Compass Group 2017 Half Year Results

Presentation

Richard Cousins

Group CEO

Good morning, ladies and gentlemen, and thank you for joining us today. Today we have the usual agenda, and there'll be plenty of time for question and answers at the end. Before Johnny takes you through the financial detail, I'd like to begin by making a few comments on the highlights of this half year.

Compass has delivered another good set of results. Organic revenue grew by 3.6%, in line with our expectations, and we're confident that this will accelerate in the second half of the year.

Our operating margin improved by 20 basis points, reflecting the generation of efficiencies in the business and the absence of restructuring costs. Free cash flow was up by 27%, due to good cash conversion and FX.

EPS, on a reported basis, was up by 23%, but more honestly, constant currency earnings per share were up by 4.1%. And we're proposing to increase the interim dividend by 5.7%.

Finally, and importantly, today we announce a £1 billion special dividend, as we continue to execute our policy of returning surplus cash to shareholders. And on that positive note, I'd like to hand over to Johnny.

Johnny Thomson

Group Finance Director

Good morning, everyone. So let's start with revenue, and working from left to right, sterling's weakness against all of our major trading currencies benefited revenues by almost £1.6 billion, which gives us a rebased first half 2016.

North America grew organic revenue by 7.1%. New business wins were very good, particularly in our core B&I sectors, canteen and healthcare. Retention remained excellent, at 96.5%. Like-for-like revenues reflected modest price increases and some volume growth in sports and leisure, partly offset by continued weakness in our commodity-related business.

Revenue in Europe grew by 1.6% in the half. New business wins improved in the UK, following a post-Brexit pause, and these contracts are now mobilising as expected. We continue to work on retention, and like-for-like revenues were up slightly, due to some price increases and flat volumes. The timing of Easter also benefited growth in the first half.

Rest of world, excluding offshore and remote, grew by 2.6%. Good performances in New Zealand, India, China and Spanish-speaking Latin America were partly offset by continued weakness in Brazil.

Our offshore and remote business contracted by 20%, as expected, due to the impact of construction cycle in Australia and continued weakness in our commodity-related business around the region.

Taking all of these movements together, Group organic revenue grew by 3.6%.

The number of working days has affected our organic revenue growth in quarter two. Adjusting for the benefit of Easter and the impact of the 2016 leap year, we estimate that our underlying growth improved from 2.8% in quarter one to 3.8% in quarter two. The timing of Easter will dampen our reported quarter three growth by a little more than 1%. However, the underlying trends will continue to be positive, as growth accelerates in the second half, and we remain confident about our full year growth expectations.

Starting on the left of the chart, FX was a £126 million benefit to operating profit. The strong performance in North America and continued improvement in Europe increased operating profit by £38 million and £5 million respectively. In rest of world a decline of £10 million in Australia offset a £2 million improvement elsewhere.

And finally, the absence of restructuring costs added £9 million to operating profit, so taking all these movements together, the Group's constant currency operating profit grew by 5.2%.

In North America, margins remained strong, at 8.5%. The business generated efficiencies, which, together with price increases, offset labour headwinds, the impact of weak volumes in oil and gas and the dilutive impact of the recently-acquired CulinArt business.

In Europe we're starting to see some benefits from the business unit reorganisation and this, together with ongoing pricing and efficiencies, more than offset pressures from labour inflation. Margins improved by 10 basis points to 7.5%. Margins in rest of world reduced by 10 basis points, due entirely to Australia. Excluding Australia, we're pleased that margins improved, as the benefits of last year's restructuring more than offset the impact of weak volumes in Brazil and in our offshore and remote sector.

The absence of restructuring costs also benefited margin this year. So overall, the Group's margin improved by 20 basis points in the half.

As you know, FX has a translation impact only, for Compass. Currency movements, due to the weakening of sterling against most of our major currencies, continued to benefit operating profit. In the first half this totalled £126 million.

If current spot rates continue through 2017, FX would benefit full year 2016 operating profit by around £168 million. To give you a sensitivity, a 1% move in sterling against all of our trading currencies would change full year 2016 operating profit by around

£14 million. And further details regarding FX sensitivities can be found in the appendices to the presentation.

Moving on now to the bottom half of the income statement, net finance costs were £52 million, slightly above last year, due to FX. We expect net finance costs for the full year to be around £110 million, reflecting additional debt to fund the special dividend for around one quarter, as well as the impact of continued weakness of sterling on our foreign currency borrowings.

