

Fiscal 2017 First-Half Results

Road show London – Goldman Sachs

April 20, 2017

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 6 for definitions (from slide 44 to 47).

AGENDA

1. Fiscal 2017 First Half highlights
 2. Solid Financial Performance
 3. Review of Operations:
On-site Services and Benefits
& Rewards Services
 4. Outlook
- Appendices

FISCAL 2017 FIRST HALF HIGHLIGHTS



KEY MESSAGES

First Half Fiscal 2017 highlights



- As anticipated, H1 organic growth is flat:
 - › Q1 -1.5% due to Rugby comparative base
 - › Q2 +1.7%
- Underlying trend in organic growth (excluding Rugby & E&R) accelerating
 - › Q1 +1.1%
 - › Q2 +1.8%
- Trend in Energy & Resources (previously Remote Sites) improving continuously
 - › Q1 -4.5%
 - › Q2 -0.8%

KEY MESSAGES

First Half Fiscal 2017 highlights

Solid performance:

Strong Operating profit¹
growth

+9.7% **+7.7%**

TOTAL
GROWTH

EXCLUDING
CURRENCY*

Expanded Adaptation
& Simplification Program

€245m costs
~ €220m savings

Share buy-back program
completed

1.9% of capital
2.9 million shares

Operating profit margin¹
increased

+60BPS **+50 BPS**

TOTAL
GROWTH

EXCLUDING
CURRENCY*

Net profit growth
before non recurring items*

+16.6% **+14.7%**

TOTAL
GROWTH

EXCLUDING
CURRENCY*

Increased
M&A activity

€165m spent (as of 28/02/17)

¹ Before exceptional expenses*

CONTRACT WINS

First Half Fiscal 2017 highlights

Major recent
signatures



Citibanamex

Business
& Administrations
contract
in Mexico



Rio Tinto Aluminium

Energy & Resources
contract
in Australia



Healthfirst

Health Care Contract
in the US

FM
Cross-selling



Toyota

Business
& Administrations
contract
in the US



Colgate

Corporate contract
in Argentina,
Colombia, Czech
Republic, Italy,
Netherlands, South
Africa and Turkey



**University Hospitals
System**

Health Care Contract
in the US

CONTRACT WINS

First Half Fiscal 2017 highlights

Pick-up in Universities in North America



**Florida State
University**

Contract in the US



Simon Fraser University

Contract in Canada

Development in Schools in Asia



**Kang Chiao
International School
in Shanghai**

Contract in China



**American
International
School Guangzhou**

Contract in China

Development in Benefits & Rewards



Nestlé

Product promotion
service
in the Philippines



**Mexico's Public
Prosecutor**

Food and Mobility
service
in Mexico

COMMITMENTS & RECOGNITIONS

First Half Fiscal 2017 highlights



Sodexo scores **highest marks of the sector in RobecoSAM's "Sustainability Yearbook" 2017 for 10th consecutive year**



Renewed **commitment against food waste** engaging with the **Champions 12.3** coalition



For the **7th year in a row**, Sodexo is among the **FORTUNE World's Most Admired Companies**



WEConnect International award in **Colombia** for **Sodexo's inclusion of women owned businesses**

RESEARCH AND THOUGHT LEADERSHIP

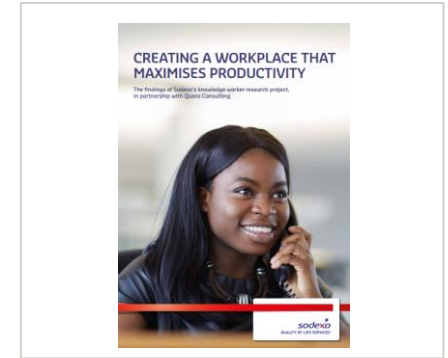
First Half Fiscal 2017 highlights



Sodexo Launched the first **Global Workplace Trends** report



Sodexo and Harvard University win major 4-year grant to study **front-line employee health**



Knowledge Worker Research report by Sodexo: *creating a workplace that maximizes productivity*

INVESTMENTS FOR GROWTH

Highlights

Enriching offer



PEYTON
AND
BYRNE

Strategic move



Technical Expertise



Consolidating
our position



Prestige
Nursing+Care

INVESTMENTS FOR GROWTH

Highlights



Strategic Venture Capital Fund

- Investing in and accompanying **innovative start-ups**
- **Commercial agreements** between Sodexo and start-ups as lever for both businesses
- **Creating value** for clients and consumers by combining the agility of start-ups with Sodexo's expertise and international footprint



