



2023 Half Year Results

10 May 2023

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Dominic Blakemore
Group Chief Executive



Establishing a new track record of performance

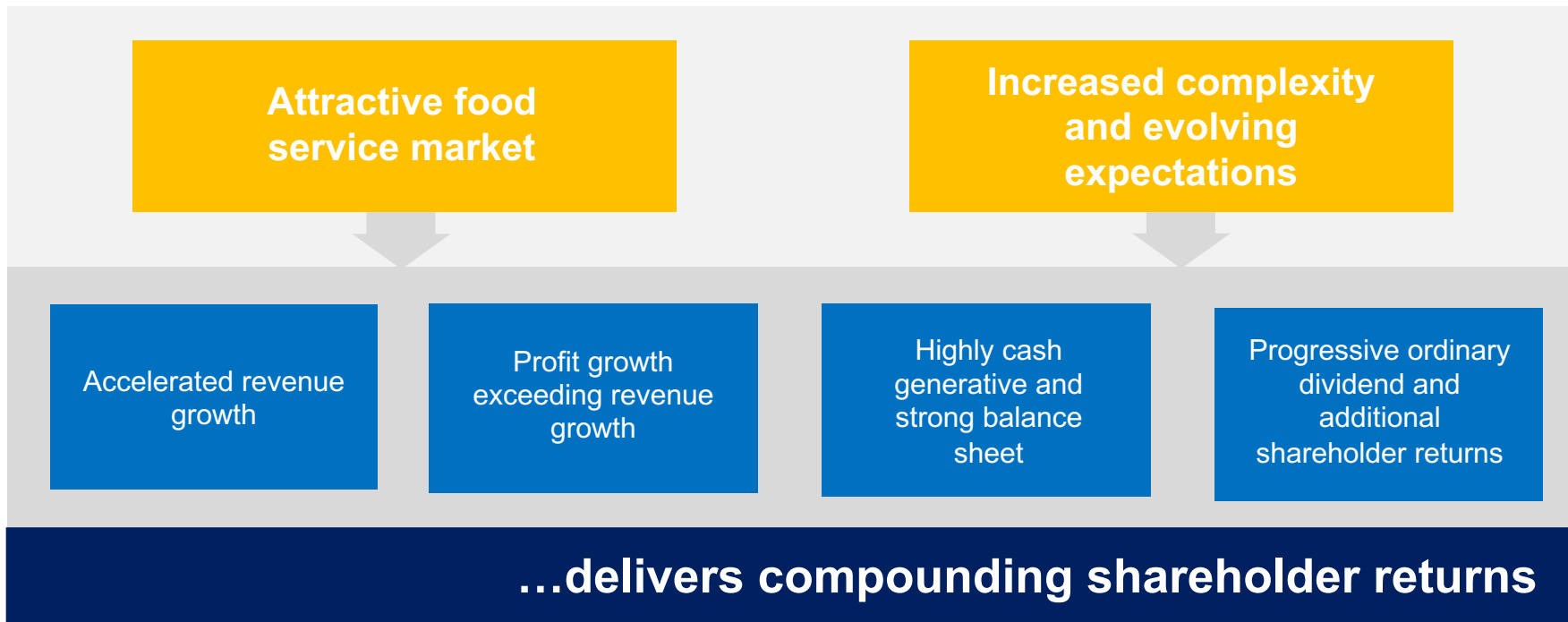
Operating profit over £1bn

**Organic revenue growth
25%**

**Underlying operating margin
6.6%**

**Interim dividend per share 15.0p
A further share buyback of up to £750m**

A structural growth story which...



