

Paris, July 28, 2021

## Nine-month revenues for 2020-2021 A gradual recovery paced by the evolving health situation

Elior Group (Euronext Paris – ISIN: FR 0011950732), one of the world’s leading operators in catering and support services, announces its revenues for the first nine months of fiscal 2020-2021, ended June 30, 2021.

### **Revenues for the first nine months of 2020-2021 were still affected by the global health crisis**

- Nine-month revenues for 2020-2021 were down 9.1% on an organic basis at €2.783 billion, compared with €3.131 billion in 2019-2020, reflecting the ongoing impact of the health crisis on our activity.
- Third quarter revenues were up 39.2% on an organic basis to €914 million, compared with €672 million a year earlier, reflecting a much-improved health situation that contrasts with the strict lockdowns imposed during the first wave of the pandemic in 2020.
- Third quarter revenues were equivalent to 74% of revenues for the same period in 2018-2019 (pre-Covid), on a par with second quarter revenues, which were equivalent to 73% of second quarter 2018-2019.
- The retention rate was 91% at June 30, 2021, unchanged versus March 31, 2021.
- Available liquidity at end-June 2021 was €792 million, compared with €819 million at end-March 2021.
- Since then, Elior Group successfully completed refinancing its senior debt on July 8, extending its maturity and diversifying its funding sources.
- This refinancing operation allowed the Group to tailor its liquidity to its needs. Accordingly, liquidity totaled €586 million on July 8, 2021.

**Philippe Guillemot, Chief Executive Officer of Elior Group, commented:** *“Our organic growth rate this third quarter is particularly high because of a very favorable base effect. Last year, our activity was hit hard between April and June 2020 by the strict lockdowns and school closures during the pandemic’s first wave. This year the gradual lifting of restrictions during the same period created a more favorable operating environment, even though volumes are still notably below pre-Covid levels. The new variants are spreading rapidly as we enter the summer vacation period, which is traditionally the low season for our businesses. Faced with this new wave, public health restrictions will determine the recovery conditions in September and autumn.*

*Against this backdrop, we continue our group’s transformation unabated. We recently successfully completed our financing plan for a period of five years by extending our debt’s maturity and diversifying our funding sources. We are also launching a completely revamped corporate catering offering this autumn. We are making good on our commitment to nutritional quality and transparency by deploying NutriScore across the entire school market in France.*

*Even though the uncertainty caused by the pandemic continues to affect our sector, we are squarely focused on the future and confident that we can return to solid growth and, in the medium term, improve our pre-pandemic margins.”*

### Business development

In the third quarter, Elior Group signed or renewed a number of major catering and services contracts, notably:

- in France, corporate headquarters of Airbus and the shipping company CMA CGM, STMicroelectronics, educational establishments in Thiais, Toulon, Viry-Châtillon and Monaco, as well as the Univi network of senior residences; for Elior Services, several RATP sites (Paris public transportation network) and hospitals in Grenoble, Reims, Marseille, and Saint-Etienne.
- in the UK, several sports clubs, including Birmingham City, Rotherham United, and Warrington Rugby Union, and several educational establishments such as Kingston University, The King’s High School, Grey Court School, and Ashley Hall.
- in the US, Honeywell International, the Knoxville zoo, Yellowstone County Detention Facility, New Haven public schools in Connecticut, Langston University in Oklahoma and Inglewood’s Child & Adult Food Program in California.
- in Italy, industrial group Würth, the Ministry of the Interior for fire stations in the Piedmont region, and several Food/Urban360 contracts.
- in Spain, industrial group Bosch, several of the Catalan government’s administrative facilities, the Joaquin Blume sports center in Madrid, the Diagonal Clinic in Barcelona, and the Morales Meseguer hospital in Murcia.

The overall retention rate at June 30, 2021, was 91%, unchanged versus March 31, 2021<sup>1</sup>.

### Revenues

**Consolidated revenue from continuing operations totaled €2,783 million** for the first nine months of 2020-2021, compared with €3,131 million a year earlier. The 11.1% year-on-year decline reflects an organic decline of 9.1% and a currency headwind of 2%, notably due to the US dollar.

