

# Sodexo Group Presentation

November, 2016



# 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.

Alternative Performance Measures have been marked with an \* please refer to section 7 for definitions (from slide 56).

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1

# SODEXO AT A GLANCE

# SODEXO AT A GLANCE

## SODEXO: KEY FACTS

 €20.2 bn Revenues



425,000 employees

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

 75 million consumers served daily

 80 countries

 €16.0 bn  
Market capitalization

(August16)

- Founded in 1966 by Pierre Bellon
- Main Shareholder at 31/08/2016:
  - > Bellon S.A 39.6% of capital (54.8% of voting rights)

### Dow Jones Sustainability Indices



**FORTUNE**  
WORLD'S MOST  
**ADMIRED**  
COMPANIES<sup>®</sup> 2016



Strong  
Investment  
Grade Rating  
S&P A



# SODEXO AT A GLANCE AN ENGAGED WORKFORCE

425,000

employees

88%

of employees rate Sodexo  
as the best employer  
in its sector<sup>(1)</sup>

93.1%

client retention rate

68%

Employee  
engagement rate<sup>(1)</sup>

404,705

employees trained

42%

of women on the Board  
of Directors

(38% of women in Comex  
54% of total workforce)

# SODEXO AT A GLANCE

## OUR MAJOR STRENGTHS

Independence

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

Significant  
market  
potential

A global network  
covering  
**80 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 AT A GLANCE

## WORLD LEADER IN QUALITY OF LIFE SERVICES

An **unrivalled** array of services :

### ON-SITE SERVICES

#### 8 client segments:

- Corporate
- Energy and Ressources (Remote Sites)
- Defense
- Justice
- Sports & Leisure
- Health Care & Seniors
- Education

### BENEFITS AND REWARDS SERVICES

#### 5 service categories:

- Employee Benefits
- Incentives and Recognition
- Employee mobility and Expense management
- Public Benefits
- Gift boxes and cards

### PERSONAL AND HOME SERVICES

#### 3 service categories:

- Childcare
- In-Home Senior Care
- Concierge services

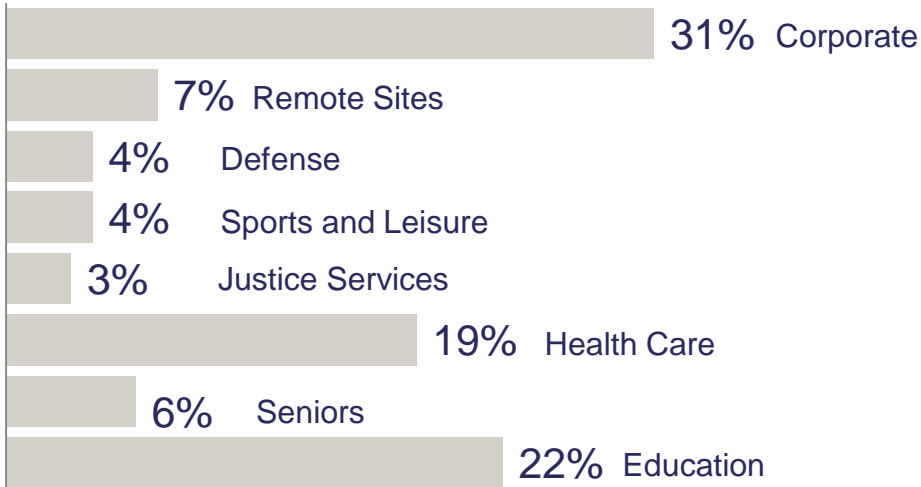


# SODEXO AT A GLANCE

## FISCAL 2016 REVENUE SPLIT: €20.2 bn

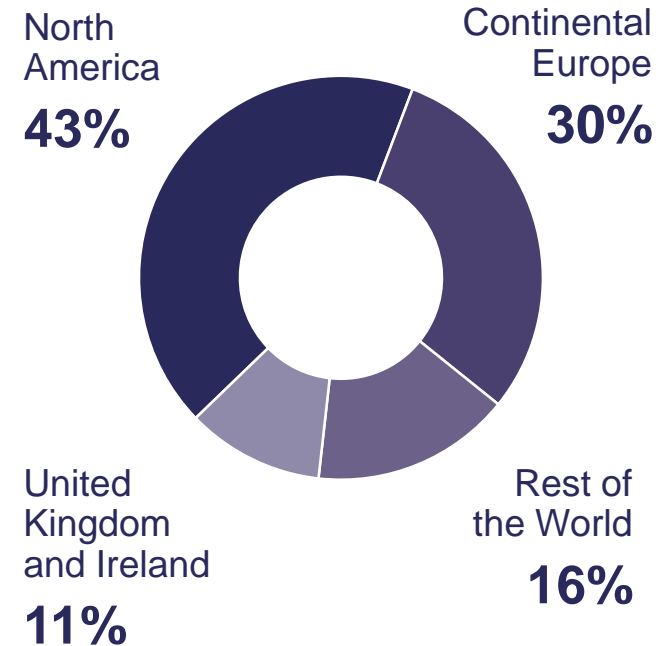
### Revenue by activity and client segment

**On-site Services 96%**



**Benefits and Rewards Services 4%**  
Issue volume of **€16.3 billion**

### Distribution by geographic region



# SODEXO AT A GLANCE

## SODEXO'S VALUE PROPOSITION

- Maximizing value added with a unique and differentiating offer...



... adapted to client priorities :

Increase **people**  
satisfaction, motivation  
and effectiveness

Enhance **processes**  
quality, efficiency  
and productivity

Improve **infrastructure  
and equipment** utilization,  
reliability and safety

To deliver

- Enhanced Quality of life to client employees
- Support for client development and achievement of objectives

# SODEXO AT A GLANCE INTEGRATED QUALITY OF LIFE SERVICES OFFER



# SODEXO AT A GLANCE

## KEY GROWTH DRIVERS

### OVERALL

- **A global economy** in which capital, information, talents and trade are continuously interconnected
- **Rapid urbanization** and development of megacities
- **Emerging market demand** and a rising middle class
- **Increased public deficits** that create pressure to find savings through outsourcing
- **Development of new information and communication technologies**
- **The growing influence of consumers** seeking wellbeing, quality of life, improved health and personalized service
- **Environmental issues**
- **Outsourcing and consolidation of multiple service providers**

### SEGMENT SPECIFIC

#### HEALTH CARE, SENIORS AND EDUCATION

- Demographic change (population growth, life expectancy, expanding number of students, etc.)

#### REMOTE SITES

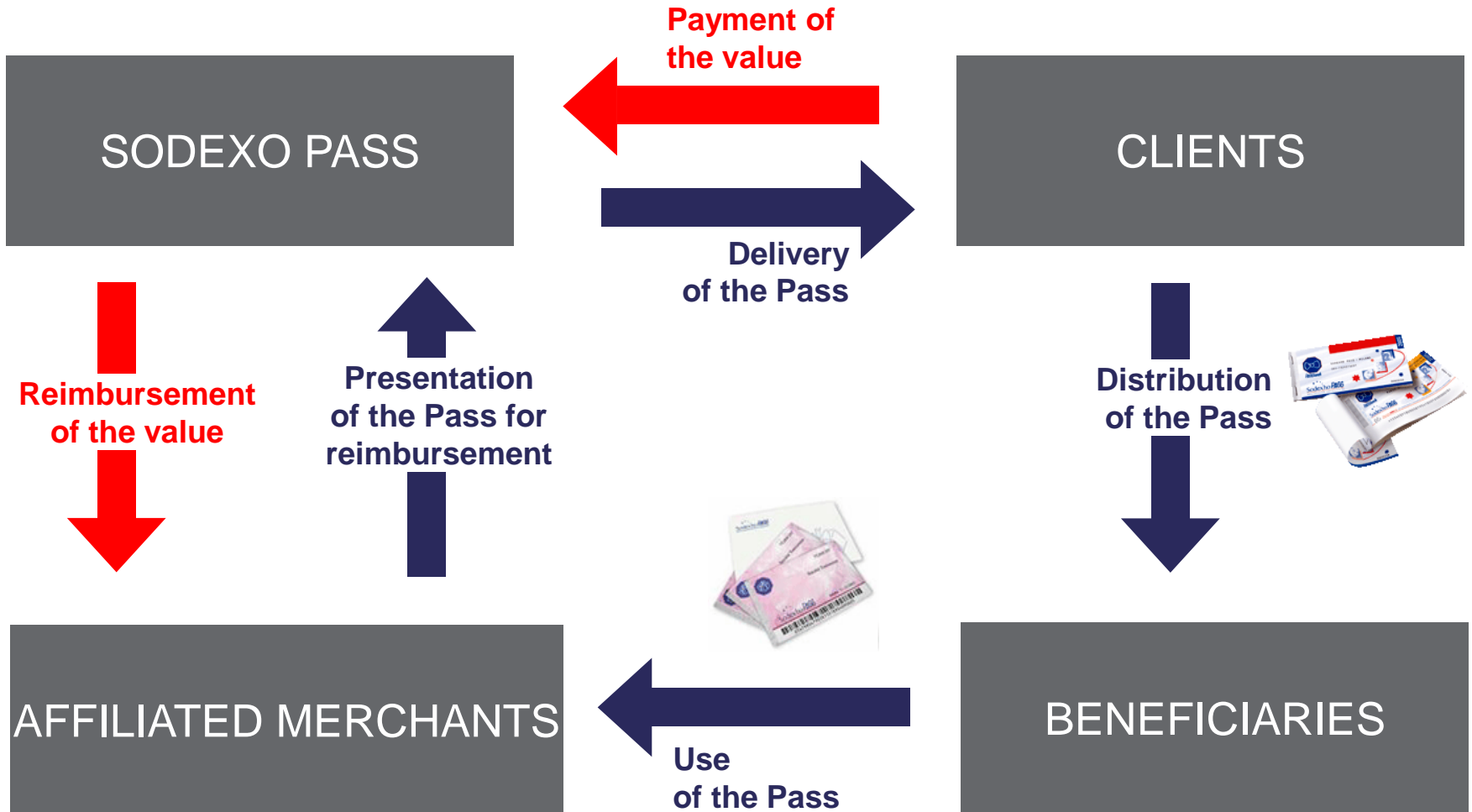
- Oil, gas and mining projects due to energy/raw material prices/demand

#### BENEFITS AND REWARDS

- Battle for talent, work/life balance, welfare policies
- Employee retention and motivation

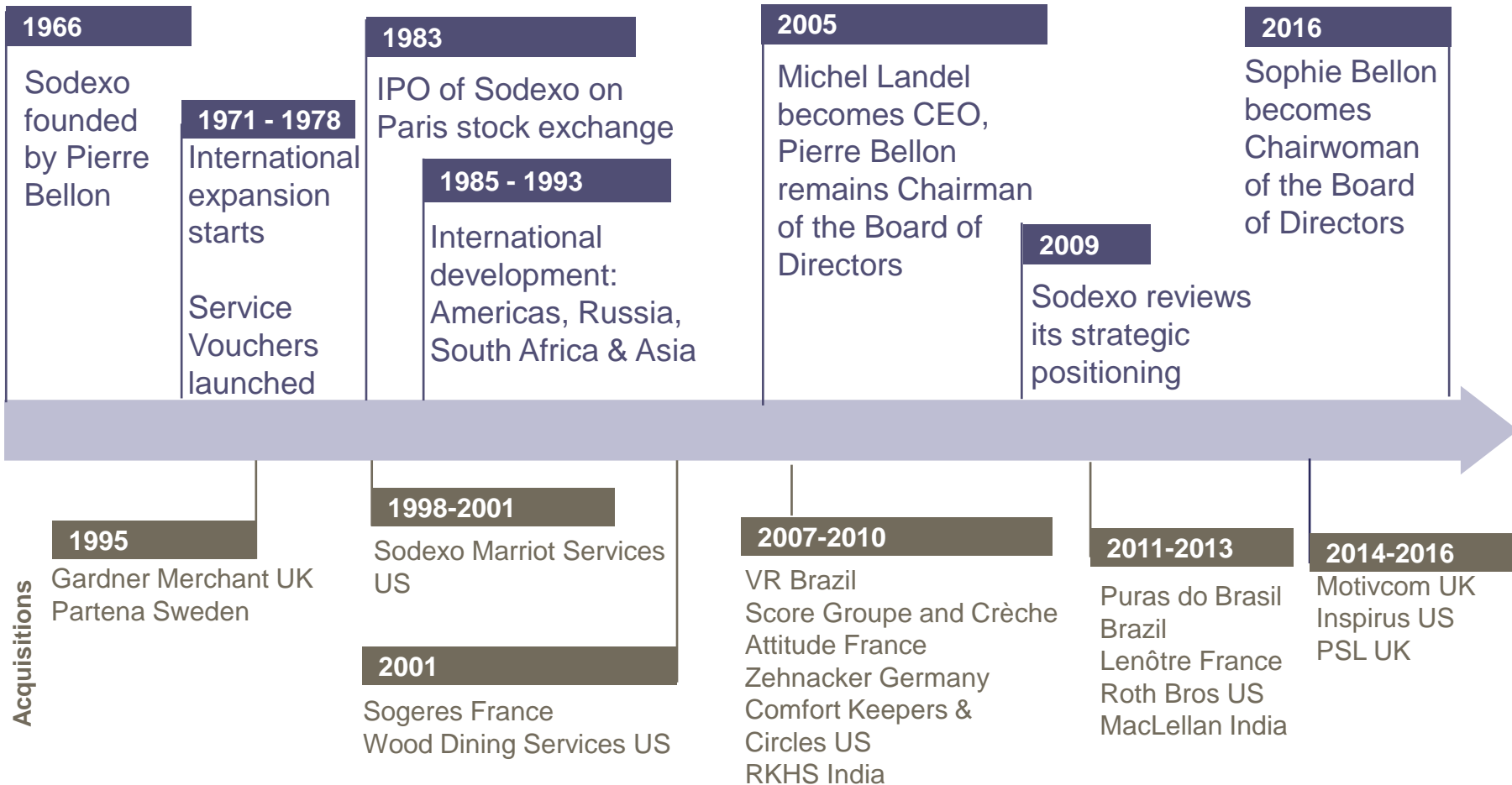
# SODEXO AT A GLANCE

## BENEFITS AND REWARDS: THE PASS CYCLE



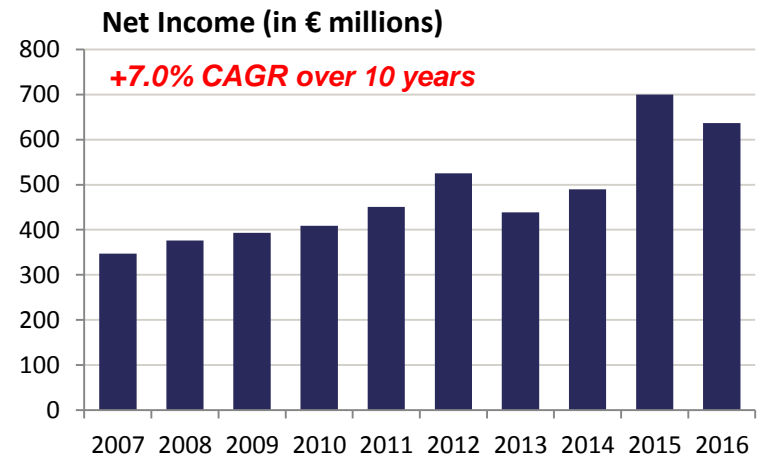
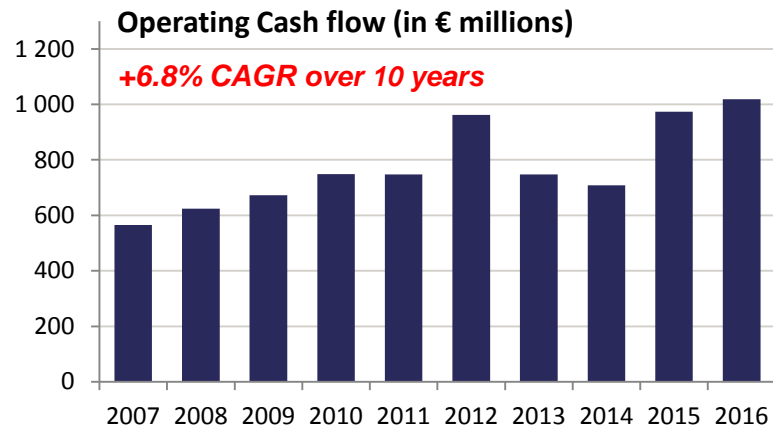
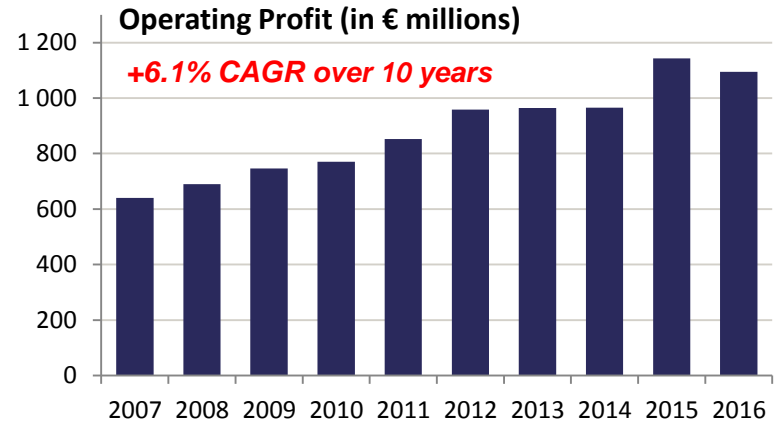
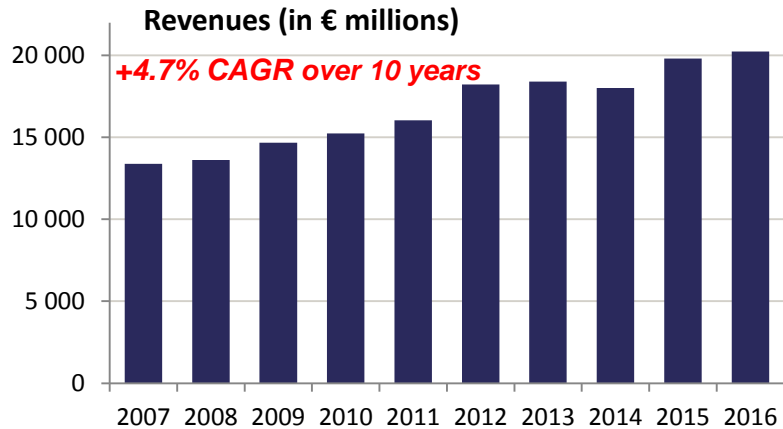
# SODEXO AT A GLANCE

