

Issy-les-Moulineaux, January 6, 2022  
Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY).

## Sodexo: Strong recovery continues, Q1 Fiscal 2022 revenues +18.8%

- Organic revenue growth +17.5%
- Activity back up to 95% of pre-Covid levels
- Good control of inflation during the quarter

### Q1 Fiscal 2022 revenues

REVENUES (in millions of euro)	Q1 FY22	Q1 FY21	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	2,617	2,185	+19.5%	+19.6%	-2.0%	+2.1%	+19.8%
Healthcare & Seniors	1,339	1,161	+7.4%	+12.3%	+0.7%	+2.3%	+15.3%
Education	1,126	918	+28.7%	+21.0%	-0.4%	+2.1%	+22.7%
<b>On-Site Services</b>	<b>5,082</b>	<b>4,264</b>	<b>+17.9%</b>	<b>+17.9%</b>	<b>-0.9%</b>	<b>+2.2%</b>	<b>+19.2%</b>
<b>Benefits &amp; Rewards Services</b>	<b>183</b>	<b>169</b>	<b>+7.0%</b>	<b>+7.0%</b>	<b>0.0%</b>	<b>+1.2%</b>	<b>+8.2%</b>
Elimination	(1)	(1)					
<b>TOTAL GROUP</b>	<b>5,264</b>	<b>4,432</b>	<b>+17.5%</b>	<b>+17.5%</b>	<b>-0.9%</b>	<b>+2.1%</b>	<b>+18.8%</b>

### Commenting the performance, Sophie Bellon, Chairwoman of the Board and Interim CEO said:

*“The recovery in the first quarter has been strong. The Group reached 95% of pre-Covid levels this quarter with Benefits & Rewards services, Healthcare & Seniors, Schools and Facility Management services now well above pre-Covid levels and strong improvements in Sports & Leisure, Universities and Corporate Services. Recovery is accelerating in Food Services. All geographies are contributing to this growth and particularly North America.*

*We have signed new contracts with innovative offers to help our clients attract consumers back on site through more convenient and flexible services.*

*Our business model allows us to pass the inflation on to clients progressively. Cost plus contracts, negotiations with clients and mitigation action plans are also helping to compensate inflation.*

*While the new reinforced sanitary measures are being deployed in many countries to contain the spread of Omicron, our teams are fully mobilized on-site to ensure that action plans are in place. It is too early to estimate whether there will be an impact on guidance. At this stage, we maintain our annual guidance and remain confident in the continued recovery.”*

## Highlights of the period

- First quarter Fiscal 2022 consolidated revenues reached 5.3 billion euro, up +18.8% year-on-year including a net contribution from acquisitions and disposals of -0.9%, more than compensated by a currency impact of +2.1%. As a result, organic growth was +17.5%.
- On-site Services revenue organic growth was +17.9%. The ongoing recovery is visible in all segments, geographies and services. Healthcare & Seniors and Schools segments are now well above pre-Covid levels at respectively 105% and 104% of Fiscal 2019 revenues, adjusted for currencies. Corporate Services, Sports & Leisure and Universities all increased very substantially during the quarter, as employees returned to their offices, students to their universities and stadiums and convention centers reopened. As a result, Food Services also recovered strongly in the quarter, to reach 83% of Fiscal 2019 levels.
- Benefits & Rewards Services is also now back on a growth path, relative to the pre-Covid levels at 107% of Fiscal 2019. Revenue organic growth was +7.0%, with Europe, USA and Asia up +6.9%, now well above Fiscal 2019 levels, and Latin America up +7.3%, with a strong recovery in Brazil, in particular.
- During this first quarter, Sodexo continued to reinforce its commitments to reduce its environmental footprint.
  - In October 2021, Sodexo in the United Kingdom & Ireland has announced a comprehensive roadmap to net zero and decarbonization of its business. Having already exceeded Group's target to reduce carbon emissions by 34% by 2025 (compared to a 2017 baseline), the region has set its next steps,
    - to become Carbon Neutral in its direct operations by 2025.
    - to reduce carbon emissions across all three scopes by 55% by 2030.
    - to decarbonize United Kingdom and Ireland business, with 90% of all carbon emissions cut across all three scopes, by 2045.
  - Once again, Sodexo's commitments were recognized by the 2021 Dow Jones Sustainability Indices (DJSI), Sodexo remaining at the top of its industry for the 17<sup>th</sup> consecutive year.

