

Q3 Fiscal 2020 Revenues

July 7, 2020

AGENDA

1. Q3 Fiscal 2020 highlights
2. Post-COVID-19 re-opening update
3. Review of Operations
 - › On-Site Services
 - › Benefits & Rewards Services
4. Outlook

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

Please refer to Appendix 6 for Alternative Performance Measures definitions

Q3 FISCAL 2020 HIGHLIGHTS



1

Q3 REVENUE BETTER THAN HYPOTHESES

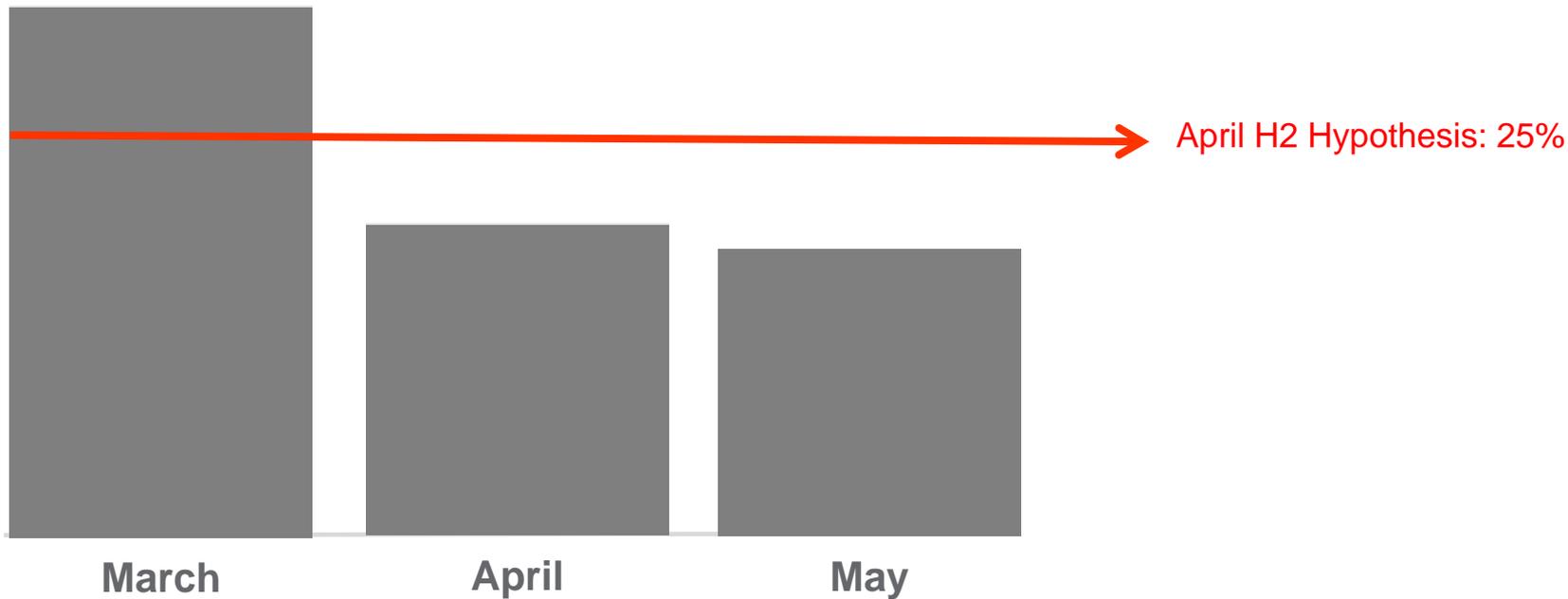
Q3 Fiscal 2020 highlights

	Q3 OG Hypotheses	Q3 OG Actuals
Business & Administrations	-30%	-28.5%
Of which Corporate Services	-30%	-27%
Of which Sports & Leisure	-85%	-84%
Education	-60%	-53.9%
Of which Schools	-70%	-48%
Of which Universities	-60%	-59%
Healthcare & Seniors	-8%	-12.9%
Benefits & Rewards Services	-20%	-22.8%
Group	-33%	-29.9%

