



Elis' mission statement and 2030 climate targets

4 September 2023

AGENDA

A new mission
statement reflecting
Elis' circular
approach

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Ambitious 2030
climate targets

2

Current trading
update

3

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01

**A new mission
statement reflecting
Elis' circular approach**

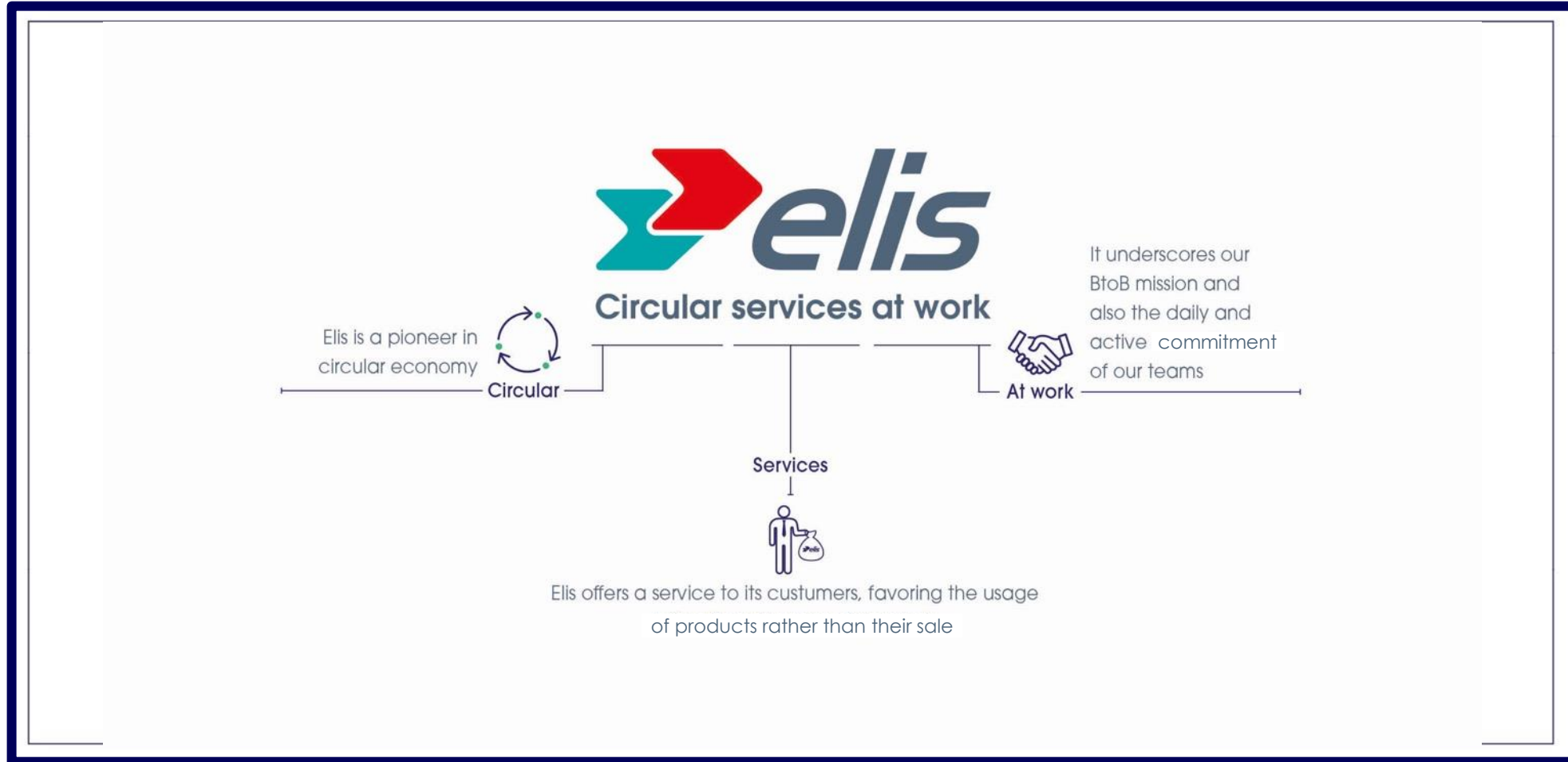
Our new mission statement: Circular services at work

To deliver circular services at work for hygiene, well-being and protection – everywhere, every day, in a sustainable way



