SSP The Food Travel Experts

Interim Results 2024

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

21 May 2024

Agenda

Introduction	Patrick Coveney
Financial review	Jonathan Davies
Business review	Patrick Coveney
Q&A	

H1 Highlights

- Sales up 19%; Strong like-for-like sales growth of 12%, net gains of 4%, M&A 3%
- EBITDA growth of 24% and 30bps underlying margin improvement
- Strong performances in North America, APAC & EEME and UK & ROI. Continental Europe held back by scale of Nordic contract renewal programme and industrial action
- Free cash usage reflecting investment for future growth
- Strong customer and client propositions underpinning organic growth with a significant pipeline of new business
- Five strategically important and value creating infill acquisitions; three in North America, Australia and new market entry into Indonesia
- Expectation of strong summer, driven by leisure travel; well set up to deliver FY planning assumptions
- Re-instatement of an interim dividend at 1.2p

Note: All figures on an underlying basis and pre-IFRS 16. Performance expressed at constant rates

Financial review

Jonathan Davies
Group Deputy CEO and CFO

Oakland Draft House| Oakland Airport

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Financial Highlights

REVENUE	EBITDA	OPERATING PROFIT
£1,517m	£106m	£38m
+19% vs H123	+24% vs H123	+21% vs H123

EPS	NET DEBT:EBITDA	INTERIM DIVIDEND
(1.0)p	2.1x	1.2p
(0.2)p vs H123	0.3x higher than H123	No dividend in H123

Note: All figures expressed on an underlying basis and pre-IFRS 16. Year-on-year growth in Revenue, EBITDA and Operating profit expressed on a constant currency basis

Underlying Operating Profit of £58m (IFRS 16 basis)

£m	IFRS 16 basis			Pre-IFRS 16 basis		
	H1 2023	H1 2024	Change (Actual FX rates)	H1 2023	H1 2024	Change (Actual FX rates)
Revenue	1,318	**1,517**	15%	1,318	**1,517**	15%
EBITDA[1]	199	**238**	20%	91	**106**	17%
% sales	15.1%	15.7%	0.6%	6.9%	7.0%	0.1%
Depreciation	(147)	(180)	(22)%	(56)	(68)	(21)%
Operating Profit[1]	52	**58**	12%	34	**38**	10%
Operating Margin (%)	3.9%	3.8%	(0.1)%	2.6%	2.5%	(0.1)%

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

H1 sales growth of 19%

YoY % growth	2024 H1				First 6 wks of H2
	LFL	Net Contract Gains	Acquisitions	Revenue (constant currency)	Revenue (constant currency)
North America	8%	8%	13%	29%	28%
Continental Europe	9%	2%	-	11%	5%
UK & ROI	15%	5%	-	20%	9%
APAC & EEME	20%	2%	-	22%	25%
Group	12%	4%	3%	19%	14%

H1 EBITDA growth of 24% driven by North America and APAC & EEME

Underlying EBITDA (Pre-IFRS 16)		YOY Growth %	EBITDA % of sales	
	£m	Constant Currency	Constant Currency	YoY % pts change
North America	48	45%	13.1%	1.4%
Continental Europe	6	(62)%	1.2%	(2.2)%
UK & ROI	27	14%	6.8%	(0.3)%
APAC & EEME	40	26%	18.0%	0.6%
Non-attributable	(15)	21%	n/a	n/a
Group	106	24%	7.1%	0.3%

Costs managed tightly despite inflationary pressures

£m	H1 2024	H1 2023	YoY bps change Constant Currency	YoY bps change Actual Currency
Revenue	1,517.2	1,318.4		
Gross Profit	1,095.0	948.6	40	*20*
% Sales	*72.2%*	*72.0%*		
Labour Costs	(479.7)	(425.4)	70	*70*
% Sales	*(31.6)%*	*(32.3)%*		
Concession Fees	(322.3)	(271.5)	(70)	(60)
% Sales	*(21.2)%*	*(20.6)%*		
Overheads	(187.4)	(161.2)	(10)	(20)
% Sales	*(12.4)%*	*(12.2)%*		
EBITDA	**105.5**	**90.5**	30	*10*
% Sales	*7.0%*	*6.9%*		
Depreciation & Amortisation	(67.8)	(56.1)	*(20)*	*(20)*
% Sales	*(4.5)%*	*(4.3)%*		
Operating Profit	**37.7**	**34.4**	10	*(10)*
Operating Margin (%)	*2.5%*	*2.6%*		

Note: All numbers are stated on a pre-IFRS 16 basis and before exceptional costs

Underlying Net Loss of £8m (pre-IFRS 16 basis)

£m	Pre-IFRS 16 basis H1 2024	Pre-IFRS 16 basis H1 2023	Pre-IFRS 16 basis YoY
Operating Profit	**37.7**	**34.4**	**3.3**
Net Financing Cost	(16.5)	(14.0)	(2.5)
Share of Associates	1.1	2.4	(1.3)
Profit Before Tax	**22.3**	**22.8**	**(0.5)**
Tax	(5.1)	(5.1)	-
Minority interests	(25.0)	(24.0)	(1.0)
Net Profit/(Loss)	**(7.8)**	**(6.3)**	**(1.5)**
Profit/(Loss) per share (p)	(1.0)p	(0.8)p	(0.2)p
Dividend per share (p)	1.2p	-	-

