

Paris, July 25, 2018

## Revenue Solid growth momentum for the first nine months of the fiscal year Full-year outlook confirmed

- 3.7% revenue growth, of which 3.0% organic growth
- Full-year outlook confirmed

Elior Group (Euronext Paris – ISIN: FR 0011950732), one of the world's leading operators in the catering and support services industry, today released its consolidated revenue figures for the first nine months of fiscal 2017-2018, corresponding to the nine months ended June 30, 2018.

Commenting on these figures, **Philippe Guillemot, Elior Group's Chief Executive Officer**, stated: *“Our third-quarter performance is in line with our forecasts and gives us confidence in our ability to achieve the objectives we have set ourselves for the full fiscal year. The 3% organic growth for the nine months ended June 30, 2018 was driven by our international operations, in view of revenue in France being weighed down by national strikes, as we have already indicated. However, we did manage to adapt our French operations in order to limit the overall effects of these strikes. In concession catering, the start of the summer season is also in line with our expectations. All of the Group's employees are ready and mobilized to implement the Elior Group 2021 plan that we presented a month ago. In keeping with the development of our corporate culture of progress, the structure of our teams is taking shape and we are pursuing our expansion drive in high-growth segments. Our recent acquisition of Bateman Community Living in the United States and the measures taken to strengthen our partnership with the founder of our North American subsidiary mark the first strategic steps towards achieving the objectives in our plan.”*

Revenue (in € millions)	9 months 2017-2018	9 months 2016-2017	Organic growth	Reported growth
Contract catering & services	3,789	3,630	+ 2.8%	+ 4.4%
Concession catering	1,265	1,242	+ 3.5%	+ 1.8%
Group total	5,054	4,872	+ 3.0%	+ 3.7%

## Business development

Business development has been buoyant since the start of fiscal 2017-2018. At 92.8% at end-June 2018, the retention rate for contract catering was slightly up in the third quarter. During the quarter, a number of major contracts were signed in the contract catering & services business, including with Bayer France, the municipality of Poissy, Les Apprentis d'Auteuil and École des Mines de Nantes in France, Schroders in the United Kingdom, the California State University - Monterey Bay in the United States, Barcelona opera house in Spain, Swiss Re in India and Unicredit in Italy. In the concession catering business, the Group notably signed a contract for managing points of sale at Malaga airport in Spain.

## Revenue

**Consolidated revenue totaled €5,054 million** for the first nine months of fiscal 2017-2018. The 3.7% year-on-year increase reflects organic growth of 3.0%, acquisition-led growth of 3.0% and a negative 2.3% currency effect.

The proportion of revenue generated by international operations rose to 57% for the first nine months of fiscal 2017-2018 from 55% for the same period of fiscal 2016-2017.

**Contract catering & services revenue** advanced €160 million, or 4.4%, year on year to €3,789 million and accounted for 75% of total consolidated revenue.

Organic growth for this business was 2.8%.

Recent acquisitions<sup>1</sup> contributed €143 million (or 3.9%) of the overall revenue figure for contract catering & services in the first nine months of fiscal 2017-2018.

The currency effect was a negative 2.4%.

Revenue generated by the **international** segment climbed 7.8% to €2,082 million. Organic growth for this segment was 4.8% and recent acquisitions<sup>1</sup> generated additional growth of 7.4%, whereas the currency effect shaved 4.5% off the revenue figure.

- The United States saw strong organic growth, fueled by a very good retention rate and the start-up of new contracts across all markets.
- In the United Kingdom, revenue was driven by good performances delivered by the healthcare and business & industry markets.
- Growth in Spain was led by a slightly favorable calendar effect and robust business development in the various markets.
- In Italy, revenue contracted year on year due to a slightly unfavorable calendar effect and a more selective approach to responding to calls for tenders, especially in the public sector.

<sup>1</sup> Corporate Chefs – consolidated since February 1, 2017; CRCL and Megabite – consolidated since April 1, 2017; Lancer Hospitality – consolidated since April 1, 2017; CBM Managed Services – consolidated since December 1, 2017; and bolt-on acquisitions.

