REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT FISCAL 2018-2019

eliorgroup
Time savored

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Universal Registration Document
Annual Financial Report
Fiscal 2018-2019

Société anonyme **(French joint-stock corporation)**
Share capital: €1,740,928.39

Registered office:

9-11 allée de l'Arche

92032 Paris La Défense, France

Registered in Nanterre under no. 408 168 003

The French *Document d'enregistrement universel* was filed with the Autorité des Marchés Financiers (AMF) on January 10, 2020, in accordance with Article 212-13 of the AMF's General Regulations. The *Document d'enregistrement universel* has been prepared by the issuer, and its signatories are liable for its contents. It may only be used in connection with a financial transaction if it is accompanied by a securities note (*note d'opération*) approved by the AMF.

Copies of the *Document d'enregistrement universel* in French and the English translation thereof (the Universal Registration Document) may be obtained free of charge from Elior Group's registered office, or may be downloaded from the websites of Elior Group (www.eliorgroup.com) and the AMF (www.amf-france.org).

NOTE

General Information

This universal registration document (hereinafter referred to as the "Universal Registration Document") also constitutes:

- the annual financial report that must be drawn up and published by all listed companies in France within four months of their fiscal year-end, in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the AMF; and

- the annual management report issued by Elior Group's Board of Directors that must be presented at the Annual General Meeting held to approve the financial statements for the past fiscal year, in accordance with Articles L. 225-100 *et seq.* of the French Commercial Code.

In the Universal Registration Document, the term "Company" refers to Elior Group SA, and the terms "Group", "the Elior group" and "Elior" refer to the Company and its consolidated subsidiaries as a whole.

On July 1, 2019, Elior Group completed the sale of Areas, its subsidiary that housed the Group's concession catering activities (see Section 1.4 below, "Information about the Group"). Following this transaction, the Group has refocused on its core business: contract catering & services. This Universal Registration Document for the fiscal year ended September 30, 2019 presents the Group's activities based on its new configuration after the Areas sale.

Forward-Looking Statements

This Universal Registration Document contains various forward-looking statements regarding the Group's outlook and growth prospects. Words such as "expect", "anticipate," "assume," "believe," "contemplate," "continue," "estimate," "aim", "forecast," "intend," "likely," "plan," "positioned," "potential," "predict," "project," "remain" and other similar expressions, or future or conditional verbs such as "will", `should", "would" "could", "may", or "might", or their negative equivalents identify certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. These statements do not reflect historical or present facts or circumstances. They are not guarantees of future performance and they involve uncertainties and assumptions on matters that are difficult to predict. These forward-looking statements are based on information, assumptions and estimates considered reasonable by Group management. They may change or be amended due to uncertainties related to, among other things, the economic, financial, competitive and/or regulatory environment. Forward-looking statements are included in a number of places in this Universal Registration Document, and consist of statements related to the Group's intentions, estimates and objectives concerning, among other things, its markets, strategy, growth, results, financial situation and cash position. The forward-looking statements in this Universal Registration Document are to be understood as at its registration date, and the Group does not accept any obligation to update forward-looking statements to reflect subsequent changes affecting its objectives or any events, conditions or circumstances on which the forward-looking statements are based, except to the extent required by the applicable laws and regulations. The Group operates in a highly competitive and rapidly-changing environment. It is therefore not possible for it to predict all of the risks, uncertainties or other factors that could impact its business or the extent to which any risks, or combination of risks, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors and prospective investors should not place undue reliance on forward-looking statements as a prediction of actual results.

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NB: The sections of this document that constitute the Annual Financial Report are identified by the letters AFR in the contents table (see also cross-reference table in Chapter 6, Section 6.7).

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ELIOR GROUP

1. ELIOR GROUP

1.1 STATEMENT BY GILLES COJAN, CHAIRMAN OF THE BOARD OF DIRECTORS

In 2019, Elior refocused on its traditional core businesses of contract catering and services. Can you tell us what led the Group to carry out this strategic repositioning?

The Board of Directors decided that the Group's strategy should be redirected towards its contract catering and services businesses and therefore that the concession catering business – housed in our subsidiary at that time, Areas – should be sold. The fundamental factors underlying this strategic choice were:

- The size of the respective markets: over €200 billion for contract catering alone, versus just over €10 billion for concession catering.
- The highly-concentrated structure of the concession catering market, with three main players and a restricted number of infrastructure owners, resulting in fierce competition that can often undermine the profitability of projects.
- Market trends in concession catering that were weighing heavily on our margins and cash flow, namely simultaneous rises in the concession fees paid to the owners of infrastructure (motorways, railway stations, airports etc.) and in the amount of capex required from concession operators.
- The Group's financial situation, inasmuch as its rapid growth through successive contract catering acquisitions in the USA had raised the level of its debt.

So it seemed to us that refocusing on our traditional core businesses of contract catering and services would be the best option to get Elior back on the growth track.

Did this repositioning have any repercussions on the Group's governance?

The Group's governance structure – which was put in place in 2017 – fully played its role as a stabilizing influence during this highly strategic period in the Group's history, which included a managerial transition and the sale of the concession catering business, all happening in the public eye. At the same time, the refocusing has enabled the Executive Committee at headquarters to give greater support to operations teams, making it easier to carry out cross-functional projects and execute action plans Group-wide. Regarding this point, I think it is important to stress that the keys to success in contract catering and services are above all the motivation and engagement of our people, who give their all every day to meet the needs of our clients and guests.

How would you sum up the past fiscal year?

Fiscal 2018-2019 was marked by a return to the fundamentals of our business and I am sure that the progress we have already made will continue in the months and years to come. The main aims for our teams going forward are to channel all of their energy into meeting the needs and expectations of our clients and guests and to adapt our offers to emerging market trends. On the financial front, we are already seeing our margins starting to pick up in France, and our operating cash flow – which is essential for futureproofing the Group – has risen sharply. On this note I would like to give a special mention to our New Elior strategic plan, led by Philippe Guillemot, which is the outcome of a major project worked on collectively by operations teams from our various host countries and entities.

Now that the Group has repositioned itself, what do you think makes it stand out from the crowd?

Elior's main strength lies in its unique corporate culture. We encourage our people to have a sense of initiative, as embodied in the New Elior strategic plan approved by the Board. And our agility and mobility are major assets in view of our size and geographic concentration in six countries. We need to carry on developing the pioneering spirit that has always guided us and enabled Elior to grow into a highly-respected global player.

People are at the heart of what we do and, even if they are increasingly being assisted by ever-more sophisticated tools and systems – particularly thanks to digital technology – it is still our people who are the hallmark of our quality and the underlying source of our innovation capacity. The Board of Directors is keenly aware of this fact, and its Nominations and Compensation Committee pays great attention to it.

Another important element is that all the proceeds received from the sale of Areas were used to reduce the Group's debt in order to give Elior comfortable room for maneuver when it comes to competition. This decision is a further illustration of the trust our shareholders have in our teams and in their ability to grow the business over the long term.

How would you describe the Group's outlook? What are the main challenges it will face? And what strengths can it draw on?

Going forward, Elior has to pursue its return to sustainable and profitable growth. Our underlying markets – which are very buoyant – offer us the opportunity to do so, as do the dynamic new markets in which the Group is already positioned, such as the seniors sector. Nutrition also needs to be a key priority, as public health is particularly important to us. We intend to remain a caterer for the people, helping millions of guests every day to eat food they enjoy at affordable prices and in the best possible conditions in terms of nutrition, hygiene and health and safety.

The Board of Directors is doing everything it can, along with the Executive Committee, to ensure that the New Elior strategic plan is executed in all of its aspects – growth, higher margins and cash flow, and targeted acquisitions – while, of course, unconditionally respecting our profession, our people, our clients and our guests.

1.2 STATEMENT BY PHILIPPE GUILLEMOT, CHIEF EXECUTIVE OFFICER

2018-2019 saw Elior get back on track. How would you sum up this milestone fiscal year?

2018-2019 was a year of delivered commitments for Elior. We strategically refocused on our historic core business – contract catering, and services in France – and stepped up our business development. While continuing to exercise strict discipline in the management of our contracts, we pursued our transformation drive by launching our New Elior 2024 strategic plan and, as forecast, we saw our margins pick up in the second half. As a result, we were able to achieve all of the objectives we had set ourselves for the year.

Can you recap on the Group's main achievements in France and internationally in 2018-2019?

In France, we strengthened our leadership position in contract catering, driven by a renewed management team that has put in place a structured organization designed to tighten our commercial and operational discipline. More than ever, Elior is a pioneer in always striving to meet guests' new expectations. Our Services arm – which is centered on France – continued to expand, and cemented its position as a leader in the healthcare market by remaining sharply focused on innovation. Internationally, we are continuing to reinforce the foundations of our operations, and we are now well on track to pursue the Group's expansion.

2018-2019 was also a year for redefining the Group's fundamentals…

Today we have a clearly defined mission: to earn the trust of our guests by serving great-tasting, healthy and environmentally-friendly food, while ensuring that meals are a time to savor. In other words, being a responsible caterer. In addition, we expertly take care of clients' sites and surroundings through our Services business in France.

Last June you launched the New Elior 2024 strategic plan. What is this plan exactly?

As I said before, in selling Areas, Elior made the choice to focus on its historic core business of contract catering in the six countries where it operates, and services in France. This has made it the second-largest pure player in its industry worldwide.

To mark this new chapter in the Group's history, we have redefined our corporate mission and priorities via a strategic plan covering the period until 2024 called New Elior. It is an ambitious plan, drawn up jointly by the Executive Committee and operations teams, and is based on five Value-Creation Drivers.

Can you describe these five Value-Creation Drivers?

The first driver is to shift our business mix towards the most attractive market segments, i.e. those in which we can create even more value for our clients through highly innovative offerings. We also intend to promote the many benefits of outsourcing food services to prospects who have not yet made this strategic choice. And by focusing on those segments we can position ourselves in new growth markets where we can propose original and competitive offerings, such as on-board train catering and meal deliveries to small and mid-size enterprises (SMEs).

The second driver is to give our client-facing teams – starting with our chefs - the resources they need to always adapt our offerings to guests' expectations, by proposing healthy and environmentally-friendly dining options, with concepts heavily inspired by commercial catering. Changes in consumer behavior, which sometimes happen very quickly, are a reminder that we need to constantly innovate and reinvent ourselves. For example, we have to be creative, agile, and capable of fully integrating new digital usages if we want to give new generations what they are looking for.

Always being customer-centric is another of our value creation drivers, which we achieve thanks to our high-quality offerings and our ability to partner our clients over the long term by systematically applying customer loyalty best practices. Our capacity to stay attuned to our clients, refresh our offerings, constantly innovate and provide best-in-class services will be key to our future success. And all of these areas are an excellent opportunity for us to demonstrate our expertise and engagement.

Our fourth value creation driver is to optimize and ceaselessly adapt our cost structure to operational requirements (procurement, payroll and overhead costs). And the fifth – which is an ongoing central factor in our business development strategy – is to manage cash in a disciplined way and allocate it to targeted investment opportunities that guarantee the best returns.

How will the New Elior plan be implemented in practice, both in France and internationally?

The plan’s overall objectives are to further boost our performance and help us win more market share in our six host countries. Our aim is to consolidate our leadership in France, Italy and Spain, and grow our positions in the United Kingdom, the United States and India. As each of these countries has its own particular features and offers its own opportunities, we drew up the New Elior plan in such a way as to be able to implement it consistently but specifically. Consequently, the plan’s five Value Creation Drivers are being applied by the teams in all of our host countries and have been incorporated accordingly into their objectives.

In France, the aim is to consolidate our leadership while adapting our offerings and business model to new consumption patterns, notably by strengthening our Corporate Social Responsibility (CSR) positioning.

In the United States, we need to pursue and finalize the integration of the companies acquired since 2014 and to systematically apply a customer-centric approach with a renewed brand portfolio, while deploying best operational practices

In the United Kingdom, the objective is to grow faster than the industry's leaders thanks to an ambitious business development plan, and capitalize on the strength of our existing structures.

In Spain, we have already begun to build positions in new high-potential segments so that we can continue to outpace market growth while aiming for profitability excellence.

In Italy, our local teams have begun to shift the business mix more towards the private sector and new market segments.

In India, where we have only really been present since 2017, we are seeking to capitalize on technology to affirm our leadership in premium corporate catering.

And Elior Services plans to cement its leading position in the Healthcare sector by focusing on innovation and operational excellence, while selectively expanding in other attractive segments.

As part of your New Elior plan do you intend to increase synergies between your services and catering businesses?

Our services business is only operated in France, where we also have a leadership position in the Healthcare catering sector. For several clients, we already provide both catering and specialized cleaning services, which are high value-added operations that require tried and tested expertise. So we are successfully leveraging synergies between our two businesses and we would like to build up more of these types of contract.

To sum up, what are the main mid-term objectives of the New Elior plan?

In view of the contract catering and services market’s growth prospects and its low capital intensity, as well as the Group’s drive to enhance its margins, Elior has very high potential for cash generation. With a stronger balance sheet and a leverage ratio reduced sustainably to within a range of 1.5x to 2.0x EBITDA, the Group now has the resources it needs for its business development.

The Group's mid-term objectives are to achieve annual organic growth of 2% to 4%, increase adjusted EBITA margin by between 10 and 30 basis points per year, and contain capex at below 3% of revenue.

But we don't just have financial objectives. We remain highly attentive to the health and well-being of each and every one of the guests who place their trust in us on a daily basis, as well as to developing the skills and engagement of all our people who work to build this trust every day. We also take great care over the environmental impact of our activities, and as part of the New Elior strategic plan we intend to reaffirm the Group’s CSR leadership.

CSR lies at the very heart of your strategic plan. How do you intend to assert Elior's leadership as a "Responsible Caterer"?

People all over the world are now highly aware that we need to act urgently to safeguard our planet's resources, and as a leading contract catering and services provider, we need to play our role in this social and environmental revolution.

There are numerous areas in which we can take, and are taking, action, such as responsible procurement, promoting local supply chains, supporting regional development and local employment, providing more information about nutrition, making our offerings more nutritionally balanced, and fighting waste. We now need to uphold our ambition to be the champions of healthier, safer and more responsible food.

To meet these many challenges, our main assets – more than ever – are the expertise and talent of our teams. And this starts with our people on the ground, both in catering and services, as they are the ones who work most closely with our clients and guests on a daily basis.

How can you turn your CSR commitments into a competitive advantage?

One of our greatest strengths is our in-depth understanding of what our guests want. Three main questions are preoccupying today’s consumers: “Is what I'm eating healthy and good for me?”, “Is my food consumption having a positive or negative impact on the planet?”, and “Am I going to enjoy my food?”

At Elior, we have set ourselves the goal of reinventing our business as a caterer “of the people and for the people” to be able to give our guests the answers they are seeking to these three questions. The first way we can do this is by being fully transparent. We need to put the power back into guests’ hands to make their own choices by providing precise information about the food we're offering them. That’s why, for example, we have decided to roll out the Nutri-Score food coding system in our contract catering business in France, in partnership with the Ministry of Health – a first in our industry. Another example of our commitment in this area is how we display the carbon footprint of our meals in our corporate restaurants in the United Kingdom. And we also give our guests information about the nutritional values, allergen content and provenance of the food we propose.

Today's consumers increasingly want to take back control of their eating habits. When they don’t cook for themselves, they want to be able to rely on a trusted third party. Elior can clearly be this trusted third party and many guests come to our restaurants several times a week and entrust us with preparing their meals. We therefore strive to make our offerings as diverse as possible so that guests can find the kind of food they prefer to eat in our restaurants. For instance, we now offer more vegetarian dishes in response to the growing numbers of flexitarians, vegetarians and vegans. And we are also incorporating more and more organic and locally-sourced ingredients into our recipes.

We firmly believe that it is our ability to innovate and give our guests what they want that will allow us to affirm our leadership in all of our host countries.

So innovation also has a central role in Elior's transformation process?

Yes, and the first aspect is culinary innovation. I'm thinking, for example, of the workshops we organized with our chefs to give them all the culinary techniques they need to create healthy, original and tasty vegetarian dishes.

And then there are technological innovations, such as our visual-recognition cash register solution. In order to tailor our offerings to our guests' choices, we need to know more about what they are actually eating. So we have developed a technology that not only reduces cash-register queuing times, but also gives us more precise information about what is being consumed, on a restaurant by restaurant basis.

We are also innovative in how we design our eating areas. One of the main preoccupations of companies today is to attract and retain talent by creating attractive working environments. Our eating areas meet this new challenge as they offer all-day catering solutions and can also be used as work spaces where colleagues can meet up at any time.

We have innovation laboratories in France and Italy which we use to maintain our culinary leadership and anticipate changes in our guests’ expectations. These labs are showcases of our expertise, where we test out new equipment, ingredients, recipes, culinary trends and so on.

And lastly, we are also innovating in services, by integrating CSR issues into our offerings. Through our use of more health-friendly and environmentally-friendly products, for example and the fact that all of Elior Services’ client sites are supplied with detergents that do not contain any substances classified as CMR (carcinogenic, mutagenic or toxic for reproduction) and are offered products that are free of Volatile Organic Compounds (VOCs).

Additionally, we have developed a digital concierge service that offers a comprehensive suite of services to employees at their workplace.

To energize the Group, you intend to empower the Group's frontline people. What does that mean in practice?

Valuing and empowering our teams are clear priorities for us. That’s why we are already a standard-setter employer and we intend to go even further. We invest a lot in our people. We often take on employees who have little or no training and offer them training programs, leading to a qualification, so they can learn a trade and follow a career path. Many of our current managers and supervisory staff have spent most of their careers in the Group, and over half of our managerial posts in the past year were filled by promotions from within. Our goal is for internal promotions to represent 70% of these posts in the mid-term. We take career development very seriously at Elior Group and our focus on providing real career paths helps us attract new talent.

The transformation of our offerings, combined with our digital revolution, the design changes to our corporate restaurants and the reinvention of our school canteens – everything I was talking about earlier – also increase the appeal of our business and boost our employer brand.

Another factor that makes us stand out is the extremely important role that our chefs play in our overall strategy. Elior is, above all, a caterer, and our organizational structure today is resolutely centered on our chefs. We seize every opportunity to value and reward them and involve them in the Group's transformation. Many of our current projects are aimed at giving them the tools they need to meet guests' expectations much more quickly and directly. We give them responsibility and the space to take initiatives, because they are the ones who are in daily contact with our clients and guests. We regularly organize meet-ups between the chefs from our six host countries so they can exchange ideas and get to know one another. And we even hold an annual cookery contest for them to show the full extent of their talent.

To wrap up, what is your vision of the market for 2019-2020?

Our 2018-2019 results show that we are on track to meet our New Elior value-creation goals for 2024. Our teams are fully mobilized to reaffirm our leadership and achieve our short- and mid-term objectives. In 2019-2020, we will continue to improve our operating performance in the aim of accelerating our organic growth and widening our margins, in line with our mid-term ambitions.

1.3 SELECTED FINANCIAL INFORMATION

1.3.1 KEY PERFORMANCE INDICATORS

Organic growth in consolidated revenue: Growth in consolidated revenue expressed as a percentage and adjusted for the impact of (i) changes in exchange rates, using the calculation method described in Chapter 4, Section 4.1.2.1 of this Universal Registration Document, (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[1]: Recurring operating profit 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 enables comparisons between the Group and its peers.

Adjusted EBITA margin: Adjusted EBITA as a percentage of consolidated revenue.

Adjusted earnings per share[1]: This indicator is calculated based on net profit from continuing operations attributable to owners of the parent, adjusted to exclude (i) non-recurring income and expenses, (ii) amortization of intangible assets recognized on consolidation, (iii) exceptional impairment of investments in and loans to non-consolidated companies, and (iv) the impacts of gains or losses on disposals of consolidated companies classified as held for sale. All of these adjustments in (i) to (iv) are net of tax.

Operating free cash-flow[1]: The sum of the following items as defined elsewhere in this 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 and is the indicator used internally for the annual performance appraisals of the Group's managers.

Free cash flow[1]: The sum of the following items as defined elsewhere in this 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:

- Operating free cash flow, as defined above.
- Tax paid, which notably includes corporate income tax, the CVAE tax in France the IRAP tax in Italy and State Tax in the United States.

Leverage ratio[1] (as defined in the Senior Facilities Agreement and presented for the Group's debt at a given period-end): The ratio between (i) the Group's net debt (at the given period-end determined based on the definition and covenants in the Senior Facilities Agreement as described in Chapter 4, Section 4.7.2 of this Universal Registration Document: "Senior Facilities Agreement", i.e. excluding unamortized issuance costs and the fair value

[1] These indicators are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of the Group's operating performance, cash flows or any other measure of performance derived in accordance with IFRS. These indicators as presented in this Universal Registration Document are for information purposes only and may differ from and may not be comparable to similarly titled measures used by other companies. Their calculations are based on various assumptions. These amounts have not been, and, in certain cases, cannot be, audited, reviewed or verified by an independent auditor. The information provided is inherently subject to risks and uncertainties and may not give an accurate or complete picture of the financial position or results of operations of acquired businesses. The Group presents these indicators because it believes they are helpful to readers of this document for understanding its operating performance. They have limitations as analytical tools and should not be considered as a substitute for an analysis of the Group's operating results as reported under IFRS.

of derivative instruments) and (ii) adjusted EBITDA calculated on a rolling basis for the twelve months preceding the period-end concerned, further adjusted to exclude the impacts of (a) acquisitions and divestments of consolidated companies during the twelve months preceding said period-end and (b) stock option and performance share plans.

1.3.2 KEY FIGURES

**€4,923 MILLION
IN CONSOLIDATED REVENUE**

€2,212 MILLION GENERATED BY CONTRACT CATERING & SERVICES – FRANCE	€2,689 MILLION GENERATED BY CONTRACT CATERING & SERVICES – INTERNATIONAL
23,000 RESTAURANTS AND POINTS OF SALE	5 MILLION CUSTOMERS EACH DAY
110,000 EMPLOYEES	OPERATIONS IN 6 COUNTRIES

Income Statement Data

(in € millions)	Year ended September 30	
	2019	2018*
Revenue from continuing operations	**4,923**	**4,886**
Contract Catering & Services	4,901	4,862
- France	2,212	2,185
- International	2,689	2,677
Corporate & Other	22	24
Revenue growth[1]	0.8%	4.6%
Organic revenue growth[2]	(0.8)%	2.5%
Recurring operating profit from continuing operations	**160**	**128**
Recurring operating profit margin from continuing operations[3]	**3.3%**	**2.6%**
Net profit from continuing operations attributable to owners of the parent	**68**	**(28)**
Adjusted attributable net profit for the period	**101**	**77**
Adjusted earnings per share (in €)[4]	**0.57**	**0.44**
Dividend (in €)	**0.29**	**0.34**

(*) The figures for the year September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

(1) Revenue growth corresponds to the percentage increase in the Group's consolidated revenue for a given accounting period compared to the comparative period of the previous fiscal year.

(2) See definition in Chapter 4, Section 4.1.2 of this Universal Registration Document.

(3) Recurring operating profit margin from continuing operations corresponds to recurring operating profit from continuing operations as a percentage of revenue.

(4) See definition in Section 1.3.1 above.

Balance Sheet Data

(in € millions)	At September 30	
	2019	2018*
Goodwill	1,851	2,541
Cash and cash equivalents	83	143
Equity	1,670	1,471
Gross debt	618	1,958
Net debt[1]	539	1,830
Leverage ratio (net debt[1]/adjusted EBITDA)	1.80	3.62

(1) Based on the definition and covenants in the Senior Facilities Agreement, as described in Chapter 4, Section 4.7.2, "Senior Facilities Agreement" of this Universal Registration Document, i.e. excluding unamortized issuance costs and the fair value of derivative instruments.

Cash Flow Statement Data

(in € millions)	Year ended September 30	
	2019	2018*
EBITDA[1]	**303**	**271**
Net capital expenditure[2]	(114)	(162)
Change in operating working capital[3]	84	3
Other cash movements	(22)	(23)
OPERATING FREE CASH-FLOW[4]	**251**	**89**
Tax paid	(24)	(21)
FREE CASH FLOW[5]	**227**	**68**

(*) The figures for the year September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

(1) (2) (3) (4) (5) See definitions in Section 1.3.1 above.

(2) Net capital expenditure corresponds to amounts paid as consideration for property, plant and equipment and intangible assets used by contract catering and services operations as well as by support and corporate activities, less the proceeds received from sales of these types of assets. This net amount represents the sum of the following items as presented in the consolidated cash flow statement:
- Purchases of property, plant and equipment and intangible assets.
- Proceeds from sale of property, plant and equipment and intangible assets.

(3) Change in operating working capital corresponds to the net change during the period in the cash required for maintaining current assets and liabilities that are used by contract catering and services operations as well as by support and corporate functions. This cash flow is presented in the consolidated cash flow statement and covers the following current assets and liabilities:
- Inventories and work-in-progress.
- Trade receivables.
- Trade payables.
- Employee-related payables and receivables, including accrued income related to the CICE tax credit in France.
- Tax receivables and payables (excluding corporate income tax, deferred taxes and the CVAE and IRAP taxes).

1.4 INFORMATION ABOUT THE GROUP

Company Name

Elior Group.

Registration Particulars and Legal Entity Identifier

The Company is registered with the Nanterre Companies Registry under number 408 168 003. Its legal entity identifier (LEI) is 969500LYSYS0E800SQ95.

Date of Incorporation and Term

The Company was incorporated on July 8, 1996 for a term of ninety-nine years from the date of its registration with the Companies Registry, expiring on July 8, 2095 unless said term is extended or the Company is wound up in advance.

Registered Office, Legal Form and Governing Law

The Company's registered office is located at 9-11 allée de l'Arche, 92032 Paris La Défense, France. The telephone number of the registered office is +33 1 71 06 70 00. Elior Group is a French joint-stock corporation (*société anonyme*) with a Board of Directors, and is governed by the laws of France (notably Book II of the French Commercial Code), as well as by the Company's bylaws (hereinafter the "Bylaws").

History and Development

Since it was founded in 1991, the Group has grown from a contract caterer with operations only in France to an international group with two core businesses: contract catering and services. The Group currently operates in six countries.

The Group was co-founded by Francis Markus and Robert Zolade who, together with 300 managers, acquired a 35% stake in Générale de Restauration, the contract catering subsidiary of the Accor group.

In 1993, the Group entered the French concession catering market and became the market leader in 1997. In 1998 the Group adopted the name "Elior", and in 1999 it began accelerating its development in the European contract catering market through acquisitions in the United Kingdom, Spain and Italy.

In 2000, the Company was listed on the Premier Marché of Euronext Paris and shortly afterwards the Group expanded its concession catering business in Spain and Italy through partnerships with MyChef and Areas, and built up its presence in contract catering in Spain through an alliance with Serunion. The Group further diversified its business by entering the services industry in France in 2004 through the acquisition of Hôpital Service, a company that provides services for healthcare establishments (specialized cleaning and hospitality).

In 2006, the Company delisted from Euronext and was taken private by Charterhouse, Chequers and Robert Zolade.

As from the beginning of 2010 the Group engaged in a number of acquisitions in various markets and businesses, beginning in that year with Copra, an Italian contract caterer, as well as Sin&Stes, one of France's leading corporate cleaning services firms, which pushed it up to the position of sixth-leading contract cleaning company in France. In 2011, the Group expanded its contract catering business in Spain through its acquisition of the Alessa Catering group. In early 2012, the Group consolidated its operations under the "Elior" brand name, which also became its trade name in France, the United Kingdom and Italy. Also in 2012, the Group acquired two contract catering companies: Gemeaz in Italy (which made it the country's leading contract caterer), and Ansamble in France (which placed it as France's joint leader in the contract catering market). In 2013, the Group entered the US contract catering market by acquiring TrustHouse Services (since renamed Elior North America), a leading player in the education and healthcare sectors in the United States. In October 2014, the Group acquired Lexington, a UK-based contract caterer specialized in providing high-end catering services in the City of London.

On June 11, 2014, the Company was relisted on the Premier Marché of Euronext Paris.

In 2015, the Group reinforced its position as a global player in the concession catering market by raising its stake in Areas to 100 %. It also increased its contract catering presence in the United States by acquiring Starr Catering Group (since renamed Constellation Culinary Group), a US market leader that offers a full range of premium catering services.

In 2016, THS took on the Group's flagship contract catering brand name, becoming Elior North America. During that year, Elior North America acquired ABL Management which operates in the university and corrections segments, and Preferred Meals (specialized in contract catering operations and home deliveries in the education and seniors markets). In the United Kingdom, Elior Group acquired Waterfall Catering Group, which operates in the growth markets of education and healthcare, and as a result became the UK's fourth-largest contract caterer. The Group also made its entry into Asia in 2016, by simultaneously acquiring two contract caterers in India: MegaBite Food Services and CRCL. Through these two acquisitions Elior India is now one of the top three players in the Indian contract catering market.

In 2017, Elior Group pursued the expansion of its contract catering activities in the United States by successively acquiring CBM Managed Services, Lancer Hospitality, Abigail Kirsch, Corporate Chefs, Design Cuisine and Sidekim. The acquisition of Corporate Chefs strengthened Elior North America's positions in the high-end corporate catering market and the education sector. Lancer Hospitality provides professional food management services in a variety of settings including cultural venues, leisure attractions, business centers, schools and healthcare facilities. As it is based in Minnesota, the acquisition of Lancer Hospitality enabled Elior Group to broaden its presence in the US.

In 2018, Elior Group acquired a new company in the United States, Bateman Community Living, reinforcing Elior North America's position in the seniors catering sector. In total, the Group has carried out 19 acquisitions in the United States in the space of three years.

In 2019, having carried out a review of its strategic options for its concession catering business, Elior Group sold its subsidiary Areas, opening up a new chapter in its history by refocusing on its long-standing businesses of contract catering and services. At the same time, the Group launched its New Elior strategic plan, which sets out its roadmap up until 2024.

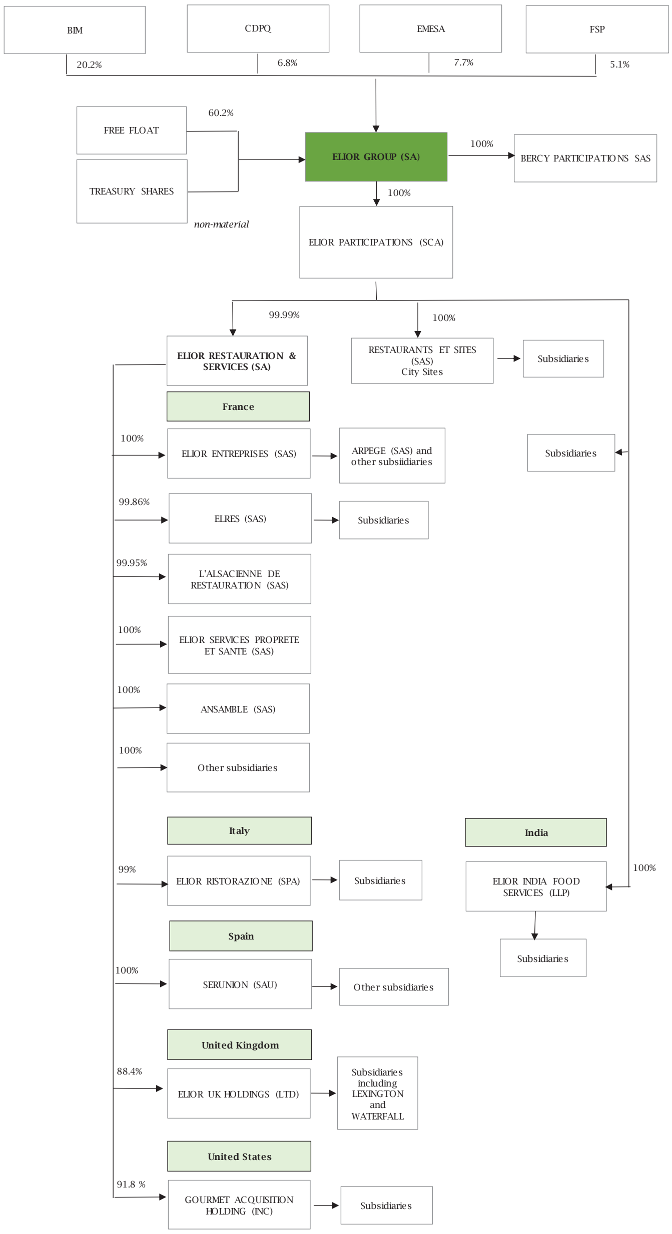
Also in 2019, Elior reinforced its leading position in senior nutrition and community meals in the United States, by creating TRIO Community Meals, bringing together three regional brands.

The key figures for 2017-208 have been restated to reflect the Group’s new scope, with restated revenue for that fiscal year amounting to €4.886 billion.

For the year ended September 30, 2019, the Group's revenue came to €4.923 billion.

1.5 ORGANIZATIONAL STRUCTURE

The simplified organization chart below presents the Group's legal organizational structure at December 31, 2019[1].



[1] The percentage ownership figures stated in this organization chart correspond to the percentage voting rights held in the Company's direct and indirect subsidiaries.
See the list of consolidated companies in Note 12 to the consolidated financial statements (Chapter 4, Section 4.9).

1.6 THE GROUP'S BUSINESSES AND STRATEGIES

1.6.1 BUSINESSES

The Group is an international player in contract catering & services, serving 5 million customers every day at approximately 23,000 restaurants and points of sale. The Group also looks after 2,300 sites for its clients. It has over 110,000 employees based in 6 main countries, in Europe, North America and Asia.

The Group's contract catering business serves three key client markets: corporate entities and government agencies (Business & Industry), educational establishments (Education), and healthcare facilities (Healthcare). It operates its contract catering activities in its traditional markets of France, Spain, Italy and the United Kingdom as well as in the United States since 2013 and India since 2016.

Based on revenue generated in fiscal 2018-2019, the Group estimates that it is the second-largest pure player in contract catering & services.

The majority of the Group's services business is conducted in France and involves the provision of soft facility management solutions, notably cleaning, reception, concierge, light maintenance and grounds maintenance services. Through this business, the Group provides public and private-sector institutional clients with a wide array of outsourced solutions ranging from cleaning and reception services through to the management of offices, hotels, shopping malls, leisure and vacation parks and office and apartment buildings. The Group estimates that it is the sixth-leading cleaning services provider in France and the number one provider of outsourced cleaning services in the French healthcare market.

In the year ended September 30, 2019, the Group generated total consolidated revenue of €4,923 million and its adjusted EBITA amounted to €176 million.

1.6.1.1 Contract Catering

2018-2019 key figures:

- An operating presence in six main countries: France, Italy, Spain, the United Kingdom, the United States and India
- 23,000 restaurants and points of sale in six main countries
- 5 million guests per day
- 90,000 employees worldwide

The Group's contract catering business addresses three different client markets: Business & Industry (companies and government agencies), Education (private and public educational establishments, from nurseries to higher-education), and Healthcare (private, public and not-for-profit healthcare providers and care home operators). The Group serves the Business & Industry, Education and Healthcare markets in each of the countries in which it has contract catering operations.

Through this business, the Group offers dining services, meal deliveries, vending solutions and foodservices technical support.

1.6.1.1.1 The Business & Industry market

2018-2019 key figures:

- **€2,256 million in revenue** (46% of total consolidated revenue)
- 6,100 restaurants
- 1.6 million guests per day

The Business & Industry market comprises private sector clients in the manufacturing and tertiary industries, including leisure and transport, as well as institutions such as public-sector companies, government agencies, cultural organizations, military bases and corrections facilities. The Group’s expertise now also enables it to offer catering services to small and mid-sized enterprises (SMEs), thanks to the development of dedicated technological solutions (mobile apps, smart fridges, etc.).

The Group designs varied offerings that are specifically targeted to its different market segments and it constantly innovates to create catering solutions that meet the changing needs and expectations of its guests. The ways it achieves these aims include taking inspiration from commercial catering, digitizing certain services and broadening its offerings (in terms of serving times, venues, menus, recipes, etc.).

The Group is pursuing its expansion drive in the Business & Industry contract catering market both by winning new clients and extending its existing contracts. It is also positioning itself in new market segments such as onboard train catering (in Italy and the United Kingdom), airport lounges (in Spain and the United Kingdom), stadiums (the United Kingdom and Spain), and museums (the United States, France, Spain and Italy) and other prestigious sites.

1.6.1.1.2 The Education market

2018-2019 key figures:

- **€1,415 million in revenue** (29% of total consolidated revenue)
- 13,900 school restaurants
- 2.7 million children and students catered for each day in Europe and the United States

Clients in the Education market include public and private education institutions covering a broad spectrum of ages, ranging from pre-school day-care centers and elementary and secondary schools through to universities and other higher education institutions.

School catering is one of the Group's long-standing markets. Thanks to its network of central kitchens in Europe and the United States, combined with its know-how in managing small sites, and its technological expertise, it enjoys a solid leadership position in both the public and private education sector in Europe. The pre-school segment – which has very exacting requirements – is expanding rapidly, especially in France.

With over 100 central kitchens in France, Spain and Italy, the Group has the largest central kitchen infrastructure in Europe, with a regional network that enables it to combine high productivity with a local presence. It has similar production facilities in the United States and India, giving it a strong platform for growing and consolidating its leadership in those countries.

Keenly aware of the role it has to play in educating tastes and encouraging healthy eating, the Group pays particular attention to the flavor of the food it serves, as well as to using local and certified food and "homemade" recipes. It also takes care to pass on the message to its young guests about the importance of taking pleasure in eating well.

One of the main challenges in the Education market for Elior, like other caterers, is to demonstrate the quality of its services and make market players aware that quality has a price tag.

1.6.1.1.3 The Healthcare market

2018-2019 key figures:

- **€1,252 million in revenue** (25% of total consolidated revenue)
- 3,000 restaurants
- 610,000 guests per day

The Group's main clients in the Healthcare market are hospitals, clinics, retirement homes, residential homes and day-care centers for disabled, elderly and dependent people, and non-profit organizations that provide community meal services. Whatever the venue, meals form part of the overall care process in this market, and a good diet contributes to the recovery of patients and the well-being of care home residents.

The Group designs catering offerings for health and care facilities that combine nutrition with the enjoyment of eating. In the hospital segment, catering solutions are tailored to each patient's pathology, and the new generation of cafeterias add to the well-being of both staff and visitors. For seniors, the Group has particular expertise in creating specifically adapted textures and personalized nutritional protocols and it also delivers meals to people's homes and congregate settings.

The Group's teams also offer support to clients that are adapting their business models to the increase in outpatient surgery, by providing new services for patients from before they are hospitalized until they go home, including a specially-adapted type of on-site catering.

1.6.1.1.4 Contract catering brands

The Group operates in the contract catering market through several different brands and trade names, which vary depending on the sector, client or country concerned.

France

Elior

Arpège

Ansamble

L'Alsacienne de Restauration

Spain

Serunion

Alessa

Arce

Arume

Hostesa

Ullasar

Singularis

India

Elior

CRCL

Megabite

Italy

Elior

Gemeaz

Hospes

United Kingdom

Elior

Caterplus

Edwards & Blake

Lexington

Taylor Shaw

United States

Abigail Kirsch

Aladdin

A'viands

Constellation Culinary Group

Corporate Chefs

Cura

Design Cuisine

Lancer Hospitality

Preferred Meals

Summit

TRIO Community Meals

Valley Services

1.6.1.2 Services

2018-2019 key figures:

- No.1 for cleaning services in the French healthcare sector
- 2,300 sites
- 21,000 employees

Elior Services is a French brand and has three main areas of expertise: cleaning and hospitality services in clinics, hospitals and specialized healthcare establishments; cleaning and hygiene services in offices and industrial premises (including in highly sensitive locations such as white rooms); and facilities management (which includes reception, concierge, mail handling and grounds maintenance services).

In the healthcare sector – which has been Elior Services' principal market since the outset and where it is the leader in France – the company offers a wide range of solutions including specialist cleaning services, laundry services, in-room meal services and hospitality services. The key to its success in this sector is its continuous innovation approach.

Elior Services also meets the requirements of a wide range of clients in other sectors including large corporations, high-end hotels, leisure venues (stadiums, museums, movie theaters etc.), schools and sensitive industrial environments, as well as shopping malls, where cleanliness and services are essential for brand image.

Elior Services has expanded its offering and now proposes value-added services to help its clients create pleasant working environments. For example, its corporate concierge services are proving increasingly popular with companies looking to offer that little extra to attract and retain talent.

1.6.1.3 Market trends

The Elior group – a worldwide player in contract catering and services – develops and provides solutions in the business & industry, education, healthcare, and leisure sectors. To remain a leader in its various markets, it has to keep up with the major trends in society while making sure to respect both people and the planet.

In order to meet today's challenges, while at the same time pursuing its vocation of feeding and taking care of people, the Group has put in place an ambitious innovation strategy covering the culinary, marketing and digital aspects of its business.

1.6.1.3.1 Sharing is caring

a) High-quality ingredients

As a caterer, if we want our guests to enjoy the food we offer, we have to give them high-quality cooking with all the flavors of high-quality ingredients.

Cooking has always been at the heart of Elior's business. In all of the regions where it operates the Group hires chefs and regularly trains them in both traditional and innovative culinary and cooking techniques. And wherever they are based, our chefs work with nutritionists to devise recipes that are both tasty and nutritional.

To offer our guests the very best and stay one step ahead of the rest, we apply a highly innovative culinary approach. This approach is the fruit of the know-how of our chefs, who are driven by a desire to excel and who get inspiration by exchanging ideas with colleagues from all of our host countries

Choosing tasty, healthy and sustainable ingredients is a key priority for Elior. In order to select the best ingredients, we use best-in-class suppliers and favor local sourcing and seasonal, certified produce. For example, in France, we use *Label Rouge* certified lamb, pork certified by the *Bleu Blanc Coeur* association (which guarantees the quality of the animal feed used), beef from meat breed cattle (Charolais, Limousin, etc.), and MSC-certified sustainable fish.

In the United States, our subsidiary Elior North America only serves salmon and tuna from sustainable fisheries.

In addition, our clients and guests are increasingly wanting to see organic produce in our restaurants so we now offer a broad range of organic food as well. For example, in France, the approved product list of Elior's procurement department includes over 1,700 products that are certified "organic".

Our focus on sustainable, local supplies plays a key role in winning new clients. For instance, Renault was particularly impressed by our commitments in this area when it entrusted Elior France to cater for its 20 sites in France for the next three years.

b) Friendly, relaxed settings

The pleasure of food is not just about what's on our plate – it's also about the atmosphere of the place we eat it in. That is why we always strive to make our restaurants ever more friendly, comfortable and relaxing spaces by continually developing new designs and concepts. In the Business & Industry market, the quality of the corporate catering offer is a sign of how employers value their staff. So it's not just a question of feeding guests but of making sure that meal times are moments to enjoy and savor.

Today's corporate catering concepts also need to be geared to new work organization methods. In the current era of coworking, dining areas tend to pair up as meeting areas, at any time of the day. Our guests like spaces that can be adapted to their pace of work and life in general, and which meet diverse needs. Elior has responded to these changing trends by introducing new concepts and solutions, such as more collaborative spaces, with longer opening hours, which propose customized offerings from breakfast through to dinner. It was this strategy that helped Elior North America win the five-year contract to cater for Ramsey Solutions' new headquarters in Tennessee. Here, the Group will be in charge of a contemporary coffee shop where visitors can have a drink and a snack, as well as the corporate restaurant where Ramsey Solutions' employees can have breakfast and lunch or take a break during the day.

And the Group's expertise in this domain goes beyond dining areas. For instance, thanks to its highly professional hospitality services, Elior Services contributes to the brand image of many high-end hotels in France.

c) Educating tastes

As the pleasure of appreciating food develops from a very early age, the Group is committed to stimulating children's tastes. Our approach to catering for children involves introducing them to new types of foods, proposing varied meals made from high-quality ingredients and serving our food in friendly, modern surroundings.

To this end we have created new school catering concepts tailored to different age groups, such as *La Récré des Papilles* in France, designed for elementary schools. Our teams take great care to ensure that the dishes offered look appetizing, with a particular focus on presentation and personalized service, with each child being able to choose what they eat depending on their individual tastes and appetite.

In the same vein, the teams in our new *Pépinières du Goût* (taste incubator) central kitchens in France are trained by Ducasse Conseil in meal presentation and service techniques. This new generation of central kitchens – which are both responsible and educational – is a new model that the Group intends to deploy with a view to harmonizing its practices across the organization. These kitchens are audited by Bureau Veritas based on a set of quality standards comprising 26 commitments and 52 criteria, and the objective is for 11 of our central kitchens to be transformed into *Pépinières du Goût* by end-2020.

Discovering new flavors and diversifying the types of food we eat continue throughout our lives and Elior seeks to play a role in this ongoing development. In order to surprise and satisfy our guests, we constantly develop new recipes and propose new ways of processing and cooking ingredients.

We work hard to incorporate a wide range of dietary requirements into our offerings and we give our guests the opportunity to try out vegetarian, dairy-free or gluten-free options.

d) Enjoying food – a source of well-being

The pleasure of eating also plays a central role in hospitals and retirement homes, as it is a key factor for the well-being of patients and residents. The comprehensive nutritional offerings we devise for these establishments therefore always factor in the element of enjoyment.

In all of our host countries, we design menus that are adapted to the different pathologies of our guests in the healthcare and seniors markets. We are real specialists in this domain and our offerings include specific recipes that take into account difficulties with chewing and swallowing. We also offer specially-textured food to help patients, seniors and people with disabilities rediscover the pleasure of eating.

In the United Kingdom, Daniel McArdle – head chef and deputy catering manager at one of Elior UK's restaurants – has created a recipe book called *No Chew Stew & So Much More* that contains easy-to-make recipes suited to people who find it difficult to chew.

The Group also takes care to ensure that meals and snacks are feel-good moments in the lives of patients and seniors. For instance, the new offering launched for the care and retirement living sector by Caterplus (an Elior UK brand) includes a Bistro menu designed to create a "smaller restaurant experience", as well as all-day grazing options, a hydration corner serving additive-free fruit juices with no added sugar, a Grab & Go counter and barista coffee.

Our focus on nutrition obviously doesn't stop at the healthcare market though. Proposing healthy meals to everyone is in the Group's DNA, and we play a pioneering role in helping improve overall eating habits.

In France, for example, Elior was the first contract caterer to use the Nutri-Score food coding system in its school canteens and corporate restaurants. Designed by the French National Public Health Agency based on research carried out by the team headed by Professor Serge Hercberg (President of the French National Nutrition and Health Program, the PNNS), Nutri-Score provides clear, simple and understandable nutritional information about the dishes the Group proposes. And it meets the increasing demand from consumers to have the nutritional information they need to make the best food choices.

e) New places for enjoying our food

As part of our overall aim to help people enjoy their food, we also want to accompany our guests on the move and make journey times a pleasant experience. The Group is seizing new growth opportunities by exploring business areas that are connected to its traditional markets.

For instance, Elior's Spanish subsidiary, Serunion, now looks after a number of airport VIP lounges and the 200,000 customers that pass through them every year. It has given its teams special training in the services required in this segment, which include welcoming passengers, creating catering offerings suited to people from all over the world (kosher, halal, gluten-free etc.), providing newspapers and magazines, giving flight information, and helping people with reduced mobility.

And in the United Kingdom, Elior has won its first contract for onboard catering on mainline trains. Elior UK has also revamped its onboard catering offering for the 1,200 trains that run weekly on the three lines operated by South Western Railways. It has launched a new trolley offering with new menus and has tested a mobile app that passengers can use to order directly from their seats. Thanks to its new railway catering expertise, Elior UK now has the potential to seize future opportunities in this market.

1.6.1.3.2 Taking care of people and the planet

a) Catering for different nutritional needs

At Elior, we believe our business goes beyond just feeding our guests and that we really take care of them.

But of course the way we take care of our guests starts with what we give them to eat. We therefore work with our expert dietitians and nutritionists (over 500 of them) to create healthy, balanced menus that respect the main public health recommendations.

In the Business & Industry market, the Group's aim is to help guests better manage their eating habits. One of the ways we do this is by providing them with the Nutri-Score of their favorite dishes in corporate restaurants in France.

We also rely on innovations to enhance the customer-experience and are currently rolling out *Trayvisor* – an automatic plate and food recognition solution – so as to provide nutritional information and reduce waiting time at the self-service checkout.

Taking care of our guests also means factoring in their specific needs and expectations. We need to make sure that each of our guests can have great-tasting food options that take into account any food intolerances they may have or their moral or religious beliefs.

Serunion's first central kitchen opened in the Canary Islands (Spain) has a dedicated space for preparing menus for special dietary requirements (gluten-free, vegetarian or pork-free dishes) and for people that suffer from food allergies.

The Group also proposes high-quality options for guests who want to reduce their intake of animal proteins. Vegetarian offerings are now available in our corporate and school restaurants, and our specialist teams ensure that the plant-based alternatives we propose provide the best nutritional balance for all ages.

b) Taking care of vulnerable people

Guests' specific needs and expectations are even more pronounced in healthcare establishments and residential homes for seniors, and the Group has put in place numerous initiatives to meet these guests' special nutritional and dietary requirements. Our innovative culinary offerings are adapted to the health and tastes of each person with a view to making it easier for them to eat, facilitating their medical care and contributing to their everyday well-being.

In France, Elior's ability to meet the whole range of needs for healthcare establishments enabled it to win a comprehensive bid for three hospitals with a total of 1,000 beds (Fontainebleau, Montereau-Fault-Yonne and Nemours). One of the Group's main assets for this bid was its *L'Itinéraire du Patient Optimum* concept, which offers menus adapted to the specific situation of each patient based on personalized nutritional protocols that form part of the overall care process.

In Spain, Serunion has introduced the Group's *Faciles à manger* ("easy-to-eat") concept – an innovative technology designed to stimulate elderly people's appetite and help those who have difficulties with chewing and swallowing. In France, the Group's new *Idéquatio* catering offering is intended for elderly people who are dependent or whose ability to eat has been affected by age or illness. The ingredients are cooked in various, appetizing ways, using diverse and original culinary techniques, in order to adapt the day's menu to the tastes and nutritional requirements of each resident.

As well as providing our guests with balanced menus specially devised in line with their specific health requirements, we always keep in mind that meals represent an important opportunity for socializing. In line with this, Elior North America has brought together three regional leaders in senior nutrition and community meals – Valley, Bateman Community Living and Lindley – to create TRIO Community Meals. This new entity takes care of food-insecure and isolated seniors by creating greater opportunities for social engagement at congregate sites.

Elior Services also takes care of people in healthcare establishments thanks to its expertise in specialist cleaning and healthcare hospitality. Hospital and operating rooms are kept spotlessly clean through specialist cleaning and disinfection protocols adapted to each particular space. And hospitality services – comprising reception and other welcome services as well as meal and snack services – all add to patients' comfort and well-being.

c) Taking care of the planet

Taking care of guests also means taking care of the planet. We therefore take action on a daily basis to limit the impact of our business on the environment, particularly by using sustainable ingredients, taking steps to avoid plastic pollution and putting measures in place to reduce food waste. All of these domains are priority areas in the Group's CSR strategy, called the Elior Group Positive Foodprint Plan™.

One example of our success in environmental protection is the fact that the 66 restaurants in the secondary schools in France's Hauts-de Seine region whose meals are delivered by Elior France now bear the label "*Ecocert en cuisine*". This certification guarantees that the meals provided meet a number of very demanding standards relating to organic produce and sustainable development. At the same time, for the primary schools in Roissy-en-Brie (again in France), Elior now proposes fully compostable food containers as well as special equipment such as containers for collecting and reusing uneaten bread and waste-sorting tables. At three of the schools where Elior operates, organic waste is recovered and then recycled via anaerobic digestion or vermicomposting.

Fighting food waste is one of the pillars of our CSR strategy and we combine our work in this area with charitable initiatives to help local communities. In France, for example, we have set up a partnership with the French food bank federation to distribute to not-for-profit organizations the surplus food from the Group's 9,500 restaurants and central kitchens in France and therefore reduce food waste. Likewise, in Spain, Serunion has teamed up with the Spanish food bank foundation to recycle surplus food.

Lastly, the human element is, and will remain, central to the Group's business. When we select the producers we work with, we place particular important on the human relations we have with them and favor those with strong local connections. In India for instance, Elior partners the development of local farms by offering menus based on regional produce as part of a "from farm to fork" model.

d) Going the extra mile

Care is also central to the corporate mission of Elior Services, which is a benchmark French player in cleaning, healthcare hospitality and facility management services and whose corporate logo sums it up: "Taking care of everyone and everything".

This service culture took on a new dimension in 2019, with the acquisition of Alfred Conciergerie, which provides a 24-hour service via a digital platform, and a manned service during office hours. Currently provided in the Business & Industry market, this concierge offering covers services that employees require regularly (dry cleaning, child care, ordering taxis, etc.) or on a more occasional basis (DIY jobs, organizing vacations, pet care services etc.). It will soon propose similar services to the care teams at Arras hospital and Hôpital Nord in Marseille.

e) Taking care of our teams

We don't just take care of our guests and clients – we also take care of our teams. Looking after our 109,000 employees and helping them realize their full potential is another of the pillars of the Group's CSR strategy.

With this in mind we have adopted an ambitious policy aimed at ensuring our people have the best possible conditions for professional development at every stage of their career. This involves risk prevention, setting objectives, internal promotion, access to training and many other aspects. And as a responsible and committed employer, we believe our teams should reflect the diverse society we live in.

1.6.1.3.3 New generations

a) Generation Y in the workplace

With the arrival of generations Y and Z, the catering industry has been turned upside down by new behavioral patterns and new challenges. These guests have different eating habits and requirements than their parents' generations and expect to be able to eat when they want, where they want, and how they want. To meet these new needs and hold on to its leading position, the Group needs to constantly adapt and innovate.

The changes are particularly noticeable in corporate catering. With the massive arrival of generation Y in the working world, combined with the explosion of digital technology and new collaborative working methods, the ways companies are run and their working patterns are evolving. People's food behaviors are also changing, and eating fresh, healthy and high-quality produce in attractive and relaxing spaces has now become essential. Elior is adapting to these changes by offering new concepts.

b) Generation Z at school

Despite its young age, generation Z is also making its mark and paving the way for new consumption patterns. So Elior has put in place numerous initiatives to make sure it can give that generation what it wants. For example, in response to the global trend for online ordering home-delivered food – which is increasingly popular with younger generations – Elior UK has created *Cheatah*, a new online and on-site delivery service of freshly prepared pizzas for students at Roehampton University.

At the same time there is a growing interest in ethnic cuisine and street food, with their more relaxed approach to eating. This led Elior UK to introduce its Indian street-food concept in the secondary and high schools catered for by itself and its subsidiary Taylor Shaw. This concept – which was created as part of an exclusive partnership with the TV chef and author, the Urban Rajah –has already been successful in the Business & Industry market.

Franchises are also still very popular with generation Z. And at Fairmont State University in West Virginia, Elior North America will soon be adding two franchises that are a big hit with North American students – Starbucks and Chick-fil-A.

c) Ethical considerations

Today’s young people are also very concerned about the future of the planet and keenly aware of the ecological impact of their behavior.

Consequently, in our catering offerings targeted at young people we are increasingly using biodegradable plant-based, plastic-free packaging. In addition, Elior France has teamed up with Too Good To Go – the world’s number one anti-food waste app – to enable its guests in the Business & Industry market to buy "surprise food baskets" made up of the leftovers from lunch. By offering this new service we are promoting more responsible consumption methods and helping to reduce food waste in our corporate restaurants.

d) Staying a step ahead

For the Elior group, innovation covers all aspects of its business, including cooking, marketing, digital technology and operational and managerial issues. It enables us to enhance our guests’ customer experience by proposing new services and offerings, while also facilitating the daily lives of our team members. Additionally, innovation means creates new business opportunities. We have launched over a hundred innovations worldwide, which we can draw on to stay one step ahead in order to anticipate and meet the needs of future generations.

One example of our innovation efforts is the partnership entered into between Arpège and United Kitchens in late 2018. Its aim is to encourage the creation of new responsible, healthy and original food concepts designed in a 600 sq.m. incubator of experimental kitchens used by 35 start-ups in Nanterre in the suburbs of Paris. By forging partnerships with incubators such as Reimagine Food, SmartFood Paris, and now United Kitchens, Elior Group can identify and partner innovations related to technology, cooking techniques or new offers or markets.

The Group has also set up its own in-house schools and academies to help it with its strategy of constantly bettering its food services. For instance, in 2018-2019 Elior Italy launched its new Food Academy – a hub for researching, developing and testing the food concepts of the future, whose watchwords are innovation and sustainability.

Lastly, in France, the Group has a culinary innovation center called LAB, where it can try out new ideas based on the latest consumer trends, digital technology and new offerings.

1.6.2 THE GROUP'S STRATEGY

New Elior ambitions

In selling Areas, the Elior group has refocused on its core business of contract catering in six countries, plus services in France, making it the world's second-largest pure player in its industry.

In view of this, we have redefined our corporate mission, ambitions and priorities for each of our markets and have drawn up a strategic plan 2024, called New Elior. This ambitious plan, which was drawn up jointly by the Executive Committee and operations teams, is based on five value creation drivers:

- Shifting our business mix towards the most attractive segments, in which we can create value for our clients through innovative offerings, and entering new markets, such as on-board catering for trains and meal deliveries to Small and Mid-size Enterprises (SMEs).
- Giving our client-facing teams the resources they need to always adapt our offerings in line with guests' expectations, by proposing healthy and environmentally-friendly dining options, with concepts heavily inspired by commercial catering.
- Being constantly customer-centric thanks to our high-quality offerings and by systematically applying customer loyalty best practices.
- Optimizing and continuously adapting our cost structure to operational requirements, including procurement, payroll and overhead costs.
- Managing cash in a disciplined way and allocating it to investment opportunities that guarantee the best returns.

These five value creation drivers are being applied by our teams in all of our host countries and have been incorporated into their objectives as follows:

- In France, consolidate the Group's leadership while adapting our offerings and business model to new consumption patterns, and strengthen its Corporate Social Responsibility (CSR) positioning.
- In the United States, pursue and finalize the integration of companies acquired since 2014, systematically apply a customer-centric approach with a renewed brand portfolio, while deploying best operational practices.
- In the United Kingdom, grow faster than the industry's leaders thanks to an ambitious business development plan, while capitalizing on the strength of our existing structures.
- In Spain, build positions in new high-potential segments so that we can continue to outpace market growth, and aim for profitability excellence.
- In Italy, shift the business mix more towards the private sector and new market segments.
- In India, capitalize on technology to affirm our leadership in premium corporate catering.
- For Elior Services, cement our leading position in the Healthcare sector and selectively expand in other segments.

In view of the contract catering market's growth prospects and its low capital intensity, as well as the Group's drive to enhance its profitability, Elior has very high potential for cash generation. With a stronger balance sheet and a leverage ratio reduced sustainably to within a range of 1.5x to 2.0x EBITDA, the Group has the resources it needs for its business development.

The Group's mid-term objectives are:

- Annual organic growth of 2% to 4%
- Increase adjusted EBITA margin between 10 and 30 basis points per year
- Capex below 3% of revenue.

1.6.2.1 Key features of the contract catering market

In the countries and sectors where the Group is present, the contract catering market (also referred to as outsourced catering) represents a potential of €130 billion. As the outsourcing rate is 42% this implies that the market currently represents €53 billion.

The key features of the worldwide contract catering market are as follows:

- It is a growth market, whose development for each of its segments depends on:
    1. Changes in the number of meals served.
    2. Inflation and changes in per-meal prices.
    3. Changes in outsourcing rates, i.e. the proportion of clients who outsource their catering services rather than managing them in-house.

- It is a local market with a fairly limited number of multi-country invitations to tender as these do generate operational synergies.

- It is a specific market, with invitations to tender for catering services rarely combined with other types of services, particularly in Continental Europe, the main exception being in the healthcare sector.
- It is a market with low barriers to entry, apart from in the state education sector, where operators need to invest in central kitchens.
- In most countries the market is structured around four main corporate profiles: international groups, like Elior; large companies with national coverage; regional local players; and players specialized in a particular segment.
- Lastly, it is a market in which guests' expectations are changing in line with social trends and are constantly increasing. For example, consumers now expect to see sustainable development issues taken into account, grab & go solutions, theme-based catering, more information about the provenance of ingredients, allergen details, etc. To meet these expectations, the supply chain and digital technology are indispensable factors, particularly for millennials, who by 2020 will represent 50% of the new hires made by the Group's major corporate clients.

1.6.2.2 Key features of the services market

Services correspond to the Elior group's second-largest business. Elior Services is a major player in cleaning, healthcare hospitality and facility management (reception, mail and concierge services, etc.) in France.

The outsourced cleaning and related services market in France represents an estimated €30 billion (2017 data), with an outsourcing rate of around 45%.

The key features of this market are as follows:

- Low barriers to entry and low capex requirements.
- High fragmentation: companies generating over €100 million in revenue have a market share of approximately 35%, and 90% of companies in the market had less than 10 employees in 2014 (data source: Xerfi).
- Steady annual growth of around 2% to 3%.
- Very high weighting of payroll costs within the overall cost structure, and therefore sensitivity to changes in tax and social security laws and regulations.

1.6.3 THE GROUP'S COMPETITIVE STRENGTHS

As a leading player in contract catering and services, the Group believes that it has the following main competitive strengths:

1.6.3.1 An operating presence in growing markets with attractive fundamentals

1.6.3.1.1 Solid competitive positions in Europe, complemented by an operating presence in the highly active US market

In the six main countries where the Group operates, contract catering is characterized by a highly competitive environment, with a large number of small and mid-size regional or specialized operators competing with a few national or international players. In the Group's markets, critical mass is an essential competitive factor, as it creates the ability to offer prices that match market expectations. At the same time, large players such as Elior Group are better equipped to compete for major contracts.

a) In Europe

The addressable contract catering market in the European countries where the Group operates is estimated to represent almost €43 billion, of which only some €21 billion is currently outsourced. In all of the countries and sectors in which the Group operates in Europe, it has been able to reach critical mass and position itself among the main market participants. The Group's leading positions and its emergence as a local or national champion in almost all of its business sectors and host countries in Europe have been made possible due to a decentralized organizational structure that encourages a local entrepreneurial culture while drawing on the support functions provided by the Group (procurement, finance, human resources, communications, innovation, digital and IT). The new organizational and operational model for support functions is aimed at aligning best practices in order to deploy them Group-wide.

Based on revenue for fiscal 2018-2019, the Group estimates that:

- In France, it is the leader in contract catering and the leader in cleaning services for the healthcare market.
- In Spain it is the leader in contract catering.
- In Italy it is the leader in contract catering.
- In the United Kingdom it is the fourth-largest contract caterer.

b) In the United States

The Group has a solid presence in the United States, where it first entered the contract catering market in 2013 via its acquisition of TrustHouse Services (since renamed Elior North America). The US market represents a major growth driver for the Group, thanks to the solid positions it enjoys in the most attractive market segments of the contract catering industry. The Group has consolidated its position of fifth-leading operator, notably as a result of the acquisitions it has carried out over the past three years.

1.6.3.1.2 Strong potential in contract catering and services

The Group is present in markets and sectors that have high growth potential. In Europe, the Group estimates that the addressable contract catering market in which it operates is worth approximately €21 billion. In the United States, the addressable contract catering market in the sectors in which the Group operates is estimated at $92 billion, of which only $36 billion is currently outsourced (corresponding to an outsourcing rate of just 40%). The education market (particularly in the United Kingdom) and the healthcare market (in the United Kingdom, Spain and Italy) also represent strong growth potential, with outsourcing rates still below 50%.

In order to create growth drivers, the Group analyzes the trends in each of the contract catering and services markets in which it operates. For example, the Group believes that:

- In the private sector of the business & industry market, main-street brand concepts and "grab & go" formats are growing, service times are extending to the whole day, and new services will become available as a result of digital technology (click & collect, take away, etc.), which the Group believes will lead to higher numbers of guests and/or an increase in average customer spend in contract catering.
- In the education market, the move towards outsourcing will accelerate, in particular for secondary schools and universities, which still have relatively low outsourcing rates, especially in Italy, France and the United Kingdom.
- The healthcare market will continue to grow, notably in France and the United States, due to general population aging, the market's still relatively low outsourcing rates, and the further development of value-added sub-segments, such as home meal deliveries, hospital after-care services, and new services related to an expected trend towards higher-end offerings in elder care facilities.
- The services business will continue to grow, driven by the combined effect of (i) an increase in outsourcing, as clients seek ways to reduce costs, and (ii) constraints related to an ever-stricter and more complex regulatory framework in this sector.

1.6.3.2 Carefully chosen strategic fit between contract catering and services

1.6.3.2.1 Two businesses with complementary features

The Group’s two businesses have different financial models which require different types of management. The New Elior plan was structured using the same framework but independently for each business.

Commercial synergies

Commercial synergies between the contract catering and services businesses in France are generally limited and highly targeted. They mainly concern the healthcare sector, for which joint service offerings can help meet the challenges arising from changes in the ways that hospital care is dispensed, particularly for short stays (e.g., delivered meals which are then served to patients in their rooms).

Sometimes, especially for key accounts, comprehensive catering and hospitality service offerings can make the Group stand out from its competitors, as was the case for the Airbus University in Toulouse.

Operational synergies and shared resources

Operational synergies between the two businesses mainly concern maintenance operations for some technical equipment in kitchens, which can be carried out by Elior Services on an outsourcing basis.

Certain support functions (mainly IT and procurement) are shared between the two businesses.

Financial models

There are also differences in the two businesses' financial models. For instance, the weighting of purchases of equipment and consumables within the cost structure of the services business is much lower than for contract catering. However, they both have low capital intensity (especially services) and low working capital requirement, and therefore a high cash generation profile.

Image and reputation

Lastly, the Group's Elior and Elior Services brand names are growing more powerful in its business sectors and markets, which means that it can capitalize on the reputation for quality and excellence it has built up in certain operations over many years.

1.6.3.2.2 Growth opportunities across all of the Group's operations, fueled by higher production capacity and stronger innovation capabilities

In 2018, Elior announced that it wanted to focus on three growth objectives: (i) capitalize on the increasing fragmentation of eating times to grow per-guest revenue, (ii) strengthen its offerings to more effectively seize opportunities in the silver economy, and (iii) position itself in the catering market for small and mid-size enterprises (SMEs) by offering them specific solutions. Action plans were therefore launched for these three objectives.

The New Elior strategic plan adds to these objectives by integrating new market segments that are related to the Group's core business and in which proven local experience can be replicated on a larger scale.

These related segments underpin the plan's first value creation driver, which is shifting the Group's business mix towards the most attractive market segments. Their development potential has been assessed country by country based on local market attractiveness and the ability of Elior's subsidiaries to address them in a structured and profitable way.

Some segments can have an attractive profile in one country but be less attractive in another. This is the case, for instance, for stadium catering (a market estimated to be worth around €380 million in Europe[(1)]), for which a structured and competitive market already exists in the United Kingdom and in which Elior UK is already positioned. For example, the Group recently renewed its partnership with Scottish Rugby for providing catering and hospitality services at the BT Murrayfield stadium for a 12-year period. On the other hand, stadium contract catering is a less attractive market in France.

On-board train catering (a market worth around €500 million in Europe) is another related service the Group has decided to leverage as part of its business development drive. Having provided the *Itinere* on-board train catering offering for Trenitalia in Italy since 2013, Elior has managed to transpose its know-how in this area to the United Kingdom, winning its first multi-year contract for trains on the East Midlands line, through its partner, Trenitalia.

In the travel sector, the airport private lounge market (worth over €400 million in Europe) also represents a growth opportunity for the Group, particularly in the United Kingdom where we have just won our first contract in this market.

And lastly, the cultural leisure segment (whose catering market is worth over €800 million in Europe) represents development potential in several countries, including Spain, the UK and the USA, where the Group already has a portfolio of prestigious contracts (with the National Art Gallery in Washington, the Museu Nacional d'Art de Catalunya in Barcelona and the National Museum of Wales in Cardiff).

The Group's objectives for these targeted related services have been set on a local basis for each of its host countries. Their development in terms of their sales pipeline and their weighting in the various subsidiaries' business mixes is being overseen via the Group's CRM systems.

[(1)] Estimate based on research commissioned by the Group.

In order to drive profitable growth in these segments the Group has placed innovation at the heart of its operational strategy. Our approach is aimed at mobilizing, training and equipping our managers so as to accelerate the Group's innovation capacity and maximize value creation. It is based on three pillars which continue to apply in fiscal 2019-2020:

- **"Think"**: staying up to date with the latest innovations thanks to trend intelligence and a digital platform grouping all players and innovative projects in the foodtech services ecosystem; mobilizing leaders and operations managers to devise the offerings and services of tomorrow through working groups using Design Thinking processes and methods; and encouraging information sharing and feedback via events or digital tools in order to capitalize on best practices and accelerate the Group's innovation capacity.

- **"Test"**: continuing to transform our restaurants and client sites into veritable incubators with a view to testing and jointly creating innovations with our clients; and pursuing our intrapreneurship strategy, which values and rewards the creative potential of our teams and gives our people the innovation momentum required for our value creation drivers. A prime example is the project that won the 2019 Innovation Awards: called *Cheatah* and launched by Elior UK, this solution clearly fits with the Group's strategy of diversify catering methods as it offers an online, on-site delivery service at university campuses of pizzas freshly prepared by Elior's chefs.

  At the same time, the Group is continuing to deploy its Open-Transformation strategy, drawing on strategic partnerships to help reinvent itself. For example, Arpège (the Group's premium brand in the French Business & Industry market) has entered into a partnership with the culinary incubator United Kitchens, aimed at developing innovative, responsible and original food. Together, Arpège and United Kitchens are creating virtuous concepts for the future in areas such as working with unprocessed and seasonal produce, fighting food waste and contributing to social inclusion.

- **"Do"**: supporting the deployment of mature projects and cutting-edge concepts; and providing training in the Group's innovation methods and tools and in the practices of commercial catering. In line with this, Elior UK has rolled out a training program at over 400 sites called "Right track", aimed at giving site managers the keys to energize sales and stay up to date with the latest trends.

1.6.3.3 A resilient and attractive business model thanks to a loyal client base and long-term contracts

Complementary geographies and markets

The resilience of the Group's business model is mainly due to the wide diversity of its operations in terms of markets and geographies. For example, in contract catering the Healthcare and Education markets are less cyclical than the Business & Industry market. Seasonal reductions in guest numbers in certain markets (notably Education and Business & Industry) can be partly offset by increases in other sectors for which holiday periods are the high season, such as daycare facilities during school vacations or the cultural leisure segment.

Business volumes for Elior Services, on the other hand, are more stable throughout the year as its client contracts are mainly entered into on a flat-fee basis and around half of its revenue is generated in the Healthcare segment.

France is the Group's largest market, accounting for 45% of its overall revenue, followed by the United States which made up nearly 25% of total revenue in 2018-2019.

Long-term contractual relations with clients

The Group's business model is also strengthened by the fact that it has a wide and diverse client portfolio. In 2018-2019, its five largest contract catering clients accounted for less than 7% of total consolidated revenue.

Other factors that contribute to the strength and stability of the Group's business model include an efficient and dynamic management of the business contracts underlying its contract catering operations, as well as the existence of stable and long-lasting relations with a large number of its major clients. Many of the Group's contract catering contracts include automatic renewal clauses and indexation clauses based on the prices of certain raw materials and labor costs. The Group also has very long-standing relations with a number of large international corporations, such as Airbus, Banca d'Italia, La Poste and Seat. For the year ended September 30, 2019, the Group's client retention rate for contract catering operations was 90.8% (92.4% excluding voluntary contract exits, mainly in Italy).

1.6.3.4 A proven capacity to create value, combining organic and acquisition-led growth and a recognized ability to effectively integrate acquired companies

The Group has a strong track record in terms of acquisitions, and since early 2016 the new businesses it has acquired have added some €900 million to annual consolidated revenue.

The success of these acquisitions is due to the profiles of the target companies and their strategic fit with the Group's existing operations. This is illustrated by the recent business combinations carried out both in the United States (which have extended the Group's geographic coverage in that country and strengthened its positions in specific market segments) and in the United Kingdom (resulting in greater coverage of the healthcare and education markets). The integration process for newly-acquired companies includes a plan to leverage synergies, which are assessed upstream of the transaction and encompass areas such as costs (procurement, IT, support functions, etc.), business development (integrating acquired brands into the Group's portfolio, analyzing client portfolios and capital expenditure projects, etc.), human resources and management. In most cases the Group keeps the existing management teams in place, in order to ensure continuity and encourage an entrepreneurial culture.

The Group's acquisitions have enabled it to create national champions in each of its main host countries. One illustration of the effectiveness of this strategy is the ramp-up of its contract catering operations in North America. Having first entered the market in 2013 through the acquisition of THS, it was the fifth-largest contract caterer in North America at September 30, 2019.

1.6.3.5 Operating excellence resulting from a tightly-controlled supply chain and cost base

The Group's cost base mainly comprises purchases of food products and raw materials, personnel costs and overheads.

A tightly-controlled supply chain

Because of the large economies of scale resulting from its size and geographic reach, the Group is able to obtain highly favorable purchasing conditions and significant rebates, therefore increasing its cost efficiency compared with other market players. In addition, it has stable and long-lasting business relations with the majority of its local and global suppliers of foodstuffs, other raw materials and logistics services.

The Group strictly monitors the quality of its supplies, notably by performing quality audits when selecting new suppliers and periodic audits on existing suppliers, and by carrying out regular controls on the raw materials and products that it purchases.

Constant cost control

Cost control and continuously improving on-site operating efficiency are priorities for the Group and key measures of its successful management. As well as implementing upstream procurement policies, the Group has put in place processes to optimize the use of purchased foodstuffs on site in order to minimize waste.

In addition, as personnel costs represent the largest proportion of its cost base, the Group closely monitors movements in its overall payroll in order to ensure it keeps up its cost efficiency during local market cycles. The Group has demonstrated its ability to successfully implement restructuring plans, notably in Spain and Italy, which have enabled it to maintain its operating profitability despite the challenging economic conditions in those countries and the decrease in business volumes and footfall.

In parallel, thanks to its investments in central kitchens in France, Spain and Italy – particularly for the Education market – the Group has been able to streamline its production processes and reduce the cost per meal.

1.6.3.6 Experienced management teams with an entrepreneurial mindset and in-depth knowledge of their markets

The Group's highly decentralized organizational structure means that its managers have a resolutely entrepreneurial mindset. They share the Group's financial objectives and take part in certain strategic initiatives but they remain autonomous from an operational and commercial point of view, which gives the Group a dynamic and agile profile. The New Elior plan – which is structured around five value creation drivers that apply Group-wide, with specific objectives for each country – is a clear illustration of this approach.

1.6.4 THE GROUP'S MAIN OPERATING MARKETS AND COMPETITIVE ENVIRONMENT

1.6.4.1 Contract Catering

The Group estimates that the overall contract catering market (also referred to as the outsourced catering market) in the countries in which it operates excluding the United States and India (i.e. France, Spain, Italy, the United Kingdom, Portugal and Luxembourg) represented total revenue of approximately €21 billion in 2018 compared with around €17.5 billion in 2010 (excluding Portugal and Luxembourg, data source: Gira). Despite the unsettled economic environment in Europe in recent years, the Group believes that the contract catering market in its host countries has maintained a steady pace of growth, estimated at an annual rate of between 1.5% and 1.9% since 2010.

The Group believes that the US contract catering market is worth just over $36 billion for the segments in which the Group is present, with the highest growth rates seen in the healthcare and seniors sectors, as well as in education (with forecast growth rates of around 4.4% and 2.7% by 2023[1]).

1.6.4.1.1 Business & Industry

The business & industry market also includes clients in the government agencies, correctional facilities and defense sectors. In the European countries where it operates, the Group estimates that the business & industry market represents 46% of the aggregate contract catering market (making it the market's largest segment), with addressable revenue of approximately €9.6 billion (data sources: Gira and in-house research). With an average outsourcing rate of 78% in the Group's European host countries (reaching over 90% when excluding the public sector), Europe is the Group's most mature market.

In the United States, the Group believes that in 2018 the business & industry market, excluding the defense sector, generated approximately 35% of the country's aggregate contract catering sales, up by more than 3% on average per year between 2012 and 2018.

In most cases, the business & industry market corresponds to on-site catering prepared in kitchens located in the same place as that in which the food is consumed.

[1] Estimate based on external research commissioned by the Group

1.6.4.1.2 Education

With aggregate addressable revenue of some €5.9 billion and an outsourcing rate of just over 28%, education represents the second-largest contract catering market in the European countries in which the Group operates (data sources: Gira and in-house research).

The education market comprises nursery, elementary, primary, secondary and higher education establishments, in both the state and private sectors. In 2018, the private sector represented 41% of France's education market versus 59% for the state sector (data source: Gira). The outsourcing rate, however, was nearly 65% for the private sector versus just over 22% for the public sector.

In the United States, the Group estimates that in 2018 the education market generated around 38% of the country's aggregate contract catering sales.

In most cases, and particularly in the state primary education sector, meals are prepared in central kitchens and are then delivered to and served in the establishments concerned.

1.6.4.1.3 Health and Care

With aggregate addressable revenue of €5.4 billion in the European countries in which the Group operates, the contract catering health and care ("healthcare") market comprises both public and private medical establishments as well as care homes for the dependent and elderly. This market represents just over 26% of the total revenue generated in the contract catering market and constitutes Europe's third-largest contract-catering sector (data source: Gira and in-house research). Clients in the care segment are operators in the public, private and not-for-profit sectors

In France, which is Europe's largest healthcare contract catering market, the health and care segments accounted for almost 11% and 21% respectively of total contract catering sales in 2018 (data source: Gira). In the United States, the Group estimates that in 2018 the healthcare market represented over 25% of the country's aggregate addressable contract catering sales.

1.6.4.1.4 Geographic markets

Unless otherwise specified, market data presented in this section is derived from reports issued by Gira (notably for Spain, France and Italy), public data, assumptions and estimates considered to be reasonable by the Group, and research carried out by external agencies at the Group's request, especially for the North American market. Data for the Italian, Spanish and Indian markets and part of the UK market, as well as for Elior Services, has not been updated for 2019. All of this market data is subject to change due to uncertainties related to, among other things, the economic, financial, competitive and/or regulatory environment.

a) France

With estimated addressable revenue of over €7.2 billion in 2018 (data source: Gira), the Group believes that France (with the United Kingdom depending on fluctuations in exchange rates) constitutes the largest contract catering market in the European countries in which it operates.

Contract catering represents around 37% of France's overall in-house and contract catering market, which the Group estimates was worth approximately €19 billion in 2018, up almost 2% year on year. The French market has experienced sustained growth of 2% a year since 2015. The Group believes there remains significant organic growth potential in the French contract catering market, especially in the education and healthcare segments which account for 90% of meals that are still handled in-house. The Group estimates that the French contract catering market could grow at an annual average rate of between 1% and 1.5% in volume terms between 2018 and 2020.

The French business & industry catering market (excluding government agencies and the public sector) is well developed, with an outsourcing rate of 93% in 2018 and overall outsourced catering worth around €2.2 billion. The outsourcing rate for catering for public sector facilities with captive customers (defense, corrections facilities, etc.) increased sharply from 14% to over 26% between 2008 and 2018.

However, the Group believes that outsourcing rates in the French education (particularly the secondary sector) and healthcare catering markets are still low (30% and 26% respectively in 2018 in value terms). The outsourced catering sectors of the education and healthcare markets were worth €1.9 billion and €2.4 billion respectively in 2018. The Group believes that the education and healthcare markets should grow by around 2% a year between 2018 and 2020.

b) Spain (2017 data)

With estimated revenue of almost €1.9 billion in 2017 (data source: Gira) and accounting for more than 9% of Europe's total contract catering market, Spain constitutes the fourth-largest contract catering market in the European countries in which the Group operates.

Contract catering represents some 47% of Spain's overall in-house and contract catering market, which the Group estimates was worth €4 billion in 2017. Despite the severe economic downturn in Spain since 2008, the overall contract catering market has remained robust and the Group estimates that the Spanish contract catering market will grow at an annual average rate of approximately 1% between 2016 and 2020. The main markets for contract catering in Spain are business & industry, education, and healthcare, respectively representing 26%, 34% and 40% of the country's total contract catering revenue.

In 2017, catering outsourcing rates in Spain were mixed: according to the Group's estimates, around 64% for education, over 52% for business & industry (including government agencies) and almost 37% for the healthcare market. The Group believes that there are growth opportunities to be seized as a result of the low outsourcing rates in certain markets in Spain.

c) Italy (2017 data)

With revenue of some €4.1 billion in 2017, stable since 2014 (data source: Gira) and representing 20% of Europe's total contract catering market, Italy constitutes the third-largest contract catering market in the European countries in which the Group operates.

Contract catering represents some 64% of Italy's overall in-house and contract catering market, which the Group estimates was worth approximately €6.5 billion in 2017, making Italy Europe's most mature market. The main markets for contract catering in Italy are business & industry, education, and healthcare, respectively representing 31%, 30% and 39% of the country's total contract catering revenue in 2017. The Group believes that a distinguishing characteristic of the Italian contract catering market is that while there are high levels of outsourcing in workplaces (78 % in the business & industry sector and over 97% excluding government agencies) and in the education sector (approximately 70%), there is significant room for growth in the healthcare market, where only 49% of catering was outsourced in 2017.

d) United Kingdom

With revenue of almost £6.2 billion (of which £600 million for vending) in 2018 (source: in-house research) and accounting for 34% of Europe's total contract catering market, the Group believes that the UK shares the position with France as the largest contract catering market in the European countries in which the Group operates.

Contract catering represents almost 57% of the UK's overall in-house and contract catering market, which the Group estimates is worth £11 billion (including vending).

The UK contract catering market has kept up strong momentum over recent years, growing at an estimated annual average rate of nearly 3.5% between 2012 and 2018. The contract catering market in the United Kingdom is very well developed in the business & industry sector, with an outsourcing rate of over 85% including government agencies. However, the Group considers that outsourcing is still less developed in both education and healthcare (approximately 37% and 34% respectively), which therefore represent growth opportunities.

e) United States

The US contract catering market was estimated to be worth more than $140 billion in 2018 and around $92 billion for the segments in which the Group operates (excluding the defense and vending sectors), of which just over $36 billion worth is outsourced. The business & industry segment represents 42% of the country's contract catering market (excluding leisure, vending and defense) and education and healthcare represent 35% and 22% respectively.

With an estimated outsourcing rate of 40%, the US contract catering market represents significant growth potential, particularly in healthcare and education whose outsourcing rates are 30% and 34% respectively and which are therefore priority expansion areas for the Group.

Based on its own research, the Group estimates that the US contract catering market will grow at an average annual rate of over 2.5% between now and 2020.

f) India

In 2016 the Group gained a strong position in the Indian market through the acquisition of two contract catering companies (MegaBite Food Services and CRCL) and believes that it is the country's third-largest contract caterer. The Indian market is highly fragmented, with over 2 million contract catering companies, and the three main players only covering 4% of the market. India represents significant growth potential as in a total market that is estimated to be worth over $5 billion, the current outsourcing rate is only 37% and the contract catering market is growing at an annual rate of more than 16% (data source: The Hindu Times). The healthcare, business & industry and education sectors respectively represent 55%, 35% and 10% of India's contract catering market.

1.6.4.1.5 Competitive environment

Based on external and internal research, the Group believes that it is Europe's third leading contract catering player. In the European countries in which it operates, the Group believes it is the third-largest player in the business & industry market, the second-largest in the healthcare market and the leader in the education market.

a) France

Based on external research, the Group believes that it is the leader, in front of Sodexo, in the French contract catering market, holding the leading position in business & industry and education, and second position in healthcare (based on outsourced sales in 2018). The French market is relatively concentrated, with the three largest players accounting for 68% of the market’s overall sales in 2018. The Group’s main competitors in the French contract catering market are large multinationals, such as Sodexo and Compass, but it also faces competition from smaller national caterers such as Api Restauration, Dupont and RestAlliance.

b) Spain (2017 figures)

The Group believes that it is the leading contract caterer in Spain based on 2017 revenue, with an estimated 22% market share (data source: Gira and in-house research). The Group considers that the Spanish contract catering market is still fragmented, with the top five contract caterers accounting for 69% of the market in 2017. The Group is number one in the education and healthcare sectors and number two in business & industry. Several major groups (Compass, Aramark and Sodexo) operate in the Spanish market but local players such as Ausolan and Mediterranea hold significant market shares.

c) Italy (2017 figures)

The Group believes that it is the leading contract caterer in Italy based on 2017 revenue, with an estimated 14% market share (data source: Gira). It has leading positions in the business & industry and healthcare sectors and is the third-largest player in the education sector. The structure of the Italian contract catering market is very different from other European countries. Multinationals, such as Sodexo and Compass, make up less than 30% of the overall market, and cooperatives such as CAMST and CIR account for over 20%, with local small and mid-sized players (generating less than €130 million in revenue) representing around 40%.

d) United Kingdom (2017 data)

In 2017, the Group held on to its position as the fourth-leading contract caterer in the United Kingdom, with a 6% market share thanks to the consolidation of the companies acquired in fiscal 2016-2017. The Group believes that it is the fourth-largest player in the business & industry, education and healthcare sectors.

The Group considers that the UK market is less concentrated than the French market, with players generating less than £150 million in revenue representing more than 39% of the UK market. As in its other geographic markets, the Group's main competitors in the United Kingdom are large companies such as Compass, Sodexo and Aramark. However, it also faces competition from national catering companies such as BaxterStorey, as well as from smaller, local catering companies or niche players, and from facility management companies that also provide catering services.

e) United States

The Group estimates that it is the fifth-leading contract caterer in the North American market (data source: Food-management.com). This market is largely concentrated, with the top three contract caterers accounting for 75% of total contract catering sales and the top ten representing almost 90%. The world's three largest players hold the top three places in the US market.

The Group estimates that it is the fourth-largest player in the market covering the whole country and all of the market's main segments. The other catering companies operating in the USA are either specialized in particular segments (like Delaware North in the leisure segment) or only cover specific regions.

1.6.4.1.6 Market trends

a) Increased outsourcing

Based on third-party market research, the Group expects that outsourcing rates will continue to grow, resulting in further expansion of the contract catering market. It believes that, as companies and other private institutions seek to maximize savings in the current uncertain economic environment, and as public entities continue to experience political pressure to reduce spending, they will focus on their core business and competencies, which will incentivize them to outsource non-core activities including catering services. Once an entity chooses to outsource its catering or support services, it very rarely decides to bring those services back in-house. Consequently, the Group expects that the outsourcing trend will continue.

b) Market concentration

The Group expects the current market concentration trends in Europe's contract catering market to continue. Although certain sectors in its geographic markets have already undergone considerable concentration in recent years, fragmentation persists in Italy, Spain and the United Kingdom. Fragmented markets present an opportunity for larger players, as these players' high volumes of purchases enable them to be more cost efficient.

1.6.4.2 Services

On the basis of research carried out by external agencies at the Group's request, the Group considers that specialized cleaning services represented 40% of the overall revenue generated by the cleaning services market in France in 2016, versus 60% for standard and office cleaning services (data source: Le Monde de la Propreté).

1.6.4.2.1 Principal geographic market (2017 data)

France is the Group's principal geographic market for its Services business. The Group estimates that the French cleaning services market generated over €25 billion in revenue in 2017, around €12 billion of which derived from the outsourced segment of the market, representing an outsourcing rate of approximately 48%. It also estimates that sales generated by the outsourced cleaning services market in France are still growing at an annual rate of between 2% and 3%.

1.6.4.2.2 Competitive environment

The Group believes that the French cleaning services market is highly fragmented, with around 45,000 companies referenced (data source: Le Monde de la Propreté). Players generating less than €100 million in revenue together account for almost 65% of the market's total revenue.

The Group believes that it is the sixth-leading cleaning services provider in France based on 2017 revenue – largely due to the acquisition of Sin&Stes in 2010 – and it has an estimated market share of around 3.2%. The healthcare market represents 5% of the overall outsourced cleaning services market in France (data source: Le Monde de la Propreté) and the Group believes that it is the leading provider of outsourced cleaning services in the French healthcare market, with an estimated market share of nearly 30% based on 2017 revenue.

The Group's main competitors are Onet, Samsic, Atalian, GSF and ISS. All of these companies are large entities with dense client networks and offer an array of other support services besides cleaning.

The Group's Services business also faces competition internationally from large, multinational providers such as Sodexo and ISS, as well as from smaller, regionally-based service providers.

1.6.4.2.3 Market trends

a) Increased outsourcing

The Group expects that the trend towards greater outsourcing of support services will continue. In particular, it believes that public and private sector entities are increasingly looking to streamline their operations to focus on their core businesses, which means that the offerings by larger support services providers who are able to provide quality services at low costs will become increasingly attractive to potential clients.

b) Market concentration

The Group believes that there is a trend towards further concentration in the services industry, particularly in France where the market is still highly fragmented. Because larger specialized companies can operate with lower overhead costs due to economies of scale, they are able to pass cost savings on to clients and therefore offer more competitive pricing. As companies and public institutions remain sensitive to budgetary concerns, they will likely favor larger specialized companies when seeking to outsource their support service needs.

c) Emergence of multiservice contracts

The Group believes that there is currently a trend for large services providers to expand their offerings to propose multiple types of outsourced services to clients. Such offerings range from the bundling of so-called "soft" services such as cleaning, light maintenance and office support to the combined sale of support services and catering services. As the services market continues to become more concentrated, large providers will increasingly be able to offer a wide range of services to clients at attractive prices.

d) Professionalization of the outsourced services industry

Historically, outsourced services, especially cleaning, have been provided by small, locally-based businesses. As a result, the market for such services is highly fragmented, particularly in France. The Group believes that larger companies such as itself will be able to leverage their brand recognition and reputation in order to grow market share more rapidly than smaller companies, which will lead to market concentration.

1.6.5 LAWS AND REGULATIONS APPLICABLE TO THE GROUP

The Group is subject to various laws and regulations issued by local, national and other government entities in each of the countries in which it operates, as well as at European Union level (the "EU"). Its contract catering business is particularly subject to laws and regulations regarding food safety and hygiene and food labeling requirements.

