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03 June 2020

SSP GROUP PLC

Results for six months period ended 31 March 2020

SSP Group, a leading operator of food and beverage outlets in travel locations worldwide, announces its financial results for the first half of its 2020 financial year, covering the six months ended 31 March 2020.

First half overview

Covid-19 had a significant impact on SSP's results for the first half of the current financial year. Prior to the onset of Covid-19, the Group had performed well and in line with expectations, delivering solid like-for-like sales growth and significant net contract gains, particularly in North America and Continental Europe. New contracts won during the first half, including those at Dublin, Cincinnati, Providence and Edmonton Airports, further strengthened our new business pipeline.

As indicated in our February and March updates, we began to see a material impact on trading in our Asia Pacific region from the escalation of the virus in late January and throughout February, following which trading then deteriorated rapidly across the entire Group during March as the impact of the pandemic spread across the world.

Financial highlights:

- Revenue of £1,214.6m: down 2.7% at constant currency[2]; 3.7% at actual exchange rates.
- Like-for-like sales[3] down 8.4%: heavily impacted by Covid-19 and the closure of most of the global travel markets during March.
- Net gains[4] of 5.7% driven by North America and Continental Europe.
- Operating loss of £6.7m on a reported basis under IFRS 16. On a pro forma IAS 17 basis, underlying operating profit[1] was £1.3m (2019: £62.5m).
- Loss before tax of £34.3m on a reported basis under IFRS 16. On a pro forma IAS 17 basis, the underlying loss before tax was £10.7m (2019: profit of £54.2m).
- Basic loss per share of 8.0 pence on a reported basis under IFRS 16. On a pro forma IAS 17 basis, underlying basic loss per share[5] of 4.0 pence (2019: underlying basic earnings per share of 6.7 pence).
- Net debt of £457.7m on a pro forma IAS 17 basis, down from £483.4m at 30 September 2019, after taking account of the cash impact of the £209.2m equity issue (net of fees paid) in late March.
- Liquidity strengthened: cash and undrawn available facilities of £413.3m at end of March, with access to around £343m of additional facilities secured during April and May.

Covid-19 impact and response

We have taken rapid and decisive management action to protect our colleagues and customers and to preserve cash and liquidity for the duration of the many government restrictions worldwide. These actions include the following:

- New health and safety protocols created and cascaded to colleagues
- Offices closed and colleagues supported to work from home
- More flexible rent terms negotiated with clients
- Temporary closure of the majority of units; colleagues furloughed
- Salary reductions across senior management, Executive Committee and Board
- Discretionary spend and capital investment reduced to a minimum
- Share buyback programme suspended
- In line with our desire to retain cash in the business and following consultation with shareholders, SSP is facilitating a dividend reinvestment equity offering of up to £26.8m alongside today's results, giving shareholders the opportunity to reinvest the proceeds of their 2019 final dividend payment into new SSP shares
- No interim 2020 dividend declared
- March equity placing completed and access to the Bank of England's CCFF confirmed, considerably strengthening our balance sheet and liquidity and leaving us well positioned to operate throughout even our most pessimistic trading scenario
- Waivers of existing covenant tests until September 2021

Commenting on the results, Simon Smith, CEO of SSP Group said:

"Covid-19 has had an unprecedented impact on the travel sector. Our response has been to take quick and decisive action to protect our people and our business, whilst around the world our colleagues have helped and supported their local communities. Although challenging, it was a great illustration of SSP at its best and demonstrated the resilience of our teams. I'm immensely proud of what's been achieved.

Looking forward, and with sufficient liquidity to manage a pessimistic trading scenario, I believe the actions we have been taking during this crisis will make us a fitter and stronger business, well placed to deliver for all our stakeholders as the travel market recovers."

H1 results overview:

	Underlying results IFRS 16 H1 2020 £m	Underlying results Pro forma IAS 17[6] H1 2020 £m	Underlying results IAS 17 H1 2019 £m	Year on year IAS 17 Change %
Revenue	**1,214.6**	**1,214.6**	**1,261.6**	(3.7)%
Like-for-like sales (fall) / rise[3]	**(8.4)%**	**(8.4)%**	**2.0%**	n/a
Underlying operating (loss) / profit[1]	**(5.8)**	**1.3**	**62.5**	(97.9)%
Underlying (loss) / profit before tax[5]	**(32.4)**	**(10.7)**	**54.2**	n/a
Underlying (loss) / earnings per share (p)[5]	**(7.5)**	**(4.0)**	**6.7**	n/a
Net debt[7]	**(1,934.2)**	**(457.7)**	**(433.4)**	(5.6)%

Statutory reported results:

The table below summarises the Group's statutory reported results (where the financial highlights above are adjusted).

	As reported under IFRS 16 H1 2020 £m	As reported under IAS 17 H1 2019 £m
Operating (loss) / profit	**(6.7)**	**61.6**
(Loss) / Profit before tax	**(34.3)**	**51.4**
(Loss) / earnings per share (p)	**(8.0)**	**6.1**

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[1] Stated on an underlying basis, which excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006. This is consistent with the prior year.

[2] Constant currency is based on average 2019 exchange rates weighted over the financial year by 2019 results.

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

[4] Net contract gains/(losses) represent the net year-on-year revenue impact from new outlets opened and existing units permanently closed in the past 12 months. Net contract gains/(losses) are presented on a constant currency basis.

[5] Stated on an underlying basis, which in 2020 excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006 and the additional non-cash interest as a result of debt modifications arising on the adoption of IFRS 9. In 2019, it also excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006 and the revaluation of the obligation to acquire an additional 16% shareholding in the TFS business in India.

[6] The Group has adopted IFRS 16 'Leases' with effect from 1 October 2019, using the modified retrospective approach to transition. Accordingly prior periods have not been restated and therefore the results for the six months ended 31 March 2020 are not directly comparable with those reported in the equivalent period for the prior year under the previous applicable accounting standard, IAS 17 'Leases'. To provide meaningful comparatives, the results for the six months ended 31 March 2020 have therefore also been presented under IAS 17 with the growth rates shown on an IAS 17 basis. See Notes 2 and 3 for a reconciliation of the IAS 17 alternative performance measures to the equivalent IFRS measures.

[7] Net debt reported under IFRS 16 includes leases liabilities whereas under the pro forma IAS 17 basis lease liabilities are excluded. Refer to 'Net debt' section of the 'Financial review' for reconciliation of net debt.

Please refer to page 19 for supporting reconciliations from the Group's statutory reported results to these performance measures.

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of SSP Group plc by Helen Byrne, Group General Counsel and Company Secretary.

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SSP Group plc's Interim Results 2020 are available at www.foodtravelexperts.com.

NOTES TO EDITORS

About SSP

SSP is a leading operator of food and beverage concessions in travel locations, operating restaurants, bars, cafés, food courts, lounges and convenience stores in airports, train stations, motorway service stations and other leisure locations. Prior to the onset of Covid-19, we served around one and a half million customers every day at approximately 180 airports and 300 rail stations in 35 countries around the world and operated more than 550 international, national and local brands across our c. 2,800 units.

www.foodtravelexperts.com

Business review

Overview

Until the outbreak of Covid-19, our performance was in line with expectations, following another period of significant expansion, with new business wins further strengthening our future pipeline. However, the impact of Covid-19 had a significant impact on our business, with the effective shut down of the global travel market. We took rapid and decisive action to protect our people and to preserve liquidity, effectively hibernating our business and raising additional funding which, we believe, will put us in a strong position to manage through this crisis. Building on our existing strengths, we plan to leverage our competitive advantages to emerge a stronger, better business when the travel market recovers.

Financial results

Overall sales were down by 2.7% on a constant currency basis, with like-for-like sales down 8.4%. Prior to seeing the initial impact from the virus in China, we had enjoyed a good start to the new financial year, with like-for-like sales growth of 1.2% during the first quarter of this year. In the second quarter, like-for-like sales decreased by 18.5%, with the Group's performance impacted significantly by the development of Covid-19. As indicated in our February trading update, we began to see a material impact on trading in our Asia Pacific region (which accounted for around 8% of Group sales) from the escalation of the virus during late January and throughout February. Trading then deteriorated rapidly across the entire Group during March as the impact of the pandemic spread across the world. We estimate that Covid-19 reduced our first half sales by approximately £145m - £150m.

Net gains were strong, up 5.7%, driven by significant new openings in North America, including at LaGuardia, Oakland and Seattle airports; and in Continental Europe, including at Montparnasse station in Paris, Alicante and Tenerife airports in Spain and motorway service areas across Germany. Furthermore, new openings during the second quarter and those planned for the second half were expected to drive significant further net gains in the remainder of the year, which were expected to be over 6% for the full year, prior to Covid-19. These included outlets in Australia and Germany following the acquisitions of the Red Rock operations in Perth and Melbourne Airports and the Station Food rail business in Germany.

The operating loss for the first half was £6.7m. On a pro forma IAS 17 basis, the Group reported an underlying operating profit of £1.3m, down from £62.5m in the equivalent period of the prior year. We estimate that the significant loss of sales as a result of the rapid spread of Covid-19 impacted operating profit by around £65m in the first half. The extreme speed with which travel restrictions impacted our markets limited our ability to reduce operating costs, particularly labour costs, at very short notice, while we also suffered the impact of stock write offs as a result of the rapid closure of most of our outlets during late March.

The underlying free cash outflow on a pro forma IAS 17 basis during the period was £176.9m, compared to £75.9m for the equivalent period in the prior year. The principal driver of the higher year on year outflow was the lower underlying operating profit, reflecting the significant impact of Covid-19.

Capital expenditure was £119.5m, an increase of £11.3m compared to the equivalent period in the prior year, reflecting the higher net contract gains in the period. Following the Covid-19 escalation, we have placed our capital expenditure programme on hold pending some recovery in the travel sector and we are anticipating a maximum expenditure of between £10m and £15m in the second half. Acquisitions of £26.9m

primarily reflected the purchases of the Red Rock operations in Perth and Melbourne Airports in Australia and of the Station Food rail business in Germany.

Overall net debt decreased by £25.7m to £457.7m on a pro forma IAS 17 basis, representing leverage of 1.7 times, with the significant free cash outflow in the period offset by the £209.2m equity issuance (net of fees paid) in late March. Net debt including lease liabilities under IFRS 16 was £1,934.2m.

At the end of the reporting period and following the equity issue in late March, the Group had approximately £413m of available liquidity, comprising cash of approximately £381m and committed undrawn revolving credit facilities of £32m. At the beginning of April, we announced that the Bank of England had confirmed that SSP had secured access to the CCFF, under which facility the Group is permitted to draw up to £300m. During April, the Group also secured access to a number of additional smaller liquidity lines, including government-backed facilities in France, Spain and Switzerland, providing a further £37m. On a pro forma basis, adjusting the Group's reported liquidity position at the end of March to include the new facilities secured in early April, Group cash and undrawn available facilities totalled approximately £750m.

