

Paris La Défense, July 25, 2023

Solid third-quarter organic growth; revision of the adjusted EBITA margin outlook

Elior Group (Euronext Paris – ISIN: FR 0011950732), one of the world's leading operators in catering and support services, announces its revenues for the third quarter of fiscal year 2022-2023, ended June 30, 2023.

Key figures third-quarter / first 9 months 2022-2023

- Third-quarter revenue of €1,416m, up +20.0% year-on-year, of which +8.8% organically
- Volumes: +2.4%; prices: +5.2%; net new business: +3.1%; voluntary contract exits: -1.9%
- Scope impact: +12.0%, Preferred Meals exit more than offset by the Derichebourg Multiservices integration; currency impact: -0.8%
- 9-month revenue: €3,894m; organic growth: +12.3%
- Retention rate at June 30, 2023: 91.9% broadly unchanged vs. 92.0% at June 30, 2022; retention reaching 93.4% excluding voluntary contract exits
- Available liquidity at end-June 2023 was €347m, vs. with €394m at end-March 2023

Revision of the outlook for full-year 2022-2023

- Organic revenue growth of at least 10%
- Adjusted EBITA margin of around 1%
- Capital expenditure at around 1.7% of revenue

Elior Group Chairman and CEO Daniel Derichebourg commented:

"Organic growth remained solid in the third quarter, driven by volume and price increases, as well as positive net new business. Inflation seems to have peaked but remains high. In addition, our margins are temporarily impacted by higher-than-expected start-up costs in relation to a handful of new catering contracts in France and Italy. The integration of Derichebourg Multiservices is progressing well and reinforces my confidence in the synergy target initially set. Beyond this, I have decided to intensify and accelerate the overhaul of our organization, particularly in France, in terms of both structures and operations. To date, in France, we have already initiated recurring cost reductions totaling 24 million euros per year. After these first three months at the helm of Elior, I remain very confident. The turnaround potential is greater than I had initially identified."

Business development

Elior signed or renewed several major contracts in the third quarter of 2022-2023, of which,

- in **Contract Catering**:
 - France: the city of Chelles and Carrefour Group's worldwide headquarters
 - UK: Royal Masonic Benevolent Institution and Anchor Hanover
 - US: Alabama Department of Senior Services and Louisiana Department of Health
 - Italy: the city of Pescara in Abruzzo and technology company Almagia
 - Spain: EPESEC (Extremadura Public Entity of Complementary Educational Services) and the city of Monforte de Lemos in Galicia
- in **Multiservices**:
 - Facility Services: the city of Meudon and the Mama Shelter hotel in Dijon
 - Healthcare: the MGEN Marcel Rivière center and the Villefranche-sur-Saône hospital
 - Recruitment: logistics companies Hermes and XPO
 - Aeronautics: Airbus Atlantic
 - Urban: the Rungis international wholesale market and engineering school ESPCI Paris.

Revenue

Revenue from continuing operations came to €1,416 million in the third quarter of fiscal 2022-2023, compared with €1,180 million for the same period a year earlier. This +20.0% increase reflects organic growth of +8.8%, unfavorable currency impact of -0.8%, and scope impact of +12.0%. The integration of Derichebourg Multiservices (DMS) more than offset the exit of Preferred Meals in the United States.

Like-for-like revenue increased by +7.6%, of which volumes up +2.4% and prices up +5.2%.

In addition, new business, net of contracts losses, contributed a +3.1% increase in revenue. Voluntary contract exits translate into an additional revenue contraction of -1.9%.

Over the first 9 months of the current financial year, Group revenue was €3,894 million, up +13.9% compared to €3,419 million in the same period a year earlier, reflecting organic growth of +12.3%, scope effect of +0.7% and currency impact of +0.9%.

At June 30, 2023, the 9-month retention rate was 91.9%, broadly unchanged compared to 92.0% at June 30, 2022. Excluding voluntary exits, the retention rate is 93.4%.

