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8 February 2018

AGM and Trading Update

Compass Group PLC is issuing a trading update ahead of its Annual General Meeting to be held at 12:00 noon today in the Live Room, Rugby Football Union, Rugby House, Twickenham, Middlesex TW2 7BA. At this meeting, shareholders will be provided with the following update on the Group's performance since 30 September 2017.

Group

Compass' organic revenue for the first three months to 31 December 2017 grew by 5.9% driven by strong levels of new business wins, excellent retention and good like for like revenues.

We continue to generate efficiencies through our management and performance (MAP) programme. We are also taking actions to offset above average cost pressures in the UK, the benefits of which will come through in our operating margin in the second half of the year.

Regional performance

Organic revenue in North America increased by 8.2%. Growth was very good across all sectors, with particularly strong growth in Healthcare & Seniors, Vending and Sports & Leisure. In Europe, organic revenue grew by 2.1%, due to good growth in UK Business & Industry and a favourable calendar in Sports & Leisure. Organic revenue in Rest of the World increased by 4.0%, driven by strong performances in Turkey and some of our Spanish speaking Latin American businesses. Our Offshore & Remote business declined by 1.6%, which was better than expected due to delays in the transition from construction to production at certain sites. Growth in Rest of World excluding Offshore & Remote was 6.1%.

Currency

Currency movements, compared to the same quarter last year, had a negative translation impact on revenues and profit in the quarter of £288 million and £24 million respectively. If current spot rates were to continue for the remainder of the year, foreign exchange translation would negatively impact 2017 revenue by £1.2 billion and operating profit by £97 million.

Acquisitions

The Group spent £265m on acquisitions during the quarter, the largest of which was Unidine, a pure-play food service provider in the rapidly growing Healthcare & Seniors market in the United States. The acquisition of Unidine, which has annual revenues of around $220m and margins broadly in line with Compass North America, completed on 31 December 2017.

Tax

As announced on 22 January 2018, as a result of the passage into law of the Tax Cuts and Jobs Act in the United States, we expect the Group's effective tax rate to be reduced from 26.5% to around 24%, and the Group's cash tax rate to between 19% - 22% in the year ending 30 September 2018.

Outlook

We had a strong quarter and our outlook for 2018 is positive. Growth in North America is excellent, and both Europe and Rest of World are performing better than planned. Therefore, we now expect to be above the middle of our target 4-6% organic growth range for the full year. We continue to focus on driving efficiencies throughout the business and expect modest margin progression on a full year basis, albeit second half weighted. In the longer term, we remain excited about the significant structural growth opportunities globally and the potential for further revenue and margin growth.

Compass will hold a conference call for investors and analysts today 8:00a.m. (UK time).

Participants dial-in numbers:

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Conference Number: 301215388#

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Note to Editors

a) Compass Group PLC is the world's leading food service company, which generated annual revenues of £22.6 billion in the year to 30 September 2017. It operates in around 50 countries, employs over 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 growth, 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), disposals (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.