Press Release

sodexo
QUALITY OF LIFE SERVICES

Sodexo First Half Fiscal 2021 Results: rebound in profitability and strong free cashflow

- Improving organic revenue trend quarter by quarter, at -21.7% for H1
- Underlying operating profit margin at 3.1%, large beat on assumptions
- Exceptional free cashflow generation for a first half
- Assumptions:
  - H2 Organic revenue growth between +10 and +15%
  - H2 Underlying operating profit margin at around 3.1% at constant rate
  - Cash conversion more than 100% for the full year

Issy-les-Moulineaux, April 1, 2021 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY). At the Board of Directors meeting held on March 31, 2021 and chaired by Sophie Bellon, the Board closed the Consolidated accounts for the First half Fiscal 2021 ended February 28, 2021.

Financial performance for First half Fiscal 2021

(in millions of euro)	H1 FISCAL 2021	H1 FISCAL 2020	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	**8,595**	11,692	*-26.5%*	*-21.7%*
UNDERLYING OPERATING PROFIT	**265**	**685**	*-61.4%*	*-55.2%*
UNDERLYING OPERATING PROFIT MARGIN	***3.1%***	***5.9%***	**-280 bps**	**-250 bps**
Other operating expenses	(128)	(66)		
OPERATING PROFIT	**136**	**619**	*-78.0%*	*-73.2%*
Net financial expense	(50)	(67)		
Tax charge	(53)	(161)		
GROUP NET PROFIT	**33**	**378**	*-91.3%*	*-86.6%*
EPS *(in euro)*	**0.23**	**2.59**	*-91.3%*	
UNDERLYING NET PROFIT	**128**	**424**	*-69.9%*	*-63.6%*
UNDERLYING EPS *(in euro)*	0.87	2.91	*-69.9%*	

Sodexo CEO Denis Machuel said:

"Our actions to renegotiate our client contracts, strictly control our costs, and implement the GET restructuring program are clearly visible in our better than expected Underlying operating profit margin of 3.1%.

In the Second half, year on year organic growth rate will be very positive. However, given the new waves of the pandemic, we do not expect a significant improvement in revenue volumes from the first half. We are redoubling our efforts and focus on execution to offset the traditional seasonality gap between First and Second half Underlying operating profit margin.

We are confident that pent-up demand will ensure a strong pick-up in all segments and activities once the pandemic is over. I am very proud of how our organization is totally mobilized to fully benefit from these opportunities, and I warmly thank our teams for their impressive engagement in the field with our clients."

Highlights of the period

- First half Fiscal 2021 Group revenue was 8,595 million euro, down -26.5%, still significantly impacted by the Covid-19 crisis. The currency effect and in particular the weakness of the Dollar and the Real, accounted for -4.8%. The net M&A contribution was negligible. As a result, Group organic revenue decline was -21.7%, compared to -27.5% in Second half Fiscal 2020.
- **On-site Services** organic revenue decline was -22.2%, with consistent quarterly improvement, after a First quarter down -23.3%, or -22.1% excluding the Rugby World Cup effect, and Second quarter Fiscal 2021 down -21.0%. The key elements of the half-year were:
  - In Business & Administrations, organic decline was -26.5%, still significantly impacted by the Covid-19 crisis due to the high level of working from home in Corporate Services and the number of closed sites in Sports & Leisure, and particularly in North America. Energy & Resources and Government & Agencies remained solid, up +4.3%, during the First half.
    Europe showed more resilience compared to North America. Asia-Pacific, Latam, Middle East and Africa region returned to growth.
  - In Healthcare & Seniors, organic decline was -2.1%. Hospitals are still suffering from the pandemic related weakness in retail sales. However, the segment was boosted by the Rapid Testing Centers contract in the UK.
  - In Education, organic decline was -31.9%. While there was a return to school from September in Europe and Asia, schools were predominantly closed in North America. Weak activity in Universities due to virtual learning was further impacted by a lower number of days, particularly in the second quarter due to a prolonged winter break.
  - **Key Performance Indicators for the First half** were also impacted by the pandemic:
    - Client retention was down -30 bps to 97.5%, impacted by the British Government's return to self-operation of the Transforming Rehabilitation contract. Excluding this account loss, retention would have been up by +20 bps.
    - New sales development was down -10 bps at 2.8%, but with much enhanced signing discipline, particularly regarding margins.
    - Same site sales decline was at -22.7%, reflecting the substantial loss of food volumes, while Facilities Management Services remains solid.
- **Benefits & Rewards Services** was more resilient with an organic revenue decline of -8.1%. There was a slight deterioration in the second quarter trend, relative to the first quarter, due to the second wave lockdowns from November in most countries in Europe, delaying reimbursement volumes.

- **Underlying operating margin** was 3.1%, better than our assumptions and the -1.9% negative margin in Second half Fiscal 2020. This significant improvement in performance is the result of the many contract renegotiations since March 2020, prolonged furlough in some countries, the first results of the restructuring program and very strict cost control.
- **Other operating expenses (net)** amounted to 128 million euro, up significantly against the previous year, reflecting the implementation of the ongoing 350 million euro GET restructuring program started in the Second half last year. Restructuring costs amounted to 107 million euro, after 158 million euro in the Second half Fiscal 2020. The remaining 85 million euro is expected to be incurred in the Second half.
- **Reported net profit** was positive at 33 million euro and basic EPS was €0.23, both down -91.3% year on year. Underlying Net profit totaled 128 million euro, against the 424 million euro pre-crisis net profit in First half Fiscal 2020.
- **Free cash flow** at 237 million euro was much better than expected helped by a positive change in working capital of 41 million euro, boosted by strict management of receivables, Benefits & Rewards due to lower reimbursement flows, and continued Government support in terms of payment delays . In addition, net capex was exceptionally low at 86 million euro, due in particular to delays in client investments.
- Consequently, **net debt** has fallen year on year and since the beginning of the fiscal year to 1.7 billion euro, with the gearing ratio at 57%, against 50% pre-crisis in February 2020 and 67% in August 2020. The net debt ratio[1] at the end of the period was impacted significantly by the reduction in the rolling twelve-month Underlying EBITDA, to reach 3.8x against 1.3x at the end of First half Fiscal 2020 and 2.1x at the end of Fiscal 2020.
- During the quarter, Sodexo reinforced its **commitment to reducing its environmental footprint**:
  - Sodexo joined the Climate Group's RE100 initiative, committing to switch to 100% renewable electricity by 2025. This commitment covers Sodexo's directly operated sites under the Scope 1 and Scope 2 activities as per the GHG Protocol guidelines.
  - Since March 1, 2021, Sodexo has been phasing out five key single-use plastic Foodservice items from its on-site operations in Europe, with only paper, cardboard, wood or fiber-based options available in its supply catalog. The move goes beyond upcoming EU legislation by removing takeaway bags in addition to straws, plates, cutlery and stirrers.

