Press release

July 27, 2022

Record revenue in H1 2022, notably driven by a strong pick-up in hotel activity

Satisfactory pricing adjustment in a context of strong inflation

2022 objectives raised and acceleration in deleveraging

Improvement in non-financial ratings, rewarding the Group's CSR strategy

H1 results confirm the strength of Elis' business model in an uncertain environment

- Revenue of €1,783.8m (+29.7% of which +26.6% organic)
- Adjusted EBITDA[1] margin down -100bps to 32.3% of revenue
- Adjusted EBIT[1] margin up +350bps to 13.0% of revenue
- Headline net income up +121.7% to €148.6m
- Headline net income per share up +119.5% at €0.61 (on a fully diluted basis)
- Free cash flow (after lease payments) of €17.0m
- Financial leverage ratio down to 2.7x at June 30, 2022

Strong revenue growth driven by the further rebound in hotel activity

- In Hospitality, activity continued to pick up and is now virtually back to its 2019 level
- Activity in Healthcare, Industry and Trade & Services was c. +5% above the 2019 level in the first half
- The dynamic is still driven by (i) evolving needs for hygiene, traceability, and responsible products & services, (ii) churn rate improvement thanks to the good quality of service maintained during the crisis and (iii) new contract wins

Elis demonstrates again its capacity to improve pricing in a context of strong inflation

- Strong reactivity in a high inflation context: price negotiations initiated in Q4 2021 led to an average price effect of c. +6% in H1 2022
- c. +9% increase in our cost base in H1, leading to a -100bp adjusted EBITDA margin decrease, in line with our full-year expectations
- Gas purchases are secured for H2 and for the coming years, for a significant share of volumes

Closing of the acquisition of a leading player in Mexico

- Elis enters a 4th country in Latin America; Mexico is a very fragmented market with little outsourcing and strong growth potential
- Acquisition of a century-old player, a leader in the Mexican market with 2021 revenue of c. €85m (using June 2022 €/MX$ exchange rate), EBITDA margin of c. 38% and EBIT margin of c. 18%
- The initial invested amount for the acquisition of 100% of the share capital (at an exchange rate set in March 2022 at MX$23.6/€) corresponds to a multiple of 5.0x 2021 EBITDA and 10.7x 2021 EBIT

Update on 2022 outlook

- Full-year 2022 organic revenue growth now expected between +18% and +20% (previously expected between +13% and +15%), driven by the pick-up in hotel activity, pricing adjustments and Elis' improved growth profile

---

[1] *Financial definitions are presented on page 9 of this release. In order to take into account the statement published by the European Securities and Markets Authority (ESMA) on October 29, 2021 regarding alternative performance indicators, the Group added the term "adjusted" to the EBITDA and EBIT definitions. The content of these indicators remains unchanged compared to previous financial years.*

- The average gas price recorded in H1 2022 (North gas exchange point) and the various hedging tools in place for the remainder of the year allow us to confirm that 2022 adjusted EBITDA margin is expected to be at around 33.5%
- 2022 adjusted EBIT now expected to be above €530m (previously expected at c. €500m)
- 2022 headline net income per share now expected to be above €1.45m (previously expected at c. €1.35m)
- 2022 free cash flow (after lease payments) still expected at c. €200m because of the mechanical impact from the strong pick-up in activity on change in working capital requirement and the increase in linen capex due to inflation
- Financial leverage ratio as of December 31, 2022 now expected at 2.5x, down 0.5x yoy (previously expected at 2.6x)

Saint-Cloud, July 27, 2022 – Elis, an international multi-service provider, offering textile, hygiene and facility services solutions, which is present in Europe and Latin America, today announces its 2022 half-year financial results. The accounts have been approved by the Management Board and examined by the Supervisory Board today. They have been subject to a limited review by the Company's auditors.

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

"In a first half of 2022 marked by macroeconomic and geopolitical instability, Elis has again demonstrated the strength and the flexibility of its business model. Group revenue was up nearly 30%, driven by the strong pick-up in hospitality and by demand that continued to be solid in our Healthcare, Industry and Trade & Services markets.

