

NOVEMBER 22, 2023

# 2022-2023 Full-Year Results

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# Agenda

**01** Introduction

**02** Financial Results

**03** Business Review

**04** Outlook & Conclusion

**05** Q&A

# 01

# Introduction

# FY2022-23 key highlights

Organic growth

**+11.2%**  
(guidance: > +10%)

Adj. EBITA margin

**1.1%**  
(guidance: c. 1.0%)

Normalized (\*) FCF

**€-20m**

89% of bank **debt maturity**  
**extended** by 1 year  
to July 2026

**DMS** acquisition  
and swift integration

Annualized cost synergies  
at the end of Sep. 2023

**€27m**

(\*) adjusted for a €-38m temporary working capital movement related to securitization/factoring which will mechanically reverse in H1 2023-24

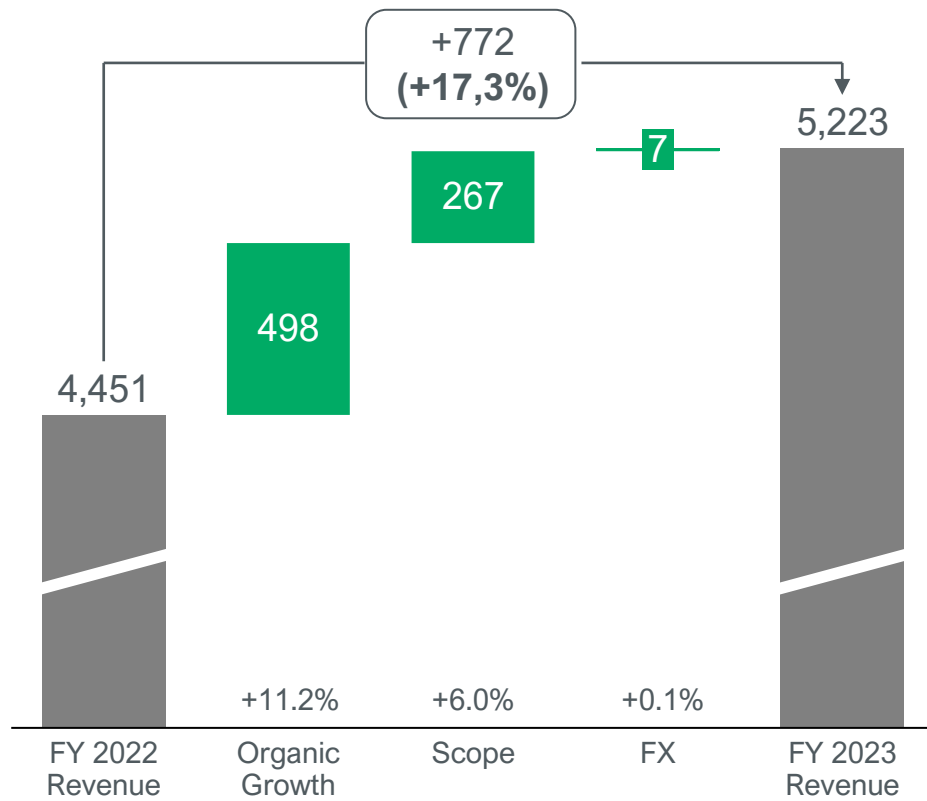
02

# Financial Results

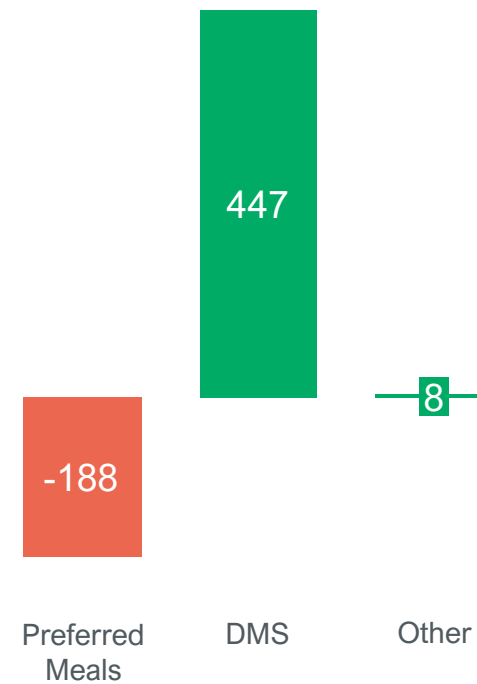


# Strong organic growth boosted by DMS acquisition

Year-on-year revenue bridge (in €m)

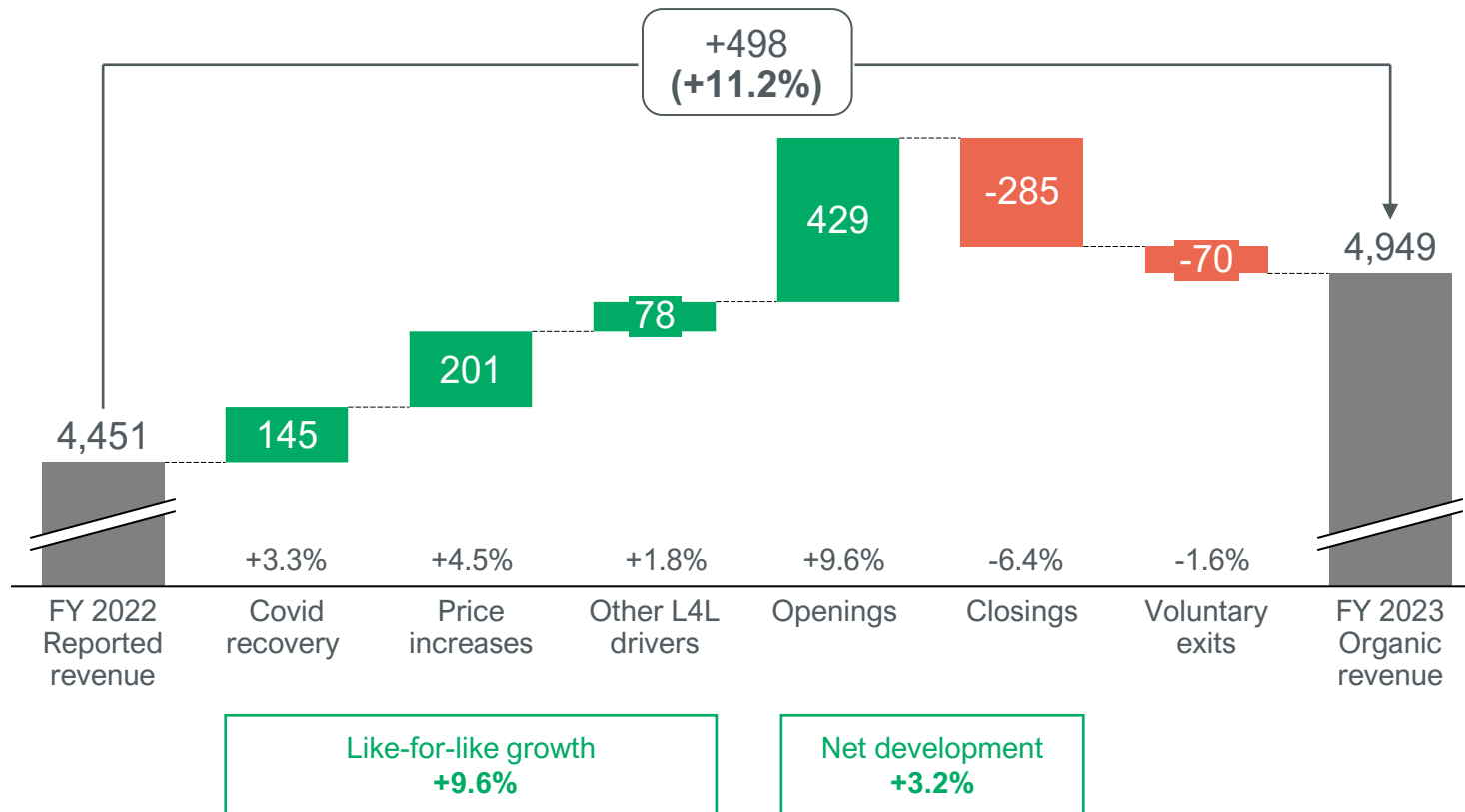


Detailed €267m scope impact



# All organic growth levers contributing strongly

Year-on-year organic growth bridge (€m)



