



2019 Full Year Results

26 November 2019

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Today's agenda

1. Dominic Blakemore Highlights & regional performance
2. Karen Witts Full year results
3. Dominic Blakemore Strategy & outlook
4. Q&A



Dominic Blakemore
Chief Executive



Highlights

+6.4%

ORGANIC REVENUE GROWTH

+4.7%

OPERATING PROFIT GROWTH
(CONSTANT CURRENCY)

7.4%

OPERATING MARGIN

£1.2bn

FREE CASH FLOW

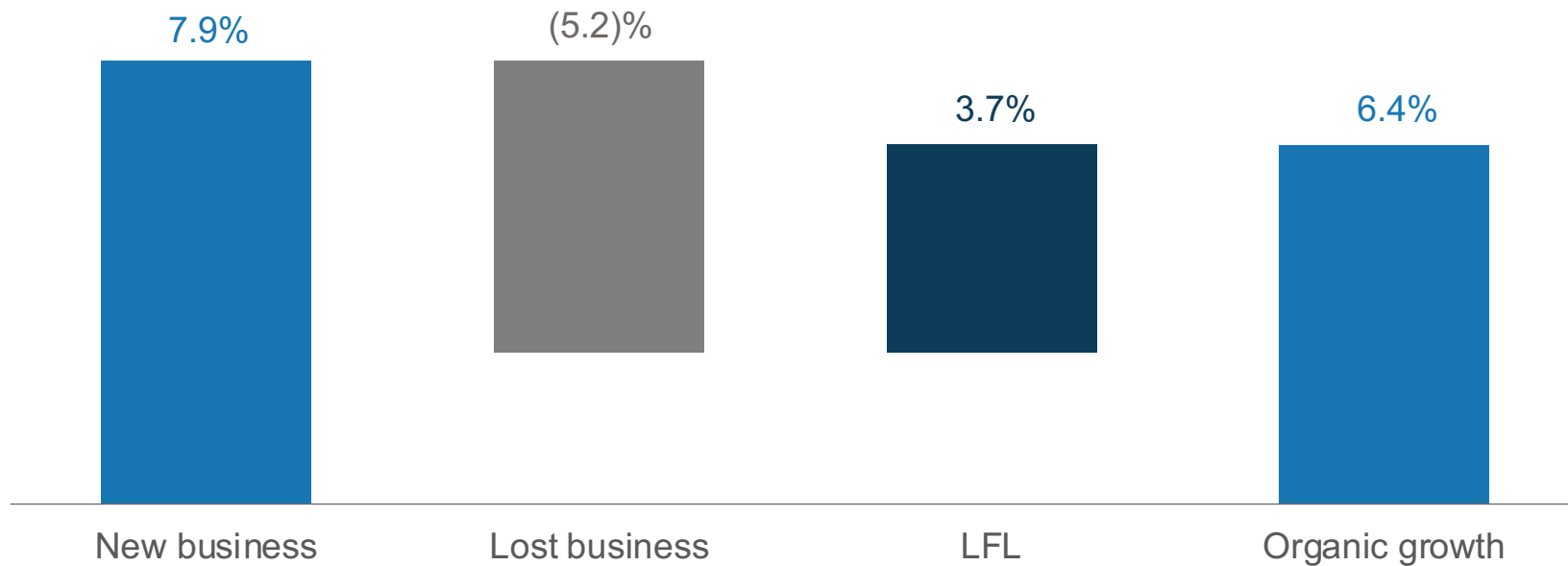
+6.0%

EPS GROWTH
(CONSTANT CURRENCY)

+6.1%

DIVIDEND GROWTH

FY 2019 organic revenue growth



North America

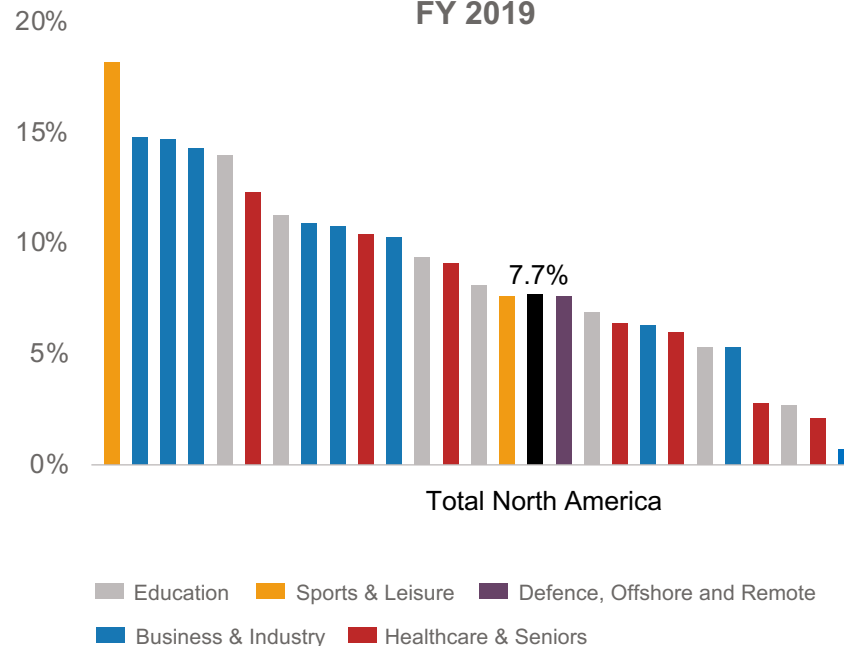
Organic revenue up 7.7%

- Good growth across all sectors
- 40% of new wins from first time outsourcing
- Continued high retention rate of 96.4%

Profit growth of 9.0%*

- Maintained strong margin
- Continuing to offset labour cost inflation

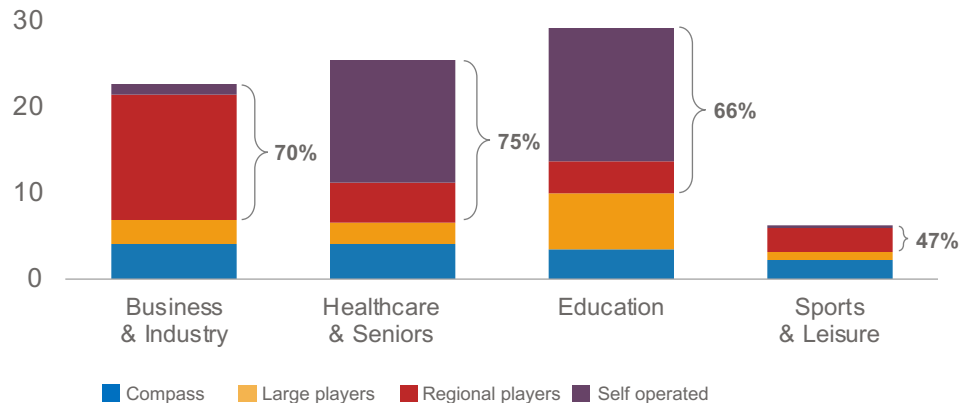
Organic sector growth FY 2019



North America: remains a large growth market

- Significant structural opportunity
 - Market size c.£65bn
 - c.70% self operated / regional players
- High growth in mature B&I sector
- Increasing size of our addressable market
 - Vending
 - New concepts

