PRESS RELEASE

Paris, July 25, 2019

Revenue

9-month performance in line with forecasts Full-year outlook confirmed

New Elior: Contract catering & Services

- Revenue in line with expectations:
  - €3,852 million for the first nine months, with 0.8% negative organic growth
  - €1,252 million for the third quarter, with 1.3% negative organic growth
- Full-year 2018-2019 targets confirmed: 1% negative organic growth, stabilized margins and a significant improvement in the generation of operating free cash flow
- Sale of Areas completed on July 1, 2019, resulting in:
  - A stronger balance sheet
  - The launch of a share buyback program

IFRS 5 has been applied to account for the divested concession catering business

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 2018-2019, corresponding to the nine months ended June 30, 2019.

Commenting on these figures, Philippe Guillemot, Elior Group's Chief Executive Officer, said: *"Our third-quarter performance was in line with our expectations, even slightly exceeding them, especially in France. Our strategy is beginning to pay off and we are seeing strong commercial momentum while continuing to rigorously select our contracts. In view of this, we are confident that we will be able to achieve all of our full-year objectives. In terms of margins we have passed the turning point and are now on an upward trajectory.*

During the third quarter of the fiscal year we completed the sale of Areas, opening a new chapter in the history of our Group, which is refocused on its core business. Armed with a stronger balance sheet, we now have the resources to speed up our expansion and better meet the challenges of the contract catering and services sectors as well as new types of customer expectations. Our teams act as the standard bearers of our Group's values on a daily basis, particularly in terms of culinary innovation and the need to invent a more environmentally-friendly approach to catering."

Revenue *(in € millions)*	**9 months 2018-2019**	**9 months 2017-2018**	**Organic growth**	**Reported growth**
Contract Catering & Services	**3,833**	**3,789**	**- 0.8%**	**+ 1.2%**
Corporate & Other	**19**	**19**	**nm**	**nm**
Group total	**3,852**	**3,808**	**- 0.8%**	**+ 1.1%**

Business development

The Group secured several major new contracts in the third quarter of 2018-2019, including with Les Petits Chaperons Rouges, Margency Croix-Rouge institute, Agence française de développement and Safran in France, Cambridge Meridian Academies Trust in the United Kingdom, Alamorgodo public schools in the United States, Securitas Direct in Spain, Unicredit Roma in Italy and Facebook in India.
The retention rate for contract catering was 90% at end-June 2019, reflecting the Group's decision to exit a number of public sector contracts in Italy, the termination of contracts with the Ministry of Defense and Tesco in the United Kingdom and the loss of a contract with the Alabama Department of Social Services in the United States.

Revenue

Consolidated revenue from continuing operations totaled €3,852 million for the first nine months of 2018-2019. The 1.1 % year-on-year increase includes (i) negative organic growth of 0.8%, (ii) 1.6% in acquisition-led growth, (iii) a favorable 1.3% currency effect, and (iv) a negative 0.9% impact from the change in accounting policy related to the first-time application of IFRS 15.

The proportion of revenue generated by international operations was 55% in the first nine months of 2018-2019, on a par with the same period of 2017-2018.

Revenue for the **international** segment rose 1.4% to €2,111 million. Organic growth for the period was a negative 2.7%, recent acquisitions added 2.8% to growth, mainly in the United States, and the currency effect was a positive 2.4%.

- In Italy, revenue was impacted by the Group's decision not to renew a number of major public sector contracts. However, sales momentum is promising in the private sector and in new market segments.

- In the United Kingdom, revenue declined due to the termination of a contract with the Ministry of Defense.

- In the United States, growth remained limited for the first nine months of 2018-2019, due to the loss of a contract with the Alabama Department of Social Services, and despite a slight acceleration in the third quarter.

- In Spain, the ramp-up of new contracts in the business & industry market more than offset the effect of site closures in the education market.

Revenue generated in **France** totaled €1,723 million, with organic growth of 1.4%.

- The business & industry market was buoyed by good performances from existing sites.

- Revenue in the healthcare market was led by a good level of client retention and robust business development.

- In the education market, revenue retreated year on year due to the Group's more selective sales policy.

