

# Sodexo SA

Sodexo SA's ratings are underpinned by its market position as the second-largest provider of on-site food- and facility-management services, significant scale and globally diversified operations. The business ensures high revenue visibility and resilience in profit margins, albeit still exposed to slight volatility in times of cost inflation. This, together with Sodexo's disciplined financial policy, balances out against its moderate operating and free cash flow (FCF) margins.

The Stable Outlook reflects Fitch Ratings' expectations that Sodexo will see gradual profitability improvements, with EBITDA net leverage at around 1.9x by the financial year ending August 2027 (FY27).

## Key Rating Drivers

**Continued Strong Momentum:** We forecast revenue to grow by 6.5% in FY24, driven by Sodexo winning net new customers and further price increases as the company aims to pass on cost inflation to consumers. We also expect stronger revenue growth in Europe in 2HFY24 supported by the planned sport events for the period.

From FY25, organic revenue growth will stabilise at mid-single digits, sustained by ongoing investments in expansion and the benefits from a persistent outsourcing trend in the industry. We anticipate that revenue growth, along with softening food inflation, enhanced on-site efficiencies will lead to gradual EBITDA margin improvement toward 6.7% (adjusted for client investment amortisation) by FY27 (estimated at 6.2% in FY24) translating into sustainably positive post-dividend FCF margins of around 1%.

**Disciplined Financial Policy Is Key:** Sodexo's credit profile is strongly supported by its public commitment to a conservative financial policy with a company-calculated EBITDA net leverage target of 1.0x-2.0x. Disciplined investments in business growth (capex and M&A) and/or shareholder distributions without compromising its leverage target are critical to maintaining its credit profile at 'BBB+'. This would also ensure sustained positive FCF and headroom for potential bolt-on acquisition opportunities, which are part of Sodexo's strategy.

We project EBITDA net leverage to remain stable at 1.9x, with the company's existing cash balance and future positive FCF sufficient to finance Fitch-assumed annual M&A spend of up to EUR500 million over FY24-FY27.

**High Profit Visibility and Resilience:** Sodexo had market-leading client retention rates of 95.5% at 1HFY24 (FY23: 95.2%), and even higher in North America. This, together with high contracted revenue and medium-term tenor contracts, ensures high revenue visibility. Management has indicated that Sodexo employs flexible pricing in its contracts, enabling the transfer of most cost inflation to customers, thereby bolstering the stability of operating profits.

**Strong Business Profile:** Sodexo benefits from leading market positions as an established provider of food- and facility-management services, with diversified operations globally and by end-market with a reasonable execution record, a wide offering of services and customisation levels to customers. Sodexo showed resilience even during the coronavirus pandemic and most recently high inflationary environment, as these events were offset by the company's diversified operations and customer base.

**Supportive Industry Fundamentals:** We expect that the outsourcing trend in the food services and facilities management industry will persist, allowing Sodexo to further expand its customer base across its regions. We believe that its business profile, as one of the market leaders with a decent execution track record and strong operating leverage, will support further growth of its market share at the expense of smaller competitors that have subdued profitability after the pandemic and recent cost challenges.

## Ratings

Long-Term IDR	BBB+
Senior Unsecured Debt - Long-Term Rating	BBB+

## Outlook

Long-Term Foreign-Currency IDR	Stable
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[Click here for the full list of ratings](#)

2035 Climate Vulnerability Signal: 25

## Amendment

This report, initially published 31 May, 2024, has been amended to correct a number of forecasted figures from 2024-2026 to adjust for spinoff-related outflows in tables and text throughout the report. In addition, we have also corrected numbers relating to EBIT, gross interest expense and pre-tax income for 2021-2023. All other content is correct as of the original publication date.'

