2019 annual results

4 March 2020

Disclaimer

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 document. 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 document. 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.

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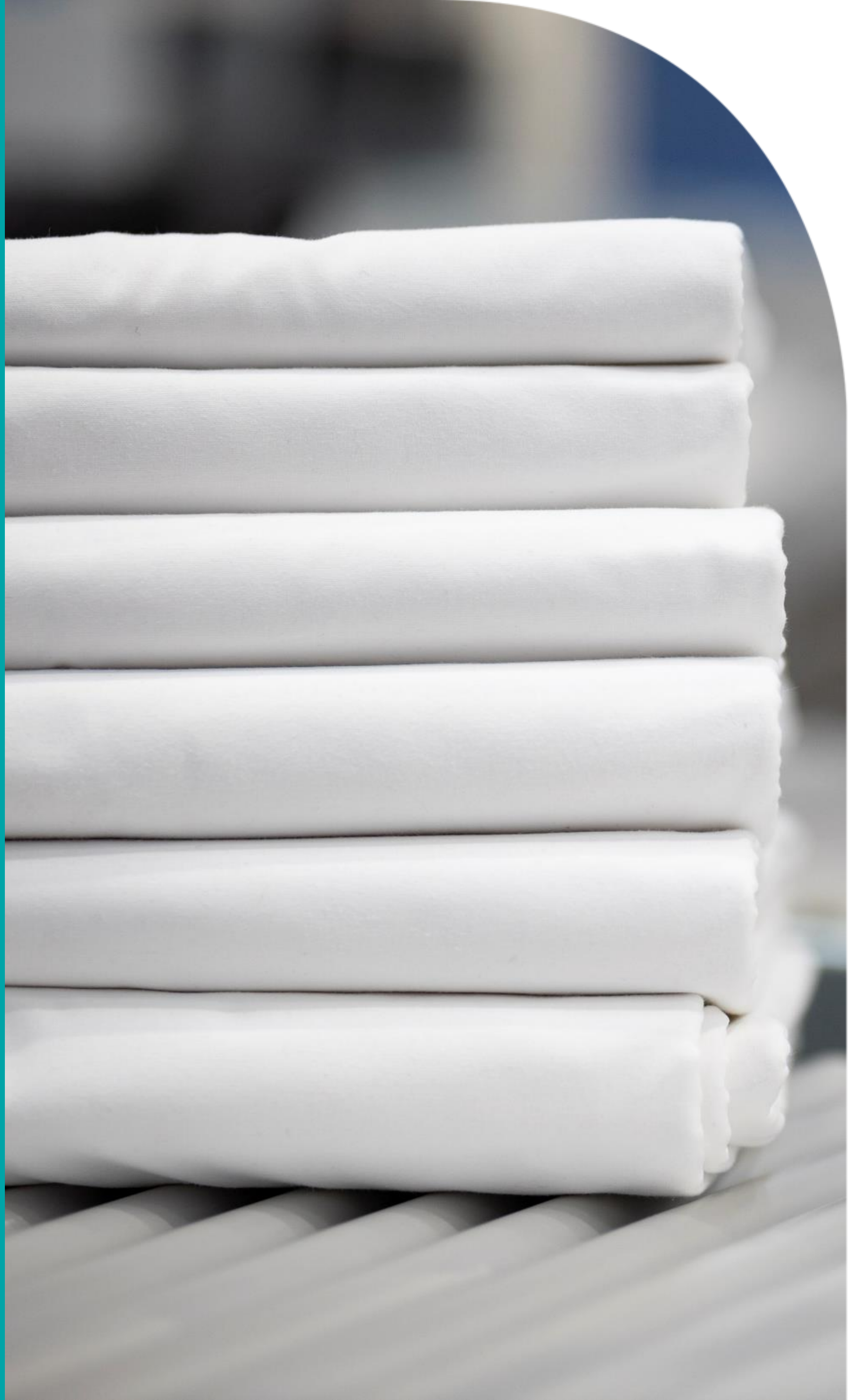


2019 business highlights

Operational performance

Strategy and business resilience

A responsible business

2020 outlook

2019: Another year of solid growth and strong results for Elis

Solid financial performance

- Revenue up +4.7%
- Solid +3.3% organic growth
- EBITDA margin remains strong at 31.5%*
- Headline net result up +16%*
- Free cash flow of €186mn, up +21%*

Strong operational improvements

- Good commercial momentum
- Positive outcome of price negotiations
- Client retention rate improvement across the board
- Further productivity gains in all geographies

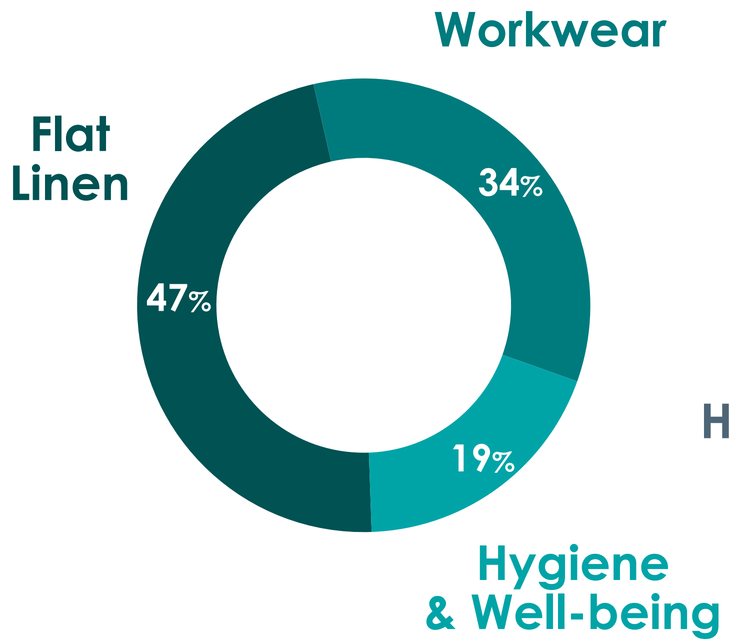
Integration of Berendsen and extra capex plan are now finished

- Catch-up capex program fully implemented
- Improvement of operational KPIs in the UK, paving the way for future profitability increase

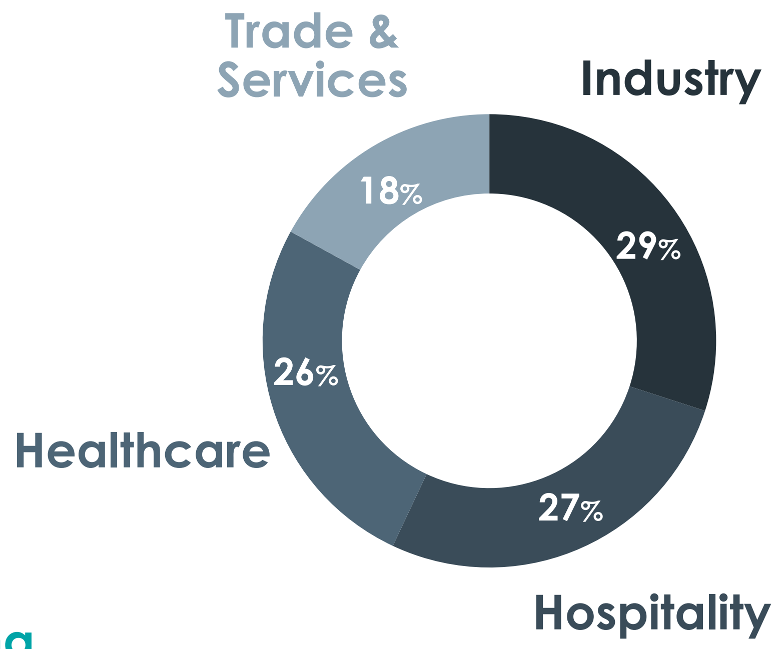
** Frozen GAAP (i.e. excluding IFRS 16 impact)*
Taking into account the impact of IFRS 16, EBITDA margin is up +210bps vs 2018, Headline net result is up +14% vs 2018 and Free cash flow is up +61% vs 2018

