



2020-21

Full Year Financial Results

Wednesday, November 24, 2021

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Thank You to our Teams



Elior Services



Elior Catering



Agenda

- 1. Full Year 2020-21 Highlights**
- 2. Full Year 2020-21 Financial Results**
- 3. Strategic Update & Ambitions 2024**
- 4. Q&A**



01 Full Year 2020-21 Highlights

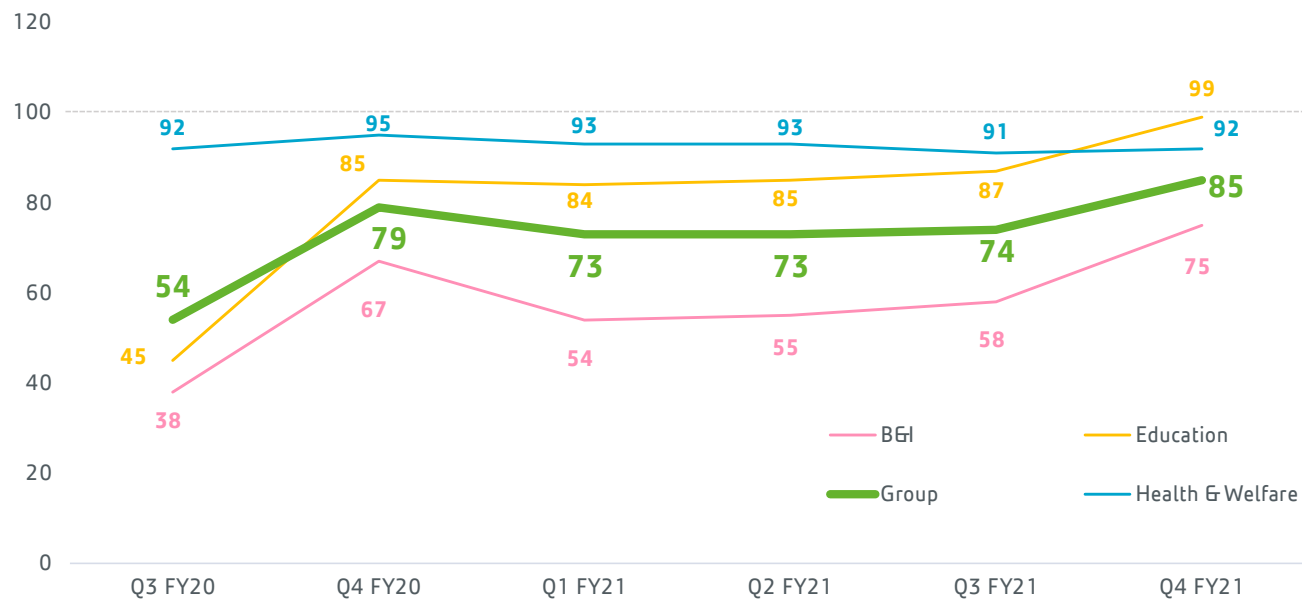


Strong Rebound in the Fourth Quarter 2020-21



Fourth quarter revenues reach 85% of fourth quarter 2018-19:

- › Compared to 73-74% in the previous three quarters of the fiscal year 2020-21
- › Every month in 2020-21 was impacted by COVID-19 compared to only 7 months in 2019-20
- › Revenues was €3.69 billion compared to €3.97 billion year ago



At constant exchange rates

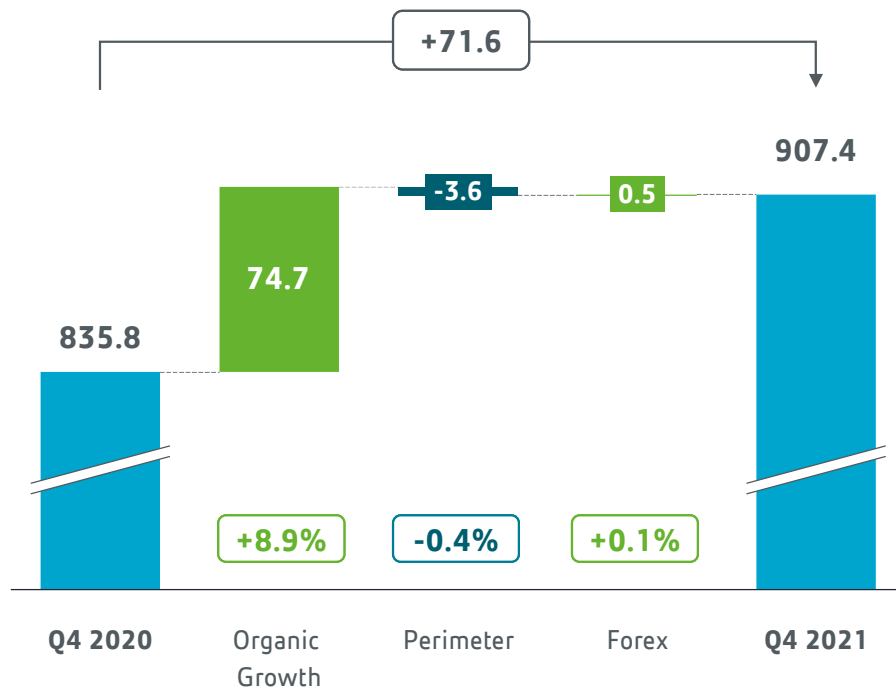
Elior's agility has continued to deliver:

- › Numerous CSR achievements
- › Operating cost control contributed to a slight improvement in adjusted EBITA -€64m compared with -€69m last year
- › Free cash flow generation was +€13m, compared to -€15m last year