SOLID FINANCIAL PERFORMANCE



ORGANIC GROWTH

Solid financial performance

REVENUE GROWTH
+0.4%

Currency effect
+0.1%

Scope changes
+0.3%



ORGANIC GROWTH
+0.0% | **+1.4%** excluding Rugby and Energy & Resources

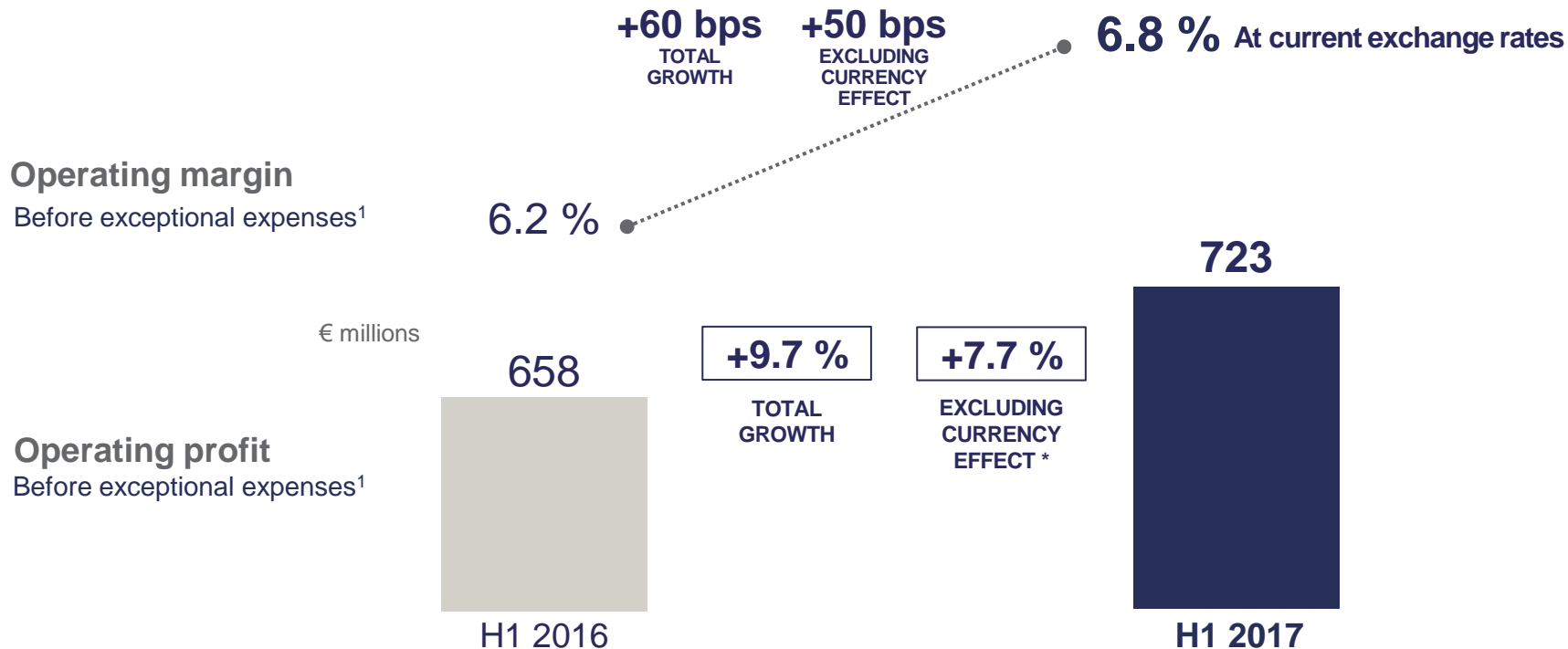
of which:

On-site Services
-0.3% | **+1.2%** excluding Rugby and Energy & Resources

Benefits and Rewards Services
+7.4%

STRONG IMPROVEMENT IN OPERATING PERFORMANCE

Solid financial performance



¹ Costs of implementation of the Adaptation and Simplification program (€137m in H1 2017 and €37m in H1 2016)

ADAPTATION PROGRAM DELIVERING AND EXPANDED

Solid financial performance

OBJECTIVES

- Faster alignment of on-site operating expenses
- Organizational simplification
- Increased international pooling of resources

- ▶ **Success of the program:**
multitude of cost reduction projects submitted by the teams
- ▶ **Program increased to 245 million euro of costs,**
and closed as expected at the end of the 1st half of Fiscal 2017
- ▶ **Generate annual savings for Fiscal 2018 equivalent to about 90% of the exceptional costs (~ €220m)**

€ Million

EXCEPTIONAL IMPLEMENTATION COSTS



SUSTAINABLE ANNUAL CUMULATED SAVINGS



PERFORMANCE IN THE P&L

Solid financial performance

€ millions	H1 2017	H1 2016	CHANGE	
			At current exchange rates	Excluding currency effect
Revenues	10,634	10,596	+0.4%	+0.3%
Operating profit before exceptional expenses ¹	723	658	+9.7%	+7.7%
Operating margin before exceptional expenses	6.8%	6.2%	+60 bps	+50 bps
Exceptional expenses	(137)	(37)		
Operating profit	586	621		
Net financial expense	(56)	(49)		
Effective tax rate	32.6%	35.5%		
Group net profit Before non recurring items ²	447	383	+16.6%	+14.7%
Group net profit	348	359	-3.1%	

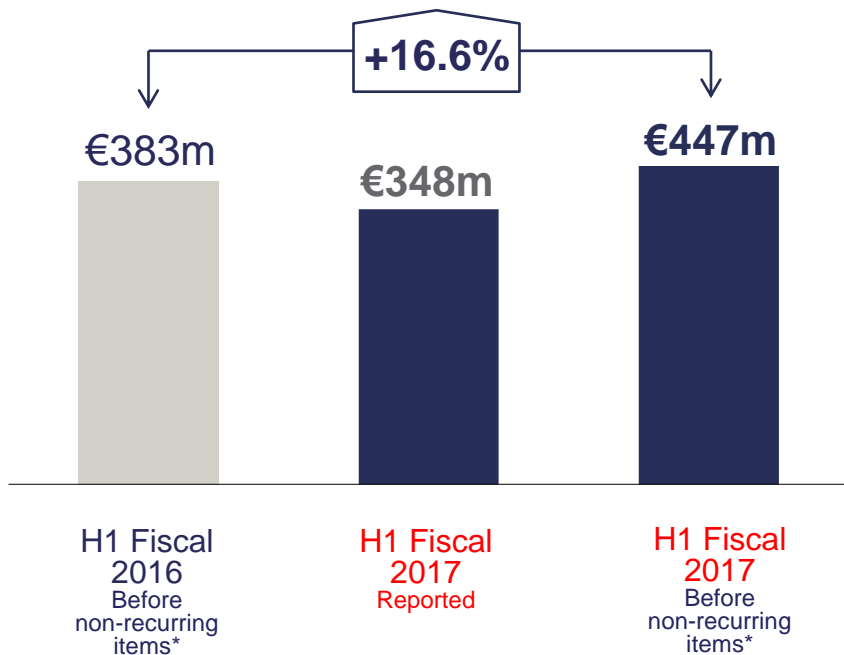
¹ Costs of implementation of the Adaptation and Simplification program

² Net of income taxes: €99m of exceptional expenses and early debt reimbursement indemnity in H1 2017, and €24m of exceptional expenses in H1 2016,

