

Debt Investor Presentation

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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 for definitions**

AGENDA

1. Sodexo at a Glance
2. Fiscal 2018 Highlights
3. H1 Fiscal 2019 Highlights
4. A Solid Business Model
5. Transaction Overview
6. Appendices

SODEXO AT A GLANCE



SODEXO KEY FIGURES

Sodexo at a glance



€20.4bn revenues



460,000 employees



19th Largest private employer worldwide



100 million consumers served daily



72 countries



€15bn market capitalization

April 10, 2019

- **Founded in 1966 by Pierre Bellon and still controlled by the Bellon family**



FTSE4Good



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

OUR MAJOR STRENGTHS

Sodexo at a glance

Independence

A unique range of
Quality of Life Services
particularly well aligned
with evolving client demand

Significant
market
potential

A global network
covering
72 countries

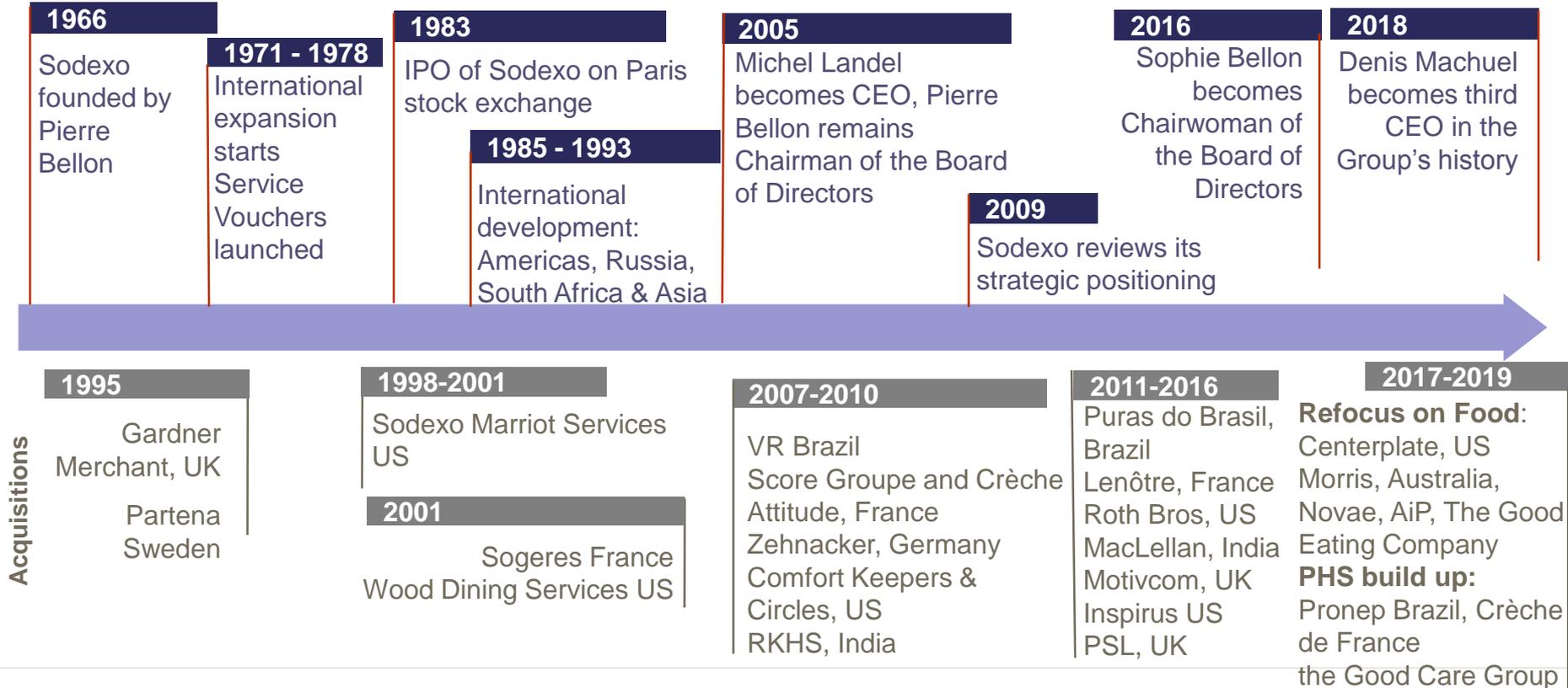
Undisputed
leadership in
**developing
economies**

**A robust
financial model**
that allows Sodexo
to self-finance its
development

**A strong culture
and engaged
teams**

SODEXO'S DEVELOPMENT – MORE THAN 50 YEARS OF HISTORY

Sodexo at a glance



INTEGRATED QUALITY OF LIFE SERVICES OFFER

Sodexo at a glance



A UNIQUE OFFERING: 3 ACTIVITIES TO IMPROVE QUALITY OF LIFE

Sodexo at a glance

On-site Services

- **Foodservices**
 - Resident Dining, Retail, Hospitality, Food Procurement
- **Facilities Management**
 - **Hard FM**: Technical Maintenance, Asset, Energy and Project Management.
 - **Soft FM**: Cleaning, Security, Front of house, Support Services.
- **Integrated services**, combining all of the above

Benefits and Rewards Services

- **Employee Benefits**
- **Incentive and Recognition programs**
- **Expense Management**
- **Public Benefits**
- **Consumer Gifting**

