

SSP releases its first quarter trading update 2023



The financial year started well for SSP

[SSP](#) Group today released a trading update for the first four months of its 2023 financial year, from October 2022 to January 2023.

SSP sales of £871 million represent a strengthening of performance to over 100 percent of 2019 levels and with revenues tracking above 2019 levels in North America, continental Europe and the rest of the world. This revenue performance includes the benefit from net contract gains as the operator accelerates the mobilization of a significant pipeline, in addition to price increases compared to the same period in 2019.

In a February 16 press release, Patrick Coveney, CEO of SSP Group, said, “The strong momentum in performance that we saw across the business in the second half of last year has continued into the new financial year, demonstrating the high quality of our business model. We are making excellent progress against our strategic ambitions and are on track to deliver against the planning assumptions we set at the beginning of the financial year.”

The encouraging revenue performance has been driven by a further recovery in passenger numbers, led by strong leisure travel demand over the extended holiday season. This momentum continued through the autumn and into the winter, demonstrating resilience to the broader pressures on consumer spending. Business and commuter travel also continued to recover, though at a slower pace.

In North America, the strong revenue growth reflected the ongoing recovery in domestic air travel, despite the impact of flight cancellations and weather-related disruptions in December and January.

In continental Europe, most markets performed well, boosted by an extended holiday season which stretched into the autumn, across both the Air and Rail sectors. In other regions, revenues continued to recover well, including exceptional performance in India, where revenues in our joint venture (TFS) more than doubled year-on-year. Since the re-opening of the Chinese borders in early January, passenger numbers in China and Hong Kong have now started to recover but remain at very low levels. In the UK, the overall sales performance reflected both the seasonally higher weighting of rail within the business and the impact of an increased frequency of industrial action across the rail network during December and January. However, the UK Air business maintained its strong momentum.

Revenue performance by region for the four months to 31 January 2023:

Region	£m	vs. 2019	vs. 2022
North America	196	125%	175%
C. Europe	330	108%	156%
UK & ROI	215	83%	146%
Rest of World	130	101%	250%
Group	871	103%	167%

In accordance with SSP's Sustainability Report in January 2023, SSP has made significant progress, eliminating unnecessary single-use plastic from around 80 percent of our own brand packaging and reducing our direct Scope 1 and 2 emissions by 36 percent from our 2019 baseline. The operator continues to develop a "climate-smart" food agenda to reduce the emissions associated with the food and beverages we serve, which represent 78% of our total carbon footprint.

Coveney, CEO of SSP Group, said, "We have headroom for further growth and returns in multiple markets across the world. In particular, we see significant momentum and potential to accelerate expansion across the North American and Rest of World markets where revenues are now growing rapidly and which together are expected to account for approximately 40 percent of the Group by 2025. In addition to this, we continue to expand in a targeted way in the UK, Europe and the Middle East.

"The long-term structural growth in the air and rail travel sectors and the ongoing demand from clients and customers around the world for our brands and food concepts leave us well-placed to create significant value for shareholders for many years ahead. I would like to thank our colleagues, clients and brand partners across the world for the enormous contribution that they make to SSP each and every day."