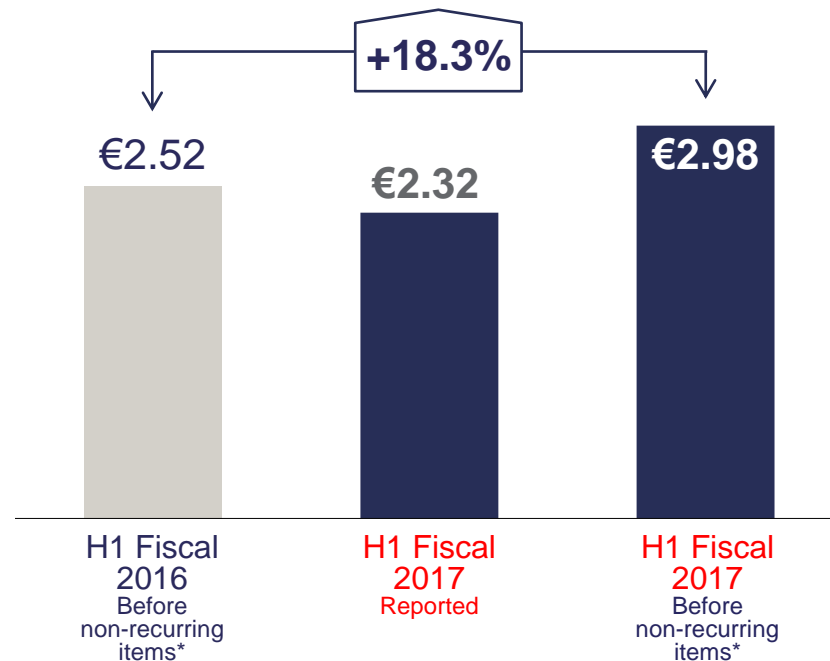
EPS LEVERAGE FROM SHARE REPURCHASES

Solid financial performance

Group net profit



Earnings per share



STRONG CASH FLOW

Solid financial performance

€ millions	H1 2017	H1 2016
Operating cash flow	523	587
Change in working capital ¹	(388)	(357)
Net capital expenditure	(105)	(176)
Free cash flow	30	54
Net acquisitions	(165)	(39)
Share buy-backs	(316)	(193)
Dividends paid to parent company shareholders	(359)	(335)
Other changes (including change in Financial Assets ² , scope and exchange rates)	(17)	(70)
(Increase)/decrease in net debt	(827)	(583)

¹ Excluding change in financial assets in Benefits & Rewards of €(38)m in H1'17 and €43m in H1'16.

Total Change in working capital as reported in Consolidated Cash Flow statement: **H1'17** of €(426)m = €(388)m + €(38)m and **H1'16** of €(314)m = €(357)m + €43m

² Sodexo Ventures investments in Wynd, Neo-Nomade and Life-Dojo

ROBUST BALANCE SHEET AND RATIOS

Solid financial performance

€ millions	February 28, 2017	February 29, 2016		February 28, 2017	February 29, 2016
Non-current assets	7,916	7,357	Shareholders' equity	3,574	3,562
Current assets excluding cash	5,532	4,855	Non-controlling interests	39	45
Restricted cash Benefits & Rewards	486	448	Non-current liabilities	4,227	3,698
Financial assets Benefits & Rewards	376	241	Current liabilities	8,168	6,820
Cash	1,698	1,224			
Total assets	16,008	14,125	Total liabilities & equity	16,008	14,125
			Gross borrowings	3,758	2,800
			Net debt*	1,234	923
			Gearing ratio*	34%	26%
			Net debt ratio* (net debt/EBITDA)	0.9	0.6

Operating cash totaled **€2,524 million¹**, of which **€1,847 million** related to **Benefits and Rewards Services**

¹ Cash – Bank overdrafts of €36m + Financial assets related to BRS activity

REVIEW OF OPERATIONS

**On-site Services
Benefits & Rewards
Services**

3

SEGMENT OVERVIEW - ON-SITE SERVICES



ORGANIC GROWTH

-2.1%

+0.7%

Excluding
Rugby
and E&R

OPERATING MARGIN

4.2%

+0 bps

RESTATED REVENUES¹

54%

of FY 2016
On-Site
Services



+3.1%

6.3%

+80 bps

25%

of FY 2016
On-Site
Services



+0.3%

10.1%

+70 bps

21%

of FY 2016
On-Site
Services

TOTAL ON-SITE SERVICES

+1.2%

Excluding
Rugby
and E&R

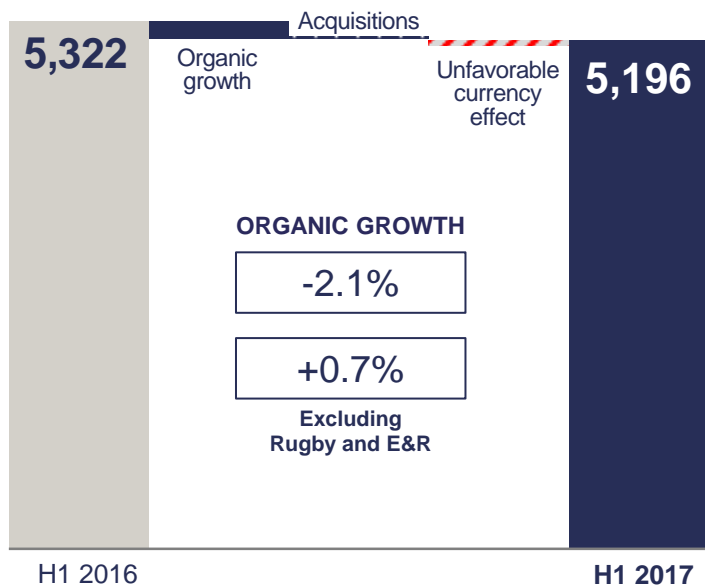
6.1%

+30 bps

BUSINESS & ADMINISTRATIONS - REVENUES

On-site Services

€ millions



ORGANIC GROWTH

+3.7%

North America

- High single digit growth in Corporate supported by airline lounges
- E&R and Government services weighing on growth, even though trend is improving progressively

-7.6%

Europe

- More than half of the decline due to Sports & Leisure, principally due to Rugby World Cup in Q1'16
- E&R -16%, impacted by North Sea
- Government and Agencies: loss of French prison contract (Jan 2016)

+5.6%

Africa, Asia, Australia, Latam & Middle East

- Strong development in Corporate
- Energy & Resources stabilization due to recovery in mining and onshore and contract start-ups. Offshore remains weak