North America Food Service market



Europe

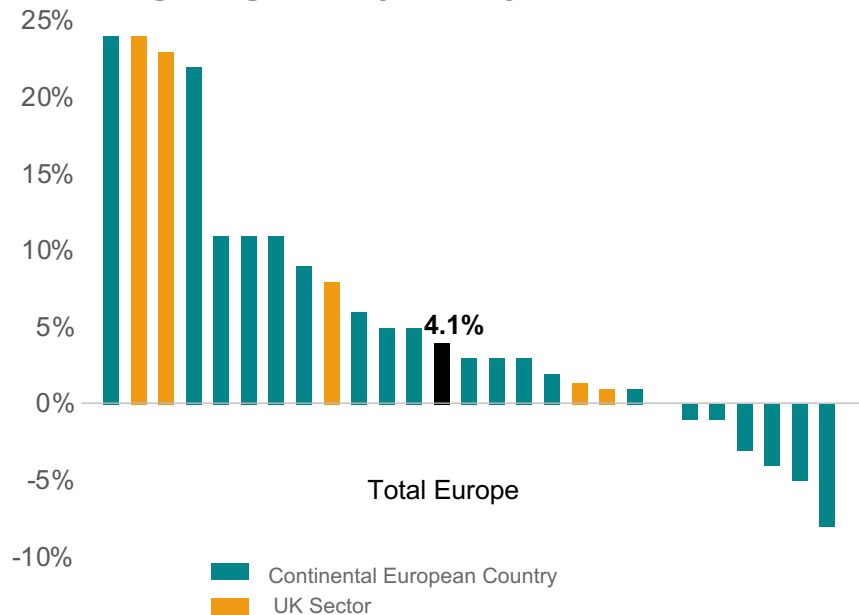
Organic revenue up 4.1%

- UK Defence contracts and strong S&L
- New management team in Continental Europe

Profit decline of 6.6%*

- Margin down 60bps
- Declining B&I volumes & mobilisation costs

Organic growth by country and UK sector**

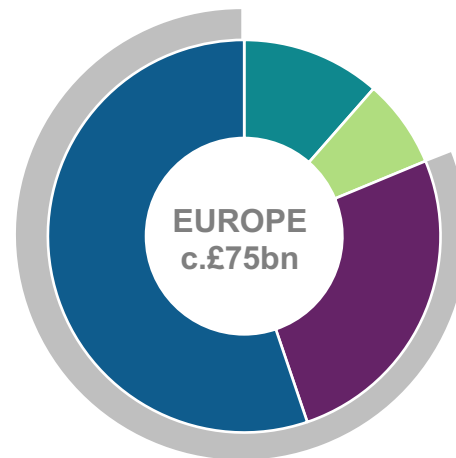


* Constant currency

** UK separated into sectors

Europe: a significant market opportunity

- Regional clusters to improve efficiency
- Exited non-core businesses
- Targeted acquisitions to enhance our food services proposition
- Increase sub-sectorisation
- Relatively low market penetration rates



Structural growth opportunity

■ Compass
 ■ Large players
 ■ Regional players
 ■ Self operated

Europe: positioning for the future

- Deteriorating macro environment
- Prompt action to adjust Europe cost base, extended to certain Rest of World markets
- c.£300m charge, c.£160m cash
- c.£90m annualised benefit from FY21 onwards
- Offset short-term margin pressure and better capitalise on future growth opportunities

IHS Markit Eurozone Manufacturing PMI



Rest of World

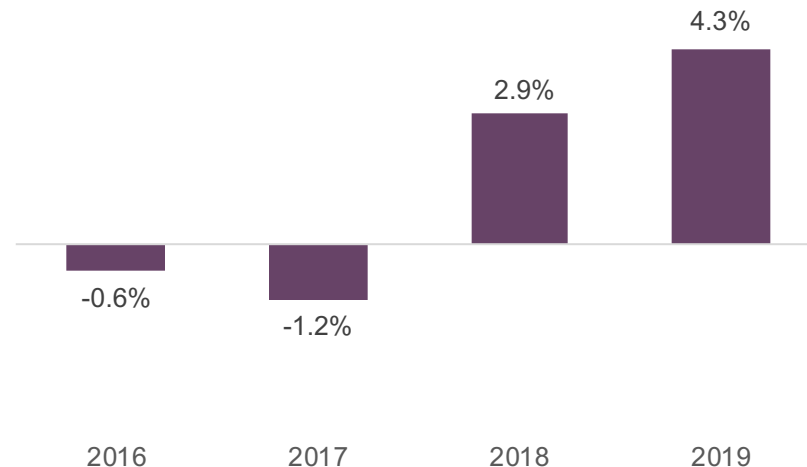
Organic revenue up 4.3%

- Strong performances in Turkey, India and Spanish speaking LATAM
- Offshore & Remote drag reducing

Profit growth of 5.9%*

- Margin up 40bps
- Investment in pricing, purchasing and productivity initiatives

Organic growth



FY 2019 Summary

- Strong year with organic growth of 6.4%
- Excellent progress in North America
- Good growth in Europe despite B&I weakness
- Prompt action to mitigate volume pressures on margin
- Rest of World improving





