PRESS RELEASE

Paris, May 18, 2022

First half results 2021-2022
Bolstered by solid organic growth and strong commercial momentum but with margins doubly hit by pandemic and now inflation, Elior deploys bold recovery plan

Elior Group (Euronext Paris – ISIN: FR 0011950732), one of the world's leading operators in catering and support services, announces its results for the first half of fiscal year 2021-2022, ended March 31, 2022.

First half 2021-2022 results

- Revenues of €2.239 billion reflect 18% organic growth compared with H1 2020-2021, of which 9.9% stems from business development
- Retention rate of 91.3 %, stable compared with December 31, 2021
- Adjusted EBITA from continuing activities of -€16 million, compared with -€25 million a year ago
- Free cash flow of -€59 million compared with +€31 million in H1 2020-2021
- Available liquidity at March 31, 2022, was €444 million compared with €500 million at December 31, 2021
- Covenant holiday: next test based on financial results at March 31, 2023
- Decision to voluntarily exit industrial activity, Preferred Meals in the USA

Outlook for 2021-2022 and ambitions for 2024:

- For fiscal 2021-2022, Elior anticipates:
  - At least 16% organic revenue growth
  - Adjusted EBITA near breakeven (excludes Preferred Meals estimate loss of €35 million for the current fiscal year)
  - Capex of less than 2% of revenues
- Ambitions for 2024:
  - Average annual organic revenue growth of at least 7% over the next two years
  - Adjusted EBITA margin of around 4.0% in 2023-2024
  - Organic revenue growth / Capex as a percentage of revenues between 2.5x and 3x
  - Resumption of dividend payments in fiscal 2023-2024

Bernard Gault, CEO Elior Group, commented: *"Despite Omicron-related disruptions, business has bounced back, driven by strong sales momentum. However, rising inflation has put pressure on our operating margins, which were already hit by the pandemic. We are therefore deploying a bold, four-pronged margin recovery plan that will see us (1) systematically renegotiate all our price tariffs worldwide, (2) work with our clients to create new, more sustainable product and service offerings, (3) systematically review our contract portfolio, and (4) exercise even tighter control of operating costs. Based on this, the Board of Directors has approved the decision to exit Preferred Meals in the USA, as its industrial activity is too far removed from our core business and weighs heavily on the Group's finances. After two difficult years, I would like to salute the efforts and* *unfailing determination of our teams. I firmly believe that together we will restore the Group's operating profitability and achieve the ambitions we have set for 2024."*

Business development

Elior signed or renewed several major catering and services contracts in the first half of 2021-2022. These included:

- In France: Siemens; Safran; three CNRS centers; public schools in Lyon, Brest, and Thonon-les-Bains; the Institut Curie and the Peupliers Clinic in Villeneuve-d'Ascq. For Elior Services: PepsiCo, Safran, the University of Dijon, the police academy of Rouen-Oissel, the European Hospital of Paris, and the Clinique de l'Infirmerie Protestante in Lyon;
- In the UK: Allianz Insurance, The Lloyd's of London, the Glasgow Warriors and Hibernian Edinburgh athletic clubs, and the campuses of the London Business School and West London University;
- In the US: the Jewish Federation of Sarasota-Manatee in Florida, correctional facilities in Cobb County, Georgia and Rutherford County, Tennessee, around 60 Harmony charter schools in Texas, the Mississippi State Hospital in Whitfield, several state-run health centers in Louisiana, and charitable meals for Catholic Charities Acadiana in Louisiana.
- In Italy: Lactalis, several hotels including NH Porta Nueva in Milan and Best Western City in Bologna, social services for the city of Venice, and Defense Ministry facilities in multiple provinces;
- In Spain: Webhelp, the Moncloa Palace in Madrid (official residence of the Spanish Prime Minister), the National Theater of Catalonia in Barcelona, the Comarcal del Vendrell multidisciplinary health clinic in Tarragona, and the Oms retirement home in Palma de Mallorca.

Revenues

Revenues from continuing operations came to €2,239 million in the first half of fiscal 2021-2022, compared with €1,869 million a year earlier. The 19.8% year-on-year increase reflects 18% organic growth, a 2.3% positive exchange rate impact, and a 0.5% negative scope impact.

Revenues on a comparable basis rose 16.8%, a clear rebound compared with the 18.0% decline a year earlier.

