Interim Results 2022

Patrick Coveney, CEO
Jonathan Davies, Deputy CEO and Group CFO

24 May 2022

SSP The Food Travel Experts

Agenda

Highlights	Patrick Coveney
Financial and business review	Jonathan Davies
Observations and early priorities	Patrick Coveney
Q&A	

Highlights

- Strong first half performance; agile response to volatility in demand
- Rapid recovery in demand for travel; revenue 83% of 2019 in the first six weeks of H2; c.2,200 units open
- Higher than average retention rates reflecting strength of client relationships
- Significant new business won; net gains pipeline increased to c.£500m annualised revenue by 2025
- Strong momentum going into the Summer, recognising some constraints
- Confidence in the outlook; guidance assumes a recovery in sales and building back margins

Financial and business review

Jonathan Davies, Deputy CEO and Group CFO

Financial highlights

Revenue £803m LY: £257m	Revenue (% of 2019 levels) 64% LY: 20%	EBITDA £15m LY: £(110)m
Operating loss £(36)m LY: £(161)m	Free cashflow £(31)m LY: £(141)m	Net debt £(340)m LY: £(840)m

Note: All figures on an underlying basis and pre IFRS 16.

H1 underlying operating loss of £36m (pre IFRS 16 basis)

£m	IFRS 16 basis	Pre IFRS 16 basis
Revenue	**803.2**	**803.2**
Gross Profit	577.1	577.1
% sales	*71.8%*	*71.8%*
Labour Costs	(275.4)	(275.4)
% sales	*(34.3)%*	*(34.3)%*
Concession Fees	(101.5)	(165.3)
% sales	*(12.6)%*	*(20.6)%*
Overheads	(115.1)	(121.7)
% sales	*(14.3)%*	*(15.1)%*
EBITDA*	**85.1**	**14.7**
% sales	***10.6%***	***1.8%***
Depreciation & Amortisation	(137.7)	(51.1)
% sales	*(17.1)%*	*(6.3)%*
Operating Loss*	**(52.6)**	**(36.4)**
Operating Margin (%)	***(6.5)%***	***(4.5)%***

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

Underlying Net Loss £67m (pre IFRS 16 basis)

£m	IFRS 16 basis	Pre IFRS 16 basis
Operating Loss*	**(52.6)**	**(36.4)**
Net Financing Cost*	(36.6)	(20.8)
Share of Associates	1.9	1.9
Loss Before Tax*	**(87.3)**	**(55.3)**
Tax*	(4.3)	(2.7)
Non-Controlling Interests*	(6.3)	(9.2)
Net Loss*	**(97.9)**	**(67.2)**
Loss per share (p)*	**(12.3)p**	**(8.4)p**

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

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Non-underlying items (IFRS 16 basis)

£m	**P&L impact**
Asset impairments	(2.1)
IFRS 16 Covid rent waivers	19.3
Gain on derecognition of leases	61.5
Other	(0.1)
Operating Profit	**78.6**
Net Financing Income	6.4
Profit Before Tax	**85.0**

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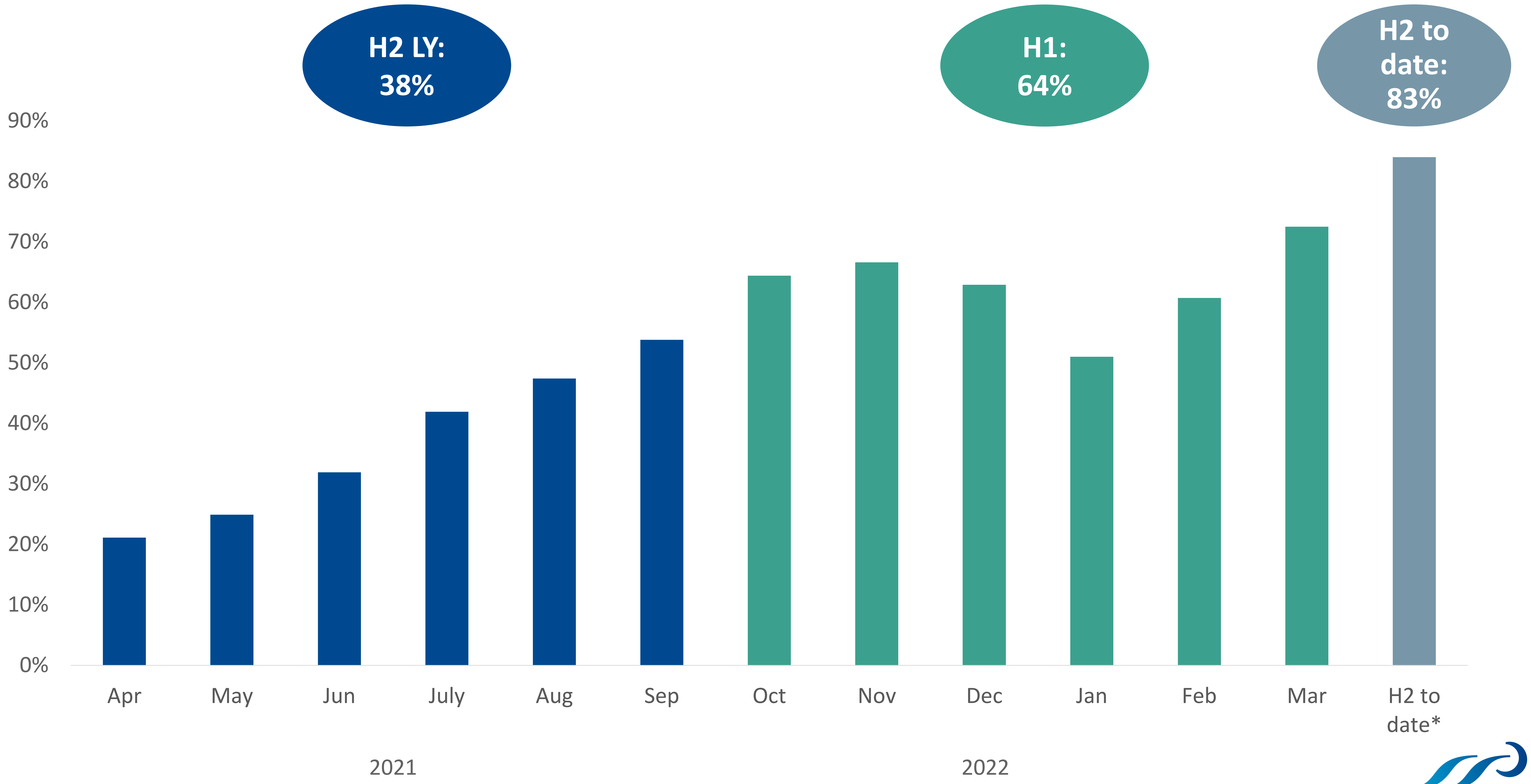
Revenue (% of 2019 levels)