Additionally, the Group is subject to labor and employment laws and regulations across all of its operations and host countries.

1.6.5.1 Food safety regulations

Food safety is a fundamental aspect of the Group's business as a food services provider. Serving food that is safe and has been prepared and distributed in accordance with the applicable regulations is an underlying prerequisite for clients and is the foundation for the trust they place in the Group. In its contract catering operations, the Group is subject to extensive local, regional and national laws and other requirements relating to food safety, hygiene and nutrition standards in each of the countries in which it operates, whether at local, national or EU level (for its operations in the European Union).

1.6.5.1.1 Food safety and hygiene

a) European Union

A set of rules known as the "Hygiene Package" has been applicable in the European Union since January 1, 2006. The introduction of this legislation was aimed at creating a single, transparent hygiene policy applicable to all food and all food operators right through the food chain "from farm to fork", together with effective instruments to manage food safety and any future food crises throughout the food chain.

For its catering operations the Group is subject to five of the Hygiene Package's regulations:

Regulation (EC) No. 178/2002 dated January 28, 2002 (also called the "General Food Law") lays down the general principles of food safety and covers foodstuffs intended for human consumption and animal feed. This Regulation also established the European Food Safety Authority (EFSA) and the Rapid Alert System for Food and Feed (RASFF) in the European Union.

The EFSA assesses and communicates on all risks associated with the food chain in order to provide guidance and clarity for the policies and decision making of food safety risk managers. A large part of the EFSA's work entails issuing scientific opinions on matters that affect food safety. The EFSA uses its expertise in playing an advisory role for European legislation on food safety, deciding whether to approve regulated substances such as pesticides and food additives and developing regulatory frameworks and policies in the field of nutrition.

The RASFF is an alert system that warns each EU country's health authorities whenever a risk is identified for a food product.

The General Food Law establishes general principles (e.g. use of risk analyses by the relevant authorities, the precautionary principle, the principle of transparency and the protection of consumers' interests) and sets out specific obligations for professionals, including traceability, recalling any products that may present a public health risk, and informing the relevant inspection authorities.

In particular, the General Food Law requires food business operators to ensure that businesses under their control satisfy the relevant requirements and to verify that such requirements are met at all stages of production, processing and distribution. It also imposes a mandatory traceability requirement along the entire food chain that applies to all food and all types of operators in the processing, transportation, storage, distribution and retail stages. Each food operator is required to register and retain for a period of five years detailed product information (including the name and address of the producer, the nature of the product and the transaction date) and make such records immediately available to the relevant authorities upon request.

Regulation (EC) No. 852/2004 dated April 29, 2004 on the hygiene of foodstuffs applies to all food businesses (including caterers, primary producers, manufacturers, distributors and retailers).

This Regulation requires, among other things, that food chain players set up procedures based on the principles of Hazard Analysis Critical Control Points (HACCP) which should take account of the seven Codex Alimentarius principles (a program set up jointly by the United Nations Food and Agriculture Organization (FAO) and the World Health Organization). HACCP is a process control system which is used to identify potential food safety hazards and take action to reduce or eliminate the risks related to the various stages of the product manufacturing process, including ensuring the safety of raw materials, validating internal processes, shelf life and end-consumer usage. The Regulation also requires that employees undergo training on food hygiene matters and the application of HACCP principles. In addition, it sets out obligations for meal-delivery firms in terms of declaring and registering food information with the food control authorities and requesting authorizations.

Regulation (EC) No. 853/2004 dated April 29, 2004 includes more stringent requirements for food products of animal origin, such as meat, fish and dairy products, and foods containing such products. European legislation regulates the temperature settings at which these products must be kept as well as the length of time for which they can be displayed.

Regulation (EC) No. 2073/2005 dated November 15, 2005 is an implementing regulation covering microbiological criteria for foodstuffs. These criteria are used for assessing the compliance of products when setting the shelf life of products or for health and hygiene controls.

Regulation (EC) No. 2017/2158 dated November 20, 2017, establishing mitigation measures and benchmark levels for the reduction of the presence of acrylamide in food.

b)France

In France, the main food safety regulator is the Agency for Food, the Environment and Occupational Health and Safety (Agence Nationale de Sécurité Sanitaire de l'Alimentation, de l'Environnement et du Travail, or "ANSES"). ANSES is a governmental agency that is overseen by the Ministries of Health, Agriculture, the Environment, Labor and Consumer Protection. It acts as a watchdog and advisory specialist for a wide range of issues related to human and plant health and animal health and welfare, and also carries out research activities in these areas. It applies a holistic approach to health issues by analyzing all of the related risks and benefits. It assesses all of the risks (chemical, biological, physical, etc.) to which an individual may be exposed – voluntarily or involuntarily – at all ages and times of their life, whether at work, when traveling, during leisure time, or through the food they eat.

French food safety regulations incorporate the standards provided for in EU legislation on food safety. They also include the requirements of:

The **governmental decree of December 21, 2009** concerning the temperature settings at which animal-derived products must be kept, and specific provisions relating to contract catering establishments (display dishes, the obligation to report to the authorities any suspected cases of food poisoning, procedures for managing unsold food etc.), supplemented by the decree dated October 8, 2013 relating to foodstuffs that are not derived from animal goods.

The **governmental decree of February 2, 2015** relating to the definition of the concept of local distribution, implementing Regulation (EC) No. 37/2005 and rescinding the decree dated July 20, 1998 setting the technical and hygiene conditions for food transportation.

The **governmental decree of June 8, 2006** concerning health and hygiene ratings for companies that market products of animal origin and foodstuffs containing animal products, as amended by decree on September 24, 2014.

In addition, Elior France is subject to certain provisions of the French Rural Code (*Code rural*) dealing with food safety, epidemiology concerns related to products of animal origin, animal feed, and animal health.

Elior France also has to follow the instructions issued by the French Food Safety Agency ("DGAL"), notably:

- Instruction DGAL/SDSSA/2017-164 dated February 22, 2017, which specifies the health and hygiene regulations applicable to retail trade and the transportation of animal-origin products and foodstuffs containing animal products.
- Instruction DGAL/SDSSA 2019-38 dated January 1, 2019, which merges all of the DGAL memoranda relating to the approval procedure provided for in Regulation (EC) No. 853/2004. This instruction particularly specifies the approval procedure to be followed by central kitchens, events caterers and group cooking workshops, as well as the terms and conditions applicable for the Agency's delivery and tracking of health and hygiene certifications.
- Technical Instruction DGAL/SDSSA/2019-365 dated May 2, 2019 concerning the prevention of consumption of unpasteurized cheese by children under the age of five.

Lastly, Elior France is subject to Article 50 of the so-called “EGALIM” Act (French Act no. 2018-938 dated October 30, 2018) concerning balanced trade relations in the agricultural sector and access to healthy and sustainable food, which is referred to in the French Safety Agency’s Technical Instruction DGAL/SDSSA/2019-555 dated July 30, 2019. This article incorporates one of the basic principles of Regulation (EC) no. 178/2002 in that it introduces a requirement for food operators to immediately inform the competent authorities if, based on their own risk assessment, they consider that a product may be injurious to human or animal health.

c) Italy

In Italy, the main regulatory authority for food safety is the Ministry of Health. Decree no. 123 dated March 3, 1993, transposing into Italian law the European Council Directive 89/397/EEC of June 14, 1989 on harmonizing the official control of foodstuffs in the European Union, relates to all stages of the food industry: production, manufacture, processing, storage, transport, distribution and trade. It authorizes the performance of the following operations: inspections, sampling, laboratory analysis of samples taken, verification of staff hygiene, and a review of formal documentation and systems used by the company. Italian food safety regulations incorporate the standards provided for in EU legislation on food safety. (Regulation (EC) No. 852/2004, Regulation (EC) No. 2073/2005 - 1441/2007, Regulation (EC) No. 1935/2004 on materials and articles intended to come into contact with food and repealing Directives 80/590/EEC and 89/109/EEC, and subsequent amendments and additions).

Another major food safety regulation applicable in Italy is legislative decree 193, dated November 6, 2007, which entered into force on November 24, 2007 and concerns the implementation of Directive 2004/41/EC relating to safety controls on foodstuffs and the application of European Community regulations concerning such controls. This legislative decree sets out the sanctions that apply in the event of non-compliance with EU food hygiene regulations, notably regulations 852/2004 and 853/2004.

The other major food safety regulations applicable in Italy are Regulation no. 1169 of October 2011 relating to labeling, and legislative decree 231 of December 2017 concerning sanctions.

In addition to national and European-level food safety and hygiene regulations, the Group is subject to regional and provincial food safety obligations in Italy.

The main food safety supervisory bodies in Italy are:

- The Ministry of Health, notably through programs set up by the food safety and nutrition department (*Direzione generale per l'igiene e la sicurezza degli alimenti e la nutrizione*).
- The public health institute (*Istituto Superiore di Sanità*).
- The Italian police's food and drug control unit (*Nuclei Antisofisticazione e Sanità (N.A.S.) dei Carabinieri*), whose role is mainly to prevent and sanction.
- The local healthcare authorities (*Aziende Sanitarie Locali*) which have inspection powers.
- The government's veterinary services.
- The Ministry of Agriculture (*Ministero delle politiche agricole alimentari e forestali*).

d) Spain

In Spain, the main food safety regulator is the Consumer Protection, Food Safety and Nutrition Agency (*Agencia Española de Consumo, Seguridad Alimentaria y Nutrición*, or the "*AECOSAN*"). The Group is subject to food safety regulations promulgated and enforced by the AECOSAN at national level, such as the General Health Act 14/1986, the Consumers and Users Protection Act 1/2007 and the Food Safety and Nutrition Act 17/2011.

As well as being required to hold specific authorizations to conduct business as a food operator in Spain since the promulgation of Royal Decree 3484/2000 in December 2000, the Group is also subject to specific hygiene rules for preparing pre-cooked meals as well as requirements to ensure that food handlers are supervised and instructed in food hygiene matters in a way that is commensurate with their professional activities. In addition to national food safety laws and regulations, the Group is also subject to specific obligations under local regulations applicable in the Spanish autonomous regions in which it operates.

e) United Kingdom

In the United Kingdom the main food safety regulators are the Food Standards Agency (the FSA) for England, Wales and Northern Ireland, and Food Standards Scotland (FSS) for Scotland. The FSA and FSS are responsible for food safety and food hygiene across the United Kingdom. They work with local authorities to enforce food safety regulations and inspect meat plants to check compliance with the applicable regulations. The FSA also commissions research related to food safety. Key UK laws applying to food safety and hygiene include the General Food Law Regulation (EC) 178/2002 and the Food Safety Act 1990, as amended to bring it in line with the EU General Food Law.

The four countries of the United Kingdom have their own statutory rules which are detailed in:

- The Food Safety and Hygiene (England) Regulations 2013.
- The Food Safety and Hygiene (Scotland) (Amendment) Regulations 2012.
- The Food Hygiene (Wales) (Amendment) Regulations 2012.
- The Food Hygiene (Northern Ireland) Regulations 2006.

In conjunction with the legislation, the FSA writes guidance when there is a significant risk to food safety within the UK.

In the United Kingdom, the FSA, FSS and local authorities work in partnership to operate two food safety rating schemes: The Food Hygiene Rating System (FHRS) in England, Wales and Northern Ireland and The Food Hygiene Information Scheme (FHIS) in Scotland. Within the UK, there is a statutory scheme called Primary Authority – established by the Regulatory Enforcement and Sanctions Act 2008 – which allows an eligible business to form a legally recognized partnership with a single local authority in relation to regulatory compliance. Elior UK has a direct partnership with Cheshire East Council, which acts as the company's Primary Authority, giving it authorizations and advice in relation to its management systems for food safety, hygiene and other safety issues.

f) United States

In the United States, food safety regulations are promulgated at the federal, state and local level. State and local agencies issue the regulations to be applied by restaurants and other catering establishments located within their jurisdiction. The US Food and Drug Administration (FDA) publishes the Food Code, a model that assists food control jurisdictions at all levels of government by providing them with a scientifically sound technical and legal basis for regulating food safety within the food services industry. Most States use the FDA Food Code as a model to develop or update their own food safety rules and to be consistent with national food regulatory policy. The FDA regulates all foods and food ingredients introduced into or offered for sale in interstate commerce, with the exception of meat, poultry, and certain processed egg products, which are regulated by the US Department of Agriculture.

For the Group's US operations, hygiene and food safety are principally governed by local and federal rules and regulations. These rules and regulations are adopted by the FDA by way of Title 21 of the Code of Federal Regulations (CFR).

The Group's regulatory compliance measures in the United States include:

i) Outsourcing food safety and hygiene audits to an approved independent organization.
ii) Pest management.
iii) Using the services of an independent inspection company.
iv) Using "safety information sheets" drawn up by a specialized chemical safety services firm.
v) Commissioning an accredited laboratory to carry out tests on meals served.

All of the Group's distributors and suppliers are authorized and approved by local and state regulatory bodies and comply with the 2013 Food Safety Modernization Act (FSMA).

All of the Group's food managers are required to follow a food safety training course and to obtain food manager certification, which needs to be renewed every five years.

The Group operates in 48 different US States which each have their own food hygiene rules and regulations.

As well as its catering activities, Elior North America has food production and processing operations which must be compliant with HACCP (Hazard and Critical Control Points) and HARPC (Hazard Analysis and Risk-based Preventive Controls) rules.

g) India

In India, food safety regulations are promulgated at federal and state level. At federal level, the main food safety agency is the Food Safety and Standards Authority of India or the "FSSAI". The FSSAI regulates all foods proposed for sale, including dairy products and products containing poultry. It also certifies all commercialized food ingredients and products and each operator and vendor must have FSSAI certification, which is renewed annually following a detailed inspection. A state-level liaison officer regularly verifies that the applicable regulations and requirements are complied with. In addition, a regulatory authority carries out compliance inspections at regular intervals, and all operators have to follow a certified food safety training program.

Elior India only deals with suppliers which are FSSAI certified and uses an independent national company for performing prevention checks.

1.6.5.1.2 Food labeling

Prepacked food that the Group sells must comply with European Union labeling requirements, notably European Directive 2000/13/EC of March 20, 2000 relating to the labeling, presentation and advertising of foodstuffs.

The applicable EU Law on the provision of food information to consumers was consolidated and updated by EU Regulation 1169/2011 of October 25, 2011, which has been effective since December 13, 2014. This Regulation makes a distinction between the information that must be given for prepacked food and non-prepacked food, and provides for harmonized and compulsory nutritional information labeling for prepacked food effective December 2016. In its catering activities, the Group is required to provide information on whether its food contains any of the 14 major allergens set out in Annex II of this Regulation.

Other EU regulations affecting food labeling include Regulation (EC) No. 1379/2013 which amends the labeling requirements for fishery and aquaculture products, and Regulation (EC) No. 1337/2013 which amends the labeling requirements for meat from pigs, sheep, poultry and goats.

Local and national authorities may also introduce specific regulations or decrees clarifying particular points in the European regulations.

For example:

In France, the implementing decree 2015/447 dated April 17, 2015 – which has been effective since July 1, 2015 – clarifies the procedures for applying Regulation (EC) No. 1169/2011; decree no. 2002-1465 has regulated the labeling of beef in catering establishments since December 17, 2002; and the decree dated May 5, 2017 sets out the conditions for labeling manufactured nanomaterials in foodstuffs.

In Italy, several documents have been published relating to Regulation (EC) No. 1169/2011, including two memoranda issued by:

- the Ministry of Health on February 6, 2015 related to information on the presence of allergens in food and beverages; and
- the Ministry of Health/Ministry of Economic Development on November 16, 2016 related to foodstuffs that are not subject to nutritional disclosure requirements.

The Italian government has also issued a Legislative Decree related to EC Regulation No. 1169/2011 (decree No. 231 dated December 15, 2017, which came into force on May 9, 2018): "Sanctions applicable in the event of a breach of Regulation (EC) No. 1669/2011 on the provision of food information to consumers, and alignment of national legislation with Regulation (EC) No. 1669/2011 and Directive 2011/91/EU, in accordance with Article 5 of Act no 170-2015 dated August 12, 2016 on European delegation".

These provisions are in line with the following standards of the Codex Alimentarius international food safety standards:

- CODEX STAN 1-1985 (Rev.1-1991), Codex General Standard for the Labelling of Prepackaged Foods, and the subsequent amendments thereto.
- CAC/GL 1-1979 (Rev. 1-1991), General Guidelines on Claims, and the subsequent amendments thereto.
- CAC/GL 2-1985 (Rev. 1-1993), Guidelines on Nutrition Labeling, and the subsequent amendments thereto.
- CAC/GL 23-1997 (Rev. 1-2004), Guidelines for Use of Nutrition and Health Claims, and the subsequent amendments thereto.

In Spain, food labeling is governed at national level by Royal Decree 126/2015, which sets out disclosure requirements concerning ready-to-eat, non-prepacked food.

In the United States, food labeling is generally regulated by the US Department of Agriculture (USDA), the Food and Drug Administration (FDA) and the Federal Trade Commission (FTC).

The Federal Food, Drug and Cosmetic Act (FFDCA) prohibits false and misleading labeling and sets out the labeling requirements for processed and prepacked food.

Prepacked food provided in locations where food is "served for immediate consumption", such as catering establishments, hospitals, schools, cafeterias, bakeries, etc., must comply with sections 101.1 *et seq.* of Title 21 of the Code of Federal Regulations (21 CFR) which state that labels must show the common name of the food item, its ingredients, the name/place of sale, its net quantity and its nutrition claims. In addition, any potential presence of the main food allergens must be stated on the labels (and any other forms of display).

Since May 7, 2018, restaurants and similar retail food establishments that are part of a chain with 20 or more locations, doing business under the same name, and offering for sale substantially the same menu items have also been subject to "menu labeling regulations". These regulations state that such establishments have to provide calorie information for standard menu items and ensure that additional nutrition information is available on request.

1.6.5.1.3 Other food service-related regulations

In recent years, a number of national and local authorities have introduced specific regulations motivated by concerns about public health and environmental protection. These regulations cover, among other things, enhanced nutritional information for foodstuffs, requirements to use recyclable packaging, and additional taxes on food and beverages with high sugar content.

Additionally, the Group's operations in the education sector can be subject to specific regulations concerning the nutritional quality of meals served in school restaurants. This is notably the case in France (Decree 2011-1227 of September 30, 2011). Accordingly, the Group has a number of obligations it is required to respect in relation to drawing up menus for restaurants in public and private schools, in accordance with the recommendations set out in the French National Nutrition and Health Program (*Programme National Nutrition Santé*) and those issued by the GEMRCEN (a French governmental think-tank specialized in nutritional issues in the contract catering industry).

Restaurant facilities are also subject to regulations promulgated by national, regional and local authorities covering a wide range of matters such as the utilization and maintenance of restaurant sites and equipment and waste storage and disposal.

In addition, for catering sites or points of sale at which the Group serves alcohol, it is required to obtain liquor licenses and is subject to ongoing alcoholic beverage control obligations. Elior UK has developed tailored learning programs to teach its employees about the legislation related to serving alcohol, and in Scotland all employees who handle and serve alcohol are required to follow a two-hour training course beforehand.

In Portugal, Decree Law no. 10/2015 dated January 16, 2015 approved the legal framework for (i) accessing and exercising trade activities and food and beverage services and (ii) accessing trade, services and catering activities (RJACSR).

The Group is also required to comply with anti-smoking laws prohibiting smoking at dining establishments, such as the laws applicable in France since January 1, 2008 and in Italy since January 10, 2005 (Law no. 3/2003 dated January 16, 2003).

1.6.5.2 Labor and employment laws and regulations

Labor and employment laws and regulations have a significant impact on the Group's operations because of its large headcount, which, at September 30, 2019, comprised 110,000 employees. A significant portion of the Group's workforce is based in France, Spain and the United States, and its French employees alone account for just under half of the workforce. As a result, the Group is particularly affected by labor and employment laws and regulations in France.

A description of the general types of labor and employment laws and regulations that affect the Group's operations is provided below.

1.6.5.2.1 Laws and regulations governing employment contracts

In most of the countries in which the Group operates, the traditional model of employment law is based on an employment contract signed between the employer and employee before or at the time the employee is hired. Fundamentally, the employment contract defines the employee's responsibilities, sets out the wage to be paid to the employee in return for his or her services, establishes the employee's working time and is entered into for an indefinite or pre-determined duration. Many features of employment contracts are subject to mandatory provisions of labor laws and regulations as well as to the provisions of collective bargaining agreements.

1.6.5.2.2 Collective bargaining agreements

Under French, Spanish and Italian law, the employer-employee relationship is not only regulated by applicable legislation and the employment contract executed between both parties, but also by relevant industry-wide collective bargaining agreements ("CBAs"). CBAs may exist at national, regional or local level or be specific to a particular company. CBAs are agreements entered into between one or several trade union organizations representing employees, on the one hand, and an employer, or group of employers, on the other hand. National labor laws and CBAs constitute important sources of obligations relating to working conditions and govern the individual and collective relationships between employers and employees for the relevant industry. CBAs typically address (with respect to individual employees) matters such as working conditions and employment-related benefits, pay scales (with an industry specific minimum wage), working time, sickness and maternity leave, vacation, social security and retirement fund contributions, year-end bonuses and financial terms of dismissals or retirement.

The scope of each national CBA is defined by reference to a given industry or type of business. Therefore, the applicable CBA for a company depends on the company's principal business activity. Owing to the broad range of the Group's services, from diverse catering services to facilities management services, it is subject to several different CBAs. As the terms of CBAs can vary significantly from one activity to another, within the same country the Group may have different responsibilities towards different groups of employees based on the business in which they operate.

All CBAs provide for a minimum wage that varies according to the classification of employees and within the applicable pay scale. However, the wage of an employee cannot be below a statutory minimum wage that is set for all employees, regardless of classification, at national level. Trade unions renegotiate the terms of the industry-wide CBAs almost every year, including the terms of any increase in the minimum wage for each employee category. Companies to which the CBAs apply have an obligation to comply with these provisions by granting at least a corresponding salary increase every year, failing which employees may make legal claims for the enforcement of the industry-wide CBAs, back pay and damages.

In France, employers may also enter into company-wide CBAs to address specific matters such as working time, salary levels, and compensation and benefits.

1.6.5.2.3 Part-time and temporary work

At September 30, 2019, just over half of the Group's staff were employed on a part-time basis. The employment of part-time employees is subject to specific laws and regulations in some of the countries where the Group operates. For example, under French law, part-time employment contracts must include certain mandatory provisions, such as the number of hours worked per week or per month, the arrangements for communicating the scheduling of hours worked per week or per month and the maximum number of overtime hours that the employee can work per month. If a company is found not to be in compliance with regulations on part-time employment, the part-time employee concerned may seek to reclassify his or her part-time employment contract as a full-time employment contract, and may also claim back pay and damages.

The Group is likewise restricted in the manner in which it may hire temporary workers. For example, under French law, an employer wishing to take on non-permanent workers may either hire an employee under a fixed-term employment contract or take on a temporary worker through an agency. The use of fixed-term employment contracts/temporary workers must be restricted to the performance of clearly defined and temporary tasks in specific circumstances provided by law (e.g., (i) to replace an employee on a temporary leave of absence or whose employment contract is suspended, (ii) to temporarily fill a position before an employee can be hired under a permanent employment contract or, after a permanent employee has left, before the position is eliminated, or (iii) to cover a temporary increase in the company's business). In particular, the Group may not use fixed-term employment contracts/temporary workers to fill a post on a long-term basis in connection with its ordinary and ongoing business.

1.6.5.2.4 Employee representation

a) Right to representation and trade unions

In the majority of the countries in which the Group operates, its employees have the legal right to elect representatives from among their ranks to act as a liaison between the workforce and management. Such representatives are responsible for presenting to the employer all requests and grievances from employees, notably regarding compensation and compliance with applicable labor laws and CBAs. The employer is required to regularly provide the employee representatives with information regarding various matters such as working conditions and the company's financial situation. Depending on the country, employee representatives may also be responsible for notifying the relevant labor regulation enforcement authority of any claims or grievances from employees related to a breach of labor laws or regulations. Employers may also be exposed to the risk of strikes and work stoppages.

In addition, employees may choose to join a trade union to represent their interests. Depending on the country concerned and the size of any given worksite, the Group may be obliged to recognize the trade union and allow employees to unionize. In certain countries, such as France, there is a limited number of nationally-recognized trade unions that are given the legal authority to negotiate national and company-specific CBAs.

b) Works councils

In accordance with EU law, the Group has a European works council in place that serves as a forum for employee representatives to engage in direct discussions with members of Group management. EU law requires any company that (i) has subsidiaries in at least two different EU member states, (ii) has at least 1,000 employees in EU or EEA member states, and (iii) has a minimum of 150 employees in at least two EU member states, to set up a European works council (an "EWC"). EWCs bring together employee representatives from the different European countries in which a multinational company has operations. During EWC meetings, employee representatives are informed and/or consulted by Group management on transnational issues that concern the Group's employees.

National labor laws in most of the countries in which the Group operates also require the establishment of local works councils. The frequency of works council meetings and the degree of information that must be provided to employee representatives in those meetings, as well as the extent to which opinions issued by a works council must be taken into account in management decisions, vary from country to country. In France, certain employer decisions relating to issues such as workforce reductions or changes in the legal and/or financial organization of the company (in particular in the case of a merger or a sale of assets or shares) require a prior information and/or consultation process to be carried out with the relevant works council(s) (local and/or central and/or European). In such cases, no final decision may be taken before the relevant employee representative body has delivered its formal opinion (whether negative or positive) on the proposed decision.

c) Employee representation on corporate boards

In France, employees may be represented on their company's Board of Directors (or Supervisory Board where applicable). Companies that for the past two consecutive fiscal years have had either (i) 1,000 permanent employees or more on their payroll who work for the company or its direct or indirect subsidiaries with registered offices located in France, or (ii) 5,000 permanent employees or more worldwide who work for the company or its direct or indirect subsidiaries with registered offices located in France and abroad, must appoint at least one – and in certain cases – two Board members representing employees.

Article L. 225-27-1 of the French Commercial Code provides that a holding company whose principal activity is to acquire and manage subsidiaries and affiliates is not subject to this requirement concerning employee representation on its board, if it meets both of the following criteria:

- It is not required to put in place a social and economic committee pursuant to Article L. 2311-2 of the French Labor Code.
- It owns, either directly or indirectly, one or more subsidiaries that are subject to the above requirement.
- Its shares are not traded on a regulated market or at least four-fifths of its shares are held, directly or indirectly, by one person or legal entity, acting alone or in concert.

Consequently, in accordance with the French Commercial Code, at the Annual General Meeting of March 20, 2020, the shareholders will be asked to vote on amending the Company's bylaws to provide for the appointment of two employee representative members of the Board of Directors.

In addition, for companies whose shares are traded on a regulated market, if at the close of the last fiscal year employees held more than 3% of the share capital, the company's shareholders must appoint one or more employees to the Board of Directors or the Supervisory Board to represent employee shareholders, who are put forward by the shareholders referred to in Article L. 225-102 of the French Commercial Code.

d)Workplace health and safety

The Group is also subject to regulations related to employees' health and safety in the workplace. Such regulations may require companies to put in place operational procedures to ensure that their working practices are safe and to reduce potential workplace hazards. Occupational health and safety matters are regulated and enforced by a variety of authorities, including the European Agency for Safety and Health at Work, the French *Directions régionales des entreprises, de la concurrence, de la consommation, du travail et de l'emploi* (regional directorates of companies, competition, consumption, labor and employment) and the US Occupational Safety and Health Agency.

1.7 ELIOR GROUP ON THE STOCK MARKET

1.7.1 FINANCIAL COMMUNICATIONS AND SHAREHOLDER RELATIONS

1.7.1.1 Preparation of financial communications

The Chief Executive Officer and the Chief Financial Officer are responsible for the Group's financial communications.

In application of the Board of Directors' Rules of Procedure, any key data due to be released to the market and any major press releases must be approved in advance by the Board of Directors.

1.7.1.2 Financial communications policy

The Chief Executive Officer, the Chief Financial Officer, and the Investor Relations Director are the Company's sole spokespeople for financial communications.

Information is released either before the opening or after the close of trading on Euronext Paris so as not to influence the share price.

In order to respect the principle of fair access to information, press releases are issued simultaneously to the whole of the financial community and the market authorities.

Additionally, for the purpose of transparency and in accordance with the applicable regulations, Elior Group has drawn up a directors' charter as well as a code of conduct applicable to its directors, officers and employees. These documents cover the procedures to adopt concerning inside information in order to prevent conflicts of interest and avoid risks related to insider trading.

All of the Group's directors, officers and employees have a duty of confidentiality and discretion.

The Group's risk prevention measures related to financial information are described in Chapter 3, Section 3.2 of this Universal Registration Document.

1.7.1.3 Regular contacts with shareholders and investors

Elior Group regularly organizes meetings during the year to keep communication channels open at all times with shareholders and the financial community at large. A financial calendar setting out the Company's publications and events for the financial community is available on the Elior Group website.

On December 4, 2018, the Chief Executive Officer and the Chief Financial Officer held a conference call during which they presented the Group's results for fiscal 2017-2018 and answered questions from the financial community.

On April 24, 2019, the Chief Executive Officer and the Chief Financial Officer held a conference call during which they presented the details of the sale of the Group’s concession catering business and answered questions from the financial community.

On May 29, 2019, the Chief Executive Officer and the Chief Financial Officer held a conference call during which they presented the Group's results for the first half of fiscal 2018-2019 and answered questions from the financial community.

The Annual General Meeting is an excellent forum for the Company to exchange information directly with its shareholders. Official notice of the meetings is published in the press and in the French official legal journal (BALO). The Annual General Meeting pack is available on the Elior Group website at least 21 days before the Meeting takes place and is sent to shareholders on request.

The Chief Executive Officer, the Chief Financial Officer and the Head of Investor Relations regularly participate in roadshows and investor meetings in order to maintain a regular dialog with the financial community.

1.7.1.4 A steady flow of information

In order to ensure information transparency, a "Finance" section is available on the Elior Group website, which enables shareholders, analysts and investors to access at any time all the information required under the applicable regulations. The website serves as a database of the Group's main financial communications and allows investors to keep up to date in real time. The documents available on the website include the Company's Bylaws, the Board of Directors' Rules of Procedure, the financial publications calendar, press releases, and financial reports.

The Elior Group share price is also shown in real time.

All of the Group's statutory documents are available at the Company's headquarters.

The Universal Registration Document as filed with the AMF is posted on both the Elior Group and AMF websites, in French and English.

In addition, financial news flashes are regularly issued in the economic and financial press when the Group releases its results or carries out significant transactions.

Provisional financial calendar for fiscal 2019-2020

Wednesday, January 22, 2020	Release of first-quarter fiscal 2019-2020 revenue figures
Friday, March 20, 2020	2020 Annual General Meeting
Wednesday, May 27, 2020	Release of first-half fiscal 2019-2020 results
Thursday July 23, 2020	Release of third-quarter fiscal 2019-2020 revenue figures
Wednesday, November 25, 2020	Release of full-year fiscal 2019-2020 results

Any changes to this provisional calendar will be posted on Elior Group's website.

Investor Relations Department

+33 (0)1 71 06 70 08

investor@eliorgroup.com

Registered shares

Elior Group's shares are managed by BNP Paribas Securities Services, which can be contacted at the following address:

BNP Paribas Securities Services

Grands Moulins de Pantin

9 rue du Débarcadère

93761 Pantin Cedex - France

Phone: +33 (0)1 57 43 02 30 - open Monday through Friday from 8:45 a.m. to 6:00 p.m. (CET)

1.7.2 THE ELIOR GROUP SHARE

Elior Group's shares have been listed on Euronext Paris (Compartment A) since June 11, 2014 under ISIN FR0011950732. Their initial listing price on June 11, 2014 was €14.75 per share.

On March 6, 2015, Elior Group announced that the authority responsible for the various indices of Euronext Paris – the Conseil Scientifique des Indices Euronext Paris – had decided to include the Company's shares in the SBF 120 index as from the close of trading on March 20, 2015.

At December 30, 2016, Elior Group's closing share price was €21.72 and its market capitalization was €3.75 billion. At December 29, 2017, Elior Group's closing share price was €17.23. At December 28, 2018, Elior Group's closing share price was €12.79.

At December 31, 2019, Elior Group's closing share price was €13.10.

Elior Group's share performance since the IPO:

Date	Trading volume	End-of-month share price (in €)	Monthly high (in €)	Monthly low (in €)
June 2014[1]	16,959,901	14.83	15.90	14.35
July 2014	3,385,985	14.25	15.30	13.82
August 2014	1,556,537	12.90	14.48	12.41
September 2014	1,943,224	12.92	14.00	12.30
October 2014	2,097,232	12.20	13.13	11.54
November 2014	2,662,405	12.60	13.23	12.26
December 2014	3,225,981	12.30	13.60	11.80
January 2015	3,110,181	13.99	14.50	11.99
February 2015	1,659,455	14.84	14.85	14.04
March 2015	4,038,437	15.99	17.24	14.53
April 2015	3,727,468	16.75	16.92	15.63
May 2015	5,143,079	16.61	17.58	15.48
June 2015	4,907,967	17.97	19.04	16.83
July 2015	3,219,321	17.92	19.84	17.55
August 2015	2,185,856	18.11	18.98	16.52
September 2015	3,328,863	17.10	18.48	16.55
October 2015	4,659,420	17.27	18.03	16.40
November 2015	3,559,746	18.30	18.38	16.55
December 2015	4,960,716	19.30	19.45	17.26
January 2016	5,749,046	18.52	19.28	17.15
February 2016	4,195,169	18.70	18.78	16.65
March 2016	17,787,296	19.27	19.79	18.13
April 2016	5,080,226	18.78	19.48	18.50
May 2016	4,592,084	20.17	20.45	18.22
June 2016	6,808,171	19.63	20.70	18.45
July 2016	5,969,994	19.53	20.28	19.02
August 2016	4,145,441	20.56	20.98	19.29
September 2016	4,127,986	20.38	21.09	20.11
October 2016	3,542,647	20.46	21.00	20.21
November 2016	5,501,429	19.58	20.55	17.90
December 2016	5,772,438	21.72	21.80	18.54
January 2017	4,667,899	20.70	22.11	20.48

Date	Trading volume	End-of-month share price (in €)	Monthly high (in €)	Monthly low (in €)
February 2017	4,712,714	21.19	21.60	20.67
March 2017	5,045,756	21.27	21.64	20.30
April 2017	6,174,649	22.90	23.12	21.29
May 2017	5,329,098	25.22	25.48	22.92
June 2017	6,936,726	25.44	26.06	24.83
July 2017	8,447,005	22.42	25.87	21.41
August 2017	5,634,454	22.30	23.22	22.03
September 2017	7,107,760	22.40	23.38	22.15
October 2017	6,440,471	24.38	24.42	22.34
November 2017	11,271,362	18.46	24.85	18.17
December 2017	15,640,013	17.23	18.95	15.95
January 2018	10,532,196	18.56	19.71	17.07
February 2018	7,001,194	18.02	18.80	17.54
March 2018	7,205,688	17.66	19.08	16.63
April 2018	6,534,858	16.93	17.58	16.10
May 2018	16,295,847	14.24	17.11	12.52
June 2018	18,219,953	12.36	15.37	11.59
July 2018	8,201,745	14.00	14.67	11.81
August 2018	5,455,600	13.49	14.60	13.33
September 2018	5,887,464	13.34	13.69	12.39
October 2018	7,218,308	12.73	13.62	11.26
November 2018	7,715,313	13.11	13.68	12.31
December 2018	9,170,914	13.06	13.39	11.30
January 2019	9,686,102	12.30	13.74	12.13
February 2019	5,812,262	12.68	13.1	11.91
March 2019	8,412,020	11.93	13.64	11.77
April 2019	6,174,949	12.34	13.06	11.86
May 2019	11,096,300	10.51	12.37	9.605
June 2019	10,145,697	12.09	12.25	10.28
July 2019	8,599,702	11.83	12.33	11.03
August 2019	7,406,694	11.58	11.97	10.94
September 2019	5,344,045	12.19	12.73	11.59
October 2019	4,668,392	11.59	12.23	11.27
November 2019	4,943,267	11.62	12.33	11.31
December 2019	7,728,855	13.10	13.33	10.87

([1]) From June 11, 2014 (the initial listing date of the Company's shares)

The above information has been extracted from the Finance section of Elior Group's website at www.eliorgroup.com

Per-share data

	Year ended September 30, 2019
Weighted average number of shares (in millions)	176.4
Attributable net profit (in € millions)	270.9
Earnings per share (in €)	1.54
Net dividend per share (in €)	0.29

At the Annual General Meeting to be held on March 20, 2020 the Board will recommend the payment of a cash dividend of €0.29 per share.

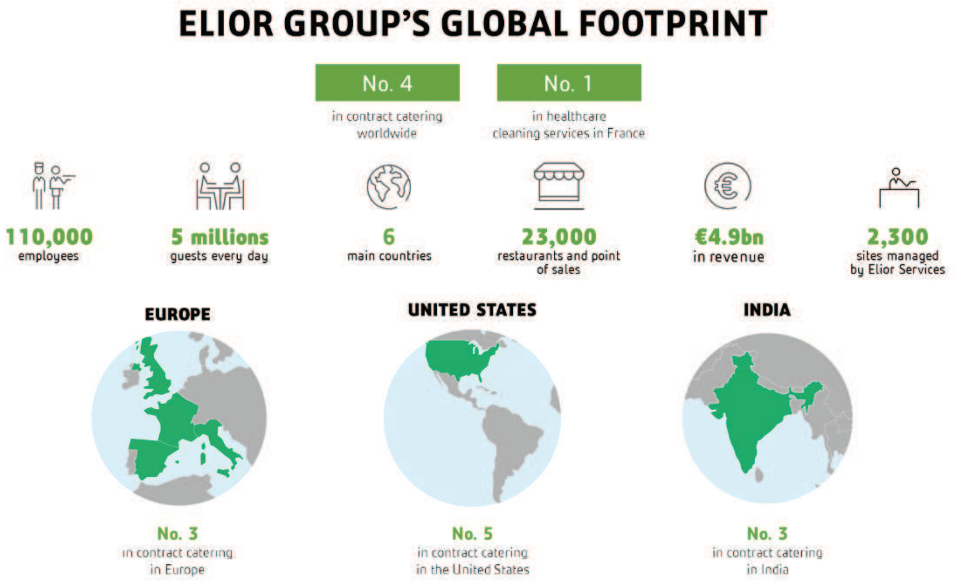
2

CORPORATE SOCIAL RESPONSIBILITY

2. CORPORATE SOCIAL RESPONSIBILITY

2.1 CORPORATE SOCIAL RESPONSIBILITY: A VALUE-CREATION DRIVER[1]

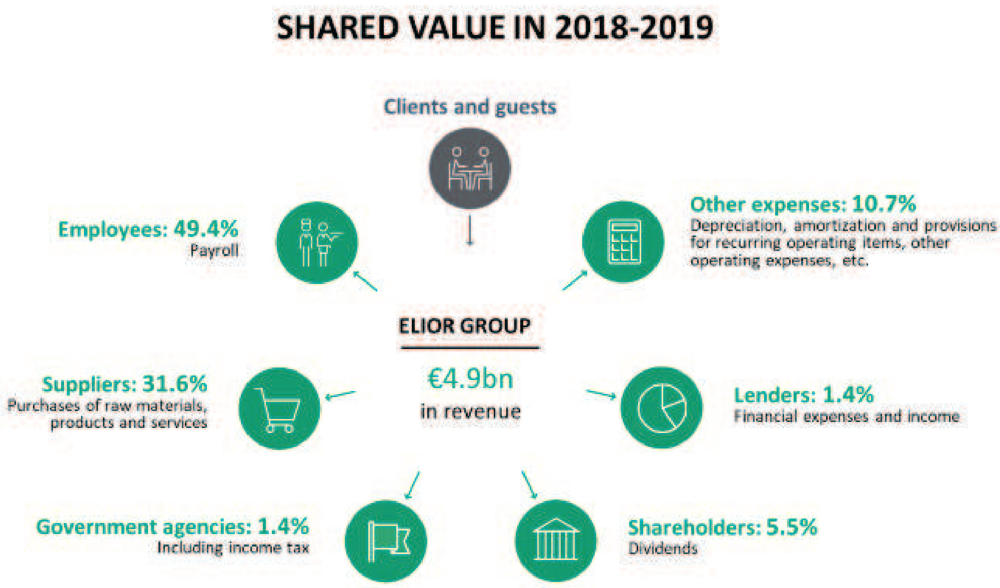
With operations in six main countries, Elior Group has more than 110,000 employees who dedicate themselves every day to feeding five million people in 23,000 restaurants in the Education, Business & Industry and Healthcare markets. The Group also takes care of 2,300 sites for its clients.



Deeply committed to Corporate Social Responsibility (CSR) for over ten years now, Elior Group focus on taking particular care of the health and well-being of each and every guest, the development of its employees and the environmental impact of its activities. Having signed up to the UN Global Compact in 2004, the Group firmly believes that its responsibility extends beyond the direct impacts of its business and that it must make a positive contribution to its ecosystem right across its value chain.

The Group's promise to place sustainable development at the heart of its business strategy has been kept, as illustrated by the launch in 2016 of its CSR strategy called "The Elior Group Positive Foodprint Plan[2]". In 2018-2019, Elior Group has generated €4.9 billion in consolidated revenue and this value was shared between its various stakeholders (employees, suppliers, government agencies, shareholders and lenders) as shown in the diagram below. In June 2019, Philippe Guillemot, Elior Group's Chief Executive Officer, presented the Group's new strategic plan, called New Elior. Covering the years up to 2024, this plan gives priority to the strong local roots of the Group's contract catering and services activities (see Chapter 1, Section 1.6.1, "The Group's Businesses and Strategies"). It also reaffirms the central role that sustainable development plays in the Group's everyday work and actions with a view to creating long-term value not just for itself but for all of its stakeholders.

[1] Tables summarizing the Group's non-financial indicators are appended to this Chapter (see Section 2.7, "Methodological Note") including year-on-year changes (where available).
[2] Referred to as the Positive Foodprint Plan in the rest of this document.



The launch of the New Elior plan once again demonstrates the Group's objective of putting corporate responsibility at the heart of everything we do. By publishing this Universal Registration Document and qualifying this CSR chapter as an Advanced-level Communication on Progress (CoP), I am pleased to reaffirm our commitment to respecting and promoting the fundamental principles of the United Nations Global Compact[1] and to ensuring that these principles will continue to play a central role in the Group's organization and corporate strategy."

Philippe Guillemot, Chief Executive Officer of Elior Group

2.1.1 FOUR PILLARS OF RESPONSIBILITY

Elior Group has built its Positive Foodprint strategy around four pillars of responsibility, which were identified based on a materiality analysis performed in 2015:

- Healthy choices
- Sustainable ingredients
- A circular model
- Thriving people and local communities

The relevance of these four priority areas was confirmed by the results of the non-financial risk mapping process carried out in 2018 (see Section 2.1.3 below, "Non-Financial Risk Map"). As announced in 2018, the Group revised its Positive Foodprint objectives in 2019 along with its CSR governance methods (see Section 2.1.2 below, "CSR Governance").

Renewed ambitions

In 2019, Elior Group redefined the objectives for the priority areas set in the Positive Foodprint Plan in order to align them more closely with the reality of its operations. As part of this process, performance indicators were defined to guide the Group's action plans and assess the progress made (see table below).

[1] Further information about the ten principles of the United Nations Global Compact and the disclosures required in an Advanced-level COP are available on the Global Compact website at www.unglobalcompact.org

	OBJECTIVES	KPIs
HEALTHY CHOICES	Promote tasty, healthy and sustainable food by increasing the proportion of vegetarian offerings Constantly improve the nutritional information provided to guests	• % of purchases of whole-food and plant-based ingredients • % of vegetarian recipes • % of sites that have organized at least one nutrition event • % of sites that have carried out at least one nutrition communication campaign
SUSTAINABLE INGREDIENTS	Increase the proportion of responsible supplies by prioritizing local, organic and certified products Increase the proportion of reusable and/or recyclable packaging and consumables	• % of purchases of certified products • % of purchases of local food products • % of purchases of responsible packaging and consumables
THRIVING PEOPLE AND LOCAL COMMUNITIES	To fill 70% of managerial posts through internal promotion by 2025	• Internal recruitment rate (%)
A CIRCULAR MODEL	For all Elior sites responsible for managing their waste to collect organic waste for reuse/recycling Promote the benefits of the circular economy to all clients and guests	• % of sites sorting biowaste • Number of food waste information sessions (including training)

Stronger oversight

In order to more effectively monitor its non-financial performance, the Group has set up a quarterly tracking process for some of its Positive Foodprint Plan key indicators. Taken together, these indicators cover all of the geographic regions in which the Group operates.

In addition, so as to give a straightforward and transparent overview of its approach, the Group is currently reflecting on whether to include some of these non-financial performance indicators in the key figures it communicates to the markets in its financial releases. This would allow all of its stakeholders to see the year-on-year progress the Group is making with its objectives.

Contributing to Sustainable Development Goals

The objectives in the Positive Foodprint Plan are aligned with the United Nations Sustainable Development Goals (SDGs). The Group has chosen to particularly focus on the four SDGs that directly relate to its business as a caterer.

Positive Foodprint Plan	Sustainable Development Goals		Description of SDG
Healthy choices	3 GOOD HEALTH AND WELL-BEING	SDG 3: "Good health and well-being"	Ensure healthy lives and promote well-being for all at all ages.
Sustainable ingredients	2 FAIM «ZÉRO»	SDG 2: "Zero hunger"	End hunger, achieve food security and improved nutrition and promote sustainable agriculture.
A circular model	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12: "Responsible consumption and production"	Ensure sustainable consumption and production patterns.
Thriving people and local communities	8 DECENT WORK AND ECONOMIC GROWTH	SDG 8: "Decent work and economic growth"	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

2.1.2 CSR[1] GOVERNANCE

Following a reflection process carried out at the same time as the Positive Foodprint Plan objectives were revised, in 2019 the Group put in place a new CSR governance system. The underlying purpose of this new system is for the Group to more effectively factor in its corporate responsibility across its entire organization, from its management bodies through to its operations teams.

Group CSR Committee

Set up in 2019, the Group CSR Committee is chaired by Elior Group's Chief Executive Officer, Philippe Guillemot, and its permanent members include the people responsible for each of the Positive Foodprint Plan's priority areas at Group level: the Chief Procurement and Logistics Officer, the Chief Human Resources Officer and the CSR Officer. The Group Chief Communications Officer is also a permanent member of this Committee.

The Committee's role is to validate strategic decisions relating to the Positive Foodprint Plan's priority areas, monitor the Plan's developments and adjust its priorities in line with changes in the Group's operating environment. It meets at least four times a year and, depending on the matters being addressed, may invite other participants to attend, either from within or outside the Group.

Strategy, Investments and CSR Committee

Each year, the headway made by the Group in terms of the Positive Foodprint Plan's objectives is shared with the Board of Directors via the Strategy, Investments and CSR Committee. Comprising four members (see Chapter 3, Section 3.1.1 "Governance Structure"), this Committee advises the Board on strategic and investment decisions. It assesses the Group's CSR values and commitments and helps to ensure they are effectively taken into account in the Board's decisions.

Network of CSR officers

The CSR officers are in charge of deploying the Positive Foodprint Plan's commitments in the Group's various operational entities. They are appointed by the entities' CEOs and are tasked with defining and implementing action plans adapted to their respective markets and businesses.

2.1.3 NON-FINANCIAL RISK MAP

In order to complete its materiality analysis and further strengthen its CSR approach, Elior Group drew up in 2018 the first mapping of its non-financial risks. This mapping process, which supplements the risk mapping already carried out by the Group (see Chapter 3, Section 3.2 "Risk Management"), enabled to identify the eight main non-financial risks (environmental, HR and social risks) to which the Group is exposed. The risk mapping exercise was carried out in the following three stages:

- Defining the non-financial risk universe: A restricted risk universe was defined based on around twenty risks[2] that could have a significant impact on the Group's business or its stakeholders, in order to ensure that the mapping process was in line with the Group's business sector, geographic locations and main strategic goals.
- Risk scoring: Each risk was then given a score by all of the CSR officers using the same approach as that applied by the Group's Risk Department. The scores allocated to the risks were based on two criteria: the level of severity if the risk occurs and the probability that the risk will occur.
- Creating a risk hierarchy: Having aggregated the scores allocated to each risk, the Group identified eight priority non-financial risks, which were then validated by the Group Chief Compliance Officer. These risks are in addition to those already monitored by the Group (see Chapter 3, Section 3.2, "Risk Management").

[1] Corporate Social Responsibility
[2] This list of risks was drawn up using the results of the materiality analysis performed in 2015, as well as sector-based bibliographic research and internationally recognized standards (GRI, SASB, etc.).

Non-financial risks	Description	Treatment
Unethical practices and lack of transparency	Tax evasion, fraud and corruption	2.2 Conducting Business Responsibly
Failure to include CSR criteria in procurement practices*	Purchases of raw materials that can have negative impacts on society and the environment, such as pollution, deforestation, breaching human rights, corruption, child labor and poor animal welfare.	2.4 Responsible Procurement
Failure to adapt to guests' new expectations*	Failure to take into account guests' new expectations in terms of (i) the produce offered (local, organic, vegetarian, etc.), or (ii) specific nutritional requirements (food intolerances and allergies), and failure to satisfy guests in terms of service and information	2.3 Promoting Tasty, Healthy and Sustainable Food
Poor hygiene and food safety	Failure to comply with the applicable regulations, risk of large-scale food poisoning.	2.3 Promoting Tasty, Healthy, and Sustainable Food
Poor working conditions*	Loss of motivation or productivity and/or effects on employees' mental or physical health due to lack of work-life balance, under-payment or unsuitable work tools.	2.6 Ensuring Our People's Safety and Development
Inequality and discrimination*	Unequal treatment in terms of pay, career development or other issues based on gender, ethnicity, religion or beliefs, disability, nationality or sexual orientation.	2.6 Ensuring Our People's Safety and Development
Failure to attract and retain talent	Failure by the Group to attract, retain and motivate the key employees who are necessary for running and developing its operations: lack of training, unsuitable compensation policy, lack of succession planning, etc.	2.6 Ensuring Our People's Safety and Development
Failure to include CSR criteria in pay structures*	Lack of correlation between executive pay and the Group's non-financial performance.	2.6 Ensuring Our People's Safety and Development
Failure to protect employees' health and safety in the workplace	Non-compliance with the applicable labor and health and safety regulations, risk of workplace accidents, etc.	2.6 Ensuring Our People's Safety and Development
Poor resource and waste management*	Poor management of inventories and food preparation resulting in food waste, failure to sort and recycle, insufficient staff training on resource and waste management.	2.5 A Circular Model
Environmental pollution (water, air)*	Discharge of pollutants into the atmosphere that contribute to climate change and/or discharge of pollutants into watercourses with a direct impact on residents, flora or fauna.	2.5 A Circular Model
Poor use of water and energy*	Inefficiently managed use of water and energy at sites or refrigerants or lighting.	2.5 A Circular Model

* CSR risks identified via the non-financial risk map

2.2 CONDUCTING BUSINESS RESPONSIBLY[1]

At Elior Group we make sure that all of our business activities are conducted in compliance with ethical principles and the applicable national laws and regulations. In France, since the introduction of the anti-corruption provisions of the “Sapin II” Act and the new Duty of Vigilance Act, companies are required to set up structured systems for overseeing measures related to combating corruption, human rights breaches and environmental damage, as well as health and safety issues.

2.2.1 THE ELIOR GROUP ETHICAL PRINCIPLES

All Elior Group employees are required to comply with the laws and regulations applicable in the countries in which the Group operates and must always respect the Group's Ethical Principles.

Issued in June 2016, the Elior Group Ethical Principles are aimed at creating a shared framework for all Group employees in their daily working lives They are a clear illustration of Elior Group's proactive strategy to support and promote the main international ethics standards and guidelines, namely:

- The Universal Declaration of Human Rights.
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.
- The United Nations Global Compact (see Section 2.1 above, "Corporate Social Responsibility: A Value-Creation Driver").
- The United Nations Sustainable Development Goals (see Section 2.1 above, "Corporate Social Responsibility: A Value-Creation Driver").

These Ethical Principles have been rolled out to all of the Group's operating entities and are applied in accordance with the applicable local legislation.

In order to be fully understood and taken on board by all of our people, the Elior Group Ethical Principles have been translated into five languages[2]. The French and English versions are available on the Group's corporate website at www.eliorgroup.com

2.2.2 FIGHTING CORRUPTION

As a member of the United Nations Global Compact, Elior Group respects, supports and promotes the fight against all forms of corruption. In 2018-2019, the proportion of the Group's revenue generated in countries that have a high risk of corruption based on Transparency International's Corruption Perceptions Index (score below 60/100) was just over 20%.

Overseen by the Chief Compliance Officer – a post newly created in September 2018 – Elior Group's anti-corruption system was strengthened in 2018-2019 following the entry into force on June 1, 2017 of the anti-corruption provisions contained in France's "Sapin II" Act on transparency, the prevention of corruption and the modernization of the economy[3].

Risk mapping

The Group's corruption risks are assessed on an annual basis using a risk mapping procedure specifically targeting these issues (see Chapter 3, Section 3.2, "Risk Management"). In September 2019, we completed an update process of this risk map, reducing the number of risks to fifteen and revising their names and descriptions. In accordance with the applicable legal requirements, the process was carried out in all of the Group's entities worldwide using the Governance, Risk and Compliance (GRC) system.

[1] Tables summarizing the Group's non-financial indicators are appended to this Chapter (see Section 2.7, “Methodological Note”) including year-on-year changes (where available).
[2] The Elior Group Ethical Principles are available in French, English, Spanish, Portuguese and Italian.
[3] Elior Group and all of its subsidiaries (as defined in Article L 233-1 of the French Commercial Code) and the companies controlled by Elior Group (as defined in Article L 233-3 of said Code) are subject to the provisions of the Sapin II Act.

Internal anti-corruption system

In order to facilitate employees' take-up of the Elior Group Ethical Principles, in the second half of 2018 the Group published an Integrity Guide. Available in five languages (French, English, Spanish, Italian and Portuguese), the aim of this guide is to provide clear rules as well as theoretical and practical information so that everyone can be compliant with the applicable laws and the Group's Ethical Principles. The document is split into five parts:

1. Organizational and responsibility-related rules applicable within the Elior group concerning the prevention of corruption.
2. Definitions of key corruption-related terms and concepts.
3. Anti-corruption rules.
4. Practical recommendations.
5. Practical information.

The Integrity Guide is supplemented by anti-corruption policies that explain how the general rules should be applied, especially for:

- Gifts and invitations given and received.
- Relations with intermediaries.
- Corporate sponsorship and philanthropy.
- Conflicts of interest.

These policies are the same for the Group as a whole but may sometimes incorporate specific local requirements.

Since 2018, the Group has also had a whistle-blowing system in place. Accessible by email or telephone in all of the countries where the Group operates, this system enables employees to raise the alarm in the event of any breach of the provisions in the Group's Integrity Guide. A whistle-blowing charter specifying the terms and conditions for using the system has been published. Also available in five languages (French, English, Spanish, Italian and Portuguese), this charter guarantees that any information provided via the whistle-blowing system will remain strictly confidential at all times. The Group undertakes to protect whistle-blowers from any negative consequences, provided that they have acted in good faith and that the information they give is based on verifiable facts.

Additionally, the Group has launched a website specifically dedicated to integrity: https://integrity.eliorgroup.net. Open to everyone and available in four languages (French, English, Spanish and Italian), this site sets out all of the Group's integrity commitments as well as the corresponding documentation (Ethical Principles, Integrity Guide, the main anti-corruption policies specific to each company, and the whistle-blowing charter). It also offers explanatory videos and quizzes so that employees can test their own knowledge about integrity and their understanding of what the Group expects of them.

Employee training

In 2017-2018, all of the Group’s employees in France in charge of relations with public authorities were given training on the lobbying provisions contained in the French Sapin II Act.

In 2018-2019, we further strengthened our anti-corruption awareness-raising program and gave face-to-face training courses in all of our host countries to over 500 employees identified as potentially exposed to situations of corruption. These employees – who were identified through the risk mapping process – were mainly members of the Group's regional management committees, purchasers, business developers, sales people, operations directors and regional directors. The program is now being offered to other employee categories and most of the training sessions are led by the Group’s compliance teams, which were strengthened during 2018-2019. An e-learning course open to all employees was also launched during the year in the United Kingdom, and the Group is currently looking into the possibility of extending it to its other host countries.

Fiscal responsibility

As a responsible enterprise, the Group believes that paying its taxes is a civic duty that helps to support the regions where it operates. We therefore make sure that all of our entities respect the applicable national and international tax rules and regulations and that they pay their taxes in each jurisdiction. Altogether, the Group paid €23.6 million in corporate income tax in 2018-2019.

In order to ensure that the Group is fully tax compliant, in 2018 we created a new post of Group Chief Tax Officer and drew up a tax policy which focuses in priority on combating tax evasion and has been relayed to all of the Group's operating entities. In addition, in accordance with the applicable regulatory requirements[1], the Group has performed a country-by-country reporting process, disclosing a breakdown of its earnings, income tax and operating activities by tax jurisdiction.

2.2.3 DUTY OF VIGILANCE

As a member of the United Nations Global Compact, Elior Group is committed to promoting and respecting, human rights principles and international labor and environmental standards along its entire value chain (see Section 2.1 above, "Corporate Social Responsibility: A Value-Creation Driver"). It also ensures that it is not complicit in any breach of these principles or standards. All of these commitments are reiterated in the Elior Group Ethical Principles (see Section 2.2.1 above).

Over the years we have put in place procedures and systems that allow us to identify, assess and control our risks (see Chapter 3, Section 3.2. "Risk Management"). For example, since 2012 Elior France has had a Responsible Procurement Charter, which formally documents what the Group expects from its suppliers in several areas, such as quality, food safety, environmental protection, ethics and labor standards. This Charter – which all of the Group's suppliers are asked to sign – was updated in 2017 to incorporate the Elior Group Ethical Principles and focus more strongly on the notion of vigilance in relation to our value chain. We also send a questionnaire to our main suppliers so we can assess their stage of corporate responsibility maturity, notably how they address their supply chain risks.

In order to reduce the environmental and social risks arising from its operations – particularly its supply chain – the Group has set itself the objective of gradually increasing the proportion of certified food and non-food items that it purchases (see Section 2.4 below, "Responsible Procurement"). Certifications act as a guarantee that international or local environmental and/or social standards have been respected. In 2019, over 10% of the Group's purchases were certified products.

The procurement risk map

In 2017, a new Duty of Vigilance Act[2] was introduced in France, which requires companies over a certain size to draw up a "Vigilance Plan" in order to identify and prevent social and environmental risks along their entire value chain (including for suppliers and sub-contractors). Those companies are also required to report on their implementation of the Vigilance Plan, notably in their annual management report.

In line with this new Act, in 2018 we set up a multi-disciplinary steering committee (comprising representatives from the procurement, audit, CSR and quality departments etc.) to draw up the Group's first risk map for its main procurement categories (both food and non-food) in France.

The main risks related to Elior France's supply chain were identified and hierarchized following a four-step process, which involved:

- Identifying risks by procurement category.
- Identifying suppliers' home countries and country risks.
- Conducting interviews (internally and with an external panel) and additional bibliographic research in order to hierarchize the identified risks.
- Mapping the risks and putting in place an action plan.

Elior's 12 main procurement categories in France (seafood, fruit and vegetables, cleaning products, etc.) – representing over 30,000 food and non-food items – were analyzed and the following risk categories were identified:

- Working conditions: pay, forced labor, child labor, etc.
- Health and safety of workers and consumers.
- Communities and regional development: living and housing conditions, land and property rights and access to natural resources.
- The environment: use of resources, biodiversity, pollution, waste and climate change.
- Animal welfare: breeding and slaughter conditions.

[1] Article 223 *quinquies* of the French Tax Code.

[2] French Act of March 27, 2017 on the duty of vigilance of parent companies and purchasing entities.

Based on the results of this risk mapping process and the responses to the above-mentioned supplier questionnaires, in 2019 we began a process to map our main supplier risks at all levels in order to classify the risks in terms of the probability of their occurrence and their severity. This is a long and complex process in view of the number and diversity of our suppliers and sub-contractors but it will enable the Group to achieve compliance with the first level of France's statutory requirements concerning the duty of vigilance. As a second stage we will extend the supplier mapping process to all of our subsidiaries based outside France as well as to our clients and sub-contractors. Once all of the risk maps have been completed, in the following two fiscal years we will draw up precise and detailed action plans aimed at reducing the identified risks and will put in place the resources necessary for tracking those risks.

In addition to this risk-mapping process, the Group is currently looking into selecting a system that will allow it to analyze its supplier portfolio and rapidly detect those suppliers whose past behavior may pose a risk. The solution we opt for will also need to be able to comprehensively manage the supplier assessment process (i.e. sending questionnaires, analyzing the responses and archiving and updating the related data). It may also be used in the future to analyze our B2B client portfolio.

2.3 PROMOTING A TASTY, HEALTHY AND SUSTAINABLE DIET[1]

Elior Group feeds five million guests every day in the Business & Industry, Education, and Healthcare markets. Our mission is to offer tasty, healthy and sustainable food at all times and all stages of life, to help improve people's health and well-being and minimize the environmental impact of our business.

In order to develop a global nutrition and health strategy and propose the tasty, healthy and sustainable food that our clients and guests expect, we decided to create in 2019 a new post of Chief Nutrition Officer.

Drawing on a network of local nutrition officers based in the Group's operating entities, the Chief Nutrition Officer's work is focused on three main areas: selecting products, designing menus and raising guests' awareness about making the right nutritional choices.

By offering our guests healthy and sustainable choices, we are actively contributing to the UN's Sustainable Development Goal 3[2]: "Good health and well-being".

2.3.1 DESIGNING TASTY, HEALTHY AND SUSTAINABLE OFFERINGS

In all of our host countries, we take care to devise tasty, balanced menus that are tailored to each client and guest profile. So as to provide affordable solutions that satisfy everyone's nutritional requirements, we draw on the nutrition recommendations issued by internationally-recognized bodies (such as the World Health Organization) as well as national standards applicable in the countries where we operate (such as the PNNS, France's National Nutrition and Health Program).

Based on work carried out in 2018-2019 by the Nutrition Department, we have set ourselves the objective of gradually increasing over the coming years the proportion of whole-food and plant-based products in our purchases as well as the proportion of vegetarian menus.

Focusing on the taste and nutritional quality of our ingredients

We strive to enhance the nutritional profile of our recipes while at the same time reducing the impact of the Group's procurement process on the planet's ecosystems. We carefully select and put together the ingredients we use in our recipes and develop offerings that are suited to guests' new expectations. In designing our offerings, we draw on the expertise of our 629 nutritionists.

The guidelines issued by leading nutrition organizations recommend increasing the proportions of plant-based produce in our diets, such as beans and pulses (chick peas, lentils, etc.), fruit and vegetables, seeds (sesame, chia, etc.) and nuts. We are therefore developing our use of those types of ingredients, both in terms of range and quantity. We want to diversify the sources of protein in our offerings by focusing on plant-based produce and we place particular importance on using seasonal fruit and vegetables.

In 2018-2019, whole-food and plant-based ingredients represented 18.9% of the Group's total food purchases.

And in 2019 we also prioritized increasing the proportion of vegetarian menus we offer. A recipe is considered to be vegetarian when it does not include any meat or fish. However, it does need to contain other sources of protein, which can be plant-based (beans, pulses, seeds, etc.), dairy (milk, cream, cheese) or egg-based. A plant-rich diet (including fruit, vegetables, beans and pulses, wholegrain cereals etc.) with less animal-based products is better not only for people's health but also for the environment.

As at September 30, 2019, the Group's operating entities had more than 50,000 recipes that they actively use, of which 15.5% were vegetarian.

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[1] Tables summarizing the Group's non-financial indicators are appended to this Chapter (see Section 2.7, "Methodological Note") including year-on-year changes (where available).
[2] SDG 3: "Good health and well-being": Ensure healthy lives and promote well-being for all at all ages.

Nutritional offerings tailored to specific needs

To help improve the well-being of guests in healthcare establishments (hospitals, retirement homes, etc.), we offer innovative solutions which are compatible with pathologies that affect people's ability to absorb nutrients (malnutrition, age-related illnesses, multiple disabilities, etc.). We regularly forge partnerships with clients, nutritionists, doctors and chefs to develop service offerings tailored to the specific needs of these guests.

Examples of offerings*

Country	Name of offering	Description
France	*Idequatio*	An offering for seniors designed to help people to continue to take pleasure in eating and eat unaided for as long as possible, whatever their state of health.
France	*Infiniment Vous*	Developed as part of a partnership with Institut Gustave Roussy – Europe's leading cancer center – *Infiniment Vous* meets the specific nutritional needs of cancer patients by taking into account the secondary effects of their treatment (particularly relating to taste and smell).
Italy	*NutriAge*	An offering that meets the individual nutritional requirements of seniors, *NutriAge* is structured around three separate but inter-related phases: – *Nutriscreen*: carrying out a personalized nutritional diagnosis for the guest – *Nutriplan*: drawing up a bespoke nutritional program for the guest – *Nutrifood*: deploying the plan together with the guest.
United Kingdom	*Dementia box*	This concept is designed to help Alzheimer's sufferers eat unaided by providing appetizing finger food that can be eaten any time of the day or night.
United States	*BeWell*	The *BeWell* offering encourages guests to make the best possible nutritional choices. Adapted to all of Elior North America's market sectors and all of its guests' age ranges, *BeWell* focuses on high-quality foods (trans-fat free, minimally-processed ingredients and low sodium content) and nutritional transparency

* Non-exhaustive list.

2.3.2 PROMOTING GOOD EATING HABITS

The pleasure and well-being we bring to each of our five million daily guests is the driving force in our business. And this is underpinned by our overriding aim of being a provider not only of great food but also of food that meets the highest standards in terms of health and nutrition (see Section 2.3.1 above, "Designing Tasty, Healthy and Sustainable Offerings").

Ensuring nutritional transparency

More and more of today's consumers expect to have access to clear and straightforward information about what they're eating. To meet this demand, the Group goes above and beyond simply following local regulations.

Due to the diversity of our guests, clients and host regions, each of our entities design their own communication campaigns and events to guide guests in their food choices. Awareness-raising events on good eating habits are also regularly organized in the Group's restaurants. Led by our in-house nutritionists or external nutrition specialists, these events are intended to help guests understand the importance of eating healthily, including by consuming more fruit and vegetables and using seasonal produce. In 2018-2019, over 1,000 Group sites held at least one of these nutrition-based events.

In 2019 we went even further by launching Nutri-Score in France. This traffic-light color-coding scheme, which is already used on front-of-packs in supermarkets, allows guests to see nutritional information at a glance, therefore helping them make healthier food choices.

Having piloted Nutri-Score at several sites and studied the findings in conjunction with the teams of Professor Hercberg – Nutri-Score's creator – we now plan to roll out this system to as many of our school canteens and corporate restaurants as possible. Ultimately, we would like to rate all of our recipes using Nutri-Score before proposing them to our guests.

Developing specific tools for communicating with children

Many of our entities are school caterers and our teams devise menus specifically adapted to children's nutritional needs as well as designing educational programs about healthy eating habits. We seek to improve children's knowledge about different foods and their properties, the food chain and sourcing, to help them make responsible food choices and compile their own menus.

Examples of concepts*

Country	Concept	Description
France	*La Récré des papilles*	The *Récré des papilles* is a restaurant specially designed for primary school children to help them learn about food and healthy eating habits in a fun way. Through organized events, children are taught to recognize food in different forms and varying presentations and are given guidance about healthy eating, the benefits of sport and environmentally-friendly behavior.
Italy	*Mangiare al ritmo della natura*[1]	Elior Italy's *Mangiare al ritmo della natura* program is intended to encourage children to adopt healthy eating habits and learn the importance of eating seasonal food, all through fun activities and events.
Spain	*Nutrifriends*	Serunion has developed several tools for helping school children make healthy food choices on a daily basis. These include the *Nutrifriends* nutritional education program, developed in partnership with a master chef, and a book encouraging good eating habits and a healthy lifestyle.
United Kingdom	*Eat them to defeat them*	In partnership with The Food Foundation and ITV, for a period of 10 weeks, Elior UK rolled out the *Eat them to defeat them* campaign in 50 of its school restaurants, aimed at encouraging children to eat more fruit and vegetables.
United States	*BeWell*	Elior North America introduced its *BeWell* approach into its school catering offering to encourage children to eat more fresh, seasonal fruit and vegetables (*Fresh Picks*) and discover new ingredients (*Food for Thought*). *BeWell* for school children includes a monthly nutrition newsletter (*Nutrition News*) as well as nutrition programs taught in classes and communication campaigns in school restaurants.

* Non-exhaustive list.

[1] Eating at nature's pace.

Listening to guests expectations

We place great importance on understanding and anticipating the changing needs and habits of our guests so that we can adapt our food offerings and the environments of our restaurants and points of sale accordingly. We use numerous different tools for this purpose (satisfaction surveys, mystery visits etc.) as well as digital solutions – notably dedicated apps such as *TimeChef* (France), *El Chef* (India) and *Joyfood* (Italy) – all designed for us to always be attuned to our guests' needs and give them the information they want.

In 2018-2019, almost 6,000 Group sites carried out at least one guest satisfaction survey.

2.3.3 GUARANTEEING THE HIGHEST FOOD QUALITY AND SAFETY LEVELS

The health, safety and well-being of our five million daily guests are a key priority for the Group. Aware that zero risk does not exist, the Group applies the highest recognized standards and has put in place safety and security systems along its entire production chain.

Strict organizational procedures and regular controls

It is the responsibility of each operating entity’s CEO to ensure that the ingredients and products they use fully comply with the laws, regulations and industry standards in force in their particular country as well as with the Group's own food safety rules.

To guarantee the highest safety levels for our clients and guests we have deployed rigorous organizational procedures that enable us to strictly control food safety. In particular, we use the HACCP (Hazard Analysis Critical Control Point) method, which allows us to identify, assess and control significant food safety hazards. Dedicated training sessions are given to employees to ensure compliance with HACCP principles and best hygiene practices.

Over 27,000 Group employees received hygiene training in 2018-2019.

In addition, hygiene audits and product analyses are regularly conducted by either internal or external auditors to check that the products used in the meals we prepare are fully compliant and that we meet the relevant food safety and hygiene standards. These audits and analyses are also a way for us to check other aspects such as the cleanliness of premises and equipment, operating agents' practices and compliance with cold chain standards.

In 2018-2019, the Group carried out some 22,000 hygiene audits worldwide and over 75,000 product analyses.

Voluntary certification

Some Group entities have voluntarily had their sites audited by independent certification bodies in order to demonstrate the high level of their quality and food safety. At September 30, 2019, Elior France, Elior Italy and Serunion Spain had 39 sites with ISO 22000 certification – the benchmark international standard on food safety management.

Anticipating risks and identifying emerging issues

The quality and food safety teams at all of the Group’s entities have an ongoing oversight procedure in place (scientific, technological and regulatory) so they can adapt their control policies and processes where necessary. These teams are responsible for determining food safety standards and methods.

To help anticipate risks and regulatory developments relating to food safety, the Group has also set up a Scientific Committee in France, comprising independent specialists (including nutritionists, pediatricians, toxicologists and microbiologists) and members of the Group's teams (food quality, safety, procurement etc.). This committee issues recommendations about nutrition (e.g. the 2016 ban on using phthalates in materials that come into contact with food), health (e.g. guidance issued in 2017 on risks related to endocrine disruptors) and product traceability. The Scientific Committee met twice in 2018-2019.

Rigorously selected suppliers and products

The Group works closely with all of its value-chain participants, especially suppliers, in order to offer its guests healthy, safe and high-quality products. We ensure strict traceability of the ingredients included in our menus and carry out audits to control the quality of our supplies.

Suppliers are audited using specific scoring charts that vary depending on the type of product and supplier concerned. These charts focus on the key food safety issues affecting each particular profession (e.g., distributor, manufacturer, artisan, abattoir, milk producer, importer) and the audits are performed based on a full traceability test, starting from when the raw materials are received through to the Group's distribution of the end product. In France, recommended areas of improvement and the supplier's corresponding undertakings are set out in a written post-audit report, and in its following audit the Group checks that its recommendations have been implemented.

Tests are also regularly carried out to ensure the quality of the ingredients delivered to the Group's restaurants by its suppliers.

In the same vein, Elior Services prioritizes the use of concentrated products that carry the eco-label and all of its client sites are supplied with detergents that do not contain any substances classified as CMR (carcinogenic, mutagenic or toxic for reproduction). It also offers VOC-free products, which are odorless and do not pose any health risk for employees, patients or clients.

2.4 RESPONSIBLE PROCUREMENT[1]

As a caterer, Elior Group firmly believes it has a key role to play in promoting and developing sustainable agriculture which forms the basis for healthy, balanced eating. As our environmental impact is primarily related to the raw materials directly or indirectly used in our meals (see Section 2.5 below, "A Circular Model"), we have decided to focus our efforts on building a sustainable supply chain. In this way, we are actively contributing to the UN's Sustainable Development Goal 2[2]: "Zero hunger".

In order to develop our procurement in line with our nutritional policy (see Section 2.3 above, "Promoting Tasty, Healthy and Sustainable Food") and minimize our impact on ecosystems and the climate, we have set ourselves two major objectives:

- Increase the proportion of responsible supplies by prioritizing local and certified produce.
- Increase the proportion of responsible packaging and consumables (knives and forks, glasses, food containers, etc.)

In addition to these two major objectives we are actively working on the issues of responsible fishing and animal welfare as well as the impact that certain product categories can have on biodiversity and forests (particularly palm oil and soy).

We are especially attentive to the relations we have with our suppliers in order to ensure that they deliver us high-quality products and that they apply best social and environmental practices. The Group regularly carries out supplier audits to control the quality of their operations and the quality and traceability of their products.

2.4.1 PRIORITIZING PRODUCTS FROM SUSTAINABLE AGRICULTURE

One of the objectives we have set ourselves is to increase the proportion of certified, local and/or organic produce within our overall purchases. The underlying aim of this approach is not only to prioritize products grown using eco-friendly farming practices but also to make a sustainable contribution to the economic development of the regions in which we operate.

Some Group entities have gone a step further and applied for certification for some of their sites. Since 2016, two of Serunion's central kitchens (in Malaga and Almeria) have been certified as 100% organic meal production centers by the CAEE, Spain's leading organic food certification body. Over 3.5 million meals are prepared each year by these two central kitchens for clients in the Education and Healthcare markets.

In France, as part of its *Les Pépinières du Goût* "taste incubator" project, Elior has undertaken that its central kitchens will propose meals for the education market comprising at least 25% seasonal and sustainable produce (organic, local and/or certified). At September 30, 2019, four central kitchens had achieved the *Pépinières du Goût* certification and the Group's aim is for 11 to be certified by end-2020. Several Group sites have also been certified by Ecocert – a French audit and certification organization specialized in organic produce.

	2018-2019
% of labelled food and non-food products[(1)(2)]	11.6%
% of local food products[(1)(2)]	19.9%
% of organic food products[(1)]	3.7%

[(1)] In value terms [(2)] Excluding Elior North America and Serunion Portugal

[1] Tables summarizing the Group's non-financial indicators are appended to this Chapter (see Section 2.7, "Methodological Note") including year-on-year changes (where available).
[2] SDG 2: "Zero hunger" End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Animal welfare

In 2017 the Group published a position statement on animal welfare, based on the five freedoms for farm animals issued by the UK Farm Animal Welfare Council:

- Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour.
- Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.
- Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment.
- Freedom to express (most) normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind.
- Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering.

Available in French, English, Spanish and Italian, this position statement – which was sent to all of our entities – is the benchmark for all of our countries and markets. It sets out the priority animal welfare action areas identified by the Group: traceability, reasonable use of antibiotics, welfare during transport, etc.

We are, however, keenly aware that we cannot improve animal welfare along the entire supply chain by acting alone, which is why in 2018 we became one of the founding members of the Global Coalition for Animal Welfare (GCAW). GCAW is a global platform bringing together major companies and animal welfare experts with the aim of improving animal welfare standards. GCAW's members have identified five priority work streams: cage-free policies, improved broiler chicken welfare, farmed fish welfare, antimicrobial resistance, and global standards for transportation and slaughter.

The Group's overall animal welfare commitments are rounded out by local undertakings given by its entities on an individual basis. For instance, Elior UK has issued its own animal welfare policy and supports the UK government's Live Transport Welfare initiative, which works towards improving animal transport conditions. In addition, all of its UK-based meat and dairy suppliers have to carry the Red Tractor label, certifying that their practices meet high health and environmental standards.

In France, Elior teamed up with Compassion in World Farming (CIWF) in 2017 in order to formally document its animal welfare requirements vis à vis its suppliers and create systems and processes that can be adapted to the needs of each business (such as audit checklists and specific policies). An animal welfare section has therefore been added to the supplier audit checklist and the Group clearly informs its suppliers about its animal welfare policy.
In 2019, Elior Group maintained its score of 3 (out of 6) in the Business Benchmark on Farm Animal Welfare (BBFAW) published by the CIWF. An internationally recognized standard, the BBFAW is a global measure of company performance on farm animal welfare covering the world’s 150 largest food companies.

Cage-free eggs

As part of our commitment to animal welfare, we have undertaken to increase the proportion of our egg purchases (whole/shell and liquid eggs) and egg-based products (powder, omelets, egg whites, etc.) from hens bred in cage-free conditions (i.e. barn-laid, free-range or organic eggs).

In 2018-2019, 9.9% of the eggs purchased[1] by the Group came from cage-free sources.

Certain Group entities particularly stand out in this area, such as Elior UK and Elior Italy, for which cage-free eggs accounted for 48.0% and 33.7% of their egg purchases respectively in 2018-2019.

	2017-2018	2018-2019
% of cage-free eggs[1]	7.1%	9.9%

[1] In volume terms

Responsibly sourced seafood

For over ten years now, we have deployed a responsible procurement policy designed to protect marine biodiversity. And going forward we want to further increase our purchases of seafood products that carry labels given by organizations such as the Marine Stewardship Council (MSC). These labels guarantee that the seafood has been fished sustainably, leaving enough fish in the ocean and respecting marine habitats. In 2018-2019, 29.4% of the seafood purchased[1] by the Group was responsibly sourced.

	2017-2018	2018-2019
% of sustainable seafood[1]	22.4%	29.4%

[1] In volume terms

At the same time, several Group entities have teamed up with national and/or international specialists to improve their seafood sourcing practices.

In the United States, Elior North America has become a partner of the Monterrey Bay aquarium's Seafood Watch program in California in order to learn from the expertise of the program's teams and improve the company's sourcing practices. And on the other side of the Atlantic, Elior UK only serves fish that is on the Marine Conservation Society's "fish to eat" list and has removed several fish species from its menus, including cuttlefish, John Dory and lemon sole. Elior UK has also joined the Sustainable Fish Cities alliance and has earned MSC CoC certification (Marine Stewardship Council Chain of Custody), affirming that its seafood purchases are from sustainable fisheries.

Likewise, Elior France has worked since 2017 with Ethic Ocean, an environmental organization that helps safeguard the oceans and fishery resources and promotes sustainable fishing. An analysis of the Group's fish supplies in France has been carried out and recommendations have been issued to improve Elior France's fish sourcing practices (banned species, accepted fishing methods, etc.). Elior France's procurement department has also earned Marine Stewardship Council (MSC) certification, which means that it can propose an MSC-approved fish offering in its restaurants.

In addition, also since 2017, Arpège – Elior's premium corporate catering brand – has been a partner of the Mr. Goodfish program, which raises awareness among the public and professionals about the sustainable consumption of seafood products. Consequently, all of Arpège's restaurants now offer a Mister Goodfish- fresh, seasonal fish dish on their menus once a week.

2.4.2 ELIMINATING PRODUCTS FROM THE SUPPLY CHAIN THAT CONTRIBUTE TO DEFORESTATION

At Elior Group we are keenly aware of the importance of safeguarding the world's forests and eliminating from our supply chain any products that directly or indirectly contribute to deforestation, particularly palm oil and soy.

Palm oil

We seek to minimize our use of non-sustainable palm oil. However, in their meal preparation process some of our entities do sometimes use food oils that contain palm oil. The Group therefore ensures that the palm oil it uses directly is certified as sustainable. These certifications from organizations such as the RSPO (Roundtable on Sustainable Palm Oil) guarantee (i) the traceability of palm oil, (ii) that no new primary forest or any other area of high conservation value is cleared for new plantations and that the living conditions of workers, smallholders and local populations are respected.

	2018-2019
% of palm oil certified as sustainable[1]	100.0%

[1] By RSPO, GreenPalm or any other recognized certification body

Soy

We are also particularly vigilant about the environmental impact of soybean production and we have clearly identified the risks of deforestation related to the feed given to animals whose meat is sourced for use in our restaurants.

Soy is the leading cause of forest conversion and deforestation imported into France and Europe in general. In the space of just a few years, this raw material has become one of the world's largest crops by cultivated area (123 million hectares worldwide[1]), resulting in the devastating effects of forests and savannahs being converted into agricultural land and depleting natural ecosystems, particularly in South America and the United States which account for over 66% of the world's soy production.

In 2018, Elior Group in France joined an initiative launched by the World Wildlife Fund (WWF) to create a working group made up of representatives from several major players in the retail, agri-food and contract catering sectors. Supported by the Alliance for the Preservation of Forests, the Duralim platform for sustainable animal feed and the EarthWorm Foundation, this working group defined their shared vision of responsible soy production and drew up a joint action plan aimed at creating soy supply chains that avoid the conversion of natural ecosystems.

In addition, in order to meet its clients' specifications, Elior France purchases meat bearing a wide range of labels attesting to the quality of the animal feed used (organic, Label Rouge, etc.). And since 2005, Elior France's approved product list has included products certified by the Bleu-Blanc-Coeur association, which encourages the use of plants that are natural sources of Omega 3 in animal feed (such as linen), which reduce the proportion of soy.

2.4.3 PROMOTING THE USE OF RESPONSIBLE PACKAGING AND CONSUMABLES

Developing a circular model means changing our guests' consumption habits so as to minimize waste, particularly plastics.

To reduce the need for fossil fuels and minimize the amount of waste generated by its business, the Group has set itself the objective of increasing its proportion of reusable and/or recyclable packaging and consumables (knives and forks, glasses, food containers, straws, etc.) that are reusable and/or recyclable. The plastic equivalents used can be bio-based (made from polylactic acid, corn, sugarcane, bamboo pulp, etc.), compostable or biodegradable.
In 2019, 14.4% of the packaging and consumables used by the Group were classified as responsible.

When the use of plastic is unavoidable for technical reasons (such as plastic straws required for therapeutic purposes), we strive to maintain our circular model by optimizing the materials used and prioritizing reusable and/or recyclable products. For further details about the Group's approach to developing a circular model, see Section 2.5 below, "A Circular Model".

[1] http://www.fao.org/faostat/en/#home

2.5 A CIRCULAR MODEL[1]

The Group is actively helping to develop a circular economy and is committed to fighting all forms of waste – notably food waste – as well as to reusing waste in order to convert it into resources and give it a second life.

All of our actions in this area contribute to achieving the UN's Sustainable Development Goal 12[2]: Ensure sustainable consumption and production patterns.

2.5.1 REDUCING FOOD WASTE

As a caterer, fighting food waste is a key priority for the Group and we are trying to reduce it across the value chain, from the supply chain through to our kitchens and restaurants. We are also working at the end of the value chain to redistribute unsold meals and reuse food waste.

In order to formalize our commitment to fighting food waste, in October 2017, we published a "zero food waste" charter[3].

High-quality supplies and menus

To minimize our environmental impact and at the same time offer our guests healthy, balanced menus, we have undertaken to prioritize purchases of products from sustainable agriculture (see Section 2.4, "Responsible Procurement") and to increase the proportion of our vegetarian offerings (see Section 2.3.1, "Designing Tasty, Healthy and Sustainable Offerings").

The way we design our menus is one of our best arms in the fight against food waste. To make sure we offer our guests' the food they want and therefore help prevent waste, we remain closely attuned to their needs, regularly conducting satisfaction surveys (see Section 2.3.2, "Promoting Good Eating Habits"). The tests we carry out to ensure the quality of our menus likewise help to minimize waste.

Elior France tries out all of its new recipes on a panel of guests before introducing them on a wider scale in the healthcare and education markets. A committee of specialist chefs meets several times a year in culinary workshops to create new recipes or rework existing ones and to validate culinary events organized based on specific menus.

In order to identify which recipes guests prefer, Elior France's Education division has set up a Taste Observatory whose team carries out assessments at selected sites every day to identify the components of each menu that tend to be left on the plate and see which recipes are the most and least popular. In 2018-2019, over 160 recipes were also tested by 1,200 school children. The test results are then analyzed by an independent organization and if a recipe scores higher than 70/100 it is kept.

Reducing waste in the Group's kitchens

An essential aspect of our efforts to reduce waste in our kitchens is training employees in effectively managing raw materials inventories and producing just the right quantities so as to avoid perished, surplus or unsold products.

Another key element in fighting waste is the emergence of specialized digital systems, such as diagnostic tools for measuring and analyzing different sources of waste. Several Group entities have entered into partnerships in this domain, such as Elior North America which has implemented *Winnow* technology at seven of its sites. Based on the use of smart weighing meters, *Winnow* enables kitchen teams to see the main ingredients that are being wasted.

In 2018-2019, Elior UK introduced a technology called *Chef's Eye* at a pilot site. Following this test, which proved successful, Elior UK now plans to widely deploy this technology by proposing it to clients who want to set up a system to fight food waste. Elior UK also uses the *Wise Up On Waste* platform at 13 sites in its Healthcare division and its head office in Macclesfield. Thanks to this solution, waste can be measured and analyzed from the meal production stage right through to when guests return their trays.

[1] A summary table setting out the Group's non-financial indicators is provided as an appendix to this Chapter (see Section 2.7, "Methodological Note") including year-on-year changes (where available).
[2] SDG 12: "Ensure sustainable consumption and production patterns"
[3] Available in French, English, Italian and Spanish.

Teaching guests to be eco-friendly

Based on the uneaten food we sort at the end of our meal services, we believe that our guests can be key players in the fight against waste. So we have made it our responsibility to raise awareness among all of our guests – both adults and children – about how they can be more eco-friendly.

We also believe that it is our responsibility to make it easy for our guests to sort their waste and recycle at the end of their meal, and to encourage them to do so. In line with this, our entities regularly organize special events in their restaurants and carry out communication campaigns that are specifically adapted to their markets so both adults and children can actively participate in fighting food waste when eating out and at home.

In 2018-2019, over 800 events about fighting food waste were organized. For example, Elior France held more than 100 workshops during the year in partnership with Expliceat – a firm specialized in food waste awareness – showcasing "Anti-waste" recipes that people can use in their everyday lives. Also during the year, Elior France's Education division continued its *Chasse au Gaspi* ("Stop Wastage") campaign aimed at making children aware of how much food is wasted every day and teaching them how to consume smartly.

Redistributing unsold meals

Highly aware of society's inequalities when it comes to access to food, we contribute to the fight against food insecurity by redistributing unsold meals through non-profit organizations or specialist companies, whenever permitted under local legislation. For instance, the Group has worked with the Italian food bank federation (*Fondazione Banco Alimentare*) since 2004, and in 2019 it entered into partnerships with the Spanish and French food bank federations. Likewise, in France, Elior has teamed up with the *Too Good To Go* app, which enables guests in the Business & Industry market to buy a "surprise food basket" at a very affordable price made up of left-overs from that day's lunch.

2.5.2 MINIMIZING THE GROUP'S ENVIRONMENTAL FOOTPRINT.

Aware of the environmental impact of our business, we seek to reduce our footprint at every stage of our value chain. Although most of our business is carried out at client sites, which we do not own, each of our entities implements measures adapted to their own specific features aimed at reusing more waste, reducing their use of energy and water and narrowing their carbon footprint.

Raising guests' awareness about the importance of sorting waste

Reducing waste and increasing the practices of reusing and recycling largely depends on how effectively guests sort their waste at the end of their meals. Whenever possible we put in place waste-management facilities to make it easier for guests to sort and recycle.

Helping our clients and guests to be more eco-friendly is a key priority for the Group's entities, which for the past several years have implemented measures to help them reduce food waste (see "Teaching guests to be eco-friendly" in Section 2.5.1 above) and manage waste in general.

Reusing and recycling organic waste

We have set ourselves the target of collecting organic waste for reuse/recycling at all of our sites for which we are contractually responsible for waste management.

At September 30, 2019, 83.2% of the Group's sites collected their organic waste for reuse or recycling[1]

Waste collection and recycling is organized at site level and differs depending on the type of waste concerned. Pick-up and processing are always outsourced to specialist service providers. Composting and anaerobic digestion are the two main processes used by the Group and its partners for recycling organic waste.

[1] Sites at which the Group is contractually responsible for waste management.

We have established partnerships with recycling professionals to provide our clients with the best solutions. In France for example, Elior has teamed up with Moulinot, which specializes in recycling food waste into biogas or compost. A total of 630 tonnes of organic waste has been collected from 89 sites since January 1, 2019 thanks to this partnership.

	2017-2018	2018-2019
% of sites collecting organic waste for reuse/recycling(1)	N/A	83.2%
% of used cooking oils recycled(2)	81.5%	84.0%

(1) Sites for which the Group is contractually responsible for waste management. Excluding Elior Italy. (2) Notably in the form of bio-fuel.

Reducing packaging and the use of disposable products

As the best type of waste is waste that never existed in the first place, the Group also strives to reduce, or totally eliminate, packaging and disposable products (particularly plastic). In 2018, Elior UK decided to ban plastic straws and stirrers in all of its restaurants and Elior France undertook to do the same in all of its businesses as from November 1, 2019. Two such plastic products have, however, been kept by the Healthcare division as they are used for specific therapeutic purposes.