Furthermore, business development helped boost revenues by 9.9%, a vast improvement over the 4.4% boost a year ago.

Lastly, contract losses lowered revenues by 8.7%. The retention rate came to 91.3% at March 31, 2022, stable relative to December 31, 2021.

International operations represented 56% of revenues in the first half ended March 31, 2022, compared with 52% a year earlier.

<u>Revenues by geography:</u>

Revenues in France came to €985 million, an organic improvement of 10.7% compared with the previous year. Despite increased use of remote work during the Omicron wave, the rebound was particularly pronounced in the Business & Industry market and was more moderate in the Health & Welfare market owing to a less favorable comparison base. The Education market declined because of the particularly strict health protocols implemented by public authorities to combat the spread of the Omicron variant.

International sales rose 27.5% to €1,248 million. The growth rate breaks down into 24.1% organic growth, a positive currency impact of 4.3%, and a negative scope effect of 0.9%. All regions where Elior operates contributed to the rebound. The UK saw the strongest life-for-like growth as it was relatively unaffected by Omicron compared with strict lockdowns in place throughout the first half of 2020-21, other than the year-end holiday season.

Revenues generated by the **Corporate & Other segment**, which includes the remaining concession activities not sold with Areas, were close to €6 million in H1 2021-2022, compared with virtually zero contribution a year ago.

<u>Revenues by market:</u>

The **Business & Industry** market generated sales of €858 million, a 38.8% year-on-year increase, including like-for-like growth of 38.2%. Second-quarter revenues were equivalent to 74% of revenues for the same period in 2018-2019 (pre-Covid-19), down only slightly from 75% in the first quarter, reflecting the Omicron impact.

Education market revenues grew by 16.9% compared with H1 2020-2021 to €794 million, a like-for-like increase of 14.4%. Second-quarter revenues were equivalent to 101% of revenues for the same period in 2018-2019 (pre-Covid-19), a clear improvement over 92% in the first quarter. All geographic regions contributed to the rebound except for France, which was hit particularly hard by the health protocols public authorities implemented in schools.

The **Health & Welfare** market generated €587 million in revenue, a 2.6% reported increase and a 0.6% like-for-like increase compared with the first half of 2020-2021. Second-quarter revenues were equivalent to 94% of revenues for the same period in 2018-2019 (pre-Covid-19), up slightly from 93% in the first quarter.

The table below shows revenues by market for the last eight quarters expressed as a percentage of revenues for the same period in fiscal 2018-2019 (pre-Covid-19), at constant scope and exchange rates.

Revenues as a % of 2018-2019 revenues	Q3 2019-20	Q4 2019-20	Q1 2020-21	Q2 2020-21	Q3 2020-21	Q4 2020-21	Q1 2021-22	Q2 2021-22
Business & Industry	38%	67%	54%	55%	58%	75%	75%	74%
Education	45%	85%	84%	85%	87%	99%	92%	101%
Health & Welfare	92%	95%	93%	93%	91%	92%	93%	94%
GROUP TOTAL	**54%**	**79%**	**73%**	**73%**	**74%**	**85%**	**85%**	**87%**

Adjusted EBITA and operating income from continuing operations

Consolidated adjusted EBITA from continuing operations for first half 2021-2022 was a loss of €16 million compared with a loss of €25 million a year earlier. Adjusted EBITA margin was -0.7% compared with -1.3% in first half 2020-2021. Rising inflationary pressures meant the rebound in business did not flow through to an equivalent rebound in operating margin.

In **France**, adjusted EBITA was a loss of €11 million, compared with a loss of €4 million a year earlier, reflecting the impact of both inflation and strict health protocols, particularly in the Education market, where operations were severely disrupted by class closures and unanticipated absences. Adjusted EBITA margin was -1.1% compared with -0.4% in first half 2020-2021.

In the **International** segment, adjusted EBITA was a profit of €5 million compared with a loss of €12 million in first half 2020-2021. Adjusted EBITA margin was +0.4% compared with -1.2% in first half 2020-2021. Preferred Meals incurred a loss of €21 million in the first half 2021-22. Margins recovered in all the countries where Elior operates, except the United States, with a particularly notable rebound in the United Kingdom.