Note: All numbers are stated on a pre-IFRS 16 basis and before exceptional costs

Minority interest charge reflects strong growth in North America and APAC & EEME

	EBITDA			MI			
£m	H1 2023	H1 2024	% change	H1 2023	H1 2024	% change	JV participation[1]
North America	**35**	**48**	**38%**	**10**	**9**	**(10)%**	**c.25%**
Continental Europe	17	6	(63)%	-	-	-	-
UK & ROI	23	27	14%	-	-	-	-
APAC & EEME	**34**	**40**	**16%**	**14**	**16**	**14%**	**c.35%**
India	*23*	*28*	*18%*	*11*	*13*	*18%*	*c.60%*
Other	*11*	*12*	*12%*	*3*	*3*	*0%*	*c.25%*
Non-attributable	(19)	(15)	21%	-	-	-	-
Group	**91**	**106**	**17%**	**24**	**25**	**4%**	

Minority interest expected to increase in line with the profit growth in our businesses with JV partners

All figures shown at actual FX rates
(1) JV shareholder participation weighted by sales

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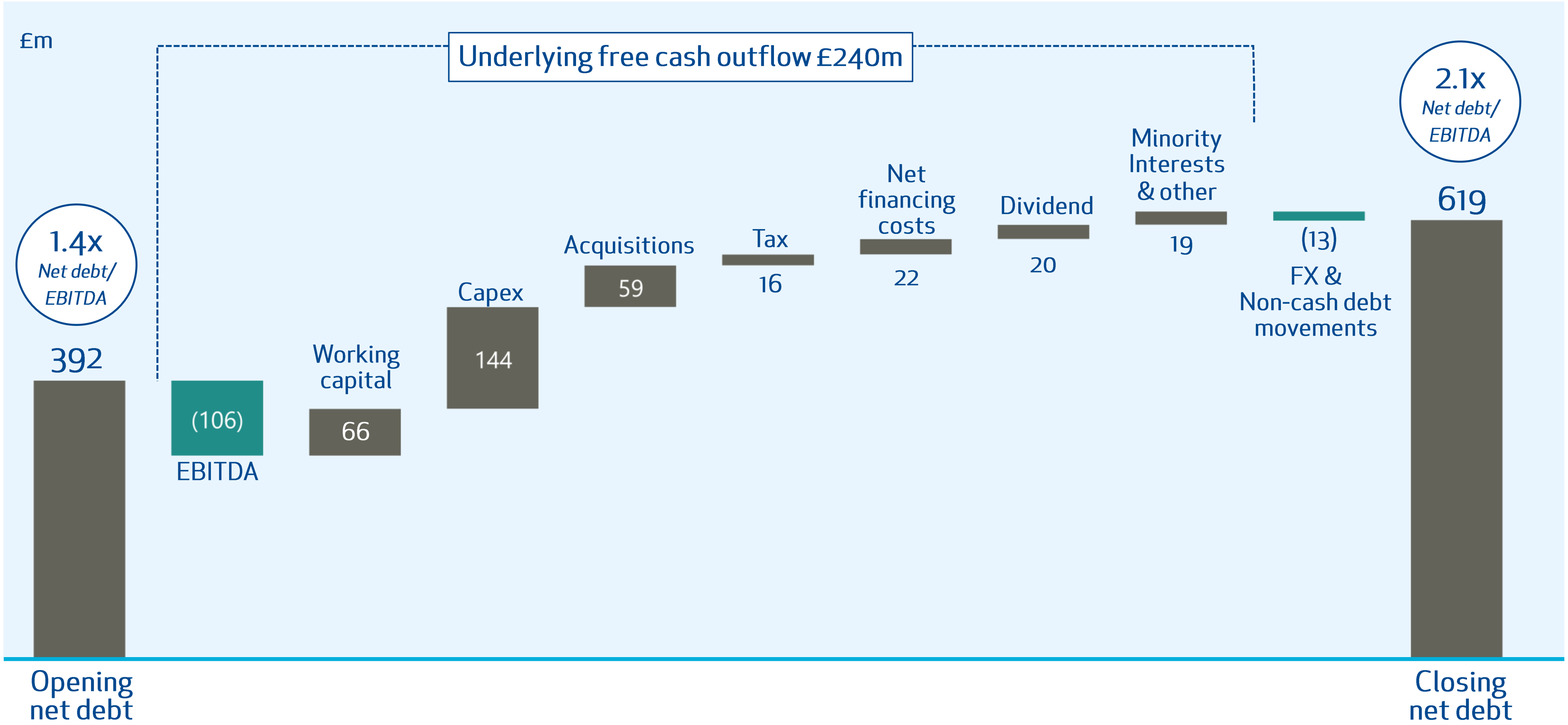
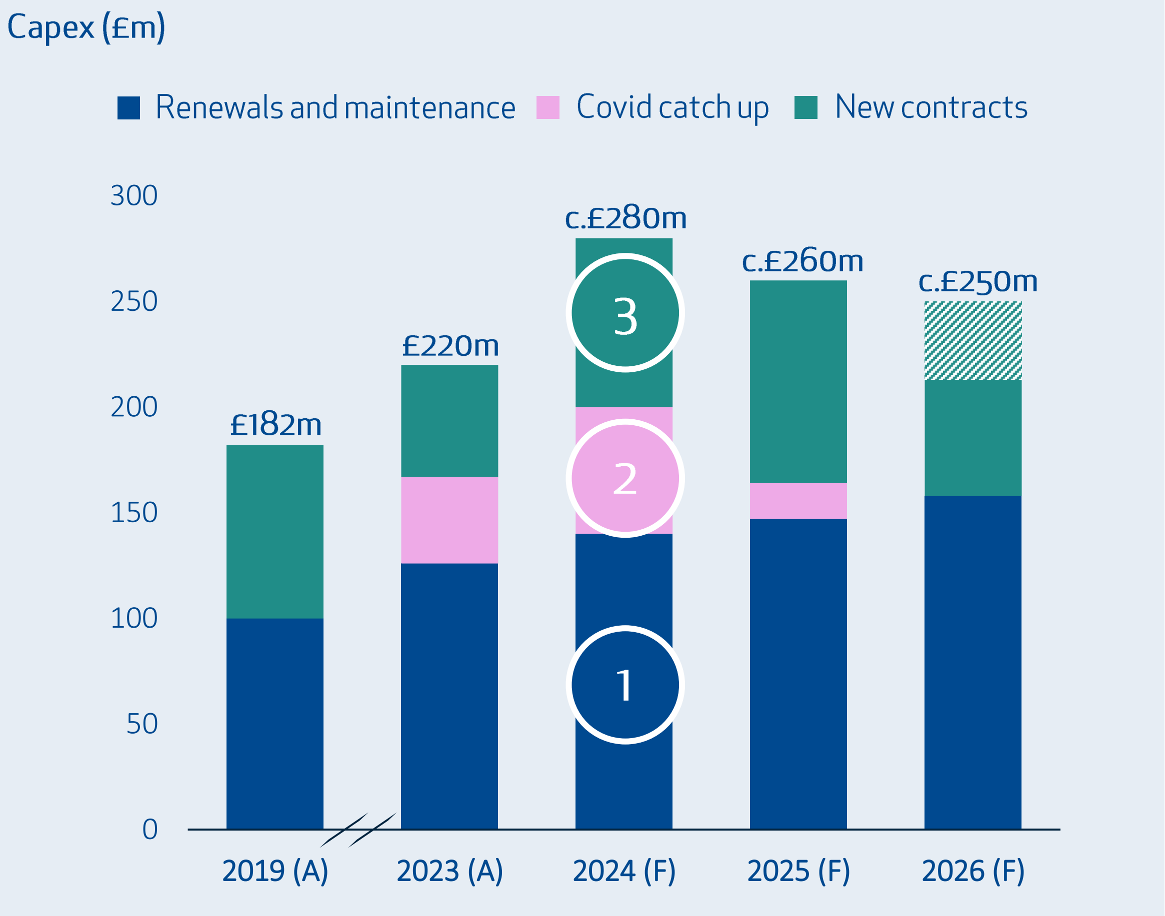
Investment and acquisitions drive cash usage of £240m



