2022 half-year results

July 27, 2022

Disclaimer

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.

H1 2022 business highlights

H1 2022 financials

A responsible business

Update on 2022 outlook

Q&A

Better than expected H1 driven by strong activity in Hospitality and efficient pass-through of inflation; full-year guidance upgraded

Strong organic growth driven by rebound in hospitality and solid operational performance

- **H1 revenue** up +26.6% on an organic basis (o/w +28.9% in Q2)
- **Strong growth in Hospitality:** Southern Europe and France are now above 2019 level
- **Activity momentum** continues **in Healthcare**, **Industry** and **Trade & Services**
- **Solid operational performance leading to:**
  - Adjusted EBITDA up +€118m in H1 (margin down -100bps, in line with full-year objective)
  - Adjusted EBIT up +€101m in H1 (margin up +350bps yoy, above expectations)
  - Headline net income up +€82m in H1 (+122% yoy, above expectations)
  - Free cash flow after lease payments at €17m in H1, in line with full-year objective

Elis leverages its strong customer relationships and its commercial dynamism to pass on inflation

- **Satisfactory pricing dynamics** in most geographies and most end-markets: verage **price effect of c. +5.75% in H1**, with a ramp-up over H1 that will continue in H2
- **c. +9% cost inflation in H1**, leading to a c. -100bps decrease in H1 2022 adjusted EBITDA margin, in line with full-year prospects
- **H2 2022, 2023, 2024 and 2025 gas prices fully or partially locked in** through hedging contracts

Full-year 2022 objectives upgraded on the back of higher-than-expected first half revenue

- **Organic revenue growth** for the full-year now expected between **+18% and +20%** (previous guidance: between +13% and +15%)
- **Adjusted EBITDA margin** still expected **at c. 33.5%** (down c. -100bps yoy)
- **Adjusted EBIT** now expected above **€530m** (previous guidance: c. €500m)
- **Headline net income per share** now expected above **€1.45** (previous guidance: c. €1.35)
- **Free cash flow** (after lease payments) still expected at **c. €200m**
- **Financial leverage ratio** as of Dec 31, 2022 now expected to be down 0.5x yoy at **c. 2.5x** (previous guidance: c. 2.6x)

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.

Activity in Hospitality in France and in Southern Europe is now above 2019 levels

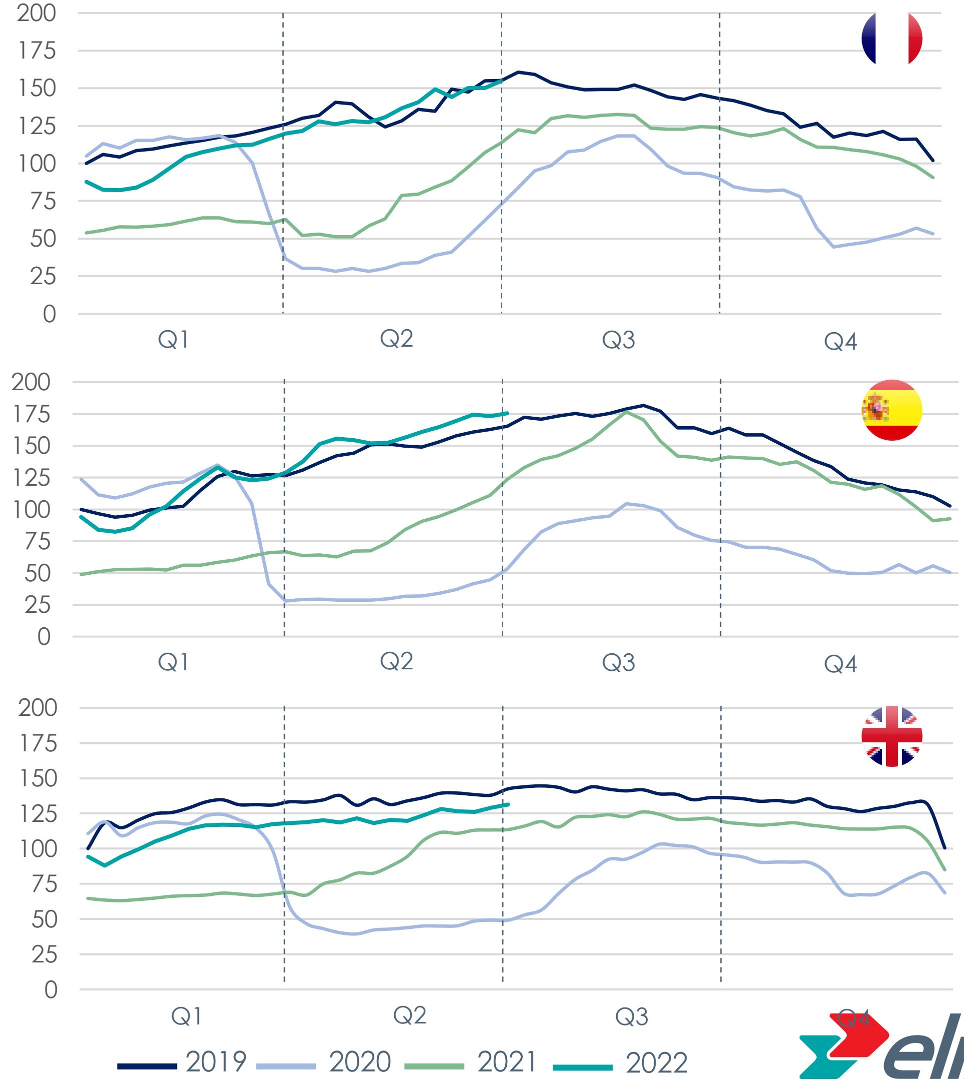
Strong activity pick-up seen in H1 2022

- Good winter and spring season in Europe
- No disruption in professional events since the beginning of the year
- Activity in France and Spain is above 2019 levels since Q2
- Activity in the UK is still c. -8% compared to 2019 level
- Q3 looks promising: good booking level for the summer season

Good pricing dynamics

- Inflationary context helped pricing discussions with customers
- Limited pressure on new bids as other players show similar pricing discipline to Elis
- No structural change in our clients' consumption habits

Flat linen volumes - Basis 100 January 2019



The pandemic has accelerated some structural changes in the Healthcare market

Elis continues to benefit from structural changes in the industry

- Healthcare professionals are moving back to textile vs disposable paper (more reliable sourcing, better comfort, lower environmental impact)
- Clients consume more workwear than before (e.g., daily changes vs 3 changes per week)

Further market share gains in most of our geographies

- Good commercial momentum in the UK and in Germany, with Elis' reliability and quality of service driving contract wins
- Activity strong across the board, except Brazil where temporary contacts signed in 2020 have expired

Price negotiations generally difficult with public healthcare clients, especially in Germany and in Scandinavia

Industry and Trade & Services continue to show good momentum

Activity remained strong in H1, driven by new outsourcing

- **Need for hygiene**: Higher demand for soaps, hand wipes, hydro-alcoholic gels, pest control solutions and higher linen consumption (more changes of workwear)
- **Need for a reliable provider:** Elis is currently leveraging its leadership position and network density to gain many new clients
- **Need for traceability:** Tracking of linen washing history is becoming a must-have for every company using uniforms; Elis is gaining many contracts with first-time outsourcers in Eastern Europe, Southern Europe and Latin America
- **Need for responsible suppliers:** An increasing number of tender offers come with an ESG component, a field in which Elis is an industry leader