In connection with our commitment to increase the proportion of responsible packaging and consumables that we buy (see Section 2.4.3, "Promoting the Use of Responsible Packaging and Consumables"), the Group's entities enter into partnerships with specialist firms. For example, Elior North America and Elior UK have teamed up with *Vegware*, a company that makes organically sourced[1] single-use packaging and products that can be recycled in less than 12 weeks along with traditional organic waste.

Energy saving measures

Elior Group is committed to reducing its overall energy consumption and using more renewable energy. Although most of our business is carried out at our clients' premises, we take action to improve on-site energy efficiency in several different ways, including installing eco-efficient equipment and developing the production of renewable energy from organic waste.

Several Group entities have been awarded certifications attesting to the quality of the energy management and/or energy efficiency of their sites.

We also train our teams about adopting environmentally-friendly practices to cut down on energy use at our sites (systematically closing cold-storage room doors, switching off unused equipment, etc.) through awareness-raising campaigns.

In order to identify the main sources of energy use, and in accordance with the applicable regulations, the Group carried out energy audits (electricity, gas, heating oil, and fuel for company vehicles) at all of its French sites for the first time in 2015. These audits were in the process of being reviewed at the date this document was drawn up. In 2018, Serunion in Spain also organized energy audits for its kitchens and administrative offices, carried out by an energy specialist.

In 2018-2019, the Group's sites that have an electricity supply contract consumed 69,865,663 kWh of electricity.

We are also gradually making our vehicle fleet cleaner and training our employees in eco-driving techniques. At September 30, 2019, 75.5% of the Group's vehicles were classified as green vehicles[2].

Measuring greenhouse gas emissions

To minimize the impact of our business on the environment and climate change, we work hard to prevent environmental risks, notably by reducing the emissions we discharge into the air through our business activities.

Since 2012, we have measured our French restaurants' greenhouse gas (GHG) emissions using a GHG measurement system based on the *Bilan Carbone*® method created by the French National Agency for the Environment and Energy Management (ADEME), which has been specially tailored to our contract catering and services businesses.

[1] Plant-based.

[2] Electric, hybrid, hydrogen and natural gas vehicles, and vehicles that comply with the Euro 5 or Euro 6 standards (i.e. emitting less than 130g CO_2/km).

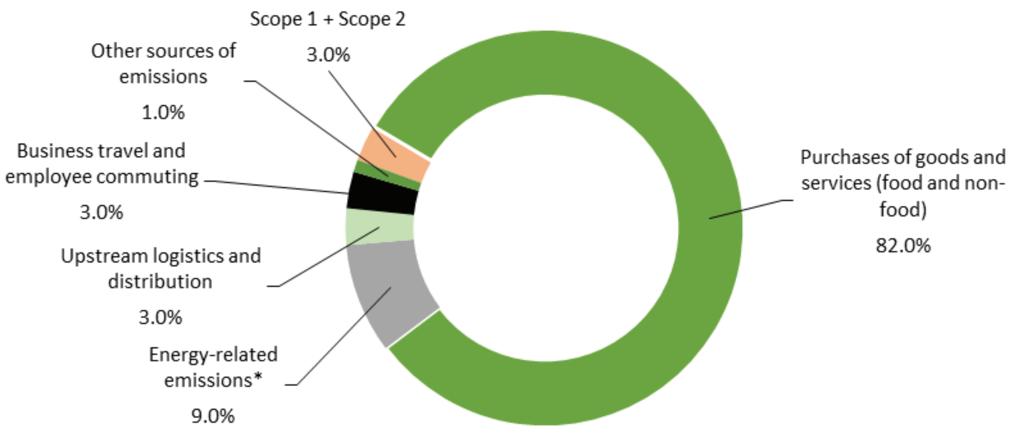
In 2019, Elior Group performed its first carbon footprint assessment covering its full scope of responsibility[1] based on the three categories of emissions (Scopes 1, 2 and 3) defined in the World Resources Institute's GHG Protocol:

- Scope 1: direct emissions related to the combustion of fossil fuels (oil, gas etc.) used by the sites owned or controlled by the Group as well as those generated by leaks of refrigerants from owned or controlled equipment. This scope also includes emissions from the Group's vehicle fleet.
- Scope 2: indirect emissions related to purchased or acquired electricity, heat and cooling.
- Scope 3: other indirect emissions (notably from purchases of raw materials, upstream logistics, downstream distribution and employee commuting).

In 2018-2019, Elior Group's total emissions for its extended scope of responsibility – covering Scopes 1, 2 and 3 – amounted to 2.9 million tonnes of CO_2 equivalent ($TeqCO_2$).

Accounting for 97.0% of the Group's total emissions for its extended scope of responsibility, Scope 3 was the largest contributor, followed by Scope 1 (2.7%) and then Scope 2 (0.3%).

Elior Group Scope 1, 2 and 3 emissions in 2018-2019



* For sites where Elior Group is not contractually responsible for energy supplies

Supplies of raw materials (food and non-food products) represent the most significant source of emissions for the Group (accounting for 82.0% of its total emissions). The other significant sources for the Group (>= 3%) are use of energy and refrigerants at sites (managed and not managed by Elior), freight (upstream and downstream) and business travel and employee commuting.

[1] The emissions calculated for performing Elior Group's *bilan carbone* emissions audit for its extended scope of responsibility (Scopes 1, 2 and 3) are based on data relating to its business activities and emissions factors. Extrapolations were performed when data was not available for certain geographic regions.

	2018-2019
Scope 1 – Direct emissions	**2.7%**
• o/w refrigerants	50.5%
• o/w energy for vehicles	20.9%
• o/w on-site fuel combustion	28.6%
Scope 2 – Indirect emissions	**0.3%%**
• o/w electricity	100.0%
Scope 3 – Other indirect emissions	**97.0%**
– o/w purchases of goods and services	84.3%%
– o/w other emissions related to energy	9.2%
– o/w upstream transport and distribution	2.7%
– o/w employee commuting	2.0%
– o/w business travel	1.2%
– o/w fixed assets	0.3%
– o/w waste	0.2%
– o/w sold products' end-of-life	0.1%

Water saving measures

Using water sustainably is a major objective for the Group as we consume large amounts of this resource either directly (at our sites) or indirectly (through our supply chain). To help meet this objective, we put in place innovative solutions across our sites to reduce our use of water and control the quality of the waste water they produce.

The measures we have undertaken include setting up water-saving equipment at all of our sites (restaurants, points of sale and central kitchens), raising awareness among employees and clients about eco-friendly practices, and processing waste water to ensure its quality and reduce its impact on the natural environment.

In 2018-2019, the Group used 670,478 cu.m of water at the sites where we are directly responsible for managing this resource.

Elior Services prioritizes the use of cleaning equipment with water saving systems (such as EcoFlex technology and machines fitted with a cleaning solution dosing (CSD) system), and consumables such as micro-fiber cloths. In 2018-2019, it continued to install dilution dispensers, which calculate the precise dose of chemicals to be added to the cleaning solution and avoid employees having to handle chemical products.

2.6 ENSURING EMPLOYEE'S HEALTH, SAFETY AND DEVELOPMENT[1]

Because we believe that happy employees make happy guests, we want all of our 110,000 people to fulfill their potential. With this in mind we offer an attractive business model and take care to properly reward employees' work and engagement.

Placing HR at the very heart of our business, we apply a subsidiarity principle for many HR aspects of our organization. For example, a number of wide-ranging decisions and initiatives are taken directly in our host countries (while remaining in line with our corporate strategy) so that they can match the local needs and expectations of our activities and employees. As part of this overarching policy, and with a view to implementing Group-wide measures that will drive the execution of our overall strategic plan, the Group Human Resources Department has set the following priority action areas:

- Protecting employees' health, safety and well-being.
- Building employee skillsets.
- Encouraging promotions, mobility and internal career development.
- Promoting diversity and inclusion.

By acting as a responsible employer, the Group is contributing to the UN's Sustainable Development Goal 8[2]: "Decent work and economic growth".

2.6.1 EMPLOYEE DATA

At September 30, 2019, the Group had over 110,000 employees based in six main countries: France, India, Italy, Spain, the United Kingdom and the United States.

We are committed to improving our employees' quality of life and offering them career development opportunities as we believe that these two factors are essential for motivating and retaining our people. At September 30, 2019, the average seniority of Group employees on a permanent contract was seven years.

Employees by country[(a)]	Number	%
France[(b)]	45,053	40.8%
Spain	19,528	17.7%
United States	18,337	16.6%
United Kingdom	12,254	11.1%
Italy	10,247	9.3%
India	4,596	4.1%
Portugal	302	0.3%
Luxembourg[(c)]	103	0.1%
Group total	**110,420**	**100.0%**

[(a)] Total workforce (permanent and non-permanent employees) on the payroll at September 30, 2019 [(b)] Including Monaco [(c)] Not included in the CSR reporting scope

Hires and departures		2018-2019
Total hires*	Number	119,901
Breakdown by type of contract: permanent/non-permanent	%	23.1%/76.9%
Total departures*	Number	118,472
Breakdown by type of contract: permanent/non-permanent	%	23.9%/76.1%

*Excluding transfers and changes of operator

[1] Tables summarizing the Group's non-financial indicators are appended to this Chapter (see Section 2.7, "Methodological Note") including year-on-year changes (where available).
[2] Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

2.6.2 GUARANTEEING EMPLOYEE HEALTH AND SAFETY

Elior Group is committed to providing its people with optimal working conditions and considers employee health and safety as an absolute priority. We therefore always strive to ensure that we protect not only our employees but also our sub-contractors and guests.

Vigilance at the highest level of the Group

Data related to employee health and safety (frequency and severity of workplace accidents, etc.) is constantly monitored within the Group. Executive Management pays particular attention to this information and tracks it on a monthly basis as part of the performance reviews carried out for each Group entity. Examples that enable the underlying causes of accidents to be identified are presented at these performance review meetings as well as the corrective measures put in place.

The right equipment for the right job

At Elior Group we make sure we have the requisite resources for implementing a range of risk prevention measures. The Group's entities provide all of their employees with the protective equipment they need for their jobs (safety shoes, heatproof gloves, safety cutters, etc.).

Training and awareness-raising

In 2019, the Group launched a Workplace Safety Charter This charter sets out all of the Group's workplace safety commitments and has been issued in all of our host countries.
Training courses on health and safety are among the most well attended within the Group. In 2018-2019, over 50,000 employees attended at least one health and safety training session.

The teams in each entity design specific programs adapted to their particular markets and requirements. Elior UK, for example, has a special training program for its drivers aimed at improving their driving and therefore reducing the risk of an occupational accident. And in France, everyone working in our central kitchens take part in stretching and warm-up exercises so as to reduce the risk of musculo-skeletal injuries. We also work with our supply times to reduce the size packages received and lessen the loads handled by our teams.

As well as our face-to-face training courses, we are also developing online learning programs within the Group. For instance, in 2019 an e-learning module was deployed designed to help everyone more easily identify the underlying causes of workplace accidents and put in place the necessary corrective measures.

	2017-2018	2018-2019
Frequency rate of workplace accidents[(a) (b)]	30.4	28.3
Severity rate[(c)]	1.74	1.65

[(a)] Total workforce (permanent and non-permanent employees, casual workers and seasonal staff) [(b)] Number of accidents with at least one day's lost time per million hours worked [(c)] Number of days' lost time due to workplace accidents for 1,000 hours worked

No fatal workplace accidents occurred in the Group during 2018-2019.

Working time organization

The organization of employees' working time varies depending on the local context of each entity and the markets in which they operate.

To ensure that our employees have a good work-life balance, we offer attractive and flexible working time organization models (part-time work, working from home, etc.). And with a view to boosting their employees' efficiency and motivation, the Group's entities regularly sign collective agreements on to this issue (see Section 2.6.5 below, "Labor Relations and Compensation Policy").

At September 30, 2019, part-time employees accounted for 52.5% of the total workforce.

2.6.3 BUILDING EMPLOYEE SKILLSETS AND ENCOURAGING INTERNAL MOBILITY AND PROMOTIONS

We place great importance on building the skillsets and employability of our people. Our career development measures are structured around three key objectives: strengthening our skills-building culture, encouraging promotions and internal mobility, and training.

Strengthening our skills-building culture

In 2018-2019, we focused on implementing our "Talent" processes with a view to strengthening the skills-building culture across all of our entities.

These processes notably involve systematically holding career development and talent review meetings which help us to assess the satisfaction that employees feel in relation to their individual jobs and the Group as a whole, while at the same time identifying their career development goals and objectives.

In 2019 we included a larger number of employees in France and the United Kingdom in our talent management system and extended its use to Italy and the United States.

Encouraging promotions and internal mobility

We encourage our people to evolve within the Group and consider as a priority the development of promotions and internal mobility. The Group has set itself the objective of filling 70% of managerial posts through internal recruitment by 2025, and the importance it places on this indicator can be seen in the fact that the internal recruitment rate is one of the performance criteria underlying the Chief Executive Officer's variable compensation (see Chapter 3, Section 3.1.6.4, "Tables summarizing the compensation of the Company's officers for fiscal 2018-2019 based on the AMF template"). An in-house applicant for a particular job will always be selected over an external candidate when both have the same skills and capacities.

The Group's entities regularly launch internal mobility initiatives, such as Elior France's new talent detection campaign called "*Et si c'était vous*" as well as the Mobility Committees set up by Elior Services' various entities. In addition, the internal mobility system used in France was rolled out to the United Kingdom in 2019.

In 2018-2019, the internal recruitment rate for managerial positions was 54.9%.

Building employee skillsets

As part of our career development strategy we offer our people career-move training programs so they can either upskill in their existing job or learn new skills for another job.

Our training catalogs are regularly updated to factor in new market trends. Our training programs cover a wide range of topics such as food hygiene, workplace health and safety and managerial skills-building. The formats proposed vary depending on the subject matter, target audience and end-purpose of the training and the sessions may take the form of face-to-face learning or e-learning and may be organized in groups or one-on-one.
For example, Elior UK has created *the Chef School* to address the current shortage of experienced chefs in the labor market. This nine-month program is split into modules that take place on site and in the classroom and over 50 chefs have been trained since it was launched five years ago. On completing the course, participants obtain the Professional Cookery Level 2 diploma qualifying them to manage a restaurant.

2.6.4 PROMOTING DIVERSITY AND INCLUSION

At Elior Group we are convinced that the diversity of our teams represents a real asset for us, driving our performance and innovation capacity.

In order to attract and retain talent from all backgrounds, our operating entities develop tools and programs to encourage gender equality, diversity of generations and backgrounds, and inclusion of people with disabilities.

Women in top management

At September 30, 2019, women accounted for over two thirds of the Group's overall workforce and almost half of its managers.

Attracting more women to top management positions is one of the Group's priorities and 54% of the managers hired in 2018-2019 were women. In the coming years, we intend to continue our initiatives to promote gender balance in top management positions.

Breakdown of employees by gender (Women/Men)	September 30, 2019
Board of Directors[a]	5 women/5 men
Executive Committee[a]	3 women/10 men
Leaders Committee[a]	20 women/85 men
Managers	49%/51%
Non-managers	74%/26%
Elior Group	**68%/32%**

[a]Absolute values

We believe that all of our businesses act as real drivers of social integration and we seek to give everyone a chance. In line with this, in 2018-2019 the Group hired over 29,000 people aged under 25 and more than 20,000 over-50s.

The breakdown of the Group's permanent employees by age group was more or less unchanged year on year.

Breakdown of employees by age group[a]	
Under 30	15.9%
30-39	20.1%
40-49	26.4%
50-59	28.9%
60 and over	8.7%
Group total	**100.0%**

[A] Employees on permanent contracts at September 30, 2019

We have many programs in place to help our employees integrate within the Group and build their skills. For instance, Elior France offers a 12-day course that gives volunteer employees the opportunity to refresh their reading, writing and arithmetic skills, which enables them to then go on to other internal training programs.

Helping people with disabilities

Elior Group acts on a daily basis to give employment opportunities to people with disabilities.

At September 30, 2019, the Group had 4,300 disabled employees (representing 3.9% of the total workforce).

Our operating entities set up special programs to support the specific needs of employees with disabilities.

For example, Elior France has created a job retention unit which helps prevent employees having to be laid off if they are declared medically unfit to perform their jobs. In 2018-2019, the unit provided assistance and advice to over 70 employees. Elior France also works with over 120 companies in the sheltered sector (*Esat*[1], *entreprise adaptée*[2], etc.) and in 2018-2019, €1.1 million worth of its revenue was generated through projects with the social economy sector.

[1] *Établissement et service d'aide par le travail* (assistance-through-work entities).
[2] Sheltered work associations that enable people with disabilities to have a salaried job in conditions adapted to their specific needs. At least 80% of the production staff employed by these associations in France are disabled.

2.6.5 LABOR RELATIONS AND COMPENSATION POLICY

Labor relations

The Group ensures that the International Labor Organization's fundamental principles and rights at work are respected in all of its operating entities:

- Freedom of association and the effective recognition of the right to collective bargaining.
- Elimination of all forms of forced or compulsory labor.
- Effective abolition of child labor.
- Elimination of discrimination in respect of employment and occupation.

In view of the diversity of its operations and geographic locations, the Group's labor relations with employee representative bodies are managed at national level or at the level of each individual entity.

In 2005 the Group set up a European Works Council (EWC) covering all of its subsidiaries located in the European Union. The EWC is informed annually about the Group's financial position, business operations, strategic objectives and HR situation.

To improve employees' working conditions and efficiency within the Group, collective agreements are regularly signed by the Group's entities related to topics such as working time organization (working from home, disconnecting from work devices etc.), and employee compensation and benefits. Over 70 collective agreements were signed within the Group's various entities in 2018-2019 and numerous multi-year agreements signed in previous years are still in force within the Group

Compensation policy

Our compensation policy is designed to ensure that compensation and benefits packages are fair across the Group and that mobility is encouraged between our various businesses. No form of discrimination is tolerated. Compensation surveys are regularly conducted by our operating entities in order to identify market practices and offer attractive packages to their employees and job candidates.

2.6.6 HAVING A POSITIVE IMPACT ON LOCAL COMMUNITIES

In line with our aim of helping develop the regions where we operate, one of our key objectives is to provide job opportunities for people who struggle to find employment. To this end we work with local partners (job agencies, not-for-profit organizations etc.) when hiring new employees and reject all forms of discrimination (see Section 2.6.4 above, "Promoting Diversity and Inclusion").

Elior Group Solidarities

Set up in 2017, Elior Group Solidarities is a not-for-profit organization tasked with funding, supporting and promoting our solidarity initiatives in the areas of nutrition, social and professional inclusion, and education.

Chaired by Philippe Guillemot, the Group's Chief Executive Officer, Elior Group Solidarities is open to all of our employees and involves voluntary projects both in France and abroad. Elior Group Solidarities' main action areas entail:

- Funding solidarity projects proposed by Group employees.
- Allocating education grants.
- Providing help and equipment to not-for-profit organizations (donating meals, redistributing unsold food, etc.).

Since it was created Elior Group Solidarities has supported over 30 employee projects in Spain, the United States, France, India, Italy and the United Kingdom.

In 2018-2019, Elior Group Solidarities once again worked with the Refugee Food Festival – an international touring event launched by the charity, Food Sweet Food which promotes the integration of refugees thanks to the universal power of food. Supported by the UNHCR[1], this initiative encourages restaurant owners to entrust their kitchens to refugee chefs during the time of the Festival.

For the second year in a row, we welcomed six refugee chefs into some of our restaurants in France and Spain for

[1] The UN Refugee Agency

periods of one day or more. We also organized a special recruitment day for refugee chefs during the year.

Lastly, over 200 employees in the Group's French, Spanish and Italian entities got involved in the Challenge Against Hunger in 2019. This event – which is organized by the NGO, Action Against Hunger – raises funds that are used to finance humanitarian missions to combat hunger throughout the world.

Elior Group Solidarities has undertaken to continue with all of these actions and events in 2019-2020.

2.7 METHODOLOGICAL NOTE

2.7.1 NON-FINANCIAL REPORTING PROCESS

Data collection

In order to ensure that the indicators used across its reporting scope are consistent, Elior Group sends a protocol to all of its operating entities that contains the definitions of all of its non-financial indicators (HR, environmental and social indicators) and the related calculation methods. Updated annually, this document also serves as the basis for the annual review work carried out by the independent third party appointed by the Group to verify its non-financial information. It is available on request from the Company's head office.

The main participants in the Group's non-financial reporting process are:

- The Group CSR Department, which is in charge of the non-financial reporting process at Group level (defining indicators, collecting data from the operating entities, consolidating the data, etc.). The Group CSR Department ensures that the data is consistent and is the main point of contact for the external auditors.
- Network of local CSR officers. The data collected from the operating entities is tracked by these CSR officers who make sure it is controlled and consistent. If any major differences are identified an analysis is carried out to explain the difference or make the necessary adjustments.

Reporting tools

The Group's non-financial indicators published in this document were compiled based on several different data collection systems.

The reported HR data for France is collected from a single reporting tool based on information from a shared payroll system used by the majority of the Group's French subsidiaries (Pléiades). For international subsidiaries and for French companies that do not use Pléiades, HR data is collected via the subsidiaries' own information systems and is reported to the Group CSR Department using a standard reporting template.

After carrying out consistency checks, the Group CSR Department consolidates all of the HR data provided by the companies concerned.

Reporting scope and coverage rate

All of the Group's entities are included in the non-financial reporting scope. However, in order to ensure the quality and reliability of the reported data, the Group may decide not to include certain entities for some or all of the indicators. This is notably the case for newly-acquired companies. When an indicator is calculated for a restricted scope, the coverage rate is stated.

The rules for including and excluding companies from the non-financial reporting scope are as follows:

- Scope exclusions: companies that were removed from the Group's financial scope of consolidation during a given fiscal year (before September 30) are excluded from the non-financial reporting scope.
- Scope inclusions: companies that were newly consolidated during the fiscal year (newly-formed or acquired companies) are included in the non-financial reporting scope within a maximum of one year. Contract catering and services sites whose contract with the Group was entered into during the fiscal year are also included in the non-financial reporting scope. In these cases, the reporting period starts from the date on which the contract for the site concerned entered into force.

HR, environmental and social data has been consolidated for all of the Group's entities except for Société monégasque de restauration.

Unless otherwise indicated, the reported data covers the fiscal year from October 1, 2018 to September 30, 2019. Depending on the indicators, the reported figure either represents an annual consolidation of data for the fiscal year as a whole or a snap-shot figure at the end of the fiscal year (September 30, 2019).

The reporting scope for 2018-2019 covers 99.9% of the Group's total workforce (110,267 employees) and represents 99.9% of consolidated revenue.

Specific methodology for certain indicators

Due to the geographic diversity of the Group's activities and the high number of its restaurants and points of sale (over 23,000), some indicators may not be exhaustive, notably because of the difficulty in collecting the data concerned. The methods used have therefore been adapted to take into account this situation.

HR indicators

Managers

For a Group employee to be classified as a manager, he or she must be responsible for a team (i.e. manage one or more other employees) and/or be responsible for a budget.

In France, employees classified as "*cadres*" and "*agents de maîtrise*" are qualified as managers.

Training

All of the Group's employees, whether managers or non-managers or on permanent or non-permanent contracts, are included in the training indicators.

The types of training taken into account for the purpose of calculating these indicators are as follows:

- Face-to-face learning and e-learning.
- Training given by training centers.
- Training given by external trainers.
- Induction training when employees begin a new job.
- Legally-required training courses (e.g. on safety).
- Training given by employees (both qualified and non-qualified trainers) that meets all the following criteria: use of formal training material; duration of more than one hour; training content aimed at building professional skills.

Only the training hours actually completed by employees are counted and not the number of training hours for which employees sign up. For example, only four days will be counted for an employee who signs up for a five-day training course but only attends for four days.

Internal mobility

The Group considers internal professional mobility to be:

- A promotion, i.e. a new level of responsibility, including a non-manager on a permanent contract who moves up to a managerial position.
- A job move (i.e. a new post or department), with or without a new level of responsibility.

The internal recruitment rate corresponds to the proportion of permanent-contract managerial posts filled via an internal mobility move between July 1, 2018 and July 1, 2019. This indicator is calculated by dividing (i) the number of managers who have changed posts and/or duties (including through a promotion) during the period by (ii) the total number of managerial posts filled during the period through both internal mobility and external recruitment. Since 2019, non-managers who have been promoted from within the Group to a managerial post have been taken into account for the purpose of calculating this indicator.

Workplace accidents

The Group defines a workplace accident as any accident (including fatal accidents) that (i) occurs suddenly during working hours, (ii) causes a bodily injury and (iii) results in at least one calendar day of lost time. All of the Group's employees are included in the calculation of workplace accidents, i.e. employees on permanent and non-permanent contracts, casual workers and interns. Only temporary workers are not included.

The workplace accident frequency rate corresponds to the number of accidents with at least one day's lost time that occurred during a given fiscal period per million hours worked.

The severity rate corresponds to the number of calendar days of absence caused by workplace accidents per thousand hours worked.

Absenteeism

The Group considers absenteeism as all unplanned hours of absence (paid or unpaid) for managers and non-managers on permanent contracts.

Types of absences included:

- Workplace accidents with lost time (at least one day).
- General illnesses.
- Occupational illnesses.
- All unauthorized absences.

Environmental and social indicators

Certified products

Elior Group considers "certified products" to be all food and non-food products that carry a label or certification from an organization such as the FSC, PEFC, MSC (*Marine Stewardship Council*), Max Havelaar, Rainforest Alliance, EU Ecolabel, CMR, Oeko-Tex, Ecocert, Red Tractor, etc.

The term also includes products that are certified as organic, fair trade, protected designation of origin (PDO), AOC (*Appellation d'origine contrôlée*) and PGI (protected geographical indication).

Local food produce

The Group operates in various geographic regions and the definition of local food produce differs depending on the country concerned. The term is defined as follows in the following countries:

– France: produce made in France and consumed no more than 200 km from its place of production.
– Spain/Portugal: all produce grown or made in Spain or Portugal, irrespective of how far from the place where it is consumed.
– Italy: all produce grown, produced or processed in Italy and consumed no more than 150 km from is place of production.
– India: all produce (fruit and vegetables, meat, etc. produced/reared/slaughtered in India, irrespective of where it is consumed.
– United Kingdom: all food produce made in the UK, which may contain raw materials from foreign countries.
– United States: all produce consumed less than 200 miles from its place of production.

Green vehicles

The Group classifies the following vehicle categories as "green":

– Electric vehicles
– Hybrid vehicles
– Hydrogen vehicles
– NGVs (natural gas vehicles)
– Vehicles that comply with the Euro 5 or Euro 6 standards (i.e. emitting less than 130g CO_2/km).

All vehicles owned by the Group or held under a long-term lease at September 30 of a given year are included in the calculation of this indicator, irrespective of when the vehicle was acquired or the lease contract signed.

Water and energy use

The Group operates at many different client sites in France and abroad, where data on water and energy use is very often not available. It is therefore difficult for the Group to reliably and globally measure its water and energy use at client sites.

Water use

The water volumes taken into account for this indicator correspond to the water used at Group sites that is billed directly to the Group.

Energy use

The electricity volumes taken into account for this indicator correspond to the electricity used at Group sites that is billed directly to the Group.

GHG emissions – *Bilan carbone* emissions audit

The Group has disclosed its GHG emissions indicators for the first time this year and they will be subject to an in-depth review in 2019-2020.

The emissions included in the Group's *bilan carbone* emissions audit were calculated in accordance with the Greenhouse Gas Protocol. The calculations were performed based on data relating to the Group's operations and emissions factors, and extrapolations were carried out when data was not available for certain geographic regions.

"Scope 1" corresponds to direct emissions related to the combustion of fossil fuels (oil, gas, etc.) used at sites owned or controlled by the Group as well as those generated by leaks of refrigerants from owned or controlled equipment. This scope also includes emissions from the Group's vehicle fleet.

"Scope 2" corresponds to indirect emissions related to purchased or acquired electricity.

"Scope 3" corresponds to other indirect emissions (notably from purchases of raw materials, upstream and downstream transport and employee travel).

2.7.2 CROSS-REFERENCE TABLE – NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)

INFORMATION REQUIRED IN THE NFPS*	SECTION(S) OF THE NFPS
A description of the Group's business model	1.6, "The Group's Businesses and Strategies" 2.1, "Corporate Social Responsibility: A Value Creation Driver"
A description of the main non-financial risks related to the Group's operations	2.1.3, "Non-Financial Risk Map"
The consequences on climate change of the Group's operations and use of the goods and services the Group produces	2.5.2, "Minimizing the Group's Environmental Footprint"
The Group's CSR undertakings in terms of:	
– sustainable development	2.1, "Corporate Social Responsibility: A Value Creation Driver"
– the circular economy	2.5, "A Circular Model"
– the fight against food waste and food insecurity	2.5.1, "Reducing Food Waste"
– animal welfare	2.4.1, "Prioritizing Products from Sustainable Agriculture"
– responsible, fair and sustainable foodstuffs	2.3, "Promoting Tasty, Healthy and Sustainable Food" 2.4, "Responsible Procurement"
Collective agreements entered into within the Group and their impact on its economic performance as well as on employees' working conditions	2.6.5, "Labor Relations and Compensation Policy"
Information on actions aimed at:	
– combating discrimination and promoting diversity	2.6.4, "Promoting Diversity and Inclusion"
– encouraging the integration of people with disabilities	2.6.4, "Promoting Diversity and Inclusion"
– preventing corruption and tax evasion	2.2.2, "Fighting Corruption"
– promoting the respect of human rights	2.2, "Conducting Business Responsibly"

2.7.3 SUMMARY OF ENVIRONMENTAL AND SOCIAL INDICATORS

SUSTAINABLE INGREDIENTS		2018-2019	2017-2018
% organic food products	%	3.7%	-
% labelled products[1]	%	11.6%	-
% local food products[2]	%	19.9%	-
% cage-free eggs	%	9.9%	7.1%
% sustainable seafood	%	29.4%	22.4%
% sustainable disposable packaging[3]	%	14.4%	-

HEALTHY CHOICES		2018-2019	2017-2018
% whole-food and plant-based ingredient purchases[4]	%	18.9%	-
% vegetarian recipes	%	15.5%	-
Number of sites that held at least one nutrition-related event*	Number	1,052	-
Number of sites that carried out at least one guest satisfaction survey*	Number	5,960	5,588
Number of nutrition specialists	Number	629	526
Number of hygiene audits performed*	Number	22,374	16,913
Number of product analyses performed*	Number	76,941	87,186
Number of supplier audits performed*	Number	399	391

** During the fiscal year concerned*

A CIRCULAR MODEL		2018-2019	2017-2018
% of sites collecting organic waste for reuse/recycling[5]*	%	83.2%	-
Number of food waste information sessions	Number	876	-
% of used cooking oils recycled[6]	%	84.0%	81%
Water use[7]	cu.m.	670,478	574,306
Electricity use[8]	kWh	69,865,663	-
% green vehicles	%	75.5%	68%
Total CO_2 emissions (scopes 1, 2 and 3)	$TeqCO_2$	2.88 million $TeqCO_2$	-

** Sites at which the Group is contractually responsible for waste management.*

[1] Excluding Elior North America.
[2] Excluding Elior North America and Serunion Portugal.
[3] Excluding Elior Italy.
[4] Excluding Elior India.
[5] Excluding Elior Italy.
[6] Excluding Elior North America.
[7] Sites for which the Group is contractually responsible for water supply. Excluding Elior India.
[8] Sits for which the Group is contractually responsible for electricity supply. Excluding Elior India.

2.7.4 SUMMARY OF HR INDICATORS

EMPLOYEE NUMBERS		2018-2019	2017-2018
Total workforce at September 30	Number	110,267[1]	103,048[2]
Breakdown of total workforce by:			
Type of contract (permanent/non-permanent)	%	86.7%/13.3%	90.1%/9.9%
Category (managers/non-managers)	%	13.0%/87.0%	-
Gender:			
Total workforce (women/men)	%	68.0%/32.0%	68.8%/31.2%
Managers (women/men)	%	48.9%/51.1%	48.3%/51.7%
Breakdown of permanent workforce by age			
Under 30	%	15.9%	14.0%
30-39	%	20.1%	19.8%
40-49	%	26.4%	27.6%
50-59	%	28.9%	30.0%
60 and over	%	8.7%	8.6%
Full time/Part time[3]	%	48.5%/52.5%	48.6%/51.4%
Average seniority (permanent workforce)	Number	7 years	7 years
Breakdown of total workforce by country			
France	%	40.8%	42.6%
Spain	%	17.7%	17.7%
United States	%	16.6%	18.2%
United Kingdom	%	11.1%	10.4%
Italy	%	9.3%	10.8%
India	%	4.2%	-
Portugal	%	0.3%	0.3%
Total	%	100.0%	100.0%

[1] Excluding Elior Luxembourg and SMR.
[2] Excluding Elior India and Elior Luxembourg.
[3] Change in calculation method: As from 2019, Elior UK considers all employees working less than 37.5 hours per week as part-time workers (compared with 30 hours previously).

NEW HIRES		2018-2019	2017-2018
Total number of new hires*	Number	119,901	105,203
Breakdown of new hires by:			
Type of contract (permanent/non-permanent)*	%	23.1%/76.9%	-
Category (managers/non-managers)*	%	11.1%/86.9%	-
Gender (women/men)*	%	74.2%/25.8%	-
% of women in new hires of managers*	%	53.5%/46.5%	51.0%/49.0%
Age			
New hires aged under 25*	Number	29,034	27,999
New hires aged over 50*	Number	19,270	19,711
Total number of new employees due to transfers or changes of operator	Number	6,964	5,147

*Excluding transfers and changes of operator

DEPARTURES		2018-2019	2017-2018
Total departures*	Number	118,472	111,457
Breakdown of departures by:			
Type of contract (permanent/non-permanent)*	%	23.9%/76.1%	20.5%/79.5%
Reason for departures of employees on permanent contracts*			
% of voluntary departures		65.8%	62.4%
% of involuntary departures		25.2%	29.9%
% of departures for other reasons[1]		9.0%	7.6%
Reason for departures of employees on non-permanent contracts*			
% of voluntary departures	%	3.1%	2.6%
% of involuntary departures	%	1.0%	0.9%
% of departures for other reasons[1]	%	95.9%	96.4%
Number of departures due to transfers or changes of operator	Number	7,921	8,459

*Excluding transfers and changes of operator

[1] Departures agreed between the employer and employer (e.g. agreed contract terminations in France) and end of non-permanent contracts.

WORKPLACE HEALTH AND SAFETY	2018-2019	2017-2018
Frequency rate of workplace accidents with lost time[1]	28.3	30.4
Severity rate[2]	1.65	1.74

ABSENTEEISM		2018-2019	2017-2018
Absentee rate [total workforce on permanent contracts][3]	%	5.5%	5.9%
Absentee rate by employee category (managers/non-managers)	%	3.0%/6.1%	2.8%/6.7%

TRAINING		2018-2019	2017-2018
Number of employees attending at least one training course during the fiscal year[4]	Number	48,801	30,706
Average number of training hours:			
By employee		4.7	3.9
By employee category (managers/non-managers)		11.7/3.7	-

DISABLED EMPLOYEES		2018-2019	2017-2018
% of employees with a disability	%	3.9%	4.6%
Number of employees with a disability hired during the fiscal year	Number	1,607	1,454

[1] Number of accidents with a least one day's lost time per million hours worked, for the Group's total workforce (employees on permanent and non-permanent contracts, casual workers and seasonal workers).
[2] Number of days' lost time due to workplace accidents (with at least one day's lost time) per 1,000 hours worked (employees on permanent and non-permanent contracts).
[3] [Hours of absence of the permanent workforce (for workplace accidents with lost time, general illnesses and occupational illnesses]/[Theoretical number of hours worked by the permanent workforce].
[4] Excluding Elior North America.

2.7.5 REPORT BY THE INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON FINANCIAL PERFORMANCE STATEMENT IN THE MANAGEMENT REPORT

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended September 30, 2019,

To the Shareholders,

In our capacity as the independent third party of Elior Group (hereinafter the "entity"), certified by the French Accreditation Committee (*Comité Français d'Accréditation* or COFRAC) under number 3-1049[1], we hereby report to you on the consolidated non-financial performance statement for the year ended 30 September 2019 (hereinafter the "Statement"), included in the Group Management Report, in accordance with the legal and regulatory provisions of Articles L.225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Responsibility of the entity

It is the Board of Directors' responsibility to prepare a Statement in accordance with legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of policies applied to mitigate these risks and the outcomes of those policies, including key performance indicators.

The Statement has been prepared applying the procedures of the entity (hereinafter the "Guidelines"), the most significant aspects of which are presented in the Statement and available upon request at the entity's headquarters.

Independence and quality control

Our independence is defined by the provisions of Article L.822-11-3 of the French Commercial Code and the French Code of Ethics for statutory auditors (*Code de déontologie*). Moreover, we have implemented a quality control system that includes documented policies and procedures to ensure compliance with applicable ethical rules, professional standards, laws and regulations.

Responsibility of the independent third party

On the basis of our work, it is our responsibility to express a limited assurance opinion about whether:

- the Statement complies with the provisions of Article R. 225-105 of the French Commercial Code;
- the information provided (hereinafter the "Information") is fairly presented in accordance with Article R.225-105-I(3) and II of the French Commercial Code concerning policy outcomes, including key performance indicators and actions relating to the main risks.

However, it is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory provisions, particularly relating to Duty of Care and the fight against corruption and tax evasion;
- the compliance of products and services with applicable regulatory provisions.

Nature and scope of our work

We performed our work described below in compliance with Article A.225-1 et seq. of the French Commercial Code (*Code de commerce*), defining the conditions under which the independent third party performs its engagement, and with the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes* or CNCC) relating to this engagement and with ISAE 3000 (international standard on assurance engagements other than audits or reviews of historical financial information).

We conducted work to form an opinion on the Statement's compliance with legal and regulatory provisions and the fair presentation of the Information therein:

- We gained an understanding of the activity of all companies in the consolidation scope, of the Entity's exposure to the main social and environmental risks relating to the business activity and of its effects on respect for human rights and the fight against corruption and tax evasion, including any related policies and their outcomes;

[1] Accreditation scope available at www.cofrac.fr

- We assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, by taking into consideration, where relevant, the sector's best practices;
- We verified that the Statement covers every category of information required under Article L.225-102-1, Paragraph III concerning social and environmental matters as well as respect for human rights and the fight against corruption and tax evasion;
- We verified that the Statement presents the business model and the main risks relating to the activity of all companies in the consolidation scope, including – if relevant and proportionate – risks due to its business relationships, products or services, as well as policies, actions and outcomes, including key performance indicators;
- We verified that the Statement presents the disclosures required under article R. 225-105, Paragraph II, of the French Commercial Code if they are relevant given the main risks or policies presented;
- We obtained an understanding of the process for selecting and validating the main risks;
- We enquired about the existence of internal control and risk management procedures implemented by the entity;
- We assessed the consistency of the outcomes and key performance indicators with the main risks and policies presented;
- We verified that the Statement includes a clear, substantiated explanation of the lack of policy for one or more of these risks;
- We verified that the Statement covers all companies in the consolidation scope in accordance with Article L. 233-16 within the limits specified in the Statement;
- We assessed the data collection process implemented by the entity to ensure the completeness and fair presentation of the Information;
- For key performance indicators and the other quantitative outcomes[1] that we considered the most important, we set up:
  - analytical procedures to verify that collected data is correctly consolidated and that any changes to the data are consistent;
  - tests of details based on sampling to verify that definitions and procedures are correctly applied and to reconcile data with supporting documents. The work was carried out with a selection of entities contributing[2] to the reported data and represents between 40% and 99% of consolidated data of key performance indicators and outcomes selected for these tests;
- We referred to documentary sources and conducted interviews to corroborate the qualitative disclosures (actions and outcomes) that we deemed the most important[3];
- We assessed the overall consistency of the Statement based on our understanding of all companies within the consolidation scope.

We believe that the work carried out, based on our professional judgment, is sufficient to provide a basis for our limited assurance opinion. A higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work drew on the skills of seven individuals and was conducted between October 2019 and January 2020 for a total working time of approximately eight weeks.

To assist us in conducting our work, we called on our firm's sustainable development and corporate social responsibility (CSR) specialists. We conducted around ten interviews with the individuals responsible for preparing

[1] Social indicators: Total headcount as of September 30 (breakdown by gender and sex), Total number of permanent/non-permanent employees as of September 30, Total number of arrivals [including transfers and changes of operator], Total number of departures during the accounting year [including transfers and changes of operator and including dismissal], Internal mobility rate for permanent managers, Absenteeism rate for permanent headcount [all unplanned absences], Lost time injury frequency rate, Severity rate [number of day leaves for 1,000 hours worked], Total number of training hours during the accounting year, Number of disabled employees working in the business unit as of September 30.

Environmental indicators: Water consumption for the accounting year, Electricity consumption for the accounting year, Percentage of sites sorting biowaste.

Societal indicators: Number of hygiene audit performed during the accounting year, Percentage of cage-free eggs ordered during the accounting year, Percentage of local food products during the accounting year, Percentage of sustainable disposable packaging units ordered during the accounting year, Percentage of plant-based and vegetarian recipes.

[2] The French companies under Pléiades, Elior France (Purchasing Department), Elior France (Water and Electricity), Elior UK.

[3] Qualitative information: Collective agreement; Career development, Security at work; Actions against food waste; Use of chemical products; Raising awareness of the corruption prevention; Duty of care; Certifications in the areas of Quality, Use of chemical products; Responsible purchasing; Territorial development; Actions of partnership and sponsorship; Guests satisfaction; Hygiene and safety for food products; Animal welfare; Nutrition and healthy food choices.

the Statement, particularly from Human Resources, Health and Safety, Nutrition and Purchasing[1].

Opinion

Based on our work, we have no material misstatements to report that would call into question the compliance of the non-financial performance statement with the applicable regulatory provisions, or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Paris-La Défense, on January 10, 2020

KPMG S.A.

Anne Garans	**François Caubrière**
Partner	*Partner*
Sustainability Services	

[1] To be mentioned only if applicable, at the discretion of the independent third party

3

CORPORATE GOVERNANCE

3. CORPORATE GOVERNANCE – AFR

Board of Directors’ Report on Corporate Governance

In application of Article L.225-37 of the French Commercial Code, the main purpose of the Board of Directors’ report on corporate governance is to provide information on the following:

- the membership of the Board of Directors and the Board Committees and conditions for preparing and organizing the work of the meetings;
- the powers of the Chief Executive Officer;
- the executive compensation that will be submitted for shareholders’ approval at the Annual General Meeting of March 20, 2020, notably the compensation policy for fiscal 2019-2020 and the components of the compensation and benefits paid or awarded for fiscal 2018-2019; and
- the internal control and risk management procedures put in place by the Group.

This report was drawn up by the Board of Directors after consulting the members of the Executive Committee and representatives of the Group's various corporate functions. It was reviewed by the Audit Committee on November 27, 2019, presented to the Board of Directors on December 3, 2019 and approved by the Board on January 9, 2020. It will be presented to the Company’s shareholders at the next Annual General Meeting on March 20, 2020.

For all corporate governance matters, the Company refers to the AFEP-MEDEF Corporate Governance Code for listed companies, as revised in June 2018[1] (the “AFEP-MEDEF Code”), and to the recommendations issued by France’s securities regulator, the Autorité des Marchés Financiers (AMF). In accordance with the “Comply or Explain” rule provided for in Article L.225-37-4 of the French Commercial Code and referred to in Article 27.1 of the AFEP-MEDEF Code, the Company hereby states that it believes its corporate governance practices comply with the recommendations contained in the AFEP-MEDEF Code.[2]

The Company’s Bylaws and the Board of Directors’ Rules of Procedure are available on the Company’s website[3].

3.1 ADMINISTRATIVE AND MANAGEMENT BODIES

3.1.1 GOVERNANCE STRUCTURE

3.1.1.1 Management structure

Elior Group (the “Company”) is a French *société anonyme* (joint-stock company) with a Board of Directors.

In July 2017, the Company opted to separate the roles of Chairman of the Board of Directors and Chief Executive Officer. These two roles – which were initially carried out by one person with the title of Chairman and Chief Executive Officer – were separated on November 1, 2017 so that the Company's corporate governance bodies could function more effectively.

As at the date of this Universal Registration Document, Gilles Cojan holds the position of Chairman of the Board of Directors and Philippe Guillemot is Chief Executive Officer.

Best corporate governance practices are reflected in the Board's membership structure and operating procedures, the skills and ethics of the Board's members and the active role that the Board plays in determining the Group's strategy and approving major decisions, as illustrated by the following:

- Sixty percent of the Board's members are independent directors, in accordance with the commitments given by the Company and the recommendations of the AFEP-MEDEF Code.

[1] Code available on the AFEP and MEDEF websites.
[2] The only exception is set out in section 3.1.4 of this chapter, “Corporate Governance Code”.
[3] https://www.eliorgroup.com/elior-group/governance/board-directors

- Two thirds of the members of the Audit Committee, including its chair, are independent directors and none of its members are executive directors.

- The majority of the members of the Nominations and Compensation Committee, including its chair, are independent directors.

- The Strategy, Investments and CSR Committee has four members, two of whom are independent directors. This Committee also benefits from the experience and knowledge of the Company's founder and Honorary Chairman, Robert Zolade, who acts as its chair in his capacity as permanent representative of BIM.

  Meetings of the Strategy, Investments and CSR Committee may be attended by any director who so wishes, but in a non-voting capacity.

- Relations between the Group’s executives and the Board of Directors are organized in a balanced way, based on:

  (i) restricting executives’ powers (see Section 3.1.5 below) in relation to significant transactions (particularly the Group budget and major transactions, as well as any acquisitions, investments and commitments and guarantees that exceed pre-defined thresholds); and

  (ii) the fact that executives regularly report to the Board on the Group’s strategy, business activities, significant events and economic and financial indicators.

- The Board and its committees had a high workload in 2018--2019, meeting 34 times to discuss the major challenges facing the Group.

- An annual review is carried out of the Company's corporate governance practices and the operating procedures of the Board and its committees in order to regularly identify priorities and areas for improvement.

The main provisions of the Company's Bylaws and the Board of Directors' Rules of Procedure – particularly relating to the Board's operating procedures and powers – are summarized in Chapter 5 of this Universal Registration Document, "Information about the Company and its Share Capital".

The Company's governance system, the members of the Board of Directors and the Board committees, as well as their operating procedures and work, are described in detail below, in compliance with the requirements of paragraph 6 of Article L. 225-37 of the French Commercial Code.

3.1.1.2 Chairman of the Board of Directors

Gilles Cojan – Chairman of the Board of Directors – organizes and leads the Board's work and reports to shareholders on this work at the Annual General Meeting. He also ensures that the Company's governance structures function effectively and that directors are in a position to fulfil their duties.

The Chairman is regularly informed by the Chief Executive Officer about strategic developments, organizational changes, capital expenditure projects and other significant events in the life of the Group. The Chairman, in coordination with the Chief Executive Officer, is also responsible for ensuring that the Company maintains good shareholder relations, notably concerning corporate governance matters.

The Chairman is informed of any related-party agreements concerning routine operations entered into on arm's length terms and he provides a list of these agreements, with details of their purpose, to the members of the Board and the Statutory Auditors. However, this disclosure requirement does not apply to agreements whose purpose or amounts involved are not deemed to be material for any of the parties concerned.

3.1.1.3 Vice Chairman

The Board of Directors may appoint a Vice Chairman, for a period that may not exceed his term of office as a director. He may be reappointed and may be removed from office at any time by the Board of Directors.

The Vice Chairman replaces the Chairman of the Board of Directors if the Chairman is temporarily unable to perform his duties or in the event of his death. The Vice Chairman fulfils this role until the Chairman is able to resume his duties, or in the event of the Chairman's death, until a new Chairman is appointed.

Like the Chairman, the Vice Chairman's roles and responsibilities include the following:

- He is informed of major events that occur within the course of the Group’s operations, during regular meetings with the Chief Executive Officer.

- He may meet with key Group executives and make site visits in order to act on a fully-informed basis.

- He may meet with shareholders at their request, and passes on to the Board any concerns they may have concerning the Company's governance.

As at the date of this Universal Registration Document, the Board does not have a Vice Chairman.

3.1.1.4 Senior Independent Director

Based on the recommendation of the Nominations and Compensation Committee, the Board may appoint a Senior Independent Director from among the independent directors who have been a member of the Board for at least one year.

The Senior Independent Director is appointed for a period that may not exceed his term of office as a director. His term as Senior Independent Director may be renewed based on the recommendation of the Nominations and Compensation Committee and he may be removed from office at any time by the Board.

The Senior Independent Director's main role is to ensure that the Company's governance structures function effectively. To this end, he is responsible for:

- Preventing conflicts of interest by raising awareness about facts or circumstances that could lead to such conflicts, and managing any conflicts of interest that may occur. He is informed by each director of any actual or potential conflicts of interest that arise and relays this information to the Board of Directors. He also informs the Board of any actual or potential conflicts of interest that he may have identified himself.
- Overseeing the periodic assessments of the Board of Directors' operating procedures.

As part of his work, the Senior Independent Director may suggest to the Chairman of the Board of Directors:

- that additional points be included in a Board meeting agenda; and/or
- that the Board of Directors meet to discuss a pre-defined agenda concerning an important or urgent matter requiring an extraordinary Board meeting.

The Senior Independent Director ensures that the directors have the possibility of meeting the Group's executive managers and Statutory Auditors, in accordance with the provisions of the Rules of Procedure.

More generally, the Senior Independent Director ensures that the directors receive all the information they need to exercise their duties in the best possible conditions, as stipulated in the Rules of Procedure.

Once a year, the Senior Independent Director reports to the Board of Directors on his work.

As at the date of this Universal Registration Document, Gilles Auffret is the Company's Senior Independent Director.

3.1.1.5 Chief Executive Officer

The Board felt that Philippe Guillemot's demonstrated ability to strengthen organizations and motivate teams around clear objectives and his capacity to pursue the transformation process already begun would be essential assets for Elior Group, and that his experience in major decentralized and international corporations would be particularly useful for continuing to accelerate the Group's international expansion drive.

Philippe Guillemot – Elior Group's Chief Executive Officer and a director of the Company – is required to exercise his powers within the scope of the corporate purpose and subject to the powers that are directly vested by law in shareholders and the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties, and all of his actions are binding on the Company, even when they fall outside the scope of the Company's corporate purpose, unless the Company can prove that the third party concerned was aware – or under the circumstances could not have been unaware – that the Chief Executive Officer was acting outside the scope of the corporate purpose. Publication of the Bylaws does not, in itself, constitute adequate proof thereof.

Decisions taken by the Board of Directors that restrict the Chief Executive Officer's powers (see Section 3.1.5 below) are not binding on third parties.

The Chief Executive Officer's work is based on objectives set within the framework of the strategic roadmap as well as on goals established by the Board of Directors. He actively participates in all meetings of the Board of Directors and reports regularly to the Board on the Company's operational management and on significant events in the life of the Group. As part of this role he is involved in defining and adjusting the Group's overall strategy.

3.1.1.6 Deputy Chief Executive Officer

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officer(s), who must be individuals rather than legal entities, to assist the Chief Executive Officer in his work.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers vested in the Deputy Chief Executive Officer(s). A Deputy Chief Executive Officer has the same powers as the Chief Executive Officer in dealings with third parties.

At the date of this Universal Registration Document the Company does not have a Deputy Chief Executive Officer.

3.1.1.7 Honorary Chairman

At its meeting on June 11, 2014, the Board of Directors appointed Robert Zolade as Honorary Chairman.

Mr. Zolade attends Board meetings in an advisory, non-voting capacity in his role as Honorary Chairman (but he currently also has a voting right in his capacity as the permanent representative of a corporate director).

3.1.1.8 Non-voting directors

In application of Article 19 of the Bylaws, the shareholders in an Ordinary General Meeting may elect one or more non-voting directors for a term of up to four years, who may or may not be shareholders.

Non-voting directors are called to Board meetings which they attend in a purely advisory capacity.

As at the date of this Universal Registration Document, the Board has one non-voting director: Célia Cornu. Ms. Cornu was appointed on March 9, 2018 for a four-year term expiring at the close of the Annual General Meeting to be held in 2022 to approve the financial statements for the year ending September 30, 2021. Ms. Cornu is very regularly consulted due to her experience and her knowledge of the Group and its businesses.

Having a non-voting director on the Board can also be used as a way of enabling a future directorship candidate to attend Board meetings before he or she is put forward for election at the Annual General Meeting.

3.1.1.9 Group Executive Committee

In accordance with the Rules of Procedure, the Group has put in place an Executive Committee, which is chaired by Philippe Guillemot and comprises the Group's key executives.

As at the date of this Universal Registration Document, the Executive Committee has the following thirteen members, three of whom are women:

Name	Position
1. Rosario Ambrosino	Chief Executive Officer of Elior Italia
2. Bernard Duverneuil	Group Chief Information and Digital Officer
3. Jean-Yves Fontaine	Chief Executive Officer of Elior France
4. Esther Gaide	Group Chief Financial Officer
5. Philippe Guillemot	Group Chief Executive Officer
6. Ruxandra Ispas	Group Chief Procurement and Logistics Officer
7. Sanjay Kumar	Chief Executive Officer of Elior India
8. Antonio Llorens	Chairman and Chief Executive Officer of Serunion
9. Ludovic Oster	Group Chief Human Resources Officer
10. Olivier Poirot	Chief Executive Officer of Elior North America
11. Gilles Rafin	President of Elior Services
12. Damien Rebourg	Group Chief Communications Officer
13. Catherine Roe	Chief Executive Officer of Elior UK

Apart from Philippe Guillemot, none of the members of the Executive Committee are directors of the Company.

The Executive Committee reviews and authorizes significant projects concerning:

- Major operating contracts under negotiation in France and in international markets, and the related capital expenditure projects.
- Proposed company acquisitions and divestments, strategic partnerships and, more generally, any planned acquisitions of contract portfolios or businesses.
- The implementation of the "New Elior" strategic plan announced by the Chief Executive Officer in late June 2019.

The Executive Committee also examines the Group's operating and sales performance on a monthly basis and shares the information resulting from its division-by-division performance reviews. It initiates and oversees cross-functional programs involving the sales and marketing, human resources, finance, budget control and purchasing functions, as well as programs to optimize productivity and the cost base.

The Executive Committee meets at monthly intervals or more frequently when required.

In accordance with Article 1.7 of the AFEP-MEDEF Code, the Group places particular importance on ensuring that there is balanced representation of men and women on its governing bodies. As at the date of this Universal Registration Document, 23% of the Executive Committee's members were women, compared with 20% in 2018. The Group intends to continue to implement measures to promote gender parity for top management posts.

3.1.1.10 Group Corporate Committee

The Group also has a Corporate Committee, which is chaired by Philippe Guillemot and comprises the heads of its principal corporate functions.

As at the date of this Universal Registration Document, the Corporate Committee has the following nine members, three of whom are women:

Name	Position
• Jean-Pascal Dragon	Head of Group Strategic Planning and Business Development
• Bernard Duverneuil	Group Chief Information and Digital Officer
• Esther Gaide	Group Chief Financial Officer
• Philippe Guillemot	Group Chief Executive Officer
• Ruxandra Ispas	Group Chief Procurement and Logistics Officer
• Ludovic Oster	Group Chief Human Resources Officer
• Virginie Rabant	Head of Group Innovation
• Damien Rebourg	Group Chief Communications Officer
• Thierry Thonnier	Group Chief Legal Officer

Apart from Philippe Guillemot, none of the members of the Corporate Committee are directors of the Company.

The roles and responsibilities of the Corporate Committee are as follows:

- Overseeing the Group's action plans regarding corporate and cross-business matters.
- Reviewing the main initiatives launched by the Group's corporate functions.
- Sharing feedback from front-line teams.

The Corporate Committee meets twice a month or more frequently when required.

In accordance with Article 1.7 of the AFEP-MEDEF Code, the Group places particular importance on ensuring that there is balanced representation of men and women on the Corporate Committee. As at the date of this Universal Registration Document, 33% of the Corporate Committee's members are women.

3.1.2 EXECUTIVE MANAGEMENT

The Company's executive management is placed under the responsibility of Philippe Guillemot, who has been Chief Executive Officer of Elior Group since December 5, 2017.

Philippe Guillemot has also been a director of the Company since March 9, 2018. A profile of Mr. Guillemot is provided in Section 3.1.3.1.2 below.

3.1.3 BOARD OF DIRECTORS

3.1.3.1 Members of the Board of Directors

The Company's aim is to ensure that a wide range of skills are represented on the Board of Directors and that the gender balance complies with the relevant legal requirements. As at the date of this Universal Registration Document, the Board comprises ten directors, who are elected for four-year terms. Six of the directors are independent and five are women. In addition, over a third of the Board's members are non-French nationals, with the following nationalities represented: American, Canadian, Spanish and Belgian.

In accordance with Article L. 225-27-1 I, paragraph 2, of the French Commercial Code, at the Annual General Meeting of March 20, 2020, shareholders will be asked to vote on amending the Company's Bylaws in order to provide for the appointment of two employee-representative directors on the Board. In accordance with the French Commercial Code and the AFEP-MEDEF Code, the directors representing employees will not be included in the calculation of the proportion of independent directors or the number of women directors on the Board.

As at the date of this Universal Registration Document, Elior Group's Board of Directors comprises the following ten members:

	Personal information			Information about the member's directorship					
	Age	Gender (M/F)	Number of shares held at Dec. 31, 2019	Independent director	Number of directorships held in other listed companies	Date first elected	End of current term of office	No. of years on the Board	Membership of Board committees
Executive directors									
Gilles Cojan, *Chairman* *French nationality*	65	M	18,050	x	0	Nov. 1, 2017	2023 AGM	5	*Audit and SI&CSR*
Philippe Guillemot, *Chief Executive Officer* *French nationality*	60	M	18,718	x	2	March 9, 2018	2022 AGM	1	x
Honorary Chairman									
BIM Represented by Robert Zolade *French nationality*	79	M	35,126,020	x	0	June 11, 2014	2022 AGM	5	*N&C and SI&CSR (Chair)*
Senior Independent Director									
Gilles Auffret *French nationality*	72	M	60,673	√	0	June 11, 2014	2022 AGM	5	*N&C (Chair) and SI&CSR*
Directors qualified as independent by the Board of Directors									
Anne Busquet *Dual French and American nationality*	69	F	2,370	√	1	March 11, 2016	2020 AGM	3	*N&C*
Emesa Corporacion Empresarial Represented by Vanessa Llopart *Spanish nationality*	44	F	13,339,519	√	0	March 11, 2016	2020 AGM	3	x
Fonds Stratégique de Participations Represented by Virginie Duperat-Vergne *French nationality*	44	F	8,890,453	√	0	March 9, 2018	2022 AGM	1	*Audit (Chair)*
Bernard Gault *French nationality*	61	M	4,000	√	0	March 9, 2018	2022 AGM	1	*N&C and SI&CSR*
Caisse de dépôt et placement du Québec Represented by Elisabeth Van Damme *Belgian nationality*	53	F	11,916,251	√	0	March 10, 2017	2022 AGM	3	*Audit*
Director									
Servinvest Represented by Sophie Javary *French nationality*	60	F	1,000	x	2	March 11, 2016	2020 AGM	3	x

The table below provides a summary of the movements in the Board's membership structure in the fiscal year ended September 30, 2019

Date of decision	Description	Effective date	Expiration date of term
March 22, 2019 (AGM)	Re-election of Gilles Cojan as a director	March 22, 2019	AGM to be held in 2023 to approve the financial statements for the year ending Sept. 30, 2022
March. 22, 2019 (Board of Directors' meeting)	Appointment of Gilles Cojan as Chairman of the Board of Directors	March 22, 2019	AGM to be held in 2023 to approve the financial statements for the year ending Sept. 30, 2022
Sept. 24, 2019 (Board of Directors' meeting)	Appointment of Vanessa Llopart as permanent representative of Emesa to replace Pedro Fontana	Sept. 24, 2019	AGM to be held in 2020 to approve the financial statements for the year ended Sept. 30, 2019

As at the date of this Universal Registration Document, six of the Board's ten members are independent directors, which complies with the proportion recommended in the AFEP-MEDEF Code for companies that do not have controlling shareholders.

Elior Group also places particular importance on ensuring that women make up a significant proportion of its Board members. As 50% of these members, either directly or as representatives of corporate directors, are women, female representation on the Company's Board is above the threshold provided for by law and recommended in the AFEP-MEDEF Code.

In accordance with Article L. 225-37-4 of the French Commercial Code, the following table sets out the diversity policy applied within the Company's Board of Directors, showing the criteria taken into account, the objectives set, the implementation procedures and the results achieved in fiscal 2018-2019.

Criteria used	Objectives	Implementation procedures and results achieved in fiscal 2018-2019
Membership structure of the Board of Directors	Gender parity on the Board	**Proportion of women**: Gradual increase: – 22.22% at the March 10, 2015 AGM – 44.44% at the March 11, 2016 and March 10, 2017 AGMs – 55.5% at the close of the October 31, 2017 Board meeting – 40% at the March 9, 2018 and March 22, 2019 AGMs **At the close of the AGM to be held on March 20, 2020: 50% women directors.**
	Review of what is required to ensure the best possible balance in terms of complementary profiles (international background and diversity)	**Non-French directors**: At the close of the AGM to be held on March 20, 2020, 30% of the Company's directors will be non-French.

		Experience: – Business organization/HR: Gilles Auffret, Philippe Guillemot, BIM (represented by Robert Zolade), Anne Busquet, Bernard Gault – Knowledge of the industry: BIM (represented by Robert Zolade), Gilles Cojan, Philippe Guillemot – Strategy: Gilles Cojan, Philippe Guillemot, Bernard Gault, Gilles Auffret, Emesa (represented by Vanessa Llopart), Servinvest (represented by Sophie Javary), BIM (represented by Robert Zolade) – Economy/Finance: FSP (represented by Virginie Duperat Vergne), Bernard Gault, CDPQ (represented by Elisabeth Van Damme), Servinvest (represented by Sophie Javary) – Marketing/consumer behavior: Anne Busquet – Innovation and digital: Anne Busquet, Philippe Guillemot – International: Gilles Cojan, Philippe Guillemot, Anne Busquet, Emesa (represented by Vanessa Llopart), CDPQ (represented by Elisabeth Van Damme) – Governance: Gilles Auffret, Bernard Gault, BIM (represented by Robert Zolade), Gilles Cojan, Anne Busquet
Director independence	Reach a proportion of at least 50% independent directors (see Article 8.1 of the AFEP-MEDEF Code and Article 2.1 of the Board's Rules of Procedure)	At the close of the AGM to be held on March 20, 2020, 60% of the Company's directors will qualify as independent based on the criteria set in the AFEP-MEDEF Code and used by the Company.
Age of directors	No more than 1/3 of the Company's directors over 80 years old (see Article 15, paragraph 4, of the Bylaws).	Objective met.

3.1.3.1.1 Director independence

As for other corporate governance matters, the Company refers to the AFEP-MEDEF Code for determining whether directors qualify as independent. A director is deemed to be independent when he or she has no relationship of any kind whatsoever with the Company, the Group or the management of either that may affect his or her judgment or create a conflict of interests between the director and the Company, the Group or the management of either. The independence criteria specified in the Board of Directors' Rules of Procedure are the same as those in the AFEP-MEDEF Code.

When the six independent directors were elected, the criteria set out below were examined and considered as being fulfilled. These criteria are also examined by the Board on an annual basis. Therefore, in accordance with the AFEP-MEDEF Code and the Board's Rules of Procedure, for Elior Group an independent director is a director who:

- Is not, and has not been in any of the past five years:
  - an employee or executive director of the Company or any other Group entity;
  - an employee or director of a shareholder that holds (directly or indirectly) over 10% of the Company's capital or voting rights;
  - an employee or executive or non-executive director of an entity that the Company consolidates;
  - an employee or executive or non-executive director of the parent of the Company or an entity consolidated by the Company's parent.

- Is not an executive director of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee or executive director of the Company (currently in office or having held such office in the past five years) is a director.

- Is not, and does not have, any direct or indirect ties with a customer, supplier, commercial banker, investment banker or consultant:

  - that is material for the Company or for the Group; or

  - for which the Company or the Group represents a substantial proportion of its business.

  The assessment of whether or not any relationship that a director may have with the Company or Group is significant is debated by the Board of Directors and the quantitative and qualitative criteria used for this assessment are explicitly set out in the corporate governance report.

In addition, an independent director must not:

- Have close family ties with an executive director of the Company or the Group or with a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights.

- Have served as a statutory auditor of the Company or another Group entity at any time in the past five years.

- Have served as a director of the Company for more than twelve years.

- Receive, or have received, material compensation from the Company or the Group (other than directors' fees), including all forms of share-based payments and all other forms of performance-related compensation.

The Rules of Procedure stipulate that the decision to qualify a director as independent must be discussed annually by the Nominations and Compensation Committee, which prepares a report on the issue for the Board of Directors. Each year, prior to the publication of the Annual Report, the Board of Directors assesses each director's situation in relation to the independence criteria, based on the Nominations and Compensation Committee's report. The Board's conclusions are presented to shareholders in the corporate governance report.

The situation of each director in relation to the independence criteria set out in the Board's Rules of Procedure based on the AFEP-MEDEF Code was reviewed by the Nominations and Compensation Committee at its meeting on November 27, 2019, and its findings were then reported to the Board of Directors. At its meeting on December 3, 2019, the Board qualified the following six of its members as independent:

1. Gilles Auffret
2. Anne Busquet
3. CDPQ (represented by Elisabeth Van Damme)
4. Emesa (represented by Vanessa Llopart)
5. FSP (represented by Virginie Duperat-Vergne)
6. Bernard Gault

For fiscal 2019-2020, these six directors all fulfil the independence criteria in the AFEP-MEDEF Code and, in particular, the criterion of not having any business relations with the Company or the Group. In addition, the Company does not have any business relations with any entity or group with which these independent directors have ties. Based on the Nominations and Compensation Committee's analysis, the Board considered that the 7.7%, 6.8% and 5.1% ownership interests held in Elior Group by Emesa, CDPQ and FSP respectively do not affect these corporate directors' judgment or create any conflict of interests.

Since March 2016, the Board of Directors has applied the recommendation issued by France's Haut Comité de Gouvernement d'Entreprise (High Committee of Corporate Governance) concerning the proportion of independent directors on corporate boards, which is now higher than the recommendations contained in the AFEP-MEDEF Code.

The Board of Directors and the Nominations and Compensation Committee use the following evaluation matrix for their annual assessment of directors' independence and whenever directors are appointed, elected or re-elected.

Evaluation grid used for assessing directors' independence

	G. Cojan	P. Guillemot	BIM (R. Zolade)	FSP (V. Duperat-Vergne)	Servinvest (S. Javary)	B. Gault	A. Busquet	Emesa (V Llopart)	G. Auffret	CDPQ (E. Van Damme)
Is not, and has not been in any of the past five years: - an employee or executive director of the Company; - an employee or director of a shareholder that holds (directly or indirectly) over 10% of the Company's capital or voting rights; - an employee or executive or non-executive director of an entity that the Company consolidates; - an employee or executive or non-executive director of the parent of the Company or an entity consolidated by the Company's parent.	x	x	x	o	o	o	o	o	o	o
Is not an executive director of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee or executive director of the Company (currently in office or having held such office in the past five years) is a director.	o	x	o	o	o	o	o	o	o	o
Is not, and does not have, any direct or indirect ties with a customer, supplier, commercial banker, investment banker or consultant that is material for the Company or for the Group, or for which the Company or the Group represents a substantial proportion of its business	o	o	o	o	o	o	o	o	o	o
Does not have close family ties with an executive director of the Company or the Group or with a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights.	o	o	x	o	x	o	o	o	o	o
Has not served as a statutory auditor of the Company or another Group entity at any time in the past five years	o	o	o	o	o	o	o	o	o	o
Has not served as a director of the Company for more than twelve years	o	o	x	o	o	o	o	o	o	o
Has not received material compensation from the Company or the Group (other than directors' fees), including all forms of share-based payments and all other forms of performance-related compensation.	x	x	o	o	o	o	o	o	o	o
Result of the review: director qualified as independent	x	x	x	o	x	o	o	o	o	o

o = independence criterion met. x = independence criterion not met

3.1.3.1.2 Profiles of the Members of the Board of Directors at December 31, 2019

Age: 65

Nationality:
French

Business address:
9-11 allée de l'Arche
92032 Paris La Défense
(France)

Number of Elior Group shares held at December 31, 2019:
18,050

Gilles Cojan
Chairman of the Board of Directors

Gilles Cojan graduated from ESSEC business school in 1977. He joined Elior in 1992, first as Chief Financial Officer before going on to become CEO of Elior International. Throughout this time, he also held the position of Chief Strategy Officer for the Elior group. In 2007, Mr. Cojan was appointed as a member of Elior's Supervisory Board, sitting alongside Robert Zolade and representatives of Charterhouse, and has served on the Board of Directors since the Company was re-listed in June 2014. He is also a member of Elior Group's Audit Committee and the Strategy, Investments and CSR Committee and has been the Chairman of the Board of Directors since November 1, 2017.
Acting alongside Elior's founders – Robert Zolade and Francis Markus – Mr. Cojan ensured the success of the Company's first MBO organized in 1992 and completed in 1996. Then, again with the founders, he organized two successive LBOs for the contract catering and concession catering businesses, which resulted in the creation of the Elior group in 1997. As from that date he directly led the Group's internationalization strategy, enabling it to successively enter the UK, Spanish and Italian markets.
Gilles Cojan was the driving force behind a number of the major partnerships that stepped up the pace of the Group's growth, including the partnership set up in 2001 with the Spanish company Areas, which helped the Group strengthen its leadership position in concession catering, and subsequently the alliance forged in 2013 with the founder of THS, which underpinned Elior's rapid development strategy in the United States. In 2000, he oversaw Elior's IPO and then in 2006, with Robert Zolade, he organized the Company's voluntary stock market de-listing followed by a new LBO carried out with the aim of accelerating the Group's development. In 2010, he was behind the idea of creating a "services" business, which has now become an integral part of the Group.
Since 2007, Mr. Cojan has also been the CEO of BIM – Elior Group's main shareholder – where he implemented a diversification strategy that led to the creation of three major players in the outdoor hospitality, Parisian hotels and healthcare education sectors.
Before joining Elior, in 1990 Mr. Cojan took on the position of head of the Financing and Treasury department at Valeo. Prior to that he formed part of Banque Translatlantique where he served as CEO of its subsidiary, GTI Finance, having previously worked between 1978 and 1986 as Treasurer for the pharmaceutical group Servier.

Gilles Cojan is currently Chairman of Elior Group's Board of Directors. He is also Chief Executive Officer of Sofibim and BIM.

Membership of Elior Group Board committee(s): Audit Committee and Strategy, Investments and CSR Committee

Independent director: No

Other directorships and positions held at September 30, 2019 (outside the Elior group)

- Chief Executive Officer of Sofibim SAS (France, unlisted company)
- Chief Executive Officer of BIM SAS (France, unlisted company)
- Chairman of Artalor Equia SAS (France, unlisted company)

Directorships and positions held during the past five years which have expired

- Director of Gourmet Acquisition Holdings, Inc. (Elior group - United States)
- Director of Gourmet Acquisition Inc. (Elior group - United States)
- Director of THS Group Inc. (Elior group - United States)
- Manager of THS Holdings LLC (Elior group - United States)
- Member of the Supervisory Board of Elior Finance SCA (Elior group - Luxembourg)
- Permanent representative of BIM SAS as a director of El Rancho SA (France)

BIM – Corporate director represented by Robert Zolade, Elior Group's Honorary Chairman

Registered office:
54 avenue Marceau – 75008 Paris (France)

Registration number:
487 719 288 RCS Paris

Number of Elior Group shares held at December 31, 2019:
35,126,020

Information about BIM:
BIM holds 35,126,020 Elior Group shares, representing 20.18% of the Company's capital.

Membership of Elior Group Board committee(s): Nominations and Compensation Committee and Strategy, Investments and CSR Committee (Chair)

Independent director: No

Other directorships and positions held at September 30, 2019 (outside the Elior group)

- President of Novetude Santé SAS (France, unlisted company)
- President of Collection Bagatel SAS (France, unlisted company)
- President of Financière de Bel Air SAS (France, unlisted company)
- President of Holding Bel Air Investissements SAS (France, unlisted company)
- President of CHB Invest II SAS (France, unlisted company)
- President of CHB Invest III SAS (France, unlisted company)

Directorships and positions held during the past five years which have expired

- President of Hôtel Platine SAS (France)
- President of AMAC SAS (formerly Compagnie de Bel Air) (France)
- Director of El Rancho SAS (France)

Information about Robert Zolade
Permanent representative of BIM and Elior Group's Honorary Chairman

Age: 79

Nationality:
French

Business address:
54 avenue Marceau – 75008 Paris (France)

Number of Elior Group shares held at December 31, 2019:
0

Robert Zolade is the Chairman and controlling shareholder of Sofibim, which in turn exercises exclusive control over BIM (Elior Group's main shareholder). He is the co-founder of the Elior group and served as its Co-Chairman and then Chairman from its creation in 1991 until 2010. Prior to that, he held various senior management positions within the Accor group, including Chairman and Chief Executive Officer of Société Générale de Restauration in 1990, and Chief Executive Officer of Compagnie Internationale des Wagons-Lits et de Tourisme from 1990 to 1992. Robert Zolade is a graduate of Institut d'Etudes Politiques de Paris (IEP) and also holds a law degree and a post-graduate degree in economics.

Main professional activity: **permanent representative of BIM on Elior Group's Board of Directors and Honorary Chairman of Elior Group's Board of Directors**. He is also Chairman of Sofibim.

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Chairman of the Board of Directors of Sofibim SA (Luxembourg, unlisted company)
- Chairman of Sofibim SAS (France, unlisted company)
- Legal Manager of Servinvest SARL (France, unlisted company)
- Vice Chairman of the Supervisory Board of Sparring Capital SA (France, unlisted company)
- Legal Manager of Bérulle Art SARL (France, unlisted company)
- Legal Manager of LMDB SC (France, unlisted company)
- Legal Manager of MBOB SC (France, unlisted company)

Directorships and positions held during the past five years which have expired

- Director of Áreas Iberico Americana S.L. (Elior group - Spain)
- Chairman of Bercy Services XII (Elior group - France)
- Director of Elior UK Ltd (Elior group - United Kingdom)
- Director and Chairman of Avenance UK (Elior group - United Kingdom)
- Director of Serunión (Elior group - Spain)
- Chairman of the Board of Directors of BIM Luxembourg (Luxembourg)

Age: **60**

Nationality:
French

Business address:
**9-11 allée de l'Arche
92032 Paris La Défense
(France)**

Number of Elior Group shares held at December 31, 2019:
18,718

Philippe Guillemot
Chief Executive Officer and a director

Between 2013 and 2016, Philippe Guillemot was Chief Operating Officer at Alcatel-Lucent, a global company with significant exposure to the US market and at the heart of the digital revolution. He was brought into the company to draw up a business recovery and transformation plan and subsequently oversaw Alcatel-Lucent's integration into Nokia.
From 2010 through 2012, he was CEO and a Board member of Europcar, where he modernized the company's brand image and offerings to make them more appealing and more suited to customer expectations. During his time with Europcar he also launched a large-scale plan to improve operating efficiency in very challenging market conditions.
From 2004 through 2010, Mr. Guillemot served as Chairman and CEO of Areva Transmission and Distribution (T&D), which subsequently became a division of Alstom, and was a member of Areva's Executive Committee. In this role he successfully implemented two strategic plans to turn around the business and significantly boost its profitability. During the six years he was with Areva T&D, the entity extensively enlarged its international footprint, doubled its revenue and increased its value fourfold.

Before joining Areva T&D, Mr. Guillemot was a member of the Executive Committees at the automotive suppliers Faurecia (2001-2003) and Valeo (1998-2000). At both of these companies he oversaw the global expansion of divisions with revenue of several billion euros. Prior to that he held executive posts at Michelin (1993-1998 and 1983-1989), where he was appointed to his first Executive Committee position at the age of thirty-six. Alongside Edouard Michelin he was the architect behind the product line-based organization structure that enabled Michelin to pursue a profitable growth trajectory.
Philippe Guillemot holds an MBA from Harvard University and is a graduate of the French engineering school, École des Mines de Nancy. He is also a knight of the French National Order of Merit.

Philippe Guillemot has been Elior Group's Chief Executive Officer since December 5, 2017.

Membership of Elior Group Board committee(s): None

Independent director No

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Director of Constellium (United States, listed company)
- Director of Sonoco (United States, listed company)

Directorships and positions held during the past five years which have expired

- Chairman of Captain Bidco (France)

Age: 72

Nationality:
French

Business address:
9-11 allée de l'Arche
92032 Paris La Défense
(France)

Number of Elior Group shares held at December 31, 2019:
60,703

Gilles Auffret
Senior Independent Director

Gilles Auffret is currently Chairman of the Supervisory Board of Azulis, a private equity firm, and Chairman of the Board of Directors of Terreal. Between 1999 and 2013, he held various executive positions within the Solvay Rhodia Group, including Chief Operating Officer (2001-2012), Chief Executive Officer (2013) and member of the Rhodia Executive Committee (2013). From September 2011 to the end of 2013, he was also a member of the Solvay Executive Committee. Between 1982 and 1999, Mr. Auffret held various executive positions within the Pechiney Group, including Vice President of the Aluminium Metal Division and Chief Executive Officer of Aluminium Pechiney from 1994 to 1999. Prior to that, he served as an auditor with the French national audit office (*Cour des Comptes*) from 1975 to 1978 and as a project manager in the French Industry Ministry between 1978 and 1982. Gilles Auffret is a graduate of Ecole Polytechnique, Institut d'Etudes Politiques de Paris, Ecole Nationale de la Statistique et de l'Administration Économique and École Nationale d'Administration.

Membership of Elior Group Board committee(s): Nominations and Compensation Committee (Chair) and Strategy, Investments and CSR Committee

Independent director: Yes

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Chairman of the Board of Directors of Terreal (France, unlisted company)
- Member of the Supervisory Board of Seqens (France, unlisted company)

Directorships and positions held during the past five years which have expired

- Chairman of the Supervisory Board of Azulis (France, unlisted company)

Age: 69

Nationality:
French and American

Business address:
1080 5th Ave, New York, NY, 10128 (United States)

Number of Elior Group shares held at December 31,2019:
2,370

Anne Busquet
Independent director

Anne Busquet has been principal at AMB Advisors LLC in New York since 2006. She began her career in 1973 at Hilton International before joining the American Express group in 1978, where she remained until 2001, occupying several executive posts. She then served as President of AMB Advisors LLC from 2001 to 2003, when she joined InterActiveCorp as President of Travel Services and was subsequently appointed CEO of Local and Media Services.

Membership of Elior Group Board committee(s): Nominations and Compensation Committee

Independent director: Yes

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Managing Director of Golden Seeds, Inc. (United States, unlisted company)
- Director of Pitney Bowes, Inc (United States, unlisted company)
- Director of Intercontinental Hotels Group PLC (United Kingdom, unlisted company)
- Director of Medical Transcription Billing, Corp (United States, listed company)

Directorships and positions held during the past five years which have expired

None

Emesa
Independent corporate director, represented by Vanessa Llopart

Registered office:
579-587 avenida Diagonal, planta 10, 08014, Barcelona (Spain)

Registration number:
B58138512

Number of Elior Group shares held at December 31, 2019:
13,339,519

Information about Emesa:
Emesa holds 13,339,519 Elior Group shares, representing 6.84% of the Company's capital.

Membership of Elior Group Board committee(s): None

Independent director: Yes

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Director of Devicare, S.L. (Spain, unlisted company)
- Director of Cofiber Financiera Establecimiento Financiero de Crédito, S.A. (Spain, unlisted company)

Directorships and positions held during the past five years which have expired

- Director of Metropolis Inmobiliarias y Restauraciones, S.L. (Spain)
- Director of Sunroad, S.L. (Spain, unlisted company)

Information about Vanessa Llopart
Permanent representative of Emesa

Age: **44**

Nationality:
Spanish and American

Business address:
579-587 avenida Diagonal, planta 10, 08014, Barcelona (Spain)

Number of Elior Group shares held at December 31, 2019:
0

Vanessa Llopart is a graduate of the ESADE business school. She began her career at Roland Berger where she spent six years, first as a strategy consultant and then a project manager.
In 2003, she became a freelance strategy consultant, working on assignments in Barcelona and Madrid for companies including Europraxis and Kubiwireless.
In 2008, she joined Llopart Euroconsejo where she developed M&A projects and managed various corporate client files.
From 2009 until July 2019, she was a member of the Board of Directors of the Zeta group.
Vanessa Llopart is currently a partner and member of the Board of Directors of Talenta Gestion, a financial services firm specialized in wealth planning and portfolio management that provides advice about corporate finance and M&As. She has also been CEO of Emesa Corporacion Empresarial since 2018.

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Director of Salad Market, S.L. (unlisted company)
- Director of Look the Box, S.L. (unlisted company)
- Sole director of Emesa Real Estate, S.L.U. (unlisted company)
- Sole director of Emesa Capital, S.L.U. (unlisted company)
- Sole director of Emesa Global Asset Management, S.A.U. (unlisted company)
- Sole director of Empordà Golf & Leisure, S.L.U. (unlisted company)
- Associate Manager of Diagonal 191, S.L. (unlisted company)
- Associate Manager of Fezz Inso Immobiliara, S.L. (unlisted company)

Directorships and positions held during the past five years which have expired

- Advisor at Grupo Zeta.
- Project Manager at Llopart Euroconsejo S.L.

Fonds Stratégique de Participations (FSP)
Independent corporate director, represented by Virginie Duperat-Vergne

Registered office:
47, rue du Faubourg Saint-Honoré, 75008 Paris (France)

Registration number:
753 519 891 RCS Paris

Number of Elior Group shares held at December 31, 2019:
8,890,453

Information about FSP:
FSP holds 8,890,453 Elior Group shares, representing 5.11% of the Company's capital.

Membership of Elior Group Board committee(s): Audit Committee (Chair)

Independent director: Yes

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Director of Arkema (listed company)
- Director of Groupe Seb (listed company)
- Director of Eutelsat Telecommunications (listed company)
- Director of Tikehau Capital (listed company)
- Director of Safran (listed company), indirectly via a joint venture set up in partnership with another major Safran shareholder.
- Director of NEOEN (listed company)

Directorships and positions held during the past five years which have expired

- Director of Zodiac Aerospace

Information about Virginie Duperat-Vergne
Permanent representative of FSP

Age: **44**

Nationality:
French

Business address:
9-11 allée de l'Arche 92032 Paris La Défense (France)

Number of shares held at December 31, 2019:
0

Virginie Duperat-Vergne was Chief Financial Officer of the Gemalto group from December 2017 to March 2019, prior to which she was Deputy Chief Financial Officer and a member of the Senior Leadership Team at TechnipFMC. During the seven years she spent at TechnipFMC she held various leadership positions within the executive finance team of the TechnipFMC group.

Ms. Duperat-Vergne began her career as an external auditor and spent more than ten years at Arthur Andersen, then Ernst & Young (now EY) before joining the Canal + Group as Compliance Officer for Accounting Standards.

Virginie Duperat-Vergne holds a master's degree in management from Toulouse Business School.

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Director on one of the Advisory Boards of BPI France's Accélérateur ETI 2018/2019 program.

Directorships and positions held during the past five years which have expired

- Director of several subsidiaries of the Technip and TechnipFMC groups, including Technip France
- Chair of Gemalto Treasury Services, a Gemalto group subsidiary

Age: 61

Nationality: French

Business address: 9-11 allée de l'Arche 92032 Paris La Défense (France)

Number of Elior Group shares held at December 31, 2019: 4,000

Bernard Gault
Independent director

Bernard Gault is an investment banker and investor and is the founding partner of the investment firm Barville & Co, formed in 2016. He is also a founding partner of Perella Weinberg Partners, a global financial services firm set up in 2006 offering financial advisory and asset management services. He began his career in 1982 at Compagnie Financière de Suez before joining Morgan Stanley in 1988 where he went on to serve as Managing Director until 2006.

Bernard Gault holds degrees from Ecole Centrale Paris and Institut d'Etudes Politiques de Paris.

Membership of Elior Group Board committee(s): Nominations and Compensation Committee and Strategy, Investments and CSR Committee

Independent director: Yes

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Chairman of Prime Vineyards Partners (unlisted company)
- Director of OVH Groupe (unlisted company)
- Director of Balmain S.A. (unlisted company)
- Director of FFP Investment UK (unlisted company)
- Senior Advisor at Perella Weinberg Partners (unlisted company)
- Legal Manager of SCEA Domaine de la Vigne aux Dames (unlisted company)
- Legal Manager of SCI du Mas de la Foux (unlisted company)
- Legal Manager of SCI de la Vigne aux Dames (unlisted company)
- Director of Fondation de l'Orchestre de Paris (unlisted company)
- Director of Fondation Centrale Supélec (unlisted company)
- Director of Fonds Saint Michel (unlisted company)
- Member of the Supervisory Board of Château Olivier (unlisted company)
- Member of the Supervisory Board of Domaine Bethmann (unlisted company)

Directorships and positions held during the past five years which have expired

- Chairman of A.S.H.S. Ltd (Anya Hindmarch)
- Chairman of Wild Spirits
- Legal manager of SCI de la Troika

Registered office:
54 avenue Marceau – 75008 Paris (France)

Registration number:
383 811 536 RCS Paris

Number of Elior Group shares held at December 31, 2019:
1,000

Servinvest
Corporate director, represented by Sophie Javary

Information about Servinvest
Servinvest is a company whose legal manager is Robert Zolade

Membership of Elior Group Board committee(s): None

Independent director: No

Other directorships and positions held at September 30, 2019 (outside the Elior group):

None

Directorships and positions held during the past five years which have expired

None

Information about Sophie Javary
Permanent representative of Servinvest

Age: 60

Nationality:
French

Business address:
37, place du Marché Saint Honoré, 75001 Paris (France)

Number of Elior Group shares held at December 31, 2019:
0

A graduate of HEC business school, Sophie Javary began her career in 1981 at the Bank of America in Paris before moving to Indosuez. In 1994 she joined Rothschild as head of ECM origination. Between 2000 and 2007, Ms. Javary headed up ABN-AMRO Rothschild in France on behalf of Rothschild. In January 2002 she was appointed Managing Partner at Rothschild, where she co-managed the financing and European restructuring business between 2008 and 2010. In February 2011, she joined BNP Paribas as Consultant Banker for a portfolio of key accounts for which she has managed their global relations with the bank ever since. Between January 2014 and October 2018, she headed up all of BNP Paribas' corporate finance activities (M&A and primary equity market advisory services) for the Europe, Middle East and Africa region (EMEA). Since October 2018, she has served as Vice-Chairman CIB EMEA at BNP Paris, devoting all of her time to business development and strategy advisory services for major corporate and private equity clients. She is a member of BNP Paribas' G100 group of its top 100 executives.

In 2013, Sophie Javary became a Knight of the French Legion of Honor.

Other directorships and positions held at September 30, 2019 (outside the Elior group):

- Director of Adevinta (parent company of the Bon coin, Norway, listed company)
- Director of Euroclear (unlisted company)
- Director of Europa Nova (NGO, France)
- Lecturer at HEC

Directorships and positions held during the past five years which have expired

- Member of the Supervisory Board of Altamir

CDPQ
Independent corporate director, represented by Elisabeth Van Damme

Registered office:
Edifice Price – 65 rue Sainte-Anne, 14e étage – Quebec (Quebec) G1R 3X5

Registration number:
383 811 536 RCS Paris

Number of Elior Group shares held at December 31, 2019:
11,916,251

Information about CDPQ
CDPQ holds 11,916,251 Elior Group shares, representing 7.66% of the Company's capital

Membership of Elior Group Board committee(s): Audit Committee

Independent director: Yes

Other directorships and positions held at September 30, 2019 (outside the Elior group):
None

Directorships and positions held during the past five years which have expired
None

Information about Elisabeth Van Damme
Permanent representative of CDPQ

Age: **53**

Nationality:
Belgian

Business address:
12 avenue des Ormeaux - 1180 Brussels (Belgium)

Number of Elior Group shares held at December 31, 2019:
0

Elisabeth Van Damme is currently Senior Director at Bureau Van Dijk, a Moody's Analytics company. Prior to that, she worked for Coca Cola Services and as an auditor with KPMG (BBKS/Peat Marwick).
Elisabeth Van Damme holds an economics degree from the Louvain School of Management (Belgium).

Other directorships and positions held at September 30, 2019 (outside the Elior group):
None

Directorships and positions held during the past five years which have expired
- Permanent representative of Charterhouse Poppy II on the Board of Directors of Elior Group (Elior group - France)
- Independent director of Bourbon Offshore (France)

Célia Cornu
Non-voting director

Age: **39**

Nationality:
French

Business address:
43 avenue Marceau – 75116 Paris (France)

Number of Elior Group shares held at December 31, 2019:
0

Célia Cornu is Chief Executive Officer of Collection Bagatel and a member of Sofibim's Strategy Committee. She began her career in the marketing departments of the Printemps and Galeries Lafayette groups before moving into financial investment at Pragma Capital and Advent International. She joined BIM in 2009.
Célia Cornu holds a masters in Management from Kedge Business School, France (2002) and an MBA in Finance and Strategy from Boston University in the United States (2009).

Other directorships and positions held at September 30, 2019 (outside the Elior group):
- Director of Sofibim SA (Luxembourg, unlisted company)
- CEO of Collection Bagatel SAS (France, unlisted company)

Directorships and positions held during the past five years which have expired
None

3.1.3.1.3 Shareholding requirements and prevention of conflicts of interests

The Rules of Procedure stipulate that each of the Company's directors and officers[1] must hold at least 1,000 Elior Group shares. Individuals appointed as permanent representatives of corporate directors on the Company's Board are not required to hold any shares in their own name.

As far as the Company is aware there are no family relationships between the members of the Board of Directors and the members of the Company's executive management.

