CEO's statement

Overview

Following two years of significant investment to catch up and further grow the business as we emerged from the pandemic, at the beginning of the year, we set out a tighter strategic agenda. We decided to pause for breath, concentrating on consolidating and delivering returns on the high level of investment and growth since Covid-19. This tightened strategic agenda has been focused on driving profitability and delivering the returns on our investments. As part of this, we reduced year-on-year capital expenditure and slowed the pace of new business development. We looked to address underperforming channels, markets and units and drive the pace of profitability on units as they matured. Across our operating cost base, we focused on delivering our Value Creation Plan, with specific programmes to enhance gross margins, build labour efficiency and reduce overheads. Aligned with this, we began a programme of specific actions to enhance our profitability and returns in Continental Europe, both in 2025 and into the medium term. Alongside this returns-focused agenda, as ever, we continued to enhance our customer proposition and capabilities to drive profitability through like-for-like sales growth.

We delivered a resilient financial performance in the year, including strong trading in North America, UK & Ireland and APAC & EEME divisions, especially against an unsettled macro environment. However, I recognise there is more to do, especially in our Continental Europe division, and with a reset and embedded team, we're now making progress against the revised plan.

Indeed, given the confidence we have in our outlook for FY26, we were pleased to initiate a share buyback of £100m in October 2025, which represented a clear, compelling use of surplus capital.

In the medium term, we expect that the combination of our leadership positions in attractive and structurally growing markets, our capabilities and propositions aimed at driving like-for-like growth, and our ability to further drive efficiencies and margin enhancement will result in a sustainable cash generative model that delivers both compounding growth and shareholder returns.

Performance

Overall, Group sales were £3.6bn, up 8% year on year on a constant currency basis. Against an unsettled macroeconomic backdrop and a softer demand environment in some of our key travel markets in the second half of the financial year, Group LFL sales growth of 4% in FY25 was in line with our guidance of c.4-5%. Full year operating profit was c.£223m (on a pre-IFRS 16 underlying basis at actual currency), up c.13% year on year at constant currency, and towards the lower end of the planned range that we set out last December, with a corresponding margin of c.6.1%.

IFRS operating profit was£86.1m, down c.58% at actual currency, after impairment losses of £116.8m, mainly in continental Europe.

CEO's statement continued

Through FY25, we worked hard to pull the levers within our control to drive stronger performance across the Group. While we made good progress overall, and delivered underlying operating profit growth in all regions, we continue to recognise the imperative to accelerate this, with a particular focus on building further profitability in Continental Europe. Progress in the region was slower than anticipated due to a weak performance in France and Germany, driven by the scale of the interventions we deemed necessary to deliver a sustainable improvement, as well as challenging overall market conditions in these countries. As a result, our in-year operating profit margin in the region was 2.2% this year, up from 1.5% in FY24, but below our FY25 target of 3%.

A strong focus on cash and working capital resulted in pre-IFRS 16 net debt at £573m and leverage at 1.6x (net debt to underlying EBITDA, on a pre-IFRS 16 basis). We delivered underlying pre-IFRS 16 earnings per share for the full year at approximately 11.9p at actual exchange rates, a 19% year on year increase, in the middle of our planned range.

In addition, our full year Group ROCE, the measure we defined last year to capture the returns that accrue to SSP shareholders, strengthened further from last year's result of 17.7% to 18.7%, as we focused on building returns in our existing portfolio.

Strategic update

To drive growth and sustainable returns, our long-term strategy focuses on 1) Prioritising high-growth channels, markets and contracts in terms of where we invest; 2) Building capabilities to drive performance, in particular sustained organic growth; and 3) Driving operational efficiencies.

In FY25, acknowledging the need to drive greater returns from our recent investments in the business, and do so at pace, we narrowed our agenda to four core priorities. We have made good progress against these, but we acknowledge there is more to do in some areas.

1) Drive sustainable growth

Our target in FY25 was to sustain organic like-for-like growth of 4% to 5% and retain key contracts. Against an unsettled macroeconomic backdrop and a softer demand environment in some of our key travel markets in the second half of the financial year, Group LFL sales growth of 4% in FY25 was in line with our guidance. Beyond continued passenger volume growth, we remain focused on driving LFL sales through increasing both passenger conversion rates and average transaction values. The continued rollout of our digital ordering and payment systems supported this sales growth, with 31% of our transactions now taking place on a digital ordering system.

We also won a number of important new business contracts, including at New York's JFK Airport Terminals 5 & 6, as well as at Cochin Airport in India and at Sydney and Brisbane Airports in Australia. Our contract retention rate remained strong at more than 80%, reflecting the ongoing confidence that our clients have in our operational delivery.

