

Issy-les-Moulineaux, January 5, 2024
Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY)

Sodexo Q1 Fiscal 2024: strong organic revenue growth at +8.2%

- High single digit Underlying growth in all zones
- Full year Fiscal 2024 guidance maintained

Q1 FISCAL 2024 REVENUES

REVENUES (in million euros)	Q1 FY24	Q1 FY23	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
North America	3,030	2,992	+8.7%	+0.1%	-7.6%	+1.3%
Europe	2,196	2,047	+9.2%	-0.8%	-1.2%	+7.3%
Rest of the World	1,061	1,057	+4.7%	-0.2%	-4.2%	+0.3%
SODEXO	6,287	6,097	+8.2%	-0.3%	-4.8%	+3.1%

Note 1: These numbers exclude any contribution from Pluxee which as a discontinued activity is consolidated only at the net profit level.

Note 2: The impact from Q4 2023 of the accounting change related to revenue recognition in a large Energy & Resources contract in Rest of the World is offset by the contribution of the Rugby World Cup in Europe. Underlying organic growth was +8.1% in Rest of the World and +7.6% in Europe.

Commenting on the first quarter activity, Sophie Bellon, Sodexo Chairwoman and CEO, said:

"First quarter growth has remained strong in all geographies, due to pricing, new contract ramp-ups and continued volume growth, particularly in Corporate services, Sports & Leisure and Education.

We have had a good start to the year in terms of activity and we are solidly on track with our strategic plan to be the world leader in sustainable food and valued experiences.

The Pluxee spin-off plan is progressing well, with the next step being the Capital Markets Day on January 10, ahead of the first quotation expected February 1, 2024."

Highlights of the period

- **Sodexo** (excluding Pluxee) first quarter Fiscal 2024 **consolidated revenues** reached **6.3 billion euros**, up +3.1% year-on-year including a negative currency impact of -4.8%, a net contribution from acquisitions and disposals of -0.3% and **organic revenue growth** of +8.2%. The negative currency impact, resulting from the appreciation of the euro against most currencies from beginning of calendar year 2023, is expected to subside progressively over the fiscal year, assuming current rates going forward.
- **Organic growth** has been positively impacted by the contribution from a successful Rugby World Cup and negatively impacted by the accounting changes on certain project works in Energy & Resources in the Rest of the World, offsetting each other. The effect of pricing is progressively reducing, to around +4.5% in the quarter. New business ramp-ups, cross-selling and ongoing volume growth continue to trend at close to +4%.
 - Organic growth in the quarter was driven by Food services, up +10.0% organically, while FM services were up +4.7%.
 - Net new development momentum remained solid year to date.
 - All geographies had high single digit underlying organic growth.
- In line with its ambition to be the world leader in sustainable food and valued experiences:
 - Sodexo and Harris Interactive revealed the results of the first international sustainable food barometer. Outcomes are fully supporting Sodexo's ambition as 75% of people surveyed have a positive perception of sustainable food, and 79% believe that adopting more sustainable behaviors is an urgent matter.
 - Sodexo has organized the second edition of its Sustainable Chef Challenge. Our Chefs showcased their skills and passion to create healthy, delicious and low carbon meals (less than 0.9 kg CO₂e). The winners were Chef Sharon McConnell (from Northern Ireland) with her Pistachio crusted celeriac steak and Vegan chocolate mousse with dates and nuts and Chef Ricardo Machado (from Brazil) with his Sautéed banana peel medallion with sweet potatoes and Banana and coconut mash.
 - Sodexo has earned the leadership position in the 2023 Workplace Pride Global Benchmark for the 4th year in a row recognizing Sodexo's performance and commitment to high standards of LGBTQ+ inclusion.

Outlook

First quarter 2024 activity was in line with expectations and the strategic plan. As a result, the Sodexo (excluding Pluxee) Fiscal 2024 and 2025 guidance is maintained:

- **Organic revenue growth should be between +6 and +8% per annum;**
- **Underlying operating profit margin should continue to grow by +30-40bps per annum, at constant rates.**

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 2024 revenues.

Those who wish to connect:

- From the UK: +44 121 281 8004, or
- From France: +33 1 70 91 87 04, or
- From the US: +1 718 705 8796,

Followed by the access code **07 26 13**.

The live audio webcast will be available on www.sodexo.com

The press release, presentation and webcast will be available on the Group website www.sodexo.com in both the “Newsroom” section and the “Investors – Financial Results” section.

Financial calendar

Fiscal 2024 First half Results	April 19, 2024
Fiscal 2024 Third quarter Revenues	July 2, 2024
Fiscal 2024 Full year Results	October 24, 2024
Fiscal 2024 Annual Shareholders' Meeting	December 17, 2024

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

About Sodexo

Founded in Marseille in 1966 by Pierre Bellon, Sodexo is the global leader in sustainable food and valued experiences at every moment in life: learn, work, heal and play. The Group stands out for its independence, its founding family shareholding and its responsible business model. Its portfolio of activities includes Sodexo Food and Facilities Management Services and Pluxee Employee Benefit Solutions, activity for which the Group announced a spin-off with a listing expected on February 1, 2024.

