PRESS RELEASE

Sodexo: Q1 Fiscal 2021 revenues in line with guidance, H1 UOP margin assumption upgraded

- **Revenue organic growth at -22.7%, and -21.5% excluding Rugby World Cup base effect**
- **Improving trend in Q1 Fiscal 2021 versus Q4 Fiscal 2020 in all segments and activities**
- **Strong performance on contract negotiations and cost control**
- **H1 Fiscal 2021 Underlying operating profit margin assumption upgraded to at least 2.5%**

Issy-les-Moulineaux, January 8, 2021 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY).

Q1 Fiscal 2021 revenues

REVENUES BY SEGMENT (In millions of euro)	Q1 FY21	Q1 FY20	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	**2,185**	3,195	-27.7%	+0.4%	-4.3%	-31.6%
Healthcare & Seniors	**1,161**	1,274	-3.5%	-0.1%	-5.3%	-8.9%
Education	**918**	1,403	-31.2%	-0.1%	-3.3%	-34.6%
On-site Services	**4,264**	**5,872**	**-23.3%**	**+0.2%**	**-4.3%**	**-27.4%**
Benefits & Rewards Services	**169**	**205**	**-5.6%**	**+0.6%**	**-12.8%**	**-17.8%**
Elimination	**-1**	**-1**				
TOTAL GROUP	**4,432**	**6,076**	**-22.7%**	**+0.2%**	**-4.5%**	**-27.1%**

Commenting on these figures, Sodexo CEO Denis Machuel said:

"The revenue trend has improved again this quarter, despite the start of the second wave in November in most of our geographies. All regions were better, even though the North American activities remain very impacted by the Covid-19 pandemic, especially in Education, Corporate Services and Sports & Leisure.

The teams have been very actively adapting cost structures and contract terms to ensure that ramping up contracts is profitable. The restructuring program is moving forward.

As a result, although revenues are in line with guidance, this first quarter has been better than expected in terms of operating performance, and so despite the uncertainty around the evolution of the Covid-19 pandemic, our first half Fiscal 2021 Underlying operating profit margin target is now to be at least 2.5%."

Highlights of the period

- First quarter Fiscal 2021 revenue organic decline was -22.7%, and -21.5% excluding the Rugby World Cup (RWC) event in Q1 Fiscal 2020. So, the trend has improved since the previous quarter which was down -24.9%.
- **On-site Services** organic revenue decline of -23.3%, and -22.1% excluding the RWC effect, reflected an improvement in all segments relative to the previous quarter which was down -25.4%. The key quarter on quarter trend improvements were:
  - A +2.1-point improvement in Business & Administrations in the first quarter relative to the fourth quarter Fiscal 2020, or +4.2 points excluding the RWC, is due to a clear improvement in trend in Corporate Services in Europe in September and October, somewhat offset by a weaker November impacted by the second wave, and continued strength in Government & Agencies and Energy & Resources (together up +5.5%), with particularly strong activity in the mining sector. Sports & Leisure globally remained very weak, even though the trend, excluding the RWC effect, improved by +6 points in Q1 versus Q4 last year. North America remained very impacted by the pandemic.
  - The +5.6-point improvement in Healthcare& Seniors was from some cross-selling of extra services and ramp-up of the significant rapid testing centers contract in the UK. Retail sales remained weak due to the pandemic.
  - A +4.5-point improvement in Education reflecting the reopening of Schools in Europe, while activity remains very weak in schools and universities in North America.
  - Geographically, activity in North America was down -33.1%, while outside North America the trends improved with Europe down -19.8%, or -16.6% excluding the RWC, and the Asia-Pacific, Latam, Middle East and Africa region stabilizing at -1.4%, with China and Latin America compensating for the more difficult markets in Asia, Africa and the Middle East.
- **Benefits & Rewards Services** organic revenue decline was -5.6%, with continued improvement in the trend in Europe at -3.2%, while the decline in Latin America remained at -9.4%, due to falling interest rates and a competitive environment in Brazil.
- **The Tokyo Olympic Games** contract is still being renegotiated. The outcome of these negotiations will dictate the level and speed of the reimbursement and/or confirmation of the hospitality packages.
- Sodexo joined **CDP's A List** of global climate change leaders with key progress on its carbon strategy and has been awarded with a platinum rating by EcoVadis, placing us in the top 1% of the most virtuous companies. We continue our efforts to halve food waste within our operations by 2025, mainly through our **WasteWatch program**. Sodexo launched its first **Sodexo Food Waste Consumer Insights Report** to better understand the food waste behaviors of students and working adults and raised awareness through its WasteLESS Week annual campaign.

