2018 full-year results

› March 7, 2019

Disclaimer

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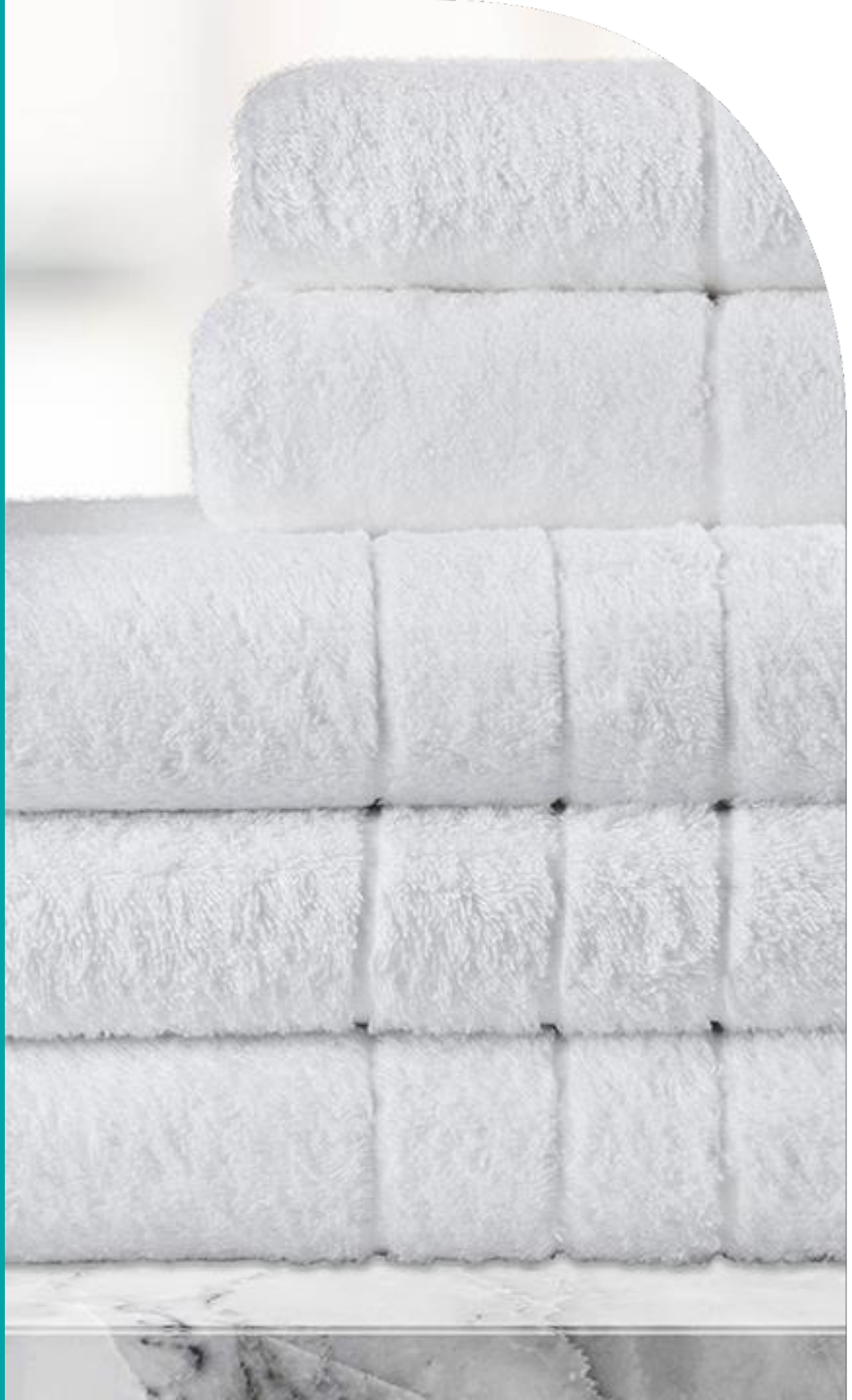


Business highlights

Xavier Martiré - CEO

2018 highlights:
Strong operational and financial performance

Very solid financial performance reflecting the dynamism of Elis' historic scope and the successful integration of Berendsen

- Group revenue[1] up +42.8% at €3,133.3mn
  Pro forma organic growth of +2.4%
- Group EBITDA margin[1] at 31.5%
  +70bps vs. 2017 on a pro forma basis
- Margin up in all geographies
- Capex to sales of 20.1%, including c. 2.0% of extra capex for Berendsen, in line with our plan
- Free cash-flow at €154mn
- Headline net result[1] up +40% at €224mn

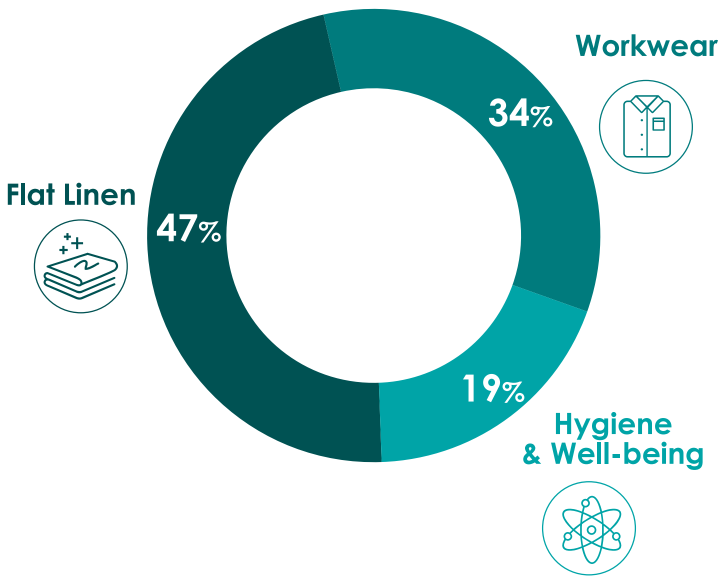
Excellent execution of our integration plan for Berendsen

- Scandinavia remains best-in-class with high-performing countries
- UK operations now stabilized with significant productivity gains over the year and margin improvement in the region despite inflation
- Germany remains difficult but market is evolving in the right direction
- €50mn of cumulated synergies in 2018, with limited one-off costs associated
- Capex plan in line with phasing target

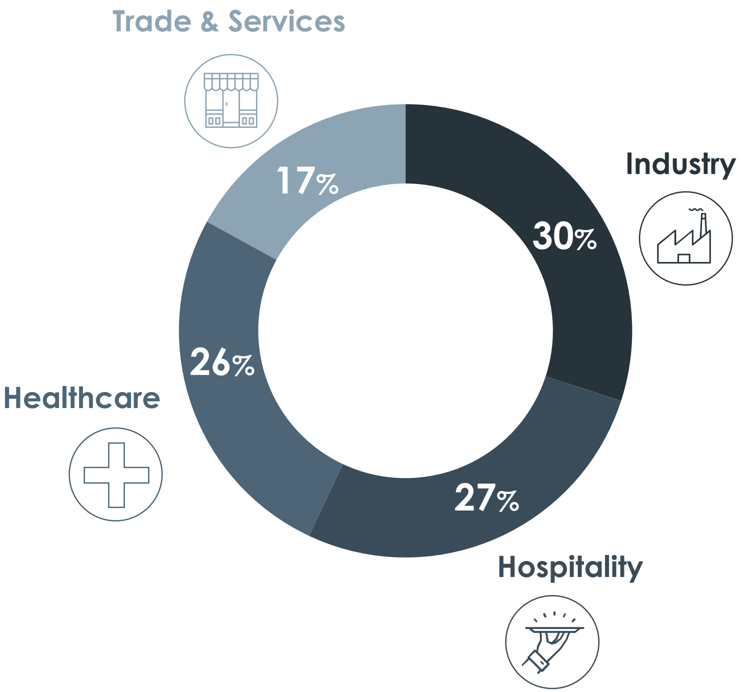
[1] *Continuing activities: Elis publicly announced the decision to sell the Clinical Solutions business (only present in the UK with revenue of €67.3mn in FY 2018). The deal is expected to occur in the 6 next months. In consequence, this activity is presented in discontinuing activities in the accounts.*