In **France**, contract catering & services revenue totaled €1,708 million, with organic growth of 0.6%, reflecting a decline in the third quarter.

- In the business & industry market, revenue contracted more sharply in the third quarter, particularly due to the adverse impact of the national strikes that took place during the period and lower attendance.
- Revenue growth in the education market remained buoyant, driven by a favorable calendar effect and strong guest numbers since the start of the year.
- In the healthcare market, revenue edged down year on year as a result of certain contracts not being renewed.

**Concession catering revenue** rose 1.8% in the first nine months of fiscal 2017-2018 to €1,265 million and represented 25% of total consolidated revenue.

Organic growth was 3.5%, acquisitions had a 0.3% positive impact and fluctuations in exchange rates (notably the US dollar and Mexican peso) trimmed 2.0% of the business's revenue for the period

In the **international** segment, concession catering revenue increased 4.3% to €800 million in the first nine months of fiscal 2017-2018. Organic growth was a very solid 7.1%, acquisitions had a 0.4% positive effect and the impact of fluctuations in exchange rates was a negative 3.2%.

- The motorways market felt the positive effects of higher traffic volumes in Portugal and new contracts in Spain.
- Revenue in the airports market was boosted by (i) increasing traffic volumes, especially in Spain, Portugal and Italy, (ii) the opening of new points of sale at airports in Spain, Portugal, the United States (LAX), Denmark and Mexico, and (iii) the start-up of operations at Bogota airport in Colombia.

In **France**, concession catering revenue decreased 2.2% year on year to €465 million.

- The motorways market saw good traffic volumes but revenue was still hampered by voluntary non-renewals of contracts.
- Revenue generated in the airports market increased, reflecting ongoing strong trends for air traffic and the opening of new points of sale.
- The railway stations, city sites & leisure market reported a revenue decline, due to (i) the impact of railway station refurbishment works and train strikes, (ii) the fact that certain major trade shows are only held once every two years, and (iii) the termination of the contracts with the Le Bourget and Villepinte exhibition centers.

## Outlook

The Group is standing by its guidance for full-year 2017-2018:

- Organic growth of close to 3%;
- An adjusted EBITA margin of between 4.3% and 4.6%;
- Capex maintained within the €300 million envelope.

## Events after the reporting period

- On July 2, 2018, Elior Group announced that it had acquired Bateman Community Living, further strengthening the Group's position in senior nutrition in the United States.
- On July 9, 2018, Elior Group launched an offer to purchase non-controlling interests in Elior North America. If all of the eligible shares are tendered to the offer, after the transaction Elior Group's stake in Elior North America will be raised from 74% to 92%, with Mike Bailey and Brian Poplin together retaining an 8% interest.

### Financial calendar:

- December 4, 2018: Full-year 2017-2018 results – issue of press release before the start of trading, plus press conference

Appendix 1: Revenue by business line and geographic region

Appendix 2: Revenue by geographic region

Appendix 3: Revenue by market

Appendix 4: 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 opinions expressed therein, the original language version of the document in French takes precedence over this translation.*

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#### **About Elior Group**

Founded in 1991, Elior Group has grown into one of the world's leading operators in the catering and support services industry and has become a benchmark player in the business & industry, education, healthcare and travel markets. Now operating in 16 countries, the Group generated €6,422 million in revenue through 25,000 restaurants and points of sale in fiscal 2016-2017. Our 127,000 employees serve 5.5 million people on a daily basis, taking genuine care of each and every one by providing personalized catering and service solutions to ensure an innovative customer experience.

We place particular importance on corporate social responsibility and have been a member of the United Nations Global Compact since 2004, reaching the GC Advanced level in 2015. The professional excellence of our teams, as well as their unwavering commitment to quality and innovation and to providing best in-class service is embodied in our corporate motto: "Time savored".

