3 December 2024 LEI: 213800QGNIWTXFMENJ24

2024 FULL YEAR RESULTS ANNOUNCEMENT

STRONG MOMENTUM IN H2; CLEAR FOCUS ON DRIVING PROFITABILITY AND RETURNS

SSP Group plc, a leading operator of restaurants, bars, cafes and other food and beverage outlets in travel locations across 37 countries, announces its financial results for the year ended 30 September 2024.

	FY 2024	FY 2023	Change at actual FX rates	Change at constant FX rates[6]
Underlying Pre-IFRS 16[1,3]				
Revenue	**£3,433m**	£3,010m	14%	17%
EBITDA[2]	**£343m**	£280m	23%	28%
Operating profit	**£206m**	£164m	26%	32%
Operating profit margin	**6.0%**	5.4%	60bp	70bp
Earnings per share	**10.0p**	7.1p	41%	
Dividend per share	**3.5p**	2.5p	40%	
Free cash flow[4]	**£(233)m**	£(125)m	£(108)m	
Net debt[5]	**£(593)m**	£(392)m	£(201)m	
Net debt/EBITDA	**1.7x**	1.4x	(0.3)x	
Pre-tax ROCE[7]	**17.7%**	17.0%	0.7%	
IFRS				
Operating profit	**£206m**	£167m	23%	
Profit before tax	**£119m**	£88m	35%	
Earnings per share	**3.4p**	1.0p	240%	
Net debt[5]	**£(1,682)m**	£(1,421)m	£(261)m	

Group Financial Highlights *(underlying pre-IFRS 16)*

- Revenue of £3.4bn, up 17% (on a constant currency basis), including like-for-like growth of 9%
- Operating profit of £206m, up 32% (on a constant currency basis) and within the range of our planning assumptions
- EPS of 10.0p, up from 7.1p, in the prior year benefitting from non-recurring reductions in the interest and tax charges as highlighted in our Q4 trading update
- Proposed final dividend of 2.3p reflecting confidence in future cash generation and robust balance sheet; full-year dividend of 3.5p, representing pay out ratio of 35%
- Free cash outflow[4] of £233m after acquisitions of £139m and capital investment of £280m
- Better than expected net debt of £593m, resulting in leverage of 1.7x, returning to within our medium-term target range

FY24 Operating Performance

- Good performances in North America, UK and APAC & EEME, benefiting from strong sales growth and operating margin improvements year-on-year
- Disappointing performance in Continental Europe; with operating profit impacted by slow recovery and strikes in the rail sector, weak Motorway Service Area ("MSA") trading in Germany, the scale of the renewal programme and operational execution, including related to the Olympics
- The impact of one off trading headwinds, principally in Continental Europe, mitigated by non-recurring benefits, including client compensation

- Integration of recent acquisitions progressing in line with expectations
- Entry into new country markets: mobilised new contracts in Saudi Arabia and New Zealand; secured new business in Sofia, Bulgaria; entered into previously announced new JV with Taurus Gemilang in Indonesia (post year end)

Outlook and Plans for FY25

- Action focused agenda in FY25 to enhance performance and delivery of profit, cash and return on capital
- Strong revenue growth in the second half of FY24 sustained in the early weeks of the new financial year with total sales growth of +13% and like-for-like sales growth of 5% (over first eight weeks)
- Planning assumptions for FY25: Revenues of £3.7-3.8bn, operating profit of £230-260m (both on a constant currency basis); planning for FY25 EPS of between 11-13p at today's FX rates (11.5-13.5p on a constant currency basis)
- Profit recovery plan underway for Continental Europe; planning to build regional operating profit margin from 1.5% to approximately 3% in FY25, rising to c.5% in medium-term
- Near-term actions to deliver returns from c.£690m investment programme over the last two years; capital investment in FY25 reducing to £230-240m
- Refreshed medium-term financial framework reflecting our capability to deliver sustainable growth and operating margin enhancement, translating into double-digit EPS growth, strengthening returns on capital employed, and future capital returns to shareholders
- Alignment of remuneration, with a proposed new Performance Share Award linked to EPS, ROCE and TSR

Commenting on the results, Patrick Coveney, CEO of SSP Group, said:

"*We have delivered a strong second half performance and I would like to thank our colleagues, clients and brand partners around the world for all their support.*

SSP has strong fundamentals and benefits from the global travel market's sustained long-term growth trends. This was clearly visible in the FY24 performance in three of our four regional markets. However, Continental Europe performed below our expectations, which in turn impacted Group EPS and free cash flow.

As we reach the next phase of our evolution post-Covid and with strong underlying growth across the Group, our focus now is on driving greater value from a strengthened base. In Continental Europe, we are accelerating our profit recovery plan, in particular by building returns from the significant number of recently renewed and extended contracts. Across the wider group, our priorities remain on sharpening our performance culture to drive profitable growth and returns, so as to unlock the full potential of SSP.

I am excited about the prospects for our company and look to FY25 and beyond with confidence as we continue to see significant opportunities for SSP to drive compounding long-term growth and deliver shareholder returns."

FY25 PRIORITIES

We have a number of priorities in FY25 to drive stronger performance and unlock the full potential of SSP, all of which are already being implemented:

- Sustaining organic growth and contract retention, continuing to prioritise high growth markets
- Driving returns from recent investments; accelerating plans to drive new units to mature margins; and delivering returns from recent acquisitions
- Delivering a five-point recovery plan to address under-performance in Continental Europe, under the leadership of our new regional CEO, with actions to build regional operating profit margin from 1.5% to approximately 3% in FY25, rising to c.5% in medium-term
- Building operating margin and cash improvement at pace across the Group, including efficiency and margin development programmes with a particular focus on gross margin optimisation, supply chain and procurement, labour productivity and overhead efficiency
- Tightening capital expenditure and focused capital allocation, with a prioritisation of profitable organic growth and shareholder returns over near-term acquisitions
- New remuneration policy aligned to medium term financial objectives

FY25 OUTLOOK

Current trading

Since our year-end, trading has been encouraging, with total revenue during the first eight weeks (from 1 October to 25 November) up 13% on FY24 levels on a constant currency basis, including like-for-like growth of 5%.

Planning assumptions

While we face macroeconomic and political uncertainty, we believe that demand for travel will remain resilient and is well set for both near-term and long-term structural growth. In FY25, we will have a tighter agenda with a focus on driving the expected returns from the elevated levels of recent investment and enhancing efficiency to drive profitability, simplifying and streamlining our structures and processes.

We are planning for like-for-like sales growth of between 4-5% and net gains of c.4% with a further revenue contribution from completed acquisitions of 2-3%. Offsetting the net gains will be an estimated negative impact of c.2% from the staged exit of the German MSA business and the loss of reported sales from our repositioned AAHL joint venture in India (further details provided below), which is now reported as an associate and no longer consolidated.

In total we are planning for revenue to be in the region of £3.7-3.8bn with a corresponding underlying pre-IFRS 16 operating profit within the range of £230-260m, both on a constant currency basis (including the in-year deconsolidation impact of the repositioned AAHL joint venture). At today's FX rates this would result in EPS of 11-13p. If the current spot rates (as of 27 November 2024) were to continue through 2025, we would expect a negative currency impact on revenue and operating profit of -1.2% and -2.0%, compared to the average rates used for 2024, which is the basis of the constant currency guidance above. In FY25 we expect to see a distribution of operating profit between the first and second halves which is consistent with that reported in FY24.

Confidence in our expectations is underpinned by the continued structural growth in passenger numbers, the optimisation of like-for-like revenue growth and profit performance across our regions,

driving higher returns from our extensive recent investment programme, and mobilising openings in the secured new contract pipeline. Further progress will be delivered through the programme of actions that we are taking to drive the margin recovery in Continental Europe, supported by the further growth and margin progression planned in the UK, despite the cost headwinds from the second half of FY25 as a result of the recent UK Government Budget.

Driving profitability and returns in Continental Europe

Our operating profit performance in Continental Europe was behind our expectations for FY24 and was impacted by a number of external headwinds as well as operational and execution challenges. Our performance in Germany was affected by the weak economic backdrop and labour cost challenges, and, as with other markets, a slower than expected recovery in the rail channel - exacerbated by extensive industrial action. We also saw softer trading in our German MSA business. The extensive renewal and mobilisation programme, predominantly in our Nordic markets, has benefited our long-term business by broadly maintaining market share and extending our remaining contract term. However, given the scale of the disruption and pre-opening costs incurred, we are not yet delivering the operating margins we would anticipate at maturity. In France, together with an industry wide weakness in rail, our execution in the market, particularly around the Olympics, fell below our expectations and this has impacted profitability.

In response to the performance challenges in Continental Europe we put in place a number of actions as part of a five-point recovery plan. We acted to change the leadership model and appointed a new regional CEO, Satya Menard, based in Paris, who joined in September. Satya is leading and driving the actions that will underpin delivery of our recovery into 2025 and the medium-term. The plan includes: An intensified and expedited focus on optimising the performance of the large number of new and refurbished units that we have opened this year, including tackling loss making and low margin units; a more streamlined management structure and lower cost operating model across the whole region; actions to reduce the cost base through the optimisation of menu and ranges, labour costs, overheads as well as the continued roll out of digital solutions; and disciplined management of our German MSA business ahead of our contracted exit by 2026, with c.50% of the sites to be exited in H1 FY25 and actions to minimise losses from remaining operating units. Allied to this we will continue to focus on driving like-for-like sales across the business through enhanced customer offers, particularly in Rail. In combination, we expect these actions to build profit from the current operating margin of 1.5% towards 3% in FY25 and to approximately 5% in the medium-term.

New TFS Joint Venture with AAHL

Travel Food Services ("TFS"), our joint venture in India, is the market leader in both the fast-growing airport food and beverage and airport lounge sectors in India. The success of TFS since our entry into this strategically important market has resulted in India now being SSP's second largest market by unit numbers, with TFS representing c.60% of APAC & EEME regional operating profit.

As part of TFS' focus on positioning itself for sustainable long-term growth and returns, TFS has established a joint venture with Adani Airport Holdings Limited ("AAHL"), one of India's leading private airport operators, in which TFS will hold a c.25% share. The new JV has secured a long-term contract extension for travel quick service restaurant and lounge operations in the Mumbai airport. In addition, the new JV has secured contracts in other AAHL operated airports, namely Ahmedabad, Guwahati, Jaipur, Lucknow and Trivandrum, as well as both Mumbai terminals.

TFS' Mumbai operations had previously been conducted mainly through a separate joint venture with AAHL (in which TFS held a 44% share). Given TFS' shareholding in the new JV, SSP no longer controls or consolidates these operations in our reported financial results (effective since 1 June 2024). The impact of this is an annualised operating profit reduction of c.£17m, but with the resulting impact on net income being offset by a corresponding reduction in annualised post-tax minority interest of c.£10m and an increase in annualised associate income of c.£2m. The resulting EPS impact is minimal.

TFS' partnership with AAHL in the new JV, albeit at a lower share than the previous joint venture with AAHL, is expected to facilitate greater access to the wider growth opportunity as the Indian aviation market continues to rapidly expand.

DELIVERING RETURNS ON INVESTED CAPITAL

The increased level of investment in our business over the last two years has both strengthened our foundations and accelerated our growth trajectory. We are now focused on delivering the expected returns on this capital investment (including acquisitions), which totals c.£690m in the last two years. Approximately £400m of this investment relates to a significant renewal programme of our base estate, including c.£100m as a "catch up" from the Covid-19 period when investment was deferred.

We have now successfully renewed approximately one third of our estate over the last two years and our average remaining contract tenure across the Group has been extended from 4 years in 2022 to 6 years at the end of FY24.

