Press release
30 January 2023

Record 2022 revenue at €3,821m, up +25.3% of which +21.0% on an organic basis

Pick-up in hospitality, buoyant commercial activity and pricing adjustments to offset the strong rise in energy costs

Good start to 2023

2023 organic revenue growth expected above +10%

2022 activity marked by the recovery in hospitality, very good commercial momentum in Industry and additional pricing adjustments tied to inflation

- In Hospitality, client activity returned to its 2019 level since spring: France, Southern Europe and the UK posted organic growth rates above +20%
- Commercial development remained solid in Industry and in Trade & Services and the churn rate improved
- Commercial dynamics are still strongly driven by the evolving needs for hygiene, traceability, and responsible products & services
- Following the strong increase in energy prices recorded during Q4 2021 and summer 2022, Elis s negotiated additional pricing adjustments, which were implemented throughout the year: the average price effect for 2022 was c. +7%

Growth remained strong in Q4 2022: +20.7% of which +15.7% on an organic basis

- Good activity In Hospitality during Christmas holidays, especially in Paris
- No activity slowdown was recorded in our other end-markets

Confirmation of 2022 targets

- 2022 adjusted EBITDA margin still expected at c. 33.0%
- 2022 adjusted EBIT still expected above €530m
- 2022 headline net income per share still expected above €1.45
- 2022 free cash flow (after lease payments) still expected at c. €200m
- Financial leverage ratio at December 31, 2022 still expected at 2.5x, down 0.5x yoy
- Full-year 2022 results will be communicated on 8 March 2023, before market opening

The Group aims to actively continue its deleveraging

- The deleveraging trajectory that we anticipate should quickly make Elis eligible for investment grade rating consideration
- Current debt maturities are spread between April 2024 and June 2032; the entire debt is at fixed rate and the average cost of debt is c. 2%

Saint-Cloud, 30 January 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 full-year 2022 revenue. These figures are unaudited.

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

« I am very pleased to announce record 2022 revenue at €3.82bn, up +25% year-on-year.

The very good organic performance of +21% reflects the high number of new contract wins in Industry and Trade & Services, the rebound in Hospitality and pricing adjustments, notably to offset surging energy costs.

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Joint-stock corporation governed by an Executive Board and a Supervisory Board
Registered capital of 230,147,257 euros – RCS: 499 668 440 Nanterre

These pricing adjustments were gradually implemented throughout 2022 and represent c. €260m of additional revenue, which corresponds to a c. +7% price effect for the year. Furthermore, the embedded effect of 2022 price increases, plus those that have been negotiated to date for 2023, allow us to anticipate a 2023 price effect that is above that of 2022. This price effect, coupled notably with the tailwind from a favorable comparable base in Hospitality in the 1st quarter, should allow Elis to deliver organic revenue growth of above +10% in 2023.

In Q4 2022, we continued to record good commercial momentum and client activity remained strong, especially in Hospitality. To date, we have not witnessed any slowdown, either in any country or in any end-market.

As far as year-end 2022 is concerned, we can confirm all the elements that were previously communicated on 26 October 2022. Our full-year results will be released on 8 March 2023; as usual, we will provide an outlook for 2023 regarding our main financial metrics and our CSR roadmap at that time.

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. 2022 revenue

Full-year 2022 reported growth breakdown

In millions of euros	2022	2021	Organic growth	External growth	FX	Reported growth
France	1,185.0	953.8	+24.2%	-	-	+24.2%
Central Europe	870.0	735.3	+15.0%	+2.5%	+0.9%	+18.3%
Scandinavia & East. Eur.	580.7	498.9	+14.9%	+2.9%	-1.4%	+16.4%
UK & Ireland	476.5	364.2	+28.8%	+1.2%	+0.9%	+30.8%
Latin America	347.3	234.1	+9.1%	+24.4%	+14.9%	+48.3%
Southern Europe	330.5	235.9	+40.1%	-	-	+40.1%
Others	30.8	26.1	+17.5%	-	+0.5%	+18.0%
Total	**3,820.9**	**3,048.3**	**+21.0%**	**+3.1%**	**+1.2%**	**+25.3%**

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

2022 organic growth breakdown

	Q1	Q2	H1	Q3	Q4	H2
France	+30.8%	+37.1%	+34.1%	+17.0%	+15.9%	+16.5%
Central Europe	+14.1%	+18.5%	+16.4%	+13.7%	+13.8%	+13.7%
Scandinavia & East. Eur.	+15.2%	+19.6%	+17.4%	+13.2%	+12.0%	+12.6%
UK & Ireland	+38.5%	+38.8%	+38.7%	+21.4%	+21.3%	+21.4%
Latin America	+10.0%	+7.6%	+8.8%	+7.1%	+11.8%	+9.4%
Southern Europe	+52.9%	+62.2%	+58.0%	+32.5%	+23.2%	+28.0%
Others	+19.3%	+10.2%	+14.5%	+37.4%	+7.4%	+19.8%
Total	**+24.2%**	**+29.0%**	**+26.7%**	**+17.0%**	**+15.7%**	**+16.3%**