## Retention rate

**92.0%**  
September 30, 2023

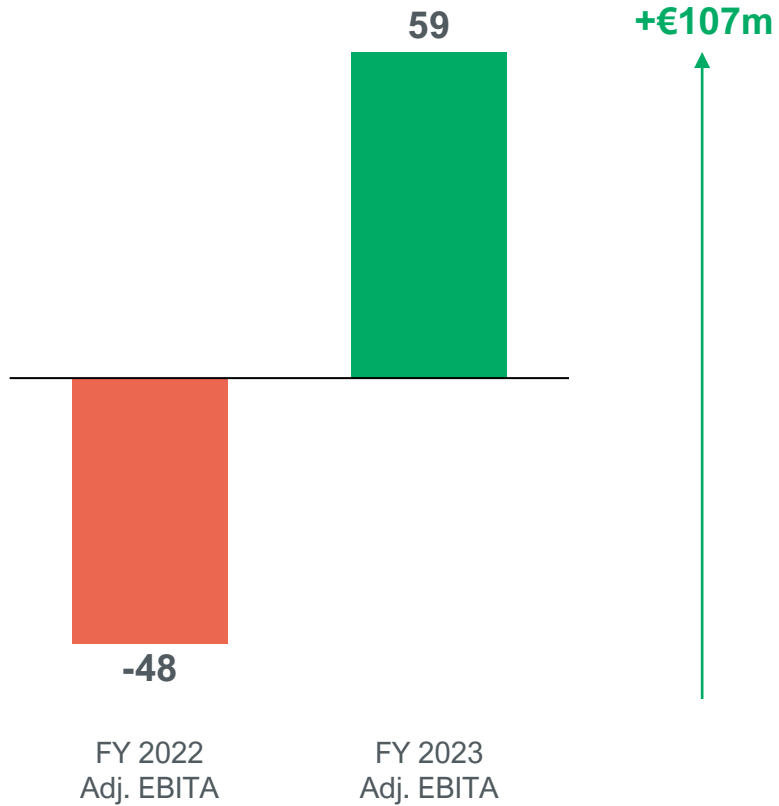
or **93.6%** excl.  
voluntary exits

**93.2%**  
September 30, 2022

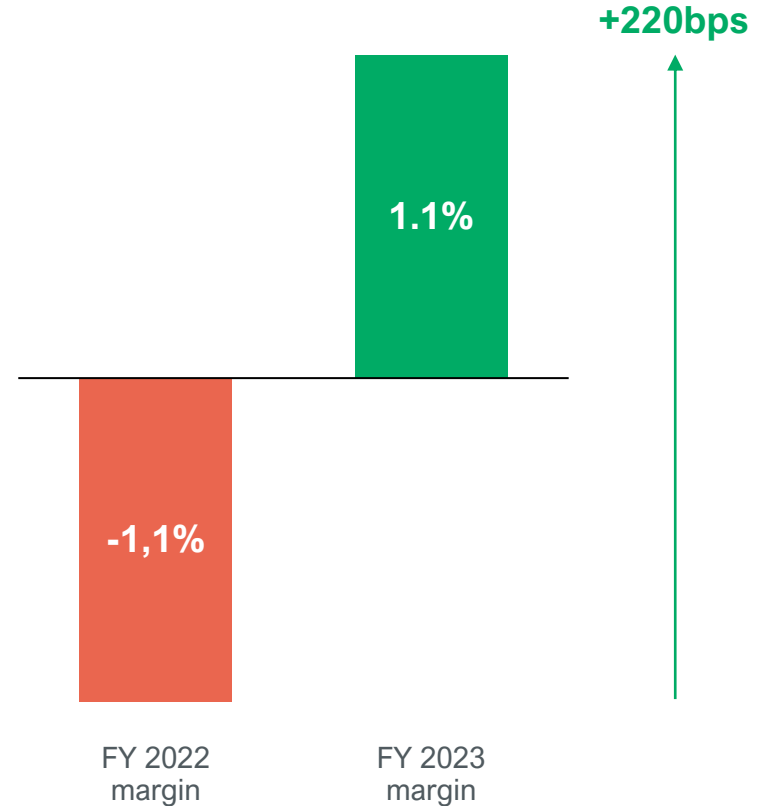


# Elior Group operationally profitable again

Adjusted EBITA by operating segment (in €m)

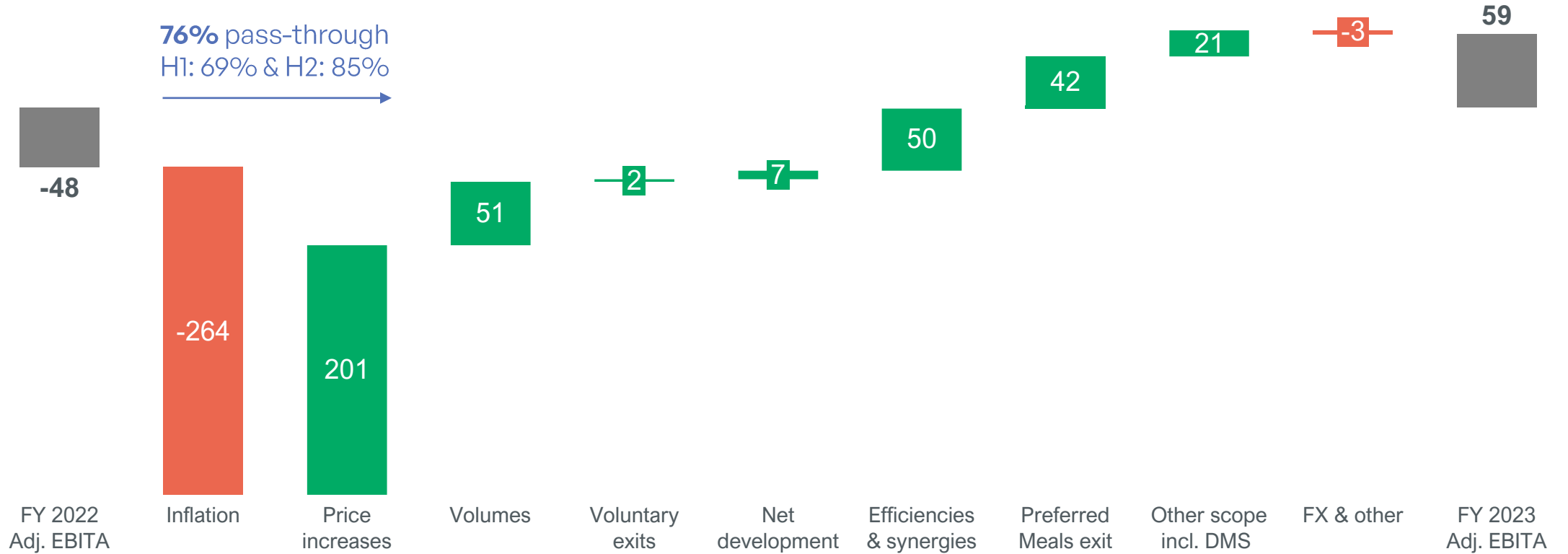


Adjusted EBITA margin (in %)



