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6 February 2020

AGM and Trading Update

Compass Group PLC today issues a trading update ahead of its Annual General Meeting to be held at 10:30am 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 2019.

Group

Compass' organic revenue for the three months to 31 December 2019 grew by 5.3%, driven by strong levels of new business wins and good retention rates, particularly in North America.

The cost action programme, which was announced in November, is progressing as expected and the benefits are offsetting the anticipated impact of lower Business & Industry volumes in Europe.

Regional performance

Organic revenue in North America increased by 7.5%, with particularly strong growth in Business & Industry, Healthcare and Education.

In Europe, as anticipated, organic revenue was flat year on year as it was impacted by the expected volume softness in Business & Industry and a less favourable Sports & Leisure calendar. These headwinds were offset by a good performance from Turkey and our Central and Eastern European region.

Organic revenue in Rest of World increased by 4.7% supported by good levels of growth in Australia and LATAM.

Currency

Currency movements, compared to the same quarter last year, had a negative translation impact on revenues and profit in the quarter of £71 million and £6 million respectively. If current spot rates[(1)] were to continue for the remainder of the year, foreign exchange translation would negatively impact 2019 revenue by £745 million and operating profit by £61 million.

Acquisitions and disposals

In the first quarter the Group spent £40 million on acquisitions. Our strategy is to make targeted and disciplined bolt-on acquisitions, focused on our core food offering, which strengthen our capabilities. There continues to be a pipeline of opportunities across the Group.

Following approval from the EU Competition Commission, we completed the acquisition of Fazer Food Services on 31 January 2020 for an initial cash consideration of approximately €420 million.

We also continued to make progress with the disposal programme and have recently sold 50% of our Japanese Highways business for a consideration of £55 million, with agreement to sell the remainder over the next three years. We expect to make further progress with disposals throughout the year.

Outlook

We have had an encouraging start to the year and our outlook for 2020 remains unchanged with organic growth around the mid-point of our 4-6% guidance range whilst maintaining our strong margin(2). In the longer-term, we remain excited about the significant structural growth opportunities globally, and the potential for further revenue and profit growth combined with further returns to shareholders.

(1) As at 31 January 2020
(2) Pre IFRS16

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Compass will hold a conference call for investors and analysts today at 8:00 am (U.K. time).

Participant dial in number:

UK Toll Number: +44 (0) 330 336 9105
UK Toll-Free Number: 0800 358 6377

US Toll Number: +1 323 794 2093
US Toll-Free Number: +1 866 548 4713

Pin number: 1985178

Replay dial in number (available until 14 February 2020):

UK Toll Number: +44 (0) 207 660 0134
UK Toll-Free Number: 0808 101 1153

US Toll Number: +1 719 457 0820
US Toll-Free Number: +1 888 203 1112

Pin number: 1985178

Enquiries

Investors	Kate Postans, Simon Bielecki & Agatha Donnelly	+44 (0) 1932 573000
Press	Tim Danaher & Fiona Micallef-Eynaud, Brunswick	+44 (0) 207 404 5959
Website	www.compass-group.com	

Note to Editors

a) Compass Group PLC is the world's leading food service company, which generated annual revenues of £25.2 billion in the year to 30 September 2019. It operates in around 45 countries, employs and engages over 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.

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.