## Applicable Criteria

[Corporates Recovery Ratings and Instrument Ratings Criteria \(October 2023\)](#)

[Corporate Rating Criteria \(November 2023\)](#)

[Sector Navigators - Addendum to the Corporate Rating Criteria \(November 2023\)](#)

[Corporate Hybrids Treatment and Notching Criteria \(November 2020\)](#)

## Related Research

[Global Corporates Macro and Sector Forecasts \(March 2024\)](#)

## Analysts

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## Financial Summary

(EURm)	2021	2022	2023	2024F	2025F	2026F
Gross revenue	17,428	21,125	22,637	24,098	25,312	26,541
EBITDA margin (%)	4.8	6.0	5.2	6.2	6.4	6.5
FCF margin after net acquisitions (%)	2.4	1.0	2.2	0.7	-0.2	-0.5
EBITDA net leverage (x)	3.0	2.0	3.3	2.0	1.9	1.9
EBITDA interest coverage (x)	13.1	23.6	25.2	18.1	21.0	20.5

Note: EBITDA is adjusted for net client investments from 2024. F - Forecast  
 Source: Fitch Ratings, Fitch Solutions

## Rating Derivation Relative to Peers

Fitch rates Sodexo using its Business Services Navigator framework. It benefits from a leading position in most countries and maintains a strong and growing position worldwide.

In our peer analysis, Sodexo displays modest profitability versus similar catering services operators such as Compass Group PLC, while maintaining fairly competitive cash flow generation, supported by a conservative capital structure.

Compared with its peers, Sodexo has a more balanced revenue mix by geography, which provides stronger diversification benefits and more revenue growth opportunities while exposing it to some foreign-currency volatility. We view Sodexo's defensive and resilient business profile as similar to Compass's, reflecting the former's scale and diversified operations.

We compare Sodexo with Darden Restaurants, Inc. (BBB/Stable), a multi-brand restaurant operator in North America. Darden Restaurants has comparable scale with Sodexo, but higher operating profitability and lower leverage metrics, which is offset by narrower diversification, lower revenue visibility and exposure to stiffer market competition in its sector.

We also compare Sodexo with a leading global distributor of food and related products, Sysco Corporation (BBB/Stable). Both companies' credit profiles benefit from a diverse customer base, broad geographical diversification and strong market positions globally. Sodexo's one-notch-higher rating is supported by a high share of contracted revenue, stronger profitability and lower EBITDA leverage.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- Maintenance of its leading market positions with high revenue visibility, supported by high client retention rates at or above 95%
- Deleveraging through debt repayment leading to EBITDA net leverage below 1.5x and EBITDA gross leverage below 2.5x on a sustained basis
- EBITDA margin above 9% on a sustained basis
- Post-dividend FCF margin in mid-single digits

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- Evidence of non-renewal of several contracts, like-for-like sales decline and EBITDA margin erosion to below 6%
- A shift toward a more aggressive financial policy, leading to EBITDA net leverage above 2.0x and EBITDA gross leverage above 3.0x, as well as FCF margin deteriorating to neutral on a sustained basis
- EBITDA interest coverage below 12.0x

## Liquidity and Debt Structure

**Strong Liquidity:** Fitch views Sodexo’s liquidity as strong. As at FYE23, it had about EUR1.7 billion of cash, excluding about EUR300 million that Fitch deems as not readily available for debt service. This, together with positive post-dividend FCF generation and access to about a EUR1.4 billion revolving credit facility due in July 2026 and no material debt maturities until April 2026, leads to a strong liquidity position.

In addition, Sodexo has full access to EUR300 million of bilateral credit facilities, which mature in December 2025.

