

# Fiscal 2017 Full year Results

Roadshow London – Oddo BHF

November 20, 2017

# FORWARD-LOOKING INFORMATION

This presentation contains statements that may be considered as forward-looking statements and as such may not relate strictly to historical or current facts.

These statements represent management's views as of the date they are made and Sodexo assumes no obligation to update them.

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

**Alternative Performance Measures:**  
please refer to Appendix 8 for definitions (from slide 60 to 63).

# AGENDA

1. Fiscal 2017 Full year highlights
  2. Solid Financial Performance
  3. Review of Operations:
    - On-site Services
    - Benefits & Rewards Services
  4. Introducing Underlying operating profit
  5. Outlook
- Appendices

# FISCAL 2017 HIGHLIGHTS



# KEY MESSAGES ON GROWTH

## Fiscal 2017 highlights



▪ **Q4 acceleration** in organic growth

- Q1 +0.8% excluding Rugby comparative base
- Q2 +1.7%
- Q3 +1.5%
- Q4 +3.6%, excluding 53<sup>rd</sup> week

› **French tourism recovery in high season**

▪ **Headwinds disappearing:**

› **E&R continued improvement:**

- Q1 -4.5%
- Q2 -0.8%
- Q3 +4.3%
- Q4 +5.0%, excluding 53<sup>rd</sup> week

› **France positive trend**

# KEY MESSAGES ON PERFORMANCE

## Fiscal 2017 highlights

### Solid operating performance:

Strong Operating profit<sup>1</sup>  
growth

+10.2%

TOTAL  
GROWTH

+8.4%

EXCLUDING  
CURRENCY\*

Operating profit margin<sup>1</sup>  
increased

+50BPS

TOTAL  
GROWTH

+40 BPS

EXCLUDING  
CURRENCY\*

Net profit growth  
before non recurring items\*

+14.0%

TOTAL  
GROWTH

+13.0%

EXCLUDING  
CURRENCY\*

Increased  
Acquisitions/ Participations

€306m spent<sup>2</sup>

0.7%

gross contribution to revenues

Adaptation & Simplification  
Program **on track**

€150m savings in FY2017

€220m for FY 2018

Basic EPS  
before non recurring items\*

**5.52€**

+15.7%

TOTAL  
GROWTH

+14.7%

EXCLUDING  
CURRENCY\*

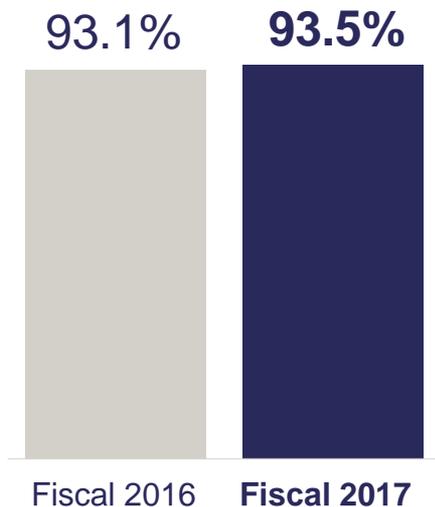
<sup>1</sup> Before exceptional expenses, see Alternative Performance Measures

<sup>2</sup> Net acquisitions €268m + net financial investments of €38m

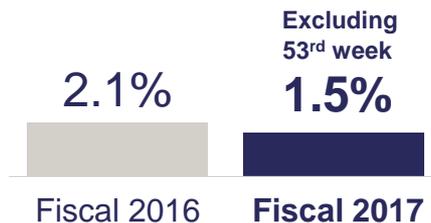
# GROWTH INDICATORS ONSITE SERVICES

## Fiscal 2017 highlights

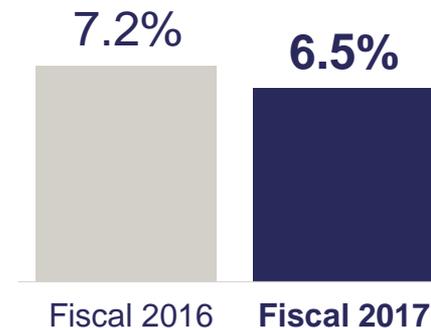
### Client retention



### Comparable unit growth



### Business development



# CONTRACT WINS

## Fiscal 2017 highlights

Momentum  
in Facilities  
Management  
contracts



Department  
for Work &  
Pensions

**Department of  
Work & Pensions  
(DWP)**

Government  
Agencies contract  
in the UK



**Compañía Minera  
Lomas Bayas**

Energy & Resources  
contract  
in Chile



**Campbell**

Corporate contract  
in Noram

Comparable  
unit growth



**Johnson & Johnson**

Corporate contract  
in 42 countries



**Bangkok Hospital  
Phuket**

Health Care contract  
in Thailand



**Chicago Public  
Schools**

Schools Contract  
in the US

# CONTRACT WINS

## Fiscal 2017 highlights

Pick up  
in food



**Michelin**

Corporate contract  
in France



**Hospital Beneficiência  
Portuguesa**

Health Care contract  
in Brazil



**Google**

Corporate contract  
in India

Development  
in Benefits  
& Rewards  
Services



**Servicios de Agua  
de Monterrey**

Meal cards  
in Mexico



**STIP-MIVB**

Meal cards  
in Belgium



**Pague Menos**

Food & Meal cards  
in Brazil

# CONTRACT RENEWALS

## Fiscal 2017 highlights



**Airbus**  
Corporate contract  
in France



**United Services Automobile  
Association (USAA)**  
Corporate contract  
in the US



**Prisons Région Nord**  
Justice contract  
in France



**Van Oord**  
Energy & Resources contract  
worldwide



**Aberdeen Football Club**  
Sports & Leisure contract  
in the UK



**JUNAEB**  
Public Benefits service  
in Chile

# RECOGNITION

## Fiscal 2017 highlights



Sodexo scores **highest marks of the sector in RobecoSAM's "Sustainability Yearbook" 2017 for 10<sup>th</sup> consecutive year**



Sodexo is now a constituent of the **FTSE4Good Index**



For the **7<sup>th</sup> year in a row**, Sodexo is among the **FORTUNE World's Most Admired Companies**, and was recently ranked **Fortune's 2017 list of companies that are changing the world**



Sodexo named **the top rated company** in its sector on the **Dow Jones Sustainability Index (DJSI)** for the **13<sup>th</sup> consecutive year**

# CORPORATE COMMITMENT

## Better Tomorrow 2025



The roadmap has evolved in alignment with the **UN sustainable development goals** to advance and reinforce our responsible behavior

### Contributing to eradicate **WORLD HUNGER**

In 2016, through Stop Hunger,  
**113,000 volunteers**  
distributed  
5.7 millions meals



### Supporting **WOMEN'S EMPOWERMENT**

Sodexo's **Partner Inclusion Program** drives diversity among suppliers and merchants

**N°4 in Equileap**  
worldwide gender  
equality ranking



**United Nations  
WEPs signed in  
24 countries**

### Fighting against **WASTE**

Created "**WasteWatch powered by LeanPath**", a global food waste prevention program



Founding member  
of the **International  
Food Waste Coalition**

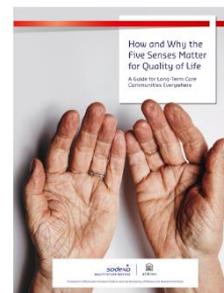
# RESEARCH AND THOUGHT LEADERSHIP

## Fiscal 2017 highlights

**The Quality of Life Conference** exploring new solutions for tomorrow's needs



Sodexo decoded Gen Z with **Global Lifestyle Survey of University Students**



In collaboration with the **University of Ottawa**, Sodexo released a study to deepen our understanding of the five senses from **seniors perspectives**

# M&A ACCELERATING

## Fiscal 2017 Highlights

Enriching offer



in the USA



in the UK

PEYTON  
AND  
BYRNE

in the UK



in the UK

Strategic move



in Belgium



in Poland



in the USA

Technical Expertise

Tadal

in Israel



in Puerto Rico



In Singapore

Consolidating positions



in the USA



in China

Prestige  
Nursing+Care

in the UK



in Australia

Net investments:  
€306m in Fiscal 2017<sup>1</sup>

≈€650m committed  
since year end

<sup>1</sup> Net acquisitions €268m + net financial investments €38m, including Sodexo Ventures

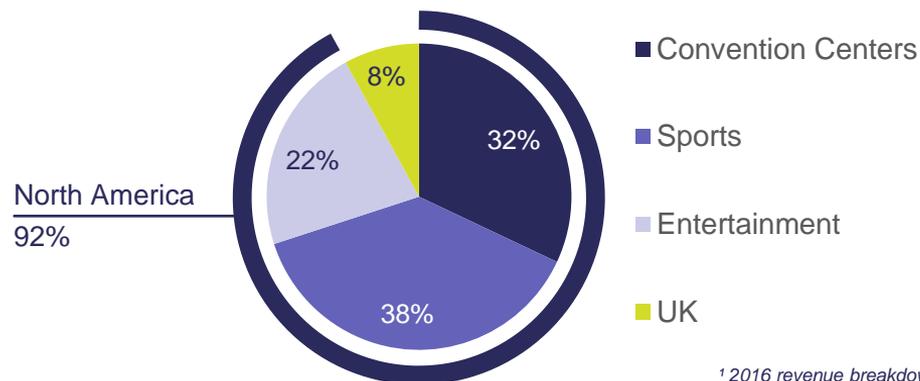
# CENTERPLATE

## A leading event hospitality provider for North America and the UK

### COMPANY OVERVIEW

- Food and beverage service provider
- **40,000 events and 100m guests annually**
- c.250 venues, in North America, the UK and Spain
- **4<sup>th</sup> largest operator** by revenues in the US Sports & Leisure market
- **3 business lines:**
  - Convention Centers
  - Sports
  - Entertainment
- c.30,000 employees
- 12-months revenues to June 2017: **\$998 million**

### A WELL DIVERSIFIED PORTFOLIO<sup>1</sup>



<sup>1</sup> 2016 revenue breakdown

### RECOGNISED EXPERTISE – SELECTED AWARDS

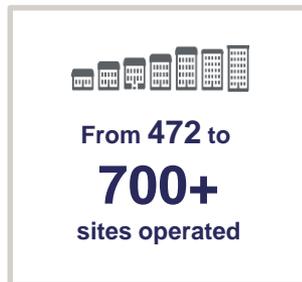
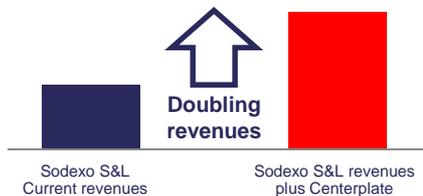
**“Best Food and Beverage”**  
*5 Years Running, Convene Magazine*