First signings following the relocation of some clients' production sites in Europe

- This should be a sustainable trend going forward

Good pricing momentum in H1

c. +9% inflation of our cost base in H1 2022, driven by energy and personnel costs

Cost item	Estimated H1 2022 inflation	Estimated inflation-related costs in H1 2022[1]
Gas, electricity and fuel	c. +65% / +70%	c. €50m
Personnel costs	c. +4 / +5%	c. €35m
Other items (Chemical products, spare parts, consumables, etc)	c. +6 / +7%	c. €15m
Total	**c. +9%**	**c. €100m**

[1]: The impact of inflation in H1 2022 has been calculated using a N-1 cost base equal to:
- *H1 2021 reported cost base, plus*
- *The costs linked to the additional volumes from activity pick-up (mostly in Hospitality), for a total of c. €300m of additional revenue in H1 2022*

- Most of H1 2022 inflation-related costs were related to energy (c. +€50m) and personnel (c. +€35m)
- Inflation should increase further in H2, notably due to some additional minimum wage increases that are scheduled in some countries (e.g., Germany)
- We will adjust our pricing accordingly

c. +5.75% price effect in H1, virtually offsetting the nominal amount of inflation-related cost increase

The nature of the services provided by Elis leads to good pricing power

The services proposed by Elis are essential for our customers

➔ Most of our customers cannot operate their business without our Flat linen, Workwear or Hygiene services

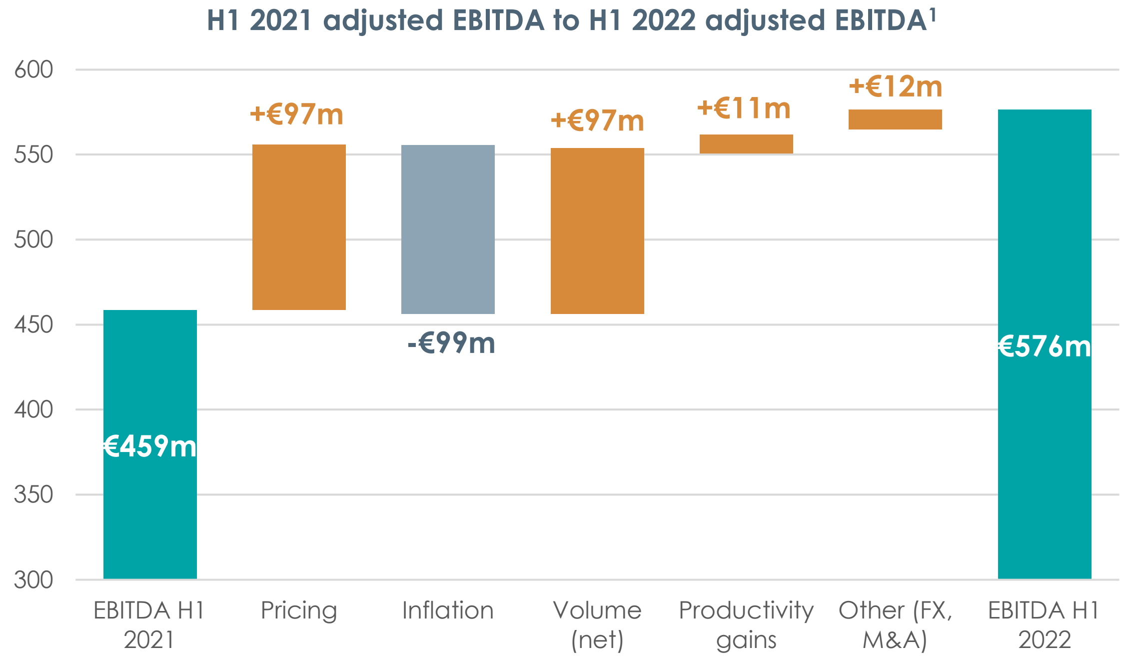
These services represent only a small cost for our customers

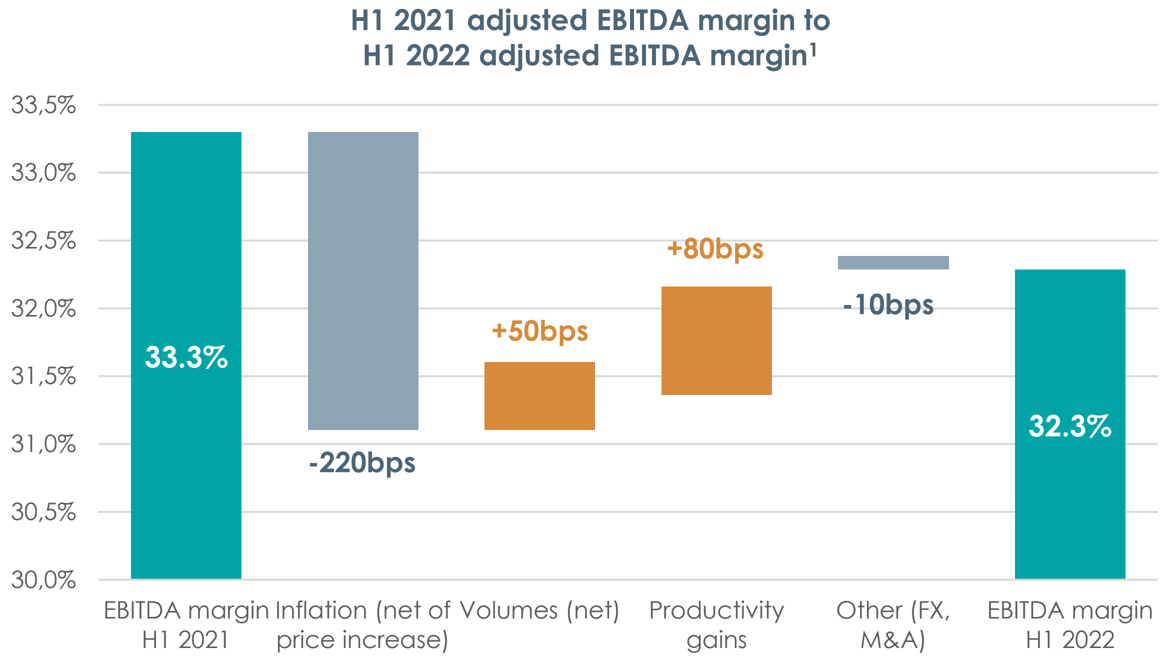
➔ Our price increases are therefore not very significant in our customers' P&L

Alternative solutions to our services are very limited

➔ Re-internalization is generally not an option, and most competitors also show good pricing discipline across the board

H1 2022 adjusted EBITDA up +€118m yoy on the back of Hospitality recovery and strong price increase to offset inflation





- ✓ **Inflation in euros was almost completely offset in H1**
- ✓ Mechanically, inflation impact on margin is only **partially offset by price increases** ; the net impact was c. -220bps in H1
- ✓ **Strong pick-up in activity** generated **operating leverage** in some countries
- ✓ Specific action plans led to **productivity gains in our plants** (mostly decrease in energy consumption)

