The Food Travel Experts

Preliminary Results 2021

www.foodtravelexperts.com

Agenda

1. Group highlights	Jonathan Davies
2. Financial review	Miles Collins
3. Business review	Jonathan Davies
4. Q&A	All

Group highlights: Strong H2 Performance

- Revenue recovering to 38% of 2019 levels
- Positive EBITDA in H2, taking full year EBITDA to -£108m
- Profit conversion 22% on the lost sales vs 2019, in line with H1 and ahead of previously indicated range of 25% - 30%
- Free cash generation of £83m in H2, reducing full year cash usage to £58m
- Proforma liquidity at the year end of £935m, with Net Debt of £308m (pre-IFRS16)
- New business pipeline strengthened and significant further growth opportunities ahead
- Re-investment in key capabilities: customer proposition, technology, people and sustainability

Financial review

Full year Results 2021

Miles Collins, Director of Group Finance

Group financial overview

£m	2021 Reported (IFRS 16)	2021 Pre IFRS 16 basis	2020 Reported (IFRS 16)	2020 Pre IFRS 16 basis
Revenue	834.2	834.2	1,433.1	1,433.1
Revenue % vs 2019	(70.1)%	n/a	(48.7)%	n/a
EBITDA*	23.1	(108.3)	103.4	(98.2)
Operating Loss*	(323.3)	(209.0)	(315.4)	(211.7)
Loss Before Tax*	(393.1)	(251.0)	(371.8)	(239.6)
Loss Per Share (p)*	(46.5)p	(31.9)p	(59.1)p	(39.5)p
Net Debt	(1,480.4)	(308.0)	(2,040.6)	(692.0)

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

Note: Pre IFRS 16 basis removes the impact of IFRS 16

Underlying Operating Loss of £209m (pre IFRS 16 basis)

£m	2021 Reported (IFRS 16)	2021 Pre IFRS 16 basis
Revenue	834.2	834.2
Gross Profit	599.4	599.4
% Sales	*71.9%*	*71.9%*
Labour Costs	(352.2)	(352.2)
% Sales	*(42.2)%*	*(42.2)%*
Concession Fees	(96.4)	(215.8)
% Sales	*(11.6)%*	*(25.9)%*
Overheads	(127.7)	(139.7)
% Sales	*(15.3)%*	*(16.7)%*
EBITDA*	23.1	(108.3)
% Sales	*2.8%*	*(13.0)%*
Depreciation & Amortisation	(346.4)	(100.7)
% Sales	*(41.5)%*	*(12.1)%*
Operating Loss*	(323.3)	(209.0)
Operating Margin (%)	*(38.8)%*	*(25.1)%*

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

Underlying Net Loss of £222m (pre IFRS 16 basis)

£m	2021 Reported (IFRS 16)	2021 Pre IFRS 16 basis
Operating Loss*	(323.3)	(209.0)
Net Financing Cost*	(72.1)	(43.7)
Share of Associates	2.3	1.7
Loss Before Tax*	(393.1)	(251.0)
Tax*	50.6	30.6
Non-Controlling Interests*	18.6	(2.1)
Net Loss*	(323.9)	(222.5)
Loss per share (p)*	(46.5)p	(31.9)p

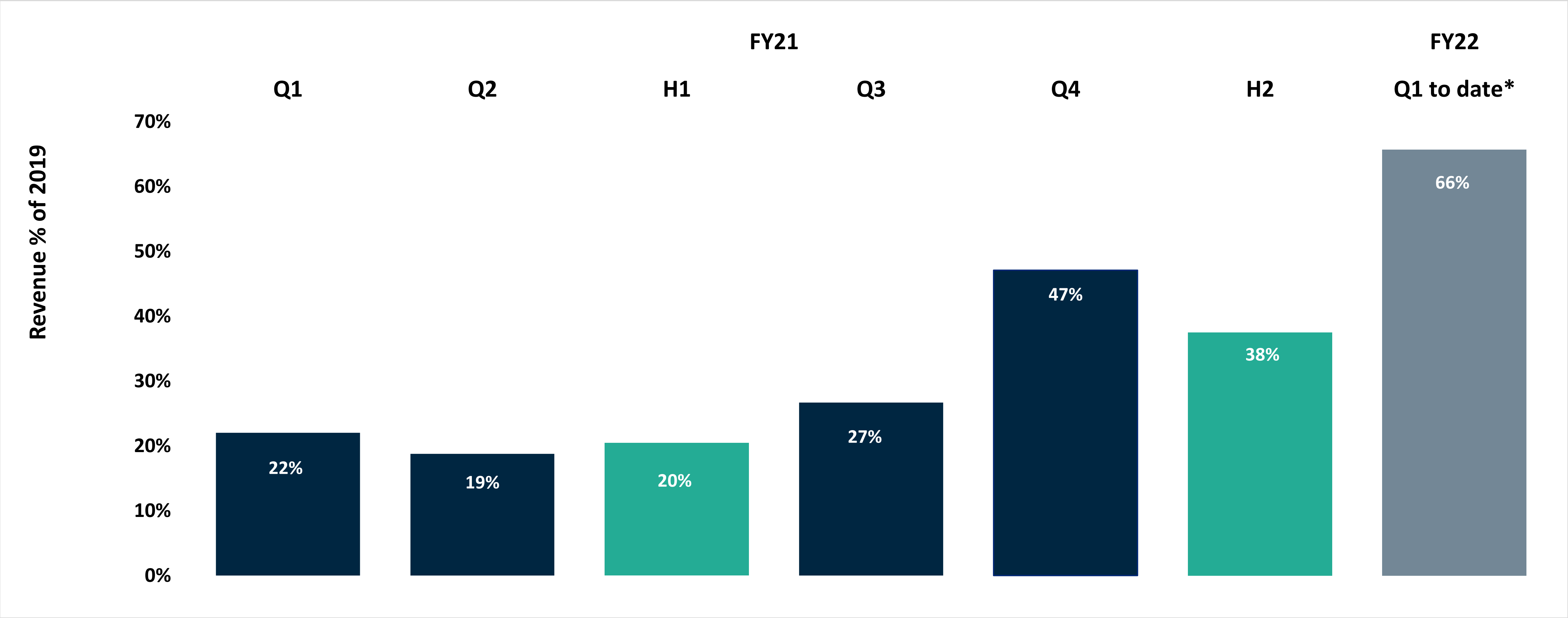
*Stated on a pre-exceptional basis, before non-underlying items

