PRESS RELEASE

Paris, July 23, 2020

Revenue for the first nine months of fiscal 2019-20

Crisis impacts mitigated and a solid level of liquidity: Elior stays the course and is focused on the future

Elior Group (Euronext Paris – ISIN: FR 0011950732), one of the world's leading operators in catering and support services, announces its revenue for the first nine months of 2019-20, ended June 30, 2020.

Revenue reflect the impact of Covid-19, notably in the third quarter

- Nine-month 2019-20 revenue came to €3.131 billion, down 19.3% like-for-like compared with a year earlier.
- Third-quarter revenue came to €672 million, down 46.4% like-for-like compared with a year earlier.
- Excluding Covid-19 impact, strikes in France and voluntary contract exits from the prior year, organic growth for the first nine months of fiscal 2019-20 was 1.6% and 1.8% for the third quarter.

Elior has shown resilience and agility

- Available liquidity amounted to €709 million at June 30, 2020, vs. €917 million at March 31, 2020, after dividend payment, buyout of US minority shareholders and the temporary dip in the securitization program.
- Retention rate stood at 92% at June 30, 2020, an increase in comparison with 90% at end June 2019
- New protocols and health norms were rapidly put in place: Aenor certification in Spain, deployment of prevention Guide Covid-19 Elior certified by an occupational doctor and audited by the Eurofins laboratory in France, Safe Café label in the United States…
- In France, Elior Services maintained 80% of its business during the containment period, notably thanks to its strong presence in the healthcare sector (hospitals, clinics and care homes).
- Elior accelerates the deployment of its innovations: modified atmosphere production at our Italian central kitchens and enrichment of digital applications functionalities.

Elior now anticipates an impact on EBITA adjusted for the loss of revenue (drop-through) for the year below 30%.

Philippe Guillemot, Elior Group's Chief Executive Officer, said:

"We have withstood the disruptions of recent months by swiftly adapting our organization, continuing to work for the common good, and helping our clients with their own continuity and recovery plans.

The Areas sale has made the group stronger financially. Thanks to strict cash management in recent months, Elior is in a solid position even though the health crisis has impacted revenue. The trust that our clients' places in us - as witnessed by multiple contract wins and renewals in the past quarter - is a source of great resilience.

Building on a robust foundation as a socially responsible culinary and services group with an exceptionally dedicated workforce, Elior is staying the course and is focused on the future by ramping up the execution of ongoing projects within the New Elior 2024 strategic plan.

We know that this extraordinary period will profoundly change some of our markets, particularly the business & industry segment. That is why we are already reinventing the way we work.

We will meet the challenges to come by, developing and transforming our company, using our culinary, digital, and marketing innovations, our ability to quickly invent new offerings that anticipate the needs of our guests, and our health and safety expertise.

Tomorrow—even more than today—the purpose that fuels Elior's 110,000 employees will be to take care of our clients and to nourish our guests in their schools, care facilities and workplaces while honoring our three key commitments: to well-being, the environment, and the pleasure of a good meal."

Business development

Elior renewed or secured several major new contracts in the third quarter of 2019-20, which included:

- Orange's offices in Lyon, Herblay city schools, the Centre d'Action Sociale of the city of Paris and the central purchasing agency of Bourgogne Franche Comte (Elior Services) in France;
- Tower Hamlets schools, Rapport Housing and Care, and HarperCollins Publishers and Baker Hughes in the UK;
- In the US, the Boston Public School District (Massachusetts) and Madison County Schools (Mississippi) in the K-12 segment; Middle Georgia State University and Georgia Gwinnett College in higher education;
- Residencia Feixa Llarga Laia Gonzalez care home and the Valencian Ministry of Equality and Inclusive Policies in Spain;
- Residenza Sanitario Assistenziale de Rodolfi care facilities and a multitude of Food360 contracts in Italy.

The overall retention rate at June 30, 2020, was 92%, an increase compared to 90% at the end of June 2019.

Revenue

Consolidated revenue from continuing operations totaled €3.131 billion for the first nine months of 2019-20. The 18.6% reported year-on-year decrease reflects a like-for-like decline of 19.3%, (acquisition-led growth added 0.1pp and forex added 0.7pp).

Nine-month revenue include a -€756 million Coronavirus impact, an -€11 million impact from strikes in France, and a -€36 million impact from voluntary exits in Italy and scaled back Tesco contracts in the UK.

Excluding these items, organic revenue growth in the first nine months 2019-20 was 1.6% and 1.8% for the third quarter.

International revenue represented 56% of the total, compared with 55% a year earlier.