Note: All figures shown on a pre-IFRS 16 basis

Capital investment model driving strong returns



Net gains %	5.6%	6.4%	c.5%	c.5%	c.3-5%

3 New contracts

- Varies with availability of projects delivering target returns
- Typically, £1 capex delivers c.£2-£3 incremental sales p.a.
- Targeting post-tax IRRs >20%

2 Covid catch up

- Renewals deferred during COVID now being executed
- Represents additional short-term investment to maintain the LFL sales base ; targeting post-tax IRRs >20%
- No further impact anticipated from FY26

1 Renewals and maintenance

- Typically c.4% of sales
- Maintains LFL sales base
- Spend evaluated through capital appraisal process; target post-tax IRR's >20%

Approach to investment appraisal and post investment reviews unchanged from pre-Covid period

Investment appraisal process	Post investment review cycle
• All project spend (>£100k) reviewed by Investment Committee • Consistent models and benchmarks used across all Group investments • Projects frequently refined over multiple stages to optimise returns (including detailed capex appraisal) • Typically seeking c.3-4 year discounted paybacks and minimum hurdle rate of 20% post-tax IRR	• Approach embedded for over 10 years • Investment models re-run with latest trading and P&L data, actual capex and updated forecasts for sales growth • On average target hurdle rates comfortably exceeded • 2024 PIRs (first post-Covid) - results consistent with history

Projected returns[1] post-Covid broadly in line with pre-Covid levels

(1) Adjusted to normalise the Covid period

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Capital allocation priorities unchanged

Uses of cash and balance sheet efficiency

Organic growth
Renewals and net gains
3-4 year payback

Infill M&A
Targeted returns > 15% IRR

Balance sheet efficiency
Target net debt/EBITDA c.1.5x - 2.0x

Ordinary dividend
Target pay-out ratio of 30-40%

Surplus capital returned
Share buybacks or special dividends

Clear priorities to generate returns

- Current leverage of 2.1x Net debt: EBITDA reflects prioritisation of organic growth, renewals and net gains, and infill M&A
- Maintaining ordinary dividend; Interim dividend of 1.2p
- Medium-term leverage range remains c.1.5x-2.0x Net debt: EBITDA
- Surplus capital returned to maintain efficient balance sheet

