



The Food Travel Experts



Preliminary Results 2020

www.foodtravelexperts.com



Presentation structure

1. Group highlights

Simon Smith

2. Financial review

Jonathan Davies

3. Business review

Simon Smith

4. Q&A

All

Group highlights

- Strong start to the year; new space growth at 5.7%; further progress on strategic initiatives
- Rapid and effective response to COVID to protect our people and the business
- H2 cash outflow contained ahead of expectations. H2 EBITDA loss minimised, despite H2 sales
- Significant liquidity, over £500m by YE; monthly cash burn of £25m - £30m expected in Q1 21
- Central and operational management skill retained to enable fast ramp up in line with demand
- New low cost flexible operational model created; breakeven at lower level of passengers
- People and Corporate Responsibility strategies being redefined
- Positive medium term travel trends led by domestic and leisure travel

Financial Review

Preliminary Results 2020

Jonathan Davies, Group CFO

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Group financial overview

£m	2020 IFRS 16	2020 IAS 17	2019 IAS 17	IAS 17 Change (%)
Revenue	1,433.1	1,433.1	2,794.6	(48.7)%
LFL Sales Growth	(50.8)%	(50.8)%	1.9%	n/a
EBITDA*	103.4	(98.2)	326.4	(130.1)%
Operating (Loss)/Profit*	(315.4)	(211.7)	221.1	(195.7)%
(Loss)/Profit Before Tax*	(371.8)	(239.6)	203.2	(217.9)%
(Loss)/Earnings Per Share (p)*	(68.0)p	(45.4)p	29.1p	(256.0)%
Net Debt	(2,040.6)	(692.0)	(483.4)	(43.2)%

*Stated on a pre-exceptional basis, before non-underlying items

Underlying Operating Loss of £212m (IAS 17 basis)

£m	2020 IFRS 16	2020 IAS 17	2019 IAS 17
Revenue	1,433.1	1,433.1	2,794.6
Gross Profit	1,002.0	1,002.0	1,987.9
<i>% Sales</i>	<i>69.9%</i>	<i>69.9%</i>	<i>71.1%</i>
Labour Costs	(518.6)	(518.6)	(809.3)
<i>% Sales</i>	<i>(36.2)%</i>	<i>(36.2)%</i>	<i>(29.0)%</i>
Concession Fees	(149.2)	(350.5)	(551.8)
<i>% Sales</i>	<i>(10.4)%</i>	<i>(24.5)%</i>	<i>(19.7)%</i>
Overheads	(230.8)	(231.1)	(300.4)
<i>% Sales</i>	<i>(16.1)%</i>	<i>(16.1)%</i>	<i>(10.7)%</i>
EBITDA	103.4	(98.2)	326.4
<i>% Sales</i>	<i>7.2%</i>	<i>(6.9)%</i>	<i>11.7%</i>
Depreciation & Amortisation	(418.8)	(113.5)	(105.3)
<i>% Sales</i>	<i>(29.2)%</i>	<i>(7.9)%</i>	<i>(3.8)%</i>
Operating (Loss)/Profit*	(315.4)	(211.7)	221.1
<i>Operating Margin (%)</i>	<i>(22.0)%</i>	<i>(14.8)%</i>	<i>7.9%</i>

*Stated on a pre-exceptional basis, before non-underlying items

Underlying Net Loss of £224m (IAS 17 basis)

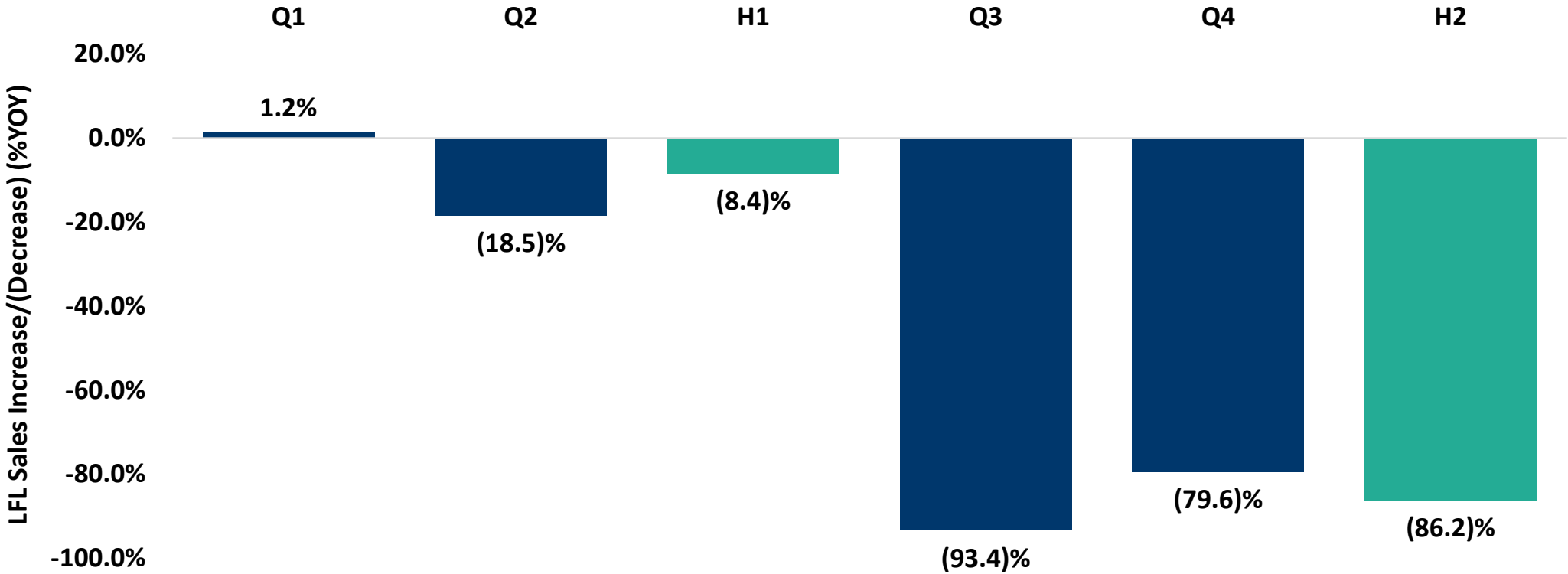
£m	2020 IFRS 16	2020 IAS 17	2019 IAS 17
Operating (Loss)/Profit*	(315.4)	(211.7)	221.1
Net Financing Cost*	(54.0)	(26.2)	(22.0)
Share of Associates	(2.4)	(1.7)	4.1
Loss Before Tax*	(371.8)	(239.6)	203.2
Tax*	23.7	6.3	(45.1)
Non-Controlling Interests*	13.4	9.6	(26.6)
Net Loss*	(334.7)	(223.7)	131.5
Earnings per share (p)*	(68.0)p	(45.4)p	29.1p

