Press release

2015 Annual Results

Solid +6.3% revenue growth, EBITDA in line with expectations and further international development

- **Solid revenue growth and EBITDA in line with expectations despite the impact of the terrorist attacks in Paris**
  - Revenue: €1,415.4mn (+6.3% of which +2.9% organic growth)
  - EBITDA: €446.1mn (31.5% of revenue)
  - EBITDA margin improvement in France in H2 relative to H1 (-70bps yoy)
  - EBITDA margin improvement of +60bps in Europe (excluding France) and +110 bps in Latin America
  - Successful IPO and full refinancing of debt
- **Strong M&A activity**
  - Expansion in Latin America with acquisition of the n°1 player in Chile
  - 9 acquisitions in total completed in 2015
- **2016 outlook**
  - Revenue: +6% (+3% organic, +4% M&A and -1% FX)
  - EBITDA margin: -30 bps in France and further improvement in Europe and Latin America
- **Proposal of a payment of €0.35 per share**

(EUR million)	2015	2014*	Change
Revenue	1,415.4	1,331.0	+6.3%
EBITDA	446.1	429.1	+4.0%
Net result	(57.1)	(21.9)	
Headline net result**	71.4	6.5	
Headline free cash-flow ***	56.6	87.0	
Adjusted net debt (as of end of period)	1,440.7	2,019.1	

Percentage change calculations are based on actual figures
* 2014 figures are restated from the first application of the IFRIC 21 interpretation and are in accordance with IFRS 3 - Business Combinations
** After elimination of impairment charge, PPA depreciation and IPO and refinancing expenses (net of tax)
*** After elimination of IPO and refinancing expenses (net of tax)
The definitions of organic revenue growth, EBITDA, EBITDA margin, EBIT, headline free cash-flow and adjusted net debt are in the "Financial definitions" section of this release.

Puteaux, March 10 2016 – Elis, the leading multi-services group in Europe and Latin America, specializing in the rental and maintenance of flat linen, professional clothing, hygiene and well-being appliances, today announces its 2015 full year financial results.
The accounts have been approved by the Management Board and examined by the Supervisory Board on March 9, 2016. These accounts have been audited and the auditors issued a report without any qualification.

Commenting on the 2015 full year results, **Xavier Martiré, CEO of Elis**, said:

« We are pleased to announce today a solid set of 2015 results which confirm the strength of the Elis model. Despite a difficult macro environment especially in France and Brazil, organic revenue growth was +2.9% and EBITDA of €446.1mn was in line with the target we set last summer, with a margin of 31.5%, slightly above our expectations.

In France, 2015 was marked by good commercial momentum leading to organic revenue growth of +2.5% despite the negative impact from the terrorist attacks in Paris. However, pricing pressure in the French market had a dilutive impact on our margins, especially during the first half.
In Europe, we further strengthened our market shares through both organic growth and acquisitions. EBITDA margin improved by 60 basis points, thanks notably to the achievement of synergies..

In Latin America, we continued our expansion in Brazil and became the market leader in Chile through the acquisition of Albia. Despite a difficult macro environment in Brazil, commercial momentum and the transfer of Elis know-how allowed us to post organic growth of above +3% and a margin improvement of 110 basis points.

In 2015, Elis began a new chapter in its history with the success of the IPO in February and the full refinancing of its debt, with an interest charge that is now a third of that paid previously and with no significant maturity before 2020. We now have all the necessary resources to accelerate the deployment of our 4 strategic pillars: 1) Consolidate our positions in all our geographies, 2) Continue the development of our Brazilian platform 3) Pursue the improvement of our operational excellence and 4) Launch new products and services.

In 2016, we target revenues of €1.5bn driven by 3% organic growth, external growth of 4% and an impact of currencies that we today estimate at -1%. As far as margins are concerned, we expect another slight decrease of 30 basis points in France but aim to achieve further margin improvement in Europe and in Latin America.»

