Press release

Q1 revenue impacted by the sanitary crisis
Marked drop in activity in Hospitality, more restrained decrease in other end markets

- **Q1 revenue down -2.3%, with -1.8% on an organic basis**
  - Very material impact of the various confinement measures on March revenue (-12.4% organically), after a good start of the year (+4.6% and +3.0% on an organic basis in January and February respectively)
  - Hospitality is the most impacted business, with a significant impact in France (-4.1%), Southern Europe (-5.8%) and in the UK & Ireland (-6.7%) on an organic basis in the quarter
  - Industry, Trade & Services and Healthcare show more resilience and the regions mostly serving these clients are stable or up in the quarter (+0.6% in Central Europe, -0.3% in Scandinavia & Eastern Europe and +6.4% in Latin America on an organic basis)
- **Swift implementation of a series of operational actions to face the exceptional situation**
  - Temporary shutdown or near-total stoppage of c. 100 plants in order to optimize capacity and control costs
  - Workforce adjustment at central level and in all the Group's plants that are impacted by a decrease in activity
  - Launch of many commercial initiatives to address new client needs
  - Review of the 2020 industrial capex plan, with the cancellation of all projects to increase capacity
  - Decrease in the remuneration of Management Board members, Executive committee members and country management committee members in all Group countries
- **Active cash management and improvement of financial flexibility**
  - Positive free cash flow in March and in the first three weeks of April, despite the numerous lockdown measures enforced across Europe
  - Waiver obtained for the bank covenant test as of 30 June 2020
  - Cancellation of the dividend for 2019 and temporary suspension of M&A
  - 1.1 billion euros of liquidity available and no major debt maturity before 2023
- **Sharper decrease in activity expected in Q2 compared to Q1**
  - c. –40% organic revenue evolution expected in April, marking a low point: Hospitality business virtually stopped, c. -20% in Industry, c. -30% in Trade & Services and c. -15% in Healthcare
  - For each euro of lost revenue, EBITDA should decrease by c. 50 cents; c. 20 cents should be saved on investments and c. 10 cents on tax

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Joint-stock corporation governed by an Executive Board and a Supervisory Board
Registered capital of 221,793,981 euros – RCS: 499 668 440 Nanterre

Saint-Cloud, April 28, 2020 – Elis, an international multiservice provider, offering textile, hygiene and facility services solutions in Europe and Latin America, today announces its revenue for the 3 months ended March 31, 2020.

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

"The Covid-19 epidemic triggered an unprecedented global crisis, with more than half of world's population currently subject to lockdown. In this context, Elis' revenue decreased on an organic basis by 1.8% in Q1, of which -12% in March, reflecting the gradual implementation of confinement measures in most countries in which we operate. This decrease, although significant, must be seen in the exceptional current context. If our Hospitality activity is now almost stopped, it is important to highlight the resilience of many of our clients in Industry, in Trade & Services and in Healthcare segments.

Moreover, the Group's diversified geographical footprint, resulting from the M&A strategy carried out for many years, enables us to be present in regions where activity has held up well, such as Latin America, or in most of the countries of the former Berendsen scope, notably in Scandinavian countries and Germany.

As indicated in March, Elis has rapidly adjusted its business to the exceptional crisis: As soon as the first confinement measures were taken in Europe, the Group adjusted its operational and managerial structures in order to preserve its margins as early as possible. As of today, we temporarily closed approximately one hundred sites.

Other measures have also been taken to improve the Group's liquidity. Elis obtained, at its request, a waiver regarding its bank covenant test as of 30 June 2020 in order to benefit from greater financial flexibility to face this sensitive period more comfortably; similar discussions will take place in the near future to obtain another waiver for the 31 December 2020 test. The Group has no major debt maturity before 2023 and has, as of today, more than €1.1bn of liquidity in the form of two revolving lines of credit for an undrawn amount of €800mn and c. €300mn in cash.

At this stage, it is still too early to provide a new 2020 outlook. Our April activity will follow the same trend as observed in the second half of March, with decrease in revenue of c. -40% on an organic basis. However, in the past few days, we have noted a slight rebound of activity in the countries where confinement measures were softened or lifted such as Denmark, Italy and Poland, where we observe initial signs of recovery for some of our clients.