Strategy Overview

We are "the Food Travel Experts". Our vision is to be the leading provider of food and beverage in travel locations worldwide, delivering across all our stakeholder groups: our customers, clients, brand partners, investors and importantly our colleagues. To achieve this, we focus on five key strategic levers to drive growth and deliver efficiencies: 1) optimising our offer to benefit from the positive trends in our markets and drive profitable like-for-like sales; 2) growing profitable new space; 3) optimising gross margins and leveraging scale benefits; 4) running an efficient and effective business; and 5) optimising investment using best practice and shared resources. Underpinning this is a strong focus on our environmental and social responsibilities. Whilst the onset of Covid-19 has led to considerable disruption in the travel sector, we continue to see many opportunities to grow the business and create value for shareholders over the medium and longer term.

Immediate response to Covid-19

Our response to the crisis can be categorised in four key phases: business protection; hibernation; recovery; and sustainable growth. We believe that the actions that we take through each phase of the response to Covid-19 will ensure we emerge a stronger business.

Business protection and hibernation

When the crisis emerged, our first priority was the health and safety of our colleagues and customers. Enhanced hygiene and safety measures based on local health advice, including guidance on self-isolating and social distancing were implemented and communicated to all colleagues. In addition, offices were closed, and all colleagues who could do so were directed to work from home.

We immediately engaged with landlords and sought agreement to unit closures and concession fees being paid on a fully variable basis, i.e. as a percentage of revenue. As we took the decision to close more and more units, we implemented strict procedures around stock, deep cleaning and security. Where possible, colleagues in operations and support functions were furloughed, and we effectively hibernated the business, with only 10% of units continuing to trade across the Group at the end of April.

Cash preservation was critical, and we immediately reduced all discretionary and capital expenditure to the minimum levels required to operate the business.

Importantly, we quickly addressed our liquidity challenge to operate through a "very pessimistic" trading scenario. This included raising around £550m through issuing new equity and accessing government backed loan and local schemes. We also suspended our previously announced share buyback programme of up to £100m having only purchased shares at a cost of approximately £1.7m.

We have sought to minimise the impact on our colleagues and have been providing support to all our teams, as well as regularly communicating with them to keep them informed about the business situation. Across the Group, we've also aimed to support those most in need during this crisis by donating to local charities and health services. For example, in the UK, Millie's Cookies has worked with suppliers to make and distribute 100,000 freshly baked cookies to NHS hospital staff. Additionally, our Indian joint venture TFS worked with local NGOs to cook meals for people who have lost their livelihoods as a result of the Indian government lockdown, supplying more than one million meals to date.

Planning for recovery

As we enter the recovery phase, there are many opportunities for SSP. With a global presence and operations across food, beverage and retail in multiple formats, we are well placed to respond to the recovery in demand. Our first priority continues to be the health and safety of our colleagues and customers. Key to that is confidence building and we are doing that by implementing new hygiene and safety protocols and new operational and social distancing measures. Staff are being trained to deal with the new environment, and our visual signage clearly sets out the safety measures we have in place.

Our approach to re-opening units will be systematic, so that we deliver the brands and the offer that customers want to eat and drink in the way they want to be served. Importantly, we will look to open units selectively in the larger multi-unit locations, which characterise the majority of our business, and therefore ensure that we can operate profitably even at lower levels of footfall. We expect that during the re-opening phase profitability will be further supported by the removal of minimum annual guarantees and concession fee reductions, as well as simplifying our operations and agreeing lower franchise fees with our brand partners.

We are also focused on simplifying the structures and processes within our business and reducing discretionary spend. We will continue to invest in technology where that will further simplify our processes and support our efficiency plans. Importantly, we will continue to engage closely with our teams, keeping them fully informed, and we will continue to support the communities in which we operate.

Sustainable growth in the future

We believe SSP will emerge from this crisis as a fitter, stronger business.

The scale and breadth of our business gives us a unique opportunity to stay ahead of changing customer trends, and we expect to see further changes as we make progress through the crisis. We will continue to use technology, accelerating our mobile order and pay functionality and trialling new technology, such as online delivery services.

We will also continue to grow our business. We already have a strong new business pipeline, and we believe new opportunities will emerge in the aftermath of this crisis. North America remains a significant growth market, and we will continue to invest to grow further. There may also be opportunities for new acquisitions in due course, which we will pursue if they meet our returns criteria.

We will maintain a tighter cost base, focused on more simplified operations and use technology to eliminate manual tasks where most cost efficient, and finally, we will continue to embed sustainability within our operations.

Dividend reinvestment offering

SSP announced in its trading update on 25 March 2020 that it was deferring the payment of its 2019 final dividend to 4 June 2020 and that it would engage with its shareholders in order to retain this cash in the business. SSP has engaged with shareholders and has assessed various options including cancelling, requesting waivers and further deferral of the 2019 final dividend payment. In light of the circumstances around the timing and approval of SSP's 2019 Final Dividend at the Company's Annual General Meeting on 26 February 2020, many of the options proved to be unachievable.

Following further engagement with shareholders and with the continued aim of retaining cash within SSP, the Company is offering those investors that are entitled to the 2019 final dividend the opportunity to reinvest their dividend in an offering of new ordinary shares in SSP at today's mid-market closing price. The 2019 final dividend will be paid on 4 June 2020 to all shareholders on the register at the record date of 6 March 2020 and this mechanism will allow them to apply for an allocation of new shares up to the value of their 2019 final dividend entitlement.

Proceeds from the offering will allow for a proportion of the 2019 final dividend payment to be effectively retained in the business and further enhance the Company's cash and liquidity position during this period of unprecedented disruption in the global travel market as a result of the Covid-19 outbreak.

Summary and outlook

Prior to the onset of Covid-19, SSP had had a good first half, with particularly good progress on net gains and a strong pipeline of new business wins. The impact of the virus has been significant, but we have taken all the appropriate actions to ensure that, even with extremely low sales, we have sufficient liquidity to manage through a prolonged crisis and slow recovery. Our focus now is to gradually re-open our business, operating units profitably and lowering our cost base, whilst ensuring the safety of our customers and colleagues. In time, we will seek out and invest in new long-term growth opportunities, and as ever, we remain committed to delivering for all our stakeholders in a sustainable way.

Financial review

Group performance

	IFRS 16 H1 2020 £m	IAS 17 H1 2020 £m	IAS 17 H1 2019 £m	IAS 17 change		
				Reported	Constant currency	LFL
Revenue	**1,214.6**	**1,214.6**	1,261.6	(3.7)%	(2.7)%	(8.4)%
Underlying operating (loss) / profit	**(5.8)**	**1.3**	62.5	(97.9)%	(97.6)%	
Underlying operating margin	**(0.5)%**	**0.1%**	5.0%	-490 bps	-490 bps	
Operating (loss) / profit	**(6.7)**	**0.4**	61.6	(110.9)%		
Operating margin	**(0.6)%**	**0.0%**	4.9%	-490 bps		

Revenue

First half revenue decreased by 2.7% year on year on a constant currency basis, comprising a like-for-like sales reduction of 8.4% offset by net contract gains of 5.7%. At actual exchange rates, total revenue fell by 3.7%, to £1,214.6m.

The Group's trading performance during the first half has been overshadowed by the very damaging impact of Covid-19, which we estimate has reduced first half sales by approximately £145m - £150m. Prior to seeing the initial impact from the virus in China towards the end of January, we had enjoyed a good start to the new financial year, with like-for-like sales growth of 1.2% during the first quarter of this year, in line with our expectations, despite the external headwinds noted in the second half of last year in Continental Europe and in the Rest of the World continuing into the autumn. Like-for-like sales growth in the UK and North America remained robust, driven by increasing passenger numbers. First quarter like-for like sales in Continental Europe were also affected by the transport strikes across France during December and January.

In the second quarter, like-for-like sales decreased by 18.5%, with the Group's performance impacted significantly by the development of Covid-19. As indicated in our February trading update, we began to see a material impact on trading in our Asia Pacific region (which accounted for around 8% of Group sales) from the escalation of the virus during late January and throughout February. Trading then deteriorated rapidly across the entire group during March as the impact of the pandemic spread across the world. By the final few days of March, as lockdowns and travel restrictions were implemented around the world, like-for-like sales had decreased by over 90% across all regions.

Despite the impact of Covid-19, net gains made a strong contribution to sales during the first half, particularly in North America and in Continental Europe, driven by the significant new contract openings last year. Furthermore, new openings during the second quarter and those planned for the second half were expected to drive significant further net gains in the remainder of the year, which were expected to be over 6% for the full year, prior to Covid-19. Those openings during the second quarter included outlets in Australia and Germany following the acquisitions of the Red Rock operations in Perth and Melbourne Airports and the Station Food rail business in Germany.

Trading results from outside the UK are converted into Sterling at the average exchange rates for the period. The overall impact of the movement of foreign currencies on revenue (principally the Euro, US Dollar and

pegged currencies, Norwegian Krone, Swedish Krona and Indian Rupee) during the first half of 2020 compared to the 2019 average was a reduction of 1%. However this is a translation impact only.

Underlying operating loss

The underlying operating loss for the first half was £5.8m. On a pro forma IAS 17 basis, the Group reported an underlying operating profit of £1.3m, down from £62.5m in the prior year, a reduction of 97.9%. We estimate that the significant loss of sales as a result of the rapid spread of Covid-19 impacted operating profit by around £65m in the first half. The extreme speed with which travel restrictions impacted our markets limited our ability to reduce operating costs, particularly labour costs, at very short notice, while we also suffered the impact of stock write offs as a result of the rapid closure of most of our outlets during late March.

Operating loss

On a reported basis, the operating loss was £6.7m, reflecting an adjustment for the amortisation of acquisition-related intangible assets of £0.9m.

Regional performance

The following shows the Group's segmental performance. For full details of our key reporting segments, refer to Note 3.

UK (including Republic of Ireland)

	IFRS 16 H1 2020 £m	**IAS 17 H1 2020 £m**	IAS 17 H1 2019 £m	**IAS 17 change**		
				Reported	Constant currency	LFL
Revenue	**372.6**	**372.6**	385.2	(3.3)%	(3.1)%	(5.2)%
Underlying operating profit	**23.1**	**23.8**	39.1	(39.1)%	(39.0)%	
Underlying operating margin	**6.2%**	**6.4%**	10.2%	-380 bps	-380 bps	

Note – Statutory reported operating profit was £22.4m (H1 2019: £38.4m) and operating margin was 6.0% (H1 2019: 10.0%) reflecting an adjustment for the amortisation of acquisition related intangible assets of £0.7m (H1 2019: £0.7m).