54%
On-site Services
FY 16

22%

of Restated B&A
FY16

54%

of Restated B&A
FY16

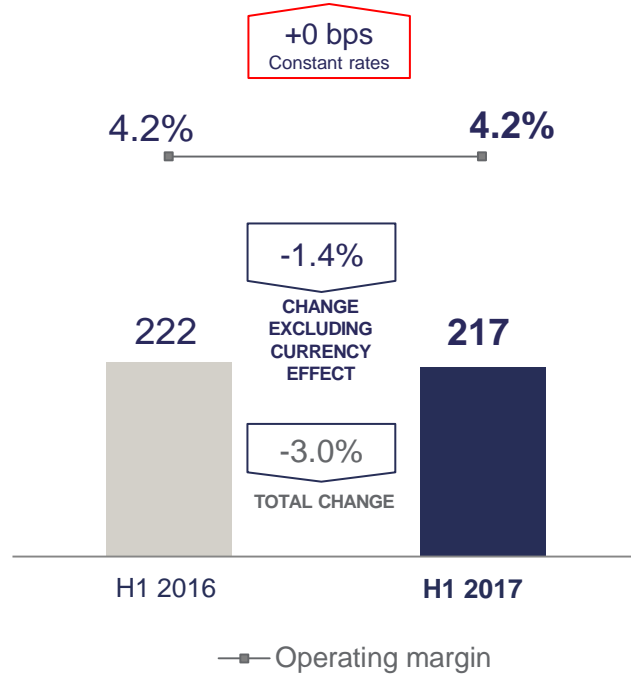
24%

of Restated B&A
FY16

BUSINESS & ADMINISTRATIONS - OPERATING PROFIT

On-site Services

€ millions

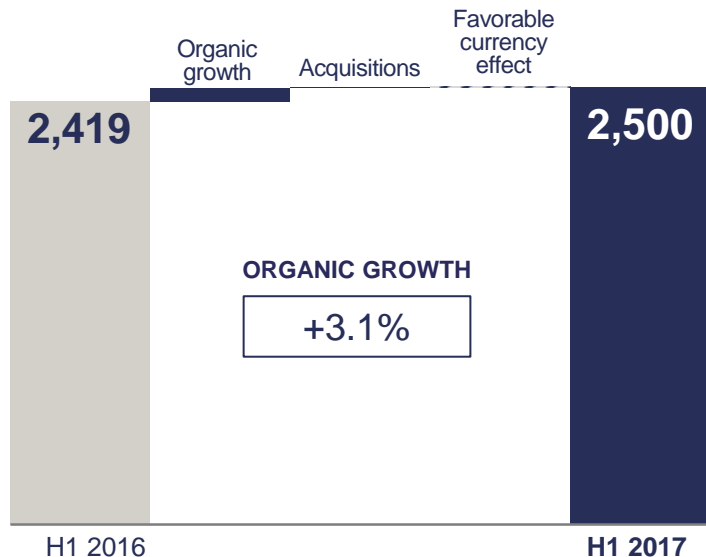


- Volume decline in revenues
- Rio Tinto ramp-up
- Rigorous control of SG&A
- Numerous initiatives linked to adaptation and simplification program

HEALTH CARE & SENIORS - REVENUES

On-site Services

€ millions



ORGANIC GROWTH

+4.4%

North America

- Growth driven by cross-selling of FM Services
- Contribution from new contracts

-0.7%

Europe

- Limited development in Hospitals in France and UK
- New contract ramp-up in Seniors

+13.3%

Africa, Asia, Australia, Latam & Middle East

- Strong growth in Brazil due to multiple contract wins and increased same sites sales
- Double digit growth in Chile and high single digit in Asia

25%
On-site
Services
FY 16

65%

of restated
Health Care & Seniors
FY16

31%

of restated
Health Care & Seniors
FY16

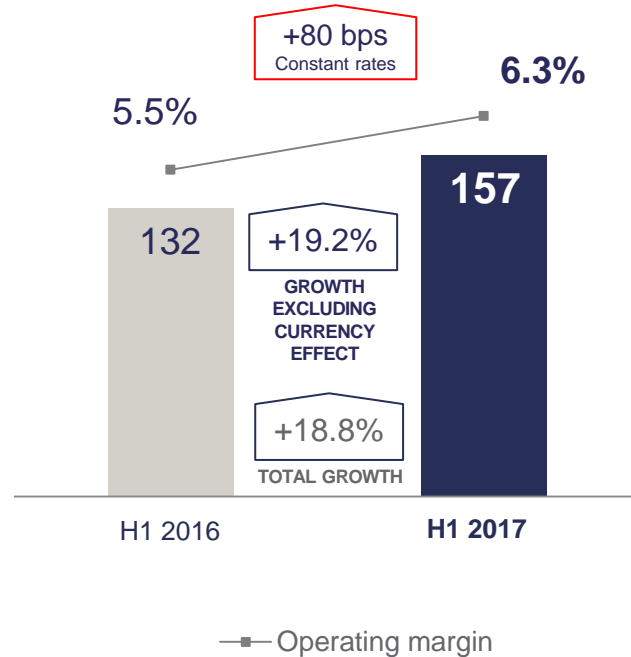
4%

of restated
Health Care & Seniors
FY16

HEALTH CARE & SENIORS - OPERATING PROFIT

On-site Services

€ millions

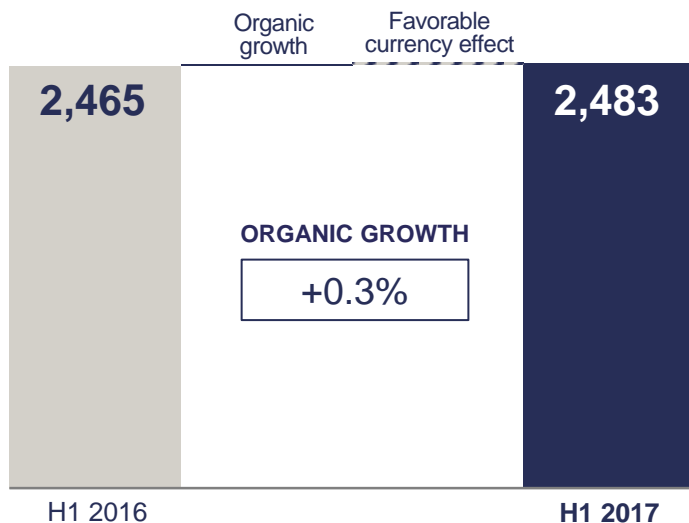


- Reduction in SG&A costs
- Improved on-site efficiency
- Positive impact of the cross-selling in UK and North America
- Favorable comparable base

EDUCATION - REVENUES

On-site Services

€ millions



ORGANIC GROWTH

+0.2%

North America

- Extension at Chicago and ramp-up in Washington DC
- 3 days shifted from Q2 to Q3

-0.3%

Europe

- Robust growth in Schools in Italy
- Less days in France
- Low prior year development in UK and France

+10.5%

Africa, Asia, Australia, Latam & Middle East

- Very strong growth in Schools in Asia (mainly China, Singapore and India)

