21 May 2024 LEI: 213800QGNIWTXFMENJ24

2024 HALF YEAR RESULTS ANNOUNCEMENT

Good H1 performance; On track to deliver full-year expectations; Well-positioned for medium-term compounding growth and returns.

SSP Group plc, a leading operator of food and beverage outlets in travel locations worldwide, announces its financial results for the half year ended 31 March 2024.

(Unaudited)	HY 2024	HY 2023	Change at actual FX rates	Change at constant FX rates[6]
Underlying Pre-IFRS 16[1,3]				
Revenue	**£1,517m**	£1,318m	15%	19%
EBITDA[2]	**£106m**	£91m	17%	24%
Operating profit	**£38m**	£34m	10%	21%
Operating profit margin	**2.5%**	2.6%	(10)bp	10bp
Loss per share	**(1.0)p**	(0.8)p	(0.2)p	
Dividend per share	**1.2p**	-	1.2p	
Free cash flow[4]	**£(240)m**	£(118)m	£(122)m	
Net debt[5]	**£(619)m**	£(297)m	£(322)m	
Statutory				
Operating profit	**£58m**	£49m	19%	
Profit before tax	**£13m**	£16m	(19)%	
Loss per share	**(1.3)p**	(1.3)p	0.0p	
Net debt[5]	**£(1,633)m**	£(1,201)m	£(432)m	

Financial Highlights: *(Underlying pre- IFRS16[1,3])*

- First half revenue of £1.5bn, up 19% on a constant currency basis, with double-digit growth across all regions
- H1 revenue growth comprises: like-for-like sales growth of 12%, including a very strong performance in APAC and EEME reflecting strengthening passenger numbers; net gains of 4% from the mobilisation of our new contract pipeline; and a contribution of 3% from acquisitions in North America
- EBITDA of £106m, up from £91m last year, leaving us on track to deliver Group “Planning Assumptions”, as set out in December 2023
- Strong contributions to profitability delivered by the North America and APAC & EEME regions, reflecting the faster growth in these markets and strong profit conversion
- Good underlying EBITDA growth in the UK, benefitting from a further recovery in passenger numbers and despite some ongoing impact from industrial action in the rail sector

[1,2,3,4,5,6] See page 4 for footnotes

- Profitability in Continental Europe held back by a heightened level of renewals, particularly in the Nordics countries, and greater levels of industrial action that impacted the rail sector in France and Germany
- Underlying pre-IFRS 16 loss per share of 1.0p compared with 0.8p per share in the prior year
- Reported loss per share of 1.3p per share, in line with the prior year
- Re-instatement of the Interim dividend at 1.2p per share, reflecting sustained confidence in future prospects
- Free cash usage of £240m after investment of £144m in capital projects (compared with £94m in the prior year), acquisitions of £59m and a working capital usage of £66m, reflecting the normal seasonal profile as well as the unwind of the remaining payment deferrals from the Covid-19 period
- Net Debt of £619m, at the end of March 2024, and leverage (Net Debt: EBITDA) of 2.1x. Under IFRS 16, Net Debt increased from £1,421m at 30 September 2023 to £1,633m at 31 March 2024

Strategic Highlights:

- Successfully pivoting to higher growth markets with 39% of our sales over the last 12 months now from North America and APAC & EEME (compared with 35% in the previous 12 months); we are now present in 51 North American airports (37 airports in October 2022) and on track to create a business with annualised sales of over $1 billion
- Significant new contracts won in H1 including 7 units at Cincinnati airport, 3 at Milan railway station and 9 units at Noida (Delhi) airport; in the last six months, we have won c.150 new units across all regions and mobilised c.200 units from our secured pipeline
- This current momentum in new business wins, together with our secured pipeline underpins our expectation of the delivery of organic net gains (excluding acquisitions) of c.5% for FY24 and FY25 and c.3%-5% in the medium-term
- In total, c.80 new units acquired since the start of the year. This includes 62 new units from the acquisition of Airport Retail Enterprises Pty Ltd ("ARE") in May 2024, which increases the size of our business in Australia from 40 to 102.
- In North America, we have completed the acquisitions of ECG in Canada and Mack II, gaining us entry to Atlanta, the busiest airport in North America. In addition, we have completed on the transfer of Denver, the final airport of the Midfield acquisition
- We have secured entry into two new high growth markets: New Zealand and Indonesia, as announced today. In Indonesia we have agreed to create a new joint venture with PT Taurus Gemilang, subject to obtaining the necessary consents, which will initially operate 13 units, principally in Bali, and will give us a presence in this very large and growing market; combined consideration of c.£90m relating to ARE and Indonesia. We also commenced operations in Saudi Arabia during the first half following tender wins at Riyadh and Jeddah
- Enhanced business capabilities with new brands and concepts, digital, sustainability and people driving an improved proposition; Global customer rating[7] up from 4.2 to 4.4 out of a maximum score of 5.0

Recent Trading

Since the half year-end, we have traded in line with expectations, with total revenue during the first six weeks of the second half (from 1 April to 12 May) up 14% year-on-year on a constant currency basis, with revenue in North America up 28%, Continental Europe up 5%, UK up 9% and APAC & EEME up 25%.

FY2024 expectations

While we face into macroeconomic and political uncertainty, we believe that demand for travel will remain resilient and the industry is well set for both short-term and long-term structural growth. Progress in the first half of the year has been encouraging, with strong revenue growth and good profit conversion in most of our markets.

As we approach the peak summer season, we are well-positioned to deliver the planning assumptions for FY24, as outlined at our Preliminary Results on 5 December 2023. We continue to plan for like-for-like sales growth for the full year of between 6% and 10% and for net contract gains in the region of 5% (excluding acquisitions). Including the acquisition of ARE in Australia, which completed in May 2024, we now expect a contribution of c.3% from acquisitions in the year. We continue to plan for underlying EBITDA to be within the range of £345-£375m and underlying operating profit within the range of £210-£235m, all stated on a pre-IFRS 16 basis and at constant currency based on average rates for FY23. The currency impact on these metrics, if current spot rates were to continue through FY24, would be a negative currency impact on revenue, underlying EBITDA (on a pre IFRS-16 basis) and operating profit of approximately -2.0%, -3.5% and -4.6%.

We continue to plan for capital expenditure to be in the region of £280m in the current year, comprising: capital to fund our renewals and maintenance programme of c.£140m, representing approximately 4% of expected revenues for 2024 (in line with the historical average); expansionary capital for new contracts of c.£80m, expected to deliver net contract gains in the region of 5%; and c.£60m reflecting the deferral of renewal and maintenance capital expenditure from the Covid-19 period.

We are planning for capital expenditure in the region of £260m in FY25, consistent with c.5% of net gains, which is well underpinned by our existing pipeline of secured contracts. In FY26, we are planning for net gains of between 3% and 5%, based on the pipeline and our recent track record of new business wins, and are therefore planning for capital expenditure to be in the range of £220-£250m.

Our investment appraisal process, models and benchmarks have been unchanged over many years and we seek a minimum hurdle rate of a post-tax IRR greater than 20%. We complete post investment reviews to validate expected returns. These indicate a long track record of delivering returns ahead of our target hurdle rate.

Medium-term outlook

Our compounding shareholder growth and returns model, aligned to our medium-term financial framework, is set to deliver:

- Sales growth ahead of pre-Covid levels, including net gains of between 3% and 5% p.a., resulting from our pivot to higher growth markets (principally the North America and APAC & EEME regions) which offer higher levels of structural demand and infrastructure growth, and where we have strong businesses with relatively low market shares and significant momentum.

- Sustainable operating margin enhancement benefitting from operating leverage (driven by revenue growth), greater use of technology and automation and our wide-ranging efficiency programme, all of which will enable us to mitigate the impact of rising rent levels and inflationary cost increases.
- Sustainable medium-term earnings growth driven by strong operating profit growth, with non-controlling interests to increase broadly in line with profit growth in countries with joint venture partnerships.
- Capital investment underpinned by high returns on capital projects, generally a 3-4 year discounted cashflow payback and post-tax IRR greater than 20%, in line with historical performance. We expect contract renewal and maintenance capex (needed to retain the base estate of the business) to be on average c. 4% of Group sales and expansionary capex (i.e. investment in new contracts) to vary with the level of contract wins and the timing of mobilisation of new contracts.
- Balance sheet deleveraging, the pace of which will be determined by the scale of new business investment and value creating infill M&A where we target a post-tax IRR greater than 15%.
- Payment of the ordinary dividend with a target payout ratio of c.30-40% and surplus cash returned to shareholders in line with our capital allocation framework.

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

"The first half has been a period of continued momentum, and we've made good strategic and financial progress. At constant currency, the Group delivered double-digit sales growth in all our geographies around the world – with an exceptionally strong like-for-like sales performance in APAC and EEME. Our momentum is being supported by tailwinds from the high structural growth of the markets in which we operate, our proven ability to win and retain high-returning contracts and by our value creating acquisitions.

"Supporting our top-line growth is disciplined cost management, and we are pleased to have delivered year-on-year EBITDA growth of 24% and to be announcing an interim dividend.

"Trading momentum has continued into the second half, and we are confident in delivering on our expectations for the full year. In particular, we are well set to capitalise on what we anticipate will be a Summer of strong demand in all our markets - including Continental Europe, where the Olympics and the European Championships will help boost footfall in airports and stations. We will also start to realise the benefit of our latest value-creating acquisition in Australia and new market entries in New Zealand and Indonesia.

"As a business we are making good progress on our strategic priorities, thanks to the hard work and commitment of all our colleagues and the support of our clients and brand partners around the world. With our continued momentum and foundations in place for further expansion, we remain confident in our ability to deliver sustainable, compounding growth and returns for all our stakeholders in the years to come."

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[1] Stated on an underlying basis, which excludes non-underlying items as further explained in the section on Alternative Performance Measures (APMs) on pages 18-21.

[2] Underlying EBITDA (on a pre-IFRS 16 basis) is the underlying pre-IFRS 16 operating profit excluding depreciation and amortisation.

[3] We have decided to maintain the reporting of our profit and other key financial measures like net debt and leverage on a pre-IFRS 16 basis. Pre-IFRS 16 profit numbers exclude the impact of IFRS 16 by removing the depreciation on right-of-use (ROU) assets and interest arising on unwinding of discount on lease liabilities, offset by the impact of adding back in charges for fixed rent. This is further explained in the section on Alternative Performance Measures (APMs) on pages 18-21.