UOP FLOW-THROUGH GRADUALLY IMPROVING

Q3 Fiscal 2020 highlights

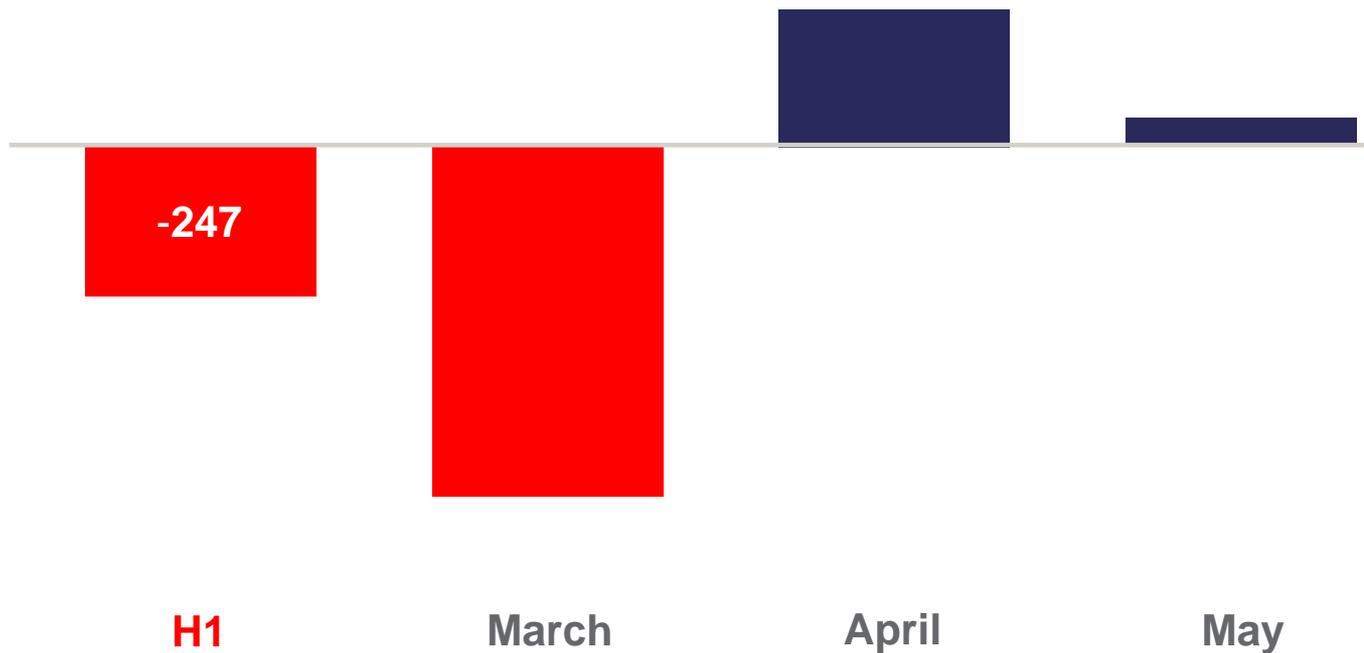
In %



FCF STABILIZING AFTER SIGNIFICANT DROP IN MARCH

Q3 Fiscal 2020 highlights

In million €



LIQUIDITY EVOLUTION SINCE FIRST HALF

Q3 Fiscal 2020 highlights

As at February 29

- **Liquidity* of 4.4 billion euro**
 - Cash position: €2.6 bn
 - €1.75 bn of unused credit facilities

- **Gross Debt: €4.7 bn**

As at May 31

- **Liquidity* of ~5 billion euro**
 - Bond issue of 1,5 billion euro on April 20, 2020
 - Reimbursement of 725 million euro of commercial paper
 - Increase in unused credit facilities to bring the total to 2 billion euro

- **Gross Debt: €5.5 bn**

Going forward

- **USPP Reimbursement: \$1.6 bn outstanding debt, and a make-whole of ~ €149 m**
 - Future financial costs will be reduced by €198 m, of which €52 m in 2021
 - Fall of average cost of debt: to approximately 1.2%, versus 2.3% at the end of the 1st half Fiscal 2020
 - No more covenants

POST-COVID-19 RE-OPENING UPDATE



2

KEY INITIATIVES TO ENSURE BUSINESS CONTINUITY AND COMPANY SUSTAINABILITY

Q3 Fiscal 2020 initiatives

Critical support
to local health systems



Hospital opening
in 13 days in Los Angeles



Support for
educational communities



5,000+ meals prepared
per day for those in need
in Marseilles



Adaptation of
Sport & Leisure activities



625,000+ meals
prepared for elderly by *Miami
Hard Rock Stadium* teams



Launch of BtoC
delivery services



**Deli
express**
by sodexo

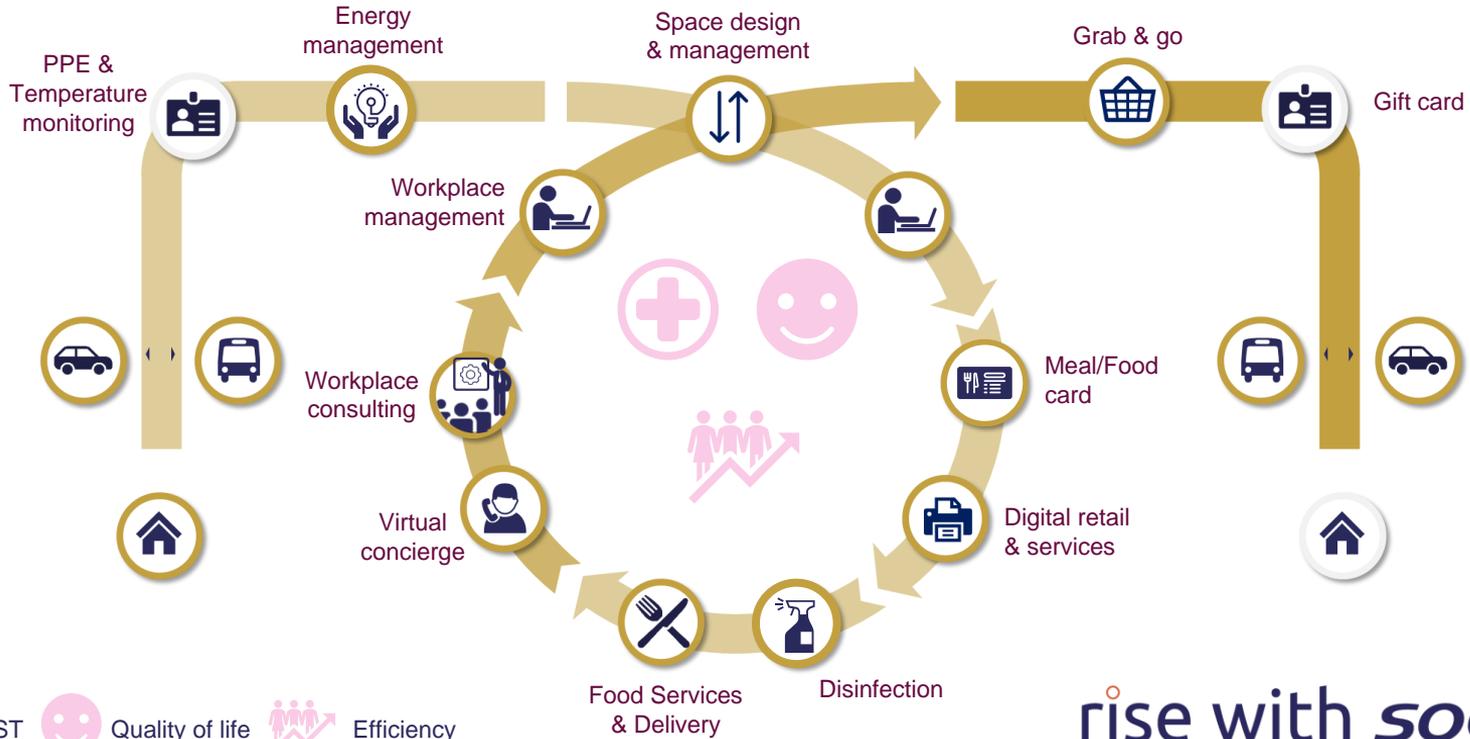


**prêt à
PARTAGER**
by sodexo



ESSENTIAL PARTNER IN RESTARTING ACTIVITIES

Launch of a **MULTI-ACTIVITIES** global program **OSS-BRS**



rise with **sodexo**

REVIEW OF OPERATIONS – Q3

On-site Services

**Benefits & Rewards
Services**

3

GROWTH DECLINE DUE TO COVID-19 IMPACT

Q3 Fiscal 2020 Financial Performance

REVENUE AT €3.9 bn

TOTAL GROWTH
-31.2%

Currency effect
-1.7%

Scope change
+0.3%

ORGANIC GROWTH
-29.9%

of which:

On-site Services
-30.1%

Benefits & Rewards Services
-22.8%

REVIEW OF OPERATIONS

On-site Services
revenues

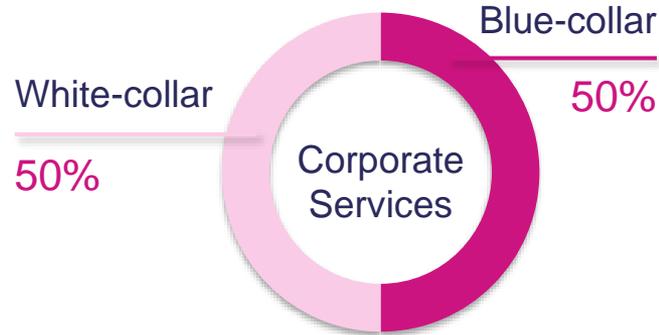
OSS

ON-SITE SERVICES LEVERS OF RESILIENCE

Q3 Fiscal 2020 highlights

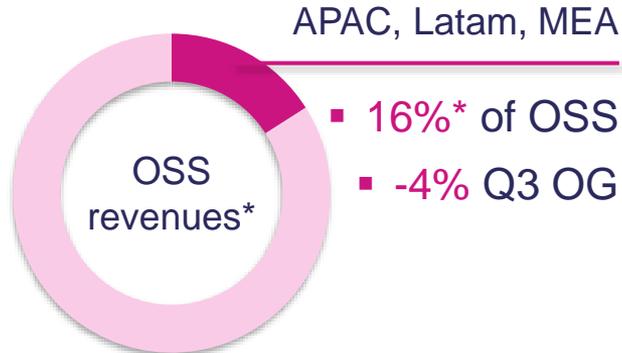
FM

- 33%* of OSS
- -2% Q3 OG



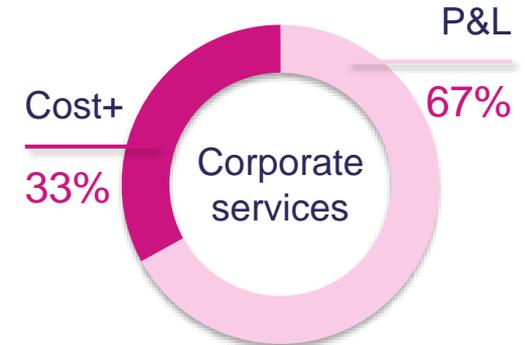
E&R and G&A

- 13%* of OSS
- +2.7% Q3 OG



Global IFM accounts

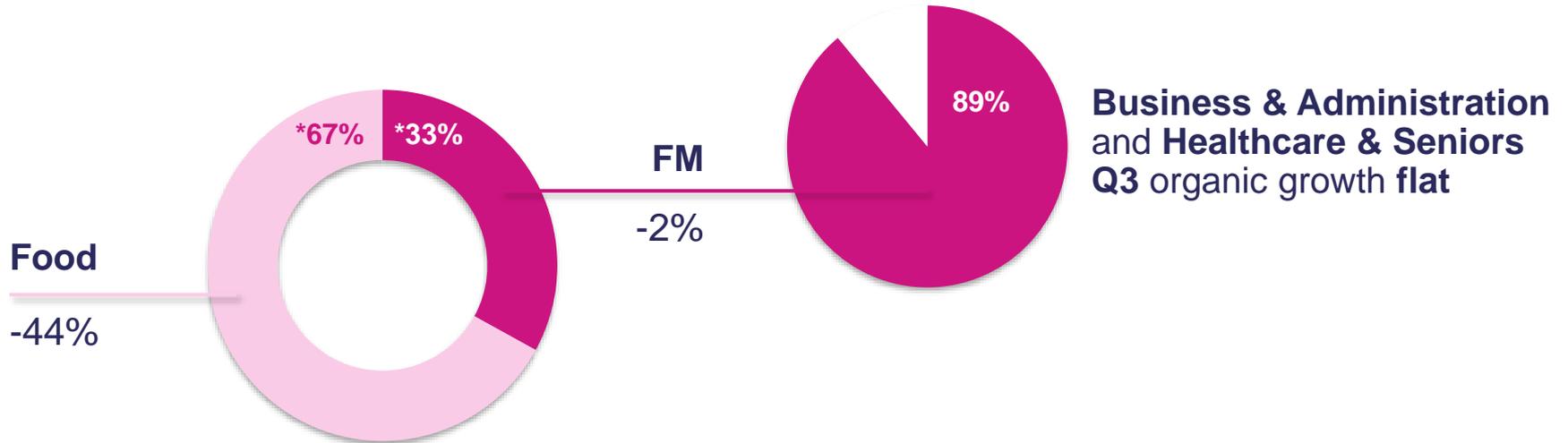
- ~10%* of OSS
- Flat Q3 OG



OSS LEVERS OF RESILIENCE- FM SERVICES

Q3 Fiscal 2020 highlights

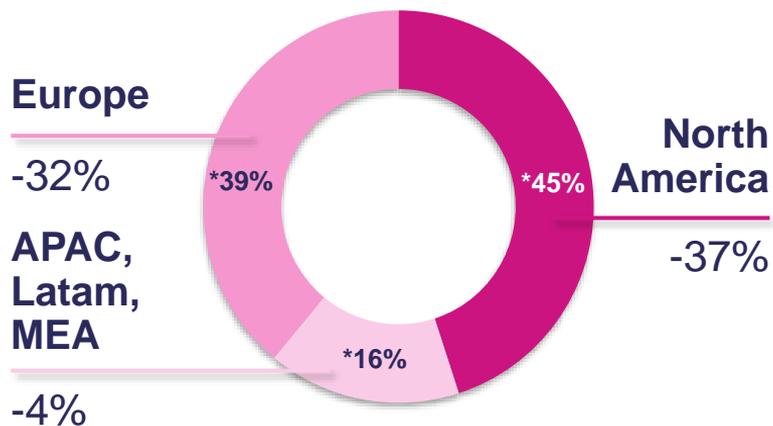
Organic growth resilience in FM



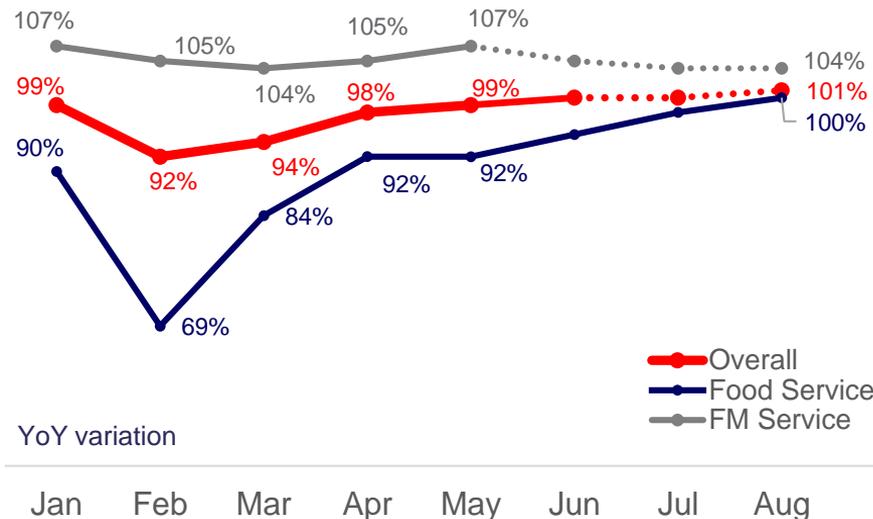
OSS LEVERS OF RESILIENCE– DIVERSE GEOGRAPHIC PORTFOLIO

Q3 Fiscal 2020 highlights

Organic growth resilience
in APAC, Latam, MEA



Example of Chinese recovery



OSS LEVERS OF RESILIENCE – GLOBAL IFM ACCOUNTS

Q3 Fiscal 2020 highlights

Supporting a global Pharmaceutical leader in adapting its operations in China

One of the world's largest office space, several factories, and regional offices



Client HSE challenges

- Physical sanitization of 210,000+ m² of facilities
- Social distancing in cafeterias
- Thousands of people entering and exiting daily
- New sanitary procedure requirements



Sodexo's response

- Comprehensive disinfection