21%
On-site
Services
FY 16

77%

of restated
Education FY16

22%

of restated
Education FY16

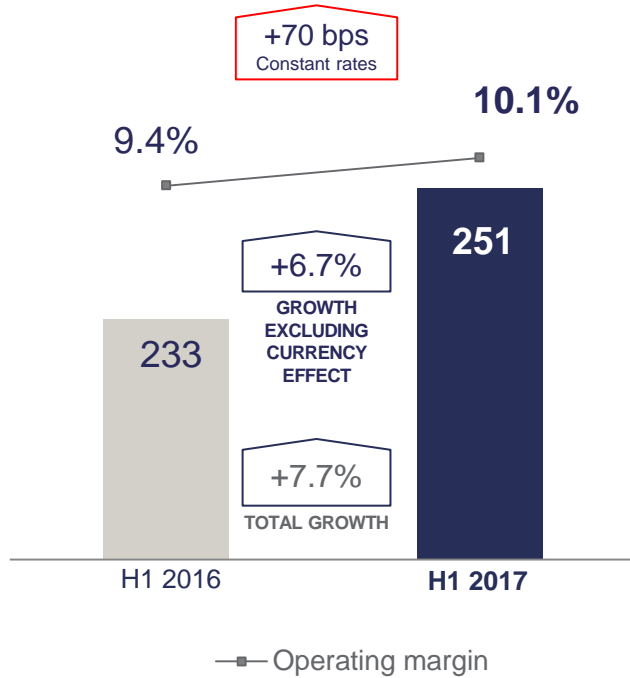
1%

of restated
Education FY16

EDUCATION - OPERATING PROFIT

On-site Services

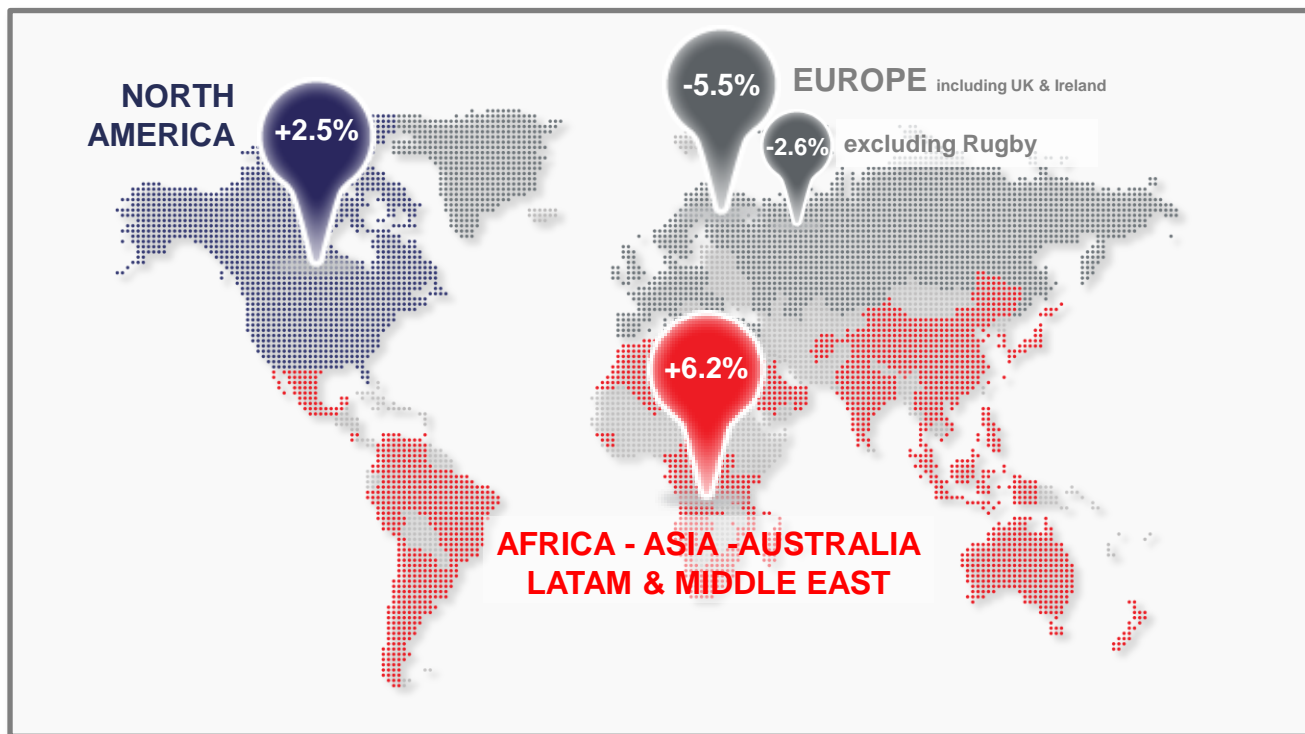
€ millions



- Strict control of SG&A
- Labor productivity
- Full year effect of performance improvement of a few key contracts