Karen Witts

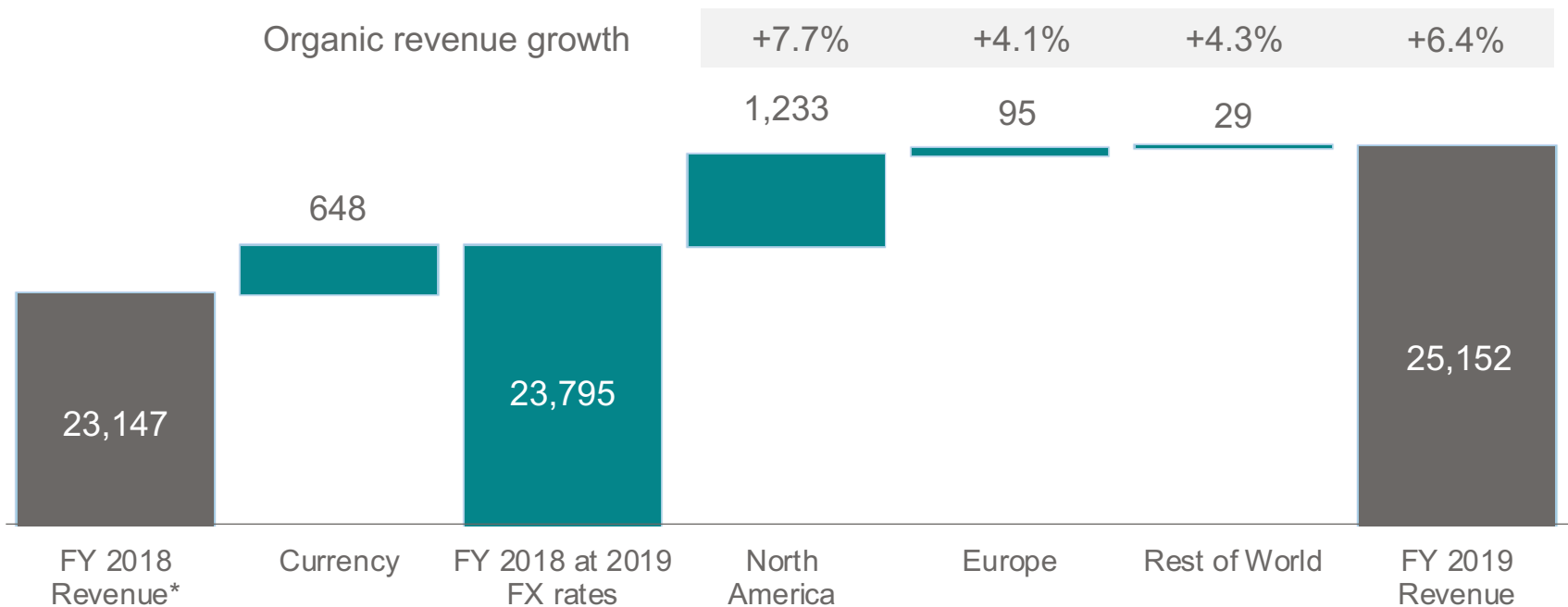
Group Chief Financial Officer



Lovely Restaurants

Revenue

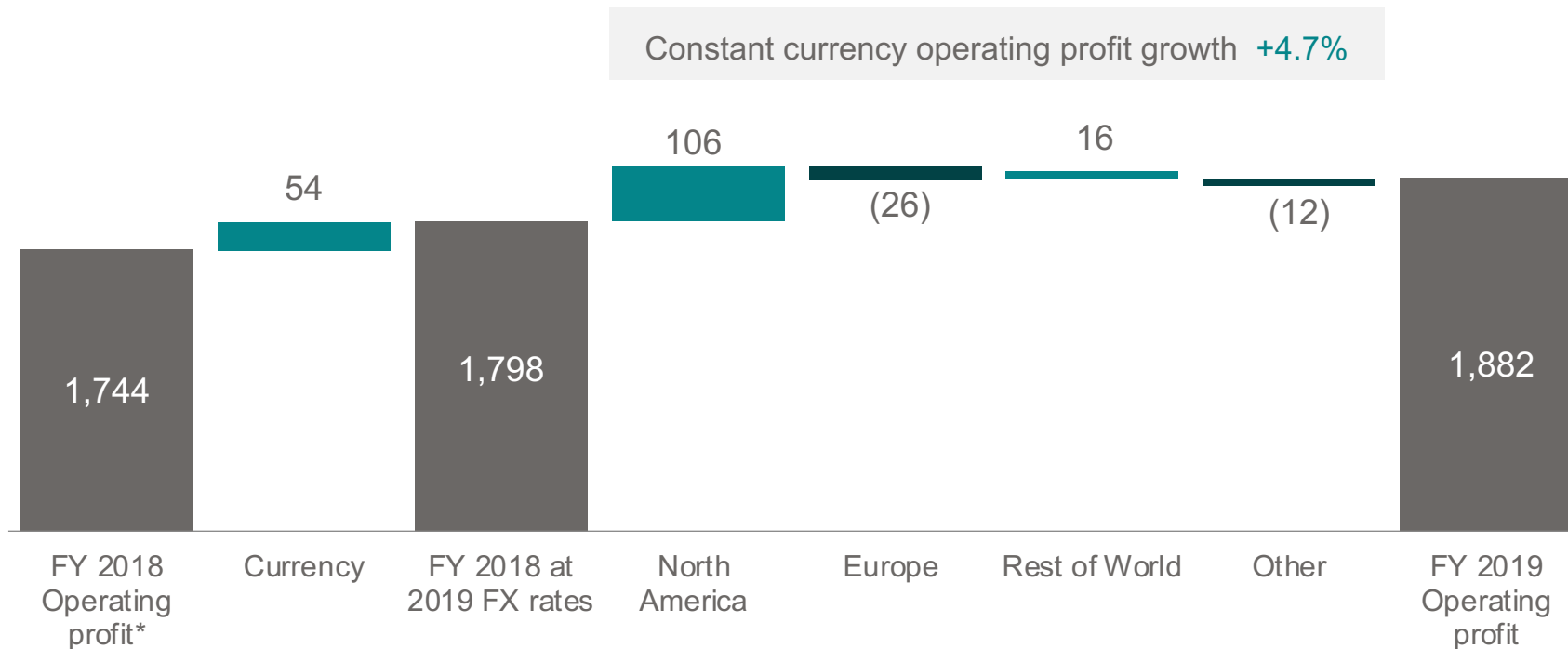
£m



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.
 *2018 comparatives have been restated for adoption of IFRS15.

Operating profit

£m



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.
 *2018 comparatives have been restated for adoption of IFRS15.

Operating profit margin

	2019	2018
North America	8.2%	8.2%
Europe	6.3%	6.9%
Rest of World	7.9%	7.5%
Group	7.4%	7.4%

Cost actions

£m

	FY19	FY20	Total
MAP4 & MAP5 & other	70	c.110	c.180
Onerous contracts	120	0	120
Total charge	190	c.110	c.300
Cash	29	c.130	c.160
Illustrative impact of Europe B&I volume decline	4%	6%	8%
Revenue (£m)	(117)	(176)	(234)
Profit (£m)	(43)	(64)	(85)

- Cash payback c.2 years
- Onerous contracts mainly in Europe B&I
- c.£90m annualised benefit from FY21 onwards
- Underpins our stable margin guidance

Income statement

£m

	2019	2018*
Operating profit	1,882	1,744
Net finance costs	(110)	(114)
Profit before tax	1,772	1,630
Tax	(413)	(388)
Profit after tax	1,359	1,242
Non-controlling interest	(8)	(8)
Attributable profit	1,351	1,234
Average number of shares (millions)	1,586	1,584
Basic earnings per share (pence)	85.2p	77.9p
Dividend per share (pence)	40.0p	37.7p

- 2020 net finance cost expected to be around £110m

- FY19 tax rate 23.3%
- 2020 tax rate expected to be around 24%

- Constant currency EPS growth of 6.0%
- DPS growth of 6.1% in line with our policy

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.
*2018 comparatives have been restated for adoption of IFRS15.

Operating cash flow

£m

	2019	2018*
Operating profit	1,882	1,744
Depreciation and amortisation	577	521
Net capital expenditure	(806)	(757)
Net cash flow	1,653	1,508
Net cash flow conversion	88%	86%
Trade working capital	59	126
Provisions	(12)	(45)
Other	(7)	(9)
Operating cash flow	1,693	1,580
Operating cash flow conversion	90%	91%

- D&A up slightly due to our investments in capex

- FY19 Gross capex 3.4%
- FY20 Gross capex up to 3.5%

Free cash flow

£m

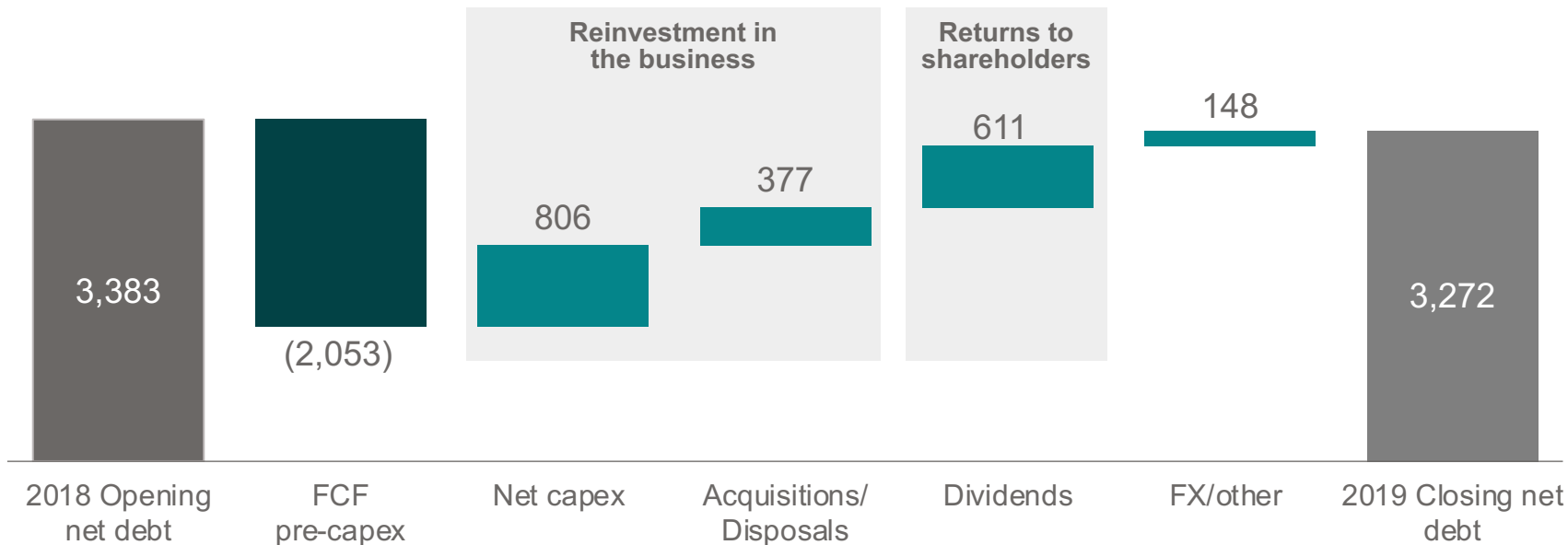
	2019	2018*
Operating cash flow	1,693	1,580
Post-employment benefits	(15)	(8)
Net interest	(107)	(95)
Net tax	(328)	(323)
Other	4	(13)
Free cash flow	1,247	1,141
Free cash flow conversion	66%	65%

- FY20 expected to be £20m

- FY19 cash tax 19%
- FY20 expected to be c.28% due to change to UK tax payment terms

Net debt

£m



Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.

