

Paris, January 28, 2021

## First quarter 2020-2021 revenues Dynamic business development, increased retention and solid liquidity despite tougher health measures impact on revenues

Elior Group (Euronext Paris – ISIN: FR 0011950732), one of the world’s leading operators in catering and support services, published its unaudited first quarter revenues ended December 31, 2020 for the fiscal year 2020-21.

### Revenues impacted by tougher health measures

- €945 million generated during October through December, down 27.7% year-on-year
- Organic revenues declined 26.1%
- Improved retention rate of 92% at December 31, 2020, up from 91% a year ago
- Dynamic business development: total contract value won during the first quarter increased by 25% year-on-year
- Available liquidity remains solid as of December 31, 2020 at €605 million, compared with €630 million as of September 30, 2020

**Elior Group CEO, Philippe Guillemot, said:** *“In an unstable environment that has marked our daily life for almost a year now, adaptation, agility and initiative set the rhythm for our organization. Faced with this situation, we remain more than ever vigilant, mobilized and forward-looking. Thus, we maintain a rigorous attention to cash management and continue to apply strict cost discipline. Similarly, our teams in the field maintain an outstanding commitment and continue to diligently manage and renegotiate our contracts, thereby further strengthening ties with our clients. Meanwhile, we are now entering the next phase of our transformation by accelerating the deployment of new innovative catering offers for our clients in anticipation of changes in our business and new expectations of our guests.*

*The first quarter of our fiscal year 2020-21, beginning in early October, remained difficult for the contract catering sector as it faced new waves of the epidemic in many countries. This situation led to a decline in our activity compared to the fourth quarter of the previous fiscal year that accelerated in December. Even though the vaccination campaigns recently launched throughout the world are a source of hope, the economic recovery remains dependent upon the magnitude of possible new contamination waves and the associated health measures to contain their spread.*

*Nevertheless, Elior is now structured to cope with the constrained world in which we live. Our ability to fully benefit from the anticipated rebound after the crisis and the additional revenues generated by our new offerings will enable us to return to robust growth and improve our pre-crisis margins.”*

## Business development

Elior renewed or won several major new contracts in the first quarter of 2020-21, both in contract catering and services. These included:

- In France, for contract catering, the Grand Paris South school district of Evry-Courcouronnes-Lisses, Société Générale's Sakura site in Fontenay-sous-Bois and USSAP (Union Sanitaire et Sociale Aude Pyrénées) sites. Elior Services signed contracts with the Pitié Salpêtrière Hospital in Paris and the Private Hospital of Confluent in Nantes.
- In the United States, the Gold Stat Foods Inc. group, the Rockford school district in Illinois, the Collier County detention center in Florida, the senior residential complex in Boulder Ponds, Minnesota and the extension from 2 to 10 sites for the Alleghany Health Network in Pennsylvania.
- In the United Kingdom, the General Infirmary Hospital in Leeds, the Orbital South schools in Surrey, and British Telecom Snowhill site in Birmingham.
- In Italy, the Plose Sistem Service S.p.A. group, in Lombardy and Emilia-Romagna the Ministry of the Interior fire stations, and a multitude of "Food360" contracts.
- In Spain, the Directorate General Police, the Navantia naval shipyard and the city of Malaga's social services home deliveries (meals-on-wheels).

The retention rate for contract catering was 92% at the end of December 2020, up from 91% at the end of December 2019<sup>1</sup>.

## Revenue

**Consolidated revenue from continuing operations totaled €945 million** in the first three months of the fiscal year 2020-21. The 27.7% decline compared with the same period a year ago was due to (i) a 26.1% decline in organic revenues, (ii) virtually no change in the scope of consolidation, and (iii) an unfavorable exchange rate variance of -1.6%, notably due to the US dollar.

The proportion of revenue generated by international operations was 53% in the first three months of fiscal 2020-21, compared with 56% for the same period in 2019-20.