ORGANIC GROWTH BY REGION

On-site Services



FIRST HALF FISCAL 2017 HIGHLIGHTS

Benefits & Rewards Services

ISSUE VOLUME*

€9.1 billion



+6.8%

Organic growth

REVENUES

€457 million



+7.4%

Organic growth

OPERATING PROFIT

€149 million



+1.7%

Growth in
Operating Profit¹

¹ At constant rates

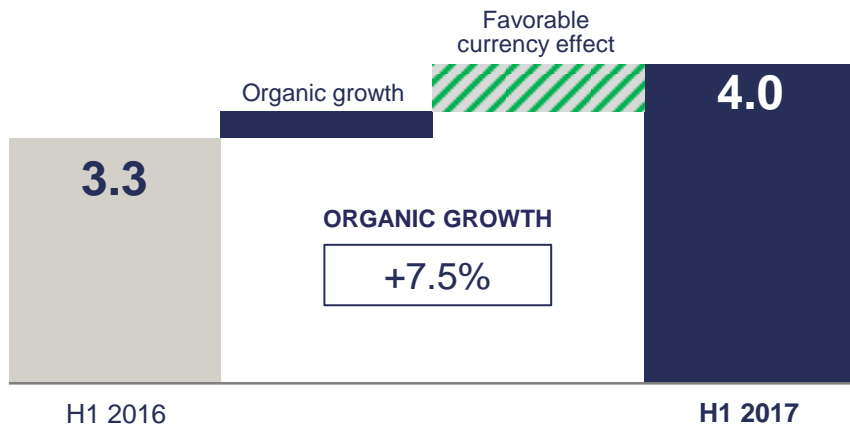
LATIN AMERICA

Benefits & Rewards Services



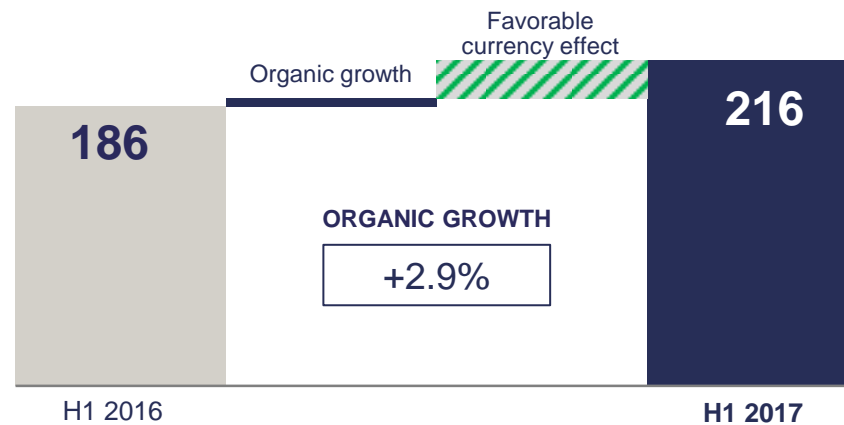
ISSUE VOLUME

€ billions



REVENUES

€ millions



- Sustained growth in Issue Volume with face value increases more than offsetting decline in number of beneficiaries in Brazil
- Marked slowdown in growth in revenues in Brazil in a very competitive environment
- Strong growth in the rest of the region

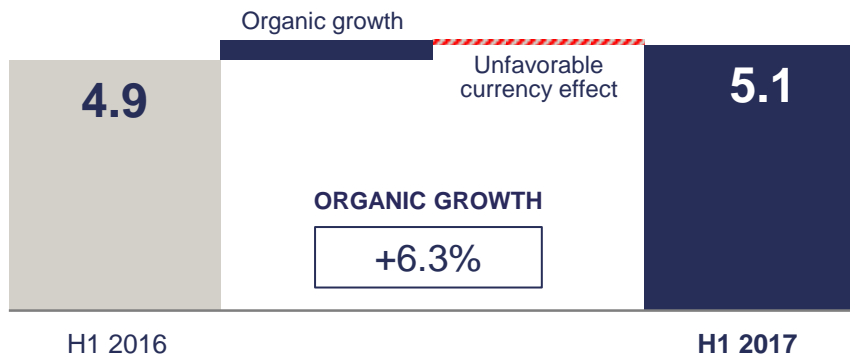
EUROPE, ASIA, USA

Benefits & Rewards Services

52%
FY 16
revenues

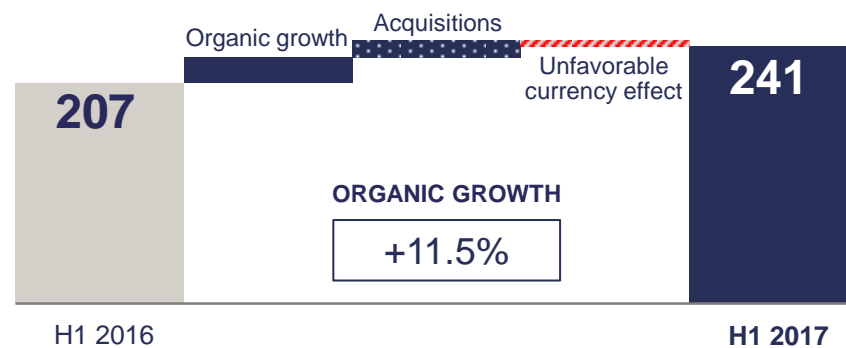
ISSUE VOLUME

€ billions



REVENUES

€ millions

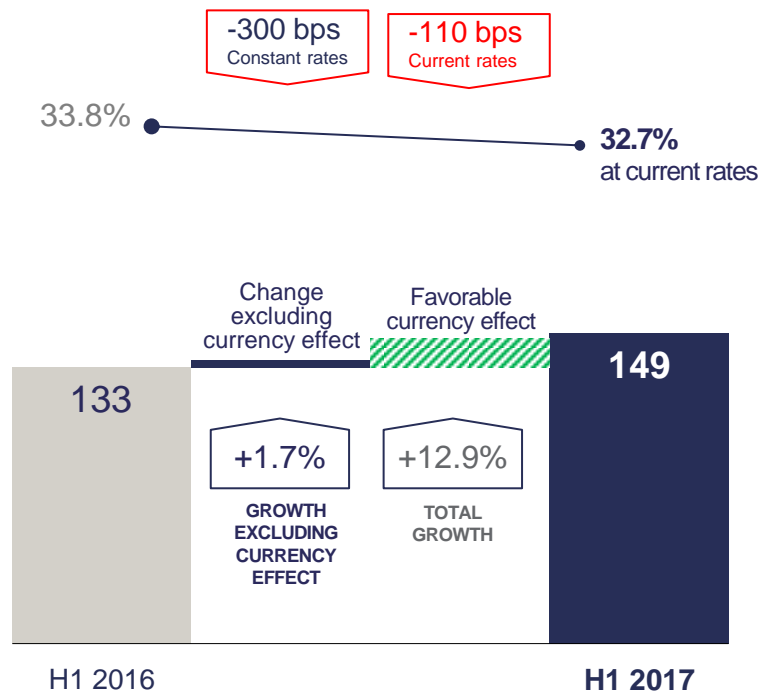


- Face value increases in Belgium
- Strong growth in Italy and Central Europe
- Acquisition of Inspirus in USA
- Good performance of Incentive & Recognition activities in UK and USA (revenues without Issue Volume)

OPERATING PROFIT

Benefits & Rewards Services

€ millions



- Mix effect resulting from the development of Incentive and Recognition activity in UK and USA
- Investment in Mobility and Expense offer and Business Unit
- Accelerated card migration investments

OUTLOOK

A large, bold, white number '4' is centered on a dark blue rectangular background. The number is rendered in a clean, sans-serif font with a slight shadow effect, giving it a three-dimensional appearance. The dark blue background is a solid, deep navy color.

