

Elior Group: Full-year 2019-2020 financial results

Elior demonstrates its agility and accelerates its transformation to fully benefit from the end of the crisis

PARIS--([BUSINESS WIRE](#))-- Regulatory News:

Elior Group (Paris:ELIOR) (Euronext Paris – ISIN: FR 0011950732), one of the world's leading operators in catering and support services, published its unaudited full-year fiscal results for 2019-2020, ended September 30, 2020, including the application of IFRS 16, unless otherwise mentioned.

Fiscal 2019-2020 figures, in line with the results published on November 6, 2020:

- Confirm revenues were €3,967 million, compared with €4,923 million in 2018-2019, an organic decrease of 19.7%. Excluding Covid-19, strikes in France, voluntary contract exits in Italy and the Tesco contracts scope reductions in the UK, organic growth in 2019-2020 was +1.7%. Covid-19 impacted revenues by €1,003 million.
- Confirm adjusted EBITA from continuing activities was a loss of €69 million, including a positive IFRS 16 impact of €2 million, compared with a profit of €176 million a year ago. The Covid-19 impact was €268 million.
- The drop-through impact of weaker full-year revenues on adjusted EBITA was 27%, less than 30%, as previously announced.
- Liquidity at September 30, 2020, amounted to €630 million, compared with €709 million at June 30, 2020.

Elior Group CEO, Philippe Guillemot, said: *“The fiscal year 2019-2020, with this unprecedented global crisis, has been particularly difficult for the contract catering sector. Although impacted, Elior has demonstrated its resilience, as well as its ability to continue to move forward and take the initiative. Since March, we have preserved both our liquidity levels and financing capacity thanks to our agility, flexible organization, and strict cost management.*

Today, our portfolio of activities means we are less exposed to the impact of the second wave and the lockdown measures. Our rigours management and contract renegotiations, and the truly outstanding commitment of our teams on the ground, have also enabled us to further strengthen ties with our customers.

We are staying the course we set ourselves when we launched our strategic plan, New Elior, and are reinforcing our differentiating factors in all our markets while accelerating our transformation and the roll-out of our new offers to emerge more competitive from this crisis and reaffirm our leadership and our ability to drive innovation in all our businesses. There are still countless opportunities in our markets.

Our teams, both in catering and services, are more mobilised than ever, ready to take up the challenges ahead. I am very confident in the future of our businesses because we now have the talent, know-how and organization to take advantage of the upcoming recovery. The anticipated rebound after the crisis and the additional revenues generated by our new offerings will enable us to return to robust growth and improve our pre-crisis margins.”

Business development

Elior renewed or secured several major new contracts in the fourth quarter of 2019-20, both in contract catering and services. These included:

- In France, AS Monaco football club's training academy, Solvay, Eutelsat and La Roche-sur-Yon and for Elior Services the Centre Hospitalier Universitaire de Bordeaux, Hospital Avicenne and Orange Telecoms;
- In England, the Royal Marsden NHS Foundation Trust, Roke Manor Research, Southport College and Wimbledon Football Club in England and in Scotland, the An Lanntair Arts Centre in Stornoway;
- In the US, Tealwood and Cedar Creek senior living establishments in Minnesota, Sourcewise Inc. and the Council on Aging of Santa Clara County in California and a multitude of school meal contracts in several states;
- In Italy the school inspectors and superintendents training school (Scuola Ispettori E Sovrintendenti L'Aquila) and the Il Gruppo Gros consortium;
- In Spain the schools in Alicante, The national Alzheimer Center (Centro Nacional De Alzheimer) in Salamanca and the Joaquín Blume residence at the CARD sports center in Madrid.

The retention rate for contract catering was 92% at the end of September 2020 compared to 90% at the end of September 2019.

Revenue

Consolidated revenue from continuing operations totaled €3,967 million in 2019-20 compared to €4,923 million a year ago. This 19.4% year-on-year decrease reflects a loss in revenues of (i) €1,003 million due to the Covid-19 crisis, (ii) -€11 million due to strikes in France at the end of the first quarter and start of the second quarter and (iii) -€39 million due to voluntary contract exits in Italy and scope reduction in the Tesco contracts in the United Kingdom.

