



2019 Half Year Results

15 May 2019



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Dominic Blakemore

Chief Executive



Today's agenda

1. Dominic Blakemore Welcome & highlights
2. Palmer Brown Half year results
3. Dominic Blakemore Regional review & group strategy
4. Q&A

Highlights

+6.6%

ORGANIC REVENUE GROWTH

+5.8%

OPERATING PROFIT GROWTH
(CONSTANT CURRENCY)

7.5%

OPERATING MARGIN

+14%

FREE CASH FLOW GROWTH

+6.5%

EPS GROWTH
(CONSTANT CURRENCY)

+6.5%

INTERIM DIVIDEND GROWTH



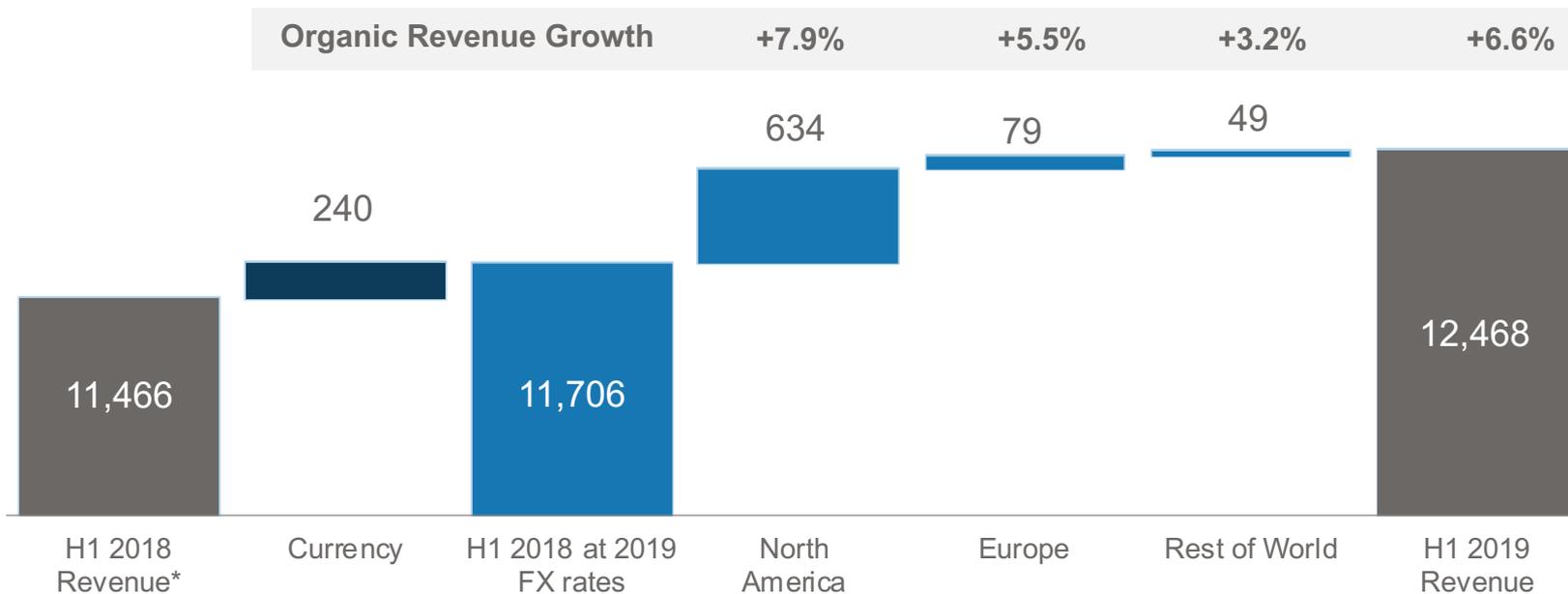
Palmer Brown

Interim Group Finance Director



Revenue

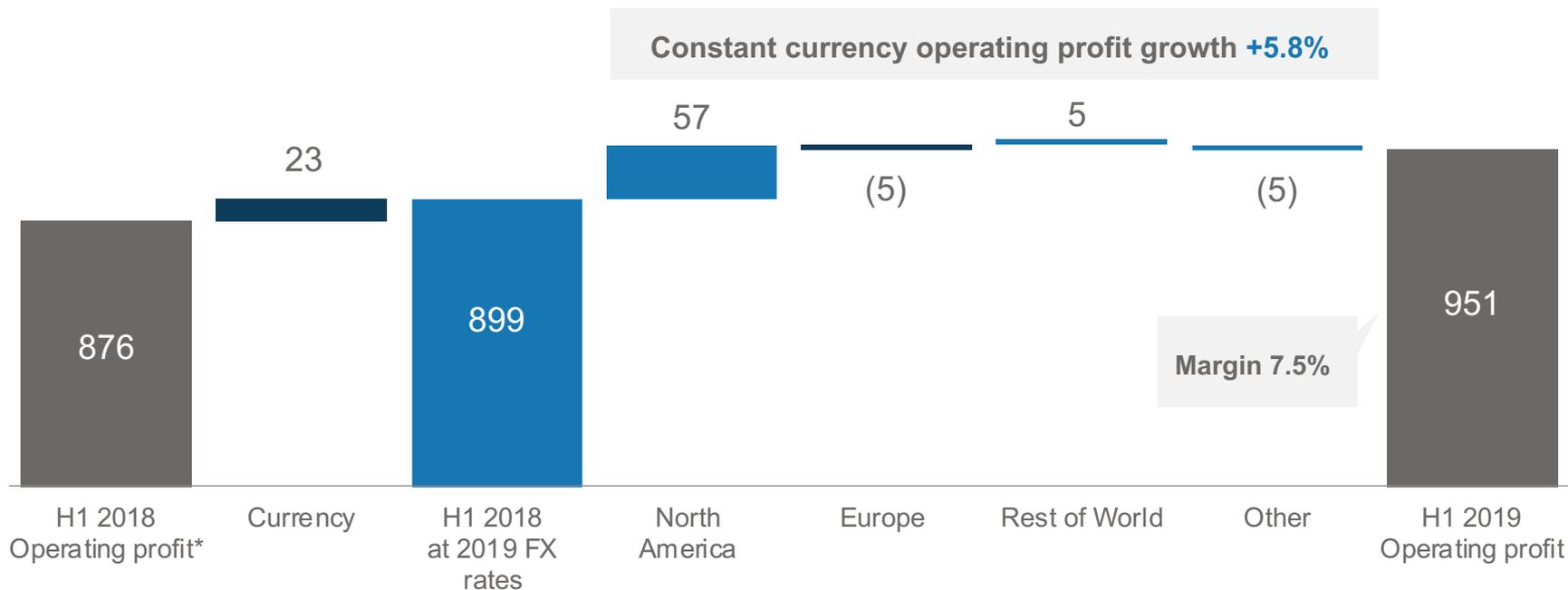
£m



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.
 *2018 comparatives have been restated for adoption of IFRS15. See restatement adjustments on pages 53-58.