# All profitability improvement levers at play

Year-on-year adjusted EBITA bridge (€m)

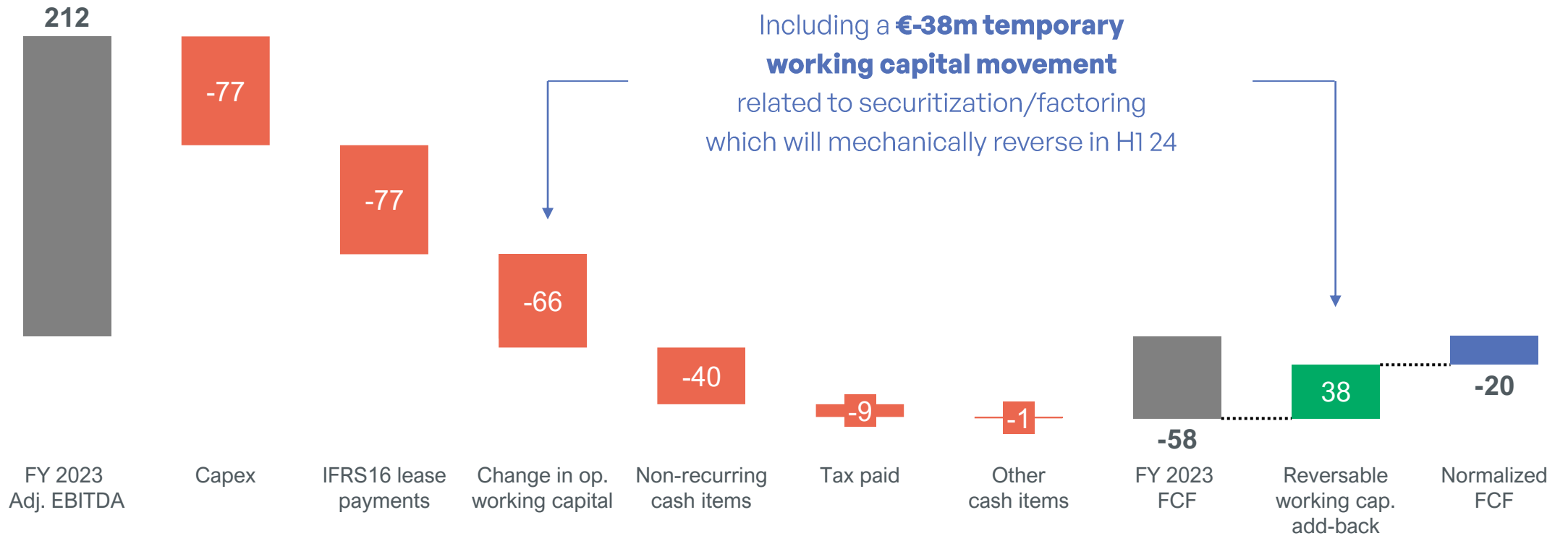


# Group net loss reduction despite higher financial charges

Simplified income statement (in €m)	FY 2022-23	FY 2021-22	YoY change
Revenue	<b>5,223</b>	4,451	772
Adjusted EBITA	<b>59</b>	-48	107
<i>Adjusted EBITA margin</i>	<b>1.1%</b>	-1.1%	+220bps
Share based compensation	<b>(6)</b>	(3)	(3)
Net amort. of intangible assets recognized on consolidation	<b>(20)</b>	(18)	(2)
EBITA	<b>33</b>	(69)	102
Non-recurring charges	<b>(81)</b>	(309)	228
Net financial charges	<b>(78)</b>	(26)	(52)
Income tax	<b>29</b>	(36)	65
Net result	<b>(97)</b>	(440)	343
Minority Interest	<b>4</b>	13	(9)
Net result Group share	<b>(93)</b>	(427)	334

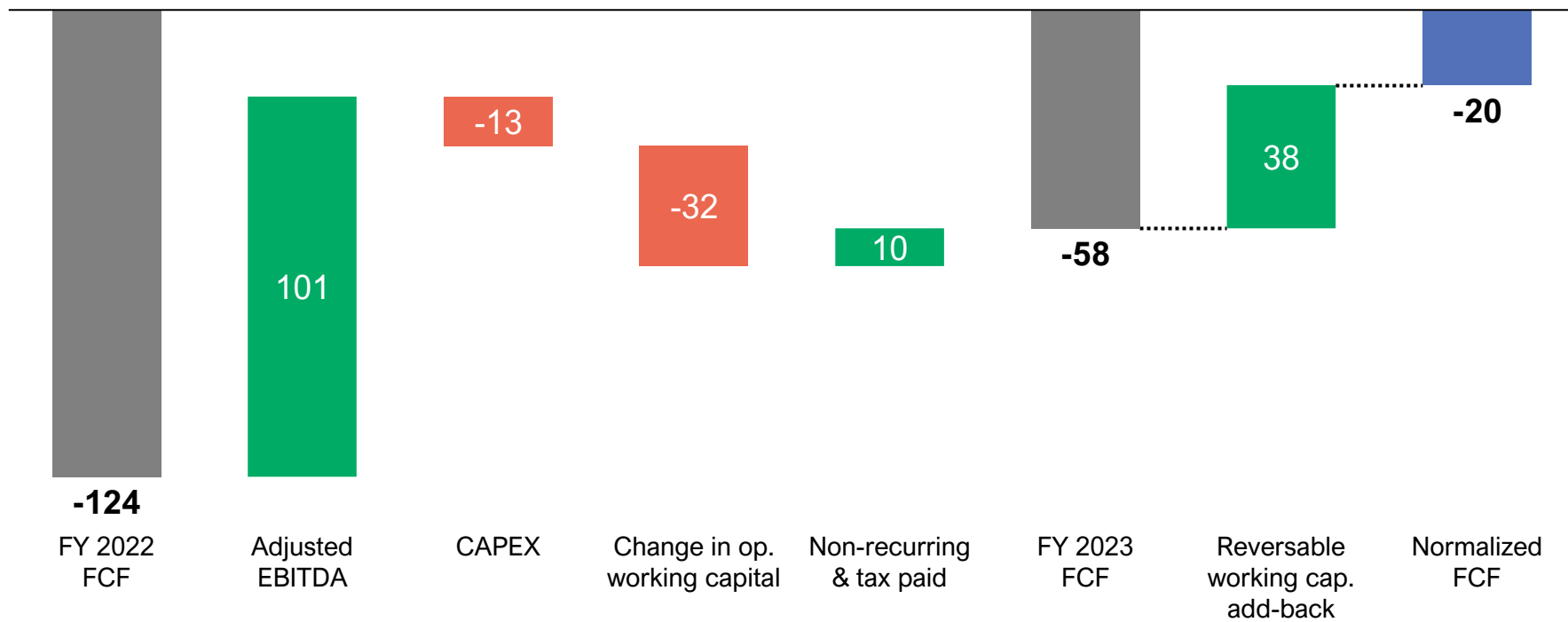
# Near-breakeven FCF excl. temporary working capital movement

Adjusted EBITDA to free cash-flow bridge (€m)



