

First Nine Months Fiscal 2018 Revenues

July 5, 2018

FORWARD-LOOKING INFORMATION

This presentation contains statements that may be considered as forward-looking statements and as such may not relate strictly to historical or current facts.

These statements represent management's views as of the date they are made and Sodexo assumes no obligation to update them.

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

Alternative Performance Measures:
please refer to Appendix 1 for definitions

AGENDA

1. First Nine Months Fiscal 2018 highlights
2. Review of Operations
3. Outlook for Fiscal 2018
4. Appendices

FIRST NINE MONTHS FISCAL 2018 HIGHLIGHTS



Q3 IN LINE WITH REVISED EXPECTATIONS

First nine months Fiscal 2018 highlights



- **Maintained momentum in Business & Administrations in Q3**
 - Still good trend in Energy & Resources despite higher comparative base
 - Continued strong dynamic in developing economies
- **Health Care & Seniors very strong in developing economies, slightly improving in Q3 in Europe but still slow in North America**
- **Education performance impacted by fewer board days in Noram Universities in Q3**
- **Benefits & Rewards Services growth benefitting from Brazil improvement in Q3**

CONTRACT WINS AND EXTENSIONS

First nine months Fiscal 2018 highlights

Momentum in
Food services



**Airport Lounge
Development**

Sports & Leisure contract
in the US



KDADS

Health Care contract
in the US



Grupo Santa

Health Care contract
in Brazil

Signatures
in Education



Insead Singapore

University contract
in Singapore



Tyne Coast College Group

University contract
in the United Kingdom



Ecoles de Marseilles

Schools contract
in France
Renewal

Comparable
unit growth /
Extensions



Microsoft

Corporate contract
in 18 countries
in Europe and Africa



Tetra Pak

Global partnership
agreement
covering 30 countries



**International School
of Beijing**

Schools contract
in China

BOARD CHANGES FOLLOWING THE BOARD MEETING ON JUNE 20

First nine months Fiscal 2018 highlights

Patricia Bellinger, Board member since 2005, and **Michel Landel**, Board member since 2009, retired from the Board, effective July 1, 2018.

Sophie Stabile will join the Board on July 1, 2018. Her nomination will be submitted for ratification by the shareholders at the next Annual General Meeting to be held on January 22, 2019.

13 directors

5 independent directors

2 employee representatives

7 women

4 nationalities

STRENGTHENED EXECUTIVE COMMITTEE

First nine months Fiscal 2018 highlights



DENIS MACHUEL
Chief Executive
Officer of Sodexo

► Broadens
representation
of the business

► Reinforces
regional
representation

► Strengthens
Client and
Consumer focus

SEGMENTS & ACTIVITIES



SYLVIA METAYER
CEO,
Corporate Services



NICOLAS JAPY
CEO,
Energy & Resources



**NATHALIE
BELLON-SZABO**
CEO,
Sports & Leisure



TONY LEECH
CEO,
Government
& Agencies



MARC PLUMART
CEO,
Healthcare
& Seniors



SATYA MENARD
CEO,
Schools
& Universities



AURELIEN SONET
CEO,
Benefits & Rewards
Services



DIDIER SANDOZ
CEO,
Personal & Home
Services

REGIONS



LORNA DONATONE
Region Chair,
North America; CEO,
Geographic Regions



ANNA NOTARIANNI
Region Chair, France



JOHNPAL DIMECH
Region Chair,
Asia Pacific



SEAN HALEY
Region Chair, UK
CEO, Service
Operations

GLOBAL FUNCTIONS



**CATHY
DESQUESSES**
Chief People Officer



DIANNE SALT
Chief Brand &
Communications
Officer



MARC ROLLAND
Chief Financial Officer



BRUNO VANHAELST
Chief
Marketing Officer



DAMIEN VERDIER
Chief Strategy &
Corporate
Responsibility Officer



**BELEN MOSCOSO
DEL PRADO**
Chief Digital &
Innovation Officer

IMMEDIATE ACTION PLAN

Designed for North America but being implemented across regions

IMPROVING FOOD COST MANAGEMENT

- › Rationalize SKUs
- › Control drop frequency more strictly
- › Further increase supplier and product compliance
- › Accelerate synergies from acquisitions

