PRESS RELEASE

Sodexo: Solid revenue growth in Fiscal 2019

- **Revenue growth of +7.6%**
- **Organic growth revitalized and above guidance at +3.6%**
- **Underlying Operating Margin stable, in line with objectives**
- **Strong cash conversion[1] at 136%**
- **Fiscal 2020 Guidance: Around 4% organic growth and stable Underlying operating margin, excluding impact of currencies and IFRS 16 implementation**

Issy-les-Moulineaux, November 7, 2019 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY). At the Board of Directors meeting held on November 6, 2019 and chaired by Sophie Bellon, the Board closed the Consolidated and Company accounts for the fiscal year ended August 31, 2019.

Financial performance for Fiscal 2019

(in millions of euro)	FISCAL 2019 (ENDED AUGUST 31, 2019)	FISCAL 2018 (ENDED AUGUST 31, 2018)	DIFFERENCE	DIFFERENCE CONSTANT RATES
Revenue	21,954	20,407	+7.6%	+6.2%
Organic growth	*+3.6%*	*+1.6%*		
UNDERLYING OPERATING PROFIT	**1,200**	**1,128**	**+6.4%**	**+6.0%**
UNDERLYING OPERATING PROFIT MARGIN	**5.5%**	**5.5%**	**=**	**=**
Other operating expenses	(141)	(131)		
OPERATING PROFIT	**1,059**	997	**+7.7%**	**+7.3%**
Net financial expense	(100)	(90)		
Effective tax rate	*29.0%*	*27.1%*		
GROUP NET PROFIT	**665**	651	**+2.2%**	**+1.7%**
EPS *(in euro)*	**4.56**	4.40	**+3.6%**	
UNDERLYING NET PROFIT	**765**	706	**+8.3%**	**+7.8%**
UNDERLYING EPS *(in euro)*	5.25	4.77	+10.1%	
Proposed dividend per share (*in euro*)	2.90[2]	2.75	+5.5%	
Net Capital expenditure / Revenue	1.9%	1.4%		
Cash conversion	136%	165%		
Debt Ratio	0.9	1.0		

[1] *Cash conversion= Free cash flow/ Group net profit*

[2] *To be proposed at the Annual General Meeting on January 21, 2020*

Commenting on the performance of the year, Sodexo CEO Denis Machuel said:

"Our Focus on Growth strategic agenda is working with revenue growth exceeding our expectations in nearly all regions, particularly in North America. This year we have invested in sales, marketing, training, digital and IT, reinvesting productivity gains for the greatest impact to structure solid and recurring top line growth. We have also enhanced execution on certain large contracts and our targeting and signing discipline is improving. Renewed management vigor at all levels coupled with some key recruitments have helped to positively evolve our culture and further embed discipline throughout the organization.

Although our global retention and development KPIs are not where we would like them to be, I am convinced that we are on the right path to better growth over the next few years."

Highlights of the period

- Organic revenue growth for the year, at +3.6%, is above the original guidance range of +2 to +3% given in November 2018 and the revised guidance of "around +3%" in July 2019. The underlying operating profit margin was in line with our comments in July and at the lower end of the original guidance range (5.5% to 5.7%, excluding currency impact) at 5.5%.
- **On-site Services** organic revenue growth of +3.3% has significantly improved relative to previous years, reflecting:
  - A return to growth in revenue in North America, at +1.8% for the full year, and sustained growth of +4.6% in all other regions.
  - Mixed performance on key indicators:
    - Client retention rate has decreased 50 bps to 93.3% due to losses in Healthcare in the second half. Excluding the one large contract exited, retention was up 10bps. All other regions and segments are stable or improved;
    - New sales development was down 50 bps to 6.3%, due to stricter selectivity in the bidding process;
    - Same site sales growth was +3.1%, up from +2.6% in Fiscal 2018, reflecting a combination of more inflation pass-through, solid cross-selling, offset somewhat by a net negative impact from IFRS 15 implementation of about 20bps.
    - With the award of the Summer 2020 Olympics hospitality contract, the two major sports events in Japan (the Rugby World Cup and the Olympics) should contribute approximately 100 bps of comparable site growth for Fiscal 2020.
- **Benefits & Rewards Services** organic revenue growth was +8.5%, well balanced between Europe, Asia and USA at +8.6% and Latin America at +8.3%.
- The **underlying operating margin** was stable at 5.5% as published and excluding the currency impact. Productivity gains compensated investments in growth.
- **Other operating income and expenses** reached 141 million euro, compared to 131 million euro the previous year. Restructuring costs amounted to 46 million euro in Fiscal 2019 compared to 42 million euro in Fiscal 2018. Lower acquisition costs and higher gains on the sale of assets nearly offset higher amortization and depreciation of acquired intangible assets.
- Reported net profit was 665 million euro, up +2.2%. Basic EPS was 4.56€ up +3.6%, helped by a lower average share count following the share buy-back program in Fiscal 2018.
- **Underlying Net profit** totaled 765 million euro, up +8.3%, with underlying EPS at 5.25€, up +10.1%.
- **The dividend** to be proposed at the Shareholders meeting on January 21, 2020, is 2.90€, up +5.5% on the previous year, compared to an EPS up +3.6%. As a result, the pay-out is at 64%, or 55% relative to Underlying EPS.

- **Free cash flow** reached 907 million euro, representing a strong performance following an exceptional performance in Fiscal 2018 at 1,076 million euro[1] and despite a significant increase in net capex at 415 million, or 1.9% of revenues, against 298 million euro in the previous year. As a result, cash conversion remained high at 136% vs 165% in Fiscal 2018.
- After taking into account acquisitions and dividends, consolidated **net debt** at the end of the period was down slightly to 1,213 million euro compared to 1,260 million euro at August 31, 2018. As a result, the Group's financial position remained strong, with a net debt ratio at 0.9, just below the target level of 1-2.
- **Acquisitions**, net of disposals, amounted to **301 million euro** for the year, including:
  - In On-site food services, Novae and Alliance in Partnership, strengthening the Group's presence in high end Corporate Services in Switzerland and public-sector Education in the United Kingdom,
  - In Homecare, several companies, strengthening the Group's positions in North America, France, and the United Kingdom, and entering the Brazilian market and Asia,
  - In Childcare, with the acquisition of Crèche de France, doubling our presence in the French market and entering the German market with Elly & Stoffl,
  - During the year, the Group also acquired minority stakes in the digital/tech companies Meican in China and Zeta in India, which were already providing On-site and Benefits & Rewards operations with technology platforms in their home countries. The strategy is to deploy these platforms in other countries around the world.
- Sodexo's engagement in **Corporate Responsibility** continues to be recognized within the investment community, by remaining the top-rated company in its sector within the Dow Jones Sustainability Index (DJSI) for the 15th consecutive year, and the highest marks in SAMs "Sustainability Yearbook" for the 12th consecutive year in 2018.
- **Evolution in Governance**:

  At the next Shareholders meeting, on the recommendation of the Nominating Committee, the Board will propose, as independent Directors:

  - The following appointments:
    - Véronique Laury, the former Chief Executive Officer of Kingfisher, a UK retail FTSE100 company, with the Castorama and B&Q brands. She will bring to the Board her strong consumer knowledge, as well as sales and marketing expertise in a B to C environment.
    - Luc Messier has both Canadian and American citizenships. He will bring significant international operational experience, notably in the energy sector, through executive management positions held with large French and American multinational companies (ConocoPhilips, Technip, Bouygues, Pomerleau).
  - The following reappointments:
    - Sophie Stabile, notably for her experience in operations and finance in the services sector as well as her expertise in mergers and acquisitions.
    - Cécile Tandeau de Marsac, notably for her experience in marketing and in human resources in an international group undergoing significant organizational changes.

[1] *Including a tax reimbursement and related interest for a total of 51m€*

In addition, the Board offers its sincere thanks for their tremendous contributions to the Board to:

- Robert Baconnier, whose mandate expires at the Annual shareholders meeting to be held on January 21, 2020, and who has announced his intention to retire as Director, which he has been since February 8, 2005.
- Astrid Bellon who has expressed her wish to no longer be a Board director from January 21, 2020, which she has been since July 26, 1989, to fully devote herself to her role on the Orientation Committee of the Pierre Bellon Foundation as well as to her personal projects.

Should these appointments and renewals be approved by shareholders at the General meeting on January 21, 2020, the Board would be composed of 12 members, including 2 employee representatives. Amongst the 10 elected members, 7 are independent, 6 are female and the average age is 55 years old.

Outlook

The *Focus on Growth* strategic agenda has delivered growth of more than 3% this year. There are many action plans around the group with initiatives to enhance quality of new and renewed contracts, operational efficiency and growth.

For Fiscal 2020, while growth in North America remains challenging as the Healthcare contract losses fall out of revenues and with net new business being only neutral in Education, growth in all other areas and segments should continue to accelerate.

This year also benefits from two major sports events in Japan, with the Rugby World Cup in the first quarter and the 2020 Summer Olympics in the fourth quarter.

The Group is continuing to identify new Fit for the Future initiatives to generate SG&A savings. This will complement the operational productivity coming through due to more discipline and STEP implementation. **These savings will continue to be reinvested in accelerating growth.**

As a result, for **Fiscal 2020 the Group is expecting:**

- **organic revenue growth of around 4%,**
including the major sports events.
- **Stable underlying operating profit margin for the year,**
excluding the currency impact and any impact from IFRS 16 implementation.

Mid-term, the Group aims to deliver market leading profitable growth. Current Group investments, activity mix and geographic presence provide us with the opportunities to capture this growth. Sodexo is capable of accelerating organic growth over the years to come while ensuring a sustainable and inclusive business model.

As organic growth increases, growth investments will be kept under control, so that the effects of enhanced discipline and efficiency gains will feed margin expansion.

Denis Machuel and the Board extend their sincere thanks to the 470,000 employees who have each in their own way, contributed to the improved financial performance in Fiscal 2019 while at the same time making the quality of life of others part of their daily work.

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 results for Fiscal 2019. Those who wish to connect from the UK may dial +44 2071 928 000 or from France + 33 1 76 70 07 94, or from the USA +1 631-510-7495, followed by the passcode **52 72 754**.

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 2020 financial calendar

Publication of Universal Registration Document	November 21, 2019
1st quarter revenues	January 9, 2020
Fiscal 2019 Annual Shareholders' Meeting	January 21, 2020
Dividend ex-date	January 30, 2020
Dividend record date	January 31, 2020
Dividend payment date	February 3, 2020
1st half results	April 9, 2020
Nine-month revenues	July 7, 2020
Fiscal 2020 Annual results	October 29, 2020
Fiscal 2020 Annual Shareholders' Meeting	January 12, 2021

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 67 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 470,000 employees throughout the world.

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

Key figures (as of August 31, 2019)

22.0 billion euro in consolidated revenues

470,000 employees

19th largest private employer worldwide

67 countries

100 million consumers served daily

14,7 billion euro in market capitalization (as of November 6, 2019)

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FINANCIAL REPORT FISCAL 2019

Fiscal year ended August 31, 2019

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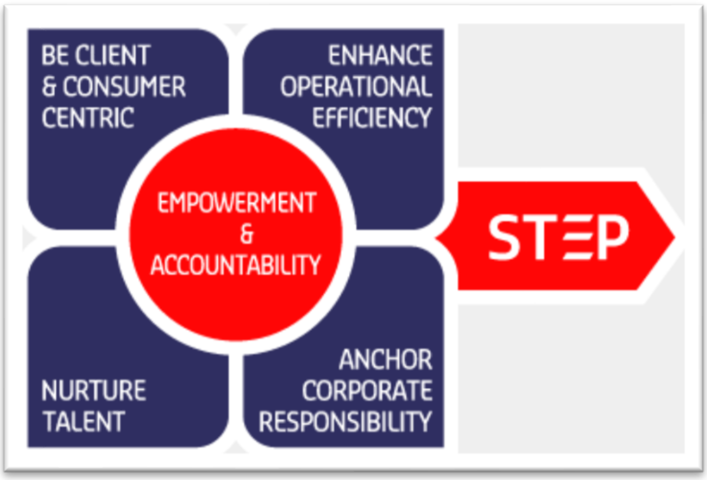
FISCAL 2019 ACTIVITY REPORT

FISCAL 2019 YEAR HIGHLIGHTS

Focus on Growth

The Group's strategic agenda Focus on Growth has oriented the actions to generate productivity, by enhancing operational efficiency, to free up the means to continue to invest in growth by being more client and consumer centric. There has been a focused effort to put food back into the heart of everything we do. We are reinforcing discipline into our organization, by nurturing talent with new training, a new performance development framework *Aspire*, and considerable management changes, particularly in North America.