2018 actual revenue breakdown: A well-balanced group

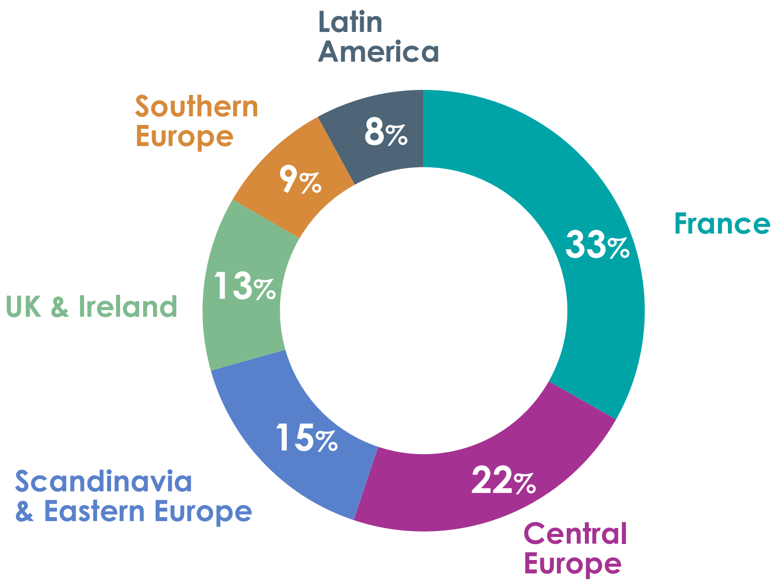
By activity



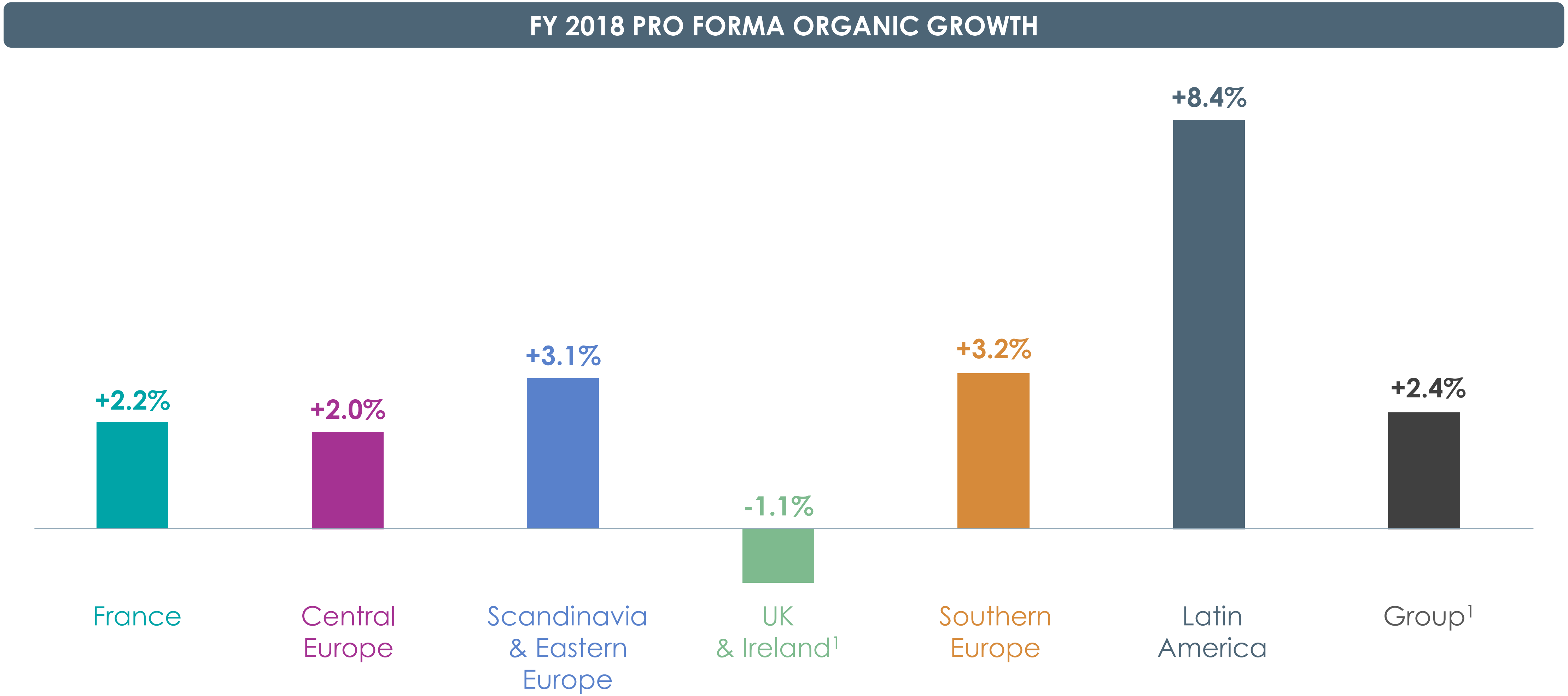
By end-market



By geography



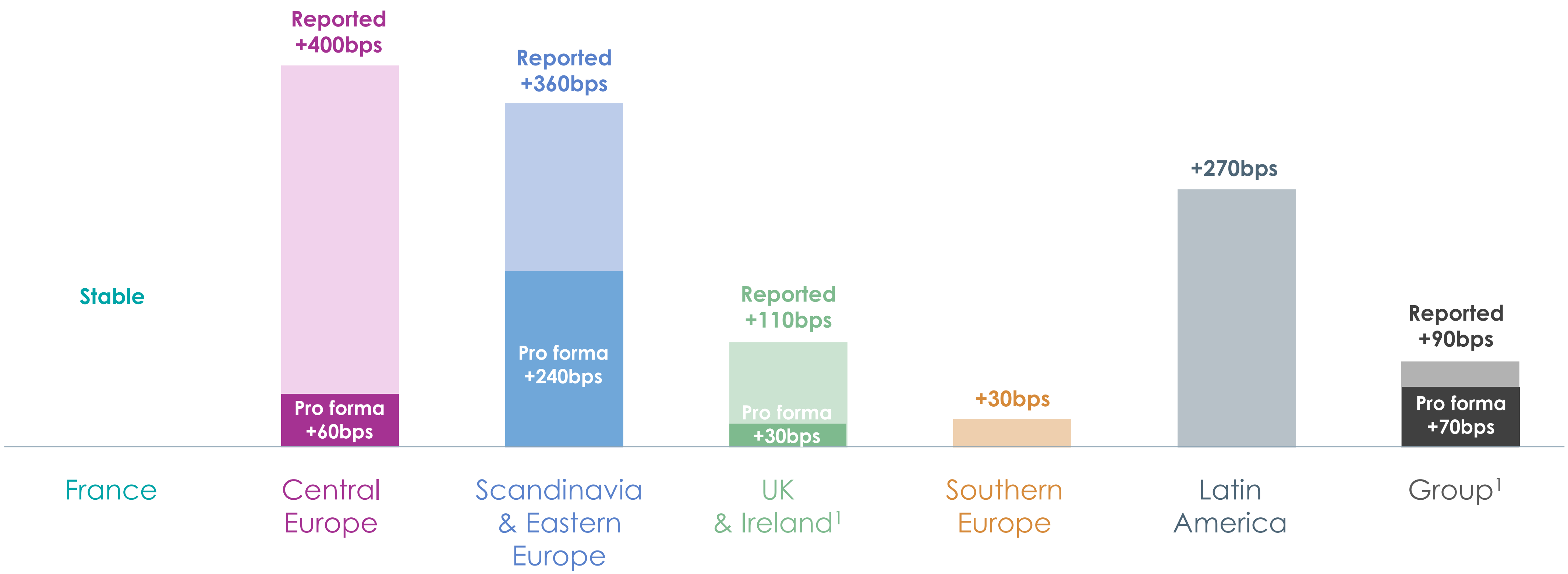
Good organic momentum in Elis' geographies, UK improving



[1] Excluding the Clinical Solutions activity for 2018 and 2017 (UK & Ireland only)

Margin improvement in all geographies

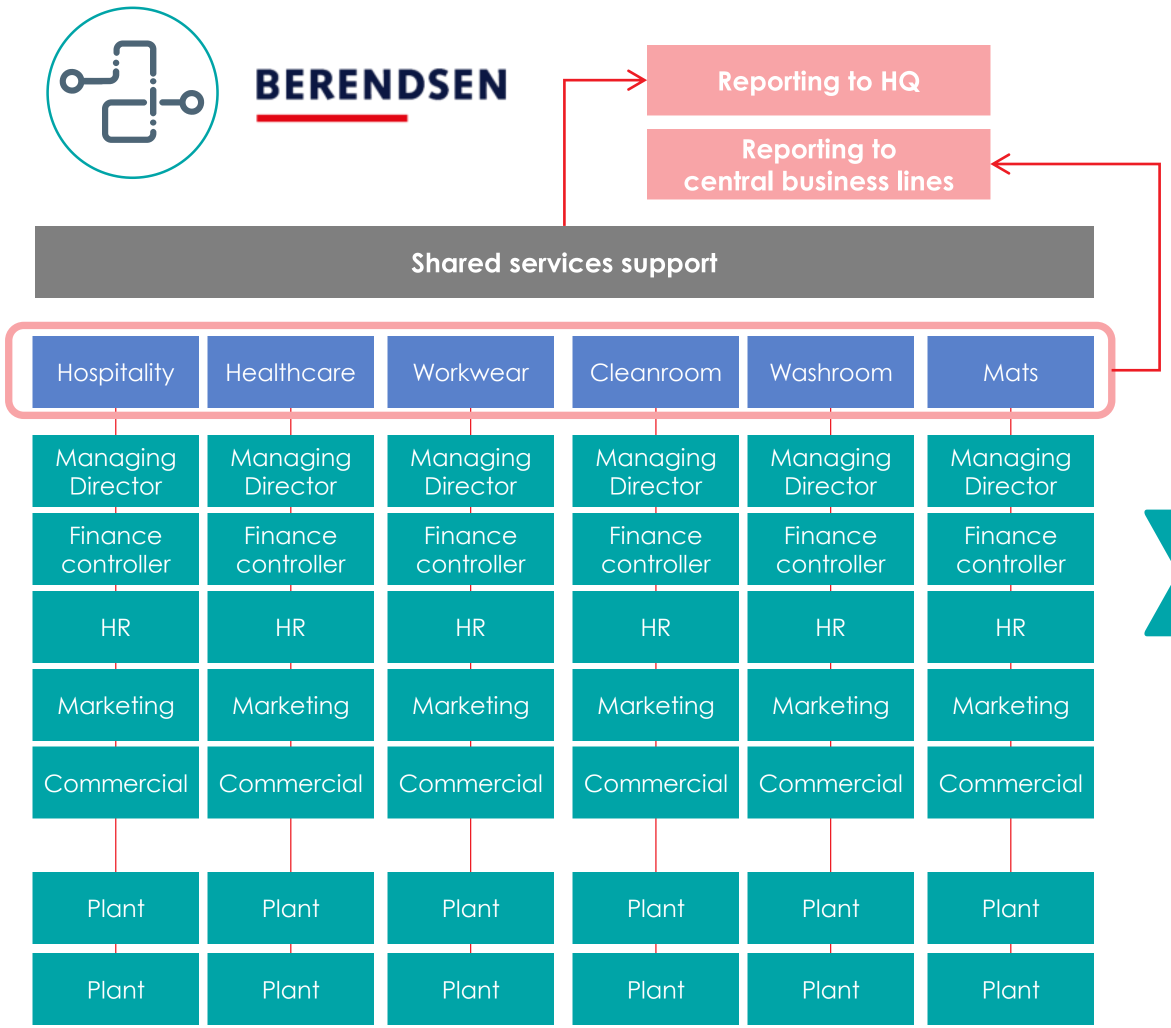
CHANGE IN EBITDA MARGIN (2018 VS. 2017)



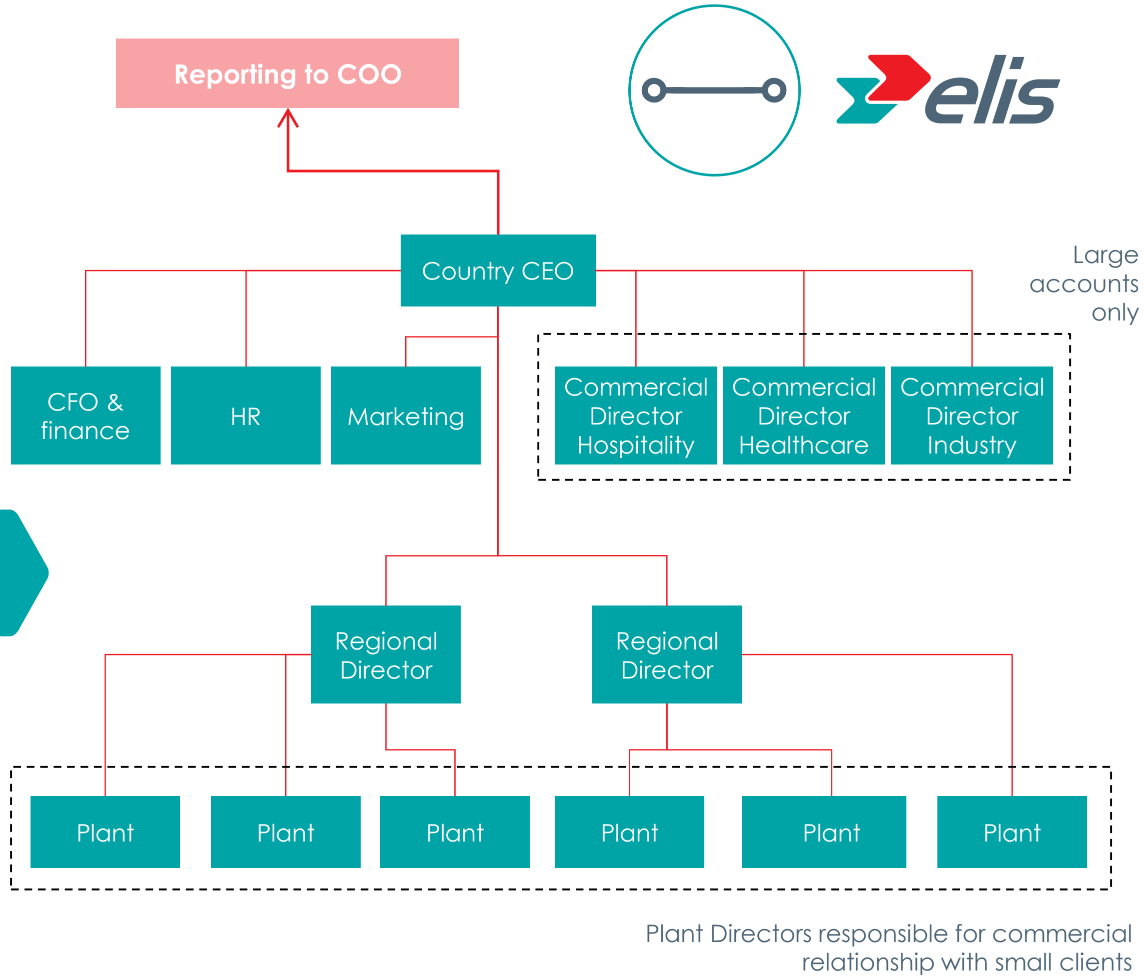
	France	Central Europe	Scandinavia & Eastern Europe	UK & Ireland[1]	Southern Europe	Latin America	Group[1]
EBITDA margin	35.0%	30.6%	37.4%	26.4%	26.4%	26.9%	31.5%

[1] *Excluding the Clinical Solutions activity for 2018 and 2017 (UK & Ireland only)*

Successful implementation of the more agile Elis organization in all Berendsen countries