Over the last two years, we have also invested c.£110m mobilising new units, particularly focused on higher-growth geographies such as North America and APAC & EEME.

This significant overall investment programme has resulted in a high level of pre-opening costs, putting pressure on near-term profitability. At maturity, returns are expected to be in line with planned levels.

We have also invested c.£180m on acquisitions, generating annualised revenues of c.£215m and adding 115 new units. Our acquisitions have been integrated well and our focus now turns to delivering the expected returns as they mature post-integration.

We are introducing Return on Capital Employed ("ROCE") as a key performance indicator in our external results to demonstrate our commitment to delivering stronger Group-wide returns. In FY24, our ROCE was 17.7%, rising from 17.0% in the prior year. As our recently mobilised units and M&A matures alongside our focus on accelerating returns across the Group, we expect a further progression on ROCE.

As we focus on enhancing returns on our recent investments, we are planning for a year-on-year reduction in capital investment to £230-240m in FY25. Our capital investment programme is expected to deliver in-year organic net contract gains of c.4% and we do not anticipate investment in further acquisitions in the year. We expect to deliver a significant improvement in free cash flow generation through FY25 and are focused on creating the conditions to return capital to shareholders in the near-term whilst maintaining leverage in our target range of 1.5 to 2.0x net debt to EBITDA.

MEDIUM-TERM OUTLOOK

We are today updating our medium-term financial framework (FY26-FY28) to provide greater clarity on the drivers in our financial model for shareholder value creation. In the medium-term, we expect to deliver sustainable steady-state growth and enhanced shareholder returns through:

- LFL sales growth in the region of 3% p.a., benefitting from ongoing passenger growth across our markets
- Net gains of 2-4% p.a., principally in higher growth markets of North America, APAC & EEME, which offer higher levels of structural demand growth and infrastructure expansion
- Sustainable operating margin enhancement of 20-30 basis points p.a. benefitting from operating leverage (driven by revenue growth), greater use of technology and automation and our wide-ranging efficiency programme, enabling us to mitigate the impact of rising rent levels and inflationary cost increases
- A recovery in our Continental European operating margin to c.5% in the medium-term
- Sustainable double-digit medium-term earnings growth
- Expansionary capex aligned to net gains; contract renewal and maintenance capex to be on average c.4% of Group sales
- Progression on ROCE from the current level of 17.7%, delivered through maturing returns on our recent period of heightened capital investment and lower levels of capital investment in the medium-term
- Payment of the ordinary dividend with a target payout ratio of c.30-40%
- Balance sheet deleveraging, with surplus cash likely to be returned to shareholders in line with our capital allocation framework

Aligned with these financial aspirations, we are proposing at our 2025 Annual General Meeting changes both to the metrics used in our Annual Bonus Plan and to our long-term incentive arrangement by introducing a Performance Share Award ("PSA") which will replace our current Restricted Share Plan. The new PSA, which has been consulted on with our shareholders, seeks to closely align stretching long-term incentives with our medium-term financial targets based on EPS, ROCE and TSR.

STRATEGIC DEVELOPMENTS

We compete in markets that offer attractive structural growth, driven by favourable demographics and demand for travel, supported by strong supply-side investment in the travel sector. Our strategy has been to optimise these opportunities through a combination of growing in the right channels, markets, and formats and by deploying SSP's proven operating capabilities and competitive advantages.

We have focused on increasing our presence in the higher-growth geographies of North America and APAC & EEME within travel food and beverage, whilst growing more selectively in our mature markets of the UK and Continental Europe. We have continued to build on our capabilities to drive like-for-like sales growth across all of our markets, focusing on enhancing our proposition to meet customer demands and embracing the benefits of digitisation. We have made strong progress on all these fronts in FY24:

Prioritising high-growth markets

- High-growth North American and APAC & EEME markets now represent c.40% of Group sales and c.60% of Group operating profit
- Key new business wins in North America, APAC and the Middle East; for example, Sarasota and Spokane airports in US (both new clients for SSP), and the recently constructed Noida Airport in India
- Completed a number of acquisitions in North America including the final airport (Denver) of the Midway Concessions deal, Mack II in which we acquired 8 units at Atlanta Airport and ECG Venture Capital in Canada
- Now operating in 53 of top 200 busiest airports in North America, up from 37 at the end of FY22
- Entry into new markets further expanding our APAC & EEME footprint, with contract wins in Riyadh and Jeddah Airports (Saudi Arabia) and Christchurch Airport (New Zealand) – which are already operational —and at Sofia Airport (Bulgaria) and Vilnius Airport (Lithuania), where we will commence operations next year
- Acquisition of ARE business in Australia, adding more than 60 outlets across seven airports. Post year end, completed an agreement to create a new joint venture with Indonesian food and beverage business Taurus Gemilang (TG) – marking our entry into the country
- Good retention rates on contracts, with significant renewals across Continental Europe and the UK. For example we secured extensions in Oslo Airport where we retained our overall share, Liverpool John Lennon and London Heathrow Airports, Marseille Airport, and Tenerife in Spain.

Enhancing business capabilities

- New concepts and formats innovation development, with significant progress this year in our airport lounge and convenience retail offer; refreshed own-brands including new menu and new visual identity at Upper Crust in UK, which rolls out more fully in FY25
- Launched innovative new concepts with a focus on enhancing customer experiences, including The Independent at Brisbane Airport, Aster & Thyme at Newcastle Airport, and Guy Fieri's Flavortown Kitchen & Bar at Newark Airport
- Further strengthened partnerships with clients and brand partners; alignment to clients' needs and goals recognised through enhancement of our global Reputation[8] customer feedback score which has increased further in FY24 from 4.2/5 to 4.4/5 in the year
- Leveraged digital solutions, expanding our platform of digital ordering points to c.700 units, with 50% of our restaurants in North America now equipped
- Optimisation of digital solutions contributing to significant sales growth, with digital ordering ATV outperforming tills by 20% on a global average
- Focus on attracting, developing and engaging our talent to strengthen our organisational capability

Enhancing sustainability

- Continued momentum in delivering tangible progress against our sustainability targets, including exceeding our 2025 target for 30% of meals offered by our own brands to be plant-based or vegetarian for the third consecutive year, and reaching 97% of our own brand packaging as reusable, recyclable or compostable

- Implementing measures to progress towards our net-zero targets, particularly for reducing Scope 3 food-related emissions through our partnership with Klimato in the UAE and UK, with the UK refining the Soul + Grain range using Klimato insights, achieving a c.15% reduction in the carbon footprint of food sold, while maintaining profitability
- Positive client engagement and feedback, including sustainability being an important factor in our contract renewal at Oslo Airport (Norway) and new contract win at Sofia Airport (Bulgaria); sustainability was the most improved factor in the 2024 UK client survey with 4/5 clients saying SSP has made progress and rating us above competitors; and won notable industry recognition for our sustainability initiatives including at the global FAB Awards, UK Menu Innovation & Development Awards, USA Green Restaurants Association Awards and Best ESG Award from our Spanish client, Aena

Driving operational efficiencies

- Our efficiency and margin development programmes and 'Value Creation Plan' focus on gross margin optimisation, supply chain and procurement, labour productivity and overhead efficiency to deliver organisational effectiveness
- In-year efficiency initiatives include the roll out of Workforce Management system in UK, the digitisation of back-office systems, and our continued partnership with 'Too Good to Go' to reduce waste and equipment standardisation

---

[1] Stated on an underlying basis, which excludes non-underlying items as further explained in the section on Alternative Performance Measures (APMs) on pages 18-21.

[2] Underlying EBITDA (on a pre-IFRS 16 basis) is the underlying pre-IFRS 16 operating profit excluding depreciation and amortisation.

[3] We have decided to maintain the reporting of our profit and other key financial measures like net debt and leverage on a pre-IFRS 16 basis. Pre-IFRS 16 profit numbers exclude the impact of IFRS 16 by removing the depreciation on right-of-use (ROU) assets and interest arising on unwinding of discount on lease liabilities, offset by the impact of adding back in charges for fixed rent. This is further explained in the section on Alternative Performance Measures (APMs) on pages 22-26.

[4] A reconciliation of Underlying operating profit/(loss) to Free cashflow is shown on page 20.

[5] Net debt reported under IFRS 16 includes lease liabilities whereas on a pre-IFRS 16 basis lease liabilities are excluded. Refer to 'Net debt' section of the 'Financial review' for a reconciliation of net debt.

[6]Constant currency for FY24 is based on average FY23 exchange rates weighted over the financial year by 2023 results. Constant currency for FY25 is based on FY24 exchange rates.

[7] Return on capital employed is defined as underlying pre IFRS 16 operating profit, adjusted for Associates and Non-controlling interests divided by average capital employed. This is further explained in the section on Alterative Performance Measures (APMs) on pages 22-26.

[8] As measured through our customer listening tool, Reputation

Supplementary Financial Information (underlying pre-IFRS 16)

Regional Sales

£m	FY24 Revenue	LFL	Net Gains	Acquisitions	Change at constant FX rates	Change at actual FX rates
N.America	814	6%	8%	12%	26%	22%
C.Europe	1,207	6%	3%	-	9%	6%
UK & I	893	11%	4%	-	15%	15%
APAC & EEME	519	17%	2%	9%	28%	21%
Group	**3,433**	**9%**	**4%**	**4%**	**17%**	**14%**

Regional Operating profit

£m	FY24 Operating profit	Change at constant FX rates	Change at actual FX rates	FY24 Operating profit margin	Change at constant FX rates
N.America	81	52%	47%	9.9%	1.7%
C.Europe	18	(46)%	(49)%	1.5%	(1.6)%
UK & I	73	26%	26%	8.1%	0.7%
APAC & EEME	76	32%	20%	14.6%	0.4%
Non-attributable	(42)	13%	13%	-	-
Group	**206**	**32%**	**26%**	**6.0%**	**0.7%**

Underlying Net Profit/(Loss)

£m	FY24	FY23	Change
Revenue	**3,433**	**3,010**	14%
Gross Profit	2,496	2,173	15%
% sales	*72.7%*	*72.2%*	
Labour Costs	(1,030)	(918)	(11)%
% sales	*-30.0%*	*-30.5%*	
Concession Fees	(739)	(627)	(18)%
% sales	*-21.5%*	*-20.8%*	
Overheads	(384)	(347)	(14)%
% sales	*-11.2%*	*-11.5%*	
EBITDA	**343**	**280**	23%
% sales	*10.0%*	*9.3%*	
Depreciation	(137)	(116)	(18)%
% sales	*-4.0%*	*-3.9%*	
Operating Profit	**206**	**164**	26%
Operating margin %	*6.0%*	*5.4%*	
Net Finance cost	(33)	(33)	-%
Associates	6	7	(14)%
Profit Before Tax	**178**	**138**	29%
Tax	(35)	(31)	(13)%
Minority interests	(63)	(50)	(26)%
Net Profit	**80**	**57**	40%

A presentation and live webcast will be held at 9am (UKT) today, and details of how to join can be accessed at:
https://webcasts.foodtravelexperts.com/results/2024preliminaryresults

SSP — Food Travel Expert (foodtravelexperts.com)

CONTACTS

Investor and analyst enquiries
Sarah John, Corporate Affairs Director, SSP Group plc
Sarah Roff, Group Head of Investor Relations, SSP Group plc
+44 (0) 7736 089218 / +44 (0) 7980 636214
E-mail: sarah.john@ssp-intl.com / sarah.roff@ssp-intl.com

Media enquiries
Rob Greening / Russ Lynch
Sodali & Co
+44 (0) 207 250 1446
E-mail: ssp@sodali.com

NOTES TO EDITORS

About SSP

SSP Group plc (LSE:SSPG) is a global leading operator of food and beverage outlets in travel locations employing around 49,000 colleagues in over 3,000 units across 37 countries. We specialise in designing, creating and operating a diverse range of food and drink outlets in airports, train stations and other travel hubs across six formats: sit-down and quick service restaurants, bars, cafés, lounges, and food-led convenience stores. Our extensive portfolio of brands features a mix of international, national, and local brands, tailored to meet the diverse needs of our clients and customers.

