Financial Report
First-Half Fiscal 2022

Six months ended February 28, 2022

sodexo

Press Release

sodexo
It all starts with the everyday

Issy-les-Moulineaux, April 1, 2022
Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY).

Sodexo: First half Fiscal 2022 Results up strongly

- **Revenue growth +19.4%, despite Omicron, organic growth +16.7%**
- **Underlying operating profit doubled, H1 margin at 5.2%, up +210 bps**
- **Fiscal 2022 guidance**
  - Organic revenue growth around the bottom of the range of +15% to +18%
  - Underlying operating profit margin close to 5%[1], at constant rates

Issy-les-Moulineaux, April 1, 2022 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY). At the Board of Directors meeting held on March 31, 2022, and chaired by Sophie Bellon, the Board closed the Consolidated accounts for the First half Fiscal 2022 ended February 28, 2022.

Financial performance for First half Fiscal 2022

(in millions of euro)	H1 FISCAL 2022	H1 FISCAL 2021	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	**10,262**	**8,595**	**+19.4%**	**+15.9%**
UNDERLYING OPERATING PROFIT	**538**	**265**	**+103.0%**	**+96.2%**
UNDERLYING OPERATING PROFIT MARGIN	**5.2%**	**3.1%**	**+210 bps**	**+210 bps**
Other operating expenses	(1)	(128)	**-99.2%**	**-100.9%**
OPERATING PROFIT	**537**	**136**	**+294.9%**	**+279.5%**
Net financial expense	(53)	(50)		
Tax charge	(136)	(53)		
Effective tax rate	28.3%	63.0%		
GROUP NET PROFIT	**337**	**33**	**x10**	**x10**
EPS *(in euro)*	**2.30**	**0.23**	**x10**	
UNDERLYING NET PROFIT	**339**	**128**	**+164.8%**	**+156.0%**
UNDERLYING EPS *(in euro)* [2]	2.32	0.87	+165.3%	

[1] Excluding potential impact, if any, of accounting changes: implementation of the IFRIC decision providing details on the accounting for configuration and customization costs of SaaS type software for which the analysis is in progress.

Sodexo Chairwoman and CEO Sophie Bellon said:

"Revenue growth and margins improvement have been strong in this First half, reflecting the solid recovery in Education, Corporate Services and Sports & Leisure segments. Omicron did have an impact on the recovery in the second quarter, but we are seeing a pick-up since the end of February.

We have closed the GET efficiency program, with better results than anticipated. The teams mobilized actively to implement measures to mitigate rising cost inflation: indexation, client negotiations, productivity, product substitution. These actions resulted in a +210 bps improvement of our Underlying operating profit margin to 5.2%.

Since October 2021, we have made significant progress on our strategic priorities. Operational execution and sales development are improving in the United States. More new food model offers are being deployed in our major geographies. Our disposals and acquisitions are fully aligned with our portfolio strategy. The transfer of the management of Schools and Government & Agencies to the regions is a first step in the simplification of our organization.

In the second half of the year, we are confident that the return to the workplace and Sports & Leisure events will continue to recover. However, the environment remains uncertain with intermittent local outbreaks of Covid-19, and the war in Ukraine. We are confident that we can manage the year end inflationary pressure on margins. Currencies should give us a nice tailwind, but we expect organic revenue growth to be around the bottom of the range we had given in October 2021.

Our teams are mobilized to meet the challenges and I warmly thank them for their impressive engagement in the field with our clients and our suppliers. We remain confident in our capacity to continue to grow our business."

Highlights of the period

- First half Fiscal 2022 Group revenue was 10,262 million euro, up **+19.4%**, with strong recovery coming through in all segments that were severely impacted by Covid. The currency effect was strong at +3.5%, resulting from the strength of all our major currencies against the euro. The net M&A contribution was -0.8% due to the exit of businesses, sold as part of the portfolio management program. As a result, Group organic revenue growth was +16.7%, back up to 95% of pre-Covid levels.
- **On-site Services** organic revenue growth was **+17.0%**, with a particularly strong first quarter up +17.9% and a second quarter at +16.1%, impacted by Omicron. The recovery was solid with the first quarter ending at 95 % of pre-Covid levels but falling back slightly to 94% in the second quarter due to Omicron. The key elements of the half-year were:
  - In **Business & Administrations**, organic growth was **+19.5%**. It reflects a strong recovery in Corporate Services, back up to 89% of pre-Covid levels in Q2, due to a gradual but regular return to the workplace. Sports & Leisure is back up to 61%, as the number of events has picked up significantly. Energy & Resources and Government & Agencies remained solid.
  - In **Healthcare & Seniors**, organic growth was **+5.0%**, with the first quarter up +7.4% and the second quarter up +2.5% reflecting a much tougher comparative base in Europe, including a high level of activities at the Testing Centers contract in the United Kingdom last year.

- In **Education**, organic growth was **+29.5%.** While the recovery in activity in Universities in North America was very strong during the period, Omicron did have an impact on the growth in the second quarter in Schools in North America and Europe. Relative to pre-Covid levels, Education was at 88% in the second quarter, back down from 92% in the first quarter, impacted also by the full effect of the Chicago Public Schools contract termination.

- **Key Performance Indicators for the First half Fiscal 2022:**
  - Client retention was up +60 bps to 98.1%, improving in all regions and segments.
  - New sales development was up +90 bps at 3.7%, with improvements in many regions, including North America. The higher levels of signings were combined with continued signing discipline, particularly regarding the average projected gross margin which is up +80 bps.
  - Same site sales growth recovered strongly at +19.8%, as volume recovery came through, helped by some solid cross-selling in many segments and regions.
- **Benefits & Rewards Services** organic growth was **+9.3%**, with Employee benefits up a strong +14.5%. There was an acceleration in the second quarter in both the Europe, USA and Asia region and Latin America, where Brazil is also back to double digit growth.
- **Underlying operating margin** was 5.2%, up +210 bps versus First half Fiscal 2021. This significant improvement in performance is the result of the strong recovery in volumes, the successful completion of the GET efficiency program, and strong actions to mitigate inflation through indexation, contract renegotiations and productivity.
- **Other operating expenses (net)** amounted to only 1 million euros in First half Fiscal 2022, with restructuring costs falling to 3 million euros and gains on the sale of assets more or less off-setting losses. This compares to 128 million euros in the previous year.
- The **Effective tax rate** at 28.3% fell below 30%, back to a more regular rate.
- **Group net profit** recovered significantly at 337 million euros against 33 million euros in the previous year. Basic EPS was thus multiplied by 10 at €2.30 against €0.23 in the previous year. **Underlying Net profit** increased +164.8% to 339 million euros against 128 million euros in the previous year.
- First half Fiscal 2022 **Free cash outflow** was 75 million euros against the cash inflow of 237 million euros in the previous period. The previous year was boosted by delayed restructuring costs and government payment delays. This year performance was marred by the unwinding of these same government payment delays and restructuring costs combined with the reimbursement of Tokyo Olympics ticketing and an exceptional contribution to the United Kingdom pension funds. Recurring free cash flow was 182 million euros, after a significant increase in capex to 159 million euros, or 1.5% of revenues, relative to the exceptionally low level of 86 million euros, or 0.9% of revenues in the previous year.
- **Net debt** has risen year on year to 2.0 billion euros from 1.7 billion euros. However, gearing[2] is stable at 56% and as a result of the significant improvement in EBITDA, the net debt ratio[2] has fallen back down to 1.8x compared to 3.8x at the end of First half Fiscal 2021.
- Once again, our **Corporate Responsibility achievements** have been externally recognized:

[2] See Alternative Performance Measures definitions

- Sodexo earns its 15th consecutive 100 on the Human Rights Campaign Foundation's annual assessment of LGBTQ+ workplace equality.
- Sodexo is ranked #1 of the food service sector in World Benchmarking Alliance's (WBA) first Food and Agriculture Benchmark, which measures how the world's 350 most influential companies in the industry are transforming the food system for a more sustainable future.
- In February 2022, Sodexo was awarded Supplier Engagement Leader by CDP, placing us in the 8% top companies taking action to measure and reduce environmental risks within its supply chain.

Strategic priorities

- Boost US growth:
  - Sales momentum is developing with robust new development, an increase in the active pipeline, which should support stronger sales in the second half and solid retention. First time outsourcing contract signings are increasing and currently represent circa 40% of signatures in the First half.
  - Investment in the Marketing & Sales resources is continuing with additions of new sales executives and managers and the recent launching of a new digital training program.
  - A specific long-term incentive scheme for the North America leadership team has been launched to strengthen collective and individual accountability.
- Accelerate the food model transformation:
  - The deployment of On-site brands & offers is accelerating with the scale-up of The Good Eating Company in the United States and new contracts signatures in the tech and finance sectors for Nourish, Fooditude and The Good Eating Company
  - We are developing partnerships with high-end brands such as an exclusive 10-year partnership with ForFive Coffee, a premium coffee and food company based in New York.
  - The digitalization of the consumer experience is also progressing. In China, we are leveraging the Meican digital online ordering, mobile apps, smart waiter… to enhance the food offer and develop new smaller clients. We have signed an agreement to expand the Kiwibot fleet in 50 US universities by the end of the year.
  - We are progressively transforming production & logistics: with our new branded offsite kitchens such as Fooditude, Nourish, Frontline Food Services but also with our new central production units in Boston or in Beijing.
- Manage more actively our portfolio:
  - A number of strategic acquisitions & investments have been completed during the period:
    - To expand the New Food Model offerings, we have acquired Frontline Food Services in North America and increased our participation in Meican in China
    - To strengthen our European GPO (Group purchasing organization), two investments have been made in Europe.
    - To enhance our value-added offers in Healthcare, a Technical Equipment management service company has been acquired in China

- Divestment of non-core activities and geographies have also accelerated in the First half. In On-site Services, subsidiaries in Morocco, non-strategic account portfolios in Australia and Czech Republic and The Lido in France have all been sold. Benefits & Rewards Services disposed of its Russian activity and also the sports-cards in Romania and Spain. The Global Childcare activities and On-site Services in the Congo were closed in March. As a result, the Group has now reduced its presence down to 55 countries at the end of February 2022.

- Enhance the effectiveness of our organization:
  - The GET efficiency program closed ahead of plan with 382 million euros of savings against the target of 350 million euros and a savings/cost ratio of 117% versus 100%.
  - The reorganization of Government & Agencies and Education to be managed regionally has simplified the organization, and as a result two Global CEO positions have been removed from the Executive Committee.
  - In the Executive Committee, Annick de Vanssay, interim Chief People Officer since September 2021, is now appointed as Group Chief Human Resources Officer and Alexandra Serizay, previously Chief of Staff of Sophie Bellon, is appointed Group Chief Strategy Officer.

- **Ukraine war**
  - Sodexo does not have activities in Ukraine.
  - Sodexo has a small On-site presence in Russia: less than 1% of Group revenues. The situation is being monitored closely and we are reviewing different options at the moment.
  - From the beginning of the war, Sodexo has been strongly mobilized to ensure business continuity for its clients, guarantee the safety of its employees, and provide support to the refugees in countries bordering Ukraine. Sodexo Group and Stop Hunger have set up a Sodexo Employee Donations Global Initiative with the support of their long-term partner, the United Nations World Food Programme (WFP). Employee donations are matched by Sodexo and the money raised will be used to support refugees in the region and people affected by the war in Ukraine.

Outlook

The First half Fiscal 2022 benefited from a strong recovery, post-Covid, in the Corporate Services, Sports & Leisure and Education segments but it was also impacted by Delta and Omicron in the second quarter. Since the end of February, momentum is picking back up. However, the current environment remains full of uncertainties. There is a resurgence of localized Covid outbreaks, several mobilizations in Russia will not happen, and the Testing Centers in the United Kingdom are closing earlier than expected.

As a result, we expect

- **Fiscal 2022 organic growth to be around the bottom of the range of +15% to +18% given in October 2021.**

The currencies provided a strong tailwind in the First half and, at today's rates, should continue to do so.

Our teams have successfully managed the margins in the First half and are highly mobilized to mitigate all these uncertainties and in particular the additional inflation resulting from the disruption to the supply chain due to the Ukraine war.

As a result, we maintain our expectations for

- **Fiscal 2022 Underlying Operating Profit margin close to 5%[3], at constant rates.**

Conference call

Sodexo will hold a conference call in (English) today at 9:00 a.m. (Paris time), 8:00 a.m. (London time) to comment on its H1 Fiscal 2022 results.
Those who wish to connect:

- From the United Kingdom: +44 2071 928 338, or
- From France: +33 1 70 70 07 81, or
- From the US: +1 646-741-3167,
  Following by the access code **92 69 446**

A live audio webcast is also available on www.sodexo.com.

The press release, presentation and webcast will be available on the Group website www.sodexo.com in both the « Latest News » section and the « Finance – Financial Results » section.

[3] Excluding potential impact, if any, of accounting changes: implementation of the IFRIC decision providing details on the accounting for configuration and customization costs of SaaS type software for which the analysis is in progress.

Fiscal 2022 financial calendar

Fiscal 2022 Third quarter Revenues	July 1, 2022
Fiscal 2022 Annual Results	October 26, 2022
Fiscal 2022 Annual Shareholders Meeting	December 19, 2022

Please note that the date of the Annual Shareholders Meeting has changed.

