Good morning and thank you for joining us today.

I will begin by talking about the actions we have taken in the wake of COVID to protect our people, adjust our cost base, strengthen our balance sheet, and adapt to a “new normal”.

Karen will take us through the financials and then I’ll talk about how we are proactively managing the business. We are controlling the controllable and adapting our operations so that we can thrive despite the pandemic.

Just a reminder...We will be holding a conference call today at 9:00 a.m. U.K. time, where you will have a chance to ask questions. The dial in details are available on our website and in the press release published this morning.

2020 was a challenging year for Compass.

When the pandemic hit in March, our main priority was to ensure we were protecting the safety of our colleagues and consumers.

We also had to act quickly and rapidly adjust our operations to this new reality.

Over the course of 6 months we have achieved a great deal:

- We mitigated our costs and lowered our drop through from 28.5% in April to 19% in Q4.
- We renegotiated thousands of contracts to reflect the new trading environment.
- We took – and will continue to take - appropriate actions to resize the business. And we have addressed all impairment risks.
- We returned the business to profitability and cash neutrality, and
- We reduced our leverage and increased our liquidity

These actions have established a strong platform for our recovery in 2021 and beyond.

Although much has changed, the Compass model of value creation remains the same.

We use the MAP framework to drive operational performance and we have a disciplined capital allocation framework.

You are now going to hear from Karen about how we are managing the business in the face of COVID and then I’ll come back to talk about how we are repositioning the business for the recovery and continued long term success.
Thank you Dominic.

Let us start by looking at revenue.

As you know, we had a great start to the year. Revenues in the first 5 months were growing at 6%. However, varying degrees of lock down measures mid March impacted revenues and profit in Q2.

At the beginning of Q3, around half of the business was closed. We acted quickly to mitigate costs and strengthen the balance sheet. As the summer progressed, clients slowly began to reopen and revenue began to recover, but was still negative year on year.

As a result of the turbulence during the year, Group organic revenue in 2020 declined by 19%.

Performance by sector shows that B&I, Education and Sports and Leisure businesses were most impacted in Q3.

By Q4 the Group was trading at about 65% of 2019 levels.

B&I was returning slowly, albeit with low volumes on site.

In Education, although schools began to reopen in September, the picture in Higher Ed was mixed.

I would like to point out the resilience of our Healthcare and Seniors business. Even though the mix has changed with the loss of the retail business, and lower volumes of patient feeding, performance was robust, with an industry leading Q4 that saw the sector return to growth.

Sports & Leisure has remained mostly closed while DOR has been quite resilient. The volume decline in Q3 / Q4, related more to the macro environment than to the pandemic.

Profit in all regions was materially affected by the closures due to COVID 19.

North America profit declined by £614 million, and profits in Europe were £396m lower than last year.

Although the Rest of World’s exposure to Defense Offshore & Remote and its small proportion of Sports and Leisure helped revenues, profits were still down by £113m including a £30m impact from disposals, most of which was related to our non strategic businesses in Japan.

Other costs relate to central overheads and movements in associates.

Operating profit for the full year before impairments was £680m, with a margin of 3.5%.

Impairment of contract assets and onerous contracts was £119m. And as a result of all these movements, operating profit for the year was £561 million, and the margin was 2.9%.
Slide 11

As I already mentioned, Q1 was very strong and our margins for the first 5 months of the year were up 20 basis points. However, the volume impact of the lock downs from mid March had a significant impact on Q2. We mitigated costs and renegotiated contracts in Q3, and with some volume recovery in Q4, we were able to return to profitability.

Flexible labour laws in North America and Rest of World allowed us to address our cost base more quickly to start to rebuild the margin.

In Europe persistent lockdowns, relative labour inflexibility and a greater exposure to “white collar” business has slowed margin recovery.

We are adapting our operations and managing our cost base more flexibly and effectively. This will enable us to continue rebuilding our margin despite the significant uncertainty around volumes.

Slide 12

We have had to make some difficult choices to manage costs.

In markets where government support has been low or not available, we acted quickly in the third quarter and are already seeing the savings come through.

In countries where there has been meaningful government support we have been using it to limit job losses. However, volume recovery is uncertain and we need to make sure that, as government support ends, we have taken the necessary steps to ensure that we avoid carrying excess costs.

