



# 2015 ANNUAL RESULTS

March 10<sup>th</sup>, 2016



## FORWARD LOOKING STATEMENTS



*This presentation 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](http://www.amf-france.org) or from the Company's website: [www.corporate-elis.com](http://www.corporate-elis.com)*

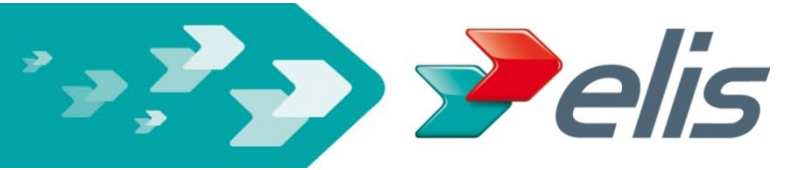
*The 2015 Document de Référence will be registered with the Autorité des marchés financiers in the second half of April 2016. The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.*



## BUSINESS OVERVIEW



## 2015 HIGHLIGHTS



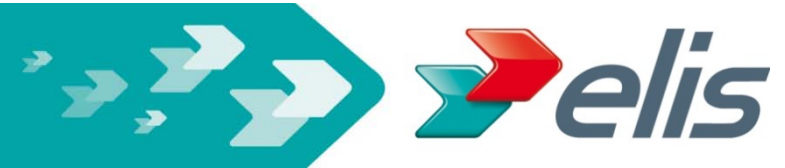
### Solid financial achievements in 2015

- Organic growth of +2.9%
- EBITDA in line with expectations in a difficult macro environment impacted by the terrorist attacks in Paris
- Very good M&A momentum: 9 significant acquisitions completed in 2015
- Successful IPO and full refinancing of debt

### Continued implementation of Group strategy

- Market share gains in all geographies
- Improvement in operational excellence
- Expansion of Latin American platform and entry into Chilean market
- Strong growth in our Pest Control activity (3D)

## 2015 KEY FIGURES

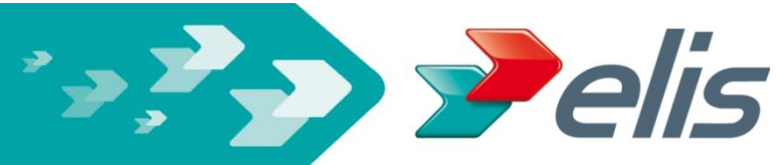


(EUR million)	2015	2015 vs. 2014
Revenues	1,415.4	Reported: +6.3% At constant exchange rate: +6.6% Organic: + 2.9%
EBITDA	446.1	+4.0%
<i>% of revenue</i>	31.5%	-70bps
Headline net result *	71.4	10x
Net debt / EBITDA **	3.1x	4.7x in 2014

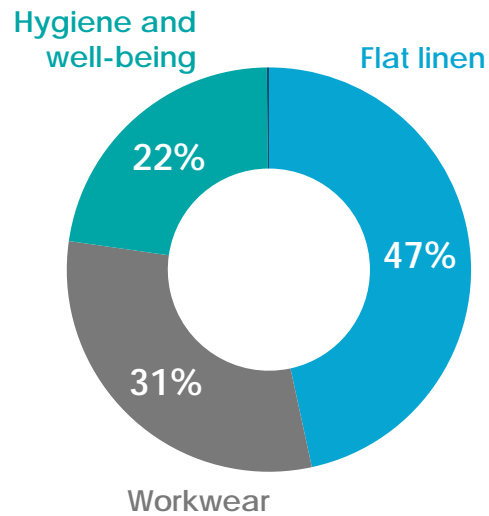
\* After elimination of impairment charge, PPA depreciation and IPO and refinancing expenses (net of tax)

\*\* Trailing 12 months EBITDA, proforma for the full year impact of acquisitions

