



# 2021 Half Year Results

12 May 2021

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Certain information included in the following presentation is forward looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward looking statements. Forward looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans, expected expenditures and divestments, risks associated with changes in economic conditions, the strength of the foodservice and support services markets in the jurisdictions in which the Group operates, fluctuations in food and other product costs and prices and changes in exchange and interest rates. Forward looking statements can be identified by the use of forward looking terminology, including terms such as "believes", "estimates", "anticipates", "expects", "forecasts", "intends", "plans", "projects", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. Forward looking statements are not guarantees of future performance. All forward looking statements in this presentation are based upon information known to the Company on the date of this presentation. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements, which speak only at their respective dates. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise. Nothing in this presentation shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.



Dominic Blakemore  
Chief Executive



# Today's agenda

- |                      |                               |
|----------------------|-------------------------------|
| 1. Dominic Blakemore | Overview                      |
| 2. Karen Witts       | Half year results             |
| 3. Dominic Blakemore | Regional reviews and strategy |

Conference call and Q&A session at 8:00 a.m. (U.K.).

# Highlights

Restored more than half of our historic margin in Q2 at 4.2%; expect further progress in Q3

New business wins up c. 20% on 2019 and strong client retention

Accelerated first time outsourcing now accounting for half of our growth

Strong cash flow performance driven by efficient working capital management

Evolving and optimising our operating model with a focus on digital, diversity and net zero

**We are confident in our ability to return to a Group underlying margin above 7%, before we return to pre-COVID volumes**

# Our four strategic priorities

..... SEIZING THE OPPORTUNITY .....>

**CONTROL THE  
CONTROLLABLE**

**INVEST IN  
GROWTH**

**REOPEN AND  
MOBILISE  
SAFELY**

**OPTIMISE AND  
EVOLVE**

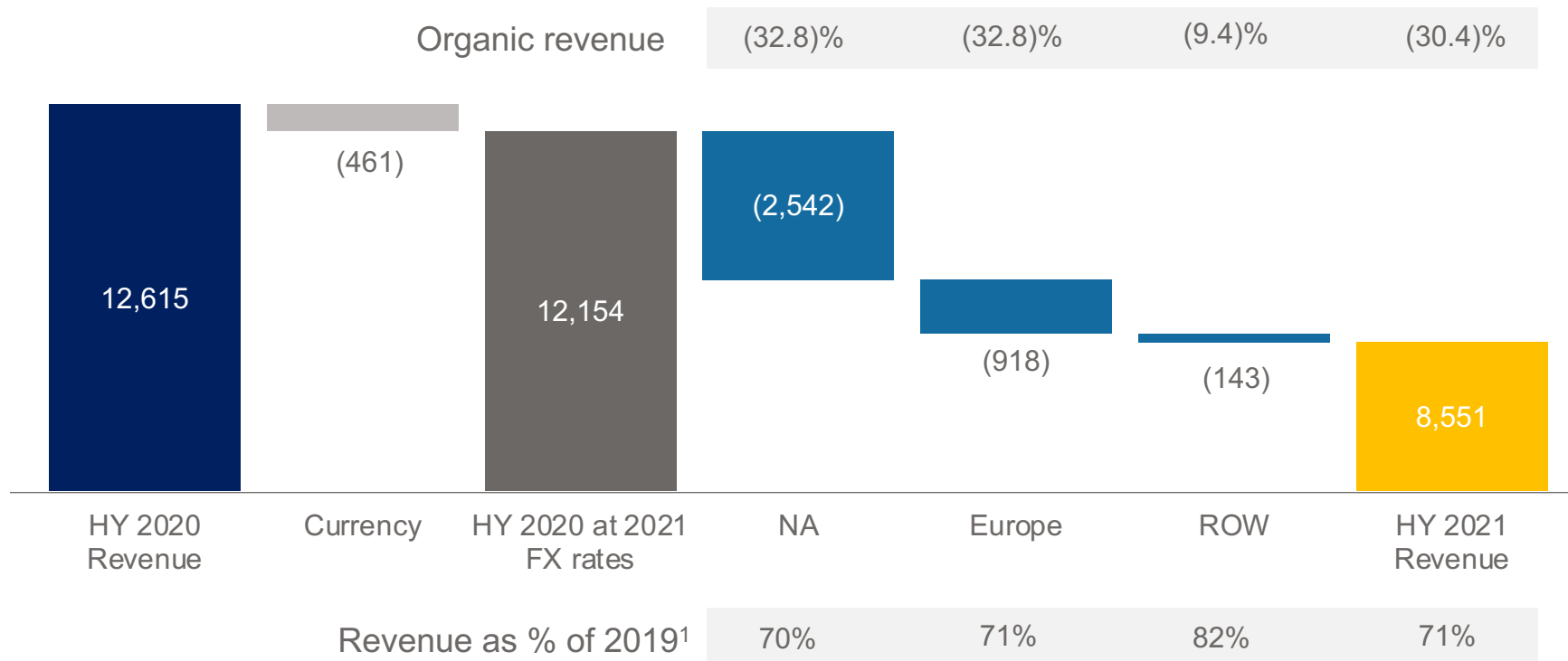


Karen Witts  
Chief Financial Officer



# Revenue continued to be affected by the pandemic

£m



<sup>1</sup> On a constant currency basis.



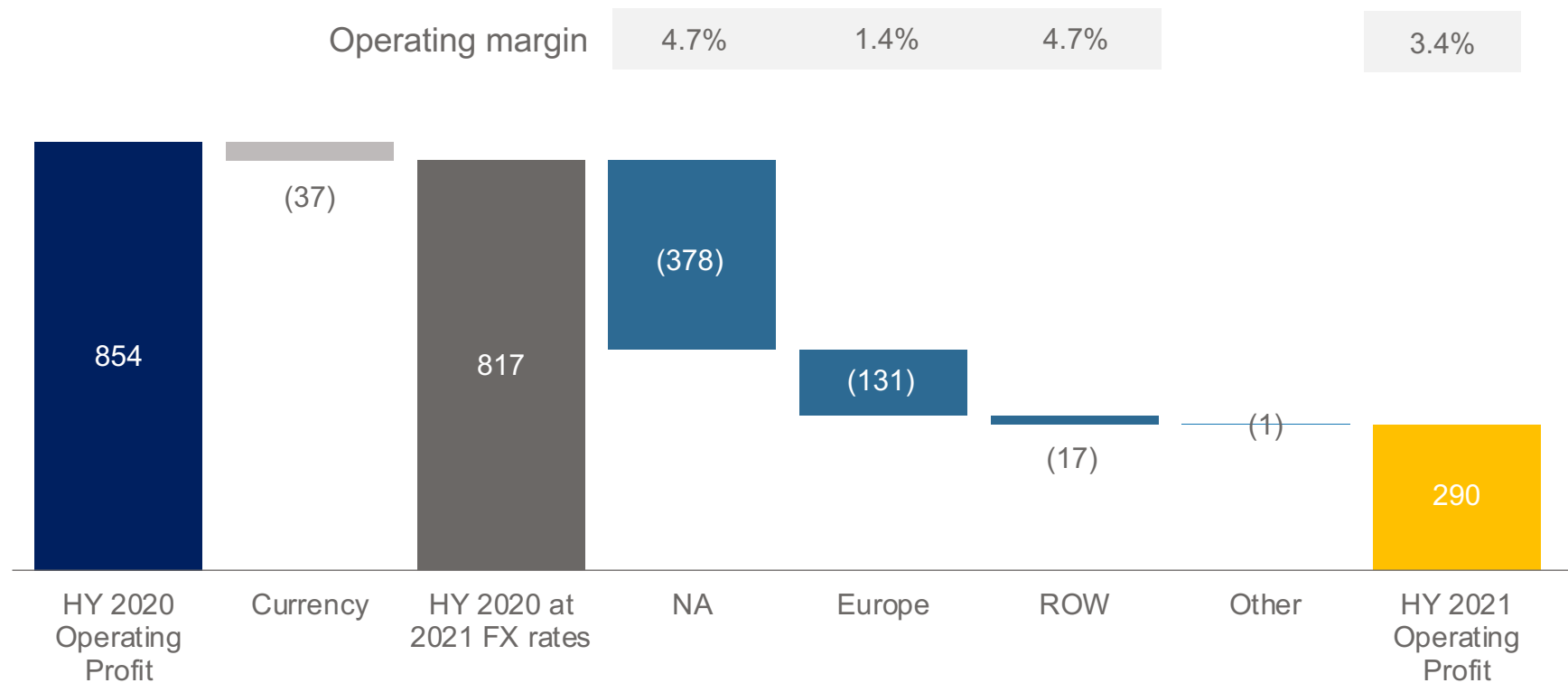
# Organic revenue trends varied by sector

By Sector	Q1 2021	Q2 2021	HY1
Business & Industry	(43.4)%	(41.5)%	(42.5)%
Education	(37.0)%	(25.6)%	(32.0)%
Healthcare & Seniors	0.8%	3.1%	1.9%
Sports & Leisure	(76.5)%	(66.6)%	(72.2)%
DOR	(1.2)%	2.5%	0.7%
<b>Group</b>	<b>(33.7)%</b>	<b>(26.8)%</b>	<b>(30.4)%</b>
<b>Revenue as % of 2019<sup>1</sup></b>	<b>71%</b>	<b>72%</b>	<b>71%</b>

<sup>1</sup> On a constant currency basis.