Non-Underlying items (IFRS 16)

£m	Charged to P&L	Cash flow
Impairments and accelerated depreciation		
Tangible Assets	(24.4)	-
Intangible Assets	(26.4)	-
IFRS 16 Covid rent waivers	92.0	-
Restructuring costs	(18.1)	(18.1)
Amendment and extension fees re bank loans*	(5.4)	(5.4)
Other	(3.6)	(0.3)
Operating Profit/(Loss)	14.1	(23.8)
Net Financing Cost	(32.2)	(1.2)
Loss Before Tax	(18.1)	(25.0)

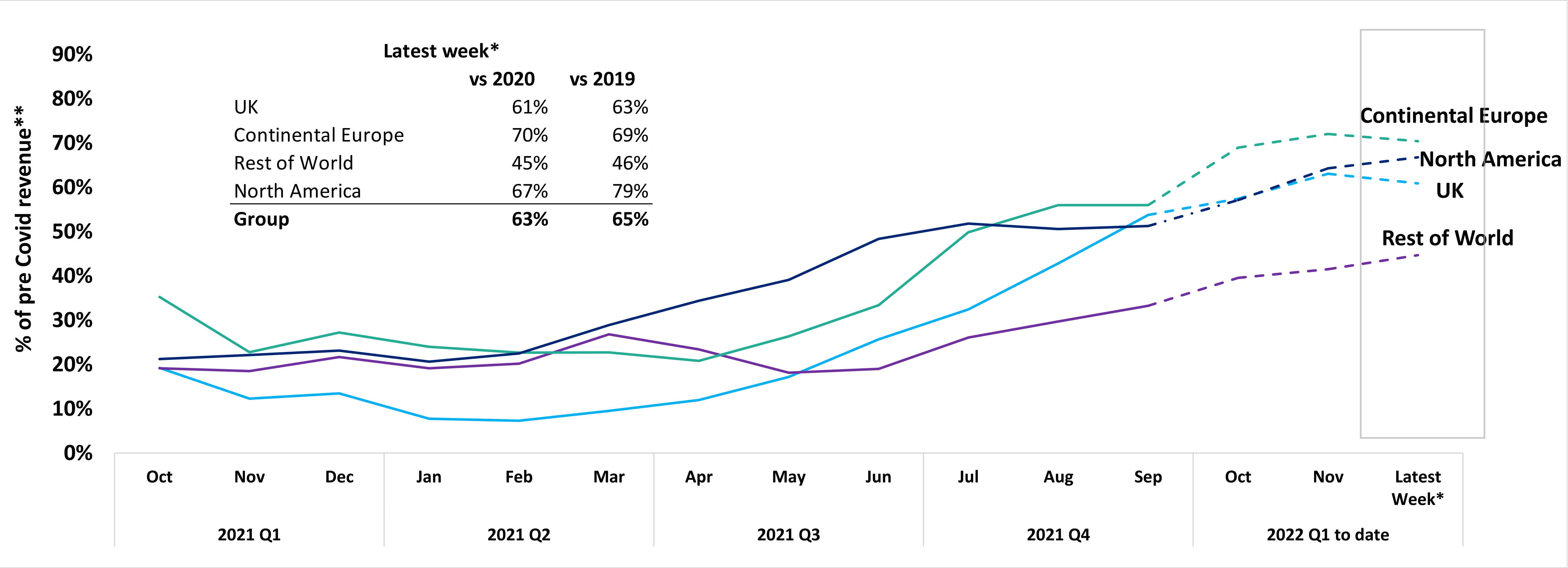
*Included within £450.8m net proceeds from Rights Issue in Group cashflow