Our strategy relies on a decentralized model that values proximity between Elis and its clients all over the world. This proximity and the reliability of our service allows us to establish long-lasting commercial relationships with our clients, making Elis a real business partner and an essential part of the local economic system.

When circumstances require, Elis can leverage these strong relationships to offset, in nominal terms, very strong inflation, as has been the case for about nine months. Nevertheless, the very strong increase in energy costs since the second half of 2021 impacted our H1 EBITDA margin, as expected. However, EBIT margin and net income per share improved sharply.

These good H1 results allow us to raise our full-year objectives for most financial aggregates. We notably anticipate an acceleration in Group deleveraging, with a financial leverage ratio that should be at 2.5x at December 31, 2022.

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 that will enable the company to assert its leadership in all the countries in which it is present."

I. 2022 half-year results

H1 2022 revenue

In millions of euros		2022			2021			Var.	
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
France	262.1	301.9	564.0	200.4	220.2	420.7	+30.8%	+37.1%	+34.1%
Central Europe	196.6	214.1	410.7	169.2	175.2	344.3	+16.2%	+22.2%	+19.3%
Scandinavia & East. Eur.	135.3	145.0	280.2	117.2	118.9	236.1	+15.4%	+21.9%	+18.7%
UK & Ireland	102.7	121.5	224.2	70.3	85.0	155.3	+46.0%	+42.9%	+44.3%
Southern Europe	65.2	85.1	150.3	42.6	52.5	95.1	+52.9%	+62.2%	+58.0%
Latin America	64.2	76.8	141.0	53.0	59.4	112.4	+21.2%	+29.3%	+25.5%
Others	6.8	6.7	13.5	5.5	6.1	11.6	+22.4%	+11.0%	+16.4%
Total	**832.8**	**951.0**	**1,783.8**	**658.2**	**717.3**	**1,375.5**	**+26.5%**	**+32.6%**	**+29.7%**

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

In millions of euros	H1 2022	H1 2021	Organic growth	External growth	FX	Reported growth
France	564.0	420.7	+34.1%	-	-	+34.1%
Central Europe	410.7	344.3	+16.4%	+2.2%	+0.7%	+19.3%
Scandinavia & East. Eur.	280.2	236.1	+16.9%	+2.8%	-1.1%	+18.7%
UK & Ireland	224.2	155.3	+38.7%	+2.2%	+3.4%	+44.3%
Southern Europe	150.3	95.1	+58.0%	-	-	+58.0%
Latin America	141.0	112.4	+8.8%	+2.3%	+14.4%	+25.5%
Others	13.5	11.6	+14.5%	-	+1.9%	+16.4%
Total	**1,783.8**	**1,375.5**	**+26.6%**	**+1.5%**	**+1.6%**	**+29.7%**

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

H1 2022 organic revenue growth

	Q1 2022 organic growth	Q2 2022 organic growth	H1 2022 organic growth
France	+30.8%	+37.1%	+34.1%
Central Europe	+14.1%	+18.5%	+16.4%
Scandinavia & East. Eur.	+15.2%	+18.6%	+16.9%
UK & Ireland	+38.5%	+38.8%	+38.7%
Southern Europe	+52.9%	+62.2%	+58.0%
Latin America	+10.0%	+7.6%	+8.8%
Others	+19.3%	+10.2%	+14.5%
Total	**+24.2%**	**+28.9%**	**+26.6%**

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

Q2 2022 revenue

In millions of euros	Q2 2022	Q2 2021	Organic growth	External growth	FX	Reported growth
France	301.9	220.2	+37.1%	-	-	+37.1%
Central Europe	214.1	175.2	+18.5%	+2.9%	+0.8%	+22.2%
Scandinavia & East. Eur.	145.0	118.9	+18.6%	+4.0%	-0.7%	+21.9%
UK & Ireland	121.5	85.0	+38.8%	+2.0%	+2.0%	+42.9%
Southern Europe	85.1	52.5	+62.2%	-	-	+62.2%
Latin America	76.8	59.4	+7.6%	+3.4%	+18.3%	+29.3%
Others	6.7	6.1	+10.2%	-	+0.8%	+11.0%
Total	**951.0**	**717.3**	**+28.9%**	**+1.9%**	**+1.8%**	**+32.6%**