Revenue decreased by 3.1% on a constant currency basis, comprising a like-for-like reduction of 5.2% and net contract gains of 2.1%. Prior to the impact of Covid-19 in March, like-for-like sales growth had been robust, driven by increasing passenger numbers. Net contract gains included contributions from the three Jamie Oliver outlets at Gatwick airport that we began operating last summer.

Underlying operating profit for the UK was £23.1m and reported operating profit was £22.4m in the first half year. On a pro forma IAS 17 basis, underlying operating profit of £23.8m decreased by 39.0% year on year on a constant currency basis.

Continental Europe

	IFRS 16 H1 2020 £m	IAS 17 H1 2020 £m	IAS 17 H1 2019 £m	IAS 17 change		
				Reported	Constant currency	LFL
Revenue	**424.3**	**424.3**	452.7	(6.3)%	(3.2)%	(10.7)%
Underlying operating (loss) / profit	**(23.8)**	**(20.1)**	17.7	(213.6)%	(211.7)%	
Underlying operating margin	**(5.6)%**	**(4.7)%**	3.9%	-860 bps	-850 bps	

Note – Statutory reported operating loss was £24.0m (H1 2019: £17.5m profit) and operating margin was (5.7)% (H1 2019: 3.9%) reflecting an adjustment for the amortisation of acquisition related intangible assets of £0.2m (H1 2019: £0.2m).

Revenue decreased by 3.2% on a constant currency basis, comprising a like-for-like reduction of 10.7% and net contract gains of 7.5%. The impact of Covid-19 on like-for-like sales was more significant in this region than in either the UK or North America, with a number of countries in central Europe announcing that they were closing borders and restricting travel in early March following the outbreak in Italy towards the end of February. Prior to the impact of Covid-19, like-for-like sales had been in line with our expectations, albeit with a continuation of some of the headwinds from the second half of last year, including the national strikes in France during December and January and the impact of major redevelopments in a number of airports, including Copenhagen, Malaga and Las Palmas.

Net contract gains in Continental Europe remained very strong, driven by new outlets opened last year at Montparnasse Railway station and in the new motorway service areas in Germany, as well as the Starbucks units in railway stations across the Netherlands.

The underlying operating loss for Continental Europe was £23.8m and reported operating loss was £24.0m in the first half year. On a pro forma IAS 17 basis, the underlying operating loss was £20.1m, which compared to an underlying operating profit of £17.7m for the equivalent period last year. The overall impact from Covid-19 in this region was much more significant than in others, partly due to the earlier imposition of travel restrictions compared to the UK and North America, but also as a result of the longer lead times required to reduce labour costs in response to a rapid reduction in sales. Prior to the impact of Covid-19, operating profit for the region had already been impacted by transport strikes in France throughout December and January, the ongoing impact of the airport redevelopments in Denmark and Spain, and significant pre-opening and integration costs from new contracts and the acquisition of the Station Food business in Germany.

North America

	IFRS 16 H1 2020 £m	IAS 17 H1 2020 £m	IAS 17 H1 2019 £m	IAS 17 change		
				Reported	Constant currency	LFL
Revenue	**246.5**	**246.5**	235.9	+4.5%	+4.0%	(6.5)%
Operating profit	**7.4**	**7.8**	9.5	(17.9)%	(17.3)%	
Operating margin	**3.0%**	**3.2%**	4.0%	-80 bps	-80 bps	

Revenue increased by 4.0% on a constant currency basis, comprising a like-for-like decrease of 6.5% offset by net contract gains of 10.5%. Prior to the impact of Covid-19 like-for-like sales growth had been robust,

benefiting from positive trends in airport passenger numbers in the North American market. Net gains were driven by new openings in Ottawa, Seattle, Oakland and LaGuardia Airports.

Operating profit for North America was £7.4m in the first half year. On a pro forma IAS 17 basis, operating profit of £7.8m decreased by 17.3% year on year on a constant currency basis.

Rest of the World

	IFRS 16 H1 2020 £m	**IAS 17 H1 2020 £m**	IAS 17 H1 2019 £m	**IAS 17 change**		
				Reported	Constant currency	LFL
Revenue	**171.2**	**171.2**	187.8	(8.9)%	(9.3)%	(12.3)%
Operating profit	**6.3**	**8.6**	15.9	(45.9)%	(48.5)%	
Operating margin	**3.7%**	**5.0%**	8.5%	-350 bps	-370 bps	

Revenue decreased by 9.3% on a constant currency basis, comprising a like-for-like fall of 12.3% offset by net contract gains of 3.0%.The impact of Covid-19 on like-for-like sales was more significant in this region than in the others, reflecting the earlier escalation of the virus across the Asia Pacific region from late January. Prior to the impact of Covid-19, like-for-like sales growth in the Rest of the World had been steady, benefiting from an improving trend in India but impacted by the ongoing political disruption in Hong Kong.

Net gains included sales from new outlets in Cebu Airport in the Philippines and in Bangalore Airport in India, as well from the acquisition of the Red Rock operations in Perth and Melbourne Airports in Australia.

The operating profit for the Rest of the World was £6.3m. On a pro forma IAS 17 basis, operating profit of £8.6m decreased by 48.5% year on year on a constant currency basis.

Share of profit of associates

The Group's share of profit from associates was £0.2m. On a pro forma IAS 17 basis, Group's share of profit from associates was £0.4m (H1 2019: £2.1m), the year-on-year reduction reflecting the impact of Covid-19 on our associate investments around the world.

Net finance costs

The underlying net finance expense was £26.8m including interest on lease liabilities of £14.4m. On a pro forma IAS 17 basis, underlying net finance costs increased year on year to £12.4m (H1 2019: £10.4m), primarily due to the higher net debt compared to the prior year as a result of the £149.8m special dividend paid in April 2019. Reported net finance expense was £27.8m, including interest on lease liabilities of £14.4m and an adjustment of £1.0m relating to non-cash interest charges arising from the adoption of the debt modification rules under IFRS 9.

Taxation

The Group's underlying tax credit for the period was £2.3m (H1 2019: £12.0m charge). On a reported basis the tax credit for the period was £1.6m (H1 2019: £12.1m charge). On a pro forma IAS 17 basis the Group's underlying tax credit was £0.8m (H1 2019: £12.0m charge), equivalent to an effective tax rate of 7.1% (H1 2019: 22.1%) of the underlying loss (H1 2019: profit) before tax.

Looking forward we expect the underlying tax rate to be around 7% for the full year. 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. The change in the tax rate forecast for the current year compared to historic rates of around 22% is due to the impact of Covid-19 which has led to a significant change in the geographic mix of profits and losses forecast for the Group in the current year.

Non-controlling interests

The profit attributable to non-controlling interests was £3.4m. On a pro forma IAS 17 basis the profit attributable to non-controlling interests was £7.9m (H1 2019: £11.0m), with the year on year reduction reflecting the impact of Covid-19 on our partly-owned operations in North America and in the Rest of the World.

Earnings (loss) per share

The Group's underlying loss per share was 7.5 pence per share, and its reported loss per share was 8.0 pence per share**.** On a pro forma IAS 17 basis the underlying loss per share was 4.0 pence per share (H1 2019: 6.7 pence earnings per share).

Dividends

Given the ongoing uncertainly around the duration of the Covid-19 pandemic, the Board has decided not to declare an interim dividend (H1 2019: 5.8 pence per share). The final dividend for the year ended 30 September 2019 of 6.0 pence per share totalling £26.8m was approved but not paid during the period and will be paid on 4 June 2020.

Free Cash flow

The table below presents a summary of the Group's cash flow for the first half of 2020:

	H1 2020	H1 2019
	£m	£m
Underlying operating profit[1]	1.3	62.5
Depreciation and amortisation	54.9	52.8
Working capital	(45.1)	(36.3)
Net tax	(20.1)	(18.7)
Other	2.9	(3.0)
Net cash flow from operating activities[1]	**(6.1)**	**57.3**
Capital expenditure[2]	(119.5)	(108.2)
Acquisition of subsidiaries, adjusted for net debt acquired	(26.9)	(3.4)
Net dividends to non-controlling interests and from associates	(15.3)	(15.5)
Operating cash flow[1]	**(167.8)**	**(69.8)**
Net finance costs	(9.1)	(6.1)
Free cash flow[1]	**(176.9)**	**(75.9)**

[1] Presented on an underlying pro forma IAS 17 basis (refer to page 19 for details)
[2] Capital expenditure is net of capital contributions from non-controlling interests of £3.1m (H1 2019: £3.5m)

The Group's net cash outflow during the period from underlying operating activities was £6.1m on a pro forma IAS 17 basis, compared to a £57.3m cash inflow for the equivalent period last year. The principal driver of the year on year reduction was the lower underlying operating profit of £1.3m, down from £62.5m in the prior period, reflecting the significant impact of Covid-19. While the working capital usage of £45.1m

was only slightly higher (£8.8m) than last year, it should be noted that the underlying loss of negative working capital following the sharp fall in sales was greater, and only temporarily offset as at the end of March by short term actions to protect liquidity. These temporary payment deferrals will reverse during the second half year.

Capital expenditure was £119.5m, an increase of £11.3m compared to the equivalent period in the prior year, reflecting the higher net contract gains in the year. Following the Covid-19 escalation, we have placed our capital expenditure programme on hold pending some recovery in the travel sector and we are anticipating a maximum expenditure of between £10m and £15m in the second half. Acquisitions of £26.9m primarily reflected the purchases of the Red Rock operations in Perth and Melbourne Airports in Australia and of the Station Food rail business in Germany.

Net finance costs paid of £9.1m were £3.0m higher than the equivalent period last year, mainly reflecting the increased net debt and related financing costs following the £149.8m special dividend paid in April 2019.

Net debt

Overall net debt decreased by £25.7m to £457.7m on a pro forma IAS 17 basis, representing pro forma leverage of 1.7x, with the significant free cash outflow in the period offset by the £209.2m equity issuance (net of related fees) in late March. Note that the Group adopted IFRS 16 'Leases' with effect from 1 October 2019 using the modified retrospective approach to transition which means that the prior year balances including net debt have not been restated. The table below highlights the movements in net debt in the period on a pro forma IAS 17 basis.