Revenues

Reported revenue growth

(EUR million)	2015			2014			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	14/15
Hospitality	145.5	164.0	309.5	136.5	154.0	290.5	+6.6%	+6.5%	+6.6%
Industry	94.0	95.6	189.6	93.3	94.3	187.6	+0.7%	+1.4%	+1.0%
Trade & Services	168.6	171.4	340.0	170.2	168.6	338.8	-1.0%	+1.7%	+0.3%
Healthcare	79.3	80.3	159.7	76.1	76.4	152.5	+4.2%	+5.2%	+4.7%
France*	**478.6**	**499.5**	**978.1**	**468.0**	**486.0**	**954.0**	**+2.3%**	**+2.8%**	**+2.5%**
Northern Europe	84.2	100.9	185.2	72.5	76.2	148.7	+16.1%	+32.5%	+24.5%
Southern Europe	66.0	76.6	142.5	59.3	66.2	125.5	+11.2%	+15.6%	+13.5%
Europe**	**150.2**	**177.5**	**327.7**	**131.9**	**142.4**	**274.3**	**+13.9%**	**+24.7%**	**+19.5%**
Latin America	**45.1**	**47.0**	**92.2**	**36.2**	**49.1**	**85.3**	**+24.6%**	**-4.2%**	**+8.0%**
Manufacturing entities	**8.5**	**9.0**	**17.5**	**8.2**	**9.2**	**17.4**	**+3.2%**	**-1.5%**	**+0.7%**
Total	**682.4**	**733.0**	**1 415.4**	**644.3**	**686.7**	**1,331.0**	**+5.9%**	**+6.7%**	**+6.3%**

Percentage change calculations are based on actual figures
* After other items including rebates
** Europe excluding France

Organic revenue growth

(EUR million)	H1 organic growth	H2 organic growth	FY 2015 organic growth
Hospitality	+6.6%	+6.5%	+6.6%
Industry	+0.7%	+1.4%	+1.0%
Trade & Services	-1.0%	+1.7%	+0.3%
Healthcare	+4.2%	+5.2%	+4.7%
France*	**+2.3%**	**+2.8%**	**+2.5%**
Northern Europe	-0.9%	+3.5%	+1.4%
Southern Europe	+7.5%	+8.5%	+8.0%
Europe**	**+2.9%**	**+5.8%**	**+4.4%**
Latin America	**+3.8%**	**+2.8%**	**+3.2%**
Manufacturing entities	**-1.2%**	**-5.2%**	**-3.3%**
Total	**+2.4%**	**+3.3%**	**+2.9%**

Percentage change calculations are based on actual figures
* After other items including rebates
** Europe excluding France

In 2015, Group revenues increased by 6.3% to €1,415.4mn.
The increase of €84.4mn was driven by organic growth in France, Southern Europe and in Latin America along with the integration of our acquisitions.

France

In 2015, the +2.5% revenue increase in France was entirely organic and mostly driven by the roll-out of large contracts.

- Revenue growth for the Hospitality segment was solid at +6.6% despite the negative impact from the terrorist attacks in Paris in January and November. The growth was driven by a good summer season and by the roll-out of large contracts with hotels, in line with our expectations.
- Revenues for the Healthcare segment grew by 4.7%, helped by major contracts for both short-stay and long-stay.
- Revenues for the Industry segment rose by 1.0% helped by good commercial momentum from the signing of new contracts with food processing clients. However, the activity with existing clients was generally more subdued.
- Revenues for the Trade & Services segment increased by +0.3%. The macro environment remains difficult despite a slight improvement throughout the second half, with solid commercial dynamism in the services segment.

Europe (excluding France)

Revenue growth in Northern Europe (+24.5%) was driven by acquisitions in Germany and Switzerland. Organic revenue growth (+1.4%) was impacted by hospitality in Switzerland, which suffered from the rise of the Swiss Franc during the first half.

Revenue growth was also strong in Southern Europe (+13.5% including +8.0% organic). The improving macro environment helped drive good commercial momentum with Hospitality and Industry clients. The acquisitions completed in Spain in April also contributed to the strong growth in the region.

Latin America

Revenue growth in Latin America (+8.0%) was driven by acquisitions, which accounted for about half our growth. In a difficult macro environment in Brazil, organic growth was helped by very good commercial momentum, confirming our view of the market's potential..