- Dining protection
- In-and-out controls
- Epidemic outbreak simulation
- Employee training



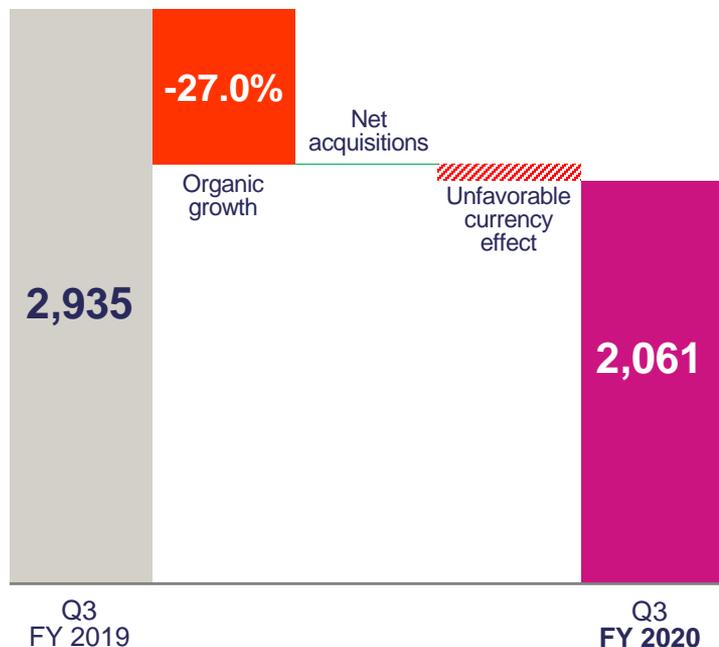
“We feel safe to go back to work” said employees at the client's factory

BUSINESS & ADMINISTRATIONS – REVENUES



NON RESTATED ORGANIC GROWTH

€ millions



RESTATED ORGANIC GROWTH¹

-44.5%

North America

- Resilient G&A and E&R segments held up, helped by the military bases, and despite very low oil prices.
- Corporate Services impacted by office closures. Blue-collar activity and Global accounts remained resilient.
- Almost all S&L sites closed.



-33.1%

Europe

- Corporate Services impacted by lockdown.
- Resilient G&A and strong FM and Global accounts exposure.



-2.0%

APAC, Latam, MEA

- Strong China recovery since end of lockdown.
- Extra COVID-19 related services in mining.
- Solid performance in Latin America due to lesser COVID-19 lockdown.



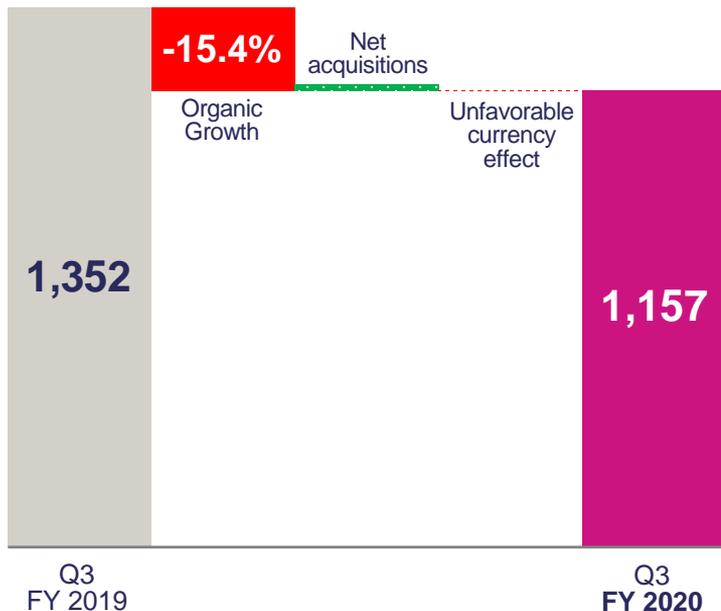
**TOTAL
-28.5%**

HEALTHCARE & SENIORS – REVENUES



NON RESTATED ORGANIC GROWTH

€ millions



RESTATED ORGANIC GROWTH¹

-15.3%

North America

- Significant decline in patient catering and retail revenues due to COVID-19.
- Impact of contract exit and losses last year.
- Steady Seniors revenue with Covid-19 related FM cross-selling initiatives.