- » Help clients stay focused on their core business
- » Reinforce our business model of renting, maintenance and reuse
- » Allow our clients to reduce their environmental footprint
- » Create a bond between us, our clients and our planet
- » Unite our people around the world

Our new mission statement: Circular services at work



Elis provides services that address today's and tomorrow's challenges

HYGIENE

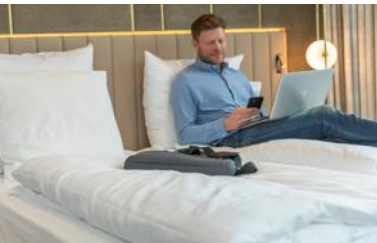
Our customers and their employees, workers and consumers are increasingly focused on hygiene

PROTECTION

The pandemic has underscored the basic need for protection

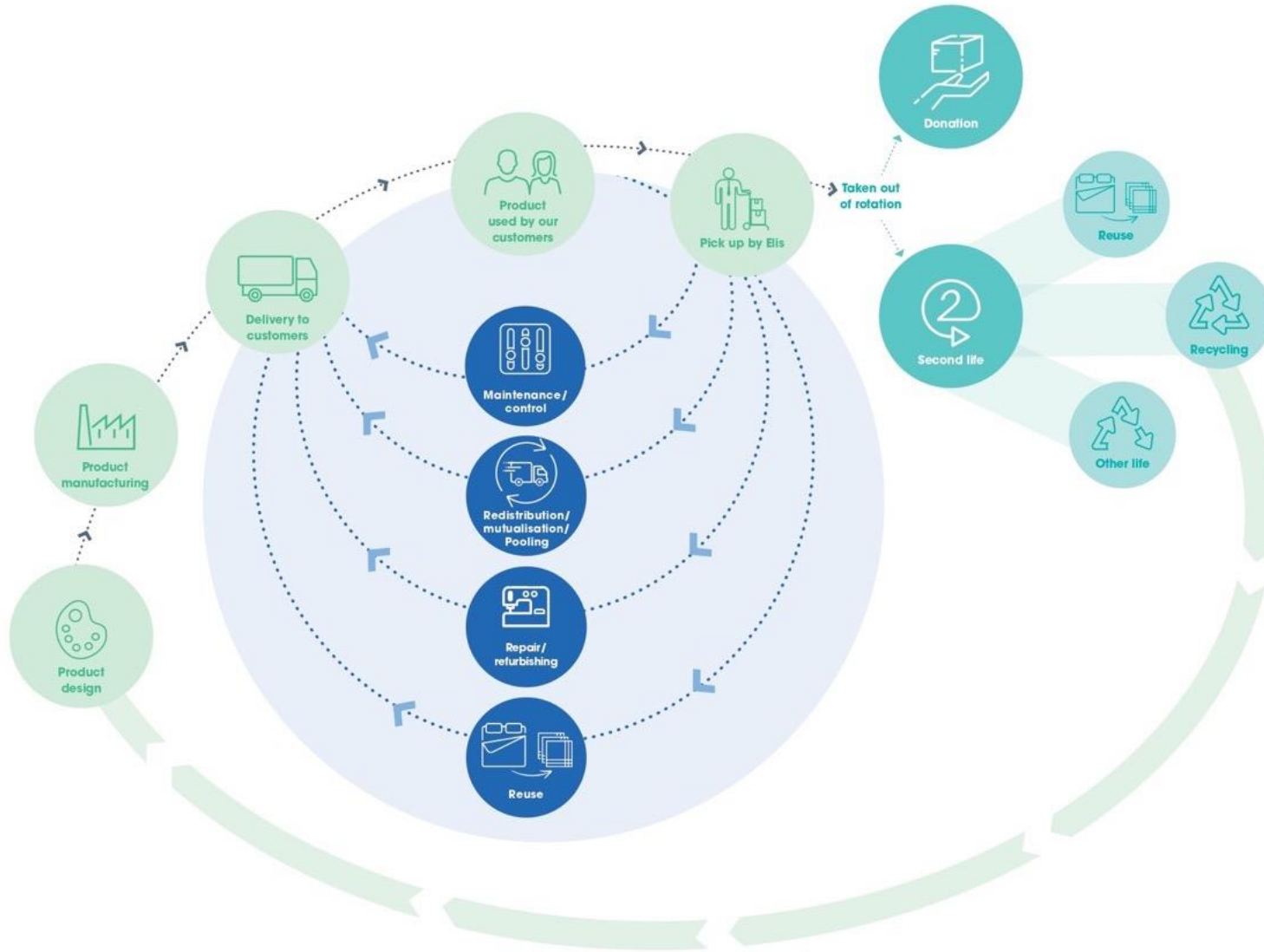
WELL-BEING

This is a fundamental concept to put forward as we want to stick to service. It refers to Hospitality and Care.



