SSP The Food Travel Experts

SSP Group plc | Annual Report and Accounts 2023

The best part of the journey

Who we are

We are the food travel experts. Present in 37 countries globally, we design, create and operate food and drink outlets in locations where people are on the move.

Whether our customers are flying abroad on holiday or commuting to work by train, we are committed to making their food and drink experience the best part of the journey.

2023 highlights

Acquisition of Midfield concessions business in USA

£3.0bn
revenue

c.320
new units won

Net-zero targets validated
by the Science Based Targets initiative (SBTi)

£166.8m
operating profit on a reported basis under IFRS 16

20%
increase in colleague numbers

7.1p
underlying pre-IFRS 16 EPS

1.0p
IFRS 16 reported EPS

42%
reduction in absolute Scope 1 and 2 greenhouse gas (GHG) emissions from our 2019 base year

Reintroduction of ordinary dividend

Contents

Catch up with our latest news and learn more about us on our website: www.foodtravelexperts.com

This report is complemented by our Sustainability Report, which can be found on our website: www.foodtravelexperts.com/sustainability

SSP at a glance

Our purpose

The best part of the journey

Our purpose – to be the best part of the journey – defines our culture and drives us to achieve our vision.

Our vision

To be the world's best travel food and beverage company

To be the leader in our sector, we need to consistently deliver the highest quality food and best experiences, as well as create long-term value for all our stakeholders in a sustainable way.

Our values and culture

Our values play a key role in enabling us to be the best part of the journey. They were developed in consultation with our teams across the world. They guide our culture, behaviours and decisions, to ensure we act in the best interests of our stakeholders, the environment and our business.

- We are one team
- We are bold
- We are results focused
- We celebrate success
- We all make a difference

Our strategy

Our strategy is to accelerate revenue growth, including like-for-like and new business growth, which we convert efficiently to drive profit, cash and economic returns.

We will do this by:

PIVOTING TO HIGH GROWTH MARKETS

ENHANCING BUSINESS CAPABILITIES; DRIVING COMPETITIVE ADVANTAGE

DELIVERING OPERATIONAL EFFICIENCIES

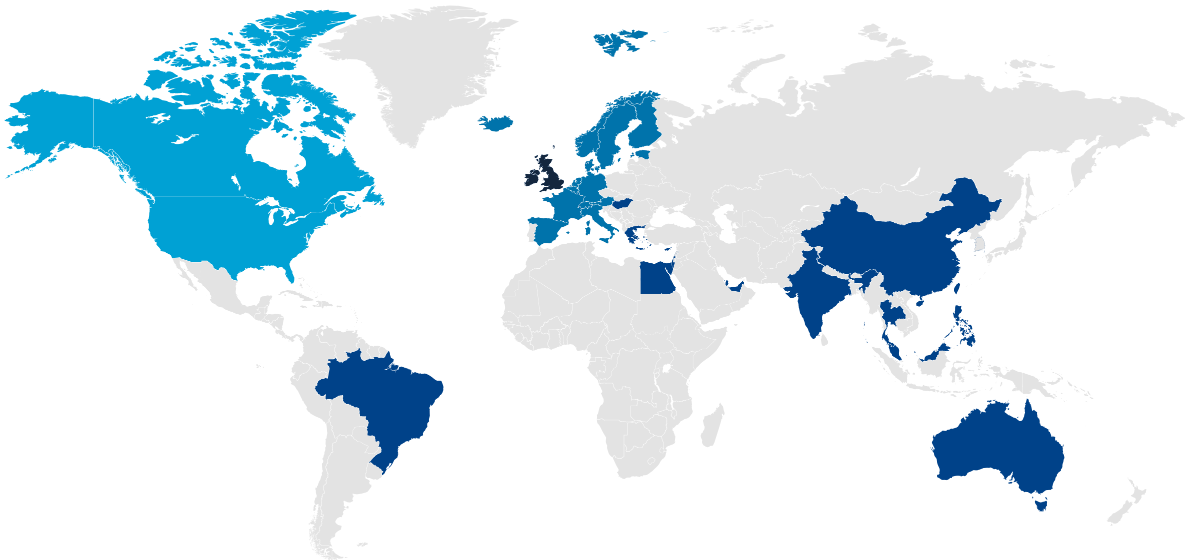
Find out more about our strategy on page 18.

Remuneration linked to performance

See how delivering our strategy is reflected in our executive remuneration.

Find out more in our Directors' Remuneration Report on pages 116-140.

Our global reach



We operate in 37* countries and territories, across four operating regions (or reportable segments):

- North America
- Continental Europe
- UK & Ireland (UK & I)
- Asia Pacific and Eastern Europe & Middle East (APAC and EEME)

37
countries

c.42,000
colleagues

c.600
locations across the world

c.550
brands

c.2,900
units

For more information about our regions, see pages 32-39.

*First unit in Italy due to start trading early December.

Our brand portfolio

We have a wide portfolio of brands, including our own and those we franchise, which cater to client and customer needs. Our brands range from well-known grab 'n' go sandwich shops and cafés to casual dining restaurants and bespoke high-end concepts, so we can respond to our customers' specific needs as they travel around the world. This strong brand line-up is key to our ability to win and retain contracts, as it gives clients confidence that we can meet our customers' diverse needs with a variety of food and drink and convenience retail options. We operate international brands, national brands and local heroes, which are prominent brands in specific markets, as well as brands and concepts that we have created.

Brands we have created

International brands

National brands

Bespoke concepts

Brands we franchise

International brands

National brands

Local heroes

Driving momentum

"Our purpose is to be the

best part of the journey

2023 has been a year of momentum. We've seen a strong recovery in travel, made great progress against our strategic priorities, and delivered a financial performance at the top end of our expectations.

We will continue to build on this strong momentum into next year and, as always, we will be driven by our purpose to be the best part of the journey."

Patrick Coveney
Group CEO

Accelerating growth in North America

Announcing an important step in our strategy to accelerate growth in North America

Through the acquisition of the concessions business of Midfield Concession Enterprises Inc., we've added 40 new units at seven airports, including four new locations (Detroit Metropolitan Wayne County, Denver International, Philadelphia International and Cleveland Hopkins International).

Developing
exciting new brand propositions

Two exciting new partnerships in the UK and Europe: The Breakfast Club and BrewDog

We are experts at identifying brands that customers love and working in partnership to ‘travelise’ them, making them relevant for the travel environment. We opened The Breakfast Club’s first airport restaurant in London Gatwick and two BrewDog units: one at Amsterdam Central Station, the brand’s first opening in a mainland European travel location, followed by a second opening at Gatwick Airport in December 2023.

Progressing
our journey to net zero

Validation of our net-zero targets

Our net-zero targets have been validated by the Science Based Targets initiative (SBTi), the global body for validating emissions reduction targets in line with the latest climate science. Importantly, our near- and long-term net-zero targets cover GHG emissions across our value chain (Scopes 1, 2 and 3), including upstream supply chain and downstream end-use.

Investment case

Why invest in SSP?

1

Leading market positions in growing food travel sector

- Operating in an industry with long-term structural growth trends.
- Exposure greatest to air, domestic and leisure travel where trends are most supportive.
- More than 20 global market-leading positions in travel food markets.[1]

30%
expected increase in passenger levels in N. America v.2019 by 2030

60%
expected increase in passenger levels in Asia v.2019 by 2030

*IATA, IATA PAX-IS, Oxford Economics, expert interviews.

Read about our markets on pages 12-15 and find our regional reviews on pages 32-39.

2

Strong business platform

- Years of specialist know-how in an environment with a highly complex operating model.
- Diverse client base, typically seeking a large tender size, and many long-standing relationships.
- Flexible and extensive brand portfolio, which we constantly enhance to meet different client requirements.

c.600
locations across the world

Read more about our brand and client relationships in our strategy section pages 18-27.

3

Clear strategy for growth and returns

- Business model focused around delivering growth and maximising returns.
- Well positioned to benefit from growth trends, particularly in the USA and Asia Pacific.
- Secured pipeline to deliver new business growth, shifting our mix of business towards higher growth markets.

c.110
new contract wins in 2023

Read more about our growth strategy in our strategy section pages 18-27.

1 SSP Rights Issue Prospectus, 17 March 2021.

4

Disciplined financial framework

- Highly disciplined use of capital.
- Clear priorities for capital allocation, including restarting ordinary dividend payments for 2023.

3-4 years

average discounted payback on new growth investment

Read more about our financial performance in the Financial review pages 57-65.

5

Sustainability embedded in what we do

- Sustainability Strategy covers three priority areas: Product, Planet and People.
- Global targets for 2025 in each area, and our science-based target to reach net-zero GHG emissions across our value chain (Scopes 1, 2 and 3) by 2040, from a 2019 base year.

A

MSCI ESG RATINGS
CCC | B | BB | BBB | A | AA | AAA

MSCI A-rating

Read more in our 2023 Sustainability Report, including our ESG ratings on page 65.

6

Engaged, diverse and talented leadership team

- Highly experienced and diverse leadership team, with a balance of recently appointed and well-established leaders.
- Broad range of experience across the F&B, travel, hospitality and retail industries.

Read more about our Group Executive Committee in the Governance Report starting on page 80.

7

Strong financial performance

- Sales volumes recovering rapidly to pre-Covid-19 levels.
- Our KPIs demonstrating a rapid rebound as revenue recovers.
- Balance sheet strengthened.

108%

revenue as % of 2019 levels

Read more about our financial performance in the Financial Review pages 57-65.

Strategic Report

Strategic report

Chair's statement

"The SSP team has delivered excellent results and made significant progress on the business' strategic priorities."

Dear Shareholders,

2023 has been a year of strong and sustained growth for SSP. Patrick and the SSP team have delivered excellent results and made significant progress on the business' strategic priorities. On behalf of the Board, I'd like to thank the Group Executive Committee and the entire SSP team for their dedication and commitment to fulfilling our purpose of being the best part of the journey.

Patrick will elaborate more fully in his statement, but I'm extremely pleased with the progress we've made against the strategy we set out at the beginning of last year, which has enabled us to capitalise strongly on the rebound in passenger numbers. As a result, we saw revenues strengthen significantly, delivering profits (at an underlying EBITDA level) at the top end of expectations and underlying pre-IFRS 16 EPS in line with guidance.

Returns to shareholders

Having become more cash generative and having successfully de-levered the balance sheet to 1.4x net debt/EBITDA through the course of the year, we are pleased to recommend the reinstatement of the year-end dividend at 2.5p per share for the first time since the pandemic.

People and Culture

Our colleagues are the heart of our business, and having a skilled, committed and engaged workforce is critical to our success. We strive to be a better business and to create a culture which is more inclusive. We believe that a strong culture that brings together people with differing skills, experience and cultural backgrounds makes for better decision-making. This year, alongside rolling out diversity, equity and inclusion training to all of our senior teams across the Group, we have also built upon the success of colleague networks launched last year and launched new ones, including iVibe in the UK and the Global Women's Leadership Network. Our commitment to diversity starts at the top and, to build on this, we formally amended our Board Diversity Policy, aligning our targets on senior leadership with the Board, with a commitment to achieve at least 40% gender diversity by 2025.

Sustainability momentum

This past year, we made good progress against our sustainability commitments, focused around three key pillars: Product, Planet, People. A key highlight was the approval of our ambitious net-zero targets by the Science Based Targets initiative. Reaching net zero will be a challenging undertaking, but we have a clear roadmap for the next decade and beyond and, with the strength of our commitment, strategy and partnerships, we believe we can, together, drive positive change across the food travel sector. We communicated our ambitions at our inaugural SSP Investor ESG event, which I attended earlier this year. More can be found in our Sustainability Report, also published today.

Governance

Our strategy is underpinned by a commitment to operate to a high standard of corporate governance, accountability and transparency and the Board is responsible for ensuring this is the case. The Board and I were hosted by our teams in four different countries for site visits during the year (in the USA, India, Norway and Ireland), which presented us with an excellent opportunity to see the business first-hand and engage with our colleagues. I was personally struck by how many view their teams as their family and the care and compassion they have for each other. Judy Vezmar, our Independent Non-Executive Director for Workforce Engagement, held additional in-person and virtual meetings with colleagues across the business, bringing insightful feedback from these sessions to our Board meetings to feed into our decision-making.

Remuneration

Our approach to reward is to link remuneration with the Group's key strategic objectives, both financial and non-financial, while delivering long-term, sustainable growth for shareholders. After a thorough review, we consider that our Remuneration Policy remains well suited to our stage of growth and, as such, the updated version to be put to a vote by our shareholders at our next AGM will be largely in line with the current policy. More information on how we ensure that our approach to remuneration supports our strategy is available in the Directors' Remuneration Report on pages 116-140.

Looking ahead

We have a strong plan to generate growth as demand for travel continues. Whilst there is an element of uncertainty, we enter the next year with optimism, and look forward to hosting our next AGM on 30 January 2024. Further information is available in the Notice of Meeting.

Mike Clasper
Chair
5 December 2023

CEO's statement

"What's clear is that we have strong momentum across the business… and are fulfilling our purpose of being the best part of the journey."

Overview

Now having been in the CEO role for nearly two years, I've travelled to more than 20 of our country markets. This has allowed me to test our strategy, visit hundreds of SSP outlets across the world and build stronger relationships with our clients, brand and joint venture partners and, of course, our colleagues. What's clear is that we have strong momentum across the business. The travel market has recovered strongly, with passenger numbers growing sharply across all our markets, most significantly in North America and Asia Pacific. We've invested in our foundations, in particular our customer proposition and brand portfolio, to drive like-for-like sales and have made considerable progress on our technology and sustainability agendas. We've driven significant new business gains, completed two acquisitions and, importantly, we have maintained our strong focus on operational efficiency, which has helped us mitigate the impact of very high levels of cost inflation. Together, this has driven a strong performance in the year. Thanks to the skill and dedication of our colleagues, we have not only delivered at the top end of our revenue and pre-IFRS 16 underlying EBITDA expectations, but we are fulfilling our purpose of being the best part of the journey.

Performance momentum

Our strategy, coupled with an efficient economic model, has enabled us to deliver strong performance at Group level. Revenue was £3bn, a 38% increase on last year at actual exchange rates. This was driven by strong like-for-like sales growth of 32%, resulting from the combination of the continued recovery in passenger numbers, especially in the air sector, and our strengthening customer offer and digital proposition. Our performance was particularly strong in the second half, when our comparator was more 'business as usual' after the rebuild from Covid-19, with revenue up 25% and like-for-like sales up 19% year-on-year.

Our strongest performance was in the North America and APAC and EEME regions, with revenues reaching £669m in North America (a 47% increase on last year) and £431m in APAC and EEME (a 74% increase on last year). In Continental Europe, revenues reached £1,137m, a 31% increase on last year. In the UK and Ireland, sales strengthened materially to £774m, reflecting the higher mix of the air channel, and despite the disruption from ongoing strikes in rail.

The macro-economic environment continued to present challenges throughout the year, not least from inflationary pressures. However, we were successful in mitigating these challenges to deliver good margin progression and full year profitability at the upper end of the range we set out earlier in the year.

Despite a higher investment in capital projects, a strong focus on cash and working capital delivered a free cash outflow of c.£125m, ahead of our expectations at the start of the year, leaving pre-IFRS 16 net debt at £392m and leverage at 1.4x (net debt to pre-IFRS 16 underlying EBITDA). Underlying pre-IFRS 16 EPS was within the previously indicated range at 7.1p, up 11.6p versus last year.

A video Q&A with the CEO can be found by scanning the QR code or online at www.foodtravelexperts.com/investors/annualreport

Strategic momentum

This momentum in performance was supported by the progress we made against our strategic priorities, focusing on our high growth regions and channels and enhancing our capabilities while driving efficiencies.

Geographically, we are continuing to pivot more towards North America and Asia Pacific and to pursue selective growth in the UK, Continental Europe and EEME. In the year, we've delivered strong levels of new business, with approximately 110 new contracts won. Our secured pipeline of contracts yet to open now represents estimated annualised revenues of c.£450m. Once fully mobilised, approximately two-thirds of this pipeline will be delivered in North America and Asia Pacific and EEME, where we go to market with the help of local joint venture partners. We also completed the strategic acquisition of the concessions business of Midfield Concession Enterprises, Inc. in the USA, which was a particularly important step in expanding our presence in North America.

38%
YoY revenue increase

97%
YoY EBITDA increase

Additionally, we opened around 400 units across all regions, and I'd like to highlight the progress we made in the Asia Pacific region and in particular Malaysia, where we opened 29 units in one year alone. We also entered two new markets – winning contracts in Iceland and Italy with new units at Reykjavik Airport and Rome Termini station.

Building our capabilities and driving competitive advantage has been a key strategic focus, and we've made excellent progress across customer, digital, people and sustainability. On our customer offering, we introduced many examples of on-trend, exciting propositions, such as The Mezz in Ireland, The Farmers' Market in the USA, Imm Rice & Noodle in Thailand and Helsinki food court in Finland. We also strengthened our relationships with existing brand partners including Pret A Manger in Europe and built strategic new ones, including The Breakfast Club in the UK, BrewDog in the UK and Europe, and NamNam in Singapore.

We significantly progressed our digital offer, rolling out Order at Table technology at our bars and casual dining outlets and adding self-order units across many of our quick service restaurants.

Our people are crucial to our success, and this has been a year of important growth for us as we now count around 42,000 SSP colleagues, a 20% increase on last year. We made good progress against our People Strategy, reinforcing our focus on health and safety, and I'm particularly pleased that 76% of our colleagues completed our Colleague Engagement Survey, in which we achieved an overall score of 3.98 out of 5.

I'm very pleased with the continued momentum on our Sustainability Strategy, and the good progress we've made towards the delivery of our sustainability commitments. We have a clear plan of action to achieve net-zero GHG emissions across our value chain by 2040, and our near- and long-term targets have been validated by the Science Based Targets initiative.

Finally, running efficient operations remains part of our DNA, and this year, we relaunched our multi-year value creation plan, which supports the delivery of strong profit conversion.

Well positioned for future momentum

The key relationships we have with our clients, brand and JV partners and teams has enabled us to deliver a strong performance and will help us to deliver future growth. I would like to thank all SSP colleagues, from the management teams to every team member in our units, for their hard work, commitment and invaluable contribution to the business during the year.

There is good momentum across the business as we enter 2024. Our focus on higher growth markets such as North America and Asia Pacific, as well as our ongoing efforts to enhance our competitive advantages and increase efficiency, is delivering results. Looking ahead, though the macro-economic environment remains challenging, we continue to see significant opportunities for SSP to drive sustainable long-term growth and returns for the benefit of all our stakeholders.

Patrick Coveney
Group CEO
5 December 2023

Understanding our market

Our marketplace

Our core market is food and beverage provision in travel-related locations worldwide, principally within the air and rail channels.

Pre-pandemic, the global food travel market was valued at approximately £23 billion of revenues (2019), of which approximately 80% was in air and 20% in rail.[1]

In 2023, c.70% of our business was in the air sector and c.25% was in the rail sector, with around c.5% from other areas, including motorway service areas (MSA), in-flight catering, retail, lounges and on-board rail catering.

Within this marketplace, our clients are the owners of the airports, rail stations and other locations at which we serve our customers – those who purchase the food and beverages we sell. While our commercial relationship is with the client, we have a mutual interest in delighting customers with quality and choice.

SSP's share represents c.11% of the total market. It is a very fragmented market, with the top four participants having just over a third of total revenues and a long tail of local and single-brand participants competing within regional travel markets.

Total market in 2019[1]

1 SSP FY2019 (excluding Other Channel); Autogrill 2019 (excluding Motorways); Areas (Elior) 2018 (excluding motorways); Lagardère Travel Retail 2019 (estimated food service revenue).

c.70%
percentage of our business in the air sector in FY23

c.25%
percentage of our business in the rail sector in FY23

c.5%
percentage of our business in other areas in FY23, including MSAs, hospitals and shopping centres, in-flight catering, non-travel convenience retail, lounges and on-board rail catering

Food travel sector trends

Positive travel momentum across the world

In 2023, global travel demand recovered strongly with a pronounced build back everywhere, particularly in North America and Europe where air travel volumes are approaching 2019 levels.

We saw significant growth in passenger numbers, and this is predicted to continue, with global air passenger traffic expected to reach 2019 levels by 2025.[2]

In particular, leisure, domestic and short-haul travel has led the recovery in the travel sector. As a result, we have seen a reweighting of our business towards leisure. The long-term rising trend in leisure travel plays well to our model, with leisure customers tending to have longer dwell times and indulging in F&B as part of their holiday experience.

Business and long-haul demand is also recovering, albeit at a slower pace, and in the past year particularly, we have seen 'bleisure' travel emerge: extending a business trip into a holiday or remote working. A recent survey found that 25% of travellers in the UK and Australia had extended their business trip for leisure purposes, 50% of travellers in the USA and almost 75% of travellers in India.[3]

The travel industry benefits from long-term structural growth

The markets we operate in are fundamentally attractive, and this is reinforced by the positive momentum we are seeing in the travel sector.

In the medium term, North America and Asia are expected to show the strongest growth. The passenger levels in Asia are expected to increase by 60% compared to 2019 levels by 2030 and by 30% in North America.[4]

We expect growth in our markets will be underpinned by longer-term trends, including:

- rising incomes in India and in emerging markets across Southeast Asia
- growth in low-cost carriers, leading to increased consumption in airports and higher demand for grab 'n' go food to eat on the plane
- major investment in travel infrastructure by both airlines and airports
- within airports, a shift in space allocation from retail towards food and drink.

Strong demand for food and drink experiences

Customers and businesses face multiple economic headwinds, with increasing inflation impacting customer spending power. However, we believe our markets are fundamentally resilient to these pressures given the continued willingness to spend on travel.

The recovery has been driven by high-income households, which now place a greater importance on travel than before the pandemic: people with higher income (higher than 200% of the median income) strongly agree that 'travel has become more important since the pandemic'. They are more willing to discover new experiences and are less budget-conscious when travelling. They are also prepared to 'trade up' for premium, innovative and interesting new experiences, and they now place greater importance on travel than before the pandemic.[5]

We know that food and drink experiences when travelling are also increasingly important to customers. More than half of travelling customers see eating and drinking at the airport as an important part of their journey. More than 80% of customers we recently surveyed are now likely to buy food and drink at the airport, with a growing proportion seeking out more ethical and sustainable food.[6] Because of longer dwell times, customers also spend more time consuming food and drink at the airport than they used to before the pandemic. This is contributing to higher demand and an average increased spend per customer.[7]

2 Airports Council International, data as of June 2023.
3 Skift Research, data as of April 2023. Survey conducted in March 2023, n: US= 507, UK= 458, Australia= 414, India= 445.
4 IATA, IATA PAX-IS, Oxford Economics, expert interviews. Data as presented at SSP Group 2022 Preliminary Results.
5 Source: YouGov, Global Travel and Tourism Whitepaper, 2023.
6 SSP's Food Travel Insights Survey, 2022.
7 SSP's Food Travel Insights Survey, 2022.

Key trends in our markets

Several trends influence and impact our sector and our business. We monitor and adapt to these trends to meet ever-changing stakeholder expectations.

Concerns over economic context

Rising inflation and interest rates have been a significant concern globally since spring 2022, impacting the wider macro-economic environment and customer spending and leaving economic optimism at an all-time low.

However, the impact of inflation is affecting our customers differently. As noted previously, air travellers are on average more affluent than the general population, which makes them less price-sensitive, and they are willing to trade up for premium, innovative and interesting new experiences. Our research shows that 40% of customers are willing to pay more for the best quality food and drink.[10]

How we are responding

- **Tiered approaches to our proposition:** We have a tiered approach to our offer to cater for all our customers' needs. Our wide portfolio of brands has options for different budgets; from affordable healthy grab 'n' go outlets and food courts where customers can find a variety of options in one location, to casual dining restaurants. We are constantly developing our portfolio to ensure we have a mix of value and premium brands to respond to the needs of our different customers. We are also optimising our menus to include premiumised items and more affordable options. Our 'good, better, best' approach means we can offer an exciting, tasty experience to suit everyone.

Read more about how we are supporting our colleagues and customers on pages 43 and 42.

10 SSP's Food Travel Insights Survey, 2022.

Health and wellbeing

We operate in a dynamic sector, in which customer and client needs are constantly evolving. Customers are increasingly aware of the importance of a healthy diet, with 67% of customers in our Food Travel Insights Survey saying they want healthy food and drink options when travelling.

This 'health-conscious' approach is now key for our customers, who are looking for nourishing whole foods in line with their healthier lifestyle choices. They are looking for transparency and clear nutritional information, so they can make informed decisions when selecting food options that meet a wide range of dietary needs and, importantly, food that is appealing and tastes good.

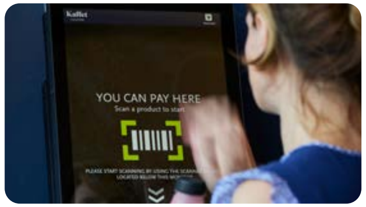
Additionally, the increased penetration of connected health wearables makes it easier for customers to use technology to measure their health. The use of scanning apps to analyse the health score of food products has also helped people to understand more about healthy, whole foods.

How we are responding

- **A Better Choice:** In 2023, we launched our 'A Better Choice' toolkit, which uses simple iconography to help our customers more easily identify healthier menu options. It is based on best practice from our Norway business. 'A Better Choice' labelling emphasises fruits, vegetables, whole grains and a variety of protein foods, such as seafood, lean meats and poultry, eggs, legumes, soy products, nuts and seeds. It also highlights food choices lower in added sugars, sodium, saturated fats, trans fats and cholesterol.
- **Opening new wellness-orientated outlets:** We are adding brands to our portfolio which focus on wellness and healthier offerings. For example, in 2023, we expanded Soul & Grain in the UK with openings in Bristol, Newcastle and London City airports.

Read more about how we are embedding sustainability into our customer proposition on pages 15-23 of our 2023 Sustainability Report.





Increasing digital competency

Travellers are largely connected and rely on their digital devices during their journey. They are more likely to spend time on the internet while consuming food and drink at the airport than talk to someone and they expect to find charging points and Wi-Fi access at every step of their journey.[11]

Digital services are important to customers to simplify their journey, with one in five declaring it is important for them to be able to order food digitally.[12] Separate stages of a customer journey are being rolled into a single, seamless, tech-enabled interaction, and customers can now browse menus, customise orders and track preparation and delivery for a more personalised experience.

Digital ordering systems such as OAT (Order at Table) and digital kiosks in quick service restaurants can give back control to customers and alleviate the time and space pressures they're under when travelling.

How we are responding

- **Rolling out digital ordering technology:** We are continuing to roll out digital ordering and payment systems. We also started to incorporate the use of Artificial Intelligence, enabling us to pitch more relevant menu options to customers through digital ordering and driving up transaction values.
- **Simplifying our customers' journey:** We want to make sure connected customers find the ease they're looking for when travelling. For example, we are equipping our sit-down units with charging points and USB ports.

Read more about our digital innovations on page 24.

11 SSP's Food Travel Insights Survey, 2022.
12 SSP's Food Travel Insights Survey, 2022.

Climate protection

Changes in the Earth's climate are being observed in every region and across the whole climate system.[13] Biodiversity loss is exacerbating the issue as it reduces the capacity of ecosystems to adapt and build resilience.

The role of food systems and agriculture as central to climate action efforts was a key part of the agenda at the COP28 Climate Summit in 2023. This is supported by a growing body of evidence showing that a shift to sustainable diets can deliver a triple win for climate, nature and health.[14]

People are increasingly concerned about how their choices and purchases affect the environment, individuals and communities, both locally and globally. Our customers want to know how their food is produced, transported and processed, and how they can limit their own environmental impact, avoid animal suffering and help tackle climate change.

While we are acutely aware of the impacts of the aviation industry on our environment and biodiversity, we have an opportunity to work together to drive positive change and make the airport experience as sustainable as possible.

How we are responding

- **Science-based net-zero target:** We have a science-based target to reach net-zero greenhouse gas (GHG) emissions across our value chain by 2040, from a 2019 base year. With nearly 90% of our footprint relating to indirect Scope 3 emissions, we are collaborating with our suppliers, clients and brand partners to drive emissions reductions.
- **Reimagining food for people and the planet:** We are taking an integrated health and climate approach to developing our F&B offerings, focused on: sourcing, recipes, menus and brands. In 2023, we partnered with Klimato, a leading provider for calculating the carbon footprint of our recipes using a comprehensive database of country-specific, peer-reviewed life cycle analysis data. We are using the insights to identify areas where we can reduce the impact of our existing recipes or develop lower-impact alternatives, while maintaining customer appeal.

Read about our net-zero strategy on pages 28-29 and pages 28-33 of our 2023 Sustainability Report.

13 IPCC, 2022: Climate Change 2022: Impacts, Adaptation and Vulnerability. Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change.
14 (a) EAT (2019). The EAT-Lancet Commission on Healthy Diets From Sustainable Food Systems; (b) WWF-UK (2023). Eating for Net Zero: How diet shift can enable a nature positive net-zero transition in the UK.

Our business model

Delivering sustainable value for all stakeholders

Our competitive advantages

Leading market positions
We have leading positions in some of the most attractive sectors of the travel food and beverage market, underpinned by our extensive brand portfolio and established management and operational teams across 37 countries.

Food travel expertise
We provide a compelling proposition for both clients and customers based on our culinary expertise. This includes a deep understanding of what our customers want, an extensive offering of brands and concepts to meet these needs, and expert knowledge of operating in complex and logistically demanding travel environments.

Long-term client relationships
Our principal clients are the owners and operators of airports and railway stations, but we also have a presence in motorway service areas, hospitals and shopping centres. We have excellent, long-standing relationships with many clients and have high success rates in retaining our contracts.

Skilled and engaged colleagues
Our c.42,000 colleagues have a broad range of skills and experience spanning the food and beverage, travel and retail industries. In all our markets, we employ dedicated teams of senior managers focused on business development, sales, marketing and operations. Our managers are supported by experienced, locally-based teams.