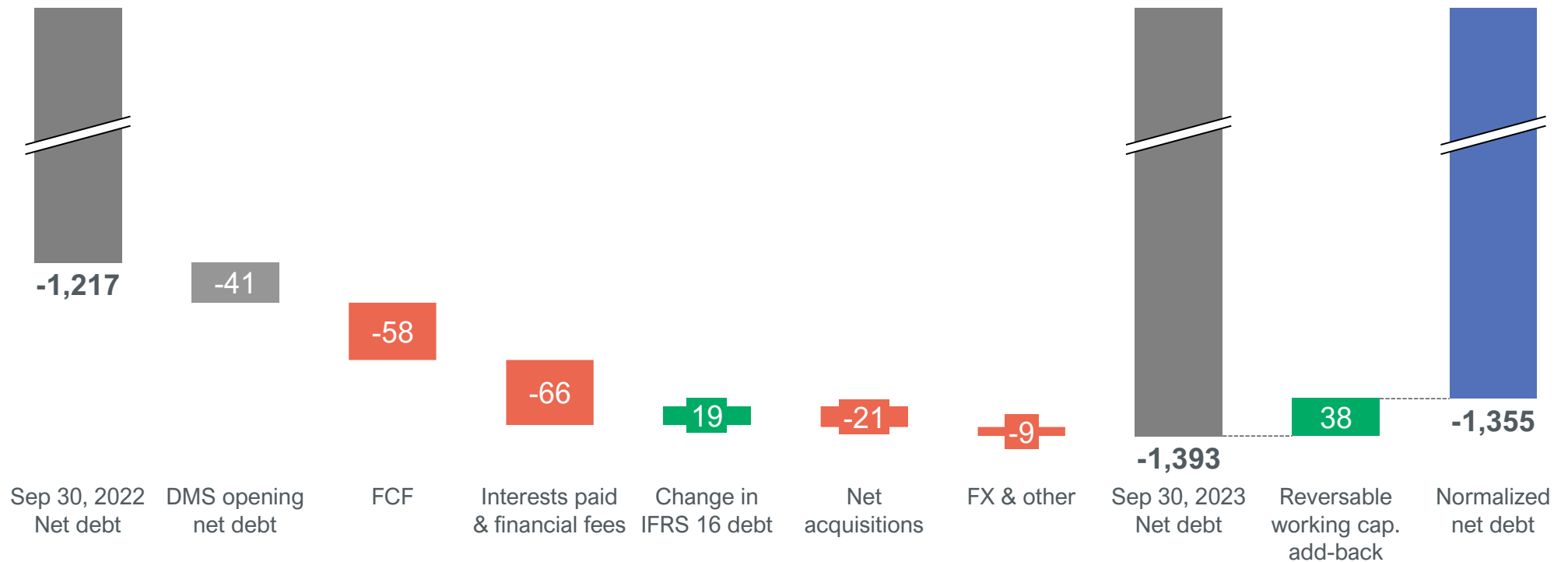
# Strong year-on-year EBITDA improvement bringing normalized FCF close to breakeven

Year-on-year free cash-flow bridge (€m)



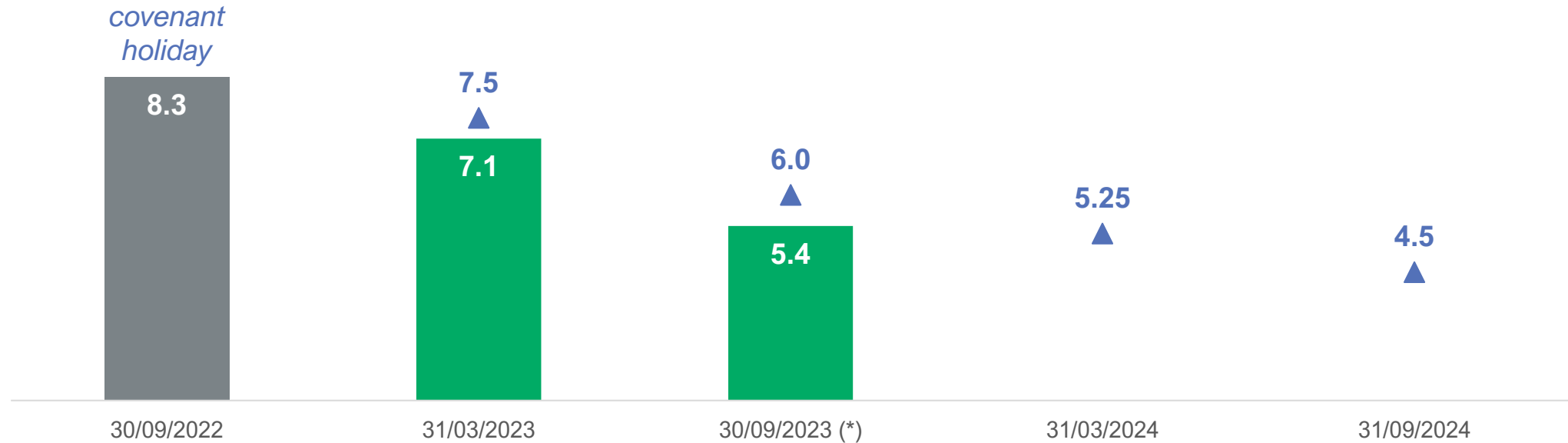
# Temporary working cap. movement weighing on net debt

Year-on-year net debt bridge (€m)



# Deleveraging already well underway

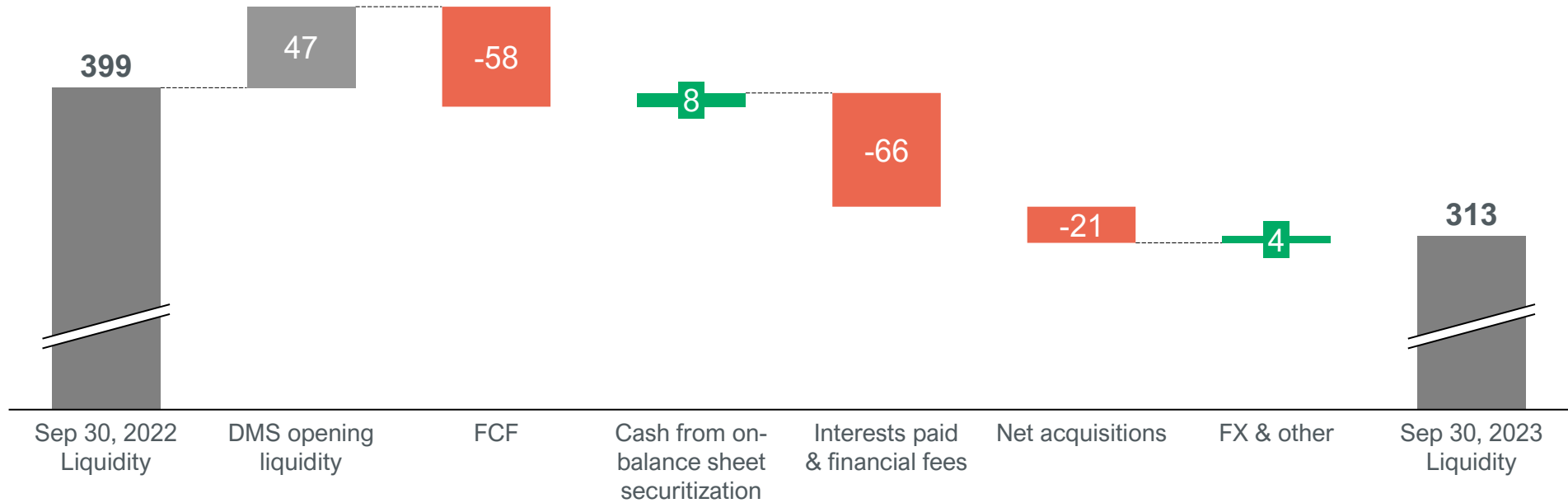
Net debt / EBITDA leverage ratio and covenant test threshold



(\*) Ratio at 30/09/2023 calculated based on a covenant EBITDA of €258m, including synergies annualization for €20m and pro forma adjustments of €26m

# Adequate liquidity

Year-on-year liquidity bridge (in €m)





