

Company Presentation

19 May 2020



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Transaction summary

New capital to reduce leverage and strengthen our long term growth prospects

Equity Placing

- **c£2 billion** equity placing

Timeline

- Transaction launch anticipated on **19 May 2020**

Net Debt

- **£4.9 billion*** as at 31 March 2020
- **Proforma £2.9 billion*** post raise

Liquidity

- **£3 billion** cash and undrawn committed facilities as at 30 April
- **Proforma £5 billion** post raise

* on an IFRS 16 basis

Executive summary

Coronavirus has temporarily impacted the business

We have rapidly reduced cost, improved liquidity and focused on cash

We continue to see very attractive structural growth opportunities

**Compass has a strong and proven model of creating
long term shareholder value**

**New capital will reduce leverage, enhance liquidity, and
strengthen our position going into the recovery**

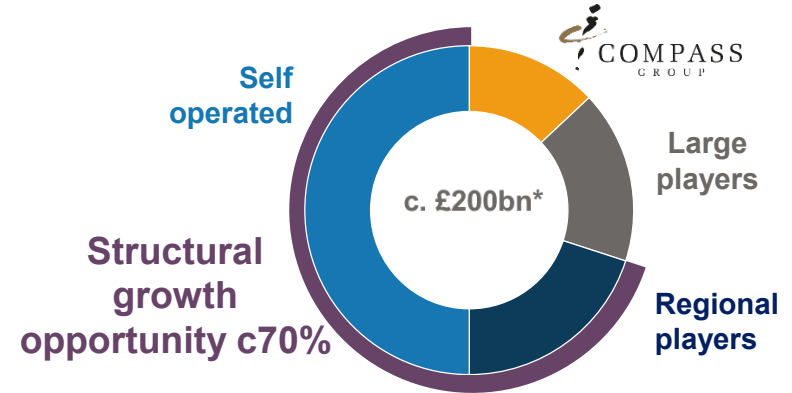
Compass is the global market leader

We are in a market with structural growth opportunities and we have several competitive advantages

- Food focused, with some support services
- Decentralised / flexible structure
- Sectorisation and sub-sectorisation
- Food purchasing advantage (Foodbuy)
- Unique scale in terms of overhead
- Performance based culture

*Market data figures based on Compass Group management estimates of addressable market. Based on market conditions before the impact of COVID 19.