2) Build profitability of the Continental European business

We set out a plan in December 2024 to drive operating profit margins in Continental Europe. While our Nordic and Spain businesses performed well and we delivered tangible benefits from each element of our plan, overall progress for the region to 2.1% operating margin in FY25 (at constant exchange rates) was slower than we had anticipated. This was due to a weak performance in France and Germany, driven by the scale of the interventions we deemed necessary to deliver a sustainable improvement, as well as the challenging overall market and Rail and MSA channel environments in these countries.

Nevertheless, with a reset and embedded team, we are now making sustained progress against a revised plan, which give us confidence in the delivery of enhanced performance. In particular, we are focused on renegotiating unprofitable contracts, ensuring stronger management of returns on new capital, reducing operating costs, principally in costs of goods sold and labour, right-sizing support structures, and accelerating profitable like-for-like sales growth.

3) Focus on cost efficiency

Across the Group, we implemented a number of cost initiatives during the year. In H2, we launched a £30m corporate and regional overhead restructuring plan across multiple markets. This aimed to simplify and re-align our support function cost base across the Group, which was completed at the end of the financial year. The programme was implemented in Q4 FY25, delivering a £5m benefit in FY25 with the remaining £25m expected to be delivered in FY26.

We have also targeted improvements in low margin or loss-making channels, markets and contracts. We made the decision to exit our subscale businesses in Italy and Bermuda. In addition, we renegotiated a number of contracts, including in Iceland, the Netherlands, Jeddah, San Jose and San Francisco, to deliver improved returns.

4) Accelerate returns from capital investments and focus on cash.

Our FY25 target was to build returns on capital employed (ROCE) from the 17.7% level in FY24 which had in turn increased from the 17.0% level in FY23. In FY25, ROCE was 18.7%.

The M&A activity that we executed during FY23 and FY24 continues to deliver at and above the returns outlined in their respective investment cases. ECG in Canada, ARE in Australia and most recently our joint venture partnership with TG in Indonesia are all ahead of expectation with Midfield Concessions and Mack II in the US both performing in line with our plans. We have not engaged in any further M&A activity in FY25 other than to settle the consideration for our acquisition in Indonesia, which was signed in December 2024.

In addition, ROCE progression was supported by increased underlying profits, a scaling down of new capital expenditure from £280m in FY24 to £212m in FY25, and limited in-year M&A, in line with our prioritisation of profitable organic growth and shareholder returns.

CEO's statement continued

Our focus on cash generation has been further intensified under the leadership of Geert Verellen, our new CFO. Given strong cash generation, as at 30 September 2025, our net debt/EBITDA was 1.6x, at the lower end of the 1.5x-2.0x target range. The £100m share buyback programme we announced early October reflected the Board's confidence in delivering these capital allocation priorities.

In addition to the strategic priorities outlined above, we had an additional aim of delivering the IPO of our Indian joint venture business, Travel Food Services (TFS), which took place on 14th July, with the anchor book three times over-subscribed, and the portion allocated to institutional investors more than eight times oversubscribed. At the end of November 2025, TFS was trading at an equity value of c.£1.5bn. The SSP shareholding is currently 50.01%.

Leadership changes

As announced in January, after 20 years of service to SSP, Jonathan Davies took the decision to step down from his role. Jonathan has been integral to the success of SSP since its formation more than 20 years ago. It has been a privilege for me to work with and learn from him since I joined the business in 2022. He will leave an enduring legacy at SSP, a well-earned reputation for thought leadership across the food travel industry and a strong finance team across the world. Though we will miss him, he is ably succeeded by Geert Verellen, who is already making a considerable positive impact on the Group Executive Committee.

I would also like to extend my personal appreciation to Mike Clasper, who announced his decision to step down from the Board following our next AGM. He has chaired the business through a time of considerable change, helping to recover the business from the Covid travel shutdown and strengthen our customer, client and partner footprint across the world. He has been an enormous source of insight, wisdom, challenge and support to me. I am very grateful for his contributions and wish him well for the future.

Looking ahead

While we live in a time of continued macroeconomic and political uncertainty, we believe that global demand for travel will remain resilient and is well set for near and long-term structural growth. FY26 will be a year of increased focus. We will streamline our agenda further, being demanding on new capital allocation in terms of where we invest, prioritising like-for-like sales and profitable organic growth, focusing on addressing under-performance wherever we find it, accelerating the delivery of efficiencies and delivering cash as well as profits.

We look to next year and beyond with confidence as we see significant opportunities for SSP to drive compounding long-term growth and returns. Speaking personally and on behalf of our Executive Team, I would like to thank our c.49,000 dedicated colleagues across the world for all their skills, support and efforts, our client, brand and business partners for their ongoing support and commitment to SSP, and our Board for its guidance over the year.

Patrick Coveney
Group Chief Executive Officer
3 December 2025