Portfolio

	SALES AND EXITS COMPLETED	TOTAL PORTFOLIO UNDER REVIEW
Annual revenue	c.£670m	c.£1.2bn
Operating margin	c.4%	c.7%
Proceeds	c.£130m	

For organic growth modelling purposes

- Total disposals to be removed from FY 2019: Revenues £240m, operating profit £13m
- Total acquisitions to be added to FY 2019: Revenues £151m, operating profit £10m

Capital allocation model remains unchanged



* Pre IFRS16. This is expected to increase to c.1.8x on a post IFRS16 basis.



Dominic Blakemore
Chief Executive



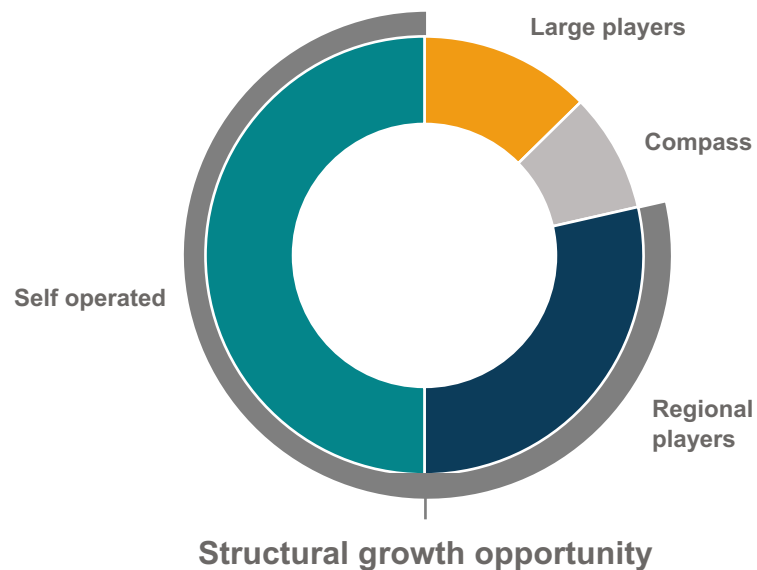


Global market leader

Leveraging our competitive advantages

- Food focused
- Decentralised / flexible structure
- Sectorisation and sub-sectorisation approach
- Unique scale in purchasing and overheads
- Performance based culture
- Attractive partner for pilots at scale

Global food services market
c. £200bn*



*Market data figures based on Compass Group management estimates

PORTFOLIO



An even more focused business

Disposals



South Africa



Japan S&L



Egypt



UK security

Growth opportunities

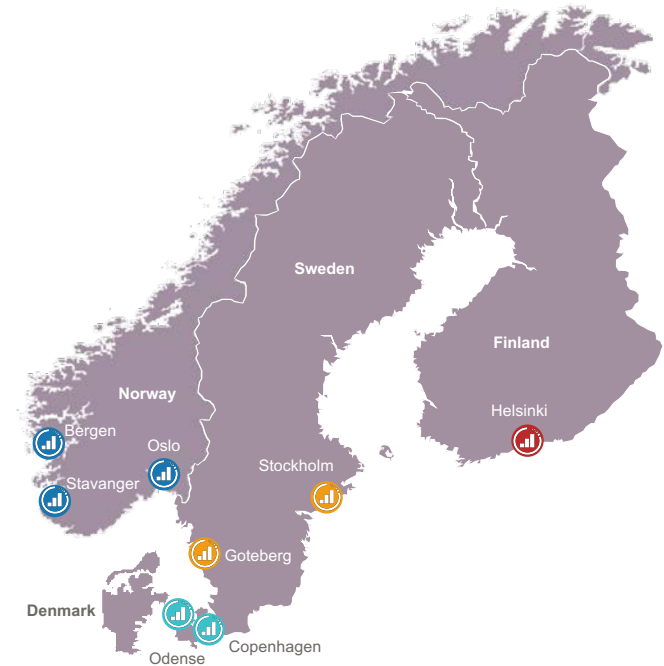


Fazer
Food
Services



Proposed acquisition of Fazer Food Services

- Leading contract catering business in the Nordics
- Clear focus on food
- B&I, Education, Healthcare and Defence
- Excellent strategic fit with Compass
- Large addressable market opportunity
- Subject to EU Competition Commission approval

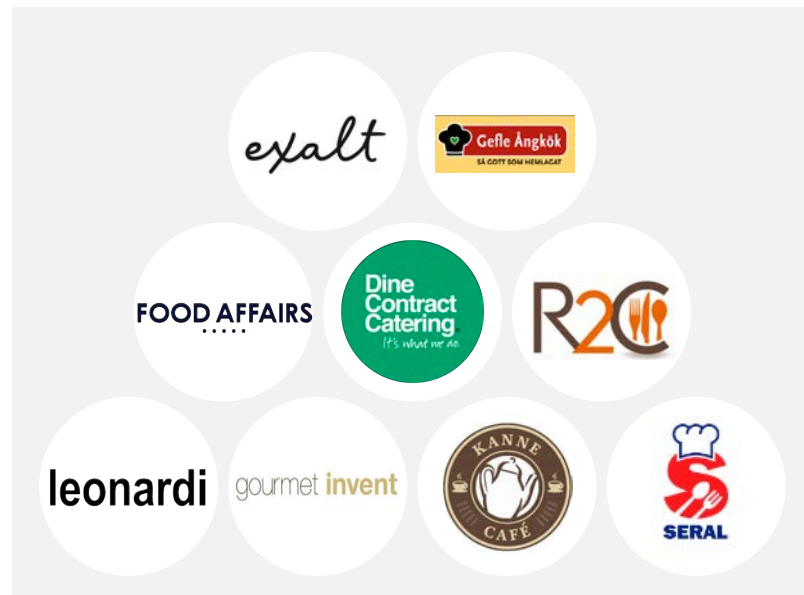


PORTFOLIO

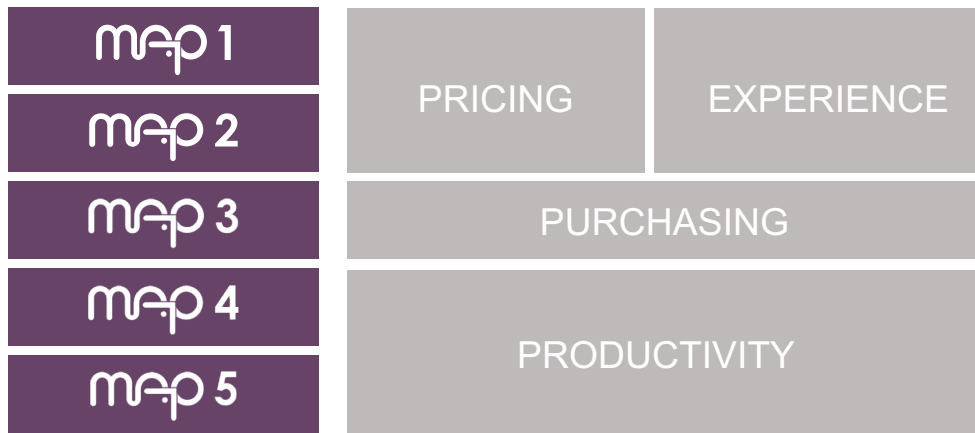


Building our portfolio in Europe

- Sectorisation and sub-sectorisation key to North American success
 - 26 strong brands across 5 sectors
- Investing to broaden our core European offering
- High-quality & innovative brands
- Enables further sub-sectorisation
- Builds scale and in-house expertise



