

## **Q3 2019 revenue growth of +5.6%** **Very good organic growth of +4.2%, accelerating compared to H1**

### **Very good Q3 organic growth, driven by the gradual effect of price increases and by a positive calendar effect**

- Organic growth momentum remains very satisfying in France (+4.5%), Scandinavia & Eastern Europe (+4.1%), Southern Europe (+8.3%) and Latin America (+9.2%)
- Improvement in Central Europe (+4.3%) with a good quarter in Germany
- In the UK & Ireland (-0.5%), recovery continues in the UK with further price increases in Hospitality and improvement of the retention rate in Workwear
- Positive calendar effect estimated at c.+0.6% in Q3

### **+1.3% impact from acquisitions in Q3, mainly thanks to the transactions finalized in Germany, Spain and Russia in 2018 and 2019**

### **2019 outlook fine-tuned**

- Organic growth expected to be slightly above +3.0%
- EBITDA margin expected in the higher half of the previously communicated guidance (between 31.2% and 31.6%, excluding IFRS 16 impact)
- Final stage of Berendsen capex plan: Capex of c. 20% of revenue in 2019, returning to 18% in 2020
- Net debt/EBITDA (excluding IFRS 16 impact) ratio expected at 3.3x at year end December 31, 2019

**Saint-Cloud, October 24, 2019** – Elis, an international multi-service provider, offering textile, hygiene and facility services solutions across 28 countries in Europe and Latin America, today announces its revenues for the 9 months ended September 30, 2019.

Commenting on the announcement, **Xavier Martiré, CEO of Elis**, said:

*“Elis posted revenue growth of nearly +6% in Q3, with record organic growth at +4.2%, accelerating over H1. Elis thus demonstrated its ability to increase prices in a context of high cost inflation while sustaining strong commercial activity.*

*Q3 revenue also highlights the success of the integration of countries from the Berendsen scope with an improving trend in the United-Kingdom and in Germany, as well as strong continued momentum in the Nordics.*

*This good performance illustrates the relevance of Elis' strategy, based on market share gains, commercial proximity and operational excellence. We can cite as examples Spain and Brazil, countries where Elis entered the market through acquisitions and then developed outsourcing and densified its network along the years to push margins towards Group average.*

*The Q3 figures enable us to fine-tune our expectations for 2019: We now anticipate organic growth slightly above +3%, and the EBITDA margin should be in the higher half of the guidance set between 31.2% and 31.6%.”*

## Revenue

At the end of H1 2018, the Group initiated the sale process for its Clinical Solutions activity (operating only in the United Kingdom). The figures disclosed in the present press release exclude the Clinical Solutions activity for both 2018 and 2019.

### Revenue

(EUR million)	2019			2018			Var.		
	H1	Q3	9M	H1	Q3	9M	H1	Q3	9M
France	518.9	284.3	803.2	505.9	272.0	777.8	+2.6%	+4.5%	+3.3%
Central Europe	357.9	188.1	546.0	328.7	176.8	505.5	+8.9%	+6.4%	+8.0%
Scandinavia & East. Europe	249.8	124.3	374.0	240.8	117.4	358.2	+3.7%	+5.8%	+4.4%
United Kingdom & Ireland	195.0	100.8	295.9	196.6	102.3	298.9	-0.8%	-1.4%	-1.0%
Southern Europe	142.0	85.8	227.8	126.9	76.5	203.5	+11.9%	+12.0%	+12.0%
Latin America	129.5	68.1	197.6	125.5	59.3	184.8	+3.2%	+14.8%	+6.9%
Others	10.6	4.6	15.3	9.6	6.3	15.8	+11.0%	-25.8%	-3.6%
<b>Total</b>	<b>1,603.7</b>	<b>856.0</b>	<b>2,459.7</b>	<b>1,533.9</b>	<b>810.6</b>	<b>2,344.5</b>	<b>+4.5%</b>	<b>+5.6%</b>	<b>+4.9%</b>

« Others » includes Manufacturing Entities and Holdings.  
Percentage change calculations are based on actual figures.