**#1 NFL Experience**  
*Stadium Journey*

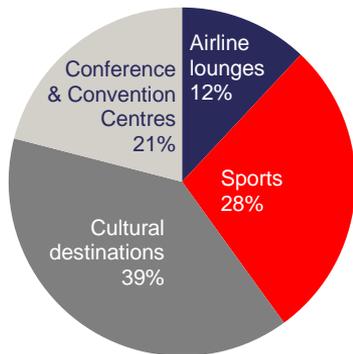
**“America’s Best Stadium Food”**  
*Travel + Leisure Magazine*

# CENTERPLATE + SODEXO

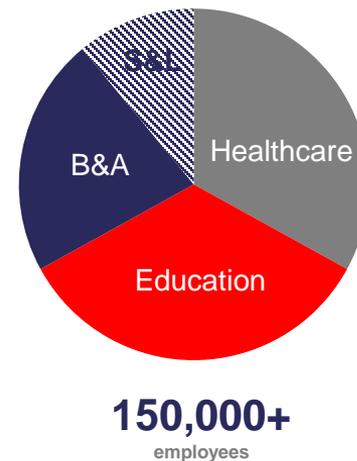
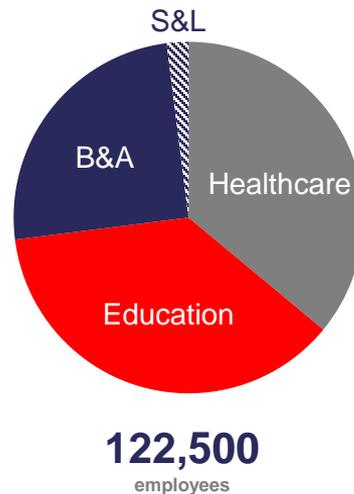
## SPORTS & LEISURE TRANSFORMED



### Business mix



## NORTH AMERICA STRENGTHENED



# CENTERPLATE CONTRIBUTION TO SODEXO FINANCIALS

A leading event hospitality provider for North America and the UK

## P&L

- 8 months contribution to revenues (~€500 million)
- Brings contribution of external growth to date for Fiscal 2018 = 2.5%
- Before synergies, slight dilution to margins in Fiscal 2018
- With synergies, margins will be in line with Group North American margins
- Mild Net profit accretion from Fiscal 2018

## CASHFLOW

- Strong cash generating business, with significant retail operations
- Expected capex / sales ~3%

## BALANCE SHEET

- Consideration = \$675m
- Brings total Sodexo commitments since YE ~€650m
- Doubles Sodexo net debt => net debt ratio including commitments at Fiscal 2017 year end = 0.8

## VALUATION RATIOS

- EV/revenues = 0.7x
- EV/pro forma EBIT post synergies = 9-10x

# SOLID FINANCIAL PERFORMANCE



# ORGANIC GROWTH

Solid financial performance

**REVENUE GROWTH**  
**+2.2%**

Currency effect  
-0.1%

Scope changes  
+0.4%



**ORGANIC GROWTH**  
**+1.9%**

of which:

On-site Services  
**+1.7%**

Rugby  
Impact  
**-0.6%**

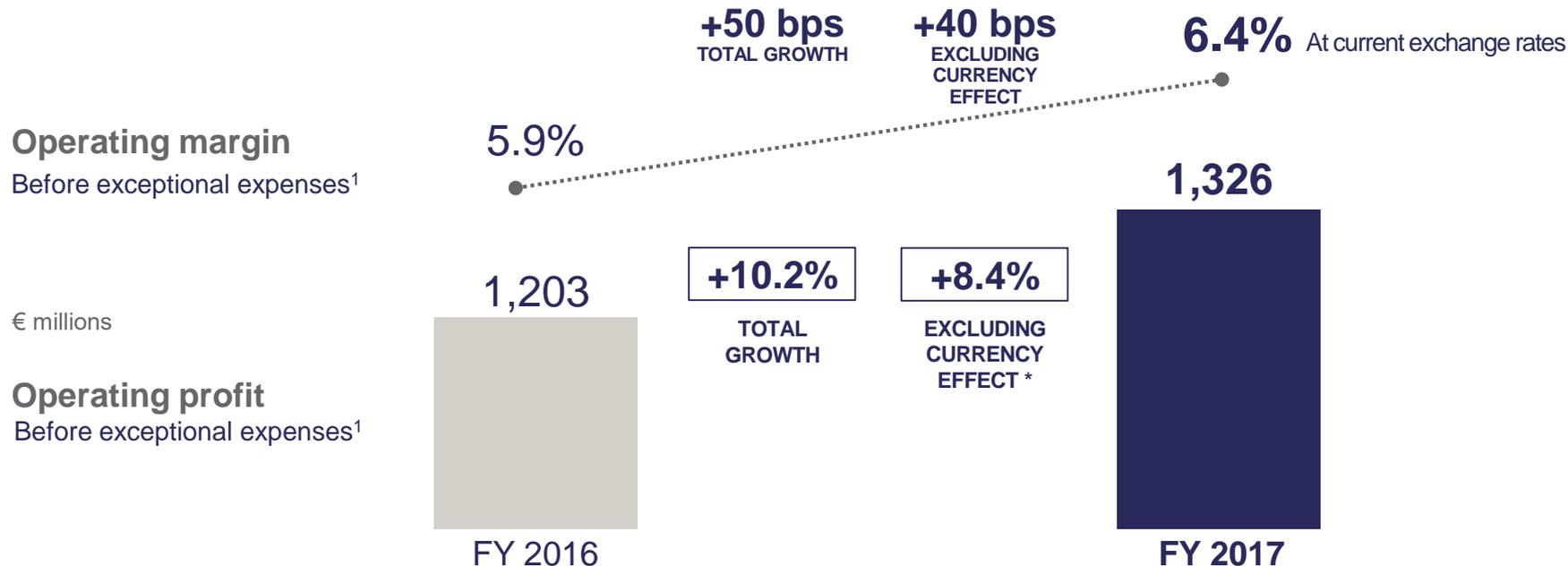
53<sup>rd</sup> week  
effect  
**+0.7%**

Excluding both,  
organic growth  
**+1.6%**

Benefits and Rewards Services  
**+7.7%**

# STRONG IMPROVEMENT IN OPERATING PROFIT

## Solid financial performance



<sup>1</sup> Costs of implementation of the Adaptation and Simplification program (€137m in Fiscal 2017 and €108m in FY 2016)

# ADAPTATION PROGRAM DELIVERING ON TRACK

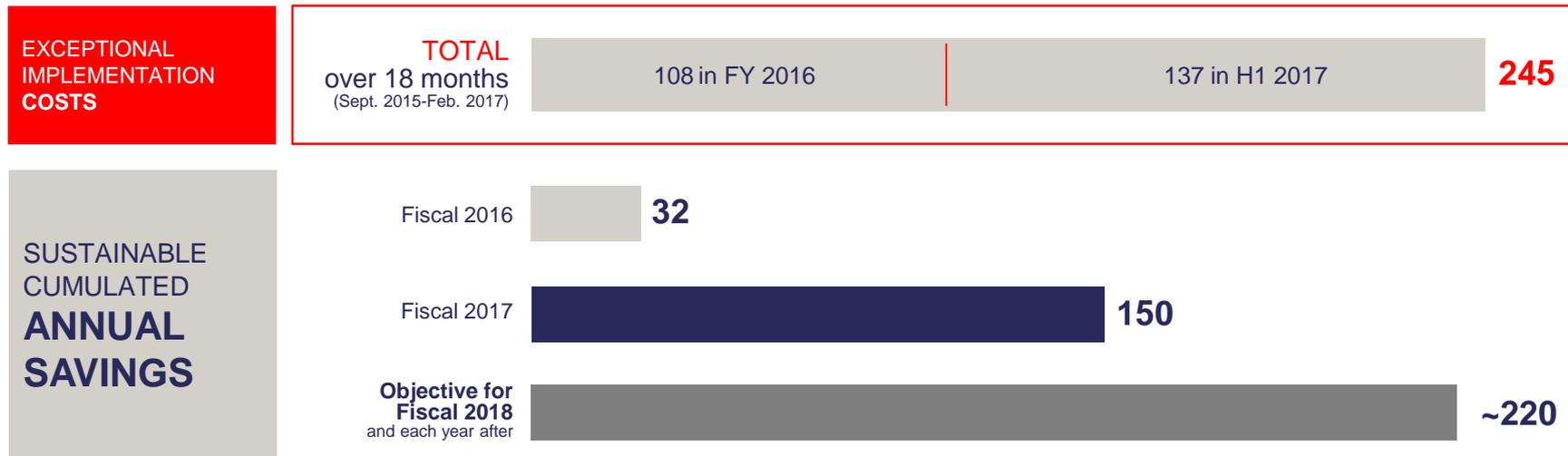
## Solid financial performance

### OBJECTIVES

- Faster alignment of on-site operating expenses
- Organizational simplification
- Increased international pooling of resources

- ▶ **Success of the program:**  
multitude of cost reduction projects submitted by the teams
- ▶ **Generate annual savings for Fiscal 2018 equivalent to about 90% of the exceptional costs (~ €220m)**

€ millions



# PERFORMANCE IN THE P&L

## Solid financial performance

€ millions	FY 2017	FY 2016	CHANGE	
			At current exchange rates	Excluding currency effect
Revenues	<b>20,698</b>	<b>20,245</b>	+2.2%	+2.3%
Operating profit before exceptional expenses <sup>1</sup>	<b>1,326</b>	<b>1,203</b>	+10.2%	<b>+8.4%</b>
Operating margin before exceptional expenses	<b>6.4%</b>	<b>5.9%</b>	+50 bps	<b>+40 bps</b>
Exceptional expenses	<b>(137)</b>	<b>(108)</b>		
Operating profit	<b>1,189</b>	<b>1,095</b>		
Net financial expense	<b>(105)</b>	<b>(111)</b>		
Effective tax rate	<b>31.7%</b>	<b>33.7%</b>		
<b>Group net profit</b> Before non recurring items <sup>2</sup>	<b>822</b>	<b>721</b>	+14.0%	<b>+13.0%</b>
<b>Group net profit</b>	<b>723</b>	<b>637</b>	+13.5%	+12.2%

<sup>1</sup> Costs of implementation of the Adaptation and Simplification program