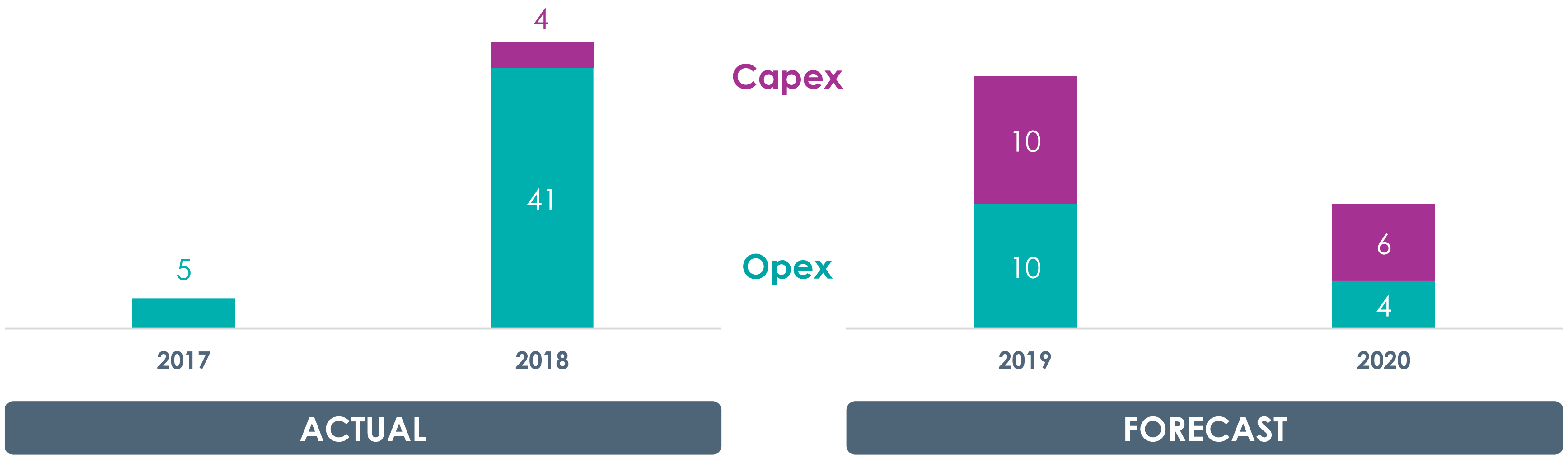
- Fully centralized: No commercial responsibilities for Plant Directors
- Multiplication of layers



- Decentralized: Plant Directors act as local CEOs and are in charge of commercial activity with small clients
- Shared support teams at country level or Group level

€50mn cumulated synergies achieved in 2018, in line with phasing target

Cumulated synergies	€5mn ✓	€50mn ✓	€70mn	€80mn

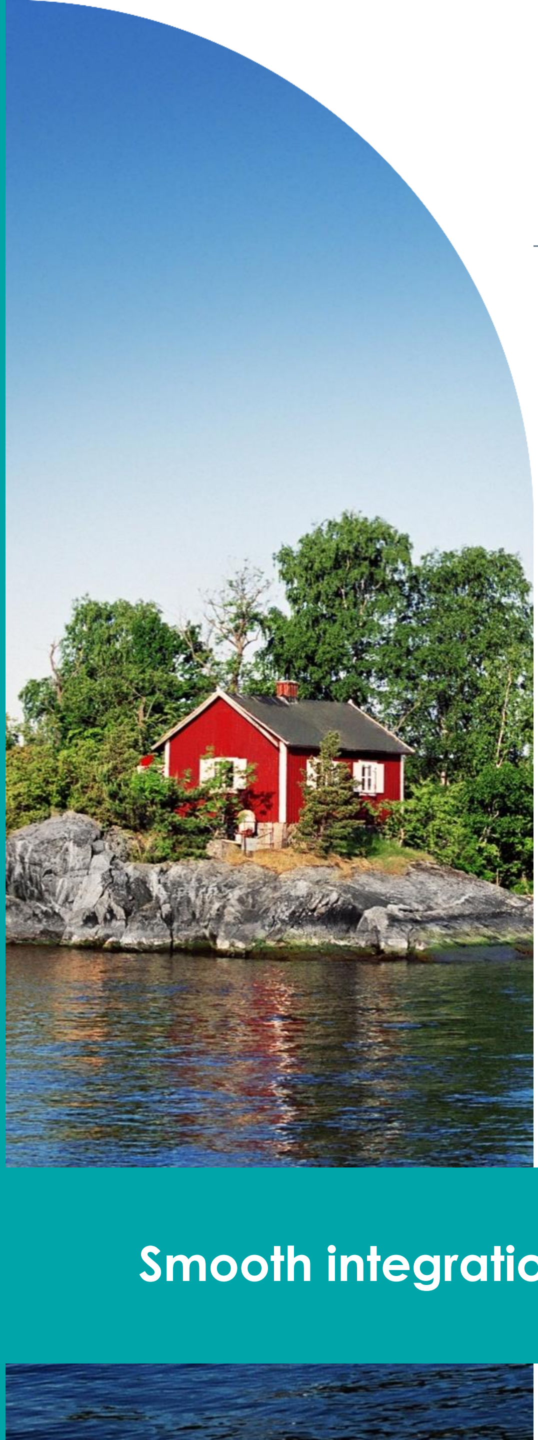


Main synergies:

- Central structure: c. 120 layoffs (but c. 45 hires)
- Local structure: c. 210 layoffs
- Central costs
- Purchasing (opex and capex)

Main synergies:

- Further optimization improvement
- Operational costs savings
- IT capex improvement



Scandinavia: Very good fit between Elis and Berendsen's historical strong performers

Successful change in countries' organization while maintaining a high degree of customer satisfaction

- Implementation of the **Elis organization** with **decentralized responsibilities**
- **Overhead cost rationalization** driving margin improvement
- **Strong commercial dynamism** and best-in-class profitability with:
  - Some high margin countries (>35%), pretty mature but still growing (>3% organic growth)
  - Some fast-growing countries (>25% organic growth) with below average but growing margin

Sharing of best practices further boosting commercial dynamism

- **Internal contests** between Group countries had a **positive impact on topline growth**
- Roll-out of the **multiservice approach,** leading to **logistics synergies**
- **Harmonization** of Elis' sanitary equipment across Scandinavian countries

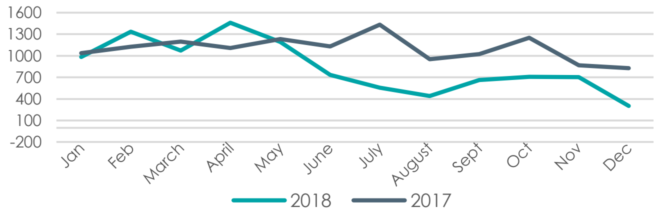
Smooth integration with revenue and profitability improvement

UK: Improved quality and price increase in Hospitality

FOCUS ON CLIENT SATISFACTION LED TO CHURN RATE IMPROVEMENT

- Local management now in charge of **customer relationships**, enabling better reactivity
- Implementation of **volume forecasting tools** for enhanced inventory management and improved reliability of service

Marked decrease in Hospitality customers' complaints



PRICE INCREASE NEGOTIATED WITH HOSPITALITY CLIENTS

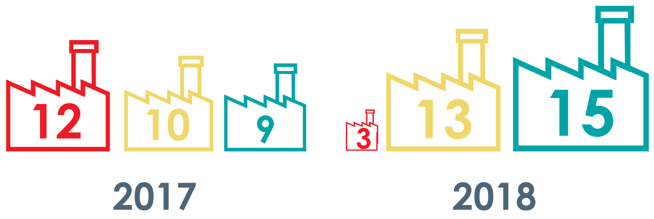
- **Pricing in Hospitality** was significantly below market average due to deteriorating quality of service and discount policy before acquisition by Elis
- **Strong focus on pricing** in a context of high cost inflation and client portfolio rationalization

+2.8% price increase in 2018 vs. **-1.3%** price decrease in 2017

ROLL-OUT OF OUR INDUSTRIAL PLAN

- Improvement of **plant layout** and **logistics organization**
- **3 plant shutdowns** in 2018
- **Multiservice approach** implemented when relevant
- Roll out of **Elis know-how** with Elis managers sent to the UK and creation of a UK-based Methods team

Number of plants (low/average/good efficiency)



UK: Strong focus on retention of Workwear clients

HISTORICAL LACK OF FOCUS ON WORKWEAR CLIENT RETENTION

- **Churn rate was not monitored** prior the acquisition
- **Lack of commercial policy** and of **attention paid to customers**
- **Inefficient centralized customer relationship team** based in London

➲ **Client retention** far below Elis average

2018 Elis Group churn:
c. 6%

2018 UK Workwear churn:
c. 13%

IMPLEMENTATION OF ACTIONS TO STRUCTURALLY IMPROVE THE RELATIONSHIP WITH CUSTOMERS

- Implementation of a plant-by-plant **monthly reporting on contract losses**
- **Account managers** now in charge of the day-to-day monitoring of a pool of clients
- **Immediate actions taken** in case of client cancellation
- **Improved quality of service** is helping negotiations

THE SITUATION IS IMPROVING IN 2018

4	3	2
Improving churn	Stable churn	Deteriorating churn

UK & Ireland: Slight pro forma margin improvement thanks to synergies despite inflation headwinds in H2

SIGNIFICANT COST INFLATION FOR LAUNDRY PLAYERS IN THE UK

Cost nature	Increase as per TSA	% of Elis cost structure	Estimated impact on Elis
Labour	**+4.4%**	**47%**	**+2.1%**
Energy	**+24.7%**	**8%**	**+2.0%**
Diesel	**+6.3%**	**3%**	**+0.2%**
Other	**+3.2%**	**42%**	**+1.3%**
Total	**n/a**	**100%**	**+5.6%**

Source: TSA Q3 2018 (Textile Services Association), Elis calculation

We expect further cost increase in 2019 e.g. on labor costs (c. +4.9% already announced by the British Government)

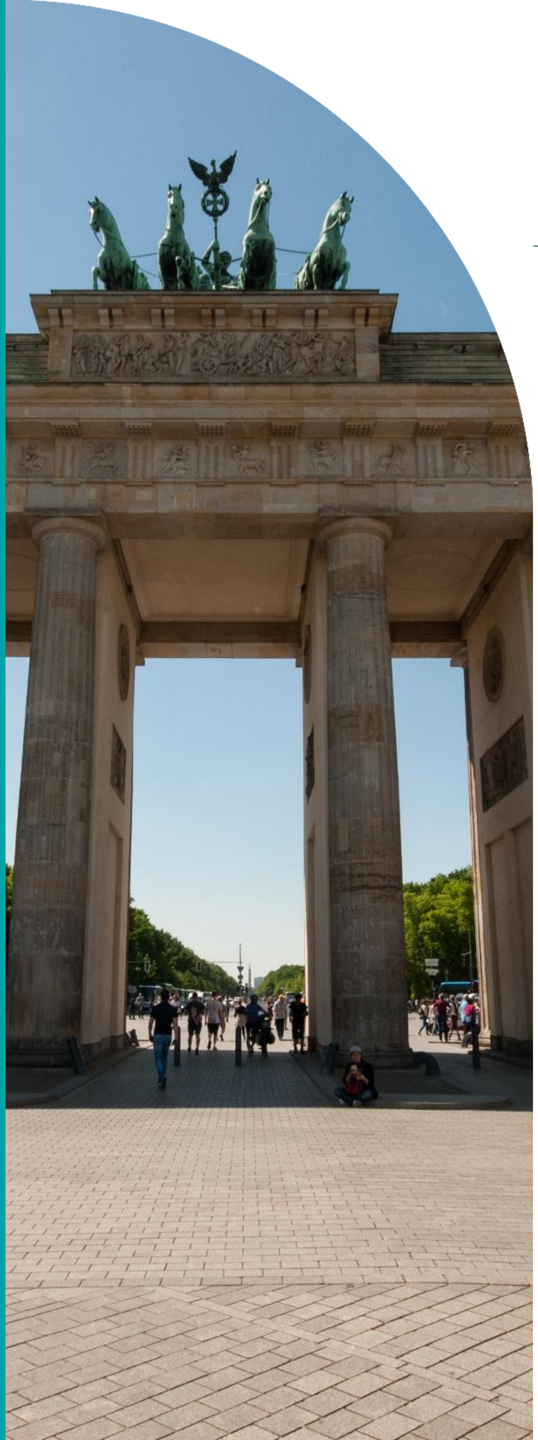
+30BPS INCREASE IN PRO FORMA EBITDA MARGIN OF THE REGION BUT CHALLENGES REMAIN

Without the synergies, margin in the region would be down in 2018 due to:

- **Strong inflation:** In 2018, strong increase in production costs, especially in H2
- **High churn in Workwear:** Revenue still significantly down in this highly profitable segment
- **Negative mix effect:** Workwear margin is twice the Hospitality margin

MAIN AREAS OF OPERATIONAL FOCUS FOR THE COMING YEARS

- **Pricing increase** in Hospitality
- **Client retention** in Workwear
- **Productivity gains** in the plants
- **Fixed costs reduction, footprint** and **plant headcount rationalization**



Germany: New organization fully in place in a challenging but evolving market

NEW ORGANIZATION IS FULLY IN PLACE

New regional organization and **reporting processes** fully in place

Plant managers are now responsible for **all aspects of their plants** (operations, commercial, HR, etc.)