Our purpose is to be the best part of the journey, and we are committed to delivering leading brands and innovative concepts to our clients and customers around the world, focusing on exceptional taste, value, quality and service. Sustainability is crucial for our long-term success, and we aim to deliver positive impact for our business while uniting stakeholders to promote a sustainable food travel sector.

www.foodtravelexperts.com

Financial review

Group performance

	2024 £m	2023 £m	Change Actual currency (%)	Change Constant currency (%)	LFL (%)
Revenue	3,433.2	3,009.7	14.1	17.0	8.8
Underlying operating profit	246.6	204.8	20.4		
Pre-IFRS 16 underlying operating profit	205.6	163.7	25.6	32.5	
Operating profit	205.9	166.8	23.4		

Against a backdrop of ongoing macroeconomic and geopolitical uncertainty, demand for travel has remained resilient and the Group's revenues have grown strongly across all regions throughout the year. Total Group Revenue of £3,433.2m increased by 14.1% at actual exchange rates compared to 2023 and by 17.0% on a constant currency basis. This constant currency revenue growth included like-for-like growth of 8.8% and net new space growth of 8.2%, with the latter comprising 4.2% from organic net contract gains and 4.0% from acquisitions.

During the first half year, revenues were 15.1% ahead of 2023 levels at actual exchange rates and 18.8% ahead on a constant currency basis. This included strong like-for-like sales growth, of 11.6%, reflecting a further recovery in passenger numbers and the strengthening of our customer proposition, and was despite the impact of ongoing industrial action in Continental Europe. Net new space growth added a further 7.2% to sales, comprising 4.4% from net contract gains across the Group and 2.8% from acquisitions in North America.

During the second half year, revenues continued to grow strongly, increasing by 13.3% at actual exchange rates compared to 2023 (15.6% on a constant currency basis). Like-for-like sales growth remained robust at 6.5%, given the increasingly challenging prior year comparatives, with net new space adding a further 9.1% (including a 4.7% contribution from acquisitions). Whilst this strong trading momentum was very encouraging across the majority of our business, it was below our expectations in Continental Europe, where demand in France was negatively impacted by the Paris Olympics and in Germany where we saw weak trading in our MSA business over the peak summer period.

For the year as a whole, the like-for-like sales growth of 8.8% was driven in broadly equal measure by the air and rail channels. However, while the growth in the air channel was delivered despite increasingly challenging prior year comparatives, revenues in the rail sector have remained disappointing, with passenger numbers still below pre-pandemic levels. Furthermore, the recovery in the rail channel continued to be impacted by ongoing industrial action in the UK and Continental Europe.

Net new space contributed 8.2% to full year revenue growth versus 2023, primarily driven by a strong contribution from North America (19.7%), which benefitted from a number of infill acquisitions (including Midfield Concession business in June 2023, ECG Ventures in December 2023 and Mack II in February 2024) and significant new business openings (notably at Chicago Midway, Seattle, Spokane and Lubbock). The APAC & EEME division also contributed significant new space growth of 11.4%, including a benefit from the ARE acquisition in Australia, which completed in early May 2024.

Since our year end, we have seen further positive sales momentum across the business, with total first quarter revenue during the first eight weeks increasing by 13% compared to 2024 on a constant currency basis.

Looking forward to 2025, we are planning for like-for-like sales growth of between 4-5% and net gains of c.4% with a further revenue contribution from already completed acquisitions of 2-3%. Offsetting the net gains will be an estimated negative impact of c.2% from the staged exit of the German MSA business and the loss of reported sales from the AAHL joint venture in India, which will now be reported as an associate and no longer be consolidated.

This planned sales growth of 8-10% would equate to total sales for 2025 in the range of £3.7- 3.8bn on a constant currency basis.

Trading results from outside the UK are converted into sterling at the average exchange rates for the year. The overall impact of the movement of foreign currencies (principally the Euro, US Dollar, Swedish Krona, Norwegian Krone, Indian Rupee, Egyptian Pound and Swiss Franc) in 2024 compared to the 2023 average was -2.5% on revenue, -4.4% on EBITDA and -5.8% on operating profit. If the current spot rates (as of 27 November 2024) were to continue through 2025, we would expect a further negative currency impact on revenue and operating profit of -1.2% and -2.0%, compared to the average rates used for 2024, which is the basis of the constant currency guidance above.

Operating profit

The underlying operating profit was £246.6m, compared to £204.8m in the prior year. On a reported basis under IFRS 16, the operating profit was £205.9m (2023: £166.8m), reflecting a charge of £40.7m (2023: £38.0m charge) for non-underlying operating items.

On a pre-IFRS 16 basis, the Group reported underlying EBITDA of £342.9m (2023: £280.0m) and underlying operating profit of £205.6m (2023: £163.7m). The underlying pre-IFRS 16 EBITDA margin improved to 10.0% (2023: 9.3%) and the underlying pre-IFRS 16 operating profit margin improved to 6.0% (2023: 5.4%). On a constant currency basis, EBITDA of £358.8m and operating profit of £218.3m were in the middle of the range of the Planning Assumptions we set out last year.

This significant year on year improvement in profitability was within the range of planning assumptions set out in December 2023 and reflected strong profit growth across three of our regions: North America, APAC & EEME and the UK. The results were, however, disappointing in Continental Europe, with operating profit below the prior year, impacted by the slower recovery and disruption due to industrial action in the rail sector and the scale of the new unit opening programme, mainly associated with the renewal of contracts. The impact of these headwinds in Continental Europe was broadly offset by a number of non-recurring benefits, as described further in the regional sections later in the Financial Review. Whilst we met our planning assumptions at a Group level, a greater share of operating profit came from businesses where we work with joint venture partners impacting flow through to Group EPS and cashflow.

Non-underlying operating items

Items which are not considered reflective of the normal trading performance of the business, and are exceptional because of their size, nature or incidence, are treated as non-underlying operating items and disclosed separately. In the event that items are reversed in subsequent years, they are recognised in underlying or non-underlying profit or loss based on their original classification. Taxes follow the classification of the taxed items.

The non-underlying operating items included in the net charge of £40.7m are summarised below:

- Impairment of goodwill: as a result of past acquisitions, and in particular the creation of SSP by the acquisition of the SSP business by EQT in 2006, the Group holds a significant amount of goodwill on its consolidated balance sheet. This is allocated to cash generating units, and performance is monitored on this basis. Goodwill impairment testing is carried out annually, or more frequently if indicators of impairments have been identified, by comparing the value relating to each cash generating unit with the net present value of its expected future cash flows. Following the most recent reviews, a goodwill impairment of £9.6m was identified, comprising a £9.0m write down in respect of the Swedish business and £0.6m in respect of China.

- Impairment of property, plant and equipment and right-of-use assets: the Group has carried out impairment reviews where indications of impairment have been identified. These impairment reviews compared the value-in-use of individual sites, based on management's current assumptions regarding future trading performance, to the carrying values of the associated assets. Following these reviews, a charge of £23.4m has been recognised, which includes a net impairment of right-of-use assets of £6.3m. This includes impairments recognised in the first half in Ireland and Netherlands, and second half impairments principally in relation to Switzerland, Iceland, Bermuda and Singapore.

- Gain on lease derecognition: the Group has recognised a credit relating to the renegotiation of a concession contract in the APAC & EEME region, such that the contract now falls outside the scope of IFRS 16. This has resulted in the derecognition of both the right of use asset and the lease liability, with the net impact on the income statement being a £8.9m credit.

- Repayment of historical legal fees and release of legal provision: as a result of the successful resolution of a legal matter we have recognised £6.5m in repaid legal fees in the year as well as the release of a provision of £2.0m relating to the case.

- Transaction costs: the Group incurred transaction costs amounting to £10.8m during the year covering the various acquisitions and other transactions completed and evaluated during the period (2023:£2.2m)

- Restructuring costs: the Group has recognised a charge of £6.7m relating to its restructuring programmes carried out in the head office and Continental Europe during the second half of the year. The charge primarily relates to redundancy costs.

- Site exits costs: the Group has recognised a charge of £1.2m related to site exits in Ireland and Brazil.

- Other non-underlying expenses: other non-underlying items mainly relating to integration costs amounted to £6.4m (2023: £7.1m).

Regional performance

This section summarises the Group's performance across its four operating segments.
For full details of our key reporting segments, please refer to note 2 on page 35.

North America

			Change		
	2024	2023	Actual currency	Constant currency	LFL
	£m	£m	(%)	(%)	(%)
Revenue	**813.9**	668.8	21.7	25.8	6.1
Underlying operating profit	**87.6**	68.2	28.4		
Pre-IFRS 16 underlying operating profit	**80.6**	54.9	46.8		
Operating profit	**79.9**	67.0	19.3		

Full year revenue of £813.9m increased by 25.8% on a constant currency basis, including like-for-like growth of 6.1% and contributions from new space of 19.7%, including acquisitions of 11.7%. At actual exchange rates full year revenue increased by 21.7%.

During the first half, the sales growth in North America remained very strong, running 29.4% above the prior year on a constant currency basis, including like-for-like growth of 7.9%, net contract gains of 8.2%, and a 13.3% contribution from acquisitions, reflecting the Midfield Concessions acquisition in June 2023, as well as smaller acquisitions early in FY24 in Canada and Atlanta. This like-for-like growth was softer however in the second quarter, reflecting supply-side airline capacity constraints in several airports, as well as stronger prior year comparatives.

During the second half, sales increased by 23.0% year on year on a constant currency basis, with like-for-like growth of 4.7% continuing the moderated run-rate from the second quarter. New space in the second half grew by 18.3%, including contributions from acquisitions of 10.5% and organic net gains of 7.8%, with the latter including sales from important new openings in Chicago Midway, Seattle, Spokane and Lubbock. During the first eight weeks of the new financial year, trading has remained encouraging, with sales currently running 15% ahead of the prior year on a constant currency basis.

The underlying operating profit for the period was £87.6m, compared to £68.2m in the prior year, and the reported operating profit was £79.9m (2023: £67.0m). Non-underlying operating items comprised transaction costs totalling £6.0m and the impairment of Bermuda amounting to £1.7m.

On a pre-IFRS 16 basis, the underlying operating profit was £80.6m, which compared to £54.9m last year, an increase of 46.8%, with the operating margin improving by 1.7% to 9.9%. This year on year improvement was achieved despite the impact of very high levels of labour inflation across the year. It also included a net benefit of approximately £3.5m from a number of non-recurring items in the period, in particular the recognition of government support payments as a result of Covid-19.

Continental Europe

	2024 £m	2023 £m	Change Actual currency (%)	Change Constant currency (%)	LFL (%)
Revenue	**1,207.4**	1,136.7	6.2	8.6	5.9
Underlying operating profit	**39.1**	51.9	(24.7)		
Pre-IFRS 16 underlying operating profit	**18.3**	35.8	(48.9)		
Operating profit	**10.5**	32.6	(67.8)		

Full year revenue of £1,207.4m increased by 8.6% on a constant currency basis, including like-for-like growth of 5.9% and contributions from net contract gains of 2.7%. At actual exchange rates full year revenue increased by 6.2%.