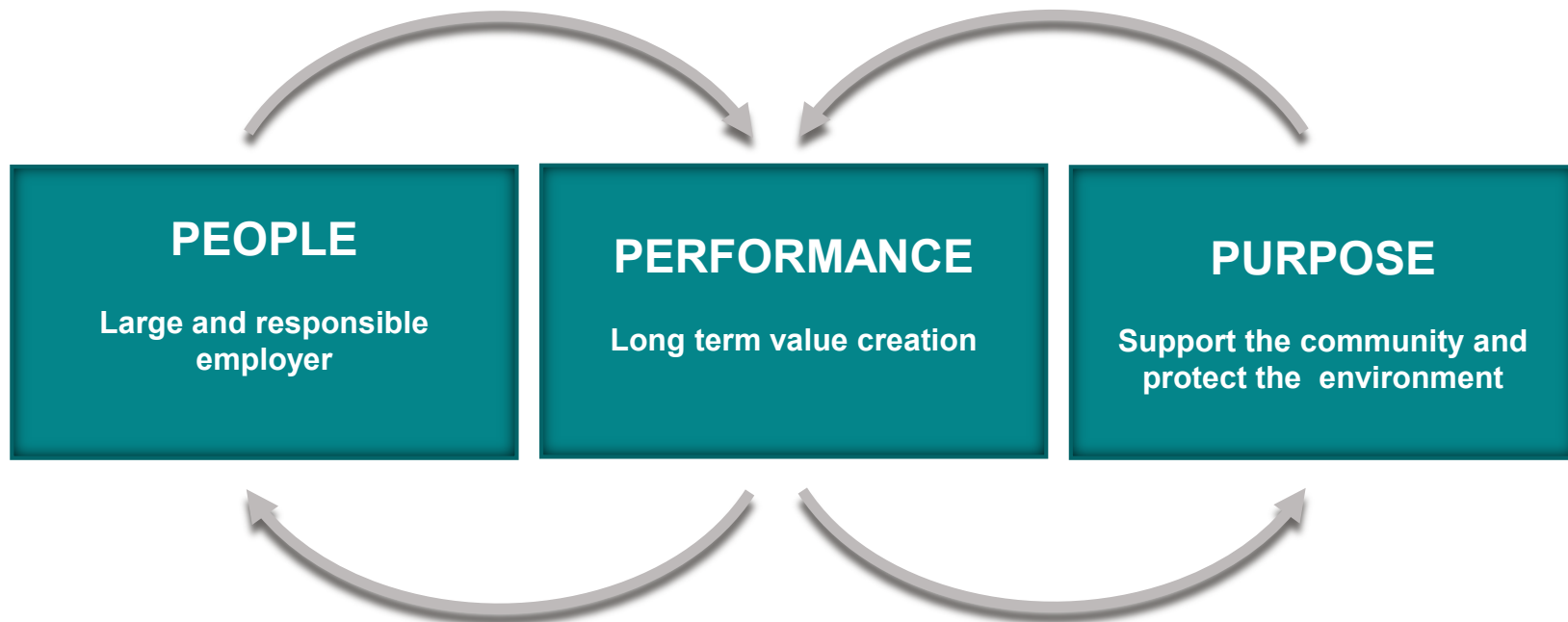
Global food services market



A strong and diverse client portfolio



We manage the business for all stakeholders



HY 2020 – on track for a strong HY until Coronavirus hit

	5 months to February		March	HY 2020	
	Organic revenue	Operating margin	Organic revenue	Organic revenue	Operating Margin
North America	8.1%	-	(18.9)%	3.6%	(50bps)
Europe	0.8%	+20bps	(29.8)%	(4.3)%	(170bps)
Rest of World	5.2%	-	(7.4)%	3.1%	(40bps)
Group	6.0%	+10bps*	(20.4)%	1.6%	(80bps)

Notes: Based on underlying performance at reported exchange rates unless indicated otherwise.

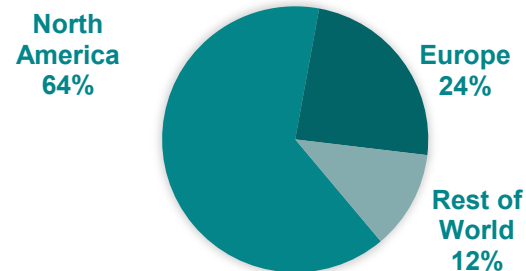
* 20 bps on an IFRS 16 basis.

Current trading

	March	April
Organic revenue growth	(20.4)%	(46.1)%
Drop through	28.5%	23%

	Group revenue*	Activity
Sports & Leisure	11%	c.100% closed
Education	20%	c.65% closed
Business & Industry	38%	c.65% closed
Defence, Offshore & Remote	7%	c.5% closed
Healthcare	24%	c.5% closed
Group	100%	c.50% closed

HY 2020 Group revenue by region



- **Approximately 50% of the business is closed**
- **May similar to April trend**
- **Based on our experience in China, as and when sites reopen volume recovery is likely to be gradual**

* Based on HY 2020 revenues

Actions already taken to mitigate the impact of COVID-19

- Monthly cost savings of £500m
- H2 capex reduced to £200m
- Acquisitions paused
- Dividend suspended
- Committed credit facilities increased from £2.0bn to £2.8bn
- Obtained leverage covenant waivers for US Private Placement

