Press release

May 10, 2023

Q1 2023 revenue up +21.7%, of which +18.3% on an organic basis

Growth driven by good commercial momentum, pricing adjustments and activity in Hospitality

Increased confidence in achieving 2023 targets

Q1 2023 revenue up +21.7% at €1,013.4m: good activity in all our markets, numerous commercial wins and good pricing dynamics

- Activity in Hospitality continued to be dynamic in every geography; Southern Europe and the UK & Ireland benefited from a favorable comparable base (Q1 2022 was still impacted by the end of the pandemic)
- Elis reached a record level of new contracts signed in Q1, driven by numerous initiatives to address the evolving need for hygiene, traceability, and responsible products & services, especially in Trade & Services
- Price dynamics are very favorable in all our markets on the back of pricing adjustments implemented throughout 2022 (in a context of inflation of our cost base) and since January 1st, 2023: price effect was c. +11% in Q1
- The Group's six geographies delivered double-digit organic revenue growth in Q1; organic growth was especially strong in Southern Europe (+24.7%), the UK & Ireland (+23.9%) and Central Europe (+21.4%)
- We see no sign of significant slowdown in our markets or of churn rate deterioration

Increased confidence in the 2023 outlook communicated on March 8, 2023

- 2023 full-year organic revenue growth expected between +11% and +13%
- 2023 adjusted EBITDA margin expected up c. +50bps yoy
- 2023 adjusted EBIT expected above €650m (up at least +20% yoy)
- 2023 headline net income expected above €405m (up at least +15% yoy)
- 2023 headline net income per share expected above €1.65 on a fully diluted basis (up at least +13% yoy)
- 2023 free cash flow (after lease payments) expected above €260m (up at least +16% yoy)
- Financial leverage ratio at December 31, 2023 expected at c. 2.1x

Saint-Cloud, May 10, 2023 – 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 3 months ended March 31, 2023. The figures set forth in this press release have not been audited.

Commenting on the announcement, **Xavier Martiré, Chairman of the Management Board of Elis**, said:

"In Q1 2023, Elis recorded revenue growth of +21.7%, to €1,013.4m. Organic growth remained very strong at +18.3%, and all geographies posted double-digit growth.

Commercial momentum was particularly solid in all our markets and geographies: we reached a record level of new contracts signed in Q1. Our offers in Workwear and Hygiene and well-being are very successful; they address the increasing needs of our clients for hygiene, traceability and for a more secure supply chain.

In Hospitality, Q1 2022 was still somewhat impacted by the pandemic and activity was well-oriented in the first quarter of 2023.

Finally, the price effect was +11% in Q1; it reflects the adjustments negotiated throughout 2022, as well as those that have been implemented since the beginning of the year to offset cost inflation.

This good quarterly performance increases our confidence in the 2023 outlook we communicated last March, when we released our 2022 annual results: we anticipate another year of strong organic growth, along with marked improvement of all our financial KPIs and further Group deleveraging, with a financial *leverage ratio expected at 2.1x at the end of 2023, which should quickly make Elis eligible for investment grade rating consideration.*

The great resilience shown by Elis through the various recent crises, its operational know-how, its strengthened organic growth profile and its circular economy model are major assets that will enable the company to assert its leadership in all the countries in which it is present."

I. Q1 2023 revenue

In millions of euros	2023	2022	Organic growth	External growth	FX	Reported growth
France	303.5	262.1	+15.8%	-	-	+15.8%
Central Europe	245.6	196.6	+21.4%	+3.0%	+0.5%	+24.9%
Scandinavia & East. Eur.	153.3	135.3	+15.8%	+0.8%	-3.2%	+13.3%
UK & Ireland	121.9	102.7	+23.9%	-	-5.2%	+18.7%
Latin America	102.4	64.2	+12.6%	+42.8%	+4.2%	+59.6%
Southern Europe	81.3	65.2	+24.7%	-	-	+24.7%
Others	5.5	6.8	-15.4%	-	-3.7%	-19.1%
Total	**1,013.4**	**832.8**	**+18.3%**	**+4.1%**	**-0.7%**	**+21.7%**

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

France

Q1 2023 revenue was up +15.8% (entirely organic). Although March showed some slight deceleration, activity in Hospitality was well-oriented and benefited from a favorable comparable base, as the beginning of Q1 2022 was somewhat impacted by the Omicron variant. Furthermore, we continued to record good commercial momentum in Workwear and in Pest control.