Revenues grew strongly during the first six months of the year, up by 10.6% year on year on a constant currency basis, with like-for-like sales growth of 8.7% , helped by an exceptional first quarter (11.5%), which included a particularly strong performance in Spain, driven by strong passenger numbers during the extended late-summer holiday season which stretched into the autumn. The second quarter then saw softer growth, reflecting strengthening prior year comparatives as well as increased levels of industrial action, particularly in the rail channel in Germany and France.

During the second half year, sales growth of 7.1% included a stronger contribution from net gains (3.8%) reflecting new openings in Spain, France and Italy. Like-for-like growth was softer however at 3.3%, and below our expectations for the summer, notably in France, where the Paris Olympics had a negative impact on travel and passenger dwell times, and in Germany, where we saw weak trading in our MSA business over the peak summer season. In the first eight weeks of the new financial year overall sales grew by 5% on a constant currency basis, with like-for-like trading running at a similar rate to the second half of FY24.

The underlying operating profit for the period was £39.1m compared to £51.9m in the prior year, with a reported operating profit of £10.5m (2023: £32.6m). Non-underlying operating items included a £9.0m impairment of goodwill in Sweden following the renewal of a number of contracts in the air channel at higher rents. In addition, non-underlying operating items included impairments of property, plant and equipment (£10.1m) and right of use assets (£5.4m), primarily relating to sites in the Netherlands, Iceland and Switzerland. They also included restructuring costs to streamline operations and reduce overhead costs in the region.

On a pre-IFRS 16 basis, the underlying operating profit was £18.3m, which compared to £35.8m last year, with the underlying operating margin falling to 1.5% (3.1% in 2023). As highlighted in our interim results, this very disappointing year-on-year performance was significantly impacted in the first half by high levels of renewal activity with related disruption and pre-opening costs in the air channel, particularly in the Nordic countries, together with the greater levels of industrial action, principally impacting the rail channel. In the second half, profit was impacted by pre-opening costs associated with new openings in France and in Italy, and by the lower than anticipated demand associated with the Olympics in Paris, which was exacerbated by the additional staff hired to meet the anticipated increasing volumes. These impacts were partially mitigated by the recognition of Covid-19 related support payments of £5.0m.

As we announced last December, we are now beginning a phased exit from our loss making MSA business in Germany. This business continued to have a significant adverse impact on the overall operating margin of the region, reporting underlying pre-IFRS 16 net operating losses of £3.8m, with gross losses of £8.6m mitigated by the receipt of a one off landlord compensation payment of £4.8m.

Recognising the need for significant performance improvement, we are taking action to improve the future profitability of the region, focusing on driving returns from the investment programme, simplifying the leadership structure, reducing the cost base and turning around or exiting unprofitable businesses. In September, a new CEO for Continental Europe was appointed, Satya Menard, who will lead the profit recovery activity in 2025.

UK (including Republic of Ireland)

			Change		
	2024	2023	Actual currency	Constant currency	LFL
	£m	£m	(%)	(%)	(%)
Revenue	**892.5**	773.6	15.4	15.5	11.4
Underlying operating profit	**79.4**	66.1	20.1		
Pre-IFRS 16 underlying operating profit	**72.5**	57.4	26.3		
Operating profit	**73.5**	54.6	34.6		

Full year revenue of £892.5m increased by 15.5% on a constant currency basis, including like-for-like growth of 11.4% and contributions from net contract gains of 4.1%. At actual exchange rates full year revenue increased by 15.4%.

During the first half year, sales increased by 19.6% on a constant currency basis, including very strong like-for-like sales growth of 14.7% and a contribution of 4.9% from net gains. The like-for-like growth reflected encouraging passenger numbers in the air channel and a further improvement in rail passenger volumes as commuters continued to return to work in offices, as well as a slightly lower incidence of strike action compared to last year.

In the second half, underlying UK trading in both the air and rail channels remained robust, with like-for-like sales growing by 8.9% and net gains contributing a further 3.7% to sales growth. This strong like-for-like performance was driven by increasing passenger numbers in the air channel, an ongoing lower level of disruption in the rail channel and by strong operational execution during the peak summer trading period. It also benefitted from a particularly good sales performance from the Marks and Spencer Simply Food franchise operations. Since the year end, trading has continued to be encouraging with sales growing by 8% compared to FY24 on a constant currency basis.

The underlying operating profit for the UK was £79.4m compared to £66.1m in the prior year, with a reported operating profit of £73.5m (2023: £54.6m). Non-underlying operating items included impairments of property, plant and equipment (£4.0m) and right of use assets (£0.4m) as well as £0.6m of site exit costs relating to our operations in Ireland and £0.8m other costs.

On a pre-IFRS 16 basis, the underlying operating profit was £72.5m, which compared to £57.4m last year, an increase of 26.3%, with the underlying operating margin improving by 0.7% year on year to 8.1%. The first half margin was impacted by disruption arising from the investment in new outlets as part of an extensive renewal programme impacting a number of major airports. However, as this pressure eased during the second half, we saw an improvement in the operating margin by 180 basis

points year-on-year, reflecting good profit conversion on the strong like-for-like sales growth in the period. The operating profit included the benefit of one-off credits totalling £5.8m, comprising government support payments from the Covid-19 period and client compensation payments (mainly in respect of rent), which were broadly in line with the prior year. These partially mitigated the impact of strikes (which we estimate decreased profit by c.£3m) and the pre-opening costs associated with the substantial investment programme, which arose largely in the first half.

APAC & EEME

			Change		
	2024	2023	Actual currency	Constant currency	LFL
	£m	£m	(%)	(%)	(%)
Revenue	**519.4**	430.6	20.6	28.0	16.6
Underlying operating profit	**82.7**	71.0	16.5		
Pre-IFRS 16 underlying operating profit	**76.0**	63.5	19.7		
Operating profit	**79.6**	72.2	10.2		

Full year revenue of £519.4m increased by 28.0% on a constant currency basis, including like-for-like growth of 16.6% and contributions from net contract gains of 1.8% and of 9.6% from the acquisition of the ARE business in Australia. At actual exchange rates full year revenue increased by 20.6%.

Revenue in the first half year increased by 22.1% on a constant currency basis, including like-for-like growth of 20.2% and a contribution of 1.9% from net gains. This like-for-like growth was helped by a strong recovery in passenger numbers across the region, and despite a slower than expected recovery in Hong Kong where Chinese inbound passengers remain below pre-Covid-19 levels.

During the second half revenues grew by 32.6% on a constant currency basis, comprising like-for-like sales growth of 13.8%, net gains of 1.6% and a 17.2% contribution from the ARE acquisition. The strong like-for-like growth was driven primarily by Australia, Egypt and Hong Kong, with the latter seeing an encouraging recovery in passenger numbers over the summer. The relatively modest level of net gains reflected the deconsolidation of the Mumbai airport business (accounted for as an associate from June), reducing year on year sales growth by approximately 8% in the half. Since the year end, sales have continued to grow strongly with sales 38% up compared to the same period in FY24 on a constant currency basis.

The underlying operating profit for the period was £82.7m, compared to £71.0m in the prior year, and the reported operating profit was £79.6m (2023: £72.2m). Non-underlying operating items comprised impairments of £1.3m, goodwill impairments of £0.6m, gains on derecognition of leases of £8.9m and site exit costs of £0.6m, transactions costs of £4.1m and other non-underlying costs of £5.4m.

On a pre-IFRS 16 basis, the underlying operating profit was £76.0m, which compared to £63.5m last year, an increase of 19.7%.

Share of profit of associates

The Group's underlying share of profits of associates was £5.4m (2023: £7.2m), lower year on year primarily as a result of preopening and other start-up losses in the Group's new Extime joint venture with Aeroport de Paris in France. On a reported basis, the share of profits of associates was £5.4m (2023: £0.5m).

On an underlying pre-IFRS 16 basis, the Group's share of profit from associates was £5.6m (2023: £7.2m profit). For 2025, we expect the Group's share of profit from associates to be approximately £10m.

Net finance costs
The underlying net finance expense for the financial year was £95.0m (2023: £86.6m), which includes interest on lease liabilities of £62.1m (2023: £53.1m). The reported net finance expense under IFRS 16 was £92.7m (2023: £79.2m).

On a pre-IFRS 16 basis, underlying net finance costs were slightly lower than the prior year at £32.9m (2023: £33.5m). This out-turn was also lower than the guidance of c.£40m provided with our interim results in May, principally driven by a non-recurring benefit of £6m arising from the timing of recognition of interest income on money market deposits in India. Without this benefit, and reflecting the anticipated higher levels of average net debt in 2025 compared to 2024, we expect underlying net finance costs to rise to approximately £45m in 2025.

Taxation
The Group's underlying tax charge for the period was £33.4m (2023: £29.1m), representing an effective tax rate of 21.3% (2023: 23.2%) of underlying profit before tax. On a reported basis, the tax charge for the period was £33.1m (2023: £32.0m) representing an effective tax rate of 27.9% (2023: 36.3%).

On a pre-IFRS 16 basis, the Group's underlying tax charge was £34.8m (2023: £31.2m), equivalent to an effective tax rate of 19.5% (2023: 22.7%) of the underlying profit before tax.

The Group's tax rate is sensitive to the geographic mix of profits and losses and reflects a combination of higher rates in certain jurisdictions, as well as the impact of losses in some countries for which no deferred tax asset is recognised.

The underlying pre-IFRS 16 tax charge in the year has benefitted from a deferred tax credit of £18.2m arising from the recognition of part of the significant deferred tax assets in relation to the Group's US operations, which have not previously been recognised. In light of recent acquisitions and strong net contract gains in North America, the Group now considers that there is convincing evidence that the US business has probable future taxable profits against which at least part of these significant losses can be used, leading to the recognition of an asset in line with probable estimated taxable profits forecast over the average remaining contractual term in the US business. This has been offset by deferred tax assets derecognised in Belgium, Canada and Finland of £6.8m resulting in a net deferred tax credit of £11.4m.

Looking forward, we expect the underlying effective tax rate on a pre-IFRS 16 basis to return to historical rates of 22-23%.

Non-controlling interests
The profit attributable to non-controlling interests was £58.1m (2023: £48.0m profit). On a pre-IFRS 16 basis the profit attributable to non-controlling interests was £63.5m (2023: £49.7m profit), with the year-on-year increase reflecting strong year on year profit growth in our partially-owned subsidiaries (operated with joint venture partners) in North America and APAC & EEME. An analysis of the year-on-year increase in the pre-IFRS 16 non-controlling interest charge is set out in the table below:

On a pre-IFRS 16 basis	2024 £m	2023 £m	Year on year change (%)
North America	**31.3**	22.7	38%
APAC & EEME			
- India	**27.6**	21.7	27%
- Other	**4.6**	5.3	(11)%
Group	**63.5**	49.7	28%

In North America, the year-on-year increase of 38% is below the increase in underlying pre-IFRS16 operating profit for the region of 47% , reflecting stronger profit growth in airports with lower minority shareholdings. In addition we have seen stronger growth in Canada where we own 100% of the business.

In India, the higher year on year charge includes a non-recurring impact of £3m from the higher profit arising from the timing of recognition of interest income on money market deposits held there.

For 2025, we expect the profit attributable to non-controlling interests to reduce marginally compared to 2024 to around £60m, with the impact of the deconsolidation of the Mumbai airport business reducing the minority interest charge in India by approximately £7m year on year.

Earnings per share

The Group's underlying earnings per share was 8.1 pence per share (2023: 6.2 pence per share), and its reported earnings per share was 3.4 pence per share (2023: 1.0 pence per share).

