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2023 FULL YEAR RESULTS ANNOUNCEMENT

STRONG FULL YEAR PERFORMANCE; SIGNIFICANT PROGRESS ON STRATEGIC PRIORITIES

SSP Group plc, a leading operator of food and beverage outlets in travel locations worldwide, announces its financial results for the year ended 30 September 2023.

	FY 2023	FY 2022	Change at actual FX rates	Change at constant FX rates
Underlying Pre-IFRS 16[1,3]				
Revenue	**£3,010m**	£2,185m	37.7%	37.9%
EBITDA[2]	**£280m**	£142m	97.3%	103.5%
Operating profit	**£164m**	£30m	440.3%	495.2%
Operating profit margin	**5.4%**	1.4%	+400bp	+440bp
Earnings/(loss) per share	**7.1p**	(4.5)p	+11.6p	
Dividend per share	**2.5p**	-	+2.5p	
Free cash flow[4]	**£(125)m**	£52m	£(177)m	
Net debt[5]	**£(392)m**	£(297)m	£(95)m	
Statutory				
Operating profit	**£167m**	£92m	+82.3%	
Profit before tax	**£88m**	£25m	+249.6%	
Earnings/(loss) per share	**1.0p**	(1.3)p	+2.3p	
Net debt[5]	**£(1,421)m**	£(1,151)m	£(270)m	

Performance Highlights: *(Underlying pre- IFRS16[1,3])*

- Significant further recovery in Group performance with full-year revenue of £3.0bn, up 38% compared to last year and ahead of pre Covid-19 levels throughout the year
- H2 revenue growth of 25% on a constant currency basis comprising: like-for-like growth of 19% driven by a further recovery in passenger numbers, with North America (at 24%) and APAC and EEME (at 44%) the principal contributors; net gains of 6% from the mobilisation of our new contract pipeline
- Trading momentum sustained into new financial year with Group revenues in first 8 weeks up 22% on a constant currency basis
- EBITDA of £280m, up from £142m last year, driven by strong revenue growth and profit conversion; EBITDA outturn at top end of Preliminary Results 2022 planning assumptions despite significant strengthening of Sterling over the last twelve months
- Operating profit margin up 400 bps year-on-year to 5.4%, driven by operating leverage as volumes have recovered, alongside our extensive efficiency programme and pricing action, which has mitigated the impact of the high levels of inflation across most of our cost base

- Strong contributions to profitability delivered by the North America and APAC and EEME regions, reflecting the faster recovery in demand in these markets and strong profit conversion, as margins increased in line with revenue growth
- Profit growth in UK and Continental Europe impacted by the relatively slower revenue recovery in the rail channel and significant disruption caused by strikes and civil protests
- Underlying pre-IFRS 16 EPS of 7.1p per share compared with a loss of 4.5p per share in the prior year. Reported EPS of 1.0p per share compared with a loss of 1.3p per share in the period year.
- The strong recovery in profitability and earnings gives the Group the confidence to propose a resumption of ordinary dividend payments with final dividend of 2.5p reflecting a payout ratio of 35% on full-year underlying earnings
- Free cash usage limited to £125m after funding higher capital investment of £220m (compared with £149m in the prior year), acquisitions of £41m and a small use of working capital as a result of the unwind of payment deferrals of c.£50m
- Net Debt of £392m at the end of September 2023, and leverage (Net Debt: EBITDA) improving from 2.1x to 1.4x. Under IFRS 16, net debt increased from £1,151m to £1,421m
- Refinancing completed in July 2023, extending our maturity profile and maintaining a high level of liquidity
- The secured pipeline of contracts yet to open (at the end of September 2023) now represents estimated annualised revenues of c.£450m, once fully mobilised; in 2024 we expect organic net gains of c. 5% (excluding the full year of the Midfield concessions acquisition, which will add a further c. 2% to sales), all of which should be delivered from the secured pipeline. In the medium-term net gains in the region of 3%-5% on average are anticipated, underpinned by our secured pipeline and current momentum in new business success.
- Continued to make good progress against our strategic priorities: pivoting to higher growth markets approximately two thirds of the sales from the secured new business pipeline is planned to come from North America and APAC; enhanced business capabilities – in particular, strengthened portfolio of partner brands, including new partnerships BrewDog in the UK and Europe, Breakfast Club in the UK and Jones the Grocer in Singapore and existing partners, including Pret, Hard Rock Café, Popeyes and Starbucks
- Contract retention levels have remained consistent with long-run historical levels, underpinned by the strength of our operational performance, client relationships and brand portfolio
- We have a clear and consistent compounding growth and returns strategy to further strengthen our market-leading positions in food travel markets globally, based on our key priorities: Pivoting to high growth markets, enhancing business capabilities and delivering operational efficiencies

Recent Trading and Outlook

Strong trading momentum continues into new financial year

Since our year-end, trading has remained strong in all key markets, with total revenue during the first eight weeks (from 1 October to 26 November) up 22% on FY2023 levels on a constant currency basis. Our revenue performance is being driven by passenger recovery, a strong customer proposition and robust operational execution. In addition, revenues are benefitting from net gains as we mobilise our secured pipeline.

In North America, sales grew by 33% year-on-year on a constant currency basis, driven by robust domestic air passenger numbers and strong like-for-like performance. Our performance includes a sales benefit from the acquisition of the Midfield concessions business, with the transfer of units at all seven airports now complete. In Continental Europe, revenues grew by 14% year-on-year, on a constant currency basis, benefitting from an extended holiday season into the Autumn. In the UK, sales increased by 22%, reflecting a strong performance in our Air business and an ongoing improvement in rail passenger volumes as commuters continue to return to working in offices. In APAC and EEME, revenues rose by 29% on a constant currency basis, as we saw further improvements in passenger numbers across the Asia Pacific region.

SSP in strong position to benefit from long-term structural growth in the industry

FY2024 expectations

While we face into macroeconomic and political uncertainty, we believe that demand for travel will remain resilient and is well set for near and long-term structural growth.

In 2024, we are planning for like-for-like sales growth of between 6% and 10%, reflecting the expectation of an ongoing recovery in passenger demand as well as increased spend per passenger including year on year price increases. We expect net contract gains to be in the region of 5%, as we mobilise our pipeline of secured new contracts, with a further contribution of c.2% from the acquisition of the concessions business of Midfield Concession Enterprises, Inc in North America.