EBITDA

(EUR million)		2015			2014*			Change	
	H1	H2	FY	H1	H2	FY	H1	H2	14/15
France	**162.7**	**183.8**	**346.5**	**164.9**	**180.2**	**345.1**	**-1.4%**	**+2.1%**	**+0.4%**
As a % of revenues	*33.9%*	36.8%	*35.4%*	*35.1%*	37.0%	*36.1%*	*-120bps*	-20bps	*-70bps*
Europe**	**33.6**	**47.3**	**80.9**	**31.7**	**34.2**	**65.9**	**+5.8%**	**+38.6%**	**+22.8%**
As a % of revenues	*22.3%*	*26.6%*	*24.6%*	*24.0%*	*23.9%*	*24.0%*	*-170bps*	*+270bps*	*+60bps*
Latin America	**8.6**	**11.2**	**19.8**	**7.0**	**10.4**	**17.3**	**+22.1%**	**+8.3%**	**+13.9%**
As a % of revenues	*19.1%*	*23.7%*	*21.4%*	*19.5%*	*21.0%*	*20.3%*	*-40bps*	*+270bps*	*+110bps*
Manufacturing entities	**1.4**	**1.1**	**2.5**	**1.6**	**0.7**	**2.3**	**-9.1%**	**+54.0%**	**+8.7%**
As a % of revenues	*10.1%*	*8.3%*	*9.2%*	*12.7%*	*5.2%*	*8.8%*	*-260bps*	*+310bps*	*+40bps*
Holdings	**-1.6**	**-2.0**	**-3.6**	**-0.5**	**-1.0**	**-1.5**	**n/a**	**n/a**	**n/a**
Total	**204.6**	**241.5**	**446.1**	**204.8**	**224.3**	**429.1**	**-0.1%**	**+7.7%**	**+4.0%**
As a % of revenues	*30.0%*	*32.9%*	*31.5%*	*31.8%*	*32.7%*	*32.2%*	*-180bps*	*+20bps*	*-70bps*

Percentage change calculations are based on actual figures
* 2014 figures are restated from the first application of the IFRIC 21 interpretation and are in accordance with IFRS 3 - Business Combinations
** Europe excluding France

In 2015, Group EBITDA increased by 4.0% to €446.1mn.

In France, EBITDA was slightly up but the margin as a percentage of revenues fell 70bps, mainly due to:
- Phasing from a base effect in H1 2014 due to some non-recurring items,
- Pricing pressure in France due to an increasingly competitive environment, especially noticeable during the first half.

However, this decrease contained to 70bps was better than our expectations.

In all other regions, EBITDA was up both in absolute terms and as a percentage of revenues:
In Europe (excluding France), the consolidation of our footprint and the transfer of know-how continued to bear fruit with EBITDA margin up 60bps (after +200bps in 2013 and +80bps in 2014);
In Latin America, transfer of know-how also led to a +110bps EBITDA margin improvement.

From EBITDA to Net result

(EUR million)	**2015**	**2014***
EBITDA	**446.1**	**429.0**
As a % of revenues	*31.5%*	*32.2%*
Depreciation & amortization	(237.7)	(218.9)
EBIT	**208.4**	**210.2**
As a % of revenues	*14.7%*	*15.8%*
Banking charges	(1.5)	(1.1)
PPA depreciation	(45.6)	(41.3)
Goodwill impairment	(14.6)	-
Other operating income and expenses**	(12.3)	(23.1)
Operating result before IPO & refinancing expenses	**134.4**	**144.7**
As a % of revenues	*9.5%*	*10.9%*
Financial result**	(68.7)	(153.6)
IPO & refinancing expenses	(123.3)	-
Result before tax	**(57.6)**	**(8.9)**
Tax	0.4	(13.0)
Reported net result	**(57.1)**	**(21.9)**
Headline net result***	**71.4**	**6.5**

Percentage change calculations are based on actual figures
* 2014 figures are restated from the first application of the IFRIC 21 interpretation and are in accordance with IFRS 3 - Business Combinations
** Excluding IPO and refinancing expenses
*** After elimination of impairment charge, PPA depreciation and IPO and refinancing expenses

EBIT

Purchase of linen linked to the implementation of large contracts signed in 2014 led to higher depreciation, impacting EBIT greater than EBITDA.

