

Elis roadshow presentation

September 2024

Key takeaways on international expansion strategy

01 Elis has longstanding strategy of pursuing **international expansion** through **acquisition of market leaders**



02 Any acquisition will be **consistent with Elis' disciplined financial approach** to external growth, **retaining investment grade rating** and **ensuring transaction is accretive to EPS**



03 Proven **track record of value creation when integrating** acquired companies



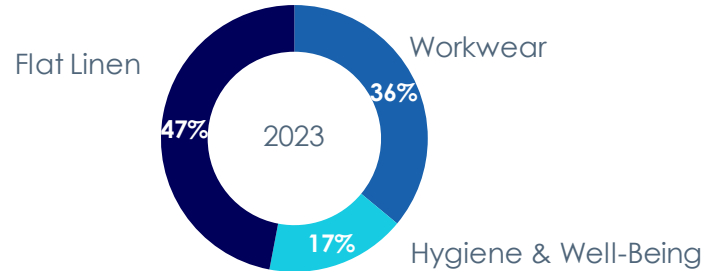
04 North America is a **large and attractive market** with structural growth drivers and **multiple growth opportunities**



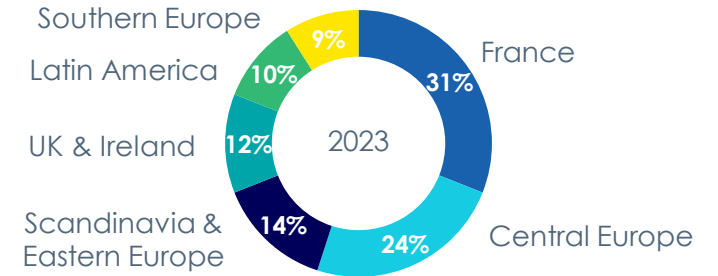
Our business is diversified and high growth, with a measured approach to leverage

Attractive & diversified portfolio

Revenue by Activity



Revenue by Geography



Strong financial performance

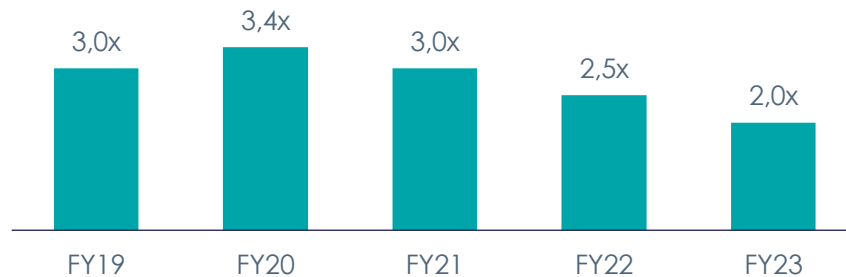
7.0%
L5Y Revenue CAGR (19-23)

7.5%
L5Y EBITDA CAGR (19-23)

34.2%
FY23 EBITDA Margin

Prudent balance sheet

Elis improving leverage



- » S&P Global Ratings' rating updated from BB+ to Investment Grade credit BBB- rating in November 2023
- » Moody's outlook raised from stable to positive in October 2023

Elis is operating from a position of strength and ready for its next growth phase

Solid financial and operational performance in H1 2024

Solid results in all our geographies

- » **H1 2024 revenue at €2,246.7m, up +6.9%**
of which +5.5% on an organic basis
- » **H1 2024 adjusted EBITDA at €774.3m, up +10.9%**
Adjusted EBITDA margin up +120bps at 34.5%
- » **H1 2024 adjusted EBIT at €343.6m, up +8.6%**
Adjusted EBIT margin up +20bps at 15.3%
- » **H1 2024 headline net income per share up +1.6%**
at **€0.83** on a fully-diluted basis
- » **H1 2024 free cash flow¹ at €55.5m, up c. +€39m yoy**
- » **Financial leverage ratio at 2.06x** at June 30, 2024

Previously communicated H1 2023 numbers have been retrospectively restated from the impact of IFRS 3 (please see the Appendix)

