PRESS RELEASE

Paris La Défense, May 16, 2024

Elior delivers an outstanding first-half performance

With EBITA up by 144% and a faster pace of deleveraging

Today, Elior Group (Euronext Paris – ISIN: FR 0011950732), a world leader in catering and multiservices, is releasing its unaudited results for the first half of the 2023-2024 fiscal year (six months ended March 31, 2024).

- **Initial benefits from our strategy implemented since April 2023**
  - A more agile and efficient Group
  - A return to profitability and growth momentum back on track
  - Robust business development, led by strong customer relations and contract performance
  - Costs streamlined
  - Ongoing deleveraging
- **Solid results for the first half of fiscal 2023-2024**
  - €3,123 million in consolidated revenue, representing 5.9% organic growth
  - A more-than twofold increase in adjusted EBITA to €100 million from €41 million a year earlier; adjusted EBITA margin up 150 basis points to 3.2%
  - A positive €169 million in free cash flow versus a negative €15 million a year earlier
  - A €137 million reduction in net debt during the period
  - Leverage ratio (net debt/adjusted EBITDA) of 4.1x, i.e., below the 5.25x set for the covenant test

Outlook for full-year 2023-2024

- Organic revenue growth between 4% and 5%
- Adjusted EBITA margin of at least 2.5%
- Leverage ratio (net debt/adjusted EBITDA) around 4.0x at September 30, 2024

Commenting on these results, Daniel Derichebourg, Elior Group's Chairman and CEO, said:

"Against a backdrop of market uncertainty, Elior delivered a solid performance in the first half of fiscal 2023-2024. We've returned to operating profitability and have removed sources of losses within several strategic contracts. Our business development was robust and we won and renewed major contracts during the period. We also continued to deleverage the Group. Our revenue and organic growth are trending upwards, both overall and for our businesses individually, as are our EBITDA and profit margin. These are all signs that our recovery is continuing at a good pace, even though there's still some way to go.

Our first-half 2023-2024 results are the outcome of the structural changes we've been putting in place since April 2023 following the alliance between Elior and Derichebourg Multiservices. The intense efforts we've made are beginning to pay off and we plan to steadily and rigorously pursue them going forward. In view of all of these factors, I have every confidence in our ability to carry on down the path of profitable and sustainable growth. I'd like to take this opportunity to thank all of our teams for their hard work and all of our stakeholders – both internal and external – for their unwavering support."

Business Development

Several major contracts were won or renewed in the first half of 2023-2024, including with the following:

- In **Contract Catering**

- France: Dassault Aviation's head office, the municipality of Aubervilliers, l'École Nationale de Police de Oissel, and the Sainte Croix Sainte Euverte Orléans group of schools
- United Kingdom: Leeds-Bradford international airport passenger lounges and Leicestershire County Cricket Club
- Italy: BNL Aldobrandeschi
- Spain: Fundación La Caixa
- United States: The Thomas Jefferson Foundation Inc. and Pine Bluff School
- India: Boeing India Private Limited and Autodesk India PVT. Limited

- In **Multiservices**

- Facility: Disney Hotel and Edvance (EDF group)
- Health: Hôpital Ambroise Paré and Centre René Gauducheau
- Temporary Staffing: Le Saint group
- Aeronautics: new contracts with Airbus
- Energy & Urban: Batipart Immo and the municipality of Argenteuil

Revenue

Consolidated revenue from continuing operations amounted to €3,123 million in the first half of fiscal 2023-2024, compared with €2,478 million for the year-earlier period. This 26.0% increase reflects organic growth of 5.9%, a 0.7% negative currency effect and a 20.8% positive impact from changes in scope of consolidation, mainly due to the consolidation of Derichebourg Multiservices (DMS) as from April 18, 2023.

On a like-for-like basis, revenue rose by 4.6%, including a positive 1.0% volume effect and a favorable 3.6% price effect.

Business development remained robust in the first half of 2023-2024, driving up revenue by 9%, having already added 10.3% to the first-half 2022-2023 revenue figure.

Contract losses, excluding voluntary contract exits, reduced revenue by 6.4%. On this basis, the revenue retention rate was 93.6% at March 31, 2024. Voluntary contract exits trimmed a further 1.3% from revenue. The overall revenue retention rate was therefore 92.3%, up 1 point on the 91.3% recorded at March 31, 2023.

