

# First quarter Fiscal 2022 revenues

January 6, 2022



# Agenda

## 1 First quarter Fiscal 2022 highlights

## 2 Review of Operations

- On-Site Services
- Benefits & Rewards Services

## 3 Outlook

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

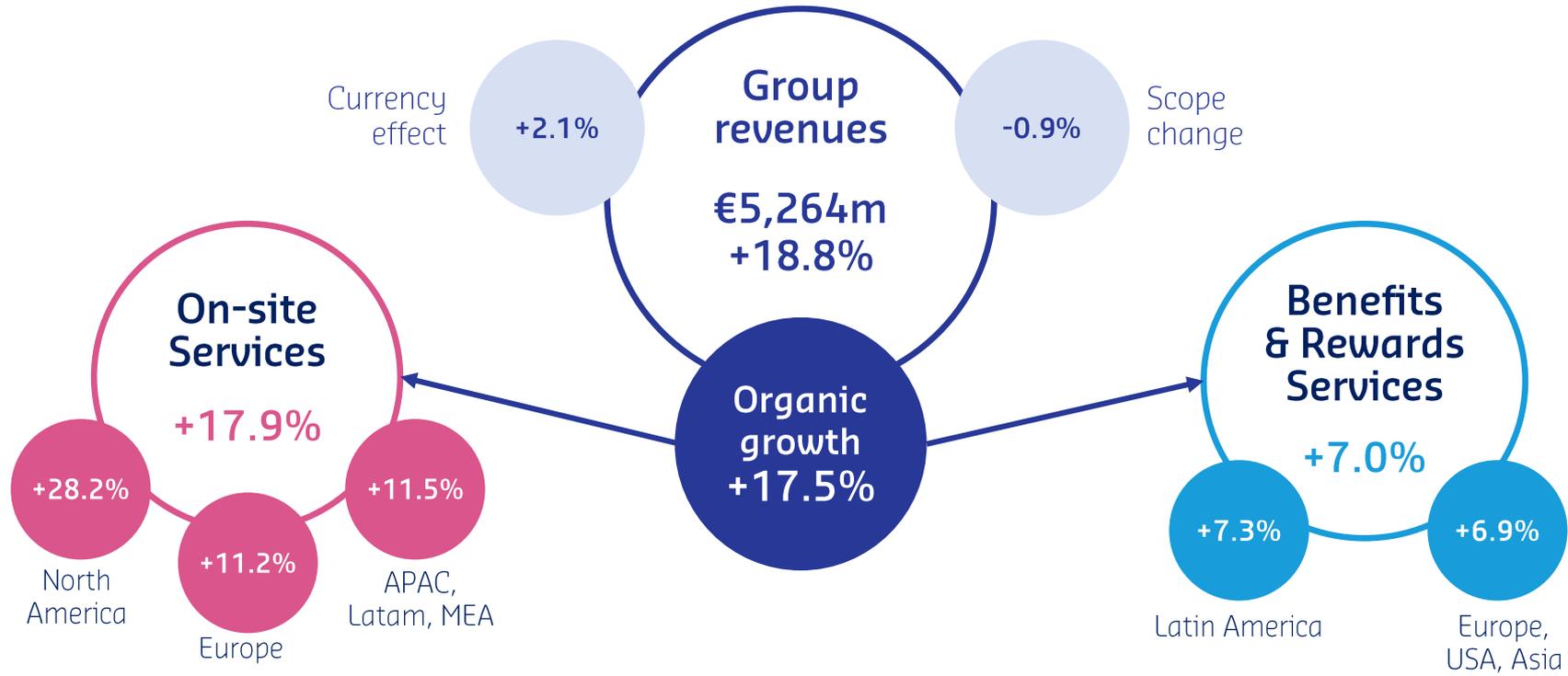
Please refer to Appendix 4 for Alternative Performance Measures definitions

