Fiscal 2018 First-Half Results

April 12, 2018
This presentation contains statements that may be considered as forward-looking statements and as such may not relate strictly to historical or current facts. These statements represent management’s views as of the date they are made and Sodexo assumes no obligation to update them.

Figures have been prepared in thousands of euro and published in millions of euro.

Alternative Performance Measures: please refer to Appendix 6 for definitions
AGENDA

1. First Half Fiscal 2018 highlights
2. Financial performance
3. Review of Operations:
   › Organic Growth
   › Underlying Operating Profit
4. Outlook for Fiscal 2018
5. Action Plan
6. Appendices
FISCAL 2018 FIRST HALF HIGHLIGHTS
The Group continues to generate substantial cash flow and the balance sheet remains strong.
GOOD MOMENTUM IN BUSINESS & ADMINISTRATIONS
- Ramp-ups in Energy & Resources
- Modest pick-up in France
- Strong dynamic in developing economies

HEALTH CARE & SENIORS SOFT IN NORTH AMERICA AND EUROPE BUT VERY STRONG IN DEVELOPING ECONOMIES

EDUCATION SUFFERING FROM PRIOR YEAR NET LOSSES IN UNIVERSITIES

BENEFITS & REWARDS SERVICES STRONG GROWTH IN EUROPE. BRAZIL IMPACTED BY INTEREST RATE DECLINE

- Please refer to Appendix 6 for Alternative Performance Measures definitions
DECREASE OF UNDERLYING OPERATING PROFIT

First Half Fiscal 2018 highlights

Underlying Operating profit

-15.0% TOTAL GROWTH

-7.4% EXCLUDING CURRENCY*

Underlying Operating profit margin

-80 bps TOTAL GROWTH

-70 bps EXCLUDING CURRENCY*

- Expected in H1
  - Lower interest rates in Brazil
  - Deconsolidation of certain activities
  - Additional savings generated by the Adaptation and Simplification Program, reinvested to enhance growth

- Unplanned incremental factors in H1
  - Delays in implementation of performance enhancement leading to margin deterioration in North America mainly in Education and Health Care
  - Significant contracts ramp up not yet at expected level of profitability

* Please refer to Appendix 6 for Alternative Performance Measures definitions
## STRONG NET PROFIT, BALANCE SHEET AND CASH FLOW

### First Half Fiscal 2018 highlights

<table>
<thead>
<tr>
<th>Tax rate down</th>
<th>Solid Balance sheet</th>
<th>Increased Net Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>32.6% H1 FY17</td>
<td>1.1x NET DEBT RATIO</td>
<td>€674m spent</td>
</tr>
<tr>
<td>25.9% H1 FY18</td>
<td>49% GEARING</td>
<td>1.3% net contribution to revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group Net profit growth</th>
<th>Strong free cash flow</th>
<th>Share buyback program</th>
</tr>
</thead>
<tbody>
<tr>
<td>+6.9% TOTAL GROWTH</td>
<td>€125m</td>
<td>€300m</td>
</tr>
<tr>
<td>+13.9% EXCLUDING CURRENCY*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Please refer to Appendix 6 for Alternative Performance Measures definitions
FINANCIAL PERFORMANCE
## PERFORMANCE IN THE P&L

### First Half Fiscal 2018 Financial Performance

<table>
<thead>
<tr>
<th>€ millions</th>
<th>H1 FY 2018</th>
<th>H1 FY 2017</th>
<th>CHANGE At current exchange rates</th>
<th>Excluding currency effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>10,293</td>
<td>10,634</td>
<td>-3.2%</td>
<td>+3.0%</td>
</tr>
<tr>
<td>Underlying Operating profit</td>
<td>627</td>
<td>738</td>
<td>-15.0%</td>
<td>-7.4%</td>
</tr>
<tr>
<td>Underlying Operating margin</td>
<td>6.1%</td>
<td>6.9%</td>
<td>-80 bps</td>
<td>-70 bps</td>
</tr>
<tr>
<td>Other Operating income and expenses</td>
<td>(73)</td>
<td>(153)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>554</td>
<td>586</td>
<td>-5.4%</td>
<td>+4.1%</td>
</tr>
<tr>
<td>Net financial expense</td>
<td>(44)</td>
<td>(56)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>25.9%</td>
<td>32.6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying Group net profit</td>
<td>397</td>
<td>458</td>
<td>-13.4%</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Group net profit</td>
<td>372</td>
<td>348</td>
<td>+6.9%</td>
<td>+13.9%</td>
</tr>
</tbody>
</table>
## ROBUST CASH FLOW
### First Half Fiscal 2018 Financial Performance