  In March 2021, Sodexo entered the new Euronext CAC40 ESG index, created in response to the growing market demand for sustainable investments. Being part of the index recognizes Sodexo commitment and initiatives for a sustainable global economy.

Outlook

While confidence is high in a rapid recovery once vaccination is fully deployed, in the short-term, the situation remains volatile, particularly in Europe with the new waves of the pandemic.
As a result, we expect little improvement in the quarter on quarter trends through to the fiscal year end in August.

The Group will continue to renegotiate its contracts to ensure the best possible level of profitability, to deliver its restructuring measures and activate all government support available.

[1] *See APM definitions*

In this context,

- **Second half Fiscal 2021 organic growth is expected between +10 and +15%.**
- **After the strong performance in the First half, cost containment and restructuring should offset the traditional seasonality gap between First half and Second half margins, so that the Second half Fiscal 2021 underlying operating margin should be around 3.1%, at constant rates.**
- **After an exceptional free cashflow performance in the First half, our objective for the year is to achieve a cash conversion of more than 100%.**

Looking further out, on the basis that the pandemic will be over by 2021 calendar year end, the Group aims to return to sustained growth and to rapidly increase the Underlying operating margin back over the pre-Covid level.

The Board and the Executive Committee extend their sincere thanks to all employees who have collectively contributed to the improved financial performance in First half Fiscal 2021.

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 2021 results. Those who wish to connect:

- from the UK may dial +44 (0) 2071 928 338, or
- from France +33 (0) 1 70 70 07 81, or
- from the USA +1 646 741 3167,
- followed by the access code **52 65 589**.

The **press release and presentation will be available on the Group website www.sodexo.com** in both the "Latest News" section and the "Finance - Financial Results" section.

Fiscal 2021 financial calendar

Fiscal 2021 Nine Months Revenues	July 1, 2021
Fiscal 2021 Annual Results	October 28, 2021
Fiscal 2021 Annual Shareholders Meeting	December 14, 2021

These dates are purely indicative and are subject to change without notice. Regular updates are available in the calendar on our website www.sodexo.com

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 64 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits & Rewards Services and Personal & Home Services. Sodexo provides clients an integrated offering developed over more than 50 years of experience: from foodservices, reception, maintenance and cleaning, to facilities and equipment management; from services and programs fostering employees' engagement to solutions that simplify and optimize their mobility and expenses management, to in-home assistance, child care centers and concierge services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 420,000 employees throughout the world.

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

Key figures

19.3 billion euro in Fiscal 2020 consolidated revenues

420,000 employees as at August 31, 2020

#1 France-based private employer worldwide

64 countries

100 million consumers served daily

12.1 billion euro in market capitalization (as at March 31, 2021)

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ACTIVITY REPORT FOR FIRST HALF FISCAL 2021

sodexo QUALITY OF LIFE SERVICES

First half Fiscal 2021 Activity Report

(September 1, 2020 to February 28, 2021)

Revenues

REVENUES BY SEGMENT (In millions of euro)	H1 FY21	H1 FY20	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	**4,280**	6,186	-26.5%	+0.1%	-4.4%	-30.8%
Healthcare & Seniors	**2,338**	2,538	-2.1%	0.0%	-5.8%	-7.9%
Education	**1,620**	2,528	-31.9%	-0.3%	-3.7%	-35.9%
On-site Services	**8,238**	**11,252**	**-22.2%**	**0.0%**	**-4.6%**	**-26.8%**
Benefits & Rewards Services	**359**	**443**	**-8.1%**	**+0.5%**	**-11.4%**	**-19.0%**
Elimination	**-2**	**-3**				
TOTAL GROUP	**8,595**	**11,692**	**-21.7%**	**0.0%**	**-4.8%**	**-26.5%**

First half Fiscal 2021 Group revenue was 8,595 million euro, down -26.5%, still significantly impacted by the Covid-19 crisis. The currency effect and in particular the weakness of the dollar and the Real, accounted for -4.8%[1]. The net M&A contribution was negligible. As a result, Group organic revenue decline was -21.7%. This compared with an organic decline of -27.5% in the Second half Fiscal 2020. Importantly, there has been consistent quarter on quarter improvement in trends, since the start of the Covid crisis, even though the second quarter was impacted a bit more by the second wave, in Education, Corporate Services and Benefits & Rewards Services.

	ACTUALS			
Revenue organic growth	Q3 trend* FY2020	Q4 FY2020	Q1 trend* FY2021	Q2 FY2021
Business & Administrations	**-34%**	**-29.8%**	**-25.6%**	**-25.3%**
Of which Corporate Services	-32%	-25%	-24%	-25%
Of which Sports & Leisure	-100%	-91%	-85%	-82%
Education	**-65%**	**-35.7%**	**-31.2%**	**-32.7%**
Of which Schools	-58%	-23%	-21%	-18%
Of which Universities	-71%	-48%	-39%	-46%
Healthcare & Seniors	**-15%**	**-9.1%**	**-3.5%**	**-0.6%**
On-site Services	**-36%**	**-25.4%**	**-22.1%**	**-21.0%**
Benefits & Rewards Services	**-27%**	**-15.1%**	**-5.6%**	**-10.2%**
Group	**-36%**	**-24.9%**	**-21.5%**	**-20.6%**

* restated in Q3 FY20 for 2 weeks which were pre-lockdown in March and in Q1 FY21 to exclude the impact of the Rugby World Cup (RWC) in the previous year.