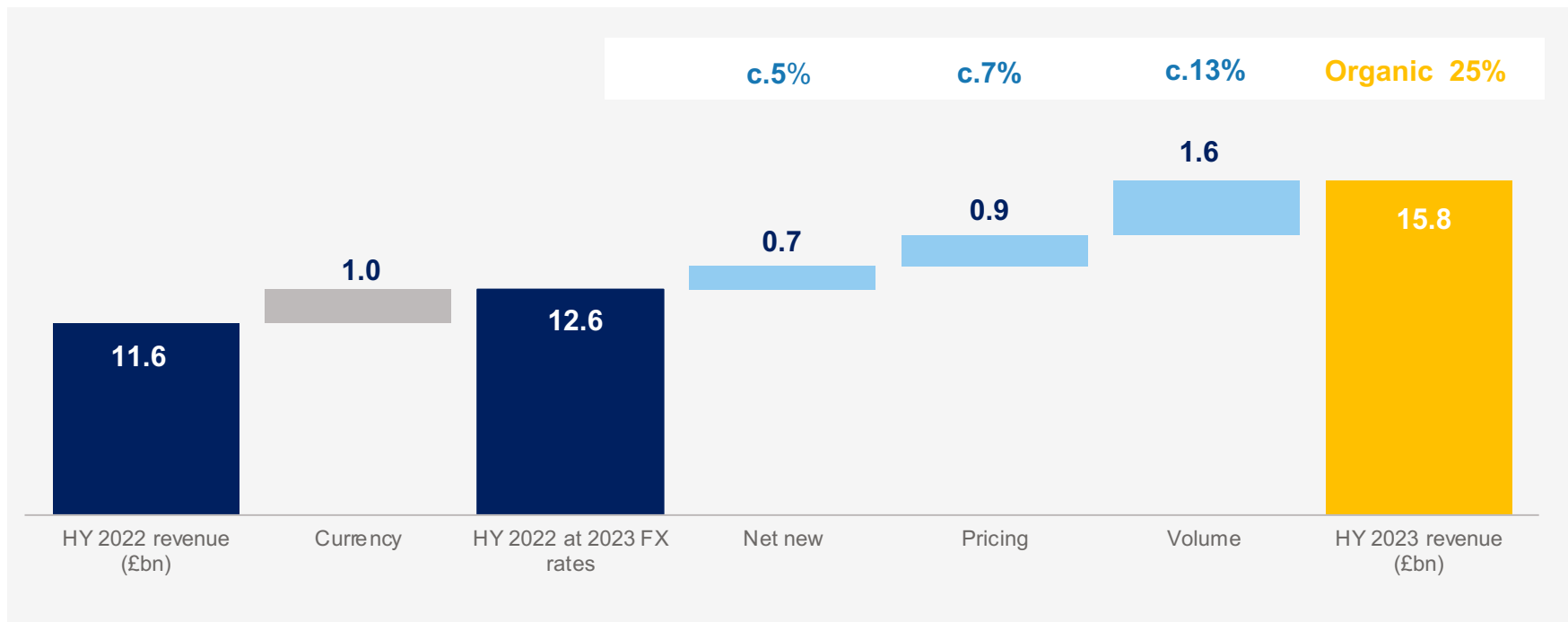


Palmer Brown

Group Chief Financial Officer



Strong net new, pricing and volume



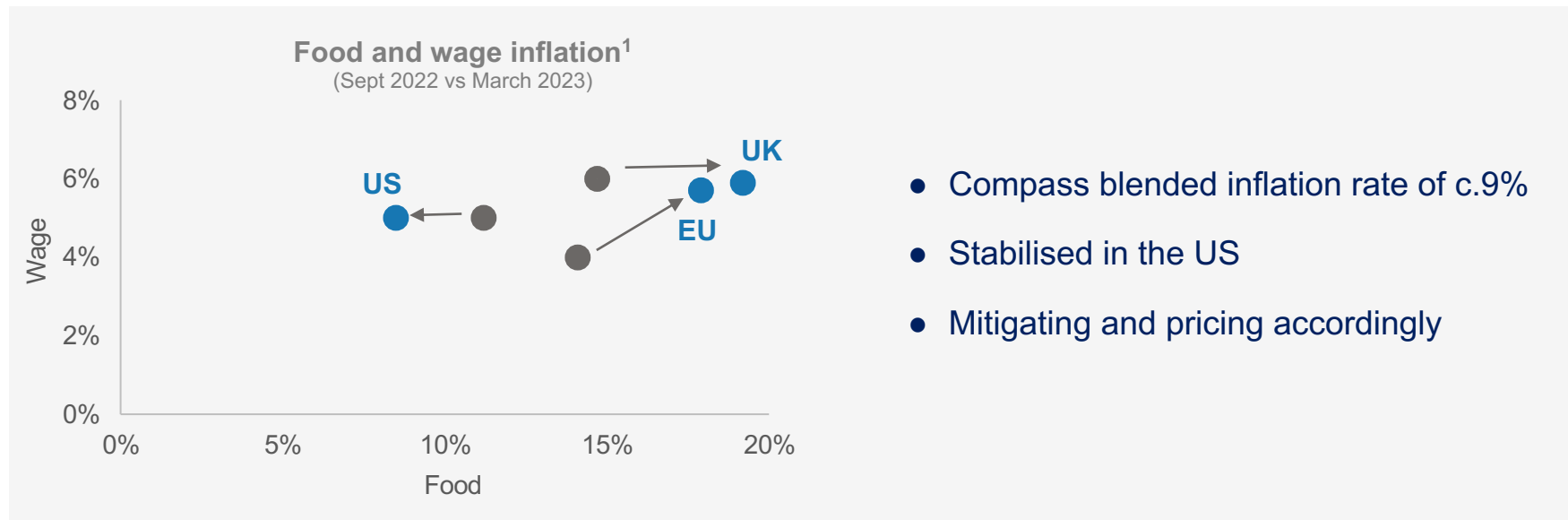
Notes: On a constant currency basis. Based on underlying performance at reported exchange rates unless otherwise indicated. See definitions in the supplementary slides.

Sustained growth and margin progression...

	Organic revenue	Net new growth	Operating margin	Year on year margin change
North America	23.2%	5.1%	7.8%	+80bps
Europe	28.2%	5.4%	5.6%	+110bps
Rest of World	27.9%	5.7%	4.5%	(20)bps
Group	24.7%	5.2%	6.6%	+80bps

...with excellent net new across all regions

While inflation remains heightened...



...it is continuing to contribute to outsourcing trends

Operating profit of over £1bn

£m	HY 2023	HY 2022	
Revenue	15,796	11,625	
Operating profit	1,050	673	<ul style="list-style-type: none"> • HY23 operating profit now higher than HY19
<i>Operating profit margin</i>	6.6%	5.8%	
Net finance costs	(66)	(37)	
Profit before tax	984	636	<ul style="list-style-type: none"> • FY23 interest charge now expected to be c.£140m
Tax expense	(231)	(153)	
<i>Effective tax rate</i>	23.5%	24.0%	
Profit after tax	753	483	<ul style="list-style-type: none"> • FY23 ETR anticipated to be 23.5 - 24%
Non-controlling interests	(4)	(3)	
Attributable profit	749	480	
Average number of shares (millions)	1,753	1,784	
Basic earnings per share (pence)	42.7p	26.9p	
Dividend per share (pence)	15.0p	9.4p	

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

Further reduction in leverage to 1.1x

£m	HY 2023	HY 2022
Operating profit	1,050	673
Depreciation and amortisation	420	366
EBITDA	1,470	1,039
Net capital expenditure	(364)	(306)
Trade working capital	(169)	(142)
Lease payments of principal	(83)	(73)
Other	17	39
Operating cash flow	871	557
Conversion	83%	83%
Net interest	(61)	(40)
Net tax	(199)	(133)
Other	(21)	(24)
Free cash flow	590	360
Conversion	56%	53%
Net debt / EBITDA leverage¹	1.1x	1.3x

- HY23 capex 2.3% of revenue
- FY23 capex now expected to be 3.0 to 3.5% of revenue

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.