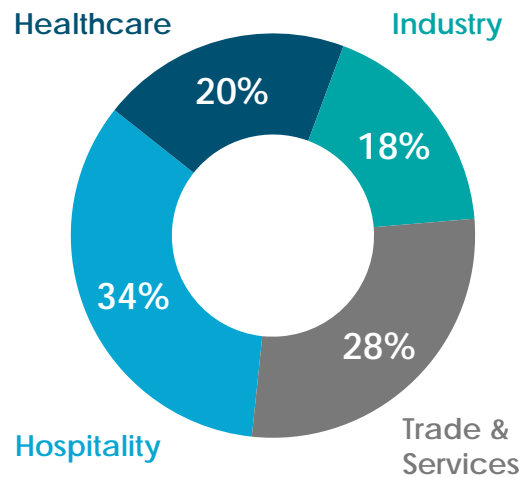
# 2015 REVENUE BREAKDOWN



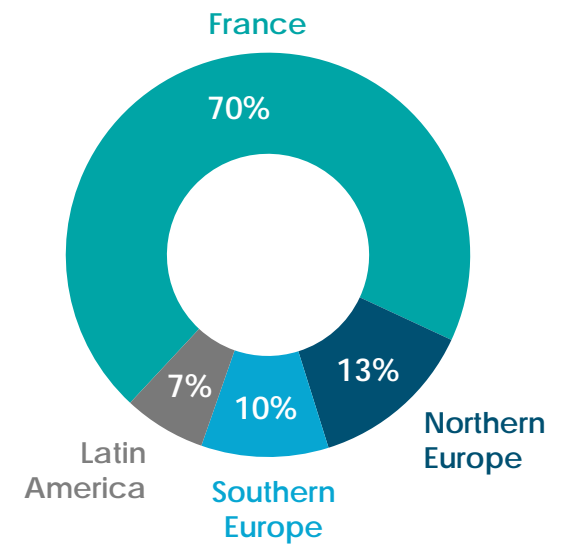
## By activity



## By end-market

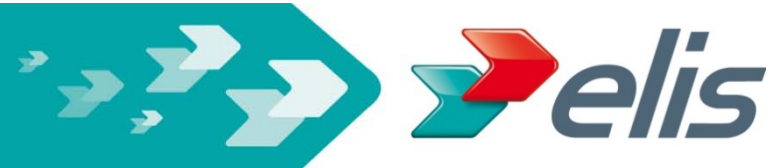


## By geography



*Northern Europe includes Switzerland, Germany, Belgium, Luxembourg and Czech Republic  
Southern Europe includes Spain, Portugal and Italy  
Latin America includes Brazil and Chile*

## 2015 REVENUE PER QUARTER



(EUR million)	Q1	Q2	Q3	Q4	2015
<b>2015 revenues</b>	<b>322.0</b>	<b>360.4</b>	<b>381.2</b>	<b>351.8</b>	<b>1,415.4</b>
2014 revenues	302.4	341.9	355.8	330.9	1,331.0
Reported growth	+6.5%	+5.4%	+7.1%	+6.3%	+6.3%
<b>Growth at constant exchange rates</b>	<b>+5.6%</b>	<b>+5.0%</b>	<b>+8.0%</b>	<b>+7.6%</b>	<b>+6.6%</b>
<b>Organic growth</b>	<b>+2.6%</b>	<b>+2.1%</b>	<b>+4.0%</b>	<b>+2.6%</b>	<b>+2.9%</b>

## ORGANIC GROWTH BY COUNTRY



---

### 2015 organic growth

---

> 4%

Spain, Belux, Czech Republic

---

From 3% to 4%

Brazil, Portugal, Italy

---

From 0% to 3%

France, Switzerland, Germany

---

< 0%

-

---



# 2015 KEY BUSINESS HIGHLIGHTS



## France



- Market share gains
- Continued roll-out of large contracts
- Difficult macro environment and low visibility
- Controlled pricing pressure

## Northern Europe



- Good M&A momentum with 4 acquisitions in 2015
- Elis became market leader in Switzerland
- Negative impact from Swiss Franc on winter season activity

## Southern Europe



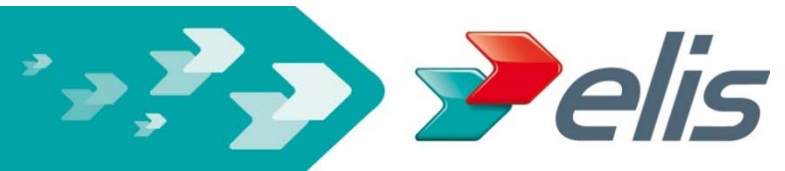
- Very good commercial momentum in our 3 countries
- Double-digit organic growth in Spain
- Consolidation in Spain with acquisition of 4<sup>th</sup> largest market player
- Transfer of know-how and productivity improvement