OPTIMIZING SG&A/OUT OF UNITS

- › Introduce Zero base redesign (Fit for the future)
- › Consolidate back-office including acquisitions
- › Simplify the organization
- › Reduce discretionary spend

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

ENHANCING LABOR PRODUCTIVITY

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

ADRESSING LOW PERFORMING CONTRACTS

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

EMBEDDED IN A LONG TERM STRATEGIC AGENDA

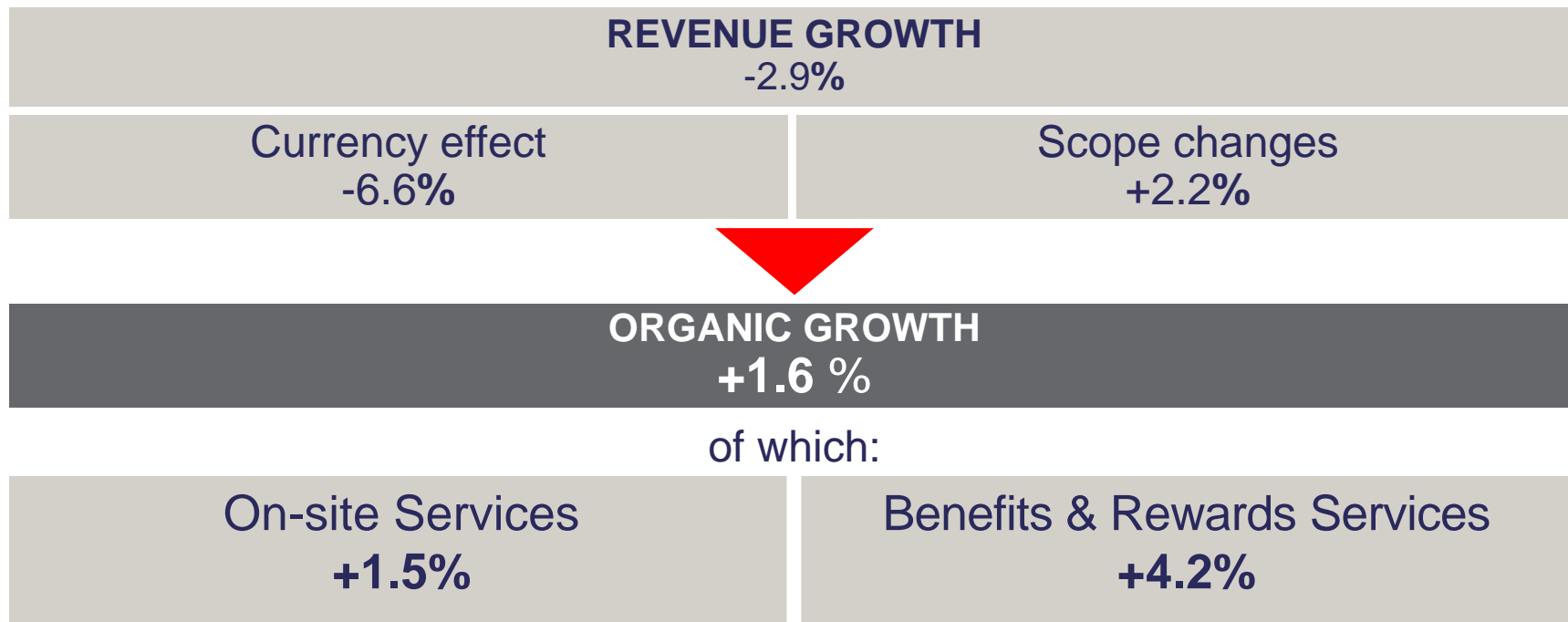
REVIEW OF OPERATIONS

- › On-site Services
- › Benefits & Rewards Services

2

REVENUE: 15.5 BILLION EURO

First nine months Fiscal 2018 revenues

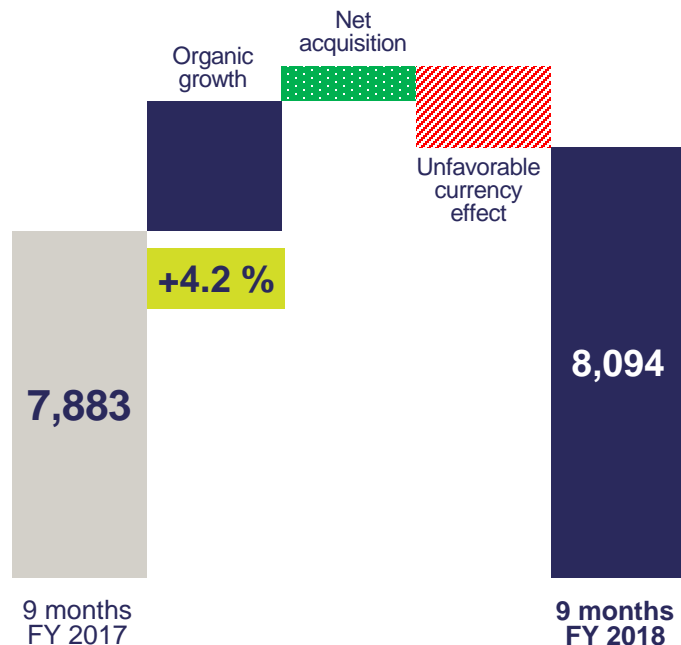


BUSINESS & ADMINISTRATIONS – REVENUES



€ millions

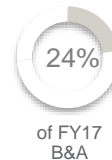
ORGANIC GROWTH



+2.0%

North America

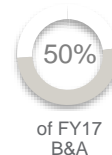
- Continued momentum in Airline lounges