[1]: The impact of inflation in H1 2022 has been calculated using a N-1 cost base equal to:
- *H1 2021 reported cost base, plus*
- *The costs linked to the additional volumes from activity pick-up (mostly in Hospitality), for a total of c. €300m of additional revenue in H1 2022*

H1 2022 inflation was partially offset by strong pricing power in all geographies

Geography	H1 2022 organic revenue growth	H1 2022 vs H1 2021 adjusted EBITDA margin evolution	Comments
France	+34.1%	+70bps	Operating leverage driven by strong rebound of Hospitality along with good pricing dynamics
Central Europe	+16.4%	-270bps	Impact of absenteeism on the region's productivity Limited price increase in Germany, with pricing negotiations taking time with large healthcare clients
Scandinavia & Eastern Europe	+16.9%	-310bps	The strong rebound of Hospitality had a dilutive effect on profitability Pricing negotiations take time with large clients ; ramp-up in price adjustments expected in H2
UK & Ireland	+38.7%	=	Rebound in Hospitality, good pricing dynamics and further churn reduction offset strong inflation
Southern Europe	+58.0%	+80bps	Strong rebound in Hospitality created some operating leverage Good pricing dynamics aligned with inflation level
Latin America	+8.8%	-110bps	One-off, very profitable contracts in healthcare came to an end in H2 2021

Gas prices are locked in over 2023-2025

2022

A total of 1,000 GWh were not hedged for the year

In H1:

The average spot gas price in H1 was €93/MWh[1], below our €100/MWh full-year assumption

In H2:

Q3 and Q4 gas volumes are partially hedged

⇨ Elis's average purchase price should remain slightly below €100/MWh

2023-2025

Elis has fully or partially hedged its gas volume over 2023-2025:

c. 85% of 2023 volumes @ c. €80/MWh

c. 33% of 2024 volumes @ c. €65/MWh

c. 20% of 2025 volumes @ c. €50/MWh

These hedging contracts have been secured on a country-by-country basis with local energy suppliers

These hedging contracts should protect Elis against new potential surges in gas price in the future

[1] Source: Bloomberg (ticker: PNXIGNDA)

Elis not likely to be impacted by potential gas shortages

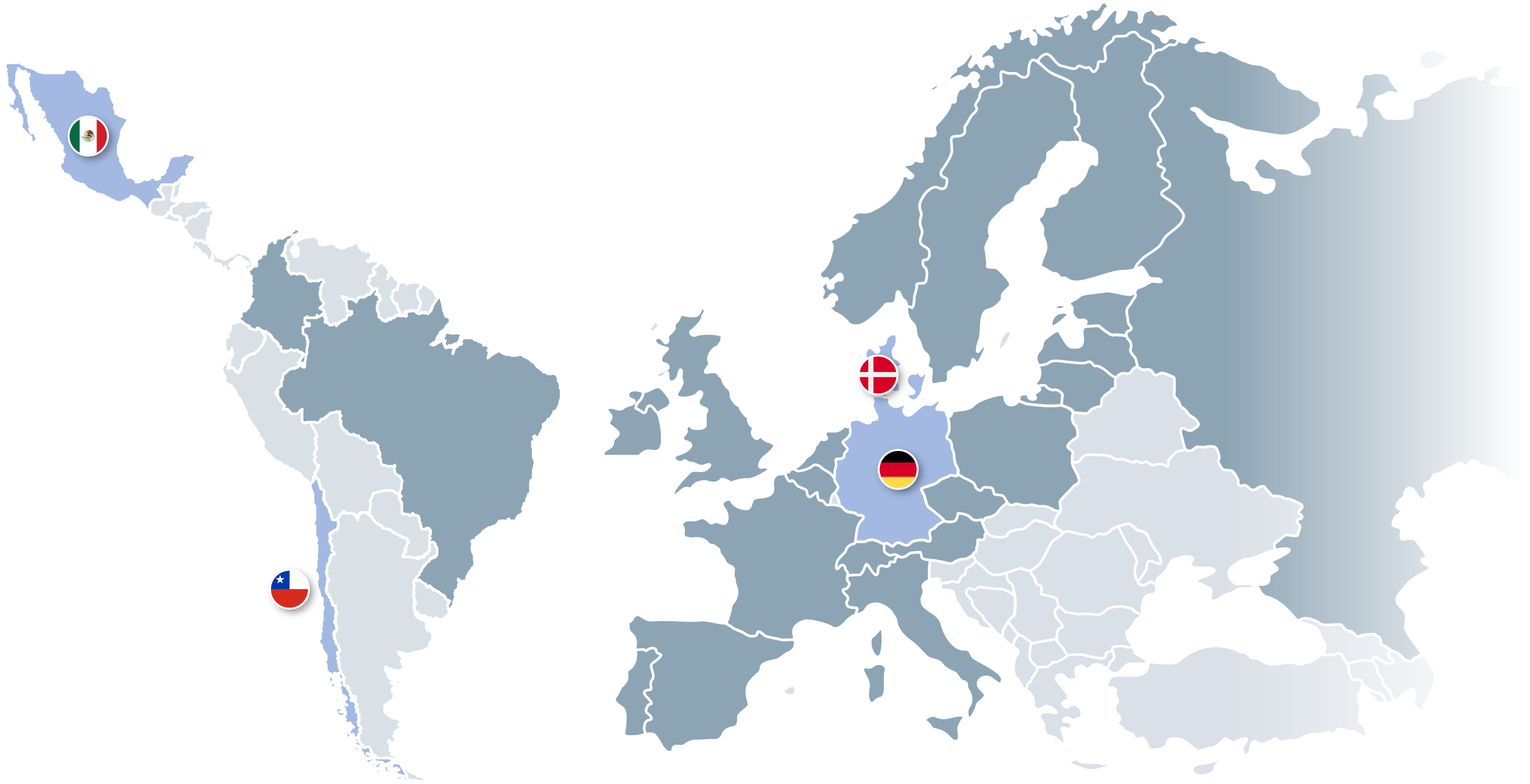
Elis has historically been considered an essential business by authorities

- ✓ Elis provides linen for essential business (flat linen for hospitals, workwear for food processing industry, pharmaceuticals, etc) and **was also considered an essential business in every country during the Covid crisis**
- ✓ Should governments implement **restrictive measures** of varying degrees, Elis would likely face the **least stringent ones** given the **essential nature of its activities**

Flexible work hours and temporary plant closures are part of our industrial organization

- ✓ Due to the significant swings in our clients' activity, **adjustment of production capacity** is key in our business and is part of Elis' industrial DNA
- ✓ **These restrictive measures would be implemented during winter season,** which is the least busy period of the year for Elis
- ✓ Most of our plants already **close during weekends**
- ✓ Should companies be requested to temporally operate 3 or 4 days per week, we could easily compensate by **adding more shifts on the authorized days**

Elis continued its targeted acquisition strategy in H1: 3 acquisitions closed in H1 2022 and the Mexican deal closed early July



GOLDEN CLEAN
Por un mundo más limpio

Healthcare
Hospitality

March 2022
- 2021 revenue: c. €6m

Jöckel Textilservice

Healthcare

March 2022
- 2021 revenue: c. €20m

CENTRAL VASKERIET.dk

Hospitality
Mats

May 2022
- 2021 revenue: c. €5m

Healthcare
Hospitality

July 2022
- 2021 revenue: c. €85m

H1 2022 M&A impact: +1.5%

Acquisition of a century-old business that is a leader on the Mexican market

A leader in its industry

- Only player with national coverage
- Pre-covid organic revenue growth above +10%
- Contained impact from the Covid crisis on the business with 2020 revenue down c. -7% (in MX$)