## SODEXO'S DEVELOPMENT - 50 years of history



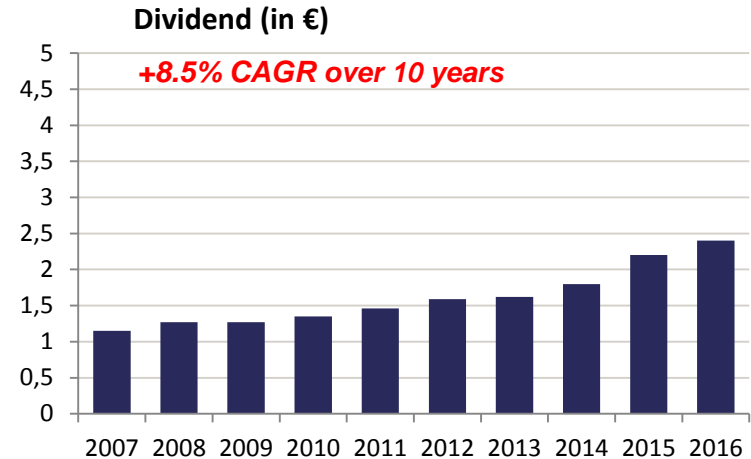
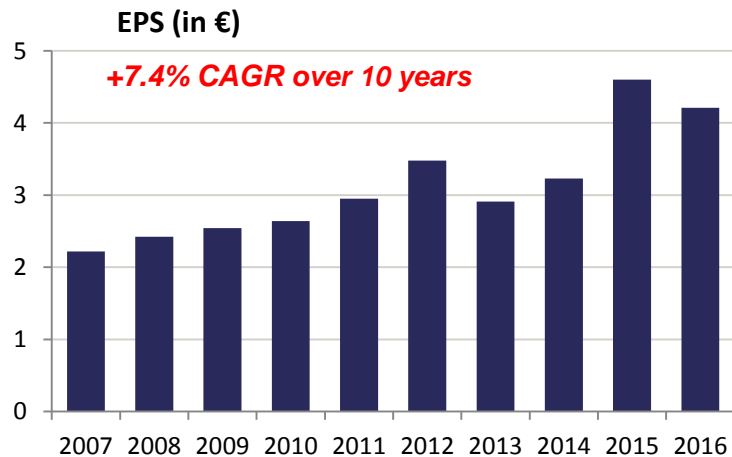
# SODEXO AT A GLANCE

## REGULAR AND SUSTAINED PERFORMANCE



# SODEXO AT A GLANCE

## REGULAR AND SUSTAINED SHAREHOLDER RETURNS





2

**FISCAL 2016**

Yet another year of solid performance:

Revenue  
organic growth\*

**+2.5%**

Operating profit<sup>1</sup>  
growth objective  
achieved

**+8.2%**

Further Operating  
profit margin<sup>1</sup>  
improvement

**+ 30 BPS**

Strong balance  
sheet

**11%**

Gearing\*

**Segmentation**  
enhancing  
business  
opportunities

Consumer focus  
driving **innovative**  
**digital solutions**

Developing  
**M&A** pipeline

Recognized  
**Corporate**  
**Responsibility**

<sup>1</sup> Before Fiscal 2016 exceptional expenses and currency effect

FY 16

# ANOTHER YEAR OF SOLID PERFORMANCE

Free cash flow\*

€595m

EPS

€4.77, +5.8%

Gearing\*

11%

Proposed dividend per share

€2.40

**+9.1%**

Payout ratio<sup>1</sup>

~50%

Total payout<sup>1</sup>

**€371 million**

Share repurchase program

**€300 million**

~1.9% of capital

As per August 31 2016

<sup>1</sup> Payout ratio: Dividend/EPS before non recurring items\* = 50.3%; Dividend/Reported EPS = 57%

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# SEGMENTATION IS ENHANCING BUSINESS OPPORTUNITIES

- Clients seeking productivity and global footprint

**RioTinto**



**Seadrill**

- Driving segment development in white spaces



Melaleuca Women's prison in Australia

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# SEGMENTATION IS ENHANCING BUSINESS OPPORTUNITIES

Greater  
client intimacy



- Facilities management services contract extensions and development
- Geographic extensions of current client relationships
- More agile management of large global accounts
- More services integration between Benefits and Rewards and On-site

For instance in Corporate Services:

- **Danone** and **Unilever** in Indonesia, **Huawei** in Romania, Colombia and Malaysia, **Pfizer** in 12 countries in Asia, **global airport lounge** offer
- **Bancolombia** Facilities Management and Benefits and Rewards Services

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# INCREASE THE VALUE WE BRING THROUGH INNOVATION LEVERAGE INNOVATION CULTURE

Share  
your ideas

Take part  
in a contest

Develop  
your ideas

Innovate  
with partners

eNOVhub

eNOVcontest

eNOVprogram

Open Innovation

A web platform allowing everyone to share, like, support and enrich ideas with **innovative communities**

The eNOVchallenge was only the first of many **internal and/or external innovation contests** that will come

Innovate continuously and **transform your ideas into prototypes**

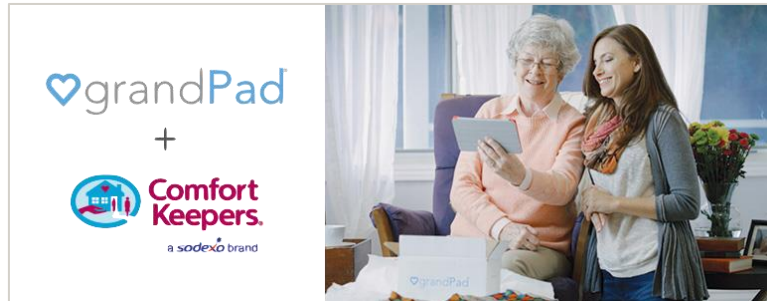
**Think out of the box** with our network of partners: start-ups, incubators and suppliers

**ENGAGE THE COLLECTIVE INTELLIGENCE OF SODEXO'S ECOSYSTEM  
TO TRANSFORM IDEAS INTO VALUE**

FY 16

# CONSUMER FOCUS, DIGITAL TO RESPOND TO CONSUMER BEHAVIOR SHIFTS

- Bring families closer together and provide added-value services



GrandPad  
in the US



So Happy  
for schools  
in Germany,  
and France



Crèche Attitude  
in France



- Flexibility and personalization in line with new ways of working



WeChat  
in China



My Sodexo

Bite  
in the US



- Enhance consumer experience



Cientes felices, negocios felices  
Como Empowered

Happi Loyalty  
in Mexico



## €50 M STRATEGIC VENTURE CAPITAL FUND

- Investing in and accompanying innovative start-ups
- Supporting the Group's long-term investment strategy
- Creating value for clients and consumers by combining the agility and creativity of start-ups with the Group's investment capacity, expertise and international footprint

## FIRST INVESTMENT

**Investment in “WYND”, a cross-channel retail solution and an opportunity for Sodexo to:**

- respond to the changing needs of its 75 million consumers worldwide
- enhance existing services and offer new services
- obtain a 360° vision of consumer experience



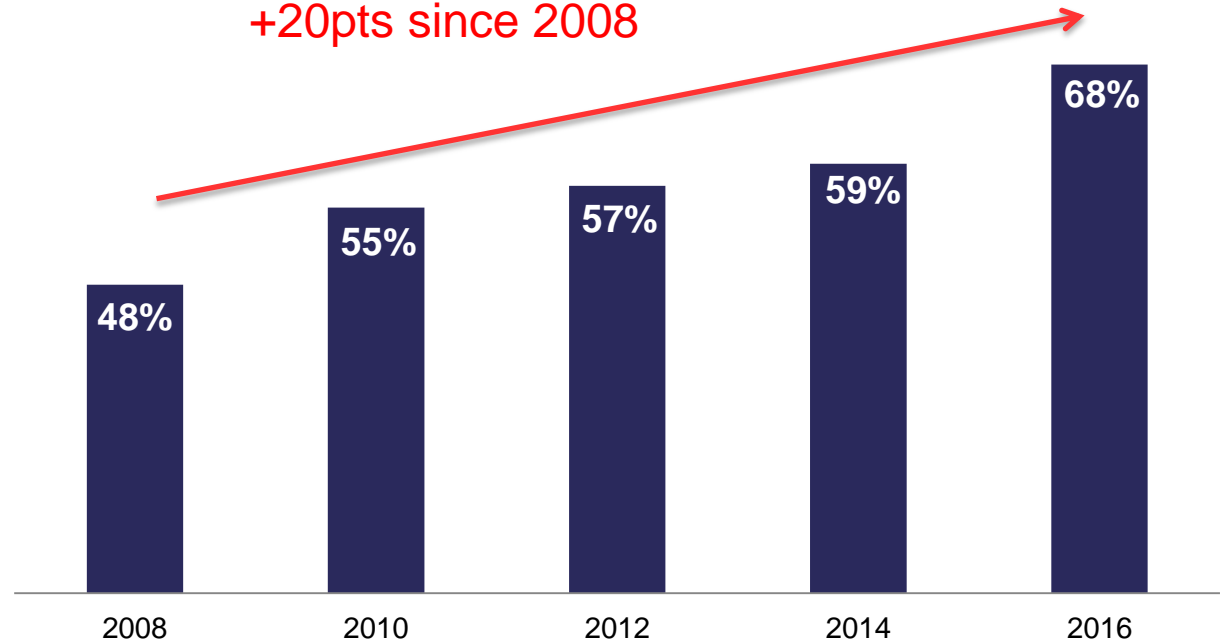


# OUR CORPORATE RESPONSIBILITY COMMITMENT IS CONFIRMED AND RECOGNIZED INTERNALLY

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**2016 employee engagement: 68%**  
+20pts since 2008



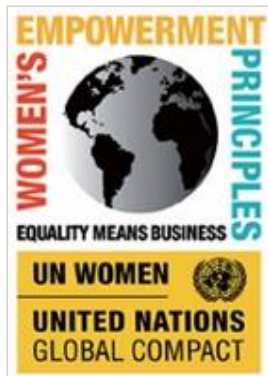
- A 100% online survey
- Over 211 500 employees completed the survey
- 21 entities achieved Aon Hewitt Best Employer Certification
- 88% of employees rate Sodexo as the best employer in its sector

# OUR CORPORATE RESPONSIBILITY COMMITMENT IS CONFIRMED AND RECOGNIZED EXTERNALLY

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

Industry Leader of the  
**Dow Jones Sustainability Index**  
for the 12<sup>th</sup> consecutive year



Awarded CEO Leadership award by  
**United Nations Women  
Empowerment Principles**



Carbon emissions  
reduction by 34%  
between 2011 and 2020

# OUR CORPORATE RESPONSIBILITY COMMITMENT IS ACTIVE IN DAILY LIFE

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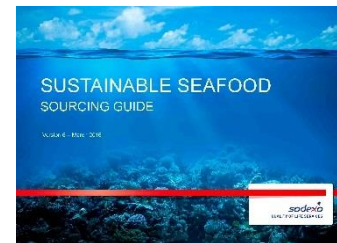
INTERNATIONAL  
**FOOD  
WASTE**  
COALITION

Founding Member of the  
International Food  
Waste Coalition

Sodexo Awarded **Maximum Score**  
on **World Wildlife Fund Palm  
Oil Buyers Scorecard**



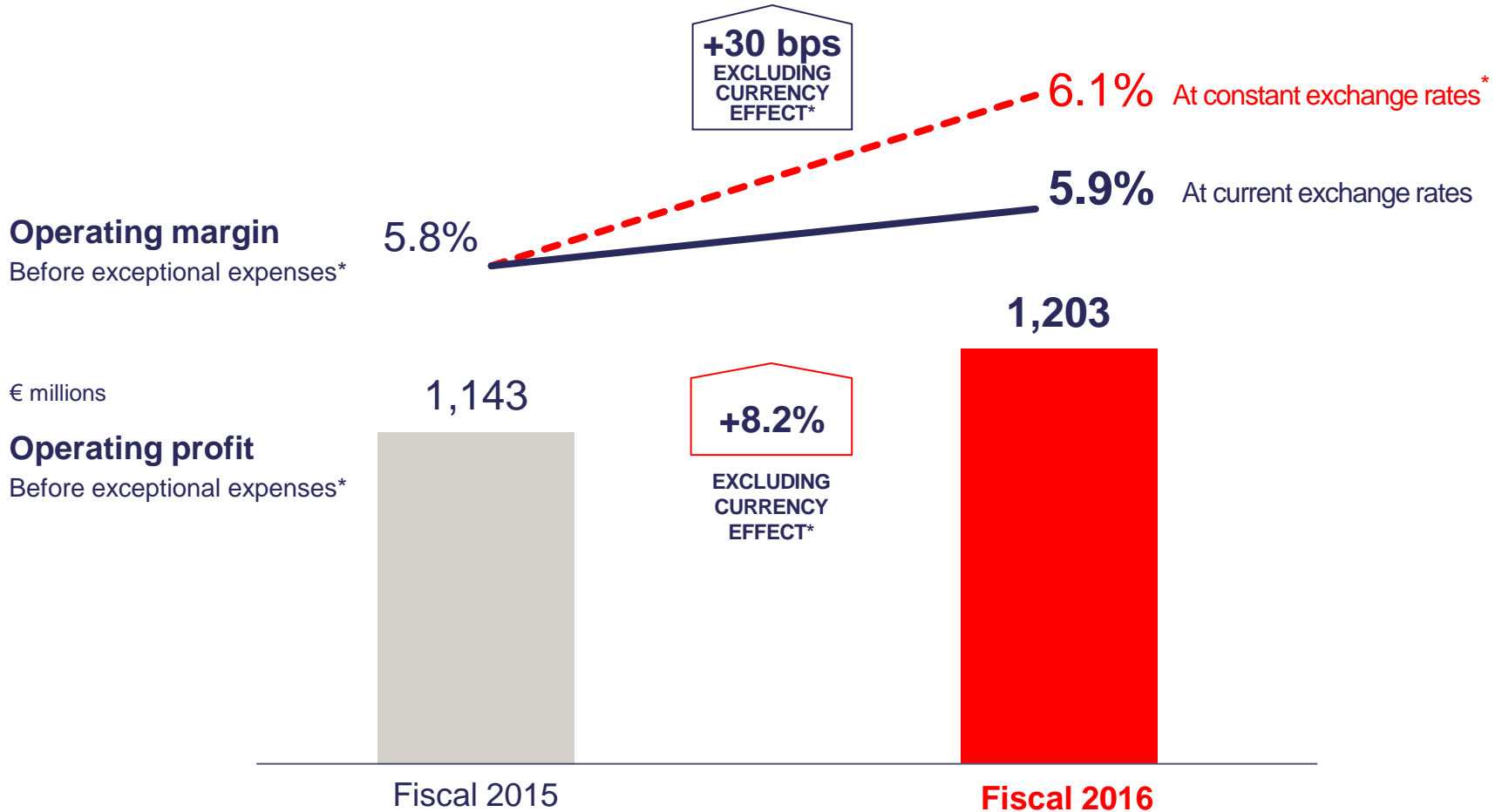
Partnership for a  
Healthier America



Sustainable  
Sea Food

# SOLID IMPROVEMENT IN OPERATING PERFORMANCE

FY 16



# POSITIVE MOMENTUM IN OPERATING PERFORMANCE OVER PAST 2 YEARS

FY 16

## Operating margin

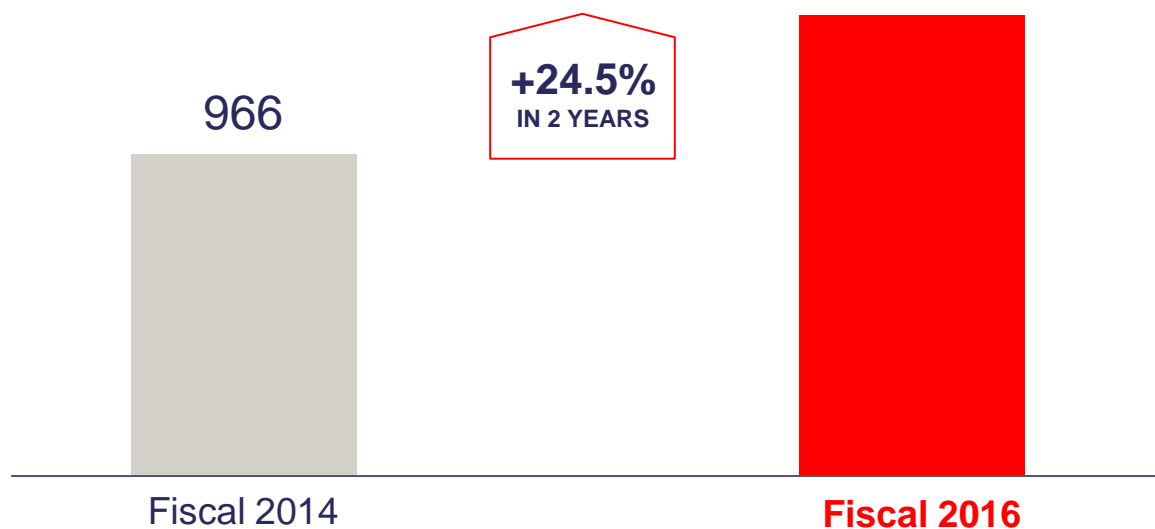
Before exceptional expenses\*



€ millions

## Operating profit

Before exceptional expenses\*



## OBJECTIVES

- Faster alignment of on-site operating expenses
- Organizational simplification
- Increased international pooling of resources
- 200m€ of annual cost savings by Fiscal 2018