Revenue by Market:

Business & Industry generated revenue of €1.276 billion, a like-for-like decline of 26.8% in the **first nine months** of 2019-20. This reflects the COVID-19 impact in the **third quarter,** when revenue declined to €220 million from €581 million a year ago.

Education generated revenue of €949 million in the **first nine months** of 2019-20, a like-for-like decline of 19.9%. Because schools closed in the **third quarter,** Education revenue were €161 million, compared with €353 million for the same period year ago.

Healthcare revenue were €906 million, a like-for-like decline of 4.8% compared with **first nine months 2018/19**. In the **third quarter** the pandemic closed hospital cafeterias, postponed elective surgeries, drove revenue down to €291 million, compared with €316 million for the same period year ago.

Revenue by Geographic Region:

International revenue declined to €1.759 billion in the first nine months of 2019-20. Revenue on a like-for-like basis declined 17.7%, reflecting the impact of Covid-19 and - to a lesser extent - the Italian public-sector contracts we chose not to renew last year and the scaled back Tesco contracts in the UK. Excluding those items, Elior's International organic revenue growth was 2.2%.

The US experienced the smallest impact owing to a favorable mix, particularly thanks to our work for social services organizations.

Two recent, immaterial acquisitions in the US and Italy added 0.2pp of growth. The currency effect, notably from a stronger US dollar, added 1.2pp.

Third quarter 2019-20 international revenue totaled €392 million, compared to €684 million a year ago.

Revenue generated in **France** totaled €1.366 billion in the **first nine months** of 2019-20, compared with €1.723 billion in the same period a year ago, i.e. a 20.7% like-for-like decline.

Excluding the €11 million impact from strikes and the €369 million impact from Covid-19, organic revenue growth in France was 1.4%.

In France, Elior Services maintained 80% of its business during the period of containment, thanks in particular to its strong presence in healthcare (hospitals, clinics and care homes).

The government-mandated lockdown pushed revenue down to €280 million in the **third quarter** of 2019-20, compared with €559 million a year earlier.

The **Corporate & Other segment,** which includes the Group's remaining concession catering activities not sold with Areas, generated nearly €6 million in revenue for the first nine months of 2019-2020, down from the same period last year due to a complete closure in the third quarter.

Liquidity

Elior's available liquidity at the end of June 2020 was €709 million compared with €917 million at March 31, 2020. This figure is after payment of the dividend for the financial year 2018-2019 (€51 million), the payment of the legacy US share-based compensation plan (€23 million) and the temporary dip in the securitization program as business and invoicing slowed (€115 million) in the third quarter.

Outlook

In Europe, lockdown measures started to ease in mid-May 2020, which contributed to a slight improvement in our activities within the context of reinforced sanitary protocols. Covid-19 continues to create persistent uncertainty. In contract catering the recovery in economic activity is expected to be gradual in the fourth quarter of 2019-20, and at varying rates depending on how the pandemic plays out in the countries where the Group operates.

Based on all known variables at this point, the assumptions for fourth quarter 2019-20 that Elior is using to plan and make its decisions are as follows:

- **Business & Industry** is expected to remain at a low level owing to summer vacations. However, business should accelerate from September onwards. In this context, we are maintaining a constant dialogue with our clients to adjust our catering offering as their needs evolve.
- The **Education** market is likely to rebound significantly at the start of the new school year in primary, middle and high schools, which account for the vast majority of Elior's revenue in this market. Contracts with higher education institutions are located mainly in the United States.
- The **Healthcare** market should continue to improve gradually during the fourth quarter after an upturn in June.

In this context, and taking into account the significant efforts our teams have made, and the group's performance in recent months, Elior now anticipates an impact on EBITA adjusted for the loss of revenue (drop-through) for the year 2019-20 below 30%.

Financial calendar:

- November 25, 2020: Full-year 2019-20 results, Elior will publish its press release before the start of trading and will host a conference call

Appendix 1: Revenue by business and geographic region
Appendix 2: Revenue by market
Appendix 3: 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 opinion expressed therein, the original language version of this document in French takes precedence over this translation.