FISCAL 2017 OBJECTIVES

Outlook

**H1 in line
with Group
expectations**

Confidence in acceleration in H2 based on:

- Contribution from new business signed in last quarters, despite longer lead times from signature to ramp-up of a few large contracts
- Improvement in Energy & Resources
- Easier comparative base in France
- Positive calendar adjustment in USA in Q4

Softer than expected environment in Europe and Africa

**Organic revenue growth
of around 2.5%**

Confidence in delivering substantial cost savings this year as part of the Adaptation and Simplification program:

- Operating profit growth confirmed

**Operating profit growth
between 8 and 9%**
(excluding currency effects
and exceptional expenses*)

MEDIUM-TERM OBJECTIVES

Outlook

Confident in the future with,

- further significant outsourcing potential and growth in developing economies
- strong potential of our new segment organization
- increased M&A activities

The Group confirms its medium-term objectives:

average annual **growth**
in **revenue between 4% and 7%**
(excluding currency effect)

average annual **growth**
in **operating profit of between 8%
and 10%** (excluding currency effect)

Q

&

A

APPENDICES

1. H1 2017 exchange rates
2. Gross Financial debt
3. €300M share repurchase program
4. Financial calendar
5. Sodexo key figures
6. Alternative Performance Measure definitions

H1 2017 EXCHANGE RATES

Appendix 1

1€ =	Average rate H1 Fiscal 17	Average rate H1 Fiscal 16	Reference rate FY Fiscal 16	Average rates: change H1'17 vs. Reference FY'16	Closing rate H1 Fiscal 17 at February 28, 2017	Closing rates: change February 28, 2017 vs. February 29, 2016
U.S. Dollar	1.081	1.094	1.106	+2.3%	1.060	+2.7%
Pound Sterling	0.863	0.735	0.767	-11.1%	0.853	-7.9%
Brazilian Real	3.486	4.290	4.069	+16.7%	3.281	+32.3%

GROSS FINANCIAL DEBT €3,758m

Appendix 2

€ millions

BY CURRENCY



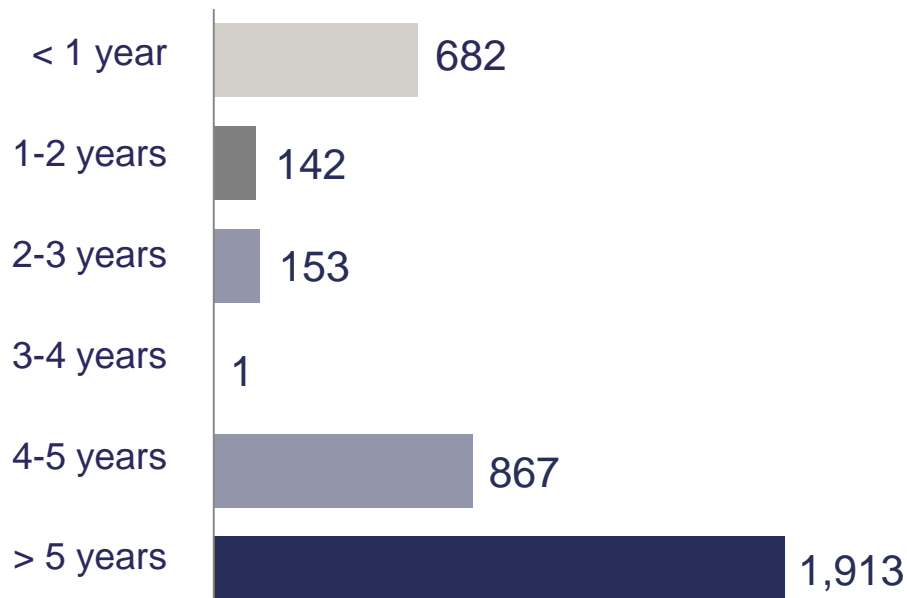
INTEREST RATE



Average interest rate 2.1% at February 28, 2017

(or 2.6% for the long term debt excluding commercial paper, vs. 3.2% at August 31, 2016)

BY MATURITY



€300M SHARE REPURCHASE PROGRAM

Appendix 3

€ billions

- **2,910,690 shares** corresponding to **1.9% of capital¹** and a value of **300 million euro**, have been purchased by the company during H1'2017 (in line with Nov'16 share repurchase program)
- As per February 28, 2017 these shares were owned by the company (as treasury shares) and should be canceled in the calendar year.

<i>Company's share capital</i>	February 28, 2017	August 31, 2016	February 29, 2016
Company's share capital, number of shares	153,741,139	153,741,139	157,132,025
Treasury shares	5,814,876	3,074,444	6,166,556
<i>Number of shares for EPS calculation</i> (Basic weighted average number of shares)	149,936,978	151,277,059	152,025,146

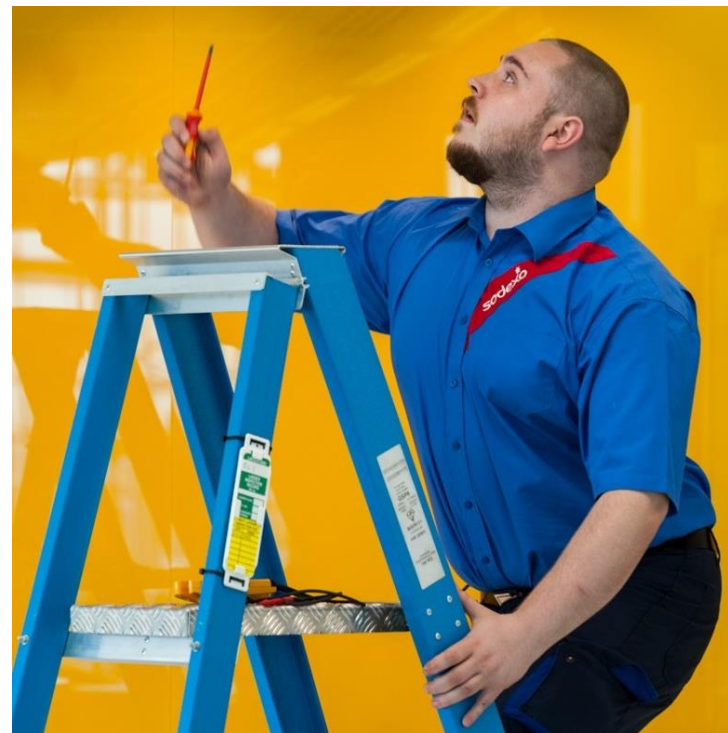
¹ 1.9% = 2,910,690 / 153,741,139

FINANCIAL CALENDAR

Appendix 4

Nine month revenues, Fiscal 2017	July 6, 2017
Annual results, Fiscal 2017	November 16, 2017
1 st quarter revenues, Fiscal 2018	January 11, 2018
Annual Shareholders' Meeting 2018	January 23, 2018

