Strategy
Richard Cousins
Chief Executive Officer
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Objectives of the afternoon

- Give a greater insight into the Group
- Highlight the growth opportunities we see
- Meet some of our senior management
## Agenda

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter(s)</th>
</tr>
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<tbody>
<tr>
<td>2:00</td>
<td><strong>Strategy</strong></td>
<td>Richard Cousins</td>
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<tr>
<td></td>
<td><strong>North America</strong></td>
<td>Gary Green / Adrian Meredith</td>
</tr>
<tr>
<td></td>
<td><strong>North America Healthcare and Sports &amp; Leisure</strong></td>
<td>Bobby Kutteh / Andy Lansing</td>
</tr>
<tr>
<td>3:20</td>
<td><strong>BREAK</strong></td>
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<td></td>
<td><strong>Latin America</strong></td>
<td>Alfredo Ruiz-Plaza</td>
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<td></td>
<td><strong>Asia Pacific</strong></td>
<td>Mark van Dyck</td>
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<td></td>
<td><strong>Europe &amp; UK</strong></td>
<td>Dominic Blakemore / Dennis Hogan</td>
</tr>
<tr>
<td>4:40</td>
<td><strong>BREAK</strong></td>
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<td></td>
<td><strong>Financial performance</strong></td>
<td>Johnny Thomson</td>
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<td></td>
<td><strong>Closing remarks and Q&amp;A</strong></td>
<td>Richard Cousins</td>
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<td>6:00-7:00</td>
<td><strong>Drinks</strong></td>
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<td>7:00-9:00</td>
<td><strong>Dinner</strong></td>
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### Compass’ evolution

**The last 10 years**

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Phase 5</th>
</tr>
</thead>
</table>

- **Phase 1**
  - Fix the basics
  - Rapid EPS growth

- **Phase 2**
  - Recession & recovery

- **Phase 3**
  - Good operational progress
  - Strategy lacked focus

- **Phase 4**
  - Balance sheet tightened
  - Organic growth
  - European restructuring

- **Phase 5**
  - Focus on food
  - Strong growth
  - Innovation
Regional profile

Group revenue

1996: £1.5bn
2006: £10.8bn
2016: £17.8bn

North America
Europe
Rest of World
The basics have not changed

- We need to offer “value for money” in terms of cost, quality & innovation
- Operating on client premises presents continued opportunities to drive efficiencies
- Clients want a customised proposition

It’s all about execution!
Organic revenue growth & margins

* Excluding disposed businesses (SSP & Selecta)
Our strategy is clear

- Focus on food – our core competence
- Incremental approach to support services
- Prioritise organic growth
- Bolt-on M&A
- Best-in-class execution: quality & innovation

**Food service market**
c. £200bn

- Self operated
- Small players
- Compass
- Outsourced
- Large players

Note: Market data figures based on Compass management estimates of the addressable food service market
Our competitive advantages

- Decentralised approach
- Sectorisation & sub-sectorisation
- Scale
- People & culture
Innovation & sharing of best practice

A more focused approach

Bring more excitement to our clients & consumers

Improve our operations
Summary

• Strong track record of execution
• Clear strategy focused on food
• Large market & growth opportunity
• Strong competitive advantages
• Accelerating innovation & sharing of best practice
• Strong & experienced management team

Continued focus on creating shareholder value
<table>
<thead>
<tr>
<th></th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Compass North America today</td>
</tr>
<tr>
<td>2</td>
<td>Growth story – building the growth culture</td>
</tr>
<tr>
<td>3</td>
<td>Sustaining the growth model</td>
</tr>
<tr>
<td>4</td>
<td>Healthcare</td>
</tr>
<tr>
<td>5</td>
<td>Sports &amp; Leisure</td>
</tr>
</tbody>
</table>
North America today

- Market leader in a growing market
- Great sector balance
- $14.5 billion business (2015)
- 8.5 million+ meals served a day
- Serve 96 of the Fortune 100
- 240K+ employees – Top 10 private sector employer in the US

Note: Compass management estimates
Great client partners
Performance culture

Financial results

Revenue
$bn


CAGR 14%

Operating profit
$m


CAGR 19%

Margin
3.2% 5.7% 6.1% 7.7% 8.1%
Great sector balance

Revenue 1994
$1bn

Revenue 2015
$14.5bn

- Business & Industry
- Healthcare & Seniors
- Education

Sports & Leisure
Defence, Offshore & Remote
Healthcare & Seniors
Education
Great market opportunity

**Revenue 2015**
$14.5bn

- Business & Industry
- Education
- Healthcare & Seniors
- Sports & Leisure
- Defence, Offshore & Remote

**Food service market**
c. $84bn

- Business & Industry
- Education
- Healthcare & Seniors
- Sports & Leisure
- Defence, Offshore & Remote

Note: Compass management estimates
Food service market by sector

Market size
$bn

- Business & Industry: 70%
- Healthcare & Seniors: 75%
- Education: 66%
- Sports & Leisure: 47%

Note: Compass management estimates
Growth strategy
How did we get here?