[4] A reconciliation of Underlying operating profit/(loss) to Free cashflow is shown on page 16.

[5] Net debt reported under IFRS 16 includes lease liabilities whereas on a pre-IFRS 16 basis lease liabilities are excluded. Refer to 'Net debt' section of the 'Financial review' for a reconciliation of net debt.

[6] Constant currency for FY24 is based on average FY23 exchange rates weighted over the financial year by 2023 results. Constant currency for FY24 is based on FY23 exchange rates.

[7] As measured through our customer listening tool, Reputation.

A presentation for investors and analysts will be held at 9.00am (UK time) today, with access by invitation only. Attendees are also able to join via a live webcast with details accessible at:

SSP — Food Travel Expert (foodtravelexperts.com)

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NOTES TO EDITORS

About SSP

SSP is a leading operator of food and beverage outlets in travel locations worldwide, with c.43,000 colleagues in over 600 locations across 37 countries. We operate sit-down and quick service restaurants, cafes, lounges and food-led convenience stores, principally in airports and train stations, with a portfolio of more than 550 international, national and local brands. These include our own brands (such as Urban Crave, which brought the first "street eats" concept to airports in the US and Nippon Ramen, a noodle and dumpling concept in the APAC region) as well as franchise brands (such as M&S Simply Foods, Starbucks and Burger King).

Our purpose is to be the best part of the journey, and this is underpinned by our aim to bring leading brands and innovative concepts to our clients and customers around the world, with an emphasis on great value, taste, quality and service – using digital technology to boost efficiency.

www.foodtravelexperts.com

Business review

We are making significant progress against our strategic priorities, setting us up to deliver long-term sustainable growth and returns.

Our strategic priorities are:

1. Pivoting to high growth markets
2. Enhancing business capabilities; driving competitive advantage
3. Delivering operational efficiencies; driving sustainable margin enhancement

1. Pivoting to high growth markets

Our strategy is to increase our focus on the higher growth markets of North America, APAC and EEME, while continuing to grow selectively in the UK and Continental Europe. North America, APAC and EEME are large and fragmented markets in which SSP already has well-established businesses and which offer significant growth potential for the Group.

For the Group as a whole, in the current year we expect to deliver organic net gains of c.5% (excluding acquisitions, which will add a further c.3% to sales), from our secured new business pipeline. In the medium-term, we anticipate net gains in the region of 3-5% annually, underpinned by our secured pipeline and current momentum in new business success. In the last six months, we have secured 150 new units, with approximately two thirds in North America and APAC & EEME.

In addition to organic expansion, in our high growth markets, we are also accelerating growth through disciplined M&A which can serve to provide entry to new markets and new sites in addition to unlocking new client relationships and brands. Consistent with the strategy of accelerating growth in the Asia Pacific region, in May 2024 we acquired Airport Retail Enterprises Pty Ltd ("ARE") in Australia. ARE delivers annual revenues in the region of AUS$200m (c. £100m) from 62 outlets, principally bars, casual dining restaurants and cafes, across seven Australian airports. ARE's portfolio is highly complementary to SSP's existing operations and, as a result of the acquisition, SSP has gained entry into four new airports (Canberra, Gold Coast, Townsville and Mount Isa). SSP has grown its food and beverage operations in Australia significantly with c. 100 units now operating across 11 of the largest 19 airports in Australia.

In North America, since the start of this financial year, we have completed the acquisitions of the final airport (Denver) from the Midfield Concessions deal, the ECG business in Canada, and eight units at Atlanta Airport, the busiest airport in North America. We are now present in 51 airports in North America, up from 37 airports at the beginning of the 2023 financial year, with a presence in approximately half of the busiest 80 airports (airports with more than 1.5 million annual passenger enplanements).

In total, we have secured entry into three new markets in the past six months. These comprise New Zealand, where we secured a contract to run five outlets at Christchurch International Airport; Saudi Arabia, where we signed a new contract with Jeddah Airport to operate 26 outlets complementing our first contract signed earlier in the period at Riyadh Airport; and Indonesia, where we have agreed to create a new joint venture with PT Taurus Gemilang, subject to obtaining the necessary consents, to operate 13 outlets, mostly in Bali, which we expect to provide a platform for further growth in this significant, high growth market.

2. Enhancing business capability; driving competitive advantage

We are strengthening our capabilities to drive competitive advantage by investing across our business, principally by enhancing our customer proposition including our concepts and brands. In addition, we are expanding the use of digital, fully engaging our people and transforming our delivery of sustainability. This approach supports us to deliver high levels of new business and strong like-for-like sales growth.

Developing great customer propositions

Developing formats and concepts that offer customers quality food and beverage and a great overall experience is critical to retaining existing business with our clients and winning new business.

In the period, we have continued to innovate and develop our proposition to deliver better customer experiences, for example with the launch of new concepts such as Eastward Long Island Kitchen in the USA and Soul Bar & Café in Australia. We also secured several new brand partnerships, including with Eric Kayser and Pizza Express.

In the UK, building on the successful launch of our own Juniper brand in Gatwick Airport, we have opened a further three premium bar and restaurants in Newcastle, Manchester and Liverpool Airports. We also launched our inaugural “drive through” Burger King at Stansted Airport. In UK convenience retail, where we have significant capability through M&S, we are not only investing in a renewal programme behind this brand, but also expanding our own brands including Café Local, with 18 new rail units opened and another 24 to open by the end of 2024.

We have also made significant progress in developing our convenience retail offer in other parts of the Group. For example, we are rolling out our SSP-owned retail concept Point across our markets, aiming to bring ‘freshly made food to go’ to the convenience sector. From an initial presence in the Nordics, we now operate 41 units and, in the period, we opened our first units in the Asia Pacific region with seven new units in Thailand.

As a result of the enhancements to our proposition our ‘Global Reputation Score’ improved to 4.4 out of 5 from 4.2 out of 5 six months ago.

Digitising our business

Embracing digital technology solutions is an important part of our strategy to improve our customers’ experience and drive like-for–like sales through improved penetration levels and average spend per transaction. In the last six months, we have continued to implement our digital transformation, rolling out almost 100 new digital touchpoints such as Order at table (OAT), self-order kiosks and self checkouts.

Digital solutions also act as an enabler for operational efficiencies, both in the front and back of house. For example, helping to offset labour cost pressures, 14% of transactions in North America are now coming through digital solutions compared to 8% a year ago. In addition to supporting a faster speed of service and larger basket sizes, surveys show that many customers prefer to order via online kiosks and the majority are more willing to visit a casual dining restaurant if digital self-order options are available.

Supporting our people and culture

The progress we are making across our strategic priorities is enabled by enhancements across our people agenda. We are focused on ensuring SSP is a great place to work where each of our 43,000 colleagues can fulfil their potential. The increased number of colleague “listening” activities across the Group, such as the ENED international programme of employee meetings and the European Works Council, ensure we capture more frequent and in-depth colleague feedback. In February and March we also completed our annual Group-wide engagement survey and maintained our engagement score of 4 out of 5 whilst achieving a record level of participation with an 80% completion rate, an improvement of 4 ppts on last year. As a result of the survey, we are identifying areas for improvement and developing action plans in collaboration with our senior leadership teams.

As we build a diverse, inclusive culture where everyone is welcomed, in the period we also launched our Global Diversity, Equity and Inclusion strategy and mission statement “Belong at SSP”. We are making ongoing progress in gender diversity with 39% of our Group Executive Committee and their direct reports now female, with a target to achieve 40% by 2025.

We are committed to protecting the safety and wellbeing of our colleagues, customers, and clients and are focused both on embedding a culture of safety throughout our business and ensuring our colleagues have the tools required to stay safe. Initiatives to support this include the more rigorous reporting of safety metrics which is generating more visibility to drive action plans in priority areas.

Building a sustainable business

Sustainability is an important strategic priority for SSP and is crucial for the long-term success of our business. Our Sustainability Strategy focuses on the three key areas of Product, Planet and People, and is underpinned by high standards of governance. Our 10 key commitments are focused on the most important social and environmental issues for our business and stakeholders. We continue to make strong progress against our targets, embedding sustainability into the way we do business and working in collaboration with our partners to drive positive change across the food travel sector.

Our 2023 Sustainability Report, published in December 2023, provides comprehensive information on our Sustainability Strategy, progress against our targets and details of strategic actions and initiatives. The full report is supported by a Summary and Sustainability Data Book which provides all our performance data, reporting criteria and indices against reporting frameworks (GRI, SASB and TCFD) in one accessible place. The report, summary and data book can all be found at: Sustainability | SSP (foodtravelexperts.com).

Overall, we are making strong progress against our 2025 targets, including exceeding our target for 30% of own brand meal offerings to be plant-based or vegetarian and for over 80% of our own brand packaging to be of free of unnecessary single-use plastic and to be reusable, recyclable or compostable. We’ve also made significant progress in key areas, such as cage-free egg sourcing (+14% vs FY22), sustainably-certified coffee (+8% vs FY22) and certified fish (+9% vs FY22).

The Science Based Targets initiative (SBTi) has validated our targets to reach net-zero greenhouse gas (GHG) emissions across our value chain by FY40, from a FY19 base year. By the end of FY23, we achieved a 42% reduction in absolute Scope 1 and 2 emissions from our FY19 base year. Across all three scopes, absolute emissions have remained relatively flat, while emissions intensity (per £m revenue) reduced by 6% compared to FY2019. We believe this demonstrates the progress we are making in putting the right measures in place to ensure that, as our business grows, we are doing so efficiently and controlling absolute emissions increases in line with growth projections set out in our net zero roadmap.

To further drive Scope 3 reductions, we have partnered with Klimato, specialists in helping restaurants calculate, communicate and track the climate impact of our food. In December 2023, we implemented Klimato carbon labelling on our menus at Abu Dhabi International Airport – the first time Klimato carbon labelling has been employed in a travel location.

Our work on sustainability is also playing an important role in supporting business growth. For example, in Norway and Hong Kong the strength of our Sustainability Strategy and initiatives were an important contribution in winning new airport contracts in both markets. In the UK, our focus on sustainable, locally-sourced products was a key factor in our seven-year contract extension with London City Airport. In recognition of this sustainable menu work for London City Airport, our UK&I F&B Director won the Sustainability Award at the 2024 Menu Innovation and Development Awards (MIDAS).

