

27 September 2022

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### Pre-Close Trading Update

#### ***“Strong recovery in SSP’s performance continues during the fourth quarter”***

SSP Group plc (“SSP” or “the Group”), a leading operator of food and beverage outlets in travel locations worldwide, issues a Pre-Close Trading Update for the fourth quarter of its financial year, covering the period from 1 July to 30 September 2022.

We have had a strong fourth quarter, with revenues expected to be c.91% of 2019 levels, driven by a continued recovery of passenger numbers, notwithstanding some disruption to the travel sector over the summer. The revenue performance includes the benefit from net contract gains and price increases compared to the same period in 2019.

The recovery is being led by domestic and leisure travel across both the Air and Rail sectors, with business and commuter travel also recovering, albeit more slowly. In the fourth quarter we have seen a recovery in trading across all our regions. In Continental Europe revenue is expected to be c.95% (of 2019 levels), driven by increasing numbers of air passengers over the summer holiday season. In North America revenue is expected to be c.95%, reflecting the ongoing recovery in domestic air travel. In the UK trading in both Air and Rail has continued to strengthen, despite the impact of the industrial action in the rail network over the summer, with revenues expected to be c.86%. In the Rest of the World, we have seen a resurgence in revenues to c.86%, with strong performances in India, Australia, Thailand and Egypt. However, passenger numbers remain very low in China and Hong Kong.

We have continued to make further good progress on business development in the second half, extending and renewing contracts as well as winning new tenders to augment our existing strong pipeline. As a result of the recent trends, our confidence in the underlying recovery and the resilience of our business model, we are now planning to accelerate the mobilisation of our pipeline from 2023 onwards. As previously reported, by 2025 our pipeline of new outlets is expected to add approximately £500m to revenues compared to 2019.

For the current full year, we now expect to deliver sales of approximately £2,170m and EBITDA of approximately £140m (on a pre-IFRS 16 basis), slightly ahead of our previous full year guidance. The strength of our second-half EBITDA performance reflects the benefit of operating leverage, as sales recover, as well as our ongoing management of inflationary cost pressures through productivity and pricing initiatives.

In the second half of the year, the Group is expected to generate net free cash flow of approximately £70m, driven primarily by our strong EBITDA performance and a further working capital inflow as sales recover. Payment deferrals relating largely to rental negotiations during the pandemic are now expected to unwind in our next financial year. We anticipate capital expenditure to be broadly in line with our previous guidance of c.£150m, increasing to c.£200m-£250m in 2023, reflecting the accelerated mobilisation of the new business pipeline. As a result of our strong cash flow performance, we expect net debt to be approximately £340m at the year-end (at current FX rates), leaving leverage in the region of 2.4x Net Debt vs EBITDA (on a pre-IFRS 16 basis).

#### **Outlook**

Travel demand has recovered strongly through the year. As we look ahead to the 2023 financial year, whilst there remains considerable uncertainty in the macroeconomic environment, we are confident that our flexible and resilient business model will enable us to continue to offset cost inflation, manage supply chain and labour volatility, and optimise profitability and returns. Our medium-term expectations for the

recovery remain unchanged, which are for a return to broadly pre Covid-19 levels of LFL revenue and EBITDA (on a pre-IFRS 16 basis) by 2024.

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

*"Passenger numbers are rebounding across the global travel sector and - thanks to the commitment and hard work of our colleagues and support from our clients and brand partners - our trading has now recovered to near 2019 levels. With a strong client and customer proposition, we are winning new business across the world and continue to have a high success rate in renewing contracts. As we look forward in this challenging macroeconomic environment, we remain confident in the ongoing resilience of the Group's business model and continue to see significant potential for both near and long-term growth."*

**2022 Full Year Results Announcement**

The Group's results for the year ending 30 September 2022 are expected to be released on 6 December 2022.

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**NOTES TO EDITORS**

**About SSP**

SSP is a leading operator of food and beverage concessions in travel locations, operating restaurants, bars, cafés, food courts, lounges and convenience stores in airports, train stations, motorway service stations and other leisure locations. We are present in 35 countries around the world and have a portfolio of more than 550 international, national and local brands.

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