In the **Corporate & Other** segment, adjusted EBITA was a loss of €10 million compared with a loss of €9 million in first half 2020-2021. This includes a loss of nearly €1 million from the remaining concession catering activities that were not sold with Areas.

Recurring operating result from continuing operations (including share of net result of equity-accounted investees) came to a loss of €27 million for first half 2021-2022 compared with a loss of €34 million a year ago.

Non-recurring operating expenses came to €181 million, compared with €3 million a year ago. They include impairment charges of €119 million for goodwill in France and Spain, and €62 million for assets (excluding goodwill) in the United States related to Preferred Meals, which will be voluntarily exited.

Net financial result represents a loss of €21 million, virtually unchanged compared with a loss of €20 million a year ago.

Income tax is a charge of €46 million, compared with a gain of €4 million in first half 2020-2021. This is mostly due to the reversal of deferred tax assets in France and Spain.

Given the above, **net result Group share** was a loss of €266 million, compared with a loss of €53 million in first half 2020-2021.

Cash flow, debt, and liquidity

Free cash flow for first half 2021-2022 was -€59 million, compared with +€31 million a year ago. This is mostly due to strong revenue growth in the USA and the continued settlement of charges deferred during the Covid-19 period, and despite a slight increase in EBITDA and virtually flat capital spending.

Net financial debt totaled €1,220 million at March 31, 2022, compared with €1,108 million at end-September 2021.

At end-March 2022, Elior's **available liquidity** amounted to €444 million, compared with €500 million at December 31, 2021. This includes €38 million in cash and €320 million remaining on the revolving credit facility of €350 million. Remaining available credit lines amount to €86 million.

Post-closing events

The banks have granted the Group a covenant holiday. The next covenant test will take place based on financial results at March 31, 2023.

The group has decided to voluntarily exit Preferred Meals, the fresh and frozen prepared snacks and meals production and distribution activity in the USA, which it acquired in 2016.

This exit should be completed by the end of the current fiscal year. Elior North America will focus on its core business, profitable activities and seize new organic growth opportunities that are better suited to its business model. This exit will also have an accretive impact on consolidated operating margin.

In fiscal 2020-2021, Preferred Meals generated full-year revenues of USD211 million and an EBITA loss of USD52 million. In first half fiscal 2021-2022, its revenues totaled USD139 million, and EBITA was a loss of USD24 million.

Outlook

The Group's business has remained buoyant since the start of this year's third quarter. In April, revenues continued to recover, reaching 90% of pre-Covid levels, compared with 87% in the second quarter.

The Business & Industry market posted stronger growth and is getting closer to 2018-2019 pre-Covid levels as the epidemic has subsided in our markets. The Education market continues to generate revenues that are just above pre-Covid levels, having reached them in the second quarter. In France, the Health & Welfare market continues to be affected by ongoing strict health protocols and suboptimal hospital and senior residence occupancy rates.

The scale of inflationary pressures is such that standard indexation clauses will not cover them. As a result, we must robustly renegotiate our contracts. The speed at which we deploy the mitigation and take effect will depend on opportunities to renegotiate our customer contracts. We are doing all we can in these difficult conditions to find tailor-made solutions that work for our clients, our guests, and the Group. However, we will not exclude the termination of contracts that impede our return to satisfactory operating profitability.

Given all these factors, and provided that conditions would not require the restoration of strict health protocols, we anticipate for the fiscal 2021-2022:

- At least 16% organic revenue growth
- Adjusted EBITA near breakeven (excludes Preferred Meals estimate loss of €35 million for the current fiscal year)
- Capex of less than 2% of revenues

Our ambitions for 2024 are as follows:

- Average annual organic revenue growth of at least 7% over the next two years
- Adjusted EBITA margin of around 4.0% in 2023-2024
- Organic revenue growth / Capex as a percentage of revenues between 2x and 3x

– Resumption of dividend payments in fiscal 2023-2024

Furthermore, at Elior we continue to devote particular attention to our guest's health and well-being, customer satisfaction, employee development and engagement, and our activities' environmental impact. We therefore reaffirm our CSR commitments, which are to:

– Cut our greenhouse gas emissions per meal by 12% by 2025 compared with 2020 (Scopes 1, 2, and 3)
– Reduce food waste per meal by 30% by 2025 compared with 2020
– Lower our energy consumption and ensure that 80% of our electricity use comes from renewables by 2025

Elior will host conference calls on Wednesday, May 18th:

Equity at 9:00 am Paris time

Credit at 3:00 pm Paris time

The calls will be accessible by webcast on the Elior Group website and by telephone by dialing one of the following numbers:

France: + 33 (0) 1 33 70 37 71 66

UK: + 44 (0) 33 0551 0200

US: + 1 212 999 6659

Access code: Elior

Financial calendar:

- July 27, 2022: Revenue for the first nine months of fiscal 2021-2022 - press release published before the start of trading
- November 23, 2022: Full-year 2021-2022 results - press release published before the start of trading, conference call to follow

Appendix 1: Revenue trends by geography:
Appendix 2: Revenue trends by market:
Appendix 3: Adjusted EBITA by geography
Appendix 4: Consolidated cash flow statement
Appendix 5: Consolidated financial statements
Appendix 6: Definition of alternative performance indicators

About Elior Group

Founded in 1991, Elior Group has grown into one of the world's leading operators in contract catering and support services and has become a benchmark player in the business & industry, education, healthcare and leisure markets. With strong positions in 6 countries, the Group generated €3.967 billion in revenue in fiscal 2019-2020.
Our 105,000 employees feed over 5 million people on a daily basis in 22,700 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. Elior Group has been a member of the United Nations Global Compact since 2004, reaching the GC Advanced Level in 2015.

For further information please visit our website http://www.eliorgroup.com or follow us on Twitter @Elior_GroupFR

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Appendix 1: Revenue by geographic segment

(in € millions)	Q1. 2021-2022	Q1. 2020-2021	Organic growth	Change in scope	Currency effect	Total Growth
France	489	447	9.5%	-	-	9.5%
International	623	498	22.5%	-0.9%	3.5%	25.1%
Contract Catering & Services	1,112	945	16.4%	-0.5%	1.8%	17.7 %
Corporate & Other	4	-	n.m.	-	-	-
GROUP TOTAL	1,116	945	16.7%	-0.4%	1.8%	18.1%

(in € millions)	Q2. 2021-2022	Q2. 2020-2021	Organic growth	Change in scope	Currency effect	Total Growth
France	496	443	11.9 %	-	-	12.0 %
International	625	481	25.8 %	-0.9%	5.1 %	29.9 %
Contract Catering & Services	1,121	924	19.1 %	-0.5%	2.7 %	21.3 %
Corporate & Other	2	-	n.m.	-	-	-
GROUP TOTAL	1,123	924	19.4 %	-0.5%	2.7 %	21.6 %

(in € millions)	H1. 2021-2022	H1. 2020-2021	Organic growth	Change in scope	Currency effect	Total Growth
France	985	890	10.7 %	-	-	10.7 %
International	1,248	979	24.1 %	-0.9 %	4.3 %	27.5 %
Contract Catering & Services	2,233	1,869	17.7 %	-0.5 %	2.3 %	19.5 %
Corporate & Other	6	-	n.m.	-	-	n.m.
GROUP TOTAL	2,239	1,869	18.0 %	-0.5 %	2.3 %	19,8 %

n.m.: not meaningful

Appendix 2: Revenue by market

(in € millions)	Q1. 2021-2022	Q1. 2020-2021	Organic growth	Change in scope	Currency effect	Total Growth
Business & Industry	**443**	316	39.6 %	-1.3 %	1.9 %	40.2 %
Education	**380**	341	9.7 %	-	2.0 %	11.7 %
Health & Welfare	**293**	286	-0.1 %	-	1.6 %	1.4 %
TOTAL GROUP	**1,116**	945	16.7 %	-0.5 %	1.8 %	18.1 %

(in € millions)	Q2. 2021-2022	Q2. 2020-2021	Organic growth	Change in scope	Currency effect	Total Growth
Business & Industry	**415**	301	36.6 %	-1.5 %	2.4 %	37.6 %
Education	**414**	339	19.2 %	-	3.1 %	22.3 %
Health & Welfare	**294**	284	1.4 %	-	2.4 %	3.8 %
TOTAL GROUP	**1,123**	924	19.4 %	-0.5 %	2.7 %	21.6 %