Sodexo meets all the challenges of everyday life with a dual goal: to improve the quality of life of our employees and those we serve, and contribute to the economic, social and environmental progress in the communities where we operate. For Sodexo, growth and social commitment go hand in hand. Our purpose is to create a better everyday for everyone to build a better life for all.

Sodexo is included in the CAC Next 20, CAC 40 ESG, CAC SBT 1.5, FTSE 4 Good and DJSI indices.

Key figures

- 22.6 billion euros Fiscal 2023 consolidated revenues
- 430,000 employees as at August 31, 2023
- #1 France-based private employer worldwide
- 45 countries
- 80 million consumers served daily
- 15.1 billion euros in market capitalization (as at January 4, 2024)

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Q1 Fiscal 2024 Activity Report

Revenues: Strong Organic Revenue growth

REVENUES BY ZONE

REVENUES (in million euros)	Q1 FY24	Q1 FY23	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
North America	3,030	2,992	+8.7%	+0.1%	-7.6%	+1.3%
Europe	2,196	2,047	+9.2%	-0.8%	-1.2%	+7.3%
Rest of the World	1,061	1,057	+4.7%	-0.2%	-4.2%	+0.3%
SODEXO	6,287	6,097	+8.2%	-0.3%	-4.8%	+3.1%

First quarter Fiscal 2024 Sodexo revenues reached **6.3 billion euros**, up +3.1% year-on-year including a negative currency impact of -4.8% resulting from the appreciation of the euro against most currencies, and a net contribution from acquisitions and disposals of -0.3%. Consequently, first quarter Fiscal 2024 organic growth was +8.2%. Adjusted for the positive effect of the Rugby World Cup in Europe and the negative impact of an accounting change in Rest of the World for the corresponding amount, all three zones demonstrated high single-digit Underlying organic growth. This quarter benefited from both price adjustments for around +4.5% and volume growth coming from new business, continued increase in attendance and Rugby World Cup related sales.

Organic growth in the quarter was driven by **Food services**, up +10.0% organically, whereas **FM services** were up +4.7%.

The commercial momentum remains solid in the first quarter.

North America

REVENUES BY SEGMENT (in million euros)	Q1 FY24	Q1 FY23	RESTATED ORGANIC GROWTH ¹
Business & Administrations	1,081	1,009	+12.1%
Healthcare & Seniors	849	877	+6.3%
Education	1,100	1,106	+7.5%
NORTH AMERICA TOTAL	3,030	2,992	+8.7%

¹ As part of the streamlining of the organization during Fiscal 2023, some contracts or operations have been reallocated between segments.

First quarter Fiscal 2024 **North America** revenues totaled **3.0 billion euros**, up +8.7% organically. This strong growth was driven by the contribution of new business and some volume growth as well as a pricing impact of about +4%.

Restated organic growth in **Business & Administrations** reached +12.1%, driven by new business, volume growth from robust activity in convention centers, increased passenger count in Airline Lounges, continued return to the office, integrated FM cross-sales, and the impact of price adjustments particularly in Sodexo Live! and Government segments.

Healthcare & Seniors restated organic growth was +6.3%, with good performance in Healthcare through a combination of price increases, volume, retail growth and favorable net new contribution. This growth was somewhat offset by a negative contribution in the Seniors segment due to the impact of sites lost at the end of the prior fiscal year.

In **Education**, restated organic revenue growth was +7.5%, benefiting from price increases as well as growth in meal count, retail and catering events.

Europe

REVENUES BY SEGMENT (in million euros)	Q1 FY24	Q1 FY23	RESTATED ORGANIC GROWTH ¹
Business & Administrations	1,377	1,337	+10.1%
Healthcare & Seniors	490	504	+8.9%
Education	329	206	+6.2%
EUROPE TOTAL	2,196	2,047	+9.2%

¹ As part of the streamlining of the organization during Fiscal 2023, some contracts or operations have been reallocated between segments.

In **Europe**, first quarter Fiscal 2024 revenues amounted to **2.2 billion euros**, up +9.2% organically, or +7.6% excluding the Rugby World Cup, from increased food volume in Business & Administrations, along with a pricing impact of more than +5%.

In **Business & Administrations**, restated organic growth was +10.1%, or +7.5% excluding the Rugby World Cup. This was supported by Corporate services benefiting from both price increases and higher attendance, coupled with new business in Defense in the United Kingdom. Sodexo Live! demonstrated overall good growth, with increased attendance and pricing, despite a drop in tourism-related sales due to less international tourists in Paris, compared to a record level in the previous year.

