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2021-2022

Half Year Financial Results

2022

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HALF YEAR FINANCIAL RESULTS

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Agenda

1

Half Year 2021-22 Financial Results

Strong top-line recovery overall despite Omicron impact

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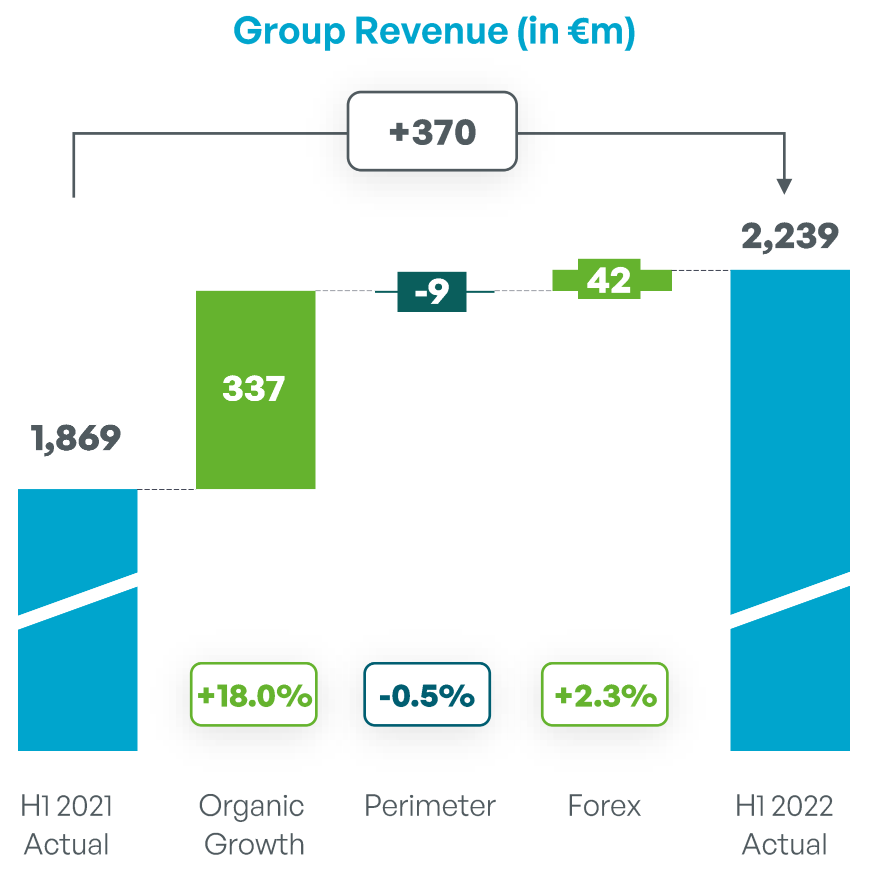
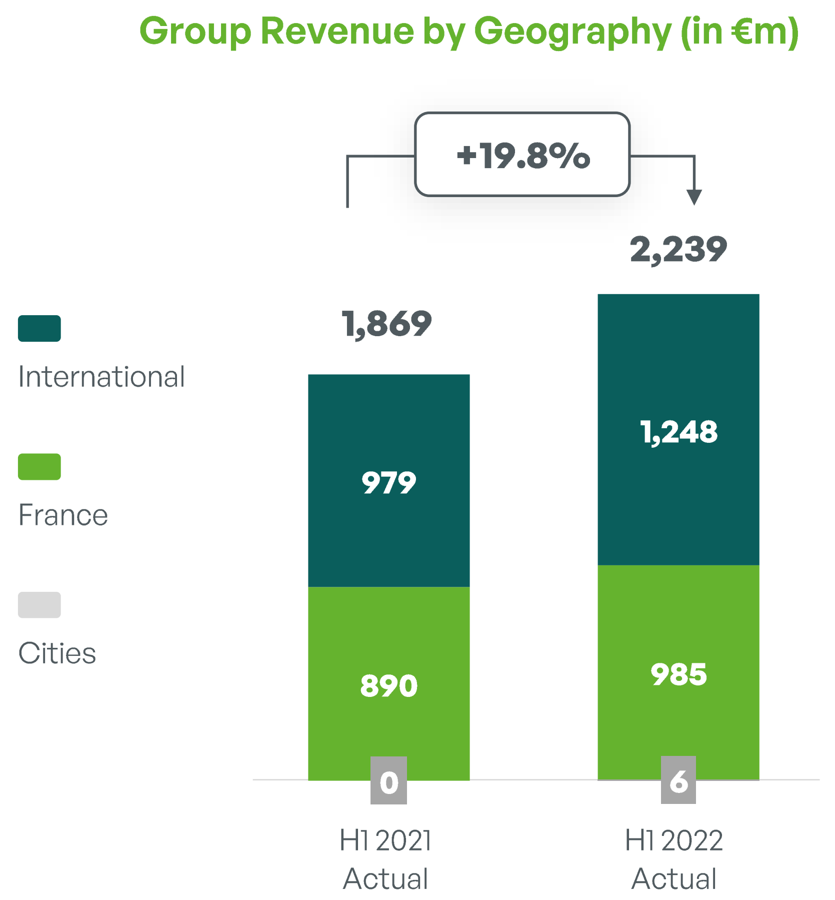
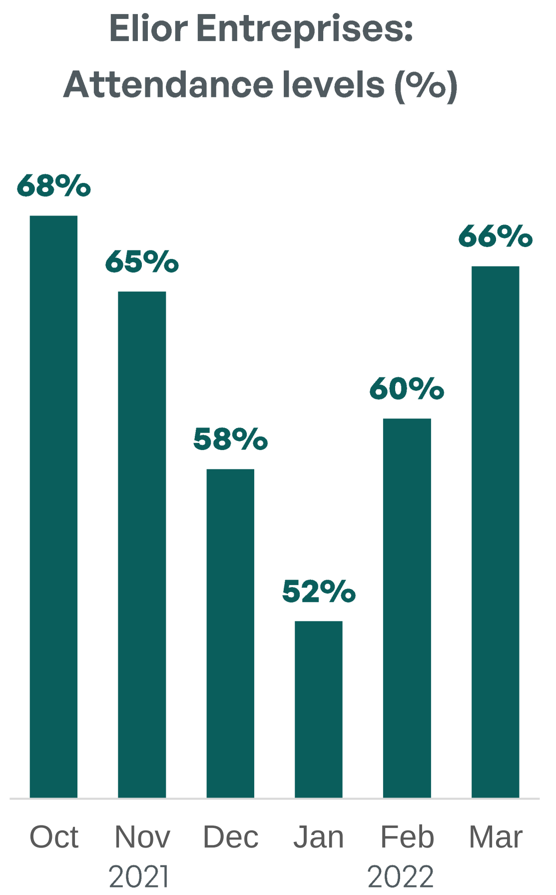
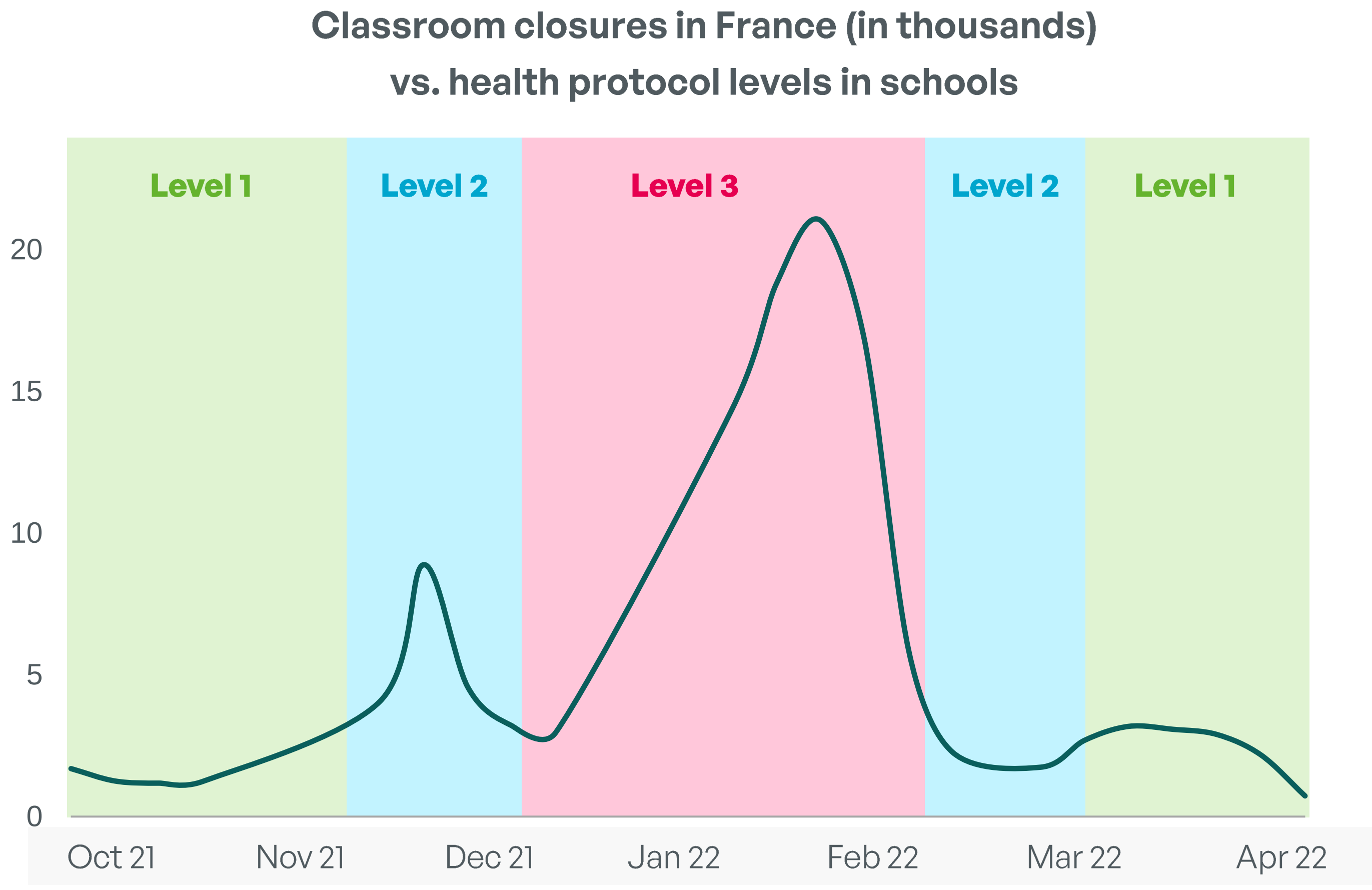