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

H1 2022 adjusted EBITDA

In millions of euros	H1 2022 reported	H1 2021 restated[1]	Var. H1 2022 / H1 2021
France	209.7	153.2	+36.8%
As of % of revenue	*37.0%*	*36.3%*	*+70bps*
Central Europe	121.5	111.2	+9.3%
As of % of revenue	*29.4%*	*32.1%*	*-270bps*
Scandinavia & East. Eur.	100.7	92.1	+9.4%
As of % of revenue	*35.9%*	*39.0%*	*-310bps*
UK & Ireland	67.4	46.7	+44.2%
As of % of revenue	*30.0%*	*30.1%*	*=*
Southern Europe	39.4	24.2	+62.8%
As of % of revenue	*26.2%*	*25.4%*	*+80bps*
Latin America	45.6	37.6	+21.4%
As of % of revenue	*32.4%*	*33.5%*	*-110bps*
Others	(7.9)	(6.3)	-25.4%
Total	**576.4**	**458.7**	**+25.7%**
As of % of revenue	*32.3%*	*33.3%*	*-100bps*

France

Revenue was up by a strong +34.1% (entirely organic). Hospitality has continued to rebound sharply and is back to its 2019 level since May. Furthermore, all our segments showed good commercial momentum, especially in Workwear and in Pest control. Finally, the pricing dynamic is good and allows us to offset the inflation of our cost base.

The strong revenue increase led to a +70bps increase in adjusted EBITDA margin in the first half, to 37.0%.

Central Europe

Revenue was up +19.3% (+16.4% on an organic basis) and all countries in the region posted double-digit organic revenue growth. Activity in Healthcare and in Industry is now above 2019 levels. Switzerland, where the share of Hospitality is high, posted strong growth, as did Belux, where all segments are well-oriented (Flat linen, Workwear and Hygiene and well-being).

Adjusted EBITDA margin was down -270bps compared to H1 2021 at 29.4%. Covid-related absenteeism had a negative impact on our productivity, especially in Germany, and price increase negotiations are more difficult in the region.

Scandinavia & Eastern Europe

Revenue was up +18.7% in the region (+16.9% on an organic basis), driven by the strong pick-up in Hospitality, especially in Denmark. All countries in the region delivered double-digit organic revenue growth. Commercial momentum was very good in Sweden and in Norway (in Workwear in both cases). In Healthcare, the activity level is now above 2019.

Adjusted EBITDA margin is down -310bps compared to H1 2021 at 35.9%. The pick-up in Hospitality had a dilutive effect on margin, and the negotiated implementation schedules for pricing adjustments are longer than in other regions.

UK and & Ireland

Revenue was strongly up +44.3% in the region (+38.7% on an organic basis). Activity in Hospitality continued to pick up and was, in June, at c. -8% compared to 2019 level. Commercial momentum was good and we recorded new signings in Healthcare and in our Workwear business. Finally, pricing dynamics were very good in the region: available capacity is limited on the market, and most players focus on price rather than volumes.

Adjusted EBITDA margin was stable in the first half compared to H1 2021 at 30.0%. The pick-up in activity and pricing dynamics offset the strong inflation seen in the region.

Southern Europe

Revenue was up +58.0% in the region (entirely organic). The region has a high exposure to Hospitality (more than 60% of 2019 revenue) and the rebound in activity - which is now above 2019 level - is driving growth. In Workwear, good commercial momentum and the acceleration of outsourcing continued; activity in Healthcare and in Industry is now above 2019 levels. Finally, the pricing momentum in the region is satisfactory.

The strong revenue improvement led to a +80bps increase in H1 2022 adjusted EBITDA margin, to 26.2%.