## Latin America



- Difficult macro environment in Brazil
- Good commercial momentum with organic growth above 3% in Brazil
- Acquisition of Albia, n°1 player in Chile
- Strong productivity improvement <sup>9</sup>

# CONTRACT WINS & RENEWALS



	Wins	Renewals
Hospitality		
Healthcare		
Industry / Trade & Services		

## NEW STATE OF THE ART PLANT IN NANTERRE



- 10,000sqm dedicated to hospitality clients
- Plant ideally located - less than 10km from Paris
- Capacity of above 450 tons with 2 teams over 6 days
- Absorbs the volumes from the Puteaux plant (closed during summer 2015)



# VERY STRONG M&A MOMENTUM IN 2015



## France



- 1 laundry mainly serving Hospitality clients in the Gironde region
- Acquisition of small client portfolios
- Further network improvement

## Germany



- 1 laundry in Munich, 2 near Frankfurt and 2 near Hamburg\*
- Elis remains a small player but is growing in some key regions

\* Announced in January 2016

## Switzerland



- 4 laundries (Canton of Graubünden, canton of St. Gallen, Zurich)
- Unrivalled coverage with a network of 15 laundries

## Brazil



- 2 laundries serving Healthcare clients: 1 in Fortaleza (Northeast) & 1 near São Paulo\*
- Further network improvement in strategic regions

\* Announced in January 2016

## Spain



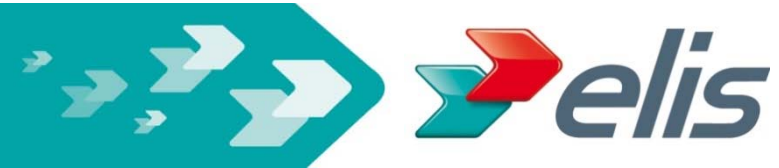
- Acquisition of 4<sup>th</sup> largest player
- 1 laundry in Alicante and 1 in the Balearic Islands
- Network improvement and quick synergies

## Chile



- Acquisition of market leader, Albia
- 8 laundries serving Healthcare, Hospitality and Industry (mining) clients
- Complementary to Brazilian activity in Latam

# ELIS ENTERS CHILE AND EXPANDS ITS LATAM PLATFORM



## Why Chile?

- Linen rental and maintenance market already developed, and growing
- Elis immediately becomes market leader in the country with 25% market share (#2 and #3 have c. 9% and 6% respectively)
- Additional consolidation opportunities
- Economically, socially and politically stable country

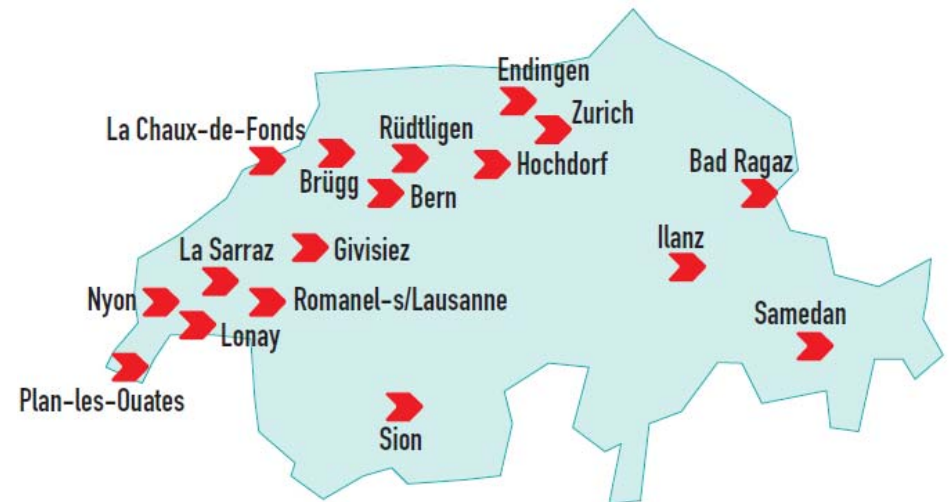
## Key figures

- Annualized revenues of c. €20mn
- EBITDA margin in line with existing Brazilian operations
- Attractive acquisition multiple