PERFORMANCE



UNDERPINNED BY DIGITAL & TECHNOLOGY

Sharing Best Practice

- 

BLUEPRINT
Codifying the approach and processes
- 

PLAYBOOK
Providing tools and templates to support delivery
- 

MATURITY MATRIX
Defining 'must have' foundations
- 

KPIs
Core metrics to track and measure progress

MAP 1 & MAP 2



Growth acceleration

- Creates a virtuous circle of growth
- Builds on existing best practices
- Drive like for like sales
- Increase retention
- Blueprints, tools and training to support our businesses



EXPERIENCE



Responding to changing consumer dynamics

- Increasing demand for variety / convenience
- Investing in new concepts
- Building on our scale and market presence
- Relevant for certain market segments
- c.\$250m revenue and profitable
- Natural evolution for part of our business

Pop ups
Aggregator

FOODWORKS
THE BEST OF LOCAL

Compass
owned delivery

CATERING BY
CXRA
RESTAURANT ASSOCIATES

live feed.
🍴💡

OCCASIONS
CATERERS

cosmopolitan catering

Pilot partnerships

EXPERIENCE



FOODWORKS

- Aggregator for popular local restaurants
- Pop ups in client sites:
 - Additional variety
 - Supplement existing offer
 - Serve clients without kitchens
- 21 cities, 7 sub-sectors
- Earn commission based on sales
- Strict qualifying criteria, health and food safety audits



MAP 3



Procurement best practice

- Blueprint based on best-in-class purchasing
- Focused on category management
- Closer alignment between purchasing and operations
- Supporting countries with right expertise
- UK common ordering platform - Foodbuy Online
 - FY19: 136m items ordered worth £800m



PEOPLE



Progressing our People agenda

Highly engaged colleagues



Compass
Commitments

Global Engagement
Survey in 38
countries

Exceptional Leadership

Stronger evaluation
and onboarding

70% of our vacancies
filled internally

Best unit management



Trained 2,000
unit managers

Diversity and inclusion

Improved gender
balance at all
leadership levels

Unconscious
Bias Training



PURPOSE



Health and wellbeing

Better nutrition choices

Mental Health

Healthy lifestyle

Environmental game changers

Food waste

Single-use plastics

Plant-forward meals

Better for the world

Sourcing responsibly

Enriching local communities

Collaborating for big change

Safety culture (caring for our people)

PURPOSE



Health & Wellbeing



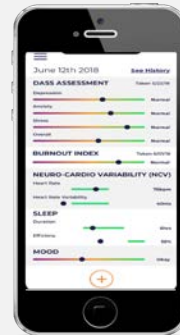
Nutrition choices / plant-based

- Reducing sugar, fat and salt
- Healthy eating programmes
- Nourished Life recipes
- Teaching kitchens



Mental health

- Raising awareness and training
- Mental wellness ambassadors
- Piloting biometric mental health monitoring programme

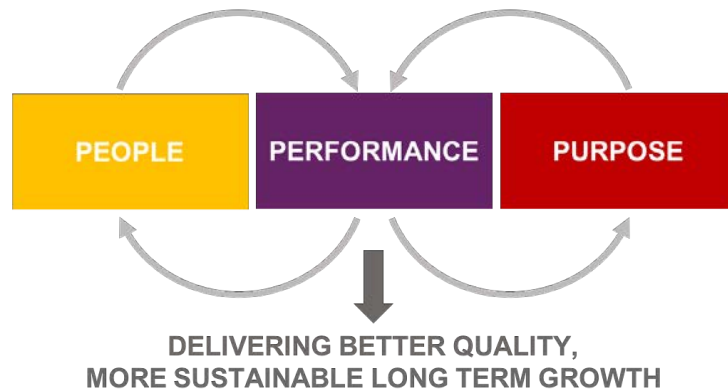


Outlook

- Continued disciplined strategic focus on our 3Ps
- Significant structural growth opportunities globally

FY20

- Positive expectations, although cautious on Europe
- North America pipeline is strong
- Rest of World improving
- Mitigating B&I volume pressures
- Organic growth around the middle of 4-6% range with stable margin



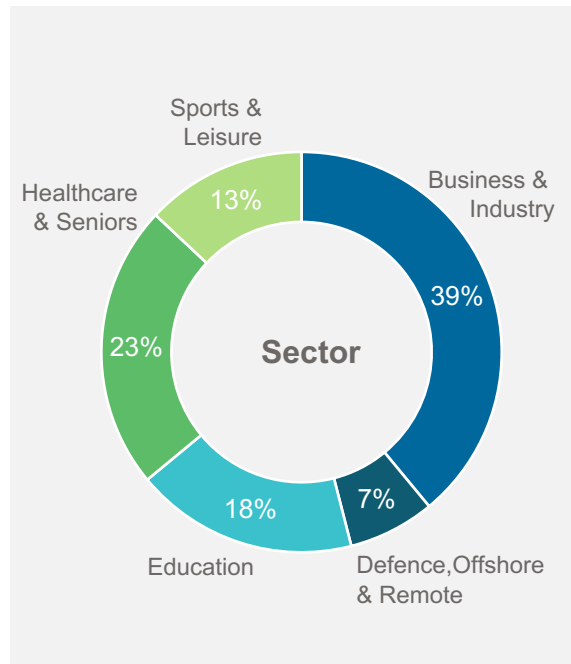
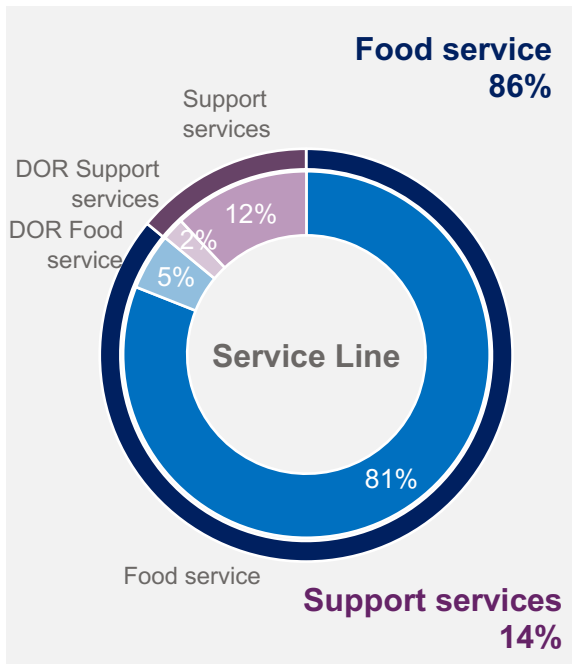
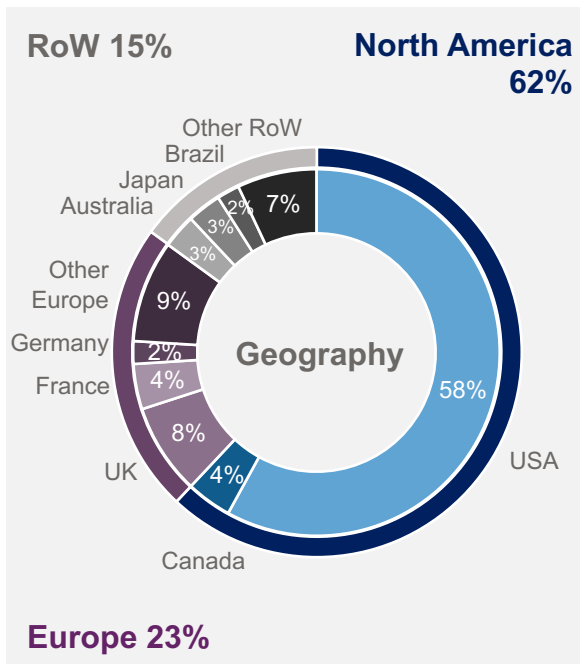
Supplementary information