The underlying tax rate was slightly higher than last year, at 25.5%, due to changes in international tax rules, as part of the OECD BEPS project, and we expect the same rates for the full year.

The tax environment remains uncertain, particularly proposed changes in legislation in the US. And we will update you on our expectations for future tax rates at the appropriate time.

Constant currency EPS grew by 4.1%. We're proposing to increase the half year dividend by 5.7%, slightly more than constant currency earnings growth, in recognition of the fact that our growth this year is second half weighted.

Moving on now to the cash flow, depreciation and amortisation increased to £239 million, due to our investment in CapEx and currency movements. Gross capital expenditure was 2.9% of revenues, and we expect CapEx for the full year to be around the same level.

Our working capital was a £78 million outflow, reflecting the seasonality of the business. As a result, operating cash grew by 24% and operating cash conversion was 80%.

Post-employment benefits were £5 million. Last year we completed the triennial valuation of the UK defined benefit plan, which is now in a funding surplus. We have agreed with the trustees to stop the cash contributions to that plan. Total Group payments to pension plans are therefore expected to be around £20 million per year, going forward.

The cash tax rate, at 19|%, was relatively low, as usual due to phasing. For the full year, we expect the rate to be between 20% and 23%. Our free cash flow grew by 27%, of which around 18% was currency. I'm pleased that we've continued to make positive progress in our cash performance this year.

And looking now at the balance sheet, again starting on the left of the chart, opening net debt was £2.9 billion and the business generated cash of £827 million before CapEx. We reinvested £371 million to support our long-term growth, and we returned £365 million to shareholders. FX and other items were £83 million. And so on 31 March 2017 net debt to EBITDA was 1.4 times.

Our priorities for uses of cash are unchanged. We continue to be excited by the structural growth opportunity in our sector and invest in the business via CapEx and M&A to support our long-term growth ambitions.

We're also committed to returning significant cash to shareholders, through a policy of growing dividends, in line with constant currency earnings. We will maintain a strong investment grade credit rating and we will continue to target a full year net debt to

EBITDA ratio of around 1.5 times. We will do this by returning surplus cash to shareholders, through share buybacks or special dividends.

Which takes me to today's announcements. The business continues to generate significant amounts of cash. We expect both M&A and share buybacks to be modest in 2017. As a result, our net debt to EBITDA at the end of 2017 was on track to fall meaningfully below 1.5 times. We therefore propose to return £1 billion to shareholders by way of a special dividend.

Post-dividend, our deleveraging profile is such that we are currently expecting net debt to EBITDA for the full year to be around 1.7 times, before it returns back to around 1.5 times during 2018. We will pause the share buyback for now.

Given the size of the return, it will be accompanied by a share consolidation to minimise the impact on the share price. The special dividend is subject to shareholder approval at a general meeting to be held on 7 June, and is expected to be paid on 17 July.

In order to fund the special dividend, we have a committed bank facility now in place, and expect to replace this by accessing capital markets in the coming months, subject, of course, to market conditions. More details have been included in the appendices to this presentation and will also be presented in the circular to be published on 15 May.

As usual, I've pulled together some of the key 2017 full year assumptions on one page, as reference for your modelling.

In conclusion, we're pleased with the first half. The business is performing as expected and we continue to see acceleration in our organic growth trends, to generate significant amounts of cash, to invest in the business, and finally, to return cash to shareholders.

Thank you. Back to you, Richard.

Richard Cousins

Group CEO

Thanks, Johnny.

New business wins were 8.1%, driven by strong performances in most countries. Lost business was around 5.7%, and like-for-like revenue grew by 1.2%, with sensible price increases around the world, partly offset by weak volumes in our commodity-related business and in Brazil. As a result, organic revenue growth for the first half of the year was 3.6%.

We remain obsessed with margins. The business generated 10 basis points of margins improvement as we successfully offset headwinds through efficiencies, overhead leverage and pricing. Absence of restructuring costs this year increased margins by a further 10 basis points.

North America, the Group's core growth engine, continues to perform exceptionally well. New business wins are strong, retention is high and like-for-likes are good. Efficiencies are offsetting labour pressures and our margins remain strong at 8.5%. The North American market is so dynamic and vast, the future growth prospects are very exciting.