# Operating profit significantly impacted

£m



Notes: Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

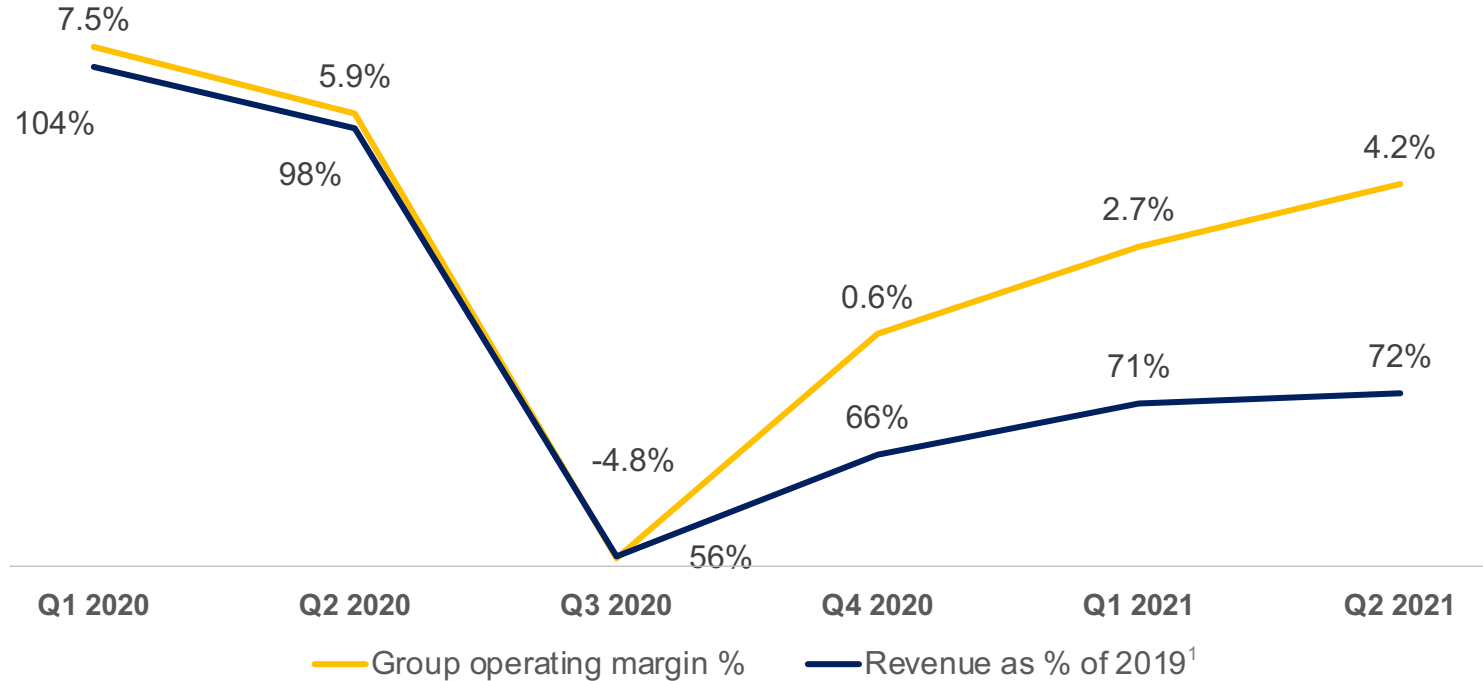
Control the controllable

Invest in growth

Reopen and mobilise safely

Optimise and evolve

# Continue to rebuild margin



<sup>1</sup> On a constant currency basis.

Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

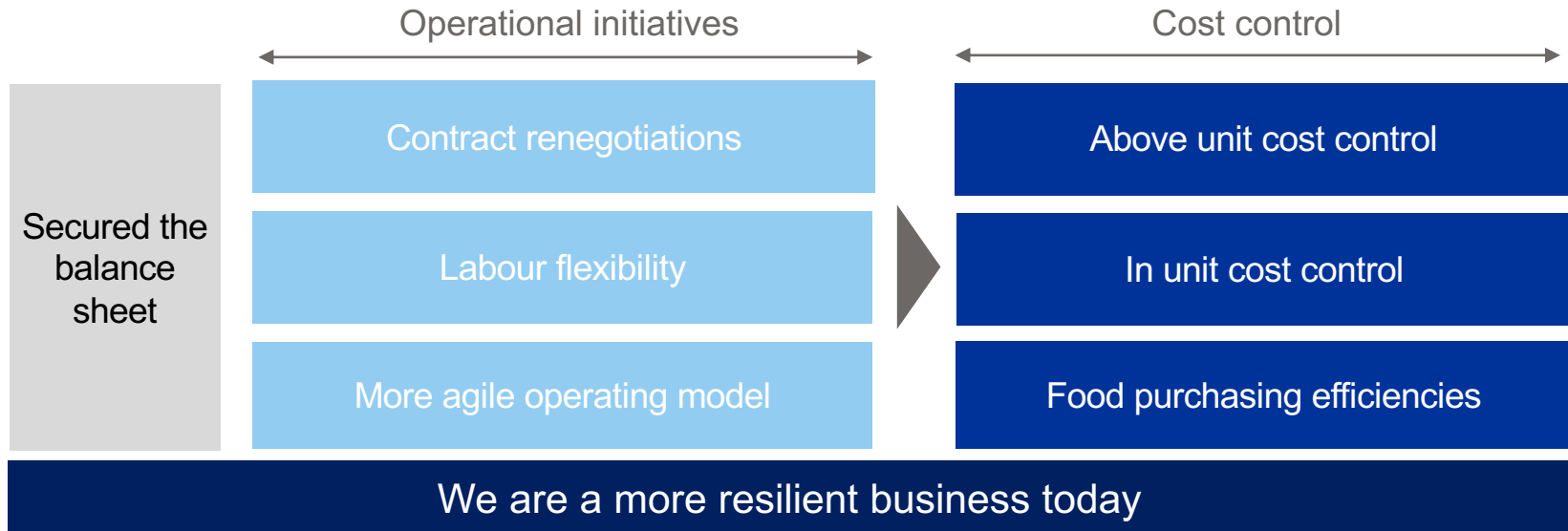
Control the controllable

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Reopen and mobilise safely

Optimise and evolve

# Our response to the crisis



Control the controllable

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# Our response to the crisis



# Costs and benefits from resizing

£m

## Cumulative annual benefits to date

		Total cost to date	North America	Europe	Rest of World	Total
MAP 4 – In unit costs	Cost avoidance	138	140	275	45	460
MAP 5 – Above unit	Cost savings	62	55	33	2	90
<b>Total</b>		<b>200</b>	<b>195</b>	<b>308</b>	<b>47</b>	<b>550</b>

Control the controllable

Invest in growth

Reopen safely and mobilise

Optimise and evolve

# Looking ahead to the rest of the year

Mobilise  
existing and  
new business

Re-training and  
onboarding

Health and  
hygiene

Further  
contract  
renegotiations

Rebuilding  
scale

Expand menu  
range

Non-linear margin progression

# Income statement

£m

	HY 2021	HY 2020	
Operating profit	290	854	
Net finance cost	(56)	(65)	<ul style="list-style-type: none"> <li>• Finance costs reflect lower debt and interest rates</li> </ul>
<b>Profit before tax</b>	<b>234</b>	<b>789</b>	
Tax	(63)	(189)	<ul style="list-style-type: none"> <li>• HY21 ETR of 27%</li> <li>• FY21 guidance 25% to 27%</li> </ul>
<b>Profit after tax</b>	<b>171</b>	<b>600</b>	
Non-controlling interests	-	(3)	
<b>Attributable profit</b>	<b>171</b>	<b>597</b>	
Average number of shares (millions)	1,784	1,588	<ul style="list-style-type: none"> <li>• Increase due to the placing of shares in May 2020</li> </ul>
Basic earnings per share (pence)	9.6p	37.6p	