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

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#### **Investor relations**

Marie de Scorbiac – [marie.descorbiac@eliorgroup.com](mailto:marie.descorbiac@eliorgroup.com) / +33 (0) 1 71 06 70 13

#### **Media relations**

Anne-Laure Sanguinetti – [anne-laure.sanguinetti@eliorgroup.com](mailto:anne-laure.sanguinetti@eliorgroup.com) / +33 (0)1 71 06 70 57

Anne-Isabelle Gros – [anne-isabelle.gros@eliorgroup.com](mailto:anne-isabelle.gros@eliorgroup.com) / +33 (0)1 71 06 70 58

Inès Perrier – [ines.perrier@eliorgroup.com](mailto:ines.perrier@eliorgroup.com) / +33 (0) 1 71 06 70 60

## Appendix 1: Revenue by business line and geographic region

(in € millions)	Q1 2017-2018	Q1 2016- 2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	579	556	4.2%	0.0%	0.0%	4.2%
International	706	631	7.0%	8.9%	-4.0%	11.9%
Contract catering & services	1,285	1,187	5.7%	4.7%	-2.1%	8.3%
France	155	161	-3.9%	0.0%	0.0%	-3.9%
International	254	246	5.8%	0.0%	-2.6%	3.2%
Concession catering	409	407	2.0%	0.0%	-1.6%	0.4%
<b>GROUP TOTAL</b>	<b>1,694</b>	<b>1,594</b>	<b>4.7%</b>	<b>3.5%</b>	<b>-2.0%</b>	<b>6.3%</b>

(in € millions)	Q2 2017-2018	Q2 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	581	593	-2.1%	0.0%	0.0%	-2.1%
International	686	653	2.3%	8.5%	-5.8%	5.0%
Contract catering & services	1,266	1,246	0.2%	4.5%	-3.1%	1.6%
France	144	145	-0.8%	0.0%	0.0%	-0.8%
International	236	228	7.0%	0.5%	-4.3%	3.2%
Concession catering	379	373	4.0%	0.3%	-2.6%	1.7%
<b>GROUP TOTAL</b>	<b>1,645</b>	<b>1,619</b>	<b>1.1%</b>	<b>3.5%</b>	<b>3.0%</b>	<b>1.6%</b>

(in € millions)	Q3 2017-2018	Q3 2016- 2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	547	549	-0.3%	0.0%	0.0%	-0.3%
International	690	648	5.3%	4.9%	-3.6%	6.6%
Contract catering & services	1,238	1,197	2.7%	2.6%	-1.9%	3.4%
France	166	169	-1.7%	0.0%	0.0%	-1.7%
International	311	293	8.2%	0.7%	2.8%	6.1%
Concession catering	477	462	4.6%	0.4%	-1.8%	3.2%
<b>GROUP TOTAL</b>	<b>1,715</b>	<b>1,659</b>	<b>3.2%</b>	<b>2.0%</b>	<b>-1.9%</b>	<b>3.4%</b>

(in € millions)	9 months 2017-2018	9 months 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	1,708	1,698	0.6%	0.0%	0.0%	0.6%
International	2,082	1,932	4.8%	7.4%	-4.5%	7.8%
Contract catering & services	3,789	3,630	2.8%	3.9%	-2.4%	4.4%
France	465	475	-2.2%	0.0%	0.0%	-2.2%
International	800	767	7.1%	0.4%	-3.2%	4.3%
Concession catering	1,265	1,242	3.5%	0.3%	-2.0%	1.8%
<b>GROUP TOTAL</b>	<b>5,054</b>	<b>4,872</b>	<b>3.0%</b>	<b>3.0%</b>	<b>-2.3%</b>	<b>3.7%</b>

## Appendix 2: Revenue by geographic region

(in € millions)	Q1 2017-2018	Q1 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	735	717	2.4%	0.0%	0.0%	2.4%
Other European countries	585	560	3.7%	1.3%	-0.4%	4.5%
Rest of the world	374	316	11.9%	15.4%	-9.2%	18.2%
<b>GROUP TOTAL</b>	<b>1,694</b>	<b>1,594</b>	<b>4.7%</b>	<b>3.5%</b>	<b>-2.0%</b>	<b>6.3%</b>