## Outlook

The strong recovery in the first quarter provides a solid start to the year with organic growth at the high end of the range. With regards to Omicron, the recent sanitary measures taken by Governments will have an impact on activity, but it is too early to assess whether it is significant or not. So, at this stage, excluding potential impact if any of accounting changes<sup>1</sup>, we maintain annual guidance of:

- **Fiscal 2022 organic growth expected between +15 and +18%.**
- **Fiscal 2022 Underlying operating margin of close to 5%, at constant rates.**

Looking further out, we expect On-site services to exceed pre-Covid levels and the performance of Benefits & Rewards Services to accelerate out of the crisis. Our aim is that the Group rapidly returns to regular and sustained growth and over the pre-Covid Underlying operating margin. Accelerated growth in North America and deployment of new food models, active portfolio management, a more effective organization and the structural reduction in SG&A will all contribute.

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<sup>1</sup> Implementation of the IFRIC decision providing details on the accounting for configuration and customization costs of SaaS type software for which the analysis is in progress.

## Conference call

**Sodexo will hold a conference call in (English) today at 9:00 a.m. (Paris time), 8:00 a.m. (London time) to comment on its Q1 Fiscal 2022 revenues. Those who wish to connect:**

- From the UK: +44 2071 928 338, or
- From France: +33 1 70 70 07 81, or
- From the US: +1 646-741-3167,  
Following by the access code **23 96 830**.

The press release and presentation will be available on the Group website [www.sodexo.com](http://www.sodexo.com) in both the « Latest News » section and the « Finance – Financial Results » section.

## Fiscal 2022 financial calendar

Fiscal 2022 1 <sup>st</sup> half Results	April 1, 2022
Fiscal 2022 3 <sup>rd</sup> quarter Revenues	July 1, 2022
Fiscal 2022 Annual Results	October 26, 2022
Fiscal 2022 Annual Shareholders Meeting	December 15, 2022

*These dates are indicative and may be subject to change without notice.*

*Regular updates are available in the calendar on our website [www.sodexo.com](http://www.sodexo.com)*

## About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in services that improve Quality of Life, an essential factor in individual and organizational performance. Operating in 56 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits & Rewards Services and Personal & Home Services. Sodexo provides clients an integrated offering developed over more than 50 years of experience: from foodservices, reception, maintenance and cleaning, to facilities and equipment management; from services and programs fostering employees' engagement to solutions that simplify and optimize their mobility and expenses management, to in-home assistance, child care centers and concierge services. Sodexo's success and performance are founded on its independence, its sustainable business model and its ability to continuously develop and engage its 412,000 employees throughout the world.

Sodexo is included in the CAC Next 20, CAC 40 ESG, FTSE 4 Good and DJSI indices.

## Key Figures

- 17.4 billion euro in Fiscal 2021 consolidated revenues
- 412,000 employees as at August 31, 2021
- #1 France-based private employer worldwide
- 56 countries
- 100 million consumers served daily
- 12 billion euro in market capitalization (as at January 5, 2022)

## Contacts

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# Q1 Fiscal 2022 Activity Report

## Revenues: Strong recovery continues

### REVENUES BY ACTIVITY

REVENUES (in millions of euro)	Q1 FY22	Q1 FY21	RESTATED ORGANIC GROWTH	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	2,617	2,185	+19.5%	+19.6%	-2.0%	+2.1%	+19.8%
Healthcare & Seniors	1,339	1,161	+7.4%	+12.3%	+0.7%	+2.3%	+15.3%
Education	1,126	918	+28.7%	+21.0%	-0.4%	+2.1%	+22.7%
<b>ON-SITE SERVICES</b>	<b>5,082</b>	<b>4,264</b>	<b>+17.9%</b>	<b>+17.9%</b>	<b>-0.9%</b>	<b>+2.2%</b>	<b>+19.2%</b>
<b>BENEFITS &amp; REWARDS SERVICES</b>	<b>183</b>	<b>169</b>	<b>+7.0%</b>	<b>+7.0%</b>	<b>0.0%</b>	<b>+1.2%</b>	<b>+8.2%</b>
Elimination	(1)	(1)					
<b>TOTAL GROUP</b>	<b>5,264</b>	<b>4,432</b>	<b>+17.5%</b>	<b>+17.5%</b>	<b>-0.9%</b>	<b>+2.1%</b>	<b>+18.8%</b>

First quarter Fiscal 2022 consolidated revenues reached 5.3 billion euro, up +18.8% year-on-year including a net contribution from acquisitions and disposals of -0.9%, more than compensated by a positive currency impact of +2.1%. As a result, organic growth was +17.5% and activity is back up to 95% of Fiscal 2019 revenues at constant rates.

