PRESS RELEASE

Sodexo: Revenues for first Nine Months Fiscal 2018 in line with revised expectations

- **Organic revenue growth of +1.6% for the first nine months of Fiscal 2018**
  - **On-site Services: +1.5%**
  - **Benefits & Rewards Services: +4.2%**
- **Action plans on track**
- **Fiscal 2018 revised objectives maintained**

Issy-les-Moulineaux, July 5, 2018 - Sodexo (NYSE Euronext Paris FR 0000121220-OTC: SDXAY), world leader in Quality of Life Services, today reported its revenues for the first nine months of Fiscal 2018, which ended on May, 31, 2018.

First nine months Fiscal year 2018 revenue:

Revenues by Segment *(In millions of euro)*	9M FY18	9M FY17	Organic growth	External growth	Currency effect	Total growth
Business & Administrations	8,094	7,883	+4.2%	+4.4%	-5.9%	+2.7%
Health Care and Seniors	3,554	3,759	+0.7%	+0.9%	-7.1%	-5.5%
Education	3,260	3,673	-3.5%	-0.2%	-7.5%	-11.2%
On-site Services	**14,908**	**15,314**	**+1.5%**	**+2.5%**	**-6.6%**	**-2.7%**
Benefits & Rewards Services	**623**	**673**	**+4.2%**	**-4.1%**	**-7.5%**	**-7.4%**
Elimination	**(3)**	**(3)**				
GROUP TOTAL	**15,528**	**15,984**	**+1.6%**	**+2.2%**	**-6.6%**	**-2.9%**

Sodexo CEO Denis Machuel said:

"Revenues in the third quarter were in line with our revised expectations. On-site Services' organic growth remained soft, as anticipated, and Benefits & Rewards Services improved slightly. Across our services, we have seen particularly strong growth across Asia and Latin America.

The key actions we identified to improve short-term performance and to drive growth in the longer term are being rolled out across the Group. While it is still early in this process, we remain confident in the benefits that they will deliver and the growth opportunities that are available to us. We are maintaining our revised guidance for the current fiscal year."

Highlights of the period

- Fiscal 2018 first nine months revenues amounted to 15.5 billion euro, down -2.9%. During the period, the currency impact was -6.6% due to the weakness of the U.S. dollar and the Brazilian real in particular. Net acquisitions contributed +2.2% during the nine months, accelerating in the third quarter, with *Centerplate* contributing for the full quarter. Organic revenue growth was +1.6%. This growth was made up of +1.5% for On-site Services and +4.2% for Benefits & Rewards Services.

- Organic growth for On-site Services was +1.5%, reflecting:
  - **Business & Administrations** organic growth of +4.2%, driven by solid growth in Asia and Latin America.
  - In **Health Care & Seniors** organic growth of +0.7%, fueled by the very strong development in Asia and Brazil, and despite the ongoing weakness in activity in North America and Europe.
  - **Education** organic growth of -3.5%, impacted by a low level of client retention in North America last year and 5 fewer board days in the third quarter in Universities in North America.

- First nine months Fiscal 2018 organic revenue growth in the Benefits & Rewards Services was +4.2% compared to an issue volume up 6%, with, as expected, continued strong growth in Europe, and a return to growth in Brazil in the third quarter.

- Contract wins and extensions in the first nine months reflected:
  - Momentum in food services: *Airport Lounge* development and the *Kansas Development for Aging and Disability Services* in the US, *Grupo Santa* Hospital in Brazil,
  - Some signatures in Education: *Insead* in Singapore, *Tyne Coast College Group* in the UK, and *Marseilles Schools* renewal in France,
  - Contract extensions: *Microsoft* in 18 additional countries in Europe and Africa, Global Partnership with *Tetra Pak* covering 30 countries, Food services for the International school of Beijing.

- During the board meeting on June 20, the Board:
  - Accepted the resignation of Patricia Bellinger, Board member since 2005 and Michel Landel, Board member since 2009 from July 1, 2018.
  - Appointed Sophie Stabile, as a new director. She will bring strong financial and operational expertise and deep service sector experience, and will join the Audit Committee.
  - With these changes, the Board is comprised of 13 Directors, including two employee representatives. Five are independent per the AFEP-MEDEF governance code. The Board continues to be diverse with seven women, six men and four different nationalities.

