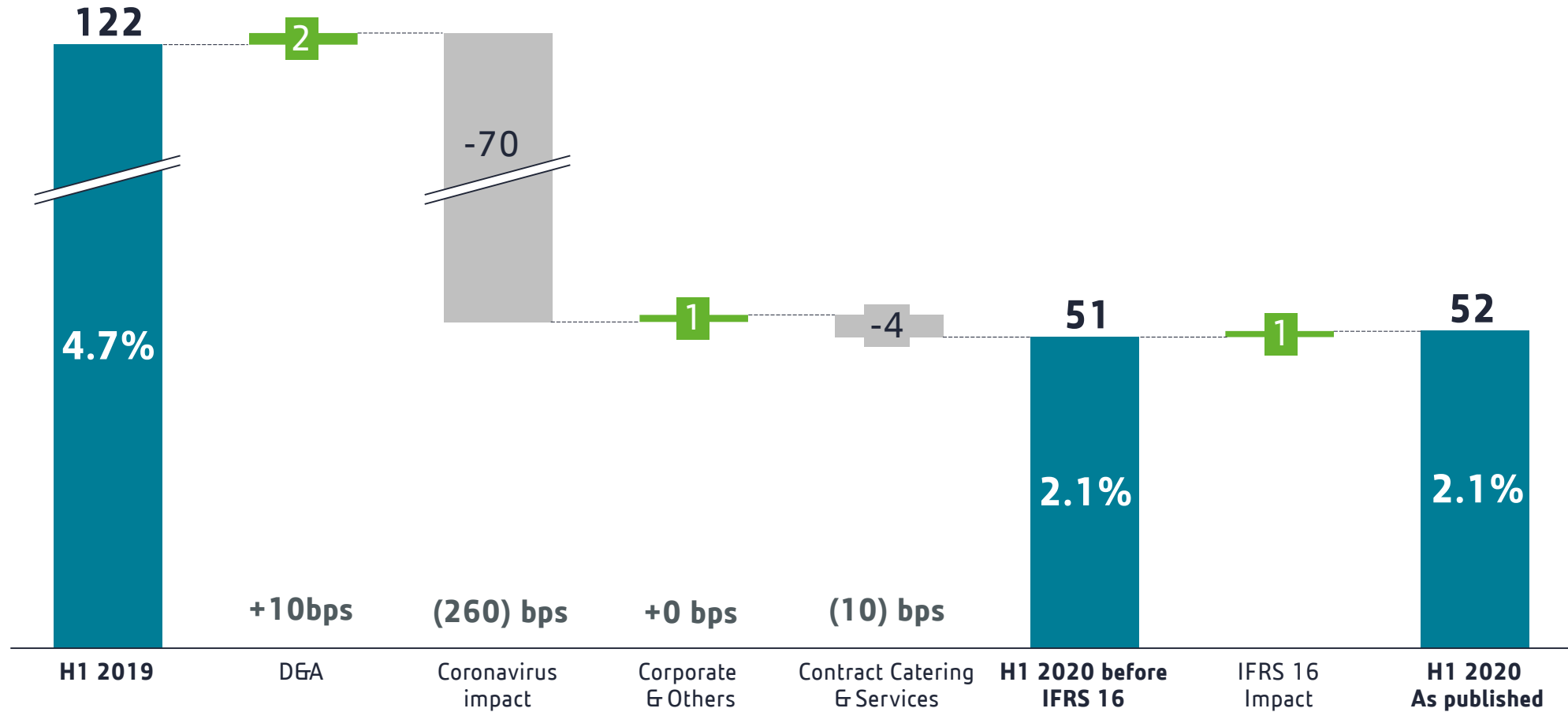
# IFRS 16 Impact

<b>P&amp;L (€ in million)</b>	<b>First Half 2020 As Published</b>	<b>First Half 2020 Before IFRS 16</b>	<b>IFRS 16 Impact</b>
Other operating expense	(250)	(278)	+28
D&A	(84)	(57)	(27)
<b>Recurring operating profit</b>	<b>41</b>	<b>40</b>	<b>+1</b>
<b>Adjusted EBITA</b>	<b>52</b>	<b>51</b>	<b>+1</b>
Financial expenses, net	(17)	(14)	(3)
<b>Net result</b>	<b>(18)</b>	<b>(16)</b>	<b>(2)</b>

- Cancellation of operating leases paid
- Right of use amortization

# First Half Adjusted EBITA Analysis (1/2)

(€ in million)



