



2022 Full Year Results

21 November 2022

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Dominic Blakemore
Group Chief Executive



Compass is a stronger and more resilient business...

- Achieved milestone of revenues exceeding 2019 levels
- Record new business wins; up 20% on 2021
- Client retention continues to improve
- Outsourcing market has never been stronger
- Capitalising with our culinary offer, ESG and digital capability



...with exciting prospects for accelerated growth

Another year of strong performance...

Organic revenue growth

37.5%

Q4 2022: 116% of 2019

ARO new business

£2.5bn¹

c. 45% from first time outsourcing

Net new business growth of

7.5%²

Client retention up 100bps to 96.4%

Underlying operating margin

6.2%

2021: 4.5%

Underlying operating profit

£1.6bn

2021: £0.8bn

Further share buyback programme

£250m

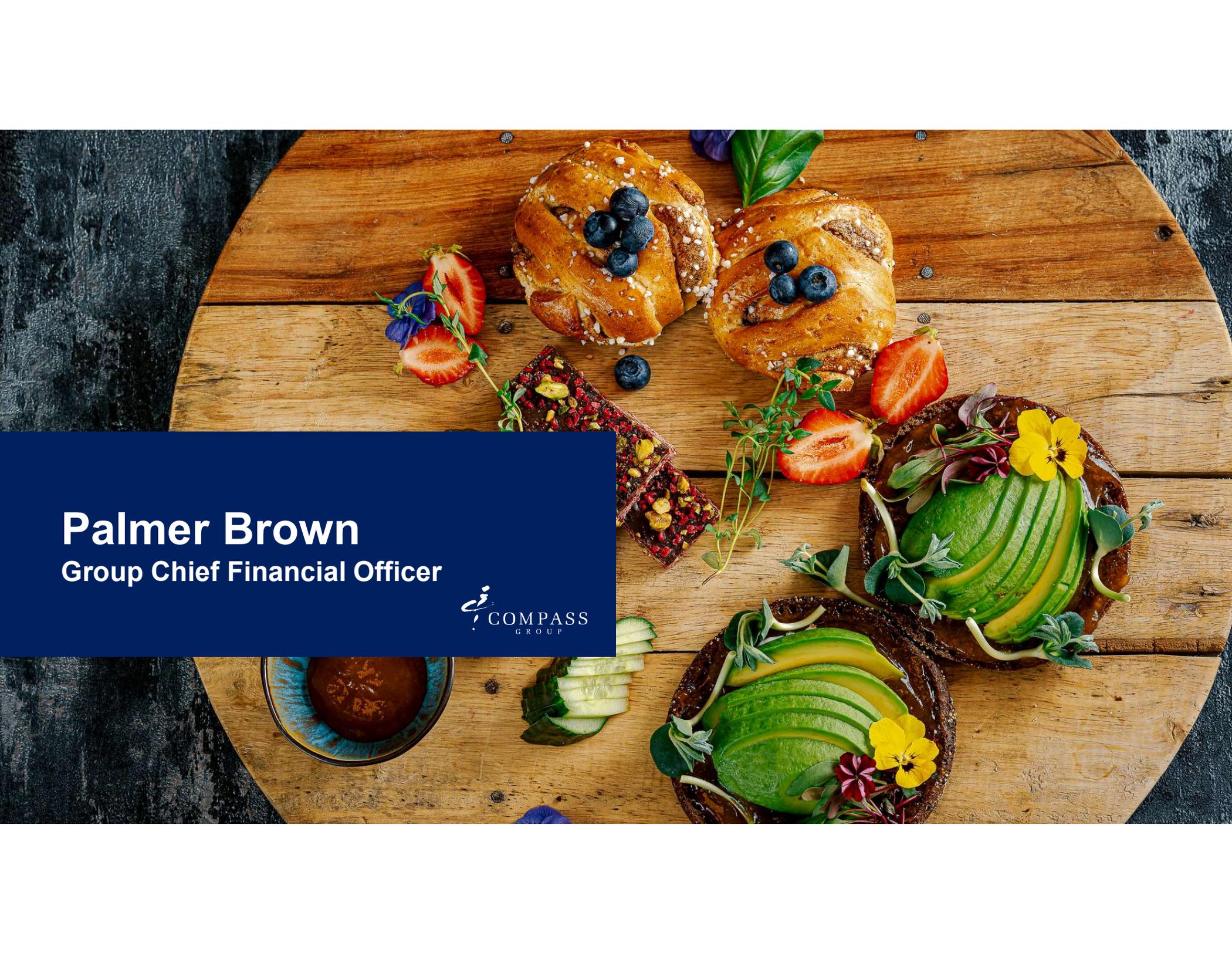
taking total buyback to £750m

...with operating profit doubling in FY22

Notes: On a constant currency basis. Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

¹ ARO value is the annual revenue of new business wins.

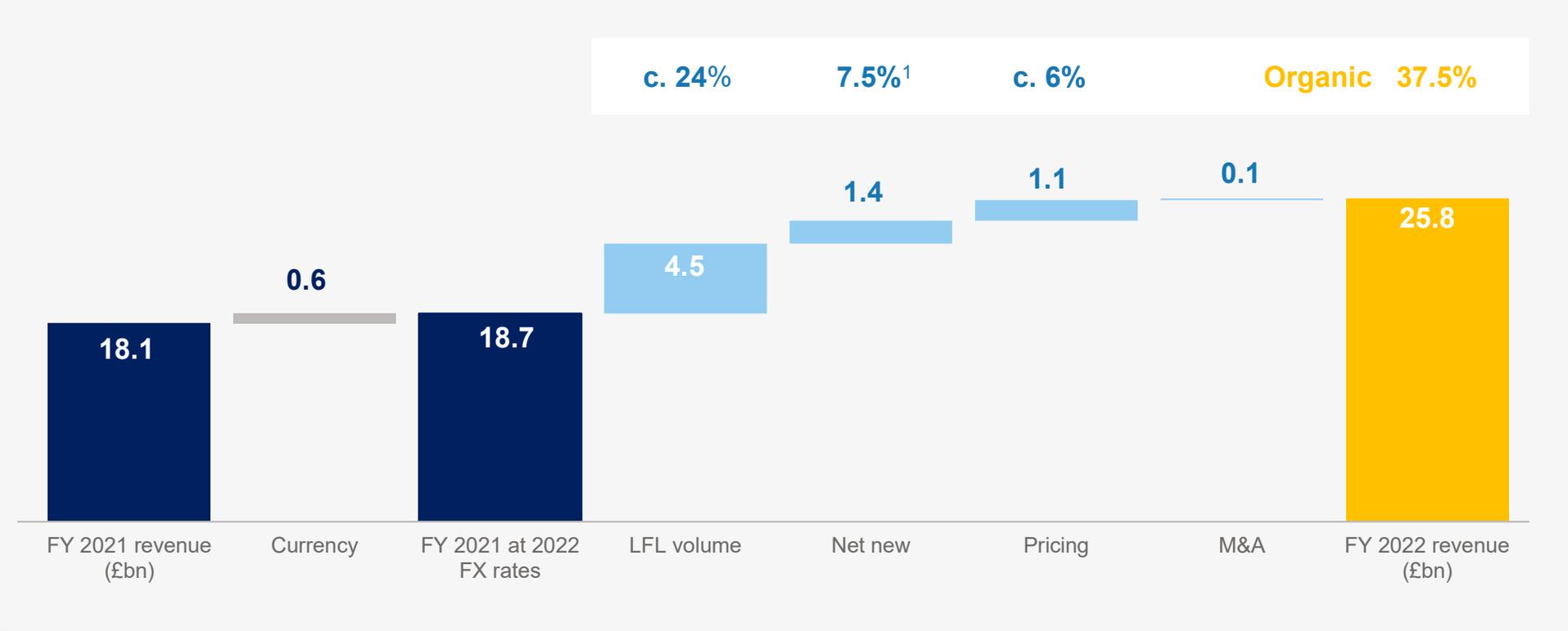
² Net new rebased to 2019 revenues is 5.7%.