# Q1 Fiscal 2022 highlights



# Q1 Organic growth - strong recovery

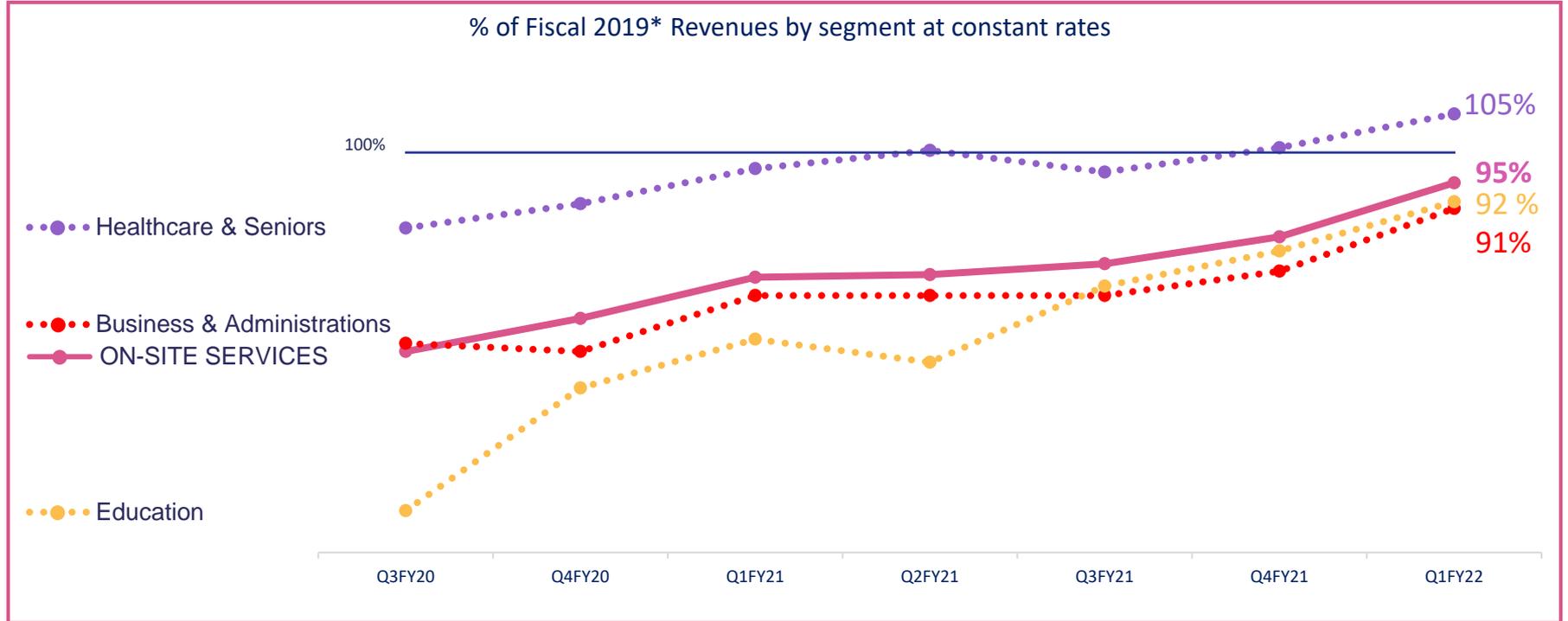
First quarter Fiscal 2022 highlights



\*Please refer to Appendix 4 for Alternative Performance Measures definitions

# On-site Services steady recovery relative to Fiscal 2019

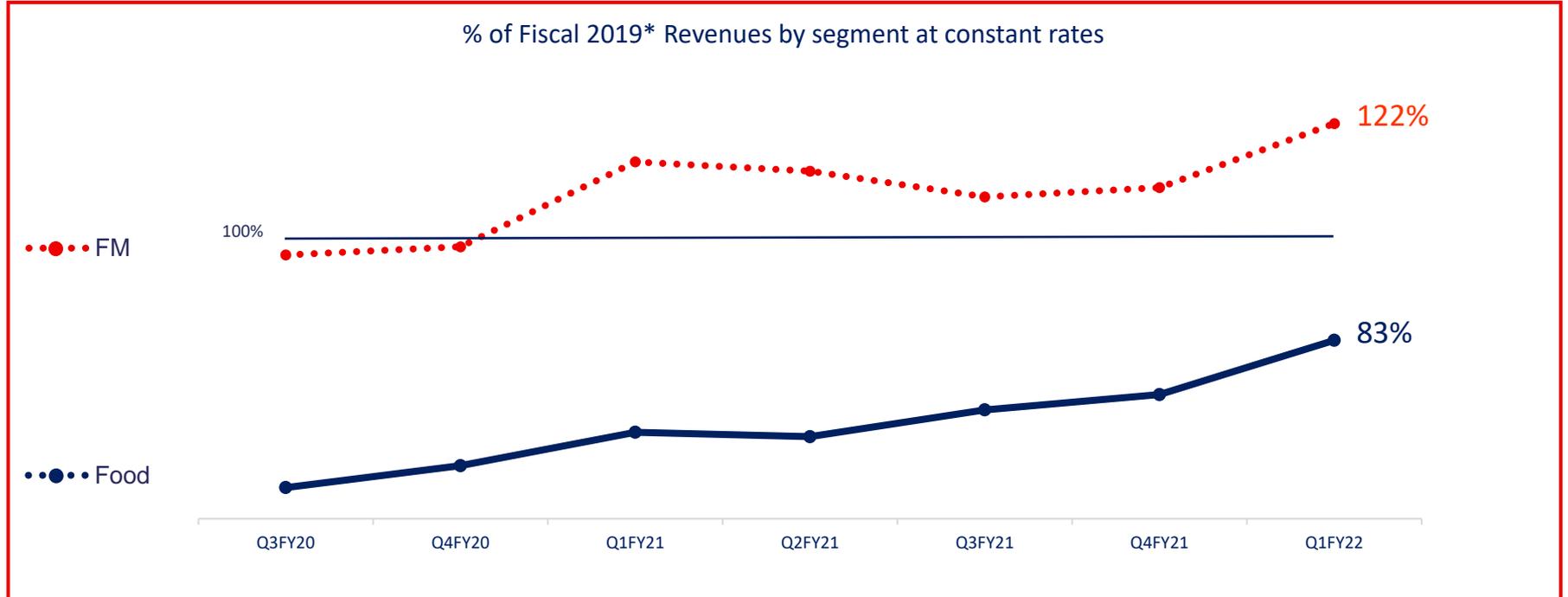
First quarter Fiscal 2022 highlights



\*FY2021 and FY2022 revenue compared to FY2019 revenues at constant rate

# FM revenues well above FY19, recovery accelerating in Food

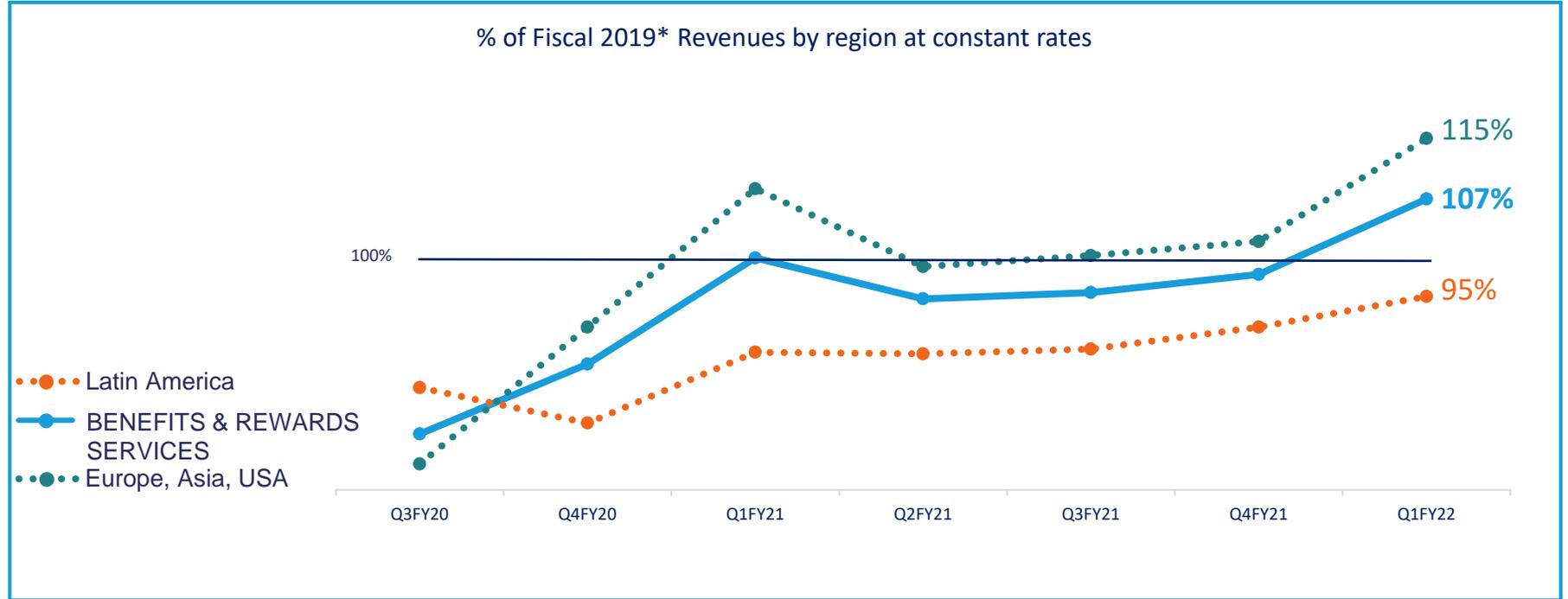
First quarter Fiscal 2022 highlights



\*FY2021 and FY2022 revenue compared to FY2019 revenues at constant rate

# BRS back to normal growth

## First quarter Fiscal 2022 highlights



\*FY2021 and FY2022 revenue compared to FY2019 revenues at constant rate

