

Top Picks 2019

UK Equities



Compass Group puts food on plates in 50 countries, just 10% of profits come from the UK.

A food services company, with operations in 50 countries, Compass Group delivers a service of necessity on a global scale.

Compass Group serves office workers (operates staff canteens at companies such as Google and Mercedes), pensioners (in retirement homes), school kitchens, and military personnel both home and abroad.

The company receives the bulk of profits in dollars, as 60% of its business derives from the United States and Canada, whilst just 10% of profits come from the UK, ensuring any Brexit induced sterling weakness boosts the bottom line.

Compass Group has a long track record for delivering earnings growth, which has filtered through to steady dividend increases.

The company has pursued a progressive dividend policy in recent years with increases in shareholder payouts of between 5-10% for the past 7 years.

A near 10% decline from year highs offers investors another bite of the cherry.

Of 27 broker ratings, only 2 are rated as ‘sell’.

Brexit Referendum Reaction

1st trading session after the vote	+4%
2 weeks after the vote	+12%
12 months after the vote	+29%

Reassess at 1350p – Represents a 2 year low and breakdown of 2.5 year uptrend.

BUY

Compass Group Plc - current price 1565p

Background

Compass Group Plc provides global catering and support services. The Company offers services to offices, factories, hospitals and care homes, schools and universities, sports venues, military facilities, offshore platforms, and other remote locations.

Listing FTSE 100	Market Cap £25.1bn	52-week range 1396p - 1722p	Dividend yield 2.2%
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Analyst Ratings

A collection of current ratings (Buy/Hold/Sell) issued by city analysts, accompanied by the average 12-month target price. Data compiled by Bloomberg.

BUY ratings 14	HOLD ratings 11	SELL ratings 2	12-month av. TP 1770p (+10%)
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Technical Levels

Potential support level 1500p / Potential resistance level 1720p

Support and resistance levels are prices at which a stock stops declining (finds support) and stops rising (finds resistance), these levels are derived from historical price analysis and are often considered when identifying future prices at which to buy and sell.