### Revenue by geographic segment:

**International** revenue declined 31.9% to €498 million. This change reflects a 29.1% decline in organic growth over the period compared with the previous year, a 0.1% increase in external growth and foreign exchange rate impact of -2.9% notably due to the euro's appreciation against the US dollar and the British pound.

- In the United States, from mid-November, as Thanksgiving approached, Covid-19 infection rates surged dramatically and spread to all States. The Education market suffered from a rapidly growing share of distance learning from K-12 to higher education. To reduce the impact to our revenues we accelerated the provision of "Mealtime Multi-packs" for home delivery as part of the USDA National School Lunch Program, which accounts for the vast majority of our K-12 business. The Health & Welfare market was particularly resilient and remained at an unchanged level of activity compared to a year ago.

<sup>1</sup> see Appendix 3: Definition of Alternative Performance Indicators

- In the United Kingdom, the quarter was marked by a gradual tightening of health measures, both in terms of geographical scope throughout the country and in terms of severity through successive changes from one tier of measures to the next.
- In Italy, the B&I market was impacted but resisted better than in other countries thanks to a mix of clients less exposed to working-from-home.
- In Spain, the B&I market remains particularly challenging in vending and leisure markets (stadiums, museums, etc.). The Health & Welfare market was particularly impacted by the closure of hospital cafeterias to the public. The Education market is resisting slightly better but is nevertheless suffering from school closures in the afternoons in certain regions.

In **France**, revenue amounted to €447 million and organic revenues declined 22% compared to year ago.

- The French B&I market resisted better than most other countries. Although working-from-home remains the norm whenever possible, we have noticed the inclination for service sector employees to return to the office.
- The Education market was relatively buoyant during the first quarter with primary and secondary schools remaining open, including during the national lockdown from early November until mid-December.
- Elior Services' business remained resilient thanks to its expertise in biocleaning and the deployment of certified cleaning solutions.

The **Corporate & Other segment**, which includes the Group's remaining concession catering activities not sold with Areas, generated nearly no revenues (less than €1 million) during the first three months of the fiscal year 2020-21, notably due to government mandated closures.

#### Revenue by Market:

**Business & Industry** generated revenue of €316 million, a decline of 44.5% compared with last year. This decline is greater than that recorded in the fourth quarter of the previous year (June to September 2020) due to the global epidemic resurgence and tougher health measures.

**Education** generated revenue of €341 million, a decrease of 19.4% compared with the first quarter of fiscal year 2019-20. This market continues to be more resilient than the B&I market but is still impacted by the intensification of health measures, particularly in North America and the United Kingdom.

**Health & welfare** revenue stood at €288 million, a decline of 8.5% year-on-year. While the contract catering business continues to be impacted by the closure of sites normally open to the public, such as hospital cafeterias, Elior Services continued to show resilience, thanks in particular to solutions adapted to the specific needs related to the Covid-19 pandemic.

#### **Liquidity**

At end-December 2020, Elior's liquidity amounted to €605 million, compared with €630 million at end-September 2020.

## Outlook

The global epidemic upsurge that began late last summer has gained momentum in recent weeks and health measures to contain it are gradually intensifying. This represents a persistent source of uncertainty for the coming months as vaccination campaigns are only just starting to be implemented.

Elior Group will continue to face an unfavourable year-on-year comparison basis until mid-March 2021, the anniversary of the very first lockdown measures in Europe and the United States. In the second half of our fiscal year, which begins in April, our activity level will depend upon the duration and intensity of the health measures needed to contain the epidemic, which is dependent upon the speed and effectiveness of the vaccination campaigns in the various countries where we operate.

Thus, today, nothing allows us to envisage, with certainty, a health situation under control in the short term and normalised by the end of the fiscal year 2020-21.

