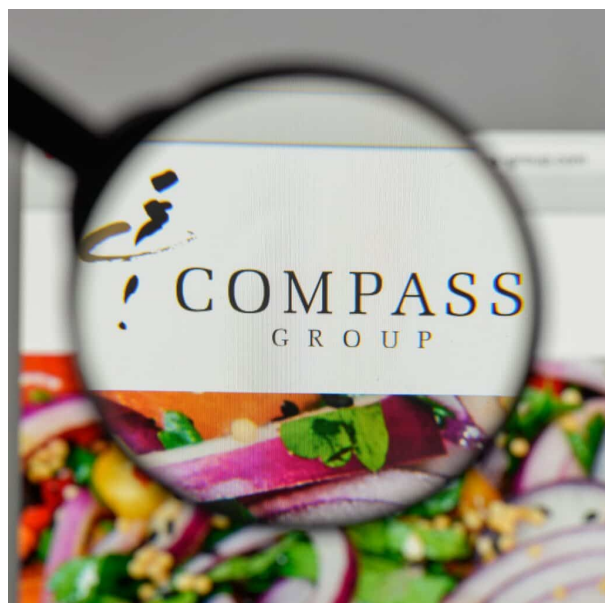


Compass Group provides Third Quarter Trading Update

2 years ago



Compass Group PLC, a global leader in food services, today announces trading results for the third quarter ended 30 June 2023.

Group and regional performance

Our third quarter performance was strong with organic revenue growth of 15%, despite lapping higher comparators due to recovery of base volumes.

Year to date organic revenue growth was 21%, benefiting from excellent client retention of 96.7%, balanced net new business growth of 5%, appropriate pricing of 7% and strong like-for-like volume growth of 9%.

Organic revenue growth ¹	Q3 2023	Q3 YTD 2023
North America	14%	20%
Europe	17%	24%
Rest of World	20%	25%

Group	15%	21%
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Outsourcing trends remain strong and are contributing to an exciting pipeline of new business opportunities across all our regions. Whilst inflation remains elevated, we are making margin progress by mitigating cost pressures, pricing appropriately and benefiting from operational leverage.

Acquisitions and disposals

We continue to focus on bolt-on acquisitions that support our capabilities and further strengthen our competitive advantage. Year to date, the Group's net expenditure on acquisitions and disposals was £272 million.

Share buyback programme

We have purchased £250 million of the £750 million share buyback programme announced at our HY results in May 2023, the remainder of which will complete by the date of our full year results. Since May 2022, we have announced a cumulative share buyback of £1.5 billion.

Currency

Trading results from our overseas operations are translated at the average exchange rates for the period. If these currency movements² continue for the remainder of the year, foreign exchange translation would positively impact FY 2022 revenue by £593 million and operating profit by £43 million.

As previously announced, from 1 October 2023, the Group will report in US dollars to align with our business exposure and reduce foreign exchange volatility on earnings. Restated financials are available at www.compass-group.com.

Summary and outlook

We are pleased with our third quarter performance, and we reiterate our FY 2023 guidance. We continue to expect operating profit growth towards 30% on a constant-currency basis, to be delivered through organic revenue growth of around 18% and an underlying operating margin in the range of 6.7% to 6.8%.

Longer term, we expect the growth opportunities to sustain mid-to-high single-digit organic growth and a path back to our historical margin, leading to profit growth above revenue growth. With our proven value creation model, we will continue rewarding shareholders with compounding returns over the long term.

Sustainability deep dive

The Group will present a virtual Sustainability deep dive on 14 September 2023. Details to follow in due course.

¹ Year on year change.

² Based on closing rates as at 20 July 2023.