PRESS RELEASE

sodexo
QUALITY OF LIFE SERVICES

# Sodexo Q3 Fiscal 2020 Revenue impacted by COVID-19

- Q3 Organic growth at -29.9%, better than early-April hypothesis
- More prudent hypotheses for Q4 revenues compensated by better Underlying operating profit flow-through in H2

**Issy-les-Moulineaux, July 7, 2020 -** Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY).

## Q3 Fiscal 2020 revenues

| REVENUES BY SEGMENT (In millions of euro) | Q3 FISCAL20 | Q3 FISCAL19 | RESTATED ORGANIC GROWTH | ORGANIC GROWTH | EXTERNAL GROWTH | CURRENCY EFFECT | TOTAL GROWTH |
|---|---|---|---|---|---|---|---|
| Business & Administrations | **2,061** | 2,935 | -28.5% | -27.0% | +0.1% | -2.9% | -29.8% |
| Healthcare & Seniors | **1,157** | 1,352 | -12.9% | -15.4% | +1.1% | -0.1% | -14.4% |
| Education | **542** | 1,174 | -53.9% | -54.8% | 0.0% | +0.9% | -53.8% |
| **On-site Services** | **3,760** | **5,460** | **-30.1%** | **-30.1%** | **+0.3%** | **-1.4%** | **-31.1%** |
| **Benefits & Rewards Services** | **152** | **223** | **-22.8%** | **-22.8%** | **+0.3%** | **-9.2%** | **-31.8%** |
| Elimination | **-1** | -1 | | | | | |
| **TOTAL GROUP** | **3,910** | **5,682** | **-29.9%** | **-29.9%** | **+0.3%** | **-1.7%** | **-31.2%** |

**Sodexo CEO Denis Machuel said:**

*"We have lost nearly one third of our Q3 revenues relative to last year due to COVID-19. Nevertheless, our On-site business broad geographic mix, strong Facilities Management (FM) and large integrated accounts combined with Benefits & Rewards have given us resilience.*

*At the start of the crisis, our focus was on protecting the health and safety of our people, consumers and clients. With a significant number of sites fully or partially closed, we immediately identified all means to protect our cash and reduce our costs.*

*As deconfinement became a reality, first in Asia, then in Europe, we launched "rise with Sodexo", a new program to help our clients reopen their sites safely and as quickly as possible. This multi-service approach brings together a wide range of our services with secure protocols, approved by the Sodexo Medical Advisory Council and carrying a Bureau Veritas hygiene verification label.*

*I am extremely proud of the speed of action and innovation that our teams have shown.*
*I am convinced that the company is in a position to come out of this crisis stronger than ever."*