Third quarter revenues were up 39.2% on an organic basis to €914 million compared with €672 million a year earlier, reflecting a much improved health situation that contrasts with the strict lockdowns imposed during the first wave of the pandemic in the spring of 2020.

The proportion of revenue generated by international operations over the first nine months of 2020-2021 fell to 53% from 56% in the same period the prior year.

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<sup>1</sup> For a definition, see Appendix 6 of this press release

### Revenue by geography

**International** revenue in the first nine months of 2020-2021 is down 15.6% at €1,484 million, compared with €1,759 million a year earlier, reflecting an organic decline of 11.9% and a currency headwind of 3.7%.

Third-quarter revenues came to €505 million compared with €392 million a year earlier, a 28.9% increase comprising 34.5% organic growth, a -5.3% currency headwind, and a -0.3% scope effect. All the countries where we operate benefited from a significant improvement in public health conditions relative to the strict lockdowns that characterized the first wave of the pandemic in 2020.

Organic growth was less pronounced in the **United States** than in our other countries due to its greater resilience last year. At the time, our business activity was particularly sustained by emergency meals that enabled us to optimize our central production units. This year, widespread hybrid learning (in-person / remote) in the K-12 market crimped revenues.

Revenue generated in **France** totaled €1,298 million in the first nine months of 2020-2021, compared with €1,366 million for the same period year ago, a 5% decline in both reported and organic terms.

Third quarter revenues came to €408 million, up 45.7% from €280 million last year, almost entirely on an organic basis (+45.6%). Like the other countries where we operate, and for the same reason, France has a particularly favorable annual base effect. Although year-on-year revenue in Education increased sharply, quarter-on-quarter revenue declined. The more restrictive pandemic measures imposed by the French government in schools in late March (an extended vacation period, half-size classes, in-person learning suspended as soon as one student tested positive for Covid-19) had a negative impact on our activity, especially in April. As we pointed out when we announced our first half results on May 20, 2021, this stricter health protocol caused volumes to drop without warning, making it difficult to adjust operating costs. Business & Industry revenues also declined in April due to more people working-from-home when in-person learning was suspended.

The **Corporate & Other** segment, which includes the Group's remaining concession catering activities that were not sold with Areas, generated €1 million in revenue in the first nine months of 2020-2021, compared with €6 million the previous year.

### Revenue by market:

**Business & Industry** generated revenue of €951 million, down 25.4% on the first nine months of 2019-2020, of which an organic contraction of -24%. This market continues to be the hardest hit by the health situation. Third quarter revenues grew 51.6% (organic growth of 54.9%) to €334 million, compared with €220 million a year earlier. They were equivalent to 58% of third quarter revenues in 2018-2019 (pre-Covid), up from 55% in the second quarter. This slight improvement reflects the gradual lifting of restrictions in recent weeks in our main countries.

The **Education** market generated revenue of €980 million in the first nine months of 2020-2021, up 3.2% year-on-year, including 5.6% organic growth. This market continues to outperform Business & Industry. Third quarter revenues grew 86.6% (91% in organic terms) to €300 million, compared with €161 million a year earlier. They were equivalent to 87% of third quarter revenues in 2018-2019, up from 85% in the second quarter, reflecting the return of children to in-person classes in primary schools, except in the United States, where hybrid learning (in-person / remote) was widespread.

**Health & Welfare** generated revenue of €852 million in the first nine months of 2020-2021, down 6% year-on-year, and 3.5% on an organic basis. Contract catering also continues to be affected by the health crisis. Elior Services remains resilient in France. Third quarter revenues declined 3.8% (including a 1.4% organic decline) to €280 million, compared with €291 million a year earlier. They were equivalent to 91% of third quarter revenues in 2018-2019, down slightly from 93% in the second quarter.

Revenues by market for the last five quarters are summarized in the table below and expressed as a percentage of revenues for the same period in fiscal 2018-2019, which was the last year unaffected by Covid-19.

