COMPASS GROUP

Investor Seminar 2016

Strategy

Richard Cousins

Chief Executive Officer

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Objectives of the afternoon

- Give a greater insight into the Group
- Highlight the growth opportunities we see
- Meet some of our senior management

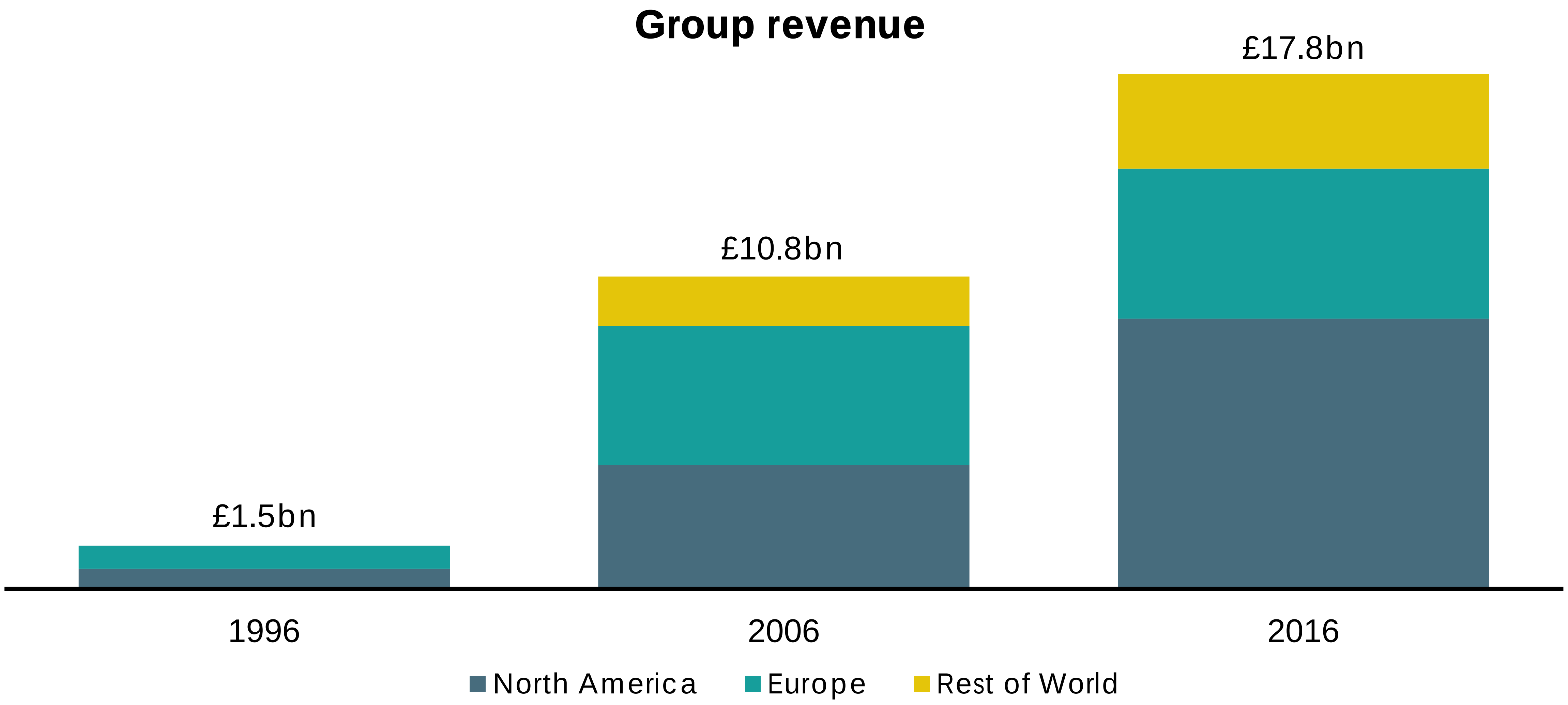
Agenda

2:00	Strategy	Richard Cousins
	North America	Gary Green / Adrian Meredith
	North America Healthcare and Sports & Leisure	Bobby Kutteh / Andy Lansing
3:20	**BREAK**	
	Latin America	Alfredo Ruiz-Plaza
	Asia Pacific	Mark van Dyck
	Europe & UK	Dominic Blakemore / Dennis Hogan
4:40	**BREAK**	
	Financial performance	Johnny Thomson
	Closing remarks and Q&A	Richard Cousins
6:00-7:00	**Drinks**	
7:00-9:00	**Dinner**	

Compass' evolution
The last 10 years

Phase 1 2006–2008	**Phase 2** 2008–2010	**Phase 3** 2010–2012	**Phase 4** 2012–2014	**Phase 5** 2015 & beyond
• Fix the basics • Rapid EPS growth	• Recession & recovery	• Good operational progress • Strategy lacked focus	• Balance sheet tightened • Organic growth • European restructuring	• Focus on food • Strong growth • Innovation

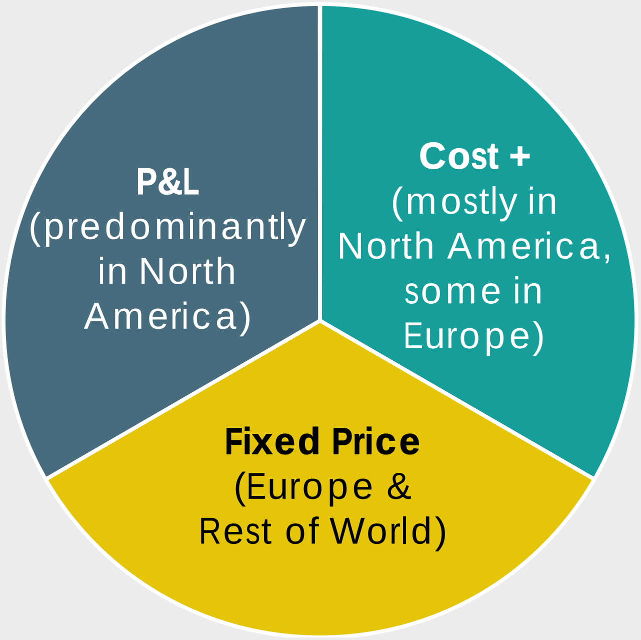
Regional profile



The basics have not changed

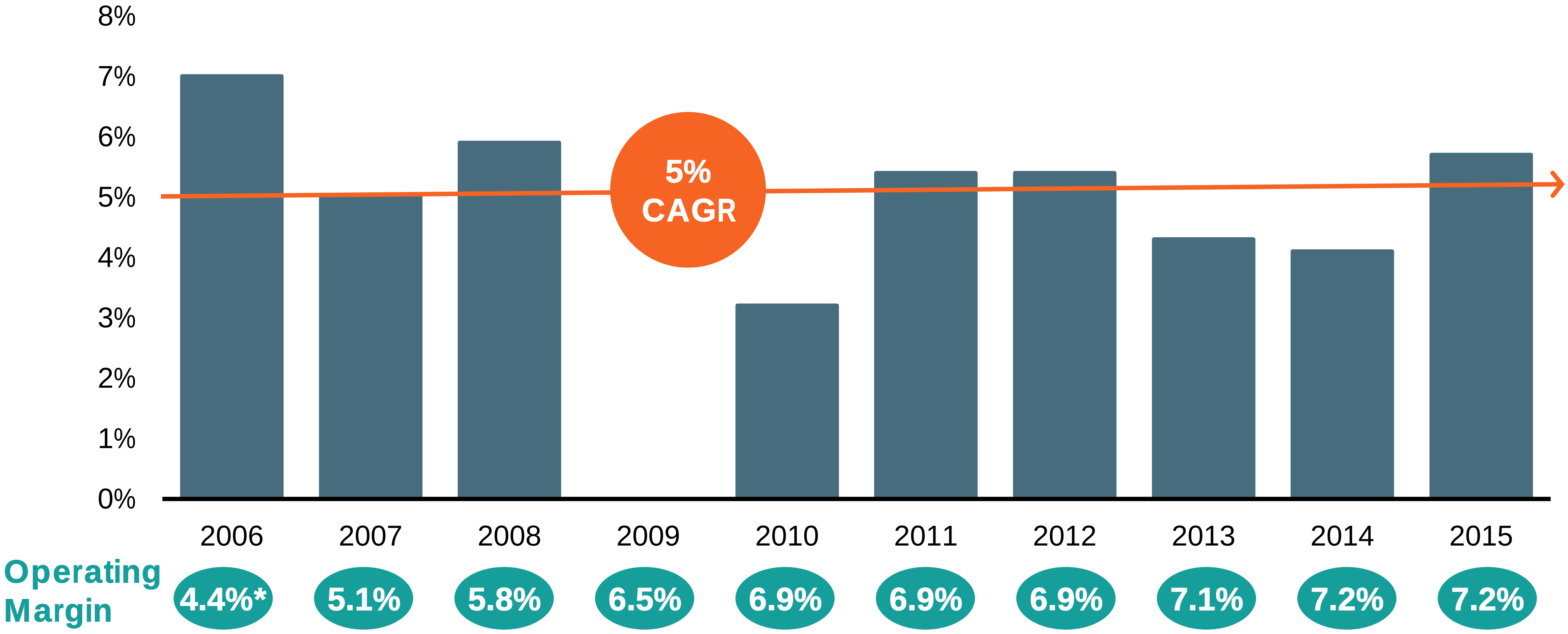
- We need to offer "value for money" in terms of cost, quality & innovation
- Operating on client premises presents continued opportunities to drive efficiencies
- Clients want a customised proposition

Revenue by contract type



It's all about execution!

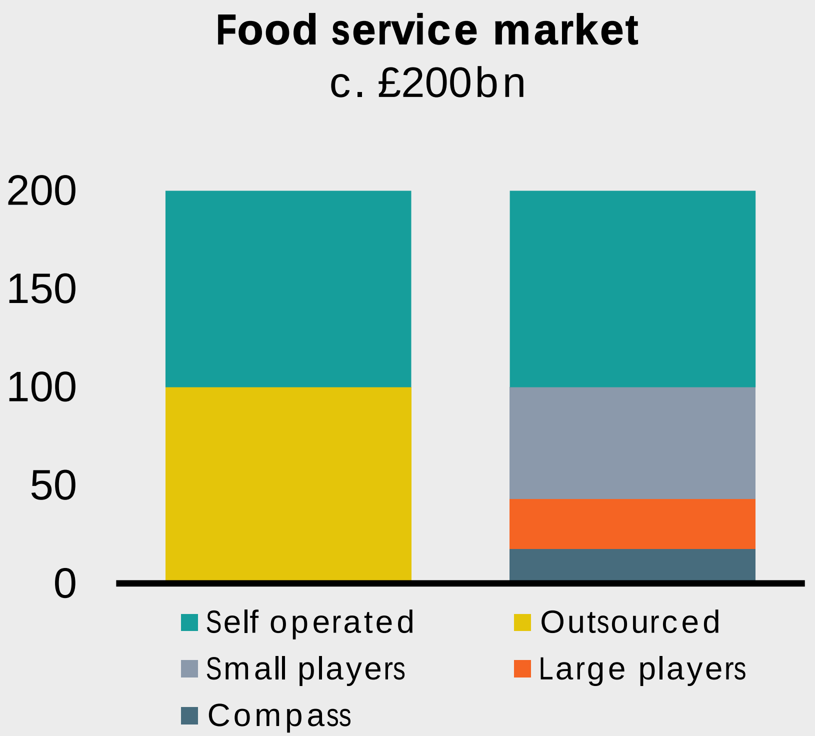
Organic revenue growth & margins



* Excluding disposed businesses (SSP & Selecta)

Our strategy is clear

- Focus on food – our core competence
- Incremental approach to support services
- Prioritise organic growth
- Bolt-on M&A
- Best-in-class execution: quality & innovation



Note: Market data figures based on Compass management estimates of the addressable food service market

Our competitive advantages

- Decentralised approach
- Sectorisation & sub-sectorisation
- Scale
- People & culture

Innovation & sharing of best practice

A more focused approach

Bring more excitement to our clients & consumers

Improve our operations

Summary

- Strong track record of execution
- Clear strategy focused on food
- Large market & growth opportunity
- Strong competitive advantages
- Accelerating innovation & sharing of best practice
- Strong & experienced management team

Continued focus on creating shareholder value

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North America

Gary Green

Chief Operating Officer

Overview

1	Compass North America today	Gary Green
2	Growth story – building the growth culture	Gary Green
3	Sustaining the growth model	Adrian Meredith
4	Healthcare	Bobby Kutteh
5	Sports & Leisure	Andy Lansing

North America today

- Market leader in a growing market
- Great sector balance
- $14.5 billion business (2015)
- 8.5 million+ meals served a day
- Serve 96 of the Fortune 100
- 240K+ employees – Top 10 private sector employer in the US

Note: Compass management estimates

Great client partners

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SONY
AMERICAN EXPRESS
WELLS FARGO
Walmart Save money. Live better.
GUGGENHEIM

FedExForum
Disney
DELL
AUBURN UNIVERSITY
Churchill Downs
YAHOO!
hp

ATM
ExxonMobil
Penn University of Pennsylvania
verizon
CHS Community Health Systems, Inc.
National Institutes of Health
in

Microsoft
50 GRAMMY AWARDS
The Metropolitan Museum of Art
MERCK
LOWE'S Home Improvement Warehouse
IBM
Johnson & Johnson

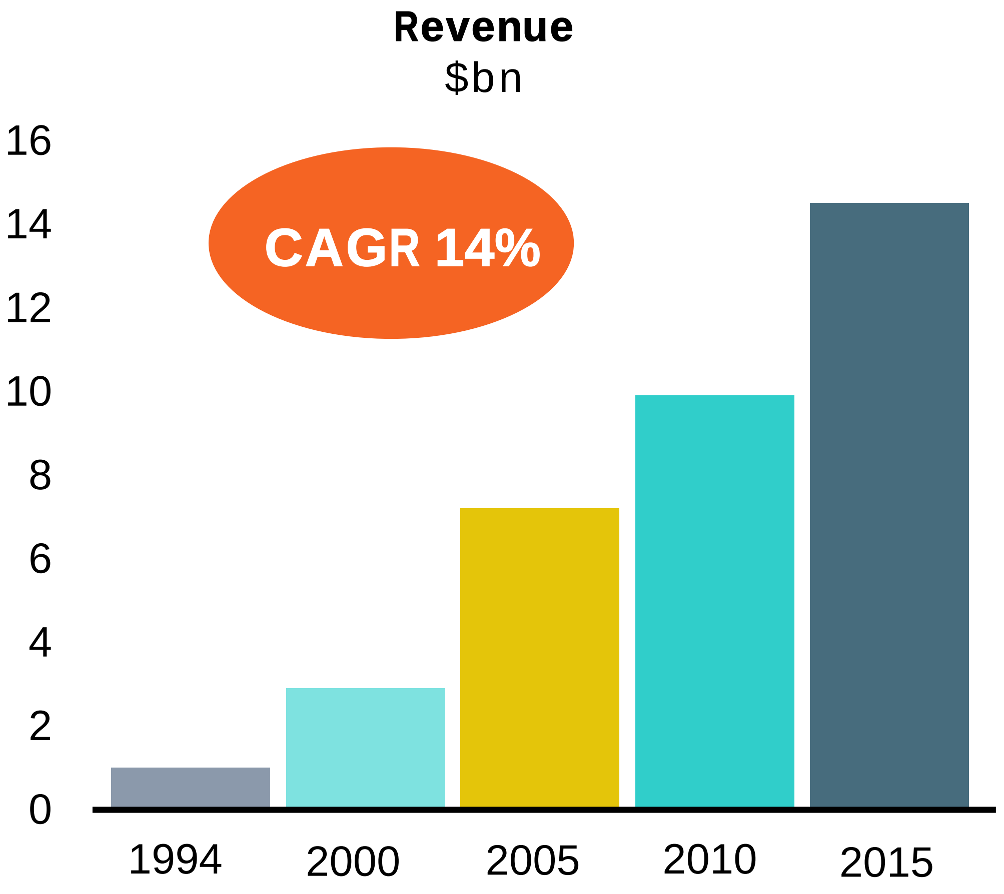
Dodgers
Morgan Stanley
NASCAR Racing
ASCENSION
amazon.com
Raytheon

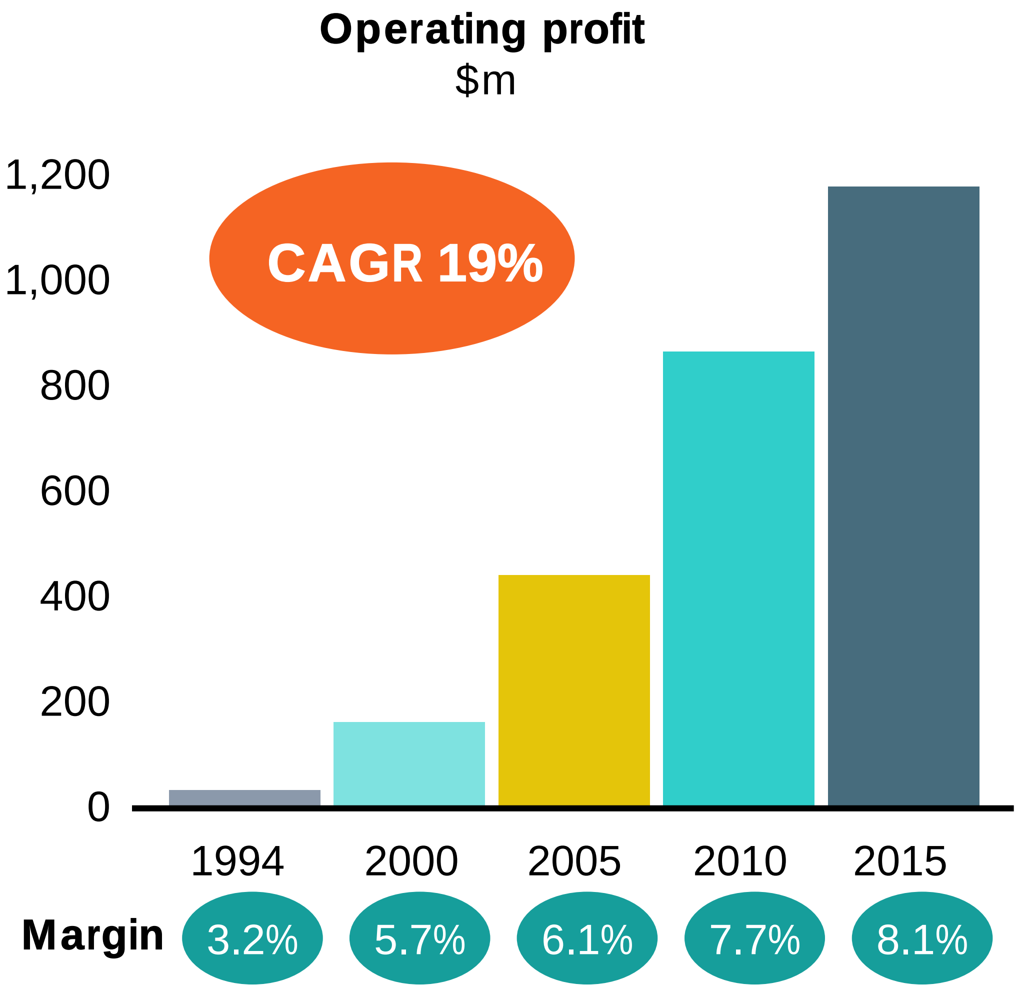
P&G
US OPEN A USTA EVENT
SAP
United Technologies
Prudential
PGA TOUR
BRITISH AIRWAYS

Bank of America
NBCUniversal
BOEING Forever New Frontiers
Google
Pfizer
Chevron
CUBS

Performance culture

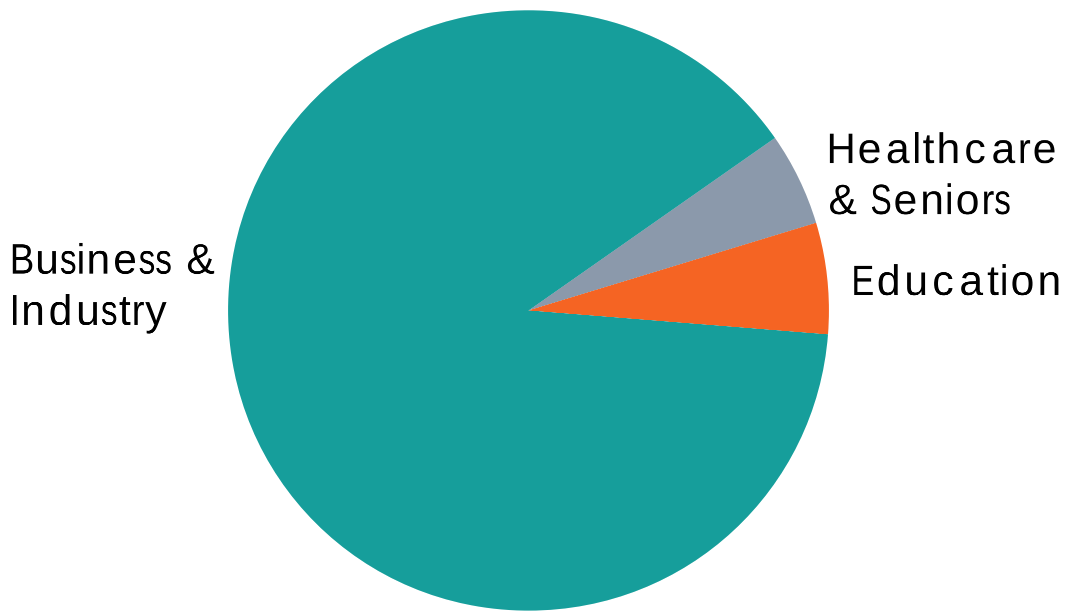
Financial results



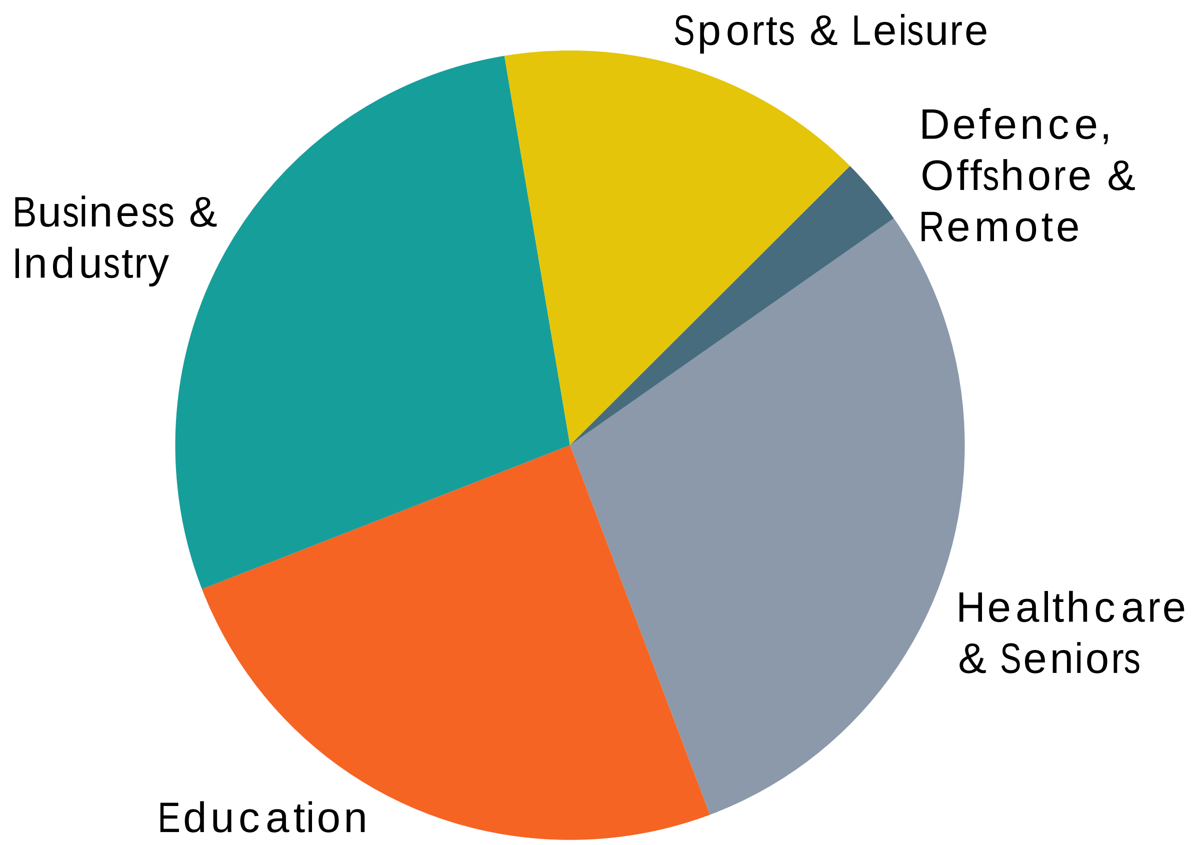


Great sector balance

Revenue 1994
$1bn

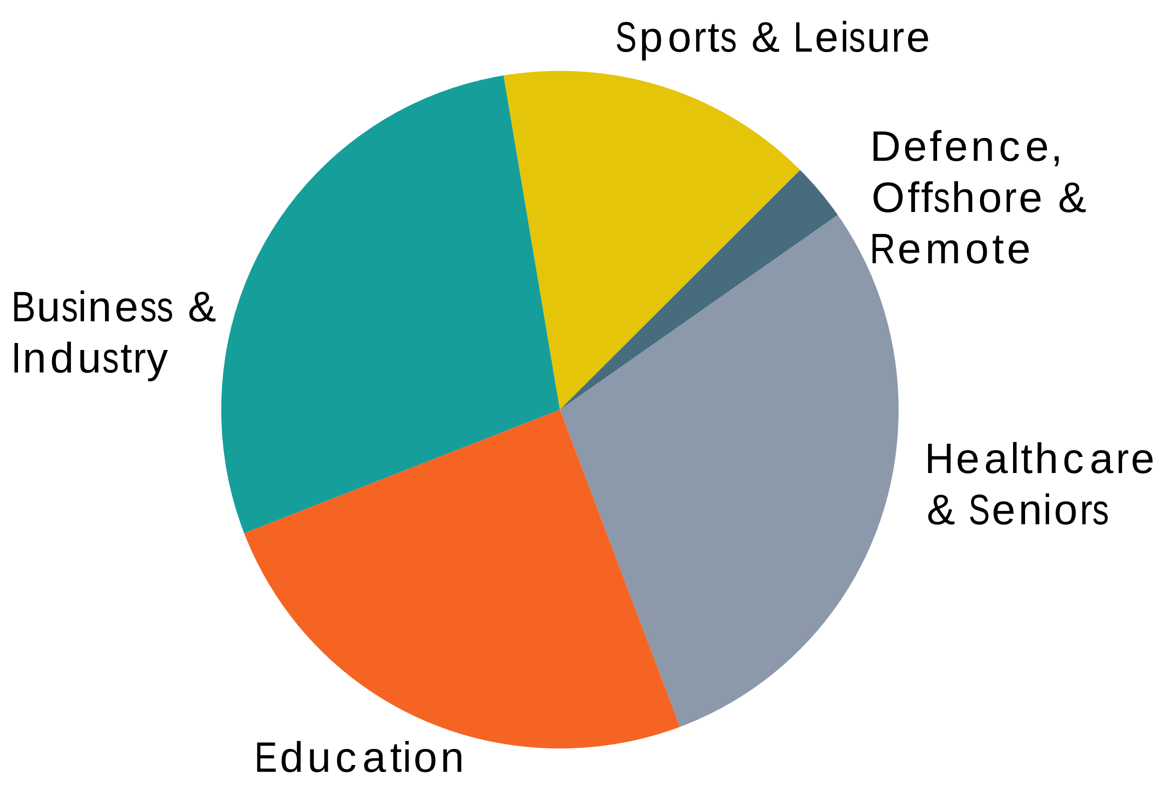


Revenue 2015
$14.5bn

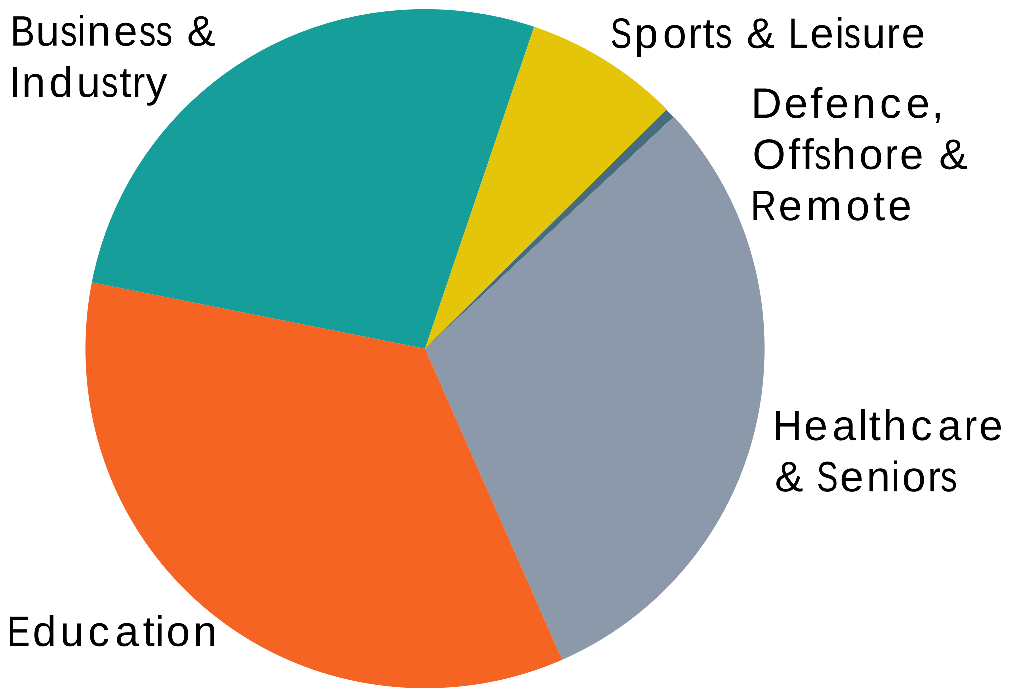


Great market opportunity

Revenue 2015
$14.5bn

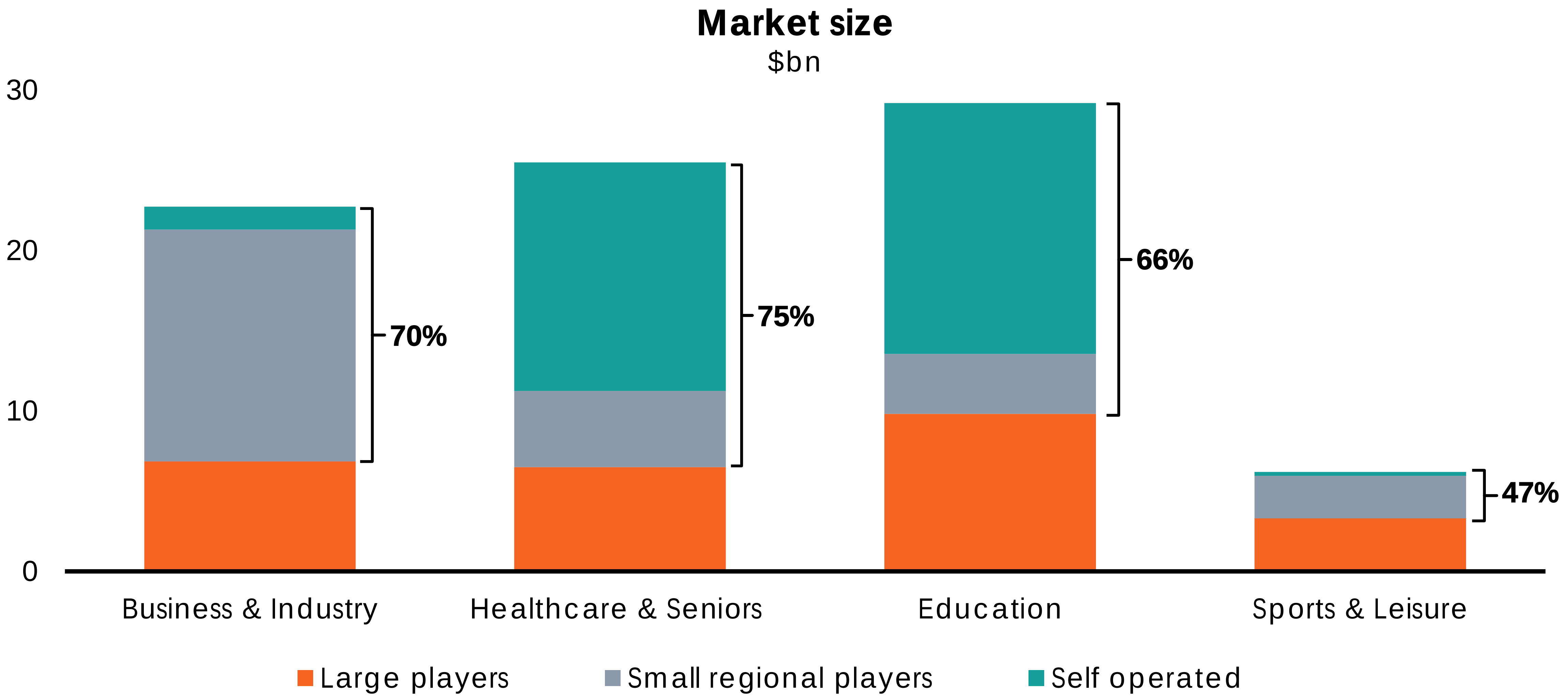


Food service market
c. $84bn



Note: Compass management estimates

Food service market by sector



Note: Compass management estimates

Growth strategy

How did we get here?