### Organic revenue growth

(EUR million)	H1 organic growth	Q3 organic growth	9M organic growth
France	+2.6%	+4.5%	+3.3%
Central Europe	+2.2%	+4.3%	+2.9%
Scandinavia & East. Europe	+3.9%	+4.1%	+3.9%
United Kingdom & Ireland	-1.4%	-0.5%	-1.1%
Southern Europe	+7.4%	+8.3%	+7.8%
Latin America	+6.4%	+9.2%	+7.3%
Others	+10.7%	-25.4%	-3.6%
<b>Total</b>	<b>+3.0%</b>	<b>+4.2%</b>	<b>+3.4%</b>

« Others » includes Manufacturing Entities and Holdings.  
Percentage change calculations are based on actual figures.

### France

In Q3 2019, revenue grew by +4.5% (exclusively organic) with one more invoicing day in the quarter, with an estimated impact of c. +0.6%.

We recorded an improvement of the retention in Workwear segment where the activity of our clients has been good. In Hospitality, the summer season was in line with expectations. Price dynamics remain good in all our markets.

### Central Europe

In Q3 2019, revenue in the region grew by +6.4% with a positive invoicing day impact estimated at c. +1%. Organic growth improved at +4.3% on the back of good commercial dynamism in Poland and the Netherlands. Germany posted an improvement of its organic growth at close to +4%, mainly attributable to the implementation of a significant contract in Workwear; revenue in Switzerland remains slightly in decline.

### Scandinavia & Eastern Europe

In Q3 2019, revenue grew by +5.8% with a positive invoicing day impact estimated at c. +1%. Organic growth is up +4.1%; this performance is mainly explained by good momentum in Russia, Finland, Baltic countries and Sweden with double-digit organic growth in some cases.

Moreover, the implementation of the multiservice approach in some Scandinavian countries and the reinforcement of some marketing and commercial teams contributed positively to the region's organic growth.

### United Kingdom & Ireland

In Q3 2019 revenue was down -1.4% with organic revenue down -0.5%, nevertheless marking an improvement compared to the second quarter. The foreign exchange impact is -1% over the quarter and we do not identify any material calendar effect. In Hospitality, we continue our commercial efforts to raise price levels. As far as the Workwear market is concerned, we keep improving the customer retention rate even if it still remains at a lower level than the Group average for now.

### Southern Europe

Q3 2019 revenue growth was up +12.0% of which +8.3% organic growth. This very good performance is mainly driven by the gradual implementation of price increases negotiated since the beginning of the

year in Spain but also by a satisfying level of activity in the country. Portugal remains well-oriented with double-digit organic growth, supported by a good commercial dynamics and good level of activity. We do not identify any material calendar effect over the quarter in the region.

### **Latin America**

Q3 2019 revenue grew +14.8% of which +9.2% organic growth, driven by good commercial dynamics in all countries of the region. In Brazil, the Group continues the opening of the market and activity of our existing clients is slightly up. Moreover, the impact of acquisitions is +1.8% and the foreign exchange impact in Q3 is +3.9% in the region. We do not identify any material calendar effect over the quarter in the region.

### **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.

### **Geographical breakdown**

- France
- Central Europe: Germany, Netherlands, Switzerland, Poland, Belgium, Austria, Czech Republic, Hungary, Slovakia, Luxemburg
- Scandinavia & Eastern Europe: Sweden, Denmark, Norway, Finland, Latvia, Estonia, Lithuania, Russia
- UK & Ireland
- Southern Europe: Spain, Portugal, Italy
- Latin America: Brazil, Chile, Colombia

### **Disclaimer**

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### **Next information**

FY 2019 revenue: January 30, 2020 (after market)  
Annual results 2019: March 4, 2020

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