Q4 2022 trading update

30 January 2023

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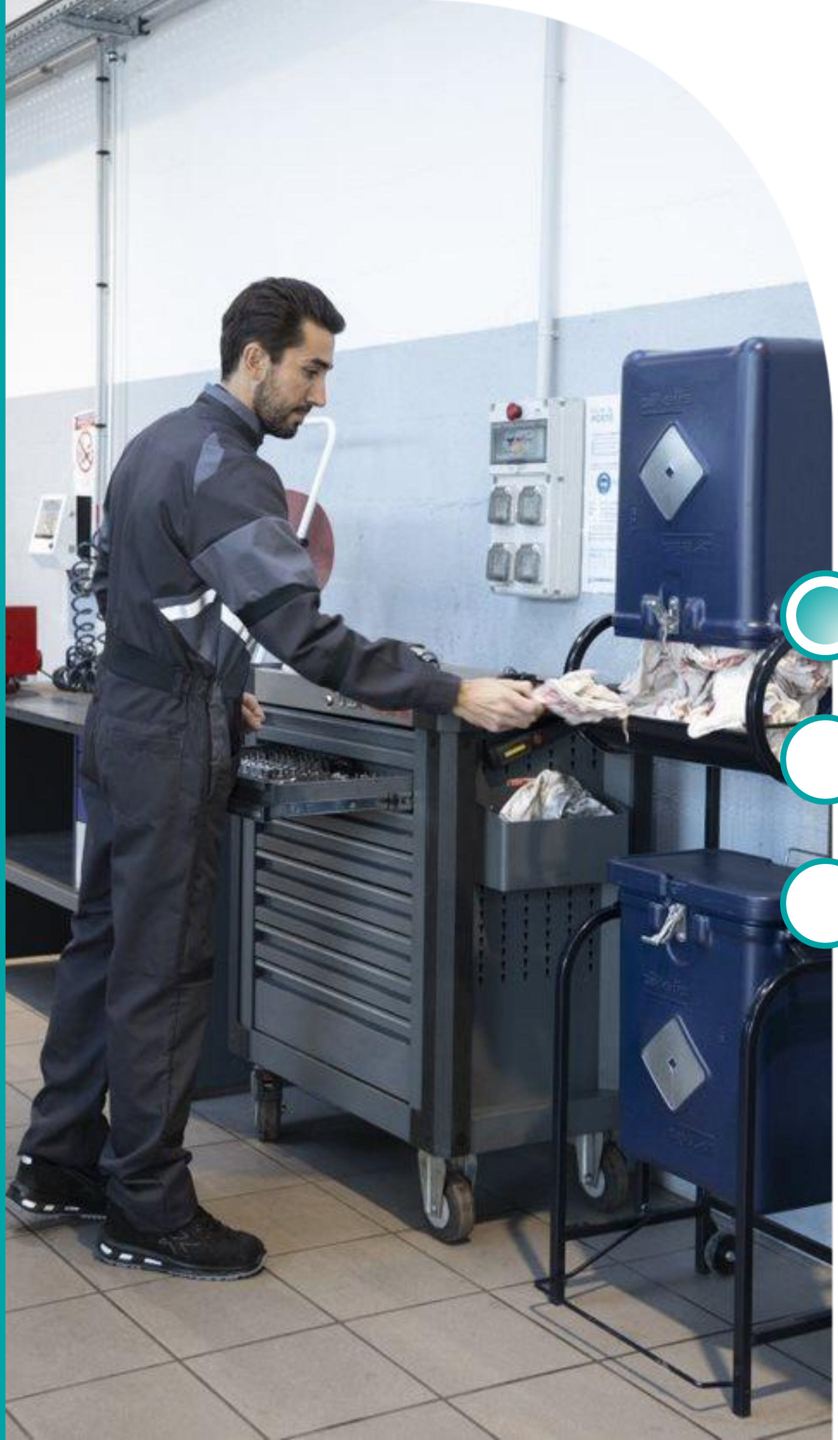


- **Q4 2022 trading update**
- Update on full-year 2022 outlook
- Q&A

Further activity momentum in Q4 2022, with price effect ramp-up and good level of activity in Hospitality

