

DOMINIC BLAKEMORE, GROUP CHIEF EXECUTIVE OFFICER, COMPASS GROUP

INTRO SECTION

Good morning and welcome to our Full year results.

2025 was another great year for Compass.

We delivered strong organic growth and margin progress, with profit up nearly 12%.

Cash conversion was also very good, as we generated \$2bn of free cash flow for the first time.

Net new business, the cornerstone of our growth, was 4.5%, underpinned by strong new business wins and client retention of over 96%.

This was the fourth consecutive year we've delivered net new growth within our 4 to 5% target range.

This performance, together with the significant market opportunity, reinforces confidence in the sustainability of our growth algorithm and our ability to deliver long-term compounding shareholder returns.

I'll talk more about this later, but before I do, first over to Petros to give you more details on the financials.

PETROS PARRAS, GROUP CHIEF FINANCIAL OFFICER, COMPASS GROUP

Group Financial Performance

Thanks Dominic. Good morning everyone.

We've made good progress across all our key metrics as we delivered profit growth ahead of revenue growth.

Importantly, free cash flow was also strong, growing faster than profit.

Let's start by looking at revenue growth. Net new business continues to be in the middle of our 4 – 5% target range, with pricing and volume growth consistent with the first half of the year.

With our disposal programme now complete, acquisitions are contributing to growth.

Operating profit increased nearly 12% to over \$3.3bn.

Interest was \$315m reflecting higher debt due to acquisitions.

For FY26 we expect an interest charge of around \$350m, reflecting the purchase of Vermaat, subject to regulatory approval.

As anticipated, our effective tax rate was 25.5% and this is expected to be the rate in 2026.

Importantly, earnings per share were up by just over 11% in constant currency.

Turning to cash, capex was 3.3% of revenue.

Consistent with our guidance, we expect capex to be around 3.5% of revenue this year.

Working capital improved in the second half, in line with our normal seasonal profile, and was broadly neutral for the year. We expect a similar profile in 2026.

As a result of our strong cash management, free cash flow conversion improved to 88%.

Turning to the regions.

In North America organic revenue increased by over 9%. Operating profit was up nearly 11% reflecting margin progress.

In International, organic revenue growth was nearly 8%. Operating margin was up 20bps to 6.1% as the region benefited from overhead leverage, resulting in strong profit growth of nearly 13%.

Group organic revenue growth was nearly 9%, with the fourth quarter particularly strong as we benefited from increased catering and hospitality events across certain sectors.

Excluding these one-off factors, our underlying Q4 growth was around 8%. We expect this to moderate further in 2026, reflecting lower inflation.

Group margin increased to 7.3% in the second half of 2025, with our unit margin now fully recovered.

Looking forward, we're confident of further margin progress whilst balancing growth and investment.

We see opportunities to improve margin in both regions, and to leverage Group overhead.

We expect to continue to make incremental gains in North America as we continue to improve productivity across our MAP framework and better utilise tech and data.

In International, as you're aware we've invested in sales and retention to drive higher net new business growth. We expect faster margin progress in this region as we leverage these investments and benefit from M&A synergies.

Dominic will talk about this more later.

Turning to the balance sheet, net debt to EBITDA was 1.4x.

As you are aware, last year we acquired high quality businesses, including Dupont and 4Service, to capitalise on attractive growth opportunities through further sub-sectorisation.

This year we expect to complete Vermaat, along with other bolt-on deals.

As a result, leverage is likely to be above our target range in 2026, peaking at the half year.

However, our capital allocation model remains unchanged, and we expect to deleverage in 2027 as the business grows, and we deliver the M&A synergies.

With our disposal programme now complete, M&A is contributing to profit.

Including Vermaat, we expect acquisitions to add around 2% to profit growth in 2026.

Now turning to FY26 guidance.

We expect operating profit growth of around 10%, on a constant currency basis, driven by

- organic revenue growth around 7%
- around 2% profit growth from M&A
- and ongoing margin improvement.

Now, back to Dominic.

DOMINIC BLAKEMORE, GROUP CHIEF EXECUTIVE OFFICER, COMPASS GROUP

Strategic priorities

Thanks Petros.

As you've seen, the business continues to perform well and is in great shape.

We're often asked what's the secret to our success and continued market outperformance?

There are two key factors. First, we have a unique sectorised business model which is decentralised, with many of our brands still led by the original founder-owner entrepreneurs.

This model, which was strengthened through M&A over many decades, is incredibly difficult to replicate.

And second, we combine the advantages of this localised approach with the benefits of scale, particularly in food procurement and technology.

In short, we combine the best of both worlds.