2024 planning assumptions maintained

	FY 2023 Actuals	FY 2024 Planning Assumptions: Constant FX rates[1]	FY 2024 Planning Assumptions: Today's FX rates[2]	Expected H2 2024: Today's FX rates[2]
Revenue	£3.0bn	c.£3.4-3.5bn	c.£3.3-3.4bn	c.£1.8-1.9bn
EBITDA	£280m	c.£345-375m	c.£334-363m	c.£228-257m
Operating profit	£164m	c.£210-235m	c.£201-225m	c.£163-187m

1. *Constant rates represent average rates for FY 2023*
2. *FX rates as at 16 May 2024*

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Business review

Patrick Coveney
Group CEO

KAFFETT | Helsinki Airport

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We are **driving momentum** across all areas of our business

In last 12 months

+325
units mobilised from the pipeline

+3
new countries

+4,000
colleagues

+124
units secured through M&A

+250
new units won

+19
new clients

+190
new digital touchpoints

+18
new brands and concepts

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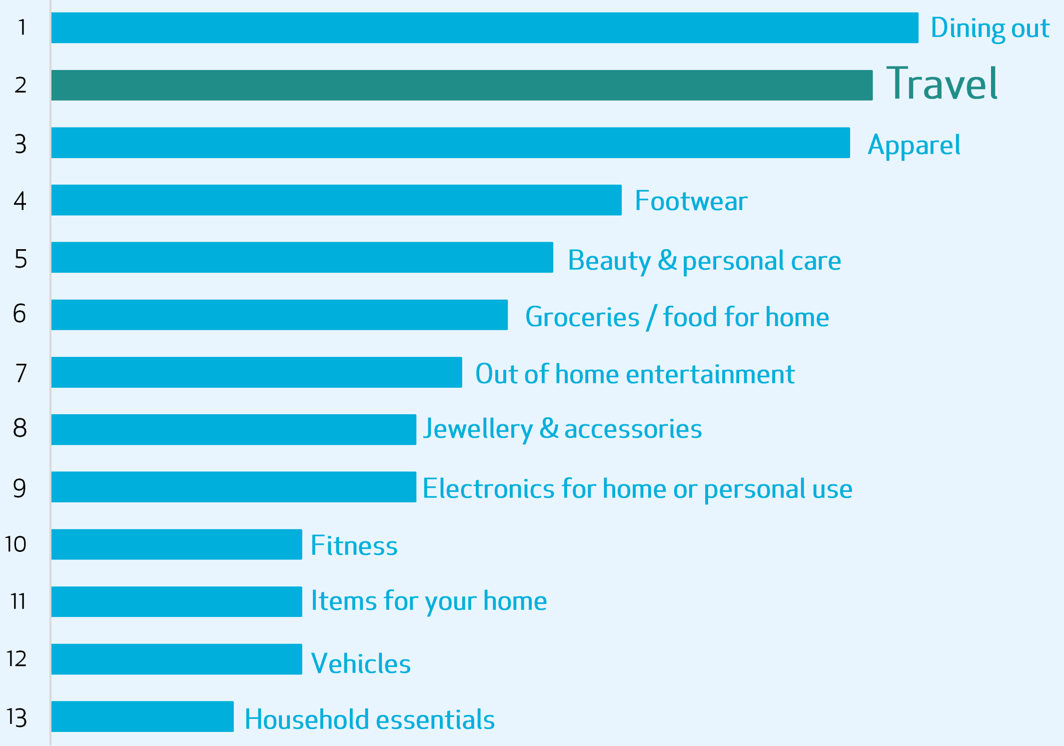
Structural tailwinds and customer demand for travel remain strong

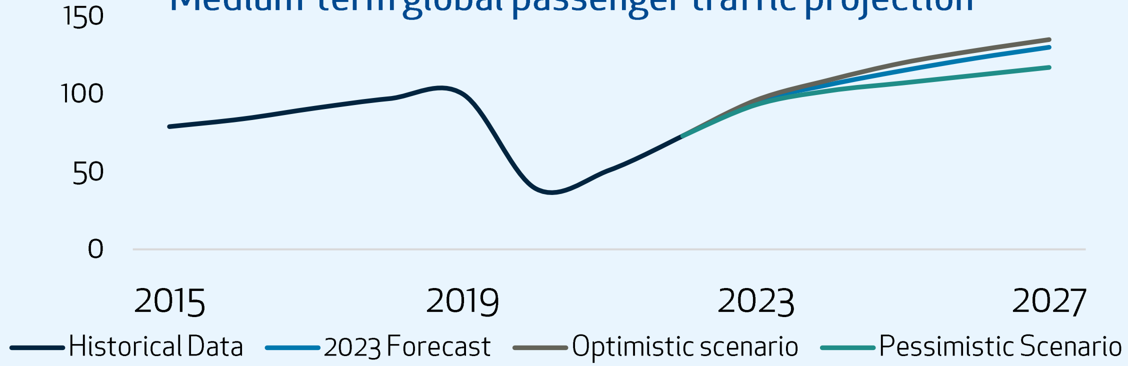
Travel remains a top priority for discretionary expenditure