However, B&I and Education in France were impacted by strict Omicron-related health restrictions





Source: French Ministry of Education data

Omicron severely disrupted Education in France

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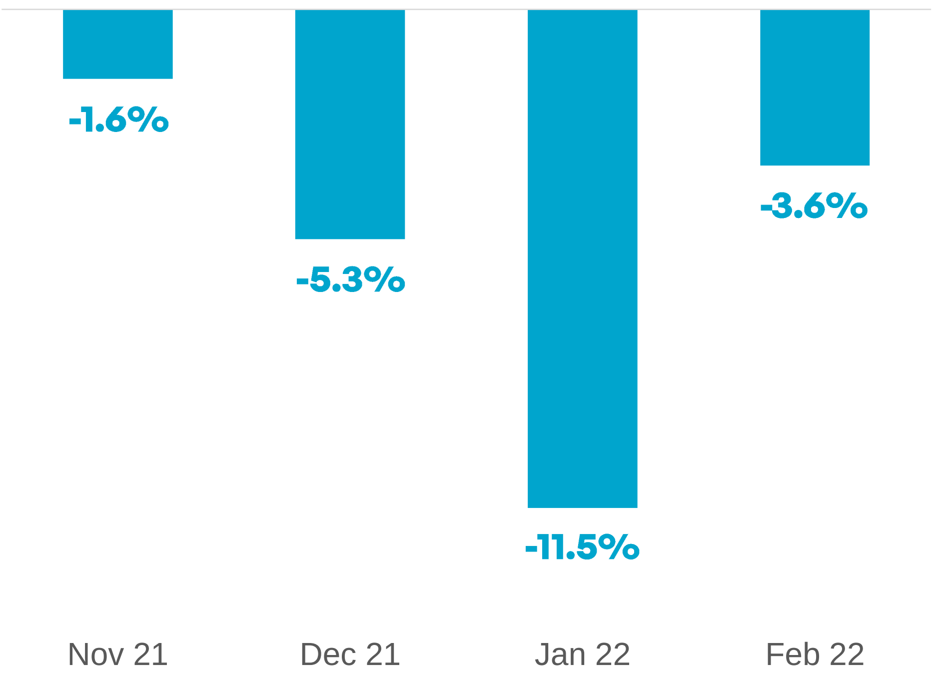
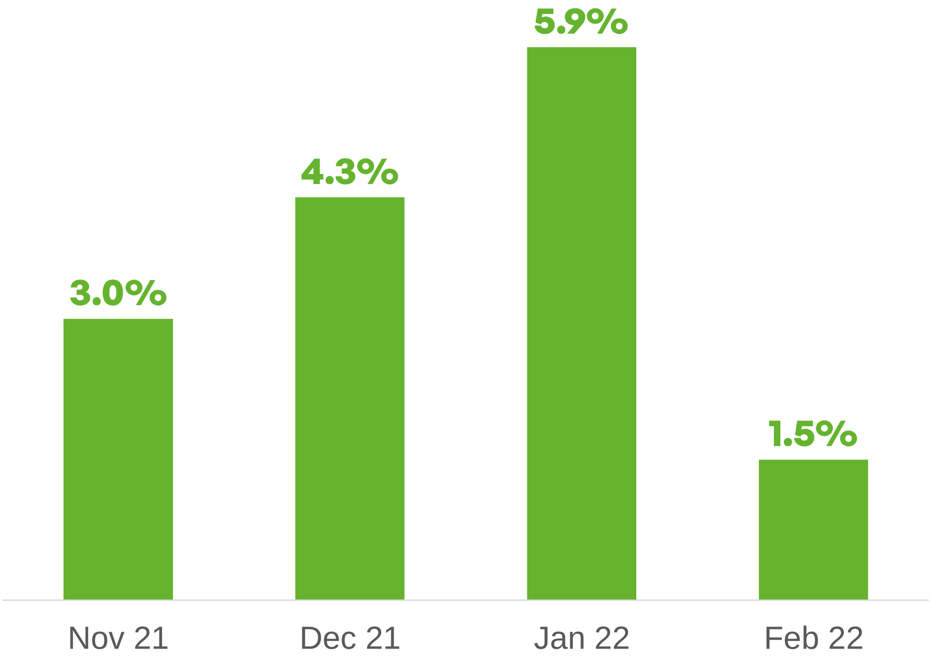
Education/France

Number of meals sold:
gap between actual and budgeted



Education/France

Number of meals wasted
as % of total meals produced in central kitchens



EBITA recovery hampered by Omicron & inflation

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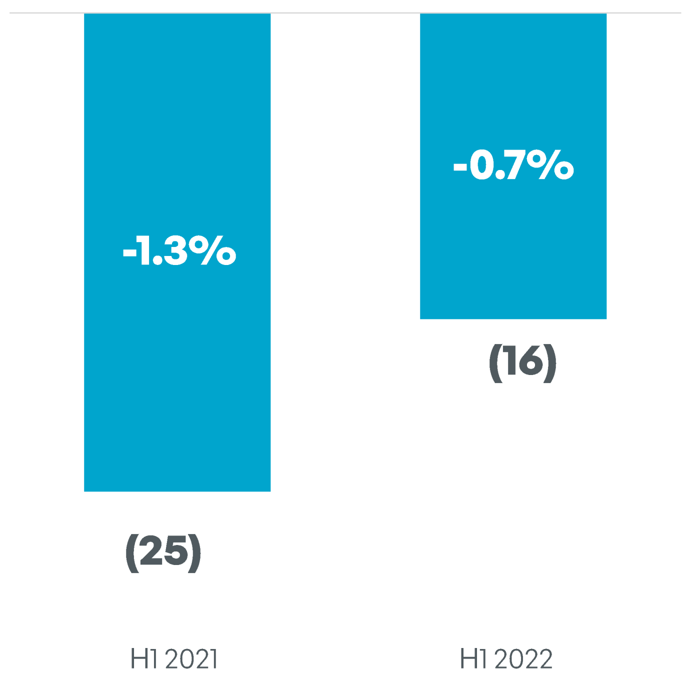
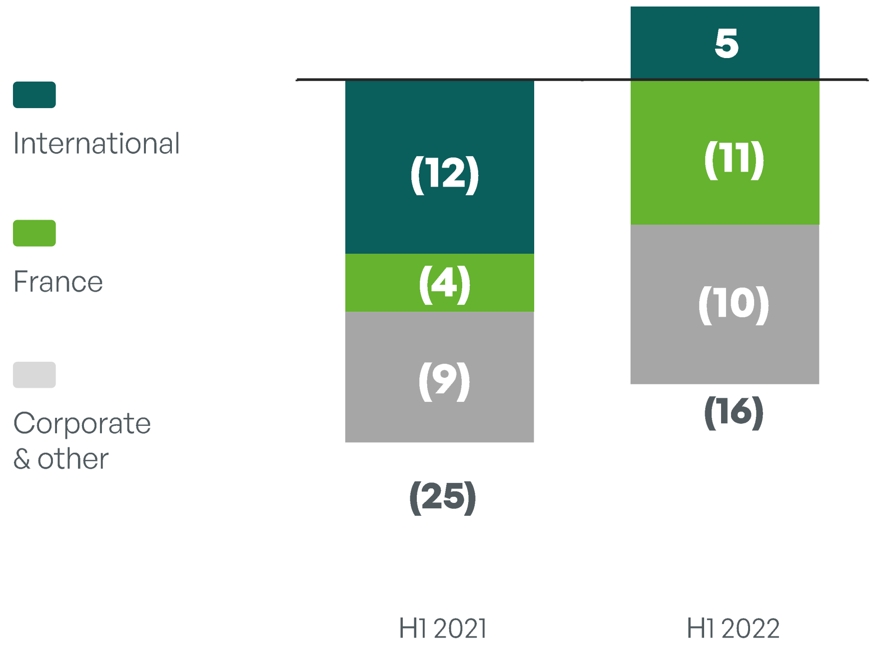
Group Adjusted EBITA (in €m) & EBITA margin (in %)