*Amounts are before non-underlying items

Non-Underlying items (IFRS 16)

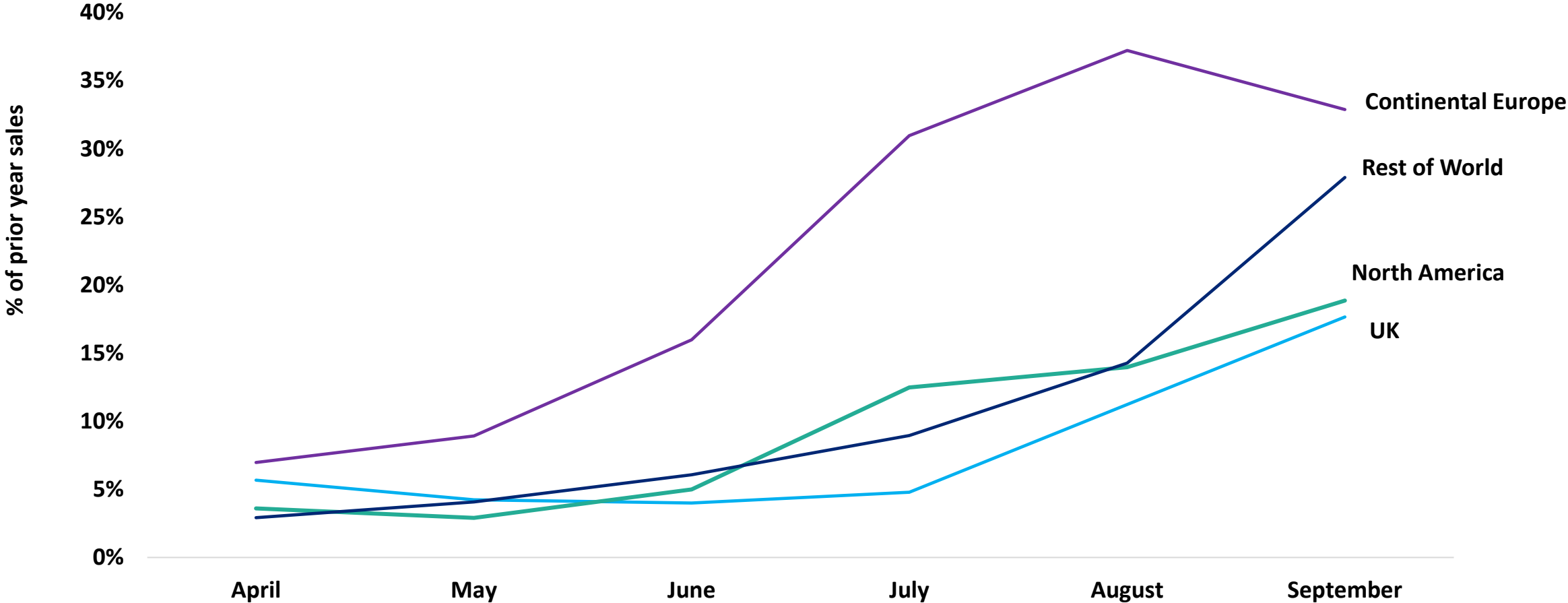
£m	P&L Charge	Cash flow
Impairments and accelerated depreciation		
Tangible Assets	(82.8)	-
Intangible Assets	(33.0)	-
Restructuring costs	(22.7)	(22.7)
IFRS 16 Covid rent waivers	91.9	91.9
Other	(1.9)	-
Operating Loss	(48.5)	69.2
Net Financing Cost	(5.5)	-
Loss Before Tax	(54.0)	69.2
Tax	4.4	4.4
Non-Controlling Interests	9.3	-
Net Loss	(40.3)	73.6