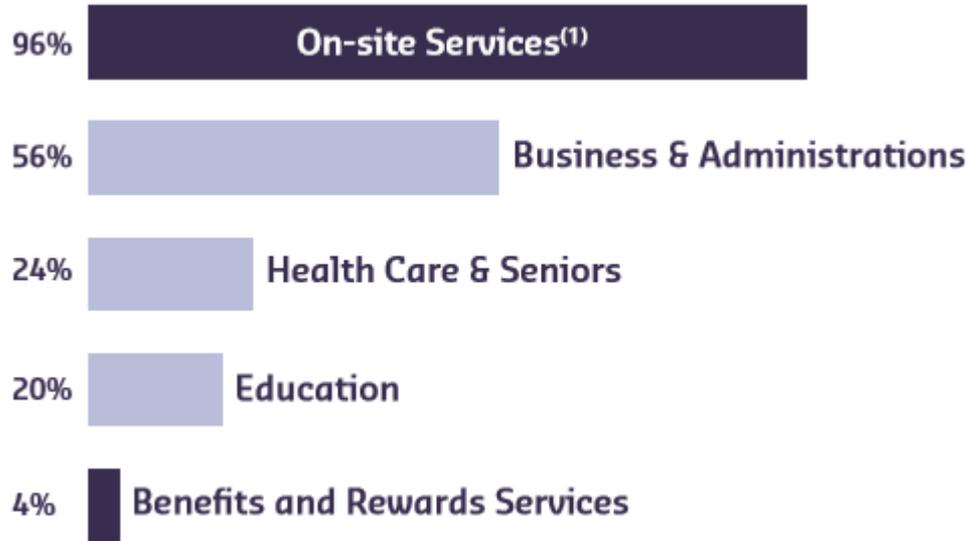
Personal and Home Services

- **Childcare**
- **Home Care**
- **Concierge services**

FISCAL 2018 REVENUE BREAKDOWN

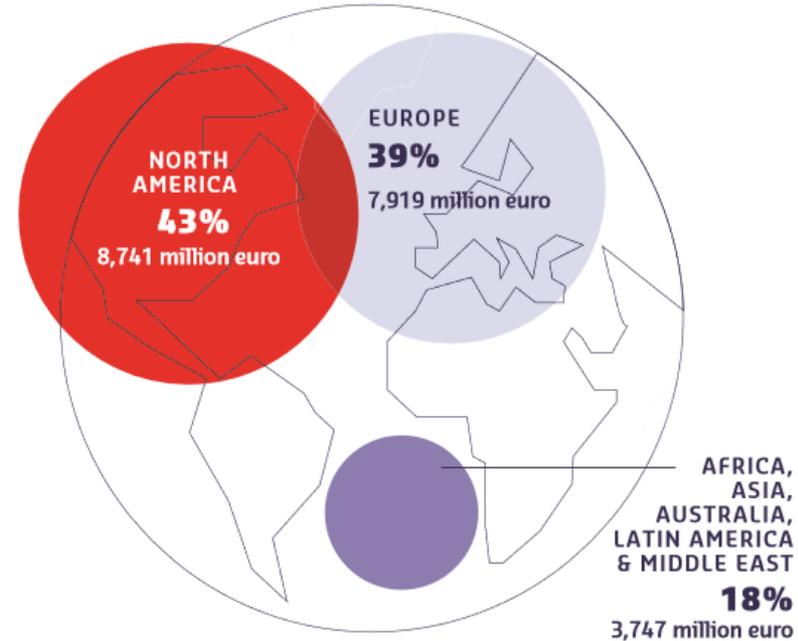
Sodexo at a glance

Revenue by segment



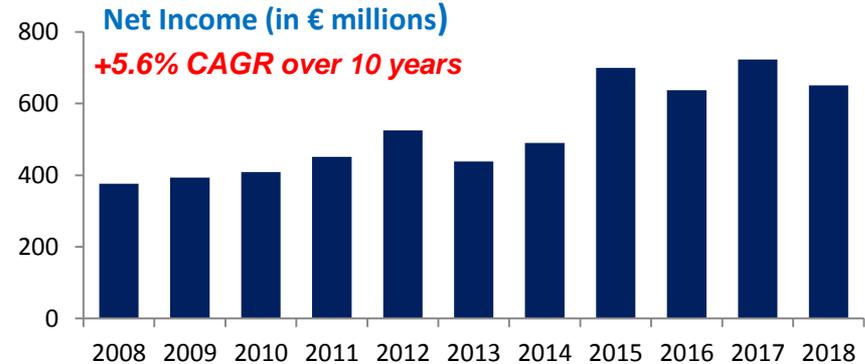
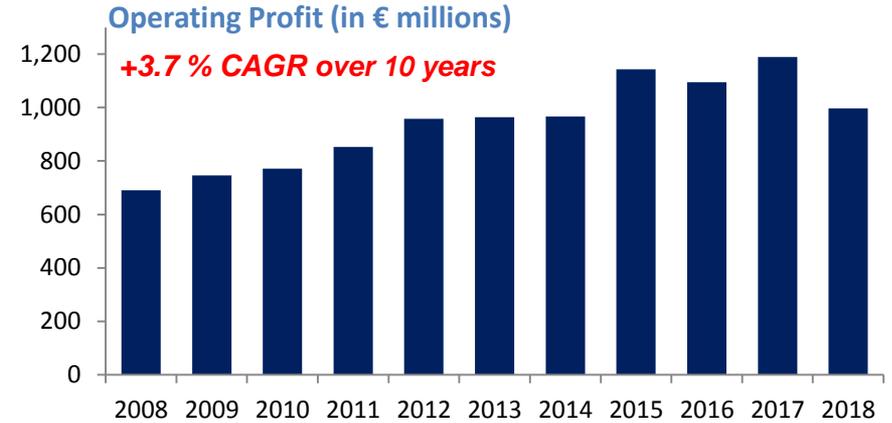
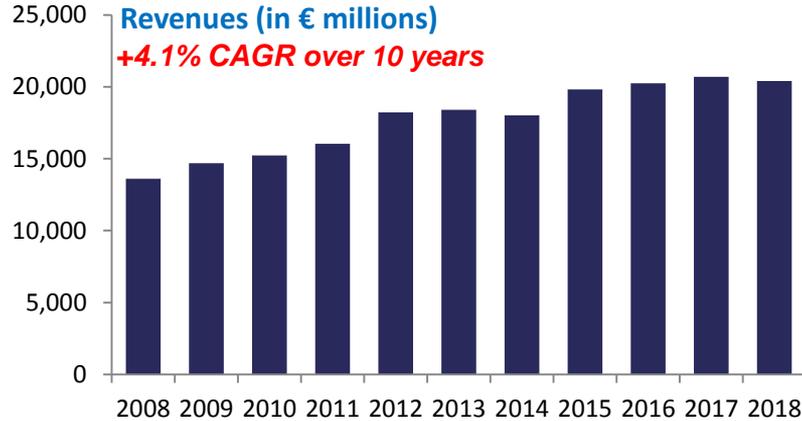
(1) Including Personal Home Services

Distribution by geographic region



REGULAR AND SUSTAINED PERFORMANCE

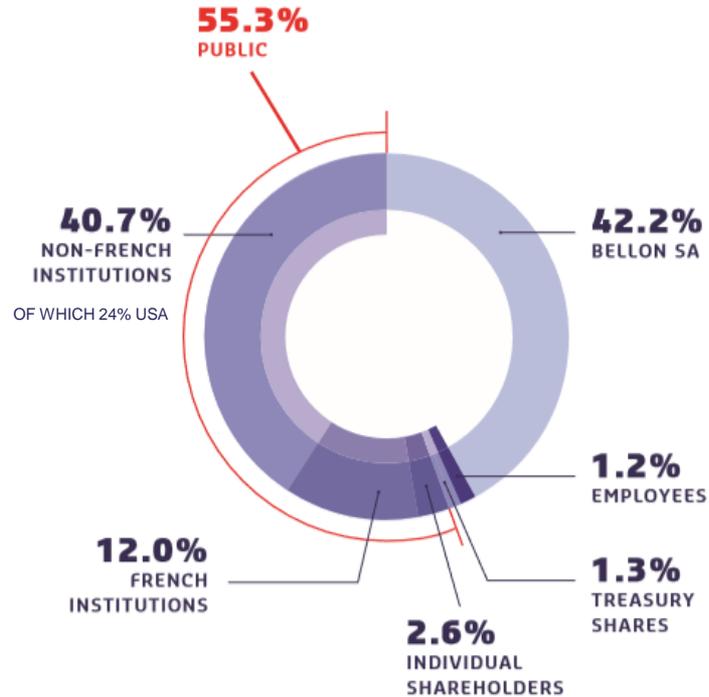
Sodexo at a glance



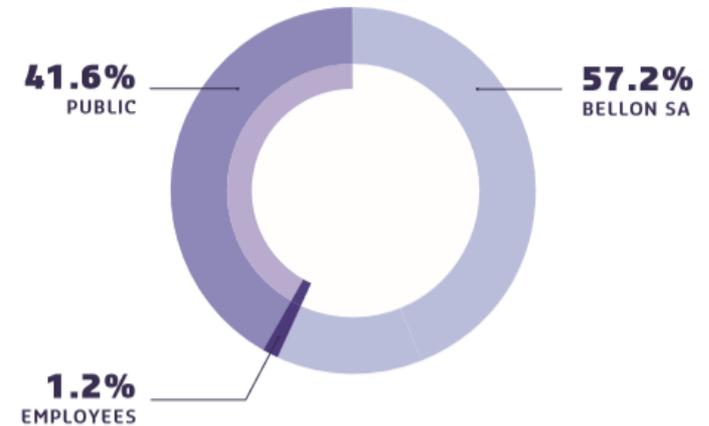
SHARE OWNERSHIP

Sodexo at a glance

SHAREHOLDER BREAKDOWN AS OF AUGUST 31, 2018



VOTING RIGHTS BREAKDOWN AS OF AUGUST 31, 2018



FISCAL 2018 HIGHLIGHTS



2

FY2018 IN LINE WITH REVISED GUIDANCE

Fiscal 2018 Highlights

Revised guidance

**Organic revenue growth
of between 1 and 1.5%**

(excluding 53rd week impact)



**Underlying operating
profit margin around
5.7%**

(excluding currency effects)

FY2018 Results

**Organic revenue growth
at 2.0%**

(excluding 53rd week impact)

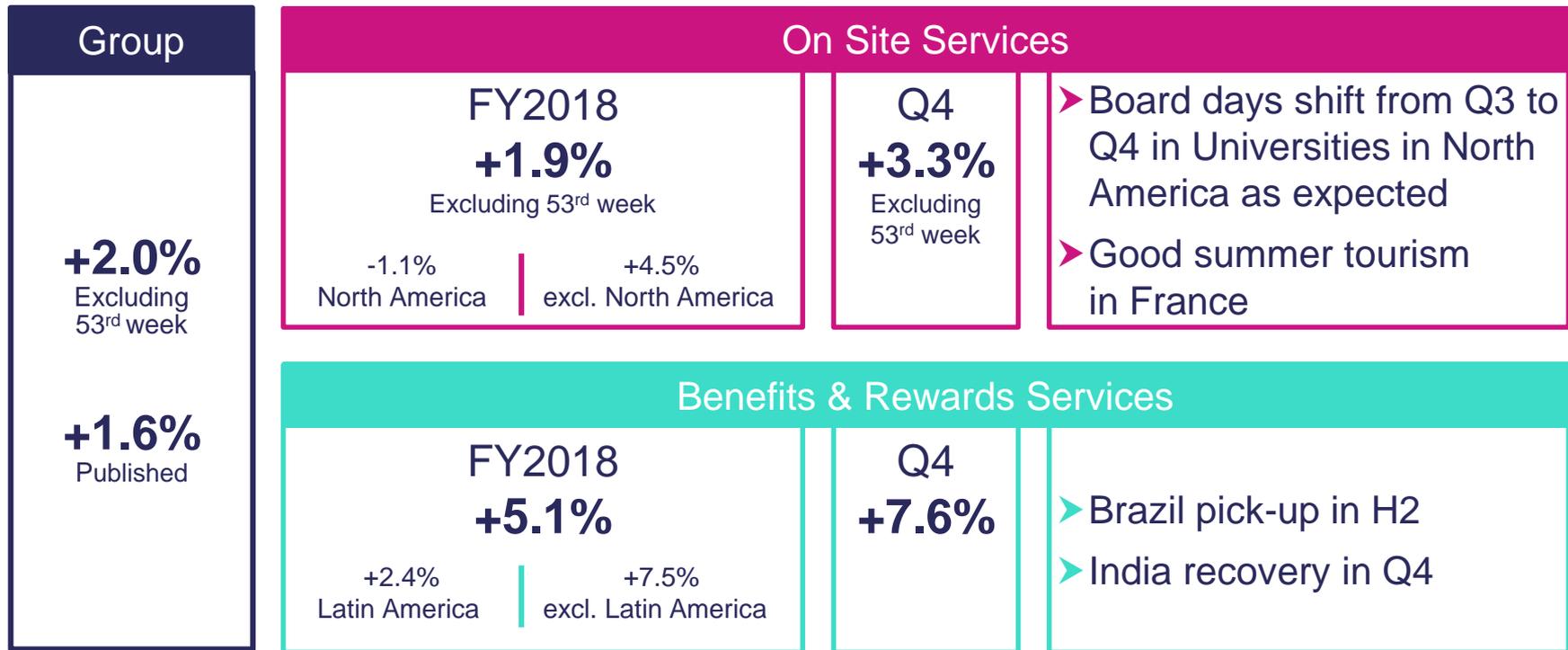


**Underlying operating
profit margin
at 5.7%**

(excluding currency effects)

ORGANIC GROWTH IN LINE WITH REVISED GUIDANCE

Fiscal 2018 Highlights



PERFORMANCE IN THE P&L

Fiscal 2018 Highlights

€ millions	FY 2018	FY 2017	CHANGE	
			At current exchange rates	Excluding currency effect
Revenues	20,407	20,698	-1.4%	+4.4%
Underlying Operating profit	1,128	1,340	-15.8%	-8.6%
Underlying Operating margin	5.5%	6.5%	-100 bps	-80 bps
Other Operating income and expenses	(131)	(151)		
Operating profit	997	1,189	-16.1%	-8.3%
Net financial expense	(90)	(105)		
Effective tax rate	27.1%	31.7%		
Underlying net profit group share	706	822	-14.1%	-8.6%
Basic Underlying Earnings per Share	4.77	5.52	-13.6%	
Group net profit	651	723	-9.9%	-4.0%
Basic Earnings per Share	4.40	4.85	-9.4%	