(in € millions)	H1. 2021-2022	H1. 2020-2021	Organic growth	Change in scope	Currency effect	Total Growth
Business & Industry	858	618	38.2 %	-1.4 %	2.0 %	38.8 %
Education	794	679	14.4 %	-	2.5 %	16.9 %
Health & Welfare	587	572	0.6 %	-	2.0 %	2.6 %
TOTAL GROUP	2,239	1,869	18.0 %	-0.5 %	2.3 %	19.8 %

Appendix 3: Adjusted EBITA by geographic segment

(in € millions)	Six months ended March 31		Change in Adjusted EBITA	Adjusted EBITDA margin	
	2022	2021		2022	2021
France	(11)	(4)	(7)	(1.1) %	(0.4) %
International	5	(12)	17	0.4 %	(1.2) %
Contract Catering & Services	(6)	(16)	10	(0.3) %	(0.8) %
Corporate & Others	(10)	(9)	(1)	-	-
TOTAL GROUP	(16)	(25)	9	(0.7) %	(1.3) %

Appendix 4: Condensed cash flow statement

(in € millions)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
EBITDA	64	57
Purchases of and proceeds from sale of property, plant and equipment and intangible assets	(33)	(29)
Change in operating working capital	(69)	12
Other cash flows from operating activities	(22)	(11)
Operational Free cash flow	(60)	29
Tax reimbursed (paid)	1	2
Free cash flow	(59)	31

Appendix 5: Consolidated financial statements

Consolidated Income Statement

(in € millions)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Revenue	2,239	1,869
Purchase of raw materials and consumables	(704)	(578)
Personnel costs	(1,184)	(1,003)
Share-based compensation expense	(2)	-
Other operating expenses	(243)	(195)
Taxes other than on income	(42)	(36)
Depreciation, amortization and provisions for recurring operating items	(81)	(81)
Net amortization of intangible assets recognized on consolidation	(9)	(9)
Recurring operating profit/(loss) from continuing operations	(26)	(33)
Share of profit of equity-accounted investees	(1)	(1)
Recurring operating profit/(loss) from continuing operations including share of profit of equity-accounted investees	(27)	(34)
Non-recurring income and expenses, net	(181)	(3)
Operating profit/(loss) from continuing operations including share of profit of equity-accounted investees	(208)	(37)
Financial expenses	(26)	(26)
Financial income	5	6
Profit/(loss) from continuing operations before income tax	(229)	(57)
Income tax	(46)	4
Net profit/(loss) for the period from continuing operations	(275)	(53)
Net profit/(loss) for the period from discontinued operations	-	(3)
Net profit/(loss) for the period	(275)	(56)
Attributable to:		
Owners of the parent	(266)	(53)
Non-controlling interests	(9)	(3)

(In €)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Earnings/(loss) per share		
Earnings/(loss) per share – continuing operations		
Basic	(1.55)	(0.29)
Diluted	(1.55)	(0.29)
Earnings/(loss) per share – discontinued operations		
Basic	-	(0.02)
Diluted	-	(0.02)
Total earnings/(loss) per share		
Basic	(1.55)	(0.31)
Diluted	(1.55)	(0.31)

Consolidated Balance sheet: Assets

(in € millions)	At March 31, 2022 Unaudited	At Sept. 30, 2021 Audited
Goodwill	1,627	1,731
Intangible assets	154	197
Property, plant and equipment	262	278
Right-of-use assets	218	240
Other non-current assets	2	4
Non-current financial assets	122	119
Equity-accounted investees	-	-
Fair value of derivative financial instruments (*)	1	-
Deferred tax assets	39	86
Total non-current assets	2,425	2,655
Inventories	103	96
Trade and other receivables	705	632
Contract assets	-	-
Current income tax assets	-	9
Other current assets	59	51
Cash and cash equivalents (*)	38	80
Assets classified as held for sale	6	13
Total current assets	911	881
Total assets	3,336	3,536