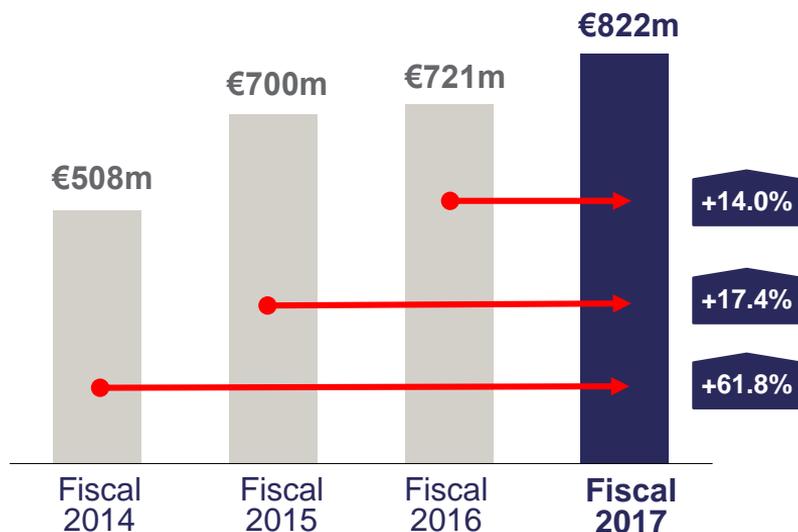
<sup>2</sup> Net of income taxes: €99m of exceptional expenses and early debt reimbursement indemnity in FY 2017, and €84m of exceptional expenses and early debt reimbursement indemnity in FY2016

# EPS LEVERAGE FROM SHARE REPURCHASES

## Solid financial performance

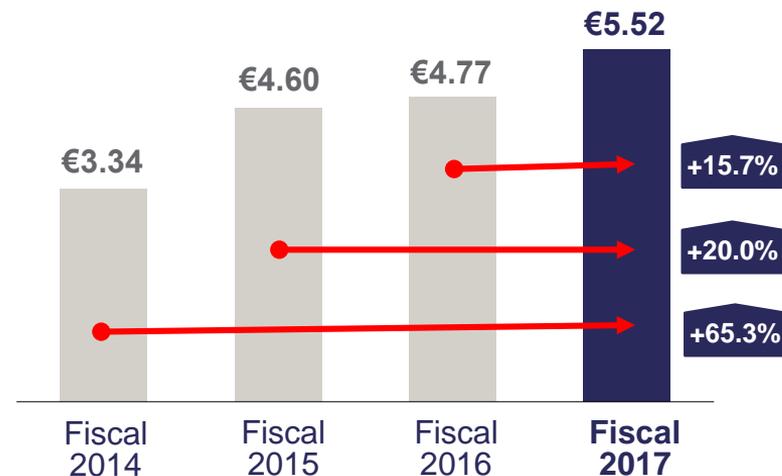
### Group net profit

before non-recurring items

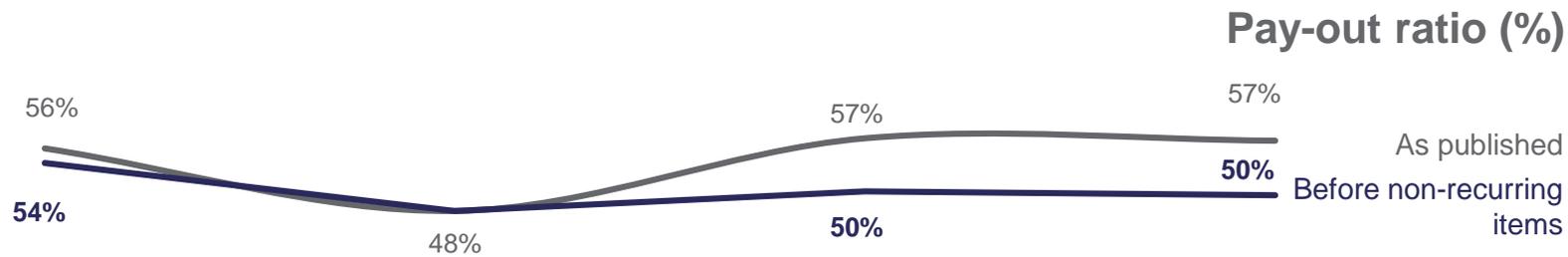


### Earnings per share

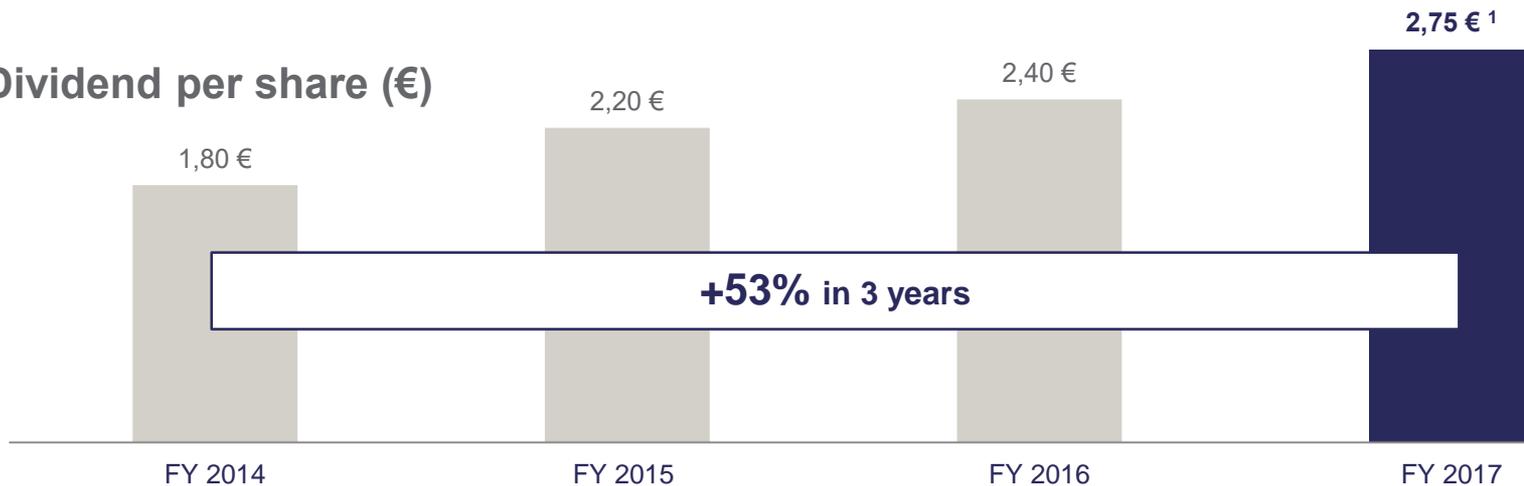
before non-recurring items



# REGULAR PAY-OUT AND DIVIDEND INCREASE



## Dividend per share (€)



<sup>1</sup> To be proposed at the AGM on January 23, 2018

# EXCEPTIONALLY STRONG CASH FLOW

## Solid financial performance

€ millions

	FY 2017	FY 2016
Operating cash flow	1,076	1,019
Change in working capital <sup>1</sup>	120	(26)
Net capital expenditure	(308)	(398)
<b>Free cash flow</b>	<b>887</b>	<b>595</b>
Net acquisitions	(268)	(42)
Share buy-backs	(300)	(300)
Dividends paid to parent company shareholders	(359)	(335)
Other changes (including change in Financial Assets <sup>2</sup> , scope and exchange rates)	(164)	15
<b>(Increase)/decrease in net debt</b>	<b>(204)</b>	<b>(67)</b>

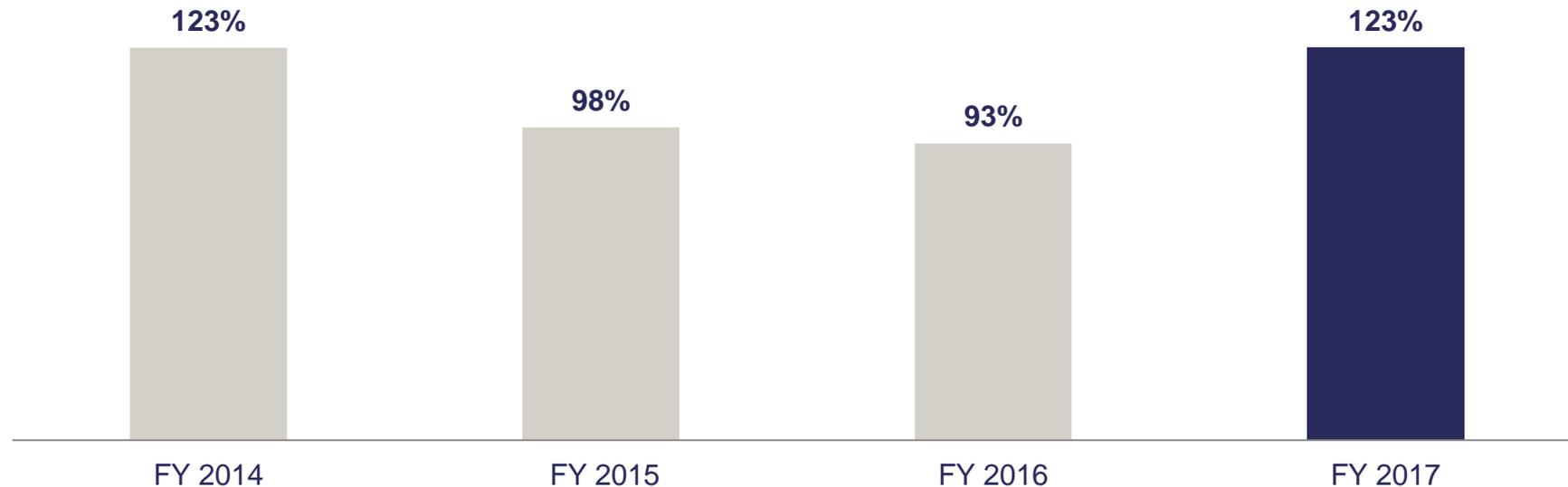
<sup>1</sup> Excluding change in financial assets in Benefits & Rewards of €(134)m in FY'17 and €(48)m in FY'16.

