Compass Group PLC agrees to acquire Fazer Food Services

11 June 2019: Compass Group PLC (LSE: CPG), a leading global food service company, today announces that it has signed an agreement with Fazer Group, an international family-owned FMCG and direct to consumer group, to acquire Fazer Food Services for an enterprise value of approximately €475 million.

Fazer Food Services is a renowned food catering business in the Nordic region with operations in Finland, Sweden, Norway and Denmark, across several sectors including Business & Industry, Education, Healthcare, Seniors and Defence.

This is a very attractive acquisition for Compass Group which already has a presence in the region. Fazer Food Services' clear focus on food and culinary innovation will further strengthen Compass Group's existing offer, and will enable Compass to create more compelling and innovative solutions for its clients and consumers. The two companies share a clear focus on high quality food, outstanding customer service, and a commitment to sustainability. The transaction is expected to achieve the Company's acquisition criteria of returns greater than the cost of capital by the end of year two.

Dominic Blakemore, CEO of Compass Group PLC, said: "Fazer Food Services is a highly regarded food service business in the Nordic region, and like Compass, is focused on high-quality food, culinary innovation, sustainability and great customer service. I am excited that, together with our existing colleagues in the region, we will be able to further enhance our customer proposition in the Nordic market."

Christoph Vitzthum, President and CEO of Fazer Group, said: "We believe Compass will provide a great home for Fazer Food Services. It is a leading food services business with a global reach and a strong purpose. Our two companies share similar values with a clear focus on food, outstanding customer service and a commitment to people. Whilst we are sad to see many of our colleagues leave Fazer Group to join Compass, we believe this acquisition will allow Fazer Food Services to achieve its full potential."

Transaction details

Initial cash consideration is estimated to be €420 million with the remaining deferred consideration payable within seven years. The final consideration figures will be dependent on closing balance sheet adjustments and the operation of an earn-out. The transaction will be financed using cash and existing credit facilities.

The value of the gross assets that are the subject of the transaction as at 30 April 2019 was €289.6 million. Over the twelve-month period to 30 April 2019, the Company generated turnover of €593.0 million and EBITDA of €39.8 million.

The proposed acquisition requires EU Commission competition approval, a process which may take several months. Compass Group PLC will update the market when appropriate.

Enquiries	Kate Postans/Helen Javanshiri/Agatha Donnelly	+44 (0) 1932 573000
Media	Tim Danaher/ Fiona Micallef-Eynaud	+44 (0) 207 404 5959
Website	www.compass-group.com	

Notes to Editors

About Compass Group PLC

Compass Group PLC is a leading global food service company, which generated annual revenues of £23.24 billion in the year to 30 September 2018. It operates in around 45 countries, employs 600,000 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.

About Fazer Food Services

Fazer Food Services is a premier food service provider in the Nordics operating more than 1,000 restaurants, serving almost 500,000 meals daily. The Company employs approximately 7,000 employees across Finland, Sweden, Denmark and Norway and generates a turnover of circa €600 million. Fazer Food Services also operates a production kitchen in Estonia. Fazer Food Services specialises in high quality food solutions for clients in sectors such as Business and Industry as well as Education, Healthcare, Seniors and Defence.