<table>
<thead>
<tr>
<th></th>
<th>€ millions</th>
<th>H1 FY2018</th>
<th>H1 FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td></td>
<td>650</td>
<td>523</td>
</tr>
<tr>
<td>Change in working capital</td>
<td></td>
<td>(402)</td>
<td>(388)</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td></td>
<td>(123)</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td></td>
<td>125</td>
<td>30</td>
</tr>
<tr>
<td>Net acquisitions</td>
<td></td>
<td>(674)</td>
<td>(165)</td>
</tr>
<tr>
<td>Share buy-backs/ Treasury stock</td>
<td></td>
<td>(49)</td>
<td>(302)²</td>
</tr>
<tr>
<td>Dividends paid to parent company shareholders</td>
<td></td>
<td>(411)</td>
<td>(359)</td>
</tr>
<tr>
<td>Other changes</td>
<td></td>
<td>(43)</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>(Increase)/decrease in net debt</strong></td>
<td></td>
<td>(1,052)</td>
<td>(827)</td>
</tr>
</tbody>
</table>

1 Excluding change in financial assets in Benefits & Rewards of €(73)m in H1 FY'18 and €(38)m in H1 FY'17.
2 Total Change in working capital as reported in Consolidated Cash Flow statement: H1 FY'18 of €(475)m = €(402)m + €(73)m and H1 FY'17 of €(426)m = €(388)m + €(38)m

*April 12, 2018 - Sodexo Fiscal 2018 First-Half Results*
# ROBUST BALANCE SHEET AND RATIOS

First Half Fiscal 2018 Financial Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>7,981</td>
<td>7,916</td>
<td>3,343</td>
<td>3,574</td>
<td></td>
</tr>
<tr>
<td>Current assets excluding cash</td>
<td>5,207</td>
<td>5,532</td>
<td>34</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>Restricted cash Benefits &amp; Rewards</td>
<td>495</td>
<td>486</td>
<td>3,956</td>
<td>4,227</td>
<td></td>
</tr>
<tr>
<td>Financial assets Benefits &amp; Rewards</td>
<td>465</td>
<td>376</td>
<td>8,335</td>
<td>8,168</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>1,519</td>
<td>1,698</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>15,668</strong></td>
<td><strong>16,008</strong></td>
<td><strong>15,668</strong></td>
<td><strong>16,008</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Gross borrowings** | 4,062 | 3,758 | **Net debt** | 1,663 | 1,234 |

**Gearing ratio** | 49% | 34% |

**Net debt ratio** | 1.1 | 0.9 |

Operating cash totaled €2,399 million\(^1\), of which €2,002 million related to Benefits and Rewards Services

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\(^1\) Cash – Bank overdrafts of €81m + Financial assets related to BRS activity

* Please refer to Appendix 6 for Alternative Performance Measures definitions
On-site Services
Benefits & Rewards
Services

REVIEW OF OPERATIONS
## ORGANIC GROWTH
First Half Fiscal 2018 Financial Performance

<table>
<thead>
<tr>
<th>REVENUE GROWTH</th>
<th>-3.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency effect</td>
<td>-6.2%</td>
</tr>
<tr>
<td>Scope changes</td>
<td>+1.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ORGANIC GROWTH</th>
<th>+1.7% / +1.9% excl. 53rd week impact</th>
</tr>
</thead>
</table>

of which:

<table>
<thead>
<tr>
<th>On-site Services</th>
<th>+1.6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits and Rewards Services</td>
<td>+2.9%</td>
</tr>
</tbody>
</table>
### 53<sup>rd</sup> WEEK WORKING DAYS