These dates are indicative and may be subject to change without notice.

Regular updates are available in the calendar on our website www.sodexo.com

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in Quality of Life Services, an essential factor in individual and organizational performance. Operating in 55 countries, our 412,000 employees serve 100 million consumers each day. Sodexo Group stands out for its independence and its founding family shareholding, its sustainable business model and its portfolio of activities including Food Services, Facilities Management Services and Employee Benefit Solutions. We provide quality, multichannel and flexible food experiences, but also design attractive and inclusive workplaces and shared spaces, manage and maintain infrastructure in a safe and environmentally friendly way, offer personalized support for patients or students, or even create programs fostering employee engagement. From Day 1, Sodexo has been focusing on tangible everyday gestures and actions through its services in order to have a positive economic, social and environmental impact over time. For us, growth and social commitment go hand in hand. Creating a better everyday for everyone to build a better life for all is our purpose.

Sodexo is included in the CAC Next 20, CAC 40 ESG, FTSE 4 Good and DJSI indices.

Key Figures

- 17.4 billion euro in Fiscal 2021 consolidated revenues
- 412,000 employees as at August 31, 2021
- #1 France-based private employer worldwide
- 55 countries (as at Feb. 28, 2022)
- 100 million consumers served daily
- 10.9 billion euro in market capitalization (as at March 31, 2022)

Contacts

Analysts and Investors

Virginia Jeanson
+33 1 57 75 80 56
virginia.jeanson@sodexo.com

Media

Mathieu Scaravetti
+33 6 28 62 21 91
mathieu.scaravetti@sodexo.com

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SODEXO
H1 2022 Financial Report

H1 Fiscal 2022 Activity Report

1 First half Fiscal 2022 results up strongly

1.1 H1 Fiscal 2022 operating performance

Group revenues reached 10.3 billion euros, up +19.4%.

The recovery in revenues continued to be solid in the first quarter of the year as activity in Sports & Leisure, Corporate Services and Education picked up strongly. In the second quarter, recovery stalled due to Omicron in these segments. However, profitability continued to improve in all segments and regions.

As a result, First half Fiscal 2022 organic revenue growth reached +16.7%, with an Underlying Operating Profit margin at 5.2%, up + 210 bps. Net profit was 337 million euros, up 10 times compared to 33 million euros in First half Fiscal 2021 and 378 million euros in First half Fiscal 2020, pre-Covid.

1.2 New leadership for Sodexo

On February 16, 2022, the Group announced that the Board had decided to appoint Sophie Bellon as Chief Executive Officer of Sodexo, a position she has held on to an interim basis since October 1, 2021. After a successful transition phase, the Board considered she was the best placed to lead the Group through this new phase in its history and to maintain the very strong momentum around the four key priorities:

1. Boost US growth
2. Accelerate the food model transformation
3. Manage more actively our portfolio
4. Enhance the effectiveness of our organization

Organizational changes

- Since October 2021, a series of organizational changes have been undertaken. The Schools and Government & Agencies segments are now managed regionally by the Region/Country chair. As a result, the departing CEOs of these segments have not been replaced in the Executive Committee.
- In addition, changes within the Global Leadership team have been implemented:
  - As of March 1, 2022, Alexandra Serizay, previously Chief of Staff of Sophie Bellon, is appointed Group Chief Strategy Officer, member of the Executive Committee, to replace Sylvia Metayer who is retiring. Alexandra joined Sodexo in 2017 as Global Head of Strategy for the Corporate Services segment. In that role, she worked with the teams across the world to define the Segment's strategic roadmap. She has previously developed solid expertise in M&A at Deutsche Bank, in strategy at Bain & Company, and in operations at HSBC, as COO and then as Deputy Head of retail banking for France, where, among others, she led the transformation to a multichannel model.

- Annick de Vanssay, interim Chief People Officer since September 2021, has now been appointed as Group Chief Human Resources Officer. Annick has developed a solid and proven expertise in Human Resources throughout her career. Among others, she held several senior positions in Human Resources in Groups such as Orange. During her career, she has contributed to major transformation projects.

1.3 Working towards a Better Tomorrow

Once again, our **Corporate Responsibility achievements** have been externally recognized:

- Sodexo earns its 15th consecutive 100 on the Human Rights Campaign Foundation's annual assessment of LGBTQ+ workplace equality.
- Sodexo is ranked #1 of the food service sector in World Benchmarking Alliance's (WBA) first Food and Agriculture Benchmark, which measures how the world's 350 most influential companies in the industry are transforming the food system for a more sustainable future.
- In February 2022, Sodexo was awarded Supplier Engagement Leader by CDP, placing us in the 8% top companies taking action to measure and reduce environmental risks within its supply chain.

1.4 Evolution of the Board of Directors

To ensure balanced governance on the Board following the combining of the Chairwoman and CEO roles, the Board of Directors appointed Luc Messier, a Sodexo director since January 2020, as Lead Independent Director. His main mission is to ensure the proper governance of the company.

According to the internal rules of the Board (published on sodexo.com) the Lead Independent Director has the power to:

- amend the agenda of the Board meetings;
- bring any situations of conflict of interest to the Board;
- in coordination with the Chairwoman, is the Board's spokesperson for investors and shareholders on governance issues.

In line with the recommendations of the AFEP-Medef code, Sophie Bellon has resigned from the Nominating committee.

As of March 1, 2022, the Board Committees are made up as follows:

Audit Committee

- Sophie Stabile, Chairwoman, Independent director
- Jean-Baptiste Chasseloup de Chatillon, Independent director
- François-Xavier Bellon, Director
- Véronique Laury, Independent director
- Cathy Martin, Director representing employees

Nominating Committee

- Cécile Tandeau de Marsac, Chairwoman, Independent director
- Luc Messier, Lead Independent director
- François-Xavier Bellon, Director
- Nathalie Bellon-Szabo, Director
- Françoise Brougher, Independent director

Compensation Committee

- Cécile Tandeau de Marsac, Chairwoman, Independent director
- Philippe Besson, Director representing employees
- Françoise Brougher, Independent director
- Sophie Stabile, Independent director

1.5 Ukraine war impact

- Sodexo does not have activities in Ukraine.
- Sodexo has a small On-site presence in Russia: less than 1% of our revenues. The situation is being monitored closely and we are reviewing different options at the moment.
- From the beginning of the war, Sodexo has been strongly mobilized to ensure business continuity for its clients, guarantee the safety of its employees, and provide support to the refugees in countries bordering Ukraine. Sodexo Group and Stop Hunger have set up a Sodexo Employee Donations Global Initiative with the support of their long-term partner, the United Nations World Food Program (WFP). Employee donations are matched by Sodexo and the money raised will be used to support refugees in the region and people affected by the war in Ukraine.

2 H1 Fiscal 2022 performance

2.1 Consolidated income statement

(in millions of euros)	H1 FISCAL 2022	H1 FISCAL 2021	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	**10,262**	**8,595**	**+19.4%**	**+15.9%**
UNDERLYING OPERATING PROFIT	**538**	**265**	**+103.0%**	**+96.2%**
UNDERLYING OPERATING PROFIT MARGIN	**5.2 %**	**3.1%**	**+210 bps**	**+210 bps**
Other operating expenses	(1)	(128)		
OPERATING PROFIT	**537**	**136**	**+294.9%**	**+279.5%**
Net financial expense	(53)	(50)		
PRE-TAX PROFIT excluding share of profit from Equity method companies	484	86		
Tax charge	(136)	(53)		
Effective tax rate	28.3%	63.0%		
GROUP NET PROFIT	**337**	**33**	**x10**	**x10**
EPS (in euros)	**2.30**	**0.23**	**x10**	
UNDERLYING NET PROFIT	**339**	**128**	**+164.8%**	**+156.0%**
Underlying EPS (in euros)	2.32	0.87	+165.3%	

2.2 Currency effect

Exchange rate fluctuations do not generate operational risks, because each subsidiary bills its revenues and incurs its expenses in the same currency. However, given the weight of the Benefit & Rewards activity in Brazil, and the high level of its margins relative to the Group, when the Brazilian real declines against the euro, it has a negative effect on the Underlying Operating Profit margin due to a change in the mix of margins. Conversely, when the Brazilian real strengthens Group margins increase.

1€=	AVERAGE RATE H1 FY 2022	AVERAGE RATE H1 FY 2021	AVERAGE RATE H1 FY 2022 *VS.* H1 FY 2021	CLOSING RATE AT 28/02/2022	CLOSING RATE AT 31/08/21	CLOSING RATE 28/02/2022 *VS.* 31/08/2021
U.S. dollar	1.143	1.197	+4.7%	1.120	1.183	+5.7%
Pound Sterling	0.846	0.897	+6.1%	0.836	0.859	+2.8%
Brazilian real	6.258	6.554	+4.7%	5.783	6.139	+6.2%

The positive contribution of currencies in First half Fiscal 2022 is the result of the recent weakness of the euro against all our main currencies with an increase in the U.S. dollar and the Brazilian real of +4.7% and sterling of +6.1% cumulating in a +3.5% positive impact on revenues and no impact on the Underlying Operating Profit margin.

Sodexo operates in 55 countries. The percentage of total revenues and Underlying Operating Profit denominated in the main currencies are as follows:

FISCAL 2022	% OF REVENUES	% OF UNDERLYING OPERATING PROFIT
U.S. dollar	39%	51%
Euro	24%	-2%
UK pound Sterling	10%	10%
Brazilian real	4%	14%

The currency effect is determined by applying the previous year's average exchange rates to the current year figures.

2.3 Revenues

REVENUES BY ACTIVITY

REVENUES (in millions of euros)	H1 FY 2022	H1 FY 2021	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	5,160	4,280	+19.5%	+19.6%	-2.0%	+3.0%	+20.6%
Healthcare & Seniors	2,675	2,338	+5.0%	+9.8%	+0.7%	+4.0%	+14.5%
Education	2,030	1,620	+29.5%	+20.7%	-0.2%	+4.8%	+25.3%
ON-SITE SERVICES	**9,865**	**8,238**	**+17.0%**	**+17.0%**	**-0.9%**	**+3.6%**	**+19.8%**
BENEFITS & REWARDS SERVICES	**398**	**359**	**+9.3%**	**+9.3%**	**+0.5%**	**+1.0%**	**+10.8%**
Elimination	(1)	(2)					
TOTAL GROUP	**10,262**	**8,595**	**+16.7%**	**+16.7%**	**-0.8%**	**+3.5%**	**+19.4%**

First half Fiscal 2022 consolidated revenues were at 10.3 billion euros, up +19.4% year-on-year including a negative net contribution from acquisitions and disposals of -0.8% and a strong currency impact of +3.5%. Excluding these elements, organic revenue growth was +16.7%.

ON-SITE SERVICES

On-site Services organic revenue growth was +17.0% for the period, with a solid recovery up to the end of December, an Omicron impact in Q2 in Corporate Services, Sports & Leisure and Education, and a visible improvement by the end of February. As a result, the second quarter, at 94% of pre-Covid Fiscal 2019 revenues at constant rates, was slightly below the first quarter at 95%, but still well above the levels of Fiscal 2021.

The performance of the main segments relative to Fiscal 2019 revenues is as follows:

	in % of Fiscal 2019 revenues							
AT CONSTANT RATES	Q3 FY 2020	Q4 FY 2020	Q1 FY 2021	Q2 FY 2021	Q3 FY 2021	Q4 FY 2021	Q1 FY 2022	Q2 FY 2022
Business & Administrations	**71 %**	**70 %**	**78 %**	**78 %**	**78 %**	**82 %**	**91 %**	**91 %**
Of which Corporate Services	73 %	74 %	79 %	78 %	75 %	79 %	87 %	89 %
Of which Sports & Leisure	16 %	9 %	14 %	17 %	22 %	43 %	64 %	61 %
Education	**46 %**	**64 %**	**72 %**	**68 %**	**79 %**	**85 %**	**92 %**	**88 %**
Of which Schools	52 %	78 %	87 %	84 %	88 %	99 %	104 %	92 %
Of which Universities	41 %	52 %	61 %	54 %	72 %	71 %	84 %	84 %
Healthcare & Seniors	**88 %**	**92 %**	**97 %**	**100 %**	**96 %**	**100 %**	**105 %**	**104 %**
On-site Services	**70 %**	**75 %**	**81 %**	**81 %**	**83 %**	**87 %**	**95 %**	**94 %**
Benefits & Rewards Services	**77 %**	**95 %**	**100 %**	**94 %**	**96 %**	**97 %**	**107 %**	**106 %**
Group	**70 %**	**75 %**	**81 %**	**82 %**	**83 %**	**87 %**	**95 %**	**94 %**

During the first half of Fiscal 2022, the Food services activity recovered strongly, up +27% in line with the recovery in Education and Sports & Leisure segments. Facilities Management services continued to grow, up +5% year on year despite the impact of the termination of the Chicago Public Schools contract and lower activity in the Testing Centers in the second quarter.

By the end of the second quarter, Food services were back up to 82% of pre-Covid levels. The lower level in FM services at 112% at the end of the second quarter was due to the full effect of the Chicago Public Schools contract termination, significant volatility in the Testing Centers activity between the first and second quarters and a base effect linked to acquisitions consolidated from the second quarter Fiscal 2019.