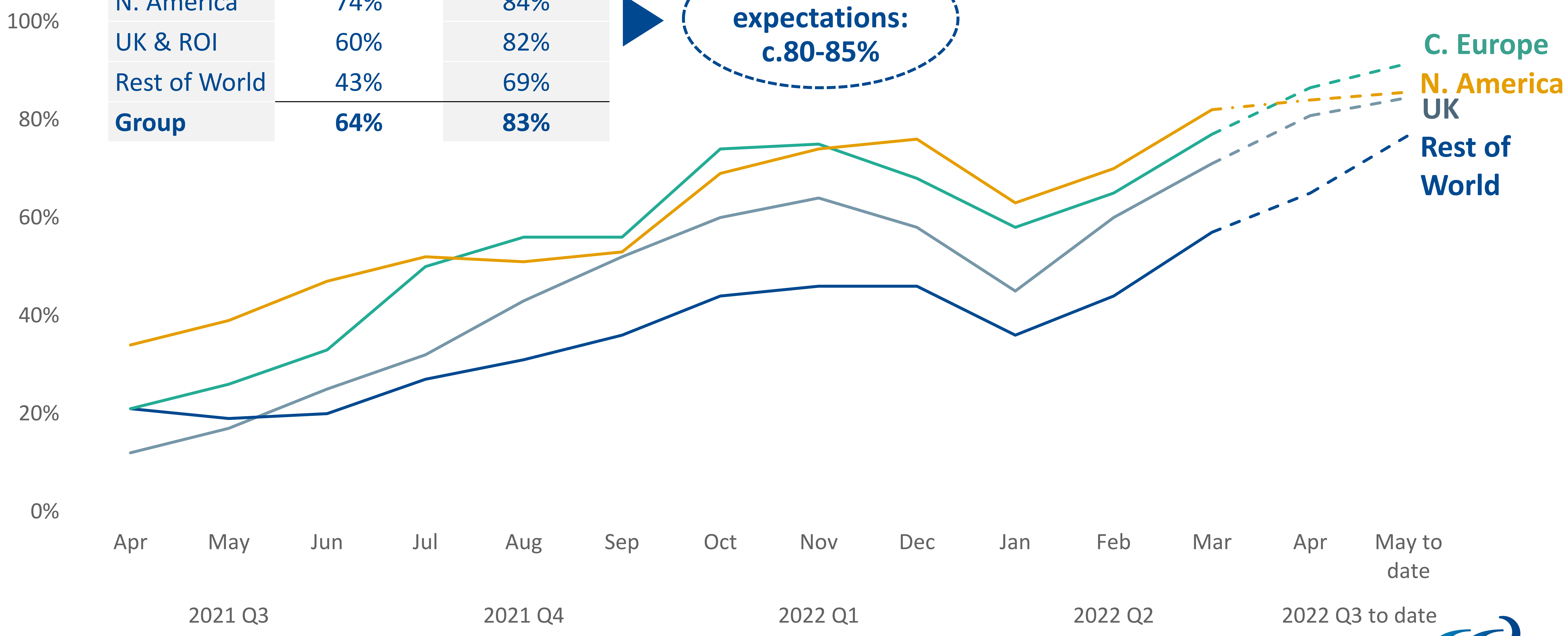
*H2 to date relates to the period 1 April – 15 May 2022

Revenue progression by region & expectations for H2

(% of 2019 levels)

	H1	H2 to date*
C. Europe	70%	88%
N. America	74%	84%
UK & ROI	60%	82%
Rest of World	43%	69%
Group	**64%**	**83%**