# Q3 Highlights

- Q3 Fiscal 2020 Group revenue was 3,910 million euro, down -31.2%. Currencies impacted revenues by -1.7% and M&A contribution was +0.3%, resulting in Group **organic revenue growth** of **-29.9%**, which compares favorably to the hypotheses provided in April of -33%. Whereas food services are down -44%, FM services are only down -2%. Benefits & Rewards are down -22.8%.
- **On-site Services** organic revenue growth was -30.1% reflecting the significant impact of the COVID-19 pandemic as it spread across the world on the Group's business with many sites closed or only partially open:
  - **Business & Administrations** was down -28.5%, compared to the -30% hypothesis. While Corporate services was impacted by the lockdowns and home working for white-collar workers, production was maintained in many industries and in many countries, in particular in essential sectors. Even if buildings were closed to workers, essential cleaning, maintenance and security continued, albeit at a slower pace, resulting in more resilience of the FM services than Food services. Sports & Leisure sites closed down completely, whereas Energy & Resources and Government & Agencies were more protected from the lockdown by the nature of their business.
  - **Healthcare & Seniors** was down -12.9%, a bit more than the -8% hypothesis due to the lack of retail activity and the decline in elective surgery, and not fully compensated by extra COVID-19-linked services.
  - **Education** was down -53.9% slightly better than the -60% hypothesis. With most schools and universities closing from mid-March onwards, sales were limited to meals provided by local authorities to families in need.
- **Benefits & Rewards Services** organic revenue growth was -22.8% vs the -20% hypothesis. In employee benefits, sales were impacted by the combination of a decline in issue volume of 12% due to temporary unemployment in most countries and the interruption of paper voucher production in some countries, and the more significant slowdown in reimbursement volumes, due to restaurants being closed. As a result, the float remained solid. Diversification services were impacted by a sharp decline in the home services vouchers specifically during lockdown, and the decline in corporate travel for the Rydoo platform.
- **Underlying operating profit** flow-through from the decline in revenue has improved month by month and is now better than the hypothesis of 25% announced in April.
- **Free cash flow** has stabilized in positive territory since April and is in line to achieve a 2nd semester in the range of -200 and +200 million euro, excluding the USPP "makewhole"[1] of around 149 million euro.
- With nearly 5 billion euro of liquidity[2] at end May, Sodexo has announced that it will reimburse its **USPP** notes for 1.6 billion dollars by the end of the fiscal year. The reimbursement conditions include a "makewhole[1]" provision of around 149 million euro. Going forward, the average cost of debt will fall to approximately 1.2%, versus 2.3% at the end of the 1st half Fiscal 2020. As a result of this operation, Sodexo will have no covenants and will retain full agility to navigate in these uncertain times.
- Sodexo launched "**rise with Sodexo**", a global program intended to meet the health, operational and confidence challenges that clients are facing when restarting their business as a result of the COVID-19 pandemic.

  Drawing on lessons learned from our support for businesses based in Asia during the restart of their activities, Sodexo teams and experts have identified the new needs of clients and employees from

[1] *Net present value of flows – nominal value.*

[2] *Liquidity as of May 31, 2020 includes Cash (including restricted cash) and unused credit facilities recently raised to 2 billion euro after the signing of additional bilateral on May 20, 2020.*

all sectors of activity. "rise with Sodexo" is based on the seamless integration of our services across On-site services, Benefits & Rewards Services and Personal & Home Services, integrating over 20 essential service offerings, customized specifically to our clients' and consumers' needs, such as deep cleaning, air control, diversified restaurant services, meal cards for those who remain working at home, digital concierge services, office reorganization to ensure social distancing.

- Sodexo has created a **Medical Advisory Council,** comprised of experts from around the world in epidemiology, family medicine, nutrition, occupational health and behavioral health, as well as pandemic planning and operations, to support the development of new protocols and standards, including COVID-19 related services delivered worldwide. This Council will provide technical guidance and validation of health & safety protocols.
- **Sodexo and Bureau Veritas have joined forces to introduce a hygiene verification label for Sodexo procedures and services**. It gives quality assurance to our clients and consumers that all necessary health steps have been taken when organizations reopen post-lockdown. It bolsters the "rise with Sodexo" program and the Medical Advisory Council measures.
- To support "rise with Sodexo", Sodexo has reaffirmed **five key sustainability commitments** for a more resilient and green economic recovery:
  - continuing the deployment of our Wastewatch food waste reduction program,
  - maintaining efforts to reduce single-use items and plastic waste,
  - providing access to sustainable eating and "low-carbon" meals,
  - promoting sustainable and responsible sourcing,
  - enhancing environmental training for our employees.

## Outlook

The COVID-19 pandemic started to be a concern in the second half of January for our business in China, leading to a rapid deterioration worldwide in February, moving from region to region and generating more and more government precautionary measures to limit the spread of the virus. The Q3 performance is slightly better than the April hypotheses predicting a decline in revenues of -33% and a 25% flow-through.

Today, while Asia and Europe are coming out of lockdown, the pandemic is still strong in North America, Latin America and India. As a result, our Q4 hypotheses have been updated, showing more prudence on the topline, compensated by a better flow-through to Underlying operating profit in the second half.