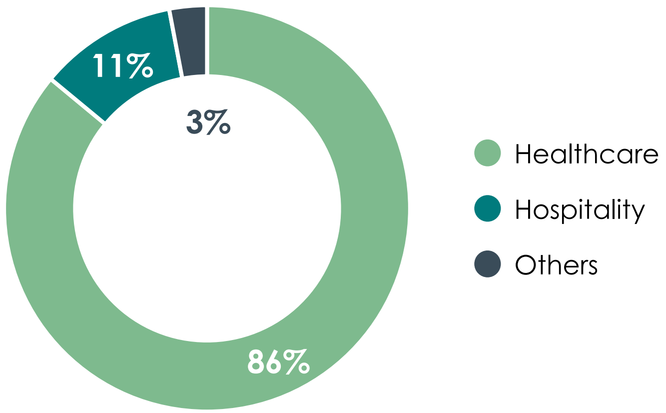
Established operator with great know-how

- Century-old business
- Family-owned
- Structured organization with good IT and processes
- National coverage and high-quality industrial assets
- Experienced management will continue to run the business (earn-out mechanism over 2023-2025)

2021 key figures

- Revenue of MX$ 1,780m (c. €85m using June 2022 FX)
- c. 38% EBITDA margin (IFRS)
- c. 18% EBIT margin (IFRS)

Revenue breakdown by end-market



Healthcare

Sanitizing, sterilizing and supplying of linen and hospital garments for patients, medical staff and facilities

Hospitality

Linen for hotels, restaurants and sports clubs

Others

Garments for food, pharmaceutical and automotive industry

Elis expects to generate c. 10% organic revenue growth in Mexico in the coming years

A market with strong outsourcing potential

Workwear for industry is still largely internalized

- Strong footprint of companies operating in food-processing, pharmaceuticals, automotive, aerospace
- Strong outsourcing potential in Workwear
- Elis to act as a market opener

Strong public healthcare market

- Ageing population drives public investment programs
- Public hospital share is c. 85%

Very dynamic hospitality market driven by tourism

- 8th most visited country in the world
- 25% more hotel rooms than in France
- Outsourcing rate is very low, but growing strongly

Bolstering Elis' organic growth profile

- H1 2022 business highlights
- **H1 2022 financials**
- A responsible business
- Update on 2022 outlook
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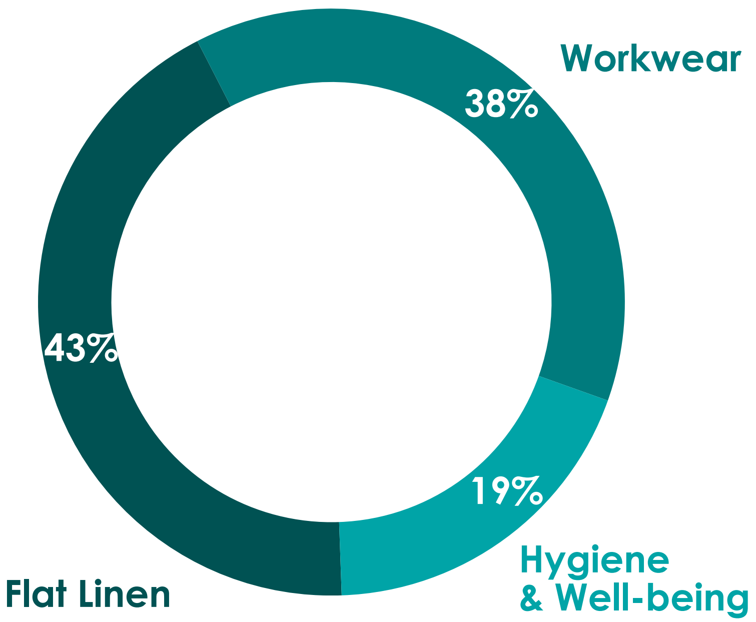
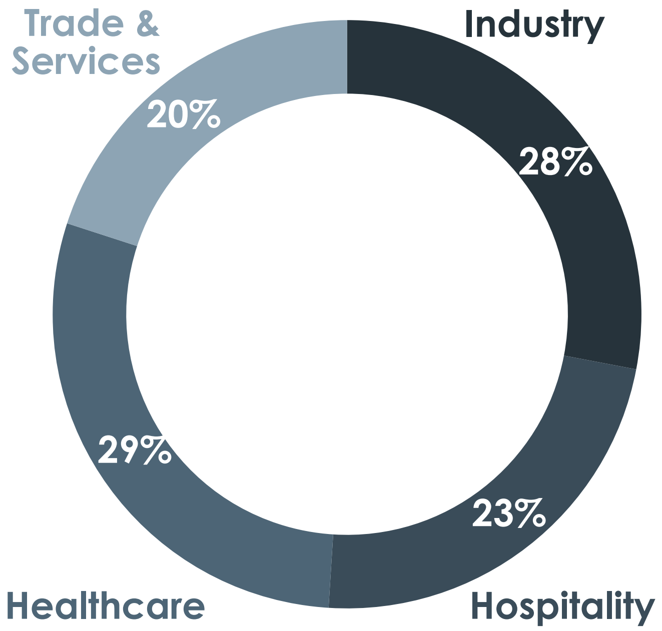
Elis offers a highly diversified and well-balanced profile