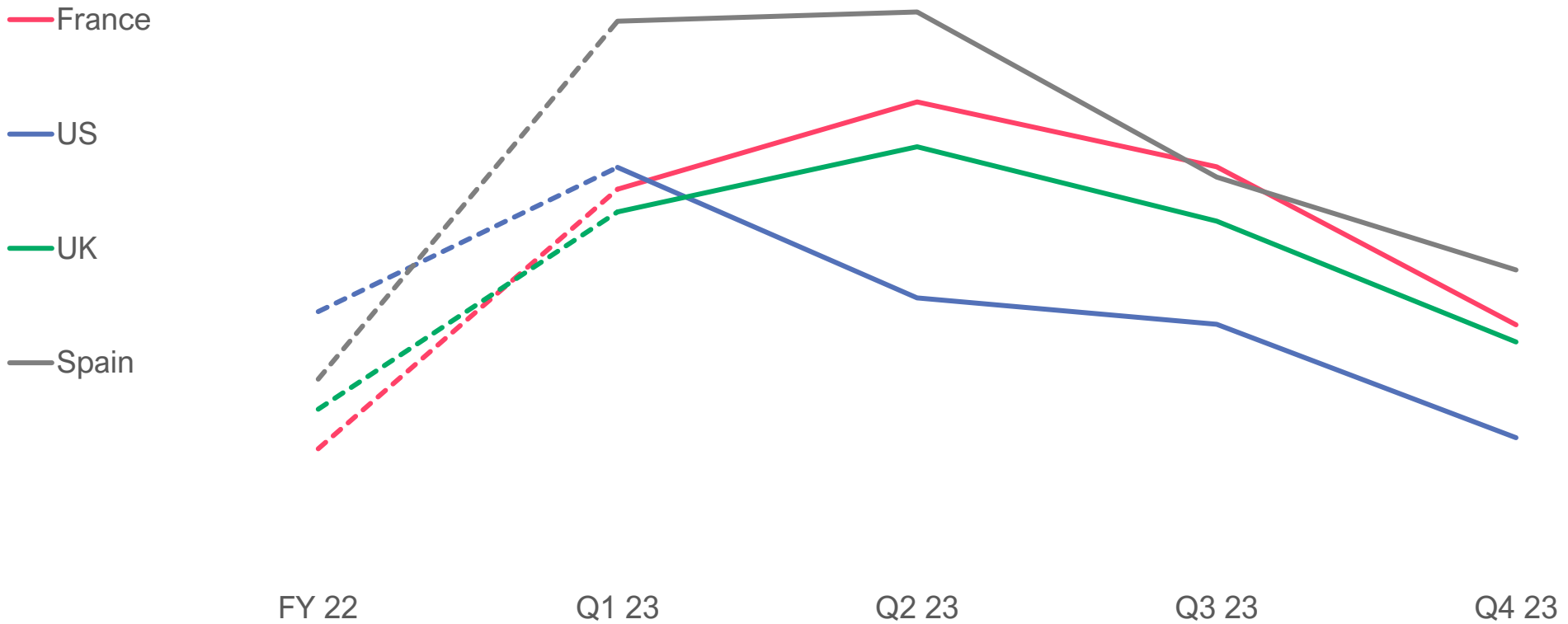
# 03

# Business Review




# Context is improving as food inflation is decelerating


Average year-on-year food cost inflation in FY22 and in each quarter of FY23 (in %)