	£m
Net debt excluding lease liabilities at 1 October 2019 (IAS 17 basis)	(483.4)
Underlying free cash flow	(176.9)
Equity issue (net of fees paid)	209.2
Impact of foreign exchange rates	(3.1)
Other	(3.5)
Net debt excluding lease liabilities at 31 March 2020 (IAS 17 basis)	**(457.7)**
Lease liabilities	(1,476.5)
Net debt including lease liabilities at 31 March 2020 (IFRS 16 basis)	**(1,934.2)**

As noted previously, the Group adopted IFRS 16 on 1 October 2019 and as a result now recognises lease liabilities, which are initially based on the present value of the future payments required under each lease discounted at the incremental borrowing rate. The movement in the lease liabilities from the transition date of 1 October 2019 to 31 March 2020 was as follows:

	Six months ended 31 March 2020 £m
Beginning of the period	-
Lease liabilities on transition	(1,435.2)
Acquisitions	(22.7)
Additions	(160.5)
Interest charge in the period	(14.4)
Payment of lease liabilities	143.4
Re-measurement adjustments	(3.6)
Currency translation	16.5
End of the period	(1,476.5)

Covid-19 impact and implications for the second half of the year

In our trading statement on 25 March, we set out our pessimistic view of the duration and impact of Covid-19, assuming an almost total shutdown of the travel market for the whole of the second half of our financial year. In this scenario, we envisaged Group revenue being down approximately 80% to 85% in H2 2020 against the same period last year. This would equate to a reduction in revenue of around £1.4bn compared to our previous expectations.

In considering the impact of this on operating profit, we assumed that the benefit of the extensive management action to reduce the cost base would result in a "drop through" to operating profit from the reduced sales of 25% to 30%, an improvement compared with that experienced in February and March 2020. This scenario would imply, on a pro forma IAS 17 basis, an underlying operating loss of between £180m and £250m for the second half year, and an underlying EBITDA loss of between £120m and £190m, the final out-turn depending on our ability to manage the profit conversion on the reduced sales.

As at the end of May, and with the continuing impact of the global lock-downs even more extreme that we anticipated in March, sales are currently running approximately 95% below last year.

Despite this lower level of sales, we expect the impact on profit to be mitigated by the speed and the extent to which we have been able to reduce operating costs. Our current expectations are for operating losses and EBITDA in H2 to be within the ranges indicated above, even if we see sales remain at the current run rate until the end of the current financial year. This is mainly a consequence of our success in negotiating rent concessions and the benefit of Government support through furlough schemes in nearly all of our major countries, which have proven more extensive than anticipated in March.

From an overall cash flow perspective, as well as the EBITDA losses within the range indicated above, we would also expect to see negative working capital movement in this scenario of between £180m and £200m, as a consequence of the sharp fall in sales in March and the reversal of temporary liquidity protection actions taken at that that time. In addition, we would anticipate other underlying cash outflows within the range of £40m to £50m. At this stage, while benefiting from government furlough support and contractual layoffs, it is not anticipated that significant restructuring costs will be incurred and as such have not been included in these forecasts. Taking all of the above into consideration, if sales were to remain at current levels until the end of the financial year, we would anticipate an overall net operating cash outflow for the second half of between £340m and £440m, and a monthly operating cash burn of between £25m and £30m by the final quarter at these very low levels of sales.

It is important to recognise that at any point when we see a sales improvement from these very low levels, the cash flow will benefit from the recovery of the normal negative working capital in the business, which is not reflected in this pessimistic scenario.

Liquidity position and actions taken

At the end of the reporting period and following the equity issue in late March, the Group had approximately £413m of available liquidity, comprising cash of approximately £381m and committed undrawn revolving credit facilities of £32m. At the beginning of April, we announced that the Bank of England had confirmed that SSP had secured access to the CCFF, under which facility the Group is permitted to draw up to £300m. During April, the Group also secured access to a number of additional smaller liquidity lines, including government-backed facilities in France, Spain and Switzerland, providing a further £37m.

On a pro forma basis, adjusting the Group's reported liquidity position at the end of March to include the new facilities secured in early April, Group cash and undrawn available facilities totalled approximately £750m.

The terms of the £112m liquidity facility (announced in March) required that any drawings would be repaid as soon as we accessed and drew down on the Bank of England CCFF and therefore this facility has effectively been superseded.

Taking into account this level of cash and available facilities, as well a number of liquidity enhancing measures, the Group is confident that it has sufficient funds to allow it to operate throughout even its most pessimistic scenario. As indicated previously, under an extreme scenario where sales remain at current levels throughout our second half, we would anticipate the net operating cash outflow over the next six months to be within the range of £340m to £440m, including the one-off temporary loss of negative working capital, leaving remaining liquidity headroom of between £310m and £410m by the end of the current financial year.

As well as raising the additional funding outlined above, we have taken a number of further steps to protect liquidity. In addition to the various management actions to minimise the monthly operating cash burn, as already described, we have also taken action to defer all non-essential capital expenditure, to suspend our previously announced share buyback programme and to negotiate with our lending banks a two year deferral of an approximate £32m term loan amortisation payment which was due to be paid in July 2020. The Board has also announced that it does not intend to pay a dividend in respect of the current financial year.

The Company is also today conducting an offering of new shares in order to facilitate the reinvestment of 2019 final dividend by investors entitled to receive the dividend that will be paid on 4 June 2020. The proceeds from this will further enhance the Company's cash and liquidity position.

In order to provide the maximum financial flexibility for the Group through this exceptionally challenging period, we are pleased to confirm that we have secured an agreement from our lending group of banks and our US private placement note holders to waive existing financial covenants for the next two testing periods covering the twelve months to 30 September 2020 and 31 March 2021. We have agreed that these covenant tests will be replaced between now and 30 September 2021 by two new covenant tests, each tested monthly, with the first of these based on SSP demonstrating a minimum level of liquidity and the second based on the Group not exceeding a maximum level of net debt. For the testing period ending 30 September 2021 both the existing and new covenants will be relevant, with the Group returning to the existing covenants thereafter. We are confident that we have sufficient headroom to stay within the applicable thresholds even in our most pessimistic scenario.

Impact of IFRS 16 'Leases'

As stated above, the Group adopted IFRS 16 'Leases' with effect from 1 October 2019 using the modified retrospective approach to transition which means that the prior year balances have not been restated. The new standard requires that the Group's leased assets are recorded as right-of-use assets together with their corresponding lease liabilities. Interest expense is recognised on the lease liability and the right-of-use assets are required to be depreciated on a straight-line basis over the lease term.

Income Statement impact

The impact of the implementation of IFRS 16 on the Income Statement for the six months ended 31 March 2020 is as follows:

	Six months ended 31 March 2020 IAS 17	IFRS 16 adjustment	Six months ended 31 March 2020 IFRS 16
	£m	£m	£m
Revenue	1,214.6	-	1,214.6
Underlying operating (loss) / profit	1.3	(7.1)	(5.8)
Share of profit from associates	0.4	(0.2)	0.2
Finance income	1.1	-	1.1
Finance expense	(13.5)	(14.4)	(27.9)
Underlying loss before tax	(10.7)	(21.7)	(32.4)
Non-underlying items	(1.9)	-	(1.9)
Taxation	0.1	1.5	1.6
Loss for the period	(12.5)	(20.2)	(32.7)

Balance Sheet impact

The impact of the implementation of IFRS 16 on the Balance Sheet as at 31 March 2020 is as follows:

	As at 31 March 2020 IAS 17	IFRS 16 adjustment	As at 31 March 2020 IFRS 16
	£m	£m	£m
Non-current assets			
Right-of-use assets	-	1,463.0	1,463.0
Other non-current assets	1,371.8	(5.0)	1,366.8
	1,371.8	1,458.0	2,829.8
Current assets			
Trade and other receivables	186.1	(6.3)	179.8
Other current assets	424.6	-	424.6
	610.7	(6.3)	604.4
Total assets	1,982.5	1,451.7	3,434.2
Current liabilities			
Lease liabilities	-	(308.0)	(308.0)
Other current liabilities	(689.1)	3.3	(685.8)
	(689.1)	(304.7)	(993.8)
Non-current liabilities			
Lease liabilities	-	(1,168.5)	(1,168.5)
Other non-current liabilities	(748.1)	0.9	(747.2)
	(748.1)	(1,167.6)	(1,915.7)
Total liabilities	(1,437.2)	(1,472.3)	(2,909.5)

Net assets	**545.3**	**(20.6)**	**524.7**
Total equity	**545.3**	**(20.6)**	**524.7**

Cash flow impact

There is no net impact on cash flows, however, there has been a change in classification of cash flows whereby an increase in net cash inflows from operating activities has been offset by a decrease in net cash flows from financing activities

	Six months ended 31 March 2020 IAS 17 £m	IFRS 16 Adjustment £m	Six months ended 31 March 2020 IFRS 16 £m
Net cash flows from operating activities	(6.1)	143.4	137.3
Net cash flows from investing activities	(144.7)	-	(144.7)
Net cash flows from financing activities	303.5	(143.4)	160.1
	152.7	-	152.7

Further information on the impact of adoption of IFRS 16 can be found in Note 1.

Principal risks

The principal risks facing the Group for the remainder of the year are unchanged from those reported in the Annual Report and Accounts 2019 with the exception of Covid-19, the impact of which has been discussed above.

These risks, together with the Group's risk management process, are detailed on pages 19 to 24 of the Annual Report and Accounts 2019, and relate to the following areas: business environment and geopolitical uncertainty; retention of existing client relationships; Brexit; benefits realisation from efficiency programmes; information security and stability; labour laws and unionisation; regulatory compliance; food safety and product compliance; changing client behaviours; execution and mobilisation of new contracts; expansion into new markets; senior management capability and retention; competitive intensity; business development capability and investment; outsourcing programmes; maintenance/development of brand portfolio; and tax strategy.

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.

Revenue growth

As the Group operates in over 30 countries, it is exposed to translation risk on fluctuations in foreign exchange rates, and as such the Group's reported revenue and operating profit 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 growth, like-for-like sales growth, net contract gains/(losses) and the impact of acquisitions where appropriate.

(£m)	UK	Continental Europe	North America	RoW	Total
H1 2020 Revenue at actual rates by segment	372.6	424.3	246.5	171.2	1,214.6
Impact of foreign exchange	0.6	16.3	2.8	2.3	22.0
H1 2020 Revenue at constant currency[1]	**373.2**	**440.6**	**249.3**	**173.5**	**1,236.6**
H1 2019 Revenue at constant currency	**385.3**	**455.0**	**239.8**	**191.3**	**1,271.3**
Constant currency sales (fall) / growth	**(3.1)%**	**(3.2)%**	**4.0%**	**(9.3)%**	**(2.7)%**
Which is made up of:					
Like-for-like sales growth[2]	(5.2)%	(10.7)%	(6.5)%	(12.3)%	(8.4)%
Net contract gains[3]	2.1%	7.5%	10.5%	3.0%	5.7%
	(3.1)%	**(3.2)%**	**4.0%**	**(9.3)%**	**(2.7)%**

[1] Constant currency is based on average 2019 exchange rates weighted over the financial year by 2019 results.
[2] Like-for-like sales represent revenues generated in an equivalent period in each financial period in outlets which have been open for a minimum of 12 months. Like-for-like sales are presented on a constant currency basis.
[3] Net contract gains represent the net year-on-year revenue impact from new outlets opened and existing units permanently closed in the past 12 months. Net contract gains/(losses) are presented on a constant currency basis.

