PRESS RELEASE

Sodexo First Nine Months Fiscal 2019 Revenue: Organic growth above expectations

- **Organic growth at +3.5%**
- **Fiscal 2019 Annual guidance**
  - Organic growth around 3%, top end of the range
  - Underlying operating profit margin around 5.5%, bottom end of the range

Issy-les-Moulineaux, July 8, 2019 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY).

First Nine Months Fiscal 2019 revenues:

REVENUES BY SEGMENT (In millions of euro)	9M FY19	9M FY18	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	**8,580**	8,094	+3.2%[1]	+1.6%	+4.5%	-0.1%	+6.0%
Health Care & Seniors	**3,903**	3,554	+2.7%[1]	+6.1%	+0.8%	+3.0%	+9.8%
Education	**3,594**	3,260	+3.9%[1]	+4.0%	+2.2%	+4.1%	+10.2%
On-site Services	**16,077**	**14,908**	**+3.2%**	**+3.2%**	**+3.1%**	**+1.5%**	**+7.8%**
Benefits & Rewards Services	**653**	**623**	**+9.7%**	**+9.7%**	**+0.2%**	**-5.1%**	**+4.8%**
Elimination	**-3**	-3					
TOTAL GROUP	**16,727**	**15,528**	**+3.5%**	**+3.5%**	**+3.0%**	**+1.3%**	**+7.7%**

Sodexo CEO Denis Machuel said:

"On-site Services growth continued to improve in all segments and in North America in Q3. Growth in Europe and the rest of the world remains very solid. Both the Business & Administrations and Healthcare & Seniors segments performed better than expected. Education was in line with expectations. Benefits & Rewards is growing strongly, even after four quarters of acceleration.

We are pleased with this performance to date. However, we see more modest growth in Q4 as we continue to face retention challenges and a relatively high comparable base in Sports & Leisure and North America.

As a result, our revenue organic growth is expected to be around 3%, the top end of our guidance for the full year, and the underlying operating profit margin around 5.5%, the bottom end of our guidance."

[1] *Restated for inter-segment reclassification, see the Restatement Section for detail.*

Highlights of the period

- Organic revenue growth for the First Nine Months Fiscal 2019, at +3.5%, was better than expected, resulting from another encouraging performance in the third quarter up +4.2%, with growth improving in all On-site services segments in North America. Growth remains solid outside North America, and in Benefits & Rewards Services.
  - **On-site Services** organic revenue growth of **+3.2%** reflects continued improvement in North America, at +1.8% for the period, resulting from a first quarter at +0.2%, the second at +2.4% and the third at +3%. Europe was solid at +3.4% and the region Africa, Asia, Australia, Latin America, Middle East continues to grow at +6.8%, despite the ever higher comparable base. Third quarter organic growth was better than expected in Business & Administrations and Healthcare & Seniors and in line in Education.
  - **Benefits & Rewards Services** organic revenue growth is **+9.7%**. In Europe, Asia and USA organic growth improved to +9.9% compensating the slight slowdown in Latin America growth to +9.6%, after 4 quarters of improved market dynamics in Brazil.
- During the third quarter, the loss of several medium-sized contracts and one very challenging large contract (impacting revenues from first quarter Fiscal 2020) has resulted in a significant decline in Health Care retention. These losses have offset the Group's year-on-year progress on retention achieved by the end of the first half. Overall, however, development and same site sales growth remain strong.