1 Growth focus – quality acquisitions → organic growth

2 Sectorisation – owner mentality, strong cultures

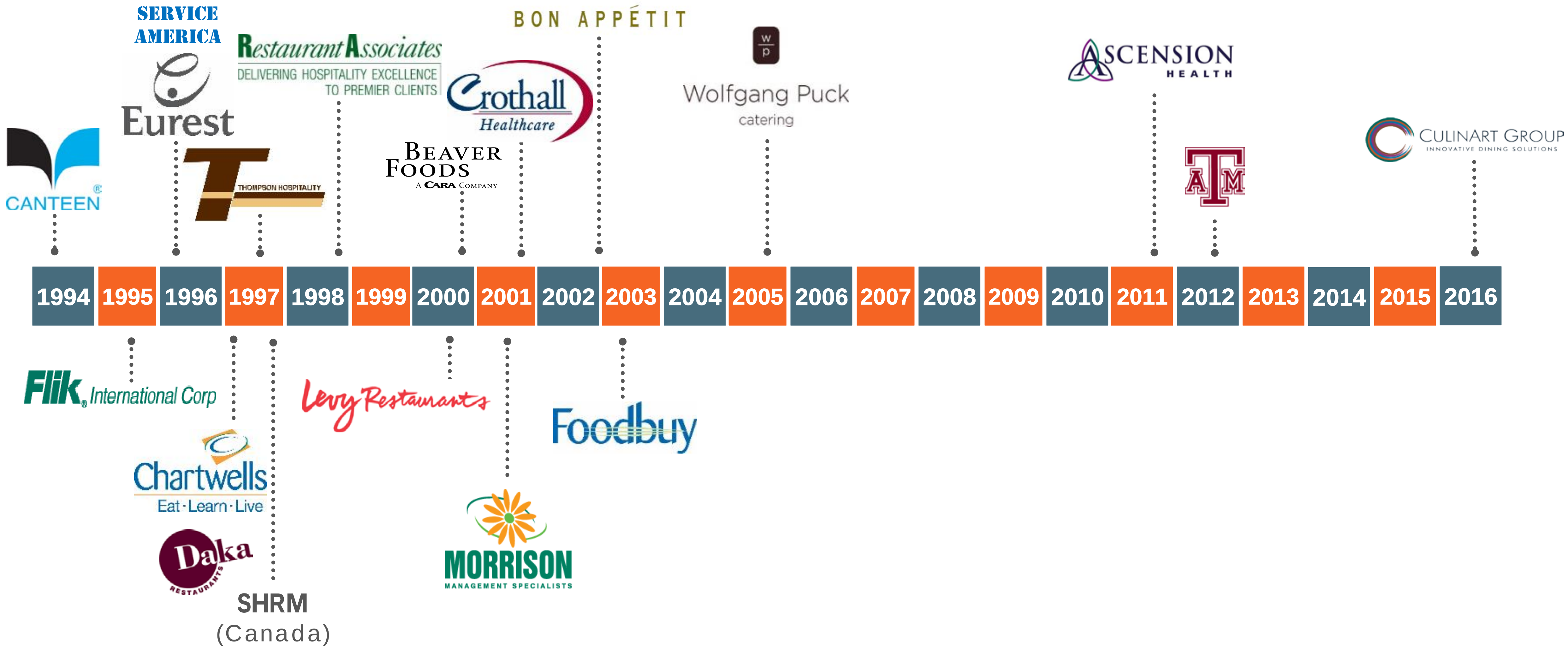
3 Quality of offer & innovation

4 Scale, operating leverage, efficiencies, MAP discipline

5 Experienced management, stability, strong operators

Compass North America

Key acquisitions / milestones



Acquisition approach

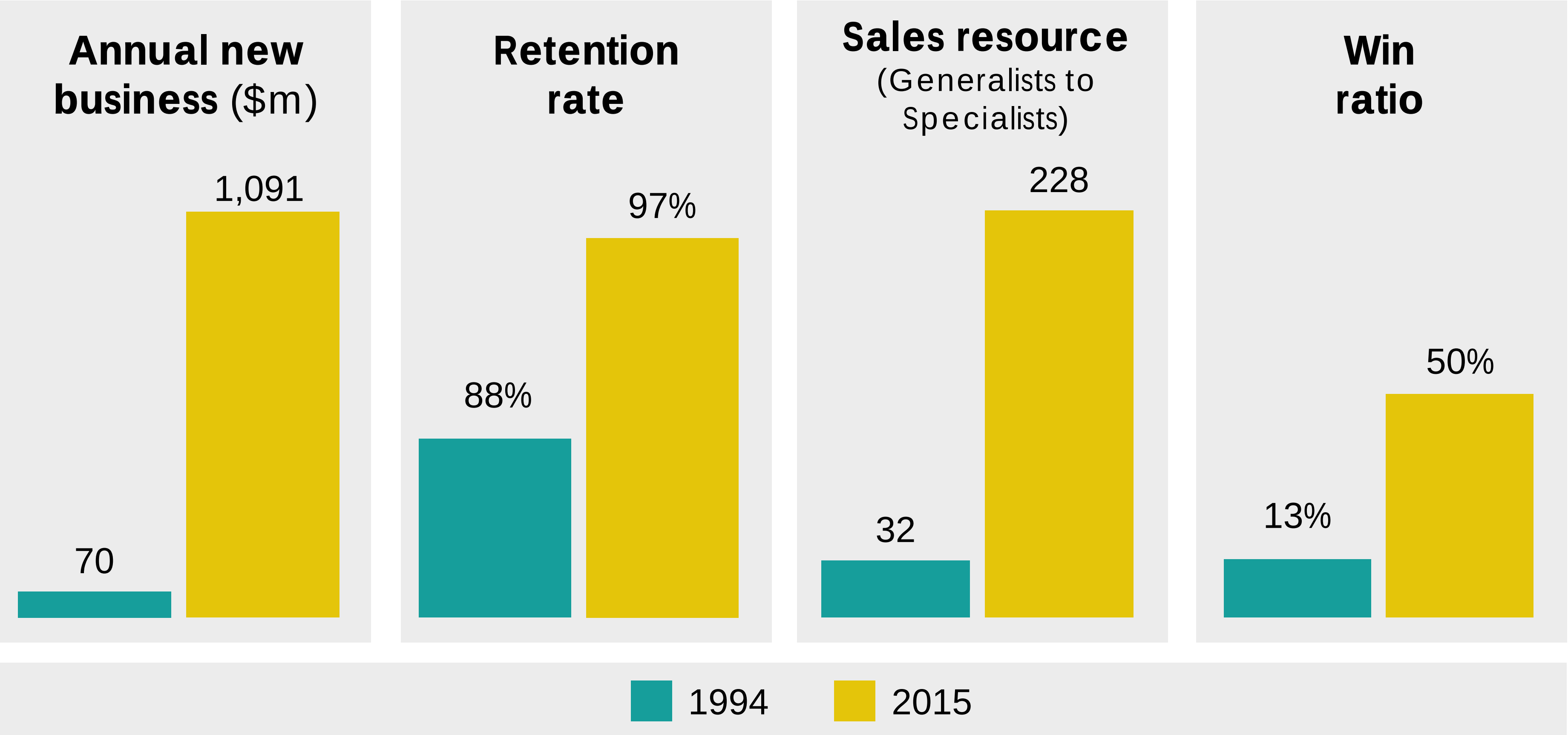
Acquisitions…growth mindset & growth cultures

	Revenue ($m)			
	Year acquired		2015	CAGR
Flik	1995	56	676	13%
Restaurant Associates	1998	160	659	9%
Levy	2000	199	1,369	14%
Morrison	2001	568	2,519	11%
Crothall	2001	265	1,211	11%
Bon Appetit	2002	256	1,002	11%

A common passion around client and people retention, growing their businesses and growing their people

Sales & retention culture

- Sales force – from generalists to specialists; professionally trained
- Step change in retention



Sectorisation: client facing brands

Business & Industry	Restaurant Associates, Bon Appétit Management Company, Eurest, Flik
Healthcare & Seniors	Morrison Healthcare, Morrison Community Living, Touchpoint, Flik, Crothall Healthcare
Education	Chartwells (eat. learn. live.), Chartwells (where hungry minds gather), Bon Appétit Management Company, Flik Independent School Dining, SSC services for education
Sports & Leisure	Wolfgang Puck catering, Levy Restaurants
Vending & Refreshment Services	canteen, best vendors management
Defence Offshore & Remote	ESS Support Services Worldwide

- Great brands with unique cultures & heritage
- Entrepreneurial spirit
- Specialisation
- Customer oriented
- Growth mindset

Central procurement, HR, IT and Accounting

How did we get here?

Why have we been successful?

1	Growth Focus – quality acquisitions → organic growth	We hate losing business & take it personally
2	Sectorisation – owner mentality, strong cultures	Sector CEO who establishes client relationship in the sales process will be around to operate the business & deliver on the sales promise
3	Quality of offer & innovation	Tailored to client & consumer needs – not cookie cutter
4	Scale, operating leverage, efficiencies, MAP discipline	We have a clear purchasing advantage
5	Experienced management, stability, strong operators	Stability in operations incredibly important for our clients

A winning culture underpinned by scale & MAP

North America

Adrian Meredith

Chief Financial Officer

How do we sustain the success?

1 Organic growth focus	Sustain sales & retention culture
2 Sectorisation – owner mentality, strong cultures	Maintain commitment to sectorisation & sub-sector development
3 Quality of offer & innovation	Maintain focus on quality & increase focus on innovation in every area of MAP
4 Scale, operating leverage, efficiencies, MAP discipline	Continue to be obsessed with efficiencies – opportunities in every area of MAP
5 Experienced management, stability, strong operators	Continue to attract & develop exceptional people

A culture of continuous improvement

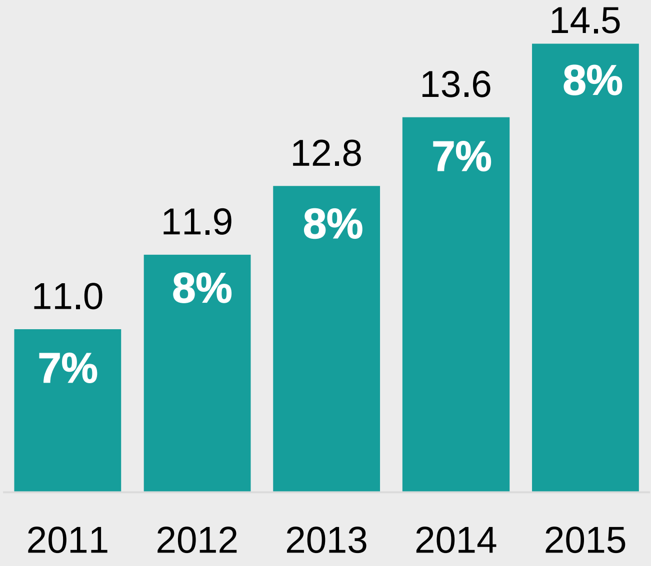
North America (2011–2015)

5 year average revenue growth 7.8%

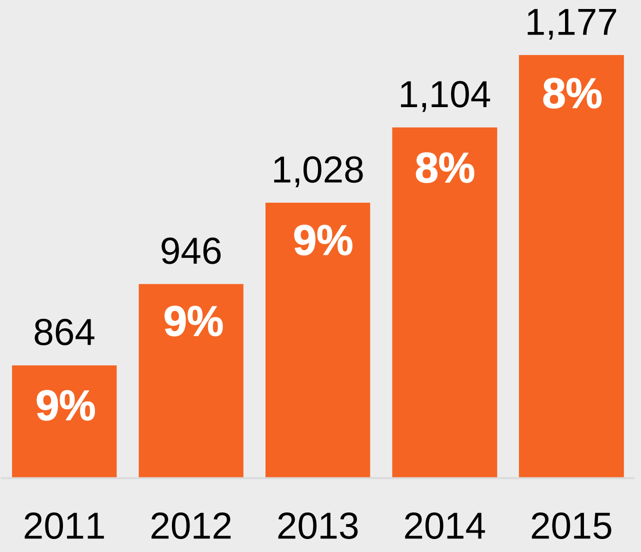
Sector:

Healthcare & Seniors	9%
Business & Industry	7%
Education	7%
Sports & Leisure	8%
Defence, Offshore & Remote	7%

Revenue ($bn) **& Organic growth** (%)



Operating profit ($m) **& Organic growth** (%)

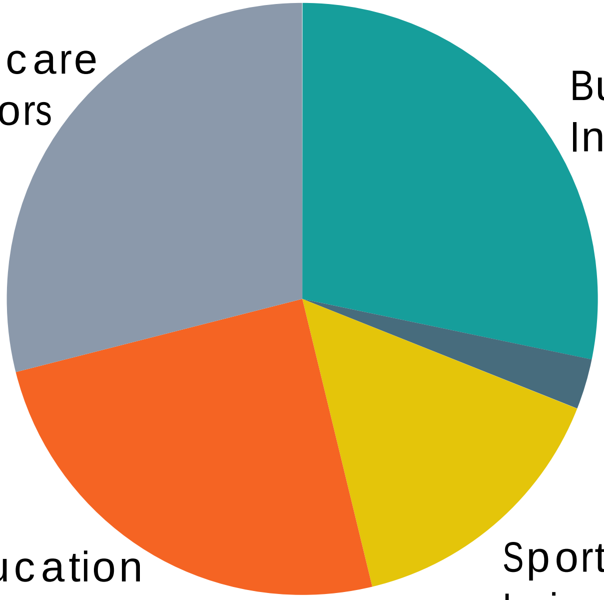


Every segment growing nicely & expected to continue to grow

Great sector balance & diversified client base

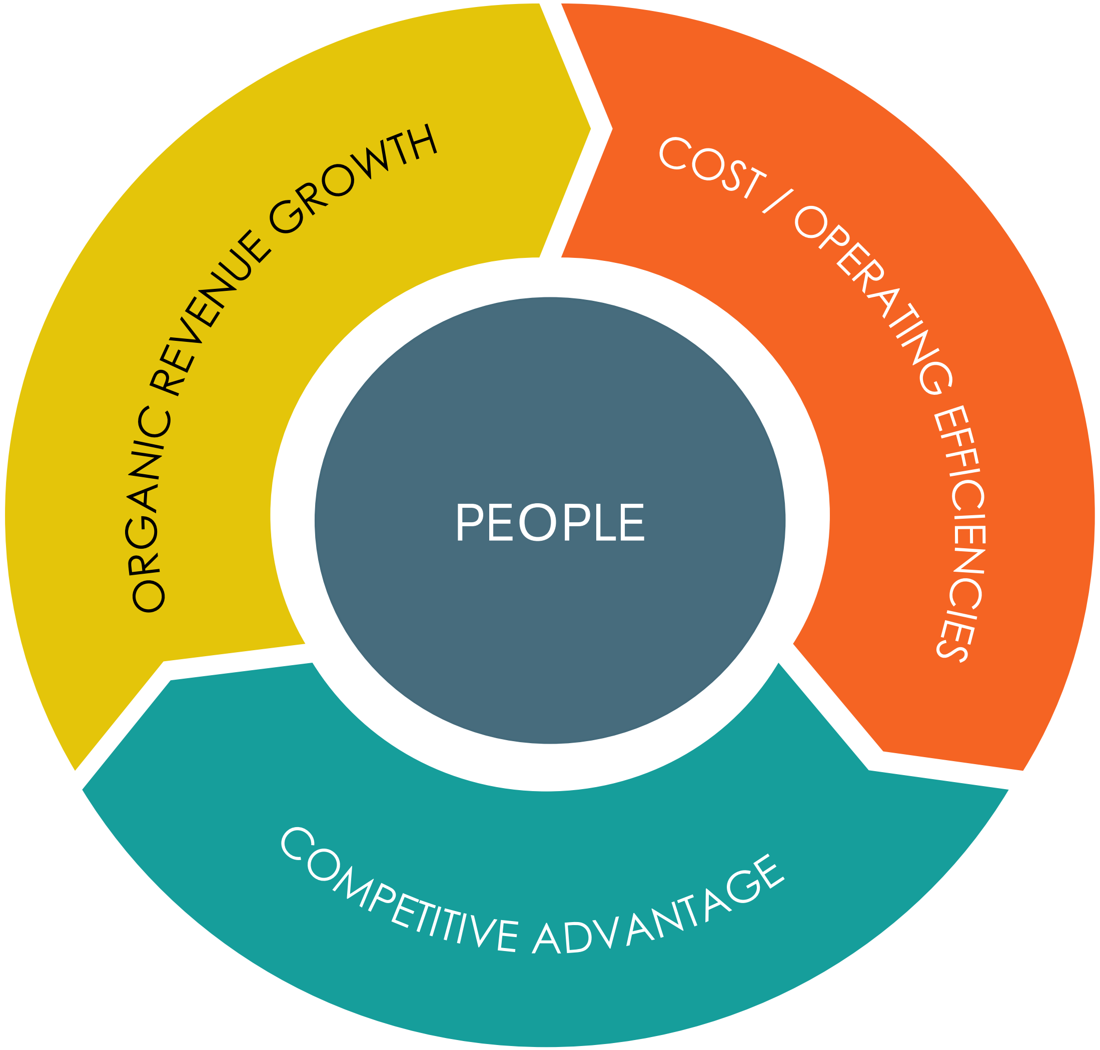
Top 10 clients		
	2000	2015
1	B&I	Healthcare
2	B&I	Education
3	B&I	Healthcare
4	B&I	B&I
5	Education	B&I
6	B&I	Healthcare
7	B&I	Healthcare
8	B&I	Sports & Leisure
9	B&I	B&I / DOR
10	B&I	Education

Revenue 2015
By sector

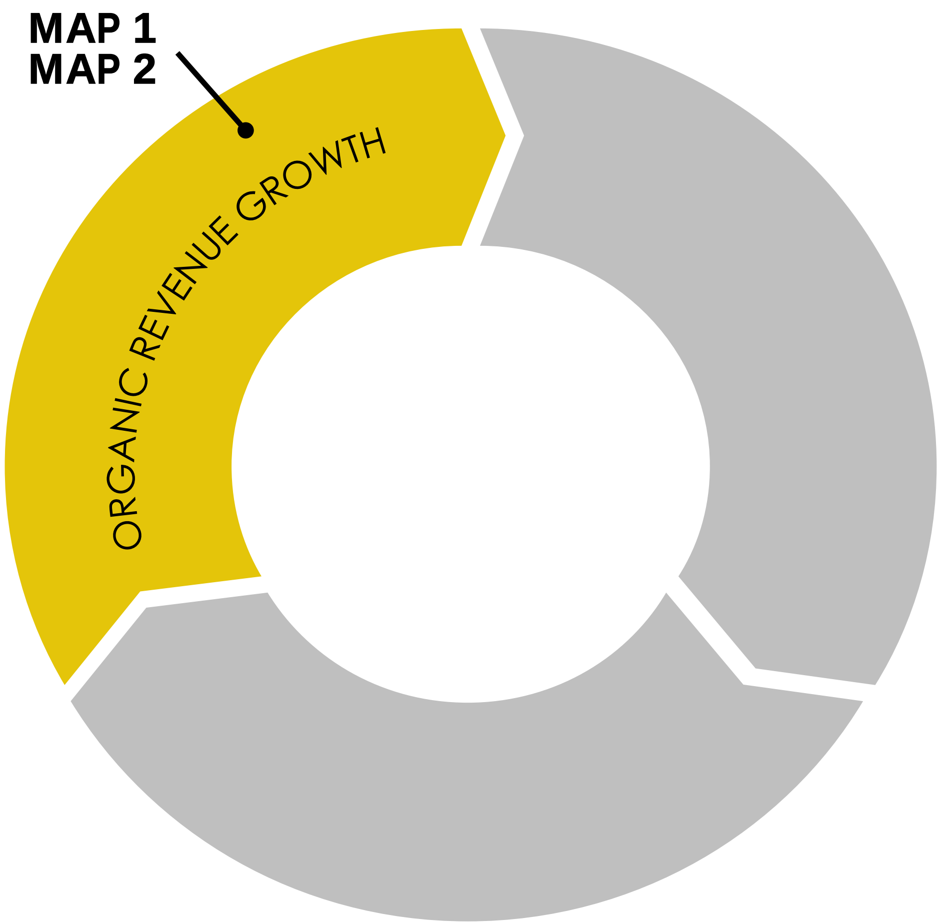


Balanced portfolio across sectors & no client >3% of revenues

Our growth model



Our growth model & key themes



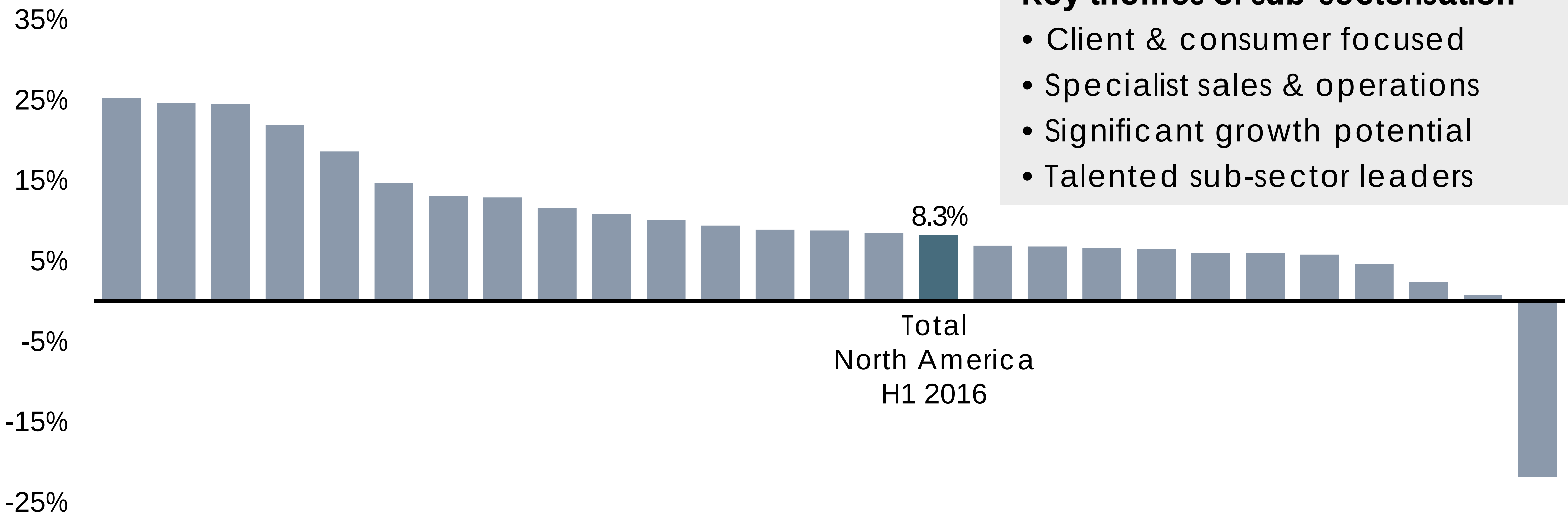
Sustain growth
(MAP 1 client sales & marketing)

Retention focus 96.8% (2011–2015)

- 5 year average source of new business:
  - 72% First time outsourcing / Small players
  - 28% Large players
- Core & premium sector offers
- Exploit exciting market opportunities with sectorisation and sub-sectorisation

North America: Sub-sectorisation driving growth

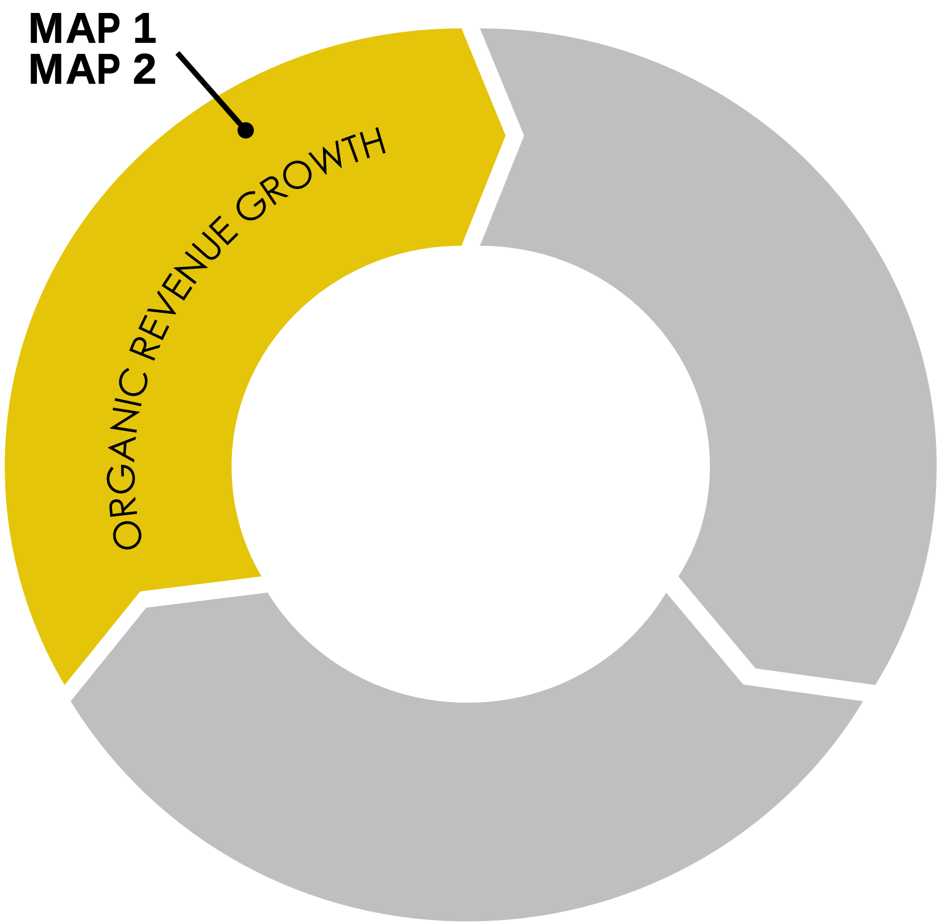
Organic revenue growth



Key themes of sub-sectorisation

- Client & consumer focused
- Specialist sales & operations
- Significant growth potential
- Talented sub-sector leaders

Our growth model & key themes



Sustain growth
(MAP 2 consumer sales & marketing)

- Pricing
- Targeted investments to drive LFL revenues
- Driving innovation
  - Digital Hospitality
  - Data analytics
  - Micromarkets / small store formats
  - Health & wellness front and centre
  - Innovation partnerships

Innovation

Increasing client & consumer demand
We have some of the most innovative clients on the planet

Culture of innovation with ideas from the business, rarely the centre

BON APPÉTIT
MANAGEMENT COMPANY
food service for a sustainable future®

(HQ in Silicon Valley) an innovation leader

Business Excellence best practice sharing & speed to market

Strategic Partners bring new ideas, ambitious to grow, bring exclusivity

Envision 2020 … shaping the future of foodservice

Innovation

Priorities

Making it easy for our clients & consumers … tailored solutions

Keeping it simple so that our unit managers can focus on clients & consumers

Protect client & consumer data

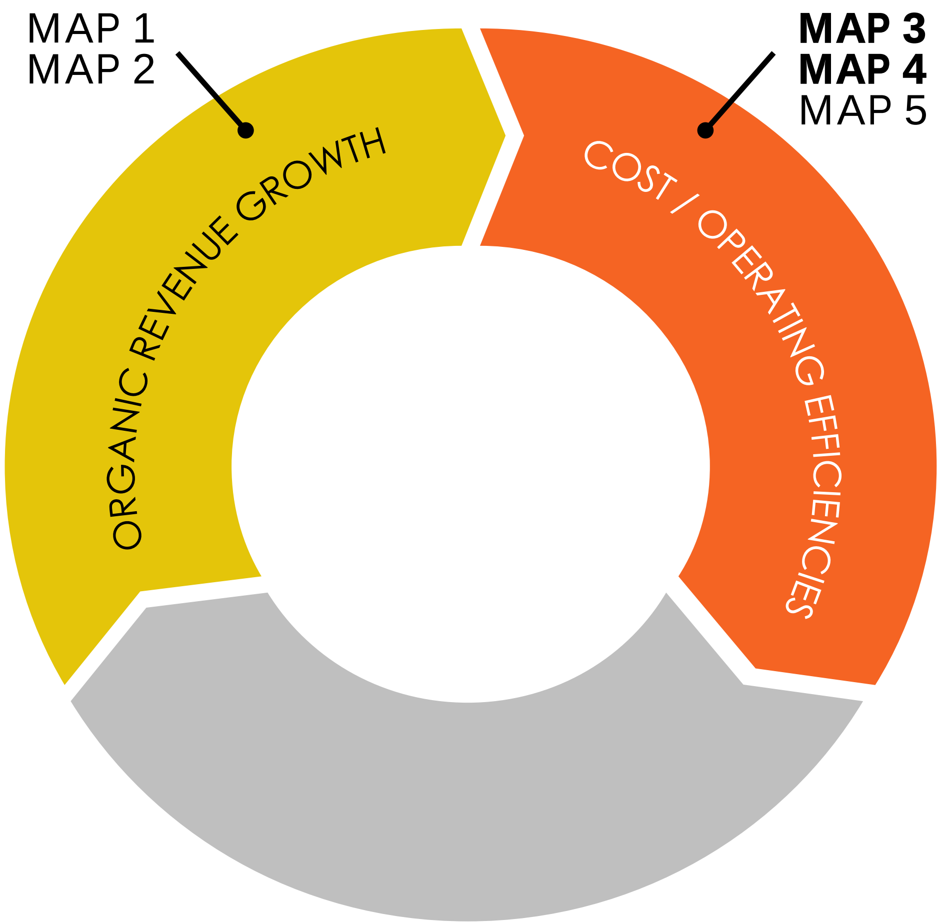
Supporting Growth

- Food & culinary innovation
- Digital hospitality
- Formats e.g. small store
- Café design / space utilisation
- Data analytics
- Digital health
- Data security
  - Point-to-Point encryption

Driving Efficiencies

- Self service solutions
- Supply chain
- Menu management
- Labour scheduling
- Online recruitment
- Expense management
- Data analytics

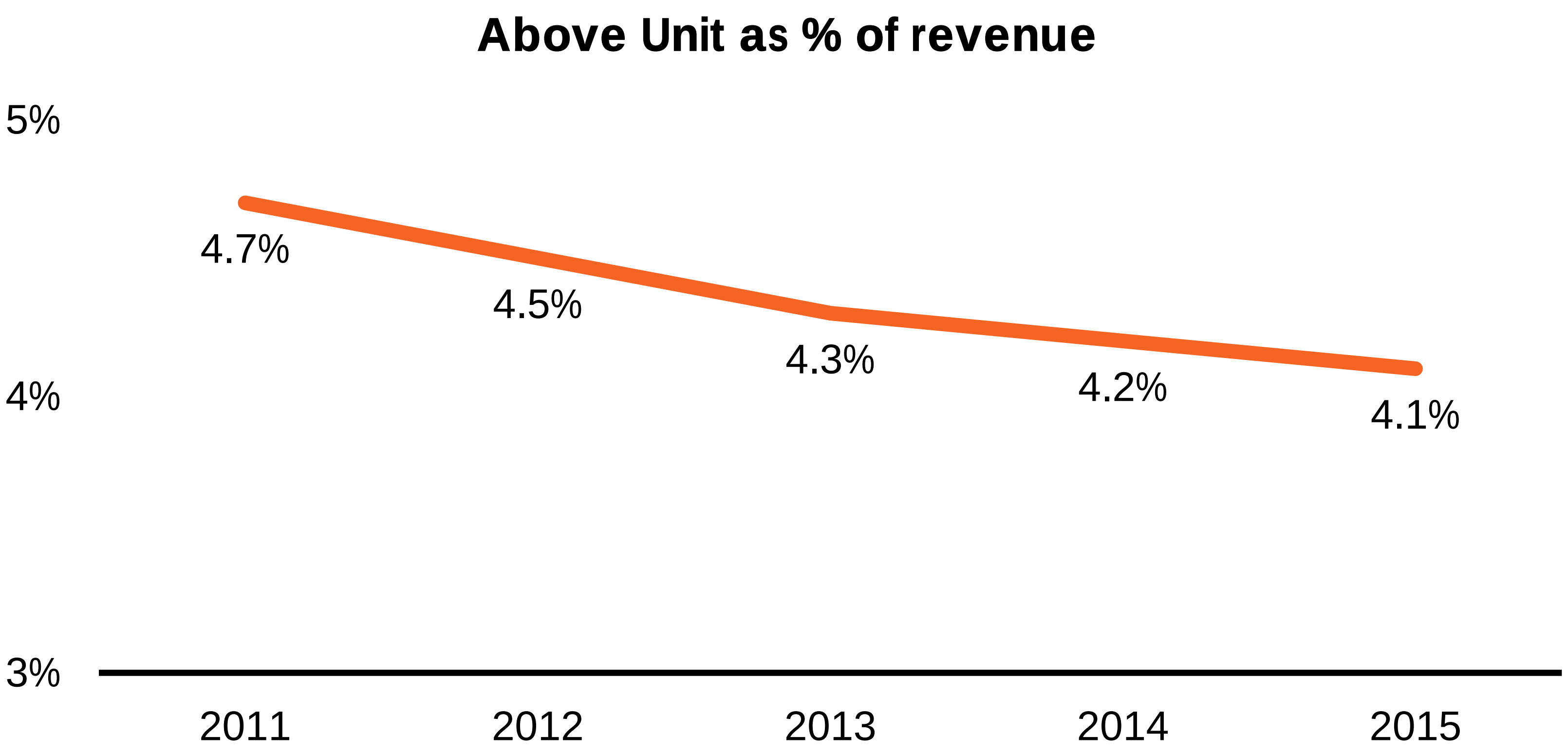
Our growth model & key themes

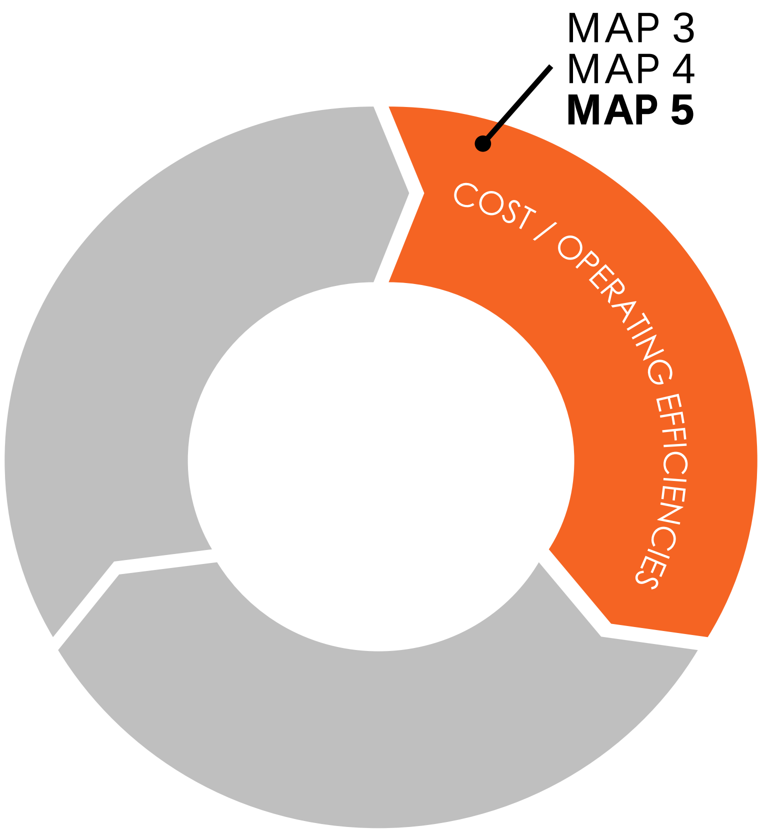


Driving efficiencies
(MAP 3, 4, 5)

- Foodbuy scale/systems = $6bn Compass
  $14bn 3rd party
- Labour productivity / job design
- Driving innovation in MAP 3 Webtrition, MAP 4 MySTAFF, MAP 5 process innovation
- Obsession with simplifying processes

Overheads: map5





Efficiencies back of house = margin contribution & reinvestment

Our growth model

No Complacency!