Group H2 expectations: c.80-85%



*H2 to date is the period 1 April– 15 May 2022

EBITDA positive in H1

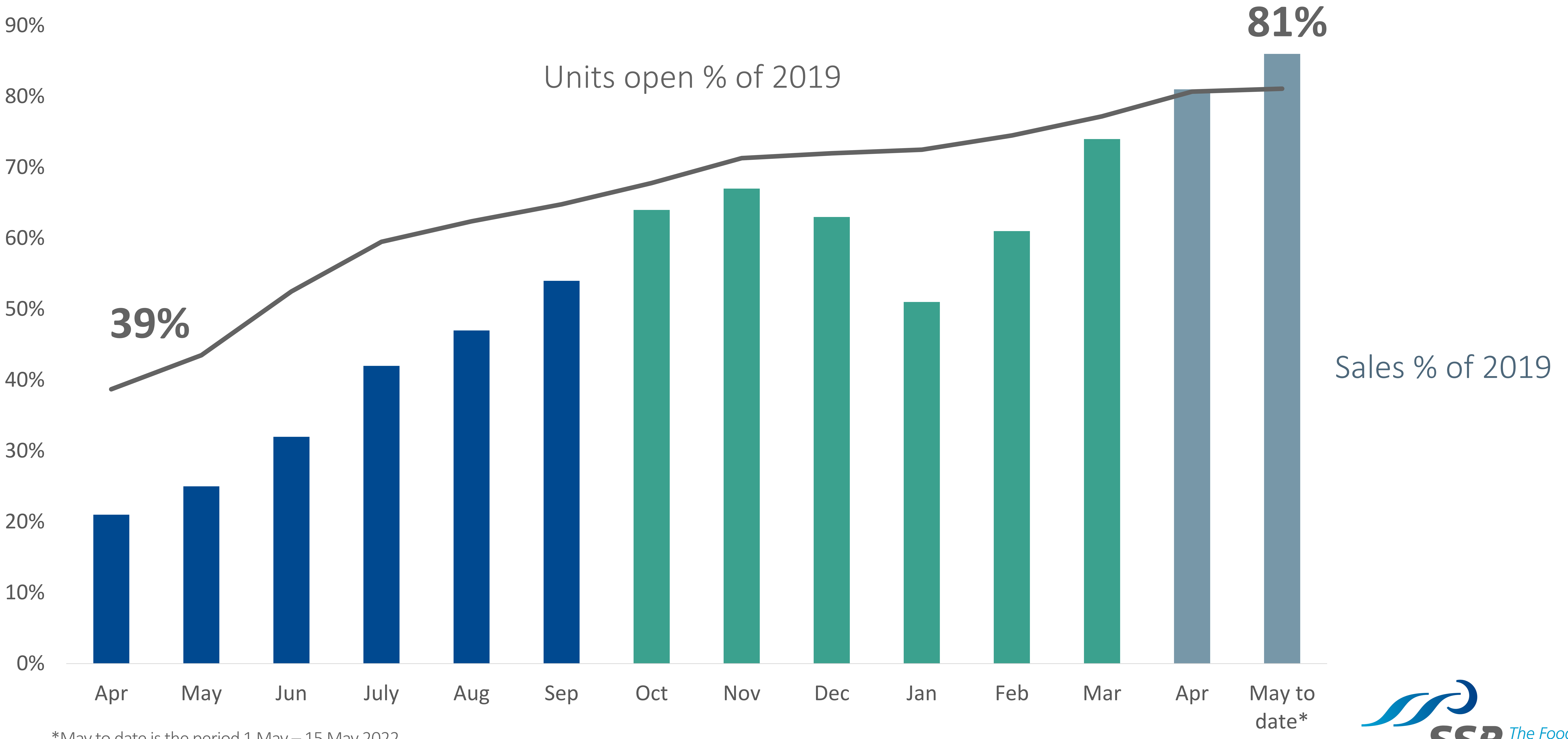
£m	H1 2022	H1 2019	Variance (vs. 2019)
Revenue	803.2	1,261.6	(458.4)
Gross Profit	577.1	892.2	(315.1)
% Sales	*71.8%*	*70.7%*	*1.1%*
Labour Costs	(275.4)	(385.1)	109.7
% Sales	*(34.3)%*	*(30.5)%*	*(3.8)%*
Concession Fees	(165.3)	(248.6)	83.3
% Sales	*(20.6)%*	*(19.7)%*	*(0.9)%*
Overheads	(121.7)	(143.2)	21.5
% Sales	*(15.1)%*	*(11.4)%*	*(3.8)%*
EBITDA	**14.7**	**115.3**	**(100.6)**
% Sales	***1.8%***	***9.1%***	***7.3%***
Depreciation & Amortisation	(51.1)	(52.8)	1.7
% Sales	*(6.3)%*	*(4.2)%*	*(2.1)%*
Operating (Loss)/Profit*	**(36.4)**	**62.5**	**(98.9)**
Operating Margin (%)	***(4.5)%***	***5.0%***	***(9.5)%***