Group Adjusted EBITA (in €m)



Exceptional items weighing on net income

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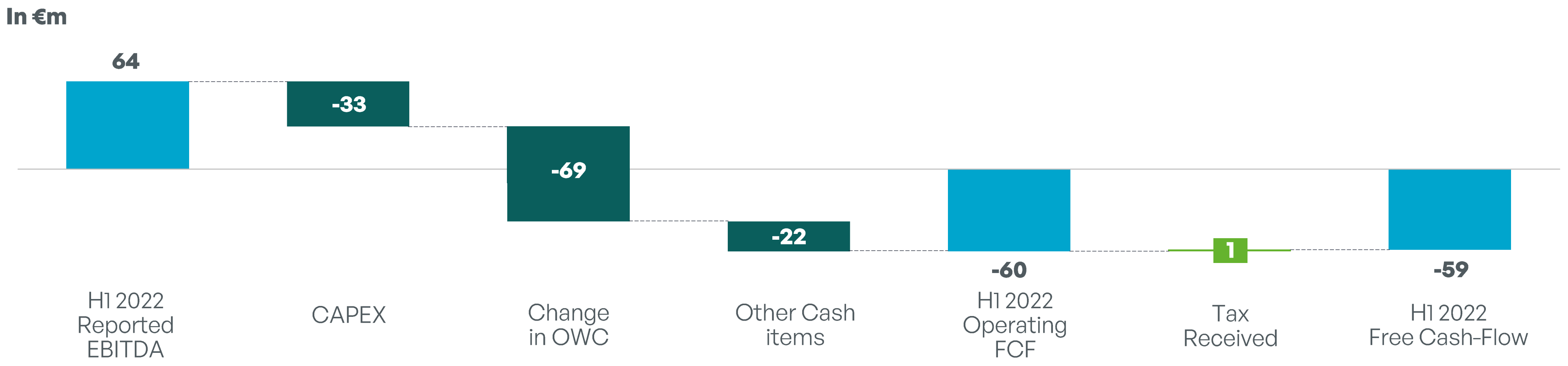
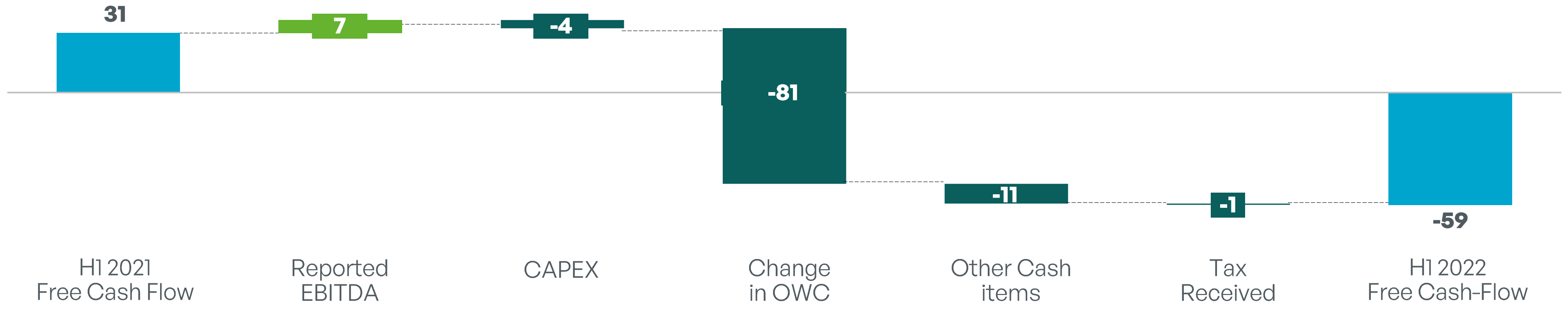
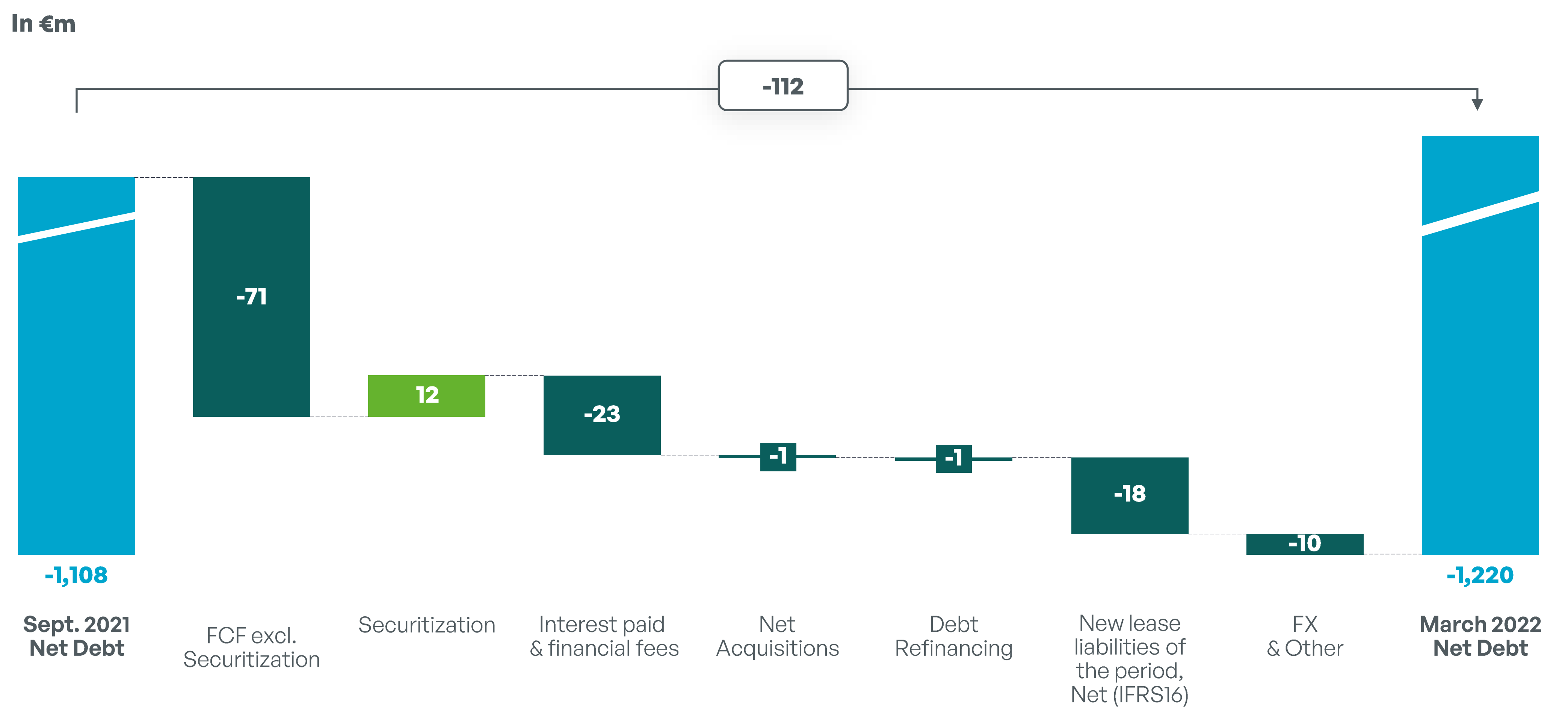
	H1 2022	H1 2021	YoY change
Revenue	2,239	1,869	370
Adjusted EBITA	**(16)**	**(25)**	**9**
Adjusted EBITA margin	*-0.7%*	*-1.3%*	
Share based compensation	(2)	--	(2)
Net amort. of intangible assets recognized on consolidation	(9)	(9)	--
EBITA	**(27)**	**(34)**	**7**
Impairment of goodwill	(119)	--	(119)
Non-recurring	(62)	(3)	(59)
Financial charges	(21)	(20)	(1)
Income tax	(46)	4	(50)
Net result from continued operations	**(275)**	**(53)**	**(222)**
Net result from discontinued operations	--	(3)	+3
Net result	**(275)**	**(56)**	**(219)**
Minority Interest	**(9)**	**(3)**	**(6)**
Net result group share	**(266)**	**(53)**	**(213)**