As of July 7, 2020, we expect Q4 revenues to be down circa -27%, vs our original hypotheses in April of -15%. As a result, the 2nd semester decline is now expected to be -28%, or around 3 billion euro and -13.7% for the Full year.

| REVENUE ORGANIC GROWTH | Q3 ACTUALS | Q4 HYPOTHESES | H2 HYPOTHESES |
|---|---|---|---|
| **Business & Administrations** | **-28.5%** | **-31%** | **-30%** |
| Of which Corporate Services | -27% | -25% | -26% |
| Of which Sports & Leisure | -84% | -90% | -88% |
| **Education** | **-53.9%** | **-40%** | **-50%** |
| Of which Schools | -48% | -30% | -40% |
| Of which Universities | -59% | -50% | -55% |
| **Healthcare & Seniors** | **-12.9%** | **-11%** | **-12%** |
| **Benefits & Rewards Services** | **-22.8%** | **-17%** | **-20%** |
| **GROUP** | **-29.9%** | **-27%** | **-28%** |

At this stage, after strong mitigating measures taken on-site and strict implementation of SG&A cost reductions, we estimate the Underlying operating profit flow-through in the second half to be better than originally assumed and should be between 20 and 23% of the revenue shortfall.

Given the cash flow trend in the last three months, our 2nd half free cash flow should be within a range of -200 to +200 million euro, excluding the USPP “makewhole”.

We are confident that our strong and unique market positioning with a diversified portfolio of services and our solid financial structure are key strengths to take better advantage of the emerging trends in the post-COVID-19 environment such as increased outsourcing trends, accelerated services integration and further market consolidation to the benefit of larger players.

# 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 3rd quarter Fiscal 2020 revenues. Those who wish to connect from the UK may dial +44 (0) 207 192 8338 or from France +33 (0)1 70 70 07 81, or from the USA +1 646 741 3167, followed by the passcode **568 82 24.**

**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

| | |
|---|---|
| Annual results Fiscal 2020 | October 29, 2020 |
| Capital Markets Day | November 2, 2020 |
| 1st Quarter Revenue Fiscal 2021 | January 8, 2021 |
| Annual Shareholders Meeting | January 12, 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 67 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits & Rewards Services and Personal and 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 470,000 employees throughout the world.

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

## Key figures (as of August 31, 2019)

**22.0 billion** euro in consolidated revenues

**470,000** employees

**19th** largest private employer worldwide

**67** countries

**100 million** consumers served daily

**9.5 billion** euro in market capitalization (as of July 6, 2020)

## Contacts


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# FISCAL 2020 Q3 ACTIVITY REPORT

(March 1, 2020 to May 31, 2020)

## Revenue Analysis

**Note: First 9-months Fiscal 2020 figures are available in the last section of this report.**

For detail on currencies, please see page 10 of this document.

## On-site Services

| REVENUES BY REGION *(In millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **1,609** | 2,502 | -37.3% |
| Europe | **1,426** | 2,096 | -32.2% |
| Asia-Pacific, Latin America, Middle East & Africa | **724** | 862 | -4.0% |
| **ON-SITE SERVICES TOTAL** | **3,760** | **5,460** | **-30.1%** |

North America and Europe are down significantly in Q3. The difference in performance is due to the relatively higher exposure to the Education and Sports & Leisure segments in North America.

The much more limited -4% decline in Asia-Pacific, Latin America, Middle East & Africa is helped by strong recovery in China during the quarter, the strength of the FM activity in mining and the relative resilience of Asia and Latin America in the quarter. However, the pandemic and its economic effects are now accelerating in India and across Latin America which will deteriorate the performance in Q4.

**Brexit:**

Sodexo has been present in the United Kingdom since 1988 and has around 35,000 employees there today. The Group's business should not be materially impacted by the United Kingdom leaving the European Union. The Group is a local player, working with local suppliers and employees, and very often for Government authorities and Government Services. Action plans have been put in place to limit the impact of a hard Brexit on food prices and availability.