+15.7% organic growth in Q4 2022, driven by additional price adjustments and good activity momentum

- **Full-year 2022 revenue up +25.3%** of which **21.0% organic (price effect at c. +7% for the full-year)**
- **Q4 activity was good in Hospitality,** with Paris especially strong
- **Still no sign of slowdown** in **Healthcare**, **Industry** and **Trade & Services**
- **Many commercial successes** across the board notably driven by higher needs for hygiene and traceability from customers

Full-year 2022 results to be announced on March 8 – previously communicated objectives are all confirmed

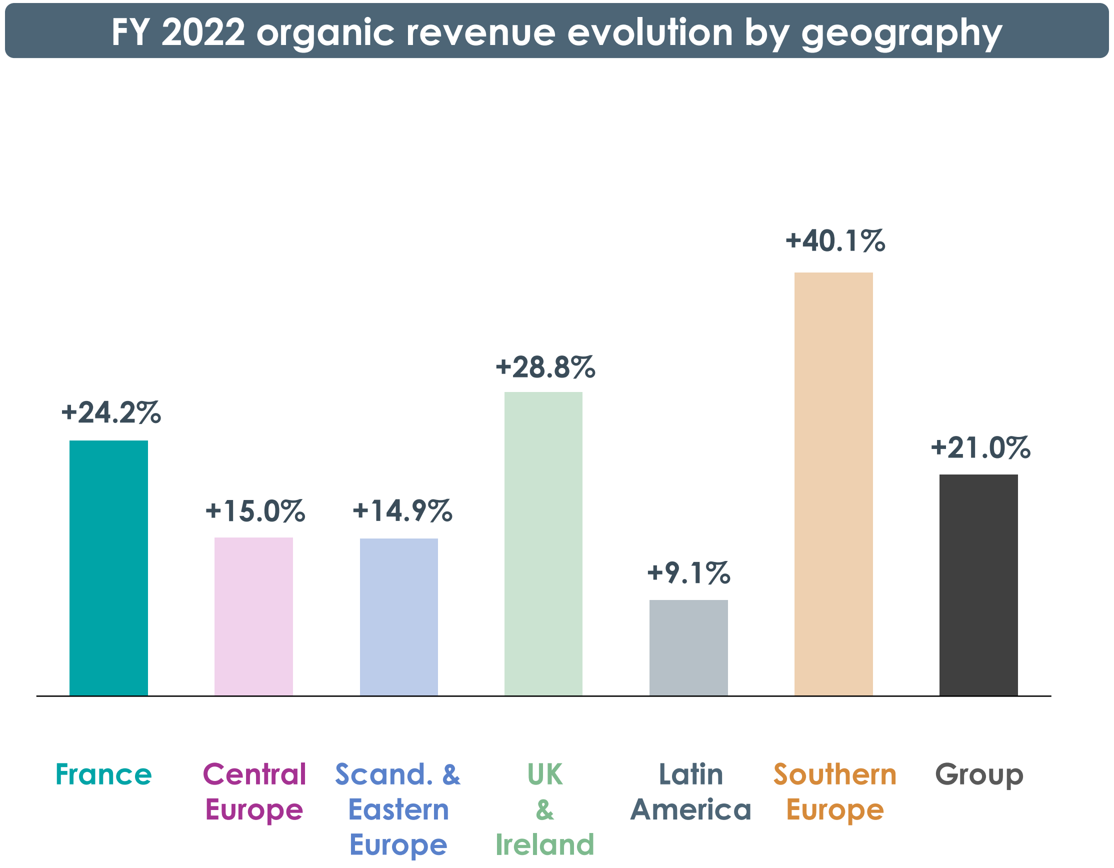
- **2022 adjusted EBITDA margin** still expected at **c. 33.0%**
- **2022 adjusted EBIT** still expected **above €530m**
- **2022 headline net income per share** still expected **above €1.45**
- **2022 free cash flow after lease payments** still expected **at c. €200m**
- **Financial leverage ratio as of 31 December 2022** still expected **to be down 0.5x year-on-year at c. 2.5x**