Palmer Brown
Group Chief Financial Officer



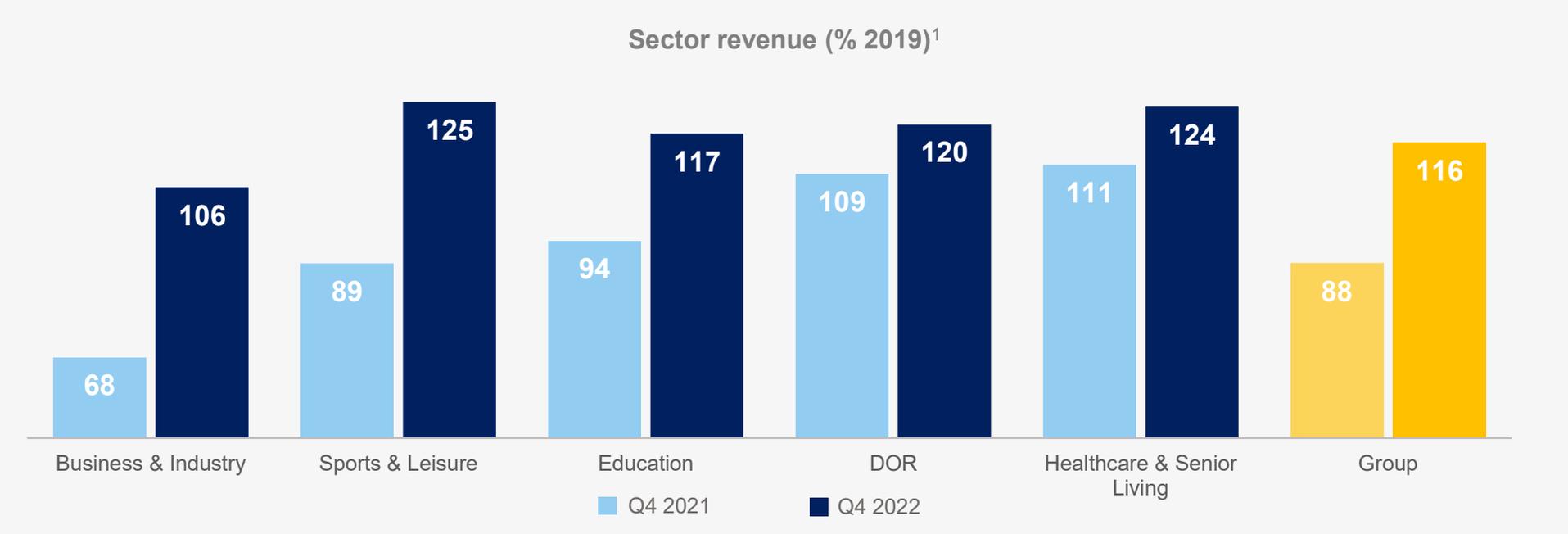
Excellent net new and strong LFL volume recovery



Notes: On a constant currency basis. Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

¹ Net new rebased to 2019 revenues is 5.7%.

Group revenue at 116% of 2019 in Q4...



...with strong recovery in Business & Industry

Notes¹ On a constant currency basis. Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

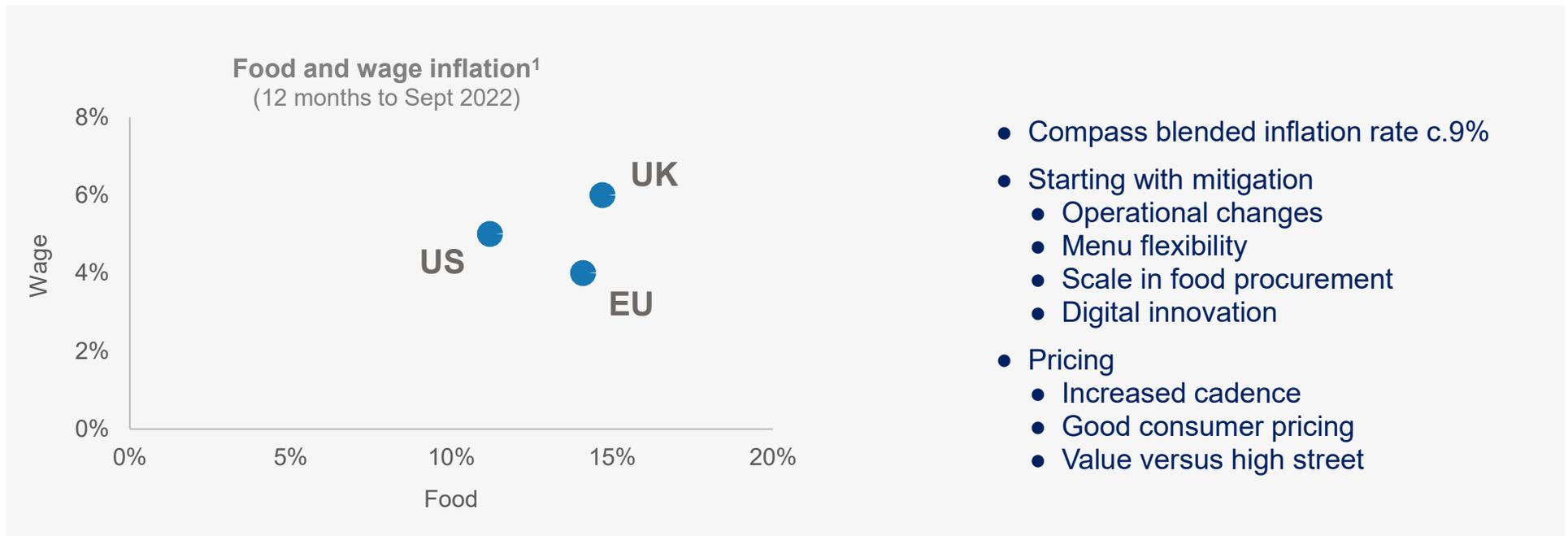
A strong performance across the regions...

	Organic revenue	% of 2019 revenue	Net new growth	Net new rebased to 2019	Operating margin
North America	44.1%	109%	9.0%	6.8%	7.2%
Europe	31.8%	98%	5.6%	4.1%	5.0%
Rest of World	14.8%	100%	3.6%	3.1%	5.2%
Group	37.5%	105%	7.5%	5.7%	6.2%

...with net new growth accelerating through the year

Notes: Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

We've made good progress managing inflation...

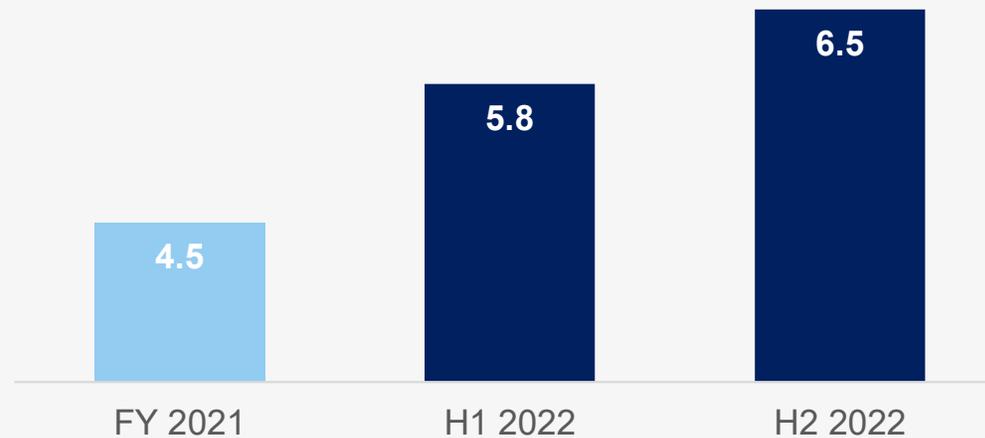


...through operational mitigation and pricing

Source: ¹US Bureau of Labor Statistics, ONS, Eurostat

Group margin improved through the year...

