

# SHAREHOLDERS' MEETING January 24, 2017

# MEMBERS OF THE BUREAU

- **Members of the Bureau**
- **Attendance sheet**
- **Agenda**

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# MEMBERS OF THE BUREAU

- **Sophie BELLON**  
Chairwoman of the Board of Directors
- **Michel LANDEL**  
Chief Executive Officer
- **Marc ROLLAND**  
Group Chief Financial Officer
- **François-Xavier BELLON**  
Representing Bellon SA
- **Jacques LAFAYSSSE**  
Representing the FCP of Sodexo Group employees
- **Cindy SVERRISSON**  
Secretary of Sodexo Board of Directors
- **Hervé CHOPIN**  
KPMG
- **Jean-Christophe GEORGHIOU**  
PWC

# MESSAGE FROM THE CHAIRWOMAN

**Sophie BELLON,  
Chairwoman of the  
Board of Directors**

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\* Indicateur de performance alternatif

# FISCAL 2016: THE YEAR IN REVIEW

**Michel Landel,  
Chief Executive Officer**

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# HIGHLIGHTS OF FISCAL 2016

Yet another year of solid performance:

Revenue  
organic growth\*  
**+2.5%**

Operating profit<sup>1</sup>  
growth objective  
achieved  
**+8.2%**

Further Operating  
profit margin<sup>1</sup>  
improvement  
**+ 30 BPS**

Strong balance  
sheet  
**11%**  
Gearing\*

**Segmentation**  
enhancing  
business  
opportunities

Consumer focus  
driving **innovative**  
**digital solutions**

Developing  
**M&A** pipeline

Recognized  
**Corporate**  
**Responsibility**

<sup>1</sup> Before Fiscal 2016 exceptional expenses and currency effect

\* Alternatif performance measure

# SOLID FINANCIAL PERFORMANCE

**Marc Rolland, Group  
Chief Financial Officer**

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# SOLID PERFORMANCE IN THE P&L

## Solid financial performance

€ millions	Fiscal 2016	Fiscal 2015	CHANGE	
			At current exchange rates	Excluding currency effect *
Revenues	20,245	19,815	+2.2%	+2.6%
Operating profit before exceptional expenses <sup>1</sup>	1,203	1,143	+5.2%	<b>+8.2%</b>
Operating margin before exceptional expenses <sup>1</sup>	5.9%	5.8%	+10 bps	<b>+30 bps</b>
Exceptional expenses <sup>1</sup>	(108)	-		
Operating profit	1,095	1,143		
Net financial expense	(111)	(107)		
Effective tax rate	33.7%	31.1%		
<b>Group net profit</b> Before non recurring items <sup>2</sup>	721	700	+3.0%	<b>+5.2%</b>
<b>Group net profit</b>	637	700	-9.0%	

<sup>1</sup> costs of implementation of the Adaptation and Simplification program

<sup>2</sup> costs of implementation of the Adaptation and Simplification program and early debt reimbursement indemnity

\* Alternatif performance measure



# ORGANIC GROWTH

## Solid financial performance

Revenue growth  
**+2.2%**

Currency effect  
-0.4%

Scope changes  
+0.1%



**Organic growth\***  
**+2.5%** | **+4%** excluding Remote Sites

of which:

On-site Services  
**+2.4%**

Benefits and Rewards Services  
**+4.7%**

\* Alternative Performance Measure

# ORGANIC GROWTH\* ON-SITE SERVICES, BY REGION

Solid financial performance



**+3.8%**  
North America



**+11.3%**  
United Kingdom  
and Ireland



**+1.0%**  
Continental  
Europe



**-3.2%**  
Rest of  
the World  
**+7.0%**  
excluding  
Remote Sites

# ORGANIC GROWTH ON-SITE SERVICES, BY SEGMENT

## Solid financial performance



ORGANIC GROWTH\*

+2.4%

+5.8%

Excluding  
Remote Sites



+3.4%



+1.2%

### Corporate

- Rugby World Cup contribution
- Ramp-up of integrated service contracts, in North America and the United Kingdom
- Steep decline in Remote Sites, although stabilizing

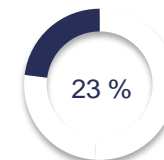
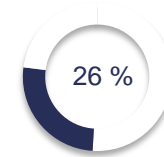
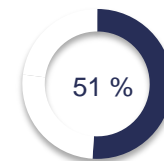
### Health Care and Seniors