Elis offers a well-balanced business mix, client base and geographical footprint

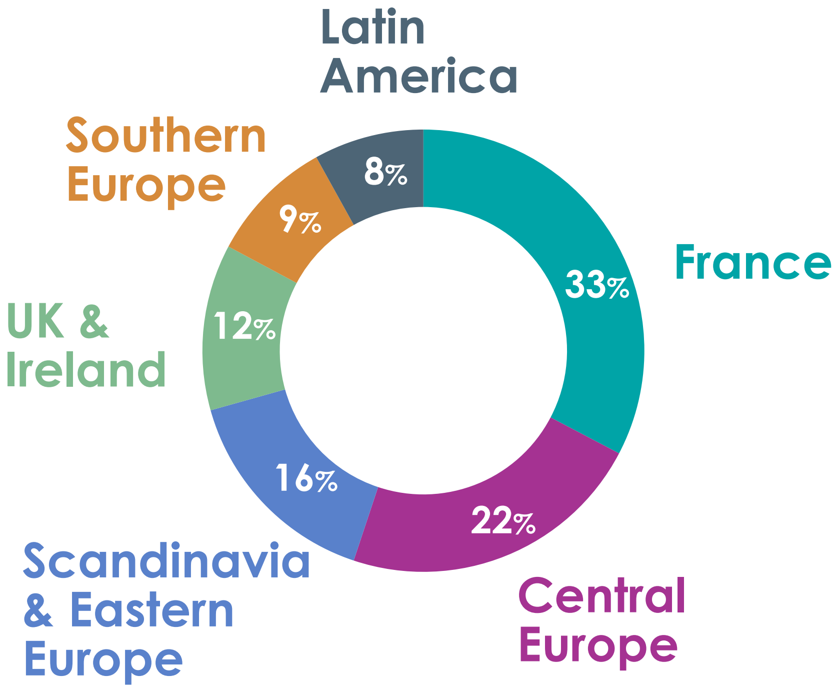
2019 revenue by activity



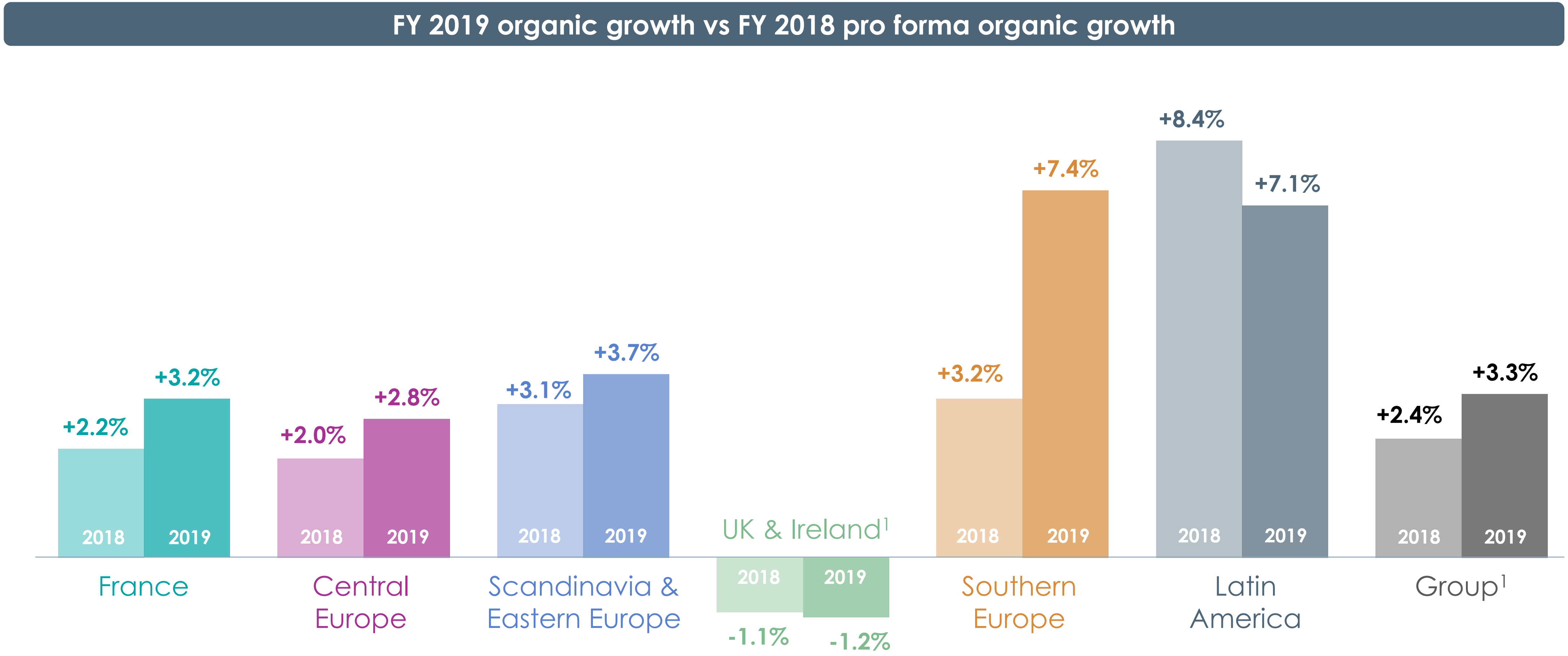
2019 revenue by end-market



2019 revenue by geography



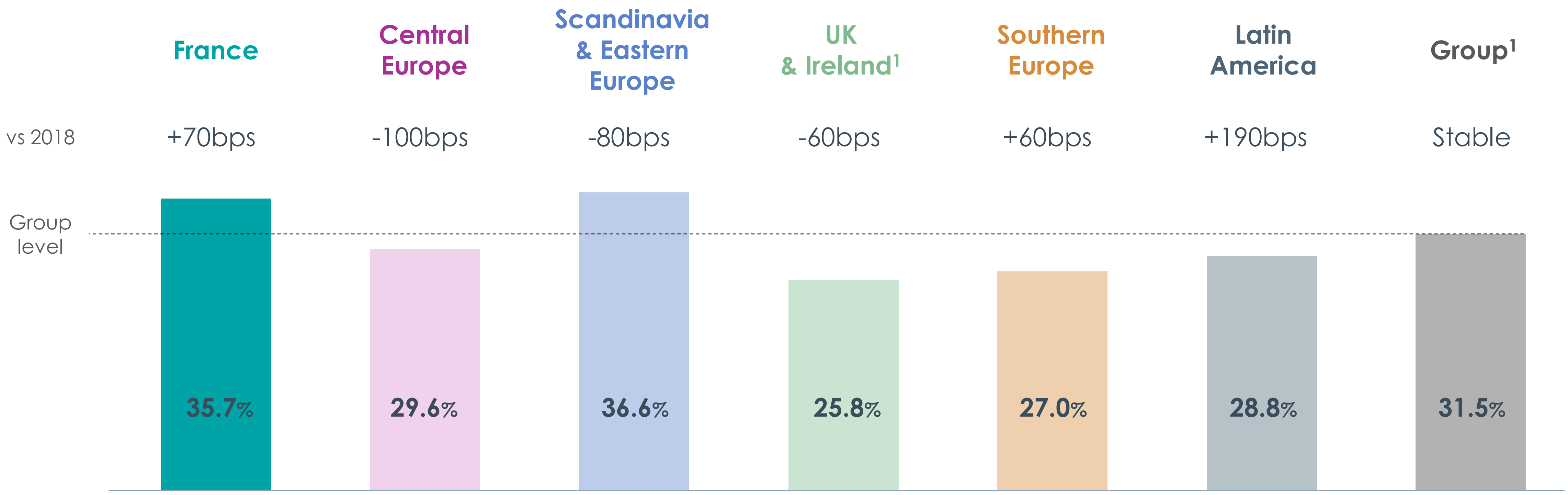
Strong organic growth driven by price effect and good commercial momentum



[1] Excluding the Clinical Solutions activity for 2019 and 2018 (UK & Ireland only)

Stable EBITDA margin despite high inflation and negative product mix effect in some geographies

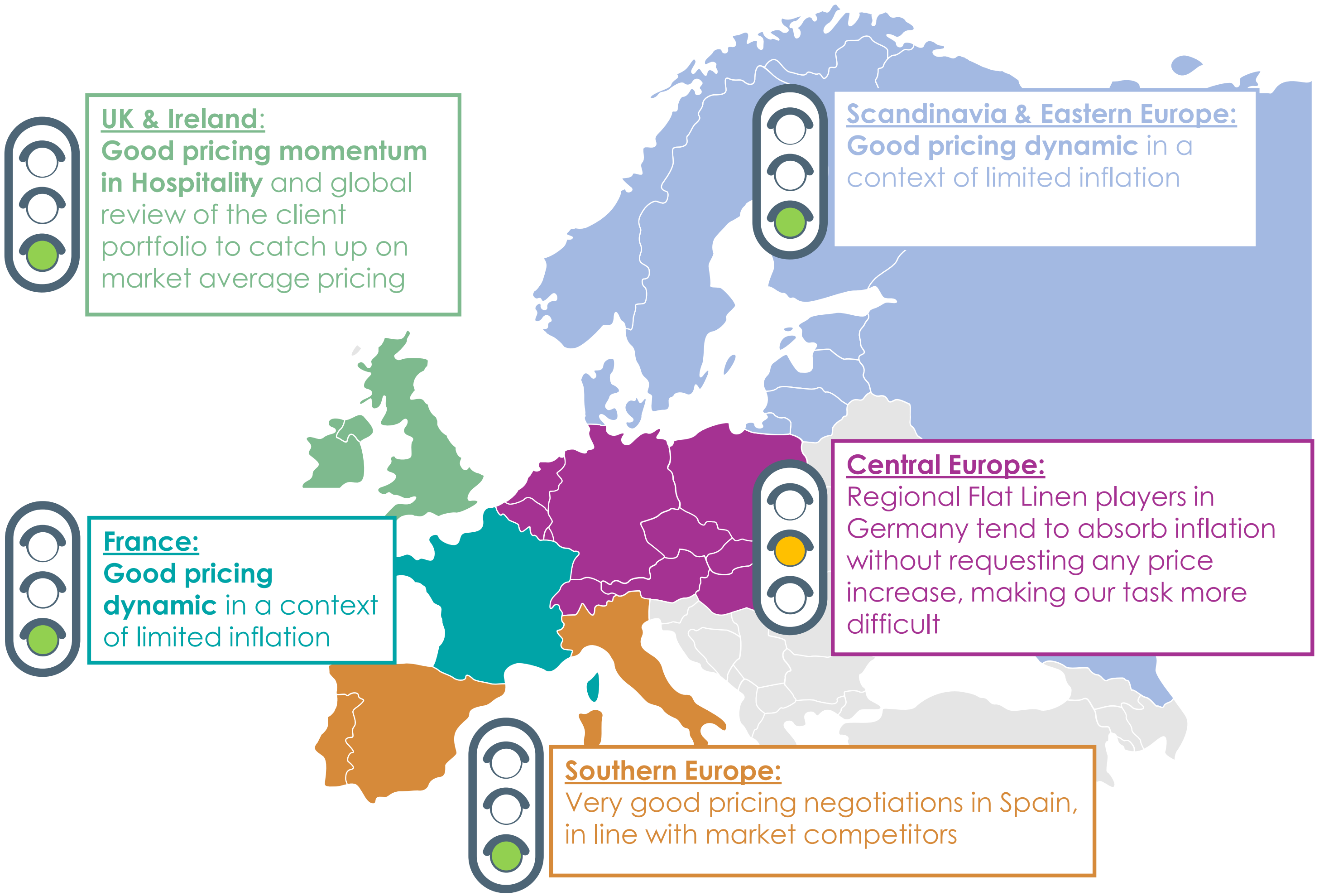
EBITDA margin (2019 vs 2018, excluding IFRS 16 impact)



[1] *Excluding the Clinical Solutions activity for 2019 and 2018 (UK & Ireland only)*

EBITDA margin numbers including IFRS 16 are disclosed page 21 of this presentation

Elis confirms its ability to increase prices in a context of high cost inflation



Elis market position led to positive pricing negotiations all along the year

- **Strong market share** and good **commercial relationships** with customers have been key factors for **successful pricing negotiations**
- **Positive outcome** in most countries, with the exception of Germany

Photo by Emily on Unsplash

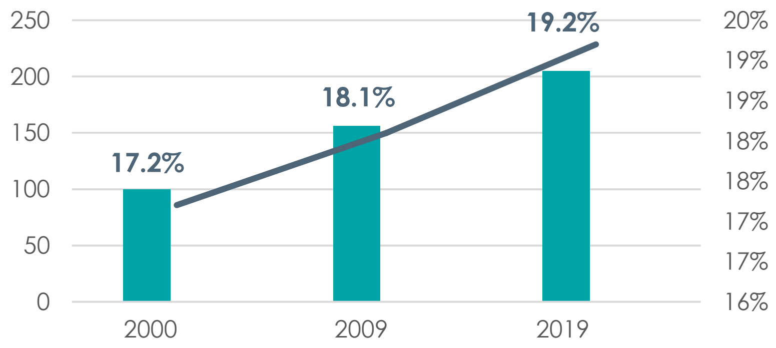
France: Good overall performance leading to further margin improvement

Good performance in 2019

- **Supportive underlying trends in all end-markets**
- **Good commercial dynamism** and **improvement of client retention**
- Positive **pricing effect**
- Further **productivity gains**
- **Very limited impact** from the **December** strikes

Steady EBIT margin improvement (excl. IFRS 16)

- France has steadily improved its EBIT margin over the last decade, leveraging its positioning and know-how



Restated from the impact of the change in depreciation period (as disclosed on page 9 of the IPO Prospectus).