Underlying profit measures

The Group presents underlying profit measures, including operating profit, profit before tax and earnings per share, which excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006 and additional interest arising on amend and extend of borrowings under IFRS 9. A reconciliation from the underlying to the statutory reported basis is presented below:

	H1 2020 (IFRS 16)			H1 2019 (IAS 17)		
	Underlying	**Adjustments**	**Total**	Underlying	Adjustments	Total
Operating (loss) / profit (£m)	**(5.8)**	**(0.9)**	**(6.7)**	62.5	(0.9)	61.6
Operating margin	**(0.5)%**	**(0.1)%**	**(0.6)%**	5.0%	(0.1)%	4.9%
(Loss) / profit before tax (£m)	**(32.4)**	**(1.9)**	**(34.3)**	54.2	(2.8)	51.4
(Loss) / earnings per share (p)	**(7.5)**	**(0.5)**	**(8.0)**	6.7	(0.6)	6.1

Responsibility statement of the Directors in respect of the half-yearly 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 by the EU;

- The interim management report includes a fair review of the information required by:

    - DTR 4.2.7R of the Disclosure 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 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

Simon Smith	**Jonathan Davies**
Chief Executive Officer	Chief Financial Officer
3 June 2020	3 June 2020

Independent review report to SSP Group plc

Conclusion

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 2020 which comprises the condensed consolidated income statement, the condensed consolidated statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the 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 2020 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements which indicates that under a severe but plausible scenario there is a risk of the Group breaching its financial covenants as at 30 September 2021 unless a waiver agreement is reached with the lenders. These events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board 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.

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.

The annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. 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 by the EU.

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.

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.

Nicholas Frost
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL
3 June 2020

Condensed consolidated income statement

for the six months ended 31 March 2020

	Notes	**Six months ended 31 March 2020**			Six months ended 31 March 2019		
		Underlying[1, 2]	**Adjustment**	**Total**	Underlying[1]	Adjustment	Total
		£m	**£m**	**£m**	£m	£m	£m
Revenue	3	**1,214.6**	**-**	**1,214.6**	1,261.6	-	1,261.6
Operating costs	5	**(1,220.4)**	**(0.9)**	**(1,221.3)**	(1,199.1)	(0.9)	(1,200.0)
Operating (loss) / profit		**(5.8)**	**(0.9)**	**(6.7)**	62.5	(0.9)	61.6
Share of profit of associates		**0.2**	**-**	**0.2**	2.1	-	2.1
Finance income	6	**1.1**	**-**	**1.1**	1.0	-	1.0
Finance expense	6	**(27.9)**	**(1.0)**	**(28.9)**	(11.4)	(1.9)	(13.3)
(Loss) / profit before tax		**(32.4)**	**(1.9)**	**(34.3)**	54.2	(2.8)	51.4
Taxation		**2.3**	**(0.7)**	**1.6**	(12.0)	(0.1)	(12.1)
(Loss) / profit for the period		**(30.1)**	**(2.6)**	**(32.7)**	42.2	(2.9)	39.3
(Loss) / profit attributable to:							
Equity holders of the parent		**(33.5)**	**(2.6)**	**(36.1)**	31.2	(2.9)	28.3
Non-controlling interests		**3.4**	**-**	**3.4**	11.0	-	11.0
(Loss) / profit for the period		**(30.1)**	**(2.6)**	**(32.7)**	42.2	(2.9)	39.3
(Loss) / earnings per share (p):							
- Basic	4	**(7.5)**		**(8.0)**	6.7		6.1
- Diluted	4	**(7.5)**		**(8.0)**	6.6		6.0

[1] Stated on an underlying basis (refer to page 19 for details), which in 2020 excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006 and the additional non-cash interest as a result of debt modifications arising on the adoption of IFRS 9. In 2019, it also excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006 and the revaluation of the obligation to acquire an additional 16% shareholding in the TFS business in India.

[2] The Group adopted IFRS 16 'Leases' on 1 October 2019 using the modified retrospective approach to transition and in accordance with the standard the Group's financial results for the prior periods have not been restated. As a result, with the exception of revenue, the statutory results shown above for the six months ended 31 March 2020 are not directly comparable with the prior periods. To provide a meaningful comparison with the prior periods an alternative presentation of the Group's results prepared under IAS 17 'Leases', the previous accounting standard for leases, is shown in Note 2.

Condensed consolidated statement of other comprehensive income
for the six months ended 31 March 2020

	Six months ended 31 March 2020 £m	Six months ended 31 March 2019 £m
Other comprehensive (expense) / income		
Items that will never be reclassified to the income statement		
Re-measurements on defined benefit pension schemes	**5.3**	(2.3)
Income tax (charge) / credit relating to items that will not be reclassified	**(1.0)**	0.2
Items that are or may be reclassified subsequently to the income statement		
Net gain on hedge of net investment in foreign operations	**2.1**	8.5
Other foreign exchange translation differences	**(28.5)**	(14.2)
Effective portion of changes in fair value of cash flow hedges	**(0.7)**	(3.3)
Cash flow hedges - reclassified to the income statement	**0.6**	2.2
Income tax credit relating to items that are or may be reclassified	**2.4**	2.8
Other comprehensive expense for the period	**(19.8)**	(6.1)
(Loss) / profit for the period	**(32.7)**	39.3
Total comprehensive (expense) / income for the period	**(52.5)**	33.2
Total comprehensive (expense) / income attributable to:		
Equity shareholders	**(50.8)**	20.2
Non-controlling interests	**(1.7)**	13.0
Total comprehensive (expense) / income for the period	**(52.5)**	33.2

Condensed consolidated balance sheet
as at 31 March 2020

	Notes	31 March 2020 £m	30 September 2019 £m
Non-current assets			
Property, plant and equipment		**525.8**	466.5
Goodwill and intangible assets		**753.2**	747.1
Right-of-use assets	9	**1,463.0**	-
Investments in associates		**13.6**	17.3
Deferred tax assets		**26.5**	28.2
Other receivables		**47.7**	54.3
		2,829.8	1,313.4
Current assets			
Inventories		**34.8**	38.7
Tax receivable		**9.0**	0.8
Trade and other receivables		**179.8**	205.4
Cash and cash equivalents	12	**380.8**	233.3
		604.4	478.2
Total assets		**3,434.2**	1,791.6
Current liabilities			
Short term borrowings	12	**(148.5)**	(128.8)
Trade and other payables		**(498.2)**	(551.9)
Dividend payable		**(26.8)**	-
Tax payable		**(11.2)**	(30.9)
Lease liabilities	10	**(308.0)**	-
Provisions		**(1.1)**	(4.6)
		(993.8)	(716.2)
Non-current liabilities			
Long term borrowings	12	**(690.0)**	(587.9)
Post-employment benefit obligations		**(14.1)**	(19.6)
Lease liabilities	10	**(1,168.5)**	-
Other payables		**(3.5)**	(4.1)
Provisions		**(21.1)**	(29.9)
Derivative financial liabilities	12	**(4.7)**	(4.6)
Deferred tax liabilities		**(13.8)**	(13.7)
		(1,915.7)	(659.8)
Total liabilities		**(2,909.5)**	(1,376.0)
Net assets		**524.7**	415.6
Equity			
Share capital		**5.8**	4.8
Share premium		**462.0**	461.2
Capital redemption reserve		**1.2**	1.2
Merger relief reserve	13	**206.9**	-
Other reserves		**(10.3)**	12.9
Retained losses		**(210.4)**	(152.1)
Total equity shareholders' funds		**455.2**	328.0
Non-controlling interests		**69.5**	87.6
Total equity		**524.7**	415.6

Condensed consolidated statement of changes in equity
for the six months ended 31 March 2020

	Share capital	Share premium	Merger relief reserve	Other reserves [1]	Retained losses	Total parent equity	NCI	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 October 2018	**4.8**	**461.2**	**-**	**(11.8)**	**(77.7)**	**376.5**	**81.8**	**458.3**
Profit for the period	-	-	-	-	28.3	28.3	11.0	39.3
Other comprehensive (expense) / income for the period	-	-	-	(6.0)	(2.1)	(8.1)	2.0	(6.1)
Capital contributions from NCI	-	-	-	-	-	-	3.5	3.5
NCI arising on acquisition	-	-	-	-	-	-	0.7	0.7
Dividends paid to equity shareholders	-	-	-	-	(25.2)	(25.2)	-	(25.2)
Dividends paid to NCI	-	-	-	-	-	-	(14.3)	(14.3)
Share-based payments	-	-	-	-	4.7	4.7	-	4.7
Current and deferred tax on share schemes	-	-	-	-	0.1	0.1	-	0.1
At 31 March 2019	4.8	461.2	-	(17.8)	(71.9)	376.3	84.7	461.0
At 1 October 2019	**4.8**	**461.2**	**-**	**14.1**	**(152.1)**	**328.0**	**87.6**	**415.6**
Profit / (loss) for the period	-	-	-	-	(36.1)	(36.1)	3.4	(32.7)
Other comprehensive (expense) / income for the period	-	-	-	(19.0)	4.3	(14.7)	(5.1)	(19.8)
Capital contributions from NCI	-	-	-	-	-	-	3.1	3.1
Purchase of NCI shareholding	-	-	-	(4.2)	-	(4.2)	(0.7)	(4.9)
Equity issue[2]	1.0	0.8	206.9	-	-	208.7	-	208.7
Share buyback	-	-	-	-	(1.7)	(1.7)	-	(1.7)
Dividends payable to equity shareholders	-	-	-	-	(26.8)	(26.8)	-	(26.8)
Dividends paid to NCI	-	-	-	-	-	-	(18.8)	(18.8)
Share-based payments	-	-	-	-	2.9	2.9	-	2.9
Current and deferred tax on share schemes	-	-	-	-	(0.7)	(0.7)	-	(0.7)
Other movements	-	-	-	-	(0.2)	(0.2)	-	(0.2)
At 31 March 2020	**5.8**	**462.0**	**206.9**	**(9.1)**	**(210.4)**	**455.2**	**69.5**	**524.7**

[1] At 31 March 2019 and 31 March 2020, the other reserves include the capital redemption reserve, translation reserve and cash flow hedging reserve. Additionally, at 31 March 2019, the other reserves also include the obligation to acquire an additional share of a joint venture accounted for as a subsidiary.