Management evolution to support the strategic agenda

- To strengthen Sodexo's go-to-market strategy, **Sylvia Metayer**, is appointed Chief Growth Officer, effective September 1st. Since joining Sodexo in 2006, Sylvia has delivered growth, in successive roles, by forging new client relationships within the Corporate services segment, giving her a direct view into the needs and aspirations of both clients and consumers. Sylvia will have responsibility for aligning Strategy, Marketing & Sales around a cohesive client and consumer-centric go-to-market strategy, all powered by Digital.
- **Sunil Nayak** succeeds Sylvia as Chief Executive Officer for Corporate Services worldwide, joining the Group Executive Committee. Sunil joined Sodexo in 2009 as CEO of RKHS at the time of its acquisition by Sodexo, becoming CEO of Sodexo On-site India. As CEO of Corporate Services in Asia Pacific since 2015, Sunil drove significant growth, positioning the region as the third largest for Corporate Services, after France and North America. He will bring this dynamic both to the global Corporate services segment and the Executive Committee.
- **Simon Seaton** is appointed CEO Energy & Resources worldwide, joining the Group Executive Committee. Simon succeeds Nicolas Japy who is retiring after 28 impactful years with Sodexo. Simon joined Sodexo in 2012 as Chief Operating Officer for Remote Sites for the United States and the North Sea countries. In 2015, he was appointed CEO Onshore Energy Worldwide and in 2017 assumed additional responsibility for the Middle East region. Simon will bring his considerable experience in the very unique oil & gas and remote sites sector, and his particularly strong track-record in health & safety.
- **Damien Verdier**, previously in charge of Strategy, will be dedicated exclusively to his role as Chief Corporate Responsibility Officer providing his substantial experience and knowledge to further anchor Sodexo's Corporate Responsibility policies and actions for the benefit of our clients, consumers, employees, shareholders and society at large. Corporate Responsibility is one of the pillars of Sodexo's Focus on Growth strategic agenda and is at the core of the services we offer and how we deliver them.

Outlook

Growth in the First Nine Months Fiscal 2019 of +3.5% was above expectations. However, the fourth quarter will be impacted by a more challenging comparable base and some contract losses, particularly in North America and in the Sports & Leisure segment. **As a result, the Group expects its organic revenue growth for the full year Fiscal 2019 to be around 3%, the top end of the guidance.**

The action plans are delivering and the investments to reinvigorate growth are continuing. As a result, the **underlying operating profit margin for the year, excluding the currency impact, is expected to be around 5.5%, the bottom end of the guidance.**

Our Focus on Growth strategic agenda is aimed at delivering market leading growth. The first steps to return to this performance are to achieve organic growth sustainably above 3%. Margin improvement will come with the right levels of growth, **the objective being a return to an underlying operating margin sustainably above 6%.**

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 First Nine Months Fiscal 2019 revenues. Those who wish to connect from the UK may dial +44 (0) 207 192 8000 or from France +33 (0)1 76 70 07 94, or from the USA +1 866 966 1396, followed by the passcode **8364569.**

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.

Fiscal 2019 financial calendar

Annual results – Fiscal 2019	November 7, 2019
1st Quarter revenues – Fiscal 2020	January 9, 2020
Annual Shareholders' Meeting 2019	January 22, 2020
1st Half results – Fiscal 2020	April 9, 2020
9-month revenues – Fiscal 2020	July 7, 2020
Annual results – Fiscal 2020	October 29, 2020

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 72 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and 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 460,000 employees throughout the world.

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

Key figures (as of August 31, 2018)

20.4 billion euro in consolidated revenues

460,000 employees

19th largest employer worldwide

72 countries

100 million consumers served daily

15.4 billion euro in market capitalization (as of July 5, 2019)

Forward-looking statements

This press release 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. The reader is cautioned not to place undue reliance on these forward-looking statements.

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FISCAL 2019 FIRST NINE MONTHS ACTIVITY REPORT

(September 1, 2018 to May 31, 2019)

Revenue Analysis

REVENUES BY SEGMENT (In millions of euro)	9M FY19	9M FY18	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	**8,580**	8,094	+3.2%[1]	+1.6%	+4.5%	-0.1%	+6.0%
Health Care & Seniors	**3,903**	3,554	+2.7%[1]	+6.1%	+0.8%	+3.0%	+9.8%
Education	**3,594**	3,260	+3.9%[1]	+4.0%	+2.2%	+4.1%	+10.2%
On-site Services	**16,077**	**14,908**	**+3.2%**	**+3.2%**	**+3.1%**	**+1.5%**	**+7.8%**
Benefits & Rewards Services	**653**	**623**	**+9.7%**	**+9.7%**	**+0.2%**	**-5.1%**	**+4.8%**
Elimination	**-3**	-3					
TOTAL GROUP	**16,727**	**15,528**	**+3.5%**	**+3.5%**	**+3.0%**	**+1.3%**	**+7.7%**

First-Nine Months Fiscal 2019 consolidated revenues totaled 16.7 billion euro, up +7.7% year-on-year. Currency effects during the period contributed +1.3%, due to the strength of the dollar, compensating the decline in the Brazilian Real. The contribution from acquisitions net of disposal of subsidiaries was +3.0%, with the impact of *Centerplate* for the first 4 months of the period and the smaller acquisitions since the beginning of the year. As a result, organic revenue growth was +3.5%, with further improvement in the third quarter which was up +4.2%, after +3.6% in the second quarter.