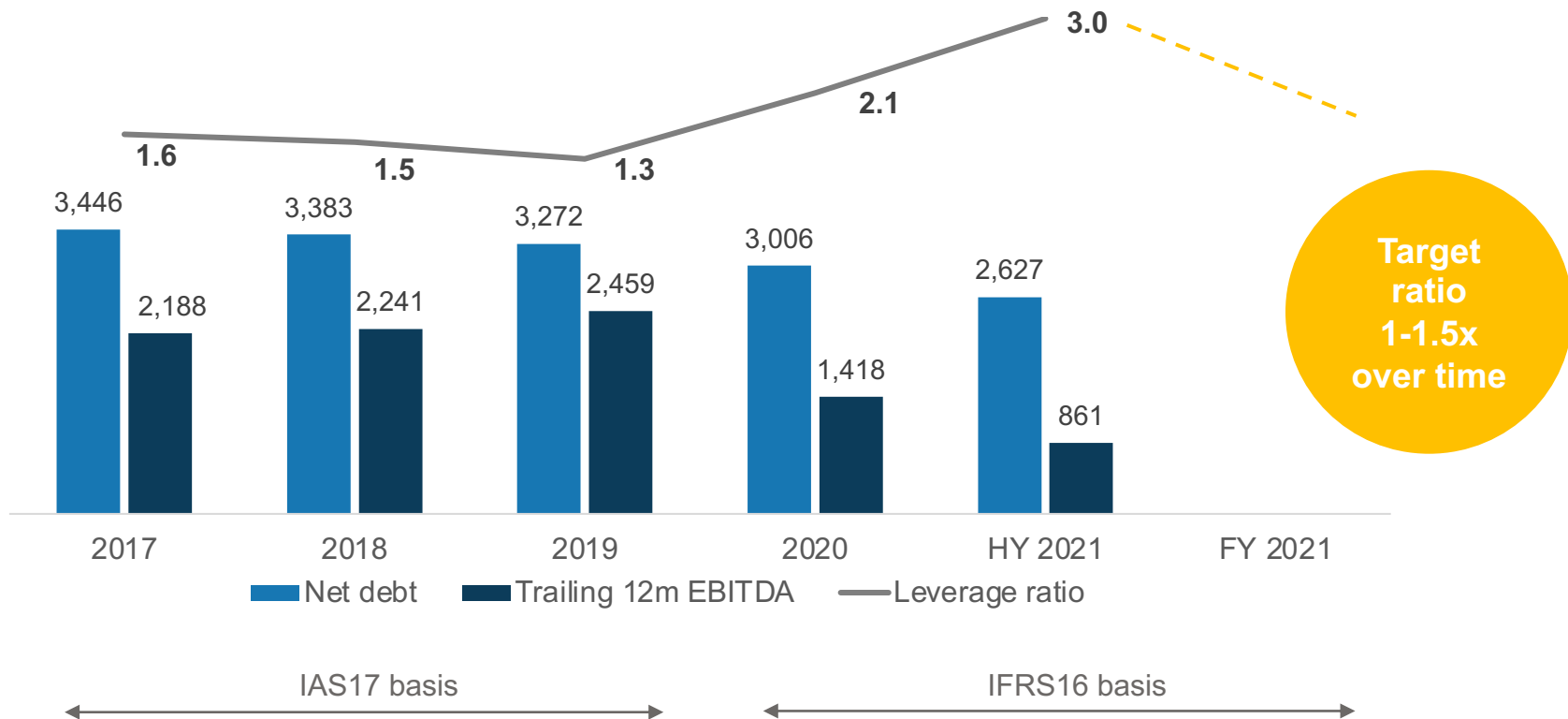


# Strong underlying free cash flow

£m

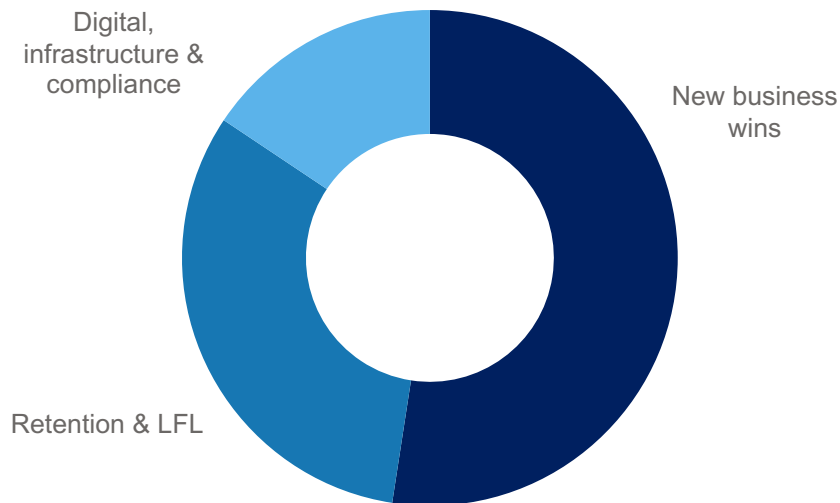
	HY 2021	HY 2020	
Operating profit	290	854	<ul style="list-style-type: none"> <li>Gross capex £288m, 3.4% of sales</li> <li>FY guidance c.£700m dependent on pace of mobilisations and re-openings</li> </ul>
Depreciation and amortisation	380	373	
<b>EBITDA</b>	<b>670</b>	<b>1,227</b>	<ul style="list-style-type: none"> <li>Improved collections</li> <li>Indirect and payroll tax deferrals</li> </ul>
Net capital expenditure	(272)	(402)	
Trade working capital	119	(303)	<ul style="list-style-type: none"> <li>Benefited from prior year refunds</li> </ul>
Provisions	27	(17)	
Lease payments of principal	(80)	(77)	
Other	22	4	
<b>Operating cash flow</b>	<b>486</b>	<b>432</b>	
Post employment benefits	(5)	(6)	
Net interest	(52)	(61)	
Net tax	(60)	(213)	
Net other items	(10)	34	
<b>Free cash flow</b>	<b>359</b>	<b>186</b>	
<b>Free cash flow conversion</b>	<b>124%</b>	<b>22%</b>	

# Leverage ratio expected to reduce going forward



# Disciplined investment in capex and M&A

HY capital expenditure



Bolt on M&A opportunities



# Investment supporting long term growth

## Strong track record of returns

- Historic ROCE of c.20%
- Gives confidence for the future

## Robust post investment review process

- Conduct ongoing post investment reviews
- Capex returns ahead of historic ROCE over life of contract
- Acquisition returns exceeded WACC by the end of year two

## Maintain discipline for future investment

- Investing in new business opportunities
- Returns likely to be suppressed in the short term

# Capital allocation priorities remain unchanged



# Financial summary

- Restored more than half of our 2019 margin in Q2
- Expect continued margin progression in Q3 of 4.5% to 5.0%
- Robust balance sheet and strong liquidity
- Prioritising investment according to our capital allocation framework
- Investing capex to support record new business wins with attractive returns
- Strong track record gives confidence for future

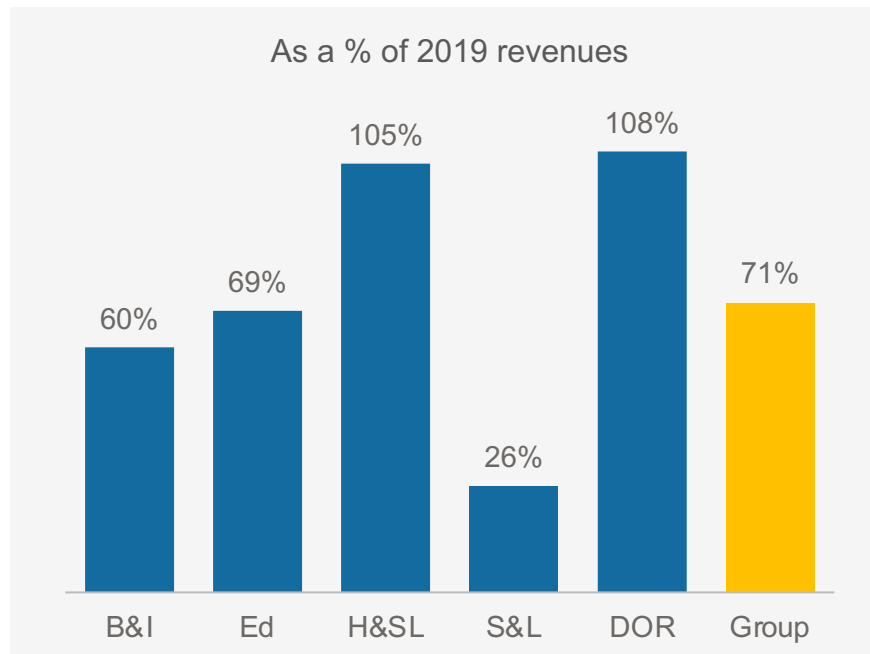
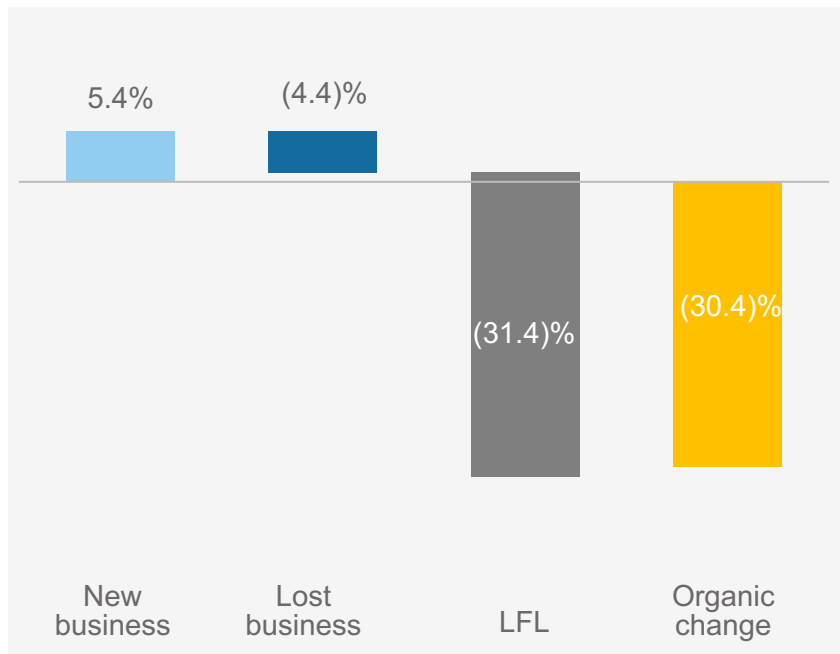


# Dominic Blakemore

Group and regional performance



# Organic revenue: continued strong wins and retention





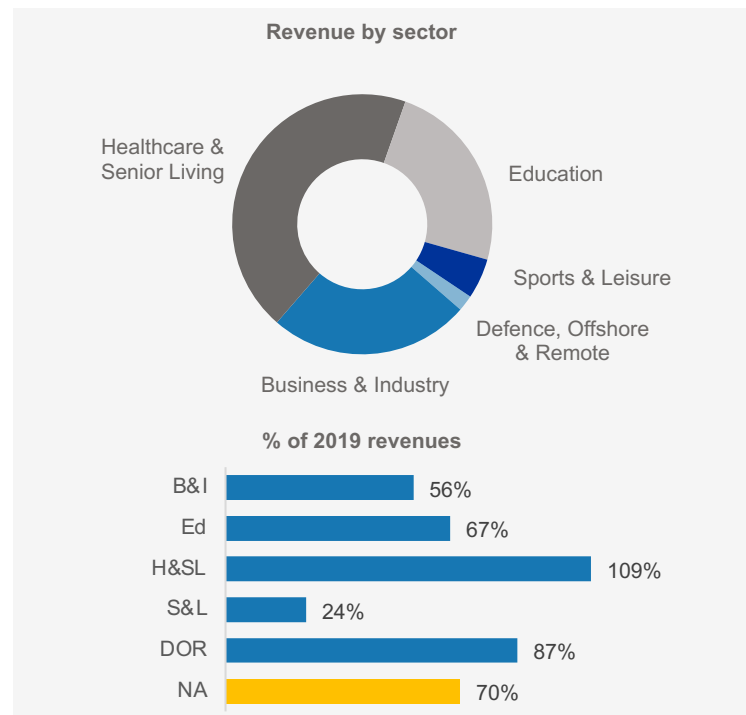
# Regional performance: North America

## Organic revenue (33%)

- New business of 5.2% (HY) and 5.6% (Q2) with double digit contribution from Healthcare & Sr Living
- Excellent client retention of 96.6%
- All Healthcare sub-sectors growing, improvement in Education and DOR, gradual return to office in B&I, and more Sports & Leisure events

## Operating margin 4.7%

- Q2 margin of 5.6%; 160 bps improvement on Q1
- Continued focus on cost and purchasing compliance



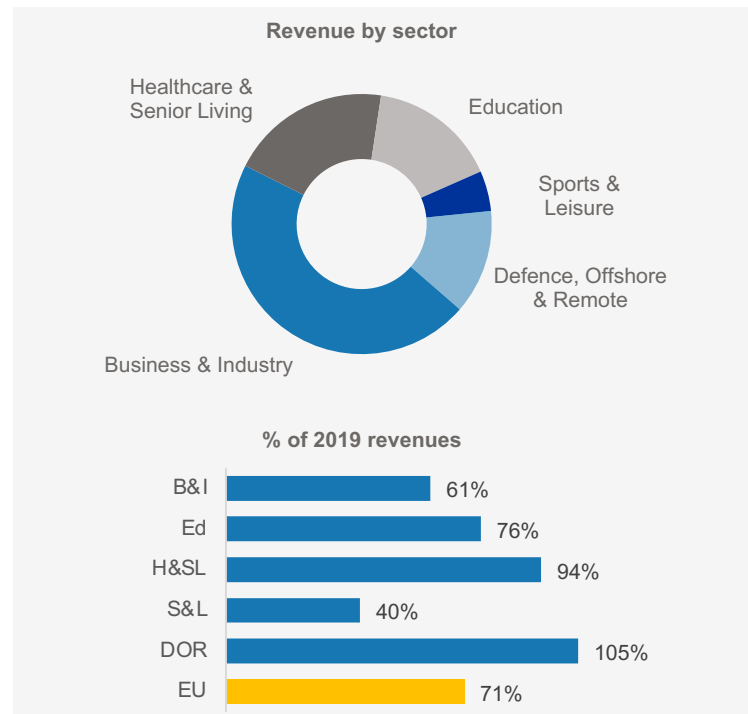
# Regional performance: Europe

## Organic revenue (33%)

- New business of 5.1% (HY), 5.9% (Q2) with good contributions from the UK and Turkey
- Improved retention of 93.5%
- Volumes unchanged due to sector exposure and impact of additional lockdowns