We are continuing to sharpen our focus...

Business reshaping

- Reviewed lines of business and markets:
 - Exited six tail countries
 - Non-underlying charge of £70m

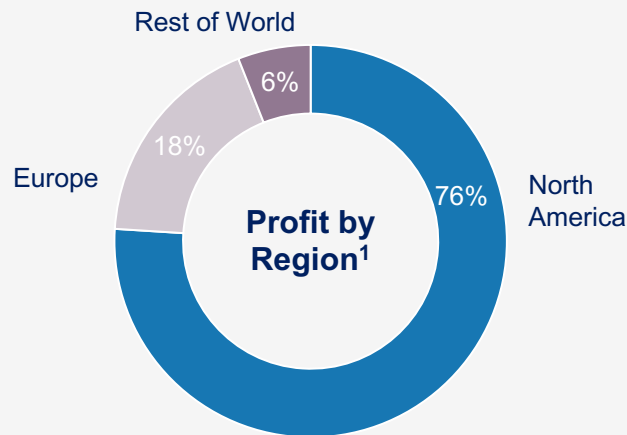
Acquisitions

- £210m net expenditure H1 2023
- Enhancing our vending and office coffee proposition in North America
- Strengthening Foodbuy UK

...on higher growth opportunities in attractive markets

Currency change to align with our business exposure...

- Group to report in US dollars from 1 October 2023
- Reduces earnings volatility due to FX translation
- US dollar comparatives provided in June 2023
- No change to our UK listing



...and reduce earnings volatility

Our capital allocation priorities remain unchanged



Rewarding our shareholders...



...with a further £750m share buyback announced today

Raising FY23 guidance following strong H1

Operating profit growth towards 30%¹

**Organic revenue growth
around 18%**

**Underlying operating margin
6.7 - 6.8%**

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



Dominic Blakemore
Group Chief Executive



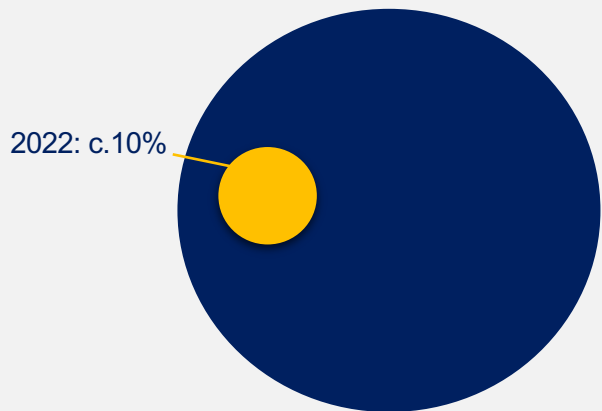
Our strategic priorities are clear...



...establishing a new track record of growth

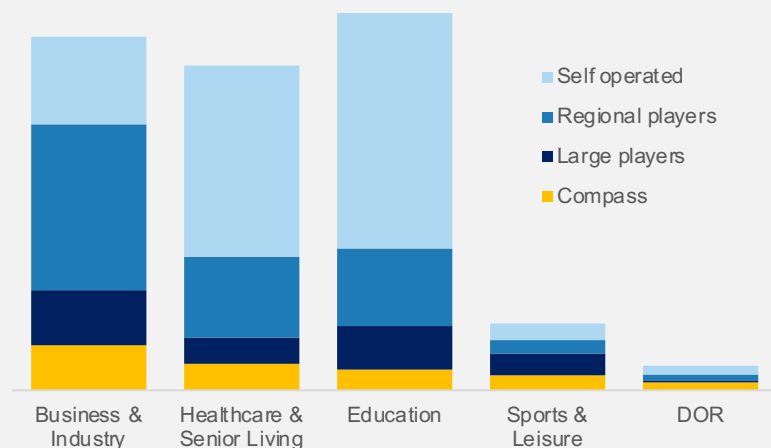
The food services market is at least £250bn...