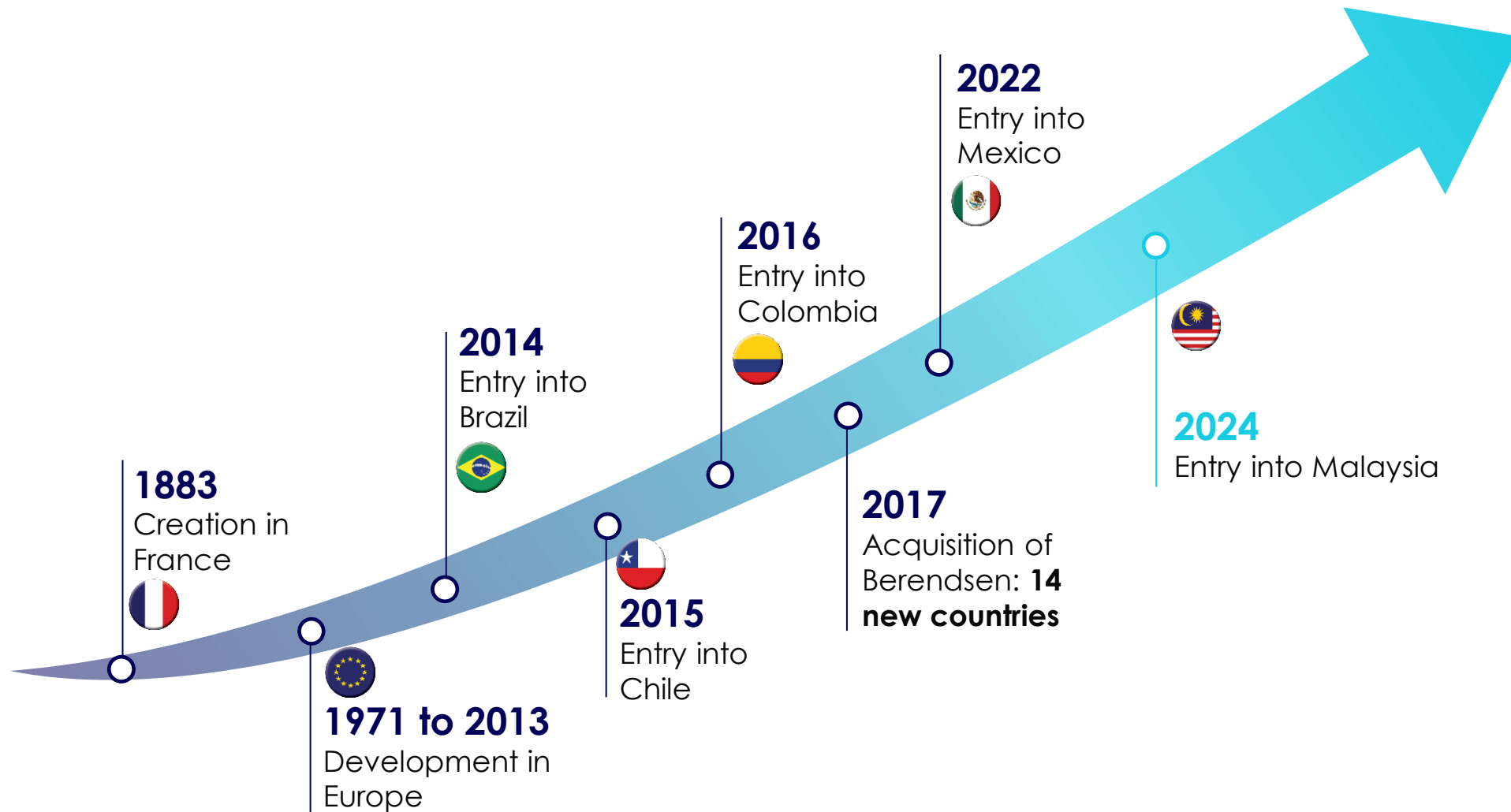
¹ After lease payments

Continuous commercial momentum, further industrial and logistics optimization

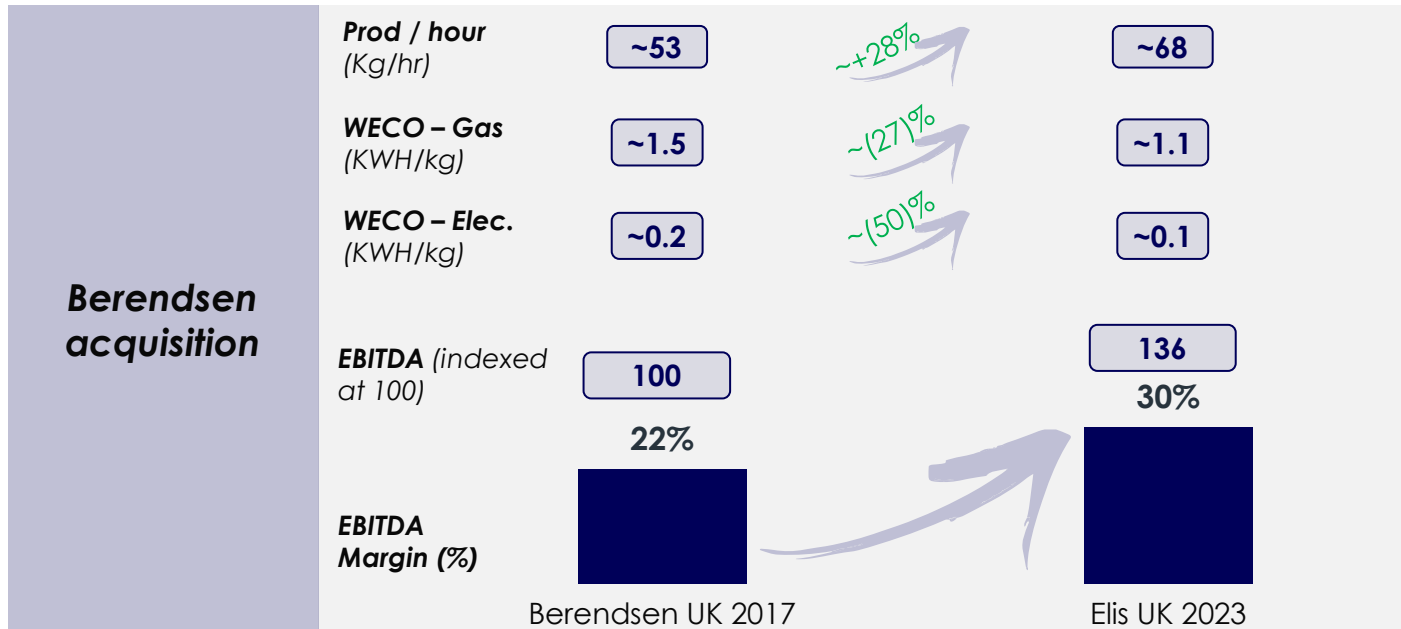
- » **Well-oriented commercial activity**, with new contract wins related to further outsourcing development and growing needs in hygiene, traceability of products and sustainable services
- » **Customer retention rate back to its normalized level**, reflecting the quality of the Group's client relationships