Underlying operating margin (%)



...despite higher mobilisation costs and inflationary pressures

With operating profit doubling

£m	FY 2022	FY 2021
Revenue	25,771	18,136
Operating profit	1,590	811
<i>Operating profit margin</i>	6.2%	4.5%
Net finance costs	(100)	(113)
Profit before tax	1,490	698
Tax expense	(365)	(171)
Profit after tax	1,125	527
Non-controlling interests	(4)	-
Attributable profit	1,121	527
Average number of shares (millions)	1,779	1,784
Basic earnings per share (pence)	63.0p	29.5p
Dividend per share (pence)	31.5p	14.0p

- FY23 Interest charge expected to be to c.£145m
- Reflects higher gross debt and increase in interest rates

- FY22 ETR of 24.5%
- Expect modest ETR reduction in FY23

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

Strong cash conversion with leverage at 1.3x

£m	FY 2022	FY 2021
Operating profit	1,590	811
Depreciation and amortisation	781	743
EBITDA	2,371	1,554
Net capital expenditure	(704)	(610)
Trade working capital	(159)	165
Lease payments of principal	(152)	(153)
Other	(5)	48
Operating cash flow	1,351	1,004
Net interest	(86)	(116)
Net tax	(332)	(200)
Other	(43)	(28)
Free cash flow	890	660
Net debt / EBITDA leverage¹	1.3x	1.6x

- FY22 capex 2.7% of revenue
- Expect capex to revert to c.3.5% of revenue in FY23

- FY22 working capital outflow includes £110m of payroll timings
- FY23 expect small working capital outflow

Notes: ¹ Net debt to underlying EBITDA. See the definitions in the supplementary slides.
Based on underlying performance at reported exchange rates unless indicated otherwise. See the definitions in the supplementary slides.

Our capital allocation priorities remain unchanged



Increasing shareholder returns...

Shareholder returns

Ordinary dividend

Share buyback programme

FY 2022 announcement

Full year dividend 31.5p

Initial £500m completed
Further £250m in H1 2023

...taking our total share buyback to £750m

FY23 guidance: Profit to grow faster than revenue

Operating profit growth above 20%¹

**Organic revenue growth
around 15%**

**Underlying operating margin
above 6.5%**

Notes: ¹ Underlying operating profit on a constant currency basis.



Dominic Blakemore Strategy



We have a clear strategy to capture the growth...

Significant opportunity
across all markets and sectors

Operational complexities
driving outsourcing

Relevant offer with strong
ESG and digital capabilities

Strong new business wins
and client retention

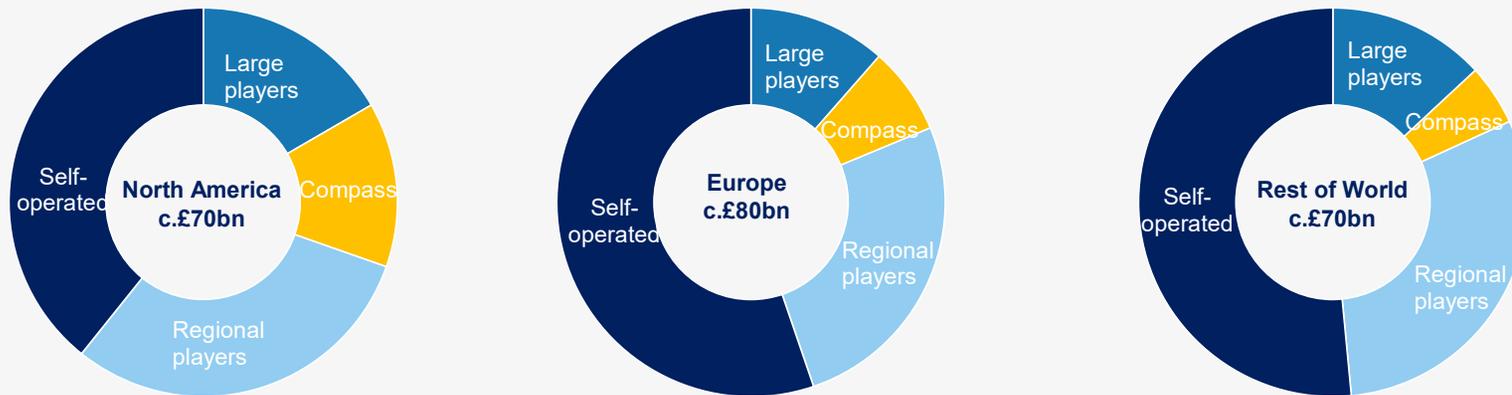
Resilient portfolio: ~50% of
revenue in non-cyclical sectors

Supporting our
People and Planet

...which supports the long-term sustainability of our business

An industry with a significant market opportunity...

Addressable global food services market
c. £220bn



...across all regions and sectors

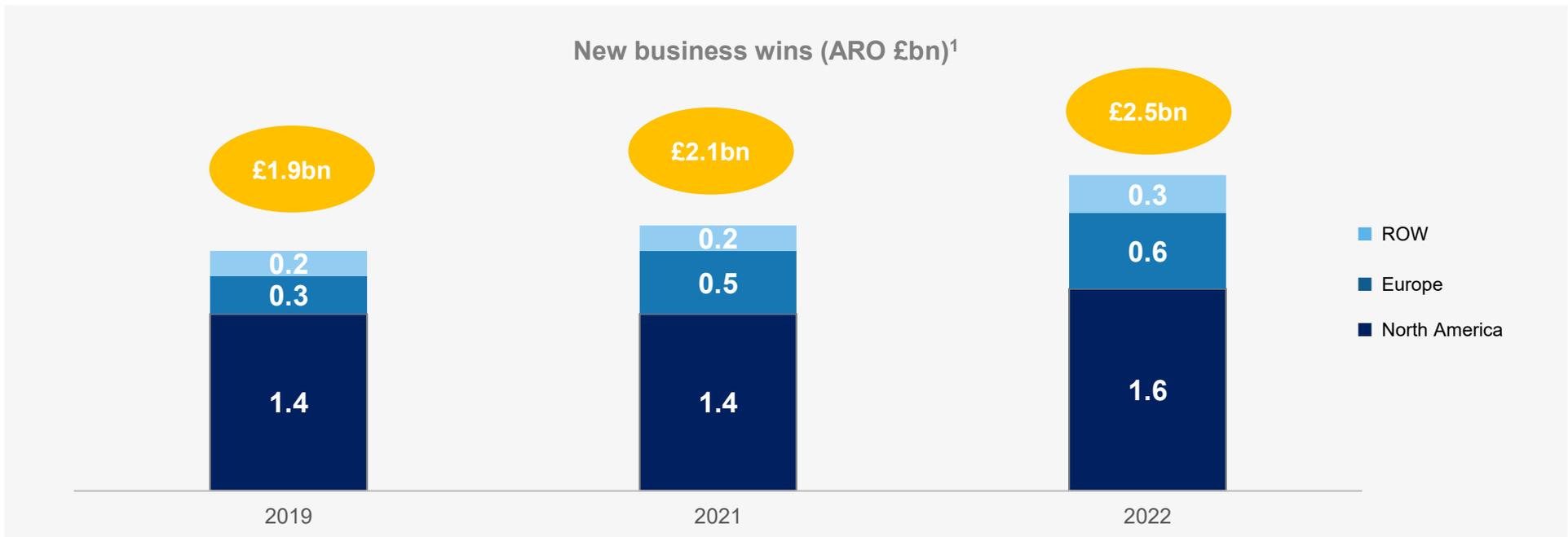
Notes: Market data based on Compass Group management estimates and 2019 revenues

Operational complexities are driving outsourcing

<p>COST REDUCTION</p> 	<p>RISK AND REGULATION</p> <ul style="list-style-type: none"> • Health & Safety • Business continuity • Allergen labelling • Calorie labelling 	<p>PEOPLE</p> <ul style="list-style-type: none"> • Health and wellbeing • Talent attraction and retention • Entice employees back to work • Improve productivity and morale 
<p>ENVIRONMENT</p> <ul style="list-style-type: none"> • Organic, locally sourced • Net zero • Plant forward • Carbon labelling 	<p>MACRO CHALLENGES</p> <ul style="list-style-type: none"> • Labour shortages • Food inflation • Supply chain disruption • Energy costs 	<p>TECH AND INNOVATION</p> <ul style="list-style-type: none"> • Culinary • Digital • Flexibility and agility 

We continue to capture the growth momentum...