# Top priority: deleverage by restoring FCF generation through continued efforts on all profitability levers




Revenue price increases




Profitable net new business



Voluntary exit of loss-making contracts



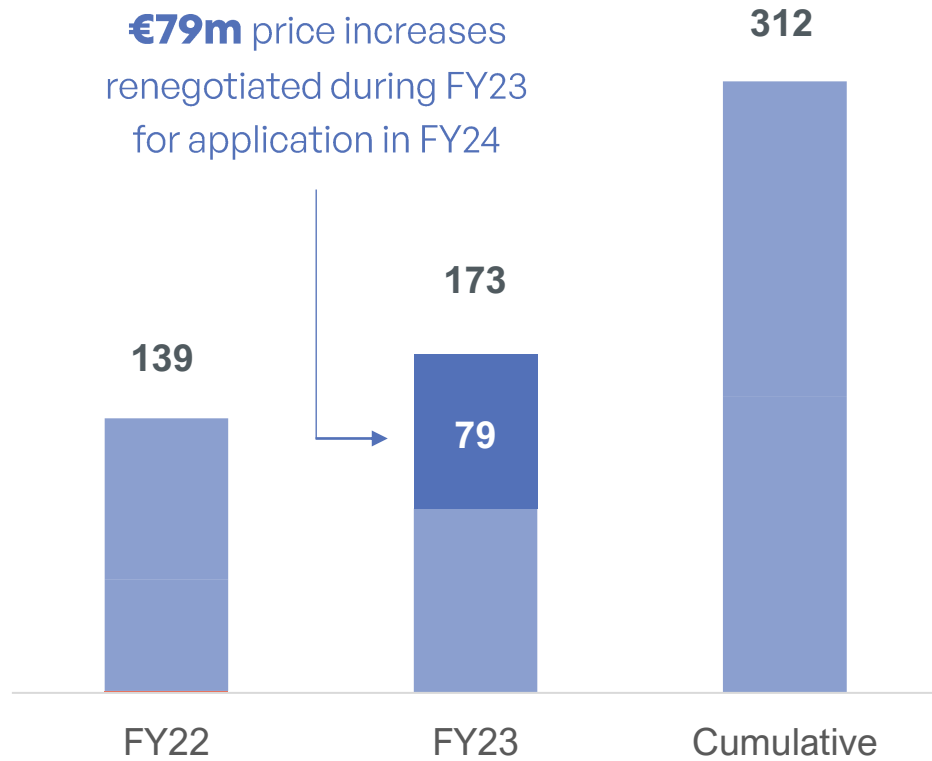
Operating cost optimization



DMS integration & restructuring

# Maintaining revenue price increases momentum

## Annualized price renegotiations (in €m)

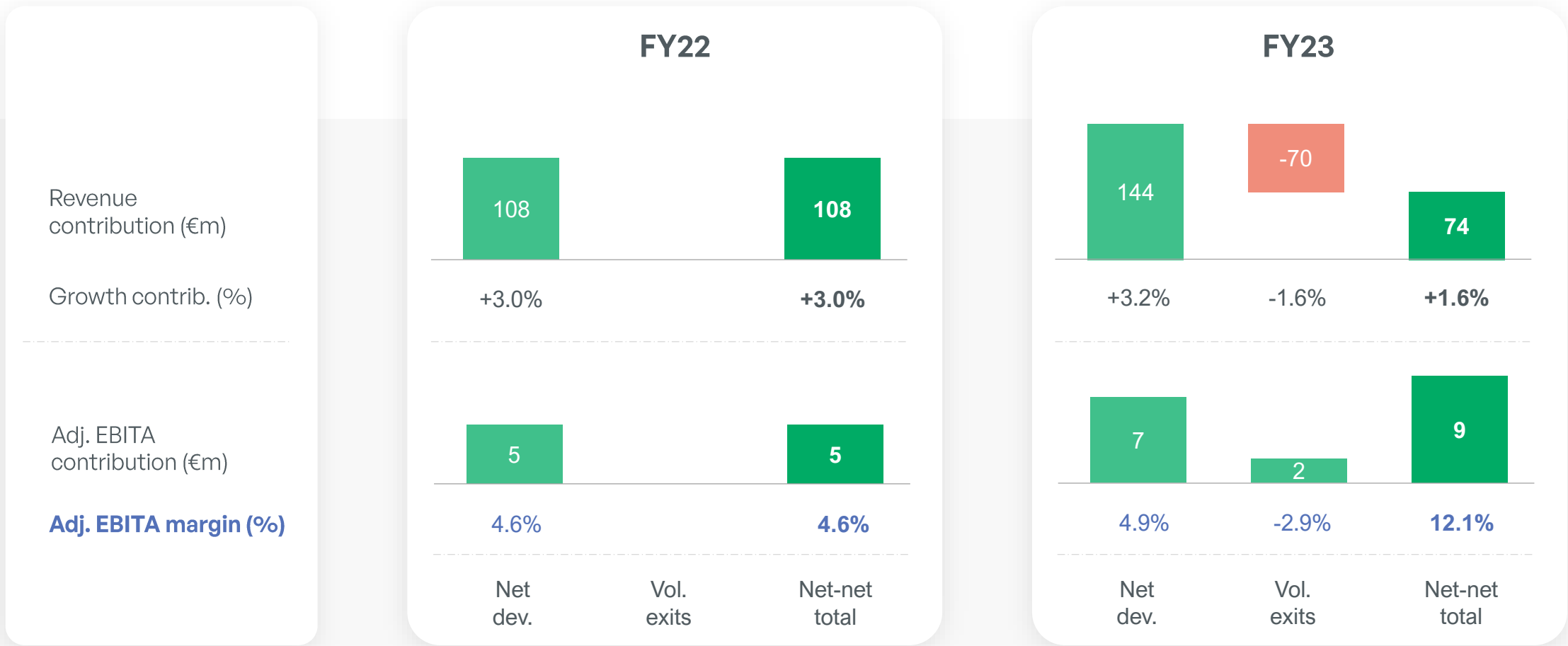


## France: new school year re-indexation campaign

**+6.3%**

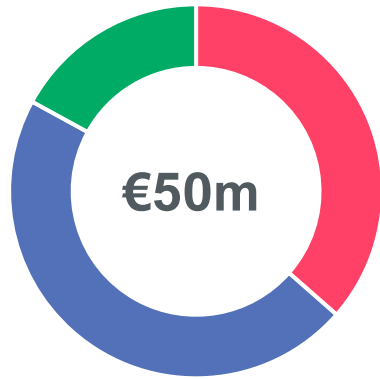
Average annual price revision secured

# Voluntary contract exits amplifying profitability improvement from net development

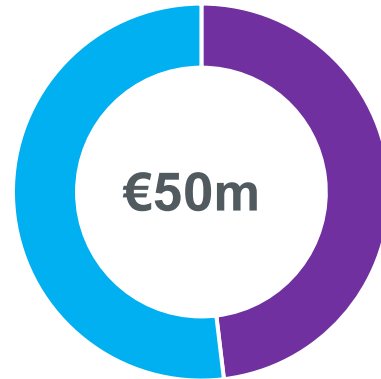


# Sustaining wide-ranging operating cost optimization

**€50m** overall cost savings (\*) achieved in FY23, after **€42m** in FY22



- Procurement savings
- Operating efficiencies
- SG&A



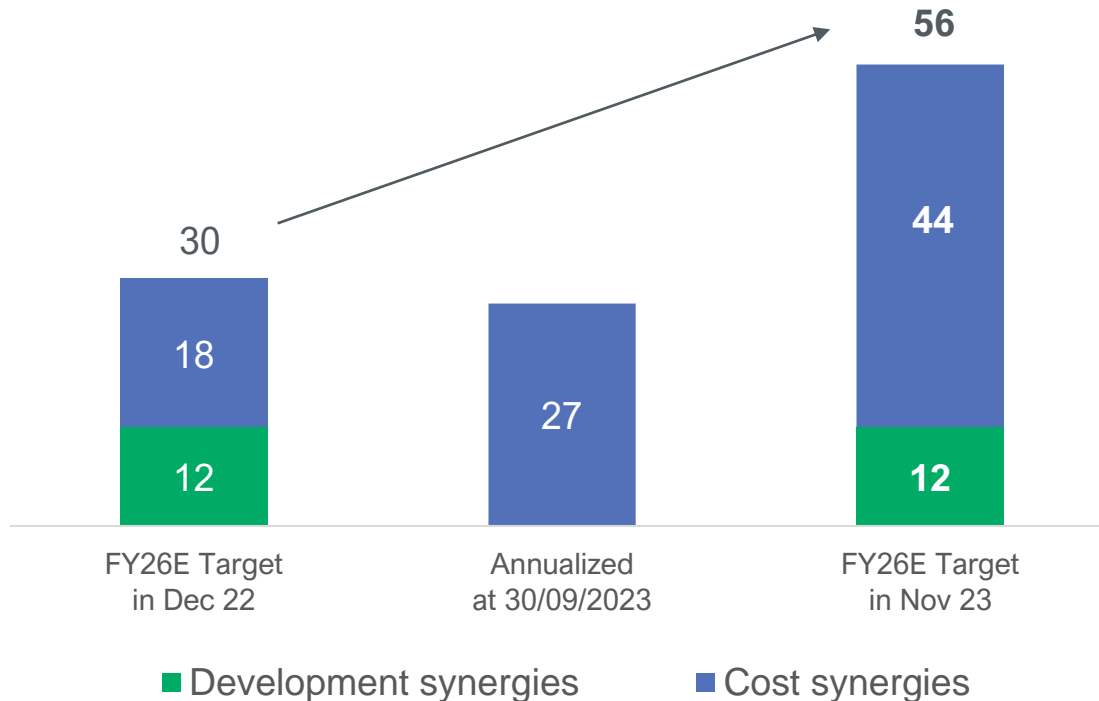
- France incl. Corporate
- Other countries

- › **Menus**
- › **Waste**
- › **Procurement**
- › **Logistics**
- › **Productivity**
- › **Central kitchens**
- › **Support functions**
- › **Real estate**

(\*) including €7m of synergies recorded in FY23

# Near-doubling of synergies target thanks to swift DMS integration and deeper/wider restructuring

Recurring synergies (in €m)



› **Already achieved**

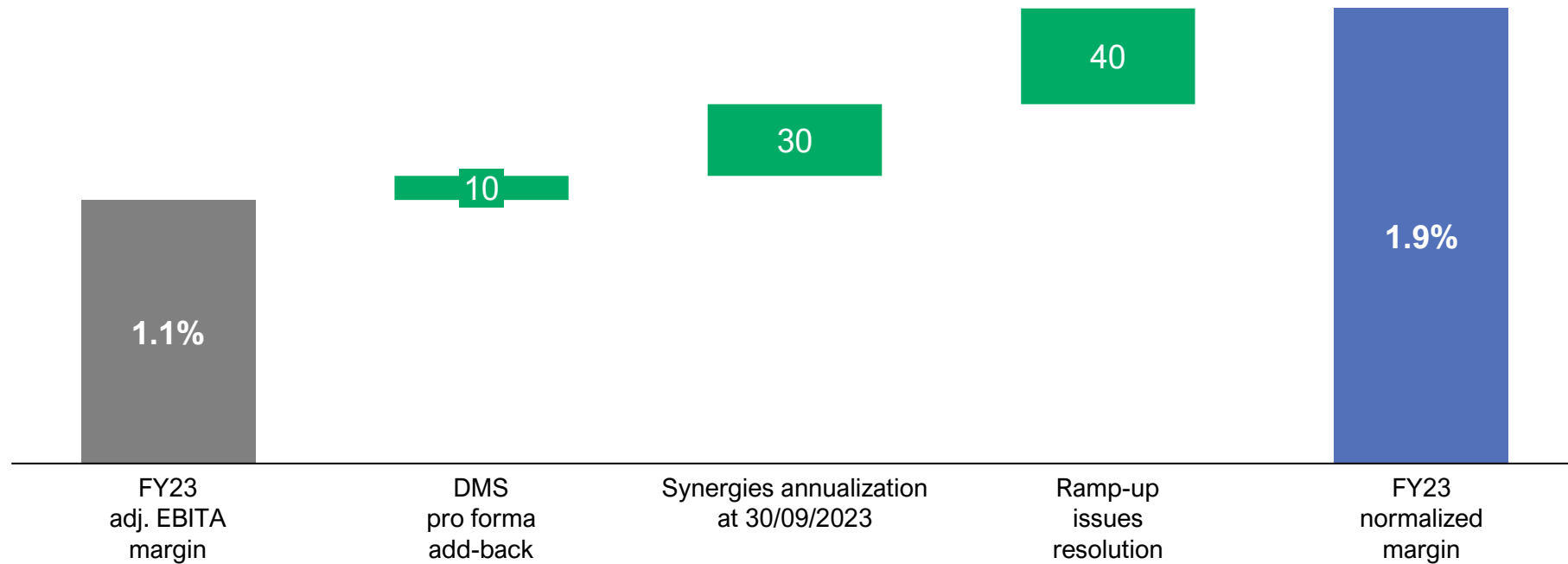
- DMS Facility & Elior Services teams merged (FR)
- Streamlined & more agile Catering organization now led by Boris Derichebourg (FR)
- Identical regional mapping for both activities (FR)
- Restructured Group corporate functions