SOLID CASH FLOW

Fiscal 2018 highlights

€ millions

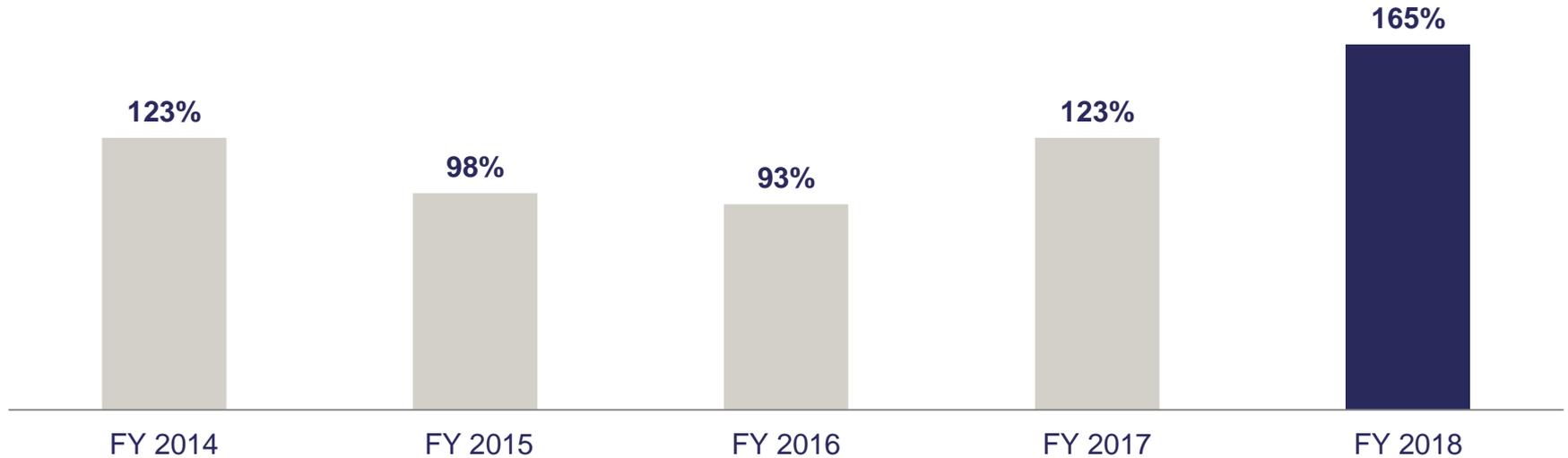
	FY2018	FY2017
Operating cash flow	1,140	1,076
Change in working capital ¹	221	120
Net capital expenditure	(286)	(308)
Free cash flow	1,076	887
Net acquisitions	(697)	(268)
Share buy-backs/ Treasury stock	(300)	(300)
Dividends paid to parent company shareholders	(411)	(359)
Other changes (including change in Financial Assets, scope and exchange rates)	(316)	(164)
(Increase)/decrease in net debt	(648)	(204)

¹ Excluding change in financial assets related to the Benefits & Rewards Services activity (-€228m in Fiscal 2018 and -€134m in Fiscal 2017).

Total change in working capital as reported in consolidated accounts: in Fiscal 2018: -€7m = €221m - €228m and: in Fiscal 2017 -€14m = €120m - €134m

STRONG CASH CONVERSION

Fiscal 2018 Highlights



ROBUST BALANCE SHEET AND RATIOS

Fiscal 2018 Highlights

€ millions

	August 31, 2018	August 31, 2017		August 31, 2018	August 31, 2017
Non-current assets	7,944	7,416	Shareholders' equity	3,283	3,536
Current assets excluding cash	4,628	4,531	Non-controlling interests	45	34
Restricted cash Benefits & Rewards	615	511	Non-current liabilities	4,330	3,885
Financial assets Benefits & Rewards	427	398	Current liabilities	7,622	7,419
Cash	1,666	2,018			
Total assets	15,280	14,874	Total liabilities & equity	15,280	14,874
			Gross borrowings	3,940	3,500
			Net debt	1,260	611
			Gearing ratio	38%	17%
			Net debt ratio (net debt/EBITDA)	1.0	0.4

Operating cash totaled **€2,680 million¹**, of which **€1,987 million** related to **Benefits and Rewards Services**

¹ Cash – Bank overdrafts of €28m + Financial assets related to BRS activity

FINANCIALS STRICTLY UNDER CONTROL

Fiscal 2018 Highlights

Strong Free Cash Flow

€1.1bn

FREE CASH FLOW

165%

CASH CONVERSION

Solid Balance sheet

1.0

NET DEBT RATIO

38%

GEARING

Share buyback program

€300m

FY18 Net Acquisitions

€697m

SPEND

2.9%

SCOPE CHANGE

Underlying EPS

€4.77

Dividend maintained

€2.75

DIVIDEND

58%

OF UNDERLYING
NET PROFIT

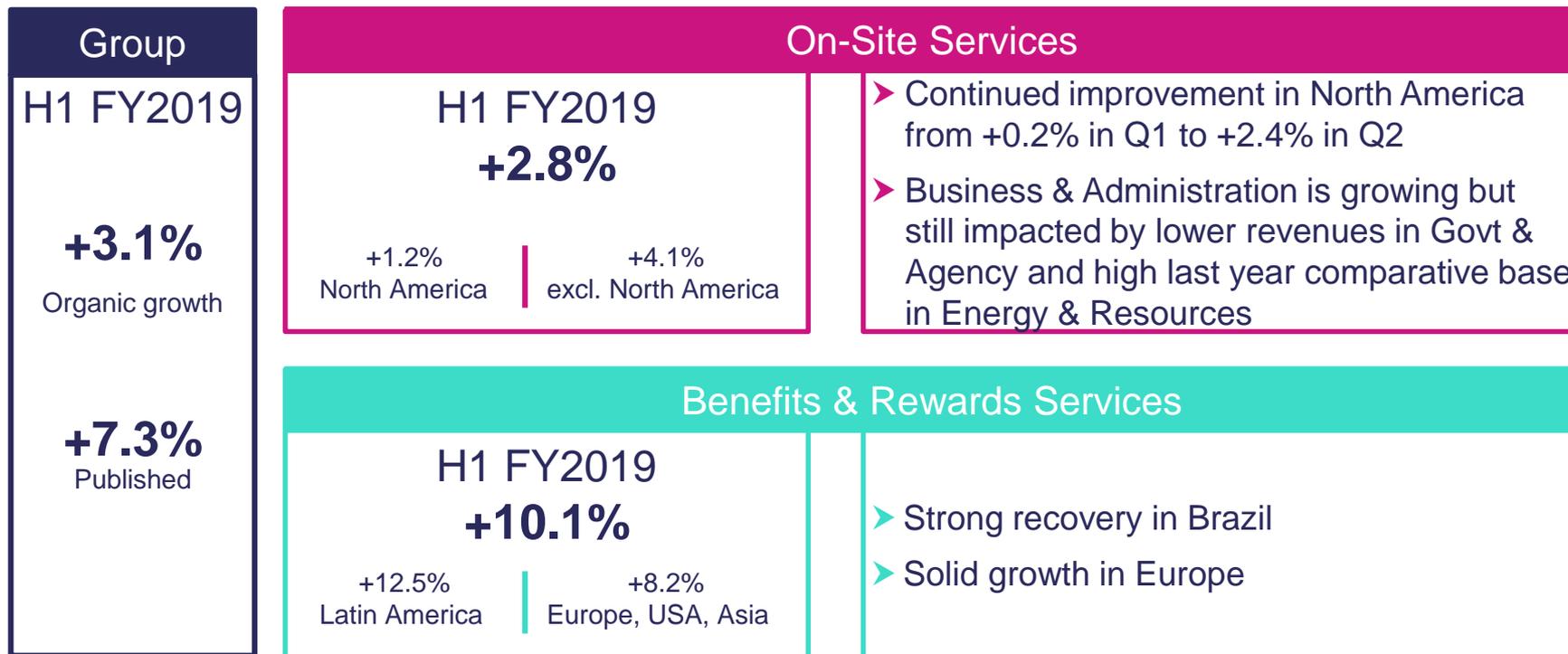
FIRST HALF FISCAL 2019 HIGHLIGHTS



3

ORGANIC GROWTH SLIGHTLY ABOVE EXPECTATIONS

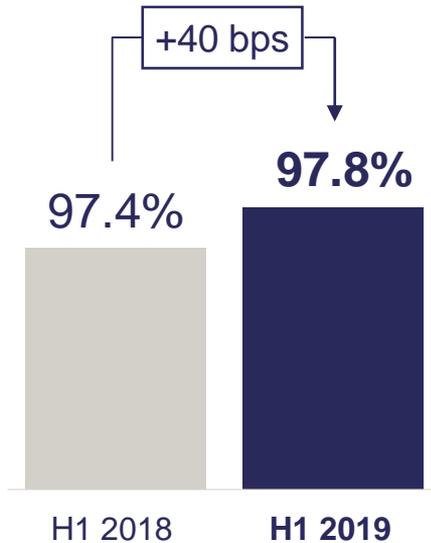
First Half Fiscal 2019 Highlights



ENCOURAGING EVOLUTION OF OSS GROWTH INDICATORS

First Half Fiscal 2019 Highlights

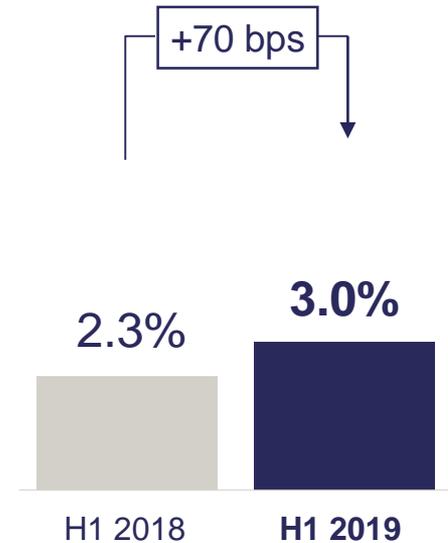
Client retention



Comparable unit growth



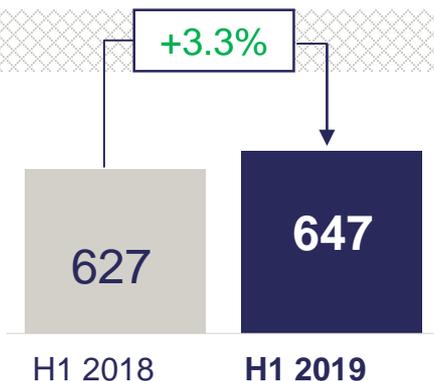
Business development



UNDERLYING OPERATING PROFIT IN LINE WITH EXPECTATIONS

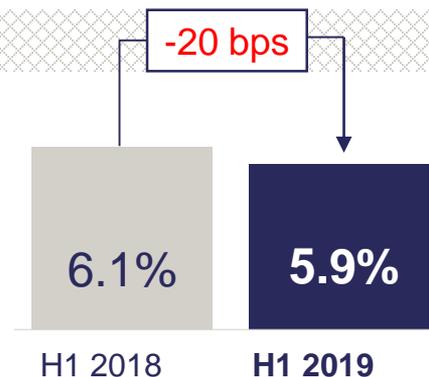
First Half Fiscal 2019 Highlights

Underlying Operating Profit



At constant rates

Underlying Operating Margin



SOLID FINANCIALS

First Half Fiscal 2019 Highlights

CAPEX up strongly

€205m

CAPEX

1.9%

CAPEX / REVENUES

70%

OF THE INCREASE IS
IN EDUCATION AND SPORTS &
LEISURE

Tax rate in line

28.8%

LAST YEAR REDUCED
BY EXCEPTIONALS

Net Acquisitions

€234m

SPEND

3.7%

SCOPE CHANGE

2% – 2.5%

ESTIMATED SCOPE CHANGE
FOR FY2019

Solid Balance sheet

1.3

NET DEBT RATIO

45%

GEARING

PERFORMANCE IN THE P&L

First Half Fiscal 2019 Highlights

€ millions	H1 FY 2019	H1 FY 2018	CHANGE	
			At current exchange rates	Excluding currency effect
Revenues	11,045	10,293	7.3%	+6.8%
Underlying Operating profit	647	627	+3.1%	+3.3%
Underlying Operating margin	5.9%	6.1%	-20 bps	-20 bps
Other Operating income and expenses	(69)	(73)		
Operating profit	578	554	+4.2%	+4.1%
Net financial expense	(54)	(44)		
Effective tax rate	28.8%	25.9%		
Underlying net profit group share	413	397	+4.1%	+4.3%
Basic Underlying Earnings per Share	2.84	2.67	+6.2%	
Group net profit	364	372	-2.3%	-2.6%
Basic Earnings per Share	2.50	2.51	-0.4%	