FCF impacted by seasonality & USA growth-driven working capital outflow; capex well managed at 1.5% of sales



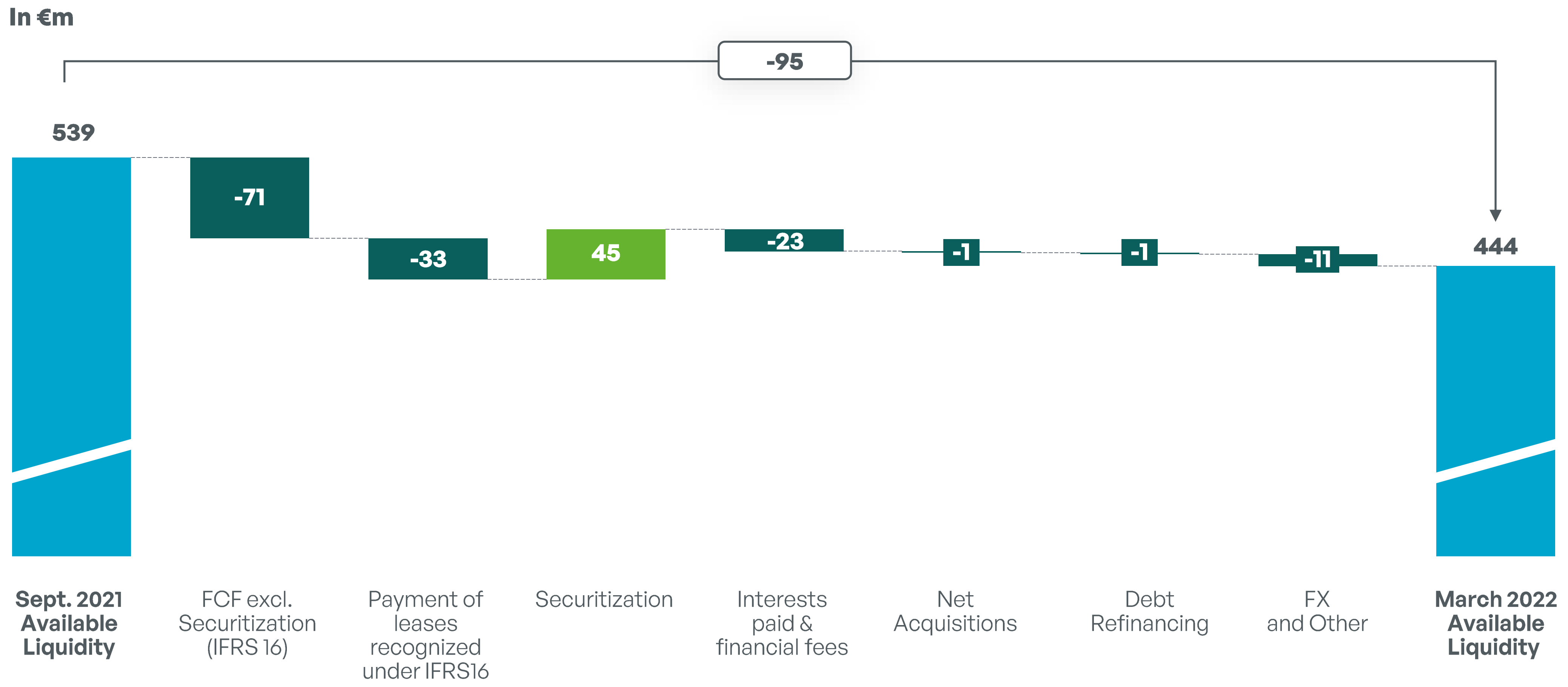


Net debt increase reflecting negative free cash flow



HALF YEAR FINANCIAL RESULTS

Satisfactory liquidity



Waiver successfully obtained

Covenant holiday

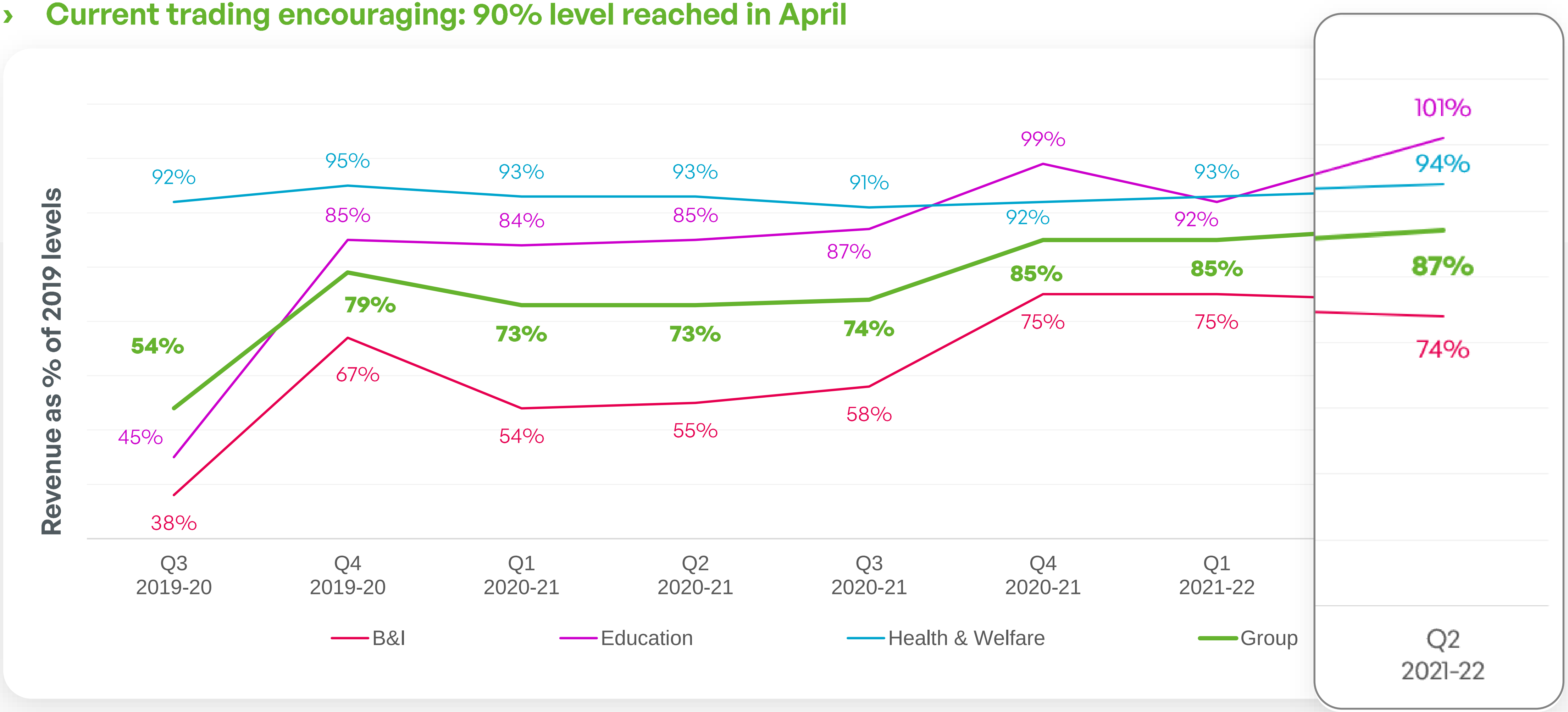
- Next test date: March 31, 2023, EBITDA leverage ratio of 7.5x
- As of September 30, 2023: EBITDA leverage ratio of 4.5x