Compass Group's share of food service market



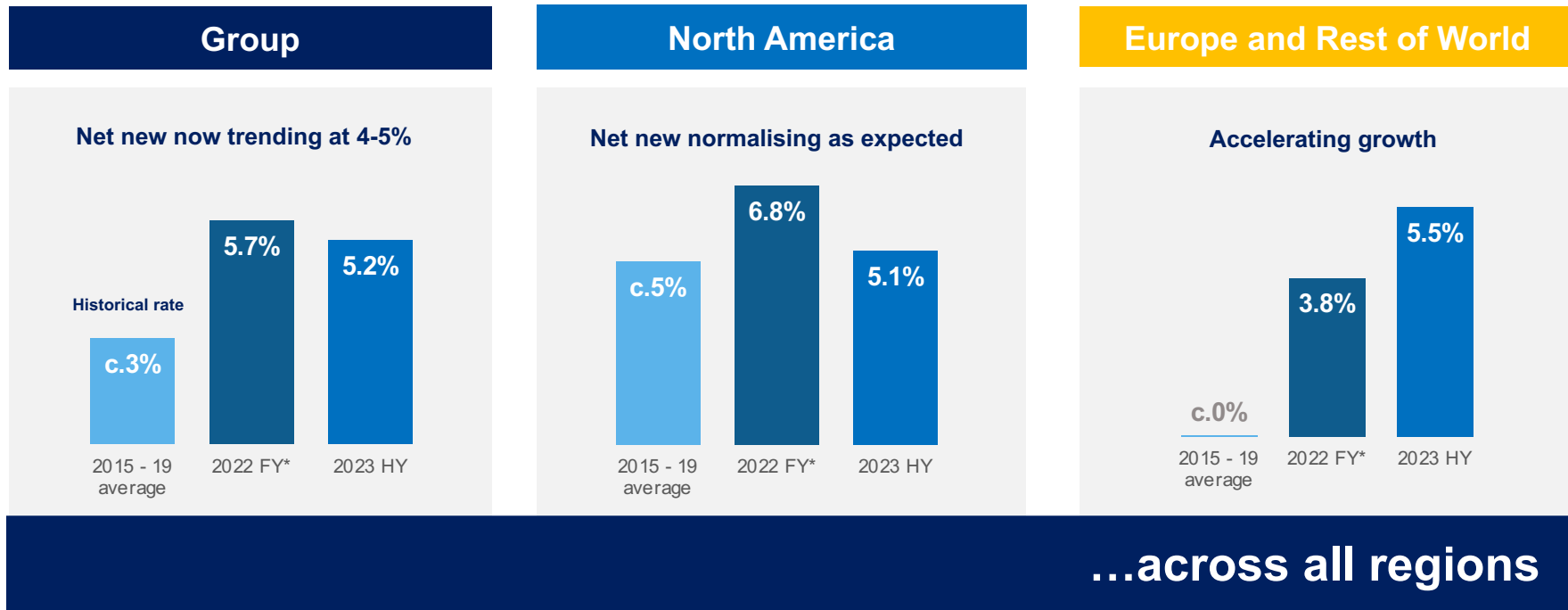
Additional market opportunity in vending and targeted support services

Food services market by sector



...with almost half yet to outsource

Balanced net new business growth...



...across all regions

Different strategic priorities for growth by region

North America

Sustaining the outperformance

- Accelerating sub sector growth
- Vending and micro markets
- Scaling digital innovation
- Investing in data infrastructure
- Maximising procurement compliance

Europe and Rest of World

Building a track record of growth

- Consistency of best practice
- Embedding growth mentality
- Strengthening brand portfolio
- Building digital capability
- Improving procurement processes

Increasing complexity and expectations...



Inflation and complex client requirements...

RISK ENVIRONMENT

- Increasing regulation
- Health and safety
- Allergen and carbon labelling



COST PRESSURES

- Food and labour inflation
- Labour availability
- Supply chain challenges



PEOPLE

- Diversity and Inclusion
- Ethnic representation
- Social mobility



HEALTH & WELLBEING

- Engagement tool
- Retention and attraction
- Improved productivity



SUSTAINABILITY

- Net zero
- Food waste
- Locally sourced



DIGITAL & DATA

- Performance dashboards
- Consumer insight
- Culinary and tech innovation



...driving outsourcing and supporting retention

And investing in the consumer experience...

CULINARY

- Vegetarian / Vegan
- Dietary requirements
- Transparency of provenance



CONVENIENCE

- Unattended micro markets
- Vending solutions
- Delivery on or off site



SUSTAINABILITY

- Organic, locally sourced
- Reducing food waste
- Plant forward options



QUALITY AND SERVICE

- Variety of food
- Speed of service
- Socialising with colleagues



DIGITAL

- Pre-ordering and pre-payment
- Promotions
- Feedback surveys



VALUE

- Discount to the high street
- Attractive prices
- Client paid subsidies



...enhances our competitive advantage

“Chefs Creating Change”...

Global Culinary Forum reporting to the Board:

- Closer integration with procurement
- Inflation mitigation through recipe reformulation
- Celebrating culture and diversity through authentic food experiences
- Focusing on sustainability and food waste reduction
- Attraction and retention, and apprenticeship programmes



...and driving better commercial outcomes

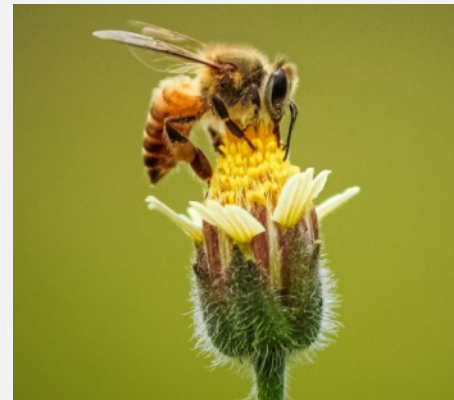
We're delivering on our environmental commitments...

Focused on food waste

- Good for the planet and to mitigate inflation
- Rolling out proprietary waste measurement tools
- Global culinary forums focused on waste reduction

UK&I making tangible progress

- 20% reduction in Scope 3 emissions of purchases



...and contributing to clients' own ESG targets

We are creating diverse and inclusive teams...

- Social inclusion programmes across markets
- Building equity through economic empowerment
- Gateway to minority owned suppliers
- UK: No ethnicity pay gap and reduced median gender pay gap
- North America: 25 year partnership with Thompson Hospitality



...that perform better together

Longer term, our value creation model will continue...

Accelerated
revenue growth

Progressing
margins

Highly cash
generative

Disciplined capital
allocation

Mid to high single
digit organic growth

Profit growth to
exceed revenue
growth

Strong
balance sheet

Dividend and
share buyback

...to generate long term, compounding shareholder returns

In summary...