Elis' services are circular by nature

Mission statement



Material selection



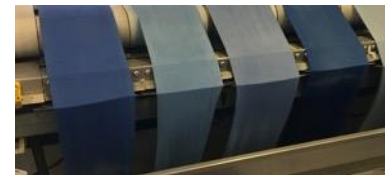
Repair



Refurbish



Reuse



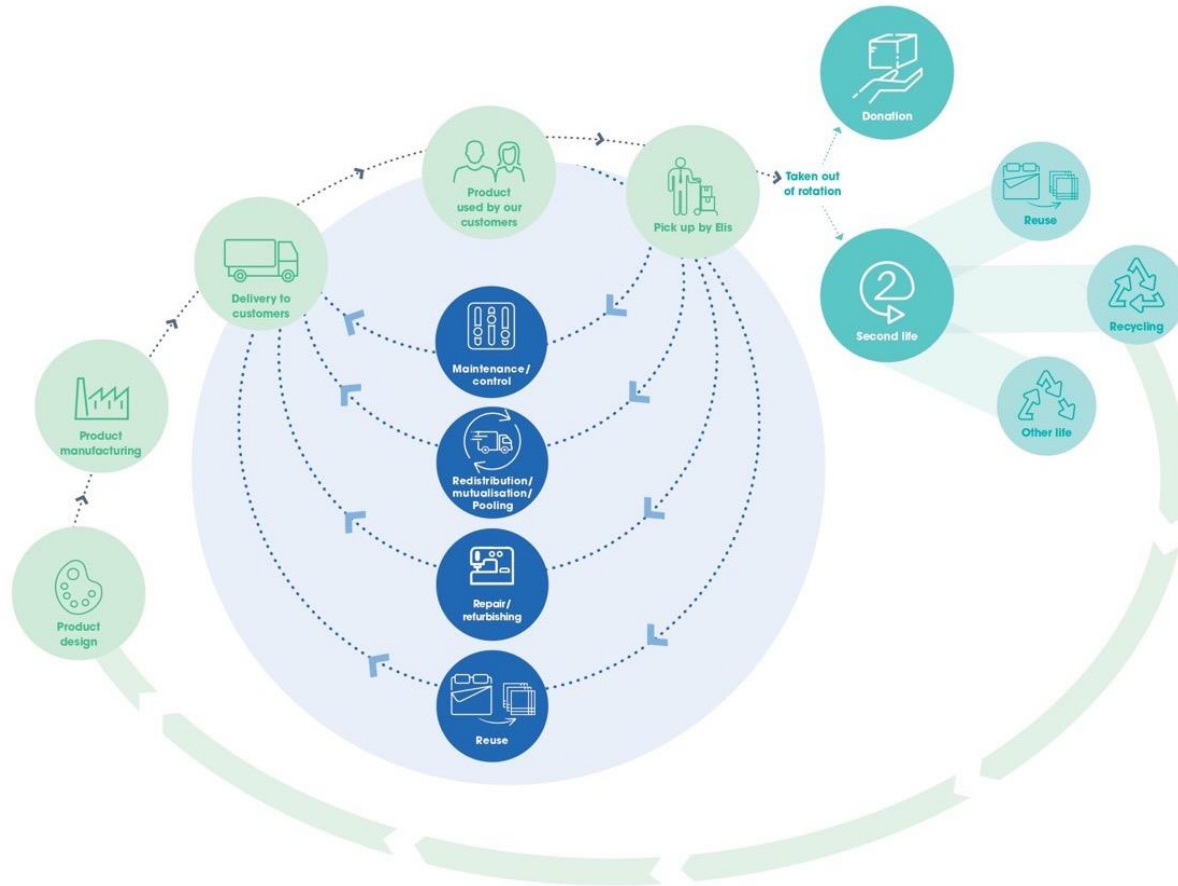
Recycling



02

Ambitious 2030 climate targets

Avoiding CO₂ emissions for our customers



Using a hand towel with a cotton spool reduces CO₂ emissions by up to 29% compared to a disposable paper towel solution