Anchoring corporate responsibility is exemplified by the launch in Fiscal 2019 of a global focus on food waste, with the program *Waste-Watch*, powered by *Leanpath*, to be deployed in 3,000 sites by the end of Fiscal 2020.

The *STEP* project, Sodexo's performance management framework, is expected to focus management on the operational KPIs. The deployment is progressing in line with plan. The standardized cloud-based dashboard including 21 operational KPIs, with cost of worked hour, spend per consumer or food costs for example, went live in September 2019, for certain segments, in six countries and is expected to be available on 7,500 sites by February 2020.

Enhanced discipline across the Group

The reignition of growth in Fiscal 2019 has been accompanied by signs of renewed discipline in the organization.

This is demonstrated by the following elements:

- Our Lost time injury rate (LTIR) has continued to improve, down 11.3% in Fiscal 2019, to reach 0.86.
- While revenue retention was at 93.3%, due in particular to the exit of one large contract in Healthcare, gross profit retention was higher at 95%.
- The gross profit margin of new contracts signed during the year was 20 bps higher in Fiscal 2019 than in the previous year.
- In Corporate Services, the share of local contracts in the sales pipeline represented 80%. These smaller, local contracts ramp-up faster and can offset the impact of the larger start-ups, which ramp-up more slowly.

Growth investments financed by productivity

In line with the strategic agenda, productivity gains are being achieved. Onsite, clear signs of better control of food costs and labor management are coming through, although some of this has been offset by continued wage inflation, particularly in North America. Offsite, the results of the Fit for the Future program to streamline, standardize and mutualize SG&A costs are also helping to reduce costs.

This productivity has been reinvested back into the business. The key focus has been to accelerate growth, not just on a short-term basis, but also on a medium and long-term basis. The increase in investments in Onsite Services has been directed towards widening and improving our digital offers, data management, IT upgrade, improving and digitalizing sales and marketing. In Benefits and Rewards, the focus has been on transforming the organization with a new sales model, digital marketing, data management optimization, innovative payment solutions, enhancing the platforms and infrastructures for the digital solutions of the traditional benefits business.

FISCAL 2019 PERFORMANCE

Consolidated income statement

(in millions of euro)	**FISCAL 2019 (ENDED AUGUST 31, 2019)**	**FISCAL 2018 (ENDED AUGUST 31, 2018)**	**DIFFERENCE**	**DIFFERENCE CONSTANT RATES**
Revenue	21,954	20,407	+7.6%	+6.2%
Organic growth	*+3.6%*	*+1.6%*		
UNDERLYING OPERATING PROFIT	**1,200**	**1,128**	**+6.4%**	**+6.0%**
UNDERLYING OPERATING PROFIT MARGIN	**5.5%**	**5.5%**	**=**	**=**
Other operating expenses	(141)	(131)		
OPERATING PROFIT	**1,059**	997	**+6.2%**	**+5.8%**
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GROUP NET PROFIT	**665**	651	**+2.2%**	**+1.7%**
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UNDERLYING NET PROFIT	**765**	706	**+8.3%**	**+7.8%**
UNDERLYING EPS *(in euro)*	5.25	4.77	+10.1%	

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 FY 19**	AVERAGE RATE FY 18	AVERAGE RATE FY 19 VS. FY18	**CLOSING RATE FY 19 AT 31/08/2019**	CLOSING RATE FY18 AT. 31/08/18	CLOSING RATE 31/08/19 VS. 31/08/18
U.S. DOLLAR	**1.134**	**1.193**	**+5.2%**	**1.104**	**1.165**	**+5.6%**
POUND STERLING	**0.885**	**0.884**	**-0.1%**	**0.906**	**0.897**	**-0.9%**
BRAZILIAN REAL	**4.384**	**4.075**	**-7.0%**	**4.588**	**4.859**	**+5.9%**

Sodexo operates in 67 countries. The percentage of total revenues and underlying operating profit denominated in the main currencies are as follows:

(FY19)	% OF REVENUES	% OF UNDERLYING OPERATING PROFIT
U.S. DOLLAR	42%	48%
EURO	25%	3%
UK POUND STERLING	9%	10%
BRAZILIAN REAL	5%	20%

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 of the On-site Services activities in Argentina, Peso figures for Fiscal 2019 and Fiscal 2018 have been converted at the exchange rate of 1€ = 63.975 ARS vs 44.302 ARS for Fiscal 2018.

Starting Fiscal 2019 Venezuela is accounted for using the equity method. Consequently, Venezuela is no longer included in revenue.

Revenues

Revenues by activity

REVENUES BY SEGMENT (in millions of euro)	FY2019	FY2018	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	**11,577**	10,938	+3.5%	+1.9%	+3.5%	+0.4%	+5.8%
Healthcare & Seniors	**5,210**	4,768	+2.1%	+5.5%	+1.0%	+2.8%	+9.3%
Education	**4,280**	3,855	+4.6%	+4.7%	+2.5%	+3.9%	+11.0%
On-site Services	**21,067**	**19,561**	**+3.3%**	**+3.3%**	**+2.7%**	**+1.7%**	**+7.7%**
Benefits & Rewards Services	**892**	**850**	**+8.5%**	**+8.5%**	**+0.1%**	**-3.7%**	**+4.9%**
Elimination	**-4**	-4					
TOTAL GROUPE	**21,954**	**20,407**	**+3.6%**	**+3.6%**	**+2.6%**	**+1.5%**	**+7.6%**

Fiscal 2019 consolidated revenues totaled 22 billion euro, up +7.6% year-on-year. This growth is the result of organic growth of +3.6%, a contribution from acquisitions of +2.6%, with in particular the full year impact of the Centerplate acquisition, and positive currency movements for +1.5%, helped by the strength of the US dollar more than offsetting the weakness in the Brazilian Real.

On-site Services

On-site Services organic revenue growth was +3.3% in Fiscal 2019, the highest rate of growth achieved in the last 7 years. All regions and segments contributed to this growth.

The Fiscal 2019 KPIs were mixed: net new business was neutral with Development at 6.3%, compensating for Retention at 93.3%. Comparable site sales growth was strong at +3.1%.

- **Client retention impacted by large Healthcare contract exit in North America**

Retention was 93.3% in Fiscal 2019, down 50 bps relative to Fiscal 2018. Excluding a large contract exit in Healthcare North America, where profitability was inadequate, retention would have been up 10bps. This large contract will terminate in the first quarter of Fiscal 2020.

The primary focus of the new Healthcare management team in North America is to return to operational excellence on existing contracts and improving productivity, and where this is impossible closing the contract.