## ACHIEVEMENTS

- ▶ €108m of exceptional expenses\* booked in Fiscal 2016
- ▶ €32m of cost reduction achieved in Fiscal 2016
- ▶ Good visibility on full €200m savings  
424 projects, of which 377 already approved
- ▶ Spread across all segments and regions,  
with approximately half in North America, France and Germany

# SOLID PERFORMANCE IN THE P&L

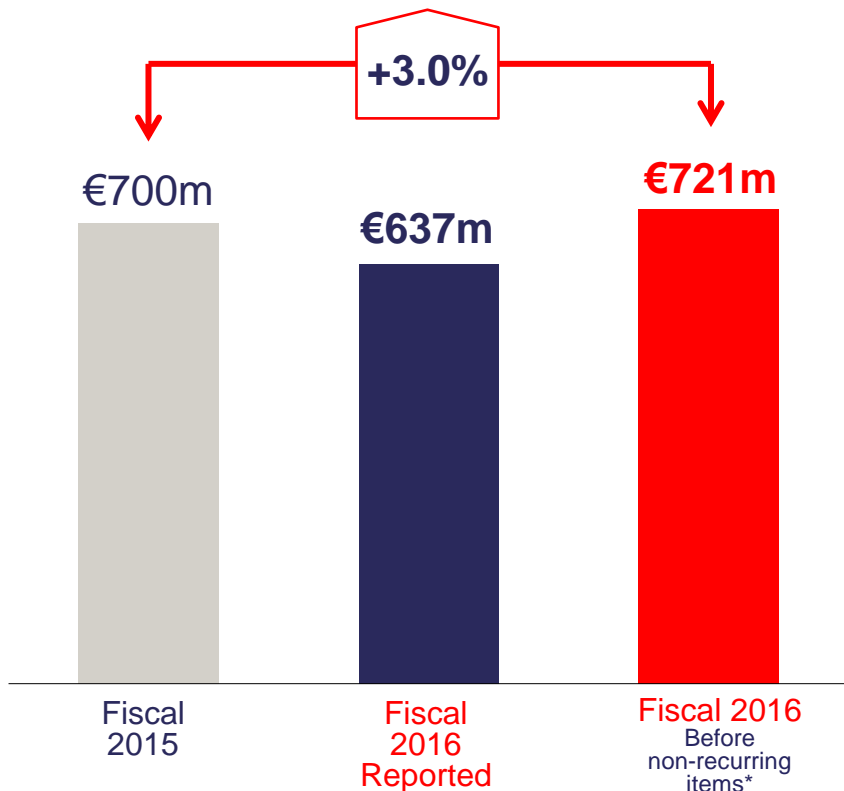
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€ millions	Fiscal 2016	Fiscal 2015	CHANGE	
			At current exchange rates	Excluding currency effect*
Revenues	20,245	19,815	+2.2%	+2.6%
Operating profit before exceptional expenses*	1,203	1,143	+5.2%	+8.2%
Operating margin before exceptional expenses*	5.9%	5.8%	+10 bps	+30 bps
Exceptional expenses*	(108)	-		
Operating profit	1,095	1,143		
Net financial expense	(111)	(107)		
Effective tax rate	33.7%	31.1%		
<b>Group net profit Before non recurring items*</b>	<b>721</b>	<b>700</b>	+3.0%	+5.2%
<b>Group net profit</b>	<b>637</b>	<b>700</b>	-9.0%	

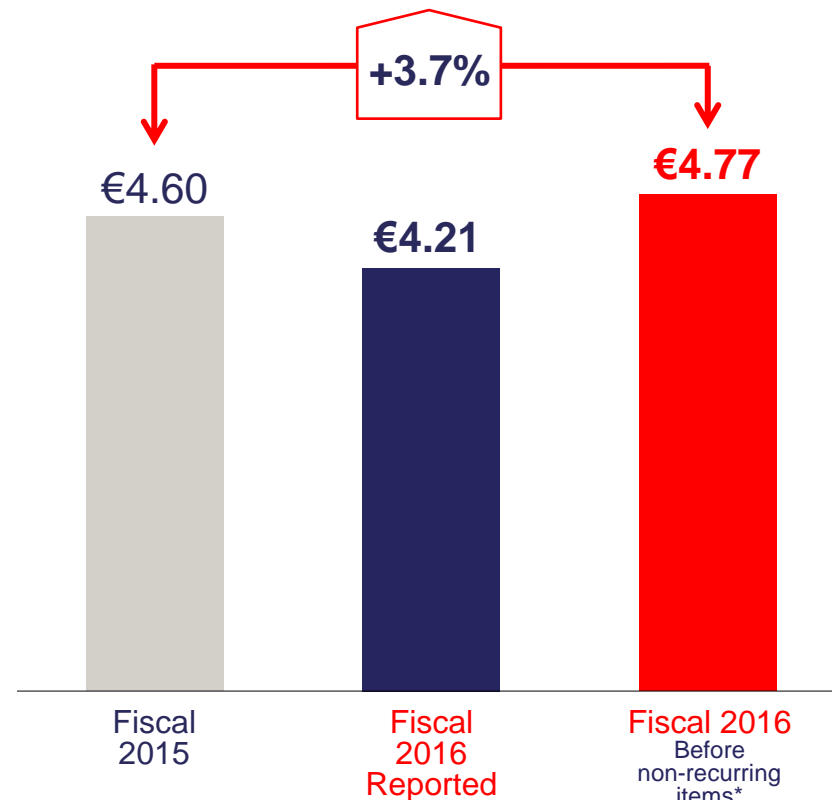
# EPS BENEFITS FROM SHARE REPURCHASES

FY 16

## Group net profit



## Earnings per share





# DEBT RESTRUCTURING TO REDUCE FINANCE COSTS

FY 16

## OBJECTIVES

- Increase maturity
- Significantly reduce interest costs

## ACHIEVEMENTS

- ▶ Early reimbursement of \$316m<sup>1</sup> of US debt at an average rate of 5.0%
- ▶ Indemnity of \$23m in Fiscal 2016 and \$12m in Fiscal 2017
- ▶ Total interest saved over next seven years of \$53m
- ▶ Issued €600m in October 2016 at a yield of 0.88% with a maturity of 10½ years

**Maturity increased by nearly a year to 7½ years,  
and interest rate falls from  
3.8% in Fiscal 2015 to 2.7% pro forma Fiscal 2016**

<sup>1</sup>Of which 208 m\$ in Fiscal 2016 and 108 m\$ in Fiscal 2017

# STRONG CASH FLOW DESPITE RIO TINTO AND RUGBY CONTRACTS

FY 16

€ millions

	Fiscal 2016	Fiscal 2015
Operating cash flow	1,019	973
Change in working capital <sup>1</sup>	(74)	44
<b>Net cash provided by operating activities</b>	<b>945</b>	<b>1,017</b>
Net capital expenditure	(398)	(353)
Change in financial assets related to the Benefits and Rewards Services	48	24
<b>Free cash flow</b>	<b>595</b>	<b>688</b>
Net acquisitions	(42)	(49)
Share buy-backs	(300)	-
Dividends	(355)	(300)
Other changes in shareholders' equity	80	(23)
Other changes (including scope and exchange rates)	(45)	(284)
<b>(Increase)/decrease in net debt</b>	<b>(67)</b>	<b>32</b>

Fiscal 2016 impact:

- Rio Tinto: €(65)m
- Rugby World Cup: €(51)m

<sup>1</sup> Including change in financial assets in Benefits and Rewards Services of €(48)m in Fiscal 2016 and €(24)m in Fiscal 2015.

~ 1/3

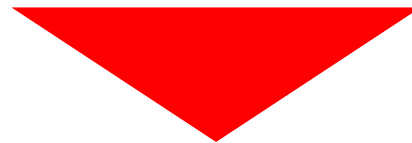
CAPEX, for the right clients at the right terms

~ 1/3

M&A

~ 1/3

Dividend Payout ratio ~ 50%



TARGET NET DEBT/EBITDA BETWEEN 1 AND 2 YEARS  
MAINTAIN STRONG INVESTMENT RATING

# SOLID BALANCE SHEET

FY 16

## ROBUST RATIOS

€ millions	Aug. 31, 2016	Aug. 31, 2015		Aug. 31, 2016	Aug. 31, 2015
Non-current assets	7,498	7,334	Shareholders' equity	3,668	3,710
Current assets excluding cash	4,486	4,396	Non-controlling interests	34	34
Financial assets related to the BRS activity <sup>1</sup>	799	739	Non-current liabilities	3,549	3,593
Cash	1,375	2,008	Current liabilities	6,907	7,140
<b>Total assets</b>	<b>14,158</b>	<b>14,477</b>	<b>Total liabilities &amp; equity</b>	<b>14,158</b>	<b>14,477</b>
			Gross debt	2,553	3,047
			Net debt*	407	339
			Gearing ratio*	11%	9%
			Net debt ratio* (net debt/EBITDA)	0.3	0.2

Operating cash totaled **€2,146 million<sup>2</sup>**,  
of which **€1,498 million**  
related to **Benefits and Rewards Services**

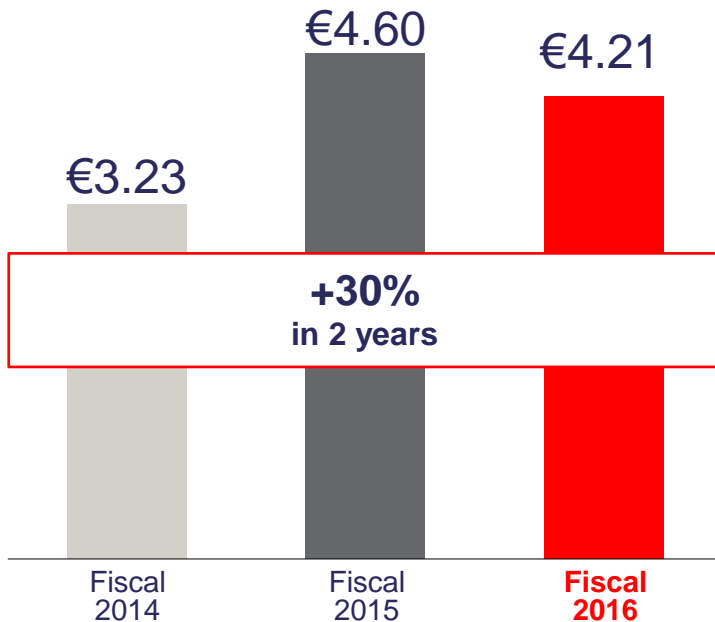
<sup>1</sup> Fiscal 2016 breakdown: Restricted cash €507m and Financial Assets €292m

<sup>2</sup> Cash – Bank overdrafts of €28m + Financial assets related to BRS activity

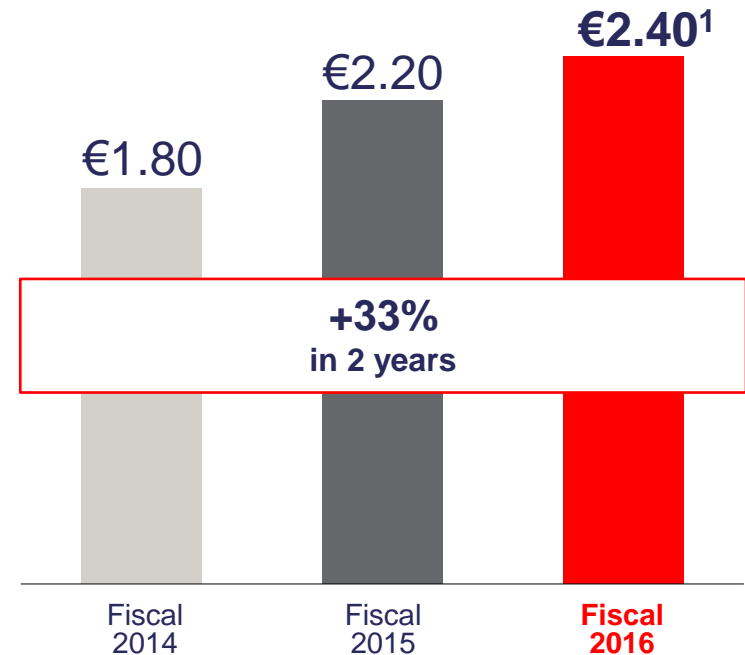
# A REGULAR INCREASE IN THE DIVIDEND

FY 16

## Earnings per share



## Dividend per share



<sup>1</sup> To be proposed at the AGM on January 24, 2017

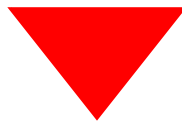
FY 16

# GROWTH DESPITE REMOTE SITES DECLINE

**Revenue growth**  
**+2.2%**

Currency effect  
-0.4%

Scope changes  
+0.1%



**Organic growth\***  
**+2.5% (+4% excluding Remote Sites)**

of which:

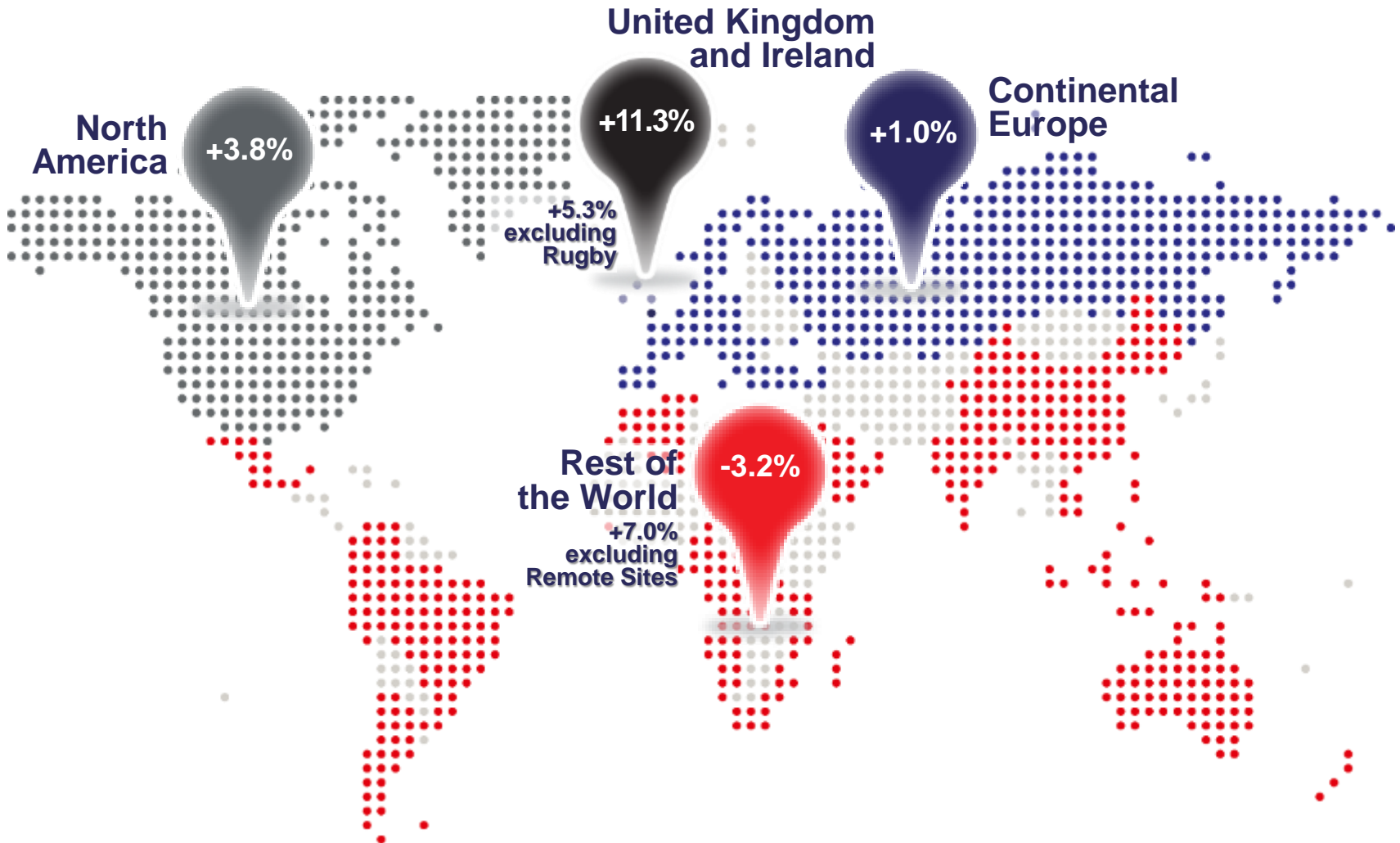
On-site Services  
**+2.4%**

Benefits and Rewards Services  
**+4.7%**

ON-SITE SERVICES

FY 16

+2.4% ORGANIC GROWTH\*, +4% excluding Remote Sites



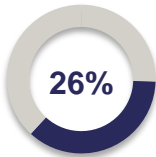


## Corporate

- Rugby World Cup contribution
- Ramp-up of integrated service contracts, in North America and the United Kingdom
- Steep decline in Remote Sites, although stabilizing

organic growth\*

**+2.4%**

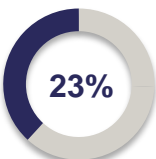


## Health Care and Seniors

- Comparable site growth
- Development in the United States
- Limited contract wins in Continental Europe and United Kingdom