2

Business Review

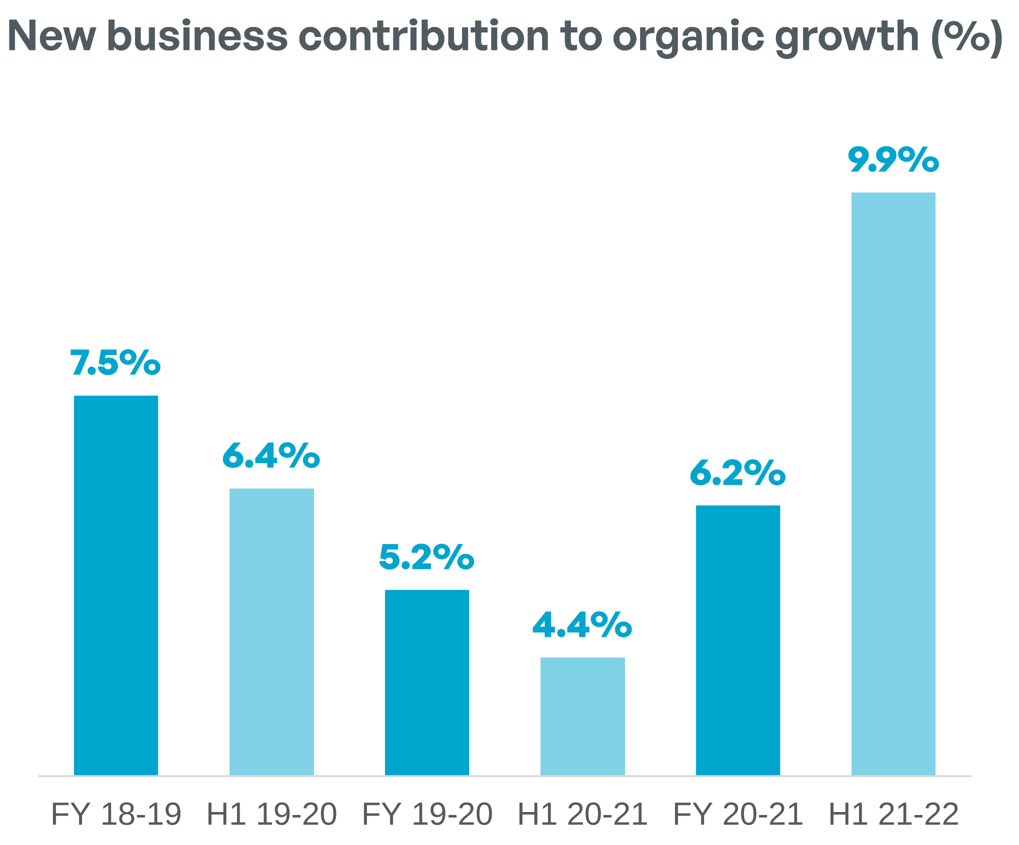
Top-line trending up towards pre-Covid levels

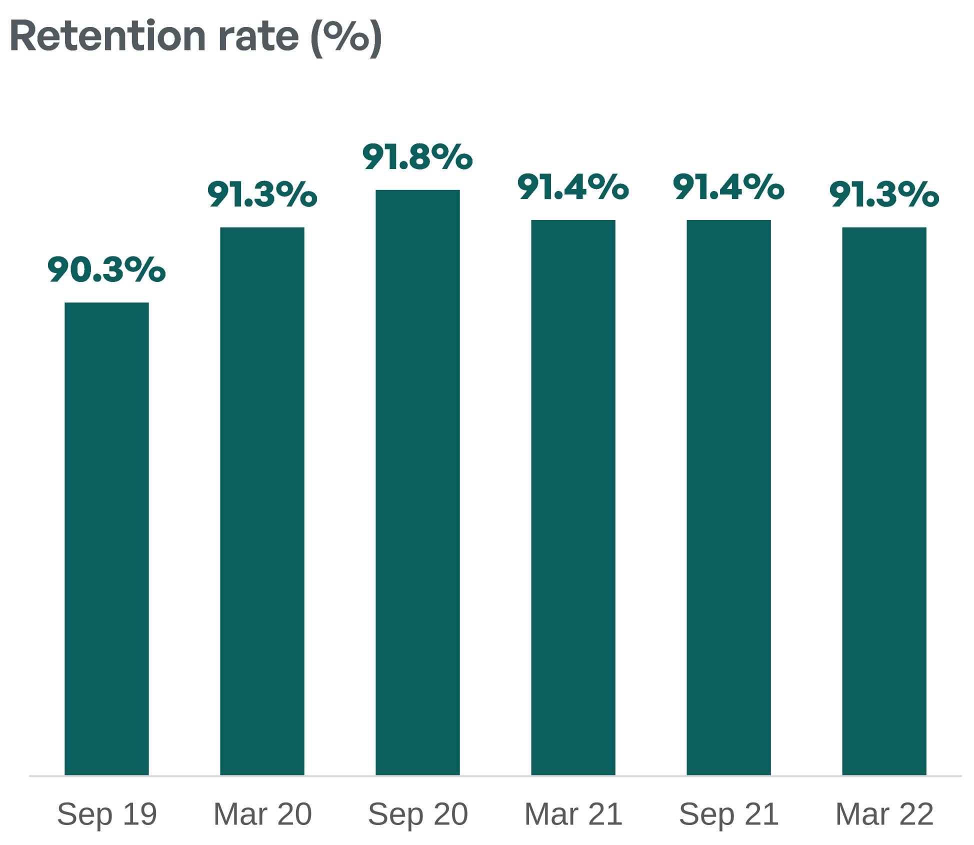
- › **Revenues rebound to 87% of pre-Covid levels despite Omicron impact**
- › **Current trading encouraging: 90% level reached in April**



HALF YEAR FINANCIAL RESULTS

Strong commercial development and stable retention…





… leading to net new business turning positive

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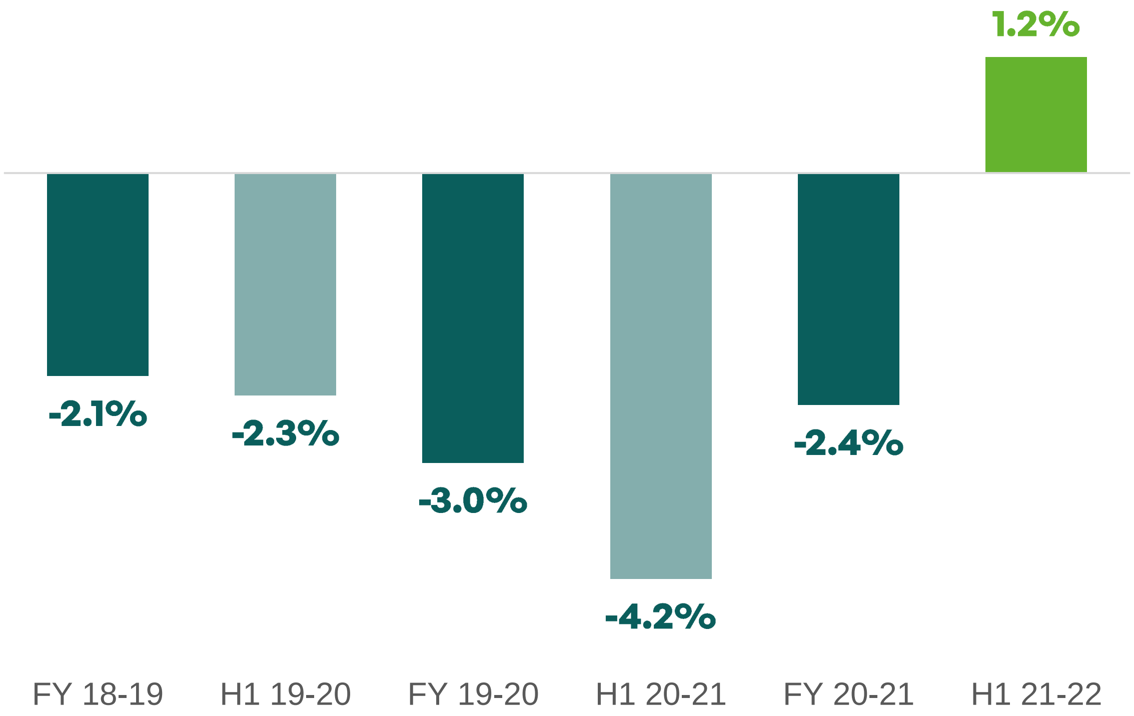
Net new business contribution to organic growth