Local insight and international scale
We have a deep knowledge of the individual markets in which we operate, which is further enhanced by our relationships with JV partners in select countries across Asia Pacific and EEME, as well as in the USA. Our strong local presence enables us to understand our customers' tastes and needs, maintain close relationships with clients and brand partners and creates a 'sense of place' in our units. Our international presence also gives us scale and additional expertise.

What we do and how we do it

We have years of specialist know-how in travel environments with a highly complex operating model.

Set up the right brands and concepts in the right locations

Understanding customer needs
We commission surveys, such as our Food Travel Insights Survey, to understand our customers' needs so that we can develop innovative concepts and brands aligned with their requirements. These insights inform our customer proposition, as we develop concepts adapted to the needs of passengers by geographies and customer segments.

Developing tailored food solutions
Customer insights enable us to tailor our offer to each travel location we serve. Our extensive brand portfolio includes brands we own, concepts we create and local hero and international third-party brands. We specialise in travelising menus, bringing quality food and beverages to those on the move.

Deliver the best food and beverage experiences in travel

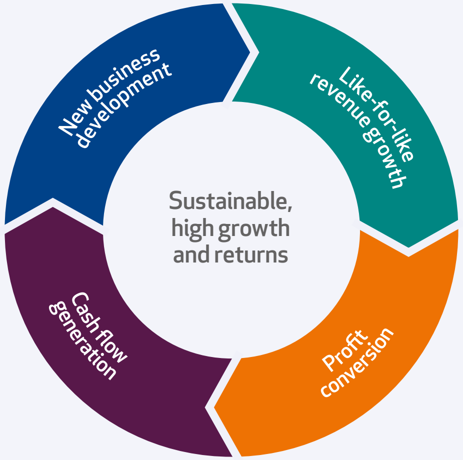
Supplying food, beverage and other consumables with integrity
The food we serve and products we sell are primarily sourced from local suppliers and wholesalers. We source our products and ingredients with due care for the environment and the people involved in their production and manufacture.

Providing operational excellence and superior customer service
We operate F&B units within our clients' travel locations, delivering efficiency and performance to clients, brand partners and colleagues. The quality of our food and high service standards help us to maintain and extend existing contracts and win new business.

Creating long-term sustainable growth and returns through our performance framework

We have a well-established framework, which underpinned our performance and helped us deliver a strong track record of shareholder value creation leading up to Covid-19.

This disciplined approach to financial management continues to enable us to grow our business sustainably.



Like-for-like revenue growth
- Brand portfolio enhancement
- Range and menu optimisation
- Customer research and insights
- Implementation of digital customer solutions

Profit conversion
- Gross margin optimisation
- Labour and overhead efficiency
- Managing rent and franchise fees
- Technology and automation

Cash flow generation
- A high conversion of profitability to cash
- Reinvesting to enhance our competitive strengths
- Prioritising organic expansion
- Allocating cash to maintain a strong balance sheet and create shareholder value

New business development
- Contract renewals and extensions
- Mobilisation of existing pipeline
- New contract wins
- Disciplined M&A

Find out more about our strategy on pages 18-27.

The value we create for our stakeholders

Customers
By offering great tasting, nutritious and sustainable food and drink for people on the move.

4.2/5.0
Customer feedback score

Colleagues
By being a great place to work where everyone can fulfil their potential.

3.98/5.0
score in Colleague Engagement Survey

Investors and lenders
By generating sustainable long-term profitable growth and returns.

2.5p
proposed year-end dividend

Clients
By delivering exceptional service to their passengers.

Joint venture partners
By helping them grow their businesses through new opportunities.

Brand partners
By being their preferred partner for operating in the travel sector.

Suppliers
By building mutually beneficial relationships.

Communities, NGOs and society
By positively impacting our planet and wider society.

Governments and regulators
By supporting local economies and contributing our experience and expertise to areas of policy development.

Find out more about how we engage with our stakeholders on pages 40-49.

Our strategy

Our path to long-term success

Remuneration linked to performance
See how the delivery of our strategy is reflected in our executive remuneration.

Find out more in our Directors' Remuneration Report on pages 116-140.

To deliver our purpose and vision, we are focused on growing our market-leading positions in the food travel sector in international markets. Our strategy is to accelerate revenue growth, including like-for-like and new business growth, which we convert efficiently to drive profit, cash and economic returns. We will do this by:

PIVOTING TO HIGH GROWTH MARKETS

ENHANCING BUSINESS CAPABILITIES; DRIVING COMPETITIVE ADVANTAGE

DELIVERING OPERATIONAL EFFICIENCIES

Read more about our progress on each strategic pillar on pages 19-27.

Our strategy drives our performance framework
Our disciplined approach to financial management continues to enable us to grow our business sustainably.

Read more about our business model on pages 16-17.

Pivoting to high growth markets

Priorities:
- Increasing focus on air channel
- Accelerating growth in North America and targeted Asia Pacific
- Growing selectively in the UK, Europe and EEME

Associated KPIs:
- Net gains
- Revenue
- Like-for-like revenue

Associated risks:
1. External environment
2. Labour
7. Mobilisation of pipeline
8. Competition landscape
13. M&A activity
14. Expansion into new markets

Read more on pages 19-20.

Enhancing business capabilities; driving competitive advantage

Priorities:
- Developing great customer propositions
- Digitising our business
- Supporting our people and culture
- Building a sustainable business

Associated KPIs:
- Like-for-like revenue
- Colleague engagement score
- Customer feedback score
- Women in senior leadership roles
- Carbon dioxide equivalent

Associated risks:
2. Labour
4. Health & safety
9. Senior capability
11. Sustainability

Read more on pages 21-25.

Delivering operational efficiencies

Priorities:
- Revitalising our efficiency programme
- Optimising procurement
- Utilising more technology and automation

Associated KPIs:
- Underlying profit margin
- Underlying operating profit
- Leverage
- Free cash flow
- Underlying EPS

Associated risks:
1. External environment, 3. Supply chain, 4. Health & safety 5. Information security, 6. Compliance, 7. Mobilisation of pipeline, 8. Competition landscape, 10. Efficiency programmes, 12. Brand portfolio and customer demand

Read more on pages 26-27.

c.80%
of new business wins were in the air channel

c.200
new units won across North America and Asia Pacific

Pivoting to high growth markets

Focusing on high growth channels and geographies

We are focusing our resource and investment proactively on high growth channels and geographies.

Highlights from 2023

- c.80% of new business wins were in the air channel.
- Won 85 units in North America and 112 across Asia Pacific.
- Completed the acquisition of the concessions business of Midfield Concession Enterprises, Inc. in the USA.

Priorities for 2024

- Accelerate in high growth markets including North America and Asia Pacific.
- Continue to target selective growth opportunities in air across the business and rail in the UK, Europe and EEME.
- Target attractive new markets.

Find out more about our KPIs on pages 30-31 and our associated risks on pages 66-77.

The future growth and returns of our business will be principally driven by the air channel. Several trends in the sector make the air channel particularly attractive:

- more airports being built and more space being allocated to food and beverage and with greater prominence
- the removal or reduction of in-flight catering leading passengers to consume more food and beverages pre-flight
- increased air-side dwell time due to increased airport security requirements and airport investments to improve speed of processing security clearance.

As the travel market recovers, the fastest growth in the air channel is expected to be in North America and Asia, regions where passenger levels are forecast to grow by 60% compared to 2019 levels by 2030 in Asia and by 30% in North America.[1]

To reflect this, we identified the following regional priorities:

- accelerate growth in North America and in targeted Asia Pacific countries
- grow selectively in the UK, Europe and EEME.

We see considerable opportunity to build on our strong platforms in our large developed markets, notably in North America, where we have a low market share and a unique business model. We are also looking to expand rapidly in Asia Pacific.

Client expansion projects and investment in developing new infrastructure are expected to be a long-term focus area for our industry.

Our strong financial position and track record of delivery for clients put us in a good position to capitalise on these growth opportunities.

We have a track record of delivering profitable new space and in the three years before Covid-19, we added c.5%-6% of revenue from net gains annually. We invest in contracts with the right strategic fit and that are expected to deliver financial returns in line with our criteria, which includes a 3-4 year discounted payback. Selective and disciplined infill M&A is an important part of our strategy to gain market scale.

Strong levels of new business development

In 2023, c.80% of our new business wins were in the air channel (by contract value), and we won contracts with 14 new airport clients, including Dulles Washington Airport in the USA, Calgary Airport in Canada, Menorca Airport in Spain and Krabi Airport in Thailand.

Geographically, we are making good progress in accelerating growth in North America and selected Asia Pacific markets, underpinned by adding new business development capability, proactive but disciplined capital allocation and strong JV partnerships. We have expanded our presence in the USA, with new wins at Fresno (California), Portland (Oregon) and Lubbock (Texas) airports. Consistent with our strategy of accelerating growth in North America, we announced the acquisition of the concessions business of Midfield Concession Enterprises, Inc. in the USA.

1 IATA, IATA PAX-IS, Oxford Economics, expert interviews. Data as presented at SSP Group 2022 Preliminary Results.

Pivoting

to high growth markets continued

Focusing on high growth channels and geographies continued

In Malaysia, we built on our existing presence at Kuala Lumpur Airport with two additional wins in new terminals. In Europe, we secured our first contracts in Iceland at Reykjavik Airport and Italy at Rome Termini station, bringing our footprint to a total of 37 countries.

Our secured pipeline of contracts yet to open now represents estimated annualised revenues of c.£450m. Once fully mobilised, approximately two-thirds of this pipeline will be delivered in North America and APAC and EEME. In these markets, we frequently operate with joint venture partners whose attributes include local knowledge, access to brands and concepts, and relationships with clients and government. They contribute to the capital costs of expansion in addition to taking a share of profitability.

We have also maintained high retention rates on contracts. For example, we had renewals (and therefore net gains) momentum in the UK and Europe with important and high-profile contract retentions at Cardiff, Newcastle, London Gatwick, Liverpool, Trondheim and Marseille airports.

Developing a great customer proposition is key to winning and renewing contracts. We are focusing on improving our casual dining and convenience retail offer, which is driving more new business.

Selection of new locations secured this year

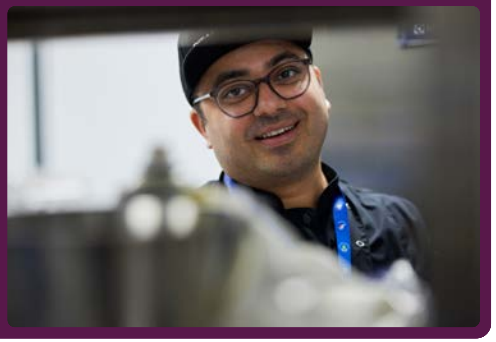
Strategy in action
Growing our business in India

India is a market experiencing rapid growth and offers a significant opportunity for SSP through our joint venture partnership, Travel Food Services (TFS).

We have operated in the Indian market since 2016 through TFS, in partnership with K Hospitality, and we are now operating in 14 airports including Mumbai and Chennai. Benefitting from the recovery of passenger levels, our business in India has seen rapid sales growth since our market entry and is now our second largest market by unit numbers.

Building on our presence in the country, we won an important tender as part of an expansion project at Delhi Airport for nine F&B units. Delhi Airport is the busiest airport in India, with substantial domestic and international traffic. The new units will include a prime food court, gathering a mix of local and international brands that will be built as part of the terminal expansion. We also won a contract to open a convenience retail outlet.

Additionally, we secured new contracts at Bengaluru, Hyderabad, Goa and Mopa airports.



100+
international brand partners

4.2/5.0
customer feedback score

Enhancing business capabilities; driving competitive advantage

Developing great customer propositions

Through our deep customer insights, food travel expertise, extensive portfolio of brands and innovative concepts, we deliver leading food and retail propositions aligned to our clients' needs and goals.

Highlights from 2023

- Rolled out our customer feedback tool, Reputation, across 14 markets.
- Achieved a global Reputation score of 4.2/5.0.
- Secured new brand partnerships, including NamNam and The Breakfast Club.
- Won more than 20 awards at industry conference FAB across best bar, casual dining restaurant and health-centred offer.

Priorities for 2024

- Expand our global brand partnerships.
- Finalise the refresh of our key own-brands, including Upper Crust, to continue meeting our customers' needs.
- Develop our retail and lounge expertise, with a focus on local knowledge.

Find out more about our KPIs on pages 30-31 and our associated risks on pages 66-77.

We put the voice of the customer at the heart of everything we do, so we can provide the brands, menus and experiences to meet their needs and ensure we're the best part of their journey.

Our broad portfolio of global, regional and local brands, to which we are constantly adding new and innovative concepts, enables us to meet both client and customer expectations. We work closely with our clients to develop formats and concepts that offer customers quality food and beverage and a great overall experience. This is critical to retaining existing business with our clients and winning new business.

To make better informed decisions, we have invested heavily in gathering customer insights and trends. In 2022, we undertook our largest-ever customer survey, which we are using to develop our propositions. We are also leveraging the feedback we receive from customers through our customer listening tool, Reputation.

Diversifying our formats

Our 'Food Travel Insights Survey' highlighted the value of bringing new and exciting experiences to customers. Continuing to innovate and develop new formats with 'travelised' menus is central to enhancing our customer proposition and we continued our good progress in this area. This year, we worked on enhancing our casual dining offer and opened new concepts including Hunt & Fish Grill in the USA and NamNam in Singapore. We have also made significant progress in developing our convenience retail offer. We are rolling out our SSP-owned retail concept Point, which is detailed in the case study. We are also scaling up our lounge offer and have won several new contracts in our high growth regions to operate lounges, including Malaysia and India.

Strengthening partnerships with clients and brand partners

Brand partners are integral to our success and in 2023, we secured several new partnerships, including The Breakfast Club and independent craft brewer BrewDog, which bolster our casual dining and bars offer in the UK and Europe.

Building long-term, trustworthy relationships with our brand partners is important as we work closely together to build a quality F&B offer that meets our customer needs. This year, we acquired the right to develop the Pret A Manger franchise in German-speaking Switzerland and we now run 22 outlets with the brand under franchise across Europe.

Developing innovative concepts

We are also curating new concepts, including food halls that combine multiple brands in one location. For example, in July we opened The Mezz at Dublin Airport, an innovative street food concept offering four different brands. The menu, service style and layout of The Mezz have been carefully curated to maximise operational efficiency, offering quick and consistent service to high volumes of customers, while maintaining great quality food and excellent customer experience. All orders are made through self-guided kiosks and prepared in a central kitchen, enabling a quick order to collection time of less than three minutes.

Strategy in action
Rolling out our retail concept 'Point' globally

With retail operations in Norway, Germany, Sweden, Spain, UK and India, we are experts in running retail convenience units, under franchise and through our own brands. Retail already accounts for around 15% of our sales and as the lines between retail and F&B are blurring, we see great opportunity to strengthen our retail expertise. We have started the rollout of our own convenience retail brand, Point, across our markets and aim to bring 'freshly made food to go' to the convenience sector.

Point's motto is to be 'fast, fresh & local' and it is designed to help travellers shop quickly, find delicious freshly made food and a range of global and local hero products. From an initial presence in the Nordics, we now operate 28 Point units and are set to open new stores in Zurich and Bangkok.

Enhancing

business capabilities; driving competitive advantage continued

c.42,000
colleagues across the world

3.98/5.00
score in Colleague Engagement Survey

Supporting our people and culture

People are at the core of our business and we're committed to ensuring that SSP is the best part of our colleagues' career journey.

Highlights from 2023

- 3.98/5.00 score in our Colleague Engagement Survey.
- 20% increase in colleague numbers.
- 37% of senior leadership roles held by women.
- Held safety forums in all our markets.
- Launched global careers website in six countries.

Priorities for 2024

- Introduce new development initiatives focusing on high-potential leaders.
- Launch our new safety induction training module across our markets.
- Roll out our global careers website across our 37 countries, for a consistent and simplified recruitment experience for candidates.
- Continue to embed DE&I across the business through local action plans and improve social mobility and representation in our senior leaders.

Find out more about our KPIs on pages 30-31 and our associated risks on pages 66-77.

By the end of 2023, we employed approximately 42,000 colleagues across the world, of whom 87% were team members or supervisors, 7% were operations and unit-level management and the remaining were support function colleagues.

Our approach to being the best part of our colleagues' career journeys is set by our People Strategy, which we launched in 2021 and is underpinned by our values. This year, we have continued to develop this strategy and have worked to embed it across our global business. In particular, we have strengthened our capabilities across several areas, including safety, colleague recruitment, retention, inclusion, engagement and skills development.

Attraction and retention

We have also enhanced our processes to ensure we continue to attract, recruit, and retain talent. To support our growth, we have implemented extensive recruitment, induction and skills training for new colleagues across our key markets.

We have further developed our Employer Brand and launched our global careers website through which we advertise all vacancies in one location. The site is live for six countries and will be rolled out to most of our 37 countries by the end of 2024.

Inclusion

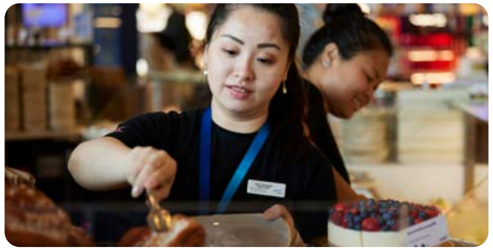
We are building a diverse, inclusive culture where everyone is welcomed, which reflects the communities where we operate and the customers, clients and stakeholders we serve.

We are proud of the progress we have made on gender diversity. We've exceeded the Board diversity target set by the FTSE Women Leaders Review, with 50% female board representation, and we have met the Parker Review ethnicity target with one director from an ethnic minority background. In addition, 37% of our Group Executive Committee and their direct reports are women. To build on this progress, the Board formally amended its Board Diversity Policy to include a new objective to achieve 40% women in senior leadership roles by 2025.

We recognise that we need to provide a safe space for colleagues to share their experience and build relationships. As well as our Global Inclusion Council, we also have a number of colleague networks, including iVibe, which celebrates multiculturalism, LGBTQ+ networks in the UK and Denmark, and a new Global Women's Leadership network. These networks help us spearhead influential DE&I conversations to drive lasting change across our business. Each network has a 12-month roadmap, a dedicated Chair or co-Chair, and an executive sponsor to ensure this focus is aligned to wider business priorities.

Enhancing

business capabilities; driving competitive advantage continued



Supporting our people and culture continued

Engagement

We carried out our third global engagement survey at the end of the first half of 2023, and our first in partnership with Gallup, who are industry leaders in colleague engagement. Over three-quarters of our colleagues took part. Gallup measures engagement using the 'Q12 index' which is a score out of 5. We registered an overall score of 3.98. As a result of the survey, we identified areas for improvement and developed action plans in collaboration with our senior leadership teams. The survey results were cascaded down to regional, country, site and team-level, with listening sessions held to encourage open and honest discussions.

Training and development

In 2023, we implemented new initiatives, including the rollout of our High-Five customer service training across the globe, our Team Leaders Development Programme in the UK and focused on developing engaging and accessible training materials.

'Learning by doing' is widely recognised as the most effective way of learning. To encourage learning and improve the accessibility of our programmes, we piloted a gamified customer service training for our colleagues in the Nordics. 95% of colleagues who conducted the training agreed that it helped them understand how they can provide great customer service. We are now rolling out our gamified training platform to the DACH region, with plans to launch it in all our Continental Europe markets.

Safety and wellbeing

Collaborating closely with our colleagues, clients, brand partners and suppliers, we are dedicated to fostering a positive safety culture at all levels of our business.

We maintain the highest food safety standards, aligned to the Hazard Analysis Critical Control Point management system, an internationally recognised standard. For customer safety, we ensure our colleagues are fully trained and that our processes comply with all government requirements and guidelines.

Throughout the past twelve months, we have invested significantly in our resources and capabilities. We have enhanced our Group Safety team and put in place new ways of working, which will enable us to identify and share best practice, and stronger processes for data sharing and reporting.

We've rolled out our Global Safety Governance and Management Framework, a global initiative driven by our Board and Leadership teams and operational colleagues. The framework defines clear accountability and responsibilities at all levels – from local markets to Group – with downward support and upward visibility. Our CARE (clarity, accountability, report, experts) principles guide our approach.

Our efforts are focused on optimising pre-existing safety procedures while introducing new ones:

- we appointed a Group Safety Director in May 2023
- we conducted safety training workshops across our Asia Pacific region and held Safety Forums in all our markets
- analysing existing strategies such as the CARE Framework, we've implemented a serious incident escalation process, from country to Group level
- the Group Safety Data app, our internal incident report app launched in 2022, has facilitated prompt support for colleagues and improved the collation of incident statistics, resulting in enhanced safety check-ins and increasing report frequency from quarterly to monthly
- our Group Safety team carried out visits to 12 markets to meet with local safety leads
- we delivered regular communications and campaigns, including for World Food Safety Day.

Our approach to safety extends beyond the physical safety of our colleagues, encompassing their overall wellbeing. We enhance employee wellbeing through health-related initiatives pertinent to each market, such as mental health camps, first aid training, occupational health assessments and counselling provisions, which are available to most colleagues, depending on the market.

In 2023, the majority of our operating markets had colleague wellbeing programmes, tailored to local needs. Our local programmes are supported by global campaigns and toolkits to drive common awareness and understanding across the Group.

Find out more about safety and wellbeing on pages 44-46 of our 2023 Sustainability Report.

Strategy in action
DE&I leadership development workshops

From March 2023, we delivered a series of internal workshops to help our regional leadership teams (top 150 leaders) understand the importance of DE&I, helping them navigate their own personal journey around these topics and explore available market data.

A key deliverable from the workshops was the creation of country-specific DE&I action plans. Each region now owns the delivery of their DE&I action plan, with regional CEOs reporting updates and progress at Group Executive Committee meetings, and regional updates through the Group Inclusion Council.

Enhancing

business capabilities; driving competitive advantage continued

"Our digital solutions give back control to travellers over how they spend their time when they are travelling. This is why we are continuing to roll out digital ordering solutions and investing in optimising the customer journey, putting digital at the core of their experience."

Mark Smith
Chief Digital and Technology Officer

Digitising our business

To better serve the needs of our customers and drive sales, we are rolling out customer-facing digital solutions and upgrading our internal systems.

Highlights from 2023

- Increased number of digital ordering points, enabling 12.6% of our sales to be made through a digital channel.
- Started rolling out our cloud-based till system
- Piloted our SAP finance, inventory and cash management system in Finland.

Priorities for 2024

- Accelerate the development and implementation of our digital ordering, cloud-based till and payment systems.
- Roll out our SAP finance, inventory and cash management systems across all the Nordics.

Find out more about our KPIs on pages 30-31 and our associated risks on pages 66-77.

Digital devices and services have become part of the customer journey. Our 'Food Travel Insights Survey' results showed that one in five travelling customers want to be able to order digitally. Many travelling customers are sensitive to time constraints and are often trying to avoid queuing as part of their travel.

The development of digital ordering capability is key to our strategy, as it can simplify the customer journey and allow customers to control their time. Digital ordering is also important for driving like-for-like sales. The use of artificial intelligence (AI), digital information and automated systems have improved time efficiency and average transaction value. We are providing our colleagues with the right digital tools so they can deliver the best service to our customers and operate efficiently.

Digitising our customer proposition

To improve the customer journey, we are rolling out digital technologies such as Order at Table (OAT), kiosks and self checkouts to give our customers control over what they order and how and when they pay. Around 500 of our units are equipped with digital ordering and payment systems. In the USA, we trialled an improved version of our OAT system, which simplifies the tipping process, an important part of the payment process in the North American market.

Driving productivity through digital

We launched new digital products and services to drive like-for-like sales and we are developing our use of AI to pitch relevant menu options to customers through digital ordering and drive up transaction values. To boost colleague productivity, we have trialled service robots in the UK and Germany to alleviate pressure during busy periods by freeing up colleagues for more skilled tasks. We are also rolling out our new cloud-based till system, which is improving speed of service through a better colleague experience and payment integration. It will also simplify the integration of digital ordering capability, such as mobile apps, table and QR code ordering, and is a true enabler of our digital customer proposition.

Upgrading our internal systems

As well as upgrading the digital experience of our customers, we are digitising our back office systems. This year, we have continued to develop our SAP system to replace our inventory and operational cash management systems, further improving efficiency and enabling better controls. We trialled the technology in Finland, which has proven a success, particularly with enhanced inventory and cash management functionality for our colleagues in units, which enables greater accuracy of product availability for our customers, whilst reducing waste and stockholding. Following the success of the Finnish pilot, we are starting the deployment of the system across the Nordics.

Strategy in action
Digital at the service of the customer: 'The Mezz'

As part of Dublin Airport's 'Better Dublin' renovation programme, we opened 'The Mezz', a new street food concept located in Terminal 2. The food court is a customer-oriented concept offering four brands in one place, including local Irish favourites and new brands we have developed.

We use digital technology across The Mezz to enhance the customer experience. Ordering is quick and easy, and innovative digital kiosks allow customers to order from each brand in one place. With the digital screens showcasing our food and drink offer, customers are guided to self-order kiosks. The average time from ordering to collection is under three minutes and 'Order Ready' screens indicate to customers their collection time at the centralised collection point, directly linked to the unique kitchen.

Enhancing

business capabilities; driving competitive advantage continued

"We have set out to take a leadership position in our sector for sustainability, working in collaboration to drive positive change both within SSP and across the food travel sector."

Sarah John
Corporate Affairs Director and executive lead for sustainability

Building a sustainable business

Sustainability is an important strategic priority and crucial for our long-term success. Our Sustainability Strategy focuses on our most material issues under the pillars of: Product, Planet and People.

Highlights from 2023

- 42% reduction in absolute Scope 1 and 2 GHG emissions (from our 2019 base year) and net-zero targets approved by the Science Based Targets initiative (SBTi).
- 34% of our own brand meals are plant-based or vegetarian.
- Strengthened Human Rights Policy, Supplier Code of Conduct and due diligence process.

Priorities for 2024

- Implement new Responsible Marketing Principles and guidelines.
- Pilot carbon recipe assessments and menu carbon labelling in key markets.

See also our 2023 Sustainability Report for detailed information on our strategy, targets and performance.

See also Our journey to net zero on pages 28-29.

PRODUCT: serving our customers responsibly

We are committed to increasing healthy and sustainable choices, sourcing our products sustainably and supporting animal welfare.

We have exceeded our 2025 target for 30% of meals offered by our own brands to be plant-based or vegetarian, achieving 34% globally in 2023. Our 'People & Planet Menu Framework' provides practical guidelines for integrating healthier and more sustainable food and drink options across our own brands. And, in 2023, we launched 'A Better Choice' toolkit, which uses simple iconography to help our customers easily identify healthier or more nutritious options on our menus.

For our own brands, 49% of tea, 71% of coffee and 80% of hot chocolate are from sources certified to standards such as Rainforest Alliance or Fairtrade. In addition, 61% of our own brand fish/seafood is sourced from certified fisheries and 48% of eggs for our own brands are from cage-free sources. We are committed to achieving 100% across all these areas by 2025.

PLANET: protecting our environment

We are committed to reducing our climate impacts, transitioning to sustainable packaging and reducing food waste.

We have a science-based target to reach net-zero GHG emissions across our value chain by 2040, from a 2019 base year, as detailed on pages 28-29.

By the end of 2023, c.84% of our own brand packaging was free of unnecessary single-use plastic and c.85% was reusable, recyclable or compostable. We are committed to achieving 100% by 2025.

We are also making strong progress in reducing food waste, with programmes across all our markets prioritising food waste prevention in the first instance. Where we have unsold, surplus food, we focus on redistribution, such as through our partnership with the world's largest food saving app, Too Good To Go. Since our partnership began in 2016, we have saved over 1,200 tonnes of food from landfill, avoiding the equivalent of c.3,000 CO_2e emissions.

PEOPLE: supporting our colleagues and communities

We are committed to promoting diversity, equity and inclusion (DE&I), protecting safety and wellbeing, respecting human rights and supporting our communities. Find out about DE&I and safety and wellbeing on pages 22-23 and 104-105.

In 2023, we updated our Human Rights Policy and Supplier Code of Conduct with strengthened global standards, commitments and expectations for all our business operations, colleagues and suppliers to adhere to and work towards. These are aligned to the Ethical Trading Initiative Base Code, which is founded on International Labor Organization (ILO) conventions and is an internationally recognised code of labour practice that we have adopted as our global standard.

To support this, we implemented a revised human rights due diligence process for our contracted suppliers. Our target is for 100% of high-risk suppliers to undergo ethical trade reviews by 2025.

We play an important role in the communities where we operate, supporting them through charitable partnerships to alleviate food poverty and other causes. In 2023, we worked with 24 charity partners across 14 countries. In the UK, the SSP Foundation held a charity gala in 2023, raising more than £225,000 for FareShare, the UK's largest charity fighting hunger and food waste, and Trussell Trust, the UK's largest network of food banks.

Our Sustainability Strategy

Delivering operational efficiencies

Revitalising our efficiency programme

We are committed to operating an efficient business to ensure our sales are effectively maximised into profit and cash.

Highlights from 2023

- Conducted commercial deep-dives in high-value units to identify profit opportunities.
- Simplified HR administrative tasks through the launch of SuccessFactor in six countries.
- Started the global rollout of our Automated Energy Meter Readers (AMRs).
- Implemented Project Phoenix to optimise menus and processes in the top-selling units in North America.

Priorities for 2024

- Deliver value creation plan.
- Optimise procurement.
- Utilise more technology and automation.

Find out more about our KPIs on pages 30-31 and our associated risks on pages 66-77.
Read more in our Financial Review on pages 57-65.

Running efficient operations is a core SSP competency and deeply embedded in our culture. We aim to optimise gross margins and leverage the international scale of our business by paying rigorous attention to managing the key costs of food and beverage, labour and overheads.