Revenue by business segment

Contract Catering revenue totaled €2,293 million in the first half of 2023-2024 versus €2,169 million in the same period of 2022-2023, representing year-on-year growth of 5.7%. This increase breaks down as follows: 5.9% organic growth, a positive 0.6% impact from changes in scope of consolidation stemming from the acquisition of Cater to You in the United States, and a negative 0.8% currency effect.

Multiservices revenue jumped to €823 million from €302 million in the year-earlier period. This €521 million increase reflects organic growth of 6.0% and a positive €503 million impact from changes in scope of consolidation, arising on the first-time consolidation of DMS.

The **Corporate & Other** segment, which includes the Group's "Ciel de Paris" and "Maison de l'Amérique Latine" concession catering activities, generated €7 million in revenue in first-half 2023-2024.

Pro forma revenue

On a pro forma basis, consolidated revenue was 5.3% higher than the €2,965 million recorded for the first half of 2022-2023. Pro forma revenue growth for Multiservices was 4.3%.

Adjusted EBITA and Other Income Statement Items

Consolidated adjusted EBITA from continuing operations came to €100 million in the first half of 2023-2024, compared with €41 million for the same period of 2022-2023. Adjusted EBITA margin widened by 150 basis points to 3.2% from 1.7%. The effect of price increases more than offset the impact of inflation. Operational efficiency gains – which amounted to €29 million, including €9 million in synergies achieved – also contributed to the improvement in operating profitability.

In **Contract Catering**, adjusted EBITA came in at €91 million, versus €49 million a year earlier. Adjusted EBITA margin was 4.0%, up 170 basis points from 2.3% in the same period of 2022-2023.

In **Multiservices,** adjusted EBITA was €16 million, compared with a €2 million loss in the first half of 2022-2023. Adjusted EBITA margin was 1.9%, representing a 270 basis-point positive swing versus the negative 0.8% reported a year earlier, before the consolidation of DMS.

For the **Corporate & Other** segment, adjusted EBITA represented a €7 million loss, against a €6 million loss in the same period of 2022-2023, reflecting the first-time consolidation of DMS' corporate structures.

Pro forma EBITA

On a pro forma basis, EBITA margin for the Group as a whole also increased by 150 basis points from the 1.7% EBITA margin posted for the first half of 2022-2023. The pro forma EBITA margin for Multiservices widened by 70 basis point from 1.2% in the first half of 2022-2023. The Corporate & Other segment saw a €2 million improvement in pro forma adjusted EBITA compared with the first half of 2022-2023, reflecting the cost savings already achieved for the corporate structures.

Recurring operating profit from continuing operations totaled €88 million in the first half of 2023-2024, compared with €30 million a year earlier.

Non-recurring income and expenses represented a net expense of €15 million, versus a net expense of €17 million in first-half 2022-2023, and included €12 million in restructuring costs.

The Group recorded a **net financial expense** of €52 million for the six months ended March 31, 2024 compared with €35 million in first-half 2022-2023, reflecting the increase in average debt and interest rates, and, to a lesser extent, the interest expense on DMS' factoring program.

Income tax represented a €20 million charge versus a €3 million charge a year earlier. Current income tax expense amounted to €14 million (including the CVAE tax charge in France) and deferred tax expense was €6 million, mainly due to the profit generated in France during the period.

In view of the above factors, the Group ended first-half 2023-2024 with €1 million in **net profit for the period attributable to owners of the parent**, compared with a €23 million attributable net loss for the same period of 2022-2023.

Cash Flows, Debt and Liquidity

Free cash flow amounted to a positive €169 million, up sharply on the negative €15 million recorded for first-half 2022-2023.

The net change in **operating working capital** represented a strong cash inflow of €83 million, including a reversal of the €38 million temporary negative movement related to outstanding securitized and factored receivables recorded at the end of the 2022-2023 fiscal year. On a normalized basis, i.e., after neutralizing this €38 million positive reversal effect, **free cash flow** would have totaled €131 million.

EBITDA rose sharply from €107 million in first-half 2022-2023 to €189 million in the first six months of 2023-2024.

Net capital expenditure increased by €11 million year on year to €43 million from €32 million, reflecting the first-time consolidation of DMS. As a percentage of revenue it represented 1.4%, up slightly on the 1.3% for first-half 2022-2023.

Net debt stood at €1,256 million at March 31, 2024, versus €1,393 million at September 30, 2023.

The **leverage ratio** (net debt/adjusted EBITDA), as calculated for the purpose of the test carried out by the Group's lenders, was 4.1x at March 31, 2024, i.e., below the 5.25x set in the covenant.