ROBUST CASH FLOW

First Half Fiscal 2019 Highlights

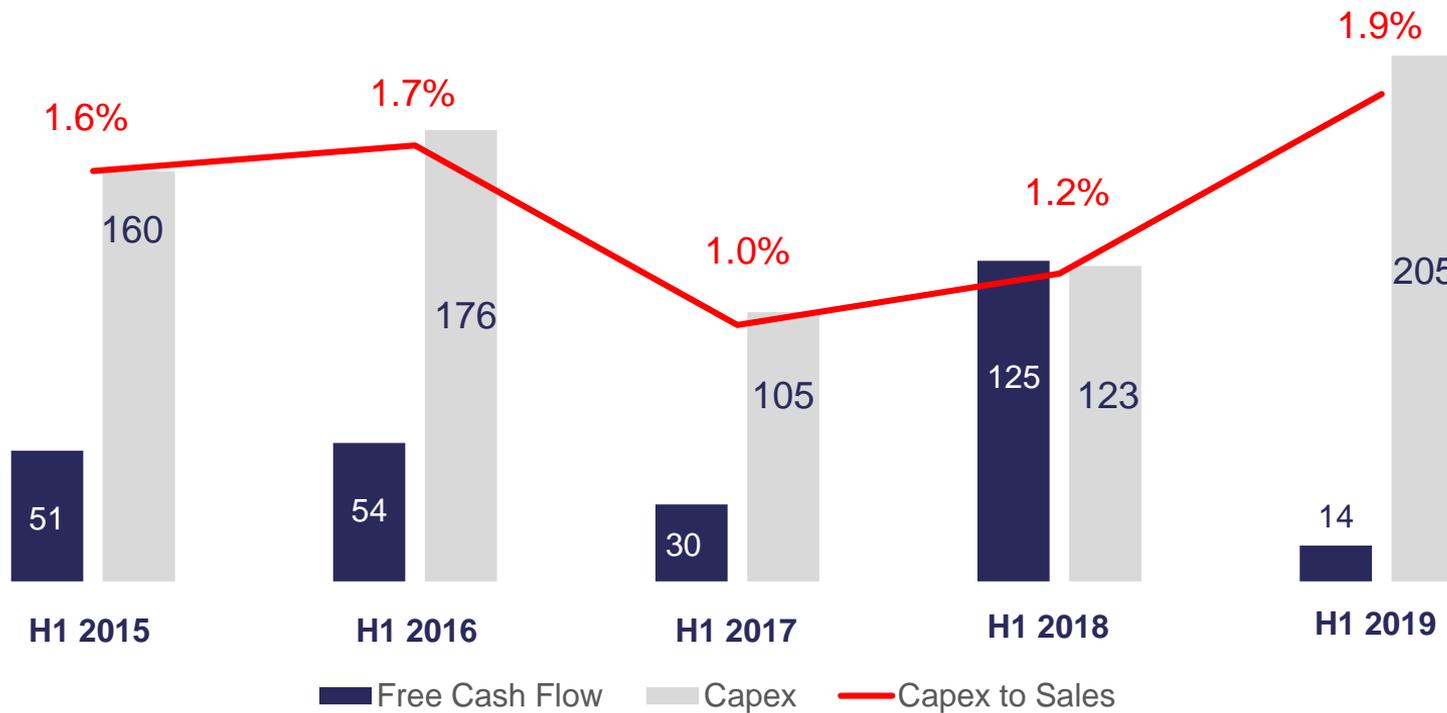
€ millions	H1 FY2019	H1 FY2018
Operating cash flow	648	650
Change in working capital ¹	(428)	(402)
Net capital expenditure	(205)	(123)
Free cash flow	14	125
Net acquisitions	(234)	(674)
Share buy-backs/ Treasury stock	12	(49)
Dividends paid to parent company shareholders	(403)	(411)
Other changes (including change in Financial Assets, scope and exchange rates)	32	(43)
(Increase)/decrease in net debt	(579)	(1,052)

- 1 Excluding change in financial assets related to the Benefits and Rewards Services activity (+€55m in H1 Fiscal 2019 and €(73)m in H1 Fiscal 2018).
Total change in working capital as reported in consolidated accounts: in H1 Fiscal 2019: €(373)m = €(428)m+ €55m and in H1 Fiscal 2018 €(475)m = €(402)m+ €(73)m

RETURN TO NORMAL CAPEX LEVEL IN H1

First Half Fiscal 2019 Highlights

€ millions



ROBUST BALANCE SHEET AND RATIOS

First Half Fiscal 2019 Highlights

€ millions	FEBRUARY 28, 2019		FEBRUARY 28, 2018		
Non-current assets	9,147	7,981	Shareholders' equity	3,999 ²	3,343
Current assets excluding cash	5,581	5,207	Non-controlling interests	46	34
Restricted cash	577	495	Non-current liabilities	4,615	3,956
Benefits & Rewards			Current liabilities	9,055	8,335
Financial assets	458	465			
Benefits & Rewards					
Cash	1,950	1,519			
TOTAL ASSETS	17,714	15,668	TOTAL LIABILITIES & EQUITY	17,714	15,668
			Gross borrowings	4,753	4,062
			Net debt	1,839	1,663
			Gearing ratio	45%	49%
			Net debt ratio (net debt/EBITDA)	1.3	1.1

Operating cash totaled **€2,914 million¹**, of which **€2,171 million** related to **Benefits and Rewards Services**

¹ Cash – Bank overdrafts of €72m + Financial assets related to BRS activity

² The main impact of IFRS 9 concerns the reevaluation of certain financial assets. Please refer to Appendix 6 for more details

FISCAL 2019 OBJECTIVES

First Half Fiscal 2019 Highlights

- Growth slightly above our expectations in H1 FY19
- Continued growth in developing economies but high comparable base
- Improvement in North America remains challenging
- Some contract exits



**Organic revenue growth
between 2 and 3%**



- Action plans delivering
- Productivity reinvested in growth initiatives



**Underlying operating
profit margin
between 5.5% and 5.7%**
(excluding currency effects)

FOCUS ON GROWTH STRATEGIC AGENDA

First Half Fiscal 2019 Highlights

Synergies benefit Consumers and Clients in France

- Clients choose Sodexo for a combined offer of On site, Benefits & Rewards
- Consumers benefit from a combined Food Services and Meal Pass offer



BE CLIENT
& CONSUMER
CENTRIC

ENHANCE
OPERATIONAL
EFFICIENCY

EMPOWERMENT
&
ACCOUNTABILITY

NURTURE
TALENT

ANCHOR
CORPORATE
RESPONSIBILITY

STEP

Corporate Services: labor productivity more than compensated wage increase

Corporate segment	North America	France
Hourly cost	+3%	+2%
Hourly productivity	+5%	+4%

STEP tool building: 6 countries now engaged, with 20 KPIs

Back to basics principles

- **Unleash** is building managerial capabilities to deploy STEP
 - **Reasserting** the manager role at the center of everything we do
 - **Started in March**
 - **+500** completed modules so far
 - Full roll-out from May

Building momentum by expanding offer and bringing healthy & sustainable diets to a wider audience

- 
 - Opened first **Crush** outlet at City, University of London, partnership signed for future development
- 
 - Partnership with **Veggie Grill**, the leading US plant-based restaurant group to grow offer in US college campuses
- 
 - Partnership with **SaladWorks**, the leading US salad-centric franchise with nearly 100 locations

H1 FOCUS – HEALTH CARE IN NORTH AMERICA IMPROVING

First Half Fiscal 2019 Highlights

Contract Wins and Retention



Organizational transformation

- On track
- Revamped executive leadership team focused on with 14 seasoned executives selected for their wealth of healthcare industry experience:
 - Reestablishing operational excellence to ensure repeatability, reliability and predictability of the outcomes
 - Rebooting commercial expertise (Key Account, GPO Relationship, Technical Sales Support)

Progress in H1 FY2019

All growth KPIs improving

- Business development **+30bps**
- Comparable unit growth **+230bps**
- Client retention **+240bps**

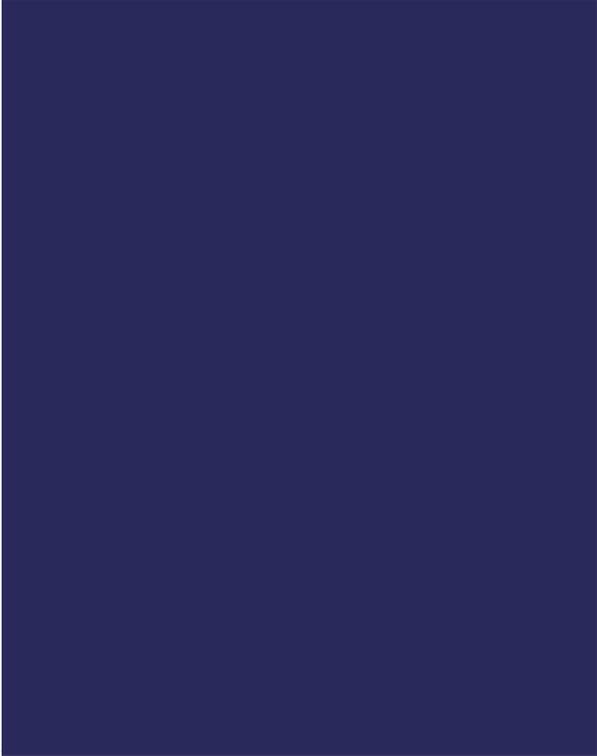
+2.1% organic growth

Improvement in labor productivity:

- Average hourly revenue **+5%**
- Average cost of a work hour **+3.5%**

Significant improvement in Underlying Operating Profit

A STRONG BUSINESS MODEL



4

MEGA TRENDS IN OUR MARKETS

A strong business model

- 1**  Demographic Shifts
- 2**  Urbanization
- 3**  Emerging middle class
- 4**  Globalization
- 5**  Emerging markets
- 6**  Public deficits
- 7**  Environmental issues and scarcity of resources
- 8**  Empowered Consumers
- 9**  Disruptive Technology
- 10**  Ownership vs Right of Goods
- 11**  Future of Work

ON-SITE ADDRESSABLE MARKET OPPORTUNITIES

A strong business model



Total Market



Food Market



FM Market

Outsourcing rate: **40%** **38%** **42%**

- UK:** 58%
- USA:** 55%
- France:** 44%
- China:** 33%

Sources: IFMA, Frost & Sullivan

SIMPLIFY TO GAIN IN FOCUS AND EFFECTIVENESS

A strong business model

1

Optimize our geographic footprint

- Be fully present in up to 50 countries
- Be active for projects in another 10 countries
- Cover the rest of the world through partnerships and subcontracting
- Streamline the HQ & Regional organizations

2

Redesign our “make or buy” approach to service

- Reinforce food DNA
- Remain strong in integration
- Focus on high value FM Services
- Subcontract where it makes sense

3

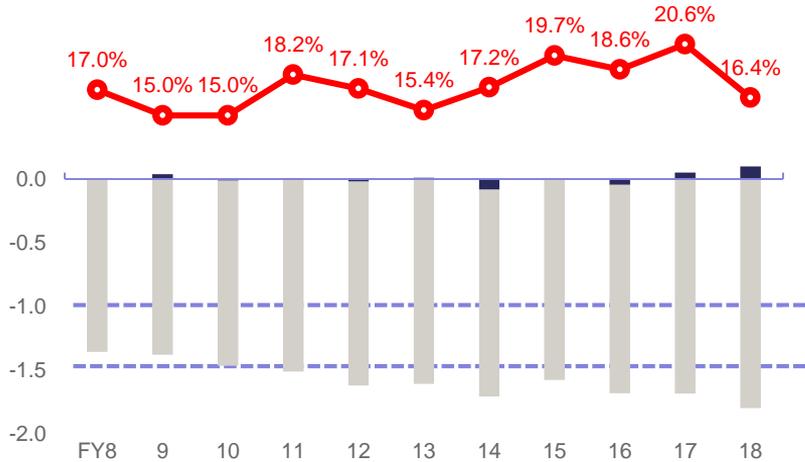
Fit for the future

- Clarify where we want to be best in class / best in cost
- Redesign support functions to be leaner and more Site/ Contract centric
- Identify 15% savings to be redeployed in core activities / investment for growth

A CASH GENERATIVE BUSINESS MODEL

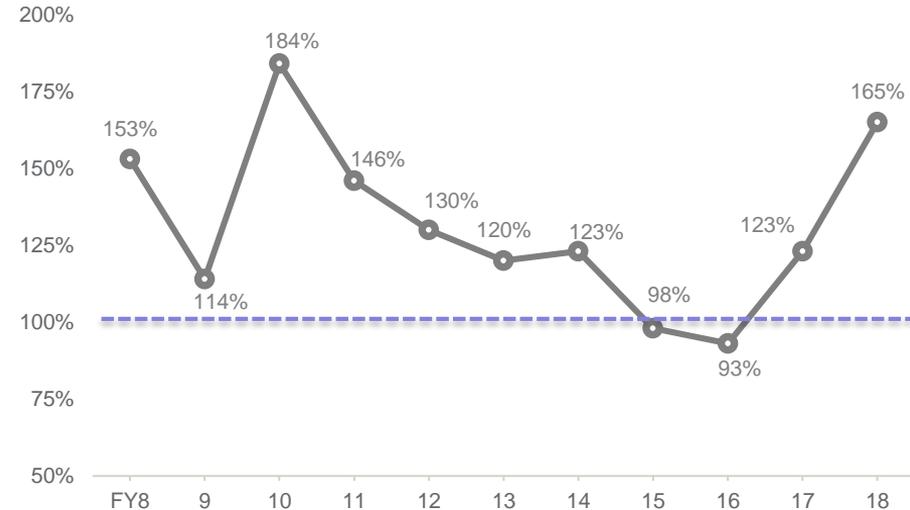
A strong business model

Negative Net Assets Excluding Goodwill



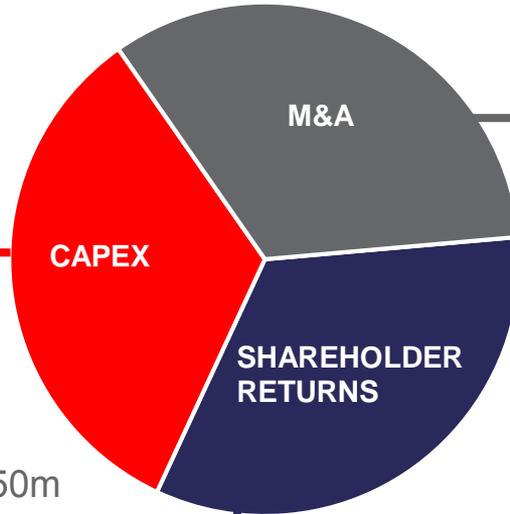
BRS Net assets excluding, goodwill, customer relationships and brands in €bn
 OSS Net assets excluding, goodwill, customer relationships and brands in €bn.
 ROCE including goodwill

Consistent Cash Conversion Free Cash Flow/Net Income



BALANCED CASH ALLOCATION

A strong business model



Capex to sales at ~ 2.5% going forward:

- Current levels ~1.5-2%
- Additional IT Capex at €30 to 50m per year
- Centerplate ~5% ongoing

Selective M&A:

- FCF Payback \leq 10 years
- End ROCE $>$ 15%

Regular Shareholder return:

- Predictable dividend policy around 50% of recurrent net income
- Opportunistic approach to share buybacks

ACQUISITION CONTRIBUTION

A strong business model

M&A Activity in H1 FY19

Enriching offers



in Switzerland 

Strategic moves



in Brazil 

Consolidating positions



in the UK 



in France 



in the UK 

Contribution of all acquisitions* to total growth

FY18

2.9%

Q1FY19

4.8%

H1FY19

3.7%

FY19
Estimated
2 – 2.5%

A CASH GENERATIVE BUSINESS MODEL

A strong business model

Solid Debt Ratio
Net debt / EBITDA



- Prudent historic debt management
- Maintain Net Debt to EBITDA target of 1-2x pre IFRS 16
- Impact of IFRS 16: work in progress show impact circa €1bn of net debt* from 2020
- No risk on covenants

BREAKDOWN OF GROSS FINANCIAL DEBT: €4,753m*

A strong business model

BY CURRENCY



INTEREST RATE



Blended cost of debt 2.3% at 28/02/2019

BY MATURITY (€m)



* Including commercial paper for an amount of €1,000m
NB: All data as of 28/02/2019

RATING AGENCIES

A strong business model

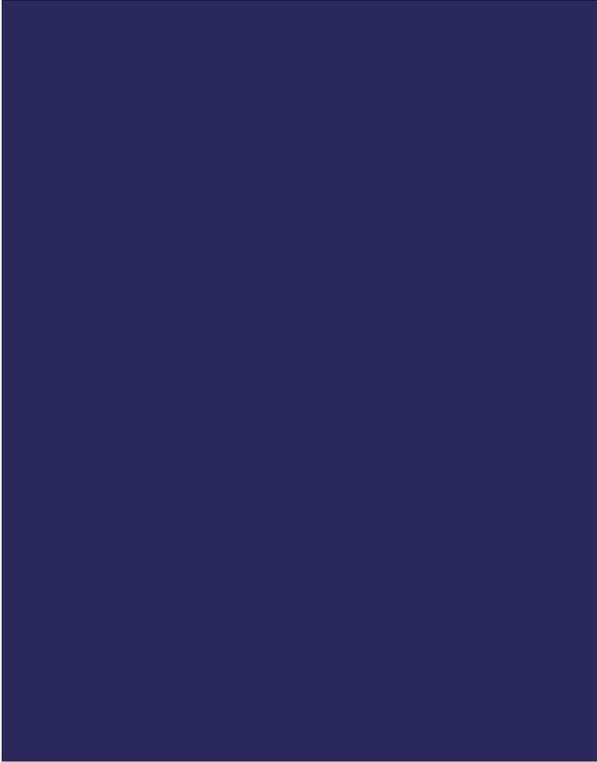


Long term	Short term	Outlook
A-	A-1	Stable

Key Strengths	Key Risks
Leading market provider of food services, integrated services, benefits and rewards, and personal home services.	Exposure to economically and geopolitically volatile countries in Latin America.
High revenue visibility, with recurring revenue from multiyear contracts and client retention rates above 93%.	Exposure to fluctuations in food, commodity, and oil prices, and salary inflation in emerging countries.
Strong recurring free cash flow, due to low capital intensity, structural working capital inflows, and the service-voucher business' cash float.	Limited pricing flexibility and modest operating margins in the onsite services business.
Exceptional liquidity and low interest costs, supported by modest financial leverage.	Reliance on customer prepayments in the vouchers business.

“The stable Outlook on Sodexo reflects our view that the Company will continue to deliver resilient operating performance in an overall supportive economic environment. Under our base case, we expect S&P Global Ratings-adjusted funds from operations (FFO) to debt will remain at about 40%, despite our expectation that the Company will continue acquisition spending while maintaining shareholder remuneration levels.”