# Good control of inflation impact this quarter

First quarter Fiscal 2022 highlights

Q1 observations	North America	France	UK	Brazil
Internal Food inflation*	Light Red	Light Red	Light Red	Dark Red
Internal Labor inflation*	Light Red	Light Red	Light Red	Dark Red
Strength of Indexation and Cost + in contracts	Green	Light Green	Green	Dark Green
Operational mitigation	Green	Green	Dark Green	Green

\*Internal inflation is defined as the year-on-year inflation observed by Sodexo on its own cost base.

# Positive net new wins in Q1

## First quarter Fiscal 2022 highlights

### Contract Wins



#### Salesforce

Corporate contract in the US



#### Simpson Senior Services

Seniors contract in the US



#### UCANSS

Benefits & Rewards contract in France

### Contract Retention



#### Capital Health

Healthcare contract in the US



#### St. Barnabas Medical Center

Healthcare contract in the US



#### Norwich University

Universities contract in the US

### Contract Extensions / Expansions



#### Diageo

Corporate contract in the UK



#### Ausenco

Energy & Resources contract in Chile



#### Orange

Corporate contract in France

## Review of operations

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On-site Services

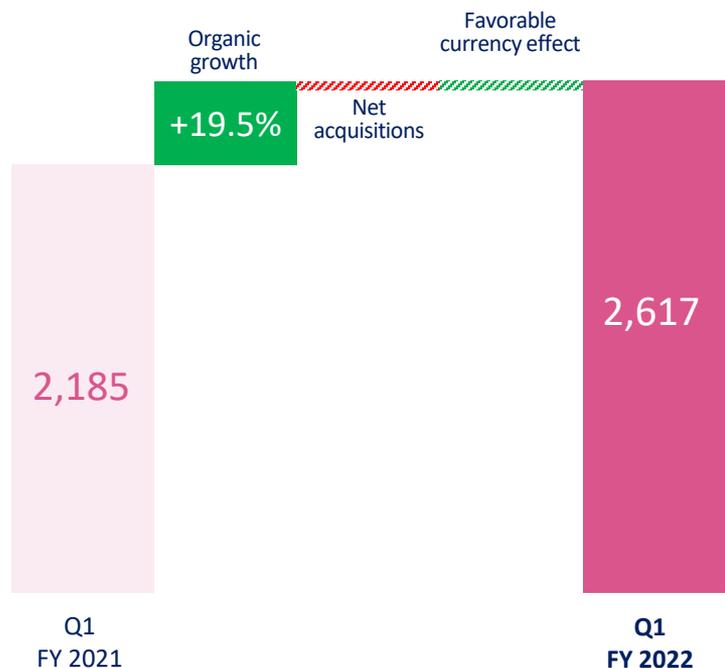
Benefits & Rewards Services

## Review of operations

OSS

# Business & Administrations – Q1 Revenues

€ millions

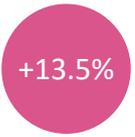


## Restated Organic Growth



### North America

- Growth in G&A and acceleration in E&R due the combination of some sites reopening and new contract start-ups.
- Strong rebound in S&L continuing, back up to 64% of pre-Covid levels.
- Slow but progressive return to work in Corporate Services.