To the best of the Company's knowledge, in the past five years, none of its directors or officers have been:

- Convicted of a fraudulent offence.
- Associated with a bankruptcy, receivership or liquidation.
- Subject to an official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies).
- Disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Lastly, as far as the Company is aware, there are no potential conflicts of interest between (i) the personal interests of the members of the Company's Board of Directors and executive management, and (ii) their duties to the Company.

BIM and Servinvest do not have any business or commercial relations with the Group. BIM's business involves running premium hospitality venues and private higher-education establishments and Servinvest is a real estate investment company. The Group does not provide any catering or other services to any of the establishments owned by either of these companies.

3.1.3.1.4 Service contracts

As at the date of this Universal Registration Document, no director or member of the Company's Executive Committee has a service contract with the Company or any of its subsidiaries providing for any personal benefits.

3.1.3.1.5 Procedure for identifying related-party agreements

Under French corporate law, related-party agreements are subject to a specific approval procedure unless they qualify as routine agreements entered into on arm's length terms. In accordance with Article L.225-39 of the French Commercial Code, the Board of Directors has set up a procedure for regularly assessing routine agreements entered into on arm's length terms, and a set of internal rules that formally documents the procedure for identifying related-party agreements was approved by the Board of Directors on December 3, 2019. This procedure is applied (i) prior to the signature of any agreement that could qualify as a related-party agreement and (ii) on the amendment, renewal or termination of such agreements, even if they were considered not to be subject to the related-party approval procedure when they were originally signed.

3.1.3.2 Operating procedures of the Board of Directors

3.1.3.2.1 Powers of the Board of Directors

The Company is governed by a Board of Directors which determines the Company's business strategy and oversees its implementation, examines all issues that concern the efficient operation of the business and makes decisions on all matters concerning the Company.

The Board of Directors is and will remain a collegiate body that collectively represents all shareholders and acts at all times in the Company's best interests.

The Board of Directors examines all issues that fall within its scope of responsibility under the applicable laws and regulations. In particular it examines and approves all major decisions concerning the business, human resources, environmental, financial and technological strategies of the Company and the Group and oversees their implementation by management. It also:

- Examines and approves the reports of the Board of Directors and the Board committees for inclusion in the Annual Report.
- Examines and approves, based on the recommendation of the Nominations and Compensation Committee, the directors' profiles to be included in the Annual Report, including the list of independent directors and the independence criteria applied.

[1] In accordance with the Preamble of the AFEP-MEDEF Code, as last amended in June 2018, the term company officers includes executive officers (the Chief Executive Officer) and non-executive officers (Chairman of the Board of Directors).

- Appoints directors, if necessary, and proposes directors for re-election at the Annual General Meeting.

- Sets Company officers' compensation, based on the recommendation of the Nominations and Compensation Committee, and allocates directors' fees.

- Decides whether to set up stock option and performance share plans and determines the Group's policy concerning discretionary profit-sharing plans, based on the recommendation of the Nominations and Compensation Committee.

- Oversees the quality of the information disclosed to shareholders and the market in the financial statements and in connection with major transactions, notably by controlling the Group's financial information.

- Assesses the Group's operating performance at least once a year.

- Regularly meets with the executives of the Group's main entities.

- Approves the management report and the sections of the Annual Report describing the Company's corporate governance and its compensation policy.

- Examines all issues that concern the efficient operation of the Company and the Group. The Board of Directors has sole authority to amend the Rules of Procedure, which are regularly reviewed and, where necessary, added to or amended in line with changes in the applicable regulations.

- Decides on the recruitment, appointment, dismissal or removal of the Group's key executives as defined in the Rules of Procedure (which are available on the Group's website).

Additionally, in application of the recommendations of the AFEP-MEDEF Code, which the Company has voluntarily adopted as its corporate governance framework, the Board places particular importance on:

- Promoting long-term value creation by the Company, taking into account the social and environmental impacts of its activities. In line with this objective it proposes changes to the Bylaws whenever it deems fit.
- Regularly examining – based on the business strategy it has drawn up – the opportunities available to the Group and the risks it faces, such as financial, legal, operational, social and environmental risks, as well as the measures taken to mitigate those risks. To this end, the Board of Directors is given all of the information required to fulfill its duties, notably by the executive directors.

- Verifying that a system is in place for preventing and detecting corruption and influence peddling (the Board receives all necessary information for this purpose).

- Ensuring that the executive directors implement a diversity and non-discrimination policy, notably in terms of gender parity on the Group's management bodies.

3.1.3.2.2 Preparation and organization of the work of the Board of Directors

a) Work of the Board of Directors

The preparation and organization of the Board's work are governed by the legal and regulatory provisions applicable to *sociétés anonymes*, as well as by the Company's Bylaws and the Board's Rules of Procedure, which also describe the operating procedures of the Board committees.

The Chairman provides the directors with the information and documents required for them to fulfil their duties and prepare the Board's decisions, notably concerning the Company's financial position, cash position and commitments.

Board meetings are called with at least five days' notice, by e-mail and/or via a secure IT platform. The notices of meeting include the meeting agenda. Board members are generally given an information pack at least five days before the meeting date, and are also provided with any updates to the information prior to the meeting. All of these Board documents are available for download from the secure IT platform at any time. Furthermore, for emergency meetings or meetings to discuss extremely confidential matters, directors may be given additional information after the meeting has been called or once it commences.

In addition to documents dealing with specific agenda items, the meeting pack includes the draft minutes of the previous meeting and selected analyses of the Group's business and financial performance.

Between two Board meetings, specific information memos, research, analysts' memos, economic and financial data and press releases published in France are also provided to the directors through the secure IT platform.

Directors have an obligation not to disclose any confidential information communicated to them. This non-disclosure rule is set out in Article 3.6 of the Rules of Procedure.

At the time of their appointment, the directors received an information pack containing all the documents required to understand the Company, its organization and business and the accounting, financial and operational issues that are specific to it. They were also invited to an induction day during which they were able to meet and talk with the Group's key operations managers. The documents provided to the directors on their appointment are updated regularly and can be consulted at all times via a dedicated, secure IT platform.

b) Board of Directors' activity report

The Board of Directors met seventeen times in fiscal 2018-2019, including eleven times since the March 22, 2019 Annual General Meeting. It met three times between October 1, 2019 and the date of this report. Notices of the meetings along with the related agenda were sent to the directors by e-mail and made available on a secure IT platform several days ahead of each meeting. Between meetings, the members of the Board were kept regularly informed of significant events and transactions involving the Company and received copies of all the major press releases published by the Company.

The duration of routine Board meetings averaged two hours. The attendance rate at Board meetings was 96%.

As well as performing the duties assigned to it under French law and the Company's Bylaws, the Board of Directors regularly received all of the information necessary for executing the New Elior strategic plan as well as information about the Group's CSR policy, results, general business activity and significant projects and transactions (notably acquisitions and capital expenditure projects).

At each meeting, the Group Chief Executive Officer and Chief Financial Officer respectively gave presentations to the Board on the Group's business performance and financial position, and the CEOs of the operating entities concerned gave status reports on the implementation of the Group’s strategy as well as on acquisitions and investment projects. Several Board meetings were devoted to reviewing and analyzing the strategic options that led to the sale of Areas, the New Elior strategic plan, and the Group’s operating and financial performance. The Board was also consulted on numerous occasions about transactions and decisions that were material to the Company or which required the Board's prior authorization pursuant to the Rules of Procedure, particularly acquisitions and capital expenditure projects and performance share plans for Group employees.

In accordance with the recommendations of the AFEP-MEDEF Code, a Board meeting was held without the Chief Executive Officer being present when the independent directors met on July 24, 2019.

Attendance rates at Board meetings held in 2018-2019:

Director	Number of meetings taken into account	Attendance rate
Gilles Cojan	17	100%
BIM - Represented by Robert Zolade	17	100%
Philippe Guillemot	17	100%
Gilles Auffret	17	100%
Anne Busquet	16	94%
Emesa - Represented by Pedro Fontana until September 24, 2019	16	94%
FSP - Represented by Virginie Duperat Vergne	15	88%
Bernard Gault	16	94%
Servinvest -Represented by Sophie Javary	16	94%
CDPQ - Represented by Elisabeth Van Damme	17	100%

3.1.3.3 Assessment of the Board's operating procedures

In accordance with its Rules of Procedure, the Board of Directors includes an assessment of its operating procedures on the agenda of at least one Board meeting per year.

The 2019 annual assessment – which was carried out by an external consultant as recommended by the AFEP-MEDEF Code – confirmed that separating the roles of the Chairman of the Board and the Chief Executive Officer has proved effective and there is now a very good balance between the powers of the Chairman of the Board, the Chief Executive Officer and the Senior Independent Director. The directors' responses to the assessment questionnaire showed that, overall, they feel positively about the Board's membership structure and operating procedures and the balance of relations between the Chief Executive Officer and the Chairman. They believed that during the year the Senior Independent Director was able to effectively fulfil his role of coordinator between the Chief Executive Officer, the Chairman and the independent directors. And they consider that the Board committees perform their duties in a professional way and that their respective chairs report effectively on the work carried out by their committees.

The main priority areas for improvement identified in the 2019 assessment were to:

- Pursue the work already carried out on executive succession planning and launch a reflection process about changes in the Board's membership structure.
- Have more opportunities for Board members to meet with operations management teams.
- Continue with and deepen the content of meetings devoted to analyzing operating performance, risk management, human resources and the competitive environment.
- Pursue measures to standardize and synthesize the information given to the Board and to improve the timeframes for providing this information.

In addition, on July 24, 2019, the independent directors held a meeting to discuss the measures that could be taken to (i) provide better visibility of the Group's operations and challenges, from both an operational and strategic perspective, and (ii) achieve a better balance of the Board's work between operational and financial issues.

In order to further enhance the Group's governance, the Board has created the position of Senior Independent Director, which is currently held by Gilles Auffret. The Senior Independent Director's role is to assist the Chairman of the Board with organizing the Board's work and to act as a liaison with the other directors and coordinate their work.

3.1.3.4 Board committees

The Board of Directors' work and discussions in some areas are prepared by specialized committees made up of directors appointed by the Board for a period corresponding to their term as director.

Three Board committees are in place within Elior Group:
- the Audit Committee;
- the Nominations and Compensation Committee; and
- the Strategy, Investments and CSR Committee.

The main organization and operating procedures of the Board committees are described in the Bylaws and the Rules of Procedure.

The Board of Directors chooses one of the members of each committee as that committee's chair, based on the recommendation of the Nominations and Compensation Committee. The Audit Committee and the Nominations and Compensation Committee are chaired by independent directors.

3.1.3.4.1 Audit Committee

a) Committee members

The table below shows the members of the Audit Committee in fiscal 2017-2018 and 2018-2019:

Members of the Audit Committee		Independent director
Since March 9, 2018	FSP, represented by Virginie Duperat Vergne *(Committee Chair)*	√
	Gilles Cojan	x
	CDPQ, represented by Elisabeth Van Damme	√

The symbol √ indicates compliance with the applicable independence criteria
The symbol x indicates non-compliance with the applicable independence criteria

The Audit Committee currently comprises three members, two of whom are independent directors. This membership structure complies with the AFEP-MEDEF Code which recommends that at least two thirds of companies' audit committees should be made up of independent directors. No executive directors sit on the Audit Committee.

The Committee's members have the necessary technical skills for performing their duties (see Section 3.1.3.1.2 above, "Profiles of the Members of the Board of Directors"). The Audit Committee is chaired by FSP, represented by Virginie Duperat-Vergne, an independent director.

b) Main roles and responsibilities

The Audit Committee assists the Board of Directors in its tasks of overseeing and verifying the preparation of the financial statements of the Company and the Group, and the information communicated to shareholders and the market. It pays particular attention to the relevance and quality of the Company's financial communications. It also obtains assurance concerning the effectiveness of the internal control and risk management systems and is responsible for overseeing issues relating to the preparation and verification of accounting, financial and non-financial information and the statutory audit of the accounts.

The Committee's members all have recognized accounting and finance expertise, as evidenced by their professional background (see Section 3.1.3.1.2 above, "Profiles of the Members of the Board of Directors").

The Committee's main roles and responsibilities, as defined and described in Article 4.5.3 of the Rules of Procedure, are to:

- Oversee the process for the preparation of financial information and, where appropriate, draw up recommendations for ensuring the integrity of this information.
- Monitor the effectiveness of the internal control, risk management and internal audit systems covering the procedures for preparing and processing financial, accounting and non-financial information.
- Oversee the statutory audits of the financial statements of the Company and the Group.
- Monitor the amount of fees paid to the Statutory Auditors for engagements other than statutory audits.
- Verify that the Statutory Auditors comply with the applicable independence criteria.
- Ensure the relevance and quality of the Company's financial communications.

Audit Committee meetings are called by the Committee Chair or Secretary. Members may attend meetings either in person or by conference call or videoconference, in accordance with the same conditions as applicable to Board meetings. Decisions may only be adopted if the meeting is attended by at least half of the Committee's members.

Audit Committee decisions are adopted by a majority vote of the members participating in the meeting, with each member having one vote.

Other than in exceptional cases, the Audit Committee meets two days before the Board of Directors' meeting at which it reports to the Board on its work. The Committee's activity reports enable the directors to be fully informed and help to improve the quality of Board decisions.

c) Audit Committee activity report

The Audit Committee met three times in fiscal 2018-2019 and four times between October 1, 2019 and the date of this report. The attendance rate at the meetings was 100%.

The Statutory Auditors attended all of these meetings as well as the Group Chief Financial Officer and, where required, the Accounting and Consolidation Director, the Chief Compliance Officer and the Heads of the Internal Control and Internal Audit Departments.

At its meetings, the Committee prepared the Board of Directors' review of the half-yearly and annual financial statements, and reviewed the draft financial press releases. It also examined the principles underlying the publication of the financial statements and financial communications, as well as the information contained in the fiscal 2018-2019 Universal Registration Document.

At its meeting on November 27, 2019, the Committee reviewed the financial statements of the Company and the Group as well as the management report on the financial statements ("Management's Discussion and Analysis"). During the fiscal year, the Committee was also regularly given presentations by representatives from the Group Internal Control and Internal Audit Departments, notably concerning the Group's risk map and action plans, together with work both completed and still under way in the areas of risk management – including in relation to social and environmental risks – and internal control.

The Audit Committee devoted a meeting (in May 2019) to reviewing the Group's operating and financial performance.

3.1.3.4.2 Nominations and Compensation Committee

a) Committee members

The table below shows the members of the Nominations and Compensation Committee in fiscal 2017-2018 and 2018-2019:

Members of the Nominations and Compensation Committee		Independent director
From March 9, 2018 through December 3, 2018	Gilles Auffret *Committee Chair*	√
	Anne Busquet	√
	Bernard Gault	√
	BIM, represented by Robert Zolade	x
From December 3, 2018 through September 24, 2019	Gilles Auffret *Committee Chair*	√
	Anne Busquet	√
	Bernard Gault	√
	BIM, represented by Robert Zolade	x
	EMESA, represented by Pedro Fontana	√
Since September 24, 2019	Gilles Auffret *Committee Chair*	√
	Anne Busquet	√
	Bernard Gault	√
	BIM, represented by Robert Zolade	x

The symbol √ indicates compliance with the applicable independence criteria
The symbol x indicates non-compliance with the applicable independence criteria

The Nominations and Compensation Committee currently comprises four members, three of whom are independent directors. This membership structure complies with the AFEP-MEDEF Code, which recommends that independent directors should make up the majority of a nominations and compensation committee and that no executive directors should sit on such a committee.

The Nominations and Compensation Committee is chaired by Gilles Auffret, the Senior Independent Director.

The overall role of this Committee is to assist the Board of Directors in its tasks of (i) appointing the members of the management bodies of the Company and Group and (ii) determining and regularly reviewing the compensation and benefits packages of executive directors and other executives, including all forms of deferred compensation plans and termination benefits.

b) Main roles and responsibilities

The Committee's main roles and responsibilities, as defined and described in Article 4.6.3 of the Rules of Procedure, are to:

- Propose candidates for election to the Board of Directors as executive or non-executive directors and as members of Board committees.
- Draw up and update the succession plan for the Company's executive directors and the Group's other key executives.
- Perform annual assessments of directors' independence.
- Review and make recommendations to the Board of Directors concerning the compensation packages and related conditions for executive directors of the Company and the Group's key executives.
- Review the challenges facing the Group and its overall human resources strategy.
- Review and make recommendations to the Board of Directors concerning the method of allocating directors' fees.

The Committee is also consulted by the Board of Directors about any exceptional compensation that the Board may wish to award to certain of its members for undertaking special assignments.

Nominations and Compensation Committee meetings are called by the Committee Chair or Secretary by any method, including verbally, and the notice of meeting must include an agenda. Members may attend meetings either in person or by conference call or videoconference, in accordance with the same conditions as applicable to Board meetings. Decisions may only be adopted if the meeting is attended by at least half of the Committee's members.

Decisions by the Nominations and Compensation Committee (corresponding to the opinions and recommendations that it issues) are adopted by a majority vote of the members taking part in the meeting, with each member having one vote. The Committee Chair, who is an independent director, does not have a casting vote and in the event of a tied vote, the decision is ultimately taken by the Board of Directors.

The Nominations and Compensation Committee meets as often as required, but at least once a year prior to the Board meeting held to assess directors' independence based on the independence criteria adopted by the Company. The Committee also meets prior to any Board meeting held to set executive compensation or to approve the allocation of directors' fees.

c) Nominations and Compensation Committee activity report

The Nominations and Compensation Committee met five times in fiscal 2018-2019 and four times between October 1, 2019 and the date of this report. The attendance rate at the meetings was 96%.

In addition to its habitual work concerning the recruitment, compensation packages and incentive systems of the Group's key executives, the Nominations and Compensation Committee devoted several meetings to the Company's governance.

The Committee also issued recommendations to the Board concerning:

- The compensation of the Chairman of the Board of Directors.
- The compensation package of the Chief Executive Officer.
- The compensation packages of the Group's key non-director executives.
- The stock option and performance share plans in force.
- The allocation of directors' fees for fiscal 2018-2019.
- Succession plans.
- The Company’s policy on diversity, equal pay, and equality in the workplace.

During the year the Nominations and Compensation Committee also oversaw the self-assessment process for the operating procedures of the Board and its committees for 2018-2019.

Lastly, on December 3, 2019, the Committee devoted a meeting to the succession plan for the Group's key executives.

3.1.3.4.3 Strategy, Investments and CSR Committee

a) Committee members

The table below shows the members of the Strategy, Investments and CSR Committee in fiscal 2017-2018 and 2018-2019:

Members of the Strategy, Investments and CSR Committee		Independent director
Since March 9, 2018	BIM, represented by Robert Zolade *(Committee Chair)*	-
	Gilles Auffret	√
	Gilles Cojan	-
	Bernard Gault	√

The symbol √ indicates compliance with the applicable independence criteria
The symbol x indicates non-compliance with the applicable independence criteria

The Strategy, Investments and CSR Committee currently has four members, two of whom are independent directors (i.e. 50% of the Committee).

This Committee is chaired by BIM, represented by Robert Zolade, and its meetings are attended by the Group Chief Executive Officer.

With a view to creating a stronger, balanced governance structure, any directors who are not members of the Strategy, Investments and CSR Committee may attend meetings of the Committee in a non-voting capacity in order to help the Board with its information-exchange, decision-making and review processes.

b) Main roles and responsibilities

The Strategy, Investments and CSR Committee advises the Board of Directors on its decisions concerning the Group's strategy, investments and significant acquisition and divestment projects. It assesses the Company's values and undertakings in the field of sustainability and corporate social responsibility and helps to ensure that they are reflected in the Board's decisions.

The Committee is particularly responsible for:

- Giving its opinion to the Board on (i) the Group's main strategic goals and their economic, financial and social implications, and (ii) the Group's development policy.
- Advising the Board on which of the Group's operating entities should be classified as strategic.
- Reviewing and issuing an opinion to the Board on the Group's annual investment budget and its investment allocation strategy.
- Issuing recommendations to the Board on minimum expected returns on investments.
- Drawing up and putting forward to the Board appropriate financial indicators to be used for taking decisions about external growth and capital expenditure.
- Advising on significant acquisition and divestment projects requiring the Board's prior approval.
- Examining the Company's CSR policies, its sustainability undertakings and the resources allocated to fulfill them.

The Committee's roles and responsibilities are defined and described in Article 4.7.3 of the Rules of Procedure.

Meetings held by the Strategy, Investments and CSR Committee are called by the Committee Chair or Secretary by any method, including verbally, and the notice of meeting must include an agenda. Members may attend meetings either in person or by conference call or videoconference, in accordance with the same conditions as applicable to Board meetings. Decisions may only be adopted if the meeting is attended by at least half of the Committee's members. Committee decisions are adopted by a majority vote of the members taking part in the meeting, with each member having one vote. The Committee Chair does not have a casting vote and in the event of a tied vote, the decision concerned is taken by the Board of Directors.

The Committee meets as often as required, but at least once a year.

c) Strategy, Investments and CSR Committee activity report

The Strategy, Investments and CSR Committee met seven times in fiscal 2018-2019 and twice between October 1, 2019 and the date of this report. The attendance rate at the meetings was 96%.

During the year, the Committee:

- Devoted four meetings to reviewing the Group's strategic options concerning its businesses and reflecting on their future, which resulted in the sale of the Concession Catering business at end-June 2019.
- Devoted two meetings to preparing and reviewing the New Elior 2024 strategic plan, in conjunction with the Group's executive teams.
- Reviewed the Group's annual budget.
- Validated the Group's CSR goals and ensured they are fully aligned with Elior's overall strategy.
- Examined major investment projects.

The Committee put forward recommendations to the Board on the review of the Universal Registration Document, restructuring operations and, more generally, all matters of major importance to the Group.

3.1.4 CORPORATE GOVERNANCE CODE

The Company uses as its corporate governance framework the AFEP-MEDEF Corporate Governance Code for listed companies (referred to below as the "Code"), as revised in June 2018, except for the following recommendations:

AFEP-MEDEF Code recommendation and Article number	Company practice/Explanations
An individual director or the permanent representative of a corporate director should be a shareholder personally and hold a minimum number of shares, which should be significant in comparison to the amount of directors' fees received (Article 19).	The Company's shareholders do not wish to impose a minimum shareholding obligation on the permanent representatives of its corporate directors. The Company has decided not to apply this recommendation of the Code because most of the corporate directors are significant shareholders of the Company. In addition, although it is preferable for directors to participate in the Company's shareholders' meetings, the shareholders have decided not to make this a requirement for all directors.

The AFEP-MEDEF Code to which the Company refers for corporate governance matters can be downloaded from the internet[1]. In addition, the Company holds copies of the Code that the members of its governance bodies can obtain at any time on request.

The operating procedures of the Board of Directors are set out in the Rules of Procedure.

Lastly, the directors are required to comply with the principles of good conduct defined in a director's charter (appended to the Rules of Procedure) which describes their duties of diligence, discretion and confidentiality, as well as the rules applicable to any transactions they may carry out in relation to the Company's securities.

[1] https://afep.com/wp-content/uploads/2018/06/Afep-Medef-Code-revision-June-2018-ENG.pdf

3.1.5 RESTRICTIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

In accordance with Appendix 3 of the Rules of Procedure – as updated on January 9, 2020 based on the recommendations issued by the Nominations and Compensation Committee – the following decisions are subject to the prior approval of the Board of Directors and may be implemented by the Chief Executive Officer only with the formal prior consent of a straight majority of the directors[1]:

a) Approval of the consolidated annual budget of the Company and Strategic Subsidiaries. In addition to containing the usual budget items, each consolidated annual budget must include:

   i. For operating entities (including headquarters), details of any capex projects of over two million euros (€2,000,000), as identified at the date the budget is drawn up.

   ii. For the Group, a breakdown of operating profit and cash flows and a detailed report of the Group's financial position and financing methods.

b) Approval of any long-term strategic plan for the Group and/or its entities as well as any significant amendments to such plans.

c) The acquisition by any method (including through the acquisition of securities or other assets, a merger or a capital contribution) of over 50% of an Entity, enterprise or business (including through a joint venture agreement or the writing or exercise of a call option over all or part of the Entity, enterprise or business) with a total enterprise value of more than ten million euros (€10,000,000). This does not, however, include acquisitions resulting from irrevocable purchase commitments (such as written put options or purchase contracts) already authorized by the Group and executed in accordance with the terms of said commitment(s).

d) The acquisition by any method (including through the acquisition of securities or other assets, a merger or a capital contribution) of 50% or less of an Entity, enterprise or business (including through a joint venture agreement or the writing or exercise of a call option over all or part of the Entity, enterprise or business) for a unit amount equaling or exceeding one million euros (€1,000,000) in absolute value terms, it being specified that the aggregate amount of any such transactions carried out in a given fiscal year may not represent more than three million euros (€3,000,000), irrespective of the unit amount of each individual transaction.

e) The sale or transfer by any permitted method of (i) any asset(s) (other than securities) or minority interest(s) for a price of more than two million euros (€2,000,000) or (ii) any majority interest in an Entity, enterprise or business with an enterprise value in excess of ten million euros (€10,000,000) except where the transaction results from irrevocable commitments (such as written call options or sale contracts) already authorized by the Group and executed in accordance with the terms of said commitments.

f) Any public offering of securities by the Company and the admission to trading on a regulated market or public offer of all or some of the shares of an Elior Group subsidiary.

g) Any amendment to the shareholders' agreements concerning the Ducasse companies and the group headed by Gourmet Acquisition Holding.

h) The settlement of any litigation or dispute resulting in the payment by the Company or a Subsidiary of an amount in excess of five million euros (€5,000,000).

i) Any budgeted or unbudgeted investment (other than an acquisition) representing more than five million euros (€5,000,000), and any decision setting the required minimum return on investment.

j) Any unbudgeted investment (other than an acquisition) representing a unit amount of more than two million euros (€2,000,000), it being specified that the total aggregate amount of any such transactions carried out in a given fiscal year may not represent more than ten million euros (€10,000,000), irrespective of the unit amount of each individual investment.

k) The signature, amendment or renewal of any contract related to the Group's business (such as service contracts for contract catering operations) entered into by the Company or a Subsidiary with a client when the contract's total revenue (calculated over the remaining term of the contract) exceeds one hundred million euros (€100,000,000) for contract catering contracts.

l) The signature, amendment or renewal of any purchase contract or contract other than those referred to in (k) above entered into by the Company or a Subsidiary with a supplier or another party when

[1] The terms that are capitalized in this list are defined in the Rules of Procedure, available on Elior Group's website at: https://www.eliorgroup.com/elior-group/governance/board-directors

the value of such contract (calculated by multiplying the purchase volume or revenue concerned by the remaining term of the contract) exceeds one hundred million euros (€100,000,000).

m) The signature, amendment or renewal of any contract entered into by the Company or a Subsidiary with a client, supplier or another party which commits the Group to paying any sum, of any type (royalties, rent or other), the minimum amount of which exceeds two million euros (€2,000,000) per year.

n) Guarantees, endorsements or collateral granted by the Company or its Subsidiaries in connection with the Group's activities which represent a unit amount in excess of thirty million euros (€30,000,000), it being specified that the aggregate annual amount of such guarantees, endorsements or collateral must not represent more than three hundred and fifty million euros (€350 million).

o) Revenue and results press releases and any communications to the market that could have a significant effect on the Company's share price or the Group's overall image.

p) The Group's financing strategy and interest rate and currency hedging policies as well as the signature or amendment of loan agreements representing over 20% of the Group's net debt or the early repayment of borrowings exceeding 20% of the Group's net debt.

q) The amount set for the gross annual compensation (fixed and variable) of officers of the Company and Key Executives as defined in the Rules of Procedure.

r) The signature, amendment or termination of the employment contracts of the Key Executives of Strategic Subsidiaries.

The transactions subject to prior approval do not include any transactions referred to in paragraphs c, d and e above carried out between Subsidiaries that are wholly-controlled, directly or indirectly, by Elior Group or Gourmet Acquisition Holding.

3.1.6 COMPENSATION POLICY

3.1.6.1 Key performance indicators used for calculating the compensation of the Company's officers

Adjusted EBITA: Recurring operating profit reported under IFRS, including share of profit of equity-accounted investees, adjusted for share-based compensation (stock options and performance shares granted by Group companies) and net amortization of intangible assets recognized on consolidation.

Adjusted EBITDA: EBITDA adjusted for share-based compensation (stock options and performance shares granted by Group companies).

Organic growth in consolidated revenue: Growth in consolidated revenue expressed as a percentage and adjusted for the impact of (i) changes in exchange rates, using the calculation method described in Chapter 4, Section 4.1.2.1 of this Universal Registration Document, and (ii) changes in accounting policies, notably the first-time application of IFRS 15 in 2018-2019, and (iii) changes in scope of consolidation.

Operating free cash-flow: The sum of the following items as defined elsewhere in this 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 and is the indicator used internally for the annual performance appraisals of the Group's managers.

Adjusted earnings per share: This indicator is calculated based on net profit from continuing operations attributable to owners of the parent, adjusted to exclude (i) non-recurring income and expenses, (ii) amortization of intangible assets recognized on consolidation, (iii) exceptional impairment of investments in and loans to non-consolidated companies, and (iv) the impacts of gains or losses on disposals of consolidated companies classified as held for sale. All of these adjustments in (i) to (iv) are net of tax.

Total Shareholder Return (TSR): The total return on the Elior Group share for an investor for a given period, corresponding to the gains that would be received on the sale of the share and the dividends received.

Elior North America Value (ENA Value): The value, at the end of a given twelve-month fiscal year, calculated as follows: (i) 8.5 times ENA's EBITDA for that fiscal year, less (ii) ENA's net debt at the given fiscal year-end. For the purposes of calculating this indicator, "ENA Value 2018" means the ENA Value at September 30, 2018 and "ENA Value 2021" means the ENA Value at September 30, 2021.

Compounded annual growth rate (CAGR): The compounded annual growth rate of the ENA Value, as defined above, calculated for the period from October 1, 2018 through October 1, 2021 using the following formula: $(\text{ENA Value 2021}/\text{ENA Value 2018})^{1/3} - 1$

3.1.6.2 Compensation policy for the Company's officers for fiscal 2019-2020, submitted for shareholder approval at the March 20, 2020 AGM

The principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits due or awarded to the Company's officers for the performance of their duties are determined by the Board of Directors on the recommendation of the Nominations and Compensation Committee. In accordance with Article L. 225-37-2 of the French Commercial Code – which was introduced pursuant to France's "Sapin II" Act on transparency, the prevention of corruption and the modernization of the economy – these principles and criteria will be submitted for shareholder approval at the Annual General Meeting to be held on March 20, 2020, with a specific resolution put forward for each officer.

The compensation policy for the Company's officers must be competitive, aligned with the Company's overall strategy, and structured in a way that promotes the Company's performance and competitiveness over the mid- and long-term.

Compliance
The compensation policy for the Company's officers is determined by reference to the AFEP-MEDEF Code, which states that compensation packages should be comprehensive, comparable, consistent and proportionate, that a balance should be achieved between the various components of the compensation and that the rules applied should be clearly understandable.

Comprehensive and balanced compensation packages
All of the components of the compensation packages of the Company's officers are analyzed in a comprehensive manner, in line with the Company's strategy.

Alignment of interests and transparency
While the compensation packages of the Company's officers are set taking into account the need for the Company to be able to attract, motivate and retain the best talents, they also take into consideration shareholders' interests, particularly in terms of transparency and the Company's performance.

Proportionality and comparability
Compensation amounts are set taking into account the responsibilities entrusted to each officer as well as market practices. The performance targets used must be high, correspond to the Company's key growth factors and aligned with its short- and long-term objectives.

3.1.6.2.1 Criteria for determining, allocating and awarding the components of the Chairman of the Board of Directors' compensation package for fiscal 2019-2020

The Chairman of the Board of Directors receives annual fixed compensation paid in cash as well as directors' fees. In accordance with the AFEP-MEDEF Code, he does not receive any annual or long-term variable compensation and is not a beneficiary of any long-term incentive plan involving stock options and/or performance shares.

On December 3, 2019, after consulting with the Nominations and Compensation Committee, the Board of Directors set the Chairman’s annual fixed compensation at a gross amount of €300,000 for fiscal 2019-2020.

The directors’ fees awarded to the Chairman of the Board will be allocated in accordance with the rules applicable to all directors.

At the March 20, 2020 Annual General Meeting, shareholders will be asked to approve the principles and criteria used for determining, allocating and awarding the components of the Chairman's compensation package for fiscal 2019-2020.

Subsequently, at the 2021 Annual General Meeting, shareholders will be given a "say-on-pay" vote on the components of the compensation due or awarded to the Chairman of the Board of Directors for 2019-2020, although the payment of his fixed compensation for that fiscal year is not contingent on a favorable shareholder vote.

3.1.6.2.2 Criteria for determining, allocating and awarding the components of the Chief Executive Officer's compensation package for fiscal 2019-2020

The Chief Executive Officer's compensation package – which is determined in a balanced way and is consistent with the Company's strategy – comprises three components:

1. Annual fixed compensation.
2. Short-term variable compensation, which is based on annual financial and non-financial performance criteria.
3. Long-term variable compensation, based on the Company's internal and external financial performance over several years.

Components of the Chief Executive Officer's compensation package	Purpose and strategic objective	Description*	Weighting (as a % of gross annual fixed compensation)
1. FIXED COMPENSATION	To retain and motivate the CEO	Set taking into account, among other things, the CEO's experience and market practices.	
2. SHORT-TERM VARIABLE COMPENSATION (ANNUAL)	To encourage the achievement of the Company's annual financial and non-financial objectives	Set based on the Company's financial and non-financial priorities and objectives for the fiscal year.	- Minimum amount: 0% - Target amount: 100% - Maximum amount: 150%
		Quantitative criteria (which determine most of the variable compensation): structured to encourage profitable business growth and ensure the EBITA margin and generation of operating free cash flow.	- Target amount: 75%
		Qualitative criteria: structured to take into account initiatives put in place during the year to drive long-term profitable growth.	- Target amount: 25%
3. LONG-TERM VARIABLE COMPENSATION (MULTI-ANNUAL)	To encourage internal and external financial performance over the long-term and reward over-performance.	Performance units awarded each year (between the date on which the Group's annual results are published and January 31 of the following year). Payment of this compensation is contingent on two conditions being met. First, the Chief Executive Officer must still form part of the Group at the payment date. And second, exacting performance objectives must have been reached relating to the Company's internal and external financial performance over a period of three years (the vesting period), such as: • Adjusted earnings per share (AEPS) • Total shareholder return (TSR). The Chief Executive Officer is required to convert 50% of his net of tax gains realized at the end of each vesting period into Elior Group shares and to hold those shares for the entire duration of his term of office as CEO. This requirement ceases to apply once the number of his Elior Group shares represents a total amount equal to six times his annual fixed compensation.	- Target amount: 222% - Maximum face value: 262% (in the case of over-performance) (converted based on the Elior Group share price on the date the performance units are awarded). The number of performance units that vest varies between 0% and 100% of those initially awarded depending on the achievement of future performance criteria. The cash amount paid for vested performance units may not exceed 600% of the CEO's annual fixed compensation, irrespective of the Elior Group share price at the end of the vesting period.

* See Section 3.1.6.1 above for the definitions of the key performance indicators.

On December 3, 2019, the Board of Directors approved the components of the Chief Executive Officer's compensation package for fiscal 2019-2020, based on the recommendation of the Nominations and Compensation Committee and in accordance with the Board's compensation policy which will be submitted for shareholder approval at the March 2020 Annual General Meeting. This package takes into account the CEO's level of responsibilities as well as market practices.

The Board took care to verify that the structure of the CEO's compensation package as well as its components and amounts reflect the Company's best interests, market practices and the performance levels expected from him.

In particular, the Board verified that the proposed compensation structure is suitably adapted to the Company's operations and competitive environment and is in line with French and international market practices. It also ensured that the package includes a long-term variable portion to encourage stability at the head of the Group's executive management team, which is a particularly important factor for the execution of the New Elior strategic plan.

The Board also made sure that the performance criteria used to set the variable portion of the CEO's compensation reflect the Group's short-, mid- and long-term objectives for its operating and financial performance.

The Board carried out a comparative analysis of the CEO's total potential compensation compared with a peer group[1] made up of companies with a similar profile and characteristics to Elior Group. The aim of the analysis was to ensure that the overall amount of the CEO's compensation was sufficiently motivating while being in the same range as the peer group's compensation packages. The results show that if the CEO's total compensation corresponds to its target amount it will be the sixth-highest in the peer group, including Elior Group.

1. Annual fixed compensation set at a gross amount of €900,000

On December 3, 2019, having consulted the Nominations and Compensation Committee, the Board of Directors set the CEO's annual fixed compensation at a gross amount of €900,000 for fiscal 2019-2020, unchanged from fiscal 2018-2019.

2. Short-term variable compensation (annual)

The Board of Directors set the target amount of the CEO's short-term variable compensation at 100% of his fixed compensation (with 75% based on quantitative criteria and 25% on qualitative criteria). The amount of this variable compensation may vary from 0% to 150% of his fixed compensation depending on the extent to which the applicable quantitative and qualitative performance criteria are achieved (unchanged from 2018-2019).

The tables below show the principles used for calculating the CEO's short-term variable compensation for fiscal 2019-2020 including the applicable performance criteria and their weightings.

[1] The peer group comprised Auto Grill, Mitchells & Buttlers, SSP, Whitbread, Accor, Bureau Veritas, Lagardère, Rexel and Securitas.

Performance criteria applicable to annual variable compensation and method used for setting the performance objectives*

Type of criterion	Performance criteria	Reasons for applying the criteria
Quantitative	EBITA margin	When determining the conditions for the CEO's variable compensation, the Nominations and Compensation Committee decided that these quantitative criteria were the most relevant and appropriate for measuring the performance levels achieved, given the nature of the Group's businesses.
	Elior Group's consolidated revenue growth based on a constant scope of consolidation and constant exchange rates	
	Operating free cash flow (in absolute value terms)	
Qualitative	Improving the "internal recruitment rate" CSR indicator for 2019-2020 (audited annually[1])	Improving the "internal recruitment rate" CSR indicator for 2019-2020 is an annual objective set based on a target of 70% by 2025.
	Improving the client retention rate	Improving the client retention rate is an essential criterion for boosting margins and creating value.

Short-term variable compensation - Performance criteria and objectives (annual)*

Type of criterion	Quantitative objectives		Minimum	Target	Maximum
Quantitative criteria: ¾ of variable compensation (75% of fixed compensation)	EBITA margin	As a % of fixed compensation	0%	30%	45%
	Elior Group's consolidated revenue growth based on a constant scope of consolidation and constant exchange rates	As a % of fixed compensation	0%	30%	45%
	Operating free cash flow (in absolute value terms)	As a % of fixed compensation	0%	15%	22.5%
	Total percentage contingent on quantitative objectives		**0%**	**75%**	**112.5%**
	Improving the "internal recruitment rate" CSR indicator for 2019-2020 (audited annually)	As a % of fixed compensation	**0%**	**10%**	**15%**
	Improving the client retention rate	As a % of fixed compensation	**0%**	**15%**	**22.5%**
	Total percentage contingent on qualitative criteria		**0%**	**25%**	**37.5%**
Total percentage contingent on quantitative and qualitative criteria			**0%**	**100%**	**150%**

* See Section 3.1.6.1 above for the definitions of the key performance indicators.

[1] The calculation formula used for the CSR indicator has been changed to take into account all internal promotions to managerial posts.

3. Long-term variable compensation (multi-annual)

For fiscal 2019-2020, the Chief Executive Officer's long-term variable compensation consists of the award of 182,239 performance units, representing a cash amount of €2.36 million, i.e. 262% of his annual fixed compensation) and corresponding to an estimated fair value of €1.7 million (the "2020 Performance Units").

The number of 2020 Performance Units has been calculated by dividing the cash amount that the 2020 Performance Units represent (i.e. €2.36 million) by the weighted average of the prices quoted for the Elior Group share over the 20 trading days following December 4, 2019 (the publication date of the Group's annual results for fiscal 2018-2019), i.e. €12.95.

On January 9, 2020, the Board of Directors placed on record that the weighted average of the prices quoted for the Elior Group share over the 20 trading days following December **4,** 2019 was €12.95 and that the number of 2020 Performance Units awardable to the Chief Executive Officer was therefore 182,239.

i. Principle

The Chief Executive Officer's 2020 Performance Units will vest after a three-year period expiring on December 31, 2022 (the "Vesting Period"), provided that he is still Elior Group's Chief Executive Officer at that date.

The number of 2020 Performance Units that will vest will depend on:

- Growth in adjusted earnings per share (AEPS) during the Vesting Period.
- Elior Group's relative share performance measured by reference to its total shareholder return (TSR) over the Vesting Period as compared with:
  - the TSR (calculated over the Vesting Period) of a group of companies operating in the same business sectors as Elior Group, including Elior Group itself (the "Peer Group")[1]; and
  - the TSR (calculated over the Vesting Period) of the Next 20 GR index (the "Index").

If (i) the maximum AEPS growth level is attained (corresponding to over-performance, i.e. 12% per year) and (ii) the target TSR performance level is reached, the total number of 2020 Performance Units that will vest will be 182,239. If the target levels are achieved for AEPS growth (i.e. 8% per year) and TSR performance, the total number of 2020 Performance Units that will vest will be 154,440 (representing a face value of €2 million). The AEPS growth and TSR performance objectives, as well as the proportions and numbers of 2020 Performance Units whose vesting is contingent on those objectives are set out in the table below.

AEPS growth will be calculated based on three fiscal years – 2019-2020, 2020-2021 and 2021-2022. The comparative TSR performances of Elior Group and the Peer Group and the Index will be calculated by an independent valuer appointed by the Nominations and Compensation Committee and will be based on the performance levels observed between December 31, 2019 and December 31, 2022.

[1] The Peer Group comprises Aramark, Autogrill, Compass, Elis Berendsen, ISS, Sodexo and SSP.

ii. Performance objectives and number of vested 2020 Performance Units

- Number of 2020 Performance Units that will vest if AEPS growth and TSR performance represent the target levels: 154,440 (of which 60% for the AEPS objective and 40% for the TSR objective).
- Number of 2020 Performance Units that will vest if AEPS growth represents the maximum level (over-performance) and TSR performance represents the target level: 182,239 (of which 66% for the AEPS objective and 34% for the TSR objective).

2020 Performance Units contingent on AEPS growth 92,664, i.e. 60% of the total 2020 Performance Units if AEPS growth and TSR performance represent the target levels 120,463, i.e. 66% of the total 2020 Performance Units if AEPS growth represents the maximum level and TSR performance represents the target level					
Average annual AEPS growth[1]	% of 2020 Performance Units subject to the AEPS growth objective that will vest at the minimum and target levels	% of 2020 Performance Units subject to the AEPS growth objective that will vest at the maximum level	Number of 2020 Performance Units subject to the AEPS growth objective that will vest	% of total 2020 Performance Units	
				Target level AEPS growth	Maximum level AEPS growth
Below 5%	0%	0%	0	0%	0%
5% (minimum level)	50%	N/A	46,332	30%	N/A
> 5% and < 8%	Calculated on a straight-line basis (50% to 100%)			30% to 60%	N/A
8% (target level)	100%	N/A	92,664	60%	N/A
> 8% and < 12%	Calculated on a straight-line basis (100% to 130%)			N/A	N/A
12% (maximum level) and higher	N/A	130%	120,463	N/A	66.1%

2020 Performance Units contingent on TSR performance[2] 61,776, i.e. 40% of the total 2020 Performance Units if AEPS growth and TSR performance represent the target levels and 34% of the total 2020 Performance Units if AEPS growth represents the maximum level and TSR performance represents the target level							
Peer Group TSR objective 30,888, i.e. 20% of the total 2020 Performance Units if AEPS growth and TSR performance represent the target levels			Index TSR objective 30,888, i.e. 20% of the total 2020 Performance Units if AEPS growth and TSR performance represent the target levels			% of total 2020 Performance Units	
Elior Group's TSR compared with the Peer Group's TSR[3]	% of 2020 Performance Units subject to the objective that will vest	Number of 2020 Performance Units subject to the objective that will vest	Elior Group's TSR compared with the Index's TSR	% of 2020 Performance Units subject to the objective that will vest	Number of 2020 Performance Units subject to the objective that will vest	Target level AEPS growth	Maximum level AEPS growth
< 100%	0%	0	< 100%	0%	0	0%	
100%	50%	15,444	100%	50%	15,444	20%	16.9%
> 100% and < 120%	Calculated on a straight-line basis (50% to 100%)		> 100% and < 120%	Calculated on a straight-line basis (50% to 100%)		20% to 40%	16.9% to 33.9%
120% and higher (target level)	100%	30,888	120% and higher (target level)	100%	30,888	40%	33.9%

The TSR performances of Elior Group, the Peer Group and the Index will be calculated by an independent valuer appointed by the Nominations and Compensation Committee, taking into account growth in adjusted share prices (notably adjusted for dividends paid) for the period from December 31, 2019 through December 31, 2022 and incorporating any dividends paid.

[1] Levels set by the Board of Directors on December 3, 2019, acting on the recommendation of the Nominations and Compensation Committee.
[2] The total number of 2020 Performance Units that vest based on the Index and Peer Group TSR objectives may not exceed 40% of the total number of 2020 Performance Units granted.
[3] If Elior Group's TSR is negative, irrespective of the Company's comparative TSR positioning with the Peer Group or the Index, none of the 2020 Performance Units subject to the Peer Group TSR objective will vest.

iii. Vesting Period and continued presence condition

At the end of the Vesting Period, the 2020 Performance Units that vest as a result of meeting the AEPS and TSR performance conditions will be converted into cash by multiplying the number of vested 2020 Performance Units by the weighted average of the prices quoted for the Elior Group share **over the 20 trading days** following the publication of the annual financial statements immediately following the vesting date.

Irrespective of the amount of said weighted average Elior Group share price, the cash amount paid at the end of the Vesting Period may not exceed 600% of the Chief Executive Officer's annual fixed compensation for fiscal 2019-2020, i.e. €5.4 million.

At the end of the Vesting Period for the 2020 Performance Units:

- The Company will pay the Chief Executive Officer the amount of his long-term variable compensation for 2019-2020 that is effectively and definitively due, provided that (i) he is still Chief Executive Officer at that date and (ii) said compensation was approved by the Company’s shareholders in an Ordinary General Meeting in accordance with Article L. 225-37-2 of the French Commercial Code.

- If the Chief Executive does not own a number of Elior Group shares whose value represents at least six times his annual fixed compensation, he must acquire a number of Elior Group shares representing an amount equivalent to 50% of the net-of-tax amount he received for his 2020 Performance Units. He will be required to hold these shares for the duration of his term as Chief Executive Officer.

4. Other components of compensation

Directors’ fees

Directors’ fees payable to the Chief Executive Officer will be allocated in accordance with the rules applicable to all directors.

Exceptional compensation

N/A.

Supplementary pension plan

N/A.

Termination benefit

If the Company decides to remove the Chief Executive Officer from office for any reason other than gross negligence or serious misconduct committed in connection with his duties within Elior Group, he may be entitled to a termination benefit as an indemnity for any prejudice he may suffer as a result of being removed from office. The amount of the termination benefit will equal either (i) 12 months’ compensation, or (ii) 24 months’ compensation if the Chief Executive Officer’s non-compete covenant is not implemented. The applicable amount will be calculated on the basis of the Chief Executive Officer’s average gross monthly compensation (fixed and variable, excluding any long-term variable compensation) received for the 12 months preceding the date on which he is removed from office by the Board of Directors.

The termination benefit would not be payable if the Chief Executive Officer is removed from office for gross negligence or serious misconduct, which include, but are not limited to, the following types of behavior:

- Inappropriate behavior for an executive (criticizing the Company and/or its management bodies in front of external parties, etc.).

- Repeated failure to take into consideration decisions made by the Board of Directors and/or behavior that is contrary to such decisions.

- Repeated communication errors that seriously and adversely affect the Company's image and/or value (impact on share price).

The benefit would only be payable, in full or in part, if the average (A) of the Chief Executive Officer's annual variable compensation for the three years preceding his termination represents at least 80% of the corresponding target annual compensation. If this condition is met, the Chief Executive Officer would be entitled to:

- 20% of the total amount of the termination benefit if A equals 80%.

- 100% of the total amount of the termination benefit if A equals or exceeds 100%.

- Between 20% and 100% of the total amount of the benefit if A is between 80% and 100%, calculated on a straight-line basis applying the following formula: 20 + [(100-20) x X]

where: X = (A-80) / (100-80).

This performance condition will be assessed over a period of three fiscal years, with the first applicable period commencing on October 1, 2018, which was the start of the first fiscal year following Philippe Guillemot's arrival in the Group. If Philippe Guillemot is removed from office within the first three fiscal years of his arrival, the assessment of the performance condition will only take into account the full fiscal years commencing as from October 1, 2018.

The Chief Executive Officer would not be entitled to the termination benefit if he resigns from his position.

All of this information – which has been amended since the Chief Executive Officer first took up his post – has been published on the Company's website in accordance with the applicable legal provisions and will be put to the shareholders' vote at the Annual General Meeting on March 20, 2020.

Non-compete covenant

If the Chief Executive Officer ceases his duties with the Company for any reason, he will be subject to a non-compete obligation with respect to Elior Group for a period of two years as from the date his duties cease. The main reason for this non-compete covenant is the strategic information to which he has access in his position as Chief Executive Officer.

Pursuant to the non-compete covenant, for the two-year period following the date his duties with the Company cease, the Chief Executive Officer will be prohibited from:

- Carrying out any duties for a commercial catering and/or contract catering company (as an employee, officer, consultant, shareholder or other) that are similar to or compete with the duties he performed as the Company's Chief Executive Officer or Chairman or in another Company officer's position. However, this obligation has been narrowed to a prohibition on working with:
  - the Elior group's seven direct competitors, i.e. Aramark, Compass, ISS, Sodexo, Autogrill, SSP and Lagardère; and
  - any other large company that is a competitor of the Elior group and has contract catering and/or concession catering operations in France and/or the six other countries in which the group has a major presence, i.e. Spain, the United Kingdom, Italy, Portugal, Germany and the United States.
- Directly or indirectly soliciting employees or officers away from the Group; and/or
- Having any financial or other interests, either directly or directly, in any of the above companies.

As consideration for his non-compete covenant, the Chief Executive Officer will be eligible for a monthly indemnity equal to 50% of his gross monthly fixed and variable compensation (excluding any long-term variable compensation) calculated based on his average monthly gross fixed and variable compensation (excluding any long-term variable compensation) received for the 12 months preceding the date on which he ceases his duties as Chief Executive Officer. This indemnity would be payable from the date his duties as Chief Executive Officer cease until the end of the period of validity of his non-compete covenant.

Irrespective of how the Chief Executive Officer's duties cease (i.e. if he resigns or is removed from office), the Board of Directors may decide to exempt him from this non-compete covenant. In such a case, the Board must notify him of the exemption within the month following the date on which he ceases his duties and the Company would not be required to pay him the above-mentioned non-compete indemnity.

No non-compete indemnity would be payable if the Chief Executive Officer leaves the Group due to retirement, or in any event if he is over the age of 65.

All of this information – which has been amended since the Chief Executive Officer first took up his post – has been published on the Company's website in accordance with the applicable legal provisions and will be put to the shareholders' vote at the Annual General Meeting on March 20, 2020.

Employment contract

In compliance with the AFEP-MEDEF Code, the Chief Executive Officer does not have an employment contract with the Company.

Benefits in kind

The Chief Executive Officer has the use of a company car, as is Group practice for persons with the responsibilities of Chief Executive Officer.

Welfare and pension plans

The Chief Executive Officer is eligible for the welfare and pension plans put in place within Elior Group applicable to Company officers. He is not eligible for any supplementary pension plan.

__Bonuses and indemnities for taking up office__

The Chief Executive Officer is not eligible for any type of bonus or indemnity for taking up office.

* * *

At the March 20, 2020 Annual General Meeting, the shareholders will be asked to approve the principles and criteria used for determining, allocating and awarding the components of the Chief Executive Officer's compensation package for fiscal 2019-2020.

Subsequently, at the 2021 Annual General Meeting, shareholders will be given a "say-on-pay" vote on the components of the compensation due or awarded to the Chief Executive Officer for 2019-2020. The payment of his fixed compensation for that fiscal year is not contingent on a favorable shareholder vote but the payment of his variable compensation and any exceptional compensation is.

3.1.6.3 Compensation and benefits paid or awarded to the Company's officers for fiscal 2018-2019, submitted for shareholders' approval at the March 20, 2020 Annual General Meeting

The principles and criteria used for determining, allocating and awarding the fixed, variable and exceptional components of the total compensation and benefits due or awarded to the Company's officers for fiscal 2018-2019 were approved by the shareholders, in accordance with Article L. 225-37-2 of the French Commercial Code, at the March 22, 2019 Annual General Meeting[1].

As required under Article L 225-100 of the French Commercial Code, at the Annual General Meeting to be held on March 20, 2020, shareholders will be given a say-on-pay vote on the components of the compensation and benefits due or awarded to each Company officer for fiscal 2018-2019, with a specific resolution put forward for each officer.

None of Elior Group's officers holds any stock options or performance shares granted by the Company or any other Group entity.

[1] See Chapter 3, Section 3.1.6 of the fiscal 2017-2018 Registration Document.

3.1.6.3.1 Compensation and benefits paid or awarded for fiscal 2018-2019 to Gilles Cojan, Chairman of the Board of Directors

The tables below show the components of the compensation and benefits paid or awarded for fiscal 2018-2019 to Gilles Cojan, Chairman of the Board of Directors, which will be submitted for shareholder approval at the March 20, 2020 Annual General Meeting in accordance with Article L. 225-100 of the French Commercial Code.

a) Summary table of compensation, stock options and free shares (performance shares) (*based on AMF template Table 1*)

(In euros) **Gilles Cojan** ***Chairman of the Board of Directors***	**Fiscal 2017-2018**	**Fiscal 2018-2019**
Compensation due for the year *(see Table 2 below)*	510,333.0	466,000.0
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A
Value of other long-term compensation plans	N/A	N/A
TOTAL	**510,333.0**	**466,000.0**

b) Summary table of compensation and benefits ***(****based on AMF template Table 2****)***

(In euros) **Gilles Cojan** ***Chairman of the Board of Directors***	**Fiscal 2017-2018**		**Fiscal 2018-2019**	
	Amount due (gross)	*Amount paid (gross)*	*Amount due (gross)*	*Amount paid (gross)*
Fixed compensation	458,333.0[1]	416,666.6[1]	400,000.0	408,333.3[2]
Annual variable compensation	N/A	N/A	N/A	N/A
Multi-annual variable compensation	N/A	N/A	N/A	N/A
Exceptional compensation	N/A	N/A	N/A	N/A
Directors' fees	52,000.0[3]	N/A	66,000.0	52,000.0
Benefits in kind	N/A	N/A	N/A	N/A
TOTAL	**510,333.0**	**416,666.6**	**466,000.0**	**460,333.3**

1 Total gross annual compensation (€500,000.0 for fiscal 2017-2018) calculated on a proportionate basis from November 1, 2017 through September 30, 2018, i.e. €458,333.0 due for fiscal 2017-2018 of which €416,666. was paid.
2 Gilles Cojan's monthly fixed compensation for September 2018 – calculated based on his total gross annual compensation of €500,000.0 for fiscal 2017-2018 – was paid in October 2018 (i.e. in fiscal 2018-2019).
3 In his capacity as (i) the representative of Sofibim for October 2017 and then (ii) a director of the Company from November 2017.

3.1.6.3.2 Compensation and benefits paid or awarded for fiscal 2018-2019 to Philippe Guillemot

The tables below show the components of the compensation and benefits paid or awarded for fiscal 2018-2019 to Philippe Guillemot, Chief Executive Officer, which will be submitted for shareholder approval at the March 20, 2020 Annual General Meeting in accordance with Article L. 225-100 of the French Commercial Code.

a) Summary table of compensation, stock options and free shares (performance shares) (*based on AMF template Table 1*)

(In euros) **Philippe Guillemot** ***Chief Executive Officer***	**Fiscal 2017-2018**	**Fiscal 2018-2019**
Compensation due for the year[1] *(see Table 2 below)*	676,067.1	2,986,436.6[2]
Value of stock options granted during the year	N/A	N/A
Value of performance shares granted during the year	N/A	N/A
Value of other long-term compensation plans	See paragraph (iii) below.	See Section 3.1.6.2.2 for the components of Philippe Guillemot's multi-annual variable compensation.
TOTAL	**676,067.1**	**2,986,436.6**

[1] This total includes the benefit-in-kind corresponding to the use of a company car.
[2] The amounts of annual and multi-annual variable compensation will be submitted to the shareholders' vote on an *ex-post* basis.

b) Summary table of compensation and benefits ***(based on AMF template Table 2)***

(In euros) **Philippe Guillemot** ***Chief Executive Officer***	**Fiscal 2017-2018**		**Fiscal 2018-2019**	
	Amount due (gross)	*Amount paid (gross)*	*Amount due (gross)*	*Amount paid (gross)*
Fixed compensation	750,000.0[1]	675,000.0[2]	900,000.0	900,000.0
Annual variable compensation[3]	**375,000.0**[4]	N/A	1,132,875.0[5]	**375,000.0**
Multi-annual variable compensation	See paragraph (iii) below.			
Exceptional compensation	N/A	N/A	900,000.0[6]	N/A
Directors' fees	24,000.0	N/A	51,000.0	24,000.0
Benefits in kind[7]	**1,280.6**	1,067.1	2,561.6	2,561.6
TOTAL	**1,150,280.6**	**676,067.1**	**2,986,436.6**	**1,301,561.6**

[1] As Philippe Guillemot took up his post as Chief Executive Officer during the course of 2017-2018 his annual fixed compensation for that fiscal year was calculated proportionately, corresponding to €750,000.0.
[2] Philippe Guillemot's monthly fixed compensation for September 2018 – calculated based on his total gross annual compensation of €900,000.0 for fiscal 2017-2018 – was paid in October 2018 (i.e. in fiscal 2018-2019).
[3] Variable compensation for year Y-1 is paid in year Y.
[4] Further details on Philippe Guillemot's annual variable compensation for fiscal 2017-2018 are provided in Chapter 3, Section 3.1.6.3.2.of the fiscal 2017-2018 Registration Document.
[5] See paragraph (ii) below.
[6] See paragraph (vi) below.
[7] Use of a company car.

On December 3, 2019, the Board of Directors set the principles and criteria used for determining, allocating and awarding the components of the compensation package of the Chief Executive Officer, Philippe Guillemot, for fiscal 2018-2019, based on the recommendation of the Nominations and Compensation Committee and in accordance with the Board's compensation policy. These principles and criteria took into account the level of responsibilities associated with the post as well as market practices.

In accordance with Article L. 225-37-2 of the French Commercial Code, at the March 22, 2019 Annual General Meeting, the Company's shareholders approved these principles and criteria used for determining, allocating and awarding the components of the compensation package of the Chief Executive Officer applicable for fiscal 2018-2019.

Philippe Guillemot's compensation for his duties as the Company's Chief Executive Officer during fiscal 2018-2019 comprised the following components:

(i) Annual fixed compensation

Philippe Guillemot's annual fixed compensation for fiscal 2018-2019 was set by the Board of Directors at a gross amount of €900,000. Philippe Guillemot’s annual fixed compensation for fiscal 2018-2019 was therefore €900,000.

(ii) Short-term variable compensation (annual)

The target amount of Philippe Guillemot's annual short-term variable compensation was set at 100% of his gross annual fixed compensation (i.e. €900,000 for 2018-2019[1]), subject to him achieving the quantitative and qualitative objectives set out below.

If the objectives were exceeded his variable compensation could have been increased to 150% of the target amount (i.e. €1,350,000 gross for 2018-2019[1]).

The type of quantitative and qualitative objectives set and the proportions they represent in terms of the overall variable compensation are decided on by the Board of Directors each year after examining the recommendations issued by the Nominations and Compensation Committee.

Philippe Guillemot's short-term variable compensation for 2018-2019 was based on the following performance criteria:

- 75% was subject to achieving quantitative objectives related to (i) the generation of operating free cash flow[2], and (ii) growth in Elior Group's consolidated revenue based on a constant scope of consolidation and constant exchange rates.

- 25% was subject to achieving precise pre-defined qualitative objectives related to (i) setting up a succession plan for the Group’s leadership in 2018-2019 and (ii) improving the "internal recruitment rate" CSR indicator in 2018-2019.

<u>Quantitative objectives</u> (*75% weighting*):

Criterion 1 (*50% weighting)*: operating free cash flow[1]:

– Below €63.7m: 0%
– Between €63.7m and €94m: 50% to 100% (calculated proportionately on a straight-line basis)
– Between €94m and €128.9m and over: 100% to 150% (calculated proportionately on a straight-line basis)

Criterion 2 (*25% weighting)*: growth in Elior Group’s consolidated revenue based on a constant scope of consolidation compared with the scope of consolidation at October 1, 2018 and at constant exchange rates (organic growth):

– Below €30.2m: 0%
– Between €30.2m and €60.5m: 50% to 100% (calculated proportionately on a straight-line basis)
– Between €60.5m and €151.2m and over: 100% to 150% (calculated proportionately on a straight-line basis)

The two quantitative objectives were restated following the sale of Areas.

<u>Qualitative objectives</u> (*25% weighting*):

Criterion 3 (*15% weighting)*: setting up a succession plan for the Group’s leadership.

Criterion 4 (*10% weighting)*: improving the "internal recruitment rate" CSR indicator in 2018-2019 (audited annually):

– Below 42.5%: 0%
– Between 42.5% and 44%: 50% to 100% (calculated proportionately on a straight-line basis)
– Between 44% and 48% and over: 100% to 150% (calculated proportionately on a straight-line basis)

At its meeting on December 3, 2019, acting on the recommendation of the Nominations and Compensation

[1] See Section 3.1.6.2.2 above.

[2] See Section 3.1.6.1 above.

Committee, the Board of Directors decided to set Philippe Guillemot's annual variable compensation for fiscal 2018-2019 at €1,132,875, representing 125.875% of his annual fixed compensation for 2018-2019. Further details on his annual variable compensation for 2018-2019 are provided in this section of the Universal Registration Document.

The table below shows the four criteria used for calculating the short-term (annual) variable compensation for fiscal 2018-2019 applicable to Philippe Guillemot, Chief Executive Officer of the Company[1]:

Criterion 1 *(quantitative)* Operating free cash flow *Weighting: 50%* (**O**bjectives restated following the sale of Areas)			
Generation of operating free cash flow objective	Potential amount of bonus as a % of annual fixed compensation	Operating free cash flow generated	**Amount of bonus awarded**
Below €63.7m	0%	N/A	**N/A**
Between €63.7m and €94m	50% to 100% (calculated proportionately on a straight-line basis)	N/A	**N/A**
Between €94m and €128.9m and over	100% to 150% (calculated proportionately on a straight-line basis)	€218.5m, representing an achievement rate of 150% (i.e. 75% of Philippe Guillemot's basic salary)	**€675,000.0**
Criterion 2 *(quantitative)* Growth in Elior Group's consolidated revenue based on a constant scope of consolidation compared with the scope of consolidation at October 1, 2018 and at constant exchange rates **(organic growth)** *Weighting: 25%* (**O**bjectives restated following the sale of Areas)			
Organic revenue growth objective	Potential amount of bonus as a % of annual fixed compensation	Organic revenue growth achieved	**Amount of bonus awarded**
Below €30.2m	0%	N/A	**N/A**
Between €30.2m and €60.5m	50% to 100% (calculated proportionately on a straight-line basis)	€43.5m, representing an achievement rate of 71.94% (i.e. 18% of Philippe Guillemot's basic salary)	**€162,000.0**
Between €60.5m and €151.2m and over	100% to 150% (calculated proportionately on a straight-line basis)	N/A	**N/A**
Criterion 3 *(qualitative)* Setting up a succession plan **for the Group's leadership** *Weighting*: 15%			
N/A		Performance achieved as a % of annual fixed compensation	**Amount of bonus awarded**
		130% achievement rate (i.e. 19.5% of Philippe Guillemot's basic salary)	**€175,500.0**
Criterion 4 *(qualitative)* Improving the "internal recruitment rate" CSR indicator **in** 2018-2019 (audited annually) *Weighting: 10%*			
Improvement in "internal recruitment rate" CSR indicator objective	Potential amount of bonus as a % of annual fixed compensation	Actual amount of bonus awarded as a % of annual fixed compensation	**Amount of bonus awarded**
Below 42.5%	0%	N/A	**N/A**
Between 42.5% and 44%	50% to 100% (calculated proportionately on a straight-line basis)	N/A	**N/A**
Between 44% and 48% and over	100% to 150% (calculated proportionately on a straight-line basis)	Actual internal recruitment rate of 46.7%, representing an achievement rate of 133.75% (i.e. 13.375% of Philippe Guillemot's basic salary)	**€120,375.0**
Total variable compensation for fiscal 2018-2019: €1,132,875.0, i.e. 125.875% of Philippe Guillemot's annual fixed compensation for 2018-2019			

[1] See Section 3.1.6.1 above for the definitions of the key performance indicators.

(iii) Long-term variable compensation (LTVC)

On December 3, 2018, the Board of Directors awarded Philippe Guillemot long-term variable compensation in the form of the grant of 188,648 performance units representing a cash value of €2.36 million for 2018-2019 and corresponding to an estimated fair value of €1.82 million.

The number of these performance units that will actually vest will be determined based on the achievement of exacting performance criteria at the end of a three-year vesting period running from the grant date until December 31, 2021. In addition, the performance units will only vest if Philippe Guillemot is still Elior Group's Chief Executive Officer at the end of the vesting period (see section 3.1.6.2.2 of the 2017-2018 Registration Document).[1]

(iv) Termination benefit

N/A

(v) Non-compete covenant

N/A

(vi) Exceptional compensation

On September 27, 2018, the Board of Directors decided that if the work undertaken on accelerating the Group's growth resulted in the sale of its Concession Catering business, Philippe Guillemot would be entitled to exceptional compensation. It also decided that part of this exceptional compensation would be contingent on the completion of the sale and part would be based on the amount of the sale proceeds received, and that its maximum potential amount would be 300% of Philippe Guillemot's annual fixed compensation. The Board considered that the payment of this exceptional compensation would be justified as the rapid completion of this strategic transaction in good conditions was extremely important to the Group.

Elior Group's shareholders approved this exceptional compensation at the March 22, 2019 Annual General Meeting.

As Areas was sold on July 1, 2019 in good conditions, the Board, acting on the recommendation of the Nominations and Compensation Committee, decided to pay Philippe Guillemot an exceptional bonus corresponding to 100% of his fixed annual compensation for 2018-2019, i.e. €900,000.

In accordance with Article L. 225-100 of the French Commercial Code, the payment of this exceptional compensation will be submitted for shareholder approval at the March 20, 2020 Annual General Meeting.

(vii) Benefits in kind

Philippe Guillemot has the use of a company car, as is Group practice for persons with the responsibilities of Chief Executive Officer.

[1] In addition, on December 5, 2017 the Board of Directors awarded Philippe Guillemot long-term variable compensation in the form of the grant of 119,331 performance units representing a cash value of €2 million for 2017-2018 and corresponding to an estimated fair value of €1.4 million.
The number of these performance units that will actually vest will be determined based on the achievement of exacting performance criteria at the end of a three-year vesting period running from the grant date until December 31, 2020. In addition, the performance units will only vest if Philippe Guillemot is still Elior Group's Chief Executive Officer at the end of the vesting period (see Chapter 3, Section 3.1.6.2.2 of the 2016-2017 Registration Document).

3.1.6.4 Tables summarizing the compensation of the Company's officers for fiscal 2018-2019 based on the AMF template[1]

The tables summarizing the compensation of the Company's officers in fiscal 2018-2019 are set out in Sections 3.1.6.3 (based on AMF template tables 1 and 2) and 3.1.6.4 (based on AMF template tables 3 to 11) of this Universal Registration Document.

3.1.6.4.1 Compensation received by non-executive directors *(based on AMF template Table 3)*

Directors do not receive any compensation other than that shown in the table below.

Directors[2]	Fiscal 2017-2018		Fiscal 2018-2019	
	Fixed portion	*Variable portion*	*Fixed portion*	*Variable portion*
Gilles Cojan	N/A	€52,000	N/A	€66,000
BIM Represented by Robert Zolade	N/A	€79,000	N/A	€69,000
Gilles Auffret[3]	€12,000	€76,000	€4,500	€67,500
Anne Busquet[3]	€10,000	€72,000	€3,000	€55,500
Emesa Represented by Pedro Fontana until September 24, 2019, when he was replaced by Vanessa Llopart	€9,167*	€30,000*	N/A	€54,000
FSP[3] Represented by Virginie Duperat-Vergne	€7,000*	€27,000	€4,500	€49,500
Bernard Gault[3]	€5,833*	€41,000	€3,000	€66,000
Servinvest Represented by Sophie Javary	N/A	€45,000	N/A	€48,000
CDPQ[3] Represented by Elisabeth Van Damme	€10,000	€51,000	€3,000	€55,500
Laurence Battle[3]**	€5,000	€26,000	N/A	N/A
Sofibim**	N/A	€18,000	N/A	N/A
TOTAL	**€59,000**	**€517,000**	**€18,000**	**€531,000**

** Amounts calculated proportionately based on the duration of the directors' terms of office in fiscal 2017-2018.*
*** The directorships of Laurence Battle and Sofibim expired at the close of the March 9, 2018 Annual General Meeting and were not renewed (see Chapter 3, Section 3.1.6.4.1 of the 2017-2018 Registration Document).*

Information on directors' fees

In accordance with Article 20.1 of the AFEP-MEDEF Code, the variable portion of directors' fees related to actual attendance at Board or Committee meetings has a greater weighting than the fixed portion.

Fees paid to independent directors

Each independent director receives a fixed annual amount of directors' fees totaling €3,000, plus an additional €1,500 if they chair a Board committee.

In addition to this fixed amount, they receive variable fees for each Board or Committee meeting they attend (€3,000 per Board meeting and €1,500 per meeting of the Audit

[1] AMF Position-Recommendation 2009-16, Guide to Compiling Registration Documents.
[2] Not including Philippe Guillemot, Chief Executive Officer and a director of the Company, whose directors fees amounted to €24,000 (variable portion) in fiscal 2017-2018 and €51,000 (variable portion) in 2018-2019.
[3] Independent director.

Committee, Nominations and Compensation Committee or Strategy, Investments and CSR Committee).

Fees paid to non-independent directors

Each non-independent director receives variable fees for each Board or Committee meeting they attend (€3,000 per Board meeting and €1,500 per meeting of the Audit Committee, Nominations and Compensation Committee or Strategy, Investments and CSR Committee).

No fixed amount of directors' fees was paid to non-independent directors for the fiscal year ended September 30, 2019.

The amounts presented in the table above are stated gross, before taxes withheld at source.

- **Fiscal 2018-2019**

The amount of directors' fees due for fiscal 2018-2019 and their actual allocation were decided by the Board of Directors at its meeting on December 3, 2019.

Fiscal 2017-2018

The amount of directors' fees due for fiscal 2017-2018 and their actual allocation were decided by the Board of Directors at its meeting on December 3, 2018.

3.1.6.4.2 Stock options granted by the Company and any other Group entity during the fiscal year to each Company officer *(based on AMF template Table 4)*

N/A

3.1.6.4.3 Stock options exercised during the fiscal year by each Company officer *(based on AMF template Table 5)*

N/A

3.1.6.4.4 Performance shares granted by the Company and any other Group entity during the fiscal year to each Company officer *(based on AMF template Table 6)*

Fiscal 2018-2019						
	Plan no. and date	**Number of performance shares granted**	**Value of shares**	**Vesting date**	**End of lock-up period**	**Performance conditions**
Gilles Cojan	N/A	N/A	N/A	N/A	N/A	N/A
Philippe Guillemot	N/A	N/A	N/A	N/A	N/A	N/A

3.1.6.4.5 Performance shares that became available during the fiscal year for each Company officer *(based on AMF template Table 7)*

N/A

3.1.6.4.6 Historical information on stock option grants *(based on AMF template Table 8)*

	2016/1 Plan	2016/2 Plan
Date of Shareholders' Meeting authorizing stock option grants	March 11, 2016	March 11, 2016
Date of Board of Directors' decision to grant the stock options	March 11, 2016	Oct. 27, 2016
Total number of shares under option	843,243	814,695
Stock options granted to Company officers		
Gilles Cojan *Chairman of the Board of Directors*	N/A	N/A
Philippe Guillemot *Chief Executive Officer*	N/A	N/A
Stock options granted to non-executive directors		
Gilles Auffret	N/A	N/A
Anne Busquet	N/A	N/A
Emesa (Pedro Fontana then Vanessa Llopart)[1]	N/A	N/A
Servinvest (Sophie Javary)	N/A	N/A
CDPQ (Elisabeth Van Damme)	N/A	N/A
BIM (Robert Zolade)	N/A	N/A
FSP (Virginie Duperat Vergne)	N/A	N/A
Bernard Gault	N/A	N/A
Start date of exercise period	March 11, 2020	Oct. 27, 2020
Expiration date	March 11, 2020	Oct. 27, 2020
Vesting date	March 11, 2020	Oct. 27, 2020
End of lock-up period	March 11, 2020	Oct. 27, 2020
Exercise price	€16.30[2]	€18.29
Exercise terms and conditions	N/A	N/A

[1] Emesa was represented by Pedro Fontana until September 24, 2019 when he was replaced by Vanessa Llopart.
[2] The option exercise price incorporates a 10% discount on the average of the prices quoted for the Elior Group share over the twenty trading days preceding the option grant date.

Performance and presence conditions	*See footnote below*[1]	*See footnote below*[2]
Number of options exercised in fiscal 2018-2019	0	0
Total number of options exercised since the grant date	0	0
Number of vested options at December 31, 2019	95,811[3]	64,073[4]
Cumulative number of options canceled or forfeited	747,572	750,622
Number of options outstanding at December 31, 2019	0	0
Financial performance achievement rate	11.36%[5]	7.86%[6]

[1] The vesting of the stock options is contingent on (i) the beneficiary still forming part of the Group at the end of the four-year vesting period and (ii) the achievement of performance conditions based on EBITA margin and the organic revenue growth rate, both assessed as at September 30, 2017 (for Executive Committee and Management Committee members) or EPS growth as reported at September 30, 2017 (for members of the Leaders Committee and the Regional Directors).

[2] The vesting of the stock options is contingent on (i) the beneficiary still forming part of the Group at the end of the four-year vesting period and (ii) the achievement of performance conditions based on EBITA margin and the organic revenue growth rate, both assessed as at September 30, 2018 (for Executive Committee and Management Committee members) or EPS growth as reported at September 30, 2018 (for members of the Leaders Committee and the Regional Directors).

[3] Including 95,811 options granted to members of the Executive and Management Committees and 0 options granted to the members of the Leaders Committee and the Regional Directors for the 2016/1 plan.

[4] Including 64,073 options granted to the members of the Executive and Management Committees and 0 options granted to the members of the Leaders Committee and the Regional Directors for the 2016/2 plan.

[5] Rate calculated by dividing (i) the total number of options that will vest based on the achievement of the applicable financial performance conditions (95,811) by (ii) the total number of options granted (843,243).

[6] Rate calculated by dividing (i) the total number of options that will vest based on the achievement of the applicable financial performance conditions (64,073) by (ii) the total number of options granted (814,695).

Description of Elior Group stock options plans set up in 2016

At the Annual General Meeting held on March 11, 2016, the Company's shareholders authorized the Board of Directors to grant, on one or more occasions, to employees and/or officers of the Company and/or related entities within the meaning of Article L. 225-180 of the French Commercial Code (other than Elior Group's Chairman and Chief Executive Officer), stock options exercisable for (i) new shares of the Company, or (ii) existing shares bought back by the Company under the conditions provided for by law. The shareholders resolved that:

- The total number of shares that may be allocated on exercise of the options may not represent more than 2.2% of the Company's capital at the option grant date.
- The exercise price of any options exercised for new shares may not be lower than 90% of the average of the prices quoted for the Elior Group share over the twenty trading days preceding the option grant date.
- The exercise of the stock options must be subject to the achievement of quantitative performance conditions set by the Board of Directors and the options will only vest if the beneficiary is still a member of the Group on the vesting date.

2016/1 Plan (March 11, 2016)

On March 11, 2016, the Board used the above shareholder authorization in order to set up two new Elior Group stock option plans for members of the Executive Committee, Management Committee and Leaders Committee and the Regional Directors, apart from the Company's Chairman and Chief Executive Officer at that date.

The vesting of the stock options and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of the four-year vesting period, and (ii) the achievement of performance conditions based on the following:

- For beneficiaries who are Executive Committee or Management Committee members: EBITA margin (70% weighting) and the organic revenue growth rate (30% weighting), both assessed as at September 30, 2017.
- For beneficiaries who are members of the Leaders Committee and the Regional Directors: EPS growth as reported between the option grant date and September 30, 2017.

2016/2 Plan (October 27, 2016)

On October 27, 2016, the Board used the shareholder authorization given at the March 11, 2016 Annual General Meeting in order to set up two new Elior Group stock option plans for members of the Executive Committee, Management Committee and Leaders Committee and the Regional Directors, apart from the Company's Chairman and Chief Executive Officer at that date. The main characteristics of these plans are described below and are set out in Table 8 above.

The vesting of the stock options and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of the four-year vesting period, and (ii) the achievement of performance conditions based on the following:

- For beneficiaries who are members of the Executive and Management Committees: EBITA margin (70% weighting) and the organic revenue growth rate (30% weighting), both assessed as at September 30, 2018.
- For beneficiaries who are members of the Leaders Committee and the Regional Directors: EPS growth as reported between the option grant date and September 30, 2018.

The authorization given at the March 11, 2016 Annual General Meeting concerning stock option grants was valid for a period of 38 months and expired on May 11, 2019.

* * *

No resolution for authorizing Elior Group stock option grants will be put to the shareholders' vote at the Annual General Meeting on March 20, 2020.

3.1.6.4.7 Historical information on performance share grants (based on AMF template Table 9)

a) Elior Group performance share plans set up in 2016 and 2017

	2016/3 Plan	2016/4 Plan	2017/1 Plan
Date of Shareholders' Meeting authorizing performance share grants	March 11, 2016	March 11, 2016	March 11, 2016
Date of Board of Directors' decision to grant the performance shares	March 11, 2016	Oct. 27, 2016	Dec. 5, 2017
Total number of shares granted	148,941	249,017	213,044
O/w granted to Company officers			
Gilles Cojan *Chairman of the Board of Directors*	N/A	N/A	N/A
Philippe Guillemot *Chief Executive Officer*	N/A	N/A	N/A
O/w granted to non-executive directors			
Gilles Auffret	N/A	N/A	N/A
Anne Busquet	N/A	N/A	N/A
Emesa (Pedro Fontana then Vanessa Llopart)[1]	N/A	N/A	N/A
Servinvest (Sophie Javary)	N/A	N/A	N/A
CDPQ (Elisabeth Van Damme)	N/A	N/A	N/A
BIM (Robert Zolade)	N/A	N/A	N/A
Vesting date	March 11, 2020	Oct. 27, 2020	Dec. 5, 2019
End of lock-up period	March 11, 2020	Oct. 27, 2020	Dec. 5, 2019
Performance and presence conditions	*See footnote below*[2]	*See footnote below*[3]	*See footnote below*[4]

1 Emesa was represented by Pedro Fontana until September 24, 2019, when he was replaced by Vanessa Llopart.

2 The vesting of the performance shares is contingent on (i) the achievement of performance conditions based on EBITA margin (70% weighting) and the organic revenue growth rate (30% weighting), both assessed at September 30, 2017, and (ii) the beneficiary still forming part of the Group: the shares will automatically be forfeited if the beneficiary leaves the Group before the second anniversary of the grant date or resigns before the fourth anniversary of the grant date. If the beneficiary leaves the Group (for any reason other than resignation) between the second and fourth anniversary of the grant date, the number of shares that will vest will be calculated on a proportionate basis and will represent between 50% and 100% of the shares that would have vested for that beneficiary based on the achievement of the performance conditions. The standard exceptions concerning death or disability will apply in relation to the vesting conditions.

3 The vesting of the performance shares is contingent on (i) the achievement of performance conditions based on (a) EBITA margin (70% weighting) and the organic revenue growth rate (30% weighting), both assessed at September 30, 2018, for members of the Executive Committee and Management Committee, or (b) adjusted EPS growth, as assessed at September 30, 2018, for members of the Leaders Committee and the Regional Directors, and (ii) the beneficiary still forming part of the Group: the shares will automatically be forfeited if the beneficiary leaves the Group before the second anniversary of the grant date or resigns before the fourth anniversary of the grant date. If the beneficiary leaves the Group (for any reason other than resignation) between the second and fourth anniversary of the grant date, the number of shares that will vest will be calculated on a proportionate basis and will represent between 50% and 100% of the shares that would have vested for that beneficiary based on the achievement of the performance conditions. The standard exceptions concerning death or disability will apply in relation to the vesting conditions.

4 The vesting of the performance shares is contingent on (i) the achievement of performance conditions based on the generation of operating cash flow as assessed by reference to the consolidated financial statements for the year ended September 30, 2018 and (ii) the beneficiary forming part of the Group at the end of the two-year vesting period.

Number of vested performance shares at Dec. 31, 2018	47,905	32,063[1]	56,699[2]
Cumulative number of canceled or forfeited performance shares	101,036	216,954	156,345
Number of unvested performance shares at Dec. 31, 2019	0	0	0
Financial performance achievement rate	32.16%[3]	12.88 %[4]	26.61% [5]

Description of Elior Group performance share plans set up in 2016 and 2017

At the Annual General Meeting held on March 11, 2016, the Company's shareholders authorized the Board of Directors to grant, free of consideration and on one or more occasions, new or existing shares of the Company, in accordance with the laws and regulations in force at the grant date (notably Article L. 225-129 et seq. and Article L. 225-197-1 et seq. of the French Commercial Code) to employees and/or officers of the Company and/or of related entities within the meaning of Article L. 225-180 of the French Commercial Code (other than Elior Group's Chairman and Chief Executive Officer at that date). The shareholders resolved that:

- The total number of shares granted could not represent more than 0.3% of the Company's capital at the grant date.
- The vesting of the shares granted had to be subject to (i) the achievement of quantitative performance conditions set by the Board of Directors and (ii) the beneficiary still being a member of the Group at the vesting date.

2016/3 Plan (March 11, 2016)

On March 11, 2016, the Board used the above shareholder authorization to set up an Elior Group performance share plan for members of the Executive Committee and Management Committee, apart from the Company's Chairman and Chief Executive Officer at that date.

The vesting of the performance shares and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of the four-year vesting period, and (ii) the achievement of performance conditions based on EBITA margin (70% weighting) and the organic revenue growth rate (30% weighting), both assessed as at September 30, 2017.

2016/4 Plan (October 27, 2016)

On October 27, 2017, the Board used the shareholder authorization given at the March 11, 2016 Annual General Meeting to set up a further Elior Group performance share plan for members of the Executive Committee, Management Committee and Leaders Committee and the Regional Directors, apart from the Company's Chairman and Chief Executive Officer at that date.

The vesting of the performance shares and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of the four-year vesting period, and (ii) the achievement of performance conditions based on the following:

- For beneficiaries who are members of the Executive Committee and Management Committee: EBITA margin (70% weighting) and the organic revenue growth rate (30% weighting), both assessed as at September 30, 2018.
- For beneficiaries who are members of the Leaders Committee and the Regional Directors: adjusted EPS growth at September 30, 2018.

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1 Including 32,063 performance shares granted to members of the Executive and Management Committees and 0 performance shares granted to the members of the Leaders Committee and the Regional Directors for the 2016/4 plan.
2 Including 32,407 performance shares granted to members of the Executive and Management Committees and 24,292 performance shares granted to the members of the Leaders Committee and the Regional Directors for the 2017/1 plan.
3 Rate calculated by dividing (i) the total number of performance shares that will vest based on the achievement of the applicable financial performance conditions (47,905) by (ii) the total number of performance shares granted (148,941).
4 Rate calculated by dividing (i) the total number of performance shares that will vest based on the achievement of the applicable financial performance conditions (32,063) by (ii) the total number of performance shares granted (249,017).
5 Rate calculated by dividing (i) the total number of performance shares that will vest based on the achievement of the applicable financial performance conditions (56,699) by (ii) the total number of performance shares granted (213,044).

2017/1 Plan (December 5, 2017)

On December 5, 2017, the Board of Directors used the authorization given at the March 11, 2016 Annual General Meeting to set up an Elior Group performance share plan for members of the Executive Committee, Management Committee and Leaders Committee and the Regional Directors, apart from the Chairman of the Board, the Chief Executive Officer and the Deputy Chief Executive Officer.

The vesting of the performance shares and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of a two-year vesting period and (ii) the achievement of performance conditions based on generation of operating cash flow, assessed by reference to the consolidated financial statements for the year ended September 30, 2018.

b)Elior Group performance share plans set up in 2018

	2018/1 Plan	2018/2 Plan	2018/3 Plan	2018/4 Plan	2018/5 Plan
Date of Shareholders' Meeting authorizing performance share grants	March 9, 2018	March 9, 2018	March 9, 2018	March 9, 2018	March 9, 2018
Date of Board of Directors' decision to grant the performance shares	June 15, 2018	June 15, 2018	June 15, 2018	June 15, 2018	June 15, 2018
Total number of shares granted	549,655	620,427	119,280	126,078	122,440
O/w granted to Company officers					
Gilles Cojan *Chairman of the Board of Directors*	N/A	N/A	N/A	N/A	N/A
Philippe Guillemot *Chief Executive Officer*	N/A	N/A	N/A	N/A	N/A
O/w granted to non-executive directors					
Gilles Auffret	N/A	N/A	N/A	N/A	N/A
Anne Busquet	N/A	N/A	N/A	N/A	N/A
Emesa (Pedro Fontana)[1]	N/A	N/A	N/A	N/A	N/A
Servinvest (Sophie Javary)	N/A	N/A	N/A	N/A	N/A
CDPQ (Elisabeth Van Damme)	N/A	N/A	N/A	N/A	N/A
BIM (Robert Zolade)	N/A	N/A	N/A	N/A	N/A
FSP (Virginie Duperat Vergne)	N/A	N/A	N/A	N/A	N/A
Bernard Gault	N/A	N/A	N/A	N/A	N/A
Vesting date	June 15, 2021	June 15, 2021	June 15, 2021	June 15, 2021	June 15, 2021
End of lock-up period	June 15, 2021	June 15, 2021	June 15, 2021	June 15, 2021	June 15, 2021
Performance and presence conditions	*See paragraph below*	*See paragraph below*	*See paragraph below*	*See paragraph below*	*See paragraph below*
Number of vested performance shares at Dec. 31, 2019[2]	0	0	0	0	0
Cumulative number of cancelled or forfeited performance shares	48,973	53,121	0	0	0
Number of unvested performance shares at Dec. 31, 2019	500,682	567,306	119,280	126,078	122,440
Financial performance achievement rate[3]	N/A	N/A	N/A	N/A	N/A

[1] Emesa was represented by Emilio Cuatrecasas until August 31, 2018, when he was replaced by Pedro Fontana.
[2] The number of vested shares will be determined based on the achievement of performance conditions as assessed (i) by reference to the consolidated financial statements for the year ending September 30, 2021, and (ii) at December 31, 2021 for the TSR criterion.
[3] The financial performance achievement rate will be determined when the financial performance vesting conditions are assessed.

Description of Elior Group performance share plans set up in 2018

At the Annual General Meeting held on March 9, 2018, the Company's shareholders authorized the Board of Directors to grant, free of consideration and on one or more occasions, new or existing shares of the Company ("performance shares"), in accordance with the laws and regulations in force at the grant date (notably Article L. 225-129 *et seq.* and Article L. 225-197-1 *et seq.* of the French Commercial Code). The shareholders resolved that:

- The total number of shares granted could not represent more than 1.2% of the Company's capital at the grant date.
- The vesting of the shares granted had to be subject to (i) the achievement of quantitative performance conditions set by the Board of Directors and (ii) the beneficiary still being a member of the Group at the vesting date.

On June 15, 2018, the Board used the shareholder authorization given at the March 9, 2018 Annual General Meeting to set up an Elior Group performance share plan for:

- The following categories of employees in the Elior group: (i) Global Executives 1 and 2 and Top Executives 1 and (ii) Top Executives 2 - Senior Executives 1 and 2 who are members of the Leaders Committee.
- The following categories of Elior North America employees: (i) Top Executives 1 and (ii) Top Executives 2 and Senior Executives 1 who are members of the Leaders Committee.
- Elior North America's CEO

The vesting of the performance shares and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of the three-year vesting period, and (ii) the achievement of performance conditions based on the criteria set out below[1]:

(i) *Concerning the plans for employees of the Elior group*:

- **2018/1 Plan**: For Global Executives 1 and 2 and Top Executives 1, the applicable performance conditions are based on:

- AEPS growth (70% weighting).
- Elior Group's TSR performance (30% weighting). Half of the shares subject to this criterion will vest based on Elior Group's TSR performance compared with the Peer Group's TSR performance and the other half will vest based on Elior Group's TSR performance compared with the Index's TSR.

- **2018/2 Plan**: For Top Executives 2, Senior Executives 1 and 2 who are members of the Leaders Committee, all of the performance shares are subject to the AEPS growth objective.

(ii) *Concerning the plans for Elior North America employees*

- **2018/3 Plan**: For Top Executives 1, the applicable performance conditions are based on:

- CAGR (70% weighting).
- Elior Group's TSR performance (30% weighting). Half of the shares subject to this criterion will vest based on Elior Group's TSR performance compared with the Peer Group's TSR performance and the other half will vest based on Elior Group's TSR performance compared with the Index's TSR.