For the first nine months Fiscal 2019, On-site Services organic revenue growth reached **+3.2%** and **Benefits & Rewards services +9.7%**.

Brexit:

In June 2016, the United Kingdom voted to leave the European Union. Sodexo has been present in the country since 1988 and has around 35,000 employees there today. The Group's business should not be 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. Action plans have been put in place to limit the impact of a hard/no deal Brexit on food prices and availability. We have noticed a slowdown in new business opportunities. However, same site sales growth remains solid.

[1] *Restated for inter-segment reclassification, see the Restatement Section for detail.*

Analysis of organic revenue growth in On-site Services

Business & Administrations

REVENUES BY REGION *(In millions of euro)*	9M FY19	9M FY18	RESTATED ORGANIC GROWTH
North America	**2,403**	2,006	+2.1%[1]
Europe	**4,011**	3,967	+2.3%[1]
Africa, Asia, Australia, Latam, Middle East	**2,166**	2,122	+5.8%[1]
BUSINESS & ADMINISTRATIONS TOTAL	**8,580**	**8,094**	**+3.2%**[1]

First nine months Fiscal 2019 **Business & Administrations** revenues totaled **8.6 billion euro**, with organic growth of +3.2%.

First nine months revenues in **North America were up +2.1%**, accelerating from quarter to quarter as the impact of a previous year first quarter large one-off project in Energy & Resources is diluted. Strong growth in Corporate Services was driven by same site sales growth, new contracts and solid retention. Government & Agencies activity was down due to lower comparable unit sales on the recently renewed US Marine Corps contract, although the trend has improved in Q3 due to better volumes generally in the segment. The consolidation impact of the acquisition of *Centerplate* ended in December. *Centerplate* has been through a significant renewal process, in which most contracts have been renewed successfully and often extended to new services, while some less profitable ones have been exited.

In **Europe,** organic sales growth was steady at **+2.3%**. Corporate Services continued to generate solid growth due to cross selling in most countries. After an excellent start to the year, Sports & Leisure is impacted by the loss of a significant contract in France, where the revenues are concentrated in the third and fourth quarters. On the other hand, Government & Agencies benefited from an easier comparative base, now that the exited British Army contracts are no longer in the base. Energy & Resources performance in the North Sea is stabilizing.

In **Africa, Asia, Australia, Latin America, Middle East** organic revenue growth was **+5.8%** reflecting steady strong growth in Corporate Services thanks to same site sales and net new business wins, particularly in Brazil. Energy & Resources remains impacted by the end of several large construction projects and a low level of replacement signatures.

Health Care & Seniors

REVENUES BY REGION *(In millions of euro)*	9M FY19	9M FY18	RESTATED ORGANIC GROWTH
North America	**2,406**	2,227	+2.2%[1]
Europe	**1,266**	1,125	+1.4%[1]
Africa, Asia, Australia, Latam, Middle East	**231**	201	+16.8%[1]
HEALTH CARE & SENIORS TOTAL	**3,903**	**3,554**	**+2.7%**

Health Care and Seniors revenues amounted to **3.9 billion euro**, up +2.7% organically, with a solid third quarter at +3.6%.

[1] *Restated for inter-segment reclassification, see the Restatement Section for detail.*

In **North America,** organic growth was **+2.2%,** improving progressively quarter after quarter due to solid comparable unit growth helped by inflation pass-through and cross-selling. However, retention has been weak during the last three months with the loss of several mid-sized contracts which will start to impact the performance from the next quarter and one large contract which will impact from first quarter fiscal 2020.