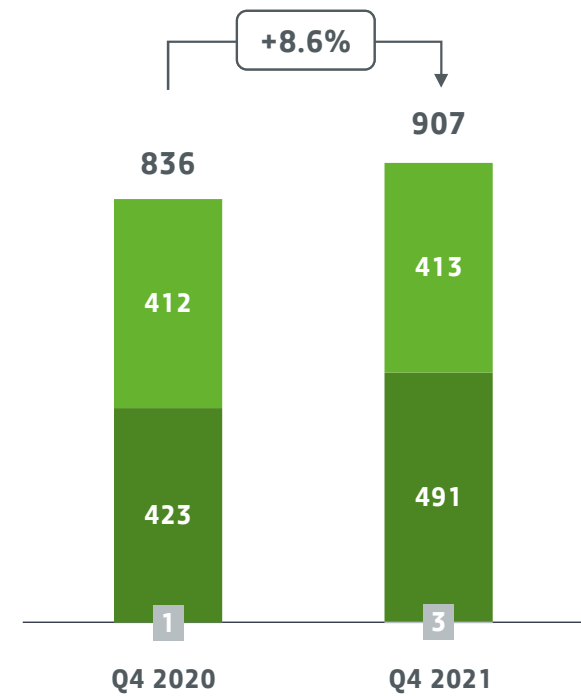


02 Full Year 2020-21 Financial Results

Fourth Quarter 2020-21 Revenue



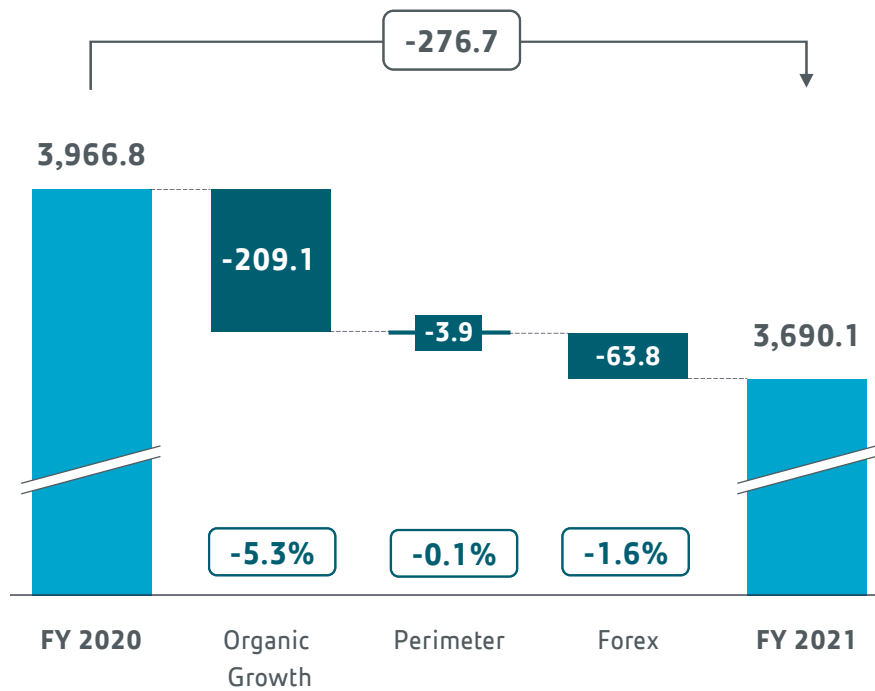
Group Revenue by Geography



Full Year 2020-21 Revenue

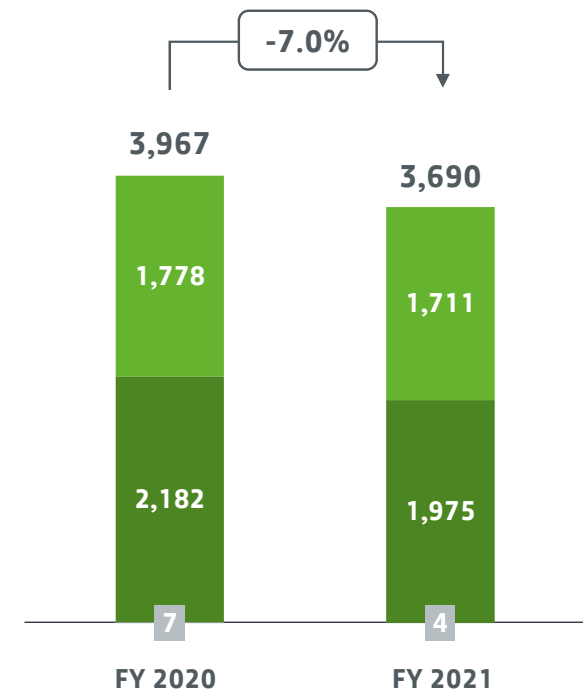


Elior Group Revenue (in €m)