Operating profit

£m



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.
 *2018 comparatives have been restated for adoption of IFRS15. See restatement adjustments on pages 53-58.

Income statement

£m

	HY 2019	HY 2018 restated*	
Operating profit	951	876	
Net finance costs	(55)	(55)	<ul style="list-style-type: none"> FY 2019 net finance cost expected to be £120m
Profit before tax	896	821	
Tax	(210)	(195)	<ul style="list-style-type: none"> FY 2019 expected tax rate c.23.5%
Profit after tax	686	626	
Non-controlling interest	(5)	(6)	
Attributable profit	681	620	
Average number of shares (millions)	1,586	1,583	<ul style="list-style-type: none"> Constant currency EPS growth of 6.5%
Basic earnings per share (pence)	42.9p	39.2p	<ul style="list-style-type: none"> DPS growth of 6.5% in line with our policy
Dividend per share (pence)	13.1p	12.3p	

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.
*2018 comparatives have been restated for adoption of IFRS15. See restatement adjustments on pages 53-58.

Operating cash flow

£m

	HY 2019	HY 2018 restated*
Operating profit	951	876
Depreciation and amortisation	289	261
Net capital expenditure	(395)	(369)
Net cash flow	845	768
Net cash flow conversion	89%	88%
Trade working capital	(83)	(38)
Provisions	(10)	(21)
Other	(6)	(17)
Operating cash flow	746	692
Operating cash flow conversion	78%	79%

- HY 2019 capex 3.3% of revenues
- FY 2019 capex expected to be up to 3.5% of revenues

- FY 2019 working capital expected to be the usual small outflow

Free cash flow

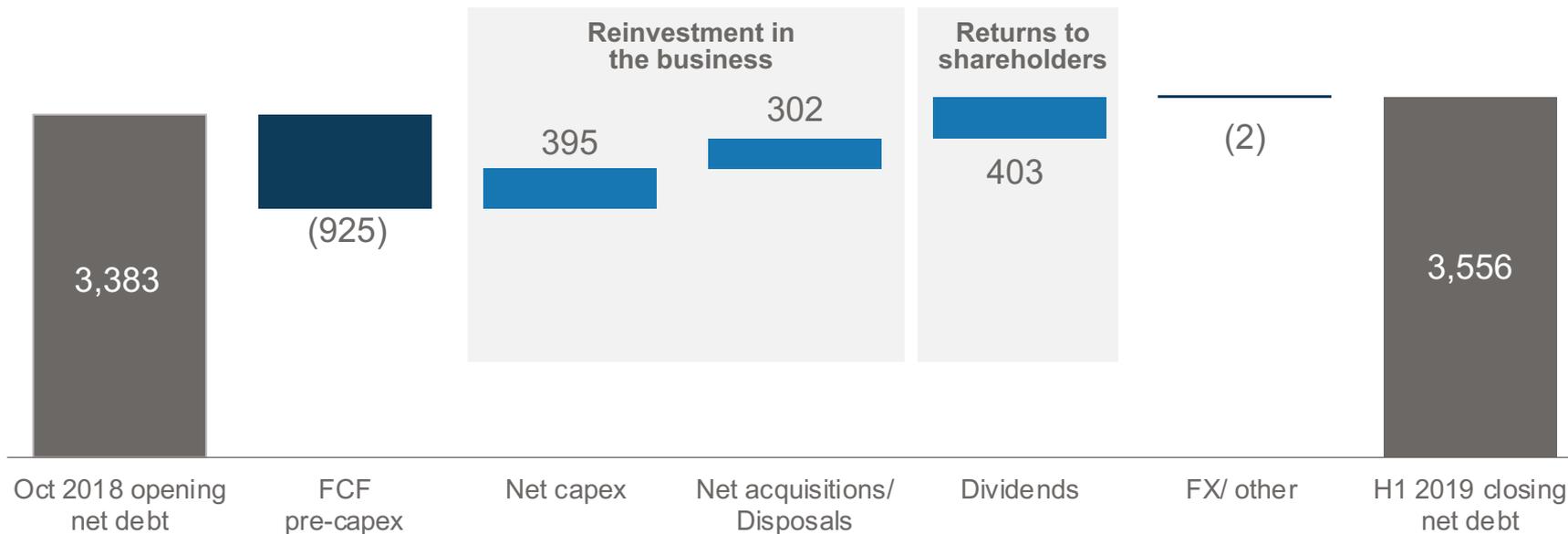
£m

	HY 2019	HY 2018 restated*	
Operating cash flow	746	692	<ul style="list-style-type: none"> FY 2019 expected to be c.£20m
Post-employment benefits	(9)	(5)	
Net interest	(53)	(47)	<ul style="list-style-type: none"> HY 2019 cash tax c.17% FY 2019 expected to be 20 - 22%
Net tax	(155)	(152)	
Net other items	1	(24)	
Free cash flow	530	465	<ul style="list-style-type: none"> FY 2019 free cash flow conversion expected to be 55% to 60%
Free cash flow conversion	56%	53%	

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60.
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Net debt

£m



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.

Disposal programme update

	SALES AND EXITS COMPLETED TO DATE	TOTAL PORTFOLIO UNDER REVIEW
Annual revenue	c.£500m	c.£1.2bn
Operating margin	c.3%	c.7%
Proceeds	c.£100m	

For organic growth modelling purposes

- Total disposals to be removed from FY 2018: Revenues £480m, operating profit £14m
- Total disposals to be removed from FY 2019: Revenues £115m, operating profit £5m

Capital allocation



Financial summary

Organic revenue growth	+6.6%
Operating profit growth*	+5.8%
Operating profit margin	7.5%
Free cash flow	£530m
EPS* 42.9p	+6.5%
Interim dividend 13.1p	+6.5%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60.