People

- Amazing can-do
- Innovation to help cope with growth e.g. on-line recruiting
  – This year we will hire 85K employees
- Succession planning – continue to attract, retain, develop next generation of owners

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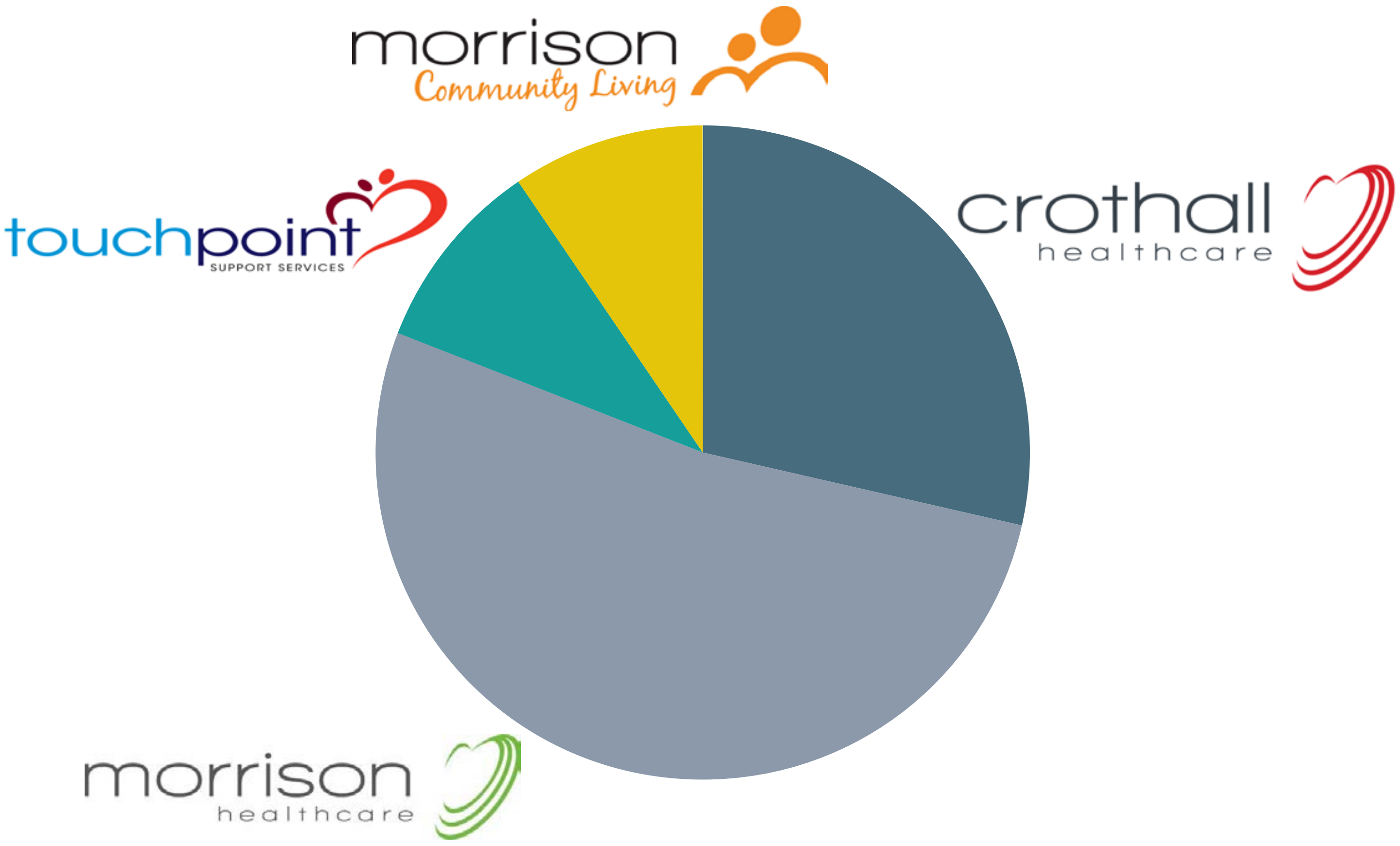
Healthcare in North America

Bobby Kutteh

CEO, Healthcare – US

Healthcare in North America

Revenue
$4.2bn

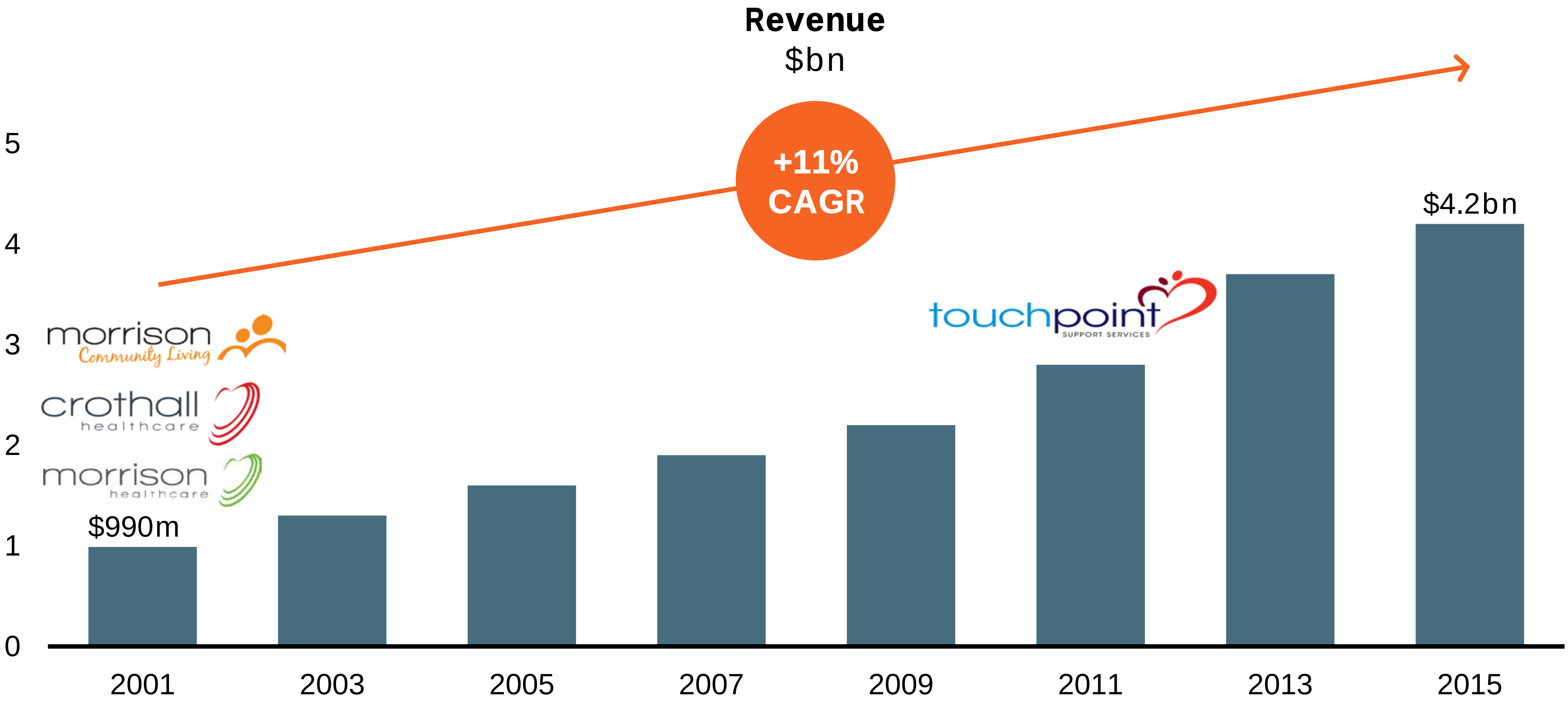


1 billion
meals served annually

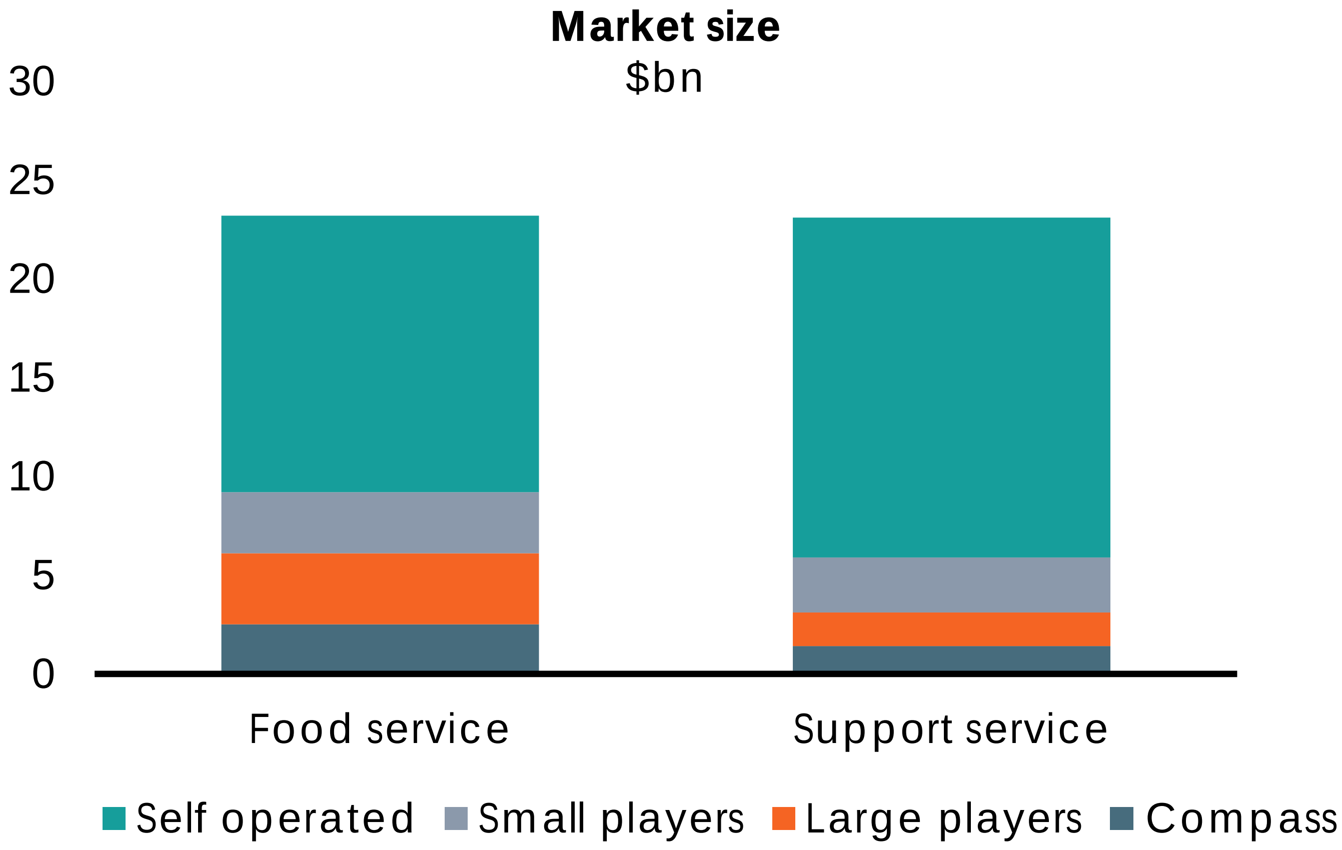
1.1 billion ft^2
cleaned & maintained
per day

98.3%
average client
retention rate

Evolution of healthcare sector in North America



North America healthcare market opportunity



Compass market position:
#1 in food service
#1 in support services

24% of outsourced market

Compass Healthcare has significant long term growth potential from first time outsourcing

Note: Compass management estimates

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Support services

- Excellent support services business in healthcare in North America
- Complex business with barriers to entry – not a commodity
- Cross-selling opportunity is significant!

The Joint Commission Quality Check®

Why do hospitals outsource?

- Core competency
- Cost savings
- Improved patient experience
- Industry best practices
- Shift operational risk

Compass differentiators

- Operational specialisation / sub-sectorisation focus
- Management stability
- Breadth of services
- Patient experience investment
- Analytics / technology focus

Drivers for future growth

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Strong portfolio of clients for cross-selling

Retail innovation

Affordable Care Act

Aging population

Consumerism

Consumerism

- Patients have choices
- Access to information
- Patients more savvy
- ‘Cradle-to-Grave’ – lifetime of loyalty

Continued focus on cost

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map3
Cost of Sales

Leverage scale (Foodbuy)

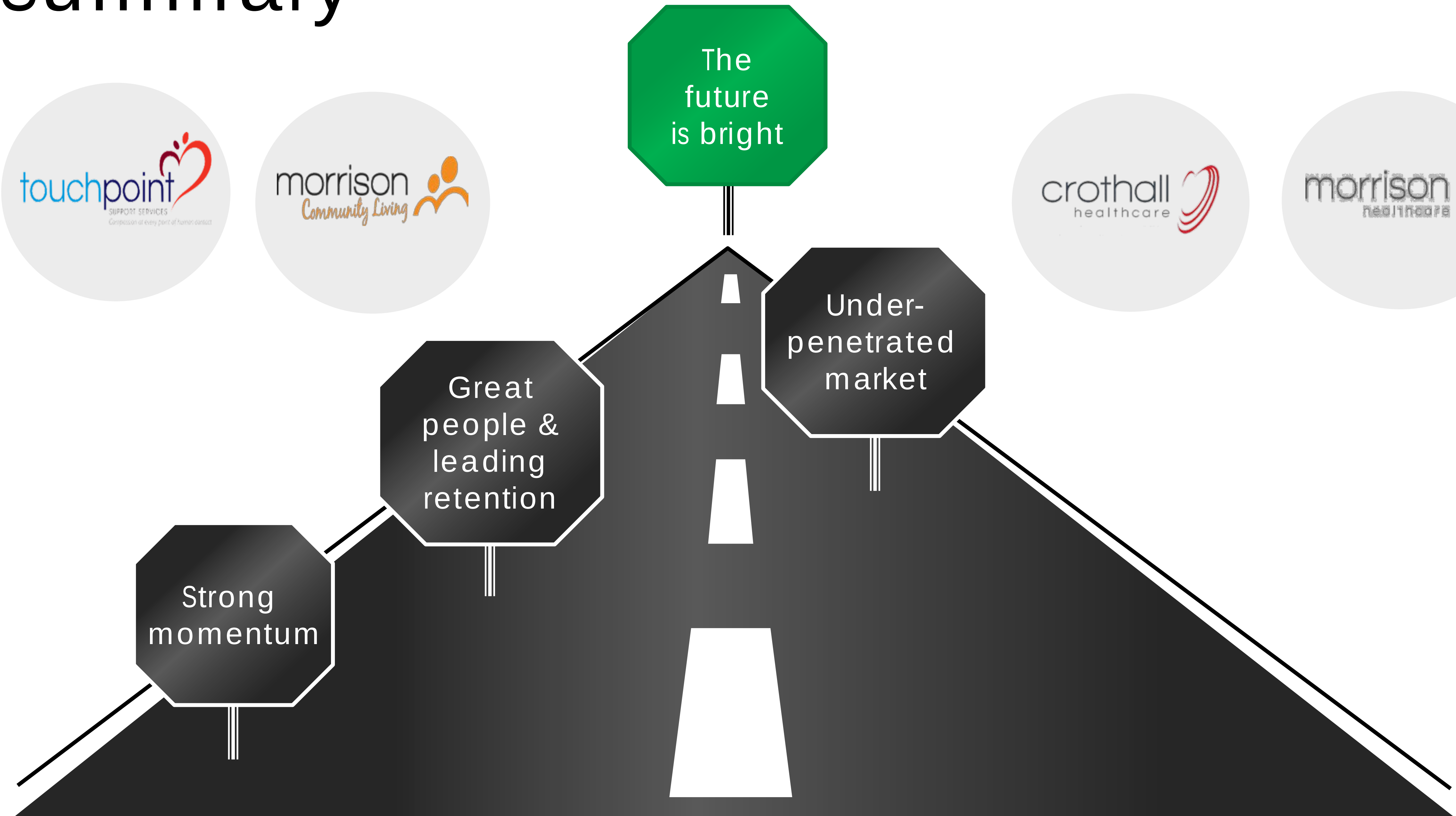
map4
Unit Costs

Benchmarking analytics (internal & industry)

map5
Above Unit

Further leverage scale & overhead for system opportunities

Summary


The future is bright
Under-penetrated market
Great people & leading retention
Strong momentum

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Levy Restaurants

Sports & Leisure North America

Andy Lansing
CEO Levy Restaurants

Our business

Headquartered
in Chicago

Began as a
restaurant
company in 1978

Primarily Sports
& Leisure
company today

200 locations
110 cities
30,000 team members

Our soul

Passionate restaurateurs

Scope of business

Innovation sets us apart

Our people are the best people

The Compass / Levy story

Sectorisation

Foodbuy

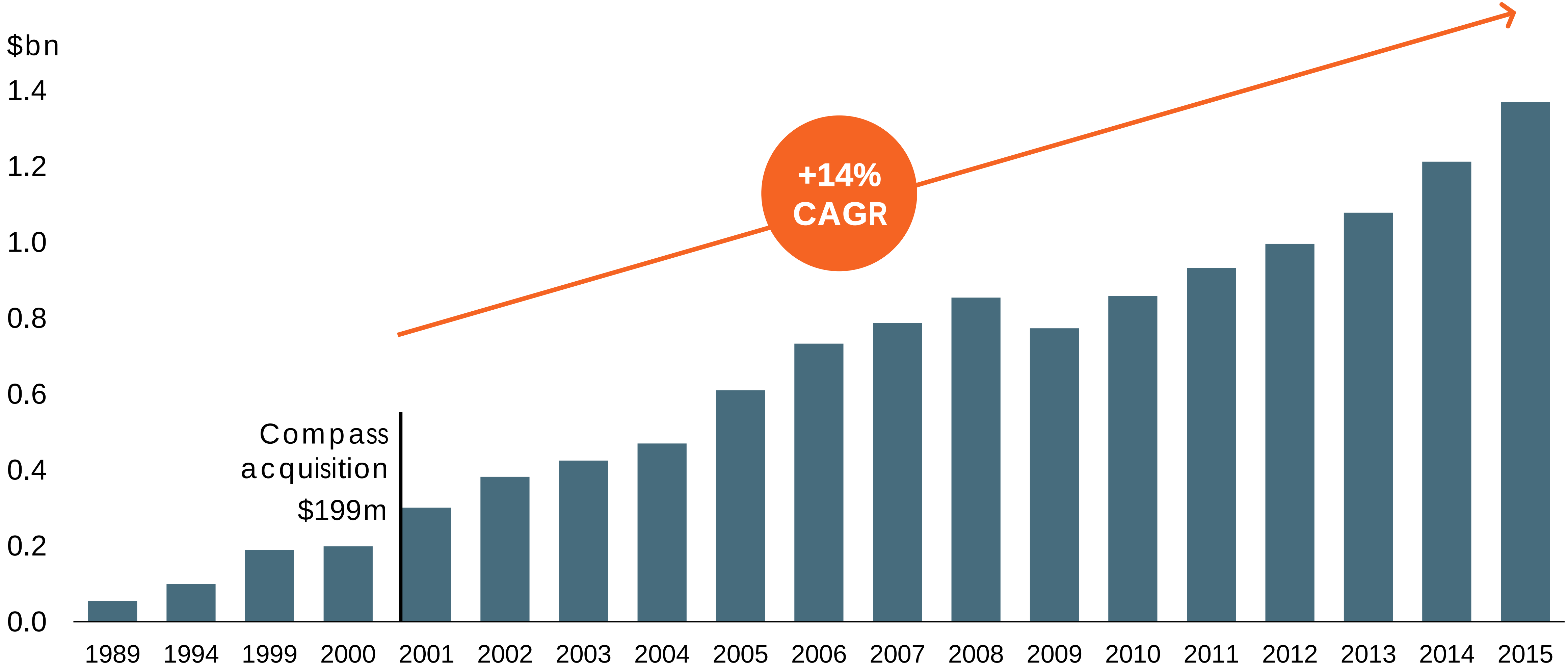
Back office support

Restaurateur mentality

E15 advanced analytics

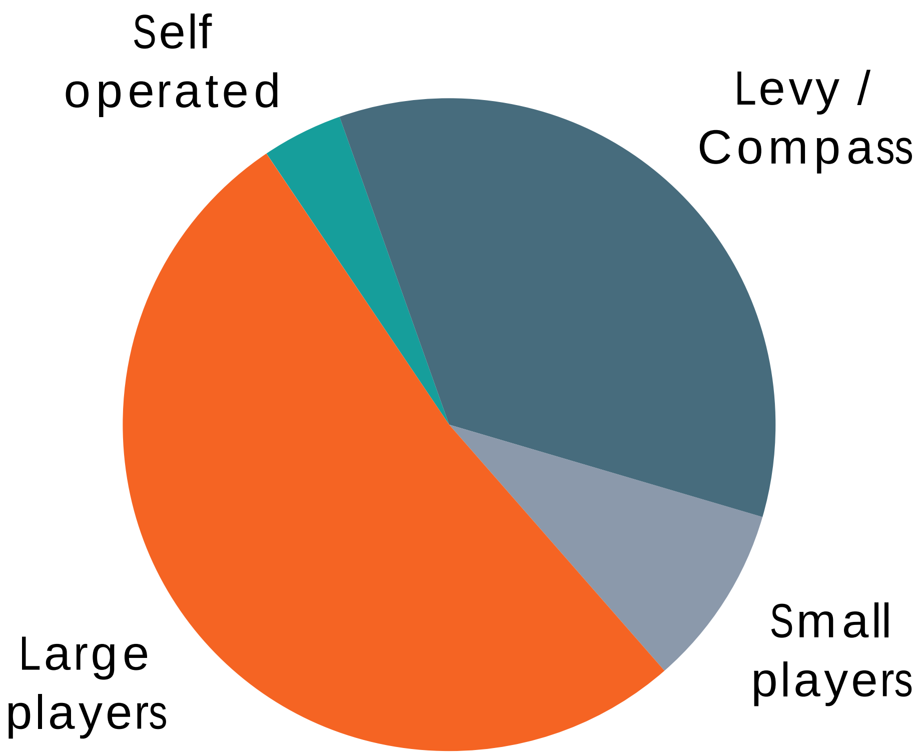
People / training best practices

Historic revenue growth



Market

Sports & Leisure market
c. $6bn



Levy had 99% retention in FY 2015

Potential for growth from:
- Large national accounts
- Greenfield facilities
- Small players
- Self operated

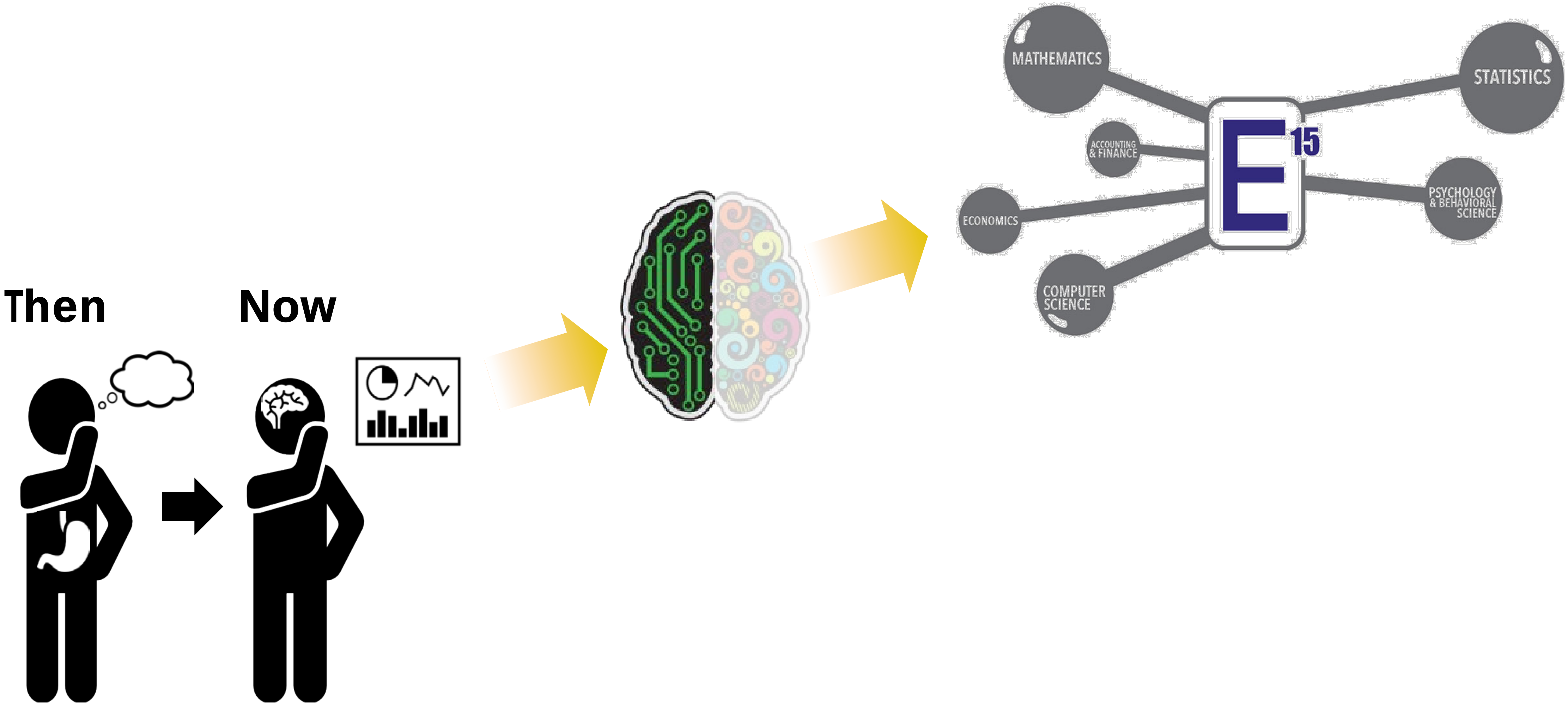
Note: Large players include Aramark, Delaware North & Centerplate. Competitor information & market size are based on Compass management estimates
Includes revenue from vending and other Compass brands

Sub-sectorisation

Select Partners

- Professional sports
- Indoor concerts / events
- Outdoor concerts / events
- Convention centers
- High street
- Minor leagues
- College athletics
- Retail merchandise

From anecdotal to empirical



2015 smart pricing for Major League Baseball

Game length

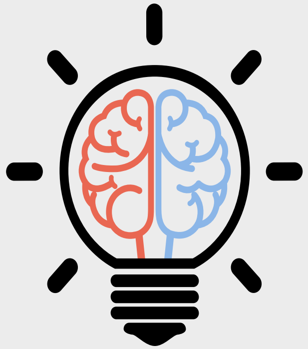
Attendance

Per cap

Consumption

Double digit LFL revenue growth

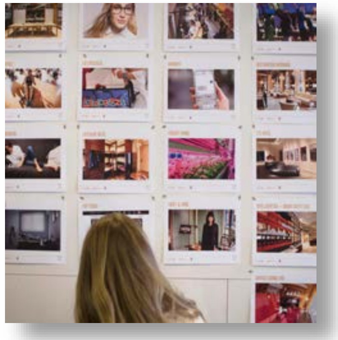
Design thinking agency



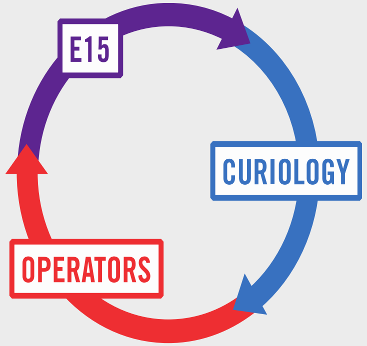
‘Right Brain’ agency to complement our E15 ‘Left Brain’

End-to-end design thinking approach & experts together with operators & partners

Range of work – glamourous to less glamourous but high impact



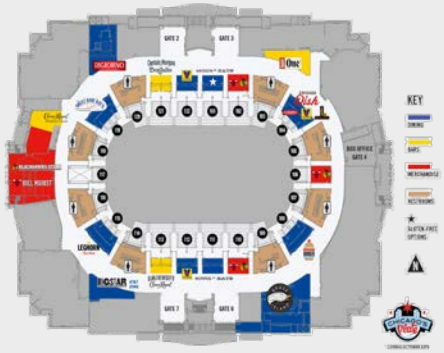
Innovations lab



Collaborative model

Tremendous interest from clients & non-clients

Chicago's plate



20

local food & beverage partners

Fans arriving earlier

Redistribution of traffic flow

250m

media impressions

Well placed for continued success

- Culture of passion for restaurant quality
- Diverse portfolio in a dynamic industry
- Expansion through sub-sectorisation
- Balance of data-driven solutions & experience innovation
- The best people in the industry

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Latin America

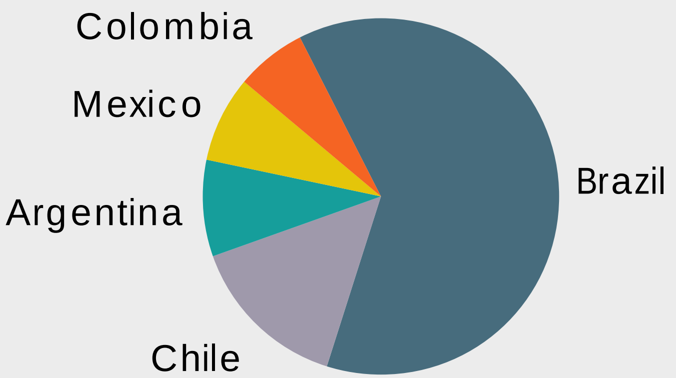
Alfredo Ruiz-Plaza

Regional Managing Director

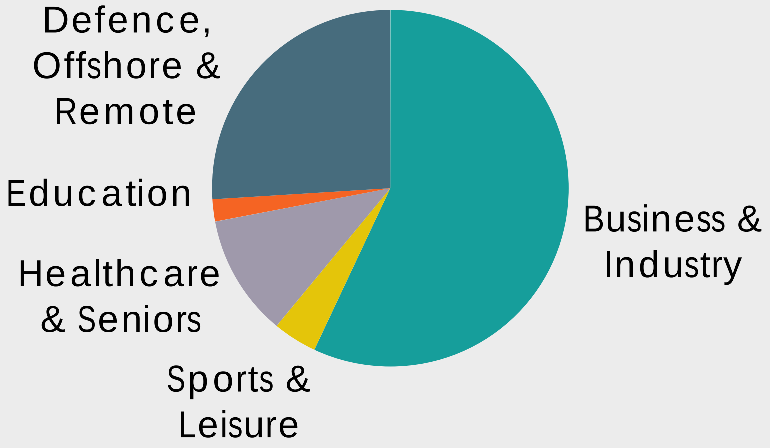
Compass Latin America

- Market leader in the region
- Present in 5 countries
- 2.5 million meals a day
- 60,000 employees

Revenue by country
£1.1bn



Revenue by sector
£1.1bn



Note: Compass management estimates

Great global & local client partners

VALE
Bloomberg
Google
Nestlé
Amil
Colégio Miguel de Cervantes
Colégio Visconde de Porto Seguro
Terminales Rio de la Plata
clínica biobío
Un Paso Adelante en Salud
TAM
Microsoft
Bradesco
Hospital Sírio-Libanês
Jones Lang LaSalle
CODELCO
Andina
Gancia
Chevron
P&G
Bank of America
PHILIPS
Cablevisión
SANOFI
Hospital Británico
PAX
Universidad de Concepción
Minera Alumbrera
YMAD - UTE
Intermédica
Pfizer
grupo boticário
IBM
PSA PEUGEOT CITROËN
CENTINELA
ANTOFAGASTA MINERALS
MRN
Mineração Rio do Norte
Orden Hospitalaria de San Juan de Dios
CSN

Priorities

1. Cost actions:
   - Offset negative volumes
   - Make business more efficient

2. Drive strong new business wins

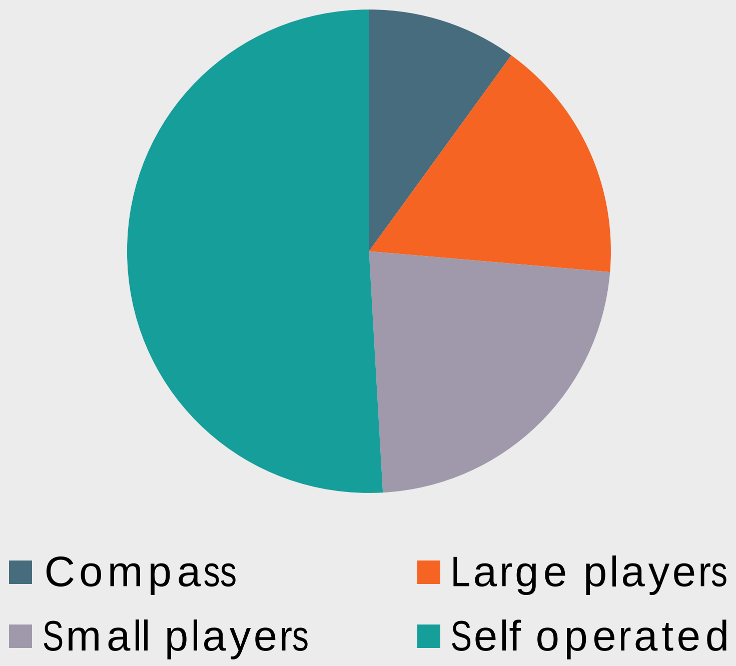
3. Strengthen sales, retention & procurement capabilities

Market

- Compass
  - The #1 player in the region
  - The market leader in Brazil & Argentina