- We've had a strong first half of the year
- Pleased by the balance of growth across regions
- Focused on our strategic growth priorities
- Delivering on our People and Purpose commitments
- Generating compounding shareholder returns



...committed to deliver for all stakeholders over the long term

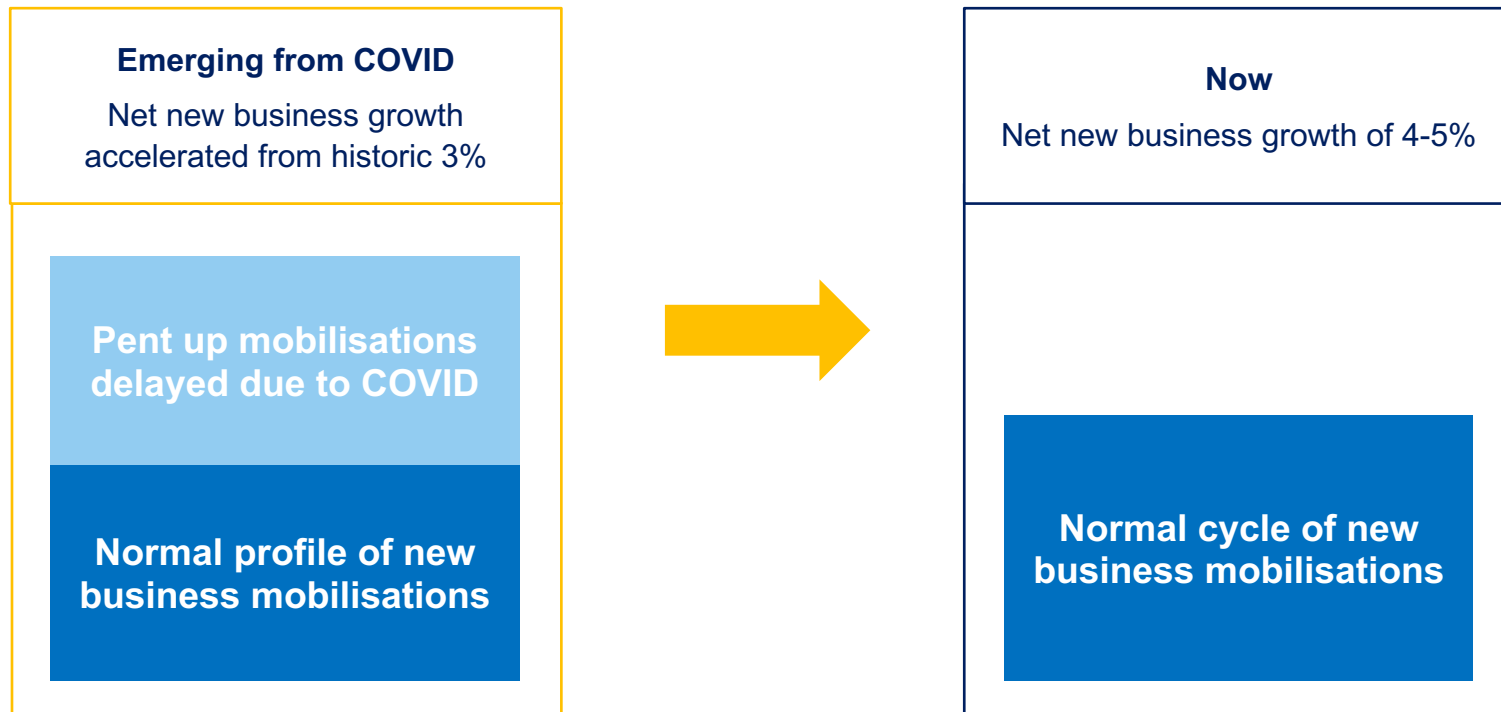
Supplementary Information



Illustrative example: New contract win

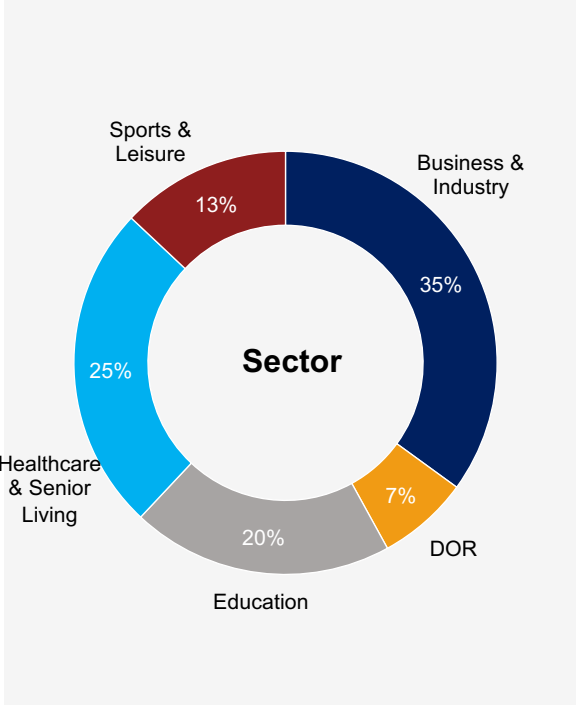
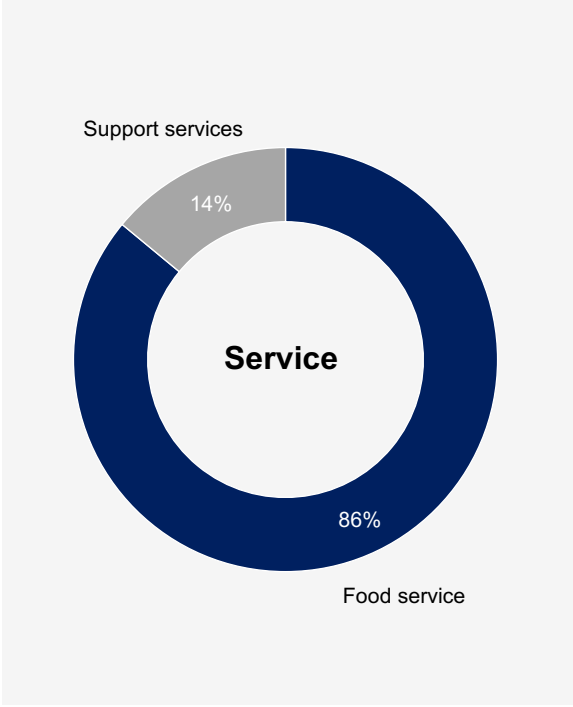
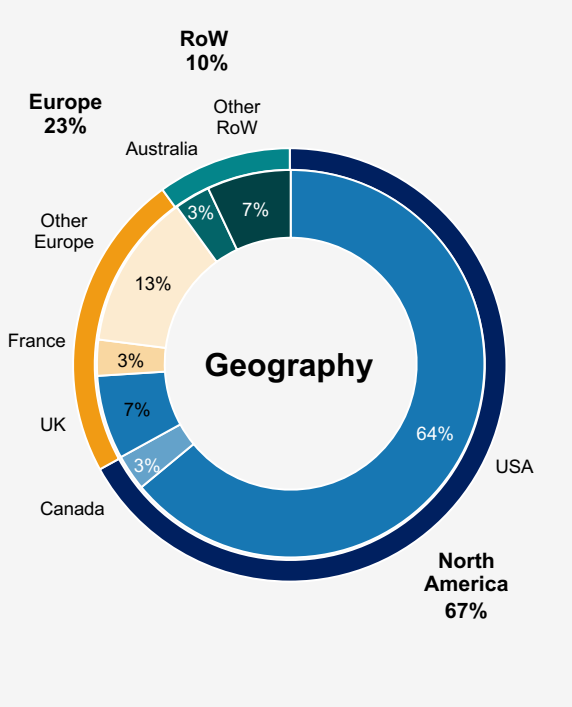


