

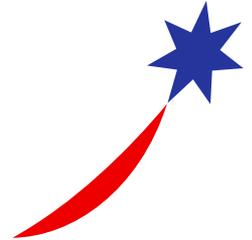
# Q1 Revenues Fiscal 2023

January 6, 2023



# Agenda

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## 1. **Q1 Revenues Fiscal 2023 highlights**

## 2. **Review of Operations**

On-site Services  
Benefits & Rewards Services

## 3. **Outlook**

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

Please refer to Appendix 5  
for Alternative Performance  
Measures definitions

# 1. Q1 Revenues Fiscal 2023 highlights



# Q1 Organic growth: Strong start to the year



(1) Please refer to Appendix 5 for Alternative Performance Measures definitions

# On-site Services

## Tetra Pak contract renewal and extension

1.

### Contract renewal for global IFM services

- Initiated in 2018 on a 23-country geographic scope, covering 65 sites, from production to warehouses, headquarters and offices, in Europe, Brazil and Asia-Pacific
- Starting January 1, 2023, the contract is renewed to deliver efficient, innovative solutions that improve the work experience every day at Tetra Pak
- The integrated services contract includes:
  - Food services
  - Hard and soft facilities management services
  - Workplace management
  - Project management
  - Energy management
  - Waste management



The world's leading food processing and packaging solutions company

25,000+ employees worldwide



*“Renewing our contract will enable us to continue the pursuit of the joint mission and the business outcomes, whilst protecting food, people and our planet”*

**Jesper Svensson, Tetra Pak VP Facility & Real Estate Management**

# Benefits & Rewards Services

## Retention and extension at Capgemini

1.

- A multi-country contract:
  - Retention in France
  - Extension in Spain and Portugal
  - 24,000 beneficiaries
- 100% digital offer in 90% meal + other employee benefits and engagement services (incl. childcare and mobility in some countries)
- Sodexo's key factors of success:
  - Compelling digital offer
  - Personalized user experiences through app
  - Global footprint – Services delivered now in 8 countries: France, India, Luxembourg, Mexico, Poland, Portugal, Romania, Spain
  - Support to Capgemini's rationalization of suppliers with simplified multi-country contract management
  - Historical strong relationship

Capgemini

**Global leader in partnering with companies to transform and manage their business by harnessing the power of technology**



# An excellent start to the new year

## Wins

Benefits & Rewards  
Seven Energy (CZ)



Flipkart (IN)