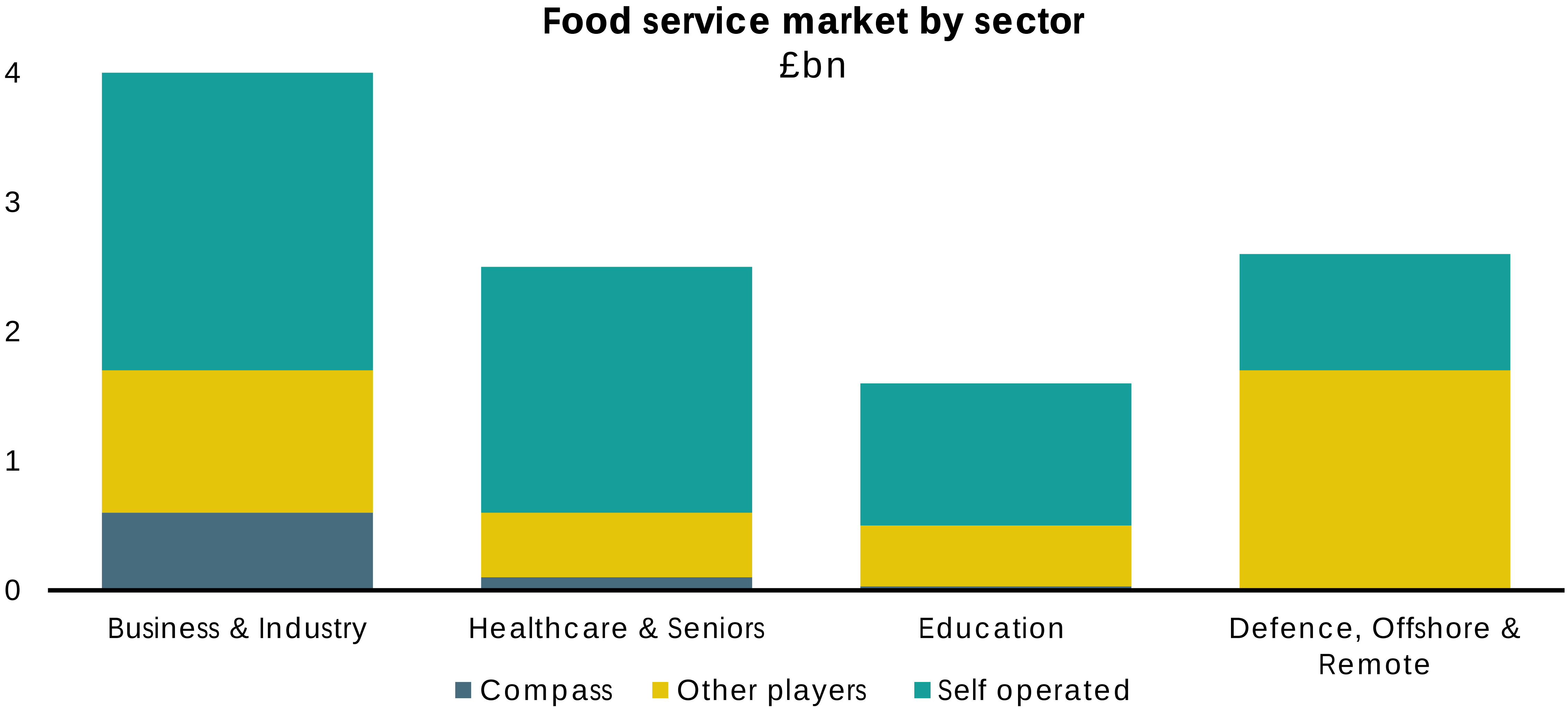
- Highly fragmented market

Food service market
c. £11bn



Note: Compass management estimates for Latin America (Brazil, Chile, Mexico, Argentina & Colombia). Excludes public sector

Growth opportunities in all sectors



Note: Compass management estimates for Latin America (Brazil, Chile, Mexico, Argentina & Colombia). Excludes public sector

Brazil

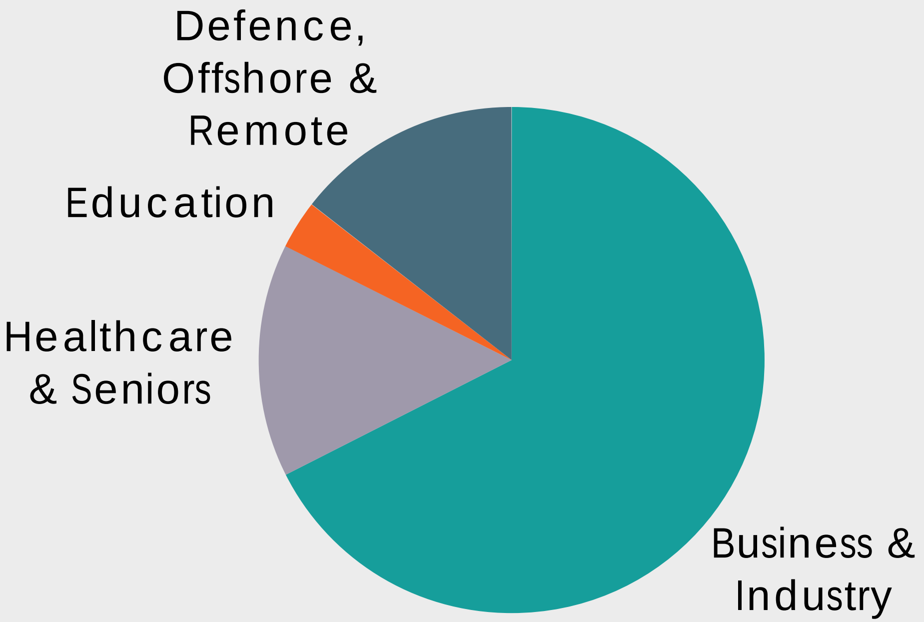
Market

- Food service market: £5 billion*
- Highly fragmented market
- Compass is #1 player with 12% share

Compass

- Taking decisive action on costs to offset impact of negative LFL volumes
- Maintaining strong pricing discipline
- Good cash conversion
- Delivering strong rates of new business wins

Revenue
£660m



* Compass management estimates

Spanish speaking markets

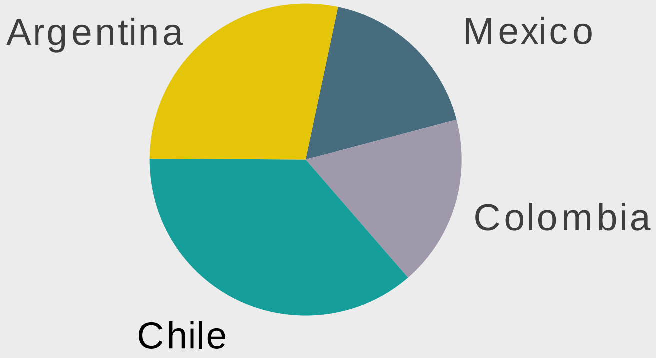
Market

- Food service market: £6 billion*
- Highly fragmented
- Compass market share: 7.5%
- Population: 230 million

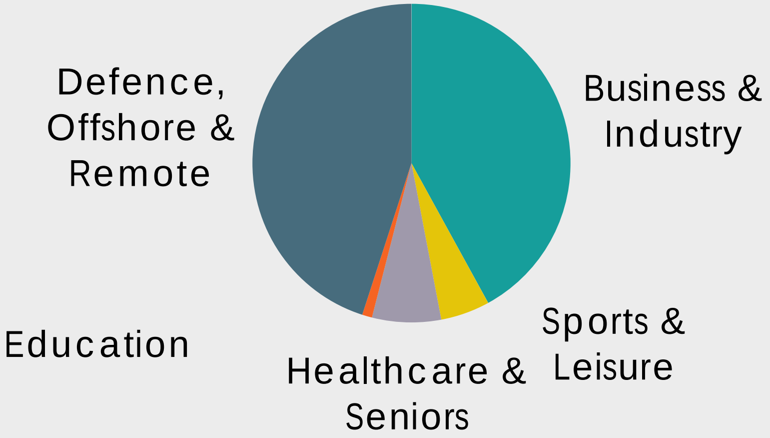
Compass

- Growth in Business & Industry a priority
- Taking out costs to offset weakness in Defence, Offshore & Remote
- Good new business wins
- Strong pricing framework

Revenue
£400m



Revenue by sector



* Compass management estimates

Decisive action on costs

COMPASS GROUP

map3

- Significant reduction in number of products and SKUs
- Reinforced the quality of our buyers
- Refined our supply chain

map4

- Changing contract structure to enable greater flexibility
- Downsized in line with LFL movement
- Gaining efficiency through business re-engineering

map5

- Adapted to scale, closed regional offices
- Standardised back office processes

A continuous cost improvement culture

Actions to drive the top line

COMPASS GROUP

- Reviewed existing portfolio of contracts
  - Fixed / exited poor performing contracts
  - Focus on continuous pricing
- Strengthened sales force
  - Moved from generalists to sector specialists
- Invested in retention
  - Strategic Alliance Group processes in all 5 countries
- Leveraged Compass' best practice
  - Innovation & use of capex

Strong & disciplined new business wins

Case study: New business win
Argentina

Hospital Británico

British Hospital

✓ Annual revenues: £3 million

✓ Our game plan:

- 2 years to build the relationship
- Health & Safety best practices in Healthcare
- Investment to improve infrastructure & production processes

Case study: New business win

Brazil

O Boticario

✓ Annual revenues: £1.8 million

✓ Our game plan:

- New & dynamic offer – more variety & healthier choice
- Strong reputation in the Business & Industry market
- Health, Safety and Governance standards

Curitiba Plant

Case study: Improving retention

COMPASS GROUP

Brazil

COLÉGIO VISCONDE DE Porto Seguro DESDE 1878

Porto Seguro High School

✓ Annual revenues: £2.1 million

✓ Our game plan:

- New offer – food court & brand refresh
- Innovation – “Frutaria do Patio” healthy & delicious products for children
- Chartwells: Eat, Learn, Live programme

“Frutaria do Patio”

Summary

- Taking the necessary actions to manage a challenging environment
- Restructured cost base will give us a competitive edge
- Strong & disciplined new business wins

We are addressing the short term challenges & are well placed for the future

COMPASS GROUP

Investor Seminar 2016

COMPASS GROUP

Asia Pacific

Mark van Dyck

Regional Managing Director

Compass Asia Pacific:

Two sub-regions

9 countries

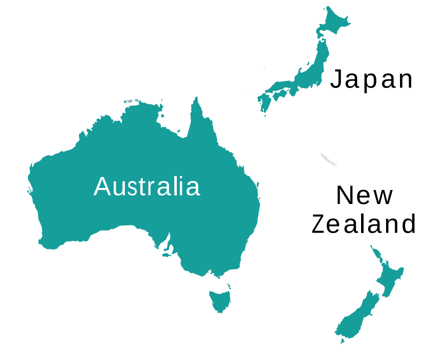
3.1 billion people

Compass APAC sales £1.8 billion

- Developed 90% of revenues
- Emerging Asia 10% of revenues

Adapting our strategy accordingly

Developed



Characteristics

- Leading market positions
- Well-developed processes
- Stable regulatory & tax environment
- Strong & capable management

Growth priorities

- Sales & retention excellence
- Strategic expansion of services & contract extension
- Optimal supply chain
- Labour efficiencies & lean operating processes

Emerging Asia

Characteristics

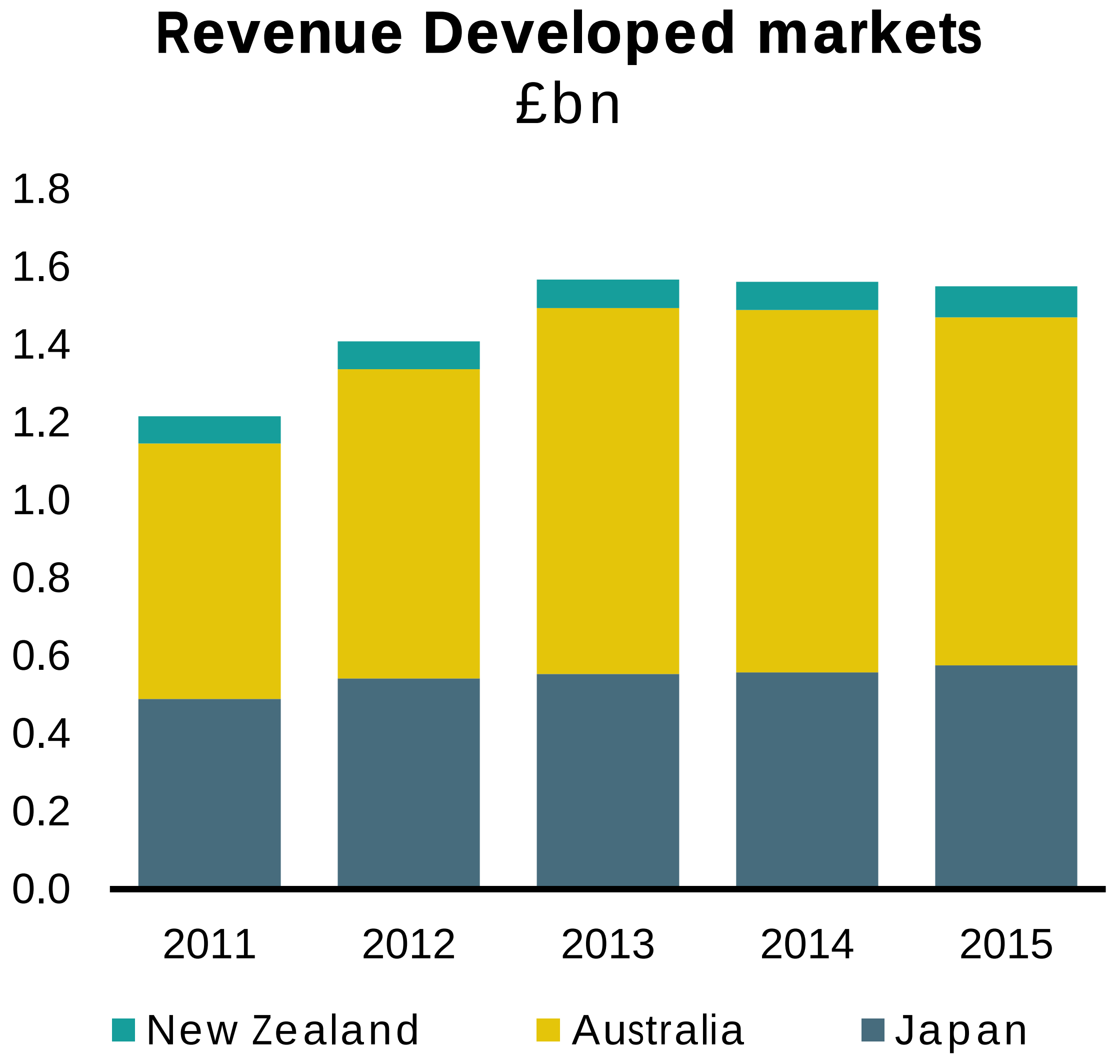
- #2 or #3 market position
- Double digit growth
- Business processes now well implemented
- Rapidly developing sectors & markets
- Changing tax & regulatory environment
- Good management & strengthening capability

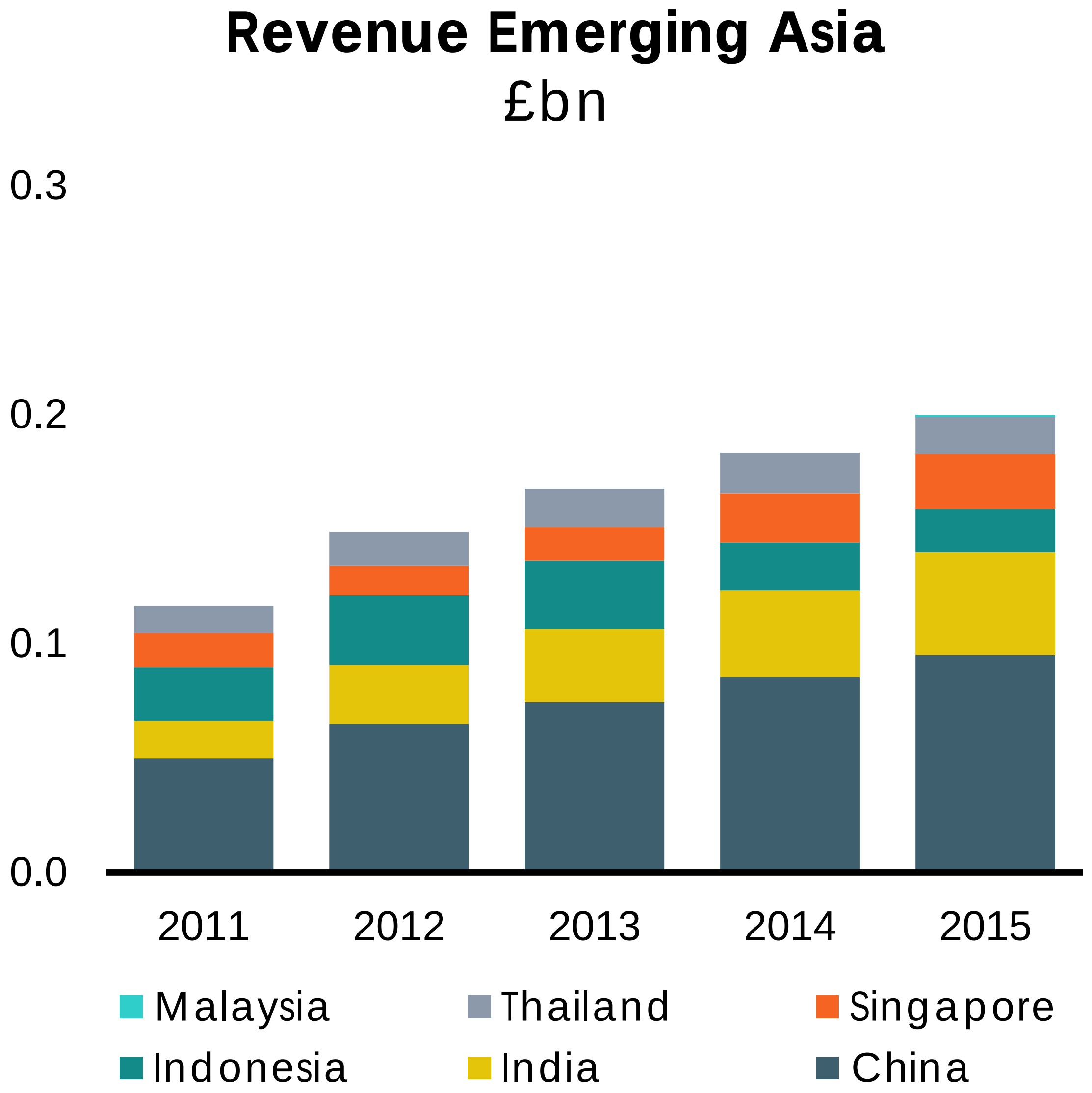
Growth priorities

- Building scale sensibly with integrity in contracts
- Improving retention
- Developing an efficient & competitive supply chain
- Labour management & capabilities

Note: Compass management estimates

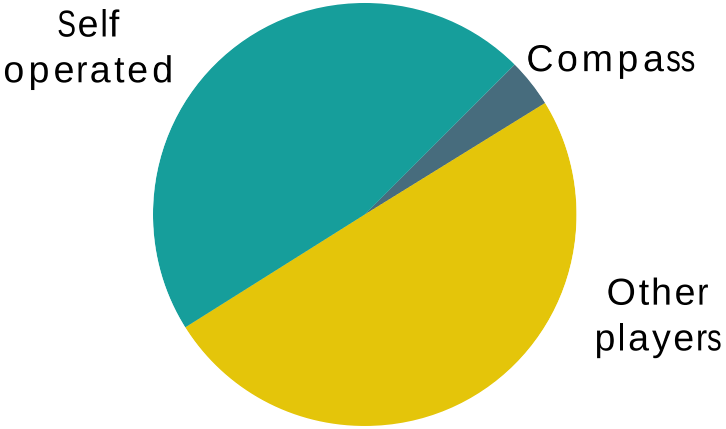
Compass Asia Pacific financial highlights



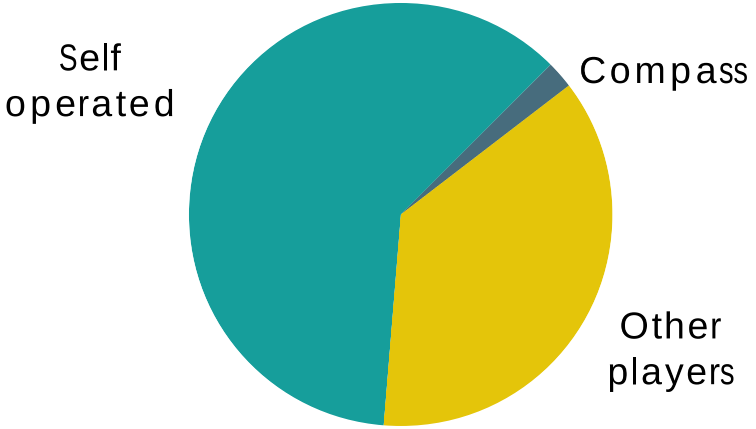


Significant outsourcing opportunities

Food service market
Developed markets
c. £40bn



Food service market
Emerging Asia
c. £9bn



Key outsourcing drivers:

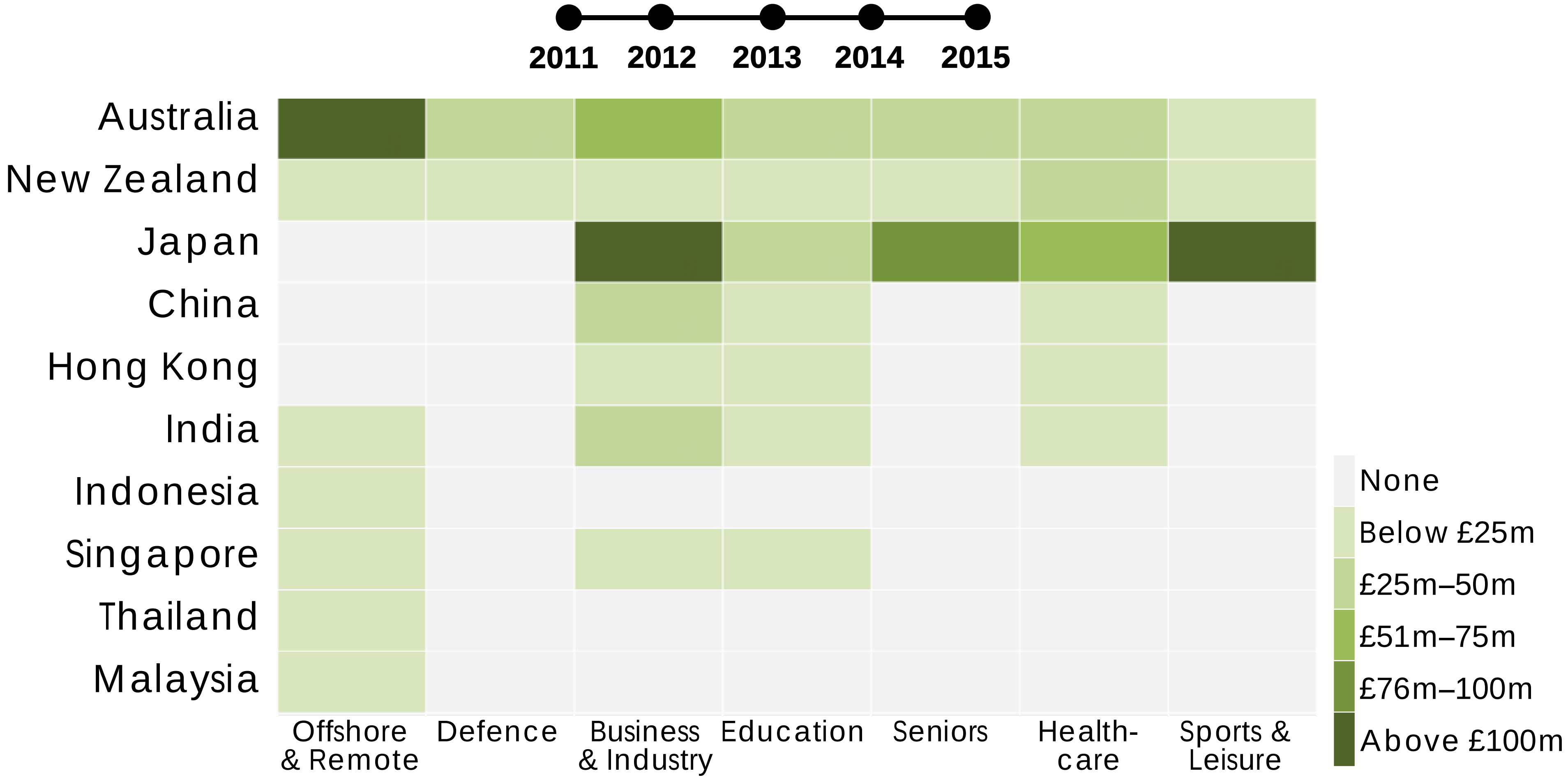
- Government & business's quest for productivity
- Growth in sectors where outsourcing accelerates their business model
- Drive for compliance (supply chain & HSE)

Benchmark % outsourced	
UK	50%
US	52%

Note: Compass management estimates

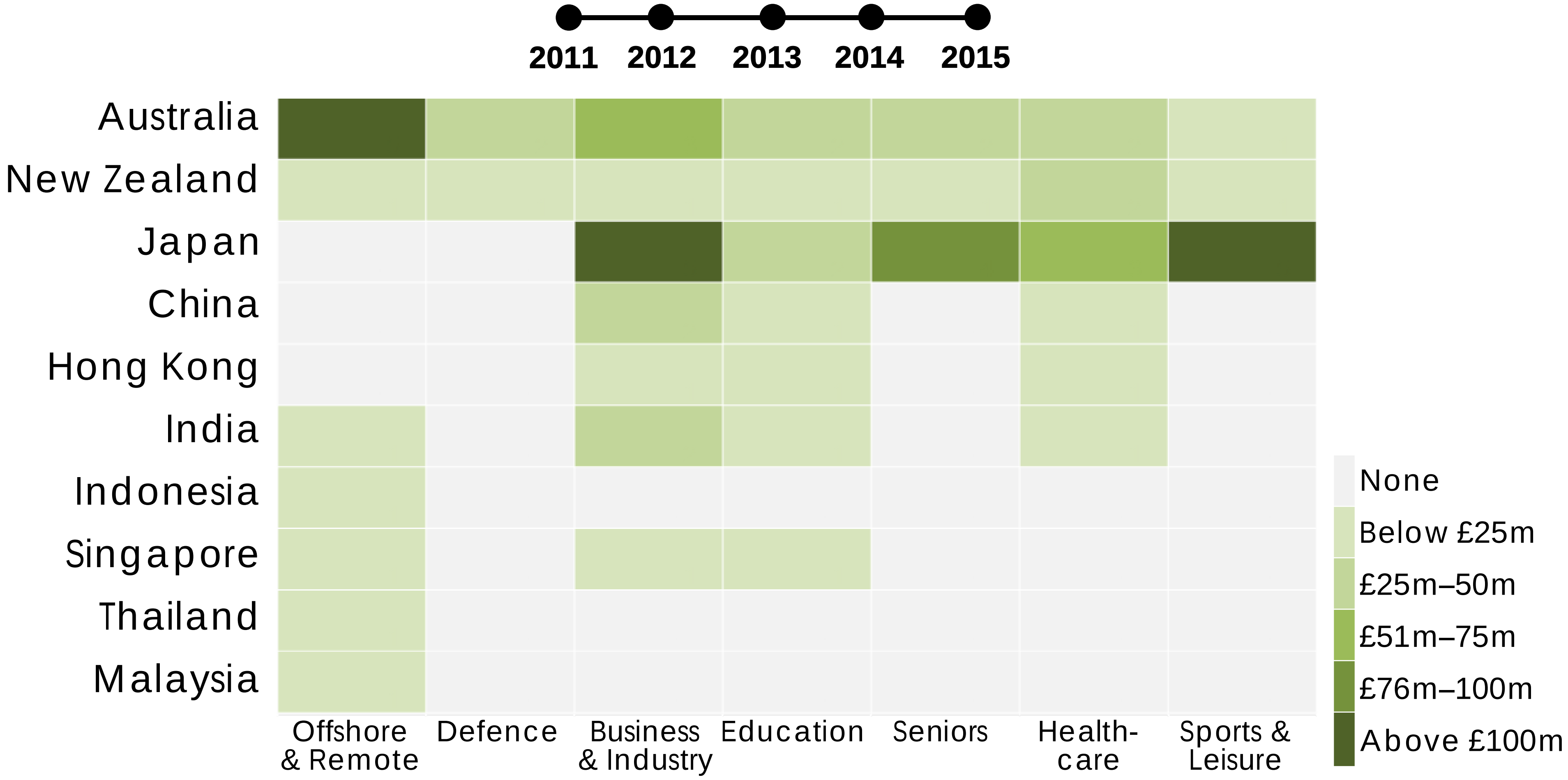
Increasing sector penetration

Revenue heat map evolution across Asia Pacific



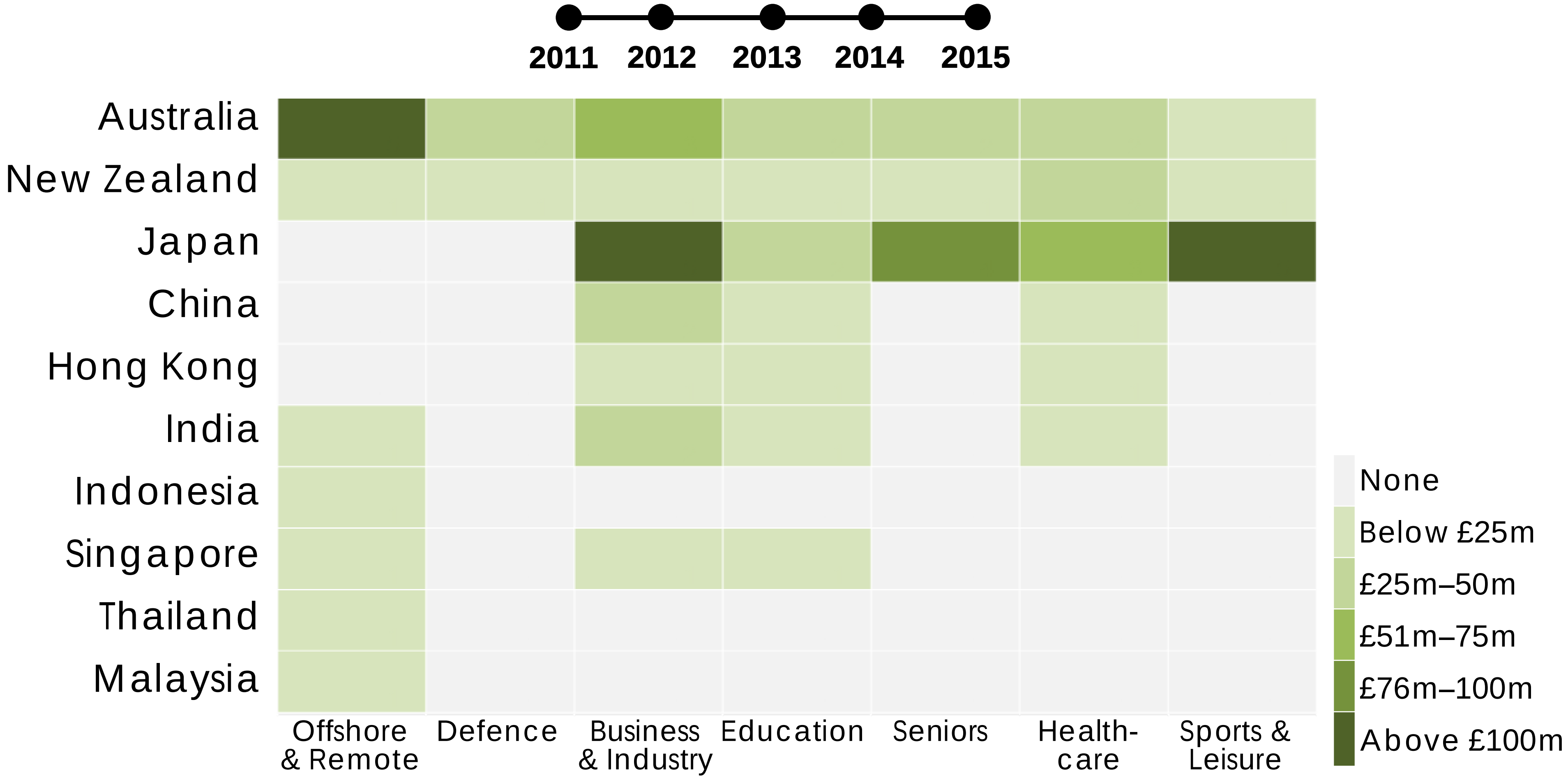
Increasing sector penetration

Revenue heat map evolution across Asia Pacific



Increasing sector penetration

Revenue heat map evolution across Asia Pacific



Focus on driving the top line in MAP 1

map1

Key Account geographic expansion

Retention with Strategic Alliance Group

Extension of services e.g. guest services

… and in MAP 2

COMPASS GROUP

map 2

Retail expansion

Innovation

Refresh

‘Refresh’ before & after

And we continue to drive efficiencies

map 3

- Significant supplier rationalisation opportunities
- Improved logistics / use of hubs

map 4

- In unit labour control & rationalisation
- Lean processes

map 5

- Leveraging overhead structure
- Systems & processes

Compass Australia

Facts & figures

2 business portfolios (Offshore & Remote, Urban)