Illustrative example: Normalisation of net new business



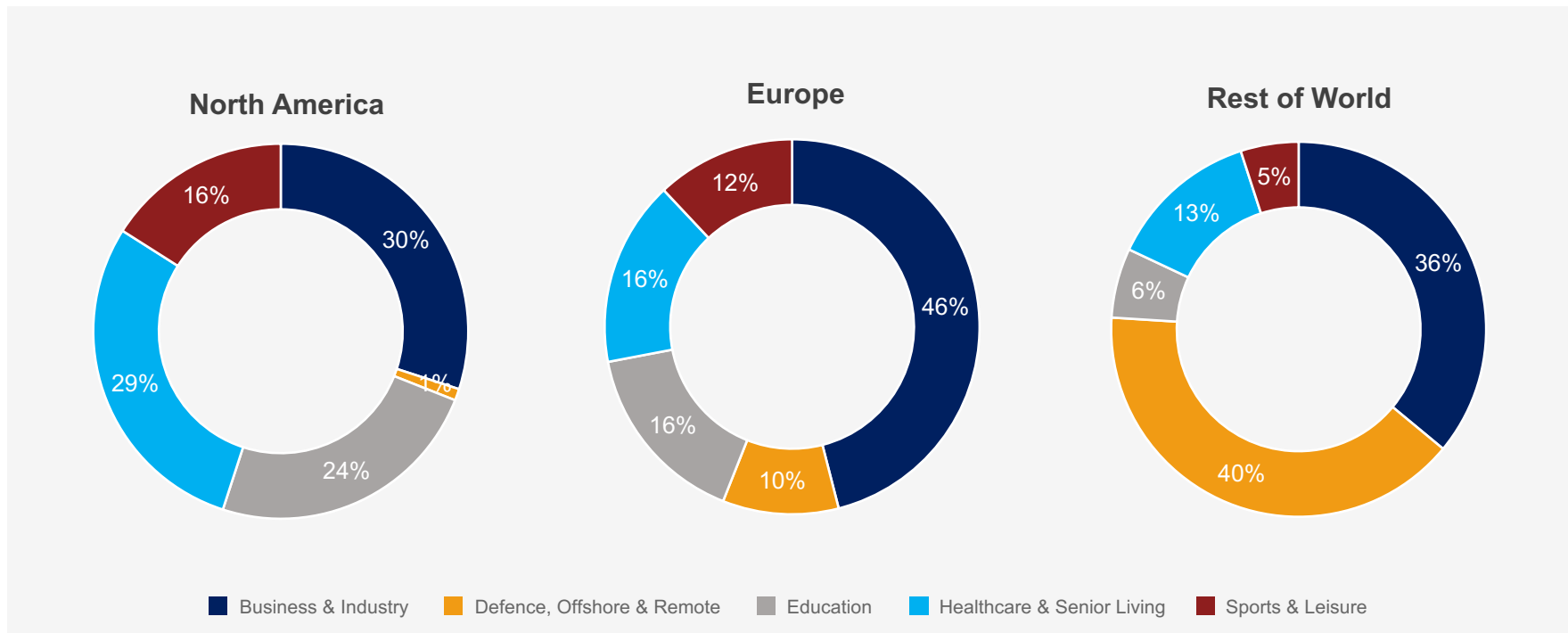
Notes: Net new is calculated on the revenues from the previous year. As the revenue base increases, net new decreases due to the calculation.

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.

Geographic financials

£m	North America	Europe	Rest of World	Other ¹	Total
HY 2023					
Revenue	10,652	3,549	1,595		15,796
<i>Organic growth</i>	23.2%	28.2%	27.9%		24.7%
Operating profit	832	197	71	(50)	1,050
<i>Margin</i>	7.8%	5.6%	4.5%		6.6%
Cash flow	779	113	61	(363)	590
<i>Cash flow conversion</i>	94%	57%	86%		56%
HY 2022					
Revenue	7,657	2,766	1,202		11,625
<i>Organic growth</i>	47.9%	28.3%	9.6%		37.9%
Operating profit	535	125	56	(43)	673
<i>Margin</i>	7.0%	4.5%	4.7%		5.8%
Cash flow ²	503	99	39	(281)	360
<i>Cash flow conversion²</i>	94%	79%	70%		53%

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.