In total we are planning for revenue to be in the region of £3.4-3.5bn in 2024 with a corresponding underlying pre-IFRS 16 EBITDA within the range of £345-£375m and an underlying pre-IFRS 16 operating profit within the range of £210-235m, all stated on a constant currency basis.

Our expected performance would represent a further strong recovery in profitability despite the ongoing inflationary pressures on operating costs, which we continue to manage successfully through productivity and pricing initiatives.

Reflecting the strong momentum in the pipeline and the timing of openings, we are planning for capital expenditure to be in the region of £280m in the 2024 financial year (which includes c£30m deferred from FY2023) comprising: capital to fund our renewals and maintenance programme of c.£140m; expansion capital for new contracts of c.£80m and c.£60m reflecting the deferral of renewal and maintenance capital expenditure from the Covid-19 period. Our capital investment programme is expected to deliver in-year organic net contract gains of c.5% in 2024, with returns in line with historical levels (typically a 3-4 year discounted payback).

Medium-term outlook

Our compounding shareholder growth and returns model, aligned to our medium-term financial framework is set to deliver:

- Sales growth ahead of pre-Covid levels, including net gains of between 3% and 5% p.a., resulting from our pivot to higher growth markets (principally the North America and APAC regions) which offer higher levels of structural demand and infrastructure growth, and where we have strong businesses with relatively low market shares and significant momentum.
- Sustainable operating margin enhancement benefitting from operating leverage (driven by revenue growth), greater use of technology and automation and our wide-ranging efficiency programme, all of which will enable us to mitigate the impact of rising rent levels and inflationary cost increases.

- Sustainable medium-term earnings growth driven by strong operating profit growth, with minority interest continuing to grow in line with revenue growth in countries with joint venture partnerships.
- Capital investment funded from operating cashflow, underpinned by high returns on capital projects, with 3-4 year discounted cashflow paybacks, in line with historical performance; we expect contract renewal and maintenance capex to be on average c. 4% of Group sales and expansionary capex to be c.2-3% of Group sales, both in line with historical levels.
- Balance sheet deleveraging, the pace of which will be determined by the scale of new business investment and value creating infill M&A.
- Payment of the ordinary dividend with a target payout ratio of c.30-40% and surplus cash returned to shareholders in line with our capital allocation framework.

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

"This has been a year of strong financial, operational and strategic progress for SSP. We are continuing to lay the foundations for accelerated expansion in key growth markets such as North America and Asia Pacific. We are also making clear strides in enhancing our customer proposition, our digital capabilities and our sustainability initiatives. Our ongoing focus on these areas has led to SSP delivering strong like-for-like growth, high levels of new business, a robust margin recovery, and even closer relationships with our clients and brand partners. We are very pleased to be taking the important step today of proposing to reinstate the ordinary dividend.

SSP is in very good shape, and we are excited by the opportunities in front of us. We are building strong momentum across all areas of the business thanks to the efforts of our outstanding colleagues across the world, as well as the ongoing support of our clients and brand partners. The commitment of our people, the structural growth in travel demand and the strength of our business model mean we are well placed to deliver compounding growth and returns in the years to come."

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[1] Stated on an underlying basis, which excludes non-underlying items as further explained in the section on Alternative Performance Measures (APMs) on pages 20-23.

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

[3] We have decided to maintain the reporting of our profit and other key financial measures like net debt and leverage on a pre-IFRS 16 basis. Pre-IFRS 16 profit numbers exclude the impact of IFRS 16 by removing the depreciation on right-of-use (ROU) assets and interest arising on unwinding of discount on lease liabilities, offset by the impact of adding back in charges for fixed rent. This is further explained in the section on Alternative Performance Measures (APMs) on pages 20-23.

[4] A reconciliation of Underlying operating profit/(loss) to Free cashflow is shown on page 18.

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

[6] Constant currency for 2023 is based on average 2022 exchange rates weighted over the financial year by 2022 results. Constant currency for 2024 is based on 2023 exchange rates.

A live webcast will be held at 9am (UKT) today, and details of how to join can be accessed at:

SSP — Food Travel Expert (foodtravelexperts.com)

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NOTES TO EDITORS

About SSP

SSP is a leading operator of food and beverage outlets in travel locations worldwide, with c.42,000 colleagues in over 600 locations across 37 countries. We operate sit-down and quick service restaurants, cafes, lounges and food-led convenience stores, principally in airports and train stations, with a portfolio of more than 550 international, national and local brands. These include our own brands (such as Urban Crave, which brought the first "street eats" concept to airports in the US and Nippon Ramen, a noodle and dumpling concept in the APAC region) as well as franchise brands (such as M&S Simply Foods, Starbucks and Burger King).

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

www.foodtravelexperts.com

Business review

A year of significant progress against our strategic priorities

We are making significant progress against the strategic priorities we outlined in December 2022, setting us up to deliver long-term sustainable growth and returns.

Our strategic priorities are:

1. Pivoting to high growth markets
2. Enhancing business capabilities; driving competitive advantage
3. Delivering operational efficiencies

1. Pivoting to high growth markets

Our strategy is to increase our focus on the higher growth markets of North America and APAC and EEME, while continuing to grow selectively in the UK and Continental Europe. These large and fragmented markets, in which SSP already has well-established businesses, offer significant growth potential for the Group.

The secured pipeline of contracts yet to open (at the end of September 2023) now represents estimated annualised revenues of c.£450m, once fully mobilised]. In 2024 we expect organic net gains of c. 5% (excluding the full year effect of the Midfield concessions acquisition, which will add a further c. 2% to sales), all of which should be delivered from the secured pipeline. In the medium-term net gains in the region of 3%-5% on average are anticipated, underpinned by our secured pipeline and current momentum in new business success.

Once fully mobilised, two thirds of our new business pipeline will be delivered in North America and Asia Pacific, Eastern Europe and Middle East. The majority of our new business wins for 2023 were in the air channel, with 14 new airport clients secured in the year, including Dulles Washington Airport in the USA, Calgary Airport in Canada, Menorca Airport in Spain and Krabi Airport in Thailand. In aggregate, our net new business win level across the Group (in terms of forecasted sales from new business) is ahead of the pre-Covid-19 average.

Consistent with the strategy of accelerating growth in North America, in May 2023, we announced the acquisition of the Midfield concessions business in the USA and, in June 2023, we completed the transfer of units at six of the seven airports with the final airport transferred in November 2023. In total, the acquisition has added 40 new units, including at four new airport locations (Detroit Metropolitan Wayne County, Denver International, Philadelphia International and Cleveland Hopkins International) and is expected to contribute a total of c.$100m to revenues, on an annualised basis.