› **Ongoing**

- New organization in both Spain & Portugal
- IT convergence
- Real estate optimization

# Normalized adj. EBITA margin: a sound base for further uplift

FY23 adj. EBITA margin normalization bridge (in bps)





# 04

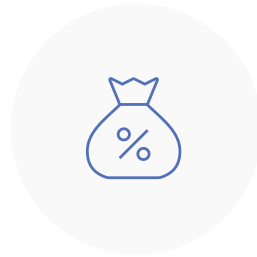
# Outlook & Conclusion

# Outlook for FY2023-2024 and beyond



FY2023-24E  
Organic revenue growth  
**+4% to +5%**

Further contract portfolio  
rationalization in 2023-24



FY2023-24E  
Adjusted EBITA margin  
**around 2.5%**

FY26E cost synergies  
target raised to €44m



30/09/2024E  
Net debt / EBITDA ratio  
**around 4.0x**

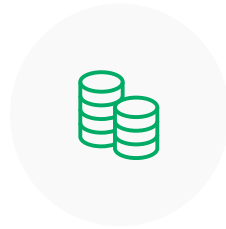
Ratio **below 3.0x**  
at 30/09/26E

# Other financial considerations for FY2023-24



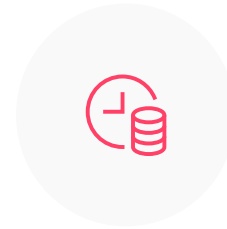
CAPEX as % of revenue

1.7%–2.0%



Working capital change

+€60–80m



Non-recurring cash

€(20)–(25)m



Net financial expenses

all-in interest  
rate ~4.8%

# Conclusion

New leadership with proven turnaround track-record in the business services sector...

... and a significant vested interest in the long-term success of Elior as a stable 48.3% shareholder

Strategic positioning reinforced by highly synergetic DMS acquisition

Turnaround now firmly under way, with a clear path to FCF generation & deleveraging

# 05 Q&A



# Appendices

# Reported revenue by geographic zone

2022-23	H1	H2	FY	2021-22	H1	H2	FY
France	1 112	1 428	<b>2 540</b>	France	992	966	<b>1 958</b>
Europe (excl. France)	719	704	<b>1 423</b>	Europe (excl. France)	646	591	<b>1 237</b>
Rest of the World	647	613	<b>1 260</b>	Rest of the World	601	655	<b>1 256</b>
<b>TOTAL GROUP</b>	<b>2 478</b>	<b>2745</b>	<b>5 223</b>	<b>TOTAL GROUP</b>	<b>2 239</b>	<b>2 212</b>	<b>4 451</b>

# Pro forma revenue by operating segment

Pro forma 2022-23 (*)	H1	H2	FY	Pro forma 2021-22 (*)	H1	H2	FY
Contract catering	2,169	1,982	<b>4,151</b>	Contract catering	1,818	1,842	<b>3,660</b>
Multiservices	789	804	<b>1,593</b>	Multiservices	756	774	<b>1,530</b>
Sub-total	2,958	2,786	<b>5,744</b>	Sub-total	2,574	2,616	<b>5,190</b>
Corporate & Other	7	9	<b>16</b>	Corporate & Other	6	9	<b>15</b>
<b>TOTAL GROUP</b>	<b>2,965</b>	<b>2,795</b>	<b>5,760</b>	<b>TOTAL GROUP</b>	<b>2,580</b>	<b>2,625</b>	<b>5,205</b>

(\*) Pro forma information excludes revenue from Preferred Meals for Elior Group and SNG for DMS divested in 2022



# Pro forma adjusted EBITA by operating segment

Pro forma 2022-23 (*)	H1	H2	FY	Pro forma 2021-22 (*)	H1	H2	FY
Contract catering	49	-2	<b>47</b>	Contract catering	12	-14	<b>-2</b>
Multiservices	9	29	<b>38</b>	Multiservices	19	30	<b>49</b>
Sub-total	58	27	<b>85</b>	Sub-total	31	16	<b>47</b>
Corporate & Other	-9	-8	<b>-17</b>	Corporate & Other	-12	-10	<b>-22</b>
<b>TOTAL GROUP</b>	<b>49</b>	<b>19</b>	<b>68</b>	<b>TOTAL GROUP</b>	<b>19</b>	<b>6</b>	<b>25</b>

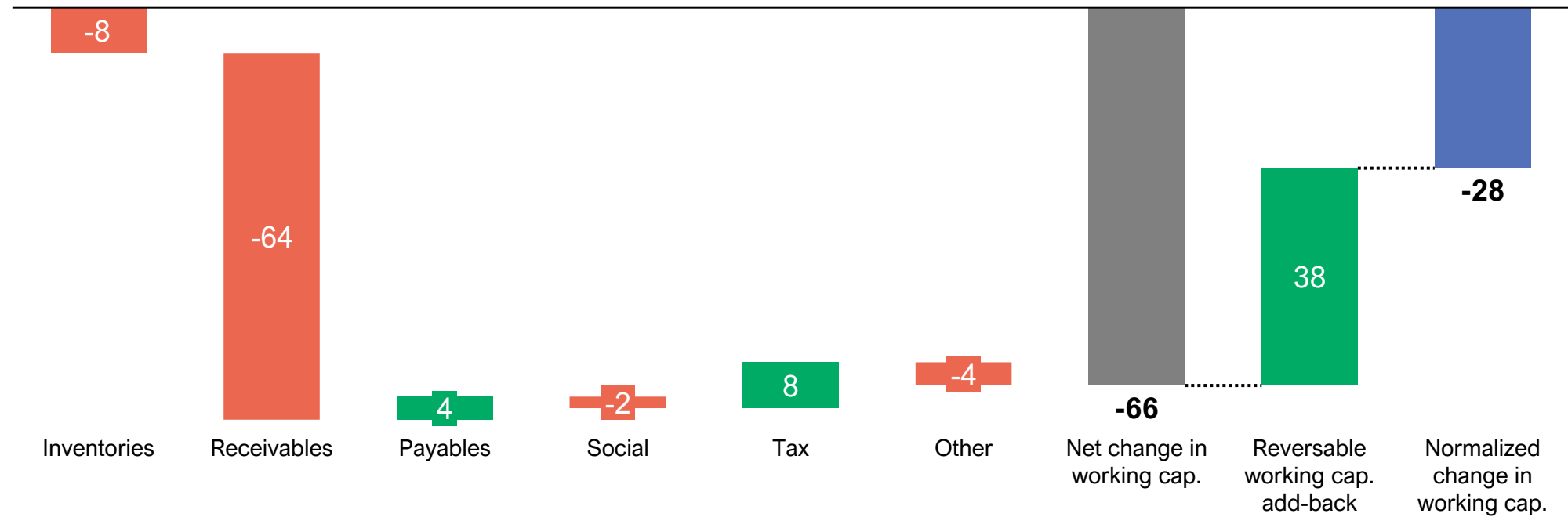
(\*) Pro forma information excludes EBITA from Preferred Meals for Elior Group and SNG for DMS divested in 2022