On a pre-IFRS 16 basis the underlying earnings per share was 10.0 pence per share (2023: 7.1 pence per share), representing year-on year growth of 40.8% at actual exchange rates. While the primary driver of this year-on-year growth was the improvement in the underlying operating profit (increasing by 25.6% at actual rates), it also benefited from non-recurring reductions in the interest and tax charges as noted earlier in this Financial Review. Nevertheless, based on current foreign exchange rates and reflecting the constant currency guidance for operating profit as set out earlier, we anticipate further strong earnings progression in the year ahead.

Dividends

In line with the Group's stated priorities for the uses of cash and after careful review of its medium-term investment requirements, the Board is proposing a final dividend of 2.3 pence per share (2023: 2.5 pence per share), which is subject to shareholder approval at the Annual General Meeting. This full year dividend combined with the interim dividend of 1.2 pence per share would bring the total FY24 dividend to 3.5 pence per share, a payout ratio of 35% of the underlying pre-IFRS 16 earnings per share, which is in the middle of our target payout range of 30-40%.

The final dividend will be paid, subject to shareholder approval, on 27 February 2025 to shareholders on the register on 31 January 2025. The ex-dividend date will be 30 January 2025.

Free Cash flow
The table below presents a summary of the Group's free cash outflow for 2024

	2024 £m	2023 £m
Underlying operating profit[1]	**205.6**	163.7
Depreciation and amortisation	**137.3**	116.3
Exceptional operating costs	**(16.6)**	(17.8)
Working capital	**(20.2)**	(19.8)
Net tax payment	**(26.0)**	(19.6)
Capital expenditure[2]	**(279.6)**	(220.0)
Acquisitions, net of cash received	**(138.9)**	(41.2)
Net dividends to non-controlling interests and from associates	**(34.5)**	(46.0)
Net finance costs	**(35.8)**	(46.1)
Dividends	**(29.5)**	-
Other	**5.7**	5.6
Free cash outflow	**(232.5)**	(124.9)

1 Presented on an underlying pre-IFRS 16 basis (refer to pages 25 for details).
2 Capital expenditure is net of cash capital contributions received from non-controlling interests in North America of £17.5m (2023: £22.5m).

The Group's net cash outflow during the year was £232.5m, an increase of £107.6m compared to a £124.9m net cash outflow last year. This year-on-year change primarily reflected the higher levels of capital expenditure in 2024, as well as the reinstatement of the dividend announced in December last year. The net outflow in the year also included the impact of several acquisitions, as well as exceptional transaction and other costs incurred during the year.

Capital expenditure was £279.6m, a significant increase compared to the £220.0m in the prior year, reflecting the ongoing mobilisation of our new business pipeline, as well as a higher than usual level of renewals and maintenance projects, many of which were put on hold as a function of Covid-19. Looking forward, we are planning for capital expenditure of £230-240m in the year ahead, lower than in 2024 as we have now completed our spending on the backlog of renewals from the Covid-19 period.

Acquisition costs of £138.9m included expenditure on the purchase of the ECG, Mack II, Denver and ARE businesses during the year. The acquisition of a majority shareholding in the Taurus Gemilang business in Indonesia, which we announced in May, completed at the end of November for a cash consideration of £10m. Having executed these important infill acquisitions in order to accelerate our growth in strategically important markets, our focus is now on integrating these operations and delivering the planned returns. We therefore do not anticipate any further new infill acquisitions in the year ahead.

Although working capital benefited from further strong growth in sales across the year (up 14% year on year at actual exchange rates), this was offset by the payment of the remainder of the Group's deferred liabilities from the Covid-19 period, amounting to approximately £40m, resulting in a net cash outflow for the year of £20.2m. Going forward we anticipate our negative working capital to grow broadly in line with sales, therefore contributing a modest cash inflow in 2025.

Net corporation tax payments of £26.0m were higher year on year (compared to £19.6m in 2023), reflecting the Group's increase in profitability over the last twelve months. However net cash flows

paid to non-controlling interests (net of receipts from associates) fell to £34.5m (from £46.0m in 2023).

Net finance costs paid of £35.8m were lower than in the prior year equivalent of £46.1m, which included the payment of deferred interest liabilities in respect of the Group's US Private Placement notes following the Rights Issue in 2021.

Net debt

Overall net debt increased by £200.3m to £592.5m on a pre-IFRS 16 basis, largely reflecting the free cash outflow in the year of £232.5m as detailed above. On a reported basis under IFRS 16, net debt was £1,681.6m (30 September 2023: £1,420.9m), including lease liabilities of £1,089.1m (30 September 2023: £1,028.7m).

Based on the pre-IFRS16 net debt of £592.5m at 30 September 2024, leverage (net debt/EBITDA) was 1.7x, in the middle of our medium-term target range of 1.5-2.0x.

The table below highlights the movements in net debt in the period on a pre-IFRS 16 basis.

	£m
Net debt excluding lease liabilities at 1 October 2023 (Pre-IFRS 16 basis)	(392.2)
Free cash flow	(232.5)
Impact of foreign exchange rates	23.8
Other[1]	8.4
Net debt excluding lease liabilities at 30 September 2024 (Pre-IFRS 16 basis)	**(592.5)**
Lease liabilities	(1,089.1)
Net debt including lease liabilities at 30 September 2024 (IFRS 16 basis)	**(1,681.6)**

[1] Other changes relate to the effect of the acquisition of the remaining 50% of our Brazilian joint venture unwinding the effects of prior year refinancing.

Alternative Performance Measures
The Directors use alternative performance measures for analysis as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' performance measures and are not intended to be a substitute for IFRS measures.

1. Revenue measures
As the Group is present in 37 countries, it is exposed to translation risk on fluctuations in foreign exchange rates, and as such the Group's reported revenue and operating profit/loss will be impacted by movements in actual exchange rates. The Group presents its financial results on a constant currency basis in order to eliminate the effect of foreign exchange rates and to evaluate the underlying performance of the Group's businesses. The table below reconciles reported revenue to constant currency sales.

(£m)	**North America**	**Continental Europe**	**UK**	**APAC & EEME**	**Total**
2024 Revenue at actual rates by region	**813.9**	**1,207.4**	**892.5**	**519.4**	**3,433.2**
Impact of foreign exchange	**27.8**	**27.0**	**1.0**	**32.3**	**88.1**
2024 Revenue at constant currency[1]	**841.7**	**1,234.4**	**893.5**	**551.7**	**3,521.3**
2023 Revenue at actual rates by region	668.8	1,136.7	773.6	430.6	3,009.7
Constant currency sales growth					
Which is made up of:	%	%	%	%	%
Like-for-like sales growth[2]	6.1	5.9	11.4	16.6	8.8
Net contract gains[3,4]	19.7	2.7	4.1	11.4	8.2
Total constant currency sales growth	25.8	8.6	15.5	28.0	17.0
Impact of exchange rates	(4.1)	(2.4)	(0.1)	(7.4)	(2.9)
Total actual currency sales growth	21.7	6.2	15.4	20.6	14.1

[1] Constant currency is based on average 2023 exchange rates weighted over the financial year by 2023 results.
[2] Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months. Like-for-like sales are presented on a constant currency basis.
[3] Revenue in outlets which have been open for less than 12 months and prior period revenues in respect of closed outlets are excluded from like-for-like sales and classified as contract gains. Net contract gains are presented on a constant currency basis.
[4] The impact of acquisitions has been included in net contract gains.

2. Non-underlying profit items

The Group presents underlying profit/(loss) measures, including operating profit/(loss), profit/(loss) before tax, and earnings per share, which exclude a number of items which are not considered reflective of the normal trading performance of the business, and are considered exceptional because of their size, nature or incidence. The table below provides a breakdown of the non-underlying items in both the current and prior year.

	Non-underlying items	
	IFRS 16 2024 £m	IFRS 16 2023 £m
Operating costs		
Impairment of goodwill	**(9.6)**	(12.5)
Impairment of property, plant and equipment	**(17.1)**	(2.4)
Impairment of right-of-use assets	**(6.3)**	(3.2)
Litigation settlements	**8.5**	(4.7)
Site exit costs	**(1.2)**	(8.6)
Gain on derecognition of leases	**8.9**	2.7
Transaction costs	**(10.8)**	-
Restructuring costs	**(6.7)**	-
Other non-underlying costs	**(6.4)**	(9.3)
	(40.7)	(38.0)
Share of associates profit		
Impairment of investment in associate	**-**	(6.7)
Finance expenses		
Debt refinancing & effective interest rate adjustments	**2.3**	7.4
	2.3	7.4
Profit before tax	**(38.4)**	(37.3)
Taxation		
Tax credit/(charge) on non-underlying items	**0.3**	(2.9)
Total non-underlying items	**(38.1)**	(40.2)

Further details of the non-underlying operating items have been provided in the Financial Review section on page 13. Furthermore, a reconciliation from the underlying to the IFRS reported basis is presented below:

	2024 (IFRS 16)			2023 (IFRS 16)		
	Underlying	**Non-underlying Items**	**IFRS**	Underlying	Non-underlying Items	IFRS
Operating profit/(loss) (£m)	**246.6**	**(40.7)**	**205.9**	204.8	(38.0)	166.8
Operating margin	**7.2%**	**(1.2)%**	**6.0%**	6.8%	(1.3)%	5.5%
Profit/(loss) before tax (£m)	**157.0**	**(38.4)**	**118.6**	125.4	(37.3)	88.1
Earnings/(loss) p/share (p)	**8.1**	**(4.7)**	**3.4**	6.2	(5.2)	1.0

3. Pre-IFRS 16 basis

In addition to our reported results under IFRS we have decided to also maintain the reporting of our profit and other key KPIs like net debt on a pre-IFRS 16 basis. This is because the pre-IFRS 16 profit is consistent with the financial information used to inform business decisions and investment appraisals. It is our view that presenting the information on a pre-IFRS 16 basis will provide a useful and necessary basis for understanding the Group's results. As such, commentary has also been included in the Business Review, Financial Review and other sections with reference to underlying profit measures computed on a pre-IFRS 16 basis.

A reconciliation of key underlying profit measures to 'Pre-IFRS 16' numbers is presented below:

		Year ended 30 September 2024			Year ended 30 September 2023		
	Notes	**Underlying IFRS £m**	**Impact of IFRS 16 £m**	**Underlying Pre-IFRS 16 £m**	Underlying IFRS £m	Impact of IFRS 16 £m	Underlying Pre-IFRS 16 £m
Revenue	2	**3,433.2**	**-**	**3,433.2**	3,009.7	–	3,009.7
Operating costs	4	**(3,186.6)**	**(41.0)**	**(3,227.6)**	(2,804.9)	(41.1)	(2,846.0)
Operating profit/(loss)		**246.6**	**(41.0)**	**205.6**	204.8	(41.1)	163.7
Share of profit from associates		**5.4**	**0.2**	**5.6**	7.2	–	7.2
Finance income	5	**19.1**	**-**	**19.1**	17.0	–	17.0
Finance expense	5	**(114.1)**	**62.1**	**(52.0)**	(103.6)	53.1	(50.5)
Profit before tax		**157.0**	**21.3**	**178.3**	125.4	12.0	137.4
Taxation		**(33.4)**	**(1.4)**	**(34.8)**	(29.1)	(2.1)	(31.2)
Profit for the year		**123.6**	**19.9**	**143.5**	96.3	9.9	106.2
Profit attributable to:							
Equity holders of the parent		**64.9**	**15.1**	**80.0**	49.6	6.9	56.5
Non-controlling interests		**58.7**	**4.8**	**63.5**	46.7	3.0	49.7
Profit for the period		**123.6**	**19.9**	**143.5**	96.3	9.9	106.2
Earning per share (pence):							
– Basic	3	**8.1**		**10.0**	6.2		7.1
– Diluted	3	**8.1**		**9.9**	6.2		7.0

Underlying operating profit is £41.0m lower on a pre-IFRS 16 basis, as adding back the depreciation of the right-of-use assets of £236.1m does not fully offset the recognition of fixed rents of £(274.8)m and the gain on derecognition of leases of £(2.3)m. Profit before tax is £21.3m higher on a pre-IFRS 16 basis as a result of adding back £62.1m in finance charges on lease liabilities and £0.2m on the share of profit from associates. The impact of IFRS 16 on net debt is primarily the recognition of the lease liability balance.