We secured entry to three new markets in the year including our first contract in Italy at Rome Rail station, our first contract in Iceland at Reykjavik Airport and our first contract in Saudi Arabia at Riyadh Airport. We have also maintained high retention rates on contracts. For example, we had renewals momentum in UK and Europe with important and high-profile contract retentions including at London Gatwick, London Heathrow, Newcastle, Liverpool, Marseille and Trondheim airports.

Joint venture partnerships

Our strategy to accelerate our growth in North America and APAC and EEME will reposition the business to benefit from significant structural growth, creating an opportunity for us to expand faster and to increase market share. 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. 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.

In the USA, there is generally a requirement to operate with JV partners under the Airport Concession Disadvantaged Business Enterprise legislation. Joint ventures are created for each airport, with shares ranging from 10% to 49% and currently averaging 25% for the North America business as a whole.

In APAC and EEME, we work with JV partners at market level, and overall c.35% of our business is currently owned by minority JV partners. We operate with these partners in a number of strategically important markets in the region, including in India, Thailand, Malaysia, the Philippines, and across the Middle East. In India, where profit has doubled compared to 2019 we operate in a joint venture partnership (Travel Food Services "TFS") and which also selectively partners with some local airport owners. As a result, the share of the business owned by minority JV partners is currently in the region of 60%.

2. Enhancing business capability; driving competitive advantage

We are investing across our business to improve our capability and to support the delivery of like-for-like growth, principally in our customer proposition, formats and brands; digital technology; our people and culture; and sustainability.

Developing great customer propositions

Developing formats and concepts that offer customers quality food and beverage and a great overall experience is critical to retaining existing business with our clients and winning new business.

In the year, we have continued to innovate and develop our formats, including scaling up our lounge offer in Malaysia and enhancing our casual dining offer with the opening of new concepts such as 'Hunt & Fish Grill' and 'Bad Egg' in the USA. We also secured several new brand partnerships, including 'The Breakfast Club' in the UK and independent craft brewer 'BrewDog' in the UK and Europe, in addition to acquiring the right to develop the Pret A Manger franchise in German-speaking Switzerland.

We have also made significant progress in developing our convenience retail offer. For example, we are rolling out our SSP-owned retail concept Point across our markets, aiming 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 units and are set to open new stores in Thailand and Switzerland.

Customers are responding well to our improved proposition with our 'Global Reputation Score', as measured through our customer listening tool, Reputation, improving to 4.2 out of 5 from 3.9 last year.

Digitising our business

Embracing digital technology solutions is an important part of our strategy to improve our customers' experience and drive like-for–like sales through improved penetration levels and average spend per transaction. It also acts as an enabler for operational efficiencies, both front and back of house. In the year, we have continued to roll out digital technologies such as Order at table (OAT), kiosks and self checkouts. Digital ordering and payment systems can now be found in approximately 500 of our units and customers are embracing the new technology with 12.6% of all transactions now being completed through one of these systems.

We are also integrating digital technology into specifications across our new unit opening and renovation programme. For example, we used digital technology across The Mezz, a new street food concept in Dublin Airport that opened in July 2023. The food court is a customer-oriented concept offering four brands in one place, including local Irish favourites and new brands we have developed. 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 central kitchen.

Supporting our people and culture

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. We are focused on ensuring SSP is a great place to work where each one of these colleagues can fulfil their potential. To support that goal, we are strengthening our employer brand and building capability across a number of areas including colleague recruitment, retention, inclusion, engagement, skill building and safety.

At the end of the first half of 2023, we carried out our third global engagement survey with over three-quarters of our colleagues taking part. We registered an overall score of 3.98 out of 5 for engagement, an improvement on the equivalent score last year. As a result of the survey, we identified areas for improvement and developed action plans in collaboration with our senior leadership teams.

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. As part of this, we are proud of the progress we have made on gender diversity. As of September 2023, 37% of our Group Executive Committee and their direct reports were 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 management by 2025.

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

Building a sustainable business

Our Sustainability Strategy focuses on our most material issues under the pillars of: Product, Planet and People. Key deliverables against our strategy this year include:

PRODUCT: serving our customers responsibly:

- 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.
- 71% of coffee, 49% of tea, 80% of hot chocolate and 61% of fish for our own brands are certified to standards such as Fairtrade, Rainforest Alliance and MSC. 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 have a science-based target to reach net-zero GHG emissions across our value chain by 2040, from a 2019 base year. In 2023, we achieved a 42% reduction in absolute Scope 1 and 2 emissions from our 2019 base year, while Scope 3 emissions increased by 7%, driven by business growth. Across all scopes absolute emissions have remained relatively flat, with a negligible 1.4% increase, while emissions intensity (kg of CO2e per £m revenue) reduced by 6% compared to 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.
- By the end of 2023, 84% of our own brand packaging was free of unnecessary single-use plastic and 85% was recyclable, reusable 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, followed by redistribution of surplus food, such as our partnership with the world's largest food saving app, Too Good To Go. Since our partnership with Too Good To Go began in 2016, we have saved over 1,200 tonnes of food from landfill, avoiding the equivalent of c.3,000 tonnes of CO_2e.

PEOPLE: supporting our colleagues and communities:

- 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 ILO conventions and is an internationally recognised code of labour practice that we have adopted as our international standard. To support this, we al-so implemented a revised human rights due diligence process for our suppliers, and we aim 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, including 13 partnerships focused on alleviating food poverty. For example, 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.

GOVERNANCE: upholding high standards:

- Published a new Supplier Code of Conduct and strengthened policies for Human Rights, Environment, Responsible Sourcing and Animal Welfare.
- Upgraded to an MSCI ESG rating of A.
- Our 2022 Sustainability Report won Gold for 'Best printed CSR or ESG report' in Communicate magazine's Corporate & Financial Awards 2023.

3. Delivering operational efficiencies

Running efficient operations is a core SSP competency and deeply embedded in our business. 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, labour, concession rentals and overheads.

Our multi-year value creation plan includes the continual re-engineering of our customer offer to optimise gross margins, keeping unnecessary complexity out of our product ranges, whilst providing the appropriate level of customer choice. We also continue to drive labour efficiency, conscious of the pressures on labour rates and availability in certain regions. This means a continued focus on staff scheduling and kitchen productivity, as well as using digital order and payment technology to drive service levels and efficiency.

