

Favourable dynamic, driven by a strengthened growth profile Q3 revenue up +11.2% at €839.4m, including +9.2% organic 2021 outlook revised upwards again

Activity in Healthcare, Industry and Trade & Services now c. +5% above 2019 level

- These 3 markets represented nearly 85% of YTD revenue at the end of September
- Demand is driven by (i) evolving needs for hygiene, supply chain security and traceability, (ii) churn rate improvement driven by the good quality of service maintained during the crisis and (iii) our strong commercial dynamism

Further improvement in Hospitality in Q3

- The good summer season and the gradual resumption of professional events since September led to a level of activity in Q3 that is c. -25% below 2019, compared to c. -55% in Q2
- France, Southern Europe and the UK, geographies that suffered most from the Hospitality slowdown in 2020, delivered double-digit organic revenue growth rates in Q3

2021 outlook updated

- Full-year revenue now expected to be above +6% on an organic basis (vs. between +5% and +6% previously)
- 2021 EBITDA margin now expected above 34.5%, driven by strong operating leverage (vs. at 34.5% previously)
- Free cash flow (after lease payments) still expected between €200m and €230m
- Net debt / EBITDA ratio should be at 3.3x as of December 31, 2021 and significantly below 3.0x as of December 31, 2022

Saint-Cloud, October 26, 2021 – Elis, an international multi-service provider, offering textile, hygiene and facility services solutions, which is present in Europe and Latin America, today announces its revenue for the 9 months ended September 30, 2021. These figures are unaudited.

Commenting on the announcement, **Xavier Martiré, CEO of Elis**, said:

« Activity continued its recovery in Q3. Elis delivered +9.2% organic revenue growth, with each of our 28 countries posting sales growth.

Healthcare, Industry and Trade & Services continued to be dynamic, as a direct consequence of the need generated by the sanitary crisis for more hygiene, more traceability and for a more secure supply chain. This should be a sustainable trend, supporting Elis' organic revenue growth going forward.

In Hospitality, the recovery that started in Q2 was confirmed. The summer season was good and the strong resumption of professional events since the beginning of September is very encouraging.

This good dynamism in Q3 allows us to upgrade our full-year organic growth expectations to above +6% for 2021, with the working assumption that Hospitality will be c. -25% below the 2019 level in Q4.

Moreover, we are also upgrading our EBITDA margin guidance to above 34.5%. Free cash flow should be between €200m and €230m, depending on the impact from change in working capital at year-end, reflecting our expectation of good activity through the end of the year.

The great resilience shown by Elis since the beginning of the crisis, its operational know-how and its strengthened organic growth profile are major assets which will enable Elis to assert its leadership in all the countries in which it is present."

Reported Revenue

In millions of euros	2021			2020			Var.		
	H1	Q3	9M	H1	Q3	9M	H1	Q3	9M
France	420.7	272.7	693.4	412.5	249.0	661.5	+2.0%	+9.5%	+4.8%
Central Europe	344.3	193.8	538.2	343.3	184.6	527.9	+0.3%	+5.0%	+2.0%
Scandinavia & East. Eur.	236.1	125.8	361.9	233.3	116.5	349.8	+1.2%	+7.9%	+3.5%
UK & Ireland	155.3	105.4	260.7	143.8	83.6	227.4	+8.0%	+26.1%	+14.7%
Southern Europe	95.1	73.1	168.1	97.2	56.1	153.3	-2.1%	+30.1%	+9.7%
Latin America	112.4	62.7	175.1	108.7	52.3	161.0	+3.3%	+19.8%	+8.7%
Others	11.6	6.0	17.6	12.9	12.6	25.5	-10.2%	-52.2%	-30.9%
Total	1,375.5	839.4	2,214.9	1,351.7	754.6	2,106.4	+1.8%	+11.2%	+5.2%

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

Reported growth breakdown

In millions of euros	Q3 2021	Q3 2020	Organic growth	External growth	FX	Reported growth
France	272.7	249.0	+9.5%	-	-	+9.5%
Central Europe	193.8	184.6	+3.7%	+1.6%	-0.3%	+5.0%
Scandinavia & East. Eur.	125.8	116.5	+6.6%	-	+1.3%	+7.9%
UK & Ireland	105.4	83.6	+17.1%	+4.2%	+4.8%	+26.1%
Southern Europe	73.1	56.1	+30.1%	-	-	+30.1%
Latin America	62.7	52.3	+13.2%	+4.5%	+2.1%	+19.8%
Others	6.0	12.6	-53.6%	-	+1.3%	-52.2%
Total	839.4	754.6	+9.2%	+1.2%	+0.8%	+11.2%

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

Organic revenue growth

	Q1 2021	Q2 2021	Q3 2021	9 months 2021
France	-15.4%	+25.2%	+9.5%	+4.8%
Central Europe	-9.1%	+6.0%	+3.7%	+0.1%
Scandinavia & East. Eur.	-9.5%	+8.5%	+6.6%	+1.3%
UK & Ireland	-22.2%	+45.8%	+17.1%	+8.6%
Southern Europe	-29.6%	+43.3%	+30.1%	+9.7%
Latin America	+12.1%	+21.2%	+13.2%	+15.3%
Others	-19.5%	-0.0%	-53.6%	-31.7%
Total	-12.8%	+19.4%	+9.2%	+4.2%

« Others » includes Manufacturing Entities and Holdings.
Percentage change calculations are based on actual figures.