Our strategy of sub-sectorisation is delivering growth right across the business, except in offshore and remote. Unsurprisingly, healthcare and education are vibrant sectors, given the low rate of outsourcing. Interestingly, our supposedly mature B&I is performing very well, with an increasing proportion of new wins coming from start-ups and new locations with existing clients.

Performance in the rest of the world is a bit mixed. Excluding offshore and remote, revenue was up by 2.6%, driven by strong performances in New Zealand, India, China, Spanish-speaking Latin America, and the non-commodity rated side of our Australia business. I remain excited about this region. We believe it will return to reasonable growth in 2018 and will accelerate strongly from that base.

We believe we've turned a corner in our commodity-related business. Although market conditions remain volatile, and 2018 might still be tough, the drag on growth will reduce in the second half of this year, as prior year comparators become easier.

We're pleased with our progress in Europe. The business is performing as expected and the acceleration we saw in the second quarter is set to continue into the second half. I'm particularly excited about the trends we're seeing in the UK, where the win rate is improving and contracts are mobilising as plans.

Overall, margins improved nicely, as the benefits from the creation of the nine business units starts to come through, with fully integrated functional leadership teams, such as finance, IT and HR, which has improved our overhead leverage. As this new operating structure becomes embedded, we'll improve our food procurement, drive additional efficiencies and use the scale to drive revenue growth.

Globally, our strategy is clear and unchanged. Food is our core competence and we continue to adopt an incremental approach to support services. Our priority is organic growth, and we will only do bolt-on M&A if there are attractive targets.

Finally, our focus is on execution and leveraging the cost advantage of our scale with an emphasis on quality and innovation. As you know, we're putting more and more resource behind innovation.

Our business model remains clear and unchanged. Top of our agenda is organic growth, driving new business and retention and consumer sales. Our obsession with cost is never-ending. There is still considerable opportunity to improve margin. We invest as required to support growth and create value for our shareholders by delivering a balanced package of EPS growth, a strong and progressive dividend and return of surplus capital. It's a proven and sustainable model.

Johnny has already taken you through the details of the £1 billion special dividend. Since 2006 we have returned £9 billion to shareholders. And it is the consistency underperforming this graph, which is really pleasing.

And so, to summarise. It's been another good six months. The business is performing as expected. North America is in great shape. Rest of the world will improve in H2, as the drag from commodities reduces, and the acceleration in Europe is encouraging.

Our expectations for 2017 are positive and unchanged, with growth improving as the year unfolds. We remain focused on strong growth with discipline, and continue to return surplus cash to shareholders.

Thank you for your time and attention. We'll now take questions in the normal way. And if you would wait for the microphone and please state your name and organisation. Okay, who's going to start first? Tim. Over here.

Q&A Session

Tim Ramskill - Credit Suisse

Good morning. Tim Ramskill from Credit Suisse. Richard, when you look at the commodity business down 20%, can you just give us some sense as to what proportion of that would have impacted like-for-like and to what extent it fits into the lost business component?

And then maybe you can talk through the margin delivery that I think probably most of us were expecting a little bit more margin pressure in rest of the world in first half. It was fairly limited, so how have you managed to achieve that, please?

Richard Cousins

Yes. I mean, margins - it's just hard work, I think our businesses right across the world have done really well, particularly Australia. We've taken out a huge amount of cost. Johnny, do you want to talk about the trends?

Johnny Thomson

Normally our like-for-likes, Tim, on average across the Group, would be about 2% for the Group. In this first half, it's been just a touch over 1% and of course the main delta there is volumes in our commodity business. To give you some sense, the fall in volumes has been around 7% in the commodity business in the rest of the world, which is mainly driven by Australia.

Of course, even outside of the commodity business, we also have the impact of challenging volumes in Brazil too. So that just means that our like-for-likes as a Group are just a fraction lower than par.

Richard Cousins

At the front, Jamie there.

Jamie Rollo - Morgan Stanley

Thank you. Jamie Rollo, from Morgan Stanley. I was just wondering whether you could help us understand how the Board determines whether to return the surplus cash through buybacks, which you've purposely slowed, or the special dividend, and whether we should be reading anything on the Company's view on the value of the shares? Thank you.

Richard Cousins

Yes, it's a nice problem, isn't it? And we wrestle with it all the time. We are committed to having a balanced balance sheet and we think net debt to EBITDA of 1.5 times represents that. On the one hand, we're cautious people and we think our clients expect us to have a serious professional balance sheet. On the other hand, this is such a cash generative business, we can obviously, have a little bit of debt there.