Key performance indicators have improved across the board during the First half Fiscal 2022:

- client retention was 98.1%, up +60 bps compared to First half Fiscal 2021 with improvements in all segments and regions.
- new sales development was up +90 bps at 3.7%, with a solid contribution from Business & Administrations and Healthcare & Seniors. Education is also up but is less significant due to the seasonality of the new business decisions which tend to be taken at the end of the academic year. This increase in development is accompanied by an +80bps improvement in expected gross margins.
- same site sales were up +4,250 bps at +19.8%, thanks to the strong volume recovery in Corporate Services, Sports & Leisure and Education and solid cross-selling particularly in Healthcare & Seniors.

ON-SITE SERVICES REVENUES BY REGION

REVENUES BY REGION (in millions of euros)	H1 FY 2022	H1 FY 2021	ORGANIC GROWTH
North America	4,232	3,174	+27.1%
Europe	3,917	3,528	+10.6%
Asia-Pacific, Latam, Middle East and Africa	1,716	1,535	+11.0%
ON-SITE SERVICES TOTAL	**9,865**	**8,238**	**+17.0%**

- The +27.1% organic growth in North America in the First half reflects the reopening of all schools and universities and Sports & Leisure sites, and a slow return to work. The region is still only at 85% of pre-Covid levels due to the significant weight of Sports & Leisure and Corporate Services in the mix of business.
- Europe was up +10.6% reflecting continued recovery in the region, which in the First half Fiscal 2022 was back up over 95% of pre-Covid levels.
- Asia-Pacific, Latin America, Middle East and Africa grew organically by +11.0% and now running at 21% above pre-Covid levels.

FOR THE SECOND QUARTER ONLY

REVENUES BY REGION (in millions of euros)	Q2 FY 2022	Q2 FY 2021	ORGANIC GROWTH
North America	2,026	1,486	+25.8%
Europe	1,895	1,721	+10.0%
Asia-Pacific, Latam, Middle East and Africa	862	767	+10.5%
ON-SITE SERVICES TOTAL	**4,783**	**3,974**	**+16.1%**

Growth in the second quarter Fiscal 2022 slowed slightly in all regions relative to the first quarter, due to an ever-improving comparable base. While the recovery in Europe was impacted by Omicron, from 98% of pre-Covid levels in the first quarter to 93% in the second quarter, the recovery continued in North America up +1% to 86% of pre-Covid levels in the second quarter.

Business & Administrations

REVENUES BY REGION (in millions of euros)	H1 FY 2022	H1 FY 2021	RESTATED ORGANIC GROWTH
North America	1,263	828	+45.2%
Europe	2,354	2,084	+15.1%
Asia-Pacific, Latam, Middle East and Africa	1,542	1,369	+10.8%
BUSINESS & ADMINISTRATIONS TOTAL	**5,160**	**4,280**	**+19.5%**

First half Fiscal 2022 **Business & Administrations** revenues totaled **5.2 billion euros**, up +19.5% organically.

FOR THE SECOND QUARTER ONLY

REVENUES BY REGION (in millions of euros)	Q2 FY 2022	Q2 FY 2021	RESTATED ORGANIC GROWTH
North America	620	405	+41.8%
Europe	1,146	1,004	+16.8%
Asia-Pacific, Latam, Middle East and Africa	776	687	+10.3%
BUSINESS & ADMINISTRATIONS TOTAL	**2,543**	**2,095**	**+19.5%**

Second quarter organic growth in **North America** was **+41.8%** due to a solid recovery in activity in Corporate services and Sports & Leisure. While the first benefited from a continued although very slow return to work, the rebound in the Sports & Leisure activity stalled in the second quarter due to the impact of Omicron. On the other hand, Energy & Resources segment growth accelerated during the period due to new contract startups and return of support workers onsite.

In **Europe**, second quarter revenues were up **+16.8%** organically, boosted by a solid recovery in Corporate Services and Sports & Leisure, although the recovery stalled due to the protective measures put in place for Omicron. On the other hand, the contribution from new contracts in the Government & Agencies and Energy & Resources segments was not enough to compensate the loss of the Transforming Rehabilitation contract in the UK.

In **Asia-Pacific, Latam, Middle East and Africa,** organic revenue growth was **+10.3%**. The Corporate Services segment continued to grow double digit as activity picked up strongly in India and remained strong in all other regions. Energy & Resources continued to achieve very solid growth. New business ramp-ups and strong underlying growth in the energy sector compensated some contract losses.

Healthcare & Seniors

REVENUES BY REGION (in millions of euros)	H1 FY 2022	H1 FY 2021	RESTATED ORGANIC GROWTH
North America	1,424	1,297	+4.7%
Europe	1,114	910	+4.8%
Asia-Pacific, Latam, Middle East and Africa	137	131	+9.6%
HEALTHCARE & SENIORS TOTAL	**2,675**	**2,338**	**+5.0%**

Healthcare & Seniors First half revenues amounted to **2.7 billion euros**, up +5.0% organically.

FOR THE SECOND QUARTER ONLY

REVENUES BY REGION (in millions of euros)	Q2 FY 2022	Q2 FY 2021	RESTATED ORGANIC GROWTH
North America	730	643	+5.2%
Europe	537	467	-1.5%
Asia-Pacific, Latam, Middle East and Africa	70	66	+9.2%
HEALTHCARE & SENIORS TOTAL	**1,337**	**1,177**	**+2.5%**

In **North America**, organic growth was **+5.2%**, helped by some inflation and ongoing recovery in Seniors occupancy. Hospital activity has been growing in volume, but retail activity is still at only 70% of pre-Covid levels.

In **Europe**, organic growth was **-1.5%**, impacted by a significant volatility in activity in the Testing centers from quarter to quarter and year to year. Seniors occupancy continues to pick up progressively.

In **Asia-Pacific, Latam, Middle East and Africa**, organic revenue growth was **+9.2%**, due to strong volume growth related to new contracts in Asia and same-site growth in Brazil.

Education

REVENUES BY REGION (in millions of euros)	H1 FY 2022	H1 FY 2021	RESTATED ORGANIC GROWTH
North America	1,545	1,050	+40.4%
Europe	449	535	+3.1%
Asia-Pacific, Latam, Middle East and Africa	36	35	+27.7%
EDUCATION TOTAL	**2,030**	**1,620**	**+29.5%**

First half Fiscal 2022 revenues in **Education** were **2.0 billion euros**, up +29.5% organically.

FOR THE SECOND QUARTER ONLY

REVENUES BY REGION (in millions of euros)	Q2 FY 2022	Q2 FY 2021	RESTATED ORGANIC GROWTH
North America	676	438	+41.2%
Europe	212	250	+6.6%
Asia-Pacific, Latam, Middle East and Africa	16	14	+26.5%
EDUCATION TOTAL	**904**	**703**	**+30.6%**

In the second quarter, **North America** was up **+41.2%** with all schools and colleges open during the quarter. The recovery did stall in the second quarter compared to the first quarter due to Omicron and the full impact of the Chicago Public Schools contract termination. In Universities, Board plans are nearly back up to Fiscal 2019 levels. However, the retail and events activities were impacted by staff shortages, lower footfall, and sanitary protocols.

In **Europe**, revenue was up **+6.6%** organically. Schools were fully open, against a previous year which had been impacted by confinement in the UK. However, student attendance rates were still below normal levels due to the number of cases of Omicron during the quarter.

In **Asia-Pacific, Latam, Middle East and Africa**, organic growth was **+26.5%** reflecting very rapid ramp-up in student attendance in India, particularly in universities.

BENEFITS & REWARDS SERVICES

First half Fiscal 2022 **Benefits & Rewards Services** revenue amounted to 398 million euros, up +9.3% organically.

Employee Benefits organic growth was back up to double digit at +14.5% compared to an issue volume up +13.3%. Services Diversification was down -7.6% organically.

REVENUES BY ACTIVITY (in millions of euros)	H1 FY 2022	H1 FY 2021	ORGANIC GROWTH
Employee Benefits	324	275	+14.5%
Services Diversification*	73	84	-7.6%
BENEFITS & REWARDS SERVICES	**398**	**359**	**+9.3%**

* Including Incentive & Recognition, Mobility & Expenses and Public Benefits.

FOR THE SECOND QUARTER ONLY

REVENUES BY ACTIVITY (in millions of euros)	Q2 FY 2022	Q2 FY 2021	ORGANIC GROWTH
Employee Benefits	177	145	+18.9%
Services Diversification*	39	45	-12.8%
BENEFITS & REWARDS SERVICES	**215**	**190**	**+11.4%**

* Including Incentive & Recognition, Mobility & Expenses and Public Benefits.

In the second quarter, the organic growth in **Employee Benefits** revenues was very strong at +18.9%, compared to an organic growth in issue volume of +17.4% boosted by particularly strong gift activity.

Services Diversification was down -12.8% organically. While fuel and mobility cards activity grew double digit, this was more than offset by a substantial reduction in Covid-related public benefits.

REVENUES BY REGION (in millions of euros)	H1 FY 2022	H1 FY 2021	ORGANIC GROWTH
Europe, USA and Asia	267	242	+9.9%
Latin America	131	116	+8.2%
BENEFITS & REWARDS SERVICES	**398**	**359**	**+9.3%**

FOR THE SECOND QUARTER ONLY

REVENUES BY REGION (in millions of euros)	Q2 FY 2022	Q2 FY 2021	ORGANIC GROWTH
Europe, USA and Asia	147	130	+12.5%
Latin America	68	60	+9.1%
BENEFITS & REWARDS SERVICES	**215**	**190**	**+11.4%**

In the second quarter, Europe, USA and Asia, organic revenue growth was +12.5% boosted by very strong growth in issue volume in Israel and Turkey.

In Latin America, organic growth was +9.1%, boosted by a return to high single digit growth in Brazil, on double digit growth in Issue volumes. Growth remained solid in the rest of the region.

REVENUES BY NATURE (in millions of euros)	H1 FY 2022	H1 FY 2021	ORGANIC GROWTH
Operating Revenues	375	339	+8.9%
Financial Revenues	23	20	+16.6%
BENEFITS & REWARDS SERVICES	**398**	**359**	**+9.3%**

First half Fiscal 2022 Operating revenues were up +8.9% and Financial revenues were up +16.6%.

FOR THE SECOND QUARTER ONLY

REVENUES BY NATURE (in millions of euros)	Q2 FY 2022	Q2 FY 2021	ORGANIC GROWTH
Operating Revenues	203	180	+10.6%
Financial Revenues	12	11	+25.5%
BENEFITS & REWARDS SERVICES	**215**	**190**	**+11.4%**

In the second quarter, Operating revenues were back up to double digit growth at +10.6%, boosted in particular by much better momentum in Brazil and a very strong year end season for gift cards. Financial revenues were up very strongly at +25.5% due to the significant increase in the Selic (official Brazilian interest rate) which is now back up over 11%, having been below 3% 12 months ago.

2.4 Underlying Operating Profit

First half Fiscal 2022 Underlying Operating Profit was 538 million euros, more than double the previous year. The Underlying operating margin was up +210 bps to 5.2%, reflecting the solid recovery in activity.

The significant step-up in the Underlying operating margin semester after semester, since the low in Second half Fiscal 2020 of -1.5%, reflects the improvement in activity levels, very tight cost control, numerous contract renegotiations in the On-site activities, more active portfolio management, and the contribution from the GET efficiency program.

The GET efficiency program was aimed at protecting the gross profit margin as government aid receded and structurally reducing SG&A for the long-term by simplifying the structures in the Group, to free up capacity to invest in growth and to enhance margins. The program has now been closed.

	GET PROGRAM			
	FISCAL 2020	FISCAL 2021	FISCAL 2022	TARGET
(in millions of euros)	CUMULATED NUMBERS			
Total exceptional costs	**158**	**312**	**327**	**350**
Cash impact	**(75)**	**(217)**	**(305)**	**(315)**
SG&A savings	—	91	157	175
Gross profit cost avoidance	—	127	225	175
Total savings	**—**	**218**	**382**	**350**
Savings/Costs			**117%**	**100%**

Cumulated up to the end of First half Fiscal 2022, the GET program has cost 327 million euros, generated 382 million euros of annual savings, with a cash impact of 305 million euros, of which of 37 million euros in First half Fiscal 2022. As a result, the program exceeded the target cost savings by 32 million euros with a ratio of savings to costs of 117%, also above the target of 100%.

(in millions of euros)	UNDERLYING OPERATING PROFIT H1 FISCAL 2022	DIFFERENCE	DIFFERENCE (EXCLUDING CURRENCY EFFECT)	UNDERLYING OPERATING PROFIT MARGIN H1 FISCAL 2022	DIFFERENCE IN MARGIN	DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT)
Business & Administrations	138	+753.5%	+705.9%	2.7%	+230 bps	+230 bps
Healthcare & Seniors	171	+14.9%	+10.6%	6.4%	0 bps	0 bps
Education	172	+146.5%	+135.8%	8.5%	+420 bps	+410 bps
On-site Services	**481**	**+104.8%**	**+96.8%**	**4.9%**	**+200 bps**	**+190 bps**
Benefits & Rewards Services	**106**	**+25.3%**	**+25.2%**	**26.7%**	**+310 bps**	**+330 bps**
Corporate expenses & Intragroup eliminations	(50)	+8.9%	+9.3%			
UNDERLYING OPERATING PROFIT	**538**	**+103.0%**	**+96.2%**	**5.2%**	**+210 bps**	**+210 bps**

At current rates, First half Fiscal 2022 On-site Services Underlying Operating Profit doubled year on year and the margin rose by +200 bps, or +190 bps at constant currency mix effect, to 4.9%. The currency impact during the First half was limited.