2020 guidance for modelling purposes

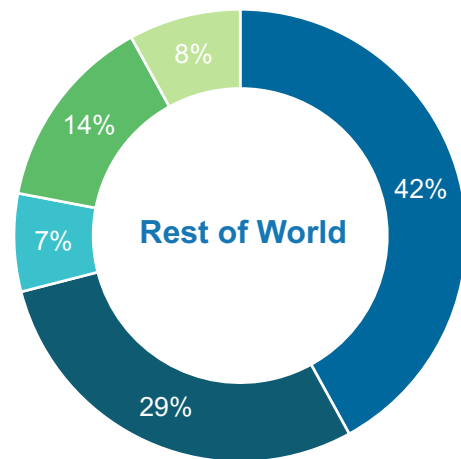
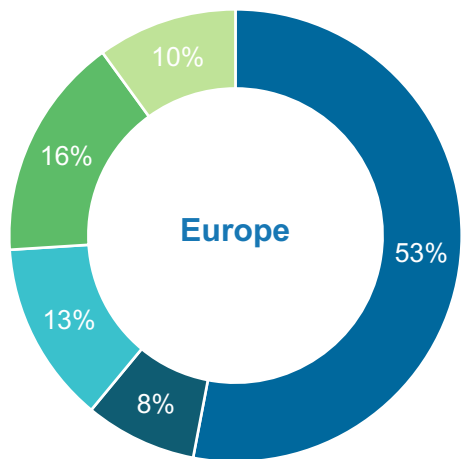
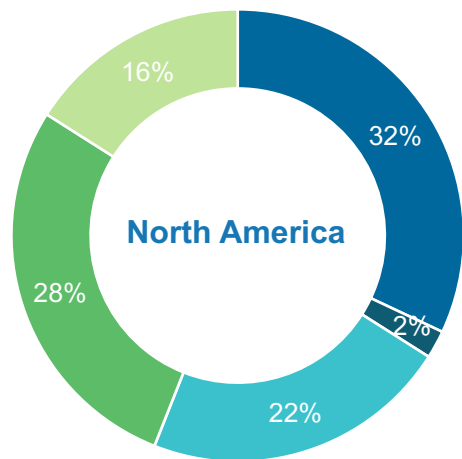
Interest charge	c.£110m
P&L tax rate	c.24%
Cash tax rate	c.28%
Gross capex	Up to 3.5% of revenues
Post-employment cash contribution	c.£20m
Foreign exchange impact on 2019 EBIT (at current spot rates)	£(26)m

Revenue



Notes: Based on underlying performance, definitions on page 59 and 60.

Geographic revenue by sector



Business & Industry
 Healthcare & Seniors
 Education
 Sports & Leisure
 Defence, Offshore & Remote

Geographic financials

£m	North America	Europe	Rest of World	Other ¹	Total
2019					
Revenue	15,694	5,854	3,604		25,152
<i>Organic growth</i>	7.7%	4.1%	4.3%		6.4%
Operating profit	1,290	368	285	(61)	1,882
<i>Margin</i>	8.2%	6.3%	7.9%		7.4%
Cash flow	1,136	377	272	(538)	1,247
Cash flow conversion	88%	102%	95%		66%
ROCE	26.6%	9.8%**	29.5%		19.5%
2018*					
Revenue	13,718	5,762	3,667		23,147
<i>Organic growth</i>	7.8%	2.1%	2.9%		5.5%
Operating profit	1,123	395	276	(50)	1,744
<i>Margin</i>	8.2%	6.9%	7.5%		7.4%
Cash flow	1,023	407	200	(489)	1,141
Cash flow conversion	91%	103%	72%		65%
ROCE	28.4%	10.8%**	27.8%		20.2%

Notes: Based on underlying performance, definitions on page 59 and 60.

¹ Other operating profit includes unallocated overheads £80m (2018: £70m), and share of profit from associates £19m (2018: £20m). Other cash flows includes net interest and tax.

* 2018 comparatives have been restated for adoption of IFRS15. ** Excluding goodwill arising from the Granada merger in 2000, ROCE would be 17.9% (2018: 20.4%)

Dividend cover

	2019	2018	2017	2016	2015
Per share (pence)					
Dividend (interim plus final)	40.0p	37.7p	33.5p	31.7p	29.4p
Underlying earnings	85.2p	77.9p	72.3p	61.1p	53.7p
Dividend earnings cover	2.1x	2.1x	2.2x	1.9x	1.8x
Cash (£m)					
Cash cost of ordinary dividend (in the year)	611	548	531	496	457
Underlying free cash flow	1,247	1,141	974	908	722
Dividend cash cover	2.0x	2.1x	1.8x	1.8x	1.6x

Notes: Based on underlying performance, definitions on page 59 and 60.

Balance sheet

Overview (£m)	2019	2018*
Goodwill	4,576	4,270
Other non-current assets	3,776	3,285
Working capital	(1,381)	(1,227)
Net Assets held for sale	160	164
Provisions	(489)	(394)
Post employment benefit obligations	189	122
Current tax payable	(159)	(158)
Deferred tax	(38)	(12)
Net debt	(3,272)	(3,383)
Net assets	3,362	2,667
Shareholders' equity	3,335	2,642
Non-controlling interests	27	25
Total equity	3,362	2,667

Notes: * 2018 comparatives have been restated for adoption of IFRS15.

Financing

Components of net debt

	£m
Bonds	2,348
Private placements	1,338
Bank loans	5
	3,691
Finance leases	3
Other loans and fair value accounting adjustments	154
Derivatives	(195)
Gross debt	3,653
Cash net of overdrafts	(381)
Closing net debt at 30 September 2019	3,272

Financing

Principal borrowings	Coupon	Maturing in Financial Year	Drawn £m
Bonds			
€500m	1.875%	2023	442
€750m	0.625%	2024	664
£250m	2.000%	2025	250
£250m	3.850%	2026	250
€500m	1.500%	2028	442
£300m	2.000%	2029	300
Total			2,348
US private placements			
\$750m (2011 Notes)	3.98% - 4.12%	2022 - 2024	609
\$500m (2014 Notes)	3.09% - 3.81%	2020 - 2025	405
\$400m (2015 Notes)	3.54% - 3.64%	2025 - 2027	324
Total			1,338
Bank loans			
£2,000m syndicated facility		2024	0
Total			3,686

Notes: Based on borrowings as at 30 September 2019. Interest rates shown are those in force on the date the debt was issued.