- Comparable site growth
- Development in the United States
- Limited contract wins in Continental Europe and United Kingdom

### Education

- New business in United Kingdom and Asia
- Summer US sales campaign: modest in Universities but stronger in Schools

% of Fiscal 2016  
On-site Services  
revenues



# ORGANIC GROWTH, BENEFITS & REWARDS SERVICES +4.7%

## Solid financial performance

### ORGANIC GROWTH\*



+6.1%

### Latin America

- Higher face values and interest rates
- Strong growth in Mexico and Chile
- Considerable pricing pressure in Brazil



+3.1%

### Europe and Asia

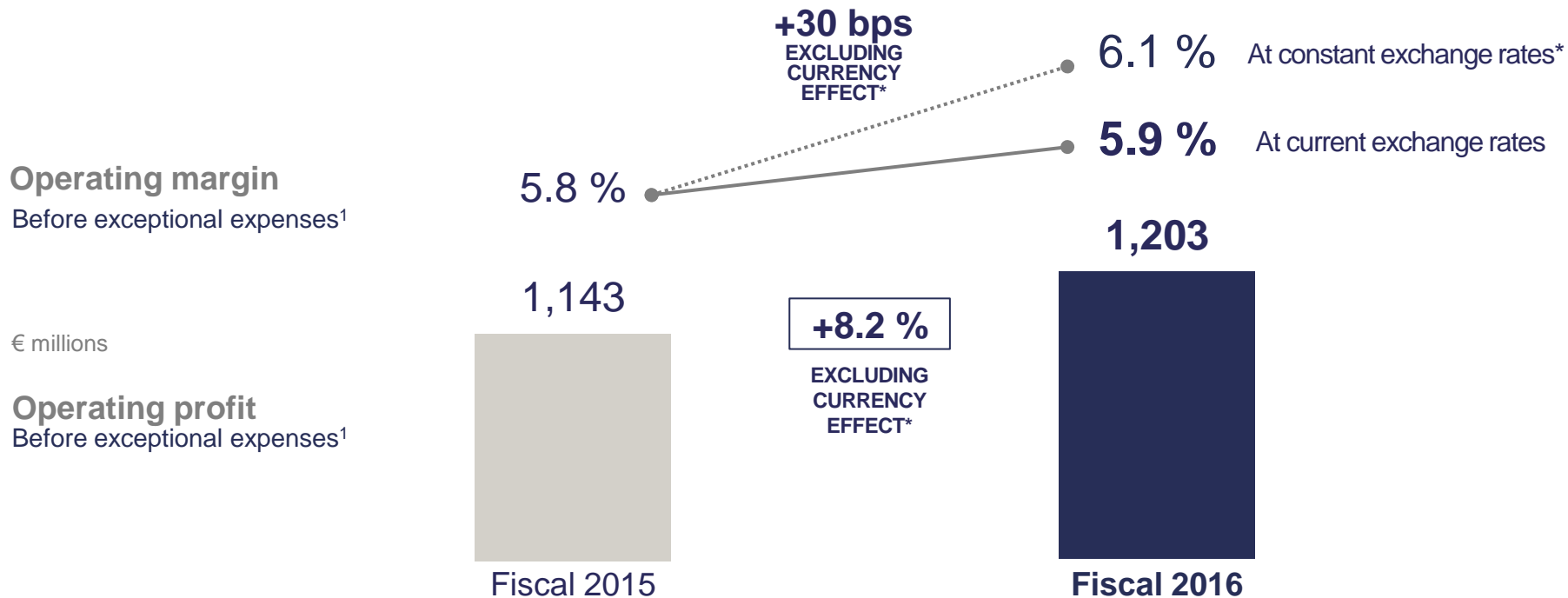
- Strong development in Turkey
- Lower interest rates in Europe
- Continued further penetration in Asia