- » **Good pricing momentum** in all geographies
- » **Further productivity gains across the board:** continuous roll out of Elis' best practices in all our countries, including our internally-developed logistics optimization software

Full-year organic growth and EBITDA margin objectives raised

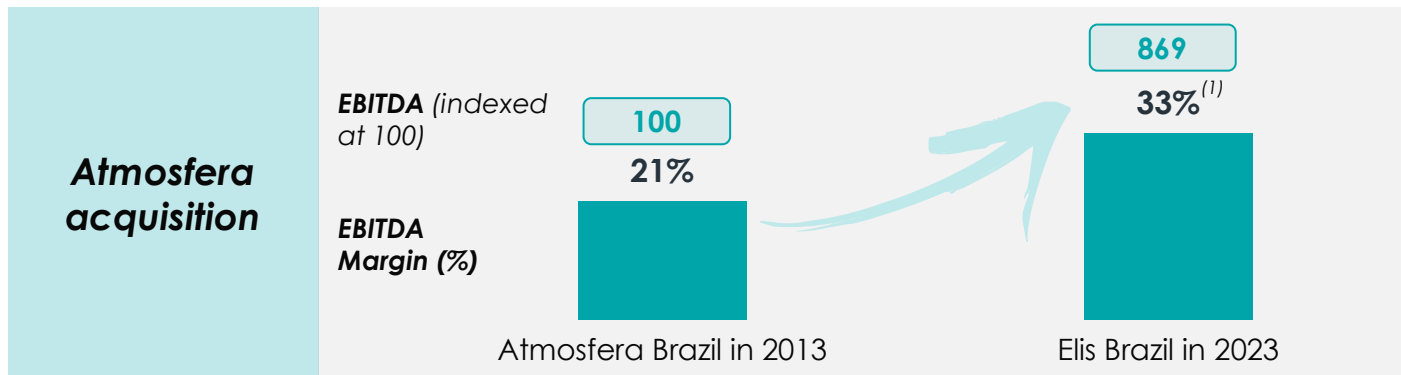
Elis has a longstanding strategy of international expansion through the acquisition of market leaders