## ESG Considerations

The highest level of ESG credit relevance is a score of ‘3’, unless otherwise disclosed in this section. A score of ‘3’ means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch’s ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch’s ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

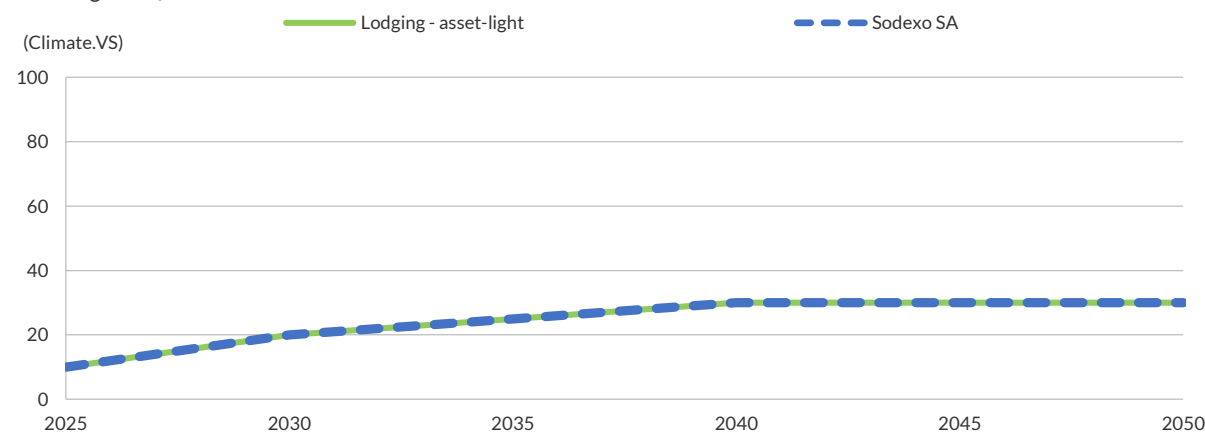
## Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch’s [Corporate Rating Criteria](#).

The FY23 revenue-weighted Climate.VS for Sodexo for 2035 is 25 out of 100, suggesting low exposure to climate-related risks in that year. The chart below shows the time profile of revenue-weighted Climate.VS for the issuer and curves for relevant sectors. For further information on how Fitch perceives climate-related risks in the lodging section, see [Lodging & Gaming –Long-Term Climate Vulnerability Signals](#).

### Climate.VS Evolution

As of August 31, 2023



Source: Fitch Ratings

## Liquidity and Debt Maturities

(EURm)	2024F	2025F	2026F
<b>Available liquidity</b>			
Beginning cash balance	1,723	1,746	988
Rating case FCF after acquisitions and divestitures	178	-58	-120
Other investing, financing activities & FX	645	—	—
<b>Total available liquidity (A)</b>	<b>2,546</b>	<b>1,688</b>	<b>868</b>
<b>Liquidity uses</b>			
Debt maturities	-800	-700	-997
<b>Total liquidity uses (B)</b>	<b>-800</b>	<b>-700</b>	<b>-997</b>
<b>Liquidity calculation</b>			
Ending cash balance (A+B)	1,746	988	-129
Revolver availability	1,400	1,400	—
<b>Ending liquidity</b>	<b>3,146</b>	<b>2,388</b>	<b>-129</b>
Liquidity score (x)	4.1	4.4	0.9

F – Forecast

Source: Fitch Ratings, Fitch Solutions, Sodexo SA

<b>Scheduled debt maturities</b>		<b>31 Aug 23</b>
(EURm)		
2024		800
2025		700
2026		997
2027		800
2028		792
Thereafter		1,504
<b>Total</b>		<b>5,593</b>

Source: Fitch Ratings, Fitch Solutions, Sodexo SA

## Key Assumptions

### Fitch's Key Assumptions Within Our Rating Case for the Issuer

- Revenue to reach about EUR24 billion in FY24, followed by about 3.5% organic growth a year to FY27
- EBITDA margin to improve to 6.6% in FY27 from 6.2% in FY24, driven by focus on core activities and geographies
- Minimal to neutral working-capital outflow and capex at 2%-2.5% of sales until FY27
- Fitch-estimated annual M&A spend of EUR300 million-500 million, with enterprise value (EV)/EBITDA multiple of 10.0x
- Annual dividend at 50% of prior year's net income