Without these various exceptional impacts, Elior's organic growth was +1.7%. Acquisitions in the USA and Italy contributed €4 million, while foreign exchange, notably the US dollar, added €8 million to consolidated revenue from continuing operations.

The proportion of revenue generated by international operations was 55% in 2019-20, same as with the previous fiscal year.

Revenue by geographic segment:

International revenues were €2,182 million, a decline of 18.9% compared to last year, reflecting the €551 million impact of Covid-19 and - to a much lesser extent - the Italian public-sector contracts that we chose not to renew last year and the scaled back Tesco contracts in the UK. Excluding those items, Elior's International organic revenue growth was 2.6%.

The US was the most resilient owing to Elior being less exposed to B&I, our strong position in the National School Lunch Program from K-to-12 children and our ability to increase our use of existing capacity to support social services organizations.

Foreign exchange, notably a stronger US dollar, added +0.3% to international revenues compared to last year.

Revenue generated in **France** totaled €1,778 million in 2019-20, compared with €2,212 million in the same period a year ago, a decline of 19.6%. Elior Services has deployed its bio-cleaning expertise, including certified Covid-19 specific solutions, particularly in the Health & welfare, but also in services and industrial sectors. Excluding the €11 million impact from strikes and the €445 million impact from Covid-19, organic revenue was flat for France.

The **Corporate & Other segment**, which includes the Group's remaining concession catering activities not sold with Areas, generated nearly €7 million in revenue in 2019-2020, down from €22 million for the same period last year notably due to the impact of the Covid-19 pandemic.

Revenue by Market:

Business & Industry generated revenue of €1,620 million, a decline of 28.2% compared with last year. This reflects the improvement in **fourth quarter** 2019-20 revenue, which amounted to €344 million. Although this was down 35% year-on-year. However, it was a clear improvement compared with the third quarter when the Covid-19 lockdowns pushed revenue down 62%.

Education generated revenue of €1,149 million in 2019-20, a decline of 18.7% for the full year 2019-20, compared with a year ago. Following the lockdown measures in the third quarter resulting in a 54.5% drop in revenues, there was a sharp improvement after the summer vacations as students returned to school and people went back to work, resulting in a €43 million decline in revenues in the fourth quarter.

Health & welfare revenue stood at €1,198 million, a decline of 4.4% compared with a year ago. Revenues improved slightly in the **fourth quarter** 2019-20 to €292 million, down 6.0% after a third quarter decline of 7.8% as elective surgeries were rescheduled over the summer. Most hospital cafeterias remain closed, however.

Adjusted EBITA and recurring operating profit

Adjusted EBITA for continuing operations was a €69 million loss for the fiscal year ended on September 30, 2020, including a positive €2 million from the application of IFRS 16, compared with a profit of €176 million in 2018-19. As a result of the €245 million year-on-year decline, the adjusted EBITA margin was -1.7% for the fiscal

year 2019-20 compared with +3.6% in 2018-2019. The French strikes accounted for -€7 million, voluntary contract exits in Italy, contract terminations with the Ministry of Defense and Tesco contracts scope reduction in the UK together accounted for -€5 million, while the Covid-19 pandemic impact was -€268 million for the fiscal period 2019-20.

Elior had estimated that the Covid-19 drop-through from revenues to adjusted EBITA would be less than 30% over the full year. The actual final **drop-through was 27%**.

In the **International** segment, adjusted EBITA totaled -€30 million for the full year 2019-20, compared to €90 million year ago notably due to the major impact of Covid-19. Adjusted EBITA as a percentage of revenues was -1.4%, compared to 3.3% in 2018-19.

In **France**, adjusted EBITA came to -€13 million in fiscal year 2019-20, compared to 109 million in 2018-19. In France, tighter operational discipline and greater commercial selectivity by the management team helped to offset the impact of the general labor strikes in France but business was severely impacted by the Covid-19 lockdown measures. Health & welfare was less affected despite the closures of hospital cafeterias. The adjusted EBITA as a percentage of revenue was -0.8%, compared to 4.9% year ago.

The **Corporate & Other** adjusted EBITA was -€26 million for the fiscal year 2019-20 compared to -€23 million year ago, mostly due to the impact of Covid-19.

