

Q3 2020 revenue

Marked improvement of activity in all our markets Q3 revenue down -10.6% on an organic basis 2020 objectives for EBITDA margin and free cash-flow raised

Q3 revenue down -11.8% (-10.6% on an organic basis)

- c. 75% of our total business¹ returned to virtually normal levels of activity in Q3: c. +3% in Healthcare, -2% in Industry and -2% in Trade & Services
- This improvement was driven by (i) a recovery in activity at our clients, (ii) churn rate improvement, with good quality of service maintained during the crisis and (iii) several contract wins linked to higher demand for workwear and hygiene services
- Hospitality (c. 25% of 2019 total revenue) was down nearly -40% in Q3: during the summer season, domestic tourism only partly offset the sharp decrease in international tourism
- Central Europe and Scandinavia were resilient owing to the weight of Workwear in their mix; France, Southern Europe and the UK & Ireland were impacted by their exposure to Hospitality; Latin America was up due to very good commercial activity in Healthcare
- Prices were stable in all our geographies

2020 outlook

- The general economic environment remains very uncertain and the new sanitary measures recently implemented in some countries contribute to lower visibility on the Group's activity in Q4, especially in Hospitality
- Full-year 2020 organic revenue growth should be in line with the 9-month number
- The significant efforts to decrease the cost base that have been implemented and the action plans that have been defined should allow the Group to deliver 2020 EBITDA margin and free cash-flow slightly above 2019 levels

Saint-Cloud, October 22, 2020 - Elis, an international multi-service provider, offering textile, hygiene and facility services solutions that is present in Europe and Latin America, today announces its revenue for the 9 months ended September 30, 2020.

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

"Q3 revenue was down -10.6% on an organic basis, marking a notable improvement over the -26.7% recorded in Q2. Our activities in Industry, Healthcare and Trade & Services, which represented c. 75% of 2019 total revenue, returned to virtually normal levels of business in Q3. Hospitality remained subdued even if domestic tourism partly offset the near-total interruption of international tourism during the summer season, especially in France.

From a commercial standpoint, Elis has seized many opportunities arising from increasing demand for workwear and hygiene services. Additionally, our client satisfaction indicators have been improving across the board since the beginning of the crisis, which rewards the steady quality of service provided by Elis in these difficult times.

As far as our outlook is concerned, the general economic environment remains very uncertain and the new sanitary measures recently implemented in some countries contribute to reduce the visibility on Group's activity in Q4, especially in Hospitality. As of today, we estimate that the full-year 2020 organic revenue evolution should be in line with the 9-month number.

¹ Based on 2019 full-year revenue

The impressive efforts made since H1 in all countries, at plants and head offices, should lead to a slight improvement in EBITDA margin compared to 2019. Finally, the strong emphasis put on cash collection, as well as good control over investments, should allow the Group to slightly improve its free cash-flow generation relative to 2019.

Although the current situation requires the utmost vigilance, we face the next months with confidence: The Group's fundamentals are strong, our diversification is a major advantage and our business model will enable Elis to assert its leadership in all the countries in which it is present. The lasting savings made since the beginning of the crisis and the operational reorganization implemented during the summer contribute to further bolster this confidence in the future."

Q3 2020 revenue

In millions of euros	2020			2019			Var.		
	H1	Q3	9M	H1	Q3	9M	H1	Q3	9M
France	412.5	249.0	661.5	518.9	284.3	803.2	-20.5%	-12.4%	-17.6%
Central Europe	343.3	184.6	527.9	357.9	188.1	546.0	-4.1%	-1.9%	-3.3%
Scandinavia & East. Europe	233.3	116.5	349.8	249.8	124.3	374.0	-6.6%	-6.2%	-6.5%
United Kingdom & Ireland	143.8	83.6	227.4	195.0	100.8	295.9	-26.3%	-17.1%	-23.2%
Southern Europe	97.2	56.1	153.3	142.0	85.8	227.8	-31.6%	-34.5%	-32.7%
Latin America	108.7	52.3	161.0	129.5	68.1	197.6	-16.0%	-23.2%	-18.5%
Others	12.9	12.6	25.5	10.6	4.6	15.3	+21.6%	+170.3%	+66.9%
Total	1,351.7	754.6	2,106.4	1,603.7	856.0	2,459.7	-15.7%	-11.8%	-14.4%

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

Organic revenue growth of the first 9 months of 2020

	Q1 organic growth	Q2 organic growth	Q3 organic growth	9-month organic growth
France	-4.1%	-35.4%	-12.4%	-17.6%
Central Europe	+0.6%	-12.4%	-4.8%	-5.5%
Scandinavia & Eastern Europe	-0.3%	-14.0%	-6.5%	-6.9%
United Kingdom & Ireland	-6.7%	-45.0%	-21.6%	-24.8%
Southern Europe	-5.8%	-52.9%	-34.5%	-32.7%
Latin America	+6.4%	+0.9%	+6.9%	+4.7%
Others	+21.8%	+21.6%	+170.8%	+67.1%
Total	-1.8%	-26.7%	-10.6%	-13.3%