The **Corporate & Other segment** posted €19 million in revenue in the first nine months of 2018-2019. This figure includes the concession catering activities that were not included in the Areas sale, essentially corresponding to operations in the city sites market.

Events after the reporting period

On July 1, 2019, the Group announced that it had completed its sale of Areas for a total net amount of c. €1.4 billion, out of which €70 million corresponds to an interest-bearing vendor loan. The consolidated capital gain on the sale – which amounts to c. €200 million and does not have any tax impact – is recognized in net income from discontinued operations. The transaction also gives rise to a tax loss, which will lead to a significant decrease in corporate income tax for continuing operations for full-year 2018-2019.

Following this transaction, the Group repaid €864 million and $519 million worth of its bank borrowings.

Outlook for full-year 2018-2019 confirmed

In view of the transformation process launched for the New Elior and the upswing that can already be seen in the Group's operating performance, for full-year 2018-2019, we expect to see:

- Negative organic growth of 1%, including the impact of voluntary contract exits in Italy (estimated at 1% of Group revenue). Acquisitions carried out to date should generate additional revenue growth of around 1%.
- A stable adjusted EBITA margin, at 3.6%, inducing a year-on-year improvement in the second half 2018-2019.
- Capital expenditure representing less than 3% of revenue.
- A sharp increase in operating free cash flow.

Financial calendar:

- December 4, 2019: Full-year 2018-2019 results – press conference

Appendix 1: Revenue by business and geographic region
Appendix 2: Revenue by market
Appendix 3: Re-presented 2017-2018 consolidated financial statements (IFRS 5)
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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Appendix 1: Revenue by Business and Geographic Region

(in € millions)	Q1 2018-2019	Q1 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
France	585	579	1.5%	0.0%	0.0%	-0.6%	0.9%
International	729	706	-0.7%	4.0%	1.2%	-1.2%	3.3%
Contract Catering & Services	1,314	1,285	0.3%	2.2%	0.7%	-0.9%	2.2%
Corporate & Other	7	7	-4.5%	0.0%	0.0%	0.0%	-4.5%
GROUP TOTAL	1,320	1,292	0.2%	2.2%	0.7%	-0.9%	2.2%

(in € millions)	Q2 2018-2019	Q2 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
France	579	581	0.3%	0.0%	0.0%	-0.6%	-0.2%
International	695	686	-3.0%	2.2%	3.4%	-1.3%	1.4%
Contract Catering & Services	1,275	1,266	-1.5%	1.2%	1.9%	-0.9%	0.6%
Corporate & Other	5	5	-6.4%	0.0%	0.0%	0.0%	-6.4%
GROUP TOTAL	1,280	1,272	-1.5%	1.2%	1.8%	-0.9%	0.6%

(in € millions)	Q3 2018-2019	Q3 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
France	559	547	2.5%	0.0%	0.0%	-0.5%	2.1%
International	686	690	-4.3%	2.3%	2.5%	-1.1%	-0.6%
Contract Catering & Services	1,245	1,238	-1.3%	1.3%	1.4%	-0.8%	0.6%
Corporate & Other	7	7	4.1%	0.0%	0.0%	0.0%	4.1%
GROUP TOTAL	1,252	1,244	-1.3%	1.3%	1.4%	-0.8%	0.6%

(in € millions)	9 months 2018-2019	9 months 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
France	1,723	1,708	1.4%	0.0%	0.0%	-0.5%	0.9%
International	2,111	2,082	-2.7%	2.8%	2.4%	-1.2%	1.4%
Contract Catering & Services	3,833	3,789	-0.8%	1.6%	1.3%	-0.9%	1.2%
Corporate & Other	19	19	-2.0%	0.0%	0.0%	0.0%	-2.0%
GROUP TOTAL	3,852	3,808	-0.8%	1.6%	1.3%	-0.9%	1.1%

Appendix 2: Revenue by Market

(in € millions)	Q1 2018-2019	Q1 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
Business & industry	591	575	0.7%	2.2%	0.4%	-0.7%	2.7%
Education	415	420	-1.0%	0.0%	0.9%	-1.1%	-1.2%
Healthcare	314	297	1.0%	5.2%	0.8%	-1.1%	5.9%
GROUP TOTAL	1,320	1,292	0.2%	2.2%	0.7%	-0.9%	2.2%