3. Delivering operational efficiencies

Delivering operating efficiency is a core SSP competency and we have brought in new processes and tools during the first half to support this program. We aim to optimise gross margins and leverage the international scale of our business, by paying rigorous attention to managing the key input costs of food and drink, labour and overheads. Over the last six months, this focus on operating efficiencies together, with the momentum we have in volume growth, has enabled us to deliver an improvement in our key operating cost ratios (cost of goods, labour and overheads) of c.1% year on year, which has helped to more than offset increased concession fees.

Our multi-year value creation plan includes the continual re-engineering of our customer offer to optimise gross margins, keeping unnecessary complexity out of our product ranges, whilst providing the appropriate level of customer choice. We also continue to drive labour efficiency, conscious of the pressures on labour rates and availability in certain regions. This means a continued focus on staff scheduling and kitchen productivity, as well as using digital order and payment technology to drive service levels and efficiency. During the first half we launched our next generation of labour scheduling technology (Work Force Management) into our UK business, and will look to deploy this more widely across the group in the future.

We have reduced unit overheads in a number of markets through detailed analysis and improving the ways of working to allow for better control and visibility. This includes reducing cost associated with central production units, cash offices and storage facilities.

Our approach to reducing costs is matched by our drive to reduce consumption and waste. We have implemented a range of energy savings initiatives including cloud based building management systems and the roll out of smart meters across a number of countries as well as the sale of surplus food at the end of the day at discounted prices.

We continue to share great initiatives throughout teams to drive a process of continuous improvement.

Financial review

Group performance

	H1 2024 £m	H1 2023 £m	Change Actual currency	Constant currency	LFL
Revenue	**1,517.2**	1,318.4	+15.1%	+18.8%	+11.6%
Underlying operating profit	**58.0**	52.4	+10.7%		
Operating profit	**57.7**	48.6	+18.7%		

- EBITDA was £105.5m (H1 2023: £90.5m) and Underlying operating profit was £37.7m (H1 2023: £34.4m) on a pre-IFRS 16 basis.

The Group's trading performance has been encouraging across the first half year, with revenue growing strongly across all of our regions. Total first half Group Revenue of £1,517.2m increased by 15.1% compared with the first half of last year at actual foreign exchange rates, and by 18.8% on a constant currency basis. This constant currency revenue growth included like-for-like growth of 11.6% (including a 0.6% contribution from the additional leap year day) and net new space growth of 7.2%, with the latter comprising 4.4% from organic net contract gains and 2.8% from acquisitions. Revenue in the first half of the Group's financial year is typically lower than in the second half, as a significant part of our business serves the leisure sector of the travel industry, which is particularly active during the summer season in the northern hemisphere.

During the first quarter, revenue was 21.2% ahead of the prior year on a constant currency basis, reflecting robust trading led by leisure travel demand across all regions. Like-for-like growth of 14.3% reflected the further recovery in passenger numbers as well as the strength of our customer proposition and operational execution. This was supplemented by a strong contribution of 4.7% from net gains as we mobilised our extensive secured pipeline, as well as a 2.2% contribution from acquisitions in North America.

The second quarter has seen further strong revenue growth of 16.4% on a constant currency basis, including like-for-like growth of 8.9% (with 1.1% contributed by the extra leap year day), net contract gains of 3.9% and acquisitions of 3.6%. The slightly softer like-for-like growth compared to the first quarter was as expected, reflecting much stronger prior year comparatives, and was delivered in spite of the impact of further significant industrial action, most notably in Continental Europe. Since the half year-end, we have traded in line with expectations, with total revenue during the first six weeks of the second half (from 1 April to 12 May) up 14% year-on-year on a constant currency basis.

Looking forward, our planning assumptions for full year revenue growth on a constant currency basis remain largely unchanged. We continue to plan for like-for-like growth of between 6% and 10% and for net contract gains in the region of 5% (excluding acquisitions) but have increased our planning assumption for the contribution from acquisitions to 3% (from 2% previously) to reflect the additional anticipated revenue from the ARE acquisition in Australia, which completed earlier this month.

Trading results from outside the UK are converted into sterling at the average exchange rates for the year. The overall impact of the movement of foreign currencies (principally the Euro, US Dollar, Swedish Krona, Norwegian Krone, Indian Rupee, Egyptian Pound and Swiss Franc) during the first half of 2024 compared to the 2023 average was -1.5% on revenue, -3.0% on EBITDA and -5.5% on operating profit. If the current spot rates (16 May 2024) were to continue through 2024, we would expect a negative currency impact on revenue, underlying EBITDA (on a pre IFRS 16 basis) and operating profit of approximately -2.0%, -3.5% and -4.6% compared to the average rates used for 2023, which is the basis of the constant currency guidance above.

Operating profit

The underlying operating profit under IFRS16 was £58.0m, compared to £52.4m in the prior year. On a reported basis, the operating profit was £57.7m (2023: £48.6m), reflecting a net charge of £0.3m (H1 2023: £3.8m charge) for the non-underlying operating items.

On a pre-IFRS 16 basis, the underlying operating profit of £37.7m increased compared to the prior year by 21.3% on a constant currency basis, and by 9.6% at actual exchange rates. Underlying pre-IFRS16 EBITDA of £105.5m (H1 2023: £90.5m) increased by 23.7% on a constant currency basis and 16.6% at actual exchange rates, while the depreciation charge of £67.8m increased by 25.0% on a constant currency basis and 20.9% at actual exchange rates.

For the full year, our planning assumptions (on a constant currency pre-IFRS16 basis) for underlying EBITDA and EBIT as outlined in December 2023 remain unchanged. We therefore continue to plan for underlying EBITDA within the range of £345-375m and underlying operating profit within the range of £210-235m, all stated at constant currency based on average rates for 2023.

Non-underlying operating items

Items which are not considered reflective of the normal trading performance of the business, and are exceptional because of their size, nature or incidence, are treated as non-underlying operating items and disclosed separately.

The non-underlying operating items included in the net debit of £0.3m are summarised below:

- Impairment of property, plant and equipment and right-of-use assets: the Group has carried out impairment reviews where indications of impairment have been identified. These impairment reviews compared the value-in-use of individual sites, based on management's current assumptions regarding future trading performance, to the carrying values of the associated assets. Following this review, £11.0m impairment charges for Ireland and Netherlands have been recognised, which include an impairment of right-of-use assets of £1.8m. These impairments were driven by localised developments in Ireland and Netherlands which were not pervasive to the rest of the countries.

- Gain on lease derecognition: the Group has recognised a credit relating to the renegotiation of a concession contract in the APAC and EEME region, such that the contract now falls outside the scope of IFRS 16. This has resulted in the derecognition of both the right of use asset and the lease liability, with the net impact on the income statement being a £8.9m credit.

- Repayment of historical legal fees and release of legal provision: as a result of the successful resolution of a legal matter we have recognised £3.7m in repaid legal fees in the period as well as the release of a provision of £2.0m relating to the case.

- Other non-underlying expenses: we have incurred £3.9m in other non-underlying costs, principally relating to the various acquisitions completed and announced in the period.

Regional performance

This section summarises the Group's performance across its four operating segments. For full details of our key reporting segments, please refer to note 2 on page 33.

North America

	H1 2024 £m	H1 2023 £m	**Change** Actual currency	Constant currency	LFL
Revenue	**369.7**	299.9	23.3%	29.4%	7.9%
Underlying operating profit	**29.2**	22.4	30.4%		
Operating profit	**27.9**	21.2	31.6%		

- EBITDA was £48.4m (H1 2023: £35.2m) and Underlying operating profit was £25.7m (H1 2023: £17.4m) on a pre-IFRS 16 basis.

First half revenue of £369.7m increased by 29.4% on a constant currency basis, including like-for-like growth of 7.9% and contributions from net contract gains of 8.2% and acquisitions of 13.3%. At actual exchange rates first half revenue increased by 23.3%.

Revenue during the first quarter increased by 30.5% on a constant currency basis, including strong like-for-like growth of 10.2% and a contribution of 20.3% from net gains and acquisitions, including a c.10% benefit from the Midfield Concessions business, with the final airport transferring in November 2023.

Overall sales growth in the second quarter remained at a similar level (up 28.4% year-on-year), but with slightly lower like-for-like growth of 5.6%, reflecting supply-side airline capacity constraints in several airports, as well as strengthening prior year comparatives over the Spring break holiday period. Growth from net gains and acquisitions strengthened to 22.8%, helped by a full quarter of sales from the ECG acquisition in Canada and the commencement of trading in the recently acquired operations in Atlanta.

The underlying operating profit for the period was £29.2m, compared to £22.4m in the prior year, and the reported operating profit was £27.9m (2023: £21.2m). Non-underlying operating items comprised transaction costs totalling £1.3m. On a pre-IFRS 16 basis, the underlying operating profit was £25.7m, which compared to £17.4m last year, an increase of c.48%.

Continental Europe

	H1 2024 £m	H1 2023 £m	**Change** Actual currency	Constant currency	LFL
Revenue	**532.8**	494.9	7.7%	10.6%	8.7%
Underlying operating (loss)/profit	**(5.5)**	4.1	-234.1%		
Operating (loss)/profit	**(10.7)**	4.1	-361.0%		

- EBITDA was £6.3m (H1 2023: £17.2m) and Underlying operating loss was £16.3m (H1 2023 loss: £3.0m) on a pre-IFRS 16 basis.

Revenue in Continental Europe of £532.8m in the first half increased by 10.6% on a constant currency basis, including like-for-like growth of 8.7% and a contribution of 1.9% from net gains. At actual exchange rates first half revenue increased by 7.7%.

Revenue during the first quarter increased by 13.3% on a constant currency basis, including strong like-for-like growth of 11.5% and a further 1.8% from net gains. The like-for-like growth included a particularly strong performance in Spain, driven by strong passenger numbers during the extended summer holiday season which stretched into the autumn.

During the second quarter, revenue growth moderated to 7.8%, including like-for-like growth of 5.8%. As well as reflecting strengthening prior year comparatives, this weaker like-for-like growth included an impact from increased levels of industrial action, particularly in the rail channel in Germany and France.