Strengthen liquidity, focus on cash, increase resilience

Our COVID “stress” scenario assumptions

Our Slow Recovery Case

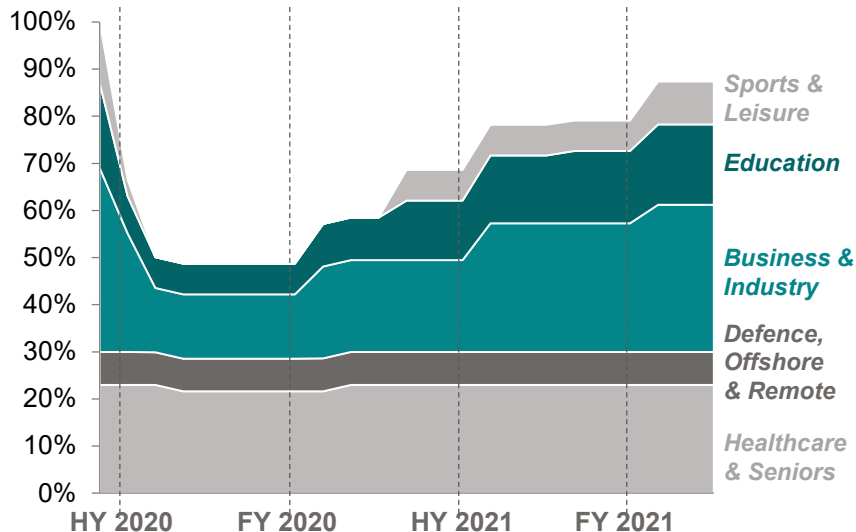
	H2 FY 20	H1 FY 21	H2 FY 21	FY22-23
Revenue loss versus pre COVID-19 level				
B&I	~65%	50%	30%	World economy may still be recovering
Education	~65%	30 - 50%	15 - 20%	
Sport & Leisure	100%	50 -100%	50%	
Group	~50%	30 - 40%	~20%	
<ul style="list-style-type: none"> • Re-opening will be gradual and vary across sectors and geographies • Social distancing requirements to impact volumes • Other assumptions: capex of c3.5% of revenues, c£300m of bolt on M&A 				

These scenarios are for illustrative purposes and do not constitute forecasts or guidance

Our illustrative COVID-19 “stress” scenarios

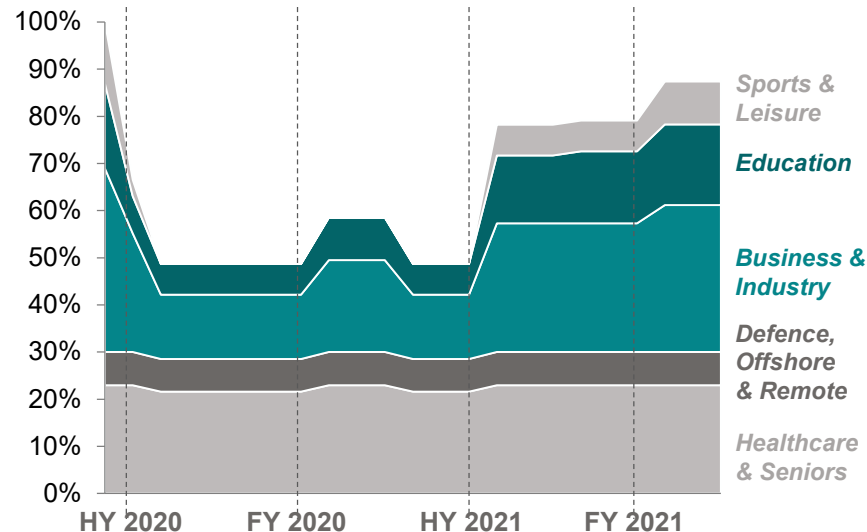
Slow recovery

% of Pre COVID-19 Group Revenue



Second wave overlay

% of Pre COVID-19 Group Revenue



These scenarios are for illustrative purposes and do not constitute forecasts or guidance