## Operating margin 1.4%

- Continued margin improvement despite lockdowns
- Q2 margin 1.7%, c.15 percentage points higher than Q3 2020



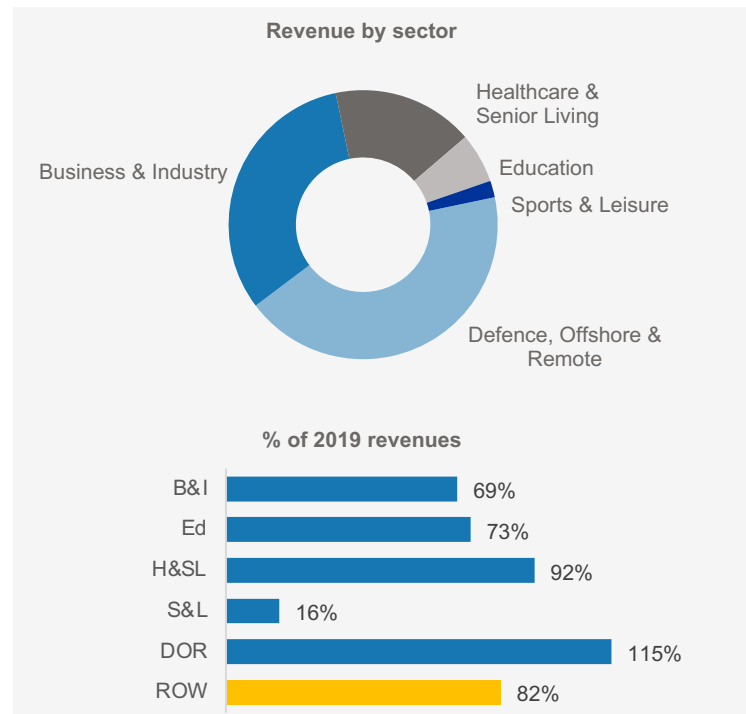
# Regional performance: Rest of World

## Organic revenue (9%)

- New business of 7% (HY) and 7.8% (Q2) with double digit contribution from DOR in Australia and Chile
- Improved retention of 94.5%
- Most resilient region due to exposure to DOR and Healthcare & Senior Living

## Operating margin 4.7%

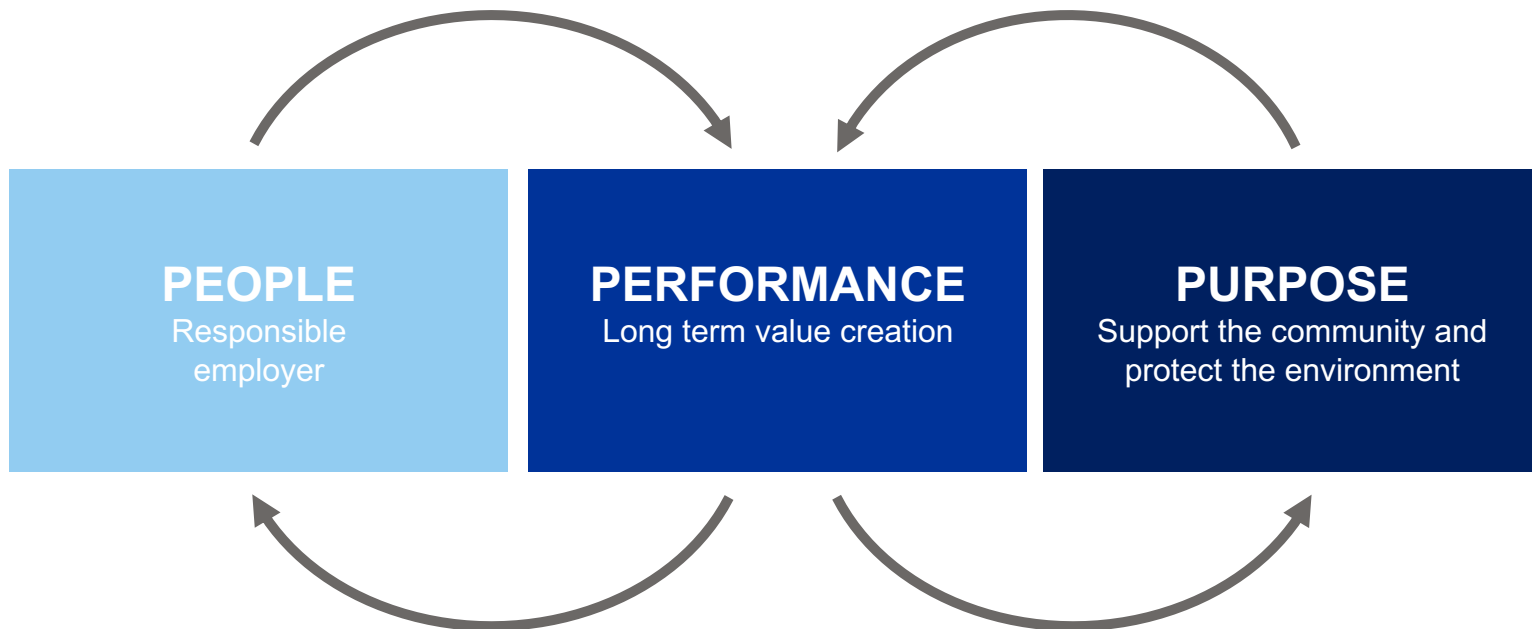
- Q2 margin of 5.4%, up 140bps on Q1
- Continued focus on cost



# Strategy



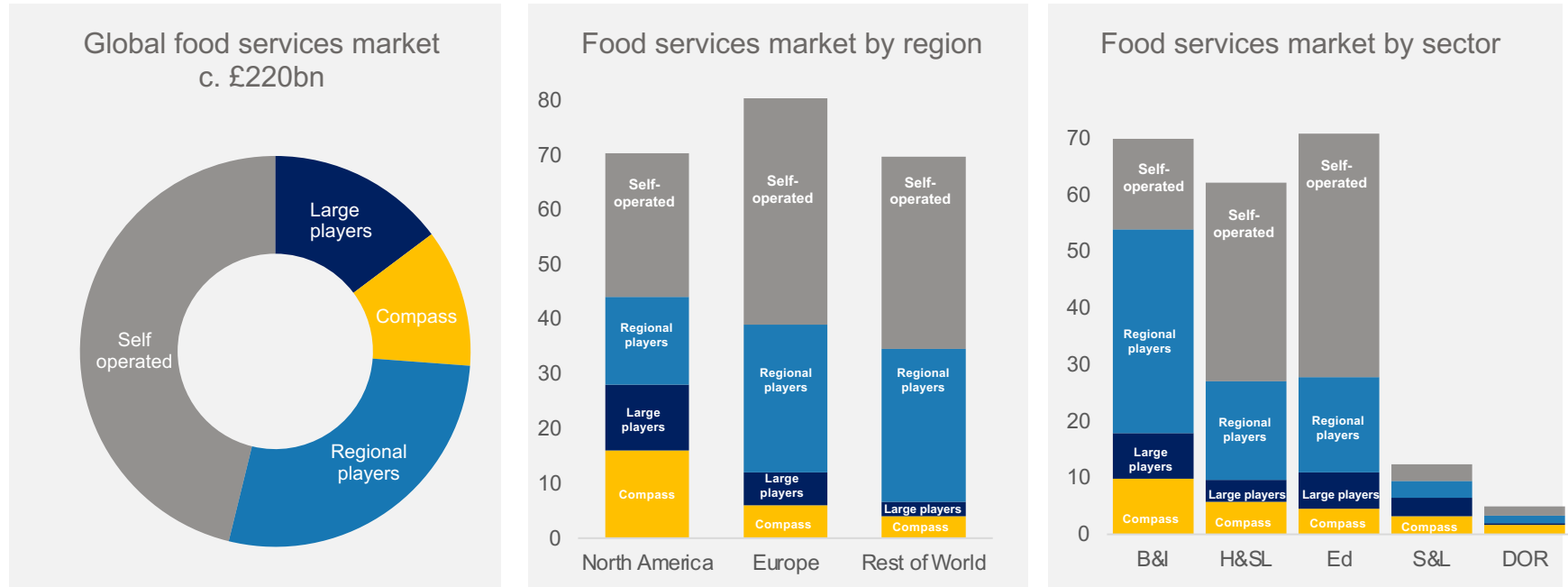
# Building back stronger for all our stakeholders



# Seizing the opportunity



## Structural market opportunities for organic and inorganic growth



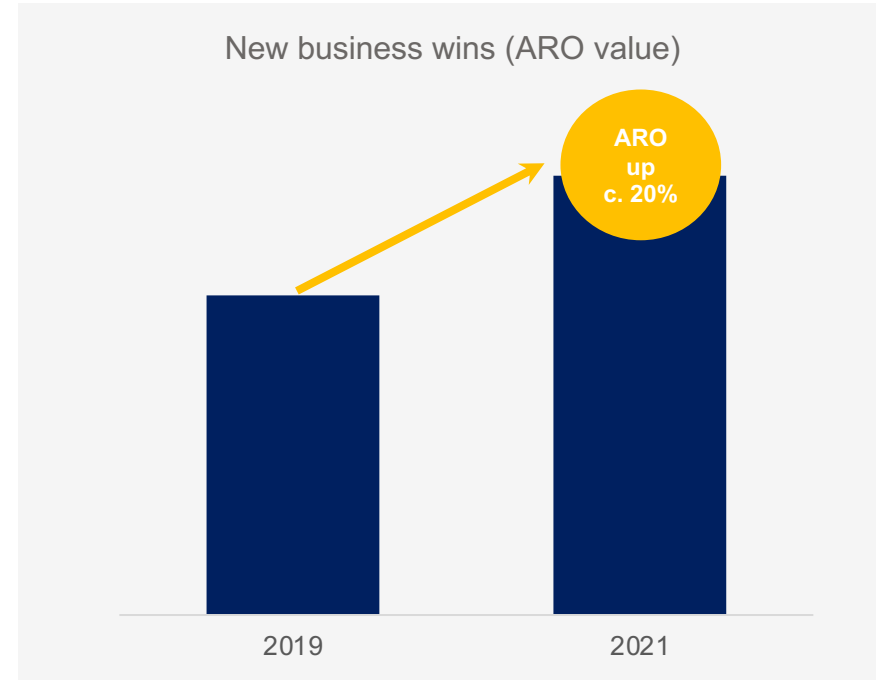
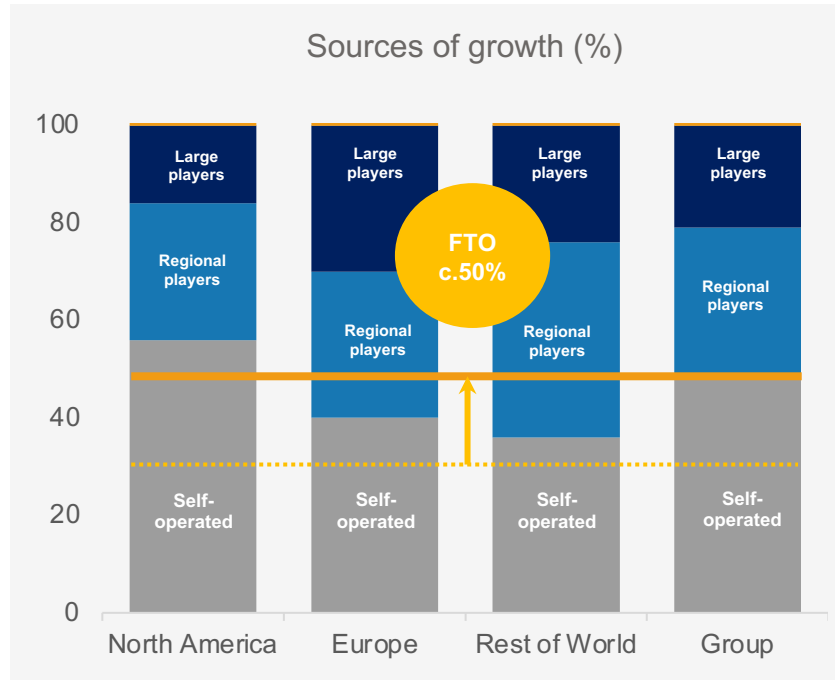
Control the controllable