+3.2% organic growth

35.7% EBITDA margin (+70bps) excluding IFRS 16

38.0% EBITDA margin including IFRS 16

Central Europe: Strong performance in the Netherlands and Poland but Germany and Switzerland remain subdued

The Netherlands and Poland

- **Very good performance** with strong organic growth numbers, driven by a dynamic Workwear segment in both countries and significant new outsourcing in Poland

Switzerland

- **Highly cash generative country** but little traction in the market

Germany

- +4% organic growth in **Workwear**
- Negative mix effect on margin due to our acquisitions in **Healthcare**, in the context of our consolidation strategy
- Prices still too low in **Hospitality** due to fragmented market
- **Low unemployment rate** in the country leading to significant **wage inflation that was difficult to offset**

Others

- Belux, Czech, Slovakia and Hungary are good performers overall with some good performances in Workwear
- Up to **double-digit organic growth** and **EBITDA margin above 35%** in some countries

+2.8% organic growth

29.6% EBITDA margin (-100bps) excluding IFRS 16

31.6% EBITDA margin including IFRS 16


Photo by Raphael Andres on Unsplash

Scandinavia & Eastern Europe: Solid organic growth, mostly driven by the Flat linen segment

Sweden, Denmark and Finland:

- **Stronger growth in Flat linen** (especially in Hospitality) than in Workwear, generating a **negative mix effect on margin**

Segment Mix effect

Other countries:

- **Mid-single to strong double-digit organic** revenue growth, as well as margin improvement, but **negative mix effect at region level**, as margin in those countries is still lower than the region's

Country Mix effect

+3.7% organic growth

36.6% EBITDA margin (-80bps) excluding IFRS 16

38.7% EBITDA margin including IFRS 16

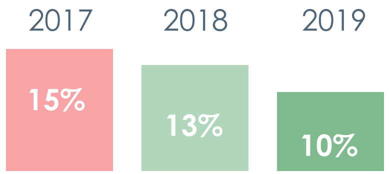
Photo by Charles Postiaux on Unsplash

UK: Operational improvements continue but pricing improvement in Hospitality could not entirely offset contract losses in Workwear

Improvement of retention in Workwear

- **Our customer-focused approach** is bearing fruit
- **Loss of a material retail** contract due to the closing of one of this client's activity
- **Doubling of the number of Account Managers (i.e. + 16 FTEs)** by the end of Q1 2020 to boost growth in Workwear

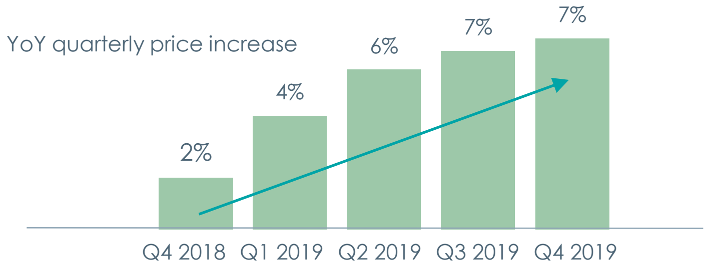
Sequential reduction in churn rate



Price increase in Hospitality

- **Quality of service** restored by applying Elis standards
- Some client losses due **to pricing discipline** as part of our margin-focused approach

Good price increase momentum



-1.2% organic growth

25.8% EBITDA margin (-60bps) excluding IFRS 16

28.6% EBITDA margin including IFRS 16

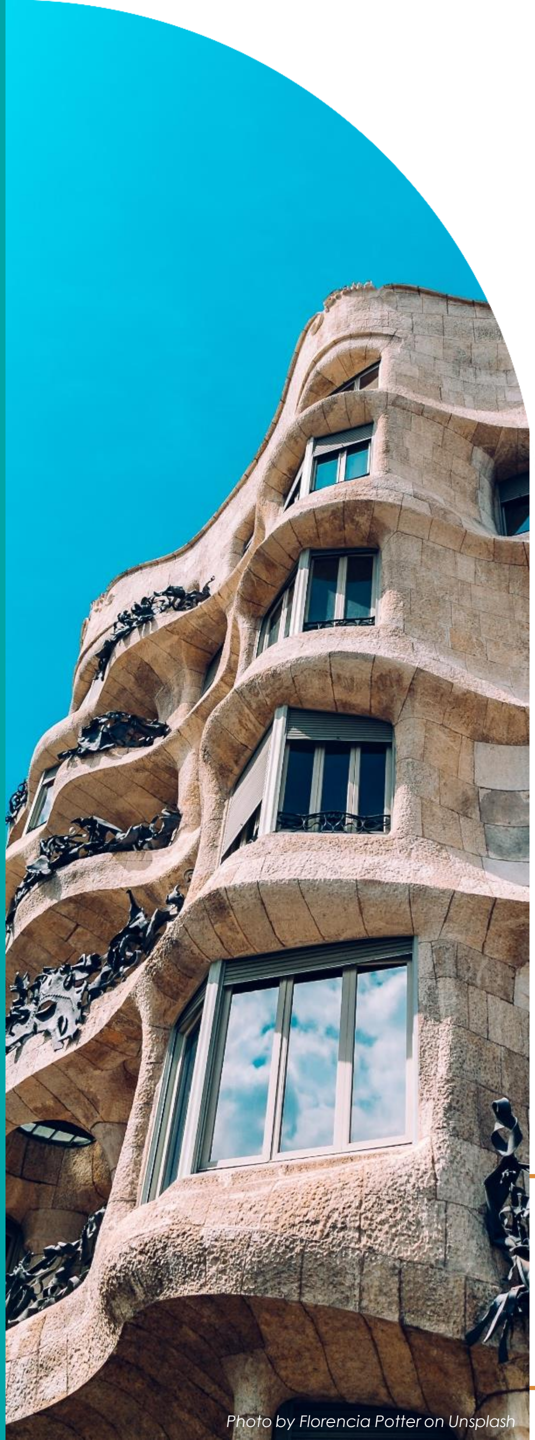


Photo by Florencia Potter on Unsplash

Southern Europe: Successful pricing negotiations and good momentum in Workwear

- **Successful pricing negotiations in Spain** in an unusually high wage inflation environment: +22% increase in minimum wage in Spain (with a c. 8% increase in Elis labor costs in 2019)
- Elis leveraged its **strong market position** to clinch good negotiation outcomes
- **Marked outsourcing trend in Workwear in both Spain and Portugal,** with double-digit organic growth rates for the segment in both countries

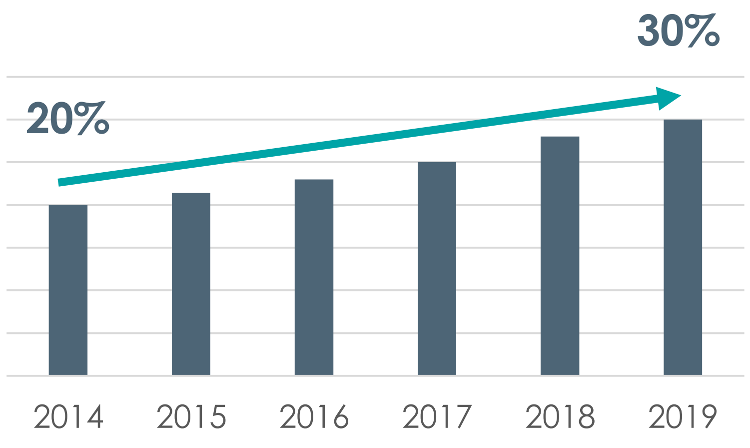
+7.4% organic growth
27.0% EBITDA margin (+60bps) excluding IFRS 16
28.8% EBITDA margin including IFRS 16


Photo by Raphael Nogueira on Unsplash

Latin America: Very good commercial dynamic and further growth potential identified

- **Commercial momentum remains very good** in Brazil with strong growth **in outsourcing** and low inflation in 2019
- **Political and economic environment somewhat stabilized** in Brazil after several years of volatility
- **Brazil reached 30% EBITDA margin in 2019** (compared to 20% when Elis entered the country in 2014)
- **Colombia** remains a small contributor but is **well-oriented**
- **Chile suffered from violent protests** since October but remains a very small contributor to the region

EBITDA % in Brazil since Elis entered the country



Brazil GDP growth	2014	2015	2016	2017	2018	2019
	+0.5%	-3.6%	-3.3%	+1.1%	+1.1%	+2.1%