## Business & Administrations

| REVENUES BY REGION *(In millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **473** | 833 | -44.5% |
| Europe | **938** | 1,354 | -33.1% |
| Asia-Pacific, Latin America, Middle East & Africa | **649** | 748 | -2.0% |
| **BUSINESS & ADMINISTRATIONS TOTAL** | **2,061** | **2,935** | **-28.5%** |

**Business & Administrations** Q3 revenues totaled 2.1 billion euro, down organically by -28.5%. The COVID-19 impact was significant on the business despite the resilience of the Energy & Resources and Government & Agencies segments, together up +2.7%, the weight of the FM activities generally, and, more particularly, within the global Integrated FM accounts.

**North America** was down -44.5%. The Government & Agencies and Energy & Resources segments held up reasonably well, helped by the military bases, and despite the very low oil prices. However, as expected Sports & Leisure was down substantially, with all sites closed from mid-March. Corporate Services was impacted by the closing of many client sites due to client and State decisions to lock-down. However, the combination of a 50/50 split between blue-collar and white-collar consumers, the high level of cost-plus contracts and the weight of FM services and global accounts helped to limit the decline.

**In Europe,** sales were down -33.1%. While all segments were impacted by lockdown, the performance was relatively resilient thanks to the weight of Government services, flat in the quarter, limited declines in Energy & Resources, FM services and global accounts.

In **Asia-Pacific, Latin America, Middle East & Africa** organic revenue growth was -2.0% reflecting strong recovery in China since the end of lockdown, a higher than average share of FM in the region, solid growth in mining due to extra services for the protection of consumers and a very solid performance in Latin America, due to lesser COVID-19 lockdown.

## Healthcare & Seniors

| REVENUES BY REGION *(In millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **725** | 835 | -15.3% |
| Europe | **371** | 430 | -9.0% |
| Asia-Pacific, Latin America, Middle East & Africa | **61** | 87 | -7.6% |
| **HEALTHCARE & SENIORS TOTAL** | **1,157** | **1,352** | **-12.9%** |

**Healthcare & Seniors** revenues Q3 were 1.2 billion euro, down -12.9% organically due to the impact of the COVID-19 pandemic on retail sales and elective surgery, not fully mitigated by extra COVID-19-linked services.

In **North America,** activity was down -15.3% organically impacted by the COVID-19 pandemic as well as the loss of several contracts from the fourth quarter Fiscal 2019 and one large contract exit in the first quarter Fiscal 2020. FM cross-selling initiatives linked to COVID-19 helped to sustain the Seniors activity.

In **Europe,** organic growth was down -9% with a significant decline in retail sales, particularly in southern Europe, slightly offset by higher volumes for cleaning and infection control and new contracts for COVID-19 testing centers in the UK.

In **Asia-Pacific, Latin America, Middle East & Africa,** organic revenue growth was -7.6%, due to the impact of site exits and reduced volumes in Latin America, while the activity in Asia remained more resilient, mainly driven by the performance in India.

### Education

| **REVENUES BY REGION** *(In millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **411** | 835 | -52.2% |
| Europe | **117** | 312 | -59.3% |
| Asia-Pacific, Latin America, Middle East & Africa | **14** | 28 | -47.3% |
| **EDUCATION TOTAL** | **542** | **1,174** | **-53.9%** |

Revenues in **Education** were 0.5 billion euro, down -53.9%, heavily impacted by the closure of schools and universities in most countries and in all regions.

**North America** was down -52.2%. Most schools were closed. In universities, 40% were totally closed, in the rest of the portfolio volumes were significantly reduced. However, most of the school districts put in place emergency meal programs for children in the poorer neighborhoods and Sodexo delivered up to 4 million boxed meals per week.

In **Europe**, organic growth was -59.3%, with the majority of schools closed across the region from mid-March. In France, Schools started reopening in May but very progressively, and usually with very limited food services.

In **Asia-Pacific, Latin America, Middle East & Africa**, organic growth was -47.3%. In China, schools started opening mid-May but only very progressively, with even less activity than average in the international schools due to the absence of many of the children from overseas.