Operating result before IPO & refinancing expenses

PPA depreciation was mainly accounted for in 2007 and the amortization period will end in 2018.
The impairment tests conducted as of 31 December 2015 led to the booking of:
- A €5.4mn impairment charge in Manufacturing Entities (Kennedy Hygiene Products),
- A €9.2mn impairment charge in Belgium.

Financial result

Elis completely refinanced its debt in 2015 in 2 stages: (i) as part of the IPO in February, then (ii) on April 22 with the issuance of €800 million of 2022 Notes priced at 3.0%.
The new financing structure is totally unsecured without any major repayment before 2020. This leads to a full year normative interest charge which should be a third of that paid before the IPO.
NB: the new financing structure was implemented in February and April 2015. Therefore, the 2015 cost of debt is therefore not normative.

Net result

Net result amounted to -€57.1mn and includes (i) €123.3mn non-recurring expenses related to the IPO and various debt refinancing charges, (ii) a €14.6mn impairment charge and (iii) a €45.6mn PPA depreciation.

Headline net result

The Headline net result was €71.4m in 2015, significantly up relative to 2014. It is after the elimination of (i) the IPO & refinancing expenses, (ii) the impairment charge and (iii) the PPA depreciation (net of tax),

Other financial items

Investments

Group net investments amounted to €259.0mn in 2015 (18.3% of revenues), compared to €143.9mn in 2014 (10.8% of revenues). It should be noted that during 2014, a real estate sale & lease program was undertook which had a favourable impact of c. €93mn. 2015 is notably impacted by linen purchase and by some industrial investments in order to absorb additional volumes linked to large contracts signed at the end of 2014.

Headline free cash-flow

After the elimination of the IPO & refinancing expenses, Headline free cash-flow amounted to €56.6mn, compared to €87.0mn in 2014. This decline is mainly due to the 2014 base effect linked to the sale & lease program.

Adjusted net financial debt

Group adjusted net financial debt as of 31st December 2015 was €1,440.7mn or 3.1x trailing 12 month EBITDA (proforma for the full year impact of acquisitions).
In addition to the elements mentioned above, the net financial debt is impacted by some acquisitions completed at the end of 2014 and by an unfavourable evolution of some non-operating components of the working capital requirement (notably the French CICE which is not pre-financed).

Dividend

At the next Annual General Meeting of Shareholders on 27 May 2016, the Supervisory Board will recommend the payment of €0.35 per share for the 2015 financial year, similar to that approved in 2015 for the 2014 financial year.

Presentation

The **2015 annual results presentation** will be available from 8:30 am Paris time on March, 10th in the "Other press releases and documents" section of our website: http://www.corporate-elis.com/en/investor-relations

Plenary presentation in French, audible live by webcast only

Speakers:
Xavier Martiré, CEO
Louis Guyot, CFO

Date:
Thursday, March 10
9:00 am Paris time – 8:00 am London time

Webcast link (live and replay):
http://edge.media-server.com/m/p/ki95zg9i
Webcast replay will be available for 1 year following the event.

Investor and Analyst conference call in English

Speakers:
Xavier Martiré, CEO
Louis Guyot, CFO

Date :
Thursday, March 10
2:00 pm Paris time – 1:00 pm London time – 8:00 am New York time

Webcast link (live and replay):
http://edge.media-server.com/m/p/p2akm32z
Webcast replay will be available for 1 year following the event.

Numbers to dial:
France: +33 1 76 77 22 29
France (toll-free): 0805 631 579
United Kingdom: +44 203 427 1907
United Kingdom (toll-free): 0800 279 4992
United States of America: +1646 254 3360
United States of America (toll-free): 1877 280 2342
Code: 9012847#

Numbers for replay:
France: +33 1 74 20 28 00
United Kingdom: +44 203 427 0598
United States of America: +1 347 366 9565
Code for replay: 9012847#
Audio replay will be available for 1 week following the event.