The ongoing recovery is visible in all activities, segments, services and geographies. The performance in the first quarter reflects a very strong recovery in North America, in all segments. Healthcare & Seniors and Schools segments are now over pre-Covid levels, at respectively 105% and 104% of Fiscal 2019. Corporate Services, Sports & Leisure and Universities all increased very substantially during the quarter, as employees returned progressively to their offices, students to their universities and stadiums and convention centers reopened. Benefits & Rewards Services is also now back over pre-Covid levels at 107% of Fiscal 2019.

The performance of the main segments and activities relative to Fiscal 2019 revenues is as follows:

AT CONSTANT RATES	% of Fiscal 2019 revenues						
	Q3 FY2020	FY2020	Q1 FY2021	Q2 FY2021	Q3 FY2021	Q4 FY2021	Q1 FY22
<b>Business &amp; Administrations</b>	71%	70%	78%	78%	78%	82%	91%
Of which Corporate Services	73%	74%	79%	78%	75%	79%	87%
Of which Sports & Leisure	16%	9%	14%	17%	22%	43%	64%
<b>Education</b>	<b>46%</b>	<b>64%</b>	<b>72%</b>	<b>68%</b>	<b>79%</b>	<b>85%</b>	<b>92%</b>
Of which Schools	52%	78%	87%	84%	88%	99%	104%
Of which Universities	41%	52%	61%	54%	72%	71%	84%
<b>Healthcare &amp; Seniors</b>	<b>88%</b>	<b>92%</b>	<b>97%</b>	<b>100%</b>	<b>96%</b>	<b>100%</b>	<b>105%</b>
<b>On-site Services</b>	<b>70%</b>	<b>75%</b>	<b>81%</b>	<b>81%</b>	<b>83%</b>	<b>87%</b>	<b>95%</b>
<b>Benefits &amp; Rewards Services</b>	<b>77%</b>	<b>95%</b>	<b>99%</b>	<b>94%</b>	<b>96%</b>	<b>97%</b>	<b>107%</b>
<b>Group</b>	<b>70%</b>	<b>75%</b>	<b>81%</b>	<b>82%</b>	<b>83%</b>	<b>87%</b>	<b>95%</b>

## On-site Services

The recovery of the previous quarters continued in **On-site Services**, with organic revenue growth of +17.9% in First quarter Fiscal 2022, with revenues, reaching 95% of pre-Covid levels.

Facilities Management services were up +6.5% in the quarter and are now 22% above pre-Covid levels. The recovery in Food Services was particularly strong, up +26.8% compared to the previous year and back up to 83% of pre-Covid levels against only 73% in the fourth quarter of Fiscal 2021.

Development, retention, and same site sales growth are all improving during the quarter compared to First quarter Fiscal 2021 and the pipeline remains strong.

The inflation contribution to same site sales growth is slightly above 2% during this quarter.

### ON-SITE SERVICES REVENUES BY REGION

REVENUES BY REGION (in millions of euro)	Q1 FY22	Q1 FY21	RESTATED ORGANIC GROWTH
North America	2,205	1,688	+28.2%
Europe	2,023	1,808	+11.2%
Asia-Pacific, Latam, Middle East and Africa	854	768	+11.5%
<b>ON-SITE SERVICES TOTAL</b>	<b>5,082</b>	<b>4,264</b>	<b>+17.9%</b>

The recovery in **North America** accelerated significantly for this first quarter, with organic growth of +28.2%, as Schools and Universities were fully open and stadiums and convention centers ramped up strongly, also boosted by average spend increases. The return to work is progressing month by month but more slowly than in other regions of the world. Government & Agencies and Energy & Resources segments which were much less impacted by the Covid crisis also performed solidly. North America is still at only 85% of pre-Covid levels.

The +11.2% growth in **Europe** remained solid, against a First quarter Fiscal 2021 which had already started to recover, with continued progress in the return to work and the reopening of sports events and stadiums. During the quarter, the activity levels in Europe were more or less back up to pre-Covid levels, helped by the large Rapid Testing Center contract in the UK.

**Asia-Pacific, Latin America, Middle East and Africa** is growing fast, with organic growth at +11.5% driven by strong recovery in India and solid growth particularly in China and Brazil.