On the basis of all currently known elements, the assumptions for the current financial year on which Elior Group bases its planning and decision-making are as follows:

- **Business and Industry:** Health measures in the coming months will continue to determine the extent of working-from-home. We will continue to deploy new catering solutions that not only meet the needs of the challenging world we live in today, but also those of the post-Covid-19 world. For example, in France our “Chaud Bouillant” offer, launched last autumn, is now deployed at 15 sites. It enables us to optimise the use of existing kitchens by preparing hot, brasserie-style meals that we can deliver to nearby sites, and potentially to new customers who lack the infrastructure to prepare fresh and hot meals on their premises. Also, in Italy, our “Urban 360” offer, launched in November 2020, is now deployed at 83 sites. This is an optimised contract catering area, equipped with a connected fridge that offers freshly prepared dishes that can be consumed without space and time constraints and may be purchased via our “Joyfood” application or with a contactless payment card.
- **Education:** The tightening of health measures is beginning to be reflected in education. In the United Kingdom, schools remained closed after the end of the year holidays and a national lockdown has been in force since January 4, 2021. In the United States, about half of the country's primary and secondary (“K-12”) schools now provide virtual classes, and about 20% follow a hybrid distance/presential model. In France, canteens remain open with reinforced health measures.
- **Health and welfare:** Trends should continue to remain broadly stable from one quarter to the next, at levels close to those observed so far. Our Elior Services activity should remain relatively buoyant notably thanks to solutions adapted to health and safety requirements, certified by AFNOR in France.

#### Financial calendar

- February 26, 2021: Annual General Meeting
- May 20, 2021: First-half 2020-2021 results - press release published before the start of trading and conference call
- July 28, 2021: Revenue for the first nine months of fiscal 2020-2021 - press release published before the start of trading
- November 24, 2021: Full year 2020-2021 results - press release published before the start of trading and a conference call

Appendix 1: Revenue by geographic segment

Appendix 2: Revenue by market

Appendix 3: 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.*

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#### About Elior Group

Founded in 1991, Elior Group is one of the world's leading operators in contract catering and support services, and a benchmark player in the business & industry, education, health & welfare and leisure markets. With strong positions in 6 countries, the Group generated €3,967 million in revenue in fiscal 2019-2020. Every day, the Group's 105,000 employees feed over 4 million people in 22,700 restaurants on three continents, and offer services at 2,300 sites in France. Innovation and social responsibility are at the core of the Group's business model. Elior Group has been a member of the United Nations Global Compact since 2004 and reached GC Advanced Level in 2015.

For further information please visit our website at <http://www.eliorgroup.com> or follow us on Twitter: [@Elior\\_Group](https://twitter.com/Elior_Group)

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### Appendix 1: Revenue by geographic segment

(in € millions)	Q1 2020-2021	Q1 2019-2020	Organic growth	Change in scope of consolidation	Currency effect	Total growth
France	447	573	-22.0%	-	-	-22.0%
International	498	731	-29.1%	0.1%	-2.9%	-31.9%
Contract catering & Services	945	1,304	-26.0%	-	-1.6%	-27.5%
Corporate & Other	-	4	-89.3%	-	-	-89.3%
<b>GROUP TOTAL</b>	<b>945</b>	<b>1,308</b>	<b>-26.1%</b>	<b>-</b>	<b>-1,6%</b>	<b>-27.7%</b>

### Appendix 2: Revenue by market

(in € millions)	Q1 2020-2021	Q1 2019-2020	Organic growth	Change in scope of consolidation	Currency effect	Total growth
Business & Industry	316	570	-43.5%	-	-1.0%	-44.5%
Education	341	423	-17.7%	0.1%	-1.8%	-19.4%
Health & welfare	288	315	-6.1%	-	-2.4%	-8.5%
<b>GROUP TOTAL</b>	<b>945</b>	<b>1,308</b>	<b>-26.1%</b>	<b>-</b>	<b>-1.6%</b>	<b>-27.7%</b>

### **Appendix 3: Definition of Alternative Performance Indicators**

**Organic growth in consolidated revenue:** as described in Chapter 4, Section 2 of the fiscal 2019-2020 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, (iii) changes in scope of consolidation.

**Retention rate:** percentage of revenues retained from the previous year, adjusted for the cumulative year-on-year change in revenues attributable to contracts or sites lost since the beginning of the previous year.