% of Fiscal 2016  
BRS revenues



# SOLID IMPROVEMENT IN OPERATING PERFORMANCE

## Solid financial performance

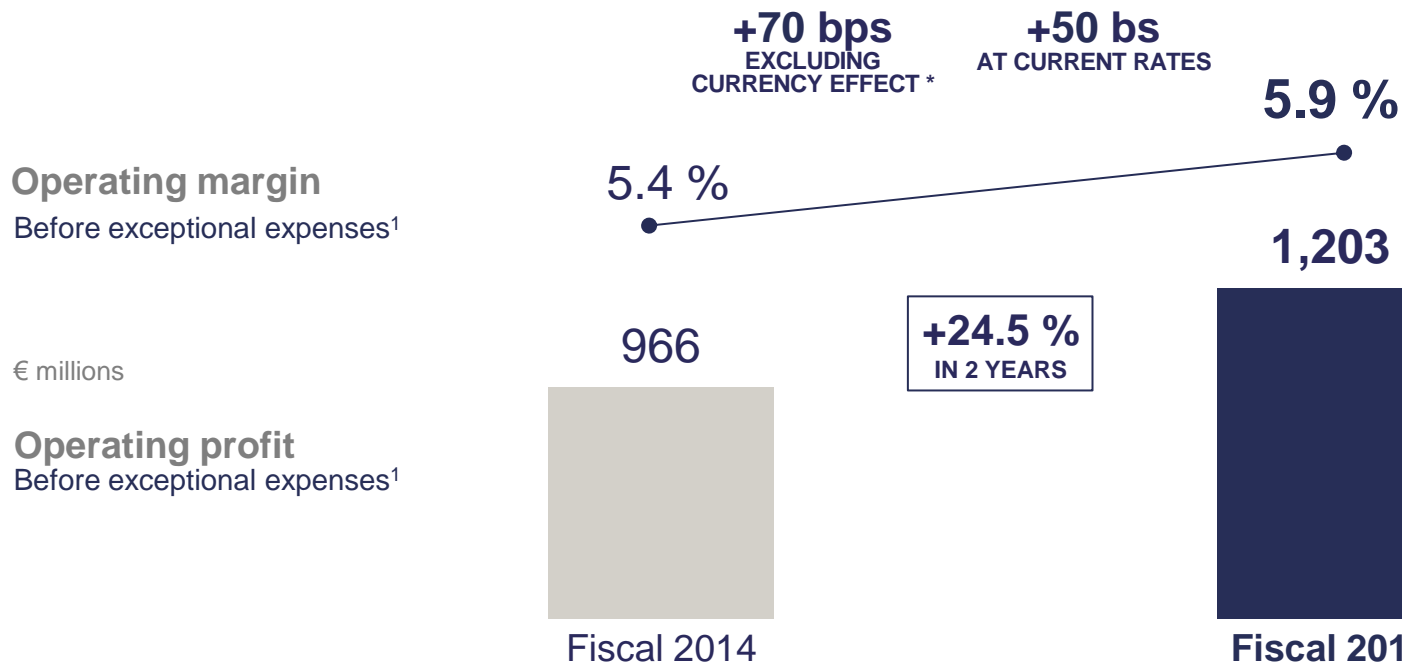


<sup>1</sup> costs of implementation of the Adaptation and Simplification program