- Energy & Resources site closure in Q2



+1.2%

Europe

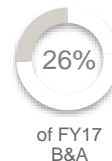
- Moderate growth in France supported by tourism
- Government & Agencies progressively affected by exit of British Army contracts



+11.7%

Africa, Asia, Australia, Latin America & Middle East

- Strong demand in all regions
- Comparative base includes last year's startups since Q3

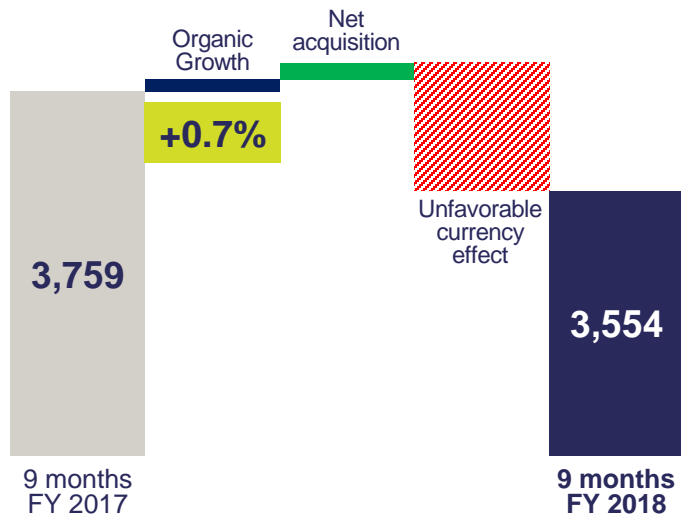


HEALTH CARE & SENIORS – REVENUES



€ millions

ORGANIC GROWTH



-0.8%

North America

- Easier comparative base from Q3
- Lack of new contract wins

+0.2%

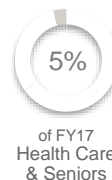
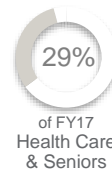
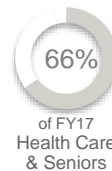
Europe

- Improving trend in Seniors in France
- Recent UK Hospital openings

+16.9%¹

Africa, Asia, Australia, Latin America & Middle East

- Significant number of startups in Brazil
- Strong same site sales growth in China and India