H2 revenue 38% of 2019 levels



* Q1 to date comprises the period 1 October – 5 December 2021

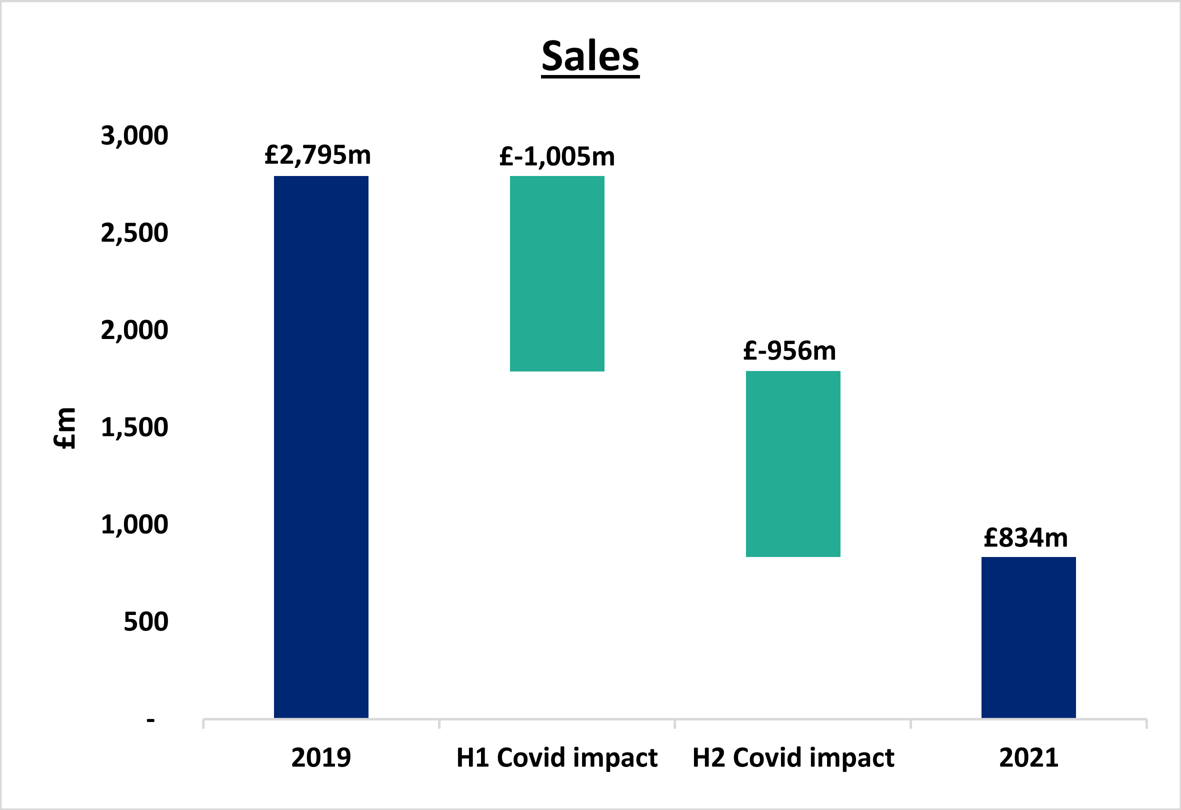
Revenue progression by region

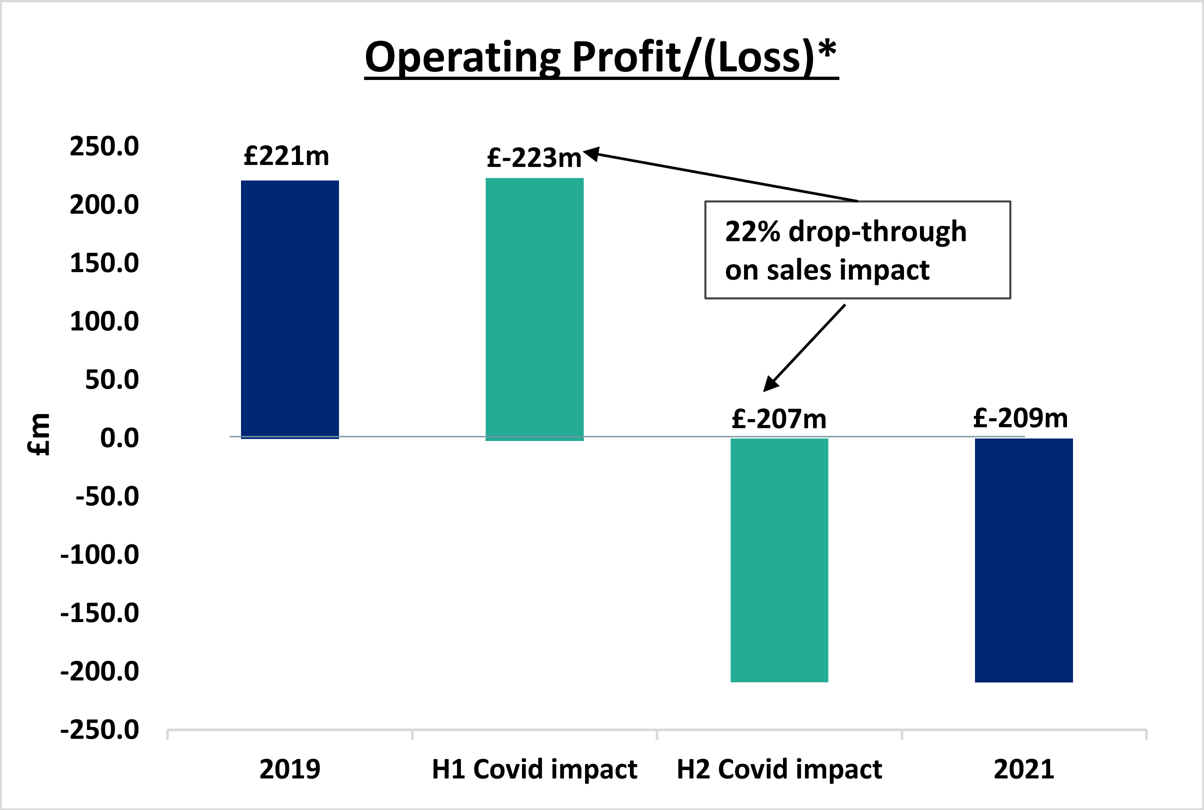


*Latest week 29 November – 5 December 2021

**FY21 based on % of 2019, FY22 based on % of 2020

Impact of Covid-19 on 2021 sales and profit





*Underlying operating profit on a pre IFRS 16 basis

Underlying operating loss of £209m (pre IFRS 16 basis)

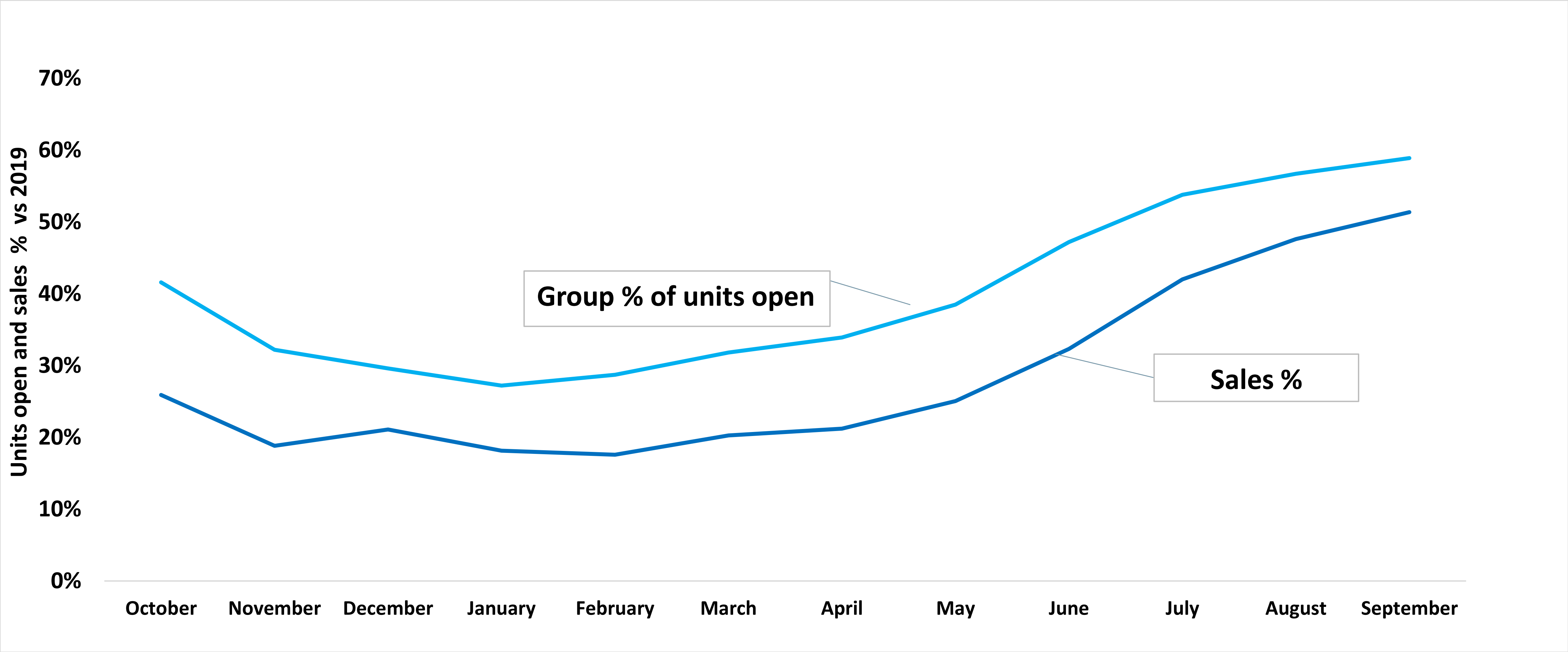
£m	2021 Full Year	YoY (vs 2019)
Revenue	834.2	(1,960.4)
Gross Profit	599.4	(1,388.5)
% Sales	*71.9%*	*0.8%*
Labour Costs	(352.2)	457.1
% Sales	*(42.2)%*	*(13.2)%*
Concession Fees	(215.8)	336.0
% Sales	*(25.9)%*	*(6.2)%*
Overheads	(139.7)	160.6
% Sales	*(16.7)%*	*(6.0)%*
EBITDA	(108.3)	(434.8)
% Sales	*(13.0)%*	*(24.7)%*
Depreciation & Amortisation	(100.7)	4.6
% Sales	*(12.1)%*	*(8.3)%*
Operating (Loss)/Profit*	(209.0)	(430.2)
Operating Margin (%)	*(25.1)%*	*(33.0)%*