7 business sectors

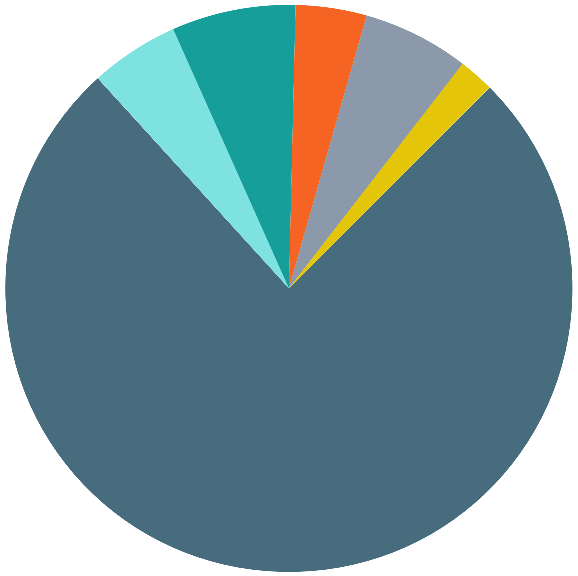
9 operating brands

40+ years operating in Australia

658 operating sites

9,000 employees

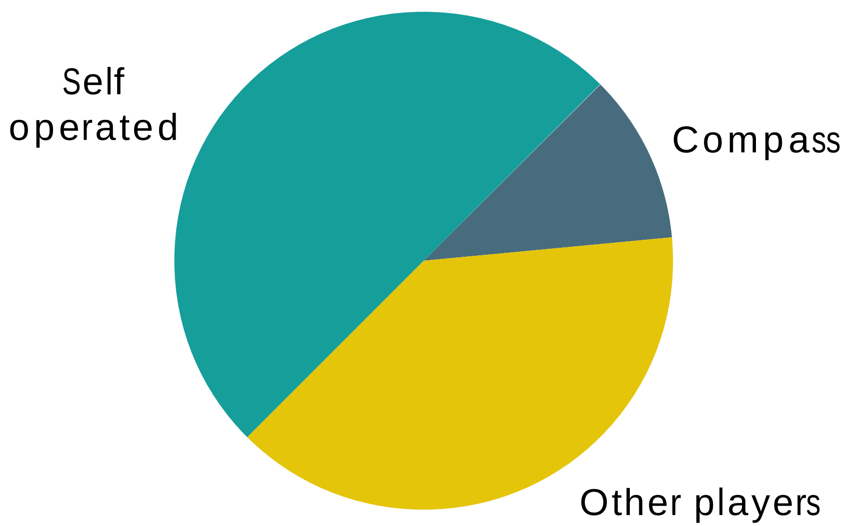
Revenue 2015



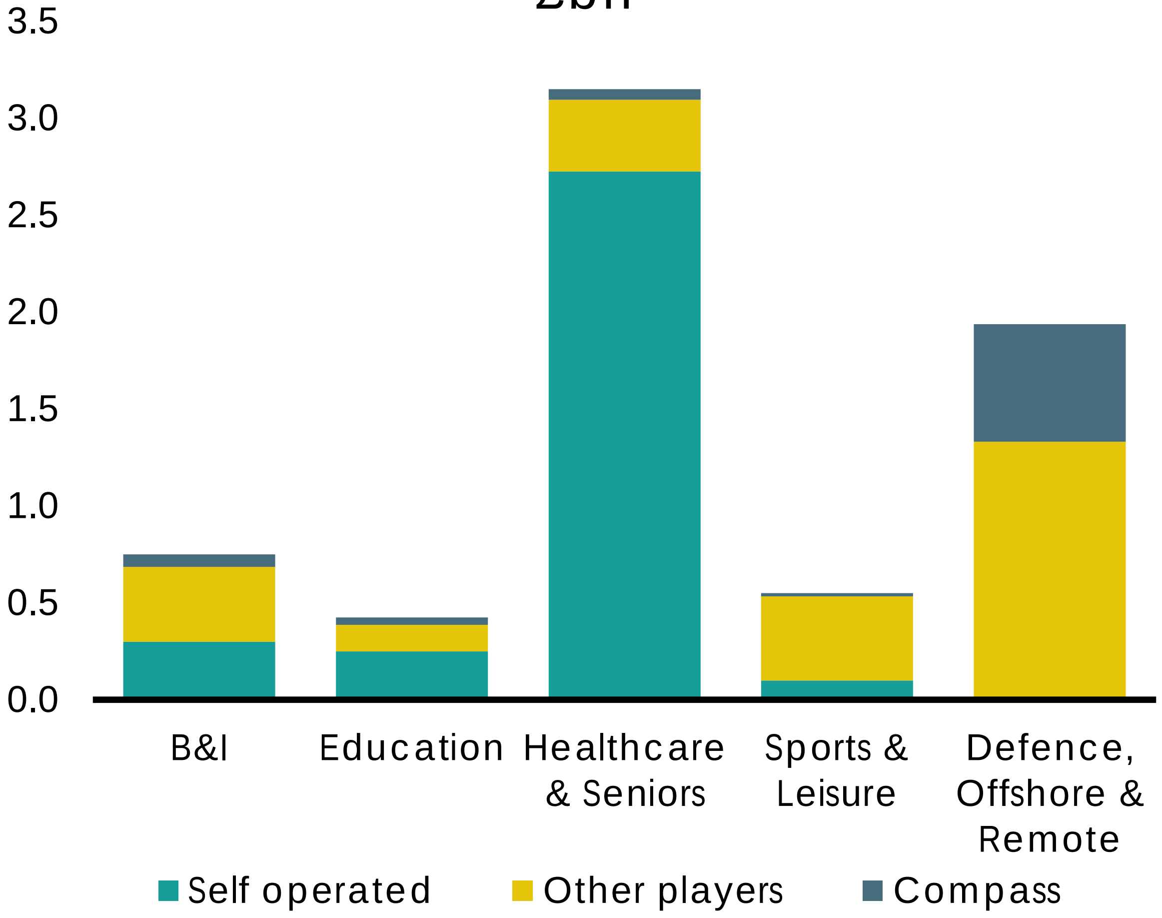
Key clients

Australia

Food service market
c. £7bn

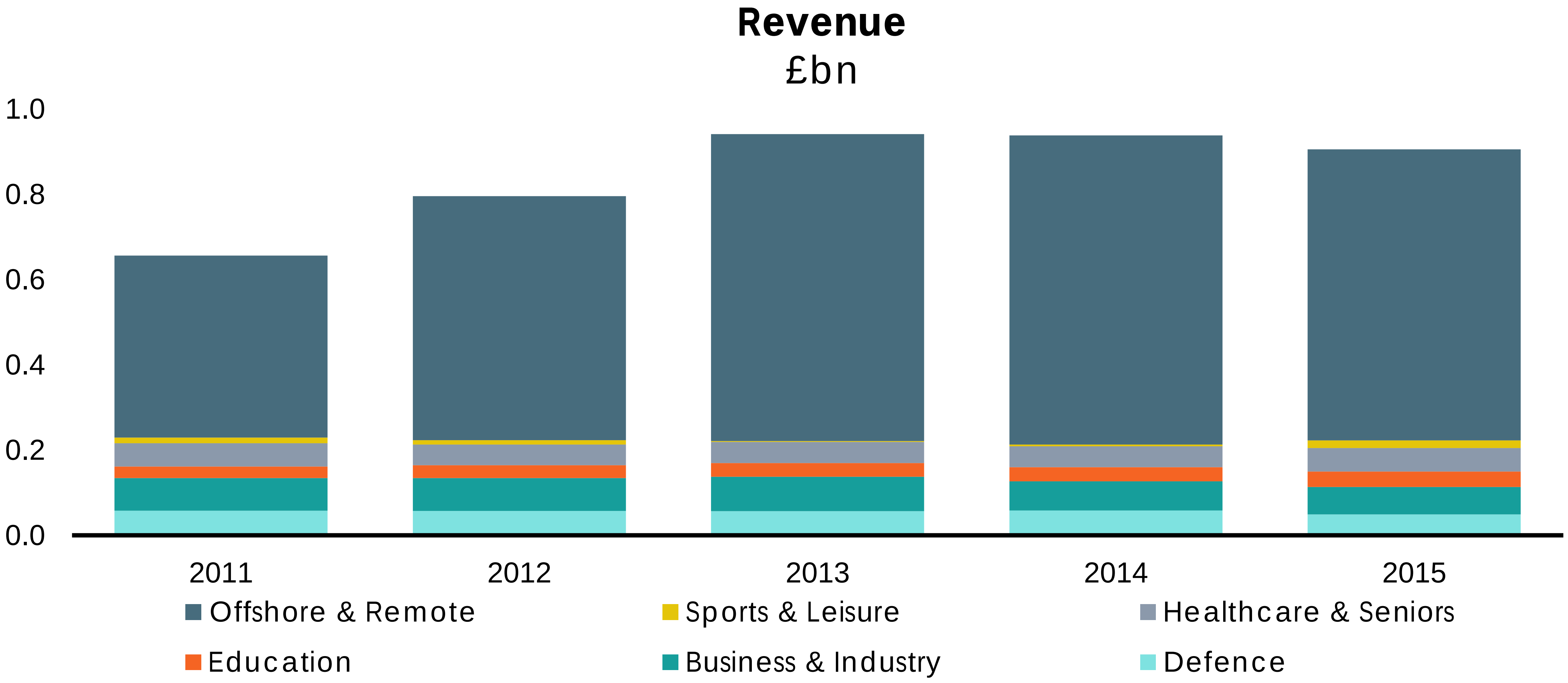


Food service market by sector
£bn



Note: Compass management estimates

Australia: Great execution during the resources boom...



… and now taking decisive action to reset the business

Actions taken

- Realignment of cost base through Agility Programme
- Innovation of Offshore & Remote service offering through ESS 2.0 & Village Life

Progress so far

- High contract retention
- Expansion of retail offer
- Repositioned & resourced for growth in Urban

Timeline

2014: Rapid headcount & cost reduction

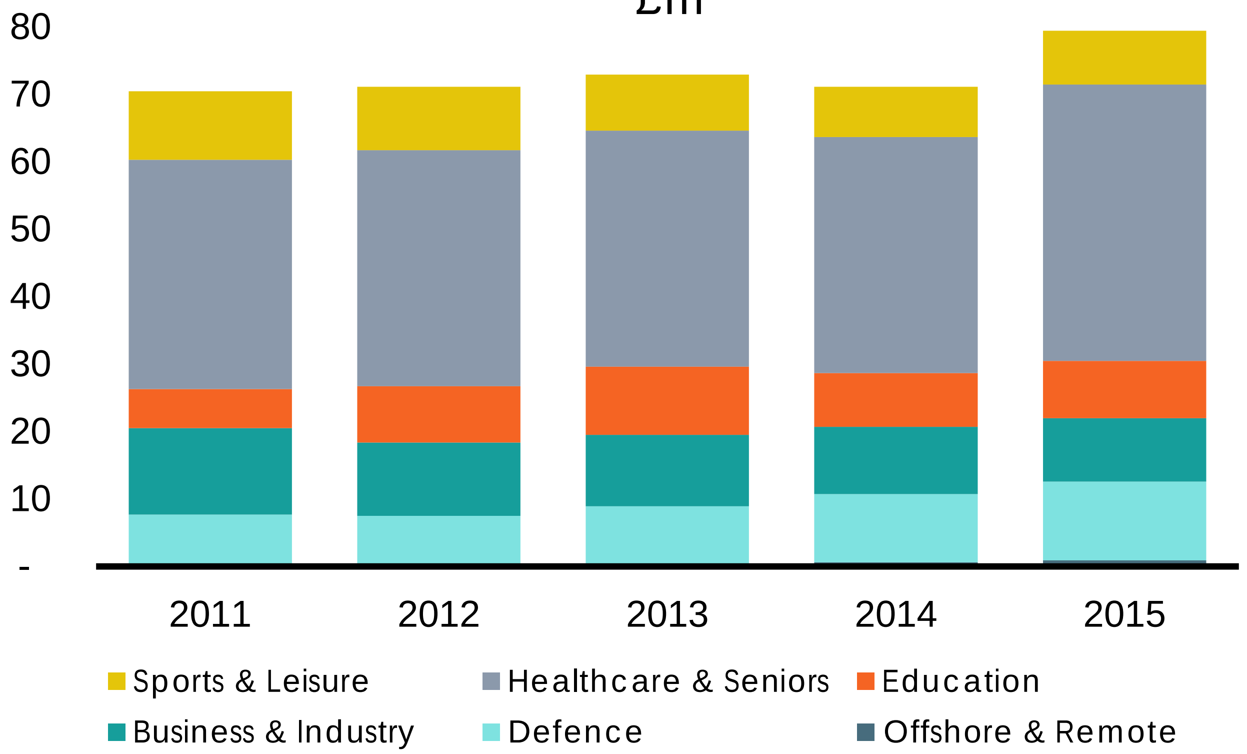
2015: Lean operations & food control

2016: Organisation transformation & continuous improvement

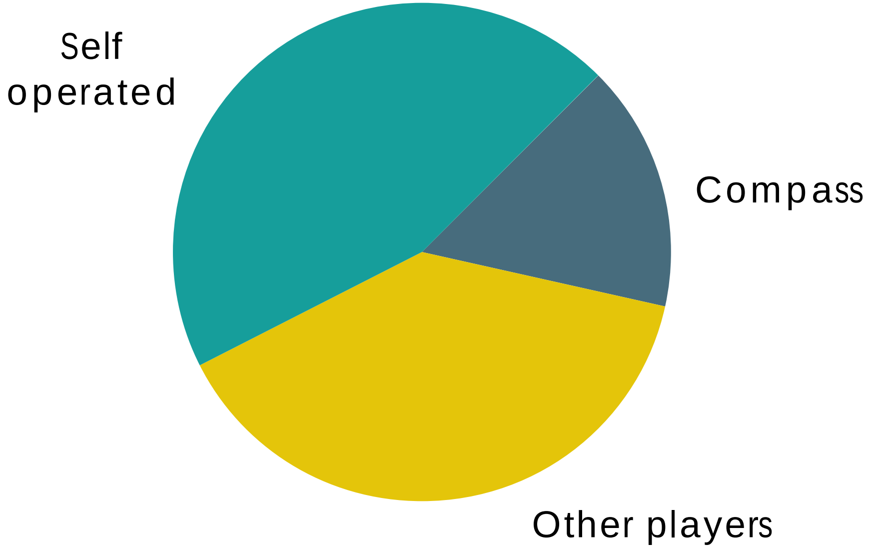
TOTAL SAVINGS £55m

New Zealand: Exciting growth in a mature market

Revenue
£m



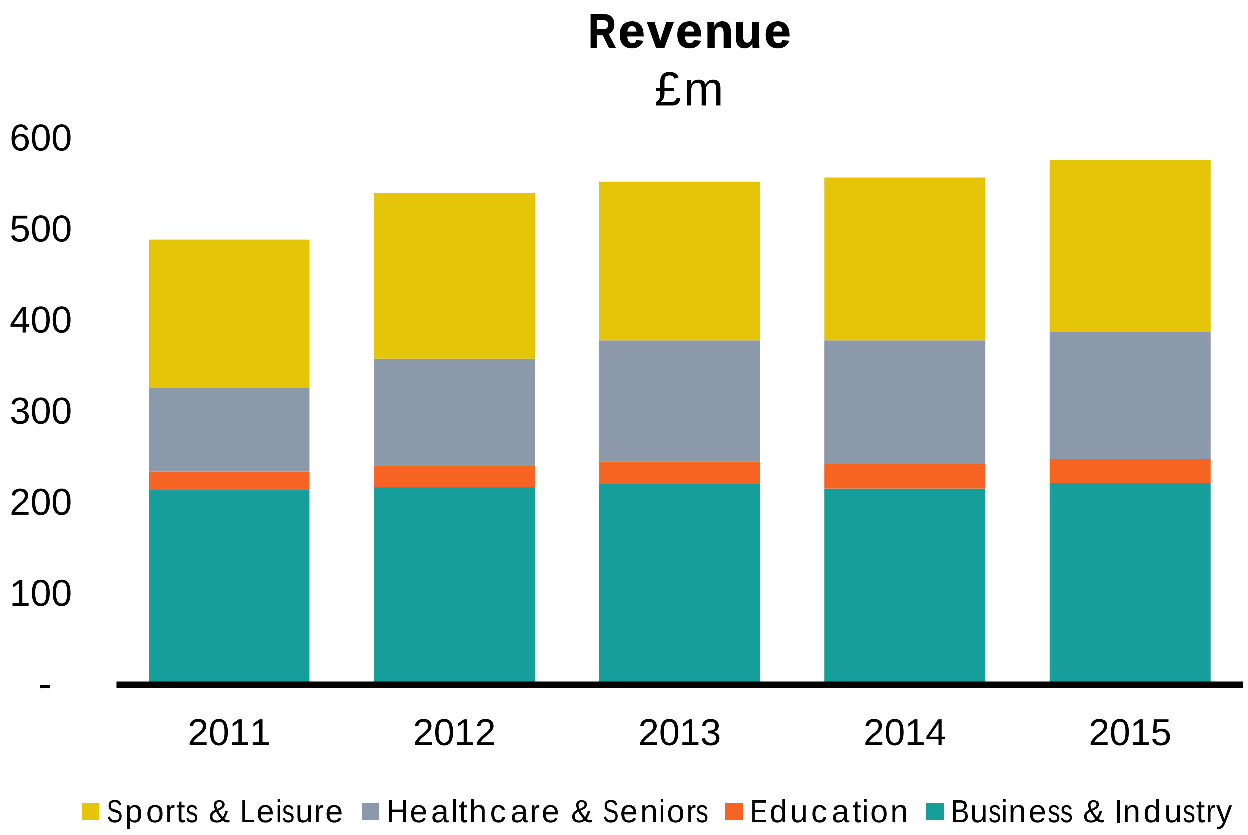
Food service market
c. £600m

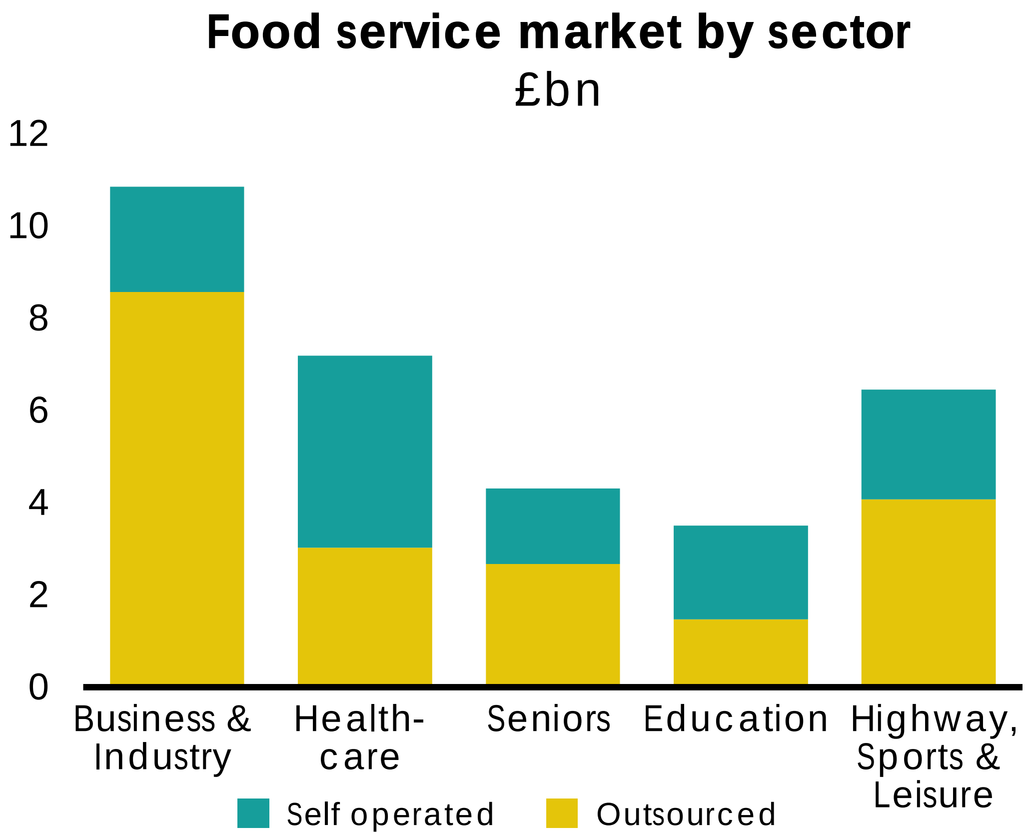


- Compass is the market leader
- H1 2016 growth +20%

Note: Compass management estimates

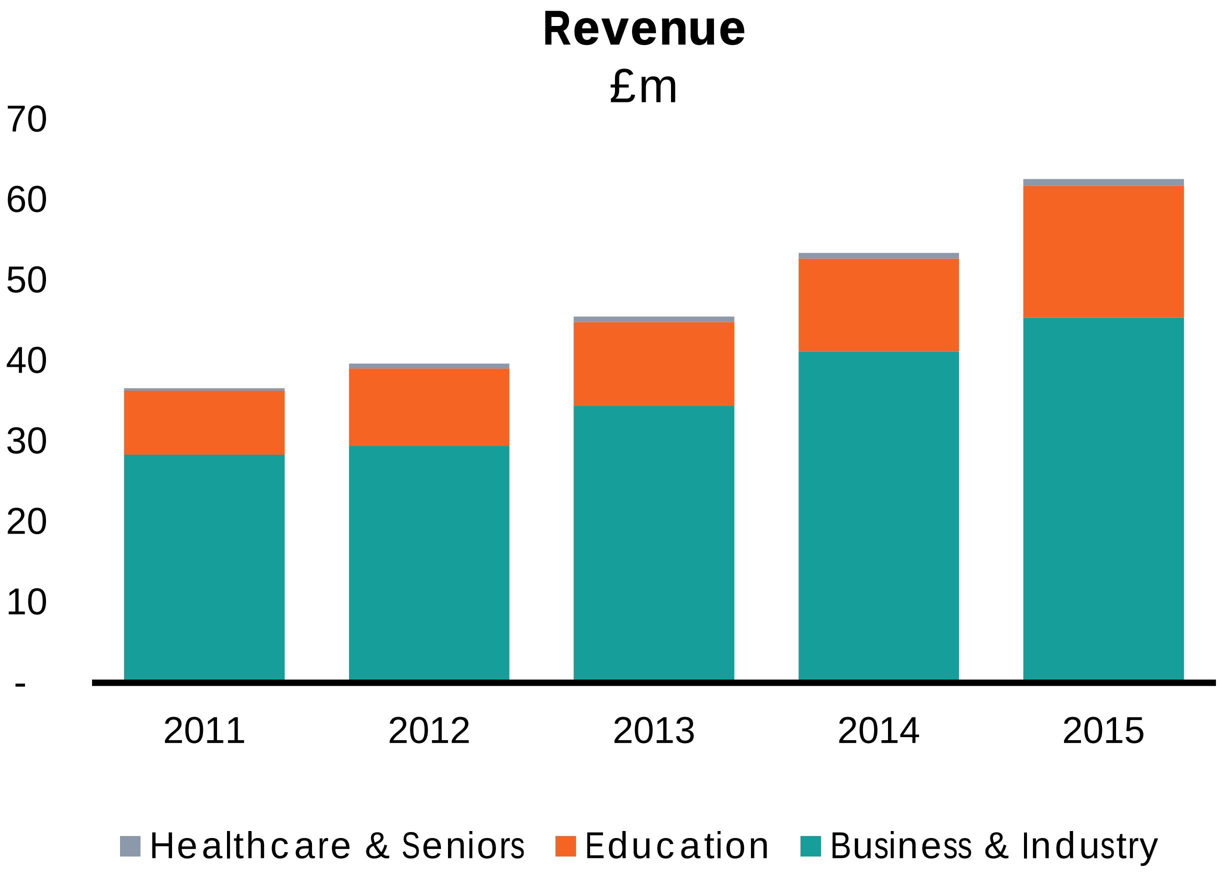
Japan: Strong position in an attractive market

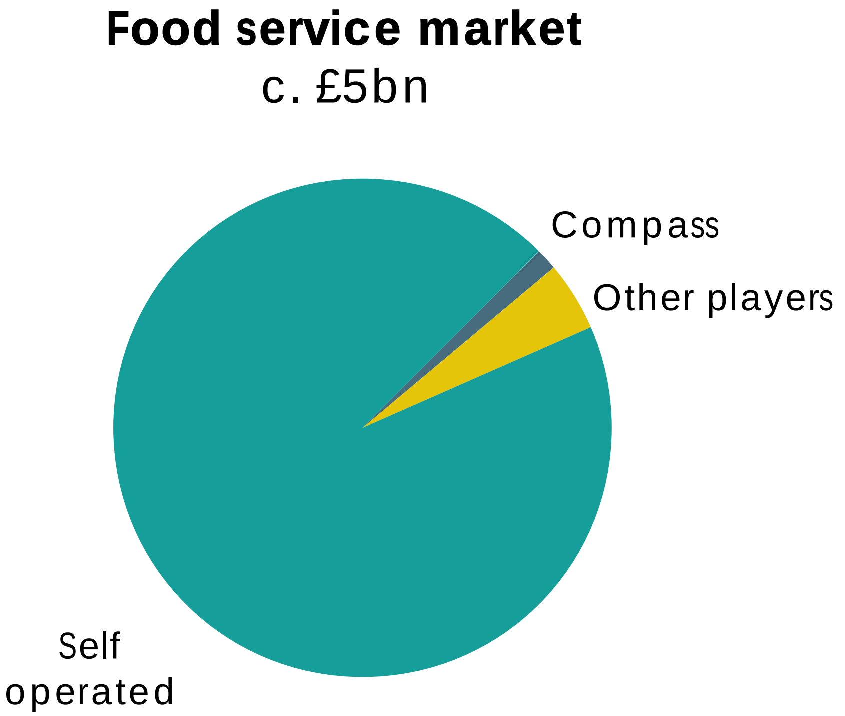




Note: Compass management estimates

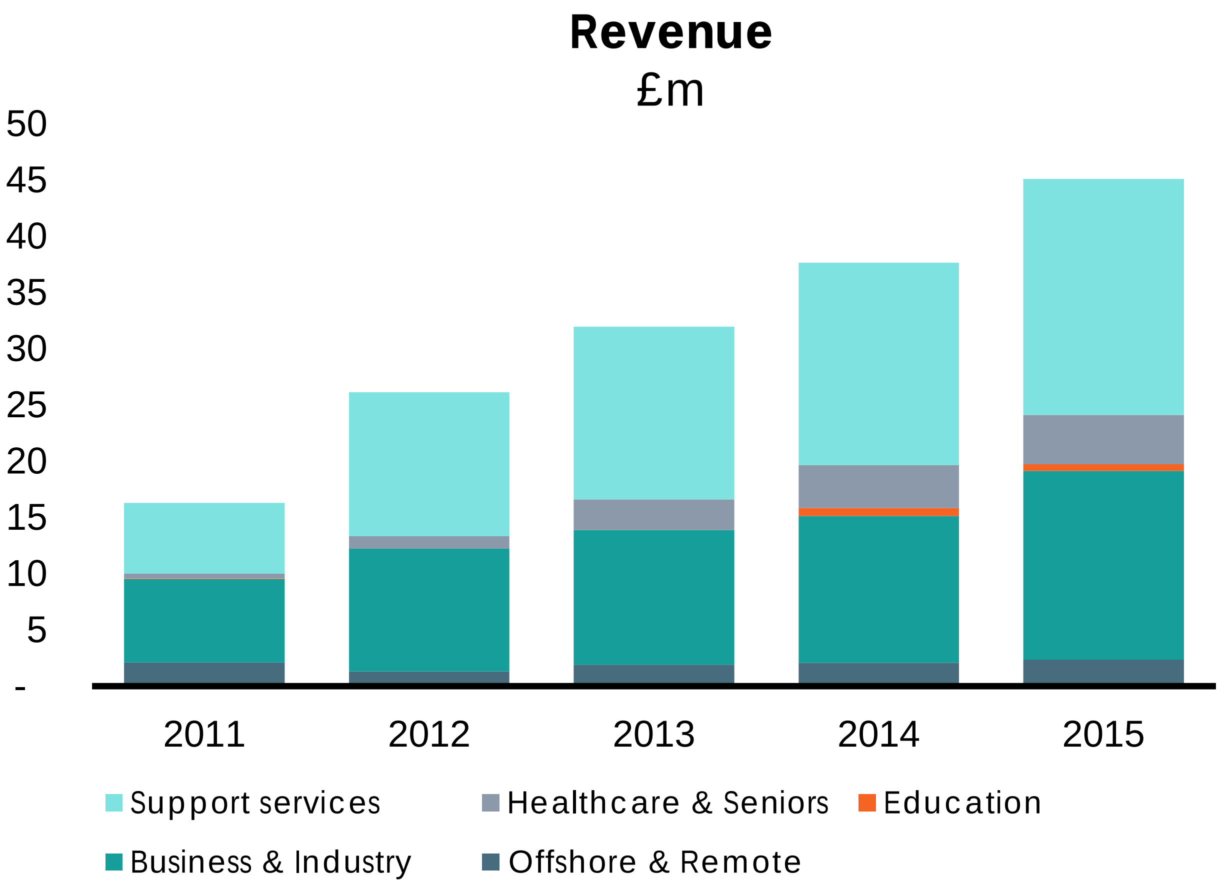
China: Significant market opportunity

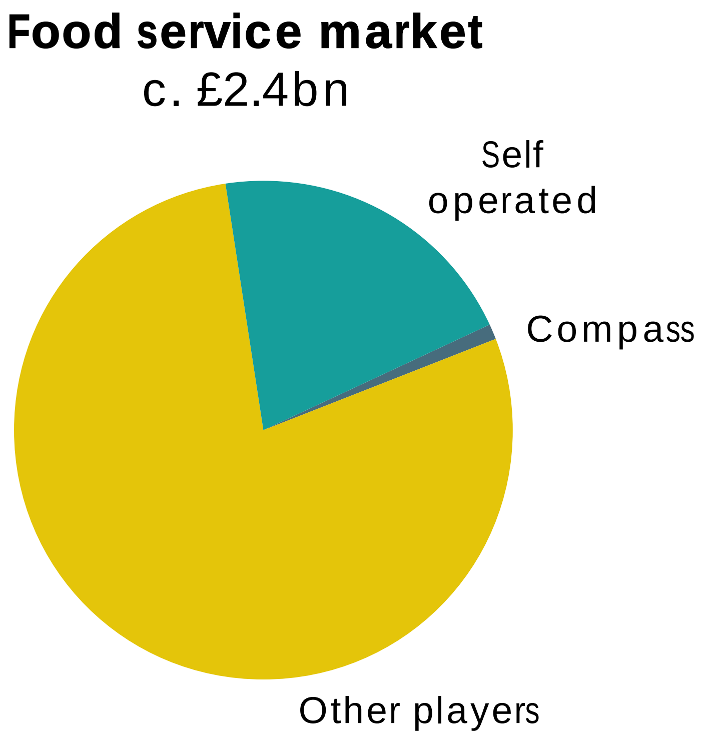




Note: Compass management estimates

India: A transforming market





Note: Compass management estimates

Asia Pacific:
Strong growth potential

Developed markets

- Strong & scalable positions
- Taking necessary actions to ensure continued future growth

Emerging Asia

- Building strong foundations for future growth
- Carefully picking our sector plays