Group Revenue by Geography

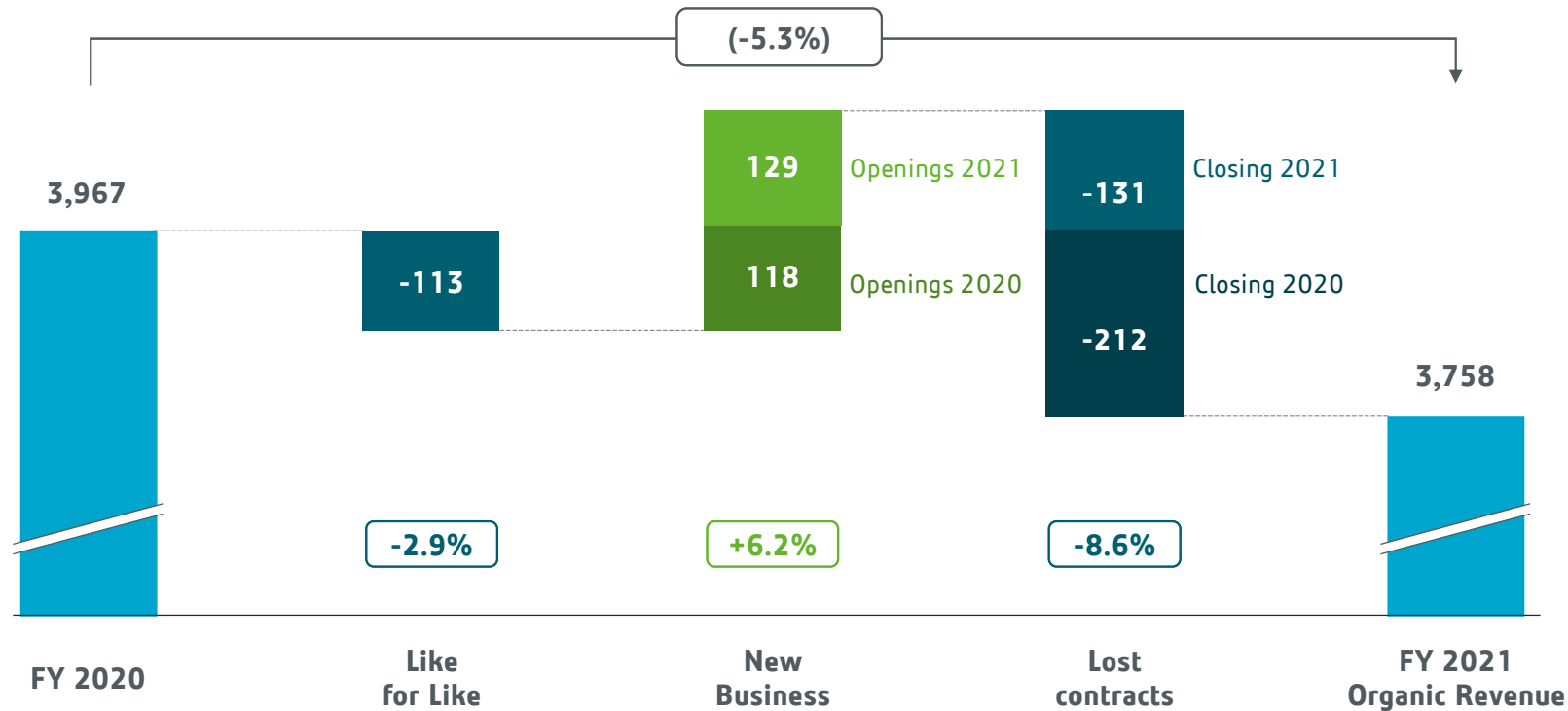
- France
- International
- Cities



Full Year 2020-21 Retention



Revenue in €m

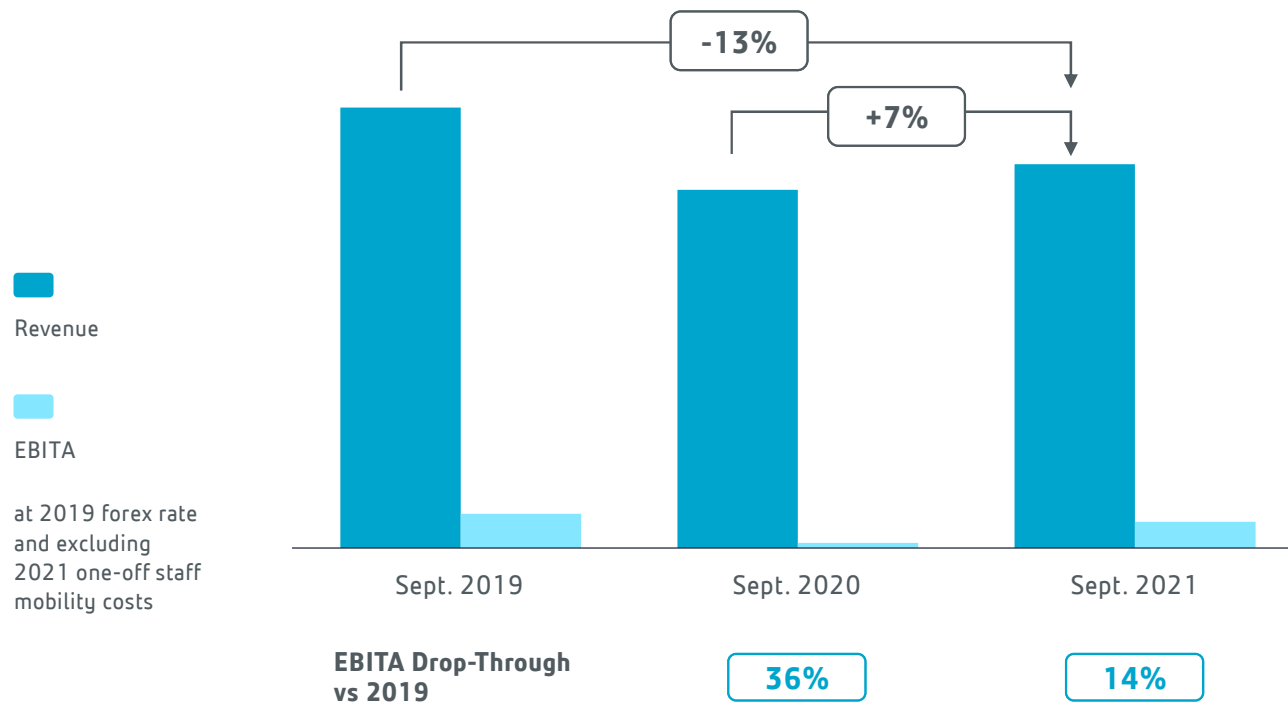


Full Year 2021 Retention Rate

91.4% compared to 91.8% year ago

(1 - FY 2021 YoY Closings / FY 2020 Revenue)

September 2021 Key Financials YoY and vs. Full Year 2019



> Operating Margin improved by 40 bps vs 2019 despite lower revenue (-13%)

> EBITA Drop-Through reduced by more than 60% (Sept. 2021 EBITA flow-through YoY at 81%)

Full Year 2020-21 EBITA

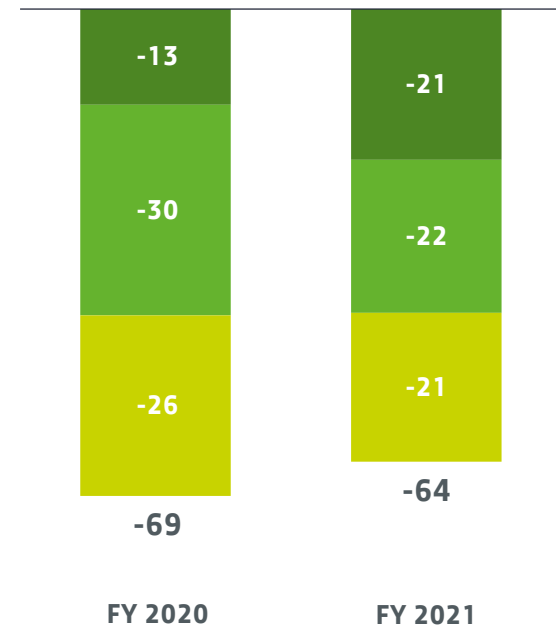


Group Adjusted EBITA



Group Adjusted EBITA

- France contract catering & Services
- International contract catering
- Corporate & Others



Full Year 2020-21 Profit and Loss Statement



	FY 2021	FY 2020	YoY change
Revenue	3,690	3,967	-277
Adjusted EBITA	(64)	(69)	5
<i>Adjusted EBITA margin</i>	-1.7%	-1.7%	
Share based compensation	(5)	(0)	(5)
Net amort. of intangible assets recognized on consolidation	(18)	(20)	+2
EBITA	(87)	(89)	2
Impairment of goodwill	-	(123)	+123
Non-recurring	(1)	(117)	+116
Financial charges	(44)	(38)	(6)
Income tax	12	(83)	+95
Net result from continued operations	(120)	(450)	330
Net result from discontinued operations	14	(37)	+51
Net result	(106)	(487)	381
Minority Interest	6	4	+2
Net result group share	(100)	(483)	383

Full Year 2020-21 Income Tax

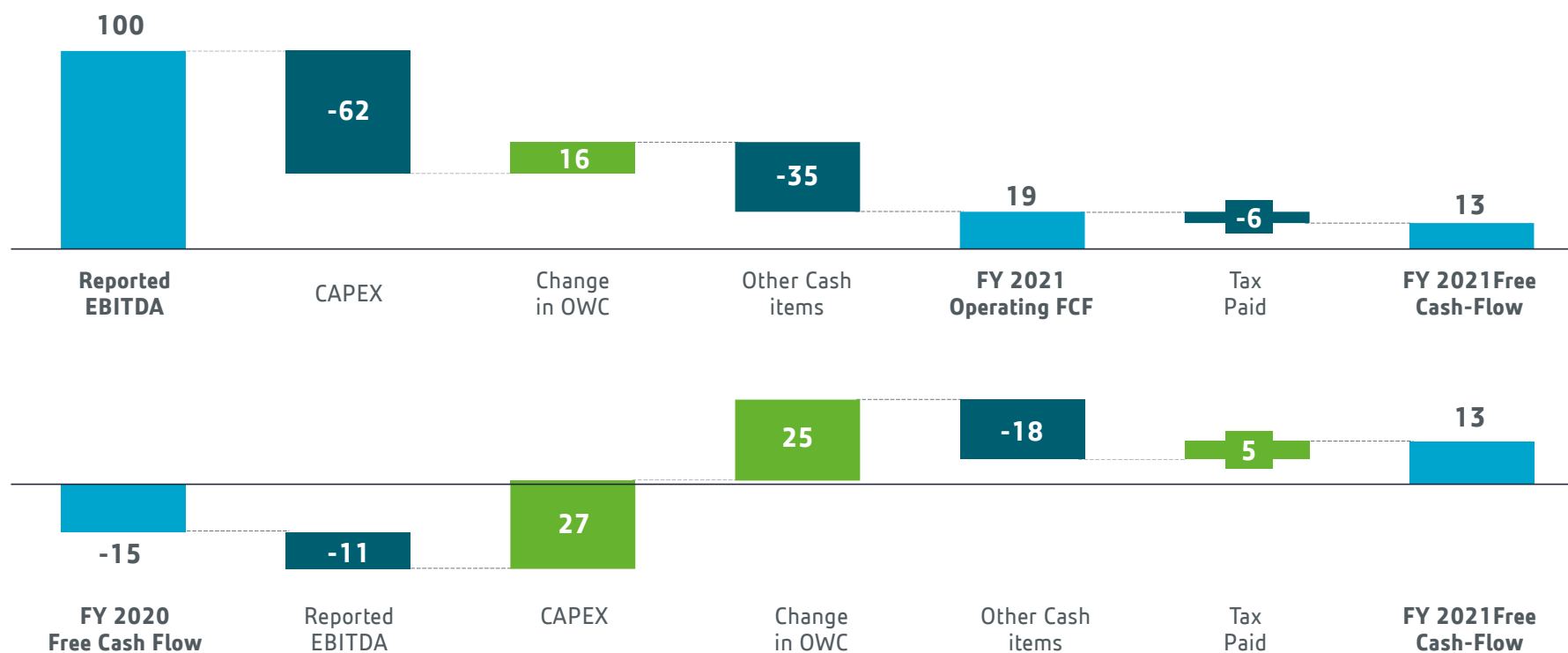


In €m	FY 2021	FY 2020	YoY change
Tax on Added Value (CVAE-IRAP)	(11)	(19)	+8
Current Tax	2	4	(1)
Deferred Tax	20	(68)	+88
Total Income Tax	12	(83)	+95