The use of reusable hospital scrub suits in healthcare establishments **allows a 31% reduction (which can go up to 62% in some cases) in CO₂ emission** compared to disposable ones

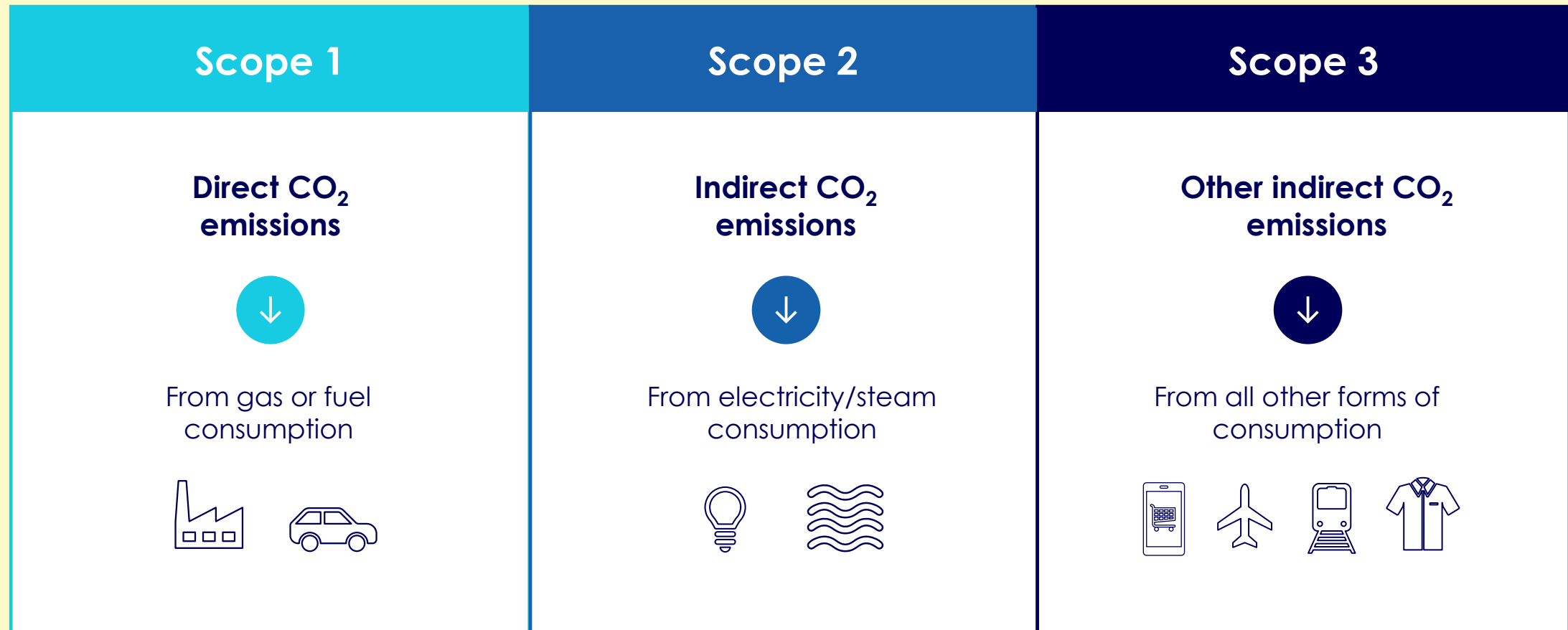


Using workwear in a product-as-a-service approach **allows a reduction of up to 37% in CO₂ emissions** compared to other approaches such as washing at home or in traditional laundries


A long-standing commitment

Targets covering all three emission scopes

Group carbon footprint:

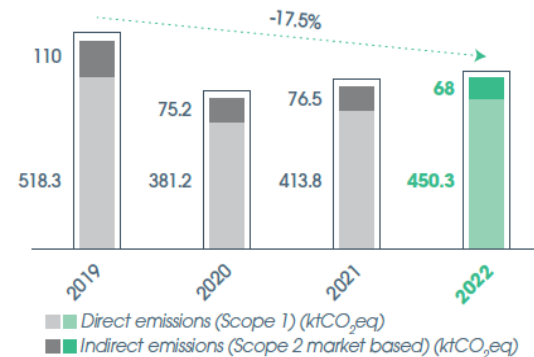


Significant CO₂ reductions with outperformance on some targets and third-party recognition