So we review it all the time. As you rightly say, we've done a mixture over the past years of share buybacks and special. We thought, given that the buybacks had slowed over the last few months, it was - and as Johnny said in his presentation, the cash was coming through very strongly - we were heading for a net debt to EBITDA well below 1.5 times, we thought it was time to up the debt and hence the special.

In the front row.

Angus Tweedie - Bank of America Merrill Lynch

Hi. It's Angus Tweedie from Bank of America. Just perhaps more questions on balance sheet and specials. Could you remind us in terms of what sort of headroom you have in terms of net debt and EBITDA, if you want to pay a big cash return before deleveraging? And also, in terms of the M&A environment, clearly the spend hasn't been huge in the first half.

Richard Cousins

Sorry, could you just clarify your first question?

Johnny Thomson

…the first question?

Angus Tweedie

In terms of…

Richard Cousins

If we want to?

Angus Tweedie

Yes.

Richard Cousins

We just announced it 10 minutes ago, haven't we?

Angus Tweedie

But, for example you're running…

Richard Cousins

We're not going to do another one - not this week.

Angus Tweedie

But if you're running at 1.7 times, you're clearly over your guidance - not massively, but I mean, how much room do you have to be flexible around that?

Johnny Thomson

We target a strong investment grade credit rating and clearly, at 1.5 times, we still have some headroom within that. As Richard said, we're comfortable at 1.5 times. Roughly the mathematics of it works that about 0.1 times is about £200 million, of that order of magnitude, so we're going to touch up a bit above our target rate at the full year, but I don't think it's significant, and it will come back down to 1.5 times, as I said in the presentation, pretty quickly.

Angus Tweedie

And I was just going to say, in terms of the sizeable cash return, and the rather limited M&A spend in the first half, I mean, is it a very tough environment to find acquisitions at the moment?

Richard Cousins

Yes, that's an interesting one. We remain interested in doing acquisitions, but we're not going to insult your intelligence and imply we're doing lots, because we really haven't, over the last three or four years. But I do think there is a year out there - I don't know whether it's one year out or three years out - when we might do a few hundred million. And so we do need the flexibility in the system.

At the moment, I think the volume is quite low, as it has been for the last few years, but we do like the concept of bolt-ons, but we're not going to do them at any price

Angus Tweedie

Thank you.

Richard Cousins

Okay, over there?

Jarrod Castle - UBS

Good morning. It's Jarrod Castle from UBS. Maybe one for Johnny. I appreciate you can't really say anything about the US tax rate at the moment, but is it possible to give us maybe a bit of colour on the effective tax rate and cash tax rate in the US?

Johnny Thomson

Yes, I don't think I want to talk about specific numbers, as you can understand. What I would say is if you look at the proposals that are out there, clearly, if a headline rate were to come down to a federal tax of 15% then that, on face value, would have a significant benefit to our US and our Group tax rate, obviously.

But I think what's pertinent and important to understand is the fact that that has to be funded somehow, and of course, we enjoy deductions on our taxable profit in the US, which we would expect to be addressed as well. And therefore, as it stands at the moment, I couldn’t really comment on whether that will be a net positive or a net negative.

Jarrod Castle

And you don't disclose your effective tax rate in the US separately? Yes.

Richard Cousins

Okay. Vicki.

Vicki Stern - Barclays Capital

Morning. It's Vicki Stern from Barclays. On Europe, I think your medium term organic growth guidance is somewhere between 2% to 4%. It sounds like you might be ramping up to somewhere closer to the higher end of that by Q4 at least. Just, how should we think about sustainability of that kind of pace of growth in Europe?

Richard Cousins

Yes, I think we were spotting Q4, as you rightly say, at the higher end of that, particularly due - mainly due to the UK, which does look quite strong. I think in the medium term we would stick with the 2% to 4% range. I think I would feel uncomfortable about you writing down 4% is sustainable. I don't think that's fair. I think 2%, 3%, 4% is the right medium term range.

I mean, we see excellent growth in the UK and a great pipeline. Turkey, despite the political issues, is performing well for us. And the continent of Europe is patchy, as you would expect. We've seen a nice recovery in Spain. France remains challenging. So I think we need to be balanced.

Vicki Stern

Just, but given the sort of pipeline, given what you can see in terms of signings and the potential openings, how you think about for 2018, potentially?