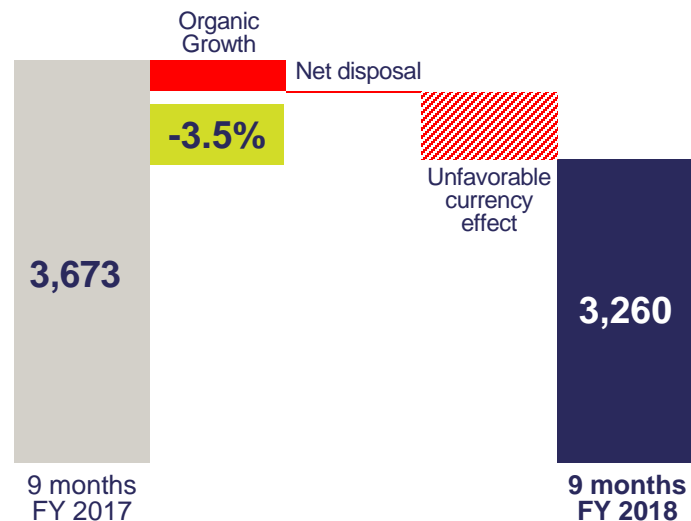


EDUCATION – REVENUES



€ millions

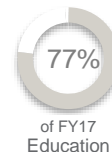
ORGANIC GROWTH



-4.9%

North America

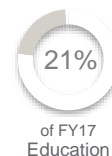
- 5 fewer board days in Universities



+2.0%

Europe

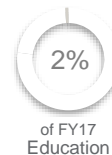
- Negative impact from bank holidays calendar in France
- Strong growth in Schools in Spain



+14.7%¹

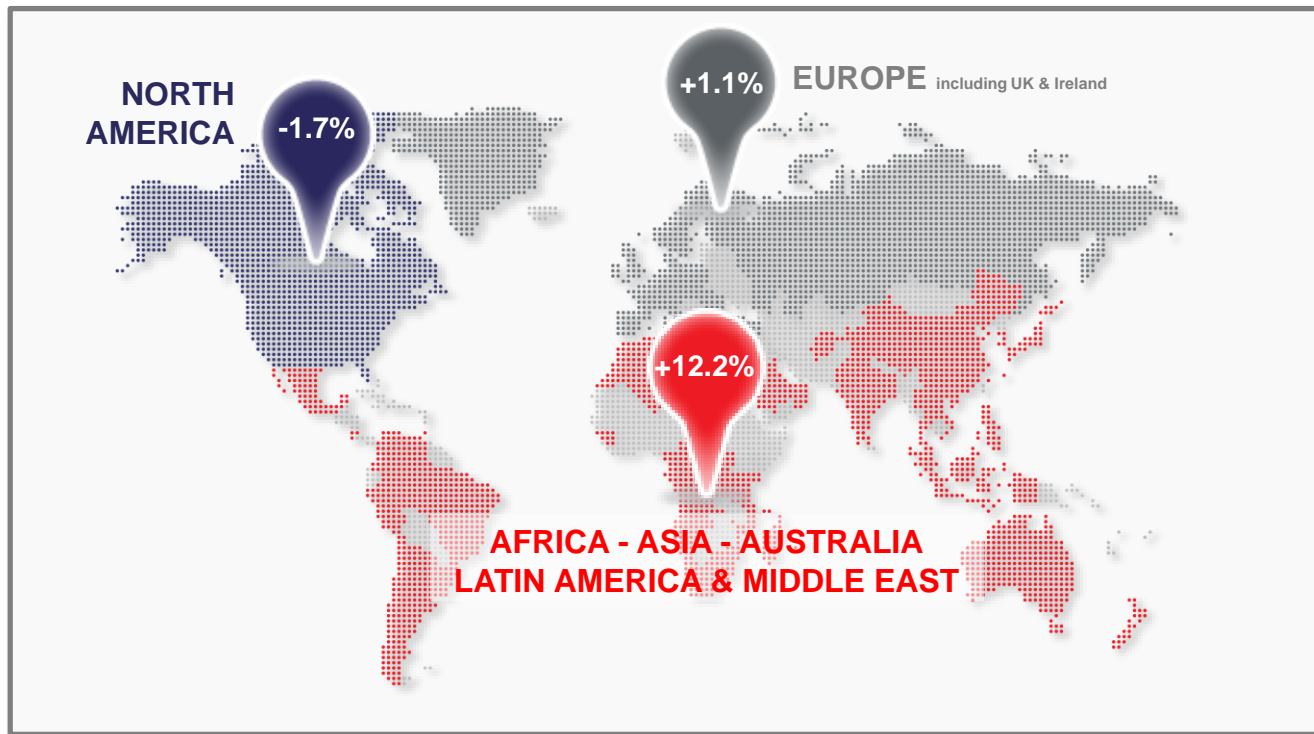
Africa, Asia, Australia, Latin America & Middle East