+7.1% organic growth

28.8% EBITDA margin (+190bps) excluding IFRS 16

30.4% EBITDA margin including IFRS 16

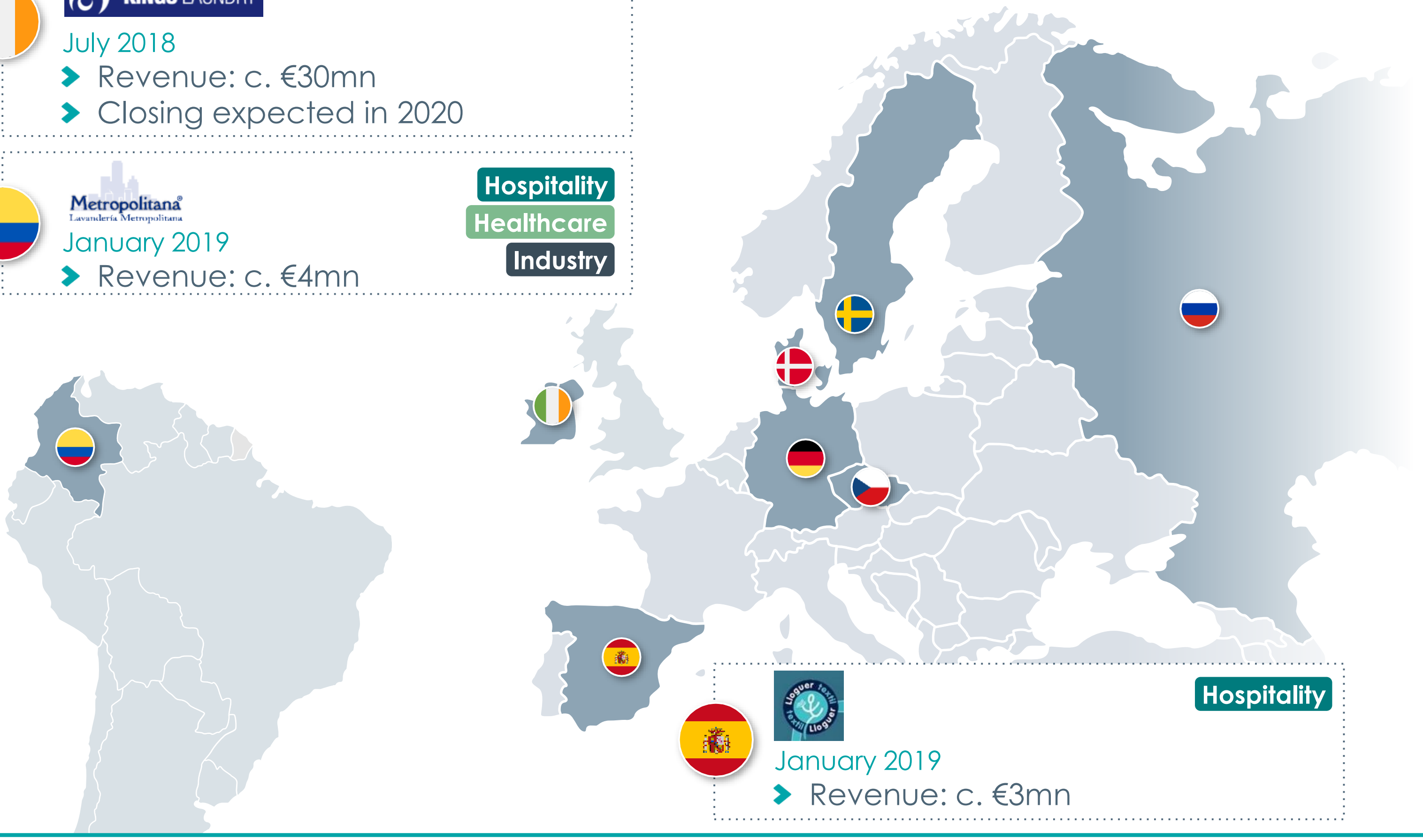
Elis continued its targeted acquisition strategy with 6 bolt-on acquisitions closed in 2019 and 1 deal closed in 2020 YTD

KINGS LAUNDRY — Hospitality

July 2018
- Revenue: c. €30mn
- Closing expected in 2020

Metropolitana Lavandería Metropolitana — Hospitality, Healthcare, Industry

January 2019
- Revenue: c. €4mn



Textil Lloguer — Hospitality

January 2019
- Revenue: c. €3mn

Carpeting ENTRÉMATTOR — Mats

March 2019
- Revenue: c. €3mn

Blesk InCare — Mats

July 2019
- Revenue: c. €10mn

Hospitality, Public sector

January 2019
- Revenue: c. €8mn

Curantex TEXTILE SERVICE-SYSTEME — Healthcare

January 2019
- Revenue: c. €14mn

Textile Washing Company — Hospitality

February 2020
- Revenue: c. €4.5mn

FY 2019 M&A impact: +1.8%

FY 2020 embedded M&A impact: +0.3%

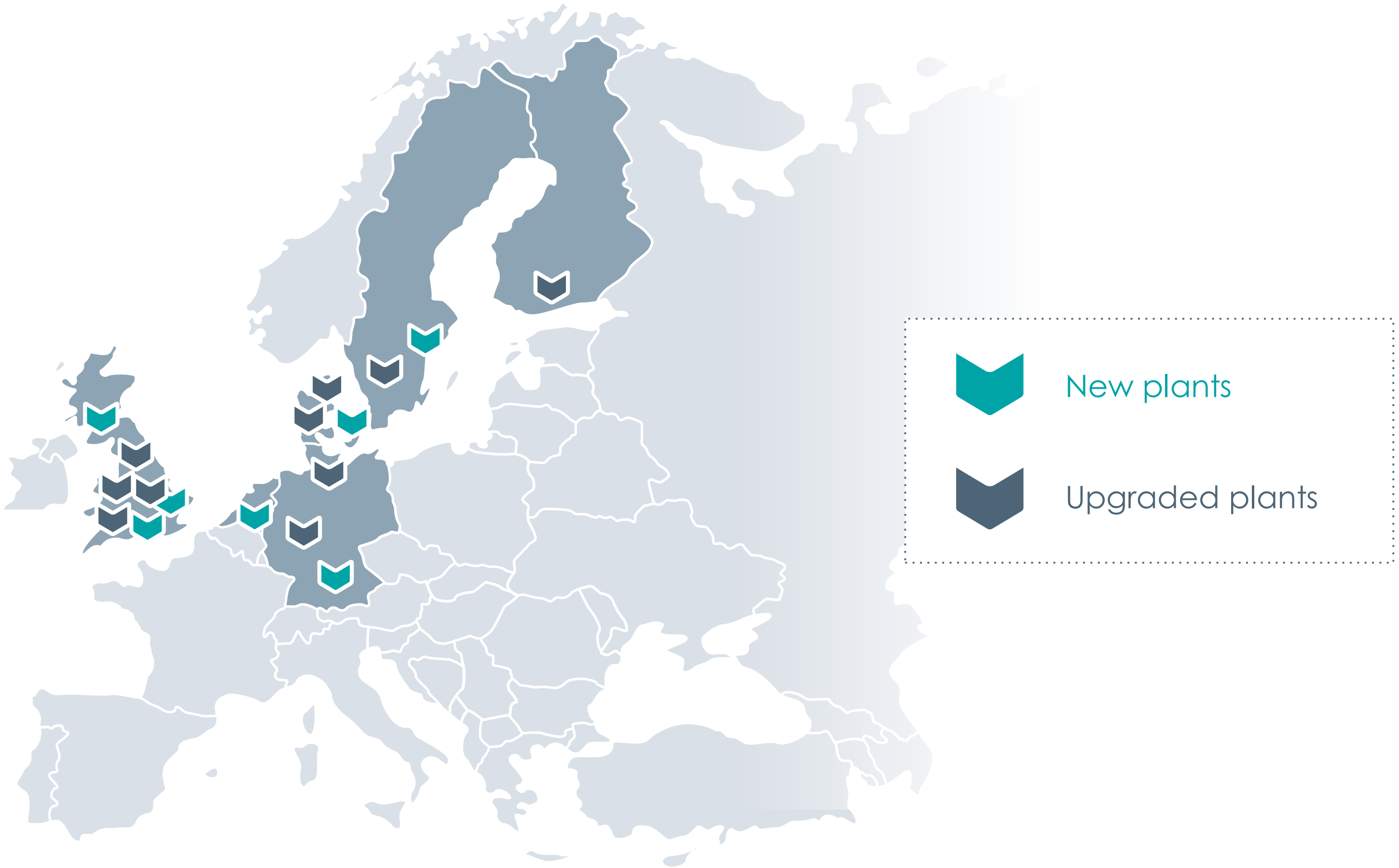
Elis' capex plan for Berendsen has been rolled-out according to budget and phasing, and is now completed

c. €330mn
invested over 2017-2019

7 new plants
o/w **3** in UK

10 upgraded plants
o/w **4** in UK

+ c. €75mn spent
on maintenance and efficiency



Berendsen countries' asset base quality is now fully in line with Elis' standards

Elis can now leverage its international platform to sign cross-border agreements

New agreement with Coca-Cola

Previous situation

- **3-year** deal
- **6** countries
- **3,000** wearers
- Desire to standardise garments across countries

New situation

- **5-year deal**
- **11** countries
- **10,000** wearers
- Implementation to begin Q3 2020

New long-term agreement with novo nordisk

- **Largest insulin producer in the world**, based in Copenhagen
- **16** production locations worldwide
- New **long-term agreement** (Umbrella) for cleanroom articles in Brazil, Denmark, France & Russia (textiles, goggles, mops, wipes, etc…)