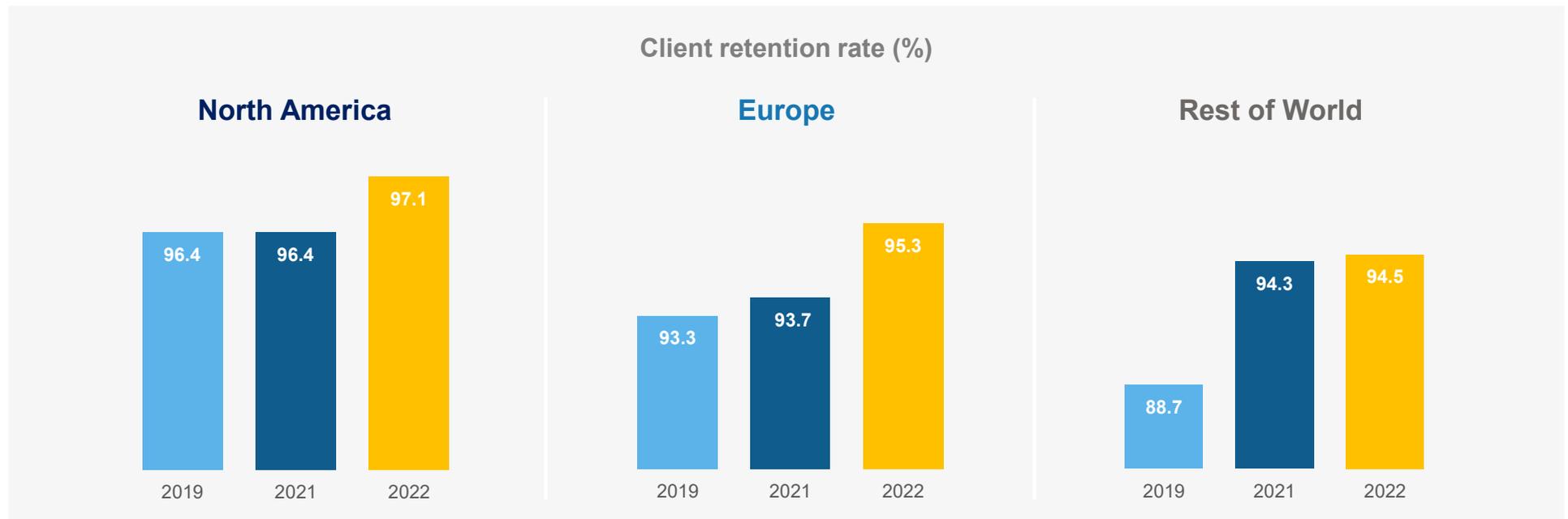
New business wins (ARO £bn)¹



...with new business wins up 20% on 2021

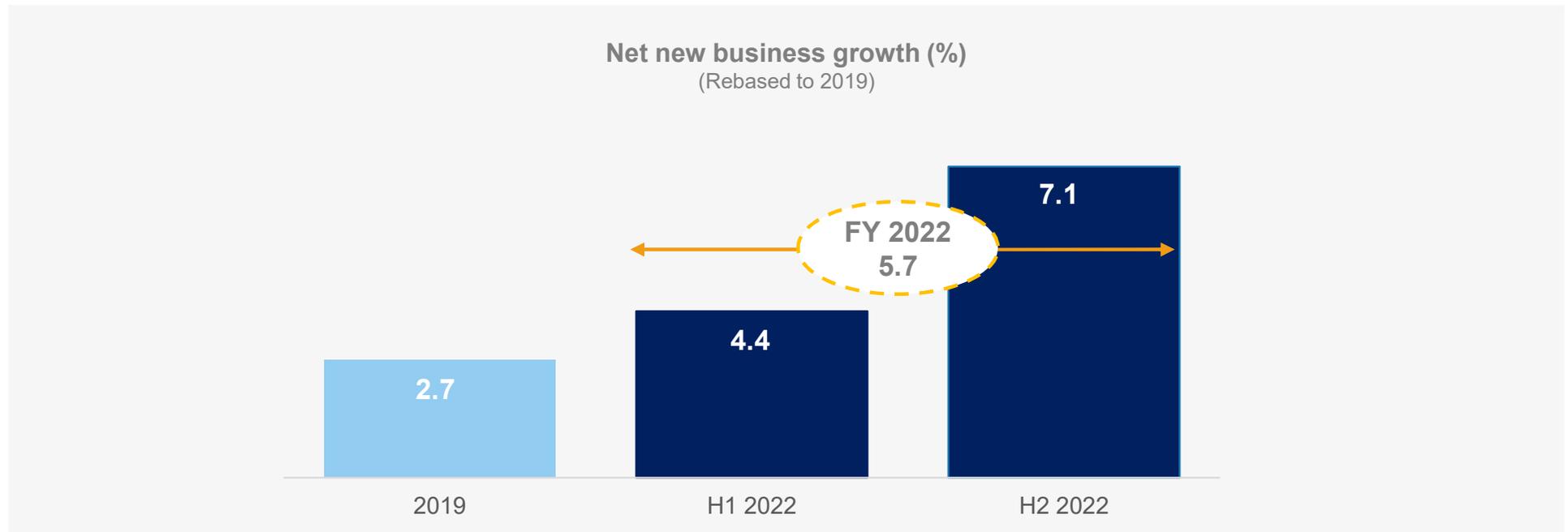
Notes: ¹ ARO value is the annual revenue of new business wins.

And focusing on client relationships...



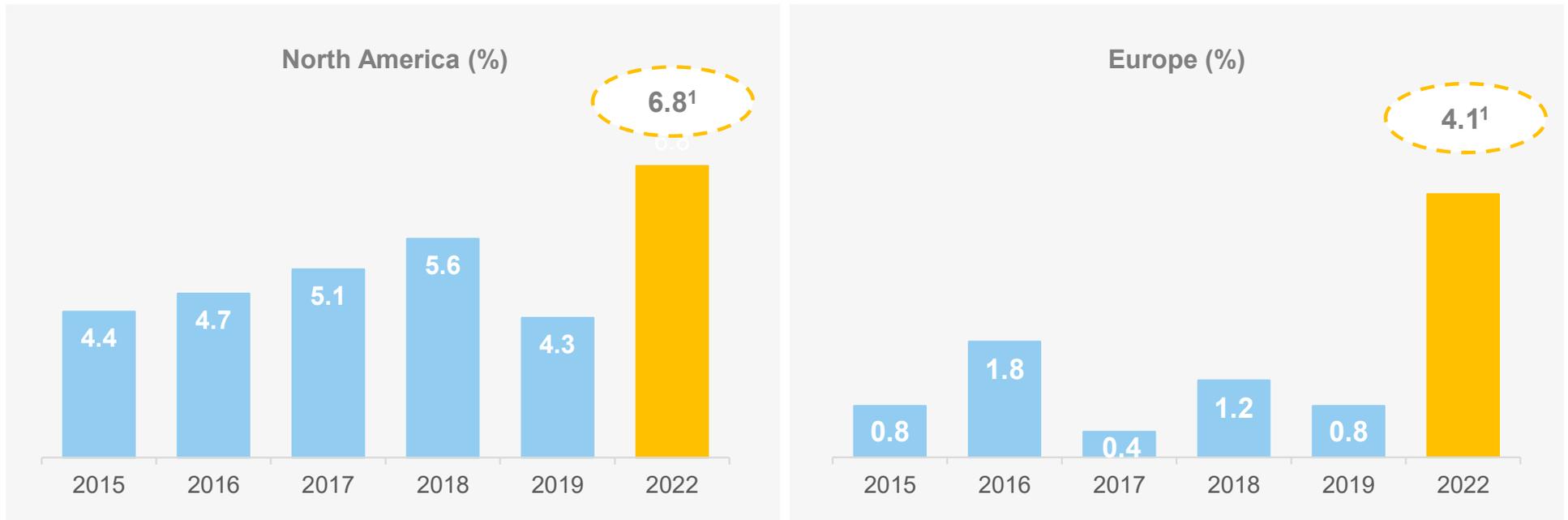
...with Group retention rate up 100bps on 2021

Net new business accelerated in the second half...