\* Alternatif performance measure

# POSITIVE MOMENTUM IN OPERATING PERFORMANCE

## Solid financial performance

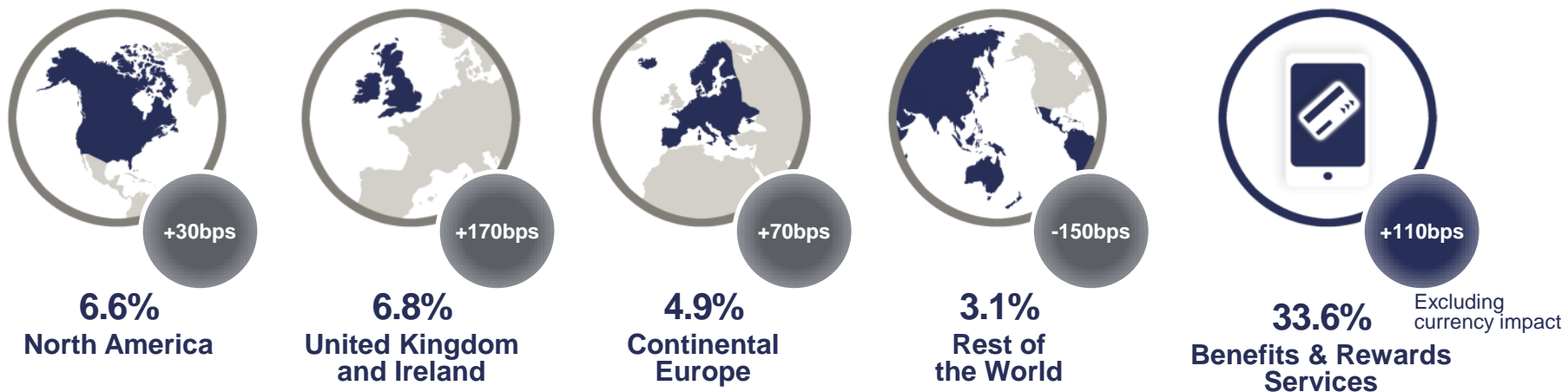


<sup>1</sup> costs of implementation of the Adaptation and Simplification program

\* Alternatif performance measure

# OPERATING MARGIN PROPGRESSION<sup>1</sup>

Solid financial performance



<sup>1</sup> Before Fiscal 2016 exceptional expenses and currency effect

# STRONG FREE CASH FLOW GENERATION

## Solid financial performance

Free cash flow\*

€595m

Net debt\*

€407m

Gearing\*

11%

Proposed dividend per share

€2.40

**+9.1%**

Payout ratio<sup>1</sup>

~50%

Total payout<sup>1</sup>

**€371 million**

Share repurchase program

**€300 million**

**~1.9% of capital**  
As per August 31, 2016

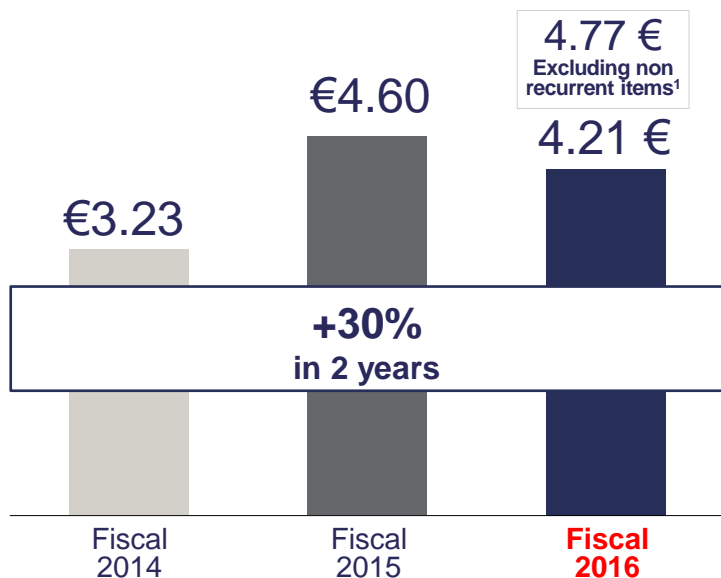
<sup>1</sup> Payout ratio: Dividend/EPS before non recurring items\* = 50.3%; Dividend/Reported EPS = 57%



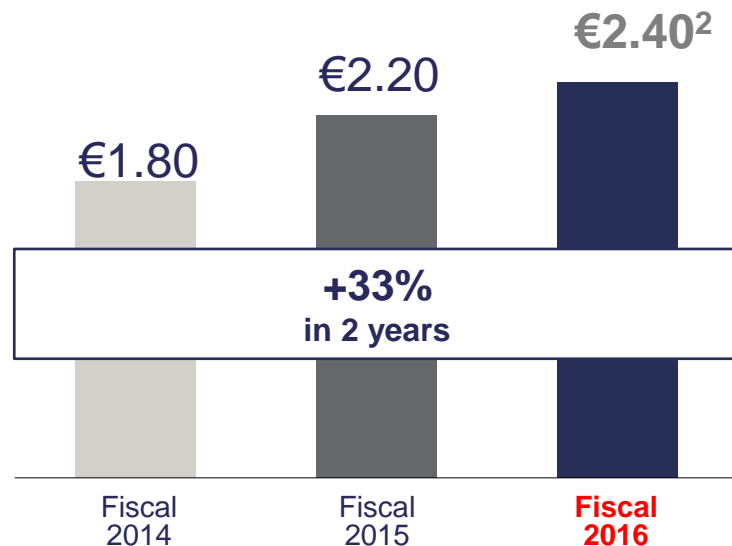
# A REGULAR INCREASE IN THE DIVIDEND

## Solid financial performance

### Earnings per share



### Dividend per share



<sup>1</sup> Costs of implementation of the Adaptation and Simplification program and early debt reimbursement indemnity