Focus is put on **operational excellence**

MARKET REMAINS CHALLENGING

- **Low unemployment rate** in Germany is leading to **wage inflation** for blue/white-collars
  - ➲ **HR measures are improving Group's attractiveness**
- **Market is the most fragmented in Europe with prices below European average due to regional competition**

WORKWEAR STILL WELL-ORIENTED

- **Commercial initiatives led to significant contract gains,** of which one material contract in 2018 (Automotive sector, €2mn/year)
- **+5% topline growth in 2018**
- **High and stable margins**

FOCUS IN HEALTHCARE FOR FLAT LINEN

- Several bankruptcies of small players due to overly low prices and historical lack of investment
- Gradual consolidation of the Healthcare market with 3 acquisitions in 2018
- ➲ **Healthier competitive environment**

- Commercial and industrial initiatives
- ➲ **Significant contract gains in 2018**
- ➲ **Successful merger of networks and logistics reorganization**

The combination of Elis and Berendsen brings additional revenue upside

Roll-out of Berendsen's industrial wipers activity to Elis' countries

- Industrial wipers is a service that was historically provided by Berendsen
- Mainly used by industries such as automotive and metallurgy
- Rolled out in France in 2018

Elis' new pan-European presence is boosting commercial activity

Many new multi-country contracts or contract extensions have been signed with Hospitality and Industry players

SAFRAN, Marriott, Constellium, Scandic, arianeGroup, VOLVO, Hilton, valspar

Roll-out of the Pest Control service in the Berendsen countries is currently under study

elis PEST CONTROL

- Steady development of the Pest control business with c. 10% increase in 2018 at €22mn
- **200** specialized field agents
- **6 countries as of today** (France, Switzerland, Italy, Spain, Portugal and Luxembourg)

elis

Update on Indusal and Lavebras

Industrial integration of Indusal in Spain is completed but pricing upside is delayed

- **Operational adjustments** have been achieved in a timely manner
- **Good dynamic** in the Spanish **Workwear** and **Industry** end-markets; Slowdown in **Hospitality**
- **Pricing dynamism has been disappointing** in Indusal scope due to weak commercial culture
- **+22% minimum wage increase** announced by the Government in December 2018
  ➔ EBITDA margin target for Spain (30%) remains valid in the mid-term

The Lavebras integration is in line with plan

- **Operational adjustments** have been achieved in a timely manner
- **Confirmation of the total amount of synergies expected** (BRL60mn) and EBITDA margin for Brazil (30%) by the end of 2019
- **Concentrated customer base** in Brazil leading to larger swings from contract gains or losses

Elis pursued its targeted acquisition strategy with 7 bolt-on acquisitions signed in 2018 and 3 to date in 2019

January 2019 — Hospitality, Public sector
- 2017 revenue: €8mn
- Closed in January 2019

Carpeting ENTRÉMATTOR — February 2019 — Mats
- 2018 revenue: €3.5mn
- Closed in March 2019

KINGS LAUNDRY — July 2018 — Hospitality
- 2017 revenue: €31mn
- Estimated closing date: H1 2019 subject to antitrust approval

Curantex TEXTILE SERVICE-SYSTEME — December 2018 — Healthcare
- 2017 revenue: €14mn
- Closed in January 2019

January 2019 — Hospitality
- 2018 revenue: €3m
- Closed in January 2019

A&M — April 2018 — Hospitality
- 2017 revenue: €8mn
- Closed in April 2018

Triton LAVANDERIAS — December 2018 — Hospitality
- 2017 revenue: €8mn
- Closed in December 2018

WÄSCHEREI WAIZ — June 2018 — Healthcare
- 2017 revenue: €10mn
- Closed in June 2018

Metropolitana Lavandería Metropolitana — December 2018 — Hospitality, Healthcare, Industry
- 2017 revenue: €4mn
- Closed in January 2019

BW TEXTILSERVICE — March 2018 — Healthcare
- 2017 revenue: €24mn
- Closed in March 2018

Embedded M&A impact of +2.2%[1] in 2019

[1] Assuming a late Q2 closing for the Kings Laundry acquisition

Elis is at the forefront of innovation in the laundry business

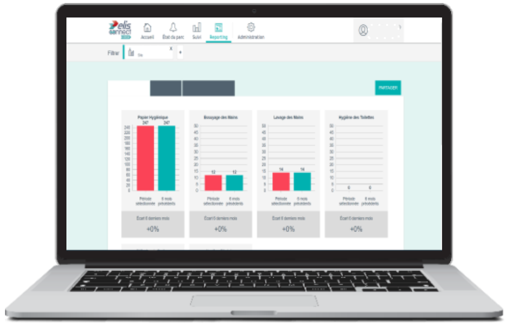
Virtual reality provides Elis with a large range of additional commercial tools

- Real-time demo to visualize how an Elis product would look in a client's environment
- Customization and 3D preview for garments
- +10,000 products showcased
- Body scanner internal tool for easy sizing sessions
- Time saving and more convenient for companies with high employee turnover

Traceability is valuable to our clients

- Using RFID technology, *Elis connect* portal provides clients with real-time information on their linen inventory to optimize their linen orders and avoid excess inventory
- *Elis connect* tools let the client know when the level of a hygiene product is running low, enabling replacement of the product before it runs out

This leads to higher **client retention**



Environment and Social are part of Elis culture and history

SAVING WATER AND ENERGY

- In France, since 2010, we have saved the equivalent of **3,375 Olympic swimming pools** and the equivalent of the consumption of **over 80,000 average households in thermal energy**
- In France since 2010:

more than **30% reduction in water use**

more than **25% energy savings**

c. **20% laundry products savings**

SEVERAL LOCAL ACTIONS TO PROMOTE CIRCULAR ECONOMY

- **Spain:** New plant opened in Barcelona is fully equipped with **solar panels** and **photovoltaic water heaters** resulting in **a reduction of 80 tons of CO_2 per year**
- **The Netherlands:** Elis has won the Sustainability Award – Industrial Textile Service (ITS) trophy at the CINET Global Best Practices
- **The "Fusion" range of products** has obtained the Cradle to Cradle certification meaning that all dispensers and papers are **100% recyclable**

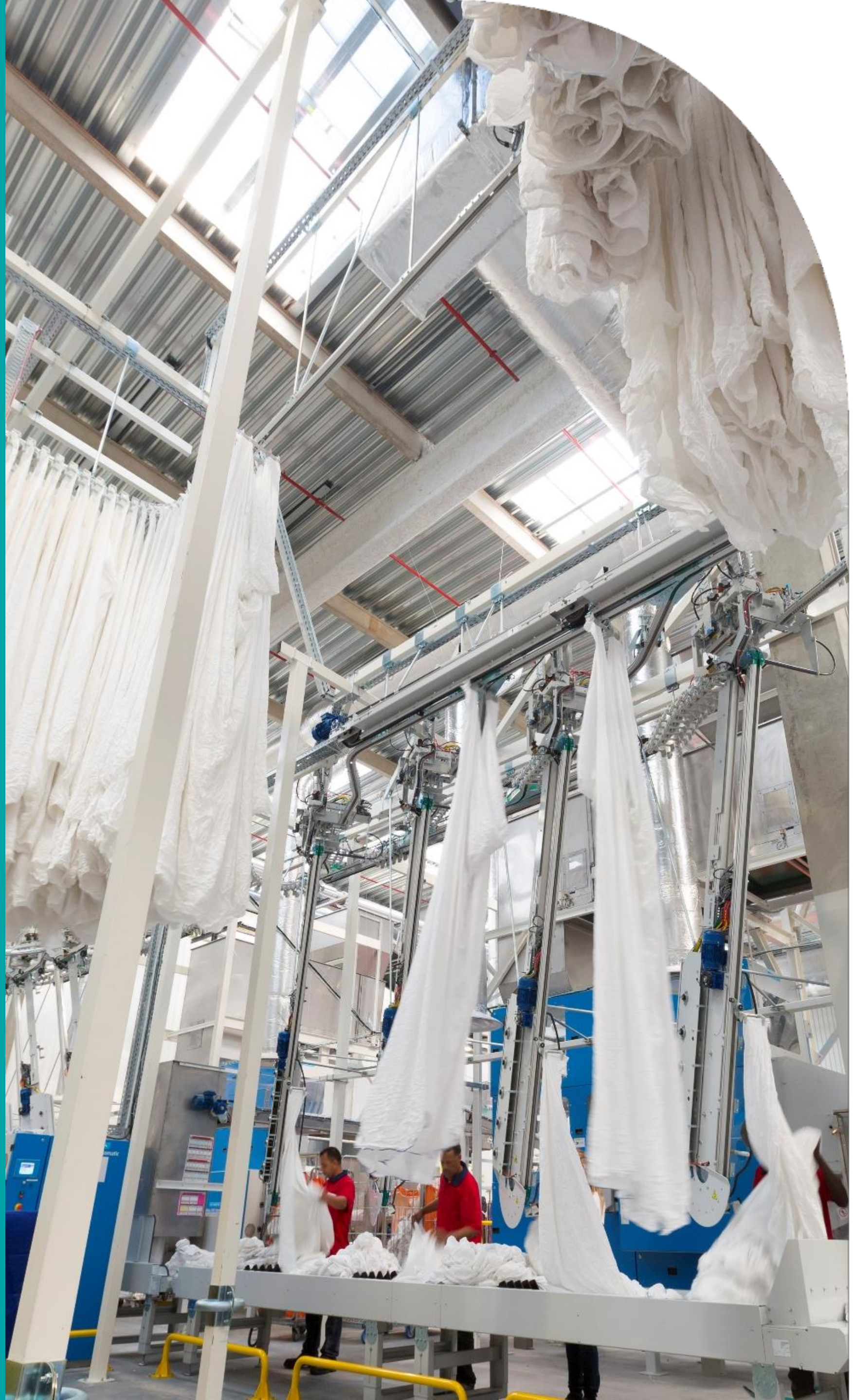
EMPLOYEE EVENTS ARE PART OF THE ELIS CULTURE

At Elis, **commitment and exemplarity** at work is rewarded every year.
The best **130 workers** of the Group become part of the "Club des Chevrons" and win a 3-day vacation with the person of their choice.
The "Club des Chevrons" exists since 1987 and is part of Elis' DNA.

ELIS RANKED 15th/230

at the 2018 Gaia Index Campaign based on level of transparency and performance

Notes



Operational performance
Louis Guyot - CFO

FY 2018 key figures: Strong improvement in all financial KPIs

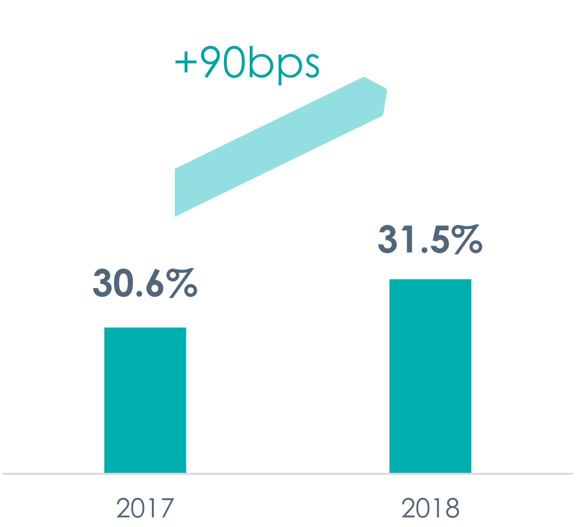
(In €mn)	FY 2018	Reported	Pro forma for Berendsen
Revenue[1]	3,133.3	+42.8%	+3.0%
		Organic: +2.6%	Organic: +2.4%
		FX impact: -1.9%	FX impact: -1.8%
EBITDA[1]	985.6	+47.1%	+5.3%
% of revenue	*31.5%*	*+90bps*	*+70bps*

(In €mn)	FY 2018	FY 2017	Change
Headline net result[1]	224.3	159.7	+40.4%
Free cash-flow	153.7	(119.0)	n/a