# Detailed income tax

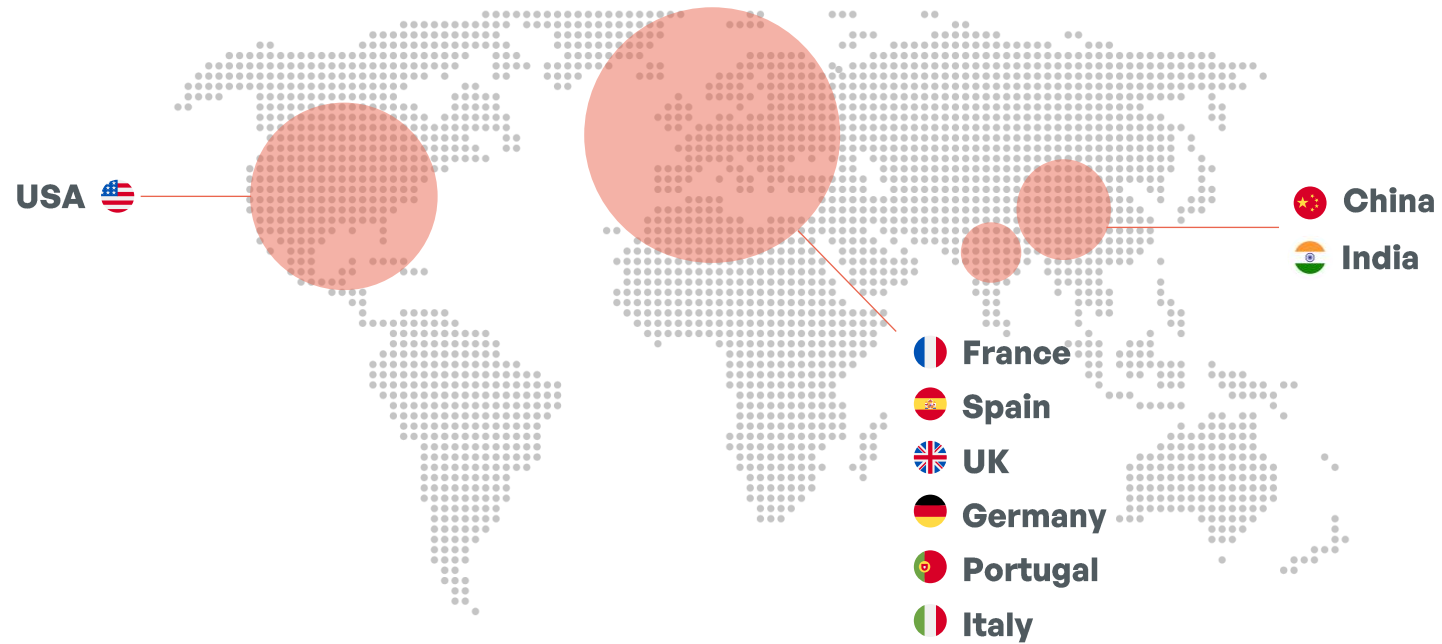
(in €m)	FY 2022-23	FY 2021-22	YoY change
Tax on added value (CVAE)	(7)	(9)	+2
Current tax	(4)	(6)	+2
Deferred tax	40	(21)	+61
<b>Total income tax</b>	<b>29</b>	<b>(36)</b>	<b>+65</b>

# Detailed change in working capital

(in €m)



# Elior Group overview (1/2)



5.8  
€bn revenue (\*)



c. 133,000  
employees



9  
countries

(\*) FY202-23 pro forma


# Elior Group overview (2/2)




Catering




Facility Management




Cleaning




Reception




Air conditioning,  
electricity &  
maintenance



Video surveillance



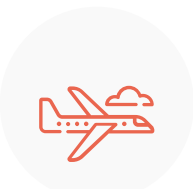
Green areas



Public lighting



HR & interim sourcing



Aeronautic solutions

# New governance ensuring balance in the long term

In force for at least 5 years

Derichebourg SA's stake lockup & standstill

Balanced board of directors (independence & gender)

Supermajority required for key decisions

Strict selection process of independent directors

Lead independent director role extension

Monitoring of Derichebourg SA's commitments

# New Board of Directors

Adapted to the new shareholder base and safeguarding the interests of all stakeholders

**5** independent directors

**Gilles Auffret**  
*lead independent director*

**FSP**  
*represented by Virginie Duperat-Vergne*

**EMESA**  
*represented by nés Cuatrecasas*

**Sara Biraschi-Rolland**

**Denis Gasquet**

**5** directors appointed upon proposal of Derichebourg SA

**Daniel Derichebourg**  
*Chairman & CEO*

**Derichebourg S.A**  
*represented by Abderaman El Aoufir*

**Derichebourg Environnement**  
*represented by Catherine Ottaway*

**Dominique Pelabon**

**Gilles Cojan**

**2** employee representatives

**Rosa-Maria Alves**

**Luc Lebaupin**

# Extra-financial performance 2022-2023

Concrètement  
RESPONSABLE

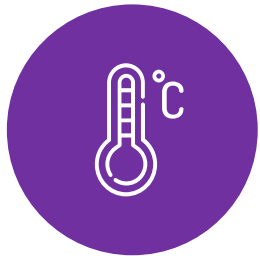


Consistency across  
two strategies

eliorgroup 



## 5 common axes



Contribute to reducing  
the carbon footprint

- -0,25% kgCO<sub>2</sub> / meal
- -23% TCO<sub>2</sub>/M€ (scope 1+2) DMS



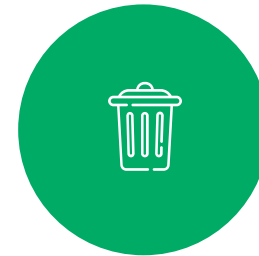
Deliver sustainable offer

- +120% turnover eligible for taxonomy
- 20,7% healthy and plant-based ingredients



Reducing the  
purchasing impact

- 24% sustainable product (local and labeled)
- 93% labeled cleaning product
- 17% eggs cage free



Reduce the impact  
of operations

- -22,5% food waste
- 73% renewable energy
- 10% low impact vehicle
- -15% of energy consumption



Improve actions  
committed

- 27% de women leader comittee
- Frequency rate of accident at work : 22
- 16 hours of training/employee



# New CSR strategy according to the new CSRD regulation



## GOVERNANCE

### CSR Committee

*Board of directors*

### CSR operational committee

**Bi-annual**

- Operations
- CSR
- Purchasing
- Legal
- Communication
- Human resources

### Monthly entertainment

*Country & activities CSR Manager*

## 2023

**November**

Surveying of stakeholders

**December**

Double materiality analysis

## 2024

**February**

Strategy :  
Commitments  
Targets

**April**

Communication  
plan

**May**

Launching

**July**

Dashboard

# Alternative performance indicators

**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 elsewhere 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)
- IFRS 16 lease payments
- Change in net operating working capital
- Share of profit of equity-accounted investees
- Non-recurring income and expenses impacting cash
- Other non-cash movements

This indicator reflects cash generated by operations.

# Financial calendar for fiscal year 2023-24



May 16  
2024

**Half-year** results  
2023-2024



November 20  
2024

**Full-year** results  
2023-2024

Thank you!