The performance by segment at **constant rates** is as follows:

- **Business & Administrations** Underlying Operating profit increased seven-fold from a very low level in Fiscal 2021. As a result, the Underlying operating margin was up +230 bps to 2.7%. Progress is solid, linked to the recovery in revenues, even though the margin is still some way off the Fiscal 2020 first half margin of 4%. It also represents a significant improvement in margins since the beginning of the pandemic, from -3.3% in Second half Fiscal 2020, to 0.4% in First half 2021 and 1.9% in the Second half. While the margin has recovered significantly in Corporate Services and is back to breakeven in Sports & Leisure, the margin in Energy & Resources has been temporarily impacted by high levels of Omicron-linked absenteeism, particularly in the mining sector, and some major contract ramp-ups.
- in **Healthcare & Seniors**, the Underlying Operating Profit margin is flat year on year at 6.4% but higher than in the First half Fiscal 2020, pre-Covid, at 6.3%. Net new business is positive for margins and inflation is being passed on either through indexation clauses, contract negotiations or productivity measures.

- in **Education**, Underlying Operating Profit more than doubled and the margin was up by +410 bps at 8.5%, compared to a margin of 8.4% in First half Fiscal 2020. This performance reflects strong volume recovery in North America and Asia, productivity in Europe and strict cost management throughout. Inflation has been passed on to clients or compensated by productivity.

In **Benefits & Rewards Services**, excluding negligible currency impacts, Underlying Operating Profit was up +25.2% and the margin was 26.7%, up +330 bps. This represents a progressive pick-up in the margin over the last few semesters, as the business has recovered from the negative effects of the Covid confinements. While cost reduction has continued, spending on enhanced digitalization and new offerings has also continued. The recovery in financial revenues is also feeding through into enhanced margins.

2.5 Group net profit

Other net operating expenses amounted to 1 million euros compared to 128 million euros in the previous year.

With the closing of the GET program, in First half Fiscal 2022, restructuring costs fell to only 3 million euros. Gains related to the sale of assets were more or less offset by the losses.

As a result, the Operating Profit was up strongly at 537 million euros compared to 136 million euros in the previous year.

(in millions of euros)	H1 FISCAL 2022	H1 FISCAL 2021
UNDERLYING OPERATING PROFIT	**538**	**265**
OTHER OPERATING INCOME	**67**	**8**
Gains related to consolidation scope changes	33	3
Gain on disposals of non-current assets	—	—
Gains on changes of post-employment benefits	—	4
Other	34	—
OTHER OPERATING EXPENSES	**(68)**	**(136)**
Restructuring and rationalization costs	(3)	(107)
Losses related to consolidation scope changes	(34)	(1)
Amortization of purchased intangible assets	(20)	(21)
Impairment of goodwill and non-current assets	—	—
Acquisition-related costs	(2)	(2)
Losses on changes of post-employment benefits	(1)	(1)
Losses related to the disposal of non-current assets	—	—
Other	(8)	(3)
OTHER OPERATING INCOME AND EXPENSES (NET)	**(1)**	**(128)**
OPERATING PROFIT	**537**	**136**

First half Fiscal 2022 Net financial expense was up at 53 million euros against 50 million euros in the previous year. The increase is attributable to the increased gross debt resulting from the US Dollar bond issue in April 2021 somewhat offset by the 600 million euros reimbursement of a euro bond in October 2021. The blended cost of gross debt was 1.5% as at February 28, 2022, which is slightly lower than the rate at the end of February and August 2021 of 1.6%.

The tax charge was up strongly at 136 million euros due to the very significant increase in the pre-tax profit. However, the effective tax rate fell below 30%, back to a more regular rate at 28.3%, compared to 63% in the previous year.

The share of profit of other companies accounted for using the equity method was 2 million euros in First half Fiscal 2022, compared to 2 million euros in the preceding year. Profit attributed to non-controlling interests was 11 million euros compared to the previous year amount of 2 million euros.

As a result, First half Fiscal 2022 Group Net Profit was multiplied by 10 to 337 million euros, compared to 33 million euros in the previous year. Underlying Net Profit adjusted for Other Operating income and expenses net of tax amounted to 339 million euros, compared to 128 million euros in the previous year, up +164.8%.

2.6 Earnings per share

Published First half Fiscal 2022 EPS was 2.30 euros against 0.23 euro in the previous year. The weighted average number of shares for Fiscal 2022 was more or less stable at 146,292,627 compared to 146,001,603 shares for First half Fiscal 2021.

Underlying EPS amounted to 2.32 euros, up +165.3% compared to the previous year.

3 Consolidated financial position

3.1 Cash flows

Cash flows for the period were as follows:

(in millions of euros)	H1 Fiscal 2022	H2 Fiscal 2021
Operating cash flow	674	405
Change in working capital excluding change in BRS financial assets (1)	(481)	41
IFRS 16 outflow	(109)	(123)
Net capital expenditure	(159)	(86)
Free cash flow (2)	**(75)**	**237**
Net acquisitions	(26)	(10)
Share buy-backs	(13)	(11)
Dividends paid to shareholders	(294)	—
Other changes (including scope and exchange rates)	(156)	(28)
(Increase)/decrease in net debt	**(564)**	**187**

(1) Excluding change in financial assets related to the Benefits & Rewards Services activity of 67 million euros in Fiscal 2022 versus -42 million euros in Fiscal 2021. Total change in working capital as reported in consolidated accounts: in Fiscal 2022: -414 million euros = -481 million euros + 67million euros and in Fiscal 2021: -1 million euros = 41 million euros - 42 million euros.

(2) The Group does not believe the accounting treatment introduced by IFRS 16 modifies the operating nature of its lease transactions. Accordingly, to ensure the Group’s performance measures continue to best reflect its operating performance, the Group considers repayments of lease liabilities as operating items impacting the Free cash flow, which integrates all lease payments (fixed or variable). To be consistent, the lease liabilities are not included in Net debt (treated as operating items).

First half Fiscal 2022 Free cash outflow was 75 million euros against an inflow of 237 million euros in the previous period.

First half Fiscal 2022 Operating cash flow improved to 674 million euros against 405 million euros in the previous period as a result of the significant improvement in the operating profit of the Group. On the other hand, working capital deteriorated significantly with an outflow of cash of 481 million euros during the First half Fiscal 2022. This was exceptionally high due to the 37 million euros cash effect of the restructuring costs, the unwinding of the government Covid-linked payment delays for 100 million euros, reimbursement of the Tokyo Olympics hospitality packages for 55 million euros, an exceptional cash contribution to the UK pension fund for 71 million euros and a 7 million euros net cash inflow for Benefits & Rewards Services resulting from the Hungarian indemnity related to closing the business, which is offset by the fine related to the dispute with the French competition authorities which is being paid monthly.

Net capital expenditure, including client investments, at 159 million euro, or 1.5% of revenues, increased year on year from the exceptionally low level of 86 million euros in the previous year.

While contract-linked capital expenditure in some segments has continued to be delayed due to the effect of the pandemic, IT investment is maintained, and the digitization of Benefits & Rewards Services continues. Given the Group's mix of segments and geographies, and in a normal environment, this rate should be running at around 2.5% of annual revenues.

Given the number of completed disposals since the beginning of the year, the cash impact of acquisitions net of disposals amounted to 26 million euros.

The resumption of the payment of a dividend on Fiscal 2021 earnings resulted in an outflow of 294 million euros.

After taking into account Other changes, consolidated net debt increased by 564 million euros during the First half to 2,042 million euros at February 28, 2022.

3.2 Acquisitions and disposals for the period

First half Fiscal 2022 has been an active period for closing numerous disposals of non-core activities and geographies:

- The On-site Services activities in Morocco
- The Lido in France
- Non-strategic account portfolios in Australia, Czech Republic
- Benefits & Rewards Services in Russia
- Benefits & Rewards Services sports cards in Romania and Spain
- The Global Childcare activities and the Onsite Services business in the Congo were completed mid-March.

On the other hand, further strategic acquisitions & investments have also been made:

- In the New Food Model, we have acquired Frontline Food Services, North America, and increased our participation in the digital food services company, Meican, China
- In the GPO space, we have made two investments to strengthen the position of Entegra in Europe
- In the Healthcare segment, we have a acquired a technical equipment management activity in China.

3.3 Condensed consolidated statement of financial position at February 28, 2022

(in millions of euros)	FEBRUARY 28, 2022	FEBRUARY 28, 2021
Non-current assets	10,063	9,766
Current assets excluding cash	5,980	4,943
Restricted cash Benefits & Rewards	782	795
Financial assets Benefits & Rewards	221	342
Cash	2,607	2,210
TOTAL ASSETS	**19,653**	**18,056**

(in millions of euros)	FEBRUARY 28, 2022	FEBRUARY 28, 2021
Shareholders' equity	3,615	2,917
Non-controlling interests	10	15
Non-current liabilities	7,129	6,238
Current liabilities	8,899	8,886
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**19,653**	**18,056**
Borrowings	**5,647**	**5,005**
Net debt	**2,042**	**1,681**
Gearing	**56%**	**57%**
Net debt ratio	**1.8x**	**3.8x**

The increase in shareholders' equity was due to several factors: the currency translation adjustment of some currencies such as US Dollar, UK Sterling and the Brazilian real, as well as the revaluation of financial assets under IFRS 9.

As of February 28, 2022, net debt was 2,042 million euros, representing a gearing of 56%, and a net debt ratio of 1.8x, firmly within the target range of between 1 and 2x.

In October 2021, Sodexo reimbursed by anticipation a 600 million euros bond due to mature in January 2022.

As a result, at February 28, 2022, the Group's gross debt amounted to 5.6 billion euros, of which 94% is at fixed rates and 21% is dollar-denominated, with an average maturity of 5.2 years and 100% covenant-free.

Operating cash reached a total of 3,605 million euros, including 782 million euros of restricted cash and 221 million euros of financial assets of Benefits & Rewards Services.

The Benefits & Rewards Services activity asset to liability coverage is at 114% compared to 113% as at February 28, 2021, with operating cash of 2,442 million euros and client receivables of 1,600 million euros, compared to voucher liabilities payable of 3,556 million euros.

The rest of the Group also had a significant operating cash position of 1,163 million euros.

At the end of the First half, the Group had unused credit lines totaled 1.7 billion euros and total liquidity was 5.3 billion euros.

3.4 Subsequent events

The operation to combine the Group's Childcare activities with those of the Grandir group, announced in July 2021, has been approved by the competition authorities. The operation closed on March 14, 2022.

Since March 24, 2022, the war in Ukraine is having a limited impact on our onsite activities in Russia, but which account for less than 1% of revenues.
Please refer to paragraph 1.1.5 Russia - Ukraine war impact

3.5 Alternative Performance Measure definitions

Blended cost of debt

The blended cost of debt is calculated at period end and is the weighted blended financing rate on borrowings (including derivative financial instruments and commercial papers) and cash pooling balances at period end.

Financial ratios definition

		FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Gearing ratio	Borrowings (1) – operating cash (2) / Shareholders' equity and non-controlling interests	56.3%	57.3%
Net debt ratio*	Borrowings (1) – operating cash (2) / Rolling 12-month Underlying EBITDA (underlying operating profit before Interest, Taxes, Depreciation and Amortization) (3)	1.8	3.8

Financial ratios reconciliation

		FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
(1) Borrowings [1]	Long-term borrowings	5,601	4,398
	+ Short-term borrowings	55	641
	- Derivative financial instruments recognized as assets	(9)	(34)
	BORROWINGS	**5,647**	**5,005**
(2) Operating cash	Cash and cash equivalents	2,607	2,210
	+ Restricted cash and financial assets related to the Benefits & Rewards Services activity	1,003	1,137
	- Bank overdrafts	(5)	(23)
	OPERATING CASH	**3,605**	**3,324**
(3) Underlying EBITDA	Underlying operating profit	851	149
	+ Depreciation and amortization	514	580
	- Payments	244	289
	ROLLING 12-MONTH UNDERLYING EBITDA (UNDERLYING OPERATING PROFIT BEFORE DEPRECIATION AND AMORTIZATION)	**1,121**	**440**

Free cash flow

Please refer to the section entitled Consolidated financial position.

Growth excluding currency effect

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

Issue volume

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

Net debt

Net debt is defined as Group borrowing at the balance sheet date, 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 (or gain of control) 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.

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 where relevant.

Underlying Net profit per share

Underlying Net profit per share presents the Underlying net profit divided by the average number of shares.

Underlying operating profit margin

The underlying operating profit margin corresponds to Underlying operating profit divided by revenues.