The key areas that we focus on to maintain an efficient business are:

- Gross margin optimisation
- Supply chain and procurement
- Labour productivity
- Overhead efficiencies

1 Gross margin optimisation

- Menu engineering
- Recipe reviews
- Inflation management
- Commercial deep-dives in major locations
- Improving product availability
- Lower food waste

2 Supply chain and procurement

- Inflation tracking
- Supplier and product rationalisation post Covid-19
- Compliance post Covid-19
- Distribution levers review
- Franchise spend
- Make or Buy
- Specification review

3 Labour productivity

- Digital rollout
- Scheduling reviews
- Retention programmes
- Global HR information system rollout
- Workforce Management
- Robotic waiters

4 Overhead efficiencies

- Installation of smart energy meters
- Installation of cloud-based energy management systems
- Equipment replacement
- Zero-based budgeting

In 2022, we relaunched our value creation plan, which supports the delivery of strong profit conversion and underpins our ability to leverage scale and drive operational margin improvements. Throughout 2023, we stepped up our approach with a coordinated global programme and have progressed many efficiency initiatives across our business.

Gross margin optimisation

This past year, we have carried out a broad-ranging programme of commercial and category management reviews to maximise sales and profitability across the Group. In many cases, these were focused on our larger, higher-value locations and aimed to deliver value through commercial analysis, benchmarking and on-site observations. Cross-functional teams conducted reviews in France, Spain and the Nordics. In Stockholm Central Station, we identified key opportunities at our Ritazza, Upper Crust and Burger King units, including optimising digital screens, adding signage to improve passenger flow and adding more seating. These actions resulted in sales uplift, an improved customer experience and an increased average transaction value.

Other margin improvement initiatives included recipe and menu engineering, improved beer yields through enhanced training and product waste management through our Too Good To Go partnership. We also continued to develop lower carbon recipes and to make a greater use of seasonal products. This not only improved margins but also helped reduce our carbon emissions. In Denmark, we started including premium items to our breakfast and lunch menus as well as 'add-ons', contributing to increasing the average ticket value. In North America, we worked closely with some brand partners to move selected products to our supply chain to drive efficiencies.

Supply chain and procurement

Our ability to drive efficiencies across our operations has been even more important in the high inflationary environment. As supply chains reopen, our ability to competitively tender has improved, and we continue to mitigate the impact of cost pressures by working with our suppliers. We have also continued to focus on waste reduction and re-engineering supply chain logistics, including forward-buying where possible, price renegotiations, and working with suppliers to deliver revenue-generating initiatives.

Delivering operational efficiencies continued

> Our value creation plan brings the wealth of knowledge and expertise from across our business to drive enhanced sales and profitability while ensuring we don't compromise on the quality of our offer and our sustainability objectives.
>
> **Sukh Tiwana**
> Chief Procurement Officer

Revitalising our efficiency programme continued

Throughout 2023, our Chief Procurement Officer, along with local procurement teams, continued to monitor the management and mitigation of our response to supply chain pressures to ensure cost inflation disruption was kept to a minimum.

Labour productivity

We launched our new global people system SuccessFactors in the UK, Ireland, Hungary, UAE, Canada and the USA. SuccessFactors gathers all our people data in one system, which enables colleagues to take control of their data and line managers to manage their team's administrative tasks more efficiently. Real-time information streamlines our recruitment and onboarding processes.

Overhead efficiencies

To reduce energy consumption, we started the rollout of Automated Meter Readers to our units worldwide. The AMRs present three opportunities: they help minimise our carbon emissions, aligned with our net-zero ambition; they drive significant consumption efficiencies; and they enable energy savings. The AMRs provide half-hourly energy readings, and UK trials have showed an average 5-7.5% reduction in energy consumption and associated costs where AMRs have been introduced.

Strategy in action
Optimising our menus in North America

Taking learnings from Covid-19, SSP America has optimised menus in its top 100 bars and restaurants to deliver quality for our customers and also drive sales and margins.

Working in close collaboration with brand partners, we redesigned our menus to optimise ingredients, included more sustainable options, and changed recipes to drive margins and limit waste. We also added templated processes and introduced a standardised approach to menu development, adapted to the size of the unit. Examples of other initiatives include the development of premiumised menus, ingredient cross-utilisation, innovative items including plant-based alternatives and substituting items according to changes in cost price.

These changes have resulted in an increase in like-for-like sales and profit margins.

We are embedding our data-driven menu optimisation and pricing reviews into core routines. They are informed by customer and client insights, balancing our commercial and customer objectives.

Our journey to net zero

Reducing our climate impact

42%
reduction in Scope 1 and 2 GHG emissions from our 2019 base year

6%
reduction in total GHG intensity (kg CO_2e per £m revenue) from 2019

Science-based targets

In 2023, the Science Based Targets initiative (SBTi) verified our targets to reach net-zero greenhouse gas emissions (GHG) across our value chain by 2040, from a 2019 base year. This includes:

- Our 2032 near-term target to reduce absolute Scope 1 and 2 GHG emissions by 60% from a 2019 base year; and reduce absolute Scope 3 GHG emissions from purchased goods and services and capital goods by 35% within the same timeframe.
- Our long-term 2040 target to reduce absolute Scopes 1, 2 and 3 GHG emissions by 90% by 2040, from a 2019 base year.

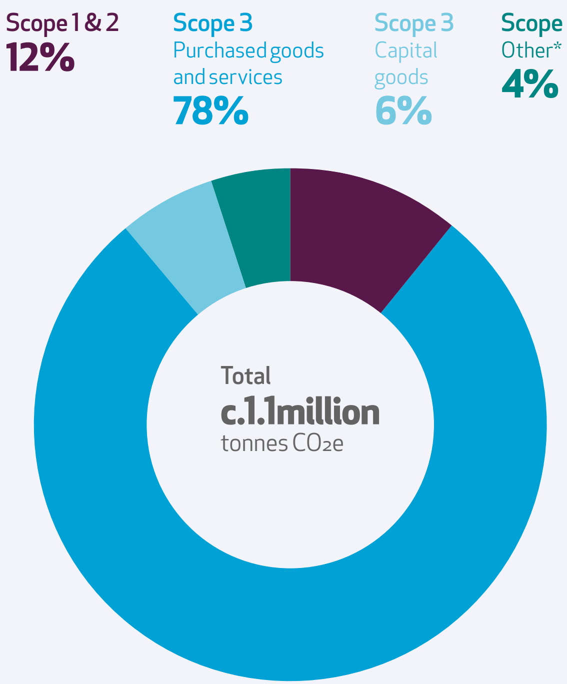
SBTi-approved targets are those that meet the Science Based Targets initiative Net-Zero Standard, which ensures the targets are credible, transparent and consistent.

Scope 1, 2 and 3 GHG emissions explained

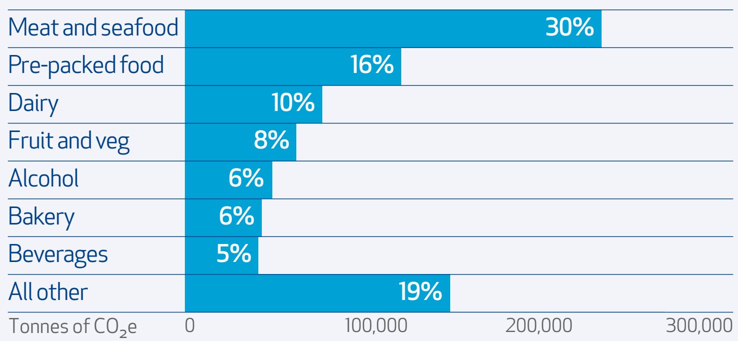
- **Scope 1** relates to direct emissions from fuel burnt on-site (e.g. natural gas), refrigerant gases and company vehicles.
- **Scope 2** relates to indirect emissions from the generation of purchased energy.
- **Scope 3** relates to all indirect emissions – not included in Scope 2 – that occur across the value chain, including both upstream supply chain and downstream end use.

See also Task Force on Climate-related Financial Disclosures (TCFD), including detailed breakdowns of our GHG data, on pages 50-56.

Breakdown of Group GHG emissions for 2019 base year



Breakdown of emissions for purchased goods and services



*Scope 3 other is comprised of: fuel and energy-related activities (2%), upstream transportation and distribution (0.2%), waste generated in operations (0.4%), business travel (0.1%), employee commuting (0.5%), end of life treatment of sold products (0.9%), downstream leased assets (0.2%), franchises (0.012%) and investments (0.003%).

Reducing our climate impact continued

Reducing emissions

In 2023, absolute GHG emissions for Scopes 1 and 2 reduced by 42%, while Scope 3 emissions increased by 7%, compared our 2019 base year, driven by business growth.

Across all three scopes, absolute emissions are relatively flat compared to 2019, while intensity across all scopes (kg of CO_2e per £m revenue) decreased by 6% from 2019. We believe this demonstrates the progress we are making in putting the right measures in place to ensure that, as our business grows, we are doing so efficiently and controlling absolute emissions increases in line with growth projections set out in our net-zero roadmap.

In 2023, 30% of our total energy use was from verified renewable sources. We are also investing across our business to increase energy efficiency with our global rollout of Automated Meter Readers, as detailed on page 27. Several of our markets are also undertaking major equipment upgrades to more energy efficient models. Not only will these equipment upgrades help to reduce our energy use and Scope 2 emissions, they will also contribute to reducing embodied carbon relating to Scope 3 capital goods.

In 2023, we worked with a specialist consultancy to develop new Sustainable Build Standards for the design and construction of our units. These focus on minimising embodied and operational carbon and incorporating circular economy principles. We plan to pilot the standards in 2024.

A recipe for net zero

The vast majority of our footprint relates to the food, drinks and products we purchase for resale. Meat, fish, pre-packed food and dairy represent the greatest proportion of our carbon footprint in this category. Reducing these emissions is challenging; yet, we are encouraged by a growing body of research highlighting the opportunities in shifting to more sustainable diets.

Research shows this does not mean everyone must become vegan, but rather advocates for a more flexible, plant-rich diet with lots of fruits, vegetables, legumes and wholegrains, some meat, dairy and lower-footprint seafood, with limited amounts of foods high in fat, salt and sugar. As well as helping to deliver on climate and nature goals, transitioning to sustainable diets can also benefit people's health.

Guided by this research and drawing upon our culinary expertise, our focus is on creating great tasting, healthier and more sustainable dishes that benefit both people and the planet. This includes increasing our range of plant-based offerings, a shift towards lower-impact alternatives such as chicken instead of beef, and developing more plant-forward dishes with a reduced proportion of meat or fish.

We are also exploring ways to make lower-carbon dishes more appealing to our customers. For example, research has shown that the way a dish is described on a menu can have a strong influence on customer decision-making. Moving away from exclusionary language, like 'meat-free', to positive descriptors focusing on the flavours and ingredients, can make a big difference.

Our 'People & Planet Menu Framework' guides our approach, offering practical guidelines for sourcing, recipe development, cooking methods, menu design and encouraging customers towards healthier, more sustainable choices.

In addition, we have partnered with Klimato, a leading provider for calculating the carbon footprint of recipes using a comprehensive database of country-specific, peer-reviewed life cycle analysis data. In 2023, we began piloting Klimato in the UK and the United Arab Emirates to evaluate the CO_2e impact of our recipes and identify areas where we can reduce emissions or develop alternatives, while maintaining customer appeal.

In 2024, we plan to extend Klimato recipe assessments to additional markets and conduct trials of carbon labelling on menus at key sites to evaluate the impact on customer behaviour.

Sustainable sourcing

Sourcing sustainable ingredients and working closely with our suppliers is crucial for Scope 3 GHG emissions reductions.

In 2023, we held a Scope 3 training workshop at our purchasing leaders conference, attended by purchasing directors for all our global businesses. This focused on upskilling them in sustainable supplier selection.

In the UK, we conducted a supplier engagement exercise for our highest-impact products, including meat, fish, dairy and alcohol, to understand their approach to measuring and reducing GHG emissions. We are using these insights to inform the development of our net-zero sourcing strategy.

We also regularly engage with our suppliers to source sustainable product alternatives. Following a successful trial in the UK in 2022, this year we began the rollout of lower-impact cleaning products in additional key markets. These use natural plant-based ingredients, are 100% biodegradable and Cradle to Cradle (C2C) Gold Certified. Now implemented across 10 markets, we estimate this transition will reduce GHG emissions by c.45% or c.38 tonnes of CO_2e over the next 12 months, compared to our traditional cleaning products.

We seek to work with suppliers with strong sustainability credentials, and many of our restaurants globally feature locally-sourced products and supplier partnerships. A great example of this is our new partnership with Toast Brewing in the UK – a local craft beer brewed sustainably with surplus bread. By reducing food waste, they use less land, water and energy, and avoid carbon emissions. Toast is also a Certified B-Corp, and all their profits go to charity.

See pages 28-33 of our 2023 Sustainability Report for comprehensive details of our net-zero strategy and 10-point transition plan.

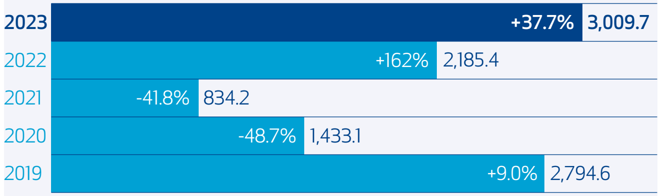
Key performance indicators

Link to our strategy:
- Pivoting to high growth markets
- Enhancing business capabilities; driving competitive advantage
- Delivering operational efficiencies

Financial KPIs

(see page 63-64 for reconciliations to IFRS measures)

Revenue (actual currency: £m)

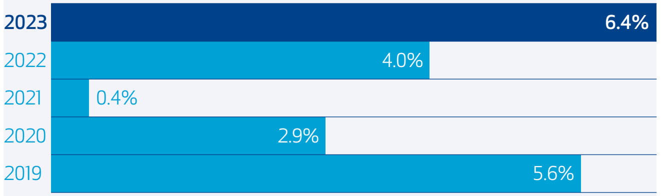


Definition
Revenue represents amounts for catering and retail goods and services sold to customers excluding value added tax and similar items.

Comment
Total revenue increased by 38% to £3,010m driven by the further growth in passenger numbers, price increases and net contract gains.

Link to our strategy

Net gains (constant currency: %)

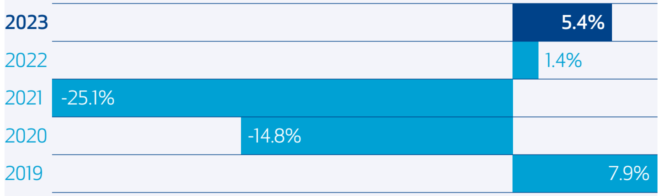


Definition
Net gains represents the revenue in outlets open for less than 12 months. Prior period revenues for closed outlets are excluded from like-for-like sales and classified as contract losses.

Comment
Net gains improved to 6.4% due to the mobilisation of new units in the year, notably in North America and APAC.

Link to our strategy

Underlying operating profit margin (actual currency: %)

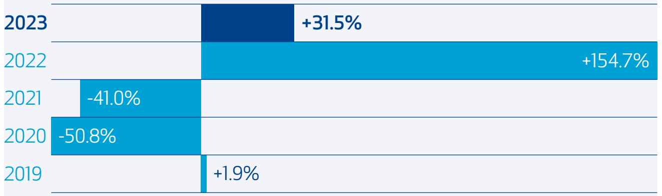


Definition
Underlying operating profit margin represents underlying operating profit on a pre-IFRS 16 basis as a percentage of revenue.

Comment
Underlying operating profit margin improved to 5.4%, driven by operating leverage (reflecting the further recovery in passenger number) as well as our extensive efficiency programme.

Link to our strategy

Like-for-like revenue (constant currency: %)

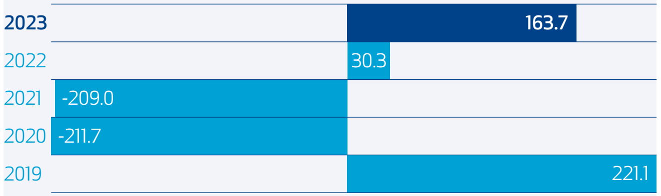


Definition
Like-for-like revenue represents revenues generated in an equivalent period in each financial year for outlets open for at least 12 months. We've not included units temporarily closed because of Covid-19 for this calculation.

Comment
Like-for-like revenue growth was 32%, primarily driven by growth in passenger numbers in the air sector.

Link to our strategy

Underlying operating profit/(loss) (actual currency: £m)

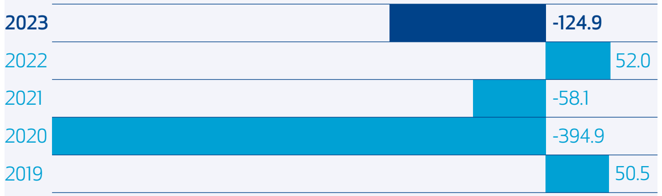


Definition
Underlying operating profit/(loss) on a pre-IFRS 16 basis represents revenue less operating costs, which excludes several items. They are not considered reflective of the normal trading performance of the business, and are considered exceptional because of their size, nature or incidence. Refer to note 6 for further details of non-underlying items.

Comment
Underlying operating profit on a pre-IFRS 16 basis was £163.7, an increase of 440% over the prior year at actual exchange rates. Reported operating profit was £166.8m (2022: £91.5m).

Link to our strategy

Free cash flow (actual currency: £m)



Definition
Free cash flow represents net cash flow from operations after capital expenditure, tax and net cash flow to and from non-controlling interests and associates.

Comment
Free cash outflow was £125m, compared to the prior year free cash inflow of £52m. This change reflected higher levels of capital expenditure and working capital outflows, as well as acquisitions.

Link to our strategy

Link to our strategy:
- Pivoting to high growth markets
- Enhancing business capabilities; driving competitive advantage
- Delivering operational efficiencies

Financial KPIs continued

Leverage

2023	1.4
2022	2.1
2021	-2.9
2020	-7.0
2019	1.5

Definition
Leverage represents the ratio of underlying pre-IFRS 16 EBITDA to pre-IFRS 16 net debt at the end of the year.

Comment
Leverage fell to 1.4x just below our previously disclosed target range of between 1.5x and 2.0x.

Link to our strategy

Underlying pre-IFRS 16 earnings per share (EPS) (p/share)

2023	7.1
2022	-4.5
2021	-31.9
2020	-45.4
2019	29.1

Definition
Underlying pre-IFRS 16 earnings per share is calculated by dividing the result for the year attributable to ordinary shareholders, adjusted for non-underlying items, by the weighted average number of ordinary shares outstanding during the year.

Comment
Underlying pre-IFRS 16 EPS increased to 7.1p per share as a result of the strong recovery in profitability during the year.

Link to our strategy

Non-financial KPIs

Colleague engagement score (out of 5)

2023	3.98/5.00 (c.80%)
2022	76.5%
2021	75.1%
2020	n/a
2019	n/a

Definition
Gallup Q12 engagement index score.

Comment
The Gallup Q12 is a widely used employee engagement survey consisting of 12 questions designed to assess various aspects of an employee's workplace experience, such as their level of job satisfaction, the quality of relationships with colleagues and managers, and their sense of purpose at work. This is the first year we are using the Gallup methodology. Previous years' results were based on % of positive responses. In 2023, we achieved a score of 3.98/5.00 (c.80%).

Link to our strategy

Customer feedback score (out of 5)

2023	4.2
2022	3.9
2021	3.4
2020	3.6
2019	3.5

Definition
We use an external provider, Reputation, to measure feedback on a consistent basis across the business.

Our Reputation score is calculated based upon online reviews including Google and Tripadvisor ratings.

The score encompasses data from the 14 countries Reputation is currently live in.

Comment
We achieved the score of 4.2/5, our highest score in the last five years.

Link to our strategy

Women in senior leadership roles (%)

2023	37%
2022	36%
2021	31%
2020	22%
2019	23%

Definition
Group Executive Committee and their direct reports (including CEO and Deputy Group CEO and CFO and their direct reports). In 2023, we committed to achieving a target of 40% of our Group Executive Committee and their direct reports being women by 2025.

Comment
In 2023, 37% of our senior leadership roles were held by women.

Link to our strategy

You can find our progress against our diversity targets on page 104.

Scope 1 and 2 GHG emissions (tonnes of CO_2e)

2023	79,552
2022	98,597
2021	47,035
2020	68,919
2019 baseline	136,439

Definition
Absolute Scope 1 and 2 (market-based) tonnes of carbon dioxide equivalent (CO_2e). Scope 2 data for 2020 and 2021 is location-based.

Comment
In 2023, we achieved a 42% reduction, from our 2019 base year.

Compared to 2022, absolute emissions decreased by 19%. In addition, 30% of our total energy use in 2023 was from renewable sources.

Link to our strategy

You can find our detailed GHG reporting table, including Scope 1 and 2 breakdowns, Scope 3 and energy use, and intensity ratios on page 55.

Regional reviews

North America

> "Our efforts to continually fine-tune our operations and commercial programmes as well as build an engaged workforce have allowed us to pursue a nuanced business development strategy. It is designed to sustain high-performance growth while staying true to our underlying principles and deliver an extraordinary passenger experience."

Michael Svagdis
CEO America

Regional highlights

£669m
revenue

£67m
operating profit

£68m
underlying operating profit

c.370
units

c.6,300
colleagues

c.45
locations

North America

Market overview and context

North America is a large and fast-growing food and beverage market, driven by passenger growth and increasing demand for larger food and beverage spaces in airports.

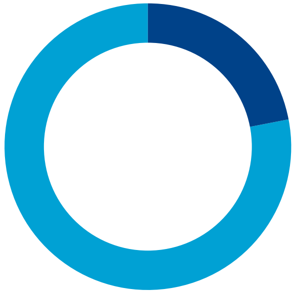
We are present in the air channel in North America, a large structurally growing market where we see great opportunity for growth and returns. Over the five years leading up to Covid-19, we grew at a compound annual growth rate of 15% in the region. North America remains an attractive growth market, given its size and our track record of organic growth. We have a presence in 34 of the top 80 airports in North America[1], having expanded into four new airports in 2023 with our recent acquisition of the concessions business of Midfield Concession Enterprises, Inc. We have also proven our expertise in partnering with well-known brands to give passengers a 'taste of place' in the airport locations we serve.

Performance

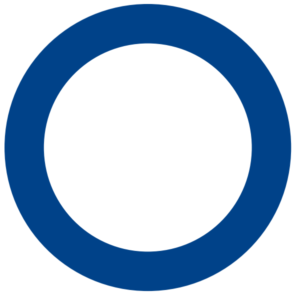
Revenue during the year of £668.8m increased by 46.9% compared to the prior year, and 25.4% versus 2019 levels (both at actual exchange rates). The performance included a significant contribution from net contract gains, as we continue to grow our business in conjunction with our joint venture partners. During the first half, the sales recovery in North America remained strong, running 27.1% above 2019 levels and 71.8% ahead of 2022, reflecting the ongoing recovery in domestic leisure and business travel, in addition to the contribution from the new openings. During the second half, sales increased by 24.0% compared to 2019 and 31.4% versus 2022, including a sales benefit from the acquisition of the Midfield Concession business, with the transfer of six of the seven airports completed in June.

Find out more about financial performance in the Financial Review pages 57-65.

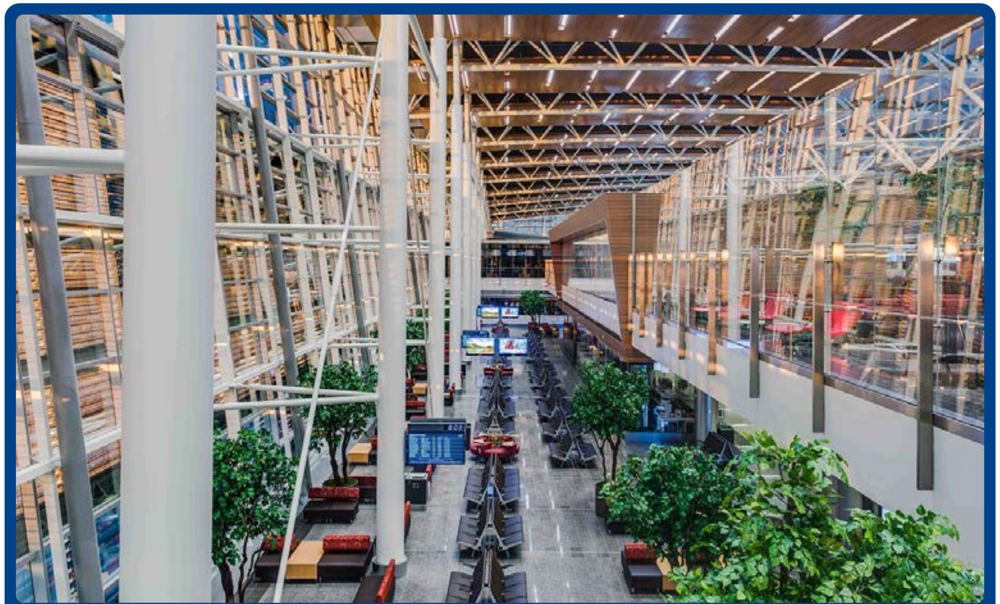
Share of global SSP revenue



Air/rail mix



Key brands



Expanding our presence in Canada at Calgary Airport

In 2023, we won a 10-year agreement at Calgary Airport to operate five units at the fourth busiest airport in Canada. Calgary Airport Authority continues to transform Calgary International Airport into a modern airport, offering passengers an improved experience.

Calgary Airport is a new airport for our North American business. Its domestic passenger levels are expected to increase in 2024, with new additional weekly flights to the capital Ottawa added during peak travel periods.

We will open four airside spaces and one landside space, with a majority of our own brands including our Mexican concept Mi Casa, Stack & Press, and a local coffee brand Monument and Wander, featuring local chef Nicole Gomez.

Recognising Calgary Airport Authority's respect for the region's indigenous communities, and specifically, the Authority's acknowledgment of the Treaty 7 territory of the Blackfoot confederacy, we have embraced the inclusion of indigenous foods within our overall catering strategy and will work with an indigenous chef to develop the catering menus.

1 Based on top 80 airports as at 2019.

Regional reviews

Continental Europe

"We've been growing our business with important new gains in Spain, Germany and France, we entered Iceland for the first time and we will begin to operate in Italy by the end of 2023. We significantly expanded our partnership with Pret A Manger in Switzerland and have plans to develop it in several markets. This year was also crucial to widening our convenience offering to deliver superb fresh food travel essentials, winning contracts with Point in Switzerland and Spain."

Jeremy Fennell
CEO Continental Europe

Regional highlights

£1,137m
revenue

£33m
operating profit

£52m
underlying operating profit

c.1,200
units

c.14,100
colleagues

c.300
locations

Continental Europe

Market overview and context

Continental Europe is a significant market for SSP, accounting for 38% of our global revenue. We have a strong presence in many of the European markets where we operate, with leading positions in Spain, France, Belgium, Luxembourg, Germany, Austria, Switzerland, Denmark, Sweden, Finland and Norway. In 2023, we entered two new European markets and opened at Reykjavik Airport and Rome's Termini Station.

Across Continental Europe, we operate in air and rail, with 59% of our business in the former and 31% in the latter. We have a 15% share in the air market and 5% share in the rail market, with strong potential to grow.[1]

Performance

Revenue in Continental Europe of £1,136.7m represented an increase of 31.0% compared to 2022 and 9.6% versus 2019 levels (both at actual exchange rates).

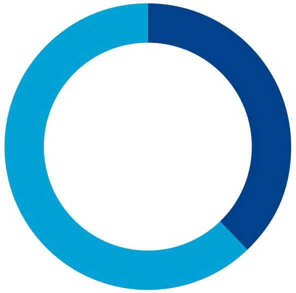
Most markets in Continental Europe recovered strongly in the first six months of the year, running 9.3% above 2019 levels across this period (56.9% ahead of 2022), helped by the extended European summer holiday season which stretched into the autumn, most notably in Spain, and was in spite of industrial action in February and March which impacted several countries, notably France.

During the second half of the year, sales strengthened further to 9.8% above 2019 levels (16.2% above 2022), driven by strong air passenger numbers over the late spring and summer and despite the impact of protests and travel disruption in France, as well as more challenging comparatives from 2019. We also made the decision to exit our motorway services business in Germany.

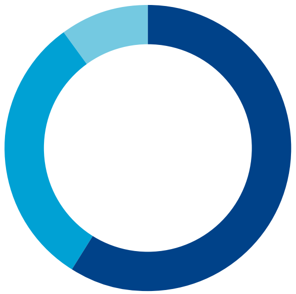
Find out more about financial performance in the Financial Review pages 57-65.

1 As at 2019.

Share of global SSP revenue



Air/rail mix



Key brands

Growing our footprint in Europe in Iceland and Italy

Through two significant contract wins in Iceland and Italy, we are growing our presence in Europe in new markets.

In Italy, we won a contract to operate four units at Rome Termini Station: LEON, Yo! Sushi, EXKi and Granaio. The three international brands will provide a choice of fast, healthy food to travellers while the Italian casual dining concept Granaio will serve classic Italian dishes with premium seating options. We have a strong track record in bringing international brands to travel locations. We have worked closely with our brand partners to localise their offer and ensure they meet the Italian customer needs. The opening also marks Leon's brand debut in Italy. The units will start operating from December 2023.

In Iceland, we secured a contract to open two new units at Keflavik International Airport in Reykjavik, which began operating in spring 2023. Sense of place was a vital criterion for our client Isavia in awarding this tender, and these two new restaurants showcase the best of Iceland and modern Icelandic dining experiences.

Restaurant Jómfrúin is a favourite among both locals and tourists, having opened 25 years ago in the heart of Reykjavik to offer guests Danish food the Icelandic way. We also developed the bespoke concept Elda, drawing inspiration from Icelandic landscapes and nature. Both units reflect SSP and Keflavik International Airport's sustainability commitments, with locally-sourced ingredients.