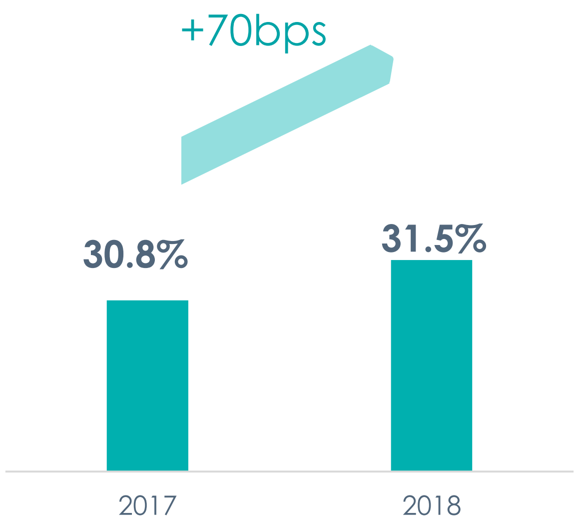
[1] *Continuing activities: Elis publicly announced the decision to sell the Clinical Solutions business (only present in the UK with revenue of €67.3mn in FY 2018). The deal is expected to occur in the 6 next months. In consequence, this activity is presented in discontinuing activities in the accounts.*

Group: Good organic performance and EBITDA margin improvement

REPORTED



PRO FORMA



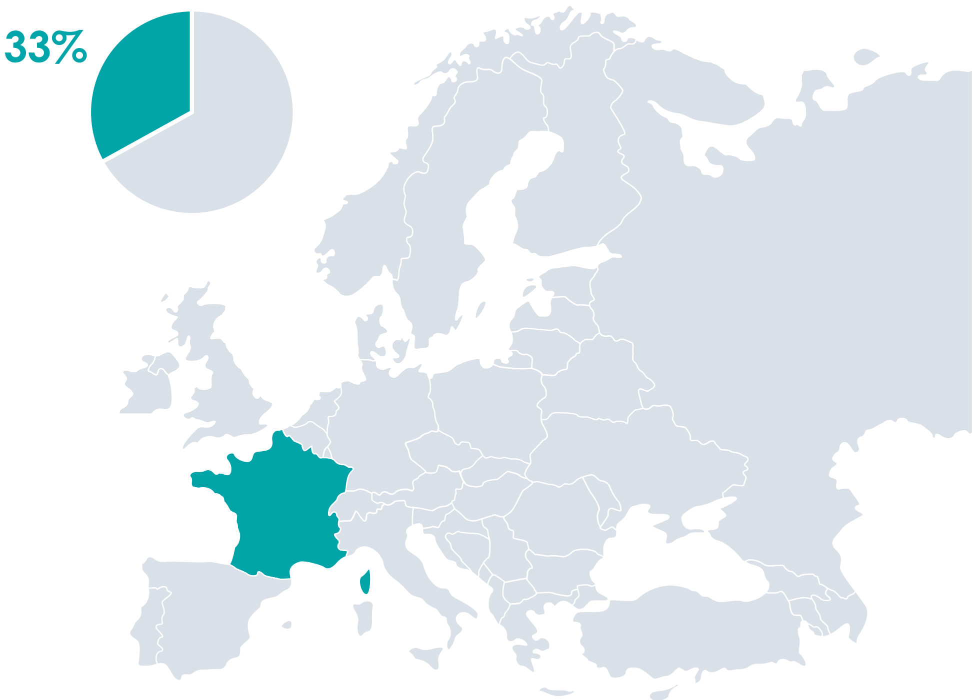
- Solid organic growth at Elis level (+2.6%), impacted on a pro forma basis (+2.4%) by the negative performance in the UK
- **Group pro forma EBITDA margin up +70bps** due to benefits from the integration of Berendsen and productivity gains in Elis countries

Organic growth: +2.6% / pro forma: +2.4%[1]
EBITDA margin: 31.5% of revenue (+70bps[1] vs. 2017)

[1] *vs. full-year 2017 pro forma for the integration of Berendsen*

France: Good performance overall despite some headwinds

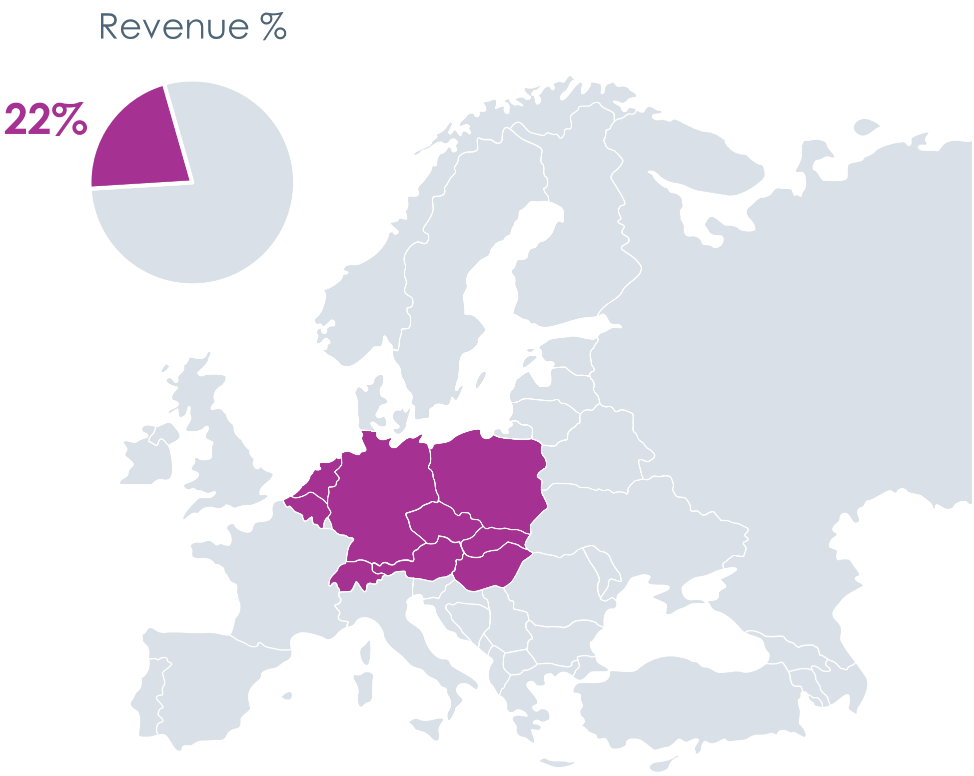
Revenue %



- Revenue up +2.4% of which **+2.2% organic growth**
- **Good commercial momentum** and **good activity**
- Slightly favorable **price environment**
- +3.1% organic growth in Q4 despite the Yellow Vests movement (impact of c. -€1.5mn in December)
- EBITDA margin at a satisfactory level of **35%** despite tax headwinds (CICE, tax on used water) and increase in fuel price

Organic growth: +2.2%
EBITDA margin: 35.0% of revenue (stable vs. 2017)

Central Europe: Good momentum and encouraging trends in Germany and Switzerland



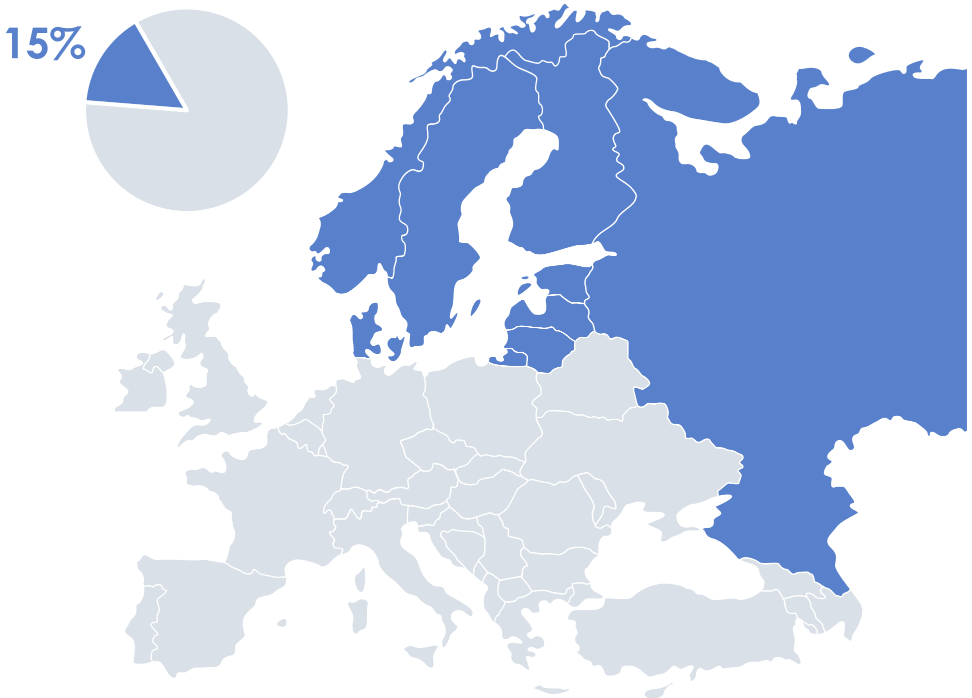
- **Good momentum** in the Netherlands, Poland, Czech Republic, Slovakia and Hungary
- **In Germany:**
  - **Flat linen market** remains **fragmented** despite a positive trend in Healthcare
  - **Workwear** remains **well-oriented**
- **Switzerland remains challenging** but an improvement in trends is expected for 2019 following the change in management last October
- **EBITDA margin improvement** driven by:
  - The roll-out of **Elis' multi-service approach** in the Netherlands resulting in logistics costs savings
  - **Some central costs savings** as part of Berendsen integration

Organic growth: +2.0%[1]
EBITDA margin: 30.6% of revenue (+60bps[1] vs. 2017)

[1] *vs. full-year 2017 pro forma for the integration of Berendsen*

Scandinavia & Eastern Europe: Very dynamic performance

Revenue %

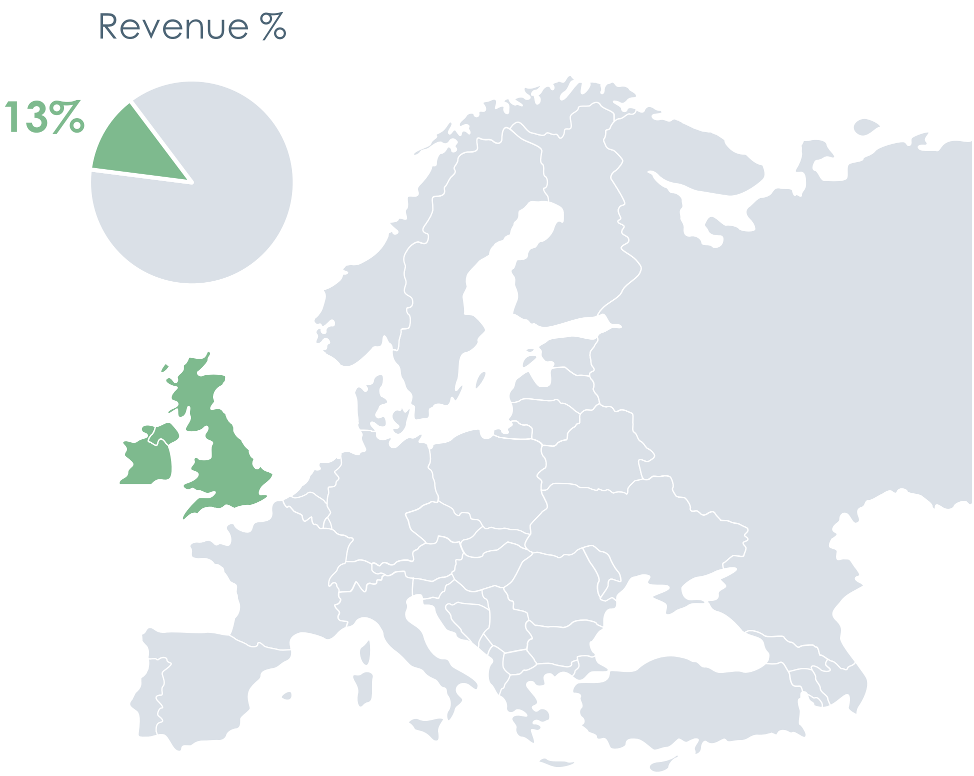


- **Organic revenue up +3.1%[1]**, FX impact of -3.2%[1]
- Very **good commercial momentum** in Russia, Baltics, Finland and Sweden
- Slightly more limited performance in Denmark and Norway
- **Material EBITDA margin improvement** due to **central cost savings** (Scandinavia used to bear the vast majority of Berendsen's central costs) and **local structure rationalization**