(in € millions)	Q2 2018-2019	Q2 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
Business & industry	559	568	-2.4%	0.0%	1.4%	-0.7%	-1.7%
Education	409	407	-0.9%	0.0%	2.4%	-1.2%	0.3%
Healthcare	312	296	-0.6%	5.1%	1.9%	-1.0%	5.4%
GROUP TOTAL	1,280	1,272	-1.5%	1.2%	1.8%	-0.9%	0.6%

(in € millions)	Q3 2018-2019	Q3 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
Business & industry	581	577	0.2%	0.0%	1.3%	-0.7%	0.8%
Education	355	368	-4.2%	0.0%	1.6%	-1.0%	-3.6%
Healthcare	316	299	-0.5%	5.2%	1.4%	-0.7%	5.5%
GROUP TOTAL	1,252	1,244	-1.3%	1.3%	1.4%	-0.8%	0.6%

(in € millions)	9 months 2018-2019	9 months 2017-2018	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
Business & industry	1,731	1,721	-0.5%	0.8%	1.0%	-0.7%	0.6%
Education	1,179	1,196	-2.0%	0.0%	1.6%	-1.1%	-1.4%
Healthcare	942	892	0.0%	5.2%	1.4%	-0.9%	5.6%
GROUP TOTAL	3,852	3,808	-0.8%	1.6%	1.3%	-0.9%	1.1%

Appendix 3: Re-presented 2017-2018 Consolidated Financial Statements (IFRS 5)

Consolidated Income Statement

(in € millions)	FY 2017-2018
Revenue	4,886
Purchase of raw materials and consumables	(1,557)
Personnel costs	(2,390)
Share-based compensation expense	(29)
Other operating expenses	(564)
Taxes other than on income	(74)
Depreciation, amortization and provisions for recurring operating items	(125)
Net amortization of intangible assets recognized on consolidation	(19)
Recurring operating profit	128
Share of profit of equity-accounted investees	(1)
Recurring operating profit including share of profit of equity-accounted investees	127
Non-recurring income and expenses, net	(82)
Operating profit including share of profit of equity-accounted investees	45
Net financial expense	(68)
Profit before income tax	(23)
Income tax	(2)
Net profit for the period from continuing operations	(25)
Net loss for the period from discontinued operations	63
Net profit/(loss) for the period	38
Attributable to owners of the parent	**34**
Attributable to non-controlling interests	4

Consolidated Cash Flow Statement

(in € millions)	FY 2017-2018
Cash flows from operating activities	
EBITDA	271
Change in operating working capital	3
Interest and other financial expenses paid	(49)
Tax paid	(21)
Other cash movements	(23)
Net cash from operating activities	181
Cash flows from operating activities	
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(162)
Purchases of and proceeds from sale of non-current financial assets	(4)
Acquisition/sale of shares in consolidated companies	(202)
Net cash used in investing activities	(368)
Cash flows from financing activities	
Dividends paid to owners of the parent	(36)
Movements in share capital of the parent	15
Acquisition/sale of treasury shares	(1)
Dividends paid to non-controlling interests	-
Proceeds from borrowings	216
Repayments of borrowings	(12)
Net cash from financing activities	182
Effect of exchange rate and other changes	(24)
Net increase/(decrease) in cash and cash equivalents – continuing operations	(29)
Net increase/(decrease) in cash and cash equivalents – discontinued operations	27

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 2017-2018 Registration Document, and (ii) changes in accounting policies, notably the first-time application of IFRS 15 in 2018-2019 and (iii) changes in scope of consolidation.

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.
The Group considers that this indicator best reflects the operating performance of its businesses as it includes the depreciation and amortization arising as a result of the capex inherent to the Group's business model. It is also the most commonly used indicator in the industry and therefore permits comparisons between the Group and its peers.

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

Operating free cash flow: The sum of the following items as defined in the fiscal 2017-2018 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.

This indicator reflects cash generated by operations and is the indicator used internally for the annual performance appraisals of the Group's managers.

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 the 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 2017-2018 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.