The Group's **available liquidity** totaled €342 million at March 31, 2024, against €313 million at September 30, 2023, and included €81 million in cash and cash equivalents, an undrawn €190 million under its €350 million revolving credit facility and €71 million in other available credit facilities.

Corporate Social Responsibility (CSR)

Highly aware of Elior's footprint and our responsibilities towards our stakeholders, in the first half of 2023-2024 we continued to work on defining the Group's new social and environmental commitments with a view to publishing our sustainability roadmap by the end of the fiscal year.

We completed our double materiality analysis during the period, which enabled us to identify the Group's strategic goals and challenges regarding the social and environmental impacts that its activities have on its stakeholders and the financial impacts that social and environmental issues have on the Group.

This analysis will also enable the Group to comply with the EU Corporate Sustainability Reporting Directive (CSRD) and therefore publish its first sustainability report as early as the end of fiscal 2023-2024.

Events After the Reporting Date

On April 30, 2024, the Group signed an agreement to acquire DCK Catering, a school catering company based and operating in Hong Kong. This acquisition will strengthen the Group's positions in the contract catering market in Asia.
With an operating presence in India since 2017, in 2023 when Daniel Derichebourg arrived, the Group decided to accelerate its expansion there through robust organic growth and bolt-on acquisitions.

Outlook

The Group's activity remains well oriented in each of its two businesses, and the upward trend in prices is expected to continue to boost revenue for the rest of fiscal 2023-2024. During the remainder of the year we intend to continue to win new business while at the same time streamlining our portfolio of existing contracts whose profitability levels are still considered insufficient.

In view of the above factors and our solid results for the first half of 2023-2024, we are standing by our previously announced guidance for the full fiscal year, namely:

- Organic revenue growth between 4% and 5%
- Adjusted EBITA margin of at least 2.5%.
- Net debt/EBITDA ratio around 4.0x at September 30, 2024

We have set the following mid-term financial targets:

- €56 million in run-rate synergies by 2026 (compared with the initially targeted €30 million)
- Net debt/adjusted EBITDA ratio below 3.0x at September 30, 2026

Presentation

The Group's presentation of its results for the first half of 2023-2024 will take place on **May 16, 2024, at 9:00 a.m. Paris time** and will be accessible by webcast and telephone. Participants will be able to ask questions over the phone only.

The webcast will be accessible via the following link:
https://channel.royalcast.com/landingpage/eliorgroup/20240516_1/

The dial-in numbers for the conference call are as follows:
France: +33 (0) 1 7037 7166
United Kingdom: +44 (0) 33 0551 0200
United States: +1 786 697 3501
Access code: Elior Group; please log in at least 10 minutes before the start of the presentation.

Financial calendar

November 20, 2024: full-year results for fiscal 2023-2024 – pre-market press release and conference call

Appendices

About Elior Group

Founded in 1991, Elior Group is a world leader in contract catering and multiservices, and a benchmark player in the business & industry, local authority, education and health & welfare markets. With strong positions in ten countries, the Group generated €5.8 billion in pro forma revenue in fiscal 2022-2023. Our 133,000 employees cater for 3.1 million people every day at 20,200 restaurants and points of sale on three continents.

The Group's business model is built on both innovation and social responsibility. Elior Group has been a member of the United Nations Global Compact since 2004, reaching advanced level in 2015.

To find out more, visit www.eliorgroup.com/Follow Elior Group on Twitter: @Elior_Group

Press contact

Silvine Thoma – silvine.thoma@eliorgroup.com / +33 (0)6 80 87 05 54

Investor contact

investor@eliorgroup.com

Appendix 1: Revenue by business segment

(in € millions)	H1 2023-24	H1 2022-23	Organic growth	Changes in scope of consolidation	Currency effect	Total year-on-year change
Contract Catering	2,293	2,169	5.9%	+0.6%	-0.8%	+5.7%
Multiservices	823	302	6.0%	+166.9%	0.0%	+172.9%
Sub-total	3,116	2,471	5.9%	+20.9%	-0.7%	+26.1%
Corporate & Other	7	7	1.9%	NM	NM	+1.9%
GROUP TOTAL	**3,123**	**2,478**	**5.9%**	**+20.8%**	**-0.7%**	**+26.0%**

NM: not material

Appendix 2: Revenue by geographic area

(in € millions)	H1 2023-24
France	1,607
Europe (including the UK)	841
Rest of the world	675
GROUP TOTAL	**3,123**