Revenue as a % of 2018-2019 (*)	Q3	Q4	Q1	Q2	Q3
	2019-2020	2019-2020	2020-2021	2020-2021	2020-2021
Business & Industry	38%	67%	54%	55%	58%
Education	45%	85%	84%	85%	87%
Health & Welfare	92%	95%	93%	93%	91%
<b>GROUP TOTAL</b>	<b>54%</b>	<b>79%</b>	<b>73%</b>	<b>73%</b>	<b>74%</b>

(\*) at constant exchange rates

### Liquidity

Elior's available liquidity at the end of June 2021 was €792 million. This includes cash of €31 million and total available, undrawn revolving credit facilities of €450 million and US\$250 million (€211 million). Remaining available credit lines amount to €100 million.

### Outlook

Elior Group's business activity remains dependent upon the public health situation and the steps public authorities are taking to contain the spread of new variants, particularly the Delta variant, which has quickly become the dominant strain in the countries where we operate.

Looking at the near term, July and August are traditionally slow months for our businesses. As a result, business in the fourth quarter of our fiscal year will largely depend upon whether conditions are in place for a rebound in September, which is typically a key month for our activities and which saw few public health restrictions in Europe in 2020.

Looking beyond the fourth quarter, we expect progress on vaccination campaigns should produce a more favorable operating environment.

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

- **Business & Industry:** Business volume in September will depend upon the steps public authorities take to contain the resurgence of the pandemic. We believe that service sector employees will spend one additional day per week working from home than they did before the pandemic.
- **Education:** After the summer break, we believe students will be back in the classroom in every country where we operate, especially in primary schools, our main market segment. The change will be particularly notable in the US, where the past academic year saw widespread use of hybrid learning (in person / remote).
- **Health & Welfare:** This market should remain relatively well oriented. It has been the most resilient throughout the pandemic. A high percentage of seniors are now vaccinated, and hospitals are under less pressure. If the trend continues, operating

conditions could become increasingly favorable. Our Services activities in France have adapted their offerings to public health requirements and are likely to benefit from public venues reopening.

In conclusion, even though the uncertainty caused by the pandemic continues to affect our business, we are squarely focused on the future and very confident that we can return to solid growth and, in the medium term, improve our pre-pandemic margins.

### Events after the reporting date

Elior Group finalized its refinancing on July 8<sup>2</sup>. Its long-term debt now comprises:

- €225 million French state-backed bank loan that will probably be extended after the first year, meaning it will mature in March 2027, with 10% of the initial amount amortized half-yearly starting October 1, 2022
- €550 million senior bond maturing in July 2026
- €100 million senior syndicated loan maturing July 2025 (with an option to extend to July 2026)

A €350 million senior revolving credit facility, drawable in euros and/or US dollars and maturing in July 2025 (with an option to extend to July 2026) was also put in place.

The senior facilities maturing May 2023 have been entirely repaid and cancelled.

As part of the refinancing effort, the Group has adjusted its liquidity tailored to its needs. Accordingly, liquidity at July 8, 2021, was €586 million and included €103 million of available cash and the full undrawn revolving credit facility of €350 million. Remaining lines of credit amounted to €133 million.

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<sup>2</sup> [See press release issued on July 8, 2021](#)

**Financial calendar:**

- November 24, 2021: Annual results for fiscal 2020-2021 press release published before the market opens, a conference call will be hosted shortly afterwards

Appendix 1: Revenue trends by geography

Appendix 2: Revenue trends by market

Appendix 3: Definition of alternative performance indicators

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**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, health & welfare and leisure markets. With strong positions in 6 countries, the Group generated €3.967 billion in revenue in fiscal 2019-2020. Our 105,000 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 <http://www.eliorgroup.com> or follow us on Twitter [@Elior\\_GroupFR](https://twitter.com/Elior_GroupFR)

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### Appendix 1: Revenue by geographic segment

(in € millions)	Q1 2020 -2021	Q1 2019-2020	Organic Growth	Change in Consolidation scope	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	0	4	n.m.	n.m.	n.m.	n.m.
<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>