Resizing will be an ongoing task. Actions taken thus far will avoid annual in unit costs of around £280m and generate savings of around £70m in above unit costs.

Managing costs will be an important part of our journey to rebuild margins back above 7% before we return to pre-COVID volumes.

Slide 13

All contracts that had low profitability or were loss making as a result of a reduction in volumes due to COVID-19 have been tested for impairment.

As a result, we have taken a £119m charge to underlying profit. This charge represents about 3% of our £4bn contract-related non-current assets. Approximately two thirds of this charge was for contract-related asset impairments, which are non cash, with the balance of £31m relating to onerous contracts.

We see contract impairments as directly relating to business performance which has been affected by COVID-19, and have therefore included these costs within underlying profit.

Resizing costs of £122m were incurred in the second half of the year across all regions as we adjusted our labour needs. In addition, we finished the Cost Action Plan announced in 2019. Both of these charges were taken below the line as they are lumpy and would distort the view of progress as we recover.
We will continue to review the cost base and make decisions as appropriate in the new financial year.

**Slide 14**

I’d like to make two quick points on 2021.

We expect volumes in Q1 to be broadly similar to Q4. Although visibility is low, and the strength of our revenues in Q1 and Q2 last year, mean the comps are challenging.

The actions taken on contract renegotiations, cost control and resizing will support further margin progression from 0.6% in Q4 to around 2.5% in Q1.

We will guide you to Q2 at our Q1 trading update.

**Slide 15**

It’s worthwhile stepping back for a moment to look at the journey we have been on, as we managed the margin over the past few months.

When the pandemic first hit in March, our priority was to reduce costs rapidly. We limited the use of more expensive variable labour such as contractors and temporary workers. We redeployed or furloughed the fixed element of in unit (MAP 4) labour and we reduced the salary, hours or furloughed our above unit (MAP 5) overheads.

In June we began a different phase which I call “Reopening”. We have now renegotiated almost all the contracts we wanted to amend, to reflect the new trading environment. Interestingly, our mix of contract type is largely unchanged at a third cost plus, a third P&L and a third fixed price.

The return to profitability by the end of the year reflects how much we have done to open units on a profitable basis.

Looking ahead, Central Production Units will help us manage food and labour costs, and we are increasing the flexibility of our labour model through:

- better scheduling and rostering so that we use less fixed and more variable labour
- renegotiating more flexible terms with our workforce, and
- pooling labour across sites and sectors

Now that we are in the recovery phase, our focus is on execution and cost flexibility.

**Slide 16**

Let’s now take a look at the income statement.

Operating profit of £561m was materially lower than last year, due to the adverse impact of COVID-19 on our business.
Net finance costs, excluding IFRS 16, were £98m, slightly lower than last year as a result of lower debt. We expect net finance costs in 2021, now on an IFRS 16 basis, to be around £120m primarily reflecting lower interest rates.

Our underlying effective tax rate was 27%. This is because of higher foreign taxes and the impact of non-tax deductible expenses against a low profit base. At the moment there is clearly considerable uncertainty around next year’s taxable profits, but our current expectations are for the ETR to again be in the mid to high 20% range.

Constant currency EPS was down 78% and the Board suspended both the interim and the final dividend in response to the impact COVID-19 had on our performance.

Slide 17

Moving on to the cash flow statement.

Depreciation and amortisation was up by £192m mainly due to IFRS 16. And non cash asset impairments were £88m.

Full year capex was 3.7% of revenue. A little higher than we had expected at the half year, due to some good investment opportunities for new business wins in North America in Healthcare and Education. As we look ahead to 2021, we estimate that capex for the first half of 2021 will be between £350m to £400m. Approximately three quarters of this relates to capex that is already committed. We will continue to invest, where returns are strong, in new contracts wins and retentions in defensive sectors such as Healthcare, Senior Living and Defence, Offshore & Remote.

Working capital was a £143m outflow, a bit more than the usual small outflow. This reflects the working capital impact of the closure of our cash business since March, which was very substantially offset by:

- better collections of receivables; 
- lower payables from reduced volumes, and
- a £230m benefit from sales and payroll tax deferrals, which will unwind at various dates out to 2023, with the largest amount in 2021.