Regional reviews

UK & Ireland

"During my first year as CEO of SSP UK & Ireland, we have focused on resetting our business. A key priority has been refreshing and upgrading our outlets, and we have made good progress in that regard. New business wins have been significant with over 70 new units opened with a mix of existing and new own brands and new franchises in both rail and air and we have a strong pipeline going into the new year. Overall, 2023 was a solid year of organic and new space growth delivered by a great team of passionate and committed colleagues."

Kari Daniels
CEO UK & Ireland

Regional highlights

£774m revenue	**£55m** operating profit
£66m underlying operating profit	**c.470** units
c.8,600 colleagues	**c.180** locations

UK & Ireland

Market overview and context

SSP is the biggest food and beverage provider in travel locations in the UK and Ireland. Just over 50% of our business comes from the rail channel, with the remainder from air and other locations.

The UK market is highly fragmented and competitive, with high street brands operating in travel locations. Leading up to Covid-19, it experienced sustained growth, driven by several factors across rail and air, including investment in railways and infrastructure and investment in airports leading to longer dwell times, resulting in more passengers wanting to eat and drink pre-flight. In 2023, the return of strong air volumes has contributed to the travel recovery in the region. While these growth trends continue, the sector has faced challenging conditions, including railway industrial action leading to train service cancellations, and inflationary pressures on costs.

Performance

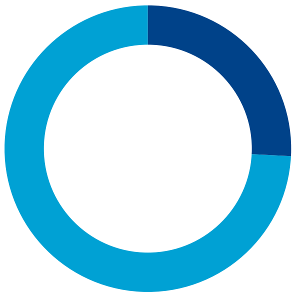
Revenue in the UK and Ireland of £773.6m represented an increase of 25.8% compared to 2022 and a recovery to 92.0% of 2019 levels (both at actual exchange rates).

During the first half of the year, sales recovered to 85.2% of 2019 levels (41.0% ahead of 2022), reflecting an ongoing recovery in both leisure and commuter travel, despite the impact of regular strike action impacting the rail business.

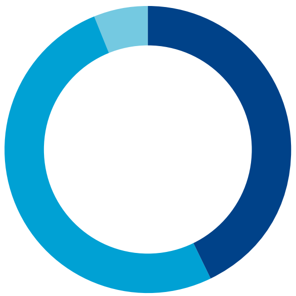
In the second half, underlying UK trading in both the air and rail channels continued to strengthen, with revenues averaging 97.8% of 2019 levels (16.5% above 2022), despite the rail sector continuing to be impacted by ongoing industrial action.

Find out more about financial performance in the Financial Review pages 57-65.

Share of global SSP revenue



Air/rail mix



Key brands

Developing our brand portfolio at Gatwick Airport

From two brands in 2019 to six in 2023, we have significantly developed our presence at London Gatwick Airport over the past year. We have used customer and client insights to constantly adapt and improve our portfolio at the airport. The new concepts and brands align with customer expectations and our wider strategy, with a focus on sustainability, people and technology.

We are experts at identifying brands that customers love and working in partnership with those brands to 'travelise' them, making them relevant for the travel environment. This year, we announced two exciting new partnerships in the UK: BrewDog and The Breakfast Club.

BrewDog is an independent Scottish craft brewer with international appeal. We have won one unit at London Gatwick Airport, which opened in December 2023. In July, we also opened the first airport restaurant with London-based brunch brand The Breakfast Club at London Gatwick Airport. The feedback from customers has been very encouraging, with reviews pointing out the welcoming atmosphere of the unit, excellent service and quality of food.

To complement our existing offer at London Gatwick Airport, we also won a space to operate a new Starbucks in the North Terminal.

These new wins build on our existing offer at the airport, following the successful opening of Juniper & Co and Tortilla in 2021.

Regional reviews

Asia Pacific and Eastern Europe & Middle East

"The teams have done an outstanding job mobilising new units this year. In Malaysia, we jumped from one to 30 units open in 12 months. We also significantly progressed our people agenda, with a strong focus on DE&I."

Jonathan Robinson
CEO Asia Pacific

"The strong recovery in passenger levels coupled with the phenomenal work of our teams to mobilise our units mean we were able to deliver a strong performance, scaling up on our lounge expertise and continuing to develop our joint venture partnership, TFS, in India."

Mark Angela
CEO Eastern Europe & Middle East and India

Regional highlights

£431m
revenue

£72m
operating profit

£71m
underlying operating profit

c.500
units

c.12,700
colleagues

c.90
locations

APAC & EEME

Market overview and context

Our APAC and EEME region includes Eastern Europe, Middle East, India, South East Asia and Australia. Our first entry in the Asian market was in 1995, and we are now present in eight markets across Asia Pacific. Additionally, we operate in eight markets in Eastern European and the Middle East.

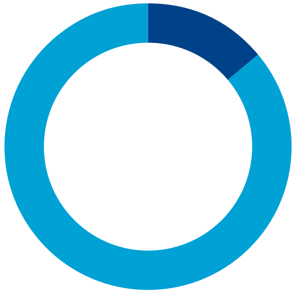
This region is predominantly focused on the air channel, with a presence in 64 airports. In India, we operate a joint venture partnership, Travel Food Services, where we are mainly operating in the air channel, with a smaller presence in rail stations and MSA. We also have a successful lounge business and during 2023, we made significant progress expanding our lounges operations with eight lounges in India and Malaysia. We see significant scope to grow further business in these markets.

Performance

Revenue of £430.6m represented an increase at actual exchange rates of 74.2% compared to 2022 (82.6% on a constant currency basis) and 12.2% versus 2019 levels (21.1% on a constant currency basis). Revenues continued to recover rapidly throughout H1, including an exceptional performance in our business in India where sales more than doubled year-on-year. Australia, Thailand and the Middle East also performed particularly well. First half sales for the APAC and EEME region grew by 142.4% compared to the equivalent period in 2022 (at actual exchange rates). Compared to 2022, sales improved by 41.2% at actual exchange rates (53.9% on a constant currency basis), as we saw further improvements in passenger numbers across the APAC region, as well as strong performances in India and Egypt. In addition, the region continued to benefit from significant net gains as we continued to roll out the new business pipeline, with strong contributions from new openings in Malaysia, Australia, Thailand, Bahrain and India.

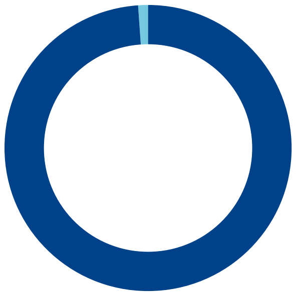
Find out more about financial performance in the Financial Review pages 57-65.

Share of global SSP revenue



- APAC & EEME **14%**

Air/rail mix



- Air **99%**
- Rail **0%**
- Other **1%**

Key brands

Expanding our operations in India

Bengaluru's (previously Bangalore) Kempegowda International Airport (BLR) welcomed over 33 million passengers in 2019, reaching 250 million by June 2022. The airport's terminal 2 (BLR T2) started operating in 2023.

The terminal was designed and built on four pillars: Terminal in a Garden, Sustainability, Technology, Art and Culture.

Travel Food Services, our joint venture partnership business in India run in partnership with K Hospitality, was awarded the concession to operate ten F&B outlets in BLRT2. As part of this, we have introduced renowned international brands such as Brioche Dorée and Jamie Oliver's Pizzeria in airport spaces for the first time in India. We have also opened some local concepts.

For example, Bombay Brasserie, an all-day modern Indian bar and eatery, showcasing the best of India's unique ingredients and Gully Kitchen which blends Indian flavours with gourmet finesse. The menu offers a fusion of traditional and gourmet dishes in an ambience inspired by Indian spices and a commitment to sustainable ingredient sourcing.

Eight outlets including James Martin Kitchen, CBTL, Gully Kitchen, and Bombay Brasserie are already operational. These units will collectively employ around 340 colleagues.

We also won a new unit in BLR T1 where we will be opening a new Choco-Bay as part of a three-year agreement.

Stakeholder engagement and Section 172 statement

Listening to our stakeholders helps us better understand their views and concerns and enables us to respond to them appropriately. It gives us valuable inputs into, and feedback on, our strategic approach, and helps ensure we take stakeholder views into account in our decision-making.

We aim to maintain proactive, open and two-way dialogue with stakeholders to meet evolving expectations as a multinational business and to create shared value for our business and our stakeholders.

We engage our stakeholders at local, regional and global levels. Our Board has an ongoing programme of direct engagement with key stakeholders, including visits to our international operations and activities carried out by our designated Non-Executive Director for workforce engagement (ENED), Judy Vezmar. In 2023, our direct engagement increased significantly across our stakeholders, resulting in richer insights into what matters to them.

Find details of our Board engagement and ENED engagement on pages 94-97 and 100-101.

Our key stakeholders

As a global business with operations in 37 countries, SSP has diverse stakeholders. We define our stakeholders as those whom we affect and those who affect us and categorised them into nine stakeholder groups, as summarised on the next page.

Each year, the Board undertakes a detailed review of our stakeholders and the effectiveness of our engagement mechanisms. This year's review noted that we have a well-established programme of stakeholder engagement, we are making good progress on better understanding their views and that we are incorporating those views into our decision-making.

As well as discussions at Board level, the Group Executive Committee regularly discusses and considers stakeholder views, and has mechanisms for identifying and addressing key issues.

In 2022, we undertook an in-depth materiality assessment conducted by a specialist third party to identify the most material issues raised by our stakeholders and in 2023, we implemented key recommendations identified in this review, including:

- Increasing the Chair's interaction with major shareholders to understand their views on governance and performance against the strategy.
- Introducing a requirement for all papers that go to our Board, Board Committees and Group Executive Committee to include a briefing note detailing the stakeholder groups the agenda item relates to and how they are impacted. This helps to ensure stakeholder considerations are taken into account in our decision-making. This briefing note also requires a consideration of s172 matters.

Section 172 statement

A key element of the Board's consideration of s172 matters is the need to balance often competing interests among our stakeholder groups. Our engagement activity allows us to better understand those competing priorities and to assess the best course of action to ensure the delivery of long-term value creation.

In performing their duties during our financial year 2023, the Directors have had regard to the matters set out in Section 172 of the Companies Act 2006 as appropriate, with the principles underpinning the Board's general approach to decision-making.

Each Director of the Board confirms that, during the year, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so, has had regard (among other matters) to: the s172 matters set out below.

The likely consequences of any decision in the long term.	• Understanding our market – pages 12-15 • Our business model – pages 16-17 • Our strategy – pages 18-27 • Board activities – pages 94-97	• Our journey to net zero – pages 28-29 • Dividend Policy – page 74 • Our 2023 Sustainability Report
The interests of the Company's employees.	• Our business model – pages 16-17 • Our strategy – pages 18-27 • Stakeholder engagement: Colleagues – page 43 • A message from our ENED – pages 100-101 • Board activities – pages 94-97 • Culture – pages 98-99	• Diversity, equity and inclusion – pages 22-23 and 104 • Succession planning – pages 106-107 • Speak-up – pages 98-99 • Our 2023 Sustainability Report
The need to foster the Company's business relationships with suppliers, customers and others.	• Our business model – pages 16-17 • Our strategy – pages 18-27 • Stakeholder engagement – pages 40-49 and 94-95 • Board activities – pages 94-97	• Modern slavery – pages 25 and 97 • Payment practices – page 143 • Our 2023 Sustainability Report
The impact of the Company's operations on the community and the environment.	• Our strategy – pages 18-27 • Stakeholder engagement: Colleagues – page 43 • Our 2023 Sustainability Report • Board activities – pages 94-97	
The desirability of the Company maintaining a reputation for high standards of business conduct.	• Understanding our market – pages 12-15 • Our strategy – pages 18-27 • Non-financial and sustainability statement – page 79 • Board activities – pages 94-97	• Risk management – pages 66-77 • Compliance and internal controls – page 114 • Our 2023 Sustainability Report
The need to act fairly as between members of the Company.	• Our strategy – pages 18-27 • Stakeholder engagement – pages 40-49 and 94-95, • Annual General Meeting (AGM)	• Board activities – pages 94-97

Our stakeholder groups at a glance

This year we reviewed our key stakeholder groups, and while they remain broadly the same as in our 2022 Annual Report, we have included an additional stakeholder group for joint venture partners.

We have deep relationships with a number of long-standing joint venture partners and are developing trusted relationships with our newer partners. As we look to grow our business in North America and Asia Pacific, we recognise that the interests of this stakeholder group will become ever more relevant.

Customers

Why we engage
Understanding customer needs and trends enables us to provide the food and beverage choices they want.

Value created
High-quality products and brands, with a wide range of food and beverage choices that meet diverse preferences.

Find out more on page 42.

Colleagues

Why we engage
As a service provider, we are a people business and our colleagues are crucial to our success.

Value created
A great place to work where everyone can fulfil their potential, with an inclusive, engaging and values-based culture.

Find out more on page 43.

Investors and lenders

Why we engage
We need to understand the needs of those who invest in and lend to SSP to maintain their confidence.

Value created
Opportunity to generate attractive returns on investment and sustainable long-term profitable growth.

Find out more on page 44.

Clients

Why we engage
Our business success is dependent on retaining and winning new space in our clients' travel locations.

Value created
Delivering on mutual service and performance goals, and offering a high-quality customer experience for travellers.

Find out more on page 45.

Joint venture (JV) partners

Why we engage
Good relationships with our JV partners are key to growing our businesses, particularly in markets where we do not currently operate.

Value created
By helping them grow our joint business through new opportunities.

Find out more on page 46.

Brand partners

Why we engage
We work with our partners to optimise the brand offer for our clients and customers.

Value created
The preferred partner for brands looking to operate in the travel sector.

Find out more on page 47.

Suppliers

Why we engage
Good relationships with our suppliers are essential to ensuring an efficient and secure supply chain.

Value created
Long-lasting and mutually beneficial relationships across our supply chain.

Find out more on page 48.

Communities, NGOs and society

Why we engage
We play an important role in communities where we operate, which enables us to act as a good corporate citizen.

Value created
Job opportunities, charitable support and food donations, and sustainability initiatives.

Find out more on page 49.

Governments and regulators

Why we engage
We seek to be part of the debate that shapes the regulatory environment in which we operate.

Value created
Supporting local economies and contributing our expertise to areas of policy development.

Find out more on page 49.

Customers

Understanding customer needs and trends enables us to provide the food and beverage choices they want. Their views also help us ensure our teams are delivering the quality and service they expect.

Business engagement

We engage and learn from our customers in a variety of ways, including:

- customer surveys, focus groups and online communities
- online reviews and customer care lines to provide direct feedback
- direct engagement and dialogue with customers by our colleagues.

Our Food Travel Insights Survey included interviews with over 18,000 customers across 25 markets, and resulted in around three million data points. The research was carried out in partnership with Saatchi Group's Clear and provided an insightful view of customers' preferences. It identified what is important to our customers when buying food and drinks in travel settings, as well as how this differs by customer segment, geography and channel.

We have extended our global customer listening platform, 'Reputation', from the UK to 14 countries. We can gather real-time customer feedback and respond swiftly. Through a new partnership with an industry-leading provider, we have gained access to global monitoring of food and beverage trends and innovations.

In 2023, we also conducted a comprehensive Global Digital Survey to get a deeper understanding of evolving customer attitudes and behaviours, helping to enhance our seamless customer experience.

Board engagement

The Board receives regular updates on customer insights from the Executive Directors and Group Executive Committee. In 2023, this included a detailed review of the Food Travel Insights Survey results, and an in-depth 'teach-in' session to upskill the Board on the survey insights and how the business is responding.

The Board is also kept informed of sales performance, market insights and evolving trends. This helps the Board understand our customers and track potential issues and opportunities. In addition, our Board Directors are able to experience the customer journey first hand during site and market visits, including food tastings and trialling new technology (for example the digital kiosks in The Mezz in Dublin Airport).

Material issues raised in 2023

- Convenience, quality service and seamless digital solutions.
- Quality products and value for money.
- Wellness, healthier food and dietary needs.
- Sustainability and environmental concerns.
- Products and brands that enhance the customer experience.

Actions in 2023

Having conducted our Food Travel Insights Survey, we have used the insights to strengthen our ability to optimise brands and enhance our food and beverage propositions.

We have appointed Customer Ambassadors for each region to embed our insights and apply them across our business decision-making processes. We are using the insights as a starting point across key workstreams, including developing new concepts and products, as well as sharing with clients our data-led approach for portfolio management. Going forward, the insights will form a checklist integrated into the governance process for decision-making by our Group Investment Committee.

Find out how we are enhancing our capabilities to deliver a leading customer proposition on page 21.

Priorities for 2024

- Strengthen the integration of our insight tools and enhance our ability to apply customer insights, ensuring they remain at the forefront of decision-making.
- Continue to embed customer insights and expertise across the business to inform and enhance our products, brands and customer experience.

Turning insights into action

Through our research, we have identified a range of customer types with different priorities, behaviours and expectations. For example, 'Aspirational Foodies' want to see choice and explore new options. They favour 'local heroes' and independent brands, and issues such as sustainability and wellness matter to them. 'Mainstream Fans' seek the comfort and reliability of recognisable menu items. Although they have less disposable income than some other customer segments, they look for foods that the whole family will enjoy and offer great value for money.

These insights are playing a crucial role in how we respond and meet customer needs. For example, in July 2023, we opened The Mezz in Dublin Airport, which uses innovative digital kiosks to allow customers to order from four different food and beverage brands in a single, convenient place. It has a range of offers to cater for customers who want anything from exciting, new flavours from Thailand to those who seek comfort in burgers or local Irish favourites.

Colleagues

Listening and responding to feedback from our colleagues helps us attract and retain diverse and talented people. Engaging with colleagues is an essential way to nurture our culture and ensure SSP is a great place to work for all.

Business engagement

Ensuring we have open engagement, where we can listen and learn from our colleagues and act on the insights they give us is crucial to the development of our culture and people strategy.

Our annual Colleague Engagement Survey is our biggest listening exercise of the year, giving every colleague across the business the chance to share their opinions about working for SSP and how we can improve. For our 2023 Colleague Engagement Survey, we partnered for the first time with survey providers, Gallup. Nearly 25,000 colleagues (76%) completed the survey. Gallup measure engagement using the 'Q12 index' which is a score out of 5. We registered a score of 3.98.

As well as our Colleague Engagement Survey, our other engagement channels include:

- market and site visits by our Group Executive Committee members to meet local colleagues
- Group and regional town hall meetings and listening sessions
- meetings with works councils and trade unions
- independently-managed Speak-Up channels
- Global Inclusion Council and local colleague networks.

Board engagement

Our designated Non-Executive Director for workforce engagement (ENED), Judy Vezmar, directly engages with a diverse spectrum of colleagues around the business and provides feedback to the Board on this engagement to inform their decision-making. In 2023, in addition to joining works council meetings and regional townhalls, Judy had six face-to-face listening sessions with over 70 colleagues across three regions, which you can read about on page 100-101.

Other Board members met colleagues during site and market visits. In 2023, this included Board visits to New York, Oslo, Mumbai, Delhi and Dublin. Our Group CEO visited several of our markets and included a focus on the safety culture in the businesses he visited.

The Board receives regular safety reports and twice-yearly detailed updates on workforce engagement, including outcomes from the Colleague Engagement Survey. The People Strategy is presented annually and the Board reviews a dashboard of workforce-related matters twice a year along with reports from our Speak-Up channels. Talent and succession planning and Diversity, Equity and Inclusion discussions are also held twice a year in the Nomination Committee.

Find out about our ENED Engagement on pages 100-101.

Material issues raised in 2023

- Job opportunities, learning and development and mobility.
- Job security, remuneration and benefits.
- Diversity, equity and inclusion.
- Health, safety and wellbeing.
- Cost of living.
- Sustainability, environmental and social impacts.

Actions in 2023

The wealth of insights gathered through our colleague engagement channels directly influence our strategic decisions. They highlight the issues that matter most to colleagues and where we need to focus our attention.

Following the 2023 Colleague Engagement Survey, we identified key areas for improvement and developed detailed action plans in collaboration with our global senior leadership teams.

The Colleague Engagement Survey results were cascaded to regional, country, site and team-level, with listening sessions to encourage open discussions. We want to create an environment where everyone feels invested in working together to address areas for improvement and celebrate success.

We implemented several actions over the past year in response to our 2022 Colleague Engagement Survey, including:

- successfully launching SuccessFactors, our new people platform, and Viva Engage, our global chat and community tool
- strengthening our Employer Value Proposition by developing a global careers website, which is now live in six countries
- providing additional support for colleagues impacted by rising inflation
- developing our Talent and Mobility Strategies.

Find out more about how we're supporting our colleagues on pages 22-23.

Priorities for 2024

- Continue rolling out our global careers website for a consistent and simplified recruitment experience for candidates.
- Continue to embed DE&I in our senior leader recruitment criteria.
- Introduce new development initiatives focusing on high-potential leaders.

Unifying colleague connections

Feedback from our colleagues told us that we needed to reduce the complexity of our different internal engagement and communication tools and channels. We responded by integrating these tools and channels with chat, news and communities all accessed through one app compatible with desktop, web or mobile devices.

We launched an integrated new internal social media platform 'Viva Engage' that enables our management colleagues to connect, communicate and collaborate with each other globally. The content and communities in the platform are built by our colleagues, empowering them to share stories and pictures, ask questions and showcase best practice, and engage with one another, their teams and the wider global community.

Since launching the platform in May 2023, we have seen strong adoption and engagement, with more than 9,000 active users and nearly 90 communities established.

Investors and lenders

We need to understand the needs of those who invest in and lend to SSP to maintain their confidence and support.

Business engagement

We maintain open lines of communication with investors and lenders, keeping them informed about our performance, strategy and governance. This fosters strong relationships and enables us to quickly respond to challenges and queries.

Regular one-to-one and group calls, meetings and presentations, are led by the Group CEO and Deputy Group CEO & CFO. Investor roadshows are conducted post-full and half year results. Quarterly calls involving the Deputy Group CEO & CFO and Director of Group Finance outline performance to lender groups. We also held events to provide analysts and investors with more detailed information about parts of our business, i.e. sustainability.

Our Group Head of Investor Relations and Corporate Affairs Director engage with shareholders in regular calls, emails and meetings. Engagement with investor ESG analysts and rating agencies by the Corporate Affairs Director and Group Head of Sustainability underscores our sustainability commitments.

Lender engagement is maintained by the Corporate Finance Director through one-to-one interactions, calls and emails with relationship management and credit analyst teams. The focus in 2023 was the refinancing of our principal banking facilities, secured after a process involving active dialogue with most of our banking lenders.

Board engagement

Our Annual General Meeting gives the Board the opportunity to present to attending shareholders and answer their questions.

The Board, including our Chair and Remuneration Committee Chair, is consulted on relevant issues including our sustainability and remuneration policies and contributes to feedback to proxy agencies ahead of the AGM. Our Board also participates in investor meetings and presentations, as required. For specific queries, Board members join direct calls with investors.

Our Board receives updates on shareholder and lender activity from the relevant Directors and members of the Group Executive Committee. At every Board meeting, they review market commentary, shareholder analysis and the views of sell-side research analysts. The Board also receives both an annual market update and defence strategy analysis from our external brokers.

Material issues raised in 2023

- Trajectory and dynamics of the growth of the travel industry.
- Strategic direction.
- Sources and uses of cash, including the re-instatement of the ordinary dividend, and balance sheet flexibility.
- The impact of changing business mix on EPS progression.
- Pace and geography of new business additions.
- Inflationary cost pressures, retail price increases and labour availability.
- Changes in the competitive environment.
- Brands and customer proposition including digital technology.
- Environmental, social and governance (ESG) considerations.

Actions in 2023

At our preliminary results in December 2022, we reframed our investment case, which combines our pre-Covid strengths with our strategic priorities, as described on pages 6-7. The delivery of our equity story has been supported by increased engagement activity, which in turn supports our existing strong shareholder base and showcases the business to new investors.

We doubled our investor engagement after interim results, compared to the previous year, and hosted new investor roadshows in key USA cities. We held our first dedicated investor ESG event in April 2023, attended by our Chair and c.40 investors and analysts. We also held an event in New York showcasing the growth and returns potential in North America (see opposite).

Our lender engagement secured a new £600m Senior Facilities with a four-year term to July 2027 plus optional further year extension to July 2028, and made changes to the banking group, replacing three European banks with additional banks with a greater focus on North America. We also continued to work closely with DBRS, who provides a private rating to our USPP Noteholders, to ensure their assessment of us reflects our continuing recovery from Covid.

Priorities for 2024

- Proactive investor engagement; meeting existing and potential investors and showcasing our strengths and opportunities to the investment community.
- Continue improving our performance in key ESG investor ratings and benchmarks.
- Continue closely engaging with lenders, particularly with respect to the optional extension we have, and to continue engaging with DBRS to ensure our continuing recovery is reflected in our private rating.

Giving our investors a ‘taste’ of North America

In June 2023, we held an event in New York to showcase the opportunity for growth and returns in our North American business. The event was attended in-person by c.30 investors and analysts and received positive feedback.

The event opened with a ‘Taste of SSP’ dinner, showcasing dishes from across SSP America. A panel with client representatives served as a helpful introduction, covering topics and trends in American aviation.

The next day, the investors heard from our Group CEO and SSP America leadership team about our strategy and investment case for North America. We also set out a longer-term Group framework for performance beyond 2024. This was followed by three interactive showcases to highlight the strength of our economic model, covering kitchen automation, digital technology and menu engineering.

The event concluded with tours around our restaurants at John F. Kennedy International Airport (JFKIA), where attendees had the opportunity to see in person some of the concepts we had highlighted earlier in the event.

Clients

Our business success depends on retaining and winning new space in our clients' travel locations. By understanding our clients' requirements, we can offer them tailored solutions that drive revenue and ensure we remain the operator of choice.

Business engagement

We have excellent, long-standing relationships with many of our clients and have continual two-way engagement to develop, maintain and optimise our offer and performance in line with their expectations. This includes both regular formal reviews and ongoing dialogue as part of our day-to-day business. We also engage with clients through tenders for new business, contract negotiations and renewals.

In 2023, we worked with a specialist agency to conduct our global Client Feedback Survey. This provided a holistic view of our clients' loyalty and satisfaction with SSP, how we are performing relative to our competitors on key strategic priorities, and the issues that are most important to our clients.

We also continued to step up our proactive approach to engaging with our clients on sustainability issues in 2023. For example, our Group Head of Sustainability and Senior Group Sustainability Manager met with key clients in Abu Dhabi, Hong Kong, the Nordics, Singapore and the UK to discuss shared sustainability goals and opportunities for collaboration.

Board engagement

Board members met a number of our clients during site and market visits. In 2023, this included commercial partners from John F. Kennedy International Airport (USA), Oslo Airport and, SAS (Norway), Mumbai and Delhi operators (India), Dublin Airport Authority (Ireland)and AENA (Spain). These meetings provide an opportunity to discuss our strategic priorities.

The Board receives updates on client engagement from the Executive Directors and Group Executive Committee (including through the regular CEO update). It is also regularly informed of the pipeline of business coming on stream, including any renewals, new wins or losses and any client or country specific issues or opportunities.

In addition, tenders of a certain size are reserved for Board approval.

In 2023, the Board also received a teach-in on the Client Feedback Survey.

Material issues raised in 2023

- Product quality, offer and menu range.
- Quality of management team and staff.
- Customer service, experience and satisfaction.
- Operational excellence, relationships and working in partnership.
- Brand portfolio that delivers sustainable sales and financial returns.
- Product offer and customer experience and satisfaction.
- Local presence, expertise and market and customer insights.
- Sustainability and innovation.

Actions in 2023

We continued to strengthen our client relationships, responding to their feedback and expectations with our strong brand portfolio, customer proposition and operational performance. Our momentum in business development, including our high success rates in retaining and winning new contracts in 2023 is testament to the positive impact of these efforts.

Our Sustainability Strategy and targets directly respond to growing client expectations regarding issues such as plastics, waste and sustainable packaging, energy efficiency and GHG emissions. We take a partnership approach to addressing sustainability concerns with our clients.

Find out about our new business wins on pages 19-20.

Priorities for 2024

- Continued focus on our client relationships, brand portfolio, customer insights and operational performance to drive high retention rates and to secure profitable new business.
- Continued delivery and progress against our Sustainability Strategy and targets.

Mobilising our Malaysian business: collaborating to deliver our joint objectives

Since 2022, SSP Asia Pacific has opened 29 units in Malaysia across four airport terminals. This was a huge undertaking, involving cross-functional collaboration and brand partner and client engagement for each unit and lounge opening in order to review progress and make decisions to achieve our joint objectives.

Coordinating all these activities under a single banner of mobilisation and maintaining the buy in and support from Malaysia Airports Holdings Bhd (MAHB) was critical. Our business development team held weekly calls with MAHB to update on progress and to find mitigating strategies for any challenges faced. Engagement from the MAHB client team to achieve the broader business objectives played a crucial part in helping us successfully achieve our milestones. The MAHB team was immensely supportive in understanding the challenges faced by the project team and working with them to ensure they remained on track to achieve the agreed outcome.

Thanks to this partnership and joined up way of working, not a single unit was delayed due to any of the operational mobilisation activity.

Joint venture partners

We work with our joint venture (JV) partners to develop businesses in regions where a partnership is required, whether by regulation or operating necessity.

Business engagement

In North America and the APAC and EEME markets, we frequently operate with joint venture partners whose attributes include local knowledge, access to brands and concepts, and relationships with clients and government. These attributes enable us to run the day-to-day business operations more effectively as well as improving our ability to win new business. In equal measure, our JV partners contribute to the capital costs of expansion in addition to taking a share of profitability.