[2] Refer to Note 13 for details of the equity issue.

Condensed consolidated cash flow statement
for the six months ended 31 March 2020

	Notes	**Six months ended 31 March 2020 £m**	Six months ended 31 March 2019 £m
Cash flows from operating activities			
Cash flow from operations	7	**157.4**	76.0
Tax paid		**(20.1)**	(18.7)
Net cash flows from operating activities		**137.3**	57.3
Cash flows from investing activities			
Investment in associate		**-**	(1.3)
Dividends received from associates		**3.5**	0.1
Interest received		**1.3**	0.6
Purchase of property, plant and equipment		**(107.3)**	(101.5)
Purchase of other intangible assets		**(15.3)**	(10.2)
Acquisitions, net of cash and cash equivalents acquired		**(26.9)**	(3.4)
Net cash flows from investing activities		**(144.7)**	(115.7)
Cash flows from financing activities			
Receipt of cash from US Private Placement and other debt		**102.1**	133.3
Net drawdown of Revolving Credit Facility		**20.0**	-
Equity issue net of fees paid		**209.2**	-
Share buyback		**(1.7)**	-
Repayment of finance lease and other loans		**-**	(12.7)
Payment of lease liabilities		**(143.4)**	-
Financing fee paid		**-**	(1.0)
Interest paid excluding interest on lease liabilities		**(10.4)**	(6.7)
Dividends paid to equity shareholders		**-**	(25.2)
Dividends paid to non-controlling interests		**(18.8)**	(14.3)
Capital contribution from non-controlling interests		**3.1**	3.5
Net cash flows from financing activities		**160.1**	76.9
Net increase in cash and cash equivalents		**152.7**	18.5
Cash and cash equivalents at beginning of the period		**233.3**	147.8
Effect of exchange rate fluctuations on cash and cash equivalents		**(5.2)**	(0.2)
Cash and cash equivalents at end of the period		**380.8**	166.1
Reconciliation of net cash flow to movement in net debt			
Net increase in cash in the period		**152.7**	18.5
Cash (inflow) from US Private Placement debt		**(101.8)**	(133.3)
Cash (inflow) / outflow from change in debt and finance leases		**(20.3)**	12.7
Financing fee paid		**-**	1.0
Change in net debt resulting from cash flows		**30.6**	(101.1)
Translation differences		**(3.1)**	8.2
Other non-cash changes		**(1.8)**	(5.8)
Decrease / (increase) in net debt excluding lease liabilities in the period		**25.7**	(98.7)
Net debt excluding lease liabilities at beginning of the period		**(483.4)**	(334.7)
Net debt excluding lease liabilities at end of the period		**(457.7)**	(433.4)
Lease liabilities	10	**(1,476.5)**	-
Net debt including lease liabilities at end of the period		**(1,934.2)**	(433.4)

Notes

1 Basis of preparation and accounting policies

The Group adopted IFRS 16 'Leases' on 1 October 2019 which, whilst having no overall net cash flow impact, significantly distorts comparisons with previous periods for certain line items, particularly because the payment of lease liabilities is now included as a deduction within financing activities whereas previously under IAS 17 'Leases' operating lease charges were included as a deduction within cash flow from operating activities.

1.1 Basis of preparation

The condensed consolidated half-yearly financial statements of SSP Group plc (the Group) have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as adopted by the EU. The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS. These condensed consolidated half-yearly financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006, and should be read in conjunction with the Annual Report and Accounts 2019. The comparative figures for the six months ended 31 March 2019 are not the Group's statutory accounts for that financial year. Those accounts were reported upon by the Group's auditors and delivered to the registrar of companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006.

These 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 for the derivative financial instruments which are stated at their fair value.

1.2 Going concern

The uncertainty as to the future impact on SSP of Covid-19 has been considered as part of the Group's adoption of the going concern basis of preparation, in which context the Directors have reviewed cash flow forecasts prepared for a period of 16 months from the date of approval of these financial statements. These forecasts assume an almost total shutdown of our travel markets for the whole of the second half of the current financial year. The projections then assume a progressive recovery in those travel markets and therefore the Group's sales during the 2021 financial year.

At the end of the reporting period and following the equity issue in late March, the Group had approximately £413m of available liquidity, comprising cash of approximately £381m and committed undrawn revolving credit facilities of £32m. At the beginning of April, we announced that the Bank of England had confirmed that SSP had secured access to the CCFF, under which facility the Group is permitted to draw up to £300m. During April, the Group also secured access to a number of additional smaller liquidity lines, including government-backed facilities in France, Spain and Switzerland, providing a further £37m. On a pro forma basis, adjusting the Group's reported liquidity position at the end of March to include the new facilities secured in early April, Group cash and undrawn available facilities totalled approximately £750m.

Based on a scenario where sales were to remain at current levels until the end of the current financial year, the Directors anticipate an overall net cash outflow for the second half year of between £340m and £440m, including an immediate loss of negative working capital of between £180m and £200m and an EBITDA loss of between £120m and £190m, the final out-turn depending on the Group's ability to manage the profit conversion on the reduced sales. This would leave remaining cash and undrawn facilities of between £310m and £410m by the end of the current financial year, and a monthly operating cash utilisation of between £25m and £30m by the final quarter at these very low levels of sales.

Taking into account the previously-outlined level of cash and available facilities, the Directors are therefore confident that the Group has sufficient funds to allow it to operate throughout even its most pessimistic scenario.

In order to provide the maximum financial flexibility for the Group through this exceptionally challenging period, the Directors are also pleased to confirm that the Group has secured an agreement from SSP's lending group of banks and its US private placement note holders to waive existing financial covenants ('existing covenants'), testing both interest cover and leverage, for the next two testing periods covering the twelve months to 30 September 2020 and 31 March 2021. They have agreed that these existing covenants will be replaced between now and 30 September 2021 by two new covenants ('new covenants'), each tested monthly, with the first of these based on the Group demonstrating a minimum level of liquidity and the second based on the Group not exceeding a maximum level of net debt. For the testing period ending 30 September 2021 both the existing and new covenants will be relevant, with the Group returning to the existing covenants thereafter. The Directors are confident that the Group has sufficient headroom to stay within the applicable new monthly thresholds for the new covenants even in the most pessimistic scenario.

In adopting the going concern basis of preparation, the Directors also took account of the fact that there is likely to be continued disruption to travel markets during 2021, and as a consequence it is difficult to predict with confidence the overall impact of Covid-19 on the Group's profitability in the next financial year at this stage. Given this level of uncertainty over the duration and severity of any disruption, there are scenarios in which the Group could breach its interest cover and leverage covenants at the end of September 2021 when these tests are reinstated. Following the Group's recent successful negotiations with its lenders to obtain covenant waivers for the 30 September 2020 and 31 March 2021 testing periods, the Directors are confident that the Group will be able to obtain such a waiver for the 30 September 2021 testing period should the need arise, or take alternative mitigating action within this time frame of 16 months. Nevertheless, the possibility of a covenant breach at the end of September 2021 cannot be discounted, and as such represents a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern.

After reviewing the most recent projections and the sensitivity analysis and having carefully considered the material uncertainty and the mitigating actions available, the Directors believe that it is appropriate to prepare the financial statements on the going concern basis.

1.3 New accounting standards adopted by the Group

A. IFRS 16 'Leases'

The Group adopted IFRS 16 'Leases' with effect from 1 October 2019 using the modified retrospective approach to transition. The new standard requires that the Group's leased assets are recorded as right-of-use assets together with their corresponding lease liabilities. Adoption of the new standard has had a material impact on the Group's interim financial statements, with right-of-use assets of £1,441.4 million recognised on transition together with lease liabilities of £1,435.2 million. As at 31 March 2020 the right-of-use assets were £1,463.0m million and the lease liabilities were £1,476.5 million.

The Group's lease portfolio consists of approximately 1,500 leases which are within the scope of IFRS 16, principally for concession contracts, offices, warehouses, vehicles and equipment for which the Group has been collating data for a number of years in preparation for the new standard. This data has been used in conjunction with a lease accounting tool implemented for the Group to provide the accounting entries required under IFRS 16.

On transition, the lease liabilities have been measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate on the date of transition. The right-of-use assets have been measured at the carrying amounts that would have been in place had the standard been applied since the commencement of each lease, discounted using the incremental borrowing rate at the date of transition. The weighted average incremental borrowing rate applied to the Group's lease portfolio on 1 October 2019 was 1.56%.

On transition the Group elected not to reassess whether a contract is, or contains, a lease, instead relying on the assessment already made in applying IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement contains a Lease'. In addition, the Group applied the following available practical expedients permitted by the standard:

- the exclusion of leases relating to low-value assets (less than £5,000 when new);
- the exclusion of short-term leases, being those with a lease term of 12 months or less;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- reliance on its assessment of whether leases are onerous immediately prior to the date of transition.

The impact of the adoption of IFRS 16 on the opening balance sheet as at 1 October 2019 is shown in the table below:

	As at 30 September 2019 £m	Impact of IFRS 16 £m	Restated as at 1 October 2019 £m
Right-of-use assets	-	1,441.4	1,441.4
Other receivables	118.4	(11.2)	107.2
Other payables	(201.3)	1.2	(200.1)
Provisions	(34.5)	3.8	(30.7)
Lease liabilities	-	(1,435.2)	(1,435.2)

Under IFRS 16, the operating lease expense previously recorded in operating costs has been replaced by a depreciation charge, which is higher in the current period than the operating lease expense recognised under IAS 17, the previous accounting standard for leases, and a separate interest expense, recorded in finance expense. This significantly impacts certain line items in the Group's consolidated income statement and distorts comparisons with prior periods because in accordance with the standard, as a result of the Group transitioning to IFRS 16 using the modified retrospective approach, prior periods have not been restated. However, in order to provide a meaningful comparison with prior periods, the Group's financial results for the six months ended 31 March 2020 have also been presented in accordance with IAS 17. The results for the six months ended 31 March 2020 under IAS 17 are referred to as 'Pro forma IAS 17'. Note 2 includes a Consolidated income statement showing the results for the six months ended 31 March 2020 both as reported under IFRS 16 and on a pro forma IAS 17 basis together with growth rates versus the prior period on a like-for-like basis under IAS 17.

