

Jean Renton, COO, Sodexo UK & Ireland comments on half year fiscal results announcement

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[Sodexo UK & Ireland](#) has released its half year fiscal results for 2025, which shows organic revenue growth of +3.5% and underlying operating profit up +6.4%, margin up +10 bps.

The highlights include:

- First half Fiscal 2025 consolidated revenues were at 12.5 billion euros, up +3.1% year-on-year, including a negative currency impact of -0.1% and a net contribution from acquisitions and disposals of -0.3%. Organic revenue growth was +3.5%.
- Food services continued to demonstrate solid organic growth of +4.5%, while FM services grew at +1.7%.
- By geography:
 - North America delivered organic growth of +3.5% in the First half. Strong performance in Sodexo Live! and Corporate Services was partially offset by the impact of contract demobilizations in the Education and Healthcare & Seniors segments. Second-quarter performance was softer than the first quarter, primarily due to a higher comparison base, as well as contract demobilizations in Corporate Services, including the impact from the loss of a global FM contract last year.
 - Europe grew +2.1% organically, driven by continued momentum in Healthcare & Seniors

supported by net new wins, volume growth, and price adjustments. Growth was partly offset by softer activity in Facilities Management services, reflecting the current macroeconomic environment.

- Rest of the World was up +6.6% organically. This sustained strong performance was driven by robust growth in India, Brazil and Australia. While China is gradually recovering, Chile and Peru were affected by previous year's site losses.
- Underlying operating profit was 651 million euros, up +6.4%. The Underlying operating margin was up +10 bps at 5.2%.
- Other operating income & expenses amounted to a negative 71 million euros, mainly from restructuring expenses and amortization of acquisition-related assets. The prior year positive number of 30 million euros included a gain from the disposal of the Homecare business.
- Operating profit came in at 580 million euros, compared to 642 million euros in the prior year, reflecting year-on-year differences in Other operating income and expenses.
- Net financial expense was -40 million euros against -46 million euros in the prior year.
- The Effective tax rate for the first half of Fiscal 2025 was 19.5%, mainly impacted by the update of the risk related to the Sodexo S.A. tax audit, following the finalization of related procedures during the period. In comparison, the effective tax rate for the first half of Fiscal 2024 was 16.6%, supported by the non-taxable capital gain from the Homecare disposal, as well as the utilization of previously unrecognized tax assets in France.
- Group net profit was down -12.5% to 434 million euros primarily due to an exceptional capital gain in the prior year.
- Underlying net profit adjusted for Other Operating income and expenses net of tax amounted to 450 million euros, up +5.4%.
- Free cash flow in the first half Fiscal 2025 was a seasonal negative -234 million euros, a decline relative to the -102 million euros in First half Fiscal 2024 due to an exceptional tax outflow related to a tax audit in France. Net capital expenditure was slightly up at 256 million euros, representing 2.1% of revenues.
- Net debt increased to 3.4 billion euros up from 2.6 billion euros at the end of Fiscal 2024, primarily due to the seasonality of cash movements. Given the 6% year-on-year increase in rolling 12-month EBITDA, the net debt to EBITDA ratio stands at 2.3x, up 0.6x since year end, and at the same level as at the the end of first half Fiscal 2024.

Jean Renton, Chief Operating Officer Sodexo UK & Ireland commented: "Sodexo is growing in the UK and Ireland and since taking on the role of COO for the region, I have prioritised time meeting clients and visiting our site teams who are delivering service excellence – whether in providing delicious, nutritious and sustainable food, running large and complex contracts or in creating welcoming and engaging workplaces. Their commitment, spirit and hard work is without doubt adding value for our client partners and those we serve every day. This is what fuels our growth and our ability to create positive social impact in the communities where we operate, and I am so grateful to them all.

"Over the last six months we have welcomed new clients across our markets. Whether in the private

sector or as a strategic supplier to government, we are demonstrating how the seamless delivery of food, hospitality and FM services can significantly enhance the employee and consumer experience. As the leading expert self-delivering in these fields, our unique, insight-led proposition attracts clients who want to maximise value creation from a single, trusted partner.

“These clients include HMRC (western region), and East Suffolk and North Essex NHS Foundation Trust (ESNEFT) – two new food and FM services contracts that have both leveraged our refreshed Kitchen Works food brand, which offers high quality, nutritionally balanced and affordable meals, and our FM and asset management expertise. ESNEFT is a large, complex contract which includes two acute hospitals – Colchester (first time service outsourcing) and Ipswich Hospital, as well as its county-based community services. We are delighted to have recently mobilised this contract and welcomed new colleagues to Sodexo.

“We continue to lead with our portfolio of chef-led food brands, and alongside Kitchen Works, we are seeing an increased take up of Modern Recipe, Good Eating Company and Fooditude – particularly in large London-based corporate workplaces, where we also deliver the FM. We have more planned for the coming year.

“Sodexo is recognised and valued for its onsite delivery, scale and the ability to work in true partnership to contribute ever more significantly to the client ecosystem, co-creating for innovation and making a better every day for everyone.

“Our regional growth is powered by our network of supply partners – made up of large, SME and VCSE businesses – and we hugely appreciate their reliability, but also their innovation, creativity and collaboration. Our annual Partners with Purpose supplier conference takes place in May this year and I am looking forward to getting to know more of them personally.

“The UK and Ireland continues to play a key role in Sodexo’s global performance, and I am optimistic about the future. We have a business built around delivering exceptional sustainable food and valued experiences at every moment in life: learn, work, heal and play. We do that by living our values, being ambitious about the positive social impact we make, and nurturing and rewarding our 30,000 colleagues – among them our regional Spirit of Sodexo Awards winners who we will be celebrating at a special event in London next month.”