LFL Sales down -86% in H2 2020

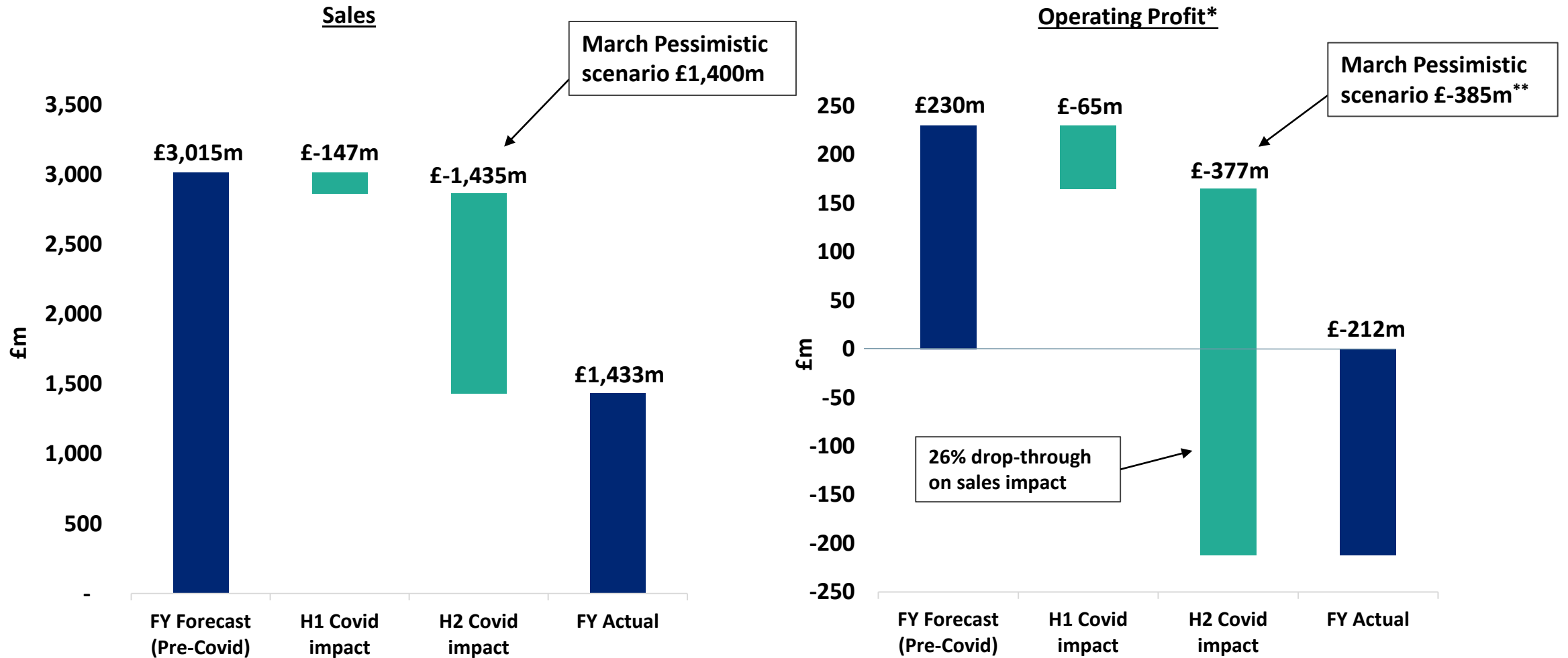


Note: Same store like-for-like sales growth at constant currency

H2 year on year revenue progression by region



Impact of Covid-19 on sales and profit



*Underlying operating profit on IAS 17 basis

**Mid point of the March Pessimistic range (based on 25-30% drop-through)

Underlying operating loss of £213m in H2 (IAS 17 basis)

£m	2020 Full Year	2020 H1	2020 H2	H2 YOY cost savings
Revenue	1,433.1	1,214.6	218.5	
Gross Profit <i>% Sales</i>	1,002.0 69.9%	856.2 70.5%	145.8 66.7%	Labour 293.4 69.2%
Labour Costs <i>% Sales</i>	(518.6) (36.2)%	(387.8) (31.9)%	(130.8) (59.9)%	
Concession Fees <i>% Sales</i>	(350.5) (24.5)%	(254.2) (20.9)%	(96.3) (44.1)%	Concession fees 206.9 68.2%
Overheads <i>% Sales</i>	(231.1) (16.1)%	(158.0) (13.0)%	(73.1) (33.5)%	Overheads 84.1 53.5%
EBITDA <i>% Sales</i>	(98.2) (6.9)%	56.2 4.7%	(154.4) (70.8)%	
Depreciation & Amortisation <i>% Sales</i>	(113.5) (7.9)%	(54.9) (4.5)%	(58.6) (26.9)%	
Operating (Loss)/Profit* <i>Operating Margin (%)</i>	(211.7) (14.8)%	1.3 0.2%	(213.0) (97.7)%	

*Stated on a pre-exceptional basis, before non-underlying items

Underlying Free Cash outflow £195m in H2

£m	2020 Full Year	2019 Full Year	2020 H1	2020 H2
Underlying Operating (Loss)/Profit*	(211.7)	221.1	1.3	(213.0)
Depreciation & Amortisation*	113.5	105.3	54.9	58.6
Working Capital	(67.6)	3.7	(45.1)	(22.5)
Capital Expenditure	(134.5)	(185.0)	(119.5)	(15.0)
Net Tax	(11.0)	(37.1)	(20.1)	9.1
Acquisitions	(26.5)	(25.8)	(26.9)	0.4
Other	(14.8)	(14.3)	(12.4)	(2.4)
Underlying Operating Cash Flow*	(352.6)	67.9	(167.8)	(184.8)
Net Financing Costs	(19.6)	(17.4)	(9.1)	(10.5)
Underlying Free Cash Outflow*	(372.2)	50.5	(176.9)	(195.3)