Although the current situation requires the utmost vigilance, we face the next months with serenity: The Group's fundamentals are strong, our diversification is a major advantage and our business model will enable Elis to benefit immediately from the recovery of its clients. The Group will also be in a position to seize commercial opportunities that will arise to meet the needs of our clients in a post-Covid-19 world.

Elis is particularly proud to count as clients in many countries, several public health organizations, such as the NHS in the UK or AP-HP in France, therefore contributing, thanks to the quality of our services, to the global effort to contain the epidemic.

I wish to warmly thank all the employees of the Group who continue to work with passion and commitment, allowing us to keep providing outstanding quality of service to our clients in our 28 countries."

Q1 2020 revenue

(in millions of euros)	**2020**	**2019**	**Organic growth**	**External growth**	**FX**	**Reported growth**
France	236.9	246.9	-4.1%	-	-	-4.1%
Central Europe	180.1	177.3	+0.6%	+0.3%	+0.7%	+1.6%
Scandinavia & Eastern Eur.	127.0	124.9	-0.3%	+3.9%	-1.9%	+1.7%
United Kingdom & Ireland	88.9	94.3	-6.7%	-	+1.0%	-5.7%
Southern Europe	60.5	64.3	-5.8%	-	-	-5.8%
Latin America	58.8	63.4	+6.4%	-	-13.6%	-7.2%
Others	6.9	5.7	+21.8%	-	+0.8%	+22.6%
Total	**759.2**	**776.7**	**-1.8%**	**+0.7%**	**-1.1%**	**-2.3%**

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

Q1 2020 monthly organic revenue growth

	January	**February**	**March**
France	+5.8%	+3.5%	-20.5%
Central Europe	+3.7%	+2.3%	-4.1%
Scandinavia & Eastern Eur.	+3.3%	+0.2%	-4.5%
United Kingdom & Ireland	-1.7%	+0.5%	-17.6%
Southern Europe	+9.0%	+5.6%	-29.1%
Latin America	+9.5%	+9.2%	+0.7%
Others	+14.6%	+5.7%	+38.4%
Total	**+4.6%**	**+3.0%**	**-12.4%**

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

France

Q1 2020 organic revenue growth was down -4.1%. After a very good start to the year (+5.8% organic growth in January and +3.5% in February), our activity strongly suffered from the Covid-19 sanitary crisis and from the confinement measures taken in March. Hospitality, a segment that represented approximately one-third of the country's revenue in 2019, was almost stopped since mid-March. Industry, Trade & Services posted a more moderate decrease. Healthcare was flat in Q1: The good commercial dynamism was offset by a drop in patients in hospitals to make room for Covid-19 patients, implying lower linen rotation.

Central Europe

Q1 2020 organic revenue growth was slightly up by +0.6%. The beginning of the year was good, and the high exposure of this geography to the Healthcare segment, as well as the relatively resilient industrial activities, contained the decrease observed following the implementation of confinement measures of varying degree from one country to another. The Netherlands and Poland were strongly up in Q1, including in March. Germany was slightly up in Q1, with a moderate -3% decrease in March. Switzerland and Belgium, countries with a greater exposure to Hospitality posted a higher contraction.

Scandinavia & Eastern Europe

Q1 2020 organic revenue growth was slightly down by -0.3%. The fact that the greater portion of our clients operate in the Industry segment enabled to somewhat limit the decrease in March at -4.5%. Sweden, the largest contributor, posted only a -2% decrease in March and remained stable over the quarter. Denmark registered a larger contraction in March but contained the decrease at -4% over the quarter. Norway and the Baltic countries recorded solid organic growth in Q1, including in March.

United Kingdom & Ireland

Q1 2020 organic revenue growth was down -6.7%. After a slight increase in February, the situation deteriorated in March with a -18% decrease in revenue. Approximately one-third of revenue is in Hospitality, a segment that has virtually stopped since the implementation of confinement measures in the second half of March. Industry and Trade & Services represent another third of total revenue and also decreased strongly. The Healthcare segment, accounting for the remaining third, was flat in Q1, with a negative effect in March for the same reasons as in France (non-urgent medical care was postponed to make more room for Covid-19 patients).

Southern Europe

Q1 2020 organic revenue decreased by -5.8% with a marked slowdown in March (-29%). The geography is highly exposed to the Hospitality segment (more than 60% of total revenue in 2019) and suffered from the near-total interruption of hotel activity (administrative closure of hotels in Spain).

