

Paris, January 26, 2023

First-quarter 2022-2023 revenue Robust first-quarter organic growth, as expected

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 quarter of fiscal 2022-2023, ended December 31, 2022.

First-quarter 2022-2023 revenue

- Q1 revenue came to €1.225 billion, an 11.7% organic increase compared with Q1 2021-2022, as the Group continues to recover from the Covid pandemic (Omicron)
- Business development momentum remains strong, contributing 10 points out of 11.7
- The retention rate at December 31, 2022, came to 92.6% excluding voluntary contract exits (91.5% including them), compared with 91.3% at December 31, 2021
- As of December 31, 2022, 73% of our contracts were successfully renegotiated, representing €234 million in price increases over a rolling 12-month period
- Available liquidity was €307 million at end-December 2022, compared with €399 million at end-September 2022, in line with our expectations
- Outlook for fiscal 2022-2023 confirmed, along with ambitions for 2024

Elior Group Chairman and CEO Bernard Gault commented:

“Organic growth achieved by the Group in the first quarter of 2022-2023 remains strong. Elior continues to benefit from a Covid catch-up effect, as our volumes rebound was hindered by the first Omicron wave in the first half of the previous fiscal year. Revenue growth should continue in the months ahead with business development momentum and price increases agreed with our clients. Inflationary pressures, notably on food costs, remain strong and require maintaining renegotiation efforts, particularly with public sector clients. In parallel, in France, we started implementing measures to streamline our organization and boost operating efficiency, as introduced with our full-year 2021-2022 results. Lastly, the planned acquisition of Derichebourg Multiservices, which aims to accelerate Elior’s turnaround, is on track and proceeding on schedule.”

Business development

Elior signed or renewed several significant contracts in catering and services in the first quarter, including:

- In France, Nexans, the Périgueux National Police Academy, AS Monaco football club, schools in Champigny-sur-Marne, La Ciotat, Le Plessis-Robinson and Schiltigheim, the Ange Gardien Clinic in Chamigny, and Uneos Group hospital facilities in Metz; and for Elior Services, RATP (public transport group) and Cofidis
- In the UK, Kennedys Law LLP, Linklaters, Nike, Kerry Foods, SS Great Britain Trust, Ofcom (telecoms regulator), Spinnaker View retirement homes in Gosport, and St Luke's Hospital in Oxford
- In the USA, Boston Dynamics, Savannah State University in Georgia and Colorado State University Pueblo, schools in Loving, New Mexico, Northwest New Mexico Correctional Center, Nutrition & Services For Seniors in Texas, Lifespark in Minnesota, Meals on Wheels for Contra Costa County in California, and the Minnesota Department of Human Services
- In Italy, Trenitalia, Generali, Technip, Gruppo Hera, Dallara Automobili, the EDUCatt academic financial assistance organization, and the city of Pisa
- In Spain, the EU intellectual property office in Alicante, public school administrations in the provinces of León, Zamora and the Basque Country, Vigil de Quiñones Hospital in Seville, and the Zorroaga Foundation in Donastia

Revenues

Consolidated revenue from continuing operations totaled €1.225 billion for the first quarter of 2022-2023, compared with €1.116 billion a year earlier. The 9.8% increase includes organic growth of 11.7%, a favorable currency impact of 3% (US dollar gains against the euro), and a negative scope effect of 4.9%, mainly linked to exiting Preferred Meals in the USA.

On a like-for-like basis, revenues rose 10.2%, compared with 16.2% a year earlier, reflecting price increases of 3.8%.

Furthermore, business development boosted revenues by 10.0% compared with 9.2% in Q1 2021-2022.

Lastly, lost contracts caused an 8.5% drop in revenues. The retention rate was therefore 91.5% at December 31, 2022, a marginal increase relative to 91.3% at December 31, 2021, despite deliberate contract terminations which had a -1.1pp impact.

Revenue by geography

The proportion of revenue generated by international operations was 56% in the first quarter of 2022-2023, on par with the previous fiscal year.

Revenue generated in **France** totaled €533 million in the first quarter of 2022-2023, compared with €489 million for the same period a year ago, an increase of 9.0% as reported and 8.9% in organic terms (no material scope effects). Group business is still benefiting from a Covid catch-up effect, as the rebound in first quarter 2021-2022 fiscal year was slowed by the first Omicron wave.

International revenue totaled €688 million in the first quarter of 2022-2023, up 10.4% compared with €623 million a year earlier. The gain reflects a 13.9% organic increase, a favorable currency contribution of 5.2% (US dollar gains vs the euro), and a negative scope effect of 8.7%. Most of the scope effect (€56 million) is attributable to exiting Preferred Meals in the USA. That impact was partly offset by converting some former contracts into new, on-site catering contracts.

The **Corporate & Other segment**, which includes the Group’s remaining concession catering activities not sold with Areas, generated revenue of €4 million in the first three months of 2022-23, on par with the previous year.