- Very strong growth in Schools in Asia particularly in China and Singapore



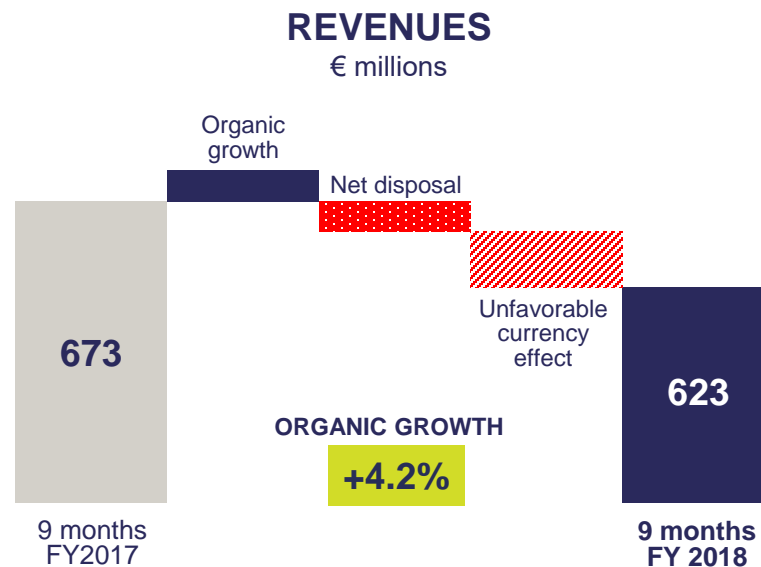
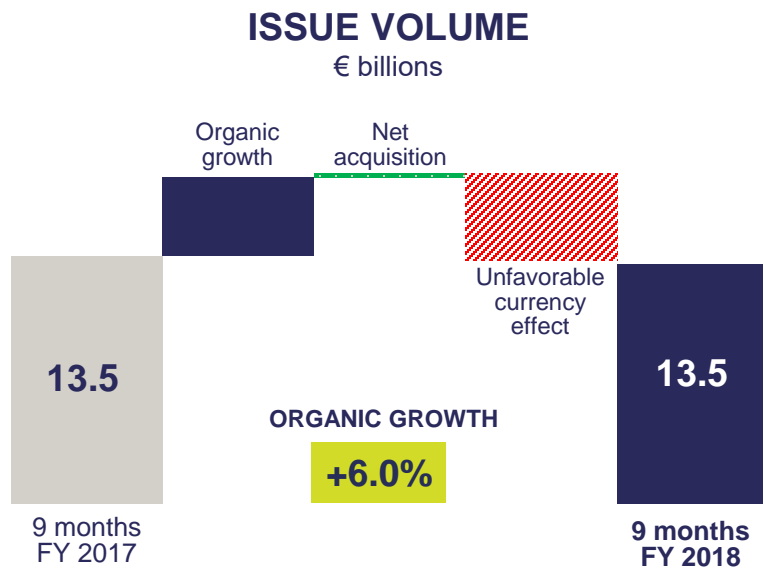
ON-SITE SERVICES ORGANIC GROWTH BY REGION