We communicate regularly with our JV partners at Group and local levels to foster effective partnerships. Locally, our Business Development teams regularly engage with joint venture partners to ensure the efficient running of our operations.

Engagement with JV partners is a combination of informal discussion, formal board meetings and trading and business reviews, along with collaboration to explore new business.

In our USA business, for example, we meet quarterly with our JV partners, and they are also invited to our yearly Passion Conference, where we set out our joint priorities for the year. It offers a great opportunity not only for us to network with our JV partners but for them to meet each other as well.

Board engagement

Our Board is kept informed of key developments in JV partner relationships. For example, the Board is updated on the status of major new partners or extensions of existing arrangements. They receive an overview of our partnerships through updates from the Chief Customer Officer and Chief Business Development and Strategy Officer.

The Board met a number of our JV partners during site visits in 2023. This included JV partners in New York and India. These more informal meetings allow the Board to better understand our partners' drivers, risks and opportunities.

Material issues raised in 2023

- Delivering brand standards, operational excellence and a quality customer experience.
- Winning new business and renewals.
- Customer safety/food safety.
- Sustainability and environmental issues, resource efficiency, including carbon, energy, water and waste.
- Business ethics/corporate behaviour.
- Diversity, equity and inclusion.

Actions in 2023

We currently have joint venture partnerships in 14 markets across North America, EEME, Asia Pacific and Europe. This year, we entered into a new joint venture with Aeroports de Paris called Extime to operate F&B units at Charles de Gaulle and Orly airports.

We have also been working with existing partners in a number of regions to grow our footprint, in particular in Asia Pacific. Our largest JV is our Indian business, Travel Food Services (TFS), in partnership with K Hospitality, and we have regular engagement at all layers of the organisation.

We also continue to develop smaller joint venture partnerships through our participation in the Federal Aviation Administration's Airport Concession Disadvantage Business Enterprise Program (ACDBE) in the USA (see the case study opposite for details).

A key feature of our joint venture partnership arrangements is how we approach working together: despite our lower equity stake, we treat our joint venture partnerships as wholly owned subsidiaries, including them in regular trading and finance calls, taking part in investment decisions and introducing controls and risk frameworks.

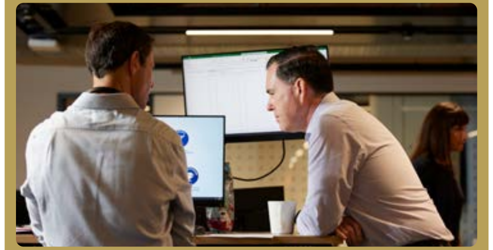
Priorities for 2024

- Developing existing joint venture relationships.
- Explore opportunities for new collaborations (provided the business case supports this), especially where such partnerships facilitate entry into a new market.

> "The best partnerships aren't dependent on a mere common goal but a shared path of equity, inclusiveness and a whole lot of passion. The SSP America team are great partners for all these reasons and more."

Elliott Threatt
E&K Retail and an ACDBE joint venture partner

Increasing opportunities for minority-run joint venture partners in the USA



In the USA, we participate in the Airport Concession Disadvantage Business Enterprise (ACDBE) programme. This statutory programme is designed to increase opportunities for minority and women-owned small businesses to operate as concessionaires in airports around the country.

We have built enduring relationships with more than 100 ACDBE business partners, simultaneously contributing to our focus on building a diverse and inclusive culture. We meet quarterly with both our ACDBE partners and our airport clients to ensure alignment with our obligations. In addition, Michael Svagdis, CEO America, sits on the Board of the Airport Minority Advisory Council.

Heather Barry, Vice President of Strategic Partnerships, SSP America, explains: "Our joint venture partners are a meaningful part of our operational framework and make a lasting contribution to our collective success. We are better as a company because of the ACDBE programme."

Brand partners

We work with our partners to optimise the brand offer for our clients and customers and to ensure alignment with quality, performance and sustainability standards, while enabling brands to be introduced to the travel sector.

Business engagement

We maintain close relationships with our brand partners to ensure we are proposing the best offer for customers while preserving our brand partners' standards and identity.

We communicate regularly with our brand partners at Group and local levels to foster effective partnerships. Locally, our Business Development teams regularly engage with local hero brand partners, especially during the negotiation and extension of key brand agreements, making sure contract terms are suited to the travel sector and that supply chains and product ranges are fit for purpose. Our operations teams then maintain ongoing dialogue throughout the life of our partnership.

From a Group perspective, our Brand Portfolio team manages our relationships with brands such as Starbucks and Burger King at an international level. This ensures our partners have a dedicated point of contact that they can engage with regularly to discuss local contracts, upcoming tenders and potential brand strategies. Engagement involves discussions around the brands' sustainability credentials and available digital innovations.

We also regularly review our partners' evolving brand requirements to ensure we are meeting their policy requirements.

Board engagement

Our Board is kept informed of key developments in brand partner relationships. For example, it is updated on the status of major new partners or extensions of existing arrangements. It receives an overview of our partnerships through updates from the Group CEO, Chief Customer Officer and Chief Business Development and Strategy Officer.

The Board met a number of our brand partners during site visits in 2023, including in the USA and Ireland. These more informal meetings allow the Board to better understand our partners' drivers, risks and opportunities.

Material issues raised in 2023

- Delivering brand standards, operational excellence and a quality customer experience.
- Winning new business and renewals.
- Customer safety/food safety.
- Sustainability and environmental issues, resource efficiency, including carbon, energy, water and waste.
- Business ethics/corporate behaviour.

Actions in 2023

We partnered with several new brands this year, such as The Breakfast Club in the UK and NamNam in Singapore. We have also continued to expand our relationship with existing partners across new markets, including with Hard Rock Café and Subway in Malaysia, and acquiring the Pret A Manger franchise business and expansion rights in German-speaking Switzerland.

In 2023, we continued work with our brand partners on shared sustainability goals. For example, we developed a range of innovative, sustainable dishes with Gordon Ramsay in Hong Kong, and worked with Jamie Oliver's Deli on developing a range of lower carbon dishes to support our shared net-zero ambitions. We are also working with O'Leary's to shift to a default vegetarian-first approach, championing the opportunity to encourage customers towards healthier and more sustainable choices.

Additionally, we've supported key brand partners with mapping their GHG emissions by providing data and information in relation to their franchises with us.

We have increased our focus on digital, working in close collaboration with our brand partners to share best practice and implement innovative technologies to enhance the customer experience. For example, in 2023, we implemented AI-powered smart recommendation digital ordering kiosks for our Burger King units in DACH, Spain and the UK.

Priorities for 2024

- Consistent operational delivery of brand standards.
- Continued delivery of contract retention and new business for profitable brand partners.
- Renewal of franchise agreements with profitable brand partners and securing new relationships with tender winning brands.

Brewing up a new brand partnership

In 2023, we formed a partnership with independent craft brewer, BrewDog, to bring the brand to various travel locations in the UK and Europe.

Our first BrewDog locations opened at Amsterdam's Centraal railway station, followed by a second opening at Gatwick Airport in December.

We have worked closely with the brand to customise the offer and make it relevant to the travelling customer, developing innovative menus that are specially crafted to reflect the location. Alongside BrewDog's headliner beers, our units will also feature a selection from local craft brewers, supporting our commitment to sustainable sourcing.

James Watt, CEO of BrewDog said; "SSP completely gets our aspiration to bring fun to the airport, and has the operational expertise to deliver our brand in what can be a challenging environment. We're always looking to reach new customers, and working with SSP gives us a great opportunity to bring BrewDog to travellers across the world."

Suppliers

Maintaining good relationships with our suppliers is essential to ensure an efficient and secure supply chain and to understand customer trends.

Business engagement

We keep an open, ongoing dialogue with our suppliers through regular formal and informal meetings, calls and correspondence. This is reinforced during tenders and contract negotiations which require dedicated engagement to establish contract terms and conditions.

Additionally, where needed, we carry out site visits and quality and performance reviews. Many of our markets organise yearly supplier conferences, and suppliers often have a presence at our leadership conference as well.

Our contracted suppliers are required to sign up to our Supplier Code of Conduct or to demonstrate their own equal or better standards. We use the Supplier Ethical Data Exchange (SEDEX) as the primary means for conducting supply chain due diligence. SEDEX is a platform for storing, analysing, sharing and reporting on ethical supply chain practices. We also discuss the outcomes of ethical trade audits with suppliers and monitor completed or corrective actions for any issues identified.

Board engagement

Our Board receives updates on suppliers from the Executive Directors and Group Executive Committee (including as part of the regular CEO update). This includes periodic updates on procurement and capital expenditure from the Chief Procurement Officer focusing on current opportunities and challenges, including the impact of inflationary pressures.

Our Board is also kept informed of key changes to supplier relationships, supply chain logistics and opportunities for value creation in the supply chain and signs off our modern slavery compliance process. In 2023, this included signing off the new Supplier Code of Conduct and other supplier-facing policies.

Material issues raised in 2023

- Pricing and inflationary pressures.
- Product quality and food safety.
- Logistics and supply chain disruption/product availability.
- Sustainable ingredients, sourcing and packaging.
- Animal welfare.
- Climate change/carbon emissions.
- Human rights and labour practices.

Actions in 2023

In 2023, we developed a new Supplier Code of Conduct which consolidates the different policies we previously expected our suppliers to sign-up to, into one integrated document. It is more accessible and easier to understand for our suppliers and covers standards for human rights, product quality and food safety, environmental sustainability, farm animal welfare and business integrity.

We provided training for our purchasing teams on how to engage suppliers and incorporate the Supplier Code into contractual arrangements. We also strengthened our due diligence processes to monitor compliance including implementing a revised process for supplier risk assessments, self-assessments questionnaires and on-site audits.

We continue to work to mitigate the impact of inflationary pressures, working with suppliers to identify alternatives to ingredients impacted by price increases. We've also continued to focus on waste reduction, re-engineering supply chain logistics, including forward-buying where possible, price renegotiations, and working with suppliers to deliver revenue generating initiatives.

The Chief Procurement Officer, along with local procurement teams, monitors the management and mitigation of our response to supply chain pressures to ensure disruption is kept to a minimum.

Find out more on our mitigation of supply chain issues on pages 26-27.

Priorities for 2024

- Continue to engage contracted suppliers to sign-up our Supplier Code of Conduct, with the aim of reaching 100% by 2025.
- Progress our engagement and collaboration with suppliers to support the delivery of our sustainability goals and net-zero target.
- Continue to manage our inflation targets and maximise product availability.

Sustainable supplier partnerships

We seek to work with suppliers that have strong sustainability credentials and where we can take a partnership approach to raise standards and drive sustainable practices across our supply chains.

For example, in the Philippines, we have a long-standing partnership with a local farm for supplying the pork for all our units at Mactan-Cebu International Airport. In 2023, our Senior Sustainability Manager visited the supplier's facilities to discuss their sustainability practices. The 360-hectare farm applies high standards of animal husbandry and circular economy principles by growing its own animal feed. It has a state-of-the-art slaughterhouse and meat plant certified as a Triple A facility by the National Meat Inspection Service and is certified by the Bureau of Animal Industry in accordance with the Animal Welfare Act of 1998.

In the UK, we conducted an engagement exercise with our suppliers for our highest-impact products, including meat, fish, dairy and alcohol, to understand their approach in relation to measuring and reducing GHG emissions. We are now using these insights to inform the development and implementation of our net-zero sourcing strategy.

Communities, NGOs and society

We play an important role in the communities where we operate and where many of our colleagues and customers are based. Engaging with and supporting them as well as NGOs on key societal issues is part of being a good corporate citizen.

Business engagement

We work in partnership with charities and NGOs around the world, supporting them through a combination of fundraising, volunteering, cause-related marketing, financial and food donations. As a food business, working to alleviate food poverty for our local communities is central to our approach.

Board engagement

Our Community Engagement Policy is reviewed by the Board every two years, most recently in April 2023. Our Group CEO is responsible for overseeing the implementation and management of this policy and keeping the Board advised on compliance. During the Board visit in India, the Board was introduced to the various community initiatives run by TFS.

Material issues raised in 2023

- Food poverty and food waste.
- Healthy and sustainable diets.
- Community support and charitable giving.
- Animal welfare.
- Biodiversity loss and deforestation.

Actions in 2023

We reviewed and updated our Community Engagement Policy to reflect our commitment for all SSP divisions globally to partner with food poverty charities and local charities by 2025. By the end of 2023, we had 24 charity partnerships in place across 14 countries focused on alleviating food poverty and other local causes. Examples include the food banks network in Canada, Action Against Hunger in France and the One Heart Foundation in Bahrain.

Find out more about how we're supporting our communities on pages 49-50 of our 2023 Sustainability Report.

Priorities for 2024

- Continue our ongoing work with food poverty charities across our regions, including establishing new partnerships where needed.
- Continue engaging with key NGOs on issues such as animal welfare to support us in meeting our commitments and raising standards across our supply chain.

Supporting food and nutrition for all in India

Supporting local communities is deeply embedded into the culture of our joint venture partner business, Travel Food Services (TFS), in India. Through its charitable foundation, TFS works to deliver high-impact projects that are sustainable and scalable, under the vision of 'food and nutrition for all'.

Through its extensive projects and partnerships, the Foundation supports over 30,000 households in villages across India focused on fighting malnutrition, particularly among women and children.

Governments and regulators

We seek to be part of the debate that shapes the regulatory environment in which we operate. We contribute our experience and expertise to relevant areas of policy development and seek to support national strategies and objectives where appropriate.

Business engagement

In line with regulatory requirements, we comply with statutory reporting and data submission requirements, such as our gender pay gap report, payment reporting, modern slavery statement and regular safety reporting. Where relevant, we also participate in consultations, submissions and government reviews.

Board engagement

Our Board receives updates from the General Counsel and other specialists including external advisors on government and regulatory activities.

In 2023, this included updated guidance on the upcoming regulatory changes to audit and assurance requirements and sustainability legislation. Furthermore, regular corporate governance updates are provided to the Board, who also sign off on the Group Tax Strategy.

Material issues raised in 2023

- Business ethics and corporate behaviour.
- Food safety and allergens.
- Labour market and skills shortages.
- Healthy lifestyle and dietary needs.
- Climate-related risks and opportunities.
- Biodiversity loss and deforestation.
- Plastics and sustainable packaging.
- Tax risk management and reporting.

Actions in 2023

Many of our clients around the world are government bodies and we continue to proactively engage with them as part of client engagement activities (see page 45).

We also participated in our clients' governmental programmes, where relevant.

Priorities for 2024

- Continue to participate in, and support, government-led roundtables and programmes, where relevant.
- Ongoing monitoring of emerging regulation, proposals and recommendations that could impact our business and the food sector in general.

Task Force on Climate-related Financial Disclosures (TCFD)

We recognise that climate change, and the transition to net zero, presents a fundamental challenge to our business and wider stakeholders. So, providing consistent and reliable climate-related information is crucial.

In accordance with the Listing Rule 9.8.6 R, we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and updated our governance, strategy, risk management, as well as metrics and targets to strengthen our climate resilience. We have considered Section C Guidance for All Sectors, and Section E of TCFD Annex entitled 'Supplemental Guidance for Non-Financial Groups' in developing this disclosure, recognising that this is an iterative process.

In 2023, we dedicated substantial effort towards enhancing our disclosure. We are committed to routinely review how we identify and manage climate-related risks, assuring that our disclosure practices continue to advance each year. This is a regular matter for review and discussion at our Audit Committee, demonstrating the Board-level commitment to this important topic.

TCFD index

TCFD recommendations	Annual Report 2023 reference	Sustainability Report 2023 reference	Consistency
Governance			
a) Board oversight	p51 & 88	p52-54	Consistent
b) Management's role	p51 & 88	p52-56	Consistent
Strategy			
a) Climate-related risks and opportunities	p52-53	p9 & 24-37	Consistent
b) Impact on business, strategy and financial planning	p53-55	n/a	Consistent
c) Strategy resilience	p53-55	n/a	Consistent
Risk management			
a) Risk identification and assessment processes	p52-54 & 66-69	n/a	Consistent
b) Risk management processes	p52-54 & 66-69	n/a	Consistent
c) Integration into overall risk management	p52-54 & 66-77	n/a	Consistent
Metrics and targets			
a) Climate-related metrics	p28-29, 31 & 54-56	p26-37	Partially consistent
b) Scope 1, 2 and 3 GHG emissions and related risks	p28-29, 31 & 55	p26, 28-33	Consistent
c) Climate-related targets and performance	p25, 28-29, 31, 54-56	p26-37	Consistent

Compliance Statement

For our disclosure in regards to Metrics and Targets (a), we acknowledge partial alignment. While executive remuneration is linked to delivery of our Sustainability Strategy, further attention is required for linking directly to climate-related targets and performance. Further consideration of the other cross-industry, climate-related metric categories is also required, including the amount or percentage of our assets, revenue or other business activities vulnerable or aligned to climate-related risks and opportunities, capital deployed, and internal carbon pricing.

We are actively enhancing our data pertaining to each risk and opportunity to bolster confidence in the accuracy of our scenario analysis and facilitate compliance. This process is dependent on delivery of internal data improvement programmes. We anticipate full alignment in the forthcoming two reports.

Governance

We have a formalised sustainability governance and management framework, including for climate-related risks and opportunities. This framework and key responsibilities can be found on page 88, with further details on pages 52-56 of our 2023 Sustainability Report.

Board oversight

Our Board has oversight of our climate-related risks and opportunities and receives updates from management on our Sustainability Strategy, targets, metrics and performance at least twice a year as part of their regular meeting schedule. The Board were closely involved in the development of our Sustainability Strategy and targets, approving them at the end of 2021, including our net-zero ambition.

In 2023, the Board received three updates on our sustainability programme, including a deep dive review of the Group's climate strategy and roadmap to net zero. The latter covered details of our targets, approved by the Science Based Targets initiative (SBTi) in 2023, to reach net-zero greenhouse gas emissions (GHG) across our value chain by 2040, from a 2019 base year.

The Audit Committee reviews the TCFD process and draft disclosure and the Group Risk Register each year, including details of the risk impact, likelihood and mitigating actions for the Principal Risk for sustainability outlined on page 75.

It is anticipated that this schedule will continue in future years.

As part of our process to embed climate-related risks and opportunities within our business, strategic decision-making and financial planning, climate-related considerations are discussed and built into our strategy review, medium-term planning and budgeting processes, which are approved by both management and the Board.

Management

In 2023, we established a Climate Risk Steering Committee responsible for monitoring alignment with TCFD recommendations, considering the impact of climate-related risks and opportunities and assessing broader sustainability-linked regulation which may impact our business. This Committee comprises senior leadership from our Risk, Finance, Legal, Sustainability and Procurement central functions, and is chaired by the Group Head of Financial Reporting and Controls.

Our response to climate-related risks and opportunities is driven through our Sustainability Strategy (see pages 25, 28-29) and through our financial and business planning process. The assessment, quantification and mitigation of climate-related risks and opportunities is embedded across business functions and operating regions, from Group to market-level.

The Board is responsible for approving our Sustainability Strategy and our Group CEO is responsible for its delivery. Our Corporate Affairs Director and Group Head of Sustainability are responsible for leading and coordinating the management and delivery of the strategy.

Accountability for risk management, including climate-related risks, sits with the Deputy Group CEO and CFO. Key members of the Group Executive Committee act as leads for specific issues and are also accountable for delivery in their relevant functions or operating regions. The Board, Audit Committee, Group Executive Committee (chaired by the Group CEO), and the Risk Committee, chaired by the Deputy Group CEO and CFO, receive regular updates on sustainability and climate matters and can challenge our progress on managing climate-related risk and broader sustainability targets.

Our Group Sustainability Steering Committee, chaired by the Group Head of Sustainability, meets monthly and comprises members of the functional leadership teams, including from the Sustainability, Procurement, Commercial, People, Legal, Digital and Finance central functions. Each region has dedicated sustainability leads, and they meet with the Group Sustainability team at least twice a year to review performance and progress.

In April 2023, as part of our business planning process, all regional and country CFO and finance directors were briefed on TCFD, including details of scenario analysis modelling, and were asked to consider how these risks and wider sustainability commitments could impact their medium-term planning. They were also asked to consider opportunities related to sustainability, such as energy efficiency, digital optimisation and improved procurement processes, when building value creation plans.

The Board held a strategy day in July 2023 to review a consolidated version of the medium-term plans for each region, and set business-wide, strategic priorities for the medium-term. By focusing on these strategic priorities, we are enhancing our strategic response to material climate risks and opportunities. For example, with initiatives such as removal of single-use plastics, investments in energy efficiency programmes, increased availability of plant-based substitutes, optimising digital solutions to improve the efficiency of our equipment and procurement processes, and ensuring sustainability is integrated into our brand and customer propositions.

As noted above, we have embedded climate-related risks and wider sustainability considerations into our budget planning and forecasts. This has included accounting for the delivery of our sustainability targets, as well as for potential price inflation of any products impacted by shortages due to recent climate events.

Strategy and risk management

In 2021, we developed our Sustainability Strategy, as detailed on page 25 and covered in detail in our 2023 Sustainability Report. Sustainability forms a critical part of our Group Strategy.

Climate-related risks and opportunities

In 2022, we worked with an external consultancy on a stand-alone project to identify and quantify our climate-related risks and opportunities. We reviewed our existing risk management methodology and strategic risks, and built-in climate-related considerations in line with TCFD recommendations.

This process involved identification of climate risks and opportunities and a prioritisation exercise to define which risks are most material to our business based upon potential impact to business, likelihood and velocity (see table on the next page). These were ratified in consultation with SSP leadership teams, the Group Executive Committee and the Risk and Audit Committees, and then full scenario analysis was conducted on those deemed most material.

The material risks covered transition and physical risks that could have a significant impact on our operations, strategy and financial planning, and material opportunities that may positively contribute to our financial performance if they can be realised.

We commissioned analyses of each risk and opportunity against two potential climate scenarios (as detailed opposite) to understand and quantify the potential financial impact across short (2025), medium (2030) and long-term (2040) time horizons. Most of our strategic response to climate-risks and opportunities relates to the delivery of our wider Sustainability Strategy, so we have aligned our TCFD time horizons with our key target dates and milestones, including for our net-zero roadmap.

The analysis drew upon internal and external data sources, such as carbon pricing projections, customer trends, potential future surcharges on use of single-use plastics, business growth forecasts and GHG emissions data across Scopes 1, 2 and 3. For each risk and opportunity, we assessed the potential level of impact if the risk or opportunity is realised and the likelihood of it occurring under each of the climate scenarios and time horizons.

Risk management and principal risks

To ensure that material climate-related risks and opportunities identified through this process are considered within our wider risk management process, they have been integrated into our Principal Risks and are therefore subject to the same review and approval process for the rest of our risks. For example, Risk 5 relating to reduced availability of climate sensitive raw materials due to increased frequency of extreme weather events and chronic risks, is considered as part of our Principal Risk 3 regarding supply chain disruption (see page 71).

We define our Principal Risks and opportunities at a Group level, as the themes we look at are consistent across each geography. At a country level, we delegate risk identification and management to our regional teams.

Each regional finance team has a risk manager or lead who is responsible for identifying local climate-related risks and opportunities and building these into the countries' medium-term plans, where there are anticipated or known financial impacts.

This approach allows us to mitigate, transfer, accept or control strategic risks, and to ensure budgets account for any operational or country level risks or opportunities that arise, through our existing business planning process.

Find out more on our Risk Management and Principal Risks on pages 66-77 and about the impact of our consideration of climate risks on our financial statements on page 167.

Risk review

In 2023, the Climate Risk Steering Committee reviewed our existing material risks and opportunities, as well as the long list of risks and opportunities that were deemed not material in 2022. This was to assess whether the Steering Committee thought any risks and opportunities had become more or less material. Through this process, we considered the external context, our internal mitigations and any financial or country-level risk considerations raised through the business planning process to understand where our existing risk and opportunity definitions may need to change. We also considered whether we needed to refine any of the internal data used in our scenario modelling. As a result, we strengthened our scenario modelling where needed (see case study on page 54), and established plans for updating our material risks and scenario analysis model in 2024.

As noted on page 51, these climate-related risks (both transition and physical) were considered by the Audit Committee in discharging its duties to sign-off the Company's accounts.

Climate scenarios: chosen to show the expected upper and lower range of climate impacts and associated physical and transition risks

Net-zero scenario	Climate inaction scenario
Global warming is limited to below 2°C above pre-industrial levels (ideally 1.5°C).	Global temperatures rise by 3.5-4.5°C, with no climate change mitigation.
Underpinned by a range of external scenario data, including: • NGFS Net Zero 2050 scenario • RCP1.9 and RCP2.6 • IEA Energy Technology Perspective Beyond 2°C Scenario • CCC UK 6th Carbon Budget	Underpinned by a range of external scenario data, including: • NGFS Current Policies Scenario • RCP8.5 • IEA Energy Technology Perspective Reference Technology Scenario
Greater transitional risks	Greater physical risks

Our material climate-related risks and opportunities

Risk/opportunity	Our strategic response:	Scenario	Level of likelihood/impact: Short term (2025)	Medium term (2030)	Long term (2040)
Risk 1 (transition): Increased energy and key raw materials costs, due to introduction of carbon pricing or taxes in regions with our operations and supply chain.	During 2023, our targets to achieve net-zero greenhouse gas (GHG) emissions across our value chain (Scopes 1, 2 and 3) by 2040, from a 2019 base year, were approved by the Science Based Target initiative (SBTi). We updated our scenario analysis model to reflect the details of our transition plan to achieve our approved targets. We asked country-level risk managers to identify, raise and budget for any instances where carbon taxes are being introduced. As part of their business planning process, we asked countries to identify opportunities to drive efficiency of our equipment and procurement processes, which will help to mitigate this risk.	1.5-2°C	H	H	H
		3.5-4.5°C	M	M	M
Risk 2 (transition): Risk of legislation which prevents the sale of single-use plastic products or products in plastic packaging.	We have a target to eliminate unnecessary single-use plastic and move 100% of our own brand packaging to be reusable, recyclable or compostable by 2025. As part of our risk review process we identified this risk as practically mitigated. We believe there is a broader emerging risk in terms of packaging legislation, not just relating to single-use plastics or plastic packaging.	1.5-2°C	L	L	M
		3.5-4.5°C	L	L	L
Risk 3 (transition): Risk of changes in travel trends leading to a reduction in passenger numbers.	Our business planning process considers passenger numbers and travel trends to inform our medium-term financial plan. We continue to use client volume projections and forecast growth in passenger numbers within our planning. As part of our risk review process we noted the impact of this summer's acute physical climate-related risks on key travel destinations such as wildfires in Southern Europe which could, over time, have an impact on travel destinations. We believe this scenario needs consideration as an emerging risk.	1.5-2°C	L	H	H
		3.5-4.5°C	L	L	L
Risk 4 (transition): Risk of reputational impact, resulting in loss of clients and leading to a drop in revenue from failure to realise sustainability commitments and decarbonise our operations and supply chain in line with net-zero expectations.	Sustainability forms a critical part of our strategy and focuses on the most material issues for our business and stakeholders, supported by clear and measurable targets. In 2023, we reviewed the internal data used in the scenario analysis to give us a more accurate picture of this risk. For more details see the case study on page 54.	1.5-2°C	M	H	H
		3.5-4.5°C	L	H	H
Risk 5 (physical): Reduced availability of climate sensitive raw materials due to increased frequency of extreme weather events and chronic risks.	With c.550 brands in our portfolio and operating in 37 countries, our ingredients and raw materials come from highly diversified supply chains. As part of our risk mitigation, all countries must have contingency plans in place for substitute suppliers if a core product is unavailable. This will also be linked to an overall country contingency plan that may include a reduction in product range in times of widespread availability issues.	1.5-2°C	M	M	M
		3.5-4.5°C	M	H	H
Opportunity 1: Opportunity to grow potential revenues from 'climate-conscious customers', including taking advantage of diversifying markets and changing customer demands.	Our Sustainability Strategy includes targets to encourage and respond to changing customer demands. This includes 2025 targets for at least 30% of own-brand meals to be plant-based or vegetarian and 100% of coffee, tea, hot chocolate and fish/seafood for our own brands to be from sources certified to sustainability standards, such as Rainforest Alliance and Fairtrade. We're also designing more climate-friendly menu options and encouraging our customers to choose them, through actions such as product promotions, information and labelling.	1.5-2°C	M	M	M
		3.5-4.5°C	L	L	L

Key: L: Low (<£5m); M: Medium (£5m-£20m); H: High (>£20m)

Scenario analysis

In 2022, our scenario analysis identified that, generally, transition risks are more material in the shorter term, compared with physical risks which become more material in the medium and long term.

Under the net-zero scenario, the most material transition risks we identified were:

- Increased energy and supply chain costs because of increasing carbon prices.
- Potential reduced revenues because of changing travel trends, particularly in the UK and EU countries as passenger growth slows.
- Reputational impact if we fail to meet our climate commitments in line with client expectations.

The opportunity relating to changing customer preferences is greater under a net-zero scenario, and this could be increased further as the analysis currently only considers our own brands.

Under the climate inaction scenario, physical risks are more material, but some transition risks are still present:

- Physical risks could be greater in the long term, reducing yield of crops and therefore availability of key raw materials such as wheat, coffee, tea, pulp and potatoes. This could increase purchasing costs.
- Reputation risk could still be high in a climate inaction scenario given the existing expectations around climate and that many of our clients and other partners have already made climate commitments.

While this analysis has shown that transition to a net-zero scenario presents a higher financial risk to our business resilience in the short to medium term, we are committed to our net-zero target and recognise our strategic commitment to moving towards this higher risk scenario. Please refer to the table on the previous page for our strategic responses to these risks.

The insights gained from the scenario modelling demonstrate that we have existing strategic responses to help mitigate each of the most material climate-related risks and opportunities identified. This gives us confidence that, if we continue to deliver against our internal and external targets, our strategy will be resilient. However, given the unpredictable nature of climate change, this modelling always carries an element of unforeseen risk.