Through labour scheduling, we ensure optimal colleague deployment with the aim of both driving sales and ensuring great customer service. At the beginning of the week, we consider the sales plan and ensure the distribution of labour hours matches the expected sales pattern. At the end of the week, we review performance against our forecasts and identify opportunities to improve scheduling in the following week.

Other examples of efficiency initiatives include commercial deep-dives to identify ways to maximise sales in high-value locations. Each of our deep-dives can be actioned at brand, category or location level. They aim to deliver value through analysis, benchmarking, on-site observations and functional expertise and are targeted at our high-performing units.

Our ability to drive efficiencies across our operations has been even more important in the inflationary environment. We have kept rigorous pricing processes in place and continued to work hard to mitigate the impact of cost pressures by identifying alternatives to ingredients impacted by price increases. 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.

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

Delivering compounding growth and returns for shareholders through our economic model

The progress we are making in each of these strategic priorities is driving an improved financial performance through our economic model. The model has four key elements. Firstly, we drive like-for-like revenue by improving the customer proposition and by increasing customer capture rates and spend. Secondly, we drive a high profit conversion by leveraging the international scale of our business and by running an efficient and effective business. Thirdly, we achieve a strong conversion to free cash flow and invest our cash in line with our capital allocation framework. Lastly, we develop new business, investing in contracts that are expected to deliver financial returns in line with our target hurdle rates and criteria. When we invest in more new contracts to further develop new business, as these sites mature, this further accelerates like-for-like revenue and thus we create a cycle of compounding growth and returns for shareholders.

Our pivot to the faster growth markets of North America and APAC and EEME, where we frequently work alongside partners, will generate more sustainable and more significant opportunities for long-term growth than focusing on growing our more mature markets of UK and Continental Europe, which are fully owned.

Financial review

Group performance

			Change		
	2023 £m	2022 £m	Actual currency	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 concessions business in 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.

Since our year-end we have seen trading continue to strengthen in all of our principal markets, with total first quarter revenue during the first eight weeks increasing by 22% compared to 2023 on a constant currency basis.

Looking forward to 2024, notwithstanding the current level of economic and geopolitical uncertainty, we are planning for like-for-like sales growth of between 6% and 10%, driven principally by a further recovery in passenger numbers and additional year on year price increases, and net contract gains in the region of 5%, with a further c.2% contribution from the Midfield Concession acquisition. This would equate to total sales in the region of £3.4-3.5bn on a constant currency basis.

Trading results from outside the UK are converted into sterling at the average exchange rates for the year. The overall impact of the movement of foreign currencies (principally the Euro, US Dollar, Swedish Krona, Norwegian Krone, Indian Rupee, Egyptian Pound and Swiss Franc) in 2023 compared to the 2022 average was -0.1% on revenue, -2.6% on EBITDA and -4.8% on operating profit. If the current spot rates (30 November 2023) were to continue through 2024, we would expect a negative currency impact on revenue, EBITDA and operating profit of approximately -1.6%, -2.1% and -2.5% compared to the average rates used for 2023, which is the basis of the constant currency guidance above. This is a translation impact only.

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%).

Looking ahead to 2024, the Group expects to deliver further improvements in pre-IFRS 16 EBITDA and operating profit, anticipating EBITDA to be within the range £345-375m and operating profit to be within the range £210-235m, all stated on a constant currency basis. Depreciation on a pre-IFRS 16 basis is expected to be in the region of 4.0% to sales, in line with historical levels.

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).

Regional performance

This section summarises the Group's performance across its four operating segments. For full details of our key reporting segments, please refer to note 2 on page 32.

North America

	2023 £m	2022 £m	**Change** Actual currency	Constant currency	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. During the first eight weeks of the new financial year trading has remained very encouraging, with sales currently running 33% ahead of 2023 on a constant currency basis.

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 represented 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** Actual currency	Constant currency	LFL
Revenue	**1,136.7**	867.9	+31.0%	+30.4%	+26.4%
Underlying operating profit	**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. Since our year-end, trading in the Continental Europe region has made good further progress, with sales currently running 14% above 2023 levels on a constant currency basis.

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.

UK (including Republic of Ireland)

			Change		
	2023 £m	2022 £m	Actual currency	Constant currency	LFL
Revenue	**773.6**	614.9	+25.8%	+25.6%	+23.2%
Underlying operating profit	**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 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. Since our year-end trading in the UK has continued to strengthen, with sales currently running 22% above 2023 levels on a constant currency basis.

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 £1.0m. On a pre-IFRS 16 basis, the underlying operating profit was £57.4m, which compared to £25.9m last year.

APAC and EEME

			Change		
	2023 £m	2022 £m	Actual currency	Constant currency	LFL
Revenue	**430.6**	247.2	+74.2%	+82.6%	+68.4%
Underlying operating profit	**71.0**	13.5	+425.9%		
Operating profit	**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 142.4% compared to the equivalent period in 2022 (at actual exchange rates).

In the second half of the year, 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.

During the first eight weeks of the new financial year, trading in the APAC and EEME has continued to improve, with sales currently running 29% ahead of 2023 levels on a constant currency basis.

The underlying operating profit for the year 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 included impairments of £1.3m, gains on derecognition of leases of £4.1m and site exit and other 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. In 2024, we expect net finance costs to be marginally higher than 2023.

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. Our current expectation is that the group's tax rate will remain at a similar level in 2024.

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.

In comparison to 2019, the profit growth in North America and India has driven a significant increase in profit attributable to non-controlling interests (a c. £23m or 87% increase). In North America, the profit attributable to non-controlling interests has increased from £13m to £23m, driven by strong profit growth in several airports with high minority participation, while in India it has increased from £9m to £22m.

For 2024, we expect the profit attributable to non-controlling interests to increase year on year by between 15% and 25%, in line with our expectations for profit growth in our businesses with joint venture partners.

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	2022
	£m	£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)/inflow	**(124.9)**	52.0

[1] Presented on an underlying pre-IFRS 16 basis (refer to pages 20 - 23 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 Concession 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. With expenditure in 2023 slightly below our previous expectations, we now expect capex for the 2024 financial year to be in the region of £280m.

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 £19.8m. This reduction in deferred liabilities was lower than our previous guidance of c.£80m, largely due to further deferrals and delays to the timing of payments, and we now expect the remaining c.£30m to be paid during the next twelve months. Accordingly for 2024, we anticipate overall working capital to remain at a similar level, and therefore be broadly neutral in terms of cash flow, with the benefit of the expected sales increase broadly offset by the further unwind of these deferred liabilities.