Latin America

Revenue was up +25.5% in the region (+8.8% on an organic basis). Inflation is strong in the region and pricing momentum is good. This contributed strongly to H1 revenue growth, despite the expected slowdown in revenue from the end of temporary contracts signed during the pandemic. The currency effect was strongly positive in the half (+14.4%).

Adjusted EBITDA margin was down -110bps in the first half compared to H1 2021 at 32.4%. This decrease is due to the difficult comparable base in H1 2021: the above-mentioned temporary contracts had a positive impact on margin.

From adjusted EBITDA to net income

In millions of euros	H1 2022 reported	H1 2021 restated[1]	Var.
Adjusted EBITDA	**576.4**	**458.7**	**+25.7%**
As a % of revenue	*32.3%*	*33.3%*	*-100bps*
D&A	(344.0)	(327.7)	
Adjusted EBIT	**232.4**	**131.0**	**+77.4%**
As a % of revenue	*13.0%*	*9.5%*	*+350bps*
Current operating income	**221.2**	**114.6**	**+93.0%**
Amortization of intangible assets recognized in a business combination	(40.4)	(40.1)	
Goodwill impairment	(58.7)	-	
Non-current operating income and expenses	(1.2)	(3.9)	
Operating income	**121.0**	**70.6**	**+71.2%**
Net financial result	(28.9)	(42.0)	
Income tax	(38.1)	(12.0)	
Income from continuing operations	**53.9**	**16.7**	**+223.4%**
Net income	**53.9**	**16.7**	**+223.4%**
Headline net income[2]	**148.6**	**67.0**	**+121.7%**

[1]: A reconciliation is provided in the "Restated income statement for prior financial years" section of this release.
[2]: A reconciliation is provided in the "Net income to headline net income" section of this release.
Margin rates and percentage change calculations are based on actual figures.

Adjusted EBIT

As a percentage of revenue, adjusted EBIT was up +350bps in H1 2022, due to the decrease in linen capex in 2020 and in 2021, leading to limited increase of D&A in H1 (c. +5%), as expected.

Operating income

The main items between EBIT and Operating income are as follows:

- Expenses related to free-share plans correspond to the requirements of the IFRS 2 accounting standard. They showed a -€5.3m decrease in H1 2022 compared to H1 2021,
- The amortization of intangible assets recognized in a business combination is mainly related to the goodwill allocation of Berendsen. In H1 2022, the aggregate was stable compared to H1 2021,
- Goodwill impairment: in Russia, on June 30, 2022, in accordance with accounting standards, the Group booked a €58.7m goodwill impairment (at an exchange rate of RUB56.6/€), based on a 26.3% WACC (compared to 11.4% as of December 31, 2021),
- Non-current operating expenses, which were very limited in H1 2022 given the absence of any significant restructuring.

Net financial result

In H1 2022, net financial expense was €28.9m. It is c. €13m lower compared to H1 2021, mainly due to foreign exchange gains.

Net income

Net income was €53.9m in H1 2022, compared to €16.7m in H1 2021.

Net income to headline net income

In millions of euros	H1 2022 reported	H1 2021 restated[1]
Net income	**53.9**	**16.7**
Amortization of intangible assets recognized in a business combination[2]	32.6	31.8
Goodwill impairment	58.7	-
Exceptional foreign exchange gains[2]	(7.9)	
IFRS 2 expense[2]	10.2	15.2
Non-current operating income and expenses[2]	1.0	2.9
Headline net income	**148.6**	**67.0**
Attributable to:		
- owners of the parent	148.6	66.9
- non-controlling interests	0.0	0.1
Headline net income per share (in euros):		
- basic, attributable to owners of the parent	0.65	0.30
- diluted, attributable to owners of the parent	0.61	0.28

[1]: A reconciliation is provided in the "Restated income statement for prior financial years" section of this release.
[2]: Net of tax effect.

Headline net income was €148.6m in H1 2022, up +121.7% compared to H1 2021 and headline net income per share was up +119.5% at €0.61 (on a fully diluted basis).