Our 2025 targets linked to climate and 2022 performance			
Our commitments and objectives	2022 vs 2010 (actual)	2025 vs 2010 (target)	Scope contribution
Reduce CO ₂ intensity in operations (kg of CO ₂ per ton of linen delivered)	-25%	-20%	Scope 1 Scope 2
Improve thermal efficiency in European laundries (kWh per kg of linen delivered)	-26%	-35%	Scope 1
Accelerate logistics fleet transition towards alternative vehicles	232 alternative logistics vehicles at the end of 2022		Scope 1
Reuse or recycle our end-of-life textiles	70%	80%	Scope 3
Offer at least one collection composed of sustainable materials for each product family by 2025	51%	80%	Scope 3

Reduction of CO₂ emissions:
-17.5%
 in absolute value since 2019

CO₂EQ EMISSIONS AND GROUP PERFORMANCE



Recognition from CDP




A renewed ambition validated by SBTi (Science Based Targets initiative)

The Group's targets are aligned with the Paris Agreements and will contribute to keeping the temperature rise below 1.5°C (Scopes 1 & 2) and well below 2°C (Scope 3).



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Scopes 1 & 2
(emissions linked to energy)

Scope 3
(purchased goods and services, fuel and energy related activities, upstream transportation and distribution, employee commuting, and end-of-life treatment of sold products)



-47.5%
between 2019 and 2030



-28%
between 2019 and 2030



-47.5%

Scope 1 & 2 reduction

- 1 Further optimize our energy use in our industrial laundries
- 2 Decarbonize our energy
- 3 Reduce the environmental impact of our logistics fleet

-28%

Scope 3 reduction

- 1 Improve and optimize our operational practices, especially on linen management
- 2 Reduce the environmental impact of our products by working on design, material selection or production modes
- 3 Reduce the impact of our freight and support our employees in their transition towards more responsible commuting practices