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 Concession locations in North America in June 2023. We took operational control of the units at Denver airport 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 £1028.7m (30 September 2022: £854.6m).

Based on the pre-IFRS 16 net debt at £392.2m at 30 September 2023, leverage (Net debt/EBITDA) reduced to approximately 1.4x from 2.1x at 30 September 2022. Looking ahead to September 2024, we expect leverage to be at the lower end of our target range of 1.5x to 2.0x.

The table below highlights the movements in net debt in the year 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 and 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	455.4	867.9	614.9	247.2	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[34]	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 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	**IFRS 16**
	2023	**2022**
	£m	**£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 exits 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)
	(38.0)	59.8
Impairment of investment in associate	**(6.7)**	-
Debt refinancing and effective interest rate adjustments	**7.4**	8.6
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 12. Furthermore, a reconciliation from the underlying to the statutory reported basis is presented below:

		2023 (IFRS 16)			2022 (IFRS 16)	
	Underlying	**Non-underlying Items**	**Total**	Underlying	Non-underlying Items	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) per 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		**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)
Earnings/(loss) per share (pence)[1]:							
- 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 for the year is presented below:

	Year ended 30 September 2023 £m	Year ended 30 September 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 operating profit for the year to the statutory profit for the year is as follows:

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Pre-IFRS 16 underlying operating profit for the year	**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
Underlying share of profit from associates	**7.2**	6.6
Non-underlying share of loss from associates (note 4)	**(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 for the year	**56.1**	9.9

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

	Year ended 30 September 2023 £m	Year ended 30 September 2022 £m
Underlying operating profit	**204.8**	31.7
Non-underlying operating (loss)/profit (note 4)	**(38.0)**	59.8
Underlying share of profit from associates	**7.2**	6.6
Non-underlying share of loss from associates (note 4)	**(6.7)**	-
Finance income	**17.0**	4.9
Finance expense	**(103.6)**	(86.4)
Non-underlying finance income (note 5)	**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/(loss) is shown on page 18.

Principal risks

One new risk relating to "Mergers and acquisitions" has been added to the principal risks since last year.

The specific Covid risk has been deleted and its impact included in the "Business environment risk". In the prior year the Group disclosed 10 Principal risks. In current year the disclosure has been expanded to cover the 14 Principal risks noted below, as a number of these risks were more specific to the Group's strategy.

The Group's "Principal risks", together with the Group's risk management process, will be set out in the Annual Report and Accounts 2023, and relate to the following areas: Business environment, geo-political uncertainty and terrorism threat, Availability of labour and wage inflation, Supply chain disruption and product cost inflation, Health and food safety, Information security and stability, Compliance, Mobilisation of pipeline, The competition landscape, changing client behaviours and client retention, Insufficient senior capability at Group and country level, Benefits realisation from efficiency programmes, Sustainability, Innovation of brand portfolio & changing customer demands, Merger and acquisition activity, Expansion into new markets.

Consolidated income statement
for the year ended 30 September 2023

	Notes	**Year ended 30 September 2023** **Underlying[1]** **£m**	**Adjustments** **£m**	**Total** **£m**	Year ended 30 September 2022 Underlying[1] £m	Adjustments £m	Total £m
Revenue	2	**3,009.7**	**-**	**3,009.7**	2,185.4	-	2,185.4
Operating costs	4	**(2,804.9)**	**(38.0)**	**(2,842.9)**	(2,153.7)	59.8	(2,093.9)
Operating profit		**204.8**	**(38.0)**	**166.8**	31.7	59.8	91.5
Share of profit of associates		**7.2**	**(6.7)**	**0.5**	6.6	-	6.6
Finance income	5	**17.0**	**-**	**17.0**	4.9	-	4.9
Finance expense	5	**(103.6)**	**7.4**	**(96.2)**	(86.4)	8.6	(77.8)
Profit/(loss) before tax		**125.4**	**(37.3)**	**88.1**	(43.2)	68.4	25.2
Taxation		**(29.1)**	**(2.9)**	**(32.0)**	0.9	(16.2)	(15.3)
Profit/(loss) for the year		**96.3**	**(40.2)**	**56.1**	(42.3)	52.2	9.9
Profit/(loss) attributable to:							
Equity holders of the parent		**49.6**	**(41.5)**	**8.1**	(60.9)	50.7	(10.2)
Non-controlling interests		**46.7**	**1.3**	**48.0**	18.6	1.5	20.1
Profit/(loss) for the year		**96.3**	**(40.2)**	**56.1**	(42.3)	52.2	9.9
Earnings/(loss) per share (p):							
- Basic	3	**6.2**		**1.0**	(7.7)		(1.3)
- Diluted	3	**6.2**		**1.0**	(7.7)		(1.3)

[1] Stated on an underlying basis, which excludes non-underlying items as further explained in the section on Alternative Performance Measures (APMs) on pages 20 – 23.

Consolidated statement of other comprehensive income
for the year ended 30 September 2023

	2023	2022
	£m	£m
Other comprehensive income / (expense)		
Items that will never be reclassified to the income statement		
Remeasurements on defined benefit pension schemes	**(4.4)**	8.5
Tax credit/(charge) relating to items that will not be reclassified	**1.0**	(1.2)
Items that are or may be reclassified subsequently to the income statement		
Net gain/(loss) on hedge of net investment in foreign operations	**33.9**	(56.3)
Other foreign exchange translation differences	**(49.4)**	45.6
Effective portion of changes in fair value of cash flow hedges	**-**	(0.1)
Cash flow hedges – reclassified to income statement	**-**	1.4
Tax (charge)/credit relating to items that are or may be reclassified	**(1.1)**	3.6
Other comprehensive (expense)/income for the year	**(20.0)**	1.5
Profit for the year	**56.1**	9.9
Total comprehensive income for the year	**36.1**	11.4
Total comprehensive income/(expense) attributable to:		
Equity shareholders	**(0.7)**	(19.6)
Non-controlling interests	**36.8**	31.0
Total comprehensive income for the year	**36.1**	11.4