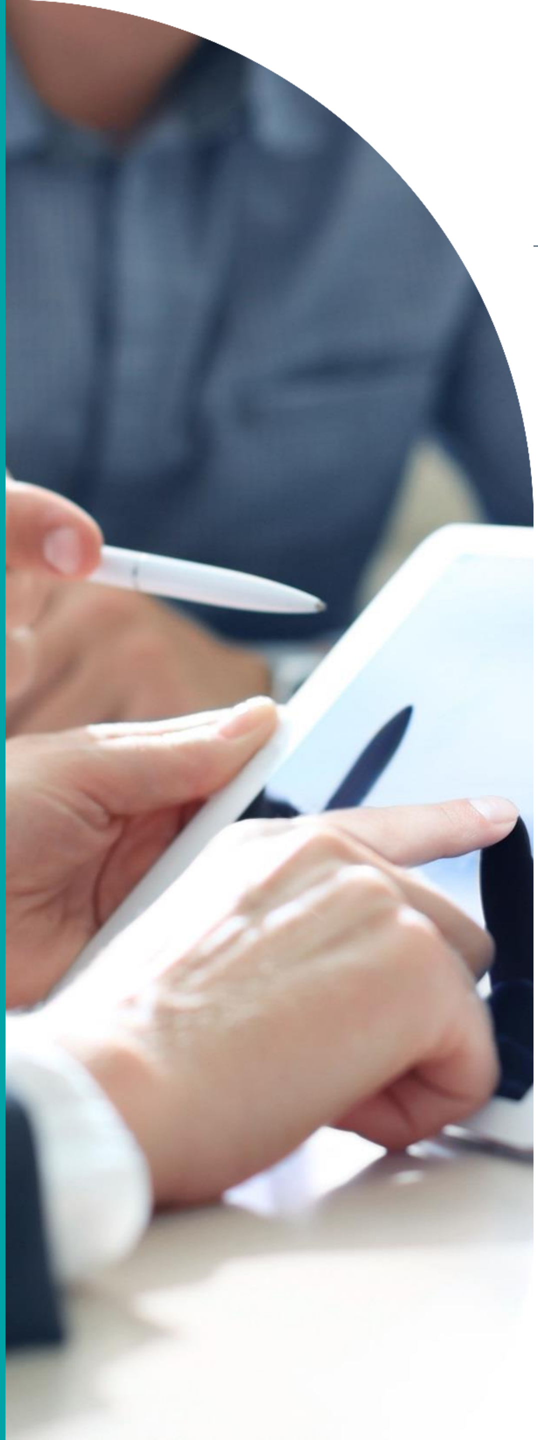
Signature of a new contract with SAFRAN

- **5** countries
  (France, Belgium, Poland, Germany, Czech Republic)
- **63** sites
- **225,000** garments and **21,000** wearers

Other pan European contracts signed since the Berendsen acquisition

Hilton, Scandic, Marriott, valspar, Volvo, arianeGroup, Constellium

Notes



Introductory comments (1/2)

2018 & 2019 figures exclude Clinical Solutions

- In H1 2018 the Group initiated the sale process for its Clinical Solutions (operating only in the United Kingdom) and sold the activity in two parts in August and October 2019.
- The figures presented in this presentation exclude the entire activity of Clinical Solutions in 2019 and 2018, which has been reclassified as discontinuing

IFRS 16 (effective 1st January 2019)

- Principle: Lease expense is now considered as amortization and financial expense (previously above EBITDA)
- The application of IFRS 16 standards has an impact on several Group aggregates, as shown in the table below:

(in €mn)	2019
EBITDA	**70.3**
Depreciation and amortization including portion of grants transferred to income	(66.6)
EBIT	**3.7**
Financial result	**(9.6)**
Net result	**(4.2)**

- Other impacts:
  - Cash impact: Lease payments are now included in financing activities and no longer in free cash flow (€61.4mn reclassification)
  - Covenant: No impact (frozen GAAP)

Introductory comments (2/2)

IFRS 16 impact on EBITDA margin

	Excl. IFRS 16		var.	Incl. IFRS 16	IFRS 16 impact
Zone	2019 EBITDA %	2018 EBITDA %		2019 EBITDA %	
France	35.7%	35.0%	+70bps	38.0%	+230bps
Central Europe	29.6%	30.6%	-100bps	31.6%	+200bps
Scandinavia & Eastern Europe	36.6%	37.4%	-80bps	38.7%	+210bps
UK & Ireland	25.8%	26.4%	-60bps	28.6%	+280bps
Southern Europe	27.0%	26.4%	+60bps	28.8%	+180bps
Latin America	28.8%	26.9%	+190bps	30.4%	+160bps
Group	31.5%	31.5%	=	33.6%	+210bps

Headline net result up +16% excluding IFRS 16

(In €mn)	2019	Of which IFRS 16	2018	% change
Revenue	**3,281.8**	**-**	**3,133.3**	**+4.7%**
EBITDA	**1,103.0**	**+70.3**	**985.6**	**+11.9%**
As a % of revenue	*33.6%*	*+210bps*	*31.5%*	*+210bps*
EBIT	**454.9**	**+3.7**	**426.4**	**+6.7%**
As a % of revenue	*13.9%*	*+10bps*	*13.6%*	*+30bps*
Current operating income	**442.1**	-	**407.5**	**+8.5%**
Amortization of intangible assets recognized in a business combination	(88.3)	-	(112.5)	
Non current operating income and expenses	(18.5)	-	(49.8)	
Operating income	**335.3**	-	**245.2**	**+36.7%**
Financial result	(150.0)	(9.6)	(110.5)	
Tax	(47.6)	+1.7	(51.7)	
Net result from continuing operations	**137.7**	**(4.2)**	**83.0**	**+65.9%**
Net result	**141.9**	**(4.2)**	**81.8**	**+73.4%**
Headline net result	**256.1**	**(4.2)**	**224.3**	**+14.2%**
Headline net result excluding IFRS 16	**260.3**	**-**	**224.3**	**+16.0%**

- **Lower PPA amortization in 2019** due to the end of the amortization of the 2007 **Eurazeo takeover PPA**, partially offset by the beginning of the **Lavebras and Berendsen PPA amortization**

- Includes acquisitions and divestments transaction costs
- Lower **restructuring costs in 2019** as most of Berendsen headcount adjustments were made **in 2017 and 2018**

- Financial result made up of:
  - Financial debt interests for c. €60mn
  - One-off items primarily linked to the 2019 refinancing for €45mn
  - Amortization of issuing costs of previous loans for c. €12mn
  - Notional interests of OCEANE for €9mn
  - c. €10mn of interest expenses on leases due to IFRS 16

2019 headline net result calculation

(In €mn)	2019	2018
Net result	**137.7**	**83.0**
Amortization of intangible assets recognized in a business combination*	**70.7**	**86.6**
IFRS 2 expense*	**10.6**	**15.6**
Accelerated amortization of loans issuing costs *	**12.2**	**2.6**
Breakup costs (refinancing)*	**4.5**	**-**
Unwinding of swaps*	**12.9**	**-**
Non current operating income and expenses:	**7.5**	**36.4**
o/w litigation provisions reversal	*(11.6)*	*(0.6)*
*o/w acquisition-related costs**	*6.6*	*22.3*
*o/w restructuring costs**	*6.5*	*22.2*
*o/w other**	*6.0*	*(7.5)*
Headline net result	**256.1**	**224.3**
IFRS 16 impact on 2019 net result	(4.2)	-
Headline net result excluding IFRS 16	**260.3**	**224.3**

** Net of tax effect*

2019 financial charges (cash & non-cash)

(In €mn)	P&L	(In €mn)	Cash-flow
Financial debt interests	**(60.3)**	**Financial debt interests (cash)**	**(60.3)**
Break-up fees	(6.0)	Break-up fees	(6.0)
Interest paid (lease debt)	(9.9)	Interest paid (lease debt)	(9.9)
Interest rates swaps	(3.9)	Interest rates swaps	(4.6)
Recurring fees	(4.9)	Recurring fees	(6.7)
Notional interests (OCEANE)	(8.9)	Unwinding of swaps	(24.4)
Amortization of issuing costs	(30.8)	Other	1.1
Fair value (derivatives)	(20.8)		
Other	(4.5)		
P&L charge	**(149.9)**	**Cash outflow**	**(110.7)**

- Average cost of debt c. 1.5%

Significantly stronger free cash-flow generation in 2019

(In €mn)	2019	Of which IFRS 16	2018
EBITDA	**1,103.0**	**+70.3**	**985.6**
Exceptional items and variance of provisions	(24.4)		(35.5)
Acquisition and divestment transaction costs	(10.2)		(4.4)
Other	(0.6)		-
Cash-flow before net financial costs and tax	**1,067.8**		**945.7**
Net capex (linen + industrial)	(660.3)		(644.3)
Change in working capital	26.9		(15.8)
Net interests paid	(110.7)	(8.9)	(55.2)
Income tax paid	(76.2)		(76.7)
Free cash-flow	**247.5**	**61.4**	**153.7**
Lease liabilities payments - principal	(73.3)	(61.4)	(3.0)
Acquisitions of subsidiaries, net of cash acquired	(83.2)		(62.2)
Change arising from subsidiaries (gain or loss of control)	(15.1)		(12.7)
Other flows related to financing operations	(20.0)		(26.4)
Proceeds from disposal of subsidiaries, net of cash transferred	30.0		1.0
Dividends paid	(81.2)		(81.1)
Equity increase, treasury shares, lease reclassification from financial to liabilities	29.0	22.9	1.5
Other	(48.0)		(41.8)
Net debt variance	**(14.4)**	**22.9**	**(71.1)**

- **Capex to sales ratio of 20.1%**
  (taking into account Clinical Solutions revenue)

- **Improved working capital** due to very good cash-in from clients at year-end and to some extent to a c. €15mn one-off related to CICE change in regulation

- Impact of **debt refinancing**: c. €30mn of non recurring items of which c. €24mn to unwinding of swaps

2019 refinancing has lowered average cost of debt and further extended maturities

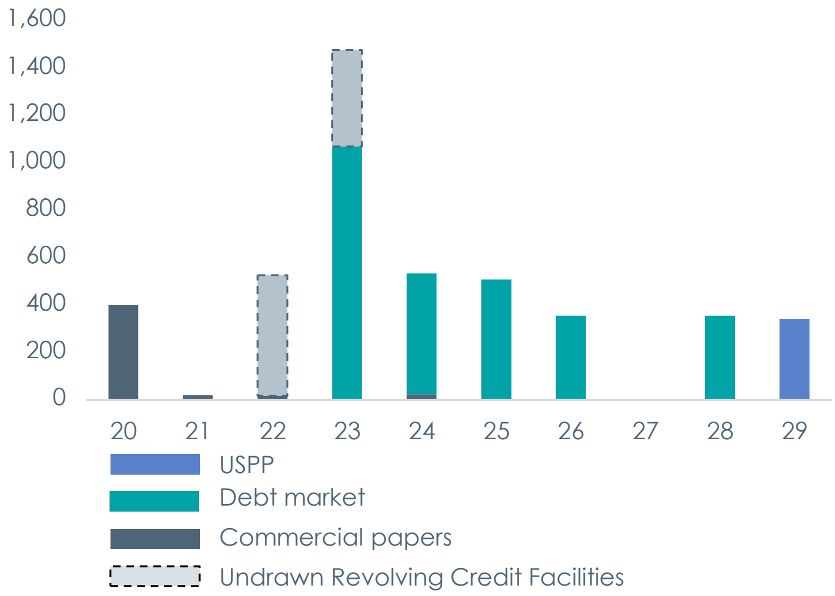
A well-diversified financing

As of 31 December 2019	
BOND (issued 10/2019) €500mn	Coupon 1.0% Maturity 2025
BOND (issued 10/2019) €350mn	Coupon 1.625% Maturity 2028
BOND (issued 04/2019) €500mn	Coupon 1.75% Maturity 2024
USPP (signed 04/2019) €335mn	Coupon 2.70% Maturity 2029
BOND €650mn	Coupon 1.875% Maturity 2023
BOND €350mn	Coupon 2.875% Maturity 2026
CONVERTIBLE BOND €365mn	Coupon 0% Maturity 2023
COMMERCIAL PAPERS €382mn	N/A
SCHULDSCHEIN €75mn	Maturity 2020 – 2024
REVOLVING Undrawn €900mn	Maturity 2022 (€500mn) Maturity 2023 (€400mn)