*Constant currency

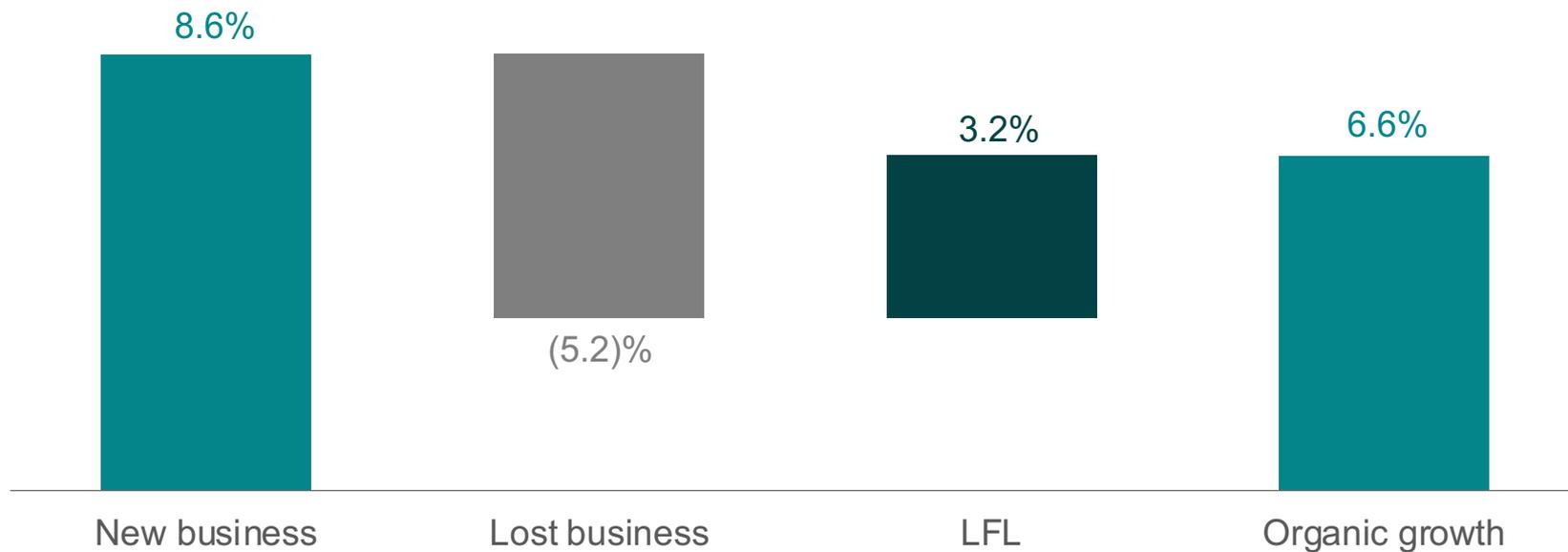


Dominic Blakemore

Chief Executive



H1 2019 organic revenue growth



North America

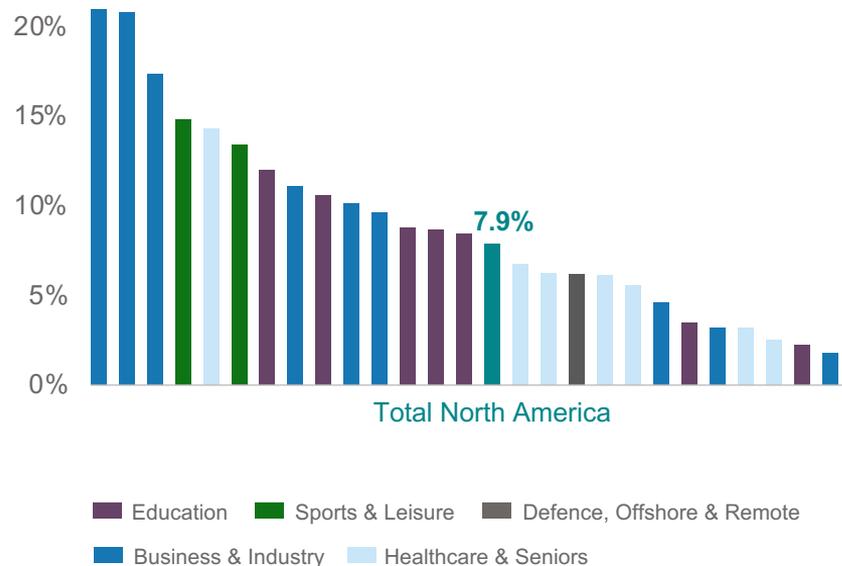
Organic revenue up 7.9%

- Continued strong growth across all sectors
- Retention rate high at 97%

Profit growth of 9.4%*

- Successfully offsetting labour cost inflation
- Focus on productivity and pricing
- Several acquisitions in H1

Organic sector growth HY 2019



Europe

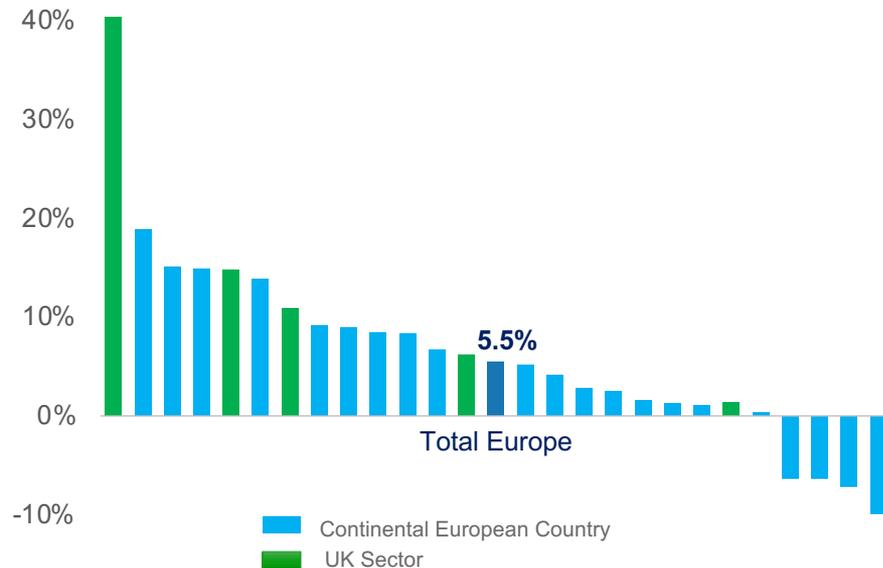
Organic revenue up 5.5%

- Very good growth in the UK Defence sector
- Improved performance in Continental Europe

Profit down by 2.5%*

- High mobilisation costs from new business
- Some LFL volume weakness

Organic growth by country and UK sector**
HY 2019



*Constant currency

**UK separated into sectors

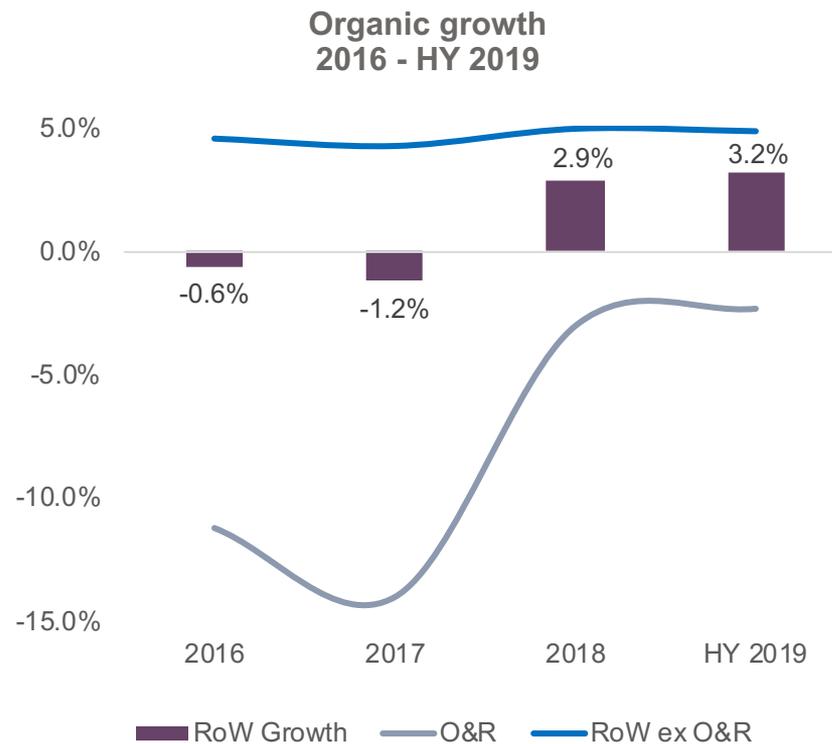
Rest of World

Organic revenue up 3.2%, up 5.0% ex O&R

- Strong growth in developing markets and Spanish speaking LATAM
- Diminishing drag from Offshore & Remote