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

Q4 2022 reported growth breakdown

In millions of euros	Q4 2022	Q4 2021	Organic growth	External growth	FX	Reported growth
France	301.9	260.4	+15.9%	-	-	+15.9%
Central Europe	231.4	197.1	+13.8%	+2.8%	+0.8%	+17.4%
Scandinavia & East. Eur.	153.3	137.0	+12.0%	+2.7%	-2.9%	+11.9%
UK & Ireland	123.3	103.5	+21.3%	-	-2.2%	+19.1%
Latin America	103.7	59.1	+11.8%	+47.4%	+16.3%	+75.6%
Southern Europe	83.5	67.8	+23.2%	-	-	+23.2%
Others	9.0	8.5	+7.4%	-	-1.2%	+6.2%
Total	**1,006.1**	**833.3**	**+15.7%**	**+4.5%**	**+0.6%**	**+20.7%**

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

France

In 2022, revenue was up +24.2% (entirely organic). Hospitality continued to rebound throughout 2022 and is now above the 2019 level. All end-markets showed very good commercial momentum, especially in Workwear and in Pest control. Finally, the pricing dynamic is good, which will offset the increase of our costs, although there is a slight time lag between the increase of our cost base and the implementation of price increases.

In Q4 2022, revenue was up +15.9% (entirely organic), with an excellent level of activity in Hospitality in December, especially in Paris.

Central Europe

In 2022, revenue was up +18.3% (+15.0% on an organic basis) and all countries in the region posted strong organic revenue growth of +10% or more. Switzerland, where the share of Hospitality is high, posted strong growth, as did Belux, where all segments were still well-oriented (Flat linen, Workwear and Hygiene and well-being). In Germany, pricing momentum was very good in Hospitality but remains insufficient in Healthcare and Workwear in light of the inflation level. That said, commercial development remains dynamic, especially in Industry (Workwear) and in Hospitality (Flat linen).

In Q4 2022, revenue was up +17.4% (+13.8% on an organic basis) with similar market trends to what we observed during the rest of the year.

Scandinavia & Eastern Europe

In 2022, revenue was up +16.4% (+14.9% on an organic basis) and all countries in the region posted strong organic revenue growth. Pricing negotiations took longer than in the other regions but are coming to a positive conclusion. Hospitality sharply rebounded in Denmark and in Sweden throughout 2022, and commercial momentum is strong (notably in Workwear).

In Q4 2022, revenue was up +11.9% (+12.0% on an organic basis). Finland, Denmark, Norway and the Baltic States are especially well oriented.

UK and & Ireland

In 2022, revenue was up +30.8% in the region (+28.8% on an organic basis). Activity in Hospitality continued to pick up although the pace was slower than in the other regions. However, pricing momentum is well oriented in the region, especially in Hospitality and in Healthcare: extra capacity is limited, and most players focus on pricing rather than volumes. Furthermore, we recorded an improvement in churn rate and many new contract wins in Healthcare and in our Workwear business.

In Q4 2022, revenue was up +19.1% (+21.3% on an organic basis).

Latin America

In 2022, revenue was up +48.3% in the region (+9.1% on an organic basis). The acquisition of a leader in the Mexican market, consolidated since July 1st, largely contributed to the strong scope effect in the year (+24.4%). Integration is going well, and financial performance is even above our expectations. Inflation is going down, which allows us to benefit from the delayed implementation of price increases, which remain strong. Volumes were slightly down, following the end of temporary contracts signed during the pandemic. The currency effect was strongly positive in 2022 (+14.9%).

In Q4 2022, revenue was up +75.6% in the region (+11.8% on an organic basis).

Southern Europe

In 2022, revenue was up +40.1% in the region (entirely organic). The region has a high exposure to Hospitality and the marked rebound in activity throughout 2022 drove growth, notably with a strong summer season. In Workwear, good commercial momentum continued on the back of an acceleration of outsourcing. Last, pricing momentum in the region was satisfactory, but with a slight time lag between the increase of our cost base and the implementation of price increases.

In Q4 2022, revenue was up +23.2% in the region (entirely organic).

II. **<u>Other information</u>**

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)
- 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 9pts at 15.5 (« 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 regard to climate change.

After winning a Gold medal related to the EcoVadis questionnaire for 5 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]. In 2023, the Group will present climate objectives that are aligned with the methodology of the Science Based Targets initiative.

At the General Shareholders Meeting held on 19 May2022, the Group already proposed that shareholders support this strategic step, via an advisory resolution. This resolution was largely approved.

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.

[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).

- 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 full-year 2022 revenue (in English)

Date: Monday 30 January 2023 at 5:15pm GMT (6:15pm CET)

Speakers: Xavier Martiré (CEO) and Louis Guyot (CFO)

Webcast link: https://edge.media-server.com/mmc/p/vur36hnz

Conference call & Q&A session link:
https://register.vevent.com/register/BI2361ebb7ec734478bc20fb9b63971d51

An investor presentation will be available at 4:50pm GMT (5:50pm 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 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 2021, 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

Full-year 2022 results: Wednesday 8 March 2023 (before market)

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