-9.0%

Europe

- Decline in retail sales, particularly in southern Europe.
- Slightly offset by new contracts for COVID-19 testing centers in the UK.



-7.6%

APAC, Latam, MEA

- Impact of site exits and reduced volumes due to COVID-19 in Latam.
- More resilient activity in Asia mainly driven by India.



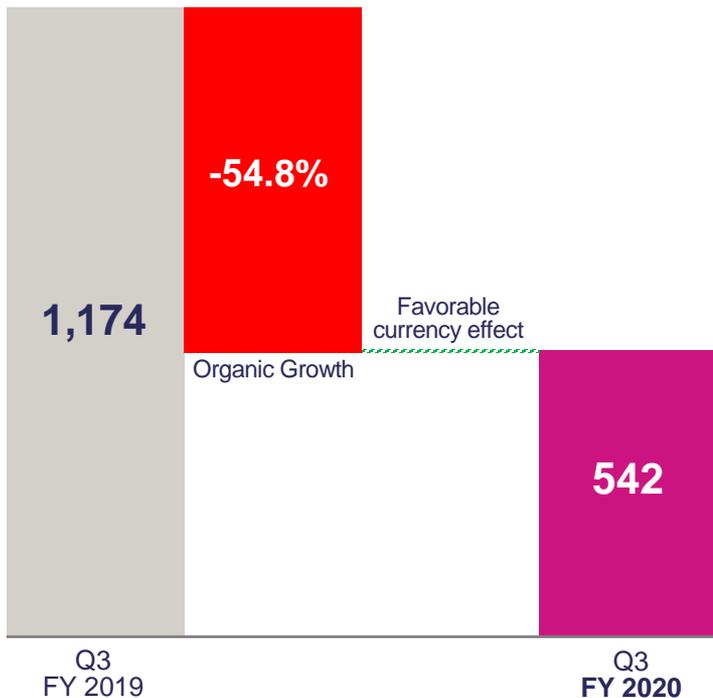
**TOTAL
-12.9%**

EDUCATION – REVENUES



NON RESTATED ORGANIC GROWTH

€ millions



RESTATED ORGANIC GROWTH¹

-52.2%

North America

- Strong decrease in meal counts due to School closures. Majority of contracts converted to emergency programs with simpler meals for pick-up or delivery.
- 40% of Universities totally closed. Significant reduction in the rest of the portfolio.



-59.3%

Europe

- Strong decline in volumes due to site closures across the region.



-47.3%

APAC, Latam, MEA

- India lock-down from end of March.
- Very progressive reopening in the rest of Asia from May.



TOTAL
-53.9%

REVIEW OF OPERATIONS

Benefits & Rewards
Services results

BRS

BENEFITS & REWARDS LEVERS OF RESILIENCE

Q3 Fiscal 2020 highlights



Digital:

- +7pts of conversion
- 15 food delivery partnerships in 7 countries



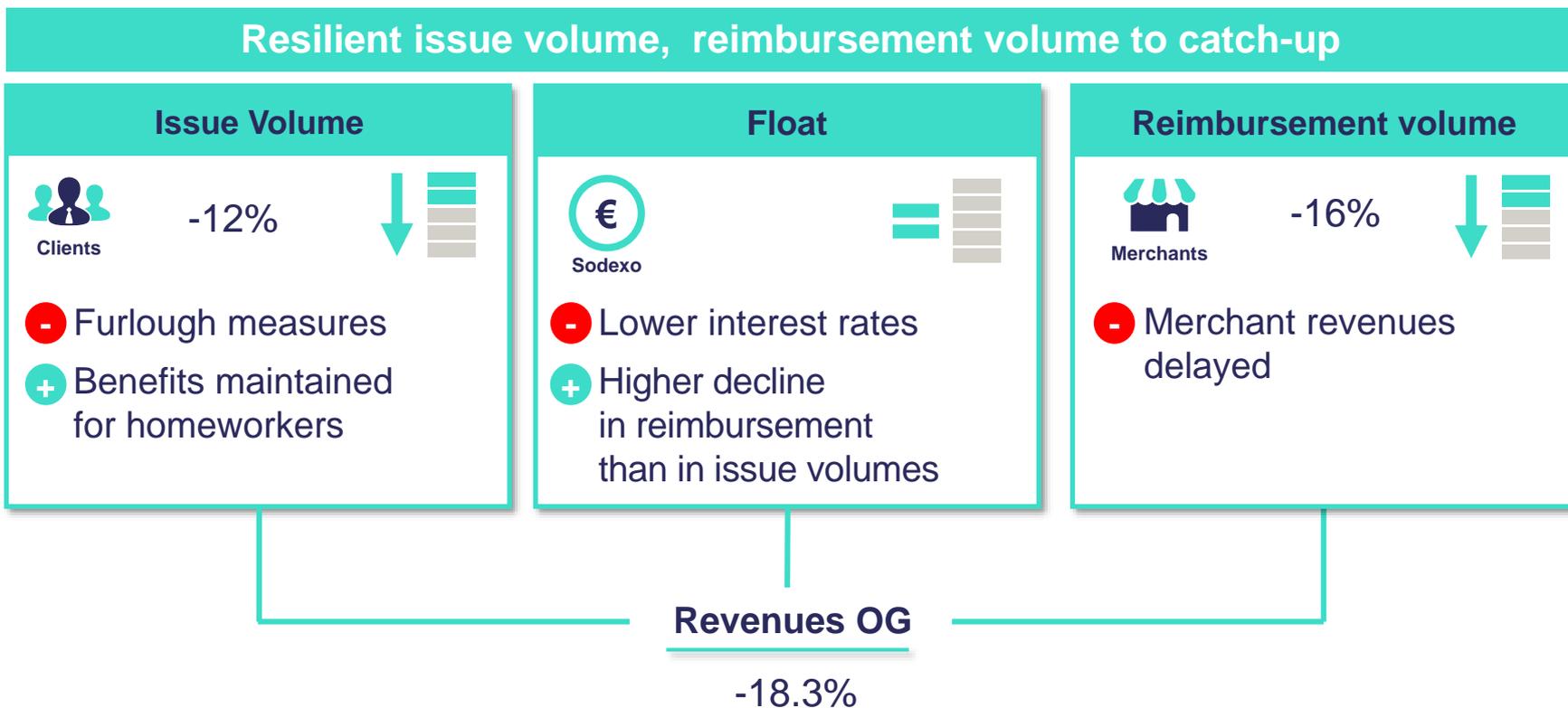
Public benefits:
~€400 m of
COVID-19
related aid signed