TRANSACTION OVERVIEW



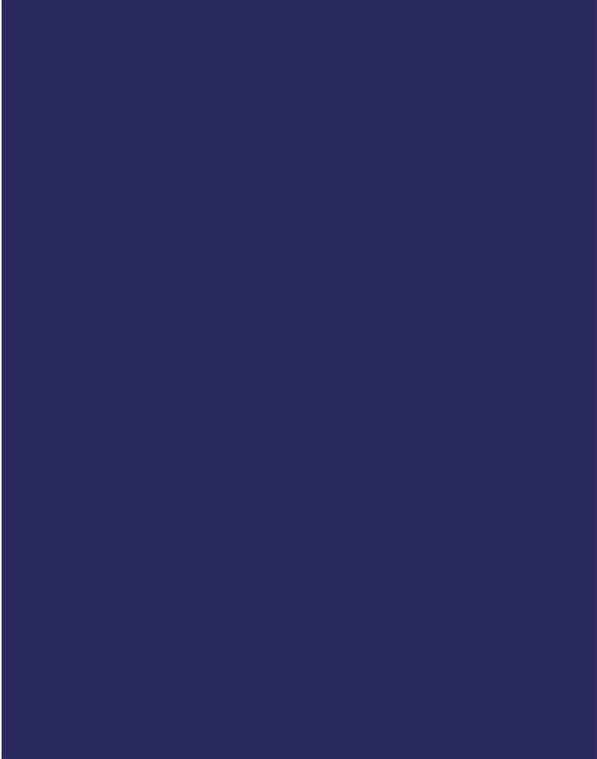
5

INDICATIVE TERMS AND CONDITIONS OF CONTEMPLATED NEW ISSUE

Transaction overview

Indicative terms and conditions of contemplated New Issue	
Issuer	Sodexo SA
Issuer rating	A- (stable) by S&P
Issue Size	GBP £250mn
Use of proceeds	General corporate purpose
Issue Type	Fixed, annually
Status	Senior, unsecured
Tenor	9 years
Settlement date	[24] June 2019
Documentation	Standalone, Clean up Call 80%, 3M Par Call, Make-whole call, COC
Law/Listing	English Law, Paris Listing
Bookrunners	HSBC (B&D), Santander

APPENDICES



6

STRONG INDEPENDENT GOVERNANCE

Sodexo at a glance

Board

- Chaired by Sophie Bellon, since 2016
- 12 Directors, including two Employee Representatives
- Of the 10 elected Directors, 6 independent, 6 women, collectively representing 3 nationalities: French, American and Indian.
- Luc Messier, Canadian, to be proposed to the AGM in January 2020 as new Independent Director
- Since January 2016, substantial renewal of Directors and enhanced transparency

Audit Committee

Sophie Stabile, Committee Chair, Independent Director
Emmanuel Babeau, Independent Director
François-Xavier Bellon
Soumitra Dutta, Independent Director
Cathy Martin, Director representing employees

Nominating Committee

Cécile Tandeau de Marsac, Committee Chair, Independent Director
Sophie Bellon
Nathalie Bellon-Szabo
Françoise Brougher, Independent Director

Compensation Committee

Cécile Tandeau de Marsac, Committee Chair, Independent Director
Françoise Brougher, Independent Director
Philippe Besson, Director representing employees
Sophie Stabile, Independent Director

AN ENGAGED COMPANY

Sodexo at a glance

FY 18

14 years

As industry leader in the
DJ Sustainability index

69%⁽¹⁾

employee
engagement rate

14.6

average annual hours of
training per employee

34%⁽²⁾

targeted
carbon reduction

80.9%

employee
retention rate

37%

of women on the
Executive Committee

60%

of women on the
Board of Directors

93.8%

client retention
rate

**ADVOCATE FOR HEALTHY
LIFESTYLE CHOICES**

GROW LOCALLY & INCLUSIVELY

TACKLE WASTE EVERYWHERE

(1) 2018 employee engagement survey

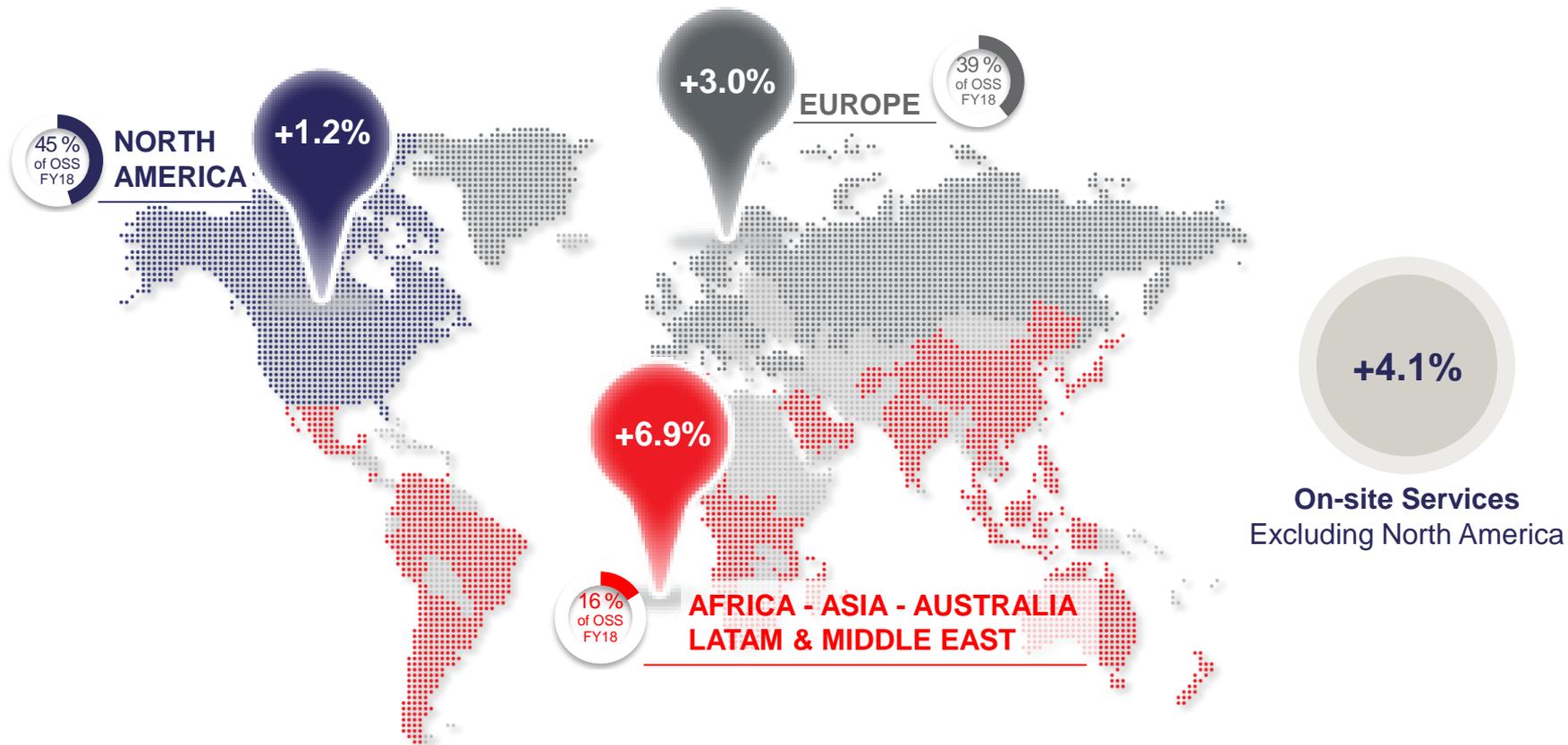
(2) Absolute reduction in Scope 1, Scope 2 and Scope 3 carbon emissions, compared to a 2011 baseline

REVIEW OF OPERATIONS

On-site Services
revenues

OSS

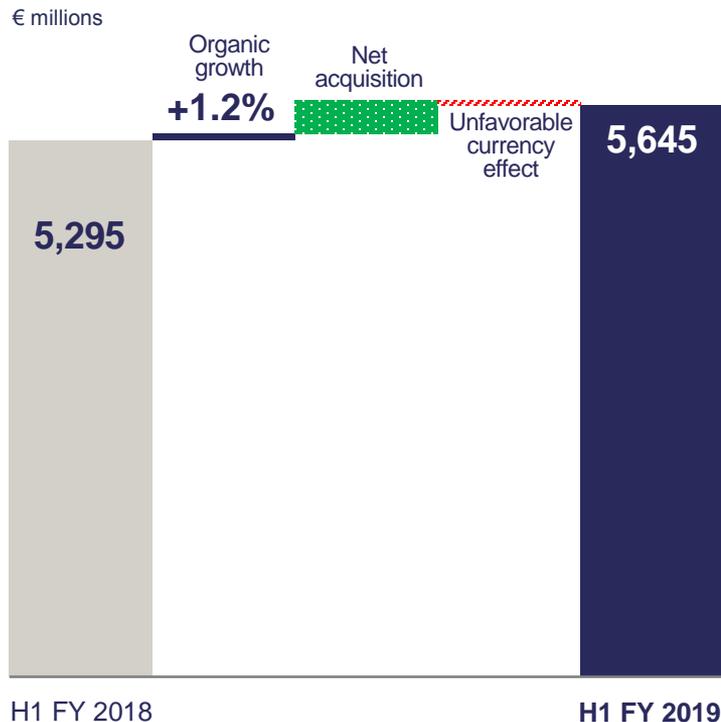
ON-SITE SERVICES H1 FY2019 ORGANIC GROWTH BY REGION



BUSINESS & ADMINISTRATIONS – REVENUES



NON RESTATED ORGANIC GROWTH



RESTATED ORGANIC GROWTH

+0.8%¹

North America

- Solid growth in Corporate driven by strong comparable unit sales and good wins
- Significant Energy & Resources project work in Q1 last year
- US Marine Corps renewed with lower comparable unit sales



+2.1%¹

Europe

- Corporate Services helped by solid same site sales growth driven by cross-selling
- Easier comparable base in Govt & Agency in the UK
- Slowdown in tourism in Q2 in France



+5.9%¹

Africa, Asia, Australia, Latin America & Middle East

- Strong growth in Corporate driven by new business and comparable unit sales
- End of construction projects in Energy & Resources