H1 2022 revenue breakdown

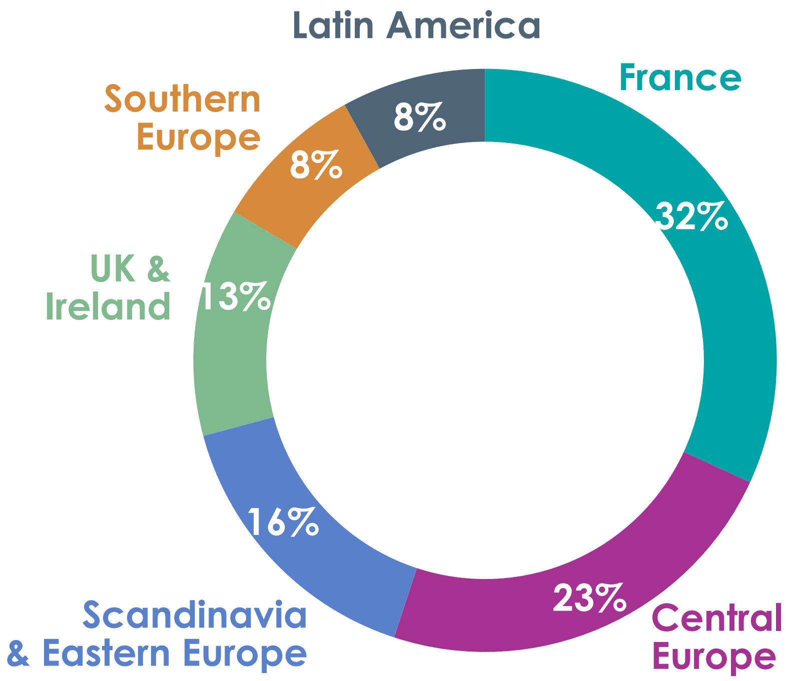
By activity



By end-market

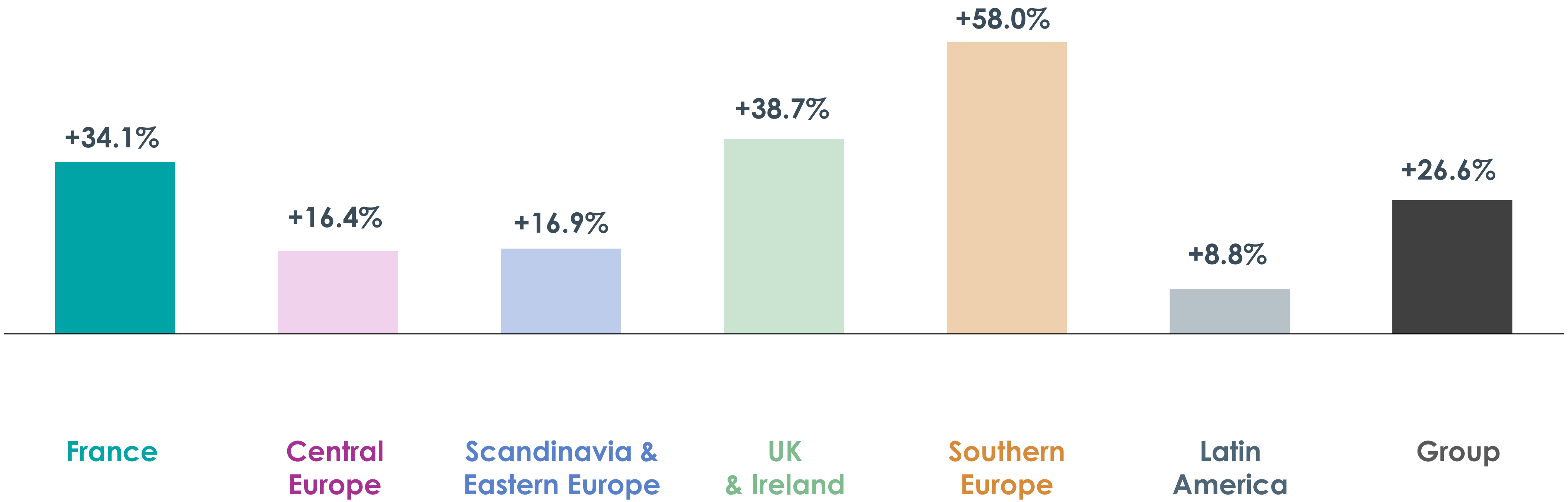


By geography



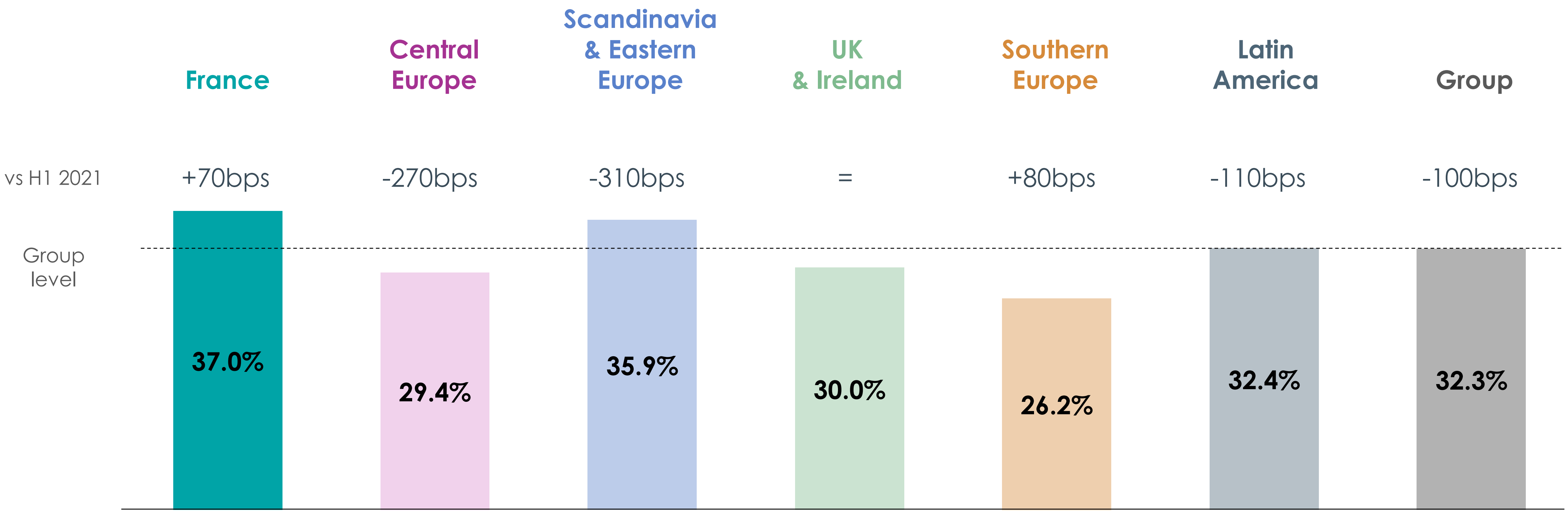
Strong organic growth rebound driven by recovery in Hospitality and efficient pricing adjustments

H1 2022 organic revenue evolution by geography



Adjusted EBITDA margin down -100bps in H1 2022, in line with full-year expectations

H1 2022 adjusted EBITDA margin



Margin rates and percentage change calculations are based on actual figures.

Headline net income up +121.7%, along with strong adjusted EBIT margin improvement

(In €m)	H1 2022	H1 2021[1]	% change
Revenue	**1,783.8**	**1,375.5**	**+29.7%**
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)	
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	**148.6**	**67.0**	**+121.7%**
Headline net income per share	**0.61**	**0.28**	**+119.5%**

- The decrease in linen capex in 2020 and 2021 led to limited increase of D&A in H1 (c. +5%)
- Impairment on the Russian goodwill due to ongoing conflict
- H1 2022 net financial result positively impacted by foreign exchange gains

Percentage change calculations are based on actual figures.
[1] Previously communicated H1 2021 numbers have been retrospectively restated from the impact of IFRS 3.

H1 2022 Headline net income calculation

(In €m)	H1 2022	H1 2021[1]
Net income	**53.9**	**16.7**
Amortization of intangible assets recognized in a business combination[2]	32.6	32.2
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**

[1] Previously communicated H1 2021 numbers have been retrospectively restated from the impact of IFRS 3.
[2] Net of tax effect.