Cost saving vs 2019 %

Labour	*57%*
Concession fees	*61%*
Overheads	*54%*

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

Unit openings closely aligned to passenger recovery



Slightly above break-even EBITDA in H2 (pre IFRS 16 basis)

£m	H1 2021	H2 2021	2021 Full Year
Revenue	256.7	577.5	834.2
% of 2019	*20.3%*	*37.7%*	*29.9%*
Gross Profit	185.5	413.9	599.4
% Sales	*72.2%*	*71.7%*	*71.9%*
Labour Costs	(146.6)	(205.7)	(352.3)
% Sales	*(57.1)%*	*(35.6)%*	*(42.2)%*
Concession Fees	(85.0)	(130.8)	(215.8)
% Sales	*(33.1)%*	*(22.6)%*	*(25.9)%*
Overheads	(64.2)	(75.4)	(139.6)
% Sales	*(25.0)%*	*(13.1)%*	*(16.7)%*
EBITDA	(110.3)	2.0	(108.3)
% Sales	*(43.0)%*	*0.3%*	*(13.0)%*
Depreciation & Amortisation	(50.4)	(50.3)	(100.7)
% Sales	*(19.6)%*	*(8.7)%*	*(12.1)%*
Operating (Loss)*	(160.7)	(48.3)	(209.0)
Operating Margin (%)	*(62.6)%*	*(8.4)%*	*(25.1)%*

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

Net Free Cash inflow £83m in H2

£m	2021 H1	2021 H2	2021 Full Year
EBITDA*	(110.3)	2.0	(108.3)
Working Capital	22.1	149.6	171.7
Capital Expenditure	(25.2)	(44.2)	(69.4)
Net Tax	(0.4)	1.5	1.1
Other	(0.4)	(1.5)	(1.9)
Underlying Operating Cash Flow*	(114.2)	107.4	(6.8)
Net Financing Costs	(16.1)	(16.8)	(32.9)
Underlying Free Cash Flow*	(130.3)	90.6	(39.7)
Exceptional restructuring/ other costs	(10.6)	(7.8)	(18.4)
Net Free Cash Flow*	(140.9)	82.8	(58.1)

*Stated on a pre IFRS 16 basis

Net Debt £308m (pre IFRS 16 basis)

£m	
Net Debt at start of year	(692.0)
Net Free Cash Flow	(58.1)
Net proceeds from April 2021 Rights Issue	450.8
Other non-cash movements	(8.7)
Net Debt at end of year (pre IFRS 16 basis)	(308.0)
Lease Liabilities	(1,172.4)
Net Debt at end of year (IFRS 16 basis)	(1,480.4)

£935m Available Liquidity at September 2021

£m	
Cash at end of September 2021	774
Further Undrawn Facilities:	
RCF	150
Other Local Facilities	11
Available Liquidity September 2021	935
CCFF repayment (February 2022)	(300)
Pro forma Liquidity post CCFF repayment	635

Pro forma Liquidity post CCFF repayment at interim results*	554

*Pro forma liquidity of £854m (pre CCFF repayment) at interim results

Summary and Outlook

FY 2021 Results

- Good second half performance, following resilient first half
- Positive EBITDA in H2 with sales recovering to 38% of 2019 levels, up from 20% in H1
- Free cash generation of £83m in H2, reducing full year cash usage to £58m
- Liquidity at the year end of £935m, with pre-IFRS16 Net Debt of £308m

FY 2022 Outlook

- Q1 revenue recovery continuing, although near-term uncertainty remains.
- Profit conversion on reduced sales vs 2019 to be at upper end of 25%-30% range.

