

Sodexo: Strong increase in revenues and profitability in Fiscal 2022

3 years ago



At the Board of Directors meeting held on October 25, 2022, chaired by Sophie Bellon, the Board closed the Consolidated accounts for Fiscal 2022, ended August 31, 2022.

- Revenue growth +21.2%, organic growth +16.9%, Q4 returned to pre-Covid level
- Underlying operating profit margin +170 bps
- Retention at all-time high and Development improving
- Fiscal 2023 guidance:
 - Organic growth: +8 to +10%
 - Underlying operating profit margin close to 5.5%, at constant rates

Financial performance Fiscal 2022

Commenting the performance, Sodexo Chairwoman and CEO [Sophie Bellon](#) said: “All our activities delivered a strong recovery in Fiscal 2022. Growth in Benefits & Rewards Services accelerated and On-site Services margins improved, despite the inflationary backdrop. Net new business was strong, and retention was at an all-time high. Our balance sheet has also been strengthened significantly.

“Good progress has been made on the priorities I set out at the beginning of the year: North America generated strong growth, improved profitability and its retention and development improved significantly. We accelerated the transformation of our food models through several organic and external investments

while also actively managing our portfolio of activities. The transfer of P&L responsibility to regions and countries, fully effective from October 1, 2022, will simplify the organization.

"I warmly thank our teams for their impressive engagement and performance in the field with our clients and our suppliers in these challenging times.

"We expect that our financial performance will return to Fiscal 2019 levels this year. I am confident that for Fiscal 2023, we can achieve +8 to +10% organic growth and a margin close to 5.5%."

Sean Haley, Regional Chairman, Sodexo UK & Ireland, said: "Over the past 12 months in the UK and Ireland, Sodexo has achieved better than expected recovery and underlying trade is now back to pre-pandemic levels. I hope this is the last time we will compare our performance in terms of the pandemic. Our business is now fully open, with exciting offers and services that anticipate and meet what our clients and consumers demand.

"This growth was achieved across both the private and public sector, with some new partnerships that deliver a diverse range of services from food, FM, and property services to rehabilitation. We have welcomed organisations such as the [Metropolitan Police](#), [HMP Lowdham Grange](#), Bright Futures Educational Trust, and the new Nuffield Health contract at St Bartholomew's Hospital in the City of London.

"Just as importantly, we also retained business and extended many of our long-term partnerships including [Falkland Islands and Cyprus](#) with the Ministry of Defence, and a number of prestigious independent schools such as [Clifton College in Bristol](#), St Paul's Cathedral School in London and Magdalen College School in Oxford.

"I want to thank all our colleagues for this success and for demonstrating how our purpose, to create a better everyday for everyone to build a better life for all, is integral to what we offer, the way we do business and how our teams deliver excellent services.

"We continue to make significant progress on our social impact pledges. There are too many things to mention, but I would like to highlight our support for colleagues to help with the the cost of living through financial offers and wellbeing services; our continued support for SMEs; the 1,220 apprenticeship opportunities we have provided in and outside our business; the success we have had in helping to tackle modern slavery, and the launch and acceleration of our [SBTi validated Net Zero targets](#).

"I am confident for the year ahead that we will make further progress and continue to grow with purpose, delivering a broad range of vital services in partnership with our valued clients- and all the time guided by our mission to improve the quality of life for our colleagues, those we serve and the communities in which we operate."