29th September 2021

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**Pre-Close Trading Update**

SSP Group plc ("SSP" or "the Group"), a leading operator of food and beverage outlets in travel locations worldwide, issues a Pre-Close Trading Update for the fourth quarter of its financial year ending 30 September 2021, covering the period from 1 July to 30 September 2021. As reported at the Group's Interim results in June, the business is benefitting from increased passenger numbers across the travel sector. In the third quarter revenue improved to 27% of 2019 levels and in the fourth quarter is expected to be c. 47%, resulting in second half revenue of c. 37% of 2019 levels. In the latest week, revenue was approximately 53% of 2019 levels.

As anticipated, domestic travel, which accounts for approximately 60% of Group revenue, and leisure travel, also approximately 60%, is recovering more rapidly than international and business travel. The recovery in the fourth quarter has enabled the Group to re-open c. 60% of its outlets, up from c. 30% at the end of the first half of 2021, and it continues to open its outlets selectively and in line with the recovery in passenger numbers.

Geographically, the stronger trading has been led by Continental Europe and North America. In Continental Europe revenue in the fourth quarter is expected to be c. 53% of 2019 levels driven by the ongoing recovery in rail passenger numbers and increased air passenger numbers over the summer holiday season. In North America, revenue in the fourth quarter is expected to be c. 52% of 2019 levels reflecting the ongoing recovery in domestic air travel. In the UK, sales have continued to strengthen following the easing of lockdown restrictions in July, led by the rail sector, and are expected to be c. 43% of 2019 levels in the fourth quarter. In the Rest of the World, where the vaccine roll-out has generally been slower, sales continue to be impacted by lockdowns in some markets, including Australia and Thailand, and in the fourth quarter are expected to be c. 29% of 2019 levels.

We have continued to make further good progress on business development in the second half, extending and renewing contracts as well as winning new tenders to augment our existing strong pipeline, including new business wins in the UK, France, India, Malaysia, Thailand, China and Australia.

The Group continues to manage operating costs and cash flow tightly. As a result of the improvement in sales over the summer and the actions taken to manage profitability, the Group is expected to deliver positive EBITDA in the final quarter and broadly break-even EBITDA for the second half of the year (on an underlying, pre-IFRS 16 basis). The second-half performance reflects the disciplined management of the re-opening programme, a simplified operating model with a lower and a more variable cost base, including reduced or waived minimum guaranteed rents, and lower overheads. In addition, the Group has been successful in accessing further, significant, short-term government support in a number of countries in Continental Europe, reflecting the continued impact of the pandemic on the travel sector.

In the second half of the year, the Group is expected to generate net free cash flow of c. £60m - £80m, principally due to a strong working capital performance, driven by the recovery in sales during the half, as well as securing further payment deferrals. At 30th September, available liquidity is expected to be slightly above £900m (including the proceeds of the April Rights Issue and the £300m loan from the CCFF, which is expected to be repaid in February 2022).

**Outlook**

The stronger trading and cash flow performance in the second half of the 2021 financial year is encouraging and the medium-term outlook of a return to pre-Covid levels of like-for-like revenue and EBITDA margins by 2024 (as set out in the Base Case scenario in the April 2021 Rights Issue) remains unchanged. However, the pace of the recovery remains uncertain, and as a consequence, our current planning assumption is for a slightly slower recovery in sales during the 2022 financial year. Whilst we anticipate a return to EBITDA profitability in FY2022 (on an underlying, pre-IFRS 16 basis), the out-turn will depend on a number of external factors including the pace of the recovery, higher input cost inflation, the impact of labour availability and the extent of government support schemes. Reflecting this, our expectation for profit conversion on reduced sales in 2022 compared to 2019 continues to be at the upper end of a range of 25-30%.

With the travel sector now starting to recover, the Group expects to commence the mobilisation of its secured pipeline which is expected to generate an additional 10-15% of net contract gains over the medium term and to utilise its significant financial capacity to drive further business growth and to capitalise on the recovery in the travel sector.

**2021 Full Year Results Announcement**
The Group's results for the year ending 30 September 2021 are expected to be released on 8th December 2021.

**CONTACTS**


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**NOTES TO EDITORS**

**About SSP**
SSP is a leading operator of food and beverage concessions in travel locations, operating restaurants, bars, cafés, food courts, lounges and convenience stores in airports, train stations, motorway service stations and other leisure locations. Prior to the onset of Covid-19, we served around one and a half million customers every day at approximately 180 airports and 300 rail stations in 35 countries around the world and operated more than 550 international, national and local brands.

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