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>52 weeks x 7</td>
<td>364</td>
</tr>
<tr>
<td>FY17</td>
<td>52 weeks x 7 + 6 days</td>
<td>370</td>
</tr>
<tr>
<td>FY18</td>
<td>A calendar year</td>
<td>365</td>
</tr>
</tbody>
</table>

#### Impacts

- **Q1**: 0
- **H1**: -1
- **9M**: 0
- **FY**: -5
BUSINESS & ADMINISTRATIONS – REVENUES

ORGANIC GROWTH

North America
- Strong growth in Airline lounge activity
- Significant project work in Q1
- Increase in comparable unit sales

Europe
- Contract openings and continued recovery in tourism in France
- Energy & Resources -17%
- Solid growth in Government & Agencies

Africa, Asia, Australia, Latin America & Middle East
- Strong growth in Corporate driven by strong new business and comparable unit sales
- Energy & Resources favorable momentum

<table>
<thead>
<tr>
<th>Region</th>
<th>H1 FY 2017</th>
<th>H1 FY 2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>5,196</td>
<td>5,295</td>
<td>+2.7%</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa, Asia, Australia,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America &amp; Middle East</td>
<td></td>
<td></td>
<td>+12.4%</td>
</tr>
</tbody>
</table>

* Please refer to Appendix 6 for Alternative Performance Measures definitions
HEALTH CARE & SENIORS – REVENUES

ORGANIC GROWTH

€ millions

<table>
<thead>
<tr>
<th>Period</th>
<th>Organic Growth</th>
<th>Net Acquisition</th>
<th>Unfavorable Currency Effect</th>
<th>H1 FY 2017</th>
<th>H1 FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,500</td>
<td></td>
<td></td>
<td>2,359</td>
<td></td>
</tr>
</tbody>
</table>

-1.6% North America
- Lower than expected new contract wins
- Weak comparable unit growth

-0.2% Europe
- Selective bidding in France and UK still ongoing; some recent wins in UK

+16.6%1 Africa, Asia, Australia, Latin America & Middle East
- Strong double digit growth in Brazil due to contract wins and increased same site sales
- Solid comparable growth in Asia

1 Restated for internal transfers between segments.
*Please refer to Appendix 2 for Alternative Performance Measures definitions

April 12, 2018 - Sodexo Fiscal 2018 First-Half results
ORGANIC GROWTH

North America
-4.1%
- Poor momentum from last year
- Steady comparable unit growth
- Improving retention to date

Europe
+2.7%
- High single digit growth in Schools in UK particularly in the private sector
- Positive calendar effect (+2 days) in France and Italy

Africa, Asia, Australia, Latin America & Middle East
+15.8%\(^1\)
- Very strong growth in Schools in Asia particularly in India and China

\(^1\) Restated for internal transfers between segments.

*Please refer to Appendix 2 for Alternative Performance Measures definitions
Benefits & Rewards Services

**ISSUE VOLUME AND REVENUES**

<table>
<thead>
<tr>
<th>ISSUE VOLUME</th>
<th>€ billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 12, 2018 - Sodexo Fiscal 2018 First-Half results</td>
<td>Organis growth</td>
</tr>
<tr>
<td>H1 FY 2017</td>
<td>9.1</td>
</tr>
<tr>
<td>H1 FY 2018</td>
<td>9.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>€ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 12, 2018 - Sodexo Fiscal 2018 First-Half results</td>
<td>Organic growth</td>
</tr>
<tr>
<td>H1 FY 2017</td>
<td>457</td>
</tr>
<tr>
<td>H1 FY 2018</td>
<td>413</td>
</tr>
</tbody>
</table>

**Organic growth**

- H1 FY 2017: 9.1
- H1 FY 2018: 457

**Revenues**

- H1 FY 2017: 413

*Please refer to Appendix 6 for Alternative Performance Measures definitions*
EUROPE, ASIA, USA
Benefits & Rewards Services