The tax effect of the net IFRS 16 impact is sensitive to the geographic mix of the IFRS 16 adjustments which can differ year to year. The tax effect reflects a combination of higher tax rates in certain jurisdictions, as well as the impact of temporary differences in some countries for which no deferred tax asset is recognised.

Pre-IFRS 16 basis underlying EBITDA was a key measure of profitability for the Group in 2024. A reconciliation to pre-IFRS 16 basis underlying operating profit for the period is presented below:

	2024 **£m**	2023 £m
Pre-IFRS 16 underlying EBITDA	**342.9**	280.0
Depreciation of property, plant and equipment	**(128.7)**	(106.6)
Amortisation of intangible assets	**(8.6)**	(9.7)
Pre-IFRS 16 underlying operating profit	**205.6**	163.7

Furthermore, a reconciliation from pre-IFRS 16 underlying operating profit for the year to the IFRS profit after tax for the period is as follows:

	2024 **£m**	2023 £m
Pre-IFRS 16 underlying operating profit for the year	**205.6**	163.7
Depreciation of right-of-use assets	**(236.1)**	(194.5)
Fixed rent on leases	**274.8**	230.4
Gain on derecognition of leases	**2.3**	5.2
Non-underlying operating loss (note 4)	**(40.7)**	(38.0)
Share of profit from associates	**5.4**	7.2
Non-underlying share of loss from associates	**-**	(6.7)
Net finance expense	**(95.0)**	(86.6)
Non-underlying finance income (note 5)	**2.3**	7.4
Taxation	**(33.1)**	(32.0)
IFRS Profit after tax	**85.5**	56.1

A reconciliation of underlying operating profit to profit before and after tax is provided as follows:

	2024 **£m**	2023 £m
Underlying operating profit	**246.6**	204.8
Non-underlying operating costs (note 5)	**(40.7)**	(38.0)
Share of profit from associates	**5.4**	7.2
Non-underlying share of loss from associate	**-**	(6.7)
Finance income	**19.1**	17.0
Finance expense	**(114.1)**	(103.6)
Non-underlying finance income (note 6)	**2.3**	7.4
IFRS Profit before tax	**118.6**	88.1
Taxation	**(33.1)**	(32.0)
IFRS Profit after tax	**85.5**	56.1

4. Return on capital employed

The calculation of the Group's return on capital employed ("ROCE") is set out below:

	2024	2023
	£m	£m
Capital employed		
Net assets	**383.2**	322.1
Adjustments to exclude:		
Net debt	**592.5**	392.2
Non-controlling interests share of equity	**(156.0)**	(95.9)
Tax assets and liabilities	**(32.1)**	(53.9)
Lease assets and liabilities	**57.1**	97.2
Other long term liabilities	**48.1**	42.5
Capital Employed	**892.8**	704.2
Average Capital Employed	**798.5**	663.4
Return		
Underlying Operating Profit (pre-IFRS 16 basis)	**205.6**	163.7
Non Controlling interests share excluded	**(70.1)**	(57.9)
Profit from Associates included	**5.6**	7.2
Adjusted Return	**141.1**	113.0
ROCE%	**17.7%**	17.0%

The calculation is used as a measure of the average capital that the Group has utilised to generate returns to shareholders. Return is defined as underlying pre IFRS 16 operating profit, adjusted for Associates and Non-controlling interests. Capital Employed is defined as Group Net Assets adjusted to exclude Net Debt, tax assets and liabilities, lease and other long term liabilities and Non-controlling interests share of equity.

5. Liquidity and cashflow

Liquidity remains a key KPI for the Group. Available liquidity at 30 September 2024 has been computed as £558.4m, comprising cash and cash equivalents of £254.8m, and undrawn credit facilities of £303.3m.

A reconciliation of free cashflow to underlying operating profit is shown on page 20.

Principal risks

During the year, the Board has undertaken a detailed review of the Company's principal and emerging risks. As a result, three new principal risks have been added:

- Product safety & quality – in recognition of the critical importance of the safety and quality of our product offerings, this risk which was previously covered under 'Health & Safety', has been separated to reflect the high priority our Board, leadership and colleagues attach to the careful and uncompromising management of this risk.
- Realisation of returns from capital invested – as a clear strategic priority for our business, this risk has been elevated to the principal risks list to reflect its importance in the short, medium and long term, and the level of focus, oversight and scrutiny it will receive at all levels of our governance framework.
- People – talent acquisition & retention, organisational structure & culture – replacing and reframing last year's principal risk relating to senior capability at Group and country level.

A number of risks identified in last year's Annual Report have been removed, either because it was determined that they no longer meet the threshold for a principal risk, or because the risks were now considered less relevant to SSP's strategic direction, priorities or activities:

- Mobilisation of pipeline
- Insufficient senior capability at Group and country level
- Benefits realisation from efficiency programmes
- Innovation and development of brand portfolio
- M&A activity

These risks continue to be recognised as important to the Group, and are recorded in the Group Strategic Risk Register which is regularly and actively monitored and managed through the Group and Regional Risk Committees with support from the Risk & Assurance function.

The Group's redefined "Principal risks", together with the Group's risk management process, will be set out in the 2024 Annual Report and Accounts, and relate to the following areas: Geo-political and macroeconomic events and trends, Information security, stability and resilience, Competitive landscape – changing client, competitor and consumer behaviour, Health & Safety, Product safety and quality, Expansion into new markets, Sustainability, Supply chain and product cost inflation, Legal and regulatory compliance, Realisation of returns on capital invested, People – talent acquisition and retention, organisational structure and culture, Availability of labour and wage inflation.

Jonathan Davies
Deputy Group CEO and CFO
2 December 2024

Consolidated income statement

for the year ended 30 September 2024

	Notes	Year ended 30 September 2024			Year ended 30 September 2023		
		Underlying[1] £m	**Non-underlying items £m**	**IFRS £m**	Underlying[1] £m	Non-underlying items £m	IFRS £m
Revenue	2	**3,433.2**	**-**	**3,433.2**	3,009.7	-	3,009.7
Operating costs	4	**(3,186.6)**	**(40.7)**	**(3,227.3)**	(2,804.9)	(38.0)	(2,842.9)
Operating profit		**246.6**	**(40.7)**	**205.9**	204.8	(38.0)	166.8
Share of profit of associates		**5.4**	**-**	**5.4**	7.2	(6.7)	0.5
Finance income	5	**19.1**	**-**	**19.1**	17.0	-	17.0
Finance expense	5	**(114.1)**	**2.3**	**(111.8)**	(103.6)	7.4	(96.2)
Profit/(loss) before tax		**157.0**	**(38.4)**	**118.6**	125.4	(37.3)	88.1
Taxation		**(33.4)**	**0.3**	**(33.1)**	(29.1)	(2.9)	(32.0)
Profit/(loss) for the year		**123.6**	**(38.1)**	**85.5**	96.3	(40.2)	56.1
Profit/(loss) attributable to:							
Equity holders of the parent		**64.9**	**(37.5)**	**27.4**	49.6	(41.5)	8.1
Non-controlling interests		**58.7**	**(0.6)**	**58.1**	46.7	1.3	48.0
Profit/(loss) for the year		**123.6**	**(38.1)**	**85.5**	96.3	(40.2)	56.1
Earnings per share (p):							
- Basic	3	**8.1**		**3.4**	6.2		1.0
- Diluted	3	**8.1**		**3.4**	6.2		1.0

[1] Stated on an underlying basis, which excludes non-underlying items as further explained in the section on Alternative Performance Measures (APMs) on pages 20 – 23. The classification of taxation follows the classification of the taxed items. Items previously recognised as non-underlying or underlying, in the event of their reversal, are recognised in accordance with their original classification.

Consolidated statement of other comprehensive income
for the year ended 30 September 2024

	2024	2023
	£m	£m
Other comprehensive income / (expense)		
Items that will never be reclassified to the income statement		
Remeasurements on defined benefit pension schemes	**(0.2)**	(4.4)
Tax credit relating to items that will not be reclassified	**0.1**	1.0
Items that are or may be reclassified subsequently to the income statement		
Net gain on hedge of net investment in foreign operations	**36.1**	33.9
Other foreign exchange translation differences	**(50.5)**	(49.4)
Effective portion of changes in fair value of cash flow hedges	**(0.7)**	-
Cash flow hedges – reclassified to income statement	**-**	-
Tax credit/(charge) relating to items that are or may be reclassified	**0.6**	(1.1)
Other comprehensive (expense)/income for the year	**(14.6)**	(20.0)
Profit for the year	**85.5**	56.1
Total comprehensive income for the year	**70.9**	36.1
Total comprehensive income/(expense) attributable to:		
Equity shareholders	**24.5**	(0.7)
Non-controlling interests	**46.4**	36.8
Total comprehensive income for the year	**70.9**	36.1

Consolidated balance sheet
as at 30 September 2024

	Notes	2024 £m	2023 £m
Non-current assets			
Property, plant and equipment		**696.8**	586.9
Goodwill and intangible assets		**755.7**	681.1
Right-of-use assets		**1,032.0**	931.5
Investments in associates		**21.5**	16.2
Deferred tax assets		**84.2**	91.0
Other receivables		**105.7**	81.2
		2,695.9	2,387.9
Current assets			
Inventories		**45.5**	42.4
Tax receivable		**10.0**	6.0
Trade and other receivables		**166.7**	158.6
Cash and cash equivalents		**254.8**	303.3
		477.0	510.3
Total assets		**3,172.9**	2,898.2
Current liabilities			
Short-term borrowings	8	**(12.2)**	(12.6)
Trade and other payables		**(717.0)**	(741.1)
Tax payable		**(22.4)**	(23.3)
Lease liabilities		**(298.7)**	(252.3)
Provisions		**(26.1)**	(25.3)
		(1,076.4)	(1,054.6)
Non-current liabilities			
Long-term borrowings	8	**(835.1)**	(682.8)
Post-employment benefit obligations		**(10.7)**	(10.5)
Lease liabilities		**(790.4)**	(776.4)
Other payables		**(1.5)**	(1.3)
Provisions		**(35.2)**	(30.7)
Deferred tax liabilities		**(39.7)**	(19.8)
Interest rate swaps		**(0.7)**	-
		(1,713.3)	(1,521.5)
Total liabilities		**(2,789.7)**	(2,576.1)
Net assets		**383.2**	322.1
Equity			
Share capital		**8.6**	8.6
Share premium		**472.7**	472.7
Capital redemption reserve		**1.2**	1.2
Other reserves		**(20.7)**	(18.2)
Retained losses		**(234.6)**	(238.1)
Total equity shareholders' funds		**227.2**	226.2
Non-controlling interests		**156.0**	95.9
Total equity		**383.2**	322.1