- **2018/4 Plan**: For Top Executives 2 and Senior Executives 1, all of the performance shares are subject to the CAGR objective.
- **2018/5 Plan**: For Elior North America's CEO:

For the performance shares, the vesting conditions are based on:

- The CAGR objective (50% weighting).
- The AEPS growth objective (28% weighting).
- Elior Group's TSR performance (22% weighting). Half of the shares subject to this criterion will vest based on Elior Group's TSR performance compared with the Peer Group's TSR performance and the other half will vest based on Elior Group's TSR performance compared with the Index's TSR.

For the over-performance and top-performance shares, the performance criteria are based on:

- The CAGR objective (70% weighting).
- Elior Group's TSR performance (30% weighting). Half of the shares subject to this criterion will vest based on Elior Group's TSR performance compared with the Peer Group's TSR performance and the other half will vest based on Elior Group's TSR performance compared with the Index's TSR.

[1] See Section 3.1.6.1 above for the definitions of AEPS, TSR and CAGR.

c) Elior Group performance share plans set up in 2019

	2019/1 Plan	2019/2 Plan	2019/3 Plan	2019/4 Plan
Date of Shareholders' Meeting authorizing performance share grants	March 22, 2019	March 22, 2019	March 22, 2019	March 22, 2019
Date of Board of Directors' decision to grant the performance shares	July 24, 2019	July 24, 2019	July 24, 2019	July 24, 2019
Total number of shares granted	500,722	586,388	122,653	344,209
O/w granted to Company officers				
Gilles Cojan *Chairman of the Board of Directors*	N/A	N/A	N/A	N/A
Philippe Guillemot *Chief Executive Officer*	N/A	N/A	N/A	N/A
O/w granted to non-executive directors				
Gilles Auffret	N/A	N/A	N/A	N/A
Anne Busquet	N/A	N/A	N/A	N/A
Emesa (Pedro Fontana)	N/A	N/A	N/A	N/A
Servinvest (Sophie Javary)	N/A	N/A	N/A	N/A
CDPQ (Elisabeth Van Damme)	N/A	N/A	N/A	N/A
BIM (Robert Zolade)	N/A	N/A	N/A	N/A
FSP (Virginie Duperat Vergne)	N/A	N/A	N/A	N/A
Bernard Gault	N/A	N/A	N/A	N/A
Vesting date	July 24, 2022	July 24, 2022	July 24, 2022	July 24, 2022
End of lock-up period	July 24, 2022	July 24, 2022	July 24, 2022	July 24, 2022
Performance and presence conditions	*See paragraph below*	*See paragraph below*	*See paragraph below*	*See paragraph below*
Number of vested performance shares at Dec. 31, 2019[1]	0	0	0	0
Cumulative number of cancelled or forfeited performance shares	0	0	0	0
Number of unvested performance shares at Dec. 31, 2019	500,722	586,388	122,653	344,209
Financial performance achievement rate[2]	N/A	N/A	N/A	N/A

[1] The number of vested free shares will be determined based on the achievement of performance conditions as assessed (i) by reference to the consolidated financial statements for the year ending September 30, 2022, and (ii) at December 31, 2022 for the TSR criterion.
[2] The financial performance achievement rate will be determined when the financial performance vesting conditions are assessed.

Description of Elior Group performance share plans set up in 2019

At the Annual General Meeting held on March 22, 2019, the Company's shareholders authorized the Board of Directors to grant, free of consideration and on one or more occasions, new or existing shares of the Company ("performance shares"), in accordance with the laws and regulations in force at the grant date (notably Article L. 225-129 *et seq.* and Article L. 225-197-1 *et seq.* of the French Commercial Code). The shareholders resolved that:

- The total number of shares granted may not represent more than 2.7% of the Company's capital at the grant date and more than 1% per year.
- The vesting of the shares granted must be subject to (i) the achievement of quantitative performance conditions set by the Board of Directors and (ii) the beneficiary still being a member of the Group at the vesting date.

On July 24, 2019, the Board used the shareholder authorization given at the March 22, 2019 Annual General Meeting to set up an Elior Group performance share plan for:

- The following categories of employees in the Elior group: members of the Executive, Management and Leaders Committees.
- The following categories of Elior North America employees: members of the Executive, Management and Leaders Committees.

The vesting of the performance shares and the final number received by each beneficiary are contingent on (i) the beneficiary still forming part of the Group at the end of the three-year vesting period, and (ii) the achievement of performance conditions, assessed over a three-year period and based on the criteria set out below[1]:

(i) *Concerning the plans for employees of the Elior group:*

- For members of the Executive and Management Committees, the applicable performance conditions are based on:
  - AEPS growth (50% weighting).
  - The level of operating free cash flow (30% weighting).
  - Elior Group's TSR performance (20% weighting). Half of the shares subject to this criterion will vest based on Elior Group's TSR performance compared with the Peer Group's TSR performance and the other half will vest based on Elior Group's TSR performance compared with the Index's TSR.
- For members of the Leaders Committee and other beneficiaries, the applicable performance condition are based on:
  - AEPS growth (70% weighting).
  - The level of operating free cash flow (30% weighting).

(ii) *Concerning the plans for Elior North America employees:*

- For members of the Executive and Management Committees, the applicable performance conditions are based on:
  - CAGR (50% weighting).
  - The level of operating free cash flow (30% weighting).
  - Elior Group's TSR performance (20% weighting). Half of the shares subject to this criterion will vest based on Elior Group's TSR performance compared with the Peer Group's TSR performance and the other half will vest based on Elior Group's TSR performance compared with the Index's TSR.
- For members of the Leaders Committee and other beneficiaries, the applicable performance conditions are based on:
  - CAGR (70% weighting).
  - The level of operating free cash flow (30% weighting)

* * *

No resolution for authorizing Elior Group performance share grants will be put to the shareholders' vote at the March 20, 2020 Annual General Meeting.

[1] See Section 3.1.6.1 above for the definitions of AEPS, operating free cash flow, TSR and CAGR.

3.1.6.4.8 Stock options granted to and exercised by the ten employees other than Company officers who received the greatest number of options

Stock options granted to and exercised by the ten employees other than Company officers who received the greatest number of options	Total number of options granted/ exercised	Weighted average exercise price	2016/1 Plan	2016/2 Plan
Options granted during the year by the Company or any other qualifying Group entity to the ten employees of the Company and any other qualifying Group entity who received the greatest number of options (aggregate information)	N/A	N/A	N/A	N/A
Options granted by the Company or any other qualifying Group entity that were exercised during the year by the ten employees of the Company and any other qualifying Group entity who exercised the greatest number of options (aggregate information)	N/A	N/A	N/A	N/A

3.1.6.4.9 Table summarizing the multi-annual variable compensation of each Company officer (*based on AMF template Table 10*)

Company officer	Fiscal 2017-2018	Fiscal 2018-2019
Gilles Cojan ***Chairman of the Board of Directors***	N/A	
Philippe Guillemot ***Chief Executive Officer***	*See Section 3.1.6.2.2 for the components of Company officers' multi-annual variable compensation and Section 3.1.6.3.2 for the components of Company officers' overall compensation packages for 2017-2018 and 2018-2019.*	

3.1.6.4.10 Information disclosed in accordance with AFEP-MEDEF recommendations (*based on AMF template Table 11*)

Company officer	Employment contract		Supplementary pension plan		Compensation for loss of office or change in duties		Non-compete indemnity	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Gilles Cojan ***Chairman of the Board of Directors***		X		X		X		X
Philippe Guillemot ***Chief Executive Officer***		X		X	X[1]		X[1]	

[1] See Section 3.1.6 above.

3.1.6.4.11 Table comparing Company officers' compensation with compensation paid to Group employees

This table is disclosed in accordance with Article L. 225-37-3, paragraph 6, of the French Commercial Code. The scope of disclosure covers the companies that house the Group's headquarters teams, including Elior Group SA.

Gilles Cojan *Chairman of the Board of Directors*	2018-2019	2017-2018
Average	3.32	4.09
Median	1.16	1.27

Philippe Guillemot *Chief Executive Officer*	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Average	27	23	32	44	40
Median	55	43	54	67	59

The above ratios were calculated based on fixed and variable compensation due during the above-mentioned fiscal years and long-term compensation awarded during those years and measured at fair value. The calculation method applied determined the compensation concerned based on the periods in which the relevant persons actually formed part of the Group, on a full-time equivalent basis, which corresponds to a full year of annual compensation.

Explanations for year-on-year changes in the ratios:
- 2018-19: this was the first full year of (i) Philippe Guillemot's office as Chief Executive Officer and (ii) Gilles Cojan's office as Chairman of the Board of Directors.
- 2017-18: cumulative compensation, calculated based on the respective durations of the offices of Philippe Salle as Chairman and Chief Executive Officer, Philippe Guillemot as Chief Executive Officer, and Gilles Cojan as Chairman of the Board of Directors.
- 2015-16 and 2016-17: Philippe Salle was Chairman and Chief Executive Officer for the entire duration of these two fiscal years.
- 2014-15: cumulative compensation, calculated based on the respective durations of the offices of Philippe Salle as Chairman and Chief Executive Officer, and Gilles Petit as Chief Executive Officer.

3.1.6.5 Summary table of transactions in the Company's financial instruments carried out by members of the Board of Directors from October 1, 2018 through December 31, 2019

(disclosed in accordance with Article 223-26 of the AMF's General Regulations)

Name	Position	Financial instrument	Transaction type	Transaction date	Gross unit price	Number of securities	Total gross amount (in €)
Gilles Auffret	Director	Shares	Purchase	Dec. 6, 2018	12.64	4,000	50,580.0
Gilles Auffret	Director	Shares	Purchase	Dec. 6, 2018	12.37	4,000	49,516.0
Gilles Cojan	Director	Shares	Purchase	Dec. 10, 2018	11.98	6,000	71,905.80
Gilles Auffret	Director	Shares	Purchase	Dec. 10, 2018	12.09	4,000	48,368.0
Gilles Auffret	Director	Shares	Purchase	Dec. 11, 2018	11.91	4,000	47,664.0
Gilles Cojan	Director	Shares	Purchase	Dec. 11, 2018	12.00	10,000	120,000.0
Bernard Gault	Director	Shares	Purchase	Dec. 13, 2018	12.19	1,000	12,190.0
BIM	Director	Shares	Purchase	Dec. 24, 2018	12.38	4,352	53,896.91
BIM	Director	Shares	Purchase	Dec. 27, 2018	12.36	67,712	837,414.62
BIM	Director	Shares	Purchase	Dec. 28, 2018	12.49	1,429	17,859.21

BIM	Director	Shares	Equity forward contract[1]	Jan. 7, 2019	-	-	-
BIM	Director	Shares	Pledge[2]	Jan. 7, 2019	12.85	1,333,333	-
Philippe Guillemot	Director	Shares	Stock dividend payment (March 22, 2019 AGM)	April 16, 2019	11.73	527	6,181.71
CDPQ	Director	Shares	Stock dividend payment (March 22, 2019 AGM)	April 16, 2019	11.73	335,669	3,937,398.0
Emesa	Director	Shares	Stock dividend payment (March 22, 2019 AGM)	April 16, 2019	11.73	374,719	4,395,454.0
Gilles Auffret	Director	Shares	Purchase	May 29, 2019	10.28	9,710	99,818.8
Gilles Auffret	Director	Shares	Purchase	May 29, 2019	10.29	19,420	199,831.8
Emesa	Director	Shares	Purchase	June 13, 2019	11.19	19,000	212,562.5
Emesa	Director	Shares	Purchase	June 14, 2019	11.23	8,000	89,840.0
Emesa	Director	Shares	Purchase	June 17, 2019	11.31	18,000	203,599.8
Emesa	Director	Shares	Purchase	June 18, 2019	11.30	23,274	263,003.1
Emesa	Director	Shares	Purchase	June 19, 2019	11.43	9,000	102,849.4
Emesa	Director	Shares	Purchase	June 20, 2019	11.46	9,726	111,494.0
BIM	Director	Shares	Pledge[3]	June 20, 2019	11.43	4,000,001	-
BIM	Director	Shares	Early unwinding of equity forward contracts[4]	June 20, 2019	18.13	4,000,001	72,536,685.0
Emesa	Director	Shares	Cancelation	July 31, 2019		4,210,000	-
BIM	Director	Shares	Pledge[5]	Sept. 19, 2019	12.44	6,769,566	-
Bernard Gault	Director	Shares	Purchase	Dec. 6, 2019	12.80	3,000	38,400.0
BIM	Director	Shares	Sale	Dec. 20, 2019	13.15	540,389	7,107,115.89
BIM	Director	Shares	Sale	Dec. 24, 2019	13.10	42,091	551,546.63
BIM	Director	Shares	Sale	Dec. 31, 2019	13.12	169,754	2,227,878.59

[1] BIM set up a structured financing arrangement with an investment services provider involving a prepaid forward contract. The amount of the structured financing that will be paid to BIM by the investment services provider is €16,598,517 and the number of Elior Group shares covered by the prepaid forward contract is 1,333,333. The final maturity of the overall transaction is in February 2022.
[2] BIM set up a pledge of a securities account containing 1,333,333 Elior Group shares. The value of this pledge is €17,133,329.05 based on the closing Elior Group share price on January 4, 2019.
[3] On June 20, 2019, BIM signed a contract rider with an investment services provider, which notably amended three prepaid forward contracts entered into on February 1, 2016, March 22, 2016 and June 20, 2016, whose underlyings are Elior Group shares. The purpose of the rider was to provide for the early physical settlement of a number of tranches of some of the above contracts through the delivery of 4,000,001 Elior Group shares.
[4] Following this transaction, for which the settlement-delivery date was June 24, 2019, BIM sold 4,000,001 Elior Group shares to the investment services provider for a total of €72,536,685.
[5] Reduction in the pledge following the buyback on September 19, 2019 of 16,000 bonds issued by BIM exchangeable for Elior Group shares. Following the buyback and the related reduction in the number of secured bonds outstanding, the pledged securities account now contains 6,769,566 Elior Group shares.

3.2 RISK MANAGEMENT

At the date this Universal Registration Document was filed, the major risks described below are those that the Group considers could potentially happen based on their probability of occurrence and which could significantly impact its operations, financial position or image, or could affect its ability to achieve its objectives. The Group could also be exposed to other risks that are not described in this document as they are not considered significant or have not yet arisen.

As is the case each year, in 2018-2019, the Group carried out a risk review and analysis process, following which an even tighter control framework was put in place. The Group's Executive Management team has set up a risk governance system that consists of appointing one or more Executive Committee members as "Risk Leader(s)" for each major risk. The analysis set out below takes into account the fact that Areas was deconsolidated on July 1, 2019. For each identified risk, a paragraph setting out the specific nature of the risk exposure and a risk description is provided. Each risk is managed based on key tasks and controls that are applied to prevent the risk from occurring or to reduce its potential impact. Examples of these measures are given for each risk in the paragraph entitled "Examples of risk controls". The Risk Leader ensures that the applicable control environment is relayed throughout the Group, and as part of their on-site audits, the internal audit team carries out sample testing to ensure that the controls are being properly communicated and applied.

Four risk categories have been identified, covering a total of 23 risks.

Risk category	Number	%
Operational	10	43%
Finance	5	22%
IT	3	13%
Human resources	5	22%
Total	**23**	**100%**

The risk factors have been ranked based on their gross criticality, i.e. the estimated extent of their adverse impact before taking into account the effect of any controls:

(i) Significant***
(ii) Tolerable**
(iii) Acceptable*

Category 1: Operational	Food safety and menu quality	***
	Loss of key contracts	***
	Contract monitoring, client retention strategy and contract profitability	***
	Crisis management	***
	Sales development and bid issuance process	**
	Public procurement code – Antitrust law	**
	Supply chain and logistics	**
	Suppliers dependency	**
	Start-up and development of projects/new contracts	**
	Mismatch between revenue growth and increases in current and forecast operating costs	**

Category 2: Finance	Controls on cash and available cash flows - Fraud	***
	Financing, credit facilities, debt servicing (borrowings, repayments, refinancing, loans)	**
	Asset valuation	*
	Legislatives, standarts and tax laws changes	*
	Mergers/Acquisitions - Inability to meet strategic objectives, poor integration, lack of synergies	*
Category 3: IT	Loss/Theft/Leaks of sensitive information	***
	Durable unavailability of a strategic application	**
	Loss of production means (data center)	**
Category 4: Human resources	Key people	***
	Changes in hygiene, health and safety rules	***
	Country risk	*
	Social risk	*
	Changes in legislation	*

This estimate could change over time depending on the outcome of independent and on-site internal audits carried out in accordance with a multi-year audit plan based on the use of a new internal control tool that is being developed as at the date of this document.

3.2.1 Operational risks

3.2.1.1 Food safety and menu quality***

Specific nature of risk exposure

The Group is specifically exposed to health security risks due to the quantity of meals it serves.

Risk description

The Group is exposed to risks associated with food safety and the food supply chain, which could lead to liability claims, reputation damage and/or could negatively affect its relationship with clients.

The Group's main business activity is preparing and serving meals as well as selling food products in connection with the provision of outsourced services (contract catering). Consequently, it is specifically exposed to loss or damage resulting from actual or perceived issues regarding the safety or quality of the food it proposes. Any inappropriate preparation methods, production systems or behavior could harm the quality of the food services it provides. Claims of illness or injury relating to contaminated, spoiled, mislabeled or adulterated food may require costly measures to investigate and remediate, such as withdrawing products from sale or destroying supplies and inventory that are unfit for consumption.

The Group's catering activities rely on strict adherence by employees to standards for food handling and restaurant operations. Claims related to food quality or food handling are common in the contract catering industry and may arise at any time. If the Group were to be found negligent in terms of food safety, it could be exposed to significant liability, which could have an adverse impact on its operating performance. Even if such claims are without merit, any negative publicity concerning food safety could damage the Group's reputation and negatively affect its sales.

The Group’s catering activities also expose it to the risks inherent to the food industry in general, such as the risk of widespread contamination of foodstuffs, problems related to product traceability, nutritional concerns and other health-related issues. From time to time, food suppliers are forced to recall products and as a result the Group may have to remove certain products from its inventory and source inventory from other providers. Such events can be highly disruptive to its business.

NB: some aspects of this risk also concern CSR, i.e. risks related to poor hygiene and food safety.

Examples of risk controls

- Managing the site portfolio: precise knowledge of each site's business activity.
- Organizing audits performed by independent laboratories and on-site bacteriological analyses.
- Training employees in hygiene procedures (the HACCP method) and workplace health and safety.
- Giving a workplace health and safety handbook to all employees.
- Having an approved list of suppliers and monitoring their performance.
- Selecting appropriate hygiene and production equipment.
- Performing regulatory watches and monitoring product alerts.
- Applying an appropriate communication process in the event of an incident (see Section 3.2.1.4 below).
- Identifying the people in charge of hygiene and production.

3.2.1.2 Loss of key contracts***

Specific nature of risk exposure

The Group provides most of its services on a contractually outsourced basis at client sites.

Contracts represent volatile assets as there are a range of reasons why they can be lost or terminated including competition, client insourcing, site closures, etc.

Description of risk

The Group conducts business with its contract catering and services clients under contracts that either have a stated term or may be terminated with advance notice. Contracts may be terminated, or not renewed, if one of the Group's competitors offers the same service for a lower price or in the event of changes in market trends.

The Group's business depends on its ability to renew contracts and win new contracts under favorable financial conditions. It cannot predict whether a client will choose to cancel a contract or allow it to lapse. Moreover, even if contracts are renewed, their new terms may be less advantageous than previously or they may require the Group to incur significant capital expenditure. Clients may also decide to insource the contract catering and/or services previously outsourced to the Group or to relocate their sites or change their strategy.

The loss of a large contract or the loss of multiple contracts simultaneously could have a material adverse effect on the Group's financial and operating performance. Furthermore, client dissatisfaction with the Group's services could damage its reputation and negatively impact its ability to win new contracts, which could also have a material adverse effect on its business and its financial and operating performance.

NB: some aspects of this risk also concern CSR, i.e. risks of not adapting to guests' changing expectations.

Examples of risk controls

- Implementing a client retention program.
- Carrying out client and guest satisfaction surveys.
- Actively managing contacts by client type.
- Applying a carefully researched sales strategy to avoid dependence on any one sector or group of clients.
- Carrying out market research to anticipate new market trends and current and future needs and expectations.

3.2.1.3 Contract monitoring, client retention strategy and contract profitability***

Specific nature of risk exposure

The Group's business activities span six countries, each of which has a different culture. Consequently, although its contracts often include general, pre-drafted clauses, many of them also contain specific negotiated clauses, which can lead to additional liability.

The Group uses franchised brands in several of its markets.

Lastly, activities carried out by the Group that generate low margins require a strict credit management policy.

Description of risk

Some contracts may contain clauses that could incur the Group's liability or result in it bearing risks that were poorly understood at the outset, which could have an adverse impact on its financial and operating performance.

The Group is reliant on clients' ability to pay for its services. If a client experiences financial difficulties, payments may be significantly delayed and ultimately the Group may not be able to collect the amounts due under its contracts, resulting in bad debt write-offs. Significant or recurring bad debts could have a material adverse effect on the Group's financial and operating performance.

NB: some aspects of this risk also concern CSR, i.e. risks of not adapting to guests' changing expectations.

Examples of risk controls

- Implementing procedures for validating bids.
- Implementing procedures for validating contracts based on a risk analysis.
- Applying an integrated workflow for validating contractual commitments.
- Putting in place consistent processes and systems for creating offerings.
- Analyzing the Group's liability and insurance coverage before signing contracts.
- Analyzing the clients' solvency.

3.2.1.4 Crisis management***

Specific nature of risk exposure

The Group is specifically exposed to health security risks which could significantly affect its image.

The Group conducts its operations in six main countries and employs around 110,000 people working at 15,000 sites and 23,000 restaurants and points of sale.

Description of risk

The Group is exposed to food and non-food risks which, if they occurred, could damage its reputation and have an adverse impact on its share price. It is specifically exposed to a negative promotion of its image resulting from the communication of actual or perceived issues concerning its operations.

If the Group is not properly prepared for managing a crisis, the occurrence of such a crisis could destabilize its business and lead to the loss of contracts. Any inadequate management of a crisis after its occurrence, or lack of communication over a report of an actual or perceived food safety incident that is broadcast on traditional and social media could call into question executive management's handling of risk prevention processes.

Certain events that constitute unanticipated crisis scenarios, by country or by business, could reveal weaknesses in the Group's risk mapping and crisis management procedures. Any mismanagement of internal and/or external communications could damage the Group's image and have negative repercussions on the Group, both for its staff and financial position. For example, existing or potential clients could decide to terminate or not renew a contract, or renegotiate their contract at a lower cost.

Furthermore, if no crisis committee is in place this would adversely impact the collection and reliability of the data available to the Group's decision makers. Similarly, any decision not to be advised or assisted by experts could lead to a poor crisis management strategy and increase the Group's risk exposure.

Any lack of theoretical or practical training in order to test the level of employees' appropriation of the crisis management system would fragilize the effective implementation of the crisis management measures put in place.

Examples of risk controls

- Identifying the main threats facing the Group (including non-food risks).
- Setting up a food and non-food crisis management plan.
- Having a Group crisis management unit.
- Raising awareness of/training the persons concerned.

3.2.1.5 Sales development and bid issuance process**

Specific nature of risk exposure

The Group conducts its business in six main countries and in several different markets via contracts that it negotiates with clients. As the parameters used for assessing the profitability of a future contract derive from the client's specifications, these parameters cannot always be checked and, in addition, are subject to change.

Description of risk

The success of each of the Group's businesses relies on its ability to generate organic growth by winning new business from clients who choose to outsource.

A large proportion of contract catering and services business is generated from a competitive bidding process between the Group and several other service providers. In order to win a contract, the Group must be able to demonstrate its value proposition effectively. It therefore devotes significant time and effort to preparing the bid or proposal for a competitive bidding process. A detailed analysis is carried out on the costs incurred during this phase, which are expensed if the bid is unsuccessful.

Even if a bid is successful, the Group may not be able to fully evaluate the contract until operations actually begin.

If any undertakings written into the service offering and/or the service contract signed with the client are not respected, this may lead to the loss of the contract if the client considers that it is not getting sufficient value added from the service provided.

In addition, the Group may have to terminate a contract that is unprofitable. However, its ability to terminate its contracts may be limited. For example, its contract catering and services contracts with public entities are difficult to terminate because of certain contractual provisions that are required by law to be included in public sector contracts. If the Group underestimates the cost of providing its services under a particular contract and is unable to terminate or renegotiate the contract, it could incur significant losses that could have an adverse effect on its business.

The Group's competitors range from local SMEs to multinational corporations. If its clients do not perceive the quality and cost value of its services, or if there is insufficient demand for new services, this could have an adverse effect on its business and earnings.

Any failure to successfully adapt to these or other changes in the competitive and/or regulatory landscape (see section on "Changes in legislation, standards and tax rules") could result in a loss of market share, decreased revenue and/or a decline in profitability.

NB: some aspects of this risk also concern CSR, i.e. risks related to non-ethical practices and lack of transparency.

NB: some aspects of this risk also concern Compliance, i.e. risks related to distorted sales processes / fictitious contracts / influence in appointing people to fictitious, unsubstantiated, or overvalued jobs / inappropriate or prohibited lobbying / use of service providers / sponsorship and donations / improper gifts and invitations.

Examples of risk controls

- Having a competitive intelligence unit that monitors market trends.
- Carrying out client and/or guest satisfaction surveys.
- Using a Customer Relation Management (CRM) system.
- Having a Strategy, Business Development, Innovation and Public Contracts Department.
- Building up an attractive portfolio of directly-owned and franchised brands.
- Applying a specific process for issuing bids and proposals.
- Having a business model that avoids client dependence (by sector, region or specific client group).

3.2.1.6 Public procurement code – Antitrust law**

Specific nature of risk exposure

The Group conducts its business in six main countries and in several different markets. Each country, and each state in the USA, has its own laws.

The Group's entities are highly decentralized and often negotiate their own SLAs with public bodies, which themselves are subject to specific laws and codes.

Description of risk

The Group derives a significant portion of its revenue from contracts with public sector entities. Business generated by public sector clients may be affected by political and administrative decisions regarding levels of public spending, particularly in light of the current attention in certain countries in which the Group operates to reducing national and local government budget deficits.

The Group also has to respect certain legal requirements (for example, if it fails to pay its payroll taxes it can be excluded from participating in tenders for public contracts), has to produce various administrative documents (directors' criminal record checks and various types of certifications) and has to demonstrate compliance with its legal obligations.

If the Group does not comply with the procedural regulations applicable to tenders for public contracts, its bid may be rejected or a successful bid could be challenged by the authorities or an unsuccessful competitor and the allocation of the contract to the Group canceled. This type of challenge to the allocation of a public contract can also happen when the Group has already begun work on the contract concerned. In such a case costs would be incurred (legal fees, business termination fees etc.) that would adversely impact the profitability of the operating entity concerned.

In addition, any failure to comply with the applicable laws and regulations could result in fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts.

Examples of risk controls

– Regularly providing training for business development and sales staff on the risks of price fixing and other unlawful agreements, and the public procurement code.
– Providing the Group's code of ethics and anti-corruption code to all of its employees.

3.2.1.7 Supply chain and logistics**

Specific nature of risk exposure

The Group has to regularly supply food and non-food products to 15,000 sites and 23,000 restaurants and points of sale, while minimizing the collective and individual health and safety risks involved.

Description of risk

The Group relies on the relationships it builds up with its suppliers (see the paragraph below entitled "Dependence on suppliers"). In the event of a dispute with any supplier or if a supplier were to experience financial difficulties, deliveries of supplies could be delayed or cancelled, or the Group could be forced to purchase supplies at a higher price from other suppliers.

In addition, a number of factors beyond the control of the Group or its suppliers could harm or disrupt its supply chain. Such factors include unfavorable weather conditions or natural disasters (such as earthquakes or hurricanes), government action, fire, terrorism, the outbreak or escalation of armed conflicts, pandemics, workplace accidents or other occupational health and safety issues, labor actions or customs or import restrictions (Brexit).

The Group's catering business also relies on its ability to purchase food supplies and prepare meals on a cost-efficient basis (see the paragraph below entitled "Mismatch between revenue growth and increases in current and forecast operating costs"). Any increases in food prices or supply costs could affect the Group's profitability if they cannot be passed on to clients.

NB: some aspects of this risk also concern CSR (i.e. risks related to not including CSR criteria in procurement practices).

NB: some aspects of this risk also concern Compliance, i.e. risks related to price reductions granted or obtained unlawfully.

Examples of risk controls

- Drawing up a Group Procurement strategy.
- Identifying supply needs (products) and selecting suppliers.
- Having an approved supplier list.
- Using standard procurement contracts, particularly for framework agreements.
- Monitoring suppliers' performance.
- Having precise knowledge of the sites where the Group conducts its operations.
- Performing regulatory watches and monitoring product alerts.

3.2.1.8 Suppliers dependency**

Specific nature of risk exposure

The Group is specifically exposed to this risk due to the nature of its contract catering business.

Description of risk

The Group relies on its relationships with suppliers of both food and non-food items in the operation of its business in certain markets that have a restricted number of key suppliers.

If the Group were to lose the ability to purchase from a key supplier, it would be more difficult for it to meet its supply needs unless it rapidly found a substitute supplier. Moreover, the suppliers of some products can have a monopoly or be in an oligopoly. The Group is exposed to a risk of a concentration of suppliers.
The Group has put in place central purchasing structures in the main countries where it operates, which manage the procurement needs of each of its activities. In April 2018, the Group appointed a Chief Procurement and Logistics Officer.

Examples of risk controls

- Drawing up a Group Procurement strategy: seeking for alternative sources of suppliers/approved suppliers.
- Analyzing supplier/dependency risks.
- Drawing up an inventory of monopolistic or oligopolistic suppliers (with the list provided to the Management Committee).

3.2.1.9 Start-up and development of projects/new contracts**

Specific nature of risk exposure

The Group is particularly exposed to this risk due to its growth strategy and diversity, as well as the fact that it operates in six main countries and employs 110,000 people.

Description of risk

In June 2019, Philippe Guillemot, CEO of the Elior group, presented the New Elior plan, which sets out the Group's strategy up until 2024. With the sale of Areas, the Group has become the world's second-largest pure player in contract catering & services, just behind Compass. Although the Group's goals vary from one region to another, its aim is to double its operating presence in the United States.

This growth plan requires the Group to successfully implement new start-up and acceleration projects and to integrate new acquisitions. The Group draws on its skilled, experienced managers at every level of the organization to ensure that its acquisitions are successfully integrated and that the related synergies are leveraged. Any inability to successfully integrate new acquisitions could have significant adverse impacts on the Group's business and/or its financial and operating performance.

The risks related to acquisitions are detailed in the paragraph below entitled "Mergers/Acquisitions - Inability to meet strategic objectives, poor integration, lack of synergies".

The Group is exposed to the following risks related to post-acquisition issues:

- It may not be able to retain the acquired businesses' key personnel or key client contracts (which, for contracts, can be due to a "change of control" clause).
- It may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses for which it may be liable as the successor owner or controlling entity in spite of any due diligence it conducted prior to the acquisition.
- Labor laws in certain countries may require the Group to retain more employees than would otherwise be optimal from entities it acquires.
- Future acquisitions could result in the Group incurring additional debt and related interest expense or contingent liabilities and amortization expenses related to intangible assets, which could have a material adverse effect on its financial and operating performance and/or cash flow.
- Future acquisitions could result in the assumption of liabilities in excess of those valued during the due diligence phase, notably relating to disputes and litigation.
- Future acquisitions may be subject to approval by antitrust or competition authorities, which could seriously delay or even prevent completion of the transactions.
- An acquisition may not achieve the anticipated synergies (due to strong cultural differences for example) or other expected benefits, or may give rise to higher risks (strikes, employee demotivation, etc.) than identified during the acquisition process.
- An acquisition could give rise to cultural integration problems for the acquired entity.
- The Group may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, such as costs and issues relating to managing, hiring and training new personnel, the integration of information technology and reporting, accounting and internal control systems or problems coordinating supply chain arrangements. In some cases, the costs incurred may not be offset by the profit generated by the acquired businesses.
- The Group may incur costs associated with developing appropriate risk management and internal control structures for acquisitions in a new market, or understanding and complying with a new regulatory environment.
- Additional investments may be needed in order to understand new markets and follow trends in those markets in order to compete effectively.
- The Group may have a reduced ability to predict the future performance of an acquired business in the event it has less experience in the acquired business's market than in its existing markets, particularly if it underestimates the level and extent of market competition.
- Acquisitions may divert management's attention from running existing operations.

Examples of risk controls

- Systematically performing due diligences on company acquisitions. Carrying out an acquisition audit (see the paragraph below entitled “Mergers/Acquisitions - Inability to meet strategic objectives, poor integration, lack of synergies”).
- Training new entrants on the Group’s project methodology and internal control systems.
- Performing monthly business reviews of financial performance and statistics.
- Drawing up a business plan.
- Setting mid-term strategic goals.

3.2.1.10 Mismatch between revenue growth and increases in current and forecast operating costs**

Specific nature of risk exposure

The Group is highly decentralized. It conducts its business in six main countries and in several different markets, at 15,000 sites and 23,000 restaurants and points of sale.

The Group’s services activities are carried out at its client sites, via contracts.

Description of risk

If the Group were unable to foresee, plan and/or control changes in its earnings and main operating costs, this could have a material adverse effect on the profitability of its business.

Food costs are a key element of the Group's operating costs. The contract catering business notably relies on its ability to purchase food and prepare meals on a cost-efficient basis. Food costs are variable and prices are subject to the risk of inflation. Food price inflation can be driven by several factors, such as scarcity due to poor weather conditions, or increases in oil and transport prices. Payroll costs are another significant element of the Group’s operating costs as its business requires a large number of staff, often with specific qualifications in food services and/or corporate services. The Group’s ability to anticipate changes in these costs and to control them is key to efficiently managing its financial performance. Its ability to pass on cost increases in its contract catering & services business is determined by the terms of its contracts. The level of risk borne by the Group due to changes in costs and their impact on probable margins varies depending on the type of contract under which the services are provided. If the Group is unable to renegotiate pricing terms with its clients in a timely fashion, it would be exposed to losses due to higher-than-expected costs. In addition, the way in which the Group manages any ensuing conflictual situations could impact the quality of its client relations.

Even if the Group is able to pass on higher costs to its clients via price adjustment clauses, it could lose market share due to a decline in the perceived value of its services if the service falls short of expectations or if there are diverging interpretations of the contract. Any failure on its part to control costs or adapt to higher costs could have a material adverse impact on its earnings and its financial position.

From an operating perspective, events such as not meeting sales target (due to low conversion rate of prospects, low sales development rate, a decrease in contract retention rates, loss of contracts during the year etc.) could harm the Group’s business development and margins. Similarly, any increase in payroll costs, due to either internal or external factors (workplace accident rate, inflation, demographic changes etc.) could affect the Group’s ability to generate the earnings it expected to achieve as estimated at the start of the contract.

If budgets and financial forecasts are not revised during the year in line with actual business levels, this could lead to budget differences which, if not corrected, would make the Group unable to meet its short- or mid-term strategic objectives.

Examples of risk controls

- Anticipating/managing disputes.
- Drawing up annual accounting, statistical and financial budgets adapted to each activity and operating environment.
- Monitoring financial performance per contract on a monthly basis.
- Controlling pay data.
- Implementing an annual budget approval procedure.
- Providing for the possibility of introducing price changes.
- Regularly revising contractual prices.
- Carrying out comparative studies, on-site visits and in-depth prior verifications as well as using technical expertise in order to anticipate unit costs and the seasonality of services.

3.2.2 Financial risks

3.2.2.1 Controls on cash and available cash flows - Fraud***

Specific nature of risk exposure

As the Group operates 23,000 restaurants and points of sale in six main countries, which are run by a significant proportion of its 110,000 employees, considerable amounts of cash are handled by a large number of employees.

Description of risk

The Group is exposed to a risk of the misappropriation of funds at each level of its catering operations. For example, operating agents may not record all of their sales and/or cash collected in the information systems provided, and large amounts of cash kept on site could be subject to fraudulent acts (theft, embezzlement, etc.). In addition, the measures in place to trace funds during their transit to banks or to record funds in the accounts may be inadequate.

Furthermore, the Group is exposed to the risk of client insolvency (in the private and public sector) and may have problems collecting the amounts it has invoiced if its clients encounter financial difficulties.

The Group is also exposed to the risk of intentional external fraud (identity theft, theft of bank details, taking over IT systems etc.).

NB: some aspects of this risk also concern Compliance, i.e. risks related to ineffective controls of cash payments.

Examples of risk controls

- Monitoring disputes.
- Carrying out solvency research on prospective clients.
- Using automated invoice payment reminders.
- Holding regular meetings of trade receivables committees in order to monitor overdue payments, doubtful receivables, disputes and DSO.
- Prohibiting direct instructions from the Management Committee/Executive Committee to the accounting/treasury departments (including subsidiaries) to avoid executive fraud.
- Restricting payment delegations to the back office.
- Putting in place secure payment methods.
- Drafting and sending out a memo on preventing external fraud to the whole Finance function in order to raise employees' awareness about the various fraud risks and remind them of the appropriate attitudes and reactions to adopt.
- Strictly segregating tasks between order taking, invoice approvals and payment authorizations.
- Reviewing the trade receivables item (monthly DSO reporting).
- Carrying out continuous/regular inventories of banking powers.

3.2.2.2 Financing, credit facilities, debt servicing (borrowings, repayments, refinancing, loans)**

Specific nature of risk exposure

The Group is highly decentralized and carries out most of its services via outsourcing contracts entered into with its clients.

Description of risk

The Group's ability to borrow from banks or raise funds in the capital markets or otherwise to meet its financing requirements is dependent on favorable market conditions. Financial crises in specific geographic regions, industries or economic sectors have led, in the recent past, and could lead in the future to sharp declines in currencies, stock markets and other asset prices, in turn threatening the affected financial systems and economies. If sufficient sources of financing were not available in the future for these or other reasons, the Group may be unable to meet its financing needs, which could have an adverse effect on its business and financial position.

The Group's leverage is kept at a controlled level. However, its indebtedness has negative consequences as it has to devote a significant portion of its operating cash flows to servicing its debt, which means it is exposed to the risk of a slowdown in business or unfavorable economic conditions. This situation restricts the Group's capacity in terms of investment strategy, external growth, additional borrowings and equity financing.

The parent company's cash flows primarily consist of dividends from its subsidiaries as well as interest on and repayments of intragroup loans. The ability of its subsidiaries to make these payments will be dependent on various economic, commercial, contractual, legal and regulatory considerations.

The Senior Facilities Agreement requires the Group to comply with certain customary negative covenants and financial ratios. This could affect its ability to operate its business and may limit its capacity to react to market conditions or take advantage of potential business opportunities as they arise.

If there is an event of default under any of the Group's debt instruments that is not cured or waived, the holders of the defaulted debt could terminate their commitments thereunder and/or cause all amounts outstanding with respect to such debt to be due and payable immediately.

The Group operates in eurozone countries and in non-eurozone countries (the United Kingdom, the United States and India). Consequently, it is exposed to fluctuations in exchange rates that have a direct impact on its consolidated financial statements. The Group’s external borrowings are primarily denominated in euros, apart from the US dollar-denominated borrowings set up on the refinancing of Elior North America’s debt in May and June 2015.

The Group is also exposed to the risk of fluctuations in interest rates, as some of its debt is indexed to the Euro Interbank Offered Rate ("Euribor") or the London Interbank Offered Rate (“Libor”, for US dollar-denominated debt) plus an applicable margin. Interest rate volatility could lead to higher interest expense and lower cash flows available for investment, and could restrict its ability to service its debt.

The Group’s sources of liquidity are described in Chapter 4, Section 4.7.1 of this Universal Registration Document. The Group has access to revolving credit facilities, whose drawdowns are subject to covenants and other customary commitments.

The main financial instruments that could expose the Group to concentrations of counterparty risk are trade receivables, cash and cash equivalents, investments and derivatives. The Group's maximum exposure to credit risk corresponds to the carrying amount of all of the financial assets recognized in the consolidated financial statements at September 30, 2018 and 2019, net of any accumulated impairment losses.

Examples of risk controls

- Calculating financing needs in the Budget, Business Plan and Strategic Plan.
- Ensuring that the financing provided for in the Budget, Business Plan and Strategic Plan meet the Group’s financing needs.
- Implementing a WCR management plan.
- Setting up specific financing for WCR.
- Taking into account the covenants contained in the Group’s financing contracts when drawing up the Budget, Business Plan and Strategic Plan.
- Maintaining or setting up long-term confirmed financing (syndicated loans, private placements, factoring).
- Managing relations with lenders on a long-term basis (organizing annual presentations of the Group’s financial statements and Information Days).
- Implementing a liquidity risk policy, with a minimum level of available cash maintained and short-term rolling cash forecasts.
- Pursuing the Group’s debt-reduction plan by rebalancing business activities and repaying debt.
- Continuing to diversify debt and managing debt rescheduling when necessary, and optimizing management of the Group’s banking terms and conditions.
- Ensuring that the revenues and costs of subsidiaries are denominated in the same currency (natural hedging).
- Performing sensitivity analyses on currency and interest rate risks.
- Not holding any speculative positions.

3.2.2.3 Asset valuation*

Specific nature of risk exposure

The Group’s operations cover six main countries. In each country, and in each state in the USA, the Group is subject to changes in tax laws and local economic conditions.

In addition, the Group holds a number of directly-owned brands.

Description of risk

The Group cannot guarantee that its property, plant and equipment, intangible assets, financial assets and components of its working capital will not be subject to any impairment in value.

In view of its past acquisitions, the Group has a significant amount of goodwill recognized in its balance sheet, whose recoverability is tested regularly via impairment tests. If there is an indication of impairment, an impairment loss is recognized, which directly impacts the financial statements. Impairment may result from a deterioration in the Group’s performance, a decline in expected future cash flows, a deterioration in market conditions, or adverse changes in applicable laws and regulations. The amount of any goodwill impairment losses recognized is expensed immediately in the income statement and may not be subsequently reversed. For example, the Group recognized a €63.7 million goodwill impairment loss in its financial statements for the year ended September 30, 2018.

Any future impairment of goodwill would result in material reductions of the Group’s net profit and equity under IFRS.

Furthermore, the Group may record deferred tax assets on its balance sheet, reflecting future tax savings resulting from differences between the tax and accounting values of assets and liabilities or in respect of the tax loss carryforwards of its subsidiaries. Recovery of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits, and the future results of the subsidiaries concerned. Any reduced ability to recover these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected profits could negatively impact the Group's financial and operating performance.

Over time, the contract catering market has become very capex intensive (outlay on property, plant and equipment at production sites and points of sale). Consequently, the Group’s property, plant and equipment represent a significant weighting in its financial statements, which exposes it to the risks of obsolescence, physical deterioration of equipment, client restructuring or insolvency, loss of a major contract, or theft. As the end-consumer (the guest) is very often not the client with which the Group has a contractual relationship, the Group may be exposed to the risk of non-payment (disputes, late payments etc.).

The Group also has a portfolio of directly-owned brands which are recognized in the balance sheet and whose recoverable value is regularly tested and controlled (Arpège, Ansamble, Waterfall, A’viands etc.).

Examples of risk controls

- Performing impairment tests on cash-generating units (CGUs).
- Drawing up a business plan based on realistic assumptions that are regularly reviewed.
- Ensuring that sector managers carry out an annual inventory of property, plant and equipment.
- Analyzing the useful lives of assets.
- Requiring authorization requests to be submitted for each capex project, based on a business plan that must be updated when the project is launched.

3.2.2.4 Legislatives, standarts and tax laws changes*

Specific nature of risk exposure

Due to the nature of its activities the Group is highly decentralized.

Description of risk

The Group seeks to create value by leveraging the synergies and the commercial strength of a multinational group. In order to do so, it must structure its organization and operations appropriately while respecting the various tax laws and regulations of the jurisdictions in which it operates, which are generally complex. Additionally, because tax laws may not provide clear-cut or definitive doctrines, the tax regime applied to the Group's operations and intragroup transactions or reorganizations is sometimes based on its interpretations of tax laws and regulations. The Group cannot guarantee that such interpretations will not be challenged by the relevant tax authorities, which may adversely affect its financial and operating performance. Tax laws and regulations are subject to change, and new laws and regulations may make it difficult for the Group to restructure its operations in a tax-efficient manner. More generally, any failure to comply with the tax laws or regulations of the countries in which the Group operates may result in reassessments, late payment interest, fines or other penalties.

The services the Group provides to its clients are subject to value added tax, sales taxes or other similar taxes. Tax rates may increase at any time, and any such increase could affect the Group's business and the demand for its services. This in turn could reduce its operating profit, negatively affecting its operating performance.

The Group’s international operating presence exposes it to the risk of being unaware of changes in local regulations and/or accounting rules (local GAAP and IFRS). Any failure to take into account such changes or to comply with the new rules would have significant financial impacts and could even result in errors in the Group’s financial statements.

Examples of risk controls

- Coordinating tax matters centrally and communicating with the subsidiaries' tax officers about changes adopted.
- Monitoring changes in local and international laws and regulations.
- Drawing up a Group taxation charter.
- Setting up an annual internal process for validating corporate income tax rates.
- Anticipating changes in International Financial Reporting Standards (IFRS) and taking part in training days on the latest IFRS developments.
- Monitoring changes in IFRS: regularly checking the IASB website, obtaining and reading recommendations issued by the AMF, taking part in training sessions on the latest IFRS developments.

3.2.2.5 Mergers/Acquisitions - Inability to meet strategic objectives, poor integration, lack of synergies*

Specific nature of risk exposure

The Group is particularly exposed to this risk due to its growth strategy and the diversity of its operations.

Description of risk

In the past, the Group has made strategic, targeted acquisitions as part of its growth strategy. It intends to continue to develop and expand its operations through further acquisitions, particularly in the United States. Any inability by the Group to successfully complete acquisitions or integrate acquired companies may render it less competitive. The preparation and completion of acquisitions may require significant input from the Group's management teams and divert management and financial resources away from the day-to-day running of the business.

Among the risks associated with acquisitions that could have a material adverse effect on the Group's business and/or its image and/or its financial and operating performance are the following related to acquisition opportunities:

- Acquisition decisions may be taken without following a formal process or without ensuring that a business plan is in place.
- The Group may not find suitable acquisition targets.
- Market information/analyses about the targets may not be reliable, or may be inaccurate or uncertain.
- The Group may not be able to effectively plan and/or complete a given acquisition (lack of involvement by support services such as HR, Finance, Legal, IT etc.).
- The Group may be unable to arrange financing for an acquisition, or to obtain financing on satisfactory terms.
- The Group may face increased competition for acquisitions as markets in which it operates undergo continuing consolidation.
- The Group may overpay for the acquisition target.
- The expected synergies may not actually be generated.

The Group is also exposed to risks arising from the acquisitions themselves (see the paragraph entitled "Start-up and development of projects/new contracts").

The Group may also face risks in relation to any divestments it may undertake. Divestments could result in losses and write-downs of goodwill and other intangible assets. Furthermore, it may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, clients, suppliers, subcontractors, public authorities or other parties. Any of these events could have a material adverse effect on the Group's business and its financial and operating performance.

NB: some aspects of this risk also concern Compliance, i.e. risks related to corruption existing in acquired companies.

Examples of risk controls

- Having an Investment Committee.
- Implementing specific procedures for integrating new businesses.
- Adopting a project approach: setting up a cross-functional team, performing risk analyses etc.
- Approving a business plan (figures and working assumptions).
- Performing due diligence processes for all acquisitions (analyzing the target's off balance-sheet commitments, unrecognized liabilities and seller's warranties, and carrying out HR, IT and tax due diligences).
- Carrying out integration reviews at Group level.
- Proposing internal control systems to be implemented in acquired companies.

3.2.3 IT risks

3.2.3.1 Loss/Theft/Leaks of sensitive information***

Description of risk

The Group Information Systems Department – which reports to the Chief Executive Officer – is responsible for developing and putting in place the Group's information systems strategy, particularly for accounting and finance applications, and overseeing data protection and continuity of operations. It is currently providing in-depth support for the Group's digital transformation process.

The information systems of the Group's international subsidiaries are principally under the responsibility of each region's Information Systems Department but they also use applications provided by the Corporate IT Department. The Group Information Systems Department draws up the Group's overall information systems strategy as well as its IT and digital standards, and coordinates and helps implement and upgrade the Group's information systems.

When developing new systems and upgrading existing systems, the Group applies the dual principle of close coordination, but also clear segregation, between the Information Systems Department acting in its technical role as project manager, and user departments (e.g. the Financial Control Department, Finance Department, Human Resources Departments and operations departments) in their role as project sponsors. This enables systems to be effectively aligned with user needs in terms of analyses, controls and operations management.

The Information Systems Security Officer – who is part of the Group Information Systems Department but works closely with all of the Group's departments – is responsible for overseeing that the Group's information systems security policy is properly applied (including for physical and logical security). This policy sets out, *inter alia*, the Group's main information systems security risks and describes the role of the Information Systems Security Steering Committee, which is chaired by the Chief Executive Officer and whose members include the Chief Financial Officer and the heads of the operating units.

As the Group's digital transformation programs advance, risks related to sensitive information may increase and may therefore require specific monitoring. The main risks concerned are the risk of sensitive or confidential data (social security numbers, bank codes etc.) being stolen or being accessed by unauthorized third parties; the risk of data falling out of the Group's control or being used for other purposes than those of the Group; and the risk of confidential data being leaked to a third party – either internal or external. In addition, targeted cyber-attacks, fraud and industrial espionage are becoming increasingly sophisticated.

These risks need to be taken into account in a range of everyday personal behavior, such as using laptop computers, having sensitive conversations in public places, using the "reply all" function for emails and keeping confidential documents in public areas such as meeting rooms and digital print rooms.

If any of these risks were to occur, it could have an adverse financial impact on the Group and could result in a loss of confidence due to severe damage to its corporate image as well as GDPR violations, the loss of contracts, and breaches of contractual duties of confidentiality with respect to clients.

Examples of risk controls

- Raising employees' awareness about the GDPR.
- Using encrypted storage on laptop computers.
- Ensuring that physical access to sites is secure.
- Setting up a criteria matrix for entering into contracts with service providers.
- Ensuring logical security and IAM: managing identities, application profiles and privileged accounts.
- Implementing policies, procedures and formal exchange measures to protect exchanges of information through all types of telecommunication devices.
- Carrying out mandatory inventories of all connections that are external to the Group's network.
- Regularly performing internal and external network intrusion tests.
- Encrypting external storage devices (USB drives, external hard drives etc.).
- Providing Group-wide training on cyber security.
- Selecting providers that comply with the security standards in force and are capable of rapidly adapting to changes.

3.2.3.2 Durable unavailability of a strategic application**

Description of risk

The Group relies on numerous computer systems that allow it to track and bill or record its services and costs, manage payroll and gather information upon which management bases its decisions regarding the Group's business. The administration of its business is increasingly dependent on the use of these systems. Consequently, any system failure, down-time or interruptions that last more than 24 hours resulting from viruses, hackers or other causes, or the Group's dependence on certain IT suppliers, could have an adverse effect on its business and its financial and operating performance.

Examples of risk controls

- Mapping the Group’s applications: strategic applications managed by the Information Systems Department.
- Ensuring that the hosting of critical applications is secure.
- Having a business continuity plan.
- Systematically verifying backups.
- Installing a fire detection system in each IT room.
- Protecting IT premises.
- Carrying out an inventory of and documenting the information systems network.
- Ensuring that information system operating procedures are secure.
- Ensuring that information system purchases, developments and maintenance are secure.
- Putting in place ISO 27001 information security management standards.

3.2.3.3 Loss of production means (data center)**

Description of risk

The Group is exposed to the possibility of a slowdown or erosion in its business if its IT production means do not function properly. If the Group’s information systems are not sufficiently robust, it may not be possible for data entered by Group employees to be stored or accessed.

Any such loss of production means and the ability to process the content of information systems would mean that the Group would not be able to issue financial communications with the reactivity expected of an international corporation and would not be able to effectively oversee its business and take strategic decisions.

Examples of risk controls

- Segregating tasks across several datacenters (Internet/cloud, datacenters with redundancy for strategic applications, remote backups).
- Having an IT recovery plan.
- Having a business continuity plan.
- Organizing datacenter security.
- Performing regular inventories on the information systems architecture.
- Securing/documenting IT network sources.

3.2.4 Human resources risks

3.2.4.1 Key people***

Description of risk

The Group is reliant on site, regional, divisional and senior management teams and other key people – including the millennial generation – for the successful operation of its businesses. Understanding the expectations of its people (salaries, career development opportunities etc.) and ensuring that these are met are essential to the Group’s success. For example, if employees feel that the salaries and career development paths offered by the Group are inadequate this could lead to high staff turnover.

The success of the Group’s operations depends on the skills, experience, efforts and policies of its executives and the continued active participation of a relatively small group of senior management personnel. If the services of all or some of these executives were to be lost, this could harm the Group's operations, impair efforts to expand its business, damage its image and negatively impact its share price. If one or more key executives were to leave the Group, a replacement would have to appointed with the necessary qualifications to carry out the Group's strategy, and if such a replacement were not available within the Group, he or she would have to be hired externally. Because competition for skilled employees is intense, and the process of finding qualified individuals can be lengthy and expensive, the loss of the services of key executives and employees could have a material adverse effect on the Group’s business and its financial and operating performance. The Group cannot provide assurance that it will continue to retain such key executives and employees.

The Group relies on skilled and experienced managerial personnel at each level of the organization to ensure that its operations are carried out in an effective, cost-efficient manner. Site managers are the first point of contact with clients and are key to maintaining good client relations. They also have primary responsibility for evaluating and managing costs at each of the Group's restaurants and for guaranteeing service quality and compliance with client specifications. District, regional and national managers coordinate restaurants and ensure that large-scale operational plans and/or capital expenditure projects are carried out efficiently, in line with Group instructions and policies. Finally, the Group depends on its senior management's skills and experience in coordinating its operations, implementing large capital expenditure programs and formulating, evaluating and implementing new strategies.

If one or more executives were unable or unwilling to continue in their current positions, the Group may not be able to replace them easily or to provide their potential replacements with the necessary training and know-how in the short/mid-term to carry out their missions. If the Group were unable to hire or retain personnel with the requisite expertise or to train such people effectively, this could create instability within its teams and negatively impact its business, which could in turn have a material adverse effect on its financial and operating performance.

NB: some aspects of this risk also concern CSR, i.e. risks relating to failure to attract and retain talent.

Examples of risk controls

- Regularly holding meetings to assess employees' satisfaction and whether their career objectives are being met.
- Drawing up succession plans.
- Drawing up career development plans.
- Carrying out an internal work satisfaction survey (latest one in April 2019) to verify key performance indicators (employee recognition, training, salaries, roles and responsibilities, etc.).

3.2.4.2 Changes in hygiene, health and safety rules***

Specific nature of risk exposure

The Group is specifically exposed to health security risks due to its catering and multi-sector services operations.

Description of risk

The Group is subject to a strict and complex regulatory framework (notably in relation to labor law) in some of the countries where it operates. Consequently, any changes in or failure to comply with these regulations could have an adverse impact on its business and profitability.

The nature of the Group's businesses also subjects it to varying types of local, national and international regulations and standards.

The contract catering business is subject to regulations and standards concerning food safety and preparation (allergies, intolerances etc.). Any poor use of hazardous products or uses of products that do not comply with the applicable legislation or best practices could lead to public health issues. If such a case were to occur and become widespread it could significantly harm the Group's reputation and have a material adverse effect on its financial position if it were required to pay any compensation or damages.

As part of its services offering, the Group provides cleaning services to companies operating in highly regulated industries. Due to the sensitive nature of these industries, it must comply with strict operating and hygiene standards. The Group and its clients and suppliers operating in such industries are subject to highly detailed and restrictive laws and regulations regarding the provision of these services and the safety of facilities. Any failure to comply with such laws and regulations could cause the Group to incur fines, lose contracts or cease operations.

The Group is also subject to safety standards relating to the workplace, the working environment and working methods. The Group's facilities may be inspected at any time, and any allegations of non-compliance with the applicable regulations can result in lawsuits and/or reputational damage and can have serious financial consequences. These standards are growing in number, especially in Europe and the United States. The extent and timing of investments required to maintain compliance may differ from the Group's internal schedule and could limit the availability of funding for other investments. In addition, if the costs of regulatory compliance continue to increase and it is not possible for these additional costs to be passed on in the price of its services, any such changes could reduce the Group's profitability. Any changes in regulations or evolving interpretations thereof may result in increased compliance costs, capital expenditure and other financial obligations that could affect the Group's profitability.

More generally, the Group's results could be negatively affected by changes in the legal or regulatory environment, such as the rules and regulations related to workplace health and safety. For example, any change in the rules concerning the use of certain chemical products could have a negative impact on the results of the Group's services business. Similarly, any changes in work-related legislation could adversely affect the Group's catering and services operations.

NB: some aspects of this risk also concern CSR, i.e. risks relating to poor hygiene and non-compliance with food safety rules.

Examples of risk controls

- Carrying out inventories of products and assessing chemical risks (regulatory requirement).
- Implementing precautionary measures and usage guidelines.
- Establishing a health and safety policy (risk mapping etc.).
- Drawing up and tracking a “Comprehensive Risk Assessment Document”.
- Monitoring any cases of non-compliance (general services/operational health and safety).
- Reminding employees about the rules on individual and collective protective equipment.
- Deploying a network of safety officers across the Group’s different geographic regions.

3.2.4.3 Country risk*

Specific nature of risk exposure

The Group is specifically exposed to this risk due to the fact that it has operations in six main countries and employs 110,000 people.

Description of risk

If an event, or series of events, occurs that is beyond the Group’s control – such as armed conflicts, terrorist attacks, epidemics, natural disasters or accidents – this could result in a reduction or stoppage of operations for subsidiaries located outside France. The occurrence of such events could also affect the safety of the Group’s employees and assets in the country or countries involved.

The Group may also be subject to political, economic and social uncertainties in some of the countries in which it operates. The political systems in those countries may be vulnerable to the public's dissatisfaction with economic reforms, such as austerity measures, leading to social unrest. Any disruption or volatility in the political, social, legislative or regulatory environment in these countries – such as the Brexit negotiations in the UK – could have a material adverse impact on the business of the Group and its clients. Any reduction in guest numbers at the Group’s sites could have a significant impact on the size of local teams and could therefore constitute a labor risk.

NB: some aspects of this risk also concern CSR, i.e. risks relating to non-ethical practices and lack of transparency.

NB: some aspects of this risk also concern Compliance, i.e. risks relating to licenses and permits obtained unlawfully/taxes and duties settled unlawfully.

Examples of risk controls

- Taking out repatriation insurance.
- Taking out revenue insurance.
- Having a geopolitical watch system and a process for analyzing country risk when starting business in a new country.
- See section on changes in legislation.

3.2.4.4 Social risk*

Specific nature of risk exposure

The Group is particularly exposed to this risk in its capacity as a service provider at client sites, operating in six main countries and a number of different markets, with 15,000 sites, 23,000 restaurants and points of sale and 110,000 employees.

Description of risk

As a provider of outsourced services in its contract catering and services operations, the Group is reliant on a large workforce whose actions have a direct impact on consumers and/or who provide services at its clients' premises.

If it fails to comply with its labor-related obligations, does not respect the applicable procedures relating to overtime and paid leave, does not have close relations with local management teams and trade unions, or does not follow up on employee complaints (concerning working conditions or management behavior for example), this could lead to strikes or other forms of labor action against the Group. Such action could result in the Group having to pay penalties, a reduction in its services and/or the risk of losing contracts.

In addition, in all of its operations, the Group provides facilities that are accessible to the public either at its own or its clients' premises. Consequently, it may be subject to claims in connection with damage to, or security breaches at, a client's property or premises, interruptions of a client's business, the spread of infections at healthcare facilities, food contamination, violations of environmental and/or occupational health and safety regulations, unauthorized use of a client's property, or willful misconduct or other tortious acts by its employees or people who have gained unauthorized access to premises. Such claims may be substantial and may harm the Group's image. Moreover, such claims may not be fully covered by insurance policies and could therefore have a material adverse effect on the Group's business and its financial and operating performance.

NB: some aspects of this risk also concern CSR, i.e. risks relating to inequality and discrimination.

Examples of risk controls

- Central oversight and coordination of labor relations carried out by the Group HR Department.
- Strengthening the numbers of local HR staff.
- Ensuring good relations with employee representative bodies and regular social dialog.

3.2.4.5 Changes in legislation*

Specific nature of risk exposure

The Group is specifically exposed to this risk due to the fact that it has operations in six countries and in a number of different markets.

Description of risk

The Group has operations in several continents, countries and states. Each of these geographic regions is subject to different local laws and regulations which may vary significantly in content and complexity from one country to another.

The laws and regulations governing the industry in which the Group operates include, but are not limited to, the following domains: employment, food, health and safety, competition and antitrust, consumer protection, data privacy and the environment. Any changes in these laws and regulations, or any failure to properly anticipate such changes, or failure to alert staff or not providing sufficient training, could have a direct material impact on the Group's business. For example, changes in the minimum wage or paid leave entitlement could lead to higher payroll costs and a lower payroll to revenue ratio and could negatively impact the Group's profitability and competitiveness.

Examples of risk controls

- Setting up a special legal unit to monitor and anticipate changes in laws and regulations and send out the necessary alerts.
- Checking for alerts issued by external advisors concerning threats and opportunities.
- Managing the impact that legislative changes have on costs.
- Training key departments affected by changes in laws and regulations.

3.3 EMPLOYEES

3.3.1 COMPENSATION POLICY

Elior Group's compensation and benefits policies draw on best market practices in each country, with the constant underlying aim of ensuring that a fair system is applied consistently throughout the Group and that packages are competitive in relation to the market as a whole.

The policies are underpinned by a position mapping process, which allows compensation and benefits to be tailored to each business and level of responsibility (known as "position weighting"). This process also entails performing internal diagnostic reviews and annual compensation surveys designed to compare the Group's practices with those of the market.

The basic salary policy for the various categories of managers is determined in line with local practices in each country, via annual salary surveys. A target positioning is defined for each position class, which applies to all of the Group's markets. The Group's reference pay scale is drawn up annually and is used during the hiring process as well as for annual salary reviews. In parallel, overall annual salary increases are aligned with local inflation rates and market practices.

The basic salary of "key contributors" is determined for each country based on the salary scales and rules established at the level of each industry and by local legislation.

The Group's variable compensation policy is aimed at ensuring that employees' performance is aligned with its short and mid-term objectives

Performance is generally assessed by reference to Group or entity-level financial criteria as well as individual criteria comprising quantitative and/or qualitative objectives. The financial criteria are based on targets in the annual budget of the Group or the entity concerned. The individual criteria are intended to encourage achievement of the financial objectives. Most of the variable compensation systems include the notion of a performance threshold and some reward over-performance.

In line with these principles, the variable compensation of the Group's Top 120 executives is set each year in a way that ensures that their individual objectives are aligned with those of their region and the Group as a whole.

For 2018-2019, 80% of this variable compensation was based on the achievement of financial objectives for the region and/or Group and 20% on the achievement of individual "roadmap" objectives. The financial performance criteria applicable for 2019-20120 primarily relate to operating cash flow, EBITA margin and organic revenue growth. A trigger threshold has been set for each criterion and if the Group's financial objectives are outperformed a coefficient of up to 1.5 may be applied.

3.3.2 LABOR RELATIONS

The Group has a European Works Council (EWC), which is regularly provided with information about the Group's financial position, business operations, strategic objectives and HR situation.

In France, the Group Works Council serves as the primary forum for dialog with representatives of employees and trade unions from its French subsidiaries. The Group Works Council has a specialized commission that is tasked with closely monitoring human resources indicators.

At the level of its subsidiaries and/or UES (specific groupings of entities only existing in France), depending on the entity concerned, the Group manages relations with its employees through:

- Central works councils, company-level works councils and site-level works councils.
- Health, Safety and Working Conditions committees.
- Employee representatives.
- Various committees set up to monitor collective bargaining agreements and action plans.

The Group has also built up constructive relations with trade union representatives, both at the level of its subsidiaries and Group wide, as demonstrated by the numerous collective agreements signed on a wide range of issues (including personal insurance coverage, human resources planning and development, quality of working life, gender equality, and inter-generational agreements).

3.3.3 STATUTORY AND DISCRETIONARY PROFIT-SHARING AGREEMENTS

3.3.3.1 Statutory Profit-Sharing Agreements

In accordance with Article L. 3322-2 of the French Labor Code, companies in France are required to set up a statutory employee profit-sharing agreement if they have at least 50 employees and if their taxable profit represents more than 5% of their return on capital employed. As the Group meets these criteria it has entered into statutory profit-sharing agreements in all of its main French subsidiaries.

To date no statutory profit-sharing agreements have been entered into in the other countries where the Group operates.

3.3.3.2 Discretionary Profit-Sharing Agreements

Under French law, discretionary profit-sharing agreements are aimed at aligning employees' collective interests with those of the company by paying bonuses that are calculated based on the company's results and performance as provided for in Article L. 3312-1 of the French Labor Code. As at the date of this Universal Registration Document, the vast majority of Group companies have not set up any discretionary profit-sharing plans.

3.3.3.3 Incentive Plans for Key Executives

In 2016, the Group set up stock option and performance share plans. See Section 3.1.5.2 above for further information.

In February 2018, the Group launched its first international employee share ownership plan, called the "Future Plan", covering eight countries. Two different subscription formulae were proposed: a "classic" formula with a 20% discount on the Elior Group share price and a "multiple" formula guaranteeing a minimum return on investment and therefore removing all risk for the employee concerned.

4

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL 2018-2019

4. MANAGEMENT'S DISCUSSION AND ANALYSIS FOR FISCAL 2018-2019 - AFR

4.1 ANALYSIS OF THE GROUP'S BUSINESS AND CONSOLIDATED RESULTS

(in € millions)	Year ended September 30, 2019	2018[1]
Revenue	**4,923**	**4,886**
Purchase of raw materials and consumables	(1,557)	(1,557)
Personnel costs	(2,436)	(2,390)
Share-based compensation	5	(29)
Other operating expenses	(561)	(564)
Taxes other than on income	(71)	(74)
Depreciation, amortization and provisions for recurring operating items	(122)	(125)
Net amortization of intangible assets recognized on consolidation	(21)	(19)
Recurring operating profit from continuing operations	**160**	**128**
Share of profit of equity-accounted investees	-	(1)
Recurring operating profit from continuing operations including share of profit of equity-accounted investees	**160**	**127**
Non-recurring income and expenses, net	(27)	(82)
Operating profit from continuing operations including share of profit of equity-accounted investees	**133**	**45**
Financial expenses	(89)	(81)
Financial income	20	13
Profit/(loss) from continuing operations before income tax	**64**	**(23)**
Income tax	4	(2)
Net profit/(loss) for the period from continuing operations	**68**	**(25)**
Net profit for the period from discontinued operations	**202**	**63**
Net profit for the period	**270**	**38**
Attributable to:		
Owners of the parent	*271*	*34*
Non-controlling interests	*(1)*	*4*
Earnings per share (in €)		
Earnings/(loss) per share – continuing operations		
Basic	*0.38*	*(0.16)*
Diluted	*0.38*	*(0.16)*
Earnings per share – discontinued operations		
Basic	*1.16*	*0.35*
Diluted	*1.15*	*0.35*
Total earnings per share		
Basic	*1.54*	*0.19*
Diluted	*1.53*	*0.19*

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

4.1.1 SIGNIFICANT EVENTS

Year ended September 30, 2019

- **Sale of the Concession Catering business**

Following the review of its strategic options and a subsequent bid process, on March 20, 2019, Elior Group announced that it had entered into exclusive discussions with PAI Partners concerning the sale of its concession catering operations grouped within its Areas subsidiary.

On July 1, 2019, Elior Group announced that it had completed the sale of Areas to PAI Partners for €1.4 billion (representing an enterprise value of €1.542 billion), of which €70 million corresponded to an interest-bearing vendor loan.

The net capital gain on the sale amounted to €208 million, excluding the tax impact, and has been recognized in "Net profit from discontinued operations".

In accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", the Group's Concession Catering business has been presented under discontinued operations in the income statement and its assets and liabilities have been classified as assets and liabilities held for sale in the balance sheet.

- **Repayments of borrowings**

The proceeds received from the sale of Areas were used to reduce the Group's debt and to lower its leverage ratio (net debt to EBITDA) to within a range of 1.5x to 2x. This notably involved repaying in advance (with no early repayment penalties), €654 million and $344 million of its Term Loan facilities, as well as $100 million in bond debt. Additionally, the Group repaid the €210 million and $75 million that it had drawn down on its Revolving Facilities.

- **Payment of the 2017-2018 dividend – cash/stock dividend option**

The dividend for the year ended September 30, 2018 – which corresponded to €59.8 million (€0.34 per share) and was approved by the Company's shareholders at the March 22, 2019 Annual General Meeting – was paid on April 16, 2019. Out of this total, €33 million was paid in cash and the remainder in new Elior Group shares.

- **Share buyback program**

In 2018-2019, Elior Group used the authorizations given in the 15th and 22nd resolutions of the March 22, 2019 Annual General Meeting to launch a share buyback program with a view to canceling the repurchased shares by way of a capital reduction.

For this purpose, on July 5, 2019, the Company signed a mandate with Natixis to purchase up to €50 million worth of Elior Group shares.

At September 30, 2019, €50 million worth of shares had been bought back.

Year ended September 30, 2018

- **Acquisition and disposals of shares in consolidated companies**

In November 2017 and July 2018 respectively, Elior North America (formerly TrustHouse Services) – an Elior Group contract catering subsidiary operating in the United States – acquired CBM Managed Services and Bateman Community Living:

  - CBM Managed Services ("CBM") is based in Sioux Falls, South Dakota and provides foodservices to correctional facilities. It has just under 1,000 employees serving 200 locations in 29 states.
  - Bateman Community Living ("Bateman") is specialized in the seniors delivered food market, providing meals either at seniors' homes or in congregate settings throughout the USA. It has 550 employees and 200 clients.

An aggregate €36 million in net goodwill was recognized in relation to these two acquisitions.

- **Acquisition of an additional interest in Elior North America**

In July 2018, Elior Group carried out a purchase of non-controlling interests in its subsidiary, Elior North America. This transaction enabled the Group to simplify Elior North America's ownership structure by purchasing shares from the subsidiary's minority shareholders.

On completion of the transaction, Elior Group's stake in Elior North America increased from 74% to 92% in return for a cash payment of $115 million (converting to €99 million at the transaction date).

Elior North America's minority shareholders still hold an aggregate 8% interest in the company, which is covered by cross put and call options exercisable from 2023. The put liability has been recognized in consolidated equity in an amount corresponding to the present value of the option's exercise price.

- **Dividend payment by Elior Group on April 17, 2018**

The dividend for the year ended September 30, 2017 – which corresponded to €72.5 million (€0.42 per share) and was approved by the Company's shareholders at the March 9, 2018 Annual General Meeting – was paid on April 17, 2018. Out of this total, €36.3 million was paid in cash and the remainder in Elior Group shares.

- **Change in governance**

On October 31, 2017, Philippe Salle – the Group's Chairman and Chief Executive Officer – stepped down from his post. Following a decision taken by Elior Group's Board of Directors on July 26, 2017 to separate the roles of Chairman and Chief Executive Officer, Gilles Cojan - who was appointed by the Board as a director - was named Chairman of the Board of Directors, and Pedro Fontana was appointed as the Group's Interim Chief Executive Officer, both with effect from November 1, 2017.

Subsequently, at its meeting on December 5, 2017, the Board appointed Philippe Guillemot as the Group's Chief Executive Officer and Pedro Fontana became Deputy Chief Executive Officer.

- **Senior Facilities Agreement Amend & Extend transaction**

On April 20, 2018, Elior Group and Elior Participations signed an 11th amendment to the Senior Facilities Agreement ("SFA") with their lending banks, extending the maturities of some of the SFA's term loans (B, D, RCF EUR-2 & RCF USD-2) to May 2023.

All of the facilities under the SFA are now carried solely by Elior Group except for the revolving credit facilities which can be drawn down by Elior Group and/or Elior Participations.

In addition, the interest payable on the US dollar-denominated facilities was decreased by 5 basis points. The aggregate amount of the facilities affected by this rate cut was $594 million.

Lastly, the maximum drawdown on the euro-denominated revolving credit facility was raised by €150 million to €450 million.

The above changes were accounted for as simple modifications without any extinguishment of the Group's existing debt.

- **Capital increase**

In application of the 31st resolution adopted at the March 9, 2018 Annual General Meeting, Elior Group launched its first international employee share ownership plan, called the "Future Plan". A total of 1,059,846 new Elior Group shares were purchased by employees under the plan, corresponding to a capital increase of €15 million (which took place in April 2018).

- **Presentation of Elior Group's 2019-2021 strategic plan**

At Elior Group's Investor Day held on June 26, 2018, CEO Philippe Guillemot presented the Group's new strategic plan, covering the three fiscal years until September 30, 2021.

4.1.2 REVENUE

4.1.2.1 Calculating organic revenue growth

The Group calculates organic growth between one financial period ("period n") and the comparable preceding period ("period n-1") as revenue growth excluding:

(i) Changes in the scope of consolidation resulting from acquisitions, divestments and transfers of operations held for sale that took place during each of the relevant periods, as follows (it being specified that significant acquisitions are acquired companies whose annual revenue corresponds to more than 0.1% of the Group's consolidated revenue for period n-1):

– for acquisitions completed during period n-1, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations from the beginning of period n until one year after the date on which the acquired operations were included in the scope of consolidation;

– for acquisitions completed during period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations from the date on which the acquired operations were included in the scope of consolidation until the end of period n;

– for divestments completed during period n-1, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations during period n-1; and

– for divestments completed during period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations from the date corresponding to one year before the deconsolidation of the divested operations until the end of period n-1.

However, when the Group compares periods that are not full fiscal years (for example, six-month periods), it determines the effect on revenue of changes in the scope of consolidation as follows:

– for (a) acquisitions completed during fiscal year n-1 but after the end of period n-1 and (b) acquisitions completed during fiscal year n but before the beginning of period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the acquired operations during period n; and

– for (a) divestments completed during fiscal year n-1 but after the end of period n-1 and (b) divestments completed during fiscal year n but before the beginning of period n, the Group considers as a "change in scope of consolidation" effect the revenue generated by the divested operations in period n-1.

(ii) The effect of changes in exchange rates (the "currency effect") as described below.

The Group calculates the currency effect on its revenue growth as the difference between (i) the reported revenue for period n, and (ii) the revenue for period n calculated using the applicable exchange rates for period n-1. The applicable exchange rates for any period are calculated based on the average of the daily rates for that period.

(iii) The effect of changes in accounting methods as described below.

The effect of changes in accounting policies notably concerns IFRS 15, "Revenue from Contracts with Customers", which was applied by the Group for the first time as from October 1, 2018.

4.1.2.2 Revenue analysis

Consolidated revenue from continuing operations totaled €4,923 million in 2018-2019, up 0.8% on 2017-2018. This year-on-year increase consisted of (i) negative organic growth of 0.8% (versus our guidance of 1.0% negative organic growth for the period), (ii) 1.4% in acquisition-led growth, (iii) a favorable 1.2% currency effect, and (iv) a negative 1.0% impact from the accounting policy change related to the first-time application of IFRS 15.

The following table shows a breakdown of consolidated revenue by segment as well as a breakdown of revenue growth between organic growth, changes in scope of consolidation and the impact of changes in exchange rates (currency effect) for each segment.

(in € millions)	12 months 2018-2019	12 months 2017-2018[1]	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
France	2,212	2,185	1.8%	0.0%	0.0%	(0.6)%	1.2%
International	2,689	2,677	(2.9)%	2.5%	2.3%	(1.4)%	0.4%
Contract Catering & Services	4,901	4,862	(0.8)%	1.4%	1.3%	(1.0)%	0.8%
Corporate & Other	22	24	(7.7)%	0.0%	0.0%	0.0%	(7.7)%
GROUP TOTAL	4,923	4,886	(0.8)%	1.4%	1.2%	(1.0)%	0.8%

(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

The following table shows a revenue breakdown between the Group's three main markets and the growth rates by market for fiscal 2018-2019 and fiscal 2017-2018:

(in € millions)	12 months 2018-2019	12 months 2017-2018[1]	Organic growth	Changes in scope of consolidation	Currency effect	Other	Total growth
Business & Industry	2,256	2,249	(0.6)%	0.6%	1.0%	(0.7)%	0.3%
Education	1,415	1,433	(1.6)%	0.4%	1.6%	(1.6)%	(1.3)%
Healthcare	1,252	1,204	(0.3)%	3.9%	1.3%	(0.9)%	4.0%
GROUP TOTAL	4,923	4,886	(0.8)%	1.4%	1.2%	(1.0)%	0.8%

(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

4.1.2.3 Contract Catering & Services

Contract Catering & Services revenue climbed €39 million, or 0.8%, year on year to €4,901 million in 2018-2019.

Organic growth for the fiscal year was a negative 0.8%. Recent acquisitions contributed €66 million to revenue — of which €65 million generated in the United States — representing acquisition-led growth of 1.4%. The currency effect was a positive 1.3% and the Group's first-time application of IFRS 15 had a 1.0% negative impact.

International revenue rose 0.4% to €2,689 million. Organic growth for this segment was a negative 2.9%, of which (i) 1.6% was due to the Group's decision not to renew public-sector contracts in Italy, and (ii) 2.2% related to the termination of contracts with the Ministry of Defence and the reduced scope of the Tesco contracts in the United Kingdom, as well as the loss of the Alabama Department of Social Services contract in the United States. In Spain, sales momentum was primarily driven by new market segments and new contract ramp-ups in Business & Industry and Healthcare, which more than offset the effect of site closures in the Education market. In Italy, the business development strategy put in place for the private sector and new market segments is now beginning to bear fruit. Recent acquisitions generated additional growth of 2.5% for international operations, mainly in the United States, and changes in exchange rates had a positive 2.3% impact. The calendar effect was slightly favorable during year.

Revenue generated in **France** totaled €2,212 million, with organic growth of 1.8 %.

- The Business & Industry market saw good performances from existing sites, with sales momentum picking up pace in the second half of the year thanks to a highly customer-centric approach.

- The revenue figure posted by the Education market reflects the Group’s more selective sales policy, particularly for delivered meals.
- The Healthcare market turned in a solid showing, led by a good level of client retention and business development.

4.1.2.4 Corporate & Other

The Corporate & Other segment – which includes the Group’s remaining concession catering activities that were not sold with Areas – generated €22 million in revenue in 2018-2019, slightly down on the previous year.

4.1.3 PURCHASE OF RAW MATERIALS AND CONSUMABLES – CONTINUING OPERATIONS

This item totaled €1,557 million in 2018-2019, unchanged from the previous year despite the year-on-year revenue increase generated by acquisitions.

As a percentage of revenue, “Purchase of raw materials and consumables” improved slightly in 2018-2019, edging down from 31.9%. to 31.6%.

4.1.4 PERSONNEL COSTS – CONTINUING OPERATIONS

Personnel costs for continuing operations – excluding share-based compensation – increased by €12 million, or 0.5%, year on year, from €2,419 million to €2,431 million.

However, as a percentage of revenue, they decreased slightly from 49.5% to 49.4%.

4.1.4.1 Personnel costs excluding share-based compensation

Personnel costs for the Contract Catering & Services business line rose by €46 million, or 1.9%, from €2,390 million to €2,436 million.

This absolute-value increase was notably due to salary increases in the United States and the impact of recent acquisitions (€17 million).

4.1.4.2 Share-based compensation

Share-based compensation – which relates to long-term compensation plans put in place in the Group's French and international subsidiaries – represented income of €5 million in 2018-2019 versus a €29 million expense in 2017-2018. The 2018-2019 income figure primarily reflects (i) the estimation at September 30, 2019 of the non-achievement of the objectives set for the June 15, 2018 performance share plan, and (ii) the re-estimation of the liability related to the Elior North America stock option plan. The expense recorded in the year ended September 30, 2018 mainly related to the Elior North America stock option plan.

4.1.5 OTHER OPERATING EXPENSES – CONTINUING OPERATIONS

Other operating expenses for continuing operations decreased by €3 million (representing a 0.5% improvement) from €564 million to €561 million, including the impact of the Group's adoption of IFRS 15.

4.1.6 TAXES OTHER THAN ON INCOME – CONTINUING OPERATIONS

This item decreased by €3 million, or 4.1%, from €74 million to €71 million, reflecting the exemption from the apprenticeship tax in France in 2019.

4.1.7 DEPRECIATION, AMORTIZATION AND PROVISIONS FOR RECURRING OPERATING ITEMS – CONTINUING OPERATIONS

Depreciation, amortization and provisions for recurring operating items recorded by continuing operations decreased by €3 million, or 2.4%, from €125 million to €122 million.

Depreciation and amortization rose by €10 million in 2018-2019 as a result of capital expenditure incurred in previous years, whereas provisions were €13 million lower year on year, notably due to a decrease in provisions recorded for doubtful debts.

4.1.8 ADJUSTED EBITA AND RECURRING OPERATING PROFIT INCLUDING SHARE OF PROFIT OF EQUITY-ACCOUNTED INVESTEES – CONTINUING OPERATIONS

4.1.8.1 Adjusted EBITA from continuing operations

Adjusted EBITA from continuing operations came to €176 million in the year ended September 30, 2019, versus €175 million in 2017-2018.

The following table sets out adjusted EBITA by segment and as a percentage of the revenue of each segment.

(in € millions)	Year ended September 30,		Change in adjusted EBITA	Adjusted EBITA margin	
	2019	2018[1]		2019	2018
France	109	98	*11*	*4.9%*	*4.5%*
International	90	92	*(2)*	*3.3%*	*3.4%*
Contract Catering & Services	**199**	**190**	***9***	**4.1%**	**3.9%**
Corporate & Other	**(23)**	**(15)**	***(8)***		
GROUP TOTAL	**176**	**175**	**1**	**3.6%**	**3.6%**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

Adjusted EBITA from continuing operations amounted to €176 million in 2018-2019, representing 3.6% of revenue, on par with the year-earlier figure. This year-on-year stability in adjusted EBITA margin was achieved thanks to an upturn in the second half, when the figure widened by 40 basis points compared with second-half 2017-2018.

- In the International segment, adjusted EBITA totaled €90 million and represented 3.3% of revenue versus 3.4% in 2017-2018. The positive effects of the measures carried out to improve margins were not enough to fully offset the adverse impact of (i) the termination of the contracts with the Ministry of Defence and reduced scope of the Tesco contracts in the United Kingdom, and (ii) the loss of the contract with the Alabama Department of Social Services in the United States.
- In **France**, adjusted EBITA came to €109 million and represented 4.9% of revenue, up by 40 basis points compared with 2017-2018. This increase was driven

by the contract catering strategy put in place in by the new management team, which notably resulted in a more selective approach to contracts and tighter operational discipline.

- Adjusted EBITA for the **Corporate & Other** segment declined in 2018-2019 mostly due to IT opex incurred during the year. This segment includes the adjusted EBITA contribution from city-site catering entities accounted for by the equity method.

4.1.8.2 Recurring operating profit from continuing operations including share of profit of equity-accounted investees

Recurring operating profit from continuing operations, including the share of profit of equity-accounted investees, came to €160 million for the year ended September 30, 2019 compared with €127 million in 2017-2018. The 2018-2019 figure includes €21 million in amortization of intangible assets related to acquisitions (versus €19 million in 2017-2018) and €5 million in income recorded under share-based compensation (compared with a €29 million expense in 2017-2018).

4.1.9 NON-RECURRING INCOME AND EXPENSES, NET – CONTINUING OPERATIONS

Non-recurring income and expenses, net, from continuing operations represented a net expense of €27 million in 2018-2019 (versus an €82 million net expense in 2017-2018).

For the year ended September 30, 2019, the item primarily included (i) €22 million in severance payments and other employee-related costs, and impairment losses recognized against operating assets, (ii) €4 million in impairment losses for internally-developed intangible assets, and (iii) reversals through profit of liabilities related to earn-out payments.

The figure for the year ended September 30, 2018 primarily included (i) €64 million in impairment of goodwill related to contract catering operations (€46 million for Italy and €18 million for India), (ii) €19 million in severance payments and other employee-related costs, impairment losses recognized against operating assets and prototypes, and costs incurred by the Group's French and international operations for exiting contracts with start-ups, (iii) €3 million in acquisition and merger costs (mainly in the USA), and (iv) reversals of liabilities related to earn-out payments and fair value adjustments on acquisitions carried out in the USA and United Kingdom, recognized in profit because they were recorded after the 12-month measurement period.

4.1.10 FINANCIAL INCOME AND EXPENSES, NET – CONTINUING OPERATIONS

Financial income and expenses for continuing operations represented a net expense of €69 million in 2018-2019 compared with a net €68 million expense in 2017-2018. The positive effect of the lower interest expense during 2018-2019 due to the early repayment of the Group's Term Loan facilities following the sale of Areas, as described in section 1.1 above, was offset by the accelerated amortization of the issuance costs related to this debt and the termination costs of the associated swaps.

4.1.11 INCOME TAX – CONTINUING OPERATIONS

The Group ended the year with an income tax benefit of €4 million in 2018-2019 compared with a €2 million charge in 2017-2018. Excluding the charge related to the French CVAE tax – which amounted to €21 million in both 2017-2018 and 2018-2019 – the Group's income tax benefit came to €25 million in 2018-2019 versus €19 million for 2017-2018.

The year-on-year improvement was principally due to a €20 million net tax benefit arising on the creation and use during the year of a short-term tax loss generated on the sale of Areas, whereas in 2017-2018 a deferred tax benefit of €8 million was recorded following the US federal tax reforms.

4.1.12 NET PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

Net profit from discontinued operations amounted to €202 million for the year ended September 30, 2019, compared with €63 million the previous year. On July 1, 2019, the Group completed the sale of its Concession Catering business on which it recognized a €208 million net capital gain before final price adjustments. This amount corresponds to the sale price of €674 million, less (i) €462 million for the net amount of transferred assets and liabilities net of selling costs, and (ii) a €4 million translation reserve.

In the year ended September 30, 2019, net profit for the period from discontinued operations also included the residual "City sites" activities operated by Restaurants et Sites and GSR – two entities that were not transferred to PAI.

For the year ended September 30, 2018, net profit from discontinued operations primarily included the costs of liquidating an entity that previously formed part of the Group's Contract Catering business line (S.O.G.E.C.C.I.R).

4.1.13 ATTRIBUTABLE NET PROFIT FOR THE PERIOD AND EARNINGS PER SHARE

As a result of the factors described above, the Group's attributable net profit for 2018-2019 amounted to €271 million, versus €34 million in 2017-2018.

Basic and diluted earnings per share came to €1.54 and €1.53 respectively for 2018-2019 compared with €0.19 (both basic and diluted EPS) in 2017-2018.

4.1.14 ADJUSTED ATTRIBUTABLE NET PROFIT FOR THE PERIOD

Adjusted attributable net profit for the period corresponds to net profit for the period from continuing operations attributable to owners of the parent adjusted for the following: (i) "Non-recurring income and expenses, net", (ii) goodwill impairment losses and net amortization of intangible assets recognized on consolidation in relation to acquisitions, (iii) exceptional impairment of investments in and loans to non-consolidated companies, (iv) the impact of the capital gains and losses on sales of consolidated companies recognized in "Net profit from discontinued operations", with all of these adjustments being net of tax.

(in € millions)	Year ended September 30,	
	2019	2018[1]
Net profit for the period attributable to owners of the parent – continuing operations	**68**	**(28)**
Adjustments		
Non-recurring income and expenses, net	27	18
Goodwill impairment losses	-	64
Net amortization of intangible assets recognized on consolidation	21	19
Exceptional impairment of investments in and loans to non-consolidated companies	12	10
Accelerated amortization of issuance costs related to debt repaid in advance following the sale of Areas	14	-
Tax effect on the above adjustments	(21)	(6)
Cancelation of tax saving generated on the sale of Areas	(20)	-
Adjusted attributable net profit for the period	**101**	**77**
Adjusted earnings per share (in €)	0.57	0.44

(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

4.2 CONSOLIDATED CASH FLOWS FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2019

The following table provides a summary of the Group's cash flows for the years ended September 30, 2018 and 2019.

(in € millions)	Year ended September 30,	
	2019	2018[1]
Net cash from operating activities – continuing operations	287	181
Net cash used in investing activities – continuing operations	(123)	(368)
Net cash from/(used in) financing activities – continuing operations	(1,381)	182
Effect of exchange rate and other changes	(9)	(24)
Increase/(decrease) in net cash and cash equivalents – continuing operations	**(1,226)**	**(29)**
Increase/(decrease) in net cash and cash equivalents – discontinued operations	1,224	28
Total increase/(decrease) in net cash and cash equivalents	**(2)**	**(1)**

(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

4.2.1 CASH FLOWS FROM OPERATING ACTIVITIES – CONTINUING OPERATIONS

The following table sets out the components of consolidated net cash from operating activities for the years ended September 30, 2018 and 2019.

(in € millions)	Year ended September 30,	
	2019	2018[1]
EBITDA	303	271
Change in operating working capital	84	3
Interest and other financial expenses paid	(54)	(49)
Tax paid	(24)	(21)
Other (including dividends received from associates)	(22)	(23)
Net cash from operating activities – continuing operations	**287**	**181**

(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

Operating activities generated a net cash inflow of €287 million in the year ended September 30, 2019, versus €181 million in 2017-2018. The year-on-year increase is chiefly attributable to the rise in EBITDA and the fact that the cash inflow from change in operating working capital was €81 million higher than in 2017-2018.

Change in operating working capital

This item improved in 2018-2019, representing a net cash inflow of €84 million against €3 million for the previous fiscal year. The year-on-year increase chiefly reflects better management of operating working capital in the Contract Catering business and a €47 million positive impact resulting from the CICE tax credit in France being replaced by a reduction in payroll taxes.

Interest and other financial expenses paid

The amount of interest paid was slightly higher than in the year ended September 30, 2018, reflecting the increase in average consolidated debt in the first half of 2018-2019, although this negative effect was partly offset in the second half following the debt repayments carried out during that period.