The underlying operating loss for the period was £5.5m (2023: £4.1m profit), with a reported operating loss of £10.7m (2023: £4.1m profit). Non-underlying operating items comprised impairments of property, plant and equipment (£4.7m) and right-of-use assets (£0.5m) relating to the Netherlands. On a pre-IFRS 16 basis, the underlying operating loss was £16.3m, which compared to an underlying operating loss of £3.0m last year. Profitability (pre-IFRS 16 EBITDA of £6.3m compared to £17.2m in the prior year) in this region was significantly impacted in the first half by high levels of renewal activity and related disruption and pre-opening costs in the air channel, particularly in the Nordic countries, together with the greater levels of industrial action, principally impacting the rail channel. The year-on-year impact of renewal activity is expected to ease in the second half as we reach the anniversary of the ramp up of activity.

UK (including Republic of Ireland)

			Change		
	H1 2024 £m	H1 2023 £m	Actual currency	Constant currency	LFL
Revenue	**392.1**	328.5	19.4%	19.6%	14.7%
Underlying operating profit	**19.5**	18.1	7.7%		
Operating profit	**13.9**	18.0	-22.8%		

- EBITDA was £26.5m (H1 2023: £23.2m) and Underlying operating profit was £16.7m (H1 2023: £16.0m) on a pre-IFRS 16 basis.

First half revenue in the UK of £392.1m increased by 19.6% on a constant currency basis, including like-for-like growth of 14.7% and a contribution of 4.9% from net gains. At actual exchange rates first half revenue increased by 19.4%.

Revenue during the first quarter increased by 22.8% on a constant currency basis, including strong like-for-like growth of 17.1% and a further 5.7% from net gains. The like-for-like growth reflected encouraging passenger numbers in the air channel and a further improvement in rail passenger volumes as commuters continued to return to work in offices, as well as a slightly lower incidence of strike action compared to last year. Overall revenue growth in the second quarter remained strong (up 16.1% year-on-year), and like-for-like growth of 12.1% remained robust, despite ongoing industrial action throughout the quarter.

The underlying operating profit for the first half of the financial year for the UK was £19.5m (2023: £18.1m), with a reported operating profit of £13.9m (2023: £18.0m). Operating margin was impacted by the pre-opening costs and disruption arising from the renewal programme at a number of major sites during the first half. Non-underlying operating items included impairments of property, plant and equipment (£4.0m) and right-of-use assets (£1.4m) relating to our operations in Ireland. On a pre-IFRS 16 basis, the underlying operating profit was £16.7m, which compared to £16.0m last year.

APAC and EEME

	H1 2024 £m	H1 2023 £m	**Change**		
			Actual currency	Constant currency	LFL
Revenue	**222.6**	195.1	14.1%	22.1%	20.2%
Underlying operating profit	**35.1**	31.3	12.1%		
Operating profit	**42.4**	31.3	35.5%		

- EBITDA was £39.5m (H1 2023: £34.1m) and Underlying operating profit was £31.6m (H1 2023: £27.5m) on a pre-IFRS 16 basis.

Revenue in the APAC and EEME region of £222.6m increased by 22.1% on a constant currency basis, including like-for-like growth of 20.2% and a contribution of 1.9% from net gains. At actual exchange rates first half revenue increased by 14.1%.

Revenue during the first quarter increased by 25.2% on a constant currency basis, including like-for-like growth of 23.4% and a further 1.8% from net gains. The like-for-like growth reflected further improvements in passenger numbers across the Asia Pacific region, most notably in India.

Although the prior year comparatives continued to strengthen throughout the second quarter, overall revenue growth of 19.2% remained encouraging, driven by further like-for-like growth of 17.1%, helped by a further recovery in passenger numbers across the region, and despite a slower than expected recovery in Hong Kong, where Chinese inbound passengers remain below pre-Covid 19 levels. Net gains of 2.1% in the quarter and 1.9% for the half included the impact of contract losses in China following our decision to exit our remaining airports in mainland China.

The underlying operating profit for the period was £35.1m (2023: £31.3m), and the reported operating profit was £42.4m (2023: £31.3m). Non-underlying operating items comprised a gain on derecognition of a lease of £8.9m offset by transaction costs of £1.6m. On a pre-IFRS 16 basis, the underlying operating profit was £31.6m, which compared to £27.5m in the comparative period last year.

Share of profit of associates

The Group's underlying share of profits of associates was £0.6m (2023: £2.4m profit). On an underlying pre-IFRS 16 basis, the Group's share of profit from associates was £1.1m (2023: £2.4m profit), with the year-on-year reduction primarily reflecting start-up costs in Extime, our joint venture with Aeroports de Paris.

Net finance costs

The underlying net finance expense for the first half of the financial year was £46.5m (2023: £38.0m), which includes interest on lease liabilities of £30.0m (2023: £24.0m). The reported net finance expense under IFRS 16 was £45.5m (2023: £35.2m).

On a pre-IFRS 16 basis, underlying net finance costs were higher than the prior year at £16.5m (2023: £14.0m), as expected given the higher average net debt this year compared to last.

Including the additional interest cost arising from the ARE acquisition in Australia, as well as reflecting the current market expectations for interest rates in the second half, we expect underlying pre-IFRS 16 net finance costs for the full year to be in the region of £40m.

Taxation

The Group's underlying tax charge for the period was £2.7m (2023: £3.8m), representing an effective tax rate of 22.3% (2023: 22.6%) of underlying profit before tax. On a reported basis, the tax charge for the period was £4.6m (2023: £4.1m) representing an effective tax rate of 35.9% (2023: 25.9%).

The Group's tax rate is sensitive to the geographic mix of profits and losses and reflects a combination of higher rates in certain jurisdictions, as well as the impact of losses in some countries for which no deferred tax asset is recognised. Looking forward, we expect the underlying tax rate to be around 22-23%.

As reported last year, OECD Pillar Two legislation has been enacted in the UK, introducing a global minimum effective tax rate of 15%. The Group's first accounting period to which these rules will apply is the year ended 30 September 2025. The Group is actively working to fully understand the impact of the new rules but currently does not expect them to have a material impact on the Group's operations or results.

Non-controlling interests
The profit attributable to non-controlling interests was £18.7m (2023: £21.7m). On a pre-IFRS 16 basis the profit attributable to non-controlling interests was £25.0m (2023: £24.0m), with the year-on-year increase primarily reflecting strong year-on-year profit growth in our TFS joint venture in India. An analysis of the non-controlling interest charge in each half year is set out below.

On a pre-IFRS 16 basis	**H1 2024 £m**	H1 2023 £m
North America	**9**	10
APAC & EEME	**16**	14
- India	13	11
- Other	3	3
Group	**25**	24

In North America, the profit attributable to non-controlling interests reduced marginally year-on-year, reflecting relatively stronger profit growth in airports with lower JV shares and airline capacity constraints and challenging prior year comparatives in several airports where we operate joint ventures with high minority shares. In addition, we have seen strong growth in Canada, where we own 100% of the business.

For the full year, our previous planning assumptions for non-controlling interests remain unchanged, and we therefore expect the profit attributable to non-controlling interests to increase year-on-year by between 15% and 25%, in line with our expectations for profit growth in our businesses with joint venture partners.

Loss per share
The Group's underlying loss per share was 1.2 pence per share (2023: 1.1 pence per share), and its reported loss per share was 1.3 pence per share (2023: 1.3 pence per share).

On a pre-IFRS 16 basis the underlying loss per share was 1.0 pence per share (2023: 0.8 pence per share).

Dividends

The Board has declared an interim dividend of 1.2 pence per share (H1 2023: nil), with a view to maintaining the pay-out ratio for the full year at between 30% and 40% of underlying pre-IFRS 16 earnings per share, and with the interim dividend representing approximately one third of the expected full year dividend, based on our Planning Assumptions. The dividend will be paid on 28 June 2024 to shareholders registered on 31 May 2024. The ex-dividend date will be 30 May 2024.

Free Cash flow

The table below presents a summary of the Group's free cash outflow for the first half of 2024:

	H1 2024	H1 2023
	£m	£m
Underlying operating profit[1]	**37.7**	34.4
Depreciation and amortisation	**67.8**	56.1
Working capital	**(65.9)**	(50.7)
Net tax payments	**(15.5)**	(12.0)
Acquisitions, net of cash received	**(58.9)**	(2.8)
Other	**4.5**	3.0
Dividend	**(19.9)**	-
Capital expenditure[2]	**(143.9)**	(94.3)
Net dividends to non-controlling interests and from associates	**(24.3)**	(23.5)
Net finance costs	**(21.7)**	(28.3)
Free cash outflow	**(240.1)**	(118.1)

[1] Presented on an underlying pre-IFRS 16 basis (refer to pages 18 - 21 for details)
[2] Capital expenditure is net of cash capital contributions received from non-controlling interests of £7.9m (2023: £12.9m)

The Group's free cash outflow during the first half year was £240.1m, an increase from the £118.1m outflow in the first half of the prior year, reflecting the previously anticipated higher levels of capital expenditure in 2024, as well as the impact of the completed acquisitions. The first half cash outflow also included the impact of the reinstatement of the Group's ordinary dividend in 2023, with a full year dividend for the prior year paid to shareholders in February 2024.

Capital expenditure was £143.9m, a significant increase compared to £94.3m in the prior year as we expanded our capital expenditure programmes across the Group in order to mobilise our significant pipeline of new business. As we indicated in December, we are currently planning for capital expenditure of around £280m in the current financial year. Acquisition costs of £58.9m in the first half included the consideration paid for the remaining part of the Midfield Concessions business, as well as the acquisitions of ECG in Canada and of the Mack II business in Atlanta.

The seasonal working capital usage of £65.9m in the first half (2023: £50.7m outflow) was slightly higher than in previous years, driven by the further reduction of the Group's deferred liabilities from the Covid-19 period. For the second half year we anticipate a normal cash inflow as a consequence of an increase in the negative working capital in the business during the peak summer trading period. For the year as a whole, as indicated in December, we anticipate working capital to be broadly neutral in terms of cash flow, with the benefit of the expected sales increase broadly offset by the unwind of deferred liabilities in the first half.

Net corporation tax payments of £15.5m (2023: £12.0m) and net dividends paid to non-controlling interests (net of receipts from associates) of £24.3m (2023: £23.5m) remained at broadly similar levels year-on-year. Net finance costs paid of £21.7m were significantly lower than in the first half of the prior year (2023: £28.3m), as the comparative include the payment of deferred interest liabilities in respect of the Group's US Private Placement notes.