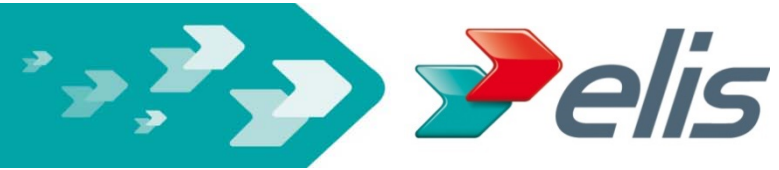
## ELIS BECOMES MARKET LEADER IN SWITZERLAND



- In 5 years, Elis has grown from niche player to market leader
- Solid organic growth coupled with 7 targeted acquisitions (including 2 in 2015)
- c. €100mn sales and one of the best EBITDA margins in Europe within the Group



# CONTROLLED PRICING PRESSURE IN FRANCE



## 2013 background:

- French market has been difficult for several years. However, Elis structurally outperformed its competitors.
- Elis' market share was underweight with large accounts



## 2014: Elis implements strategy to gain market share

- Minor price discounts granted to some large accounts, compensated by productivity improvements from the additional volumes signed
- Many commercial successes



## H2 2015: initiatives taken by Elis

- Pricing review launched with the help of specialized external consultants and implementation of an action plan
- Slight decrease in pressure from competitors



## 2015: generalized pricing pressure

- In a soft market with no inflation, some competitors reacted strongly to win back volumes that had been lost to Elis
- Significant impact on margin at the end of H1 2015

## SUCCESSFUL IPO AND FULL REFINANCING

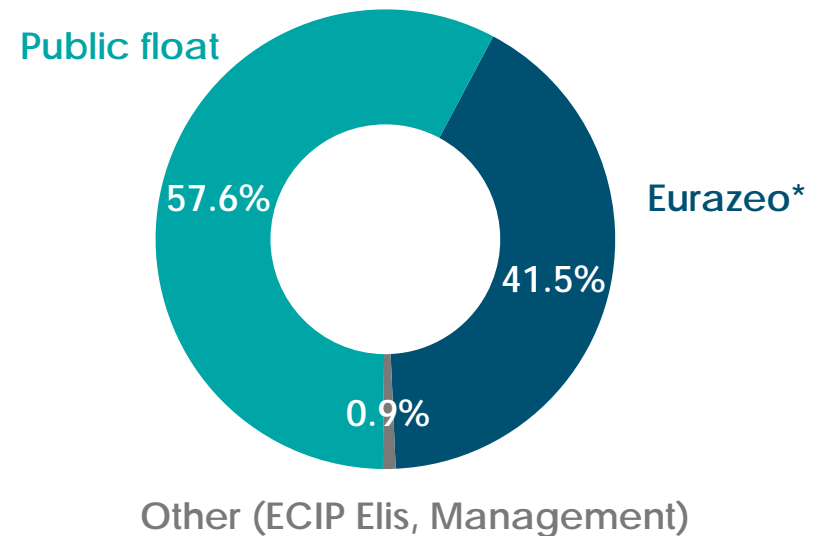


### February: IPO

- Total offering size: €854m (post greenshoe)
- Public float: 58% of share capital

### April: full refinancing

- 2 attractive sources of financing: banking & bond debt
- Average cost of debt below 3%
- Normative cash interest of €45m per year
- No significant repayment before 2020



\*: of which 38.5% of total share capital through Legendre Holding 27 SAS





## FINANCIAL HIGHLIGHTS



## 2015 RESULTS



(EUR million)	2015	2014	Change
Revenues	1,415.4	1,331.0	+6.3%
EBITDA	446.1	429.1	+4.0%
% of revenues	31.5%	32.2%	-70bps
EBIT	208.4	210.2	-0.9%
% of revenues	14.7%	15.8%	-110bps
Headline net result *	71.4	6.5	+997.2%
Headline free cash flow **	56.6	87.0	
Adjusted net debt at end of period	1,440.7	2,019.1	
Adjusted net debt / EBITDA ***	3.1x	4.7x	





\* After elimination of impairment charge, PPA depreciation and IPO and refinancing expenses (net of tax)

\*\* After elimination of IPO and refinancing costs

\*\*\* Trailing 12 months EBITDA, proforma for the full year impact of acquisitions