*Stated on an IAS 17 basis. Amounts are before non-underlying items

Net Debt £692m (IAS 17 basis)

£m	2020 Full Year	2020 H2
Net Debt at 1 Oct 2019 and 1 April 2020 (IAS 17 basis)	(483.4)	(457.7)
Underlying Free Cash Flow	(372.2)	(195.3)
Exceptional restructuring costs	(22.7)	(22.7)
2019 Final Dividend	(26.8)	(26.8)
Equity raises (net of fees)		
- March	208.6	-
- June	10.8	10.8
Other/ FX	(6.3)	(0.3)
Net Debt at 30 September 2020 (IAS 17 basis)	(692.0)	(692.0)
Lease Liability	(1,348.6)	(1,348.6)
Net Debt at 30 September 2020 (IFRS 16 basis)	(2,040.6)	(2,040.6)

£520m Liquidity at September 2020

	£m
Cash at end of September 2020	185
Further Undrawn Facilities:	
Bank of England CCFF	175
RCF	150
Other Local Facilities	10
Available Liquidity at September 2020	520
Current monthly cash burn	25 - 30

Additional actions taken to protect liquidity

- Equity placings in March and June (£219m)
- CCFF in place until 2022 (£300m)
- Additional local facilities (£44m)
- Waiver of loan amortisation (£63m)
- Share buy back cancelled
- No interim or final dividend
- Covenant test waivers:
 - H2 2020 and H1 2021 (completed in May)
 - H2 2021 (completed in December)
- Capex reduction to £15m in H2

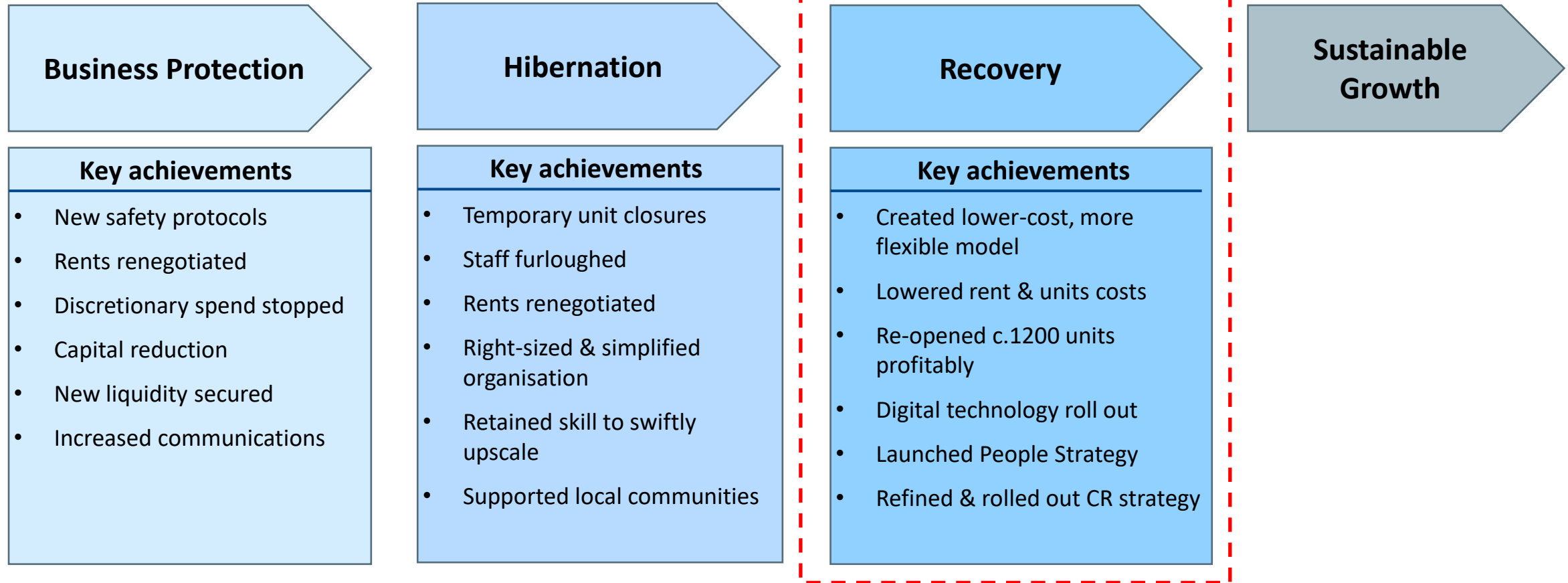
Business Review

Preliminary Results 2020

Simon Smith, Group CEO

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Update: Four phases to our response to COVID-19



People and Corporate Responsibility strategies

Decisive action to create and protect liquidity

Actions taken to create liquidity

Quickly created £750m liquidity by April

£209m March equity placing complete

CCFF accessed up to £300m
Overseas Government loans accessed

Waivers of existing covenant tests until
September 2021

Placing enabling reinvestment of final dividend

Actions to preserve cash in H2

MAGs waived, rents reduced

Government employment, tax and other support
schemes accessed globally

Discretionary and overhead spend reduced to
minimum; costs deferred

Share buy back paused; no interim or final
dividends

Capital expenditure reduced to £15m in H2

Current liquidity position

£520m liquidity at the end of September

Monthly cash burn £25m - £30m

Further CCFF funds drawdown; £175m, £125m further
extended to February 2022

USPP covenants waived for further period until March
2022

Bank covenants waived for further period until March
2022

Unit openings driven by summer leisure demand

UK

- Channel mix FY19: 70% rail, 30% air
- Increased demand in rail and air over the summer
- Subsequently local and national lockdown 2
- c. 200 units open at YE