Robust growth in Central Europe
Continued growth in Incentive & Recognition
Weakness in India impacted by mandatory transfer from paper to card on January 1\textsuperscript{st} and a loss of a large contract
Disposal of Vivabox US, last year in Q4, impacting H1 strongly due to seasonality

* Please refer to Appendix 6 for Alternative Performance Measures definitions
Weakness in Brazil impacted by lower interest rates and number of beneficiaries slightly offset by increase in average face value

Continued growth in Chile and Mexico

Note: As per hyperinflation accounting, Fiscal 2018 and Fiscal 2017 Venezuelan bolivars have been converted at the exchange rate as at February 28, 2018 of 1 U.S. dollar = 35,280 VEF relative to the Fiscal 2017 rate of 1 U.S. dollar = 3,250 VEF.
DETERIORATION IN UNDERLYING OPERATING PROFIT

First Half Fiscal 2018 Financial Performance

Underlying Operating margin

6.9%

€ millions

Underlying Operating profit

738

H1 FY 2017

At current exchange rates

6.1%

-80 bps
TOTAL GROWTH

-70 bps
EXCLUDING CURRENCY EFFECT

-15.0%
TOTAL GROWTH

-7.4%
EXCLUDING CURRENCY EFFECT *

€ millions

H1 FY 2018

627

* Please refer to Appendix 6 for Alternative Performance Measures definitions
<table>
<thead>
<tr>
<th>Segment</th>
<th>H1 FY 2017</th>
<th>H1 FY 2018</th>
<th>At constant rate</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business &amp; Administration</td>
<td>224M€</td>
<td>207M€</td>
<td>-40 bps</td>
<td>- Loss of several high margin accounts</td>
</tr>
<tr>
<td></td>
<td>+4.3%*</td>
<td>+3.9%*</td>
<td></td>
<td>- Slower than expected ramp-up in profitability of some recent large contracts</td>
</tr>
<tr>
<td>Health Care &amp; Seniors</td>
<td>159M€</td>
<td>145M€</td>
<td>-20 bps</td>
<td>- Delay in SKU rationalization plan</td>
</tr>
<tr>
<td></td>
<td>+6.4%*</td>
<td>+6.1%*</td>
<td></td>
<td>- Higher labor inflation in North America</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Lower performance on some large contracts</td>
</tr>
<tr>
<td>Education</td>
<td>252M€</td>
<td>211M€</td>
<td>-60 bps</td>
<td>- Delay in delivery of performance improvement plans</td>
</tr>
<tr>
<td></td>
<td>+10.1%*</td>
<td>+9.5%*</td>
<td></td>
<td>- Higher labor inflation in North America</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Impact of negative net development from last year</td>
</tr>
<tr>
<td>Benefits &amp; Rewards</td>
<td>156M€</td>
<td>124M€</td>
<td>-320 bps</td>
<td>- Decline in interest rates in Brazil</td>
</tr>
<tr>
<td></td>
<td>+34.1%*</td>
<td>+30.0%*</td>
<td></td>
<td>- Investment in diversification, in particular Mobility</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Accelerated card migration</td>
</tr>
</tbody>
</table>

* % of revenue
REVISED FISCAL 2018 OBJECTIVES

Outlook

In H1 Fiscal 2018
- Soft growth in revenues
- Decrease in margins
- Strong cash flow

- Low level of signatures since the beginning of the Fiscal Year
- Continued weakness in North America especially Health Care & Seniors
- Negative calendar effect in Education in Q3
- Government & Agencies impacted by UK Army losses
- Slow-down in Energy & Resources

- Compounded effects of delayed efficiency ramp-ups
- A further deterioration expected in North America Health Care before the delivery of action plans

Organic revenue growth of between 1 and 1.5%
(excluding 53rd week impact)

Underlying operating profit margin around at 5.7%
(excluding currency effects)

* Please refer to Appendix 6 for Alternative Performance Measures definitions
ACTION PLAN
IMMEDIATE ACTION PLAN
DESIGNED FOR NORTH AMERICA BUT IMPLEMENTED ACROSS REGIONS