## Benefits & Rewards Services

### Revenues

| **REVENUES BY ACTIVITY** *(In millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | ORGANIC GROWTH |
|---|---|---|---|
| Employee benefits | **123** | 174 | -18.3% |
| Services Diversification | **29** | 50 | -38.8% |
| **BENEFITS & REWARDS SERVICES TOTAL** | **152** | **223** | **-22.8%** |

In **employee benefits**, revenue was down -18.3%. Issue volume (3 billion euro) declined -12% due to temporary unemployment in most countries and the interruption in certain countries of paper voucher production. The paper volumes were down -41% during the quarter, whereas digital volumes were down only -4%, helped by an acceleration in the conversion rate.

With the closure of restaurants, reimbursement volumes and therefore merchant commissions, were delayed. This, nevertheless, had a good effect on the float which remained solid.

**Diversification services** were impacted by a sharp decline in the home services vouchers specifically during lockdown, and the decline in corporate travel for the Rydoo platform.

| REVENUES BY REGION *(in millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | ORGANIC GROWTH |
|---|---|---|---|
| Europe, USA and Asia | **91** | 127 | -27.0% |
| Latin America | **61** | 97 | -17.4% |
| **BENEFITS & REWARDS SERVICES TOTAL** | **152** | **223** | **-22.8%** |

In **Europe, USA and Asia,** organic growth in revenues was down -27.0%, particularly impacted by the decline in activity in the travel part of the Rydoo service and the service vouchers.

Organic revenue growth in **Latin America** sales declined -17.4%. The COVID-19 pandemic arrived more progressively in the region during the quarter. The Brazilian market having already been weak for several quarters, affected by falling interest rates and a more competitive environment, showed some further deterioration but the impact of COVID-19 was more significant in Chile and Peru. Mexico continued to grow.

| REVENUES BY NATURE *(In millions of euro)* | Q3 FISCAL20 | Q3 FISCAL19 | ORGANIC GROWTH |
|---|---|---|---|
| Operating Revenues | **139** | 204 | -22.9% |
| Financial Revenues | **12** | 19 | -22.1% |
| **BENEFITS & REWARDS SERVICES TOTAL** | **152** | **223** | **-22.8%** |

**Operating revenues** were down -22.9%. **Financial revenues** were down -22.1% due principally to the continued significant fall in interest rates, principally in Brazil, where the rate fell to under 3% in May 2020.

# Flow-through to Underlying Operating profit

Our first hypotheses, announced in April 9, showed a 25% flow-through to Underlying operating profit. Having activated our cost action plans in March, the flow-through fell to below 25% in both April and May.

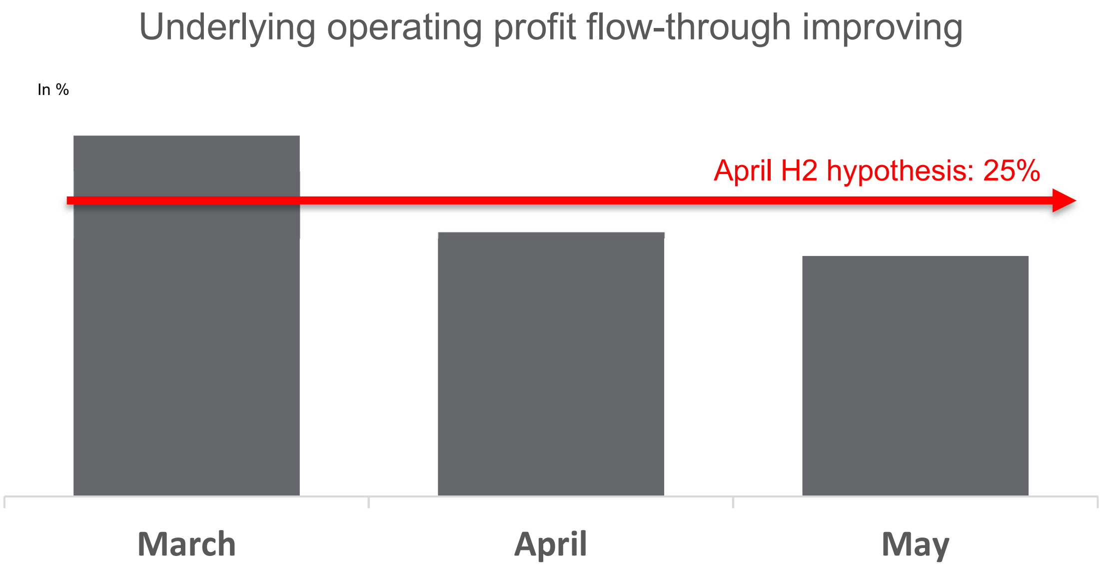


*Chart also available on [https://www.sodexo.com/home/finance.html](https://www.sodexo.com/home/finance.html) - Sodexo Q3 FY2020 Revenues - Slide n° 5*