**+5.8%**  
Excluding Remote Sites

**+3.4%**



## Education

- New business in United Kingdom and Asia
- Summer US sales campaign: modest in Universities but stronger in Schools

**+1.2%**

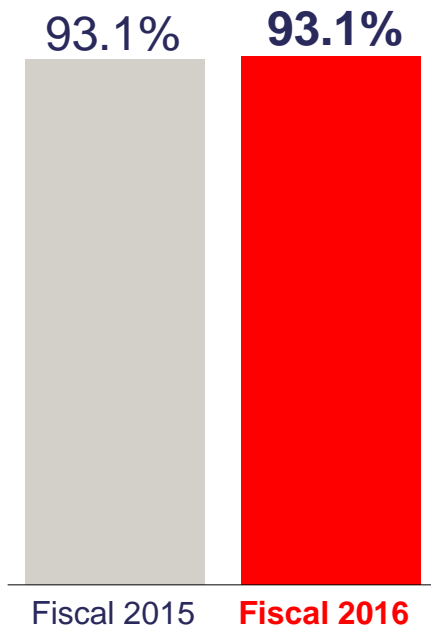
% of Fiscal 2016 On-site Services revenues



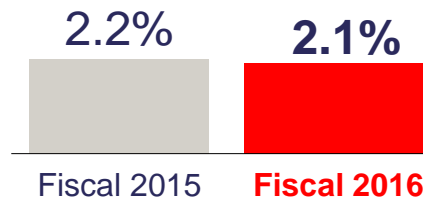
# ON-SITE SERVICES GROWTH INDICATORS

FY 16

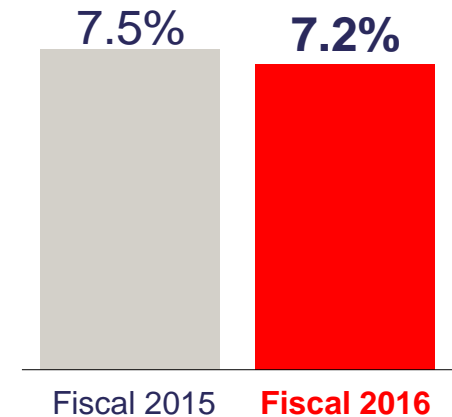
## Client retention



## Comparable unit growth



## Business development



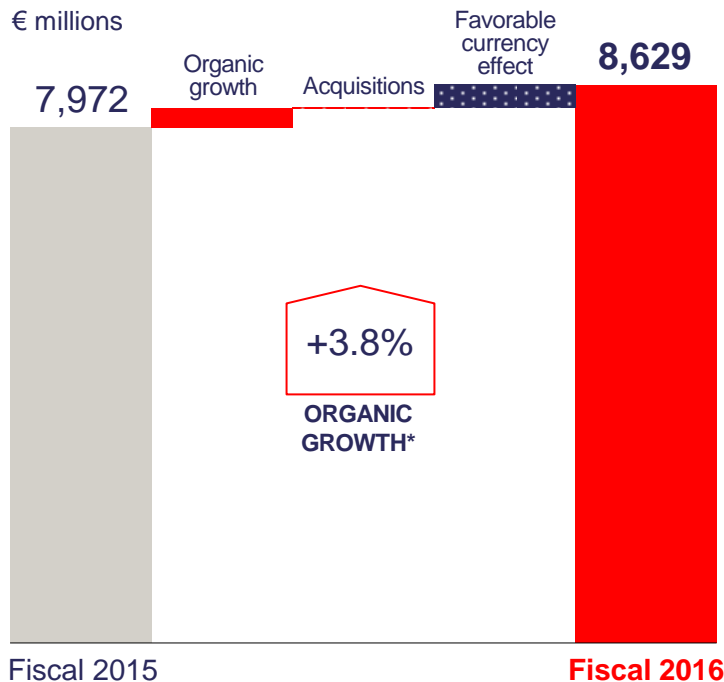
# ON-SITE SERVICES NORTH AMERICA

FY 16



Fiscal 2016

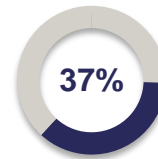
## Revenues



### Corporate

**+7.1%**

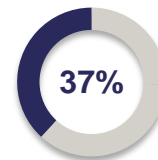
- New contract wins
- Good cross-selling of Facilities Management services



### Health Care and Seniors

**+4.9%**

- Ramp-up of contracts
- Strong same site growth



### Education

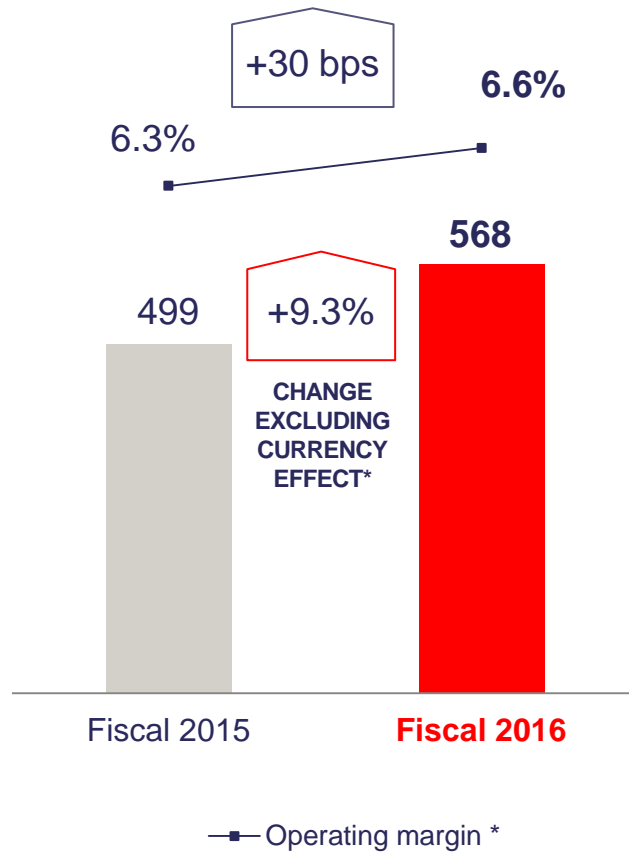
**+0.4%**

- Slow new business in previous year
- Strong same site sales offset by modest development in Universities
- Some improvement in Schools new business in Fiscal 2016

% of Fiscal 2016 revenues

€ millions

## Operating profit



- Significant reduction of SG&A
- Strong contract management and cost control

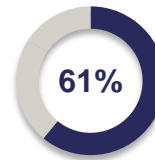
# ON-SITE SERVICES CONTINENTAL EUROPE

FY 16



Fiscal 2016

## Revenues

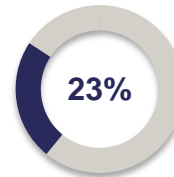
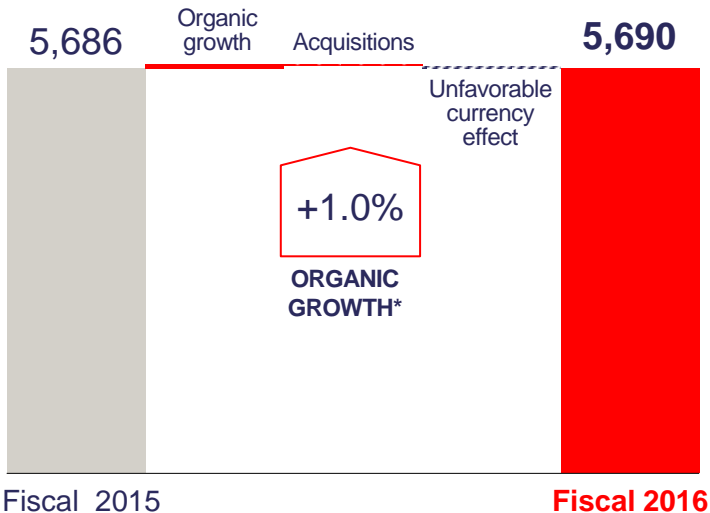


### Corporate

+1.7%

- Strong growth in Russia, Turkey and Germany
- Difficult situation in France, especially in Q4

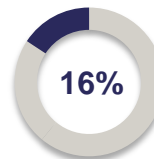
€ millions



### Health Care and Seniors

-1.3%

- Ramp-up of Korian contract in seniors
- Selective approach to new business, especially in France
- Strong growth in Sweden



### Education

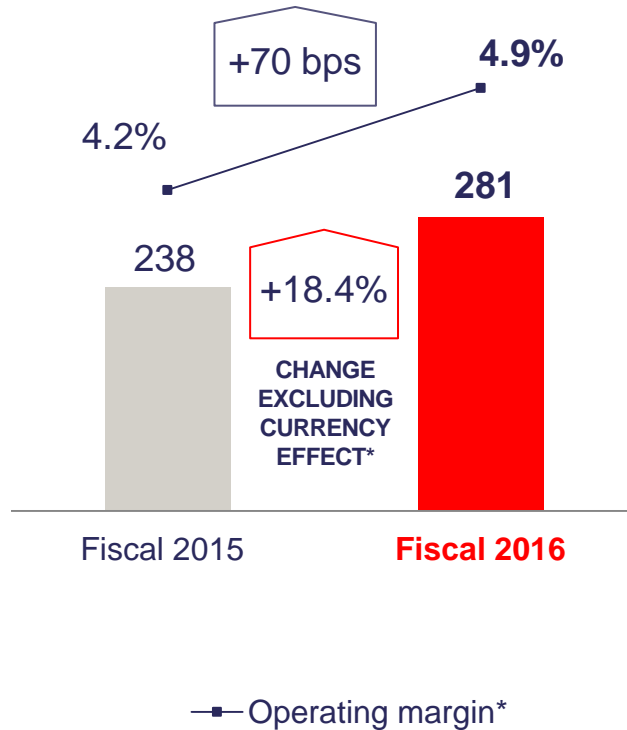
+1.8%

- Growth in Germany and France

% of Fiscal 2016 revenues

## Operating profit

€ millions



- Productivity gains at existing sites
- Efficient management of food costs
- Ongoing effect of selective approach to contracts

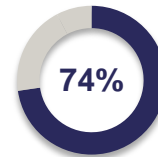
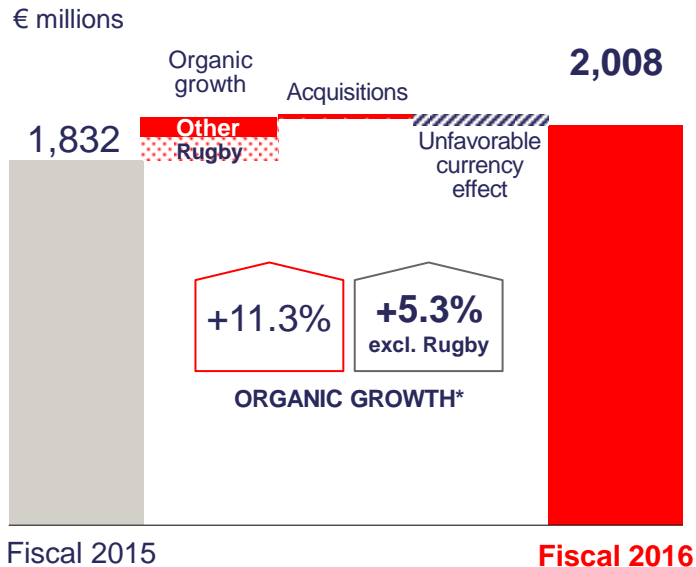
# ON-SITE SERVICES UNITED KINGDOM AND IRELAND

FY 16



Fiscal 2016

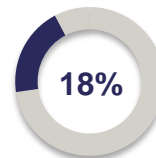
## Revenues



### Corporate

+14.2%

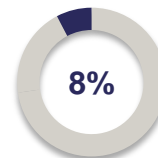
- Contribution of Rugby World Cup (€131m in Q1, +8.3% to organic growth)
- Rest of Corporate growing at +5.9% thanks to Fiscal 2015 ramp-ups and contract extensions in facilities management services



### Health Care and Seniors

-0.9%

- High retention but low development due to market conditions



### Education

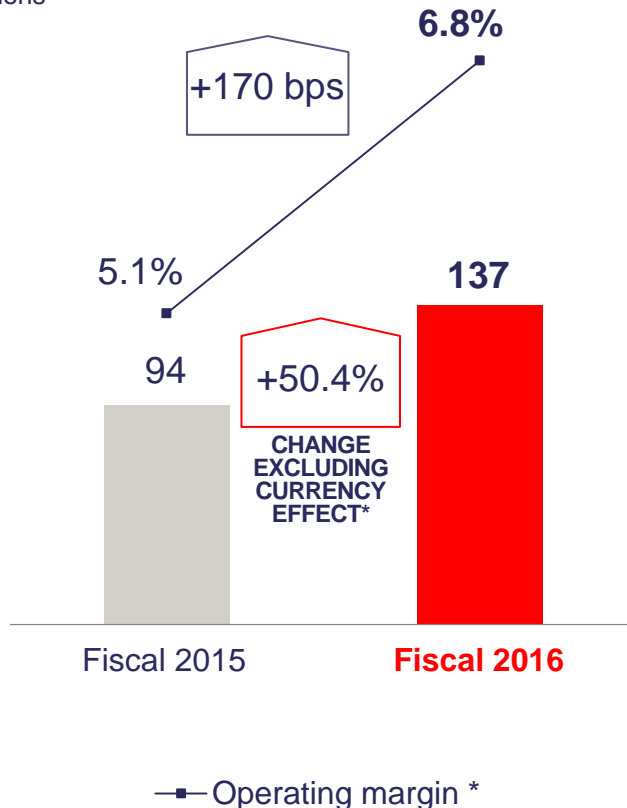
+15.1%

- Strong business development
- Additional volumes on existing sites

% of Fiscal 2016 revenues

## Operating profit

€ millions



- Focus on operational profitability
- Efficiency gains on overheads
- Contribution of Rugby World Cup

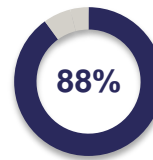
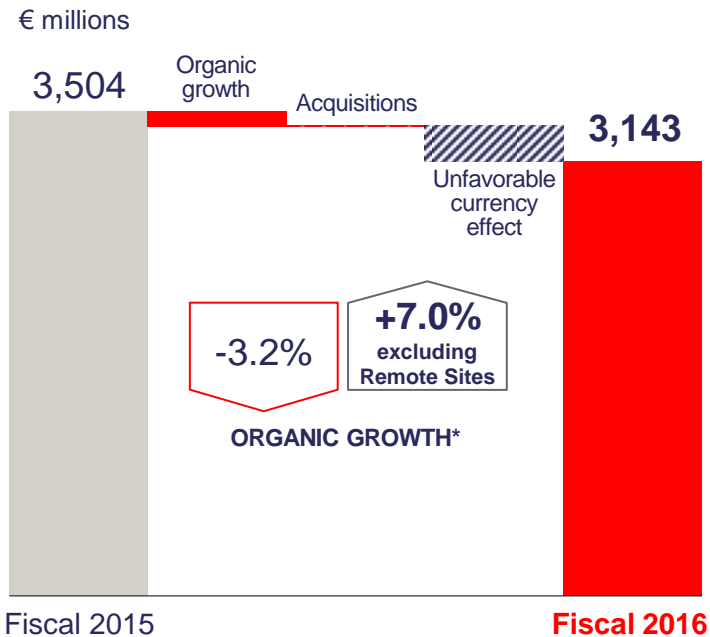
# ON-SITE SERVICES REST OF THE WORLD<sup>1</sup>