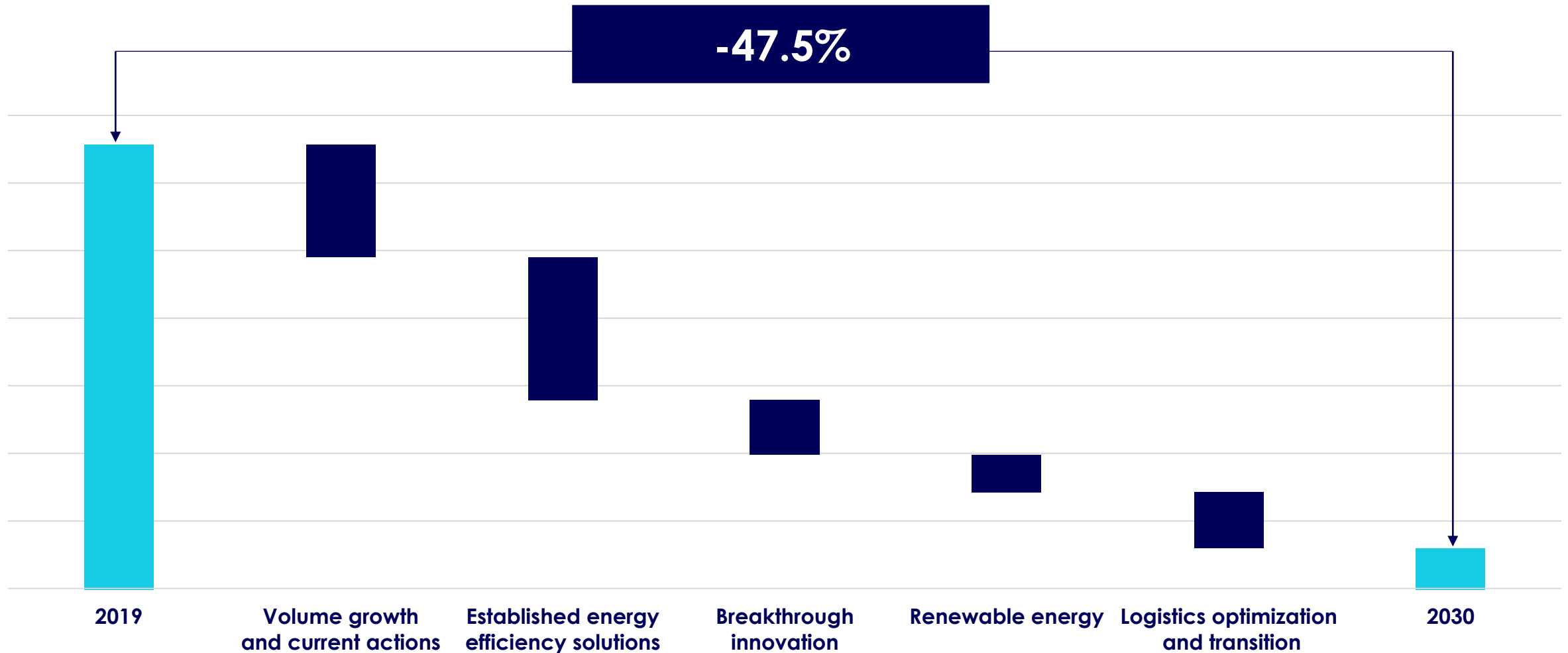


Scopes

1 & 2

Strong CO₂ emission reduction by 2030

Scope 1&2



Building on established energy efficiency solutions and testing new approaches

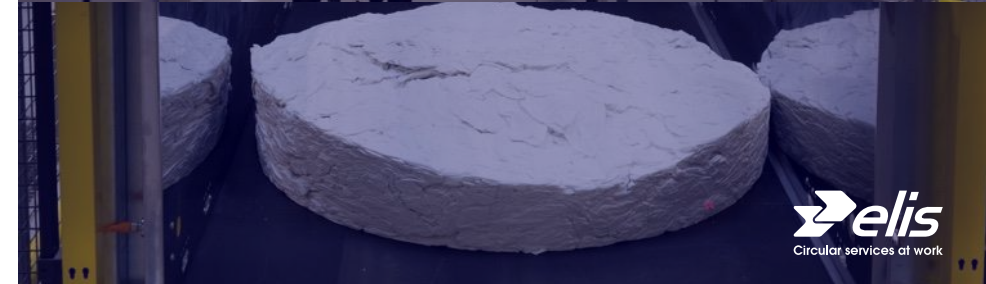
Capitalizing on established energy-efficient technologies and approaches (dryers, press ...)



Performing Proof of Concept on innovative technologies

50%

CO₂ gains from known energy efficiency technologies



Decarbonizing our energy use

- › Leverage renewable energy through on-site production, switching to alternative energies (about 50 solar projects) or implementing new procurement strategies
- › Implement pilot projects to test new energies, technologies or processes and assess their scalability at industrial level and in our different geographies



Barcelona Plant



Brussels Plant



Biomass energy

Up to
70%

**of the electricity
needs of our Brussels
plant provided by
solar energy**

Reducing the environmental impact of our logistics fleet

Scope 1 & 2 – Pillar 3



Optimizing & Eco-driving

- » Optimize deliveries (routes, loads, ...) through the deployment of our internal solution GLAD (Global Logistics Assistant for Deliveries)
- » Reinforce eco-driving approaches (tires, driving modes, speed...)



GLAD already deployed in France, Portugal and Belgium and ongoing deployment in Spain, Italy, UK and Germany



Transitioning the fleet

- » Accelerate vehicle fleet transition towards alternative vehicles, about **1,000** electric vehicles and biofuels
- » Experiment new solutions for heavy trucks to prepare for the future



50 electric trucks delivered in France between July and September



Scope

3

Scope 3 roadmap built on 3 main pillars

Reduce our Scope 3 emissions by
-28%

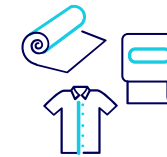
1

Improve and optimize our operational practices, especially on linen management



2

Reduce the environmental impact of our products by working on design, material selection or production modes