Tax paid

Tax paid includes corporate income tax paid in all of the geographic regions in which the Group operates. It also includes the Italian IRAP tax (*Imposta Regionale Sulle Attività Produttive*), the French CVAE tax and State Tax in the United States.

This item represented a net cash outflow of €24 million in the year ended September 30, 2019, versus €21 million in 2017-2018. The year-on-year increase principally relates to the United States, where the Group received a €3 million refund in 2018 for corporate income tax payments on account that it had overpaid in 2016-2017.

Other cash flows from operating activities

Other cash flows from operating activities mainly relate to (i) non-recurring income and expenses recorded under "Non-recurring income and expenses, net" in the consolidated income statement, and (ii) payments made in connection with fair value adjustments recognized in accordance with IFRS as part of the purchase price allocation process for acquisitions.

This item represented net cash outflows of €23 million and €22 million for the years ended September 30, 2018 and 2019 respectively, and essentially consisted of restructuring costs.

4.2.2 CASH FLOWS FROM INVESTING ACTIVITIES – CONTINUING OPERATIONS

The following table sets out the components of consolidated net cash used in investing activities for the years ended September 30, 2018 and 2019.

(in € millions)	Year ended September 30,	
	2019	2018[1]
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(114)	(162)
Purchases of and proceeds from sale of non-current financial assets	7	(4)
Acquisition/sale of shares in consolidated companies	(16)	(202)
Net cash used in investing activities – continuing operations	**(123)**	**(368)**

(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

Net cash used in investing activities totaled €368 million in 2017-2018 and €123 million in 2018-2019.

Capital expenditure (net operating investments)

Consolidated cash used for purchases of property, plant and equipment and intangible assets (capital expenditure), net of proceeds from sales, decreased year on year from €162 million to €114 million.

The figure for Contract Catering & Services came to €111 million for 2018-2019, compared with €152 million for the year ended September 30, 2018, representing 2.3% and 3.1% of the business's revenue respectively. The year-on-year decrease reflects better capex management, particularly in France but also in international operations.

Net cash used for capital expenditure by the Corporate & Other segment totaled €10 million in 2017-2018 and €4 million in 2018-2019.

Purchases of and proceeds from sale of non-current financial assets

The net cash inflow recorded for this item in 2018-2019 primarily relates to the sale of interests in a number of start-up companies purchased in prior periods.

For 2017-2018, "Purchases of and proceeds from sale of non-current financial assets" represented a net cash outflow of €4 million in the year ended September 30, 2018 and mainly related to (i) acquisitions of non-controlling interests in start-ups whose activities are related or complementary to the Group's businesses, and (ii) deposits paid to concession grantors.

Acquisition/sale of shares in consolidated companies

For the year ended September 30, 2019, acquisitions and sales of shares in consolidated companies represented a net cash outflow of €16 million and primarily corresponded to earn-out payments relating to acquisitions in the United States and India carried out in prior periods.

For the year ended September 30, 2018, this item represented a net cash outflow of €202 million and chiefly concerned the acquisitions of (i) CBM Managed Services and Bateman in the United States, and (ii) a portion of the shares held by minority shareholders in Elior North America, which raised the Group's interest in this subsidiary to 92%.

4.2.3 CASH FLOWS FROM FINANCING ACTIVITIES – CONTINUING OPERATIONS

The following table sets out the components of consolidated net cash from/(used in) financing activities for continuing operations for the years ended September 30, 2018 and 2019.

(in € millions)	Year ended September 30,	
	2019	2018[1]
Dividends paid to owners of the parent	(33)	(36)
Movements in share capital of the parent	-	15
Purchases of own shares	(50)	-
Dividends paid to non-controlling interests	-	(1)
Proceeds from borrowings	81	216
Repayments of borrowings	(1,379)	(12)
Net cash from/(used in) financing activities – continuing operations	**(1,381)**	**182**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

Cash flows from financing activities represented a net cash inflow of €182 million in the year ended September 30, 2018 versus a net cash outflow of €1,381 million in 2018-2019.

Movements in share capital of the parent

In the year ended September 30, 2019, the Company repurchased €50 million worth of Elior Group shares under the share buyback program launched in July 2019.

For 2017-2018, movements in share capital represented a net cash inflow of €15 million, corresponding to the amounts received in connection with the capital increase carried out following the purchase of Elior Group shares by employees under the international employee share ownership plan (the "Future Plan") launched in May 2018.

Proceeds from borrowings

Consolidated cash inflows from proceeds from borrowings totaled €216 million and €81 million in the years ended September 30, 2018 and 2019 respectively.

In both of the fiscal years under review these proceeds mainly corresponded to drawdowns on euro- and US dollar-denominated revolving credit facilities.

Repayments of borrowings

Repayments of borrowings led to net cash outflows of €12 million and €1,379 million in the years ended September 30, 2018 and 2019 respectively.

In 2018-2019, this item primarily concerned (i) the repayment in advance (with no early repayment penalties) of €654 million and $344 million of the Group's Term Loan facilities, and $100 million in bond debt, and (ii) the repayment of amounts drawn down on Revolving Facilities.

In 2017-2018, this item mainly related to repayments of finance lease liabilities for an aggregate €10 million.

4.2.4 EFFECT OF EXCHANGE RATE AND OTHER CHANGES

In the year ended September 30, 2019, fluctuations in exchange rates and other changes had an overall €9 million net negative cash impact, versus a €24 million negative impact in 2017-2018.

4.2.5 FREE CASH FLOW

(in € millions)	Year ended September 30,	
	2019	2018[1]
EBITDA	**303**	**271**
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(114)	(162)
Change in operating working capital	84	3
Other cash flows from operating activities	(22)	(23)
Operating free cash flow	**251**	**89**
Tax paid	(24)	(21)
Free cash flow	**227**	**68**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

Operating free cash flow totaled €251 million for the year ended September 30, 2019, up €162 million on 2017-2018. This year-on-year increase was primarily due to (i) lower capital expenditure (€48 million), (ii) the replacement of the CICE tax credit in France by a reduction in payroll taxes (€47 million) and a change in the outstanding amounts under the receivables securitization program (€59 million).

4.3 SIMPLIFIED CONSOLIDATED BALANCE SHEET

(in € millions)	At Sept. 30, 2019	At Sept. 2018
Non-current assets	2,827	4,090
Current assets excluding cash and cash equivalents	848	1,133
Assets classified as held for sale	10	-
Cash and cash equivalents	83	143
Total assets	**3,768**	**5,366**

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Equity	1,668	1,460
Non-controlling interests	2	11
Non-current liabilities	860	2,173
Current liabilities	1,224	1,722
Liabilities classified as held for sale	14	-
Total equity and liabilities	**3,768**	**5,366**
Net operating working capital requirement	(280)	(393)
Gross debt	618	1,958
Net debt as defined in the SFA	539	1,830
SFA leverage ratio (net debt as defined in the SFA / adjusted EBITDA)	1.80	3.62

At September 30, 2019, non-current assets included deferred tax assets totaling €209 million (versus €189 million one year earlier).

The Group's gross debt amounted to €618 million at September 30, 2019, scaled down from the €1,959 million recorded at September 30, 2018. The year-on-year decrease primarily reflects the repayment of US dollar- and euro-denominated debt following the sale of the Concession Catering business on July 1, 2019. Gross debt at September 30, 2019 mainly comprised euro-denominated bank borrowings amounting to €530 million under the Senior Facilities Agreement (SFA). Liabilities related to trade receivables securitized by French, Spanish and UK subsidiaries represented €54 million of the gross debt figure, lower than at September 30, 2018, and finance lease liabilities accounted for €22 million.

The average interest rate in 2018-2019 – including the lending margin – on the Group's debt related to the SFA and securitized trade receivables (which represent the majority of its total debt) was 2.24% taking into account the effect of interest rate hedges (2.31% in 2017-2018).

Cash and cash equivalents recognized in the balance sheet amounted to €83 million at September 30, 2019. At the same date, cash and cash equivalents presented in the cash flow statement, i.e. net of bank overdrafts and short-term accrued interest, totaled €76 million.

At September 30, 2019, consolidated net debt (as defined in the SFA) stood at €539 million. This amount represented 1.80 times consolidated adjusted EBITDA (pro forma to exclude acquisitions) versus 3.62 times at September 30, 2018.

4.4 EVENTS AFTER THE REPORTING DATE

At its meeting on December 3, 2019, the Board of Directors decided that at the next Annual General Meeting it will recommend a dividend payment of €0.29 per share, representing an increase in the payout ratio to 50% of adjusted net profit for the period compared with 40% for 2017-2018.

The Company decided to use the authorization given at the March 22, 2019 Annual General Meeting to cancel 4,268,550 shares held in treasury, representing 2.23% of its share capital. These share cancellations will strengthen both the Group's EPS growth potential and its financial structure.

4.5 MAIN DISCLOSURE THRESHOLDS CROSSED DURING THE YEAR ENDED SEPTEMBER 30, 2019

In the year ended September 30, 2019, the Company received the following notifications concerning the crossing of disclosure thresholds (as specified in the applicable laws and/or the Company's Bylaws):

- Citadel disclosed that on October 15, 2018 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.001% of the Company's total shares and voting rights.
- Allianz Global Investors disclosed that on October 24, 2018 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.9987% of the Company's total shares and voting rights.
- Group Caisse des Dépôts disclosed that on October 25, 2018 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.01% of the Company's total shares and voting rights.
- Ostrum disclosed that on November 9, 2018 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.993% of the Company's total shares and voting rights.
- Edmond de Rothschild disclosed that on November 16, 2018 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.05% of the Company's total shares and voting rights.
- Citadel disclosed that on November 20, 2018 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.829% of the Company's total shares and voting rights.
- Sycomore Asset Management disclosed that on November 21, 2018 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.19% of the Company's total shares and voting rights.
- Amundi disclosed that on November 22, 2018 it had reduced its interest to below the threshold of 3% of the Company's capital and voting rights and that at that date it held 2.82% of the Company's total shares and voting rights.
- Amber Capital disclosed that on November 26, 2018 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.063% of the Company's total shares and voting rights.
- Groupe Bertrand disclosed that on November 28, 2018 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights.
- York Capital Management disclosed that on December 5, 2018, it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.47% of the Company's total shares and voting rights.
- Groupe Bertrand disclosed that on December 4, 2018 it had raised its interest to above the thresholds of 2% and 3% of the Company's capital and voting rights.
- Groupe Bertrand disclosed that on December 5, 2018 it had raised its interest to above the threshold of 4% of the Company's capital and voting rights.
- Groupe Bertrand disclosed that on December 7, 2018 it had raised its interest to above the threshold of 5% of the Company's capital and voting rights.
- T. RowePrice disclosed that on December 7, 2018 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.95% of the Company's total shares and 0.94% of its voting rights.
- Allianz Global Investors disclosed that on December 10, 2018 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.01% of the Company's total shares and voting rights.
- BNP Paribas Asset Management Holding disclosed that on December 6, 2018 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.8626% of the Company's total shares and 0.8331% of its voting rights.
- Crédit Agricole SA disclosed that on January 8, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.02% of the Company's total shares and voting rights.
- Allianz Global Investors disclosed that on January 8, 2019 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.99% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that on January 10, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.92% of the Company's total shares and voting rights.

- Franklin Resources, Inc. disclosed that on January 14, 2019 it had reduced its interest to below the threshold of 4% of the Company's capital and voting rights and that at that date it held 3.9598% of the Company's total shares and voting rights.
- York Capital Management disclosed that on January 25, 2019, it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.94% of the Company's total shares and voting rights.
- Amber Capital disclosed that on January 23, 2019 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.983% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that on January 28, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.02% of the Company's total shares and voting rights.
- Fidelity International disclosed that on January 29, 2019 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.16% of the Company's total shares and voting rights.
- Citi disclosed that on February 12, 2019 it had raised its interest to above the threshold of 5% of the Company's capital and voting rights and that at that date it held 5.2785% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on February 12, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.17% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on February 14, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.67% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that on February 14, 2019, it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.97% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on February 15, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.25% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that on February 15, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.55% of the Company's total shares and voting rights.
- Sycomore Asset Management disclosed that on February 19, 2019 it had raised its interest to above the threshold of 3% of the Company's capital and voting rights and that at that date it held 3.06% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that:
  - on February 27, 2019 it had raised its interest to above the threshold of 8% of the Company's capital and voting rights and that at that date it held 8.38% of the Company's total shares and voting rights; and
  - on February 28, 2019 it had reduced its interest to below the threshold of 8% of the Company's capital and voting rights and that at that date it held 7.43% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on February 28, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.96% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that:
  - on March 11, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.75% of the Company's total shares and voting rights.
  - on March 12, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.02% of the Company's total shares and voting rights; and
  - on March 13, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.93% of the Company's total shares and voting rights.
- Amber Capital disclosed that on March 20, 2019 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.026% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that:
  - on March 26, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.27% of the Company's total shares and voting rights; and
  - on March 27, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.76% of the Company's total shares and voting rights.
- Citi disclosed that on April 2, 2019 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 5.2785% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on April 2, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.87% of the Company's total shares and voting rights.

- Crédit Agricole SA disclosed that on April 2, 2019 it had raised its interest to above the threshold of 7% of the Company's capital and voting rights and that at that date it held 7.94% of the Company's total shares and voting rights.
- Fonds Stratégique de Participations disclosed that on April 16, 2019 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 4.99% of the Company's total shares and voting rights.
- Groupe Bertrand disclosed that on April 17, 2019 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 4.93% of the Company's total shares and voting rights.
- Sycomore Asset Management disclosed that on April 24, 2019 it had reduced its interest to below the threshold of 3% of the Company's capital and voting rights and that at that date it held 2.93% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on April 29, 2019 it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.86% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that on April 29, 2019, it had reduced its interest to below the threshold of 7% of the Company's capital and voting rights and that at that date it held 6.94% of the Company's total shares and voting rights.
- Amundi disclosed that on May 30, 2019 it had reduced its interest to below the threshold of 2% of the Company's capital and voting rights and that at that date it held 1.9% of the Company's total shares and voting rights.
- Sycomore Asset Management disclosed that on June 14, 2019 it had raised its interest to above the threshold of 3% of the Company's capital and voting rights and that at that date it held 3.01% of the Company's total shares and voting rights.
- BIM disclosed that on June 21, 2019 it had reduced its interest to below the thresholds of 22% and 21% of the Company's capital and voting rights and that at that date it held 20.12% of the Company's total shares and voting rights.
- Sycomore Asset Management disclosed that on June 24, 2019 it had reduced its interest to below the threshold of 3% of the Company's capital and voting rights and that at that date it held 2.91% of the Company's total shares and voting rights.
- JO Hambro disclosed that on June 24, 2019 it had raised its interest to above the threshold of 1% of the Company's capital and voting rights and that at that date it held 1.18% of the Company's total shares and voting rights.
- Crédit Agricole Corporate and Investment Bank disclosed that on June 25, 2019 it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 0.07% of the Company's total shares and voting rights.
- Crédit Agricole SA disclosed that on June 25, 2019, it had reduced its interest to below the threshold of 5% of the Company's capital and voting rights and that at that date it held 0.07% of the Company's total shares and voting rights.
- Wellington Management Group LLP disclosed that on June 26, 2019 it had raised its interest to above the threshold of 4% of the Company's capital and voting rights and that at that date it held 4.01% of the Company's total shares and voting rights.
- Wellington Management Group LLP disclosed that on July 19, 2019 it had reduced its interest to below the threshold of 4% of the Company's capital and voting rights and that at that date it held 3.76% of the Company's total shares and voting rights.
- Emesa disclosed that on July 26, 2019 it had reduced its interest to below the threshold of 8% of the Company's capital and voting rights and that at that date it held 7.48% of the Company's total shares and voting rights.
- Amber Capital disclosed that on August 16, 2019 it had reduced its interest to below the threshold of 1% of the Company's capital and voting rights and that at that date it held 0.9879% of the Company's total shares and voting rights.
- Fidelity International disclosed that on September 11, 2019 it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.04% of the Company's total shares and voting rights.
- BDL Capital Management disclosed that on September 18, 2019, it had raised its interest to above the threshold of 2% of the Company's capital and voting rights and that at that date it held 2.01% of the Company's total shares and voting rights.

4.6 PARENT COMPANY NET PROFIT AND DIVIDEND

Based on the results for fiscal 2018-2019, at the Annual General Meeting to be held in 2020, the Board of Directors will recommend a dividend payment of €0.29 per share (compared with €0.34 for fiscal 2017-2018). The 2018-2019 recommended dividend corresponds to a payout ratio of approximately 50% of adjusted earnings per share[1] (versus 40% for 2017-2018), which amounted to €0.34.

[1] Adjusted earnings per shares is calculated based on adjusted attributable net profit for the period, as defined in section 4.1.14 of this chapter.

4.7 THE GROUP'S FINANCIAL AND LIQUIDITY POSITION

4.7.1 LIQUIDITY AND CAPITAL RESOURCES

4.7.1.1 General Information

The Group's cash requirements mainly relate to financing its working capital requirements and capital expenditure as well as servicing and repaying its debt. Its main source of liquidity is cash generated from operating activities. Going forward, its ability to generate cash from its operating activities will depend on its future operating performance, which is, in turn, dependent to some extent on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond the Group's control. The Group uses its cash and cash equivalents to fund the day-to-day requirements of its business. Its cash and cash equivalents are denominated in euros and US dollars.

The Group has regularly refinanced its debt with a view to reducing the cost of its bank borrowings and extending their maturities. In 2013 it carried out an issue of Senior Secured Notes and in 2015 it issued US dollar-denominated bonds which were taken up through a private placement. Also in 2015 and then in 2016, it successively refinanced its local US dollar-denominated debt and the Senior Secured Notes via bank borrowings drawn down under the SFA (for a description of these operations, see Note 5.2.2 to the consolidated financial statements for the years ended September 30, 2015 and 2016 in Chapter 4, Section 4.9 of the 2015-2016 Registration Document and Chapter 4, Section 4.8 of the 2014-2015 Registration Document).

The Group believes that for the year ending September 30, 2019 (as was the case for fiscal 2017-2018 and for previous years), its cash requirements will mainly relate to (i) financing working capital requirements (see Section 4.7.6.3 below), (ii) financing capital expenditure (see Section 4.2.2 above), and (iii) servicing and repaying debt. Based on the conditions described in Section 4.8 below, "Outlook", and the Group's updated cash flow forecasts, Management believes that the Group will be able to fund its cash requirements and service and repay its debt during the twelve-month period following the date on which its consolidated financial statements were approved for issue (December 3, 2019).

4.7.1.2 Financial Resources

4.7.1.2.1 Overview

The Group's sources of liquidity have historically consisted mainly of the following:

- Net cash from operating activities, which amounted to €287 million for the year ended September 30, 2019 and €181 million for the year ended September 30, 2018.
- Cash and cash equivalents: cash and cash equivalents recorded in the consolidated cash flow statement amounted to €78 million and €76 million at September 30, 2018 and 2019 respectively. For further information see the cash flow statement included in the consolidated financial statements set out in the section below entitled "Consolidated Financial Statements for the Years Ended September 30, 2019 and 2018".
- Debt, which includes the Senior Facilities Agreement (SFA), the US-dollar bond issue (private placement), the Securitization Programs and finance lease liabilities. See Note 7.17.2 to the consolidated financial statements in the section below entitled "Consolidated Financial Statements for the Years Ended September 30, 2019 and 2018" as well as the description below.

4.7.1.2.2 Financial Liabilities

The Group's financial liabilities totaled €1,974 million and €622 million at September 30, 2018 and 2019 respectively. The table below provides a breakdown of the Group's gross debt at each of those dates.

(in € millions)	At September 30	
	2019	2018
Financial liabilities under the Senior Facilities Agreement	530	1,689
USD private placement	-	86
Finance lease liabilities	31	39
Receivables securitization programs	54	88
Other financial liabilities (short-term bank loans)	7	72
Total financial liabilities	**622**	**1,974**

The table below shows the Group's credit ratings:

	Moody's[1]	S&P[2]
Group	Ba2	BB

(1) Rating issued on September 25, 2015 – Outlook revised to negative on August 6, 2018
(2) Rating issued on June 1, 2018

The following section describes the main components of the Group's financial liabilities.

4.7.2 SENIOR FACILITIES AGREEMENT

Overview

On June 23, 2006, the Company entered into a Senior Facilities Agreement (the "Senior Facilities Agreement" or "SFA"), which has been amended several times since that date. The borrowers under the SFA are Elior Group and Elior Participations S.C.A.

In March 2018 the Group submitted a request to the lenders to extend the maturities of (i) certain euro-denominated facilities by one year, and (ii) certain USD - denominated facilities by two years. The lending commitments of the lenders who agreed to this amend & extend transaction were transferred to new facilities and the commitments of the lenders who refused the amend & extend were taken on by other existing lenders under the SFA. The transaction was contractualized by way of an addendum to the SFA signed in April 2018.

Credit facilities

As at the date of this Universal Registration Document, the Senior Facilities Agreement provides for the following credit facilities:

Facility	Borrower	Principal amount (in millions)	Currency	Maturity
Facility B	Elior Group	530	EUR	2023
EUR - 2 Revolving Facility	Elior Group – Elior Participations	450	EUR	2023
USD - 3 Revolving Facility	Elior Group – Elior Participations	250	USD	2023
	Total	**1,230**		

The Senior Facilities Agreement also provides for a "Facility I" to be made available to the Company and/or Elior Participations S.C.A., in one or more tranches, as described below.

On July 1, 2019, the following repayments were made:

- Full repayment and cancellation of Facility I6, corresponding to €50 million.

- Full repayment and cancellation of Facility I7, corresponding to €184 million.

- Full repayment and cancellation of Facility I9, corresponding to €150 million.

- Full repayment and cancellation of Facility D, corresponding to €344 million.

- Partial repayment of Facility B, corresponding to €270 million (leaving an outstanding principal amount of €530 million).

Interest and Fees

The Senior Facilities bear interest at a rate per annum equal to the Libor of the currency in which the facility is denominated (or Euribor for facilities in euros), plus the applicable margins and certain usual mandatory costs.

The annual margins for some of the Senior Facilities are determined by reference to the applicable leverage ratio as follows:

Leverage ratio	Facility B	EUR Revolving Facility	USD Revolving Facility
Greater than or equal to 3.50:1	2.00%	1.60%	1.60%
Less than 3.50:1 but greater than or equal to 3.00:1	1.65%	1.25%	1.25%
Less than 3.00:1 but greater than or equal to 2.50:1	1.40%	1.00%	1.00%
Less than 2.50:1 but greater than or equal to 2.00:1	1.20%	0.80%	0.80%
Less than 2.00:1	1.00%	0.60%	0.60%

The mechanism providing for a reduction in margins based on the leverage ratio will not apply if an "event of default", as defined in the Senior Facilities Agreement, has occurred.

Security and Guarantees

Following the redemption of the Senior Secured Notes, the pledges granted to Elior Finance & Co. S.C.A. in its capacity as lender for Facility H1 have been released.

Similarly, as the Senior Facilities Agreement provided for the release of all of the pledges granted in relation to Facility H in the event of repayment of all of the sums due under that facility, the remaining outstanding pledges were released in June 2016.

Undertakings and Covenants

The Senior Facilities Agreement contains customary negative and affirmative covenants with respect to the Group's entities (adapted in certain cases to reflect the Group's specific situation). It does not contain any restrictions with respect to dividend payments.

The Senior Facilities Agreement contains certain reporting requirements, and particularly an obligation to provide annual consolidated financial statements (audited) and interim consolidated financial statements (unaudited).

The Senior Facilities Agreement also stipulates that the Group's leverage ratio must be less than or equal to 4:1 at September 30 and less than or equal to 4.50:1 at March 31.

Mandatory Prepayments and Cancellation

The Senior Facilities will be immediately repayable, if, among other events, there is a "change of control" or a sale of all or substantially all of the Group's assets.

The borrowers may voluntarily (i) prepay all or part of the facilities made available to them under the SFA, or (ii) cancel all or part of any unused facilities under the SFA.

Events of Default

The Senior Facilities Agreement provides for certain events of default (subject to materiality, cure periods and other exceptions where appropriate) which can trigger acceleration. These events of default are customary for this type of financing and notably include breach of the leverage ratio covenant.

If an event of default occurs and persists, the Senior Facilities Agreement provides that the Senior Facility Agent may and will, if so instructed by the lenders, either (i) block any additional utilizations, or (ii) declare that all or part of any amount outstanding under such Senior Facilities is immediately due and payable.

Governing Law

The Senior Facilities Agreement is governed by English law.

4.7.3 FACILITY I

General Information

The Senior Facilities Agreement provides that the Company or Elior Participations S.C.A. may borrow amounts, in one or more tranches, under a facility entitled Facility I, which will be made available under certain specific conditions. For this purpose, a duly authorized credit institution in France must commit to make such tranches available.

The interest payable on any Facility I tranche, taking into account any fees or issue premiums, must be set such that the yield to maturity does not exceed 6% per annum. The net proceeds from any borrowings under Facility I must be used, at the discretion of the borrower concerned, for carrying out permitted acquisitions (subject to certain limits) and/or for voluntarily prepaying the term loan facilities.

Tranche I1 of Facility I (Facility B, Facility C and revolving credit facility)

On December 3, 2014, a syndicated credit facility (comprising term loans and a revolving credit facility) was set up under Facility I, representing a total of €1,250 million and bearing interest at 1.90% per annum for the five-year tranche and 2.75% for the eight-year tranche, subject to changes in the interest scale (as described in the "Interest and Fees" paragraph of Section 4.7.2, "Senior Facilities Agreement" above). Out of this total, on December 10, 2014, €200 million was made available to Elior Group and €750 million to Elior Participations. The five-year revolving credit facility that can be used by Elior Group and Elior Participations amounts to €300 million. Under the January 2016 addendum to the Senior Facilities Agreement the maturities of the five-year tranches and the revolving credit facility were extended by one year, and their respective lending margins were reduced by 25 basis points.

Two new Facility I tranches amounting to €50 million each were set up on May 22, 2015 (Facility I4) and June 23, 2015 (Facility I5). The funds under these facilities – whose drawdowns bear interest at a rate of 1.88% – were made available to Elior Participations on May 28 and June 26, 2015 respectively.

In addition, two Revolving Facilities amounting to USD 150 million (the USD Revolving Facility) and USD 100 million (the USD Revolving Facility 2) were made available to Elior Group and Elior Participations in June 2015.

Two new Facility I tranches were set up on January 15, 2016 (Facility I6, for €50 million) and April 18, 2016 (Facility I7, for €184 million). The funds under these facilities – whose drawdowns bear interest at a rate of 2.254% for Facility I6 and 2.1486% for Facility I7 – were made available to Elior Group on January 29 and May 2, 2016 respectively. They were financed by bank-format private placements within the scope of the Senior Facilities Agreement.

A further new Facility I tranche (Facility I8) was set up on June 8, 2016, amounting to USD 244 million. The funds under this facility – whose drawdowns bear interest at a rate of 2.14805% – were made available on June 20, 2016.

Lastly, a further new Facility I tranche amounting to USD 150 million (Facility I9) was set up on September 22, 2017 (to repay Facility C). The funds under Facility I9 – whose drawdowns bear interest at a rate of 2.128% – were made available on September 29, 2017.

4.7.4 BOND ISSUE

In 2015 the Company carried out an issue of bonds representing a maximum USD 100 million and due to mature on May 28, 2022. Interest on the bonds – corresponded to the USD six-month Libor plus a margin of 2.15%. The proceeds from the bond issue were used to refinance Elior North America's debt and to cover the costs of the issue.

The bonds were issued to the Belgian-based fund, Pandios CommVA, under a private placement. Neither the Company nor its subsidiaries granted any collateral or guarantees for the bonds. Other than the guarantee provisions, the bonds were subject to the same terms and conditions as in the Senior Facilities Agreement.

All of these bonds were fully redeemed and cancelled on July 1, 2019.

4.7.5 RECEIVABLES SECURITIZATION PROGRAMS

Certain French entities of the Group (the "Elior Group Receivables Sellers") were beneficiaries under a €200 million receivables securitization program, which was entered into in November 2006 and amended several times after that date (the "2006 Securitization Program"). The 2006 Securitization Program was refinanced in May 2013 (the "2013 Securitization Program") and its maximum amount was increased to €300 million. In addition, the 2013 Securitization Program was extended to include certain Spanish and Italian entities of the Group. The 2013 Securitization Program was refinanced in July 2017 (the "2017 Securitization Program") and its maximum amount was increased to €322 million. The Group's Italian entities no longer form part of this program.

Under the 2017 Securitization Program, trade receivables arising from sales carried out or services provided in France and Spain in relation to concession catering contracts or facilities management services (subject to certain eligibility criteria) denominated in euros and originated by any Elior Group Receivables Seller are sold to Ester Finance Titrisation, (the "Purchaser"), a French subsidiary of Crédit Agricole CIB.

The 2017 securitization program comprises two compartments: An "ON compartment" whereby receivables are sold with recourse and an "OFF compartment" whereby receivables are sold without recourse.

For the ON compartment, as the Group continues to bear a significant portion of late payment and customer risks, the sold receivables do not meet the conditions required under IAS 39 for off balance-sheet accounting. Consequently, the financing received is accounted for as debt. Sales to the Purchaser are made at the face value of the receivables, less a discount to reflect the financing costs until settlement.

In March 2019, the maximum amount of the program was raised to €360 million.

At September 30, 2019, outstanding securitized receivables relating to the ON compartment, net of the related €20 million overcollateralization reserve, stood at €54 million.

Credit risks, interest rate risks and late payment risks related to the OFF compartment are transferred to the Purchaser through the discount applied on the receivables, which corresponds to remuneration for the credit risk and the financing cost. Dilution risk, assessed as part of the overall risks and benefits analysis, is not deemed to be a risk associated with the receivables. Consequently, the receivables sold under the OFF compartment are derecognized.

At September 30, 2019, the amount of derecognized receivables totaled €217 million, compared with €188 million one year earlier.

The Purchaser settles its purchases from the Elior Group Receivables Sellers on a monthly basis. Between settlement dates, the Elior Group Receivables Sellers may use cash received from clients, which is paid into segregated bank accounts dedicated to the transaction and swept monthly to the Purchaser's bank account (subject to netting against the purchase price owed for newly originated receivables, unless a default event has occurred). Responsibility for administering receivables, including adherence to established credit and collection policies, remains with the Elior Group Receivables Sellers, with Elior Participations S.C.A. acting as the centralizing entity for such administration.

Certain specified events would terminate the Securitization Program. These include (without limitation) events relating to the performance of the receivables, payment default exceeding €40 million on any debt contracted by the Elior Group Receivables Sellers or under the Senior Facilities Agreement, and accelerated repayment exceeding €40 million in relation to any debt contracted by the Elior Group Receivables Sellers or under the Senior Facilities Agreement.

Direct recourse to the Elior Group Receivables Sellers is limited (i) for the ON compartment, to the amount of the overcollateralization reserve of the receivables, and (ii) for the OFF compartment, to the amount of the dilution reserve.

In addition, the Purchaser has been granted a guarantee by Elior Participations S.C.A. for amounts due to the Purchaser by the Elior Group Receivables Sellers up to a maximum principal amount of €367 million.

The Purchaser's commitment to fund the purchase of receivables ends in July 2021.

On July 29, 2016, an on-balance sheet receivables securitization agreement with a three-year term was put in place for a number of the Group's UK subsidiaries, representing a maximum amount of GBP 30 million. This agreement was terminated on August 22, 2019 when all of the sold receivables were repurchased by their sellers.

4.7.6 PRESENTATION AND ANALYSIS OF THE GROUP'S MAIN CASH OUTFLOWS

4.7.6.1 Capital Expenditure

The Group's capital expenditure for its operations breaks down into the following categories:

- Maintenance and repairs expenditure.
- Expenditure incurred in connection with the renewal or extension of existing contracts in order to maintain or improve the retention rate.
- Expenditure for business expansion and prospecting new clients.

The Group's capital expenditure for the years ended September 30, 2018 and 2019 totaled €162 million and €114 million respectively. For further information on the Group's historical, current and future capital expenditure, see Section 4.2.2 above, "Cash Flows from Investing Activities – Continuing Operations".

4.7.6.2 Interest Payments and Repayments of Borrowings

In the year ended September 30, 2019, a significant portion of the Group's cash flow, i.e. €1,333 million, was used to repay debt. For the year ended September 30, 2018, a large portion of the Group's cash flow stemmed from the €150 million increase in the drawdown limit for the revolving credit facility. The Group paid interest amounting to €54 million and €49 million in the years ended September 30, 2018 and 2019 respectively.

4.7.6.3 Financing Working Capital

The Group's working capital mainly corresponds to inventories plus trade receivables and other operating receivables less trade payables and other operating payables. Structurally, its working capital reflects the specific characteristics of each of its businesses.

4.8 OUTLOOK

4.8.1 MID-TERM AMBITIONS

In selling Areas, Elior has refocused on its core business of contract catering in six countries, plus services in France, making it the world's second-largest pure player in its industry.

To mark this new chapter in the Group's history, we have redefined our corporate mission, ambitions and priorities for each of our markets and have drawn up a strategic plan 2024 called New Elior. This ambitious plan, which was drawn up jointly by the Executive Committee and operations teams, is based on five value creation drivers:

- Shifting our business mix towards the most attractive segments, in which we intend to create value for our clients through innovative offerings, and entering new markets such as on-board catering for trains and meal deliveries to Small and Mid-size Enterprises (SMEs).
- Giving our client-facing teams the resources they need to always adapt our offerings in line with guests' expectations, by proposing healthy and environmentally-friendly dining options, with concepts heavily inspired by commercial catering.
- Being constantly customer-centric thanks to our high-quality offerings and by systematically applying customer loyalty best practices.
- Optimizing and continuously adapting our cost structure to operational requirements, including procurement, payroll and overhead costs.
- Managing cash in a disciplined way and allocating it to targeted investment opportunities that guarantee the best returns.

These five value creation drivers are being applied by our teams in all of our host countries and have been incorporated into their objectives as follows:

- In France, consolidate the Group's leadership while adapting its offerings and business model to new consumption patterns, and strengthen its Corporate Social Responsibility (CSR) positioning.
- In the United States, pursue and finalize the integration of companies acquired since 2014, systematically apply a customer-centric approach with a renewed brand portfolio, while deploying best operational practices.
- In the United Kingdom, grow faster than the industry's leaders thanks to an ambitious business development plan, and capitalize on the strength of our existing structures.
- In Spain, build positions in new high-potential segments so that we can continue to outpace market growth, and aim for profitability excellence.
- In Italy, shift the business mix more towards the private sector and new market segments.
- In India, capitalize on technology to affirm our leadership in premium corporate catering.
- For Elior Services, cement our leading position in the Healthcare sector and selectively expand in other segments.

In view of the contract catering and services markets' growth prospects and their low capital intensity, as well as the Group's drive to enhance its profitability, Elior has very high potential for cash generation. With a stronger balance sheet and a leverage ratio reduced sustainably to within a range of 1.5x to 2.0x EBITDA, the Group has the resources it needs for its business development.

The Group's mid-term objectives are:

- Annual organic growth of 2% to 4%
- Increase adjusted EBITA margin between 10 and 30 basis points per year
- Capex below 3% of revenue

To achieve these ambitions and our financial objectives, Elior remains highly attentive to the health and well-being of each and every one of the guests who place their trust in us on a daily basis. We will also continue to focus on developing the skills and engagement of all of our people, who work to build this trust every day, and on the environmental impact of our activities. And as part of the New Elior strategic plan, we intend to reaffirm the Group's Corporate Social Responsibility leadership.

4.8.2 OUTLOOK FOR FISCAL 2019-2020

In view of the transformation process launched as part of the New Elior 2024 strategic plan and the upturn in operating performance already seen since the second half of 2018-2019, the Group expects the following for full-year 2018-2019:

- Organic growth of 2%
    - Dynamic growth will become visible as of the second quarter

- The impact of voluntary contract exits in Italy and the reduced scope of the Tesco contracts in the United Kingdom will still be significant in the first quarter but will gradually decrease throughout the year

- An increase in EBITA margin of at least 10 basis points compared with 2018-2019

- Capex below 3% of revenue

The Group will pursue its share buyback program in 2019-2020 in accordance with the plan announced in the first half of 2018-2019, under which it may return up to €350 million (cumulative) to shareholders (of which €50 million had already been paid at September 30, 2019) over the next two fiscal years in the form of share buybacks or dividend payments, depending on the Elior Group share performance and external growth opportunities and based on the associated value creation.

4.9 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

ELIOR GROUP

IFRS Consolidated Financial Statements

for the Years Ended September 30, 2019 and September 30, 2018

IFRS Consolidated Financial Statements for the Years Ended September 30, 2019 and 2018

1. Consolidated Income Statement and Statement of Comprehensive Income

1.1 Consolidated Income Statement

(in € millions)	Note	Year ended September 30, 2019	Year ended September 30, 2018[1]
Revenue	**7.1, 7.2**	**4,923**	**4,886**
Purchase of raw materials and consumables		(1,557)	(1,557)
Personnel costs	7.3	(2,436)	(2,390)
Share-based compensation	7.18.2	5	(29)
Other operating expenses		(561)	(564)
Taxes other than on income		(71)	(74)
Depreciation, amortization and provisions for recurring operating items		(122)	(125)
Net amortization of intangible assets recognized on consolidation		(21)	(19)
Recurring operating profit from continuing operations		**160**	**128**
Share of profit of equity-accounted investees		-	(1)
Recurring operating profit from continuing operations including share of profit of equity-accounted investees	**7.1**	**160**	**127**
Non-recurring income and expenses, net	7.4	(27)	(82)
Operating profit from continuing operations including share of profit of equity-accounted investees		**133**	**45**
Financial expenses	7.5	(89)	(81)
Financial income	7.5	20	13
Profit/(loss) from continuing operations before income tax		**64**	**(23)**
Income tax	7.6	4	(2)
Net profit/(loss) for the period from continuing operations		**68**	**(25)**
Net profit for the period from discontinued operations	**7.7**	**202**	**63**
Net profit for the period		**270**	**38**
Attributable to:			
Owners of the parent		**271**	**34**
Non-controlling interests		**(1)**	**4**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

The accompanying notes form an integral part of the consolidated financial statements.

(in € millions)	Note	Year ended September 30, 2019	Year ended September 30, 2018[1]
Earnings per share (in €)	**7.8**		
Earnings/(loss) per share – continuing operations			
Basic		0.38	(0.16)
Diluted		0.38	(0.16)
Earnings per share – discontinued operations			
Basic		1.16	0.35
Diluted		1.15	0.35
Total earnings per share			
Basic		1.54	0.19
Diluted		1.53	0.19

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business

1.2 Consolidated Statement of Comprehensive Income

(in € millions)	Year ended September 30, 2019	Year ended September 30, 2018[1]
Net profit for the period	**270**	**38**
Items that will not be reclassified subsequently to profit or loss		
Post-employment benefit obligations (2)	(11)	2
Items that may be reclassified subsequently to profit or loss		
Financial instruments	(12)	10
Currency translation differences	8	3
Income tax	4	(3)
	0	**9**
Comprehensive income for the period	**259**	**48**
Attributable to:		
- Owners of the parent	260	44
- Non-controlling interests	(1)	4

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(1) *The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.*

(2) *Net of the effect of income tax*

The accompanying notes form an integral part of the consolidated financial statements.

2. Consolidated Balance Sheet

2.1 Assets

(in € millions)	Note	At September 30, 2019	At September 30, 2018
Goodwill	7.9	1,851	2,541
Intangible assets	7.10	262	524
Property, plant and equipment	7.10	392	747
Other non-current assets		8	-
Non-current financial assets	7.11	104	72
Equity-accounted investees	7.12	1	9
Fair value of derivative financial instruments (*)		-	8
Deferred tax assets	7.14	209	189
Total non-current assets		**2,827**	**4,090**
Inventories		94	132
Trade and other receivables		675	879
Contract assets		-	-
Current income tax assets		32	23
Other current assets	7.15	47	97
Short-term financial receivables (*)		-	2
Cash and cash equivalents (*)		83	143
Assets classified as held for sale	7.7	10	-
Total current assets		**941**	**1,276**
Total assets		**3,768**	**5,366**

(*) Included in the calculation of net debt

The accompanying notes form an integral part of the consolidated financial statements.

2.2 Equity and Liabilities

(in € millions)	Note	At September 30, 2019	At September 30, 2018
Share capital	7.18.1	2	2
Retained earnings and other reserves		1,662	1,458
Translation reserve		4	-
Non-controlling interests		2	11
Total equity	4	**1,670**	**1,471**
Long-term debt (*)	7.17.3	602	1,874
Fair value of derivative financial instruments		9	5
Non-current liabilities relating to share acquisitions	7.19	70	100
Deferred tax liabilities	7.14	60	59
Provisions for pension and other post-employment benefit obligations	7.16	104	109
Other long-term provisions	7.16	15	20
Other non-current liabilities		-	6
Total non-current liabilities		**860**	**2,173**
Trade and other payables		550	850
Due to suppliers of non-current assets		15	75
Accrued taxes and payroll costs		476	601
Current income tax liabilities		15	11
Short-term debt (*)	7.17.3	16	84
Current liabilities relating to share acquisitions	7.19	2	16
Short-term provisions	7.16	63	51
Contract liabilities		49	-
Other current liabilities	7.20	38	34
Liabilities classified as held for sale	7.7	14	-
Total current liabilities		**1,238**	**1,722**
Total liabilities		**2,098**	**3,895**
Total equity and liabilities		**3,768**	**5,366**
(*) Included in the calculation of net debt		543	1,812
Net debt excluding fair value of derivative financial instruments and debt issuance costs		539	1,830

The accompanying notes form an integral part of the consolidated financial statements.

3. Consolidated Cash Flow Statement

(in € millions)	Note	Year ended September 30, 2019	Year ended September 30, 2018[1]
Cash flows from operating activities – continuing operations			
Recurring operating profit including share of profit of equity-accounted investees		160	127
Amortization and depreciation		146	136
Provisions		(3)	8
EBITDA		**303**	**271**
Change in operating working capital		84	3
Interest and other financial expenses paid		(54)	(49)
Tax paid		(24)	(21)
Other cash movements		(22)	(23)
Net cash from operating activities – continuing operations		**287**	**181**
Cash flows from investing activities – continuing operations			
Purchases of property, plant and equipment and intangible assets	7.10	(120)	(167)
Proceeds from sale of property, plant and equipment and intangible assets		6	5
Purchases of financial assets		(2)	(5)
Proceeds from sale of financial assets		9	1
Acquisitions of shares in consolidated companies, net of cash acquired (2)	.	(16)	(202)
Other cash flows related to investing activities		-	-
Net cash used in investing activities – continuing operations		**(123)**	**(368)**
Cash flows from financing activities – continuing operations			
Dividends paid to owners of the parent		(33)	(36)
Movements in share capital of the parent		-	15
Purchases of own shares		(50)	(1)
Dividends paid to non-controlling interests		-	-
Proceeds from borrowings	7.17.2	81	216
Repayments of borrowings	7.17.2	(1,379)	(12)
Net cash from/(used in) financing activities – continuing operations		**(1,381)**	**182**
Effect of exchange rate and other changes		(9)	(24)
Increase/(decrease) in net cash and cash equivalents – continuing operations		**(1,226)**	**(29)**
Increase/(decrease) in net cash and cash equivalents – discontinued operations	**7.7**	**1,224**	**28**
Net cash and cash equivalents at beginning of period		**78**	**79**
Net cash and cash equivalents at beginning of period – continuing operations		*(7)*	*12*
Net cash and cash equivalents at beginning of period classified as assets held for sale		*85*	*67*
Net cash and cash equivalents at end of period		**76**	**78**
Net cash and cash equivalents at end of period – continuing operations		*76*	*(7)*
Net cash and cash equivalents at end of period classified as assets held for sale		*0*	*85*

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

Bank overdrafts and current accounts held for treasury management purposes are an integral part of the Group's cash management and are therefore deducted from cash in the cash flow statement whereas they are classified as short-term debt in the balance sheet. These items represent the sole difference between the cash and cash equivalents figure presented under assets in the balance sheet and the amount presented in the cash flow statement under "Net cash and cash equivalents at end of period".

The following table shows a reconciliation between the figures recorded for these items in the balance sheet and the cash flow statement:

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Balance sheet – Assets	**83**	**143**
Cash and cash equivalents	83	143
Balance sheet – Liabilities	**7**	**65**
Bank overdrafts	4	61
Current accounts	2	2
Accrued interest	1	2
Net cash and cash equivalents presented in the cash flow statement	**76**	**78**

The accompanying notes form an integral part of the consolidated financial statements.

4. Consolidated Statement of Changes in Equity

(in € millions)	Number of shares	Share capital	Additional paid-in capital and other reserves	Net profit for the period attributable to owners of the parent	Translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance at September 30, 2017	**172,741,785**	**2**	**1,475**	**114**	**(27)**	**1,563**	**54**	**1,618**
Net profit for the period				34		34	4	38
Post-employment benefit obligations			2			2		2
Changes in fair value of financial instruments			6			6		6
Currency translation differences					3	3	-	2
Comprehensive income for the period			**8**	**34**	**3**	**44**	**4**	**48**
Appropriation of prior-period net profit			114	(114)		-		-
Capital increase	3,207,311	-	15			15	2	17
Dividends paid			(36)			(36)	(2)	(38)
Share-based payments (IFRS 2)			2			2		2
Other movements (1)			(128)			(128)	(48)	(176)
Balance at September 30, 2018	**175,949,096**	**2**	**1,449**	**34**	**(25)**	**1,460**	**11**	**1,471**
Impacts of IFRS 9 & IFRS 15			(9)			(9)	-	(9)
Balance at October 1, 2018	**175,949,096**	**2**	**1,440**	**34**	**(25)**	**1,451**	**11**	**1,462**
Net profit for the period				271		271	(1)	270
Post-employment benefit obligations			(11)			(11)		(11)
Changes in fair value of financial instruments			(8)			(8)		(8)
Currency translation differences					8	8	-	8
Comprehensive income for the period			**(19)**	**271**	**8**	**260**	**(1)**	**259**
Appropriation of prior-period net profit			34	(34)		-		-
Capital increase	2,370,050		(50)			(50)		(50)
Dividends paid			(33)			(33)	(3)	(36)
Share-based payments (IFRS 2)			1			1	-	1
Other movements (2)			39			39	(5)	34
Balance at September 30, 2019	**178,319,146**	**2**	**1,412**	**271**	**(17)**	**1,668**	**2**	**1,670**

(1) The amounts recognized under "Other movements" in "Equity attributable to owners of the parent" and "Non-controlling interests" for the year ended September 30, 2018 mainly correspond to the impact of the purchase of non-controlling interests in Elior North America (Elior NA).

(2) The amounts recognized under "Other movements" in "Equity attributable to owners of the parent" and "Non-controlling interests" for the year ended September 30, 2019 correspond to the remeasurement of the Elior NA put option.

Notes to the IFRS Consolidated Financial Statements for the Years Ended September 30, 2019 and 2018

5. General Information and Significant Events

5.1 General Information

At September 30, 2019, Elior Group SA was 20.1% owned by Bagatelle Investissement et Management – "BIM" (which is wholly-owned by Robert Zolade), 7.5% by Corporacion Empresarial Emesa, S.L, 6.7% by Caisse de Dépôt et Placement du Québec (CDPQ), 5.0% by Fonds Stratégique de Participations, and 60.7% by private and public investors following Elior Group's admission to trading on Euronext Paris on June 11, 2014.

The Elior group – comprising Elior Group SA and its subsidiaries (the "Group") – is a major player in contract catering and related services. It operates through companies based primarily in six countries, including the United Kingdom, Spain, Italy and the United States.

5.2 Significant Events

Year ended September 30, 2019

- **Sale of the Concession Catering business**

Following the review of its strategic options and a subsequent bid process, on March 20, 2019, Elior Group announced that it had entered into exclusive discussions with PAI Partners concerning the sale of its concession catering operations grouped within its Areas subsidiary.

On July 1, 2019, Elior Group announced that it had completed the sale of Areas to PAI Partners for €1.4 billion (representing an enterprise value of €1.542 billion), of which €70 million corresponded to an interest-bearing vendor loan.

The net capital gain on the sale amounted to €208 million, excluding the tax impact, and has been recognized in "Net profit from discontinued operations".

In accordance with IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations", the Group's Concession Catering business has been presented under discontinued operations in the income statement and its assets and liabilities have been classified as assets and liabilities held for sale in the balance sheet (see Note 7.7).

- **Repayments of borrowings**

The proceeds received from the sale of Areas were used to reduce the Group's debt and to lower its leverage ratio (net debt to EBITDA) to within a range of 1.5x to 2x. This notably involved repaying in advance (with no early repayment penalties) €654 million and $344 million of its Term Loan facilities, as well as $100 million in bond debt. Additionally, the Group repaid the €210 million and $75 million that it had drawn down on its Revolving Facilities.

- **Payment of the 2017-2018 dividend – cash/stock dividend option**

The dividend for the year ended September 30, 2018 – which corresponded to €59.8 million (€0.34 per share) and was approved by the Company's shareholders at the March 22, 2019 Annual General Meeting – was paid on April 16, 2019. Out of this total, €33 million was paid in cash and the remainder in new Elior Group shares.

- **Share buyback program**

In 2018-2019, Elior Group used the authorizations given in the 15th and 22nd resolutions of the March 22, 2019 Annual General Meeting to launch a share buyback program with a view to canceling the repurchased shares by way of a capital reduction.

For this purpose, on July 5, 2019, the Company signed a mandate with Natixis to purchase up to €50 million worth of Elior Group shares.

At September 30, 2019, €50 million worth of shares had been bought back.

Year ended September 30, 2018

- **Acquisition and disposals of shares in consolidated companies**

In November 2017 and July 2018 respectively, Elior North America (formerly TrustHouse Services) –– an Elior Group contract catering subsidiary operating in the United States – acquired CBM Managed Services and Bateman Community Living:

- CBM Managed Services (“CBM”) is based in Sioux Falls, South Dakota and provides foodservices to correctional facilities. It has just under 1,000 employees serving 200 locations in 29 states.
- Bateman Community Living (“Bateman”) is specialized in the seniors delivered food market, providing meals either at seniors’ homes or in congregate settings throughout the USA. It has 550 employees and 200 clients.

An aggregate €36 million in net goodwill was recognized in relation to these two acquisitions.

- **Acquisition of an additional interest in Elior North America**

In July 2018, Elior Group carried out a purchase of non-controlling interests in its subsidiary, Elior North America. This transaction enabled the Group to simplify Elior North America’s ownership structure by purchasing shares from the subsidiary’s minority shareholders.

On completion of the transaction, Elior Group’s stake in Elior North America increased from 74% to 92% in return for a cash payment of $115 million (converting to €99 million at the transaction date).

Elior North America’s minority shareholders still hold an aggregate 8% interest in the company, which is covered by cross put and call options exercisable from 2023. The put liability has been recognized in consolidated equity in an amount corresponding to the present value of the option’s exercise price.

- **Dividend payment by Elior Group on April 17, 2018**

The dividend for the year ended September 30, 2017 – which corresponded to €72.5 million (€0.42 per share) and was approved by the Company’s shareholders at the March 9, 2018 Annual General Meeting – was paid on April 17, 2018. Out of this total, €36.3 million was paid in cash and the remainder in Elior Group shares.

- **Change in governance**

On October 31, 2017, Philippe Salle – the Group's Chairman and Chief Executive Officer – stepped down from his post. Following a decision taken by Elior Group's Board of Directors on July 26, 2017 to separate the roles of Chairman and Chief Executive Officer, Gilles Cojan – who was appointed by the Board as a director – was named Chairman of the Board of Directors, and Pedro Fontana was appointed as the Group's Interim Chief Executive Officer, both with effect from November 1, 2017.

Subsequently, at its meeting on December 5, 2017, the Board appointed Philippe Guillemot as the Group’s Chief Executive Officer and Pedro Fontana became Deputy Chief Executive Officer.

- **Senior Facilities Agreement Amend & Extend transaction**

On April 20, 2018, Elior Group and Elior Participations signed an 11th amendment to the Senior Facilities Agreement (“SFA”) with their lending banks extending the maturities of some of the SFA’s term loans (B, D, RCF EUR-2 & RCF USD-2) to May 2023.

All of the facilities under the SFA are now carried solely by Elior Group except for the revolving credit facilities which can be drawn down by Elior Group and/or Elior Participations.

In addition, the interest payable on the US dollar-denominated facilities was decreased by 5 basis points. The aggregate amount of the facilities affected by this rate cut was $594 million.

Lastly, the maximum drawdown on the euro-denominated revolving credit facility was raised by €150 million to €450 million.

The above changes were accounted for as simple modifications without any extinguishment of the Group’s existing debt.

- **Capital increase**

In application of the 31st resolution adopted at the March 9, 2018 Annual General Meeting, Elior Group launched its first international employee share ownership plan, called the “Future Plan”. A total of 1,059,846 new Elior Group shares were purchased by employees under the plan, corresponding to a capital increase of €15 million (which took place in April 2018).

- **Presentation of Elior Group’s 2019-2021 strategic plan**

At Elior Group’s Investor Day held on June 26, 2018, CEO Philippe Guillemot presented the Group’s new strategic plan, covering the three fiscal years until September 30, 2021.

6. Accounting Policies

6.1 Basis of Preparation of the Consolidated Financial Statements

6.1.1 Basis of preparation of the consolidated financial statements for the years ended September 30, 2019 and 2018

In compliance with European Commission Regulation (FTC) number 1606/2002 dated July 19, 2002, the Group's consolidated financial statements for the years ended September 30, 2019 and 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union's Accounting Regulatory Committee. The IFRSs and related interpretations adopted by the European Union can be viewed on the website of the European Financial Reporting Advisory Group at

https://www.efrag.org/Endorsement.

The consolidated financial statements cover the operations, results and cash flows for the twelve-month periods ended September 30, 2019 and 2018, as Elior Group and its subsidiaries have a September 30 fiscal year-end (apart from a small number of exceptional cases). They were approved by Elior Group's Board of Directors on January 10, 2020 and will be submitted to the Company's shareholders at the Annual General Meeting to be held on March 23, 2020.

All amounts are presented in millions of euros unless otherwise specified.

The accounting principles in force at September 30, 2019 have been applied for all of the periods presented in these consolidated financial statements.

6.1.2 New standards, amendments and interpretations adopted by the European Union and applied by the Group

The Group has applied the following new amendments in its financial statements for the year ended September 30, 2019:

- IFRS 9 "Financial Instruments" applicable for annual periods beginning on or after January 1, 2018 (endorsed by the EU in November 2016).
- IFRS 15 "Revenue from Contracts with Customers" applicable for annual periods beginning on or after January 1, 2018 (endorsed by the EU in October 2017).

The Group has adopted IFRS 9 – Financial Instruments and IFRS 15 – Revenue from Contracts with Customers as from October 1, 2018. The impacts of adoption on the Group's consolidated financial statements and accounting policies are described below. In accordance with the transitional provisions applicable to IFRS 9 and IFRS 15, the Group has not restated prior-year comparatives.

The following table shows the adjustments recognized for each line item in the consolidated balance sheet. Line items that were not impacted by the adoption of the new standards have not been included, and as a result, sub-totals and totals cannot be calculated from the numbers provided.

(in € millions)	At September 30, 2018	IFRS 9	IFRS 15	At October 1, 2018
Other non-current assets	-	-	11	11
Deferred tax assets	188	3	-	192
Total non-current assets	**4,090**	**3**	**11**	**4,104**
Trade and other receivables	879	(12)	-	867
Contract assets	-	-	-	-
Other current assets	97	-	(11)	86
Total current assets	**1,276**	**(12)**	**(11)**	**1,253**
Total assets	**5,366**	**(9)**	**-**	**5,357**
Reserves and retained earnings	1,458	(9)	-	1,448
Total equity	**1,471**	**(9)**	**-**	**1,462**
Trade and other payables	850	-	(48)	802
Contract liabilities	-	-	48	48
Other current liabilities	34	-	-	34
Total current liabilities	**1,722**	**-**	**-**	**1,722**
Total liabilities	**3,895**	**-**	**-**	**3,895**
Total equity and liabilities	**5,366**	**(9)**	**-**	**5,357**

IFRS 9 – Financial Instruments

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. On adoption of this new standard, the Group did not restate the prior-year comparatives but presented the cumulative effect of adopting IFRS 9 as a transition adjustment to the opening balance of other comprehensive income and retained earnings at October 1, 2018. The effects of the changes to the Group's consolidated financial statements due to the adoption of IFRS 9 are described below.

Classification and measurement of financial assets

The Group has classified its financial assets in the following two categories: financial assets measured at amortized cost and financial assets measured at fair value through profit or loss. The selection of the appropriate category is made based both on Elior Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The new asset classes replace the following IAS 39 asset classification categories: derivative and other current financial assets, loans receivable, trade receivables and financial assets at fair value through profit or loss.

The Group's business model for managing financial assets is defined at portfolio level. The business model must be observable at a practical level by the way business is managed. The cash flows of financial assets measured at amortized cost solely correspond to payments of principal and interest. These assets are held within a business model whose objective is to hold assets to collect contractual cash flows. Financial assets measured at fair value through profit or loss are assets that do not fall in either the amortized cost or fair value through other comprehensive income categories.

Other non-current financial assets: Investments in unlisted venture funds are classified at fair value through profit or loss. Under IAS 39, these items were classified at amortized cost. Fair value adjustments to these assets have been recorded in other financial income and expenses based on the business model assessment performed in connection with the IFRS 9 transition.

Loans: The Group's business model for managing loans to third parties is to collect contractual cash flows and hence to recognize and measure at amortized cost. When the contractual provisions of a loan could affect the cash flows, the loan is recognized and subsequently re-measured at fair value through profit or loss. Under IAS 39, these items were measured at amortized cost less impairment, using the effective interest method.

Classification and measurement of financial liabilities

The Group classifies derivative liabilities at fair value through profit or loss and all other financial liabilities at amortized cost. These classes replace the IAS 39 classes applicable to derivative and other financial liabilities such as compound financial instruments, loans payable and trade payables. The Group's first-time application of IFRS 9 had no effect on the classification and measurement of its financial liabilities. In particular, following an analysis of the non-substantial amendments to the Group's debt made since 2014, it was not necessary to apply paragraph B5.4.5 of IFRS 9, which would have required the carrying amount of the financial liability to be adjusted, with the immediate recognition of a corresponding gain or loss in the income statement.

Hedge accounting

The Group's hedge accounting model has not been impacted by IFRS 9 and all of its hedging relationships qualify for treatment as continuing hedging relationships. The requirement for hedge effectiveness of 80%-125% has been removed from IFRS 9 and the effectiveness of hedging is now assessed based on the economic relationship between the hedging instrument and the hedged item.

Impairment

The Group assesses expected credit losses ("ECL") on financial assets on a forward-looking basis whereas impairment recognized under IAS 39 was based on actual credit losses. The impairment requirements concern the following financial assets: financial assets measured at amortized cost as well as financial guarantee contracts and loan commitments.

A loss allowance is recognized based on 12-month expected credit losses unless the credit risk for the financial instrument has increased significantly since initial recognition. For trade receivables and contract assets, the Group applies a simplified impairment approach to recognize a loss allowance based on lifetime expected credit losses.

The changes to the classification and measurement of financial assets in the balance sheet are shown line-by-line in the table below:

(in € millions)	At Sept. 30, 2018	IAS 39 classification	IFRS 9 classification	Change in value	At Oct. 1, 2018
Financial assets					
Non-current financial assets	72	Amortized cost	Amortized cost FVTPL		63 9
Fair value of derivative financial instruments	8	FVTPL	FVTPL		8
Trade and other receivables	879	Amortized cost	Amortized cost	(12)	867
Other current assets	97	Amortized cost	Amortized cost		97
Short-term financial receivables	2	Amortized cost	Amortized cost		2
Cash and cash equivalents	143	FVTPL	FVTPL		143
Equity					
Reserves and retained earnings	1,458			(9)	1,449
Non-controlling interests	11				11
Total equity	**1,471**			**(9)**	**1,462**
Financial liabilities					
Due to suppliers of non-current assets	75	Amortized cost	Amortized cost		75
Long-term debt	1,874	Amortized cost	Amortized cost		1,874
Fair value of derivative financial instruments	5	FVTPL	FVTPL		5
Non-current liabilities relating to share acquisitions	100	Amortized cost	Amortized cost		100
Short-term debt	84	Amortized cost	Amortized cost		84
Current liabilities relating to share acquisitions	16	Amortized cost	Amortized cost		16
Other current liabilities	34	Amortized cost	Amortized cost		34

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 replaces IAS 18 – Revenue and IAS 11 – Construction Contracts and establishes a new five-step model that applies to revenue arising from contracts with customers. Under IFRS 15, revenue is recognized to reflect the transfer of promised goods and services to customers for amounts that reflect the consideration to which an entity expects to be entitled in exchange for those goods and services.

The Group analyzed the impacts of the adoption of IFRS 15 on each of its two segments, including the business presented in discontinued operations, and concluded that the new standard did not have a significant impact on its consolidated financial statements. It mainly affects the classification of certain expenses as a reduction of revenue. The impacts on revenue for the years ended September 30, 2018 and 2019 amounted to €49 million and €48 million, respectively.

Consideration payable to clients

As part of its normal business, the Group may pay amounts to clients when it wins Contract Catering & Services contracts, corresponding to up-front discounts. These payments are essentially granted for multi-year contracts. Under IFRS 15, consideration paid to a customer is considered to be a non-current asset and is amortized over the term of the contract as a reduction of revenue when it does not relate to a distinct good or service received from the customer. Previously, the Group presented consideration paid to its clients as current assets in the balance sheet and in operating expenses in the income statement, spread over the contract life. This consideration is now recognized in "Other non-current assets" in the balance sheet.

Variable consideration

The Group sometimes has to pay certain fees to its clients that it previously recorded under operating expenses, but which, in accordance with IFRS 15, have now been reclassified as a reduction of revenue.

This reclassification does not apply to the Group's Concession Catering operations (which have now been sold) when the Elior client is not the concession grantor but rather the end-consumer, as in this case the fees fall within the scope of IFRIC 12 – Service Concession Arrangements or IAS 17 – Leases.

6.1.3 New standards, amendments and interpretations issued by the IASB but not yet applied by the Group

The main standards, amendments and interpretations that have been issued but whose application is not yet mandatory are as follows:

- IFRS 16 – Leases, applicable for annual periods beginning on or after January 1, 2019 (endorsed by the EU in November 2017).
- IFRIC 23 – Uncertainty over Income Tax Treatment, applicable for annual periods beginning on or after January 1, 2019 (endorsed by the EU in June 2017).
- Amendment to IAS 19 – Plan Amendment, Curtailment or Settlement" applicable for annual periods beginning on or after January 1, 2019, subject to endorsement by the EU.
- Annual Improvements to IFRSs (2015-2017 Cycle), applicable for annual periods beginning on or after January 1, 2019 (not yet endorsed by the EU).

The Group did not early adopt any of these standards, amendments or interpretations.

IFRS 16 – Leases

IFRS 16 is applicable by the Group as from the fiscal year beginning October 1, 2019 and ending September 30, 2020.

IFRS 16 removes the distinction between operating leases and finance leases. Under this new standard, apart from short-term leases and leases of low-value assets (for which the standard offers an exemption), lessees are required to bring all of their leases on balance sheet, recognizing an asset corresponding to their right to use the leased item and a lease liability representing the obligation to make the fixed lease payments over the term of the lease.

For its transition to IFRS 16, the Group analyzed the main leases included in its off-balance sheet commitments. Most of these commitments are operating leases, corresponding to real-estate leases for the various sites where the Group operates as well as leases of vehicles and industrial equipment. At September 30, 2019, the Group had analyzed all of its real-estate leases, which represent over 80% of its off-balance sheet commitments.

The Group plans to use the modified retrospective approach when it adopts IFRS 16 for the first time and to use the following transition options:

- Exemptions: recognition of leases with terms of 12 months or less and leases of low value assets based on the recognition of the lease payments in profit or loss on a straight-line basis over the lease term.
- Continued application of the assessments of leases previously accounted for in accordance with IAS 17.
- Measurement of the right-of-use asset at an amount equal to the lease liability.

Based on the analyses carried out to date, apart from public service delegation contracts – which are currently being analyzed – the Group estimates that its transition to IFRS 16 will have an impact of €200-€230 million on its debt.

6.2 Consolidation Methods

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Associates are all entities over which the Group has significant influence but not control.

This influence is deemed to exist where the consolidating company directly or indirectly holds at least 20% of the entity's voting rights. Investments in associates are accounted for by the equity method.

A list of consolidated companies – including changes in the scope of consolidation during the year ended September 30, 2019 – is provided in Note 12 below.

6.3 Use of Estimates and Judgment

The preparation of the consolidated financial statements requires Management of both the Group and its subsidiaries to use certain estimates and assumptions that may have an impact on the reported values of assets, liabilities and contingent liabilities at the balance sheet date and on items of income and expense for the period.

These estimates and assumptions – which are based on historical experience and other factors believed to be reasonable in the circumstances – are used to assess the carrying amount of assets and liabilities. Actual results may differ significantly from the estimates if different assumptions or circumstances apply.

Significant items that were subject to such estimates and assumptions include goodwill and other intangible assets and property, plant and equipment (Notes 7.9, 7.10 and 7.11), provisions for litigation and employee benefit obligations (Note 7.16), and deferred taxes (Note 7.14).

Information on the judgment exercised in applying accounting policies that has the most significant impact on the amounts recognized in the consolidated financial statements is provided in the notes relating to impairment tests.

6.4 Fiscal Year-Ends

Elior Group's 2018-2019 and 2017-2018 fiscal years cover the 12-month periods from October 1, 2018 through September 30, 2019 and October 1, 2017 through September 30, 2018 respectively. Elior Group's subsidiaries and associates have a 12-month fiscal year ending on September 30, apart from in exceptional cases for regulatory reasons (India-based entities) or contractual reasons.

Where consolidated companies have a fiscal year-end other than September 30, these entities prepare full and audited interim financial statements at September 30.

6.5 Foreign Currency Translation

The recognition and measurement criteria relating to foreign currency operations are defined in IAS 21, "The Effects of Changes in Foreign Exchange Rates". Commercial transactions denominated in foreign currencies carried out by consolidated companies are translated using the exchange rate prevailing at the date of the transaction. Foreign currency receivables and payables are translated at the period-end exchange rate and the resulting translation gains or losses are recorded in the income statement.

The balance sheets, income statements, and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in the consolidated financial statements have been translated (i) at the exchange rate prevailing at September 30, 2019 and 2018 respectively for the balance sheet, and (ii) at the average exchange rate for the period for the income statement and cash flow statement, except in the case of significant fluctuations in exchange rates. Any resulting translation differences have been recorded in other comprehensive income.

The main exchange rates used in the consolidated financial statements for the years ended September 30, 2019 and 2018 were based on Paris stock exchange rates and were as follows:

	At September 30, 2019		At September 30, 2018	
	Period-end rate	Average rate	Period-end rate	Average rate
- €/US $:	1.0898	1.1279	1.1608	1.1903
- €/£:	0.8864	0.8841	0.8907	0.8848
- €/INR:	76.98	79.66	84.16	79.17

6.6 Intangible Assets and Goodwill

6.6.1 Intangible assets

Intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses.

Intangible assets recognized in the Group's consolidated balance sheet include the following:

– Trademarks

In accordance with IAS 38, "Intangible Assets", trademarks are recorded under intangible assets.

This item corresponds to the trademarks used by Elior Concessions for its motorway concessions, which are amortized over a period of 30 years.

– Other intangible assets

As prescribed in IFRIC 12, assets used under certain of the Group's catering contracts are classified as intangible assets and amortized over their estimated useful lives (subject to a maximum period corresponding to the term of the underlying operating contracts).

– Software

The cost of software installed and operated within the Group is capitalized and amortized over estimated useful lives of between 4 and 10 years (with the 10-year maximum period applied for major ERP projects).

Intangible assets are amortized using the straight-line method.

6.6.2 Goodwill

At the date of a business combination, goodwill is measured as the difference between (i) the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interests (measured at fair value or at the non-controlling interest's share of the identifiable net assets, which is likewise generally measured at fair value), plus the acquisition-date fair value of any equity interest in the acquiree previously held by the Group, and (ii) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (generally measured at fair value).

In accordance with IFRS 3R, any adjustments to the fair values provisionally assigned to the assets or liabilities of an acquiree are accounted for as retrospective adjustments to goodwill if they are recognized within twelve months of the acquisition date and where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date. Beyond this twelve-month measurement period, the impacts of any such fair value adjustments are recognized directly in profit or loss, unless they correspond to error corrections.

6.7 Impairment Tests and Impairment Losses

6.7.1 Impairment tests

In accordance with IAS 36, "Impairment of Assets", at each reporting date the carrying amounts of property, plant and equipment, intangible assets and goodwill are reviewed in order to assess whether there is any indication that they may be impaired. If such an indication exists, the recoverable amount of the asset concerned is estimated. Goodwill is tested for impairment annually at September 30.

For the purposes of impairment testing, assets are grouped into cash-generating units (CGUs) which correspond to the smallest identifiable group of assets that generates cash inflows from continuing use of the assets that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising on business combinations is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

At September 30, 2019, the Group identified the following eight CGUs, which mostly correspond to its main legal entities that have separate activities:

Contract Catering & Services – France:

- Elior Entreprises
- Elior Enseignement et Santé
- Elior Services

Contract Catering & Services – International:

- Elior Italy
- Elior Iberia (Spain & Portugal)
- Elior UK
- Elior North America
- Elior India

Goodwill is allocated at the level of the CGUs listed above. Since the implementation of the "New Elior" strategic plan and the sale of Areas, goodwill allocated to the Elior Entreprise and Elior Enseignement et Santé CGUs is tested at the level of the "Contract Catering & Services – France" group of CGUs.

An impairment loss is recorded in the income statement under "Non-recurring income and expenses, net" if the estimated recoverable amount of a CGU or group of CGUs is lower than its carrying amount. The recoverable amount of a CGU corresponds to the higher of its fair value less costs of disposal and its value in use.

In practice, the recoverable amounts of the Group's CGUs have been determined based on their value in use, calculated using projections of the cash flows that the Group expects to derive from each CGU.

The cash flow projections used were based on five-year budgets drawn up for each CGU and validated by Group management.

Cash flow projections beyond the five-year budget period are estimated by extrapolating the projections using a long-term growth rate which may not exceed the average long-term growth rate for the operating segment.

The Group uses post-tax discount rates applied to post-tax cash flows.

6.8 Property, Plant and Equipment

As permitted under IAS 16, "Property, Plant and Equipment", the Group has elected to apply the cost model rather than the revaluation model for measuring property, plant and equipment. Consequently, these assets are carried at acquisition or production cost less accumulated depreciation and any accumulated impairment losses. The capitalization of borrowing costs provided for in IAS 23R is not applicable to the Group. Property, plant and equipment are depreciated using the straight-line method, over the estimated useful lives of each main class of asset, as follows:

- Buildings: between 20 and 40 years
- Fixtures and fittings: between 5 and 12 years
- Catering equipment: between 5 and 10 years
- Office equipment: between 4 and 5 years
- IT equipment: between 3 and 4 years
- Vehicles: between 4 and 5 years

The residual values and useful lives of property, plant and equipment are reviewed at each fiscal year-end based on indicators such as the term of the underlying operating contract.

In accordance with IAS 17, assets held under leases that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are initially recognized at the lower of their fair value and the present value of the minimum lease payments, and are depreciated over the shorter of their useful lives and the lease terms. The corresponding obligation is recognized under debt on the liabilities side of the balance sheet. Lease payments are then apportioned between the finance charge and the reduction of the outstanding liability.

6.9 Operating Working Capital Accounts (Inventories and Trade and Other Receivables)

6.9.1 Inventories

Inventories of raw materials and goods held for resale are measured at the lower of cost and net realizable value.

The majority of the Group's inventories are measured at the most recent purchase price, net of supplier rebates and discounts, given the high turnover rate due to inventories being primarily composed of perishable goods. This method is consistent with the "First-in First-out method" recommended in IAS 2, "Inventories". Borrowing costs are not included in the measurement.

6.9.2 Trade and Other Receivables

Trade and other receivables are initially recognized at fair value. If these assets subsequently become impaired an impairment loss is recorded in the income statement.

Loss allowances for trade receivables are determined based on expected losses in accordance with IFRS 9.

The Group has chosen to apply the simplified approach permitted under IFRS 9, whereby a loss allowance based on lifetime expected credit losses ("ECLs") is recognized at each reporting date. The ECLs are determined as from the initial recognition of the receivable using a provision matrix by country and a specific credit risk analysis for the largest receivables based on any available credit ratings.

There is no material exposure to concentrations of customer credit risk at Group level as it has such a large number of customers, and the geographic locations of these customers and the operating sites concerned are highly diverse.

6.10 Cash and Cash Equivalents

Cash and cash equivalents are held primarily to meet the Group's short-term cash needs rather than for investment or other purposes. Cash and cash equivalents consist of cash balances, cash in the process of collection, deposits with maturities of less than three months, money-market mutual funds and money-market securities, which can be realized or sold at short notice and are subject to an insignificant risk of changes in value.

Bank overdrafts repayable on demand and current accounts held for treasury management purposes are an integral part of the Group's cash management and are therefore deducted from cash in the cash flow statement, whereas they are classified as short-term debt in the consolidated balance sheet (see Note 7.17). These items represent the sole difference between the amounts of cash and cash equivalents presented in the balance sheet and those presented in the cash flow statement.

The cash flow statement is presented based on the indirect method.

6.11 Provisions

In accordance with IAS 37, "Provisions, Contingent Liabilities and Contingent Assets", provisions recorded by the Group are intended to cover liabilities of uncertain timing or amount. These liabilities represent a present legal or constructive obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits. They notably include compensation estimated by the Group and its legal counsel for litigation, claims and disputes brought by third parties. Provisions are discounted when the effect of the time value of money is material.

6.12 Current and Deferred Taxes

The consolidated income tax expense corresponds to the aggregate amount of income tax reported by each of the Group's companies, adjusted for any deferred taxes. French subsidiaries that are over 95%-owned by Elior Group form part of a consolidated tax group headed by Elior Group.

The Group has elected to apply the following accounting treatment to the business tax (Contribution Economique Territoriale – CET) applicable to French entities pursuant to the 2010 French Finance Act:

- The portion of the CET tax based on the rental value of real estate (CFE) is recognized as an operating expense.
- The portion of the CET tax based on the value added by the business (CVAE) is recognized as an income tax within the meaning of IAS 12.

In accordance with IAS 12, "Income Taxes", deferred taxes are recognized for (i) all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base, and (ii) the carryforward of unused tax losses (apart from in exceptional cases) to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilized. Deferred taxes are calculated using the liability method, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in tax rates is recorded in the income statement, except if the related tax was generated either (i) by a transaction recognized directly in equity under other comprehensive income, or (ii) in connection with a business combination. Deferred tax assets and liabilities are not discounted.

6.13 Employee Benefits

Statutory retirement bonuses, long-service awards and pension plans

In accordance with IAS 19R, "Employee Benefits", the Group's pension and other post-employment benefit obligations are measured by independent actuaries. A provision to cover these obligations (including the related payroll taxes) is recorded in the consolidated balance sheet. The discount rate applied is determined by reference to the interest rates on high quality corporate bonds that have the same terms to maturity as the terms of the obligations concerned.

Actuarial gains and losses are generated by changes in assumptions or experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred).

In accordance with IAS 19R, actuarial gains and losses related to statutory retirement bonuses are recognized in full within "Other comprehensive income". Actuarial gains and losses on other long-term benefits (long-service awards and retention bonuses) are recognized immediately in the income statement.

6.14 Treasury Shares

Any treasury shares held by the Group are recorded as a deduction from equity. Proceeds from any sales of treasury shares are credited directly to equity, so that the related disposal gains or losses do not impact profit for the period.

6.15 Classification and Measurement of Financial Assets and Liabilities

6.15.1 Classification and measurement of financial assets (excluding derivatives)

On initial recognition, Management classifies financial assets based both on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the asset.

In application of IFRS 9, the Group has chosen to classify its financial assets as either financial assets at amortized cost or financial assets at fair value through profit or loss.

Financial assets at amortized cost

A financial asset is classified in this category if it is held within a business model whose objective is to hold assets to collect contractual cash flows that are solely payments of principal and, where applicable, interest on the principal amount outstanding. These assets are initially recognized at fair value less any transaction costs. After initial recognition they are measured at amortized cost using the effective interest method.

Where necessary, a loss allowance is recognized in an amount corresponding to the 12-month expected credit losses for the asset, unless the credit risk has increased significantly since initial recognition, in which case the loss allowance corresponds to the expected credit losses over the lifetime of the asset. For trade receivables and contract assets, the Group applies a simplified approach for the recognition of loss allowances (see Note 6.9.2).

Financial assets at fair value through profit or loss

This category is used when a financial asset is not measured at either amortized cost or at fair value through other comprehensive income.

Fair value adjustments to these financial assets are recognized in the income statement under other financial income and expenses.

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or are transferred along with substantially all the risks and rewards of ownership of the financial asset.

6.15.2 Classification and measurement of financial liabilities (excluding derivatives)

Borrowings are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Any difference between (i) the proceeds of borrowings net of transaction costs and (ii) their repayment or redemption value is recognized as a financial expense over the life of the borrowings concerned using the effective interest method.

Borrowings are presented in current liabilities unless the Group has an unconditional right to defer the settlement of the liability beyond a period of 12 months after the end of the reporting period, in which case they are presented in non-current liabilities.

6.16 Recognition and Measurement of Derivatives

6.16.1 Interest rate and currency hedging instruments

In accordance with IFRS 9, derivatives are recognized in the balance sheet at fair value. As prescribed in IFRS 7, the fair value of interest rate and currency derivatives is calculated by discounting future cash flows at the interest rate prevailing at the balance sheet date.

Derivatives can be designated as hedging instruments when they form part of one of the following three types of hedging relationship:

- Fair value hedges, which are hedges of the exposure to changes in fair value of a recognized asset or liability.
- Cash flow hedges, which hedge the exposure to variability in future cash flows attributable to forecast transactions.
- Hedges of a net investment in a foreign operation, which are used by the Group to hedge its interests in the net assets of its international operations.

Derivatives qualify for hedge accounting when the following conditions are met:

- At the inception of the hedging relationship there is formal designation and documentation of the hedging relationship.
- The Group expects the hedge to be highly effective.
- The hedge's effectiveness can be reliably measured and the hedge is expected to be highly effective throughout the term of the hedging relationship.

The use of hedge accounting has the following consequences:

- For fair value hedges of recognized assets or liabilities, the hedged item is recognized at fair value in the balance sheet. The carrying amount of the hedged item is adjusted for fair value changes, which are recognized in profit or loss and are offset by symmetrical changes in the fair value of the hedging instrument, to the extent the hedge is effective.
- For cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized directly in other comprehensive income as changes in the fair value of the hedged portion of the hedged item are not recognized in the balance sheet. Any remaining gain or loss on the hedging instrument is hedge ineffectiveness and is recognized in profit or loss. Amounts accumulated in equity through other comprehensive income are reclassified to the income statement in the same period or periods during which the hedged item affects profit or loss. The average period for this reclassification to apply is generally less than six months, except for licenses.

6.16.2 Liabilities relating to share acquisitions and commitments to purchase non-controlling interests

When the Group acquires an equity interest in a subsidiary, it may give the non-controlling shareholders of the acquired subsidiary a commitment to subsequently purchase their shares. Such purchase commitments correspond to put options written by the Group.

The Group recognizes a financial liability in its consolidated financial statements for put options written over non-controlling interests, with the amount of the liability calculated based on the price formulas in the related contractual documentation. A corresponding adjustment is made to equity and subsequent changes in the value of the financial liability are recognized in equity.

In July 2018, the Group raised its interest in Elior North America to 92%, following its purchase of the majority of this subsidiary's outstanding ordinary shares and all of its outstanding preference shares. The transaction led to a total cash outflow of €99 million, which was deducted from "Non-controlling interests" in equity in accordance with IFRS 3R as it corresponded to a transaction between owners not resulting in a transfer of control.

The remaining 8% interest in Elior North America not held by the Group at September 30, 2019 is covered by cross put and call options exercisable from 2023, which have been measured based on a price formula that approximates a fair value measurement. A liability has been recognized under "Non-current liabilities relating to share acquisitions" for the fair value of the put. As the put also corresponds to a transaction between owners, the liability was initially recognized and is being remeasured at fair value at the close of each fiscal year until it is derecognized through "Equity attributable to owners of the parent", with no impact on consolidated profit.

6.17 Definition of Net Debt

Net debt as defined by the Group represents short- and long-term debt plus the fair value of derivative financial instruments recognized under liabilities, less cash and cash equivalents, short-term financial receivables recognized in accordance with IFRIC 12 and the fair value of derivative financial instruments recognized under assets. It does not include liabilities relating to share acquisitions.

6.18 Accounting Treatment and Presentation of Assets or Groups of Assets Held for Sale and Discontinued Operations

IFRS 5 sets out the accounting treatment, presentation and disclosures required in relation to assets or groups of assets held for sale and discontinued operations. A discontinued operation represents a separate major line of business or a geographical area of operations that the Group has either disposed of or has classified as held for sale.

IFRS 5 requires entities to present assets and groups of assets held for sale on a separate line in the balance sheet if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, (i) the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets, (ii) the entity concerned must have made the decision to sell the asset (e.g. by management being committed to a plan to sell), and (iii) the sale must be highly probable within 12 months following the end of the reporting period.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell and cease to be depreciated once they are classified in this category.

Profit or loss from discontinued operations, after the elimination of intra-group transactions, is presented on a separate line of the income statement. It includes the post-tax profit or loss of discontinued operations for the period until the date of their disposal as well as the post-tax gain or loss recognized on the disposal, for the current period and the comparative periods presented.

The net cash flows attributable to discontinued operations are also presented in a separate line in the cash flow statement and correspond to the cash flows generated by these operations until the date of their disposal as well as the cash generated by their disposal (excluding tax), for the current period and the comparative periods presented.

6.19 Revenue

In its contract catering and facilities management operations, the Group serves three key client markets: corporate entities and government agencies ("Business & Industry"), educational establishments ("Education"), and healthcare facilities ("Healthcare").

Through this business line, the Group offers dining and other catering-related services, such as meal deliveries, vending solutions and foodservices technical support.

The service contracts in the contract catering business provide for a flat fee calculated on a cost-plus basis or for management fees. These service contract fees are invoiced and paid on a monthly basis.

In the Business & Industry and Education markets, revenue corresponds to the amount invoiced to the client (i.e. companies or local or regional authorities) in the form of a price per cover, less any partial payments received from restaurant guests in the Business & Industry market or paid by families in the Education market.

The Group's services business, which it notably conducts in France, involves the provision of soft facility management solutions, mainly value-added cleaning services in healthcare establishments, sensitive industrial environments and shopping malls. Remuneration provided for under these service contracts is on a per service basis, which is invoiced and paid monthly.

In the concession catering business line run by the Group until June 30, 2019, which covered Motorways, Airports, Railway Stations and City Sites, the Group operated food and beverage concessions under both directly-owned and franchised main-street brands. It also operated duty-free and other retail concessions in airports and on motorways under franchised brands. The concession agreements were entered into between the Group's operating subsidiaries and third-party concession grantors (airport authorities, motorway operators, etc.) which granted the Group the right to conduct business at their sites, in accordance with a set of specifications and in return for the payment of a concession fee. This fee was based on the revenue generated by Elior Group at the site concerned and the concession agreement may or may not have included guaranteed minimum fee clauses. The food, beverages and other items purchased from the Group in this business were directly paid for by customers at the cash register of the restaurant or retail outlet.

Consolidated revenue corresponds to sales of goods and services in the course of the ordinary activities of consolidated companies. It includes all income provided for in the Group's contracts, whether the Group entity concerned is acting as principal (the majority of cases) or agent.

Revenue is measured at the fair value of the consideration received or receivable, net of all discounts and rebates, VAT and other sales taxes as well as the amortization of advances on customer contracts. No revenue is recognized if there is significant uncertainty about the recoverability of the payment to which the Group is entitled as consideration for goods or services provided.

Revenue generated from the rendering of contract catering services and support services or the sale of goods in travel retail stores is recognized when the service is rendered or the goods are sold.

6.20 Share-Based Compensation

The Group's share-based compensation plans correspond to:

- The share-based compensation plan resulting from the acquisition of Waterfall in the UK.
- Stock option plans set up within Elior North America when THS USA was acquired in 2013. These plans are recognized as employee benefits in accordance with IAS 19 as they will be settled by way of a future cash payment calculated using a formula that is not based on the fair value of Elior North America shares.
- Elior Group stock option and performance share plans authorized by the Company's shareholders and put in place during the years ended September 30, 2016, 2017, 2018 and 2019 for selected Group managers. As these plans are payable in Elior Group shares they are considered to be equity-settled instruments and are therefore recognized in accordance with IFRS 2.

6.21 Other Operating Expenses

This item includes all recurring operating expenses except costs for the purchase of raw materials and consumables, personnel costs, taxes other than on income, and depreciation, amortization and provision expense.

6.22 Non-Recurring Income and Expenses, Net

This item consists of income and expenses that are not considered as generated or incurred in the normal course of business, and mainly includes impairment of goodwill and other non-current assets, restructuring costs, acquisition costs of consolidated subsidiaries, and gains and losses on disposals of assets and investments in consolidated companies.

Previously, "Non-recurring income and expenses, net" also included annual charges to amortization recorded in the consolidated financial statements for intangible assets recognized on business combinations (notably customer relationships). However, these charges are now recognized within recurring operating profit.

6.23 Recurring Operating Profit

Recurring operating profit represents total income less total expenses before (i) non-recurring income and expenses, net, (ii) financial income and expenses, (iii) net profit for the period from discontinued operations, and (iv) income tax. Since the year ended September 30, 2014 the Group has included within recurring operating profit the share of profit of equity-accounted investees whose activities are the same or similar to those of the Group as a whole.

6.24 Calculation of Earnings Per Share

In accordance with IAS 33, basic earnings per share is calculated by dividing net profit attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the period excluding shares held in treasury.

For the purpose of calculating diluted earnings per share, (i) the weighted average number of ordinary shares outstanding is increased by the number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares, and (ii) net profit attributable to owners of the parent is adjusted by the amount of dividends and interest recognized in the period in respect of any dilutive potential ordinary shares and any other changes in income or expense that would result from the conversion of the dilutive potential ordinary shares.

Potential ordinary shares are treated as dilutive, when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share.

6.25 Segment Reporting

Following the sale of its Concession Catering business, the Group has two continuing operations: "Contract Catering" and "Services", which are divided into four operating sectors: "Contract Catering – France", "Services – France", "Contract Catering – International" and "Services – International".

The above four sectors for the Group's continuing operations are grouped together in two operating segments: "Contract Catering & Services – France" and "Contract Catering & Services – International", in accordance with the requirements of IFRS 8. The Contract Catering & Services businesses have been aggregated into a single operating segment as they have similar economic characteristics in terms of their long-term profitability, the nature of their services, the nature of their production processes, their type of customers, and the nature of their regulatory environment.

The segment information presented is based on financial data from the Group's internal reporting system. This data is regularly reviewed by the Chief Executive Officer, who is the Group's chief operating decision maker.

The "Concession Catering" operating segments are now presented as discontinued operations.

The "Corporate & Other" segment mainly comprises unallocated central functions, the Group's head office expenses, and residual Concession Catering activities not included in the sale of Areas.

The figures for the year ended September 30, 2018 have been restated to permit meaningful year-on-year comparisons following the reclassification of the "Concession Catering" operating segment as a discontinued operation.

7. Analysis of Changes in Income Statement and Balance Sheet Items

7.1 Revenue, Adjusted EBITA and Non-Current Assets by Segment

Fiscal 2018-2019

(in € millions) Year ended September 30, 2019	Contract Catering & Services France	International	Total	Corporate & Other	Group total
Revenue	**2,212**	**2,689**	**4,901**	**22**	**4,923**
Recurring operating profit including share of profit of equity-accounted investees *Of which:*	**109**	**74**	**183**	**(23)**	**160**
Share-based compensation expense	-	(4)	**(4)**	(1)	**(5)**
Net amortization of intangible assets recognized on consolidation	-	21	**21**	-	**21**
Adjusted EBITA	**109**	**90**	**199**	**(23)**	**176**
Adjusted EBITA as a % of revenue	*5%*	*3%*	*4%*	*(106)%*	*4%*
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(54)	(60)	**(114)**	(9)	**(122)**
Non-current assets	**1,265**	**1,213**	**2,478**	**28**	**2,505**

Fiscal 2017-2018

(in € millions) Year ended September 30, 2018[(1)]	Contract Catering & Services France	International	Total	Corporate & Other	Group total
Revenue	**2,185**	**2,677**	**4,862**	**24**	**4,886**
Recurring operating profit including share of profit of equity-accounted investees *Of which:*	**98**	**45**	**143**	**(16)**	**127**
Share-based compensation expense	-	28	**28**	1	**29**
Net amortization of intangible assets recognized on consolidation	-	19	**19**	-	**19**
Adjusted EBITA	**98**	**92**	**190**	**(15)**	**175**
Adjusted EBITA as a % of revenue	*4%*	*3%*	*4%*	*(62)%*	*4%*
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	(55)	(61)	**(116)**	(9)	**(125)**
Non-current assets	**1,280**	**1,213**	**2,493**	**36**	**2,529**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

7.2 Consolidated Revenue

– Revenue by client market

(in € millions)	Year ended Sept. 30, 2019	% of total revenue	Year ended Sept. 30, 2018 (1)	% of total revenue	Year-on-year change	% change
Business & Industry	2,256	45.8%	2,249	46.0%	7	0.3%
Education	1,415	28.7%	1,433	29.3%	(18)	(1.3)%
Healthcare	1,252	25.4%	1,204	24.7%	48	4.0%
Group total	**4,923**	**100.0%**	**4,886**	**100.0%**	**37**	**0.8%**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

7.3 Personnel Costs and Employee Numbers

7.3.1 Analysis of Personnel Costs

Personnel costs break down as follows:

(In € millions)	Year ended September 30, 2019	Year ended September 30, 2018 (1)
Personnel costs (excluding employee profit-sharing)	(2,436)	(2,388)
Employee profit-sharing	0	(2)
Share-based compensation expense	5	(29)
Personnel costs	**(2,431)**	**(2,419)**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

7.3.2 Employee Numbers

The table below shows the number of employees of Group companies at the year-end. Consequently, year-on-year changes cannot be directly compared with those of personnel costs recorded in the consolidated income statement.