- **Development strong in most regions**

At 6.3%, the development rate was down 50 bps. This reflects a more active selection process to identify the contracts where the Group believes it can add value to the client while generating good margins. The Corporate Services strategy to improve the mix of signatures between large global accounts which ramp-up over years and small local accounts which ramp-up rapidly is also having an impact. In Healthcare, the new management team is regenerating the pipeline. In Sports & Leisure, as expected, development was low, due to the successful and substantial renewals program in North America which mobilized the teams. All other regions and segments have improved their development rates and Sodexo was chosen recently to manage hospitality for the 2020 Summer Olympics in Japan. The contribution of the Rugby World Cup and the Olympics will add around 100bps to comparable unit growth in Fiscal 2020.

- **Solid comparable site sales growth**

Comparable site sales growth of +3,1% is up 50 bps relative to Fiscal 2018, reflecting a combination of more inflation pass-through and solid cross-selling, offset somewhat by a net negative impact from the IFRS 15 implementation of about 20bps.

In Fiscal 2019, food services organic growth improved, while non-food services continue to perform well with high single-digit growth. Non-food services represent 34% of On-site Services revenue.

On-site Services Revenues by Region

REVENUES BY REGION *(In millions of euro)*	FY2019	FY2018	RESTATED ORGANIC GROWTH
North America	**9,572**	8,707	+1.8%
Europe	**8,129**	7,690	+3.2%
Africa, Asia, Australia, Latam, Middle East	**3,366**	3,163	+7.9%
ONSITE SERVICES TOTAL	**21,067**	**19,561**	**+3.3%**

Outside North America, representing 55% of On-site Services revenue, organic growth was +4.6%.

Brexit:

In June 2016, the United Kingdom voted to leave the European Union. Sodexo has been present in the United Kingdom 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. The Group 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 or no deal Brexit on food prices and availability. We have noticed a slowdown in new business opportunities even though same site sales growth and retention remain solid. Of course, growth in activity will remain dependent upon growth in GDP and employment in the country.

Business & Administrations

Revenues

REVENUES BY REGION *(In millions of euro)*	FY2019	FY2018	RESTATED ORGANIC GROWTH
North America	**3,263**	2,822	+1.9%
Europe	**5,371**	5,313	+2.5%
Africa, Asia, Australia, Latam, Middle East	**2,942**	2,804	+6.8%
BUSINESS & ADMINISTRATIONS TOTAL	**11,577**	**10,938**	**+3.5%**

Fiscal 2019 **Business & Administrations** revenues totaled **11.6 billion euro**, with organic growth of +3.5%.

In **North America** organic growth was up **+1.9%** reflecting strong growth in Corporate Services, driven by same site sales growth, new contracts and solid retention, compensating weaker organic growth in other segments. Government & Agencies same site sales growth was impacted negatively by the renewal of the US Marines Corp contract, although the trend is improving progressively quarter by quarter, as the new contract ramps-up. In Sports & Leisure, organic growth was negative due to the exit of some less profitable contracts. The very substantial and successful contract renewal program this year mobilized the sales teams, resulting in low levels of new development. Energy & Resources remains volatile, quarter by quarter, and impacted by a tough comparable base in the first quarter due to a large one-off project in Fiscal 2018.

In Europe, sales were up **+2.5%** organically. Corporate Services continued to generate solid growth due to cross-selling, an easier comparative base in Benelux, and strong growth in southern and eastern Europe. Summer tourism in Paris was better than expected partially compensating a contract loss in France. Government & Agencies improved quarter by quarter during the year. Energy & Resources turned positive in the second half.

In **Africa, Asia, Australia, Latin America, Middle East** organic revenue growth remains strong at **+6.8% for the year,** reflecting strong growth in same site sales and new business in Corporate Services in all regions, progressive improvement quarter by quarter in Energy & Resources growth, and a successful Pan-American Games in August in Peru.

Healthcare & Seniors

REVENUES BY REGION *(In millions of euro)*	FY2019	FY2018	RESTATED ORGANIC GROWTH
North America	**3,211**	3,001	+1.5%
Europe	**1,678**	1,493	+0.9%
Africa, Asia, Australia, Latam, Middle East	**321**	274	+17.4%
HEALTHCARE & SENIORS TOTAL	**5,210**	**4,768**	**+2.1%**

Healthcare & Seniors revenues amounted to **5.2 billion euro**, up +2.1% organically.

In **North America,** organic growth was **+1.5%.** The renewed management team is focused on improving execution and productivity, generating more cross-selling on existing contracts, passing through inflation and putting more discipline into the sales process. Retention was impacted this year due to the loss of several contracts and one large contract exit for which profitability has been an issue. These contracts started to fall out of revenues in the fourth quarter but will continue to do so in the first half of Fiscal 2020. Development has also been slow due to a much more selective process, impacting the pipeline of opportunities. However, the contracts signed are more robust. Seniors organic growth improved progressively quarter by quarter, after the loss of a significant contract in the first quarter.

In **Europe,** organic growth was **+0.9%.** The slow market dynamic in both Hospitals and Seniors and the resulting negative net new business in most countries has hampered growth. On the other hand, same site sales growth was strong, particularly in northern Europe. The pipeline is showing signs of improvement, particularly in the UK.

In **Africa, Asia, Australia, Latin America, Middle East** organic revenue growth has remained strong all year, at **+17.4%** despite the comparable base becoming more and more challenging quarter after quarter. The growth reflects new contract startups in Brazil and Asia, as clients seek to benefit from the transfer of the Group's expertise, and particularly strong same site sales growth across the regions. The development rate has slowed down slightly during the year but remains well over the average for the segment.

Education

REVENUES BY REGION *(In millions of euro)*	FY2019	FY2018	ORGANIC GROWTH
North America	**3,098**	2,884	+2.2%
Europe	**1,079**	885	+12.0%
Africa, Asia, Australia, Latam, Middle East	**102**	86	+12.3%
EDUCATION TOTAL	**4,280**	**3,855**	**+4.7%**

Revenues in **Education** were **4.3 billion euro**, up +4.7% organically.

North America was up **+2.2%,** or +3.6% excluding the IFRS 15 impact[1]. While net new business from last year was neutral, same site sales growth has been solid, helped by inflation pass-through, some impact from extra working days, and solid summer works. The selling season in Fiscal 2019 remained broadly neutral, with higher retention but lower development.