Outlook

In the next quarter, given the high level of uncertainty which we are currently experiencing, the effects of the pandemic, and particularly the possibility of further lockdowns, will continue to be significant for the Group.

The Government & Agencies and Energy & Resources segments will continue to be resilient. Healthcare & Seniors are progressively returning to pre-Covid level. Corporate Services and Education will see activity improving progressively as lockdowns become less severe and vaccination becomes more prevalent. Sports & Leisure is unlikely to improve significantly until the pandemic is over.

In Benefits & Rewards Services, Employee benefits issue volumes have returned to growth as digitalization and market penetration continue to progress, strengthened by working from home trends. Reimbursement patterns are still being affected by restaurant closures, but they will catch up with issue volumes as and when restaurants re-open. Revenues continue to be impacted by extremely low interest rates, particularly in Brazil, which have now stabilized.

At this stage, after the first quarter performance, we maintain our guidance for an organic decline of between -20% and -25% for the first half Fiscal 2021, improving relative to the second half Fiscal 2020.

Until activity returns to more normal levels, the Group is still using all available furlough programs. Strong restructuring measures have been and continue to be taken to protect margins going forward, as government support falls away. Detailed work is being conducted across the board in all segments and activities to reduce SG&A.

First quarter Fiscal 2021 performance has been better than expected in terms of cost control and contract negotiations, and so, despite the uncertainty around the evolution of the pandemic, our first half Fiscal 2021 Underlying operating margin target is now for at least 2.5%, better than our original assumption of between 2 and 2.5%.

Looking further out, on the basis that the pandemic will be over by 2021 calendar year end, the Group aims to return to sustained growth and to rapidly increase the Underlying operating margin back over the pre-Covid level.

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 for Fiscal 2021 Q1 revenues. Those who wish to connect

- from the UK may dial +44 2071 928 338, or
- from France + 33 1 70 70 07 81, or
- from the USA +1 646-741-3167,
- followed by the passcode **7287643**.

The **press release, presentation and webcast will be available on the Group website www.sodexo.com** in both the "Latest News" section and the "Finance - Financial Results" section.

Financial calendar

Fiscal 2020 Annual Shareholders Meeting	January 12, 2021
Fiscal 2021 First half results	April 1, 2021
Fiscal 2021 Nine months revenues	July 1, 2021
Fiscal 2021 Annual Results	October 28, 2021
Fiscal 2021 Annual Shareholders Meeting	December 14, 2021

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

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 64 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 420,000 employees throughout the world.

Sodexo is included in the CAC Next 20, ESG 80, FTSE 4 Good and DJSI indices.

Key figures

19.3 billion euro in Fiscal 2020 consolidated revenues

420,000 employees as at August 31, 2020

#1 France-based private employer worldwide

64 countries

100 million consumers served daily

10.3 billion euro in market capitalization (as at January 7, 2021)

Contacts

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QUALITY OF LIFE SERVICES

FISCAL 2021 Q1 REVENUES ACTIVITY REPORT

Revenues

REVENUES BY SEGMENT (In millions of euro)	Q1 FY21	Q1 FY20	ORGANIC GROWTH	EXTERNAL GROWTH	CURRENCY EFFECT	TOTAL GROWTH
Business & Administrations	**2,185**	3,195	-27.7%	+0.4%	-4.3%	-31.6%
Healthcare & Seniors	**1,161**	1,274	-3.5%	-0.1%	-5.3%	-8.9%
Education	**918**	1,403	-31.2%	-0.1%	-3.3%	-34.6%
On-site Services	**4,264**	**5,872**	**-23.3%**	**+0.2%**	**-4.3%**	**-27.4%**
Benefits & Rewards Services	**169**	**205**	**-5.6%**	**+0.6%**	**-12.8%**	**-17.8%**
Elimination	**-1**	**-1**				
TOTAL GROUP	**4,432**	**6,076**	**-22.7%**	**+0.2%**	**-4.5%**	**-27.1%**

First quarter Fiscal 2021 consolidated revenues totaled 4.4 billion euro, down -27.1% year-on-year resulting from an organic decline of -22.7% due to the ongoing impact of the pandemic, a net contribution from acquisitions of +0.2% and negative currency movements for -4.5%, due to the weakness of all currencies versus the euro and in particular the Brazilian real.