Healthcare  
United Family Healthcare



Corporate  
Tata Electronics Private Limited



## Retention

Education  
5 private schools



Healthcare  
Tallahassee Memorial HealthCare



Seniors  
The Hearthstone



## Extensions

Benefits & Rewards  
Capgemini



Government  
Scottish Fire and Rescue service

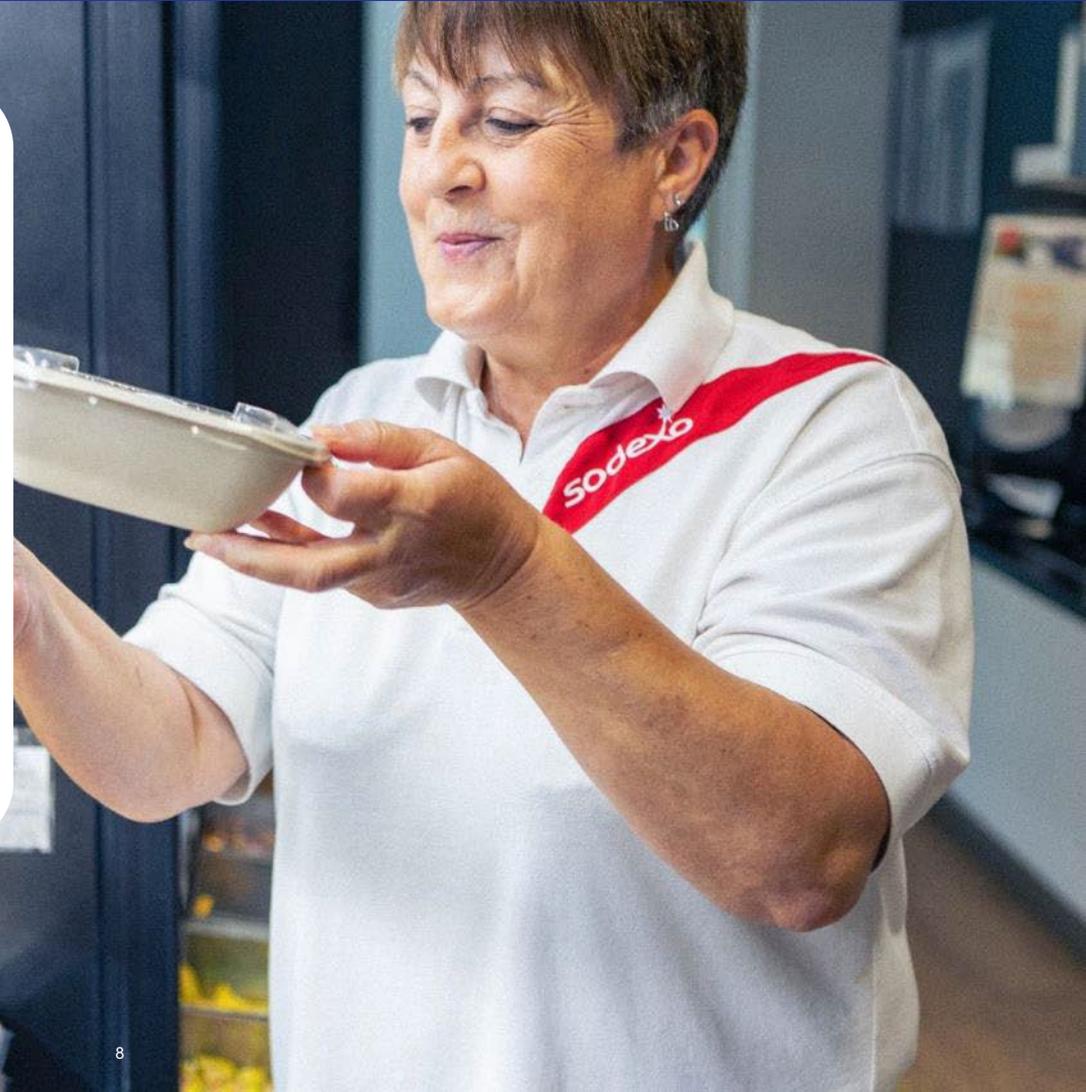


Sodexo Live!  
Roland-Garros



## 2. Review of Operations

### On-site Services



## Q1 pricing effect between 5-6%

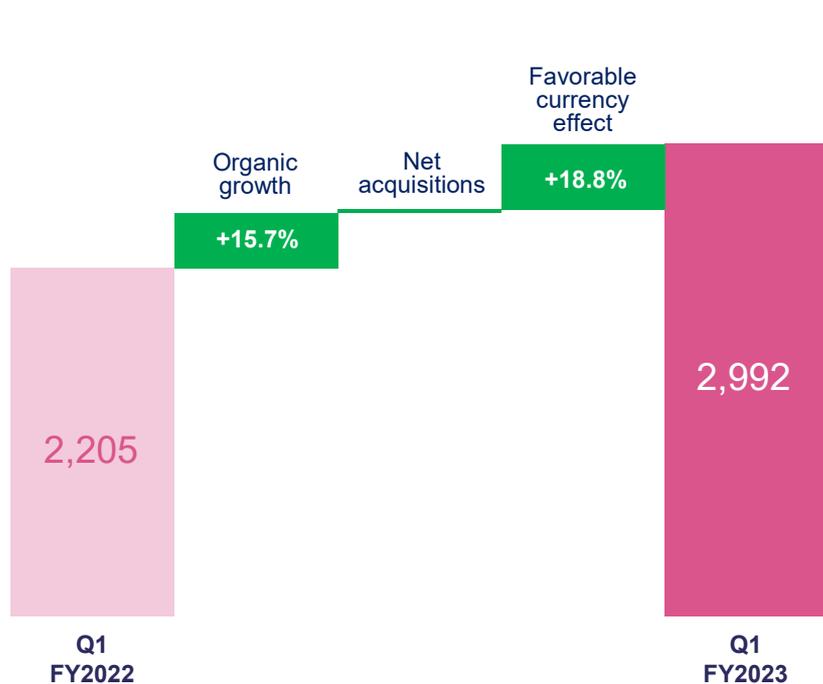
- Inflation appears to have peaked in North America and Brazil and is stabilizing in Europe.
- In Q1 FY2023, pricing effect is about 5-6%.
- Teams remain totally focused on
  - passing on inflation to clients
    - Strong contract clauses: client contract indexation, cost plus structures
    - Dynamic retail price reviews
  - managing the gap between cost inflation and pricing
    - Active procurement management to limit cost inflation relative to market indices
    - Active operational mitigation plans in all countries: enhanced labor scheduling, reengineered menus, food waste reduction...

