

COMBINED ANNUAL GENERAL MEETING OF JANUARY 22, 2019 SUMMARY

The Sodexo Combined Annual General Meeting (AGM) was held on Tuesday, January 22, 2019 in the Auditorium of La Seine Musicale in Boulogne Billancourt, France.

The AGM was chaired by Sophie Bellon, Chairwoman of the Board of Directors. Cindy Cario, Secretary of the Board of Directors, acted as meeting secretary.

The scrutineer function was fulfilled by Nicole Huard (representing Bellon SA) and Xavier Carouille (representing the *Sodexo with me Classic* fund for Sodexo employees).

Also present at the AGM were the Members of the Board of Directors, Denis Machuel, Chief Executive Officer, and Marc Rolland, Chief Financial Officer, in addition to the Statutory Auditors.

Around 1,227 shareholders were present, represented or voted by post. With a quorum of 82.9%, the AGM approved all of the resolutions proposed by the Board of Directors.

The AGM was broadcast live on the Company's website: www.sodexo.com.

All of the results of the votes on resolutions and a full rebroadcast of the AGM are available on the Group's website (www.sodexo.com /Finance/Shareholders/Meetings).

PROCEEDINGS OF THE AGM

CHAIRWOMAN'S ADDRESS

In her address, Sophie Bellon, Chairwoman of the Board of Directors and Chair of the AGM, presented shareholders with an analysis of the Group's current situation, its promising potential and the main challenges it faces.

The market potential for all Sodexo's businesses is estimated at €900 billion, i.e., around 45 times Sodexo's current revenue. Global trends are creating a variety of new opportunities:

- The demand for outsourcing and integration of various types of services continues to grow;
- Improved quality of life corresponds to a key aspiration, both in western societies and in emerging economies;
- The 100 million people served by Sodexo every day constitute a vital asset for the development of its businesses.

Major social, environmental and demographic transformations, along with the acceleration of technological progress, are having a profound and irreversible impact on markets. These changes require the Group to rethink its value creation model.

Faced with these changes, Sodexo's focus is clear:

- To strengthen its historical expertise in the catering business;
- To develop the expertise built into each of the market's segments and sub-segments;
- To understand consumers' needs so it can address them.

The Group wants to use the gradual convergence of its On-site Services, Benefits and Rewards Services, and Personal and Home Services, which has been driven by technological progress by working on three key strategies:

- Strengthen the business fundamentals: customer loyalty, employee engagement and operational discipline;
- Strengthen the culture on which the success of Sodexo is founded;
- Strengthen its talent base.

MESSAGE FROM THE CEO

Denis Machuel, Chief Executive Officer, described the major events that occurred during Fiscal 2018 and outlined to shareholders the Group's strategic agenda for the coming years.

The results of the 2017-2018 financial year were in line with objectives, which had been revised downwards in March. On August 31, 2018, the year closed with organic growth of 2%. The operating margin, meanwhile, reached 5.7% (excluding the currency effect), compared to 6.5% for the prior fiscal year.

These results notably reflect the underperformance in North America, particularly in the Education and Healthcare & Seniors segments.

However, in the rest of the world, performance remained very solid, with organic growth of 4.5%.

The Benefits and Rewards Services business maintained growth at 5.1%:

The weak growth in revenue had an impact on the margin, along with other factors:

- Delays in executing productivity plans intended to offset the decline in revenue in North America;
- Delays in ramping up some significant contracts;
- And, for the Benefits and Rewards Services business, investments in its mobility offering, digital migration in India and the Czech Republic and the decline in interest rates in Brazil.

Sodexo continued to generate very satisfactory cash flow.

The Group quickly took the decisions needed to remedy the situation:

- New management teams in the Education and Healthcare & Seniors segments and in the North America region;
- The launch of a rigorous action plan to improve productivity and control food costs.

These efforts have already begun to have an impact on results. Revenue for the first quarter of Fiscal 2019 is up 2.6% (2.3% for On-site Services).

During Fiscal 2018, Sodexo made several acquisitions: Centerplate in the United States, The Good Eating Company in the United Kingdom and, since the end of the year, Pronep in Brazil and Novae in Switzerland.

Finally, Sodexo's digital development is accelerating, thanks to a global partnership with Microsoft and the acquisition of interests in the capital of promising companies such as AEYE-GO (China) and RYDOO (France).

These initiatives highlight the dynamism of the Company and its willingness to continue to expand in a market undergoing profound transformation.

Sodexo's strategic agenda, "Focus on Growth", which was launched in the summer of 2018, has four cornerstones:

- Strengthen customer and consumer culture;
- Improve operational efficiency;
- Cultivate talent;
- Anchor corporate responsibility.

SODEXO RESULTS

Marc Rolland, Chief Financial Officer, presented the details of Sodexo's performance during Fiscal 2018 .

