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Q3 TRADING UPDATE

A QUARTER OF STRONG GROWTH WITH SALES UP 16%; FULL YEAR GUIDANCE UNCHANGED

SSP Group plc, a leading operator of restaurants, bars, cafes and other food and beverage outlets in travel locations across 37 countries, issues a Trading Update covering the third quarter (“Q3”) of its 2024 financial year (1 April to 30 June 2024) and the nine-month period ended 30 June 2024.

Group Trading Performance

The second half of the financial year has started well, with the positive momentum in H1 continuing into Q3, and our expectations for the full-year remain unchanged. Group sales in Q3 were up 16% on last year, on a constant currency basis, with like-for-like sales growth of 6%, net contract gains of 5% and a contribution from acquisitions of 5%.

Region	vs Last Year (constant FX rates)				vs Last Year (actual FX rates)
	LFL	Net Gains	Acquisitions	Total	Total
N.America	5%	8%	14%	27%	25%
C.Europe	3%	4%	-	7%	6%
UK & I	8%	4%	-	12%	12%
APAC & EEME	15%	4%	14%	33%	26%
Group	6%	5%	5%	16%	15%

Led by an increasing demand for leisure travel, we have seen a strong sales performance across all regions. On a constant currency basis, in North America sales grew by 27% year-on-year, including a 14% benefit from the acquisitions of Midfield Concessions and Mack II in the US and ECG in Canada. In Continental Europe, sales growth of 7% reflected a solid performance across the quarter. In the UK, sales increased by 12%, with like-for-like performance up 8%, reflecting good passenger numbers in the air sector and a lower incidence of rail industrial action compared with last year. In APAC and EEME, sales rose by 33%, as we saw strong like-for-like growth across the region, driven by increasing passenger numbers, and a benefit from the ARE acquisition in Australia, which completed in early May this year.

For the nine-month period from 1 October 2023 to 30 June 2024, total Group revenues increased by 18%, including LFL sales growth of 10%, net contract gains of 4% and a benefit from acquisitions of 4%. At actual exchange rates, total Group revenues increased by 15% year on year.

Outlook

Our expectations for the year, as outlined at our Interim Results on 21 May 2024, remain unchanged. We are well-positioned for the peak summer trading period and to deliver results in line with our planning assumptions¹ for FY24. The currency impact² on our planning assumptions, if current spot rates were to continue through 2024, would also be broadly unchanged since our Interim Results and would represent a translation impact only.

ORR – Railway Station Catering Market Study

On 12 June, the Office of Rail and Road (“ORR”) published its final report into the railway station catering market in the UK, having previously announced its decision not to refer the market to the Competition and Markets Authority. SSP welcomes the clarity of the ORR’s findings and will continue to work with the network operators in responding to its recommendations.

Notes

1. Our planning assumptions are for revenue to be within the range of £3.4-£3.5bn, for underlying EBITDA to be within the range of £345-£375m and underlying operating profit to be within the range of £210-£235m, all stated on a pre-IFRS 16 basis and at constant currency based on average rates for FY23.
2. If the current spot rates (30 June 2024) were to continue through 2024, we would expect a negative currency impact on revenue, underlying EBITDA and underlying operating profit (both on a pre IFRS 16 basis) of approximately (2.0)%, (3.6)% and (4.6)% respectively, compared to the average rates used for 2023. This currency impact is broadly unchanged since our Interim results.

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
Powerscourt
+44 (0) 207 250 1446
E-mail: ssp@powerscourt-group.com

NOTES TO EDITORS

About SSP

SSP is a leading operator of food and beverage outlets in travel locations worldwide, with c.43,000 colleagues in over 600 locations across 37 countries. We operate sit-down and quick service restaurants, cafes, lounges and food-led convenience stores, principally in airports and train stations, with a portfolio of more than 550 international, national and local brands. These include our own brands (such as Urban Crave, which brought the first “street eats” concept to airports in the US and Nippon Ramen, a noodle and dumpling concept in the APAC region) as well as franchise brands (such as M&S Simply Foods, Starbucks and Burger King).

Our purpose is to be the best part of the journey, and this is underpinned by our aim to bring leading brands and innovative concepts to our clients and customers around the world, with an emphasis on great value, taste, quality and service – using digital technology to boost efficiency.

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