Cash flow statement

In millions of euros	H1 2022 reported	H1 2021 restated[1]
Adjusted EBITDA	**576.4**	**458.7**
Non-recurring items and changes in provisions	(2.0)	(7.4)
Acquisition and disposal expenses	(1.7)	(0.5)
Other	(0.8)	(0.7)
Cash flow before finance costs and tax	**571.9**	**450.0**
Net capex	(320.9)	(255.5)
Change in working capital requirement	(81.6)	34.1
Net interest paid	(53.2)	(54.9)
Tax paid	(50.8)	(37.7)
Lease liabilities payments - principal	(48.5)	(45.1)
Free cash flow (after lease liabilities payments)	**17.0**	**90.9**
Acquisitions of subsidiaries, net of cash acquired	(32.4)	(42.3)
Changes arising from obtaining or losing control of subsidiaries or other entities	(1.8)	(3.6)
Other cash flows related to financing activities	0.9	3.4
Proceeds from disposal of subsidiaries, net of cash transferred	-	0.0
Dividends and distributions paid	(33.2)	0.0
Equity increase & treasury shares	0.4	17.5
Other	5.5	12.5
Net debt variance	**(43.5)**	**78.4**
	June 30, 2022	**December 31, 2021**
Net financial debt	**3,187.3**	**3,143.9**

[1]: A reconciliation is provided in the "Restated income statement for prior financial years" section of this release.

Net capex

In H1 2022, the Group's net capex represented 18.0% of revenue, compared to 18.6% in H1 last year. Investments increased by c. €65m over the period but the strong revenue increase resulted in a lower ratio.

Change in working capital requirement

In H1 2022, change in WCR was strongly negative at c. -€82m, reflecting the impact of the strong activity pick-up on trade receivables, and high inventories ahead of the summer holidays. The Group recorded good cash collection ratios: average payment time was 55 days at June 30, 2022, the same as at June 30, 2021.

Free cash flow

In H1 2022, free cash flow (after lease liabilities payments) was €17.0m, in line with the Group's normative cash generation seasonality. In H1 2021, free cash flow had strongly benefited from an atypical change in working capital requirement.

Net financial debt

The Group's net financial debt as of June 30, 2022 stood at €3,187.3m compared to €3,143.9m at December 31, 2021 and €3,202.6m at June 30, 2021. The financial leverage ratio was 2.7x at June 30, 2022 compared to 3.0x at December 31, 2021.

In H1 2022, Elis priced the issue of €300m aggregate principal amount of senior unsecured notes under its EMTN (Euro Medium Term Notes) Programme. The maturity of the notes is 5 years and the notes carry a fixed annual coupon of 4.125%.

Furthermore, the Group signed a new $175m USPP financing with a group of US investors led by Barings. The new notes have a 10-year maturity (June 2032) and will offer investors a 4.32% coupon in US dollars. The notes have been swapped in euros for a total amount of €159m by Elis which will pay a final 3% coupon in euros.

Payout for the 2021 financial year

The General Shareholders Meeting held on May 19, 2022 has decided to offer each shareholder an option of payment of the dividend for the financial year 2021 of €0.37 per share in cash or in new shares. The issue price of the new shares issued in payment of the dividend was set at €12.96. At the end of the option, 60.02% of the rights were exercised in favor of the payment in shares. The amount of the dividend for the financial year 2021 paid in cash to shareholders who opted for payment in kind amounted to €33.2m (excluding fees) and was paid in June.

Update on 2022 outlook

The better-than-expected activity pick-up and the good pricing dynamic in H1 2022 allow us to now anticipate 2022 organic revenue growth of between +18% and +20% (vs between +13% and +15% previously). This is based on the working assumption that H2 2022 activity in Hospitality is expected to be at 2019 level.

In a context of very strong energy price inflation, 2022 adjusted EBITDA margin is still expected to be at around 33.5%. The average gas price recorded in H1 2022 (North gas exchange point) and the various hedging tools in place for the remainder of the year should lead to an average price for the year that is around €100/MWh, in line with the guidance given in March.

2022 adjusted EBIT is now expected above €530m (previously expected at c. €500m).