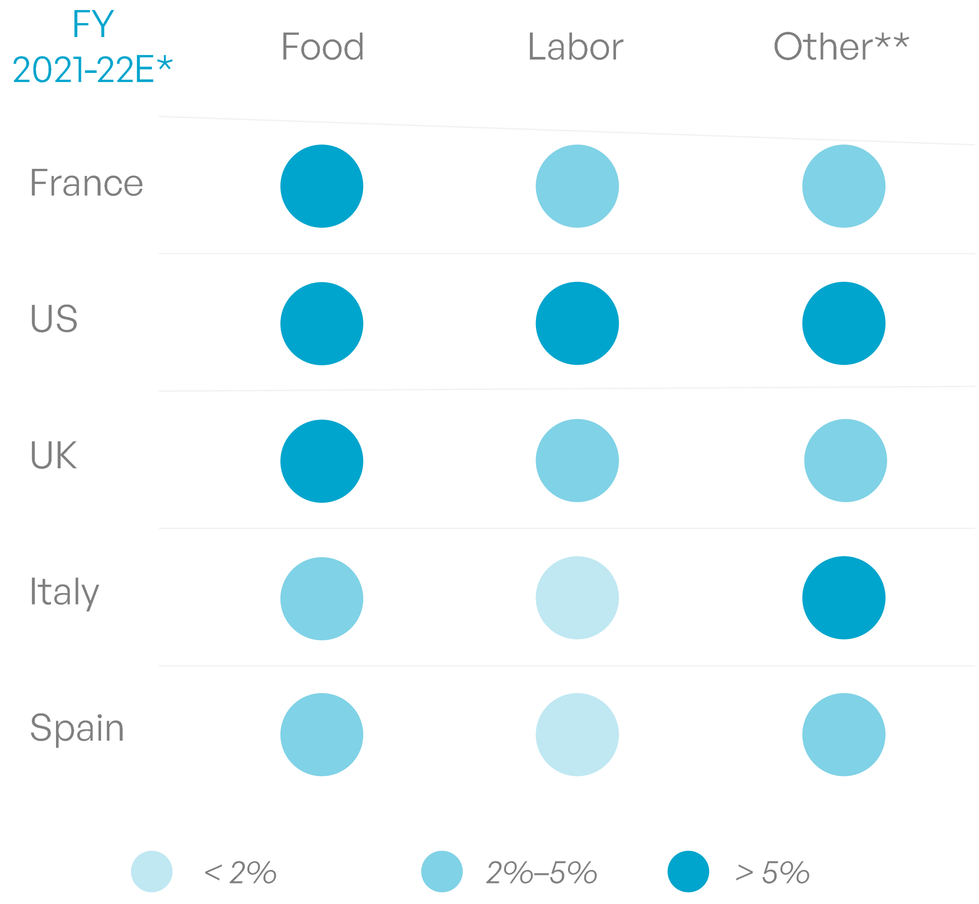


Management incentives

› New in FY2021-22:
30% of variable bonus driven by net development

HALF YEAR FINANCIAL RESULTS

Intensifying and lasting inflationary pressures



* Estimated FY2021-22 impact; ** Including energy, packaging, logistics, …

Inflation impact

- H1 22 average inflation: +3.2% vs. c.+1% budgeted at time of FY21 results
- FY22 estimated inflation: +4.9% vs. c.+2% budgeted
- €104m incremental inflation impact vs. budget before mitigation measures

Four priorities for margin restauration

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Contract renegotiations

Price increases

#1 priority

A la carte adjustments

Tailor-made solutions with clients

Unprofitable operations elimination

Loss-making contracts

Preferred Meals (USA)

Production unit footprint

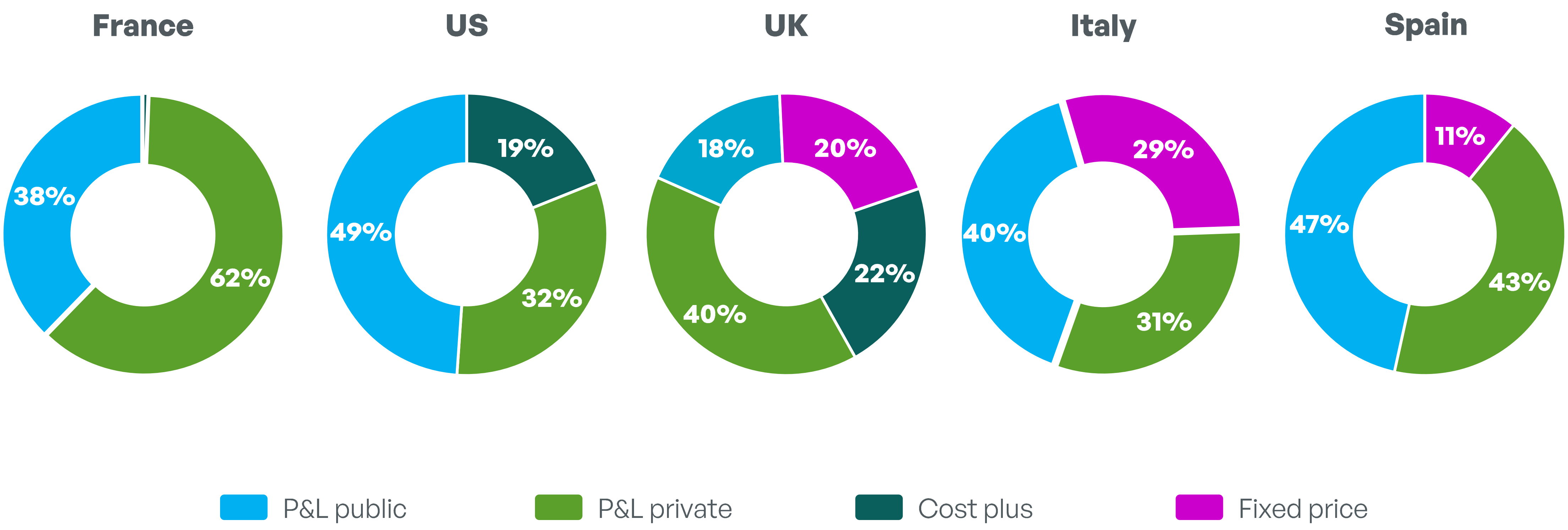
Cost savings

Procurement

Food waste reduction

SG&A

Contract types imply intense renegotiation efforts



in % of revenue full year 2020-21

Contract renegotiations progressing

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All contracts have been reviewed

- 22% of Group contracts have fallen below satisfactory profitability levels
- 37% of contracts successfully renegotiated worldwide, of which 52% in the USA and 35% in the UK
- <1% terminated voluntarily by Elior, so far

Strong commitment from Elior Teams

- Dedicated renegotiations coaching program in Continental Europe
- Ad hoc bonus program in France, Italy and Spain; objectives set beyond the contract price revision clause
- Contract termination if negotiation unsuccessful and profitability unsatisfactory

Voluntarily exiting Preferred Meals in the USA

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HALF YEAR FINANCIAL RESULTS

- Industrial fresh and frozen snacks/prepared meals production and distribution business acquired in 2016
- Heavily loss-making and not consistent with Elior's DNA
- Exit target date: end of current fiscal year

Financial data (in USDm)	**FY 2020-21**	**H1 2021-22**
Revenue	**211**	**139**
EBITA	**(52)**	**(24)**

Actively pursuing new growth opportunities

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Exciting New Venture in North America

- New venture in the healthcare market
- Leveraging our central kitchen national reach and frozen meal capacity
- Dietitian designed meals to support overall health and social determinates of health impact
- Limited investment with strong return

Launch Date: **June 2022**

HALF YEAR FINANCIAL RESULTS

3

Conclusion

Full Year 2021-22 outlook

Organic growth
at least +16%

Adjusted EBITA
~ breakeven [*]

Capex below
2% of revenue

At constant rates and based on all known Covid-19 protocols at the time of publication

[*] excludes Preferred Meals estimated loss of €(35)m for FY2021-22

Financial ambitions 2024

Organic growth

at least +7% CAGR
on average 2022-23 and 2023-24

Adjusted EBITA

margin around
4.0% in 2023-24

Organic revenue growth / Capex as a % of revenues

between 2.5x and 3x

Re-start dividend

based on fiscal
year 2023-24

CSR 2025 objectives reaffirmed

13 CLIMATE ACTION

-12 %

Greenhouse gas emission

By 2025, compared to 2020, per meal, scope 1-2-3

-30%

Food waste
Reduce by 2025,
Compared to 2020, per meal

2 ZERO HUNGER

80%

Renewable electricity
By 2025 and reduced
our energy consumption

3 GOOD HEALTH AND WELL-BEING

7 AFFORDABLE AND CLEAN ENERGY

Menu CO_2 Footprint

Reduction
By menu redesign that respects
local culinary cultures and markets

12 RESPONSIBLE CONSUMPTION AND PRODUCTION


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Forza Elior

4

Q&A

Appendices

CSR: main achievements in first half 2021-22

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CDP
DISCLOSURE INSIGHT ACTION