1. Growth focus – quality acquisitions → organic growth
2. Sectorisation – owner mentality, strong cultures
3. Quality of offer & innovation
4. Scale, operating leverage, efficiencies, MAP discipline
5. Experienced management, stability, strong operators
Acquisition approach

Have a Reason

Buy Quality

Focus on the People, Recognise the Culture

Do your Homework
## Acquisitions...growth mindset & growth cultures

<table>
<thead>
<tr>
<th></th>
<th>Year acquired</th>
<th>2015</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flik</td>
<td>1995</td>
<td>56</td>
<td>676</td>
</tr>
<tr>
<td>Restaurant Associates</td>
<td>1998</td>
<td>160</td>
<td>659</td>
</tr>
<tr>
<td>Levy</td>
<td>2000</td>
<td>199</td>
<td>1,369</td>
</tr>
<tr>
<td>Morrison</td>
<td>2001</td>
<td>568</td>
<td>2,519</td>
</tr>
<tr>
<td>Crothall</td>
<td>2001</td>
<td>265</td>
<td>1,211</td>
</tr>
<tr>
<td>Bon Appetit</td>
<td>2002</td>
<td>256</td>
<td>1,002</td>
</tr>
</tbody>
</table>

A common passion around client and people retention, growing their businesses and growing their people.
Sales & retention culture

- Sales force - from generalists to specialists; professionally trained
- Step change in retention

<table>
<thead>
<tr>
<th></th>
<th>Annual new business ($m)</th>
<th>Retention rate</th>
<th>Sales resource (Generalists to Specialists)</th>
<th>Win ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>70</td>
<td>88%</td>
<td>32</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>1,091</td>
<td>97%</td>
<td>228</td>
<td>50%</td>
</tr>
<tr>
<td>1994</td>
<td>32</td>
<td></td>
<td>13%</td>
<td>50%</td>
</tr>
<tr>
<td>2015</td>
<td>32</td>
<td>97%</td>
<td>228</td>
<td>50%</td>
</tr>
</tbody>
</table>
## Sectorisation: client facing brands

<table>
<thead>
<tr>
<th>Sector</th>
<th>Brands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business &amp; Industry</td>
<td>Restaurant Associates, BON APPÉTIT Management Company, Eurest, Flik</td>
</tr>
<tr>
<td>Healthcare &amp; Seniors</td>
<td>morrison healthcare, morrison Community Living, touchpoint, Flik, crothall healthcare</td>
</tr>
<tr>
<td>Education</td>
<td>chartwells, BON APPÉTIT Management Company, Flik, SSC, Levy Restaurants</td>
</tr>
<tr>
<td>Sports &amp; Leisure</td>
<td>Wolfgang Puck catering, Levy Restaurants</td>
</tr>
<tr>
<td>Vending &amp; Refreshment Services</td>
<td>canleen, best vendors management</td>
</tr>
<tr>
<td>Defence Offshore &amp; Remote</td>
<td>ESS</td>
</tr>
</tbody>
</table>

- Great brands with unique cultures & heritage
- Entrepreneurial spirit
- Specialisation
- Customer oriented
- Growth mindset

Central procurement, HR, IT and Accounting
### How did we get here?

**Why have we been successful?**

<table>
<thead>
<tr>
<th>1</th>
<th>Growth Focus - quality acquisitions → organic growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>We hate losing business &amp; take it personally</td>
</tr>
<tr>
<td>2</td>
<td>Sectorisation - owner mentality, strong cultures</td>
</tr>
<tr>
<td></td>
<td>Sector CEO who establishes client relationship in</td>
</tr>
<tr>
<td></td>
<td>the sales process will be around to operate the</td>
</tr>
<tr>
<td></td>
<td>business &amp; deliver on the sales promise</td>
</tr>
<tr>
<td>3</td>
<td>Quality of offer &amp; innovation</td>
</tr>
<tr>
<td></td>
<td>Tailored to client &amp; consumer needs - not cookie</td>
</tr>
<tr>
<td></td>
<td>cutter</td>
</tr>
<tr>
<td>4</td>
<td>Scale, operating leverage, efficiencies, MAP</td>
</tr>
<tr>
<td></td>
<td>discipline</td>
</tr>
<tr>
<td></td>
<td>We have a clear purchasing advantage</td>
</tr>
<tr>
<td>5</td>
<td>Experienced management, stability, strong operators</td>
</tr>
<tr>
<td></td>
<td>Stability in operations incredibly important for</td>
</tr>
<tr>
<td></td>
<td>our clients</td>
</tr>
</tbody>
</table>

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A winning culture underpinned by scale & MAP
North America
Adrian Meredith
Chief Financial Officer
<table>
<thead>
<tr>
<th></th>
<th>How do we sustain the success?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organic growth focus</td>
</tr>
<tr>
<td></td>
<td>Sustain sales &amp; retention culture</td>
</tr>
<tr>
<td>2</td>
<td>Sectorisation – owner mentality, strong cultures</td>
</tr>
<tr>
<td></td>
<td>Maintain commitment to sectorisation &amp; sub-sector development</td>
</tr>
<tr>
<td>3</td>
<td>Quality of offer &amp; innovation</td>
</tr>
<tr>
<td></td>
<td>Maintain focus on quality &amp; increase focus on innovation in every area of MAP</td>
</tr>
<tr>
<td>4</td>
<td>Scale, operating leverage, efficiencies, MAP discipline</td>
</tr>
<tr>
<td></td>
<td>Continue to be obsessed with efficiencies – opportunities in every area of MAP</td>
</tr>
<tr>
<td>5</td>
<td>Experienced management, stability, strong operators</td>
</tr>
<tr>
<td></td>
<td>Continue to attract &amp; develop exceptional people</td>
</tr>
</tbody>
</table>