Recurring operating loss from continuing operations (including share of profit of equity-accounted investees), was €89 million for the full year 2019-20, which included an IFRS16 benefit of €2 million, compared with a profit of €160 million in 2018-2019. The full year 2019-20 figure includes €20 million in amortization of intangible assets related to acquisitions, compared to €21 million in 2018-19.

Non-recurring items represented a net expense of €240 million and primarily included an impairment loss of goodwill for €123 million and €117 million mainly related to restructuring provisions. During the fiscal year 2018-19, non-recurring items were €27 million mainly related to restructuring costs.

Net financial expense was -€38 million, which included an IFRS 16 impact of -€7 million in 2019-20. This compared to -€69 million a year ago, due to the reduction in debt following the sale of Areas in 2018-19, and the impact of the lower leverage ratio on the margin.

Income tax expense amounted to €83 million in 2019-20, including an IFRS 16 benefit of €3 million, compared to a net benefit of €4 million resulting from a short-term tax loss on the divestment of Areas in 2018-19. In 2020, the Group partially recognized a tax credit related to 2019-2020 loss and depreciated certain deferred tax assets.

It also includes the French CVAE of €19 million, which is based on added value, thus decreased in 2019-20 compared to €21 million year ago.

In view of the above factors, **net loss for the period from continuing operations** was €450 million in 2019-20, which included an IFRS 16 impact of €2 million, compared with a net profit of €68 million in 2018-2019.

Attributable net loss for the period was €483 million in 2019-20, compared with a profit of €271 million last year.

Cash flows and debt

Operating free cash flow for 2019-2020 was -€62 million (before IFRS16 impact), compared to €251 million year ago. This year-on-year decline was notably due to (i) a drop in adjusted EBITDA of €245 million and (ii) a €43 million change in the outstanding amounts under the receivables securitization program. Strict capital expenditure allocation resulted in a €25 million improvement.

Net debt before IFRS16 was €767 million at September 30, 2020, compared to €539 million at the end of September 30, 2019. Including the impact of the application of IFRS 16, Elior Group's net debt was €995 compared to €782 million (pro forma IFRS 16) at September 30, 2019.

Liquidity

At end-September 2020, Elior's liquidity amounted to €630 million, compared with €709 million at end-June 2020.

The change is chiefly attributable to the final price adjustment related to the sale of Areas (-€48 million), the increase in securitization tied to the resumption of business (+€31 million), the impact of exchange rate movements on our US dollar-denominated facilities (-€11 million), and negative operating free cash flow excluding securitization (-€22 million).

Return to shareholders

Following the sale of Areas Elior Group launched a share buyback program; a €21 million tranche was completed in the second quarter of 2019-20. Due to the Covid-19 pandemic, this program has been paused. We maintain our liquidity contract to ensure a liquid market for Elior Group shares. The Board of Directors will submit a proposal at the next Annual General Meeting that the Group forgoes a dividend for the 2019-2020 financial year.

Outlook

After lockdown measures eased in mid-May 2020, we saw a continuous improvement in our activities. As a second wave of lockdowns hit Europe in October; we saw that Covid-19 will continue to create persistent uncertainty in the coming months. The recovery in economic activity is expected to be gradual and bumpy throughout 2020-21, and at varying rates depending on how the pandemic plays out in the countries where Elior operates.

Based on all known variables at this point, the assumptions for 2020-21 that Elior is using to plan and make its decisions are as follows:

- **Business & Industry** posted a good recovery in September and until mid-October thanks to white-collar workers, who represent less than 18% of Group revenues, being back at the office. Due to recent government measures we expect a high level of remote working in the first half, before a gradual reduction in the second half of our fiscal year. Business should accelerate as vaccine programs are rolled-out. In this context, we are maintaining a constant contact with our clients to adjust our catering offering as their needs evolve.
- The **Education** market should remain near pre-Covid-19 levels as primary, middle and high schools (K-12) stay open in Europe and to varying degrees across the USA. K-12 education accounts for the vast majority of Elior's revenue in this segment.
- The **Health & welfare** market should remain near pre-Covid-19 levels in contract catering and services. The cancellation of non-emergency surgeries and closing of hospital cafeterias will continue to have an impact on our results in the first half of the year.

Wherever possible, we will continue to use the available government furlough and business support programs and will further adapt our cost structure to protect our profitability.

