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3 February 2022

AGM and Q1 Trading Update

This statement updates investors on Compass Group PLC's performance for the three months ended 31 December 2021 and is being issued ahead of the Company's Annual General Meeting. The AGM will be held at 12 noon today at Twickenham RFU Stadium and will also be broadcast live via the Company's website.

Encouraging start to the year driven by continued improvement across all sectors

Group organic revenue grew by 38.6%¹ in the first quarter, with revenues reaching 97% of their pre-COVID level². The quarterly improvement was largely driven by new business, continued strong client retention along with some ongoing recovery in the base business. The emergence of the Omicron variant had a limited impact on the Group during the period.

By region	Organic revenue growth ¹		Revenue as % of 2019 ²	
	Q4 2021	Q1 2022	Q4 2021	Q1 2022
North America	41.5%	51.1%	90%	102%
Europe	23.8%	25.0%	84%	89%
Rest of World	13.6%	10.6%	90%	89%
Group	32.9%	38.6%	88%	97%

Performance improved across all regions with four out of five sectors now trading above 100% of 2019 revenues². Growth was particularly strong in North America in Sports & Leisure and Education. In Europe, all sectors traded well except for Business & Industry which continues to be impacted by reopening delays. The Rest of World region continued to benefit from a higher exposure to the more resilient Defence, Offshore & Remote sector.

By sector	Revenue as a % of 2019 ²	
	Q4 2021	Q1 2022
Business & Industry	68%	77%
Education	94%	101%
Healthcare & Senior Living	111%	115%
Sports & Leisure	89%	107%
Defence, Offshore & Remote	109%	117%
Group	88%	97%

These results are unaudited

¹ Year on year change

² On a constant currency basis, including all acquisitions and disposals

Future growth

In the first quarter, the Group spent c. £87 million on bolt-on acquisitions in North America, further strengthening our capabilities in delivered-in solutions. There is a strong pipeline of exciting opportunities across all regions and sectors, and we remain disciplined in our approach to acquisitions.

The acceleration in new business wins seen in FY21 continued into the new year, with three out of the five top wins globally coming from first time outsourcing.

Currency

Trading results from our overseas operations are translated at the average exchange rates for the period. If these currency movements³ continue for the remainder of the year, foreign exchange translation would negatively impact 2021 revenue by £75 million and operating profit by £3 million.

Summary and outlook

We are encouraged by the strong start to the year, excellent new business wins and continued strong client retention. However, we are mindful of some impact from the Omicron variant in Q2, with Business & Industry clients delaying their return to work, some Sports & Leisure events being postponed and Education facilities extending remote learning.

Our guidance for FY22 remains unchanged. We expect full year organic revenue growth of 20 - 25%, with quarterly growth rates moderating through the year, reflecting more challenging comparatives. As previously stated, full year underlying operating margin is expected to be over 6%, returning to around 7% by the year end. Margin progression will be second half weighted, with the first half margin anticipated to be around the Q4 2021 exit rate.

Looking further ahead, we remain excited about the significant structural growth opportunities globally, leading to the potential for revenue and profit growth above historical rates, returning margin to pre-pandemic levels, and rewarding shareholders with further returns.

Our next reporting dates are:

11 May	Half Year Results
26 July	Q3 Trading Update
22 November	Full Year Results

Conference call:

The Company will hold a call with investors and analysts today at 8:00 a.m. (UK time).

Participant dial in numbers:

UK Toll Number:	+44 (0) 330 551 0200
UK Toll-Free Number:	0808 109 0700
US Toll Number:	+1 212 999 6659
US Toll-Free Number:	+1 866 966 5335

Participants do not require a PIN to enter the call, please reference “**COMPASS**”.

Enquiries

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³ Closing rates as at 28 January 2022

Notes to Editors

- a) Compass Group PLC is a world leading food service company, which generated annual revenues of £18.1 billion in the year to 30 September 2021. It serves meals to millions of people in 45 countries and employs and engages with around 480,000 people. The Company specialises in providing food and a range of support services across the core sectors of Business & Industry, Healthcare & Senior Living, 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; the direct and indirect impacts and implications of public health crises such as the coronavirus COVID-19 on the economy, nationally and internationally, and on the Group, its operations and prospects, including disruptions and inefficiencies in the supply chain; UK domestic and global political, economic and business conditions (such as the UK's exit from the EU); 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 food and support services markets in the jurisdictions in which the Group operates; fluctuations in food and other product costs and labour 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 in this Announcement 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 when making their investment decisions. Additionally, forward looking statements regarding past trends or activities should not be taken as a representation or warranty 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.