# 2015 KEY FINANCIAL HIGHLIGHTS



<p>France</p>		<p>Europe</p>	
	<ul style="list-style-type: none"> <li>• +2.5% organic growth driven by the roll-out of large contracts (Hospitality and Healthcare)</li> <li>• Q4 organic growth impacted by the terrorist attacks in Paris</li> <li>• EBITDA margin drop contained to -70bps</li> </ul>		<ul style="list-style-type: none"> <li>• +20% revenue growth</li> <li>• Strong organic growth in Southern Europe (+8.0%) with double-digit organic growth in Spain</li> <li>• M&amp;A in Germany, Switzerland and Spain</li> <li>• +60bps EBITDA margin improvement driven by productivity gains</li> </ul>
<p>Latin America</p>		<p>Group</p>	
	<ul style="list-style-type: none"> <li>• +3.2% organic growth in Brazil despite difficult macro environment</li> <li>• Good commercial performance but decline in activity from existing clients</li> <li>• +110bps improvement in EBITDA margin through transfer of know-how</li> </ul>		<ul style="list-style-type: none"> <li>• +2.9% organic growth</li> <li>• EBITDA of €446.1mn</li> <li>• EBITDA margin drop contained to -70bps</li> <li>• IPO and full refinancing of debt: cost of debt now below 3%</li> </ul>

## 2015 REVENUE BY GEOGRAPHY



(EUR million)	2015	2014	Reported growth	Organic growth
Hospitality	309.5	290.5	+6.6%	+6.6%
Industry	189.6	187.6	+1.0%	+1.0%
Trade & Services	340.0	338.8	+0.3%	+0.3%
Healthcare	159.7	152.5	+4.7%	+4.7%
<b>France *</b>	<b>978.1</b>	<b>954.0</b>	<b>+2.5%</b>	<b>+2.5%</b>
Northern Europe	185.2	148.7	+24.5%	+1.4%
Southern Europe	142.5	125.5	+13.5%	+8.0%
<b>Europe</b>	<b>327.7</b>	<b>274.3</b>	<b>+19.5%</b>	<b>+4.4%</b>
Latin America	92.2	85.3	+8.0%	+3.2%
Manufacturing entities	17.5	17.4	+0.7%	-3.3%
<b>Total</b>	<b>1,415.4</b>	<b>1,331.0</b>	<b>+6.3%</b>	<b>+2.9%</b>

\* After other items including rebates

## QUARTERLY 2015 ORGANIC GROWTH BY GEOGRAPHY



(EUR million)	Q1	Q2	Q3	Q4	2015
Hospitality	+5.2%	+7.7%	+8.4%	+4.0%	+6.6%
Industry	+2.0%	-0.6%	+1.0%	+1.8%	+1.0%
Trade & Services	-0.7%	-1.2%	+2.2%	+1.1%	+0.3%
Healthcare	+3.7%	+4.6%	+5.9%	+4.6%	+4.7%
<b>France *</b>	<b>+2.5%</b>	<b>+2.0%</b>	<b>+3.8%</b>	<b>+1.6%</b>	<b>+2.5%</b>
Northern Europe	-0.8%	-0.9%	+4.5%	+2.5%	+1.4%
Southern Europe	+7.9%	+7.1%	+8.1%	+9.1%	+8.0%
<b>Europe</b>	<b>+3.0%</b>	<b>+2.8%</b>	<b>+6.2%</b>	<b>+5.4%</b>	<b>+4.4%</b>
Latin America	+2.0%	+5.0%	+0.8%	+4.8%	+3.2%
Manufacturing entities	+1.7%	-4.3%	-9.1%	-1.5%	-3.3%
<b>Total</b>	<b>+2.6%</b>	<b>+2.1%</b>	<b>+4.0%</b>	<b>+2.6%</b>	<b>+2.9%</b>

\* After other items including rebates

## EBITDA MARGIN EVOLUTION



(EUR million)	2015			2014			Change		
	H1	H2	FY	H1	H2	FY	H1	H2	FY
France	33.9%	36.8%	35.4%	35.1%	37.0%	36.1%	-120bps	-20bps	-70bps
Europe	22.3%	26.6%	24.6%	24.0%	23.9%	24.0%	-170bps	+270bps	+60bps
Latam	19.1%	23.7%	21.4%	19.5%	21.0%	20.3%	-40bps	+270bps	+110bps
Group	30.0%	32.9%	31.5%	31.8%	32.7%	32.2%	-180bps	+20bps	-70bps