## Cash flow and Balance Sheet

Free cash flow was strongly negative in March as revenues and cash-sales fell off, but supplier expenses continued to be paid. However, from April, the working capital started progressively to realign on revenue levels. As a result, free cash flow has stabilized above zero since April.

FCF stabilization after a significant drop in March

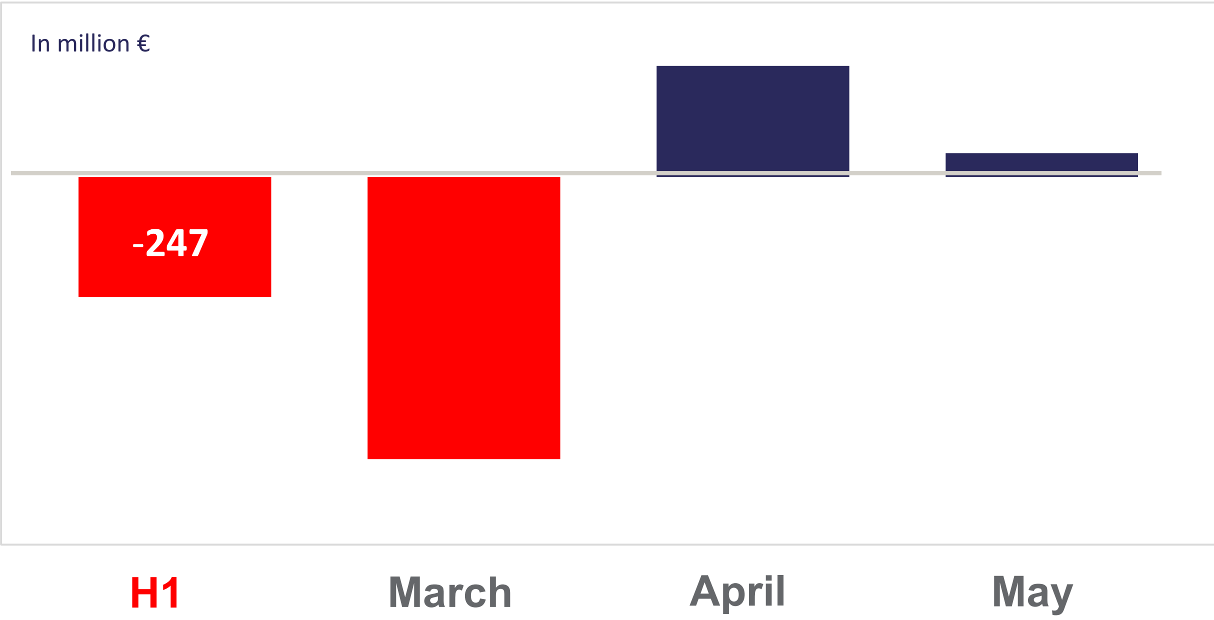


*Chart also available on [https://www.sodexo.com/home/finance.html](https://www.sodexo.com/home/finance.html) - Sodexo Q3 FY2020 Revenues - Slide n° 6*

At the end of the quarter, liquidity stood at nearly 5 billion euro. This is the result of a combination of negative free cash flow in March, not yet compensated in April and May, and different operations during the quarter:

- Bond issue of 1,500 million euro on April 20, 2020
- Reimbursement of 725 million euro of commercial paper
- Increase in unused credit facilities, bringing the total to 2 billion euro.