[1] *For further detail on currencies, please see page 17 of this document.*

Brexit:

The United Kingdom has now left the European Union. Sodexo has been present in the United Kingdom since 1988 and has around 31,000 employees there today. The Group's business is not materially impacted by the United Kingdom leaving the European Union. Sodexo is a local player, working with local suppliers and employees, and very often for Government authorities and Government services. In the UK, traditionally, a large part of the services is FM Services, which have demonstrated their resilience in the current Covid-19 crisis. Our supply chain teams have planned extensively for EU exit and since 1 January. As a result, we have not suffered any significant disruption to our supply chains. Volumes have been low, however, as a result of Covid restrictions and we continue to monitor the situation closely (particularly in relation to fresh produce) as restrictions are eased and volumes increase. We are confident that the planning we have carried out and the close relationships we have with our supply chain partners will stand us in good stead. As usual, growth in activity will remain dependent upon outsourcing trends, growth in GDP and employment in the country.

On-site Services

On-site Services organic revenue decline was -22.2%, impacted by the Covid crisis but demonstrating a consistent improvement in the trend quarter by quarter, even though the second quarter was impacted by the second wave in Europe, in particular in Corporate Services and UK Schools and a longer winter break in American Universities. While Foodservices were down -35.1%, Facilities Management Services remained very resilient with revenues up +2.9%. As a result, Facilities Management Services accounted for 45% of total On-site sales during the First half.

Key Performance Indicators for the First half were also impacted by the pandemic:

- Client retention was down -30 bps to 97.5%, impacted by the British Government's return to self-operation of the Transforming Rehabilitation contract. Excluding this account loss, retention would have been up +20 bps.
- New sales development was down -10 bps at 2.8%, but with much enhanced signing discipline, particularly regarding margins.
- Same site sales decline at - 22.7 %, reflected by the Covid impact particularly on Food volumes, while Facilities Management Services remains solid.
- Healthcare North America has had a good start to the year with an improvement of +80 bps in retention and +60 bps in development.
- Focus and discipline has increased during the period, with gross margins of lost accounts down -150 bps, new signatures up +40 bps, and mobilizations up +140 bps.

On-site Services Revenues by region

REVENUES BY REGION *(In millions of euro)*	**H1 FY21**	**H1 FY20**	**ORGANIC GROWTH**
North America	**3,174**	5,100	-32.6%
Europe	**3,528**	4,388	-18.4%
Asia-Pacific, Latam, Middle East and Africa	**1,535**	1,763	-0.5%
ON-SITE SERVICES TOTAL	**8,238**	**11,252**	**-22.2%**

REVENUES BY REGION *(In millions of euro)*	**Q2 FY21**	**Q2 FY20**	**ORGANIC GROWTH**
North America	**1,486**	2,402	-32.1%
Europe	**1,721**	2,110	-16.8%
Asia-Pacific, Latam, Middle East and Africa	**767**	868	+0.4%
ON-SITE SERVICES TOTAL	**3,974**	**5,380**	**-21.0%**

In Asia-Pacific, Latam, Middle East and Africa, activity is trending down only -0.5% in the First half, reflecting a return to growth in the second quarter. Strong growth in China and Latin America is compensating the ongoing weakness in India and the flattening out of growth in Australia, as demand for extra Covid-related services subsided. In Europe, after a strong start in the first quarter with the reopening of schools and offices, the second wave impacted the second quarter performance particularly in Schools in the UK and Corporate Services more generally. The performance in North America remained very weak, down -32.6%, still very impacted by the situation in Sports & Leisure and the very slow return to sites in Education and Corporate Services.

Business & Administrations

REVENUES BY REGION *(In millions of euro)*	**H1 FY21**	**H1 FY20**	**ORGANIC GROWTH**
North America	**828**	1,658	-46.0%
Europe	**2,084**	2,984	-28.9%
Asia-Pacific, Latam, Middle East and Africa	**1,369**	1,544	+0.4%
BUSINESS & ADMINISTRATIONS TOTAL	**4,280**	**6,186**	**-26.5%**

REVENUES BY REGION *(In millions of euro)*	**Q2 FY21**	**Q2 FY20**	**RESTATED ORGANIC GROWTH**
North America	**405**	804	-45.0%
Europe	**1,004**	1,425	-27.6%
Asia-Pacific, Latam, Middle East and Africa	**687**	761	+1.0%
BUSINESS & ADMINISTRATIONS TOTAL	**2,095**	**2,991**	**-25.3%**

First half Fiscal 2021 **Business & Administrations** revenues totaled **4.3 billion euro**, down organically by -26.5%.

In **North America**, the organic decline remained significant at **-46.0%.** While the trend in Energy & Resources and Government & Agencies segments is improving, Sports & Leisure sites are still largely closed and Corporate Services is still impacted in Foodservices by office closures and has shown no improvement in trend relative to the previous quarter.

In **Europe,** sales were down **-28.9%** organically, with the second quarter slightly better than the first which had been impacted by the negative comparison of the RWC. The trend improved in all sub-segments, except in Corporate Services impacted by the second wave lockdowns from November. Facilities Management services and Global accounts continue to be more resilient in this environment.

In **Asia-Pacific, Latam, Middle East and Africa,** organic growth was **+0.4%,** thanks to a return to growth in the second quarter. Energy & Resources continued to generate solid growth but lower than in the previous quarters as demand for extra Covid-related services subsided, particularly in Australia. China and Latam remain very strong across the board, somewhat offset by India which is still severely impacted by the pandemic.

Healthcare & Seniors

REVENUES BY REGION *(In millions of euro)*	H1 FY21	H1 FY20	ORGANIC GROWTH
North America	**1,297**	1,555	-9.8%
Europe	**910**	819	+12.7%
Asia-Pacific, Latam, Middle East and Africa	**131**	164	-3.6%
HEALTHCARE & SENIORS TOTAL	**2,338**	**2,538**	**-2.1%**

REVENUES BY REGION *(In millions of euro)*	Q2 FY21	Q2 FY20	RESTATED ORGANIC GROWTH
North America	**643**	774	-8.9%
Europe	**467**	408	+15.5%
Asia-Pacific, Latam, Middle East and Africa	**66**	82	-2.8%
HEALTHCARE & SENIORS TOTAL	**1,177**	**1,264**	**-0.6%**

Healthcare & Seniors First half revenues were **2.3 billion euro**, down -2.1% organically, with a significant improvement in the Second quarter versus the First quarter.