**IMPROVING FOOD COST MANAGEMENT**
- Rationalize SKUs
- Control drop frequency more strictly
- Further increase supplier and product compliance
- Accelerate synergies from acquisitions

**ENHANCING LABOR PRODUCTIVITY**
- Enhance demand-based scheduling to adapt on site productive hours to better meet needs
- Improve overtime management
- Rationalize temporary labor
- Re-engineer Full time/Part time mix

**OPTIMIZING SG&A/OUT OF UNITS**
- Introduce Zero base redesign
- Consolidate back-office including acquisitions
- Simplify the organization
- Reduce discretionary spend

**ADDRESSING LOW PERFORMING CONTRACTS**
- Implement detailed action plan for each of the top low performing contracts
- Enhance claim management and client renegotiations
- Ensure close monitoring by Executive committee member for each contract

**STRENGTHENED MANAGEMENT TEAM: RIGHT PEOPLE, RIGHT ROLES**

**EMBEDDED IN A LONG TERM STRATEGIC AGENDA**

April 12, 2018 - Sodexo Fiscal 2018 First-Half Results
THE STRATEGIC AGENDA

FOCUS ON GROWTH

With a unified and rigorous performance management Program (STEP)

FOCUS ON EXECUTION

FOCUS ON WHAT MAKES A REAL DIFFERENCE
STEP: A UNIFIED AND RIGOROUS PERFORMANCE MANAGEMENT PROGRAM

New approach

- Redefine and track common key operational drivers
- Align for consistency
- Use STEP for:
  › Business Reviews
  › Definition of objectives
  › Performance appreciation
THE WAY FORWARD

Discipline and Accountability for a better execution

Sodexo is well placed in attractive, structural growth markets and, with a reinvigorated performance culture and improved execution, will return to delivering strong growth over time

Refocus our people on operational excellence

Clear set of immediate action plans

Refreshed management team

Specific focus on North America

April 12, 2018 - Sodexo Fiscal 2018 First-Half Results
APPENDICES

1. Contracts wins
2. Corporate responsibility distinction
3. Adaptation and simplification program
4. H1 Fiscal 2018 exchange rates
5. Number of shares
6. Alternative Performance Measure definitions and financial ratios
7. Reverse factoring
8. Gross Financial debt
9. Financial calendar
10. Sodexo key figures
CONTRACT WINS AND EXTENSIONS
First Half Fiscal 2018 highlights

Contract extensions

Pierre Fabre - Corporate contract in France
Huawei - Corporate contract in 5 countries

Continued momentum in Energy & Resources

Ecopetrol - Onshore contract in Colombia
Vale - Onshore contract in Brazil

Pick up in Food contracts

Renault - Corporate contract in Brazil
Methodist Hospital North Lake - Health Care contract in the US
Nissan - Corporate contract in Brazil

Wellspring Academy Trust - Schools contract in the United Kingdom
CORPORATE RESPONSIBILITY DISTINCTIONS

First Half Fiscal 2018 highlights

Named the top-rated company in its sector on the Dow Jones Sustainability Index (DJSI) for the 13th consecutive year.

Earnt the highest marks in RobecoSAM’s “Sustainability Yearbook” for 11th straight year.

Appendix 2
First Half Fiscal 2018 Financial Performance

€ millions

EXCEPTIONAL IMPLEMENTATION COSTS

TOTAL over 18 months (Sept. 2015-Feb. 2017)

<table>
<thead>
<tr>
<th></th>
<th>108 in FY 2016</th>
<th>137 in H1 2017</th>
<th>245</th>
</tr>
</thead>
</table>

SUSTAINABLE CUMULATED ANNUAL SAVINGS

- Fiscal 2016: 32
- Fiscal 2017: 150
- H1 Fiscal 2018: 195
- Objective for Fiscal 2018 and each year after: ~220

April 12, 2018 - Sodexo Fiscal 2018 First-Half Results
## H1 FISCAL 2018 EXCHANGE RATES