Total Change in working capital as reported in Consolidated Cash Flow statement: **FY'17** of €(14)m = €120m + €(134)m and **FY16** of €(74)m = €(26)m + €(48)m

<sup>2</sup> including Sodexo Ventures investments in *Wynd*, *Neo-Nomade* and *Life-Dojo*

# RETURN TO CASH CONVERSION OF OVER 100%

Cash conversion (Free cash flow/net profit)



# ROBUST BALANCE SHEET AND RATIOS

## Solid financial performance

€ millions

	August 31, 2017	August 31, 2016		August 31, 2017	August 31, 2016
Non-current assets	7,416	7,498	Shareholders' equity	3,536	3,668
Current assets excluding cash	4,531	4,486	Non-controlling interests	34	34
Restricted cash Benefits & Rewards	511	507	Non-current liabilities	3,885	3,549
Financial assets Benefits & Rewards	398	292	Current liabilities	7,419	6,907
Cash	2,018	1,375			
<b>Total assets</b>	<b>14,874</b>	<b>14,158</b>	<b>Total liabilities &amp; equity</b>	<b>14,874</b>	<b>14,158</b>
			Gross borrowings	3,500	2,553
			Net debt*	611	407
			Gearing ratio*	17%	11%
			Net debt ratio* (net debt/EBITDA)	0.4	0.3

Operating cash totaled **€2,889 million<sup>1</sup>**, of which **€1,825 million** related to **Benefits and Rewards Services**

<sup>1</sup> Cash – Bank overdrafts of €38m + Financial assets related to BRS activity

# REVIEW OF OPERATIONS

**On-site Services  
Benefits & Rewards  
Services**

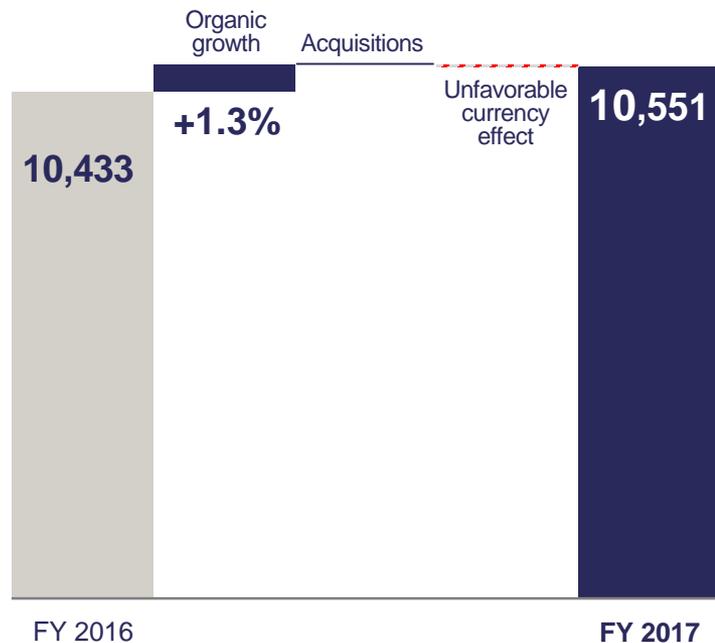
**3**

# BUSINESS & ADMINISTRATIONS – REVENUES

## ORGANIC GROWTH

excluding RWC and 53<sup>rd</sup> week\*

€ millions



**+3.4%**

### North America

- High single digit growth in Corporate supported by development of large accounts and FM activities
- E&R still challenging

**-1.6%**

### Europe

- Lack of new business, particularly in the UK
- E&R -16%, impacted by North Sea offshore business
- Pick-up in peak season tourism activity in Q4 in France

**+9.0%**

### Africa, Asia, Australia, Latam & Middle East

- Double digit growth in Corporate driven by strong development and retention
- Energy & Resources momentum due to recovery in mining and onshore sub-segments and contract start-ups

**TOTAL  
+2.1%**

56%  
On-site  
Services  
FY 17

24%

of FY17 B&A

50%

of FY17 B&A

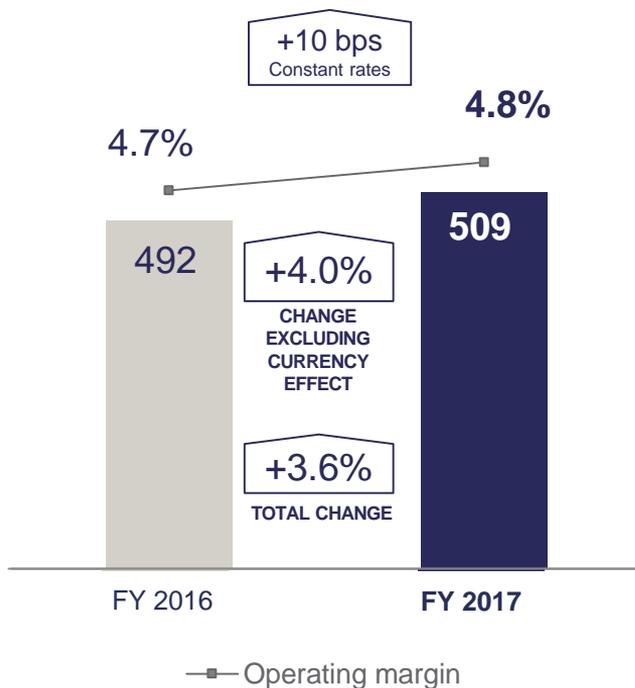
26%

of FY17B&A

# BUSINESS & ADMINISTRATIONS - OPERATING PROFIT

## On-site Services

€ millions



- Stronger momentum in H2, as expected
- Rigorous control of SG&A

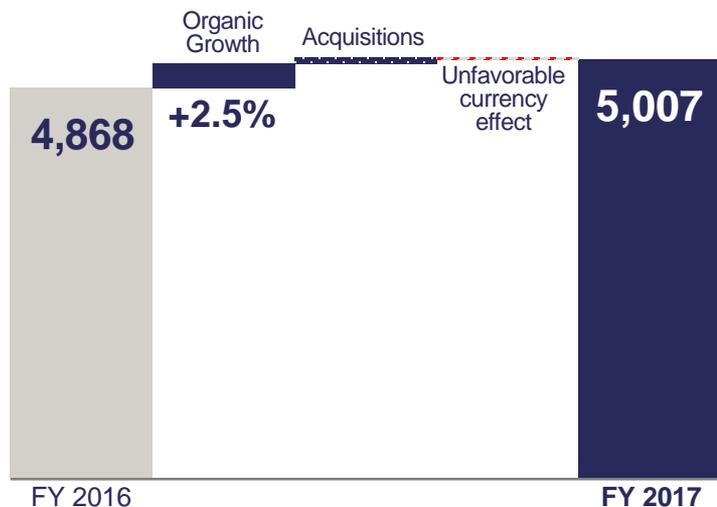
# HEALTH CARE & SENIORS – REVENUES



## ORGANIC GROWTH

excluding RWC and 53<sup>rd</sup> week\*

€ millions



**+1.8%**

### North America

- Limited comparable unit growth due to Q3 service losses
- Low retention and development

**-0.8%**

### Europe

- Limited development in Hospitals in France and UK
- Selective bidding

**+13.1%**

### Africa, Asia, Australia, Latam & Middle East

- Double digit growth in Latam and Brazil due to contract wins and increased same sites sales

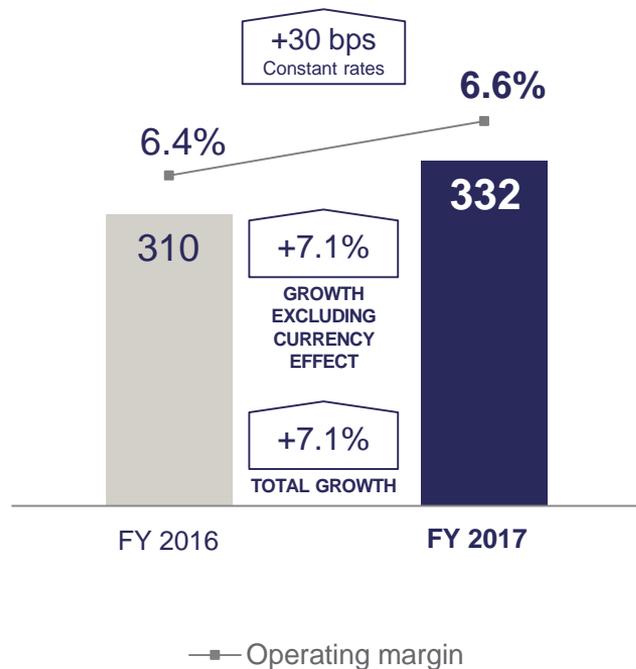
**TOTAL  
+1.5%**



# HEALTH CARE & SENIORS - OPERATING PROFIT

## On-site Services

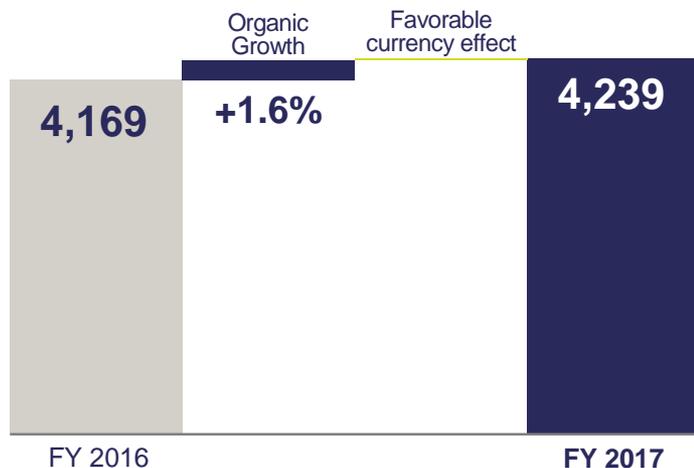
€ millions



- Continuous improvement in on-site efficiency
- Comparable base in H2 FY2016 already boosted by the Adaptation and Simplification program

# EDUCATION – REVENUES

€ millions



## ORGANIC GROWTH

excluding RWC and 53<sup>rd</sup> week\*

**+0.1%**

### North America

- Extension at Chicago and ramp-up in Washington DC in Schools compensating net loss in Universities

**+0.0%**

### Europe

- Less days in France and Italy
- Low prior year development in UK and France
- Robust growth in Schools in Italy

**+11.3%**

### Africa, Asia, Australia, Latam & Middle East

- Very strong growth in Schools in Asia (mainly China, Singapore and India)