Organic growth: +3,1%[1]
EBITDA margin: 37.4% of revenue (+240bps[1] vs. 2017)

[1] vs. full-year 2017 pro forma for the integration of Berendsen

UK & Ireland: Good top line momentum and slight margin improvement despite inflation



- **Organic revenue down -1.1%[1]** (compared to -2.9% last year) with an **improving trend throughout the year**
- **Actions implemented** to restore quality of service have led to **positive results**:
  - **Client retention** and **price increase** in Hospitality
  - **Churn improvement** in Workwear in some plants
- **No Brexit impact** identified at this stage: our business mix (70% of revenue with Healthcare and Hospitality clients) provides **resilience**
- **EBITDA margin improvement** due to **reorganization** and **actions implemented**, slightly offset by rising inflation in H2 2018 (especially in energy, on top of increase in minimum wage)
- **Significant productivity gains** in most plants

Organic growth: -1.1%[1]
EBITDA margin: 26.4% of revenue (+30bps[1] vs. 2017)

[1] *vs. full-year 2017 pro forma for the integration of Berendsen*

Southern Europe: Portugal remains solid and Spain shows encouraging trend

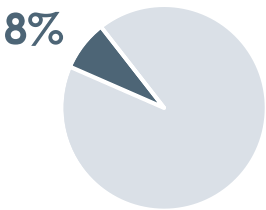
Revenue %

- **High single-digit organic growth in Portugal** and low single-digit in Spain
- **Further market share gains in Spain** thanks to commercial initiatives and more outsourcing in Workwear
- **Hospitality slowdown in Spain in 2018** compared to 2017 due to regained interest for countries like Tunisia, Morocco, Greece or Turkey
- **EBITDA margin slightly up**, with Spain lacking pricing momentum in 2018

Organic growth: +3.2%
EBITDA margin: 26.4% of revenue (+30bps vs. 2017)

Latin America: Fundamentals remain very good

Revenue %



- **Organic revenue up +8.4%**, FX impact of -14.7%
- **Commercial momentum in Brazil** remains very strong in terms of prices and commercial development
- EBITDA margin driven by the full-year impact of **Lavebras consolidation** and by further **productivity gains** in the region

Organic growth: +8.4%
EBITDA margin: 26.9% of revenue (+270bps vs. 2017)

Headline net result up +40%

(In €mn)	FY 2018[1]	FY 2017 reported[1]	Var.
Revenue	**3,133.3**	**2,193.6**	**+42.8%**
EBITDA	**985.6**	**670.2**	**+47.1%**
As a % of revenue	*31.5%*	*30.6%*	*+90bps*
EBIT	**426.4**	**294.4**	**+44.8%**
As a % of revenue	*13.6%*	*13.4%*	*+20bps*
Current operating income	**407.5**	**284.2**	**+43.4%**
Amortization of customer relationships	(112.5)	(79.1)	
Non current operating income and expenses	(49.8)	(89.0)	
Operating income	**245.2**	**116.2**	**+111.0%**
Financial result	(110.5)	(59.8)	
Tax	(51.7)	(13.6)	
Net result continuing operations	**83.0**	**42.8**	**+93.9%**
Consolidated net result	**81.8**	**42.1**	**+94.3%**
Headline net result	**224.3**	**159.7**	**+40.4%**

- Revaluation of Berendsen's tangible assets and IT intangible assets: Impact of c. -40bps on EBIT

- Amortization of customer relationships:
  - End of the 2007 Eurazeo takeover PPA amortization
  - Beginning of the Lavebras and Berendsen PPA amortization (impact of c. €80mn per year)

- Non current operating charges mainly related to (i) Berendsen restructuring costs (c. €24mn) and (ii) the non-accrued portion of earn-outs regarding previous acquisitions (c. €21mn)

[1] *Continuing activities*

Financial charges FY 2018 (cash and non-cash)

	(In €mn)	P&L	(In €mn)	Cash-flow
	Debt interests	**(51.2)**	**Debt interests**	**(51.2)**
	Accrued interests	(19.5)	Interest rate swap	(3.6)
	Notional interests (OCEANE)	(8.6)	Recurring fees and other	(0.4)
	Recurring fees	(5.2)	**Cash outflow**	**(55.2)**
	Recurring amortization of issuing fees	(14.4)		
Non-recurring	Interest rate swap	(3.6)		
Non-recurring	Accelerated amortization of bridge loan issuing costs	(4.0)		
Non-recurring	Other and change of fair value of derivatives	(3.9)		
	P&L charge	**(110.5)**		

Headline net result calculation

(In €mn)	FY 2018	FY 2017	% change
Net result from continuing operations	**83.0**	**42.8**	**+93.9%**
Amortization of customer relationships[1]	**86.6**	**57.6**	
IFRS 2 expense[1]	**15.6**	**8.1**	
Accelerated amortization of bridge loan costs[1]	**2.6**	**-**	
Non current operating income and expenses[1]	**36.4**	**51.2**	
o/w transaction costs[1]	22.3	21.1	
o/w Berendsen restructuring costs[1]	17.4	23.3	
Headline net result	**224.3**	**159.7**	**+40.4%**

Transaction costs are mainly made up of the non-accrued portion of earn-outs related to previous acquisitions (c. €21mn)

[1] *Net of tax effect*

Strong improvement in free cash-flow generation

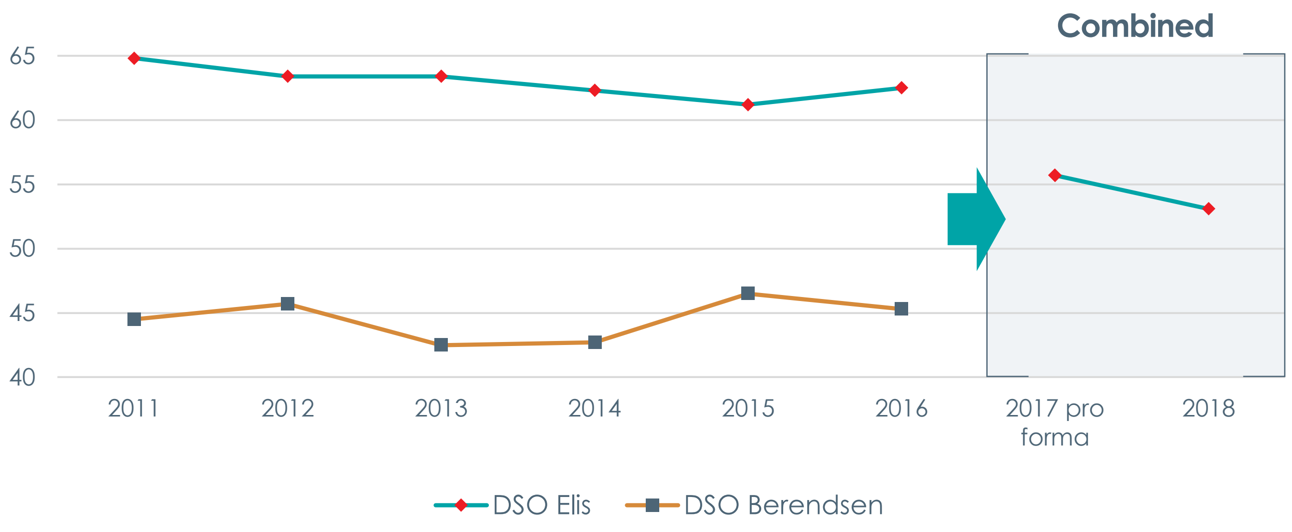
(In €mn)	FY 2018	FY 2017 reported
EBITDA	**985.6**	**670.2**
Exceptional items	(31.9)	(50.1)
Acquisition fees	(4.4)	(27.3)
Variance of provisions	(3.6)	0.7
Cash-flow before net financial costs and tax	**945.7**	**593.4**
Net capex (linen + industrial)	(644.3)	(480.2)
Change in working capital	(15.8)	(118.4)
Cost of debt	(55.2)	(60.5)
Tax paid	(76.7)	(53.3)
Free cash-flow	**153.7**	**(119.0)**
Acquisitions of subsidiaries	(62.2)	(1,362.9)
Change arising from acquired or sold subsidiaries excl. overdraft of acquired subsidiaries	(12.7)	(687.2)
Other flows related to financing operations	(26.4)	17.4
Dividends, equity increase and treasury shares	(81.6)	456.6
Other items	(41.9)	12.8
Net debt variance	**(71.1)**	**(1,682.3)**

- **Exceptional items** mostly correspond to implementation costs of Berendsen synergies
- **Capex to sales ratio of 20.1%** (taking into account Clinical Solutions revenue)
- "Other flows related to financing operations" includes some **earn-outs** related to previous acquisitions
- Mainly includes new finance leases (€10mn), accrued interests (€19mn) and effect of variations in foreign exchange rates (€3mn)

elis

Positive DSO evolution

STABILITY OVER THE YEARS



LIMITED RISK OF INCREASE OF DSO

Well-diversified client portfolio

Internal process of cash recovery implemented worldwide

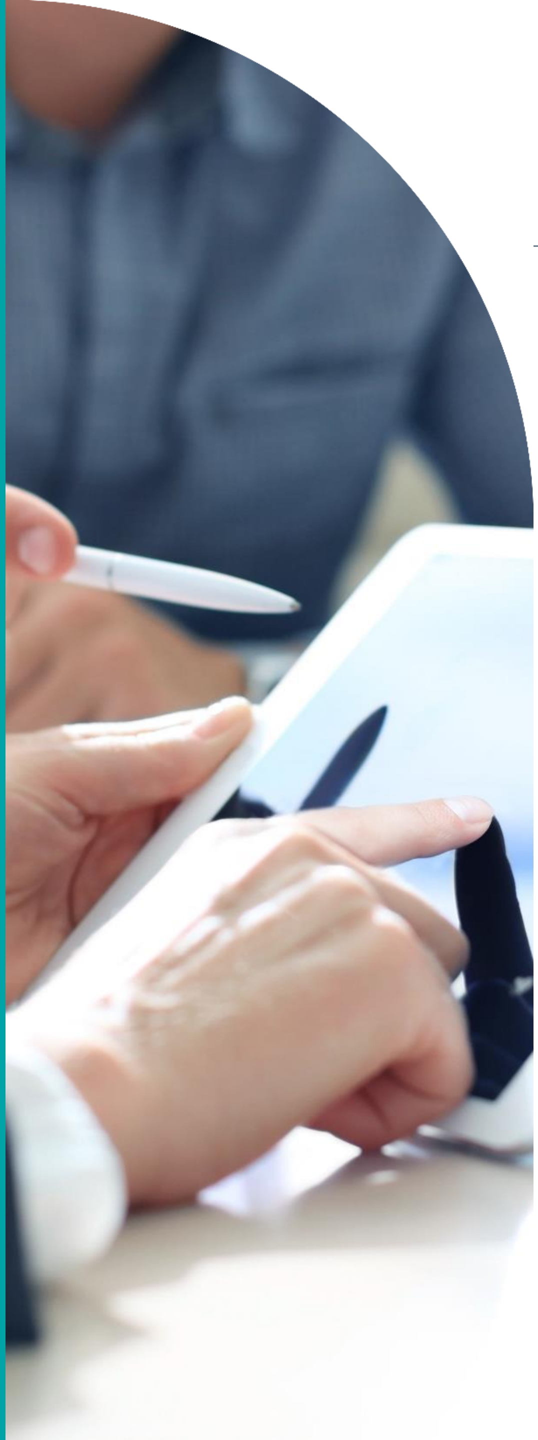
Close relationship with customers:
Field agent recurring visit

In case of legal limits overdue:
No cash, no linen

Elis Group DSO is in line with the average DSO of each country (ranging from c. 40 days to c. 91 days)

Average Elis standalone DSO was higher compared to Berendsen due to the mix of countries