## FROM EBITDA TO NET RESULT



(EUR million)	2015	2014
<b>EBITDA</b>	<b>446.1</b>	<b>429.1</b>
Depreciation and amortization	(237.7)	(218.9)
<b>EBIT</b>	<b>208.4</b>	<b>210.2</b>
Bank charges	(1.5)	(1.1)
PPA depreciation	(45.6)	(41.3)
Goodwill impairment	(14.6)	-
Other operating income and expenses *	(12.3)	(23.1)
<b>Operating result before IPO &amp; refinancing expenses</b>	<b>134.4</b>	<b>144.7</b>
IPO & refinancing expenses *	(123.3)	-
Financial income / (expenses)	(68.7)	(153.6)
Tax	0.4	(13.0)
<b>Reported net result</b>	<b>(57.1)</b>	<b>(21.9)</b>
<b>Headline net result **</b>	<b>71.4</b>	<b>6.5</b>

\* Excluding IPO and refinancing expenses

\*\* After elimination of impairment charge, PPA depreciation and IPO and refinancing expenses (net of tax)

# CASH FLOW STATEMENT



(EUR million)	2015	2014
<b>Gross cash flow</b>	<b>445.4</b>	<b>425.7</b>
Change in operating working capital requirement	(33.3)	(9.2)
• of which operating	(9.2)	(4.2)
• of which non operating	(24.1)	(5.0)
Tax	(17.3)	(21.4)
Interests payments excl. IPO & refinancing expenses	(72.0)	(130.3)
<b>Net cash flow from operating activities</b>	<b>322.8</b>	<b>264.8</b>
Capital expenditures (net)	(258.8)	(143.8)
• of which linen capital expenditures	(167.8)	(168.2)
• of which industrial capital expenditures	(100.1)	(68.2)
• of which capital gains	9.1	92.6
Others	(7.5)	(34.0)
<b>Headline free cash flow</b>	<b>56.6</b>	<b>87.0</b>
Dividends	(39.9)	-
Equity increase	701.4	43.0
IPO & refinancing expenses	(134.2)	-
Financial investments (net)	(115.9)	(96.1)
Other change in debt	110.4	(60.9)
<b>Total cash flow</b>	<b>578.4</b>	<b>(27.0)</b>
<b>Adjusted net debt as of end of period</b>	<b>1 440.7</b>	<b>2 019.1</b>

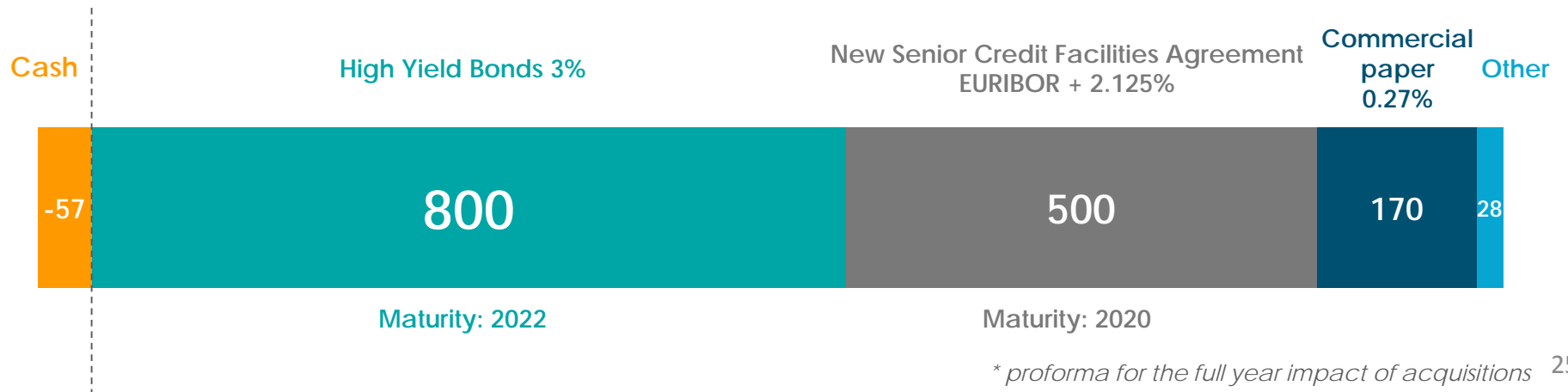


# FULL REFINANCING OF DEBT

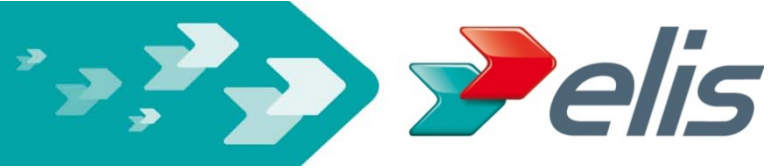


- Net debt as of 31 December 2015: €1,440.7mn and Adjusted net debt / EBITDA\* ratio of 3.1x (covenant of 4.0x)
- 2 attractive sources of financing: banking & bond debt
- Average cost of debt below 3%
- Normative cash interest of €45m per year
- No significant repayment before 2020