North America

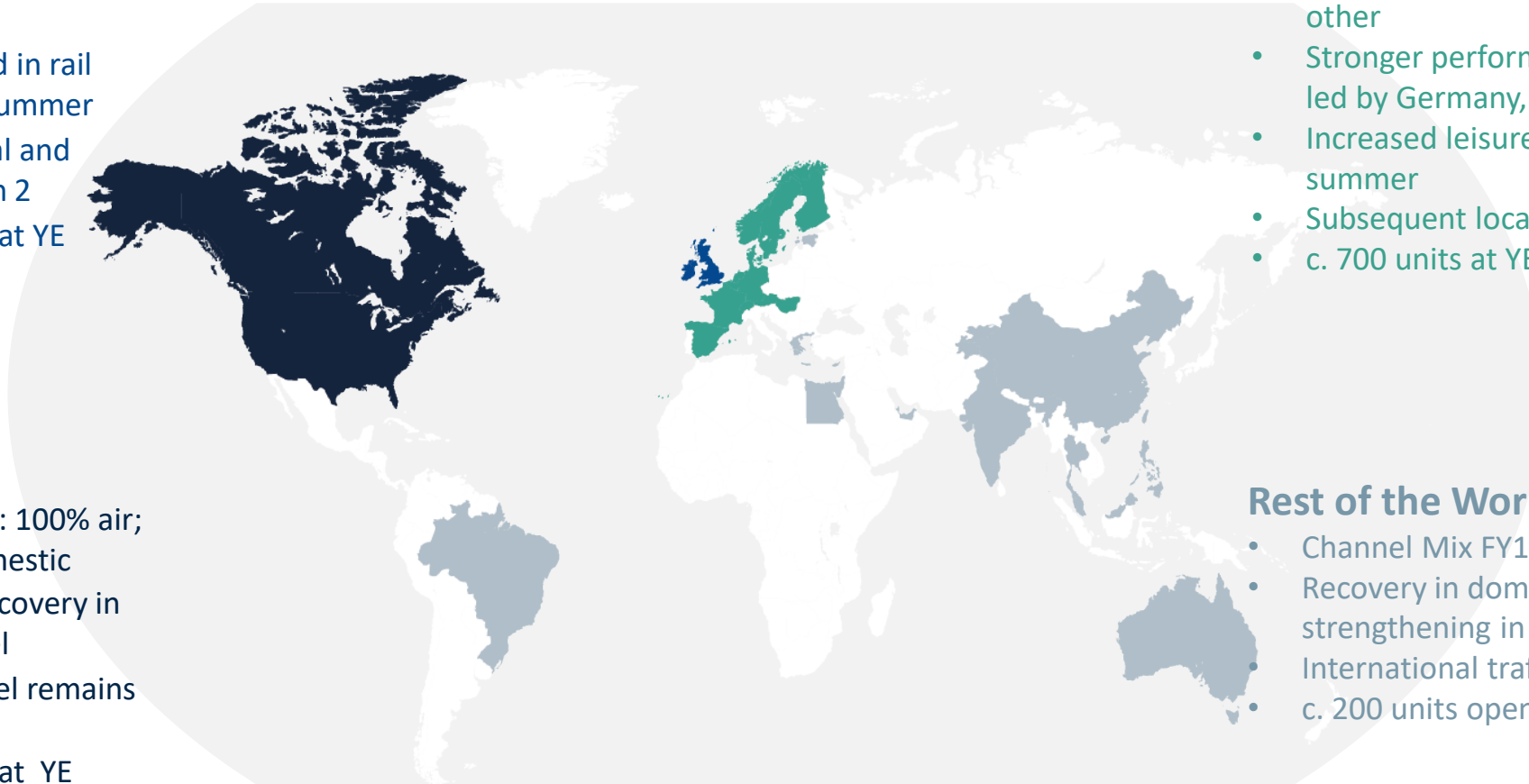
- Channel mix FY19: 100% air; of which 80% domestic
- Gradual steady recovery in domestic air travel
- International travel remains largely closed
- c. 100 units open at YE

Continental Europe

- Channel mix FY19: 60% air; 30% rail; 10% other
- Stronger performance of the rail business; led by Germany, France & Nordics
- Increased leisure demand in air over summer
- Subsequent local/regional lockdowns
- c. 700 units at YE