(in € millions)	Q2 2020 -2021	Q2 2019-2020	Organic Growth	Change in Consolidation scope	Currency effect	Total Growth
France	443	513	-13.8%	-	-	-13.8
International	481	636	-20.9%	-	-3.5%	-24.4%
Contract catering & Services	924	1,149	-17.7%	-	-2.0%	-19.7%
Corporate & Other	0	2	n.m.	n.m.	n.m.	n.m.
<b>GROUP TOTAL</b>	<b>924</b>	<b>1,151</b>	<b>-17.8%</b>	<b>-</b>	<b>-2.0%</b>	<b>-19.8%</b>

(in € millions)	Q3 2020 -2021	Q3 2019-2020	Organic Growth	Change in Consolidation scope	Currency effect	Total Growth
France	408	280	45.6%	0,1%	-	45.7%
International	505	392	34.5%	-0,3%	-5.3%	28.9%
Contract catering & Services	913	672	39.1%	-0.1%	-3.1%	35.9%
Corporate & Other	1	-	n.m.	n.m.	n.m.	n.m.
<b>GROUP TOTAL</b>	<b>914</b>	<b>672</b>	<b>39.2%</b>	<b>-0.1%</b>	<b>-3.1%</b>	<b>36.0%</b>

(in € millions)	9 months 2020 -2021	9 months 2019-2020	Organic Growth	Change in Consolidation scope	Currency effect	Total Growth
France	1,298	1,366	-5.0%	-	-	-5.0%
International	1,484	1,759	-11.9%	-	-3.7%	-15.6%
Contract catering & Services	2,782	3,125	-8.9%	-	-2.1%	-11.0%
Corporate & Other	1	6	n.m.	n.m.	n.m.	n.m.
<b>GROUP TOTAL</b>	<b>2,783</b>	<b>3,131</b>	<b>-9.1%</b>	<b>-</b>	<b>-2.0%</b>	<b>-11.1%</b>

*n.m.: not meaningful*

## Appendix 2: Revenue by market

(in € millions)	Q1 2020 -2021	Q1 2019-2020	Organic Growth	Change in Consolidation scope	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>

(in € millions)	Q2 2020 -2021	Q2 2019-2020	Organic Growth	Change in Consolidation scope	Currency effect	Total Growth
Business & Industry	301	486	-36.9%	-	-1.1%	-38.0%
Education	339	365	-4.9%	-	-2.5%	-7.4%
Health & Welfare	284	300	-2.7%	-	-2.7%	-5.4%
<b>GROUP TOTAL</b>	<b>924</b>	<b>1,151</b>	<b>-17.8%</b>	<b>-</b>	<b>-2.0%</b>	<b>-19.8%</b>

(in € millions)	Q3 2020 -2021	Q3 2019-2020	Organic Growth	Change in Consolidation scope	Currency effect	Total Growth
Business & Industry	334	220	54.9%	-0,7%	-2.6%	51.6%
Education	300	161	91.0%	-	-4.4%	86.6%
Health & Welfare	280	291	-1.4%	0,2%	-2.6%	-3.8%
<b>GROUP TOTAL</b>	<b>914</b>	<b>672</b>	<b>39.2%</b>	<b>-0,1%</b>	<b>-3.1%</b>	<b>36.0%</b>

(in € millions)	9 months 2020 -2021	9 monts 2019-2020	Organic Growth	Change in Consolidatin scope	Currency effect	Total Growth
Business & Industry	951	1,276	-24.0%	-0,1%	-1.3%	-25.4%
Education	980	949	5.6%	-	-2.4%	3.2%
Health & Welfare	852	906	-3.5%	0,1%	-2.6%	-6.0%
<b>GROUP TOTAL</b>	<b>2,783</b>	<b>3,131</b>	<b>-9.1%</b>	<b>-</b>	<b>-2.0%</b>	<b>-11.1%</b>



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

**Organic growth in consolidated revenue:** as described in Chapter 4, Section 4.2 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 and (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.