Richard Cousins

Well, I guess Q4 inevitably rolls into Q1, doesn't it? And Q2. But then, in the second half of next year, obviously, lapping those comparators. So I think we might be in the middle of that range of 2% to 4% next year, but slightly above it in Q4 of this year.

Okay, the one in the middle there. Yes.

Richard Clarke - Bernstein

Hi, good morning. Richard Clarke from Bernstein. Just a couple of questions on the rest of the world, ex the he extractive industries. I mean, you mentioned Brazil, but the total number has slowed, from I think 3.6% organic growth to 2.1%, excluding the Easter impact. Is that all Brazil? Is Brazil slowing down? Or is there anything else going on?

And you mentioned specifically in the release India and China as exciting opportunities. How do you go about growing in those? What are the structure - what are the challenges of getting into those markets and which parts? Is it healthcare education, B&I? Where are the exciting opportunities there?

Richard Cousins

Yes, interesting question. So, yes, Brazil does remain tough. I think it will begin to turn in the next few months, but it is - has been difficult for us.

So, we're excited about progress in a number of countries. We mentioned Spanish-speaking Latin America is - by and large is doing well for us. And you talk about India and China. Now, we have to be honest and say, from a fairly small base. But in China we're growing at - nicely over 10% and in India over 20%. Largely through business and industry. Where we do address healthcare and education, it's only in the private sector. We think that's very important. But we see excellent growth across all of those.

It's all about getting the right management, transferring best practice, working hard, no rocket science to what we do. We're just waiting, really, for scale. And I'm really delighted, the fact that we're now making a little bit of money in China. Truth is we could make more, but we've decided to reinvest it into SG&A - or Map 5, as we call it - to grow the business.

And I think we'll make - we'll break even in India probably next year. And once again, we'll reinvest most of that profit thereafter, to support the growth. So it's not going to come through in the numbers in the next year or two, but in four, five years, I think India will be quite exciting for Compass.

Richard Clarke

Why is the public sector so unattractive in those countries?

Richard Cousins

We think, from a governance point of view it's wiser to stick with big corporates in B&I and private healthcare and private education.

Richard Clarke

Thanks very much.

Richard Cousins

A question over there.

David Phillips - Redburn Partners

Hi, good morning. David Phillips from Redburn. Could you give me the retention rate by region, please?

Richard Cousins

Do you want it by country and by week, as well?

David Phillips

No. Just the big three, thank you.

Richard Cousins

Johnny.

Johnny Thomson

Well, as I said in my presentation, the retention rates in North America are fantastic, 96.5%, and it's been around that mark for some time now, so that's a bedrock to their success and growth. Europe is around 92% to 93% - about 92.5% at the moment. Some contract exes, particularly in the oil and gas extractive industries have…

Richard Cousins

On the retention rate, we penalise ourselves for losses that are not our fault - closures, in effect.

Johnny Thomson

But there's still some room for us to edge forward on our retention rates in Europe, and in the rest of the world our retention rates are around 90%. Now, structurally, they are, and will always be a fraction lower. They're probably a little lower than we would expect right now, because, again, of the extractive industry. So we would expect that to tick up as rest of the world starts to grow.

David Phillips

Great. Thank you.

Richard Cousins

Biggest - one of the biggest engines of our revenue improvement in rest of the world over the next two years will be those losses - those closures, sorry, those closures falling away.

David Phillips

Thanks. And presumably, within rest of the world, there's some - there might even be some deliberate attrition on your part, where you've just said to the customer, we're not playing at that level?

Richard Cousins

One or two of those.

David Phillips

And just on the UK, in December you were talking about the ramp-up likely happening post Q2. Was any of that pulled forward, or is that something that is happening now and will benefit Q3 and Q4?

Richard Cousins

Oh, it is happening now. Q3 will be stronger and Q4 materially stronger again. I suppose, with hindsight, I was surprised by the way the win rate slowed - or the volume of contracts we were asked to bid for, slowed so massively in the spring and summer of 2016 - presumably because of Brexit, although I don't really understand why there should be a link.

What we've seen over the last six months is an acceleration in that win rate. So I think, as we've already touched on, the second half of this year and next looks pretty good.

David Phillips

Great. Thank you.

Richard Cousins

I'll come back to you in a moment, Tim. Any other questions?