# On-site Services North America – Q1 Revenues



2.

(in million euros)



Organic Growth

## Business & Administrations

**+31.8%**

- Continued increase in return to the workplace
- Very strong pick-up in volume and average spend of sporting and convention center events
- Entegra also benefited from the strong pick up in food volumes of its members

## Healthcare & Seniors

**+9.0%**

- Increase in retail sales
- Solid price increases
- Start-up of Ardent contract at the end of the quarter

## Education

**+9.3%**

- Pick-up in retail and event catering in Universities as staff shortages have receded
- Schools impacted by last year's high level of Covid-related free meals
- Final quarterly effect of the loss of the Chicago Public Schools contract

Please refer to Appendix 5 for Alternative Performance Measures definitions

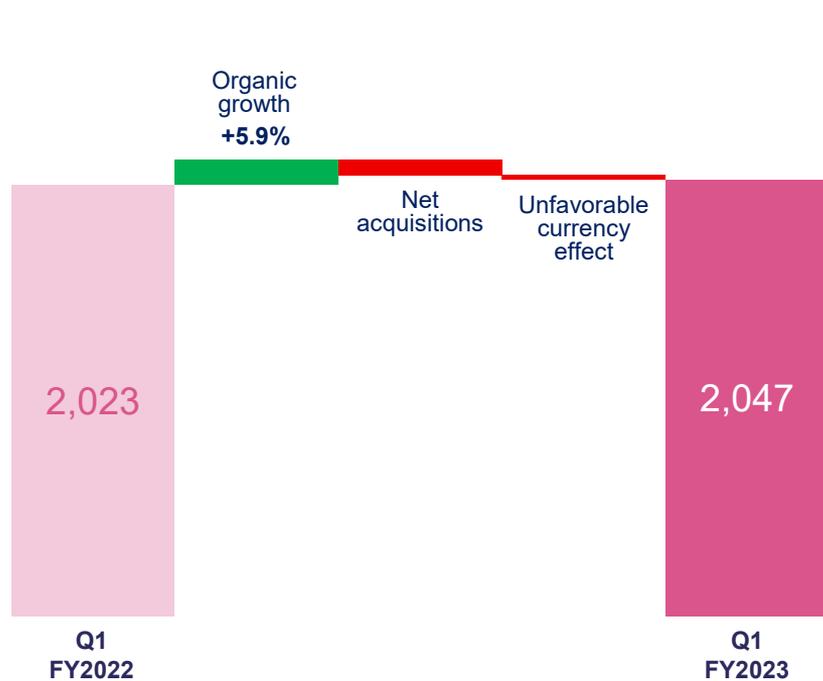
January 6, 2023 – Sodexo first quarter revenues - © Sodexo 2023. All rights Reserved

# On-site Services Europe – Q1 Revenues



2.

(in million euros)



Organic Growth

## Business & Administrations

**+14.8%**

- Return to the office continued
- Sports & Leisure boosted by tourism in Paris and more sporting and corporate events
- Government & Agencies impacted by loss of large prison contract in France in FY2022

## Healthcare & Seniors

**-12.1%**

- Segment would have been up 7% excluding impact of the closure of Covid Testing Centers in the UK
- Price increases
- Some volume growth particularly in Seniors in France

## Education

**+4.7%**

- Higher prices
- Higher attendance in France due to a calendar effect and favorable comparative base