**TOTAL**  
**+0.3%**

21%  
On-site  
Services  
FY 17

77%

of FY17  
Education

21%

of FY17  
Education

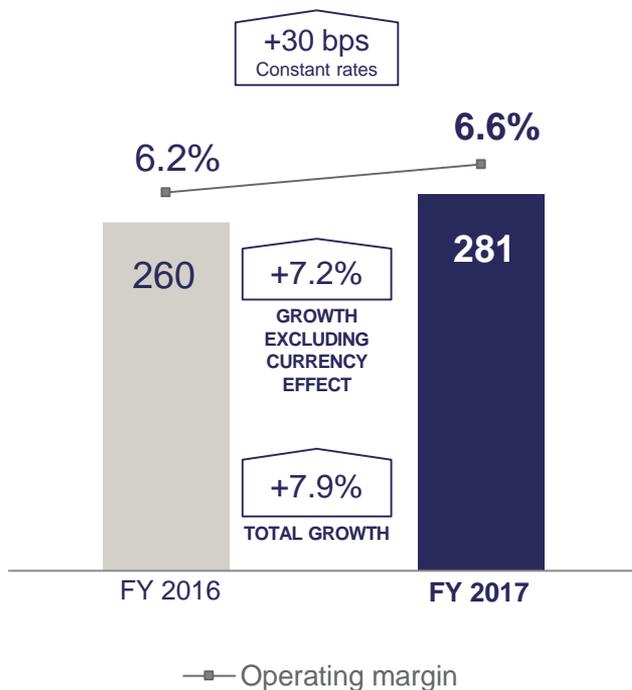
2%

of FY17  
Education

# EDUCATION - OPERATING PROFIT

## On-site Services

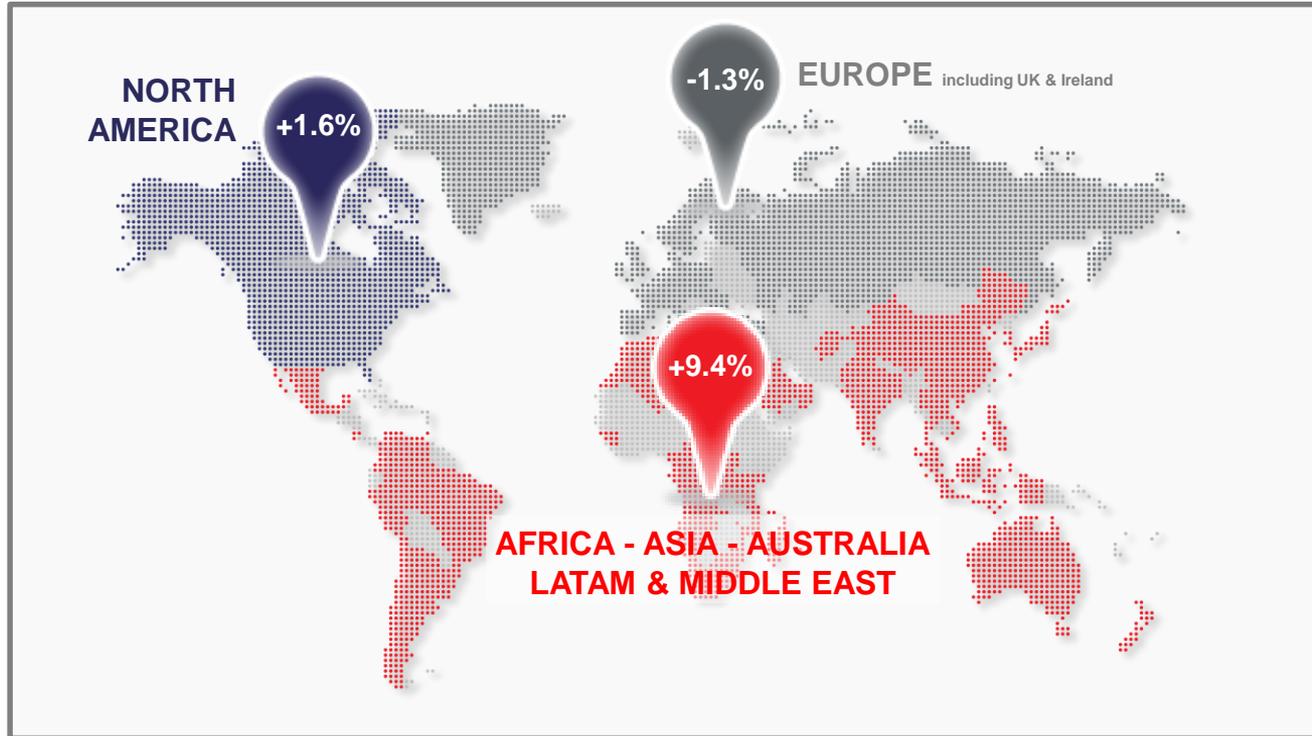
€ millions



- Strict control of SG&A
- Continuous improvement in onsite efficiency
- Portfolio management with rigorous control of low-performing contracts

# ON-SITE SERVICES ORGANIC GROWTH BY REGION

All organic growth figures are excluding RWC and 53<sup>rd</sup> week\*



# FISCAL 2017 HIGHLIGHTS

## Benefits & Rewards Services

### ISSUE VOLUME\*

€17.8 billion



### REVENUES

€905 million



### OPERATING PROFIT

€307 million



Organic growth

**+6.1%**

**+7.7%**

Growth excluding currency impact

**+6.2%**

**+12.7%**

**+8.9%**

Total growth

**+9.3%**

**+16.0%**

**+16.7%**

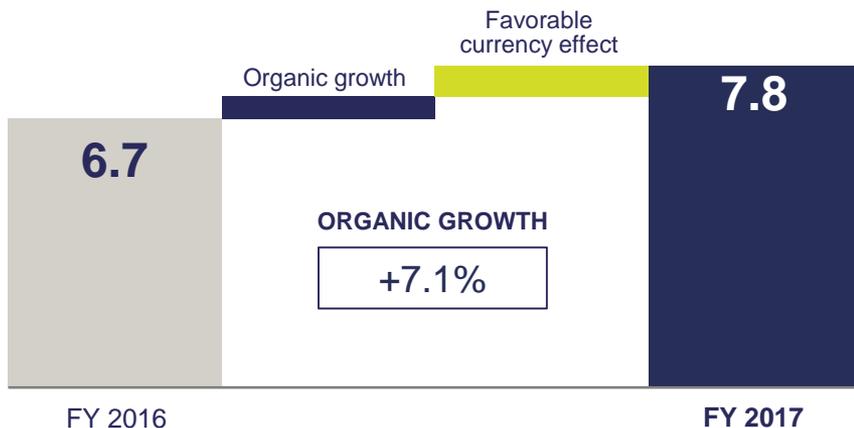
# LATIN AMERICA

## Benefits & Rewards Services



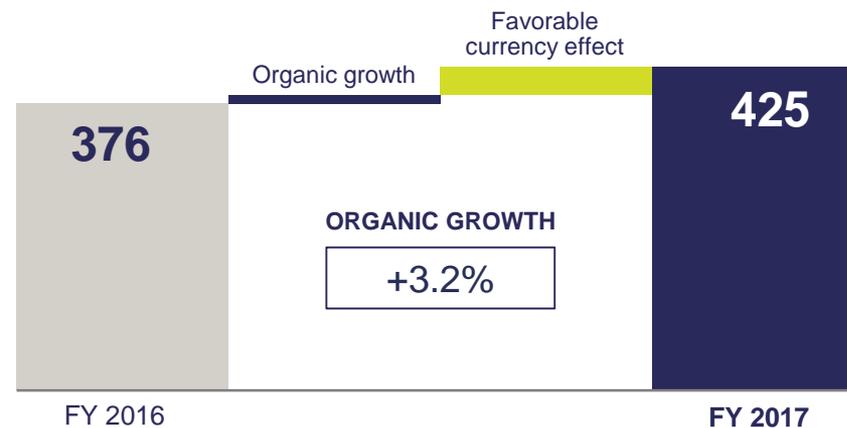
### ISSUE VOLUME

€ billions



### REVENUES

€ millions



- Signs of stabilization in Brazil despite a highly competitive environment
- Falling interest rates in the second half in Brazil
- Strong growth in the rest of the region

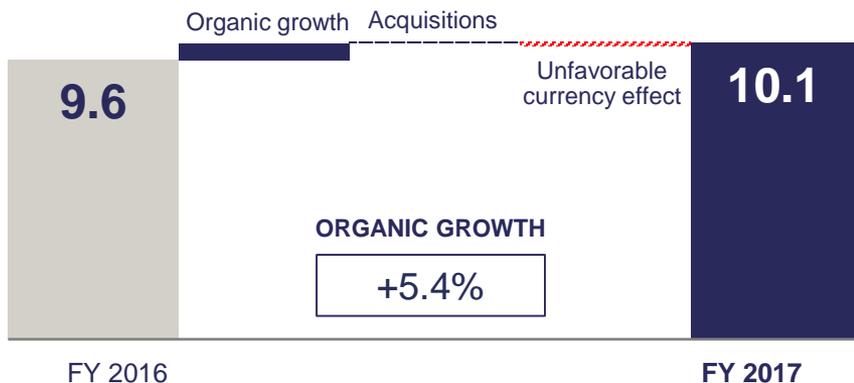
# EUROPE, ASIA, USA

## Benefits & Rewards Services

53%  
FY 17 BRS  
revenues

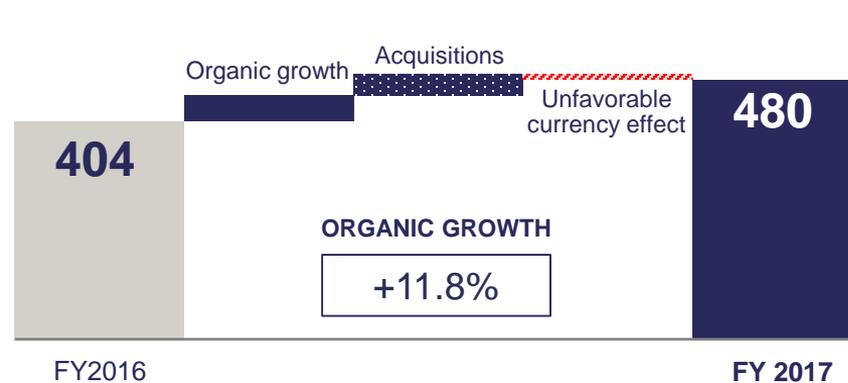
### ISSUE VOLUME

€ billions



### REVENUES

€ millions

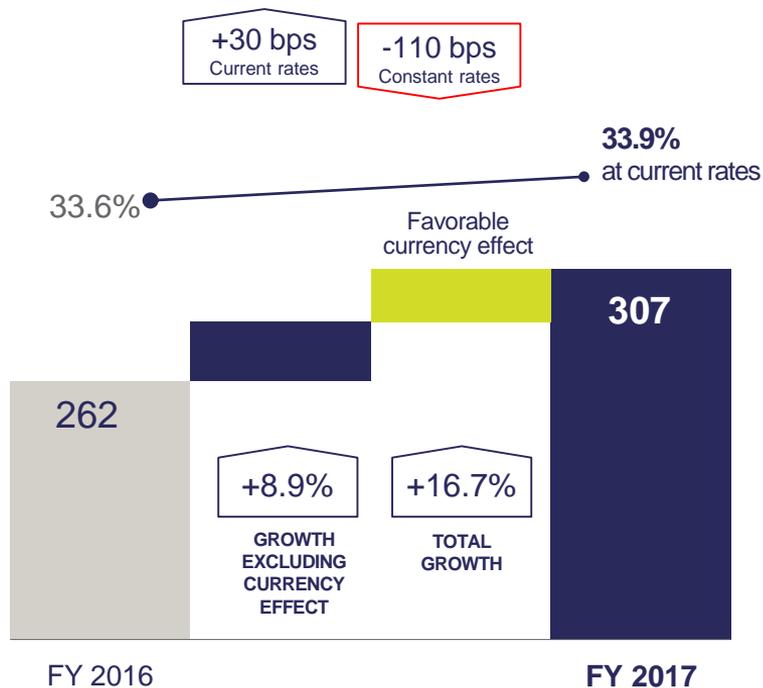


- Robust growth in Italy and Central Europe
- Strong momentum in Incentive & Recognition