Categories in which people intend to treat themselves



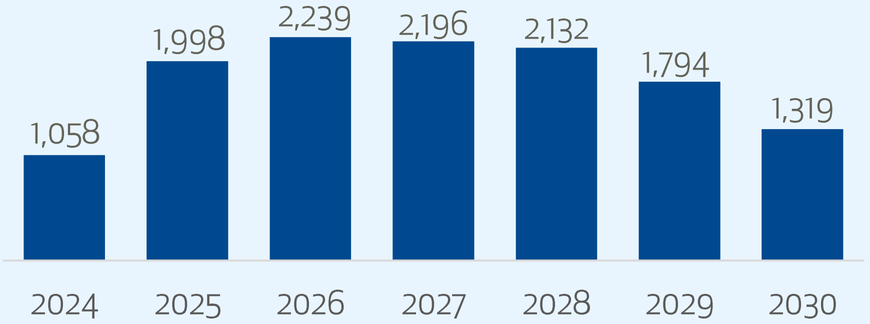
Global air passenger traffic projected to grow rapidly…

Medium-term global passenger traffic projection[2]



…with supply building to fulfil demand

Global projected passenger jet deliveries by year[3]



1. *McKinsey ConsumerWise Sentiment Data (UK, Germany, Spain, Italy and France), May 2024*
2. *ACI World Airport Economics Database 2024. Indexed 2019=100, as of February 2024*
3. *CAPA fleet database as at 14 May 2024*

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We are making continued progress against our **Strategic Priorities**

Pivoting to high growth markets

- Increasing focus on air channel
- Accelerating growth; North America and APAC & EEME
- Growing selectively in UK & ROI & Continental Europe

PROGRESS

35% → **39%**

12 months to H1 2023 → 12 months to H1 2024

% Sales (North America and APAC & EEME)

Enhancing business capabilities; driving competitive advantage

- Accelerating LFL growth
- Developing great customer propositions
- Digitising our business
- Supporting our people & culture
- Building a sustainable business

PROGRESS

+12%

H1 2024

LFL%

Delivering operational efficiencies; driving sustainable margin enhancement

- Revitalising our efficiency programme
- Optimising procurement
- Utilising more technology and automation
- Building a sustainable business

PROGRESS

	H1 2023	H1 2024
Gross profit	72.0%	72.2%
Labour costs % to sales	32.3%	31.6%

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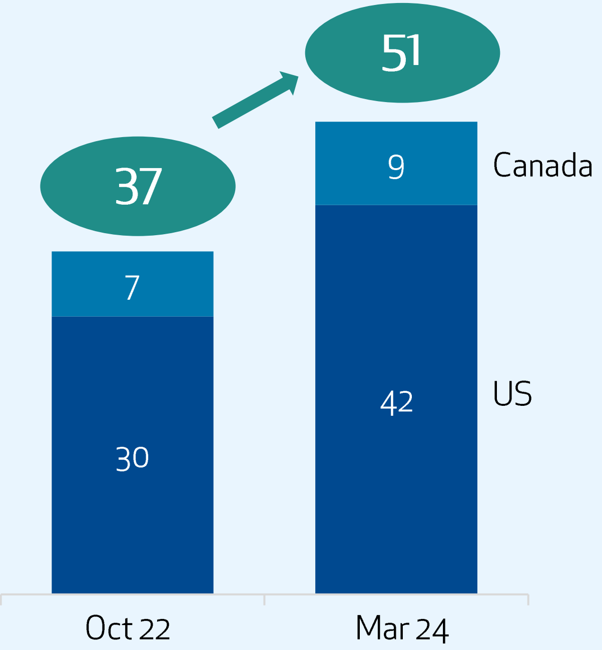
North America: Delivering rapid growth, with significant further opportunity

SSP presence in top 200 airports

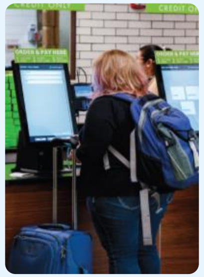


Continuous improvement in gross margin and labour

Case study: Menu optimisation

- Optimised range of menu items
- Supplier / ingredient rationalisation
- Standardised recipe methodology

Case study: Digital solutions

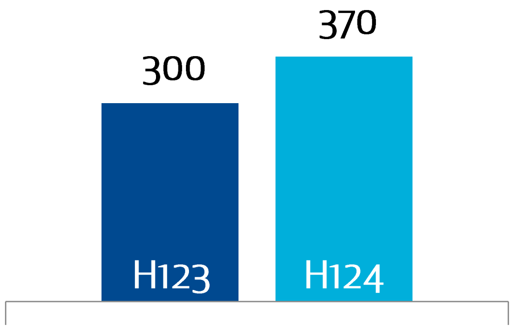


- Ongoing roll-out of contactless order and pay op tions
- Increased speed of service
- Higher average transaction size