Well positioned for the future

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Investor Seminar 2016

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Europe

Dominic Blakemore

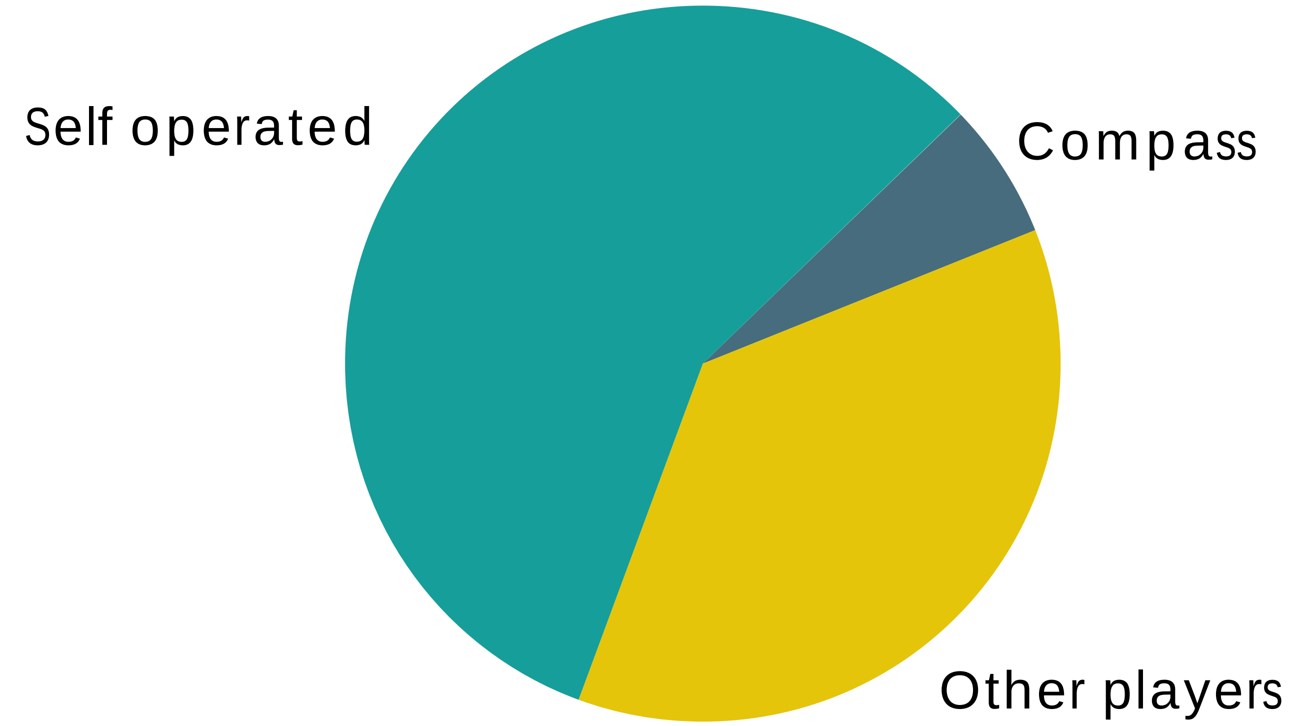
Chief Operating Officer

Agenda

- Overview
- Strategy
- Summary & closing
- UK overview

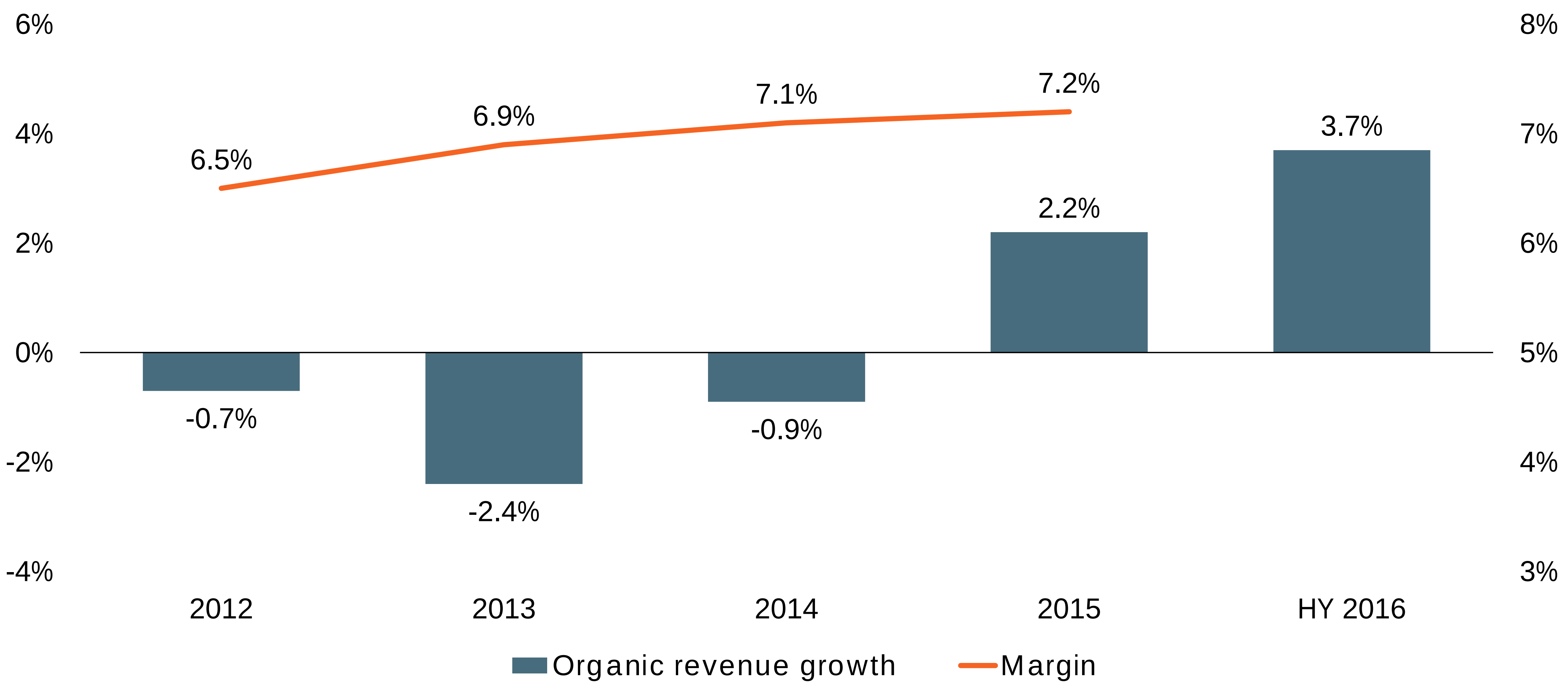
Market opportunity

Food service market
c. £75bn

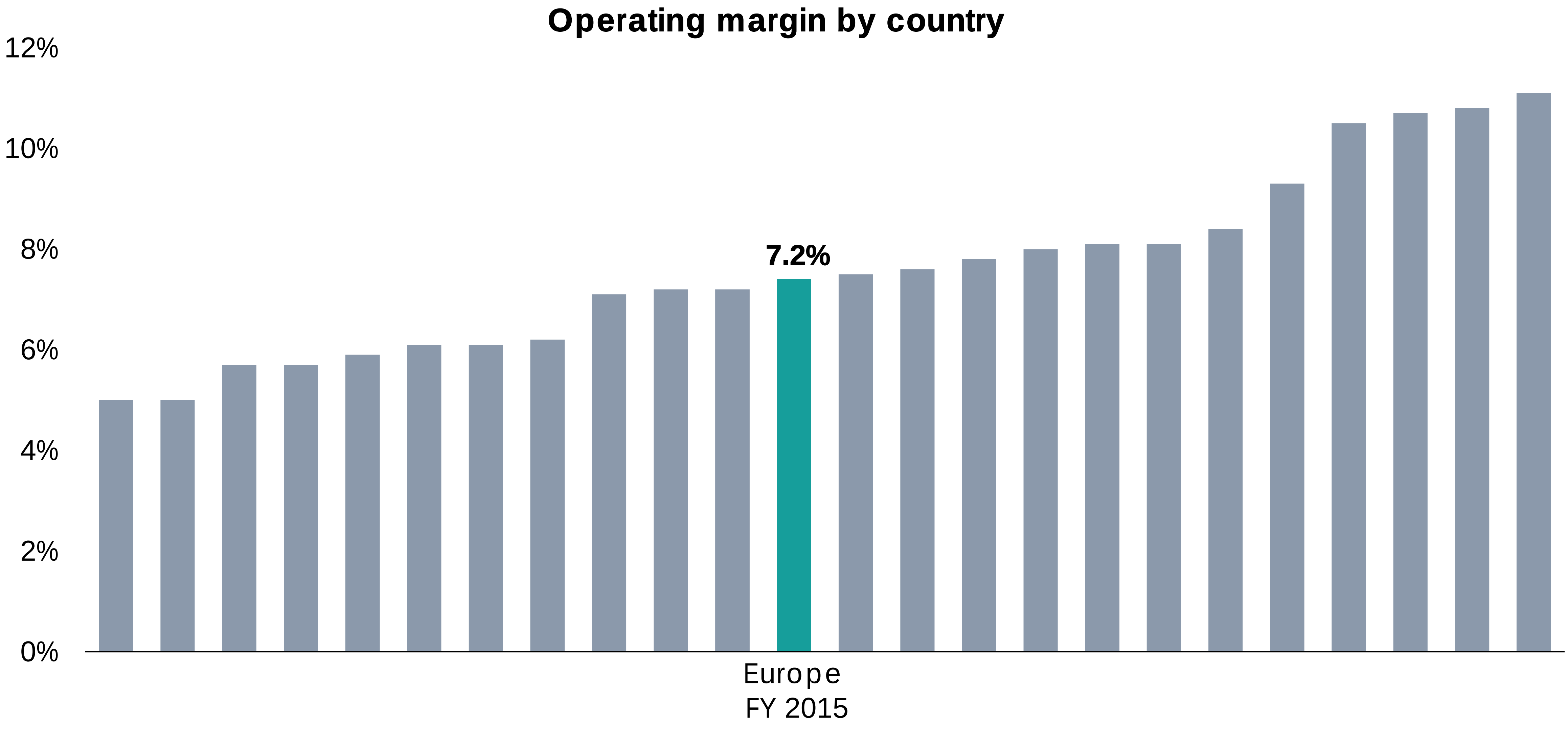


Note: Compass management estimates

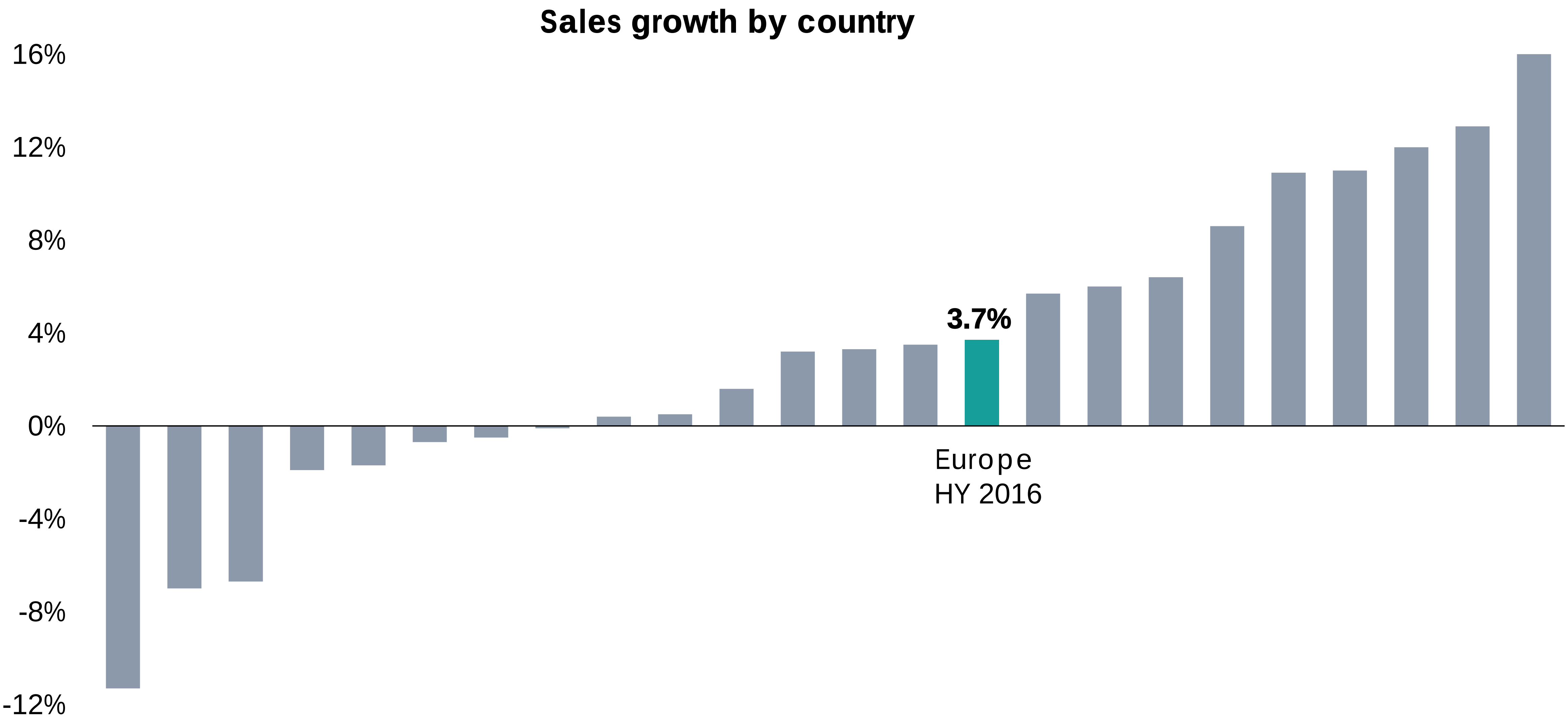
Performance



Margins have improved



But sales growth is not yet consistent



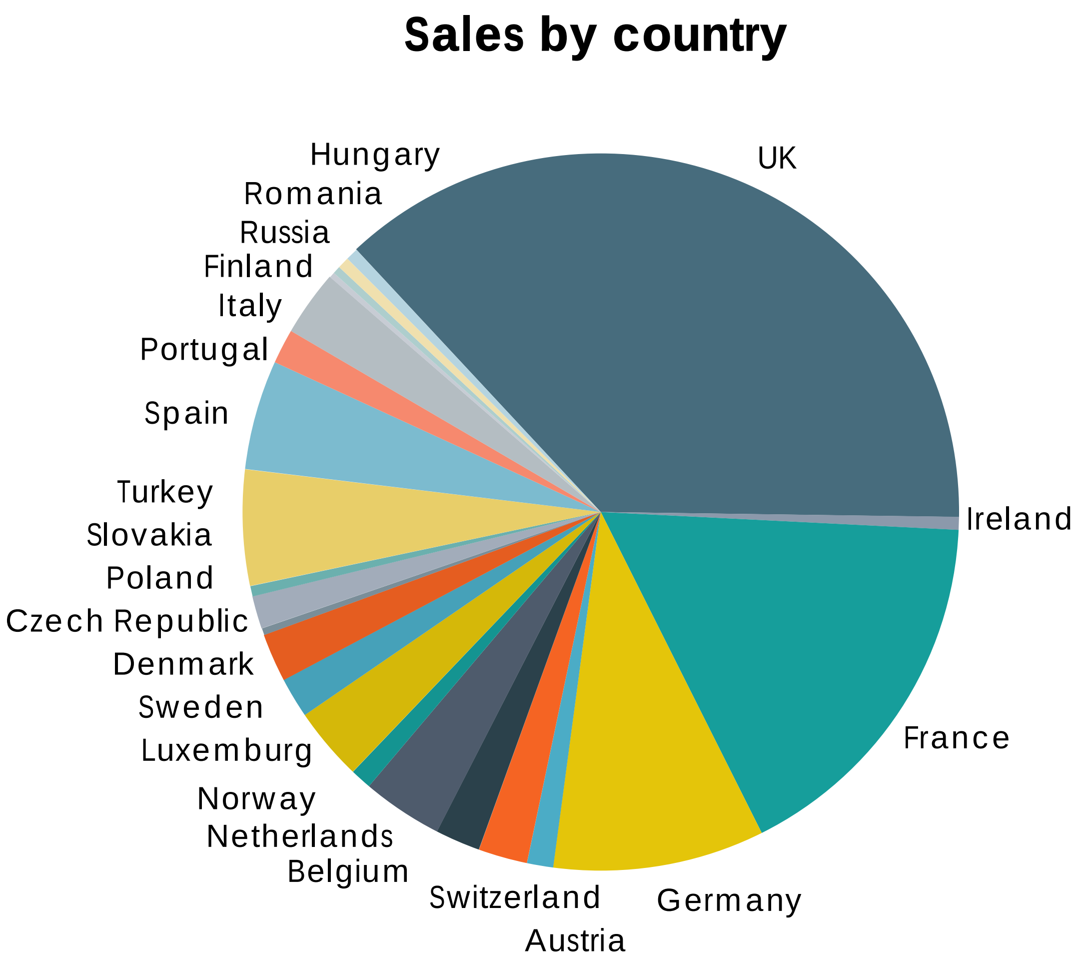
Priorities

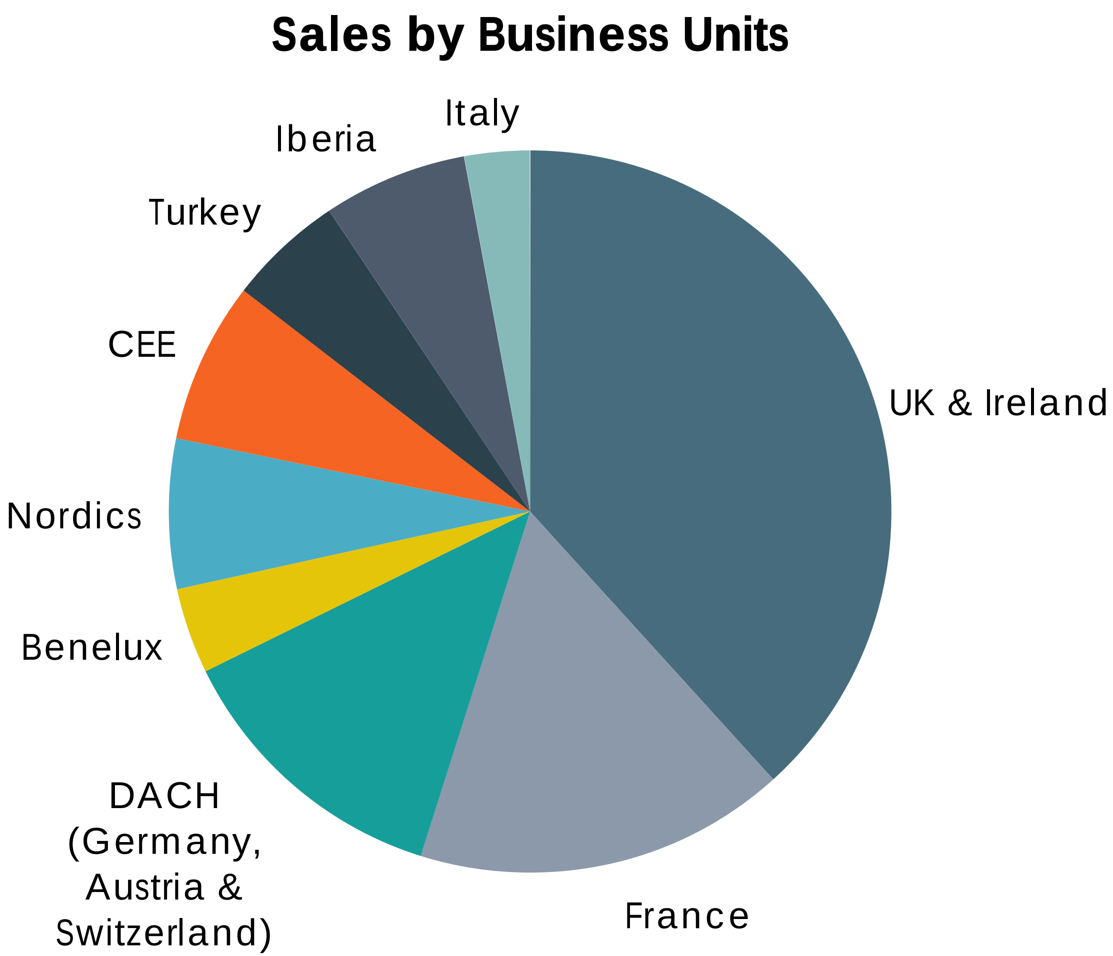
COMPASS GROUP

1	Business Units to gain scale • Drive organic revenue growth • Lower costs
2	Targeted IT investment and M&A
3	Build the right team

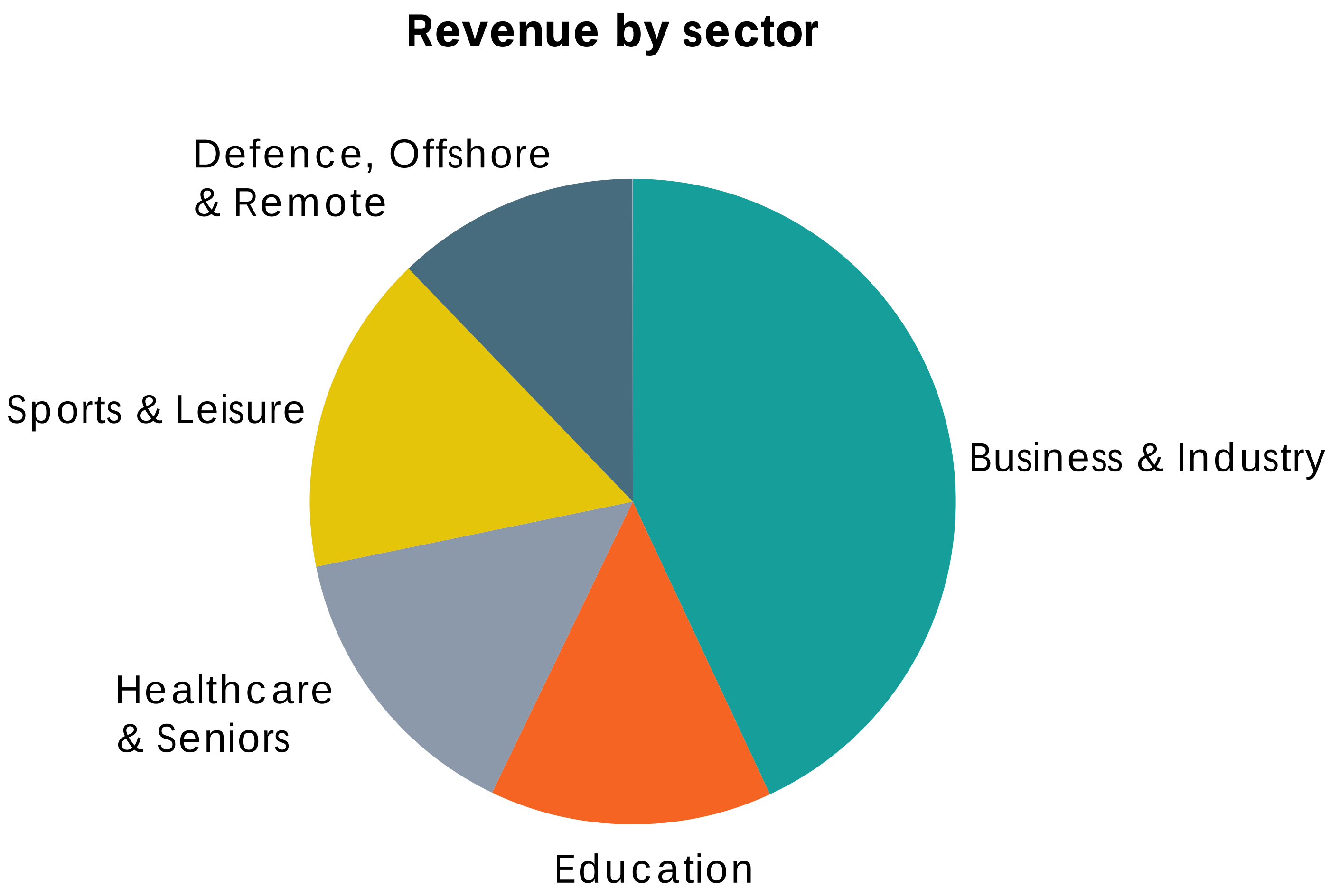
UNDERPINNED BY BUSINESS UNITS

Moving to Business Units

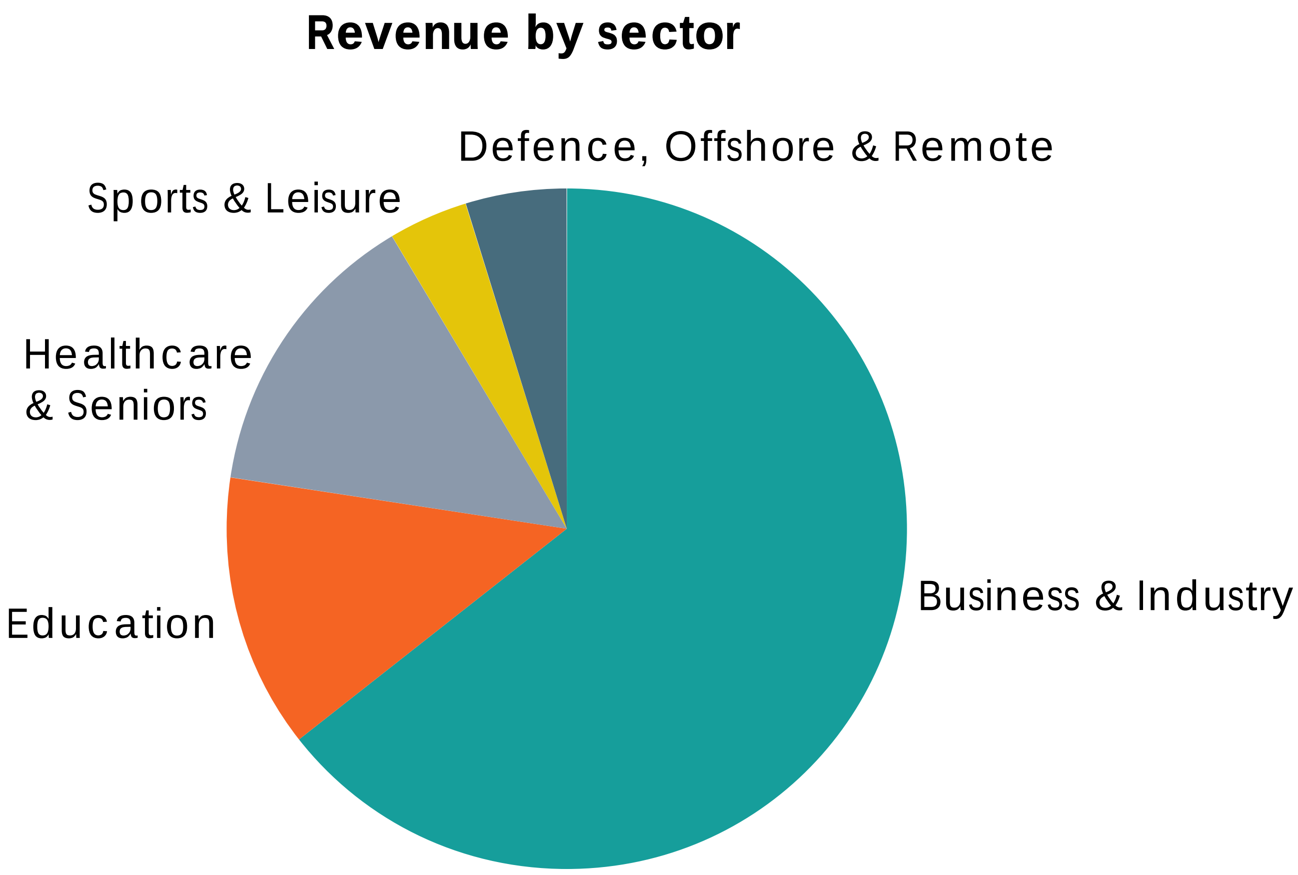




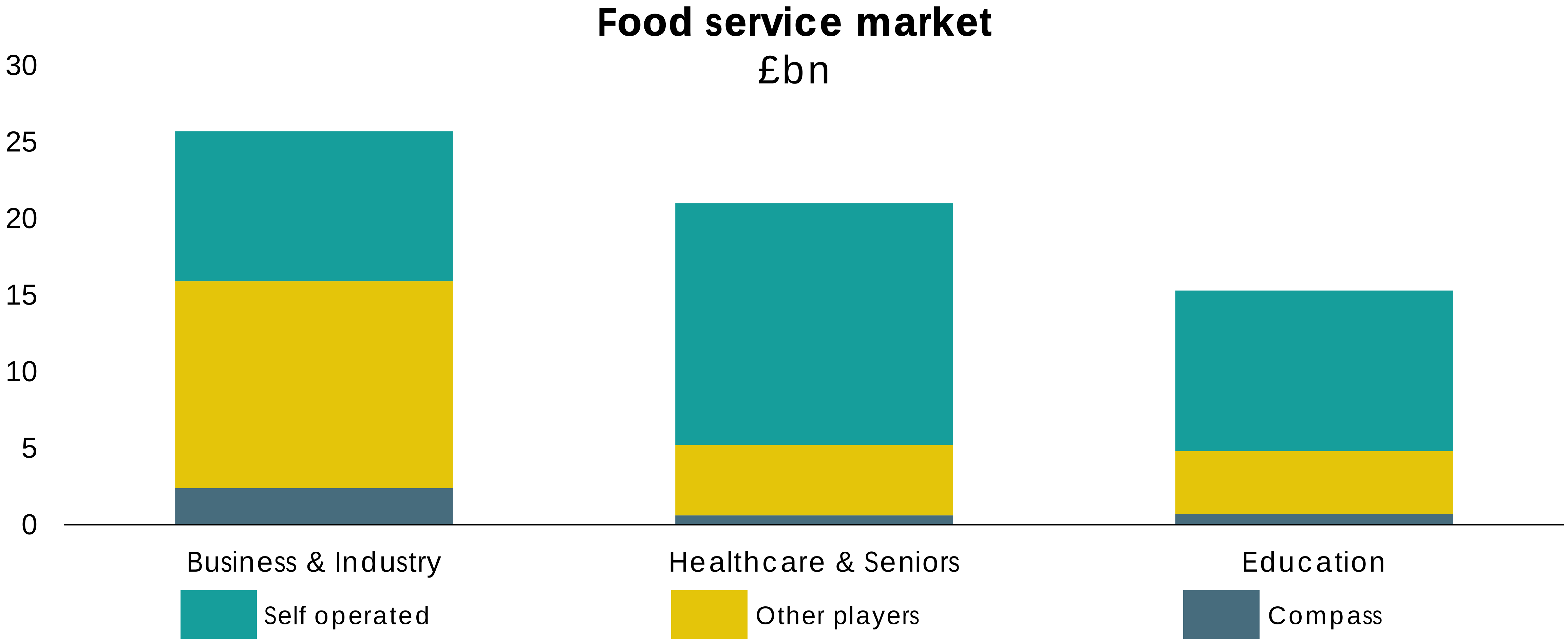
UK a well sectorised business



Continental Europe anchored in B&I



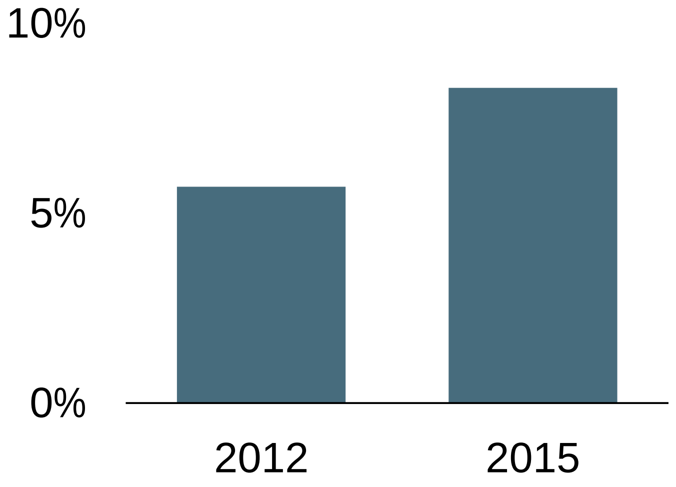
Great market opportunity … in 3 key sectors



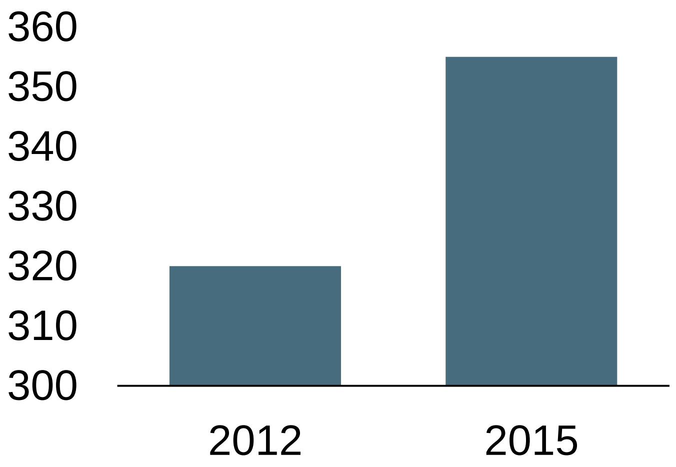
Note: Compass management estimates

Organic revenue growth

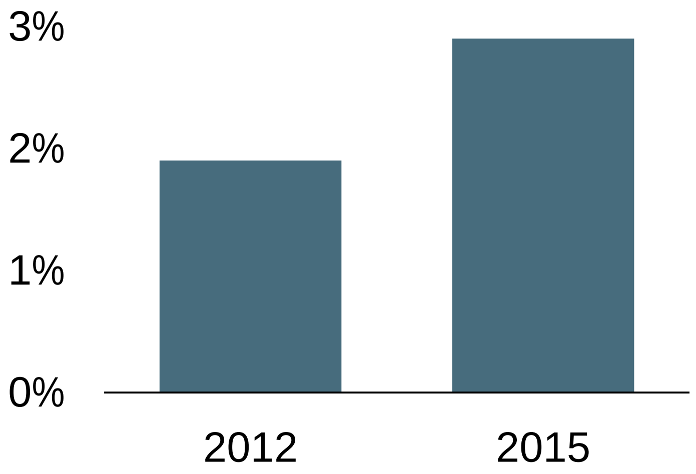
New business wins



Sales resources



Capex as % of sales

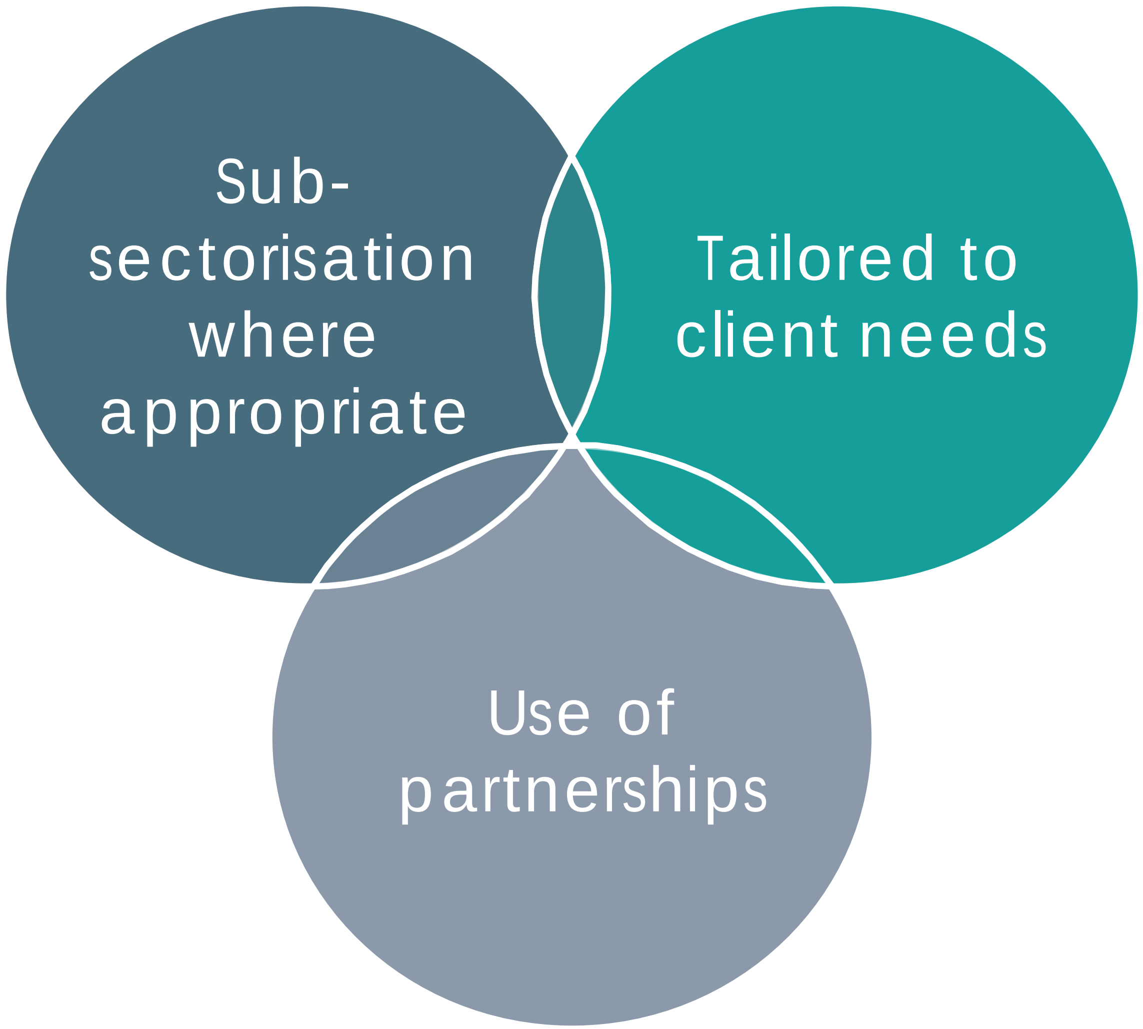


Invested in sellers & training

Use of capex to increase retention

Improved quality & variety of offer

A dynamic offer



Sectors & sub-sectors

Healthcare & Seniors	Education	Business & Industry	Sports & Leisure	Defence, Offshore & Remote
medirest	chartwells eat. learn. live.	Eurest	Levy Restaurants	ESS Support Services Worldwide
		Restaurant Associates		
		INSTORE THE RETAIL RESTAURANT PARTNERSHIP		
		24		
		rapport WELCOME ENGAGE IMPRESS		

Staying relevant to the consumer

COMPASS GROUP

High Street Partners

HEJ Coffee House Bermondsey

The Bowler – Good food, well rounded

Costa Coffee since 1971

Starbucks Coffee

GAIL's Artisan Bakery

dindin kitchen

Chef Partners

RA Suppliers

Tiptree Patisserie

udale speciality foods

PAUL RHODES

Neal's Yard Dairy

Severn & Wye Smokery

Lake District Farmers

Belazu Ingredient Co. Est. 1991

Brindisa Spanish Foods

Braehead Foods

Cannon & Cannon

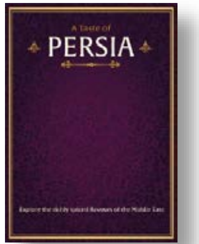
RA Concepts

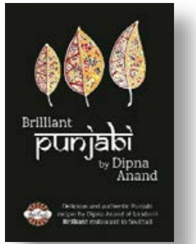
HERBIVORE

Street Food

Naturally – Good food honestly made

Figure! Go





Underpinned by a universal estate of brands & partners

Innovation: Envision 2020

COMPASS GROUP

Food

- SCALE
- European Beverage Strategy
- The Chefs' Forum
- Caffè Dallucci
- University of Gastronomic Sciences – Università degli Studi di Scienze Gastronomiche

Community

- Life – refreshingly British pure water
- Cancer Research UK
- eaternity
- Dementia Friends
- the !dea works