About Elior Group

Founded in 1991, Elior Group has grown into one of the world's leading operators in contract catering and support services has become a benchmark player in the business & industry, education, healthcare and leisure markets. With strong positions in 6 countries, the Group generated €4,923 million in revenue in fiscal 2018-2019.
Our 110,000 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 at http://www.eliorgroup.com or follow us on Twitter (@Elior_Group)

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Appendix 1: Revenue by business and geographic region

(in € millions)	Q1 2019-2020	Q1 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
France	**573**	584	-1.9%	0.0%	0.0%	-1.9%
International	**731**	727	-1.3%	0.1%	1.9%	0.6%
Contract catering & Services	**1,304**	1,311	-1.6%	0.1%	1.0%	-0.5%
Corporate & Other	**4**	6	-45.9%	0.0%	0.0%	-45.9%
GROUP TOTAL	**1,308**	1,317	-1.8%	0.1%	1.0%	-0.7%

(in € millions)	Q2 2019-2020	Q2 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
France	**513**	580	-11.4%	0.0%	0.0%	-11.4%
International	**636**	692	-9.8%	0.2%	1.4%	-8.2%
Contract catering & Services	**1,149**	1,272	-10.6%	0.1%	0.8%	-9.7%
Corporate & Other	**2**	5	-58.7%	0.0%	0.0%	-58.7%
GROUP TOTAL	**1,151**	1,277	-10.8%	0.1%	0.8%	-9.9%

(in € millions)	Q3 2019-2020	Q3 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
France	**280**	559	-49.9%	0.0%	0.0%	-49.9%
International	**392**	684	-43.1%	0.1%	0.2%	-42.7%
Contract catering & Services	**672**	1,243	-46.1%	0.1%	0.1%	-45.9%
Corporate & Other	**0**	7	-100.0%	0.0%	0.0%	-100.0%
GROUP TOTAL	**672**	1,250	-46.4%	0.1%	0.1%	-46.2%

(in € millions)	9 months 2019-2020	9 months 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
France	**1,366**	**1,723**	-20.7%	0.0%	0.0%	-20.7%
International	**1,759**	**2,103**	-17.7%	0.2%	1.2%	-16.4%
Contract catering & Services	**3,125**	**3,826**	-19.0%	0.1%	0.7%	-18.3%
Corporate & Other	**6**	**18**	-69.6%	0.0%	0.0%	-69.6%
GROUP TOTAL	**3,131**	**3,844**	-19.3%	0.1%	0.7%	-18,6%

Appendix 2: Revenue by market

(in € millions)	Q1 2019-2020	Q1 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
Business & Industry	**570**	591	-4.5%	0.0%	0.9%	-3.5%
Education	**423**	412	1.3%	0.0%	1.2%	2.5%
Healthcare	**315**	314	-0.9%	0.2%	1.0%	0.3%
GROUP TOTAL	**1,308**	1,317	-1.8%	0.1%	1.0%	-0.7%

(in € millions)	Q2 2019-2020	Q2 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
Business & Industry	**486**	559	-13.7%	0.1%	0.6%	-13.1%
Education	**365**	406	-11.0%	0.1%	1.0%	-10.0%
Healthcare	**300**	312	-5.0%	0.2%	0.8%	-3.9%
GROUP TOTAL	**1,151**	1,277	-10.8%	0.1%	0.8%	-9.9%

(in € millions)	Q3 2019-2020	Q3 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
Business & Industry	**220**	581	-61.9%	0.0%	-0.2%	-62.1%
Education	**161**	353	-54.8%	0.0%	0.3%	-54.5%
Healthcare	**291**	316	-8.6%	0.2%	0.5%	-7.8%
GROUP TOTAL	**672**	1,250	-46.4%	0.1%	0.1%	-46.2%

(in € millions)	9 months 2019-2020	9 months 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
Business & Industry	**1,276**	1,731	-26.8%	0.0%	0.4%	-26.3%
Education	**949**	1,171	-19.9%	0.1%	0.8%	-19.0%
Healthcare	**906**	942	-4.8%	0.2%	0.8%	-3.8%
GROUP TOTAL	**3,131**	3,844	-19.3%	0.1%	0.7%	-18.6%

Appendix 3: Definition of Alternative Performance Indicators

Organic growth in consolidated revenue: as described in Chapter 4, Section 4.1.2.1 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, notably the first-time application of IFRS 15 in 2018-2019 and (iii) changes in scope of consolidation.

Adjusted EBITA: Recurring operating profit reported including the share of profit of equity-accounted investees adjusted for the impact of share-based compensation expense (stock options and performance shares granted by Group companies) and net 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.

Revenue loss related to Covid-19: difference between actual revenue and the forecast made at the end of December 2019, at constant exchange rates and at constant perimeter, with no price effect noted at this stage.

Impact of Covid-19 on Ebita: lost revenue less associated residual costs, net of savings achieved to date (government aid, renegotiation of supplier contracts, insurance indemnity, etc.).

Impact of strikes in France: on revenue, it was measured site-by-site in relation to the normal level of activity in the weeks preceding the start of the strikes; on Ebita, it corresponds to the costs that could not be variabilized.