Cost discipline, tight cash management and reinforced SG&A discipline will also continue in full force, alongside the restructuring measures already undertaken.

There are still countless opportunities in our markets. Our teams, both in catering and services, are more mobilised than ever. We are confident in the future of our businesses because we now have the talent, know-how and organization to take advantage of the upcoming recovery.

In the medium term, the anticipated rebound after the crisis and the additional revenues generated by our new offerings will enable us to return to robust growth and improve our pre-crisis margins.

Elior's Board of Directors and the Executive Committee sincerely thank the Group's 105,000 employees for their commitment to our customers and guests during this exceptional period.

Events after the reporting date

Covenant holiday extended: next test will be at the end of 2022 based on financial results as of September 30, 2022.

A press conference will take place today, Wednesday, November 25, 2020 at 8:30 a.m. Paris time, which will be accessible by webcast via the Elior Group website and by phone by dialing one of the following numbers:

France: + 33 (0) 1 7037 7166

United Kingdom: + 44 (0) 20 3003 2666 (Standard International Access)

USA: + 1 212 999 6659

Code: Elior

Financial calendar

- January 28, 2021: First-quarter 2020-2021 revenue - issue of press release before the start of trading
- February 26, 2021: Annual General Meeting
- May 20, 2021: First-half 2020-2021 results - issue of press release before the start of trading and conference call
- July 28, 2021: Revenue for the first nine months of fiscal 2020-2021 - issue of press release before the start of trading

Appendix 1: Revenue by geographic segment

Appendix 2: Revenue by market

Appendix 3: Adjusted EBITA by geographic segment

Appendix 4: Condensed cash flow statement

Appendix 5: Consolidated financial statements

Appendix 6: Definition of alternative performance indicators

The English-language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinion expressed therein, the original language version of this document in French takes precedence over this translation.

About Elior Group

Founded in 1991, Elior Group has grown into one of the world's leading operators in contract catering and support services has become a benchmark player in the business & industry, education, Health & welfare and leisure markets. With strong positions in 6 countries, the Group generated €3,967 million in revenue in fiscal 2018-2019.

Our 105,000 employees feed over 5 million people on a daily basis in 23,500 restaurants on three continents and offer services on 2,300 sites in France.

Innovation and social responsibility are at the core of our business model.

For further information please visit our website at <http://www.eliorgroup.com> or follow us on Twitter (@Elior_Group)

Appendix 1: Revenue by geographic segment

(in € millions)	Q1.	Q1.	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
	2019-2020	2018-2019				
France	573	584	-1.9%	-	-	-1.9%
International	731	727	-1.3%	0,1%	1.9%	0.6%
Contract catering & Services	1,304	1,311	-1.6%	0.1%	1.0%	-0.5%
Corporate & Other	4	6	-45.9%	-	-	-45.9%
GROUP TOTAL	1,308	1,317	-1.8%	0.1%	1.0%	-0.7%
	Q2.	Q2.	Organic	Change in	Currency	Total

(in € millions)	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
France	513	580	-11.4%	-	-	-11.4%
International	636	692	-9.8%	0.2%	1.4%	-8.2%
Contract catering & Services	1,149	1,272	-10.6%	0.1%	0.8%	-9.7%
Corporate & Other	2	5	-58.7%	-	-	-58.7%
GROUP TOTAL	1,151	1,277	-10.8%	0.1%	0.8%	-9.9%

(in € millions)	Q3.	Q3.	Organic	Change in	Currency	Total
	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
France	280	559	-49.9%	-	-	-49.9%
International	392	684	-43.1%	0.1%	0.2%	-42.7%
Contract catering & Services	672	1 243	-46.1%	0.1%	0.1%	-45.9%
Corporate & Other	0	7	-100.0%	-	-	-100.0%
GROUP TOTAL	672	1,250	-46.4%	0.1%	0.1%	-46.2%

(in € millions)	Q4.	Q4.	Organic	Change in	Currency	Total
	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
France	412	489	-15.9%	-	-	-15.9%
International	423	586	-25.0%	0.1%	-2.9%	-27.8%
Contract catering & Services	835	1 075	-20.8%	0.1%	-1.6%	-22.4%
Corporate & Other	1	4	-64.6%	-	-	-64.6%
GROUP TOTAL	836	1,079	-21.0%	0.1%	-1.6%	-22.5%

