

Compass Group

12:30 11 Jun 2019

Compass Group adds Swedish chefs to its roster with €475m Fazer buy

Catering giant Compass Group PLC (LON:CPG) is acquiring Nordic food specialist Fazer Group for cash and debt of approximately €475m.

Fazer supplies more than 1,000 restaurants across Scandinavia and Finland, serving 500,000 meals a day on average with annual turnover of €593m. The consideration will be €420m in cash payable upfront and a deferred amount over seven years.

READ: RBC downgrades Compass as future direction becomes less clear
Dominic Blakemore, Compass' chief executive, said: "Fazer Food Services is a highly regarded food service business in the Nordic region, and like Compass, is focused on high-quality food, culinary innovation, sustainability and great customer service."

In a note to clients, analysts at UBS commented: "Our first impression is that the acquisition of Fazer Food Services is a positive for the Compass investment case although benefits likely seen from 2020."

The Swiss bank repeated a 'buy' rating and 1,910p price target on Compass shares which in afternoon trading were 0.8% lower at 1,843.50p.

-- Adds analyst comment, share price --

Price: 1911.5p

Market Cap: £30321.58M

1 Year Share Price Graph



Share Information

Code: CPG

Listing: LSE

52 week High Low
1,915.50p 1,467.50p

Sector: Travel, Leisure & Hospitality

Website: www.compass-group.com

Company Synopsis:

Compass Group is a market leader in providing food and a range of selected support services to customers in the workplace, in schools and colleges, in hospitals, at leisure or in remote environments.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential,

advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.