Please refer to Appendix 5 for Alternative Performance Measures definitions

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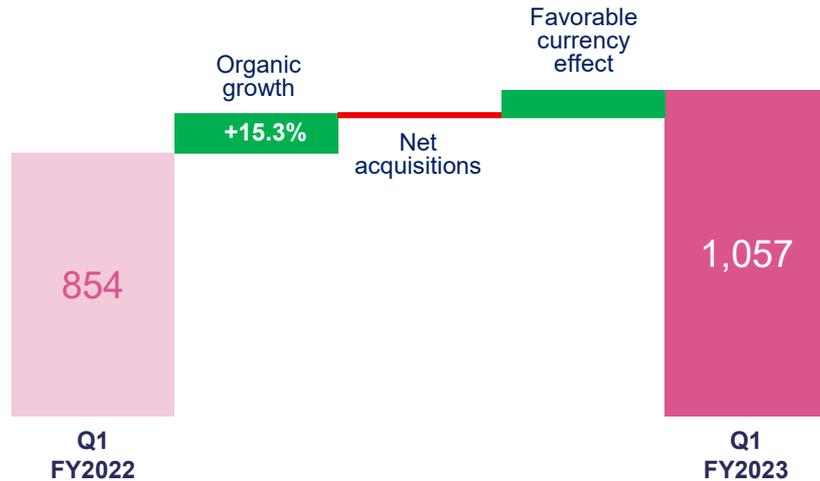
# On-site Services

## Rest of the World – Q1 Revenues



2.

(in million euros)



Organic Growth

### Business & Administrations

+15.1%

- Strong net new business and volumes in all regions in Corporate Services
- China flat, still impacted by sporadic lockdowns
- Energy & Resources strong except in Australia, impacted by last year's losses

### Healthcare & Seniors

+11.0%

- Solid volume growth and net new business in all regions
- Strong pricing in Brazil

### Education

+36.8%

- Strong post-Covid ramp-up in India
- Modest growth in China

Please refer to Appendix 5 for Alternative Performance Measures definitions

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## 2. Review of Operations

### Benefits & Rewards Services



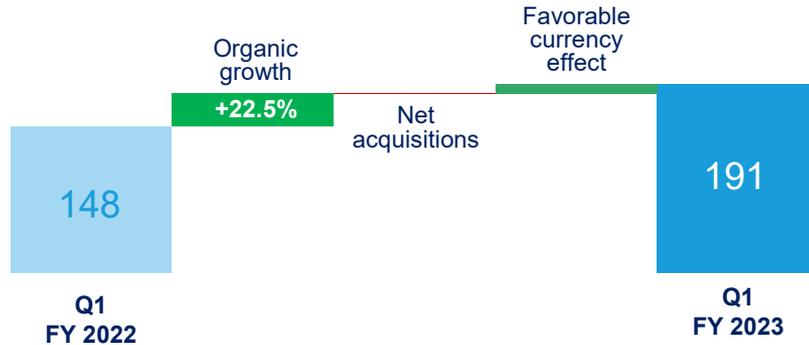
# Benefits & Rewards Services

## Q1 revenues by Service

2.

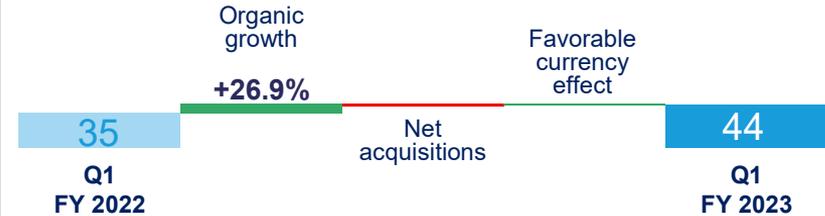
(in million euros)

### Employee Benefits



- Issue volume €4.1bn, +16.4% Organic growth, boosted by face value increases, underlying volume growth and positive net development
- Strong contribution from financial revenues due to higher interest rates in all regions, and in particular this quarter, the euro zone

### Services Diversification



- Solid growth dynamic, mainly driven by Public benefits following key wins in Austria (one-off) and Romania