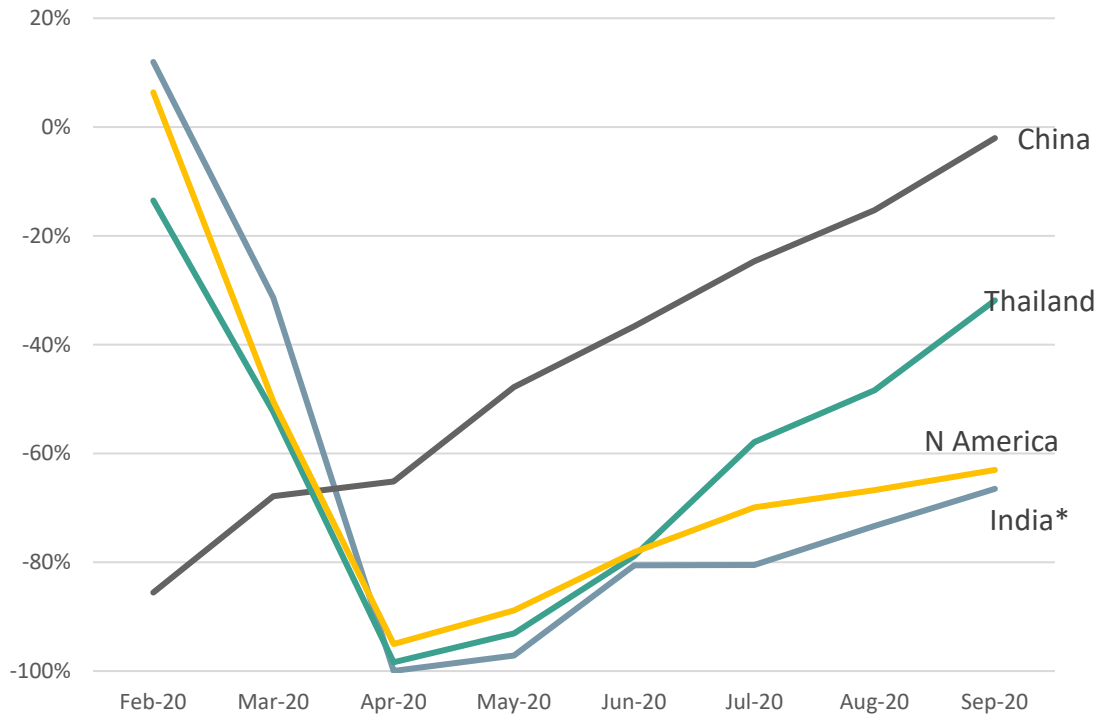
Rest of the World

- Channel Mix FY19: 95% air; 5% rail/other
- Recovery in domestic air travel in China, strengthening in Thailand and India
- International traffic remains low
- c. 200 units open at YE



Domestic travel is leading the recovery

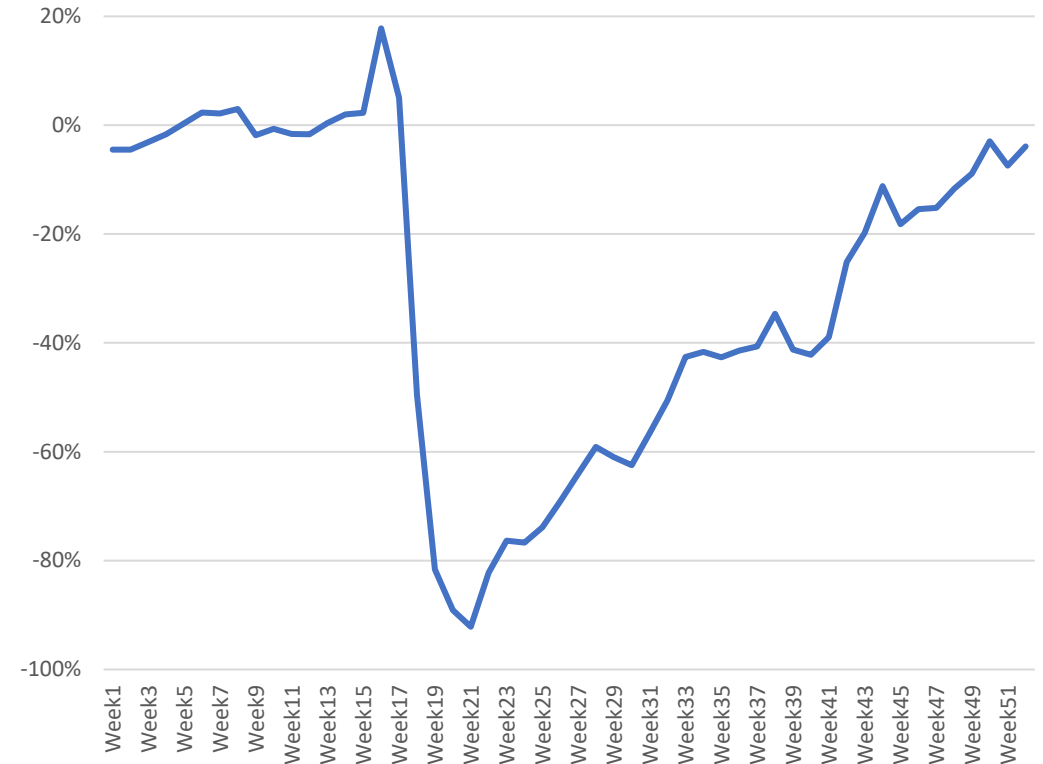
Domestic passenger recovery versus 2019



Notes: *India based on Mumbai T1 & T2, Delhi T3, Chennai, Goa, Kolkata, Bangalore
Source: ACI (N America); McKinsey; China Ministry of Transport; Internal Company Estimates; Civil Aviation Administration of China (CAAC)

China Domestic recovery

Hainan

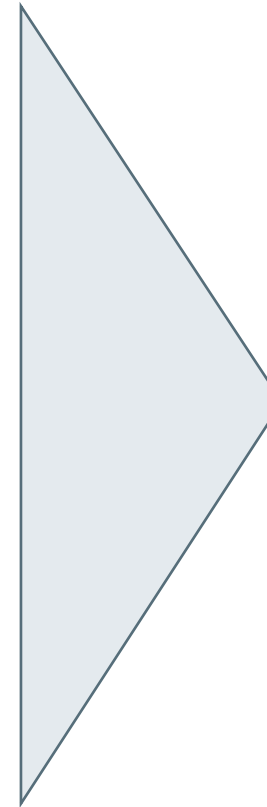


Source: Hainan Airport Authority

Unit profitability at lower levels of sales

Actions taken

- ✓ Optimising unit openings in line with passenger numbers
- ✓ Flexible operating hours linked to demand
- ✓ Lower flexible rents
- ✓ Simplified ranges and menus
- ✓ Digital technology
- ✓ New revenue streams