### Europe

- Progressive return to office up to the end of the quarter.
- S&L up strongly with sites reopening and more events than usual.
- Lack of new ramp-ups in E&R and G&A.



### APAC, Latam, MEA

- Rapid recovery in India and solid growth in China in Corporate Services.
- E&R Start-ups in Latin America.

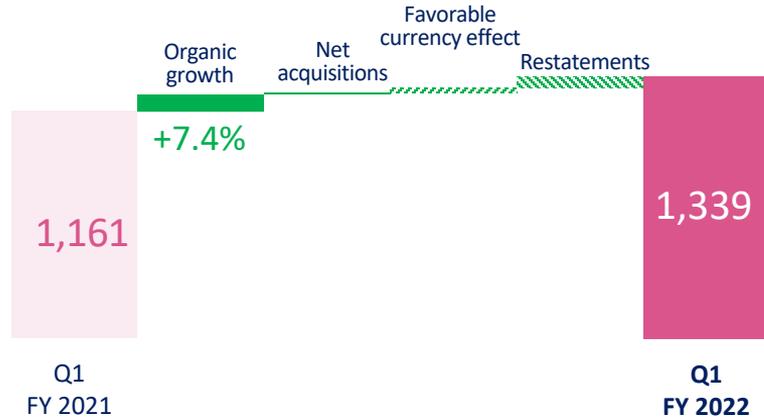
G&A = Government & Agencies, E&R = Energy & Resources, S&L = Sports & Leisure  
Please refer to Appendix 4 for Alternative Performance Measures definitions

# Healthcare & Seniors – Q1 Revenues



€ millions

## Restated Organic Growth



+4.2%

### North America

- Hospital activity growing in volume and pricing pass-through, but retail activity remains disappointing at 70% of pre-Covid levels.
- Seniors' occupancy increasing progressively.

+11.3%

### Europe

- Continued strong contribution from enlarged Covid-19 rapid testing centers contract in the UK.
- Seniors benefiting from more demand and new contracts.

+10.1%

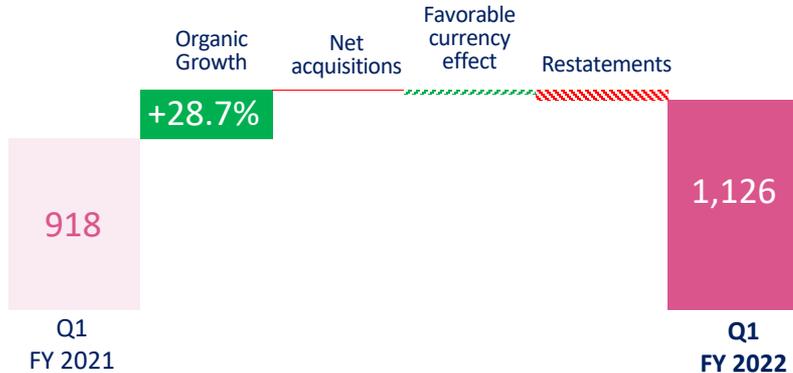
### APAC, Latam, MEA

- Solid volumes in Asia and same store sales in Brazil.

Please refer to Appendix 4 for Alternative Performance Measures definitions

# Education – Q1 Revenues

€ millions



## Restated Organic Growth

+39.9%

### North America

- All Schools and Universities opened during the quarter.
- Board plans are nearly back up to Fiscal 2019 levels. However, retail and event activities impacted by staff shortages, lower footfall and sanitary protocols.
- Schools benefiting from stronger demand due to free-meal programs.