Central Europe

Q1 2023 revenue was up +24.9% in the region (+21.4% on an organic basis). In a context of strong inflation (especially wage inflation), Germany posted organic revenue growth of c. +25%, driven by strong pricing dynamics of c. +17%: the majority of price adjustments negotiated in 2022 were implemented at the beginning of 2023. The other main countries in the region (the Netherlands, Switzerland, Poland and Belgium) delivered organic revenue growth of nearly +20%, with similar pricing dynamics as Germany and new contract wins in Industry and in Trade & Services, especially in Poland and in the Netherlands.

Scandinavia & Eastern Europe

Q1 2023 revenue was up +13.3% in the region (+15.8% on an organic basis). Hospitality was sharply up in Sweden and Denmark (with a favorable comparable base) and Workwear showed good commercial momentum (including Ultra clean).

UK & Ireland

Q1 2023 revenue was up +18.7% in the region (+23.9% on an organic basis). The Group delivered very good performance in Hospitality (with a favorable comparable base). In Industry and Trade & Services, commercial momentum was good, with new contracts signed, and the churn rate was stable. However, we observed a slight deceleration of same-store activity growth in Q1 due to the unfavorable macro environment in the region.

Latin America

Q1 2023 revenue was up +59.6% in the region (+12.6% on an organic basis). Inflation is stabilizing at below 10%, while outsourcing momentum continued. The acquisition of the leader in the Mexican market, consolidated since July 1st, 2022 largely contributed to the strong scope effect in the quarter (+42.8%); activity was well-oriented in Q1, notably with good commercial momentum.

Southern Europe

Q1 2023 revenue was up +24.7% in the region (entirely organic). As expected, Hospitality showed marked improvement on the back of an easy comparable base. In Workwear, good commercial momentum and the development of outsourcing continued

II. Increased confidence in the 2023 outlook communicated on March 8, 2023

2023 organic revenue growth is expected between +11% and +13%, driven by:

- a price effect of at least +9% made up of the embedded price adjustments negotiated throughout 2022 and the additional adjustments implemented since January 1st, 2023, and

- a favorable comparable base in Hospitality in the first semester.

The lower end of the organic growth range factors in the potential impact from a slowdown in the economy, of which we see no sign to date.

In a context of very strong energy price inflation, the Group has progressively negotiated fixed rate tariffs for 2023 and the following years. These hedging measures, as well as the embedded effect of pricing adjustments and new productivity gains expected in 2023, should contribute to an improvement of adjusted 2023 EBITDA margin of c. +50bps compared to 2022.

2023 adjusted EBIT is expected above €650m, driven by top line dynamism and a slight decrease in D&A as a percentage of revenue.

2023 headline net income is expected above €405m, corresponding to 2023 headline net income per share above €1.65 (on a fully diluted basis, notably factoring in the potential dilutive effect from the new OCEANE bonds issued in September 2022).

2023 free cash flow (after lease payments) is expected above €260m, driven by EBITDA increase and despite an expected negative calendar effect on receivables (30 and 31 December 2023 will not be working days).

Financial leverage ratio as of December 31, 2023 is expected at c. 2.1x, down -0.4x yoy.

III. Other information

The circular economy 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 sustainability criteria, to ensure frequent washing, and also operates repair workshops. Elis' conviction is 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.

The services offered by Elis are a sustainable alternative to:

- simple purchase or use of products: by sharing them between several users or clients, and by constantly looking at improving the industrial processes linked to their washing. As an example, the use of workwear operated by Elis leads to a 37% decrease of CO2 emissions compared to workwear that is washed at home or in a standard laundry, and to a 48% decrease of water consumption (source: EY); and
- single use / disposable products: by offering reusable products, which are mostly maintained locally, hence supporting local employment and local economic development. As an example, the use of reusable surgical garments in care facilities leads to a decrease ranging from 31% to 62% of CO2 emissions compared to disposable clothes (source: Cleaner Environmental Systems).

These alternatives to a linear consumption approach enable our clients to avoid CO2 emissions and contribute to a reduction of their own emissions.