- Changes to the Executive Committee were made to ensure that all segments and activities are represented, to reinforce regional representation and strengthen Sodexo's focus on clients and consumers, and their rapidly changing needs. The new members of the Executive Committee are:

- Nathalie Bellon-Szabo, CEO Sports & Leisure,
- Cathy Desquesses, Chief People Officer,
- Johnpaul Dimech, Region Chair Asia Pacific,
- Tony Leech, CEO Government & Agencies,
- Belen Moscosco Del Prado, Chief Digital & Innovation Officer,
- Anna Notarianni, Region Chair France,
- Didier Sandoz, CEO Personal & Home Services,
- Bruno Vanhaelst, Chief Marketing Officer.

Outlook

The Group maintains the following revised objectives for **Fiscal 2018**:

- **Organic revenue growth of between +1% and +1.5%, excluding the 53rd week impact;**
- **Underlying operating profit margin around 5.7% excluding currency impact.**

53rd week impact

The 53rd week adjustment is linked to the change from weekly to monthly accounting as from September 2017 in North America. Weekly accounting has the side effect of losing one or two days per year, depending upon whether there is a leap year or not. These lost days are usually recovered in the accounts in a one-off every 5 to 6 years. In Fiscal 2017, this 53rd week effect is the equivalent of six more days of trading which will not reoccur in Fiscal 2018. The Impact of the 53rd week was estimated at +0.7% on Fiscal 2017 revenues and therefore -0.7% for Fiscal 2018 revenues.

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 First nine months Fiscal 2018 revenues. Those who wish to connect from the UK may dial **+44 (0) 330 336 9411** or from France **01 76 77 22 57**, or from the USA **+1 929 477 0448** followed by the passcode **563 00 82**.

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

Capital Markets Day	September 6, 2018
Annual results – Fiscal 2018	November 8, 2018
Annual Shareholders' Meeting 2019	January 22, 2019

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 80 countries, Sodexo serves 100 million consumers each day through its unique combination of On-site Services, Benefits and Rewards Services and Personal and Home Services. Through its more than 100 services, Sodexo provides clients an integrated offering developed over 50 years of experience: from food services, 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 427,000 employees throughout the world.

Sodexo is included in the CAC 40 and DJSI indices.

Key figures (as of August 31, 2017)

20.7 billion euro in consolidated revenues

427,000 employees

19th largest employer worldwide

80 countries

100 million consumers served daily

12.5 billion euro in market capitalization (as of July 4, 2018)

Forward-looking information:

This press release contains statements that may be considered as forward-looking statements and as such may not relate strictly to historical or current facts. These statements represent management's views as of the date they are made and Sodexo assumes no obligation to update them. The reader is cautioned not to place undue reliance on these forward-looking statements. Figures have been prepared in thousands of euro and published in millions of euro.

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FIRST NINE MONTHS FISCAL YEAR 2018 REVENUE ACTIVITY REPORT

(September 1, 2017 to May 31, 2018)

Revenue Analysis

Revenues by Segment *(In millions of euro)*	9M FY18	9M FY17	Organic growth	External growth	Currency effect	Total growth
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Health Care and Seniors	3,554	3,759	+0.7%	+0.9%	-7.1%	-5.5%
Education	3,260	3,673	-3.5%	-0.2%	-7.5%	-11.2%
On-site Services	**14,908**	**15,314**	**+1.5%**	**+2.5%**	**-6.6%**	**-2.7%**
Benefits & Rewards Services	**623**	**673**	**+4.2%**	**-4.1%**	**-7.5%**	**-7.4%**
Elimination	**(3)**	**(3)**				
GROUP TOTAL	**15,528**	**15,984**	**+1.6%**	**+2.2%**	**-6.6%**	**-2.9%**

Fiscal 2018 first nine months revenues amounted to 15.5 billion euro, down -2.9%. During the period, the currency impact was -6.6% due particularly to the weakness of the dollar and the real. Net acquisitions contributed +2.2% during the nine months, accelerating in the third quarter, with *Centerplate* contributing for the full quarter. Organic revenue growth was +1.6%. This growth was made up of +1.5% for On-site Services and +4.2% for Benefits & Rewards Services.