Recent legislation
changes reinforcing
benefits

Synergies with OSS:
+20,000 meal
vouchers for
homeworkers
in Czech Republic

BRS RESILIENCE LEVERS – EMPLOYEE BENEFITS

Q3 Fiscal 2020 highlights

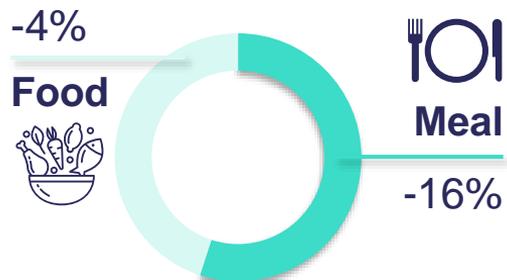
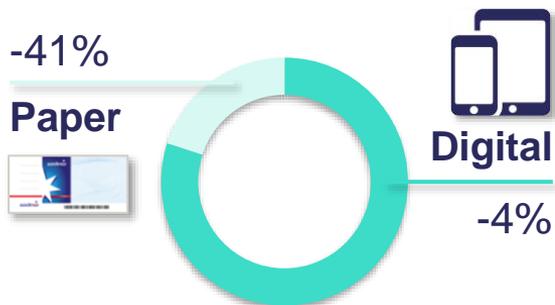


BRS RESILIENCE LEVERS – EMPLOYEE BENEFITS

Q3 Fiscal 2020 highlights

Structural Issue Volume resilience levers

Issue Volume Q3 OG -12%



BRS LEVERS OF RESILIENCE– PUBLIC BENEFITS

Q3 Fiscal 2020 highlights

Our expertise leveraged by public authorities

19 countries

7.8 million
beneficiaries

Trusted by
Governments
and NGOs

Quick
implementation
of online solutions

~€400 m of COVID-19-related aid volume signed in April/May



Belgium | Walloon region subsidy to SMEs with the “Chèque entreprise”



Panama | Food voucher distribution to most vulnerable communities

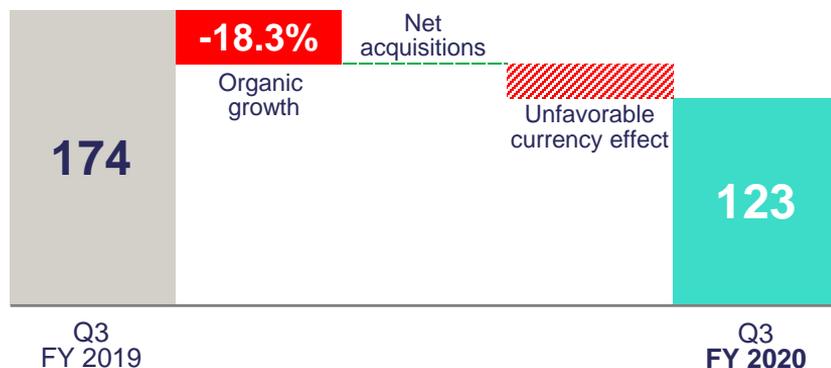


Philippines | Donation Program

BRS REVENUES BY SERVICE LINE

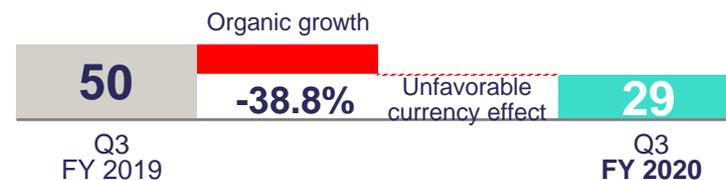
Employee Benefits

€ millions



Services diversification

€ millions



Issue volume €3 bn, -12% Organic growth

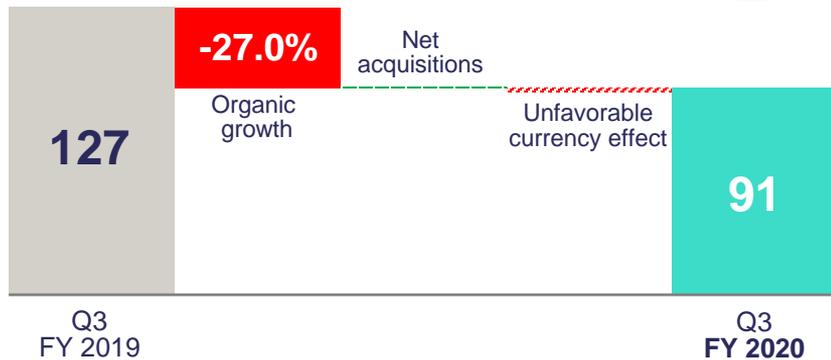
- Strong resilience helped by digitalization, product and region mix.
- Lower reimbursement volumes due to restaurant closures, and therefore lower merchant revenues.

- Lower corporate travel for Rydoo.
- Interruption of home services vouchers during lockdown.

BRS REVENUES BY REGION

Europe, Asia, USA

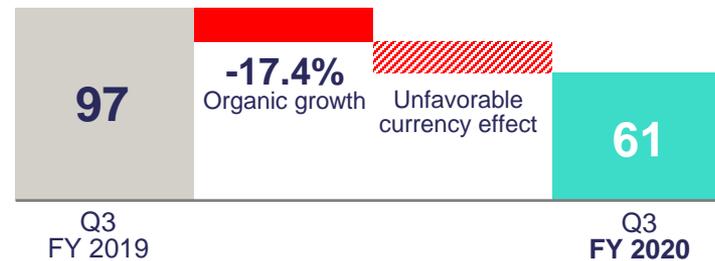
€ millions



- Decline in merchant revenues due to restaurant closures.
- Lower corporate travel for Rydoo.

