

Compass AGM and Q1 trading update

2 years ago



[Compass Group PLC](#), a global leader in food services, today announces trading results for the first quarter ended 31 December 2023. The statement is being issued ahead of the Company's Annual General Meeting which will be held at 12 noon today at Twickenham RFU Stadium.

The Group's organic revenue for the three months to 31 December 2023 increased by 11.7%¹ with strong growth across all regions. Like for like volume was better than we anticipated, especially in B&I, with all other growth drivers in line with our expectations when we reported the full year results.

As we focus on the significant structural growth opportunities in our core markets, we have acquired exciting new businesses and continued to reshape our portfolio. Net acquisition expenditure in the first quarter was \$352m, of which most related to the completion of HOFMANN^s in Germany. In January 2024, we agreed to acquire CH&CO in the UK² for an initial enterprise value of c.\$600 million, with annual revenues of c.\$570m, and dispose of our small operations in China.

On 30 January 2024, the Group issued a €750m sustainable bond, maturing in February 2031, the primary purpose of which is to refinance its existing €750m bond maturing in July 2024. As at 7 February 2024, the Group had completed c.\$100m of its share buyback programme of up to \$500m as announced at the full year results in November 2023.

Dominic Blakemore, Group Chief Executive, said:

"We've had a strong start to the year with sustained balanced growth across all regions. Outsourcing trends and volumes were strong despite continued inflationary pressures and some macroeconomic uncertainty.

The Group's good cash generation and balance sheet gives us the flexibility to invest in capex, driving organic growth, and acquire high quality businesses, unlocking further growth and enhancing shareholder returns.

Our 2024 guidance remains unchanged. Underlying operating profit growth is expected to be towards 13%³ delivered through high single-digit organic revenue growth and ongoing margin progression."

¹ *Year on year change.*

² *Subject to regulatory approval.*

³ *On a constant-currency basis, including completed disposals, exits and acquisitions in 2023 and to date in 2024. Excludes any impact from the proposed acquisition of CH&CO.*