**A culture of continuous improvement**
North America (2011–2015)

5 year average revenue growth: 7.8%

<table>
<thead>
<tr>
<th>Sector</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare &amp; Seniors</td>
<td>11.0</td>
<td>11.9</td>
<td>12.8</td>
<td>13.6</td>
<td>14.5</td>
</tr>
<tr>
<td>Business &amp; Industry</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>7%</td>
<td>8%</td>
</tr>
<tr>
<td>Education</td>
<td>11.0</td>
<td>11.9</td>
<td>12.8</td>
<td>13.6</td>
<td>14.5</td>
</tr>
<tr>
<td>Sports &amp; Leisure</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Defence, Offshore &amp; Remote</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Revenue ($bn) & Organic growth (%)

Every segment growing nicely & expected to continue to grow
Great sector balance & diversified client base

<table>
<thead>
<tr>
<th>Top 10 clients</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>B&amp;I</td>
<td>Healthcare</td>
</tr>
<tr>
<td>2</td>
<td>B&amp;I</td>
<td>Education</td>
</tr>
<tr>
<td>3</td>
<td>B&amp;I</td>
<td>Healthcare</td>
</tr>
<tr>
<td>4</td>
<td>B&amp;I</td>
<td>B&amp;I</td>
</tr>
<tr>
<td>5</td>
<td>Education</td>
<td>B&amp;I</td>
</tr>
<tr>
<td>6</td>
<td>B&amp;I</td>
<td>Healthcare</td>
</tr>
<tr>
<td>7</td>
<td>B&amp;I</td>
<td>Healthcare</td>
</tr>
<tr>
<td>8</td>
<td>B&amp;I</td>
<td>Sports &amp; Leisure</td>
</tr>
<tr>
<td>9</td>
<td>B&amp;I</td>
<td>B&amp;I / DOR</td>
</tr>
<tr>
<td>10</td>
<td>B&amp;I</td>
<td>Education</td>
</tr>
</tbody>
</table>

Balanced portfolio across sectors & no client >3% of revenues
Our growth model
Our growth model & key themes

Sustain growth
(MAP 1 client sales & marketing)

Retention focus 96.8% (2011-2015)

- 5 year average source of new business:
  - 72% First time outsourcing / Small players
  - 28% Large players
- Core & premium sector offers
- Exploit exciting market opportunities with sectorisation and sub-sectorisation
Organic revenue growth

Key themes of sub-sectorisation
- Client & consumer focused
- Specialist sales & operations
- Significant growth potential
- Talented sub-sector leaders

North America: Sub-sectorisation driving growth

Total North America H1 2016: 8.3%
Our growth model & key themes

**Sustain growth**
*(MAP 2 consumer sales & marketing)*

- Pricing
- Targeted investments to drive LFL revenues
- Driving innovation
  - Digital Hospitality
  - Data analytics
  - Micromarkets / small store formats
  - Health & wellness front and centre
  - Innovation partnerships
Innovation

Increasing client & consumer demand
We have some of the most innovative clients on the planet

Culture of innovation
with ideas from the business, rarely the centre

Business Excellence
best practice sharing & speed to market

Strategic Partners
bring new ideas, ambitious to grow, bring exclusivity

Envision 2020 ... shaping the future of foodservice
Innovation

Priorities

Making it easy for our clients & consumers ... tailored solutions

Keeping it simple so that our unit managers can focus on clients & consumers

Protect client & consumer data

Supporting Growth

- Food & culinary innovation
- Digital hospitality
- Formats e.g. small store
- Café design / space utilisation
- Data analytics
- Digital health
- Data security
  - Point-to-Point encryption

Driving Efficiencies

- Self service solutions
- Supply chain
- Menu management
- Labour scheduling
- Online recruitment
- Expense management
- Data analytics
Our growth model & key themes

Driving efficiencies (MAP 3, 4, 5)

- **Foodbuy** scale/systems = $6bn Compass
  $14bn 3rd party
- Labour productivity / job design
- Driving innovation in MAP 3 Webtrition, MAP 4 MySTAFF, MAP 5 process innovation
- Obsession with simplifying processes
Efficiencies back of house = margin contribution & reinvestment

Above Unit as % of revenue

- 2011: 4.7%
- 2012: 4.5%
- 2013: 4.3%
- 2014: 4.2%
- 2015: 4.1%
Our growth model

People

- Amazing can-do
- Innovation to help cope with growth e.g. on-line recruiting - This year we will hire 85K employees
- Succession planning - continue to attract, retain, develop next generation of owners

No Complacency!
Healthcare in North America

Bobby Kutteh
CEO, Healthcare – US
Healthcare in North America

Revenue
$4.2bn

1 billion meals served annually

1.1 billion ft² cleaned & maintained per day

98.3% average client retention rate
Evolution of healthcare sector in North America

Revenue
$bn

+11%
CAGR

$990m

$4.2bn

2001 2003 2005 2007 2009 2011 2013 2015
North America healthcare market opportunity

Compass market position:
#1 in food service
#1 in support services
24% of outsourced market

Compass Healthcare has significant long term growth potential from first time outsourcing

Note: Compass management estimates
Support services

- Excellent support services business in healthcare in North America

- Complex business with barriers to entry – not a commodity

- Cross-selling opportunity is significant!
Why do hospitals outsource?