Underlying operating profit margin at constant rates

The underlying operating profit margin at constant rates corresponds to Underlying operating profit divided by revenues, calculated by converting 2022 figures at Fiscal 2021 rates, except for countries with hyperinflationary economies.

2

First half Fiscal 2022 Condensed consolidated financial statements

1 Consolidated financial statements

1.1 Consolidated income statement

(in millions of euros)	NOTES	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Revenues	**4.1**	**10,262**	**8,595**
Cost of sales	**4.2**	**(8,792)**	**(7,415)**
Gross profit		**1,470**	**1,181**
Selling, General and Administrative costs	4.2	(934)	(918)
Share of profit of companies accounted for using the equity method that directly contribute to the Group's business		2	2
Underlying operating profit	**4.1**	**538**	**265**
Other operating income	4.2	67	8
Other operating expenses	4.2	(68)	(136)
Operating profit		**537**	**136**
Financial income	8.1	10	12
Financial expenses	8.1	(63)	(62)
Share of profit of other companies accounted for using the equity method		—	2
Profit for the period before tax		**484**	**88**
Income tax expense	2.2 and 9.1	(136)	(53)
Net profit for the period		**348**	**35**
Of which:			
Attributable to non-controlling interests		11	2
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**337**	**33**
Basic earnings per share (in euro)	**7.2**	**2.30**	**0.23**
Diluted earnings per share (in euro)	**7.2**	**2.27**	**0.22**

1.2 Consolidated statement of comprehensive income

(in millions of euros)	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
NET PROFIT FOR THE PERIOD	**348**	**35**
Components of other comprehensive income that may be reclassified subsequently to profit or loss	**235**	**(18)**
Change in fair value of cash flow hedge instruments		1
Change in fair value of cash flow hedge instruments reclassified to profit or loss		
Currency translation adjustment	232	(21)
Currency translation adjustment reclassified to profit or loss	1	
Tax on components of other comprehensive income that may be reclassified subsequently to profit or loss		
Share of other components of comprehensive income (loss) of companies accounted for using the equity method, net of tax	2	2
Components of other comprehensive income that will not be reclassified subsequently to profit or loss	**147**	**106**
Remeasurement of defined benefit plan obligation	104	(37)
Change in fair value of financial assets revalued through other comprehensive income	73	136
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	(30)	7
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), AFTER TAX FOR THE PERIOD	**381**	**88**
Comprehensive income for the period	**729**	**123**
Of which:		
Attributable to equity holders of the parent	717	121
Attributable to non-controlling interests	12	2

1.3 Consolidated statement of financial position

Assets

(in millions of euros)	NOTES	FEBRUARY 28, 2022	AUGUST 31, 2021
Goodwill		6,149	5,811
Other intangible assets		640	631
Property, plant and equipment		503	461
Right-of-use assets relating to leases		871	903
Client investments		596	560
Investments in companies accounted for using the equity method		68	63
Non-current financial assets	8.3	876	734
Other non-current assets		209	31
Deferred tax assets		151	165
NON-CURRENT ASSETS		**10,063**	**9,360**
Financial assets	8.3	52	55
Inventories		301	256
Income tax receivable		200	158
Trade and other receivables	4.3	5,096	4,271
Restricted cash and financial assets related to the Benefits & Rewards Services activity	4.4	1,003	1,062
Cash and cash equivalents	8.2	2,607	3,539
Assets held for sale	3.2	331	290
CURRENT ASSETS		**9,590**	**9,632**
TOTAL ASSETS		**19,653**	**18,991**

Shareholders’ equity and liabilities

(in millions of euros)	NOTES	FEBRUARY 28, 2022	AUGUST 31, 2021
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		2,775	2,330
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**3,615**	**3,168**
NON-CONTROLLING INTERESTS		**10**	**7**
SHAREHOLDER’S EQUITY	**7**	**3,625**	**3,175**
Long-term borrowings	8.4	5,601	5,453
Long-term lease liabilities		734	763
Employee benefits		301	357
Other non-current liabilities		194	181
Non-current provisions		105	106
Deferred tax liabilities		194	101
NON-CURRENT LIABILITIES		**7,129**	**6,962**
Bank overdrafts	8.2	5	7
Short-term borrowings	8.4	55	635
Short-term lease liabilities		179	176
Income tax payable		204	188
Current provisions	6.1	120	148
Trade and other payables	4.3	4,603	4,429
Voucher liabilities	4.4	3,556	3,133
Liabilities directly associated with assets held for sale	3.2	177	138
CURRENT LIABILITIES		**8,899**	**8,853**
TOTAL SHAREHOLDER’S EQUITY AND LIABILITIES		**19,653**	**18,991**

1.4 Consolidated cash flow statement

(in millions of euros)	NOTES	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Operating profit		**536**	**136**
Depreciation, amortization and impairment of intangible assets and property, plant and equipment (1)		259	290
Provisions		(35)	58
(Gains) losses on disposals		1	(1)
Other non-cash items		19	21
Dividends received from companies accounted for using the equity method		1	2
Net interest expense paid		(16)	(10)
Interests paid on lease liabilities		(9)	(10)
Income tax paid		(82)	(82)
Operating cash flow		**674**	**405**
Change in inventories		(26)	13
Change in trade and other receivables		(783)	(484)
Change in trade and other payables		19	184
Change in vouchers payable		309	329
Change in financial assets related to the Benefits & Rewards Services activity		67	(42)
Change in working capital from operating activities		**(414)**	**(1)**
NET CASH PROVIDED BY OPERATING ACTIVITIES		**260**	**404**
Acquisitions of property, plant and equipment and intangible assets		(158)	(137)
Disposals of property, plant and equipment and intangible assets		7	37
Change in client investments		(8)	14
Change in financial assets and share of companies accounted for using the equity method		(70)	(9)
Business combinations	3.1	(41)	(19)
Disposals of activities		19	8
NET CASH USED IN INVESTING ACTIVITIES		**(251)**	**(105)**
Dividends paid to Sodexo S.A. shareholders	7.1	(294)	—
Dividends paid to non-controlling shareholders of consolidated companies		(4)	(8)
Purchases of treasury shares	7.1	(13)	(11)
Disposal of treasury shares	7.1	6	4
Change in non-controlling interests		—	(2)
Proceeds from borrowings	8.4	43	3
Repayment of borrowings	8.4	(623)	(6)
Repayments of lease liabilities		(108)	(123)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		**(993)**	**(144)**
NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH		**54**	**11**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**(930)**	**166**
NET CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**3,532**	**2,021**
NET CASH AND CASH EQUIVALENTS, END OF PERIOD	8.2	**2,602**	**2,187**

(1) Including 106 million euros corresponding to the right-of-use assets depreciation recognized in First Half Fiscal 2022 pursuant to IFRS 16 (127 million euros recognized for First Half Fiscal 2021).

1.5 Consolidated statement of changes in shareholders' equity

(in millions of euros)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY: ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	TOTAL SHAREHOLDERS' EQUITY: NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' EQUITY: TOTAL
Notes	7.1							
Shareholders' equity as of August 31, 2021	**147,454,887**	**590**	**248**	**3,455**	**(1,125)**	**3,168**	**7**	**3,175**
Restatement due to IFRS IC decision on IAS 19 application *				10		10		10
Shareholders' equity as of September 01, 2021	**147,454,887**	**590**	**248**	**3,465**	**(1,125)**	**3,178**	**7**	**3,185**
Net profit for the period				337		337	11	348
Other comprehensive income (loss), net of tax				148	232	380	1	381
Comprehensive income				**485**	**232**	**717**	**12**	**729**
Dividends paid				(294)		(294)	(10)	(304)
Treasury share transactions				(7)		(7)		(7)
Share-based payment (net of income tax)				21		21		21
Change in ownership interest without any change of control						—	—	—
Other				—		—	—	—
SHAREHOLDERS' EQUITY AS OF FEBRUARY 28, 2022	**147,454,887**	**590**	**248**	**3,670**	**(893)**	**3,615**	**10**	**3,625**

*See note 2.1.2

(in millions of euros)	NUMBER OF SHARES OUTSTANDING	SHARE CAPITAL	ADDITIONAL PAID-IN CAPITAL	RESERVES AND COMPREHENSIVE INCOME	CURRENCY TRANSLATION ADJUSTMENT	TOTAL SHAREHOLDERS' EQUITY: ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	TOTAL SHAREHOLDERS' EQUITY: NON-CONTROLLING INTERESTS	TOTAL SHAREHOLDERS' EQUITY: TOTAL
Notes	7.1							
Shareholders' equity as of August 31, 2020	**147,454,887**	**590**	**248**	**3,162**	**(1,242)**	**2,758**	**15**	**2,773**
Net profit for the period				33		33	2	35
Other comprehensive income (loss), net of tax				109	(21)	88		88
Comprehensive income				**142**	**(21)**	**121**	**2**	**123**
Dividends paid						—	(4)	(4)
Treasury share transactions				(8)		(8)		(8)
Share-based payment (net of income tax)				22		22		22
Change in ownership interest without any change of control						—	2	2
Other				24		24		24
SHAREHOLDERS' EQUITY AS OF FEBRUARY 28, 2021	**147,454,887**	**590**	**248**	**3,342**	**(1,263)**	**2,917**	**15**	**2,932**

2 Notes to the consolidated financial statements

Sodexo is a société anonyme (a form of limited liability company) registered in France, with its headquarters located in Issy-les-Moulineaux.

Sodexo's condensed interim consolidated financial statements for the six-month period from September 1, 2021, to February 28, 2022, were approved by the Board of Directors on March 31, 2022.

The numbers shown in the tables were prepared in thousands of euros and are presented in millions of euros (unless otherwise indicated).

Note 1. Significant events

1 Impact of the Covid-19 pandemic

After a strong recovery in the first quarter of the year in Sports & Leisure, Business Services and Education, the trend reversed slightly in January due to Omicron, particularly in Business Services due to a return to full teleworking in many countries and the number of sick students and teachers in schools and universities. The spread of the Omicron variant has also led to increased absenteeism in some countries, necessitating additional costs to ensure continuity of service. However, profitability continued to improve across all segments and regions.

Management of liquidity

With sufficient cash flows provided by operating activities for investments and acquisitions, the Group's financial situation remains solid.

In addition, as mentioned in note 8.4, the Group has access to credit facilities that can be utilized at any time as needed for 1.7 billion euros (the confirmed credit facilities are undrawn as of February 28, 2022). Furthermore, with operating cash of 3.6 billion euros, the Group has access to 5.3 billion euros of liquidity as of February 28, 2022.

Therefore, as of the date of approval of the consolidated financial statements by the Board of Directors, the Group considers there is no risk of going concern.

2 Impacts of the Ukraine war

The Sodexo Group has no subsidiary in Ukraine. The Group operates in Russia but given the limited size of its operations (less than 1% of Group revenue and Underlying operating profit), the Group does not expect material impacts in its consolidated financial statements.

Note 2.
Accounting policies

1 Basis of preparation of the financial statements

1.1 Basis of preparation of financial information for Fiscal 2022

The condensed interim consolidated financial statements for the six months ended February 28, 2022, have been prepared in accordance with IAS 34 "Interim Financial Reporting", as published by the IASB and endorsed by the European Union. They do not include all the disclosures required for a complete set of annual financial statements and should be read in conjunction with the consolidated financial statements of the Sodexo Group for the fiscal year ended August 31, 2021.

The accounting policies applied by the Group in the condensed interim consolidated financial statements for the six months ended February 28, 2022 are the same as those used in the annual consolidated financial statements for the fiscal year ended August 31, 2021, with the exception of the specific requirements of IAS 34 (see note 2.2) and of the accounting principles impacted by the IFRS Interpretation Committee relating to IAS 19 "Employee benefits" (see note 2.1.2). The other texts effective as of September 1, 2021, did not have a material impact on interim consolidated financial statements of the Group.

The Group has not applied any IFRSs that had not yet been approved by the European Union as of February 28, 2022. The Group has not elected to early adopt any standards or interpretations whose application is not mandatory in Fiscal 2022.

1.2 New accounting standards and interpretations required to be applied

The application of the IFRS Interpretation Committee decision issued in April 2021 clarifying the calculation methods, in application of IAS 19 "Employee benefits", for certain commitments relating to defined benefit plans impacted the consolidated shareholder's equity as of September 1, 2021, for 10 million euros after tax.

In March 2021, the IFRS Interpretation Committee made final its decision providing details on the accounting for configuration and customization costs of SaaS (Software as a Service) type software. The impacts on consolidated financial statements of the Group of this decision is currently being analyzed.

2 Specific interim reporting requirements

Income tax expense

Income tax expense (current and deferred) in the condensed interim consolidated financial statements is computed by applying an estimated average annual tax rate for the current fiscal year to each tax reporting entity's pre-tax profit for the first half of the year as adjusted, where applicable, for the tax effect of any specific events that may have occurred during the period. The resulting deferred tax charge or benefit is recognized in deferred tax assets or deferred tax liabilities in the consolidated statement of financial position.

Post-employment and other long-term employee benefits

The expense for post-employment and other long-term employee benefits is computed as one half of the annual charge estimated as of August 31, 2021. The actuarial projections are updated to take into account any material changes to assumptions or one-off impacts (discount rates, applicable legislation...) during the six-month period.