In **Europe,** organic growth was **+1.4%,** due to inflation pass-through in France. However, the negative net lost business in the Nordics and lack of bid opportunities in the UK, is hampering growth.

In **Africa, Asia, Australia, Latin America, Middle East** organic revenue growth has remained strong at **+16.8%** reflecting many new contract startups in Brazil, China and India, as clients seek to benefit from the transfer of the Group's global expertise in these countries.

Education

REVENUES BY REGION *(In millions of euro)*	**9M FY19**	**9M FY18**	**ORGANIC GROWTH**
North America	**2,630**	2,463	+1.4%
Europe	**885**	729	+12.4%
Africa, Asia, Australia, Latam, Middle East	**79**	68	+9.2%
EDUCATION TOTAL	**3,594**	**3,260**	**+4.0%**

Revenues in **Education** were 3.6 billion euro, up +4.0%.

North America was up +1.4%, or +3% excluding the IFRS 15 impact. While net new business from last year remains neutral, same site sales growth has been solid, helped by inflation pass-through and a small positive impact from extra working days in Schools.

In **Europe**, organic growth was **+12.4%.** This performance is driven by solid prior year contract wins in the UK and the start-up in January of the new Schools contract in the Yvelines department, and a positive impact from extra working days in Schools, and in particular in the third quarter, which will then be reversed in the fourth quarter.

In **Africa, Asia, Australia, Latin America, and the Middle East**, organic growth remained strong at **+9.2%** despite an ever higher comparable base, resulting from the opening of several new School and University contracts in China and India.

On-site Services Revenues by region

REVENUES BY REGION *(In millions of euro)*	**9M FY19**	**9M FY18**	**ORGANIC GROWTH**
North America	**7,439**	6,696	+1.8%
Europe	**6,162**	5,821	+3.4%
Africa, Asia, Australia, Latam, Middle East	**2,476**	2,391	+6.8%
ON-SITE SERVICES TOTAL	**16,077**	**14,908**	**+3.2%**

The trend in North America has improved quarter by quarter, to reach +3% in Q3. Europe is steady at +3.4% growth, with a solid +4.1% in Q3. Activity in the developing economies remains strong at +6.8%, despite the ever higher comparable base. Organic growth excluding North America is solid at +4.4%.

Analysis of organic revenue growth in Benefits & Rewards Services

Benefits & Rewards Services revenue amounted to 653 million euro, up +4.8%. Currencies had a negative impact of -5.1%, due principally to the weakness of the Brazilian real, which has nevertheless stabilized year on year in Q3. Organic growth was strong at +9.7%.

REVENUES BY ACTIVITY *(In millions of euro)*	9M FY19	9M FY18	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Employee Benefits	**515**	495	+10.4%			
Services Diversification *	**138**	128	+7.2%			
BENEFITS & REWARDS SERVICES	**653**	**623**	**+9.7%**	**+0.2%**	**-5.1%**	**+4.8%**

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

Employee Benefit revenues were up **+10.4%,** compared to growth in total issue volume (10.1 billion euro) of +8.0%, due to improved growth in Europe and Asia and solid growth in Brazil, despite a tougher comparable base from the third quarter. **Services Diversification** was up **+7.2%,** with strong double-digit growth in Mobility & Expense and rapid development in Corporate Health & Wellness offers. Momentum in Incentive and Recognition remains weak.

REVENUES BY NATURE *(In millions of euro)*	9M FY19	9M FY18	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Operating Revenues	**598**	569	+9.6%			
Financial Revenues	**55**	54	+11.3%			
BENEFITS & REWARDS SERVICES	**653**	**623**	**+9.7%**	**+0.2%**	**-5.1%**	**+4.8%**

Operating revenues were up **+9.6%.** The increase in **Financial revenues** of **+11.3%** is the result of the exceptionally high issue volume in Romania in Q4 last year combined with continued volume growth this year and particularly sustained growth in Turkey this quarter, where interest rates are high.