All segments and activities improved performance in Q1 relative to the Q4 trend with a notable pick-up in activity in September and October, slightly offset by a weaker November due to the impact of the second wave of Covid-19, and despite a tough comparative base, which included the Rugby World Cup (RWC) revenues in Q1 last year.

	ACTUALS				
Revenue organic growth	Q3 FY2020	Q3 trend* FY2020	Q4 FY2020	Q1 FY2021	Q1 FY2021 excluding RWC
Business & Administrations	**-28.5%**	**-34%**	**-29.8%**	**-27.7%**	**-25.6%**
Of which Corporate Services	-27%	-32%	-25%	-24%	-24%
Of which Sports & Leisure	-84%	-100%	-91%	-88%	-85%
Education	**-53.9%**	**-65%**	**-35.7%**	**-31.2%**	**-31.2%**
Of which Schools	-48%	-58%	-23%	-21%	-21%
Of which Universities	-59%	-71%	-48%	-39%	-39%
Healthcare & Seniors	**-12.9%**	**-15%**	**-9.1%**	**-3.5%**	**-3.5%**
On-site Services	**-30.1%**	**-36%**	**-25.4%**	**-23.3%**	**-22.1%**
Benefits & Rewards Services	**-22.8%**	**-27%**	**-15.1%**	**-5.6%**	**-5.6%**
Group	**-29.9%**	**-36%**	**-24.9%**	**-22.7%**	**-21.5%**

* Restated for 2 weeks which were pre-lockdown in March

On-site Services

On-site Services organic revenue decline was -23.3% in first quarter Fiscal 2021, showing a +2.1-point improvement in trend relative to the fourth quarter Fiscal 2020. The improvement in trend was visible in both Food services at -34.9% (versus -40.1% in Q4 Fiscal 2020) and FM services which were flat.

On-site Services Revenues by Region

REVENUES BY REGION *(In millions of euro)*	Q1 FY21	Q1 FY20	ORGANIC GROWTH
North America	**1,688**	2,699	-33.1%
Europe	**1,808**	2,278	-19.8%
Asia-Pacific, Latam, Middle East and Africa	**768**	895	-1.4%
ONSITE SERVICES TOTAL	**4,264**	**5,872**	**-23.3%**

In Asia-Pacific, Latam, Middle East and Africa, activity is now trending down only -1.4% with recovery in China and Latin America, compensating the ongoing weakness in India, linked to the pandemic. In Europe, with the reopening of schools and a noticeable improvement in Corporate Services in September and October, the trend has improved by +4.6 points, to -19.8%, and -16.6% excluding the RWC. On the other hand, North America was down -33.1%, with no real signs of improvement in any segment except Healthcare & Seniors.

Brexit:

The United Kingdom has now left the European Union. Sodexo has been present in the United Kingdom since 1988 and has around 31,000 employees there today. The Group's business should not be materially impacted by the United Kingdom leaving the European Union. Sodexo is a local player, working with local suppliers and employees, and very often for Government authorities and Government services. In the UK, traditionally, a large part of the services has been FM Services, which have demonstrated their resilience in the current Covid-19 crisis. Action plans have been put in place to limit the impact of Brexit on food prices and availability for our clients. As usual, growth in activity will remain dependent upon outsourcing trends, growth in GDP and employment in the country.

Business & Administrations

Revenues

REVENUES BY REGION *(In millions of euro)*	Q1 FY21	Q1 FY20	ORGANIC GROWTH
North America	**423**	853	-47.0%
Europe	**1,080**	1,559	-30.2%
Asia-Pacific, Latam, Middle East and Africa	**682**	782	-0.2%
BUSINESS & ADMINISTRATIONS TOTAL	**2,185**	**3,195**	**-27.7%**

First quarter Fiscal 2021 **Business & Administrations** revenues totaled **2.2 billion euro**, down organically by -27.7%, or -25.6% excluding the RWC base effect.

In **North America**, the organic decline remained significant at **-47.0%.** While the trend in Energy & Resources and Government & Agencies segments is improving, Sports & Leisure sites are still largely closed and Corporate Services is still impacted by office closures and is therefore showing no significant improvement in trend relative to the previous quarter.