Strong impact from change in working capital on H1 2022 free cash flow, due to the sharp rebound in activity

(In €m)	H1 2022	H1 2021
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
Capital increase, treasury shares	0.4	17.5
Other	5.5	12.5
Net financial debt variance	**(43.5)**	**78.4**
	June 30, 2022	**December 31, 2021**
Net financial debt	**3,187.3**	**3,143.9**

- **Linen capex up c. €65m** reflecting the pick-up in activity
- **Significant negative impact from change in WCR** linked to the impact of the strong activity growth on trade receivables, and high inventories ahead of the summer holidays
- **Reinstatement of the dividend** (partly paid in Elis shares)

Active refinancing over H1 2022

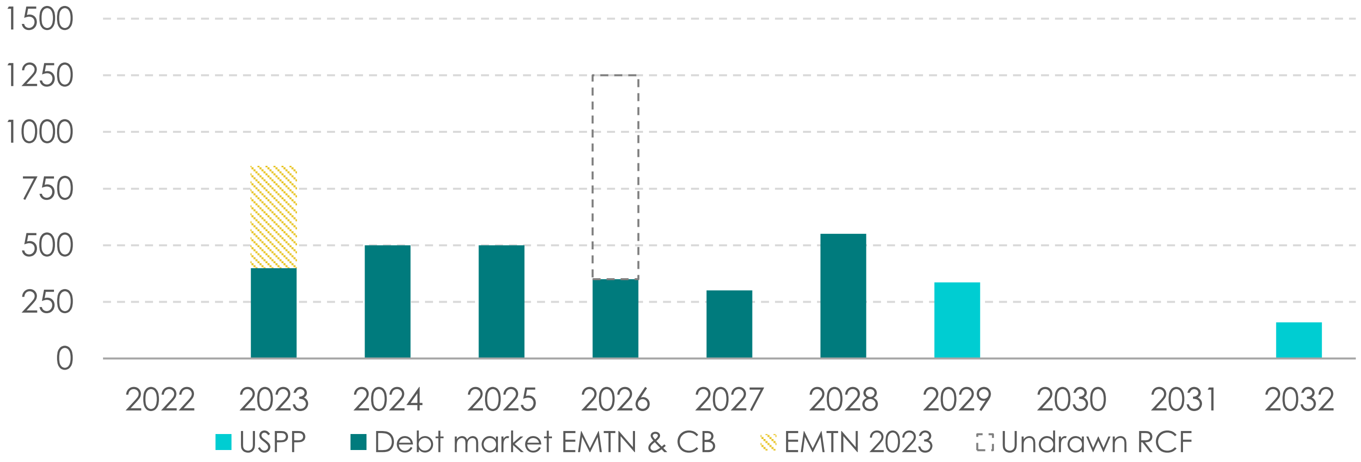
Well-diversified financing

As of June 30, 2022	
Bond (issued Oct 2019) €500m	Coupon 1.0% Maturity 2025
Bond (issued Oct 2019) €550m	Coupon 1.625% Maturity 2028
Bond (issued Apr 2019) €500m	Coupon 1.75% Maturity 2024
USPP (signed Apr 2019) €335m	Coupon 2.70% Maturity 2029
USPP (signed June 2022) €159m	Coupon 3.00% Maturity 2032
Bond €450m	Coupon 1.875% Maturity 2023
Bond €350m	Coupon 2.875% Maturity 2026
Bond €300m	Coupon 4.125% Maturity 2027
Convertible bond €388m	Coupon 0% Maturity 2023
Commercial paper (CP) €228m	< 1 year
Revolving credit facility Undrawn €900m	Maturity 2026

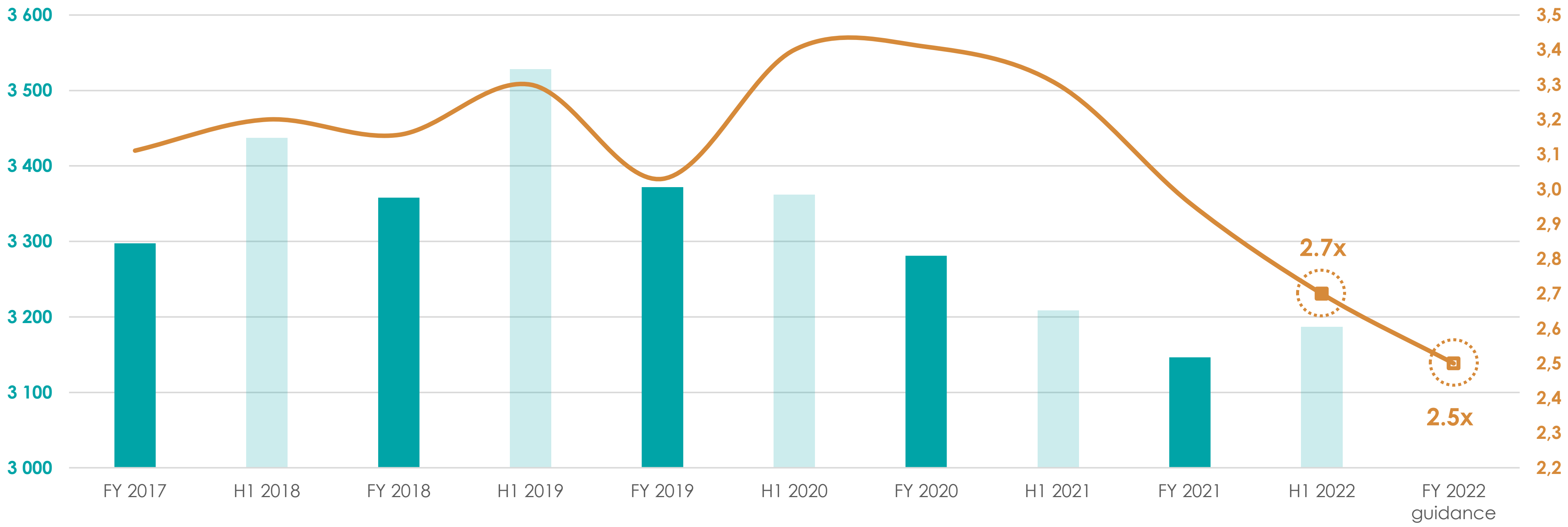
H1 2022 debt and rating highlights

- **The refinancing of the €450m Feb 2023 EMTN has already been secured by (i) a new €300m EMTN maturing May 2027 (coupon 4.125%) and (ii) a new €159m USPP maturing June 2032 (coupon 3%)**
- **Strong liquidity profile with c. €1.3bn of available liquidity as of June 30, 2022: c. €400m in cash on the B/S (net of commercial paper) and €900m of undrawn cash under the RCF**
- **Moody's Rating (Ba2) outlook raised from Stable to Positive**

Maturity schedule (at June 30, 2022) excluding commercial paper



Rapid deleveraging underway
Net financial leverage to reach 2.5x as of December 31, 2022



- Deleveraging was limited over the 2017-2019 period due to the implementation of a 3-year capex program following the acquisition of Berendsen, to put the UK business back on track
- H1 2020 was marked by the start of the pandemic, leading to a sharp drop in EBITDA and a slight increase in financial leverage
- Since then, Elis' deleveraging has accelerated and shall continue in the coming years