£2bn capital raise to reduce leverage

- **Increase optionality to continue to invest in the business to strengthen our competitive advantages**
 - Enhance liquidity
 - Capex to support strong organic growth
 - Inorganic growth opportunities
 - Capacity to right size the business as required in a “new normal”

Reducing leverage now will strengthen our position in the recovery

Leverage under different scenarios (with £2bn raise)

Slow recovery		
	FY2021	FY2022
Net Debt / EBITDA	✓	✓✓✓

Second Wave Overlay		
	FY2021	FY2022
Net Debt / EBITDA	✓	✓✓✓

- ✓ Net debt/ EBITDA above 2.1 x
- ✓✓ Net debt/ EBITDA between 1.6x and 2.0x
- ✓✓✓ Net debt/ EBITDA between 1.0x and 1.5x

These scenarios are for illustrative purposes and do not constitute forecasts or guidance

Capital allocation priorities



* on an IFRS 16 basis

Attractive opportunities in a post COVID world

Increasing structural growth opportunity (MAP 1)

Acceleration of first time outsourcing (c50% of the addressable market) & share gains from smaller players (c20% of the addressable market)

- Increased importance of Health & Safety protocols and a resilient supply chain
- Enhanced role of food with greater expectations around health and wellbeing
- Increased role of capex to adapt back and front of house to social distancing requirements

Fast-tracked innovation in digital and new formats (MAP 2,4)

Innovation

- Use of digital tools: to order, pay, book deliveries, and manage the workforce
- Exploring the role of Central / Dark Kitchens in conjunction with delivery solutions
- Delivery options: on site or off site, through third party or our own delivery applications

Line extension opportunities related to COVID-19 (MAP 1,2)

COVID related services

- Disinfection cleaning services (leveraging the expertise in our Healthcare Sector)
- Testing services (leveraging our scale in procurement and know-how in hospitality)

The Compass model of value creation remains strong



Over the last 10 years average organic revenue growth was 5.0%, margins improved by 90bps and we have returned £8bn to shareholders

Summary

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New capital to reduce leverage, enhance liquidity, and strengthen our position going into the recovery