Whilst we eliminated trading cash burn in the fourth quarter, we do not expect to see a working capital inflow until the cash business reopens.

You will notice we have included additional disclosure in the cash flow this year. Due to the adoption of IFRS16 we have included a new line for lease related payments. The other new line is Asset Impairment which is the non-cash add back of the asset write downs I talked about earlier.

Full year operating free cash flow was £520m, a strong result considering the volatility the business has had to contend with this year.

Slide 18

The full year cash tax rate was higher than previous years as a result of the changes to the UK instalment payment regime, and taxes paid this year which relate to, much higher, prior year profits.
The cash tax rate in 2021 is unclear and will depend on taxable profits and whether additional tax liabilities may be deferred.

As a result of these movements, underlying free cash flow which excludes resizing payments was £213m.

**Slide 19**

Turning now to net debt and starting on the left hand side.

Opening net debt was £3.3bn. IFRS 16, which reclassified lease liabilities, increased net debt by £995 million.

Free cash flow was £213m and we invested a net £450m in M&A, £363m of which was for Fazer Food Services. There were £29m of net proceeds, with the largest disposal being the 50% share of our Japanese Highways business.

The dividend is the final instalment from financial year 2019, and resizing costs were £108m.

Finally, the equity raise reduced our debt by £2 billion to bring us back to net debt of £3 billion, 2.1 times net debt to EBITDA.

**Slide 20**

I’d like to take a moment to talk about capex, an important tool in our arsenal for growth and retention.

In 2020 50% of our capex was to support in new business wins. 75% percent of our capex investment has been in North America, our largest region, with the strongest growth, greatest scale, longest contracts and above average returns. We are investing in a disciplined manner to support growth in Europe. In addition, we have invested in digital capabilities and food technology concepts.

The ability to continue to invest during this phase will be crucial to our long term success. These investments will help us to recover scale more quickly and will compensate for potentially lower volumes in our current contract portfolio by unlocking additional revenue streams.

In the short term, returns may be delayed by COVID. We are including enhanced volume protections into new contracts and are renegotiating existing contracts to protect against downside risk.

We have a strong track record of earning around 20% return on capital employed and we will continue to apply the same financial rigour and discipline to all investments going forward.

**Slide 21**

Bolt on M&A will also play a role in strengthening our growth profile.

COVID-19 is likely to create opportunities to acquire smaller players at attractive valuations. In addition, it has created the need for us to augment our digital capabilities.
We like businesses that have a sector or sub sector expertise, that supplement our existing portfolio of brands, that are innovative and have strong management teams. Given our scale we can quickly unlock synergies and secure good returns.

Our return hurdle is to exceed WACC by the end of year 2, however our recent acquisitions have surpassed that target.

**Slide 22**

So, to bring all of this together.

Our capital allocation framework remains appropriate. We are committed to using capital judiciously to create long term value for shareholders.

We do this by investing in capex and M&A, to drive growth, and by maintaining a resilient balance sheet.

We are targeting a net debt to EBITDA leverage range of 1 to 1.5 times and, the Board will give due consideration to resuming the dividend at the appropriate time.

**Slide 23**

In summary.

It has been a challenging year and we have taken many tough decisions along the way. However, by controlling what we can control, we returned to profitability in Q4 and have stabilised our cash position.

The balance sheet is very healthy and has sufficient headroom for disciplined investment to drive growth. So I am pleased to say we are well placed to continue to recover in 2021.

Now back to Dominic.

**Slide 24**

Thank you Karen.

**Slide 25**

New business wins of 5.7% driven by 7% new business in North America was a very strong result given the volatility we’ve seen this year.

Let’s remember that revenues generated by new contracts have also been impacted by COVID, which makes the 6.1% win rate in Q4 in North America even more admirable.

I am also pleased with our retention of just over 95%.

COVID reduced like for like revenues by 20%. Organic revenue growth is a core element of the Compass model. Once our volumes start to recover from the COVID impact, it will be net new business that will drive the top line.
I am very encouraged by the strong number of new contracts we have continued to sign in the last 8 months. Although there is uncertainty about when they will mobilise, especially those in Sports & Leisure, it gives me great confidence in our future growth prospects.

**Slide 26**

Let’s now look at each of the regions in turn.

