Fiscal 2018 First-Half Results

Road show London
Bernstein
April 19, 2018
FORWARD-LOOKING INFORMATION

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
Organic revenue growth of +1.9%, excluding 53rd week, for the First half of Fiscal 2018, and underlying margin of 6.1% were below expectations.

Clear set of action plans in place, both short and medium term.

The Group continues to generate substantial cash flow and the balance sheet remains strong.

The Group remains well-positioned in structurally attractive global growth market.
MODEST GROWTH
First Half Fiscal 2018 highlights

- 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

ORGANIC GROWTH
+1.7%
+1.9% Excl. 53rd week impact

ON-SITE SERVICES
+1.6%
-1.5% North America
+4.4% excl. North America

BENEFITS & REWARDS SERVICES
+2.9%
-2.0% Latin America
+7.1% excl. Latin America
DECREASE OF UNDERLYING OPERATING PROFIT

First Half Fiscal 2018 highlights

- Underlying Operating profit margin
  -15.0% TOTAL GROWTH
  -7.4% EXCLUDING CURRENCY*

- Underlying Operating profit
  -15.0%
  -7.4% EXCLUDING CURRENCY*

EXCLUDING CURRENCY*

TOTAL GROWTH

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

Tax rate down

32.6%  
H1 FY17

25.9%  
H1 FY18

Solid Balance sheet

1.1x  
NET DEBT RATIO

49%  
GEARING

Increased Net Acquisitions

€674m spent

1.3%  
net contribution to revenues

Group Net profit growth

+6.9%  
TOTAL GROWTH

+13.9%  
EXCLUDING CURRENCY*

Strong free cash flow

€125m

Share buyback program

€300m

* 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>H1 FY2018</th>
<th>H1 FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>650</td>
<td>523</td>
</tr>
<tr>
<td>Change in working capital¹</td>
<td>(402)</td>
<td>(388)</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td>(123)</td>
<td>(105)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net acquisitions</td>
<td>(674)</td>
<td>(165)</td>
</tr>
<tr>
<td>Share buy-backs/ Treasury stock</td>
<td>(49)</td>
<td>(302)²</td>
</tr>
<tr>
<td>Dividends paid to parent company shareholders</td>
<td>(411)</td>
<td>(359)</td>
</tr>
<tr>
<td>Other changes (including change in Financial Assets, scope and exchange rates)</td>
<td>(43)</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>(Increase)/decrease in net debt</strong></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.

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

² including 300m€ of the 2017 share buy-back program
## ROBUST BALANCE SHEET AND RATIOS

### First Half Fiscal 2018 Financial Performance

<table>
<thead>
<tr>
<th>€ millions</th>
<th>February 28, 2018</th>
<th>February 28, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>7,981</td>
<td>7,916</td>
</tr>
<tr>
<td>Current assets excluding cash</td>
<td>5,207</td>
<td>5,532</td>
</tr>
<tr>
<td>Restricted cash Benefits &amp; Rewards</td>
<td>495</td>
<td>486</td>
</tr>
<tr>
<td>Financial assets Benefits &amp; Rewards</td>
<td>465</td>
<td>376</td>
</tr>
<tr>
<td>Cash</td>
<td>1,519</td>
<td>1,698</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>15,668</strong></td>
<td><strong>16,008</strong></td>
</tr>
</tbody>
</table>

| Shareholders’ equity | 3,343 | 3,574 |
| Non-controlling interests | 34 | 39 |
| Non-current liabilities | 3,956 | 4,227 |
| Current liabilities | 8,335 | 8,168 |
| **Total liabilities & equity** | **15,668** | **16,008** |

- **Gross borrowings**: 4,062 vs 3,758
- **Net debt**: 1,663 vs 1,234
- **Gearing ratio**: 49% vs 34%
- **Net debt ratio (net debt/EBITDA)**: 1.1 vs 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
ORGANIC GROWTH
First Half Fiscal 2018 Financial Performance

**REVENUE GROWTH**
-3.2%

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

**ORGANIC GROWTH**
+1.7% / +1.9% excl. 53rd week impact

of which:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Formula</th>
<th>Days</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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>0</td>
</tr>
<tr>
<td>H1</td>
<td>-1</td>
</tr>
<tr>
<td>9M</td>
<td>0</td>
</tr>
<tr>
<td>FY</td>
<td>-5</td>
</tr>
</tbody>
</table>
**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

**H1 FY 2017**

- 5,196
- Organic growth: +4.5%
- Net acquisition
- Unfavorable currency effect

**H1 FY 2018**

- 5,295
- Organic growth: +4.5%
- Net acquisition
- Unfavorable currency effect

**Ongoing Service FY 17**

- 54%
- On-site Services FY 17

- 24%
- of FY17 B&A

- 50%
- of FY17 B&A

- 26%
- of FY17 B&A

**Unfavorable currency effect**

**Net acquisition**

**Organic growth**

- 54% of FY17 B&A

- +2.7%

- +1.2%

- +12.4%

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

ORGANIC GROWTH

€ millions

H1 FY 2017

2,500

Net acquisition

Unfavorable currency effect

H1 FY 2018

2,359

-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%

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

Restated for internal transfers between segments.