Proven track record of value creation and smooth integration of acquired companies



- » Elis consistently **turned around companies** such as **Berendsen in UK** and **Atmosfera in Brazil**
- » Elis successfully implemented various **relevant operational excellence measures** to **enhance quality of service** and **productivity**
- » **Based on our previous track record in transforming acquired companies**, we believe we are well-positioned to **create long-term value**



Reinforcing commitment to financial discipline and targets

✓ Financial discipline in terms of the amount paid for any acquisition (large or bolt-on)

✓ Accretive to EPS in first year post acquisition

✓ Retain investment grade rating with leverage of c.2x in year 2 post-acquisition

Our board members and our reference shareholders CPPIB (c.12% ownership), BWGI (c.10%) and Bpifrance (c.5%) are supportive of our entry into the US market, with the understanding that the company fully intends to maintain its financial discipline

North American market is large with attractive structural growth

Attractive size and growth potential

\$48bn

North America

total addressable market (2023)

c.2x

larger than the addressable

European market

c.5-6%








forecast revenue growth of North

American industry players⁽¹⁾

Structural drivers underpin market growth

- ✓ Reshoring of manufacturing in the US
- ✓ Increased focus on hygiene standards
- ✓ Continued trend of outsourcing non-core business activities
- ✓ High cost of specialized laundry equipment/economies of scale
- ✓ Growing demand for circular/sustainable solutions

Four national players lead the US market

						Multi-regional & Local players
23A Sales (\$bn)		\$8.8bn	\$2.8bn	\$2.2bn	n.a.	
23A EBITDA (\$bn; US GAAP ⁽¹⁾)		\$2.2bn	\$0.4bn	\$0.3bn	n.a.	
Market Cap. (\$bn)		\$83.3bn	\$1.8bn	\$3.4bn	Private	
KPIs		~470 operational facilities ~12,000 delivery routes	>350 facility locations ~3,400 delivery routes	~280 facilities ~4.4k delivery vans	n.a.	
UNIFORMS	INDUSTRY 	✓	✓	✓	✓	
	HEALTHCARE 	✓	✓	✓	✓	
	RESTAURANTS 	✓	✓	✓	✓	
	HOSPITALITY 	✓	✓	✓	✓	
HWB	✓	✓	✓	✓		
FLAT LINEN	HEALTHCARE 		✓		✓	
	RESTAURANTS 		✓		✓	
	HOSPITALITY 				✓	

Note: (1) EBITDA under US GAAP includes leases costs and accounts expenses related to purchase of rented linen as OPEX when in IFRS, EBITDA excludes leases cost and expenses related to purchase of rented linen are accounted as CAPEX instead of OPEX and depreciated over time. Based on the usual amounts, the estimated impact is approximately c.1% of revenue for leases costs and c.12-14% for linen purchases.

Unique opportunity to enter the world's #1 Workwear market and create shareholder value

- We believe the US market is fundamentally attractive and have been studying it for several years
- We have been conducting market research and have been speaking both to industry experts and market professionals for a number of years
- The US and the European markets have similar commercial and operational characteristics, allowing us to leverage our expertise and capabilities
- To date, there have been limited opportunities of scale for Elis to expand in North America
- Vestis provides a potential catalyst to accelerate our North American ambition, which we are in the early stages of exploring