## Financial Data

(EURm)	2021	2022	2023	2024F	2025F	2026F
<b>Summary income statement</b>						
Gross revenue	17,428	21,125	22,637	24,098	25,312	26,541
Revenue growth (%)	-9.8	21.2	7.2	6.5	5.0	4.9
EBITDA before income from associates <sup>a</sup>	829	1,272	1,184	1,490	1,612	1,721
EBITDA margin (%)	4.8	6.0	5.2	6.2	6.4	6.5
EBITDA after associates and minorities	824	1,273	1,186	1,490	1,612	1,729
EBIT	545	1,006	959	1,247	1,354	1,448
EBIT margin (%)	3.1	4.8	4.2	5.2	5.4	5.5
Gross interest expense	-89	-91	-140	-82	-77	-84
Pretax income including associate income/loss	237	968	749	1,216	1,312	1,384
<b>Summary balance sheet</b>						
Readily available cash and equivalents	3,590	3,220	1,723	1,746	988	868
Debt	6,095	5,752	5,593	4,793	4,093	4,093
Net debt	2,505	2,532	3,870	3,047	3,105	3,225
<b>Summary cash flow statement</b>						
EBITDA	829	1,272	1,184	1,490	1,612	1,721
Cash interest paid	-63	-54	-47	-82	-77	-84
Cash tax	-145	-200	-123	-214	-260	-304
Dividends received less dividends paid to minorities (inflow/outflow)	-5	1	2	-	-	-
Other items before FFO	-85	-156	307	-50	-20	-20
FFO	541	883	1,395	1,195	1,290	1,332
FFO margin (%)	3.1	4.2	6.2	5.0	5.1	5.0
Change in working capital	170	-63	-222	-30	-30	-30
CFO (Fitch-defined)	711	820	1,173	1,165	1,260	1,302
Total non-operating/nonrecurring cash flow	-	-	-	-	-	-
Capex	-296	-345	-338	-	-	-
Capital intensity (capex/revenue) (%)	1.7	1.6	1.5	-	-	-
Common dividends	-	-294	-352	-	-	-
FCF	415	181	483	-	-	-
FCF margin (%)	2.4	0.9	2.1	-	-	-
Net acquisitions and divestitures	-1	30	12	-	-	-
Other investing and financing cash flow items	38	76	-426	645	-	-
Net debt proceeds	1,070	-593	-6	-800	-700	-
Net equity proceeds	-11	-9	-50	-	-	-
Total change in cash	1,511	-315	13	511	-758	-120
<b>Calculations for forecast publication</b>						
Capex, dividends, acquisitions and other items before FCF	-297	-609	-678	-987	-1,318	-1,422
FCF after acquisitions and divestitures	414	211	495	178	-58	-120
FCF margin after net acquisitions (%)	2.4	1.0	2.2	0.7	-0.2	-0.5
<b>Gross leverage ratios (x)</b>						
EBITDA leverage	7.4	4.5	4.7	3.2	2.5	2.4
CFO-capex/debt	6.8	8.3	14.9	14.5	17.5	16.9

(EURm)	2021	2022	2023	2024F	2025F	2026F
<b>Net leverage ratios (x)</b>						
EBITDA net leverage	3.0	2.0	3.3	2.0	1.9	1.9
CFO-capex/net debt	16.6	18.8	21.6	22.8	23.1	21.5
<b>Coverage ratios (x)</b>						
EBITDA interest coverage	13.1	23.6	25.2	18.1	21.0	20.5

CFO – Cash flow from operations

<sup>a</sup> From FY24 and onwards, EBITDA is adjusted for net client investments