New business wins in North America were 7% for the full year and 6% in Q4 where we saw double digit new wins in Healthcare.

Encouragingly, the pipeline for 2021 is strong.

Our retention rates remained high across all sectors at 96.4%.

Reopening trends have varied across sectors, however, the balance of the portfolio and the strong performance in Healthcare has helped.

We swiftly reduced costs to mitigate the impact of volume declines and renegotiated contracts. As a result, margins in Q4 were around 3% which is an improvement of 550bps on the third quarter.

**Slide 27**

In Europe the combination of government containment measures and a portfolio skewed to B&I and Sports & Leisure, has resulted in a significant decline in revenue.

In addition less labour flexibility means a higher impact on margins. I’ll come onto the actions we are taking to address this in a moment.

**Slide 28**

Our Rest of World region remained largely open throughout the year given its exposure to Offshore and Remote, Healthcare and Industry.

New business wins were driven by share gains in the remote sector in Australia and Chile as well as growth in the Industry sub-sector in India and China.

Retention was strong at 93.4% and we exited the fourth quarter with a record retention rate of 95%.

We acted quickly to manage costs and our operating margin in Rest of World was 2.8% in Q4.

**Slide 29**

Back in May, I talked through our strategic priorities of People, Performance and Purpose. As we continue to navigate through these uncertain times, this framework is more important than ever.

I am even more confident now that we will be able to protect the interests of all our stakeholders and build back a stronger, better and more resilient business.

Let me first talk about People and Purpose and then do a deep dive into Performance.
**Slide 30**

I am extremely proud of how the organisation has responded, and I’m amazed by the commitment and dedication our people are showing, day in day out.

We have significantly strengthened our Health and Safety protocols to keep our employees and consumers safe.

We redeployed many of our colleagues from Sports & Leisure into Healthcare. Where redeployment was not possible, we provided support through local HR teams, our Employee Assistance Programmes and hardship funds.

We’ve accelerated the roll out of mental health initiatives across all of our regions.

And we’ve recognised and rewarded the vital and brave work of those providing critical and essential services. For example, here in the UK, we have increased the pay of 2,200 of our Healthcare employees, recognising the value of their contributions.

**Slide 31**

We’ve made significant progress this year to create a diverse and inclusive working environment.

Last year we launched our first Global Inclusion Index which helps us measure and monitor the impact of our Diversity and Inclusion strategy.

We also became signatories of the Race at Work Charter and the Valuable 500 demonstrating our commitment to improving outcomes for ethnic minority employees and people with disabilities.

We are making further progress in improving the number of women in senior roles. 42% of the Executive Committee is female – and 38% of the wider global leadership team are women.

We have increased our engagement. Our most recent employee survey included responses from over 250,000 people which enabled us to include employees’ voices in our strategic business planning and the ongoing development of our culture.

From the 1st of October, Compass became a Living Wage Recognised Service Provider in the UK and we are encouraging our clients to do the same.

In addition, we are increasing our initiatives to promote social mobility in the UK, Australia and Brazil.

**Slide 32**

Our social purpose is very simple. It is about caring for the communities in which we operate.

We have redirected our resources to help feed medical workers, first responders, and people in quarantine.

In Australia, we created and distributed more than 10,000 Essential Boxes to vulnerable families who couldn’t access food or shops.
In the U.S., our Higher Education business partnered with vendors and local non-profit organizations to donate over 50 tonnes of food to those in need.

In Europe, our teams donated surplus food to local food banks, women’s shelters and the homeless populations.

In Singapore, Compass Group worked closely with NGOs to provide more than 15,000 meals to migrant workers in 15 different locations, every single day.

We will continue to act with Purpose to support our local communities and help those most in need.

**Slide 33**

Despite the disruption caused by the pandemic - or perhaps because of it - we are sharpening our focus on three key sustainability priorities of food waste, our environmental impact, and responsible sourcing.

Globally we aim to halve our food waste by 2030. We are taking actions to reduce waste and during the pandemic have redistributed excess food to vulnerable members of our society across the globe.

We are reducing our carbon emissions and are preparing to set Science Based reduction targets to play our part in limiting global warming.

And, we are creating more resilience in our supply chain, focusing on responsible and sustainable sourcing.