...slowing margin recovery, but positive for profit growth

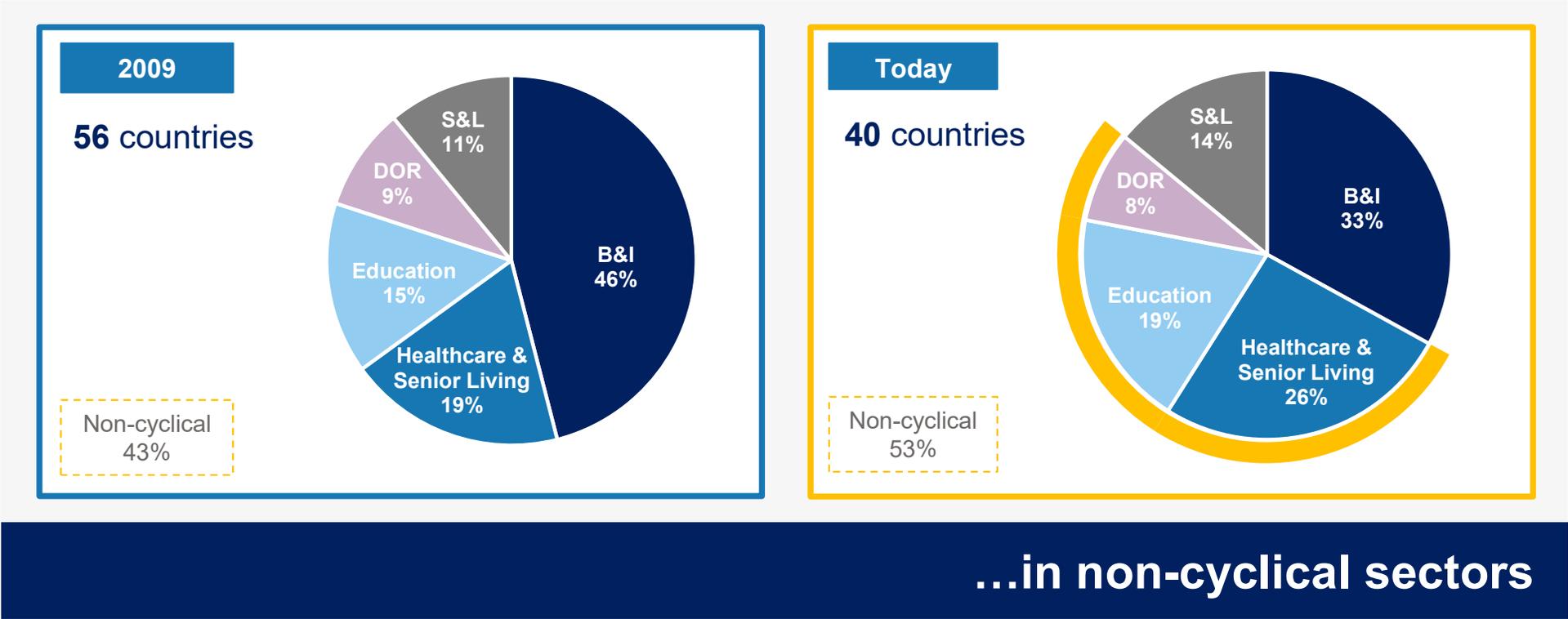
Strong net new growth in North America and Europe



...skewed to first time outsourcing

Notes: ¹ 2022 rebased to 2019.

Resilient portfolio with c. 50% of revenue...



...in non-cyclical sectors

Digital is a growth enabler with tangible benefits...

- Decade long investment in in-house capability
- Multiple digital tools and proprietary solutions
- Right to entry in all RFPs
- Tailored to sectors and client requirements
- 1,350 digital and technology members
 - ▶ c.700 dedicated to client and consumer digital

Where we utilise digital tools, the benefits include:

- £1bn
 MAP 1: Key to winning new business in NA
- 20-40%
 MAP 2: Increases in sales and higher ATV
- 30-50%
 MAP 3: Reduction in food waste
- 15-35%
 MAP 4: Labour cost structure
- 8 Hubs
 MAP 5: Technical development, data and insight hubs

...across our MAP framework

We are committed to supporting our People...



- “Same Day Pay” and “Advance Pay”
- Real Living Wage service provider with 30K colleagues on RLW
- Emergency financial support, enhanced pay and benefits
- Mental Health support and Chief Medical Officer as an adviser



...through emerging challenges

And we are continuing our sustainability journey...

- Issued two sustainability bonds:
 - €500m and £250m bonds
 - Refinancing debt maturing in 2023
- Proceeds will be used to support:
 - Responsible sourcing (local, diverse and minority suppliers)
 - Food waste reduction efforts
 - Other decarbonisation projects



...to Net Zero by 2050

We are well placed for further progress...

- Strong operational and financial results
- Positive outsourcing trends are continuing
- Market leading offer supports accelerated growth and retention
- Managing inflationary pressures
- Resilient portfolio with higher exposure to non-cyclical sectors
- Rewarding shareholders with increased returns



...with revenue and profit growth above historical rates

A photograph of two chefs in a professional kitchen. The chef on the left is a woman with glasses and a black headband, wearing a white chef's coat and a black and white striped apron. The chef on the right is a man with a black headband, wearing a white chef's coat and a black and white striped apron. They are both looking down at a stainless steel counter. On the counter, there are several stainless steel bowls and trays containing various ingredients, including carrots, bell peppers, and what appears to be cooked rice or grains. In the background, there is a stainless steel wall and a range hood with a 'GREENHECK' logo. A blue semi-transparent banner is overlaid on the left side of the image, containing the text 'Supplementary Information' and the 'COMPASS GROUP' logo.

Supplementary Information

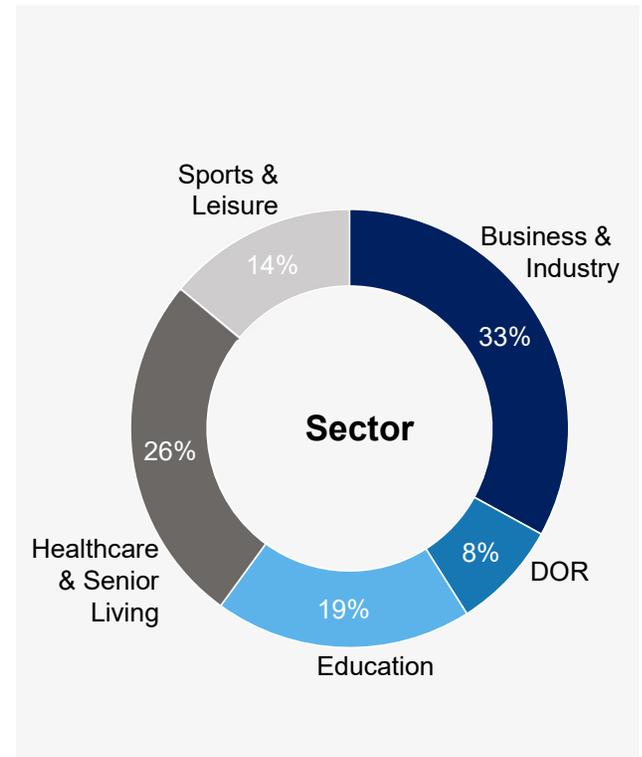
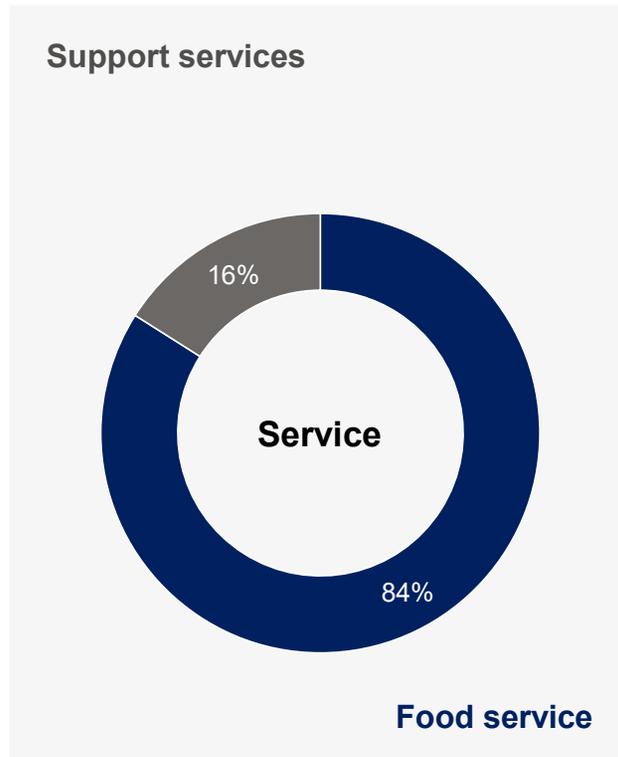
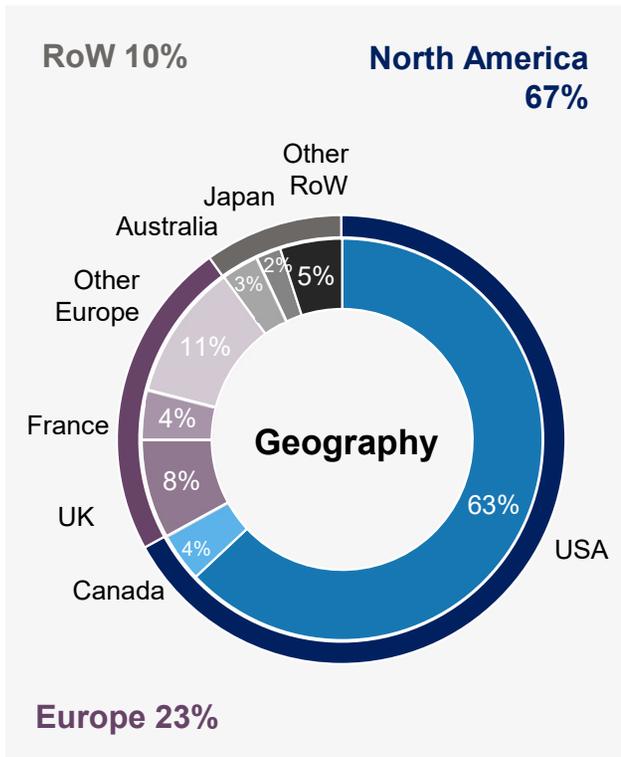