Latest ratings:
- Moody's: **Ba2, positive**
- S&P: **BB+, stable**
- DBRS: **BBB low, stable**

Net debt/EBITDA ratio of 3.2x as of 31/12/2019

Extended maturities



Our debt policy

- **A well-diversified debt structure policy**
- **Balance sheet efficiency**
- **Continuous search for refinancing opportunities**

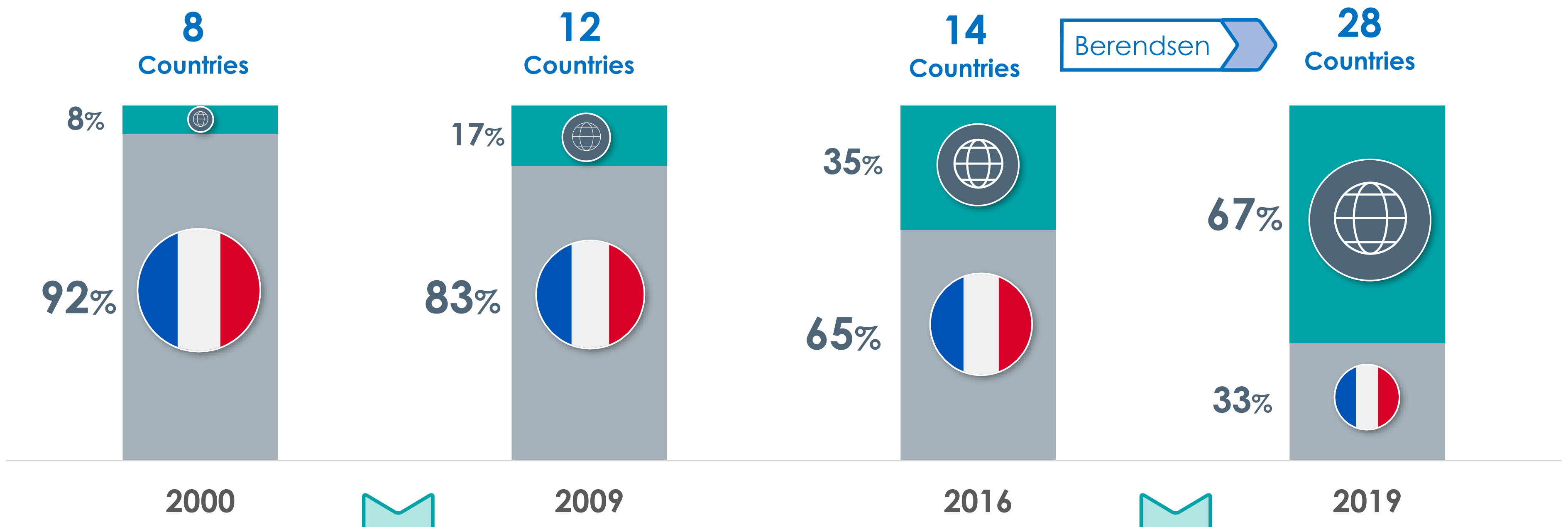
Key financial takeaways

1. Good topline momentum, underpinning Elis' ability to negotiate price increases in a high-inflation environment
2. Resilient EBITDA margin: 33.6% (stable at 31.5% excluding IFRS 16)
3. Headline net result of €256mn (up +16% at €260mn excluding IFRS 16)
4. Improvement of free cash-flow generation at €247mn (up +21% at €186mn excluding IFRS 16)

Notes

Elis has become an international Group offering a highly-diversified and well-balanced profile

Elis revenue breakdown over the last 20 years

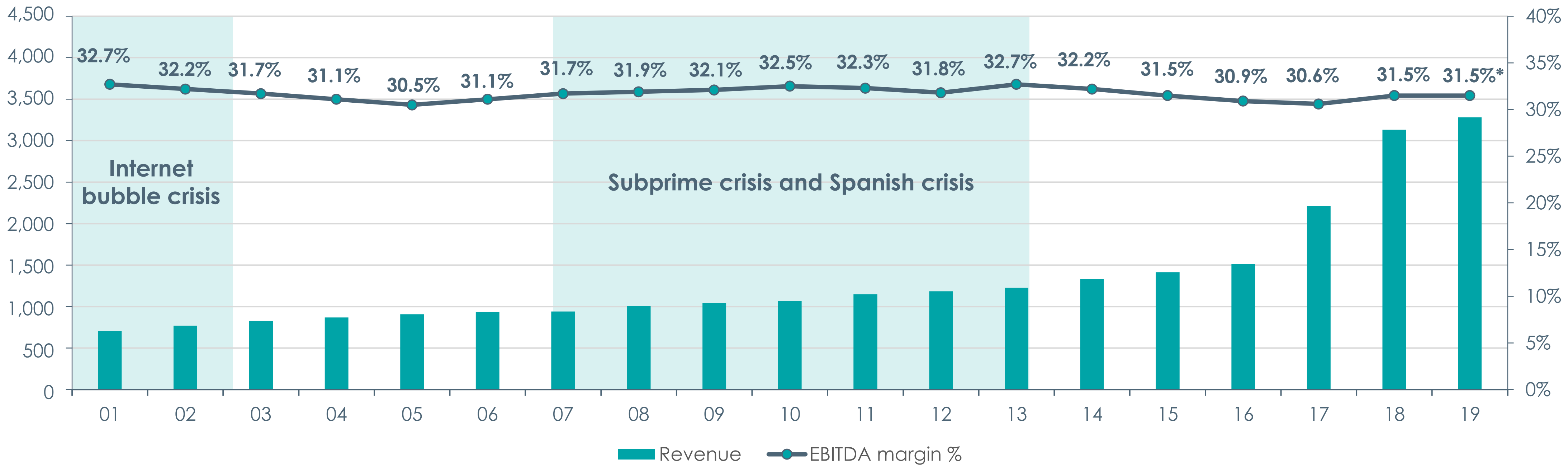


- **High exposure to France,** especially to the Hospitality market
- Fairly **concentrated client base**

- Diversified **geographical mix**: Balanced presence across Western Europe, Scandinavia and Latin America
- Diversified **client base**: Top 10 clients < 10% of revenue
- Diversified **end-markets:** Industry (c. 29%), Hospitality (27%) Healthcare (26%) and Trade and Services (18%)

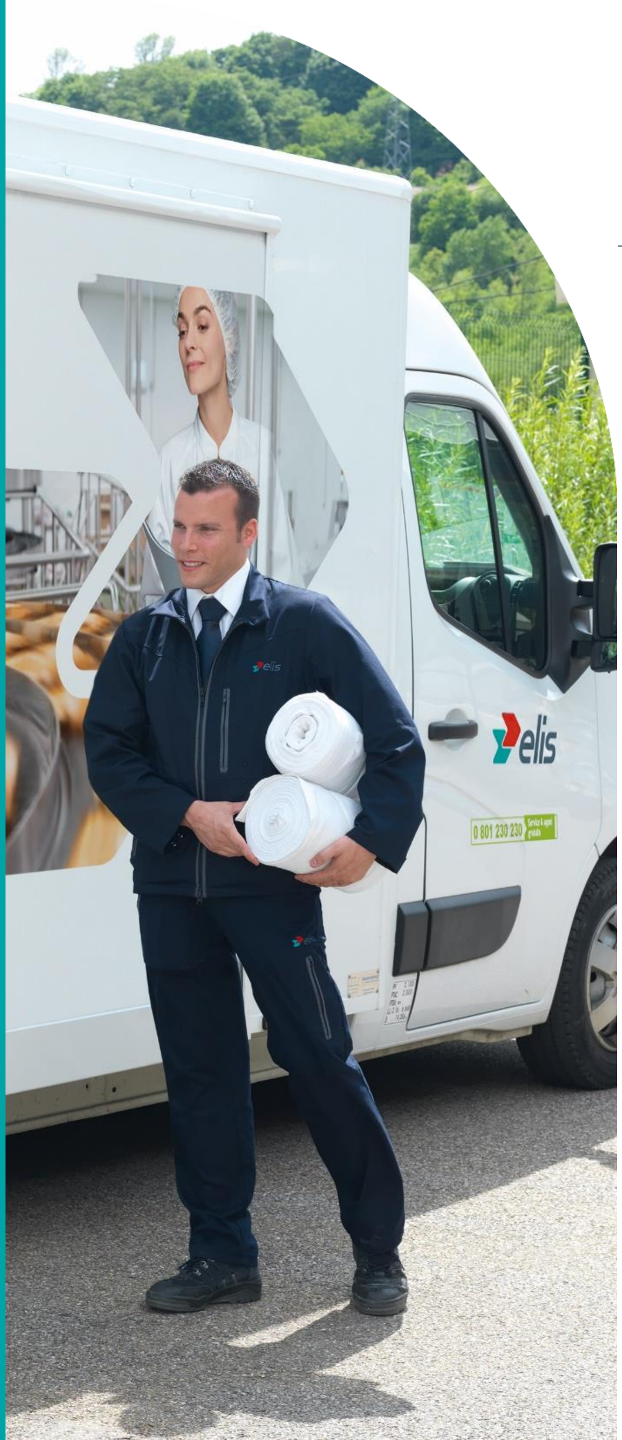
Other countries

The Group has proven business resilience over the years



- Over the last **19** years, Group revenue has posted **continuous organic growth** and **EBITDA margin** has evolved within a **narrow range**
- Our business offers a **silver lining**: When there is lower revenue growth, **linen capex is lower**, resulting in **higher cash generation**