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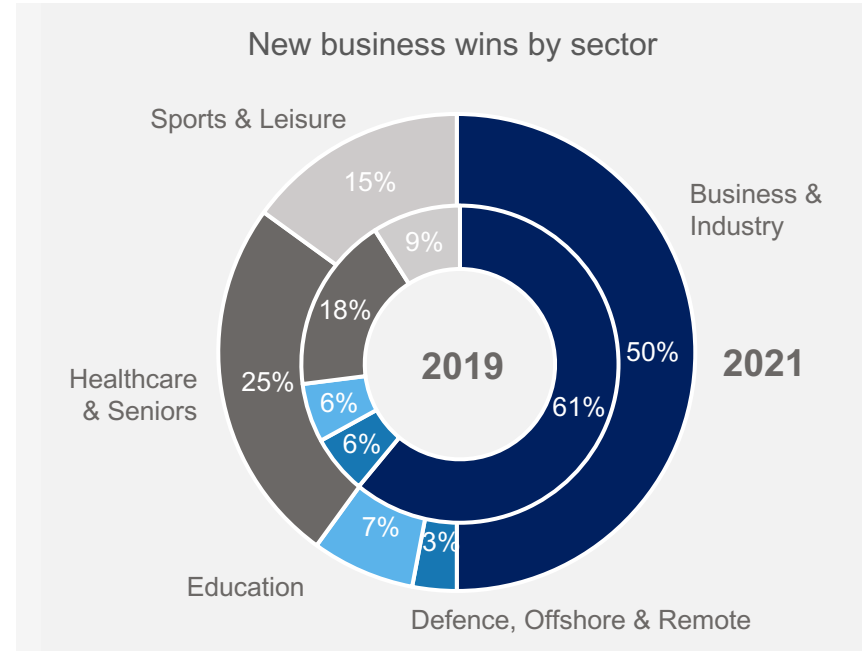
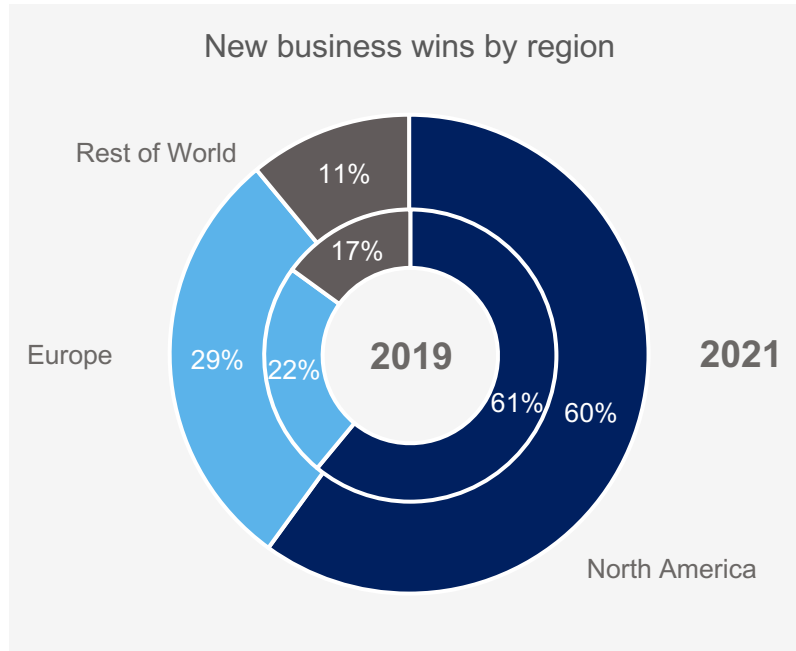
## Accelerated first time outsourcing leading to strong new business wins



Note: FTO is first time outsourcing. ARO value is the annual revenue of new business wins.

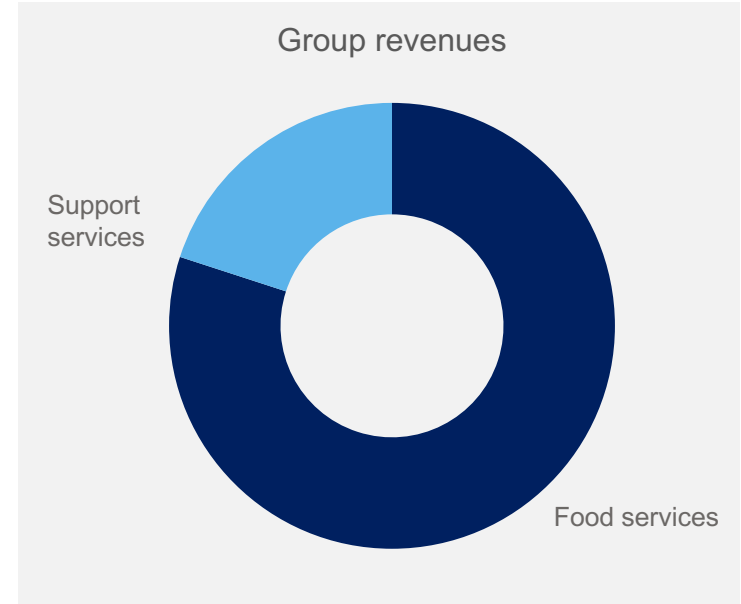


## New business wins helping diversify our portfolio



## Successful support services business

- Extensive portfolio of sector brands
- High value add proposition and proven processes
- Considerable cross-selling opportunities
- Strong consistent growth throughout the pandemic with attractive margins
- Opportunity to grow share across other sectors



# Seizing the opportunity



## Reopening and mobilising safely and efficiently

- Health and Safety is our number one priority
- Robust hygiene and disinfection protocols
- Proactive about recruitment – using digital tools to interview, onboard and train
- Evolving our food and service model to better adapt our offer for lower volume days
- Increased emphasis on health and wellness

**COVID-19-Specific Training**

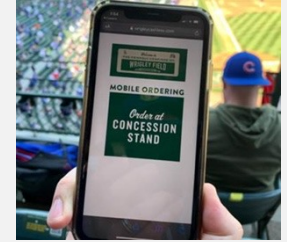
- Developed COVID-19-specific training
- Deployed across multiple platforms, mobile applications/ quick links

**Workforce management**

**Recruitment**

## Welcoming back sports fans

- Stringent protocols, health screening and infection control training
- Contactless processes reducing pressure points
- Frictionless retail creating an effortless experience
- Optimised food offer and processes
- Partnering with relevant local providers
- Data analytics driving product mix and pricing



# Seizing the opportunity



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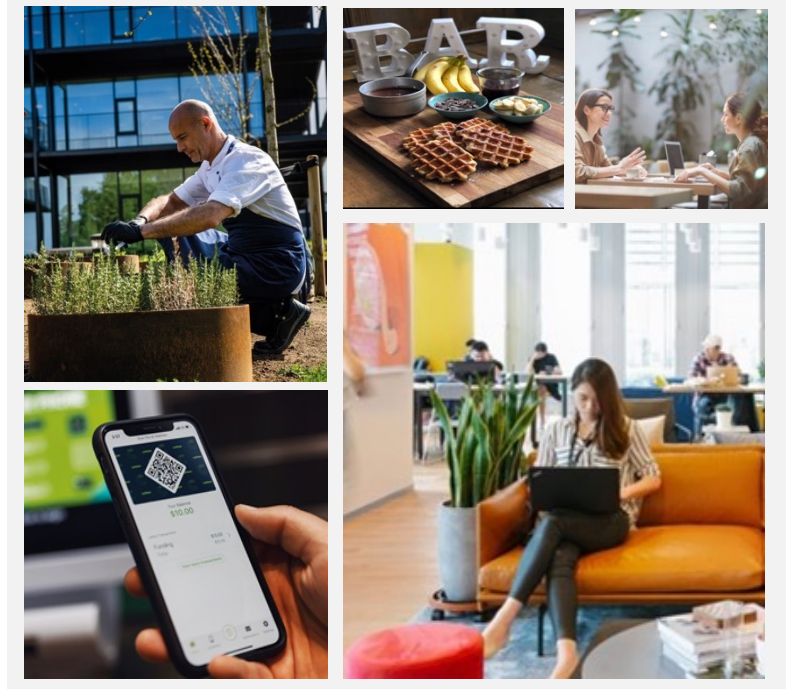
## Building and scaling a digital offer

- Lean and more agile operating model
- In-house, customisable digital capabilities
- Central production units with digital solutions:
  - Copper Pan Kitchen
  - Feedr
  - Time2Eat
- Canteen vending distribution network
- Scaling up with volume recovery