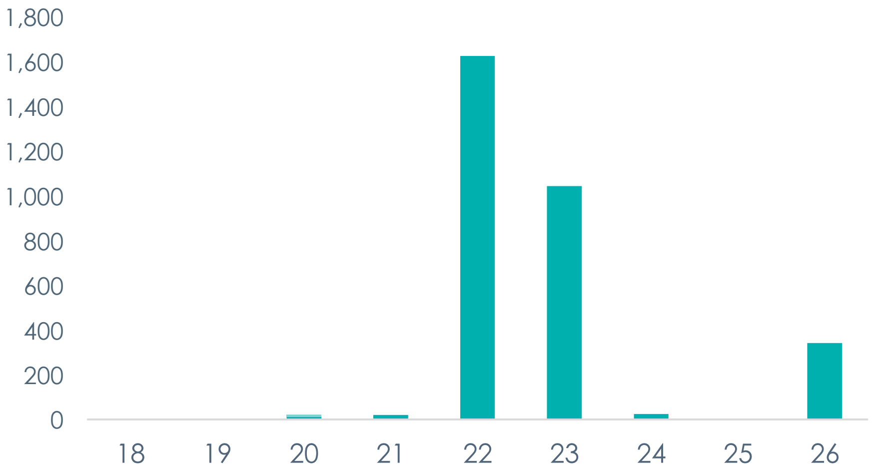
Stable leverage ratio and refinancing opportunities under review



FINANCING

PUBLIC BOND: €800mn	Coupon: 3% Maturity 2022
BOND: €650mn	Coupon: 1.875% Maturity 2023
BOND: €350mn	Coupon: 2.875% Maturity 2026
CONVERTIBLE BOND: €356mn	Coupon: 0% Maturity 2023
COMMERCIAL PAPERS: €413mn	N/A
SCHULDSCHEIN: €75mn	Maturity 2020 - 2024
TERM LOAN: €850mn	Maturity 2022
REVOLVING: Undrawn €900mn	Maturity 2022 (€500mn) Maturity 2023 (€400mn)
OTHER: €81mn	N/A

MATURITY



- **Adjusted net debt to EBITDA ratio of 3.3x** as of 31 December 2018
- **Foreign exchange EBITDA impact: -€17mn (-0.1x impact on leverage)**
- **Refinancing opportunities** are currently under study

Elis has a standard and relevant approach on linen depreciation

ELIS DEPRECIATION POLICY IS IN LINE WITH IFRS AND INDUSTRY STANDARDS

- **2012: In line with auditors' request, Elis led a full** review of depreciation period of linen for all products in Elis catalogue
- Depreciation period ranges from **18 months to 5 years**, depending on the **25 linen categories identified**
- Weighted average is c. **3 years**
- **Elis depreciation in line with peers:**
  - **Johnson Service Group:** From 2 to 5 years (page 60 of the 2017 Annual Report)
  - **Berendsen** (before Elis takeover)**:** From 2 to 5 years (page 130 of the 2016 Annual Report)

CASE STUDY FOR FLAT LINEN BEDSHEETS

x6 sets per room at contract implementation

x55 washings over contract duration

x2.5 days of average stay **/70%** of average occupancy rate

1,179 days i.e. c. **3 years**

- **6x sets of linen per hotel room provide:**
  - **Comfort** and **quality of service**
  - **Inventory flexibility** and **delivery reliability**
- **6x sets of linen per hotel room** leads to a **3-year duration**

Focus on IFRS 15 and IFRS 16 impact

IFRS 15: Capitalization of commercial bonuses

- **Effective as of 1st Jan 2018**
- Commercial bonuses are now rolled over full duration of the contract **on the very same line** of the P&L as previously expensed, namely SG&A
- **No EBITDA impact as method is retroactive**

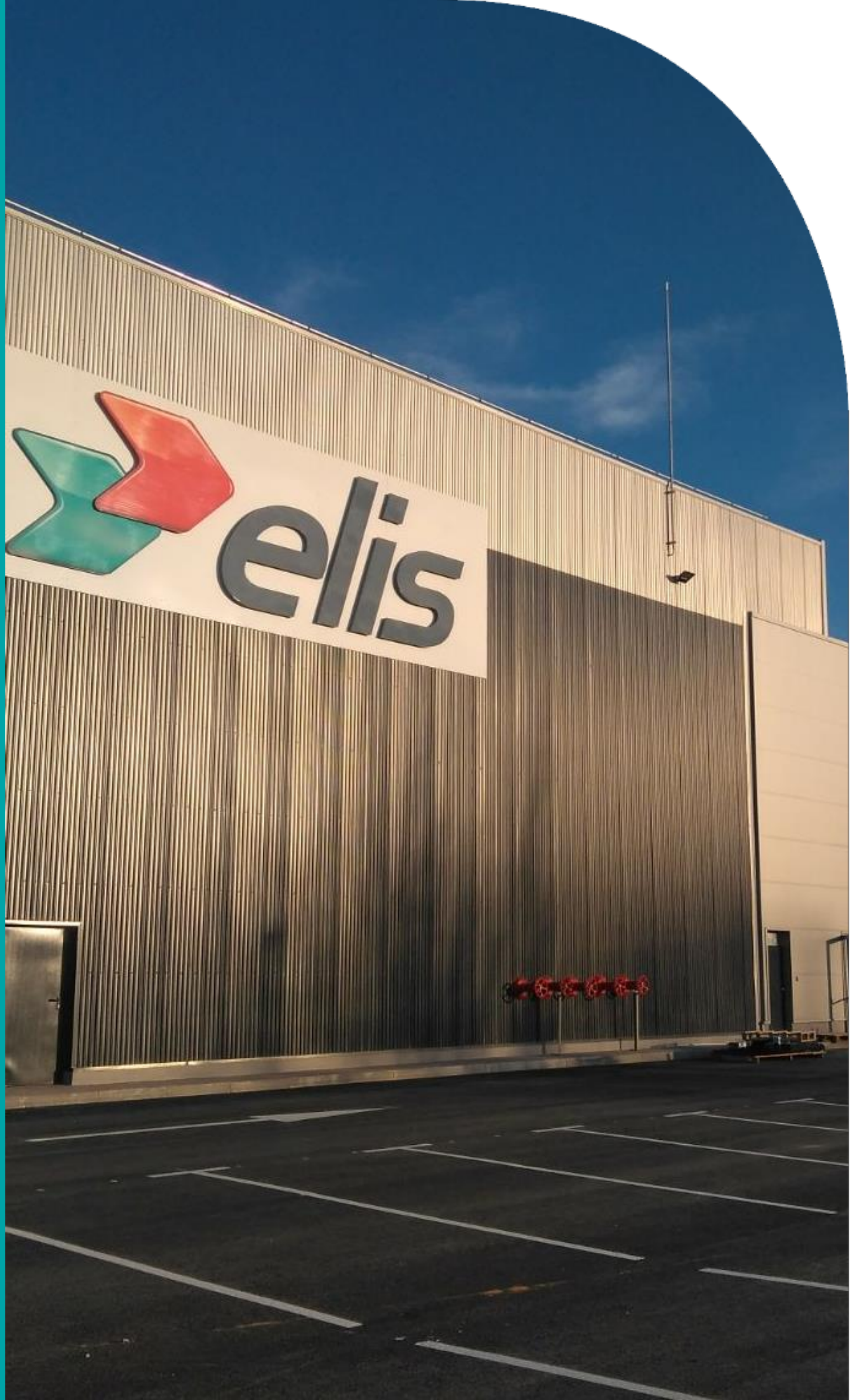
IFRS 16: Leases

- **Effective as of 1st Jan 2019**
- **Operating leases** (mainly real estate and vehicles under long-term lease) will be retreated as financial leases
- The lease expense currently registered in EBITDA in the P&L will from now on be **replaced by an amortization and a financial expense**
- **Expected impact on EBITDA between +€60mn and +€63mn**
- **No impact on covenant** (frozen GAAP)

Key financial takeaways

1. Record revenue with good momentum in all countries
2. EBITDA margin up in all geographies
3. Improvement in free cash-flow generation: Change in WCR is under control and capex plan is in line with phasing target
4. Stable leverage ratio, short term refinancing opportunities ahead

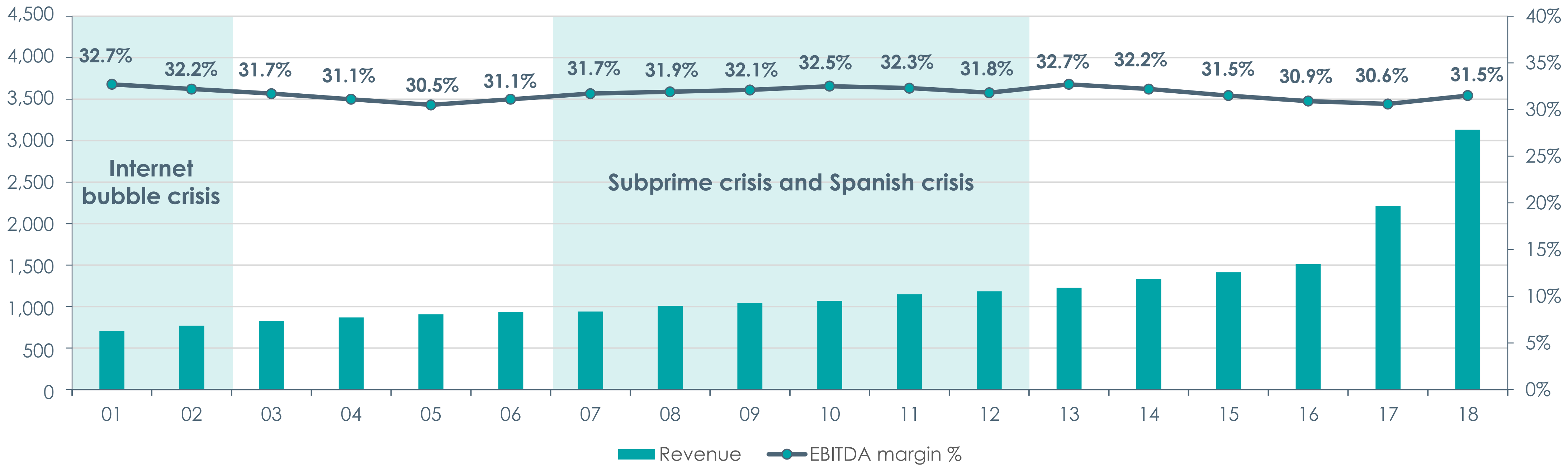
Notes



Strategy and business resilience

Xavier Martiré - CEO

Elis: Proven business resilience over the years

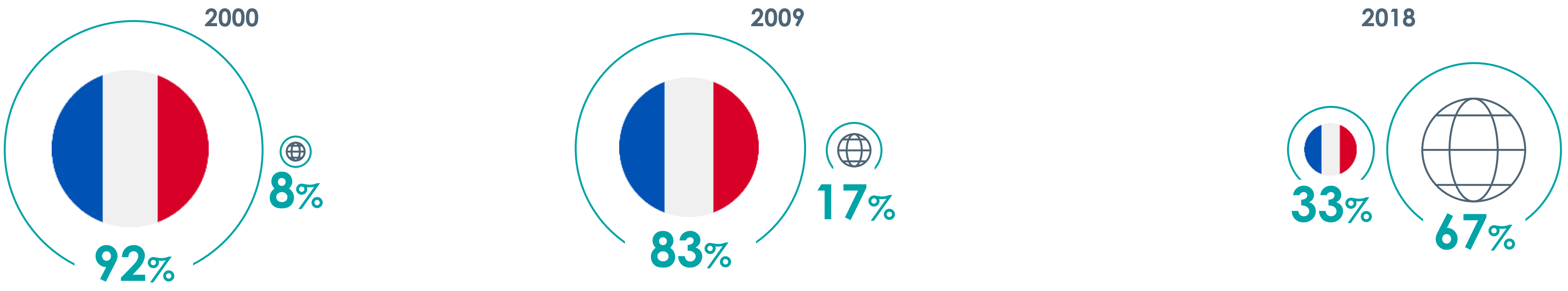


- Over the last 18 years, Group revenue has posted **continuous organic growth** and **EBITDA margin** has evolved within a **narrow range**
- Our business offers a **silver lining**: When there is lower revenue growth, **linen capex is lower**, resulting in **higher cash generation**

- Diversified **client base**: Top 10 clients < 10% of revenue
- Diversified **end-markets**: Healthcare and Hospitality account for more than 50% of Group revenue and are highly resilient
- Diversified **geographical mix**: Balanced presence across Western Europe, Scandinavia and Latin America