FY 2023 guidance summary

- Underlying operating profit growth above 20% (constant currency)
 - Organic revenue growth c.15%, weighted towards H1
 - Underlying operating margin above 6.5%
- Capex: c.3.5% of revenue
- Interest charge: c.£145m
- Effective tax rate: modest reduction on FY22
- Working capital: small outflow

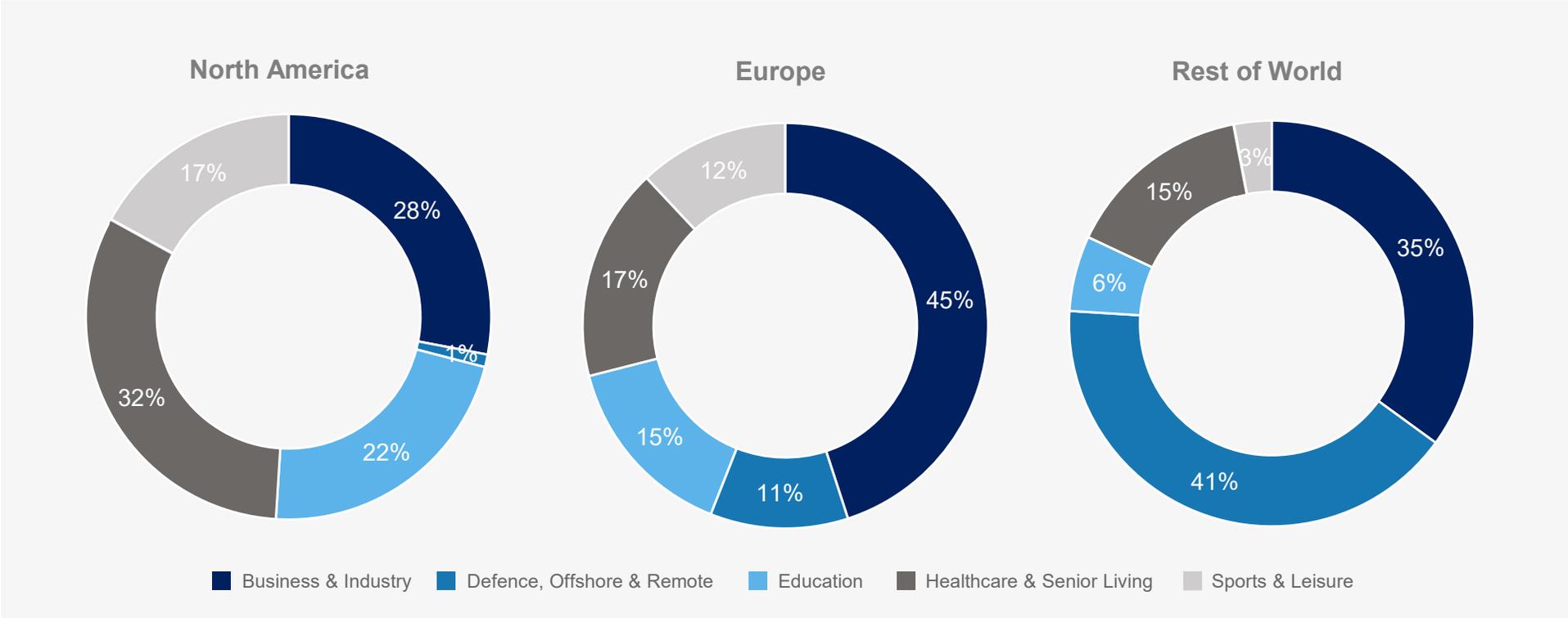
Notes: Guidance based on underlying performance at reported exchange rates.

Revenue



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

Geographic revenue by sector



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

Underlying revenue as % of 2019¹

	Q1	Q2	Q3	Q4	FY
Business & Industry	76.6%	82.9%	96.8%	106.1%	90.9%
Education	101.2%	107.3%	110.3%	117.5%	108.1%
Healthcare & Senior Living	114.6%	116.3%	120.4%	123.9%	118.8%
Sports & Leisure	107.3%	93.8%	118.8%	125.0%	112.1%
Defence, Offshore & Remote	116.6%	115.3%	121.5%	120.4%	118.6%
Group	96.9%	99.2%	109.5%	115.9%	105.4%
North America	101.8%	103.7%	112.2%	119.0%	109.2%
Europe	89.2%	91.7%	104.1%	109.2%	98.0%
Rest of World	88.5%	90.8%	106.0%	113.1%	99.8%

Notes: 1. 2019 on a constant currency basis, see the definitions.

Geographic financials

£m	North America	Europe	Rest of World	Other ¹	Total
FY 2022					
Revenue	17,139	5,935	2,697		25,771
<i>Organic growth</i>	44.1%	31.8%	14.8%		37.5%
Operating profit	1,236	299	141	(86)	1,590
<i>Margin</i>	7.2%	5.0%	5.2%		6.2%
Cash flow	1,148	181	124	(563)	890
<i>Cash flow conversion</i>	93%	61%	88%		56%
ROCE	22.1%	7.7% ⁴	23.7%		15.8%
FY 2021					
Revenue	11,170	4,641	2,325		18,136
<i>Organic growth</i>	(6.7)%	(9.6)%	3.0%		(6.3)%
Operating profit ²	607	147	130	(73)	811
<i>Margin</i>	5.4%	3.2%	5.6%		4.5%
Cash flow ²	782	177	124	(423)	660
<i>Cash flow conversion²</i>	129%	120%	95%		81%
ROCE ³	12.4%	4.0%	22.6%		8.7%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

1. Other operating profit represents unallocated overheads. Other cash flows includes net interest, tax and net other items.

2. 2021 re-presented to reflect the change in the definition of regional operating profit to include the share of results of associates. Regional cash flow re-presented to include operating cash flow only.