Revenues by operating segment:

In **Contract Catering**, revenues totaled €1.059 million in the third quarter of the current fiscal year, up +3.0% on the €1,028 million for the same period a year earlier. This increase reflects organic growth of +9.4%, scope impact of -5.5% (exit of Preferred Meals) and currency impact of -0.9%.

As expected, organic growth slowed in the third quarter after the strong rebound in volumes recorded in the first half thanks to an Omicron catch-up effect. However, it remains solid, driven by all levers: volumes, prices and net new business.

Over the first 9 months of the current fiscal year, revenues in contract catering totaled €3,228 million, reflecting organic growth of +13.6 %.

In **Multiservices**, revenues in the third quarter of the current fiscal year totaled €352 million compared with €147 million a year earlier. This reflects organic growth of +4.3 % and scope effect of €199 million relating to the integration of DMS from April 18, 2023.

In Facility Services, against a backdrop of high wage inflation, price renegotiations remain challenging. In Healthcare, occupancy rates have not yet returned to pre-Covid levels. The Aeronautics division is benefiting fully from the sector's strong rebound. Momentum in the Urban and Recruitment divisions remains favorable.

Over the first 9 months of the current fiscal year, Multiservices revenues totaled €654million, representing organic growth of +3.1 %.

Corporate & Other, which includes the Group's remaining concession catering activities not sold with Areas, generated revenue of €5 million in the third quarter and €12 million over the first 9 months of the current fiscal year.

Liquidity

At June 30, 2023, **available liquidity** came to €347 million, compared with €394 million at March 31, 2023, reflecting in particular calendar effects and non-recurring items. The available liquidity includes cash of €70 million and undrawn revolving credit facilities of €208 million out of a total of €350 million. Remaining available credit lines amount to €69 million.

Post-closing events

On July 7, 2023, Elior Group obtained a one-year extension to the maturity of almost all (89%) of its syndicated bank debt. The senior loan of €100 million now matures on July 2, 2026 for €89 million, and on July 2, 2025 for €11 million. In addition, the revolving credit line of €350 million now matures on July 2, 2026 for €311 million and on July 2, 2025 for €39 million. The exercise of this extension option does not give rise to any additional financing costs for the Group.

Outlook

Organic growth should remain solid in the fourth quarter. Cumulated price renegotiations reached 303 million euros at end-June 2023. The application of annual indexation clauses in public sector P&L contracts should add to the price increases obtained so far from our private sector clients.

Inflation seems to have peaked but remains historically high. In addition, our margins are temporarily impacted by higher-than-expected start-up costs in relation to a handful of new catering contracts in France and Italy.

In this context, our expectations for the current financial year are now as follows:

- Organic revenue growth of at least 10%
- Adjusted EBITA margin of approximately 1%
- Capital expenditure at around 1.7% of revenue

The integration of Derichebourg Multiservices is progressing well. The new joint organization for Elior Services and DMS in France will be fully effective by the end of the current financial year. Beyond this, we are intensifying and accelerating the overhaul of our organization, in terms of both structures and operations. To date, in France, these combined initiatives represent recurring cost reductions totaling 24 million euros per annum, starting next fiscal year.

Conference call

The third-quarter 2022-2023 revenue presentation will take place on Tuesday the 25th of July at 3.00 pm CEST and can be accessed online or by phone. Participants may only ask questions by phone.

Webcast link:

https://channel.royalcast.com/landingpage/eliorgroup/20230727_1/

Conference call numbers:

- France: +33 (0) 1 70 37 71 66
- UK: +44 (0) 33 0551 0200
- US: +1 786 697 3501

Access code: Elior

Please join at least 10 minutes before the presentation is scheduled to start.

Financial calendar

- Wednesday November 22, 2023: results for fiscal year 2022-2023, press release published before the start of trading, conference call to follow.