France

Q3 2021 revenue was up +9.5% (entirely organic). Activity in Healthcare, Industry and Trade & Services was driven by good commercial dynamism in Workwear and by an increasing need for hygiene-related products and services. The rebound in Hospitality, noted since May, continued. Tourism activity was good during the summer holidays and in September. Furthermore, business Hospitality has rebounded since the beginning of September (Fashion Week, tradeshow, corporate seminars).

Central Europe

Q3 2021 revenue was up +5.0% (+3.7% on an organic basis) with all countries in the region delivering positive organic numbers. Commercial momentum remained very good in Workwear. Poland, Czech Republic and Belux were very well-oriented, driven by the activity of clients operating in food processing, energy services and pharmaceuticals. In Germany, activity was good with care homes, but normalized with hospitals after a particularly strong H1.

Scandinavia & Eastern Europe

Q3 2021 revenue was up +7.9% (+6.6% on an organic basis) and all countries in the region were up. The fact that the greater share of our clients operates in the Industry segment enabled the region to be quite resilient since the beginning of the crisis. Denmark, where the share of Hospitality is high, recorded c.+10% organic growth. Commercial momentum remained strong in Workwear in Finland, the Baltic States and Russia.

UK & Ireland

Q3 2021 revenue was up +26.1% (+17.1% on an organic basis). Elis continued to gain market share in Healthcare on the back of contract wins. Industry and Trade & Services, which normally represent another third of total revenue, were down c. -10% compared to pre-crisis levels, still impacted by their exposure to fast-food clients and collective catering clients. Finally, Hospitality, which normally represents around one-third of the region's revenue, continued to rebound in Q3, driven by dynamic domestic tourism and by the resumption of international travel. In Q3, activity in Hospitality was down c. -25% vs the pre-crisis level, compared with -40% in Q2 and -70% in Q1.

Southern Europe

Q3 2021 revenue was up +30.1% (entirely organic). In Workwear, activity was still well-oriented on the back of good commercial dynamism and the acceleration of development of outsourcing, because of increasing client needs for more traceability and hygiene due to the crisis. Activity in Hospitality (which represented more than 60% of total revenue in 2019) continued to rebound. The summer season was very good in Spain but more subdued in Portugal where authorities implemented strict sanitary measures at the beginning of the summer, penalizing tourism.

Latin America

Q3 2021 revenue was up +19.8% (+13.2% on an organic basis). End-markets in which Elis operates (public and private healthcare, food processing) are still well-oriented. Furthermore, the Group developed new offers to meet new client requirements, leading to short-term contract wins (waterproof overgowns for revenue of c. €1.5m in the quarter) or permanent contracts (healthcare garments, increase in linen rotation...). Furthermore, strong inflation in Brazil led us to significantly increase our prices over the quarter.

The circular economy is at the heart of Elis' business model

Elis offers its clients products that are maintained, repaired, reused, and reemployed to optimize their usage and lifespan. The Group therefore selects its textile products based on durability criteria, to ensure frequent washing and also operates repair workshops. Elis is convinced that the circular economy model, which notably aims at reducing consumption of natural resources by optimizing the lifespan of products, is a sustainable solution to address today's environmental challenges.

From Financial definitions

- Organic growth in the Group's revenue is calculated excluding (i) the impacts of changes in the scope of consolidation of "major acquisitions" and "major disposals" (as defined in the *Document de Base*) in each of the periods under comparison, as well as (ii) the impact of exchange rate fluctuations.
- EBITDA is defined as EBIT before depreciation and amortization net of the portion of subsidies transferred to income.
- EBITDA margin is defined as EBITDA divided by revenues.
- Free cash-flow is defined as cash EBITDA minus non-cash-items, minus change in working capital, minus linen purchases and manufacturing capital expenditures, net of proceeds, minus tax paid, minus financial interest payments and minus lease liabilities payments.
- The leverage ratio is a leverage ratio calculated for bank loan covenants: Total net leverage is equal to (Net financial debt, less current accounts held for employee profit-sharing and accrued interest not yet due, plus unamortized debt issuance costs and finance lease liabilities as measured under IAS 17 had the standard had continued to apply) divided by (Pro forma EBITDA of acquisitions finalized during the last 12 months after synergies and excluding the impact of IFRS 16).

Geographical breakdown

- France
- Central Europe: Germany, Netherlands, Switzerland, Poland, Belgium, Austria, Czech Republic, Hungary, Slovakia, Luxembourg
- Scandinavia & Eastern Europe: Sweden, Denmark, Norway, Finland, Latvia, Estonia, Lithuania, Russia
- UK & Ireland
- Southern Europe: Spain & Andorra, Portugal, Italy
- Latin America: Brazil, Chile, Colombia

Forward looking statements

This document may contain information related to the Group's outlook. Such outlook is based on data, assumptions and estimates that the Group regarded as reasonable at the date of this press release. Those data and assumptions may change or be adjusted as a result of uncertainties relating particularly to the

economic, financial, competitive, regulatory or tax environment or as a result of other factors of which the Group was not aware on the date of this press release. Moreover, the materialization of certain risks, especially those described in chapter 4 "Risk factors, risk control, insurance policy, and vigilance plan" of the Universal Registration Document for the financial year ended December 31, 2020, which is available on Elis's website (www.elis.com), may have an impact on the Group's activities, financial position, results or outlook and therefore lead to a difference between the actual figures and those given or implied by the outlook presented in this document. Elis undertakes no obligation to publicly update or revise the Group's outlook or any of the abovementioned data, assumptions, or estimates, except as required by applicable laws and regulations. Reaching the outlook also implies success of the Group's strategy. As a result, the Group makes no representation and gives no warranty regarding the attainment of any outlook set out above.

Next information

Full year 2021 revenue: January 31, 2022 (after market)

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