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" 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 grants transferred to income.
- EBITDA margin is defined as EBITDA divided by revenues.
- EBIT is defined as net income (loss) before net financial expense, income tax, share in income of equity-accounted companies, amortization of customer relationships, goodwill impairment, other income and expense and miscellaneous financial items (bank fees recognized in operating income).
- Headline free cash-flow is defined as cash EBITDA minus non cash-items items and after (i) business-related changes in working capital, (ii) linen purchases and (iii) manufacturing capital expenditures, net of proceeds, minus interests payments and minus tax paid.
- The concept of Adjusted net debt used by the Group consists of the sum of non-current financial liabilities, current financial liabilities and cash and cash equivalents adjusted by capitalized debt arrangement costs, the impact of applying the effective interest rate method, and the loan from employee profit-sharing fund.

Forward looking statements

This release may contain some forward-looking statements. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions at the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements.
These risks and uncertainties include without limitation the risk factors that are described in the Document de Base and in the 2014 Annual Financial Report, both registered in France with the French Autorité des marchés financiers.
Investors and holders of shares of the Company may obtain copy of these documents from the Autorité des marchés financiers' website: www.amf-france.org or from the Company's website: www.corporate-elis.com
The 2015 Document de Référence will be registered with the Autorité des marchés financiers in the second half of April 2016. The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

Next information

Q1 2016 revenues: May 4, 2016 (before market)

About Elis

Elis is a specialized multi-services group, leader in Europe and Latin America for the rental and maintenance of flat linen, professional clothing, as well as hygiene appliance and well-being services. With more than 21,000 employees spread across 13 countries, Elis consolidated turnover in 2015 was €1,415 million and consolidated EBITDA reached €446 million. Benefiting from more than a century of experience, Elis today services more than 240 000 businesses of all sizes in the hotel, catering, healthcare, industry, retail and services sectors, thanks to its network of more than 300 production and distribution centers and 13 clean rooms, which guarantees it an unrivalled proximity to its clients.

Contact

Nicolas Buron, Investor Relations Director – Phone: +33 1 41 25 46 77 - nicolas.buron@elis.com

Appendices

Consolidated income statement for the period*

In thousands of euros	2015	2014
Revenue	1,415,418	1,330,980
Cost of linen, equipment and other consumables	(240,048)	(222,214)
Processing costs	(518,275)	(470,014)
Distribution costs	(224,819)	(212,921)
Gross margin	432,276	425,831
Selling, general and administrative expenses	(225,346)	(216,748)
Operating income before other income and expense and amortization of customer relationships	206,930	209,083
Amortization of customer relationships	(45,584)	(41,271)
Goodwill impairment	(14,575)	0
Other income and expense	(33,413)	(23,130)
Operating income	113,359	144,681
Net financial expense	(170,932)	(153,551)
Income (loss) before tax	(57,573)	(8,870)
Income tax benefit (expense)	435	(13,018)
Share of net income of equity-accounted companies	0	0
Net income (loss)	(57,138)	(21,888)
Attributable to:		
owners of the parent	(57,613)	(22,731)
non-controlling interests	475	843
Earnings (loss) per share (EPS):		
basic, attributable to owners of the parent	-0.54€	-0.46€
diluted, attributable to owners of the parent	-0.54€	-0.46€

* 2014 figures are restated from the first application of the IFRIC 21 interpretation and are in accordance with IFRS 3 - Business Combinations

Consolidated balance sheet

Assets

In thousands of euros	31 December 2015	31 December 2014
Goodwill	1,589,340	1,536,098
Intangible assets	368,778	404,383
Property, plant and equipment	774,923	707,086
Equity-accounted companies	0	0
Available-for-sale financial assets	146	168
Other non-current assets	6,270	6,890
Deferred tax assets	12,118	12,450
TOTAL NON-CURRENT ASSETS	2,751,575	2,667,074
Inventories	52,547	58,641
Trade and other receivables	358,341	327,863
Current tax assets	4,099	2,842
Other assets	12,780	13,461
Cash and cash equivalents	56,594	59,255
TOTAL CURRENT ASSETS	484,361	462,062
Assets held for sale	0	0
TOTAL ASSETS	3,235,936	3,129,136