Full Year 2021 Free Cash Flow



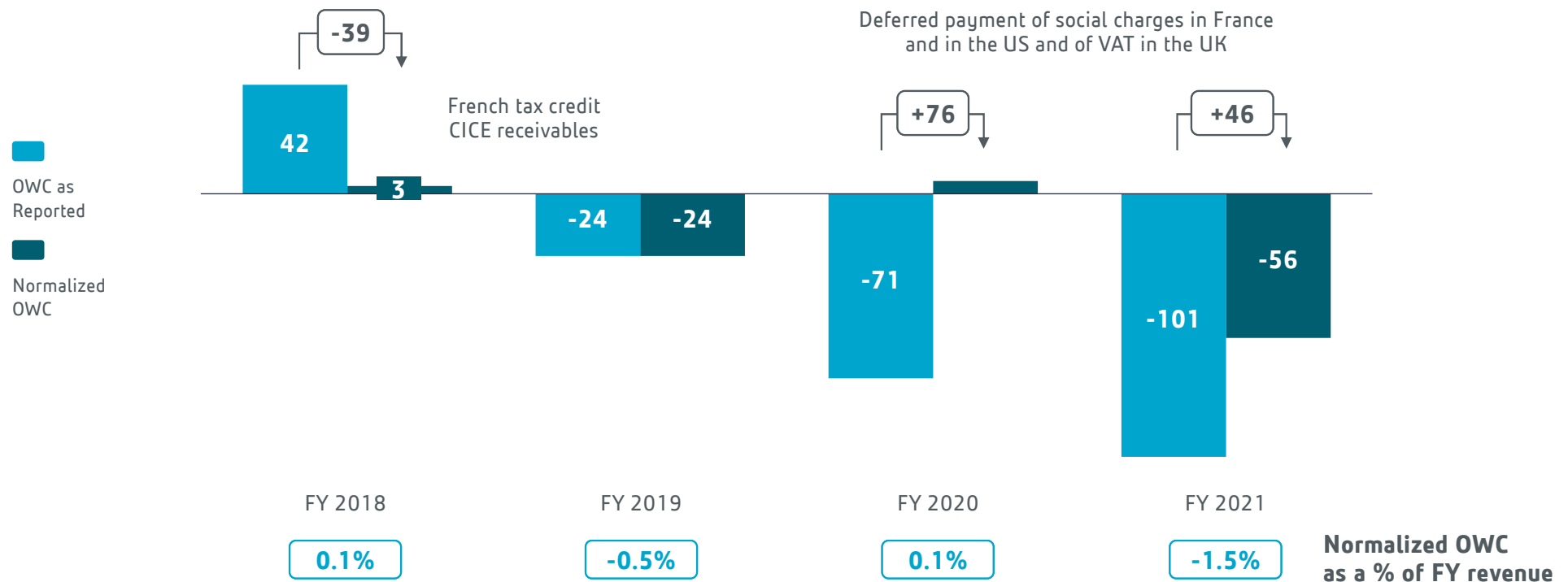
In €m



Operating Working Capital



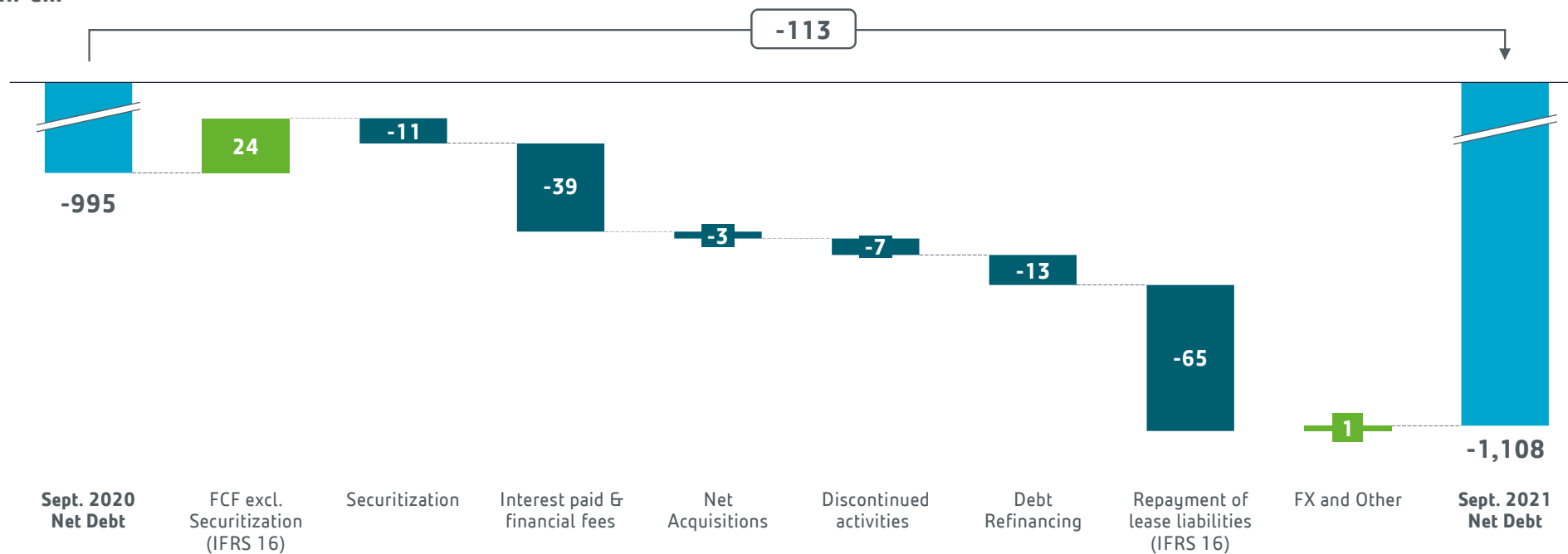
In €m and % of FY revenue



Full Year 2020-21 Net Debt



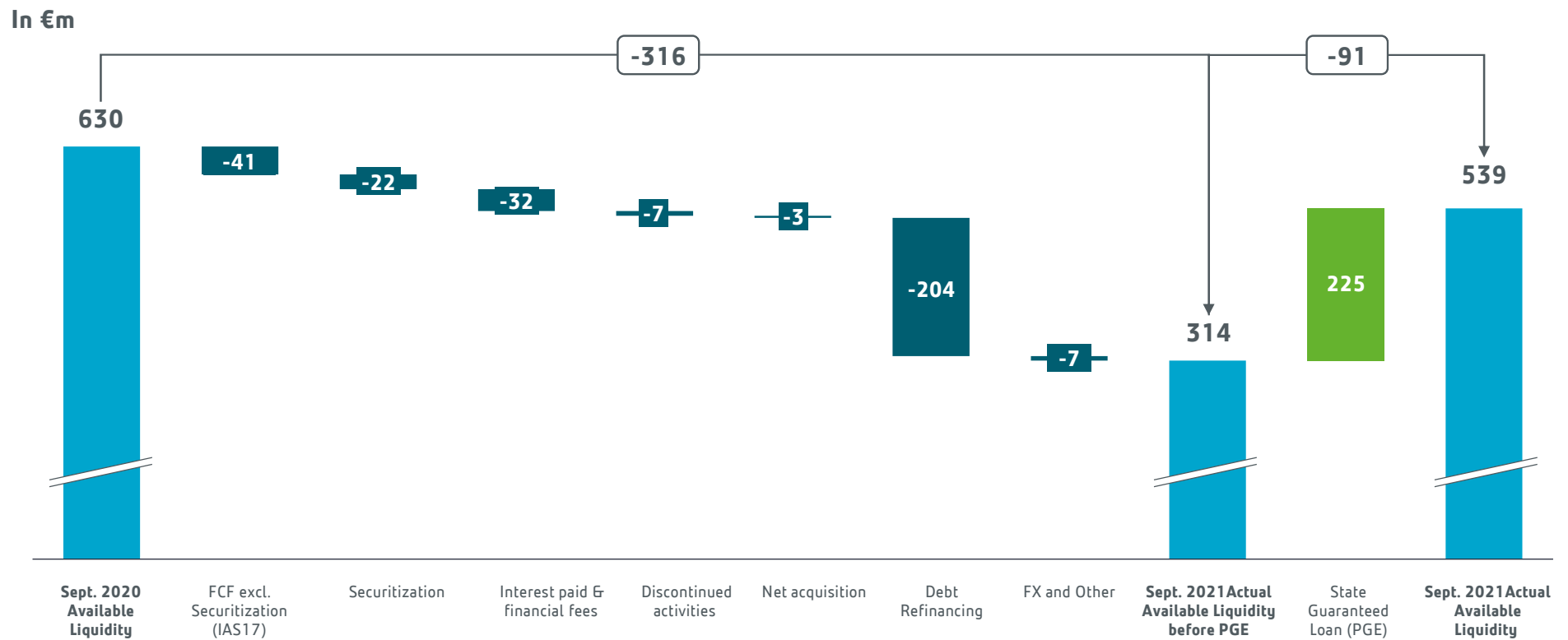
In €m



Long-term Objective to return to a leverage ratio (net debt to EBITDA): 1.5 – 2x

Note: the net debt of -€995m at the end of Sept. 2020 included an IFRS16 impact of -€228m that was at -€767m at the end of Sept. 2020