In **Europe**, organic growth was **+12%.** This strong performance is driven by solid prior year contract wins in the UK and the start-up in January of the new School contract in the Yvelines department, the biggest School contract ever signed in France, combining both food and facilities management services.

In **Africa, Asia, Australia, Latin America, and the Middle East**, organic growth was **+12.3**%, despite an ever higher comparable base, resulting from the opening of several new School and University contracts in China, Singapore and India.

Benefits and Rewards Services

Benefits & Rewards Services revenue amounted to 892 million euro, up +4.9%. Currencies had a negative impact of -3.7%, due principally to the weakness of the Brazilian real and the Turkish lira. The scope change was negligible. Organic growth in revenues was strong at +8.5%, with a very strong first nine months, and then a slowing down against a higher comparable base in the fourth quarter.

REVENUES BY ACTIVITY *(In millions of euro)*	**FY2019**	**FY2018**	**ORGANIC GROWTH**
Employee benefits	**709**	677	+9.4%
Diversification services*	**183**	173	+5.0%
BENEFITS & REWARDS SERVICES	**892**	**850**	**+8.5%**

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

Employee Benefit revenues were up **+9.4% organically,** compared to organic growth in issue volume (13.5 billion euro) of +7.1%. In Brazil, growth was strong in the first half, slowing down in the second due to the strong comparable base and economic environment which became progressively more difficult. Growth was strong in Europe.

Services Diversification was up **+5%** organically, or +18.7% excluding some portfolio rationalization in Incentive & Recognition, resulting from strong double-digit growth in Mobility & Expense and rapid development in Corporate Health & Wellness offers.

REVENUES BY NATURE *(In millions of euro)*	**FY2019**	**FY2018**	**ORGANIC GROWTH**
Operating Revenues	**818**	777	+8.4%
Financial Revenues	**74**	73	+9.1%
BENEFITS & REWARDS SERVICES	**892**	**850**	**+8.5%**

[1] *First time implementation of IFRS 15 in Fiscal 2019 has had a negative impact of 20 bps on Fiscal 2019 Group organic growth. However, this is made up of a significant impact in Education in North America and a lesser positive impact disseminated broadly around the other segments and regions.*

Operating revenues were up **+8.4%,** with solid growth in western Europe, double digit growth in eastern and southern Europe and strong growth in Latin America. **Financial revenues** were up **+9.1%** as a result of continued volume growth across the regions this year and an increase in interest rates in Turkey, Czech Republic and Romania, where we also had an exceptionally high float due to exceptionally high issuance at the end of the previous fiscal year. Growth was slower in the fourth quarter due to the decline in Brazilian interest rates.

REVENUES BY REGION *(in millions of euro)*	FY2019	FY2018	ORGANIC GROWTH
Europe, Asia and USA	**508**	473	+8.6%
Latin America	**384**	377	+8.3%
BENEFITS & REWARDS SERVICES	**892**	**850**	**+8.5%**

In **Europe, Asia and USA,** organic growth in revenues remains strong at **+8.6%**. This performance is due to a solid performance in western Europe, double-digit growth in eastern and southern Europe, and Turkey. 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 was +8.3%** reflects strong growth in activity in the first half of the year, following on from the strong pick-up in Brazil in the third quarter of Fiscal 2018. Growth slowed down in the fourth quarter due to the higher comparable base. Momentum in Mexico remained good and growth in Chile was strong.

Underlying operating profit

Fiscal 2019 Underlying operating profit amounted to 1.2 billion euro, up +6.4%, or +6% excluding the currency effect. Underlying operating margin was 5.5%, stable relative to the previous year, on current and constant exchange rates. The On-site Services margin was stable at 5% and the Benefits & Rewards Services margin at 31% was up 20 bps, or +110 bps, excluding the currency mix effect of the weakness of the Brazilian Real.

(in millions of euro)	UNDERLYING OPERATING PROFIT FISCAL 2019	DIFFERENCE	DIFFERENCE (EXCLUDING CURRENCY EFFECT)	UNDERLYING OPERATING PROFIT MARGIN FISCAL 2019	DIFFERENCE MARGIN	DIFFERENCE IN MARGIN (EXCLUDING CURRENCY MIX EFFECT)
Business & Administrations	487	+8.0%	+7.1%	4.2%	+ 0 bps	+ 0 bps
Healthcare & Seniors	342	+9.6%	+6.3%	6.6%	+ 30 bps	+ 20 bps
Education	220	-1,4%	-5.7%	5.1%	- 70 bps	- 70 bps
ON-SITE SERVICES	**1,049**	**+6.4%**	**+3.9%**	**5.0%**	**+ 0 bps**	**+ 0 bps**
BENEFITS & REWARDS SERVICES	**276**	**+5.7%**	**+12.7%**	**31.0%**	**+ 20 bps**	**+ 110 bps**
Corporate expenses & Intragroup eliminations	(126)	-4.7%	-4.1%			
UNDERLYING OPERATING PROFIT	**1,200**	**+6.4%**	**+6.0%**	**5.5%**	**+ 0 bps**	**+ 0 bps**

In **On-site Services**, underlying operating profit was up 6.4%, or 3.9% excluding the currency impact. Margin was stable. The performance by segment, excluding the currency effect, is as follows:

- **Business & Administrations** Underlying operating profit increased by +7.1% and the operating margin was stable at 4.2%. As expected the productivity generated by the business during the year was reinjected into more sales, marketing, digital spend, new offers to accelerate growth. The timing differences between investments and productivity gains, visible in the first half figures, were covered as expected, helped by some client renegotiations to establish better levels of profitability in some of the larger contracts started up recently, and in particular for the US Marine Corps contract (USMC).
- In **Healthcare & Seniors** the increase in Underlying operating profit and margin was respectively +6.3% and +20 bps, reflecting the enhanced discipline of the new team, particularly in North America. Productivity is improving due to the introduction of new systems to better manage staffing and food costs and generally, more rigorous management of the STEP operational KPIs. Inflation is covered by price increases.
- In **Education,** underlying operating profit fell by -5.7% and the margin by -70 bps due to previous year churn, particularly in North America and the start-up of many new contracts. The first half was also impacted by strikes in France. North American wage inflation has been passed through. However, wage inflation has continued in Fiscal 2019, absorbing most of the productivity achieved during the year.

In **Benefits & Rewards Services**, underlying operating profit and margin were up respectively +12.7% and +110 bps, excluding currency impacts. This is due to the strong recovery in volumes and a relative stabilization of interest rates in Brazil, despite weakness in the last quarter. Investments are continuing, to implement the digital transformation of the organization.