(in € millions)	Q2 2017-2018	Q2 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	724	738	-1.8%	0.0%	0.0%	-1.8%
Other European countries	566	552	1.8%	1.3%	-0.5%	2.5%
Rest of the world	355	329	6.5%	15.1%	-13.7%	7.9%
<b>GROUP TOTAL</b>	<b>1,645</b>	<b>1,619</b>	<b>1.1%</b>	<b>3.5%</b>	<b>-3.0%</b>	<b>1.6%</b>

(in € millions)	Q3 2017-2018	Q3 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	714	718	-0.6%	0.0%	0.0%	-0.6%
Other European countries	625	591	5.8%	0.3%	-0.3%	5.7%
Rest of the world	376	349	7.0%	9.1%	-8.4%	7.6%
<b>GROUP TOTAL</b>	<b>1,715</b>	<b>1,659</b>	<b>3.2%</b>	<b>2.0%</b>	<b>-1.9%</b>	<b>3.4%</b>

(in € millions)	9 months 2017-2018	9 months 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
France	2,172	2,173	0.0%	0.0%	0.0%	0.0%
Other European countries	1,777	1,704	3.8%	0.9%	-0.4%	4.3%
Rest of the world	1,105	995	8.4%	13.1%	-10.4%	11.1%
<b>GROUP TOTAL</b>	<b>5,054</b>	<b>4,872</b>	<b>3.0%</b>	<b>3.0%</b>	<b>-2.3%</b>	<b>3.7%</b>

### Appendix 3: Revenue by market

(in € millions)	Q1 2017-2018	Q1 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	569	505	5.3%	8.6%	-1.4%	12.5%
Education	420	385	8.7%	3.2%	-2.8%	9.0%
Healthcare	297	296	2.5%	0.0%	-2.4%	0.1%
Contract catering & services	1,285	1,187	5.7%	4.7%	-2.1%	8.3%
Motorways	125	129	-1.8%	0.0%	-1.3%	-3.1%
Airports	188	177	8.6%	0.0%	-2.6%	6.0%
Railway stations, city sites & leisure	96	101	-5.0%	0.0%	-0.1%	-5.1%
Concession catering	409	407	2.0%	0.0%	-1.6%	0.4%
<b>GROUP TOTAL</b>	<b>1,694</b>	<b>1,594</b>	<b>4.7%</b>	<b>3.5%</b>	<b>-2.0%</b>	<b>6.3%</b>

(in € millions)	Q2 2017-2018	Q2 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	563	525	0.8%	8.3%	-1.9%	7.1%
Education	407	421	-2.1%	2.9%	-4.0%	-3.2%
Healthcare	296	300	2.4%	0.0%	-3.7%	-1.4%
Contract catering & services	1,266	1,246	0.2%	4.5%	-3.1%	1.6%
Motorways	113	113	2.1%	0.0%	-2.3%	-0.2%
Airports	172	165	8.3%	0.7%	-4.3%	4.7%
Railway stations, city sites & leisure	94	95	-1.2%	0.0%	-0.3%	-1.5%
Concession catering	379	373	4.0%	0.3%	-2.6%	1.7%
<b>GROUP TOTAL</b>	<b>1,645</b>	<b>1,619</b>	<b>1.1%</b>	<b>3.5%</b>	<b>-3.0%</b>	<b>1.6%</b>

(in € millions)	Q3 2017-2018	Q3 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	570	544	1.0%	5.5%	-1.7%	4.8%
Education	368	356	5.4%	0.4%	-2.1%	3.6%
Healthcare	299	297	2.8%	0.0%	-2.1%	0.7%
Contract catering & services	1,238	1,197	2.7%	2.6%	-1.9%	3.4%
Motorways	149	150	0.6%	0.0%	-1.1%	-0.5%
Airports	235	215	11.0%	0.9%	-2.8%	9.1%
Railway stations, city sites & leisure	93	97	-3.6%	0.0%	-0.5%	-4.1%
Concession catering	477	462	4.6%	0.4%	-1.8%	3.2%
<b>GROUP TOTAL</b>	<b>1,715</b>	<b>1,659</b>	<b>3.2%</b>	<b>2.0%</b>	<b>-1.9%</b>	<b>3.4%</b>