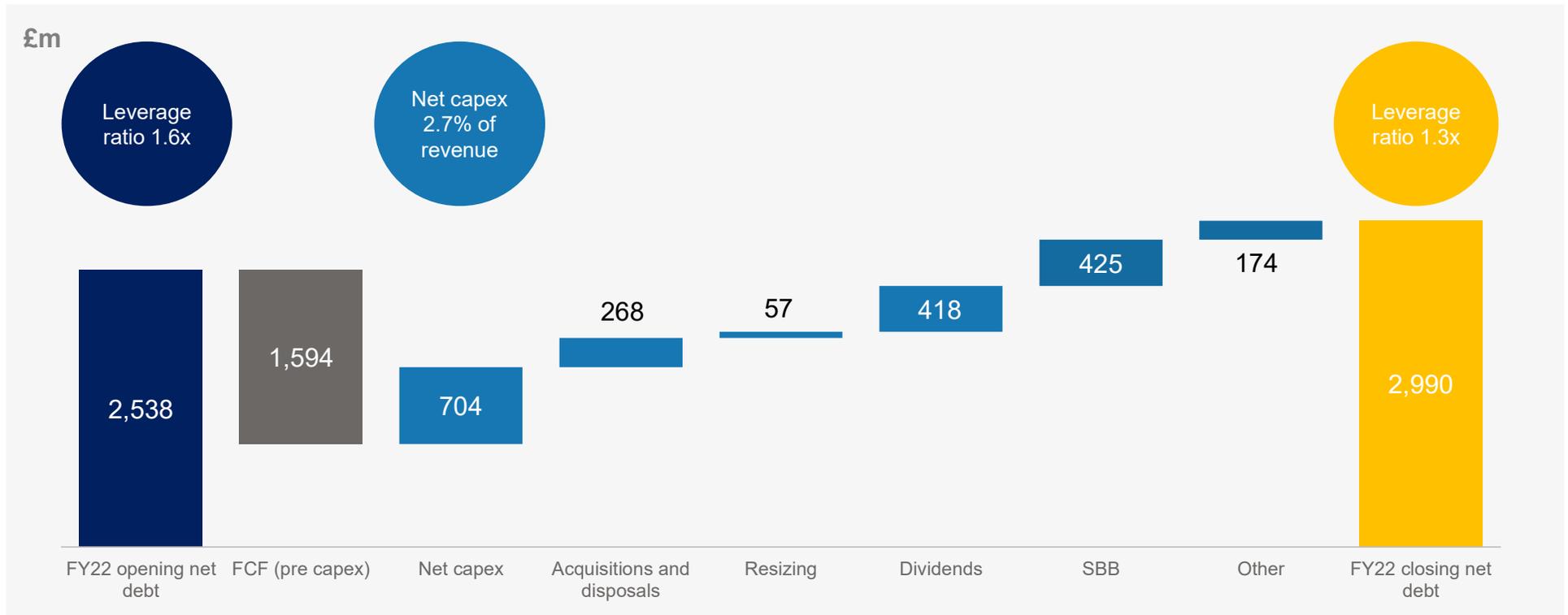
3. 2021 re-presented to reflect the change in the definition of capital employed, see the definitions.

4. Excluding goodwill rising from the Granda merger in 2000, ROCE would be 13.9% (2021: 7.3%).

Balance sheet

Overview (£m)	FY 2022	FY 2021
Goodwill	5,119	4,550
Other non-current assets	5,895	4,556
Working capital	(1,319)	(1,255)
Net assets held for sale	26	17
Provisions	(579)	(581)
Net post employment benefit obligations	(178)	129
Current tax payable	(139)	(87)
Net deferred tax asset	70	128
Net debt	(2,990)	(2,538)
Net assets	5,905	4,919
Shareholders' equity	5,874	4,891
Non-controlling interests	31	28
Total equity	5,905	4,919

Reduction in net debt and leverage



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

Components of net debt

	£m
Bonds	3,025
Private placements	942
Financing	3,967
Other loans and fair value accounting adjustments	(254)
Borrowing	3,713
Leases	913
Derivatives	96
Gross debt	4,722
Cash	(1,732)
Closing net debt at 30 September 2022	2,990

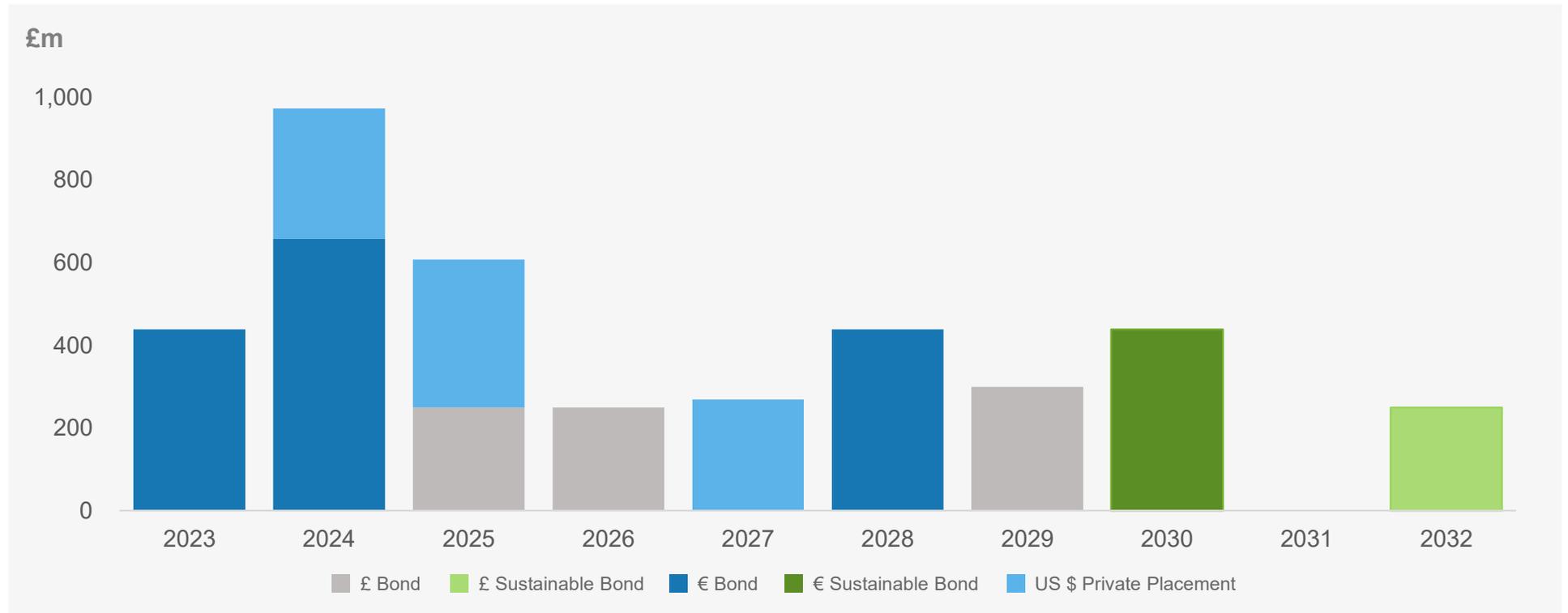
Notes: Based on nominal value of borrowings as at 30 September 2022.

Financing

Principal borrowings	Coupon	Maturing in Financial Year	Drawn £m
Bonds			
€500m	1.875%	2023	439
€750m	0.625%	2024	658
€500m	1.500%	2028	439
£250m	2.000%	2025	250
£250m	3.850%	2026	250
£300m	2.000%	2029	300
€500m	3.000%	2030	439
£250m	4.375%	2032	250
Total			3,025
US private placements			
\$352m (2011 Notes)	4.12%	2024	315
\$300m (2014 Notes)	3.81%	2025	269
\$400m (2015 Notes)	3.54% - 3.64%	2025 - 2027	358
Total			942
Bank loans			
£2,000m syndicated facility		2026	-
Total			-
Total			3,967

Notes: Based on borrowings as at 30 September 2022. 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 & €500m 2030 bonds which are held by CGFNBV, which is a wholly owned subsidiary. Of the £2,000m syndicated facility, £140m expires in 2024 and the remaining £1,860m expires in 2026.

Maturity profile



Notes: 1. Based on borrowings and facilities in place as at 30 September 2022, maturing in the financial year ending 30 September.
 2. The average life of the Group's principal borrowings is 3.9 years (FY21: 3.7 years).

Financing

Debt ratios and credit ratings

Ratings	Short term	Long term	Outlook	Latest Update
Standard & Poor's	A-1	A	Stable	25 May 22
Moody's	P-2	A3	Stable	12 May 22
Ratios for USPP covenant purposes			FY 2022	FY 2021
Net debt ¹ / EBITDA ²			1.0x	1.5x
EBITDA ² / net interest ³			33.4x	14.7x
Reported ratios⁴			FY 2022	FY 2021
Net debt / underlying EBITDA			1.3x	1.6x

Notes: 1. Net debt excludes leases, derivatives and restricted cash in line with the 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 leases, the element of finance charges resulting from hedge accounting ineffectiveness and the change in the fair value of investments.

4. Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.