Net debt

Overall net debt increased by £226.6m to £618.8m on a pre-IFRS 16 basis, largely reflecting the free cash outflow in the year of £240.1m as detailed above. On a reported basis under IFRS 16, net debt was £1,632.9m (30 September 2023: £1,420.9m), including lease liabilities of £1,014.1m (30 September 2023: £1,028.7m).

Based on the pre-IFRS 16 net debt of £618.8m at 31 March 2024, leverage (Net debt/EBITDA) increased to approximately 2.1x from 1.4x at 30 September 2023. Looking ahead to September 2024 and reflecting the recently completed acquisition of the ARE business in Australia, we expect leverage to be towards the upper end of target range of 1.5x to 2.0x.

The table below highlights the movements in net debt in the year on a pre-IFRS 16 basis.

	£m
Net debt excluding lease liabilities at 1 October 2023 (Pre-IFRS 16 basis)	(392.2)
Free cash flow	(240.1)
Impact of foreign exchange rates	6.3
Other non-cash movements	7.2
Net debt excluding lease liabilities at 31 March 2024 (Pre-IFRS 16 basis)	(618.8)
Lease liabilities	(1,014.1)
Net debt including lease liabilities at 31 March 2024 (IFRS 16 basis)	(1,632.9)

Alternative Performance Measures

The Directors use alternative performance measures for analysis as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. The alternative performance measures are not defined by IFRS and therefore may not be directly comparable with other companies' performance measures and are not intended to be a substitute for IFRS measures.

1. Revenue measures

As the Group is present in 37 countries, it is exposed to translation risk on fluctuations in foreign exchange rates, and as such the Group's reported revenue and operating profit / loss will be impacted by movements in actual exchange rates. The Group presents its financial results on a constant currency basis in order to eliminate the effect of foreign exchange rates and to evaluate the underlying performance of the Group's businesses. The table below reconciles reported revenue to constant currency sales.

(£m)	North America	Continental Europe	UK	APAC and EEME	Total
H1 2024 Revenue at actual rates by region	369.7	532.8	392.1	222.6	1,517.2
Impact of foreign exchange	7.9	6.5	0.2	8.6	23.2
H1 2024 Revenue at constant currency[1]	**377.6**	**539.3**	**392.3**	**231.2**	**1,540.4**
H1 2023 Revenue at constant rates by region	291.7	487.4	328.1	189.3	1,296.5
Constant currency sales growth	**29.4%**	**10.6%**	**19.6%**	**22.1%**	**18.8%**
Which is made up of:					
Like-for-like sales growth[2]	7.9%	8.7%	14.7%	20.2%	11.6%
Net contract gains[3][4]	21.5%	1.9%	4.9%	1.9%	7.2%
Total constant currency sales growth	**29.4%**	**10.6%**	**19.6%**	**22.1%**	**18.8%**

[1] Constant currency is based on average 2023 exchange rates weighted over the financial year by 2023 results.

[2] Like-for-like sales represent revenues generated in an equivalent period in each financial year in outlets which have been open for a minimum of 12 months. Like-for-like sales are presented on a constant currency basis.

[3] Revenue in outlets which have been open for less than 12 months and prior period revenues in respect of closed outlets are excluded from like-for-like sales and classified as contract gains. Net contract gains/(losses) are presented on a constant currency basis.

[4] The impact of the acquisitions has been included in net contract gains.

2. Non-underlying items

The Group presents underlying profit/(loss) measures, including operating profit/(loss), profit/(loss) before tax, and earnings/(loss) per share, which exclude a number of items which are not considered reflective of the normal trading performance of the business, and are considered exceptional because of their size, nature or incidence. The table below provides a breakdown of the non-underlying items in both the current and prior year.

	Non-underlying items	
	IFRS 16	**IFRS 16**
	H1 2024	**H1 2023**
	£m	**£m**
Operating costs		
Impairment of property, plant and equipment	**(9.2)**	-
Impairment of right-of-use assets	**(1.8)**	-
Gain on derecognition of leases	**8.9**	-
Repayment of legal costs and release of legal provision	**5.7**	-
Other non-underlying operating costs	**(3.9)**	(3.8)
	(0.3)	(3.8)
Effective interest rate adjustments	**1.4**	2.8
Refinancing fees	**(0.4)**	-
Tax charge on non-underlying items	**(1.9)**	(0.3)
Total non-underlying items	**(1.2)**	(1.3)

Further details of the non-underlying operating items have been provided in the Financial Review section on page 11. Furthermore, a reconciliation from the underlying to the statutory reported basis is presented below:

	H1 2024 (IFRS 16)			H1 2023 (IFRS 16)		
	Underlying	**Non-underlying Items**	**Total**	Underlying	Non-underlying Items	Total
Operating profit/(loss) (£m)	**58.0**	**(0.3)**	**57.7**	52.4	(3.8)	48.6
Operating margin	**3.8%**	**0.0%**	**3.8%**	4.0%	(0.3)%	3.7%
Profit/(loss) before tax (£m)	**12.1**	**0.7**	**12.8**	16.8	(1.0)	15.8
Loss per share (p)	**(1.2)**	**(0.1)**	**(1.3)**	(1.1)	(0.2)	(1.3)

3. Pre-IFRS 16 basis

In addition to our reported results under IFRS 16 we have decided to also maintain the reporting of our profit and other key KPIs like net-debt on a pre-IFRS 16 basis. This is because the pre-IFRS 16 profit is consistent with the financial information used to inform business decisions and investment appraisals. It is our view that presenting the information on a pre-IFRS 16 basis will provide a useful and necessary basis for understanding the Group's results. As such, commentary has also been included in the Business Review, Financial Review and other sections with reference to underlying profit measures computed on a pre-IFRS 16 basis.

A reconciliation of key underlying profit measures to 'Pre-IFRS 16' numbers is presented below:

		Six months ended 31 March 2024			Six months ended 31 March 2023		
	Notes	**Underlying IFRS 16 £m**	**Impact of IFRS 16 £m**	**Underlying Pre-IFRS 16 £m**	Underlying IFRS 16 £m	Impact of IFRS 16 £m	Underlying Pre-IFRS 16 £m
Revenue	2	**1,517.2**	**-**	**1,517.2**	1,318.4	-	1,318.4
Operating costs	4	**(1,459.2)**	**(20.3)**	**(1,479.5)**	(1,266.0)	(18.0)	(1,284.0)
Operating profit/(loss)		**58.0**	**(20.3)**	**37.7**	52.4	(18.0)	34.4
Share of profit from associates		**0.6**	**0.5**	**1.1**	2.4	-	2.4
Finance income	5	**8.9**	-	**8.9**	11.2	-	11.2
Finance expense	5	**(55.4)**	**30.0**	**(25.4)**	(49.2)	24.0	(25.2)
Profit before tax		**12.1**	**10.2**	**22.3**	16.8	6.0	22.8
Taxation		**(2.7)**	**(2.4)**	**(5.1)**	(3.8)	(1.3)	(5.1)
Profit for the period		**9.4**	**7.8**	**17.2**	13.0	4.7	17.7
(Loss)/Profit attributable to:							
Equity holders of the parent		**(9.3)**	**1.5**	**(7.8)**	(8.7)	2.4	(6.3)
Non-controlling interests		**18.7**	**6.3**	**25.0**	21.7	2.3	24.0
Profit for the period		**9.4**	**7.8**	**17.2**	13.0	4.7	17.7
Loss per share (pence):							
- Basic	3	**(1.2)**		**(1.0)**	(1.1)		(0.8)
- Diluted	3	**(1.2)**		**(1.0)**	(1.1)		(0.8)

Underlying operating profit is £20.3m lower on a pre-IFRS 16 basis, as adding back the depreciation of the right-of-use assets of £111.8m does not fully offset the recognition of fixed rents of £132.1m. Profit before tax is £10.2m higher on a pre-IFRS 16 basis as a result of adding back £30.0m in finance charges on lease liabilities and £0.5m relating to associates. The impact of IFRS 16 on net debt is primarily the recognition of the lease liability balance.

Pre-IFRS 16 basis underlying EBITDA is a key measure of profitability for the Group. A reconciliation to pre-IFRS 16 basis underlying operating profit for the period is presented below:

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Pre-IFRS 16 underlying EBITDA	**105.5**	90.5
Depreciation of property, plant and equipment	**(62.6)**	(51.3)
Amortisation of intangible assets	**(5.2)**	(4.8)
Pre-IFRS 16 underlying operating profit	**37.7**	34.4

Furthermore, a reconciliation from pre-IFRS 16 underlying operating profit for the year to the statutory profit for the period is as follows:

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Pre-IFRS 16 underlying operating profit for the period	**37.7**	34.4
Depreciation of right-of-use assets	**(111.8)**	(90.5)
Fixed rent on leases	**132.1**	106.1
Gain on derecognition of leases	**-**	2.4
Non-underlying operating profit/(costs) (note 4)	**(0.3)**	(3.8)
Underlying share of profit from associates	**0.6**	2.4
Net finance expense	**(46.5)**	(38.0)
Non-underlying finance credit (note 5)	**1.0**	2.8
Taxation	**(4.6)**	(4.1)
Profit for the year	**8.2**	11.7

A reconciliation of underlying operating profit to profit before and after tax is provided as follows:

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Underlying operating profit	**58.0**	52.4
Non-underlying operating profit/(costs) (note 4)	**(0.3)**	(3.8)
Underlying share of profit from associates	**0.6**	2.4
Finance income	**8.9**	11.2
Finance expense	**(55.4)**	(49.2)
Non-underlying finance credit (note 5)	**1.0**	2.8
Profit before tax	**12.8**	15.8
Taxation	**(4.6)**	(4.1)
Profit after tax	**8.2**	11.7

4. Liquidity and cashflow

Liquidity remains a key KPI for the Group. Available liquidity at 31 March 2024 has been computed as £358.2m, comprising cash and cash equivalents of £190.4m, and undrawn credit facilities of £167.8m. Since the half year, the Group issued US Private Placement notes (the 'Notes') of EUR240m (equivalent to approximately £205m) significantly increasing the available liquidity.

A reconciliation of free cashflow to underlying operating profit/(loss) is shown on page 16.