Worldwide

Carbon Disclore Project

Climate Change 2021

B score

GOLD 2022 ecovadis Sustainability Rating

PLATINUM Top 1% 2022 ecovadis Sustainability Rating

France

EcoVadis

Sustainability Ratings

Platinum for Elior Services

Gold for Elior Entreprises

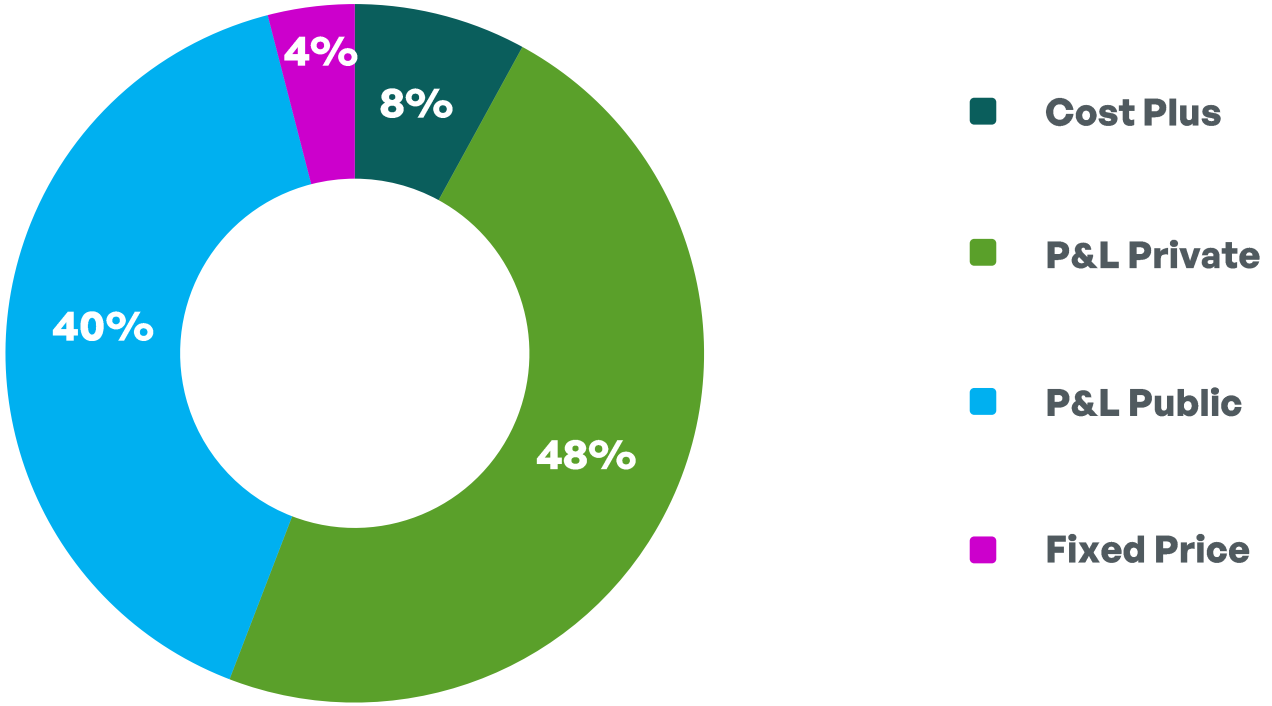
UK

Contract Catering Magazine

CSR Award

Elior Group: contract portfolio by type

(in % of revenue FY2020-21)



HALF YEAR FINANCIAL RESULTS

Alternative performance indicators

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

Adjusted EBITA: Recurring operating result reported including the share of net result 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.

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

- 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.

Modelling details for full year 2021-22

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Working Capital:
€(20)/(40)m

Deferred social charges in France & US

Net financial expenses:
interest rate 3.11%

CVAE:
flat year-on-year

Non-recurring cash:
around €(50)/(60)m

Second quarter 2021-22 revenue

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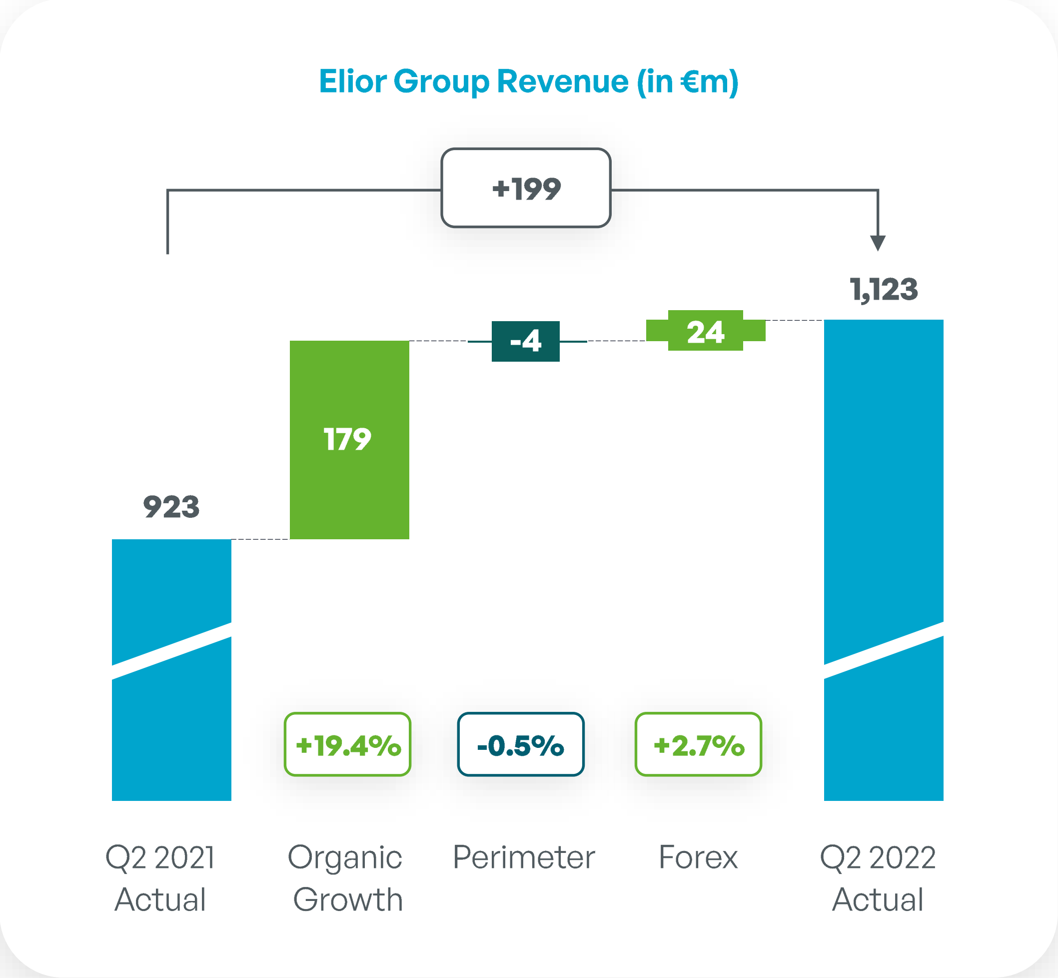