Tim Ramskill - Credit Suisse

Thanks. Just a couple of US-related questions. I see in your segmentation you've - I think you've added colours to it for the first time, so we can see which businesses are where, but a couple of education businesses leading there, so I just wondered what's driving that very strong performance?

And then margins flattish in the first half. I know that you've been asked a dozen times about labour inflation in the US, but is that in any way curtailing your margin progress?

Richard Cousins

No, I mean, we've got a very simple model in the US, whereby, if we can maintain growth as we believe we can, at strong levels, maybe not always in the 7%, 8% range that we've done in the last couple of years, but certainly in the 6% plus-plus range, then the amount of margin expansion will be small. Underlying, underlying we will get a little bit of expansion. CulinArt obviously has pulled us down a little bit in this half.

If revenues were to be less spectacular - which I'm not predicting, by the way - I'm very bullish on the US - then I think we would expect to see more margin expansion. So they sort of offset each other.

Labour is an issue in the US, as it is in a number of other countries, and it does need to be managed.

Sorry, was there another question?

Tim Ramskill

There was, on the…

Unidentified Speaker

Education.

Richard Cousins

Oh, education. Yes, education looks good - both in the US and indeed in the UK as well. In the US, we've created a separate subsector for independent schools, and we seem to be rewarded with that. That's growing nicely. K through 12, as they call it, is strong. Higher ed a little less so, but still reasonable.

I mean, what excites me about that US chart is - other than oil and gas - it's the consistency of it. We're growing at, really, 5% to 9% in basically every subsector.

Okay, whilst we take a pause in the hall, are there any questions on the line?

Erik Karlsson - Bodenholm Capital

Thanks for taking my question. Could you just help us understand how the pipeline for new business wins is looking in your major geographies, so North America and Europe, please?

Richard Cousins

Johnny, do you want to touch on that?

Johnny Thomson

Yes. Talking about North America, I think we remain very positive about the pipeline in North America. We're reviewing it with the team recently and it looks as strong as it's ever been. What's encouraging, and we say this throughout our conversations, is that it's very much broad-based across all of our key sectors. And it's also got a very healthy split between first-time outsourcing as well as second-time, and so on. So the pipeline still looks very, very encouraging in North America.

I think, as in Europe, we touched on it before, the UK pipeline is very exciting. We've won a lot of good business and that's coming through. And as to the rest of the world, well, the environment that we're in sometimes helps, of course, outsourcing too. So we still do see some good pipelines in the rest of the world too.

Overall, I'd say we're encouraged by the new business pipeline, as a Group.

Erik Karlsson

That sounds encouraging. Thank you very much.

Richard Cousins

Okay.

Operator

No further questions in queue, for the moment.

Richard Cousins

We've got one back in the hall here.

Jarrod Castle - UBS

Richard, you mentioned innovation and investment there. Can you give some colour in terms of some of the areas for 2017 and 2018, if you can?

Richard Cousins

Yes, we had a slide on it and took it out, because we felt it didn't really do justice to the amount of work that's going on. So, some of the innovation is just spreading the basic best practice and, well, I've been saying that for years, haven't I? But the more we run this business, the more opportunity we see to just do that.

A lot of innovation is going into Map 2 - how we present to the consumer, how we upsell, how we incent our staff, how we use technology to communicate with consumers, either in the building or on the campus. In Map 3, the US food-buy model - oh, we've implemented that in the UK and Holland and we're looking at doing that in a number of other European countries, and maybe one or two in the rest of the world.

And Map 4, the Americans have invested heavily in how we recruit people. We have to recruit nearly 100,000 people a year in the US alone, and we're now up to about two-thirds of that is online. We did some work, some old-fashioned time and motion work, almost, and found that our unit managers in the US were spending a huge amount of their time recruiting, and now two-thirds of that is online and that frees them up to focus more on the consumer and Map 2 and so on, and we think that's the right way to go.

We're also investing in systems on labour scheduling, because we think there are some labour inflation issues out in the world and we need to be more productive. And of course, Map 5, you have to invest all the time. We're investing in systems in Europe, which will help to support the nine business units, and so on.

So it's ongoing. It's not a revolution. Compass is not like that. But we think, step-by-step, innovation is important.

Jarrod Castle

Thanks.

Richard Cousins

Any more questions? Any more on the line?

Operator

No questions on the line.

Richard Cousins

I think I've won the sweepstake for how long the meeting goes, so I'll have to end it there. Thank you very much for your time.

[End]