## Business & Administrations

REVENUES			
REVENUES BY REGION (in millions of euro)	Q1 FY22	Q1 FY21	RESTATED ORGANIC GROWTH
North America	643	423	+48.6%
Europe	1,208	1,080	+13.5%
Asia-Pacific, Latam, Middle East and Africa	766	682	+11.3%
<b>BUSINESS &amp; ADMINISTRATIONS TOTAL</b>	<b>2,617</b>	<b>2,185</b>	<b>+19.5%</b>

First quarter Fiscal 2022 **Business & Administrations** revenues totaled **2.6 billion euro**, up +19.5% organically.

Organic growth in **North America** was +48.6%. While the recovery remained modest in Corporate Services, due to a slow return to work, the rebound in the Sports & Leisure activity remains very strong, with activity now at 63% of pre-Covid levels. The Energy & Resources segment growth accelerated during the period due to new contract startups and return of support workers onsite. Government & Agencies continued to grow.

In **Europe**, organic growth was +13.5%, driven by the continued progressive return to the office throughout the region, and despite some early effects of the Delta variant in certain countries in the last weeks of the quarter. Sports & Leisure activities were also much stronger. On the other hand, the Government & Agencies and Energy & Resources segments growth stalled, with little new business to compensate the loss of the Transforming Rehabilitation contract.

In **Asia-Pacific, Latam, Middle East and Africa** organic revenue growth was +11.3%. The Corporate Services segment grew double digit as activity picked up strongly in India and remained strong in all other regions. Energy & Resources continued to achieve very solid growth. New business ramp-ups and strong underlying growth in Latin America more than offset some contract losses and a ramp-down in some of the Covid-related extra FM Services in the Asia-Pacific region.

## Healthcare & Seniors

REVENUES BY REGION (in millions of euro)	Q1 FY22	Q1 FY21	RESTATED ORGANIC GROWTH
North America	693	653	+4.2%
Europe	578	443	+11.3%
Asia-Pacific, Latam, Middle East and Africa	67	65	+10.1%
<b>HEALTHCARE &amp; SENIORS TOTAL</b>	<b>1,339</b>	<b>1,161</b>	<b>+7.4%</b>

**Healthcare & Seniors** revenues amounted to **1.3 billion euro**, up +7.4% organically.

In **North America**, organic growth was +4.2%. Seniors' occupancy has started to pick up. Hospital activity has been growing in volume, but retail activity remains disappointing at only 70% of pre-Covid levels.

In **Europe**, organic growth was up at +11.3%. While the retail activity remained low, the contribution from the Rapid Testing Centers contract in the UK is boosting activity. Seniors' occupancy is picking up progressively.

In **Asia-Pacific, Latam, Middle East and Africa**, organic revenue growth was +10.1%, due to strong volume growth related to new contracts in Asia and same-site growth in Brazil.

## Education

REVENUES BY REGION (in millions of euro)	Q1 FY22	Q1 FY21	RESTATED ORGANIC GROWTH
North America	869	612	+39.9%
Europe	237	285	+0.2%
Asia-Pacific, Latam, Middle East and Africa	20	21	+28.6%
<b>EDUCATION TOTAL</b>	<b>1,126</b>	<b>918</b>	<b>+28.7%</b>

First quarter Fiscal 2022 revenues in **Education** were **1.1 billion euro**, up +28.7% organically.

**North America** was up +39.9%. All schools and universities were open during the quarter. Although school attendance was still in the 80-85% range, the number of school meals was back up above pre-Covid levels, due to local authority free-meal programs, offsetting the loss of Chicago Public Schools contract from October. In Universities, Board plans are nearly back up to Fiscal 2019 levels. However, the retail and events activities were impacted by staff shortages, lower footfall and sanitary protocols.

In **Europe**, revenue was flat organically. Schools were fully open, at a similar level to last year. In the UK, student attendance rates were still below normal during the quarter, but this was an improvement on the previous year. In France, having started very positively in September and October, by November, nearly 2% of classes were closed and activity also suffered from a negative calendar impact of one day in the quarter versus last year.

In **Asia-Pacific, Latam, Middle East and Africa**, organic growth was +28.6% reflecting very rapid ramp-up in student attendance in India, particularly in Universities.

## Benefits & Rewards Services

First quarter Fiscal 2022 **Benefits & Rewards Services** revenue amounted to 183 million euro, up +7% organically.

**Employee benefits** organic growth was +9.6% compared to an issue volume (3.3 billion euro) up +9.0%. **Services Diversification** was down -1.7% organically, as a result of a substantial reduction in Covid-related public benefits, partially compensated by strong fuel and mobility card activity.