**Lowered unit costs;
profitability at lower
sales levels**

Streamlined menus to simplify operation and improve profitability

Before

STARTERS & SALADS

BURGERS & SANDWICHES

MAIN DISHES

KID'S MENU

After

SNACK

NACHOS

WINGS

SALAD

EXTRAORDINARY CRISP

O'LEARY'S CLASSIC FISH & CHIPS

KID'S CHEESEBURGER

KID'S CLASSIC O'LEARY'S FISH & CHIPS

VEGAN CHEESEBURGER

KID'S CLASSIC O'LEARY'S FISH & CHIPS

Please inform us about your allergies
 V - Vegetarian / A - Allergies / F - Fish / E - Egg / Hr - Wheat / By - Barley / N - Nuts / Se - Sesame seeds / So - Soy / Su - Sulphur dioxide
 / B - Milk / M - Milk / K - Rice / P - Peanuts / L - Legumes / Cr - Crustaceans / C - Celiac / H - Hues /
 Tr - Traces of

Acceleration of customer service digital technology

Customer order/pay models

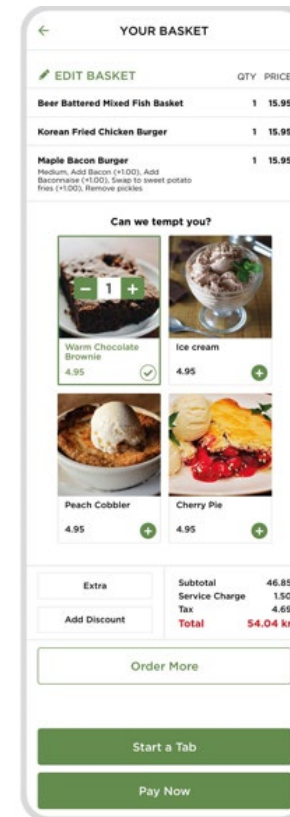
1. Order at Table
2. Virtual Kiosks
3. Physical Kiosks
4. Self Check-out

Customer Benefits

- ✓ Aligned with customer preferences
- ✓ Social distancing
- ✓ Speed of service; reduced wait times

Revenue/Cost Benefits

- ✓ Labour efficiencies
- ✓ Increased sales
- ✓ Increased ATV



Norway



Thailand



USA

Continued contract extensions, wins and openings, despite Covid-19

Extensions



Switzerland

Wins



Hobart

Openings



Shenzhen



Salt Lake City



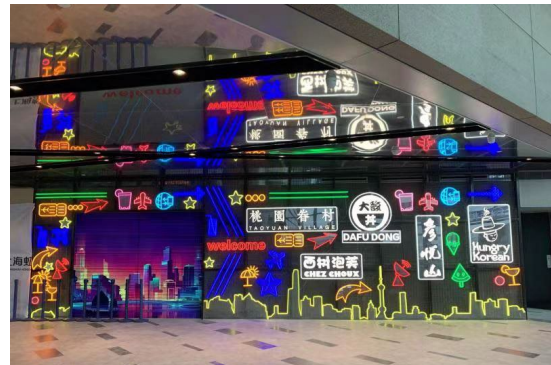
Seattle



Sweden



Haikou



Shanghai Hongqiao

Sustainable growth; delivering for all stakeholders

Our ambition: to be the leading food and drink operator in travel locations worldwide, delivering for all stakeholders

Colleagues

Customers

Clients

Brand partners

Shareholders

Underpinned by our corporate governance framework and a commitment to our environmental and social responsibilities

We have many structural advantages in our sector



Food travel expertise

- Deep understanding of client needs
- Extensive offering of concepts
- Specialised in complex and challenging travel environments



Local insight and international scale

- Extensive knowledge of individual markets
- Understanding of local customers' tastes and needs
- International scale and expertise
- Economies of scale



Leading market positions

- Long-term structural growth drivers
- Diversified portfolio
- High footfall sites
- Multi-site operations
- Market leading positions



Long-term client relationships

- High quality client relationships
- High retention success rates
- Average 7 year contract duration
- Collaborative relationships further cemented through Covid



Experienced employee base

- Highly experienced colleagues
- Broad range of experience
- Local management structure
- Committed teams

We have a unique position upon which to build

A clear strategy to deliver long term sustainable growth

Sustainable Growth

LFL growth

- Optimise portfolio as we re-open
- Continuous innovation in customer proposition
- Drive participation & spend
- Digital customer solutions

Business development

- Contract extensions
- Existing site penetration
- New revenue streams
- New sites
- New geographies

Efficient conversion

- Optimise rent deals
- Focussed range
- Purchasing and production efficiency
- Labour and overhead control
- Automation and robotics

Investment

- High return criteria for new space and renewals
- Ongoing investment: customer proposition, technology, sustainability
- Selective M&A