3 Use of estimates

The preparation of the condensed interim consolidated financial statements requires the management of Sodexo and its subsidiaries to make estimates and assumptions that may affect the amounts reported for assets, liabilities and contingent liabilities as of the date of preparation of the financial statements, and of revenues and expenses for the period.

These estimates and judgments are updated continuously based on past experience and on various other factors considered reasonable in view of the situation prevailing as of February 28, 2022 and are the basis for the assessments of the carrying amount of assets and liabilities. Unpredictability generated by Covid-19 pandemic made the use of estimations and hypothesis a key factor in the establishment of the consolidated financial statements.

Final amounts may differ substantially from these estimates if assumptions or circumstances change.

Significant items subject to such estimates and assumptions are the same as those described in the consolidated financial statements for the year ended August 31, 2021 (valuation of current and non-current assets, assessment of deferred tax assets recoverability, valuation of financial assets measured at fair value, provisions – including uncertain tax treatments – and litigations, assessment of the lease term in measuring the lease liabilities and related right-of-use assets, post-employment defined benefit plan assets and liabilities, and share-based payments).

Note 3.
Main changes in scope of consolidation

1 Business combinations

During the First Half Fiscal 2022, goodwill totaling 129 million euros was recognized, mainly on the acquisition of Frontline Food Services in the United States of America in February 2022 for On-site Services and Wedoogift goodwill adjustment in France for Benefits & Rewards Services.

The remaining goodwill change corresponds to exchange rates differences.

The table below shows the impact of newly consolidated entities. It includes the values of the assets acquired and liabilities assumed, as provisionally estimated as of February 28, 2022:

(in millions of euros)	FEBRUARY 28, 2022
Intangible assets	1
Property, plant and equipment	33
Financial assets	2
Trade receivables	39
Cash and cash equivalents	67
Income tax payable	—
Trade and other payables	(110)
Net deferred tax	—
TOTAL IDENTIFIABLE NET ASSETS	**34**
CONSIDERATION TRANSFERRED (1)	**163**
GOODWILL (2)	**129**

(1) Including 55 million euros increase during corresponding to the increase of liabilities recognized in connection with written put options over non-controlling interests in certain subsidiaries.
(2) Goodwill is recognized as the difference between acquisition price and identifiable net assets at fair value. It principally represents the savoir-faire and expertise of employees and synergies expected from acquired companies.

Business combinations impacts the Cash flow statement as follows:

Price paid during the period	(109)
Cash acquired	68
Business combinations	**(41)**

Companies consolidated during the First Half Fiscal 2022 were integrated from the date of acquisition and contributed for 6 million euros to consolidated revenue and for 1 million euros to the consolidated underlying operating profit of the period.

2 Disposed or held for sales activities

The Group continued its portfolio rationalization by disposing a certain number of activities, resulting in a net loss on disposal of 1 million euros recognized in "Other operating income and expenses" during the First Half Fiscal 2022 (see note 4.2.2 "Other operating income and expenses").

Assets and liabilities classified as “Assets held for sale” for 331 million euros and “Liabilities directly associated with assets held for sale” for 177 million euros mainly concern Childcare activities in France and in Spain, for which the Group has announced on July 27, 2021, to have entered exclusive negotiations in relation with their disposal with the group Grandir. The transaction closed in March 2022 (see note 9.5 "Subsequent events"). As the fair value of the assets held for sale is higher than the carrying value, no impairment has been recorded for these assets in the consolidated financial statements as of February 28, 2022.

Note 4.
Segment information and other operating items

1 Segment information

The segment information presented below has been prepared based on internal management data as monitored by the Group Executive Committee, which is Sodexo's chief operating decision-maker: On-site Services and Benefits & Rewards Services.

For On-site Services, Revenue and Underlying operating profit are followed by global client segments. These global client segments meet the definition of operating segments in IFRS 8.

Sodexo's operating segments and groups of operating segments are as follows:

- On-site Services:
  - Business & Administrations, which includes Corporate Services, Energy & Resources, Government & Agencies, Sports & Leisure and other non-segmented activities,
  - Healthcare, combined with Seniors,
  - Education, comprising Schools and Universities;
- Benefits & Rewards Services.

The operating segments that have been aggregated carry out similar operations – both in terms of type of services rendered and the processes and methods used to deliver the services – and have similar economic characteristics (notably in terms of the margins they generate).

Segment assets and liabilities are not presented as they are not included in the chief operating decision-maker's measurement of segment performance.

No single Group client or contract accounts contribute for more than 2% of the consolidated revenues.

1.1 By business segment

FIRST HALF FISCAL 2022 (in millions of euros)	ON-SITE SERVICES	*BUSINESS & ADMINISTRATIONS*	*HEALTHCARE & SENIORS*	*EDUCATION*	BENEFITS & REWARDS SERVICES	ELIMINATIONS AND CORPORATE EXPENSES	GROUP TOTAL
Revenues (third-party)	9,865	*5,160*	*2,675*	*2,030*	397	—	10,262
Inter-segment sales (Group)	—	—	—	—	1	(1)	—
TOTAL REVENUES	**9,865**	***5,160***	***2,675***	***2,030***	**398**	**(1)**	**10,262**
Underlying operating profit*	481	*138*	*171*	*172*	106	(50)	538

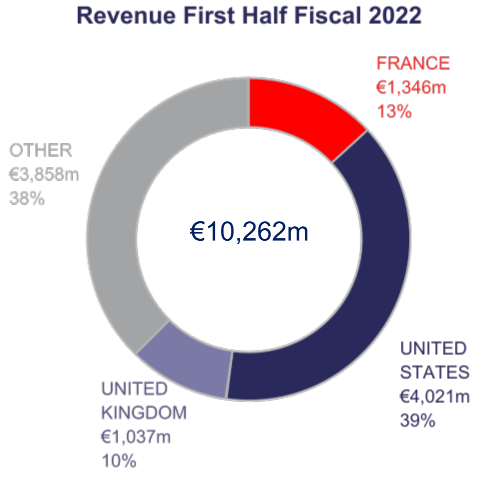
* Including Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business and excluding other operating income and expenses.

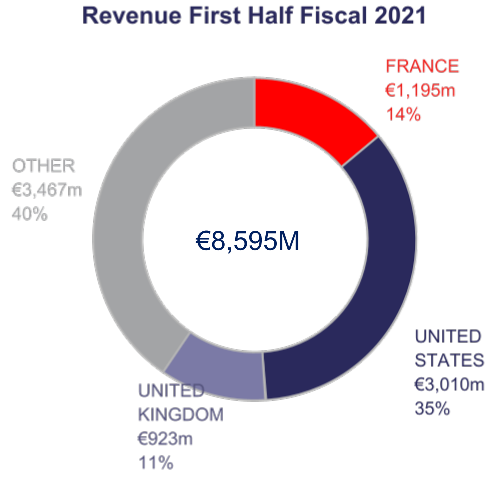
FIRST HALF FISCAL 2021 (in millions of euros)	ON-SITE SERVICES	*BUSINESS & ADMINISTRATIONS*	*HEALTHCARE & SENIORS*	*EDUCATION*	BENEFITS & REWARDS SERVICES	ELIMINATIONS AND CORPORATE EXPENSES	GROUP TOTAL
Revenues (third-party)	8,238	*4,280*	*2,338*	*1,620*	357	—	8,595
Inter-segment sales (Group)	—	—	—	—	2	(2)	—
TOTAL REVENUES	**8,238**	***4,280***	***2,338***	***1,620***	**359**	**(2)**	**8,595**
Underlying operating profit*	235	*16*	*149*	*69*	85	(55)	265

* Including Group's share of profit of companies accounted for using the equity method that directly contribute to the Group's business and excluding other operating income and expenses.

1.2 By significant country

The Group's operations are spread across 55 countries, including three that each represent over 10% of consolidated revenues in First Half Fiscal 2022: France (the Group's registration country), the United States and the United Kingdom. Revenues in these countries are as follows[4]:





1.3 By line of services

Revenues by line of services are as follows:

(in millions of euros)	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Food services	5,849	4,510
Facilities Management services	4,016	3,728
Total On-site Services revenues	**9,865**	**8,238**
Benefits & Rewards Services	**398**	**359**
Eliminations	(1)	(2)
TOTAL CONSOLIDATED REVENUES	**10,262**	**8,595**

[4] Charts available in the Fiscal 2022 First half Financial report on https://www.sodexo.com/fr/home/finance.html

2 Operating expenses by nature and other operating income and expenses

2.1 Operating expenses by nature

(in millions of euros)	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Employee costs	(5,159)	(4,665)
• Wages and salaries	(4,035)	(3,590)
• Other employee costs [1]	(1,124)	(1,075)
Purchases of consumables and change in inventory	(2,469)	(1,916)
Depreciation, amortization, and impairment losses [2]	(250)	(306)
• Amortization of intangible assets and property, plant and equipment and right-of-use assets relating to leases	(250)	(304)
• Impairment of intangible assets and property, plant and equipment and right-of-use assets relating to leases	—	(3)
Rent and attached charges [3]	(181)	(48)
Other operating expenses [4]	(1,666)	(1,523)
TOTAL NET OPERATING EXPENSES	**(9,727)**	**(8,460)**

(1) Primarily payroll taxes, but also including costs associated with defined benefit plans, defined contribution plans and restricted share plans.
(2) Including the depreciation of right-of-use assets relating to lease contracts of (106) million euros recognized in accordance with IFRS 16 ((127) million euros in First Half Fiscal 2021).
(3) Corresponds to rent not included in the measurement of the lease liabilities, primarily variable lease payments (commissions based on performance indicators of locations operated under concession arrangements), as well as lease expenses relating to short-term lease contracts and lease contracts of low value assets. The increase observed over the period relates mainly to the variable part of commissions due under concession arrangements.
(4) Other expenses mainly include professional fees, other purchases used for operations, sub-contracting costs and travel expenses.

2.2 Other operating income and expenses

(in millions of euros)	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Gains related to consolidation scope changes [2]	33	2
Gain on disposals of non-current assets	—	1
Gains on changes of post-employment benefits	—	4
Other [1]	34	—
OTHER OPERATING INCOME	**67**	**8**
Restructuring and rationalization costs	(3)	(107)
Losses related to consolidation scope changes [2]	(34)	(1)
Amortization of purchased intangible assets	(20)	(21)
Impairment of goodwill and non-current assets	—	—
Acquisition-related costs	(2)	(2)
Losses on changes of post-employment benefits	(1)	(1)
Losses on disposals of non-current assets	—	—
Other	(8)	(3)
OTHER OPERATING EXPENSES	**(68)**	**(136)**
TOTAL OTHER OPERATING INCOME AND EXPENSES	**(1)**	**(128)**

(1) Indemnity received from the Hungarian State (note 6.2)
(2) Disposal activities during 1st half 2022 (cf. note 3.2)

3 Trade and other receivables and payables

3.1 Trade and other receivables

(in millions of euros)	FEBRUARY 28, 2022 GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	AUGUST 31, 2021 GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Advances to suppliers	28	—	28	12		12
Trade receivables	4,619	(156)	4,463	3,866	(158)	3,708
Other operating receivables	416	(13)	403	381	(13)	368
Prepaid expenses	195	—	195	182	—	182
Non-operating receivables	8	(1)	7	2	(1)	1
TOTAL TRADE AND OTHER RECEIVABLES	**5,266**	**(170)**	**5,096**	**4,443**	**(172)**	**4,271**

The maturities of trade receivables as of February 28, 2022, and August 31, 2021 respectively were as follows:

BREAKDOWN OF TRADE RECEIVABLES DUE: (in millions of euros)	FEBRUARY 28, 2022 GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT	AUGUST 31, 2021 GROSS AMOUNT	IMPAIRMENT	CARRYING AMOUNT
Less than 3 months past due	483	(12)	471	350	(9)	341
More than 3 months and less than 6 months past due	80	(10)	70	86	(9)	77
More than 6 months and less than 12 months past due	30	(7)	23	39	(9)	30
More than 12 months past due	120	(96)	24	121	(93)	28
TOTAL TRADE RECEIVABLES DUE	**714**	**(126)**	**588**	**597**	**(121)**	**476**
Total trade receivables not yet due	3,905	(30)	3,875	3,269	(36)	3,234
TOTAL TRADE RECEIVABLES	**4,619**	**(156)**	**4,463**	**3,866**	**(158)**	**3,708**

During the fiscal years presented, the Group was not affected by any significant change resulting from proven client failures. In addition, given the geographic dispersion of the Group's activities and the wide range of client industries, there is no material concentration of risk in individual receivables due but not written down.

3.2 Trade and other payables

(in millions of euros)	FEBRUARY 28, 2022	AUGUST 31, 2021
Operating payables	160	147
Non-operating payables	34	34
OTHER NON-CURRENT LIABILITIES	**194**	**181**
Trade payables	2,346	2,179
Employee-related liabilities	1,257	1,258
Advances from clients	419	394
Tax liabilities	266	306
Other operating payables	166	153
Deferred revenues	116	108
Non-operating payables	33	32
TRADE AND OTHER CURRENT PAYABLES	**4,603**	**4,429**
TOTAL TRADE AND OTHER PAYABLES	**4,797**	**4,610**

As of February 28, 2022, the total amount of receivables transferred by Sodexo's suppliers through the reverse factoring programs is 374 million euros (274 million euros as of August 31, 2021).