The results announced for Fiscal 2018 are in line with the revised objectives published on March 29, 2018. It was a difficult year but the financial indicators were mostly managed, with cash flow from operating activities at nearly €1.1 billion, a balance sheet that is still solid despite €697 million spent on acquisitions and €300 million on share repurchases, and, therefore, a net debt to EBITDA ratio of 1x and a net debt to equity ratio of 38%.

Accordingly, the Board of Directors has decided to maintain the dividend at €2.75 per share, in line with the distribution policy, which is to distribute 50% of adjusted net income.

Regarding the stock market performance, the increase in the Sodexo share price over the last five years was almost identical to that of the CAC-40 index over the same period. Since its first listing in 1983, the price has increased by a factor of 58, i.e. four times more than the growth of the CAC-40 index.

OUTLOOK

Denis Machuel outlined the Group's outlook to shareholders.

Sodexo is maintaining its objectives for Fiscal 2019: organic revenue growth of between 2% and 3% and an operating margin of between 5.5% and 5.7%, excluding the currency effect.

The Group's strategic agenda, "Focus on Growth," intends to position Sodexo as a market leader in terms of growth.

For Fiscal 2020, Sodexo is targeting organic growth in excess of 3%, before a sustainable return to an operating margin of more than 6%. The margin improvement will follow the return to appropriate growth levels.

OTHER PRESENTATIONS

The following individuals also made presentations during the AGM:

- Cécile Tandeau de Marsac, Chair of the Remuneration Committee, who presented the elements of remuneration paid or awarded to the Chairwoman and to the two Chief Executive Officers having served during the last fiscal year, and changes to the remuneration policy for corporate officers;
- Hervé Chopin from KPMG, who presented the auditors' reports;
- Sophie Stabile, a new director who joined on July 1, 2018, who introduced herself to the shareholders.

SHAREHOLDER Q&A

The Chairwoman indicated that the answers from the Board of Directors to questions submitted in writing before the AGM had been published on the Company's website www.sodexo.com. She then invited the shareholders present in the room to ask their questions.

Question No. 1: “Sodexo does not have a presence in luxury hotels. Given that it now operates in the Eiffel Tower, would Sodexo not be interested in having a presence in the luxury hotel market?”

Denis Machuel explained that the conquest of the hotel sector has never been part of Sodexo’s strategy, which concentrates on On-site Services, Benefits and Rewards Services and Personal and Home Services. Sodexo’s ambition is to become the leader in each of its activities and market segments which represent a total potential market of €900 billion.

Denis Machuel then specified that Sodexo is proud to have many talented chefs, including Frédéric Anton. Sodexo also has a partnership with Thierry Marx, who, together with Frédéric Anton, helped it win the concession in the Eiffel Tower.

Question No. 2: “What are Sodexo’s ambitions in China, India and Brazil? ”

Denis Machuel informed shareholders that Sodexo’s growth rates are very encouraging in these three countries. Brazil’s Benefits and Rewards Services business, is in the process of returning to the growth rates Sodexo has enjoyed in the past, and the performance of On-site Services is very strong. Sodexo has bold ambitions for China.

Finally, Sodexo has two very strong positions in India, both in On-site Services and in Benefits and Rewards Services, an activity for which Sodexo is the leader in that country.

Therefore, Sodexo has high growth levels and high ambitions in these countries.

Question No. 3: “You work alongside the U.S. Marines corps but seem to have more problems attracting the French Army. Is this an insurmountable issue for Sodexo in France?”

Sophie Bellon explained that Sodexo does indeed have a very big contract with the U.S. Marines corps but that the Group is also very active with the French Army. For example, in Paris, Sodexo is present on the Balard site, which has housed three French military corps for several years.

Question No. 4: “What is the impact of the social crisis in France for key locations that are frequented by tourists and that Sodexo manages in the context of its “Sports and Leisure” activity?”

Denis Machuel explained that this activity was impacted by the yellow vest crisis in December and at the beginning of January. This movement is symptomatic of a major social crisis reflecting the problems experienced by millions of French people every day.

The impact on Sodexo’s activities is relatively minor for the time being.

However, the impact on the tourist sector in the spring and summer is more uncertain.

Question No. 5: “At the start of this year, 2019, what are the major food trends, flavors and ingredients most sought after by your consumers and originating, as much as possible, from a responsible supply chain? How are you kicking off the food transition at Sodexo?”

Sophie Bellon explained that currently only 7% of agricultural land in France is cultivated organically. So, there is not enough supply, which puts a lot of pressure on prices. Organic products can come from various countries in which organic label criteria are not identical. That is why Sodexo prefers to talk about local products with a sustainable agricultural provenance.

Today, Sodexo’s customers, particularly with regard to public contracts, are increasingly requesting these local and sustainable products. For example, Sodexo has just renewed the foodservices contract for schools in the city of Marseille in which Sodexo is committed to providing 50% local and organic products.