For example, recent extreme weather in Southern Europe was not specifically covered in the medium-term plan due to the timing of events and the process. We must maintain flexibility in our approach to risk management and response, and will need to adapt targets or internal controls as needed.

As such, our material climate-related risks and opportunities will continue to be reviewed annually, and we will build upon our existing mitigation strategies to ensure the continued resilience of our business to climate change.

Using client insights to strengthen our scenario modelling

We have refined the scenario modelling used to quantify the revenue at risk if we do not deliver our net-zero commitments. In our initial analysis we used publicly available data to define a risk rating for Risk 4 relating to clients and assumed a renewal rate which decreased to a minimum amount in a net-zero scenario.

In 2023, we updated the model with data from our client survey, which measured the importance of sustainability to 30 of our top clients when considered alongside other commercial KPIs.

The client survey data has replaced the assumption, resulting in a reduction in the upper limit of revenue at risk. But, importantly, it has anchored climate-risk data within the broader commercial/service measures, demonstrating the level of importance of this issue to SSP and our clients. We are also able to use this data to identify which clients have higher interest in our sustainability commitments to help prioritise our engagement activities.

Metrics and targets

In August 2023, our net-zero targets were officially verified by the Science Based Targets initiative (SBTi) covering:

- **Overall net-zero target:** reach net-zero GHG emissions across our value chain by 2040, from a 2019 base year.
- **Near-term 2032 target:** reduce absolute Scope 1 and 2 GHG emissions by 60% from a 2019 base year; and reduce absolute Scope 3 GHG emissions from purchased goods and services and capital goods by 35% within the same timeframe.
- **Long-term 2040 target:** reduce absolute Scopes 1, 2 and 3 GHG emissions by 90% by 2040, from a 2019 base year.

These science-based targets directly support the mitigation of the risk relating to carbon pricing (Risk 1) and the risk of losing business due to inaction on climate (Risk 4). It also supports the opportunity to engage climate-conscious customers (Opportunity 1), such as through increasing healthy and sustainable options.

In 2023, absolute GHG emissions for Scopes 1 and 2 reduced by 42% and absolute Scope 3 emissions increased by 7%, compared to our 2019 base year. Across all three scopes, our absolute emissions are relatively flat compared to 2019. For emissions intensity (kg of CO_2e per million £ revenue) across all scopes, we have achieved a 6% reduction from our 2019 base year.

We believe this demonstrates the progress we are making in putting the right measures in place to ensure that, as our business grows, we are doing so efficiently and controlling absolute emissions increases in line with growth projections set out in our net-zero roadmap.

In 2023, 30% of our total energy use was from verified renewable sources. We are also undergoing significant investment across our business to increase energy efficiency. We are rolling-out Automated Meter Readers (AMRs) to our units globally, which will provide half-hourly energy readings, analytics and diagnostic reports to help identify opportunities for improvements.

Trials in our UK business show we can achieve an average 5-7.5% reduction in energy consumption where AMRs have been introduced.

The vast majority of our Scope 3 emissions relate to the food, beverages and products we purchase for resale. To reduce these emissions, we are increasing our range of plant-based offerings, shifting towards lower-impact alternatives like chicken instead of beef, and developing more plant-forward dishes with a reduced proportion of meat or fish. By the end of 2023, 34% of our own brand meals were plant-based or vegetarian.

We are also focused on sourcing sustainable ingredients and working closely with our suppliers to drive emissions reductions. By the end of 2023, 71% of hot beverages (tea, coffee and hot chocolate) for our own brands were from sources certified to standards such as Rainforest Alliance.

Our efforts to reduce food waste also contribute to reducing Scope 3 emissions. For example, through our partnership with Too Good To Go, we have saved over 1,200 tonnes of food from going to landfill since 2016, avoiding the equivalent of c.3,000 CO_2e emissions. For 2023 alone, we saved 646 tonnes of food from waste, equivalent to more than 1,600 tonnes of CO_2e.

Find full details of our net-zero strategy and progress in our 2023 Sustainability Report.

GHG emissions and energy metrics

	Performance							
	2023			2022				
Metric	UK	Global (non-UK)	Total	UK	Global (non-UK)	Total	2019 base year	% change vs 2019
Absolute GHG emissions (tonnes CO_2e)								
Scope 1	**2,275**	**10,228**	**12,503**	2,153	13,270	15,422	15,265	-18%
Scope 2 (market-based)	**4,243**	**62,806**	**67,048**	14,260	68,916	83,175	121,174	-45%
Scope 2 (location-based)	**8,434**	**76,512**	**84,946**	8,343	50,497	58,840	101,642	-16%
Total Scope 1 and 2 (market-based)	**6,518**	**73,034**	**79,552**	16,412	82,186	98,597	136,439	-42%
Scope 3 (all 11 material categories)	**n/a**	**n/a**	**1,045,019**	n/a	n/a	774,565	972,311	+7%
Total Scopes, 1, 2 (market-based) and 3	**n/a**	**n/a**	**1,124,571**	n/a	n/a	873,163	1,108,750	+1.4%
Energy use (megawatt-hours (MWh))								
Total energy use	**48,402**	**252,666**	**301,067**	47,999	190,958	238,957	347,671	-13%
Total renewable energy use	**21,672**	**67,559**	**89,231**	–	–	–	–	+100%
Intensity ratios (per million £ revenue)								
Scopes 1 and 2 (kg CO_2e per £m revenue)	**0.008**	**0.03**	**0.03**	0.03	0.05	0.05	0.05	-46%
Scopes 1, 2 and 3 (kg CO_2e per £m revenue)	**n/a**	**n/a**	**0.37**	n/a	n/a	0.40	0.40	-6%
Energy (MWh per £m revenue)	**62.58**	**112.98**	**100.03**	78.06	121.59	109.34	124.41	-20%

SSP is required to report its UK (including UK offshore) and global (excluding the UK) energy use and CO_2e emissions in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. The data detailed in the above table represents emissions and energy use for which the Company is responsible and is incorporated by reference in the Directors' Report. We have followed the Greenhouse Gas Reporting Protocol – Corporate Standard (2015 revised edition) and our reporting is consistent with the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019). We include our global electricity, natural gas, owned transport and refrigerant use (where data is available) and associated emissions.

For Scope 2, we report both 'location-based' emissions and 'market-based' emissions. 'Location-based' emissions are calculated using UK DEFRA 2022 Emission Factors and, for the other countries, using International Energy Agency (IEA) 2020 Emissions Factors. 'Market-based' accounts for emissions associated with renewable energy sources verified with the appropriate Renewable Energy Guarantees of Origin (REGO), Energy Attribute Certificates or Power Purchase Agreements. Please note that rounding of figures can result in the total figures appearing to have a small discrepancy. This does not affect the accuracy or validity of the data.

Scope 3 relates to all indirect emissions – not included in Scope 2 – that occur in our value chain, including both upstream and downstream emissions. We worked with a specialist consultancy to calculate Scope 3 emissions in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Standard using a screening methodology. The screening methodology reviewed all 15 potential Scope 3 categories, as defined in the Greenhouse Gas Protocol, and modelled the 11 categories deemed to be the most material to SSP's operations, using a combination of actual data, activity data and financial data. The four Scope 3 categories determined to be immaterial are: Category 8 upstream leased assets, Category 9 downstream transportation and distribution, Category 10 processing of sold products and Category 11 use of sold products.

Find full details of our reporting boundaries, scope and methodologies in our Sustainability Data Book at: www.foodtravelexperts.com/sustainability/

Other metrics and targets linked to our climate risks and opportunities

Target/metric	Performance 2023	2022
By 2025, at least 30% of meals offered by our own brands to be plant-based and/or vegetarian (Opportunity 1)	**34%**	33%
By 2025, 100% of all own brand units in the UK & Ireland, North America and Continental Europe (40% in APAC and EEME regions) that serve coffee to offer non-dairy milk alternatives (Opportunity 1)	**88% (31%)**	85% (28%)
By 2025, 100% of tea, coffee and hot chocolate for our own brands to be from sources certified to independent sustainability standards, such as Rainforest Alliance or Fairtrade (Opportunity 1)	**71%**	67%
By 2025, 100% of fish and seafood for our own brands to be from sources certified to independent sustainability standards, such as Marine Stewardship Council (Opportunity 1)	**61%**	52%
By 2025, 100% of eggs for our own brands to be from cage-free sources (Opportunity 1)	**48%**	34%
By 2025, eliminate unnecessary single-use plastic from our own brand packaging (Risk 2)	**84%**	80%
By 2025, 100% of our own brand packaging to be reusable, recyclable or compostable (Risk 2)	**85%**	85%
By 2025, all divisions globally to have programmes to reduce food waste through prevention, reuse, recycling and recovery (Risk 2)		
– Tonnes of surplus food saved from waste via our partnership with Too Good To Go	**646**	387
– % of own brand units with fryers sending waste cooking oil for recycling	**96%**	96%
– % of own brand units that serve coffee diverting waste coffee grounds from landfill	**63%**	48%

We do not have external metrics and targets on Risk 3 or Risk 5, as these are commercially sensitive, but we monitor and manage both risks through internal KPIs, and build them into our business planning and functional budgets.

For example on Risk 3, during the 2023 business planning process most countries identified risk around passenger projections. Although this isn't specifically climate related, this was discussed and noted, with financial plans being built based on client forecasts of volume.

We plan to conduct a new double-materiality assessment – a dual assessment of how our activities impact people and the planet and how sustainability issues, like climate change, may impact our business – to help define the next stage of our Sustainability Strategy and targets for post-2025.

See our Sustainability Data Book for comprehensive details of our yearly data performance, reporting boundaries, scope, definitions and methodology.

Financial review

"Strong profit and cash conversion as sales have recovered."

Jonathan Davies
Deputy Group CEO & CFO

Group performance

	2023 £m	2022 £m	Change: Actual currency (%)	Change: Constant currency (%)	LFL (%)
Revenue	**3,009.7**	2,185.4	+37.7%	+37.9%	+31.5%
Underlying operating profit	**204.8**	31.7	+546.1%		
Operating profit	**166.8**	91.5	+82.3%		

EBITDA was £280.0m (2022: £142.0m) and Underlying operating profit was £163.7m (2022: £30.3m) on a pre-IFRS 16 basis.
Revenue in 2019 was £2,794.6m

The Group's trading performance has continued to recover strongly, with revenues tracking above pre-Covid levels throughout the year. At actual foreign exchange rates, total Group Revenue of £3,009.7m was 7.7% ahead of 2019 levels (9.6% on a constant currency basis) and increased by 37.7% compared to 2022 (37.9% on a constant currency basis). This revenue performance included the benefit from net contract gains as we accelerated the mobilisation of our significant pipeline, in addition to price increases compared to the same period in each year.

During the first half year, revenues were 4.5% ahead of 2019 levels at actual exchange rates and 3.8% ahead on a constant currency basis. This performance was driven by a strong recovery in passenger numbers, initially led by strong leisure travel demand throughout the autumn, following an extended holiday season in several markets. This momentum continued throughout the winter and early Spring, despite significant industrial action impacting the UK Rail network, with trading across the Group demonstrating a resilience to broader pressures on consumer spending. Compared to the first half of 2022, sales increased by 64.1% (58.7% on a constant currency basis).

During the second half year, trading continued to strengthen, increasing by 10.3% at actual exchange rates compared to 2019 (14.5% on a constant currency basis). Against 2022, where the prior year comparatives were considerably more challenging than in the first half, second half revenues increased by 22.4% (25.4% on a constant currency basis). This further improvement in underlying trading was driven by a continued recovery in passenger numbers over the summer, particularly in the air sector, as well as our stronger customer proposition and further deployment of digital order and payment technology.

For the year as a whole, like-for-like sales growth versus 2022 was 31.5%. The growth in the air channel has been particularly encouraging, driven by strong recoveries in passenger numbers in most of our major markets. The recovery in the rail channel continued to be impacted by ongoing industrial action, principally in the UK.

Net gains contributed 6.4% to full year revenue growth versus 2022, driven by strong contributions from North America, including a benefit from the acquisition of the Midfield Concession business in late June and significant new openings in Ontario, Seattle, LaGuardia, Vancouver and Kelowna, and from the APAC and EEME division, where we opened material new contracts in Malaysia, Thailand, Australia and India.

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 2023 compared to the 2022 average was -0.1% on revenue, -2.6% on EBITDA and -4.8% on operating profit.

Operating profit
The underlying operating profit was £204.8m, compared to £31.7m in the prior year. On a reported basis under IFRS 16, the operating profit was £166.8m (2022: £91.5m), reflecting a charge of £38.0m (2022: £59.8m credit) for the non-underlying operating items.

On a pre-IFRS 16 basis, the Group reported underlying EBITDA of £280.0m (2022: £142.0m) and underlying operating profit of £163.7m (2022: £30.3m). The underlying pre-IFRS 16 EBITDA margin improved to 9.3% (2022: 6.5%) and the underlying pre-IFRS 16 operating profit margin improved to 5.4% (2022: 1.4%).

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.

The non-underlying operating items included in the net charge of £38.0m 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 £12.5m was identified, comprising a write down in respect of the Rail Gourmet business in the UK.
- 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 this review, a charge of £5.6m has been recognised, which includes a net impairment of right-of-use assets of £3.2m.
- Gain on de-recognition of leases: as a consequence of certain contract terminations (FY22: modifications) the leases have been derecognised in the period, resulting in a gain of £2.7m (2022: £61.5m).
- Site exits costs: the Group has recognised a charge of £8.6m relating to site exits and redundancies carried out across the Group during the year, principally reflecting the planned exit from our motorway service area business in Germany.
- Contractual settlements: during the year the group negotiated contractual settlements in respect of the Covid-19 period which resulted in a net charge of £4.7m.
- Other non-underlying expenses: in the current year these items, primarily relating to transaction costs and other legal fees, amounted to £9.3m (2022: £2.3m).

2023 highlights

Operating profit

£164m underlying pre-IFRS 16[1]

£167m reported

Earnings per share

7.1p/share underlying pre-IFRS 16[1]

1.0p/share reported

Net debt

£(392)m underlying pre-IFRS 16[1]

£(1,421)m reported

1 See Alternative Performance Measures page 63-65.

Segmental 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 3 on page 168.

North America

	2023 £m	2022 £m	Change Year-on-year change (%)	Change Constant currency (%)	Change LFL (%)
Revenue	**668.8**	455.4	+46.9%	+44.7%	+32.7%
Underlying operating profit	**68.2**	18.4	+270.7.%		
Operating profit	**67.0**	17.3	+287.3%		

EBITDA was £91.9m (2022: £51.0m) and underlying operating profit was £54.9m (2022: £17.4m), both on a pre-IFRS 16 basis.
Revenue in 2019 was £533.4m.

Revenue during the year of £668.8m increased by 46.9% compared to the prior year, and 25.4% versus 2019 levels (both at actual exchange rates). The performance included a significant contribution from net contract gains, as we continue to grow our business in conjunction with our joint venture partners.

During the first half, the sales recovery in North America remained strong, running 27.1% above 2019 levels and 71.8% ahead of 2022, reflecting the ongoing recovery in domestic leisure and business travel, in addition to the contribution from the new openings.

During the second half, sales increased by 24.0% compared to 2019 and 31.4% versus 2022, including a sales benefit from the acquisition of the Midfield Concession business, with the transfer of six of the seven airports completed in June.

The underlying operating profit for the period was £68.2m, compared to £18.4m in the prior year, and the reported operating profit was £67.0m (2022: 17.3m). This strong performance, taking operating profit and margins to levels above those reported in 2019, reflected the rapid recovery in like-for-like sales and a good profit contribution from the new business.

Non-underlying operating items comprised transaction costs totalling £1.2m. On a pre-IFRS 16 basis, the underlying operating profit was £54.9m, which compared to £17.4m last year.

Continental Europe

	2023 £m	2022 £m	Change Year-on-year change (%)	Change Constant currency (%)	Change LFL (%)
Revenue	**1,136.7**	867.9	+31.0%	+30.4%	+26.4%
Underlying operating profit/(loss)	**51.9**	22.6	+129.6%		
Operating profit	**32.6**	82.0	-60.2%		

EBITDA was £77.6m (2022: £60.7m) and underlying operating profit was £35.8m (2022: £19.8m) both on a pre-IFRS 16 basis.
Revenue in 2019 was £1,036.9m.

Revenue in Continental Europe of £1,136.7m represented an increase of 31.0% compared to 2022 and 9.6% versus 2019 levels (both at actual exchange rates).

Most markets in Continental Europe recovered strongly in the first six months of the year, running 9.3% above 2019 levels across this period (56.9% ahead of 2022), helped by the extended European summer holiday season which stretched into the autumn, most notably in Spain, and was in spite of industrial action in February and March which impacted several countries, notably France.

During the second half year, sales strengthened further to 9.8% above 2019 levels (16.2% above 2022), driven by strong air passenger numbers over the late spring and summer and despite the impact of protests and travel disruption in France, as well as more challenging comparatives from 2019.

The underlying operating profit for the period was £51.9m compared to £22.6m in the prior year, with a reported operating profit of £32.6m (2022: £82.0m). Non-underlying operating items comprised site exits costs amounting to £7.2m relating to the planned exit from our motorway service area business in Germany, historical contractual settlements totalling £4.7m, impairments totalling £6.6m and other costs of £0.8m. On a pre-IFRS 16 basis, the underlying operating profit was £35.8m, which compared to £19.8m last year.

Segmental performance continued

UK (including Republic of Ireland)

	2023 £m	2022 £m	Change Year-on-year change (%)	Change Constant currency (%)	Change LFL (%)
Revenue	**773.6**	614.9	+25.8%	+25.6%	+23.2%
Underlying operating profit/(loss)	**66.1**	23.5	+181.3%		
Operating profit	**54.6**	27.7	97.1%		

EBITDA was £73.1m (2022: £38.8m) and underlying operating profit was £57.4m (2022: £25.9m) both on a pre-IFRS 16 basis.
Revenue in 2019 was £840.5m.

Revenue in the UK and Ireland of £773.6m represented an increase of 25.8% compared to 2022 and a recovery to 92.0% of 2019 levels (both at actual exchange rates).

During the first half year, sales recovered to 85.2% of 2019 levels (41.0% ahead of 2022), reflecting an ongoing recovery in both leisure and commuter travel, despite the impact of regular strike action impacting the rail business.

In the second half, underlying UK trading in both the air and rail channels continued to strengthen, with revenues averaging 97.8% of 2019 levels (16.5% above 2022), despite the rail sector continuing to be impacted by ongoing industrial action.

The underlying operating profit for the UK was £66.1m compared to £23.5m in the prior year, with a reported operating profit of £54.6m (2022: £27.7m). Non-underlying operating items comprised impairments of goodwill of £12.5m and other items amounting in a net credit of £1m. On a pre-IFRS 16 basis, the underlying operating profit was £57.4m, which compared to £25.9m last year.

APAC and EEME

	2023 £m	2022 £m	Change Year-on-year change (%)	Change Constant currency (%)	Change LFL (%)
Revenue	**430.6**	247.2	+74.2%	+82.6%	68.4%
Underlying operating profit/(loss)	**71.0**	13.5	+425.9%		
Operating profit/(loss)	**72.2**	14.6	+394.5%		

EBITDA was £76.8m (2022: £25.0m) and underlying operating profit was £63.5m (2022: £13.8m) both on a pre-IFRS 16 basis.
Revenue in 2019 was £383.8m.

Revenue in APAC and EEME of £430.6m represented an increase at actual exchange rates of 74.2% compared to 2022 (82.6% on a constant currency basis) and 12.2% versus 2019 levels (21.1% on a constant currency basis).

Revenues continued to recover rapidly in this region throughout the first half, including an exceptional performance in our business in India (TFS), where sales more than doubled year on year. Australia, Thailand and the Middle East have also performed particularly well. First half sales for the APAC and EEME region as a whole grew by 3.8% versus 2019 and increased by 140.32.4% compared to the equivalent period in 2022 (both at actual exchange rates).

Compared to 2022, sales improved by 41.2% at actual exchange rates (53.9% on a constant currency basis), as we saw further improvements in passenger numbers across the Asia Pacific region, as well as strong performances in India and Egypt. In addition, the region continued to benefit from significant net gains as we continued to roll out the new business pipeline there, with strong contributions from new openings in Malaysia, Australia, Thailand, Bahrain and India.

The underlying operating profit for the period was £71.0m, compared to £13.5m in the prior year, and the reported operating profit was £72.2m (2022: £14.6m). Non-underlying operating items comprised impairments of £1.3m, gains on derecognition of leases of £4.1m and site exit costs of £1.6m. On a pre-IFRS 16 basis, the underlying operating profit was £63.5m, which compared to £13.8m last year.

Share of profit of associates

The Group's underlying share of profits of associates was £7.2m (2022: £6.6m profit), driven primarily by strong performance from the Group's associates in Cyprus and Qatar. On a reported basis, the share of profits of associates of £0.5m (2022: £6.6m profit) included a £6.7m non-underlying impairment charge relating to the mandatory recapitalisation of the group's associate in France.

On an underlying pre-IFRS 16 basis, the Group's share of profit from associates was also £7.2m (2022: £6.6m profit).

Net finance costs

The underlying net finance expense for the financial year was £86.6m (2022: £81.5m), which includes interest on lease liabilities of £53.1m (2022: £37.9m). A credit to finance costs of £7.4m has been recognised within non-underlying items relating to the refinancing of the Group debt. The reported net finance expense under IFRS 16 was £79.2m (2022: £72.9m).

On a pre-IFRS 16 basis, underlying net finance costs were lower than the prior year at £33.5m (2022: £43.6m), driven by a lower cost of debt on our USPP loan notes, as well as foreign exchange gains arising on certain cash balances held in foreign currencies.

Taxation

The Group's underlying tax charge for the period was £29.1m (2022: £0.9m credit), representing an effective tax rate of 23.2% (2022: 2.1%) of underlying profit before tax. On a reported basis, the tax charge for the period was £32.0m (2022: £15.3m charge) representing an effective tax rate of 36.3% (2022: 60.7%).

On a pre-IFRS 16 basis, the Group's underlying tax charge was £31.2m (2022: £4.6m), equivalent to an effective tax rate of 22.7% (2022: a negative effective tax rate of 68.7%) of the underlying profit (2022: loss) 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 tax rate for the current year reflects a return to pre-pandemic rates of around 22-23%, the prior year tax rates having been impacted by the significant change in the geographic mix caused by Covid-19.

Non-controlling interests

The profit attributable to non-controlling interests was £48.0m (2022: £20.1m profit). On a pre-IFRS 16 basis the profit attributable to non-controlling interests was £49.7m (2022: £24.2m profit), with the year-on-year increase reflecting a significantly improved trading performance from our partially owned subsidiaries (operated with joint venture partners) in North America and APAC and EEME, including in India, Thailand, the Philippines and the UAE.

Earnings/(loss) per share

The Group's underlying earnings per share was 6.2 pence per share (2022: loss of 7.7 pence per share), and its reported earnings per share was 1.0 pence per share (2022: loss of 1.3 pence per share).

On a pre-IFRS 16 basis the underlying earnings per share was 7.1 pence per share (2022: loss of 4.5 pence per share).

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 2.5 pence per share (2022: nil), which is subject to shareholder approval at the Annual General Meeting.

The Group is proposing a payout ratio of 35% of the underlying pre-IFRS 16 earnings per share, which is in the middle of our proposed payout range of 30-40%.

The final dividend will be paid, subject to shareholder approval, on 29 February 2024 to shareholders on the register on 2 February 2024.

The ex-dividend date will be 1 February 2024.

Free Cash flow

The table below presents a summary of the Group's free cash outflow for 2023

	2023 £m	2022 £m
Underlying operating profit[1]	**163.7**	30.3
Depreciation and amortisation	**116.3**	111.7
Exceptional operating costs	**(17.8)**	(3.6)
Working capital	**(19.8)**	116.7
Net tax payment	**(19.6)**	(2.3)
Capital expenditure[2]	**(220.0)**	(148.9)
Acquisitions, net of cash received	**(41.2)**	(1.4)
Net dividends to non-controlling interests and from associates	**(46.0)**	(14.5)
Net finance costs	**(46.1)**	(40.5)
Other	**5.6**	4.5
Free cash outflow	**(124.9)**	52.0

1 Presented on an underlying pre-IFRS 16 basis (refer to pages 64 for details).
2 Capital expenditure is net of cash capital contributions received from non-controlling interests of £22.5m (2022: £10.7m).

The Group's net cash outflow during the year was £124.9m, compared to a £52.0m net cash inflow last year. This year-on-year change primarily reflected the anticipated higher levels of capital expenditure and working capital outflows in 2023. The net outflow in the year also included the impact of the acquisition of the Midfield concessions business in June, as well as exceptional restructuring and other costs incurred during the year.

Capital expenditure was £220.0m, a significant increase compared to the £148.9m in the prior year, reflecting the ongoing mobilisation of our new business pipeline, as well as a rebound in the level of renewals and maintenance projects, many of which were put on hold in the aftermath of Covid.

Although working capital benefited from a further recovery in sales across the year (increasing from around 95% of 2019 levels in September 2022 to around 110% in September 2023), this was more than offset by a reduction in the level of the Group's deferred liabilities, largely rents, during the period, amounting to approximately £50m, resulting in a net cash outflow for the year of £20.7m.

Acquisition costs of £41.2m comprised £2.8m consideration paid for the AMT business in the UK in December 2022, together with a further £38.4m for the purchase of the units at six of the seven Midfield concessions locations in North America in June 2023. We took operational control of the units at Denver on 16 November 2023.

Net corporation tax payments of £19.6m (compared to £2.3m in 2022) and net dividends paid to non-controlling interests (net of receipts from associates) of £46.0m (2022: £14.5m) were both much higher year on year, reflecting the Group's significant increase in profitability over the last twelve months.

Net finance costs paid of £46.1m were also higher than in the prior year (2022: £40.5m), mainly reflecting 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 £95.7m to £392.2m on a pre-IFRS 16 basis, largely reflecting the free cash outflow in the year of £124.9m as detailed above. On a reported basis under IFRS 16, net debt was £1,420.9m (30 September 2022: £1,150.7m), including lease liabilities of £1,028.7m (30 September 2022: £854.6m).

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 2022 (Pre-IFRS 16 basis)	(296.5)
Free cash flow	(124.9)
Impact of foreign exchange rates	21.9
Other[1]	7.3
Net debt excluding lease liabilities at 30 September 2023 (Pre-IFRS 16 basis)	**(392.2)**
Lease liabilities	(1,028.7)
Net debt including lease liabilities at 30 September 2023 (IFRS 16 basis)	**(1,420.9)**

1 Other changes relate to the effect of our debt refinancing carried out in the year.

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
2023 Revenue at actual rates by region	668.8	1,136.7	773.6	430.6	3,009.7
Impact of foreign exchange	(10.2)	(4.9)	(1.6)	20.7	4.0
2023 Revenue at constant currency[1]	**658.6**	**1,131.8**	**772.0**	**451.3**	**3,013.7**
2022 Revenue at actual rates by region	455.3	868.1	614.9	247.1	2,185.4
Constant currency sales growth	44.7%	30.4%	25.6%	82.6%	37.9%
Which is made up of:					
Like-for-like sales growth[2]	32.7%	26.4%	23.2%	68.4%	31.5%
Net contract gains[3,4]	12.0%	4.0%	2.4%	14.2%	6.4%
Total constant currency sales growth	**44.7%**	**30.4%**	**25.6%**	**82.6%**	**37.9%**

1 Constant currency is based on average 2022 exchange rates weighted over the financial year by 2022 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/(losses) are presented on a constant currency basis.
4 The impact of the Midfield Concession acquisition 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/loss) 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 2023 £m	Non-underlying items IFRS 16 2022 £m
Operating costs		
Impairment of goodwill	**(12.5)**	–
Impairment of property, plant and equipment	**(2.4)**	(12.1)
Impairment of right-of-use assets	**(3.2)**	(6.1)
Contractual settlements	**(4.7)**	–
Site exit costs	**(8.6)**	(2.9)
Gain on derecognition of leases	**2.7**	61.5
IFRS 16 rent credit	**–**	23.0
Debt amendment expenditure and extension of bank facilities	**–**	(1.3)
Other non-underlying costs	**(9.3)**	(2.3)
	(3.8)	59.8
Finance expenses		
Debt refinancing & effective interest rate adjustments	**7.4**	8.6
	7.4	8.6
Taxation		
Tax charge on non-underlying items	**(2.9)**	(16.2)
Total non-underlying items	**(40.2)**	52.2

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 statutory reported basis is presented below:

	2023 (IFRS 16) Underlying	2023 (IFRS 16) Non-underlying Items	2023 (IFRS 16) Total	2022 (IFRS 16) Underlying	2022 (IFRS 16) Non-underlying Items	2022 (IFRS 16) Total
Operating profit/(loss) (£m)	**204.8**	**(38.0)**	**166.8**	31.7	59.8	91.5
Operating margin	**6.8%**	**(1.2)%**	**5.5%**	1.5%	2.7%	4.2%
Profit/(loss) before tax (£m)	**125.4**	**(37.3)**	**88.1**	(43.2)	68.4	25.2
Earnings/(loss) p/share (p)	**6.2**	**(5.2)**	**1.0**	(7.7)	6.4	(1.3)

3. Pre-IFRS 16 basis

In addition to our reported results under IFRS 16 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 2023			Year ended 30 September 2022		
	Notes	Underlying IFRS 16 £m	Impact of IFRS 16 £m	Underlying Pre-IFRS 16 £m	Underlying IFRS 16 £m	Impact of IFRS 16 £m	Underlying Pre-IFRS 16 £m
Revenue	2	**3,009.7**	**–**	**3,009.7**	2,185.4	–	2,185.4
Operating costs	4	**(2,804.9)**	**(41.1)**	**(2,846.0)**	(2,153.7)	(1.4)	(2,155.1)
Operating profit/(loss)		**204.8**	**(41.1)**	**163.7**	31.7	(1.4)	30.3
Share of profit from associates		**7.2**	**–**	**7.2**	6.6	–	6.6
Finance income	5	**17.0**	**–**	**17.0**	4.9	–	4.9
Finance expense	5	**(103.6)**	**53.1**	**(50.5)**	(86.4)	37.9	(48.5)
Profit/(loss) before tax		**125.4**	**12.0**	**137.4**	(43.2)	36.5	(6.7)
Taxation		**(29.1)**	**(2.1)**	**(31.2)**	0.9	(5.5)	(4.6)
Profit/(loss) for the period		**96.3**	**9.9**	**106.2**	(42.3)	31.0	(11.3)
Profit/(loss) attributable to:							
Equity holders of the parent		**49.6**	**6.9**	**56.5**	(60.9)	25.4	(35.5)
Non-controlling interests		**46.7**	**3.0**	**49.7**	18.6	5.6	24.2
Profit/(loss) for the period		**96.3**	**9.9**	**106.2**	(42.3)	31.0	(11.3)
Loss per share (pence):							
– Basic	3	**6.2**		**7.1**	(7.7)		(4.5)
– Diluted	3	**6.2**		**7.0**	(7.7)		(4.5)

Underlying operating profit is £41.1m lower on a pre-IFRS 16 basis, as adding back the depreciation of the right-of-use assets of £194.5 does not fully offset the recognition of fixed rents of £230.4m and the gain on derecognition of leases of £5.2m. Profit before tax is £12.0m higher on a pre-IFRS 16 basis as a result of adding back £53.1m in finance charges on lease liabilities. The impact of IFRS 16 on net debt is primarily the recognition of the lease liability balance.