We operate in a hugely attractive market with a significant runway for growth, which is continuing to expand. We are investing organically and in M&A to provide us with additional capabilities to accelerate sub-sectorisation.

For food services alone our addressable market is worth around \$360bn, of which we have less than 15% market share.

In addition, we see further growth opportunities in targeted, higher value, support services, where we estimate the market could be worth at least \$800 billion.

It's worth remembering we're already one of the world's leading support services businesses, generating more than \$6bn of revenue.

The Business & Industry segment of the food services market is worth around \$130bn on its own.

You may think - as the most outsourced sector - it would have one of the lowest growth rates.

In fact, the opposite is true. This year, B&I is our best performing sector, with organic revenue up 11%, and the highest net new business growth.

We continue to invest in this hugely innovative and dynamic sector, increasing our addressable market, by entering new sub-sectors or through flexible offers such as vending.

Our experience in B&I bodes very well for the rest of the Group.

Our volumes are benefitting from increased participation in our restaurants as we deliver an even more attractive food proposition.

The advantages of our business model mean we can provide a high-quality offer at a superior value compared to the high street.

As a reminder, we typically don't pay many of the expenses that retailers do as we operate on client premises. We also leverage our procurement scale and have more menu flexibility, allowing us to change ingredients more easily to help mitigate inflation.

Our clients also recognise the importance of food and often subsidise our offer. They are hosting more events on-site and increasingly using food as a cultural glue and a key enabler for networking and team collaboration.

Acquisitions enhance our capabilities and accelerate sub-sectorisation.

Targets are usually sourced locally, having been known to us for several years. We look for exceptional businesses with entrepreneurial teams and attractive returns.

The businesses we acquire benefit from continued autonomy under our decentralised model. We provide them with access to Foodbuy as well as global best practice sharing.

Having completed many acquisitions over the years, we have an established a proven track record of successful M&A.

In vending, we've been operating a roll out strategy of mainly small bolt-on deals in North America. Together with strong organic growth, Canteen has now grown revenues to over \$4bn.

These acquisitions are hugely value accretive to Compass, with returns typically above our cost of capital from year one.

We are also investing in GPOs and recently acquired Regency Purchasing in the UK.

As well as scale, we've benefited from their technology and systems, helping build out sectorisation. Regency volumes have doubled since we bought the business, with double-digit ROCE in year 2.

And most recently we acquired 4Service in the Nordics, accelerating access to the multi-tenant building subsector, in particular.

Integration is ahead of schedule, delivering high single digit growth, with financials ahead of our investment case.

We also have recently agreed to acquire Vermaat, subject to regulatory approval, a truly exceptional premium food services provider, with a market leading presence in the Netherlands.

Vermaat will further improve our ability to deliver tailored on-site concepts and innovative retail solutions, as well as providing us with outstanding talent.

Once approved, we expect Vermaat to be margin and EPS accretive to Compass in the first full year of ownership.

As Petros said earlier, over recent years, we have invested in technology and data to support our sales processes, procurement functions, and to drive operational efficiencies.

We think of it as benefiting both growth and margin, as well as automating some daily tasks for our colleagues

For example, we're optimising every stage of the sales funnel by using improved processes and data.

We now have more visibility of future gross new wins by more accurately tracking the size of the pipeline, our probability and win rates.

We've increased the use of automation tools for bid writing, to improve their quality and to reduce preparation time.

Tech and data are also transforming the client and consumer experience.

We have a strong competitive advantage in this space having invested in digital for many years, with around 1,600 people now working in this area alone.

With hubs in the US, UK, France and India we share innovations and best practice across our businesses, leveraging our breadth and our scale.

We are using AI to improve our customer proposition, using proprietary analytical tools to optimise our product mix and pricing.

This helps us to better match our offer to changing customer demand, as well benchmarking pricing in our sites with the local high street.

And finally, when it comes to our frontline colleagues, we're increasingly using AI to automate day to day tasks such as recruitment. In the US, we have streamlined our hiring process and reduced the number of recruiters.

In Japan we've implemented an AI chatbot for our front-line colleagues which answers any queries they may have in seconds, delivering impressive productivity gains.

In summary, 2025 has been another strong year for Compass as we continue to deliver on our growth algorithm.

We expect to sustain this performance in the long term, delivering high single digit profit growth; with the building blocks being:

- Mid to high single digit organic revenue growth
- Ongoing margin progress, and
- Contributions from bolt-on M&A – now that our disposal programme is complete

For 2026, profit growth is expected to be even higher – at around 10% - as we benefit from the Vermaat acquisition.

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