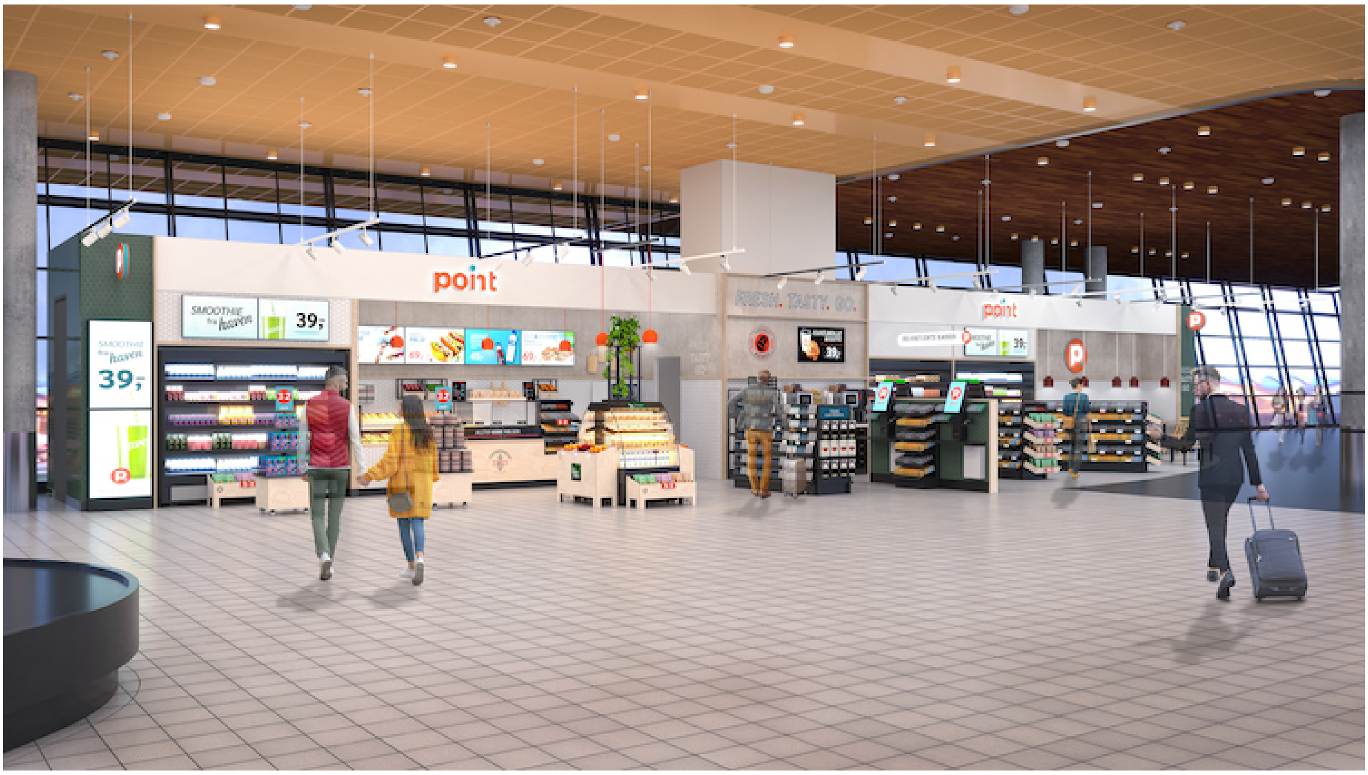
SSP Group reports strong results for year-end 2022



In November, SSP announced plans to expand retail operations in airports across Norway

SSP Group announced its financial results for the year ended September 30, 2022, reporting "rapid recovery in passenger demand through the year."

The operator also said disciplined cost management has resulted in SSP delivering these strong results.

"We remain well-position to benefit from the continued recovery and further growth of the global travel market over the medium-term," said the company in the December 6 press release.