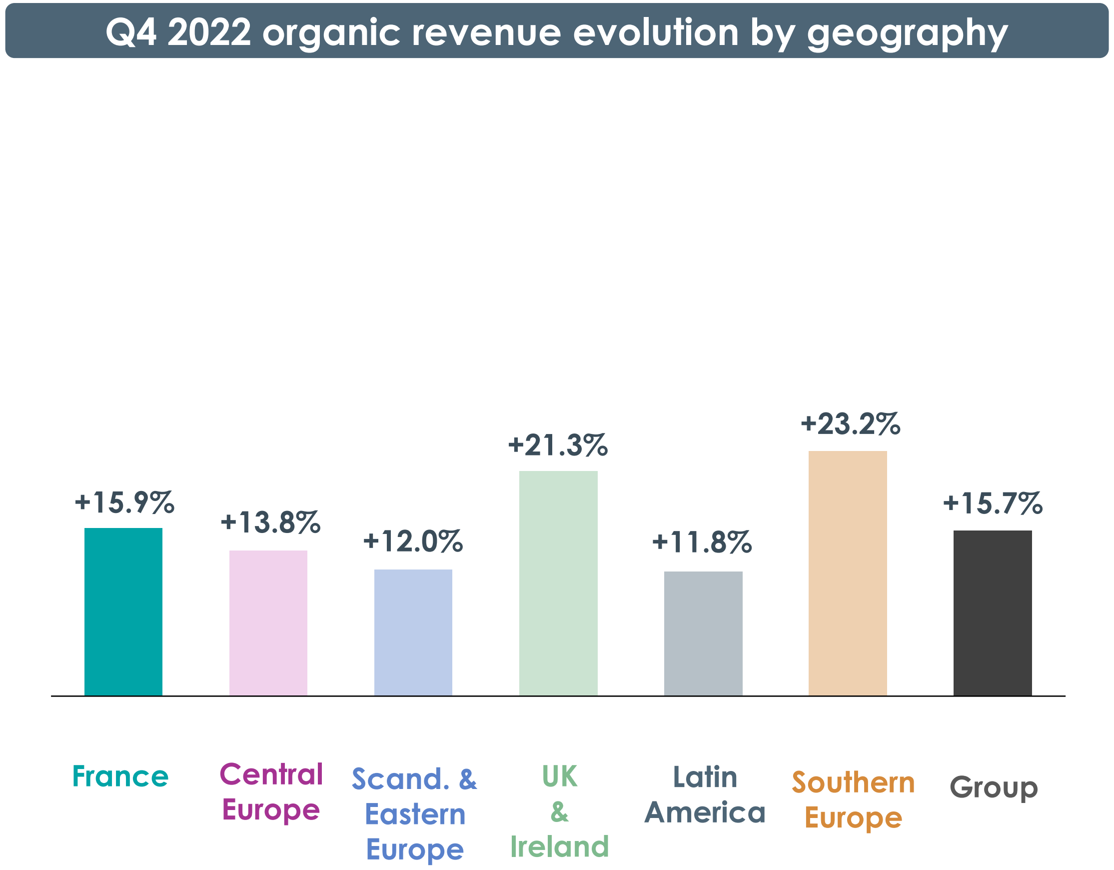
2023 to be a year of further topline growth, margin improvement and material deleveraging

- **2023 organic revenue growth should be above +10%,** driven by a price effect of at least +8% to +9%, on the back of all pricing adjustments negotiated throughout 2022 and those already scheduled for 2023
- Topline dynamism and hedging in place on gas purchases should lead to **controlled inflation** of our cost base
- We therefore expect **improvement in all key financial metrics** (EBITDA margin, EBIT margin, EPS and free cash flow) **in 2023**
- Elis' **deleveraging trajectory** should quickly make the Group eligible for **investment grade** rating consideration

In order to take into account the statement published by the European Securities and Markets Authority (ESMA) on 29 October 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.