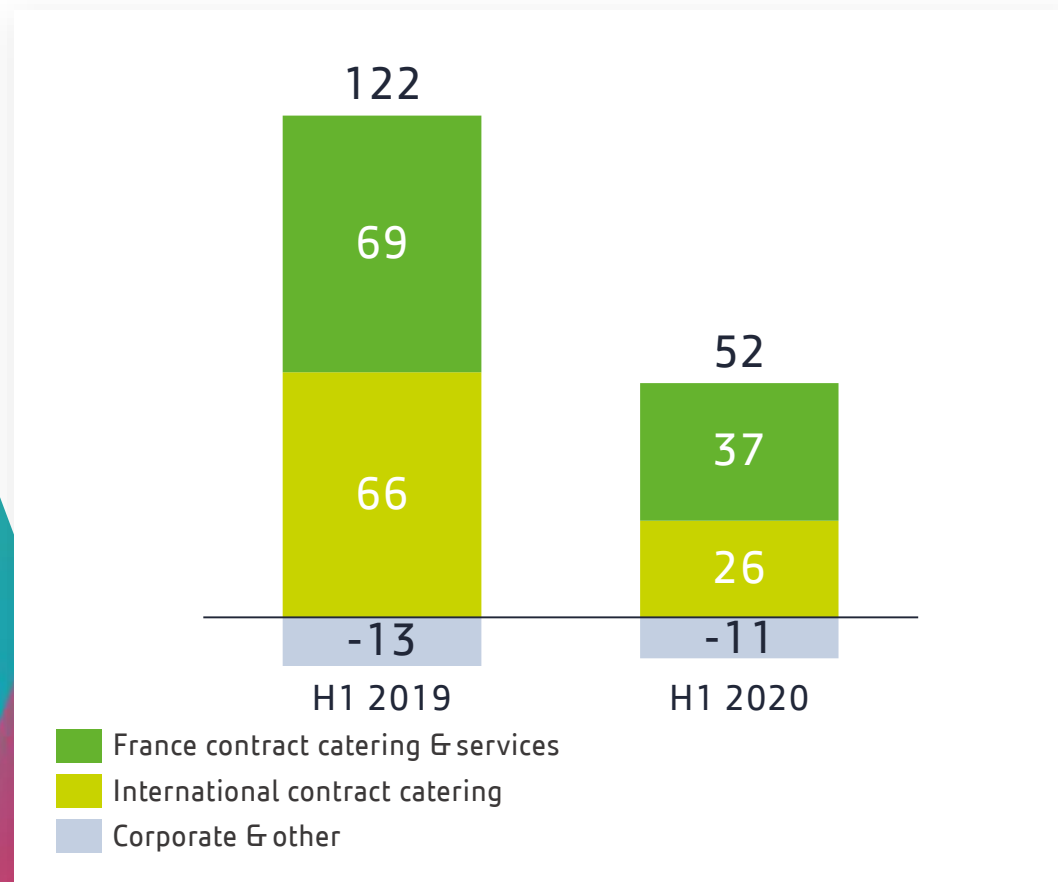


# First Half Adjusted EBITA Analysis (2/2)

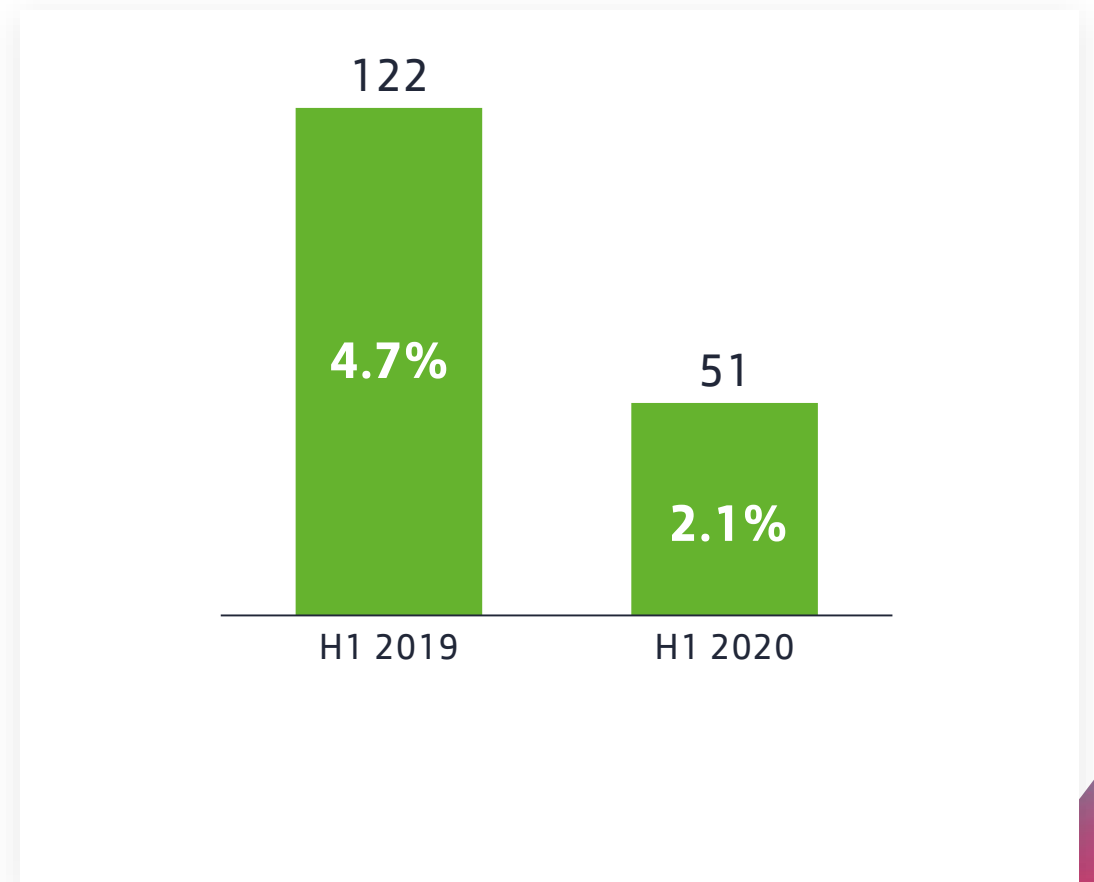
(€ in million)



### Group Adjusted EBITA



### Group Adjusted EBITA margin



# First Half P&L Analysis



€ in million	First Half 2020	First Half 2019	YoY change
Revenue	2,459	2,594	-5.2%
<b>Adjusted EBITA</b>	<b>52</b>	<b>122</b>	<b>(70)</b>
Adjusted EBITA margin	2.1%	4.7%	(2.6) pts
Share based compensation	(2)	(6)	+4
Acq. intangible amortization	(10)	(10)	=
<b>EBITA</b>	<b>40</b>	<b>106</b>	<b>(66)</b>
Non-recurring	(6)	(6)	=
Net financial result	(17)	(31)	+14
Income tax	(15)	(37)	+22
<b>NET INCOME FROM CONT. OP.</b>	<b>2</b>	<b>32</b>	<b>(30)</b>
Net result from discontinued operations	(20)	(33)	+13
Minority interest	1	1	=
<b>NET INCOME GROUP SHARE</b>	<b>(17)</b>	<b>0</b>	<b>(17)</b>