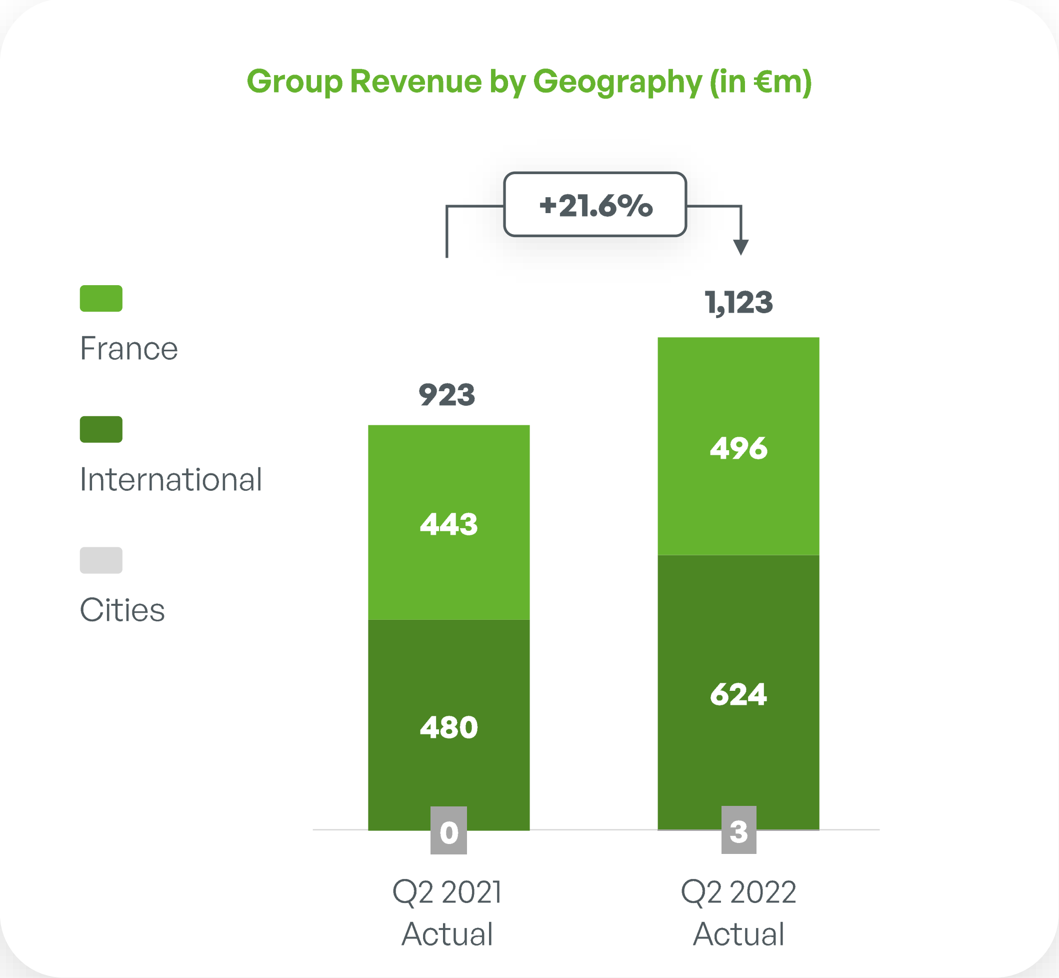

First half 2021-22 retention

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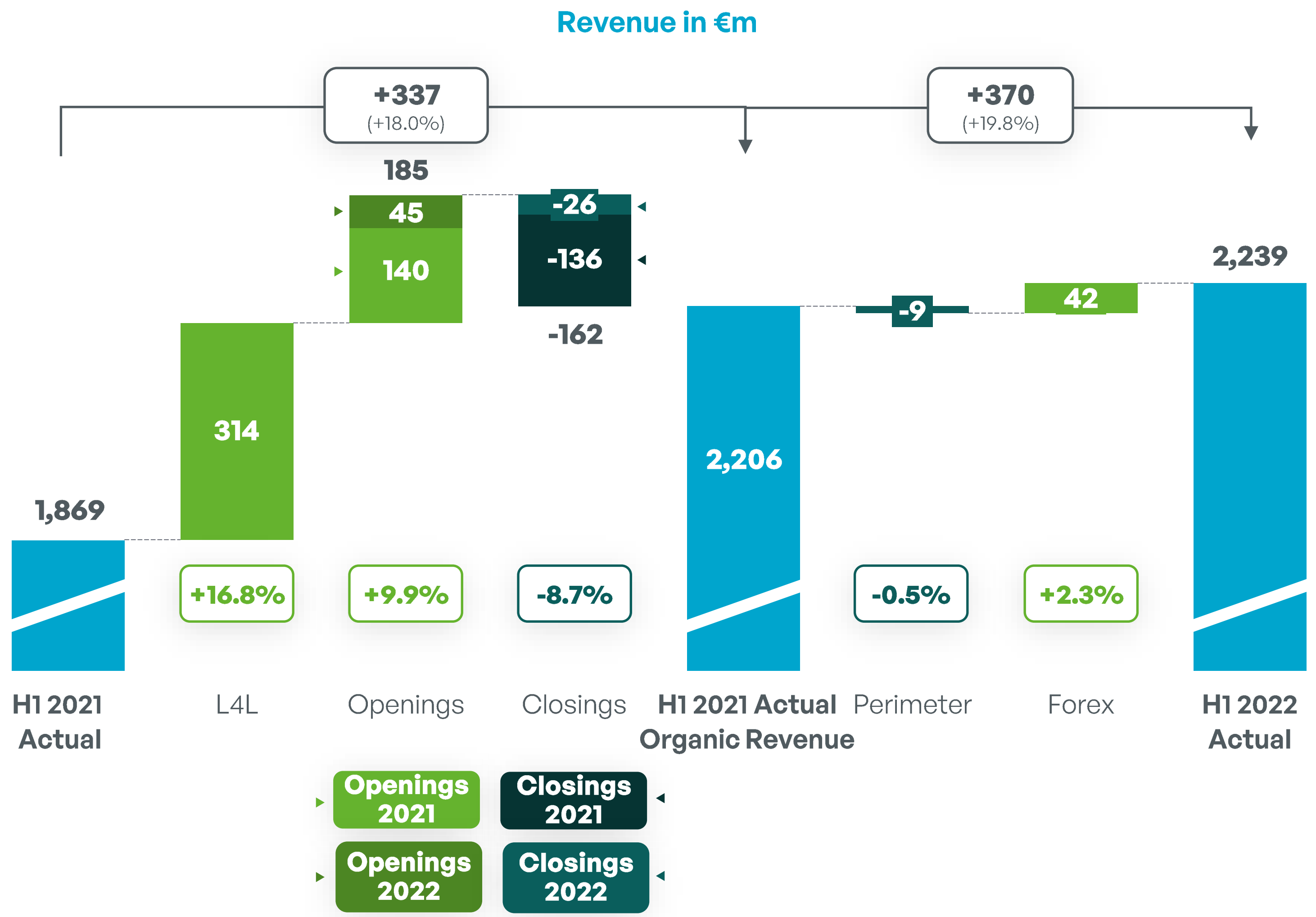

Retention Rate 31 March 2022

91.3%

compared to

31 December 2021

91.3%

HALF YEAR FINANCIAL RESULTS

Deferred tax impacted by goodwill impairments in France & Spain

In €m	H1 2022	H1 2021	YoY change
Tax on Added Value (CVAE-IRAP)	(6)	(7)	+1
Current Tax	0	1	-1
Deferred Tax	(40)	10	-50
Total Income Tax	**(46)**	**4**	**-50**

Detailed change in operating working capital

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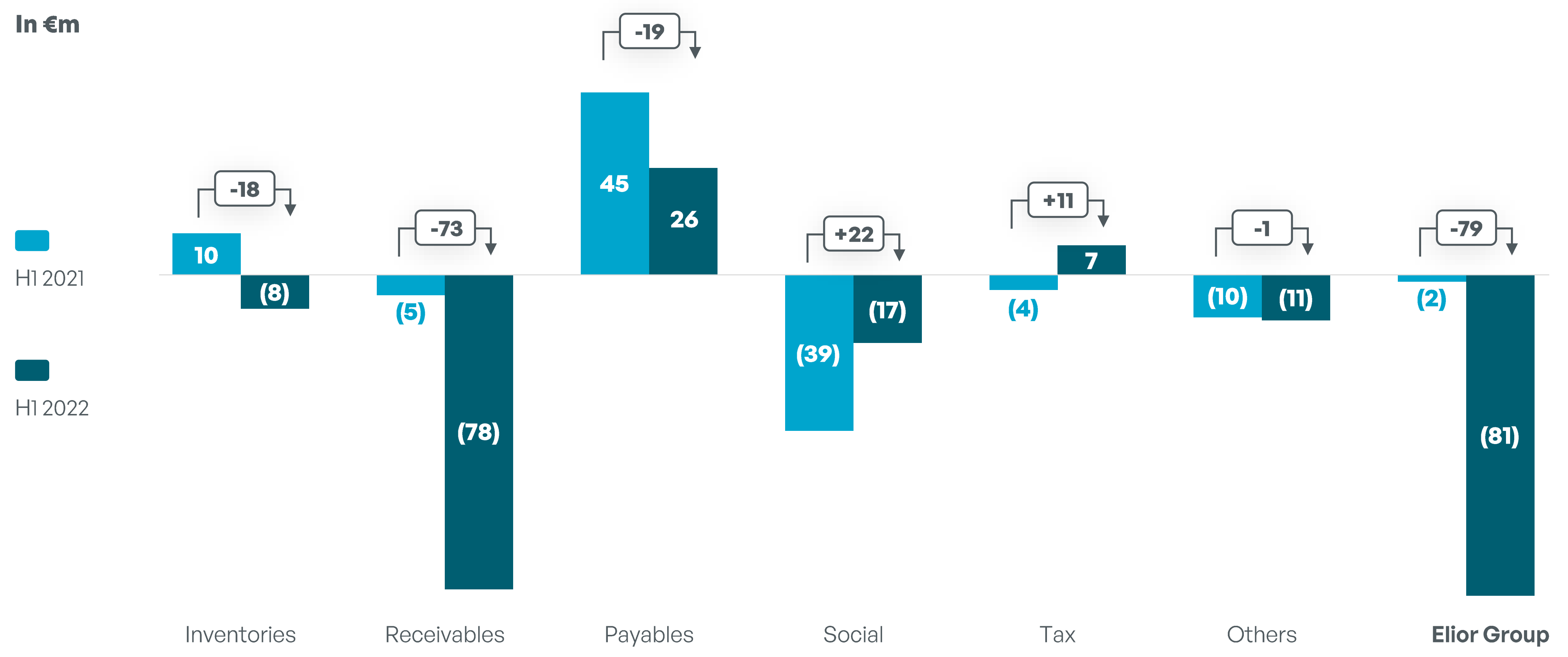

HALF YEAR FINANCIAL RESULTS

Financial agenda

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July 27
2022

Third quarter revenues
2021-2022

November 23
2022

Full year results
2021-2022


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