+0.2%

### Europe

- All sites open, similar level of activity to last year overall.
- Activity picking up strongly in the UK.
- Class closures in November and one less working day in France for the quarter.

+28.6%

### APAC, Latam, MEA

- Strong recovery in Indian Universities, but Schools reopening more progressive.

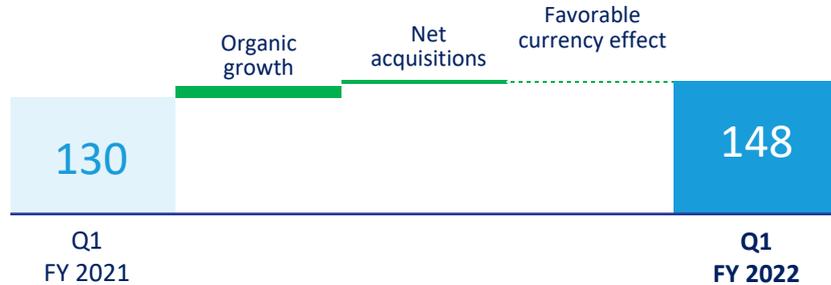
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## Review of operations

BRS

# BRS Q1 revenues by Service

## Employee Benefits € millions



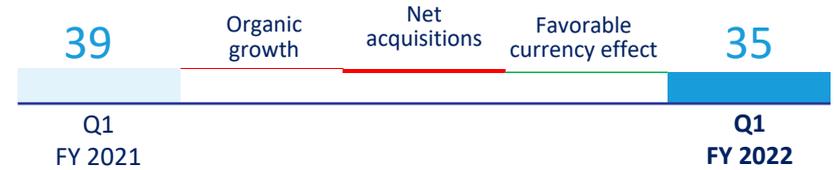
### Issue volume €3.2bn, +9% Organic growth

- Issue volume and revenues now back above pre-pandemic level.
- Ongoing catch-up in reimbursement volumes relative to issue volumes.

Please refer to Appendix 4 for Alternative Performance Measures definitions

<sup>1</sup> Excluding Rydoo revenues

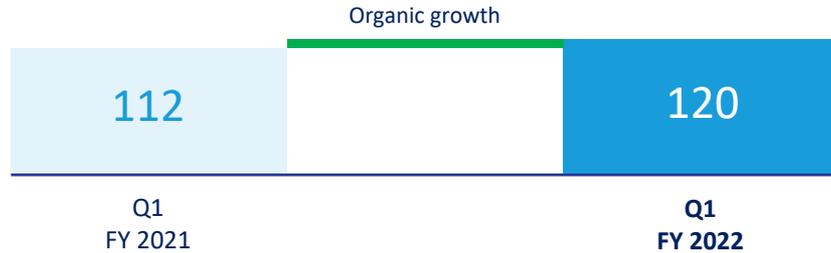
## Services Diversification € millions



- Substantial reduction in Public Benefits which had been boosted by covid-related aid programs.
- Compensated by strong fuel and mobility cards activity.
- Rydoo now fully deconsolidated.

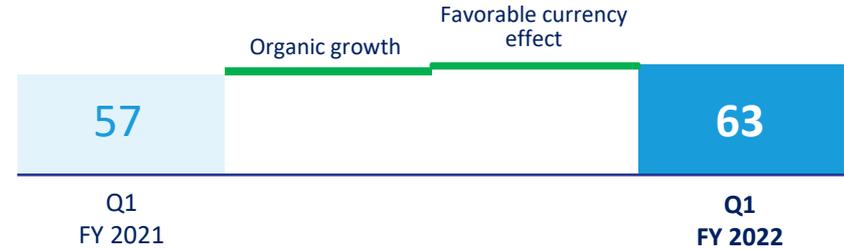
# BRS Q1 revenues by Region

Europe, Asia, USA  
€ millions



- Strong new development.
- Catch up in reimbursement volumes continuing.
- Acquisition of Wedoogift offsets sale of Rydoo.

