



25 March 2021

Pre-Close Trading Update

This statement updates investors on the Group's performance since 4 February 2021, ahead of the Half Year results announcement on 12 May 2021 for the six months ending 31 March 2021.

Continued good margin improvement whilst volumes remain subdued

| By region | Organic revenue ¹ | | | Operating margin ² | | |
|---------------|------------------------------|-----------------|-----------------|-------------------------------|----------------|----------------|
| | Q1 2021 | Q2 2021 | HY 2021 | Q1 2021 | Q2 2021 | HY 2021 |
| North America | (36.7)% | c. (30)% | c. (34)% | 4.0% | c. 5.4% | c. 4.6% |
| Europe | (34.6)% | c. (30)% | c. (33)% | 1.2% | c. 1.7% | c. 1.4% |
| Rest of World | (12.3)% | c. (10)% | c. (11)% | 4.0% | c. 5.3% | c. 4.6% |
| Group | (33.7)% | c. (28)% | c. (31)% | 2.7% | c. 4.0% | c. 3.4% |

| By sector | Organic revenue ¹ | | | | |
|---------------------------------------|------------------------------|----------------|----------------|-----------------|-----------------|
| | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | HY 2021 |
| Business & Industry | (50.7)% | (44.1)% | (43.4)% | c. (41)% | c. (42)% |
| Education | (60.2)% | (35.1)% | (37.0)% | c. (29)% | c. (33)% |
| Healthcare & Seniors | (5.1)% | 0.2% | 0.8% | c. 1% | c. 1% |
| Sports & Leisure | (89.9)% | (78.9)% | (76.5)% | c. (69)% | c. (73)% |
| DOR | (8.8)% | (7.6)% | (1.2)% | flat | c. (1)% |
| Group | (44.3)% | (34.1)% | (33.7)% | c. (28)% | c. (31)% |
| % of 2019 revenues³ | 56.4% | 66.5% | 71.1% | c. 71% | c. 71% |

The Group's organic revenue for the three months to 31 March 2021 is expected to be c. (28)% as we begin to lap the COVID-19 impact on our last year's revenues. Organic revenues for the six months are expected to be c. (31)%. In both Q2 and HY 2021, we have been operating at c. 71% of our 2019 revenues.

These results are unaudited.

¹ Year on year change.

² Underlying operating margin pre resizing costs. Resizing costs of £20m in Q1, c. £55m in Q2, predominantly in Europe.

³ On a constant currency basis.

The Group's operating margin is expected to increase by around 130bps from 2.7% in Q1 to c. 4.0% in Q2, resulting in a half year margin of c. 3.4%, despite similar volumes quarter on quarter.

Currency

Trading results from our overseas operations are translated at the average exchange rates for the period. If current spot rates⁴ continue to 31 March 2021 foreign exchange translation would negatively impact the 2020 half year revenue by £456 million and operating profit by £38 million.

If current spot rates were to continue for the remainder of the year, foreign exchange translation would negatively impact 2020 revenue by £930 million and operating profit by £36 million.

Summary

While the vaccination efforts around the globe are advancing, the pace of volume recovery remains uncertain. Encouragingly, the pipeline of new business and client retention continue to be strong.

We are controlling the controllable by managing our costs, adapting our operations and resizing our business. We remain confident in our ability to rebuild our Group underlying margin above 7%, before we return to pre-COVID volumes.

Looking further ahead, we are excited about the significant structural market opportunity globally, organic revenue growth, continued margin improvement and returns to shareholders over time.

We will provide a further update on trading and performance at our Half Year results on 12 May 2021.

Enquiries

| | | |
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⁴ Closing rates as at 19 March 2021.

Note to Editors

- a) Compass Group PLC is the world's leading food service company, which generated annual revenues of £20.2 billion in the year to 30 September 2020. It operates in around 45 countries, employs and engages around 550,000 people and serves over 5.5 billion meals a year. The Company specialises in providing food and a range of support services across the core sectors of Business & Industry, Healthcare & Seniors, Education, Sports & Leisure and Defence, Offshore & Remote, with an established brand portfolio.
- b) Organic revenue, a term used throughout the announcement, is calculated by adjusting for acquisitions (excluding current period acquisitions and including a full period in respect of prior period acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current period exchange rates).

- c) Forward looking statements

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

- d) A copy of this release, together with all other recent announcements and presentations can be found on Compass Group's website at www.compass-group.com.
- e) For definitions please refer to the glossary of terms in the 2020 Annual Report and Accounts.