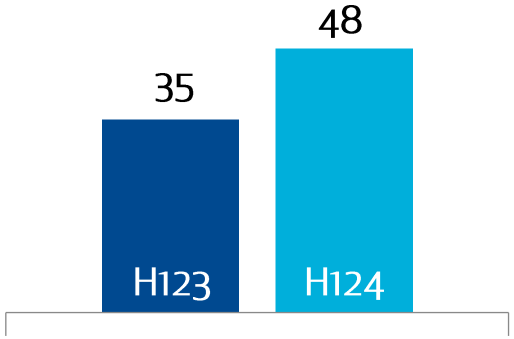
Seeking to deliver high revenue growth, sustainable margin growth and returns

H1 YOY PERFORMANCE

Sales (£m)



Pre-IFRS16 EBITDA (£m)



EBITDA margin +1.4%

APAC & EEME: Scaling up across our portfolio to deliver stronger returns

Mature scale & returns

India

Egypt

Thailand

Building scale & returns

Australia

Malaysia

UAE

Entry level scale & returns

Saudi Arabia

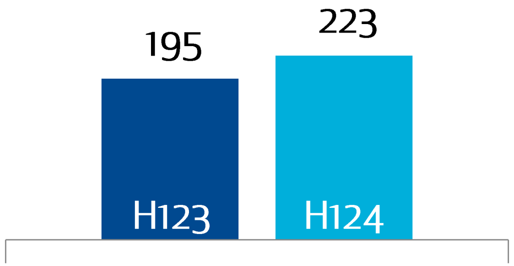
Indonesia

New Zealand

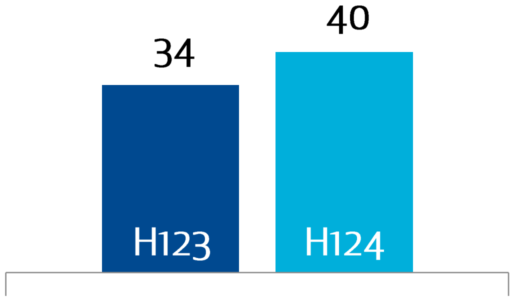
Seeking to deliver high revenue growth, sustainable margin growth and returns

H1 YOY PERFORMANCE

Sales (£m)



Pre-IFRS 16 EBITDA (£m)



EBITDA margin +0.3%

UK & ROI: Good growth driven by a re-vitalised proposition

Upgrading our air proposition

Sable & Co
Liverpool Airport

Aster & Thyme
Newcastle Airport

The Evergreen
Manchester Airport

Rising satisfaction ratings

Customers[1]	Clients[2]
4.6/5	92%
vs. 4.4 LY	vs. 53% in '19

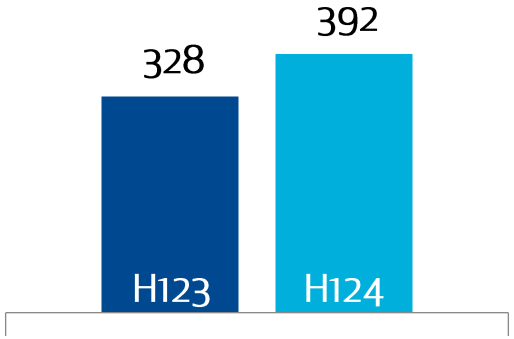
Driving efficiency

- ✓ Waste management
- ✓ Labour scheduling
- ✓ Digital rollout

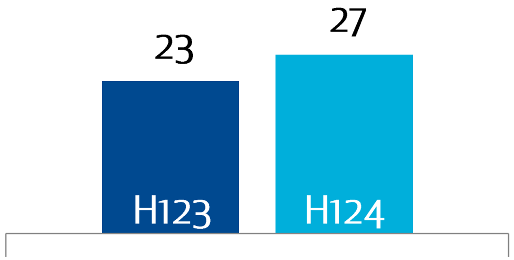
Seeking to deliver good growth accompanied by rising margin over medium-term

H1 YOY PERFORMANCE

Sales (£m)



Pre-IFRS 16 EBITDA (£m)



EBITDA margin (0.3)%

1. *Reputation score calculated based on Google, TripAdvisor and Eat On The Move ratings.*
2. *SSP UK Client survey 2024*

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Continental Europe: Opportunity to make progress after short-term headwinds

Short-term headwinds in Nordics, Germany and France

Nordics: extensive renewal programme

Germany & France: Rail industrial action

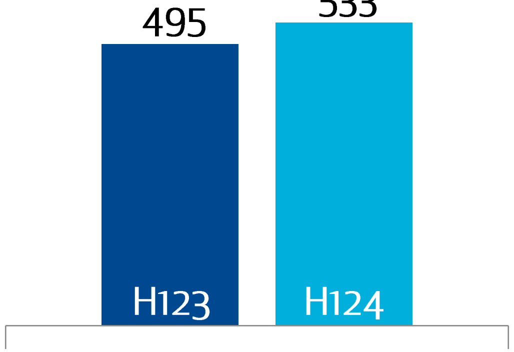
Opportunity to make progress in H2 and beyond

- Build on strong performance in Spain
- Embed re-opened units and drive performance of Nordic business
- Optimise rail performance post-industrial action in Germany and France
- Well set up to cater for strong forecast demand over the Summer