Finally, we are aligning our reporting with the GRI and SASB frameworks and reviewing current guidelines for TCFD reporting.

**Slide 34**

Which takes us to Performance.

Although the prospect of a vaccine is encouraging there is no real clarity on how quickly our sectors will reopen and recover. We are working on controlling what is in our own hands so that we can create value in the short, medium and long run.

There is a large and attractive market that we can grow into.

We are changing our offer, innovating and evolving our operating model.

We are addressing potential structural risks and we are investing for growth.

These actions, combined with our existing scale, and our focus on operational execution, will allow us to accelerate future growth and return to a Group margin above 7%, before we return to pre-COVID volumes.

**Slide 35**
The food services market remains very attractive. There is a structural growth opportunity in terms of first time outsourcing and share gains in all 3 regions and in all 5 sectors.

We are diversifying our portfolio and increasing our exposure to the more defensive Healthcare, Senior Living and Education sectors where the structural growth opportunity for new business wins remains significant.

We are starting to see early signs of an acceleration in first-time outsourcing. We are also seeing smaller competitors in distress who lack the necessary resources or capabilities to meet the needs of their clients.

We believe clients want a food service provider they can trust; that has proven hygiene processes as well as financial strength.

**Slide 36**

We thought it would be helpful to address concerns about the structural impact COVID might have on our revenues.

We estimate that about 4-6% of our pre-Covid revenues could be impacted by increased working from home and online learning. This assumes the population that works form home increases from 16% pre-COVID to 50%, now working from home at least 2 days a week. It also assumes up to 30% of University students permanently switch to online learning.

This doesn’t take into account mitigating factors such as delivery to students’ residences or a meaningful return to work. CEOs tell us how difficult it is for them to maintain company culture and students are keen to have a complete academic and social University experience. In addition, we are already looking at accelerating new business wins and we are introducing new revenue streams to offset any potential reductions. So the impact could be less severe.

We talked about delivery in the past. As a reminder, the vast majority of meals are delivered to homes, in the evenings and on weekends. Lunchtime meal delivery to the workplace can be expensive and requires unrestricted access to the end user which is likely to be limited by COVID. However, we are not complacent and we continue to innovate and pilot different solutions to satisfy the desire for convenience and to mitigate any potential threats.

**Slide 37**

In order to minimise the spread of COVID-19, we had to make significant adjustments to our operations both in front of house as well as in the kitchen. The list of actions taken in a very short time was extraordinary.

We’ve developed best in class Health and Safety protocols and our existing support services sectors worked in close partnership with our food brands to provide the necessary sanitation, temperature checking and testing.

To ensure social distancing we developed new food formats such as grab & go, click & collect and boxed lunch services.

We are also selling meal kits, groceries, virtual hospitality packages and hampers.
COVID has required that we evolve our operating model further. Innovation and more consumer choice increases complexity, but also creates opportunity.

We are reviewing our food production strategy to manage costs and increase our flexibility – this is particularly important given the volume uncertainty.

We are improving the consumer experience, how they order and pay for their food.

And we are exploring different ways of getting the food to our consumers.

Let me take you through each component in turn.

**Slide 39**

Beginning with food production where besides innovating the food offer we are strategically using central production units, or CPUs and increasing our labour flexibility.

**Slide 40**

We are using CPUs to increase the flexibility of our food production and better manage our costs.

They allow us to produce consistent, high quality food in large quantities. We can prepare food for batch delivery for clients that don’t have enough space for a cafeteria, want to streamline their catering offer or have facilities where food cannot be produced in a socially distanced COVID-safe way.

Globally we have 70 Central Production Units.

We are also partnering with our clients to use their kitchens as CPUs as a way to manage capital intensity.

The ability to flex with demand allows us to optimise our food production, limiting food waste and ultimately reducing our costs.

**Slide 41**

Jack & Olive is a grab & go concept that produces high quality fresh ready meals and snacks that are batch delivered to client sites.

The uniquely branded product lines are produced in 11 CPUs in the U.S. and will serve consumers across all States by the beginning of 2021.
Slide 42

In unit labour is our largest cost item, managing it intelligently is crucial for margin recovery.

We are reducing our labour use and reviewing our labour contracts with an intensity that we haven’t done before.