Equity and liabilities

In thousands of euros	31 December 2015	31 December 2014
Share capital	1,140,062	497,610
Additional paid-in capital	320,777	175,853
Other reserves	724	7,224
Retained earnings (accumulated deficit)	(361,142)	(302,305)
Other components of equity	(45,616)	(10,105)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,054,804	368,277
NON-CONTROLLING INTERESTS	(338)	(125)
TOTAL EQUITY	1,054,466	368,152
Non-current provisions	22,918	28,997
Employee benefit liabilities	58,259	48,337
Non-current borrowings	1,267,386	1,947,291
Deferred tax liabilities	182,131	197,777
Other non-current liabilities	39,639	34,373
TOTAL NON-CURRENT LIABILITIES	1,570,332	2,256,775
Current provisions	5,766	4,078
Current tax liabilities	1,848	892
Trade and other payables	135,059	139,718
Other liabilities	232,546	234,836
Bank overdrafts and current borrowings	235,919	124,684
TOTAL CURRENT LIABILITIES	611,138	504,208
Liabilities directly associated with assets held for sale	0	0
TOTAL EQUITY AND LIABILITIES	3,235,936	3,129,136

Consolidated cash flow statement*

In thousands of euros	2015	2014*
CASH FLOWS FROM OPERATING ACTIVITIES		
CONSOLIDATED NET INCOME (LOSS)	(57,138)	(21,738)
Depreciation, amortization and provisions	284,508	251,518
Portion of grants transferred to income	(128)	(125)
Goodwill impairment	14,575	0
Share-based payments	981	0
Discounting adjustment on provisions and retirement benefits	824	1,266
Net gains and losses on disposal of assets	1,229	(3,737)
Share of net income of equity-accounted companies	0	0
Other	(1,478)	0
Dividends received (from non-consolidated entities)	(12)	(13)
CASH FLOWS AFTER FINANCE COSTS AND TAX	243,361	227,171
Net finance costs	101,606	151,268
Income tax expense	(435)	13,095
CASH FLOWS BEFORE FINANCE COSTS AND TAX	344,532	391,535
Income tax paid	(17,280)	(21,414)
Change in inventories	5,980	(11,989)
Change in trade receivables	(17,883)	(12,982)
Change in other assets	602	(7,076)
Change in trade and other payables	(14,198)	18,608
Change in other liabilities	(7,159)	5,191
Variation des autres postes	(231)	(471)
Other changes	(455)	(437)
NET CASH FROM OPERATING ACTIVITIES	293,908	360,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	(6,481)	(4,853)
Proceeds from sale of intangible assets	0	0
Acquisition of property, plant and equipment	(261,475)	(231,558)
Proceeds from sale of property, plant and equipment	8,910	92,541
Acquisition of subsidiaries, net of cash acquired	(117,253)	(97,262)
Proceeds from disposal of subsidiaries, net of cash transferred	1,000	1,000
Changes in loans and advances	(226)	121
Dividends from equity-accounted companies	12	13
Investment grants	50	0
NET CASH USED IN INVESTING ACTIVITIES	(375,463)	(239,998)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital increase	689,400	43,000
Treasury shares	(2,175)	0
Dividends paid		
- to owners of the parent	(39,881)	0
- to non-controlling interests	(5)	(9)
Change in borrowings**	(490,785)	(37,237)
- Proceeds from new borrowings	3,962,527	1,270,786
- Repayment of borrowings	(4,453,312)	(1,308,023)
Net interest paid	(76,939)	(117,206)
Other flows related to financing activities	(853)	0
NET CASH USED IN FINANCING ACTIVITIES	78,762	(111,452)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,793)	9,515
Cash and cash equivalents at beginning of period	58,523	48,598
Effect of changes in foreign exchange rates on cash and cash equivalents	(33)	410
CASH AND CASH EQUIVALENTS AT END OF PERIOD	55,697	58,523

* 2014 figures are restated from the first application of the IFRIC 21 interpretation and are in accordance with IFRS 3 - Business Combinations
** Net change in credit lines