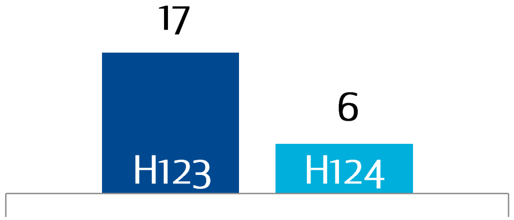
Seeking to deliver good growth accompanied by rising margin over medium-term

H1 YOY PERFORMANCE

Sales (£m)



Pre-IFRS 16 EBITDA (£m)



EBITDA margin (2.3)%

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We are taking a **disciplined approach to M&A** to unlock additional sustainable value for shareholders



	Midfield	**ECG**	**MACK II**	**ARE**	**TG**
Market	USA	Canada	USA	Australia	Indonesia
Annualised sales	c.£75m	c.£20m	c.£20m	c.£100m	c.£15m
Number of units	40	5	8	62	13
New airports entered	4	Existing	1	4	2
Completion date	Nov 23	Dec 23	Feb 24	May 24	Summer 24
Strategic rationale	Infill	Infill	Infill	Local scale	Market entry

15% post tax IRR hurdle rate

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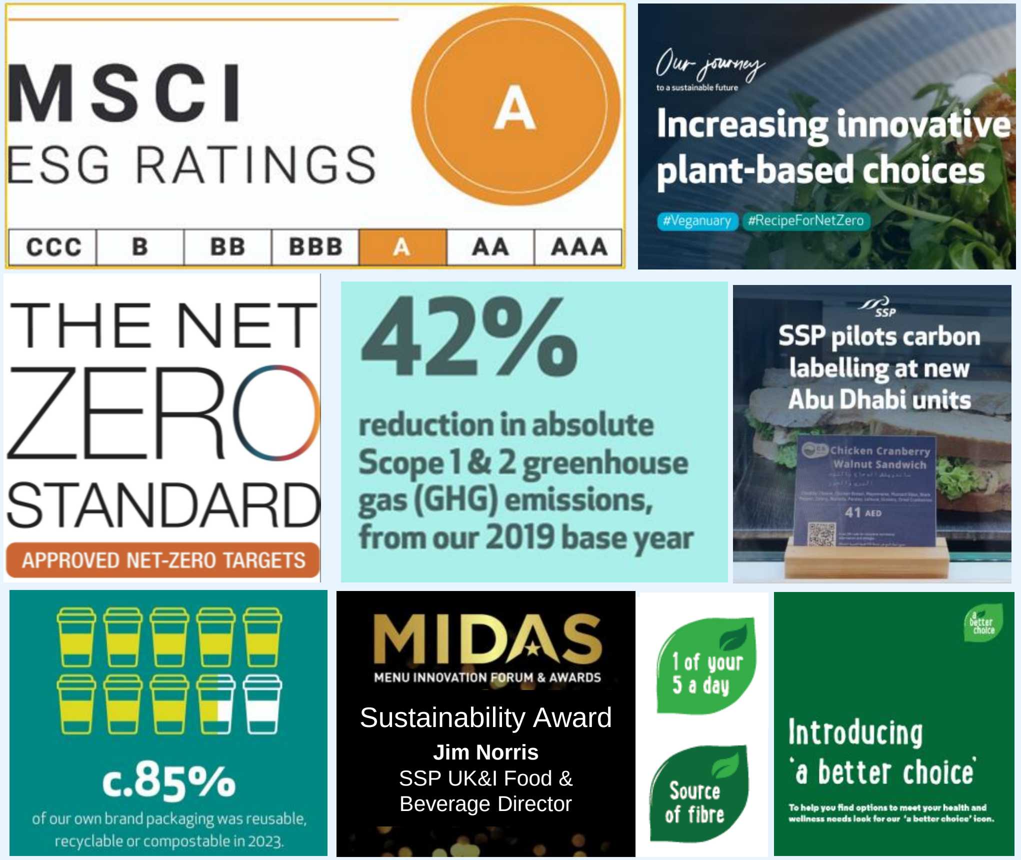
Enhanced sustainability credentials increasingly important for winning tenders



Case Study: Lounges in Bergen, Stavenger and Oslo Airports

Sustainability c.10% of tender quality criteria

Case Study: Hong Kong Airport Lounge

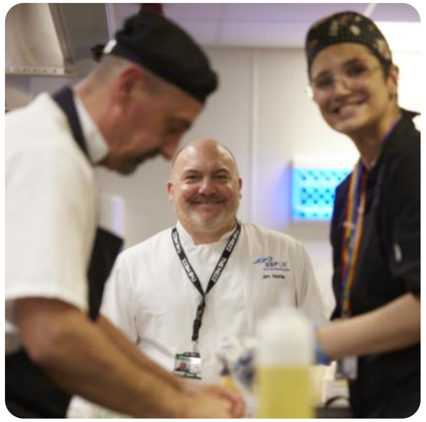
Integration of sustainability across design, build and operations