* Excluding IFRS 16 (33.6% including IFRS 16)



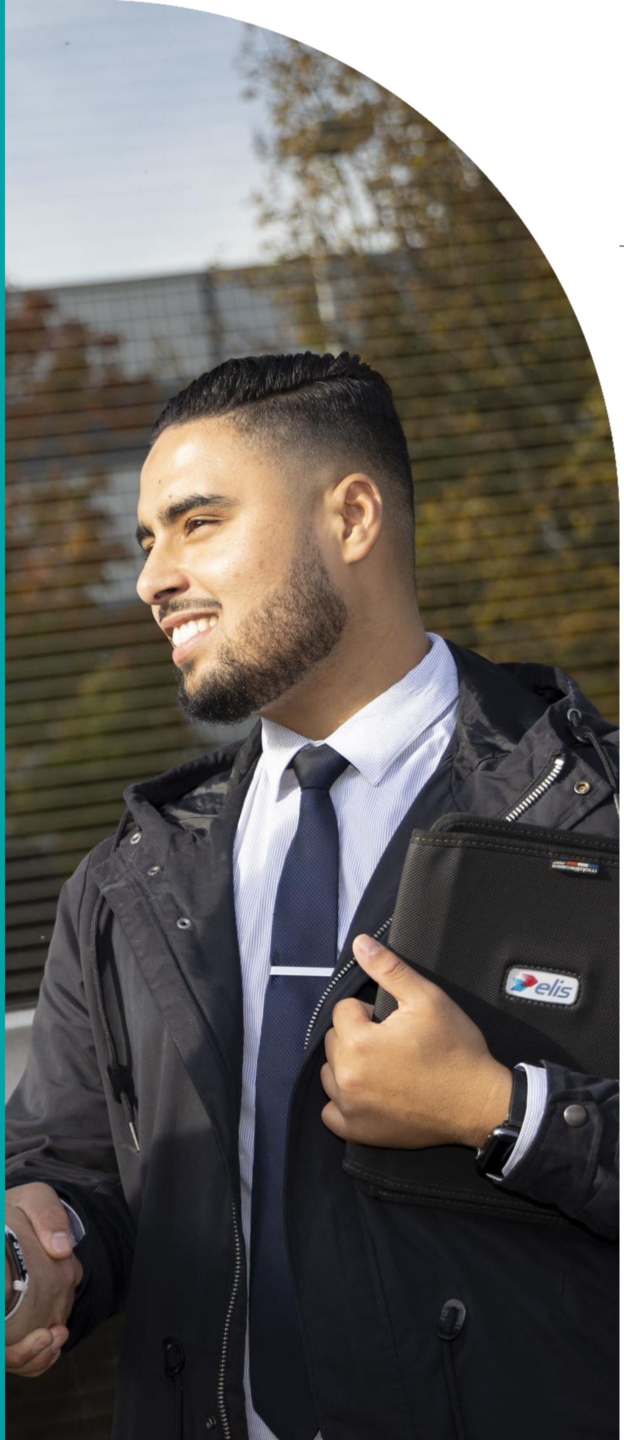
Value creation from cross-selling initiatives

The Service Agent

- More than a simple driver, he is the **frontline touchpoint** with clients
- Develop **a close relationship with its clients**
- **Incentivized to cross-sell**

Multiservice strategy

- **Multiservice plants** to deliver all the products with the **same truck**
- Revenue from additional products signed with existing clients **flows down to the margin as most costs are already in place**



Turning drivers into Service Agents to improve retention: The UK example

1 Elis' tribe structure introduced

2 Service/Sales Training delivered

3 Customer-focused objective with incentives

Customer Relationship Advisor

Service Agent | Service Agent | Service Agent | Service Agent

- Retention of portfolio
- New business
- Customer relationship
- Proximity

The Elis Service Agent plays a key role in customer retention improvement

- **Proximity with the customers** means higher quality of service
- **48 out of the 124** workwear drivers already promoted to Service Agents, with larger responsibilities and incentive options
- **Positive** customer feedback
- **Sales wins** starting to come through

elis

Photo by Raphael Nogueira on Unsplash

Leveraging our network density to address small clients: The Brazilian example

Objective:
Target the small accounts in Brazil

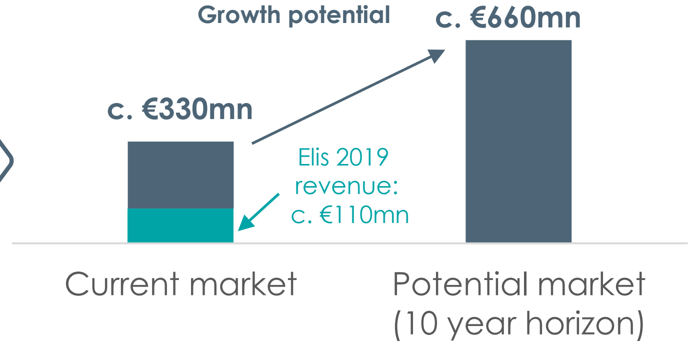
Principles:
Focus on the 11 main Brazilian cities
- 37 million people targeted
- Around 420k potential customers
- Initial portfolio of 22 items (flat linen, RFID)

2017	2018	2019
Phase 1	**Phase 1 (continued)**	**Phase 2**
› Pilot in São Paulo › 1 sales person › Beauty & wellness (spas, gyms, hairdressers…)	› Reinforce São Paulo › Sales Team: 4 FTE › Beauty & wellness	› São Paulo and Curitiba › Sales Team: 11 FTE › Beauty/wellness, restaurants › Av. monthly sales/FTE: €730
Turnover: **€89k**	Turnover: **€345k**	Turnover: **€1.1mn**

Strong Workwear outsourcing potential in many countries

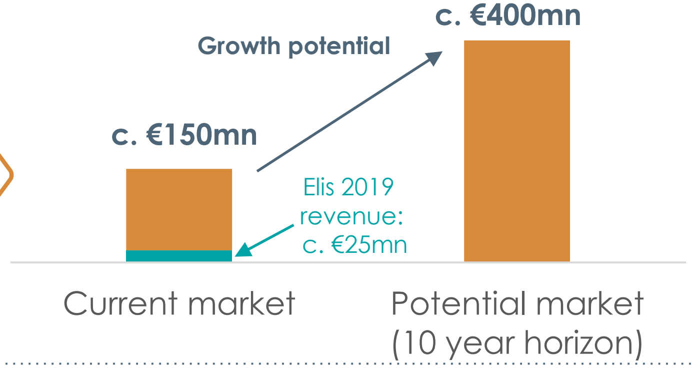
Brazil and Spain offer very strong growth prospects in their domestic Workwear market

Brazil



- 60% of the existing market is still operated by internal laundries (mainly in Healthcare)
- Workwear market is composed mainly of uniforms for Industry and Healthcare

Spain



- 2019: Significant contracts signed in Pharma, Food processing and Retail
- c. 10 FTEs to be hired to develop the market

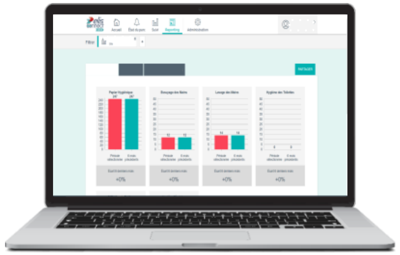
- Other countries should see significant growth of their outsourced Workwear market in the coming years: Poland, Baltics, Czech Republic, etc…

Traceability solution becomes a differentiating factor in our industry

Traceability is valuable to our clients

- Using **RFID technology**, *Elis connect* portal provides clients with **real-time information** on their linen inventory to **optimize their linen orders** and **avoid excess inventory**
- *Elis connect* tools let the client know when the level of a hygiene product is running low, **enabling replacement of the product before it runs out**

This leads to higher **client retention**



ACCESS
Proof of passage

Improve **trust**

FOCUS
Proof of service

Offer **visibility**

VISION
Advanced solutions

Empower

Our target: Raise all the countries to the level of the Group's top performers

EBITDA margin below 25%	Revenue (in €mn)
Chile	25
Colombia	15
Russia	5

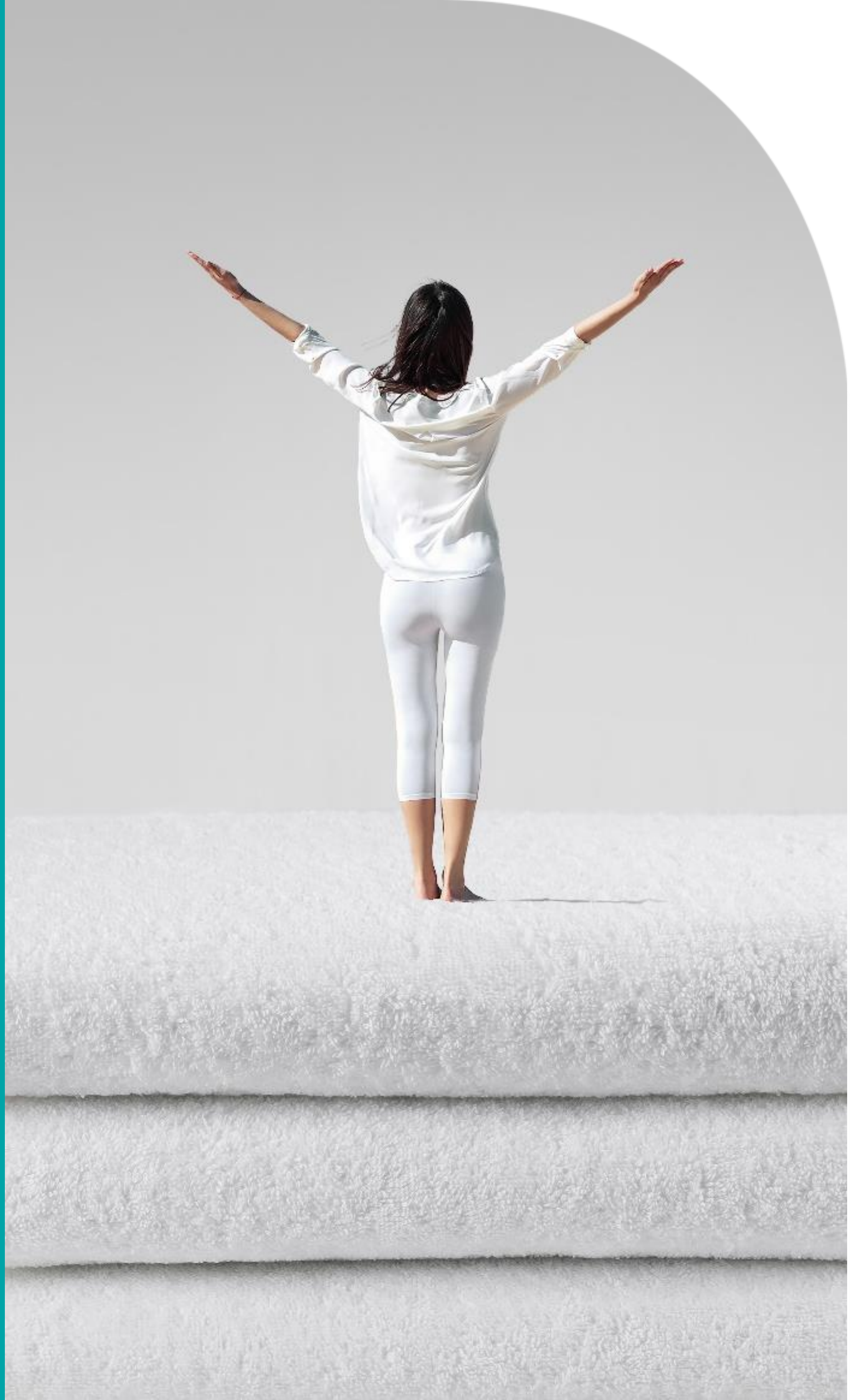
EBITDA margin 25%-30%	Revenue (in €mn)
Germany / Austria	395
UK	345
Spain	210
Switzerland	100
Ireland	50
Belux	40
Italy	30