Medium Term Outlook

- LFL revenue expected to fully recover to 2019 levels by FY 2024.
- Pipeline expected to deliver 15% new space growth
- EBITDA margins expected to return to broadly pre-Covid levels over medium term

Business Review

Preliminary Results 2021

Jonathan Davies, Deputy CEO & Group CFO

A phased response to COVID – in Recovery & Rebuild phase

Covid Travel Environment → Post-Covid environment

Business Protection → Hibernation → **Recovery & Rebuild** → Sustainable Growth

Recovery & Rebuild

- Reopen units in line with demand to deliver efficient profit conversion and optimise cash profit
- Renew and extend contracts with more flexible rentals
- Commence new business pipeline mobilisation
- Selectively target new business
- Retain benefits of COVID learnings
- Continue to develop people, technology & sustainability strategies

Sustainable Growth

- Drive LFL sales through more competitive customer proposition and target increased penetration rates
- Re-start efficiency programme … building on COVID actions
- Complete new business pipeline mobilisation
- Accelerate new business growth, organic and selected M&A, targeting high ROI
- Refocus on capital allocation and restoring balance sheet efficiency
- Further embed people, technology and sustainability programmes

Regional review: UK & Ireland and Continental Europe

UK & Ireland

- Rapid unit mobilisation c. 400 outlets, >70%, now open. Sales currently c. 63% v 2019
- Rail: pax steady recovery in H2 and post summer from returning weekday commuters, strong weekend leisure demand
- Air: strong recovery in leisure air travel from July; holiday season extended into Autumn; pax numbers now c. 62%
- Actions taken to mitigate labour and supply chain challenges
- Business development activity: competitors' space in air; investment in rail alongside new deals

Continental Europe

- Rapid unit mobilisation with c. 860 outlets, c.78%, now open
- Sales currently c. 69% v 2019: Frabel c. 80%, DACH c. 65%, Spain c. 98%, and Nordics c. 60%
- Earlier recovery in rail driven by both leisure travel and commuters returning to offices
- Strong recovery in leisure air travel over the summer following introduction of EU covid-passport in July
- Commencing mobilisation of pipeline and investment in renewals alongside new deals in rail sector

Regional review: North America and Rest of the World

North America

- Sales now c. 80% of 2019 level: driven by USA at c.90% with c. 240 outlets, 69%, now open
- Recovery continues to be led by domestic and leisure travel, with significant regional differences in the pace of the recovery
- Labour availability challenging and impacting speed of re-opening
- Significant pipeline to mobilise (47 outlets, >£100m annualised sales)

Rest of the World

- Sales now 45% of 2019 level. Mixed picture with: India c. 88%, Australia c. 46%, Thailand c. 18%, Egypt c. 123%
- c. 420 outlets, 65%, now open
- Driven by domestic leisure travel; but further outbreaks have led to new lockdowns (e.g. Thailand, Australia, China)
- Recovery likely to be H2 2022, due to low vaccination rates
- Commencing mobilisation of pipeline selectively e.g. Thailand, Malaysia, India, but in many countries build programmes deferred

SSP's Strategy for Sustainable Growth

LFL Sales Growth

- Recovery and structural growth in travel
- Range, menus and pricing optimization
- Brands portfolio continual enhancement
- Digital sales and marketing platforms

+

Business Development

- Contract renewals & extensions
- Existing pipeline mobilization
- New space growth
- Selective M&A

+

Efficient Conversion

- Gross margin optimization
- Labour & overhead efficiency
- Rent renegotiation and flexibility
- Technology and automation

Reinvestment

- Enhancing customer proposition in own brands
- Technology and automation
- People
- Sustainability