Cost Saving vs 2019 %

	Cost Saving vs 2019 %
Labour	28%
Concession Fees	34%
Overheads	15%

*Pre IFRS-16; Stated on a pre-exceptional basis, before non-underlying items

Aligning unit openings with recovery in sales



*May to date is the period 1 May – 15 May 2022

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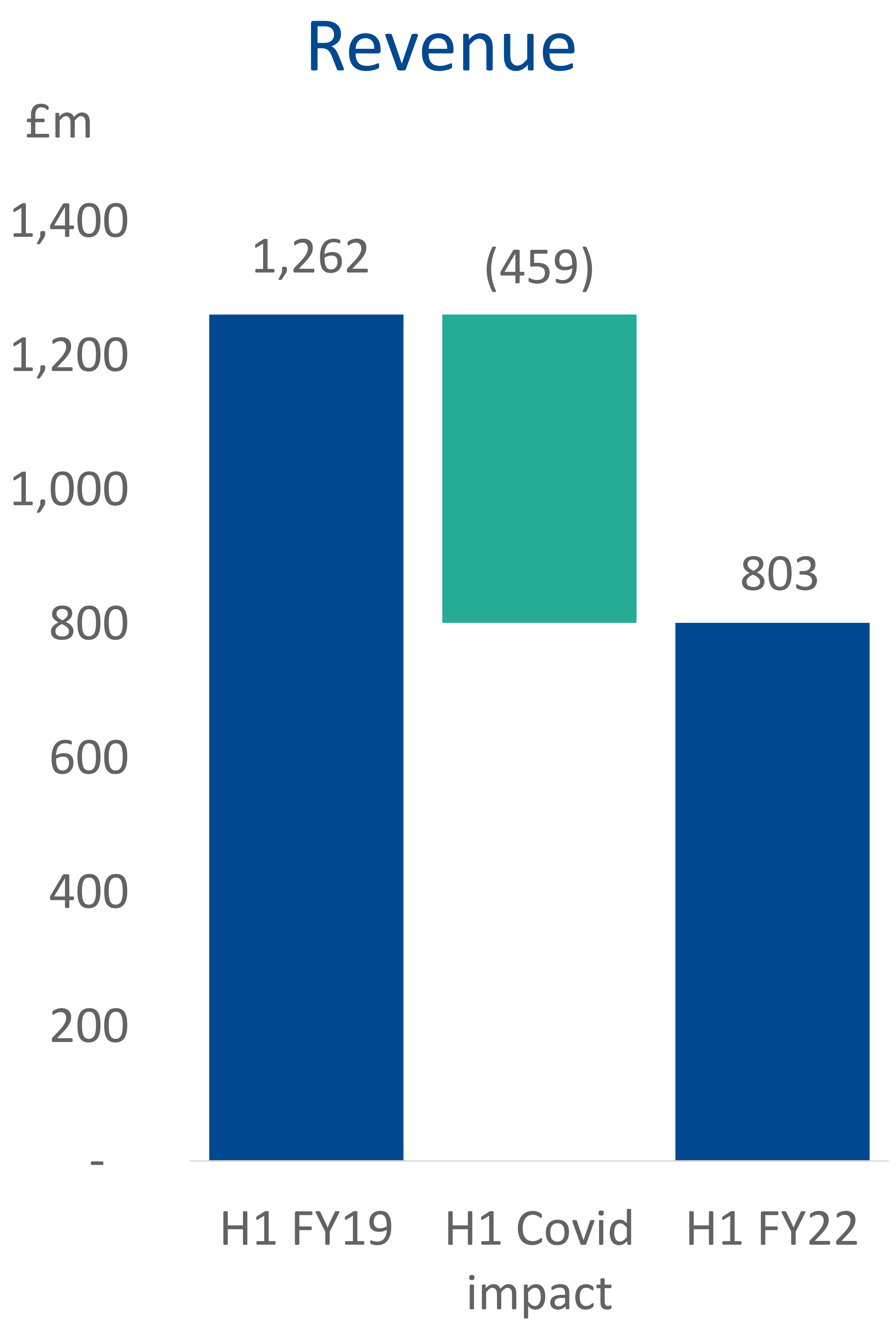
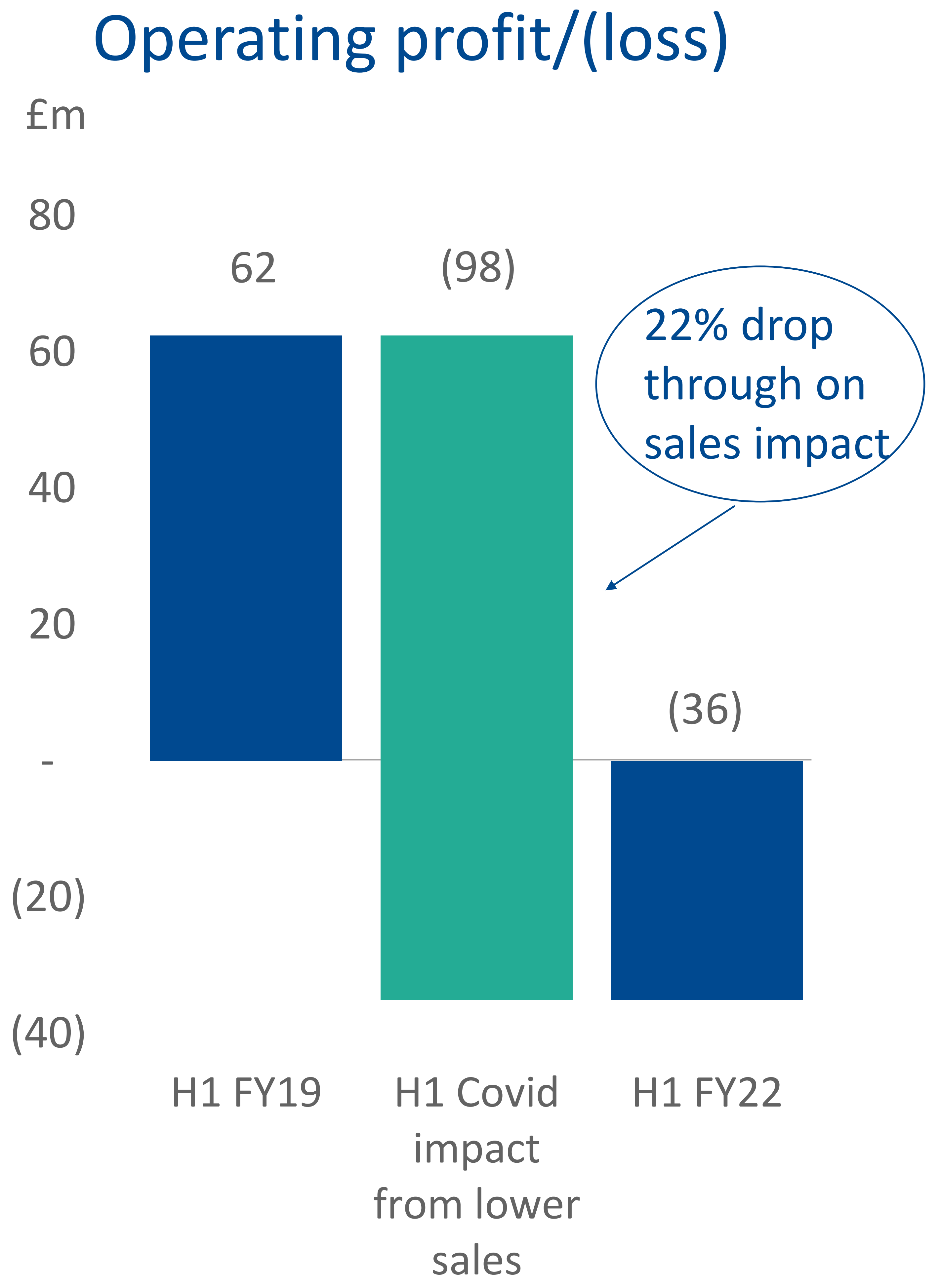
Profit impact of lower sales vs. 2019 and FY expectations