- Core competency
- Cost savings
- Improved patient experience
- Industry best practices
- Shift operational risk
Compass differentiators

- Operational specialisation / sub-sectorisation focus
- Management stability
- Breadth of services
- Patient experience investment
- Analytics / technology focus
Drivers for future growth

- Strong portfolio of clients for cross-selling
- Retail innovation
- Affordable Care Act
- Aging population
- Consumerism
Consumerism

- Patients have choices
- Access to information
- Patients more savvy
- ‘Cradle-to-Grave’ – lifetime of loyalty
Continued focus on cost

**map 3**
Cost of Sales
Leverage scale (Foodbuy)

**map 4**
Unit Costs
Benchmarking analytics (internal & industry)

**map 5**
Above Unit
Further leverage scale & overhead for system opportunities
Summary

The future is bright

Under-penetrated market

Great people & leading retention

Strong momentum
Investor Seminar 2016
Levy Restaurants

Sports & Leisure North America
Andy Lansing
CEO Levy Restaurants
Our business

Headquartered in Chicago

Began as a restaurant company in 1978

Primarily Sports & Leisure company today

200 locations
110 cities
30,000 team members
Our soul

Passionate restaurateurs

Innovation sets us apart

Scope of business

Our people are the best people
The Compass / Levy story

- Sectorisation
- Foodbuy
- Back office support

- Restaurateur mentality
- E15 advanced analytics
- People / training best practices
Historic revenue growth

Compass acquisition
$199m

+14% CAGR


$bn

1.4
1.2
1.0
0.8
0.6
0.4
0.2
0.0

Market

Sports & Leisure market
c. $6bn

- Large players
- Small players
- Self operated
- Levy / Compass

Levy had 99% retention in FY 2015

Potential for growth from:
- Large national accounts
- Greenfield facilities
- Small players
- Self operated

Note: Large players include Aramark, Delaware North & Centerplate. Competitor information & market size are based on Compass management estimates. Includes revenue from vending and other Compass brands.
## Sub-sectorisation

### Select Partners

<table>
<thead>
<tr>
<th>Professional sports</th>
<th><img src="image1" alt="Logos" /></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indoor concerts / events</td>
<td><img src="image2" alt="Logos" /></td>
</tr>
<tr>
<td>Outdoor concerts / events</td>
<td><img src="image3" alt="Logos" /></td>
</tr>
<tr>
<td>Convention centers</td>
<td><img src="image4" alt="Logos" /></td>
</tr>
<tr>
<td>High street</td>
<td><img src="image5" alt="Logos" /></td>
</tr>
<tr>
<td>Minor leagues</td>
<td><img src="image6" alt="Logos" /></td>
</tr>
<tr>
<td>College athletics</td>
<td><img src="image7" alt="Logos" /></td>
</tr>
<tr>
<td>Retail merchandise</td>
<td><img src="image8" alt="Logos" /></td>
</tr>
</tbody>
</table>

*Images of logos for select partners in each sub-sector.*
From anecdotal to empirical

Then  Now
2015 smart pricing for Major League Baseball

- Game length: Down
- Attendance: Up
- Per cap: Up
- Consumption: Up

Double digit LFL revenue growth
Design thinking agency

‘Right Brain’ agency to complement our E15 ‘Left Brain’

End-to-end design thinking approach & experts together with operators & partners

Range of work – glamorous to less glamorous but high impact

Innovations lab

Collaborative model

Tremendous interest from clients & non-clients
Chicago’s plate

20 local food & beverage partners

Fans arriving earlier

Redistribution of traffic flow

250m media impressions
Well placed for continued success

- Culture of passion for restaurant quality
- Diverse portfolio in a dynamic industry
- Expansion through sub-sectorisation
- Balance of data-driven solutions & experience innovation
- The best people in the industry
Investor Seminar 2016
Compass Latin America

- Market leader in the region
- Present in 5 countries
- 2.5 million meals a day
- 60,000 employees

Note: Compass management estimates
Great global & local client partners
Priorities

1. Cost actions:
   • Offset negative volumes
   • Make business more efficient

2. Drive strong new business wins

3. Strengthen sales, retention & procurement capabilities
Market

- Compass
  - The #1 player in the region
  - The market leader in Brazil & Argentina
- Highly fragmented market

Note: Compass management estimates for Latin America (Brazil, Chile, Mexico, Argentina & Colombia). Excludes public sector.
Growth opportunities in all sectors

Food service market by sector

£bn

- Business & Industry
- Healthcare & Seniors
- Education
- Defence, Offshore & Remote