Consolidated statement of changes in equity
for the year ended 30 September 2024

	Share capital	Share premium	Capital redemption reserve	Other reserves[1]	Retained losses	Total parent equity	NCI	Total equity
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
At 1 October 2022	**8.6**	**472.7**	**1.2**	**(9.0)**	**(248.5)**	**225.0**	**86.0**	**311.0**
Profit for the year	-	-	-	-	8.1	8.1	48.0	56.1
Other comprehensive expense for the year	-	-	-	(5.4)	(3.4)	(8.8)	(11.2)	(20.0)
Capital contributions from NCI	-	-	-	-	-	-	17.3	17.3
Dividends paid to non controlling interests	-	-	-	-	-	-	(45.3)	(45.3)
Purchase of additional stake in subsidiary	-	-	-	(1.1)	-	(1.1)	1.1	-
Transactions with non-controlling interests	-	-	-	(2.7)	-	(2.7)	-	(2.7)
Share-based payments	-	-	-	-	5.7	5.7	-	5.7
At 30 September 2023	**8.6**	**472.7**	**1.2**	**(18.2)**	**(238.1)**	**226.2**	**95.9**	**322.1**
Profit for the year	**-**	**-**	**-**	**-**	**27.4**	**27.4**	**58.1**	**85.5**
Other comprehensive expense for the year	**-**	**-**	**-**	**(2.8)**	**(0.1)**	**(2.9)**	**(11.7)**	**(14.6)**
Capital contributions from NCI	**-**	**-**	**-**	**-**	**-**	**-**	**51.1**	**51.1**
Dividends paid to non controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(44.1)**	**(44.1)**
Dividends paid to shareholders	**-**	**-**	**-**	**-**	**(29.5)**	**(29.5)**	**-**	**(29.5)**
Purchase of additional stake in subsidiary	**-**	**-**	**-**	**(6.2)**	**-**	**(6.2)**	**6.7**	**0.5**
Transactions with non-controlling interests	**-**	**-**	**-**	**6.5**	**-**	**6.5**	**-**	**6.5**
Share-based payments	**-**	**-**	**-**	**-**	**5.7**	**5.7**	**-**	**5.7**
At 30 September 2024	**8.6**	**472.2**	**1.2**	**(20.7)**	**(234.6)**	**227.2**	**156.0**	**383.2**

[1] At 30 September 2023 and 30 September 2024, the other reserves include the translation reserve and the result of purchasing additional stake in subsidiary

Consolidated cash flow statement
for the year ended 30 September 2024

	Notes	2024 £m	2023 £m
Cash flows from operating activities			
Cash flow from operations	6	**592.5**	498.3
Tax paid		**(26.0)**	(19.6)
Net cash flows from operating activities		**566.5**	478.7
Cash flows from investing activities			
Dividends received from associates		**9.6**	7.3
Interest received		**12.5**	11.5
Purchase of property, plant and equipment		**(260.2)**	(219.9)
Purchase of other intangible assets		**(36.9)**	(22.6)
Acquisition of associates		**(10.5)**	-
Acquisition of subsidiaries, net of cash acquired		**(128.4)**	(41.2)
Net cash flows from investing activities		**(413.9)**	(264.9)
Cash flows from financing activities			
Repayment of bank borrowings		**(12.3)**	(95.9)
Debt refinancing and modification fees paid		**(0.5)**	(4.6)
Drawdown of USPP debt		**205.4**	-
Loans (repaid to)/taken from non-controlling interests		**5.0**	(1.2)
Payment of lease liabilities – principal		**(218.6)**	(197.5)
Payment of lease liabilities – interest		**(62.1)**	(53.1)
Interest paid excluding interest on lease liabilities		**(47.8)**	(57.6)
Dividends paid to non-controlling interests		**(44.1)**	(45.3)
Dividends paid to shareholders		**(29.5)**	
Recapitalisation/capital contributions into associate		**(0.8)**	(8.0)
Capital contribution from non-controlling interests		**18.3**	22.5
Net cash flows from financing activities		**(187.0)**	(440.7)
Net decrease in cash and cash equivalents		**(34.4)**	(226.9)
Cash and cash equivalents at beginning of the year		**303.3**	543.6
Effect of exchange rate fluctuations on cash and cash equivalents		**(14.1)**	(13.4)
Cash and cash equivalents at end of the year		**254.8**	303.3
Reconciliation of net cash flow to movement in net debt			
Net decrease in cash in the year		**(34.4)**	(226.9)
Cash inflow from USPP facility		**(205.4)**	77.4
Cash outflow/(inflow) from other changes in debt		**7.3**	19.7
Change in net debt resulting from cash flows, excluding lease liabilities		**(232.5)**	(129.8)
Translation differences		**23.8**	21.9
Other non-cash changes		**8.4**	12.0
Increase in net debt excluding lease liabilities in the year		**(200.3)**	(95.9)
Net debt at beginning of the year		**(392.2)**	(296.3)
Net debt excluding lease liabilities at end of the year		**(592.5)**	(392.2)
Recognition of lease liabilities upon transition to IFRS 16			
Lease liabilities at beginning of the year		**(1,028.7)**	(854.6)
Cash outflow from payment of lease liabilities		**280.7**	250.6
Lease amendments		**(383.9)**	(460.5)
Translation differences		**42.8**	35.8
Lease liabilities at end of the year		**(1,089.1)**	(1,028.7)
Net debt including lease liabilities at end of the year		**(1,681.6)**	(1,420.9)

Notes

1 Basis of preparation and accounting policies

1.1 Basis of preparation

SSP Group plc (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group) and equity-account the Group's interest in its associates. These financial statements have been prepared in accordance with UK-adopted International Accounting Standards('IAS').

The financial statements are presented in Sterling, which is the Company's functional currency. All information is given to the nearest £0.1 million.

The financial statements are prepared on the historical cost basis, except in respect of financial instruments (including derivative instruments) and defined benefit pension schemes for which assets are measured at fair value, as explained in the accounting policies below.

1.2 Going concern

These financial statements are prepared on a going concern basis.

The Board has reviewed the Group's financial forecasts as part of the preparation of its financial statements, including cash flow forecasts prepared for a period of twelve months from the date of approval of these financial statements ("the going concern period") and taking into consideration a number of different scenarios. Having carefully reviewed these forecasts, the Directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements for the reasons set out below.

In making the going concern assessment, the Directors have considered forecast cash flows and the liquidity available over the going concern period. In doing so they assessed a number of scenarios, including a base case scenario and a plausible downside scenario. The base case scenario reflects an expectation of a continuing growth in passenger numbers in most of our key markets during the forecast period, augmented by the ongoing roll-out of our new business pipeline.

With some uncertainty surrounding the economic and geo-political environment over the next twelve months, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a pessimistic view of the travel markets for the remainder of the current financial year, assuming sales that are around 5% lower than in the base case scenario.

In both its base case and downside case scenarios, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, and that it will have headroom against all applicable covenant tests throughout this period of assessment. The Directors have therefore deemed it appropriate to prepare the financial statements for the year ended 30 September 2024 on a going concern basis.

1.3 Changes in accounting policies and disclosures

The following amended standards and interpretations have been adopted by the Group in the current period:

- IFRS 17 Insurance contracts (as issued on 18 May 2017) including amendments to IFRS 17 (issued on 25 June 2020)
- Definition of Accounting Estimates: Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Disclosure of Accounting policies: Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements
- Amendments to IAS 12 Income Taxes - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information
- Amendments to IAS 12: International Tax Reform—Pillar Two Model Rules

There is no significant impact of adopting these new standards on the Group's consolidated financial statements.

1.4 New accounting standards not yet adopted by the Group

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- IAS 1 'Presentation of Financial Statements' (amendments) – classification of liabilities as current or non-current and non-current liabilities with covenants
- IFRS 16 'Leases' (amendments) – lease liability in a sale and leaseback
- IFRS 7 'Financial Instruments: Disclosures' & IAS 7 'Statement of Cash Flows' (amendments) – supplier finance arrangements

2 Segmental reporting

SSP operates in the food and beverage travel sector, mainly at airports and railway stations.

Management monitors the performance and strategic priorities of the business from a geographic perspective, and in this regard has identified the following four key "reportable segments": North America, Continental Europe, the UK and APAC & EEME. North America includes operations in the United States, Canada and Bermuda; Continental Europe includes operations in the Nordic countries and in Western and Southern Europe; The UK includes operations in the United Kingdom and the Republic of Ireland; and APAC & EEME includes operations in Asia Pacific, India, Eastern Europe and the Middle East, and South America. These segments comprise countries which are at similar stages of development and demonstrate similar economic characteristics.

The Group's management assesses the performance of the operating segments based on revenue and underlying operating profit. Interest income and expenditure are not allocated to segments, as they are managed by a central treasury function, which oversees the debt and liquidity position of the Group. The non-attributable segment comprises costs associated with the Group's head office function and depreciation of central assets.

	North America	**Continental Europe**	**UK**	**APAC & EEME**	**Non-attributable**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Year ended 30 September 2024						
Revenue	**813.9**	**1,207.4**	**892.5**	**519.4**	**-**	**3,433.2**
Underlying operating profit/(loss)	**87.6**	**39.1**	**79.4**	**82.7**	**(42.2)**	**246.6**
Non-underlying operating (loss)/profit	**(7.7)**	**(28.6)**	**(5.9)**	**(3.1)**	**4.6**	**(40.7)**
Operating profit/(loss)	**79.9**	**10.5**	**73.5**	**79.6**	**(37.6)**	**205.9**
Year ended 30 September 2023						
Revenue	668.8	1,136.7	773.6	430.6	-	3,009.7
Underlying operating profit/(loss)	68.2	51.9	66.1	71.0	(52.4)	204.8
Non-underlying operating (loss)/profit	(1.2)	(19.3)	(11.5)	1.2	(7.2)	(38.0)
Operating profit/(loss)	67.0	32.6	54.6	72.2	(59.6)	166.8

The following amounts are included in underlying operating profit:

	North America	Continental Europe	UK	APAC & EEME	Non-attributable	Total
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Year ended 30 September 2024						
Depreciation and amortisation	**(87.7)**	**(174.1)**	**(54.9)**	**(48.8)**	**(7.9)**	**(373.4)**
Year ended 30 September 2023						
Depreciation and amortisation	(73.4)	(136.7)	(47.4)	(44.8)	(8.5)	(310.8)

A reconciliation of underlying operating profit to profit before and after tax is provided as follows:

	2024	2023
	£m	£m
Underlying operating profit	**246.6**	204.8
Non-underlying operating loss (note 4)	**(40.7)**	(38.0)
Share of profit from associates	**5.4**	0.5
Finance income	**19.1**	17.0
Finance expense	**(114.1)**	(103.6)
Non-underlying finance expense (note 5)	**2.3**	7.4
Profit before tax	**118.6**	88.1
Taxation	**(33.1)**	(32.0)
Profit after tax	**85.5**	56.1

3 Earnings per share

Basic earnings per share is calculated by dividing the result for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the result for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted by potentially dilutive outstanding share options.

Underlying earnings per share is calculated the same way except that the result for the year attributable to ordinary shareholders is adjusted for specific items as detailed below:

	2024	2023
	£m	£m
Profit attributable to ordinary shareholders	**27.4**	8.1
Adjustments:		
Non-underlying operating expense	**40.7**	38.0
Non-underlying share of loss of associate	**-**	6.7
Non-underlying finance income	**(2.3)**	(7.4)
Tax effect of adjustments	**(0.3)**	2.9
Non-underlying costs attributable to NCI	**(0.6)**	1.3
Underlying profit attributable to ordinary shareholders	**64.9**	49.6
Basic weighted average number of shares	**797,868,792**	796,439,158
Dilutive potential ordinary shares	**6,638,020**	9,533,231
Diluted weighted average number of shares	**804,506,812**	805,972,389
Earnings per share (p):		
- Basic	**3.4**	1.0
- Diluted	**3.4**	1.0
Underlying earnings per share (p):		
- Basic	**8.1**	6.2
- Diluted	**8.1**	6.2

The number of ordinary shares in issue as at 30 September 2024 was 798,495,196 which excludes treasury shares (30 September 2023: 796,529,196). The Company also holds 263,499 treasury shares (2023: 263,499).