<sup>2</sup> To be proposed at the AGM on January 24, 2017

# COMPENSATION

**Compensation:**  
**Mr. Pierre Bellon**  
**Ms. Sophie Bellon**  
**Mr. Michel Landel**

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# COMPENSATION: MR. PIERRE BELLON

## Compensation

<b>Pierre BELLON</b>	<b>18,500€</b>
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**Chairman of the Board of Directors until January 26, 2016**

- |                                     |         |
|-------------------------------------|---------|
| ■ Director's fees paid by Sodexo SA | 18,500€ |
|-------------------------------------|---------|

*In addition:*

- |                                        |          |
|----------------------------------------|----------|
| ■ Director's fees paid by Bellon SA    | 200,000€ |
| ■ Fixed compensation paid by Bellon SA | 76,667€  |

# COMPENSATION: MS. SOPHIE BELLON

## Compensation

**Sophie BELLON** **322,016€**

**Chairwoman of the Board of Directors effective January 26, 2016**

- Fixed compensation paid by Sodexo 320,833 €
- Fringe benefits 1,183 €

In addition:

- Fixed compensation paid by Bellon SA 93,333 €

# COMPENSATION: MR. MICHEL LANDEL

## Compensation

**Michel LANDEL**

**1,755,324 €**

**Chief Executive Officer**

■ Fixed compensation	<b>933,400 €</b>
■ Variable compensation*	<b>819,774 €</b>
■ Fringe benefits	<b>2,150 €</b>

\* Including the bonus due for Fiscal 2016 (paid during Fiscal 2017) and a travel allowance.

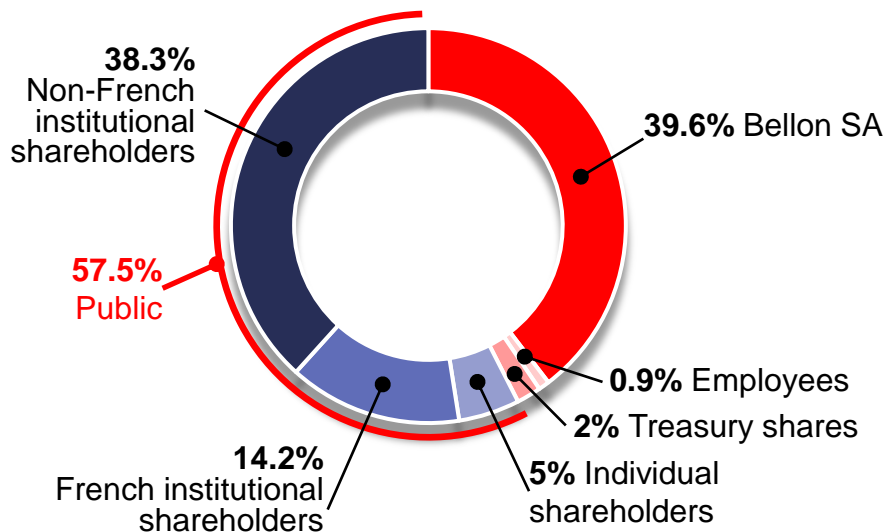
# SHAREHOLDERS AND STOCK MARKET PERFORMANCE