H1 2022 key financial takeaways

1 Sharp recovery in activity in all our verticals and geographies:
Topline up nearly +27% organically in H1

2 Adjusted EBITDA margin down -100bps as expected but
adjusted EBIT margin up +350bps on the back of D&A normalization

3 Headline net income up +122% at €148.6m

4 Strong deleveraging:
Ratio at 2.7x at June 30, 2022, expected to continue to decrease sharply

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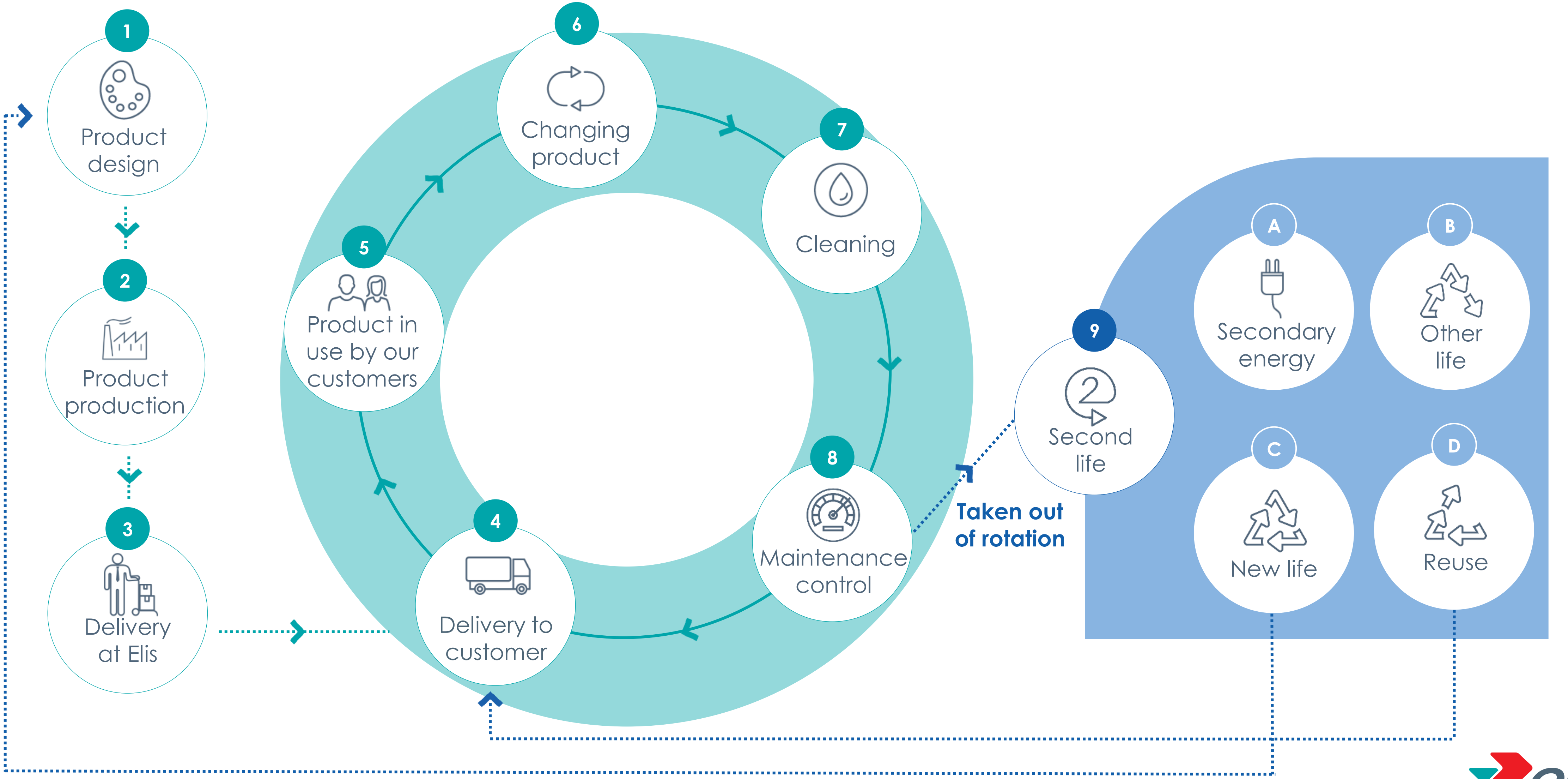
Elis' growth model is a virtuous circle
Our business is based on the circular economy



Our 2025 CSR objectives

Circularity *and Exemplarity* to reduce our impact on the planet

	2021	2025
Climate Change intensity	-19%	**-20%**
Thermal energy intensity[1]	-22%	**-35%**
Water intensity[1]	-40%	**-50%**

	2021	2025
Responsible vehicles	257	↗↗
Textile recycling	73%	**80%**
Range of responsible products	46%	**100%**

Empower our employees and offer them a brighter future

	2021	2025
Frequency rate	-6%	**-50%**
Gender Diversity / Women	34%	**40%**

	2021	2025
Chevron & Talent Development	Paris Barcelona planed	**Further promote the Chevron program**

Make a positive impact on society

	2021	2025
Foundation	3rd class	**x3**
Direct supplier CSR assessment	93%	**95%**

[1] European laundries

vs 2010

vs 2019

Main H1 2022 CSR achievements

Improvement in many CSR ratings, recognizing Elis' actions

- ✓ 9pt improvement in Elis' **Sustainalytics rating** to 15.5 / « Low risk »
- ✓ Elis obtains an A ranking in the **Verité40 index** (Axylia group)

Other notable ratings

- ✓ **CDP**: B rating
- ✓ **EcoVadis**: Platinum rating (vs Gold last year (75/100 (+3pts), top 1% companies)
- ✓ **MSCI**: 7.1 grade (vs 6.9 in December)

SUSTAINALYTICS axylia CDP ecovadis MSCI

The Group is pursuing its path towards the Science Based Target methodology

- ✓ At the AGM on May 19, 2022, a resolution was largely adopted to validate Elis' approach to reduce its emissions, in line with the **Paris Agreement** ("Say on climate" resolution)
- ✓ The Group will thus present climate **objectives** that are aligned with the methodology of the **Science Based Target initiative** at the end of 2022

CSR is increasingly part of our day-to-day business

- ✓ The **transition to alternative vehicles** continues: 11 electric heavy trucks received in France in H1, positioning Elis as a leader in deliveries in urban areas with such trucks
- ✓ **LTIP** now include **CSR criteria**

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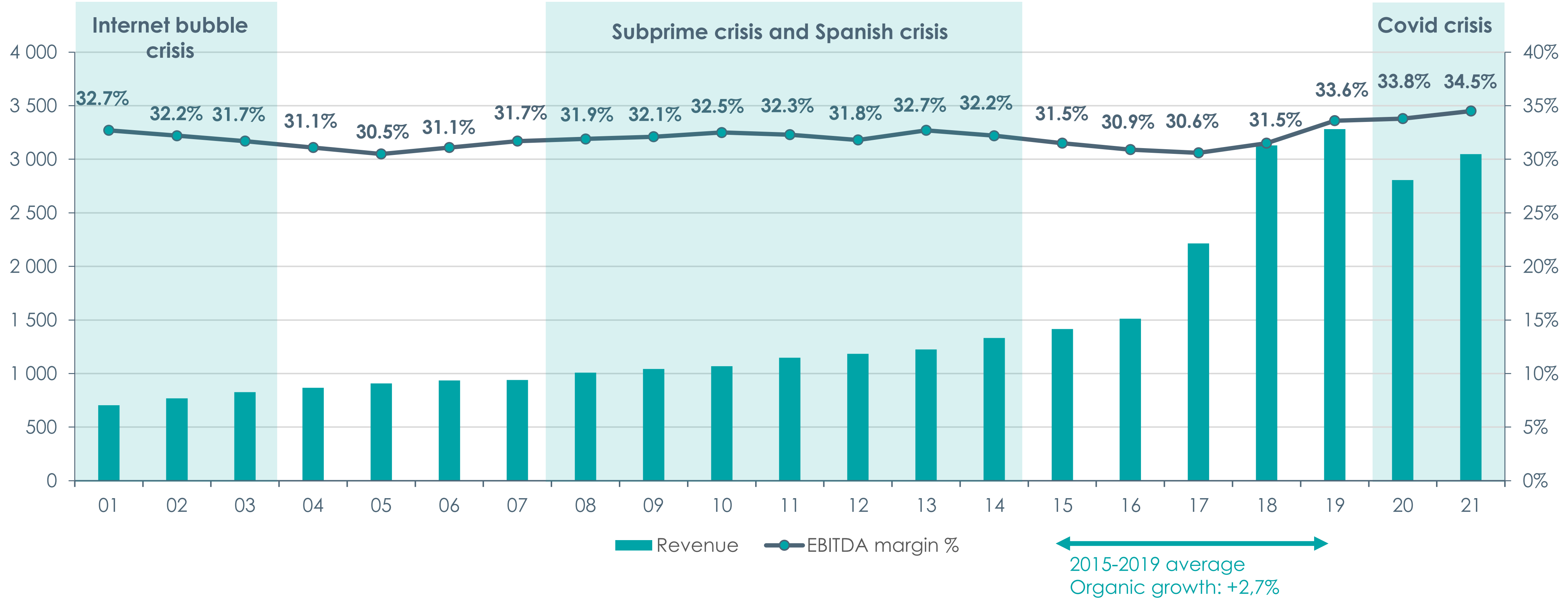
Proven business resilience over the years