At +4.3% outside North America



ISSUE VOLUME AND REVENUES

Benefits & Rewards Services



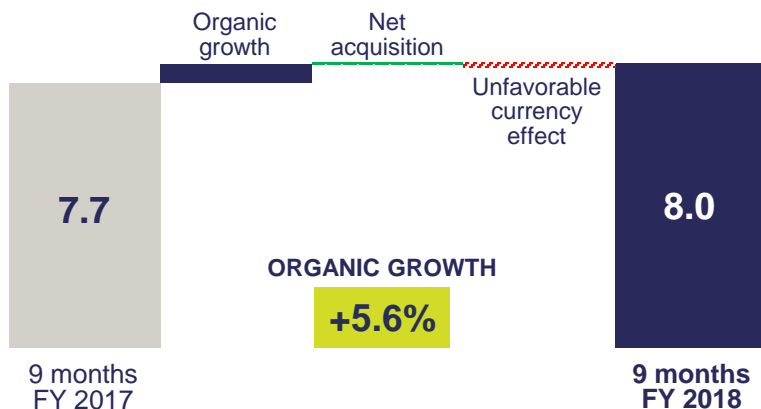
EUROPE, ASIA, USA

Benefits & Rewards Services



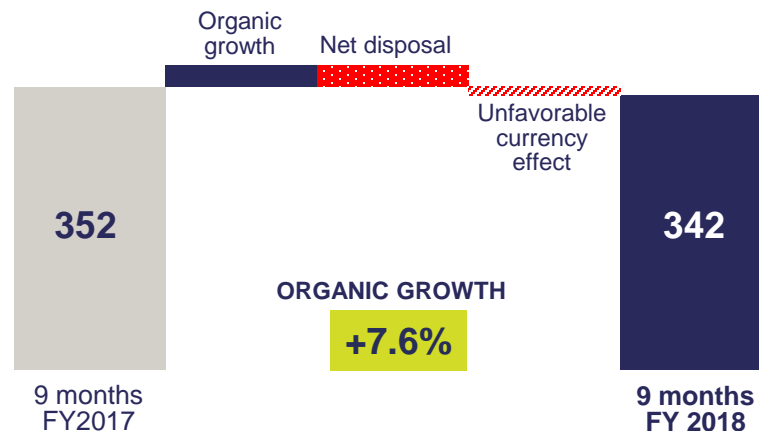
ISSUE VOLUME

€ billions



REVENUES

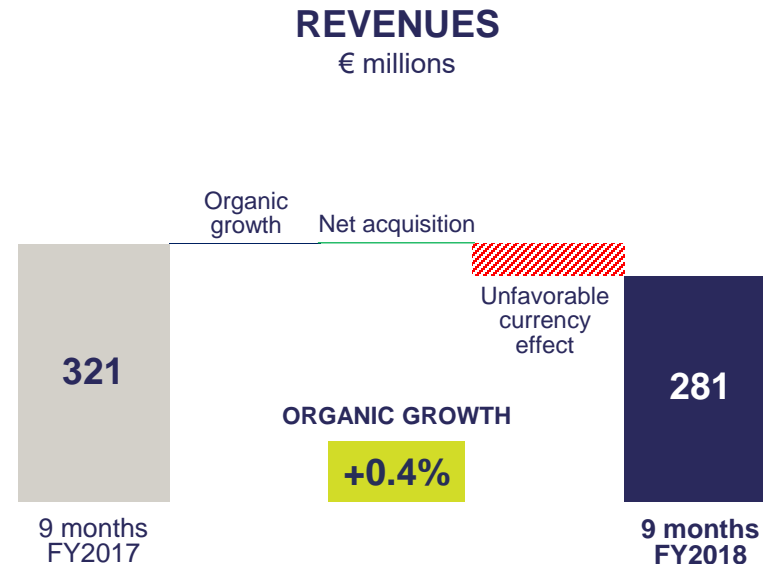
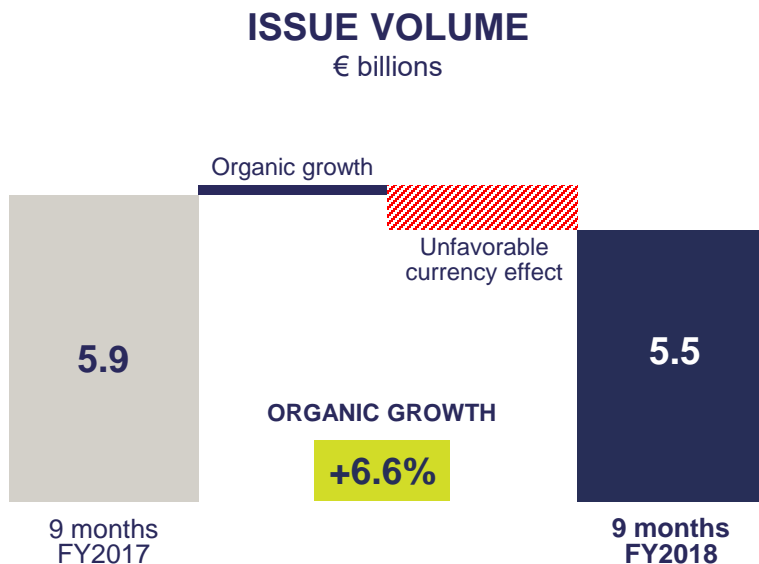
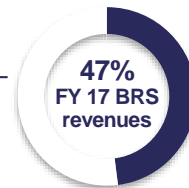
€ millions