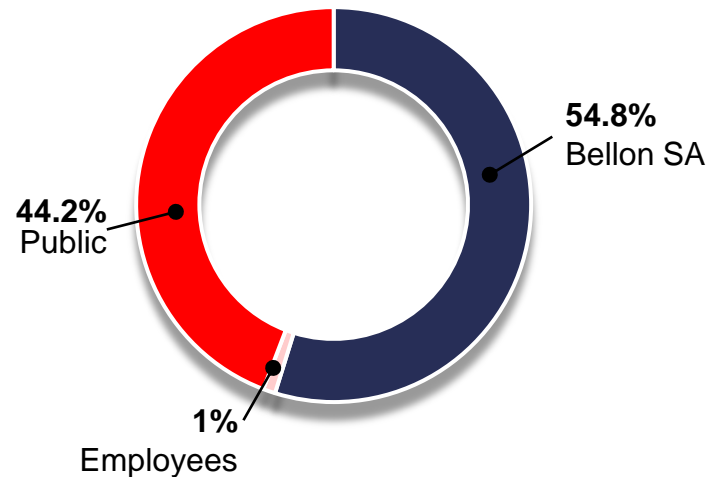
# OWNERSHIP STRUCTURE AND VOTING RIGHTS

## Shareholders and stock market performance

### OWNERSHIP STRUCTURE AS OF AUGUST 31, 2016



### BREAKDOWN OF ACTUAL VOTING RIGHTS



# STOCK MARKET PERFORMANCE

Shareholders and stock market performance

Since initial listing in 1983

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**SHARE PRICE HAS BEEN MULTIPLIED BY 67\***

\* As of August 31, 2016

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More than **5.5 times**  
the growth of the CAC 40



# STOCK MARKET PERFORMANCE

## Shareholders and stock market performance

**SODEXO SHARE PRICE FROM SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2016 (€)**



- Over the last five fiscal years, Sodexo's share price increased by **+100.4%**, whereas the CAC 40 index increased by **+36.3%** during the same period.
- During the last fiscal year, Sodexo's share price increased by **+32.4%** compared with a **-4.6%** decline in the CAC 40 index.

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

**Michel LANDEL**



# CHAIRWOMAN'S REPORT ON GOVERNANCE

**Sophie BELLON**  
Chairwoman of the  
Board of Directors

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# BOARD OF DIRECTORS



**BELLON**  
Sophie  
Chairwoman



**BELLON**  
Pierre  
Chairman Emeritus

# CURRENT BOARD OF DIRECTORS

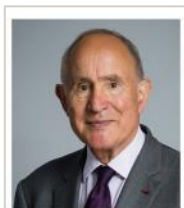
The Board of Directors is composed of 14 members



**BELLON**  
Sophie



**BABEAU**  
Emmanuel



**BACONNIER**  
Robert



**BELLINGER**  
Patricia



**BELLON**  
Astrid



**BELLON**  
Bernard



**BELLON**  
François Xavier



**BELLON-SZABO**  
Nathalie



**BESSON**  
Philippe



**BROUGHER**  
Françoise



**DUTTA**  
Soumitra



**JEANBART**  
Paul



**LANDEL**  
Michel



**MARTIN**  
Cathy

# FUTURE BOARD OF DIRECTORS

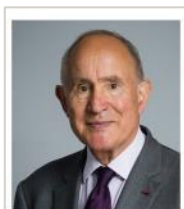
The Board of Directors will propose to Shareholders in the 8th resolution a new independent Director, Ms. Cécile Tandeau de Marsac; bringing the share of women to 50%



**BELLON**  
Sophie



**BABEAU**  
Emmanuel



**BACONNIER**  
Robert



**BELLINGER**  
Patricia



**BELLON**  
Astrid



**BELLON**  
Bernard



**BELLON**  
François Xavier



**BELLON-SZABO**  
Nathalie



**BESSON**  
Philippe



**BROUGHER**  
Françoise



**DUTTA**  
Soumitra



**LANDEL**  
Michel



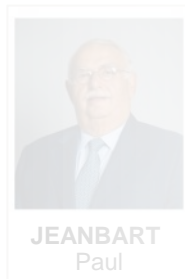
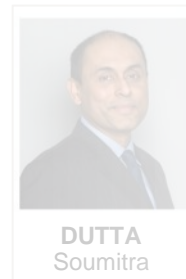
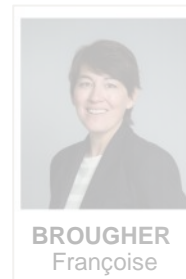
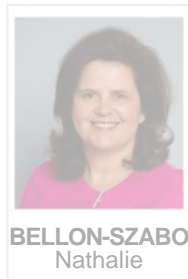
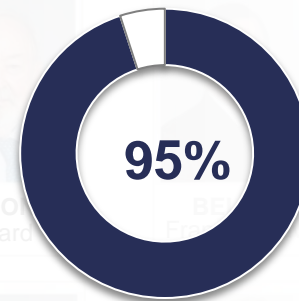
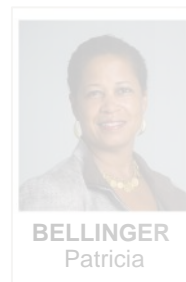
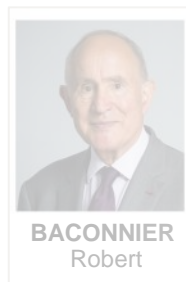
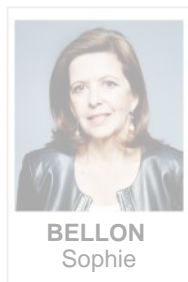
**MARTIN**  
Cathy