The third quarter Fiscal 2018 organic growth was +1.4%, slightly below the first half trend. As expected, slowed down in On-site Services to +1.1% and improved in Benefits & Rewards Services to +6.9%.

Analysis of organic revenue growth in On-site Services

Business & Administrations

Revenues by Region *(In millions of euro)*	9M FY18	9M FY17	Organic growth
North America	2,006	1,848	+2.0%
Europe	3,967	3,929	+1.2%
Africa, Asia, Australia, Latam, Middle East	2,122	2,106	+11.7%
Business & Administrations	**8,094**	**7,883**	**+4.2%**

Business & Administrations revenues amounted to 8.1 billion euro, with organic growth up at +4.2%, driven by solid momentum in Asia and Latin America.

Organic growth in **North America was +2%**. While the first quarter was boosted by significant project-work, the second and third quarters have been impacted by a major site closure in the onshore activities offsetting strong new business in Airline lounges.

European organic growth was **+1.2%**. France remained solid, helped by the recovery in tourism and some improvement in net new business, despite the strikes in the last quarter. On the other hand, the Government and Agencies business has been progressively affected since January by the exit of some British army contracts.

In **Africa, Asia, Australia, Latin America and the Middle East**, organic growth remained strong at **+11.7%** reflecting strong demand in all the regions and despite a comparative base which includes many of the larger start-ups last year.

Health Care & Seniors

Revenues by Region *(In millions of euro)*	**9M FY18**	**9M FY17**	**Organic growth**
North America	2,227	2,479	-0.8%
Europe	1,125	1,103	+0.2%
Africa, Asia, Australia, Latam, Middle East	201	177	+16.9%[1]
Health Care & Seniors	**3,554**	**3,759**	**+0.7%**

Health Care & Seniors revenues amounted to 3.5 billion euro, with organic growth up at +0.7%, driven by very strong development in China, India and Brazil, and despite ongoing weakness in North America and Europe.

Organic growth in **North America was -0.8%**. Despite the lack of new signatures and some contract losses in March, third quarter sales trended positively due to a lower comparative base.

European sales were flat, with organic growth at **+0.2%**. However, the trend was better in the UK, helped by the start-up of several contracts, and in Seniors in France in the third quarter.

In **Africa, Asia, Australia, Latin America and the Middle East**, organic growth remained strong at **+16.9%** helped by a significant number of contract start-ups in Brazil and strong same site sales in China, and India.

[1] Restated for internal transfers between segments

Education

Revenues by Region *(In millions of euro)*	9M FY18	9M FY17	Organic growth
North America	2,463	2,871	-4.9%
Europe	729	744	+2.0%
Africa, Asia, Australia, Latam, Middle East	68	58	+14.7%[1]
Education	**3,260**	**3,673**	**-3.5%**

Education revenues were 3.3 billion euro during the first 9 months of Fiscal 2018, down organically at - 3.5%, impacted by the weakness in Universities in North America.

Organic growth in **North America was -4.9%** impacted heavily in the third quarter by the five fewer University Board days. Schools activity was impacted marginally by teacher strikes in certain States during the third quarter. Retention in universities has improved this year and indications on new signatures are also slightly better.

European sales generated organic growth of **+2.0%**. France was impacted by the bank holiday calendar in the third quarter, compensated by strong growth in Schools in Spain.

In **Africa, Asia, Australia, Latin America and the Middle East**, organic growth remained strong at **+14.7%** due to strong sales growth in Asia, particularly in China and Singapore.

On-site Services Revenues by region

Revenues by Region *(In millions of euro)*	9M FY18	9M FY17	Organic growth
North America	6,696	7,199	-1.7%
Europe	5,821	5,775	+1.1%
Africa, Asia, Australia, Latam, Middle East	2,391	2,340	+12.2%
On-site Services	**14,908**	**15,314**	**+1.5%**

Organic growth outside North America was +4.3%.