Profit growth of 4.3%

- Continuing to drive efficiencies around the region



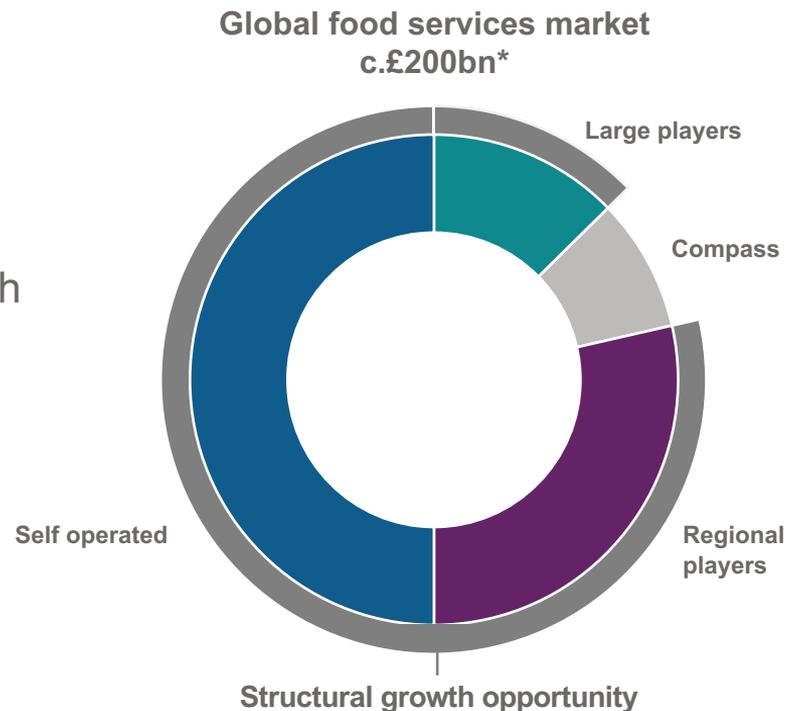
Strategy



Global market leader...

Leveraging our competitive advantages

- Food focused
- Decentralised / flexible structure
- Sectorisation and sub-sectorisation approach
- Unique scale in purchasing and overheads
- Performance based culture
- Attractive partner



*Market data figures based on Compass Group management estimates

...in an evolving food service market

Food trends



Small and local



Clean eating



Meat free diets



Simple food

Changing consumer dynamics



Seeking
experience



Individual
expression



Health &
Wellness



Convenience

Staying ahead of market dynamics





PERFORMANCE



map 1	PRICING	EXPERIENCE
map 2		
map 3	PURCHASING	
map 4	PRODUCTIVITY	
map 5		

UNDERPINNED BY DIGITAL & TECHNOLOGY

Sharing best practice

- 

BLUEPRINT
Codifying the approach and processes
- 

PLAYBOOK
Providing tools and templates to support delivery
- 

MATURITY MATRIX
Defining 'must have' foundations
- 

KPIs
Core metrics to track and measure progress

EXPERIENCE



Cashierless checkout



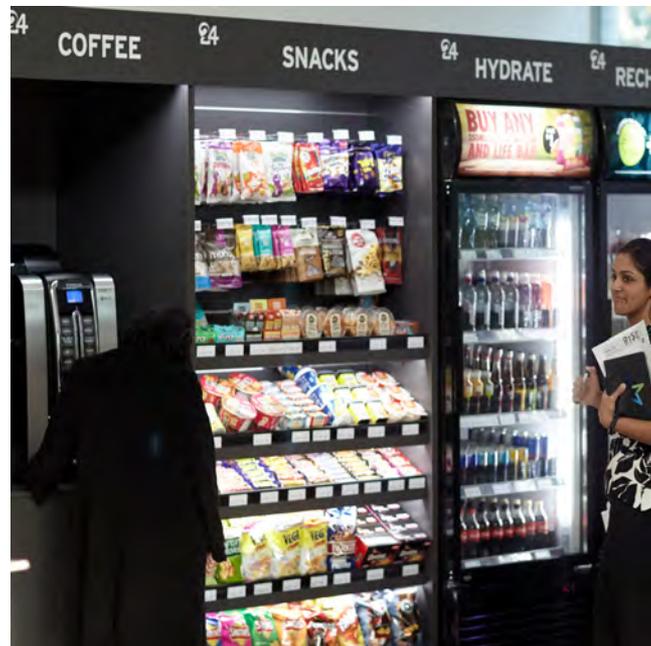
- Increased speed of service
- Prices complex meal combinations
- Camera based technology
- Database of 1 million food images
- Bespoke to individual client
- Potential to increase sales