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

France

Q3 2020 organic revenue was down -12.4%. After a Q2 impacted by the implementation of lockdown measures, activity has picked up in Industry, Healthcare and Trade & Services, with good commercial successes in Workwear (higher rotation, development of outsourcing) and in Hygiene and well-being (increasing demand for soaps, hydroalcoholic gels and disinfection services). Hospitality (which represented c. 1/3 of Elis' 2019 total French revenue) continued to be impacted, even though domestic tourism has partly offset the near-total interruption of international tourism during the summer season. Healthcare was slightly up in Q3, with a pick-up in non-Covid 19 related treatments in hospitals and clinics, as well as contract wins with health facilities (garments for surgical blocks, development of outsourcing for the personal clothing of some nursing home residents).

Central Europe

Q3 2020 organic revenue was down -4.8%. In a region with very limited exposure to Hospitality, industrial activities showed good resilience with new Workwear contracts wins. In Q3, organic revenue was down c. -4% in Germany, but operational improvements continued. The Netherlands and Poland were slightly up. Switzerland and Belgium, countries with a greater exposure to Hospitality, posted a sharper contraction.

Scandinavia & Eastern Europe

Q3 2020 organic revenue was down -6.5%. The fact that the greater portion of our clients operates in the Industry segment enabled the region' to be quite resilient since the beginning of the crisis. Sweden and Denmark, the region's largest contributors, recorded -10% and -8% organic revenue decline in Q3 respectively. We note a decrease in the number of wearers of our workwear at some of our clients with

international activities. Norway and the Baltic countries were up in Q3, with contract wins in Workwear and mats.

United Kingdom & Ireland

Q3 2020 organic revenue was down -21.6%. After the nearly -50% decrease recorded in April and May, activity has slightly picked up during the summer. Hospitality, which normally represents around one-third of the region's revenue, was down -55% in Q3. Industry and Trade & Services, which represent another third of total revenue posted a -16% decline, due to our high number of clients in the catering sector, which has been strongly impacted by the health crisis. Government measures aiming at helping businesses, which were less favourable than in European countries such as France and Spain, did not prevent a high number of layoffs, which has led to a significant decrease in the number of people wearing our workwear at many of our clients. Finally, the Healthcare segment, accounting for the remaining third, was slightly down in Q3.

Kings Laundry, whose closing was announced on July 7th, has been consolidated in our accounts since August 1st.

Southern Europe

Q3 2020 organic revenue decreased by -34.5% with a slowdown of c. -40% in Spain and c. -30% in Portugal. The crisis now seems to impact the region's economy as a whole and we note a general decline in demand. The geography is highly exposed to the Hospitality segment (more than 60% of total revenue in 2019) and suffered from the sharp decline of activity, especially given that the share of international tourism is normally very high.

Latin America

Q3 2020 organic revenue was up +6.9%. Commercial activity was very good at the end of Q2 and at the beginning of Q3. Elis notably temporarily supplied overgowns for Brazilian hospitals, leading to double-digit organic revenue growth in June and July in Brazil. These additional sales of c. €3mn in Q3 should decrease in Q4.

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

Presentation of Elis' Q3 2020 revenue (in English)

Date: Thursday 22 October 2020 at 5:00pm GMT (6:00pm CET)

Speakers: Xavier Martiré (CEO) and Louis Guyot (CFO)

Webcast link (for live and replay): <https://edge.media-server.com/mmc/p/nkajkxwf>

Conference call dial in numbers:

United Kingdom: +44(0)207 192 8338

United States: +1 646 741 3167

France: +33(0)1 70 70 07 81

Confirmation code: 7548688

Investor presentation

An investor presentation will be available at this address shortly before the webcast begins:

<https://fr.elis.com/en/group/investors-relations/regulated-information>

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 4 "Risk factors, risk control, insurance policy, and vigilance plan" of the Universal Registration Document for the financial year ended December 31, 2019, and Section 1.4 "Risk Factors"

of the half-year financial report as at June 30, 2020, which are available on Elis's website (www.elis.com), 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. Elis undertakes no obligation to publicly update or revise the Group's outlook or any of the abovementioned data, assumptions or estimates, except as required by applicable laws and regulations. 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

2020 full-year revenue: 28 January 2021 (after market)

Contact

Nicolas Buron - Investor Relations Director - Phone: +33 1 75 49 98 30 - nicolas.buron@elis.com