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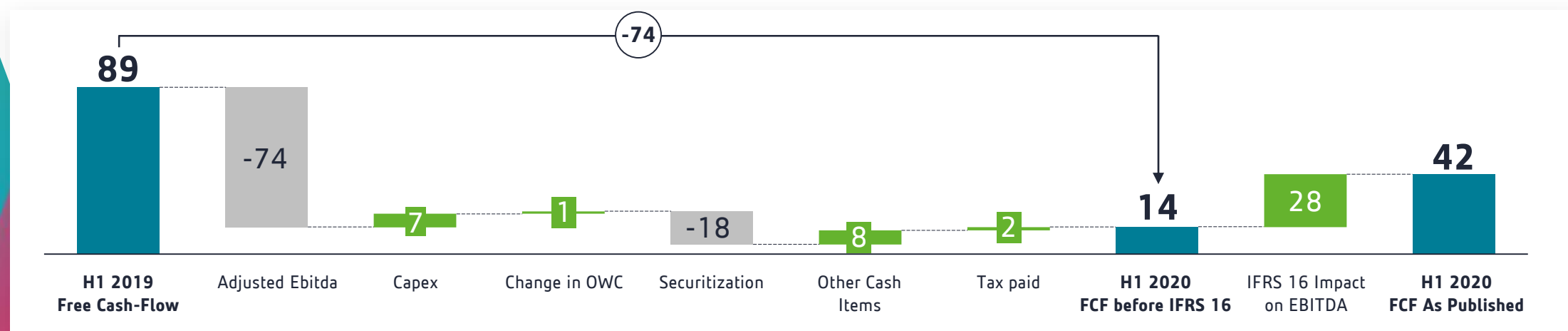
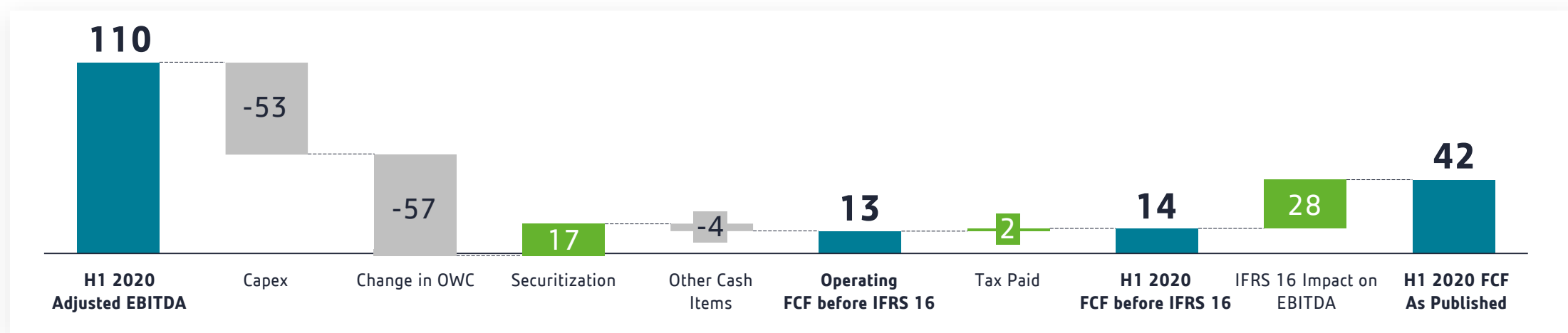
# Financial Result



(in € million)	First Half 2020	First Half 2019	YoY Change
Financial interests, net	(13)	(28)	+15
Amortization of issuing fees	(1)	(2)	+1
Net Foreign exchange	(2)	1	-3
Other	(1)	(2)	+1
<b>Net financial expenses</b>	<b>(17)</b>	<b>(31)</b>	<b>+14</b>