Full Year 2020-21 Liquidity



Successful Refinancing

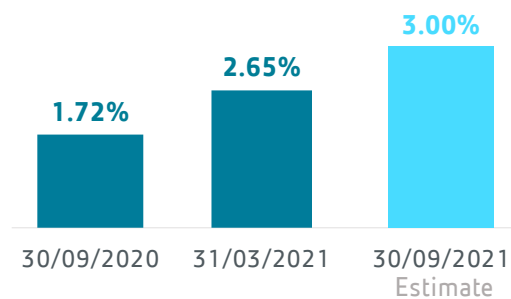


Before

Debt maturity in € million

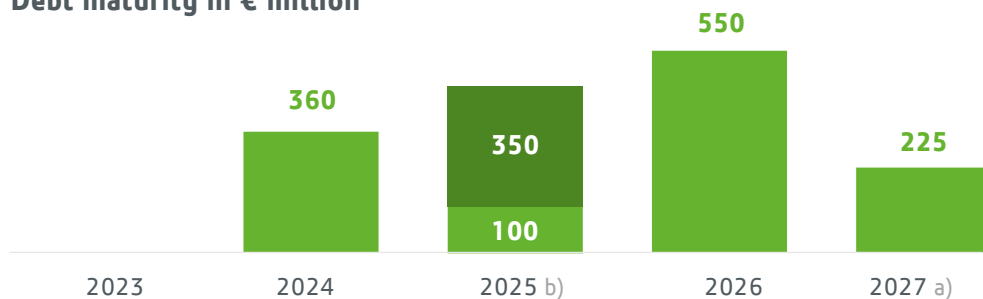


Average cost of debt

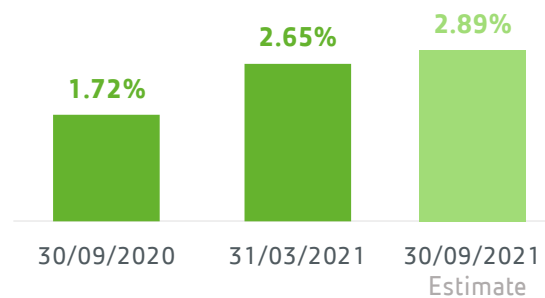


After

Debt maturity in € million



Average cost of debt



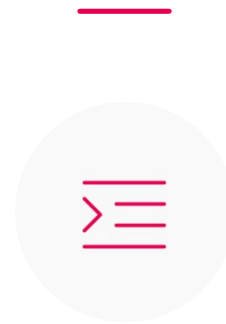
a) State guaranteed loan maturity assumed 6 years as extension option is at Elior's hand

b) Senior Loan Facilities (SFA) can be extended until 2026 during FY22

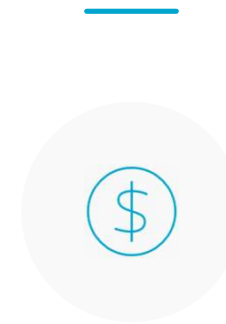
Full Year 2021-22 Outlook



Organic growth
at least +18%



Adjusted EBITA margin
between 2% - 2.5%



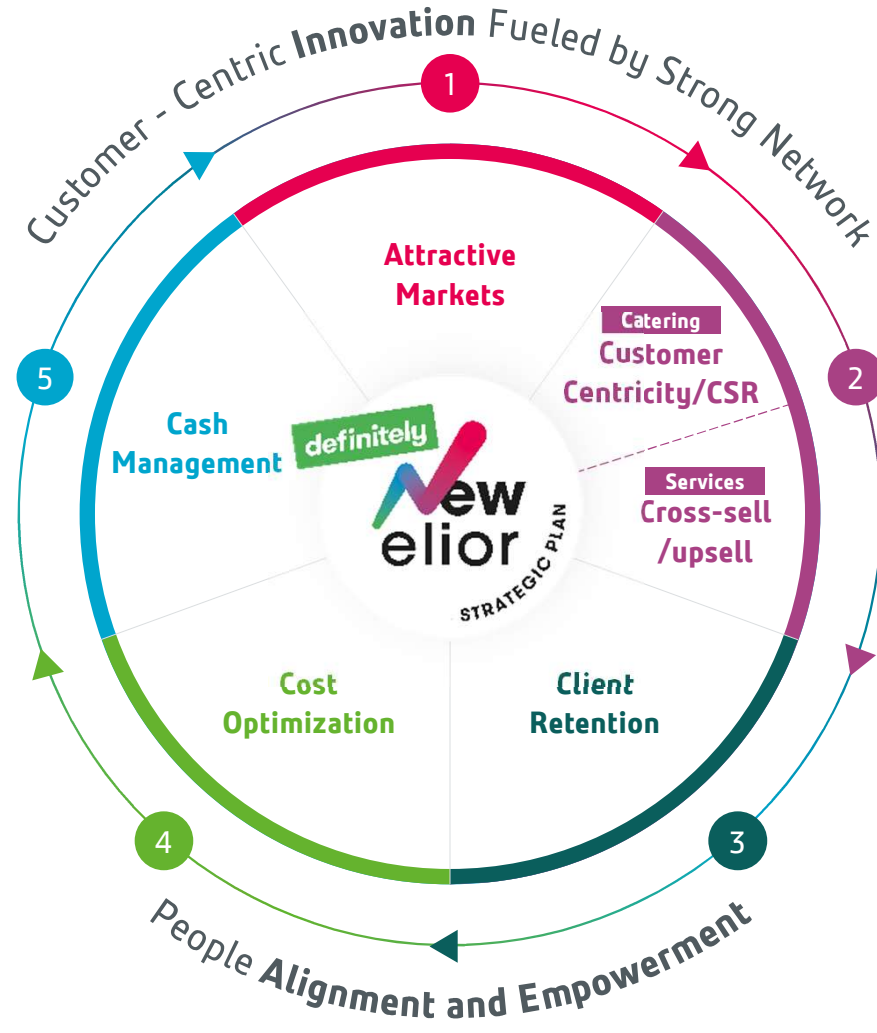
Capex around
2.5% of revenue

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



03 Strategic Update & Ambitions 2024

Elior's Value Creation Drivers (VCD)



Value Creation Drivers Deep Dive

VCD 1

Mix Shift Towards Attractive Markets



- > Address self-operated prospects with specific action plan / value proposition (Elior NA)
- > Expand addressable market with alternative sales models in some segments (SMBs)

VCD 2

Increased Customer Centricity/CSR



- > Systematically renegotiate contracts
- > Strongly step-up in new offers on E& off-site
- > Transform business towards kitchen-light models
- > Accelerate in digital

VCD 3

Systematic Focus on Retention



- > Leverage crisis to create goodwill
- > Capitalize on B2B data to anticipate renewals

VCD 4

Continuous Cost Optimization



- > Reshape organization to adjust to new businesses (BU and HQ level)
- > Improve sourcing E& simplify menus
- > Implement hybrid operating model in B&I

VCD 5

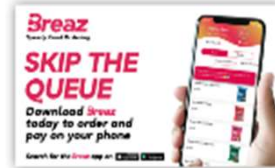
Cash Management and Allocation



- > Focus on DSO and operating working capital
- > Reinforced commitment control processes

