

13 FEB 2026

Fitch Upgrades Elior Group S.A. to 'BB-'; Outlook Stable

Fitch Ratings - Warsaw - 13 Feb 2026: Fitch Ratings has upgraded Elior S.A. to 'BB-' from 'B+' with a Stable Outlook and its senior unsecured rating to 'BB-' from 'B+' with a Recovery Rating of 'RR4'.

The upgrade reflects Fitch's view that Elior's Standalone Credit Profile (SCP) has improved to 'b+' from 'b', driven by continued strong trading performance. This has supported higher EBITDA margins, deleveraging and sustainably positive free cash flow (FCF).

Elior's 'BB-' IDR reflects Fitch's application of its Parent and Subsidiary Linkage (PSL) Criteria to a weaker subsidiary (Elior) and a stronger parent, Derichebourg S.A. (BB+/Stable), which owns 48% of Elior's share capital. Fitch's bottom-up assessment results in a one-notch uplift from Elior's 'b+' SCP.

Elior's ratings reflect its robust business model, strong position in the French catering market, meaningful scale and improving profitability. They also reflect Fitch's expectations that the company will use cash on its balance sheet to reduce its Fitch-defined leverage below 5.5x in FY26 (year-end September).

Key Rating Drivers

Improving Profitability: The Fitch-adjusted EBITDA margin reached 4.1% in FY25 compared to 3.5% in FY24. Fitch forecasts a moderate increase to 4.3% in FY26 with further improvements by 10 to 20 basis points per year until FY29. This is a large increase from FY20-FY23 and brings Elior's leverage to levels commensurate with a 'b+' SCP. The improvement follows the exit of non-profitable contracts, more disciplined pricing for renewals and ongoing cost reductions. The company improved its margins in FY25 despite pressure in its Multiservices division from supply-chain bottlenecks in aeronautics and lower demand for temporary staffing solutions in France.

Deleveraging Expected: Fitch expects deleveraging driven by low single digit organic growth and profitability improvements. We forecast the company will address the unredeemed EUR159 million senior notes maturing in 2026 through a mix of cash, its available sources of financing or through the issuance of new debt. We expect that by September 2026, the company will use around EUR100 million of cash on its balance sheet to reduce its total debt. This reduction would result in a Fitch-defined leverage of 5.4x, below our maximum threshold for a 'b+' SCP, deleveraging further to 4.3x in FY29.

Robust Business Model: Elior's robust business model reflects its strong position in the French catering market, large contract base and diverse customer pool with low churn rates. This supports its 'b+' Standalone Credit Profile (SCP). The 2023 addition of Derichebourg Multi Services (DMS) has

increased business diversification beyond its catering-only business. The multi-services segment represented 27% of revenue in FY25.

Financial Policy Focuses on Deleveraging: We factor in Elior's deleveraging focus and its policy of limiting dividend until net leverage, as calculated by company, falls below 3.0x. This reflects differences between Fitch's and Elior's leverage definition. We expect Derichebourg S.A. to support this strategy, given the nature of its investments in Elior. Fitch calculates leverage on a gross basis and includes off balance sheet securitization debt (EUR443 million at FYE25), which adds about 1.8x of leverage. Additional debt to increase balance-sheet cash would raise Fitch-calculated leverage but would not affect the company's net leverage. A more aggressive financial policy that weakens deleveraging could pressure the ratings.

Stronger Parent: Fitch applies a bottom-up assessment in accordance with its Parent and Subsidiary Linkage Criteria, reflecting the stronger parent and weaker subsidiary. Fitch assesses Derichebourg's legal and operational incentives to support Elior as 'low' and the strategic incentive as 'medium'. This reflects the material value of Elior to Derichebourg, resulting in a one-notch uplift from Elior's 'b+' SCP to its 'BB-' IDR.

Thin but positive FCF: Fitch-defined FCF was 1.0% of revenue in FY25. We expect it to be about breakeven in FY26 as capex rises to around 3% to support business development. From FY27 on, we forecast capex at 2% of revenue, in line with the company's guidance. This should support FCF improving to about 1% in FY29. Sustained neutral to negative FCF could pressure the ratings.

Limited Geographical Diversification: Elior's revenues are concentrated in Europe, at 78% of FY25 net sales. It has historically focused on the French market, generating about half of its sales there. This concentration exposes Elior to regional downturns, but its clients operate across diverse industries, which mitigates the risk.

Strong Market Share, Revenue Visibility: Elior benefits from a strong market share of 22% in its key French catering market. Fitch also views positively its exposure to different end-markets, such as private businesses, healthcare providers and education companies, which provides some revenue and earnings stability across economic cycles. Elior also has high retention rates (90.6% at FYE25) across its diversified customer base on multiyear contracts and with its top 10 customers, which accounted for 13% of FY25 total revenue.

Peer Analysis

We compare Elior to CD&R and WSH Limited (B+/Stable). Elior has a greater scale and better diversification, as WSH is focused on the U.K., but WSH benefits from stronger profitability and sustained positive FCF generation as well as higher organic growth. Elior's cost reduction and pricing discipline are bringing its profit levels closer to WSH's.