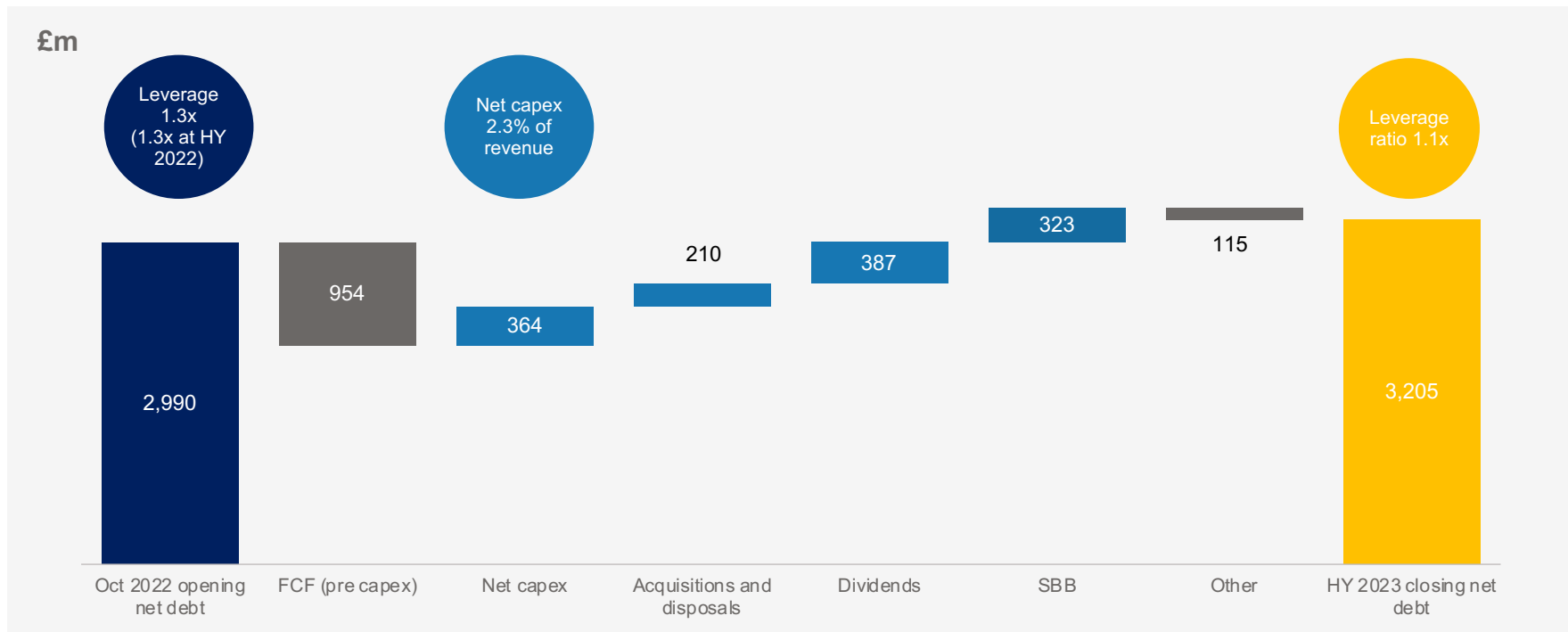
2. 2022 regional cash flows re-presented to include operating cash flow only.

Balance sheet

Overview (£m)	HY 2023	HY 2022	FY 2022
Goodwill	5,004	4,620	5,119
Other non-current assets	5,597	5,232	5,895
Working capital	(1,019)	(1,105)	(1,319)
Net assets held for sale	5	26	26
Provisions	(570)	(601)	(579)
Net post-employment benefit liability	(320)	(207)	(178)
Current tax payable	(153)	(120)	(139)
Net deferred tax asset	115	72	70
Net debt	(3,205)	(2,530)	(2,990)
Net assets	5,454	5,387	5,905
Shareholders' equity	5,421	5,362	5,874
Non-controlling interests	33	25	31
Total equity	5,454	5,387	5,905

Note: HY 2022 re-presented to reclassify the assets of the Rabbi Trust (£567m) as other investments (within other non-current assets) rather than offset against the net post-employment benefit liability.

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	2,587
Private placements	852
Financing¹	3,439
Other loans and fair value accounting adjustments	(198)
Borrowing	3,241
Leases	895
Derivatives	96
Gross debt	4,232
Cash net of overdrafts	(1,027)
Closing net debt at 31 March 2023	3,205