We are improving scheduling to get the right mix of permanent and casual workers which includes sharing labour across units and sectors.

We’re accelerating the roll out of digital innovations to reduce front of house staffing levels.

As I said, we’re increasing the use of CPUs to consolidate the use of labour.

Slide 43

In the US, we have pooled labour across sectors for a little while now.

In the UK, at the peak of lockdown we used the learnings from North America and redeployed staff from our closed Sports & Leisure sector to Healthcare which was experiencing a surge in demand.

The initiative was so successful that we created an internal labour pool called Constellation. It provides consistent training, and flexibility for those who can and want to work across different sectors or locations. It allows us to be more agile in resourcing by better utilising existing casual employees and reducing agency costs.

Since its creation in March we have fully trained and onboarded 2,500 casual employees as Compass colleagues.

Slide 44

COVID has allowed us to embrace digital more rapidly than we had ever expected, and we are approaching this area with a mixture of excitement and discipline.

On the operational side we are using it to optimise our operations and manage our costs.

Equally importantly, digital is changing the way we engage with consumers, how they order and how they pay. We are improving the consumer experience with features such as ‘click & collect’ and mobile ordering.

We are rapidly developing capabilities in this area and are now able to develop customised digital solutions for our clients at a competitive cost.

Slide 45

Our return to work app called Time2Eat showcases our agility.

We recently acquired SmartQ, a B2B food tech company based in India for its tech development expertise.

In May and June of this year, the newly acquired SmartQ team created, developed and rolled out our Time2Eat platform to facilitate a safe return to work for our clients.
Time2Eat allows consumers to pre-order and pre-pay via a mobile app, to book a cafeteria slot, to collect from multiple collection points or to have their meal delivered. This solution allows for a staggered flow into the cafeteria, minimising queuing and reducing pressure points whilst also providing front and back of house systems that helps us better manage our food and labour costs.

Time2Eat has already been deployed at multiple client sites and will continue to be rolled out across our top 10 markets.

**Slide 46**

And finally there is a range of ways we can get food to consumers...

**Slide 47**

Delivery is about satisfying the need for convenience and variety. And in a COVID world a desire for social distancing.

We already talked about how central kitchens play a role in an environment where volumes on site are low. External restaurants are also key to providing variety and we can help manage costs by “aggregating” demand.

Deliveries can be made to multiple locations such as the cafeteria, to your desk, collection points, students residences or to homes. They can be delivered in bulk or as individual servings.

We have delivery services in North America, the UK and parts of Continental Europe. While delivery increases the complexity of the offer, it also creates opportunity for us to differentiate ourselves. Delivering high quality food AND service, profitably is not easy.

Our vending business in North America is a significant competitive advantage which we are leveraging to evolve our offer. We have also made 3 acquisitions in the past 8 months to increase our capability in this area: Eat Club in the US, Feedr in the UK, and Smart Q in India. Together with our investment in digital they will strengthen our offer and enable us to enhance our consumers experience.

**Slide 48**

Several years ago, we invested in a CPU in New York which is operated by our high end B&I brand Restaurant Associates.

Prior to Covid, CxRA provided batch delivery for fundraising galas and other high profile public events. It also managed drop offs for corporate clients using a combination of self-delivery and third party drivers.

During the crisis, CxRA quickly adapted its offer and is now delivering meals to corporate clients working in the office or at home. CxRA also continues to provide a delivered catering offer to virtual fundraising events and to support communities with emergency feeding.
Slide 49

As I said in the beginning although our business continues to evolve, the way we create value remains the same.

Whilst this crisis is placing significant pressure on our business in the short term, we remain extremely confident in our medium and long term growth prospects.

We are on track to restore margins to above 7% and we are well placed to return to consistent and sustainable organic revenue growth.

Karen has talked about how we invest in the business to support our growth with capex and infill acquisitions and how we will resume the dividend at the appropriate time.

Slide 50

And so to summarize:

We faced into the COVID crisis and returned to profitability.

We are excited about the future and continue to invest in the growth opportunities we see.

We are innovating and adapting our model for future success.

We are relentless on costs and will control the controllable.

As a result, we expect a further improvement in Q1 margins to around 2.5% and that will allow us to rebuild our margin to above 7% before we return to pre Covid volumes.

Thank you.