FY 16



Fiscal 2016

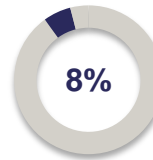
## Revenues



### Corporate

**-4.9%**

- 16% decline in Remote Sites, with solid underlying growth on rest of activity
- Strong business development



### Health Care and Seniors

**+19.4%**

- Continued growth in Latin America and Asia



### Education

**+0,3%**

- Strong development in Asia offset by contract exit in Africa

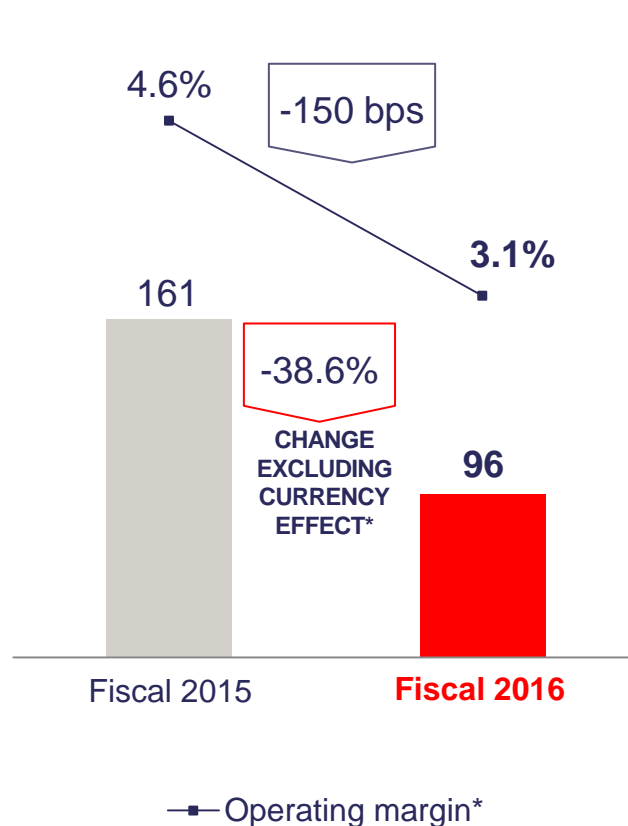
% of Fiscal 2016 revenues

<sup>1</sup> Latin America, Africa, Middle East, Asia, Australia and Remote Sites



€ millions

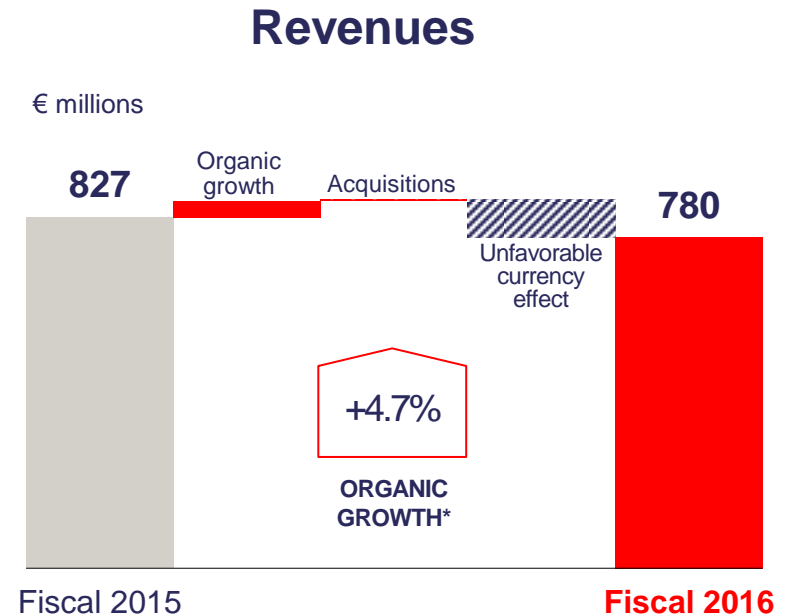
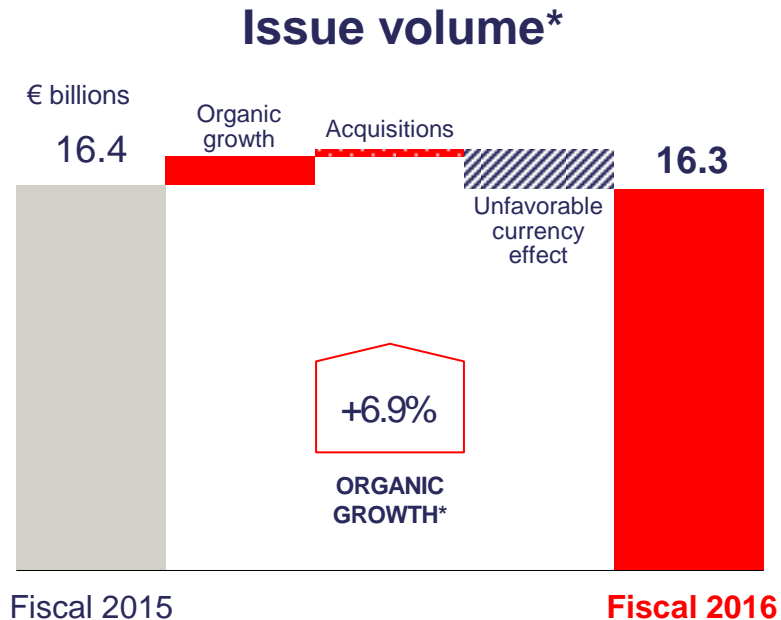
## Operating profit



- Exit costs in South America mining contracts
- Investment in the technical platform in Asia
- Significant operating cost reductions but insufficient to offset Remote Sites volume decline
- Mobilization of Rio Tinto

# BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

FY 16



- Solid organic growth in Latin America despite a slowdown in Brazil
- Growth in Europe and Asia

Note: organic growth is defined as growth at constant consolidation scope and exchange rates (converting Fiscal 2016 figures at Fiscal 2015 rates), except for Venezuelan Bolivar (Fiscal 2016 and Fiscal 2015 revenues and issue volume in VEF have been converted at the exchange rate of USD 1 = VEF 645 vs. VEF 199 for Fiscal 2015.)

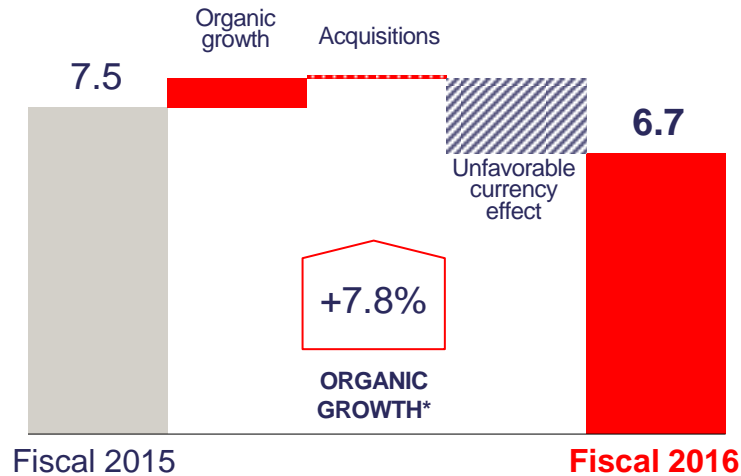
# BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

FY 16

## Latin America

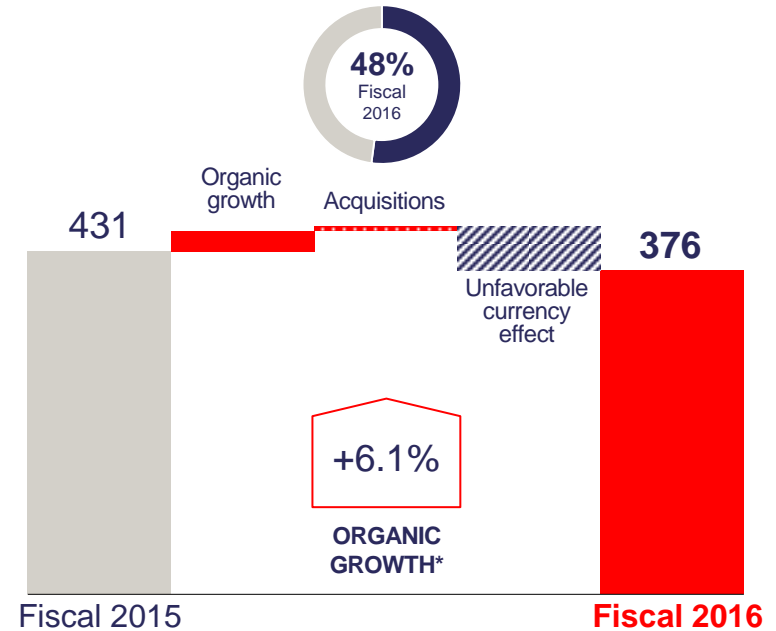
€ billions

### Issue volume\*



€ millions

### Revenues



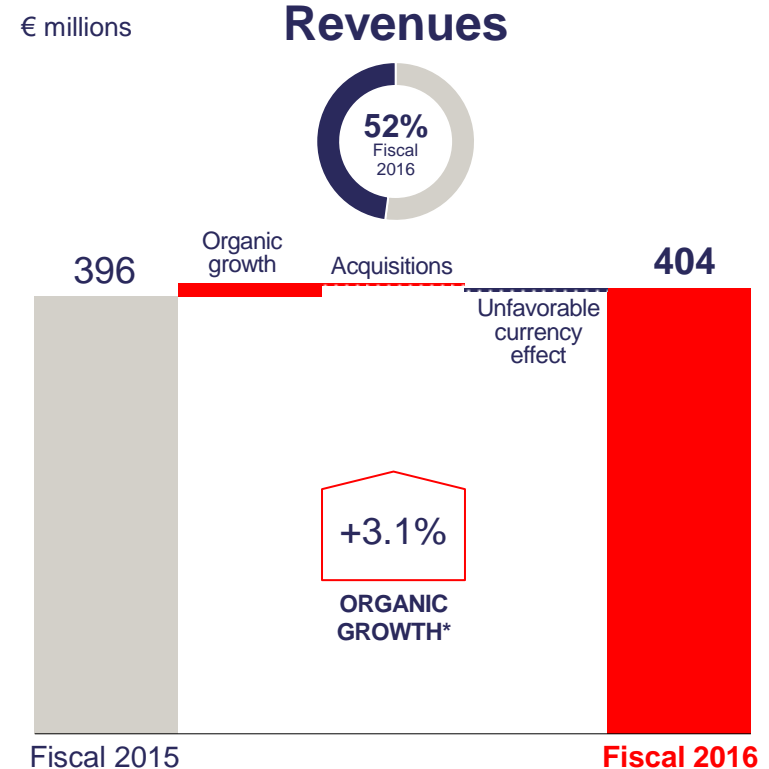
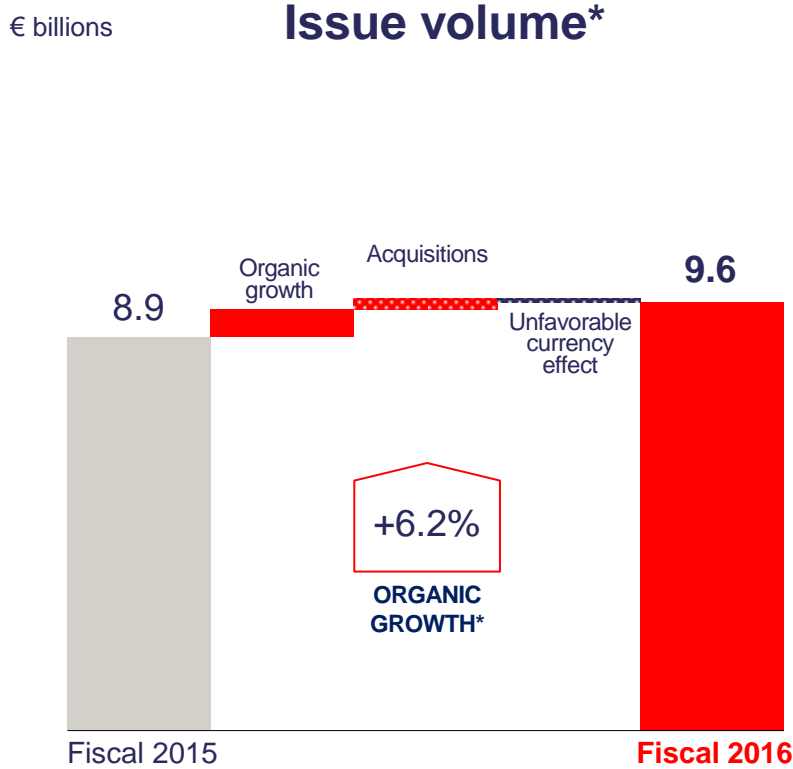
- Higher face values and interest rates
- Strong growth in Mexico and Chile
- Considerable pricing pressure in Brazil

Note: organic growth is defined as growth at constant consolidation scope and exchange rates (converting Fiscal 2016 figures at Fiscal 2015 rates), except for Venezuelan Bolivar (Fiscal 2016 and Fiscal 2015 revenues and issue volume in VEF have been converted at the exchange rate of USD 1 = VEF 645 vs. VEF 199 for Fiscal 2015.)

# BENEFITS AND REWARDS SERVICES ISSUE VOLUME AND REVENUES

FY 16

## Europe and Asia

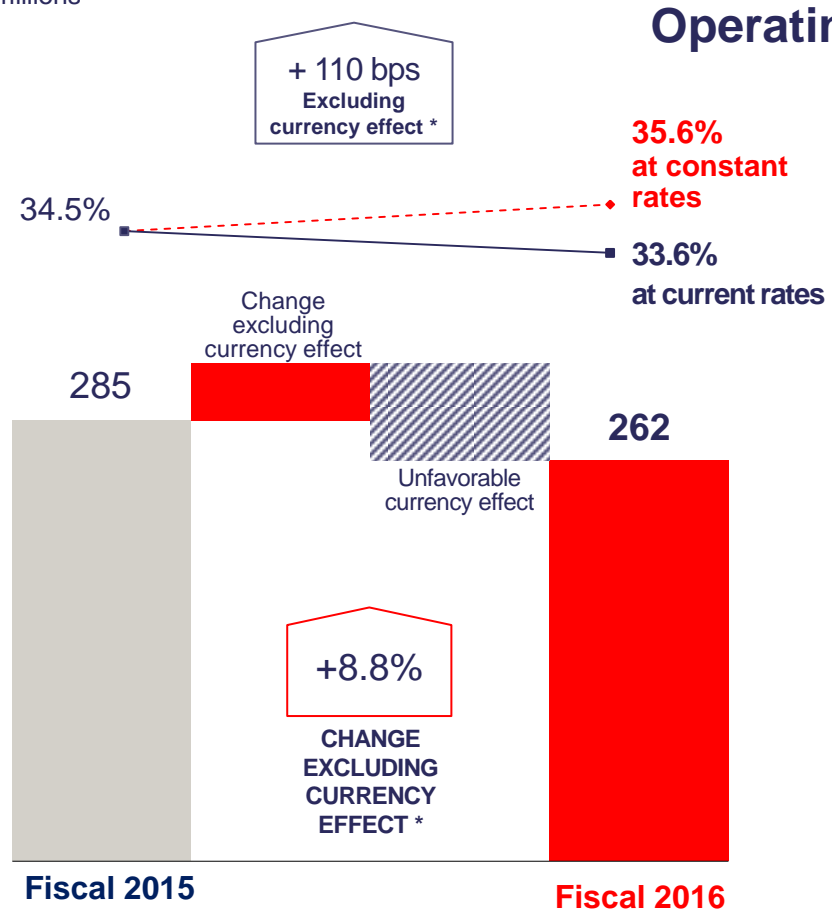


- Strong development in Turkey
- Lower interest rates in Europe
- Continued penetration in Asia

# BENEFITS AND REWARDS SERVICES OPERATING PROFIT

FY 16

€ millions



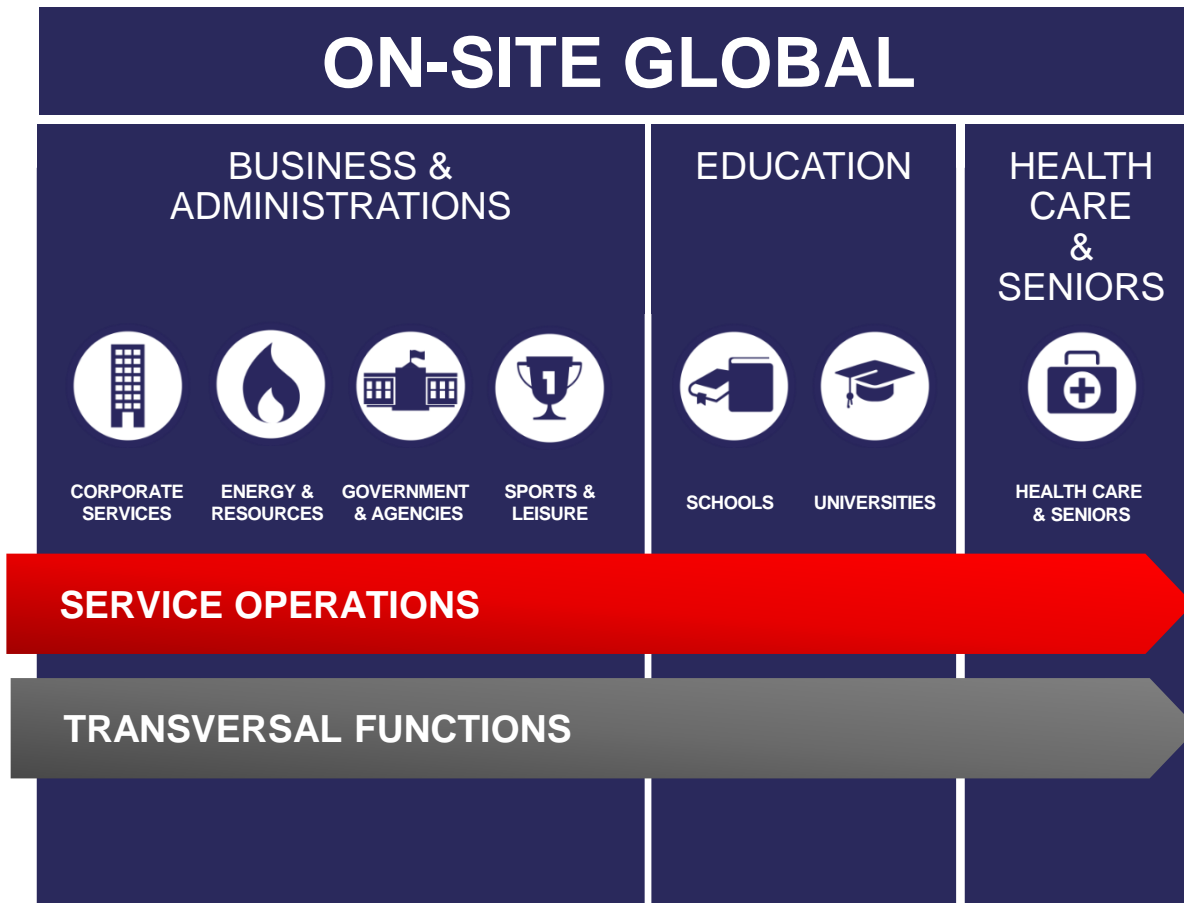
- Negative impact of exchange rates (mainly BRL)
- Tight control of overheads and processing costs

Note: change excluding currency effect calculated converting Fiscal 2016 figures at Fiscal 2015 rates, except for Venezuelan Bolivar (Fiscal 2016 and Fiscal 2015 figures in VEF have been converted at the exchange rate of USD 1 = VEF 645 vs. VEF 199 for Fiscal 2015).