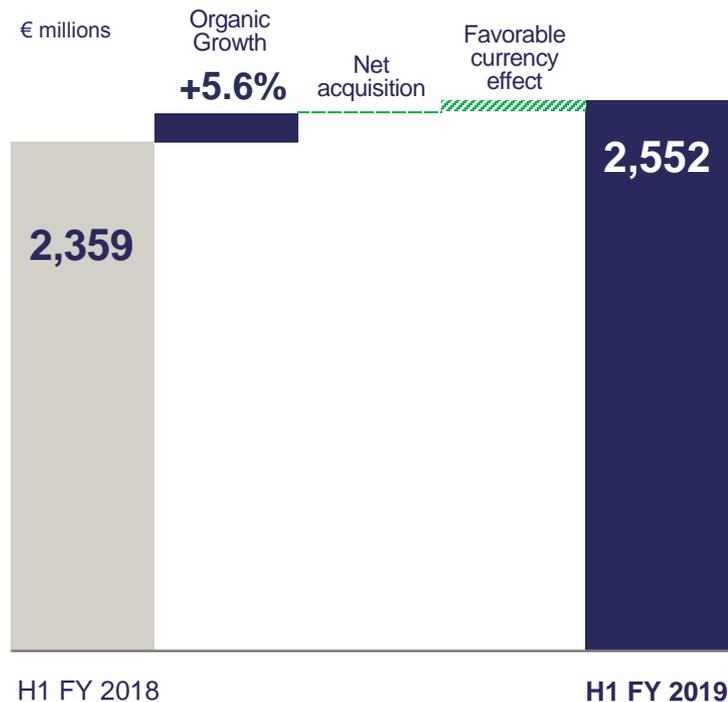


TOTAL
+2.8%¹

HEALTH CARE & SENIORS – REVENUES



NON RESTATED ORGANIC GROWTH



RESTATED ORGANIC GROWTH

+1.3%¹

North America

- Solid comparable unit growth in Healthcare helped by inflation pass-through and cross-selling
- Strong retention to date in Health Care but Seniors impacted by a significant loss in beginning of the year



+1.7%¹

Europe

- Good growth in Benelux driven by last year wins and strong same site sales helped by cross selling
- Nordics still declining due to negative net lost business



+16.9%¹

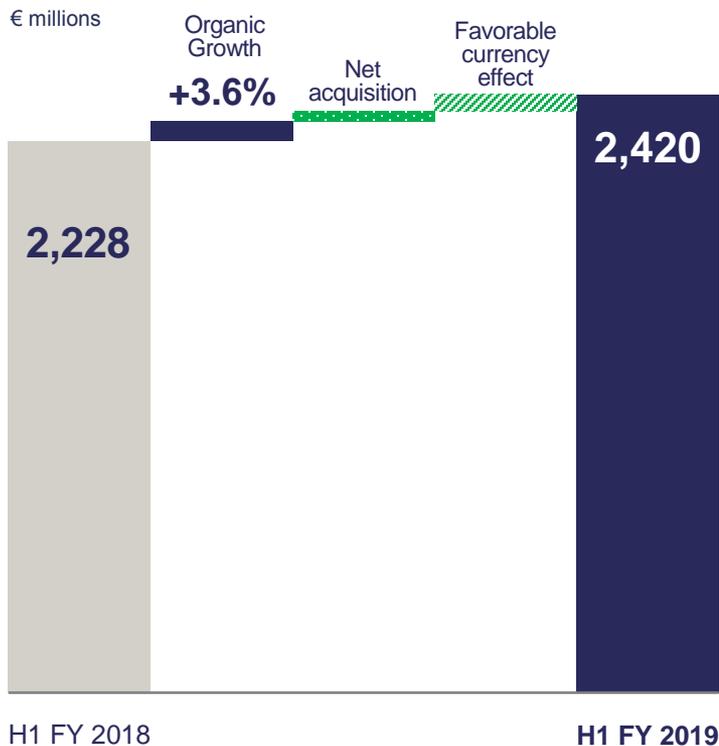
Africa, Asia, Australia, Latin America & Middle East

- Double digit growth in Brazil, India and China



TOTAL
+2.2%¹

EDUCATION – REVENUES



ORGANIC GROWTH

+1.4%

North America

- Neutral net new/lost business from last year
- 1 less working day, more than compensated by good retail activity in Universities and project work in Schools



+10.4%

Europe

- Strong new business and same site sales in France, particularly boosted by Yvelines Schools contract start-up in Q2
- Strong new business in the UK,
- +2 extra working days in Italy, offset by 1 less working day in France in Q2



+10.5%

Africa, Asia, Australia, Latin America & Middle East

- Strong growth in Schools in Asia still driven by China, Singapore and India

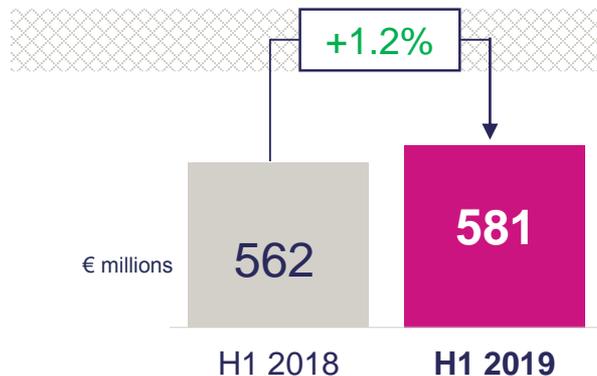


**TOTAL
+3.6%**

SLIGHT DECREASE IN OSS UOP MARGIN

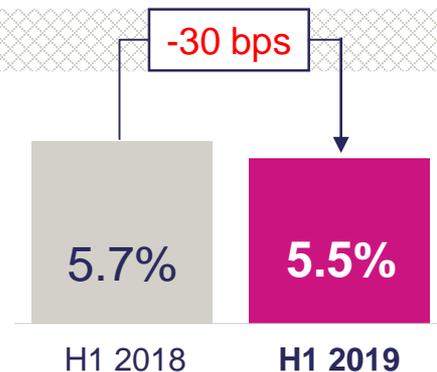
First Half Fiscal 2019 highlights

Underlying Operating Profit



At constant rates

Underlying Operating Margin



At current rates



OSS UNDERLYING OPERATING PROFIT AND MARGIN BY SEGMENT

First Half Fiscal 2019 Financial Performance

	H1 FY 2019	Restated Variation Constant rate	
Business & Administration	€205m	+1.3%	<ul style="list-style-type: none"> Weight of US Marine Corps renewal Timing disparity between productivity gains and investments to accelerate growth
	3.6%*	-30bps	
Health Care & Seniors	€162m	+5.8%	<ul style="list-style-type: none"> Productivity gains secured, deployment of new offers accelerating Inflation covered by price increases
	6.3%*	+20bps	
Education	€215m	-2.0%	<ul style="list-style-type: none"> Significant start-up costs for Yvelines Schools Strikes, working days and churn in Schools In North America: inflation passed-through in Universities
	8.9%*	-70bps	

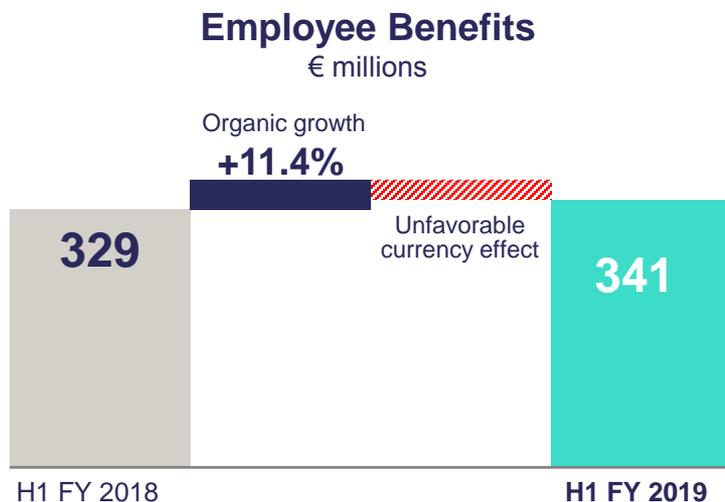
REVIEW OF OPERATIONS

Benefits & Rewards
Services revenues

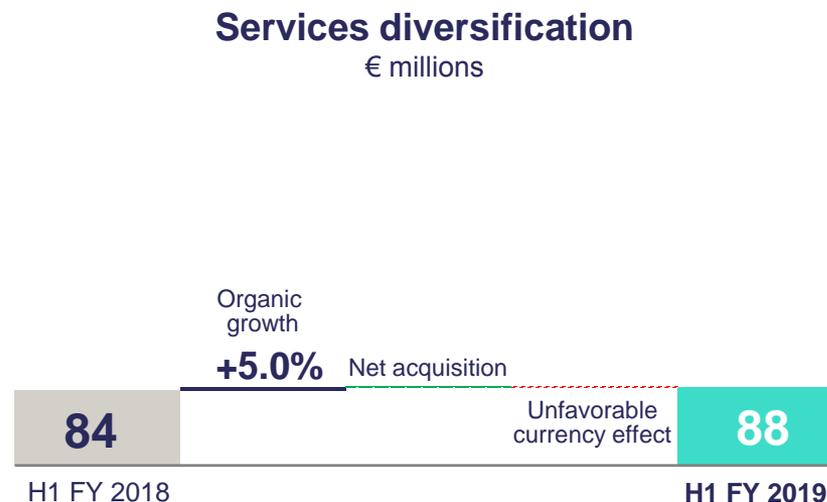
BRS

REVENUES BY SERVICE LINE

Benefits & Rewards Services



- Solid growth in Europe
- Strong recovery in Brazil
- **Issue volume €6.8bn, +8.1% Organic Growth**



- Strong double digit growth in Mobility & Expense
- Fast development in Corporate Health & Wellness
- Weak start to the year in Incentive & Recognition

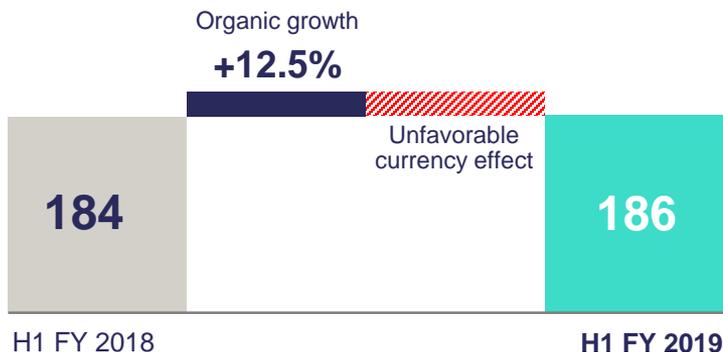
REVENUES BY REGION

Benefits & Rewards Services

Latin America

€ millions

44%
FY 18 BRS
revenues

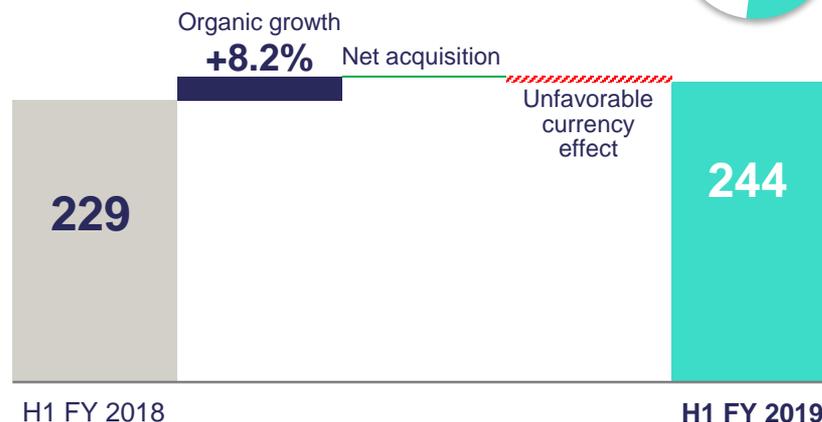


- Strong recovery in Brazil thanks to growth in volumes, solid new business wins and stabilization of interest rates
- Double digit growth in Mexico