Pre-IFRS 16 basis underlying EBITDA is a key measure of profitability for the Group. A reconciliation to pre-IFRS 16 basis underlying operating profit/(loss) for the period is presented below:

	2023 £m	2022 £m
Pre-IFRS 16 underlying EBITDA	**280.0**	142.0
Depreciation of property, plant and equipment	**(106.6)**	(97.9)
Amortisation of intangible assets	**(9.7)**	(13.8)
Pre-IFRS 16 underlying operating profit	**163.7**	30.3

Furthermore, a reconciliation from pre-IFRS 16 underlying profit/(loss) for the period to the statutory profit/(loss) for the period is as follows:

	2023 £m	2022 £m
Pre-IFRS 16 underlying operating profit/(loss) for the period	**163.7**	30.3
Depreciation of right-of-use assets	**(194.5)**	(170.0)
Fixed rent on leases	**230.4**	154.8
Gain on derecognition of leases	**5.2**	16.6
Non-underlying operating (costs)/profit (note 4)	**(38.0)**	59.8
Share of profit from associates	**7.2**	6.6
Non-underlying share of loss from associates	**(6.7)**	–
Net finance expense	**(86.6)**	(81.5)
Non-underlying finance income (note 5)	**7.4**	8.6
Taxation	**(32.0)**	(15.3)
Profit after tax	**56.1**	9.9

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

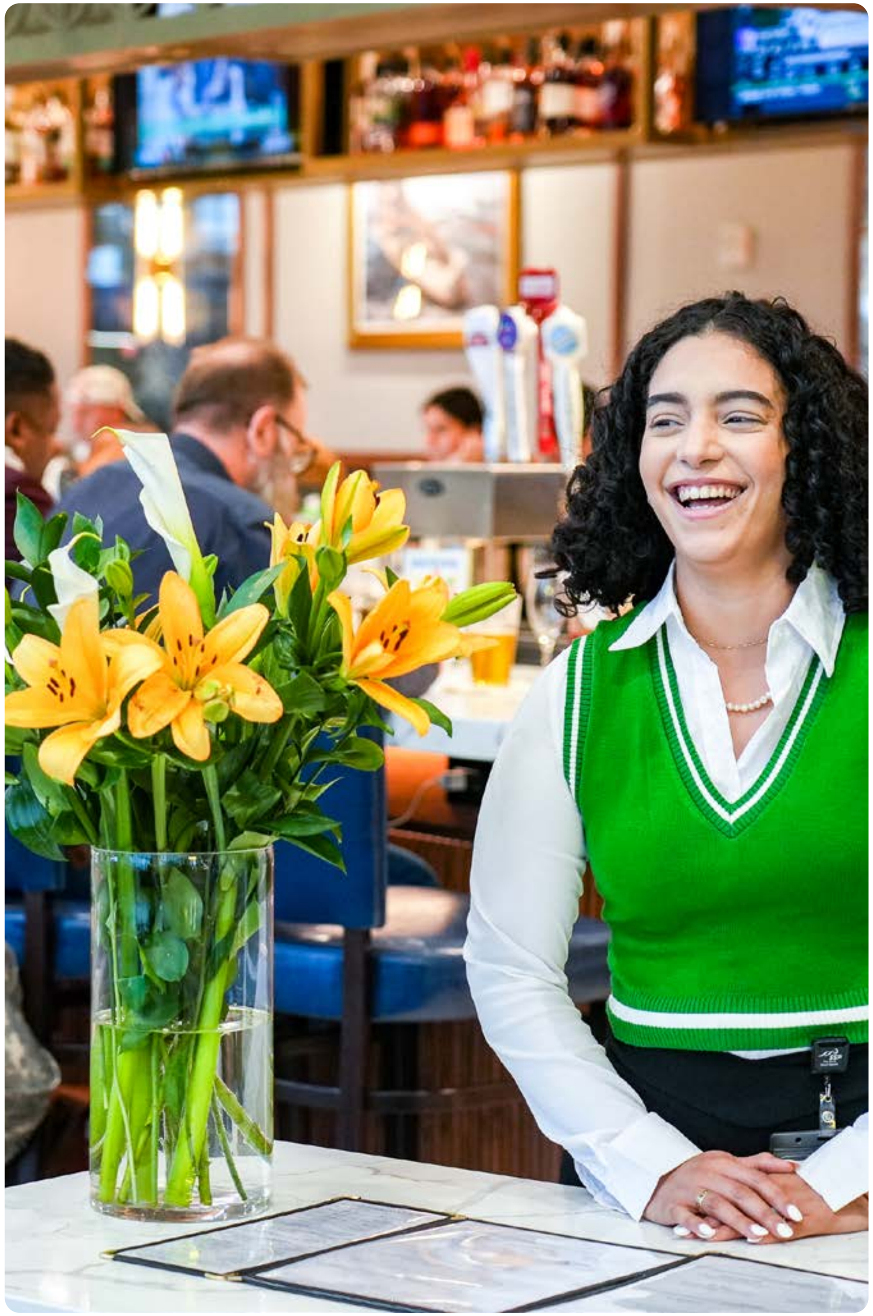
	2023 £m	2022 £m
Underlying operating profit	204.8	31.7
Non-underlying operating (costs)/profit (note 5)	(38.0)	59.8
Share of profit from associates	7.2	6.6
Non-underlying share of loss from associate	(6.7)	–
Finance income	17.0	4.9
Finance expense	(103.6)	(86.4)
Non-underlying finance income (note 6)	7.4	8.6
Profit before tax	88.1	25.2
Taxation	(32.0)	(15.3)
Profit after tax	56.1	9.9

4. Liquidity and cashflow

Liquidity remains a key KPI for the Group. Available liquidity at 30 September 2023 has been computed as £606.9m, comprising cash and cash equivalents of £303.3m, and undrawn credit facilities of £303.6m.

A reconciliation of free cashflow to underlying operating profit is shown on page 62.

Jonathan Davies
Deputy Group CEO and CFO
5 December 2023



Risk management and principal risks

To enable us to deliver our purpose of being the best part of the journey, it is critical for us to manage our risks effectively and appropriately. The Group's risk management framework is specifically designed to systematically identify, analyse, and effectively manage material risks across the business through a series of processes aimed at continuous monitoring, management, and ultimately risk mitigation.

Approach

Identification

- Review risks from the previous year to determine if they are still valid and whether to consider any emerging risks.
- Consider major changes and initiatives.
- Consider complex, changing or new processes or those with historical issues.

Prioritisation

Prioritise risks based on impact and likelihood:
- Impact: If the risk arises, what is the impact on the achievement of the country, region and Group's strategic priorities and financial targets?
- Likelihood: What is the likelihood that the specific risk will occur?

Monitoring

Develop an action plan for any medium or high rated risks without appropriate mitigating activities. This includes:
- What action will be taken?
- Who is responsible?
- When will the new activity be implemented?

Mitigation

Country management identifies current and potential mitigation activities for operational risks:
- What activity is undertaken and is this managing the risk?
- Who performs the activity and is this the right person to undertake this activity?
- When is this undertaken and is the frequency appropriate to manage the risk?

Strategic risks
Interviews are held with the Group Executive Committee members, Group functional leads and country leadership team to update the Strategic Risk Register.

Operational risks
Operational Risk Registers are updated by regional/country management teams.

Risk Management Framework

An overview of our risk management framework is set out on page 69 and in accordance with the Corporate Governance Code, the Board (supported by the Audit Committee) has overall responsibility for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing significant and emerging risks faced by the Group as well as setting the Group's risk appetite (as set out on page 68).

In addition to the detail set out on page 69, key features of the Group's risk management processes are as follows:
- The Group conducts an annual risk assessment review to identify principal risks, while local management teams maintain country and regional risk registers. These regional and country-specific registers encompass the risk assessments, significant changes in risks or new initiatives, and both current and future mitigation activities discussed.
- The Group maintains a top-down consolidated risk register, which covers risks to the overall Group. Risks are assessed in terms of their potential impact and likelihood, and key risks are brought to the attention of the Risk Committee and the Audit Committee. This evaluation also includes the consideration of climate-related risks and opportunities.
- Our regional and country management teams are responsible for implementing internal control and risk management practices within their own businesses, ensuring ongoing compliance with the Group's policies and procedures, and identifying emerging risks.
- A key aspect of the Group's risk mitigation processes is the implementation of various risk management policies throughout the organisation. These policies are complemented by tailored training programmes for different levels within the Group and encompass a Colleague Code of Conduct, a Speak Up Policy, an Anti-Bribery and Anti-Corruption Policy, a Prevention of the Facilitation of Tax Evasion Policy, a GDPR Compliance Policy, Modern Slavery Policy, Group Authorisation Policies, and various IT security policies. These are updated periodically as needed. The Board and senior management have received training on the obligations and behaviours expected of a UK-listed company, which include matters related to compliance, insider trading, and preventing market abuse. The Risk Committee regularly receives reports on topics covered by these policies, including compliance reports and updates on training uptake.
- The Group's Speak Up Policy establishes a framework that encourages all individuals at every level of the organisation, including colleagues, consultants, and contractors, to feel confident in reporting irregularities. We encourage individuals to voice their concerns with designated persons, the Country Whistleblowing Officer, or the confidential Group Helpline. The Board, in collaboration with the Audit Committee, oversees and reviews the matters reported and the outcomes of any investigations.
- The management of risk and compliance with associated policies is considered as part of the Group's performance management systems.
- Our Group Safety Forum, chaired by the Group Safety Director and comprised of health and safety experts from across our organisation, is responsible for monitoring and evaluating our adherence to global safety standards and compliance with regulations. It is further supported by an Executive Safety Committee, chaired by the Chief People Officer, which conducts quarterly regional reviews of our performance in relation to safety processes and objectives. For additional information on our safety governance framework, refer to page 44 of our Sustainability Report.

Our sustainability framework enables us to integrate key areas of non-financial performance with our financial performance and objectives, so we can generate long-term value for all our stakeholders. It also ensures that both the Board and the business factor in risk from financial and non-financial standpoints. For instance, throughout the year, the heightened emphasis on sustainability in our performance has prompted the business and Board to assess the risks and opportunities tied to our net-zero roadmap and carbon footprint reduction, which affect both short and long-term value creation. Incorporating environmental, social, and governance considerations into our risk assessments aids in the development of a more sustainable strategy that fosters well-rounded success and value creation. For further details, refer to pages 28-31 and our Sustainability Report.

Principal Risks

The principal risks and uncertainties to which the Group is exposed are summarised on pages 70-77, along with the actions taken to mitigate them and details of the risk trend over the year. Risks are identified as 'principal' based on the likelihood of occurrence and their potential impact on the Group. Those risks with higher probability and greater impact on strategy, reputation, operations and financial performance receive the highest risk rating. These risks have been reviewed and agreed with the Board (and considered by the Group Executive Committee).

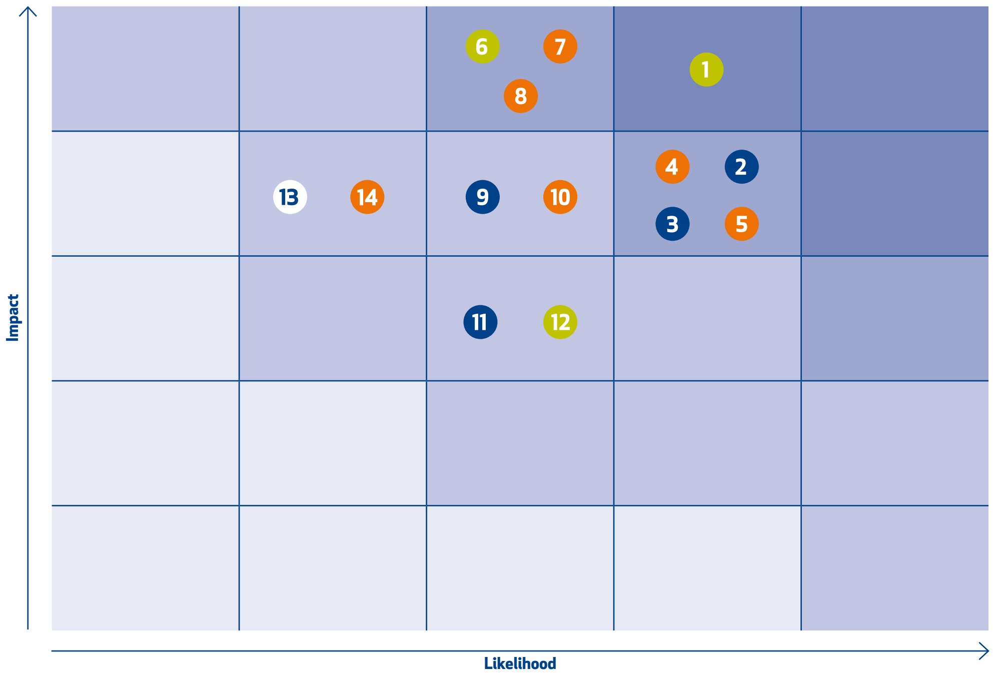
A new risk relating to 'mergers and acquisition activity' has been added to the principal risks. The Covid-19 risk has been downgraded. Risks relating to health and food safety, 'information security and stability', 'mobilisation of pipeline' and 'benefits realisation from efficiency programmes' have all risen over the year.

Last year, the Group disclosed ten principal risks. This has now increased to 14 principal risks (noted below). We have included risks 11-14 as some are directly relevant to the Group's strategic priorities.

In addition to the principal risks outlined on pages 70-77, each local business maintains a register of operational risks that are monitored and reviewed internally throughout the year.

Group Principal Risks

The graphic illustrates the Group's principal risks positioned on a relative basis based on the annual risk assessment approved by the Board.



Key to movement since 2022

● Increasing ● Stable ● Decreasing ○ New

Risks

1 Business environment, geo-political uncertainty and terrorism threat
2 Availability of labour and wage inflation
3 Supply chain disruption and product cost inflation
4 Health and food safety
5 Information security and stability
6 Compliance
7 Mobilisation of pipeline
8 The competition landscape, changing client behaviours and client retention
9 Insufficient senior capability at Group and country level
10 Benefits realisation from efficiency programmes
11 Sustainability
12 Innovation of brand portfolio & changing customer demands
13 Merger and acquisition activity
14 Expansion into new markets

Link to our strategic priorities

Principal risks are identified, assessed and discussed in relation to their linkage with our strategic priorities set out below:

PIVOTING TO HIGH GROWTH MARKETS

ENHANCING BUSINESS CAPABILITIES; DRIVING COMPETITIVE ADVANTAGE

DELIVERING OPERATIONAL EFFICIENCIES

Emerging risks

SSP defines emerging risks as those whose timing and impact are not entirely certain but may, over time, pose a risk to the delivery of the Group's strategy. We have well-established processes for identifying and monitoring emerging risks through horizon scanning and our embedded risk management framework, both at Group and regional levels.

At the regional level, we employ a bottom-up approach, where incidents and trends are monitored and discussed at regional risk committees and Group Executive Committee meetings (as applicable). Depending on the perceived impact and probability of these risks, they are escalated to the Group CEO and Deputy Group CEO and CFO through weekly trading updates and subsequently to the Group Executive and Risk Committees, as appropriate. Regional management closely monitors these risks and periodically updates Group management.

At the Group level, we adopt a top-down approach through our annual risk assessment exercise, during which emerging risks are discussed with senior regional management (CEOs and CFOs) and Group management, including heads of Finance, HR, Procurement, and Legal departments. Identified risks are reviewed and approved by the Group Executive Committee before being submitted to the Board.

Short term	Mobilisation of pipeline	Due to the Group's strategic priority of 'Pivoting to high-growth markets,' the Group has placed additional emphasis on identifying, assessing, completing, and integrating new transaction targets to significantly boost growth in key markets. For more information, please refer to pages 19-20.
Medium term	Climate change	Similarly to the prior year, climate change is one of our most significant medium-term emerging risks. Primarily, this relates to the failure to adequately consider and respond to the physical and transition risks associated with climate change, including the impact on our units such as damage or closure, disruption to our supply chain, increased food security challenges and increased pressure of compliance with regulatory requirements. See pages 50-56 for more information on our consideration of climate risk, its potential impact on the business and its results.
Long term	Structural changes to the travel sector	Consistent with the prior year, from a long-term perspective, there may be structural changes to the travel sector driven by customer behaviour, such as an aversion to air travel due to its impact on the environment, increased remote working and greater road travel as adoption of electric vehicles increases. These also present opportunities, but otherwise could have a severe adverse impact on the business. Holiday destinations could vary dependent on the impact of climate change. See pages 52-54 for more information on how we are addressing these structural changes and mitigating action.

As above, all these risks are monitored and discussed at senior management level to consider appropriate mitigations.

Risk appetite

Risk appetite is the level of risk that the Group is willing to accept, both in day-to-day business operations and in seeking to realise our strategic priorities. It is also an important element of our culture and values, as we seek to balance activity to drive our purpose and build momentum with protecting the business and doing the right thing.

The Board determines the risk appetite of the Group to ensure that we consider and manage appropriately the potential impact of current and emerging risks. This aims to increase the likelihood that we achieve our business objectives, and minimise the threat of adverse impacts to our financial and operational performance and prospects.

During the year, the Board concluded there were certain risks for which it had a very low risk appetite, and categorised them as 'risk-averse'. These risks included 'health and food safety, information security and stability, compliance with legislation, and liquidity and funding.' We are working to minimise these risks. For certain risks, the Group has a higher risk appetite and classifies these as 'risk willing.' This category includes 'mobilisation of pipeline, expansion of pipeline, benefits realisation from efficiency program, innovation and development of brand portfolio, and the competitive landscape, changing client behaviours, and client retention.' These risks are directly related to achieving our objective of increasing growth and returns. The remaining Principal Risks are classified as 'risk moderate' and the Group adopts a balanced approach to risk management.

The Group's risk management framework

Top down Oversight and leadership of risk management approach

Bottom up Identification, assessment, mitigation and escalation of risks

Board

Overall responsibility for the Group's system of internal controls and risk management policies. Receives updates on key risk matters including Safety.

Audit Committee

– Reviews risk management policies and processes (including as to sustainability and climate-related matters) and financial controls, providing a reasonable basis for the Board to make judgements on an ongoing basis as to the Group's financial position and prospects.
– Receives and reviews detailed risk registers, Control Self-Assessment (CSA) results and internal audit reports.
– Assesses the integrity of the Group's financial reporting, including as to tax compliance and reporting.
– Reports to the Board on relevant matters arising (including from internal and external audit reports).

Risk Committee

Meets quarterly and operates under the oversight of the Audit Committee. Chaired by the Deputy Group CEO and CFO and comprises various senior management. Attended by Deloitte as internal audit.
– Reviews and updates risk registers, operational risks, controls and KPIs, including emerging risks.
– Oversees internal audit process.
– Reviews the Group balance sheet.
– Reviews the Group's information security protocols.
– Assesses safety management reports and initiatives (including for allergens).
– Reviews internal compliance reports (including ABC, modern slavery, GDPR) and assesses further actions and controls.
– Receives reports from the Climate Risk Steering Committee.
– Oversees management of climate-related risks and opportunities.

Group Executive Committee

Meets monthly and is chaired by the Group CEO. Composed of the Executive Directors and senior management (comprising regional CEOs and functional heads).
– Produces annual budget for Board review and approval.
– Reviews budget pursuant to weekly and monthly reports.
– Identifies and executes, subject to any necessary Board approvals, new strategic business opportunities, M&A opportunities and major capital expenditure proposals (including new country entry).
– Reviews risk assessment, as well as current and future mitigation activities, and committee members report on emerging risks and opportunities in their area of responsibility.
– Executive Directors report to Board on financial performance and key issues as they arise.

Disclosure Committee

Composed of the Group CEO, Deputy Group CEO and CFO and General Counsel.
Meets on an ad hoc basis.
– Identifies information which requires disclosure under the Listing Rules, Market Abuse Regulations or the DTRs in a timely manner, to ensure that such information is properly considered and that such consideration includes whether the information should be disclosed.

Financial Reporting

– Coordinates the risk management process (updates risk registers, coordinates local registers, assesses risk ratings and documents mitigating controls).
– Conducts meetings with risk owners and consolidates local risk registers.
– With CEO and Deputy Group CEO and CFO, conducts regular trading, financial and risk reviews to monitor the ongoing operations of the Group.
– Carries out balance sheet reviews with the local teams.

Treasury Committee

Meets quarterly, is chaired by the Deputy Group CEO and CFO and monitors a wide range of treasury matters and activities:
– Agrees and implements the Group's treasury policies.
– Oversees the cash forecasting process.
– Monitors financial risks including interest rate risk, foreign exchange risk, liquidity risk.
– Considers other topical or ad hoc items (such as lender covenants, and guarantee capacity).

Group Investment Committee

– Reviews and authorises material capital investments and acquisitions.
– Operates a post-investment review process.

Regional and Country Management

– Implements internal control and risk management practices locally and ensures compliance with the Group's policies and procedures.
– Considers, updates and maintains local risk registers and risk maps, including in relation to emerging risks.
– Completes the annual CSA process, and proposes and follows up on action points to address any control gaps.
– Submits requests for approval of controlled activities, which are reviewed by Group compliance and relevant functional heads.
– Works with our outsourced loss prevention analysts to investigate and remedy any queries raised.
– Compiles reports and maintains registers as required (e.g. ABC, safety, sustainability and other compliance matters).
– Attends Group Risk Committee where control challenges are identified through CSA/CC or Internal Audit.

Internal Audit

– Performs a programme of testing a set of key controls based on a continuing assessment of business risks across the Group.
– Carries out assurance activities to inform the Board and its committees of potential risk areas and mitigating controls.
– Provides independent third line assurance over the adequacy and effectiveness of the systems of internal control at Group, regional and country level.

Risk 1: Business environment, geo-political uncertainty and terrorism threat

Executive risk owner
Group CEO, Deputy Group CEO and CFO, Regional CEOs

Trend

Link to our strategy
Pivoting to high growth markets
Delivering operational efficiencies

Risk description
The Group operates in the travel environment where external factors such as the general economic and geo-political climate, levels of disposable income, changing demographics, and travel patterns could affect passenger numbers and customer spending.

The travel environment is vulnerable to acts of terrorism or war, outbreaks of pandemic diseases, or major and extreme weather events or natural disasters, which could reduce the number of passengers in travel locations.

Risk trend
During the year, we have continued to see inflationary pressures across our markets, and Central Banks raising interest rates with the aim of reducing inflation. These actions have had limited success, and pressure on customer discretionary spending is likely to continue in the short to medium term as increased interest rates feed through into mortgage costs when fixed rate deals come to an end.

The Group has experienced a significant summer peak in 2023, with air passenger numbers equivalent to 2019 levels in many markets. However, this may be reflective of pent-up Covid-related demand and may have been funded by savings accumulated during the pandemic. It may not continue into 2024, especially given the current economic climate.

Mitigating factors
The Group monitors the performance of individual business units and markets regularly. The Executive Directors review detailed weekly and monthly performance, covering a range of KPIs, and monitor progress on key strategic projects with local senior management. We take specific short- and medium-term actions to address any trading performance issues, and monitor them on an ongoing basis.

Should passenger numbers fall significantly, we can actively manage the number of open units, as we have successfully done in recent years. Partly because of Covid-19, a larger proportion of our unit rents are now based on passenger numbers, providing additional downside protection in the event of a significant prolonged fall in passenger numbers.

The business has a range of strategies to minimise inflationary impact, such as menu engineering, pricing, and leveraging its strong relationships with clients and supply chain partners.

Risk 2: Availability of labour and wage inflation

Executive risk owner
Country CEOs

Trend

Link to our strategy
Pivoting to high growth markets
Enhancing business capabilities; driving competitive advantage

Risk description
The Group's revenue relies on the availability of frontline staff and skilled labour to operate our units. The hospitality sector faces ongoing competition with other industries for these valuable resources, raising the risk that the Group may struggle to recruit and retain an adequate workforce to run the existing business at full capacity. Additionally, there is a risk that SSP may encounter challenges in recruiting sufficient resources to support planned growth in a timely manner.

Risk trend
Across our markets we have seen greater availability of labour than in the previous year, when labour constraints were the key factor limiting our ability to reopen our units, and we expect this trend to continue.

However, wage inflation continues apace, with labour only available to companies willing to match wage demands. Governments have responded to the global inflationary environment by increasing minimum hourly wages. Competition from other food and beverage operators, hotels, bars and restaurants has resulted in pressure to increase wages across the business.

Mitigating factors
Our People function continues to actively support the development of strategies to mitigate labour cost inflation across the Group, including introducing incentives to retain existing frontline colleagues. Each business area is monitoring their respective markets, both by location and compared to their peers, to ensure we continue to attract and retain talent.

Increased use of technology, such as digital ordering and payment, along with menu simplification and expanded grab 'n' go offerings, has reduced demands on our colleagues' time. In the US we have introduced standardised kitchens, speeding up meal preparation and we are trialling the use of robots to determine if that could help reduce demands on colleagues' time.

Risk 3: Supply chain disruption and product cost inflation

Executive risk owner
Regional CEOs, Chief Procurement Officer

Trend

Link to our strategy
Delivering operational efficiencies

Risk description
The Group's revenue is generated from the supply of menu items to customers, exposing us to both short and medium-term availability risks concerning food, beverages, and other consumables. There is also a risk that our margins may not be sustained due to product cost inflation.

The Group's future growth projections rely on capital expenditure for our secured pipeline. This expenditure is susceptible to inflation risk, given the time lapse between investment case approval and the actual construction. Consequently, the original return on investment may no longer be achievable. Certain capital items must be sourced from brand partners, which amplifies availability risk.

In the medium term, there are several supply chain risks potentially linked to the climate agenda:

- the risk of increased costs due to the introduction of carbon pricing or carbon taxation
- the risk of legislation that could prohibit the sale of single-use plastic products or products in plastic packaging, resulting in increased costs
- a reduced availability of climate-sensitive raw materials due to the rising frequency of extreme weather events.

Risk trend
Sourcing menu items has become more manageable compared to the prior year when supplies were severely disrupted by the war in Ukraine. However, we are still seeing double-digit product cost inflation in most regions.

We are also facing ongoing inflationary pressure related to pipeline capital expenditure, where costs are expected to exceed initial projections included in the investment case due to inflation in building costs.

SSP is actively working on meeting its supply chain sustainability targets by our target deadline. We anticipate that there may be increased disruption in FY24 due to El Niño potentially having a negative impact on global crop yields, with a more pronounced effect in South America.

Mitigating factors
The Group has conducted extensive menu engineering to mitigate the impact of lack of availability and rising prices, such as substitutions (for example, salad instead of fries). Post-Covid 19, we manage menus carefully so we can maintain simplicity in the supply chain wherever possible.

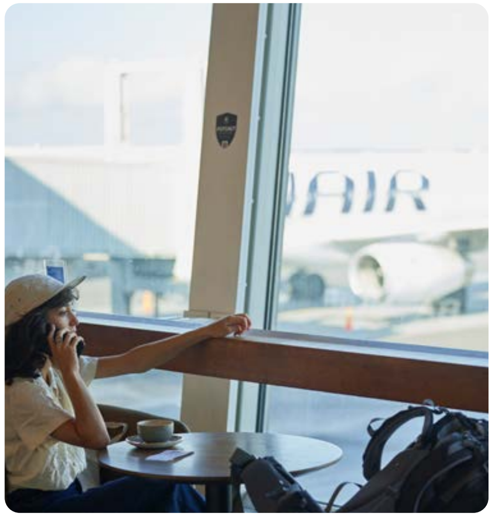
For most key ingredients in our markets we have a minimum of two suppliers.

We have approached clients to secure economic benefits to offset increases in build costs, such as additional capital expenditure contributions, extended lease terms or rent-free periods.

For partner-supplied capital expenditure, long lead time items are being pre-ordered well in advance of unit construction.

The business has increased awareness of and is actively planning for the increase in climate-related risks.

In the medium term the increased costs from sustainable alternatives will likely decline as the alternatives become the norm, as has already occurred with wooden cutlery.