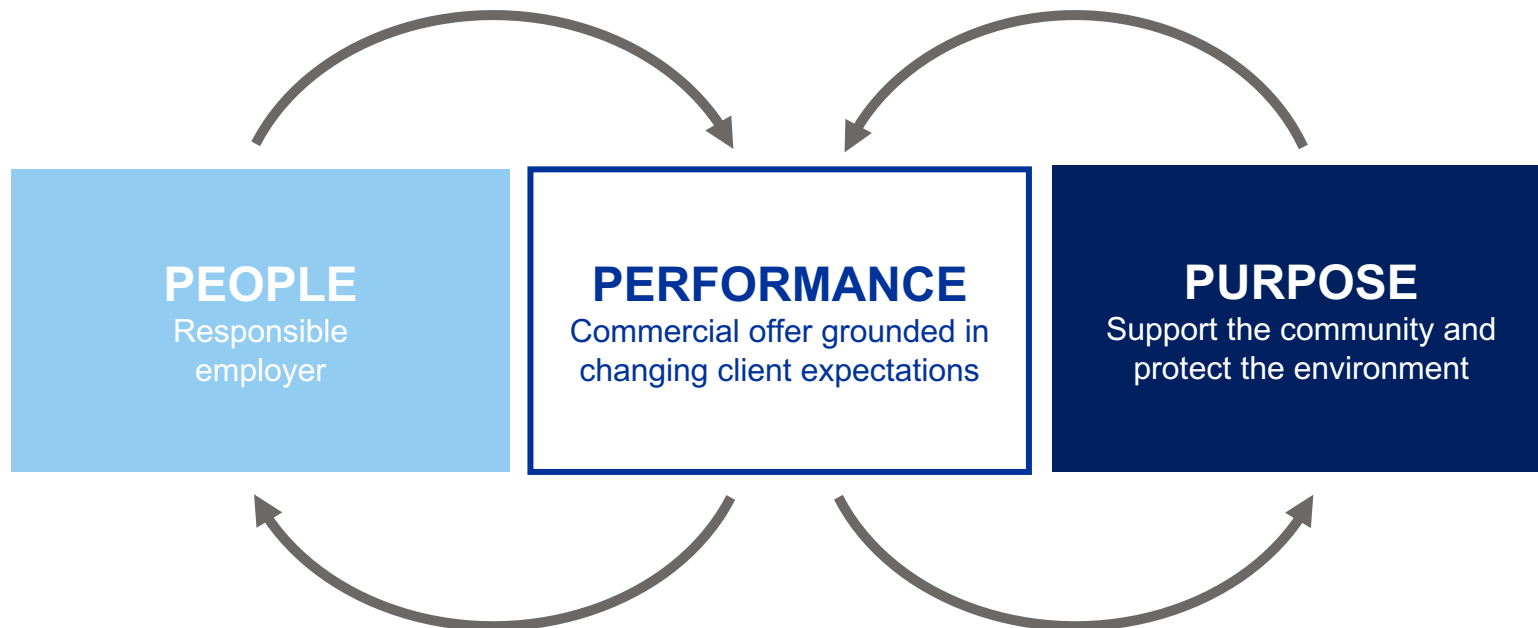
## The future of B&I

- Hubs for collaboration and innovation
- Hybrid working with extended opening hours
- Multipurpose concepts enabled by digital
- Food services flexing with population levels
- Food as medicine: personalised, nutrient dense and immunity boosting
- Digital, diversity & inclusion, decarbonisation





# Building back stronger for all our stakeholders



## People: Inspiring and growing through great leadership

- Thanks to all our colleagues for their hard work and extraordinary commitment
- Our People differentiate us from our competition and are the reason clients choose us
- They are energetic, ambitious and entrepreneurial
- Exceptional operators, supported by a MAP culture
- Ongoing training and development for all

#wearecompass everyone together

# Leadership Academy

COMPASS DIGITAL LABS

E<sup>15</sup>

envision group  
grow. innovate. create.

SMARTQ  
A COMPASS GROUP COMPANY

## People: Building a more diverse and inclusive business

- Diversity & Inclusion fosters innovation and increases employee retention
- Our clients want our workforce to reflect their culture and values
- We are promoting gender equality at all levels - Australian business at 48% gender parity
- D&I survey – responses from 30,000 employees, unconscious bias training



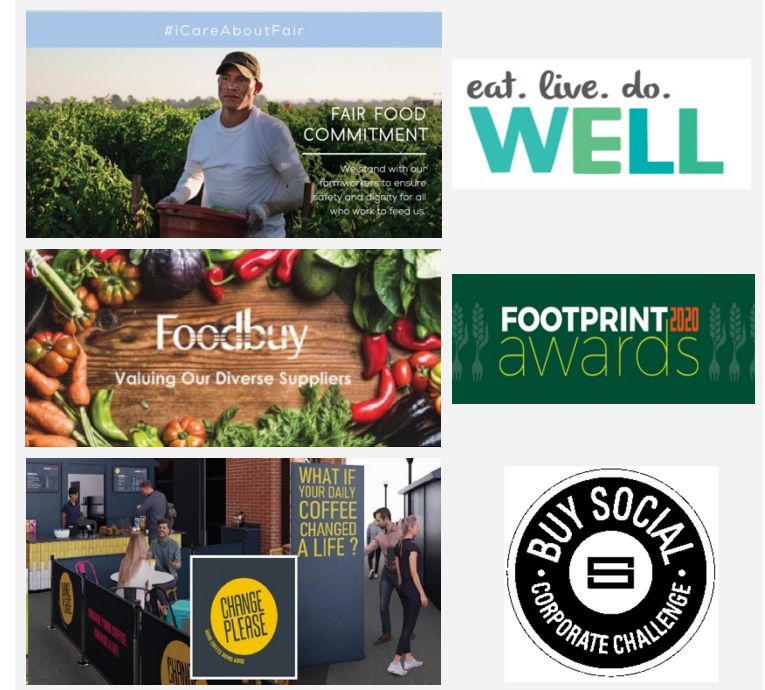
## Purpose: Doing our part to limit global warming

- Compass UK & Ireland committed to Net Zero emissions by 2030
- Supporting our clients with their sustainability goals
- Introducing carbon labelling
- Expanding food waste measurement tools
- Promoting plant-based foods and increasing chef training
- Facilitating partnerships and tracking progress



## Purpose: Supporting local suppliers and social enterprise

- Small and mid-sized family farms
- Women and minority owned businesses
- Black, Indigenous, People of Colour (BIPOC)
- Working with over 20 different social enterprises
- Creating meaningful social value for communities and the environment



# The Compass model of value creation remains intact



# Summary

Restored more than half of our historic margin in Q2, with further progress expected in Q3

Strong first time outsourcing momentum underpins confidence in future growth

Continued investment in the business to seize exciting growth opportunities

Our competitive advantages in People, scale and sectorisation remain strong

Continued focus on Health & Safety, People and Purpose

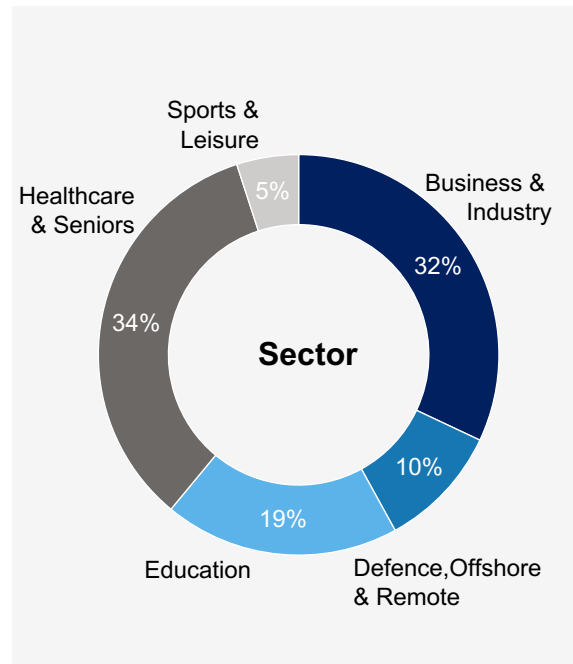
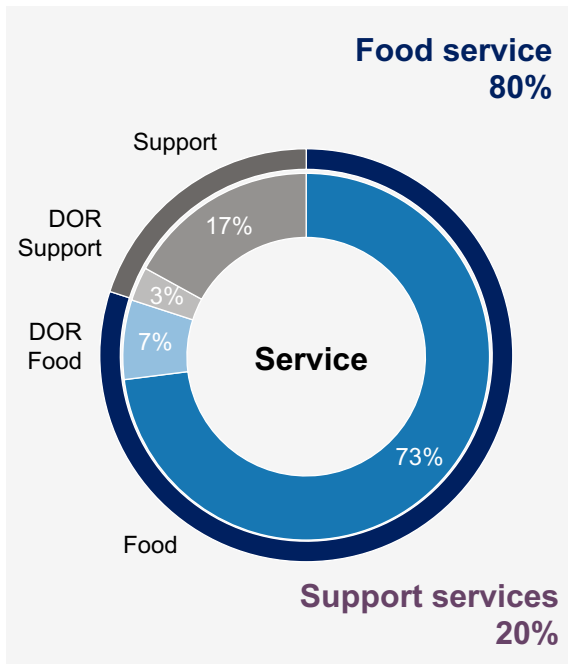
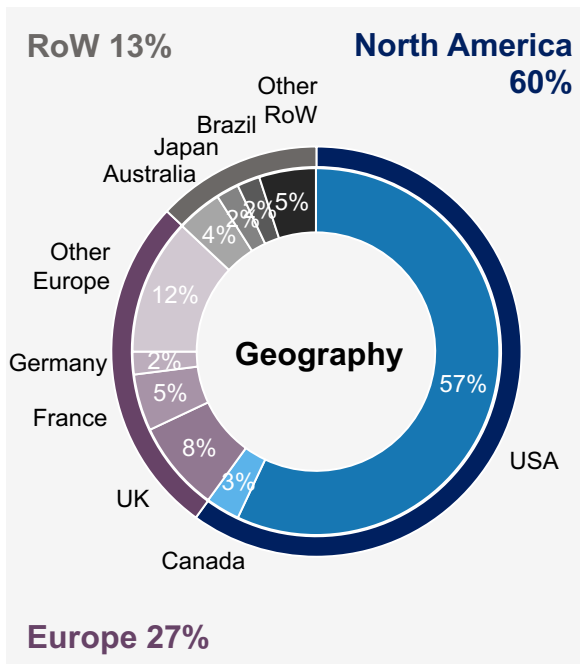
**We are confident in our ability to return to a Group underlying margin above 7%,  
before we return to pre-COVID volumes**