- Since its 2015 IPO, Elis has delivered an average of nearly **+3% organic growth per annum**
- Over the last **20** years, **EBITDA margin** has evolved within a **narrow range**
- **Elis' free cash flow has improved steadily over the past years:** €154m in 2018, €174m in 2019, €217m in 2020 and €228m in 2021

EBITDA margin numbers from 2019 onwards include the IFRS 16 impact (+210bps impact in 2019)

Most of Elis' end-markets are very resilient through economic downturns

End market	Main market characteristics	Main contributors to 2021 revenue
Industry **29% of total 2019 revenue**	**Industry is resilient given the nature of our clients**, which mostly are very resilient themselves **The fixed fee invoicing methodology** (that is largely used with workwear clients) can help absorb a slight slowdown in our clients' activity	Food processing: 25% Pharma: 15% Water / waste management: 10% Automotive: 10% Construction, energy, transport: 10%
Healthcare **26% of total 2019 revenue**	**Healthcare is very resilient by nature**	Hospitals and clinics: 80% Nursing homes: 20%
Trade & Services **18% of total 2019 revenue**	**Trade & Services is largely resilient** on the back of the fixed fee invoicing methodology A significant slowdown in the economy could somewhat impact our activity with SMEs / mom and pop stores (potential decrease in the number of services used to save money)	Major retailers: 20% Facility management: 20% Small retailers: 15% Collective catering: 10% Automotive service centers: 10%
Hospitality **27% of total 2019 revenue**	Aside from pandemic situations (Covid, H_1N_1), **the Hospitality industry delivers steady growth,** driven by resort development, family holiday park development, water park development but also hotels, restaurants, museums, outdoor activities and other leisure facilities	Hotels: 80% Restaurants: 20%

Elis's organic growth profile reinforced in all non-Hospitality markets

Structural trends are changing Elis' organic growth profile

Need for more hygiene creates **cross-selling opportunities** (new products and services) and accelerates the **development of outsourcing** (need for employers to ensure a clean work environment)

Structural growth of the nursing home business, driven by ageing European population (Flat linen, Workwear for employees and washing of resident linen)

Re-industrialization of Europe: The pandemic has highlighted the importance of industry resilience in Europe. The regionalization of supply chains in Europe to avoid dependency (especially on Asia) will be an opportunity for Elis

Steady increase in the share of Elis' fast-growing markets: Latin America and Eastern European countries generally generate double-digit growth and represent an increasing share of Elis' revenue

Suppliers with high ESG standards such as Elis will benefit from the **increase in tenders with an ESG component**

Elis' quality of service and leadership position drive client retention

Steady churn rate reduction

Strong reliability

Delivery regardless of volumes and potential workforce shortfall, **differentiating Elis from its competitors,** which were sometimes totally closed and stopped servicing their customers

Listening to clients

Elis acted as a **real business partner** during the pandemic, adapting invoicing terms to the reality of our customers (discounts, contracts put on hold, etc.)

Seamless quality of service

Quality improvement programs in place in all our geographies bear fruit during the crisis

FY 2022 organic revenue growth guidance raised

We currently expect full-year 2022 organic growth to be between +18% and +20%

on the back of a better-than-expected topline dynamism in H1

(previously between +13% and +15%)

Main working assumption: Activity in Hospitality in the second half of 2022 is expected to be around 2019 level

FY 2022 adjusted EBITDA margin guidance confirmed
FY 2022 adjusted EBIT and headline net income per share guidance raised

2022 adjusted EBITDA margin still expected at c. 33.5%.

The better-than-expected topline dynamic in H1 allows us to expect:

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

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

2022 free cash flow after lease payments is still expected at c. €200m

Financial leverage ratio as of December 31, 2022 is now expected to be down 0.5x year-on-year at c. 2.5x (previously expected at c. 2.6x)

Key takeaways

1. In a difficult macro environment, Elis is a strong and resilient player with a diversified geographical footprint and client portfolio

2. Strong industrial know-how allowing to adjust to many external constraints

3. Impact of inflation on cost base compensated in euro terms by pricing adjustment capabilities

4. Reinforced organic growth and deleveraging profile in a post pandemic environment

H1 2022 business highlights

H1 2022 financials

A responsible business

Update on 2022 outlook

Q&A

Appendix: Restatement of H1 2021 figures

IFRS 3 “Business combinations”

- IFRS 3 requires previously published comparative periods to be retrospectively restated for business combinations (recognition of the final fair value of the assets acquired and the liabilities and contingent liabilities assumed when this fair value was provisionally determined at the previous balance sheet date).

(in €m)	H1 2021 reported	IFRS 3	H1 2021 restated
Revenue	**1,375.5**	**-**	**1,375.5**
Adjusted EBITDA	**458.7**	**-**	**458.7**
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**
Financial result	(42.0)	-	(42.0)
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**

Appendix: 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 Document de Base) 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 (or net loss) before financial expense, income tax, share in income of equity-accounted companies, amortization of customer relationships, goodwill impairment, non-current operating income and expenses, miscellaneous financial items (bank fees recognized in operating income) and expenses related to IFRS 2 (share-based payments).
- **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 adjusted EBITDA minus non-cash-items items, minus change in working capital, minus linen purchases and manufacturing capital expenditures, net of proceeds, minus tax paid, minus financial interests' 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 adjusted EBITDA of acquisitions finalized during the last 12 months after synergies

These alternative performance measures are meant to facilitate the analysis of Elis' operating trends, financial performance and financial position and allow the provision to investors of additional information that the Managing Board believes to be useful and relevant regarding Elis' results. These alternative performance measures generally have no standardized meaning and therefore may not be comparable to similarly labelled measures used by other companies. As a result, none of these alternative performance measures should be considered in isolation from, or as a substitute for, the Group's consolidated financial statements and related notes prepared in accordance with IFRS.

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