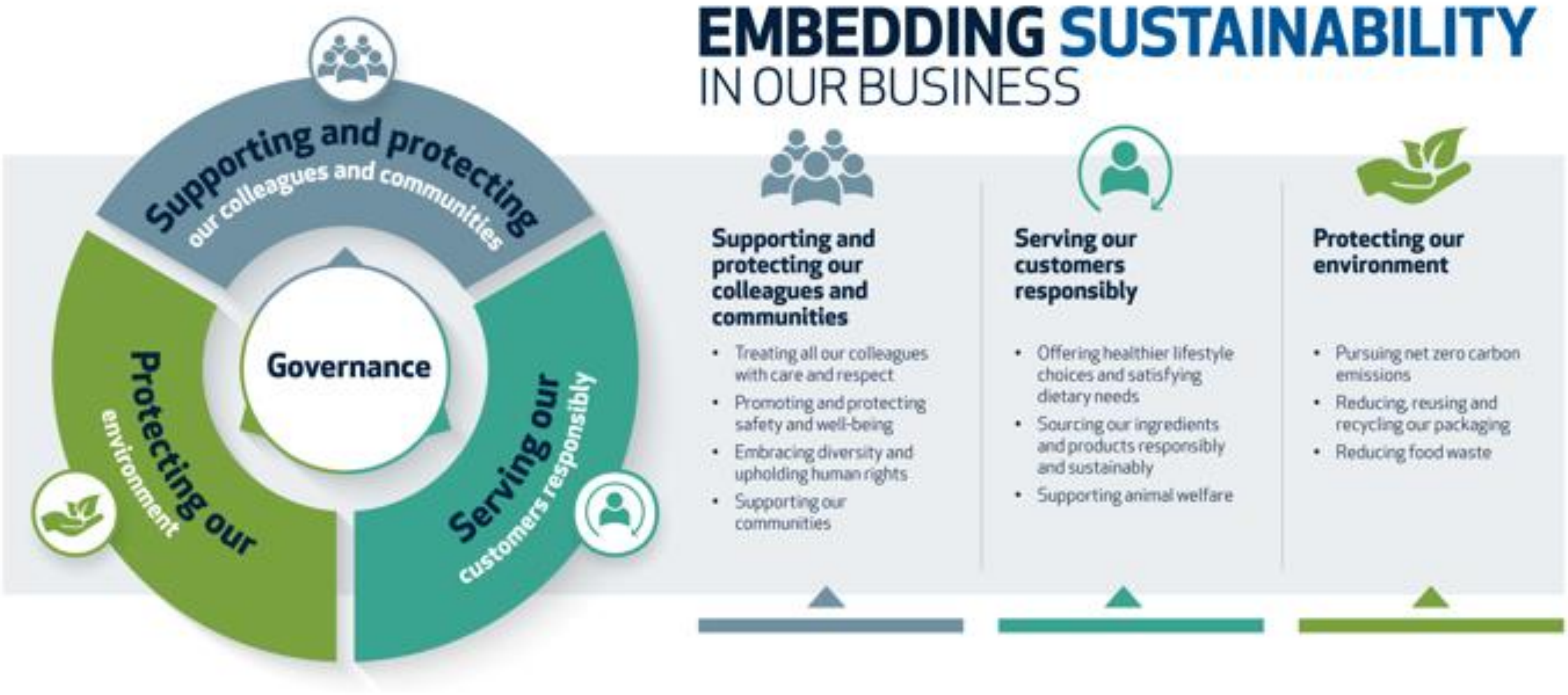
Balance Sheet

- Resilience and efficiency
- Leverage 1.5 to 2.0x
- Capital allocation towards organic growth
- High returns on invested capital

Making a positive contribution to our environment, people and communities

Shareholder Returns

Embedding sustainability in our business



Sustainability strategy: Key targets

Supporting and protecting our colleagues and communities targets include:

- Undertake and publish the headline results of an annual colleague engagement survey
- At least one third of Board members to be female by 2021, have at least one person of colour and have diversity in geographic representation by 2022; and by 2025, at least one third of our Executive Committee and direct reports to be female
- By 2025, all divisions globally to have partnerships with food poverty charities and local charities

Serving our customers responsibly targets include:

- By 2025, introduce food and drink items that support healthier lifestyle choices with at least 30% of meals in own brands to be plant based and/or vegetarian.
- Ensure key suppliers are operating in line with our sourcing standards and animal welfare standards, increasing the ingredients we source sustainably including for SSP own brands, 100% palm oil (for the top 50 products in each market) by 2022 and 100% fish, tea, coffee and hot chocolate by 2025

Protecting our environment targets include:

- By 2040, achieve net zero carbon emissions (scopes 1, 2 and 3), setting science-based targets in line with a 1.5-degree scenario within the next year.
- By 2025, remove unnecessary single-use plastic packaging and move all packaging of own-brand products to be recyclable, reusable or compostable
- By 2025, all divisions to have programmes to target food waste through reduction, recycling, anti-food waste partnerships, charitable donations and landfill diversion

Sustainability: supporting healthier lifestyle choices

EXKI natural, fresh & ready

naked

ORGANIC COFFEE PRET NATURAL FOOD

wellness focused

	VEGAN	VEGETARIAN	LOW CALORIE ≤600
Chicken Caesar Sandwich			●
Chicken Pesto Sandwich			
Chimichurri Baguette			
Turkey Cubano			●
Pesto Pasta		●	
Hummus & Red Pepper	●	●	●
Chop Chop Salad		●	●
Garden Turkey Sandwich			●
Caesar Salad		●	●
Yogurt Parfait		●	●
Hummus Cup	●	●	●
Melon Cup	●	●	●
Berries Cup	●	●	●
Grapes Cup	●	●	●

LFL sales growth: SSP well placed to benefit from rapid rebound of domestic leisure travel

SSP Pre COVID revenue mix

c60% of SSP business is driven by domestic passenger travel

- *UK & European rail (30% of Group)*
- *NA air 80% domestic*
- *Large domestic businesses in India & China*

c60% of SSPs business in underpinned by leisure travel

- *Air 70% leisure*
- *Rail c 50% UK & CE*

Over 2/3rd of air sector passengers driven by short haul and regional travel

SSP well placed to benefit:

- *Near term rapid rebound of domestic leisure short haul*
- *Medium term recovery in long haul and business travel*

Recent trends

Air

- **Current revenue (Q1 to date): 62%**

- UK & CE: strong recovery in short haul leisure
- NA: strong domestic leisure demand
- ROW: Slower passenger number recovery linked to slower vaccine roll-out and higher proportion of long-haul travel

Rail

- **Current revenue (Q1 to date): 71%**

- Steady passenger number recovery in H2 post summer
- Returning weekday commuters
- Strong weekend leisure demand