Latin America

€ millions



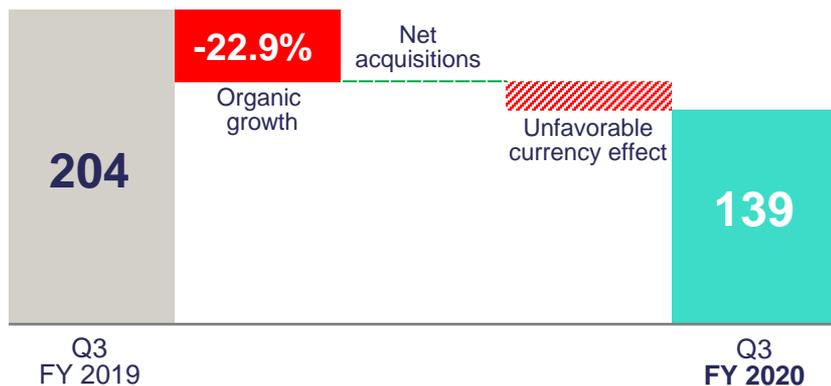
- Some further deterioration in Brazil, already impacted by interest rate declines and competitiveness.
- More significant impact of COVID-19 in Chile and Peru.
- Mexico continued to grow.

NB: significant currency impact in Brazil for the quarter

BRS REVENUES BY NATURE

Operating Revenues

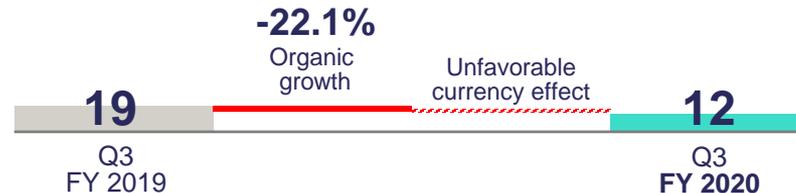
€ millions



- COVID-19 impact.

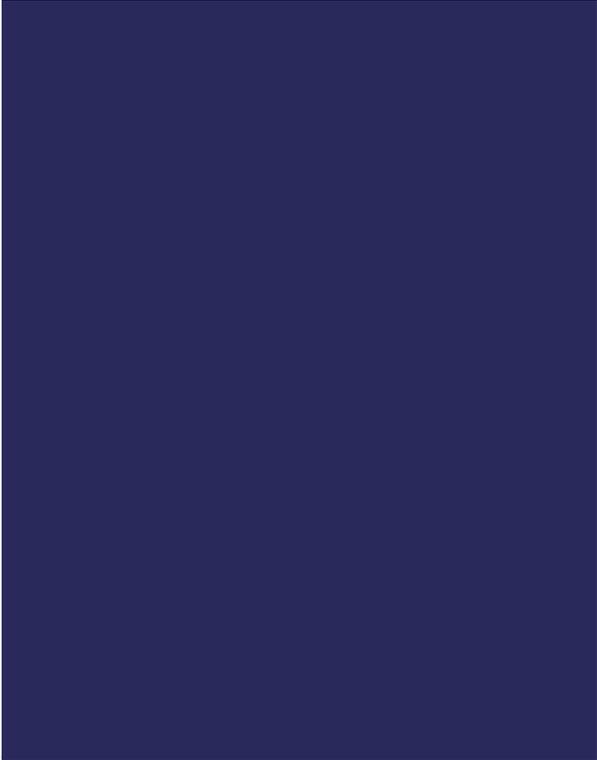
Financial Revenues

€ millions



- Continued significant fall in interest rates in Brazil.

OUTLOOK



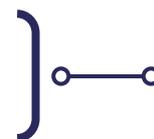
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REVISED Q4 AND H2 REVENUE HYPOTHESES

Updated top-line model as of **July 7, 2020** (vs last year)

Revenue organic growth	Q3 Actuals	Q4	H2
Business & Administrations	-28.5%	-31%	-30%
Of which Corporate Services	-27%	-25%	-26%
Of which Sports & Leisure	-84%	-90%	-88%
Education	-53.9%	-40%	-50%
Of which Schools	-48%	-30%	-40%
Of which Universities	-59%	-50%	-55%
Healthcare and Seniors	-12.9%	-11%	-12%
BRS	-22.8%	-17%	-20%
Group	-29.9%	-27%	-28%

H2 Fiscal 2020 Revenue reduction versus last year



around -3.0
€ billion

REVISED H2 HYPOTHESES

Outlook

H2 Revenue decline to deteriorate: **-28%** (vs -25%)

H2 Flow-through to UOP to improve: **20 to 23%** (vs 25%)