Source: Fitch Ratings, Fitch Solutions

#### How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

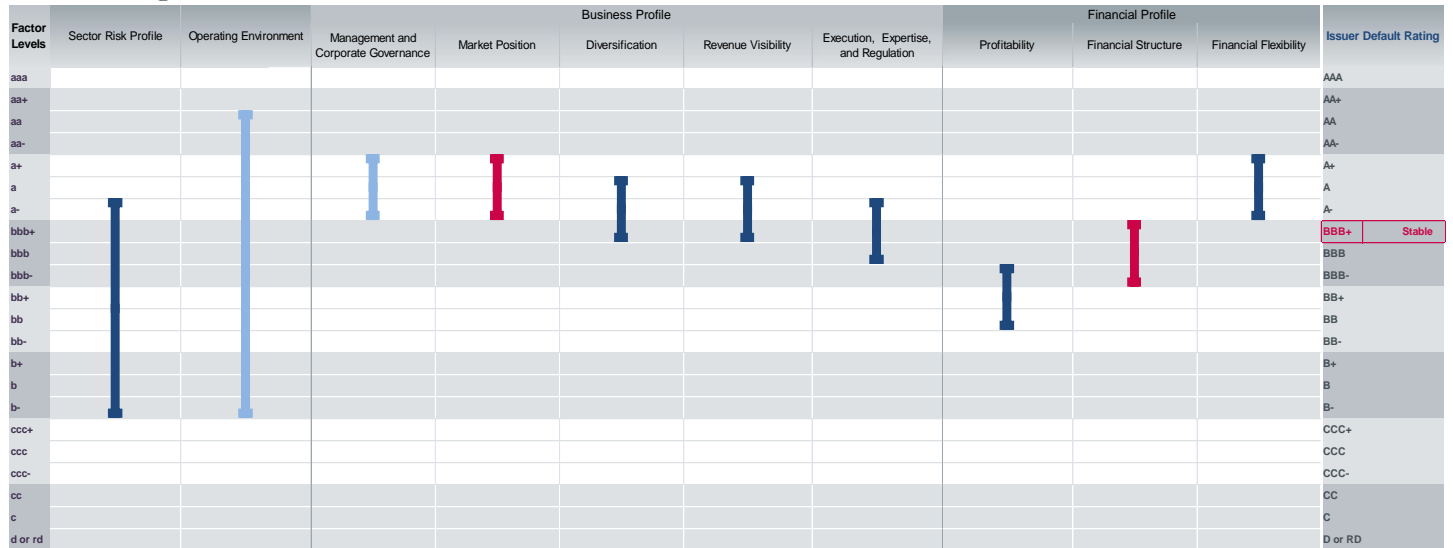
Ratings Navigator

FitchRatings

Sodexo SA

ESG Relevance:

Corporates Ratings Navigator  
Services



**Bar Chart Legend:**

Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	<ul style="list-style-type: none"> <li>↑ Positive</li> <li>↓ Negative</li> <li>↕ Evolving</li> <li>□ Stable</li> </ul>
<ul style="list-style-type: none"> <li>Higher Importance</li> <li>Average Importance</li> <li>Lower Importance</li> </ul>	

**Operating Environment**

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
b-	Systemic Governance	aa	Systemic governance (eg rule of law, corruption, government effectiveness) of the issuer's country of incorporation consistent with 'aa'
ccc+			

**Management and Corporate Governance**

aa-	Management Strategy	a	Coherent strategy and good track record in implementation.
a+	Governance Structure	a	Experienced board exercising effective check and balances. Ownership can be concentrated among several shareholders.
a	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
a-	Financial Transparency	a	High quality and timely financial reporting.
bbb+			

**Market Position**

aa-	Market Share	a	Leading global market share and established position. Proven ability to secure international multi-service contracts.
a+	Scale	a	Large size (EBITDA > USD/EUR 1.5bn) and comprehensive network provide significant economies of scale and bargaining power with suppliers.
a	Customisation of Services	a	Highly customised services with cross-selling opportunities and ability to offer new services to customers.
a-			
bbb+			

