



PRESS RELEASE

Derichebourg Multiservices and Elior Group plan to create a leading catering and multiservices firm

- Derichebourg Group (“Derichebourg”) today announced it has signed a letter of intent with Elior Group with a view to transferring Elior Group its Multiservices (“DMS”) business. Derichebourg SA, which today holds 24.36% of Elior Group equity, would see its stake rise to 48.4%.
- This deal would mark a new chapter in Derichebourg’s story - a company wholly focused on its environmental core business with a strategic 48.4% interest in a contract catering and multiservices champion.
- It would give Elior Group an enhanced investment profile enabling it to seize new sales opportunities, with the support of a leading long-term shareholder. It would bolster the global footprint of Elior Group that would report revenues of over €5 billion.
- The transaction comes with considerable value creation potential - by 2026 annual synergies boosting full-year EBITDA by at least €30 million and a positive impact on earnings per share as early as year 2 post transaction.
- DMS is a leading firm serving companies, industries and local municipalities. The business posted 2022 revenues of €943 million and EBITDA of €49 million. DMS has nearly 37,000 employees.
- The transaction values DMS at €450 million enterprise value representing a 2022 EBITDA multiple of 9.1 times. Derichebourg would be paid by Elior Group new shares issued at €5.65 per share, in line with the price Derichebourg paid to buy a 14.7% equity stake in Elior from BIM as announced on May 19, 2022.
- Following the transaction, the Elior Group board of directors would be reorganized to comprise 12 directors, five of whom would be nominated by Derichebourg in order to better reflect Derichebourg’s increased equity stake.
- Daniel Derichebourg would become Elior Group Chairman & Chief Executive Officer, while remaining chairman of Derichebourg. Abderaman El Aoufir would be appointed Derichebourg CEO.
- Derichebourg would continue to consolidate Elior Group as an equity affiliate.
- Completion of the transaction is subject to meeting customary conditions including a compulsory public tender offer exemption from French financial markets regulator AMF, approval from anti-trust authorities and Elior Group shareholder approval at an extraordinary general meeting.



Paris, December 20, 2022. Derichebourg Group and Elior Group today announced they have signed a letter of intent with a view to Derichebourg transferring Elior its Multiservices business paid for by new Elior Group shares issued to Derichebourg.

This plan would give rise to a new French contract catering and multiservices champion. DMS's experience and world-class operations would create value and new sales opportunities to take on a market in rapid transformation and would boost the new group's growth.

Daniel Derichebourg said: *"By transferring Derichebourg Multiservices to Elior Group, Derichebourg increases its strategic equity stake in Elior Group and reaffirms its goal to be Elior's leading long-term shareholder. When Elior Group reviewed its strategic options, it realized the full operational potential of combining with Derichebourg Multiservices, as well as our people's and assets' top quality. We want to give rise to a world-leading contract catering and multiservices corporation. I will have to bring my entire business experience to the table to rise to this new challenge. I am more than ever convinced that this project will help turn around the company and add value".*

Derichebourg Multiservices is a top-ranked firm serving private and public sectors.

Led by Boris Derichebourg since 2008, DMS has become a world-class corporate, industrial and government agency outsourced services provider. DMS is backed by 12,000-plus clients whom its staff closely support; the business is well known for its special longstanding relations with its clients including many SMEs.

DMS revenues have risen every year since 2012 and in 2022 amount to €943 million. Its diverse revenues break down between 70% soft and hard facilities management, 12% industry, 16% HR services and agency staff, and 3% energy and urban spaces. Since 2020 the business earns an EBITDA margin of above 5%.

DMS comes with in-depth experience in taking on new businesses and staff of the companies it acquires having completed 20-plus acquisitions over the last five years. DMS has an extremely widespread presence in the French regions and enjoys significant market shares in Spain and Portugal.

DMS is a nimble and highly client-oriented firm including rapid decision-making procedures, decentralised business management and particular focus on contract earnings and cash generation.

DMS is highly skilled in cross-selling and multiservice packages with its clients. Over the period 2012-2022, DMS revenues grew every year by 6 % on average and always posted operating profits during both economic booms and busts over this period.

Elior Services is a leading services provider.

Elior Services is a major biocleaning, H&S, cleaning and soft facilities management services provider in France. The company posted 2022 revenues of €595 million, broken down between 57% healthcare, 40% services and industries and 3% education.

Elior Services has 22,500 staff spread over some 2,400 locations, and has longstanding clients including many key accounts.



Derichebourg Multiservices operations combined with Elior Group would mean a far stronger market position for the new group while raising its investment profile.

An operational plan that meets market demand

The new group would have an enhanced service offering combining multiservices and contract catering services that would strengthen its position in a rapidly changing market. It would have more balanced services revenues comprising 71% contract catering and 29% multiservices, which demonstrated their resilience during the pandemic.

In addition to raising Elior Group's contract catering market share, DMS would bolster the new group's soft facilities management services offering - cleaning, reception, green areas - and would result in further high-margin services in security, hard facilities management - energy efficiency, public lighting, HR services, agency staff and aerospace outsourcing.

Combining DMS with Elior Group would bring the new group more clients, including abroad - USA, Spain, Portugal, Italy, UK, Germany, China and elsewhere - that could extend to high-growth markets. DMS and Elior Group are a great sales fit as they serve clients among large corporations, SMEs and the public sector.

Integrated package offers and further service sales could be taken up by contract catering. As such, DMS would represent new sales outlet opportunities for Elior Group with a view to meeting new market demand.

Raised investment profile

This plan would raise the investment profile of Elior Group, which would be more resilient, more profitable, and its gearing would immediately improve such that it could devote more resources to step up growth.

The transaction comes with considerable value creation potential - by 2026 annual synergies boosting full-year EBITDA by at least €30 million and a positive impact on earnings per share as early as 2024.

Clearer Derichebourg Group operations

This big transaction would give a new face to Derichebourg's operations that would be focused on its environmental core business while holding a strategic 48.4% equity stake in a new multiservices and catering world champion.

This new group could give rise to value creation on an ongoing basis for all Derichebourg shareholders.

Transaction terms

Transfer of the DMS business for €450m, i.e. a multiple of 9.1 times 2022 EBITDA, would be paid for by an issue of new Elior Group shares to Derichebourg based on a €5.65 per share issue price, which represents a 119% and 128% premium over the last quoted share price and one-month pre-rumours average share price respectively, and is in line with the price Derichebourg paid to buy a 14.7% equity stake in Elior from BIM on May 19, 2022.



Derichebourg SA will apply to French financial markets regulator AMF for an exemption from the requirement to file a public tender offer for Elior Group shares.

Provisional timetable and conditions

The transaction is subject to meeting customary listed company transaction conditions including a compulsory public tender offer exemption from French financial markets regulator AMF, approval from anti-trust authorities and Elior shareholder approval at an extraordinary general meeting.

Transaction completion would be expected during April-May 2023.

Advisors

BNP Paribas and Centerview Partners act as Derichebourg's financial advisors and Hoche Avocats as its legal advisors.

About Derichebourg

The Derichebourg Group is a major player working for companies and local authorities on an international scale. It offers a comprehensive and integrated range of services in two complementary business segments: environmental services (recycling, recovery, collection of household waste, urban cleaning, management of waste reception centers, etc.) and business services (cleaning, energy, temporary employment, aeronautics, etc.). The Group is present today in 13 countries, on 3 continents, and has approximately 42,900 employees worldwide. In 2022, the Derichebourg Group's revenue totaled 5.3 billion Euros.

For more information: www.derichebourg.com

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