**TANDEAU  
DE MARSAC**  
Cécile

# BOARD OF DIRECTORS

The Board met **9 times** during the fiscal year



Participation rate

# BOARD OF DIRECTORS



**BELLON**  
Sophie



**BABEAU**  
Emmanuel



**BACONNIER**  
Robert



**BELLINGER**  
Patricia



**BELLON**  
Astrid



**BELLON**  
Bernard



**BELLON**  
François Xavier



**BELLON-SZABO**  
Nathalie



**BESSON**  
Philippe



**BROUGHER**  
Françoise



**DUTTA**  
Soumitra



**JEANBART**  
Paul



**LANDEL**  
Michel



**MARTIN**  
Cathy



# AUDIT COMMITTEE



**BACONNIER**  
Robert  
Chairman



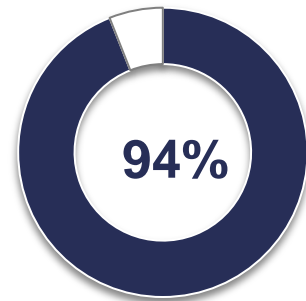
**BABEAU**  
Emmanuel



**BELLON**  
François Xavier



**DUTTA**  
Soumitra



Participation rate

The committee met **4 times** during the fiscal year

# NOMINATING COMMITTEE



**BELLINGER**  
Patricia  
Chairwoman



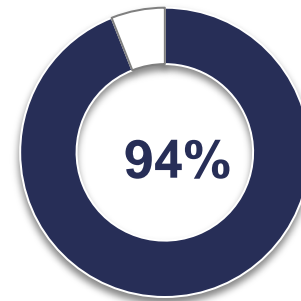
**BELLON-SZABO**  
Nathalie



**BELLON**  
Sophie



**BROUGHER**  
Françoise



Participation rate

The committee met **4 times** during the fiscal year

# COMPENSATION COMMITTEE



**BELLINGER**  
Patricia  
Chairwoman



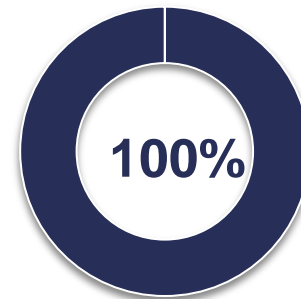
**BABAOU**  
Emmanuel



**BACONNIER**  
Robert



**BESSON**  
Philippe



Participation rate

The committee met **5 times** during the fiscal year

# STATUTORY AUDITORS' REPORTS

PWC  
KPMG

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# REPORTS ON THE FINANCIAL STATEMENTS

## Statutory Auditors' reports

	Opinion	Justification of assessments
<b>Financial statements</b> <i>(Pages 208 and 209 of the Registration Document)</i>	<ul style="list-style-type: none"><li>Unqualified opinion</li></ul>	<ul style="list-style-type: none"><li>Valuation of financial investments</li></ul>
<b>Consolidated financial statements</b> <i>(Pages 176 and 177 of the Registration Document)</i>	<ul style="list-style-type: none"><li>Unqualified opinion</li></ul>	<ul style="list-style-type: none"><li>Impairment testing of goodwill and intangible assets with an indefinite useful life</li><li>Pension and other post-employment benefits</li></ul>

# OTHER REPORTS TO THE ORDINARY SHAREHOLDERS' MEETING

## Statutory Auditors' reports

**Chairman's report on internal control and risk management procedures relating to the preparation and processing of financial and accounting information**

*(Pages 242 and 243 of the Registration Document)*

- No matters to report.