EXPERIENCE



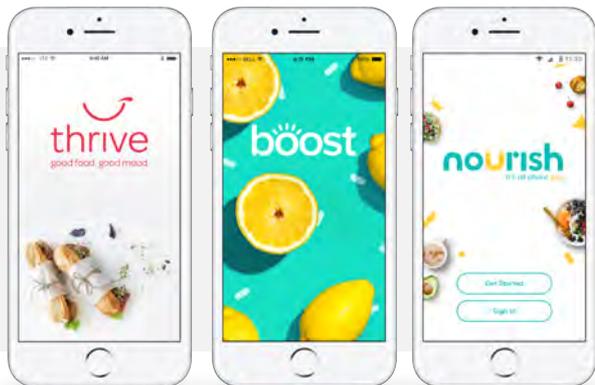
Unattended markets



EXPERIENCE

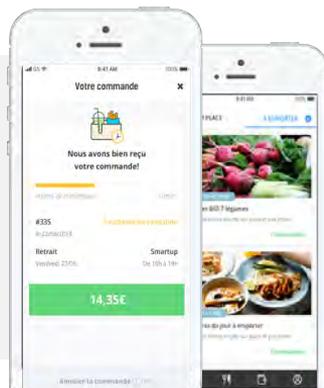


We have an app for that



North America: Thrive, Boost Nourish

- 200 sites
- 120k users



Europe: FOODI

- 100 restaurants
- Roll out in 350+ sites



Rest of World: FoodBook

- 75k consumers
- 90k daily transactions

PRODUCTIVITY

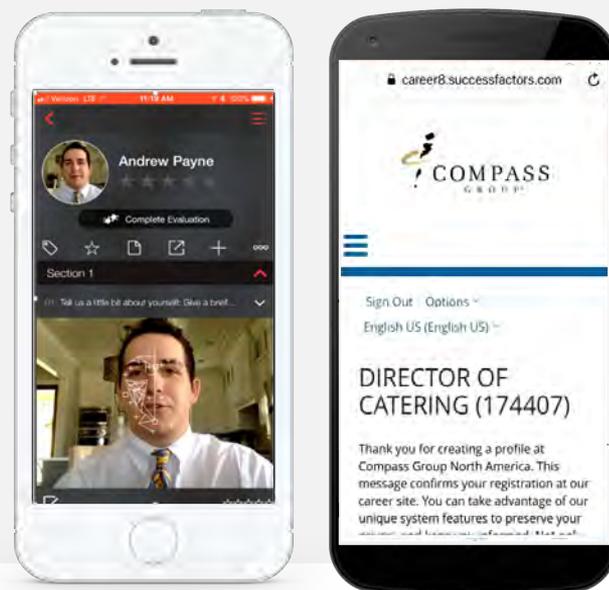


Workforce management and recruitment

Workforce management



Recruitment

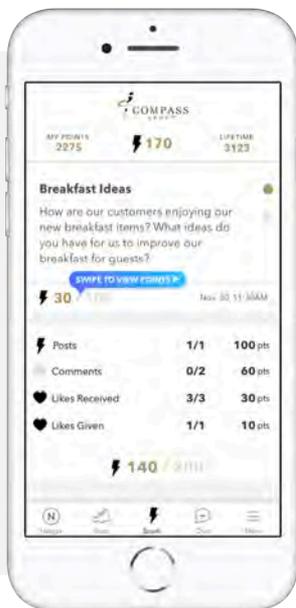


PRODUCTIVITY

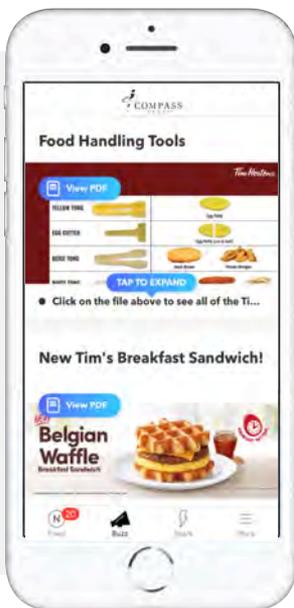


Employee engagement

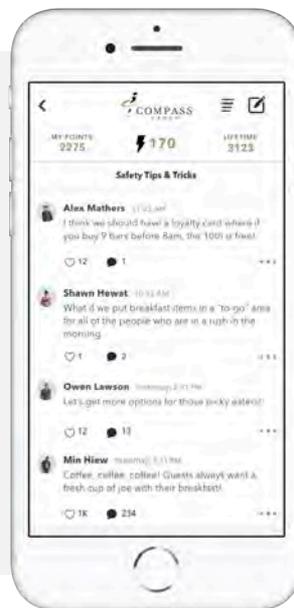
Engagement



Education



Collaboration



Recognition



PEOPLE



Highly engaged colleagues

Employee commitments

Development opportunities



Exceptional leadership

2 out of 3 leadership roles filled internally

Succession planning



Best unit management

New global development programme

Remove unnecessary processes



Diversity and inclusion

Improving female representation in senior leadership

Member of WiH2020



Unit Manager training



Best unit management

New global development programme

Remove unnecessary processes

- New global training programme
- Immersive and interactive 2-day workshop
- Delivered by internal facilitators
- Practical tools for Unit Managers



PURPOSE



Health and wellbeing

Better nutrition choices

Mental health

Healthy lifestyle

Environmental game changers

Food waste

Single-use plastics

Plant-forward meals

Better for the world

Sourcing responsibly

Enriching local communities

Collaborating for big change

Safety culture

PURPOSE



STOP FOOD WASTE Day



All over North America, cities proclaimed April 24th, 2019 to be Stop Food Waste Day and used their platform to call their citizens to action to make better choices and make the world a better place by reducing food waste.





Summary and outlook

- Excellent H1 2019 - very strong growth & consistent margin
- Continued focus on implementing 3Ps strategy

FY 2019 Outlook:

- Similar to 2018
- Organic revenue growth above middle of our 4-6% range
- Modest margin improvement



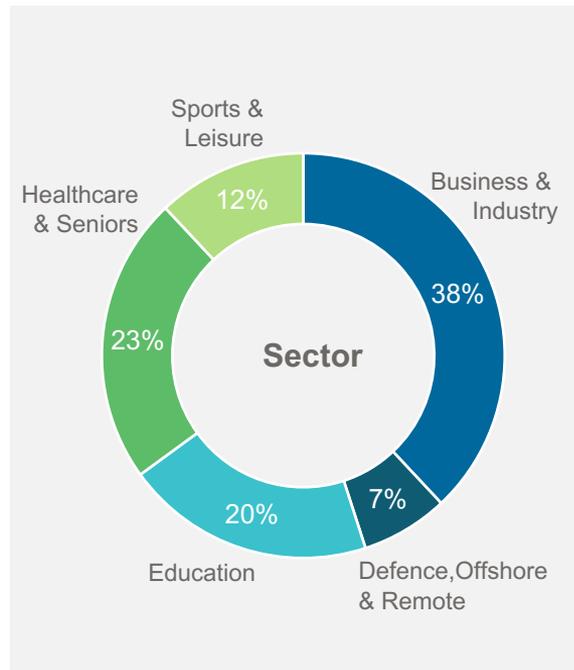
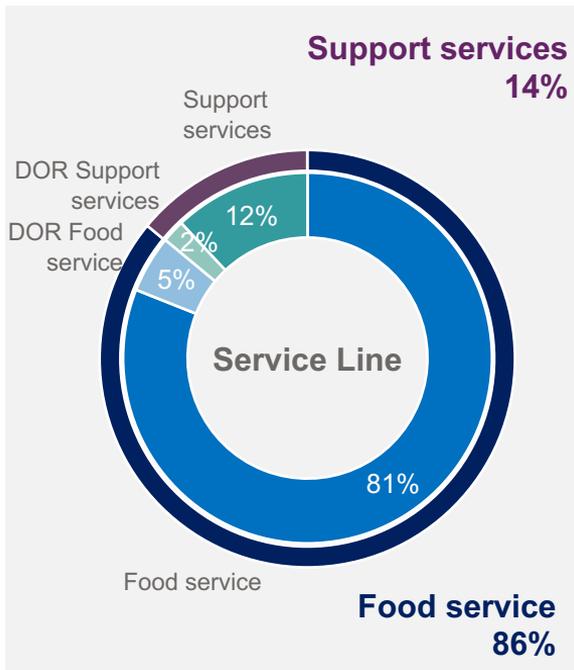
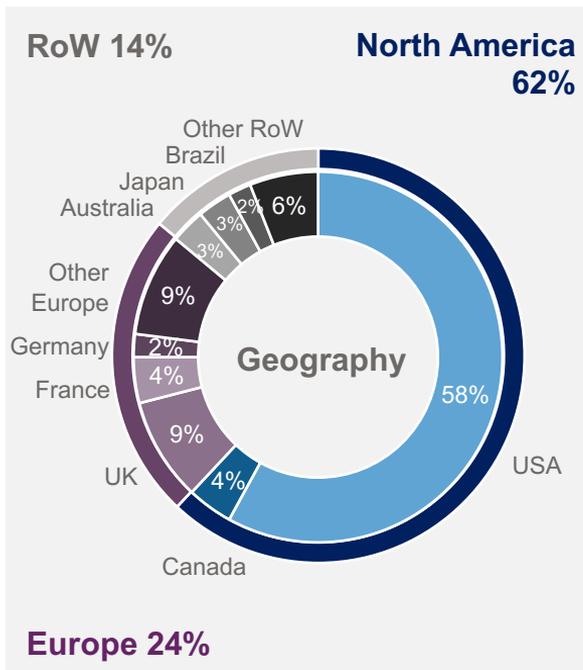
Supplementary information