Ownership

- PRICING €
- re:fresh
- Frontline Incentive Scheme
- myfitnesspal

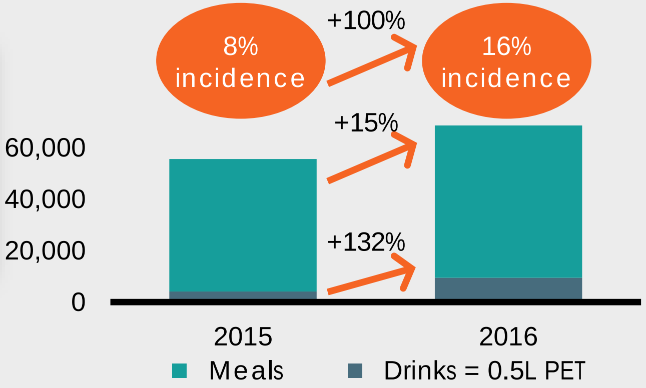
Storytelling

- 2016
- The Power of Food
- Eurest
- EAT MOVE SLEEP

Beverage strategy

Meal activation

Incidence rate doubled



Outlet activation

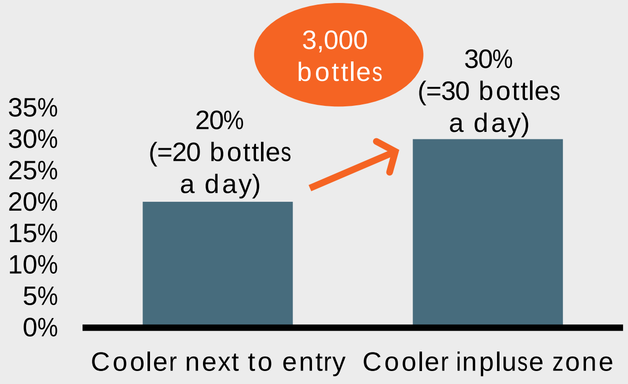
Control
+8.6%

Test
+41.6%

Equipment placement

Incidence growth +50%

Food 1st Drink 2nd



Entry packs

+40%
Incidence

+4%
Category Sales

Impulse coolers

Beverage strategy

COMPASS GROUP

Server to Seller

Refresh

Before

After

Scale & efficiencies in food costs

TODAY
Logistic contracts negotiated by country with average volumes less than 30,000 tonnes

20+ major food logistic providers

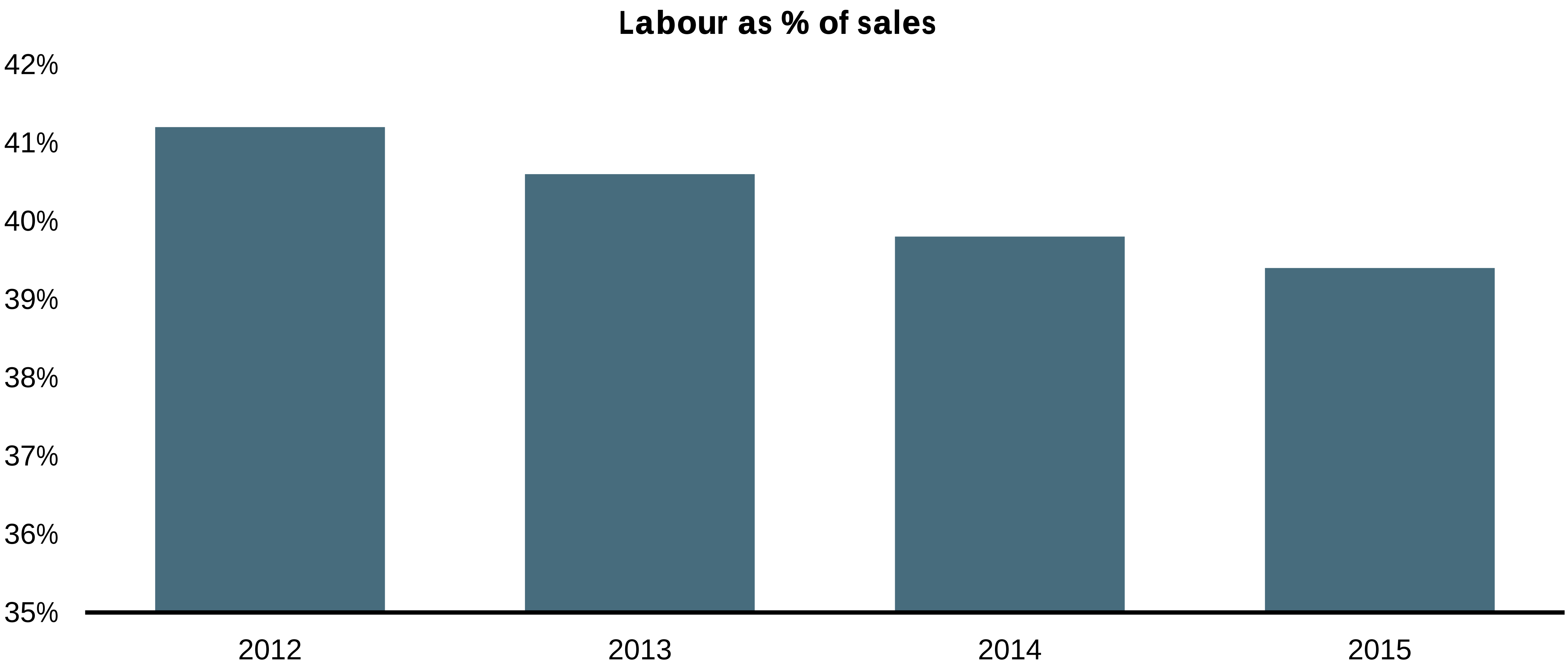
BUSINESS UNIT STRATEGY

2016–2018
840,000 tonnes of Europe volume negotiated with scale providers

<5 logistic providers with scale capability

Scale up logistics to deliver lower cost

Efficiencies in labour costs



Note: For food service business only

Labour challenges & opportunities

COMPASS GROUP

Challenges

Workplace

- Aging workforce
- Low labour turnover

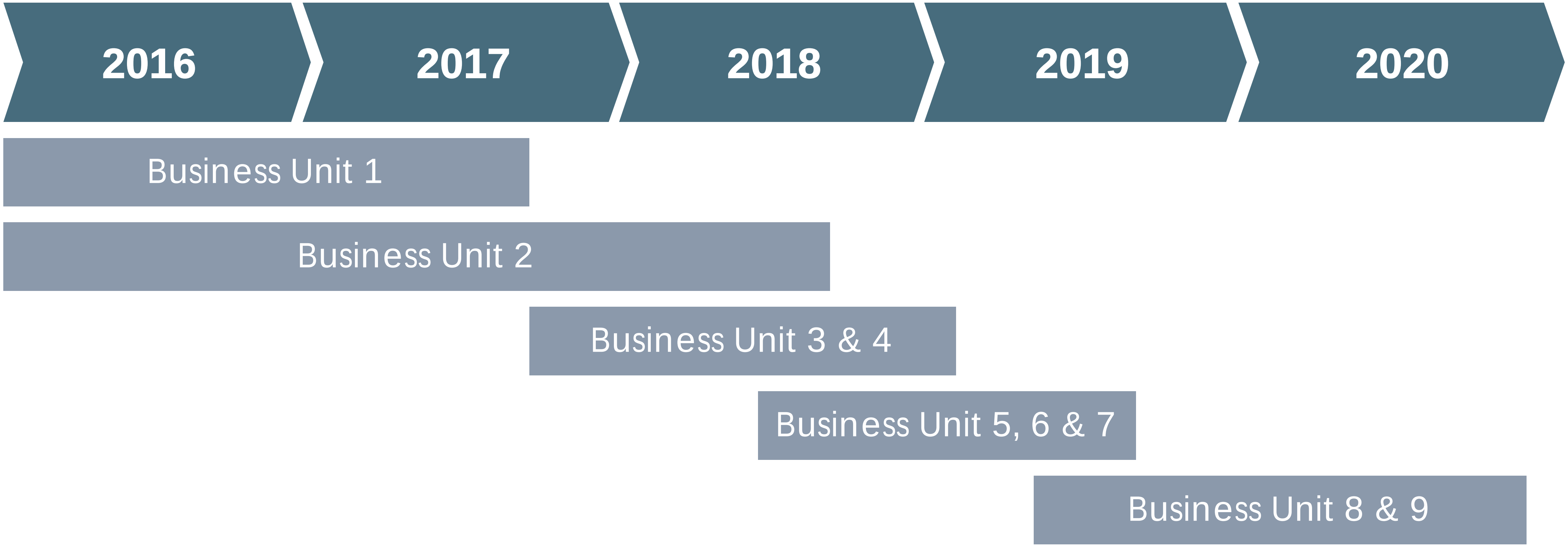
Financial

- National minimum wage increases
- Increasing employer ‘on-costs’

Opportunities

- Labour **flexibility**
- **OpEx & efficiency** programmes
- Sensible **pricing**
- Flexible **union labour agreements**
- Targeted **absence management**
- Fixed **headcount reductions**
- Frontline **sales & performance incentives**
- **Automation & simplification** at unit level

Systems implementation integral to success



Targeted M&A

A way to acquire sector expertise

Increase scale in certain geographies

Must be disciplined

The right team to deliver

UK & Eire

Dennis Hogan
22 years

France

Gaétan De L'Hermite
12 years

Turkey

Nihat Kartal
24 years

Italy

Fabio Spaccasassi
4 years

DACH

Jürgen Thamm
17 years

Nordics

Ian Sarson
11 years

Iberia

Fernando Pascual
4 years

Benelux & CEE

Jan Jacob van Donselaar
4 years

Summary

1	Business Units to gain scale • Organic revenue growth • Lower costs
2	Targeted IT investment and M&A
3	The right team

UNDERPINNED BY BUSINESS UNITS

COMPASS
GROUP

Investor Seminar 2016

COMPASS
GROUP

UK & Ireland

Dennis Hogan

Managing Director

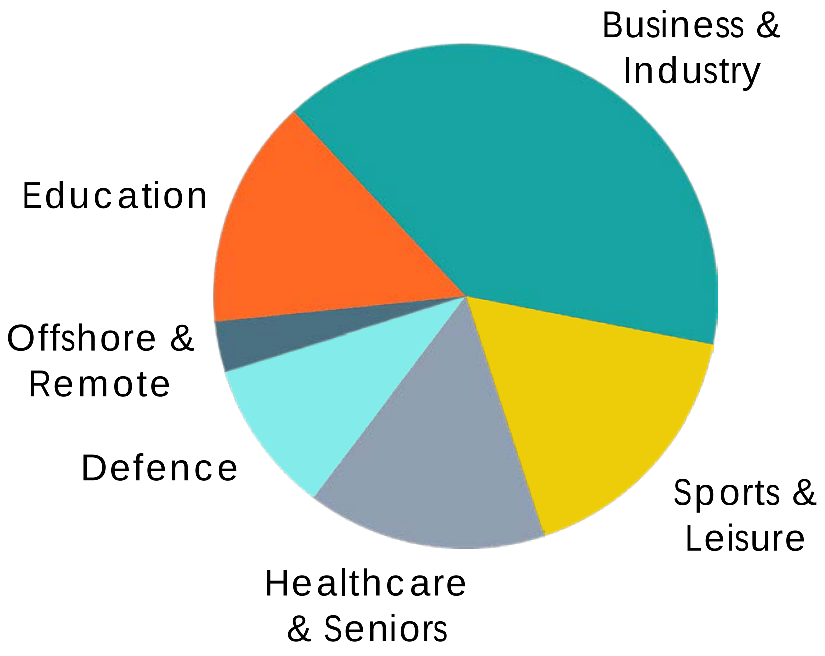
Agenda

- UK overview
- Opportunities & challenges
- Summary

Compass UK

COMPASS GROUP

Revenue
£2bn

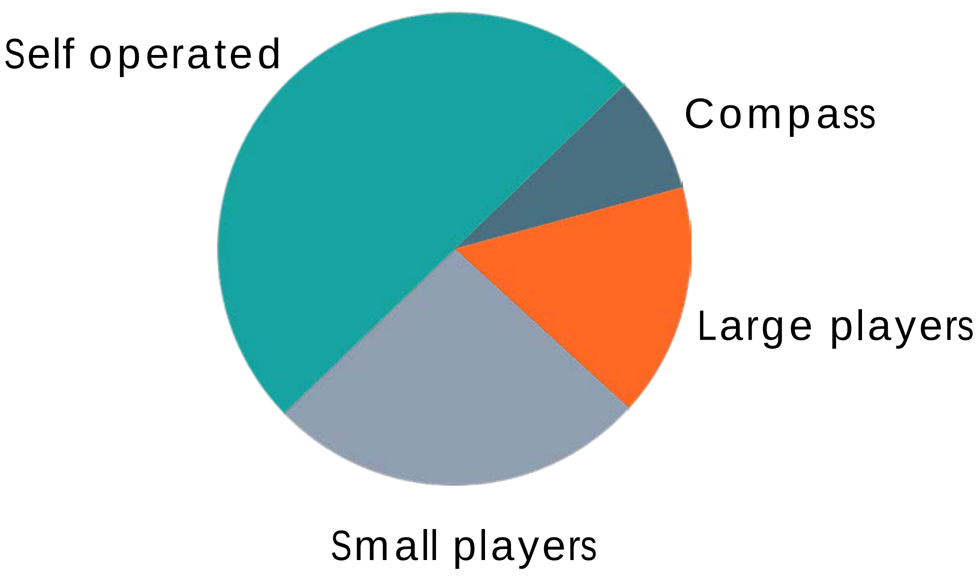


Sector brands

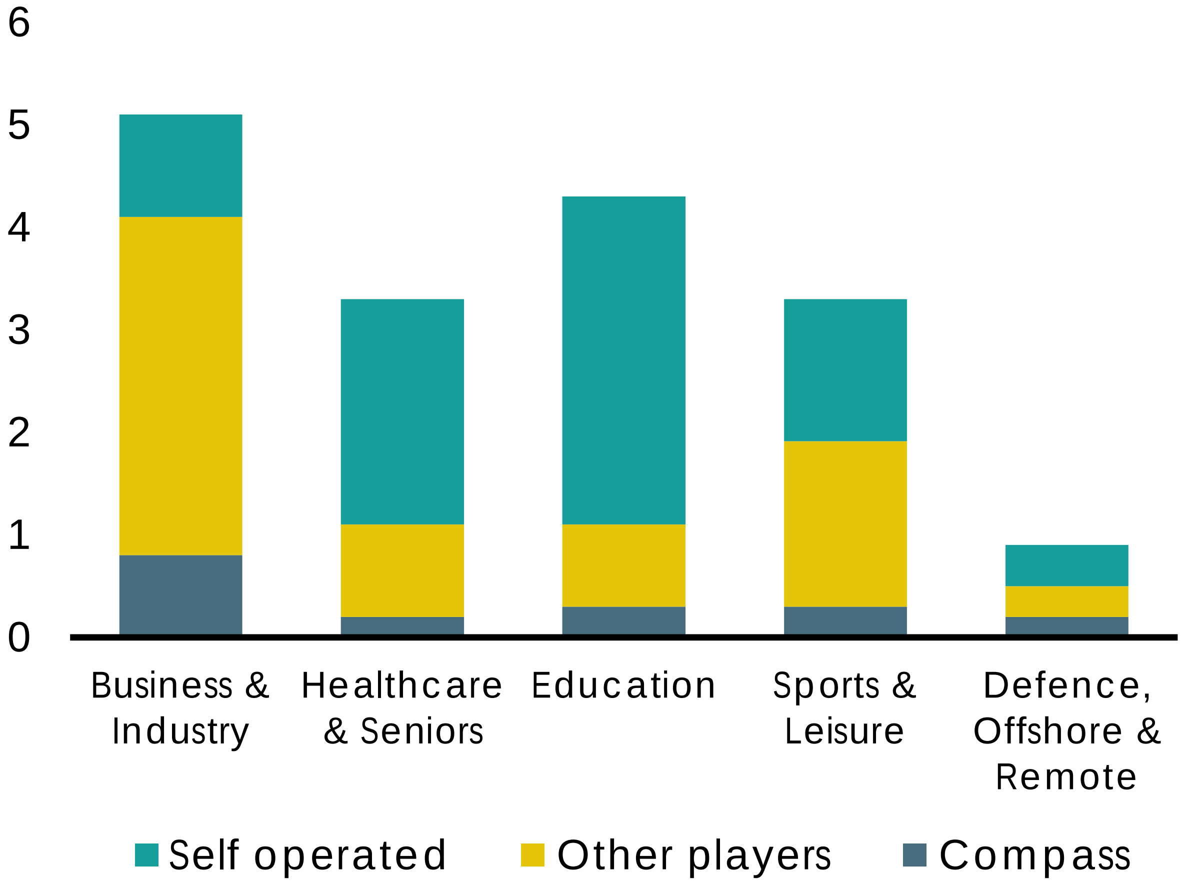
Sector	Brands
Business & Industry	Restaurant Associates, Eurest, INSTORE, rapport, 14forty, VSG, KCM, 24
Healthcare & Seniors	medirest, WhiteOaks
Education	chartwells eat. learn. live.
Sports & Leisure	Levy Restaurants, Lime Venue Portfolio The unusual made easy, Payne+Gunter, Keith Prowse
Defence Offshore & Remote	ESS Support Services Worldwide

A large market opportunity

Food service market
c. £16bn



Food service market by sector
£bn

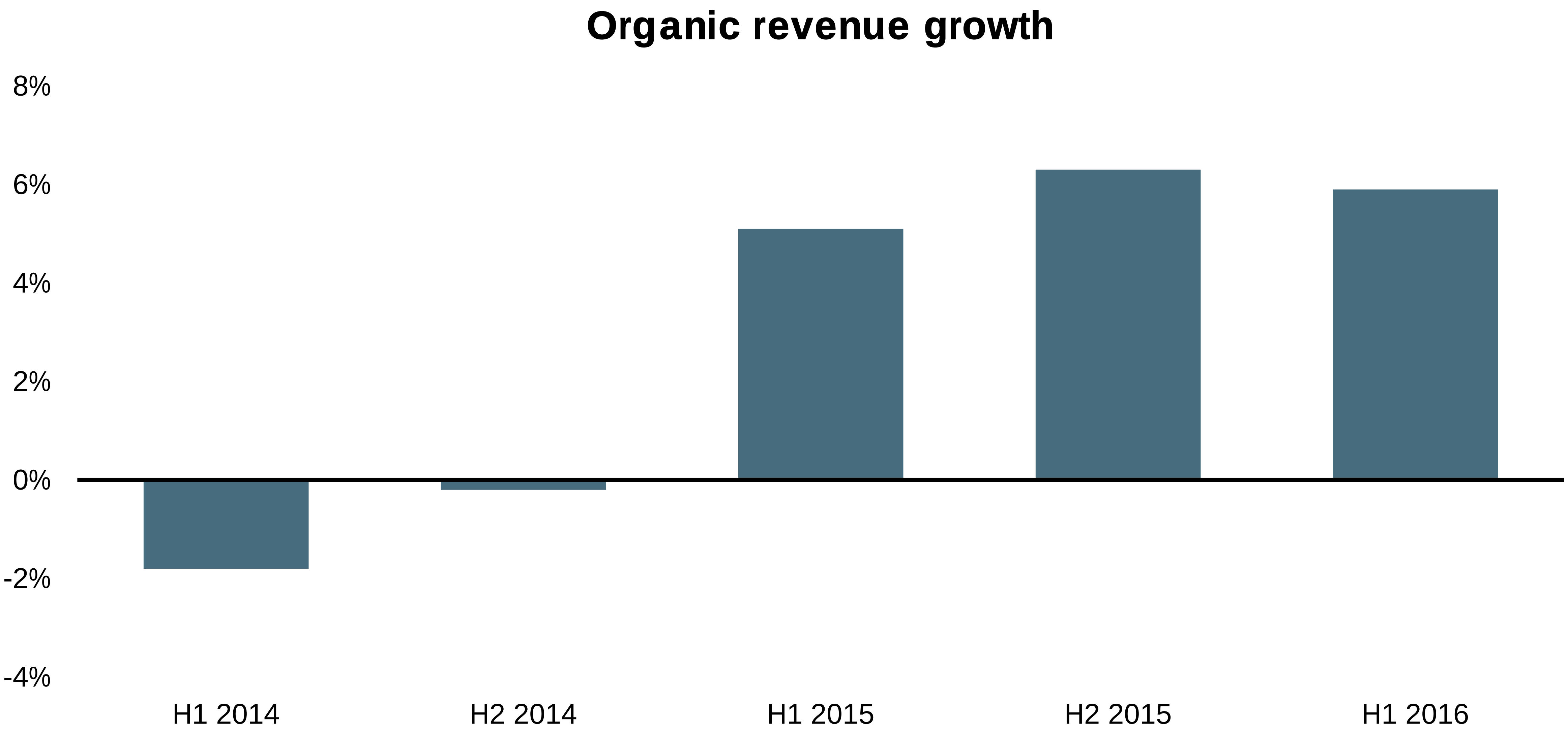


Note: Compass management estimates

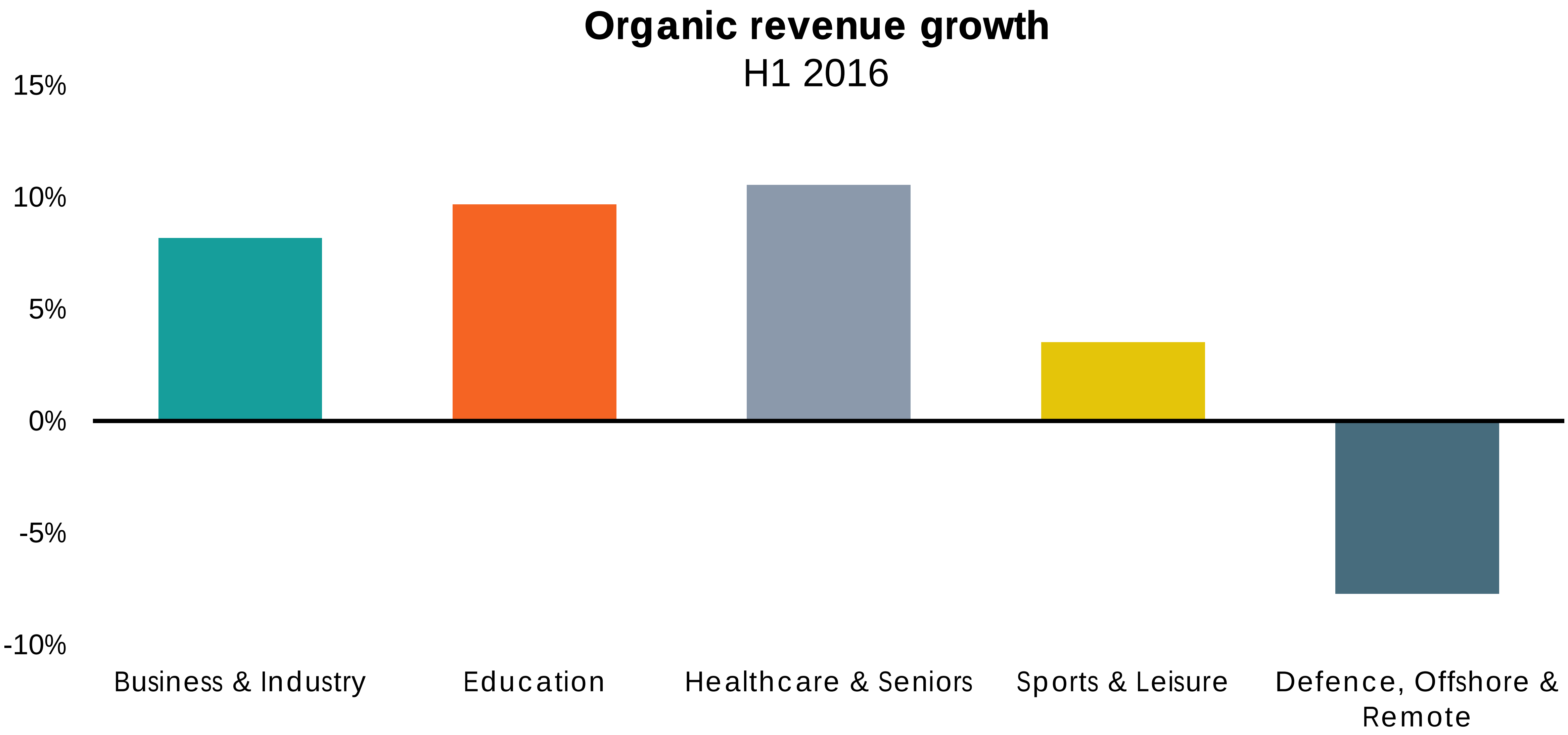
Initial observations / actions

- Strong team, but lacking confidence
- Increased intensity around retention
- Heavier investment in sales & sales support
- Sales growth culture:
  - Alignment of sales, operations & finance
- Celebrating success

Financial performance



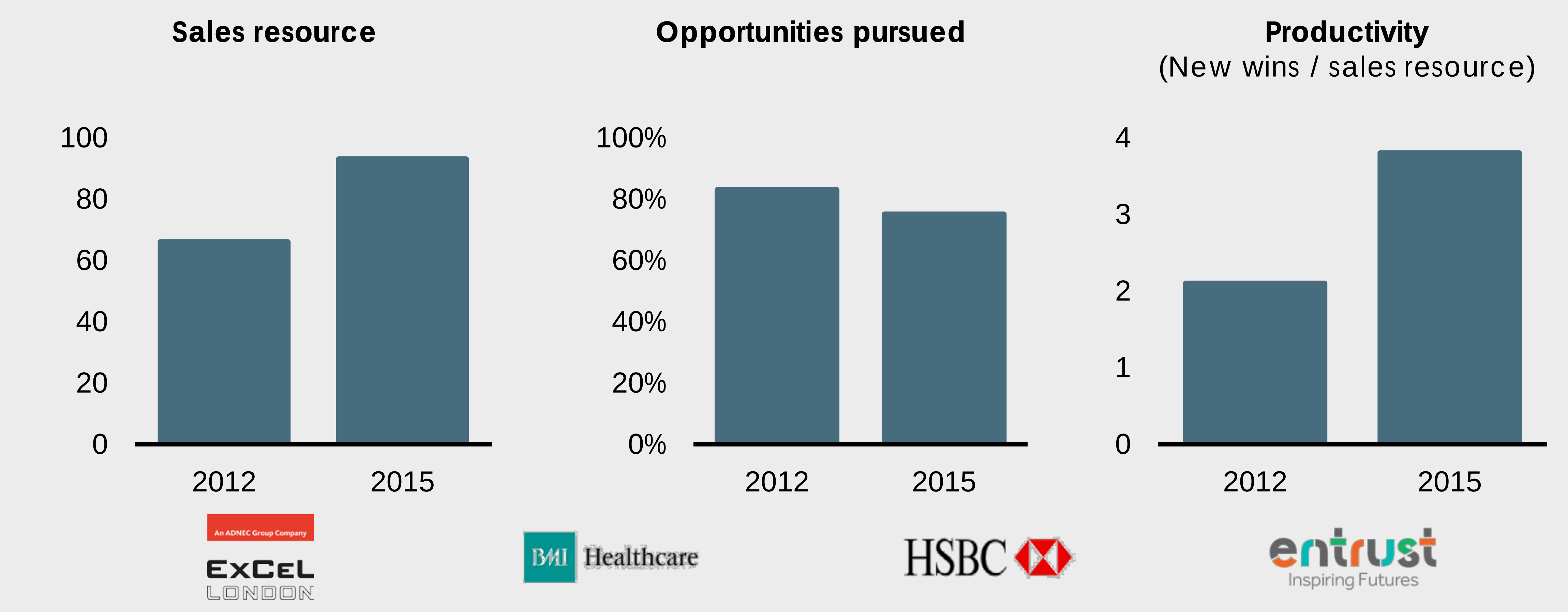
Financial performance



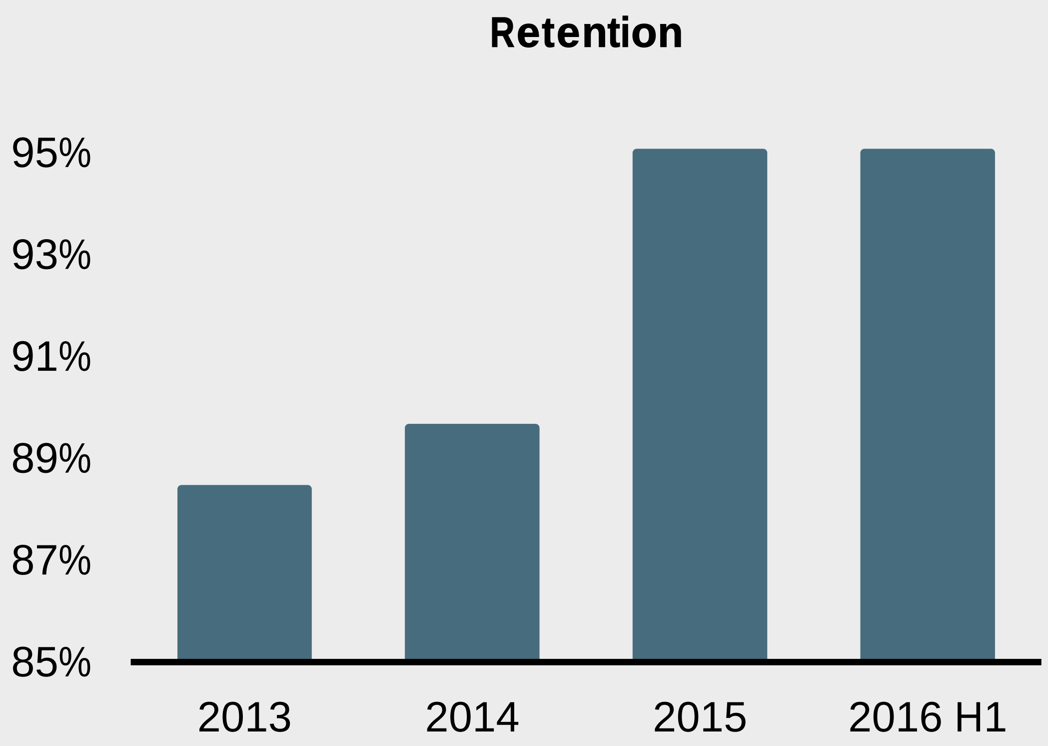
Virtuous circle of growth

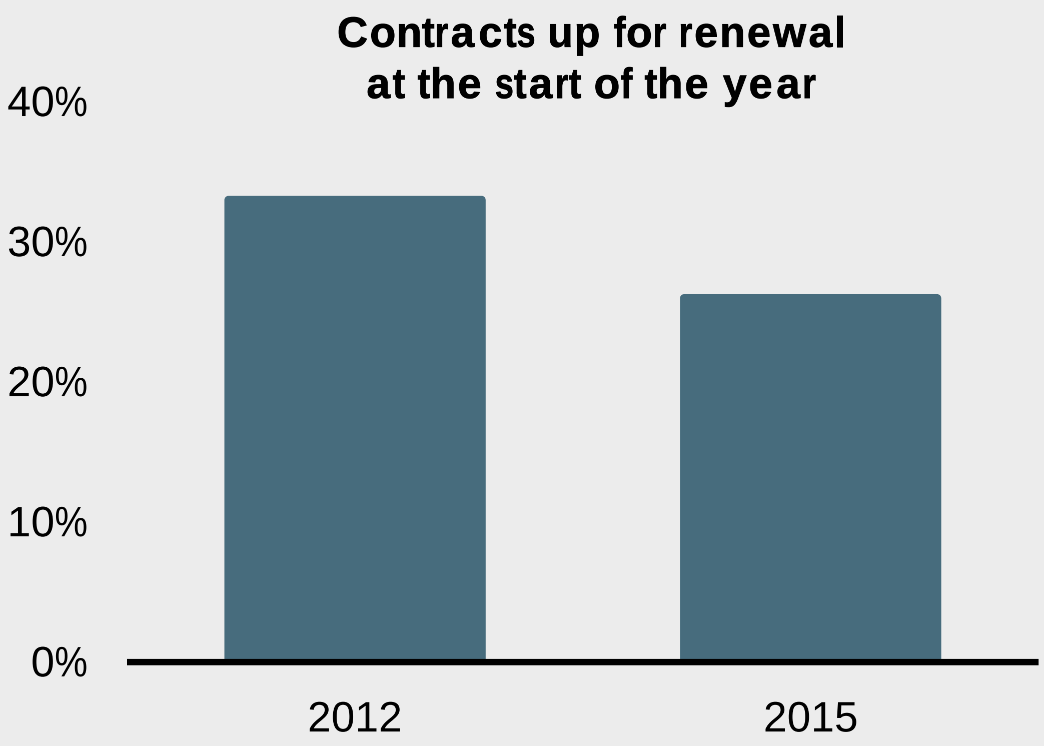
New business map1

Growth culture



Retention map 1





Like for like map2

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Bring the high street in-house

Roux at parliament square

Leith's

Innovative digital solutions

BlueRunnerSolutions™

Food costs

- Replicate US Foodbuy model
- Procurement solutions
  - E-commerce, spend analysis & responsible sourcing dashboards
- £300 million managed procurement spend added to £600 million Compass spend
- Leverage UK&I purchasing power
- Standardising offer

Labour costs map 4/5

Headwinds
National Living Wage
The Apprenticeship Levy

Actions
Pricing supported by contractual protection
Labour scheduling / time & attendance
Investment in sales, procurement, marketing funded by back office efficiencies

Summary

- Significant momentum from ongoing investment in sales & retention
- Enhance procurement through Foodbuy
- Labour efficiencies against economic headwinds
- Confident in achieving sustainable growth