Principal risks

The principal risks facing the Group for the remainder of the year are unchanged from those reported in the 2023 Annual Report and Accounts.

These risks, together with the Group's risk management process, are detailed on pages 70 to 77 of the Annual Report and Accounts 2023, and relate to the following areas: Business environment, geo-political uncertainty and terrorism threat, Availability of labour and wage inflation, Supply chain disruption and product cost inflation, Health and food safety, Information security and stability, Compliance, Mobilisation of pipeline, The competition landscape, changing client behaviours and client retention, Insufficient senior capability at Group and country level, Benefits realisation from efficiency programmes, Sustainability, Innovation of brand portfolio & changing customer demands, Merger and acquisition activity, and Expansion into new markets.

Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK;

- the interim management report includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Patrick Coveney	Jonathan Davies
Chief Executive Officer	Deputy Chief Executive Officer and Chief Financial Officer
20 May 2024	20 May 2024

INDEPENDENT REVIEW REPORT TO SSP GROUP plc

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 which comprises the *condensed consolidated income statement, condensed consolidated statement of other comprehensive income, condensed consolidated balance sheet, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement*, and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2024 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half- yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern, and the above conclusions are not a guarantee that the group will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Lourens de Villiers

for and on behalf of KPMG LLP

Chartered Accountants 15 Canada Square London, E14 5GL

20 May 2024

Condensed consolidated income statement (Unaudited)
for the six months ended 31 March 2024

		Six months ended 31 March 2024			Six months ended 31 March 2023		
	Notes	**Underlying[1] £m**	**Non-underlying items £m**	**Total £m**	Underlying[1] £m	Non-underlying items £m	Total £m
Revenue		**1,517.2**	**-**	**1,517.2**	1,318.4	-	1,318.4
Operating costs	4	**(1,459.2)**	**(0.3)**	**(1,459.5)**	(1,266.0)	(3.8)	(1,269.8)
Operating profit / (loss)		**58.0**	**(0.3)**	**57.7**	52.4	(3.8)	48.6
Share of profit of associates		**0.6**	**-**	**0.6**	2.4	-	2.4
Finance income	5	**8.9**	**-**	**8.9**	11.2	-	11.2
Finance expense	5	**(55.4)**	**1.0**	**(54.4)**	(49.2)	2.8	(46.4)
Profit/(loss) before tax		**12.1**	**0.7**	**12.8**	16.8	(1.0)	15.8
Taxation		**(2.7)**	**(1.9)**	**(4.6)**	(3.8)	(0.3)	(4.1)
Profit/(loss) for the period		**9.4**	**(1.2)**	**8.2**	13.0	(1.3)	11.7
(Loss)/ profit attributable to:							
Equity holders of the parent		**(9.3)**	**(1.2)**	**(10.5)**	(8.7)	(1.3)	(10.0)
Non-controlling interests		**18.7**	**-**	**18.7**	21.7	-	21.7
Profit/(loss) for the period		**9.4**	**(1.2)**	**8.2**	13.0	(1.3)	11.7
Loss per share (p):							
- Basic	3	**(1.2)**		**(1.3)**	**(1.1)**		**(1.3)**
- Diluted	3	**(1.2)**		**(1.3)**	**(1.1)**		**(1.3)**

[1] Stated on an underlying basis, which excludes non-underlying items as further explained in the section on Alternative Performance Measures (APMs) on pages 18 – 21.

Condensed consolidated statement of other comprehensive income (Unaudited)
for the six months ended 31 March 2024

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Other comprehensive income / (expense)		
Items that will never be reclassified to the income statement		
Remeasurements on defined benefit pension schemes	**0.7**	(1.8)
Tax (charge) / credit relating to items that will not be reclassified	**(0.1)**	0.4
Items that are or may be reclassified subsequently to the income statement		
Net gain on hedge of net investment in foreign operations	**11.4**	31.3
Other foreign exchange translation differences	**(25.0)**	(46.7)
Cash flow hedges - reclassified to income statement	**1.1**	-
Tax credit / (charge) relating to items that are or may be reclassified	**1.0**	(1.2)
Other comprehensive expense for the period	**(10.9)**	(18.0)
Profit for the period	**8.2**	11.7
Total comprehensive expense for the period	**(2.7)**	(6.3)
Total comprehensive (expense) / income attributable to:		
Equity shareholders	**(18.5)**	(17.2)
Non-controlling interests	**15.8**	10.9
Total comprehensive expense for the period	**(2.7)**	(6.3)

Condensed consolidated balance sheet (Unaudited)
as at 31 March 2024

	Notes	31 March 2024 £m	30 September 2023 £m
Non-current assets			
Property, plant and equipment		**657.1**	586.9
Goodwill and intangible assets		**696.1**	681.1
Right-of-use assets		**950.4**	931.5
Investments in associates		**24.1**	16.2
Deferred tax assets		**88.1**	91.0
Other receivables		**105.0**	81.2
		2,520.8	2,387.9
Current assets			
Inventories		**45.1**	42.4
Tax receivable		**6.0**	6.0
Trade and other receivables		**141.7**	158.6
Cash and cash equivalents	8	**190.4**	303.3
		383.2	510.3
Total assets		**2,904.0**	2,898.2
Current liabilities			
Short-term borrowings	8	**(148.2)**	(12.6)
Trade and other payables		**(680.5)**	(741.1)
Tax payable		**(8.0)**	(23.3)
Lease liabilities		**(257.0)**	(252.3)
Provisions		**(15.2)**	(25.3)
		(1,108.9)	(1,054.6)
Non-current liabilities			
Long-term borrowings	8	**(661.0)**	(682.8)
Post-employment benefit obligations		**(10.7)**	(10.5)
Lease liabilities		**(757.1)**	(776.4)
Other payables		**(1.2)**	(1.3)
Provisions		**(32.4)**	(30.7)
Deferred tax liabilities		**(26.4)**	(19.8)
		(1,488.8)	(1,521.5)
Total liabilities		**(2,597.7)**	(2,576.1)
Net assets		**306.3**	322.1
Equity			
Share capital		**8.6**	8.6
Share premium		**472.7**	472.7
Capital redemption reserve		**1.2**	1.2
Other reserves		**(26.8)**	(18.2)
Retained losses		**(265.4)**	(238.1)
Total equity shareholders' funds		**190.3**	226.2
Non-controlling interests		**116.0**	95.9
Total equity		**306.3**	322.1

Condensed consolidated statement of changes in equity (Unaudited)
for the six months ended 31 March 2024

	Share capital	Share premium	Capital redemption reserve	Other reserves[1]	Retained losses	Total parent equity	NCI	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 October 2022	8.6	472.7	1.2	(9.0)	(248.5)	225.0	86.0	311.0
(Loss)/profit for the period	-	-	-	-	(10.0)	(10.0)	21.7	11.7
Other comprehensive income / (expense) for the period	-	-	-	(5.8)	(1.4)	(7.2)	(10.8)	(18.0)
Capital contributions from non-controlling interests	-	-	-	-	-	-	5.8	5.8
Dividends paid to NCI	-	-	-	-	-	-	(24.3)	(24.3)
Share-based payments	-	-	-	-	2.9	2.9	-	2.9
At 31 March 2023	**8.6**	**472.7**	**1.2**	**(14.8)**	**(257.0)**	**210.7**	**78.4**	**289.1**
At 1 October 2023	8.6	472.7	1.2	(18.2)	(238.1)	226.2	95.9	322.1
(Loss)/profit for the period	-	-	-	-	**(10.5)**	**(10.5)**	**18.7**	**8.2**
Other comprehensive income / (expense) for the period	-	-	-	**(8.6)**	**0.6**	**(8.0)**	**(2.9)**	**(10.9)**
Capital contributions from non-controlling interests	-	-	-	-	-	-	**25.7**	**25.7**
Dividends paid to NCI	-	-	-	-	-	-	**(27.8)**	**(27.8)**
Purchase of additional stake in subsidiary	-	-	-	-	**(6.4)**	**(6.4)**	**6.4**	-
Transaction with NCI	-	-	-	-	**6.2**	**6.2**	-	**6.2**
Dividends paid to shareholders	-	-	-	-	**(19.9)**	**(19.9)**	-	**(19.9)**
Share-based payments	-	-	-	-	**2.7**	**2.7**	-	**2.7**
At 31 March 2024	**8.6**	**472.7**	**1.2**	**(26.8)**	**(265.4)**	**190.3**	**116.0**	**306.3**

[1] The other reserves include the translation reserve.

Condensed consolidated cash flow statement (Unaudited)
for the six months ended 31 March 2024

	Notes	**Six months ended 31 March 2024 £m**	Six months ended 31 March 2023 £m
Cash flows from operating activities			
Cash flow from operations	6	**179.0**	168.4
Tax paid		**(15.5)**	(12.0)
Net cash flows from operating activities		**163.5**	156.4
Cash flows from investing activities			
Dividends received from associates		**3.5**	0.7
Interest received		**2.3**	3.7
Purchase of property, plant and equipment		**(136.1)**	(104.8)
Purchase of other intangible assets		**(15.7)**	(2.3)
Acquisitions, net of cash and cash equivalents acquired		**(58.9)**	(2.8)
Net cash flows from investing activities		**(204.9)**	(105.5)
Cash flows from financing activities			
Repayment of the Term Loan and USPP facility		**-**	(40.5)
Drawdown on revolving credit facility (RCF)		**136.4**	-
Net repayment of other bank facilities		**(6.4)**	(6.9)
Loans taken from/(repaid to) non-controlling interests		**2.8**	(0.9)
Payment of lease liabilities – principal		**(104.1)**	(101.6)
Payment of lease liabilities – interest		**(30.0)**	(24.0)
Interest paid excluding interest on lease liabilities		**(23.6)**	(32.0)
Dividends paid to non-controlling interests		**(27.8)**	(24.3)
Capital contribution from non-controlling interests		**7.9**	12.9
Capital contributions into associates		**(0.8)**	-
Fees paid as part of the Group's debt modifications		**(0.4)**	-
Dividends paid to equity shareholders		**(19.9)**	-
Net cash flows from financing activities		**(65.9)**	(217.3)
Net decrease in cash and cash equivalents		**(107.3)**	(166.4)
Cash and cash equivalents at beginning of the period		**303.3**	543.6
Effect of exchange rate fluctuations on cash and cash equivalents		**(5.6)**	(12.6)
Cash and cash equivalents at end of the period		**190.4**	364.6
Reconciliation of net cash flow to movement in net debt			
Net decrease in cash in the period		**(107.3)**	(179.0)
Repayment of Term Loan and USPP facility		**-**	40.5
Drawdown on revolving credit facility (RCF)		**(136.4)**	-
Cash outflow from other changes in debt		**3.6**	7.8
Change in net debt resulting from cash flows, excluding lease liabilities		**(240.1)**	(130.7)
Translation differences		**6.3**	32.2
Other non-cash changes		**7.2**	2.9
Increase in net debt excluding lease liabilities in the period		**(226.6)**	(95.6)
Net debt at beginning of the period		**(392.2)**	(296.5)
Net debt excluding lease liabilities at end of the period		**(618.8)**	(392.1)
Lease liabilities at end of the period		**(1,014.1)**	(808.7)
Net debt including lease liabilities at end of the period		**(1,632.9)**	(1,200.8)

Notes to the unaudited financial statements

1 Basis of preparation and accounting policies

1.1 Basis of preparation

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK.

The annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 September 2023. Those accounts were reported upon by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006. The comparative figures for the six months ended 31 March 2023 are not the Group's statutory accounts for that financial year.

The Group has applied the mandatory temporary exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar 2 income taxes.

These condensed financial statements are presented in Sterling and, unless stated otherwise, rounded to the nearest £0.1 million. The financial statements are prepared on the historical cost basis.

Except as described below, the accounting policies adopted in the preparation of these condensed consolidated half yearly financial statements to 31 March 2024 are consistent with the accounting policies applied by the Group in its consolidated financial statements as at, and for the year ended, 30 September 2023 as required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority.

1.2 Going concern

These financial statements are prepared on a going concern basis.

The Board has reviewed the Group's financial forecasts as part of the preparation of its financial statements, including cash flow forecasts prepared for a period of 16 months from the date of approval of these financial statements and taking into consideration a number of different scenarios. Whilst cash flow forecasts have been prepared for a period of 16 months to coincide with the Group's 2025 financial year end, the period of assessment for going concern purposes is assessed as being 12 months from the date of approval of these interim financial statements ("the going concern period"). Having carefully reviewed these forecasts, the Directors have concluded that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements for the reasons set out below.

In making the going concern assessment, the Directors have considered forecast cash flows and the liquidity available over the going concern period. In doing so they assessed a number of scenarios, including a base case scenario and a plausible downside scenario. The base case scenario reflects an expectation of a continuing growth in passenger numbers in most of our key markets during the forecast period, augmented by the ongoing roll-out of our new business pipeline.

With some uncertainty surrounding the economic and geo-political environment over the next twelve months, a downside scenario has also been modelled, applying severe but plausible assumptions to the base case. This downside scenario reflects a pessimistic view of the travel markets for the remainder of the current financial year, assuming sales that are around 5% lower than in the base case scenario.

In both its base case and downside case scenarios, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, and that it will have headroom against all applicable covenant tests throughout this period of assessment. The Directors have therefore deemed it appropriate to prepare the financial statements for the six months ended 31 March 2024 on a going concern basis.

1.3 Changes in accounting policies and disclosures

The following amended standards and interpretations have been adopted by the Group in the current period:

- IFRS 17 'Insurance Contracts'
- Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single transaction

There is no significant impact of adopting these new standards on the Group's consolidated financial statements.

1.4 New accounting standards not yet adopted by the Group

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- IAS 1 'Presentation of Financial Statements' (amendments) – classification of liabilities as current or non-current and non-current liabilities with covenants
- IFRS 16 'Leases' (amendments) – lease liability in a sale and leaseback
- IFRS 7 'Financial Instruments: Disclosures' & IAS 7 'Statement of Cash Flows' (amendments) – supplier finance arrangements

2 Segmental reporting

SSP operates in the food and beverage travel sector, mainly at airports and railway stations.

Management monitors the performance and strategic priorities of the business from a geographic perspective, and in this regard has identified the following four key “reportable segments”: North America, Continental Europe, the UK and APAC and EEME. North America includes operations in the United States, Canada and Bermuda; Continental Europe includes operations in the Nordic countries and in Western and Southern Europe; The UK includes operations in the United Kingdom and the Republic of Ireland; and APAC and EEME includes operations in Asia Pacific, India, Eastern Europe and the Middle East, and South America. These segments comprise countries which are at similar stages of development and demonstrate similar economic characteristics.

The Group’s management assesses the performance of the operating segments based on revenue and underlying operating profit. Interest income and expenditure are not allocated to segments, as they are managed by a central treasury function, which oversees the debt and liquidity position of the Group. The non-attributable segment comprises costs associated with the Group’s head office function and depreciation of central assets.

	North America	Continental Europe	UK	APAC and EEME	Non-attributable	Total
	£m	£m	£m	£m	£m	£m
Six months ended 31 March 2024						
Revenue	**369.7**	**532.8**	**392.1**	**222.6**	**-**	**1,517.2**
Underlying operating profit / (loss)	**29.2**	**(5.5)**	**19.5**	**35.1**	**(20.3)**	**58.0**
Non-underlying operating costs	**(1.3)**	**(5.2)**	**(5.6)**	**7.3**	**4.5**	**(0.3)**
Operating profit / (loss)	**27.9**	**(10.7)**	**13.9**	**42.4**	**(15.8)**	**57.7**
Six months ended 31 March 2023						
Revenue	299.9	494.9	328.5	195.1	-	1,318.4
Underlying operating profit / (loss)	22.4	4.1	18.1	31.3	(23.5)	52.4
Non-underlying operating costs	(1.2)	-	(0.1)	-	(2.5)	(3.8)
Operating profit / (loss)	21.2	4.1	18.0	31.3	(26.0)	48.6

The following amounts are included in underlying operating profit / (loss):

	North America	Continental Europe	UK	APAC and EEME	Non-attributable	Total
	£m	£m	£m	£m	£m	£m
Six months ended 31 March 2024						
Depreciation and amortisation	**(45.6)**	**(82.3)**	**(26.4)**	**(20.5)**	**(4.8)**	**(179.6)**
Six months ended 31 March 2023						
Depreciation and amortisation	**(35.2)**	**(62.7)**	**(21.7)**	**(22.5)**	**(4.5)**	**(146.6)**

3 Loss per share

Basic loss per share is calculated by dividing the result for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted loss per share is calculated by dividing the result for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period adjusted by potentially dilutive outstanding share options.

Underlying loss per share is calculated the same way except that the result for the period attributable to ordinary shareholders is adjusted for specific items as detailed below:

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Loss attributable to ordinary shareholders	**(10.5)**	(10.0)
Adjustments:		
Non-underlying operating costs	**0.3**	3.8
Non-underlying costs attributable to non-controlling interests	**-**	-
Non-underlying finance credit	**(1.0)**	(2.8)
Tax effect of adjustments	**1.9**	0.3
Underlying loss attributable to ordinary shareholders	**(9.3)**	(8.7)
Basic weighted average number of shares	**797,438,639**	796,349,611
Dilutive potential ordinary shares	-	-
Diluted weighted average number of shares	**797,438,639**	796,349,611
Loss per share (p):		
- Basic	**(1.3)**	(1.3)
- Diluted	**(1.3)**	(1.3)
Underlying loss per share (p):		
- Basic	**(1.2)**	(1.1)
- Diluted	**(1.2)**	(1.1)

The number of ordinary shares in issue as at 31 March 2024 was 798,070,196 which excludes treasury shares (31 March 2023:796,529,196). The Company also holds 263,499 ordinary shares in treasury (31 March 2023: 263,499).

Potential ordinary shares can only be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share. As the Group has recognised a loss for the period none of the potential ordinary shares are considered to be dilutive.

4 Operating costs

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Cost of food and materials:		
Cost of inventories consumed in the period	**(422.2)**	(369.8)
Labour cost:		

Employee remuneration	**(479.7)**	(425.4)
Overheads:		
Depreciation of property, plant and equipment	**(62.6)**	(51.3)
Depreciation of right-of-use assets	**(111.8)**	(90.5)
Amortisation of intangible assets	**(5.2)**	(4.8)
Non-underlying operating loss	**(0.3)**	(3.8)
Gain on derecognition of leases	**-**	2.4
Rentals payable under leases	**(190.2)**	(165.4)
Other overheads	**(187.5)**	(161.2)
	(1,459.5)	(1,269.8)

Non-underlying operating loss

The non-underlying operating gain / (costs) in the six months ended 31 March 2024 are shown below.

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Impairment of property, plant and equipment	**(9.2)**	-
Impairment of right-of-use assets	**(1.8)**	-
Gain on derecognition of leases	**8.9**	-
Repayment of historical legal fees and release of legal provision	**5.7**	-
Other non-underlying operating costs	**(3.9)**	(3.8)
Total non-underlying operating loss	**(0.3)**	(3.8)

Impairment of property, plant and equipment and right-of-use assets:
The Group has carried out impairment reviews where indications of impairment have been identified. These impairment reviews compared the value-in-use of individual sites, based on management's current assumptions regarding future trading performance, to the carrying values of the associated assets. Following this review, a charge of £11.0m has been recognised, which includes an impairment of right-of-use assets of £1.8m.

Gain on lease derecognition:
The Group has recognised a credit relating to the renegotiation of a concession contract in the APAC and EEME region, such that the contract now falls outside the scope of IFRS 16. This has resulted in the derecognition of both the right of use asset and the lease liability, with the net impact on the income statement being a £8.9m credit.

Repayment of historical legal fees and release of legal provision:
As a result of success in a legal matter we have recognised £3.7m in repaid legal fees in the period as well as the release of a provision of £2.0m relating to the case.

Other non-underlying expenses:
We have incurred £3.9m in other non-underlying costs, principally relating to the various acquisitions completed and announced in the period.

5 Finance income and expense

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Finance income		
Foreign exchange gains	**6.1**	6.1
Interest Income	**2.4**	5.1
Net change in fair value of cash flow hedges utilised in the period	**0.4**	-
Total finance income	**8.9**	11.2
Finance expense		
Total interest expense on financial liabilities measured at amortised cost	**(24.7)**	(24.9)
Lease interest expense	**(30.0)**	(24.0)
Non-underlying finance credit	**1.0**	2.8
Unwind of discount on provisions	**(0.7)**	(0.4)
Other	-	0.1
Total finance expense	**(54.4)**	(46.4)

Non-underlying finance credit

The non-underlying finance credit in the six months ended 31 March 2024 includes income recognised under IFRS 9 as a result of prior year amendments and extensions of borrowings.