Healthcare & Seniors restated organic growth stood at +8.9%, driven by new business in Spain and inflation pass-through in the United Kingdom, as well as favorable volumes and price revisions in Seniors in France.

Education restated organic revenue growth was +6.2%, reflecting the positive impact of price revisions, somewhat offset by a negative net new business balance.

Rest of the World

REVENUES BY SEGMENT (in million euros)	Q1 FY24	Q1 FY23	RESTATED ORGANIC GROWTH ¹
Business & Administrations	927	941	+5.0%
Healthcare & Seniors	91	87	+2.6%
Education	43	29	+3.3%
REST OF THE WORLD TOTAL	1,061	1,057	+4.7%

¹ As part of the streamlining of the organization during Fiscal 2023, some contracts or operations have been reallocated between segments.

Rest of the World first quarter Fiscal 2024 revenues amounted to **1.1 billion euros**, up +4.7% organically, impacted by the change in revenue recognition in Energy & Resources. Excluding this impact, the organic growth would have been +8.1%, with a pricing impact of close to +5%.

Business & Administrations restated organic growth was +5.0%, or +8.9% excluding the accounting change. This quarter was marked by a solid growth in India driven by both new and existing business, and in Australia with a pricing catch-up and new openings in mining. Latin America benefited from pricing. This performance was slightly offset by weak activity in China due to the economic slowdown, and in the Middle-East due to contracts lost last year.

Healthcare & Seniors restated organic growth was +2.6% organically, with strong growth in India and Latin America, somewhat offset by slow growth in China and the impact of the exit of low-performing contracts in Brazil during the second quarter last year.

Education restated organic growth was +3.3%, affected by weakness in China and the Middle East, more than compensated by double-digit growth in Brazil and India, boosted by both new business and ramp ups in existing sites.

CURRENCY EFFECTS

Exchange rate fluctuations do not generate operational risks because each subsidiary bills its revenues and incurs its expenses in the same currency.

1€=	AVERAGE RATE Q1 FY 2024	AVERAGE RATE Q1 FY 2023	AVERAGE RATE Q1 FY 2024 VS. Q1 FY 2023	CLOSING RATE AT 11/30/2023	CLOSING RATE AT 08/31/2023	CLOSING RATE 11/30/2023 VS. 08/31/2023
U.S. dollar	1.070	0.996	-6.9%	1.093	1.087	-0.6%
Pound sterling	0.866	0.869	+0.3%	0.864	0.857	-0.8%
Brazilian real	5.345	5.304	-0.8%	5.398	5.308	-1.7%

The negative currency impact for First quarter Fiscal 2024 of -4.8% results from the appreciation of the Euro notably compared to the US Dollar, the Australian Dollar, the Chinese Renminbi, the Indian Rupee and the Swedish Krona.

The currency effect is determined by applying the previous year's average exchange rates to the current year figures.

FINANCIAL POSITION

Apart from the seasonal changes in working capital, there were no material changes in the Group's financial position as of November 30, 2023, relative to that presented in the Fiscal 2023 Universal Registration Document filed with the AMF on November 3, 2023.

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 2023 Universal Registration Document filed with the AMF on November 3, 2023.

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.

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 2024 figures at Fiscal 2023 rates, except for countries with hyperinflationary economies.

New segment reporting following evolution of the organization

As part of the streamlining of the organization, from Fiscal 2024, some contracts or operations have been reallocated between segments, with main impacts in Europe from Healthcare & Seniors to Education.

Restated revenue breakdown for Fiscal 2023:

REVENUES (in million euros)	Fiscal 2023		Q1 2023		Q2 2023		Q3 2023		Q4 2023	
	Published	Restated	Published	Retraité	Published	Retraité	Published	Retraité	Published	Retraité
North America	10,479	10,479	2,992	2,992	2,506	2,506	2,658	2,658	2,322	2,322
Business & Administrations	3,865	3,907	1,009	1,026	874	890	959	975	1,023	1,016
Healthcare & Seniors	3,440	3,399	877	866	844	831	856	844	863	858
Education	3,173	3,173	1,106	1,100	788	786	844	839	436	448
Europe	8,071	8,071	2,047	2,047	1,980	1,980	2,042	2,042	2,002	2,002
Business & Administrations	5,337	5,063	1,337	1,266	1,296	1,228	1,324	1,253	1,380	1,316
Healthcare & Seniors	2,026	1,950	504	470	505	481	531	498	487	500
Education	708	1,059	206	311	179	271	187	291	136	185
Rest of the World	4,087	4,087	1,057	1,057	998	998	1,055	1,055	978	978
Business & Administrations	3,659	3,569	941	917	898	876	946	922	874	854
Healthcare & Seniors	337	376	87	95	81	92	83	93	87	96
Education	91	142	29	45	19	30	26	39	17	28
Sodexo	22,637	22,637	6,097	6,097	5,484	5,484	5,755	5,755	5,301	5,301