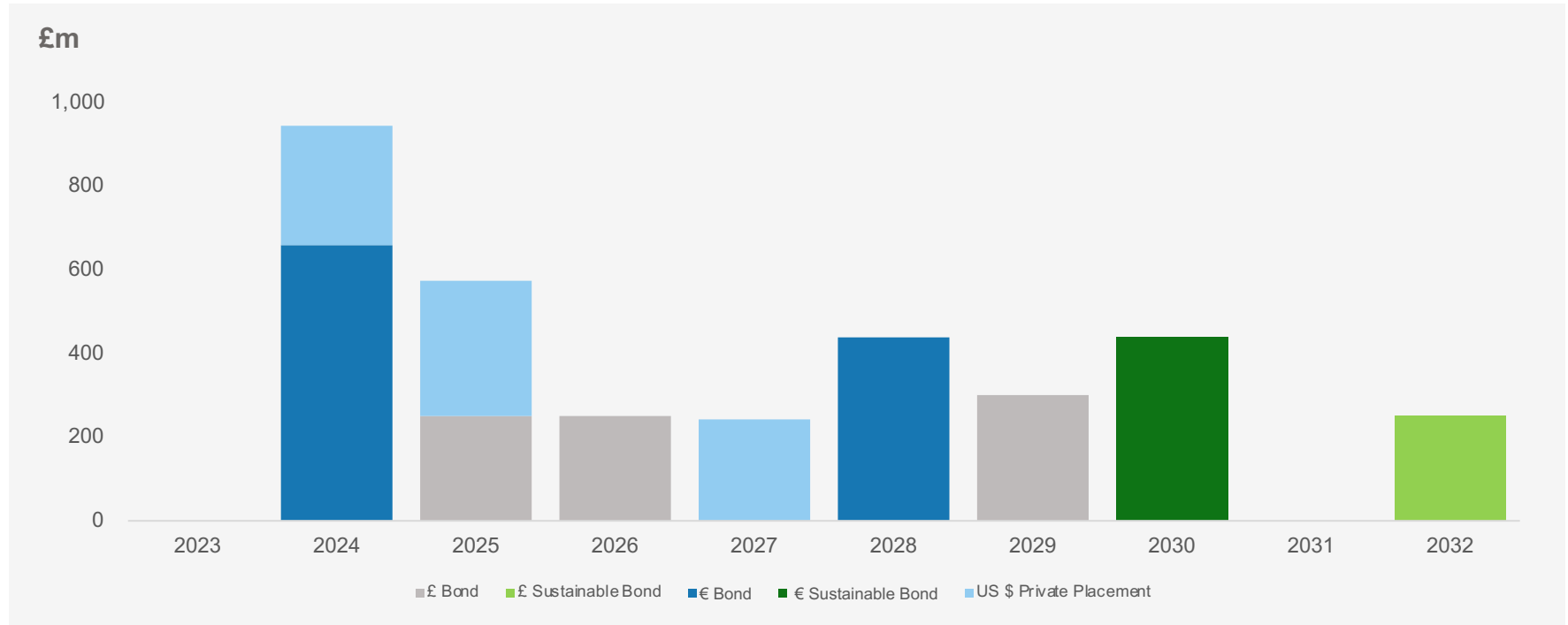
Notes: ¹Based on nominal value of borrowings as at 31 March 2023.

Financing

Principal borrowings	Coupon	Maturing in Financial Year	Drawn £m
Bonds			
€750m	0.625%	2024	659
£250m	2.000%	2025	250
£250m	3.850%	2026	250
€500m	1.500%	2028	439
£300m	2.000%	2029	300
€500m	3.000%	2030	439
£250m	4.375%	2032	250
Total			2,587
US private placements			
\$352m (2011 Notes)	4.12%	2024	285
\$300m (2014 Notes)	3.81%	2025	243
\$400m (2015 Notes)	3.54% - 3.64%	2025 - 2027	324
Total			852
Bank loans			
£2,000m syndicated facility		2026	-
Total			-
Total			3,439

Notes: Based on borrowings as at 31 March 2023. 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.

Maturity profile



Notes: 1. Based on borrowings and facilities in place as at 31 March 2023, maturing in the financial year ending 30 September.
 2. The average life of the Group's principal borrowings is 3.8 years (FY22: 3.9 years).

Financing

Debt ratios and credit ratings

Ratings	Short term	Long term	Outlook	Latest Update
Standard & Poor's	A-1	A	Stable	21 Feb 23
Moody's	P-2	A3	Positive	18 Jan 23

Ratios for USPP covenant purposes	HY 2023	FY 2022
Net debt ¹ / EBITDA ²	1.0x	1.0x
EBITDA ² / net interest ³	26.8x	33.4x

Reported ratios ⁴	HY 2023	FY 2022
Net debt / underlying EBITDA	1.1x	1.3x

Notes: 1. Net debt excludes leases, derivatives, fair value accounting adjustments 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 HY 2022
USD	53	65
CAD	(1)	1
AUD	(1)	1
BRL	2	1
TRY	(4)	(2)
EUR	5	2
JPY	(1)	(0)
Other	1	3
Total currency impact on profit	52	71
Total currency impact on revenue	711	1,013

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 4 May 2023 (USD 1.26 and EUR 1.14) continue for the full year.

Exchange rates

Rates used in consolidation

	Income Statement ¹		Balance Sheet ²	
	2023 per £	2022 per £	2023 per £	2022 per £
Australian Dollar	1.78	1.85	1.85	1.75
Brazilian Real	6.22	7.20	6.27	6.26
Canadian Dollar	1.62	1.70	1.67	1.64
Chilean Peso	1,030.99	1,091.06	977.55	1,036.11
Euro	1.14	1.18	1.14	1.18
Japanese Yen	163.88	154.55	164.56	159.81
Norwegian Krone	12.23	11.81	12.95	11.51
Swedish Krona	12.67	12.18	12.82	12.27
Turkish Lira	22.36	16.66	23.73	19.31
UAE Dirham	4.38	4.93	4.54	4.84
US Dollar	1.19	1.34	1.24	1.32

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 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 1 lira movement

Exchange Rate	Revenue Change	Profit Change
22.45	(52)	(3.3)
21.45	(40)	(2.6)
20.45	(28)	(1.8)
19.45	(15)	(0.9)
18.45	-	-
17.45	17	1.0
16.45	35	2.2
15.45	56	3.6
14.45	80	5.1
13.45	108	6.8

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 income tax expense 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.
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 charges, charges related to the strategic portfolio review, 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.

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.
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 the 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 the 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.

Definitions

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 a percentage of prior year organic revenue.
Retention	100% minus lost business as a percentage of prior year organic revenue.

* Specific adjusting items are acquisition-related charges, charges related to the strategic portfolio review, 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.