# OPERATING PROFIT

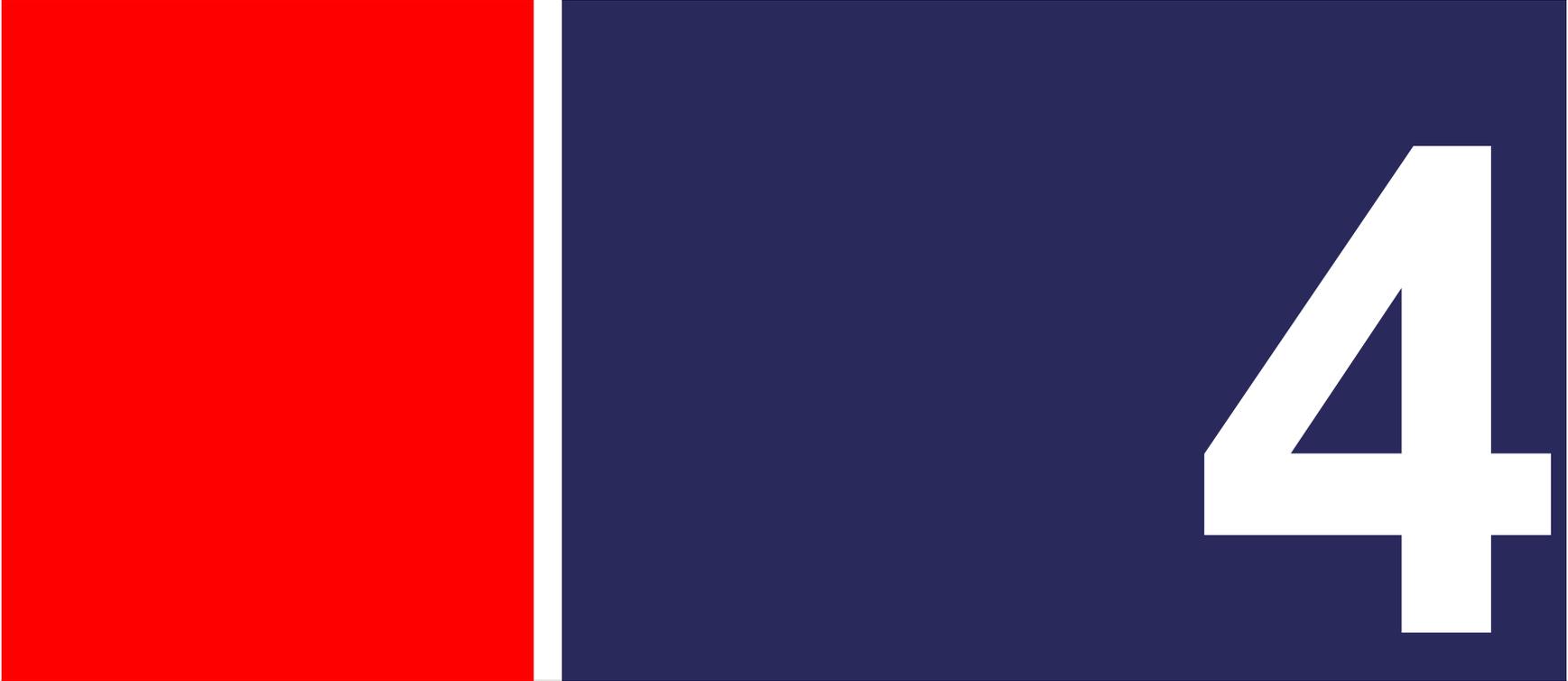
## Benefits & Rewards Services

€ millions



- Mix effect on margin resulting from strong development of Incentive and Recognition activity and the acquisition of *Inspirus*
- Positive impact of *Vivabox* disposal (€16m /+170bps)
- Investment in Mobility offers
- Accelerated card migration and digitalization investments

# INTRODUCING UNDERLYING OPERATING PROFIT



4

# INTRODUCING UNDERLYING OPERATING PROFIT

WHY	<ul style="list-style-type: none"> <li>▪ Focus on recurring operating profit drivers</li> <li>▪ Simple benchmark with competitors</li> <li>▪ Guidance to the market based on Underlying operating profit</li> </ul>	
HOW	Underlying Operating profit	
	+ Other operating income:	- Other operating expenses:
	<ul style="list-style-type: none"> <li>▪ Gains related to perimeter changes</li> <li>▪ Gains on changes of post-employment benefits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Restructuring and rationalization costs</li> <li>▪ M&amp;A costs</li> <li>▪ Losses related to perimeter changes</li> <li>▪ Losses on changes of post-employment benefits</li> <li>▪ Amortization of client relationships and trademarks</li> <li>▪ Impairment of non-current assets</li> </ul>
= Operating profit		
CONSEQUENCES	<ul style="list-style-type: none"> <li>▪ Segment information to underlying operating profit</li> </ul>	

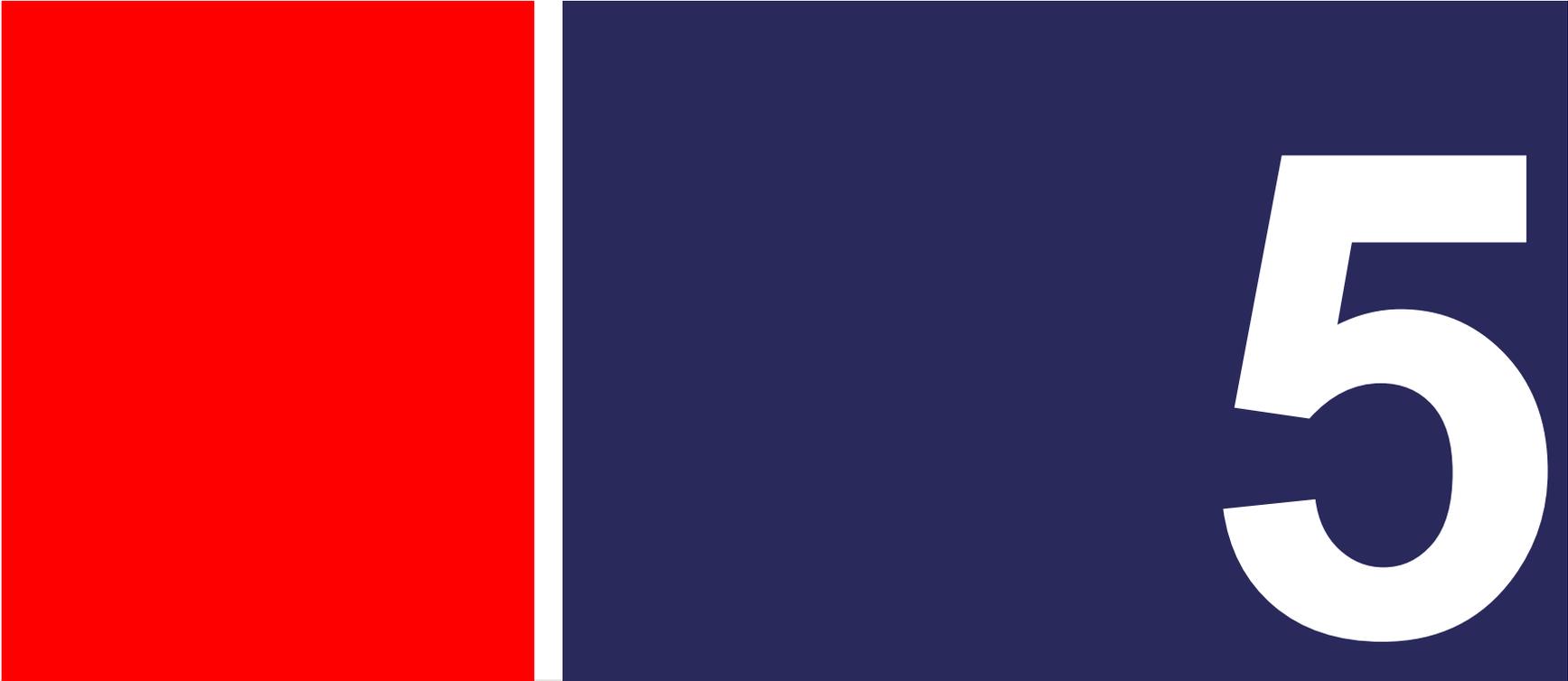
# CURRENT P&L/REDEFINED P&L (FY 2017)

€ millions	<b>Current P&amp;L</b>	<b>FY 2017</b>
Revenues		<b>20,698</b>
Operating profit before exceptional expenses		<b>1,326</b>
Operating margin before exceptional expenses		<b>6.4%</b>
Exceptional expenses		<b>(137)</b>
Operating profit		<b>1,189</b>

€ millions	<b>Redefined P&amp;L</b>	<b>FY 2017</b>
Revenues		<b>20,698</b>
Underlying Operating profit		<b>1,340</b>
Operating margin		<b>6.5%</b>
Other operating income		<b>24</b>
Gains related to perimeter changes		21
Gains on changes of post-employment benefits		3
Other operating expenses		<b>(176)</b>
Restructuring and rationalization costs		(137)
M&A costs		(6)
Losses related to perimeter changes		-
Losses on changes of post-employment benefits		(2)
Amortization of client relationships and trademarks		(31)
Impairment of non-current assets		-
Operating profit		<b>1,189</b>

**Fiscal 2017 underlying operating profit would have been up +7.3% on Fiscal 2016 underlying operating profit**

# OUTLOOK



5

# FISCAL 2018 OBJECTIVES

## Outlook

### In Fiscal 2017

- Disappointing growth in revenues
- Solid increase in margins
- Strong cash flow

- France turning positive but soft environment in Northern Europe
- Improvement in Energy & Resources and continuous strong growth in developing economies
- North America impacted by lack of growth in Education and Health Care

- Further substantial cost savings this year as part of the Adaptation and Simplification program
- Significant investment to enhance growth

**Organic revenue growth of between 2 and 4%**  
excluding 53<sup>rd</sup> week impact

**Underlying operating profit margin maintained at 6.5%**  
(excluding currency effects)

# REINFORCING INVESTMENT TO ENHANCE GROWTH AND ACCELERATING OUR DIGITAL TRANSFORMATION

- Global deployment of innovative offers
  - › *Student living*
  - › *Evolution smart kitchens* across segments
  - › *Protecta* in Healthcare
  - › *Harmonie* in Seniors
  - › *Boundless* in BRS
  - › *Camp living* in Energy & Resources

- Strengthening sales and marketing
  - › Training: *Sales Academy*, digital marketing
  - › Consumer engagement and experience
  - › Digital leads in Corporate and Universities
  - › Deployment of consistent global CRM
  - › Opening our eco-system
  - › Creation of Sodexo's *Datalab*