Organic decline in **North America** was **-9.8%,** improving very progressively quarter on quarter. Seniors performance and cross-selling of extra services remain solid. However, there is still no sign of any improvement in retail sales which have significantly reduced since the start of the pandemic. Development is picking up with some encouraging new wins.

In **Europe,** organic growth of **+12.7**%, and +15.5% in the Second quarter, reflects the ramping up of the Covid-19 rapid testing centers contract in the UK. Seniors activity is more or less back to previous year levels. However, with the second and third waves, activity is suffering from the lower levels of elective surgery and slower than expected mobilization of new contracts.

In **Asia-Pacific, Latam, Middle East and Africa,** the organic decline was better in the second quarter at -2.8%, with a return to growth in China, against a significantly Covid-impacted comparable base.

Education

REVENUES BY REGION *(In millions of euro)*	H1 FY21	H1 FY20	ORGANIC GROWTH
North America	**1,050**	1,887	-39.7%
Europe	**535**	585	-8.3%
Asia-Pacific, Latam, Middle East and Africa	**35**	55	-15.0%
EDUCATION TOTAL	**1,620**	**2,528**	**-31.9%**

REVENUES BY REGION *(In millions of euro)*	Q2 FY21	Q2 FY20	RESTATED ORGANIC GROWTH
North America	**438**	824	-41.3%
Europe	**250**	277	-9.4%
Asia-Pacific, Latam, Middle East and Africa	**14**	24	-6.7%
EDUCATION TOTAL	**703**	**1,125**	**-32.7%**

First half Fiscal 2021 Revenues in **Education** were **1.6 billion euro**, down -31.9% organically.

In **North America,** the segment remains severely impacted by the pandemic with an organic decline of **-39.7%**. The second quarter trend was slightly worse than the first quarter due to longer than usual winter break at the University representing 14 days less days in the quarter. Schools are progressively reopening but the majority remained closed for most of the period.

In **Europe**, the organic decline was limited to **-8.3%**. While in France fully reopened from September, schools in other countries reopened progressively during the first quarter, even if Covid-19 contaminations are forcing some classes to close without warning. The second quarter trend deteriorated slightly due to the second wave closures of UK schools.

In **Asia-Pacific, Latam, Middle East and Africa**, the organic decline remained high at **-15.0%,** despite a significant improvement in the trend in Q2, down only -6.7%. The collapse of the activity in India is not yet compensated by the progressive reopening in China, hampered by low activity in the international schools.

Benefits & Rewards Services

Benefits & Rewards Services revenue amounted to 359 million euro, down -8.1% organically and -19% including the negative currency impact of -11.4%, principally due to the Brazilian real and the Turkish lira.

Revenues

REVENUES BY ACTIVITY *(In millions of euro)*	**H1 FY21**	**H1 FY20**	**ORGANIC GROWTH**
Employee Benefits	**275**	348	-8.4%
Services Diversification	**84**	96	-7.2%
BENEFITS & REWARDS SERVICES	**359**	**443**	**-8.1%**

REVENUES BY ACTIVITY (In millions of euro)	**Q2 FY21**	**Q2 FY20**	**ORGANIC GROWTH**
Employee Benefits	**145**	188	-11.8%
Services Diversification	**45**	49	-3.9%
BENEFITS & REWARDS SERVICES	**190**	**238**	**-10.2%**

In the first half, **Employee Benefits** revenues were down **-8.4%** organically**,** compared to +0.2% in issue volume (5.9 billion euro). This is a significant improvement relative to the Second half Fiscal 2020 trend but represents a slowdown in the second quarter relative to the first quarter. Merchant reimbursements slowed down significantly from November due to lockdowns in Europe.

Services Diversification was down **-7.2 %** due to the continued difficulties in the Health & Wellness and Mobility markets in most countries, due to the closure of most sporting facilities and the lack of business travel. Fuel & Fleet provided more resilience. Public benefits are up strongly in all regions. The trend was significantly better in the second quarter, down only -3.9% due to a return to growth in Incentive & Recognition.

REVENUES BY REGION *(in millions of euro)*	**H1 FY21**	**H1 FY20**	**ORGANIC GROWTH**
Europe, USA and Asia	**242**	270	-7.0%
Latin America	**116**	173	-10.1%
BENEFITS & REWARDS SERVICES	**359**	**443**	**-8.1%**

REVENUES BY REGION (in millions of euro)	Q2 FY21	Q2 FY20	ORGANIC GROWTH
Europe, USA and Asia	**130**	150	-10.0%
Latin America	**60**	88	-10.7%
BENEFITS & REWARDS SERVICES	**190**	**238**	**-10.2%**

In **Europe, Asia and USA,** First half Fiscal 2021 revenues declined by **-7.0%** organically, reflecting a deterioration in the trend in the second quarter, down -10%, after a better first quarter down only -3.2%. After a solid recovery in September and October in Europe, the trend reversed in November due to the second round of lockdowns and restaurant closures. In China and Turkey, issue and reimbursement volumes were also more modest in the second quarter after the catch-up in the first quarter. Growth in India remained strong for meal benefits.

In **Latin America,** sales declined **-10.1%.** Overall, issue volumes and reimbursement volumes were stable in the region. Revenues in Brazil were impacted by the highly competitive environment, while interest rates are stabilizing from quarter to quarter. The momentum in the rest of the region remained solid, except in Chile still significantly impacted by the pandemic.

REVENUES BY NATURE *(In millions of euro)*	H1 FY21	H1 FY20	ORGANIC GROWTH
Operating Revenues	**339**	412	-7.4%
Financial Revenues	**20**	31	-17.9%
BENEFITS & REWARDS SERVICES	**359**	**443**	**-8.1%**

REVENUES BY NATURE (In millions of euro)	Q2 FY21	Q2 FY20	ORGANIC GROWTH
Operating Revenues	**180**	223	-10.1%
Financial Revenues	**11**	15	-13.1%
BENEFITS & REWARDS SERVICES	**190**	**238**	**-10.2%**

The decline in **Operating revenues** was **-7.4%. Financial revenues** were down more significantly by **-17.9%**, impacted by the decline in interest rates, particularly in Brazil. However, as rates have stabilized since July 2020, the year on year comparison is easing each quarter.