Medium Term Expectation unchanged

Air passenger numbers for SSP expected to broadly recover to 2019 levels by FY2024

Rail passenger numbers for SSP expected to recover to 90% - 95% of 2019 levels by FY2024

Business Development: Pipeline strengthened with significant further opportunities

Contract Renewals and Extensions	• High retention rate maintained during COVID • Extensions on favourable terms • Downside protection on Minimum Guaranteed Rents
Mobilisation of Existing Pipeline	• c. 200 additional units already secured but not built. • Will contribute c. £275m to sales (by 2024)* • Annualised sales of c. £150m from FY impact of new units and acquisitions in 2019/2020
New Space Growth	• Financial capacity to invest (£350-£400m under Base Case scenario) • Significant pipeline/opportunities, including many infrastructure projects deferred during COVID
Competitor Withdrawals	• Potential to gain space from competitors not re-opening travel units post-COVID and/or exiting the sector

*Excluding Extime

Business development: Contract Renewals and Extensions

Suvarnabhumi

- Six-year contract worth c. £200m of sales
- 34 food & beverage locations throughout the domestic and international terminals
- Mix of local brands, proprietary brands (including Upper Crust & Camden Food) and international brands (including Burger King, Bonchon & Dairy Queen)

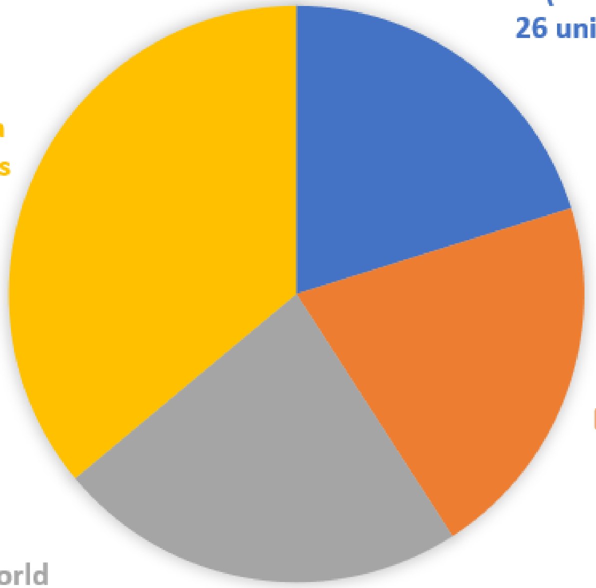
Secured new business pipeline of c. £275m

Mobilisation of Existing Pipeline

- Around 200 additional units already secured but not yet trading
- Expected to add c. £275m to sales (by 2024)*
- Significant contracts include: Dublin, La Guardia, Seattle, San Jose, Salt Lake City, Vancouver, La Martinique and Montparnasse
- Expected investment of c. £100m between now and 2024
- Disciplined investment to achieve internal financial hurdles i.e. 3-4 year discounted payback periods

* = excludes Paris (Extime JV)

Split of new units in the pipeline yet to open (by Annual Sales)



Business development: Mobilising existing pipeline

Malaysia

- 29 units won across 2 airports (Kuala Lumpa and Kuching) on back of earlier win of six lounges.
- Will be operated as a JV between SSP and TFS, our Indian JV, but fully consolidated
- Units scheduled to open from May 2022 onwards
- Exact brand line up to be agreed with client but expected to include Jamie Oliver, Hard Rock Café and Subway

Paris (Extime JV)

- 109 units won, of which 64 will be net additional units.
- Will be operated as a 50:50 JV with ADP
- Units transfer to the new JV as existing contracts expire between 2022 and 2032
- Exact brand line up to be agreed with client

Business development: Competitor withdrawals

Copenhagen

London Luton


Delhi

London Gatwick

Zurich

Gold Coast


Hamburg

Perth

Glasgow

Efficient Conversion: Margin recovery underpinned by operational efficiency… building on Covid learnings

Covid learnings

- Range and menu simplification
- Renegotiation of rents and removal of MGRs
- Brand partner renegotiations
- Overhead reductions (central, regional)
- Order and pay technology
- Data driven
- Day part trading

Focus on operational efficiencies

- Production automation
- Labour scheduling systems
- Back office automation and outsourcing
- Third party production and dark kitchens
- Energy efficiency: monitoring, equipment
- Waste reduction and recycling

Costs and inflation

- Food commodity and energy prices
- Supply chain and logistics costs
- Labour availability and inflation
- Capital, pre-opening costs

Summary

- Good performance in H2 2021 … well ahead of earlier expectations
  - Positive EBITDA in H2
  - Cash generation
  - Strong liquidity
- Recovery in travel sector led by domestic and leisure travel … some uncertainty over the winter months
- Material pipeline of secured new contracts to mobilise
- SSP strongly positioned to benefit from significant new business opportunities
- Re-investing in business capability: customer offer, technology, our people and sustainability
- Medium term expectation unchanged … a return to pre COVID LFL sales and margins

Q&A

Preliminary Results 2021

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