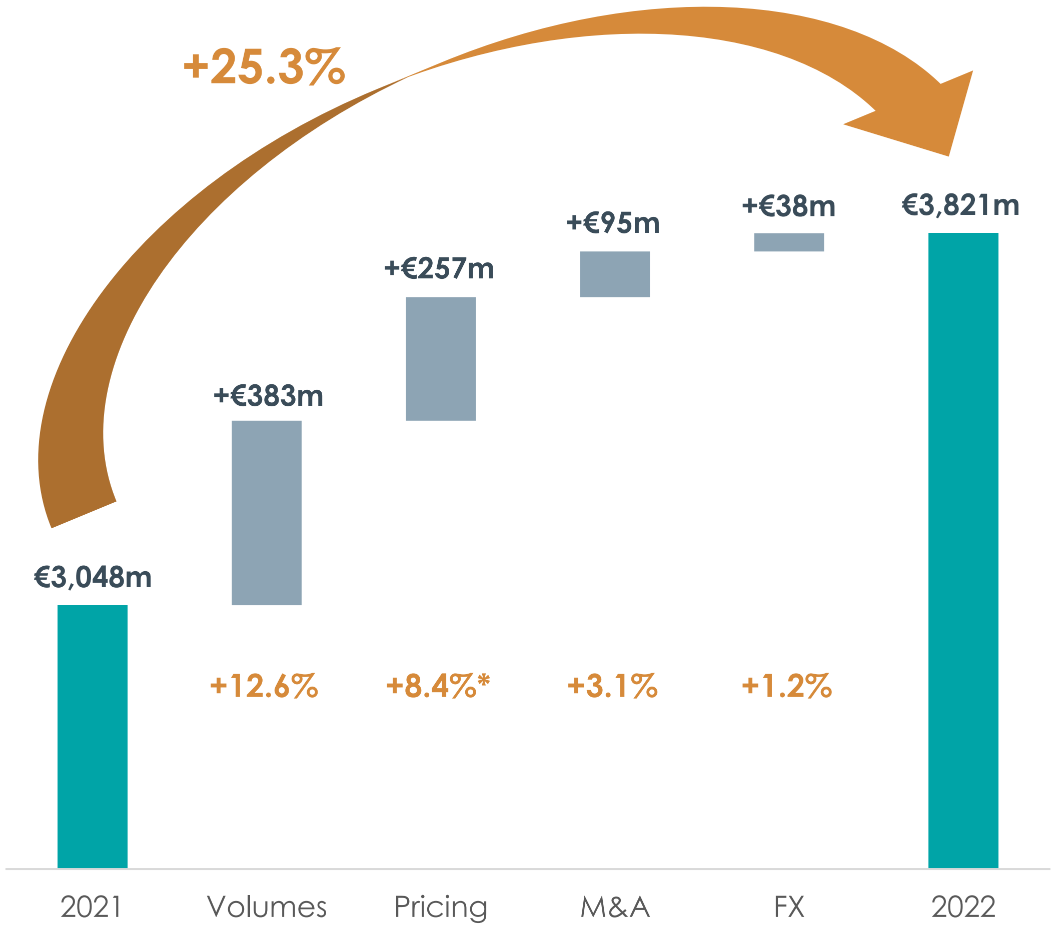
Full-year organic growth driven by Hospitality recovery, good commercial momentum and efficient pricing adjustments





Full-year organic growth driven by further recovery in Hospitality, good commercial momentum and efficient pricing adjustments

2021-2022 revenue bridge



*: i.e. a price effect of **+7.2%** based on 2022 volumes

Volumes

- Strong commercial momentum across the board
- Rebound in Hospitality (essentially France, Southern Europe and the UK & Ireland) as 2021 was still strongly impacted by the pandemic

Pricing

- Several pricing initiatives were implemented throughout 2022 with a gradual ramp-up effect

M&A

- The acquisition of a Mexican leader (consolidated from July 1st) had a c. +€50m impact on 2022 revenue
- Other acquisitions impacted Central Europe and Scandinavia & Eastern Europe (c. +€18m and c. +€15m respectively)

FX

- Strong currency effect from BRL (c. +€35m)

Elis has put in place multiple pricing initiatives throughout 2022 to offset the 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

→ Most competitors are also facing a strong increase of their cost base and therefore need to increase their prices as well

Strong rebound of Hospitality throughout 2022: France and Southern Europe above 2019 level - UK is still slightly trailing

Continued activity pick-up in 2022

- Continuous rebound in Europe, especially in France, Spain and Portugal
- Activity in the UK is still slightly below 2019 level – focus was mostly on pricing rather than volumes

Good pricing dynamics

- Inflationary context helped additional pricing discussions with customers
- Limited pressure on new bids in a context of significant increase in average room price