**Diversification**

a+	Range of Services	bbb	Moderately diversified range of services but with opportunity to expand the services proposition.
a	End-Markets	a	Range of services reaches a diverse spectrum of end-markets.
a-	Customer Base	a	High customer diversification. Largest customers represent less than 5% of total revenue.
bbb+	Geographic Diversification	a	Highly diversified with significant presence in both developed and emerging markets.
bbb			

**Revenue Visibility**

a+	Level of Recurring / Contracted Earnings	a	90% of total revenue and EBITDA is contracted or considered recurring.
a	Maturity Profile of Contracts	a	Primarily long-term contracts (between five and seven years and/or well spread and balanced maturity profile).
a-	Customer Churn and Switching Costs	a	Extremely low customer churn (<5%) due to essential nature of services and high switching costs for customers.
bbb+	In-Sourcing Risk	bbb	Moderate in-sourcing risk, subject to economic environment or other macro trends.
bbb			

**Execution, Expertise, and Regulation**

a	Brand, Reputation and Quality	a	Global brand associated with high service quality standards and expertise.
a-	Pricing Mechanisms and Cost-Sharing	bbb	Proven ability to monitor operating costs and contract profitability through price increases and favourable cost-sharing agreements..
bbb+	Staff Retention and Subcontracting	bbb	Staff continuity on most projects. Recourse to subcontracting has historically been well managed.
bbb	Regulatory Environment	a	Low regulatory oversight.
bbb-			

**Profitability**

bbb	EBITDA Margin	b	6%
bbb-	EBIT margin	bb	5%
bb+	FFO margin	bb	5%
bb	FCF margin	bb	1%
bb-	Volatility of Profitability and Cash Flows	bbb	Limited throughout the cycle.

**Financial Structure**

a-	EBITDA Leverage	bbb	2.5x
bbb+	EBITDA Net Leverage	bbb	2.0x
bbb	(CFO-Capex)/Debt	bbb	12.5%
bbb-			
bb+			

**Financial Flexibility**

aa-	Financial Discipline	a	Clear commitment to maintain a conservative policy with only modest deviations allowed.
a+	Liquidity	a	No need for external funding beyond committed facilities in the next 12 months even under a severe stress scenario. Well-spread maturities. Diversified funding.
a	EBITDA Interest Coverage	a	11.0x
a-	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging in place. Debt and cash flows well matched.
bbb+			

**Credit-Relevant ESG Derivation**

Sodexo SA has 9 ESG potential rating drivers

key driver	0	issues	Overall ESG
n.a.			
n.a.			
Impact of waste (including recycling and disposal of unsold goods and materials)	9	issues	3
Impact of labor negotiations and employee (dis)satisfaction; employee recruitment and retention	0	issues	2
n.a.			
Governance is minimally relevant to the rating and is not currently a driver.	5	issues	1

**How to Read This Page:** The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

For further details on Credit-Relevant ESG scoring, see page 3.



**Credit-Relevant ESG Derivation**

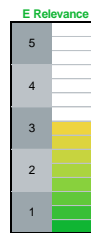
Sodexo SA has 9 ESG potential rating drivers

- ➔ Sodexo SA
- ➔ Sodexo SA
- ➔ Sodexo SA has exposure to waste & impact management risk but this has very low impact on the rating.
- ➔ Sodexo SA has exposure to labor relations & practices risk but this has very low impact on the rating.
- ➔ Sodexo SA
- ➔ Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating	
key driver	0	issues	5	
driver	0	issues	4	
potential driver	9	issues	3	
not a rating driver	0	issues	2	
	5	issues	1	

**Environmental (E) Relevance Scores**

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	3	n.a.	n.a.
Water & Wastewater Management	3	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	3	Impact of waste (including recycling and disposal of unsold goods and materials)	Contract Execution and Expertise; Profitability
Exposure to Environmental Impacts	1	n.a.	n.a.