2022 headline net income per share is now expected above €1.45 (previously expected at c. €1.35 per share).

2022 free cash flow (after lease payments) is still expected at c. €200m as a result of the impact on working capital requirement of the strong pick-up in activity and the resulting increase in linen capex.

Financial leverage ratio as of December 31, 2022 is now expected at c. 2.5x, down 0.5x yoy (previously expected at c. 2.6x).

II. Acquisition of a leading player in the Mexican market

Presentation of the acquired company

It is a century-old business and a leader in the Mexican market. It mainly provides flat linen and workwear to clients in the Healthcare market. It operates 11 production sites, 12 distribution centers and a manufacturing workshop. The company employs more than 2,600 employees. 2021 revenue was c. €85m (using June 2022 €/MX$ exchange rate), with EBITDA margin of c. 38% and EBIT margin of c. 18%. The business delivers strong organic revenue growth, driven by the rapid development of the Mexican market. Annual organic revenue growth should be close to 10% in the coming years.

Acquisition rationale

- Further development in Latin America, a geography in which Elis posts strong organic growth
  - Elis is acquiring one of the main Mexican players and the only one with a nationwide network
  - Elis enters its 4th country in the region after Brazil, Colombia, and Chile
  - Elis has delivered average annual organic revenue growth of +9.4% in the zone since it first entered the region in 2014
  - Elis has an excellent track record in integrating assets in Latin America with c. 10 acquisitions since 2014
- The Mexican economy is solid and stable
  - Relatively low inflation (4% per year before the pandemic) and low unemployment (3.5%)
  - c. 4% annual GDP growth before the pandemic and 2022/2023 forecasts of 1.7% and 1.9% respectively
  - Strong organic growth potential as outsourcing is currently limited
  - External growth potential: additional bolt-on opportunities in a fragmented market
  - Mexican economy strongly correlated with US activity

Attractive multiples

The initial invested amount for the acquisition of 100% of the share capital (at an exchange rate set in March 2022 at MX$23.6/€) corresponds to a multiple of 5.0x 2021 EBITDA and 10.7x 2021 EBIT. The highly experienced management team will remain to contribute to driving future growth; the transaction includes some potential earn-outs over the 2023-2025 period at lower multiples.

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 mutualizing 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 H1 2022, Sustainalytics improved Elis's ESG notation by 9pts at 15.5 (« low risk »). Elis's grade with MSCI reached 7.0 in July 2022 compared to 5.6 in 2020. Furthermore, Elis obtained an « A » grade in the Verité40 index (Axylia group).

After winning for 5 consecutive years a Gold medal related to the EcoVadis questionnaire, Elis obtained a Platinum medal, the highest possible reward. This medal places Elis within the top 1% of the c. 75,000 companies assessed by EcoVadis.

In 2021, the Group was rated B 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…

Finally, in 2021, Elis scored higher with rating agency Gaïa (83 in 2021 vs 80 in 2020).

Our climate commitment

Conscious of the environmental challenges with regard 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. The Group will thus present climate objectives that are aligned with the methodology of the Science Based Target initiative at end-2022.

These climate objectives will be submitted in a "Say on climate" resolution at the next General Shareholders Meeting in May 2023. At the General Shareholders Meeting held on May 19 this year, the Group has already proposed that shareholders support this strategic step, via an advisory resolution. This resolution was largely approved.

Restated income statement for prior financial years

The table below presents the adjustments made retrospectively linked to business combinations (IFRS3) on the previously published income statement as of June 30, 2021.

In millions of euros	H1 2021 reported	IFRS 3	H1 2021 restated
Revenue	**1,375.5**	-	**1,375.5**
Adjusted EBITDA	**458.7**	-	**458.7**
D&A	(327.6)	(0.1)	(327.7)
Adjusted EBIT	**131.1**	**(0.1)**	**131.0**
Current operating income	**114.7**	**(0.1)**	**114.6**
Amortization of intangible assets recognized in a business combination	(39.7)	(0.4)	(40.1)
Goodwill impairment	-	-	-
Non-current operating income and expenses	(3.9)	-	(3.9)
Operating income	**71.1**	**(0.5)**	**70.6**
Net financial result	(42.0)	-	(42.0)
Income tax	(12.1)	0.1	(12.0)
Income from continuing operations	**17.1**	**(0.4)**	**16.7**
Net income	**17.1**	**(0.4)**	**16.7**

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 Universal Registration Document) 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 subsidies transferred to income.
- Adjusted EBITDA margin is defined as adjusted EBITDA divided by revenues.
- 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 revenues.