(in € millions)	H1 2022-23	H2 2022-23	12 months 2022-23
France	1,112	1,428	2,540
Europe (including the UK)	719	704	1,423
Rest of the world	647	613	1,260
GROUP TOTAL	**2,478**	**2,745**	**5,223**

Appendix 3: Pro forma revenue by business segment

Pro forma 2022-23 (in € millions)	H1 2022-23	H2 2022-23	12 months 2022-23
Contract Catering	2,169	1,982	4,151
Multiservices	789	804	1,593
Sub-total	2,958	2,786	5,744
Corporate & Other	7	9	16
GROUP TOTAL	**2,965**	**2,795**	**5,760**

Appendix 4: Adjusted EBITA and adjusted EBITA margin by business segment

(in € millions)	H1 2023-24	H1 2022-23	Change in adjusted EBITA	Adjusted EBITA margin 2023-24	Adjusted EBITA margin 2022-23
Contract Catering	91	49	+42	4.0%	2.3%
Multiservices	16	(2)	+18	1.9%	-0.8%
Sub-total	107	47	+60	3.4%	1.9%
Corporate & Other	(7)	(6)	-1	NM	NM
GROUP TOTAL	100	**41**	**+59**	**3.2%**	**1.7%**

NM: not material

Appendix 5: Pro forma adjusted EBITA and adjusted EBITA margin by business segment

Pro forma 2022-23	H1		H2		12 months	
(in € millions)	Adjusted EBITA	Adjusted EBITA margin	Adjusted EBITA	Adjusted EBITA margin	Adjusted EBITA	Adjusted EBITA margin
Contract Catering	49	2.3%	(2)	-0.1%	47	1.1%
Multiservices	9	1.2%	29	3.5%	38	2.3%
Sub-total	58	2.0%	27	1.0%	85	1.5%
Corporate & Other	(9)	NM	(8)	NM	(17)	NM
GROUP TOTAL	**49**	**1.7%**	**19**	**0.7%**	**68**	**1.2%**

NM: not material

Appendix 6: Simplified cash flow statement

(in € millions)	Six months ended March 31 2024	2023
EBITDA	**189**	**107**
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(43)	(32)
Change in operating working capital	83	(45)
Share of profit of equity-accounted investees	-	-
Non-recurring income and expenses impacting cash	(13)	(15)
Other non-cash movements	(1)	2
Repayments of lease liabilities (IFRS 16)	(41)	(33)
Operating free cash flow	**174**	**(16)**
Tax recovered (paid)	(5)	1
Free cash flow	**169**	**(15)**

Appendix 7: Consolidated financial statements

Consolidated income statement

(in € millions)	Six months ended March 31 2024	2023
Revenue	**3,123**	2,478
Purchase of raw materials and consumables	(907)	(845)
Personnel costs	(1,675)	(1,255)
Share-based compensation expense	1	(3)
Other operating expenses	(293)	(223)
Taxes other than on income	(60)	(46)
Depreciation, amortization and provisions for recurring operating items	(88)	(68)
Net amortization of intangible assets recognized on consolidation	(13)	(8)
Recurring operating profit from continuing operations	**88**	30
Share of profit of equity-accounted investees	-	-
Recurring operating profit from continuing operations including share of profit of equity-accounted investees	**88**	30
Non-recurring income and expenses, net	(15)	(17)
Operating profit from continuing operations including share of profit of equity-accounted investees	**73**	13
Financial expenses	(61)	(39)
Financial income	9	4
Profit/(loss) from continuing operations before income tax	**21**	(22)
Income tax	(20)	(3)
Net profit/(loss) for the period from continuing operations	**1**	(25)
Net profit for the period from discontinued operations	**-**	-
Net profit/(loss) for the period	**1**	(25)
Attributable to:		
Owners of the parent	**1**	(23)
Non-controlling interests	**-**	(2)

(in €)	Six months ended March 31, 2024	2023
Earnings/(loss) per share		
Earnings/(loss) per share – continuing operations		
Basic	-	(0.14)
Diluted	-	(0.14)
Earnings per share – discontinued operations		
Basic	-	-
Diluted	-	-
Total earnings/(loss) per share		
Basic	-	(0.14)
Diluted	-	(0.14)