(in € millions)	12 months	12 months	Organic	Change in	Currency	Total
	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
France	1,778	2,212	-19.6%	-	-	-19.6%
International	2,182	2,689	-19.3%	0.1%	0.3%	-18.9%
Contract catering & Services	3,960	4,901	-19.4%	0.1%	0.2%	-19.2%
Corporate & Other	7	22	-68.8%	-	-	-68.8%
GROUP TOTAL	3,967	4,923	-19.7%	0.1%	0.2%	-19.4%

Appendix 2: Revenue by market

(in € millions)	Q1.	Q1.	Organic	Change in	Currency	Total
	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
Business & Industry	570	591	-4.5%	-	0.9%	-3.5%
Education	423	412	1.3%	-	1.2%	2.5%
Health & welfare	315	314	-0.9%	0.2%	1.0%	0.3%
GROUP TOTAL	1,308	1,317	-1.8%	0.1%	1.0%	-0.7%

(in € millions)	Q2.	Q2.	Organic	Change in	Currency	Total
	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
Business & Industry	486	559	-13.7%	0.1%	0.6%	-13.1%
Education	365	406	-11.0%	0.1%	1.0%	-10.0%
Health & welfare	300	312	-5.0%	0.2%	0.8%	-3.9%
GROUP TOTAL	1,151	1,277	-10.8%	0.1%	0.8%	-9.9%

(in € millions)	Q3.	Q3.	Organic	Change in	Currency	Total
	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth

(in € millions)	2019-2020	2018-2019	growth	scope of consolidation	effect	Growth
Business & Industry	220	581	-61.9%	-	-0.2%	-62.1%
Education	161	353	-54.8%	-	0.3%	-54.5%
Health & welfare	291	316	-8.6%	0.2%	0.5%	-7.8%
GROUP TOTAL	672	1,250	-46.4%	0.1%	0.1%	-46.2%

(in € millions)	Q4. 2019-2020	Q4. 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
Business & Industry	344	525	-33.5%	-	-1.1%	-34.5%
Education	200	243	-15.0%	0.1%	-2.7%	-17.6%
Health & welfare	292	311	-4.6%	0.1%	-1.5%	-6.0%
GROUP TOTAL	836	1,079	-21.0%	0.1%	-1.6%	-22.5%

(in € millions)	12 months 2019-2020	12 months 2018-2019	Organic growth	Change in scope of consolidation	Currency effect	Total Growth
Business & Industry	1,620	2 256	-28.3%	-	0.1%	-28.2%
Education	1,149	1 415	-19.0%	0.1%	0.2%	-18.7%
Health & welfare	1,198	1 252	-4.8%	0.2%	0.2%	-4.4%
GROUP TOTAL	3,967	4,923	-19.7%	0.1%	0.2%	-19.4%

Appendix 3: Adjusted EBITA by geographic segment

(in € millions)	Year ended		Adjusted EBITDA		
	September 30, Change in Adjusted EBITA		margin		
	2020	2019	2020	2019	
France	(13)	109	(122)	(0.7)%	4.9%
International	(30)	90	(120)	(1.4)%	3.3%
Contract Catering & Services	(43)	199	(242)	(1.1)%	4.1%
Corporate & Others	(26)	(23)	(3)	0.0%	0.0%
GROUP TOTAL	(69)	176	(245)	(1.7)%	3.6%

Appendix 4: Condensed cash flow statement

(in € millions)	At Sept 30, 2020	At Sept 30, 2019	At Sept 30, 2020	At Sept 30, 2019
	Unaudited	Impact	IFRS Proforma IAS17	Audited
EBITDA	111	58	53	303
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(89)	-	(89)	(114)
Change in operating working capital	(9)	-	(9)	84
Other cash flows from operating activities	(17)	-	(17)	(22)
Operational Free cash flow	(4)	58	(62)	251
Tax reimbursed (paid)	(11)	-	(11)	(24)
Free cash flow	(15)	58	(73)	227