Catering Solutions that are Flexible over time, Flexible in Space, Inflexible in Terms of Quality

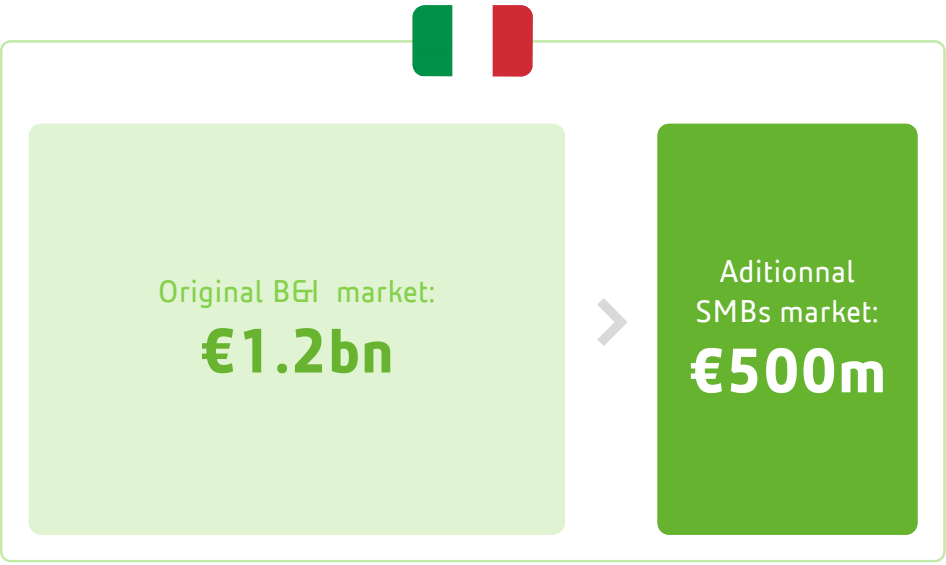
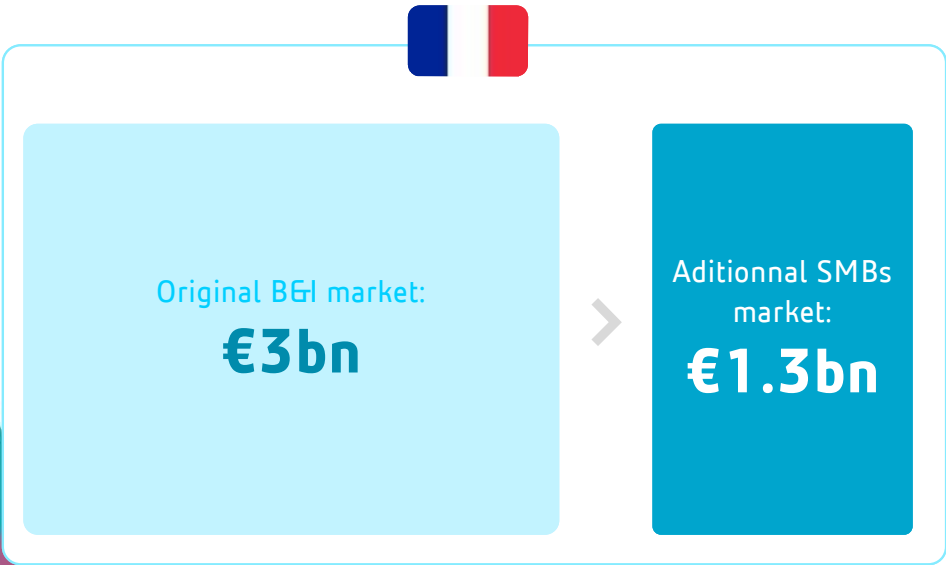
VCD 2



- > Local Sourcing
- > Home Made
- > Best Nutritional Profile
- > Digital Experience

Increase Addressable Markets: Small and Midsize Businesses (SMBs)

VCD 1

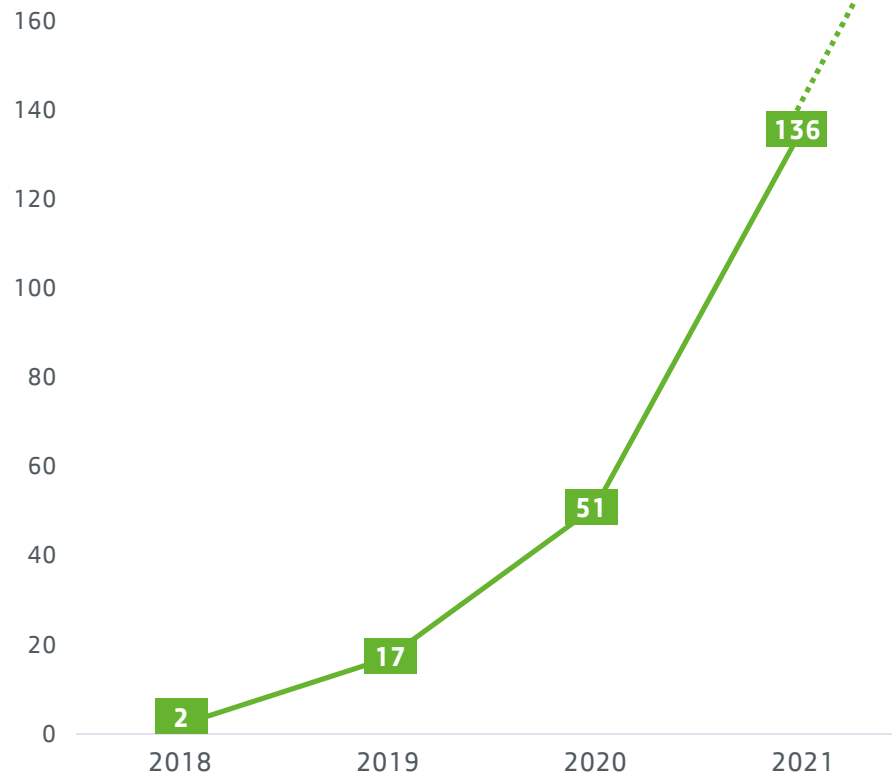


Source: Company estimates

Italy Case Study: Deployment Accelerated with I Colti

VCD 2

Number of SMB Sites



CSR: 2025 Objectives Reaffirmed



-12%
Greenhouse
gas emission

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



-30%

**Menu CO₂
Footprint**

Food waste

Reduce by 2025,
Compared to 2020, per meal



Renewable electricity

By 2025 and reduced
our energy consumption



Reduction

By menu redesign that respects
local culinary cultures and markets



VCD 2

CSR: 2021 Main Achievements

VCD 2



Healthy choices

100% in 2021 of our operations have implemented a detailed nutritional information program

> **89.4% in 2020**



40% of recipes are vegetarian



Sustainable ingredients

42% in 2021 of fish & seafood served is sustainably sourced

> **35.7% in 2020**



73% of fruits and vegetables are seasonal



Circular model

99.7% in 2021 of revenues from entities are testing food waste reduction solutions