The Company has recently started the process to reimburse, by the end of the fiscal year, the 1.6 billion dollar USPP. The reimbursement conditions include a make-whole payment of around 149 million euro, which compares to the remaining outstanding financial costs of 198 million euro to maturity, of which 52 million euro would have been due in Fiscal 2021. As a result of this operation, the proforma financing rate will fall from 2.3% at the end of first half 2020 to 1.2%, the average debt maturity will increase by one year and the Company will no longer have any covenants on its debt.

## 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 Benefit & 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 margin due to a change in the mix of margins. Conversely, when the Brazilian Real improves, Group margins increase.

| 1€= | AVERAGE RATE 9M FISCAL20 | AVERAGE RATE FOR FIRST-HALF FISCAL 2020 | Q3 AVERAGE RATE 9M FISCAL20 MINUS H1 FISCAL20 |
|---|---|---|---|
| **U.S. DOLLAR** | **1.102** | **1.105** | **+0.2%** |
| **POUND STERLING** | **0.867** | **0.862** | **-0.6%** |
| **BRAZILIAN REAL** | **4.957** | **4.602** | **-7.2%** |

| 1€= | **AVERAGE RATE 9M FISCAL20** | AVERAGE RATE 9M FISCAL19 | AVERAGE RATE 9M FISCAL20 VS. 9M FISCAL19 | **CLOSING RATE 9M FISCAL20 AT 31/05/2020** | CLOSING RATE FISCAL19 AT 31/08/19 | CLOSING RATE 31/05/20 VS. 31/08/19 |
|---|---|---|---|---|---|---|
| U.S. DOLLAR | **1.102** | **1.138** | **+3.3%** | **1.114** | 1.104 | -0.9% |
| POUND STERLING | **0.867** | **0.879** | **+1.4%** | **0.901** | 0.906 | +0.5% |
| BRAZILIAN REAL | **4.957** | **4.392** | **-11.4%** | **5.965** | 4.588 | -23.1% |

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 Benefits & Rewards in Argentina Peso figures for Q3 Fiscal 2020 and Q3 Fiscal 2019 have been converted at the exchange rate of 1€ = 75.652 ARS vs 49.573 ARS for First 9 months Fiscal 2019.

# Inter-segment restatements

Since the beginning of Fiscal 2020, in some European and Asian countries, contracts have been reallocated from Healthcare & Seniors and Education to Business & Administrations.

Given the low materiality of these changes, pro forma figures for Fiscal 2019 are not required. The effects are detailed below. Fiscal 2020 organic growth and variations in UOP margin will be adjusted to take into account such changes.

Below are the adjustments for these restatements for each quarter of Fiscal 2019.

| **REVENUES** (in million of euro) | **FISCAL 19** | | | **Q1 19** | | | **Q2 19** | | | **Q3 19** | | | **Q4 19** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **B&A** | **HC** | **EDU** | **B&A** | **HC** | **EDU** | **B&A** | **HC** | **EDU** | **B&A** | **HC** | **EDU** | **B&A** | **HC** | **EDU** |
| North America | | | | | | | | | | | | | | | |
| Europe | +221 | -143 | -78 | +59 | -36 | -23 | +56 | -36 | -20 | +58 | -35 | -23 | +48 | -37 | -11 |
| Asia-Pacific, Latin America, Middle East & Africa | +17 | -17 | | +4 | -4 | | +4 | -4 | | +4 | -4 | | +5 | -5 | |
| **GROUP** | **+238** | **-160** | **-78** | **+63** | **-40** | **-23** | **+60** | **-40** | **-20** | **+62** | **-39** | **-23** | **+52** | **-41** | **-11** |

## Alternative Performance Measure definitions

### Issue volume

Issue volume corresponds to the total face value of service vouchers, cards and digitally delivered services issued by the Group's Benefits and 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.

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 9-months Fiscal 2020 and 2019 have been converted at the exchange rate of 1€ = 75.652 ARS vs 49.573 ARS for First 9 months Fiscal 2019.