Underlying operating profit

First half Fiscal 2021 Underlying operating profit amounted to 265 million euro, down -61.4% compared to the revenue decline of -26.5%. As a result, the Underlying operating margin was 3.1%, down -280 bps, exacerbated by currency mix effects for -30 bps. This performance represents a major improvement compared to the loss in second half Fiscal 2020 and is the result of the many contract renegotiations since March 2020, government furlough in some countries, the first results of the restructuring program and very strict cost control.

Underlying Operating profit by activity

(in millions of euro)	UNDERLYING OPERATING PROFIT H1 FISCAL 2021	DIFFERENCE	DIFFERENCE (EXCLUDING CURRENCY EFFECT)	UNDERLYING OPERATING PROFIT MARGIN H1 FISCAL 2021	DIFFERENCE IN MARGIN	DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT)
Business & Administrations	16	-93.4%	-90.1%	0.4%	- 360 bps	- 340 bps
Healthcare & Seniors	149	-6.6%	-0.9%	6.4%	+10 bps	+10 bps
Education	69	-67.2%	-64.9%	4.3%	- 410 bps	- 400 bps
ON-SITE SERVICES	**235**	**-61.9%**	**-58.1%**	**2.9%**	**- 260 bps**	**- 260 bps**
BENEFITS & REWARDS SERVICES	**85**	**-36.5%**	**-19.1%**	**23.6%**	**- 650 bps**	**- 360 bps**
Corporate expenses & Intragroup eliminations	-55	+13.4%	+12.9%	-		
UNDERLYING OPERATING PROFIT	**265**	**-61.4%**	**-55.2%**	**3.1%**	**- 280 bps**	**- 250 bps**

The First half Underlying operating profit margin in On-site Services, **excluding the currency effect,** was down -260 bps, impacted by the significant decline in revenues due to the Covid crisis. Segment performance is as follows:

- **Business & Administrations:** Underlying operating profit margin was slightly positive, at 0.4% down -340 bps relative to the First half Fiscal 2020. While Sports & Leisure generated a loss due to the very significant decline in activity and its incompressible residual costs, the other sub-segments were all positive, with Government & Agencies and Energy & Resources actually increasing their margins.
- **Healthcare & Seniors:** the Underlying operating profit margin was 6.4%, up +10 basis points against the previous year, with improvement in each region. This solid performance is the result of strong execution on staffing and food costs in a particularly difficult environment and a positive contribution from net new business and cross-selling.
- **Education:** the Underlying operating profit margin was 4.3%, down -400 bps relative to the previous period. The return to positive margins reflects the results of the contract negotiations and the better volumes in Europe.
- In **Benefits & Rewards Services**, the Underlying operating profit margin came out at 23.6% down -360 bps excluding a very significant currency mix effect but up +260 bps relative to the Second half Fiscal 2020. This performance is a result of lower production costs linked to the increasing share of digital, the first results of the restructuring program and very strict control of SG&A costs.

Group net profit

(in millions of euro)	H1 FISCAL 2021	H1 FISCAL 2020	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	**8,595**	11,692	*-26.5%*	*-21.7%*
UNDERLYING OPERATING PROFIT	**265**	**685**	*-61.4%*	*-55.2%*
UNDERLYING OPERATING PROFIT MARGIN	***3.1%***	***5.9%***	**- 280 bps**	**- 250 bps**
Other operating expenses	(128)	(66)		
OPERATING PROFIT	**136**	**619**	*-78.0%*	*-73.2%*
Net financial expense	(50)	(67)		
Tax charge	(53)	(161)		
Effective tax rate	*63.0%*	*29.3%*		
GROUP NET PROFIT	**33**	**378**	*-91.3%*	*-86.6%*
EPS *(in euro)*	**0.23**	**2.59**	*-91.3%*	
UNDERLYING NET PROFIT	**128**	**424**	*-69.9%*	*-63.6%*
UNDERLYING EPS *(in euro)*	0.87	2.91	*-69.9%*	

Other operating income and expenses were -128 million euro, against -66 million euro in the previous year period, reflecting the First half Fiscal 2021 costs of the GET restructuring program amounting to 107 million euro, against 33 million euro in the previous year.

(in millions of euro)	H1 FISCAL 2021	H1 FISCAL 2020
Underlying Operating profit	**265**	**685**
Other operating income	**8**	**5**
Gains related to consolidation scope changes	3	2
Gains on changes of post-employment benefits	4	4
Other operating expenses	**(136)**	**(71)**
Restructuring and rationalization costs	(107)	(33)
Acquisition-related costs	(2)	(5)
Losses related to consolidation scope changes	(1)	(1)
Losses on changes of post-employment benefits	(1)	(2)
Amortization of acquired intangible assets and impairment of goodwill and non-current assets	(21)	(20)
Other	(3)	(11)
Other Operating income and expenses	**(128)**	**(66)**
Operating Profit	**136**	**619**

As a result, the **Operating Profit** was 136 million euro against 619 million euro in the previous period.

Net financial expenses were 50 million euro, down 17 million euro year on year essentially due to the reimbursement of the USPP debt and an average blended cost of debt of 1.6%, compared 2.2% as of February 29, 2020 and stable compared to August 31, 2020.

The tax charge in First half Fiscal 2021 amounted to 53 million euro, down 108 million euro relative to the previous period. The effective tax rate was strongly affected by the non-recognition of deferred tax assets in France due to the lack of prospect of short-term recoverability. Excluding the tax impact of the Other Operating Income & Expenses, the Underlying effective tax rate would have been 40.7% against 29.3% in First half Fiscal 2020.

Profit attributed to non-controlling interests was 2 million euro, against 17 million euro in the previous year. As a result, **Group net profit** was 33 million euro and **EPS** is €0.23.