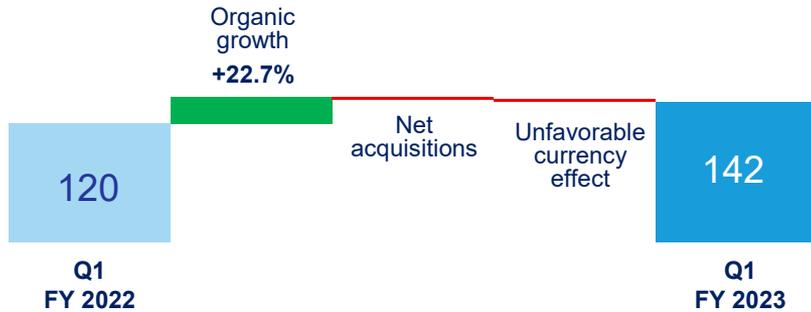
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# Benefits & Rewards Services Q1 revenues by Region

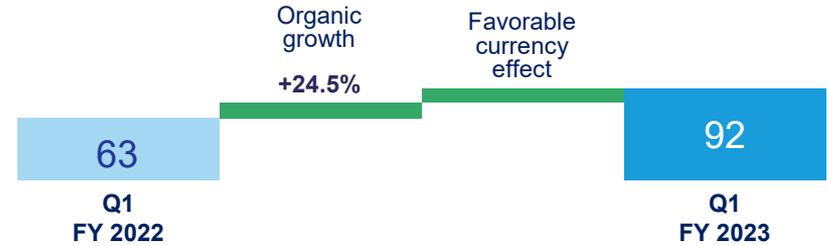
(in million euros)

## Europe, Asia, USA



- Consistently good performance across geographies due to face value increases, net new business and higher interest rates
- Particularly strong Public benefits demand in Austria with the one-off Klimabonus and in Romania with the Social card

## Latin America



- Strong volume growth in Brazil due to a combination of an increase in the number of beneficiaries, face values and net new business, as well as higher interest rates
- Strong growth in all services in the rest of the region

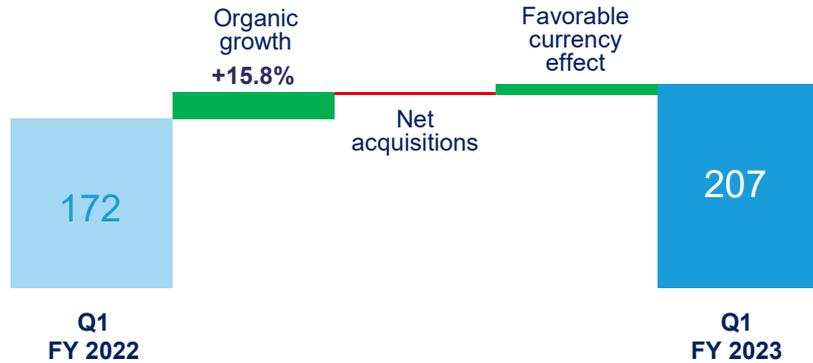
# Benefits & Rewards Services

## Q1 revenues by Nature

2.

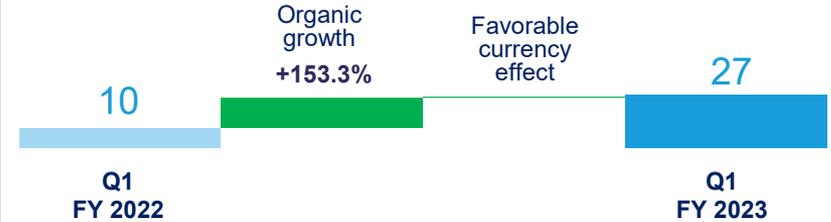
(in million euros)

### Operating revenues



- Solid growth in all regions boosted by a combination of increases in volumes, face values and net new business

### Financial revenues



- Strong positive impact of volume growth and interest rate increases in all regions
- Increased euro zone rates beginning to impact this quarter