Consolidated balance sheet
as at 30 September 2023

	Notes	2023 £m	2022 £m
Non-current assets			
Property, plant and equipment		**586.9**	469.3
Goodwill and intangible assets		**681.1**	701.7
Right-of-use assets		**931.5**	736.3
Investments in associates		**16.2**	17.0
Deferred tax assets		**91.0**	89.0
Other receivables		**81.2**	85.5
		2,387.9	2,098.8
Current assets			
Inventories		**42.4**	37.0
Tax receivable		**6.0**	1.5
Trade and other receivables		**158.6**	142.0
Cash and cash equivalents		**303.3**	543.6
		510.3	724.1
Total assets		**2,898.2**	2,822.9
Current liabilities			
Short-term borrowings	8	**(12.6)**	(68.8)
Trade and other payables		**(741.1)**	(719.3)
Tax payable		**(23.3)**	(18.5)
Lease liabilities		**(252.3)**	(216.5)
Provisions		**(25.3)**	(24.6)
		(1,054.6)	(1,047.7)
Non-current liabilities			
Long-term borrowings	8	**(682.8)**	(771.1)
Post-employment benefit obligations		**(10.5)**	(10.8)
Lease liabilities		**(776.4)**	(638.1)
Other payables		**(1.3)**	(1.4)
Provisions		**(30.7)**	(35.9)
Deferred tax liabilities		**(19.8)**	(6.9)
		(1,521.5)	(1,464.2)
Total liabilities		**(2,576.1)**	(2,511.9)
Net assets		**322.1**	311.0
Equity			
Share capital		**8.6**	8.6
Share premium		**472.7**	472.7
Capital redemption reserve		**1.2**	1.2
Other reserves		**(18.2)**	(9.0)
Retained losses		**(238.1)**	(248.5)
Total equity shareholders’ funds		**226.2**	225.0
Non-controlling interests		**95.9**	86.0
Total equity		**322.1**	311.0

Consolidated statement of changes in equity
for the year ended 30 September 2023

	Share capital	Share premium	Capital redemption reserve	Other reserves[1]	Retained losses	Total parent equity	NCI	Total equity
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
At 1 October 2021	**8.6**	**472.7**	**1.2**	**7.7**	**(249.9)**	**240.3**	**70.4**	**310.7**
Loss for the year	-	-	-	-	(10.2)	(10.2)	20.1	**9.9**
Other comprehensive expense for the year	-	-	-	(16.7)	7.3	(9.4)	10.9	**1.5**
Capital contributions from NCI	-	-	-	-	-	-	3.4	**3.4**
Dividends paid to non controlling interests	-	-	-	-	-	-	(18.8)	**(18.8)**
Share-based payments	-	-	-	-	4.0	4.0	-	**4.0**
Tax on share-based payments	-	-	-	-	0.1	0.1	-	**0.1**
Other movements	-	-	-	-	0.2	0.2	-	**0.2**
At 30 September 2022	**8.6**	**472.7**	**1.2**	**(9.0)**	**(248.5)**	**225.0**	**86.0**	**311.0**
Profit for the year	**-**	**-**	**-**	**-**	**8.1**	**8.1**	**48.0**	**56.1**
Other comprehensive expense for the year	**-**	**-**	**-**	**(5.4)**	**(3.4)**	**(8.8)**	**(11.2)**	**(20.0)**
Capital contributions from NCI	**-**	**-**	**-**	**-**	**-**	**-**	**17.3**	**17.3**
Dividends paid to non controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**(45.3)**	**(45.3)**
Purchase of additional stake in subsidiary	**-**	**-**	**-**	**(1.)**	**-**	**(1.1)**	**1.1**	**-**
Transactions with non-controlling interests	**-**	**-**	**-**	**(2.7)**	**-**	**(2.7)**	**-**	**(2.7)**
Share-based payments	**-**	**-**	**-**	**-**	**5.7**	**5.7**	**-**	**5.7**
At 30 September 2023	**8.6**	**472.7**	**1.2**	**(18.2)**	**(238.1)**	**226.2**	**95.9**	**322.1**

[1] At 30 September 2022 and 30 September 2023, the other reserves include the translation reserve and the result of purchasing additional stake in subsidiary

Consolidated cash flow statement
for the year ended 30 September 2023

	Notes	2023 £m	2022 £m
Cash flows from operating activities			
Cash flow from operations	6	**498.3**	434.5
Tax paid		**(19.6)**	(2.3)
Net cash flows from operating activities		**478.7**	432.2
Cash flows from investing activities			
Dividends received from associates		**7.3**	4.3
Interest received		**11.5**	2.2
Purchase of property, plant and equipment		**(219.9)**	(146.0)
Purchase of other intangible assets		**(22.6)**	(13.6)
Acquisitions, net of cash and cash equivalents acquired		**(41.2)**	(1.4)
Net cash flows from investing activities		**(264.9)**	(154.5)
Cash flows from financing activities			
Repayment of bank borrowings		**(95.9)**	(304.9)
Debt refinancing and modification fees paid		**(4.6)**	(1.3)
Receipt of bank loans		**-**	1.0
Loans (repaid to)/taken from non-controlling interests		**(1.2)**	8.6
Payment of lease liabilities – principal		**(197.5)**	(137.0)
Payment of lease liabilities – interest		**(53.1)**	(37.9)
Interest paid excluding interest on lease liabilities		**(57.6)**	(42.7)
Dividends paid to non-controlling interests		**(45.3)**	(18.8)
Recapitalisation of associate		**(8.0)**	-
Capital contribution from non-controlling interests		**22.5**	10.7
Net cash flows from financing activities		**(440.7)**	(522.3)
Net decrease in cash and cash equivalents		**(226.9)**	(244.6)
Cash and cash equivalents at beginning of the year		**543.6**	773.6
Effect of exchange rate fluctuations on cash and cash equivalents		**(13.4)**	14.6
Cash and cash equivalents at end of the year		**303.3**	543.6
Reconciliation of net cash flow to movement in net debt			
Net decrease in cash in the year		**(226.9)**	(244.6)
Cash outflow Term Loan and USPP facility		**77.4**	-
Cash outflow from Covid Corporate Financing Facility		**-**	300.0
Cash outflow/(inflow) from other changes in debt		**19.7**	(4.7)
Change in net debt resulting from cash flows, excluding lease liabilities		**(129.8)**	50.7
Translation differences		**21.9**	(44.5)
Other non-cash changes		**12.0**	5.3
(Increase)/decrease in net debt excluding lease liabilities in the year		**(95.9)**	11.5
Net debt at beginning of the year		**(296.3)**	(307.6)
Net debt excluding lease liabilities at end of the year		**(392.2)**	(296.1)
Recognition of lease liabilities upon transition to IFRS 16			
Lease liabilities at beginning of the year		**(854.6)**	(1,172.8)
Cash outflow from payment of lease liabilities		**250.6**	174.9
Lease amendments		**(460.5)**	198.5
Translation differences		**35.8**	(55.2)
Lease liabilities at end of the year		**(1,028.7)**	(854.6)
Net debt including lease liabilities at end of the year		**(1,420.9)**	(1,150.7)

Notes

1 Basis of preparation and accounting policies

1.1 Basis of preparation

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

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

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

1.2 Going concern

These financial statements are prepared on a going concern basis.