- BRS strategic investments
  - › Building end-to-end digital platforms for mobility offers
  - › Moving from dematerialization to digitalization
  - › Diversifying Offers in Incentive & Recognition

- Digital investments in processes and back office
  - › Digital Food and FM platforms
  - › Data infrastructure
  - › Testing new technologies
  - › Food waste initiatives

# MEDIUM-TERM OBJECTIVES

## Outlook

Confident in the future with,

- Significant further outsourcing potential in all regions and segments
- Strong potential of our new segment organization
- Increased M&A activity

The Group confirms its medium-term objectives:

average annual **growth**  
in **revenue between 4% and 7%**  
(excluding currency effect)

average annual **growth**  
in **underlying operating profit between 8% and 10%**  
(excluding currency effect)

Q&A

# APPENDICES

1. Underlying Operating Profit
2. Segment overview – Onsite services
3. Sodexo Ventures
4. Fiscal 2017 exchange rates
5. Gross Financial debt
6. €300M share repurchase program
7. Financial ratios
8. Alternative Performance Measure definitions
9. Financial calendar
10. Sodexo key figures

# CURRENT P&L/REDEFINED P&L

Appendix 1

## First half Fiscal 2017

€ millions	<b>Current P&amp;L</b>	<b>H1 2017</b>
Revenues		<b>10,634</b>
Operating profit before exceptional expenses		<b>723</b>
Operating margin before exceptional expenses		<b>6.8%</b>
<hr/>		
Exceptional expenses		<b>(137)</b>
<hr/>		
Operating profit		<b>586</b>

€ millions	<b>Redefined P&amp;L</b>	<b>H1 2017</b>
Revenues		<b>10,634</b>
Underlying Operating profit		<b>738</b>
Operating margin		<b>6.9%</b>
<hr/>		
Other operating income		<b>2</b>
Gains related to perimeter changes		<b>2</b>
Gains on changes of post-employment benefits		
<hr/>		
Other operating expenses		<b>(154)</b>
Restructuring and rationalization costs		<b>(137)</b>
M&A costs		<b>(2)</b>
Losses related to perimeter changes		
Losses on changes of post-employment benefits		
Amortization of client relationships and trademarks		<b>(15)</b>
Impairment of non current assets		
Operating profit		<b>586</b>

# NEW UNDERLYING OPERATING PROFIT BY SEGMENT

Appendix 1

## Full year Fiscal 2017

Fiscal 2017 <i>(in millions of euro)</i>	Revenues	Underlying Operating Profit	Underlying Operating margin	Published Operating Profit	Published Operating margin
Business & Administrations	10,551	518	4.9%	509	4.8%
Health Care & Seniors	5,007	337	6.7%	332	6.6%
Education	4,239	284	6.7%	281	6.6%
<b>On-site Services</b>	19,797	1,139	5.8%	1,122	5.7%
<b>Benefits &amp; Rewards Services</b>	905	304	33.6%	307	33.9%
Elimination of intra-group revenues/Corporate expenses	(4)	(103)		(103)	
<b>TOTAL GROUP Before exceptional expenses</b>	20,698	1,340	6.5%	1,326	6.4%
Exceptional Expenses		(152)		(137)	
<b>TOTAL GROUP After exceptional expenses</b>	20,698	1,189	5.7%	1,189	5.7%

# NEW UNDERLYING OPERATING PROFIT BY SEGMENT

Appendix 1

## First half Fiscal 2017

First half Fiscal 2017 <i>(in millions of euro)</i>	Revenues	Underlying Operating Profit	Underlying Operating margin	Published Operating Profit	Published Operating margin
Business & Administrations	5,196	220	4.2%	217	4.2%
Health Care & Seniors	2,500	161	6.4%	157	6.3%
Education	2,483	252	10.1%	251	10.1%
<b>On-site Services</b>	10,179	633	6.2%	625	6.1%
<b>Benefits &amp; Rewards Services</b>	457	158	34.6%	149	32.7%
Elimination of intra-group revenues/Corporate expenses	(2)	(52)		(51)	
<b>TOTAL GROUP Before exceptional expenses</b>	10,634	738	6.9%	723	6.8%
Exceptional Expenses		(153)		(137)	
<b>TOTAL GROUP After exceptional expenses</b>	10,634	586	5.5%	586	5.5%

# SEGMENT OVERVIEW - ON-SITE SERVICES

Appendix 2

## Business & Administrations



### ORGANIC GROWTH

**+1.3%**

**+2.1%** Excluding Rugby & 53<sup>rd</sup> week

### OPERATING MARGIN\*

**4.8%**

**+10  
bps**

### SHARE of REVENUES



## Health Care & Seniors



**+2.5%**

**+1.5%** Excluding Rugby & 53<sup>rd</sup> week

**6.6%**

**+30  
bps**



## Education



**+1.6%**

**+0.3%** Excluding Rugby & 53<sup>rd</sup> week

**6.6%**

**+30  
bps**



## TOTAL ON-SITE SERVICES

**+1.7%**

**+1.6%**

**5.7%**

**+20  
bps**

## Highlights



### Strategic Venture Capital Fund

- Investing in and accompanying **innovative start-ups**
- **Commercial agreements** between Sodexo and start-ups as lever for both businesses
- **Creating value** for clients and consumers by combining the agility of start-ups with Sodexo's expertise and international footprint



Included in Net financial investments of €38m in Fiscal 2017

# FISCAL 2017 EXCHANGE RATES

## Appendix 4

1€ =	Average rate Fiscal 17	Reference rate Fiscal 16	Average rates: change Fiscal 17 vs. Reference FY'16	Closing rate Fiscal 17 at August 31, 2017	Closing rates: change August 31, 2017 vs. August 31, 2016
U.S. Dollar	1.099	1.106	+0.7%	1.182	-5.9%
Pound Sterling	0.867	0.767	-11.5%	0.920	-7.8%
Brazilian Real	3.526	4.069	+15.4%	3.741	-3.7%

# BREAKDOWN OF GROSS FINANCIAL DEBT:

€3,500 million

€ millions

## BY CURRENCY

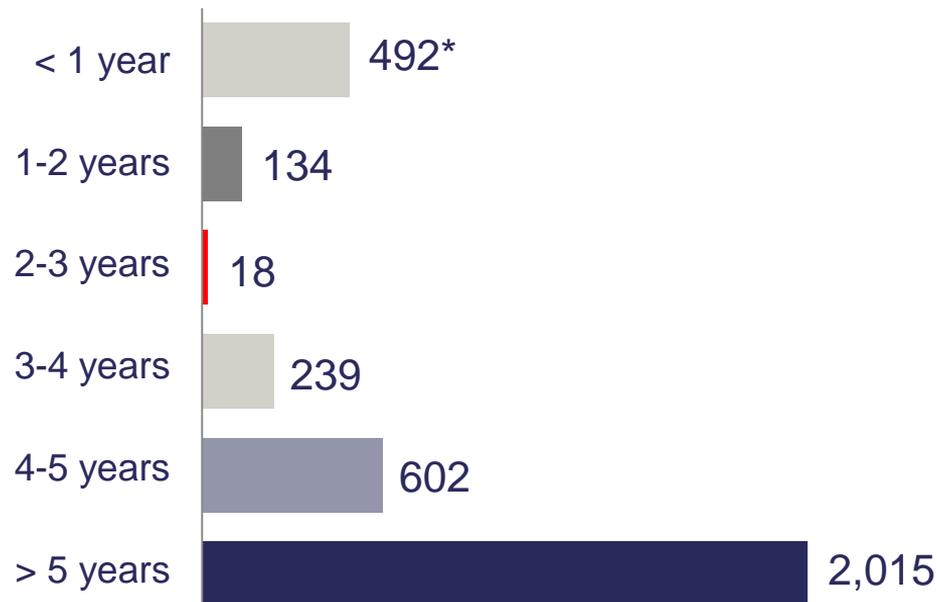


## INTEREST RATE



Average interest rate 2.4% Fiscal 2017

## BY MATURITY



# €300M SHARE REPURCHASE PROGRAM

€ billions

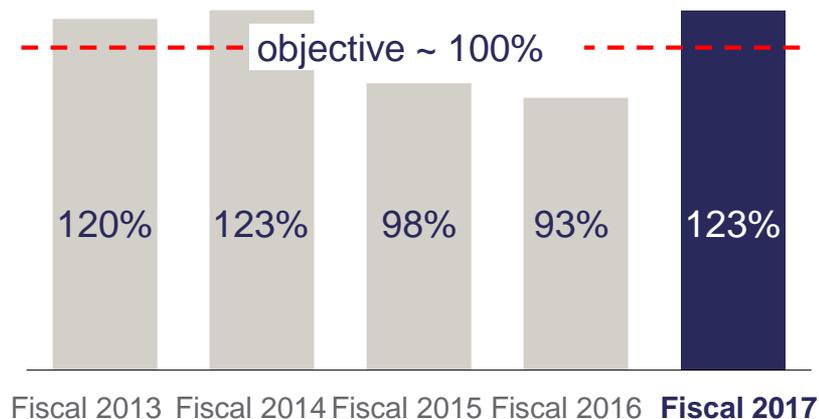
- **2,910,690 shares** corresponding to **1.9% of capital<sup>1</sup>** and a value of **300 million euro**, have been purchased by the company by the end of H1 2017 (in line with Nov'16 share repurchase program)
- These shares were canceled in June 2017

<i>Company's share capital</i>	August 31, 2017	February 28, 2017	August 31, 2016
Company's share capital, number of shares	150,830,449	153,741,139	153,741,139
Treasury shares	2,205,010	5,814,876	3,074,444
<i>Number of shares for EPS calculation</i> (Basic weighted average number of shares)	148,998,961	149,936,978	151,277,059

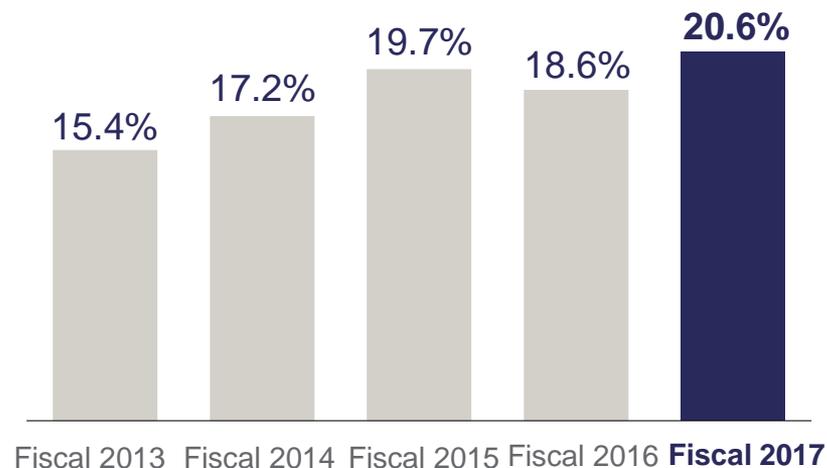
<sup>1</sup> 1.9% = 2,910,690 / 153,741,139