Sodexo is, above all, a foodservices company. Its chefs cook dishes mainly prepared from raw, fresh and seasonal products. For example, 80% of Sodexo’s central kitchens have a vegetable preparation area that enables them to prepare fresh raw vegetables on site. Sodexo’s pastries are primarily homemade. Today, 95% of its fish and seafood, 89% of its vegetables and 100% of its meat are raw ingredients.

Today, consumers want to have access to increasingly personalized offers. Sodexo ensures that each consumer's preferences are met.

In the United States, Sodexo has launched with a great success a new offer of 200 exclusively plant-based menus. The operation has been a great success. In France, the new FoodChéri offer, "Seazon", allows people to subscribe to meal deliveries at home.

Question No. 6: "In Sodexo's Ambition 2025 plan, the corporate objective is to improve employees' living conditions. However, on social networks, it was reported that Sodexo experienced its first strike, in Luxembourg, and was the subject of criticism, in particular due to the 9% increase in mutual insurance costs. What will Sodexo do to update the plan?"

Denis Machuel indicated that employee quality of life has always been one of Sodexo's main concerns.

The search for a peaceful workplace environment and a constructive dialog with all industrial relations partners is essential. This year, for example, the NAO (*Négociation Annuelle Obligatoire* - mandatory annual negotiation) in France led to a salary increase and the implementation of an extraordinary bonus, favoring the lowest salaries.

Investments in training are also essential to train employees in the skills of tomorrow in a context of very rapid technological developments.

Question No. 7: "Can you tell us where you are on communication of the pay ratio?"

Sophie Bellon explained that the pay ratio is part of the draft PACTE law. It would appear that the legislator is not moving towards a pay ratio but rather towards comparing the evolution of company performance, corporate officer compensation and the average remuneration of employees in France.

Sodexo has 460,000 employees in more than 72 countries. The local disparities are strong from one country to another. 36% of Sodexo's employees are based in Africa, Asia and Latin America. India alone represents 10% of Sodexo's workforce. 90% of employees work on sites. This reality will need to be taken into account to analyze the pay ratio in a company like Sodexo.

Question No. 8: "According to a recent Treasury study over the past 20 years, it would seem that employees have benefited more from added value than shareholders. What will you be doing to improve the fortunes of your shareholders?"

Marc Rolland explained that Sodexo's stock market price has increased significantly in the past 20 years. Sodexo's objective is to increase net income to continue to increase the dividend payment. As a reminder, Sodexo's policy is to pay 50% of net income excluding non-recurring items. The growth of the company will therefore help to increase the dividend payment.

Question No. 9: "Does Sodexo plan, for next year's General Meeting, to enable shareholders to obtain their admission card via the VOTE ACCESS system?"

Marc Rolland informed the shareholders that this option was reviewed and will be implemented for the next General Meeting.

Question No. 10: "Does Sodexo plan to create a shareholders' club?"

Sophie Bellon indicated that Sodexo has not yet considered this idea but that the Company would examine the possibility.

VOTING ON RESOLUTIONS

The AGM approved the distribution of a dividend of €2.75 per share (identical to that of the previous year). In addition, a 10% increase in the dividend (i.e. an additional €0.275 per share) was awarded for shares registered for more than four years (up to a limit of 0.5% of the capital per shareholder).

The AGM approved the related-party commitments concluded by the Company for the benefit of Denis Machuel when he took up his position, namely:

- The non-compete agreement (as amended on November 6, 2018) for a term of 24 months after the end of his mandate as Chief Executive Officer, with financial compensation equal to 24 months of the fixed compensation paid to him during the financial year preceding his termination as Chief Executive Officer.
- Continuation of the commitment relating to the collective supplemental health and benefit plan.
- Finally, continuation of the commitment relating to supplemental pension plan from which he has benefited since his appointment to the Group Executive Committee in September 2014.

The AGM renewed the directorships of Emmanuel Babeau, Astrid Bellon and François-Xavier Bellon for a term of three years. It also renewed the directorship of Robert Baconnier for a term of one year.

The AGM also ratified the appointment by co-option of Sophie Stabile as director from July 1, 2018 and for the remaining term of her predecessor, i.e. until the end of the General Meeting called to approve the year-end financial statements for the year ending August 31, 2019.

The AGM also issued a favorable opinion on the elements of remuneration for Fiscal 2018, of Sophie Bellon, Chairwoman of the Board of Directors, and Denis Machuel, Chief Executive Officer, and approved the principles and criteria for determining, distributing and awarding the elements comprising the remuneration of the Chairwoman of the Board of Directors, Sophie Bellon, and of the Chief Executive Officer, Denis Machuel.

Finally, the AGM approved the authorization to be given to the Board of Directors for the purpose of, on the one hand, repurchasing by the Company of its own shares for a term of 18 months and, on the other hand, the awarding of free existing or new Company shares to employees and/or corporate officers of the Group for a term of 38 months.

Analysts and Investors

Virginia JEANSON

Tel. & Fax: +33 1 57 75 80 56

E-mail: virginia.jeanson@sodexo.com