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Financial Overview

Johnny Thomson

Group Finance Director

Highlights from the last 10 years

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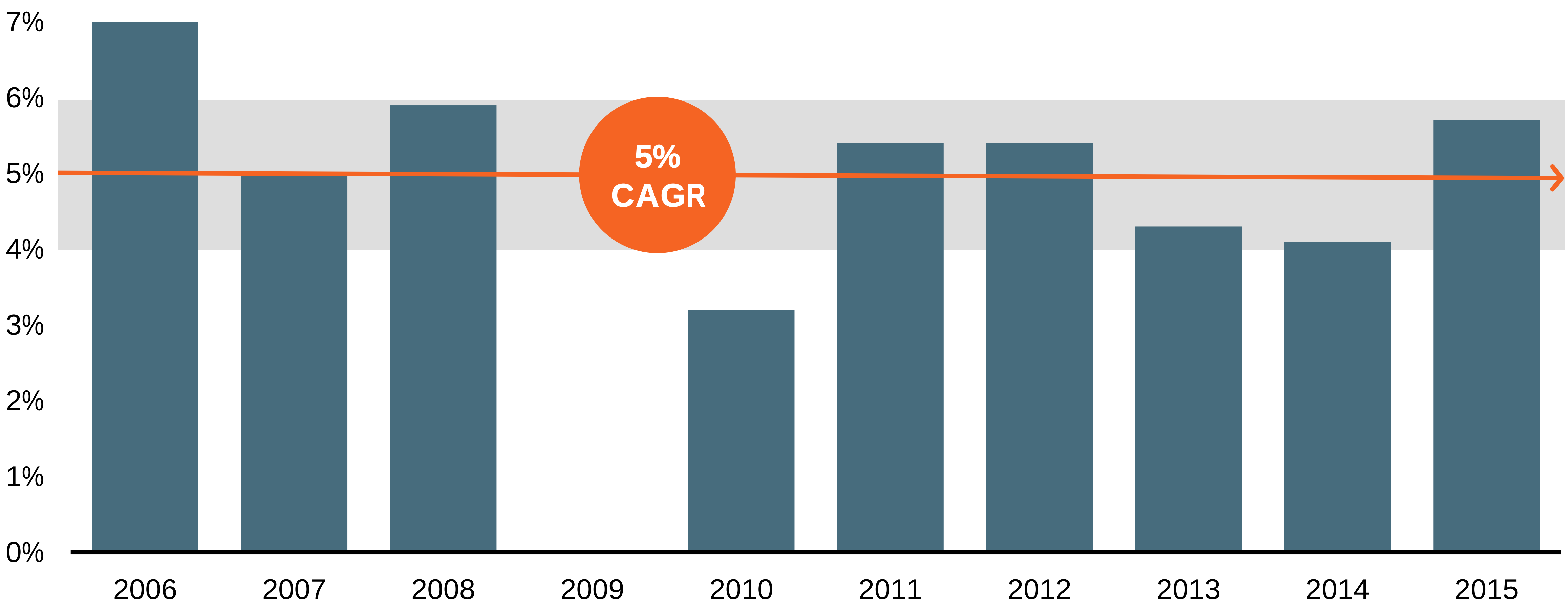
Organic revenue growth	5% CAGR
Operating profit growth	10% CAGR
Operating profit margin	+280bps
EPS	20% CAGR
Free cash flow generation (pre-capex)	£9.5bn
Total returns to shareholders	£7bn

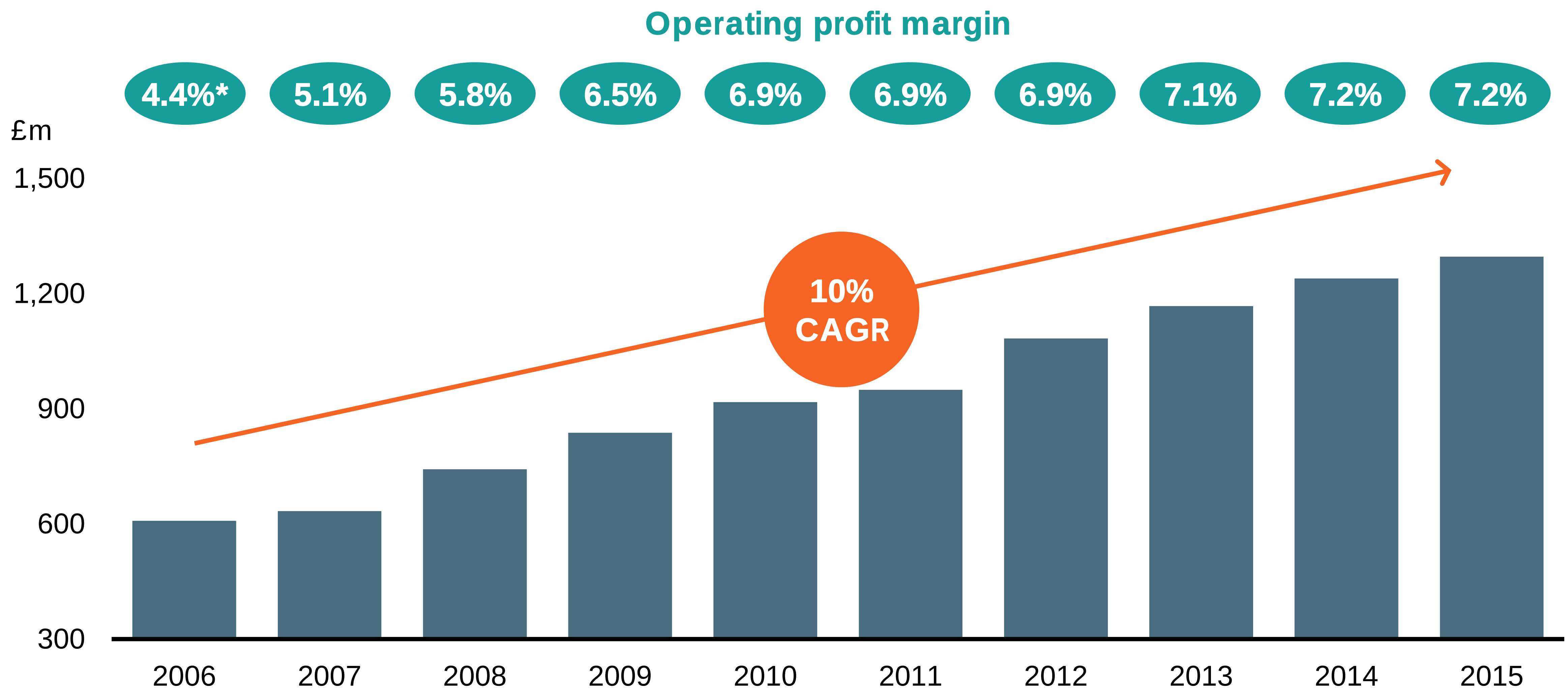
Note: Based on underlying results at constant currency

Organic revenue growth



Organic revenue growth in the range of 4–6%

Operating profit



*Excluding disposed businesses (SSP & Selecta)
Underlying figures

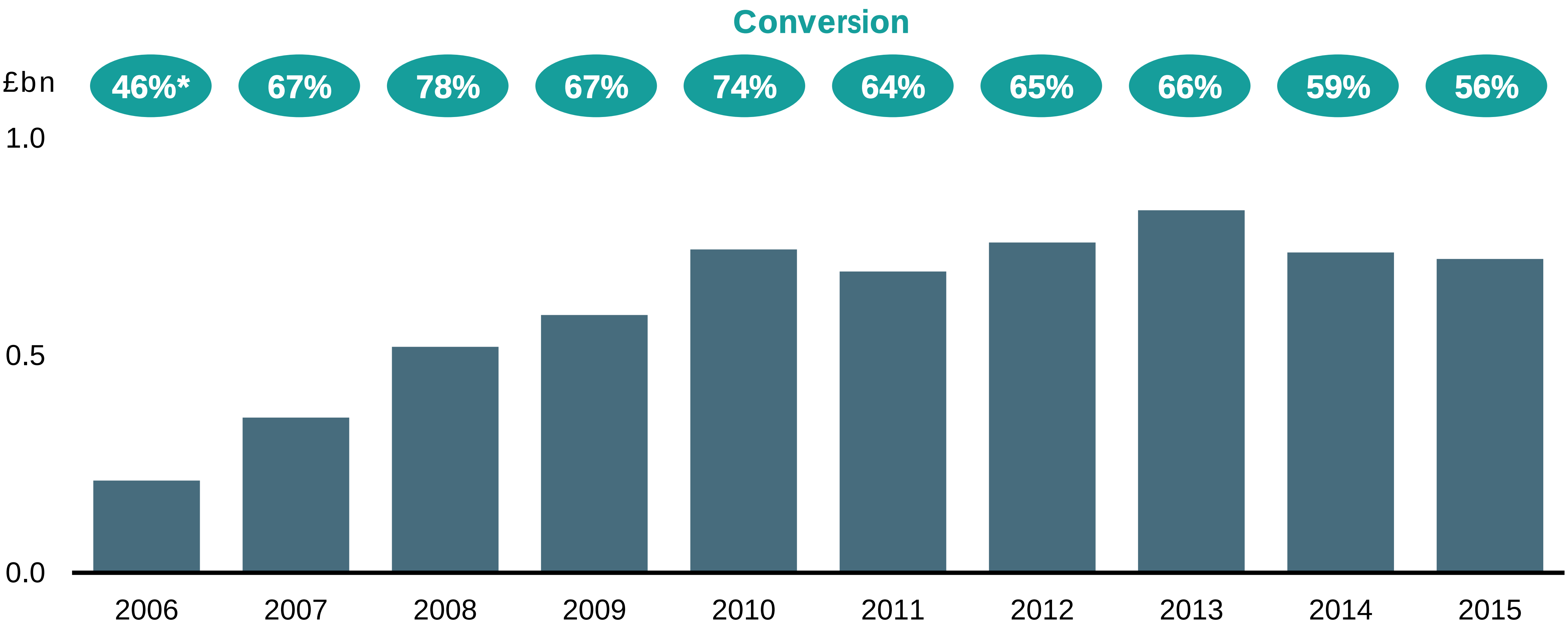
Operating margins

- Food & labour inflation
- Restructuring
- Investment in revenue growth
- Mobilisation costs
- Retention costs

- Overhead leverage
- Labour productivity
- Food procurement
- LFL volume increases
- Price increases

Opportunities remain to modestly improve margins

Free cash flow



We expect free cash conversion to be around 55–60%

* Excluding disposed businesses (SSP & Selecta)
Underlying figures

Priorities for uses of cash

Capex
Appropriate investment:
2.5–3.0% of sales

M&A
Required returns > cost of capital by the end of Year 2

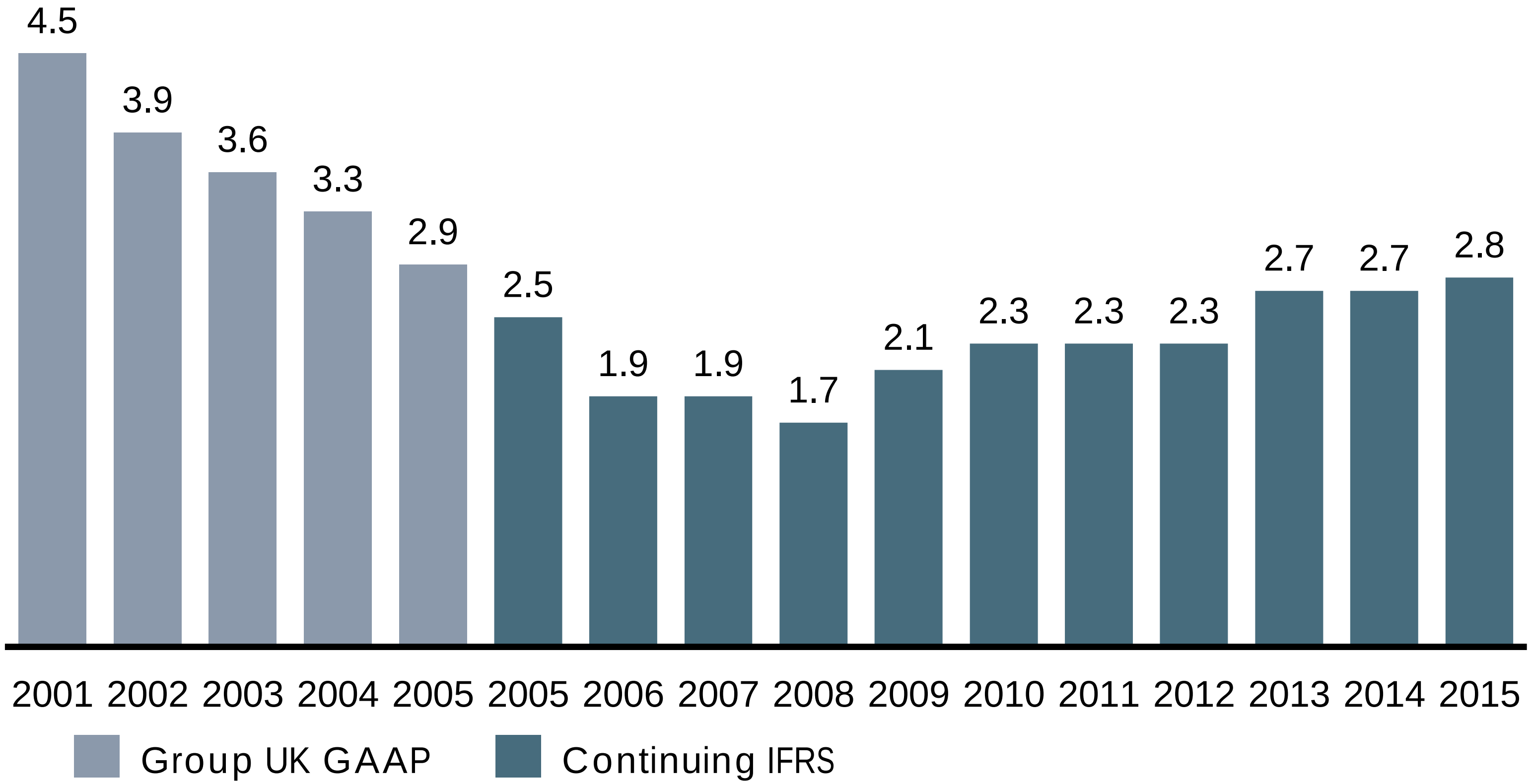
Efficient balance sheet
Strong investment grade credit rating
Target net debt / EBITDA 1.5x

Dividend
Growing in line with EPS

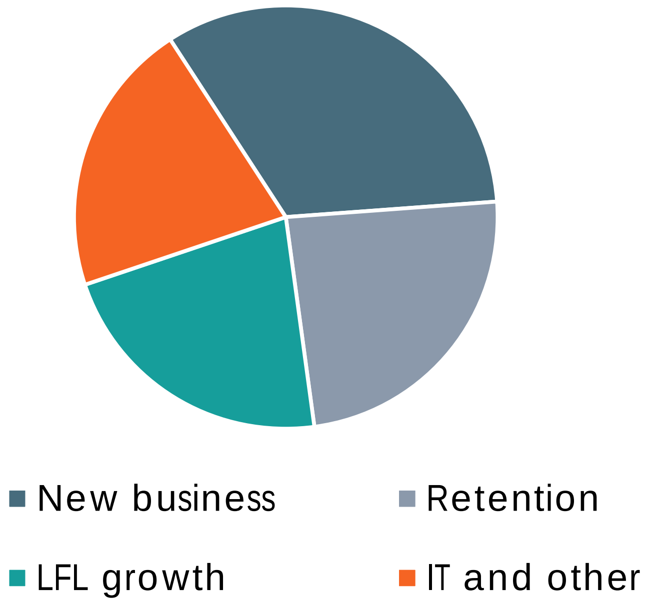
Shareholder returns

Group capex

% of revenues



Capex allocation 2015

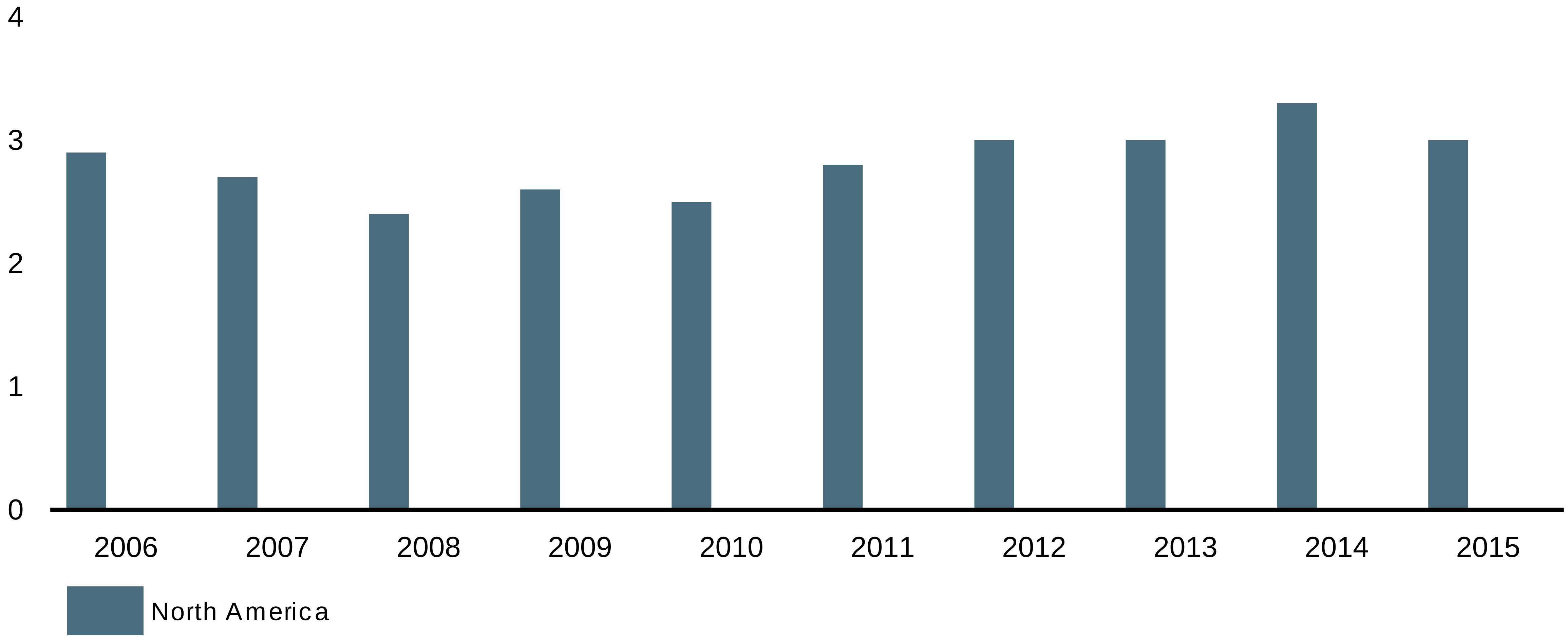


Appropriate investment at 2.5–3.0% of revenues

Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures

Capex by region

% of regional revenues

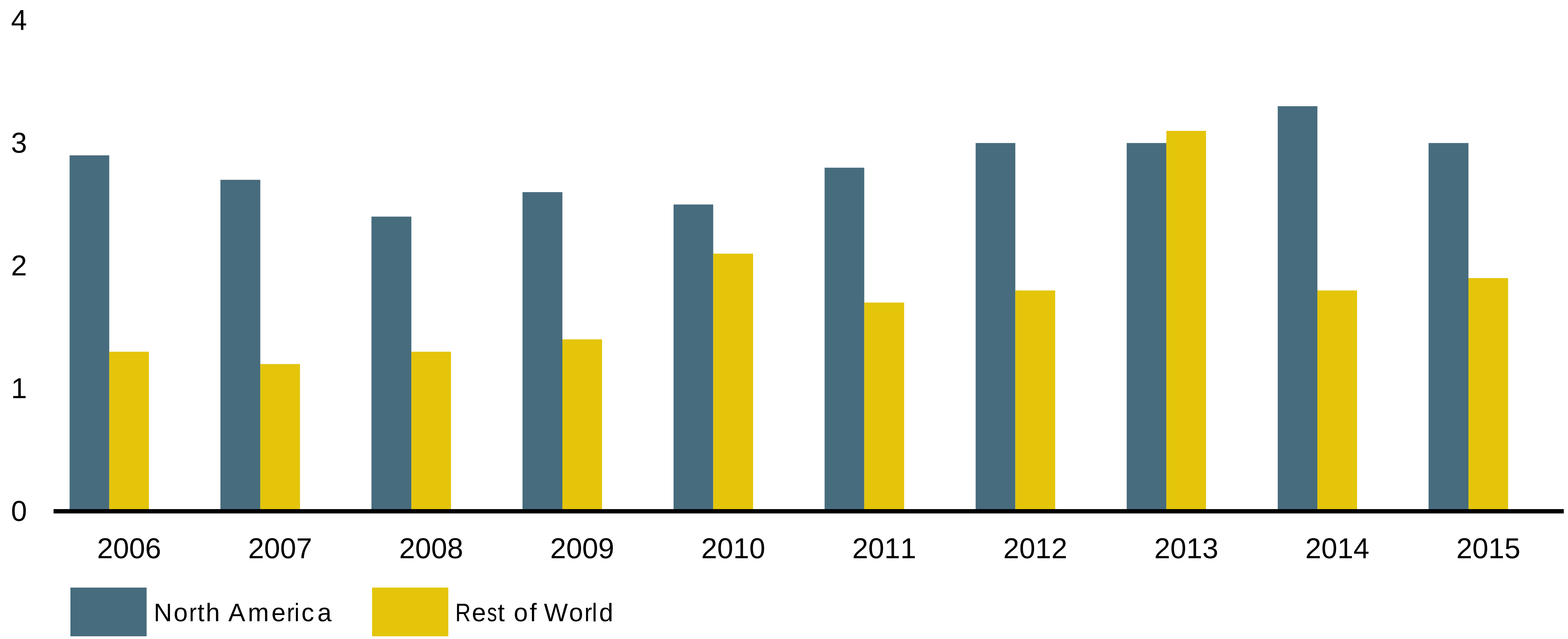


Capex includes tangible and intangible assets and assets acquired under finance leases

Underlying figures

Capex by region

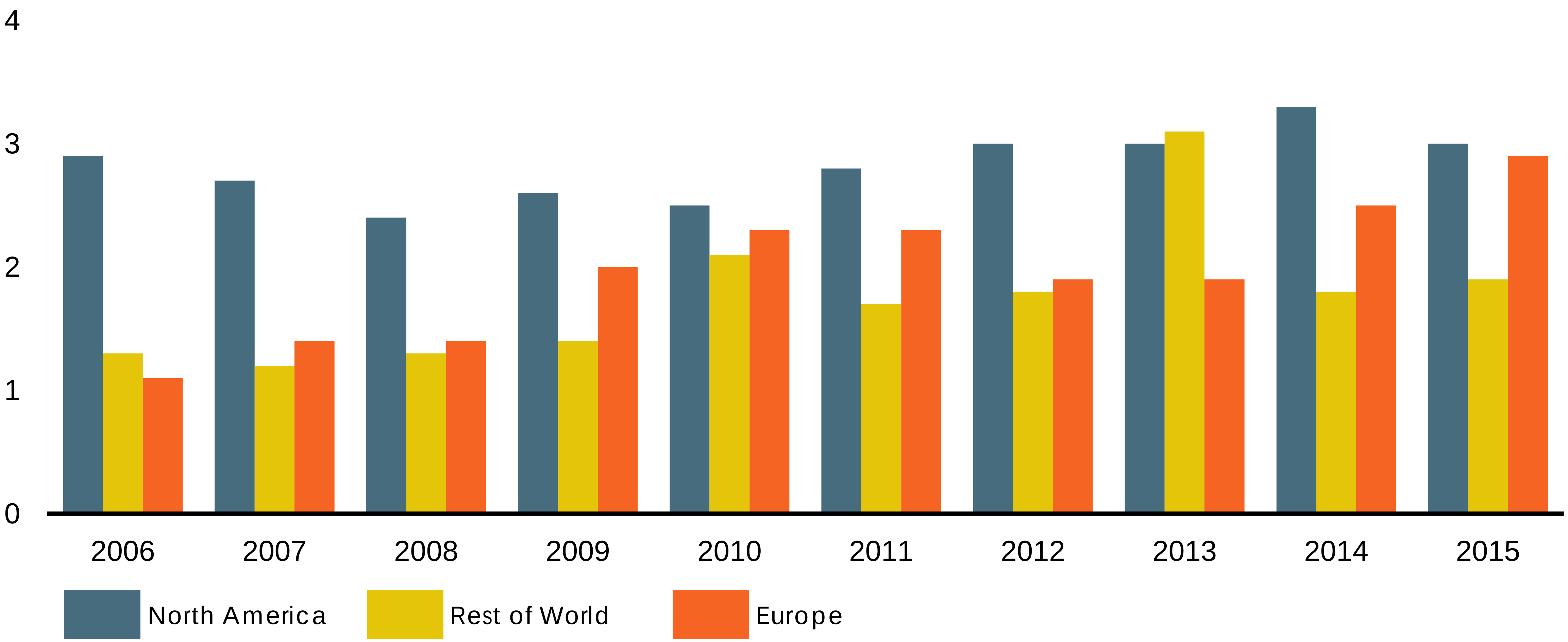
% of regional revenues



Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures

Capex by region

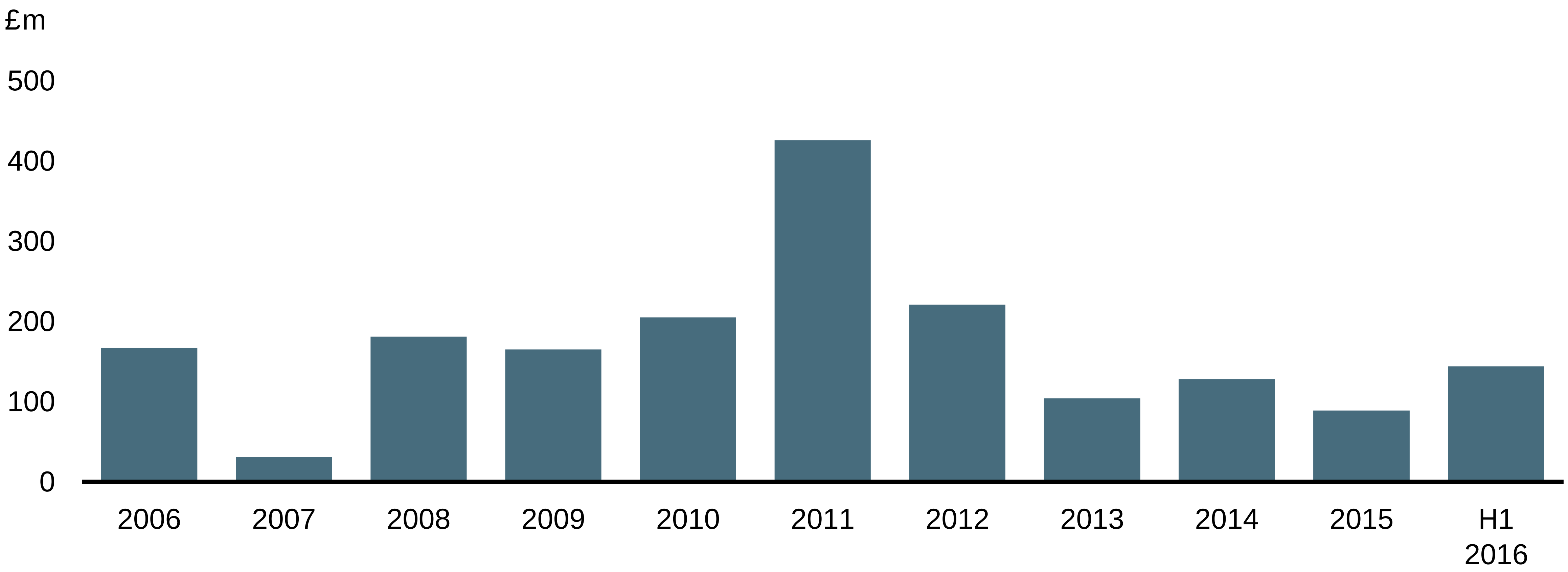
% of regional revenues



Capex includes tangible and intangible assets and assets acquired under finance leases
Underlying figures

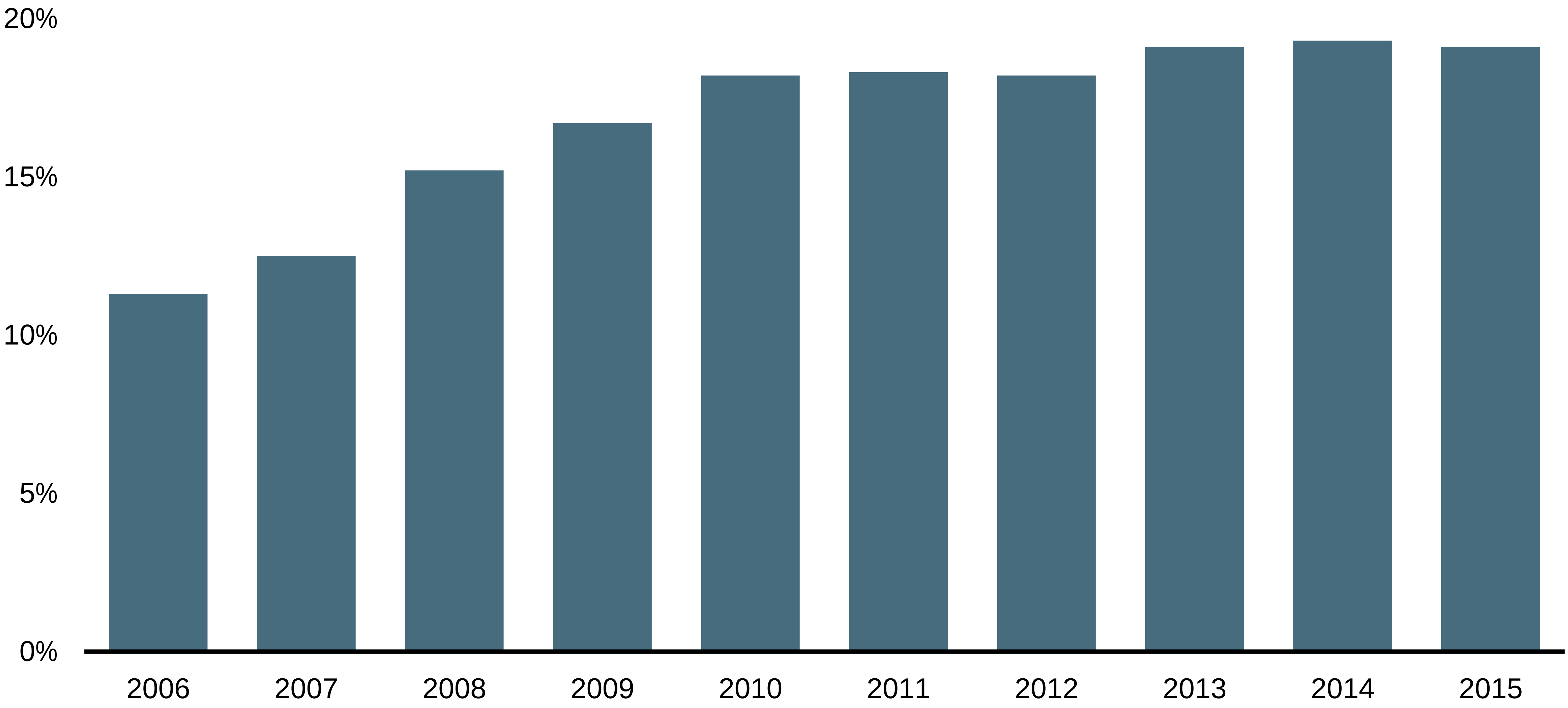
M&A

Required returns > country adjusted WACC by the end of Year 2



M&A will vary as we identify attractive opportunities

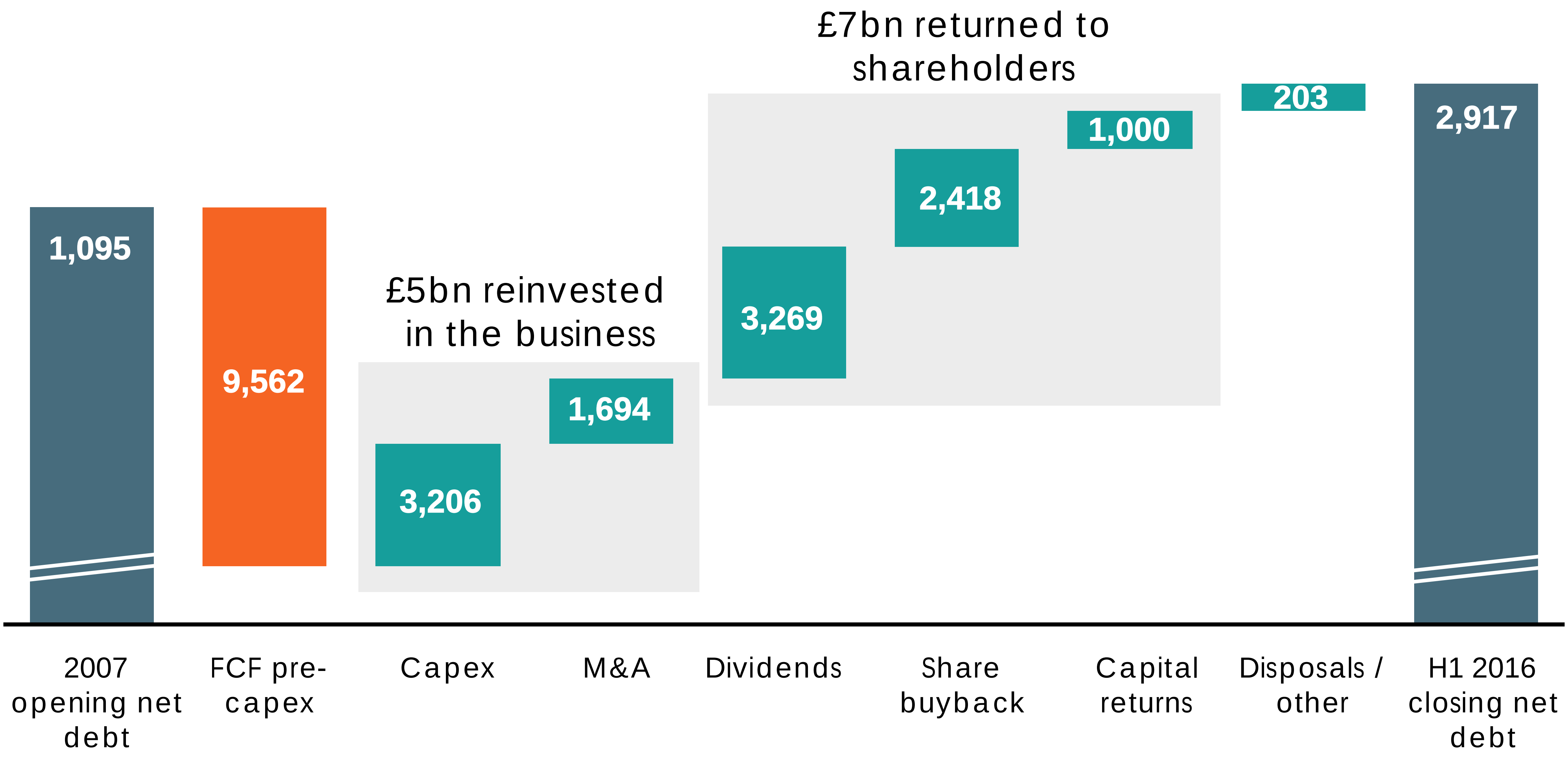
ROCE



Underlying figures

Net debt

£m



£7bn returned to shareholders
£5bn reinvested in the business
1,095
9,562
3,206
1,694
3,269
2,418
1,000
203
2,917
2007 opening net debt
FCF pre-capex
Capex
M&A
Dividends
Share buyback
Capital returns
Disposals / other
H1 2016 closing net debt

Business model

A proven & sustainable model

Growth	Organic	map 1 / 2
Margin	Operating efficiency	map 3 / 4 / 5
Investment	Opex Capex Infill M&A	
Returns to shareholders	Progressive dividend Capital returns	

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Closing Remarks

Richard Cousins

Chief Executive Officer

Summary of the day

COMPASS GROUP

Good growth prospects

Strong competitive advantages

Best team to deliver

Q&A

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