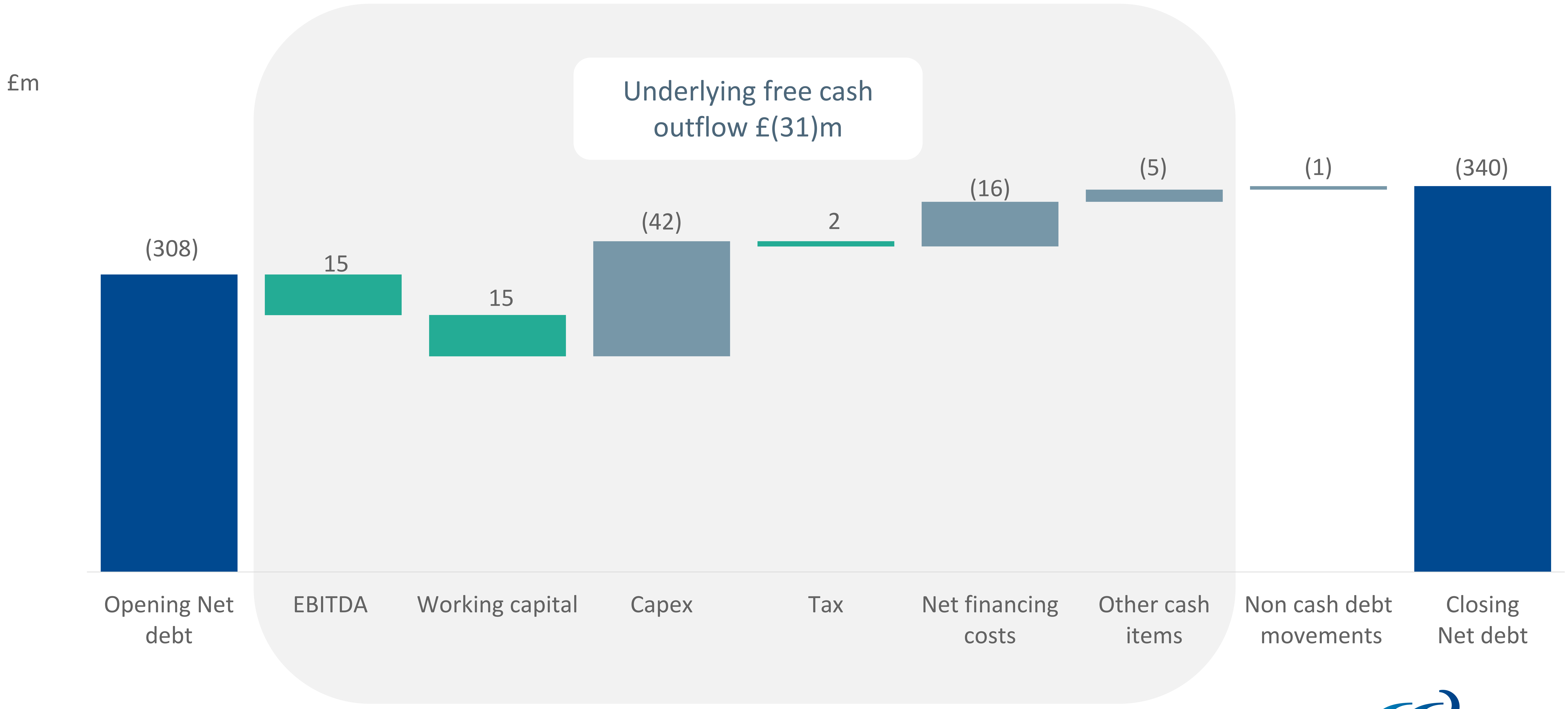


2022 full year revenue and margin expectations range

Sales	EBITDA margin
c.£2.0bn	c.5%
c.£2.1bn	c.6%

Note: All numbers shown on a pre-IFRS16 basis

Cash flow and net debt



Note: All numbers shown on a pre-IFRS16 basis

Over £600m liquidity available at the end of March

£m	31 Mar 22
Cash	446
Undrawn facilities:	
RCF	150
Other local facilities	11
Available liquidity	**607**

Note: the Bank of England CCFF loan of £300m was repaid in February 2022

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Performance drivers

LFL sales growth

- Passenger recovery & unit revenue growth opportunity; penetration/SPH
- Range, menus and price optimization
- Continual enhancement of brands
- Digital sales and marketing platforms

Business development

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

Efficient conversion

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

Re-investment

- 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

LFL sales growth

A reminder: our Base Case scenario for passenger recovery

Base Case Assumptions

- Expectation of a much faster recovery in PAX vs. RWC, allowing for more rapid re-opening
- Strengthened balance sheet enabling re-investment as we re-open and look to expand the footprint

