

Compass profits almost triple as sport and business catering rebounds

Catering giant Compass has revealed that profits almost tripled over the past year after its recovery surpassed expectations.

The world's largest food services provider said it reported record new business growth as demand for business and sports catering rebounded following the impact of the pandemic.

Revenues surged by 42.5% to £25.5 billion for the year to September 30, compared with the same period last year.

As a result, statutory pre-tax profits leapt to £1.5 billion from £545 million a year earlier.

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Compass said it also benefited from lower exceptional costs

after the firm was affected by £157 million of Covid-19-related “resizing costs” in the previous year.

Meanwhile, underlying operating profits were 87.5% higher at £1.59 billion for the year.

Compass told investors that underlying operating profits are expected to lift by around 20% in 2023 as the new outsourcing market “remains buoyant”.

The group said underlying revenues have bounced to 105% of pre-pandemic levels from 2019 after a rise in new customers.

Compass said it also benefited from the return of office workers over the final quarter of the year, boosting its business and industry sales above 2019 levels for the first time.

Dominic Blakemore, group chief executive of Compass, said: “The group’s performance surpassed our expectations both in terms of net new business growth and base volume recovery, with business & industry now operating above its pre-pandemic revenues.

“The strong growth trends seen in the first half have continued, with net new business accelerating through the year in all our regions.

“Our clients are continuing to face operational complexities and inflationary pressures, which are driving increased outsourcing, and we are successfully capitalising on the resulting growth opportunities.

“While the macroeconomic environment is uncertain, we are working in partnership with our clients to mitigate inflationary pressures and supporting our colleagues during this challenging period by offering financial support and other benefits.”

Compass said it will hand out a final dividend of 22.1p per share as a result of the performance.