### 3rd Quarter organic growth

3rd Quarter organic growth corresponds to the increase in revenue for the third quarter (the "current period") compared to the revenue reported for the same period of the prior fiscal year, calculated using the difference between the 9-month and 6-month average exchange rates; and excluding the impact of business acquisitions (or gain of control) and divestments.

### Underlying operating profit margin

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

# 9-month Fiscal 2020 figures

| REVENUES BY SEGMENT (in millions of euro) | 9M FISCAL20 | 9M FISCAL19 | RESTATED ORGANIC GROWTH | ORGANIC GROWTH | EXTERNAL GROWTH | CURRENCY EFFECT | TOTAL GROWTH |
|---|---|---|---|---|---|---|---|
| Business & Administrations | **8,246** | 8,580 | -5.9% | -3.9% | +0.4% | -0.4% | -3.9% |
| Healthcare & Seniors | **3,695** | 3,903 | -5.7% | -8.6% | +2.0% | +1.3% | -5.3% |
| Education | **3,070** | 3,594 | -15.7% | -17.3% | +0.6% | +2.1% | -14.6% |
| **On-site Services** | **15,012** | **16,077** | **-8.0%** | **-8.0%** | **+0.9%** | **+0.6%** | **-6.6%** |
| **Benefits & Rewards Services** | **595** | **653** | **-5.1%** | **-5.1%** | **+0.2%** | **-4.0%** | **-8.9%** |
| Elimination | **-4** | **-3** | | | | | |
| **TOTAL GROUP** | **15,603** | **16,727** | **-7.9%** | **-7.9%** | **+0.8%** | **+0.4%** | **-6.7%** |

| REVENUES BY REGION *(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **6,710** | 7,439 | -12.7% |
| Europe | **5,814** | 6,162 | -7.9% |
| Asia-Pacific, Latin America, Middle East & Africa | **2,487** | 2,476 | +5.7% |
| **ONSITE SERVICES TOTAL** | **15,012** | **16,077** | **-8.0%** |

| REVENUES BY REGION *(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **2,131** | 2,403 | -14.1% |
| Europe | **3,922** | 4,011 | -7.6% |
| Asia-Pacific, Latin America, Middle East & Africa | **2,193** | 2,166 | +6.3% |
| **BUSINESS & ADMINISTRATIONS TOTAL** | **8,246** | **8,580** | **-5.9%** |

| REVENUES BY REGION *(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **2,280** | 2,406 | -8.3% |
| Europe | **1,190** | 1,266 | -2.8% |
| Asia-Pacific, Latin America, Middle East & Africa | **225** | 231 | +6.8% |
| **HEALTHCARE & SENIORS TOTAL** | **3,695** | **3,903** | **-5.7%** |

| REVENUES BY REGION *(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | RESTATED ORGANIC GROWTH |
|---|---|---|---|
| North America | **2,298** | 2,630 | -15.4% |
| Europe | **702** | 885 | -17.1% |
| Asia-Pacific, Latin America, Middle East & Africa | **69** | 79 | -13.9% |
| **EDUCATION TOTAL** | **3,070** | **3,594** | **-15.7%** |

| REVENUES BY REGION<br>*(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | ORGANIC GROWTH |
|---|---|---|---|
| Europe, USA and Asia | **361** | 370 | -2.9% |
| Latin America | **234** | 283 | -8.0% |
| **BENEFITS & REWARDS SERVICES** | **595** | **653** | **-5.1%** |

| REVENUES BY ACTIVITY<br>*(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | ORGANIC GROWTH |
|---|---|---|---|
| Employee benefits | **470** | 515 | -4.0% |
| Services Diversification | **125** | 138 | -9.2% |
| **BENEFITS & REWARDS SERVICES** | **595** | **653** | **-5.1%** |

| REVENUES BY NATURE<br>*(in millions of euro)* | 9M FISCAL20 | 9M FISCAL19 | ORGANIC GROWTH |
|---|---|---|---|
| Operating Revenues | **551** | 598 | -4.2% |
| Financial Revenues | **43** | 55 | -15.0% |
| **BENEFITS & REWARDS SERVICES** | **595** | **653** | **-5.1%** |