Note: Compass management estimates for Latin America (Brazil, Chile, Mexico, Argentina & Colombia). Excludes public sector.
Brazil

Market
- Food service market: £5 billion*
- Highly fragmented market
- Compass is #1 player with 12% share

Compass
- Taking decisive action on costs to offset impact of negative LFL volumes
- Maintaining strong pricing discipline
- Good cash conversion
- Delivering strong rates of new business wins

* Compass management estimates
Spanish speaking markets

**Market**
- Food service market: £6 billion*
- Highly fragmented
- Compass market share: 7.5%
- Population: 230 million

**Compass**
- Growth in Business & Industry a priority
- Taking out costs to offset weakness in Defence, Offshore & Remote
- Good new business wins
- Strong pricing framework

* Compass management estimates
Decisive action on costs

- Significant reduction in number of products and SKUs
- Reinforced the quality of our buyers
- Refined our supply chain

A continuous cost improvement culture

- Changing contract structure to enable greater flexibility
- Downsized in line with LFL movement
- Gaining efficiency through business re-engineering

- Adapted to scale, closed regional offices
- Standardised back office processes
Actions to drive the top line

- Reviewed existing portfolio of contracts
  - Fixed / exited poor performing contracts
  - Focus on continuous pricing

- Strengthened sales force
  - Moved from generalists to sector specialists

- Invested in retention
  - Strategic Alliance Group processes in all 5 countries

- Leveraged Compass’ best practice
  - Innovation & use of capex

Strong & disciplined new business wins
Case study: New business win
Argentina

British Hospital

✔ Annual revenues: £3 million

✔ Our game plan:
  • 2 years to build the relationship
  • Health & Safety best practices in Healthcare
  • Investment to improve infrastructure & production processes
Case study: New business win
Brazil

O Boticario

- Annual revenues: £1.8 million

- Our game plan:
  - New & dynamic offer – more variety & healthier choice
  - Strong reputation in the Business & Industry market
  - Health, Safety and Governance standards
Case study: Improving retention

Porto Seguro High School

✅ Annual revenues: £2.1 million

✅ Our game plan:
  • New offer – food court & brand refresh
  • Innovation – “Frutaria do Patio” healthy & delicious products for children
  • Chartwells: Eat, Learn, Live programme
Summary

• Taking the necessary actions to manage a challenging environment
• Restructured cost base will give us a competitive edge
• Strong & disciplined new business wins

We are addressing the short term challenges & are well placed for the future
Asia Pacific
Mark van Dyck
Regional Managing Director
Compass Asia Pacific: Two sub-regions

- 9 countries
- 3.1 billion people

Compass APAC sales £1.8 billion
- Developed 90% of revenues
- Emerging Asia 10% of revenues
Adapting our strategy accordingly

**Developed**
- Leading market positions
- Well-developed processes
- Stable regulatory & tax environment
- Strong & capable management

**Emerging Asia**
- #2 or #3 market position
- Double digit growth
- Business processes now well implemented
- Rapidly developing sectors & markets
- Changing tax & regulatory environment
- Good management & strengthening capability

**Growth priorities**
- Sales & retention excellence
- Strategic expansion of services & contract extension
- Optimal supply chain
- Labour efficiencies & lean operating processes

**Developed**
- Building scale sensibly with integrity in contracts
- Improving retention
- Developing an efficient & competitive supply chain
- Labour management & capabilities

Note: Compass management estimates
Significant outsourcing opportunities

Key outsourcing drivers:
- Government & business’s quest for productivity
- Growth in sectors where outsourcing accelerates their business model
- Drive for compliance (supply chain & HSE)

Benchmark % outsourced

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>50%</td>
</tr>
<tr>
<td>US</td>
<td>52%</td>
</tr>
</tbody>
</table>

Note: Compass management estimates
Increasing sector penetration
Revenue heat map evolution across Asia Pacific

- Australia
- New Zealand
- Japan
- China
- Hong Kong
- India
- Indonesia
- Singapore
- Thailand
- Malaysia

- Offshore & Remote
- Defence & Industry
- Business & Industry
- Education
- Seniors
- Healthcare
- Sports & Leisure

2011 2012 2013 2014 2015

None
Below £25m
£25m-50m
£51m-75m
£76m-100m
Above £100m
Increasing sector penetration

Revenue heat map evolution across Asia Pacific
Increasing sector penetration
Revenue heat map evolution across Asia Pacific

- Australia
- New Zealand
- Japan
- China
- Hong Kong
- India
- Indonesia
- Singapore
- Thailand
- Malaysia

Offshore & Remote | Defence | Business & Industry | Education | Seniors | Healthcare | Sports & Leisure

- None
- Below £25m
- £25m–50m
- £51m–75m
- £76m–100m
- Above £100m
Focus on driving the top line in MAP 1

<table>
<thead>
<tr>
<th>Key Account geographic expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention with Strategic Alliance Group</td>
</tr>
<tr>
<td>Extension of services e.g. guest services</td>
</tr>
</tbody>
</table>
... and in MAP 2

Retail expansion
Innovation
Refresh
‘Refresh’ before & after
And we continue to drive efficiencies