In Europe, sales were down **-30.2%** organically, in line with the performance of the previous two quarters. However, excluding the impact of the RWC, sales were down only -26.0%. The improvement in the trend was visible in all segments with the better performance in September and October more than offsetting the impact of the new lockdown measures in November. Facilities Management and Global accounts continue to be more resilient in this environment.

In **Asia-Pacific, Latam, Middle East and Africa** activity was flat at **-0.2%** organically in the quarter, reflecting strong growth in Energy & Resources, particularly in mining, while activity in Corporate Services, though improving progressively, is not back yet to growth. Growth in China and Latin America is offsetting a more difficult situation in India and only very slow recovery in other Asian countries.

Healthcare & Seniors

REVENUES BY REGION *(In millions of euro)*	**Q1 FY21**	**Q1 FY20**	**ORGANIC GROWTH**
North America	**653**	781	-10.6%
Europe	**443**	411	+9.9%
Asia-Pacific, Latam, Middle East and Africa	**65**	82	-4.3%
HEALTHCARE & SENIORS TOTAL	**1,161**	**1,274**	**-3.5%**

Healthcare & Seniors revenues amounted to **1.2 billion euro**, down -3.5% organically.

Organic decline in **North America** was **-10.6%** due to the weakness of retail sales in the majority of hospitals during the Covid-19 pandemic, and with no sign of any improvement since the previous quarter. On the other hand, cross-selling of extra services has been positive. The trend in Seniors performance continued to improve and development is picking up with some encouraging new wins.

In **Europe,** the strong organic growth of **+9.9%** reflects the ramping up of the Covid-19 rapid testing centers contract in the UK and the contribution of a large new contract in France. More generally, hospitals across the region are suffering from the decline in retail sales. Seniors activity is more or less back to previous year levels.

In **Asia-Pacific, Latam, Middle East and Africa** the organic decline was better at **-4.3%,** with a return to strong growth in China.

Education

REVENUES BY REGION *(In millions of euro)*	**Q1 FY21**	**Q1 FY20**	**ORGANIC GROWTH**
North America	**612**	1,064	-38.5%
Europe	**285**	308	-7.4%
Asia-Pacific, Latam, Middle East and Africa	**21**	31	-21.5%
EDUCATION TOTAL	**918**	**1,403**	**-31.2%**

Revenues in **Education** were **0.9 billion euro**, down -31.2% organically.

In **North America,** the segment remains severely impacted by the pandemic with an organic decline of **-38.5%**. More than half of the Schools are still closed. Some 8% of Universities are entirely virtual, and only 27% fully open.

In **Europe**, the organic decline was limited to **-7.4%**. While France fully reopened from September, schools in other countries reopened progressively during the quarter, even if some classes are forced to close from time to time due to Covid-19 contaminations.

In **Asia-Pacific, Latam, Middle East and Africa**, the organic decline remained significant at **-21.5%** due to the weakness in India, Singapore, Hong Kong and to a lesser extent in China where despite the bilingual schools doing very well, the international schools remain very difficult.

Benefits & Rewards Services

Benefits & Rewards Services revenue amounted to 169 million euro, down -5.6% organically, reflecting a significant improvement versus the previous quarters which were down double-digit, as the merchant commissions picked up.

REVENUES BY ACTIVITY *(In millions of euro)*	Q1 FY21	Q1 FY20	ORGANIC GROWTH
Employee Benefits	**130**	159	-4.0%
Services Diversification	**39**	46	-10.7%
BENEFITS & REWARDS SERVICES	**169**	**205**	**-5.6%**

Employee Benefits revenues were down **-4.0%** organically**,** compared to organic growth in issue volume (2.9 billion euro) of +0.8%, demonstrating a very clear recovery compared to the fourth quarter Fiscal 2020 trend in both issue volumes and revenues. While reimbursement volumes are still lagging issue volumes due to the closure of many restaurants in the different regions, they were up +1.6% during the period, particularly due to strong growth in September, after a decline of -8% in Q4.

Services Diversification was down **-10.7%** due to the continued difficulties in the Health & Wellness and Mobility markets in most countries, particularly for the Rydoo offer. Fuel & Fleet provided more resilience. Public benefits are up strongly in all regions.