# Supplementary Information



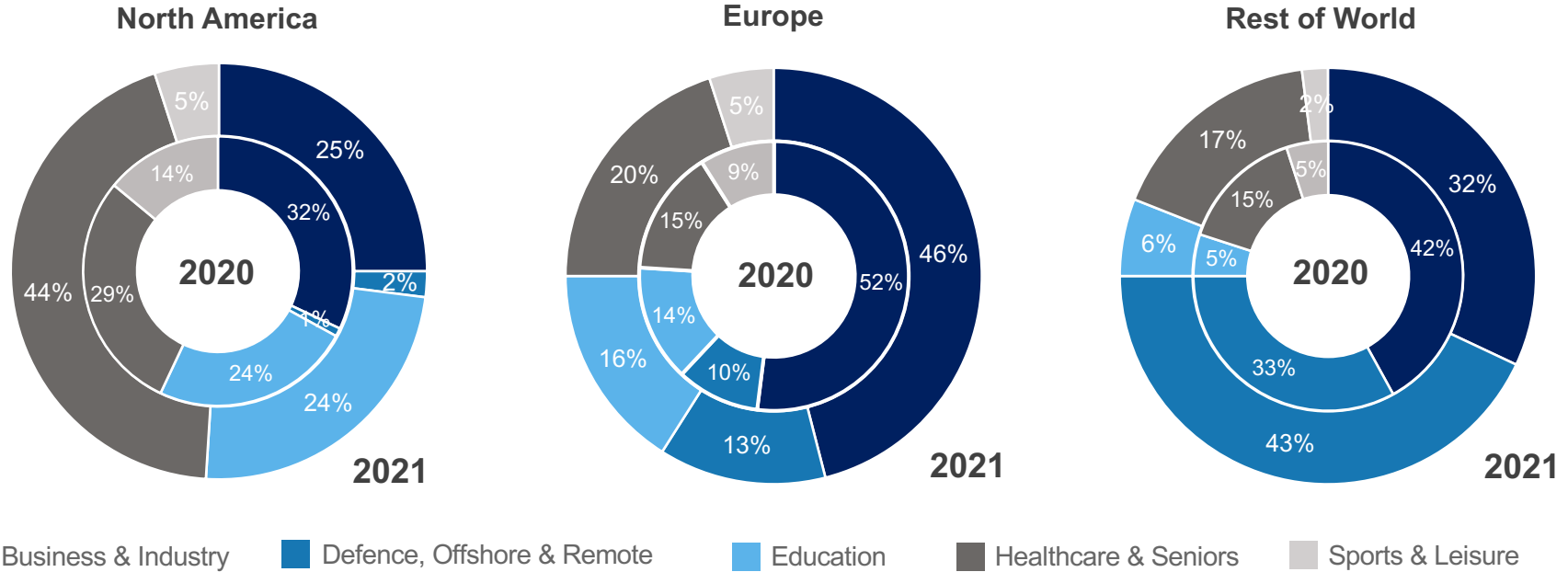


# Revenue



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

# Geographic revenue by sector



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

# Geographic financials

£m	North America	Europe	Rest of World	Other <sup>1</sup>	Total
<b>2021</b>					
Revenue	5,160	2,260	1,131		8,551
<i>Organic growth</i>	(32.8)%	(32.8)%	(9.4)%		(30.4)%
Operating profit	245	32	53	(40)	290
<i>Margin</i>	4.7%	1.4%	4.7%		3.4%
Cash flow	392	94	30	(157)	359
<i>Cash flow conversion</i>	160%	290%	57%		124%
<b>2020 restated<sup>2</sup></b>					
Revenue	8,080	3,185	1,350		12,615
<i>Organic growth</i>	3.6%	(3.9)%	2.6%		1.6%
Operating profit	654	165	74	(39)	854
<i>Margin</i>	8.1%	5.2%	5.5%		6.7%
Cash flow	408	101	42	(365)	186
<i>Cash flow conversion</i>	62%	61%	57%		22%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

<sup>1</sup> Other operating profit includes unallocated overheads £37m (2020: £42m), and share of (loss)/profit from associates £(3)m (2020: £3m). Other cash flows includes net interest and tax.

<sup>2</sup> Prior period comparatives have reclassified Middle East from our Rest of World region into our Europe region.

# Costs and benefits from resizing

£m

	Costs of resizing						Estimated annual benefits					
	In unit (MAP 4)	Above unit (MAP 5)	FY20 Total	In unit (MAP 4)	Above unit (MAP 5)	HY21 Total	In unit (MAP 4)	Above unit (MAP 5)	FY20 Total	In unit (MAP 4)	Above unit (MAP 5)	HY21 Total
North America	22	26	<b>48</b>	-	-	-	140	55	<b>195</b>	-	-	-
Europe	41	20	<b>61</b>	62	14	<b>76</b>	100	13	<b>113</b>	175	20	<b>195</b>
Rest of World	11	2	<b>13</b>	2	-	<b>2</b>	40	2	<b>42</b>	5	-	<b>5</b>
<b>Group</b>	<b>74</b>	<b>48</b>	<b>122</b>	<b>64</b>	<b>14</b>	<b>78</b>	<b>280</b>	<b>70</b>	<b>350</b>	<b>180</b>	<b>20</b>	<b>200</b>

# Balance sheet

Overview (£m)	2021 HY	2020 HY <sup>1</sup>	2020 FY
Goodwill	4,487	4,751	4,669
Other non-current assets	4,494	5,132	4,900
Working capital	(1,293)	(1,128)	(1,218)
Net Assets held for sale	21	54	6
Provisions	(573)	(439)	(637)
Post employment benefit obligations	119	387	190
Current tax payable	(99)	(129)	(117)
Deferred tax	78	(150)	26
Net debt	(2,627)	(4,876)	(3,006)
<b>Net assets</b>	<b>4,607</b>	<b>3,602</b>	<b>4,813</b>
Shareholders' equity	4,584	3,575	4,790
Non-controlling interests	23	27	23
<b>Total equity</b>	<b>4,607</b>	<b>3,602</b>	<b>4,813</b>

Notes: 1. Prior period comparatives have been restated as required by IFRS 5 'Non-current assets held for sale and discontinued operations' to account for joint ventures and associates using the equity method retrospectively when they cease to be classified as held for sale.

# Net Debt

£m	2021 HY	2020 FY
<b>Opening net debt</b>	<b>3,006</b>	<b>3,272</b>
Free cash flow	(359)	(213)
Net acquisitions and disposals	36	450
Resizing	126	108
Equity raise	-	(2,000)
Dividends	-	427
Impact of IFRS 16	-	995
FX and other non cash items	(182)	(33)
<b>Closing net debt</b>	<b>2,627</b>	<b>3,006</b>
<b>Net debt to EBITDA</b>	<b>3.0x</b>	<b>2.1x</b>

# Components of net debt

	<b>£m</b>
Bonds	2,291
Private placements	1,051
Commercial Paper	-
Bank loans	-
	<b>3,342</b>
Leases	845
Other loans and fair value accounting adjustments	108
Derivatives	(131)
<b>Gross debt</b>	<b>4,164</b>
Cash net of overdrafts	(1,537)
<b>Closing net debt at 31 March 2021</b>	<b>2,627</b>

Notes: Based on nominal value of borrowings as at 31 March 2021.

# Financing

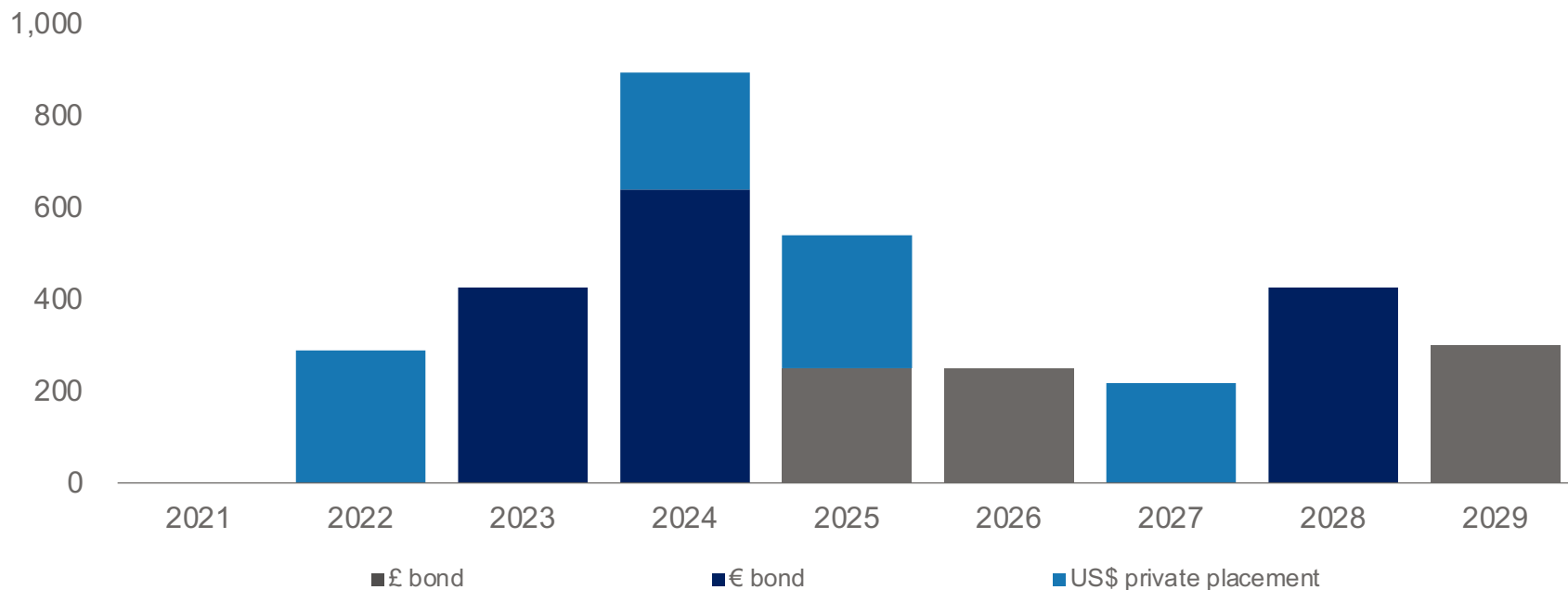
Principal borrowings	Coupon	Maturing in Financial Year	Drawn £m
<b>Bonds</b>			
€500m	1.875%	2023	426
€750m	0.625%	2024	639
€500m	1.500%	2028	426
£250m	2.000%	2025	250
£250m	3.850%	2026	250
£300m	2.000%	2029	300
<b>Total</b>			<b>2,291</b>
<b>US private placements</b>			
\$750m (2011 Notes)	3.98% - 4.12%	2022 - 2024	544
\$300m (2014 Notes)	3.81%	2025	217
\$400m (2015 Notes)	3.54% - 3.64%	2025 - 2027	290
<b>Total</b>			<b>1,051</b>
<b>Bank loans</b>			
£800m syndicated facility*		2021	-
£2,000m syndicated facility		2025	-
<b>Commercial Paper</b>			
\$4,000m CP Programme		n/a	-
<b>Total</b>			<b>-</b>
<b>Total</b>			<b>3,342</b>

Notes: Based on borrowings as at 31 March 2021. Interest rates shown are those in force on the date the debt was issued. The Group uses interest rate swaps to manage its effective interest rate. No other adjustments have been made for hedging instruments, fees or discounts. Bonds, private placements and bank loans are held by Compass Group PLC apart from the €750m 2024 & €500m 2028 bonds which are held by CGFNBV, which is a wholly owned subsidiary. Of the £2,000m syndicated facility, £140m expires in 2024 and the remaining £1,860m expires in 2025. \*This facility matured on 3 April 2021



# Maturity profile

£m



Notes: Based on borrowings and facilities in place as at 31 March 2021, maturing in the financial year ending 30 September.  
The average life of the Group's principal borrowings is 4.2 years (2020: 4.1 years)

# Financing

## Debt ratios and credit ratings

<b>Ratings</b>	<b>Short term</b>	<b>Long term</b>	<b>Outlook</b>	<b>Latest Update</b>
Standard & Poors	A-1	A	Negative	21 Dec 20
Moody's	P-2	A3	Stable	17 Dec 20

<b>Ratios for USPP covenant purposes<sup>4</sup></b>	<b>2021 HY</b>	<b>2020 HY<sup>5</sup></b>
Net debt <sup>1</sup> / EBITDA <sup>2</sup>	5.6x	1.9x
EBITDA <sup>2</sup> / net interest <sup>3</sup>	12.5x	20.5x

Notes: 1.Net debt excludes leases, derivatives and restricted cash in line with the covenant definitions.