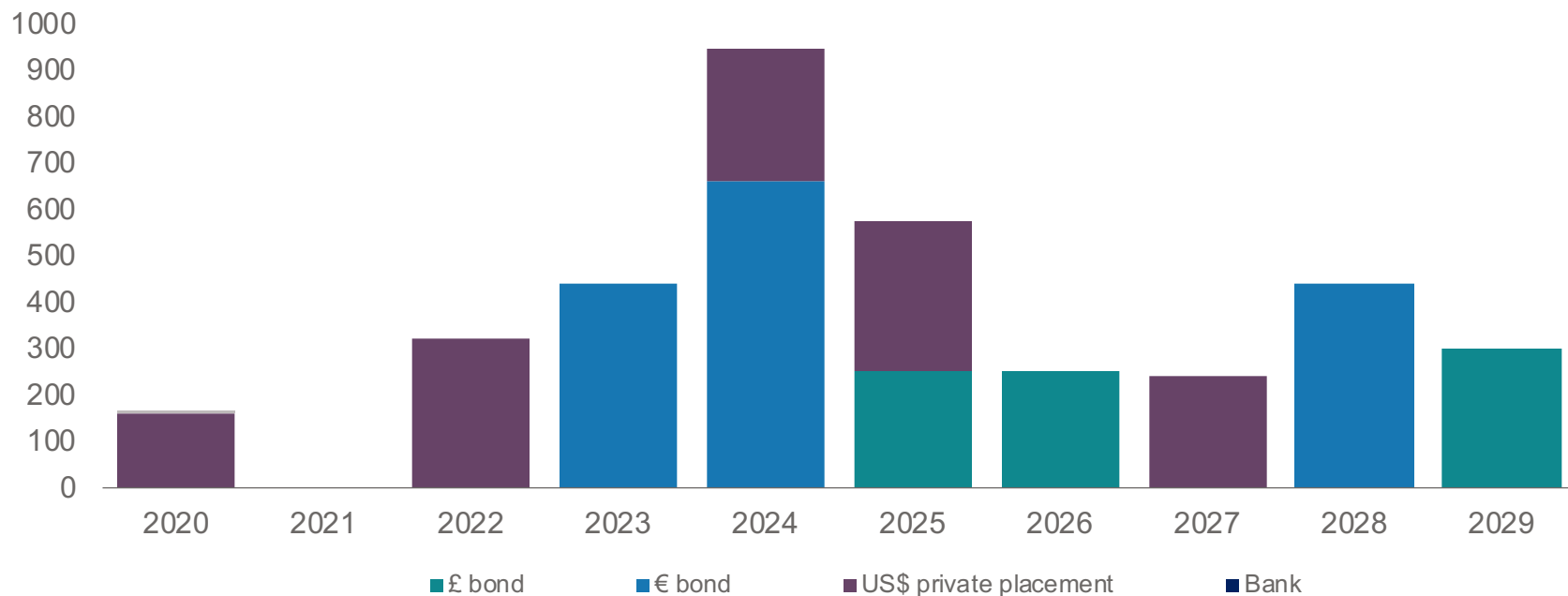
The Group uses interest rate swaps to manage its effective interest rate.

No other adjustments have been made for hedging instruments, fees or discounts.

Bonds, private placements and bank loans are held by Compass Group PLC apart from the €750m 2024 & €500m 2028 bonds which are held by CGFN BV, which is a wholly owned subsidiary.

Financing

£m



Notes: Based on borrowings and facilities in place as at 30 September 2019, maturing in the financial year ending 30 September.
The average life of the Group's principal borrowings is 5.4 years (2018: 5.4 years)

Financing

Debt ratios and credit ratings

Ratings		Outlook	Confirmed
Standard & Poors	A	Stable	11 Mar 19
Moody's	A3	Stable	26 Mar 19
Fitch (unsolicited)	A-	Stable	28 Feb 19

Ratios	2019	2018
Net debt ¹ / EBITDA ²	1.3x	1.5x
EBITDA ² / net interest ³	22.5x	19.6x

Notes: 1. EBITDA includes share of profit of associates and profit from discontinued business but excludes exceptional profits and is adjusted where necessary for covenant definitions.

2. Interest excludes the element of finance charges resulting from hedge accounting ineffectiveness and the change in the fair value of investments.

Currency impact on operating profit

£m

	FY 2019	FY 2018
USD	(13)	61
EUR	(6)	-
CAD	(1)	1
AUD	(3)	(2)
BRL	(3)	(2)
JPY	-	3
TRY	(1)	(3)
Other	-	(4)
Total currency impact	(26)	54

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60.

FY19 profit impact assumes current spot rates for the full year

Exchange rates

Rates used in consolidation

	Income Statement ¹		Balance Sheet ²	
	2019 per £	2018 per £	2019 per £	2018 per £
Australian Dollar	1.81	1.77	1.83	1.80
Brazilian Real	4.96	4.73	5.13	5.21
Canadian Dollar	1.69	1.73	1.63	1.69
Chilean Peso	875.59	850.39	897.37	860.15
Euro	1.13	1.13	1.13	1.12
Japanese Yen	140.53	149.06	133.18	148.12
New Zealand Dollar	1.92	1.93	1.97	1.97
Norwegian Krone	11.02	10.88	11.20	10.62
Turkish Lira	7.16	5.92	6.96	7.83
UAE Dirhams	4.69	4.95	4.53	4.79
US Dollar	1.28	1.35	1.23	1.30

Notes: 1. Income statement uses average monthly closing rates for the 12 months to 30 Sept.

2. Balance sheet uses the closing rate as at 30 Sept.

Exchange rates

Effect on 2019 revenue and profit

US DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.53	(2,432)	(204.1)
1.48	(2,012)	(168.8)
1.43	(1,562)	(131.0)
1.38	(1,079)	(90.5)
1.33	(560)	(47.0)
1.28	-	-
1.23	605	50.8
1.18	1,262	105.9
1.13	1,978	165.9
1.08	2,759	231.5

CANADIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.94	(111)	(8.1)
1.89	(91)	(6.7)
1.84	(70)	(5.2)
1.79	(48)	(3.6)
1.74	(25)	(1.8)
1.69	-	-
1.64	26	1.9
1.59	54	4.0
1.54	84	6.2
1.49	115	8.5

EURO

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
1.38	(536)	(38.3)
1.33	(445)	(31.8)
1.28	(347)	(24.8)
1.23	(241)	(17.2)
1.18	(125)	(9.0)
1.13	-	-
1.08	137	9.8
1.03	287	20.5
0.98	453	32.3
0.93	636	45.4

Notes: Cumulative revenue and operating profit change arising by restating the 2019 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

Exchange rates

Effect on 2019 revenue and profit

AUSTRALIAN DOLLAR

£m cumulative change for an incremental 5 cent movement

Exchange Rate	Revenue Change	Profit Change
2.06	(83)	(8.2)
2.01	(68)	(6.8)
1.96	(52)	(5.2)
1.91	(36)	(3.6)
1.86	(18)	(1.8)
1.81	-	-
1.76	19	1.9
1.71	40	4.0
1.66	62	6.1
1.61	85	8.4

BRAZILIAN REAL

£m cumulative change for an incremental 20 centavo movement

Exchange Rate	Revenue Change	Profit Change
5.96	(85)	(5.5)
5.76	(71)	(4.6)
5.56	(55)	(3.6)
5.36	(38)	(2.5)
5.16	(20)	(1.3)
4.96	-	-
4.76	21	1.4
4.56	45	2.9
4.36	70	4.6
4.16	98	6.4

JAPANESE YEN

£m cumulative change for an incremental 10 yen movement

Exchange Rate	Revenue Change	Profit Change
190.53	(200)	(15.1)
180.53	(169)	(12.7)
170.53	(134)	(10.1)
160.53	(95)	(7.1)
150.53	(51)	(3.8)
140.53	-	-
130.53	58	4.4
120.53	127	9.5
110.53	207	15.6
100.53	304	22.8

Notes: Cumulative revenue and operating profit change arising by restating the 2019 full year revenue and operating profit of the relevant currency for the incremental changes in exchange rates shown.