The Ellen MacArthur Foundation states that "circular economy is necessary to reach Net Zero" and that "nearly 10 billion tons of CO2 (i.e., 20% of world emissions) could be reduced thanks to the transition of our current model towards a circular economy" (https://climate.ellenmacarthurfoundation.org).

Non-financial rating

In 2022, Sustainalytics improved Elis's ESG rating by 10pts to 14.8 ("low risk"). Furthermore, the Group was rated A- by the CDP (Carbon Disclosure Project), a non-profit organization which performs independent assessments on the basis of information made available by companies on their strategy, risk & opportunity management, climate goals, annual climate performance, etc. This rating puts Elis in the "Leadership" category and underscores its commitment and actions with regards to climate change. Furthermore, the Group got an "A" grade in the Supplier Engagement Leaderboard, which rewards the top 8% companies for their actions on their value chain to support climate change.

After winning a Gold medal related to the EcoVadis questionnaire for five consecutive years, Elis obtained a Platinum medal, the highest possible reward. This medal places Elis within the top 1% of the c. 90,000 companies assessed by EcoVadis.

Finally, Elis maintained its high performance with rating agency Gaïa (72/100), which ranks the Group at the "Gold" level.

Our climate commitment

Conscious of the environmental challenges with regards to climate change, Elis is committed to an approach to reduce its emissions that is in line with the Paris Agreement to contribute to keeping the increase in temperature below 1.5C° compared to preindustrial levels[1]. At the General Shareholders Meeting held on 19 May 2022, the Group already proposed that shareholders support this strategic step, via an advisory resolution. This resolution was approved. The setup of Elis' Climate plan that started in 2022 will continue in 2023 in order to be as accurate and fair as possible.

The Group aims at presenting its climate objectives, aligned with the methodology of the Science Based Targets initiative, in the second half of 2023. The Group currently plans to submit its climate objectives to the advisory vote of its shareholders at the 2024 General Shareholders Meeting.

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.
- Adjusted EBITDA is defined as adjusted EBIT before depreciation and amortization net of the portion of grants transferred to income.
- Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenue.
- Adjusted EBIT is defined as net income (loss) before net financial income (loss), income tax, share in net income of equity accounted companies, amortization of intangible assets recognized in a business combination, goodwill impairment losses, other operating income and expense, miscellaneous financial items (bank fees recognized in operating income) and IFRS 2 expense (share-based payments).
- Adjusted EBIT margin is defined as adjusted EBIT divided by revenue.

  In order to take into account the statement published by the European Securities and Markets Authority (ESMA) on 29 October 2021 regarding alternative performance indicators, the Group added the term "adjusted" to the above definitions. The content of these indicators remains unchanged compared to previous financial years.
- Headline net result corresponds to net income or loss excluding extraordinary items which, due to their type and unusual nature, cannot be considered as intrinsic to the Group's current performance.
- Free cash flow is defined as adjusted EBITDA less non-cash-items and changes in working capital, purchases of linen, capital expenditures (net of disposals), tax paid, financial interest paid and lease liabilities payments.
- The financial leverage ratio is the leverage ratio calculated for the purpose of the financial covenant included in the banking agreement signed in 2021: Leverage ratio is equal to Net financial debt / adjusted EBITDA, pro forma of acquisitions finalized during the last 12 months, and after synergies.

Geographical breakdown

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

Presentation of Q1 2023 revenue (in English)

Date: Wednesday 10 May 2023 at 5:15pm GMT (6:15pm CET)

Speakers: Xavier Martiré (Chairman of the Management Board) and Louis Guyot (CFO)

Webcast link: https://edge.media-server.com/mmc/p/5tqjd3ja

Conference call & Q&A session link:
https://register.vevent.com/register/BIbe9786f1397e4f5a98fd8b9d1a5c01e8

An investor presentation will be available at 5:00pm GMT (6:00pm CET) at this address:
https://fr.elis.com/en/group/investor-relations/regulated-information

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

[1] Reduction in line with the 1.5°C target for direct (Scope 1) and indirect (Scope 2) emissions, and the well below 2°C target for other indirect emissions (Scope 3).

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 management and internal control" of the Universal Registration Document for the financial year ended 31 December 2022, 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 achievement of any outlook set out above.

Next information

2023 AGM: Thursday 25 May at 3pm CET - Maison des Travaux Publics - 3, rue de Berri - 75008 Paris

H1 2023 results: Wednesday 26 July 2023 (after market)

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