Revenue by market:

The **Business & Industry** market generated revenues of €527 million, up 19% on Q1 2021-2022, or an organic increase of 16.2%. This is a strong rebound after a period that was impacted by the onset and spread of the Omicron variant. It also reflects more satisfactory price increases than in the Education and Health & Welfare markets.

Education generated revenues of €368 million—down 3.2% on Q1 2021-2022 due to the closure of Preferred Meals in the USA—with organic growth of 8.5%.

Health & Welfare revenues totaled €330 million, up 12.6% year on year, including 9% organic growth.

Liquidity

At December 31, 2022, liquidity amounted to €307 million, compared with €399 million at September 30, 2022, in line with our expectations due to seasonal working capital requirements amid strong organic growth. It includes €59 million in cash and €189 million from the €350 million renewable revolving credit facility. Remaining available credit lines amount to €59 million.

Outlook

The Covid catch-up effect observed until now should persist in the second quarter before leveling out mechanically in the second half. Higher prices negotiated with our clients and robust business development should help to support organic growth.

As of December 31, 2022, 73% of the contracts were successfully renegotiated, compared with 67% at September 30, 2022. These renegotiations represent €234 million in price increases for Elior Group over a rolling 12-month period, compared to €139 million at September 30, 2022.

Inflationary pressures, especially regarding food prices, remain strong. This requires maintaining contract renegotiation efforts, particularly with public sector clients.

Given these factors, and assuming a stable public health situation, we maintain our outlook for fiscal 2022-2023:

- At least 8% organic revenue growth

- Adjusted EBITA margin of 1.5-2.0%
- Capex between 1.5% and 1.7% of revenues

Our ambitions for 2024 remain as follows:

- Average annual organic revenue growth of at least 7% over the next two years
- Adjusted EBITA margin of around 4.0% in 2023-2024
- Organic revenue growth / Capex as a percentage of revenues between 2x and 3x
- Resumption of dividend payments in respect of fiscal year 2023-2024

Furthermore, Elior remains particularly attentive to the health and well-being of its guests, the satisfaction of its clients, development and engagement of all its employees, and its activities' environmental impact. Elior therefore reaffirms its CSR commitments:

- Cut our greenhouse gas emissions per meal by 12% by 2025 compared with 2020 (Scopes 1,2, and 3)
- Reduce food waste per meal by 30% by 2025 compared with 2020
- Lower our energy consumption and ensure that 80% of our electricity use comes from renewables by 2025

Planned acquisition of Derichebourg Multiservices

The project to acquire Derichebourg Multiservices, which aims to accelerate Elior's turnaround, is proceeding according to the initial schedule. Arrangements to inform and consult employee representatives have been made and are going ahead as planned.

Elior Group will host a conference call on Thursday, January 26 at 3:00 pm, Paris time (CET).

The conference call will be accessible by webcast on the Elior Group [website](#) and by telephone by dialing one of the following numbers:

France: +33 (0) 1 7037 7166
 UK: +44 (0) 33 0551 0200
 USA: +1 786 697 3501
 Access code: Elior

Financial calendar:

- Thursday, February 23, 2023: Annual shareholders' meeting
- Wednesday, May 17, 2023: First half 2022-2023 results — Pre-opening press release and conference call
- Thursday, July 27, 2023: Revenue for the first nine months of fiscal 2022-2023 — Pre-opening press release and conference call

- Wednesday, November 22, 2023: Annual results for fiscal 2022-2023 — Pre-opening press release and conference call

Appendix 1: Revenue by geographic segment

Appendix 2: Revenue by market

Appendix 3: Definition of alternative performance indicators

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 five countries, the Group generated €4.45 billion in revenue in fiscal 2022.

Our 97,000 employees feed over 3 million people on a daily basis in 20,250 restaurants on three continents and offer services on 2,400 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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Appendix 1: Revenue by geographic segment

(in € millions)	Q1 2022-2023	Q1 2021-2022	Organic growth	Change in scope	Currency effect	Total change
France	533	489	8.9%	0.1%	-	9.0%
International	688	623	13.9%	-8.7%	5.2%	10.4%
Contract Catering & Services	1,221	1,112	11.7%	-4.9%	3.0%	9.8%
Corporate & Other	4	4	n.m.	n.m.	n.m.	n.m.
GROUP TOTAL	1,225	1,116	11.7%	-4.9%	3.0%	9.8%

n.m.: not meaningful

Appendix 2: Revenue by market

(in € millions)	Q1 2022-2023	Q1 2021-2022	Organic growth	Change in scope	Currency effect	Total change
Business & Industry	527	443	16.2%	-	2.8%	19.0%
Education	368	380	8.5%	-14.3%	2.6%	-3.2%
Health & Welfare	330	293	9.0%	-	3.6%	12.6%
GROUP TOTAL	1,225	1,116	11.7%	-4.9%	3.0%	9.8%

Appendix 3: Definition of alternative performance indicators

Organic growth in consolidated revenue: as described in Chapter 4, Section 4.2 of the 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.