Case Study: London City Airport

Focus on sustainable, locally sourced products

Our **people and culture are enabling strong progress**

c.43,000
colleagues globally



Increase in colleague engagement survey participation to
80%

Successful launch of leadership development programme

Strong progress across DE&I

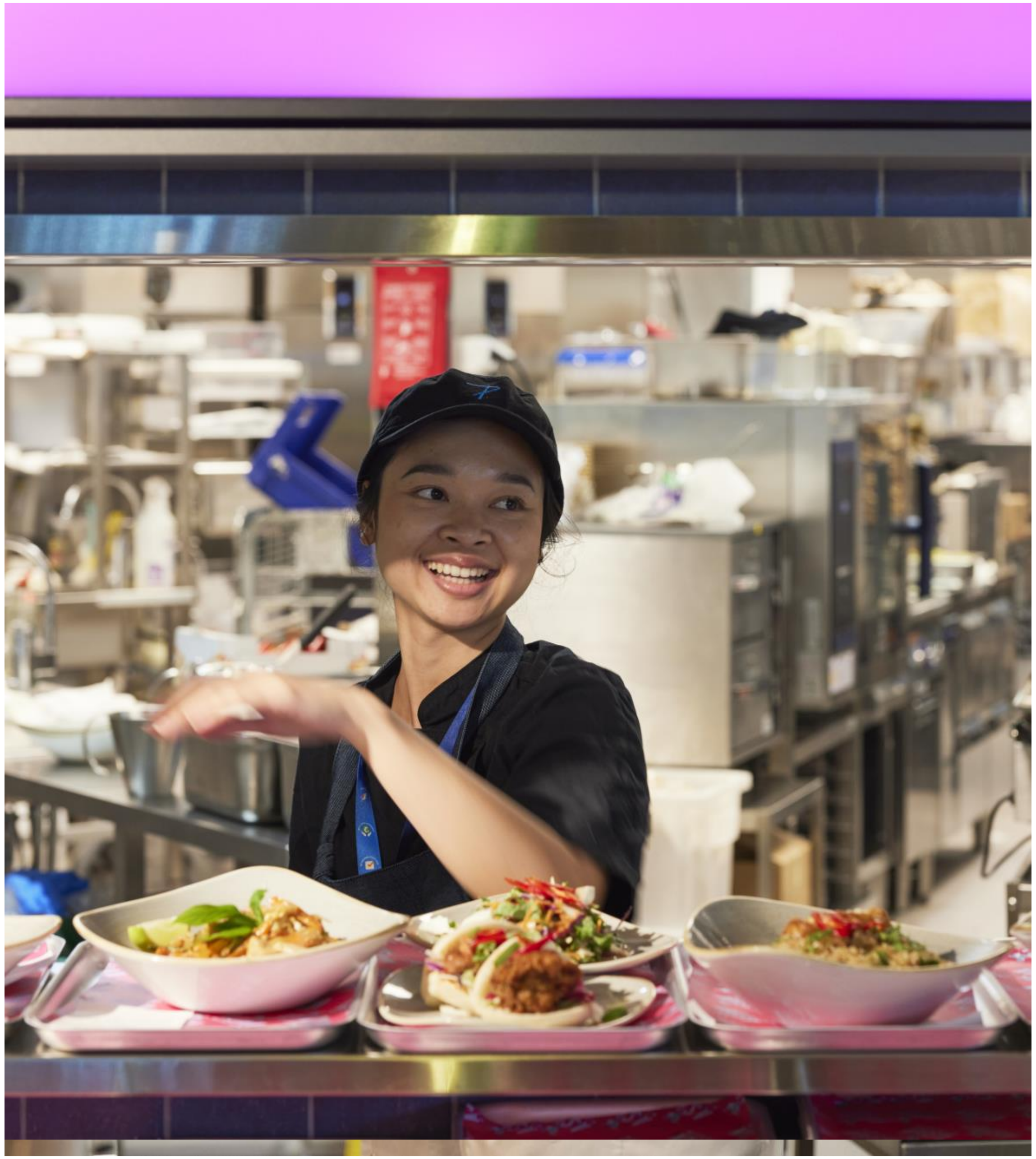
39% senior leadership roles held by women

Our model will deliver **sustainable, compounding growth** and returns

	Why invest?	Deliverables
	Significant presence in structurally growing markets	• Strong like-for-like growth • Net gains on average c.3-5%
	Operational capability and efficiency	• Operating leverage and efficiency • Sustainable operating margin enhancement
	Opportunity to deploy capital and generate high returns	• Capex to maintain base estate at c.4% of sales • Expansionary capex into new contracts >20% IRR • Infill M&A to access new markets and new airports
	De-leveraging delivering headroom to reinvest	• Strong free cash flows re-invested to drive growth or return to shareholders • Delivering compounding growth and returns

Summary

- Strong H1 growth in sales and EBITDA
- Continued progress against strategic priorities, underpinning future performance
- Maintaining FY24 Planning Assumptions
- Medium-term financial framework unchanged; SSP well-positioned to deliver sustainable growth and returns



Q&A

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2024 Technical Guidance

On a pre-IFRS 16 basis	**2024 expectation:**
Depreciation:	c.4.0% of sales
Net finance costs:	c.£40m
Effective tax rate:	Similar level to FY 2023
Minority interests:	In line with profit growth in businesses with JV partners; currently estimate year-on-year increase of 15-25%
Working capital:	Broadly neutral
Capex:	c.£280m: Renewals and maintenance – c.£140m; Expansionary - c.£80m; Catch up – c.£60m
Leverage:	Target range of 1.5x to 2.0x

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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.