Trade payables that have been financed through a reverse factoring program as of the fiscal year-end are still classified as trade payables and included in the total of trade payables.

4 Benefits & Rewards Services activity

(in millions of euros)	February 28, 2022	AUGUST 31, 2021
Trade and other receivables	1,600	1,295
Trade and other payables (1)	(345)	(329)
Voucher liabilities (2)	(3,556)	(3,133)
Vouchers in circulation	*(2,890)*	*(2,599)*
Voucher payables	*(500)*	*(370)*
Other (1)	*(167)*	*(164)*
WORKING CAPITAL EXCLUDING RESTRICTED CASH AND FINANCIAL ASSETS OF THE BENEFITS & REWARDS SERVICES ACTIVITY	**(2,301)**	**(2,166)**
Restricted cash and financial assets related to the Benefits & Rewards Services activity	1,003	1,062
Restricted cash	*782*	*773*
Market securities > 3 months	*221*	*289*
Cash and cash equivalents (1)	1,440	1,200
Bank overdrafts	(1)	(5)
OPERATING CASH ASSETS OF THE BENEFITS & REWARDS SERVICES ACTIVITY	**2,442**	**2,257**

(1) Including intragroup transactions.

(2) Voucher liabilities are accounted at fair value as current liabilities, which is the face value of vouchers in circulation and of vouchers back at Sodexo and not yet reimbursed.

Note 5. Impairment of non-current assets

During the first half of the year, the Group carried out a review of impairment triggers likely to lead to a decrease in the recoverable value of its tangible and intangible assets.

In particular, Sodexo analyzed the performance of its operating segments (groups of CGUs at which goodwill is monitored) during the first half compared to the estimates used during the Fiscal 2021 annual closing for impairment testing. The Group has also analyzed the evolution since August 31, 2021, of the main financial parameters (discount rate and long-term growth rate).

Despite the uncertainty around the evolution of the pandemic, the Group’s management has concluded that there was no evidence of triggers indicating a decrease in the recoverable value of its operating segments as of February 28, 2022, compared to August 31, 2021. The annual review of the carrying amount of goodwill and other intangible assets will be realized during the Second Half Fiscal 2022.

Note 6.
Provisions, litigation, and contingent liabilities

1 Provisions

(in millions of euros)	AUGUST 31, 2021	INCREASES/ CHARGES	REVERSALS WITH UTILIZATION	REVERSALS WITHOUT UTILIZATION	CURRENCY TRANSLATION ADJUSTMENT AND OTHER	CHANGES IN SCOPE OF CONSOLIDATION	FEBRUARY 28, 2022
Reorganization costs	67	2	(31)	(4)	—	0	34
Employee claims and litigation	56	7	(6)	(6)	1	0	53
Tax and social security exposures	30	1	(1)	—	1	—	32
Contract termination and loss-making contracts	27	3	(7)	(4)	1	—	20
Client/supplier claims and litigation	23	16	(6)	—	—	—	33
Negative net assets of associates [(1)]	6	—	—	—	0	—	7
Other provisions	45	3	(1)	(2)	1	0	46
TOTAL PROVISIONS	**254**	**34**	**(51)**	**(17)**	**5**	**—**	**225**

(1) Investments in companies accounted for using the equity method that have negative net assets.

Provisions for exposures and litigation are determined on a case-by-case basis and rely on management’s best estimate of the outflows deemed likely to satisfy legal or implicit obligations to which the Group is exposed as of the end of the fiscal year.

2 Litigation and contingent liabilities

Disputes with the Brazilian tax authorities

The Group is in dispute with the Brazilian tax authorities regarding the tax deductibility of the amortization of goodwill recognized on the purchase of VR in March 2008. For the record, in Fiscal year 2017, Sodexo Pass do Brasil received a tax reassessment notice from the Brazilian tax authorities for fiscal years 2010, 2011 and 2012 relating to the deductibility for tax purposes of the amortization of goodwill recognized on the purchase of VR in March 2008. The reassessment amounted to 93 million euros (breaking down as 25 million euros in principal and 68 million euros in penalties and late payment interest).

Sodexo Pass do Brasil is firmly disputing this reassessment, which the Brazilian tax authorities originally envisaged during a previous tax audit covering fiscal years 2008 and 2009 but then abandoned. The Group considers that the goodwill amortization was valid, both in terms of its underlying reasons and the way it has been recorded. Therefore, the Group considers that there is a strong probability of winning the dispute with the tax authorities, and this has been confirmed by its tax advisors. Consequently, no provision was recorded for this dispute in the statement of financial position as of August 31, 2017.

This dispute was presented on August 14, 2018, for a judgment of the competent administrative court. The court ruled in favor of Sodexo Pass do Brasil as it considered that the goodwill and corresponding tax amortization were legitimately recognized on the acquisition of VR. The judgment therefore confirms that Sodexo Pass do Brasil acquired a full business structure when it purchased VR.

This judgment can be reversed on appeal. The Group believes, after consulting its advisors, that the risk of change in this judgement is low.

The tax savings generated by this tax depreciation were offset in the combined accounts of the Group by a deferred tax expense of the same amount for each of the financial periods concerned, in accordance with the IFRS rules. The deferred tax liability related to the reassessed periods amounts to 25 million euros as of First Half Fiscal 2022 (24 million euros as of August 31, 2021).

Dispute with the French competition authority

On October 9, 2015, the company Octoplus filed a complaint with the French Competition Authority (Autorité de la concurrence) concerning several French meal voucher issuers, including Sodexo Pass France. Following the hearing of the parties concerned in April and July 2016, the Competition Authority decided on October 6, 2016, to continue the proceedings, without ordering interim measures against Sodexo Pass France.

On February 27, 2019, the prosecution services sent their final investigation report to Sodexo Pass France. In its response filed on April 29, 2019, the Group contested both of the grievances notified by the Authority (exchange of information and foreclosure of the meal voucher market through the Centrale de Règlement des Titres). On December 17, 2019, the French Competition Authority ruled against the meal voucher issuers and fined Sodexo Pass France, jointly and severally with Sodexo S.A., 126 million euros. This decision was formally notified to Sodexo Pass France and Sodexo S.A. on February 6, 2020. Sodexo vigorously contests this decision considering that it demonstrates a flawed understanding of the practices in question and of the way in which the market operates. Sodexo has therefore lodged an appeal against the decision with the Paris Court of Appeal. The hearing was held on November 18, 2021, and the Court of Appeal is expected to render its decision on November 24, 2022. Given the significant impact of the Covid-19 pandemic on the Group's activities and performance, Sodexo obtained a decision from the State collection services allowing it to defer payment of the fine until December 15, 2021, without any penalty being due, subject to providing a bank guarantee, and from that date a monthly settlement plan until the decision of the Court of Appeal.

Dispute in Hungary

Following legislative and regulatory changes to the issuance of food and meal voucher market in Hungary, Sodexo made an application to the International Center for Settlement of Investment Disputes (ICSID) in July 2014 for arbitration proceedings to be commenced against the Hungarian state.

The ICSID issued its decision on January 28, 2019, ordering the Hungarian State to pay compensation in an amount of 73 million euros to Sodexo, together with accrued interest from December 31, 2011.

On May 27, 2019, the Hungarian State lodged an appeal against this decision, which was rejected by the ICSID on May 7, 2021, thereby definitively confirming its decision of January 28, 2019, and the obligation of the Hungarian state to compensate Sodexo in accordance with international law.

The Hungarian State paid an indemnity in an amount of 33.5 million euros to Sodexo Pass International on December 31, 2021, in consideration of the prejudice caused as a result of the expropriation by the Hungarian state of Sodexo Pass International's investment in Hungary further to the legislative and regulatory changes implemented by the Hungarian State in the issuance of food and meal voucher market in Hungary.

This payment definitively puts an end to the dispute between them with regard to the ICSID arbitration award. An income of 33.5 million euros has been recognized accordingly in other operating income in First Half Fiscal 2022 (see note 4.2.2 Other operating income and expenses)

French tax reassessment

Sodexo S.A. received in December 2021 a notification for proposed tax reassessments concerning Fiscal 2016, Fiscal 2017 and Fiscal 2018. After review with its tax advisors, the Company considers that it has strong arguments to contest the major part of the proposed reassessments.

Other disputes

Group subsidiaries can also be subject to tax audits certain of which may result in reassessments. In each case, the risk is assessed by management and its advisors, and any charges deemed probable are recorded as provisions or tax liabilities.

The Group is not aware of any other governmental, judicial or arbitral proceedings which are outstanding or threatened and which may have, or have had in the past 12 months, material effects on the Group's financial position or profitability.

Sodexo is also involved in other legal proceedings arising in the normal course of its business. The Group does not anticipate that any potential related liabilities will in the aggregate be material to its activities or to its consolidated financial position.

Note 7.
Equity and earnings per share

1 Equity

1.1 Statement of changes in shareholders' equity

– Composition of share capital and treasury shares

(Number of shares)	FEBRUARY 28, 2022	AUGUST 31, 2021
Share Capital (1)	147,454,887	147,454,887
Treasury shares (2)	1,249,534	1,166,593
Outstanding shares	146,205,353	146,288,294

(1) With a par value of 4 euros each.
(2) Treasury shares value of 115 million euros as of February 28, 2022 (108 million euros as of August 31, 2021).

– Dividends

	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Dividends paid (in millions of euros)	294	—
Dividend per share paid (in euros)	2.00	—

Sodexo's bylaws confer double voting rights on shares held in registered form for more than four years.

Furthermore, since Fiscal 2013, shares held in registered form for at least four years and still held in that form when the dividend becomes payable, are entitled to a dividend premium equal to 10% of the dividend paid on the other shares. The number of shares eligible for this dividend premium may not exceed 0.5% of the share capital for any single shareholder.

2 Earnings per share

The table below presents the calculation of basic and diluted earnings per share:

	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Profit for the year attributable to equity holders of the parent (in millions of euros)	337	33
Basic weighted average number of shares	146,292,627	146,001,603
Basic earnings per share (1) (in euros)	**2.30**	**0.23**
Average dilutive effect of free share plans	2,141,092	1,745,611
Diluted weighted average number of shares	148,433,719	147,747,216
Diluted earnings per share (1) (in euros)	**2.27**	**0.22**

(1) Basic and diluted earnings per share do not reflect the effect of the dividend premium to be paid on certain registered shares.

Note 8.
Cash and cash equivalents, financial assets and liabilities, and financial income and expense

1 Financial income and expense

(in millions of euros)	FIRST HALF FISCAL 2022	FIRST HALF FISCAL 2021
Gross borrowing cost [1]	(43)	(42)
Interest income from short-term bank deposits and equivalent	2	4
NET BORROWING COST	**(41)**	**(37)**
Interest on financial lease liabilities IFRS 16[2]	(9)	(10)
Net foreign exchange gains/(losses)	1	(2)
Net interest cost on net defined benefit plan obligation	(1)	(1)
Interest income from loans and receivables at amortized cost	3	2
Other financial income	6	5
Other financial expense	(12)	(6)
NET FINANCIAL EXPENSE	**(53)**	**(50)**
Of which Financial income	**10**	**12**
Of which Financial expense	**(63)**	**(62)**

(1) Gross borrowing cost represents interest expense on financial liabilities at amortized cost and interest expense on hedging instruments.
(2) Interest on lease liabilities recognized in accordance with IFRS 16.

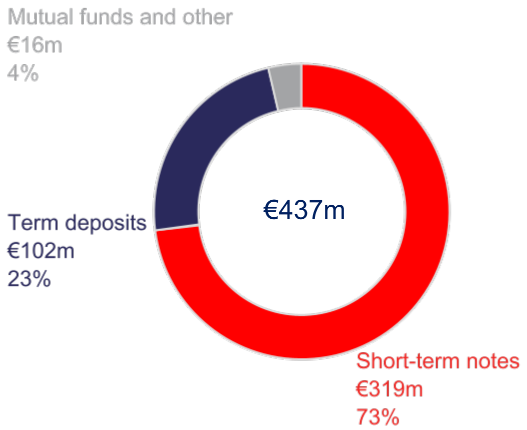
2 Cash and cash equivalents

(in millions of euros)	FEBRUARY 28, 2022	AUGUST 31, 2021
Marketable securities	437	329
Cash*	2,169	3,211
CASH AND CASH EQUIVALENTS	**2,607**	**3,539**
Bank overdrafts	(5)	(7)
CASH AND CASH EQUIVALENTS NET OF BANK OVERDRAFTS	**2,602**	**3,532**

* Including 12 million euros allocated to the liquidity contract signed with an investment services provider, which complies with the Code of conduct drawn up by the French financial markets' association (Association française des marchés financiers – AMAFI) and approved by the French securities regulator (Autorité des marchés financiers – AMF), for the purpose of improving the liquidity of Sodexo shares and the regularity of the quotations.

Marketable securities comprised[5]:

As of February 28, 2022



As of August 31, 2021

3 Financial assets

Principal investments in non-consolidated companies

– Measurement of Bellon SA Securities

The Group holds, through its wholly owned subsidiary Sofinsod, a 19.61% stake in Bellon SA, a company that controls Sodexo SA with 42.75% of its shares and 57.38 % of its voting rights exercisable on February 28, 2022. This shareholding does not give the Group significant influence over Bellon SA, as voting rights attached to Bellon SA shares cannot be exercised by Sofinsod, in accordance with the provisions of Article L. 233-31 of Code de Commerce.