- Robust growth in Europe especially France, Italy and Turkey
- Continued growth in Incentive & Recognition and Mobility activities

LATIN AMERICA

Benefits & Rewards Services



- Improvement in Brazil due to higher volumes, and slight improvement in client commissions
- Continued strong growth in Mexico

OUTLOOK



3

MAINTAINED FISCAL 2018 REVISED OBJECTIVES

Outlook

**Organic revenue growth of between
+1 and +1.5%**

excluding 53rd week impact

**Underlying operating profit margin
around 5.7%**

(excluding currency effects)

Q&A

APPENDICES

1. Alternative performance measure definitions
2. 9M Fiscal 2018 Exchange rates
3. Financial calendar
4. Sodexo key figures
5. Investor Relation contact

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Appendix 1

Issue volume

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

Underlying Operating margin

Underlying Operating profit divided by Revenues.

Underlying Operating profit at constant rate

Margin calculated converting FY2018 figures at FY 2017 rates, except for countries with hyperinflationary economies.

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, Benefits & Rewards figures for Fiscal 2017 and Fiscal 2018 in Venezuelan Bolivar have been converted at the exchange rate of USD 1 = 80,000 VEF (vs. 3,250 VEF for Fiscal 2017).

9M FISCAL 2018 EXCHANGE RATES

Appendix 2

1€ =	Average rate 9M Fiscal 18	Reference rate Fiscal 17	Change average rates 9M Fiscal 18 vs. Reference Fiscal 17	Closing rate at 31/05/18	Change 31/05/18 vs. 31/08/17
U.S. Dollar	1.201	1.099	-8.5%	1.170	+1.1%
Pound Sterling	0.882	0.867	-1.8%	0.877	+4.9%
Brazilian Real	3.954	3.526	-10.8%	4.363	-14.2%

FINANCIAL CALENDAR

Appendix 3

Capital Markets Day	September 6, 2018
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Annual results, Fiscal 2018	November 8, 2018
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Annual Shareholders' Meeting 2019	January 22, 2019
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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

SODEXO KEY FIGURES

Appendix 4



€20.7bn revenues



427,000 employees



19th largest employer worldwide



100 million consumers served daily



80 countries



€12.5 bn market capitalization
July 4, 2018

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

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



FORTUNE
WORLD'S MOST
ADMIRED
COMPANIES 2018



Strong Investment
Grade S&P “A-/A-1”

INVESTOR RELATION CONTACT

Appendix 5

Head of Investor Relations

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Investor Relations Coordinator

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