Financial overview:

- Revenue of £2,185 million (US$2,665 million) (2021: £834 million [US$1,017 million]), up 162.0% vs 2021 (back to 78% of 2019 level, i.e. pre COVID- 19)
- Underlying EBITDA of £142.0m compared to an underlying EBITDA loss of £108 million (US$131 million) in 2021 (both on a pre-IFRS 16 basis)
- Operating profit of £91 million (US$111 million) on a reported basis under IFRS 16, including credit for non-underlying items of £59 million (US$72 million) (2021: £309 million [US$376 million] loss on a reported basis under IFRS 16, including credit for non-underlying items of £14 million [US$17 million]). On a pre-IFRS 16 basis, the underlying operating profit was £30 million (US$36 million) (2021: £209 million [US$254 million] loss)
- Profit before tax of £25 million (US$63 million) on a reported basis under IFRS 16 (2021: £411 million [US$501 million] loss). On a pre-IFRS 16 basis, the underlying loss before tax was £6.7 million (US$8 million) (2021: £251 million [US$306 million] loss)
- Basic loss per share of 1.3 pence (US$0.01) on a reported basis under IFRS 16 (2021: basic loss

per share of 51.3 pence [US$0.62]). On a pre-IFRS 16 basis, underlying basic loss per share of 4.5 pence (US$0.05((2021: underlying basic loss per share of 31.9 pence[US$0.38])
- Free cash inflow of £52 million (US$63 million) (2021: outflow of £58 million [US$70 million]), after £149 million (US$181 million) capital investment, primarily for new unit openings
- Net debt of £1,150 million (US$1,402 million) , which includes lease liabilities of £854 million (US$1,041 million). On a pre-IFRS 16 basis, net debt of £296 million (US$361 million), down from £308 million (US$375 million) at 30 September 2021, leaving leverage at 2.1x Net Debt:EBITDA
- Liquidity position strong, with cash and undrawn facilities of £708 million (US$863 million) at the end of September 2022

Business highlights:

- Strong recovery in revenue from 64% of 2019 levels in H1 to 90% of 2019 levels in H2; further strengthening in the first eight weeks of the new financial year to 104% of 2019 levels. The recovery in passenger numbers has been led by strong leisure travel demand over the summer holiday season, which has continued well into the autumn
- Disciplined approach in re-opening of nearly all our units whilst managing industry wide challenges including low labour availability, inflation and supply chain constraints
- The recovery in revenue combined with the benefit of operating leverage, our ongoing management of inflationary pressures and a continued focus on operating efficiency has enabled us to deliver £127 million (US$154 million) EBITDA in H2, taking full year EBITDA to £142 million (US$173 million) (both on a pre-IFRS 16 basis)
- Free cash flow of £82 million (US$100 million) in H2, including a significant working capital inflow as sales recovered, resulting in full year cash generation of £52 million (US$63 million)
- A strengthened balance sheet position with Net Debt of £296 million (US$361 million) and leverage (Net Debt:EBITDA) of 2.1x; significant available liquidity of over £700 million (US$854 million)
- High level of contract retention maintained, underpinned by the strength of our operational performance, client relationships and brand portfolio
- New business pipeline continues to be mobilised at pace, with the opening programme expected to accelerate into the current financial year, increasing capital expenditure to £250 million (US$304 million) in 2023
- Further new business won in H2, increasing the expected annual sales value of net gains since 2019 to £550 million (US$671 million), once fully mobilised by 2025
- A clear growth strategy to further strengthen our market-leading positions in food travel markets globally, based on our key priorities: the delivery of leading customer propositions, a focus on skilled and engaged colleagues, and driving growth and returns through our proven economic model. These are underpinned by embedding sustainability throughout the business
- Well-placed to succeed in a challenging macroeconomic environment due to traveller resilience, our geographic diversification, flexible cost base, strong balance sheet and available liquidity