Further recovery potential in Q1 2023

- Q1 2023 looks promising: no slowdown recorded so far and good level of bookings for the winter holidays in France
- Q1 2022 was still c. 20% below 2019 level due to the Omicron variant
- This corresponds to up to c. €50m to catch-up in Q1 2023

Non-hospitality markets continue to benefit from strong structural tailwind

Elis' operational excellence and commercial dynamism further boost growth

- Many new contract wins in 2022, with an acceleration in first-time outsourcing
- The Group is rolling out services that have already been deployed in France, such as pest control, washroom, as well as services for care homes and services for small clients
- Further improvement of Elis' service quality and reliability, leading to churn rate reduction

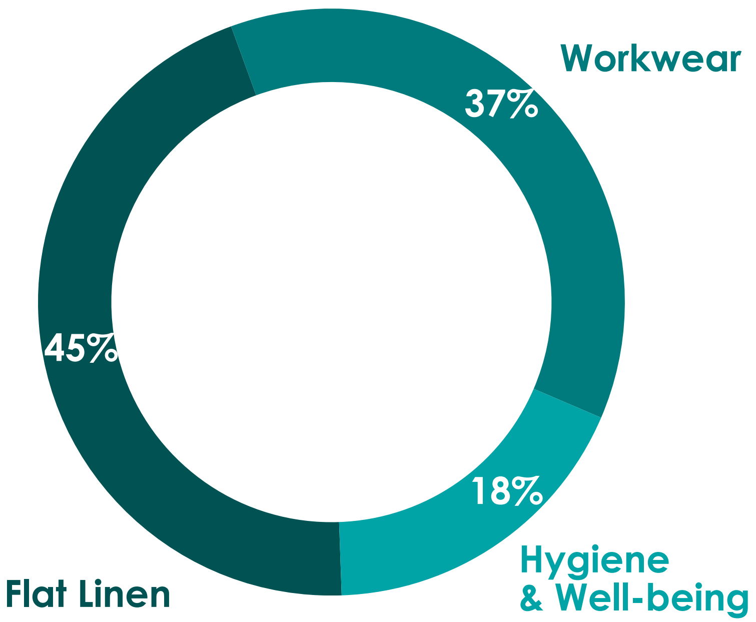
Hygiene: A major area of focus for our customers, paving the way for many commercial opportunities

- Clients consume more workwear than before (e.g., daily changes vs 3 changes per week)
- Healthcare professionals are moving back to textile vs disposable paper (more reliable sourcing, better comfort, lower environmental impact)
- Higher demand for soaps, hand wipes, hydro-alcoholic gels, pest control solutions and higher linen consumption (more changes of workwear)
- Some industrial production sites have been relocated to Europe
- 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

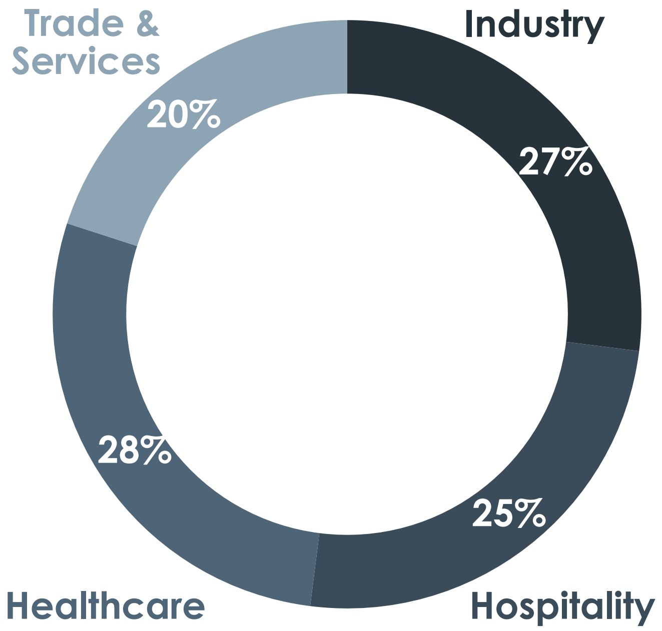
Elis offers a highly diversified and well-balanced profile