## Breakdown of net debt as of 31 December 2015 (millions EUR)



## KEY TAKEAWAYS



- Solid revenue growth and EBITDA in line with expectations
- France EBITDA margin drop contained and improvements in Europe and Latin America
- Enhanced financial flexibility following IPO with full refinancing of debt

# GROWTH STRATEGY AND OUTLOOK



# A STRATEGY TO DELIVER PROFITABLE GROWTH



Consolidate our  
position through  
organic and  
external growth

Expand our  
Latin American  
platform










Launch  
new services

Continuous  
improvement in  
operational  
excellence

# MARKET SHARE GAINS



Country	Elis positioning			Market size	Estimated Elis' 2015 market share
	2010	2014	2015		
 France	<b>1</b>	<b>1</b>	<b>1</b>	€2.0bn	40%-50%
 Switzerland	Niche player	<b>2</b>	<b>1</b>	€400mn	30%-40%
 Brazil	Not present	<b>1</b>	<b>1</b>	€900mn	10%-20%
 Spain	<b>3</b>	<b>3</b>	<b>2</b>	€600mn	10%-20%
 Germany	Present in 4 regions	Present in 5 regions	Present in 7 regions	€3.0bn	<10%
 Chile	Not present	Not present	<b>1</b>	€80mn	20%-30%
 Portugal	<b>1</b>	<b>1</b>	<b>1</b>	€80mn	40%-50%

# RAPID EXPANSION OF OUR BRAZILIAN PLATFORM



January 2014

Revenue: BRL0mn



- Elis present since 2012 through a small commercial office in São Paulo
- 4 employees

End of 2014

Revenue: BRL265mn



- Acquisition of Atmosfera (February) and of L'Acqua (July)
- 9 production and distribution centers
- 1 clean room
- 3,500 employees

End of 2015

Revenue: BRL324mn

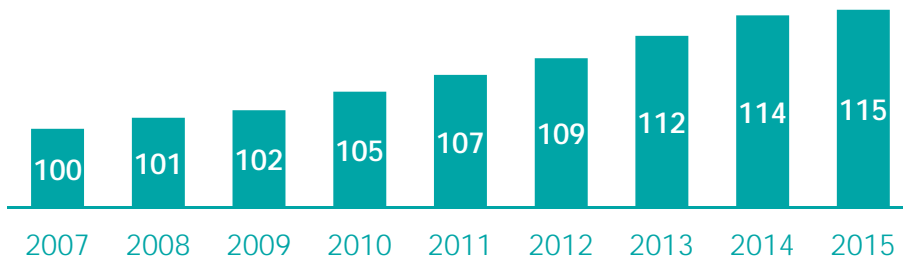


- Further external growth activity
- 15 production and distribution centers
- 1 clean room
- 4,000 employees

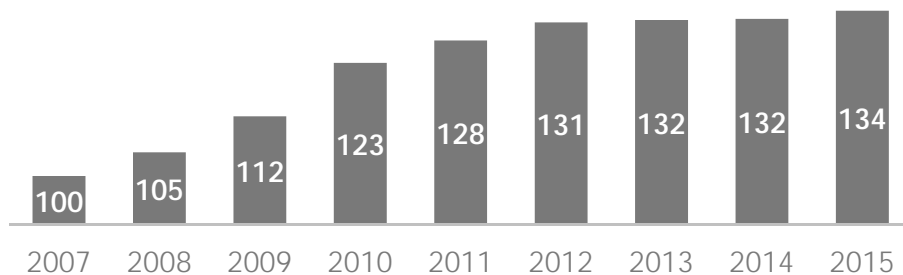
# CONTINUOUS IMPROVEMENT IN PRODUCTIVITY