APPENDIX

Liquidity position

£m

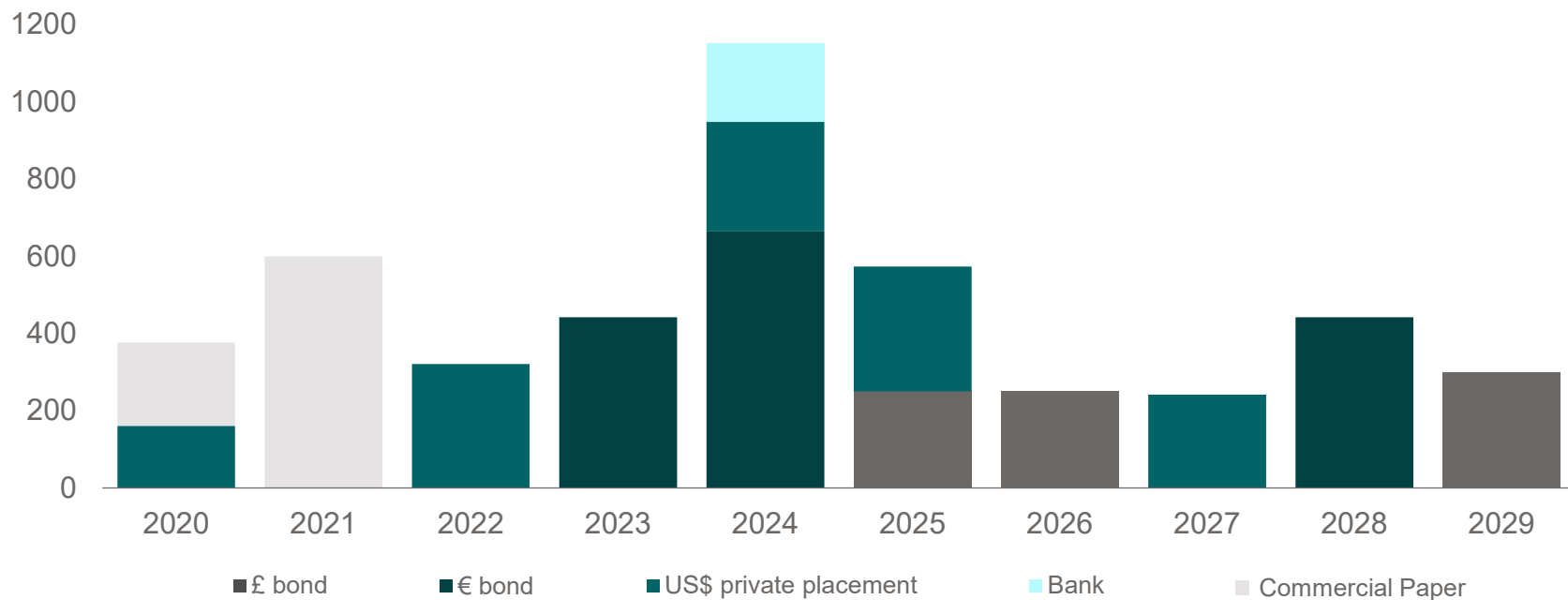
	HY 2020	April 2020
Revolving Credit Facility maturing 2024	2,000	2,000
Revolving Credit Facility maturing 2021*	-	800
Total Committed Revolving Credit Facilities (RCF)	2,000	2,800
Amount drawn down from RCF	(202)	(350)
Total Unutilised Committed Credit Facilities	1,798	2,450
Cash net of overdrafts	682	594
TOTAL LIQUIDITY	2,480	3,044

Notes: As at 31st March 2020

*Available from 3rd April 2020

Maturity profile

£m



Notes: Based on borrowings and facilities in place as at 31 March 2020, maturing in the financial year ending 30 September
 The average life of the Group's principal borrowings is 4.1 years (2019: 5.4 years)

Components of net debt

	£m
Bonds	2,348
US private placements	1,331
Commercial Paper	816
Bank loans	202
	4,697
Leases	929
Other loans and fair value accounting adjustments	149
Derivatives	(217)
Gross debt	5,558
Cash net of overdrafts	(682)
Closing net debt at 31 March 2020	4,876

Notes: Based on nominal value of borrowings as at 31 March 2020

Financing

Principal borrowings	Coupon	Maturing in Financial Year	Drawn £m
Bonds			
€500m	1.875%	2023	442
€750m	0.625%	2024	664
€500m	1.500%	2028	442
£250m	2.000%	2025	250
£250m	3.850%	2026	250
£300m	2.000%	2029	300
Total			2,348
US private placements			
\$750m (2011 Notes)	3.98% - 4.12%	2022 - 2024	605
\$500m (2014 Notes)	3.09% - 3.81%	2020 - 2025	403
\$400m (2015 Notes)	3.54% - 3.64%	2025 - 2027	323
Total			1,331
Bank loans			
£2,000m syndicated facility		2024	202
Commercial Paper			
USCP		2020	216
ECP		2021	600
Total			816
Total			4,697

Notes: Based on borrowings as at 31 March 2020. 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 CGFNBV, which is a wholly owned subsidiary.

Debt ratios and credit ratings

Long Term Ratings		Outlook	Confirmed
Standard & Poors	A	Negative	24 Mar 20
Moody's	A3	Stable	26 Mar 19
Fitch (unsolicited)	A-	Stable	07 May 20

Ratios	2020 HY	2019 HY
Net debt ¹ / EBITDA ²	2.0x	1.5x
EBITDA ² / net interest ³	20.3x	20.4x

Notes: 1. Net debt excludes leases, derivatives and restricted cash in line with the covenant definitions

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

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