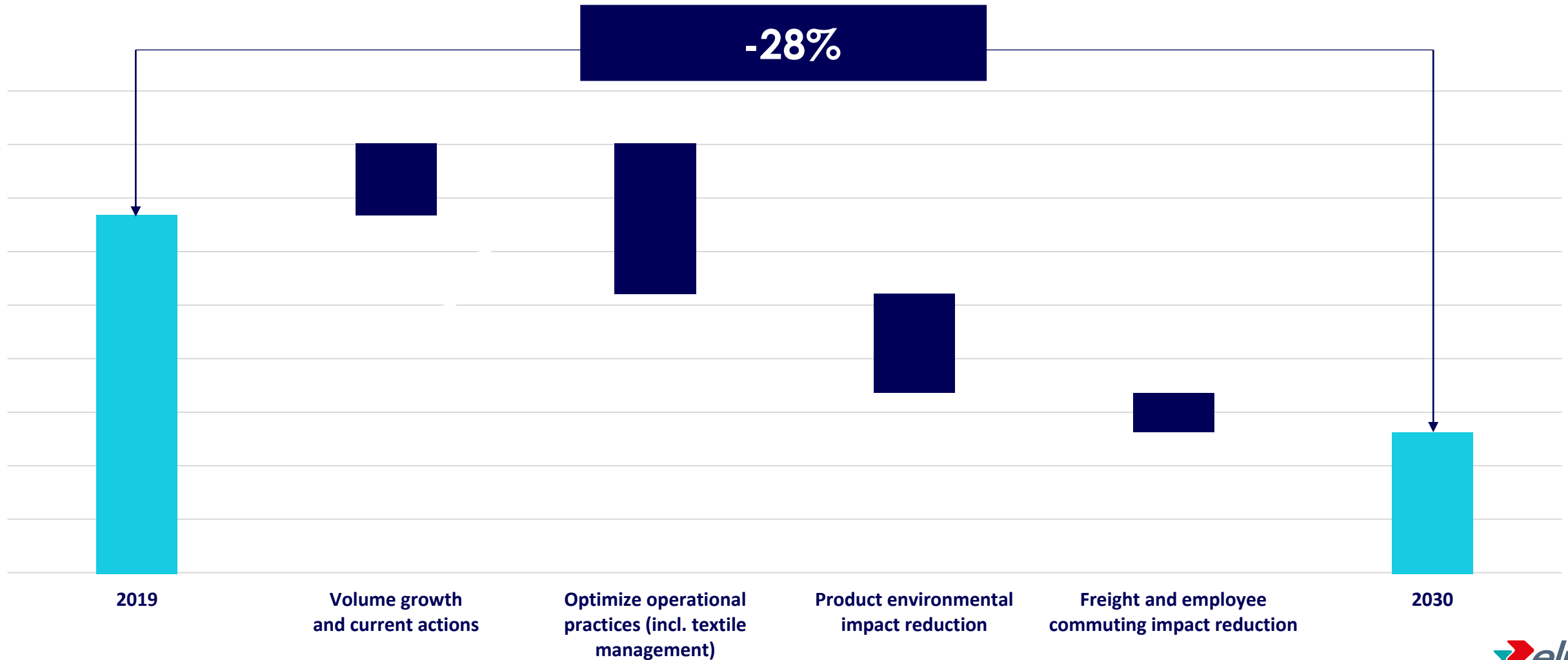
3

Reduce the impact of our freight and support our employees in their transition towards more responsible commuting practices



Strong Scope 3 emissions reduction by 2030

Scope 3



Improving and optimizing our operational practices, especially on linen management

Partner to reduce product loss and misuse

- Develop and implement reward schemes, traceability projects, measures to better manage textiles and reduce loss

Traceability solutions



Healthcare textile improvement program in the UK



Elis UK's 4R campaign and partnering with customers to reduce by 30% the loss of textiles

Increase reuse of products & packaging

- Increase product reuse across geographies and sites
- Reduce the use of single-use plastic packaging and improve traceability of our reusable ones (ex trolleys, textile bags...)

Reusable packaging solution



Improving textile management to better reuse



New cleanroom ranges reducing plastic packaging



Kangaroo products help reduce plastic consumption by almost 4 kg per operator

Riga mat plants targeting 60,000 mats repaired every year



Reduce our energy consumption (Scopes 1&2)

- Partner with our suppliers to identify new solutions and reduce our energy consumption (Scopes 1 & 2) leading to reduced upstream energy emissions (Scope 3)



Reducing the environmental impact of our products by working on design, material selection or production modes

Scope 3 – Pillar 2



Improve manufacturing practices within the supply chain

- » Partner with suppliers to drive environmental reduction at their operations



Reducing the environmental impact of our products by working on design, material selection or production modes



Offer always more alternative products

» with a lower environmental footprint through eco-design or selection of alternative materials