**Regulated agreements and commitments**

*(Pages 210 to 213 of the Registration Document)*

- Regulated commitments, to be submitted to the approval of the Shareholders' Meeting, for the supplemental health and benefit plans for the Chairwoman of the Board of Directors and the Group Chief Executive Officer.
- 2 agreements or commitments previously submitted to the approval of the Shareholders' Meeting, which remained in force during the year.

# QUESTIONS AND ANSWERS



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**Q & A**



# VOTE ON THE RESOLUTIONS

**Ordinary Shareholders'  
Meeting**

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# 1<sup>st</sup> resolution

Resolutions to be voted

**Adoption of the parent company financial statements  
for Fiscal 2016, ended on August 31, 2016**

## **2<sup>nd</sup> resolution**

Resolutions to be voted

**Adoption of the consolidated financial statements  
for Fiscal 2016, ended on August 31, 2016**

# 3<sup>rd</sup> resolution

## Resolutions to be voted

Allocation of Fiscal 2016 earnings and setting of **dividend at €2.40 per share**

As a reminder, **10% dividend premium** for shares held in registered form for more than 4 years (limited to 0.5% of the share capital for any single shareholder)

# 4<sup>th</sup> resolution

Resolutions to be voted

**Regulated related-party commitments in favor of Ms. Sophie Bellon** presented in the special report of the Auditors

- ▶ **Supplemental health and benefit coverage**

# 5<sup>th</sup> resolution

Resolutions to be voted

**Regulated related-party commitments in favor of M. Michel Landel** presented in the special report of the Auditors

- ▶ **Supplemental health and benefit coverage** (following termination of his employment agreement)

# 6<sup>th</sup> resolution

Resolutions to be voted

Re-election of **Patricia Bellinger** as a **Director**  
for a **three-year term**

- ▶ **End of term of office: 2020 Shareholders' Meeting**

# 7<sup>th</sup> resolution

Resolutions to be voted

Re-election of **Michel Landel** as a **Director**  
for a **three-year term**

- ▶ **End of term of office: 2020 Shareholders' Meeting**



# 8<sup>th</sup> resolution

Resolutions to be voted

Election of **Cécile Tandeau de Marsac** as a **Director**  
for a **three-year term**

- ▶ **End of term of office: 2020 Shareholders' Meeting**

# 9<sup>th</sup> resolution

Resolutions to be voted

Re-appointment of **PricewaterhouseCoopers Audit**  
as **auditor**  
for a period of **six years**

- ▶ **End of term of office: 2023 Shareholders' Meeting**

# 10<sup>th</sup> resolution

Resolutions to be voted

Appointment of **Jean-Baptiste Deschryver**  
as **alternate auditor**  
for a period of **six years**

- ▶ **End of term of office: 2023 Shareholders' Meeting**

# 11<sup>th</sup> resolution

Resolutions to be voted

Setting **Directors' fees** at **€ 735,000** for the current and the following fiscal years

# 12<sup>th</sup> resolution

Resolutions to be voted

**Consultation on the elements of compensation, for Fiscal 2016, of Pierre Bellon, Chairman of the Board of Directors until January 26, 2016**

Elements of compensation	Amount for Fiscal 2016
Director's fees (in his capacity as director)	€ 18,500

# 13<sup>th</sup> resolution

Resolutions to be voted

**Consultation on the elements of compensation, for Fiscal 2016, of Sophie Bellon, Chairman of the Board of Directors since January 26, 2016**

Elements of compensation	Amounts for Fiscal 2016
Fixed compensation	€320,833
Fringe benefits (company car)	€1,183

# 14<sup>th</sup> resolution

Resolutions to be voted

## Consultation on the elements of compensation of Michel Landel, Chief Executive Officer, for Fiscal 2016

Elements of compensation	Amounts for Fiscal 2016
Fixed compensation	€933,400
Variable compensation	€819,774
Grant of performance shares	40,000 performance shares valued at €2,313,300
Benefits (company car)	€2,150

# 15<sup>th</sup> resolution

## Resolutions to be voted

Authorization to **purchase treasury shares**, in particular for **cancellation through capital reduction** and to **grant free shares** for the benefit of Group employees and/or corporate officers

- Maximum purchase price: €150 per share
- Limit: Set by the Company at 5% of share capital
- Validity of the authorization: 18 months



# 16<sup>th</sup> resolution

Resolutions to be voted

**Powers** to carry out formalities

**Thank you !**