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 FISCAL 2016

Appendix 5



€20.2 bn revenues



425,000 employees



19th largest employer worldwide



75 million consumers served daily



80 countries



€17.3 bn market capitalization
(12th April '17)

- **Founded in 1966 by Pierre Bellon**

- **Main Shareholders as 31/08/2016:**

- > Bellon S.A 39.6% of capital (54.8% of actual voting rights)

- > International Institutional investors 38.3%



ROBECOSAM
Sustainability Award
Gold Class 2017

FORTUNE
WORLD'S MOST
ADMIRED
COMPANIES
2017

DiversityInc
2016
TOP
50
COMPANIES FOR
DIVERSITY

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



Strong Investment
Grade S&P “A-/A-1”

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Appendix 6

Financial Ratios Definitions		H1 2017	H1 2016
Gearing ratio	$\frac{\text{Gross borrowings}^1 - \text{Operating cash}^2}{\text{Shareholders' equity and non-controlling interests}}$	34%	26%
Net debt ratio	$\frac{\text{Gross borrowings}^1 - \text{Operating cash}^2}{\text{Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)}^3}$	0.9	0.6
Financial Ratios reconciliation		H1 2017	H1 2016
1 Gross borrowings	Non-current borrowings	3,079	2,753
	+ current borrowings excluding overdrafts	685	51
	- derivative financial instruments recognized as assets	(6)	(4)
		3,758	2,800
2 Operating cash	Cash and cash equivalents	1,698	1,224
	+ financial assets related to the Benefits and Rewards Services activity	862	689
	- bank overdrafts	(36)	(36)
		2,524	1,877
3 Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)*	Operating profit (last 12 months)	1,060	1,144
	+ depreciation and amortization (last 12 months)	272	324
		1,332	1,468

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Appendix 6

Exceptional expenses

Exceptional expenses are the costs of implementation of the Adaptation and Simplification program (€137m in H1 2017, €37m in H1 2016 and €108m in Fiscal 2016).

Free cash flow

Please refer to slide 19.

Change excluding currency effect

Change excluding currency effect calculated converting H1 2017 figures at FY 2016 rates, except for countries with hyperinflationary economies. As a result for Venezuelan Bolivar, H1 2017 and H1 2016 figures in VEF have been converted at the exchange rate of USD 1 = VEF 700 vs. VEF 645 for FY 2016.

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.

Net debt

Net debt corresponds to the Group's borrowings at the balance sheet date, less Operating cash.

Net profit before non-recurring items

Reported Net Profit excluding non-recurring items net of taxes (respectively €92m for exceptional expenses and €7m early debt reimbursement indemnity in H1 2017, and €24m for exceptional expenses in H1 2016).

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Appendix 6

Non-recurring items

For H1 2017: exceptional expenses of €137m related to the Adaptation and Simplification program in operating profit and €11m of early debt reimbursement indemnity in financial expense (respectively €92m and €7m net of taxes). For H1 2016 it concerns exceptional expenses of €37m (or €24m net of taxes) related to the Adaptation and Simplification program.

Operating margin

Operating profit divided by Revenues.

Operating margin before exceptional expenses

Operating profit before exceptional expenses divided by Revenues.

Operating margin at constant rate

Margin calculated converting H1 2017 figures at FY 2016 rates, except for countries with hyperinflationary economies. As a result for Venezuelan Bolivar, H1 2017 and H1 2016 figures in VEF have been converted at the exchange rate of USD 1 = VEF 700 vs. VEF 645 for FY 2016.

Operating profit before exceptional expenses

Reported Operating Profit excluding exceptional expenses (€137m in H1 2017, €37m in H1 2016 and €108m in Fiscal 2016).

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Appendix 6

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 and divestments, as follows:

- for businesses acquired during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired 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 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 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 H1 2017 and H1 2016 in Venezuelan Bolivar, have been converted at the exchange rate of USD 1 = VEF 700 vs. VEF 645 for FY 2016.

INVESTOR RELATIONS CONTACTS

Appendix 6

❖ Head of Investor Relations

Virginia JEANSON

Tel : + 33 1 57 75 80 56

Virginia.jeanson@sodexo.com

❖ Investor Relations Manager

Sarah JAMALI-KLEIN

Tel : + 33 1 57 75 83 68

Sarah.jamali@sodexo.com

❖ Investor Relations Coordinator

Cynthia CATTY

Tel : + 33 1 57 75 80 54

Cynthia.catty@sodexo.com

Sodexo

255 Quai de la Bataille de Stalingrad

92130 Issy Les Moulineaux

Email : communication.financiere@sodexo.com

www.sodexo.com

Finance home

Sodexo enters the CAC 40 Index

The Euronext Scientific Board on Indices announced March 10, 2016 its decision to include Sodexo in the CAC 40 index.

[▶ Read the press release](#)



Annual Results, Fiscal 2016

November 17th, 2016 - 9:00 a.m. (Paris Time)

[▶ Webcast](#)



Key financial information

- ▶ Press releases
- ▶ Financial results
- ▶ Webcasts
- ▶ Financial calendar

SODEXO'S FISCAL 2015 HIGHLIGHTS



Financial publications

[▶ Sodexo in a snapshot \(fact sheet\)](#)



Shareholder information

[▶ Shareholders' Meeting](#)

GROUP SERVICES CORPORATE RESPONSIBILITY CAREERS FINANCE MEDIA

Home > Finance > Shareholders

Shareholders

Financial communication policy
The fundamental principles of our financial communication policy.

Shareholders' Meeting

- How to participate
- Shareholders' Meeting
- General information
- Purpose

Shareholder services
What are the benefits of owning registered shares? How to transfer Sodexo shares?

Shareholding structure

Summary

- LATEST NEWS
- PRESENTATIONS AND PUBLICATIONS
- SHARE INFORMATION
- SHAREHOLDERS
- CORPORATE GOVERNANCE
- REGULATED INFORMATION
- TOOLBOX

Contact us
Contact the Investor Relations
Or call +33 (0)1 57 75 80 56

Thank you!