A summary of the impact of the adoption of IFRS 16 on the Group's underlying results for the six months ended 31 March 2020 compared to the pro forma IAS 17 results is shown in the table below:

	Pro forma IAS 17 H1 2020 £m	**Impact of IFRS 16 £m**	**IFRS 16 H1 2020 £m**
Underlying* operating profit / (loss)	**1.3**	**(7.1)**	**(5.8)**
Underlying* loss before tax	**(10.7)**	**(21.7)**	**(32.4)**
Underlying* loss per share (pence)	**(4.0)**	**(3.5)**	**(7.5)**

*Stated on an underlying basis, which excludes the amortisation of intangible assets arising on the acquisition of the SSP business in 2006 of £0.9m and the additional non-cash interest as a result of debt modifications arising on the adoption of IFRS 9 of £1m.

There is no net cash flow impact arising from the adoption of the new standard. As discussed in the going concern section above, the Group's principal debt covenants, which are net debt to EBITDA and interest cover, have been waived for 30 September 2020 and 31 March 2021 and replaced by new covenants based on minimum liquidity and a maximum consolidated net debt level. These new covenants are measured on a historical accounting standards basis and are therefore unaffected by the adoption of IFRS 16. The Group does not intend to alter its approach going forward as to whether assets should be leased or bought.

From 1 October 2019, the Group's lease accounting policy is as follows:

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the initial amount of the lease liability plus any initial direct costs incurred and any lease payments made at or before the lease commencement date, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset in a similar economic environment with similar terms and conditions. The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or a rate or a change in the Group's assessment of whether it will exercise an extension or termination option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset.

Judgements are involved in determining the lease term, particularly because termination options are included in a number of property leases across the Group to facilitate operational flexibility. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise a termination option. Termination options are only included in the lease term if it is reasonably certain that the lease will not be terminated. The assessment of the lease term is reviewed if a significant event or a significant change in circumstances occurs that is within the control of the Group.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets with a value of less than £5,000 when new, typically small items of IT equipment, office equipment and office furniture.

B. Other standards

The following accounting standards and amendments have been adopted by the Group in the current period:

- IFRIC 23 'Uncertainty over income tax treatments'
- Amendments to IFRS 9 'Prepayment features with negative compensation'
- Amendments to IAS 28 'Long term interests in associates and joint ventures'
- Amendments to IAS 19 'Plan amendment, curtailment or settlement'
- Annual improvements to IFRS standards 2015–2017 cycle

Adoptions of these new IFRS standards have had no material impact on the consolidated interim financial statements.

1.4 New accounting standards not yet adopted by the Group

The following amendments have been issued by the IASB but had either not been adopted by the European Union or were not yet effective in the European Union at 31 March 2020. The Group is currently analysing the impact these standards would have on its consolidated results and financial position.

- Amendments to references to the conceptual framework in IFRS standards
- Amendments to IFRS 3 'Definition of a business'
- Amendments to IAS 1 and IAS 8 'Definition of material'
- Amendments to IFRS 9, IAS 39 and IFRS 7 'Interest rate benchmark reform'

2 Pro forma consolidated income statement

As referred to in Note 1, the Group adopted IFRS 16 'Leases' on 1 October 2019 using the modified retrospective approach to transition. In accordance with the standard, prior periods have not been restated and as a result comparisons with prior periods are distorted. However, in order to provide a meaningful comparison with prior periods which were accounted for under IAS 17 'Leases', the table below shows the Group's underlying financial results for the six months ended 31 March 2020 presented in accordance with IAS 17 under the heading 'Pro forma IAS 17':

	Notes	**Underlying IFRS 16 Six months ended 31 March 2020 £m**	**Impact of IFRS 16 £m**	**Pro forma IAS 17 Six months ended 31 March 2020 £m**	IAS 17 Six months ended 31 March 2019 £m	IAS 17 Year on year change %
Revenue	3	**1,214.6**	**-**	**1,214.6**	1,261.6	-3.7%
Operating costs	5	**(1,220.4)**	**7.1**	**(1,213.3)**	(1,199.1)	+1.2%
Operating (loss) / profit		**(5.8)**	**7.1**	**1.3**	62.5	-97.9%
Share of profit of associates		**0.2**	**0.2**	**0.4**	2.1	-81.0%
Finance income	6	**1.1**	**-**	**1.1**	1.0	+10.0%
Finance expense	6	**(27.9)**	**14.4**	**(13.5)**	(11.4)	+18.4%
(Loss) / Profit before tax		**(32.4)**	**21.7**	**(10.7)**	54.2	-119.7%
Taxation		**2.3**	**(1.5)**	**0.8**	(12.0)	-106.7%
(Loss) / Profit for the period		**(30.1)**	**20.2**	**(9.9)**	42.2	-123.5%
Equity holders of the parent		**(33.5)**	**15.7**	**(17.8)**	31.2	-157.1%
Non-controlling interests		**3.4**	**4.5**	**7.9**	11.0	-28.2%
(Loss) / Profit for the period		**(30.1)**	**20.2**	**(9.9)**	42.2	-123.5%
- Basic	4	**(7.5)**		**(4.0)**	6.7	-159.7%
- Diluted	4	**(7.5)**		**(4.0)**	6.6	-160.6%

3 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”: the UK, Continental Europe, North America and Rest of the World (RoW). The UK includes operations in the United Kingdom and the Republic of Ireland; Continental Europe includes operations in the Nordic countries and in Western and Southern Europe; North America includes operations in the United States and Canada; and RoW includes operations in Eastern Europe, the Middle East, Asia Pacific, India 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.

	UK	Continental Europe	North America	RoW	Non-attributable	Total
	£m	£m	£m	£m	£m	£m
Six months ended 31 March 2020 (IFRS 16)						
Revenue	**372.6**	**424.3**	**246.5**	**171.2**	**-**	**1,214.6**
Underlying operating profit / (loss)	**23.1**	**(23.8)**	**7.4**	**6.3**	**(18.8)**	**(5.8)**
Adjustment	**(0.7)**	**(0.2)**	**-**	**-**	**-**	**(0.9)**
Operating profit / (loss)	**22.4**	**(24.0)**	**7.4**	**6.3**	**(18.8)**	**(6.7)**
Six months ended 31 March 2020 (Pro forma IAS 17)						
Revenue	**372.6**	**424.3**	**246.5**	**171.2**	**-**	**1,214.6**
Underlying operating profit / (loss)	**23.8**	**(20.1)**	**7.8**	**8.6**	**(18.8)**	**1.3**
Adjustment	**(0.7)**	**(0.2)**	**-**	**-**	**-**	**(0.9)**
Operating profit / (loss)	**23.1**	**(20.3)**	**7.8**	**8.6**	**(18.8)**	**0.4**
Six months ended 31 March 2019 (as reported under IAS 17)						
Revenue	385.2	452.7	235.9	187.8	-	1,261.6
Underlying operating profit / (loss)	39.1	17.7	9.5	15.9	(19.7)	62.5
Adjustment	(0.7)	(0.2)	-	-	-	(0.9)
Operating profit / (loss)	38.4	17.5	9.5	15.9	(19.7)	61.6

The following amounts are included in underlying operating profit or loss:

	UK	Continental Europe	North America	RoW	Non-attributable	Total
	£m	£m	£m	£m	£m	£m
Six months ended 31 March 2020 (IFRS 16)						
Depreciation and amortisation*	**(40.1)**	**(85.8)**	**(37.1)**	**(37.1)**	**(3.2)**	**(203.3)**
Six months ended 31 March 2020 (Pro forma IAS 17)						
Depreciation and amortisation*	**(7.1)**	**(19.9)**	**(16.2)**	**(8.5)**	**(3.2)**	**(54.9)**
Six months ended 31 March 2019 (as previously reported under IAS 17)						
Depreciation and amortisation*	(7.4)	(17.9)	(15.3)	(9.0)	(3.2)	(52.8)

* Excludes amortisation of acquisition related intangible asset

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

	Six months ended 31 March 2020 (IFRS 16)	**Six months ended 31 March 2020 (Pro forma IAS 17)**	Six months ended 31 March 2019 (IAS 17)
	£m	**£m**	£m
Underlying operating (loss) / profit	**(5.8)**	**1.3**	62.5
Adjustments to operating costs (note 5)	**(0.9)**	**(0.9)**	(0.9)
Share of profit from associates	**0.2**	**0.4**	2.1
Finance income	**1.1**	**1.1**	1.0
Finance expense	**(27.9)**	**(13.5)**	(11.4)
Adjustments to finance expense (note 6)	**(1.0)**	**(1.0)**	(1.9)
(Loss) / profit before tax	**(34.3)**	**(12.6)**	51.4
Taxation	**1.6**	**0.1**	(12.1)
(Loss) / profit after tax	**(32.7)**	**(12.5)**	39.3

4 Earnings / (loss) per share

Basic earnings / (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 earnings / (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 earnings / (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:

	IFRS 16 Six months ended 31 March 2020 £m	Pro forma IAS 17 Six months ended 31 March 2020 £m	IAS 17 Six months ended 31 March 2019 £m
(Loss) / Profit attributable to ordinary shareholders	**(36.1)**	**(20.4)**	28.3
Adjustments:			
Amortisation of acquisition-related intangibles	**0.9**	**0.9**	0.9
Net revaluation and discount unwind of the TFS financial liability (note 6)	**-**	**-**	1.9
Interest expense from amend and extend of borrowings under IFRS 9	**1.0**	**1.0**	-
Tax effect of adjustments	**0.7**	**0.7**	0.1
Underlying (loss) / profit attributable to ordinary shareholders	**(33.5)**	**(17.8)**	31.2
Basic weighted average number of shares	**448,922,547**	**448,922,547**	466,385,491
Dilutive potential ordinary shares	**-**	**-**	4,356,506
Diluted weighted average number of shares	**448,922,547**	**448,922,547**	470,741,997
Earnings / (loss) per share (p):			
- Basic	**(8.0)**	**(4.5)**	6.1
- Diluted	**(8.0)**	**(4.5)**	6.0
Underlying earnings / (loss) per share (p):			
- Basic	**(7.5)**	**(4.0)**	6.7
- Diluted	**(7.5)**	**(4.0)**	6.6

The number of ordinary shares in issue as at 31 March 2020 was 533,856,044 which excludes treasury shares (31 March 2019: 467,021,646). The Company also holds 263,499 ordinary shares in treasury.

It must be noted that 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.

