SSP Group releases year end results for 2020

SSP Group, a leading operator of food and beverage outlets in travel locations worldwide, announces its financial results for the year, which ended September 30, 2020. SSP responded rapidly to COVID-19, taking extensive action to protect its people, raise additional liquidity and reduce its cost base, leaving it strongly placed to capitalize on the recovery of the travel sector.

“COVID-19 continues to have an unprecedented impact on the travel industry and on SSP’s businesses in all geographies. We’ve taken rapid and decisive action to reduce costs, preserve cash and to substantially strengthen the Group’s financial position. I want to thank our teams for their dedication and professionalism during this time, especially when faced with extremely difficult decisions.

Our priority continues to be the health, safety and welfare of our people and our customers, and this has been front of mind as we’ve re-opened our units. By re-negotiating rents, rationalizing our menus and reducing our unit overheads, we’ve created a new, more flexible operating model. This has allowed us to respond rapidly to passenger demand, successfully re-opening more than a third of our units by the end of September and delivering an important service to the traveling public.

Whilst we expect passenger numbers to remain subdued over the winter, we’re optimistic that, alongside good progress with the vaccination program, we’ll see a significant upturn in both domestic and international travel from the spring. We’re ready to respond quickly. The actions we’re taking to re-build the business will put us in a strong position to capitalize on the recovery, as well as future new business opportunities, enabling us to deliver long term sustainable growth for the benefit of all our stakeholders,” says Simon Smith, CEO, SSP.

Financial highlights:

- Revenue of £1,433.1M: down 47.9% at constant currency; 48.7% at actual exchange rates
- Like-for-like sales down 50.8%: heavily impacted by COVID-19 and the closure of most of the global travel markets since March
- Operating loss of £363.9M: on a reported IFRS 16 basis including non-underlying net operating costs of £48.5M; on a pro forma IAS 17 basis, the underlying operating loss was £211.7M (2019: £221.1M profit)
- Good first half performance prior to the outbreak of COVID-19; strong net new space growth at 5.7% and further progress on our strategic initiatives
- Rapid and effective response to COVID-19 to protect our people and the business; significant liquidity created, business “hibernated” and units closed
- Operating costs substantially reduced to reflect low levels of passenger travel during the second half; central and operational management skills retained to enable fast ramp up of the business as demand recovers
- Significant focus on cash: extensive action to reduce the cost base and preserve cash resulted in materially lower cash usage in the second half of the year than anticipated at the Interim results
- Competitive advantages strengthened: client relationships extended, more flexible rent models established, brand ranges & menus optimized, customer proposition enhanced via digitalization
- Corporate responsibility strategies re-defined and being embedded

Business highlights:

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