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

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

With some uncertainty surrounding the economic and geo-political environment over the next twelve months, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a pessimistic view of the travel markets for the remainder of the current financial year, assuming sales that are around 10% lower than in the base case scenario.

In both its base case and downside case scenarios, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, and that it will have headroom against all applicable covenant tests throughout this period of assessment. The Directors have therefore deemed it appropriate to prepare the financial statements for the year ended 30 September 2023 on a going concern basis.

1.3 Changes in accounting policies and disclosures

During the year ended 30 September 2023, the Group adopted the following standards:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules

There were no adjustments to current year or prior year amounts as a result of adopting these standards.

Amendments to IAS 12 Income Taxes – International Tax Reform – Pillar Two Model Rules: The Group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. Following the amendments, the Group is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

1.4 New accounting standards not yet adopted by the Group

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

- IFRS 17 'Insurance Contracts'
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single transaction
- Amendment to IFRS 16 - Leases on sale and leaseback

2 Segmental reporting

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

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

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

	North America	Continental Europe	UK	APAC and EEME	Non-attributable	Total
	£m	£m	£m	£m	£m	£m
Year ended 30 September 2023						
Revenue	668.8	1,136.7	773.6	430.6	-	3,009.7
Underlying operating profit/(loss)	68.2	51.9	66.1	71.0	(52.4)	204.8
Non-underlying operating (loss)/profits	(1.2)	(19.3)	(11.5)	1.2	(7.2)	(38.0)
Operating profit/(loss)	67.0	32.6	54.6	72.2	(59.6)	166.8
Year ended 30 September 2022						
Revenue	455.4	867.9	614.9	247.2	-	2,185.4
Underlying operating profit/(loss)	18.4	22.6	23.5	13.5	(46.3)	31.7
Non-underlying operating (loss)/profits	(1.1)	59.4	4.2	1.1	(3.8)	59.8
Operating profit/(loss)	17.3	82.0	27.7	14.6	(50.1)	91.5

The following amounts are included in underlying operating profit/(loss):

	North America	Continental Europe	UK	APAC and EEME	Non-attributable	Total
	£m	£m	£m	£m	£m	£m
Year ended 30 September 2023						
Depreciation and amortisation	**(73.4)**	**(136.7)**	**(47.4)**	**(44.8)**	**(8.5)**	**(310.8)**
Year ended 30 September 2022						
Depreciation and amortisation	(62.6)	(123.7)	(42.0)	(40.3)	(13.1)	(281.7)

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

	2023	2022
	£m	£m
Underlying operating profit/(loss)	**204.8**	31.7
Non-underlying operating (loss)/profit (note 4)	**(38.0)**	59.8
Share of profit from associates	**0.5**	6.6
Finance income	**17.0**	4.9
Finance expense	**(103.6)**	(86.4)
Non-underlying finance expense (note 5)	**7.4**	8.6
Profit before tax	**88.1**	25.2
Taxation	**(32.0)**	(15.3)
Profit after tax	**56.1**	9.9

3 Earnings/(loss) per share

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

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

	2023	2022
	£m	£m
Profit/(loss) attributable to ordinary shareholders	**8.1**	(10.2)
Adjustments:		
Non-underlying operating expense/(income)	**38.0**	(59.8)
Non-underlying share of loss of associate	**6.7**	-
Non-underlying finance income	**(7.4)**	(8.6)
Tax effect of adjustments	**2.9**	16.2
Non-underlying costs attributable to NCI	**1.3**	1.5
Underlying profit/(loss) attributable to ordinary shareholders	**49.6**	(60.9)
Basic weighted average number of shares	**796,439,158**	796,050,446
Dilutive potential ordinary shares	**9,533,231**	-
Diluted weighted average number of shares	**805,972,389**	796,050,446
Earnings/(loss) per share (p):		
- Basic	**1.0**	**(1.3)**
- Diluted	**1.0**	**(1.3)**
Underlying earnings/(loss) per share (p):		
- Basic	**6.2**	**(7.7)**
- Diluted	**6.2**	**(7.7)**

The number of ordinary shares in issue as at 30 September 2023 was 796,529,196 which excludes treasury shares (30 September 2022: 796,113,196). The Company also holds 263,499 treasury shares (2022: 263,499).

Potential ordinary shares can only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. As the Group recognised a loss for the prior year, none of the potential ordinary shares were considered to be dilutive.

4 Operating costs

	2023 £m	2022 £m
Cost of food and materials:		
Cost of inventories consumed in the year	**(836.6)**	(610.2)
Labour cost:		
Employee remuneration	**(918.4)**	(686.7)
Overheads:		
Depreciation of property, plant and equipment	**(106.6)**	(97.9)
Depreciation of right-of-use assets	**(194.5)**	(170.0)
Amortisation of intangible assets	**(9.7)**	(13.8)
Non-underlying operating (loss)/profit	**(38.0)**	59.8
Gain on lease derecognition	**5.2**	16.6
Rentals payable under leases	**(396.8)**	(299.3)
Other overheads	**(347.5)**	(292.4)
	(2,842.9)	(2,093.9)

Non-underlying operating items

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

	2023 £m	2022 £m
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)
Non-cash change in lease liabilities	**-**	23.0
Site exit costs	**(8.6)**	(2.9)
Contractual settlement costs	**(4.7)**	-
Fees for debt amendment and extension of bank facilities	**-**	(1.3)
Gain on lease derecognition	**2.7**	61.5
Other non-underlying costs	**(9.3)**	(2.3)
Total non-underlying operating items	**(38.0)**	59.8

5 Finance income and expense

	2023	2022
	£m	£m
Finance income		
Interest income	**11.5**	3.9
Net foreign exchange gains	**5.0**	-
Other	**0.5**	1.0
Total finance income	**17.0**	4.9
Finance expense		
Total interest expense on financial liabilities measured at amortised cost	**(49.8)**	(45.4)
Lease interest expense	**(53.1)**	(37.9)
Debt refinancing gains/(loss)	**2.3**	(3.1)
Effective interest rate adjustment	**5.1**	13.7
Net change in fair value of cash flow hedges utilised in the year	**-**	(1.4)
Unwind of discount on provisions	**(0.9)**	(0.3)
Net interest expense on defined benefit pension obligations	**0.2**	(0.1)
Net foreign exchange losses	**-**	(3.3)
Total finance expense	**(96.2)**	(77.8)