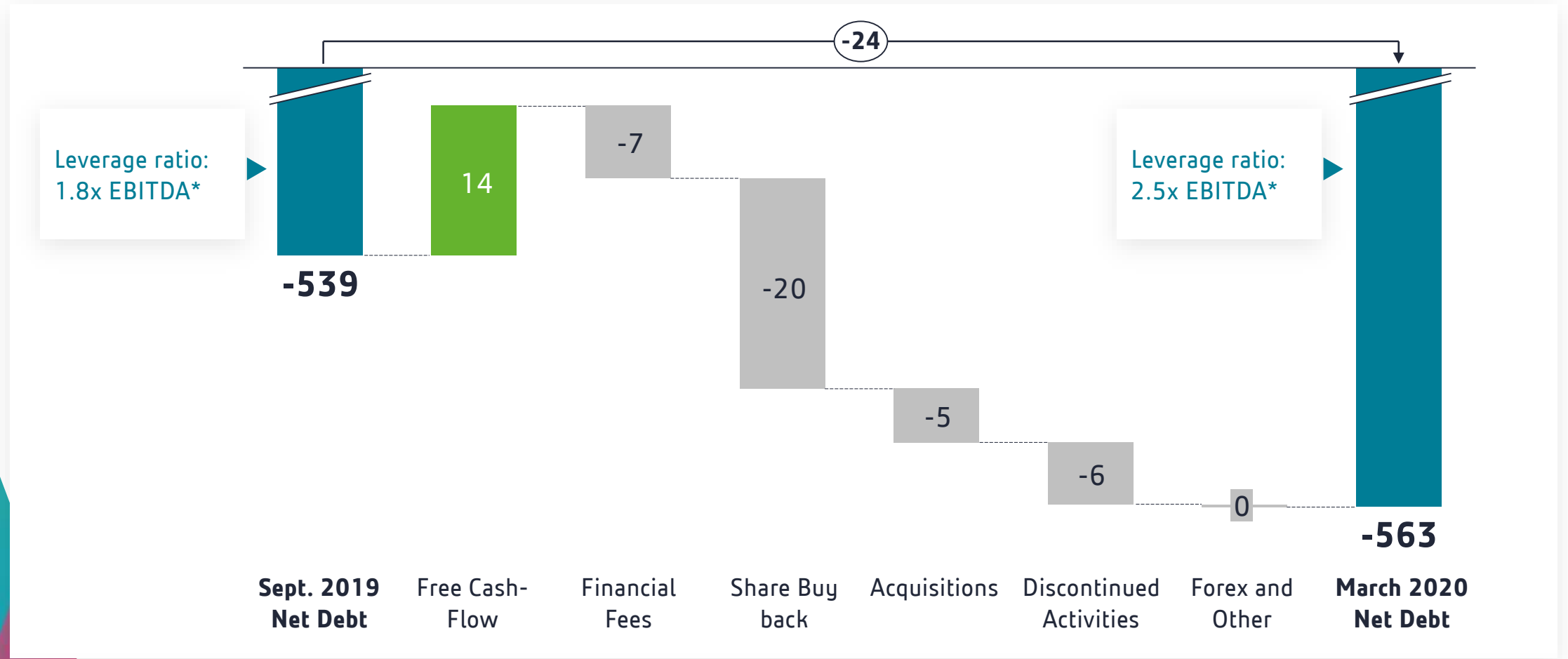
# Free Cash Flow Analysis

(€ in million)



# Net Debt Analysis before IFRS 16

(€ in million)



Including IFRS 16 Elixir Group's net debt was €786 compared to €771 million (pro forma IFRS 16) at September 30, 2019.

# Liquidity

(€ in million)



## **Elior's Available Liquidity at the end of March 2020 was €917 million:**

- › 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.
- › Covenant holiday obtained: next tested at the end of 2021, based on financial results as of September 30, 2021



# 03 Elior Group overview



# Elior's three key priorities



## Reinforcement of cash management discipline to minimize cash consumption

- › Rapid adaptation of the cost structure
- › Tightened Capex management
- › Suspended share buyback and will recommend dividend pause for 2021



## Continue to adjust to uncertain levels of revenues

- › B&I progressive recovery as of June through September
- › Education: traditionally low activity over summer vacation; improve in September
- › Healthcare: most resilient segment, contract catering & services: gradually improve



## Agile and responsive to a new environment

- › Reopening protocols well-defined
- › Offering revisited
- › Accelerating our pipeline of innovative solutions

**Drop through impact on adjusted EBITA of lost revenues to be around 30% for full year 2019-2020**

# Central kitchens: the right assets for safe home-made meals

**Economic consequence of the COVID-19 pandemic has significantly increased the demand for community / social services meals provided by our central kitchens.**

- › Central kitchen have proven to be the perfect way to adjust to sudden production increase while addressing multiple segments
- › Hygiene and Safety rules are embedded in the Central kitchen DNA, complying with most rigorous food regulation





# People, work & food safety: our proven standards supports our trusted relation with clients



- > Food safety management system based on standards and strict procedures and guidelines (HACCP, ISO 22000, etc.)
- > Matrix of internal experts
- > Rigorous ingredients traceability

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- > **+8,600** sites holding certifications relating to healthy, safety, environment
  - > **+75,000** ingredient analyses per year
  - > **+22,000** hygiene audits worldwide
  - > **+180,000** dedicated hygiene trainings hours per year

Based on Full Year 2018-2019



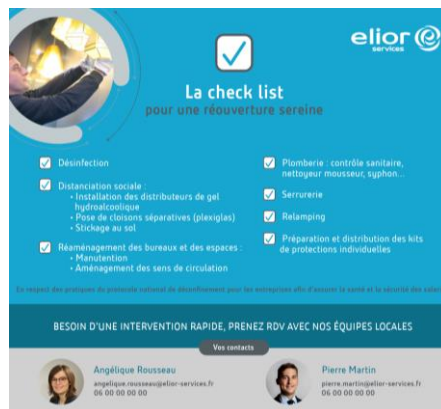
# Elior has the right expertises

## Hygiene & safety

- › Long established priority & management practice
- › Leading central kitchen infrastructure
- › Elior Services activities
- › Central management of PPE provisioning

## Operational agility

- › Diversified solutions to address client needs & constraints at local level:
  - Click & collect, table service, table reservation, delivery at the desk..
- › Menu adaptation with increased Grab & Go
- › New operating structure
  - modified service hours, revised flows for guests & employees



# Digital solutions: key enabler of the new normal

## Digital capabilities & solutions are more important than ever to:

- › Support new service & operating models (advance booking, delivery etc..)
- › Enable 100% cashless payment
- › Provide transparency on hygiene & sanitation measures as well as product's origins



# More trusted than ever by clients

The K-12 team at Farmington central kitchen in New Mexico received love and appreciation when they arrived to work last week.