REVENUES BY REGION *(in millions of euro)*	9M FY19	9M FY18	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Europe, Asia and USA	**370**	342	+9.9%			
Latin America	**283**	281	+9.6%			
BENEFITS & REWARDS SERVICES	**653**	**623**	**+9.7%**	**+0.2%**	**-5.1%**	**+4.8%**

In **Europe, Asia and USA,** organic growth in revenues remains strong at **+9.9%**, with particularly solid growth in the last quarter. This performance is due to a solid performance in Western Europe, double-digit growth in Eastern and Southern Europe, Turkey and India. Incentive & Recognition activities were weak during the period. *Rydoo*, the end-to-end travel and expense management system is growing very strongly as are the Corporate Health and Wellness offers.

Organic growth in **Latin America** reflects strong growth in activity in both the traditional meal and food cards, as well as the fuel card in Brazil from third quarter Fiscal 2018. Organic revenue growth is up **+9.6%.** However, growth slowed in the third quarter, after four strong quarters. Momentum in Mexico remained good and growth in Chile was strong.

Financial position

Apart from the seasonal changes in working capital, there were no material changes in the Group's financial position as of May 31, 2019, relative to that presented in the 1st half Fiscal 2019 accounts published on April 12, 2019.

In June, Sodexo issued a 9-year bond for an amount of £250 million, out to June 2028, with a coupon of 1.75% and a yield to maturity of 1.822%. This issue is an integral part of the active management of the Group's debt, partly to refinance the British acquisitions of this year and partly to ensure a better naturel hedge of the group's pound sterling assets.

Principal risks and uncertainties

There were no significant changes to the principal risks and uncertainties identified by the Group in the Risk Factors section of the Fiscal 2018 Registration Document filed with the AMF on November 22, 2018.

Exchange rates and 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 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 9M FY 19	AVERAGE RATE 9M FY 18	AVERAGE RATE 9M FY 19 VS. 9M FY18	REFERENCE RATE FY 18	CLOSING RATE AT 31/05/2019	CLOSING RATE 31/05/19 VS. 31/08/18
U.S. DOLLAR	1.138	1.201	+5.5%	1.193	1.115	+4.5%
POUND STERLING	0.879	0.882	+0.4%	0.884	0.887	+1.2%
BRAZILIAN REAL	4.392	3.954	-10.0%	4.075	4.446	+9.3%

Note: Reference rate Fiscal 2018 is the average rate for Fiscal year 2018.

Modelling details for Fiscal 2019

- **Other Operating income and expenses** are expected to amount to 140 million euro, including:
  - Restructuring costs of 40 – 45 million euro;
  - Recurring amortization of client relationships of around 40 million euro;
  - Non-cash impairment of assets of around 40 million euro.
- **Net financial expenses** should be similar in the second half relative to the first half, implying circa 108 million euro for the full year.
- The **tax rate** is expected to be between 28% and 30%.

Inter-segment restatements

Since the beginning of Fiscal 2019, some contracts have been reallocated between segments. The major change was in some European countries, where after several years of restructuring, the business has now been segmented for the first time. As a result, the Hospitals and Seniors business is now reported in Health Care and Seniors while it was previously reported in Business & Administrations, as are all the non-segmented businesses.

Given the low materiality of these changes, pro forma figures for FY 2018 are not required. FY 2019 organic growth and variations in UOP margin have been adjusted to take into account such changes.

Below are the adjustments for these restatements for each quarter of Fiscal 2018.

REVENUES *(In millions of euro)*	FY18			Q1 FY18			Q2 FY18			Q3 FY18			Q4 FY18		
	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU
North America	**-12**	**+9**	**+3**	-3	+2	+1	-3	+2	+1	-3	+2	+1	-3	+2	+1
Europe	**-158**	**+158**		-41	+41		-39	+39		-41	+41		-37	+37	
Africa, Asia, Australia, Latam, Middle East	**+10**	**-10**		+3	-3		+2	-2		+2	-2		+3	-3	

Alternative Performance measure definitions

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.

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 of Benefits & Rewards in Argentina, all Peso figures for 9M FY 2019 and 9M FY 2018 have been converted at the exchange rate of 1€ = 49.573 ARS vs 44.302 ARS for FY 2018.

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 current year figures at prior year rates, except for countries with hyperinflationary economies.