Latin America  
€ millions



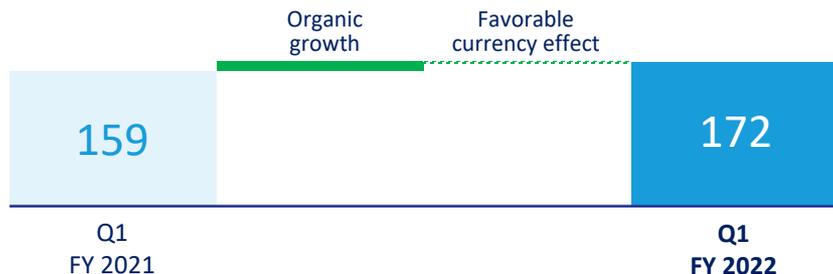
- Return to high single digit growth in Brazil.
- Solid ongoing growth in the rest of the region.

Please refer to Appendix 4 for Alternative Performance Measures definitions

<sup>1</sup> Excluding Rydoo revenues

# BRS Q1 revenues by Nature

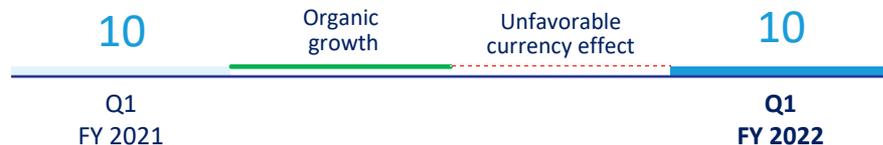
## Operating revenues € millions



+7.0%  
OG

- Back to sustainable high single digit growth.
- Further acceleration in digitalization +6 points in one year to 84%.
- Strong seasonal gift activity boosted by Wedoogift acquisition.

## Financial revenues € millions



+7.2%  
OG

- Progressive increase of the Selic, the Brazilian Central Bank rate, since March. Now at 9.25%, versus 2% one year ago.

Please refer to Appendix 4 for Alternative Performance Measures definitions

<sup>1</sup> Excluding Rydoo revenues

# Outlook



# FY2022 guidance

## Outlook

The recent sanitary measures taken by Governments will have an impact on activity, but it is too early to assess whether it is significant or not. So, at this stage, excluding potential impact if any of accounting changes\*, we maintain annual guidance:

Organic Growth: **+15% to +18%**

UOP Margin: **close to 5% at constant rates**

\* Implementation of the IFRIC decision providing details on the accounting for configuration and customization costs of SaaS type software for which the analysis is in progress.

## Mid-term outlook: stronger and faster

On-site Services  
to exceed  
pre-Covid levels

BRS  
to accelerate

### 4 priorities

- Boost US growth
- Food transformation
- Portfolio management
- Effective organization

Post-Covid crisis, the Group aims to rapidly return to regular and sustained growth and back up over the pre-Covid Underlying operating margin

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# Appendices

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# Fiscal 2021 exchange rates

Appendix 1

1€ =	Average Rate Q1 Fiscal 22	Average Rate Q1 Fiscal 21	Average Rate Q1 Fiscal 22 vs. Q1 Fiscal 21	Closing Rate Q1 Fiscal 22 at 30/11/2021	Closing Rate Fiscal 21 at 31/08/2021	Closing Rate 30/11/21 vs. 31/08/21
U.S. Dollar	1.161	1.179	+1.6%	1.136	1.183	+4.1%
Pound Sterling	0.854	0.904	+5.9%	0.852	0.859	+0.8%
Brazilian Real	6.363	6.601	+3.7%	6.376	6.139	-3.7%

# Modelling details for FY2022

At constant rates

Appendix 2

Other income  
and expenses:  
around €85m

Net financial  
expenses:  
€110m  
including  
IFRS16

Tax rate:  
~30%

Non-recurring  
cash outflow:  
~€300m\*

\* Including impact of Tokyo Olympics, restructuring, and Government support.