<table>
<thead>
<tr>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
</tr>
</thead>
</table>
| • Significant supplier rationalisation opportunities  
  • Improved logistics / use of hubs |
| • In unit labour control & rationalisation  
  • Lean processes |
| • Leveraging overhead structure  
  • Systems & processes |
Compass Australia

Facts & figures

- 2 business portfolios (Offshore & Remote, Urban)
- 7 business sectors
- 9 operating brands
- 40+ years operating in Australia
- 658 operating sites
- 9,000 employees

Revenue 2015

- Offshore & Remote
- Business & Industry
- Healthcare & Seniors
- Defence
- Education
- Sports & Leisure

Key clients

- Google
- Apple
- Microsoft
- IBM
- Westpac
- Pfizer
- Chevron
- BHP Billiton
- Australian Government Department of Defence
Australia

Food service market
c. £7bn

Note: Compass management estimates
Australia: Great execution during the resources boom...

Revenue
£bn

2011 | 2012 | 2013 | 2014 | 2015
---|---|---|---|---

0.0 | 0.2 | 0.4 | 0.6 | 0.8 | 1.0
... and now taking decisive action to reset the business

**Actions taken**
- Realignment of cost base through Agility Programme
- Innovation of Offshore & Remote service offering through ESS 2.0 & Village Life

**Progress so far**
- High contract retention
- Expansion of retail offer
- Repositioned & resourced for growth in Urban

**Timeline**
- **2014:** Rapid headcount & cost reduction
- **2015:** Lean operations & food control
- **2016:** Organisation transformation & continuous improvement

**TOTAL SAVINGS £55m**
New Zealand: Exciting growth in a mature market

- Compass is the market leader
- H1 2016 growth +20%

Note: Compass management estimates
Japan: Strong position in an attractive market

**Revenue (£m)**

- 2011: 500
- 2012: 550
- 2013: 600
- 2014: 650
- 2015: 700

**Food service market by sector (£bn)**

- Business & Industry
  - Self operated: 10
  - Outsourced: 6
- Healthcare & Seniors
  - Self operated: 6
  - Outsourced: 4
- Education
  - Self operated: 4
  - Outsourced: 2
- Highway, Sports & Leisure
  - Self operated: 2
  - Outsourced: 1

*Note: Compass management estimates*
China: Significant market opportunity

Revenue
£m

Food service market
c. £5bn

Note: Compass management estimates
India: A transforming market

Revenue (£m)

- 2011
- 2012
- 2013
- 2014
- 2015

Food service market

- Self operated
- Compass
- Other players

Note: Compass management estimates
Asia Pacific: Strong growth potential

Developed markets
- Strong & scalable positions
- Taking necessary actions to ensure continued future growth

Emerging Asia
- Building strong foundations for future growth
- Carefully picking our sector plays

Well positioned for the future
Investor Seminar 2016
Europe

Dominic Blakemore
Chief Operating Officer
Agenda

- Overview
- Strategy
- Summary & closing
- UK overview
Market opportunity

Food service market
c. £75bn

Self operated

Compass

Other players

Note: Compass management estimates
Performance

Organic revenue growth

-0.7%  6.5%  6.9%  7.1%  7.2%  3.7%
-2.4%  0%  2.2%  2.2%


Margin
Margins have improved

Operating margin by country

Europe FY 2015: 7.2%
But sales growth is not yet consistent
Priorities

1. Business Units to gain scale
   - Drive organic revenue growth
   - Lower costs

2. Targeted IT investment and M&A

3. Build the right team

Underpinned by Business Units
Moving to Business Units

Sales by country

- UK
- France
- Germany
- Austria
- Switzerland
- Belgium
- Norway
- Netherlands
- Luxemburg
- Czech Republic
- Denmark
- Sweden
- Turkey
- Slovakia
- Poland
- Italy
- Spain
- Portugal
- Hungary
- Romania
- Russia
- Finland

Sales by Business Units

- UK & Ireland
- Iberia
- Italy
- Turkey
- CEE
- Nordics
- Benelux
- DACH (Germany, Austria & Switzerland)
- France
UK a well sectorised business

Revenue by sector

- Defence, Offshore & Remote
- Sports & Leisure
- Healthcare & Seniors
- Education
- Business & Industry
Continental Europe anchored in B&I

Revenue by sector

- Defence, Offshore & Remote
- Sports & Leisure
- Healthcare & Seniors
- Education

Business & Industry
Great market opportunity … in 3 key sectors

**Food service market**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Self operated</th>
<th>Other players</th>
<th>Compass</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business &amp; Industry</td>
<td>15</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Healthcare &amp; Seniors</td>
<td>20</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Note: Compass management estimates
Organic revenue growth

New business wins

Sales resources

Capex as % of sales

- Invested in sellers & training
- Use of capex to increase retention
- Improved quality & variety of offer
A dynamic offer

- Sub-sectorisation where appropriate
- Tailored to client needs
- Use of partnerships
Sectors & sub-sectors

- Healthcare & Seniors
- Education
- Business & Industry
- Sports & Leisure
- Defence, Offshore & Remote

Logos:
- medirest
- chartwells
- Eurest
- Levy Restaurants
- Restaurant Associates
- INSTORE
- rapport

