

“In line with expectations”: SSP Group releases 2025 half year results



SSP Group has reported financial results for the half year ended 31 March 2025.

Revenue of £1,661 million (US\$2,221 million) was up 9% at actual exchange rates and 12% on a constant currency basis, with like-for-like sales growth of 5%.

Patrick Coveney, CEO of SSP Group, said, “We recognize the importance of driving enhanced performance, and we are executing against our agenda to achieve this. Our accelerated actions include a decisive turnaround plan for our Continental European Business, a program to deliver the full benefits of recent strategic and capital investments and a further step up in initiatives to deliver cost efficiencies.

“As a result, notwithstanding the higher level of macroeconomic uncertainty, we are maintaining our full-year guidance.”

Coveney continued, “Given the resilience of our business and the strong foundations that we have built in growing food travel markets across the world, we continue to see significant opportunities for SSP to drive compounding growth and to build margins and returns in the medium and long term.”

SSP Group reported EBITDA of £114 million (US\$152 million), an increase of +8% year-on-year (actual exchange rates and +13% at constant rates). The group also noted statutory IFRS underlying operating profit of £68 million compared to £58 million in the previous year. IFRS statutory operating profit was £15 million, down 74%, with the decrease primarily due to non-cash IT transformation costs as well as recognition of impairments in France and Italy. On the same basis, SSP posted a pre-tax loss of £37 million (£13 million profit a year earlier).

	HY 2025	HY 2024	Change at actual FX rates	Change at constant FX rates ⁶
<i>Underlying Pre-IFRS 16^{1,3}</i>				
Revenue	£1,661m	£1,517m	9%	12%
EBITDA ²	£114m	£106m	8%	13%
Operating profit	£45m	£38m	20%	31%
Operating profit margin	2.7%	2.5%	20bp	40bp
Earnings/(Loss) per share	(0.4)p	(1.0)p	0.6p	
Dividend per share	1.4p	1.2p	17%	
Free cash flow ⁴	£(161)m	£(240)m	£79m	
Net debt ⁵	£(764)m	£(619)m	£(145)m	
Net debt/EBITDA	2.2x	2.1x	(0.1)x	
<i>IFRS</i>				
Underlying operating profit	£68m	£58m	17%	
Operating profit	£15m	£58m	(74)%	
(Loss)/profit before tax	£(37)m	£13m	£(50)m	
Loss per share	(7.7)p	(1.3)p	(6.4)p	
Net debt ⁵	£(1,907)m	£(1,633)m	£(274)m	

Divisional performance highlights included:

- North America: Sales up 13% reflecting a strong contribution from net gains and acquisitions of 11%; operating margin down 90 basic points (bps) year-on-year (YoY), but improved YoY after adjusting for the release of COVID provisions in the year prior.
- Continental Europe: Sales up 3% with operating margin enhancement of 80bps YoY; significant program underway in France and Germany to improve profitability; re-affirming plan to build operating margin from 1.5% of sales in FY24 to approximately 3% this year and 5% in the medium-term.
- UK: Sales up 9% including strong like-for-like sales growth of 8%, driving operating profit margin enhancement of 120 bps YoY
- APAC & EEME: Sales up 38%, including like-for-like sales growth of 13% and a 24% contribution from acquisitions. Operating margin strong at 11.8%, but down 210bps YoY as anticipated, principally due to the deconsolidation of the AAHL joint venture in India.

Medium Term Financial Framework (2026-28)	
Revenue	Total sales growth of c.5-7% p.a. LFL growth of c.3% p.a. Net gains of 2-4% p.a.
Operating profit margin	Growth of 20-30bps on average p.a.
Minority interest	Growth in line with North America and APAC & EEME operating profit
Earnings per share	Sustainable double-digit growth
Capital expenditure	Renewals and maintenance capex at c.4% of sales Growth capex aligned to net gains
Group ROCE	Increasing from 17.7% in FY24
Dividend	Target payout ratio of c.30-40%
Leverage (Net debt: EBITDA)	Balance sheet deleveraging, with surplus cash to be returned to shareholders in line with our capital allocation framework

Outlook

According to the financial results, full year guidance was maintained, “notwithstanding a greater level of macroeconomic uncertainty”. SSP Group said planning scenarios remain, highlighting revenues of £3.7 to 3.8 billion, operating profit of £230-260m, and earnings per share of 11.5-13.5p on a constant currency basis.

Group like-for-like sales growth of 5% in first six weeks of H2, with strong like-for-like in APAC & EEME and the UK offset the recent impact of reduced passenger numbers in North America, following geopolitical events.

The Travel Food Services (TFS) IPO “has received ‘in principle’ regulatory clearance, with marketing and investor education progressing well, and is now targeted to complete this summer”.