Underlying net profit (adjusted for Other operating income and expenses at a normalized tax rate) amounted to 128 million euro, compared to 424 million euro in the previous period. **Underlying EPS** was €0.87 against €2.91 in the previous period.

Consolidated financial position

Cash flows

(in millions of euro)	H1 FISCAL 2021	H1 FISCAL 2020
Operating cash flow	405	791
Change in working capital excluding change in BRS financial assets*	41	(647)
IFRS 16 Leases outflow	(123)	(120)
Net capital expenditure	(86)	(268)
FREE CASH FLOW	**237**	**(243)**
Net acquisitions	(10)	(13)
Share buy-backs/ Treasury stock	(11)	(39)
Dividends paid to shareholders	-	(425)
Other changes (including scope and exchange rates)	(28)	(140)
(INCREASE)/DECREASE IN NET DEBT since August 31	**187**	**(860)**

* Excluding change in financial assets related to the Benefits & Rewards Services activity (€(42)m in H1 Fiscal 2021 and +€104m in H1 Fiscal 2020).
Total change in working capital as reported in consolidated accounts: in H1 Fiscal 2021: €(1)m = €41m+€(42)m and in H1 Fiscal 2020: €(543)m = €(647)m+ €104m

First half Fiscal 2021 Free cash flow was much better than expected, helped by a positive change in working capital and a significant reduction in capital expenditure.

While Operating cash flow totaled 405 million euro, against 791 million euro in the same period last year, the Working capital variation was a positive 41 million euro, despite the normally negative seasonality impact, against an outflow of 647 million euro in the First half Fiscal 2020.
This performance was boosted by strict management of receivables, Benefits & Rewards due to lower reimbursement flows, continued Government support in terms of payment delays.

Net capital expenditure was at 86 million euro representing only 1% of revenues, against 268 million euro in the first half Fiscal 2020, or 2.3% of revenues, due to delays in client investments and a refund of rights fees from the Tokyo Olympics organizing committee, these fees having become variable as part of the new contract.

As a result, Free cashflow was 237 million euro. Both On-site Services and Benefits & Rewards Services generated free cashflow.

Prolongation of the pandemic has helped to delay the expected non-recurrent elements into the second half of the year; refunds of the Tokyo Olympics hospitality packages have been lower than expected, some of the restructuring in Europe is delayed into the second half, and Covid-related government support has been further extended.

The major change in other cashflow items in First half Fiscal 2021 was the lack of a dividend pay-out on Fiscal 2020 earnings, compared to the 425 million euro payment in First half Fiscal 2020.
Net acquisitions and disposals remained at a very low level, at 10 million euro. Share buy-backs were limited to covering future expected performance share attributions. The Other outflows were principally related to negative currency impacts, in particular linked to the weakness of the Brazilian Real.

As a result, consolidated net debt fell by 187 million euro from Fiscal 2020 year-end, to 1,681 million euro as at February 28, 2021.

Condensed consolidated statement of financial position at February 28, 2021

(in millions of euro)	FEBRUARY 28, 2021	FEBRUARY 29, 2020
Non-current assets	9,766	10,949
Current assets excluding cash	4,943	5,926
Restricted cash Benefits and Rewards Services	795	563
Financial assets Benefits and Rewards Services	342	426
Cash	2,210	1,685
TOTAL ASSETS	**18,056**	**19,549**

(in millions of euro)	FEBRUARY 28, 2021	FEBRUARY 29, 2020
Shareholders' equity	2,917	4,098
Non-controlling interests	15	48
Non-current liabilities	6,238	6,058
Current liabilities	8,886	9,345
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**18,056**	**19,549**
GROSS DEBT excluding IFRS16	**5,005**	**4,697**
NET DEBT excluding IFRS16	**1,681**	**2,074**
GEARING	**57%**	**50%**
NET DEBT RATIO[1]	**3.8**	**1.3**

As of February 28, 2021, net debt was 1,681 million euro, lower than at the same period the previous year and at August 31, 2020. Gearing was 57% versus 50% last year and 67% at year-end Fiscal 2020. The net debt ratio at 3.8x is particularly high, as it is based on a rolling 12-month Underlying EBITDA.

At the end of the period, the Group had unused lines of credit totaling 1.9 billion euro.

The operating cash position totaled 3,324 million euro as of February 28, 2021, including bank overdrafts for 23 million euro. The Benefits & Rewards Services position was 2,226 million euro, including 795 million euro of restricted cash and 342 million euro of financial assets of more than three months. With this operating cash and client receivables of 1,455 million euro, compared to voucher liabilities payable of 3,435 million euro, the Benefits & Rewards Services asset to liability coverage is 107%, stable compared to the level at Fiscal 2020 year end.

Total liquidity amounts to 5.3 billion euro at the end of the period.

Executive Committee evolution

During the quarter, there have been several changes within the Executive Committee:

- Anne Bardot has been appointed Chief Communications Officer, replacing Dianne Salt who has left the company to return to Canada.
- Cathy Desquesses, Chief People Officer, is leaving the company to pursue her career in a different country and industry. The appointment of her replacement will be announced in due course.
- After 24 years in the Group, Satya Menard, CEO Schools Worldwide and Universities rest of the world has left the company to pursue his career in a different country and industry. The appointment of his replacement will be announced in due course.

[1] *See APM definitions*

Related party transactions

The main related party transactions are presented in Note 9.4 to the First half Fiscal 2021 consolidated financial statements.

Main risks and uncertainties

The main risks and uncertainties are not materially different from those described in the Risk Management section of the Fiscal 2020 Universal Registration Document filed with the *Autorité des marchés financiers* (AMF) on November 23, 2020.

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 Benefits & Rewards business in Brazil, and the high level of the margins relative to the Group, when the Brazilian Real declines against the euro, it has a negative effect on the Underlying operating margin due to a change in the mix of margins. Conversely, when the Brazilian Real improves, Group margins increase.