(in € millions)	9 months 2017-2018	9 months 2016-2017	Organic growth	Changes in scope of consolidation	Currency effect	Total growth
Business & industry	1,702	1,575	2.3%	7.4%	-1.7%	8.1%
Education	1,196	1,162	3.8%	2.2%	-3.0%	2.9%
Healthcare	892	894	2.6%	0.0%	-2.8%	-0.2%
Contract catering & services	3,789	3,630	2.8%	3.9%	-2.4%	4.4%
Motorways	387	392	0.3%	0.0%	-1.5%	-1.2%
Airports	595	557	9.4%	0.6%	-3.2%	6.8%
Railway stations, city sites & leisure	282	293	-3.3%	0.0%	-0.3%	-3.6%
Concession catering	1,265	1,242	3.5%	0.3%	-2.0%	1.8%
<b>GROUP TOTAL</b>	<b>5,054</b>	<b>4,872</b>	<b>3.0%</b>	<b>3.0%</b>	<b>-2.3%</b>	<b>3.7%</b>



#### Appendix 4: Definition of alternative performance indicators

**Organic growth in consolidated revenue:** Growth in consolidated revenue expressed as a percentage and adjusted for the impact of (i) changes in exchange rates, using the calculation method described in Chapter 4, Section 4.1.4.1 of the fiscal 2016-2017 Registration Document, and (ii) changes in scope of consolidation for acquisitions that generate more than 0,1% of Group consolidated revenues.

**Reported EBITDA:** This indicator corresponds to the following, as recorded in the consolidated income statement: recurring operating profit including share of profit of equity-accounted investees whose activities are the same or similar to those of the Group, before (i) net depreciation and amortization expense included in recurring operating profit and (ii) net additions to provisions included in recurring operating profit.

**Adjusted EBITDA:** Reported EBITDA as defined above adjusted for the impact of share-based compensation expense (stock options and free shares granted by Group companies).

**Adjusted EBITA:** Recurring operating profit reported under IFRS adjusted for the impact of share-based compensation expense (stock options and free shares granted by Group companies) and amortization of intangible assets recognized on consolidation.

**Adjusted EBITA margin:** Adjusted EBITA as a percentage of consolidated revenue.

**Adjusted earnings per share:** This indicator is calculated based on consolidated profit for the period attributable to owners of the parent adjusted for non-recurring income and expenses, net of the income tax effect calculated at the Group's standard tax rate of 34%, and amortization of intangible assets recognized on consolidation (mainly customer relationships).

**Operating free cash flow:** The sum of the following items as defined in the fiscal 2016-2017 Registration Document and recorded either as individual line items or as the sum of several individual line items in the consolidated cash flow statement:

- Reported EBITDA.
- Net capital expenditure (i.e. amounts paid as consideration for property, plant and equipment and intangible assets used in operations less the proceeds received from sales of these types of assets).
- Change in net operating working capital.
- Other cash movements, which primarily comprise cash outflows related to (i) non-recurring items in the income statement and (ii) provisions recognized for liabilities resulting from fair value adjustments recognized on the acquisition of consolidated companies.

**Leverage ratio** (as defined in the covenants in the Senior Facilities Agreement and presented for the Group's debt at a given period-end): The ratio between (i) the Group's net debt (at a given period-end determined based on the definition and covenants in the Senior Facilities Agreement as described in Chapter 4, Section 4.7.2 of the fiscal 2016-2017 Registration Document: "Senior Facilities Agreement", i.e. excluding unamortized issuance costs and the fair value of derivative instruments) and (ii) adjusted EBITDA calculated on a rolling basis for the twelve months preceding the period-end concerned, further adjusted to exclude the impacts of acquisitions and divestments of consolidated companies during the twelve months preceding said period-end.