Group net profit

Other operating income and expenses were 141 million euro versus 131 million euro in the previous year. Restructuring costs reached 46 million euro compared to 42 million euro in the previous year. While amortization and depreciation of acquired intangible assets were up against the previous year linked principally to the ongoing effects of the Centerplate acquisition and some intangibles impairment, this was nearly compensated by lower acquisition costs and net gains from the sale of subsidiaries, linked to the exit of some countries.

(in millions of euro)	FISCAL 2019	FISCAL 2018
Other operating income	**11**	**10**
Gains related to consolidation scope changes	9	3
Gains on changes of post-employment benefits	1	-
Other	1	7
Other operating expenses	**(152)**	**(141)**
Restructuring and rationalization costs	(46)	(42)
Acquisition-related costs	(11)	(15)
Losses related to consolidation scope changes	-	(18)
Losses on changes of post-employment benefits	(4)	-
Amortization and impairment of acquired intangible assets	(85)	(52)
Impairment of non-current assets	-	-
Other	(6)	(14)
Other Operating income and expenses	**(141)**	**(131)**

As a result, the **Operating Profit** was 1,059 million euro, up +6.2%.

Net financial expenses increased by 10 million euro, to 100 million euros essentially due to the absence of the exceptional interest payment from the French State on the dividend tax reimbursement of 7 million euro last year. The remainder is due to higher debt resulting from the acquisition of Centerplate in January 2018 and the share buy-backs last year and the related refinancing. A new 9-year sterling bond was issued in June 2019, partially offsetting a repayment of a tranche from the 2014 USPP in March 2019. Though they have reduced the Group's short-term funding from commercial paper at negative interest rates, these operations have ensured that the average debt maturity remains over 5 years and provided a hedge for sterling cashflow. The blended cost of debt was 2.6% as of August 31, 2019, compared to 2.5% at the end of Fiscal 2018.

The **effective tax rate** returned to a more normal level at 29.0% after the exceptional 27.1% in Fiscal Year 2018 which benefited from a positive one-off in France from the reimbursement of the 3% contribution on distributed dividends over the period 2013-2017. It now fully reflects the positive impact of the tax rate reduction in the USA.

The share of **profit of other companies consolidated by the equity method** was 4 million euro. Profit attributed to non-controlling interests was 21 million euro, after 13 million euro in the previous year due notably to the contribution from the joint venture managing the Rugby World Cup.

As a result, **Group net profit** was 665 million euro, up +2.2%. **Underlying net profit** amounted to 765 million euro, up +8.3%, or +7.8% excluding the currency impact, adjusted for Other operating income and expenses at a normalized tax rate.

Earnings per share

Published EPS was 4.56 euro, up +3.6%. The 160-basis point accretion relative to the change in net profit is due to the effect of the 300-million-euro share buy-back during the previous year resulting in a lower weighted average number of shares of 145,721,534 relative to 148,077,776 shares for Fiscal 2018.

Underlying Earnings per share amounted to 5.25 euro, up +10.1%.

Proposed dividend

At the Shareholder's Meeting to be held on January 21, 2020, the Board of Directors will recommend a dividend of 2.90 euro per share for Fiscal 2019, up +5.5% relative to the prior year, reflecting the increase in EPS of +3.6%. This proposal reflects the Board's confidence in the Group's strategy. As a result, the pay-out ratio will be 64%, or 55% on Underlying EPS.

Consolidated financial position

Cash flows

Cash flows for the period were as follows:

(in millions of euro)	FISCAL 2019	FISCAL 2018
Operating cash flow	1,139	1,140
Change in working capital excluding change in BRS financial assets*	182	221
Net capital expenditure	(415)	(286)
Free cash flow	**907**	**1,076**
Net acquisitions	(301)	(697)
Share buy-backs	(7)	(300)
Dividends paid to shareholders	(403)	(411)
Other changes (including scope and exchange rates)	(150)	(316)
(Increase)/decrease in net debt	**47**	**(648)**

* *Excluding change in financial assets related to the Benefits and Rewards Services activity (-53m€ in Fiscal 2019 and -228m€ in Fiscal 2018).*
Total change in working capital as reported in consolidated accounts: in Fiscal 2019: 129 m€ = 182m€-53m€ and in Fiscal 2018: -7 m€ = 221m€-228m€.

Operating cash flow was stable at 1,139 million euro against an exceptionally strong level last year, helped by low cash taxes and net interest paid, linked to the dividend tax reimbursement in Fiscal 2018. The positive inflow of working capital of 182 million euro remained strong, helped by the strongly favorable cut-off impact at the end of August of the Rugby World Cup, the growth in the business and ongoing improvements in operational cash management throughout the Group.

Net capital expenditure, including client investments amounted to 415 million euro, representing 1.9% of revenues, compared to 1.4% of revenues last year. This reflects higher IT investments, connected to the upgrading of certain systems, a significant increase linked to Education and the higher levels of investments required to support the retention efforts of Sports & Leisure, particularly within *Centerplate* in North America. As previously announced, this rate is expected to increase over the next few years to around 2.5%, as retention and development improve in Education and Sports & Leisure.

Free cash flow reached 907 million euro, a strong performance despite the significant increase in net capex. Previous year performance was boosted by a significant reduction in cash taxes, linked to the exceptional tax reimbursement in France and a decline in the US tax rate. As a result, cash conversion reached 136% compared to 165% in Fiscal 2018.

Net acquisitions and disposals of subsidiaries came out at 301 million euro from particularly high 697 million euro in the previous year, reflecting, in particular, the acquisition of *Centerplate* for a total of 610 million euro. After taking into account dividend payments of 403 million euro, and Other changes, principally linked to currency impacts and consolidation scope changes, consolidated net debt fell during the year by 47 million euro to 1,213 million euro at August 31, 2019.

Acquisitions for the period

In Fiscal 2019, given the focus on accelerating growth in On-site Services and resolving the issues in North America, the acquisitions were predominantly focused on:

- Homecare with entry into the Brazilian and Norwegian markets through Pronep and Prima Omsorg and acquiring density in the UK, France, USA with respectively The Good Care Group, Domicil+ and franchises, and a small entry in the Asian market,
- Childcare with a substantial increase in size in France through the acquisition of Crèches de France and an entry into the German market through Elly & Stoffl,
- The other acquisitions included a strengthening of the Group's position in Education in the UK with Alliance in Partnership and the development of food services in Switzerland with the acquisition of Novae.