> **85.1% in 2020**



100% renewable electricity



Thriving teams and local communities

50% in 2021 of managers at Elior are women*

> **49% 2020**



1/4 of new hires are under 25

3.75 kg CO₂/meal (scopes 1-2-3) and 1.65 kg CO₂/meal (Scope 3) in 2021

3.89 kg and 1.69 kg in 2020

*stable gender split at Elior

Massive Deployment of Nutri-Score in Education and B&I in France

VCD 2

B&I



Nov 2019
Elior announced
Nutri-Score
for B&I

2020
Launched
Nutri-Score
at Ansamble

Oct 2021
Nutri-Score at
642
sites in France

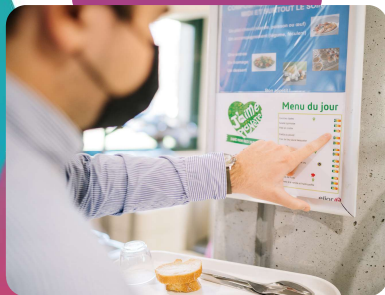
2019

2020

2021



Education



Sept 2020
Elior launched
Nutri-Score
for Education

Oct 2021
Nutri-Score at
455
sites in France

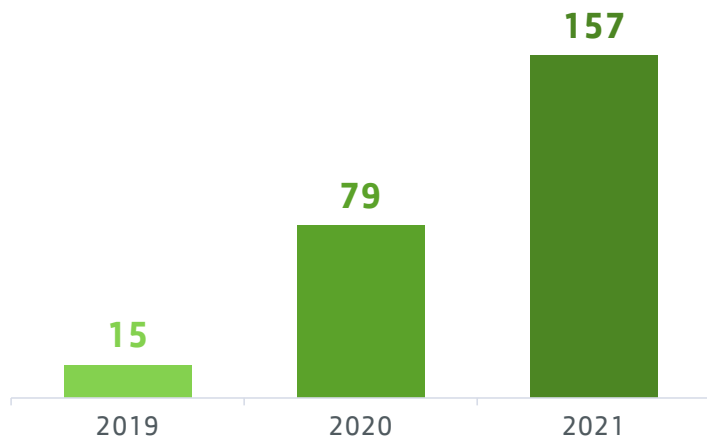
June 2022
Nutri-Score
deployment
at every
education site*

*where possible

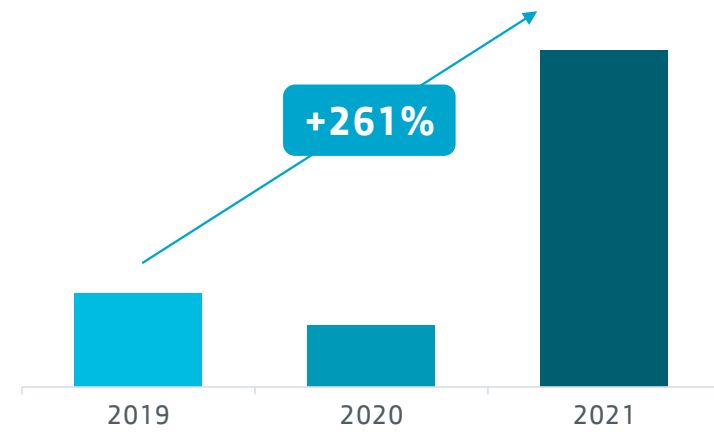
Dynamic Shared Innovation

VCD 2

Innovative Projects posted on the Life4 platform



Connections to our Life4 platform



2021 Elior's Innovations Awards

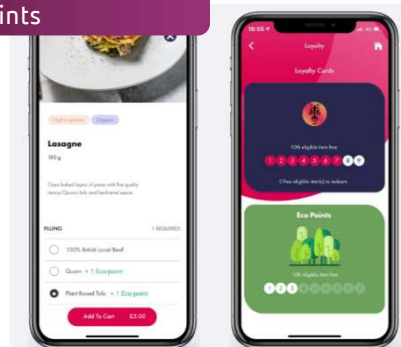
VCD 2

Elior Services
Effi See

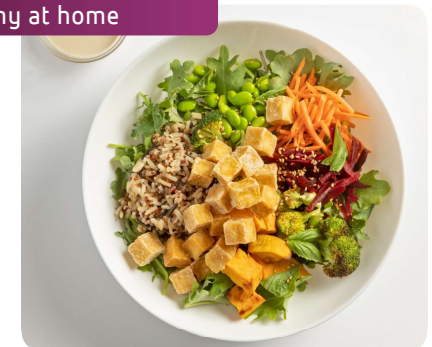
effi see®



 **Elior UK**
Eco Points



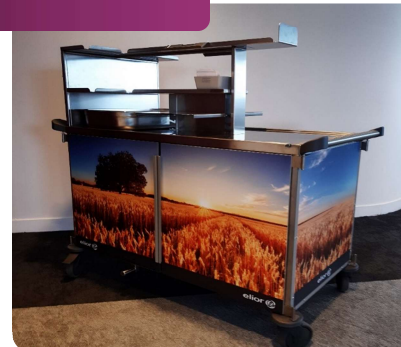
 **Elior North America**
Healthy at home



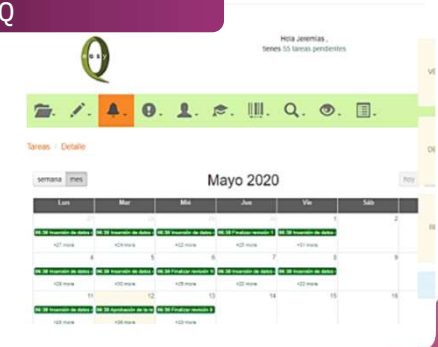
Elior Italy
I Colti



Elior Catering
Heol



 **Serunion**
Easy Q



Ambitions 2024: Retention

VCD 3

Systematic Focus on retention:
Retention will improve from 91.4% to around 95% through several key actions

Systematic processes & additional resources to boost retention



Align incentives



Measure consumer and customer Net Promoter Score



Define and monitor predictive churn KPIs



Manage pro-actively renewal pipeline



Perform systematic post-mortem



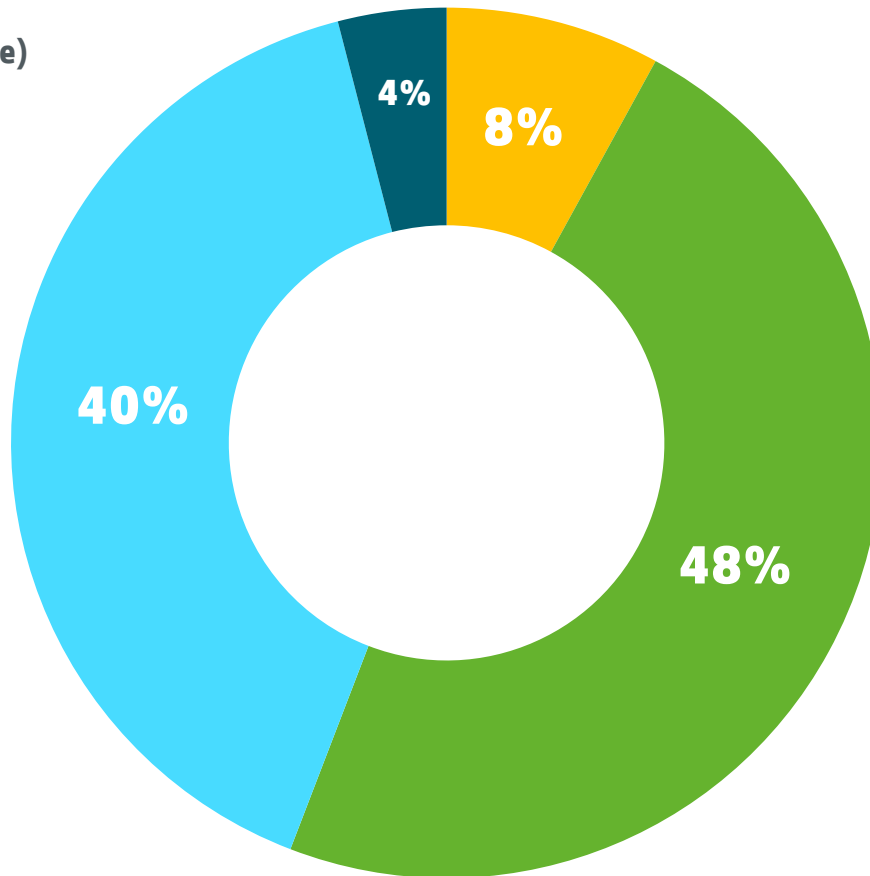
Gain client trust through transparency on contract execution



Appoint **dedicated retention manager in each business unit** to lead retention initiatives implementation and report on KPIs

Ability to Passthrough Cost Inflation

Contract types
(in % of revenue)

