Press release

Contained revenue decrease in Q1 2021:
-13.3% of which -12.8% organic
Positive organic growth in March and strong improvement expected in Q2

Slight improvement in trends in Q1 despite a difficult comparable base, driven by good commercial momentum in Workwear

- In Q1 2021, c. 75% of our total business[1] remained close to the level of Q1 2020: c. +3% yoy in Healthcare, -2% yoy in Industry, and -3% yoy in Trade & Services
- Comparable base was difficult in January and February as the impact on activity from the pandemic started in March 2020
- Activity continued to benefit from (i) churn rate improvement, with good quality of service maintained during the crisis and (ii) the development of new offers and services in Workwear and Hygiene & well-being
- Activity in Hospitality (c. 25% of pre-Covid total revenue) is down -55% yoy in Q1, without any rebound of tourism in big cities
- Central Europe and Scandinavia were resilient owing to the weight of Workwear in their mix; France, Southern Europe and the UK & Ireland were impacted by their exposure to Hospitality; Latin America was still up thanks to the good commercial activity in Healthcare
- Prices held up well in all our geographies

Elis confirms the 2021 outlook given on March 9, 2021

- The comparable base is favorable from Q2 onwards; April organic revenue growth is at c. +22%
- In a context in which many uncertainties remain around the evolution of the sanitary crisis (efficiency of vaccination campaigns, emergence of new virus variants, rebound in international travel), our working assumptions still factor in stable organic revenue growth in H1 and c. +3% for the year
- EBITDA margin should be slightly up on the back of the Group's ability to downsize its structure and variabilize its costs in a context of activity slowdown
- Free cash flow after lease payments should be between €190m and €230m, the main variable being the change in working capital (impact of year-end activity on trade receivables)

Saint-Cloud, May 05, 2021 – Elis, an international multi-service provider, offering textile, hygiene and facility services solutions that is present in Europe and Latin America, today announces its revenue for the 3 months ended March 31, 2021. These figures are unaudited.

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

« Q1 organic revenue evolution was slightly better than expected at -12.8%. Our activities in Industry, Healthcare and Trade & Services, which represented c. 75% of 2019 total revenue, were close to normal levels of activity in the quarter.

Hospitality remained difficult and we did not see any rebound in international tourism. Therefore, the performance by geography remained closely linked to the share of Hospitality in every country mix.

In our other end-markets, commercial dynamism was good across the board, driven by many new products and services in Workwear and Hygiene. Additionally, our churn rate remained good in Q1, which rewards the steady quality of service provided by Elis in these difficult times.

The current situation impels us to remain cautious, but the progressive reopening of shops, which has either already started in the UK and in Southern Europe or is expected in the coming weeks in our other geographies, is a positive sign for our business. Q1 revenue numbers allow us to confirm the outlook

[1] Based on 2019 full-year revenue

provided in March: our working assumption remains a c. +3% organic revenue growth for the full year, factoring in a modest activity improvement starting in Q2. The impressive efforts made in 2020 and the Group's capacity to variabilize its cost base should lead to a further improvement in 2021 EBITDA margin. 2021 free cash flow should be between €190m and €230m, depending on the impact from change in working capital at year-end.

We therefore look to the future with confidence: The Group's fundamentals are strong; our diversification is a major advantage and our business model will enable Elis to assert its leadership in all the countries in which it is present."

Q1 2021 revenue

In millions of euros	2021	2020	Organic growth	External growth	FX	Reported growth
France	200.4	236.9	-15.4%	-	-	-15.4%
Central Europe	169.2	180.1	-9.1%	+3.7%	-0.6%	-6.1%
Scandinavia & East. Eur.	117.2	127.0	-9.5%	-	+1.8%	-7.7%
UK & Ireland	70.3	88.9	-22.2%	+2.3%	-1.0%	-21.0%
Southern Europe	42.6	60.5	-29.6%	-	-	-29.6%
Latin America	53.0	58.8	+12.1%	+2.9%	-25.0%	-10.0%
Others	5.5	6.9	-19.5%	-	-0.6%	-20.2%
Total	**658.2**	**759.2**	**-12.8%**	**+1.4%**	**-1.9%**	**-13.3%**