Latin America

Q1 2020 organic revenue was up +6.4% with the first two months at more than 9% growth. In March, growth was close to +1%: Brazil and Colombia were prepared to face the epidemic and we observed at the end of March in the Healthcare segment the same situation as in France and the UK: Non-urgent medical care was postponed to make room for Covid-19 patients, implying lower activity in hospitals.

Operational actions

As indicated in March, Elis implemented drastic measures in order to preserve its margins and cash generation in this exceptional environment:

- As of today, c. 100 plants have been temporarily shut down or are virtually stopped, especially in France, Spain and the UK, most of the time by transferring volumes between plants of the same region, in order to optimize capacity and control costs;
- The workforce is adjusted centrally and in all the plants that are impacted by a decrease in our clients' activity;
- The 2020 industrial capex plan is under review, with the cancellation of all projects aimed at increasing capacity. Furthermore, we anticipate a very significant decrease in linen capex for the year.

Thanks to the swift implementation of all these measures, Group free cash flow was positive in March and in the first three weeks of April.

Debt and liquidity

In order to absorb the fallout from the crisis with greater comfort, the Group has obtained, at its request, a waiver regarding its bank covenant test as of 30 June 2020. This bank covenant concerns (i) the two revolving lines of credit underwritten by a pool of French and European relationship banks and (ii) the USPP-type private placement underwritten by a pool of American investors led by Barings. Elis was dispensed from paying fees for this waiver, underscoring the excellent relationship between the Group and its lenders.

On March 24, the Group has drawn a total of €200mn, i.e. €100mn on each of the two revolving credit lines;

On April 15, the Group placed €125mn of Commercial paper at 0.58%, maturity April 2021;

On April 24, the Group reimbursed €100mn out of the €200mn previously drawn (€50mn reimbursed from each of the two revolving credit lines). Consequently, €100mn remain drawn and available in cash.

Hence, Elis today has c. €1.1bn liquidity at its disposal, in the form of (i) two revolving lines of credit for an undrawn amount of €800mn and (ii) c. €300mn in cash. Furthermore, the Group has no major debt maturity before 2023. Additionally, in order to further strengthen the Group's liquidity, and as announced on March 31, the Management Board has decided:

- After approval by the Supervisory Board, to withdraw the proposed payment of €0.39 per share for 2019 from the resolutions to be adopted by the next shareholders' meeting;
- The suspension, until further notice, of any M&A activity. Only the transactions for which a signing has been announced or which are in their final stage will be completed.

Management compensation

Out of solidarity with Elis' employees, Xavier Martiré, Chairman of the Board, as well as other Management Board members, Executive committee members and country management committee members in all Group countries, i.e. approximately 200 people in total, have consented to a decrease of their remuneration.

Since April 1st, the monthly fixed compensation of Xavier Martiré has been temporarily reduced by 25%, while that of the other Board members and Executive Committee members is reduced by 10%.

Outlook

Given current uncertainties, the Group is unable to provide a new 2020 outlook at this stage.

However:

- Elis expects a sharper decrease in activity in Q2 compared to Q1;
- April should constitute a low point, with the full effect of the confinement measures implemented in Europe over the second half of March;
- April organic revenue evolution is expected to be c. -40%, with the Hospitality business virtually stopped, c. -20% in Industry, c. -30% in Trade & Services and c. -15% in Healthcare;
- For each euro of lost revenue, EBITDA would decrease by about 50 cents; furthermore, 20 cents would be saved on investments and 10 cents on tax.

Shareholder meeting

The annual shareholder meeting will be held at the Group's headquarters on June 30, 2020 and will be webcasted. Log-in information will be provided at a later stage.

Presentation of Elis' Q1 2020 revenue (in English)

Date: Tuesday 28 April 2020 at 5:00pm GMT (6:00pm CET)

Webcast link: https://edge.media-server.com/mmc/p/cow34keh

Conference call dial in numbers

United Kingdom: +44(0)2071928338
United States: +16467413167
France: +33(0)170700781

Confirmation code: 3747238

Investor presentation

An investor presentation is available at this address:
https://fr.elis.com/en/group/investors-relations/regulated-information

Geographical breakdown

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

Forward looking statements

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 described in chapter 2 "Risk factors & risk control, insurance policy, and vigilance plan" of the Registration Document 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. 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 attainment of any outlook set out above.

Next information

H1 2020 results: July 29, 2020 (after market)

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