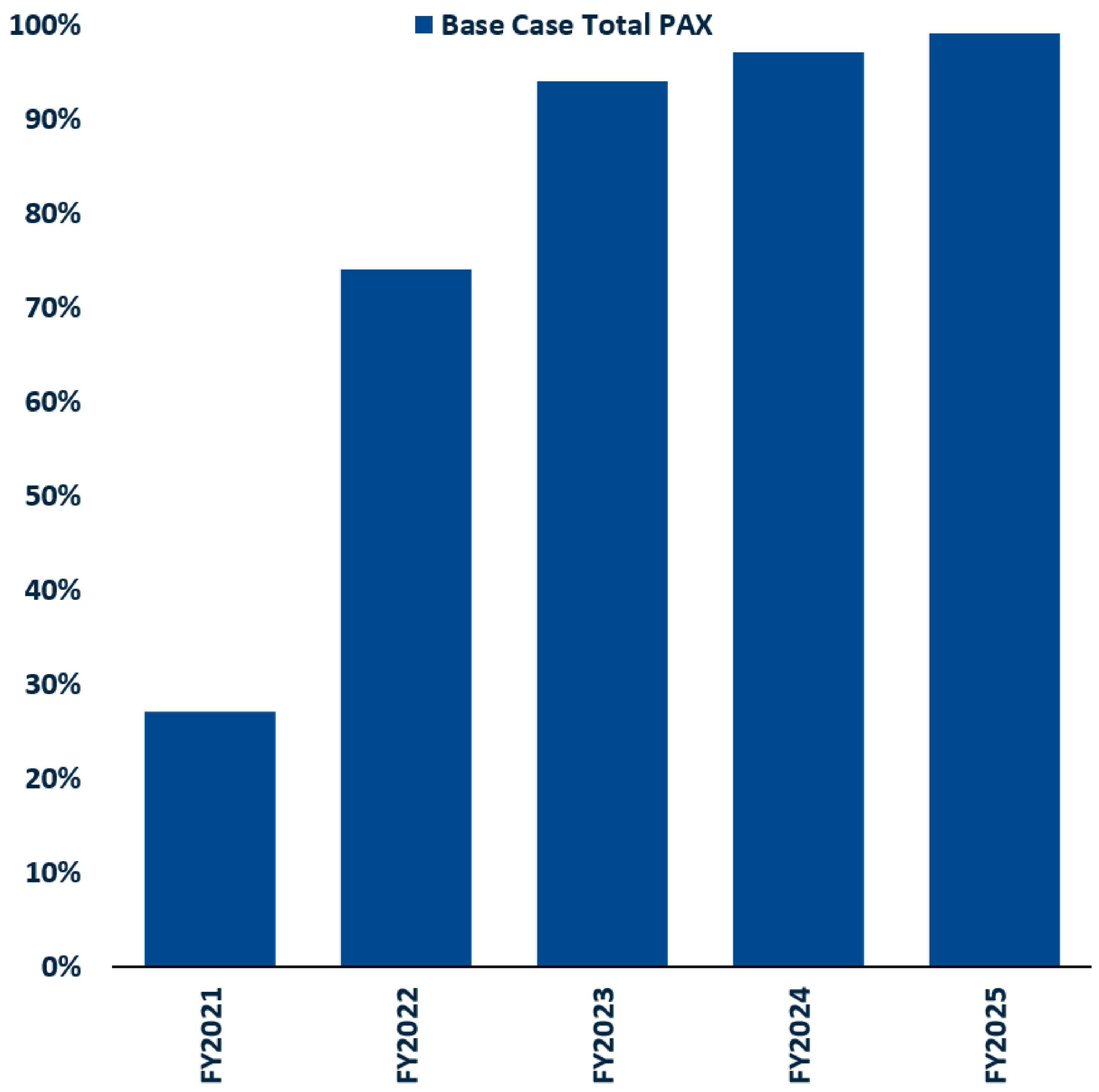
Air

- Air PAX expected to broadly recover to 2019 levels by FY2024
- Led by domestic and leisure travel; short-haul and regional travel resuming ahead of long-haul. Slower recovery in business travel
- Favourable structural drivers including the rapid growth in leisure travel by expanding middle classes in developing markets

Rail

- Rail PAX expected to recover to c. 90-95% of 2019 levels by FY2024
- WFH & flexible working expected to have modest impact on commuter travel, mitigated by greater leisure demand
- Favorable structural growth drivers remain, including government investment to reduce road travel and pollution

PAX Assumptions (vs. 2019)



Source: SSP Group plc Investor Presentation March 2021

Good progress on contract renewals

Arlanda Airport

- Retention of 21 units, maintaining our footprint
- Mix of bespoke F&B concepts and local hero brands, and new format convenience units
- Bespoke concepts include Eatery bar, Gateau bakery, Jureskogs burgers
- Phased openings and redevelopments to be completed by 2024

Dublin Airport

- Continued to mobilise the contract, due to complete by end 2023
- 27 new units, up from 10. Mix of brands / bespoke concepts
- Focus on sustainability and local sourcing, with digital order and pay solutions throughout
- Units already trading include Whiskey Bread Bar and Tap&Brew, our craft beer and kitchen unit

Business development

Additional new business wins secured

Belgium rail

- Acquisition of a small 'grab and go' business
- Total of 14 units across stations and high footfall malls

Chicago Midway airport

- 3 new outlets won in prime airside locations
- Operating 24 units in total

Bangalore airport

- 9 units across both terminals
- Adds to existing lounge business

Guadeloupe airport

- New market entry with 9 units
- Includes both locally renowned and International brands

c.80 new units secured in first half, adding sales of c.£75m

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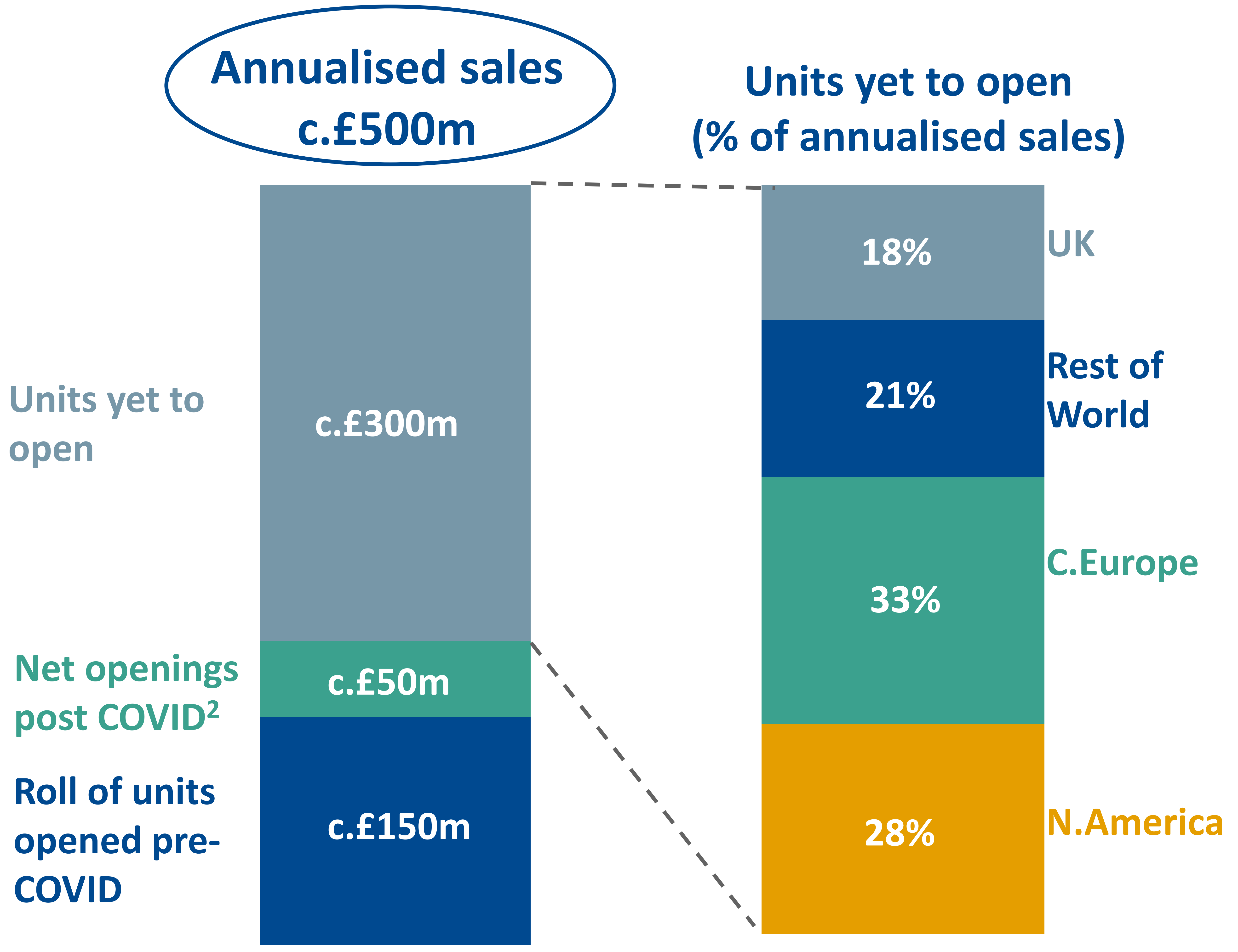
Secured net gains[1] of c.£500m