Risk 4: Health and food safety

Executive risk owner
Regional CEOs, Chief People Officer

Trend

Link to our strategy
Enhancing business capabilities; driving competitive advantage
Delivering operational efficiencies

Risk description
The preparation of food and maintenance of the Group's supply chain necessitate maintaining high levels of hygiene, temperature control, and traceability. Non-compliance with food safety laws can potentially expose the Group to significant reputational damage, along with the possibility of food safety liability claims, financial penalties, and other associated issues.

There is also a risk that customers or colleagues may incur harm or injury while on SSP premises.

Risk trend
Continued focus is necessary to ensure that all colleagues adhere to the highest standards of food safety and the Group's internal guidelines and processes. In the US, the FDA has resumed inspections for food manufacturers and has visited some of the Group's units.

There is an increasing risk of marketing claims, such as 'healthier' or 'more sustainable,' being challenged. Given the ongoing and growing expectations in this area, particularly concerning food safety, this risk has increased over the last twelve months.

Mitigating factors
The Group has a global safety management programme, setting minimum standards of health and safety, fire safety and food safety across all its operations and requiring periodic reporting of performance and incident statistics.

In the year we recruited a new Group Director of Safety with overall responsibility for safety. Annually, all countries must complete a full self-assessment across all fire, people and product safety measures. All country operations are required to report on all food safety incidents (including allergens) on a six-monthly basis to the Risk Committee.

As part of our procurement-led Make or Buy project we are considering whether the food safety, contamination and allergens risks can be better managed by buying prepared food from third parties.

Risk 5: Information security and stability

Executive risk owner
Chief Digital and Technology Officer

Trend

Link to our strategy
Delivering operational efficiencies

Risk description
Cyber security remains a significant risk for SSP, particularly concerning the potential for unauthorised access to our systems through third-party providers and legacy platforms and systems. The Group faces various cyber threats and disruptions.

A failure to establish and execute appropriate due diligence processes for identifying and addressing security issues internally and within our supply chain could lead to reputational damage, service disruptions, and data loss. Since SSP's core operations do not heavily rely on customer data, the primary risks are related to service disruption and potential harm to our reputation.

Risk trend
The digital landscape poses heightened risks for global companies, including unauthorised access, the loss of confidential data, and potential damage to brand image, particularly with an increased exposure to cyber vulnerabilities. There's a growing trend of advanced phishing and malware threats targeting companies, resulting in operational setbacks and data loss.

The presence of legacy devices across the global estate increases SSP's risk profile. Integrations with third-party partners, also heighten the risk exposure for SSP.

The global nature of our business, adds complexity to the cyber controls needed to protect SSP from cyber attacks.

Mitigating factors
The expansion of Group digital and technology security detection and monitoring services has been carried out across all regions, bolstering the capabilities for detecting and responding to security incidents.

A Privileged Access Management project is underway to implement strong role-based controls for all SSP systems, particularly for high-privilege users such as IT administrators.

Multi-Factor Authentication (MFA) has been deployed globally across the business Cyber security awareness training has been updated, along with the Information Security Policy.

Risk 6: Compliance

Executive risk owner

Deputy Group CEO and CFO, General Counsel and Company Secretary, Regional CEOs

Trend

Link to our strategy

Delivering operational efficiencies

Risk description

Failure to effectively manage risks associated with compliance concerning relevant legislation and regulatory requirements, including anti-bribery and corruption, modern slavery, local labour laws, privacy, and corporate legislation, may lead to liability, fines, statutory liability, and reputational damage. Health and Safety, as well as ESG regulations, are separately identified as risks.

Furthermore, the heightened regulatory and statutory requirements could necessitate changes in business practices, increase the costs of compliance, and trigger greater insurance scrutiny and expense.

Risk trend

There is a potential risk of non-compliance with privacy laws, especially the General Data Protection Regulation (GDPR).

The increased regulation of sustainability-related activities and reporting could lead to disruptions if SSP were found to be in breach of its new obligations, potentially negatively impacting our reputation among shareholders.

Proposed changes to the controls set out in the introduction of the UK Corporate Governance Reform may have imposed several additional obligations on the Company and its directors. Whilst many of the reporting requirements in relation to Audit reform have been withdrawn, the Group is monitoring the situation.

We also face increased litigation risk because of the implementation of the Fair Labour Standards Act (FLSA), and potential contractual breaches due to delayed payment of fees resulting in material settlements, fines, penalties and reputational harm.

Mitigating factors

The Group's Risk Committee collaborates with the Legal, HR, and Supply Chain teams to oversee activities related to managing risks, including those concerning the Modern Slavery Act.

Compliance training is now an integral part of the new starter plan. Group Legal and HR are reviewing the scope and content of ongoing refresher compliance training.

Reporting on Corporate Tax Evasion has been incorporated into Anti-Bribery and Corruption (ABC) reporting.

Readiness planning for the new UK Corporate Governance Reform, supported by Deloitte, commenced during the year.

This focus on improving controls will continue, and the Group has invested in risk, audit, governance and compliance capability to ensure we continue to mature our processes and are ready for any forthcoming reform in this area.

A similar approach will be taken in preparation for the CSRD (Corporate Sustainability Reporting Directive).

Risk 7: Mobilisation of pipeline

Executive risk owner

Regional CEOs

Trend

Link to our strategy

Pivoting to high-growth markets

Delivering operational efficiencies

Risk description

The Group has a substantial pipeline of units to design, construct, fit out, and open. This process is susceptible to various risks, especially in new locations and markets, including:

- availability of materials: delays can occur due to the lack of availability of raw materials and essential plant and equipment
- construction labour and management availability: ensuring the recruitment of skilled staff and contractors is essential to plan and complete the building programmes.
- availability of staff: each unit needs to recruit and train team members before opening.

Risk trend

As a consequence of Covid-19 and with our strong momentum, the Group's pipeline of new units is significantly higher than the historical average. In FY24, we are planning high capital expenditure. However, attempting to achieve this in a challenging labour market, amid high global inflation, and facing significant delays in obtaining certain capital items from brand partners (such as fryers, ovens and refrigeration) will present significant short-term challenges.

Management is striving to build to modern, sustainable building standards where feasible and in agreement with clients.

Mitigating factors

Most countries have highly experienced teams capable of delivering these types of projects.

Unit mobilisation is a critical focus during trading calls with country/regional management teams, and any delays are monitored. Resources are redeployed across the Group as needed. Long lead time items are being ordered well in advance of planned unit construction.

While capital expenditure may exceed original budgets due to the global inflationary environment, we are offsetting these potential increases with higher contributions from clients or through potential renegotiations of commercial terms, such as extending contract terms.

Risk 8: The competition landscape, changing client behaviours and client retention

Executive risk owner
Regional CEOs

Trend ↑

Link to our strategy
Pivoting to high-growth markets
Delivering operational efficiencies

Risk description

We have changing client behaviours and requirements which may adversely impact the business and erode profit margins. Increased competition could result in further pressure on sales. Growth (and maintenance of market share) is dependent on the Group's ability to retain existing concession contracts and win new contracts from either new or existing clients. There may be an emerging threat of combined retail and F&B business models.

Risk trend

Tender activity is well above 2019 levels across the Group, and building on this strong momentum, our win rate is also above historical levels. We have continued to meet our retention targets, but we are conscious of the increased competition across our markets.

The acquisition of the concessions business of Midfield Concession Enterprises, Inc. in the USA has given us access to new airports, leading to increased participation in tenders or extensions in the region.

In countries where we have a high market share, there is a risk that position may be diluted over time.

Mitigating factors

Regular calls are held between Group and Regional CEOs to discuss client relationship plans, brand initiatives, and other key topics for important locations.

A 'contact strategy' is in place with key relationship contacts at client organisations to establish and maintain ongoing relationships. Business development teams have succeeded in rent negotiations, underscoring the strength of our relationships with clients.

Annual independent client surveys are conducted to gather important feedback and insights.

There is ongoing investment in the brand portfolio and business development teams.

While there may be short-term shifts in favour of internal brands, expanding our brand portfolio remains a crucial element of our long-term strategy.

Reinvestment in sites and activation of previously deferred capital expenditure is taking place following improved liquidity at the Group level.

Risk 9: Insufficient senior capability at Group and country level

Executive risk owner
Chief People Officer

Trend ↓

Link to our strategy
Enhancing business capabilities; driving competitive advantage

Risk description

The Group may not have sufficient depth of management or the right capability at a senior level, particularly in markets where talent retention or recruitment is becoming increasingly challenging, to drive through the benefits of strategic change initiatives such as:

- operational efficiencies
- IT developments
- supporting the growth and development of the business

The Group may not have sufficient resources to meet the changing and complex needs of an international and growing business, particularly in areas such as business development, Legal, People/HR, IT.

Risk trend

Talent retention remains challenging, and there is always a risk that senior management may depart. There has been a structural shift in the recruitment market post-Covid-19, with many individuals leaving the hospitality sector, resulting in significant turnover, retention and recruitment pressures in the sector.

The retention risk has decreased over the past twelve months, following a critical period of reopening the business post-Covid-19 and in line with our strong growth momentum. The positive outlook will reduce concerns and lower the likelihood of resignations. In certain jurisdictions, the availability of senior management is improving.

Mitigating factors

Group HR is actively evaluating remuneration to ensure that senior staff remain motivated and receive fair compensation. The annual talent planning process, is ongoing and becoming more deeply ingrained in our practices.

Group HR's focus is on benchmarking internal pay rates against external benchmarks to ensure that new talent can be continuously attracted to work in this sector and for SSP.

Specific retention measures have been implemented for high-risk colleagues, and these measures will remain under review. Group HR will monitor key senior organisational structure for the next 12-18 months.

Risk 10: Benefits realisation from efficiency programmes

Executive risk owner
Group CEO/Regional CEO

Trend ↑

Link to our strategy
Delivering operational efficiencies

Risk description
The benefits of efficiency programmes (energy costs, labour efficiency, waste and loss, range and price) are not realised, and the benefit is not seen in our financial results.

Risk trend
The budget for FY24 and the approved five-year medium-term plan by the Board assume we realise our efficiency programmes, and meeting our KPIs depends on the success of these programmes.

Due to observed inflation in both product costs and capital expenditure, the value of the efficiency programmes is increasing. Consequently, several strategies that were previously unapproved may now be viable due to shorter payback periods.

Mitigating factors
Progress against the plans has been consistently tracked on a quarterly basis and is led by the Chief Procurement Officer with regular reporting to the GEC.

The 'Too Good to Go' initiative continues to be launched in new countries to generate incremental revenue for surplus food that would otherwise go to waste. This app's use may also boost revenue during later hours of the day, as unit management may offer a broader range of products, knowing that waste will be limited.

Additional Group-level resources have been dedicated to Procurement, with a strong focus on delivering efficiencies.

Risk 11: Sustainability

Executive risk owner
Group CEO, Corporate Affairs Director, Chief Procurement Officer

Trend ↓

Link to our strategy
Enhancing business capabilities; driving competitive advantage

Risk description
There is a growing expectation from various stakeholders, including customers, clients, brand partners, investors, NGOs, regulators, communities, competitors, colleagues and suppliers, for SSP to understand and take action on its key sustainability issues and social and environmental impacts.

Sustainability issues are increasingly subject to legislation, including the Streamlined Energy and Carbon Reporting (SECR) regulations, the Task Force for Climate-related Financial Disclosures (TCFD) and the EU's new Corporate Sustainability Reporting Directive (CSRD). Constant vigilance is required to stay informed on and respond to evolving requirements, ensuring that we take the necessary actions and make mandatory disclosures.

Failing to keep pace with our competitors in this area, including our ratings in ESG (Environmental, Social, and Governance) Indices, could reduce our competitiveness and market position.

Risk trend
We continue to progress against our Sustainability Strategy and targets under the themes of Product, Planet and People. This is underpinned by clear governance, management and reporting structures. We have significantly improved the quality and completeness of our energy and Scope 2 GHG emissions data through engagement with our clients and landlords to obtain primary data. In 2023, our near- and long-term net-zero targets across all scopes were validated by the Science Based Targets initiative (SBTi).

Our Climate-Risk Steering Committee meets monthly and is responsible for monitoring alignment with TCFD recommendations, considering the impact of climate-related risks and opportunities and assessing broader ESG regulation which may impact our business, such as CSRD and the Task Force on Nature-related Financial Disclosures (TNFD).

As a result of the work completed in this area, the overall risk has decreased over the past twelve months.

Mitigating factors
The Group Executive Committee members act as issue owners for their respective areas (e.g. Procurement, Finance, People, Customer and Regions) and oversee sustainability activity. The Audit Committee and the Risk Committee oversee the work being completed in respect of the TCFD alignment and disclosures. The Group Head of Sustainability leads the central team and supports sustainability leads across business functions, regions and markets in delivering the targets. Key processes and controls are in place to manage specific sustainability risks, including policies, audits, training and briefings. We continue to strengthen processes for responding to legal disclosure requirements, including SECR.

We regularly benchmark our approach against competitors, ESG Index ratings and emerging standards and stakeholder expectations. We continue to proactively engage with our key stakeholders. For example, in 2023, we held a dedicated ESG briefing for our investors, including setting out our net-zero roadmap and sustainable value creation plan.

Risk 12: Innovation of brand portfolio & changing customer demands

Executive risk owner
Chief Customer Officer

Trend

Link to our strategy
Delivering operational efficiencies

Risk description
The Group's success is largely dependent upon its ability to add to and strengthen its portfolio of proprietary brands and the brands of its franchisors, as well as to innovate and develop its own brands.

Risk trend
SSP own brands require development to make them more attractive to customers and drive profitable sales growth. In the UK, we have recognised the need to invest in brands such as Upper Crust to strengthen its market position. This risk is elevated by the general inflationary environment which is putting pressure on pricing.

Overall, SSP maintains a strong brand portfolio, which it continues to reinforce and expand. However, we have a lot of 'tail brands', including in regions such as Asia Pacific, resulting in complexity and potential inefficiencies.

Mitigating factors
SSP continues to increase its breadth and depth of brand partners and more bespoke concepts are being brought to market. To improve efficiencies, we have structured our Group Customer team on a category basis to deliver best practice for each category, such as convenience retail. Portfolio reviews, using this category approach, identify brands with potential for growth as well as those we plan not to renew.

Negotiations for new and renewed brand partnerships target favourable terms to support tender winning bids. The negotiations seek to increase controllable spend on supply chain, adapt operating models and menus for travel and incorporate technology where favourable to do so.

The Group has continued to strengthen the Customer & Business Development teams to provide more support in our regions including insights, digital, brand development & brand portfolio optimisation.

Risk 13: Merger and acquisition activity

Executive risk owner
Regional CEOs

Trend

Link to our strategy
Pivoting to high-growth markets

Risk description
The identification, assessment, completion and integration of new transaction targets to super charge growth in key markets. There is a risk we fail to identify suitable acquisitions, assess them inaccurately, or fail to identify risks within the acquisition. There is also a risk that completion and integration issues arise once deals have been agreed.

Risk trend
As we seek to grow the business rapidly in key markets, our M&A activity has increased significantly.

The M&A activity is particularly important to our growth in the USA, as contract lengths tend to be long, with low tender activity, meaning that organic growth is harder than in other regions.

During the year, our North American business completed the acquisition of the concessions business of Midfield Concession Enterprises, Inc, and we have been integrating the business since then. In addition, we have acquired the right to develop the Pret A Manger brand in Switzerland.

We also considered a number of other acquisition opportunities during the year.

Mitigating factors
M&A is considered at quarterly Risk Committee and Investment Committee meetings.

Specific third-party due diligence is undertaken to examine reputation risks associated with potential partners.

Detailed operational, financial and legal due diligence is undertaken ahead of any acquisition and integration is planned and resourced for in advance.

The Group is experienced at running M&A activity and has a track record of successfully identifying and completing transactions.

Risk 14: Expansion into new markets

Executive risk owner
Regional CEOs, General Counsel & Company Secretary

Trend ↑

Link to our strategy
Pivoting to high-growth markets

Risk description

Our strategy involves expansion in high growth markets, in particular the North America, APAC and EEME. Political and economic conditions are unpredictable, creating additional commercial and reputational risks. Additional support from business development, legal or HR functions may be required, which may not be resourced in line with our expansion plans. Identifying and agreeing terms with local joint venture partners in new countries can be challenging, given local cultural differences and legal requirements.

Risk trend

This risk has increased compared to the prior year as we actively enter new markets and new verticals such as retail.

We continue to apply our strategy of working with joint venture partners, which reduces the risk of entering new markets.

In the year we have entered the Icelandic and Italian markets.

Mitigating factors

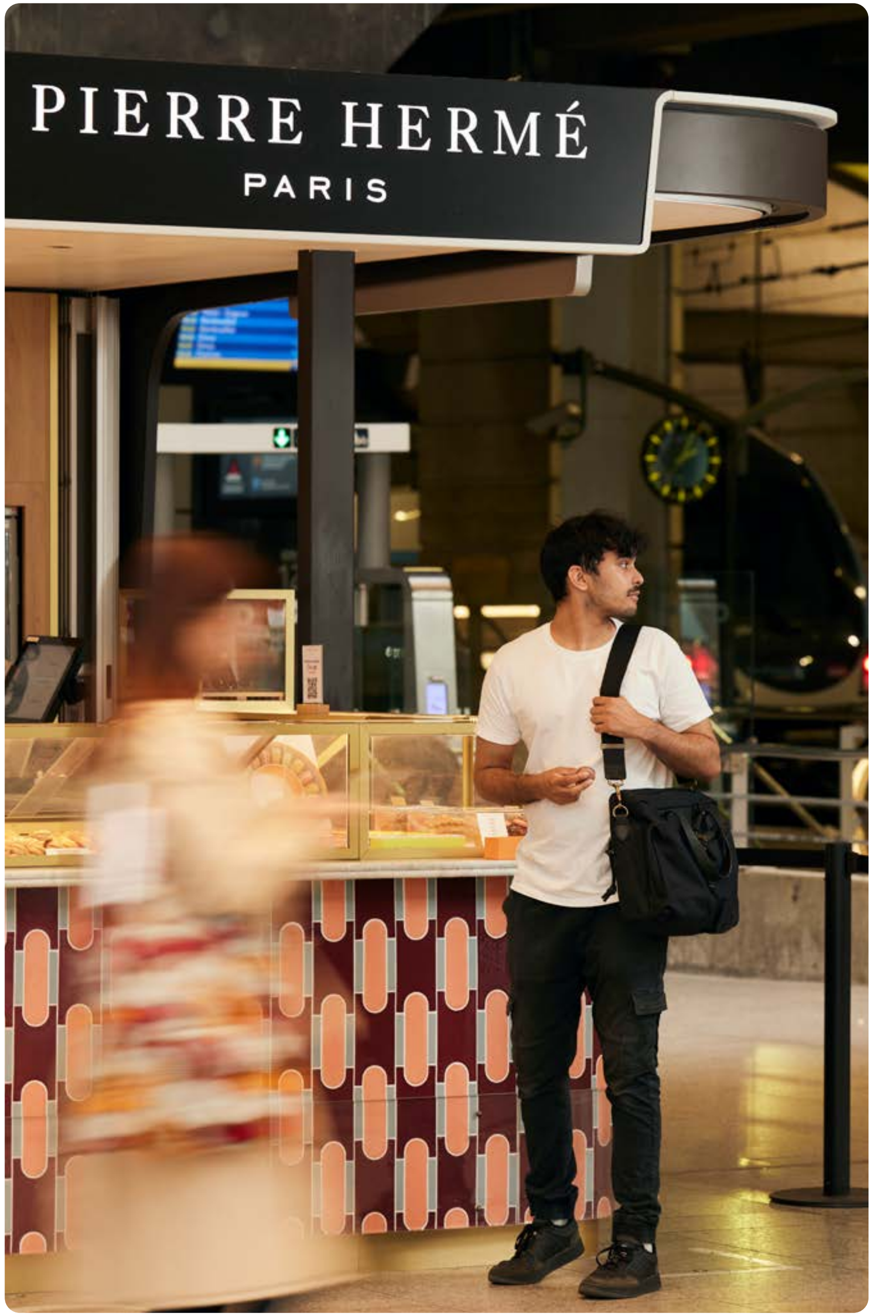
New markets is discussed at quarterly Risk Committee and Investment Committee meetings.

Specific third-party due diligence is undertaken to examine reputation risks associated with potential partners.

Additional legal support has been recruited to service business growth activities and ensure compliance.

As SSP expands into new territories there will be an ongoing focus on integration of new businesses into the wider SSP Group (i.e. systems, processes, resources and disciplines).

JV partners are often used to provide local support and infrastructure.



Viability statement

SSP Group's operations are managed on a regional basis and are primarily focused on the airport and railway station food and beverage sales markets. As detailed on pages 12-15 ('Understanding our market'), the markets in which we operate benefit from a number of long-term structural growth drivers and we are confident that this will remain the case looking forward. Our business model is focused on meeting the food and beverage needs of our clients and customers in the complex and challenging environments in which we operate. As explained further on page 16, SSP has a number of competitive advantages that we believe place us in a strong position to capitalise on the future growth in our markets.

The UK Corporate Governance Code requires that the Board issue a Viability Statement confirming that it has a reasonable expectation that the Company can operate and meet its liabilities for the foreseeable future. The Board is required to assess this viability over a period of greater than twelve months, taking into account a number of key factors, including its principal markets, its business model and its strategy as outlined above, together with its current position and principal risks and uncertainties.

The Directors have assessed the Group's prospects and viability over a planning cycle ending in 2026. The Directors believe that forward planning over this time horizon is appropriate, particularly as this period encompasses what is anticipated to be a full recovery in passenger numbers across our principal markets following the impact of Covid-19, and covers the period in which the rollout of the Group's secured new business pipeline is expected to be completed. This three-year period also aligns to the Group's annual strategic review exercise conducted within the business and reviewed by the Board.

The assessment process

The Directors perform an assessment of the Group's prospects through its annual strategic and financial planning process. This process is led by the CEO and the Deputy CEO and CFO in conjunction with the Executive Committee and the country management teams. The results of the assessment are then summarised within the strategic plan (the Medium Term Plan or 'MTP'), which is discussed and approved by the Board annually. The most recent MTP, which included detailed forecasts for the period from 2024 to 2026, was approved in July 2023.

In conjunction with the MTP, the Directors have assessed the prospects of the Group by reference to its current financial position, its recent and historical financial performance, its business model and strategy, and the principal risks and mitigating factors described on the preceding pages. The Board regularly reviews financial headroom and cash flow projections to ensure that the business retains sufficient liquidity to meet its liabilities in full as they fall due.

At 30 September 2023, the Group had c.£693m outstanding under its borrowing arrangements and c.£607m of available liquidity, including cash of c.£303m. The gross borrowings include US Private Placement notes of c.£346m with maturities between October 2025 and July 2031 and drawn bank facilities totalling approximately £302m. These bank facilities, which include a committed undrawn revolving credit facility of £300m, have a maturity date of July 2028, and therefore beyond the period of assessment.

Based on the Group's financing and available liquidity, the Directors have reviewed the financial forecasts and funding requirements looking forward. Their assessment of viability is outlined below.

Assessment of viability

For 2024, the Directors have reviewed a base case scenario which is based on the Board-approved 2024 Budget. With revenue having recovered to above 2019 levels during 2023, the base case scenario for 2024 reflects an expectation of a further strong year-on-year improvement in revenue in most of our key markets. By 2025, the forecast assumes that like-for-like sales and operating profits continue to grow strongly, supplemented by the ongoing mobilisation of our secured new business pipeline. By 2026, alongside the ongoing recovery in passenger numbers, the net gains secured but as yet unopened at the end of the 2023 financial year are expected to add approximately £450m to annualised revenue.

With some uncertainty surrounding the economic and geo-political environment over the next twelve months, as well as the ongoing impact from Covid-19, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a very pessimistic view of the travel markets for the next twelve months, assuming sales that are approximately 10% lower compared to 2019 levels than in the base case scenario. In 2025 and 2026, revenue is also assumed to be lower in the downside scenario by approximately 10% compared to the base case.

In both the base case and the downside case the Group would continue to have sufficient liquidity headroom based on the cash and available facilities as described above.

Following its exit from the Rights issue waiver period in May 2023, the Group must comply with covenants testing leverage (maximum 3.25 times) and interest cover (minimum 4.0 times), each tested biannually at the half year and year end. In both its base case and its severe but plausible downside case, the Group would have headroom against each of these covenant tests at all testing dates during the period of assessment.

In addition to the uncertainty posed by the current macro-economic and geo-political environment, the Directors recognise that other risks exist which could have an impact on the viability of the Group. As a result, the Directors place a high degree of importance on maintaining an effective Group-wide risk management framework, which ensures a disciplined approach to risk taking. Such an approach ensures that the upside potential of all relevant risks is understood and capitalised upon as directed by the Board, whilst the downside is appropriately mitigated. The Group's risk management process and its effectiveness thereof are detailed on pages 66-77.

The Directors have also performed a robust assessment of the Group's emerging and principal risks, which can be found on pages 66-77. The risks are listed in order of priority. The risk descriptions explain why the related risks are important, and the Directors believe that the corresponding mitigating factors adequately address each risk, such that any residual risk falls within the Board's risk tolerance.

Governance and Assurance

As noted above, the Board reviews and approves the medium-term plan on which this Viability Statement is based. The Board also considers the period over which it should make its assessment of prospects and the Viability statement. The Audit Committee supports the Board in performing this review. Details of the Audit Committee's activity in relation to the Viability statement is set out in the Audit Committee report on pages 110-115.

Viability statement

After reviewing the current liquidity position, financial forecasts and considering the uncertainties described above, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment to September 2026.

Going concern

As a consequence of the work performed to support the viability statement above, the Directors also considered it appropriate to adopt the going concern basis in preparing the financial statements and notes which are shown on pages 146-197.

Non-financial and sustainability information statement

In accordance with the requirements of section 414CA and 414CB of the Companies Act 2006, the table opposite sets out where stakeholders can find information relating to non-financial and sustainability matters.

Our Sustainability Report provides further disclosure on environmental and social matters, including descriptions of key policies on pages 59-61 and an example of our human rights due diligence processes for our suppliers on page 48.

Further information, including links to our key policies, can also be found on our website at www.foodtravelexperts.com.

	Policies, guidance and standards which govern our approach	Additional information
Environmental matters (including the impact of the Company's business on the environment)	• **Environment, Sourcing and Farm Animal Welfare Policy** – sets out our approach to protecting the environment, sourcing our ingredients and products responsibly and sustainably, and supporting animal welfare. • **Supplier Code of Conduct** – sets out the minimum standards we expect of our contracted suppliers, covering human rights, product quality and food safety, environmental sustainability, farm animal welfare and business integrity. • **Speak Up Policy** – sets out how concerns about suspected wrongdoing or dangers at work can be raised, how they will be investigated and protection and support for whistleblowers.	• Strategic priorities, Sustainability – page 25 • Our journey to net zero – pages 28-29 • Stakeholder engagement – pages 40-49 • TCFD – pages 50-56 • Key Board activities – pages 94-97 • Sustainability Report – SSP website
Employees	• **Colleague Code of Conduct** – sets out the principles and standards that are expected of all colleagues regardless of where they work. • **Group Diversity, Equity and Inclusion (DE&I) Policy** – sets out our commitment to encouraging diversity, equity and inclusion among our workforce, our partners and across the communities in which we serve, eliminating unlawful discrimination. • **Global Safety Policy** – describes our commitment to managing safety across our global operations and sets out our Global Safety Standard and responsibilities. • **Speak Up Policy** • **Data Privacy Strategy** – For each of our markets in the UK and European Union we have Data Retention and Privacy Policies in accordance with the EU General Data Protection Regulation 2016 (GDPR).	• Strategy – pages 18-27 • Non-financial KPIs – page 31 • Stakeholder engagement – pages 40-49 • Corporate Governance Report – pages 80-145 • Risk Management Framework – pages 66-77 • Directors' Report – pages 141-144 • Sustainability Report – SSP website
Social Matters	• **Community Engagement Policy** – sets out our intent to make the communities in which we work better places to live and do business, and to support local communities for their mutual benefit. • **Data Privacy Strategy** • **Supplier Code of Conduct**	• Strategy – pages 18-27 • Stakeholder engagement – pages 40-49 • Sustainability Report – SSP website
Respect for human rights	• **Human Rights Policy** – sets out our minimum global standards for protecting human rights. • **DE&I Policy** • **Supplier Code of Conduct** • **Speak Up Policy** • **Modern Slavery Statement** – sets out the steps we have taken to prevent modern slavery in our business and supply chains	• Strategy – pages 18-27 • Stakeholder engagement – pages 40-49 • Nomination Committee Report – pages 102-109 • Sustainability Report – SSP website
Anti-corruption and anti-bribery and prevention of facilitation of tax evasion matters	• **Anti-Bribery and Anti-Corruption Policy** – sets out our policy against bribery and other corrupt practices and the standards and procedures required to ensure compliance with the policy and all relevant laws in the countries in which the Group conducts business. • **Colleague Code of Conduct** • **Speak Up Policy** • **Prevention of facilitation of Tax Evasion Policy** – sets out our policy against tax evasion and the procedures required for policy and legal compliance	• Suppliers – page 48 • Risk Management – pages 66-77 • Corporate Governance Report: culture – pages 98-99 • Audit Committee Report – pages 110-115

	Description of principal risks and impact of business activity • Risk Management – pages 66-77 • Principal risks – pages 66-67 • Business model – pages 16-17	**Description of our business model and non-financial KPIs** • Business model – pages 16-17 • Strategy – 18-27 • KPIs – pages 30-31	**Climate-related financial disclosures** • Our journey to net zero – pages 28-29 • TCFD – pages 50-56 • Governance framework – page 88 • Sustainability Report – SSP website

The Strategic Report, as set out on pages 8-79, has been approved by the Board and signed on its behalf by:

F Scattergood

Fiona Scattergood
Group General Counsel and Company Secretary
5 December 2023