Currency impact on operating profit and revenue

£m	IMPACT ON FY 2022	IMPACT ON FY 2021
USD	105	38
CAD	2	2
AUD	1	1
BRL	1	1
TRY	(3)	(6)
EUR	5	(2)
JPY	(1)	(1)
Other	3	3
Total currency impact on profit	113	37
Total currency impact on revenue	1,564	609

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see the definitions.
 Impact on FY 2022 profit assumes current spot rates on 17 November 2022 (USD 1.18 and EUR 1.14) continue for the full year.

Exchange rates

Rates used in consolidation	Income Statement ¹		Balance Sheet ²	
	2022 per £	2021 per £	2022 per £	2021 per £
Australian Dollar	1.80	1.83	1.74	1.87
Brazilian Real	6.72	7.35	6.04	7.35
Canadian Dollar	1.64	1.73	1.53	1.71
Chilean Peso	1084.21	1019.64	1069.34	1095.13
Euro	1.18	1.15	1.14	1.16
Japanese Yen	158.27	147.07	161.58	150.44
Norwegian Krone	11.83	11.91	12.16	11.77
Swedish Krona	12.28	11.68	12.39	11.80
Danish Krone	8.76	8.52	8.47	8.64
Turkish Lira	18.45	11.07	20.69	11.98
UAE Dirham	4.70	5.02	4.10	4.95
US Dollar	1.28	1.37	1.12	1.35

Notes: 1. Income statement uses average monthly closing rates for the 12 months to 30 September.

2. Balance sheet uses the closing rate as at 30 September.

Exchange rates

Effect on 2022 revenue and profit

US DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.48	(2,217)	(160.3)
1.43	(1,721)	(124.4)
1.38	(1,189)	(86.0)
1.33	(617)	(44.6)
1.28	-	-
1.23	667	48.2
1.18	1,391	100.6
1.13	2,178	157.5
1.08	3,039	219.8
1.03	3,984	288.1

CANADIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.84	(85)	(5.2)
1.79	(66)	(4.0)
1.74	(45)	(2.7)
1.69	(23)	(1.4)
1.64	-	-
1.59	25	1.5
1.54	51	3.1
1.49	79	4.8
1.44	109	6.6
1.39	141	8.6

AUSTRALIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
2.00	(88)	(5.6)
1.95	(67)	(4.3)
1.90	(46)	(2.9)
1.85	(24)	(1.5)
1.80	-	-
1.75	25	1.6
1.70	52	3.3
1.65	80	5.1
1.60	110	7.0
1.55	141	9.0

Notes: Cumulative revenue and operating profit change arising by restating the 2022 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

Exchange rates

Effect on 2022 revenue and profit

EURO

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.38	(372)	(21.5)
1.33	(289)	(16.7)
1.28	(200)	(11.6)
1.23	(104)	(6.0)
1.18	-	-
1.13	114	6.6
1.08	238	13.7
1.03	374	21.6
0.98	524	30.3
0.93	690	39.9

TURKISH LIRA

£m cumulative change for an incremental 20 kuruş movement

Exchange Rate	Revenue Change	Profit Change
19.25	(12)	(0.8)
19.05	(9)	(0.6)
18.85	(6)	(0.4)
18.65	(3)	(0.2)
18.45	-	-
18.25	3	0.2
18.05	6	0.4
17.85	10	0.6
17.65	13	0.8
17.45	17	1.0

BRAZILIAN REAL

£m cumulative change for an incremental 20 centavo movement

Exchange Rate	Revenue Change	Profit Change
7.52	(40)	(2.5)
7.32	(31)	(1.9)
7.12	(21)	(1.3)
6.92	(11)	(0.7)
6.72	-	-
6.52	12	0.7
6.32	24	1.5
6.12	37	2.3
5.92	51	3.1
5.72	66	4.1

Notes: Cumulative revenue and operating profit change arising by restating the 2022 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

Definitions

INCOME STATEMENT	
Underlying revenue	Revenue plus share of revenue of joint ventures.
Underlying operating profit	Operating profit excluding specific adjusting items*.
Underlying operating margin	Underlying operating profit divided by underlying revenue.
Organic revenue	Current year: Underlying revenue excluding businesses acquired, sold and closed in the year. Prior year: Underlying revenue including a proforma 12 months in respect of businesses acquired in the year and excluding businesses sold and closed in the year translated at current year exchange rates. Where applicable, a 53rd week is excluded from the current or prior year.
Organic operating profit	Current year: Underlying operating profit excluding businesses acquired, sold and closed in the year. Prior year: Underlying operating profit including a proforma 12 months in respect of businesses acquired in the year and excluding businesses sold and closed in the year translated at current year exchange rates. Where applicable, a 53rd week is excluded from the current or prior year.
Underlying finance costs	Finance costs excluding specific adjusting items*.
Underlying profit before tax	Profit before tax excluding specific adjusting items*.
Underlying income tax expense	Income tax expense excluding tax attributable to specific adjusting items*.
Underlying effective tax rate	Underlying tax charge divided by underlying profit before tax.
Underlying profit for the year	Profit for the year excluding specific adjusting items* and tax attributable to those items.
Underlying profit attributable to equity shareholders (underlying earnings)	Profit for the year attributable to equity shareholders excluding specific adjusting items* and tax attributable to those items
Underlying earnings per share	Earnings per share excluding specific adjusting items* and tax attributable to those items.
Net operating profit after tax (NOPAT)	Underlying operating profit excluding the operating profit of non-controlling interests, net of tax at the underlying effective tax rate.
Underlying EBITDA	Underlying operating profit excluding underlying impairment, depreciation and amortisation of intangible assets, tangible assets and contract-related assets

* Specific adjusting items are acquisition related costs, COVID-19 resizing costs, one-off pension charge, tax on share of profit of joint ventures, gains and losses on sale and closure of businesses and other financing items, including hedge accounting ineffectiveness and change in the fair value of investments.

Definitions

BALANCE SHEET

Net debt	Bank overdrafts, bank and other borrowings, lease liabilities and derivative financial instruments, less cash and cash equivalents.
Net debt to EBITDA	Net debt divided by underlying EBITDA.
Capital employed	Total equity shareholders' funds, excluding: net debt; post-employment benefit assets and obligations; and investments held to meet the cost of unfunded post-employment benefit obligations.
Return on Capital Employed (ROCE)	NOPAT divided by 12-month average capital employed.

CASH FLOW

Capital expenditure	Purchase of intangible assets, purchase of contract fulfilment assets, purchase of property, plant and equipment and investment in contract prepayments, less proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets.
Underlying operating cash flow	Net cash flow from operating activities, including purchase of intangible assets, purchase of contract fulfilment assets, purchase of property, plant and equipment, proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets, repayment of principal under lease liabilities and share of results of joint ventures and associates, and excluding interest and net tax paid, post-employment benefit obligations net of service costs, cash payments related to cost action programme and COVID-19 resizing costs and acquisition transaction costs.
Underlying operating cash flow conversion	Underlying operating cash flow divided by underlying operating profit.
Free cash flow	Net cash flow from operating activities, including purchase of intangible assets, purchase of contract fulfilment assets, purchase of property, plant and equipment, proceeds from sale of property, plant and equipment/intangible assets/contract fulfilment assets, purchase of other investments, proceeds from sale of other investments, dividends received from joint ventures and associates, interest received, repayment of principal under lease liabilities and dividends paid to non-controlling interests.
Underlying free cash flow	Free cash flow excluding cash payments related to cost action programme and COVID-19 resizing costs and acquisition transaction costs.
Underlying free cash flow conversion	Underlying free cash flow divided by underlying operating profit.
Underlying cash tax rate	Net tax paid included in net cash flow from operating activities divided by underlying profit before tax.

BUSINESS GROWTH

New business	Current year underlying revenue for the period in which no revenue had been recognised in the prior year.
Lost business	Prior year underlying revenue for the period in which no revenue has been recognised in the current year.
Net new business**	New business minus lost business as percentage of prior year organic revenue.
Retention	100% minus lost business as percentage of prior year organic revenue

* Specific adjusting items are acquisition related costs, COVID-19 resizing costs, one-off pension charge, tax on share of profit of joint ventures, gains and losses on sale and closure of businesses and other financing items, including hedge accounting ineffectiveness and change in the fair value of investments.

**Net new business rebased to 2019 is calculated as new business minus lost business as a percentage of 2019 underlying revenue calculated on a constant-currency basis.