[1] Restated for internal transfers between segments

Benefits & Rewards Services

Issue volume

Issue Volume by Region *(In millions of euro)*	9M FY18	9M FY17	Organic growth	External growth	Currency effect	Total growth
Europe, USA and Asia	8,007	7,659	+5.6%			
Latin America	5,501	5,888	+6.6%			
Benefits & Rewards services	**13,508**	**13,547**	**+6.0%**	**+0.3%**	**-6.6%**	**-0.3%**

Revenues

Revenues by Region *(In millions of euro)*	9M FY18	9M FY17	Organic growth	External growth	Currency effect	Total growth
Europe, USA and Asia	342	352	+7.6%			
Latin America	281	321	+0.4%			
Benefits & Rewards services	**623**	**673**	**+4.2%**	**-4.1%**	**-7.5%**	**-7.4%**

Benefits & Rewards services revenue amounted to 623 million euro, down -7.4%. Currency impact, especially the Real weakness, accounted for more than the fall in revenues. The sale of *Vivabox* led to a net disposal impact of -4.1%. Organic growth in revenues was +4.2%, compared to issue volume organic growth of +6.0%.

Organic growth in **Europe, USA and Asia** was strong at **+7.6%**, boosted by issue volume growth of +5.6%, which was solid across our market with robust growth in France, Italy and Turkey. Growth has also been strong in the Mobility and Incentive & Recognition activities. The latter do not generate issue volume.

In **Latin America**, organic growth in revenues was positive for the first nine months of the year at **+0.4%** and issue volumes were up +6.6%. After a weak start to the year, there has been an improvement in the third quarter in Brazil. The number of beneficiaries has increased and client commissions showed signs of slight improvement. As in previous quarters, growth remains strong in Mexico.

Financial position

The financial position of the Group has not changed materially since the 1st half closing at February 28, 2018.

On May 22, 2018, Sodexo issued a 7-year (May 2025) 300-million-euro bond with a coupon of 1.12%. On June 27, 2018, Sodexo issued a 5-year (June 2023) 400-million-dollar private placement in the USA with a coupon of 3.7%.

Following these two transactions the average maturity of the Group's debt has been increased by one year to almost six years, the euro/dollar mix is evenly split and the average financing cost remains the same. As a result, the Group's financing capacity for future acquisitions is preserved.

The 300-million-euro share buy-back program is underway, with approximatively one third executed to date. We plan to have completed the buyback program by the end of August.

Main risks and uncertainties

The main risks and uncertainties are not materially different from those described in the "Risk Factors" section of the Fiscal 2017 Registration Document, filed with the *Autorité des Marchés Financiers* (AMF) on November 20, 2017 except for litigations mentioned in note 6.4.11 of the First Half Fiscal 2018 consolidated financial statements.

Exchange rates and currency effect

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 9M Fiscal 18	Reference rate Fiscal 17	Change average rates 9M Fiscal 18 vs. Reference Fiscal 17	Closing rate at 31/05/2018	Change 31/05/18 vs. 31/08/17
U.S. Dollar	**1.201**	1.099	-8.5%	**1.170**	+1.1%
Pound Sterling	**0.882**	0.867	-1.8%	**0.877**	+4.9%
Brazilian Real	**3.954**	3.526	-10.8%	**4.363**	-14.2%

Note: Reference rate Fiscal 2017 is the average rate for Fiscal year 2017.

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 (Benefits and Rewards Services activity) for beneficiaries on behalf of clients.

Underlying Operating margin

Underlying Operating profit divided by Revenues.

Underlying Operating margin at constant rate

Margin calculated converting FY2018 figures at FY 2017 rates, except for countries with hyperinflationary economies.

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, Benefits & Rewards figures for Fiscal 2017 and Fiscal 2018 in Venezuelan Bolivar have been converted at the exchange rate of USD 1 = 80,000 VEF (vs. VEF 3,250 for Fiscal 2017).