# Fiscal 21 On-site Services inter-segment revenue reclassifications

Revenues (in millions of euros)	FISCAL 21			Q1FY21			Q2FY21			Q3FY21			Q4FY21		
	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU	B&A	HC	EDU
North America	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Europe	- 30	+ 211	- 181	- 6	+ 58	- 51	- 7	+ 60	- 53	- 8	+ 61	- 53	- 9	+ 31	- 23
Africa, Asia, Australia, Latam, Middle East	+ 37	- 24	- 13	+ 12	- 5	- 6	+ 8	- 5	- 3	+ 9	- 7	- 3	+ 8	- 7	- 1
GROUP	+ 7	+ 187	- 194	+ 5	+ 52	- 58	+ 1	+ 55	- 56	+ 1	+ 55	- 56	- 0	+ 24	- 24

- As part of the streamlining of the organization in certain regions during the second half of Fiscal 2021, some contracts or operations have been reallocated between segments, with main impacts in Europe from Education to Healthcare & Seniors.
- Given the low materiality of these changes, pro-forma figures for Fiscal 2021 will not be provided.
- The effects are detailed above.
- Fiscal 2022 organic growth and variations in UOP margin will be adjusted to take into account such changes.

# Alternative performance measure definitions

## 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.

## 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.

## Reimbursement volume

Reimbursement volume corresponds to the total face value of service vouchers, cards and digitally delivered services (Benefits and Rewards Services activity) reimbursed to the Merchants.

## Underlying Operating margin

The Underlying operating profit margin corresponds to Underlying operating profit divided by revenues.

## Underlying Operating margin at constant rate

The Underlying operating profit margin at constant rate corresponds to Underlying operating profit divided by revenues, calculated by converting FY2021 figures at FY 2020 rates, except for countries with hyperinflationary economies.

# Financial calendar

Fiscal 2022 first half results	April 1, 2022
Fiscal 2022 third quarter revenues	July 1, 2022
Fiscal 2022 annual results	October 26, 2022
Fiscal 2022 Annual Shareholders Meeting	December 15, 2022

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](http://www.sodexo.com)



# Sodexo key figures

As of August 31, 2021

 €17.4bn revenues

 412,000 employees

 #1 Largest private French employer worldwide <sup>(1)</sup>

 100 million consumers served daily

 56 countries

€ €12bn market capitalization  
*(as of January 5, 2022)*

<sup>(1)</sup> 2020 Forbes Global 2000 ranking (as of April 30, 2020)

- Founded in 1966 by Pierre Bellon
- As at 31/08/2021, Bellon S.A. holds 42.8% of capital (57.2% of voting rights)
- Our purpose is to create a better everyday for everyone to build a better life for all.

Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA  
Leader in its industry sector

**Sustainability Award**  
Silver Class 2021  
**S&P Global**  
#1 in its industry sector



Strong Investment Grade S&P  
“BBB+/A-2”/ Moody’s “Baa1”

# Investor relations contacts

Appendix 7

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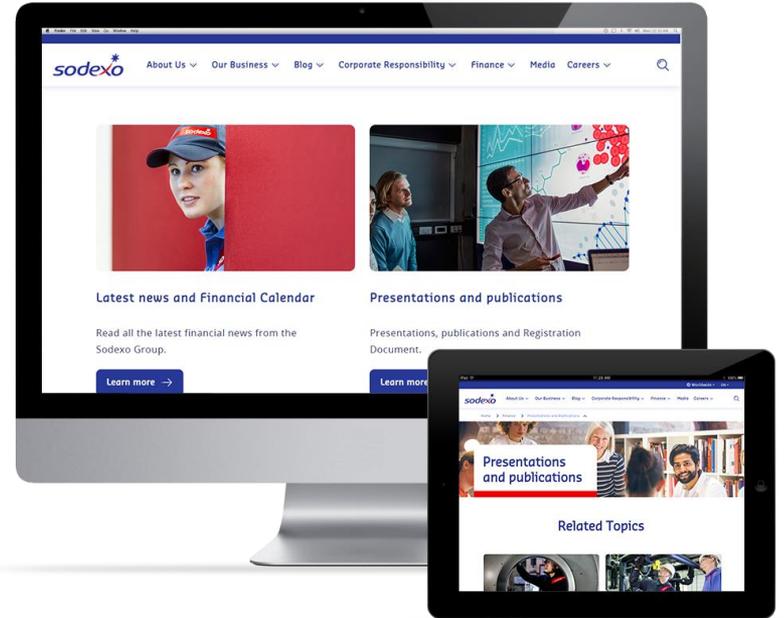
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Thank you.