Elior's business profile is also similar to Sodexo SA's (BBB+/Stable). The wide rating difference is warranted by Elior's lower geographical diversification, much smaller scale and weaker credit metrics overall. Elior is mostly present in Europe (around 78% of its revenue), while Sodexo has a balanced

presence across Europe (36% of FY25 revenue), North America (46%) and rest of the world (18%). We estimate Elixir's leverage at 5.4x in FY26 and forecast Sodexo's at 2.5x.

We also compare Elixir with other business services providers, such as Assemblin Caverion Group AB (B/Positive). Elixir's 'b+' SCP reflects a more balanced end-market, geographical mix, and deleveraging prospects.

Elixir's 'BB-' IDR benefits from a one-notch uplift, due to the stronger parent, in accordance with Fitch's Parent-Subsidiary Linkage Criteria.

Fitch's Key Rating-Case Assumptions

- Revenue growth of low single digits through FY29
- EBITDA margins gradually rise to 4.7% by FY29
- Capex at 3% of revenue in FY26, then 2% over the forecast period
- Working-capital inflow of 0.3% of revenue in FY26, then outflows of 0.1% to FY29
- Dividend payments of EUR 10 million annually to FY29
- M&A spend of about EUR10 million annually to FY29

Corporate Rating Tool Inputs and Scores

Fitch scored the issuer as follows, using our Corporate Rating Tool (CRT) to produce the Standalone Credit Profile (SCP):

- Business and financial profile factors (assessment, relative importance): Management (bb+, Lower), Sector Characteristics (bbb+, Lower), Market and Competitive Positioning (bb, Higher), Diversification and Asset Quality (bb+, Moderate), Company Operational Characteristics (bbb-, Moderate), Profitability (b, Higher), Financial Structure (b-, Higher), and Financial Flexibility (bb, Moderate).
- The quantitative financial subfactors are based on standard CRT financial period parameters: 20% weight for the latest historical year 2025, 40% for the forecast year 2026 and 40% for the forecast year 2027.
- B+ to CC considerations apply in our analysis and result in no adjustment.
- The Governance assessment of 'Good' results in no adjustment.
- The Operating Environment assessment of 'a' results in no adjustment.
- The SCP is 'b+'.

To derive the IDR:

- Application of Fitch's Parent Subsidiary Linkage Rating Criteria results in a bottom up +1 approach.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A multi-notch downgrade of Derichebourg, or a weakening of strategic ties between Elixir and Derichebourg, that leads Fitch to assess Elixir on a standalone basis.

The Following Developments Would be Considered for a Downward Revision of Elixir's SCP

- Loss of contracts that weakens Elixir's competitive position in its main markets;
- EBITDA margins remaining below 4%;
- Gross debt/EBITDA sustained above 5.5x;
- EBITDA interest cover falling below 3.0x;
- FCF deteriorating toward neutral.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- EBITDA margins sustained above 6%;
- Gross debt/EBITDA sustained below 4.5x;
- EBITDA interest cover rising above 4.0x;
- Retention rate improved to 95%;
- Mid-single-digit FCF margins.

Liquidity and Debt Structure

Comfortable Liquidity: Elixir reported a cash position of EUR195 million at September 2025. In addition, it has access to a EUR800 million securitization program which provides additional liquidity through receivables. As of end-September 2025, that program was used for EUR135 million on balance sheet and EUR443 million off balance sheet. We restrict EUR30 million from reported cash for intra-year working capital fluctuations which tend to peak in the first half of the financial year, resulting in Fitch-defined cash of EUR165 million as of September 2025.

Elixir currently has EUR159 million outstanding due in July 2026. This is covered by a restriction on the RCF availability for the same amount, which will be released after repayment of the notes. Accounting for this restriction, Elixir had EUR155 million available under its EUR430 million RCF. The company also uses a CP Programme, which was utilized by EUR 81 million as of end September 2025.

Issuer Profile

Elior is an international contract catering and diversified services provider. Its services include cleaning, facility management, electrical and climate engineering, maintenance, hosting and reception services, remote surveillance, energy efficiency, public lighting, green spaces, temporary employment agencies, and subcontracting in the engineering and aerospace industries.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

[Click here](#) to access Fitch's latest quarterly Global Corporates Sector Forecasts Monitor data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

Climate Vulnerability Signals

The results of our Climate.VS screener did not indicate an elevated risk for Elior Group S.A.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

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Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR	
Elior Group S.A.	LT IDR	BB- 	Upgrade	B+ 	
	• senior unsecured ^{LT}	BB-	Upgrade	RR4	B+

RATINGS KEY OUTLOOK WATCH

POSITIVE		
NEGATIVE		
EVOLVING		
STABLE		

Applicable Criteria

[Corporate Rating Criteria \(pub.09 Jan 2026\) \(including rating assumption sensitivity\)](#)

[Corporates Recovery Ratings and Instrument Ratings Criteria \(pub.02 Aug 2024\) \(including rating assumption sensitivity\)](#)

[Parent and Subsidiary Linkage Rating Criteria \(pub.27 Jun 2025\)](#)

[Sector Navigators – Addendum to the Corporate Rating Criteria \(pub.09 Jan 2026\)](#)

Applicable Models

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Corporate Monitoring & Forecasting Model (COMFORT Model), v8.2.0 (1) (2)

Additional Disclosures

[Solicitation Status](#)

Endorsement Status

Elior Group S.A. EU Issued, UK Endorsed

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