### 1€ =

<table>
<thead>
<tr>
<th>Currency</th>
<th>Average rate H1 Fiscal 18</th>
<th>Reference rate Fiscal 17</th>
<th>Change average rates H1 Fiscal 18 vs. Reference Fiscal 17</th>
<th>Closing rate H1 Fiscal 18 at 28/02/2018</th>
<th>Change 28/02/18 vs. 31/08/17</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Dollar</td>
<td>1.195</td>
<td>1.099</td>
<td>-8.1%</td>
<td>1.221</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>0.885</td>
<td>0.867</td>
<td>-2.0%</td>
<td>0.884</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Brazilian Real</td>
<td>3.864</td>
<td>3.526</td>
<td>-8.7%</td>
<td>3.961</td>
<td>-5.6%</td>
</tr>
</tbody>
</table>
## Number of Shares

<table>
<thead>
<tr>
<th></th>
<th>February 28, 2018</th>
<th>August 31, 2017</th>
<th>February 29, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company’s share capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company’s share capital, number of shares</td>
<td>150,830,449</td>
<td>150,830,449</td>
<td>153,741,139</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>2,529,632</td>
<td>2,205,010</td>
<td>5,814,876</td>
</tr>
<tr>
<td><strong>Number of shares for EPS calculation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Basic weighted average number of shares)</td>
<td>148,535,880</td>
<td>148,998,961</td>
<td>149,936,978</td>
</tr>
</tbody>
</table>
**ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS**

**Blended cost of debt**
The blended cost of debt is calculated at period end and is the weighted blended of financing rates on borrowings, (including derivative financial instruments) and cash pooling balances at period end.

**Free cash flow**
Please refer to Consolidated Financial position.

**Growth excluding currency effect**
Change excluding currency effect calculated converting H1 2018 figures at FY 2017 rates, except for countries with hyperinflationary economies. As a result, for Venezuelan Bolivar, H1 2018 and H1 2017 figures in VEF have been converted at the exchange rate of USD 1 = VEF 35,280 vs. VEF 3,250 for FY 2017.

**Issue volume**
Issue volume corresponds to the total face value of service vouchers, cards and digitally-delivered services issued by the Group (Benefits and Rewards Services activity) for beneficiaries on behalf of clients.

**Net debt**
Group gross borrowings at the balance sheet less operating cash.

**Organic growth**
Organic growth corresponds to the increase in revenue for a given period (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions and divestments, as follows:

- for businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- for businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- for businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.

For countries with hyperinflationary economies all figures are converted at the latest closing rate for both periods.

As a result, for the calculation of organic growth, Benefits & Rewards figures for H1 2018 and H1 2017 in Venezuelan Bolivar, have been converted at the exchange rate of USD 1 = VEF 35,280 vs. VEF 3,250 for FY 2017.
Underlying Operating profit
Operating profit excluding other operating income and other operating expenses. Other operating income and expenses include gains or losses related to perimeter changes and on changes of post-employment benefits, restructuring and rationalization costs, M&A costs, amortization and impairment of client relationships and trademarks and impairment of non-current assets.

Underlying Operating margin
Underlying Operating profit divided by Revenues.

Underlying Operating margin at constant rate
Margin calculated converting H1 Fiscal 2018 figures at FY 2017 rates, except for countries with hyperinflationary economies.

Underlying Net Profit
Underlying Net profit presents a net income excluding significant unusual and/or infrequent elements. Therefore, it corresponds to the Net Income Group share excluding Other Income and Expense and significant non-recurring elements in both Net Financial Expense and Income tax Expense.

In the first half of Fiscal 2018, the Underlying net profit excludes from the Net Income Group share the following items and the related tax impact where applicable:

- Other Income and Expense for -73M€
- Interests received in France on tax reimbursements for 7M€
- Reimbursement of the 3% tax on dividends received for 43M€
- One-off impacts resulting from changes in the US tax regulation for -23M€.
## APM - FINANCIAL RATIOS