  In order to take into account the statement published by the European Securities and Markets Authority (ESMA) on October 29, 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.
- 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 financial leverage ratio is the leverage ratio calculated for the purpose of the financial covenant included in the new banking RCF agreement signed in November 2021: Leverage ratio is equal to Net financial debt / Pro forma EBITDA of acquisitions finalized during the last 12 months after synergies.

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

Presentation of Elis' 2022 half-year results (in English)

Date: Wednesday 27 July 2022 at 5:00pm GMT (6:00pm CET)

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

Webcast link: https://edge.media-server.com/mmc/p/gb3pt7ym

Conference call & Q&A session link:
https://register.vevent.com/register/BI777ccae0b0b64285997d312ea752958c

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 December 31, 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

Q3 2022 revenue: October 26, 2022 (after market)

Contact

Nicolas Buron - Investor Relations Director - Phone: +33 1 75 49 98 30 - nicolas.buron@elis.com

Excerpt from condensed interim consolidated financial statements

Interim consolidated income statement

(in millions of euros) *(unaudited)*	30/06/2022	30/06/2021 restated
Revenue	1,783.8	1,375.5
Cost of linen, equipment and other consumables	(273.1)	(253.3)
Processing costs	(698.3)	(508.6)
Distribution costs	(276.4)	(216.1)
Gross margin	536.1	397.5
Selling, general and administrative expenses	(319.1)	(284.4)
Net impairment on trade and other receivables	4.1	1.5
Operating income before amortization of intangible assets recognized in a business combination, goodwill impairment and other operating income and expenses	221.2	114.6
Amortization of intangible assets recognized in a business combination	(40.4)	(40.1)
Goodwill impairment	(58.7)	-
Other operating income and expenses	(1.2)	(3.9)
Operating income	121.0	70.6
Net financial income (expense)	(28.9)	(42.0)
Income (loss) before tax	92.0	28.7
Tax	(38.1)	(12.0)
Income from continuing operations	53.9	16.7
Income from discontinued operation, net of tax	-	-
NET INCOME (LOSS)	**53.9**	**16.7**
Attributable to:		
- owners of the parent	53.9	16.6
- non-controlling interests	0.0	0.1
Earnings (loss) per share (EPS) (in euros):		
- basic, attributable to owners of the parent	€0.24	€0.07
- diluted, attributable to owners of the parent	€0.24	€0.07
Earnings (loss) per share (EPS) from continuing operations (in euros):		
- basic, attributable to owners of the parent	€0.24	€0.07
- diluted, attributable to owners of the parent	€0.24	€0.07

Interim consolidated statement of financial position

Assets

(in millions of euros) *(unaudited)*	30/06/2022	31/12/2021 restated
Goodwill	3,814.9	3,818.7
Intangible assets	714.4	752.7
Right-of-use assets	439.7	439.4
Property, plant and equipment	1,973.7	1,911.0
Other equity investments	0.1	0.1
Other non-current assets	80.7	64.7
Deferred tax assets	35.1	31.5
Employee benefit assets	51.2	51.8
TOTAL NON-CURRENT ASSETS	7,109.8	7,070.0
Inventories	164.0	138.6
Contract assets	49.2	38.1
Trade and other receivables	716.2	599.8
Current tax assets	22.3	17.2
Other assets	26.4	18.9
Cash and cash equivalents	606.3	160.1
Assets held for sale	0.4	0.4
TOTAL CURRENT ASSETS	1,584.8	973.1
TOTAL ASSETS	**8,694.6**	**8,043.1**