Appendix 5: Consolidated financial statements

Consolidated Income Statement

(in € millions)	Year ended		Year ended	Year
	Sept. 30, 2020	IFRS 16 Unaudited Impact	Sept. 30, 2020 Proforma IAS17	ended Sept. 30, 2019 Audited
Revenue	3,967	-	3,967	4,923
Purchase of raw materials and consumables	(1,287)	-	(1,287)	(1,557)
Personnel costs	(2,077)	-	(2,077)	(2,436)
Share-based compensation expense	-	-	-	5
Other operating expenses	(420)	59	(479)	(561)
Taxes other than on income	(71)	-	(71)	(71)
Depreciation, amortization and provisions for recurring operating items	(178)	(57)	(121)	(122)
Net amortization of intangible assets recognized on consolidation	(20)	-	(20)	(21)
Recurring operating profit from continued operations	(86)	2	(88)	160
Share of profit of equity-accounted investees	(3)	-	(3)	-
Recurring operating profit from continued operations including share of profit of equity-accounted investees	(89)	2	(91)	160
Non-recurring income and expenses, net	(240)	-	(240)	(27)
Operating profit from continued operations including share of profit of equity-accounted investees	(329)	2	(331)	133
Financial expenses	(45)	(7)	(38)	(89)
Financial income	7	-	7	20
Profit from continued operations before income tax	(367)	(5)	(362)	64
Income tax	(83)	3	(86)	4
Net profit for the period from continued operations	(450)	(2)	(448)	68
Net loss for the period from discontinued operations	(37)	(1)	(36)	202
Net profit for the period	(487)	(3)	(484)	270
Attributable to:				
Owners of the parent	(483)	(3)	(480)	271
Non-controlling interests	(4)	-	(4)	(1)

(in € millions)	Year ended		Year ended	Year
	Sept. 30, 2020	IFRS 16 Unaudited Impact	Sept. 30, 2020 Proforma IAS17	ended Sept. 30, 2019 Audited
Basic earnings per share (in €)				
Profit for the period per share from continued operations				
basic	(2.57)			0.38
diluted	(2.57)			0.38

Loss for the period per share from discontinued operations or being sold		
basic	(0.21)	1.16
diluted	(0.21)	1.15
Total basic earnings per share		
basic	(2.78)	1.54
diluted	(2.78)	1.53

Consolidated Balance sheet - Assets

(in € millions)	At Sept. 30, 2019	
	At Sept. 30, 2020	
	Unaudited	Audited ⁽¹⁾
Goodwill	1,719	1,851
Intangible assets	221	262
Property, plant and equipment	314	392
Right of Use Asset - IFRS 16	238	-
Other non-current assets	6	8
Non-current financial assets	111	104
Equity-accounted investees	-	1
Fair value of derivative financial instruments (*)	-	-
Deferred tax assets	74	162
Total non-current assets	2,683	2,780
Inventories	102	94
Trade and other receivables	625	675
Contract assets	-	-
Current income tax assets	14	32
Other current assets	54	47
Short-term financial receivables	3	-
Cash and cash equivalents (*)	41	83
Assets classified as held for sale	17	10
Total current assets	856	941
Total assets	3,539	3,721

(*) Included in the calculation of net debt

(1) Deferred taxes as at September 30, 2019 have been restated to offset deferred tax assets and liabilities in accordance with IAS 12.74. This reclassification has no impact on the result.

Consolidated Balance sheet: Equity and liabilities

(in € millions)	At Sept. 30,	At Sept. 30,
	2020	2019
	Unaudited	Audited ⁽¹⁾
Share capital	2	2
Retained earnings and other reserves	1,152	1,662
Translation reserve	(19)	4
Non-controlling interests	(3)	2
Total equity	1,132	1,670
Long-term debt (*)	781	602
Lease Liabilities - IFRS 16 (*)	192	-
Fair value of derivative financial instruments (*)	6	9
Non-current liabilities relating to share acquisitions	18	70
Deferred tax liabilities	-	13

Provisions for pension and other post-employment benefit obligations	96	104
Other long-term provisions	23	15
Other non-current liabilities	-	-
Total non-current liabilities	1,116	813
Trade and other payables	448	550
Due to suppliers of non-current assets	11	15
Accrued taxes and payroll costs	536	476
Current income tax liabilities	1	15
Short-term debt (*)	2	16
Lease Liabilities - IFRS 16 (*)	58	-
Current liabilities relating to share acquisitions	2	2
Short-term provisions	130	63
Contract liabilities	62	49
Other current liabilities	21	38
Liabilities classified as held for sale	20	14
Total current liabilities	1,291	1,238
Total liabilities	2,407	2,051
Total equity and liabilities	3,539	3,721
<i>(*) Included in the calculation of net debt</i>	998	543
<i>Net debt excluding fair value of derivative financial instruments and debt issuance costs</i>	995	539