(*) Included in the calculation of net debt

Consolidated Balance sheet: Equity and liabilities

(in € millions)	At March 31, 2022 Unaudited	At Sept. 30, 2021 Audited
Share capital	2	2
Reserves and retained earnings	837	1 068
Translation reserve	(14)	(11)
Total shareholders' equity - Group share	825	1,059
Non-controlling interests	(15)	(8)
Total equity	810	1,051
Long-term debt (*)	970	905
Long-term lease liabilities (*)	177	188
Fair value of derivative financial instruments (*)	1	-
Deferred tax liabilities	1	-
Provisions for pension and other post - employment benefit obligations	74	89
Other long-term provisions	27	24
Other non-current liabilities	12	17
Total non-current liabilities	1,262	1,223
Trade and other payables	560	521
Due to suppliers of non-current assets	9	10
Accrued taxes and payroll costs	469	484
Current income tax liabilities	2	2
Short-term debt (*)	40	22
Short-term lease liabilities (*)	58	58
Short-term provisions	54	77
Contract liabilities	46	49
Other current liabilities	20	22
Liabilities classified as held for sale	6	17
Total current liabilities	1,264	1,262
Total liabilities	2,526	2,485
Total equity and liabilities	3,336	3,536
Net debt	1,208	1,094
Net debt excluding fair value of derivative financial instruments and debt issuance costs	1,220	1,108

(*) Included in the calculation of net debt

Consolidated cash flow statement

(in € millions)	Six months ended March 31, 2022 Unaudited	Six months ended March 31, 2021 Unaudited
Cash flows from operating activities – continuing operations		
Recurring operating profit/(loss) including share of profit of equity -accounted investees	(28)	(34)
Amortization and depreciation [1]	106	93
Provisions	(14)	(2)
EBITDA	64	57
Dividends received from equity-accounted investees	-	-
Share of profit of equity-accounted investees	1	1
Change in operating working capital	(69)	12
Non-recurring income and expenses impacting cash	(26)	(13)
Interest and other financial expenses paid	(23)	(18)
Tax received / (paid)	1	2
Other non-cash movements	3	1
Net cash from / (used in) operating activities - continuing operations	(49)	42
Cash flows from investing activities - continuing operations		
Purchases of property, plant and equipment and intangible assets	(35)	(32)
Proceeds from sale of property, plant and equipment and intangible assets	2	3
Purchases of financial assets	(6)	(1)
Proceeds from sale of financial assets	-	-
Acquisitions of shares in consolidated companies, net of cash acquired	(1)	-
Other cash flows from investing activities	-	-
Net cash used in investing activities – continuing operations	(40)	(30)
Cash flows from financing activities – continuing operations		
Dividends paid to owners of the parent	-	-
Purchase of own shares	-	-
Proceeds from borrowings	63	231
Repayments of borrowings	-	(215)
Repayments of lease liabilities	(33)	(32)
Net cash from/(used in) financing activities – continuing operations	30	(16)
Effects of exchange rate changes on cash	(1)	(2)
Increase/(decrease) in net cash and cash equivalents – continuing operations	(60)	(6)
Increase/(decrease) in net cash and cash equivalents – discontinued operations	(1)	(4)
Net cash and cash equivalents at beginning of period [2]	63	40
Net cash and cash equivalents at end of period [2]	2	30

(1) Including €1 million in amortization of advances on customer contracts for the six months ended March 31, 2022.
(2) Bank overdrafts held for cash management purposes are considered as cash items and are therefore deducted from cash in the cash flow statement notwithstanding their classification as current borrowings. These overdrafts, amounting to €36 millions at March 31, 2022 and €9 millions at March 31, 2021, constitute the only difference between the cash presented on the assets side of the balance sheet and the net cash at the end of the period presented in the cash flow statement.

Appendix 6: Definition of Alternative Performance Indicators

Organic growth in consolidated revenue: As described in Chapter 4, Section 4.2 of the Universal Registration Document, growth in consolidated revenue expressed as a percentage and adjusted for the impact of (i) changes in exchange rates, (ii) changes in accounting policies and (iii) changes in scope of consolidation.

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

Adjusted EBITA: Recurring operating result reported including the share of net result of equity-accounted investees adjusted for the impact of share-based compensation expense (stock options and performance shares granted by Group companies) and net amortization of intangible assets recognized on consolidation.
The Group considers that this indicator best reflects the operating performance of its businesses as it includes the depreciation and amortization arising as a result of the capex inherent to the Group's business model. It is also the most commonly used indicator in the industry and therefore permits comparisons between the Group and its peers.

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

Operating free cash flow: The sum of the following items as defined elsewhere and recorded either as individual line items or as the sum of several individual line items in the consolidated cash flow statement:

- EBITDA.
- Net capital expenditure (i.e. amounts paid as consideration for property, plant and equipment and intangible assets used in operations less the proceeds received from sales of these types of assets).
- 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.