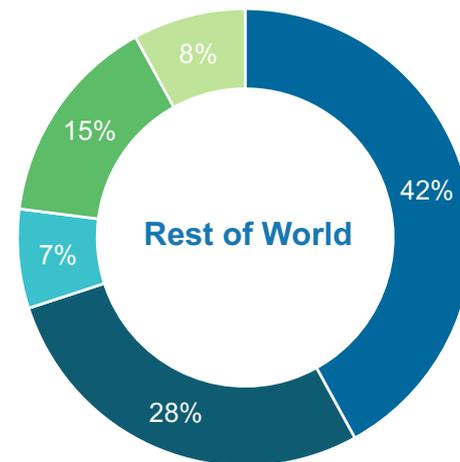
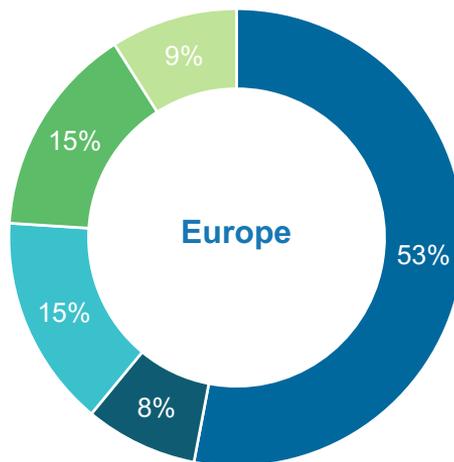
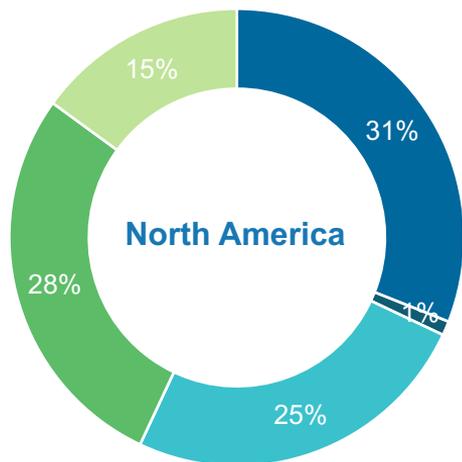
2019 guidance for modelling purposes

Interest charge	c.£120m
P&L tax rate	c.23.5%
Cash tax rate	20-22%
Gross capex	Up to 3.5% of revenues
Working capital	Small outflow
Post-employment cash contribution	c.£20m
Foreign exchange impact on 2018 EBIT (at current spot rates)	£25m

Revenue



Geographic revenue by sector



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

Notes: Based on underlying performance, definitions page 59 and 60.

Geographic financials

£m	North America	Europe	Rest of World	Other ¹	Total
2019					
Revenue	7,691	2,976	1,801		12,468
<i>Organic growth</i>	7.9%	5.5%	3.2%		6.6%
Operating profit	664	192	121	(26)	951
<i>Margin</i>	8.6%	6.5%	6.7%		7.5%
Cash flow	502	171	119	(262)	530
<i>Cash flow conversion</i>	76%	89%	98%		56%
2018 restated*					
Revenue	6,706	2,905	1,855		11,466
<i>Organic growth</i>	7.3%	0.5%	3.4%		4.8%
Operating profit	576	197	124	(21)	876
<i>Margin</i>	8.6%	6.8%	6.7%		7.5%
Cash flow	468	186	82	(271)	465
<i>Cash flow conversion</i>	81%	94%	66%		53%

Notes: Based on underlying performance, definitions page 59 and 60.

¹ Other operating profit includes unallocated overheads £38m (2018: £32m), and share of profit from associates £12m (2018: £11m). Other cash flows includes net interest and tax.

*2018 comparatives have been restated for adoption of IFRS15.

Dividend cover

	2018 restated*	2017	2016	2015	2014
Per share (pence)					
Dividend (interim plus final)	37.7p	33.5p	31.7p	29.4p	26.5p
Underlying earnings	77.9p	72.3p	61.1p	53.7p	48.7p
Dividend earnings cover	2.1x	2.2x	1.9x	1.8x	1.8x
Cash (£m)					
Cash cost of ordinary dividend (in the year)	548	531	496	457	444
Underlying free cash flow	1,141	974	908	722	737
Dividend cash cover	2.1x	1.8x	1.8x	1.6x	1.7x

Notes: Based on underlying performance, definitions page 59 and 60.
 *2018 comparatives have been restated for adoption of IFRS15.

Balance sheet

Overview (£m)	2019 HY	2018 HY restated*	2018 FY restated*
Goodwill	4,420	4,137	4,270
Other non-current assets	3,520	3,048	3,285
Working capital	(1,171)	(880)	(1,227)
Net Assets held for sale	160	0	164
Provisions	(378)	(378)	(394)
Post employment benefit obligations	52	116	122
Current tax payable	(187)	(162)	(158)
Deferred tax	(15)	13	(12)
Net debt	(3,556)	(3,565)	(3,383)
Net assets	2,845	2,329	2,667
Shareholders' equity	2,820	2,308	2,642
Non-controlling interests	25	21	25
Total equity	2,845	2,329	2,667

Notes: *2018 comparatives have been restated for adoption of IFRS15.

