c.80%
of new business wins were in the air channel

c.200
new units won across North America and Asia Pacific

Pivoting to high growth markets

Focusing on high growth channels and geographies

We are focusing our resource and investment proactively on high growth channels and geographies.

Highlights from 2023

- c.80% of new business wins were in the air channel.
- Won 85 units in North America and 112 across Asia Pacific.
- Completed the acquisition of the concessions business of Midfield Concession Enterprises, Inc. in the USA.

Priorities for 2024

- Accelerate in high growth markets including North America and Asia Pacific.
- Continue to target selective growth opportunities in air across the business and rail in the UK, Europe and EEME.
- Target attractive new markets.

Find out more about our KPIs on pages 30-31 and our associated risks on pages 66-77.

The future growth and returns of our business will be principally driven by the air channel. Several trends in the sector make the air channel particularly attractive:

- more airports being built and more space being allocated to food and beverage and with greater prominence
- the removal or reduction of in-flight catering leading passengers to consume more food and beverages pre-flight
- increased air-side dwell time due to increased airport security requirements and airport investments to improve speed of processing security clearance.

As the travel market recovers, the fastest growth in the air channel is expected to be in North America and Asia, regions where passenger levels are forecast to grow by 60% compared to 2019 levels by 2030 in Asia and by 30% in North America.[1]

To reflect this, we identified the following regional priorities:

- accelerate growth in North America and in targeted Asia Pacific countries
- grow selectively in the UK, Europe and EEME.

We see considerable opportunity to build on our strong platforms in our large developed markets, notably in North America, where we have a low market share and a unique business model. We are also looking to expand rapidly in Asia Pacific.

Client expansion projects and investment in developing new infrastructure are expected to be a long-term focus area for our industry.

Our strong financial position and track record of delivery for clients put us in a good position to capitalise on these growth opportunities.

We have a track record of delivering profitable new space and in the three years before Covid-19, we added c.5%-6% of revenue from net gains annually. We invest in contracts with the right strategic fit and that are expected to deliver financial returns in line with our criteria, which includes a 3-4 year discounted payback. Selective and disciplined infill M&A is an important part of our strategy to gain market scale.

Strong levels of new business development

In 2023, c.80% of our new business wins were in the air channel (by contract value), and we won contracts with 14 new airport clients, including Dulles Washington Airport in the USA, Calgary Airport in Canada, Menorca Airport in Spain and Krabi Airport in Thailand.

Geographically, we are making good progress in accelerating growth in North America and selected Asia Pacific markets, underpinned by adding new business development capability, proactive but disciplined capital allocation and strong JV partnerships. We have expanded our presence in the USA, with new wins at Fresno (California), Portland (Oregon) and Lubbock (Texas) airports. Consistent with our strategy of accelerating growth in North America, we announced the acquisition of the concessions business of Midfield Concession Enterprises, Inc. in the USA.

1 IATA, IATA PAX-IS, Oxford Economics, expert interviews. Data as presented at SSP Group 2022 Preliminary Results.

Pivoting

to high growth markets continued

Focusing on high growth channels and geographies continued

In Malaysia, we built on our existing presence at Kuala Lumpur Airport with two additional wins in new terminals. In Europe, we secured our first contracts in Iceland at Reykjavik Airport and Italy at Rome Termini station, bringing our footprint to a total of 37 countries.

Our secured pipeline of contracts yet to open now represents estimated annualised revenues of c.£450m. Once fully mobilised, approximately two-thirds of this pipeline will be delivered in North America and APAC and EEME. 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. They contribute to the capital costs of expansion in addition to taking a share of profitability.

We have also maintained high retention rates on contracts. For example, we had renewals (and therefore net gains) momentum in the UK and Europe with important and high-profile contract retentions at Cardiff, Newcastle, London Gatwick, Liverpool, Trondheim and Marseille airports.

Developing a great customer proposition is key to winning and renewing contracts. We are focusing on improving our casual dining and convenience retail offer, which is driving more new business.

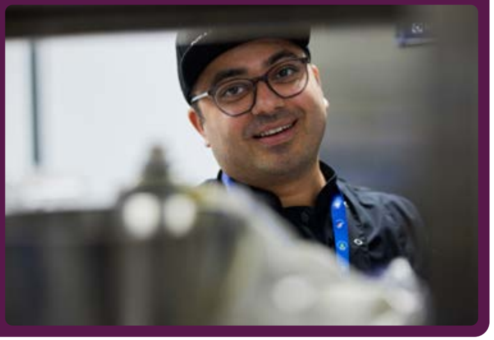
Selection of new locations secured this year

Strategy in action
Growing our business in India

India is a market experiencing rapid growth and offers a significant opportunity for SSP through our joint venture partnership, Travel Food Services (TFS).

We have operated in the Indian market since 2016 through TFS, in partnership with K Hospitality, and we are now operating in 14 airports including Mumbai and Chennai. Benefitting from the recovery of passenger levels, our business in India has seen rapid sales growth since our market entry and is now our second largest market by unit numbers.

Building on our presence in the country, we won an important tender as part of an expansion project at Delhi Airport for nine F&B units. Delhi Airport is the busiest airport in India, with substantial domestic and international traffic. The new units will include a prime food court, gathering a mix of local and international brands that will be built as part of the terminal expansion. We also won a contract to open a convenience retail outlet.



Additionally, we secured new contracts at Bengaluru, Hyderabad, Goa and Mopa airports.