Motto: WELCOME ENGAGE IMPRESS
Staying relevant to the consumer

High Street Partners
- HEJ
- THE BOWLER
- COSTA COFFEE
- STARBUCKS COFFEE
- GAIL’s ARTISAN BAKERY
- dindin

Chef Partners
- [Image]
- [Image]

RA Suppliers
- Tiptree
- uuadale
- PAUL RHODES
- NEALS YARD DAIRY
- SEVERN & WYE SMOKERS
- Lake District Farmers
- BELAZU INGREDIENTS
- BRINDISA
- [Image]
- CANNON & CANNON

RA Concepts
- HERBIVORE
- STREET FOOD
- [Image]
- [Image]

Underpinned by a universal estate of brands & partners
Innovation: Envision 2020

Food

Community

Ownership

Storytelling
Beverage strategy

Meal activation

Incidence rate doubled

- 8% incidence → +100% → 16% incidence
- 15% incidence → +132% → 30% incidence

2015 2016
Meals
Drinks = 0.5L PET

Outlet activation

Control
+8.6%

Test
+41.6%

Incidence growth +50%

- 20% incidence (=20 bottles a day)
- 30% incidence (=30 bottles a day)

3,000 bottles

Food 1st Drink 2nd

Equipment placement

Incidence growth +50%

- Food
- Cash desk

Entry packs

- +40% Incidence
- +4% Category Sales

Impulse coolers

+24% Category Sales
Beverage strategy
Server to Seller
Refresh

Before

After
Scale & efficiencies in food costs

**TODAY**
Logistic contracts negotiated by country with average volumes less than 30,000 tonnes

20+ major food logistic providers

**BUSINESS UNIT STRATEGY**

2016–2018
840,000 tonnes of Europe volume negotiated with scale providers

<5 logistic providers with scale capability

Scale up logistics to deliver lower cost
Efficiencies in labour costs

Labour as % of sales

Note: For food service business only
## Labour challenges & opportunities

### Challenges

<table>
<thead>
<tr>
<th>Workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aging workforce</td>
</tr>
<tr>
<td>Low labour turnover</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>National minimum wage increases</td>
</tr>
<tr>
<td>Increasing employer ‘on-costs’</td>
</tr>
</tbody>
</table>

### Opportunities

<table>
<thead>
<tr>
<th>OpEx &amp; efficiency programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensible pricing</td>
</tr>
<tr>
<td>Flexible union labour agreements</td>
</tr>
<tr>
<td>Targeted absence management</td>
</tr>
<tr>
<td>Fixed headcount reductions</td>
</tr>
<tr>
<td>Frontline sales &amp; performance incentives</td>
</tr>
<tr>
<td>Automation &amp; simplification at unit level</td>
</tr>
</tbody>
</table>
Systems implementation is integral to success.
Targeted M&A

- A way to acquire sector expertise
- Increase scale in certain geographies
- Must be disciplined
The right team to deliver

UK & Eire
- Dennis Hogan
  - 22 years
France
- Gaétan De L'Hermite
  - 12 years
Turkey
- Nihat Kartal
  - 24 years
Italy
- Fabio Spaccasassi
  - 4 years

DACH
- Jürgen Thamm
  - 17 years
Nordics
- Ian Sarson
  - 11 years
Iberia
- Fernando Pascual
  - 4 years
Benelux & CEE
- Jan Jacob van Donselaar
  - 4 years
Summary

1. Business Units to gain scale
   - Organic revenue growth
   - Lower costs

2. Targeted IT investment and M&A

3. The right team

UNDERPINNED BY BUSINESS UNITS
UK & Ireland
Dennis Hogan
Managing Director
Agenda

- UK overview
- Opportunities & challenges
- Summary
Compass UK

Revenue
£2bn

Sector brands

Business & Industry
- Restaurant Associates
- Eurest
- rapport
- 14forty
- VSG
- £24

Healthcare & Seniors
- medirest
- WhiteOaks

Education
- chartwells

Sports & Leisure
- Levy Restaurants
- Kip
- Keith Prowse

Defence Offshore & Remote
- ESS
A large market opportunity

**Food service market**
c. £16bn

- Self operated
- Compass
- Large players
- Small players

**Food service market by sector**
£bn

- Business & Industry
- Healthcare & Seniors
- Education
- Sports & Leisure
- Defence, Offshore & Remote

Note: Compass management estimates
Initial observations / actions

- Strong team, but lacking confidence
- Increased intensity around retention
- Heavier investment in sales & sales support
- Sales growth culture:
  - Alignment of sales, operations & finance
- Celebrating success
Financial performance

Organic revenue growth

H1 2014: -4%
H2 2014: 0%
H1 2015: 2%
H2 2015: 6%
H1 2016: 6%
Financial performance

Organic revenue growth
H1 2016

-10%
-5%
0%
5%
10%
15%

Business & Industry    Education    Healthcare & Seniors    Sports & Leisure    Defence, Offshore & Remote
Virtuous circle of growth

- People
- Cost / Operating Efficiencies
- Competitive Advantage
- Organic Revenue Growth
New business map