**How to Read This Page**

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

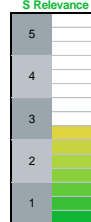
The **Environmental (E), Social (S) and Governance (G)** tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The **Credit-Relevant ESG Derivation** table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

**Classification** of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

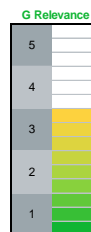
**Social (S) Relevance Scores**

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.
Customer Welfare - Fair Messaging, Privacy & Data Security	1	Data security	Contracted Income and Renewal Risk; Profitability
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction; employee recruitment and retention	Contract Execution and Expertise; Profitability
Employee Wellbeing	3	n.a.	n.a.
Exposure to Social Impacts	1	n.a.	n.a.



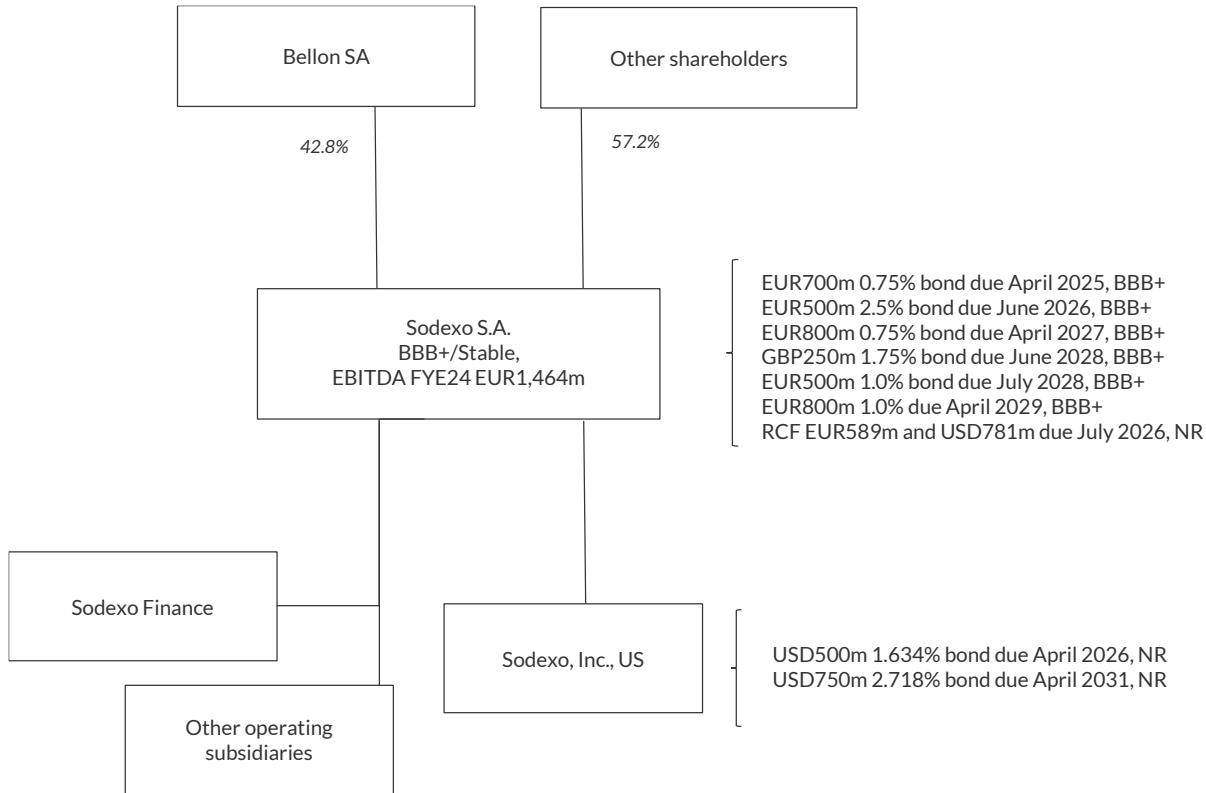
**Governance (G) Relevance Scores**

General Issues	G Score	Sector-Specific Issues	Reference
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance



CREDIT-RELEVANT ESG SCALE	
How relevant are E, S and G issues to the overall credit rating?	
5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Inrelevant to the entity rating but relevant to the sector.
1	Inrelevant to the entity rating and irrelevant to the sector.