# 3

## OUTLOOK

NEW SEGMENT REPORTING  
REMINDER: EVOLUTION OF THE ORGANIZATION  
SINCE SEPTEMBER 1, 2015



# NEW SEGMENT REPORTING MEETING ON JANUARY 12, IN LONDON (Q1 FISCAL 2017)

- Provide Fiscal 2016 comparative quarterly sales and interim results
- New format starting Q1 2017
- On-Site revenues split by 3 Segments:

- **Business & Administrations:**

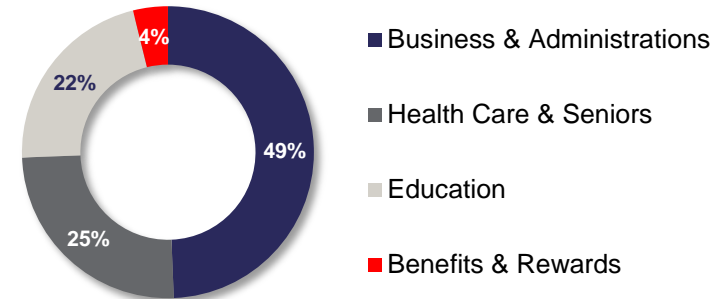
- > Corporate,
- > Energy & Resources,
- > Government & Agencies
- > Sports & Leisure
- > Non segmented activities

- **Health Care & Seniors**

- **Education:**

- > Schools
- > Universities

FISCAL 2016 REVENUES  
BREAKDOWN BY SEGMENTS



- These 3 segments will be split by geography:

- North America
- Europe, including UK and Ireland
- Africa, Asia, Australia, Latam, Middle East

- Starting from Fiscal 2017, operating margins reported only by segment
- Transversal functional costs (HR, Finance, Service Operations...) will be allocated to each segment (excluding Group HQ costs)
- No change for Benefits and Rewards



# CONFIDENCE IN OUTLOOK FOR FISCAL 2017

## REVENUE GROWTH:

Stabilization  
in Remote Sites sector  
and strong  
new business

US Education will benefit  
from Schools  
new business

Easier comparative  
base in France

Segmentation boosting  
geographic and facilities  
management contract  
extensions, white space  
development, best  
practice exchanges

Continued Management  
focus on accelerating  
growth and margins

Consumer centric  
digitalization,  
new Quality of Life  
offers...

M&A pipeline

Tough comparative base  
in the UK related to  
Rugby World Cup,  
particularly in Q1

## COST REDUCTION:


Ramp-up of Adaptation  
and Simplification program savings

Continued tight control of SG&A  
and operational efficiency

Lower financing costs

# FISCAL 2017 OBJECTIVES

Despite challenging revenue comparables in first half, the Group is confident in achieving the following Fiscal 2017 objectives:

- 
- Organic revenue growth\* of around 3 %
  - Growth in operating profit between 8 and 9 %  
(excluding currency effect and exceptional items related to the Adaptation and Simplification program)

# MEDIUM-TERM OBJECTIVES

The Group maintains its medium-term objectives:

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

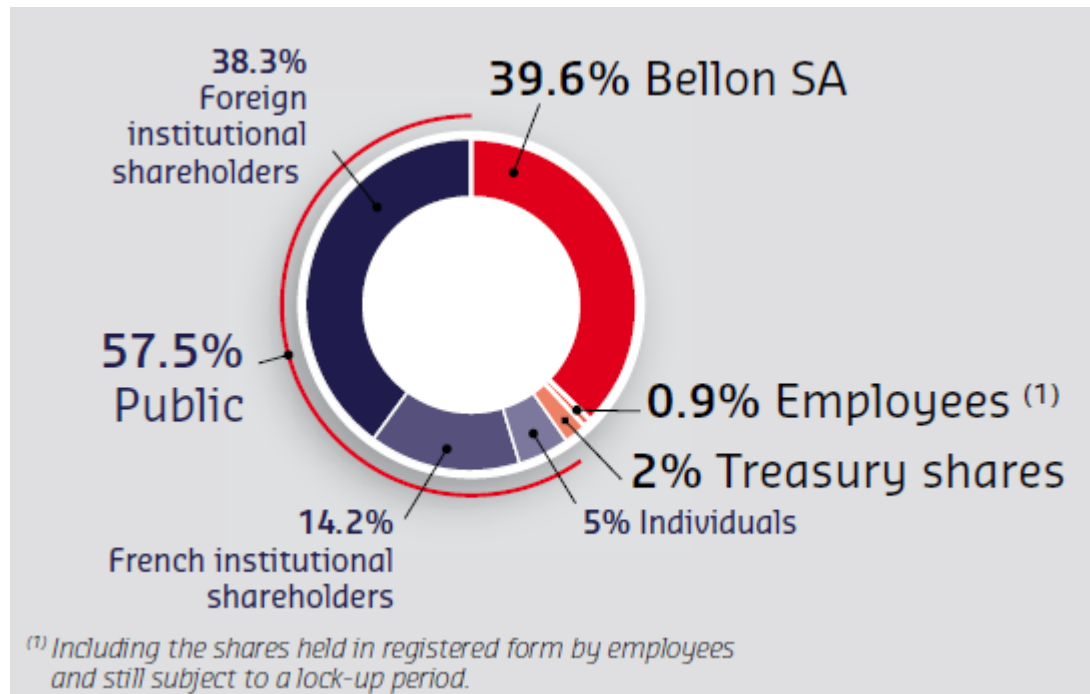
average annual **growth** in  
**operating profit of between 8%**  
**and 10%** (excluding currency effect)

# 4

## SHAREHOLDERS & INVESTOR RELATIONS

# SHAREHOLDERS AND INVESTOR RELATIONS

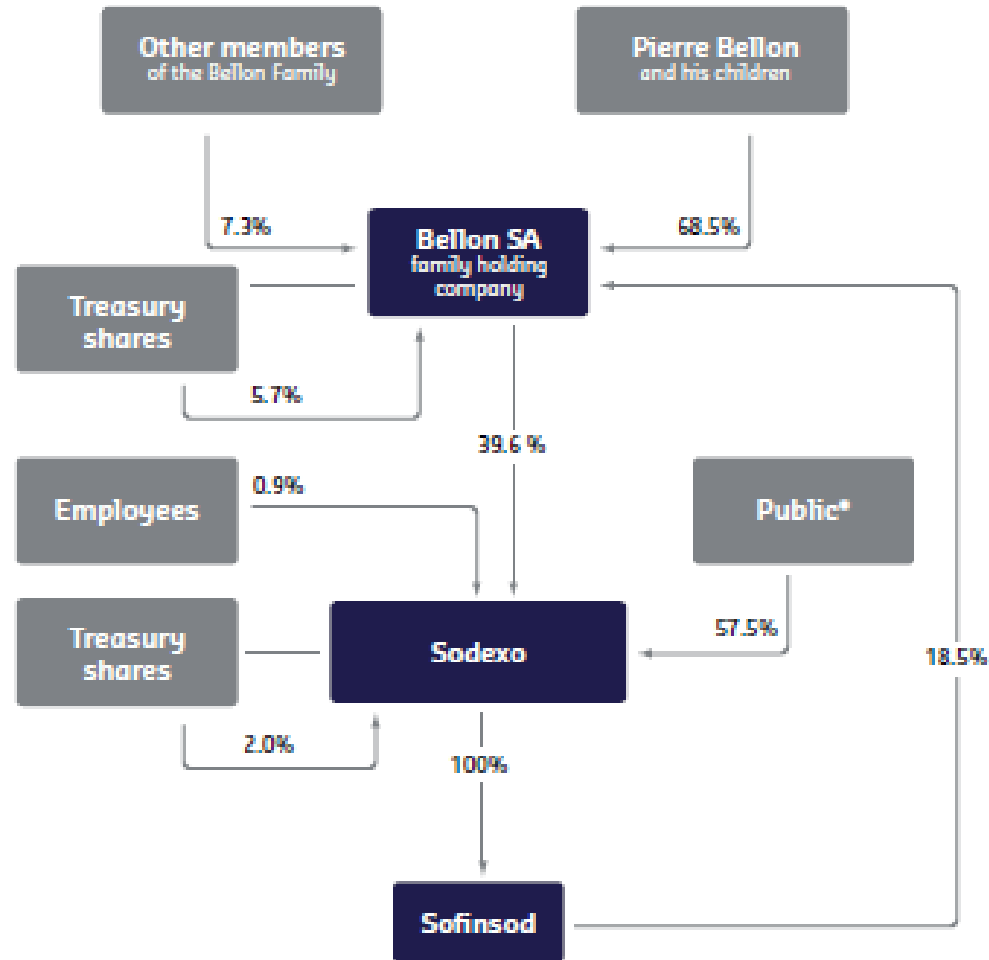
## SODEXO SHARE OWNERSHIP as of August 31, 2016



- Bellon SA held 39.6% of the Sodexo's shares and 54.8% of the exercisable voting rights, as of August 31, 2016.

# SHAREHOLDERS AND INVESTOR RELATIONS

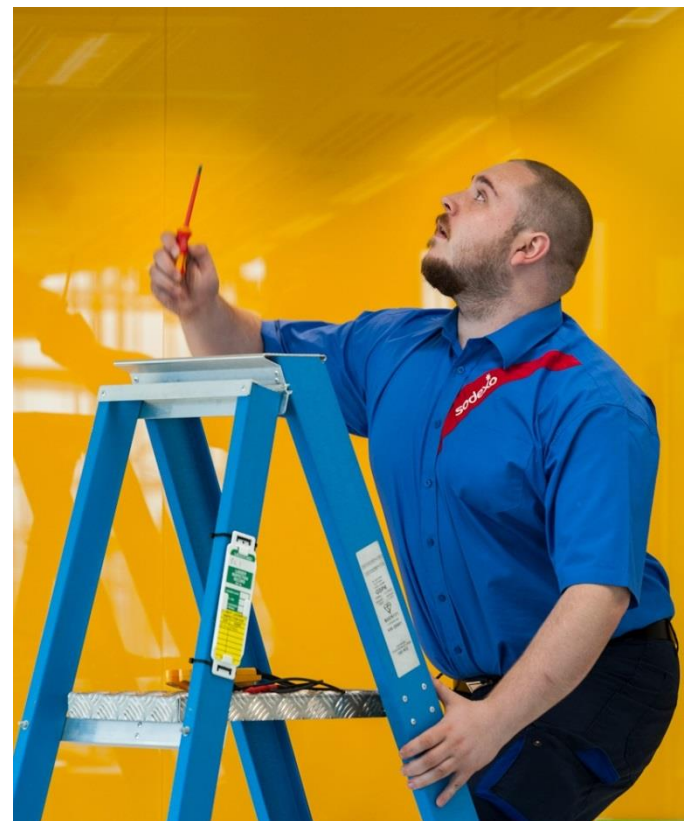
## SODEXO SHARE OWNERSHIP as of August 31, 2016



\* Treasury shares: as of August 31, 2016, Sodexo directly held 3,074,444 treasury shares (representing 2% of the share capital), which have been allocated to cover the various stock option and free share plans awarded to Group managers.

# SHAREHOLDERS AND INVESTOR RELATIONS FISCAL 2017 FINANCIAL CALENDAR

<b>First quarter revenues, Fiscal 2017</b>	<b>January 12, 2017</b>
<b>Annual Shareholders' Meeting 2017</b>	<b>January 24, 2017</b>
<b><i>Dividend Ex-date</i></b>	<b>February 6, 2017</b>
<b><i>Dividend Record date</i></b>	<b>February 7, 2017</b>
<b><i>Payment of dividend</i></b>	<b>February 8, 2017</b>
<b>Half-year results, Fiscal 2017</b>	<b>April 13, 2017</b>
<b>Nine month revenues, Fiscal 2017</b>	<b>July 6, 2017</b>
<b>Annual results, Fiscal 2017</b>	<b>November 16, 2017</b>
<b>Annual Shareholders' Meeting 2018</b>	<b>January 23, 2018</b>



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).

# 5

## SODEXO SHARE PERFORMANCE



# SODEXO SHARES

- Sodexo shares are **listed on NYSE Euronext Paris**  
Euroclear code: FR 0000121220; included in the Next 20 index
- Sodexo American Depositary Receipts (ADRs) are traded on the over the counter (OTC) market, ticker SDXAY, with five ADRs representing one Sodexo share.