Growth culture

<table>
<thead>
<tr>
<th>Sales resource</th>
<th>Opportunities pursued</th>
<th>Productivity (New wins / sales resource)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

ExCeL London

B&H Healthcare

HSBC

entrust

Inspiring Futures
Retention map

Retention

Contracts up for renewal at the start of the year

Year: 2013, 2014, 2015, 2016 H1

Retention:
- 2013: 85%
- 2014: 87%
- 2015: 91%
- 2016 H1: 95%

Contracts up for renewal:
- 2012: 30%
- 2015: 40%
Like for like map 2

Bring the high street in-house

Innovative digital solutions

BlueRunnerSolutions™
• Replicate US Foodbuy model
• Procurement solutions
  – E-commerce, spend analysis & responsible sourcing dashboards
• £300 million managed procurement spend added to £600 million Compass spend
• Leverage UK&I purchasing power
• Standardising offer
**Labour costs**

**Headwinds**
- National Living Wage
- The Apprenticeship Levy

**Actions**
- Pricing supported by contractual protection
- Labour scheduling / time & attendance
- Investment in sales, procurement, marketing funded by back office efficiencies
Summary

• Significant momentum from ongoing investment in sales & retention
• Enhance procurement through Foodbuy
• Labour efficiencies against economic headwinds
• Confident in achieving sustainable growth
Financial Overview

Johnny Thomson
Group Finance Director
# Highlights from the last 10 years

<table>
<thead>
<tr>
<th>Metric</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic revenue growth</td>
<td>5% CAGR</td>
</tr>
<tr>
<td>Operating profit growth</td>
<td>10% CAGR</td>
</tr>
<tr>
<td>Operating profit margin</td>
<td>+280 bps</td>
</tr>
<tr>
<td>EPS</td>
<td>20% CAGR</td>
</tr>
<tr>
<td>Free cash flow generation (pre-capex)</td>
<td>£9.5bn</td>
</tr>
<tr>
<td>Total returns to shareholders</td>
<td>£7bn</td>
</tr>
</tbody>
</table>

Note: Based on underlying results at constant currency
Organic revenue growth

Organic revenue growth in the range of 4–6%
Operating profit

Operating profit margin

£m

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>4.4%*</td>
</tr>
<tr>
<td>2007</td>
<td>5.1%</td>
</tr>
<tr>
<td>2008</td>
<td>5.8%</td>
</tr>
<tr>
<td>2009</td>
<td>6.5%</td>
</tr>
<tr>
<td>2010</td>
<td>6.9%</td>
</tr>
<tr>
<td>2011</td>
<td>6.9%</td>
</tr>
<tr>
<td>2012</td>
<td>7.1%</td>
</tr>
<tr>
<td>2013</td>
<td>7.2%</td>
</tr>
<tr>
<td>2014</td>
<td>7.2%</td>
</tr>
<tr>
<td>2015</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

*Excluding disposed businesses (SSP & Selecta)
Underlying figures

CAGR 10%
Operating margins

- Food & labour inflation
- Restructuring
- Investment in revenue growth
- Mobilisation costs
- Retention costs

- Overhead leverage
- Labour productivity
- Food procurement
- LFL volume increases
- Price increases

Opportunities remain to modestly improve margins.
We expect free cash conversion to be around 55–60%.

* Excluding disposed businesses (SSP & Selecta)
Underlying figures
Priorities for uses of cash

**Capex**
Appropriate investment: 2.5–3.0% of sales

**M&A**
Required returns > cost of capital by the end of Year 2

**Dividend**
Growing in line with EPS

**Shareholder returns**
Efficient balance sheet
Strong investment grade credit rating
Target net debt / EBITDA 1.5x
Group capex

% of revenues

Capex allocation 2015

New business
Retention
LFL growth
IT and other

Appropriate investment at 2.5–3.0% of revenues

Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures
Capex by region

% of regional revenues

Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures
Capex by region

% of regional revenues

Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures
Capex by region

% of regional revenues

Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures
M&A

Required returns > country adjusted WACC by the end of Year 2

£m

M&A will vary as we identify attractive opportunities
<table>
<thead>
<tr>
<th>Year</th>
<th>2007 Opening Net Debt (£m)</th>
<th>FCF Pre-Capex (£m)</th>
<th>Capex (£m)</th>
<th>M&amp;A (£m)</th>
<th>Dividends (£m)</th>
<th>Share Buyback (£m)</th>
<th>Capital Returns (£m)</th>
<th>Disposals / Other (£m)</th>
<th>H1 2016 Closing Net Debt (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,095</td>
<td>9,562</td>
<td>3,206</td>
<td>1,694</td>
<td>3,269</td>
<td>2,418</td>
<td>1,000</td>
<td>203</td>
<td>2,917</td>
</tr>
</tbody>
</table>

- £5bn reinvested in the business
- £7bn returned to shareholders
- £7bn returned to shareholders
Business model
A proven & sustainable model

Growth
- Organic

Margin
- Operating efficiency

Investment
- Opex
- Capex
- Infill M&A

Returns to shareholders
- Progressive dividend
- Capital returns
Closing Remarks
Richard Cousins
Chief Executive Officer
Summary of the day

Good growth prospects

Strong competitive advantages

Best team to deliver