Financing

Components of net debt

	£m
Bonds	2,308
Private placements	1,266
Bank loans	558
	4,132
Finance leases	5
Other loans and fair value accounting adjustments	68
Derivatives	(92)
Gross debt	4,113
Cash net of overdrafts	(557)
Closing net debt at 31 March 2019	3,556

Financing

Principal borrowings	Coupon	Maturing in Financial Year	Drawn £m
Bonds			
€500m	1.875%	2023	431
€750m	0.625%	2024	646
£250m	2.000%	2025	250
£250m	3.850%	2026	250
€500m	1.500%	2028	431
£300m	2.000%	2029	300
Total			2,308
US private placements			
\$1,000m (2011 Notes)	3.98% - 4.12%	2022 - 2024	576
\$500m (2014 Notes)	3.09% - 3.81%	2020 - 2025	383
\$400m (2015 Notes)	3.54% - 3.64%	2025 - 2027	307
Total			1,266
Bank loans			
£1,000m syndicated facility		2021	304
£690m (bilateral)		2021	254
Total			558

Notes: Based on borrowings as at 31 March 2019. Interest rates shown are those in force on the date the debt was issued.

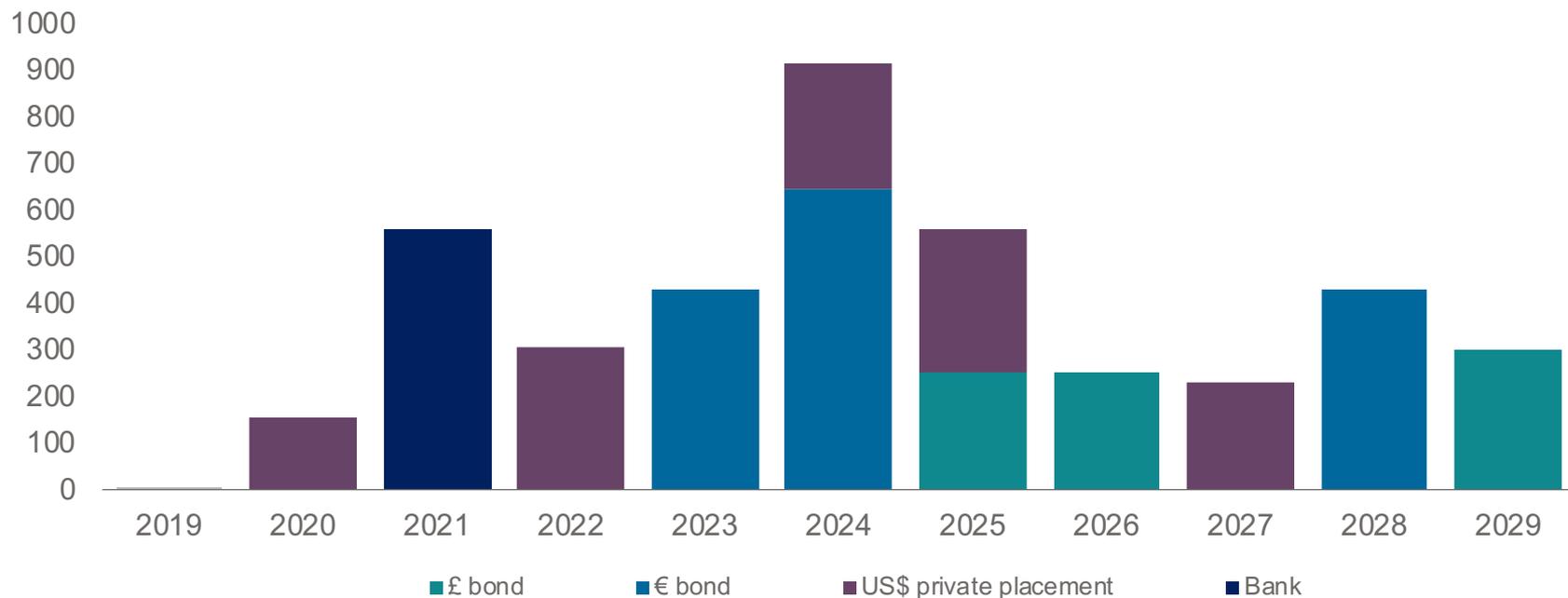
The Group uses interest rate swaps to manage its effective interest rate.

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.

Financing

£m



Notes: Based on borrowings and facilities in place as at 31 March 2019, maturing in the financial year ending 30 September.
The average life of the Group's principal borrowings is 5.4 years (2018: 5.1 years)

Financing

Debt ratios and credit ratings

Ratings		Outlook	Confirmed
Standard & Poors	A	Stable	11 Mar 19
Moody's	A3	Stable	26 Mar 19
Fitch (unsolicited)	A-	Stable	28 Feb 19

Ratios	2019 HY	2018 HY
Net debt ¹ / EBITDA ²	1.5x	1.7x
EBITDA ² / net interest ³	20.4x	18.5x

Notes: 1. Net debt is adjusted where necessary for 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 the element of finance charges resulting from hedge accounting ineffectiveness and the change in the fair value of investments.

Currency impact on operating profit

£m

	HY 2018	FY 2018
USD	30	40
EUR	-	(3)
CAD	-	-
AUD	(1)	(2)
BRL	(1)	(3)
JPY	1	2
Other	(7)	(9)
Total currency impact	23	25

Exchange rates

Rates used in consolidation

	Income Statement ¹		Balance Sheet ²	
	2019 per £	2018 per £	2019 per £	2018 per £
Australian Dollar	1.81	1.76	1.83	1.83
Brazilian Real	4.96	4.45	5.07	4.66
Canadian Dollar	1.72	1.74	1.74	1.81
Chilean Peso	872.76	847.36	886.69	846.68
Euro	1.14	1.14	1.16	1.14
Japanese Yen	144.63	151.03	144.23	149.19
New Zealand Dollar	1.92	1.92	1.91	1.94
Norwegian Krone	11.00	10.95	11.22	11.01
Turkish Lira	7.10	5.20	7.36	5.56
UAE Dirhams	4.76	5.03	4.79	5.15
US Dollar	1.30	1.37	1.30	1.40

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 2018 revenue and profit

US DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.60	(2,035)	(169.8)
1.55	(1,681)	(140.2)
1.50	(1,303)	(108.7)
1.45	(899)	(74.9)
1.40	(465)	(38.8)
1.35	-	-
1.30	501	41.8
1.25	1,043	87.0
1.20	1,629	135.9
1.15	2,267	189.1

CANADIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.98	(98)	(7.0)
1.93	(80)	(5.8)
1.88	(62)	(4.5)
1.83	(42)	(3.1)
1.78	(22)	(1.6)
1.73	-	-
1.68	23	1.7
1.63	48	3.5
1.58	74	5.3
1.53	101	7.4

EURO

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.38	(519)	(41.5)
1.33	(431)	(34.4)
1.28	(336)	(26.8)
1.23	(233)	(18.6)
1.18	(121)	(9.7)
1.13	-	-
1.08	133	10.6
1.03	278	22.2
0.98	438	35.0
0.93	616	49.2

Notes: Cumulative revenue and operating profit change arising by restating the 2018 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

Exchange rates

Effect on 2018 revenue and profit

AUSTRALIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
2.02	(87)	(8.9)
1.97	(71)	(7.3)
1.92	(55)	(5.6)
1.87	(38)	(3.8)
1.82	(19)	(2.0)
1.77	-	-
1.72	20	2.1
1.67	42	4.3
1.62	65	6.7
1.57	90	9.2