2. EBITDA includes share of profit of associates and profit from discontinued business but excludes exceptional profits and is adjusted where necessary for covenant definitions.

3. Interest excludes leases, the element of finance charges resulting from hedge accounting ineffectiveness and the change in the fair value of investments.

4. The Group obtained a waiver of the leverage covenant for the March 2021 test date. The interest cover covenant has been reset at more than or equal to 3x on a 6 months proforma basis for March 2021.

5. Restated to reflect specific definitions as set out in the US Private Placement agreements

# Liquidity position

£m

	HY 2021	FY 2020
Revolving Credit Facility maturing 2025*	2,000	2,000
Revolving Credit Facility maturing 2021**	800	800
<b>Total Committed Revolving Credit Facilities (RCF)</b>	<b>2,800</b>	<b>2,800</b>
Bank of England COVID Corporate Finance Facility (CCFF)	0	600
Amount drawn down from RCF & CCFF	0	0
<b>Total Unutilised Committed Credit Facilities</b>	<b>2,800</b>	<b>3,400</b>
Cash net of overdrafts	1,537	1,387
<b>TOTAL LIQUIDITY</b>	<b>4,337</b>	<b>4,787</b>

Notes: \*Of the £2,000m syndicated facility, £140m expires in 2024 and the remaining £1,860m expires in 2025

\*\*This facility matured on 3 April 2021

# Currency impact on operating profit

£m

	IMPACT ON HY 2020 PROFIT	IMPACT ON FY 2020 PROFIT
USD	(31)	(34)
EUR	2	-
CAD	-	-
AUD	2	4
BRL	(2)	1
JPY	-	(1)
TRY	(4)	(4)
Other	(4)	(5)
<b>Total currency impact</b>	<b>(37)</b>	<b>(39)</b>

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.  
Impact on FY 2020 profit assumes current spot rates continue for the full year

# Exchange rates

Rates used in consolidation

	Income Statement <sup>1</sup>		Balance Sheet <sup>2</sup>	
	2021 per £	2020 per £	2021 per £	2020 per £
Australian Dollar	1.81	1.93	1.81	2.03
Brazilian Real	7.44	5.56	7.79	6.43
Canadian Dollar	1.74	1.71	1.73	1.76
Chilean Peso	1,003.19	1,008.04	991.17	1,056.84
Euro	1.13	1.16	1.17	1.13
Japanese Yen	142.45	139.03	152.46	133.86
New Zealand Dollar	1.93	2.02	1.97	2.09
Norwegian Krone	11.94	11.99	11.78	13.02
Turkish Lira	10.46	7.67	11.42	8.17
UAE Dirham	4.95	4.71	5.07	4.55
US Dollar	1.35	1.28	1.38	1.24

Notes: 1. Income statement uses average monthly closing rates for the 6 months to 31 March

2. Balance sheet uses the closing rate as at 31 March

# Exchange rates

## Effect on 2020 revenue and profit

### US DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.60	(768)	(36.8)
1.55	(635)	(30.4)
1.50	(492)	(23.5)
1.45	(339)	(16.2)
1.40	(176)	(8.4)
1.35	0	0.0
1.30	189	9.1
1.25	394	18.8
1.20	615	29.4
1.15	856	41.0

### CANADIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.99	(32)	(1.1)
1.94	(26)	(1.0)
1.89	(20)	(0.7)
1.84	(14)	(0.5)
1.79	(7)	(0.3)
1.74	0	0.0
1.69	8	0.3
1.64	16	0.6
1.59	24	0.9
1.54	33	1.2

### EURO

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.38	(184)	(2.7)
1.33	(153)	(2.2)
1.28	(119)	(1.7)
1.23	(82)	(1.2)
1.18	(43)	(0.6)
1.13	0	0.0
1.08	47	0.7
1.03	99	1.4
0.98	155	2.3
0.93	218	3.2

Notes: Cumulative revenue and operating profit change arising by restating the 2020 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

# Exchange rates

## Effect on 2020 revenue and profit

### AUSTRALIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
2.06	(45)	(3.6)
2.01	(37)	(3.0)
1.96	(29)	(2.3)
1.91	(20)	(1.6)
1.86	(10)	(0.8)
1.81	0	0.0
1.76	11	0.8
1.71	22	1.7
1.66	34	2.7
1.61	47	3.7

### TURKISH LIRA

£m cumulative change for an incremental 20 kuruş movement

Exchange Rate	Revenue Change	Profit Change
11.46	(11)	(0.6)
11.26	(9)	(0.5)
11.06	(7)	(0.4)
10.86	(5)	(0.3)
10.66	(2)	(0.1)
10.46	0	0.0
10.26	2	0.1
10.06	5	0.3
9.86	8	0.4
9.66	10	0.6

### JAPANESE YEN

£m cumulative change for an incremental 10 yen movement

Exchange Rate	Revenue Change	Profit Change
192.45	(55)	(1.4)
182.45	(47)	(1.2)
172.45	(37)	(0.9)
162.45	(26)	(0.7)
152.45	(14)	(0.4)
142.45	0	0.0
132.45	16	0.4
122.45	35	0.9
112.45	57	1.5
102.45	83	2.1

Notes: Cumulative revenue and operating profit change arising by restating the 2020 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

# Definitions

<b>Capital employed</b>	Total equity shareholders' funds adjusted for net debt, post employment benefit obligations net of associated deferred tax, amortised intangibles arising on acquisition, impaired goodwill and excluding the Group's non-controlling partners' share of net assets and net assets of discontinued operations
<b>Constant currency</b>	Restates the prior year results to the current year's average exchange rates.
<b>Free cash flow</b>	Calculated by adjusting operating profit for non-cash items in profit, cash movements in provisions, contract prepayments and costs to obtain client contracts, post employment benefit obligations and working capital, cash purchases and proceeds from disposal of non-current assets, net cash interest, net cash tax, payment of lease principal amounts, dividends received from joint ventures and associated undertakings and dividends paid to non-controlling interests.
<b>Free cash flow conversion</b>	Underlying free cash flow expressed as a percentage of underlying operating profit.
<b>Gross capital expenditure</b>	Includes the purchase of intangible assets, contract fulfilment assets, property, plant and equipment and investment in contract prepayments.
<b>Interest cover covenant test</b>	The ratio of EBITDA to net finance costs after certain accounting adjustments
<b>Leverage covenant test</b>	The ratio of net debt to EBITDA after certain accounting adjustments.
<b>Like for like revenue growth</b>	Calculated by adjusting organic revenue growth for new business wins and lost business.
<b>Net capital expenditure</b>	Gross capital expenditure less proceeds from sale of property, plant and equipment, intangible assets and cash proceeds from derecognition of contract fulfilment assets and contract prepayments.
<b>Net debt</b>	Bank overdrafts, bank and other borrowings, lease liabilities and derivative financial instruments, net of cash and cash equivalents.
<b>Net debt to EBITDA</b>	Net debt divided by 12 months underlying EBITDA.
<b>NOPAT</b>	Net operating profit after tax (NOPAT) is calculated as underlying operating profit from continuing operations less operating profit of non-controlling interests before tax, net of income tax at the underlying rate of the year.
<b>Organic profit growth</b>	Calculated by adjusting underlying operating profit for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates) and compares the current year results against the prior year. In addition, where applicable, a 53rd week has been excluded from the prior year's underlying operating profit.
<b>Organic profit</b>	Calculated by adjusting underlying operating profit for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates).
<b>Organic revenue</b>	Calculated by adjusting underlying revenue for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates).
<b>Organic revenue growth</b>	Calculated by adjusting underlying revenue for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates) and compares the current year results against the prior year. In addition, where applicable, a 53rd week has been excluded from the prior year's underlying revenue.



# Definitions

<b>ROCE</b>	Return on capital employed (ROCE) divides NOPAT by the 12 month average capital employed.
<b>Specific adjusting items</b>	<ul style="list-style-type: none"> <li>• acquisition related costs</li> <li>• one-off pension charge</li> <li>• cost action programme and COVID-19 resizing costs</li> <li>• tax on share of profit of joint ventures</li> <li>• gain/(loss) on sale and closure of businesses</li> <li>• other financing items including hedge accounting ineffectiveness and change in the fair value of investments</li> </ul>
<b>Underlying basic earnings per share</b>	Excludes specific adjusting items and the tax attributable to those items.
<b>Underlying cash tax rate</b>	Based on underlying cash tax and underlying profit before tax.
<b>Underlying depreciation and amortisation</b>	Excludes specific adjusting items.
<b>Underlying EBITDA</b>	Based on underlying operating profit, adding back underlying impairment, depreciation and amortisation of intangible assets and contract prepayments.
<b>Underlying effective tax rate</b>	Based on underlying tax charge and underlying profit before tax.
<b>Underlying free cash flow</b>	Free cash flow adjusted for the cost action programme and COVID-19 resizing costs.
<b>Underlying net finance cost</b>	Excludes specific adjusting items.
<b>Underlying operating margin</b>	Based on underlying revenue and underlying operating profit excluding share of profit after tax of associates.
<b>Underlying operating margin - Group</b>	Includes share of profit after tax of associates and profit before tax of joint ventures, but excludes the specific adjusting items.
<b>Underlying operating margin - Region</b>	Includes share of profit before tax of joint ventures, but excludes the specific adjusting items and profit after tax of associates.
<b>Underlying profit before tax</b>	Excludes specific adjusting items.
<b>Underlying revenue</b>	The combined sales of Group and share of joint ventures.
<b>Underlying tax charge</b>	Excludes tax attributable to specific adjusting items.