# FINANCIAL RATIOS

## Cash conversion Free cash flow/Net profit



## ROCE\* Operating profit after tax/ Capital employed

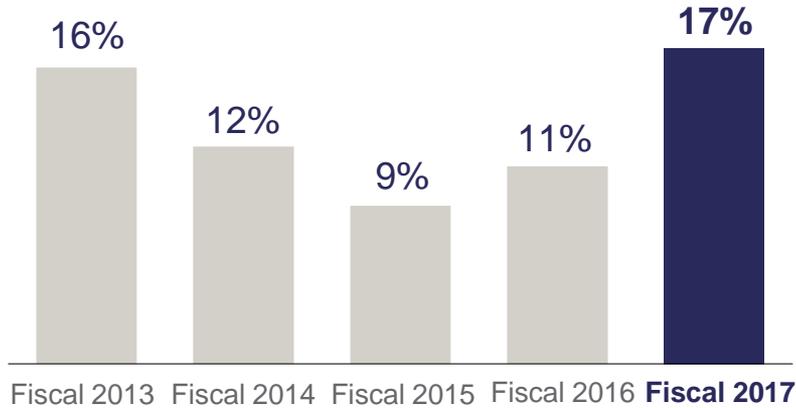


# FINANCIAL RATIOS

## Gearing ratio\*

Net debt/Shareholders' equity

objective < 75%

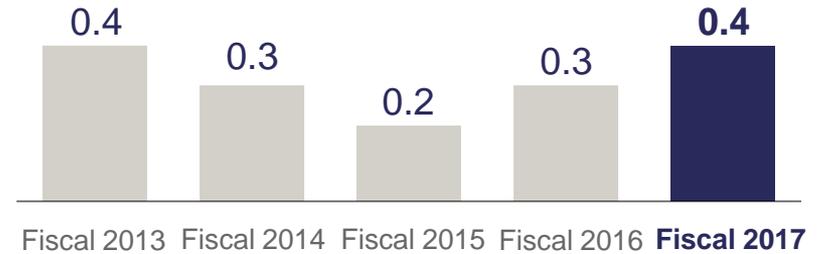


## Net debt ratio\*

Net debt/EBITDA

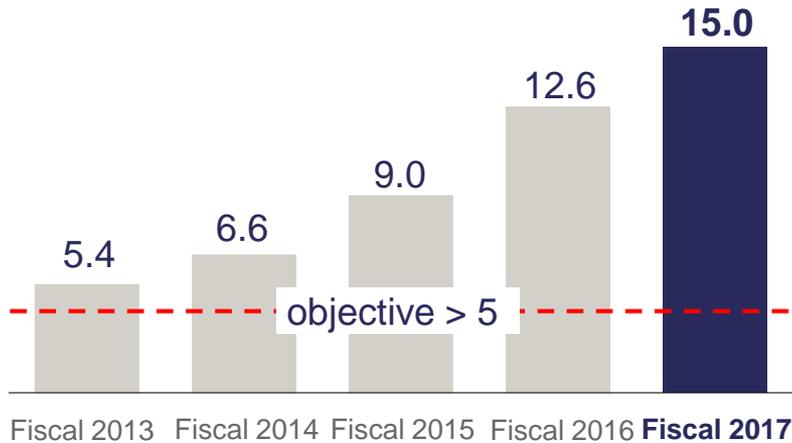
Objective between 1 and 2 years

Fiscal

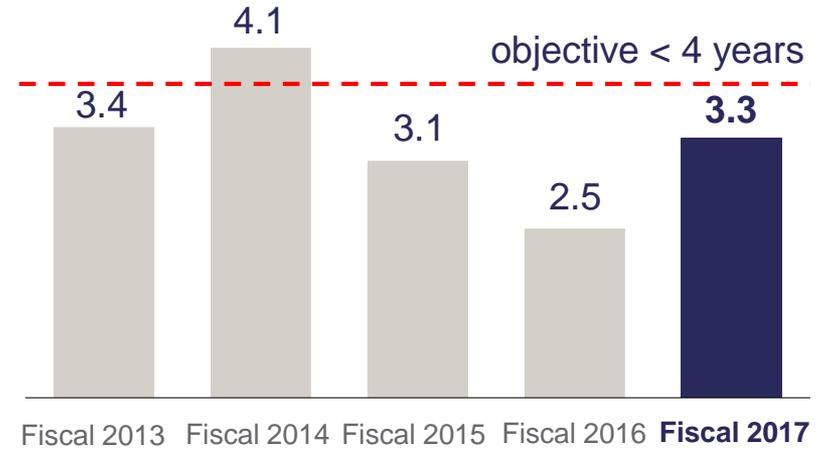


# FINANCIAL RATIOS

**Interest cover\***  
Operating profit/  
Net borrowing costs



**Reimbursement capacity\***  
Gross financial debt/  
Operating cash flow



# ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

## Appendix 8

FINANCIAL RATIOS DEFINITIONS		FY 2017	FY 2016
Gearing ratio	$\frac{\text{Gross borrowings}^1 - \text{Operating cash}^2}{\text{Shareholders' equity and non-controlling interests}}$	17%	11%
Net debt ratio	$\frac{\text{Gross borrowings}^1 - \text{Operating cash}^2}{\text{Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)}^3}$	0.4	0.3
FINANCIAL RATIOS RECONCILIATION		FY 2017	FY 2016
<sup>1</sup> Gross borrowings	Non-current borrowings	3,012	2,515
	+ current borrowings excluding overdrafts	499	43
	- derivative financial instruments recognized as assets	(11)	(5)
		<b>3,500</b>	<b>2,553</b>
<sup>2</sup> Operating cash	Cash and cash equivalents	2,018	1,375
	+ financial assets related to the Benefits and Rewards Services activity	909	799
	- bank overdrafts	(38)	(28)
		<b>2,889</b>	<b>2,146</b>
<sup>3</sup> Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA*)	Operating profit (last 12 months)	1,189	1,095
	+ depreciation and amortization (last 12 months)	281	308
		<b>1,470</b>	<b>1,403</b>

### Exceptional expenses

Exceptional expenses are the costs of implementation of the Adaptation and Simplification and Operational Efficiency plans (€137m in Fiscal 2017, €108m in Fiscal 2016, zero in Fiscal 2015 and €27m in Fiscal 2014).

### Free cash flow

Please refer to slide 22.

### Change excluding currency effect

Change excluding currency effect calculated converting Fiscal 2017 figures at Fiscal 2016 rates, except for countries with hyperinflationary economies. As a result, for Venezuelan Bolivar, Fiscal 2016 and Fiscal 2017 figures in VEF have been converted at the exchange rate of USD 1 = VEF 3,250 vs. VEF 645 for Fiscal 2016.

### 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 corresponds to Group borrowings at the balance sheet date, less operating cash.

### Net profit before non-recurring items

Reported Net Profit excluding non-recurring items (for Fiscal 2017 and Fiscal 2016 exceptional expenses and early debt reimbursement indemnity, together net of taxes of €99m and €84m respectively, for Fiscal 2015 no exceptional expenses and for Fiscal 2014 exceptional expenses of €27m related to the Operational efficiency plan, net of taxes €18m).

### **Non-recurring items**

Fiscal 2017 exceptional expenses of €137m related to the Adaptation & Simplification program in operating profit and €11m of early debt reimbursement indemnity in financial expense, together net of taxes of €99m. Fiscal 2016 exceptional expenses of €108m related to the Adaptation and Simplification program in operating profit and €21m of early debt reimbursement indemnity in financial expense, together net of taxes €84m. Fiscal 2014 exceptional expenses of €27m linked to Operational efficiency plan, net of taxes €18m.

### **Operating margin**

Operating profit divided by Revenues.

### **Operating margin at constant rate**

Margin calculated converting Fiscal 2017 figures at Fiscal 2016 rates, except for countries with hyperinflationary economies. As a result, for Venezuelan Bolivar, Fiscal 2017 and Fiscal 2016 figures in VEF have been converted at the exchange rate of USD 1 = VEF 3,250 vs. VEF 645 for Fiscal 2016.

### **Operating margin before exceptional expenses**

Operating profit before exceptional expenses divided by Revenues.

### **Operating profit before exceptional expenses**

Reported Operating Profit excluding exceptional expenses (€137 m in Fiscal 2017, €108m in Fiscal 2016, €0m in Fiscal 2015 and €27m in Fiscal 2014)

### 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, Benefits & Rewards figures for Fiscal 2016 and Fiscal 2017 in Venezuelan Bolivar, have been converted at the exchange rate of USD 1 = 3,250 (vs. VEF 645 for Fiscal 2016).

# FINANCIAL CALENDAR

## Appendix 9

1 <sup>st</sup> quarter revenues, Fiscal 2018	January 11, 2018
Annual Shareholders' Meeting 2018	January 23, 2018
Dividend Ex-date	February 1, 2018
Dividend Record date	February 2, 2018
Dividend payment date	February 5, 2018
1st half results – Fiscal 2018	April 12, 2018
Nine month revenues, Fiscal 2018	July 5, 2018
Annual results, Fiscal 2018	November 8, 2018
Annual Shareholders' Meeting 2019	January 22, 2019

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 FISCAL 2017

Appendix 10



€20.7 bn revenues



427,000 employees



19<sup>th</sup> largest employer worldwide



100 million consumers served daily



80 countries



€16 bn market capitalization

November 15, 2017

- **Founded in 1966 by Pierre Bellon**

- **Main Shareholders as 31/08/2017:**

- > Bellon S.A 40.4% of capital (55.8% of actual voting rights)

- > International Institutional investors 37.7%

MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM



**FORTUNE**  
WORLD'S MOST  
**ADMIRED**  
COMPANIES 2017

DiversityInc  
**2016**  
**TOP 50**  
COMPANIES FOR  
DIVERSITY



FTSE4Good



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

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Finance home

## Sodexo enters the CAC 40 Index

The Euronext Scientific Board on Indices announced March 10, 2016 its decision to include Sodexo in the CAC 40 Index.

[▶ Read the press release](#)



### Annual results, Fiscal 2017

To be announced on Thursday, November 16, 2017 at 9am (Paris time).

[▶ Watch the webcast](#)



### Key financial information

- ▶ Press releases
- ▶ Financial results
- ▶ Webcasts
- ▶ Financial calendar

## SODEXO'S FISCAL 2016 HIGHLIGHTS



### Financial publications

- ▶ Sodexo in a snapshot (fact sheet)
- ▶ Registration document
- ▶ Presentations & publications



### Shareholder information

- ▶ Shareholders' Meeting
- ▶ Registered shares
- ▶ Dividends

**Thank you!**