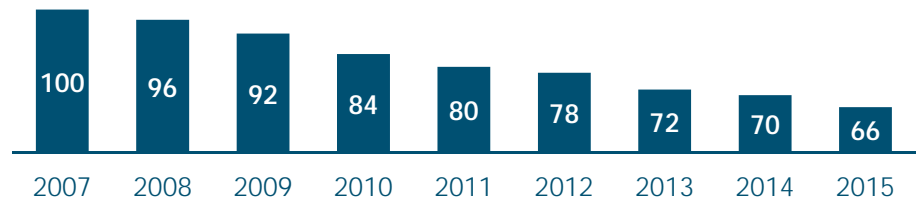
Flat linen productivity in kg per hour  
(100 basis in 2007)



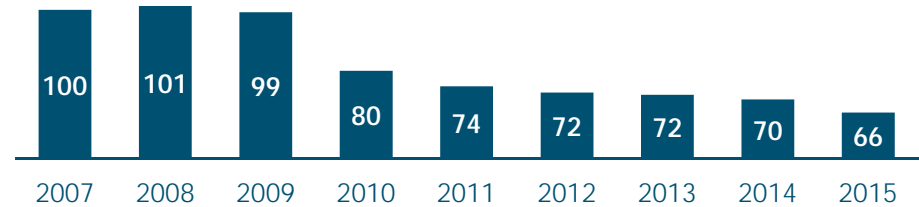
Workwear productivity in units per hour  
(100 basis in 2007)



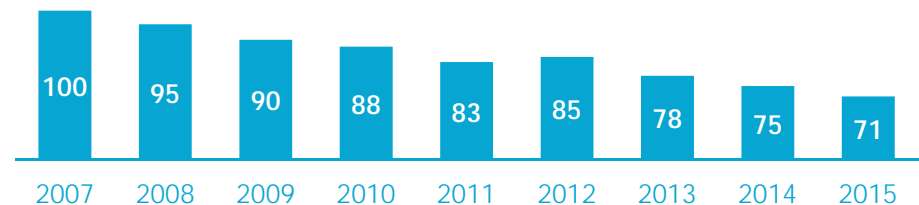
Water consumption in l per kg  
(100 basis in 2007)



Cost of washing products in €ct per kg  
(100 basis in 2007)



Energy consumption in kWh per kg  
(100 basis in 2007)



# DEVELOPMENT OF OUR PEST CONTROL ACTIVITY



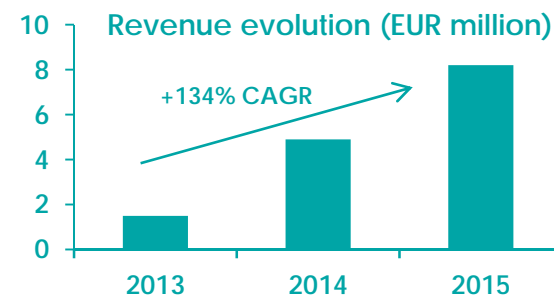
## Background

2010: Acquisition of AF System in Italy  
2011: Launch of 5 test sites in Europe  
2012: Launch of Elis' 2D Prevention service  
2014: Move to our 3D offer. Implementation of Regional Technical Centers and development of layout



## Achievements

- ✓ Strong revenue growth despite regulatory constraints
- ✓ Strong penetration with the food industry (c. 60% of sales)
- ✓ Improving customer satisfaction
- ✓ Creation of a centralized dedicated team



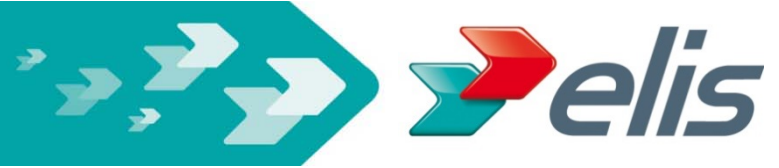
## Targets

- Revenue of €15mn in 2016 leveraging on Group's deep portfolio of existing clients
- Accelerate European expansion
- Further improve customer satisfaction and service diversification to meet client expectations





## 2016 OUTLOOK



- Revenue:
  - €1.5bn (+6% yoy)
  - +3% organic growth
  - +4% external growth
- EBITDA margin:
  - -30bps in France
  - Further margin improvement in Europe and Latin America



# 2015 ANNUAL RESULTS

March 10<sup>th</sup>, 2016