Since the initial listing in 1983

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**SHARE PRICE has been multiplied by 67\***

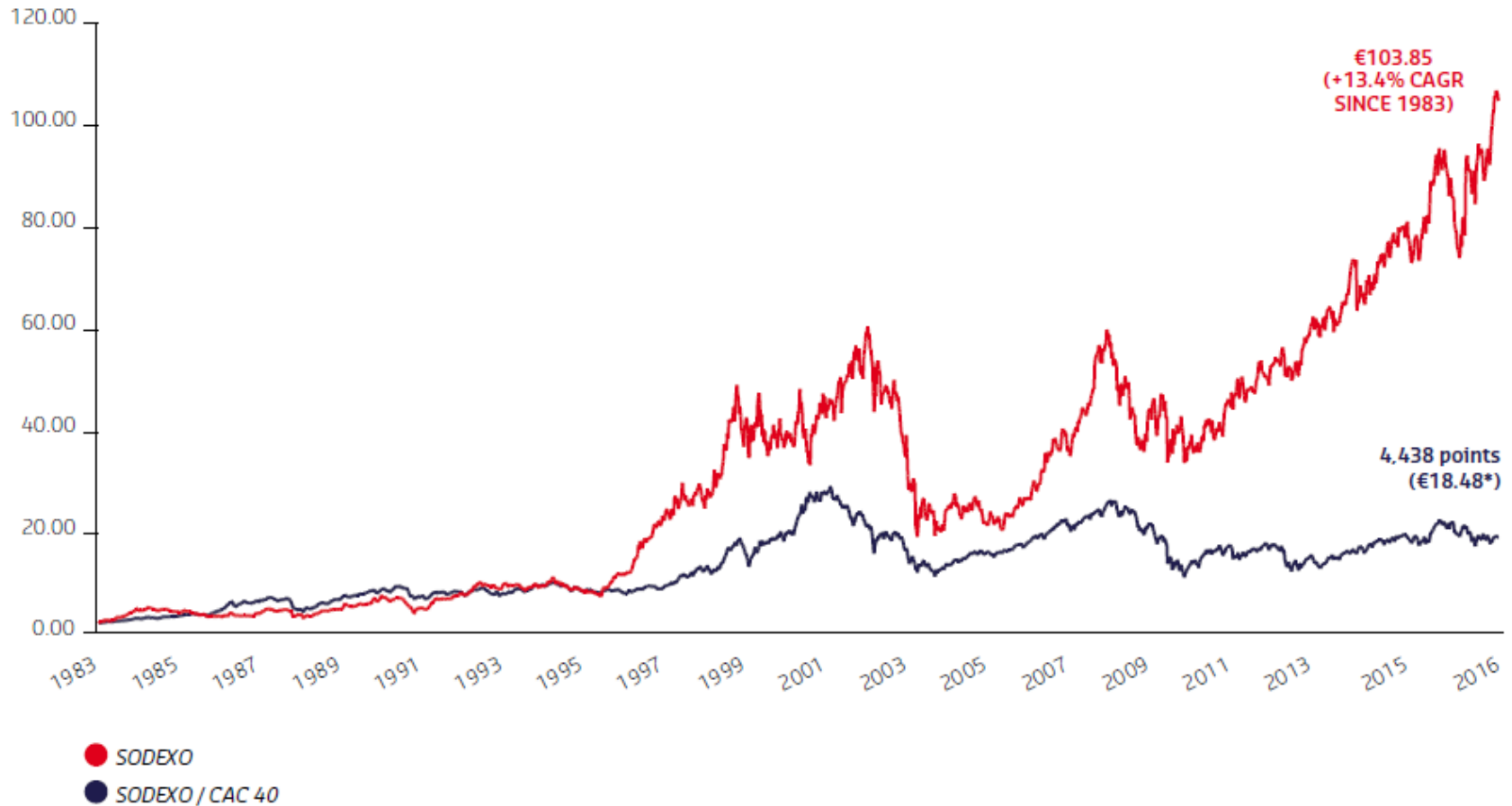
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\* as of August 31, 2016

# SHARE PERFORMANCE SINCE INTIAL LISTING

## +13,4% CAGR SINCE 1983

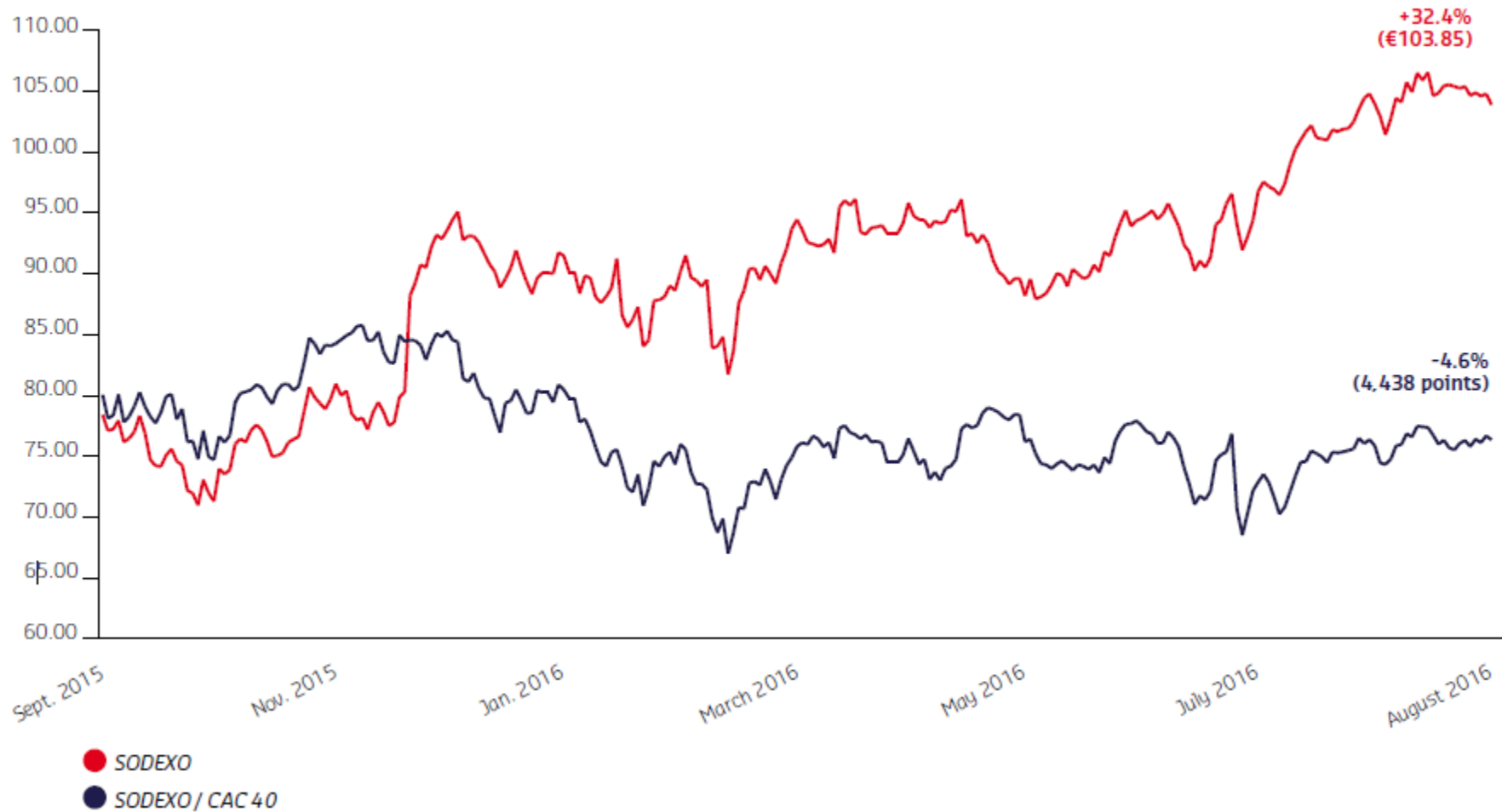
■ ADJUSTED SODEXO SHARE PRICE TRENDS FROM INITIAL LISTING THROUGH AUGUST 31, 2016 (IN EURO)



\* Theoretical trend of Sodexo share price assuming it had tracked the CAC 40 index<sup>(1)</sup> (the main stock market index of Paris).  
Source: Euronext.

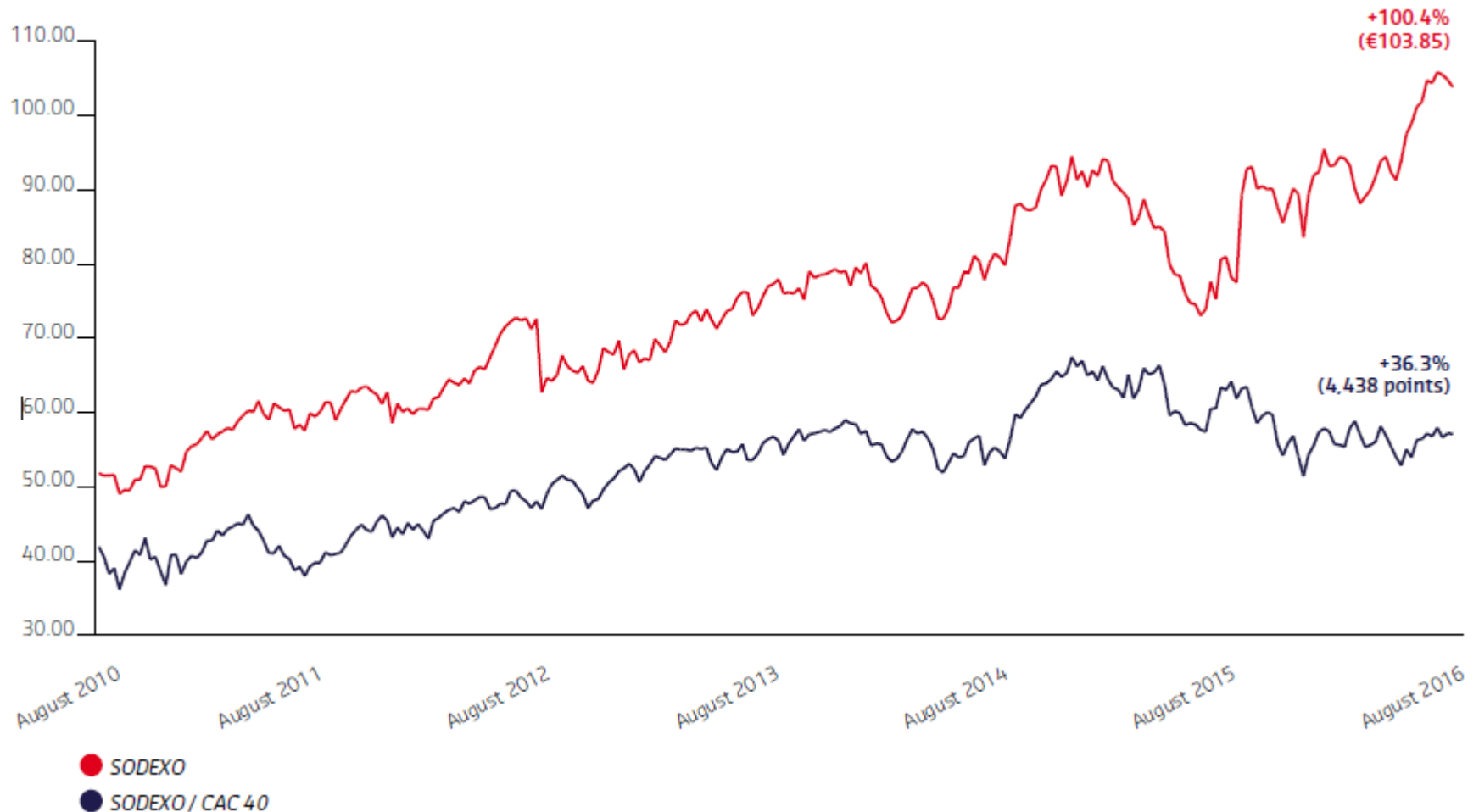
# FISCAL 2016 SHARE PERFORMANCE +32,4%

■ SODEXO SHARE PRICE FROM SEPTEMBER 1, 2015 THROUGH AUGUST 31, 2016 (IN EURO)



# 5 YEARS SHARE PERFORMANCE +100,4%

■ SODEXO SHARE PRICE FROM SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2016 (IN EURO)



# REGISTERED SHAREHOLDERS

## Benefits for Registered Sodexo shareholders :

- **reduced administration costs** (for pure registered shares only);
- **double voting rights for registered shares held for at least four years;**
- and since 2014, **a dividend premium of 10% for registered shares held for more than four years** (limited to 0.5% of issued capital per shareholder)

Reference date for registration of shares to qualify for the dividend premium	Right to dividend premium for Fiscal:	Dividend premium for the dividend paid in*:	ISIN codes for registered shares
Before August 31, 2012	2016	February 2017	FR0011532431**
August 31, 2013	2017	February 2018	FR0011532415
August 31, 2014	2018	February 2019	FR0012033199
August 31, 2015	2019	February 2020	FR0012891414
August 31, 2016	2020	February 2021	FR0013193125
August 31, 2017	2021	February 2022	FR0000121220

\* Dates provided for indicative purposes only and subject to the approval of a dividend payment by the Annual Shareholders' Meeting.

\*\* On September 1, 2016 Euroclear merged the shares held under the code SODEXO ACTIONS PRIME DE FIDÉLITE 2017 – FR0011285121 into the code FR0011532431 (which will be eligible for the 10% dividend premium for the February 2017 dividend payment).

## Contacts for Registered Shareholders:

Registered shareholders' accounts are managed by Société Générale, which also acts as transfer agent for all Sodexo shares.

### For further information call:

Société Générale Nantes (France): +33 (0)2 51 85 67 89

or visit the Société Générale website: [www.sharinbox.societegenerale.com](http://www.sharinbox.societegenerale.com)

# SODEXO ADR PROGRAMME

Sodexo offers investors the convenience of investing in American Depositary Receipts (ADRs)

## ■ KEY INFORMATION ON THE SODEXO ADRS:

ADR ticker symbol	SDXAY
Platform	OTC
CUSIP	833792104
DR ISIN	US8337921048
ISIN code	FR0000121220
SEDOL	7062713
Custodian bank	Citi
ADR ratio	5 ADRs for 1 ordinary share

## Benefits of ADRs to US investors

- They clear and settle according to normal US standards
- Stock quotes and dividend payments are in US dollars
- They can be purchased in the same way as other US stocks via a US broker
- They provide a cost effective means of building an international portfolio.

**For any question about Sodexo ADRs, please contact Citi:**

### New York

Michael O'Leary  
[michael.oleary@citi.com](mailto:michael.oleary@citi.com)  
Tel: +1 212 723 4483

### London

Michael Woods  
[michael.woods@citi.com](mailto:michael.woods@citi.com)  
Tel: +44 20 7500 2030

# 6

## ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

# ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

## Financial Ratios Definitions

		Fiscal 2016	Fiscal 2015
<b>Gearing ratio</b>	$\frac{\text{Borrowings}^1 - \text{operating cash}^2}{\text{Shareholders' equity and non-controlling interests}}$	11%	9%
<b>Net debt ratio</b>	$\frac{\text{Borrowings}^1 - \text{operating cash}^2}{\text{Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)}^3}$	0.3	0.2
<b>Debt coverage</b>	$\frac{\text{Borrowings}}{\text{Operating cash flow}}$	2.5 years	3.1 years
<b>Financial independence</b>	$\frac{\text{Non-current borrowings}}{\text{Shareholders' equity and non-controlling interests}}$	67.9%	73.8%
<b>Return on equity</b>	$\frac{\text{Profit attributable to equity holders of the parent}}{\text{Equity attributable to equity holders of the parent (before profit for the period)}}$	21%	23.3%
<b>Return on capital employed (ROCE)</b>	$\frac{\text{Operating profit after tax}^4}{\text{Capital employed}^5}$	18.6%	19.7%
<b>Interest cover</b>	$\frac{\text{Operating profit}}{\text{Net borrowing cost}}$	12.6	9.0

<sup>1 2 3 4 5</sup> See next slide for reconciliation



# ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

## Financial Ratios reconciliation

		Fiscal 2016	Fiscal 2015
<b>(1) Borrowings</b>	Non-current borrowings	2,515	2,765
	+ current borrowings excluding overdrafts	43	320
	- derivative financial instruments recognized as assets	(5)	(38)
		<b>2,553</b>	<b>3,047</b>
<b>(2) Operating cash</b>	Cash and cash equivalents	1,375	2,008
	+ financial assets related to the Benefits and Rewards Services activity	799	739
	- bank overdrafts	(28)	(39)
		<b>2,146</b>	<b>2,708</b>
<b>(3) Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)</b>	Operating profit	1,095	1,143
	+ depreciation and amortization	308	277
		<b>1,403</b>	<b>1,420</b>
<b>(4) Operating profit after tax</b>	Operating profit	1,095	1,143
	Effective tax rate	33.7%	31.1%
		<b>726</b>	<b>788</b>
<b>(5) Capital employed</b>	Property, plant and equipment	604	594
	+ goodwill	5,328	5,300
	+ other intangible assets	467	505
	+ client investments	562	485
	+ working capital excluding restricted cash and financial assets of the Benefits and Rewards Services activity	(3,057)	(2,888)
		<b>3,904</b>	<b>3,996</b>

# ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

## **Exceptional expenses**

Exceptional expenses are the costs of implementation of the Adaptation and Simplification program and Operational Efficiency Program (€108m in Fiscal 2016, €0m in Fiscal 2015 and €27m in Fiscal 2014).

## **Free cash flow**

Please refer to slide 25.

## **Growth excluding currency effect**

Change excluding currency effect calculated converting Fiscal 2016 figures at Fiscal 2015 rates, except for countries with hyperinflationary economies. As a result for Venezuelan Bolivar, Fiscal 2016 and Fiscal 2015 figures in VEF have been converted at the exchange rate of USD 1 = VEF 645 vs. VEF 199 for Fiscal 2015.

## **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 the Group's borrowings at the balance sheet date less Operating cash.

## **Net profit before non-recurring items**

Reported Net Profit excluding non-recurring items (for Fiscal 2016 exceptional expenses and early debt reimbursement indemnity, net of taxes of respectively €71m and €13m and €0m for Fiscal 2015).

# ALTERNATIVE PERFORMANCE MEASURE DEFINITIONS

## **Non-recurring items**

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, both net of taxes (respectively €71m and €13m). There were no items considered as non-recurring for Fiscal 2015.

## **Operating margin**

Operating profit divided by Revenues

## **Operating margin before exceptional expenses**

Operating profit before exceptional expenses divided by Revenues

## **Operating margin at constant rate**

Margin calculated converting Fiscal 2016 figures at Fiscal 2015 rates, except for countries with hyperinflationary economies. As a result for Venezuelan Bolivar, Fiscal 2016 and Fiscal 2015 figures in VEF have been converted at the exchange rate of USD 1 = VEF 645 vs. VEF 199 for Fiscal 2015.

## **Operating profit before exceptional expenses**

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

# 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 during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- for businesses acquired 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 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 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 2015 in Venezuelan Bolivar, have been converted at the exchange rate of USD 1 = VEF 645 (vs. VEF 199 for Fiscal 2015).