Condensed consolidated statement of financial position at August 31, 2019

(in millions of euro)	AUGUST 31, 2019	AUGUST 31, 2018
Non-current assets	9,455	7,944
Current assets excluding cash	5,111	4,628
Restricted cash Benefits and Rewards	678	615
Financial assets Benefits and Rewards	442	427
Cash	1,781	1,666
Total assets	**17,467**	**15,280**

(in millions of euro)	AUGUST 31, 2019	AUGUST 31, 2018
Shareholders' equity	4,456[1]	3,283
Non-controlling interests	42	45
Non-current liabilities	4,722	4,330
Current liabilities	8,247	7,622
Total liabilities and shareholders' equity	**17,467**	**15,280**
Gross debt	**4,079**	**3,940**
Net debt	**1,213**	**1,260**
Gearing	**27%**	**38%**
Net debt ratio	**0.9**	**1.0**

As of August 31, 2019, net debt was 1,213 million euro, representing a gearing of 27%, compared to 38% as of August 31, 2018, and a net debt ratio of 0.9, just below the Group's target range of 1 to 2.

The Group's financial position remains strong with cash flow covering investments, acquisitions and the dividend. As a result, gearing and net debt ratio have improved. During the year, the Group continued to improve the maturity of its debt with the Issuance of a new GBP bond of 250 million pounds sterling (276 million euro), the repayment of the first tranche of the 2014 USPP of 150 million US dollars (132 million euro) and a 100-million-euro reduction of commercial paper issued.

At the end of Fiscal 2019, the Group had unused lines of credit totaling 1,8 billion euro and an operating cash position of 2,866 million euro (including restricted cash for 678 million euro, financial assets for 442 million euro and 35 million euro of bank overdrafts). As a reminder, the cash position includes 2,136 million euro for Benefits & Rewards Services.

[1] *The main impact reflects the reevaluation of certain financial assets in the context of first-time application of IFRS 9.*

sodexo
QUALITY OF LIFE SERVICES

Alternative Performance Measure definitions

Financial ratios

		FISCAL 2019	FISCAL 2018
Gearing ratio	Borrowings [1] – operating cash [2] / Shareholders' equity and non-controlling interests	27.0%	37.9%
Net debt ratio	Borrowings [1] – operating cash [2] / Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)[3]	0.9	1.0
Debt coverage	Borrowings / Operating cash flow	3.6 years	3.5 years
Financial independence	Non-current borrowings / Shareholders' equity and non-controlling interests	86.9%	106.3%
Return on equity	Profit attributable to equity holders of the parent / Equity attributable to equity holders of the parent (before profit for the period)	17.6 %	24.7%
Return on capital employed (ROCE)	Operating profit after tax [4] / Capital employed [5]	15.5 %	16.4%
Interest cover	Operating profit / Net borrowing cost	11.6	12.6

Financial ratios have been computed based on the following key indicators:

		FISCAL 2019	FISCAL 2018
[1] **Borrowings**	Non-current borrowings	3,909	3,537
	+ current borrowings excluding overdrafts	183	421
	- derivative financial instruments recognized as assets	(12)	(18)
		4,079	**3,940**
[2] **Operating cash**	Cash and cash equivalents	1,781	1,666
	+ financial assets related to the Benefits and Rewards Services activity	1,120	1,042
	- bank overdrafts	(35)	(28)
		2,866	**2,680**
[3] **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**	Operating profit	1,059	997
	+ depreciation and amortization	365	317
		1,424	**1,314**
[4] **Operating profit after tax**	Operating profit	1,059	997
	Effective tax rate	29.0 %	27.1%
		753	**727**
[5] **Capital employed**	Property, plant and equipment	684	619
	+ goodwill	6,158	5,664
	+ other intangible assets	801	704
	+ client investments	626	558
	+ working capital excluding restricted cash and financial assets of the Benefits and Rewards Services activity	(3,408)	(3,104)
		4,861	**4,441**

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.

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 of the On-site Services activities in Argentina, Peso figures for Fiscal 2019 and Fiscal 2018 have been converted at the exchange rate of 1€ = 63.975 ARS vs 44.302 ARS for Fiscal 2018.

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 is defined as Group borrowing at the balance sheet date, less operating cash.

Organic growth

Organic growth corresponds to the increase in revenue for a given period (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the exchange rate for the prior fiscal year; and excluding the impact of business acquisitions (or gain of control) and divestments, as follows:

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.
- 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 the On-site Services activities in Argentina, Peso figures for Fiscal 2019 and Fiscal 2018 have been converted at the exchange rate of 1€ = 63.975 ARS vs 44.302 ARS for Fiscal 2018.

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 2019 figures at Fiscal 2018 rates, except for countries with hyperinflationary economies.

2

CONSOLIDATED FINANCIAL STATEMENTS AS OF AUGUST 31, 2019

Consolidated income statement

(in millions of euro)	FISCAL 2019	FISCAL 2018
Revenues	**21,954**	**20,407**
Cost of sales	(18,756)	(17,320)
Gross profit	**3,198**	**3,087**
Administrative and Sales Department costs	(2,000)	(1,963)
Share of profit of companies consolidated by the equity method that directly contribute to the Group's business	2	4
Underlying operating profit	**1,200**	**1,128**
Other operating income	11	10
Other operating expenses	(152)	(141)
Operating profit	**1,059**	**997**
Financial income	44	46
Financial expense	(144)	(136)
Share of profit of other companies consolidated by the equity method	4	2
Profit for the period before tax	**963**	**909**
Income tax expense	(277)	(245)
Profit for the period	**686**	**664**
Of which:		
Attributable to non-controlling interests	21	13
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**665**	**651**
Basic earnings per share *(in euro)*	**4.56**	**4.40**
Diluted earnings per share *(in euro)*	**4.50**	**4.34**

Consolidated statement of comprehensive income

(in millions of euro)	FISCAL 2019	FISCAL 2018
Profit for the period	**686**	**664**
Components of other comprehensive income to be reclassified subsequently to profit or loss		
Change in fair value of available-for-sale financial assets		
Change in fair value of Cash Flow Hedge instruments		
Change in fair value of Cash Flow Hedge instruments reclassified to profit or loss		
Currency translation adjustment	190	(245)
Currency translation adjustment reclassified to profit or loss	(3)	
Tax on components of other comprehensive income to be reclassified subsequently to profit or loss		
Share of other components of comprehensive income of companies consolidated by the equity method, net of tax	(7)	(1)
Components of other comprehensive income that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plan obligation	4	79
Change in fair value of financial assets revalued through other comprehensive income	175	
Tax on components of other comprehensive income that will not be reclassified subsequently to profit or loss	(5)	(13)
Total other comprehensive income (loss), after tax	**354**	**(180)**
COMPREHENSIVE INCOME	**1,040**	485
Of which:		
Attributable to equity holders of the parent	1,021	471
Attributable to non-controlling interests	19	14