(1) *Deferred taxes as at September 30, 2019 have been restated to offset deferred tax assets and liabilities in accordance with IAS 12.74. This reclassification has no impact on the result.*

Consolidated cash flow statement

(in € millions)	Year ended		Year ended	Year ended
	Sept. 30, 2020	IFRS 16 Unaudited Impact	Sept. 30, 2020 Proforma IAS17	Sept. 30, 2019 Audited
Cash flows from operating activities – continuing operations				
Recurring operating profit including share of profit of equity-accounted investees	(89)	2	(91)	160
Key money - Amortization	2	-	2	-
Amortization and depreciation	193	56	137	146
Provisions	5	-	5	(3)
EBITDA	111	58	53	303
Change in operating working capital	(9)	-	(9)	84
Interest and other financial expenses paid	(24)	(7)	(17)	(54)
Tax reimbursed (paid)	(11)	-	(11)	(24)
Other	(17)	-	(17)	(22)
Net cash from operating activities - continuing operations	50	51	(1)	287
Cash flows from investing activities - continuing operations				
Purchases of property, plant and equipment and intangible assets	(98)	-	(98)	(120)
Proceeds from sale of property, plant and equipment and intangible assets	9	-	9	6
Purchases of financial assets	(3)	-	(3)	(2)
Proceeds from sale of financial assets	-	-	-	9
Acquisitions of shares in consolidated companies, net of cash acquired	(10)	-	(10)	(16)
Other cash flows related to investing activities	6	-	6	-
Net cash used in investing activities – continuing operations	(96)	-	(96)	(123)

Cash flows from financing activities – continuing operations				
Dividends paid to owners of the parent	(50)	-	(50)	(33)
Movements in share capital of the parent	-	-	-	-
Purchases of own shares	(21)	-	(21)	(50)
Dividends paid to non-controlling interests	-	-	-	-
Proceeds from borrowings	936	-	936	81
Repayments of borrowings	(736)	8	(744)	(1,379)
Repayments of lease liabilities (IFRS 16)	(59)	(59)	-	-
Net cash from/(used in) financing activities – continuing operations	70	(51)	121	(1,381)
Effect of exchange rate and other changes	(3)	-	(3)	(9)
Net increase/(decrease) in cash from continued operations	21	-	21	(1,226)
Net increase/(decrease) in cash from discontinued operations	(55)	-	(55)	1,224
Net cash and cash equivalents at beginning of period	76	-	76	78
Net cash and cash equivalents at end of period	43	-	43	76

Appendix 6: Definition of Alternative Performance Indicators

Organic growth in consolidated revenue: as described in Chapter 4, Section 4.1.2.1 of the fiscal 2018-2019 Universal Registration Document, growth in consolidated revenue expressed as a percentage and adjusted for the impact of (i) changes in exchange rates, (ii) changes in accounting policies, notably the first-time application of IFRS 15 in 2018-2019 and (iii) changes in scope of consolidation.

Retention rate: percentage of revenues retained from the previous year, adjusted for the cumulative year-on-year change in revenues attributable to contracts or sites lost since the beginning of the previous year.

Adjusted EBITA: Recurring operating profit reported 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 permits comparisons between the Group and its peers.

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

Operating free cash flow: The sum of the following items as defined in the 2018-2019 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.

Revenue loss related to Covid-19: difference between actual revenue and the forecast made at the end of December 2019, at constant exchange rates and at constant perimeter, with no price effect noted at this stage.

Impact of Covid-19 on EBITA: lost revenues less associated residual costs, net of savings achieved to date (government aid, renegotiation of supplier contracts, insurance indemnity, etc.).

Impact of strikes in France: on revenues, it was measured site-by-site in relation to the normal level of activity in the weeks preceding the start of the strikes; on EBITA, it corresponds to the costs that could not be variabilized.

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