Cumulative net gains[1] of c.£500m when pipeline mobilises by 2025

- **c.£150m** from units opened pre-covid, but which have yet to trade for a full year or have operated at low volumes
- **c.£50m** from units opened post-covid, net of losses and closures
- **c.£300m** from c.230 units yet to open; £110m expected capex

1. Compared to 2019 pre- covid revenue
2 'Post COVID' represents the period April 2020 – March 2022

Financial capacity of £425m - £475m to invest

Uses of cash and balance sheet efficiency

Organic Investment
Significant structural growth opportunities around the world

M&A
Review of potential M&A opportunities

Balance sheet efficiency
Target leverage: c.1.5x - 2.0x

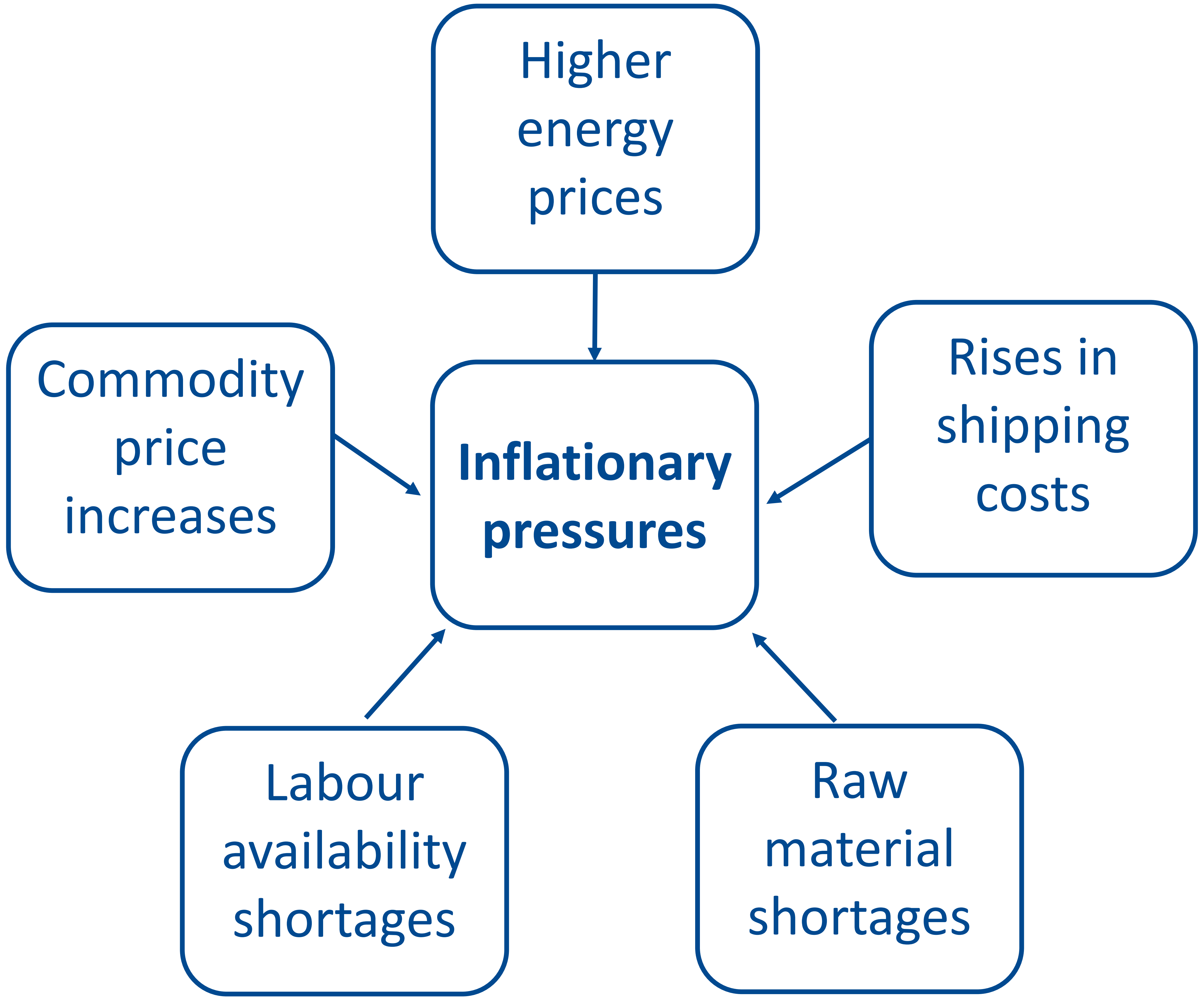
Dividend

Return to shareholders

Significant further opportunities

- Sizeable new space opportunity over medium-term
- Financial capacity to invest a further £425-£475m under Base Case scenario (up from £350m - £400m)
- Target 3-4 year discounted payback period

Mitigating inflationary pressures



Mitigating actions

- Menu re-engineering
- Range simplification
- Fixing and extending contracts
- More frequent price benchmarking
- Greater use of automated equipment
- Digital order and pay
- Grab and go
- Roll out of energy-efficient equipment