H2 Free Cash Flow* expected in a range of **- €200M to + €200M**

CONFIDENCE IN THE OPPORTUNITIES IN POST COVID-19 WORLD

Outlook

Increased outsourcing trends

Further organic consolidation

Accelerated services integration

Sodexo strong and unique positioning and diversified portfolio of services

Q & A

APPENDICES



5

9M FY20 GROWTH SLOW DOWN DUE TO COVID-19 IMPACT

9 months Fiscal 2020 Financial Performance

REVENUE AT €15.6 bn

TOTAL GROWTH
-6.7%

Currency effect
+0.4%

Scope change
+0.8%

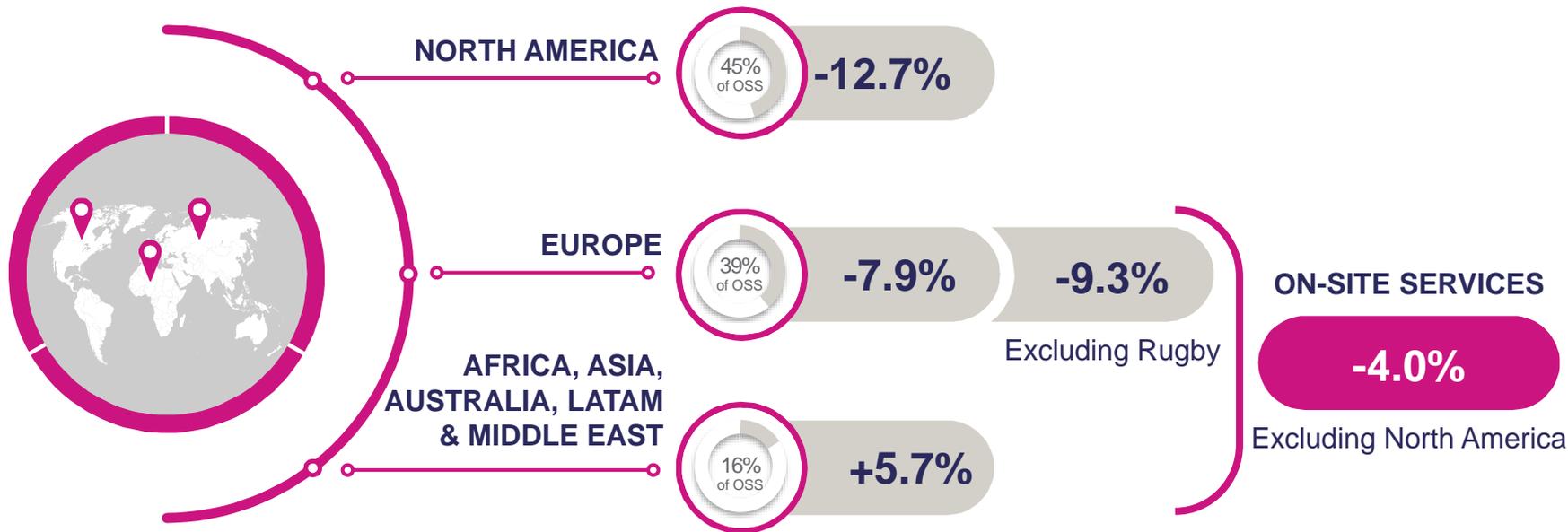
ORGANIC GROWTH
-7.9%

of which:

On-site Services
-8.0%

Benefits & Rewards Services
-5.1%

9M FY20 OSS ORGANIC GROWTH BY REGION



CONTRACT WINS AND EXTENSIONS

Appendix 3

Contract Wins



MINISTERIO DE
LA PRESIDENCIA

Gobierno Nacional - Republica de Panama

Benefits & Rewards
contract
in Panama



University of Greenwich

Education contract
in the UK



Transservicios

Benefits & Rewards
contract
in Mexico

Contract Retention



Parkview Health System

Healthcare contract
in the US



Solent University

Education contract
in the UK



Nexa

Energy & Resources
contract
in Peru

Contract Extensions



Bytedance

Corporate contract
in India



Huawei

Corporate contract
In the Philippines



National Health Service (Test centers)

Healthcare contract
in the UK

9M FISCAL 2020 EXCHANGE RATES

Appendix 4

1€ =	AVERAGE RATE 9MFISCAL 20	AVERAGE RATE 9MFISCAL 19	AVERAGE RATE 9M FISCAL 20 VS. 9M FISCAL 19	CLOSING RATE 9M FISCAL 20 AT 31/05/2020	CLOSING RATE FISCAL 19 AT 31/08/2019	CLOSING RATE 31/05/20 VS. 31/08/19
U.S. DOLLAR	1.102	1.138	+3.3%	1.114	1.104	-0.9%
POUND STERLING	0.867	0.879	+1.4%	0.901	0.906	+0.5%
BRAZILIAN REAL	4.957	4.392	-11.4%	5.965	4.588	-23.1%

1€=	AVERAGE RATE 9M FISCAL 20	AVERAGE RATE H1 FISCAL 20	AVERAGE RATE 9M FISCAL 20 - H1 FISCAL20
U.S. DOLLAR	1.102	1.105	+0.2%
POUND STERLING	0.867	0.862	-0.6%
BRAZILIAN REAL	4.957	4.602	-7.2%

FISCAL 20 ON SITE SERVICES INTER-SEGMENT REVENUE RECLASSIFICATIONS

Appendix 5

Revenues (in millions of euros)	FISCAL 19			Q119			Q219			Q319			Q419		
	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU
North America															
Europe	+221	-143	-78	59	-36	-23	56	-36	-20	58	-35	-23	48	-37	-11
Africa, Asia, Australia, Latam, Middle East	17	-17		4	-4		4	-4		4	-4		5	-5	
GROUP	238	(160)	(78)	63	(40)	(23)	60	(40)	(20)	62	(39)	(23)	52	(41)	(11)

Since the beginning of Fiscal 20, in some European and Asian countries, contracts have been reallocated from Healthcare & Seniors and Education to Business & Administrations.

Given the low materiality of these changes, pro forma figures for Fiscal 2019 are not required.

The effects are detailed above.

Fiscal 2020 organic growth and variations in UOP margin will be adjusted to take into account such changes.

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 (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 when the impact is significant.

As a result, for the calculation of organic growth, Argentine Peso figures for FY2019 and FY 2018, have been converted at the exchange rate of EUR 1 = ARS 49.573 vs. ARS 44.302 for FY 2018.

Starting FY19 Venezuela is accounted for using the equity method. Consequently Venezuela is no longer in revenue.

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.

3rd Quarter organic growth

3rd Quarter organic growth corresponds to the increase in revenue for the third quarter (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the difference between the 9-month and 6-month average exchange rates; and excluding the impact of business acquisitions (or gain of control) and divestments.

FINANCIAL CALENDAR

Appendix 7

Fiscal 2020 Annual results	October 29, 2020
Capital Markets Day	November 02, 2020
Fiscal 2021 Q1 Revenues	January 8, 2021
Fiscal 2020 Annual Shareholders Meeting	January 12, 2021



These dates are purely indicative, and are subject to change without notice.
Regular updates are available in the calendar on our website www.sodexo.com

SODEXO KEY FIGURES

Appendix 8



€22 bn revenues



470,000 employees



19th Largest private employer worldwide



100 million consumers served daily



67 countries



€9.5 bn market capitalization
July 6, 2020

- **Founded in 1966 by Pierre Bellon**
- **As at 31/08/2019**, Bellon S.A. holds 42.2% of capital (56.7% of voting rights)

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

SAM
Sustainability Award
Gold Class 2019

FORTUNE
WORLD'S MOST
ADMIRED
COMPANIES 2019

DiversityInc
2020 TOP 50
COMPANIES FOR
DIVERSITY
HALL OF FAME



FTSE4Good



Strong Investment
Grade S&P "A-/A-1"

INVESTOR RELATIONS CONTACTS

Appendix 9

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