REVENUES BY NATURE *(In millions of euro)*	Q1 FY21	Q1 FY20	ORGANIC GROWTH
Operating Revenues	**159**	189	-4.2%
Financial Revenues	**10**	16	-23.5%
BENEFITS & REWARDS SERVICES	**169**	**205**	**-5.6%**

The lesser decline in **Operating revenues** of **-4.2%** reflected the much better trends in both Employee Benefits and Services Diversification. On the other hand, **Financial revenues** were down -23.5%, still impacted by the decline in interest rates, particularly in Brazil where rates have nevertheless stabilized since July 2020.

REVENUES BY REGION *(in millions of euro)*	**Q1 FY21**	**Q1 FY20**	**ORGANIC GROWTH**
Europe, USA and Asia	**112**	120	-3.2%
Latin America	**57**	85	-9.4%
BENEFITS & REWARDS SERVICES	**169**	**205**	**-5.6%**

In **Europe, Asia and USA,** revenues declined by **-3.2%** organically. The improvement relative to the previous quarter is in most countries and reflects solid issue volumes and an improvement in reimbursement volumes, particularly in September and October, even though the trend reversed in November due to the second round of lockdowns. Growth in India, China and Turkey issue and reimbursement volumes were strong, helped by innovation, new offers, and in India, the rapid development of virtual offers to overcome the lack of card production and distribution during lockdown.

In **Latin America,** sales declined **-9.4%.** Overall, issue volumes and reimbursement volumes were stable in the region. However, revenues were impacted by the highly competitive environment and falling interest rates in Brazil. The momentum in the rest of the region remained solid, except in Chile still significantly impacted by the pandemic.

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, 2020, relative to that presented in the Fiscal 2020 Universal Registration Document filed with the AMF on November 23, 2020.

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 2020 Universal Registration Document filed with the AMF on November 23, 2020.

Currency effect

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 Benefits & Rewards business in Brazil, and the high level of the margins relative to the Group, when the Brazilian Real declines against the euro, it has a negative effect on the Underlying operating profit margin due to a change in the mix of margins. Conversely, when the Brazilian Real improves, Group margins increase.

1€=	AVERAGE RATE Q1 FISCAL 21	AVERAGE RATE Q1 FISCAL 20	AVERAGE RATE Q1 FISCAL 21 VS. Q1 FISCAL 20	CLOSING RATE Q1 FISCAL 21 AT 30/11/2020	CLOSING RATE FISCAL 20 **AT 31/08/20**	CLOSING RATE **30/11/20 VS. 31/08/20**
U.S. DOLLAR	**1.179**	**1.102**	**-6.5%**	**1.198**	1.194	-0.3%
POUND STERLING	**0.904**	**0.875**	**-3.2%**	**0.898**	0.896	-0.3%
BRAZILIAN REAL	**6.601**	**4.532**	**-31.3%**	**6.352**	6.474	+1.9%

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.

As a result, for the calculation of organic growth of the On-site Services activities in Argentina, Peso figures for first quarter Fiscal 2021 and first quarter Fiscal 2020 have been converted at the exchange rate of 1€ = 96.738 ARS vs 65.789 ARS for first quarter Fiscal 2020.

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 (or gain of control) and divestments, as follows:

- For businesses acquired (or gain of control) during the current period, revenue generated since the acquisition date is excluded from the organic growth calculation;
- For businesses acquired (or gain of control) during the prior fiscal year, revenue generated during the current period up until the first anniversary date of the acquisition is excluded;
- For businesses divested (or loss of control) during the prior fiscal year, revenue generated in the comparative period of the prior fiscal year until the divestment date is excluded;
- For businesses divested (or loss of control) during the current fiscal year, revenue generated in the period commencing 12 months before the divestment date up to the end of the comparative period of the prior fiscal year is excluded.
- For countries with hyperinflationary economies all figures are converted at the latest closing rate for both periods. As a result, for the calculation of organic growth of the On-site Services activities in Argentina, Peso figures for first quarter Fiscal 2021 and first quarter Fiscal 2020 have been converted at the exchange rate of 1€ = 96.738 ARS vs 65.789 ARS for first quarter Fiscal 2020.

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.

Reimbursement volume

Reimbursement volume corresponds to the total face value of service vouchers, cards and digitally delivered services (Benefits and Rewards Services activity) reimbursed to the Merchants.

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 2021 figures at Fiscal 2020 rates, except for countries with hyperinflationary economies.