1€=	AVERAGE RATE H1 FISCAL 21	AVERAGE RATE H1 FISCAL 20	AVERAGE RATE H1 FISCAL 21 VS. H1 FISCAL 20	CLOSING RATE H1 FISCAL 21 AT 28/02/2021	CLOSING RATE FISCAL 20 AT 31/08/20	CLOSING RATE 28/02/21 VS. 31/08/20
U.S. DOLLAR	1.197	1.105	-7.7%	1.212	1.194	-1.5%
POUND STERLING	0.897	0.862	-3.9%	0.871	0.896	+2.9%
BRAZILIAN REAL	6.554	4.602	-29.8%	6.664	6.474	-2.9%

Sodexo operates in 64 countries. The percentage of total revenues and Underlying operating profit denominated in the main currencies are as follows:

H1 FY2021	% OF REVENUES	% OF UNDERLYING OPERATING PROFIT
U.S. DOLLAR	35%	46%
EURO	26%	-26%
UK POUND STERLING	11%	10%
BRAZILIAN REAL	4%	24%

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.

As a result, for the calculation of organic growth in Argentina Peso figures for First half Fiscal 2021 and First half Fiscal 2020 have been converted at the exchange rate of
1€ = 109.280 ARS vs 68.248 ARS for First half Fiscal 2020.

Glossary

First half client Retention rate

The First half Client Retention rate corresponds to the total amount of revenue in the First half generated from business with existing clients in the prior fiscal year compared with total revenues for that year. The client retention rate declines progressively month by month as business is lost during the year.

First half Development rate

The First half Development rate is the annualized estimated revenue for new contracts signed during the First half divided by prior year annual revenues. The development rate increases progressively month by month, as business is won during the year.

Comparable site growth rate

The First half comparable site growth rate is the increase in revenues from sites that have contributed to consolidated revenue in both prior and current year first halves. It also includes the growth generated by the major sporting events.

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 Definitions

		H1 2021	H1 2020
Gearing ratio	Gross borrowings (1) – operating cash (2) / Shareholders' equity and non-controlling interests	57%	50%
New net debt ratio	Gross borrowings (1) – operating cash (2) / Rolling 12-month Underlying EBITDA (3)	3.8	1.3

Financial Ratio Reconciliation

		H1 2021	H1 2020
[(1)] **Gross borrowings**	Non-current borrowings	4,398	3,928
	+ current borrowings excluding overdrafts	641	796
	- derivative financial instruments recognized as assets	(34)	(27)
		5,005	**4,697**
[(2)] **Operating cash**	Cash and cash equivalents	2,210	1,685
	+ restricted cash and financial assets related to the Benefits and Rewards Services activity	1,137	989
	- bank overdrafts	(23)	(51)
		3,324	**2,623**
[(3)] **Rolling 12-month Underlying EBITDA**	Underlying operating profit (H2 +H1)	149	1,238
	+ depreciation and amortization (H2 + H1)	580	469
	- lease payments (H2 +H1)	289	131
		440	**1,577**

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.

As a result, for the calculation of organic growth in Argentina Peso, figures for H1 FY 2021 and H1 FY 2020 have been converted at the exchange rate of 1€ = 109.280 ARS vs 68.248 ARS for H1 FY 2020.

Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by the Group's Benefits and 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. This does not include lease obligations as defined by IFRS16.

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.
- For countries with hyperinflationary economies all figures are converted at the latest closing rate for both periods. As a result, for the calculation of organic growth in Argentina Peso figures for H1 FY 2021 and H1 FY 2020 have been converted at the exchange rate of 1€ = 109.280 ARS vs 68.248 ARS for H1 FY 2020.

Reimbursement volume

- Reimbursement volume corresponds to the total face value of service vouchers, cards and digitally delivered services (Benefits and Rewards Services activity) reimbursed to the Merchants.

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 H1 2021 figures at H1 FY 2020 rates, except for countries with hyperinflationary economies.

2

FIRST HALF FISCAL 2021 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(in millions of euro)	NOTES	FIRST HALF FISCAL 2021	FIRST HALF FISCAL 2020
REVENUES	3	**8,595**	**11,692**
Cost of sales	4.1	(7,415)	(9,964)
GROSS PROFIT		**1,181**	**1,729**
Selling, General and Administrative costs	4.1	(918)	(1,046)
Share of profit of companies consolidated by the equity method that directly contribute to the Group's business		2	2
UNDERLYING OPERATING PROFIT		**265**	**685**
Other operating income	4.2	8	5
Other operating expenses	4.2	(136)	(71)
OPERATING PROFIT	**3**	**136**	**619**
Financial income	7.1	12	16
Financial expenses	7.1	(62)	(83)
Share of profit of other companies consolidated by the equity method		2	3
PROFIT FOR THE PERIOD BEFORE TAX		**88**	**556**
Income tax expense	2.2 and 9.1	(53)	(161)
NET PROFIT FOR THE PERIOD		**35**	**395**
Of which:			
Attributable to non-controlling interests		2	17
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**33**	**378**
BASIC EARNINGS PER SHARE *(in euro)*	8.2	**0.23**	**2.59**
DILUTED EARNINGS PER SHARE *(in euro)*	8.2	**0.22**	**2.55**

Notes available in H1 FY2021 Financial report

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in millions of euro)	FIRST HALF FISCAL 2021	FIRST HALF FISCAL 2020
NET PROFIT FOR THE PERIOD	**35**	**395**
Components of other comprehensive income that may be reclassified subsequently to profit or loss		
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	(21)	(26)
Currency translation adjustment reclassified to profit or loss	-	-
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 consolidated by the equity method, net of tax	2	2
Components of other comprehensive income that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plan obligation	(37)	(73)
Change in fair value of financial assets revalued through other comprehensive income	136	(96)
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	7	12
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), AFTER TAX	**88**	**(181)**
COMPREHENSIVE INCOME	**123**	**214**
Of which:		
Attributable to equity holders of the parent	121	196
Attributable to non-controlling interests	2	18

Notes available in H1 FY2021 Financial report

sodexo QUALITY OF LIFE SERVICES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(in millions of euro)	NOTES	FEBRUARY 28, 2021	AUGUST 31, 2020
Goodwill		5,781	5,764
Other intangible assets		661	673
Property, plant and equipment		529	566
Right-of-use assets relating to leases		1,221	1,321
Client investments		551	575
Companies accounted for using the equity method		63	60
Financial assets	7.3	750	601
Derivative financial instrument assets	7.3	16	11
Other non-current assets		23	22
Deferred tax assets		171	137
NON-CURRENT ASSETS		**9,766**	**9,730**
Financial assets		39	40
Derivative financial instrument assets	7.3	18	11
Inventories		245	259
Income tax receivable		131	113
Trade and other receivables	4.3	4,509	4,070
Restricted cash and financial assets related to the Benefits & Rewards Services activity	4.4	1,137	1,103
Cash and cash equivalents	7.2	2,210	2,027
CURRENT ASSETS		**8,290**	**7,623**
TOTAL ASSETS		**18,056**	**17,353**