6 Cash flow from operations

	2023	2022
	£m	£m
Loss for the year	**56.1**	9.9
Adjustments for:		
Depreciation of property, plant and equipment	**106.6**	97.9
Depreciation of right-of-use assets	**194.5**	170.0
Amortisation of intangible assets	**9.7**	13.8
Profit on derecognition of leases	**(7.9)**	(78.1)
Non-cash change in lease liabilities	**-**	(23.0)
Impairments	**18.1**	18.2
Share-based payments	**5.7**	4.5
Finance income	**(17.0)**	(4.9)
Finance expense	**96.2**	77.8
Share of profit of associates	**(0.5)**	(6.6)
Taxation	**32.0**	15.3
Other	**(0.1)**	0.6
	493.4	295.4
Increase in trade and other receivables	**(12.2)**	(45.9)
Increase in inventories	**(5.3)**	(13.3)
Increase in trade and other payables including provisions	**22.4**	198.3
Cash flow from operations	**498.3**	434.5

7 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.

8 Fair value measurement

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

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

Carrying value and fair values of certain financial instruments

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

	As at 30 September 2023 £m	As at 30 September 2022 £m
Financial assets measured at amortised cost		
Cash and cash equivalents	**303.3**	543.6
Trade and other receivables	**191.8**	186.7
Total financial assets measured at amortised cost	**495.1**	730.3
Non-derivative financial liabilities measured at amortised cost		
Bank loans	**(347.0)**	(455.2)
US private placement notes	**(348.4)**	(384.7)
Lease liabilities	**(1,028.7)**	(854.6)
Trade and other payables	**(712.4)**	(689.9)
Total financial liabilities measured at amortised cost	**(2,436.5)**	(2,384.4)

Financial assets and liabilities in the Group's consolidated balance sheet are either held at fair value, or their carrying value where it approximates to fair value, with the exception of loans which are held at amortised cost. The fair value of total borrowings excluding lease liabilities estimated using market prices at 30 September 2023 was £693.1m (30 September 2022: £825.5m).

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

9 Debt refinancing

In July 2023, the Group successfully refinanced its Senior Facilities, replacing the existing Senior Bank Facilities maturing 15 January 2025 with new £600m Senior Facilities comprising £300m of drawn Term Loans, split equally between GBP and EUR, and a £300m undrawn multi-currency Revolving Credit Facility. The new facilities agreement has an initial term of 4 years, to 12 July 2027 plus a 1-year optional extension subject to agreement by the parties.

As a result of refinancing, the existing Senior Bank Facilities were derecognised and the refinancing was treated as a substantial modification of the Group's existing debt agreement as the new Senior Bank Facilities are on substantially different terms. As a result, all remaining unamortised arranged fees and debt modification adjustments from existing Senior Bank Facilities were recognised in the statement of profit or loss as a non-underlying gain of £2.3m.

10 Acquisition of the concessions business of Midfield Concession Enterprise Inc. ('MCE').

On 4 May 2023, the Group announced its expansion in North America by adding 40 new units at seven airports, including four new locations, through the acquisition of the concessions business of Midfield Concession Enterprise Inc. ('MCE'). This trade and assets deal has provided the Group with access to Detroit Metropolitan Wayne County, Denver International, Philadelphia International, and Cleveland Hopkins International, and it has also expanded SSP's existing presence at Minneapolis St. Paul International, San Francisco International, and Newark Liberty International.

The total consideration under the agreement is £54.1m ($67 million) paid in cash on the completion date, with the deal structured in two parts: one covering the initially acquired six airports (£37.5m ($46m)) and one covering Denver airport (remaining £16.6m ($21m) consideration). The transaction in relation to the six airports was completed on 6 June 2023. On 16 November 2023, the Group took operational control of the Denver airport part of the acquisition.

Assets acquired and liabilities assumed (provisional)

The fair values of the identifiable assets and liabilities of the six airports (completed in the year) as at the date of acquisition were provisionally determined as follows:

	Fair value recognised on acquisition £m
Assets	
Property, plant and equipment	25.9
Right-of-use assets	34.5
Inventory	0.3
Cash	0.1
Liabilities	
Lease liabilities	(23.3)
Total identifiable net assets at fair value	**37.5**
Non-controlling interest measured at fair value	(9.5)
Increase in Other receivables due from NCI	8.4
Goodwill arising on acquisition	1.1
Total net assets acquired	**37.5**
Satisfied by:	
Purchase consideration transferred	**37.5**

The transaction costs of relating to the acquisition amounted to £1.2m.

11 Events after the balance sheet date

On 16 November 2023, the Group took operational control of the Denver airport part of the acquisition of the concessions business of Midfield Concession Enterprises, Inc. The total consideration for the Denver airport concession (£16.6m ($21m)) is yet to be paid, and will be paid on legal completion of the transaction which is expected imminently.

Assets acquired and liabilities assumed (provisional)

The fair values of the identifiable assets and liabilities related to the post-balance sheet event, and that have not been accounted for in the balance sheet at 30 September 2023 were provisionally determined as follows:

	Fair value recognised on acquisition £m
Assets	
Property, plant and equipment	9.8
Right-of-use assets	9.9
Liabilities	
Lease liabilities	(7.0)
Total identifiable net assets at fair value	**12.7**
Non-controlling interest measured at fair value	(3.2)
Increase in Other receivables due from NCI	4.2
Goodwill arising on acquisition	2.9
Total net assets acquired	**16.6**
Satisfied by:	
Purchase consideration transferred	**16.6**

12 Annual General Meeting

The Group's Annual General Meeting will be held in January 2024. Details of the resolutions to be proposed at that meeting will be included in the notice of Annual General Meeting that will be sent to shareholders in December 2023.

13 Other information

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2023 or 30 September 2022 but is derived from those accounts. Statutory accounts for year ended 30 September 2022 have been delivered to the Registrar of Companies, and those for year ended 30 September 2023 will be delivered in due course.

The auditor has reported on the accounts for the year ended 30 September 2023; their report was:

i. unqualified, and

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

The Company's Annual Report and Accounts for the year ended 30 September 2023 will be posted and made available to shareholders on the Company's website in January 2024.

14 Forward looking statement

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

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

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