REVENUES BY ACTIVITY (in millions of euro)	Q1 FY22	Q1 FY21	ORGANIC GROWTH
Employee benefits	148	130	+9.6%
Services Diversification*	35	39	-1.7 %
<b>BENEFITS &amp; REWARDS SERVICES</b>	<b>183</b>	<b>169</b>	<b>+7.0%</b>

\* Including Incentive & Recognition, Mobility & Expenses and Public Benefits.

In **Europe, Asia and USA**, organic revenue growth was **+6.9%**, with issue volumes and revenues well over pre-Covid levels. The catch-up in reimbursement volumes relative to issue

volumes continued. Strong new development contributed too. The consolidation of Wedoogift compensated the disposal of Rydoo, the business travel and expenses management activities, sold in August.

In **Latin America**, organic growth was **+7.3%**, boosted by a return to growth in the 5 to 10% range in Brazil. Growth remained solid in the rest of the region.

REVENUES BY REGION (in millions of euro)	Q1 FY22	Q1 FY21	ORGANIC GROWTH
Europe, USA and Asia	120	112	+6.9%
Latin America	63	57	+7.3%
<b>BENEFITS &amp; REWARDS SERVICES</b>	<b>183</b>	<b>169</b>	<b>+7.0%</b>

**Operating revenues** were back up to sustainable high single digit growth at +7%. There was a further acceleration in the digitalization of the services, up 6 points in one year. **Financial revenues** are now trending positively due to the significant increase in interest rates in Brazil. The Selic (official Brazilian interest rate) is currently at 9.25%, having been as low as 2% in the last 12 months.

REVENUES BY NATURE (in millions of euro)	Q1 FY22	Q1 FY21	ORGANIC GROWTH
Operating Revenues	172	159	+7.0%
Financial Revenues	10	10	+7.2%
<b>BENEFITS &amp; REWARDS SERVICES</b>	<b>183</b>	<b>169</b>	<b>+7.0%</b>

## Financial position

Apart from the seasonal changes in working capital, the payment of the dividend which was brought forward to December from January in the previous years, and the early redemption in October of 600 million euro of bonds, due to be reimbursed in January 2022, there were no material changes in the Group's financial position as of November 30, 2021, relative to that presented in the Fiscal 2021 Universal Registration Document filed with the AMF on November 10, 2021.

## Principal risks and uncertainties

There were no significant changes to the principal risks and uncertainties identified by the Group in the Risk Factors section of the Fiscal 2021 Universal Registration Document filed with the AMF on November 10, 2021.

## Currency effects

Exchange rate fluctuations do not generate operational risks, because each subsidiary bills its revenues and incurs its expenses in the same currency. However, given the weight of the Benefit & Rewards activity in Brazil, and the high level of its margins relative to the Group, when the Brazilian real declines against the euro, it has a negative effect on the underlying operating margin due to a change in the mix of margins. Conversely, when the Brazilian real strengthens Group margins increase.

1€=	AVERAGE RATE Q1 FY 2022	AVERAGE RATE Q1 FY 2021	AVERAGE RATE Q1 FY 2022 VS. Q1 FY 2021	CLOSING RATE FY 2022 AT 11/30/2021	CLOSING RATE FY 2021 AT 08/31/21	CLOSING RATE 11/30/2021 VS. 08/31/2021
U.S. dollar	1.161	1.179	+1.6%	1.136	1.183	+4.1%
Pound Sterling	0.854	0.904	+5.9%	0.852	0.859	+0.8%
Brazilian real	6.363	6.601	+3.7%	6.376	6.139	-3.7%

The positive currency impact of +2.1% is linked to the increase in the U.S. dollar of +1.6%, UK sterling of +5.9% and the Brazilian real of +3.7%.

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

## Alternative Performance Measure definitions

### Growth excluding currency effect

The currency effect is determined by applying the previous year's average exchange rates to the current year figures except in hyper-inflationary economies where all figures are converted at the latest closing rate for both periods when the impact is significant.

### Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by Benefits & Rewards Services for beneficiaries on behalf of clients.

### 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.

### **Underlying operating profit margin**

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

### **Underlying operating profit margin at constant rates**

The underlying operating profit margin at constant rates corresponds to Underlying operating profit divided by revenues, calculated by converting 2022 figures at Fiscal 2021 rates, except for countries with hyperinflationary economies.