BRAZILIAN REAL

£m cumulative change for an incremental 20 centavo movement

Exchange Rate	Revenue Change	Profit Change
5.73	(97)	(7.1)
5.53	(81)	(6.0)
5.33	(63)	(4.6)
5.13	(43)	(3.2)
4.93	(23)	(1.7)
4.73	-	-
4.53	25	1.8
4.33	51	3.8
4.13	81	6.0
3.93	113	8.4

TURKISH LIRA

£m cumulative change for an incremental 20 kurus movement

Exchange Rate	Revenue Change	Profit Change
6.92	(42)	(2.7)
6.72	(34)	(2.2)
6.52	(27)	(1.7)
6.32	(18)	(1.2)
6.12	(9)	(0.6)
5.92	-	-
5.72	10	0.7
5.52	21	1.4
5.32	33	2.1
5.12	45	2.9

Notes: Cumulative revenue and operating profit change arising by restating the 2018 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

HY 2018 income statement restated for IFRS15

£m

	HY 2018 reported	IFRS15 adjustment	HY 2018 restated
Revenue	11,510	(44)	11,466
Operating profit	875	1	876
Net finance costs	(55)	-	(55)
Profit before tax	820	1	821
Tax	(197)	2	(195)
Profit after tax	623	3	626
Non-controlling interest	(6)	-	(6)
Attributable profit	617	3	620
Average number of shares (millions)	1,583		1,583
Basic earnings per share (pence)	39.0p	0.2p	39.2p

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60.

HY 2018 operating cash flow restated for IFRS15

£m

	HY 2018 reported	IFRS15 adjustment	HY 2018 restated
Operating profit	875	1	876
Depreciation and amortisation	244	17	261
Net capital expenditure	(369)	-	(369)
Net cash flow	750	18	768
Net cash flow conversion	86%		88%
Trade working capital	(27)	(11)	(38)
Provisions	(21)	-	(21)
Other	(10)	(7)	(17)
Operating cash flow	692	-	692
Operating cash flow conversion	79%		79%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60. .

HY 2018 free cash flow restated for IFRS15

£m

	HY 2018 reported	IFRS15 adjustment	HY 2018 restated
Operating cash flow	692	-	692
Post-employment benefits	(5)	-	(5)
Net interest	(47)	-	(47)
Net tax	(152)	-	(152)
Net other items	(23)	-	(23)
Free cash flow	465	-	465
Free cash flow conversion	53%		53%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60. .

FY 2018 income statement restated for IFRS15

£m

	FY 2018 reported	IFRS15 adjustment	FY 2018 restated
Revenue	23,239	(92)	23,147
Operating profit	1,741	3	1,744
Net finance costs	(114)	-	(114)
Profit before tax	1,627	3	1,630
Tax	(390)	2	(388)
Profit after tax	1,237	5	1,242
Non-controlling interest	(8)	-	(8)
Attributable profit	1,229	5	1,234
Average number of shares (millions)	1,584		1,584
Basic earnings per share (pence)	77.6p	0.3p	77.9p

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60.

FY 2018 operating cash flow restated for IFRS15

£m

	FY 2018 reported	IFRS15 adjustment	FY 2018 restated
Operating profit	1,741	3	1,744
Depreciation and amortisation	500	34	534
Net capital expenditure	(757)	-	(757)
Net cash flow	1,484	37	1,521
Net cash flow conversion	85%		87%
Trade working capital	147	(21)	126
Provisions	(45)	-	(45)
Other	(6)	(16)	(22)
Operating cash flow	1,580	-	1,580
Operating cash flow conversion	91%		91%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60.

FY 2018 free cash flow restated for IFRS15

£m

	FY 2018 reported	IFRS15 adjustment	FY 2018 restated
Operating cash flow	1,580	-	1,580
Post-employment benefits	(8)	-	(8)
Net interest	(95)	-	(95)
Net tax	(323)	-	(323)
Net other items	(13)	-	(13)
Free cash flow	1,141	-	1,141
Free cash flow conversion	66%		65%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60.

Definitions

Capital employed	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.
Constant currency	Restates the prior year results to the current year's average exchange rates.
EM & OR restructuring	Emerging Markets and Offshore & Remote restructuring.
Free cash flow	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, dividends received from joint ventures and associated undertakings, and dividends paid to non-controlling interests.
Free cash flow conversion	Underlying free cash flow expressed as a percentage of underlying operating profit.
Gross capital expenditure	Includes the purchase of intangible assets, contract fulfilment assets, property, plant and equipment, including assets purchased under finance leases, and investment in contract prepayments.
Like for like revenue growth	Calculated by adjusting organic revenue growth for new business wins and lost business.
Net capital expenditure	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.
Net debt	Bank overdrafts, bank and other borrowings, finance leases and derivative financial instruments, net of cash and cash equivalents.
Net debt to EBITDA	Net debt divided by underlying EBITDA.
NOPAT	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.
Organic profit growth	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.
Organic profit	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).
Organic revenue	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).
Organic revenue growth	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

ROCE	Return on capital employed (ROCE) divides NOPAT by the 12 month average capital employed.
Specific adjusting items	<ul style="list-style-type: none"> • amortisation of intangibles arising on acquisition; • acquisition transaction costs; • adjustment to contingent consideration on acquisition; • one-off pension charge; • tax on share of profit of joint ventures; • gain/(loss) on sale and closure of businesses; • change in the fair value of investments; • other financing items including hedge accounting ineffectiveness.
Underlying basic earnings per share	Excludes specific adjusting items and the tax attributable to those items.
Underlying cash tax rate	Based on underlying cash tax and underlying profit before tax.
Underlying depreciation and amortisation	Excludes specific adjusting items.
Underlying EBITDA	Based on underlying operating profit, adding back underlying depreciation and amortisation.
Underlying effective tax rate	Based on underlying tax charge and underlying profit before tax.
Underlying free cash flow	Free cash flow adjusted for cash restructuring costs in the year relating to the 2012 and 2013 European exceptional programme.
Underlying net finance cost	Excludes specific adjusting items.
Underlying operating margin - Group	Based on underlying revenue and underlying operating profit excluding share of profit after tax of associates.
Underlying operating margin - Region	Based on underlying revenue and underlying operating profit excluding share of profit after tax of associates and EM & OR restructuring.
Underlying operating profit - Group	Includes share of profit after tax of associates and profit before tax of equity accounted joint ventures but excludes the specific adjusting items.
Underlying operating profit - Region	Includes share of profit before tax of equity accounted joint ventures but excludes the specific adjusting items, profit after tax of associates and EM & OR restructuring.
Underlying profit before tax	Excludes specific adjusting items.
Underlying revenue	The combined sales of Group and share of equity accounted joint ventures.
Underlying tax charge	Excludes tax attributable to specific adjusting items.