FY 2018 income statement restated for IFRS15

£m

	FY 2018 reported	IFRS15 adjustment	FY 2018 restated
Revenue	23,239	(92)	23,147
Operating profit	1,741	3	1,744
Net finance costs	(114)	-	(114)
Profit before tax	1,627	3	1,630
Tax	(390)	2	(388)
Profit after tax	1,237	5	1,242
Non-controlling interest	(8)	-	(8)
Attributable profit	1,229	5	1,234
Average number of shares (millions)	1,584		1,584
Basic earnings per share (pence)	77.6p	0.3p	77.9p

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 58 and 59.

FY 2018 operating cash flow restated for IFRS15

£m

	FY 2018 reported	IFRS15 adjustment	FY 2018 restated
Operating profit	1,741	3	1,744
Depreciation and amortisation	500	21	521
Net capital expenditure	(757)	-	(757)
Net cash flow	1,484	24	1,508
Net cash flow conversion	85%		86%
Trade working capital	147	(21)	126
Provisions	(45)	-	(45)
Other	(6)	(3)	(9)
Operating cash flow	1,580	-	1,580
Operating cash flow conversion	91%		91%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions page 59 and 60

HY 2019 operating cash flow restated for IFRS15

£m

	HY 2019 reported	IFRS15 adjustment	HY 2019 restated
Operating profit	951		951
Depreciation and amortisation	289	(6)	283
Net capital expenditure	(395)		(395)
Net cash flow	845	(6)	839
Net cash flow conversion	89%		89%
Trade working capital	(83)		(83)
Provisions	(10)		(10)
Other	(6)	6	-
Operating cash flow	746		746
Operating cash flow conversion	78%		78%

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise, see definitions on page 59 and 60

Turkey Restatement

£m		FY EUROPE			FY ROW		
		2019	2018	2017	2019	2018	2017
Revenue	Old	5,854	5,762	5,598	3,604	3,667	3,932
	Net restatement	306	288	313	(306)	(288)	(313)
	New	6,160	6,050	5,911	3,298	3,379	3,619
Organic revenue growth	Old	4.1%	2.1%	0.9%	4.3%	2.9%	-1.2%
	New	5.1%	3.0%	1.6%	2.4%	1.4%	-2.5%
Operating profit	Old	368	395	411	285	276	265
	Net restatement	21	19	17	(21)	(19)	(17)
	New	389	414	428	264	257	248
Margin	Old	6.3%	6.9%	7.3%	7.9%	7.5%	6.7%
	New	6.3%	6.8%	7.2%	8.0%	7.6%	6.9%
Cash Flow	Old	377	407	345	272	200	217
	Net restatement	3	13	15	(3)	(13)	(15)
	New	380	420	360	269	187	202
ROCE	Old	9.8%	10.8%	11.5%	29.5%	27.8%	23.5%
	New	10.0%	10.9%	11.4%	31.8%	29.8%	26.1%

Turkey Restatement

£m		HY EUROPE			HY ROW		
		2019	2018	2017	2019	2018	2017
Revenue	Old	2,976	2,905	2,860	1,801	1,855	1,965
	Net restatement	154	167	163	(154)	(167)	(163)
	New	3,130	3,072	3,023	1,647	1,688	1,802
<i>Organic revenue growth</i>	Old	5.5%	0.5%	1.0%	3.2%	3.4%	-3.8%
	New	6.4%	1.5%	1.6%	1.4%	1.7%	-5.1%
Operating profit	Old	192	197	215	121	124	124
	Net restatement	13	13	11	(13)	(13)	(11)
	New	205	210	226	108	111	113
Margin	Old	6.5%	6.8%	7.5%	6.7%	6.7%	6.3%
	New	6.5%	6.8%	7.5%	6.6%	6.6%	6.3%
Cash Flow	Old	171	186	195	119	82	81
	Net restatement	(1)	6	5	1	(6)	(5)
	New	170	192	200	120	76	76

Definitions

Capital employed	Total equity shareholders' funds adjusted for net debt, post employment benefit obligations net of associated deferred tax, amortised intangibles arising on acquisition, impaired goodwill and excluding the Group's non-controlling partners' share of net assets and net assets of discontinued operations.
Constant currency	Restates the prior year results to the current year's average exchange rates.
EM & OR restructuring	Emerging Markets and Offshore & Remote restructuring.
Free cash flow	Calculated by adjusting operating profit for non-cash items in profit, cash movements in provisions, contract prepayments and costs to obtain client contracts, post employment benefit obligations and working capital, cash purchases and proceeds from disposal of non-current assets, net cash interest, net cash tax, dividends received from joint ventures and associated undertakings, and dividends paid to non-controlling interests.
Free cash flow conversion	Underlying free cash flow expressed as a percentage of underlying operating profit.
Gross capital expenditure	Includes the purchase of intangible assets, contract fulfilment assets, property, plant and equipment and investment in contract prepayments. Assets purchased under finance leases were included in gross capital expenditure until 2019.
Like for like revenue growth	Calculated by adjusting organic revenue growth for new business wins and lost business.
Net capital expenditure	Gross capital expenditure less proceeds from sale of property, plant and equipment, intangible assets and cash proceeds from derecognition of contract fulfilment assets and contract prepayments.
Net debt	Bank overdrafts, bank and other borrowings, finance leases and derivative financial instruments, net of cash and cash equivalents.
Net debt to EBITDA	Net debt divided by underlying EBITDA.
NOPAT	Net operating profit after tax (NOPAT) is calculated as underlying operating profit from continuing operations less operating profit of non-controlling interests before tax, net of income tax at the underlying rate of the year.
Organic profit growth	Calculated by adjusting underlying operating profit for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates) and compares the current year results against the prior year. In addition, where applicable, a 53rd week has been excluded from the prior year's underlying operating profit.
Organic profit	Calculated by adjusting underlying operating profit for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates).
Organic revenue	Calculated by adjusting underlying revenue for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates).
Organic revenue growth	Calculated by adjusting underlying revenue for acquisitions (excluding current year acquisitions and including a full period in respect of prior year acquisitions), sale and closure of businesses (excluded from both periods) and exchange rate movements (translating the prior period at current year exchange rates) and compares the current year results against the prior year. In addition, where applicable, a 53rd week has been excluded from the prior year's underlying revenue.

Definitions

ROCE	Return on capital employed (ROCE) divides NOPAT by the 12 month average capital employed.
Specific adjusting items	<ul style="list-style-type: none"> • acquisition related costs; • one-off pension charge; • cost action programme charge; • tax on share of profit of joint ventures; • gain/(loss) on sale and closure of businesses; • other financing items including hedge accounting ineffectiveness and change in the fair value of investments
Underlying basic earnings per share	Excludes specific adjusting items and the tax attributable to those items.
Underlying cash tax rate	Based on underlying cash tax and underlying profit before tax.
Underlying depreciation and amortisation	Excludes specific adjusting items.
Underlying EBITDA	Based on underlying operating profit, adding back underlying depreciation and amortisation of intangible assets and contract prepayments.
Underlying effective tax rate	Based on underlying tax charge and underlying profit before tax.
Underlying free cash flow	Free cash flow adjusted for costs in the year relating to the 2019 cost action programme.
Underlying net finance cost	Excludes specific adjusting items.
Underlying operating margin - Group	Based on underlying revenue and underlying operating profit excluding share of profit after tax of associates.
Underlying operating margin - Region	Based on underlying revenue and underlying operating profit excluding share of profit after tax of associates and EM & OR restructuring.
Underlying operating profit - Group	Includes share of profit after tax of associates and profit before tax of joint ventures but excludes the specific adjusting items.
Underlying operating profit - Region	Includes share of profit before tax of joint ventures but excludes the specific adjusting items, profit after tax of associates and EM & OR restructuring.
Underlying profit before tax	Excludes specific adjusting items.
Underlying revenue	The combined sales of Group and share of joint ventures.
Underlying tax charge	Excludes tax attributable to specific adjusting items.