SUPPLEMENTARY FINANCIAL INFORMATION (On an underlying pre-IFRS 16 basis)

Group sales

£m	H1 Revenue	LFL	Net Gains	Acqns	Other*	Change at constant FX rates	Change at actual FX rates	LFL (first 6 weeks H2)
N.America	410	2%	8%	4%	-	13%	11%	(2)%
C.Europe	532	3%	2%	-	(2)%	3%	0%	2%
UK & I	424	8%	1%	-	-	9%	8%	10%
APAC & EEME	295	13%	12%	24%	(10)%	38%	32%	14%
Group	1,661	5%	5%	4%	(2)%	12%	9%	5%

*'Other' comprises impact from the staged exit of the German MSA business and the loss of reported sales from our repositioned AAHL joint venture in India, which is now reported as an associate and no longer consolidated

Regional Operating Profit

				Operating profit % of sales	
£m	H1 Operating profit	Change at constant FX rates	Change at actual FX rates	Constant FX rates	YoY % change
N.America	24	(2)%	(6)%	6.0%	(1.0)%
C.Europe	(12)	23%	26%	(2.3)%	0.8%
UK & I	23	40%	40%	5.5%	1.2%
APAC & EEME	34	18%	8%	11.8%	(2.1)%
Non-attributable	(24)	(20)%	(20)%	-	-
Group	45	31%	20%	2.8%	0.4%

Accelerating program to drive profitability, capital discipline and returns

SSP Group noted "clear and specific actions to turn around profitability of Continental Europe, generate cost efficiencies, accelerate returns from investments and increase cash generation".

The launch of a substantial group-wide overhead cost reduction program is to be delivered through the second half to underpin delivery of margin and returns progression in FY26.

SSP will also further tighten capital expenditure "as we build returns" and is now planning for capital spend in FY25 of less than £230 million, while maintaining underlying net gains target of approximately 4%.

The Group also noted that strong cash generation anticipated in the second half would leave it on track to consider a share buyback program towards the end of the calendar year. "Performance of recent acquisitions strong and returns in line with or ahead of expectations," the report stated.

Underlying Net Profit/(Loss)

£m	H1 25	H1 24	Change at actual FX rates
Revenue	1,661	1,517	9%
Gross Profit	1,210	1,095	11%
% sales	72.9%	72.2%	
Labour Costs	(538)	(480)	(12)%
% sales	(32.4)%	(31.6)%	
Concession Fees	(357)	(322)	(11)%
% sales	(21.5)%	(21.2)%	
Overheads	(201)	(187)	(7)%
% sales	(12.1)%	(12.4)%	
EBITDA	114	106	8%
% sales	6.9%	7.0%	
Depreciation	(69)	(68)	(1)%
% sales	(4.1)%	(4.5)%	
Operating Profit	45	38	20%
Operating margin %	2.7%	2.5%	
Net Finance cost	(20)	(17)	(24)%
Associates	2	1	72%
Profit Before Tax	27	22	21%
Tax	(6)	(5)	(12)%
Minority interests	(25)	(25)	-
Net Loss	(4)	(8)	58%

Current trading

Group like-for-like sales during the first six weeks of the second half of the year (from April 1 to May 11) grew by 5% on a constant currency basis, including a benefit from the later timing of Easter. In APAC & EEME, like-for-like sales of 14% reflected ongoing growth in passenger numbers across the region. In the UK, like-for-like sales in the period were 10% including a modest impact in M&S units as a result of their well-reported systems issues. In Continental Europe, like-for-like sales in this period grew by 2%, whilst in North America they fell by 2%.

Planning assumptions

“Recent geopolitical events have led to a heightened level of uncertainty across some of our travel markets, in particular in North America,” the SSP Group report stated. “While we believe that our geographically diversified business model means that SSP is more resilient to fluctuations in travel and consumer spending than other consumer sectors – both in terms of our operational flexibility and traveler behavior – we believe it is prudent to plan for a degree of ongoing uncertainty of demand through the second half.”

In this environment, SSP Group is accelerating its program of initiatives to drive improved margins, cash conversion and investment returns. “We believe that these initiatives, in combination with sustained, strong demand in many regions of the group, leave us well-positioned to mitigate the current uncertainty. As a result, we are maintaining our full-year guidance.

“We continue to plan for revenue to be in the region of £3.7 billion-3.8 billion with a corresponding underlying pre-IFRS 16 operating profit within the range of £230 million-260 million and EPS of between 11.5p and 13.5p (all on a constant currency basis). As usual, the seasonality of travel means that the majority of our profitability for the year is set to be delivered in the second half.”