*Please refer to Appendix 2 for Alternative Performance Measures definitions

1

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EDUCATION – REVENUES

<table>
<thead>
<tr>
<th>Region</th>
<th>Organic Growth</th>
<th>Unfavorable currency effect</th>
<th>Net disposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>-4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>-4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>-4.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>+2.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>+2.7%</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>+2.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa, Asia, Australia, Latin America &amp; Middle East</td>
<td>+15.8%¹</td>
<td></td>
<td></td>
</tr>
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<td>Africa, Asia, Australia, Latin America &amp; Middle East</td>
<td>+15.8%¹</td>
<td></td>
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<td></td>
<td></td>
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</tbody>
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**Organic Growth**

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

- **Europe**
  - 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**
  - Very strong growth in Schools in Asia particularly in India and China

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*Please refer to Appendix 2 for Alternative Performance Measures definitions

¹ Restated for internal transfers between segments.
## ISSUE VOLUME AND REVENUES

### Benefits & Rewards Services

### ISSUE VOLUME

<table>
<thead>
<tr>
<th></th>
<th>€ billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 FY 2017</td>
<td>9.1</td>
</tr>
<tr>
<td>H1 FY 2018</td>
<td>9.1</td>
</tr>
</tbody>
</table>

### ORGANIC GROWTH

- **H1 FY 2018**: +5.6%
- **H1 FY 2017**: +2.9%

### ACQUISITIONS

- **H1 FY 2018**: +5.6%
- **H1 FY 2017**: +2.9%

### UNFAVORABLE CURRENCY EFFECT

- **H1 FY 2018**: 457
- **H1 FY 2017**: 413

### NET DISPOSAL

- **H1 FY 2018**: 413

*Please refer to Appendix 6 for Alternative Performance Measures definitions.*
Robust growth in Central Europe

Continued growth in Incentive & Recognition

Weakness in India impacted by mandatory transfer from paper to card on January 1st and a loss of a large contract

Disposal of Vivabox US, last year in Q4, impacting H1 strongly due to seasonality
LATIN AMERICA

Benefits & Rewards Services

- 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.

* Please refer to Appendix 6 for Alternative Performance Measures definitions.
DETERIORATION IN UNDERLYING OPERATING PROFIT

First Half Fiscal 2018 Financial Performance

Underlying Operating margin

6.9%

€ millions

Underlying Operating profit

H1 FY 2017
738

-15.0%
TOTAL GROWTH

-7.4%
EXCLUDING CURRENCY EFFECT *

H1 FY 2018
627

-80 bps
TOTAL GROWTH

-70 bps
EXCLUDING CURRENCY EFFECT

6.1%
At current exchange rates

* Please refer to Appendix 6 for Alternative Performance Measures definitions
### UNDERLYING OPERATING PROFIT AND MARGIN

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

* % of revenue

- At constant rate
- -40 bps
- -20 bps
- -60 bps
- -320 bps

### UNDERLYING OPERATING PROFIT AND MARGIN

<table>
<thead>
<tr>
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<th>H1 FY 2017</th>
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- -40 bps
- -20 bps
- -60 bps
- -320 bps

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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

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

STRENGTHENED MANAGEMENT TEAM: RIGHT PEOPLE, RIGHT ROLES

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

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

EMBEDDED IN A LONG TERM STRATEGIC AGENDA
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

GROWTH

OPERATIONAL EFFICIENCY

TALENT

CORPORATE RESPONSIBILITY

STRENGTHENED MANAGEMENT TEAM: RIGHT PEOPLE, RIGHT ROLES
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

<table>
<thead>
<tr>
<th>STEP 1</th>
<th>Client Sales &amp; Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEP 2</td>
<td>Consumer Sales &amp; Marketing</td>
</tr>
<tr>
<td>STEP 3</td>
<td>Labor Efficiency</td>
</tr>
<tr>
<td>STEP 4</td>
<td>Material Costs</td>
</tr>
<tr>
<td>STEP 5</td>
<td>Overhead Costs</td>
</tr>
<tr>
<td>STEP 6</td>
<td>People</td>
</tr>
<tr>
<td>STEP 7</td>
<td>Social Impact</td>
</tr>
</tbody>
</table>
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
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

Appendix 1
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**

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

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**Euronext vigeo eiris**

**Indices EUROZONE 120**

**CDP**

**Driving Sustainable Economies**

**Fortune World's Most Admired Companies 2018**

**Ethibel Sustainability Index Excellence Europe**

Appendix 2
### ADAPTATION PROGRAM DELIVERING ON TRACK

#### First Half Fiscal 2018 Financial Performance

<table>
<thead>
<tr>
<th>Exceptional Implementation Costs</th>
<th>Total over 18 months (Sept. 2015-Feb. 2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>108 in FY 2016</td>
</tr>
<tr>
<td></td>
<td>137 in H1 2017</td>
</tr>
<tr>
<td></td>
<td>245</td>
</tr>
</tbody>
</table>

#### Sustainable Cumulated Annual Savings

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

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**Note**: Appendix 3

Sodexo First-Half 2018 results – Roadshow London - April 19, 2018 - Bernstein
## H1 FISCAL 2018 EXCHANGE RATES

<table>
<thead>
<tr>
<th></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>Company's share capital</th>
<th>February 28, 2018</th>
<th>August 31, 2017</th>
<th>February 29, 2017</th>
</tr>
</thead>
<tbody>
<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>&lt;br&gt;(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>
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.
ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

**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></td>
<td></td>
</tr>
<tr>
<td></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></td>
<td></td>
</tr>
<tr>
<td>Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)³</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1.1</td>
<td>0.9</td>
</tr>
</tbody>
</table>

### Notes:

1. **Gross borrowings**
   - Non-current borrowings
     - + current borrowings excluding overdrafts
     - - derivative financial instruments recognized as assets
   - Total: 4,062

2. **Operating cash**
   - Cash and cash equivalents
     - + financial assets related to the Benefits and Rewards Services activity
     - - bank overdrafts
   - Total: 2,399

3. **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**
   - Operating profit (last 12 months)
     - + depreciation and amortization (last 12 months)
   - Total: 1,453
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

Appendix 8
## 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**

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

**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%

**Appendix 10**

Sodexo First Half 2018 results – Roadshow London - April 19, 2018 - Bernstein
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Thank you!