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

Q1 2021 monthly organic revenue evolution

	January 2021 organic evolution	February 2021 organic evolution	March 2021 organic evolution
France	-22.8%	-20.3%	+0.5%
Central Europe	-17.8%	-10.5%	+2.7%
Scandinavia & East. Eur.	-16.6%	-11.1%	+0.8%
UK & Ireland	-27.9%	-25.8%	-10.7%
Southern Europe	-36.9%	-39.2%	-6.5%
Latin America	+7.2%	+6.9%	+24.0%
Others	+16.0%	-10.9%	-44.7%
Total	**-19.7%**	**-16.4%**	**+0.4%**

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

France

Q1 2021 revenue was down -15.4% (entirely organic). We still didn't observe any rebound in Hospitality and the lockdown measures weighed on collective catering (mostly clients in Workwear) and on cleaning services (mostly clients in Hygiene). Nevertheless, our Healthcare, Industry and Trade & Services end-markets were resilient, notably driven by good commercial dynamism in Workwear (food processing and healthcare clients).

Central Europe

Q1 2021 revenue was down -6.1% (-9.1% on an organic basis). Industry showed good resilience, with new contract wins in Workwear. Thus, despite strict lockdown measures, Poland, Czech Republic, and Netherlands delivered positive or nearly positive organic revenue growth in Q1, driven by good commercial momentum with clients operating in food processing, energy services and pharma. In Germany, organic revenue was down c. -10%, with a negative impact from collective catering and Hospitality clients.

Scandinavia & Eastern Europe

Q1 2021 revenue was down -7.7% (-9.5% on an organic basis). The fact that the greater portion of our clients operate in the Industry segment enabled the region to be quite resilient since the beginning of the crisis. Sweden and Denmark, the region's largest contributors, recorded organic revenue declines of -11% and -13% respectively in Q1, due to Hospitality. However, Norway, Finland and Baltic States all delivered positive organic growth in the quarter, with commercial momentum remaining intact in Workwear.

UK & Ireland

Q1 2021 revenue was down -21.0% (-22.2% on an organic basis). Hospitality, which normally represents around one-third of the region's revenue, was down c. -70% in Q1. Industry and Trade & Services, which represent another third of total revenue, posted a c. -10% decline, due to our high number of collective catering clients and fast-food restaurant clients which have been strongly impacted by the crisis. Finally, Healthcare was stable. The good progress in the vaccination campaign in the UK, as well as the progressive lifting of restrictions (outdoor terraces, shops, travel…) should lead to a rebound in activity in Q2.

Southern Europe

Q1 2021 revenue was down -29.6% (entirely organic). The geography is highly exposed to the Hospitality segment (more than 60% of total revenue in 2019) and continues to suffer from the sharp decline of activity, especially given that the share of international tourism is normally very high. The easing of the lockdown measures paves the way for a quick rebound in activity, with a level of billing in March +17% higher than in February. In Workwear, activity was still well-oriented (+13% in Spain compared to 2020) on the back of good commercial dynamism and the development of outsourcing.

Latin America

Q1 2021 organic revenue was up +12.1% in the region but the unfavorable currency effect resulted in a -10.0% decrease in reported revenue. End-markets where Elis operates (public and private healthcare, food processing) were well oriented. Furthermore, the Group developed new offers to meet clients' new requirements, leading to short-term contract wins (waterproof overgowns) or permanent contracts (healthcare garments, increase in linen rotation…). This led to further market share gains in Healthcare in the zone's three countries.

<u>Financial situation</u>

Elis obtained in 2020 a waiver regarding its June 30, 2021 bank covenant test. The renegotiated covenant is 4.5x.

The Group has no major debt maturity before 2023 and has, as of today, c. €1.1bn of liquidity in the form of two revolving credit lines for an undrawn amount of €900mn and c. €200mn in cash as of March 31, 2021.

<u>Financial definitions</u>

- 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. It excludes non-recurring items directly related to the sanitary crisis, which are accounted for in "Non-current operating income and expenses".
- EBITDA margin is defined as EBITDA divided by revenues.
- EBIT is defined as net income (or net loss) before financial expense, income tax, share in income of equity-accounted companies, amortization of customer relationships, goodwill impairment, non-current operating income and expenses, miscellaneous financial items (bank fees recognized in operating income) and expenses related to IFRS 2 (share-based payments).

<u>Geographical breakdown</u>

- 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

<u>Forward looking statements</u>

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

H1 2021 results: July 28, 2021 (after market)

Shareholder meeting

The annual shareholder meeting will be held at the Group's headquarters on May 20, 2021 and will be webcasted. Log-in information is available on Elis's website: https://fr.elis.com/en/group/investors-relations/regulated-information

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