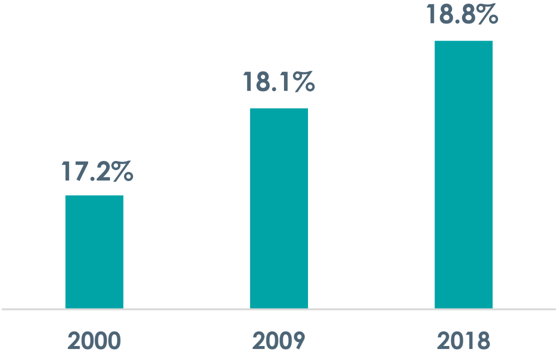
International development and profitability improvement

OVER THE LAST 18 YEARS, ELIS HAS SWITCHED FROM A PURELY FRENCH PLAYER TO AN INTERNATIONAL GROUP…

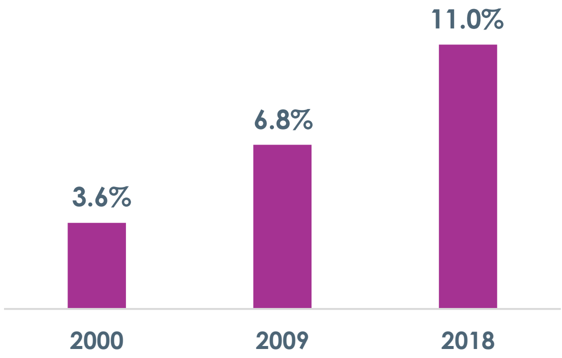


…WHILE IMPROVING EBIT MARGINS IN ALL GEOGRAPHIES

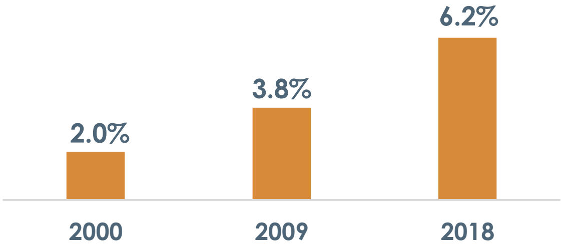
France



Central Europe



Southern Europe



Our target: Raise all the countries to the level of the Group's top performers

EBITDA margin below 25%	Revenue (in €mn)
Italy	30
Chile	20
Colombia	10

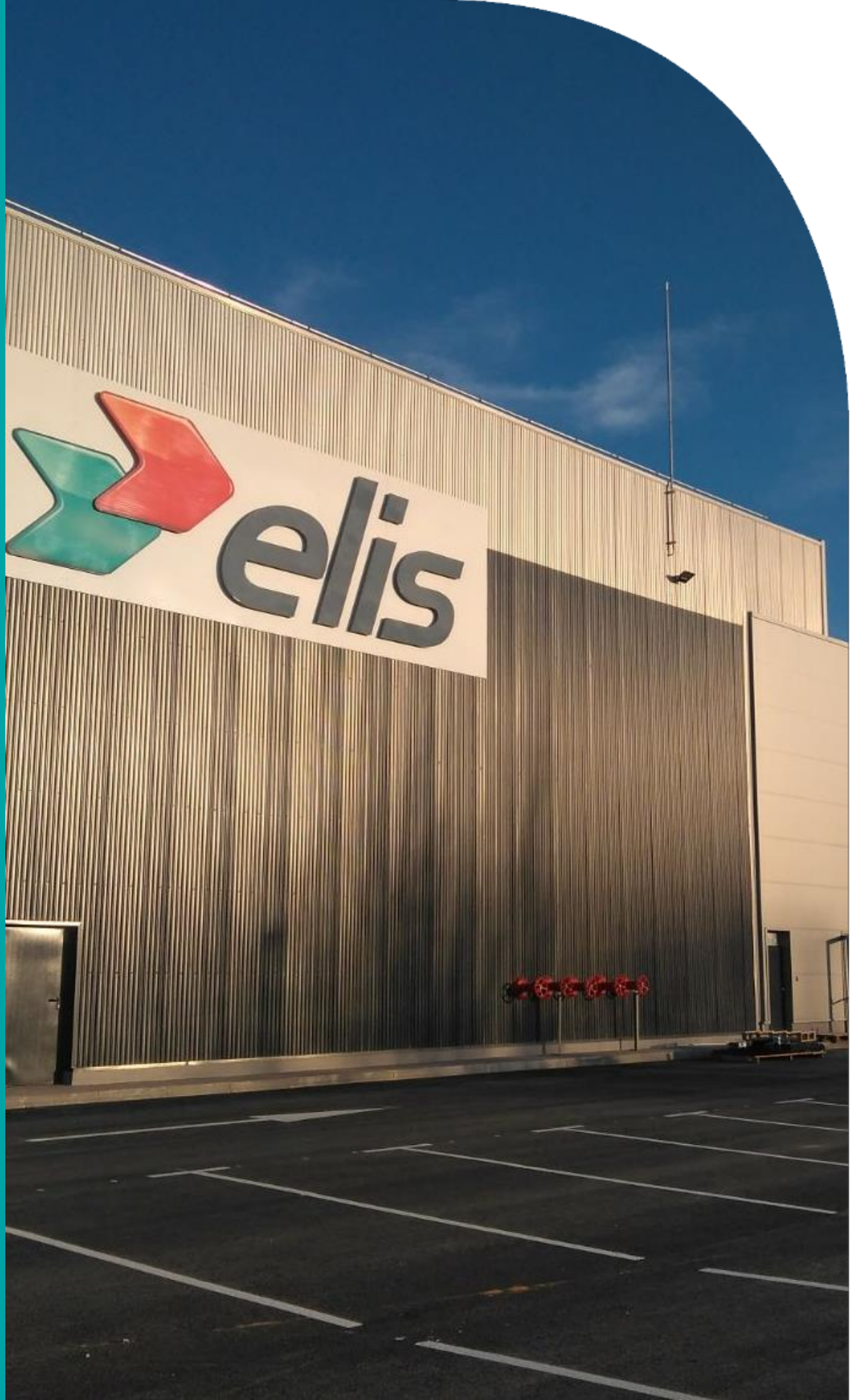
EBITDA margin 25%-30%	Revenue (in €mn)
Germany / Austria	370
UK	350
Brazil	220
Spain	190
Switzerland	100
Ireland	50
Belux	40
Baltics & Russia	20

EBITDA margin 30%-35%	Revenue (in €mn)
Norway	60
Portugal	50

EBITDA margin >35%	Revenue (in €mn)
France	1,030
Sweden / Finland	220
Denmark	190
The Netherlands	120
Poland	50
Czech Republic / Slovakia / Hungary	10

Note:
2018 revenue actual figures (rounded)
UK excluding Clinical Solutions activity

Market share gains, transfer of best practices and footprint enhancement are the main drivers for margin improvement

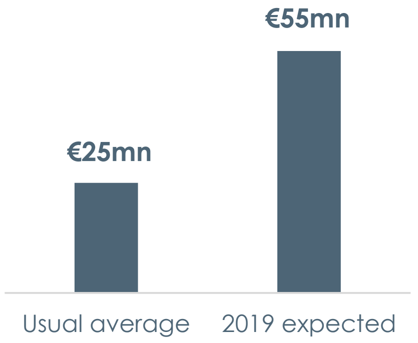


2019 outlook

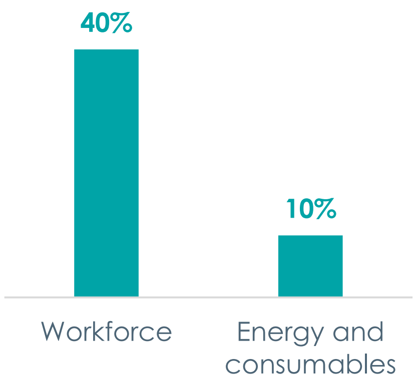
Xavier Martiré - CEO
Louis Guyot - CFO

Unusually high inflation expected in 2019
Price increase and productivity gains will be key offsetting factors

INFLATION COST BASE IMPACT (EXCL. SG&A)



COST BY NATURE AS A % OF REVENUE



IN 2019, STRONG COST INFLATION IS EXPECTED, MAINLY DUE TO STRONGER INCREASE IN MINIMUM WAGES AND ENERGY COSTS

minimum wage	+22%	+4.9%	+1.5%	+4%	-	+8.2%
electricity	-	+10%	+28%	+9%	+36%	+30%
natural gas	-	+10%	+12%	-	-	+40%

TO BE COMPENSATED BY:

PRICING

Since Q4 2018, strong commercial efforts are made to negotiate pricing increases with customers

Some lag effects expected

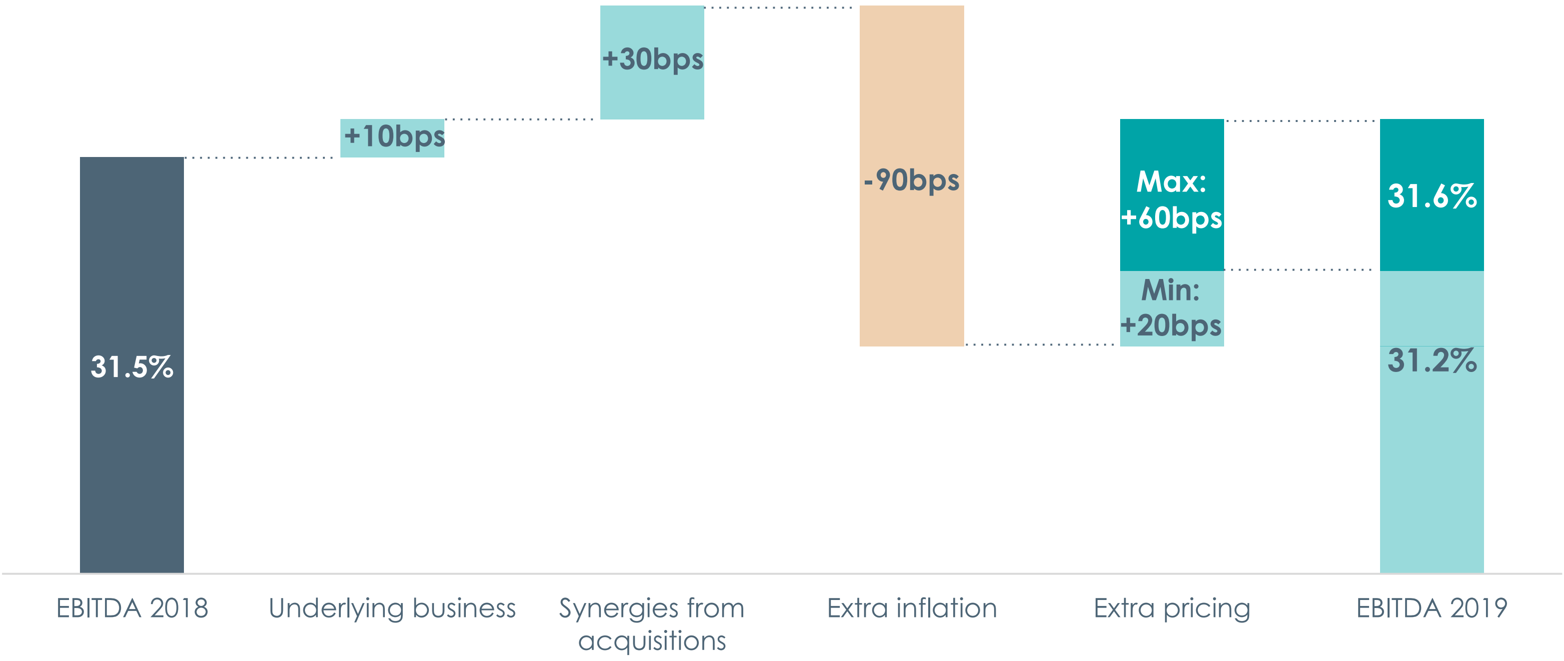
PRODUCTIVITY

Usual **efficiency gains** generated by our Methods team will contribute to offsetting inflation impact

Outlook

1 **2019 organic growth of c. +3%**

2 **2019 EBITDA margin between 31.2% and 31.6%**



Assumptions:

- Underlying improvement includes:
  - Operating leverage on organic growth
  - Improvement of lower margins geographies

  partially offset by:
  - Evolution of geographical mix
- €10mn opex synergies in 2019 (50% of total Berendsen synergies generated in 2019, the remaining 50% are capex)
- Extra inflation of c. €30mn on production costs
- No impact from variation in foreign currencies
- Excludes IFRS 16 impact

3 **Capex to sales ratio of c. 20% in 2019 (last year of Berendsen capex plan), back to c. 18% in 2020**

Notes

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