Europe, Asia, USA

€ millions

56%
FY 18 BRS
revenues



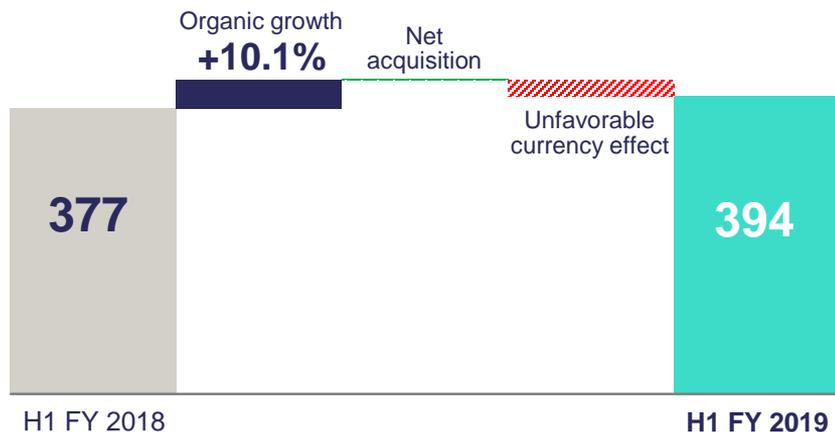
- Solid growth in Western Europe
- Double digit growth in Eastern and Southern Europe

REVENUES BY NATURE

Benefits & Rewards Services

OPERATING REVENUES

€ millions



- Solid growth in Western Europe, Double digit growth in Eastern and Southern Europe
- Strong recovery in Brazil

FINANCIAL REVENUES

€ millions

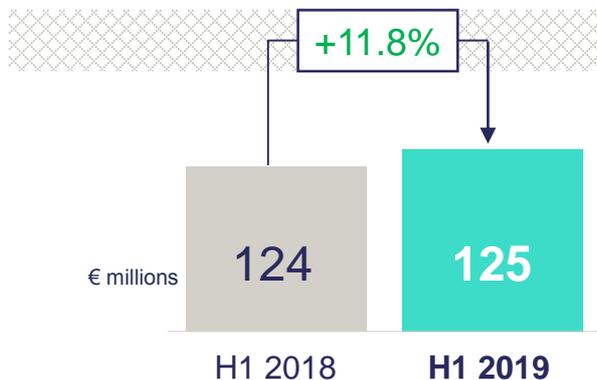


- Interest rates stabilizing in Brazil
- High interest rates in Turkey
- High float resulting from exceptionally high business volume in Romania in Q4 last year

IMPROVEMENT IN BRS UOP MARGIN EXCLUDING CURRENCY EFFECT

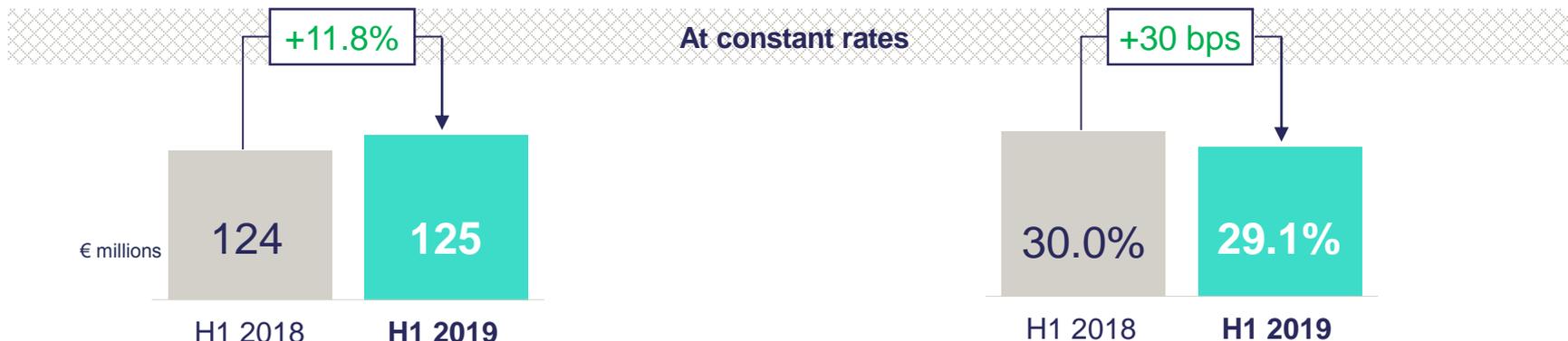
First Half Fiscal 2019 highlights

Underlying Operating Profit



At constant rates

Underlying Operating Margin



At current rates



H1 FISCAL 2019 EXCHANGE RATES

1€ =	AVERAGE RATE H1 FISCAL 19	AVERAGE RATE H1 FISCAL 18	AVERAGE RATE H1 FISCAL 19 VS. H1 FISCAL 18	REFERENCE RATE FISCAL 18	CLOSING RATE AT 28/02/2019	CLOSING RATE 28/02/19 VS. 31/08/18	CLOSING RATE 28/02/19 VS. 28/02/18
U.S. Dollar	1.145	1.195	+4.4%	1.193	1.142	+2.1%	+6.5%
Pound Sterling	0.887	0.885	-0.3%	0.884	0.858	+4.5%	+2.9%
Brazilian Real	4.398	3.864	-12.1%	4.075	4.269	+13.8%	-7.8%

Note: Reference rate Fiscal 2018 is the average rate for Fiscal year 2018, used for organic growth calculation.

IFRS 9

- Prospective application from September 1, 2018 with no restatement of prior periods
- First application **net impact as of September 1, 2018 of €404m** recorded in equity
- Main impact for Sodexo: **Need to reevaluate at each balance sheet date some non-consolidated investments at fair value that were previously accounted for at cost**

€ million	FAIR VALUE AT FEBRUARY 28, 2019	HISTORICAL COST PRIOR TO IFRS 9	DIFFERENCE
Bellon SA stake	662	32	630
Other investments	85	27	58

- The difference in valuation of the Bellon SA stake of €630m is split between:
 - €564m for the first application as of September 1, 2018
 - €66m of change in fair value in the first-half
- Very limited impact from the new depreciation model on accounts receivables which is based on expected losses: €21m additional depreciation recorded on September 1, 2018
- No impact from changes in hedge accounting

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Blended cost of debt

The blended cost of debt is calculated at period end and is the weighted blended of financing rates on borrowings, (including derivative financial instruments) and cash pooling balances at period end.

Free cash flow

Please refer to Cashflow position.

Growth excluding currency effect

Change excluding currency effect calculated converting FY 2019 figures at FY 2018 rates, except when significant for countries with hyperinflationary economies.

As a result, for Argentine Peso figures for H1 FY2019 and H1 FY 2018, have been converted at the exchange rate of EUR 1 = ARS 44.045 vs. ARS 44.302 for FY 2018.

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 is defined as Group borrowing at the balance sheet date, less operating cash.

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 H1 FY2019 and H1 FY 2018, have been converted at the exchange rate of EUR 1 = ARS 44.045 vs. ARS 44.302 for FY 2018.

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

ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

Underlying Operating profit

Operating profit excluding other operating income and other operating expenses. Other operating income and expenses include gains or losses related to perimeter changes and on changes of post-employment benefits, restructuring and rationalization costs, Acquisition related costs, amortization and impairment of client relationships and trademarks, impairment of goodwill and impairment of non-current assets.

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 H1 2019 figures at FY 2018 rates, except for countries with hyperinflationary economies.

Underlying Net profit per share

Underlying Net profit per share presents the Underlying net profit divided by the average number of shares

Underlying Net Profit

Underlying Net profit presents a net income excluding significant unusual and/or infrequent elements. Therefore, it corresponds to the Net Income Group share excluding Other Income and Expense and significant non-recurring elements in both Net Financial Expense and Income tax Expense.

In the H1 Fiscal 2019, the Underlying net profit excludes from the Net Income Group share the following items and the related tax impact where applicable.

APM - FINANCIAL RATIOS DEFINITIONS & RECONCILIATION

		H1 2019	H1 2018
Gearing ratio	Gross borrowings ⁽¹⁾ – operating cash ⁽²⁾		
	Shareholders' equity and non-controlling interests	45%	49%
Net debt ratio	Gross borrowings ⁽¹⁾ – operating cash ⁽²⁾		
	Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) ⁽³⁾	1.3	1.1
(1) Gross borrowings			
	Non-current borrowings	3,576	2,978
	+ current borrowings excluding overdrafts	1,189	1,095
	- derivative financial instruments recognized as assets	(13)	(12)
		4,753	4,062
(2) Operating cash			
	Cash and cash equivalents	1,950	1,519
	+ financial assets related to the Benefits and Rewards Services activity	1,035	960
	- bank overdrafts	(72)	(81)
		2,914	2,399
(3) Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)			
	Operating profit	1,021	1,157
	+ depreciation and amortization	347	296
		1,368	1,453

REVENUE BREAKDOWN

REVENUES BY SEGMENT (In millions of euro)	H1 FY19	H1 FY18	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	5,645	5,295	+2.8%	+1.2%	+6.3%	-0.9%	+6.6%
Health Care & Seniors	2,552	2,359	+2.2% ¹	+5.6%	+0.4%	+2.1%	+8.2%
Education	2,420	2,228	+3.6%	+3.6%	+1.8%	+3.2%	+8.6%
On-site Services	10,617	9,882	+2.8%	+2.8%	+3.9%	+0.7%	+7.4%
Benefits & Rewards Services	430	413	+10.1%	+10.1%	+0.2%	-6.3%	+4.1%
Elimination	-2	-2					
TOTAL GROUPE	11,045	10,293	+3.1%	+3.1%	+3.7%	+0.5%	+7.3%



Thank you