Please refer to Appendix 5 for Alternative Performance Measures definitions

# 3. Outlook



## Fiscal 2023 guidance

### Group

#### Organic Growth

**8% to 10%**

#### UOP Margin

**Close to 5.5%**  
(at constant rates)

### Benefits & Rewards Services

#### Organic Growth

**12% to 15%**

#### UOP Margin

**Around 30%**  
(at constant rates)

## 4. Q&A



## 5. Appendices



## Q1 Fiscal 2023 exchange rates

1€ =	Average Rate Q1 Fiscal 23	Average Rate Q1 Fiscal 22	Average Rate Q1 Fiscal 23 vs. Q1 Fiscal 22	Closing Rate FY Fiscal 23 at 11/30/2022	Closing Rate Fiscal 22 at 08/31/2022	Closing Rate 11/30/22 vs. 31/08/22
U.S. Dollar	0.996	1.161	<b>+16.5%</b>	1.038	1.000	<b>-3.6%</b>
Pound Sterling	0.869	0.854	<b>-1.8%</b>	0.865	0.860	<b>-0.5%</b>
Brazilian Real	5.304	6.363	<b>+20.0%</b>	5.506	5.148	<b>-6.5%</b>

# Revenue breakdown

REVENUES BY SEGMENT <i>(in million euros)</i>	Q1 FY2023	Q1 FY2022	Organic Growth	External Growth	Currency Effect	Total Growth
North America	<b>2,992</b>	2,205	+15.7%	+1.1%	+18.8%	+35.7%
Europe	<b>2,047</b>	2,023	+5.9%	-3.6%	-1.1%	+1.2%
Rest of the World	<b>1,057</b>	854	+15.3%	-1.9%	+10.4%	+23.9%
<b>On-site Services</b>	<b>6,097</b>	<b>5,082</b>	<b>+11.9%</b>	<b>-1.2%</b>	<b>+9.3%</b>	<b>+20.0%</b>
<b>Benefits &amp; Rewards Services</b>	<b>234</b>	<b>183</b>	<b>+23.4%</b>	<b>-1.6%</b>	<b>+6.4%</b>	<b>+28.2%</b>
Elimination	(1)	(1)				
<b>TOTAL GROUP</b>	<b>6,330</b>	<b>5,264</b>	<b>+12.3%</b>	<b>-1.2%</b>	<b>+9.2%</b>	<b>+20.2%</b>

# New segment reporting following evolution of the On-site Services organization

From the beginning of Fiscal 2023, Sodexo is reporting the breakdown of its On-site Services revenues and Underlying operating profit by geographic Zone rather than by global client segment. The three geographic Zones are North America, Europe and Rest of the World (including Asia-Pacific, Middle East, Africa, Latin America), with a secondary level of information by global client segment, Business & Administrations, Healthcare & Seniors and Education.

Please find below the new revenue breakdown for Fiscal 2022:

REVENUES (in million euros)	Q1FY22	Q2FY22	Q3FY22	Q4FY22	FY22	% of OSS FY22 Revenues
<b>North America</b>	<b>2,205</b>	<b>2,026</b>	<b>2,366</b>	<b>2,231</b>	<b>8,828</b>	<b>44%</b>
Business & Administrations	643	620	794	925	2,983	
Healthcare & Seniors	693	730	783	840	3,047	
Education	869	676	788	465	2,798	
<b>Europe</b>	<b>2,023</b>	<b>1,895</b>	<b>1,993</b>	<b>1,863</b>	<b>7,774</b>	<b>38%</b>
Business & Administrations	1,208	1,146	1,251	1,293	4,898	
Healthcare & Seniors	578	537	545	446	2,106	
Education	237	212	197	124	769	
<b>Rest of the World</b>	<b>854</b>	<b>862</b>	<b>943</b>	<b>1,002</b>	<b>3,661</b>	<b>18%</b>
Business & Administrations	766	776	841	902	3,285	
Healthcare & Seniors	67	70	83	85	305	
Education	20	16	19	15	70	
<b>TOTAL ON-SITE SERVICES</b>	<b>5,082</b>	<b>4,783</b>	<b>5,302</b>	<b>5,096</b>	<b>20,263</b>	<b>100%</b>

# New segment reporting following evolution of the On-site Services organization

Please find below the new Underlying operating profit breakdown for Fiscal 2022:

## On-site Services Fiscal 2022 Underlying operating profit and margin by zone (new breakdown)

<b>FISCAL 2022</b> (in million euros)	<b>Revenues</b>	<b>Underlying Operating Profit *</b>	<b>Underlying Operating Profit margin (%)</b>
North America	8,828	471	5.3%
Europe	7,774	300	3.9%
Rest of the World	3,661	156	4.3%
<b>TOTAL ON-SITE SERVICES</b>	<b>20,263</b>	<b>926</b>	<b>4.6%</b>