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Effective interest rate gain	**1.4**	2.8
Refinancing costs	**(0.4)**	-
Total non-underlying finance credit	**1.0**	2.8

In the prior periods, non-substantial modifications to the Group's financing arrangements resulted in charges which were recognised as non-underlying. The amortisation of the liability resulting from this charge through the effective interest rate calculation has therefore also been recognised as non-underlying.

6 Cash flow from operations

	Six months ended 31 March 2024 £m	Six months ended 31 March 2023 £m
Profit for the period	**8.2**	11.7
Adjustments for:		
Depreciation of property, plant and equipment	**62.6**	51.3
Depreciation of right-of-use assets	**111.8**	90.5
Amortisation of intangible assets	**5.2**	4.8
Gain on derecognition of leases	**(8.9)**	(2.4)

Impairments	**11.0**	-
Share-based payments	**2.7**	2.9
Finance income	**(8.9)**	(11.2)
Finance expense	**54.4**	46.4
Movements in provisions and pensions	**0.5**	0.9
Share of profit of associates	**(0.6)**	(2.4)
Taxation	**4.6**	4.1
	242.6	196.6
(Increase)/decrease in trade and other receivables	**(3.0)**	13.1
Increase in inventories	**(2.7)**	(2.0)
Decrease in trade and other payables including provisions	**(57.9)**	(39.3)
Cash flow from operations	**179.0**	168.4

7 Dividends

The final dividend of 2.5p per share for the year ended 30 September 2023 was approved and paid during the period (2023: no final dividend was approved or paid for the year ended 30 September 2022).

The Board has declared an interim dividend of 1.2 pence per share (H1 2023: nil), with a view to maintaining the pay-out ratio for the full year at between 30% and 40% of underlying pre-IFRS 16 earnings per share, and with the interim dividend representing approximately one third of the expected full year dividend, based on our Planning Assumptions. The dividend will be paid on 28 June 2024 to shareholders registered on 31 May 2024. The ex-dividend date will be 30 May 2024.

The ex-dividend date will be 30 May 2024.

8 Fair value measurement

Certain of the Group's financial instruments are held at fair value.

The fair values of financial instruments held at fair value have been determined based on available market information at the balance sheet date, and the valuation methodologies detailed below:

- the fair values of the Group's borrowings are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.
- the derivative financial liabilities relate to interest rate swaps. The fair values of interest rate swaps have been determined using relevant yield curves and exchange rates as at the balance sheet date.

Carrying value and fair values of certain financial instruments

The following table shows the carrying value of financial assets and financial liabilities.

	As at 31 March 2024 £m	As at 30 September 2023 £m
Financial assets measured at amortised cost		
Cash and cash equivalents	**190.4**	303.3
Trade and other receivables	**192.0**	191.8
Total financial assets measured at amortised cost	**382.4**	495.1
Non-derivative financial liabilities measured at amortised cost		
Bank loans	**(471.5)**	(347.0)
US private placement notes	**(337.7)**	(348.4)
Lease liabilities	**(1,014.1)**	(1,028.7)
Trade and other payables	**(651.6)**	(712.4)
Total financial liabilities measured at amortised cost	**(2,474.9)**	(2,436.5)

Financial assets and liabilities in the Group's consolidated balance sheet are either held at fair value, or their carrying value approximates to fair value, with the exception of loans, which are held at amortised cost. The fair value of total borrowings excluding lease liabilities, estimated using market prices at 31 March 2024, was £808.3m (30 September 2023: £693.1m).

Financial assets and liabilities are measured at fair value and are classified as level 2. This uses the fair value hierarchy whereby inputs, which are used in the valuation of these financial assets, and liabilities have a significant effect on the fair value, are observable either directly or indirectly. There were no transfers during the period.

In January 2024 the Group entered into two interest rate swap agreements to fix the interest on a portion of its EUR and GBP Term Loans. Their mark-to-market value at 31 March 2024 was £1.1m.

9 Business combinations and purchase of non-controlling interest

A summary of the details of the acquisitions completed in the period is shown in the table below:

Business / Company	**Sector**	**Country**	**SSP Ownership**	**Acquisition date**
Midfield Concession Enterprise Inc. (Denver airport)	Air	USA	60%	16 November 2023
ECG Ventures Ltd	Air	Canada	100%	11 December 2023
Mack II	Air	USA	100%[1]	1 February 2024

[1] The ownership % of Mack II will be reduced after negotiating the required joint venture partnership agreements, and the acquisition accounting will be adjusted for that transaction.

The fair values of the identifiable assets and liabilities of those companies as at the date of acquisition were:

	Fair value recognised on acquisition			
	£m			
	Denver airport	**Mack II**	**ECG Ventures**	**TOTAL**
Assets				
Property, plant and equipment	9.7	1.2	4.0	**14.9**
Intangible assets	-	-	0.2	**0.2**
Right of use assets	11.3	10.4	21.8	**43.5**
Other receivables	-	-	0.4	**0.4**
Liabilities				
Other liabilities	-	(0.4)	(0.9)	**(1.3)**
Lease liabilities	(8.4)	(5.3)	-	**(13.7)**
Deferred tax liabilities	-	-	(6.5)	**(6.5)**
Total provisional identifiable net assets at fair value	**12.6**	**5.9**	**19.0**	**37.5**
Less: non-controlling interest measured at fair value	(5.1)	-	-	**(5.1)**
Increase in Other receivables due from NCI	5.1	-	-	**5.1**
Add: Goodwill arising on acquisition	2.5	5.1	13.2	**20.8**
TOTAL provisional net assets acquired	**15.1**	**11.0**	**32.2**	**58.3**

Satisfied by:

Purchase consideration transferred:

Purchase consideration	**£m**	**£m**	**£m**	**£m**
Cash paid	6.9	11.0	30.6	**48.5**
Offsets against NCI receivables in other joint ventures from the same joint venture partners	5.7	-	-	**5.7**
Deferred consideration	1.9	-	1.6	**3.5**
Capital expenditure settlements	0.6	-	-	**0.6**
Total purchase consideration	**15.1**	**11.0**	**32.2**	**58.3**

The Group measured the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. The right-of-use assets were measured at an amount equal to the lease liabilities and adjusted to reflect the favourable terms of the lease relative to market. The right-of-use assets include concession rights amounting to £29.8m in total across the three acquisitions will be amortised over the life of the contracts.

At the time when the financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisitions. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally, because the independent valuations have not been fully finalised.

These acquisitions contributed £12.7m to revenue and £1.5m to operating profit from the dates of acquisition to 31 March 2024.

There has been also an acquisition of 51% of shares in SSP Arabia Limited for the total consideration of £1.3m.

Purchase of non-controlling interest

Prior to 14 December 2023 the Group held a controlling 50% interest in SSP Brazil with the residual value of accumulated non-controlling interest (losses) of £6.4m. On 14 December 2023, the Group purchased the remaining 50% interest in SSP Brazil, taking its ownership to 100%. The consideration paid for the additional 50% interest in SSP Brazil was equivalent to £0.6m.

Purchase of an associate

On 25 October 2023, the Group acquired a non-controlling 50% interest in Extime Food & Beverage Paris SAS for the consideration of £10.5m with a controlling interest held by Aeroports de Paris.

10 Post balance sheet events

Airport Retail Enterprises Pty Ltd

On 13 February 2024, the Group signed an agreement to purchase Airport Retail Enterprises Pty Ltd (“ARE”). This will expand the Group’s presence across Australia adding 62 outlets across seven airports to its portfolio: Sydney, Melbourne, Brisbane, Gold Coast, Canberra, Townsville and Mount Isa. The cash consideration for the acquisition was approximately £80m (AUS$150m) (subject to completion adjustments). The transaction completed on 1 May 2024. Due to the timing of completion, the provisional fair values of all acquired assets and liabilities are yet to be determined.

US Private Placement

On 26 April 2024, the Group issued US Private Placement notes (the 'Notes') of EUR240m. The notes represent SSP's third issue in the US Debt Private Placement market, following its issues in 2018 and 2019 and carry a fixed rate of interest of 4.89%. The notes have a maturity of five years.

Indonesia

We have agreed to create a new joint venture with PT Taurus Gemilang, subject to obtaining the necessary consents – to operate 13 outlets, mostly in Bali, which we expect to provide a platform for further growth in that market. The consideration for the acquisition will be c. £10m subject to completion adjustments.

11 Related parties

Related party relationships exist with the Group's subsidiaries, associates, key management personnel, pension schemes and employee benefit trusts. A full explanation of the Group's related party relationships is provided on page 190 of the Annual Report and Accounts 2023.

There are no material transactions with related parties or changes in the related party transactions described in the last annual report that have had, or are expected to have, a material effect on the financial performance or position of the Group in the six-month period ended 31 March 2024.

Forward looking statement

This announcement contains forward-looking statements. These forward-looking statements include all matters that are not historical facts. Statements containing the words "believe", "expect", "intend", "may", "estimate", "anticipate"; "will"; "plans", "aims", "projects"; "may"; "would"; "could"; "should" or, in each case, their negative and words of similar meaning are forward-looking. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the Company's operations. By their nature, forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions because they relate to events that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that the Group's actual financial condition, performance, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document or other disclosures made by us or on the Group's behalf, including as a result of the macroeconomic and other impacts of Covid, economic and business cycles, the terms and conditions of the Group's financing arrangements, foreign currency rate fluctuations, competition in the Group's principal markets, acquisitions or disposals of businesses or assets and trends in the Group's principal industries.

In addition, even if the Group's financial condition, results of operations and cash flows, and the development of the industry in which the Group operates are consistent with the forward-looking statements in this announcement, those results or developments may not be indicative of results or developments in subsequent periods. The forward-looking statements contained in this announcement speak only as of the date of this announcement. Except where required to do so under applicable law or regulatory obligations, the Company and its Directors expressly disclaim any undertaking or obligation to update or publicly revise any forward-looking statements whether as a result of new information, future events or otherwise.