EBITDA margin 30%-35%	Revenue (in €mn)
Portugal	60
Brazil	225
Baltics	15
Finland	15

EBITDA margin >35%	Revenue (in €mn)
France	1,065
Sweden	215
Denmark	195
The Netherlands	130
Norway	60
Poland	50
Czech Republic / Slovakia / Hungary	15

Note:
2019 revenue actual figures (rounded)
UK excluding Clinical Solutions activity
EBITDA margin including IFRS16 impact

Market share gains, transfer of best practices and footprint enhancement are the main drivers for margin improvement



2019 business highlights

Operational performance

Strategy and business resilience

A responsible business

2020 outlook

Our impact on society: Our commitments

Taking responsibility for our **impact on society** through responsible products and services

Responsible supply chain 2025
95% of the preferred suppliers covered by CSR assessment

Ethical business 2025
100% people in sensitive positions trained in anti-bribery and corruption

Educational support 2025
Triple the budget available for the Elis Foundation

Our environmental footprint: Our commitments

Continuously reducing our business' **environmental footprint**

Reduce, re-use and recycle 2025

80% textiles recycled

Identification of new ways of recycling: Acoustic isolation, recycling in the furniture industry, re-use of textiles in carbon fibre for industry

2010-2025 consumption targets ahead of schedule

- **Water: -50%** — 2019 achieved: **-41%** | Remaining
- **Chemicals: -37%** — 2019 achieved: **-26%** | Remaining
- **Gas: -35%** — 2019 achieved: **-23%** | Remaining
- **Fuel:** Increase the number of **eco-friendly vehicles**
- **CO2 emissions: -20%** — 2019 achieved: **-15%** | Remaining

elis

Our employees' well-being: Our commitments

Empowering **employees' well-being** and **growth**

Safety 2025

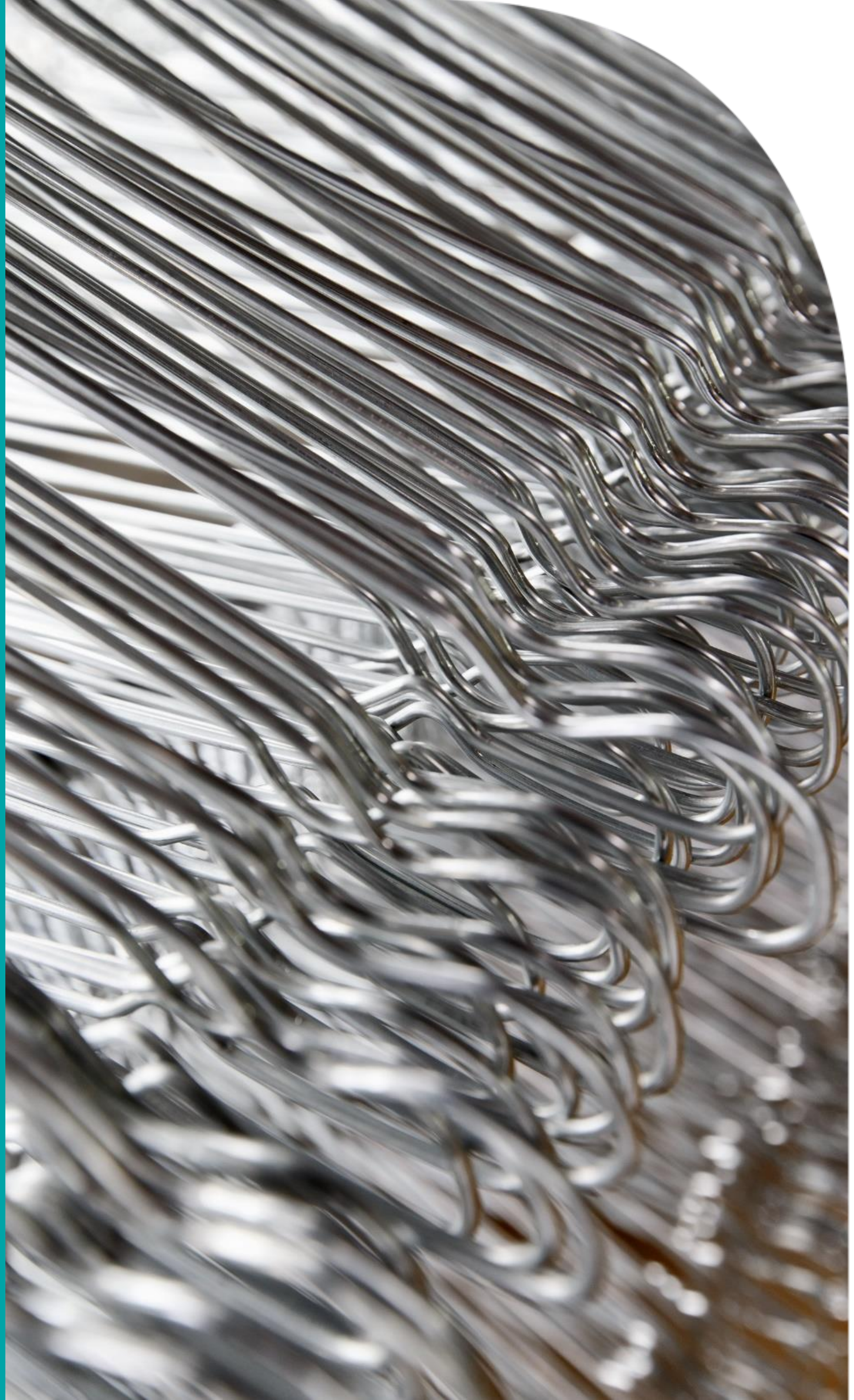
50% decrease in lost time from accidents
(base year: 2019)

Personal and professional growth 2025

- **Chevrons** deployed in all operational Elis countries
- Increase retention of key personnel through **talent development**

Diversity 2025

40% of women in permanent management positions



2019 business highlights

Operational performance

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2020 outlook

2020 outlook

1. Organic growth of c. +3%
2. EBITDA margin up c. +20bps
3. Group free cash-flow of c. €320mn, compared to €247mn in 2019

This outlook does not take into account:

- The potential future impacts related to the Covid-19 health crisis. As of today, only limited impact has been noted in Hospitality in France (Paris & South East)
- Any change in FX

This outlook has been prepared in a manner comparable to the historical financial information, and in line with the Group's accounting methods.

Elis should prove its resilience in a context of a spreading Coronavirus disease

Revenue: Some potential impact, which has not been quantified to date, mainly in Hospitality

2019 revenue	Main revenue contributors	Potential impact on 2020 revenue	Comment
c. €940mn 29% of total		Very limited	Most workwear **contracts are on a per-wearer basis.** A contained **slowdown in activity will not lead to significant headcount reductions at our clients'**
c. €890mn 27% of total		Potentially material	Mostly **volume-based contracts**. A global travel slowdown would have an impact on our revenue. In 2009 (H1N1 crisis), Elis' Hospitality revenue was down 2%
c. €870mn 26% of total		Nil to positive	Potentially **more hospitalizations and higher demand for washroom products** such as gel hand sanitizers (same in all end-markets)
c. €590mn 18% of total		Limited	Mostly fixed-fee contracts so **no major impact expected**

Industry Hospitality Healthcare Trade & Services

Elis should prove its resilience in a context of a spreading Coronavirus disease

Profitability: No major impact expected thanks to cost-base flexibility

- Thanks to **labor contract agreements**, Elis has the capacity to **adjust its employees' working hours** when activity goes down, hence making these **fixed costs somewhat variable**
- Other main production costs (temp workers, water, natural gas, electricity) are variable by nature
- **No supply chain impact**: Sourcing is local for chemical products, water, gas and is largely diversified for linen with virtually no exposure to China or South Korea

Cash generation: Limited impact expected

- In **case of significant activity downturn, our linen investments would decrease** accordingly as lower consumption of linen by our clients (lower occupancy rates in hotels, reduced number of shifts in plants using uniforms, etc…) means lower rotation / need for replacement for Elis
- Industrial capex in connection with additional capacity needs can be postponed if activity drops significantly

Conclusion:
A good 2019 year, paving the way for further improvements in 2020

- **Resilient EBITDA margin in 2019,** thanks to our ability to pass on inflation, improve client retention and leverage on our commercial dynamism
- **End of extra capex plan** for Berendsen in line with budget and phasing schedule
- **Improved cash flow** generation

With capex back to normative level and optimized debt structure, **Elis offers long-term and solid free cash-flow generation perspective**

Notes

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