\* Excluding HQ costs

## On-site Services H1 Fiscal 2022 Underlying operating profit and margin by zone (new breakdown)

<b>FIRST HALF FISCAL 2022</b> (in million euros)	<b>Revenues</b>	<b>Underlying Operating Profit *</b>	<b>Underlying Operating Profit margin (%)</b>
North America	4,232	261	6.2%
Europe	3,917	150	3.8%
Rest of the World	1,716	70	4.1%
<b>TOTAL ON-SITE SERVICES</b>	<b>9,865</b>	<b>481</b>	<b>4.9%</b>

\* Excluding HQ costs

# Modelling details for FY2023

(At constant rates)

Scope change effect  
on Fiscal 2023  
revenues

**-1%**

Other income  
and expenses

**~ €-75m**

Net financial  
expenses

**€90m**

Tax rate

**~ 28%**

# 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

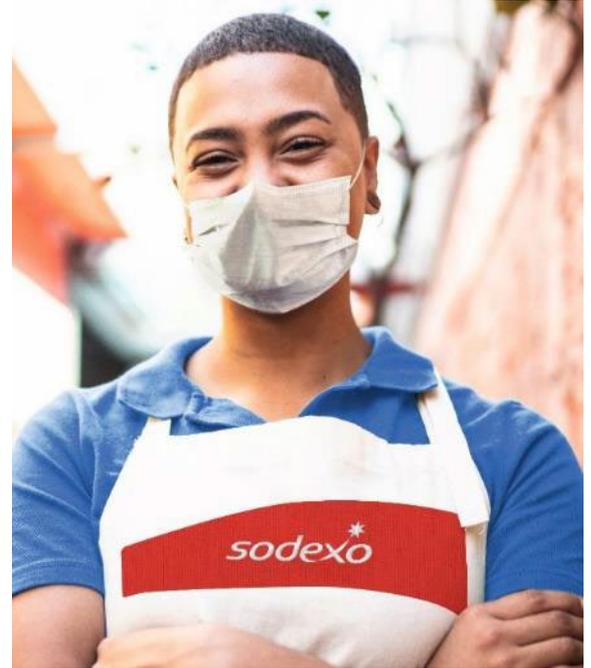
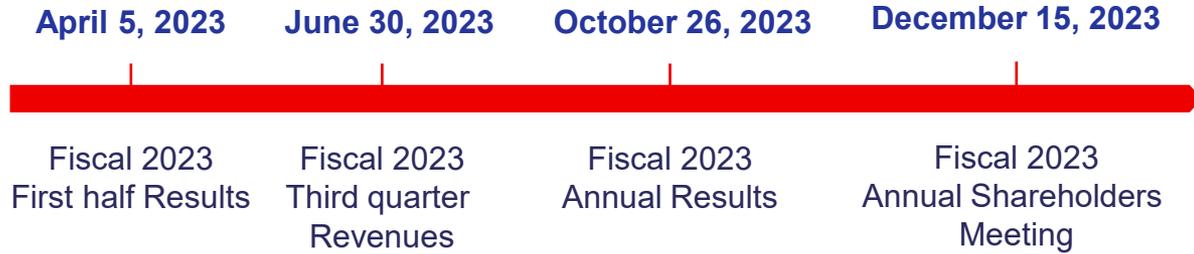
## Underlying Operating margin

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 FY2023 figures at FY2022 rates, except for countries with hyperinflationary economies.

# Financial calendar



*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, 2022



**€21.2bn** revenues



**422,000** employees



**100** million consumers served daily



**53** countries



**€13.3bn** market capitalization  
(as of January 5, 2023)

- Founded in 1966 by Pierre Bellon
- As at 31/08/2022, Bellon S.A. holds 42.8% of capital (57.5% of voting rights)
- **Our purpose is to create a better everyday for everyone to build a better life for all**



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**Dow Jones Sustainability Indices**

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**Sustainability Award**  
Gold Class 2022  
**S&P Global**



FTSE4Good



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