# APPENDICES



1. Gross financial debt
2. Refinancing in Sep and October 2016
3. Nov'15 €300M share repurchase program completed
4. Financial ratios
5. Fiscal 2016 exchange rates and sensitivity
6. Investor Relations Contacts

## APPENDIX 1

# GROSS FINANCIAL DEBT €2,553 million

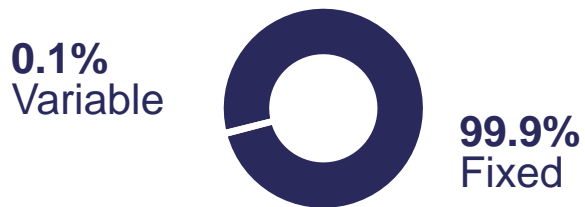
AS OF AUGUST 31, 2016

€ millions

### BY CURRENCY



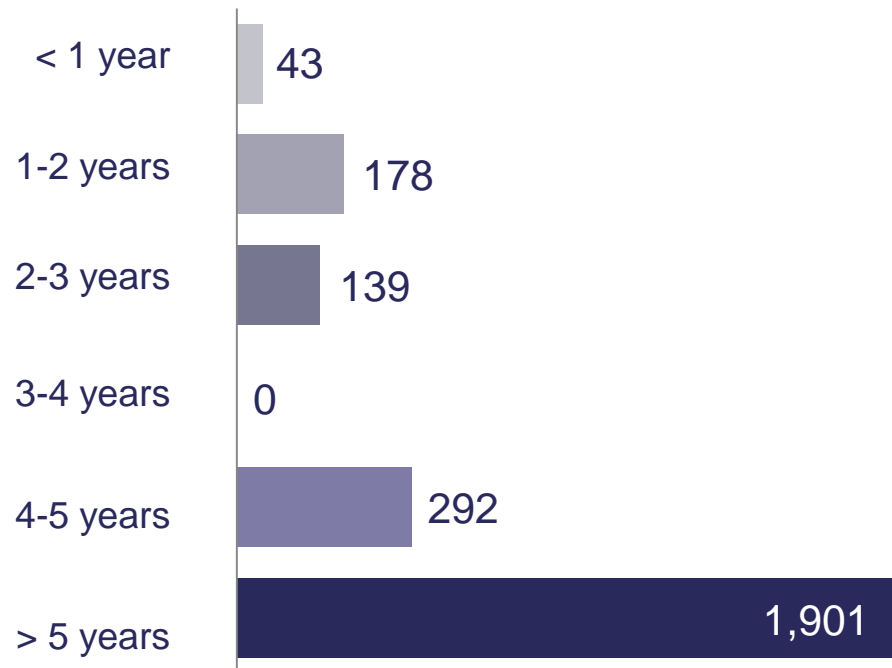
### INTEREST RATE



Average interest rate 3.2 %  
at August 31, 2016

(vs. 3.8% at August 31, 2015)

### BY MATURITY



# REFINANCING IN SEPTEMBER AND OCTOBER 2016

### Recent financing operations:

- August 2016: \$208m (~ €184m) early USPP repayment
- September 2016: \$108m (~ €97m) early USPP repayment
- October 2016: €600m bond issue at a yield of 0.88% with a maturity of 10½ years (April 2027)
  
- **Gross debt pro forma after refinancing** as per August 31, 2016 stands at €3,056m, a level similar to the gross debt at the end of Fiscal 2015 at €3,047m, with:
  - **Average interest rate decreased by ~30%** at 2.7% pro forma after refinancing vs. 3.8% at August 31, 2015 (or 3.2% at August 31, 2016)
  - **Average maturity of financial debt increased by one year** (to 7.6 years vs. 6.8 years as at August 31, 2016), which will allow the group to benefit from low financing rates for a longer period
  - **Gross financial debt in euros is now higher, at 54%, and U.S dollars 44%**

## APPENDIX 2

# GROSS FINANCIAL DEBT €3,056 million

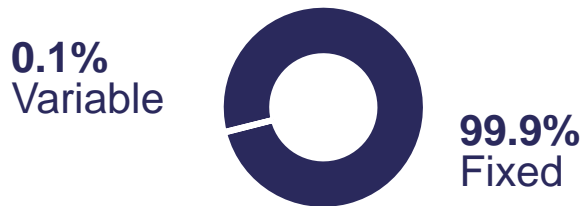
PROFORMA AS OF AUGUST 31, 2016 FOLLOWING REFINANCING IN SEP-OCT 16

€ millions

### BY CURRENCY



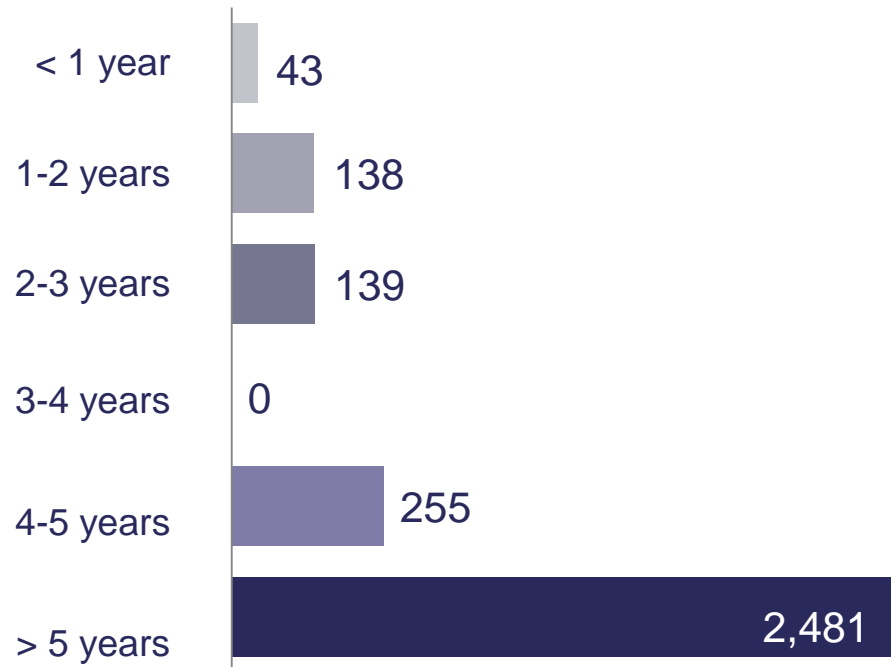
### INTEREST RATE



Pro forma as of August 31, 2016  
average interest rate 2.7%

(vs. 3.8% at August 31, 2015)

### BY MATURITY





## APPENDIX 3

# NOV'15 SHARE REPURCHASE PROGRAM COMPLETED

- **Cancellation of 3,390,886 shares corresponding to a value of 300 million euro and 2.2% of capital**, approved at the Board Meeting of June 14, 2016

### *Company's share capital*

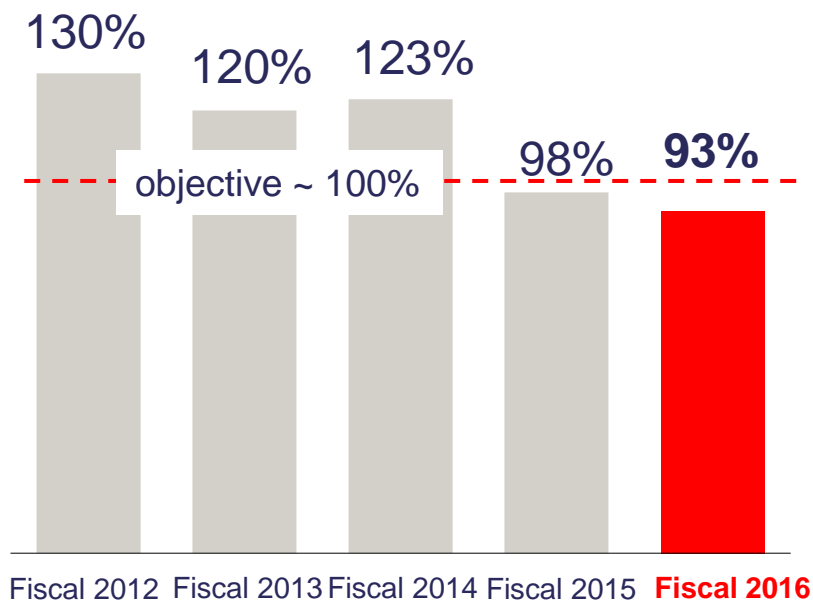
	After	Before
Company's share capital, number of shares	153,741,139	157,132,025
Company's share capital, in euros	614,964,556	628,528,100

### *Number of shares for EPS calculation*

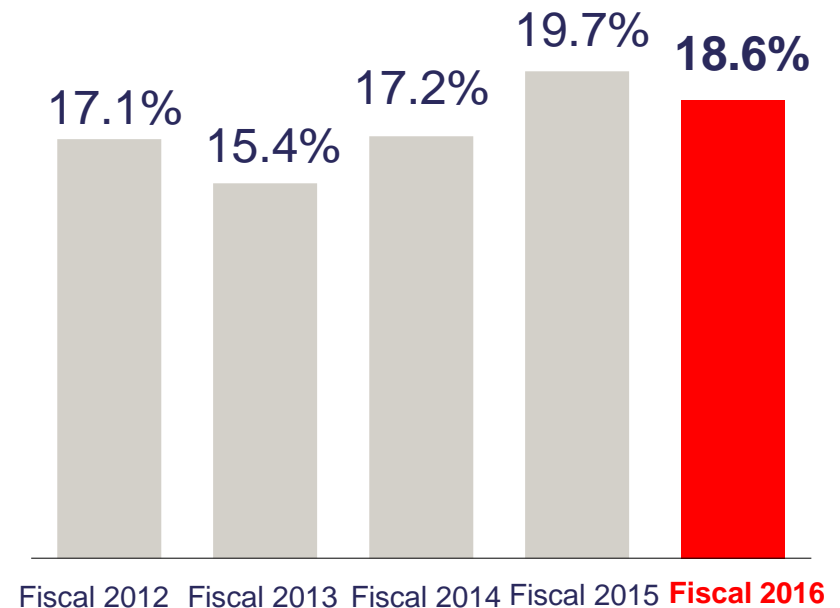
	Fiscal 2016	Fiscal 2015
Basic weighted average number of shares	151,277,059	152,087,430

## APPENDIX 4 FINANCIAL RATIOS

### Cash conversion Free cash flow/Net profit



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

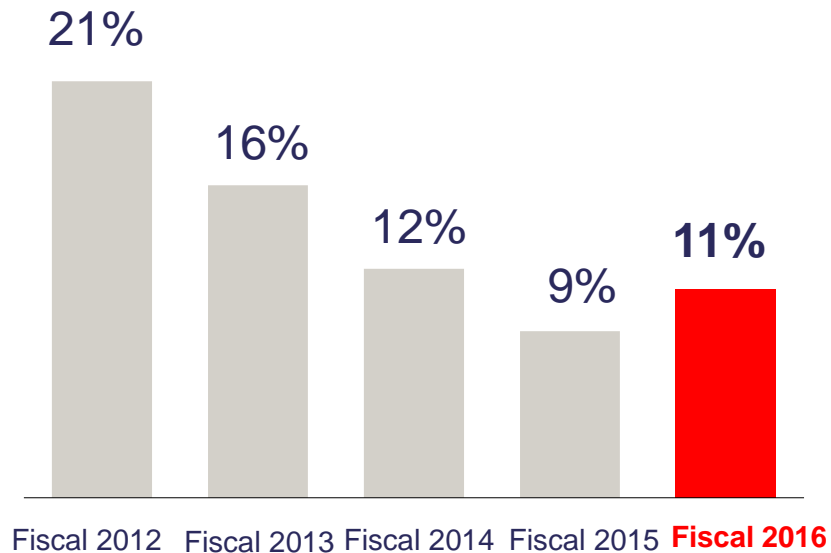


# APPENDIX 4 FINANCIAL RATIOS

## Gearing ratio\*

Net debt/Shareholders' equity

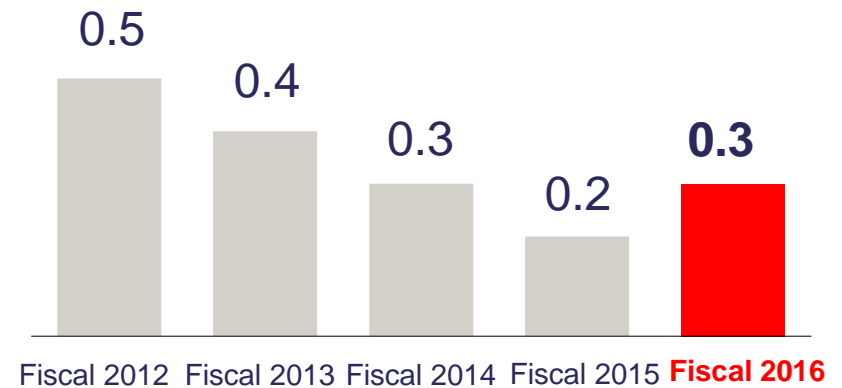
objective < 75%



## Net debt ratio\*

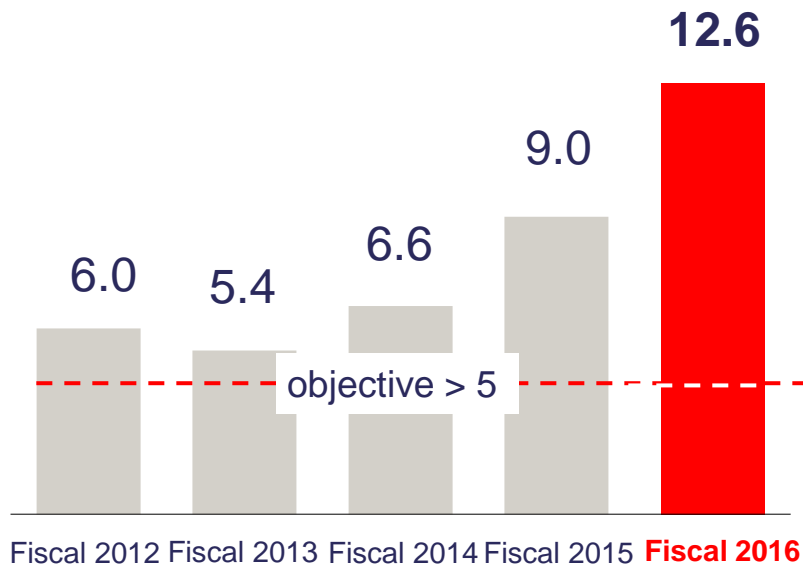
Net debt/EBITDA

objective between 1 and 2 years

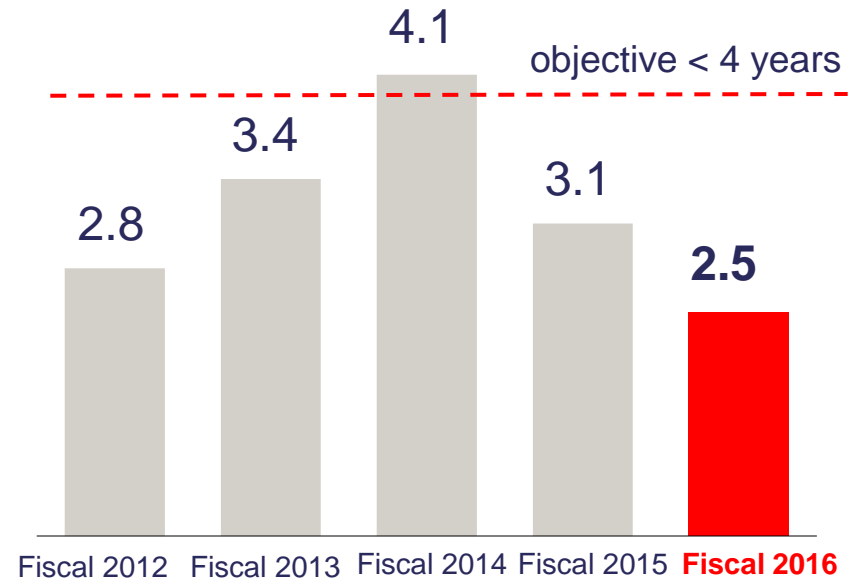


# APPENDIX 4 FINANCIAL RATIOS

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



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



## APPENDIX 5

# FISCAL 2016 - EXCHANGE RATES AND SENSITIVITY

€1 =	Average rate	Change	Closing rate	Change	€ millions		
	Fiscal 2016		Aug. 31, 2016		Revenues	Operating profit	Shareholders' equity
U.S. dollar	1,1063	+4.8%	1,1132	+0.7%	831	50	171
Pound Sterling	0,7673	-2.7%	0.8481	-14.2%	201	13	64
Brazilian Real	4,0691	-18.9%	3,6016	+12.9%	91	18	70

*Impact of a 10% appreciation of the exchange rate of the following currencies against the euro on*

# APPENDIX 6 INVESTOR RELATIONS CONTACTS

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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 2016

November 17th, 2016 - 9:00 a.m. (Paris Time).

▶ [Webcast](#)



### Key financial information

- ▶ [Press releases](#)
- ▶ [Financial results](#)
- ▶ [Webcasts](#)
- ▶ [Financial calendar](#)

### SODEXO'S FISCAL 2015 HIGHLIGHTS

#### Financial publications

▶ [Sodexo in a snapshot \(fact sheet\)](#)



#### Shareholder information

▶ [Shareholders' Meeting](#)

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## Shareholders

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**Financial communication policy**  
The fundamental principles of our financial communication policy.

**Shareholders' Meeting**  
\* How to participate  
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\* General information  
\* Purpose

**Shareholder services**  
What are the benefits of owning registered shares? How to transfer Sodexo shares?

**Shareholding structure**