The team has served 136,096 meals since they started this journey on March 20!



# Developments in four main directions



## Increase market share

- › Smaller players unable to meet increasing standards in hygiene & food safety
- › Highly leveraged competitors exposed to segments with little activity



## Accelerate discussions with self operated prospects

- › Demanding hygiene & food safety protocols are driving additional opportunities



## Leverage central kitchen infrastructure

- › Demand for social meals
- › Reinforced hygiene & food safety
- › Kitchen-less sites



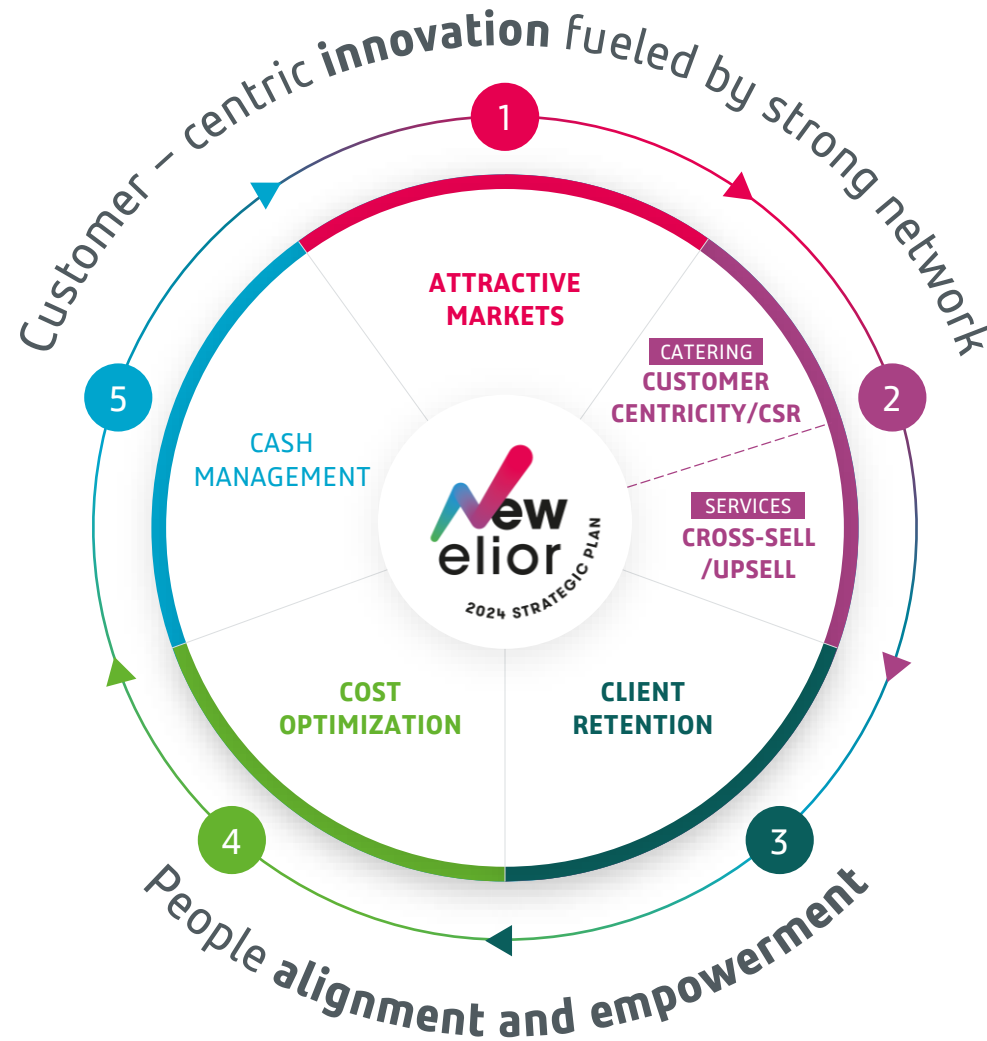
## Extend services

- › Cleaning / sanitization
- › Meals delivered to homes



# Elior is accelerating its transformation

## 5 Value Creation Drivers





# Conclusion and Q&A



# Financial agenda



**July 23, 2020:**

Third quarter revenues  
2019 - 2020



**November 25, 2020:**

Full year results  
2019 - 2020



# 04

## Concluding remarks

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