The number of employees at September 30, 2019 and 2018 (both full and part-time) breaks down as follows by category:

	At Sept. 30, 2019	At Sept. 30, 2018
Management and supervisory staff	17,163	20,574
Other	92,999	111,426
Total	**110,162**	**132,000**

Employee numbers break down as follows by geographic region:

	At Sept. 30, 2019	At Sept. 30, 2018
France	45,036	51,778
International	65,126	80,222
Total	**110,162**	**132,000**

7.4 Non-Recurring Income and Expenses, Net

For the year ended September 30, 2019, non-recurring income and expenses represented a net expense of €27 million and primarily included (i) €22 million in severance payments and other employee-related costs, and impairment losses recognized against operating assets and prototypes, (ii) €4 million in impairment losses for internally-developed intangible assets, and (iii) reversals through profit of liabilities related to earn-out payments.

For the year ended September 30, 2018, non-recurring income and expenses represented a net expense of €82 million and primarily included (i) €64 million in impairment of goodwill related to contract catering operations (€46 million for Italy and €18 million for India), (ii) €19 million in severance payments and other employee-related costs, impairment losses recognized against operating assets and prototypes, and costs incurred by the Group's French and international operations for exiting contracts with start-ups, (iii) €3 million in acquisition and merger costs (mainly in the USA), and (iv) reversals of liabilities related to earn-out payments and fair value adjustments on acquisitions carried out in the USA and United Kingdom, recognized in profit because recorded after the 12-month measurement period.

7.5 Financial Income and Expenses

The net financial expense recorded in the years ended September 30, 2019 and 2018 breaks down as follows:

(in € millions)	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018 (1)
Interest expense on debt	(63)	(53)
Interest income on short-term investments	3	3
Other financial income and expenses (2)	(7)	(17)
Interest cost on post-employment benefit obligations	(2)	(1)
Net financial expense	**(69)**	**(68)**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

(2) Including:		
- Fair value adjustments recognized in profit on interest rate and currency hedging instruments	*1*	*(2)*
- Disposal gains/(losses) and movements in provisions for impairment of shares in non-consolidated companies	*(10)*	*(10)*
- Amortization of debt issuance costs	*(11)*	*(5)*
- Net foreign exchange gain/(loss)	*15*	*1*
- Other financial expenses	*(1)*	*(1)*

7.6 Income Tax

(in € millions)	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018 (1)
Current tax (2)	(25)	(27)
Deferred tax	30	25
Total	**4**	**(2)**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

(2) Including €21 million for the French CVAE tax for the years ended September 30, 2019 and 2018.

The following table shows a reconciliation between the Group's net income tax expense recognized in the income statement and its theoretical income tax expense for the years ended September 30, 2019 and 2018:

(in € millions)	Year ended Sept. 30, 2019		Year ended Sept. 30, 2018 (1)	
	Base	Tax impact	Base	Tax impact
Profit/(loss) before income tax	**64**		**(23)**	
Share of profit of equity-accounted investees	-		1	
Profit/(loss) before income tax and share of profit of equity-accounted investees	64		(22)	
Theoretical income tax (2)		(22)		7
Impact of tax rates on profit generated outside France		-		(5)
Tax loss carryforwards generated during the year for which no deferred tax assets were recognized, and impairment of deferred tax assets (3)		12		17
Income not subject to tax and expenses not deductible for tax purposes (4)		15		(22)
Net income tax expense		**4**		**(2)**

(1) The figures for the year ended September 30, 2018 have been restated to reflect the impacts of the sale of the Concession Catering business.

(2) The standard income tax rate used by the Group is 34.43%.

(3) Including €11 million recognized in France in the year ended September 30, 2019 and €13 million recognized in the United States in the year ended September 30, 2018 following the US federal income tax reforms.

(4) Primarily including (i) a €20 million tax benefit recorded in the year ended September 30, 2019 related to the sale of the Concession Catering business, and (ii) for the years ended September 30, 2019 and 2018, the impacts (net of income tax) of the CVAE tax in France, the IRAP tax in Italy and State Tax in the United States.

7.7 Net Profit for the Period from Discontinued Operations

Year ended September 30, 2019

Following a bid process, on March 20, 2019, Elior Group announced that it had entered into exclusive discussions with PAI Partners concerning the sale of its Concession Catering business.

On July 1, 2019, Elior Group announced that it had completed the sale of Areas to PAI Partners for €1.4 billion (representing an enterprise value of €1.542 billion), of which €70 million corresponded to an interest-bearing vendor loan.

The net capital gain on the sale amounted to €208 million, excluding the tax impact and before final price adjustments, which has been recognized in "Net profit from discontinued operations" and breaks down as follows:

(in € millions)	Year ended Sept. 30 2019
Sale price	674
Transferred assets and liabilities, net of costs of sale	(462)
Recycled translation reserves	(4)
Net-of-tax capital gain	**208**

As a result of this sale, the Concession Catering business – which corresponds to an operating segment – has been classified under discontinued operations in the consolidated income statement and cash flow statement for both of the periods presented.

(in € millions)	Year ended September 30, 2019	Year ended September 30, 2018
Revenue	**1,348**	**1,808**
Purchase of raw materials and consumables	(396)	(548)
Personnel costs	(433)	(556)
Share-based compensation expense	(1)	(0)
Other operating expenses	(412)	(493)
Taxes other than on income	(12)	(14)
Depreciation, amortization and provisions for recurring operating items	(62)	(90)
Net amortization of intangible assets recognized on consolidation	(1)	(3)
Recurring operating profit from discontinued operations	**31**	**104**
Share of profit of equity-accounted investees	1	3
Recurring operating profit from discontinued operations including share of profit of equity-accounted investees	**32**	**107**
Non-recurring income and expenses, net (1)	183	(7)
Operating profit from discontinued operations including share of profit of equity-accounted investees	**215**	**100**
Financial expenses	-	(1)
Financial income	-	2
Profit from discontinued operations before tax	**215**	**101**
Income tax	(13)	(38)
Net profit for the period from discontinued operations	**202**	**63**

(1) This item includes the €208 million capital gain arising on the sale of the Concession Catering business.

(in € millions)	Year ended September 30, 2019	Year ended September 30, 2018
Cash flows from operating activities – discontinued operations		
EBITDA	**95**	**199**
Change in operating working capital	(0)	10
Tax paid	(32)	(27)
Other cash movements	(52)	(8)
Net cash from operating activities – discontinued operations	**11**	**174**
Cash flows from investing activities – discontinued operations		
Purchases of property, plant and equipment and intangible assets	(101)	(126)
Proceeds from sale of property, plant and equipment and intangible assets	5	3
Purchases of financial assets	(5)	(3)
Acquisitions/sales of consolidated companies, net of cash acquired/transferred	1,317	(20)
Net cash from/(used in) investing activities – discontinued operations	**1,216**	**(146)**
Cash flows from financing activities – discontinued operations		
Dividends paid to non-controlling interests	(2)	(2)
Proceeds from borrowings	1	4
Repayments of borrowings	(7)	(3)
Net cash from/(used in) financing activities – discontinued operations	**(8)**	**(1)**
Effect of exchange rate and other changes	5	1
Increase in net cash and cash equivalents – discontinued operations	**1,224**	**28**

The assets and liabilities recorded under "Assets classified as held for sale" and "Liabilities classified as held for sale" in the balance sheet at September 30, 2019 concern concession catering operations that were not transferred to PAI but whose sale is considered to be highly probable.

Year ended September 30, 2018

For the year ended September 30, 2018, net profit from discontinued operations included also the non-material costs of liquidating an entity that previously formed part of the Group's Contract Catering business line (S.O.G.E.C.C.I.R) and whose operations were sold in fiscal 2016-2017.

As a result of amendments to the shareholders' agreements, the Group's remaining 40% interest in museum catering operations in France (following the transfer of control of these operations to Groupe Ducasse in March 2017) no longer met the criteria for classification as an asset held for sale at September 30, 2018. In fiscal 2017-2018 this interest was therefore accounted for by the equity method and included in "Equity-accounted investees" in the consolidated balance sheet, with the Group's share of profit from the investment reclassified to "Share of profit of equity-accounted investees".

For fiscal 2017-2018, this item included the post-tax profit or loss of discontinued operations for the period until the date of their disposal as well as the gain or loss recognized on the disposal.

7.8 Earnings Per Share

The table below shows the number of outstanding shares before and after dilution.

	Year ended September 30	
	2019	2018
Weighted average number of shares outstanding - Basic	176,419,729	174,133,539
Dilutive impact of stock option and performance share plans	184,240	148,856
Weighted average number of shares outstanding - Diluted	176,603,969	174,282,395

Basic and diluted earnings per share for the years ended September 30, 2019 and 2018 were as follows:

	Year ended September 30	
	2019	2018
Attributable net profit for the period	271	34
Basic earnings per share (in €)	**1.54**	**0.19**
Diluted earnings per share (in €)	**1.53**	**0.19**

7.9 Goodwill

7.9.1 Analysis of Goodwill

The table below shows an analysis of consolidated goodwill by business line and including the CGUs defined in Note 6.5 above.

(in € millions)	At Sept. 30, 2018	Increase	Decrease	Other movements including currency translation differences	At Sept. 30, 2019
Elior Restauration Entreprises	578	-	-	-	578
Elior Restauration Enseignement et Santé	365	-	-	-	365
Elior Services	134	-	-	-	134
France	**1,077**	**-**	**-**	**-**	**1,077**
Elior North America	271	2	-	9	282
Elior Europe - Other countries (1)	492	-	-	-	492
Elior India	0	-	-	-	0
International	**763**	**2**	**-**	**9**	**774**
Total Contract Catering & Services (Elior)	**1,840**	**2**	**-**	**9**	**1,851**
Areas Northern Europe	424	-	-	(424)	-
Areas Southern Europe	212	-	-	(213)	-
Areas Americas	65	-	-	(65)	-
Total Concession Catering (Areas)	**701**	**0**	**-**	**(701)**	**-**
Group total	**2,541**	**2**	**-**	**(692)**	**1,851**

(1) Including the Elior UK, Elior Iberia and Elior Italy CGUs.

Year ended September 30, 2019

The Group did not carry out any significant acquisitions in the year ended September 30, 2019.

Year ended September 30, 2018

The net change in goodwill in the year ended September 30, 2018 primarily related to the following:

(1) €36 million in goodwill recognized in relation to the acquisitions of CBM Managed Services and Bateman Community Living in the United States and the assignment of fair values to these companies' identifiable intangible assets.
(2) The completion of the purchase price allocation processes for (i) the UK contract caterer Edwards & Blake (consolidated since fiscal 2016-2017) and (ii) MegaBite and CRCL (Elior India) (also consolidated since fiscal 2016-2017).
(3) The currency effect arising on the recognition of goodwill related to the above companies denominated in foreign currencies.
(4) Goodwill impairment losses recognized during the year for Elior CGUs.

7.9.2 Impairment Losses and Sensitivity Analyses

Key assumptions used for calculating recoverable value

The main assumptions used for the impairment tests performed were as follows:

	Discount rate		Perpetuity growth rate	
	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
Elior Restauration Entreprises	6.6%	7.8%	2.0%	2.0%
Elior Restauration Enseignement et Santé	6.6%	7.8%	2.0%	2.0%
Elior Services	6.6%	7.0%	2.0%	2.0%
Elior North America	8.3%	8.8%	2.0%	2.0%
Elior Europe - other countries (1)	7.2% - 8.1%	7.5% - 8.3%	1.7% - 2%	1.7% - 2.0%
Elior India	10.1%	11.5%	4.0%	4.0%

(1) *Including the Elior UK, Elior Iberia and Elior Italy CGUs.*

2019 annual impairment test

No impairment losses were recognized based on the annual impairment test performed in 2019.

Sensitivity of the recoverable amount of CGUs to changes in the assumptions applied

In accordance with IAS 36, the Group carried out sensitivity analyses on the results of the impairment tests performed, based on the following changes in the assumptions applied concerning the long-term growth rate, projected net cash flows and discount rates:

- a 50 basis-point decrease in the long-term growth rate;
- a 5% decrease in projected net cash flows based on the duration of the relevant business plans and the terminal value; or
- a 50 basis-point increase in the discount rate for eurozone CGUs and a 100 basis-point increase for the other CGUs.

The sensitivity analyses based on the changes in assumptions set out above did not reveal any reasonably possible scenarios in which the recoverable amounts of any of the Group's CGUs would fall below their carrying amounts.

2018 annual impairment test

The impairment tests carried out on the Group's assets at September 30, 2018 led to the recognition of €64 million in goodwill impairment losses, breaking down as €46 million for Elior Italy and €18 million for Elior India.

Elior Italy

Elior Italy is a contract caterer and operates in the Business & Industry, Education and Healthcare markets. The impairment loss recognized for this CGU in 2017-2018 resulted from the decision to refocus this subsidiary's business on higher value-added segments.

The €46 million goodwill impairment loss recognized for Elior Italy in 2017-2018 corresponded to 21% of the value of Elior Italy's goodwill before impairment. Recognition of this impairment loss reduced the carrying amount of the CGU's goodwill to €170 million, corresponding to the CGU's value in use.

Elior India

Elior India is a contract caterer and operates in the Business & Industry market. The impairment loss recognized for this subsidiary in 2017-2018 was due to the decision to restrict the Group's expansion in India to organic growth only. Its amount corresponded to 100% of the goodwill recognized for this CGU in the consolidated balance sheet.

7.10 Analysis of Intangible Assets and Property, Plant and Equipment

7.10.1 Intangible Assets

(in € millions)	At Sept. 30, 2018	Additions	Disposals	Other movements	At Sept. 30, 2019
Concession rights	272	1	(3)	(251)	18
Assets operated under concession arrangements (1)	37	-	-	-	37
Trademarks	72	-	-	(47)	25
Software	172	3	(2)	(49)	124
Intangible assets in progress	34	8	-	(31)	11
Other	277	1	-	12	289
Gross value	**864**	**12**	**(6)**	**(367)**	**504**
Concession rights	(89)	(1)	1	82	(7)
Assets operated under concession arrangements (1)	(37)	-	-	-	(37)
Trademarks	(25)	(2)	-	20	(6)
Software	(107)	(18)	1	32	(92)
Other	(82)	(23)	-	5	(100)
Total amortization	**(340)**	**(44)**	**3**	**139**	**(242)**
Carrying amount	**524**	**(32)**	**(3)**	**(228)**	**262**

(1) *Assets recognized in accordance with IFRIC 12 for the Group's right to use central kitchens in the education market in France as granted under leases and public sector contracts.*

7.10.2 Property, Plant and Equipment

(in € millions)	At Sept. 30, 2018	Additions	Disposals	Other movements (1)	At Sept. 30, 2019
Land	9	-	(2)	-	7
Buildings	177	3	(3)	(86)	92
Technical installations	718	35	(19)	(239)	495
Other items of property, plant and equipment	862	47	(16)	(478)	414
Assets under construction	40	13	-	(46)	7
Prepayments to suppliers of property, plant and equipment	4	1	-	(3)	2
Gross value	**1,810**	**98**	**(40)**	**(852)**	**1,016**
Buildings	(91)	(4)	2	47	(46)
Technical installations	(477)	(53)	17	162	(352)
Other items of property, plant and	(494)	(52)	13	307	(226)
Total depreciation	**(1,063)**	**(109)**	**32**	**516**	**(624)**
Carrying amount	**747**	**(10)**	**(7)**	**(336)**	**392**

(1) Other movements correspond to the sale of the Concession Catering business.

At September 30, 2019 and 2018, the value of non-current assets held under finance leases broke down as follows (excluding the assets described in Note 8.3 relating to the accounting treatment of leases entered into concerning central kitchen facilities in the Group's Education market):

	At Sept. 30, 2019	At Sept. 30, 2018
Gross value	92	110
Depreciation	(62)	(71)
Net value	**30**	**39**

7.11 Non-Current Financial Assets

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
	Carrying amount	**Carrying amount**
Investments in non-consolidated companies	16	29
Loans (1)	71	6
Deposits and guarantees paid	15	34
Financial receivables	2	2
Total	**104**	**72**

(1) At September 30, 2019, "Loans" included the €70 million vendor loan granted to PAI Partners in connection with the sale of the Concession Catering business.

7.12 Equity-Accounted Investees

(in € millions)	Carrying amount at Sept. 30, 2018	Dividends paid	Net profit/(loss) for the period	Changes in scope of consolidation and other	Carrying amount at Sept.30, 2019
Motorways subsidiaries (France)	-	-	-	-	-
SRMLC and subsidiaries	(1)	-	-	2	1
BrisAreas subsidiary (Portugal)	-	-	-	-	-
N.W.L (France and International)	9	-	-	(8)	-
Riverside Events (UK)	-	-	-	-	-
Total	**8**	**-**	**-**	**(7)**	**1**

7.13 Trade and Other Receivables

(in € millions)	At Sept. 30, 2019		At Sept. 30, 2018	
	Gross	Net	Gross	Net
Trade receivables	501	454	583	540
Revenue accruals	98	98	106	106
Prepayments to suppliers	61	61	97	97
Prepaid and recoverable VAT	46	46	69	69
Receivables relating to asset disposals	4	4	10	10
Other	12	12	57	57
Total	**722**	**675**	**923**	**879**

Net trade receivables (which are mainly recorded in the balance sheets of contract catering and services companies, break down as follows by maturity:

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Receivables not past due	304	355
Receivables less than 30 days past due	61	78
Receivables more than 30 days but less than 6 months past due	64	64
Receivables more than 6 months but less than 1 year past due	15	17
Receivables more than 1 year past due	10	25
Total net trade receivables	**454**	**540**

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Outstanding balance of sold receivables	167	116
Overcollateralization reserve	20	28
Net outstanding balance	**147**	**88**

In the years ended September 30, 2019 and 2018, the Group sold its CICE tax credit to a bank on a no-recourse basis for €48 million and €61 million respectively.

7.14 Deferred Taxes

The deferred tax balances recorded in the consolidated balance sheet at September 30, 2019 and 2018 break down as follows by type of temporary difference:

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Paid leave provisions	7	6
Other non-deductible provisions and expenses	43	43
Provisions for pension benefit obligations	26	28
Fair value adjustments (1)	(27)	(52)
Recognition of tax loss carryforwards (2)	101	106
Total	**150**	**131**
Deferred tax assets	210	190
Deferred tax liabilities	(60)	(59)
Provisions recognized for deferred tax assets	(1)	(1)
Total	**149**	**130**

(1) This item corresponds to (i) the deferred tax impact of fair value measurements concerning the assets of companies consolidated for the first time in prior periods; and (ii) changes in the fair value of interest rate hedges.

(2) This amount primarily includes:
- At September 30, 2019, the following tax loss carryforwards: (i) €91 million for Elior Group, recoverable through the French tax consolidation group which it heads and (ii) €8 million for the Group's US subsidiaries
- At September 30, 2018, the following tax loss carryforwards: (i) €88 million for Elior Group, recoverable through the French tax consolidation group which it heads and (ii) €11 million for the Group's US subsidiaries.

Deferred taxes are classified under non-current assets and liabilities in the consolidated balance sheet.

7.15 Other Current Assets

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Prepaid expenses	33	60
Other	14	37
Total	**47**	**97**

7.16 Provisions

Long- and short-term provisions can be analyzed as follows:

(in € millions)	At September 30, 2019	At September 30, 2018
Employee benefits	104	109
Non-renewal of concession contracts	9	11
Other	6	9
Long-term provisions	**119**	**129**
Commercial risks	1	1
Tax risks and employee-related disputes	12	17
Reorganization costs	5	3
Employee benefits	9	11
Other	36	19
Short-term provisions	**63**	**51**
Total	**182**	**180**

7.16.1 Provisions for Employee Benefit Obligations

7.16.1.1 Summary of provisions and description of plans

(in € millions)	Pension and other post-employment benefit plans	
	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
Provisions at Oct. 1	**120**	**124**
Net expense for the period	11	9
Gains on plan curtailments	-	-
Benefits and contributions paid	(12)	(11)
Changes in scope of consolidation	(19)	-
Actuarial gains and (losses) recognized in equity	13	(2)
Currency translation adjustments	-	-
Provisions at year-end	**113**	**120**
O/w short-term	*9*	*11*
O/w long-term	*104*	*109*

7.16.1.2 Defined benefit plans

These plans primarily concern pension and other post-employment benefit plans.

Pension and other post-employment benefit plans

The main pension and other post-employment benefit plans in place within the Group are as follows:

In **France**, the Group's main defined benefit obligations relate to retirement bonuses, which are payable at the employee's retirement date if he or she still forms part of the Group at that date. These obligations are covered by liabilities recognized in the consolidated balance sheet.

The official retirement age in France is 62 and the average retirement age observed within the Group is 64.

In the **United Kingdom**, Elior has several defined benefit pension plans in place which are financed through independently-managed funds. Elior pays contributions into these funds and the funds pay out the pension benefits. The members of these pension plans correspond to employees working on a small number of contract catering contracts operated by the Group's recently acquired UK companies, Waterfall and Edwards & Blake.

The official retirement age in the UK is 65.

In **Spain**, Elior has a number of unfunded pension plans in place. The Group's obligations under these plans are primarily based on the pensionable salary and length of service of the employees concerned.

In **Italy**, the Group's obligations correspond to the legal requirement to pay an indemnity to employees on termination of their employment contract. At each balance sheet date, vested rights of employees are valued in accordance with the legal requirements and are fully covered by provisions. Since January 1, 2007, following a change in Italian legislation, employees can request that their entitlements be transferred to the Italian state plan or private insurance funds.

At September 30, 2019, the Group’s employee benefit obligations broke down as follows by geographic region:

(in € millions)	France	United Kingdom	Italy	Other (*)	**Total**
Present value of obligations	82	36	10	10	**138**
Fair value of plan assets	-	(24)	-	(1)	**(25)**
PROVISIONS FOR PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS	***82***	***12***	***10***	***9***	**113**
Payments	*(7)*	*(2)*	*(3)*	*(1)*	***(12)***
Average duration (in years)	*11*	*22*	*10*	*N/A*	***N/A***

(*) Including Spain and India

On average, the Group pays €2 million a year into the plan assets (see Note 7.16.1.4).

7.16.1.3 Items recognized in the income statement and statement of comprehensive income

Income statement

(in € millions)	**Pension and other post-employment benefit obligations**	
	Year ended Sept. 30, 2019	**Year ended Sept. 30, 2018**
Service cost:		
- Current service cost	(8)	(9)
- Past service cost and gains on plan curtailments	(1)	2
Net interest cost:		
- Interest expense on obligations	(2)	(3)
- Return on plan assets	-	1
COMPONENTS OF THE COST OF DEFINED BENEFITS RECOGNIZED AS EXPENSES	**(11)**	**(9)**

Statement of comprehensive income (SOCI)

(in € millions)	Pension and other post-employment benefit obligations	
	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
AT OCTOBER 1	**(22)**	**(24)**
Actuarial gains/(losses) on plan assets:		
- Related to return on plan assets	-	-
Actuarial gains/(losses) on provisions for pension and other post-employment benefit obligations		
- Related to changes in demographic assumptions	5	-
- Related to changes in financial assumptions[1]	(20)	2
- Related to experience adjustments	2	-
COMPONENTS OF THE COST OF DEFINED BENEFIT PLANS RECOGNIZED IN THE SOCI	**(13)**	**2**
Changes in scope of consolidation	5	-
AT THE YEAR-END	**(30)**	**(22)**

(1) *For 2018-2019, the reduction in the discount rates applied (see Note 7.16.1.6) led to €20 million in actuarial losses. In 2017-2018, changes in the discount rates applied were not significant.*

7.16.1.4 Movements in obligations and plan assets

(in € millions)	Present value of obligations		Fair value of plan assets		Net provisions for pension and other post-employment benefits	
	At Sept. 30, 2019	At Sept. 30, 2018	At Sept. 30, 2019	At Sept. 30, 2018	At Sept. 30, 2019	At Sept. 30, 2018
At Oct. 1	**143**	**146**	**(23)**	**(22)**	**120**	**124**
Service cost	8	9	-	-	8	9
Net interest cost	2	3	-	(1)	2	2
Remeasurement – Actuarial gains/(losses) arising from:						
- changes in demographic assumptions	(5)	-	-	-	(5)	-
- changes in financial assumptions	20	(2)	-	-	20	(2)
- experience adjustments	(2)	-	-	-	(2)	-
Past service cost, including gains/(losses) on plan curtailments	-	-	-	-	-	-
Employer contributions	-	-	(2)	-	(2)	-
Benefits paid	(10)	(11)	-		(10)	(11)
Changes in scope of consolidation	(19)	-	-		(19)	-
Currency translation adjustments	-	-	-		-	-
Other (change of pension system)	1	(2)	-		1	(2)
At the year-end	**138**	**143**	**(25)**	**(23)**	**113**	**120**
Partially funded obligations	*37*	*29*	*(25)*	*(23)*	*12*	*6*
Unfunded obligations	*101*	*114*	-	-	*101*	*114*

The Group expects that the defined benefits payable in fiscal 2019-2020 directly by Group entities to their employees will total approximately €8 million.

7.16.1.5 Plan assets

(in % and € millions)	Breakdown of plan assets at Sept. 30,		Fair value of plan assets at Sept. 30,	
	2019	2018	2019	2018
Cash and cash equivalents	-	-	-	-
Equities	69%	70%	17	16
Debt securities	31%	30%	8	7
Real estate	-	-	-	-
Insurance contracts	-	-	-	-
Total	**100%**	**100%**	**25**	**23**

The fair value of debt securities and equities is based on quoted prices in active markets. The fair value of plan assets does not include any financial instruments issued by Elior or any other assets used by the Group.

The actual return on plan assets was zero in 2019.

7.16.1.6 Assumptions used for actuarial calculations

The main actuarial assumptions used for the years ended September 30, 2019 and 2018 were as follows:

- For the Year Ended September 30, 2019

Country	France	Italy	Spain	UK
Type of obligation	Statutory retirement bonuses and long-service awards	TFR provision for employment contract termination indemnities	Retirement and retention bonuses	Retirement bonuses
Discount rate	0.3%	0.3%	0.3%	1.7%
Salary growth rate	2% to 2.25%	N/A	0.5%	N/A

- For the Year Ended September 30, 2018

Country	France	Italy	Spain	Germany
Type of obligation	Statutory retirement bonuses and long-service awards	TFR provision for employment contract termination indemnities	Retirement and retention bonuses	Retention bonuses
Discount rate	1.50%			
Salary growth rate	2% to 2.25%	N/A	0.5%	N/A

Methods applied to determine discount rates

The discount rates used for the eurozone and the United Kingdom are based on AA rated corporate bonds:

	Pension and other post-employment benefit obligations	Benchmark index
Eurozone	0.30%	AA rated bonds
United Kingdom	1.70%	AA rated bonds in the iBoxx sterling corporate bond index
India	7.00%	Indian government bonds index in accordance with the maturity of the obligations

7.16.1.7 Defined contribution plans

The costs related to these plans correspond to contributions paid by the Group to independently-managed funds. These plans guarantee employees a level of benefits that is directly related to the amount of contributions paid.

The contributions paid by the Group for defined contribution plans amounted to €9 million in the year ended September 30, 2019 (€6 million in 2017-2018).

7.16.2 Provisions for Non-Renewal of Concession Contracts

Provisions for non-renewal of concession contracts are recorded to cover the risk of asset write-downs or reconditioning expenses for property, plant and equipment to be returned to concession grantors.

7.17 Financial Risk Management, Debt and Derivative Financial Instruments

7.17.1 Management of Financial Risks and Financial Instruments

7.17.1.1 Exposure to foreign exchange risk

The Group operates primarily in eurozone countries. In the year ended September 30, 2019, the Group's main non-eurozone countries – the United Kingdom, the United States and India – accounted for 33.8% of consolidated revenue (28.8% in fiscal 2017-2018), including 8.2% contributed by the United Kingdom (2017-2018: 6.5%) and 24.7% by the United States (2017-2018: 20.3%).

The revenues and expenses of Group companies are invoiced and paid in local currencies. As a general rule, Group companies have no significant receivables or payables denominated in foreign currencies. Consequently, the Group has no significant foreign exchange risk exposure in relation to its business transactions.

The Group's external borrowings are primarily denominated in euros, apart from the US dollar-denominated borrowings set up on the refinancing of the debt of Elior North America (within the scope of the SFA), which amounted to $509 million at September 30, 2019. The Group's foreign exchange risk in relation to its borrowings is therefore low. Internal borrowings between eurozone and non-eurozone Group subsidiaries are generally hedged through currency swap transactions, except for the loan with Elior North America following the sale of Areas.

Elior Participations SCA uses forward currency sale contracts to hedge loans granted to its subsidiary in the United Kingdom. The outstanding amounts of these currency hedges were £56 million and £45 million at September 30, 2019 and 2018 respectively.

The Group's sensitivity to changes in exchange rates mainly relates to fluctuations in the value of:

- The pound sterling against the euro: a 5% increase or decrease in this currency compared with the average rate of 0.8841 for the year ended September 30, 2019 would result in corresponding changes in consolidated revenue and recurring operating profit of €20 million and €0.1 million respectively.

- The US dollar against the euro: a 5% increase or decrease in this currency compared with the average rate of 1.1279 for the year ended September 30, 2019 would result in corresponding changes in consolidated revenue and recurring operating profit of €61 million and €2 million respectively.

7.17.1.2 Exposure to interest rate risk

The Group is exposed to the risk of fluctuations in interest rates on debt that is indexed to the Euro Interbank Offered Rate ("Euribor") and the USD Libor plus an applicable margin.

In order to manage interest rate risk, the Group has set up interest rate swaps and caps. These hedges mitigate (i) the risk of variable interest rates affecting the fair value of the Group's fixed-rate debt, and (ii) the impact of the Group's variable-rate debt on consolidated cash. Hedges set up using options are referred to as "optional hedges" and other hedges are referred to as "firm hedges". The net amount of firm hedges set up does not exceed the amount of the Group's debt for a given period and the net gains or losses on hedges are allocated to the hedged period.

The rates at which the Group's debt was hedged (against the Euribor and USD Libor) were as follows at September 30, 2019 for Elior Group and Elior Participations:

<u>Hedges in euros</u>

- For the period from October 1, 2019 through September 30, 2020: 0.064% for firm hedges (€500 million).
- For the period from October 1, 2020 through December 31, 2021: 0.343% for firm hedges (€500 million).

The rates at which the Group's debt was hedged (against the Euribor and USD Libor) were as follows at September 30, 2019 for Elior Group and Elior Participations:

<u>Hedges in euros</u>

- For the period from October 1, 2018 through September 30, 2019: 0.051% for firm hedges (€1,000 million).
- For the period from October 1, 2019 through September 30, 2020: 0.075% for firm hedges (€1,000 million).
- For the period from October 1, 2020 through December 31, 2021: 0.351% for firm hedges (€550 million).

<u>Hedges in US dollars</u>

- For the period from October 1, 2018 through December 31, 2018: 1.596% (weighted average based on the notional amount) for firm hedges ($400 million).
- For the period from January 1, 2019 through September 30, 2020: 2.032% for firm hedges ($400 million).
- For the period from October 1, 2020 through December 31, 2021: 2.558% for firm hedges ($200 million).

These rates do not include lending margins.

Taking into account these hedging transactions, a 1% increase in interest rates would have an impact of approximately €3 million on the Group's finance costs for fiscal 2019-2020.

7.17.1.3 Exposure to liquidity risk

The Group manages its liquidity risk by maintaining adequate reserves, bank lines of credit and stand-by lines of credit, by preparing cash flow forecasts and monitoring actual cash flows in relation to forecasts, and by matching to the extent possible the maturity profiles of financial assets and liabilities. The Group's debt can be analyzed as follows by maturity (based on repayment/redemption value):

The Group's debt can be analyzed as follows by maturity (based on repayment/redemption value):

(in € millions)	Original currency	At September 30, 2019				At September 30, 2018	
		Short-term	*Due in 1 to 5 years*	*Due beyond 5 years*	Long-term	Short-term	Long-term
Bank borrowings							
Medium-term borrowings - Elior Group SA	€		*530*		530		1,480
Medium-term borrowings - Elior Participations	€ / $						209
Other medium- and long-term bank borrowings	€						-
Sub-total – bank borrowings			***530***	**-**	**530**		**1,689**
Other debt							
Elior Group bond debt (USD private placement)	$						86
Finance leases	€	9	*22*		22	15	24
Other (1)	€	2	*55*		55	8	90
Bank overdrafts (2)	€	4				61	-
Current accounts (2)	€						
Accrued interest on borrowings	€ / $	1					
Sub-total – other debt		**16**	***76***	**-**	**76**	**84**	**200**
Total debt		**16**	**606**	**-**	**606**	**84**	**1,889**

(1) Including liabilities under the receivables securitization program.
(2) Amounts deducted from cash and cash equivalents in the cash flow statement

7.17.1.4 Exposure to credit and counterparty risk

Credit and/or counterparty risk is the risk that a party to a contract with the Group will fail to meet its obligations in accordance with agreed terms, leading to a financial loss for the Group.

The main financial instruments that could expose the Group to concentrations of counterparty risk are trade receivables, cash and cash equivalents, investments and derivatives. The Group's maximum exposure to credit risk corresponds to the carrying amount of all of the financial assets recognized in the consolidated financial statements, net of any accumulated impairment losses.

The Group considers that it has very low exposure to concentrations of credit risk in relation to trade receivables. The balance sheets of the Group's companies operating in the Concession Catering business line do not generally include significant amounts of trade receivables. In the Contract Catering & Services business line there is no material exposure to concentrations of customer credit risk at Group level as the relevant companies have a large number of customers and the geographic locations of these customers and the operating sites concerned are highly diverse.

The Group only enters into hedging agreements with leading financial institutions and, as the situation currently stands, it considers that the risk of any of these counterparties defaulting on their contractual obligations to be very low as the financial exposure of each of these financial institutions is limited.

7.17.1.5 Fair value of financial assets and liabilities

The table below presents the Group's financial assets and liabilities by category as well as their carrying amounts and fair values and the account headings in which they are included in the consolidated balance sheet. It also shows the fair value hierarchy level for assets and liabilities carried at fair value.

These levels correspond to the following:

- Level 1: Quoted prices in active markets.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(in € millions)	Carried at amortized cost	Fair value hierarchy level	At Sept. 30, 2019		At Sept. 30, 2018	
			Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Other non-current financial assets	✓	Level 3	104	104	72	72
Equity-accounted investees		Level 3	1	1	9	9
Derivative financial instruments		Level 2	-	-	8	8
Trade and other receivables	✓		675	675	879	879
Other current assets	✓		47	47	97	97
Short-term financial receivables	✓		33	33	2	2
Cash and cash equivalents		Level 1	83	83	142	142
Financial liabilities						
Short- and long-term debt	✓		618	618	1,959	1,959
Derivative financial instruments		Level 2	9	9	5	5
Liabilities relating to share acquisitions		Level 3	73	73	116	116
Trade and other payables	✓		550	550	850	850
Due to suppliers of non-current assets	✓		15	15	75	75

7.17.2 Analysis of Debt

The carrying amount and fair value of the Group's debt can be analyzed as follows:

(in € millions)	Original currency	At Sept. 30, 2019 Amortized cost	At Sept. 30, 2019 Fair value	At Sept. 30, 2018 Amortized cost	At Sept. 30, 2018 Fair value
Bank overdrafts	€	4	4	61	61
Other short-term debt (including short-term portion of obligations under finance leases)	€	12	12	24	24
Sub-total – short-term debt		**16**	**16**	**84**	**84**
Syndicated bank loans	€ / $	526	530	1,674	1,689
Other medium- and long-term borrowings	$	-	-	86	86
Factoring and securitized trade receivables	€	54	54	88	88
Other long-term debt (including obligations under finance leases	€	22	22	25	25
Sub-total – long-term debt		**602**	**606**	**1,874**	**1,889**
Total debt		**618**	**622**	**1,959**	**1,974**

The following table shows the movements in the Group's debt in the year ended September 30, 2019:

(in € millions)	At Sept. 30, 2018	Increases	Redemptions/ repayments	Other movements (1)	At Sept. 30, 2019
Syndicated bank loans	1,689	78	(1,245)	8	530
Factoring and securitized trade receivables	88	1	(35)	-	54
Finance leases	39	1	(10)	1	31
Other borrowings	96	1	(89)	(5)	3
Total debt	**1,912**	**81**	**(1,379)**	**4**	**618**

(1) "Other movements" correspond to currency translation differences, reclassifications and the impact of changes in scope of consolidation in the year ended September 30, 2019.

The Group's debt at September 30, 2019 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at September 30, 2019:

- **For Elior Group SA**:
  - A senior bank loan totaling €530 million at September 30, 2019, fully repayable in May 2023. Interest is based on the Euribor plus a standard margin of 2.00%.

- **For Elior Participations SCA**:
  - A €450 million revolving credit facility (which can also be used by Elior Group), expiring in May 2023. Interest is based on the Euribor plus a standard margin of 1.60%. If the facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. None of this facility had been drawn down by Elior Participations at September 30, 2019.

  - A $250 million revolving credit facility (which can also be used by Elior Group), expiring in May 2023. Interest is based on the Libor plus a standard margin of 1.60%. If the facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. None of this facility had been drawn down by Elior Participations at September 30, 2019.

Liabilities relating to the Group's first receivables securitization program. At September 30, 2019, outstanding securitized receivables under this program – net of the related €20 million overcollateralization reserve – stood at €54 million. The program was set up in July 2017 for a period of four years. Its ceiling (net of the equivalent of an overcollateralization reserve) is €360 million and it includes the receivables of Elior Group's French and Spanish subsidiaries. The program's cost, based on net amounts securitized, was approximately 1.30% in fiscal 2018-2019.

The Group's debt at September 30, 2018 included:

Syndicated bank loans at a variable rate based on the Euribor plus a margin, which broke down as follows at September 30, 2018:

- **For Elior Group SA:**
  - A senior bank loan totaling €950 million at September 30, 2018, of which €800 million repayable in May 2023 and €150 million in December 2024. Interest is based on the Euribor plus a standard margin of 1.65% for the portion repayable in 2023 and 2.50% for the portion repayable in 2024.

  - US-dollar denominated bond debt issued as part of a private placement carried out in May 2015 (6th amendment to the SFA) in connection with the refinancing of the original Elior North America acquisition debt. These bonds - which represented an aggregate $100 million at September 30, 2018 – are redeemable in May 2022. Interest on the bonds is based on the 6-month USD Libor plus a standard margin of 2.15%.

  - A senior bank loan totaling €234 million at September 30, 2018, of which €50 million repayable in January 2023 and €184 million in May 2023. Interest is based on the Euribor plus a standard margin of 2.50%.

  - A US-dollar denominated senior bank loan totaling $344 million at September 30, 2018, set up under the SFA and repayable in May 2023. Interest is based on the USD Libor plus a standard margin of 1.65%.

- **For Elior Participations SCA:**
  - A €450 million revolving credit facility (which can also be used by Elior Group), expiring in May 2023. Interest is based on the Euribor plus a standard margin of 1.25%. If the facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At September 30, 2018, Elior Participations had drawn down €132 million of this facility

  - A $250 million revolving credit facility (which can also be used by Elior Group), expiring in May 2023. Interest is based on the Libor plus a standard margin of 1.25%. If the facility is not used, a commitment fee is payable which is calculated as a portion of the margin applied. At September 30, 2018, Elior Participations had drawn down $90 million of this facility.

Liabilities relating to the Group's first receivables securitization program. At September 30, 2018, outstanding securitized receivables under this program – net of the related €22 million overcollateralization reserve – stood at €69.4 million. The program was set up in July 2017 for a period of four years. Its ceiling (net of the equivalent of an overcollateralization reserve) is €360 million and it includes the receivables of Elior

Group's French and Spanish subsidiaries. The program's cost, based on net amounts securitized, was approximately 1.30% in fiscal 2017-2018.

Liabilities relating to the Group's second receivables securitization program. At September 30, 2018, outstanding securitized receivables under this program – net of the related £5 million overcollateralization reserve – stood at £17 million. The program was set up in July 2016 for a period of three years. Its ceiling (net of the equivalent of an overcollateralization reserve) is £30 million and it includes the receivables of Elior Group's UK subsidiaries. The program's cost, based on net amounts securitized, was approximately 1.50% in fiscal 2017-2018.

The net exposure of the Group's variable rate debt to the instruments described below (both before and after hedging) is set out in the risk management section of this Universal Registration Document (Chapter 3, Section 3.2.1.5.2).

7.17.3 Derivative Financial Instruments

At September 30, 2019 and 2018, a portion of the Group's debt was hedged by caps and swaps set up by Elior Group and Elior Participations.

The amounts of debt hedged by instruments that qualified for hedge accounting were as follows at September 30, 2019:

(in € millions)	Amount of debt hedged by firm hedges (1)	Amount of debt hedged by optional hedges
From Oct. 1, 2018 through Dec. 31, 2021	500	

(1) Swaps

The impacts of hedging instruments are as follows:

(in € millions)	Fair value of derivatives Assets/(Liabilities)	
	At Sept. 30, 2019	At Sept. 30, 2018
Instruments qualifying as cash flow hedges	(9)	4
Instruments qualifying as fair value hedges	-	-
- Instruments not qualifying for hedge accounting	-	(1)
Total	**(9)**	**3**
Interest rate hedging instruments	(9)	4
Foreign currency hedging instruments	-	(1)
Total	**(9)**	**3**

Derivatives are classified as non-current assets and liabilities in the consolidated balance sheet. The net-of-tax amounts recorded in equity (under "Other comprehensive income") in relation to cash flow hedges were a negative €8 million for the year ended September 30, 2019 and a positive €6 million for the year ended September 30, 2018 (see Note 4 - Consolidated Statement of Changes in Equity).

7.17.4 Financial Covenants

The medium - and long-term bank borrowing contracts entered into by Elior Group and Elior Participations include financial covenants (related to the Group's gearing) that could trigger compulsory early repayment in the event of non-compliance. The covenants are based on Elior Group's consolidated financial ratios and compliance checks are carried out at the end of each six-month period. None of the covenants had been breached at either September 30, 2019 or 2018 or at any half-yearly period-ends during the two fiscal years under review.

The medium- and long-term term borrowing contracts of Elior Group SA and Elior Participations SCA do not include any exceptional clauses compared with the standard legal provisions which apply to this type of contract.

7.18 Parent Company's Share Capital and Share-Based Compensation

7.18.1 Elior Group SA's Share Capital

At September 30, 2019, Elior Group SA's share capital amounted to €1,783,191.46 divided into 178,319,146 shares with a par value of €0.01 each. During the year ended September 30, 2019, 42,198 new shares were issued on the vesting of shares under the March 11, 2016, October 27, 2016 and December 5, 2017 performance share plans, and 2,327,852 new shares were issued for the purpose of the stock dividend payment in 2019.

At September 30, 2019, Elior Group held 4,326,857 shares in treasury, of which 4,268,550 were purchased under the share buyback program.

At September 30, 2018, Elior Group SA's share capital amounted to €1,759,490.96 divided into 175,949,096 shares with a par value of €0.01 each.

7.18.2 Stock Options and Performance Shares Granted to Employees of Elior Group and its Subsidiaries

7.18.2.1 Elior Group stock options and performance shares

Type of instrument	Grant date	Start of exercise period	End of exercise period	Exercise price per share (in €)	Total number of shares under option/vestable performance shares (1)	Estimated fair value (in €)
Stock options	March 11, 2016	March 11, 2020	March 11, 2024	16.3	95,811	3.78
Stock options	Oct. 27, 2016	Oct. 27, 2020	Oct. 27, 2024	18.29	58,545	3.27
Total					**154,356**	
Performance shares	March 11, 2016	-	-	N/A	47,905	17.71
Performance shares	Oct. 27, 2016	-	-	N/A	29,274	18.29
Performance shares	Dec. 5, 2017	-	-	N/A	56,699	17.00
Performance shares	June 15, 2018	-	-	N/A	955,411	13.16
Performance shares	July 24, 2019	-	-	N/A	1,553,972	10.84
Total					**2,643,261**	

(1) Adjusted to take into account departures of beneficiary employees prior to September 30, 2019.

Stock options and performance shares granted during the year ended September 30, 2016

Other than the stock options and restricted shares granted by Elior North America (see Note 7.18.2.2 below), Elior Group's stock options and performance shares allocated on March 11, 2016 and October 27, 2016 were mainly granted to members of the Management Committee and the Leaders Committee. These options and shares will only be exercisable/vest if the beneficiary still forms part of the Group on the exercise/vesting date and if certain pre-defined performance conditions are met (based on organic revenue growth and increases in operating margin and earnings per share). The achievement of these performance conditions was assessed at the end of the second fiscal year following the grant date, i.e. at September 30, 2017 for the March 2016 plans and September 30, 2018 for the October 2016 plans.

The stock options have a four-year life and are exercisable for shares at a 10% discount to their market value.

The fair value of the stock options (which correspond to equity-settled options) was estimated at the grant date using a Black & Scholes-type pricing model which factors in the terms and conditions under which the options were granted and assumptions about beneficiaries' exercise patterns.

The main assumptions used for the fair value estimations were as follows:

- Expected life of the options: 4 years
- Volatility: 23%
- Expected dividend yield: 2% and 2.2%

The aggregate fair value of the stock options and performance shares granted in March and October 2016 amounted to €2.8 million.

Performance share plans set up in 2017

The performance shares granted on December 5, 2017 were allocated to the members of the Management Committee and Leaders Committee and will only vest if the beneficiary still forms part of the Group on the vesting date and if certain performance conditions are met (based on cash flows generated by a pre-defined scope).

The achievement of the cash flow objectives was assessed at September 30, 2018 and the vesting condition based on continued presence within the Group was assessed on December 5, 2019.

The aggregate fair value of the performance shares granted on December 5, 2017 amounted to €1.1 million.

Performance share plans set up in 2018

The performance shares granted on June 15, 2018 were mainly allocated to the members of the Management Committee and Leaders Committee and will only vest if the beneficiary still forms part of the Group on the vesting date and if certain performance conditions are met. The performance conditions are based on the following: (i) the cumulative annual growth rate for Elior Group's adjusted earnings per share, (ii) the cumulative annual growth rate for Elior North America's share price (only for the plan for Elior North America employees), and (iii) Elior Group's share performance compared with a peer group and compared with the CAC Next 20 index. The achievement of these conditions will be assessed on June 15, 2021 for the continued presence condition, on September 30, 2021 for the internal performance conditions, and on December 31, 2021 for the external performance conditions.

The aggregate fair value of the performance shares granted on June 15, 2018 amounted to €10.7 million.

Performance share plans set up in 2019

The performance shares granted on July 24, 2019 were mainly allocated to the members of the Management Committee and Leaders Committee and will only vest if the beneficiary still forms part of the Group on the vesting date and if certain performance conditions are met. The performance conditions are based on the following: (i) the cumulative annual growth rate for Elior Group's adjusted earnings per share, (ii) the cumulative annual growth rate for Elior North America's share price (only for the plan for Elior North America employees), and (iii) Elior Group's share performance compared with a peer group and compared with the CAC Next 20 index. The achievement of these conditions will be assessed on July 24, 2022 for the continued presence condition, on September 30, 2022 for the internal performance conditions, and on December 31, 2022 for the external performance conditions.

The aggregate fair value of the performance shares granted on July 24, 2019 amounted to €13.7 million.

7.18.2.2 Elior North America stock options and restricted shares granted to Elior North America's Managers

The stock options and restricted shares granted to Elior North America's managers when THS was acquired in 2013 and subsequently to new managers joining the company are also subject to vesting conditions related to presence and performance. The performance conditions are based on Elior Group's internal rate of return (IRR) calculated by reference to the value of Elior North America shares at September 30, 2019 compared with the capital invested by Elior Group since its acquisition of THS in 2013.

The value of Elior North America's shares will be calculated based on accounts at September 30, 2019 using the following formula:

- Enterprise value using the multiple originally applied for Elior Group's acquisition of THS in 2013.
- Less the net debt of the Elior North America sub-group.

The IRR figure obtained will be compared against a pre-defined threshold and the difference between these two amounts will determine (i) the number of options and restricted shares actually allocated, and (ii) the purchase price of the shares concerned.

In view of the features of this plan, the options and shares granted have been classified as cash-settled instruments and are therefore accounted for in accordance with IAS 19.

The Group's purchase of non-controlling interests in Elior North America, carried out in July 2018 via Elior Restauration et Services, also involved the purchase of all of the restricted shares held by Elior North America's managers. This resulted in these shares vesting immediately, with a €5 million expense recognized in the 2017-2018 consolidated financial statements.

The aggregate fair value of the corresponding liability – which now only relates to Elior North America stock options and is recognized in the balance sheet under "Accrued taxes and payroll costs" – amounted to €29 million at September 30, 2019, as estimated based on the above-described formula.

The total amount recognized in the 2018-2019 income statement for share-based compensation in accordance with IFRS 2 – which covered all of the above plans – represented income of €5 million. This figure primarily reflects (i) the estimation at September 30, 2019 of the non-achievement of the objectives in the June 15, 2018 performance share plan, and (ii) the re-estimation of the liability related to the Elior North America stock option plan.

7.19 Liabilities Relating to Share Acquisitions and Commitments to Purchase Non-Controlling Interests

The net amount recognized in the consolidated financial statements at September 30, 2019 for liabilities relating to share acquisitions and commitments to purchase non-controlling interests totaled €72 million (of which €70 million are recorded as non-current liabilities). This total primarily includes the following:

Commitments to purchase non-controlling interests

- €57 million corresponding to the liability related to a put option written over the non-controlling interests in Elior North America, exercisable in 2023.
- €7 million corresponding to the Group's liability towards the non-controlling shareholders of Waterfall Catering Group under a put option exercisable in 2020 (payment of an exit price for the 20% of the company's capital that they still hold).

Liabilities relating to share acquisitions

- €1 million relating to additional purchase consideration payable for acquisitions carried out by Elior North America.
- €4 million relating to additional purchase consideration payable for the acquisition of the Indian companies, MegaBite and CRCL.

The net amount recorded in the consolidated financial statements at September 30, 2018 for liabilities relating to share acquisitions and commitments to purchase non-controlling interests totaled €116 million and primarily included the following:

Commitments to purchase non-controlling interests

- €8 million corresponding to the Group's liability towards the non-controlling shareholders of Waterfall Catering Group (payment of an exit price for the 20% of the company's capital that they still hold).

- €85 million corresponding to the liability related to a put option written over the non-controlling interests in Elior North America, exercisable in 2023.

Liabilities relating to share acquisitions

- €11 million relating to additional purchase consideration payable for acquisitions carried out by Elior North America.
- €7 million relating to additional purchase consideration payable for the acquisition of the Indian companies, MegaBite and CRCL.

7.20 Other Current Liabilities

Other current liabilities consist of the following:

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Deferred income	11	17
Other liabilities	27	17
Total	**38**	**34**

8. Off-Balance Sheet Commitments

8.1 Pledges and Guarantees Granted in Relation to Bank Borrowings and Bond Debt

None.

8.2 Guarantees Given/Received

(in € millions)	At Sept. 30, 2019	At Sept. 30, 2018
Guarantees given on commercial contracts (1)	163	331
Total guarantees given (2)	**163**	**331**

(1) Guarantees relating to performance bonds, commitments to pay concession fees and charges, and bid bonds for contracts.
(2) The precise maturity of these guarantees cannot be determined.

The Group also grants and receives guarantees in respect of assets and liabilities in relation to acquisitions and divestments of businesses, on terms and conditions which are usual for such transactions. Where the guarantees granted by the Group are subject to valid claims not yet settled at the reporting date, a provision is recorded in the balance sheet.

8.3 Commitments Relating to Operating Leases and Concession Fees

At September 30, 2019, the Group's total commitments under operating leases – based on the residual terms of the contracts concerned – stood at €293 million, breaking down as follows by maturity:

- Less than one year: €68 million
- 1 to 5 years: €163 million
- Beyond 5 years: €62 million.

These commitments concern numerous lease contracts negotiated locally in the various countries in which the Group operates and mainly relate to (i) site equipment, office equipment and vehicles (€57 million), and (ii) office rental payments (€236 million).

At September 30, 2018, the Group's total commitments under operating leases – based on the residual terms of the contracts concerned – stood at €271 million, breaking down as follows by maturity:

- Less than one year: €67 million
- 1 to 5 years: €145 million
- Beyond 5 years: €59 million.

These commitments concerned numerous lease contracts negotiated locally in the various countries in which the Group operates and mainly related to (i) site equipment, office equipment and vehicles (€64 million), and (ii) office rental payments (€207 million).

9. Related Party Transactions

9.1 Compensation and Benefits Paid to the Company's Key Executives

At September 30, 2019 and 2018, Philippe Guillemot was Chief Executive Officer of the Group and a director of Elior Group SA.

The Company's key executives classified as related parties correspond to individuals who exercise authority and responsibility for the control and management of the Group's entities.

(in € millions)	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
Amount expensed for the year	**10**	**7**
Of which:		
Short-term benefits	10	7
Fair value of stock options and performance shares	NM	NM
Other long-term benefits	NM	NM
Provision for non-compete indemnity	-	-
Amount recognized as a liability in the balance sheet	**-**	**-**
Post-employment benefits	-	-

The compensation and benefit figures presented in the above table comprise directors' fees and share-based compensation expense (for stock options and performance shares) recognized in accordance with IFRS 2, as well as all other types of compensation and benefits paid (or awarded for the year in return for duties performed) by Elior Group SA and/or other Group companies.

For the year ended September 30, 2019 these amounts concerned persons who were members of the Executive Committee at that date, including the Group Chief Executive Officer, and the members of the Elior Group Board of Directors.

For the year ended September 30, 2018 they concerned persons who were (i) members of the Executive Committee at that date, which comprised ten people (including the Group Chief Executive Officer) and (ii) the members of the Elior Group Board of Directors.

9.2 Other Related Party Transactions

None.

10. Events After the Reporting Date

No significant events occurred after September 30, 2019 that require disclosure in these financial statements.

11. Statutory Auditors' Fees

Statutory Auditors' fees for the year ended September 30, 2019 recorded in the income statement and relating to fully consolidated companies amounted to €4 million. The total breaks down as €3 million for statutory audit work and €1 million for services rendered by the Statutory Auditors or members of their networks other than certifying accounts.

In order to ensure that the statutory audit work performed on the financial statements of the Group's companies is consistent and of a high quality, and with a view to centralizing relations with the external auditors at Finance Department and Audit Committee level, a plan has been drawn up for substantially all of the Group's subsidiaries stipulating that they appoint one of the two international audit firms used by Elior Group (PricewaterhouseCoopers Audit and KPMG).

Together, PricewaterhouseCoopers Audit and KPMG – which are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* – represent nearly 100% of the Group's audit fees. The fees paid by Group subsidiaries for the audits of their accounts to audit firms other than PricewaterhouseCoopers, KPMG or the members of their networks amounted to €1 million for fiscal 2018-2019.

In addition, in compliance with the new rules applicable in France concerning the authorization of Statutory Auditors' engagements, the Group's Finance Department (acting under the supervision of the Audit Committee) has drawn up a policy and put in place procedures for all of the Group's subsidiaries concerning the appointment of Statutory Auditors, the verification of statutory audit fees, and the prior approval of other services provided by the Statutory Auditors.

(in € thousands)	KPMG				PwC			
	2018-2019		2017-2018		2018-2019		2017-2018	
	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%	Amount (excl. VAT)	%
1. Audit services rendered by the Statutory Auditors or members of their network in relation to certifying separate or consolidated accounts								
- Issuer	449	*31%*	219	*14%*	463	*19%*	204	*8%*
- Fully consolidated subsidiaries	766	*52%*	1,125	*70%*	1,368	*56%*	1,900	*77%*
2. Services rendered by the Statutory Auditors or members of their network other than certifying separate or consolidated accounts (*)								
- Issuer	254	*17%*	91	*6%*	412	*17%*	10	*0%*
- Fully consolidated subsidiaries	2	*0%*	164	*10%*	197	*8%*	355	*14%*
Total	**1,471**	***100%***	**1,600**	***100%***	**2,440**	***100%***	**2,469**	***100%***
- Issuer	703	*48%*	310	*19%*	875	*36%*	214	*9%*
- Fully consolidated subsidiaries	768	*52%*	1,289	*81%*	1,565	*64%*	2,255	*91%*

(*) These services primarily comprise those required under the applicable laws and regulations such as engagements to perform agreed-upon procedures and issue the related reports, carrying out due diligence procedures, and providing advisory services for technical subjects relating to accounting, tax or any other audit-related matters.

12. List of Consolidated Companies at September 30, 2019

In the following table, the percentage of ownership and control is not provided when both represent 100%.

Company	% interest	% control	Principal activity	Consolidation method
ELIOR GROUP	PARENT	PARENT	HOLD	FULL
France (Metropolitan)				
A l'Ancienne Douane			CT	FULL
Academy by Elior			CT	FULL
Alfred & Partners FTC			CT	FULL
L'Alsacienne de Restauration			CT	FULL
Ansamble			CT	FULL
Ansamble Investissements			HOLD	FULL
Aprest			MO	FULL
Arpège			CT	FULL
Bercy Participations			HOLD	FULL
Bercy Services I			MO	FULL
Bercy Services II			MO	FULL
BSXXV			HOLD	FULL
BSXXVII			HOLD	FULL
BSXXIX			CT	FULL
C2L			HOLD	FULL
Centre d'expertise Elior RC France			CT	FULL
EGEE Venture			HOLD	FULL
Egée Services 1			CT	FULL
Elcena			MO	FULL
Eléat			MO	FULL
Elior Achats Services			MO	FULL
Elior Data			MO	FULL
Elior Data RC France			HOLD	FULL
Elior Entreprises			CT/HOLD	FULL
Elior F.A.3.C.			MO	FULL
Elior Financement			HOLD	FULL
Elior Gestion			MO	FULL
Elior Participations			HOLD	FULL
Elior RC France			HOLD	FULL
Elior Restauration Approvisionnements			CT	FULL

Company	% interest	% control	Principal activity	Consolidation method
Elior Restauration et Services			HOLD	FULL
Elior Réseaux FTC			CT	FULL
Elior Service FM			CT	FULL
Elior Services Propreté et Santé			CT/HOLD	FULL
Elior Services Supports			MO	FULL
Elior Services à la Personne			CT	FULL
Elior Trésorerie			MO	FULL
E.L.R.E.S.			CT/HOLD	FULL
Eurobar			CO	FULL
Excelcis	40%	40%	CO	EQUITY
G.S.R Ciel de Paris			CO	DISC
Resapro			MO	FULL
Restaurants et Sites			CO/HOLD	DISC
Restogen			CT	FULL
Sacores			MO	FULL
Saveurs à l'ancienne			CT	FULL
SC2R			MO	FULL
SCI Les Hirondelles			CT	FULL
SCICB			CT	FULL
Services et Santé			CT	FULL
SMR			CT	FULL
Société de Restauration du Musée d'Orsay	40%	40%	CO	EQUITY
Société de Restauration du Musée du Louvre	40%	40%	CO	EQUITY
Société de Restauration Musées et Lieux culturels	40%	40%	CO	EQUITY
Soferest	40%	40%	CO	EQUITY
Sorebou			CT	FULL
Soreno			CT	FULL
Soreset			CT	FULL
Tabapag			CT	FULL
TPJ Creil			CT	FULL
French Overseas Territories				
S.O.G.E.C.C.I.R.			CT	DISC
India				
CRCL	51%	100%	CT	FULL
Elior India			CT	FULL
Elior West			CT	FULL
Italy				
Elior Ristorazione	99%	100%	CT	FULL
Elior Servizi	99%	100%	CT	FULL
Gemeaz	99%	100%	CT	FULL
Hospes			CT	FULL
Meridia	50%	100%	CT	FULL
Luxembourg				
Äre-Resto Hausgemachten			CT	FULL
Äre-Resto Les petites canailles			CT	FULL
Elior Luxembourg			CT	FULL
Elior Luxembourg Holding			CT	FULL
Portugal				
Serunión Restaurantes Portugal			CT	FULL

Company	% interest	% control	Principal activity	Consolidation method
Spain				

Alessa Catering Services			CT	FULL
Alimentacion Saludable Gallega			CT	FULL
Basic Serveis Escolars			CT	FULL
Excellent Market			CT	FULL
Geriatrio Siglo XXI			CT	FULL
Hostesa			CT	FULL
Serunión			CT/HOLD	FULL
Serunion Alimentacio Saludable S.L.U.			CT	FULL
Serunion Servizos Sociais ULLA S.A.R.				
Serunion Singularis Catering de autor S.L.U.			CT	FULL
Serunión Norte			CT	FULL
Serunión Servicios Sociai			CT	FULL
Serunión Vending			CT	FULL
Vitalista	92%	100%	CT	FULL
United Kingdom				
Caterplus Services Ltd			CT	FULL
Edwards & Blake			CT	FULL
Elior UK			CT	FULL
Elior UK Holdings			HOLD	FULL
Elior UK Services			MO	FULL
Hospitality Catering Services			CT	FULL
Lexington			CT	FULL
Riverside Events	50%	50%	CO	EQUITY
Taylor Shaw Ltd			CT	FULL
Waterfall Catering Group			CT	FULL
Waterfall Elior Ltd			CT/HOLD	FULL
Waterfall Services Ltd			CT	FULL
United States				
Abigail Kirsch at Tappan Hill Inc.	92%	100%	CT	FULL
Abigail Kirsch Connecticut LLC	92%	100%	CT	FULL
ABL Management Inc.	92%	100%	CT	FULL
AK 530 LLC	92%	100%	CT	FULL
530 Lounge LLC	50%	100%	CT	FULL
Aladdin Food Management LLC	92%	100%	CT	FULL

Company	% interest	% control	Principal activity	Consolidation method
United States (cont'd)				
A'viands LLC	92%	100%	CT	FULL
Bateman Community Living LLC	92%	100%	CT	FULL
Blue Bell Enterprises Inc.	92%	100%	CT	FULL
Brompton Group LLC	92%	100%	CT	FULL
Corporate Chefs Inc.	92%	100%	CT	FULL
Cura Hospitality LLC	92%	100%	CT	FULL
DC Party Rentals LLC	92%	100%	CT	FULL
Elements Food Service Inc.	92%	100%	CT	FULL
Elior Inc.	92%	100%	MO	FULL
Food Services Inc.	92%	100%	CT	FULL
Galaxy GP LLC	92%	100%	CT	FULL
Galaxy Restaurants Catering Group GFS LLC	92%	100%	CT	FULL
Galaxy Restaurants Catering Group LP	92%	100%	CT	FULL
Galaxy Restaurants Catering Group MAM LLC	92%	100%	CT	FULL
Galaxy Restaurants Catering Group NYBG GB LLC	92%	100%	CT	FULL
Galaxy Retaurants Catering Group NYBG LP	92%	100%	CT	FULL
Gourmet Acquisition Holding Inc.	92%	100%	HOLD	FULL
KV International LLC	92%	100%	CT	FULL
Lancer at Edinburgh Inc.	92%	100%	CT	FULL
Lancer Food Holdings LLC	92%	100%	HOLD	FULL
Lancer Food Service Inc.	92%	100%	CT	FULL
Lancer Hospitality Oklahoma LLC	92%	100%	CT	FULL
Lancer Hospitality Washington LLC	92%	100%	CT	FULL
Lancer Management Services LLC	92%	100%	CT	FULL
Lindley Acquisition Corp.	92%	100%	HOLD	FULL
National Food Enterprises Inc.	92%	100%	CT	FULL
O'Reilly Custom 4 LLC	92%	100%	CT	FULL
PAFA JVLL Holding	50%	100%	CT	FULL
Performance Hospitality NYC LLC	92%	100%	CT	FULL
Preferred Meal Systems (CA) Inc.	92%	100%	CT	FULL
Preferred Meal Systems Inc.	92%	100%	CT	FULL
Prepared Meal Holdings Inc.	92%	100%	HOLD	FULL
SideKim LLC	92%	100%	CT	FULL
Summit Food Service LLC	92%	100%	CT	FULL
The Maramont Corporation	92%	100%	CT	FULL
Traditions Prepared Meals LLC	92%	100%	CT	FULL
Valley Services Inc.	92%	100%	CT	FULL
Zooper Food LLC	92%	100%	CT	FULL

- *FULL: fully consolidated companies.*
- *EQUITY: companies accounted for by the equity method.*
- *CT: companies specialized in contract catering & services.*
- *CO: companies specialized in concession catering.*
- *HOLD: companies operating as holding companies.*
- *MO: companies providing headquarters and support services to Group companies.*
- *FTC: companies consolidated for the first time during the period.*
- *DISC: companies held for sale.*

4.10 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS – AFR

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Year ended September 30, 2019)

Elior Group SA

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92032 Paris La Defense cedex

France

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your General Meetings, we have audited the accompanying consolidated financial statements of Elior Group SA for the year ended September 30, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at September 30, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from October 1, 2018 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Emphasis of matter

Without qualifying our opinion, we draw your attention to Note 6.1.2 to the consolidated financial statements, which gives a detailed description of the methods and impacts of the first-time application of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" from October 1, 2018.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Measurement of goodwill

Description of risk

As part of its development, the Group carried out targeted external growth transactions and recognized goodwill.

At September 30, 2019, goodwill amounted to €1,851 million, representing 49% of total assets. It has been allocated to the cash-generating units (CGUs) of the businesses into which the acquired companies were integrated.

As stated in Note 6.7 to the consolidated financial statements:

- the carrying amount of goodwill is tested for impairment at each reporting date. If there is an indication of impairment, the recoverable amount of the asset is estimated and an impairment loss is recognized whenever the carrying amount of the CGU group to which the goodwill is allocated exceeds its estimated recoverable amount;

- the recoverable amount is estimated using the value in use;

- the value in use is calculated using the present value of future cash flows, based on five-year budgets drawn up and validated by Group management and a long-term growth rate, which may not exceed the average long-term growth rate for the operating segment.

The recoverable amount of goodwill is determined based to a large extent on the judgment of Group management, and in particular on the three following assumptions:

- five-year budgets;
- the long-term growth rate beyond five years;
- the discount rate.

We therefore deemed the measurement of goodwill, and in particular the determination of the assumptions (five-year budgets, the long-term growth rate beyond five years and the discount rate applied), to be a key audit matter.

How our audit addressed this risk

We analyzed the compliance of the estimated recoverable amounts applied by the Group with the appropriate current accounting standards.

We also verified the accuracy and completeness of the source data used in the impairment tests relating to the components of the carrying amount making up the CGU groups which were tested by the Group.

In addition, we conducted a critical analysis of the methods applied to implement the main assumptions used and examined the analysis performed by the Group to determine the sensitivity of the value in use to a change in said assumptions, and in particular:

- with respect to the five-year future cash flow projections, we verified:

- the reasonableness of the five-year future cash flow projections in view of the economic and financial context in which the contract catering & services businesses operate and the reliability of the process by which the estimates are calculated by examining the reasons for differences between projected and actual cash flows;

- the consistency of the five-year future cash flow projections with management's most recent estimates, as presented to the Board of Directors during the budget process;

- with respect to the long-term growth rate beyond five years, and to the discount rate applied to expected estimated future cash flows, we verified:

- the consistency of these rates with the rates observed for comparable companies, based on a sample of analytical reports about the Company.

Lastly, we examined the appropriateness of the information provided in the Notes 6.6.2, 6.7 and 7.9 to the consolidated financial statements.

Sale of Areas

Description of risk

As mentioned in Note 5.2 "Significant Events" and Note 7.7 "Net Profit for the Period from Discontinued Operations", on July 1, 2019 the Group announced that it had completed the sale of its Areas subsidiary, which included the Concession Catering business and corresponded to an operating segment.

The net disposal gain amounted to €208 million. Along with all segment-related data, the gain is presented under "Net profit for the period from discontinued operations" in the consolidated income statement and the consolidated cash flow statement.

We deemed the transaction to be a key audit matter due to the risks associated with measuring the assets and liabilities transferred and calculating the disposal gain, as well as to the negative impacts of the sale on the consolidated financial information given the significance of the business for the Group (27% of revenue for the year ended September 30, 2018).

How our audit addressed this risk

We reviewed the legal documentation relating to the transaction in order to assess the components used to calculate the disposal gain, notably the warranties included in the sale agreement, the costs associated with the sale, and the sale price.

We assessed the amount of the assets and liabilities of the concession catering businesses sold by carrying out specific procedures on the material subsidiaries of Areas at June 30, 2019, the date at which the Concession Catering business was deconsolidated.

We also assessed the presentation of the sale in the consolidated financial statements, and in particular:

- the data for the Concession Catering business presented under "Net profit for the period from discontinued operations" in the consolidated

income statement and the consolidated cash flow statement;
- the comparative data provided for the prior year in the consolidated income statement and the consolidated cash flow statement;
- Note 7.7 to the consolidated financial statements, which provides information about the transaction.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial information statement required under article L.225-102-1 of the French Commercial Code is included in the information pertaining to the Group presented in the management report. However, in accordance with article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Report on other legal and regulatory requirements

Appointment of the Statutory Auditors

PricewaterhouseCoopers Audit was appointed Statutory Auditor of Holding Bercy Investissement SCA (renamed Elior Group SA) by the General Meeting of October 26, 2006. Salustro Reydel (then KPMG Audit IS) was appointed Statutory Auditor of Management Restauration Collective SAS (renamed Holding Bercy Investissement SCA then Elior Group SA) by the General Meeting of January 28, 2002.

At September 30, 2019, PricewaterhouseCoopers Audit and KPMG Audit IS were in the thirteenth and eighteenth consecutive year of their engagement, respectively, and the sixth year since the Company's securities were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, January 10, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit

Matthieu Moussy

KPMG Audit IS

François Caubrière

4.11 SEPARATE FINANCIAL STATEMENTS OF THE PARENT COMPANY FOR THE YEAR ENDED SEPTEMBER 30, 2019

INCOME STATEMENT

(in € thousands)	Note	Year ended September 30, 2019	Year ended September 30, 2018
Operating income			
Net revenue	4.11.3.1	21,086	15,997
Own work capitalized			1,537
Reversals of depreciation, amortization and provisions, expense transfers			530
Other income			
Total operating income		**21,086**	**18,064**
Operating expenses			
Purchase of raw materials and consumables		(2)	
Other operating expenses		(11,756)	(14,037)
Taxes other than on income		(355)	(2,512)
Personnel costs		(15,784)	(10,852)
Depreciation, amortization and provision expense		(502)	(983)
Total operating expenses		**(28,398)**	**(28,384)**
Operating profit/(loss)		(7,313)	(10,320)
Net financial income	4.11.3.2	289,131	2,814
Net non-recurring expense	4.11.3.3	(24,211)	(678)
Income tax	4.11.3.4	37,240	46,762
Net profit for the period		**294,848**	**38,578**

BALANCE SHEET – ASSETS

(in € thousands)	Note		At Sept. 30, 2019			At Sept. 30, 2018
			Gross	Depr., amort. and provisions	Net	Net
Intangible assets	4.11.4.1	4.11.4.2	9,307	7,307	2,000	2,001
Property, plant and equipment	4.11.4.1	4.11.4.2	59	59	-	
Long-term investments		4.11.4.3	2,824,259		2,824,259	3,790,356
Total fixed assets			**2,833,625**	**7,366**	**2,826,259**	**3,792,357**
Advances and downpayments						
Trade receivables			4,907		4,907	660
Other receivables		4.11.4.4	298,970		298,911	153,625
Marketable securities			1,625		1,625	1,539
Cash			139		139	57
Prepaid expenses		4.11.4.6	377		377	358
Total current assets			**305,959**	**-**	**305,959**	**156,239**
Unrealized foreign exchange losses			8,230		8,230	24,886
TOTAL ASSETS			**3,147,814**	**7,366**	**3,140,449**	**3,973,482**

BALANCE SHEET – EQUITY AND LIABILITIES

(in € thousands)	Note	At Sept. 30, 2019	At Sept. 30, 2018
Share capital		1,783	1,759
Share premium account		1,744,023	1,716,741
Other reserves		177	173
Retained earnings		329,820	351,061
Net profit for the period		294,847	38,578
Total equity	4.11.4.7	**2,370,650**	**2,108,312**
Equity loans (*titres participatifs*)			
Provisions for contingencies and charges	4.11.4.9	**9,223**	**26,429**
Gross debt		534,228	1,568,114
Trade payables		4,280	3,844
Other liabilities		222,068	241,687
Total liabilities	4.11.4.10	**760,576**	**1,813,645**
Unrealized foreign exchange gains			**25,096**
TOTAL EQUITY AND LIABILITIES		**3,140,449**	**3,973,482**

4.11.1 BASIS OF PREPARATION, GENERAL INFORMATION AND SIGNIFICANT EVENTS OF THE YEAR

These notes are an integral part of the parent company financial statements. They provide additional disclosures concerning the balance sheet and income statement in order to give a true and fair view of the Company's assets and liabilities, financial position and results of operations.

Non-compulsory disclosures are made only where the information concerned is material.

4.11.1.1 General information about the Company and its business

Elior Group is a French joint stock corporation (*société anonyme*) registered and domiciled in France. Its registered office is located at 9-11 allée de l'Arche, 92032 Paris La Défense, France.

At September 30, 2019, Elior Group was 20.1% owned by Bagatelle Investissement et Management – "BIM" (which is wholly-owned by Robert Zolade), 7.5% by Corporacion Empresarial Emesa, S.L, 6.7% by Caisse de Dépôt et Placement du Québec (CDPQ), 5.0% by Fonds Stratégique de Participations, and 60.7% by private and public investors following Elior Group's admission to trading on Euronext Paris on June 11, 2014.

Elior Group (the "Company") is the parent company of the Elior group comprising Elior Group and its subsidiaries ("the Group").

4.11.1.2 Significant events of the year

4.11.1.2.1 Payment of the 2017-2018 dividend – cash/stock dividend option

The dividend for the year ended September 30, 2018 – which corresponded to €59.8 million (€0.34 per share) and was approved by the Company's shareholders at the March 22, 2019 Annual General Meeting – was paid on April 16, 2019. Out of this total, €32.4 million was paid in cash and the remainder in new Elior Group shares.

4.11.1.2.2 Capital increase

The main changes in the Company's share capital during the year ended September 30, 2019 were as follows:

- Capital increase following the allocation of performance shares under the 2016/1, 2016/2 and 2017/1 plans described in Chapter 3, Section 3.1.6.4 of this Universal Registration Document.
- Capital increase following shareholders' exercise of the option to receive their dividend for fiscal 2017-2018 in shares as authorized at the March 22, 2019 Annual General Meeting.

4.11.1.2.3 Change in governance

At the March 22, 2019 Annual General Meeting, the Company's shareholders re-elected Gilles Cojan as a director.

On the same date, the Board of Directors appointed Mr. Cojan as Chairman of the Board.

On September 24, 2019, Vanessa Llopart was appointed as permanent representative of Emesa replacing Pedro Fontana.

4.11.1.2.4 Impact of the sale of Areas

Following the sale of Areas by Elior Group's subsidiary, Elior Participations, on July 1, 2019, Elior Participations repaid (i) the entire amount of its US dollar-denominated loan granted by Elior Group (amounting to $418 million) and (ii) part of its euro-denominated loan (€656 million).

These repayments enabled Elior Group to reduce its debt and to repay, in advance without any early repayment penalties, the majority of its Term Loan facilities under the Senior Facilities Agreement.

The total amounts of these repayments were €654 million and $444 million (principal excluding interest).

See 4.11.4.10 for further details.

4.11.1.2.5 Share buyback program

In 2018-2019, Elior Group used the authorizations given in the 15th and 22nd resolutions of the March 22, 2019 Annual General Meeting to launch a share buyback program with a view to canceling the repurchased shares by way of a capital reduction.

For this purpose, on July 5, 2019, the Company signed a mandate with Natixis to purchase up to €50 million worth of Elior Group shares.

At September 30, 2019, €50 million worth of shares had been bought back.

4.11.2 ACCOUNTING PRINCIPLES AND METHODS

4.11.2.1 Accounting principles

Elior Group's financial statements for the year ended September 30, 2019 have been prepared in accordance with French generally accepted accounting principles, including the principles of prudence and segregation of accounting periods. They are presented on a going concern basis, using the historical cost convention, and accounting methods have been applied consistently from one year to the next.

All amounts referred to in the notes to the financial statements are in thousands of euros, unless otherwise specified.

4.11.2.2 Accounting methods

The main accounting methods applied by the Company are described below.

4.11.2.2.1 Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at acquisition cost, which corresponds to their purchase price plus incidental expenses and excluding transaction costs.

Depreciation and amortization are calculated by the straight-line method over the following estimated useful lives:

- Software: 1 to 6 years
- Fixtures and fittings: 5 to 10 years
- Plant and equipment: 5 to 7 years
- IT equipment: 3 to 4 years

4.11.2.2.2 Shares in subsidiaries and affiliates and other long-term securities

The gross value of these assets corresponds to cost excluding incidental expenses. If their fair value is lower than this gross value a provision for impairment is recognized.

Fair value corresponds to value in use for the Company, which is determined based on Elior Group's equity in the underlying net assets of the entities concerned, as adjusted for their development outlook.

4.11.2.2.3 Receivables

Receivables are stated at nominal value. A provision for impairment is recognized if their fair value is lower than this gross value.

4.11.2.2.4 Foreign currency transactions

Income and expenses denominated in foreign currencies are translated into euros using the exchange rate prevailing at the transaction date. Foreign currency payables, receivables and cash balances are translated using the year-end exchange rate, and any resulting translation differences are recognized in the balance sheet under "Unrealized foreign exchange losses" or "Unrealized foreign exchange gains".

4.11.2.2.5 Tax consolidation

Since February 1, 2006, pursuant to Articles 223.A, 235 *ter* and 223 L6 of the French Tax Code (*Code Général des Impôts*), Elior Group has filed a consolidated tax return for its French subsidiaries in which it has an ownership interest of over 95%.

The income tax charge for each member of the consolidated group is calculated on that member's own earnings as if it were taxed on a stand-alone basis. The parent company benefits from any tax savings arising on tax consolidation as the tax group can use any tax losses generated by members of the group to offset taxable profit. However, this is only a temporary benefit because if the companies concerned return to profit, the tax savings generated by the use of their tax losses are repaid to them as if they were taxed on a stand-alone basis.

4.11.2.3 Consolidating company

At September 30, 2019 Elior Group was the parent company responsible for preparing the consolidated financial statements of the Elior group.

4.11.2.4 Retirement benefit obligations

The following obligations are presented in "Off-balance sheet commitments": (i) obligations for the payment of statutory and contractual retirement indemnities related to active employees, and (ii) obligations relating to supplementary pension plans, measured using the projected unit credit method based on end-of-career salaries, net of the value of any plan assets.

4.11.3 NOTES TO THE INCOME STATEMENT

4.11.3.1 Revenue

	France	Other countries	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
Management of the Group and services provided to the Group	7,764	6,612	14,376	10,078
Rebillings of personnel costs	2,311		2,311	1,455
Rebillings of insurance costs	3,280	409	3,689	3,841
Other rebillings	365	345	710	623
TOTAL	**13,720**	**7,366**	**21,086**	**15,997**

4.11.3.2 Net financial income

	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
Dividends and financial income received from subsidiaries	296,126	47,716
Interest income	58,435	933
Interest expense	(65,430)	(45,835)
TOTAL	**289,131**	**2,814**

4.11.3.3 Net non-recurring expense

	Year ended Sept. 30, 2019	Year ended Sept. 30, 2018
Proceeds from sale of fixed assets		
Exceptional reversals of provisions and impairment	1,050	4,210
Exceptional additions to provisions and impairment	-	(4,545)
Other	(25,261)	(343)
TOTAL	**(24,211)**	**(678)**

4.11.3.4 Income tax analysis

Income tax for fiscal 2018-2019 was calculated at the statutory rate of 33.33% for tax consolidation purposes and can be analyzed as follows:

(in € thousands)	Year ended Sept. 30, 2019
Income tax charge for the head of the tax consolidation group	
Tax due for profitable members of the tax group	37,336
Tax credit	6
Other	(102)
Net income tax benefit	**37,240**

	Before tax Year ended Sept. 30, 2019	Income tax due	After tax Year ended Sept. 30, 2019	After tax Year ended Sept. 30, 2018
Profit/(loss) from ordinary activities	281,818		281,818	(7,506)
Net non-recurring expense	(24,211)	(102)	(24,313)	(937)
Tax benefit		37,336	37,336	47,015
Tax credit		6	6	6
TOTAL	**257,607**	**37,240**	**294,847**	**38,578**

4.11.4 NOTES TO THE BALANCE SHEET

4.11.4.1 Property, plant and equipment and intangible assets

	Gross at Sept. 30, 2018	Increase	Decrease	Gross at Sept. 30, 2019
Intangible assets	9,307			9,307
Property, plant and equipment	59			59
TOTAL	**9,366**	**0**	**0**	**9,366**

Intangible assets mainly correspond to goodwill related to the Company's activities of managing the Group and providing Group services. In view of the nature of the contracts involved, these assets are not amortized.

Intangible assets also include development costs incurred by the Group for innovation projects launched since 2016 in connection with the Tsubaki project, which were fully written down at September 30, 2018.

4.11.4.2 Depreciation and amortization

	Cumulative amount at Sept. 30, 2018	Additions	Reversals	Cumulative amount at Sept. 30, 2019
Intangible assets	7,307			7,307
Property, plant and equipment	59			59
TOTAL	**7,366**	**0**	**0**	**7,366**

4.11.4.3 Long-term investments

	Gross at Sept. 30, 2018	Increase	Decrease	Gross at Sept. 30, 2019
Investments in subsidiaries and affiliates	1,741,183			1,741,183
Loans to subsidiaries and affiliates	2,049,096		1,016,096	1,033,000
Other long-term investment securities	3			3
Other loans	59			59
Treasury shares in the process of cancellation		50,000		50,000
Deposits	15			15
TOTAL	**3,790,356**	**50,000**	**1,016,096**	**2,824,260**

At September 30, 2019, Elior Participations' share capital comprised 139,312,620 shares, of which Elior Group owned 139,312,617, representing a total gross value of €1,740,721 thousand. The three remaining shares were held by the Company's general partners in the form of consumer loans.

At that date the Company also owned 500 shares in Bercy Participations, representing a total value of €462 thousand.

Since the 11th amendment to the SFA was signed on April 20, 2018, the Group's external borrowings have been fully carried by Elior Group, apart from the revolving credit facilities which can still be drawn down by Elior Group and/or Elior Participations. Elior Group finances all of the Group's borrowing requirements in US dollars and euros through inter-company loans, which totaled $418 million and €1,689 million respectively at September 30, 2018.

Following Elior Participations' sale of its Areas shares, it fully repaid the US dollar-denominated loan granted to it by Elior Group ($418 million) and partially repaid its euro-denominated loan (€656 million). Consequently, the outstanding balance of loans granted by Elior Group to subsidiaries and affiliates was €1,033 million at September 30, 2019.

In connection with the above-described share buyback program, €50 million worth of Elior Group shares had been repurchased at September 30, 2019.

4.11.4.4 Maturity schedule of receivables and long-term investments

	At Sept. 30, 2019	Due within 1 year	Due beyond 1 year
Other long-term investments	1,033,073		1,033,073
Trade receivables	4,907	4,907	
Other receivables	24,466	24,466	
Tax receivables arising on tax consolidation			
Current accounts with subsidiaries	274,444	274,444	
Prepaid expenses	377	377	
TOTAL	**1,337,267**	**304.194**	**1,033,073**

4.11.4.5 Accrued income

	At Sept. 30, 2019
Revenue accruals	4,513
Other	226
TOTAL	**4,739**

4.11.4.6 Prepaid expenses

	At Sept. 30, 2019
Operating expenses	357
Financial expenses	20
TOTAL	**377**

4.11.4.7 Equity

	At Sept. 30, 2018	Appropriation of FY 2017-2018 net profit	Dividend payment (1)	Capital increase (2)	FY 2018-2019 net profit	At Sept. 30, 2019
Share capital	1,759		24			1,783
Share premium account	1,716,741		27,282			1,744,023
Other reserves	173	4				177
Retained earnings	351,061	38,574	(59,816)			329,820
Net profit for the period	38,578	(38,578)			294,847	294,847
TOTAL	**2,108,312**		**(32,510)**	-	**294,847**	**2,370,650**

(1) *Corresponding to the payment of a dividend per share of €0.34, with a total of €32.5 million paid in cash and €27.3 million paid in Elior Group shares.*
(2) *N/A in 2019*

4.11.4.8 Share capital

	At Sept. 30, 2018	Increase	Decrease	At Sept. 30, 2019
Number of shares	175,949,096	2,370,050		178,319,146
Amount (in €)	1,759,491	23,701		1,783,191

At September 30, 2019, Elior Group's share capital amounted to €1,783,191.46 divided into 178,319,146 shares with a par value of €0.01 each.

4.11.4.9 Provisions

	At Sept. 30, 2018	Additions	Reversals	At Sept. 30, 2019
Other provisions for contingencies and charges	1,050	500	1,050	500
Provisions for taxes	493			493
Provisions for foreign exchange losses	24,886	8,230	24,886	8,230
TOTAL	**26,429**	**8,730**	**25,936**	**9,223**
O/w recorded under:				
- Operating income and expenses		500		
- Financial income and expenses		8,230	24,886	
- Non-recurring income and expenses			1,050	

4.11.4.10 Maturity schedule of liabilities

	At Sept. 30, 2019	Due within 1 year	Due in 1-5 years	Due beyond 5 years
Bond debt (USD private placement)				
Bank borrowings	534,228	4,228	530,000	
Other borrowings				
Trade payables	4,280	4,280		
Other liabilities	13,903	13,903		
Tax payables arising on tax consolidation	208,165	208,165		
Deferred income				
TOTAL	**760,576**	**230,576**	**530,000**	**0**

Following the transactions described in Note 4.11.1.2.4 above, the Company repaid a significant portion of its bank borrowings.

Consequently, at September 30, 2019, Elior Group's debt only comprised a senior bank loan totaling €530 million, fully repayable in May 2023. Interest on this loan is based on the Euribor plus a standard margin of 2%.

Maturities of trade payables	Total	Due within 30 days	Due in 31 to 44 days	Due in 45 to 75 days	Due in 76 to 90 days	Due beyond 90 days
Due to external suppliers	854	566	208	1	7	72
Due to suppliers of non-current assets						
Due to internal suppliers	32	32				
TOTAL	**886**	**598**	**208**	**1**	**7**	**72**

4.11.4.11 Accrued expenses

	At Sept. 30, 2019
Borrowings and accrued interest	647
Trade payables	23
Accrued taxes and payroll costs	1,182
Credit notes due to clients	
TOTAL	**1,852**

4.11.5 ADDITIONAL INFORMATION

4.11.5.1 Related party transactions and balances

	At Sept. 30, 2019
ASSETS	
Long-term investments: investments in subsidiaries and affiliates	1,741,183
Loans	1,033,000
Trade receivables	4,623
Intra-group current accounts	274,444
Tax receivables	0
Total	3,053,250
LIABILITIES	
Trade payables	56
Tax payables	205,055
Other liabilities	4,644
Total	209,755
INCOME STATEMENT	
Financial expenses	29
Financial income	296,445

Related parties correspond to companies that are fully consolidated by Elior Group. Related-party transactions during the period were conducted on arm's length terms and did not represent a material amount.

4.11.5.2 Financial commitments

4.11.5.2.1 Retirement benefit obligations

The Company's retirement benefit obligation is measured using the projected unit credit method, in accordance with Recommendation 1.23 issued by the French Order of Chartered Accountants, and Recommendation 2003-R. 01 and Opinion 2004-05 of March 25, 2004 issued by the French Accounting Standards Authority. This method values the Company's obligation based on projected end-of-career salaries and rights vested at the valuation date, as defined under applicable collective bargaining agreements, company-level agreements and/or legal provisions in effect at the fiscal year-end.

At September 30, 2019, the obligation was calculated using a net discount rate of 1.5% and based on a retirement age of between 62 and 64 and voluntary retirement. At that date it totaled €895,214, the full amount of which corresponded to indemnities payable to employees on retirement.

4.11.5.2.2 Stock options and performance shares granted to employees of Elior Group and its subsidiaries

Elior Group stock options and performance shares

Type of instrument	Grant date	Start of exercise period	End of exercise period	Exercise price per share (in €)	Total number of shares under option/vestable performance shares (1)	Estimated fair value (in € millions)
Stock options	March 11, 2016	March 11, 2020	March 11, 2024	16.3	95,811	3.78
Stock options	Oct. 27, 2016	Oct. 27, 2020	Oct. 27, 2024	18.29	58,545	3.27
Total					**154,356**	
Performance shares	March 11, 2016	-	-	N/A	47,905	17.71
Performance shares	Oct. 27, 2016	-	-	N/A	29,274	18.29
Performance shares	Dec. 5, 2017	-	-	N/A	56,699	17.00
Performance shares	June 15, 2018	-	-	N/A	955,411	13.16
Performance shares	July 24, 2019	-	-	N/A	1,553,972	10.84
Total					**2,643,261**	

(1) Adjusted to take into account departures of beneficiary employees prior to September 30, 2019.

Stock options and performance shares granted during the year ended September 30, 2016

Elior Group's stock options and performance shares allocated on March 11, 2016 and October 27, 2016 were mainly granted to the members of the Management Committee and the Leaders Committee. These options and shares will only be exercisable/vest if the beneficiary still forms part of the Group on the exercise/vesting date and if certain pre-defined performance conditions are met (based on organic revenue growth and increases in operating margin and earnings per share). The achievement of these performance conditions was assessed at the end of the second fiscal year following the grant date, i.e. at September 30, 2017 for the March 2016 plans and September 30, 2018 for the October 2016 plans.