<table>
<thead>
<tr>
<th></th>
<th>H1 2018</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gearing ratio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross borrowings¹ - operating cash²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders’ equity and non-controlling interests</td>
<td>49%</td>
<td>34%</td>
</tr>
<tr>
<td><strong>Net debt ratio</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross borrowings¹ - operating cash²</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)³</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>H1 2018</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>¹ Gross borrowings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current borrowings</td>
<td>2,978</td>
<td>3,079</td>
</tr>
<tr>
<td>+ current borrowings excluding overdrafts</td>
<td>1,095</td>
<td>685</td>
</tr>
<tr>
<td>- derivative financial instruments recognized as assets</td>
<td>(12)</td>
<td>(6)</td>
</tr>
<tr>
<td><strong>² Operating cash</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1,519</td>
<td>1,698</td>
</tr>
<tr>
<td>+ financial assets related to the Benefits and Rewards Services activity</td>
<td>960</td>
<td>862</td>
</tr>
<tr>
<td>- bank overdrafts</td>
<td>(81)</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>³ Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit (last 12 months)</td>
<td>1,157</td>
<td>1,060</td>
</tr>
<tr>
<td>+ depreciation and amortization (last 12 months)</td>
<td>296</td>
<td>272</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,453</td>
<td>1,332</td>
</tr>
</tbody>
</table>
Our reverse factoring program has been put in place as part of a “supplier support Program” which was implemented in the context of the standardization of our P2P process. The objectives of this supplier support program were to:

▪ have the opportunity to work with suppliers which in the past had not accepted our terms and conditions;
▪ allow our suppliers to gain access to a way to be paid in a fast and secured manner at a low cost of financing;
▪ improve the perception of Sodexo as a “buyer”;
▪ standardize our payment terms in each significant region of the Group;
▪ gain in efficiency in Shared Services Centers with an automatic processing of supplier invoices validated by the Group;

For the reverse factoring programs that have been implemented in the context of our supplier support program:

▪ Suppliers have the choice but not the obligation to sell, invoice by invoice, their approved receivables before the maturity date.
▪ Sodexo has no power over the supplier’s decision to sell or not sell its receivables. This is not a tri-partite agreement;
▪ In instances where payment terms were modified, terms changed for all supplier invoices irrespective of whether supplier financing was or was not utilized;
▪ Sodexo does not receive any fees or payment from the factor nor do we make any payment to the factor other than the payment of the original invoice;
▪ Suppliers invoices continue to be paid according to the payment terms negotiated with the suppliers. Whether the bills are in the program or not, the payment date remains the same.
▪ Such programs have not changed our liabilities towards our suppliers, which is the reason why these liabilities remain as trade payables and are not reclassified as financial debt under IFRS.
BREAKDOWN OF GROSS FINANCIAL DEBT:
€4,062 million

€ millions

BY CURRENCY
- 51% €
- 3% other
- 46% $

INTEREST RATE
- 23% Variable
- 77% Fixed

Blended cost of debt 2.2% at 28/02/2018

BY MATURITY
- < 1 year: 1,086*
- 1-2 years: 131
- 2-5 years: 852
- > 5 years: 1,992

* Including commercial paper for an amount of €923m
FINANCIAL CALENDAR

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nine month revenues, Fiscal 2018</td>
<td>July 5, 2018</td>
</tr>
<tr>
<td>Capital Markets Day</td>
<td>September 6, 2018</td>
</tr>
<tr>
<td>Annual results, Fiscal 2018</td>
<td>November 8, 2018</td>
</tr>
<tr>
<td>Annual Shareholders’ Meeting 2019</td>
<td>January 22, 2019</td>
</tr>
</tbody>
</table>

These dates are purely indicative, and are subject to change without notice. Regular updates are available in the calendar on our website [www.sodexo.com](http://www.sodexo.com).
SODEXO KEY FIGURES

- Founded in 1966 by Pierre Bellon
- Main Shareholders as 31/08/2017:
  - Bellon S.A 40.4% of capital (55.8% of voting rights)
  - International Institutional investors 37.7%

- €20.7bn revenues
- 427,000 employees
- 19th largest employer worldwide
- 100 million consumers served daily
- 80 countries
- €11.8bn market capitalization April 11, 2018

Strong Investment Grade S&P “A-/A-1”
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Appendix 11
Thank you!