In accordance with IFRS 9, this investment is measured at its fair value, determined in accordance with IFRS 13. The valuation of the fair value of the investment depends, among other things, on the revalued net asset value (NAV) of Bellon SA which has limited debt and holds no assets other than shares of Sodexo S.A. These shares are valued at their closing share price for the calculation of the NAV of Bellon SA. Furthermore, the valuation method used by management (Level 3 of the hierarchy defined by IFRS 13) incorporates the illiquidity implied by the characteristics of the holding's ownership structure (discount to net asset value of Bellon SA estimated at 40% as of February 28, 2022, and August 31, 2021).

As of February 28, 2022, the fair value of the investment is assessed at 533 million euros (481 million euros as of August 31, 2021), and its change since the opening of the year has been recorded in other non-recyclable items of comprehensive income (OCI).

– Restricted cash and financial assets related to the Benefits & Rewards Services activity

Restricted cash corresponds to 782 million euros of “Financial assets related to the Benefits & Rewards Services activity” primarily in funds set aside to comply with regulations governing the issuance of service vouchers in France (256 million euros), Romania (94 million euros), Belgium (181 million euros), India (110 million euros) and China (70 million euros). The funds remain the property of the Group but are subject to restrictions on their use. They may not be used for any

[5] Charts available in the Fiscal 2022 First half Financial report on https://www.sodexo.com/fr/home/finance.html

purpose other than to reimburse affiliates and must be kept separate from the Group's unrestricted cash. Restricted cash is invested in interest-bearing instruments.

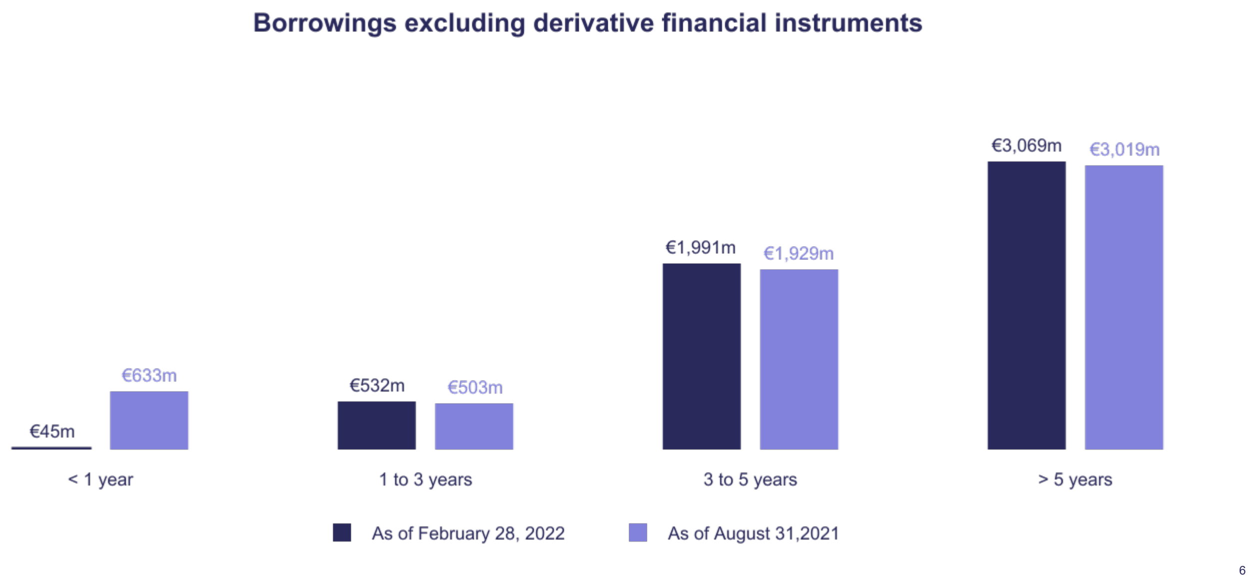
4 Borrowings

Changes in borrowings during First Half Fiscal 2022 and Fiscal 2021 were as follows:

(in millions of euros)	AUGUST 31, 2021	INCREASES	REPAYMENTS	DISCOUNTING EFFECTS AND OTHER	CURRENCY TRANSLATION ADJUSTMENT	CHANGES IN SCOPE OF CONSOLIDATION	FEBRUARY 28, 2022
Bond issues [(1)]	6,053	41	(623)	(13)	68	—	5,526
Private Placements and bank borrowings	1	—	—	—	—	—	1
Other borrowings [(2)]	30	76	—	—	—	4	110
TOTAL BORROWINGS EXCLUDING DERIVATIVE FINANCIAL INSTRUMENTS	**6,084**	**117**	**(623)**	**(13)**	**68**	**4**	**5,637**
Net fair value of derivative financial instruments	(13)	—	—	19	3	—	9
TOTAL BORROWINGS	**6,071**	**117**	**(623)**	**6**	**72**	**4**	**5,646**

(1) As of February 28, 2022, accrued interest on bond issues represented 34 million euros (19 million euros as of August 31, 2021). The decrease of 623 million euros mainly corresponds to the early repayment of the 2022 Sodexo bond in October 2021, initially due to mature in January 2022.

(2) Of which 55 million euros increase during First Half Fiscal 2022 (25 million euros as of August 31, 2021) corresponding to the increase of liabilities recognized in connection with written put options over non-controlling interests in certain subsidiaries.



In order to comply with the Group's financing policy, substantially all borrowings are long term and at fixed interest rates.

As of February 28, 2022, 94% of the Group's borrowings were at fixed rate. The average rate of interest as of the same date was 1.5%.

As of August 31, 2021, 95% of the Group's borrowings were at fixed rate. The average rate of interest as of the same date was 1.6%.

[6] Charts available in the Fiscal 2022 First half Financial report on https://www.sodexo.com/fr/home/finance.html

The bond issues and borrowings from financial institutions described above include customary early redemption clauses. These clauses include cross-default and change-in-control clauses which apply to all of the borrowings.

None of the bond issues have a financial covenant.

Concerning the interest rate benchmarks reform, the Group finalized the discussions with counterparties to negotiate the change of benchmarks for the main instruments impacted (primarily the multicurrency confirmed credit facility; see below). As of February 28, 2022, the Group exposure to indexed financial instruments to benchmarks that will disappear and whose maturity date is greater than the date of implementation of the reform is limited to a LIBOR swap and no significant impact on the consolidated financial statements are anticipated when the new reform will be implemented.

– **July 2011 multicurrency confirmed credit facility**

On July 18, 2011, Sodexo S.A. contracted a multicurrency credit facility for a maximum of 600 million euros plus 800 million U.S. dollars, with an original maturity date of July 18, 2016. This facility has been amended on a number of occasions with the most recent amendment being in July 2019 with a new maturity date of July 2024, with two options to extend the maturity by one year each, up to July 2026. The first option to extend this facility was executed during Fiscal 2020 and the second was executed during Fiscal 2021. The facility maturity date is now July 2026. The maximum available limits under this facility now are 589 million euros plus 785 million U.S. dollars.

The most recent amendment also incorporates an updated sustainability clause that links the credit facility cost to Sodexo’s ability to comply with its public commitment to reduce its food waste by 50% by 2025 and also an update to the referenced indices.

Amounts drawn on this facility carry floating interest indexed on the SOFR, SONIA, ESTR and EURIBOR rates. This credit facility is not subject to any covenant.

No amounts had been drawn down on the facility as of either February 28, 2022, nor as of August 31, 2021.

– **Bilateral confirmed credit facility**

On December 18, 2019, the Group obtained two 150 million euros bilateral confirmed credit facility, both are due to expire in December 2023.

On February 13, 2020, the Group obtained a third 150 million euros bilateral confirmed credit facility expiring in February 2024.

On May 20, 2020, the Group obtained a further two bilateral facilities totaling 250 million euros. One facility is a 150 million euros facility and has matured on May 2021 and the second facility is a 100 million euros facility that has matured in September 2021 following the execution of the option to extend the facility for a further 8 months in January 2021.

No amounts had been drawn down on any of these facilities as of February 28, 2022.

– **Commercial papers**

Borrowings under the Sodexo S.A. and Sodexo Finance commercial paper programs are nil either as of February 28, 2022, nor of August 31, 2021

Note 9. Other information

1 Income tax

The 63% effective tax rate for First Half Fiscal 2021 decreased to 28.3% in First Half Fiscal 2022 due to the very significant increase in the pre-tax profit (484 million euros in First Half Fiscal 2022 compared to 88 million euros in First Half Fiscal 2021). Hence, the effective tax rate came back to a more normal level of tax.

2 Free share grants

On February 1, the Board of Directors decided to grant free shares to certain Group employees. The shares granted under this plan will only vest if the beneficiaries are still working for the Group on the vesting date and some are subject to a performance condition. The shares granted under this plan sum up to 809,540 shares. The impact of this plan for the first semester is not material.

3 Members of the Board of Directors and the Executive Committee, Chief Executive Officer

There were no significant changes from the fiscal year ended August 31, 2021, in relation to the nature of compensation, advances and commitments for pensions or similar benefits granted to members of Sodexo's Board of Directors or Executive Committee.

However, it should be noticed that there was no Chief Executive Officer after September 30, the interim having been provided by Sophie Bellon after this date, until her appointment as Group Chief Executive Officer on February 15, 2022.

4 Related parties' information

Non-consolidated companies

Transactions with non-consolidated companies are similar in nature to those described in note 14.3, "Related parties" to the consolidated financial statements for the fiscal year ended August 31, 2021.

Principal shareholder

As of February 28, 2022, Bellon SA held 42.75% of the capital of Sodexo and 57.38% of the exercisable voting rights.

The expense recognized in First Half Fiscal 2022 under an assistance and advisory services contract between Bellon SA and Sodexo S.A. amounts to 1.9 million euro (1.8 million euro in First Half Fiscal 2021).

Sodexo SA paid to Bellon SA 126 million euros of dividends.

5 Subsequent events

On March 11, 2022, Grandir Group has acquired the global childcare activities of the Group (France, Spain, Germany and India), with Sodexo becoming a minority shareholder, to become a global early education leader (See note 3.2).

6 Changes in principal currency exchange rates

The following table presents changes in exchange rates for the main currencies used to convert the financial statements of subsidiaries compared with the first half of the prior fiscal year:

Currency	CLOSING RATE AS OF FEBRUARY 28, 2022	AVERAGE RATE FOR FIRST HALF FISCAL 2022	CLOSING RATE AS OF AUGUST 31, 2021	CLOSING RATE AS OF FEBRUARY 28, 2021	AVERAGE RATE FOR FIRST HALF FISCAL 2021
DOLLAR (USD)	1.120	1.143	1.183	1.212	1.197
LIVRE (GBP)	0.836	0.846	0.859	0.871	0.897
REAL (BRL)	5.783	6.258	6.139	6.664	6.554

3

Statutory Auditors' review report on the interim financial information

For the period from September 1, 2021, to February 28, 2022

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

KPMG Audit
Department of KPMG S.A.
Tour Eqho – 2, avenue Gambetta
92066 Paris La Défense Cedex
France

Statutory Auditors' review report on the interim financial information

For the period from September 1, 2021 to February 28, 2022

This is a free translation into English of the statutory auditors' review report on the interim financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's interim management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

SODEXO
255 Quai de la Bataille de Stalingrad
92866 Issy-les-Moulineaux Cedex 9
France

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' Meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (*Code monétaire et financier*), we hereby report to you on:

– the review of the accompanying condensed interim consolidated financial statements of Sodexo for the period from September 1, 2020 to February 28, 2022;

– the verification of the information contained in the interim management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed interim consolidated financial statements have been prepared and reviewed under specific conditions. This crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. These measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

These condensed interim consolidated financial statements are the responsibility of the Board of Directors and were reviewed by the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I – Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II - Specific verification

We have also verified the information given in the interim management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the condensed interim consolidated financial statements.

Neuilly-sur-Seine and Paris La Défense, April 1st, 2022

The Statutory Auditors

PricewaterhouseCoopers Audit		KPMG Audit *Department of KPMG S.A.*
Stéphane BASSET	Bardadi BENZEGHADI	Caroline BRUNO-DIAZ

4

Statement of Responsibility for The Interim Financial Report

GROUP CHIEF EXECUTIVE OFFICER

RESPONSIBILITY FOR THE FIRST HALF FISCAL 2022 FINANCIAL REPORT

Issy-les-Moulineaux, April 1, 2022

I hereby affirm that to the best of my knowledge the condensed financial statements presented for the half-year just ended have been prepared in accordance with the applicable accounting standards and provide a fair view of the assets, financial position, and profits of Sodexo, and of all the companies included within the consolidation scope, and that the half year activity review included in the attached report presents a true view of the significant events which took place during the first six months of the full year period and of their impact on the half year financial statements; the principle transactions between related parties; and describes the main risks and uncertainties for the remaining six months of the year.

Sophie Bellon
Chairwoman and Chief Executive Officer