5 Operating costs

	IFRS 16 Six months ended 31 March 2020 £m	Pro forma IAS 17 Six months ended 31 March 2020 £m	IAS 17 Six months ended 31 March 2019 £m
Cost of food and materials:			
Cost of inventories consumed in the period	**(358.4)**	**(358.4)**	(369.4)
Labour cost:			
Employee remuneration	**(387.8)**	**(387.8)**	(385.1)
Overheads:			
Depreciation of property, plant and equipment	**(51.8)**	**(51.8)**	(48.7)
Depreciation of right-of-use assets	**(148.4)**	**-**	-
Amortisation of intangible assets – software	**(3.1)**	**(3.1)**	(4.1)

Amortisation of acquisition-related intangible assets	**(0.9)**	**(0.9)**	(0.9)
Rentals payable under operating leases	**(112.9)**	**(254.2)**	(248.6)
Other overheads	**(158.0)**	**(158.0)**	(143.2)
	(1,221.3)	**(1,214.2)**	(1,200.0)

6 Finance income and expense

	IFRS 16 Six months ended 31 March 2020 £m	**Pro forma IAS 17 Six months ended 31 March 2020 £m**	IAS 17 Six months ended 31 March 2019 £m
Finance income			
Interest income	**1.1**	**1.1**	1.0
Total finance income	**1.1**	**1.1**	1.0
Finance expense			
Total interest expense on financial liabilities measured at amortised cost	**(10.6)**	**(10.6)**	(7.2)
Lease interest expense	**(14.4)**	**-**	-
Net change in fair value of cash flow hedges utilised in the period	**(0.6)**	**(0.6)**	(2.2)
Unwind of discount on provisions	**(0.3)**	**(0.3)**	(0.3)
Net interest expense on defined benefit pension obligations	**(0.1)**	**(0.1)**	-
Net foreign exchange losses	**(0.2)**	**(0.2)**	(0.7)
Net revaluation and discount unwind of TFS financial liability	**-**	**-**	(1.9)
Other	**(2.7)**	**(2.7)**	(1.0)
Total finance expense	**(28.9)**	**(14.5)**	(13.3)

Adjustments to finance expense

The adjustments to finance expense in the period to 31 March 2020 includes additional expense arising as a result of changes to the effective interest rate following the adoption of IFRS 9.

	Six months ended 31 March 2020	Six months ended 31 March 2019
Unwind of discount on obligation to acquire additional share of subsidiary undertaking	**-**	(0.3)
Foreign exchange loss on revaluation of obligation to acquire additional share of subsidiary undertaking	**-**	(1.6)
Additional interest expense on amend and extend of borrowings under IFRS 9	**(1.0)**	-
Total adjustments to finance expense	**(1.0)**	(1.9)

7 Cash flow from operations

	IFRS 16 Six months ended 31 March 2020	Pro forma IAS 17 Six months ended 31 March 2020	IAS 17 Six months ended 31 March 2019
	£m	**£m**	£m
(Loss) / profit for the period	**(32.7)**	**(12.5)**	39.3
Adjustments for:			
Depreciation	**200.2**	**51.8**	48.7
Amortisation	**4.0**	**4.0**	5.0
Share-based payments	**2.9**	**2.9**	4.7
Finance income	**(1.1)**	**(1.1)**	(1.0)
Finance expense	**28.9**	**14.5**	13.3
Share of profit of associates	**(0.2)**	**(0.4)**	(2.1)
Taxation	**(1.6)**	**(0.1)**	12.1
	200.4	**59.1**	120.0
Decrease / (increase) in trade and other receivables	**20.3**	**19.5**	(5.8)
Decrease / (increase) in inventories	**3.9**	**3.9**	(0.8)
(Decrease) in trade and other payables including provisions	**(67.2)**	**(68.5)**	(37.4)
Cash flow from operations	**157.4**	**14.0**	76.0

8 Dividends

	Six months ended 31 March 2020	Six months ended 31 March 2019
	£m	£m
Final dividend for year ended 30 September 2019 of 6.0p per share has been approved but not paid during the period (2019: 5.4p per share)	**(26.8)**	(25.2)
	(26.8)	(25.2)

No interim dividend for H1 2020 is proposed (H1 2019: 5.8 pence per share totalling £25.8m).

9 Right-of-use assets

	Six months ended 31 March 2020
	£m
Beginning of the period	**-**
Right-of-use assets on transition	**1,441.4**
Acquisitions	**22.7**
Additions	**160.5**
Depreciation charge in the period	**(148.4)**
Re-measurement adjustments	**3.7**
Currency translation	**(16.9)**
End of the period	**1,463.0**

10 Lease liabilities

	Six months ended 31 March 2020 £m
Beginning of the period	-
Lease liabilities on transition	**(1,435.2)**
Acquisitions	**(22.7)**
Additions	**(160.5)**
Interest charge in the period	**(14.4)**
Payment of lease liabilities	**143.4**
Re-measurement adjustments	**(3.6)**
Currency translation	**16.5**
End of the period	**(1,476.5)**
Of which are:	
Current lease liabilities	**(308.0)**
Non-current lease liabilities	**(1,168.5)**
End of the period	**(1,476.5)**

11 Business combinations and purchase of non-controlling interest

Business combinations

The Group purchased 100% of the share capital of two companies and the trade and assets comprising part of the business of two other companies in the current year for a total consideration, net of cash and cash equivalents acquired, of £22.0m.

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

Business / Company	Acquisition method	Sector	Country	Acquisition date
Land's End Pasty	Trade and assets	Rail	UK	1 October 2019
Red Rock's F&B business in Melbourne Airport	Trade and assets	Air	Australia	23 December 2019
WA Airport Hospitality Pty Ltd	Share capital	Air	Australia	23 January 2020
Station Food GmbH	Share capital	Rail	Germany	29 February 2020

Details of the total provisional goodwill and fair value of net assets acquired are as follows:

6 months to 31 March 2020	**£m**
Cash consideration	23.1
Less: cash and cash equivalents acquired	1.1
Total consideration, net of cash and cash equivalents acquired	**22.0**
Provisional fair value of net assets acquired	9.1
Goodwill on acquisition	**12.9**

Goodwill represents the synergies, workforce knowledge and experience and other benefits expected as a result of these acquisitions. Only the goodwill from the acquisition of Station Food is expected to be deductible for tax purposes.

6 months to 31 March 2020	**£m**
Property, plant and equipment	9.8
Current assets (excluding cash and cash equivalents)	0.6
Current liabilities	(1.3)
Provisional fair value of net assets acquired	**9.1**

The provisional fair values of assets and liabilities arising from acquisitions, which are shown above, will be finalised in the Annual Report & Accounts for 2020.

These acquisitions contributed £2.8m to revenue and nil to operating profit from the dates of acquisition to 31 March 2020. If the acquisitions had occurred at the beginning of the year, its contribution to revenue and operating loss would have been £12.3m and £0.3m respectively.

Purchase of non-controlling interest

Prior to 6 February 2020 the Group held a 50% interest in Rail Gourmet Togservice Norge AS (RGT). On 6 February 2020, the Group purchased the 50% interest in RGT it did not own, taking its ownership to 100%. The consideration paid for the additional 50% interest was NOK60m, equivalent to £4.9m.

12 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; and
- 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. It does not include information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

	Carrying value	
	31 March 2020	30 September 2019
	£m	£m
Financial instruments measured at fair value:		
Non-current		
Derivative financial liabilities	**(4.7)**	(4.6)
Financial instruments not measured at fair value:		
Non-current		
Long term borrowings	**(690.0)**	(587.9)
Current		
Cash and cash equivalents	**380.8**	233.3
Short term borrowings	**(148.5)**	(128.8)

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 estimated using market prices at 31 March 2020 is £848.5m (30 September 2019: £728.3m).

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

13 Equity issue

On 25 March 2020, the Company announced that it had raised new equity by agreeing to allot and issue 86,195,459 new ordinary shares (of nominal value 1 17/200 pence each) to investors at £2.50 per share, by way of a share placing. Due to the size of the transaction, and the short time-frame required as part of the Company's response to the Covid-19 pandemic, the placing was effected by the Company's placing agent subscribing for shares in a subsidiary of the Company for an amount broadly equal to the proceeds of the placing, and then transferring those shares to the Company in exchange for the allotment of the Company's new shares to investors. The Company raised gross proceeds of £215.5m and incurred issue costs and other related fees of £7.6m (of which £7.1m had been paid by 31 March 2020 and £0.5m had been accrued).

The excess of the gross proceeds raised over the nominal value of the shares issued, and the issue costs and other related fees incurred from the placing, are both recorded in the merger relief reserve, in accordance with Section 612 of the Companies Act 2006.

Concurrent to the placing, certain directors of the Company and members of the senior management team of the Group subscribed in cash at £2.50 per share for an aggregate 304,000 new ordinary shares (of nominal value of 1 17/200 pence each), raising additional proceeds of £0.8m. The excess of the proceeds raised over the nominal value of the shares issued is recorded in share premium, in accordance with section 610 of the Companies Act 2006.

14 Post balance sheet events

Funding facilities

SSP Group plc, acting through its wholly owned subsidiary SSP Financing Limited, has secured access to the Covid Corporate Financing Facility established by HM Treasury and the Bank of England with a pre-approved limit of £300m. On 1 April 2020, SSP Financing Limited made a drawdown of £50m of funding under the scheme.

During April and May 2020, wholly owned subsidiaries of SSP Group plc also secured access to a number of additional smaller liquidity lines. These are summarised as follows:

Country	Counterparty	Facility size	Duration
France	BNP	Two facilities of €12,500,000 each	6 years
Spain	BBVA	€10,000,000	1 year, extendable
Spain	Bankia	€9,000,000	1 years, extendable for 3 years
Switzerland	Zurcher Kantolbank	CHF 500,000	5 years
Switzerland	Zurcher Kantolbank	CHF 4,390,687	5 years

The first and second French facilities were fully drawn on 10 April and 14 April respectively. The Spanish Bankia facility and the initial Swiss facility (CHF 500,000) were fully drawn on 22 April and 5 May respectively. €2m was drawn from the Spanish BBVA facility on 6 May. The second Swiss facility of CHF 4,390,687 was entered into in May 2020 and is as yet undrawn.

Covenants

In addition, SSP Financing Limited secured an agreement from its lending group of banks and US private placement note holders to waive existing financial covenants for the next two testing periods covering the twelve months to 30 September 2020 and 31 March 2021. It has been agreed that these covenants tests will be replaced between now and 30 September 2021 by two new covenant tests, each tested monthly, with the first of these based on SSP demonstrating a minimum level of liquidity and the second based on the Group not exceeding a maximum level of net debt. For the testing period ending 30 September 2021, both the existing and new covenants will be relevant, with the Group returning to the existing covenants thereafter.

15 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 117 of the Annual Report and Accounts 2019.

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 months to 31 March 2020.

16 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-19, economic and business cycles, the terms and conditions of the Company's financing arrangements, foreign currency rate fluctuations, competition in the Company's principal markets, acquisitions or disposals of businesses or assets and trends in the Company'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 we operate 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.