The stock options have a four-year life and are exercisable for shares at a 10% discount to their market value.

The fair value of the stock options (which correspond to equity-settled options) was estimated at the grant date using a Black & Scholes-type pricing model which factors in the terms and conditions under which the options were granted and assumptions about beneficiaries' exercise patterns.

The main assumptions used for the fair value estimations were as follows:

- Expected life of the options: 4 years
- Volatility: 23%
- Expected dividend yield: 2% and 2.2%

Performance share plans set up in 2017

The performance shares granted on December 5, 2017 were allocated to the members of the Management Committee and Leaders Committee and will only vest if the beneficiary still forms part of the Group on the vesting date and if certain performance conditions are met (based on cash flows generated by a pre-defined scope).

The achievement of the cash flow objectives was assessed at September 30, 2018 and the vesting condition based on continued presence within the Group was assessed on December 5, 2019.

Performance share plans set up in 2018

The performance shares granted on June 15, 2018 were mainly allocated to the members of the Management Committee and Leaders Committee and will only vest if the beneficiary still forms part of the Group on the vesting date and if certain performance conditions are met.

The performance conditions are based on the following: (i) the cumulative annual growth rate for Elior Group's adjusted earnings per share, (ii) the cumulative annual growth rate for Elior North America's share price (only for the plan for Elior North America employees), and (iii) Elior Group's share performance compared with a peer group and compared with the performance of the CAC Next 20 index.

The achievement of these conditions will be assessed on June 15, 2021 for the presence condition, on September 30, 2021 for the internal performance conditions, and on December 31, 2021 for the external performance conditions.

Performance share plans set up in 2019

The performance shares granted on July 24, 2019 were mainly allocated to the members of the Management Committee and Leaders Committee and are also subject to vesting conditions relating to presence and performance.

The performance conditions are based on the following: (i) the cumulative annual growth rate for Elior Group's adjusted earnings per share, (ii) the cumulative annual growth rate for Elior North America's share price (only for the plan for Elior North America employees), and (iii) Elior Group's share performance compared with a peer group and compared with the performance of the CAC Next 20 index.

The achievement of these conditions will be assessed on July 24, 2022 for the presence condition, on September 30, 2022 for the internal performance conditions, and on December 31, 2022 for the external performance conditions.

4.11.5.2.3 Other commitments

Elior Group continues to act as guarantor for the commitments given by Elior Participations under the SFA.

Other commitments given at September 30, 2018 included a €3,224,104 tax guarantee, which was released on December 4, 2018.

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4.11.5.3 Average headcount

Number of employees	At Sept. 30, 2019	At Sept. 30, 2018
Managerial employees	18	18
TOTAL	**18**	**18**

4.11.5.4 Subsidiaries and affiliates

	Share capital	Total equity excluding share capital	% owner-ship	Gross value of shares held	Net value of shares held	Out-standing loans and advances	Guaran-tees given	Net revenue for the last fiscal year	Net profit for the period	Dividends received
Affiliates										
Bercy Participations[1]	37	260	100%	462	462				256	15
Elior Participations[1]	5,310	506,578	100%	1,740,721	1,740,721	1,302,789		31,911	185,443	243,553

(1) Fiscal year from October 1, 2018 to September 30, 2019.

4.11.5.5 Deferred taxes

Analysis	Base	Tax effect Deferred tax benefit
Currency translation differences	(8,230)	(2,743)
Provisions	9,223	3,074
Deferred tax assets	993	331
Tax loss carryforwards before tax consolidation		
Tax loss carryforwards after tax consolidation	**507,068**	**169,023**

4.11.5.6 Directors' fees

Directors' fees paid in fiscal 2018-2019 totaled €600,000.

4.11.5.7 Events after the reporting date

No significant events occurred after September 30, 2019 that require disclosure in these financial statements.

4.11.5.8 Five-Year Financial Summary (information disclosed in accordance with Articles 133, 135 and 148 of the French decree applicable to commercial companies)

(in euros)	FY 2014-2015	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019
Capital at year-end					
Share capital	1,723,252	1,726,345	1,727,418	1,759,491	1,783,191
Number of ordinary shares outstanding	172,325,244	172,634,475	172,741,785	175,949,096	178,319,146
Number of preferred non-voting shares	-	-	-	-	
Maximum number of shares to be created on exercise of stock options	-	-	-	-	
Maximum number of shares to be created on conversion of bonds	-	-	-	-	
Results of operations					
Net revenue	22,370,878	22,933,610	20,773,973	15,996,850	21,085,696
Profit/(loss) before tax, employee profit-sharing, depreciation, amortization and provisions	24,260,349	(41,659,242)	140,410,025	11,134,444	241,453,333
Income tax	(102,592,298)	(39,927,640)	(38,215,770)	(46,761,791)	(37,240,082)
Employee profit-sharing	-	-	-	-	-
Net profit/(loss) after tax, employee profit-sharing, depreciation, amortization and provisions	124,317,351	(2,315,980)	167,524,310	38,577,839	294,847,700
General Partners' profit share					
Total dividend payout	55,144,078	72,506,480	72,521,904	59,822,693	59,816,146
Per share data					
Net profit/(loss) per share after tax and employee profit-sharing, before depreciation, amortization and provisions	0.74	(0.01)	1.03	0.33	1.35
Earnings/(loss) per share	0.72	(0.01)	0.97	0.22	1.65
Dividend per share	0.32	0.42	0.42	0.34	0.34
Employee data					
Average number of employees	25	21	16	22	18
Total payroll	16,824,031	12,654,126	10,545,447	7,996,628	11,016,037
Benefits	3,903,951	5,983,841	3,298,454	2,855,251	5,078,410

4.12 STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY FINANCIAL STATEMENTS – AFR

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Year ended September 30, 2019

Elior Group SA

9 -11 Allée de l'Arche

92032 Paris La Defense cedex

France

To the Shareholders,

Opinion

In compliance with the assignment entrusted to us by your General Meetings, we have audited the accompanying annual financial statements of Elior Group SA for the financial year ended 30 September 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 30 September 2019 and of the results of its operations for the financial year then ended in accordance with French accounting principles.

The opinion expressed above is consistent with our report to the Audit Committee.

Basis of the audit opinion

Audit reference framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are described in the section of this report entitled "Responsibilities of the Statutory Auditors relating to the audit of the financial statements".

Independence

We conducted our audit in compliance with the applicable independence rules for the period from 1 October 2018 to the date of issue of our report, and in particular we did not provide any services that are prohibited by article 5 (1) of Regulation (EU) No. 537/2014 or the Code of Ethics for Statutory Auditors in France.

Justification of our assessments – Key audit matters

In accordance with the provisions of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we draw your attention to the key audit matters relating to the risks of material misstatement that, in our professional judgement, were most significant in the audit of the financial statements, and we explain how our audit addressed such risks.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed as expressed above. We do not express an opinion on individual line items or on information taken from outside of the financial statements.

Valuation of equity investments and related receivables:

Description of risk

Equity investments and related receivables amounted to €2,824 million at 30 September 2019 and represented one of the largest assets on the balance sheet. They principally comprise the shares of Elior Participations, the holding company for all of the Group's subsidiaries.

As indicated in Notes 1.1.2.2.2 and 1.1.2.2.3 to the financial statements, fair value is estimated by management based on the share of equity held at the closing date, adjusted for the outlook, profitability and earnings forecasts of the subsidiaries concerned.

In order to estimate the value in use of equity investments, management is required to exercise judgement as to which data to use for each investee. The data may be historical data (for some entities, equity; and for other entities, the average stock market price for the last month of the period) or forecast data (outlook of future profitability or the economic environment in the countries in which the investees operate).

The geographic location of certain subsidiaries and the competitive and economic environment in which they operate may lead to a decline in their business activity and a decrease in their operating income.

As a result, we believe that the valuation of equity investments and related receivables and provisions for contingencies are a key audit matter, due to the inherent uncertainty of certain components of the valuation, in particular the likelihood of achieving projections.

How our audit addressed this risk

To assess the reasonableness of the estimated values in use of equity investments and related receivables, based on the information provided to us, our audit work consisted mainly in verifying that the estimated values in use determined by management were based on an appropriate measurement method and underlying data and, depending on the investee concerned:

For valuations based on historical data:

- verifying that the equity values used were consistent with the financial statements of the entities, which had been audited or subject to analytical procedures, and that any adjustments to equity were based on documentary evidence;

For valuations based on forecast data:

- obtaining the cash flow projections for the operating activities of the entities concerned, drawn up by their operational management teams;
- assessing the consistency of the assumptions used with the economic environment at the balance sheet date and at the date on which the financial statements were prepared;
- comparing the projections used for previous periods with actual performance in order to measure the achievement of past objectives;
- assessing whether the cash flow projections have been adjusted to take into account the amount of debt held by the entity concerned.

In addition to assessing the values in use of the investees, our work also consisted in:

- verifying the recognition of provisions for contingencies where the Company is exposed to the losses of a subsidiary with negative equity.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French law.

Disclosures provided in the management report and other documents addressed to the shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the disclosures in the management report of the Board of Directors, and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

We attest the accuracy of the information on payment terms mentioned in article D. 441-4 of the French Commercial Code, as well as its consistency with the annual financial statements.

Disclosures on corporate governance

We have verified that the information required by articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code has been properly disclosed in the corporate governance section of the management report.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Disclosures resulting from other legal and regulatory requirements

Appointment of Statutory Auditors

PricewaterhouseCoopers Audit was appointed Statutory Auditor of Holding Bercy Investissement SCA (renamed Elior Group SA) by the General Meeting of 26 October 2006. Salustro Reydel (then KPMG Audit IS) was appointed Statutory Auditor of Management Restauration Collective SAS (renamed Holding Bercy Investissement SCA then Elior Group SA) by the General Meeting of 28 January 2002.

At 30 September 2019, PricewaterhouseCoopers Audit was in the thirteenth consecutive year of its engagement and KPMG Audit IS was in the eighteenth consecutive year of its engagement, thus six years since the Company shares were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance relating to the financial statements

Management is responsible for preparing financial statements presenting a true and fair view in accordance with French accounting principles, as well as for implementing the internal control procedures it deems necessary for the preparation of financial statements free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, for disclosing any matters relating to its ability to continue as a going concern and for adopting the going concern basis of accounting, unless it intends to liquidate the company or cease its operations.

The Audit Committee is responsible for monitoring the process of preparing financial information and the effectiveness of internal control and risk management systems, as well as any internal audit procedures relating to the preparation and processing of financial and accounting information.

These financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements taken as a whole are free of material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit carried out in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In accordance with the provisions of article L.823-10-1 of the French Commercial Code, our audit of the financial statements does not constitute a guarantee of the longer-term viability or quality of the company's management.

As part of an audit performed in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement of the entity's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. This conclusion is made on the basis of audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the entity to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in their audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;

- evaluate the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee that includes a description of the scope of our audit work and the audit program implemented, as well as the resulting findings. We also draw its attention to any material weaknesses that we have identified in internal control procedures relating to the preparation and processing of financial and accounting information.

Our report to the Audit Committee includes an assessment of the risks of material misstatements that we deem to have been most significant for the audit of the financial statements and which constitute key audit matters that we describe in this report.

We also provide the Audit Committee with the declaration referred to in article 6 of Regulation (EU) No. 537-2014, confirming our independence within the meaning of the rules applicable in France, as defined in articles L.822-10 to L.822-14 of the French Commercial Code and in the Code of Ethics for Statutory Auditors in France. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Paris La Défense and Neuilly-sur-Seine, January 10, 2020

The Statutory Auditors

KPMG Audit IS

François Caubrière

Partner

PricewaterhouseCoopers Audit

Matthieu Moussy

Partner

4.13 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

This is a free translation into English of the Statutory Auditors' special report on related-party agreements and commitments issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Annual General Meeting for the approval of the financial statements for the year ended September 30, 2019)

Elior Group SA
9 -11 Allée de l'Arche
92032 Paris La Defense cedex
France

To the Shareholders,

In our capacity as Statutory Auditors of Elior Group SA, we hereby report to you on related-party agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of, as well as the reasons provided for, the agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with the professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

Agreements and commitments submitted to the Annual General Meeting for approval

Agreements and commitments authorized and entered into during the year

We were not informed of any agreement or commitment authorized and entered into during the year to be submitted for approval at the Annual General Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

Agreements and commitments authorized since the year end

We were informed of the following agreements and commitments, authorized since the year end, which were given prior approval by the Board of Directors on December 3, 2019.

COMPENSATION

- **Amendment to the commitment given to Philippe Guillemot, Chief Executive Officer, in the event of the termination of his duties**

Date of authorization by the Board of Directors and person concerned:
On December 3, 2019, on the recommendation of the Nominations and Compensation Committee, the Board of Directors authorized an amendment to the commitment undertaken by the Company on December 5, 2017 to pay a termination benefit to Philippe Guillemot, Chief Executive Officer as from said date, in the event of the termination of his duties.

Nature, purpose and financial conditions:

Should the Company decide to remove the Chief Executive Officer from office for any reason other than serious or gross misconduct in the performance of his duties within Elior Group, he will be entitled to a termination benefit as compensation for any damages suffered as a result of his termination, in an amount equal to (i) 12 months' compensation or (ii) 24 months' compensation if no non-compete indemnity is paid to the Chief Executive Officer. Both amounts will be calculated based on the average basic monthly gross fixed and variable compensation (excluding any long-term variable compensation [LTVC]) paid during the 12 months preceding the date of his removal from office by the Board of Directors.

Termination benefits will not be payable in the event of dismissal for serious or gross misconduct, characterized by – but not limited to – the following:

- inappropriate behavior for an executive (criticizing the Company and its management bodies to a third party);
- repeated failure to take into account the Board of Directors' decisions and/or behavior that is contrary to said decisions;
- frequent communication errors that seriously damage the Company's image and/or values (impacting the Company's share price).

The termination benefits will only be payable, in part or in full, if the average percentage (A) of the Chief Executive Officer's annual variable compensation for the last three years is greater than or equal to 80%. If this requirement is met, the amount of the termination benefit due to Philippe Guillemot will be set at:

- 20% of the total amount if A is equal to 80%;
- 100% of the total amount if A is greater than or equal to 100%;
- between 20% and 100% of the total amount if A is between 80% and 100%, calculated by linear interpolation using the following formula: 20 + [(100-20) x X], where: X = (A-80)/(100-80).

This performance condition will be assessed over a three-year period from October 1, 2018, i.e., the start date of the first fiscal year following Philippe Guillemot's arrival within the Group.

Should Philippe Guillemot leave the Group within the first three fiscal years of his arrival, his performance will be assessed based on the fiscal years ended from October 1, 2018.

Termination benefits will not be payable should Philippe Guillemot resign from his duties as Chief Executive Officer.

<u>Ratio between the cost for the Company and prior-year earnings</u>:

In the event of payment of a non-compete indemnity: 1.8*/294.8** = 0.61%

In the absence of payment of a non-compete indemnity: 3.6*/294.8** = 1.22%

* *In millions of euros, based on basic annual gross fixed and variable compensation (excluding LTVC).*

** *In millions of euros, based on the IFRS consolidated financial statements published on December 3, 2019.*

<u>Reason provided by the Company</u>:

The Board of Directors' decision to authorize the amendment to the terms of Philippe Guillemot's termination benefit, which takes into account the interests of the Company, French and international market practices, the Company's competitive environment and the performance levels expected of the Chief Executive Officer, was motivated by the need to retain a key figure in the Company's development in light of the concessions made by Philippe Guillemot regarding the terms of his non-compete obligation, which was also amended in the Company's favor.

- **Amendment to the commitment given to Philippe Guillemot, Chief Executive Officer, as consideration for a non-compete obligation**

<u>Date of authorization by the Board of Directors and person concerned</u>:

On December 3, 2019, on the recommendation of the Nominations and Compensation Committee, the Board of Directors authorized an amendment to the commitment undertaken on December 5, 2017 by Philippe Guillemot, Chief Executive Officer as from said date, in exchange for payment by the Company of a non-compete indemnity in the event of the termination of his duties.

<u>Nature, purpose and financial conditions</u>:

In the event of termination of the duties of the Chief Executive Officer for any reason, he will be bound by a non-compete obligation with Elior Group for a period of two years from the date on which his duties are terminated, mainly on account of the strategic information to which he has access in his position as Chief Executive Officer.

Under the terms and conditions of the non-compete agreement, for a period of two years following the end of his term as Chief Executive Officer, Philippe Guillemot will be prohibited from:

- working as an employee, corporate officer, consultant, shareholder or other for companies in the commercial and/or contract catering industries where he would perform duties similar to or competing with those performed as Chief Executive Officer of the Company or hold the position of Chairman or corporate officer. The obligation is, however, limited to the following companies:
  - Elior Group's seven direct competitors, i.e., Aramark, Compass, ISS, Sodexo, Autogrill, SSP and Lagardère, and
  - any other major competitor with a contract or concession catering business in France or the six other countries where Elior Group operates, i.e., Spain, the United Kingdom, Italy, Portugal, Germany and the United States; and/or
- directly or indirectly approaching employees or corporate officers of Elior Group; and/or
- directly or indirectly holding financial or any other interests in any of the aforementioned companies.

As consideration for the non-compete obligation, the Chief Executive Officer will receive a monthly payment equal to 50% of his basic monthly gross fixed and variable compensation (excluding LTVC) from the date of his termination and for the duration of the non-competition obligation. The amount due is calculated based on the average basic monthly gross fixed and variable compensation (excluding LTVC) paid during the 12 months preceding his termination date.

Regardless of the reason for the termination of his duties (resignation or dismissal), the Board of Directors may decide to waive the Chief Executive Officer's non-compete obligation by informing him of its decision within one month following the termination of his duties. In this case, the Company will be released from its obligation to pay the non-compete indemnity.

The non-compete indemnity will not be paid if Philippe Guillemot retires, and in any event may not be paid once he reaches the age of 65.

Ratio between the cost for the Company and prior-year earnings:
1.8*/294.8** = 0.61%
* *In millions of euros, based on basic annual gross fixed and variable compensation (excluding LTVC).*
** *In millions of euros, based on the IFRS consolidated financial statements published on December 3, 2019.*

Reason provided by the Company:
The Board of Directors' decision to authorize the amendment to the terms of Philippe Guillemot's non-compete obligation was motivated by the Board's ability to assess, upon the termination of his duties as Chief Executive Officer for any reason, the appropriateness of paying said indemnity over a period of two years in order to protect the Company's interests, mainly on account of the strategic information to which he has access in his position as Chief Executive Officer.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING

Agreements and commitments approved by the Annual General Meeting in previous years which remained in force during the year

In accordance with article R.225-30 of the French Commercial Code, we were informed of the following agreements and commitments, approved by the Annual General Meeting in previous years, which remained in force during the year.

COMPENSATION

- ***Termination benefits for Philippe Guillemot, Chief Executive Officer of Elior Group since December 5, 2017***

Date of authorization by the Board of Directors: December 5, 2017

Person concerned: Philippe Guillemot (Chief Executive Officer since December 5, 2017)

Nature and purpose: On the recommendation of the Nominations and Compensation Committee, the Board of Directors authorized the commitment undertaken by Elior Group to pay a termination benefit to the Chief Executive Officer in the event of the termination of his duties. Termination benefits are set at 12 months' compensation based on the average basic monthly gross fixed and variable compensation (excluding any LTVC) paid during the 12 months preceding the date of his removal from office by the Board of Directors.

The termination benefits will only be payable, in part or in full, if the average percentage (A) of the Chief Executive Officer's annual variable compensation for the last three years is greater than or equal to 80%. If this requirement is met, the amount of the termination benefit due to Philippe Guillemot will be set at:
- 20% of the total amount if A is equal to 80%;
- 100% of the total amount if A is greater than or equal to 100%;
- between 20% and 100% of the total amount if A is between 80% and 100%, calculated by linear interpolation using the following formula: 20 + [(100-20) x X], where: X = (A-80)/(100-80).

Termination benefits will not be payable in the event of dismissal for serious or gross misconduct, nor in the event of the Chief Executive Officer's resignation or termination during the first two years of his time in office.

The above information is published on the Company's website in accordance with the applicable legal provisions.

The termination benefit was discussed in the Statutory Auditors' special report on related-party agreements and commitments approved by the Combined General Meeting of March 22, 2019. In addition, it was separately approved by the Combined General Meeting of March 22, 2019 in accordance with the provisions of the former article L.225-42-1 of the French Commercial Code.

Reason provided by the Company: "The Nominations and Compensation Committee sought to verify that the compensation of the Chief Executive Officer, including its features and amounts, is in compliance with the principles described herein and takes into account the interests of the Company, market practices and the performance levels expected. In particular, the Committee assessed the appropriateness of the proposed compensation methods with respect to the Company's operations, its competitive environment and French and international market practices."

- ***Non-compete agreement signed by Philippe Guillemot, Chief Executive Officer since December 5, 2017***

Date of authorization by the Board of Directors: December 5, 2017

Contracting entities: None

Person concerned: Philippe Guillemot (Chief Executive Officer of Elior Group since December 5, 2017)

Nature and purpose: On the recommendation of the Nominations and Compensation Committee, the Board of Directors recommended a non-compete agreement. Under the terms and conditions of the agreement, signed by the Company and Philippe Guillemot, for a period of two years following the end of his term as Chief Executive Officer, Philippe Guillemot is prohibited from:

- working as an employee, corporate officer, consultant, shareholder or other for companies in the commercial and/or contract catering industries where he would perform duties similar to or competing with those performed as Chief Executive Officer of the Company;
- directly or indirectly approaching employees or corporate officers of the Group;
- directly or indirectly holding financial or any other interests in any of the aforementioned companies.

As consideration for the non-compete obligation, the Chief Executive Officer will receive a monthly payment equal to 50% of his basic monthly gross fixed and variable compensation (excluding LTVC) from the date of his termination and for the duration of the non-competition obligation. The amount due is calculated based on the average basic monthly gross fixed and variable compensation (excluding LTVC) paid during the 12 months preceding his termination date.

In the event that the Chief Executive Officer resigns from his position, the Company may decide to waive his non-compete obligation. In this case, the Company will be released from its obligation to pay the aforementioned non-compete indemnity.

Reason provided by the Company: "On the recommendation of the Nominations and Compensation Committee, in the event of the termination of the duties of the Chief Executive Officer for any reason, he will be bound by a non-compete obligation with the Company and with Elior Group for a period of two years from the date on which his duties are terminated, mainly on account of the strategic information to which he has access in his position as Chief Executive Officer."

- **Non-compete agreement with Philippe Salle, Chairman and Chief Executive Officer until October 31, 2017**

Date of authorization by the Board of Directors: April 29, 2015 then July 26, 2017

Person concerned: Philippe Salle (Chairman and Chief Executive Officer until October 31, 2017)
Nature, purpose and conditions: On the recommendation of the Nominations and Compensation Committee, the Board of Directors recommended a non-compete agreement.

In accordance with the commitments given upon his arrival within the Group and as approved by the Annual General Meeting of March 11, 2016 in the eighth resolution, Philippe Salle received a monthly payment equal to 50% of his basic monthly gross fixed and variable compensation (excluding LTVC) from the termination of his duties on October 31, 2017 and for a period of two years from said date. The amount due was calculated based on the average basic monthly gross fixed and variable compensation (excluding LTVC) paid during the 12 months preceding his termination date. Accordingly, the maximum gross amount of the termination benefit was €990,630, payable over period of 24 months from November 1, 2017, i.e., a monthly gross amount of €41,276.25.

Under the terms and conditions of the non-compete agreement, until October 31, 2019 and for any reason, Philippe Salle was prohibited from:

- working as an employee, corporate officer, consultant, shareholder or other for companies in the commercial and/or contract catering industries where he would perform duties similar to or competing with those performed as Chairman and Chief Executive Officer of the Company. The obligation was, however, limited to the following companies:

(i) Elior Group's seven direct competitors, i.e., Aramark, Compass, ISS, Sodexo, Autogrill, SSP and Lagardère, and
(ii) any other major competitor with a contract or concession catering business in France or the six other countries where Elior Group operates, i.e., Spain, the United Kingdom, Italy, Portugal, Germany and the United States;

- directly or indirectly approaching employees or corporate officers of the Group; and/or
- directly or indirectly holding financial or any other interests in any of the aforementioned companies.

The above information is published on the Company's website in accordance with the applicable legal provisions.

Reason provided by the Company: On July 26, 2017, the Board of Directors decided not to waive the non-compete obligation, for the self-evident and legitimate reason of protecting the Group's interests.

Amount recorded during the year: The Board of Directors approved the payment of non-competition compensation in the amount of €990,630. Accordingly, the Company paid non-competition compensation to Philippe Salle for the year ended 30 September 2019 in the amount of €495,315. A provision for the full amount of this compensation had been booked during the year ended 30 September 2018. No amounts were recognised in respect of financial year 2018-2019.

FINANCING

- ***Eleventh amendment to the Senior Facilities Agreement (SFA)***

Date of authorization by the Board of Directors: March 9, 2018

Contracting entities: Elior Group (of which Philippe Guillemot is the Chief Executive Officer) and Elior Participations (of which Bercy Participations, chaired by Elior Group, is manager *[gérant]*)

Persons concerned: Philippe Guillemot (director and Chief Executive Officer of Elior Group, which is manager of Elior Participations, at the time of signature of the eleventh amendment to the SFA)

Nature and purpose: During fiscal 2017-2018, with a view to optimizing its financing, Elior Group authorized a new amendment to the SFA established on June 23, 2006 that:

- extends the maturity of the existing credit facilities under the SFA to 2023;
- increases the revolving credit facilities by €150 million;
- decreases the dollar-denominated lending margin by 5 basis points; and
- simplifies contractual documents.

Reason provided by the Company: "This transaction will allow the Group to optimize its financing structure."

Neuilly-sur-Seine and Paris La Défense, January 10, 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	KPMG Audit IS
Matthieu Moussy	François Caubrière

5

INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

5. INFORMATION ABOUT THE COMPANY AND ITS SHARE CAPITAL

5.1 INFORMATION ABOUT ELIOR GROUP SA

This section sets out:

(i) The main provisions of the Company's Bylaws as adopted on March 13, 2014 by way of a collective decision of the shareholders and subsequently updated, notably following the relocation of the Company's registered office, successive capital increases carried out on the exercise of stock options and the vesting of performance shares, and the cancellation of shares repurchased pursuant to a share buyback mandate agreement.

(ii) The provisions of the Rules of Procedure, updated in accordance with the decisions taken by the Board of Directors at its meeting on January 9, 2020.

The Bylaws were drawn up in accordance with the laws and regulations applicable to *sociétés anonymes* with a Board of Directors and governed by French law.

The Bylaws and Rules of Procedure are available on the Company's website (www.eliorgroup.com).

[The use of the masculine pronoun in the provisions below is for convenience only and all references to the masculine gender should be understood as including the feminine where appropriate]

5.1.1 CORPORATE PURPOSES (ARTICLE 2 OF THE BYLAWS)

The Company's purposes, in France and abroad, are to:

- Act as a holding company for financial investments in any existing or future company or entity, which may take any form.

- Provide contract catering and commercial catering services worldwide, as well as to carry out any activities that are similar to, associated with or complementary to catering services; to acquire, use, sell, or transfer to any company, any moveable or immovable property; to take part in any transactions or operations for the purpose of operating, managing and administering any business or entity; and to purchase or lease any real estate required for the Company to achieve its corporate purposes.

- Lead and coordinate the entities of the Group by actively participating in the implementation of their strategies and providing them with specific services, notably for administrative, legal, accounting, financial or real estate matters.

More generally, the Company is authorized to directly or indirectly conduct any and all transactions or operations of a legal, economic, financial, trading or non-trading nature that are directly or indirectly related to the corporate purposes set out above or to any similar, connected or complementary purposes that could contribute to the implementation or furtherance of said corporate purposes.

5.1.2 FISCAL YEAR (ARTICLE 22 OF THE BYLAWS)

The Company's fiscal year covers the 12-month period from October 1 to September 30 of each calendar year.

5.1.3 MANAGEMENT BODIES

5.1.3.1 Board of Directors (Articles 15 to 17 of the Bylaws)

The Board of Directors has adopted a set of rules of procedure (the "Rules of Procedure") that define the terms and conditions of its operation.

Article 1.3 of the Rules of Procedure provides that the Board of Directors' prior express consent (based on a straight majority vote) is required for certain strategic decisions, and that such decisions cannot be taken by the Chief Executive Officer or Deputy Chief Executive Officer(s) without said consent.

The decisions concerned are detailed in Chapter 3, “Corporate Governance – AFR”, of this Universal Registration Document.

5.1.3.2 Membership Structure of the Board of Directors (Article 15 of the Bylaws and Article 2 of the Rules of Procedure)

The Company is administered by a Board of Directors comprising at least three and no more than eighteen members, except where otherwise permitted by law.

Directors are elected, re-elected or removed from office in accordance with the terms and conditions provided for in the applicable laws and regulations as well as in the Bylaws.

Directors are elected for four-year terms. However, shareholders in an Ordinary General Meeting may elect certain directors for a term of less than four years, or, if appropriate, reduce the term of one or more directors, in order to ensure that Board members are re-elected on a staggered basis.

Directors may be re-elected, and they may be removed from office at any time by way of a decision taken in an Ordinary General Meeting.

No more than one third of the Board’s members may be aged over 80. If this threshold is exceeded and no director aged over 80 resigns voluntarily, the oldest director on the Board shall be deemed to have resigned. However, if the threshold is exceeded due to a decrease in the number of Board members, this automatic resignation provision shall not apply, if, within a period of three months, new directors are elected such that the proportion of directors over the age of 80 returns to less than one third of the Board’s total members.

Directors may be individuals or legal entities. Legal entities elected to the Board are required to appoint a permanent representative who is subject to the same conditions, duties and liability as if he were a director in his own right (without prejudice to the joint and several liability of the legal entity he represents), and whose term of office will be of the same duration as that of the legal entity he represents.

If a legal entity removes its permanent representative from office, it must immediately notify the Company thereof in writing and provide the Company with the details of its new permanent representative. The same requirements apply in the event of the death, resignation or prolonged incapacity of a permanent representative.

All directors, other than directors representing employee shareholders, are subject to a minimum stock ownership requirement.

The Board of Directors comprises at least one independent member. A director is deemed to be independent when he or she has no relationship of any kind whatsoever with the Company, the Group or the management of either that may affect his or her judgment or create a conflict of interests between the director and the Company, the Group or the management of either. Consequently, an independent director is a director who:

- Is not, and has not been in any of the past five years:
  - an employee or executive director of the Company;
  - an employee or director of a shareholder that holds (directly or indirectly) over 10% of the Company’s capital or voting rights;
  - an employee or executive or non-executive director of an entity that the Company consolidates;
  - an employee or executive or non-executive director of the parent of the Company or an entity consolidated by the Company’s parent.
- Is not an executive director of an entity in which the Company holds a directorship, directly or indirectly, or in which an employee or executive director of the Company (currently in office or having held such office in the past five years) is a director.
- Is not, and does not have any direct or indirect ties with, a customer, supplier, commercial banker, investment banker or consultant:
  - that is material for the Company or for the Group; or
  - for which the Company or the Group represents a substantial proportion of its business.

The assessment of whether or not any relationship that a director may have with the Company or Group is significant is debated by the Board of Directors and the quantitative and qualitative criteria used for this assessment are explicitly set out in the Company’s corporate governance report.

In addition, an independent director must not:

- Have close family ties with an executive director of the Company or the Group or with a shareholder that owns (directly or indirectly) over 10% of the Company's capital or voting rights.
- Have served as a statutory auditor of the Company or another Group entity at any time in the past five years.
- Have served as an executive of the Company or another Group entity at any time in the past five years.
- Have served as a director of the Company for more than twelve years.
- Receive, or have received, material compensation from the Company or the Group (other than directors' fees), including all forms of share-based payments and all other forms of performance-related compensation.

The Chairman of the Board may be deemed independent even if he is an officer of the Company, if this classification can be justified in view of the above criteria.

A list of the members of the Board of Directors is provided in Chapter 3 of this Universal Registration Document.

5.1.3.3 Chairman of the Board of Directors (Article 17 of the Bylaws)

The Board of Directors appoints from among its members a Chairman, who must be an individual and whose term of office as Chairman may not exceed that of his term as a director. His term may be renewed an unlimited number of times.

If the Chairman is temporarily unable to perform his duties, or in the event of his death, the Board of Directors may appoint another director to act as Chairman. In the case of temporary unavailability, the acting Chairman will be appointed for a set period, which may be renewed. In the event of the Chairman's death, the acting Chairman will remain in office until such time as a new Chairman is appointed.

The age limit for the Chairman of the Board of Directors is 70. If a Chairman in office reaches the age of 70, his term of office will automatically expire at the close of the first Board meeting held after his 70th birthday.

The Chairman of the Board is responsible for (i) organizing and leading the Board's work, (ii) overseeing that the Company's governance structures function effectively, and (iii) ensuring that directors are in a position to fulfill their duties.

The Chairman is informed of any related party agreements concerning routine operations entered into on arm's length terms and he provides a list of these agreements, including the purpose thereof, to the members of the Board and to the Statutory Auditors. However, this duty to inform the Chairman does not apply to agreements which are not material for either of the parties concerned in light of their purpose or financial implications.

5.1.3.4 Honorary Chairman of the Board of Directors (Article 15.6 of the Bylaws)

The Board of Directors may appoint an Honorary Chairman of the Board, who must be an individual who has served as a Company officer. The Honorary Chairman is appointed for a term of four years, which may be renewed an unlimited number of times.

The Honorary Chairman may be invited to attend Board meetings in a purely consultative capacity (without prejudice to the voting rights that he may hold if he is also a director or a permanent representative of a corporate director). The Honorary Chairman is required to abide by the Board's Rules of Procedure.

5.1.3.5 Senior Independent Director (Article 2.3 of the Rules of Procedure)

Based on the recommendation of the Nominations and Compensation Committee, the Board may appoint a Senior Independent Director from among the independent directors who have been a member of the Board for at least one year.

The Senior Independent Director is appointed for a period that may not exceed his term of office as a director. His term as Senior Independent Director may be renewed based on the recommendation of the Nominations and Compensation Committee and he may be removed from office at any time by the Board.

The Senior Independent Director's main role is to ensure that the Company's governance structures function effectively. To this end, he is responsible for:

- Preventing and managing any conflict of interests by raising awareness about facts or circumstances that may lead to such conflicts. He is informed by each director of any actual or potential conflicts of interest that may arise and relays this information to the Board of Directors. He also informs the Board of any actual or potential conflicts of interest that he may have identified himself.

- Overseeing the periodic assessments of the Board of Directors' operating procedures.

As part of his work, the Senior Independent Director may suggest to the Chairman of the Board of Directors:

- that additional points be included in a Board meeting agenda; and/or

- that the Board of Directors meet to discuss a pre-defined agenda concerning an important or urgent matter requiring an extraordinary Board meeting.

The Senior Independent Director ensures that the directors have the possibility of meeting the Group's executive managers and Statutory Auditors, in accordance with the provisions of the Rules of Procedure.

More generally, the Senior Independent Director ensures that the directors receive all the information they need to exercise their duties in the best possible conditions, as stipulated in the Rules of Procedure.

Once a year, the Senior Independent Director reports to the Board of Directors on his work.

By way of decisions at its July 26, 2017 meeting, the Board of Directors appointed Gilles Auffret as Senior Independent Director.

5.1.3.6 Vice Chairman (Article 2.4 of the Rules of Procedure)

The Board of Directors may appoint a Vice Chairman, who can be either an individual or a legal entity. The Vice Chairman is appointed for a period that may not exceed his term of office as a director. He may be re-appointed and may be removed from office at any time by the Board of Directors.

The Vice Chairman replaces the Chairman of the Board of Directors if the Chairman is temporarily unable to perform his duties or in the event of the Chairman's death. In the case of temporary unavailability, the Vice Chairman chairs the Board until the Chairman is able to take up his duties again. In the event of the Chairman's death, the Vice Chairman chairs the Board until a new Chairman is appointed.

Like the Chairman, the Vice Chairman's roles and responsibilities include the following:

- He is informed of major events that occur within the course of the Group's operations, during regular meetings with the Chief Executive Officer.

- He may meet with key Group executives and make site visits in order to act on a fully-informed basis.

- He may meet with shareholders at their request, and passes on to the Board any concerns they may have concerning the Company's governance.

5.1.3.7 Board Committees (Article 16.4 of the Bylaws and Article 4 of the Rules of Procedure)

The Board of Directors may decide to set up committees tasked with examining issues submitted to them by the Board or its Chairman. The membership structure and roles of each of these committees, which perform their duties under the responsibility of the Board of Directors, are determined by the Board in its Rules of Procedure.

As at the date of this Universal Registration Document the Board of Directors has set up the following standing committees:

(i) An Audit Committee

(ii) A Nominations and Compensation Committee

(iii) A Strategy, Investments and CSR Committee

5.1.3.8 Non-voting Directors (Article 19 of the Bylaws)

Shareholders in an Ordinary General Meeting may elect one or more non-voting directors for a term of up to four years.

Non-voting directors are called to Board meetings which they attend in a purely advisory capacity. They may or may not be shareholders and receive a fee set by the Board of Directors.

Their term of office ends at the close of the Annual General Meeting called in the year in which their term expires for the purpose of approving the financial statements for the previous year.

5.1.3.9 Operating Procedures of the Board of Directors (Article 16 of the Bylaws and Article 3 of the Rules of Procedure)

The Board of Directors meets as often as required in the interests of the Company. Board meetings may be called by any method, including verbally, by the Chairman of the Board or any other of its members. They are held at the Company's head office or any other venue specified in the notice of meeting.

A Board meeting is validly constituted, even if it is not called in advance, if all of the Board's members are present or represented. At least half of the Board's members must be present in order for a meeting to be validly constituted.

Decisions of the Board are generally made by a straight majority vote of the directors present or represented and in the case of a split decision, the Chairman has a casting vote. However, the Rules of Procedure may provide that certain decisions require a larger majority.

The Rules of Procedure specify that directors who take part in Board meetings by video-conference, or by any other telecommunications or remote transmission technology that complies with the technical conditions set down in the applicable laws and regulations, are considered as being physically present for the calculation of the quorum and voting majority.

Directors may give proxy to another director to represent them at a Board meeting, but no director may hold more than one proxy at any single meeting.

5.1.3.10 Compensation Paid to Members of the Board of Directors (Article 15 of the Bylaws and Article 3.5 of the Rules of Procedure)

The aggregate amount of directors' fees is set by shareholders at the Annual General Meeting and the Board of Directors allocates said aggregate amount among its individual members based on the recommendation of the Nominations and Compensation Committee. The amount allocated to each director takes into account their attendance at meetings of the Board and its Committees.

An additional amount of directors' fees may be allocated, or special compensation paid, to any director entrusted with any specific duties or assignments, such as the role of Senior Independent Director. Any such payment of special compensation is subject to the procedure applicable to related party agreements.

5.1.4 EXECUTIVE MANAGEMENT (ARTICLE 18 OF THE BYLAWS)

5.1.4.1 Appointment of a Chief Executive Officer

The Company's executive management is performed either by the Chairman of the Board, in which case he is given the title of Chairman and Chief Executive Officer, or by another individual appointed by the Board, who may or may not be a Board member, and is given the title of Chief Executive Officer.

The Board of Directors may decide whether to separate or combine the duties of Chairman and Chief Executive Officer at any time, and must review the decision on the expiration of each term of office of the Chief Executive Officer or the Chairman when the Chairman is also responsible for the Company's executive management.

The duration of the term of office of the Chief Executive Officer and any Deputy Chief Executive Officer(s) appointed is set at the time of their appointment. However, if the Chief Executive Officer and the Deputy Chief Executive Officer(s) are also directors, said duration may not exceed that of their term of office as director.

The Chief Executive Officer may be removed from office at any time by the Board of Directors, as may the Deputy Chief Executive Officer(s) if recommended by the Chief Executive Officer. If the Chief Executive Officer is removed from office unfairly, he may be entitled to compensation unless he is also the Chairman of the Board of Directors.

If the Chief Executive Officer ceases to fulfill his duties or is prevented from doing so, unless otherwise decided by the Board of Directors, the Deputy Chief Executive Officer(s) will remain in office and continue to exercise the same responsibilities until a new Chief Executive Officer is appointed.

The Board of Directors determines the compensation paid to the Chief Executive Officer and the Deputy Chief Executive Officer(s).

5.1.4.2 Powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act on behalf of the Company in all circumstances, within the scope of the corporate purposes, except for those powers directly vested by law in shareholders and the Board of Directors.

The Chief Executive Officer represents the Company in its dealings with third parties. In its relations with third parties, the Company is bound by any actions of the Chief Executive Officer that fall outside the scope of the Company's corporate purposes unless it can be demonstrated that the third party knew – or in light of the circumstances could not have been unaware – that such actions exceeded the remit of the corporate purposes. Publication of the Bylaws does not, in itself, constitute adequate proof thereof.

Decisions taken by the Board of Directors that restrict the Chief Executive Officer's powers are not binding on third parties. For internal purposes, certain strategic decisions cannot be taken by the Chief Executive Officer without the Board of Directors' prior express consent, given by a straight majority vote (See Chapter 3, Section 3.1.5, "Restrictions on the Chief Executive Officer's Powers").

The Chief Executive Officer and Deputy Chief Executive Officer(s) may, within the limits set down by law, delegate any of their powers that they deem fit to any representative(s) of their choice – even to representatives that do not form part of the Company – for said representative(s) to act individually or as part of a committee or commission, with or without the power of substitution, and subject to the restrictions provided for under the applicable law. Any such delegations of powers may be permanent or temporary and, where applicable, will remain in force even if the terms of office of the Chief Executive Officer or Deputy Chief Executive Officer(s) who granted them have expired.

5.1.4.3 Deputy Chief Executive Officers (Article 18 of the Bylaws)

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more Deputy Chief Executive Officer(s) who must be individuals rather than legal entities. The maximum number of Deputy Chief Executive Officers that may be appointed is five.

The age limit for holding office as Deputy Chief Executive Officer is 70. If a Deputy Chief Executive Officer reaches the age of 70, his term of office will automatically expire at the close of the first Board meeting held after his 70th birthday.

In agreement with the Chief Executive Officer, the Board of Directors determines the scope and duration of the powers vested in the Deputy Chief Executive Officer(s). The Deputy Chief Executive Officer(s) have the same powers as the Chief Executive Officer in their dealings with third parties.

As at the date of this Universal Registration Document, the Company does not have any Deputy Chief Executive Officers.

5.1.5 RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO SHARES

5.1.5.1 Form of the Shares (Article 9 of the Bylaws)

Fully paid-up shares may be held in registered or bearer form, at the shareholder's discretion, in accordance with the terms and conditions provided for in the applicable laws and regulations.

5.1.5.2 Voting Rights (Article 10 of the Bylaws)

Each share carries the right for its holder to vote – either directly or by proxy – at shareholders' meetings, in accordance with the applicable laws and the Bylaws. None of the Company's shares carry double voting rights.

5.1.5.3 Rights to Dividends and Profits (Article 10 of the Bylaws)

Subject to the rights allocated to each separate class of shares if any different classes of shares are subsequently created, each share entitles its holder to a portion of the Company's profits and assets equal to the proportion of capital represented by the share.

Shareholders are liable for losses only up to the amount of their capital contributions.

The rights and duties attached to shares are transferred with title to the shares. Share ownership automatically requires shareholders to comply with the Company's Bylaws and the decisions taken in General Shareholders' Meetings.

Where a shareholder is required to own a specific number of shares to exercise a particular right, shareholders owning fewer than the number of shares required to exercise the rights concerned are personally responsible for obtaining said number.

5.1.5.4 Pre-emptive Subscription Rights

The Company's shares carry pre-emptive subscription rights for capital increases, in accordance with the terms and conditions provided for in the French Commercial Code.

5.1.5.5 Restrictions on Voting Rights

The Bylaws do not contain any clauses that restrict the voting rights attached to the Company's shares.

5.1.6 AMENDMENTS TO THE RIGHTS OF SHAREHOLDERS (ARTICLE 20.6 OF THE BYLAWS)

Shareholder rights as set out in the Company's Bylaws may only be amended at an Extraordinary General Meeting. However, an Extraordinary General Meeting may only take decisions that increase shareholders' commitments or affect their equal treatment if unanimously agreed by all of the shareholders, other than in the case of operations resulting from a properly performed reverse stock split.

5.1.7 GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 20 OF THE BYLAWS)

General Shareholders' Meetings are called and held in accordance with the terms, conditions and timeframes provided for by law, either at the Company's head office or any other venue specified in the notice of meeting.

5.1.7.1 Attending and Voting at General Shareholders' Meetings

All shareholders are entitled to participate in General Shareholders' Meetings, either in person or by proxy.

Prior to each meeting, the Board of Directors may decide that shareholders may participate in the meeting via video-conference or any other form of telecommunications technology or remote transmission methods (including the Internet) that enable them to be identified in accordance with the conditions provided for in the applicable laws and regulations, in which case they will be deemed as being physically present for the purpose of calculating the quorum and voting majority. In such a case, the Board's decision must be published in the notice of meeting.

Any shareholder may vote remotely or by proxy as provided for in the applicable laws and regulations, using a form drawn up by the Company and returned to the Company in accordance with the terms and conditions of the applicable laws and regulations, including electronically or by remote transmission (if so decided by the Board of Directors). This form must be received by the Company in accordance with the applicable regulatory terms and conditions in order for it to be taken into account.

5.1.7.2 Organization of General Shareholders' Meetings

The agenda of each General Shareholders' Meeting is drawn up by the person who issues the notice of meeting and is included in said notice.

Shareholders may not deliberate on any issues that are not included in the agenda of a General Shareholders' Meeting. However, as an exception to this rule, shareholders are always entitled to deliberate on removing one or more directors from office and electing their replacements.

One or more shareholders whose shareholding represents at least the proportion of the Company's capital required by law may put forward a proposed resolution to be included in the agenda of a General Shareholders' Meeting, in accordance with the terms, conditions and timeframes provided for by law.

An attendance register containing all of the information provided for by law is kept for each General Shareholders' Meeting.

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director specifically authorized by the Board of Directors to act in the capacity of Chairman. Failing that, the General Shareholders' Meeting elects its own Chairman.

The role of scrutineers at a General Shareholders' Meeting is carried out by the two shareholders present at the Meeting who hold or represent the largest number of voting rights and who agree to take on the role.

The meeting officers thus appointed then appoint a secretary, who may or may not be a shareholder.

The meeting officers are responsible for checking, certifying and signing the attendance register, ensuring that discussions during the Meeting take place in an appropriate manner, dealing with any incidents that may arise during the Meeting, checking the votes of the shareholders and verifying that they are properly cast, as well as ensuring that the minutes of the Meeting are drawn up.

Minutes are prepared for each General Shareholders' Meeting and copies or extracts thereof are certified and issued in accordance with the applicable laws and regulations.

5.1.8 ARTICLES OF THE BYLAWS OR THE RULES OF PROCEDURE THAT COULD HAVE AN IMPACT IN THE EVENT OF A CHANGE IN CONTROL

There are no clauses in the Company's Bylaws or the Rules of Procedure that could have the effect of delaying, deferring or preventing a change in control of the Company.

5.1.9 IDENTIFICATION OF SHAREHOLDERS AND DISCLOSURE THRESHOLDS

5.1.9.1 Identification of Shareholders (Article 13 of the Bylaws)

The Company uses available legal procedures to identify its shareholders.

To this end, the Company may request, at any time, that the securities clearing house provide it with the name (or corporate name), address and nationality of holders of bearer shares and other securities carrying immediate or deferred rights to vote at General Shareholders' Meetings, as well as the number of securities held in each case and any restrictions applicable to the securities.

5.1.9.2 Disclosure Thresholds (Article 14 of the Bylaws)

In addition to the disclosures required by law, any person or legal entity, acting alone or in concert within the meaning of Articles L. 233-10 *et seq.* of the French Commercial Code, that comes to own, directly or indirectly, a number of shares representing at least 1% of the Company's total shares or voting rights, is required to disclose the interest to the Company by registered letter with recorded delivery, before the close of trading on the fourth trading day following the threshold being crossed. This disclosure requirement applies each time the shareholder's interest exceeds any further multiples of 1% of the Company's total shares or voting rights. The same disclosure formalities must also be followed each time a shareholder's interest is reduced to below any 1% threshold as explained above.

All of the forms of shareholding covered by Articles L. 233-7 *et seq.* of the French Commercial Code must be taken into account for the calculation of the above-mentioned thresholds.

Such disclosures must contain all of the information required pursuant to the applicable laws and regulations.

If a shareholder fails to comply with these disclosure rules, at the request of one or more shareholders with combined holdings representing at least 3% of the Company's capital or voting rights, the shares in excess of the threshold concerned will be stripped of voting rights, in accordance with the conditions and subject to the limits set down by law.

See Section 5.3 below for details of the disclosure thresholds crossed during fiscal 2018-2019.

5.1.10 SPECIFIC PROVISIONS GOVERNING CHANGES IN THE COMPANY'S SHARE CAPITAL

There are no specific provisions in the Company's Bylaws governing changes in its share capital. Article 7 of the Bylaws simply provides that the Company's capital may be increased, reduced or redeemed in accordance with the terms and conditions provided for under law and the Bylaws.

5.2 INFORMATION ABOUT THE SHARE CAPITAL – AFR

5.2.1 ISSUED CAPITAL AND AUTHORIZED BUT UNISSUED CAPITAL

At December 31, 2019, the Company's share capital amounted to €1,740,928.39, represented by 174,092,839 fully-paid shares, all of the same class, with a par value of €0.01 each.

The table below shows the financial authorizations granted by shareholders to the Board of Directors that were in effect during fiscal 2018-2019 and at the date of this Universal Registration Document.

Resolution number	Description of authorization granted to the Board of Directors
16	**Type of authorization**: To issue shares and/or other securities with pre-emptive subscription rights for existing shareholders. **Duration**: 26 months. **Maximum nominal amount of capital increase(s):** €527,000 (for information purposes, representing 30% of the Company's share capital as at the March 22, 2019 AGM). This amount represents a blanket ceiling covering any capital increase(s) carried out under the 16th, 17th, 18th, 20th and 21st resolutions of the March 22, 2019 AGM. **Maximum nominal amount of debt securities:** €664 million. This amount represents a blanket ceiling covering any debt securities issued under the 16th and 17th resolutions of the March 22, 2019 AGM. This authorization superseded the unused portion of the authorization given for the same purpose in the 28th resolution of the March 9, 2018 AGM.
17	**Type of authorization**: To issue shares and/or other securities by way of a public offer, without pre-emptive subscription rights for existing shareholders but with a compulsory priority subscription period for existing shareholders. **Duration**: 26 months. **Maximum nominal amount of capital increase(s)**: €260,000 (for information purposes, representing 15% of the Company's share capital as at the March 22, 2019 AGM). This amount represents a sub-ceiling covering any capital increase(s) carried out under the 17th, 18th, 20th and 21st resolutions of the March 22, 2019 AGM. The nominal amount of any capital increase(s) carried out under this resolution is also included in the blanket ceiling on capital increases set in the 16th resolution of the March 22, 2019 AGM. **Maximum nominal amount of debt securities:** €330 million. The nominal amount of any debt securities issued under this resolution is included in the blanket ceiling on debt security issues set in the 16th resolution of the March 22, 2019 AGM.
18	**Type of authorization**: To issue shares and/or other securities in payment for shares and/or other securities in another company contributed to the Company in transactions other than public tender offers. **Duration**: 26 months. **Maximum nominal amount of capital increase(s):** 10% of the Company's share capital as at the March 22, 2019 AGM. The nominal amount of any capital increase(s) carried out under this resolution is included in (i) the sub-ceiling on capital increases set in the 17th resolution of the March 22, 2019 AGM and (ii) the blanket ceiling on capital increases set in the 16th resolution of the March 22, 2019 AGM. This authorization superseded the unused portion of the authorization given for the same purpose in the 29th resolution of the March 9, 2018 AGM.

Resolution number	Description of authorization granted to the Board of Directors
19	**Type of authorization:** To increase the Company's capital by capitalizing reserves, profit, the share premium account or other eligible items. **Duration**: 26 months. **Maximum nominal amount of capital increase(s)**: The amount of available reserves. This authorization superseded the unused portion of the authorization given for the same purpose in the 30th resolution of the March 9, 2018 AGM.
20	**Type of authorization**: To issue shares and/or other securities to members of an employee share ownership plan, without pre-emptive subscription rights for existing shareholders. **Duration**: 26 months. **Ceiling:** 2% of the Company's capital, with a sub-ceiling of 1% per rolling 12-month period. The nominal amount of any capital increase(s) carried out under this resolution is included in (i) the sub-ceiling on capital increases set in the 17th resolution of the March 22, 2019 AGM and (ii) the blanket ceiling on capital increases set in the 16th resolution of the March 22, 2019 AGM. This authorization superseded the unused portion of the authorization given for the same purpose in the 31st resolution of the March 9, 2018 AGM.
21	**Type of authorization**: To grant new or existing shares free of consideration, with a waiver of existing shareholders' pre-emptive subscription rights for the vested free shares. **Duration**: 38 months. **Ceiling**: The total number of new or existing shares that may be granted free of consideration under this resolution may not exceed 2.7% of the Company's share capital at the grant date and may not represent more than 1% of the Company's share capital in any given year. The nominal amount of any capital increase(s) carried out under this resolution is included in (i) the sub-ceiling on capital increases set in the 17th resolution of the March 22, 2019 AGM and (ii) the blanket ceiling on capital increases set in the 16th resolution of the March 22, 2019 AGM. This authorization superseded the unused portion of the authorization given for the same purpose in the 32nd resolution of the March 9, 2018 AGM.
22	**Type of authorization**: To reduce the Company's capital by canceling shares. **Duration**: 24 months. **Ceiling**: 10% of the Company's capital as at the date of the authorization. This authorization superseded the unused portion of the authorization given for the same purpose in the 33rd resolution of the March 9, 2018 AGM.

The table below sets out the authorizations that will be submitted for approval at the Annual General Meeting on March 20, 2020, and which, if adopted, will replace the authorizations currently in force (notably the unused portions of the authorizations given at the March 22, 2019 AGM in the 16th, 18th, 19th, 20th and 22nd resolutions).

Resolution number	Description of authorization granted to the Board of Directors
18	**Type of authorization**: To issue shares and/or other securities with pre-emptive subscription rights for existing shareholders. **Duration**: 26 months. **Maximum nominal amount of capital increase(s)**: €520,000 (for information purposes, representing 30% of the Company's share capital as at the March 20, 2020 AGM). This amount represents a blanket ceiling covering any capital increase(s) carried out under the 18th, 19th, 20th and 22nd resolutions of the March 20, 2020 AGM. **Maximum nominal amount of debt securities:** €675 million. This amount represents a blanket ceiling covering any debt securities issued under the 18th and 19th resolutions of the March 20, 2020 AGM. This authorization will supersede the unused portion of the authorization given for the same purpose in the 16th resolution of the March 22, 2019 AGM.
19	**Type of authorization**: To issue shares and/or other securities by way of a public offer, without pre-emptive subscription rights for existing shareholders but with a compulsory priority subscription period for existing shareholders. **Duration**: 26 months. **Maximum nominal amount of capital increase(s)**: €260,000 (for information purposes, representing approximately 15% of the Company's share capital as at the March 20, 2020 AGM). This amount represents a sub-ceiling covering any capital increase(s) carried out under the 19th, 20th and 22nd resolutions of the March 20, 2020 AGM. The nominal amount of any capital increase(s) carried out under this resolution will also be included in the blanket ceiling on capital increases set in the 18th resolution of the March 20, 2020 AGM. **Maximum nominal amount of debt securities:** €335 million. The nominal amount of any debt securities issued under this resolution will be included in the blanket ceiling on debt security issues set in the 18th resolution of the March 20, 2020 AGM.
20	**Type of authorization**: To issue shares and/or other securities in payment for shares and/or other securities in another company contributed to the Company in transactions other than public tender offers. **Duration**: 26 months. **Maximum nominal amount of capital increase(s):** 10% of the Company's share capital as at the March 20, 2020 AGM. The nominal amount of any capital increase(s) carried out under this resolution will be included in (i) the sub-ceiling on capital increases set in the 19th resolution of the March 20, 2020 AGM and (ii) the blanket ceiling on capital increases set in the 18th resolution of the March 20, 2020 AGM. This authorization will supersede the unused portion of the authorization given for the same purpose in the 18th resolution of the March 22, 2019 AGM.
21	**Type of authorization:** To increase the Company’s capital by capitalizing reserves, profit, the share premium account or other eligible items. **Duration**: 26 months. **Maximum nominal amount of capital increase(s)**: The amount of available reserves. This authorization will supersede the unused portion of the authorization given for the same purpose in the 19th resolution of the March 22, 2019 AGM.

Resolution number	Description of authorization granted to the Board of Directors
22	**Type of authorization**: To issue shares and/or other securities to members of an employee share ownership plan, without pre-emptive subscription rights for existing shareholders. **Duration**: 26 months. **Ceiling:** 2% of the Company's share capital. The nominal amount of any capital increase(s) carried out under this resolution will be included in (i) the sub-ceiling on capital increases set in the 19th resolution of the March 20, 2020 AGM and (ii) the blanket ceiling on capital increases set in the 18th resolution of the March 20, 2020 AGM. This authorization will supersede the unused portion of the authorization given for the same purpose in the 20th resolution of the March 22, 2019 AGM.
23	**Type of authorization**: To reduce the Company's capital by canceling shares. **Duration**: 24 months. **Ceiling:** 10% of the Company's capital as at the date of the authorization. This authorization will supersede the unused portion of the authorization given for the same purpose in the 22nd resolution of the March 22, 2019 AGM.

5.2.2 SHARES NOT REPRESENTING CAPITAL

The Company has not issued any shares that do not represent capital.

5.2.3 TREASURY SHARES, OWN SHARES AND SHARE BUYBACK PROGRAMS

5.2.3.1 Share Buyback Authorizations

On March 22, 2019, the Company's shareholders granted the Board an eighteen-month authorization to carry out a share buyback program in accordance with Article L. 225-209 of the French Commercial Code. Under this authorization – which superseded the one given for the same purpose on March 9, 2018 – the maximum amount that may be invested in the buyback program is €350 million (net of transaction expenses) and the number of shares that may be bought back may not exceed 10% of the total number of shares making up the Company's capital. The maximum per-share repurchase price under the program was set at €20 (excluding transaction costs).

This authorization provides that the shares can be purchased at any time – except during a takeover bid for the Company – within the limits specified in the applicable laws and regulations and by any authorized methods, for any of the following purposes:

- For subsequent cancellation.
- To be held and subsequently used in exchange or as payment in connection with external growth transactions, provided that the number of shares used for such transactions does not exceed 5% of the Company's capital.
- For allocation on exercise of rights attached to securities redeemable, convertible, exchangeable or otherwise exercisable for the Company's shares.
- To hedge the risks arising on the Company's financial instrument obligations, particularly the risk of fluctuations in the Elior Group share price.
- To allocate shares for the implementation of (i) stock option plans, (ii) performance share plans or (iii) employee share ownership plans, in operations complying with Articles L.3331-1 *et seq.* of the French Labor Code, and/or (iv) grants of shares to employees and/or officers of the Company or of any related entities.
- To maintain a liquid market for the Company's shares under a liquidity contract entered into with an investment services provider that complies with a code of ethics recognized by the AMF.
- And more generally, to carry out any transactions or market practices currently authorized or that may be authorized in the future under the applicable laws and regulations, including the regulations of the AMF.

Use of share buyback authorizations

1/ By way of a decision on March 22, 2019, the Company's Board of Directors used the authorization granted by the shareholders on that same date to set up a share buyback program. The purpose of the program is to maintain a liquid market in the Company's shares under a liquidity contract entered into with Oddo BHF and Natixis that complies with the AMAFI code of ethics approved by the AMF by way of a decision dated March 8, 2011. A total of €3 million has been allocated to this contract.

At September 30, 2019 the Company had carried out the following transactions under the liquidity contract:

- 1,008,572 Elior Group shares had been purchased for an aggregate €12,269,339.08 (with an average per-share purchase price of €12.1651); and
- 1,014,579 Elior Group shares had been sold for an aggregate €12,474,323.91 (with an average per-share sale price of €12.2951).

At that date, the Company's liquidity account comprised 58,307 shares.

2/ On June 28, 2019, the Board of Directors used the shareholder authorization granted at the March 22, 2019 AGM to launch a share buyback program with a view to subsequently canceling the repurchased shares and reducing the Company's capital.

The Company therefore mandated Natixis to purchase Elior Group shares representing up to €50 million (gross amount, excluding transaction costs) at a maximum per-share price of €13.50, on the Euronext, Chi-X, Turquoise and Bats markets before September 30, 2019.

Pursuant to this mandate, the Company bought back 4,268,550 of its own shares (representing 2.39% of its share capital at September 30, 2019), at an average per-share price of €11.7136. The related transaction fees amounted to €29,999.99 excluding taxes.

Subsequently, on December 6, 2019, the Board of Directors used the shareholder authorization granted in the 22nd resolution of the March 22, 2019 AGM to cancel the 4,268,550 Elior Group shares repurchased by the Company under its share buyback program.

Following this cancellation, Elior Group directly holds 183 of its own shares (excluding those held in connection with the liquidity contract).

The Company has not carried out any further buybacks since October 1, 2019, apart from in connection with the above-mentioned liquidity contract.

5.2.3.2 Share Equivalents

As at the date of this Universal Registration Document, the Company has not granted any stock options or free shares other than those under the plans described in Chapter 3, Section 3.1.6.3 of this Universal Registration Document.

5.2.4 INFORMATION ABOUT AND THE TERMS OF ANY ACQUISITION RIGHTS OR OBLIGATIONS OVER AUTHORIZED BUT UNISSUED CAPITAL

N/A.

5.2.5 INFORMATION ABOUT THE SHARE CAPITAL OF ANY GROUP ENTITY WHICH IS UNDER OPTION OR AGREED TO BE PUT UNDER OPTION

Following the Group's acquisition of control of Elior North America in April 2013, certain managers of this entity who held an 8% stake in it were granted a put option entitling them to sell their shares in Elior North America to Elior Group in a single transaction (see Note 5.2 to the consolidated financial statements).

5.2.6 SIGNIFICANT CHANGES IN SHARE CAPITAL

At October 1, 2011, the Company's share capital was €1,395,220.58, represented by 139,522,058 shares with a par value of €0.01 each.

Date	Transaction type	Increase/(decrease) in share capital (in €)		New share capital (in €)	New number of shares
		Per-share par value	Premium included		
Feb. 2, 2012	Capital reduction (not for the purpose of absorbing losses)	0.01	349,692,363.00	1,088,203.58	108,802,358
June 10, 2014	Capital increase (Fidelior merger)	0.01	3,610,131.98	1,093,864.62	109,386,462
June 10, 2014	Capital increase (Sofilior merger)	0.01	3,468,744.04	1,099,186.42	109,918,642
June 10, 2014	Capital increase (Eurelior merger)	0.01	3,468,949.03	1,104,508.22	110,450,822
June 10, 2014	Capital increase (Financière Elior merger)	0.01	5,145,047.72	1,113,023.01	111,302,301
June 10, 2014	Capital reduction (Fidelior merger)	0.01	(3,491,219.40)	1,107,361.97	110,736,197
June 10, 2014	Capital reduction (Sofilior merger)	0.01	(3,414,990.67)	1,102,040.17	110,204,017
June 10, 2014	Capital reduction (Eurelior merger)	0.01	(3,414,990.67)	1,096,718.37	109,671,837
June 10, 2014	Capital reduction (Financière Elior merger)	0.01	(4,818,033.03)	1,088,203.58	108,820,358
June 11, 2014	Capital increase (Bercy Présidence merger)	0.01	949,011.73	1,088,859.85	108,885,985
June 11, 2014	Capital increase (Novelior merger)	0.01	741,623.25	1,112,013.89	111,201,389
June 11, 2014	Capital reduction (cancellation of ABSA shares with equity warrants attached)	0.01	(741,000.00)	1,109,013.89	110,901,389
June 13, 2014	Capital increase	0.01	784,467,782.12	1,641,217.27	164,121,727
June 13, 2014	Private placement	0.01	1,340,720.92	1,642,126.85	164,212,685
Sept. 10, 2014	Exercise of stock options	0.01	864,467.70	1,643,643.46	164,364,346
Sept. 30, 2014	Exercise of stock options	0.01	35,397.00	1,643,705.56	164,370,556
Dec. 31, 2014	Exercise of stock options	0.01	3,705.00	1,643,712.06	164,371,206
Feb. 28, 2015	Exercise of stock options	0.01	48,135.30	1,643,796.36	164,379,636
March 24, 2015	Exercise of stock options	0.01	159,708.70	1,644,076.06	164,407,606
June 30, 2015	Exercise of stock options	0.01	938,048.58	1,645,716.64	164,571,664

Date	Transaction type	Increase/(decrease) in share capital (in €)		New share capital (in €)	New number of shares
July 24, 2015	Capital increase for allocation of shares to Emesa	0.01	134,979,075	1,722,891.64	172,289,164
Sept. 30, 2015	Exercise of stock options	0.01	206,249.10	1,723,252.44	172,325,244
Dec. 31, 2015	Exercise of stock options	0.01	165,151.40	1,723,541.44	172,354,144
March 31, 2016	Exercise of stock options	0.01	288,440.60	1,724,046.14	172,404,614
June 30, 2016	Exercise of stock options	0.01	589,972.80	1,725,077.94	172,507,794
Sept. 30, 2016	Exercise of stock options	0.01	724,315.81	1,726,344.75	172,634,475
Dec. 31, 2016	Exercise of stock options	0.01	613,311.00	1,727,417.85	172,741,785
April 13, 2018	Capital increase following shareholders' exercise of stock dividend option	0.01	36,249,209.20	1,748,892.50	174,889,250
April 26, 2018	Capital increase following the set-up of the Group employee share ownership plan	0.01	15,229,987.00	1,759,490.96	175,949,096
March 19, 2019	Exercise of stock options and grant of free shares	0.01	421.98	1,759,912.94	175,991,294
April 16, 2019	Capital increase following shareholders' exercise of stock dividend option	0.01	27,305,703.96	1,783,191.46	178,319,146
Dec. 5, 2019	Grant of free shares	0.01	422.43	1,783,613.89	178,361,389
Dec. 6, 2019	Capital reduction by canceling shares previously acquired under a share buyback program	0.01	42,685.50	1,740,928.39	174,092,839

The main changes in the Company's share capital during the past three fiscal years were as follows:

- An issue of 7,717,500 new shares on July 24, 2015 used as a portion of the consideration paid to Emesa Corporacion Empresarial, S.L. for the acquisition of its 514,500 Areas shares.
- Successive capital increases following the exercise of stock options under the 2010 and 2011 plans described in Chapter 3, Section 3.1.6.3 of the fiscal 2016-2017 Registration Document.
- A capital increase carried out on April 13, 2018 following shareholders' exercise of the option to receive their dividend for fiscal 2016-2017 in shares as authorized at Elior Group's Annual General Meeting of March 9, 2018.
- Issue of shares on April 26, 2018 to members of an employee share ownership plan, without pre-emptive subscription rights for existing shareholders, as authorized at Elior Group's Annual General Meeting of March 9, 2018.
- A capital increase carried out on March 19, 2019 following the exercise of stock options and allocation of performance shares under the 2016/1, 2016/2 and 2017/1 plans described in Chapter 3, Section 3.1.6.4 of this Universal Registration Document.

- A capital increase carried out on April 16, 2019 following shareholders' exercise of the option to receive their dividend for fiscal 2017-2018 in shares as authorized at Elior Group's Annual General Meeting of March 22, 2019.
- A capital increase carried out on December 5, 2019 following the allocation of performance shares under the 2017/1 plan (described in Chapter 3, Section 3.1.6.4 of this Universal Registration Document).
- A capital reduction carried out on December 6, 2019 by canceling shares previously purchased under a share buyback program authorized at Elior Group's Annual General Meeting of March 22, 2019.

5.3 THE COMPANY'S OWNERSHIP STRUCTURE – AFR

5.3.1 OWNERSHIP STRUCTURE AT DECEMBER 31, 2019 AND CHANGES IN OWNERSHIP STRUCTURE DURING FISCAL 2018-2019 AND UP UNTIL DECEMBER 31, 2019

At December 31, 2019 the Company's ownership structure was as follows:

Shareholder	Shares making up the Company's capital		Theoretical voting rights		Voting rights exercisable in AGMs	
	Number	%	Number	%	Number	%
BIM[1]	35,126,020	20.2%	35,126,020	20.2%	35,126,020	20.2%
Emesa	13,339,519	7.7%	13,339,519	7.7%	13,339,519	7.7%
CDPQ	11,916,251	6.8%	11,916,251	6.8%	11,916,251	6.8%
FSP	8,890,453	5.1%	8,890,453	5.1%	8,890,453	5.1%
Free float[2]	104,770,361	60.2%	104,770,361	60.2%	104,770,361	60.2%
Treasury shares[3]	50,235	0.0%	50,235	0.0%	N/A	N/A
TOTAL	**174,092,839**	**100.00%**	**174,092,839**	**100.00%**	**174,042,604**[4]	**100%**

(1) *Entity controlled by Robert Zolade.*
(2) *O/w held under employee share ownership plans: 0.6%*
(3) *On December 6, 2019, the Board of Directors used the shareholder authorization granted in the 22nd resolution of the March 22, 2019 AGM to cancel the 4,268,550 Elior Group shares that the Company had repurchased under its share buyback program (see Section 5.2.3.1 above).*
(4) *Theoretical voting rights less voting rights attached to shares held under the liquidity contract set up by the Company.*

Disclosure thresholds (as specified in the applicable laws and/or the Company's Bylaws)

In accordance with Article L. 233-7 of the French Commercial Code, any person or legal entity acting alone or in concert must inform the Company and the AMF when their direct or indirect holding of shares or voting rights in Elior Group (or other interests treated in the same way as such shares or voting rights pursuant to Article L. 233-9 of the French Commercial Code) rises to above, or is reduced to below, 5%, 10%, 15%, 20%, 25%, 30%, one third, 50%, two thirds, 90% or 95% of the Company's capital or theoretical voting rights, within four days of the corresponding threshold being crossed.

In addition, the Company's Bylaws provide that any person or legal entity, acting alone or in concert within the meaning of Articles L. 233-10 *et seq.* of the French Commercial Code, that comes to own, directly or indirectly, a number of shares representing at least 1% of the Company's total shares or voting rights, is required to disclose the interest to the Company by registered letter with recorded delivery, before the close of trading on the fifth trading day following the threshold being crossed. This disclosure requirement applies each time the shareholder's interest exceeds any further multiples of 1% of the Company's total shares or voting rights. The same disclosure formalities and five-day timeframe must also be followed each time a shareholder's interest is reduced to below any 1% threshold as explained above. All of the forms of shareholding covered by Articles L. 233-7 *et seq.* of the French Commercial Code must be taken into account for the calculation of the above-mentioned thresholds. If a shareholder fails to comply with these disclosure rules, at the request of one or more shareholders with combined holdings representing at least 3% of the Company's capital or voting rights, the shares in excess of the threshold concerned will be stripped of voting rights, in accordance with the conditions and subject to the limits set down by law.

To the best of the Company's knowledge, no shareholders other than those listed below submitted any notifications under the applicable disclosure threshold rules during fiscal 2018-2019 and up until December 31, 2019.

		Disclosure threshold				
Entity	Disclosure date	Under the Bylaws	Under the applicable laws	Increase/ decrease in holding	% capital	% voting rights
Citadel	October 16, 2018	1%	-	Increase	1.001%	1.001%
Allianz Global Investors GmbH	October 26, 2018	2%	-	Decrease	1.99%	1.99%
Groupe Caisse des Dépôts	October 29, 2018	2%	-	Increase	2.01%	2.01%
Ostrum Asset Management	November 13, 2018	2%	-	Decrease	1.99%	1.99%
Edmond de Rothschild	November 19, 2018	1%	-	Increase	1.05%	1.05%
Citadel	November 21, 2018	1%	-	Decrease	0.83%	0.83%
Sycomore Asset Management	November 22, 2018	2%	-	Increase	2.19%	2.19%
Amundi	November 22, 2018	3%	-	Decrease	2.82%	2.82%
Amber Capital	November 28, 2018	1%	-	Increase	1.06%	1.06%
Bertrand Corp	December 4, 2018	1%	-	Increase	1.00%	1.00%
York Capital Management	December 5, 2018	1%	-	Increase	1.47%	1.47%
Bertrand Corp	December 7, 2018	2% – 3%	-	Increase	3.00%	3.00%
Bertrand Corp	December 11, 2018	4%	-	Increase	4.00%	4.00%
Bertrand Corp	December 12, 2018	5%	-	Increase	5.00%	5.00%
Allianz Global Investors GmbH	December 12, 2018	2%	-	Increase	2.01%	2.01%
T.RowePrice	December 12, 2018	1%	-	Decrease	0.95%	0.94%
BNP Paribas Asset Management	December 14, 2018	1%	-	Decrease	0.86%	0.83%
Crédit Agricole S.A.	January 9, 2019	7%	-	Increase	7.02%	7.02%

Entity	Disclosure date	Disclosure threshold: Under the Bylaws	Disclosure threshold: Under the applicable laws	Increase/ decrease in holding	% capital	% voting rights
Allianz Global Investors GmbH	January 9, 2019	2%	-	Decrease	1.99%	1.99%
Crédit Agricole S.A.	January 11, 2019	7%	-	Decrease	6.92%	6.92%
Franklin Resources, Inc	January 14, 2019	4%	-	Decrease	3.96%	3.96%
York Capital Management	January 25, 2019	1%	-	Decrease	0.94%	0.94%
Amber Capital	January 25, 2019	1%	-	Decrease	0.98%	0.98%
Crédit Agricole S.A.	January 30, 2019	7%	-	Increase	7.02%	7.02%
Fidelity International	January 30, 2019	1%	-	Increase	1.16%	1.16%
Citigroup Inc.	February 18, 2019	5%	-	Increase	5.28%	5.28%
Crédit Agricole Corporate and Investment Bank	February 15, 2019	7%	-	Increase	7.17%	7.17%
Crédit Agricole Corporate and Investment Bank	February 19, 2019	7%	-	Decrease	6.67%	6.67%
Crédit Agricole S.A.	February 19, 2019	7%	-	Decrease	6.97%	6.97%
Crédit Agricole Corporate and Investment Bank	February 20, 2019	7%	-	Increase	7.25%	7.25%
Crédit Agricole S.A.	February 20, 2019	7%	-	Increase	7.55%	7.55%
Sycomore Asset Management	February 20, 2019	3%	-	Increase	3.06%	3.06%
Crédit Agricole S.A.	March 4, 2019	8%	-	Increase	8.38%	8.38%
Crédit Agricole S.A.	March 4, 2019	8%	-	Decrease	7.43%	7.43%
Crédit Agricole Corporate and Investment Bank	March 4, 2019	7%	-	Decrease	6.96%	6.96%

Entity	Disclosure date	Disclosure threshold: Under the Bylaws	Disclosure threshold: Under the applicable laws	Increase/ decrease in holding	% capital	% voting rights
Crédit Agricole S.A.	March 18, 2019	7%	-	Decrease	6.75%	6.75%
Crédit Agricole S.A.	March 18, 2019	7%	-	Increase	7.02%	7.02%
Crédit Agricole S.A.	March 18, 2019	7%	-	Decrease	6.93%	6.93%
Amber Capital	March 25, 2019	1%	-	Increase	1.026%	1.026%
Crédit Agricole S.A.	April 1, 2019	7%	-	Increase	7.27%	7.27%
Crédit Agricole S.A.	April 1, 2019	7%	-	Decrease	6.76%	6.76%
Citigroup Inc.	April 4, 2019	5%	-	Decrease	4.90%	4.90%
Crédit Agricole Corporate and Investment Bank	April 5, 2019	7%	-	Increase	7.87%	7.87%
Crédit Agricole S.A.	April 5, 2019	7%	-	Increase	7.94%	7.94%
Fonds Stratégique de Participations	April 24, 2019	5%	-	Decrease	4.99%	4.99%
Bertrand Corp	April 24, 2019	5%	-	Decrease	4.93%	4.93%
Sycomore Asset Management	April 24, 2019	3%	-	Decrease	2.93%	2.93%
Crédit Agricole Corporate and Investment Bank	May 7, 2019	7%	-	Decrease	6.86%	6.86%
Crédit Agricole S.A.	May 7, 2019	7%	-	Decrease	6.94%	6.94%
Amundi	May 30, 2019	2%	-	Decrease	1.9%	1.9%
Sycomore Asset Management	June 14, 2019	3%	-	Increase	3.01%	3.01%
BIM	June 21, 2019	22% - 21%	-	Decrease	20.12%	20.12%
Sycomore Asset Management	June 24, 2019	3%	-	Decrease	2.91%	2.91%
JO Hambro	June 25, 2019	1%	-	Increase	1.18%	1.18%

Entity	Disclosure date	Disclosure threshold: Under the Bylaws	Disclosure threshold: Under the applicable laws	Increase/ decrease in holding	% capital	% voting rights
Crédit Agricole S.A.	July 1, 2019	5%	-	Decrease	0.07%	0.07%
Wellington Management Group LLP	June 27, 2019	4%	-	Increase	4.01%	4.01%
Wellington Management Group LLP	July 22, 2019	4%	-	Decrease	3.76%	3.76%
Emesa	July 31, 2019	9% - 8%	-	Decrease	7.48%	7.48%
Amber Capital	August 22, 2019	1%	-	Decrease	0.9879%	0.9879%
Fidelity International	September 12, 2019	2%	-	Increase	2.04%	2.04%
BDL Capital Management	September 20, 2019	2%	-	Increase	2.01%	2.01%
La Financière de l'Échiquier	October 21, 2019	3%	-	Decrease	2.97%	2.97%
Franklin Resources, Inc	November 5, 2019	3%	-	Decrease	2.99%	2.99%
Sycomore Asset Management	November 4, 2019	2%	-	Decrease	1.99%	1.99%
Fonds Stratégique de Participations	December 10, 2019	5%	-	Increase	5.11%	5.11%
Franklin Resources, Inc	December 17, 2019	2%	-	Decrease	1.89%	1.89%
BDL Capital Management	December 17, 2019	3%		Increase	3.17%	3.17%
BlackRock	December 31, 2019	5% - 4% - 3%		Decrease	2.10%	2.10%

5.3.2 OWNERSHIP STRUCTURE AT DECEMBER 31, 2018 AND CHANGES IN OWNERSHIP STRUCTURE DURING FISCAL 2017-2018 AND UP UNTIL DECEMBER 31, 2018

At December 31, 2018 the Company's ownership structure was as follows:

Shareholder	Shares making up the Company's capital		Theoretical voting rights		Voting rights exercisable in AGMs	
	Number	%	Number	%	Number	%
BIM[1]	39,878,255	22.7%	39,878,255	22.7%	39,878,255	22.7%
Emesa	17,087,800	9.7%	17,087,800	9.7%	17,087,800	9.7%
CDPQ	11,580,582	6.6%	11,580,582	6.6%	11,580,582	6.6%
FSP	8,890,453	5.1%	8,890,453	5.1%	8,890,453	5.1%
Free float[2]	98,479,176	55.9%	98,479,176	55.9%	98,479,176	55.9%
Treasury shares	32,830	0.0%	32,830	0.0%	N/A	N/A
TOTAL	**175,949,096**	**100.00%**	**175,949,096**	**100.00%**	**175,916,266**[3]	**100.00%**

(1) Entity controlled by Robert Zolade.
(2) O/w held under employee share ownership plans: 0.6%
(3) Theoretical voting rights less voting rights attached to shares held under the liquidity contract set up by the Company.

Information on the crossing of disclosure thresholds and changes in the Company's ownership structure during fiscal 2017-2018 is provided in Chapter 5, Section 5.3 of the Registration Document filed on January 24, 2019.

5.3.3 OWNERSHIP STRUCTURE AT DECEMBER 31, 2017 AND CHANGES IN OWNERSHIP STRUCTURE DURING FISCAL 2016-2017

At December 31, 2017 the Company's ownership structure was as follows:

Shareholder	Shares making up the Company's capital		Theoretical voting rights		Voting rights exercisable in AGMs	
	Number	%	Number	%	Number	%
BIM[1]	47,168,049	27.31%	47,168,049	27.31%	47,168,049	27.32%
Emesa	17,087,800	9.89%	17,087,800	9.89%	17,087,800	9.90%
CDPQ	11,299,435	6.54%	11,299,435	6.54%	11,299,435	6.54%
Free float[2]	97,118,204	56.22%	97,118,204	56.22%	97,118,204[3]	56.24%
Treasury shares	68,297	0.04%	68,297	0.04%	0	0%
TOTAL	**172,741,785**	**100%**	**172,741,785**	**100%**	**172,673,488**	**100%**

(1) Entity controlled by Robert Zolade.
(2) O/w held under employee share ownership plans: 0%
(3) Theoretical voting rights less voting rights attached to shares held under the liquidity contract set up by the Company.

Information on the crossing of disclosure thresholds and changes in the Company's ownership structure during fiscal 2016-2017 is provided in Chapter 5, Section 5.3 of the Registration Document filed on January 29, 2018.

5.3.4 SHAREHOLDER VOTING RIGHTS

Each Company share carries one voting right. The Company's Bylaws do not provide for double voting rights.

At December 31, 2019, the total number of the Company's shares was 174,092,839 and the total number of exercisable voting rights was 169,784,054 (see Section 5.2.3.1 above for information on the share buyback program).

5.3.5 MEMBERSHIP STRUCTURE OF THE BOARD OF DIRECTORS AND SHAREHOLDING PATTERN OF THE COMPANY

As at the date of this Universal Registration Document, the shareholders who are members of the Board of Directors and are known to hold over 5% of the Company's capital are as follows:

- BIM (the Company's historic and main shareholder), represented by Robert Zolade.
- Emesa Corporacion Empresarial, S.L. (represented by Vanessa Llopart), elected as a director at the Company's AGM on March 11, 2016.
- Caisse de Dépôt et Placement du Québec (independent director represented by Elisabeth Van Damme) whose appointment as a director by the Board on March 2, 2016 was ratified at the Company's AGM on March 10, 2017.
- Fonds Stratégique de Participations (represented by Virginie Duperat Vergne), which was elected as a director at the Company's AGM on March 9, 2018.

At its December 3, 2019 meeting, the Company's Board of Directors qualified six of its members as independent directors, including Emesa, CDPQ and FSP.

Based on the Nominations and Compensation Committee's analysis (carried out by reference to the independence criteria set out in the AFEP-MEDEF Corporate Governance Code), the Board considered that the 7.66%, 6.84% and 5.11% ownership interests held in Elior Group by Emesa, CDPQ and FSP respectively do not affect these corporate directors' judgment nor do they create any conflict of interests.

The membership structure of the Board of Directors and the Board committees is set out in Chapter 3, Section 3.1 of this Universal Registration Document.

5.3.6 AGREEMENTS THAT COULD RESULT IN A CHANGE OF CONTROL

As at the date of this Universal Registration Document, to the best of the Company's knowledge there are no agreements in place that if implemented could, at a subsequent date, result in a change of control of the Company.

5.3.7 CONTROL STRUCTURE

The Company is not controlled, within the meaning of Article L. 233-3 of the French Commercial Code.

6

ADDITIONAL INFORMATION

6. ADDITIONAL INFORMATION

6.1 MATERIAL CONTRACTS

The Group's principal material contracts are as follows:

6.1.1 SENIOR FACILITIES AGREEMENT

See Chapter 4, Section 4.7.2., "Senior Facilities Agreement" of this Universal Registration Document.

6.1.2 RECEIVABLES SECURITIZATION PROGRAMS

See Chapter 4, Section 4.7.5., "Receivables Securitization Programs" of this Universal Registration Document.

6.2 DOCUMENTS AVAILABLE TO THE PUBLIC

Documents relating to the Company that are required to be made available to the public – notably its Bylaws, accounts, financial information and reports presented by the Board of Directors and the Statutory Auditors at General Shareholders' Meetings – can be viewed at the Company's headquarters at 9-11 allée de l'Arche, 92032 Paris La Défense cedex, France.

The provisional calendar for the publication of financial press releases for fiscal 2019-2020 is presented in Chapter 1, Section 1.7. of this Universal Registration Document.

These documents are also available on Elior Group's website at www.eliorgroup.com.

6.3 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND THE AUDIT OF THE ACCOUNTS – AFR

6.3.1 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

I hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in the Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I further declare that, to the best of my knowledge and belief, the financial statements have been prepared in accordance with the applicable accounting standards and present fairly in all material respects the assets, liabilities, financial position and results of the Company and the consolidated group. I also declare that the information contained in the management report gives a true and fair view of trends in the business operations, results and financial position of the Company and the consolidated group, as well as a description of the main risks and uncertainties facing those companies.

I obtained a statement from the Statutory Auditors at the end of their engagement affirming that they have read the whole of the Universal Registration Document and verified the information about the financial position and the accounts contained therein.

Original French version signed on January 10, 2020 by Philippe Guillemot, Chief Executive Officer

6.3.2 AUDITORS

	Date first appointed	Term	Expiration of current term
Statutory Auditors			
PricewaterhouseCoopers Audit, Represented by Matthieu Moussy 63, rue de Villiers, 92208 Neuilly-sur-Seine Cedex, France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.	October 26, 2006	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ending September 30, 2023
KPMG Audit IS Represented by François Caubrière Tour EQHO Avenue Gambetta 92066 Paris La Défense Cedex France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.	January 30, 2008	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ended September 30, 2019
Substitute Auditors			
KPMG Audit ID Represented by Jean-Paul Vellutini Tour EQHO Avenue Gambetta 92066 Paris La Défense Cedex France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.	January 7, 2014	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ended September 30, 2019
Jean-Christophe Georghiou[1] 63 rue de Villiers 92208 Neuilly sur Seine, France Member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.	May 26, 2014	Six fiscal years	At the Annual General Meeting to be held to approve the financial statements for the fiscal year ended September 30, 2023

(1) Appointed to replace Yves Nicolas at the Annual General Meeting of May 26, 2014

6.4 INFORMATION INCORPORATED BY REFERENCE

In application of Article 28 of European Commission Regulation 809/2004/EC, the following information is incorporated by reference into this Universal Registration Document:

- The Group's consolidated financial statements and the related management report and Statutory Auditors report for the fiscal year ended September 30, 2018, presented in the fiscal 2017-2018 Registration Document filed with the Autorité des Marchés Financiers on January 24, 2019.
- The Group's consolidated financial statements and the related management report and Statutory Auditors report for the fiscal year ended September 30, 2017, presented in the fiscal 2016-2017 Registration Document filed with the Autorité des Marchés Financiers on January 29, 2018.
- The Group's consolidated financial statements and the related management report and Statutory Auditors report for the fiscal year ended September 30, 2016, presented in the fiscal 2015-2016 Registration Document filed with the Autorité des Marchés Financiers on January 27, 2017 under number R17-003.

6.5 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTERESTS

This Universal Registration Document contains information about the Group’s markets and competitive positioning, in particular in Chapter 1, “The Elior Group”.

Some of this information is based on publicly available data obtained from sources that the Group believes to be reliable, but which have not been independently verified, such as market research published by various organizations, notably reports prepared by (i) Gira Foodservice for information on contract catering, (ii) INSEE/ESAN concerning the support services market, (iii) Technomic for markets in the United States, and (iv) Peter Roberts for markets in the United Kingdom. The Group cannot guarantee that a third party using different methods to collate, analyze or calculate data about these markets would reach the same conclusions. Other market information is based on research conducted by a well-known international specialist firm specifically commissioned by the Group. Unless otherwise stated, all data included in this Universal Registration Document regarding the size, scale and share of markets relevant to the Group is based on the Group’s own estimates and is provided for information purposes only.

The Company certifies that where information has been sourced from a third party, it has been accurately reproduced, and that as far as the Company is aware and is able to ascertain from information published or provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

6.6 CROSS-REFERENCE TABLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

The table below cross-references the Sections and pages of this Universal Registration Document with the key information required under Regulation (EU) 2017/1129.

Key information required under Regulation (EU) 2017/1129		Section(s) of the Universal Registration Document	Page number(s)
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4	**Information about the issuer**	1.4	15-16
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5.3	Important events	4.11.1.2 Note 5.2 to the consolidated financial statements	274-275, 217-218
5.4	Strategy and objectives	1.6.1.3, 1.6.2	20-25, 26-27
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7	**Operating and financial review**		
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10	**Trend information**	1.6.1.3, 1.6.2, 1.6.4	20-25, 26-27, 32-36
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12	**Administrative, management and supervisory bodies and senior management**		
12.1	Information about the members of the Board of Directors and senior management	3.1.1, 3.1.2, 3.1.3	93-97, 98, 98-121
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13	**Remuneration and benefits**		
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* In application of Regulation (EU) 2019/980 dated March 14, 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council, the following information is incorporated by reference into this Universal Registration Document:

- The Group's consolidated financial statements and the related management report and Statutory Auditors report for the fiscal year ended September 30, 2018, presented in the fiscal 2017-2018 Registration Document filed with the Autorité des Marchés Financiers on January 24, 2019.
- The Group's consolidated financial statements and the related management report and Statutory Auditors report for the fiscal year ended September 30, 2017, presented in the fiscal 2016-2017 Registration Document filed with the Autorité des Marchés Financiers on January 29, 2018.
- The Group's consolidated financial statements and the related management report and Statutory Auditors report for the fiscal year ended September 30, 2016, presented in the fiscal 2015-2016 Registration Document filed with the Autorité des Marchés Financiers on January 27, 2017 under number R17-003.

** In application of Annex 1 of Regulation (EU) 2017/1129, Elior hereby states that there are no governmental, legal or arbitration proceedings that have had significant effects on the Group’s financial position or profitability.

6.7 CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT

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Earnings analysis	4.1	175-184
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