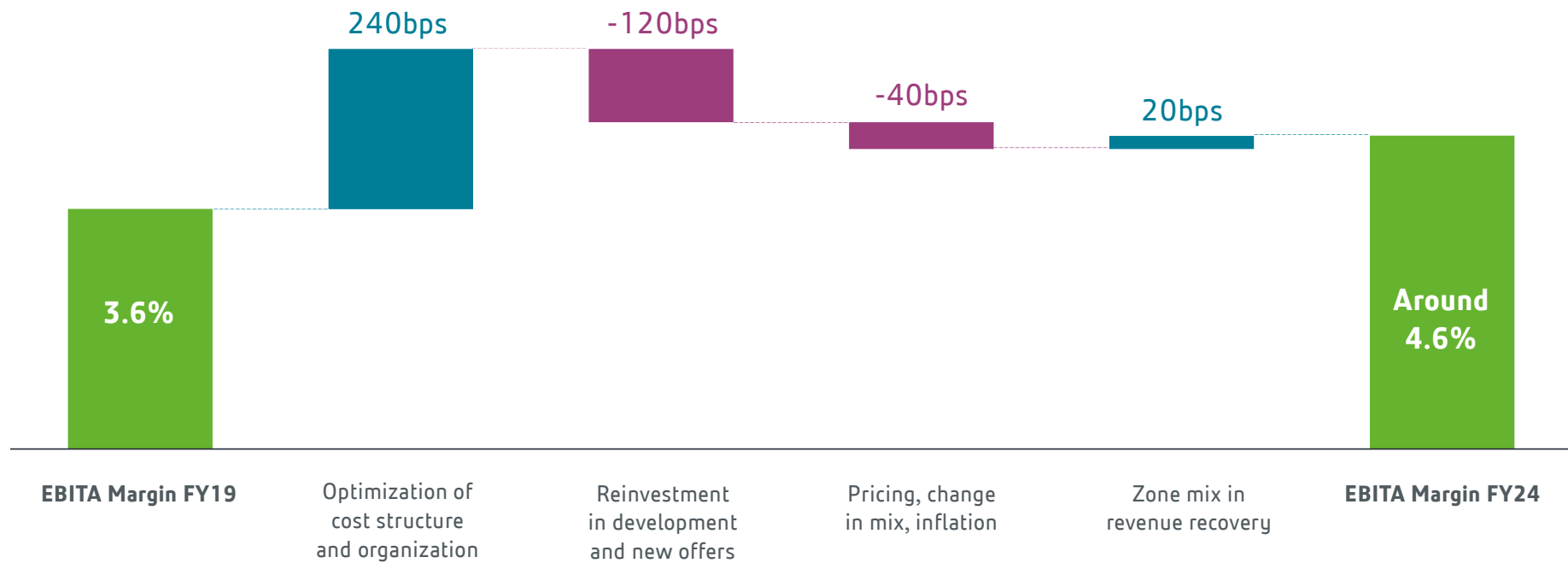


- Cost Plus**
Immediate
- P&L Private**
Anytime: through negotiations on top of price revisions
- P&L Public**
Mainly through yearly price revisions
- Fixed Price**
Case by case basis

VCD 4

Ambitions 2024: Profitability Improvement with Revenue back to Pre-COVID Level

VCD 4

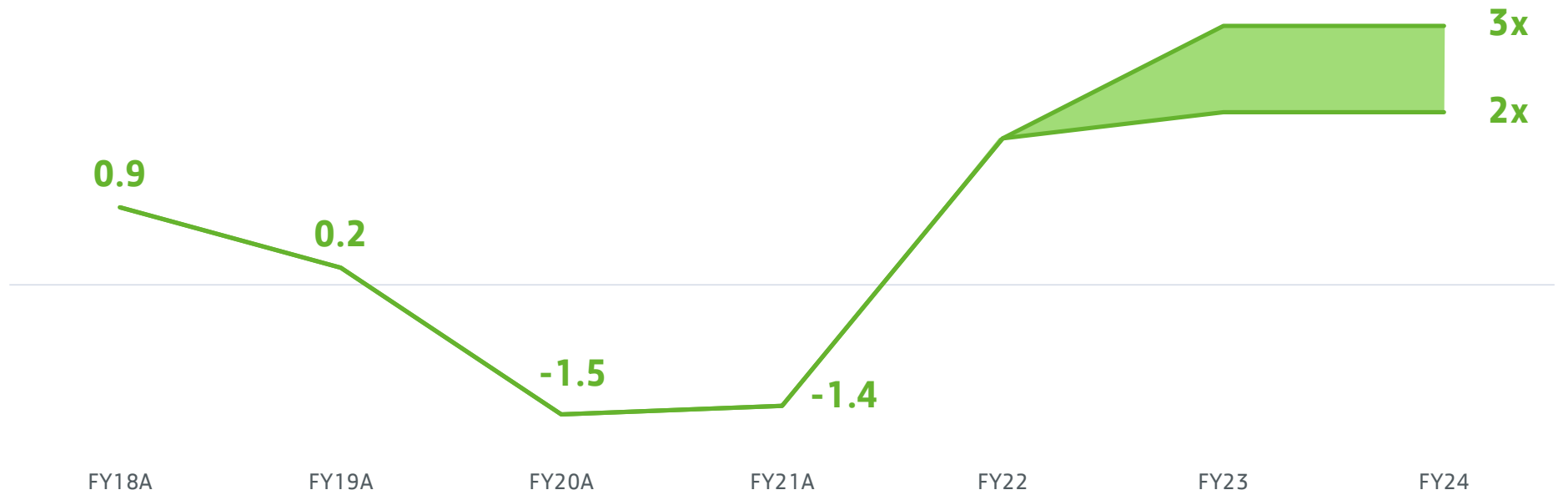


Ambitions 2024: Evolution of Organic Growth vs CAPEX Ratio

VCD 5

FY18 and FY19 restated from Areas and Italy
FY20 to FY22 organic growth restated from L4L impact

Organic growth vs capex ratio



Ambitions 2024 & CSR Objectives 2025



Organic growth:
at least **+7% CAGR**
for 2022-23 and 2023-24



Adjusted EBITA:
margin around **4.6%**
in **2024**



Organic revenue growth / Capex in % of revenues
between **2x and 3x**



Re-start dividend
based on fiscal
year **2022-23**

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



-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



80%

Renewable electricity

By 2025 and reduced
our energy consumption



**Menu CO₂
Footprint**

Reduction

By menu redesign that respects
local culinary cultures and markets





04

Q&A



Appendices

Financial Agenda



**January 27
2022**

First quarter revenues
2021-2022



**February 28
2022**

AGM
2020-2021



**May 18
2022**

Half year results
2021-2022



**July 27
2022**

Third quarter revenues
2021-2022

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 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.

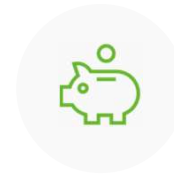
Modelling Details for Full Year 2021-22



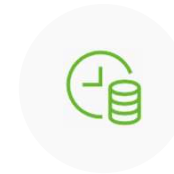
Working Capital:
flat



Net financial expenses:
interest rate 2.89%



CVAE:
flat year-on-year



Non-recurring cash:
around €50 - 60m

New Offering and Operating Models: more Flexible in terms of “when and where” without compromising on Quality



Reinventing our core catering business by introducing new offerings, new production methods and ways to make meals available to guests, leveraging on existing infrastructure and digital innovation

Service mode	In house				Outsourced	
	On-site standard	On-site for satellites	Central production standard	Central production MAP ⁽¹⁾	Food manufacturing company	Food service operator
Delivery				✓	✓	✓
Connected fridges		✓	✓	✓	✓	✓
Click to serve	✓	✓		✓	✓	✓
Click&collect	✓	✓		✓	✓	✓
Grab&Go	✓	✓	✓	✓	✓	✓
Assisted service	✓			✓		
Production mode	On-site standard	On-site for satellites	Central production standard	Central production MAP ⁽¹⁾	Food manufacturing company	Food service operator

History and Key Milestones