Notes available in H1 FY2021 Financial report

Shareholders’ equity and liabilities

(in millions of euro)	NOTES	FEBRUARY 28, 2021	AUGUST 31, 2020
Share capital		590	590
Additional paid-in capital		248	248
Reserves and retained earnings		2,079	1,920
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENTS		**2,917**	**2,758**
NON-CONTROLLING INTERESTS		**15**	**15**
SHAREHOLDERS’ EQUITY	8	**2,932**	**2,773**
Long-term borrowings	7.4	4,381	4,975
Derivative financial instrument liabilities	7.4	17	13
Long-term lease liabilities		1,034	1,126
Employee benefits		360	344
Other non-current liabilities		231	196
Non-current provisions		89	84
Deferred tax liabilities		125	97
NON-CURRENT LIABILITIES		**6,238**	**6,834**
Bank overdrafts		23	6
Short-term borrowings	8.4	636	21
Derivative financial instrument liabilities	8.4	5	6
Short-term lease liabilities		218	231
Income tax payable		162	174
Current provisions	7.1	227	171
Trade and other payables	4.3	4,181	4,020
Vouchers liabilities		3,435	3,117
CURRENTS LIABILITIES		**8,886**	**7,745**
TOTAL SHAREHOLDER’S EQUITY AND LIABILITIES		**18,056**	**17,353**

Notes available in H1 FY2021 Financial report

sodexo
QUALITY OF LIFE SERVICES

CONSOLIDATED CASH FLOW STATEMENT

(in millions of euro)	NOTES	FIRST HALF FISCAL 2021	FIRST HALF FISCAL 2020
Operating profit		**136**	**619**
Depreciation, amortization and impairment of intangible assets and property, plant and equipment and right-of-use assets relating to leases (1)		290	330
Provisions		58	3
(Gains) losses on disposals		(1)	1
Other non-cash items		21	21
Dividends received from companies accounted for using the equity method		2	0
Net interest expense paid		(10)	(38)
Interests paid on lease liabilities		(10)	(11)
Income tax paid		(82)	(136)
Operating cash flow		**405**	**791**
Change in inventories		13	(5)
Change in trade and other receivables		(484)	(755)
Change in trade and other payables		184	(106)
Change in vouchers payable		329	219
Change in financial assets related to the Benefits & Rewards Services activity		(42)	104
Change in working capital from operating activities		**(1)**	**(543)**
NET CASH PROVIDED BY OPERATING ACTIVITIES		**404**	**248**
Acquisitions of property, plant and equipment and intangible assets		(137)	(236)
Disposals of property, plant and equipment and intangible assets		37	10
Change in client investments		14	(35)
Change in financial assets and share of companies accounted for using the equity method		(9)	(32)
Business combinations		(19)	(14)
Disposals of activities		8	0
NET CASH USED IN INVESTING ACTIVITIES		**(105)**	**(307)**
Dividends paid to Sodexo S.A. shareholders	8.1	-	(425)
Dividends paid to non-controlling shareholders of consolidated companies		(8)	(7)
Purchases of treasury shares	8.1	(11)	(39)
Sales of treasury shares	8.1	4	-
Change in non-controlling interests		(2)	(21)
Proceeds from borrowings	7.4	3	850
Repayment of borrowings	7.4	(6)	(245)
Repayment of lease liabilities		(123)	(126)
NET CASH PROVIDED BY/ (USED IN) FINANCING ACTIVITIES		**(144)**	**(14)**
NET EFFECT OF EXCHANGE RATES AND OTHER EFFECTS ON CASH		**11**	**(40)**
CHANGE IN NET CASH AND CASH EQUIVALENTS		**166**	**(113)**
NET CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**2,021**	**1,746**
NET CASH AND CASH EQUIVALENTS, END OF PERIOD	**7.2**	**2,187**	**1,633**

(1) Including 127 million euro corresponding to the depreciation of the right-of-use assets recognized in First Half Fiscal 2021 pursuant to IFRS 16 (129 million euro recognized for First Half Fiscal 2020).

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euro)	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	Non-controlling interests	Total
NOTES	8.1							
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 (net of income tax)				(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 (1)				24	-	24	-	24
Shareholders' equity as of February 28, 2021	**147,454,887**	**590**	**248**	**3,342**	**(1,263)**	**2,917**	**15**	**2,932**

(1) Including the effects of hyperinflation.

(in millions of euro)	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	Non-controlling interests	Total
NOTES	8.1							
Shareholders' equity as of August 31, 2019	**147,454,887**	**590**	**248**	**4,358**	**(741)**	**4,456**	**42**	**4,498**
Restatement due to IFRIC 23 first application (1)				(96)	**-**	(96)	**-**	(96)
Shareholders' equity as of September 1, 2019	**147,454,887**	**590**	**248**	**4,263**	**(741)**	**4,360**	**42**	**4,402**
Net profit for the period				378	-	378	17	395
Other comprehensive income (loss), net of tax				(156)	(26)	(182)	1	(181)
Comprehensive income				**222**	**(26)**	**196**	**18**	**214**
Dividends paid				(425)	-	(425)	(7)	(432)
Treasury share transactions				(37)	-	(37)	-	(37)
Share-based payment (net of income tax)				23	-	23	-	23
Change in ownership interest without any change of control				(17)	-	(17)	(4)	(21)
Other (2)				(3)	-	(3)	-	(3)
Shareholders' equity as of February 29, 2020	**147,454,887**	**590**	**248**	**4,027**	**(767)**	**4,098**	**48**	**4,146**

(1) Impact of First-time application of IFRIC 23 "Uncertainty over income tax treatments".
(2) Including the effects of hyperinflation.