FY 2022 revenue breakdown

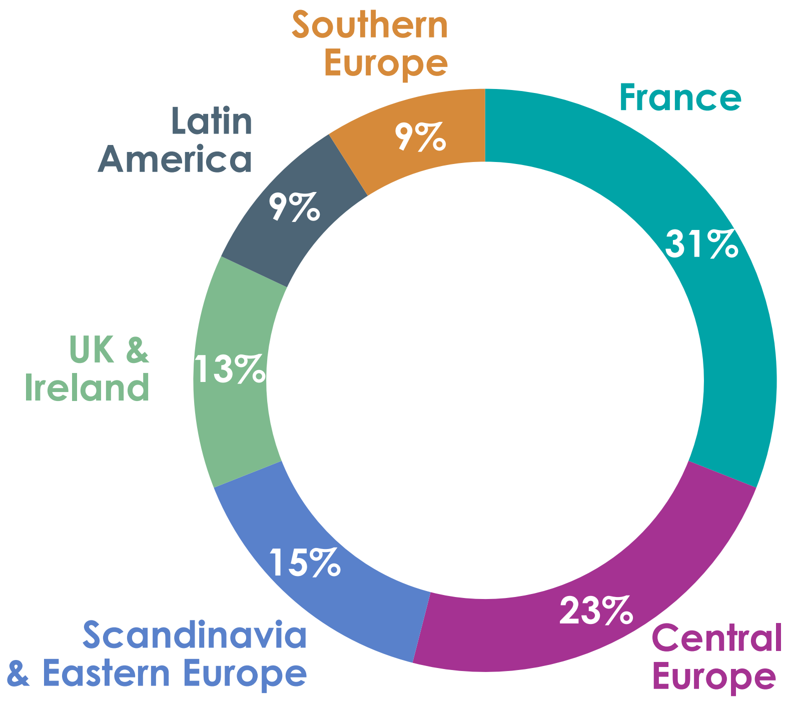
By activity



By end-market

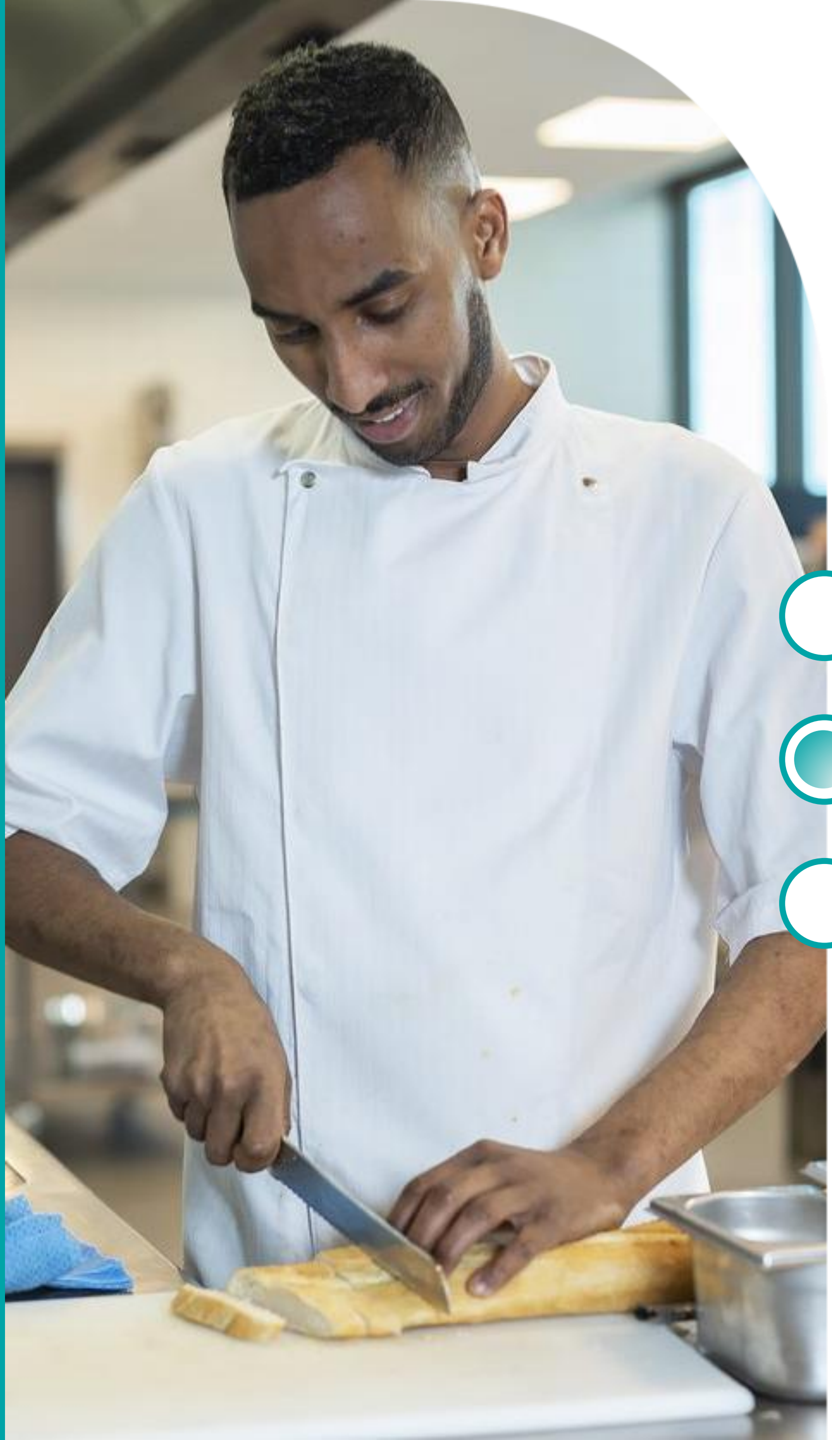


By geography



Still no sign of slowdown to date
Elis' end-markets are very resilient through economic downturns

End market	Main market characteristics	Main contributors to revenue
Industry 27% of total 2022 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 28% of total 2022 revenue	**Healthcare is very resilient by nature**	Hospitals and clinics: 80% Nursing homes: 20%
Trade & Services 20% of total 2022 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 25% of total 2022 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%



Q4 2022 trading update

Update on full-year 2022 outlook

Q&A

Full-year 2022 objectives confirmed

2022 adjusted EBITDA margin still expected at c. 33.0%

➔ Pricing adjustments cover cost base increase in Euros, with a mechanical dilutive effect on margin

2022 adjusted EBIT still expected above €530m

2022 headline net income per share still expected above €1.45

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

Financial leverage ratio as of 31 December 2022 still expected to be down 0.5x year-on-year at c. 2.5x

Initial views on 2023

Breakdown of expected 2023 organic revenue growth

Effect of hospitality pick-up in Q1 2023 (vs easy comps in Q1 2022)	Elis' normative organic growth profile (excluding inflation)	Potential impact from an economic slowdown[1]	Expected pricing effect	Total > +10%
+1.5% /+2%	+2.5% / +3.5%	-2% / 0%	+8% / +9%	

[1]: *In 2009, the Group recorded full-year organic revenue growth of c. 0% compared to normative organic growth at that time of c. 2%*

Other 2023 financial metrics

- Topline dynamism and hedging in place on gas purchases should lead to **controlled inflation of our cost base**
- We therefore expect **improvement in all key financial metrics** (EBITDA margin, EBIT margin, EPS and free cash flow)
- Elis' **deleveraging trajectory** should quickly make the Group **eligible for investment grade rating consideration**

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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 grants transferred to income
- **Adjusted EBITDA margin** is defined as adjusted EBITDA divided by revenue
- **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 revenue

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.

- **Headline net result** corresponds to net income or loss excluding extraordinary items which, due to their type and unusual nature, cannot be considered as intrinsic to the Group's current performance
- **Free cash flow** is defined as adjusted EBITDA less non-cash-items and changes in working capital, purchases of linen, capital expenditures (net of disposals), tax paid, financial interest paid and lease liabilities payments
- **The financial leverage ratio** is the leverage ratio calculated for the purpose of the financial covenant included in the new banking agreement signed in 2021: Leverage ratio is equal to Net financial debt / adjusted EBITDA, pro forma of acquisitions finalized during the last 12 months, and 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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