Phoenix facility range



73% to 98% recycled content in 8 products in our range

Innovative projects: Textile to Textile



Upgraded Motion collection to be launched



New version made with recycled polyester/cotton

Reducing the impact of our freight and supporting our employees in their transition towards more responsible commuting practices



Engaging with freight partners



- to reduce environmental impact in the value chain and drive emissions reduction on these activities

Supporting employees in their transition



- to more responsible commuting practices by promoting car-pooling and gentle mobility approaches

A man in a dark jacket is rolling up a carpet in a hallway. The scene is dimly lit with a blue tint. The man is smiling and looking towards the camera. The carpet is being rolled up from the left side of the frame towards the right. In the background, there are glass doors and a sign that says "BIENVENUE".

In a nutshell

Our SBTi goals: The natural next step

- » **Given our business model and historical engagement**
- » **An ambitious, credible, and feasible plan, prioritizing effective carbon gains and financial savings. It will require a global engagement by our partners and a transition towards a low carbon economy**
- » **A plan that will federate and engage all our employees, fostering retention, attractivity and pride**
- » **A plan bringing even more added value to our customers, supporting them in the achievement of their own targets and differentiating Elis**
- » **A balanced plan in line with Group's objective to continue to deliver profitable growth**



03

Current trading update

Solid financial performance in H1 2023

Improvement of all profitability KPIs and further deleveraging

Current trading

Top line dynamism and productivity improvement drove excellent financial performance in H1 2023

- » **H1 2023 revenue at €2,101.3m, up +17.8%**
of which +15.2% on an organic basis (price effect of c. +11%)
- » **H1 2023 adjusted EBITDA at €698.1m, up +21.1%**
Adjusted EBITDA margin up +90bps at 33.2%
- » **H1 2023 adjusted EBIT at €316.4m, up +36.2%**
Adjusted EBIT margin up +200bps at 15.1%
- » **H1 2023 headline net income per share¹ at €0.78, up +25.5%**
- » **H1 2023 free cash flow² at €16.9m, stable yoy**
- » **Financial leverage ratio at 2.4x** as of June 30, 2023

Further commercial and operational achievements in H1, underscoring Elis' strong customer relationships and industrial know-how

- » Record level of new Workwear contracts signed in H1, driven by new outsourcing and increased need for hygiene & traceability from customers
- » Further rebound of Hospitality with an easy comparable base in the 1st quarter
- » No sign of significant slowdown across our markets and geographies; little to no impact from the recent turmoil in France
- » Strong pricing discipline and selective approach when signing or renewing contracts
- » Operating leverage, neutral balance of inflationary impacts and productivity gains led to margin improvement in H1 despite continuous strong inflation (c. +10% increase in our cost base in the first half)

Full-year 2023 profitability objectives raised in July

Previously communicated H1 2022 numbers have been retrospectively restated from the impact of IFRS 3 (please see the Appendix)

¹ On a fully diluted basis

² After lease payments

Full-year 2023 profitability objectives raised in July

Current trading

Organic revenue growth now¹ expected at c. +12%

- ✓ Expected pricing effect of at least +9% (with a significant part of price adjustments in the books since January 1st, 2023)

¹ Previously expected between +11% and +13%

Adjusted EBITDA margin now² expected up c. +70bps

- ✓ Topline dynamism, further productivity gains and hedging in place on energy purchases should generate margin expansion

² Previously expected up c. +50bps

Adjusted EBIT now³ expected above €660m

- ✓ Driven by top line dynamism and a slight decrease in D&A as a % of revenue

³ Previously expected above €650m

Headline net income now⁴ expected above €410m

- ✓ Fully diluted headline net income per share expected above €1.65 (i.e. up at least +13% yoy)

⁴ Previously expected above €405m

Free cash flow still expected above €260m

- ✓ Driven by top line dynamism and progressive normalization of change in WCR

Financial leverage ratio still expected at c. 2.1x at year-end

- ✓ Elis' deleveraging trajectory should quickly make the Group eligible for investment grade rating consideration

Summer activity level consistent with full-year organic growth guidance of c. +12%

Current trading

Activity remained solid in all geographies in July and August

Further commercial successes and solid activity across the board, especially in Workwear

Mixed picture in Hospitality



- France and Spain slightly below 2022 level
- UK, Northern Europe and Portugal in line with 2022 level



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