Appendix

Appendix 1: Revenue by operating segment

Appendix 2: Pro forma revenue by operating segment

Appendix 3: Definition of alternative performance indicators

About Elior Group

Founded in 1991, Elior Group has grown into one of the world's leading operators in contract catering and support services and has become a benchmark player in the business & industry, education, healthcare, and leisure markets. With strong positions in eight countries, the Group generated €5.2 billion in pro forma revenue in fiscal 2022. Our 134,000 employees feed over 3 million people daily in 20,500 restaurants on three continents and offer services in six countries.

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 www.eliorgroup.com or follow us on Twitter (@Elior_Group)

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Appendix 1: Revenue by operating segment

1st quarter (restated) (in € millions)	Q1 2022-23	Q1 2021-22	Organic growth	Change in scope	Currency effect	Total Growth
Contract Catering	1,071	964	13.3 %	-5.6 %	3.4 %	11.1 %
Multiservices	150	148	1.4 %	-	-	1.4 %
Contract Catering & Multiservices	1,221	1,112	11.7 %	-4.9 %	3.0 %	9.8 %
Corporate & Others	4	4	n.m.	n.m.	n.m.	n.m.
TOTAL GROUP	1,225	1,116	11.7 %	-4.9 %	3.0 %	9.8 %

2 nd quarter (restated) (in € millions)	Q2 2022-23	Q2 2021-22	Organic growth	Change in scope	Currency effect	Total Growth
Contract Catering	1,098	975	18.4 %	-6.4 %	0.7 %	12.7 %
Multiservices	152	146	4.1 %	-	-	4.1 %
Contract Catering & Multiservices	1,250	1,121	16.5 %	-5.6 %	0.6 %	11.6 %
Corporate & Others	3	2	25.0 %	-	-	25.0 %
TOTAL GROUP	1,253	1,123	16.5 %	-5.6 %	0.7 %	11.6 %

3 rd quarter (in € millions)	Q3 2022-23	Q3 2021-22 restated	Organic growth	Change in scope	Currency effect	Total Growth
Contract Catering	1,059	1,028	9.4 %	-5.5 %	-0.9 %	3.0 %
Multiservices	352	147	4.3 %	135.2 %	-	139.5 %
Contract Catering & Multiservices	1,411	1,175	8.8 %	12.1 %	-0.8 %	20.1 %
Corporate & Others	5	5	6.6 %	-	-	6.6 %
TOTAL GROUP	1,416	1,180	8.8 %	12.0 %	-0.8 %	20.0 %

9 months (in € millions)	9 months 2022-23	9 months 2021-22 restated	Organic growth	Change in scope	Currency effect	Total Growth
Contract Catering	3,228	2,967	13.6 %	-5.9 %	1.1 %	8.8 %
Multiservices	654	441	3.1 %	45.2 %	-	48.3 %
Contract Catering & Multiservices	3,882	3,408	12.3 %	0.7 %	0.9 %	13.9 %
Corporate & Others	12	11	10.4 %	-	-	10.4 %
TOTAL GROUP	3,894	3,419	12.3 %	0.7 %	0.9 %	13.9 %

n.m.: not meaningful

Appendix 2: Pro forma revenue by operating segment

Revenue pro forma (*) (in € millions)	1 st semester 2022-23
Contract Catering	2 169
Multiservices	789
Contract Catering & Multiservices	2 958
Corporate & Others	7
TOTAL GROUP	2 965

Revenue pro forma (*) (in € millions)	1 st semester 2021-22	2 nd semester 2021-22	12 months 2021-22
Contract Catering	1 818	1 842	3 660
Multiservices	756	774	1 530
Contract Catering & Multiservices	2 574	2 616	5 190
Corporate & Others	6	9	15
TOTAL GROUP	2 580	2 625	5 205

(*) Pro forma information excludes revenues from Preferred Meals for Elior Group and SNG from Derichebourg Multiservices ("DMS") divested in 2022

Appendix 3: Definition of alternative performance indicators

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