Potential ordinary shares can only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share.

4 Operating costs

	2024	2023
	£m	£m
Cost of food and materials:		
Cost of inventories consumed in the year	**(937.0)**	(836.6)
Labour cost:		
Employee remuneration	**(1,030.1)**	(918.4)
Overheads:		
Depreciation of property, plant and equipment	**(128.7)**	(106.6)
Depreciation of right-of-use assets	**(236.1)**	(194.5)
Amortisation of intangible assets	**(8.6)**	(9.7)
Non-underlying operating costs	**(40.7)**	(38.0)
Gain on lease derecognition	**2.3**	5.2
Rentals payable under leases	**(463.8)**	(396.8)
Other overheads	**(384.6)**	(347.5)
	(3,227.3)	(2,842.9)

Non-underlying operating items

The non-underlying operating costs in each year are shown below.

	2024	2023
	£m	£m
Impairment of goodwill	**(9.6)**	(12.5)
Impairment of property, plant and equipment	**(17.1)**	(2.4)
Impairment of right-of-use assets	**(6.3)**	(3.2)
Site exit costs	**(1.2)**	(8.6)
Litigation settlement	**8.5**	(4.7)
Transaction costs	**(10.8)**	(2.2)
Restructuring costs	**(6.7)**	-
Gain on lease derecognition	**8.9**	2.7
Other non-underlying costs	**(6.4)**	(7.1)
Total non-underlying operating items	**(40.7)**	(38.0)

5 Finance income and expense

	2024	2023
	£m	£m
Finance income		
Interest income	**12.5**	11.5
Net foreign exchange gains	**6.6**	5.0
Other	**-**	0.5
Total finance income	**19.1**	17.0
Finance expense		
Total interest expense on financial liabilities measured at amortised cost	**(52.2)**	(49.8)
Lease interest expense	**(62.1)**	(53.1)
Debt refinancing gains/(loss)	**(0.5)**	2.3
Effective interest rate adjustment	**2.8**	5.1
Net change in fair value of cash flow hedges utilised in the year	**1.4**	-
Unwind of discount on provisions	**(0.7)**	(0.9)
Net interest (expense)/gain on defined benefit pension obligations	**(0.5)**	0.2
Total finance expense	**(111.8)**	(96.2)

6 Cash flow from operations

	2024	2023
	£m	£m
Profit for the year	**85.5**	56.1
Adjustments for:		
Depreciation of property, plant and equipment	**128.7**	106.6
Depreciation of right-of-use assets	**236.1**	194.5
Amortisation of intangible assets	**8.6**	9.7
Profit on derecognition of leases	**(11.2)**	(7.9)
Impairments	**33.0**	18.1
Share-based payments	**5.7**	5.7
Finance income	**(19.1)**	(17.0)
Finance expense	**111.8**	96.2
Share of profit of associates	**(5.4)**	(0.5)
Taxation	**33.1**	32.0
Other	**4.2**	(0.1)
	611.0	493.4
Decrease/(increase) in trade and other receivables	**5.5**	(12.2)
Increase in inventories	**(2.2)**	(5.3)
(Decrease)/increase in trade and other payables including provisions	**(21.8)**	22.4
Cash flow from operations	**592.5**	498.3

7 Dividends

The following dividends were paid in the year per qualifying ordinary share:

	Payment date	2024 £m	2023 £m £m
2.5p final dividend for 2023 (final dividend for 2022: nil)	29 February 2024	**19.9**	-
1.2p interim dividend for 2024 (interim dividend for 2023: nil)	31 May 2024	**9.6**	-

After the balance sheet date, a final dividend of 2.3 p per share per qualifying ordinary share (£18.4m) was proposed by the directors. The dividends have not been provided for.

8 Fair value measurement

Certain of the Group's financial instruments are held at fair value.

The fair values of financial instruments held at fair value have been determined based on available market information at the balance sheet date. The fair values of the Group's borrowings are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Carrying value and fair values of certain financial instruments

The following table shows the carrying value of financial assets and financial liabilities.

	As at 30 September 2024 £m	As at 30 September 2023 £m
Financial assets measured at amortised cost		
Cash and cash equivalents	**254.8**	303.3
Trade and other receivables	**214.3**	191.8
Total financial assets measured at amortised cost	**469.1**	495.1
Non-derivative financial liabilities measured at amortised cost		
Bank loans	**(326.3)**	(347.0)
US private placement notes	**(521.0)**	(348.4)
Lease liabilities	**(1,089.1)**	(1,028.7)
Trade and other payables	**(689.0)**	(712.4)
Total financial liabilities measured at amortised cost	**(2,625.4)**	(2,436.5)
Derivative financial liabilities		
Interest rate swaps	**(0.7)**	-
Total derivative financial liabilities	**(0.7)**	-

Financial assets and liabilities in the Group's consolidated balance sheet are either held at fair value, or their carrying value where it approximates to fair value, with the exception of loans which are held at amortised cost. The fair value of total borrowings excluding lease liabilities estimated using market prices at 30 September 2024 was £847.8m (30 September 2023: £693.1m).

Financial assets and liabilities are measured at fair value and are classified as level 2. This uses the fair value hierarchy whereby inputs, which are used in the valuation of these financial assets, and liabilities have a significant effect on the fair value, are observable either directly or indirectly. There were no transfers during the period.

9 Business combinations and purchase of non-controlling interest

A summary of the details of the acquisitions completed in the period is shown in the table below:

Business / Company	Sector	Country	SSP Ownership	Acquisition date
Midfield Concession Enterprise Inc. (Denver airport)	Air	USA	60%	16 November 2023
ECG Ventures Ltd	Air	Canada	100%	11 December 2023
Mack II	Air	USA	51%	1 February 2024
Airport Retail Enterprise	Air	Australia	100%	1 May 2024
Backwerk	Rail	Germany	100%	1 July 2024

Airport Retail Enterprises Pty Ltd

On 13 February 2024, the Group signed an agreement to purchase Airport Retail Enterprises Pty Ltd ("ARE"). This has expanded the Group's presence across Australia adding 62 outlets across seven airports to its portfolio: Sydney, Melbourne, Brisbane, Gold Coast, Canberra, Townsville and Mount Isa. The cash consideration for the acquisition was approximately £82.9m (AUS$158m) (subject to completion adjustments). The transaction completed on 1 May 2024. Due to the timing of completion, the provisional fair values of all acquired assets and liabilities are yet to be determined.

Backwerk

On 31 May 2024, Station Food GmbH (Germany) signed a agreement to purchase two operating units from Hannover HBF ("BW"). This has expanded Station Food GmbH's presence by 2 outlets at a new location (Hannover Railway Station). The cash consideration for the acquisition was approximately £6.6m (EUR 7.7m) The transaction was completed on 1 July 2024. Due to the timing of completion, the provisional fair values of all acquired assets and liabilities are yet to be determined.

The fair values of the identifiable assets and liabilities of those companies as at the date of acquisition were:

	Fair value recognised on acquisition £m					
	Denver airport	**Mack II**	**ECG Ventures**	**ARE**	**BW**	**TOTAL**
Assets						
Property, plant and equipment	9.7	1.2	4.0	7.4	0.5	**22.8**
Intangible assets	-	-	0.2	0.8	-	**1.0**
Right of use assets	11.3	10.4	21.8	60.9	6.1	**110.5**
Inventory	-	-	0.2	0.9		**1.1**
Other receivables	-	-	0.1	0.5	-	**0.6**
Cash and cash equivalents	-	-	-	9.5	-	**9.5**
Liabilities						
Other liabilities	-	(0.5)	(0.9)	(12.4)	-	**(13.8)**
Lease liabilities	(8.4)	(5.3)	-	(34.0)	-	**(47.7)**
Deferred tax liabilities	-	-	(5.8)	(9.7)	-	**(15.5)**
Provisions	-	-	-	(3.2)	-	**(3.2)**
Total provisional identifiable net assets at fair value	**12.6**	**5.8**	**19.6**	**20.7**	**6.6**	**65.3**
Less: non-controlling interest measured at fair value	(5.1)	(3.2)	-	-	-	**(8.3)**
Increase in Other receivables due from NCI	5.1	5.8	-	-	-	**10.9**
Add: Goodwill arising on acquisition	2.5	2.6	12.6	62.2	-	**79.9**
TOTAL provisional net assets acquired	**15.1**	**11.0**	**32.2**	**82.9**	**6.6**	**147.8**

Satisfied by:

Purchase consideration	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Cash paid	6.9	11.0	30.6	82.9	6.6	**138.0**
Offsets against NCI receivables in other joint ventures from the same joint venture partners	5.7	-	-	-	-	**5.7**
Deferred consideration	1.9	-	1.6	-	-	**3.5**
Capital expenditure settlements	0.6	-	-	-	-	**0.6**
Total purchase consideration	**15.1**	**11.0**	**32.2**	**82.9**	**6.6**	**147.8**

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the

lease liabilities and adjusted to reflect the favourable terms of the lease relative to market. The right-of-use assets include concession rights amounting to £62.8m in total across the five acquisitions will be amortised over the life of the contracts.

At the time when the financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisitions. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally, because the independent valuations have not been fully finalised.

There has been also an acquisition of 51% of shares in SSP Arabia Limited for the total consideration of £1.5m.

Purchase of non-controlling interest

Prior to 14 December 2023 the Group held a controlling 50% interest in SSP Brazil with the residual value of accumulated non-controlling interest (losses) of £6.4m. On 14 December 2023, the Group purchased the remaining 50% interest in SSP Brazil, taking its ownership to 100%. The consideration paid for the additional 50% interest in SSP Brazil was equivalent to £0.6m.

Purchase of an associate

On 25 October 2023, the Group acquired a non-controlling 50% interest in Extime Food & Beverage Paris SAS for the consideration of £10.5m with a controlling interest held by Aeroports de Paris.

10 Post balance sheet events

Indonesia

On 29 November 2024, the Group completed its agreement to create a new joint venture partnership with PT Taurus Gemilang to operate 13 outlets, mostly in Bali, which we expect to provide a platform for further growth in that market. The cash consideration for the acquisition was approximately £10m (subject to completion adjustments). Due to the timing of completion, the provisional fair values of all acquired assets and liabilities are yet to be determined.

11 Annual General Meeting

The Group's Annual General Meeting will be held in January 2025. Details of the resolutions to be proposed at that meeting will be included in the notice of Annual General Meeting that will be sent to shareholders in December 2024.

12 Other information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2024 or 30 September 2023 but is derived from those accounts. Statutory accounts for year ended 30 September 2023 have been delivered to the Registrar of Companies, and those for year ended 30 September 2024 will be delivered in due course.
The auditor has reported on the accounts for the year ended 30 September 2024; their report was:

i. unqualified, and
ii. did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Company's Annual Report and Accounts for the year ended 30 September 2024 will be posted and made available to shareholders on the Company's website in January 2025.

13 Forward looking statement

Certain information included in this announcement is forward looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward looking statements.

Forward looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans, expected expenditures and divestments, risks associated with changes in economic conditions, the strength of the food and support services markets in the jurisdictions in which the Group operates, fluctuations in food and other product costs and prices and changes in exchange and interest rates. Forward looking statements can be identified by the use of forward looking terminology, including terms such as 'believes', 'estimates', 'anticipates', 'expects', 'forecasts', 'intends', 'plans', 'projects', 'goal', 'target', 'aim', 'may', 'will', 'would', 'could' or 'should' or, in each case, their negative or other variations or comparable terminology. Forward looking statements in this results announcement are not guarantees of future performance. All forward looking statements in this results announcement are based upon information known to the Company on the date of this results announcement. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward looking statements, which speak only at their respective dates.

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. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.