Equity and liabilities

(in millions of euros) *(unaudited)*	30/06/2022	31/12/2021 restated
Share capital	228.2	224.1
Additional paid-in capital	2,438.5	2,531.6
Treasury share reserve	(1.1)	(1.6)
Other reserves	(258.8)	(322.7)
Retained earnings (accumulated deficit)	709.0	581.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	**3,115.7**	**3,012.9**
NON-CONTROLLING INTERESTS	**0.8**	**0.7**
TOTAL EQUITY	3,116.5	3,013.7
Provisions	91.2	89.9
Employee benefit liabilities	87.0	105.9
Borrowings and financial debt	3,097.9	3,084.5
Deferred tax liabilities	286.2	283.0
Lease liabilities	368.1	367.2
Other non-current liabilities	29.3	33.1
TOTAL NON-CURRENT LIABILITIES	3,959.8	3,963.5
Current provisions	13.7	12.6
Current tax liabilities	22.7	28.2
Trade and other payables	306.8	262.4
Contract liabilities	76.8	75.8
Current lease liabilities	88.8	86.3
Other liabilities	413.8	381.1
Bank overdrafts and current borrowings	695.7	219.5
Liabilities directly associated with assets held for sale	-	-
TOTAL CURRENT LIABILITIES	1,618.3	1,065.9
TOTAL EQUITY AND LIABILITIES	**8,694.6**	**8,043.1**

Interim consolidated statement of cash flows

(in millions of euros) *(unaudited)*	30/06/2022	30/06/2021 restated
Consolidated net income (loss)	**53.9**	**16.7**
Tax	38.1	12.0
Net financial income (expense)	28.9	42.0
Goodwill impairment	58.7	-
Share-based payments	9.8	14.1
Depreciation, amortization and provisions	383.6	364.9
Portion of grants transferred to income	(0.3)	(0.1)
Net gains and losses on disposal of property, plant and equipment and intangible assets	1.1	0.5
Other	(1.8)	-
CASH FLOWS BEFORE FINANCE COSTS AND TAX	**571.9**	**450.0**
Change in inventories	(24.5)	4.1
Change in trade and other receivables and contract assets	(118.6)	(31.7)
Change in other assets	(3.1)	1.0
Change in trade and other payables	33.9	24.0
Change in contract and other liabilities	30.8	34.1
Other changes	(1.0)	0.8
Employee benefits	0.9	1.7
Tax paid	(50.8)	(37.7)
NET CASH FROM OPERATING ACTIVITIES	**439.6**	**446.4**
Acquisition of intangible assets	(11.0)	(8.9)
Proceeds from disposal of intangible assets	-	-
Acquisition of property, plant and equipment	(315.7)	(250.0)
Proceeds from disposal of property, plant and equipment	5.6	3.3
Acquisition of subsidiaries, net of cash acquired	(32.4)	(42.3)
Proceeds from disposal of subsidiaries, net of cash transferred	-	-
Changes in loans and advances	0.6	(1.6)
Dividends earned	-	-
Investment grants	0.3	0.2
NET CASH FROM INVESTING ACTIVITIES	**(352.7)**	**(299.4)**
Capital increase	(0.0)	10.3
Treasury shares	0.4	7.2
Dividends and distributions paid		
- to owners of the parent	*(33.2)*	-
- to non-controlling interests	-	-
Change in borrowings (a)	485.7	(55.7)
- *Proceeds from new borrowings*	*739.6*	262.2
- *Repayments of borrowings*	*(254.0)*	*(318.0)*
Lease liability payments - principal	(48.5)	(45.1)
Net interest paid (including interest on lease liabilities)	(53.2)	(54.9)
Other cash flows related to financing activities	0.9	3.4
NET CASH FROM FINANCING ACTIVITIES	**352.1**	**(134.8)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**439.0**	**12.2**
Cash and cash equivalents at beginning of period	160.1	137.6
Effect of changes in foreign exchange rates on cash and cash equivalents	6.8	2.6
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**605.8**	**152.4**

(a) Net change in credit lines