**Simplified Group Structure Diagram**



Source: Fitch Ratings, Fitch Solutions, Sodexo SA, as of May 2024

## Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA margin (%)	FCF margin (%)	EBITDA net leverage (x)	EBITDA interest coverage (x)
Sodexo SA	BBB+						
	BBB+	2023	22,637	5.2	2.1	3.3	25.2
		2022	21,125	6.0	0.9	2.0	23.6
		2021	17,428	4.8	2.4	3.0	13.1
		2020	19,321	4.5	-2.6	3.4	8.9
Darden Restaurants, Inc.	BBB						
	BBB	2022	8,982	15.9	2.7	0.3	46.7
	BBB	2021	5,899	15.0	9.8	-0.3	25.9
	BBB-	2020	7,011	10.5	-1.3	0.5	19.7
Sysco Corporation	BBB						
	BBB	2023	70,242	5.3	1.3	2.3	8.0
	BBB	2022	65,838	5.0	0.2	2.8	7.0
	BBB	2021	43,165	4.4	0.9	3.6	2.6
	BBB	2020	47,171	4.8	0.0	3.3	7.9

Source: Fitch Ratings, Fitch Solutions

## Fitch Adjusted Financials

(EURm as of 31 Aug 2023)	Notes and formulas	Standardised values	Cash adjustment	Lease treatment	Adjusted values
<b>Income statement summary</b>					
Revenue		22,637	–	–	22,637
EBITDA	(a)	1,400	–	-216	1,184
Depreciation and amortisation		-422	–	197	-225
EBIT		978	–	-19	959
<b>Balance sheet summary</b>					
Debt	(b)	6,424	–	-831	5,593
Of which other off-balance-sheet debt		–	–	–	–
Lease-equivalent debt		–	–	–	–
Lease-adjusted debt		6,424	–	-831	5,593
Readily available cash and equivalents	(c)	2,025	-302	–	1,723
Not readily available cash and equivalents		–	302	–	302
<b>Cash flow summary</b>					
EBITDA	(a)	1,400	–	-216	1,184
Dividends received from associates less dividends paid to minorities	(d)	2	–	–	2
Interest paid	(e)	-66	–	19	-47
Interest received	(f)	72	–	–	72
Preferred dividends paid	(g)	–	–	–	–
Cash tax paid		-123	–	–	-123
Other items before FFO		307	–	–	307
FFO	(h)	1,592	–	-197	1,395
Change in working capital		-222	–	–	-222
CFO	(i)	1,370	–	-197	1,173
Non-operating/nonrecurring cash flow		–	–	–	–
Capex	(j)	-338	–	–	-338
Common dividends paid		-352	–	–	-352
FCF		680	–	-197	483
<b>Gross leverage (x)</b>					
EBITDA leverage	b / (a+d)	4.6	–	–	4.7
(CFO-capex)/debt (%)	(i+j) / b	16.1	–	–	14.9
<b>Net leverage (x)</b>					
EBITDA net leverage	(b-c) / (a+d)	3.1	–	–	3.3
(CFO-capex)/net debt (%)	(i+j) / (b-c)	23.5	–	–	21.6
<b>Coverage (x)</b>					
EBITDA interest coverage	(a+d) / (-e)	21.2	–	–	25.2

CFO – Cash flow from operations

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.

Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.

Debt includes other off-balance-sheet debt.

Source: Fitch Ratings, Fitch Solutions, Sodexo SA

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