Consolidated balance sheet – Assets

(in € millions)	At March 31, 2024	At September 30, 2023
Goodwill	1,670	1,680
Intangible assets	247	257
Property, plant and equipment	256	258
Right-of-use assets	196	216
Non-current financial assets	129	127
Fair value of derivative financial instruments (*)	2	5
Deferred tax assets	82	84
Total non-current assets	**2,582**	**2,627**
Inventories	101	107
Trade and other receivables	953	975
Current income tax assets	13	12
Other current assets	75	67
Cash and cash equivalents (*)	81	45
Assets classified as held for sale	-	-
Total current assets	**1,223**	**1,206**
Total assets	**3,805**	**3,833**

(*) Included in the calculation of net debt

Consolidated balance sheet – Equity and liabilities

(in € millions)	At March 31, 2024	At September 30, 2023
Share capital	3	3
Reserves and retained earnings[1]	822	833
Translation reserve	2	11
Equity attributable to owners of the parent	**827**	**847**
Non-controlling interests	-	(1)
Total equity	**827**	**846**
Long-term debt (*)	1,023	1,074
Long-term lease liabilities (*)	137	155
Fair value of derivative financial instruments (*)	6	-
Provisions for pension and other post-employment benefit obligations	80	74
Other long-term provisions	28	28
Other non-current liabilities	6	6
Total non-current liabilities	**1,280**	**1,337**
Trade and other payables	687	646
Due to suppliers of non-current assets	12	14
Accrued taxes and payroll costs	667	639
Current income tax liabilities	17	8
Short-term debt (*)	103	135
Short-term lease liabilities (*)	68	67
Short-term provisions	54	56
Contract liabilities	51	53
Other current liabilities	39	32
Liabilities classified as held for sale	-	-
Total current liabilities	**1,698**	**1,650**
Total liabilities	**2,978**	**2,987**
Total equity and liabilities	**3,805**	**3,833**
Net debt	*1,254*	*1,381*
Net debt excluding fair value of derivative financial instruments and debt issuance costs	*1,256*	*1,393*

(*) Included in the calculation of net debt

Consolidated cash flow statement

(in € millions)	Six months ended March 31 2024	2023
Recurring operating profit including share of profit of equity-accounted investees	88	30
Amortization and depreciation[(1)]	90	76
Provisions	11	1
EBITDA	**189**	**107**
Share of profit of equity-accounted investees	-	-
Change in operating working capital	83	(45)
Non-recurring income and expenses impacting cash	(13)	(15)
Interest and other financial expenses paid	(48)	(32)
Tax recovered (paid)	(5)	1
Other non-cash movements	(1)	2
Net cash from operating activities – continuing operations	**205**	**18**
Purchases of property, plant and equipment and intangible assets	(46)	(35)
Proceeds from sale of property, plant and equipment and intangible assets	3	3
Purchases of financial assets	(2)	(3)
Proceeds from sale of financial assets	1	-
Acquisitions of shares in consolidated companies, net of cash acquired	(2)	-
Other cash flows from investing activities	(1)	(1)
Net cash from/(used in) investing activities – continuing operations	**(47)**	**(36)**
Proceeds from borrowings	14	51
Repayments of borrowings	(86)	(73)
Repayments of lease liabilities	(37)	(30)
Net cash from/(used in) financing activities – continuing operations	**(109)**	**(52)**
Effect of exchange rate changes	3	(4)
Increase/(decrease) in net cash and cash equivalents – continuing operations	**52**	**(74)**
Increase/(decrease) in net cash and cash equivalents – discontinued operations	**(1)**	-
Net cash and cash equivalents at beginning of period	**(2)**	**59**
Net cash and cash equivalents at end of period	**49**	**(15)**

(1) Including amortization of advances on customer contracts corresponding to €1 million in the six months ended March 31, 2023 and a non-material amount in the six months ended March 31, 2024

Appendix 8: Definitions of alternative 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 4.2 of the 2022-2023 Universal Registration Document, (ii) changes in accounting policies, and (iii) changes in scope of consolidation.

Revenue retention rate: Based on the percentage of revenue from the previous fiscal year, adjusted for the cumulative year-on-year change in revenue attributable to contracts or sites lost since the beginning of the previous fiscal year.

Adjusted EBITA: Recurring operating profit, 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.
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 its business model. It is also the most commonly used indicator in the industry and therefore enables meaningful comparisons between the Group and its peers.

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

Operating free cash flow: The sum of the following items as defined in the 2022-2023 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);
- repayments of lease liabilities (IFRS 16);
- change in net operating working capital;
- share of profit of equity-accounted investees;
- non-recurring income and expenses impacting cash;
- other non-cash movements.

This indicator reflects cash generated by operations.