Consolidated statement of financial position

Assets

(in millions of euro)	AUGUST 31, 2019	AUGUST 31, 2018
NON-CURRENT ASSETS		
Property, plant and equipment	684	619
Goodwill	6,158	5,664
Other intangible assets	801	704
Client investments	626	558
Companies consolidated by the equity method	62	83
Financial assets	999	190
Derivative financial instrument assets	5	3
Other non-current assets	20	18
Deferred tax assets	99	105
Total non-current assets	**9,455**	**7,944**
CURRENT ASSETS		
Financial assets	58	36
Derivative financial instrument assets	7	15
Inventories	294	280
Income tax receivable	125	176
Trade and other receivables	4,626	4,121
Restricted cash and financial assets related to the Benefits and Rewards Services activity	1,120	1,042
Cash and cash equivalents	1,781	1,666
Total current assets	**8,012**	**7,336**
TOTAL ASSETS	**17,467**	**15,280**

Shareholders’ equity and liabilities

(in millions of euro)	AUGUST 31, 2019	AUGUST 31, 2018
SHAREHOLDERS' EQUITY		
Share capital	590	590
Additional paid-in capital	248	248
Reserves and retained earnings	3,618	2,445
Equity attributable to equity holders of the parent	**4,456**	**3,283**
Non-controlling interests	**42**	**45**
Total shareholders’ equity	**4,498**	**3,328**
NON-CURRENT LIABILITIES		
Borrowings	3,902	3,537
Derivative financial instrument liabilities	7	-
Employee benefits	403	389
Other non-current liabilities	171	190
Provisions	88	88
Deferred tax liabilities	151	126
Total non-current liabilities	**4,722**	**4,330**
CURRENT LIABILITIES		
Bank overdrafts	35	28
Borrowings	182	420
Derivative financial instrument liabilities	0	1
Income tax payable	99	98
Provisions	58	73
Trade and other payables	4,892	4,222
Vouchers payable	2,981	2,780
Total current liabilities	**8,247**	**7,622**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**17,467**	**15,280**

Consolidated cash flow statement

(in millions of euro)	FISCAL 2019	FISCAL 2018
Operating activities		
Operating profit of consolidated companies	**1,057**	**993**
Elimination of non-cash and non-operating items		
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	365	317
Provisions	(39)	(15)
Disposal (gains) losses and other non-cash items	37	20
Dividends received from companies consolidated by the equity method	10	19
Interest paid	(129)	(117)
Interest received	42	51
Income tax paid	(204)	(128)
Operating cash flow	**1,139**	**1,140**
Change in working capital from operating activities	**129**	**(7)**
Change in inventories	(3)	(6)
Change in trade and other receivables	(384)	(160)
Change in trade and other payables	406	193
Change in vouchers payable	164	194
Change in financial assets related to the Benefits and Rewards Services activity	(53)	(228)
Net cash provided by operating activities	**1,268**	**1,133**
Investing activities		
Acquisitions of property, plant and equipment and intangible assets	(400)	(329)
Disposals of property, plant and equipment and intangible assets	17	31
Change in client investments	(31)	11
Change in financial assets and share of companies consolidated by the equity method	(94)	(40)
Acquisitions of subsidiaries	(308)	(683)
Dispositions of subsidiaries	7	11
Net cash used in investing activities	**(809)**	**(1,000)**
Financing activities		
Dividends paid to parent company shareholders	(403)	(411)
Dividends paid to non-controlling shareholders of consolidated companies	(19)	(13)
Purchases of treasury shares	(11)	(371)
Sales of treasury shares	4	25
Increase in share capital	1	1
Change in non-controlling interests	(1)	(5)
Proceeds from borrowings	278	645
Repayment of borrowings	(257)	(215)
Net cash provided by/ (used in) financing activities	**(408)**	**(345)**
CHANGE IN NET CASH AND CASH EQUIVALENTS	**52**	**(212)**
Net effect of exchange rates and other effects on cash	58	(130)
Net cash and cash equivalents, beginning of period	1,638	1,980
NET CASH AND CASH EQUIVALENTS, END OF PERIOD	**1,746**	**1,638**

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
Shareholders' equity as of August 31, 2018	**147,454,887**	**590**	**248**	**3,375**	**(930)**	**3,283**	**45**	**3,328**
Impact of IFRS 9 & IFRS 15 first-time application				**530**		**530**		**530**
Shareholders' equity as of September 1, 2018	**147,454,887**	**590**	**248**	**3,905**	**(930)**	**3,813**	**45**	**3,858**
Profit for the period				665		665	21	686
Other comprehensive income (loss), net of tax				166	190	356	(2)	**354**
Comprehensive income				**831**	**190**	**1,021**	**19**	**1,040**
Dividends paid				(403)		(403)	(22)	**(425)**
Capital reduction by cancelling treasury shares								
Treasury share transactions				(7)		(7)		**(7)**
Share-based payment (net of income tax)				33		33		**33**
Change in ownership interest without any change of control				(5)		(5)	0	**(5)**
Other				4		4	0	**4**
Shareholders' equity as of August 31, 2019	**147,454,887**	**590**	**248**	**4,358**	**(740)**	**4,456**	**42**	**4,498**

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
Shareholders' equity as of August 31, 2017	**150,830,449**	**603**	**534**	**3,084**	**(685)**	**3,536**	**34**	**3,570**
Profit for the period				651		651	13	664
Other comprehensive income (loss), net of tax				65	(245)	180	0	(180)
Comprehensive income				**716**	**(245)**	**471**	**14**	**485**
Dividends paid				(411)		(411)	(16)	(427)
Capital reduction by cancelling treasury shares	(3,375,562)	(14)	(286)	300				
Treasury share transactions				(348)		(348)		(348)
Share-based payment (net of income tax)				44		44		44
Change in ownership interest without any change of control				(0)		(0)	14	13
Other				(10)		(10)	0	(9)
Shareholders' equity as of August 31, 2018	**147,454,887**	**589**	**248**	**3,375**	**(930)**	**3,283**	**45**	**3,328**