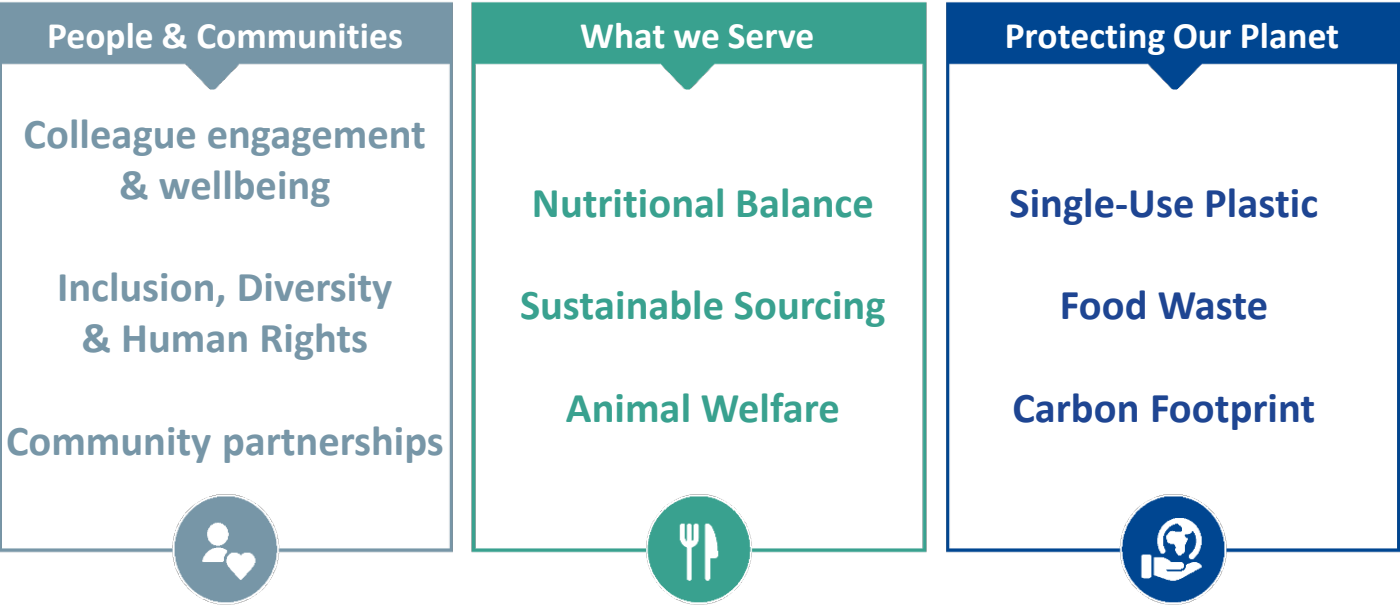
Returns to shareholders

- Balance sheet resilience
- When market recovers return to sustainable profit and cash flow growth

Underpinned by our People and Corporate Responsibility commitments

We have also developed our Corporate Responsibility and People strategies

Corporate Responsibility Framework



People Strategy



Summary and Outlook

- Good start to year; net space growth 5.7%
- Rapid and effective response to COVID
- Central and operational management skill retained
- New low cost flexible operational model created; agile response
- People and corporate responsibility strategies redefined
- Challenging H1 21 expected
- Anticipate stronger summer recovery

Competitive advantages being strengthened: Ready to re-launch

Q&A

Preliminary Results 2020

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Appendix

Preliminary Results 2020

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Revenue down -48% at constant currency

	LFL Sales	Net Contract Gains	Total Revenue
UK	(51.2)%	0.1%	(51.1)%
Continental Europe	(48.2)%	3.5%	(44.7)%
North America	(53.1)%	5.2%	(47.9)%
Rest of World	(53.5)%	3.6%	(49.9)%
Total at Constant Currency	(50.8)%	2.9%	(47.9)%
FX			(0.8)%
Total at Reported Currency			(48.7)%

Underlying operating loss of £212m (IAS 17 basis)

£m	Operating Profit/(Loss)*			IAS 17 Change (%)	
	2020 IFRS 16	2020 IAS 17	2019 IAS 17	Constant Currency	Reported FX Rates
UK**	(28.7)	(12.4)	101.8	(112.1)%	(112.2)%
Continental Europe	(148.1)	(103.2)	79.3	(229.5)%	(230.1)%
North America	(55.4)	(43.7)	41.9	(204.6)%	(204.3)%
Rest of World	(55.6)	(24.8)	35.9	(170.8)%	(169.1)%
Non-attributable	(27.6)	(27.6)	(37.8)	(27.2)%	(27.2)%
Group	(315.4)	(211.7)	221.1	(195.7)%	(195.7)%

* Operating profit is underlying, at actual currency

** UK includes Republic of Ireland

Disclaimer

Certain statements in the presentation may constitute “forward-looking statements”. These statements reflect the Company’s current beliefs and expectations and are based on numerous assumptions regarding the Company’s present and future business strategies and the environment the Company and members of its group will operate in and are subject to risks and uncertainties that may cause actual results, performance or achievements to differ materially. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Company to be materially different from those expressed or implied by such forward looking statements.

Many of these risks and uncertainties relate to factors that are beyond the Company’s ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and other factors such as the Company’s ability to continue to obtain financing to meet its liquidity needs, changes in the political, social and regulatory framework in which the Group operates or in economic or technological trends or conditions. As a result, you are cautioned not to place undue reliance on such forward-looking statements. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Forward-looking statements speak only as of their date and the Company, any other member of the Group, its parent undertakings, the subsidiary undertakings of such parent undertakings, and any of such person’s respective directors, officers, employees, agents, affiliates or advisers expressly disclaim any obligation to supplement, amend, update or revise any of the forward-looking statements made herein, except where it would be required to do so under applicable law or regulatory obligations. It is up to the recipient of this presentation to make its own assessment as to the validity of such forward-looking statements and assumptions. Nothing in this presentation shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.