Re-investment

Sustainability - our progress

Supporting **and** protecting our colleagues and communities

10% more colleagues completed annual colleague engagement survey

Activity across the Group in support of Ukraine Humanitarian appeals

Serving our customers responsibly

wellness focused | VEGAN | VEGETARIAN | LOW CALORIE ≤600

Expanding to 30+ wellness brands; including new brands like #Nourish

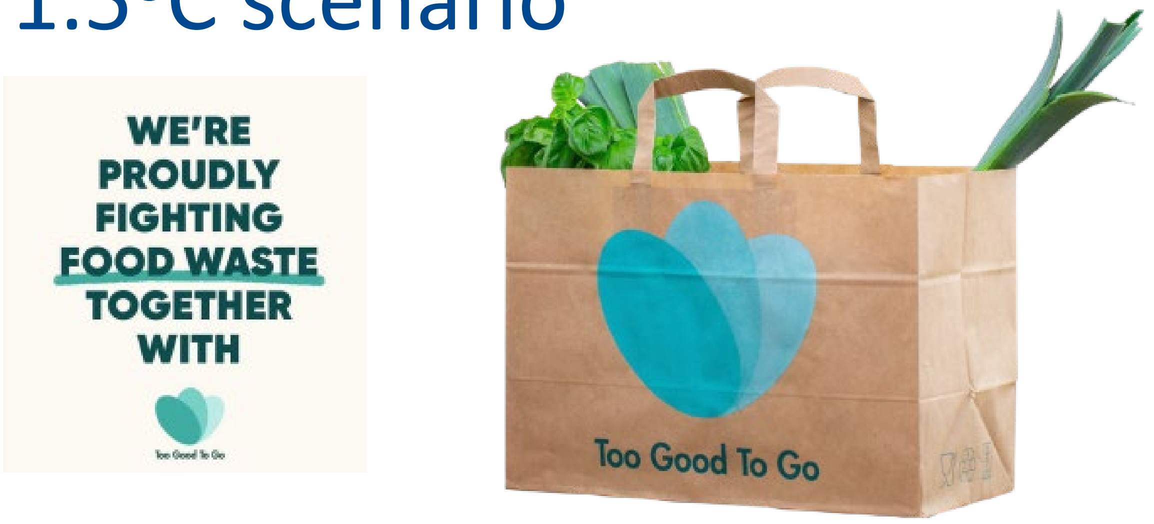
a better choice MEATFREE | a better choice VEGAN

Increasing vegetarian and plant-based offer across own brands

Protecting our environment

BUSINESS AMBITION FOR 1.5°C

Committed to Net Zero by 2040; setting science-based targets in line with 1.5^{o}C scenario



'Too Good To Go' now live across 400+ units and ten markets

Observations and early priorities

Patrick Coveney, Group CEO

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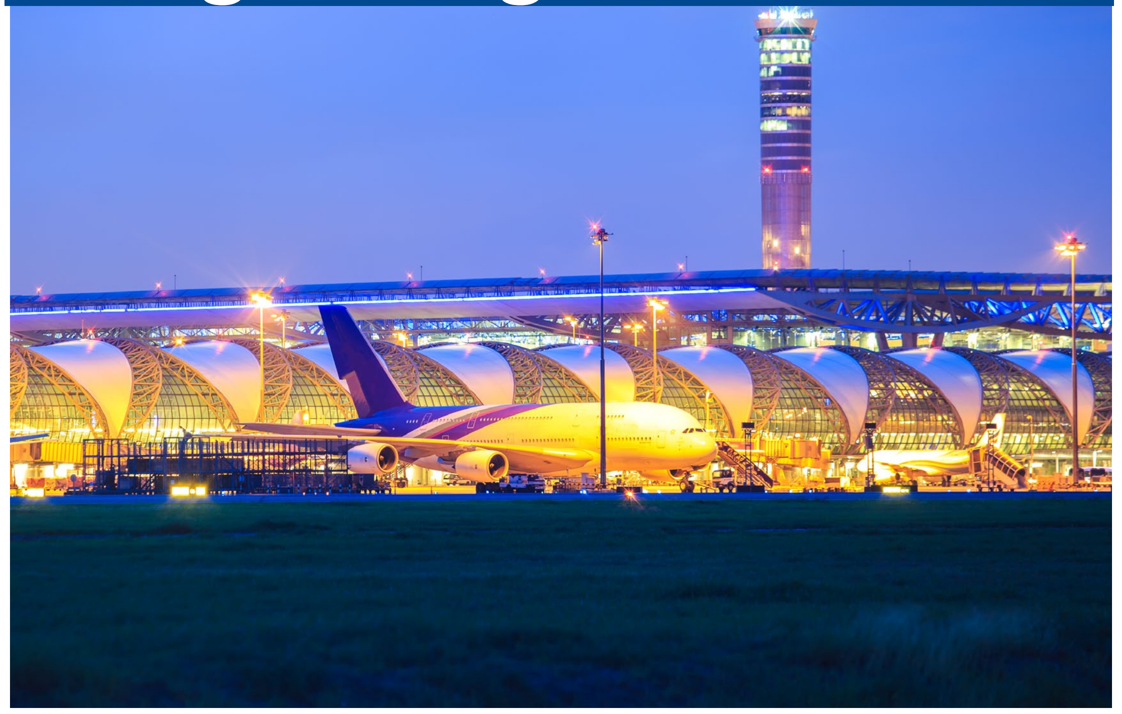
A strong foundation on which to build

1 Strong businesses in growing markets



2 Operational excellence

3 Experienced leadership and ‘can do’ culture

4 Longstanding client relationships

5 Broad range of brands

LEON. NATURALLY FAST FOOD

RITAZZA

BURGER KING

VYNE WASHINGTON TASTING ROOM

6 Strong balance sheet

£425m - £475m headroom to invest

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Early priorities

1. Support business through recovery phase
2. Maximise competitive opportunities
3. Evolve proposition to post covid consumer
4. Accelerate use of automation, digital, technology
5. Embedding sustainability into how we do business

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Summary

- Strong revenue momentum; rebound led by leisure travel
- Tight financial and operating efficiency enabled business to deliver positive EBITDA
- High levels of contract retention and new business wins underpinned by trusted client relationships
- Ability to take advantage of significant and exciting global opportunity
- Confident to give tighter guidance today; revenue between c.£2.0-£2.1bn & EBITDA margin between c.5-6%
- Medium-term expectation of a return to pre-COVID 19 levels of LFL revenue and EBITDA margin (pre-IFRS16) unchanged
- Many competitive advantages providing a strong foundation to create value for all stakeholders

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Q&A

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