John Menzies plc

Final Results Presentation

13 March 2018

Results Highlights

2017 was a transformational year

- The Group successfully completed its largest ever acquisition (US$202m)
- Record underlying operating profits delivered – up 41% at £77.9m
- Exceptional charge of £27.1m relating to corporate transactions and pension de-risking
- Disposal process for Menzies Distribution is underway

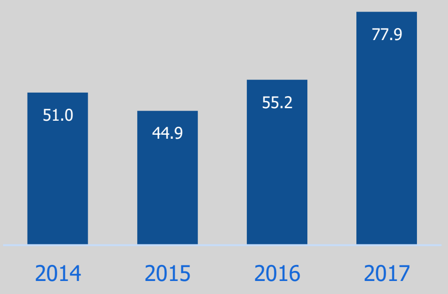
Menzies Aviation had an excellent year

- ASIG acquisition completed and integrating well. Projected synergy target being exceeded
- Underlying business performing well
- Investment in people and processes allows an industry leading position
- Commercial progress continued with excellent net contract gain position

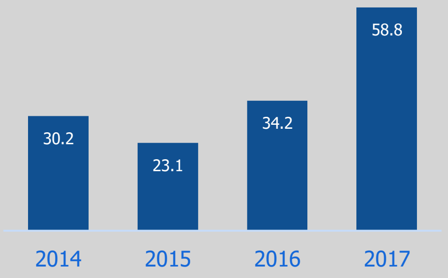
Menzies Distribution produced a solid performance

- Underlying operating profit in line with last year at £24.8m

John Menzies plc
Underlying operating profit £m



Menzies Aviation
Underlying operating profit £m



…. momentum building

Financial Overview

Giles Wilson

Chief Financial Officer, John Menzies plc

Financial overview

£m	2017	2017	2016
	Reported	Constant currency	
Turnover	**2,517.7**	**2,457.3**	**2,077.6**
Underlying operating profit	77.9	73.8	55.2
Interest	(10.8)	(10.8)	(5.5)
Underlying profit before tax	**67.1**	**63.0**	**49.7**
Operating cash flow	109.9		75.0
Net debt	214.4		70.5
Exceptional charge in operating profit	27.1		18.4
Debt to EBITDA covenant ratio	1.9x		0.8x
Underlying effective tax rate	30%		32%
Underlying EPS	57.2p		47.8p
Basic EPS	15.1p		11.8p
Dividend per share	20.5p		18.5p

Note: 2016 turnover restated

HIGHLIGHTS

Reported underlying operating profit

UP 41%

Underlying EPS

UP 20%

Net debt beats expectation

DEBT TO EBITDA 1.9x

Segmental performance

£m	Turnover 2017 Reported	Turnover 2017 Constant currency	Turnover 2016	Underlying operating profit 2017 Reported	Underlying operating profit 2017 Constant currency	Underlying operating profit 2016
Americas	460.4	440.0	219.8	23.0	21.8	12.9
EMEA	525.1	505.2	391.2	14.9	13.6	6.0
Rest of World	173.3	161.3	139.6	15.5	14.3	10.9
Cargo Forwarding	143.4	135.9	117.5	5.4	4.9	4.4
Aviation	**1,302.2**	**1,242.4**	**868.1**	**58.8**	**54.6**	**34.2**
Distribution	**1,215.5**	**1,214.9**	**1,209.5**	**24.8**	**24.8**	**24.7**
Corporate	**-**	**-**	**-**	**(5.7)**	**(5.6)**	**(3.7)**
Group	**2,517.7**	**2,457.3**	**2,077.6**	**77.9**	**73.8**	**55.2**

Note: 2016 turnover restated

HIGHLIGHTS

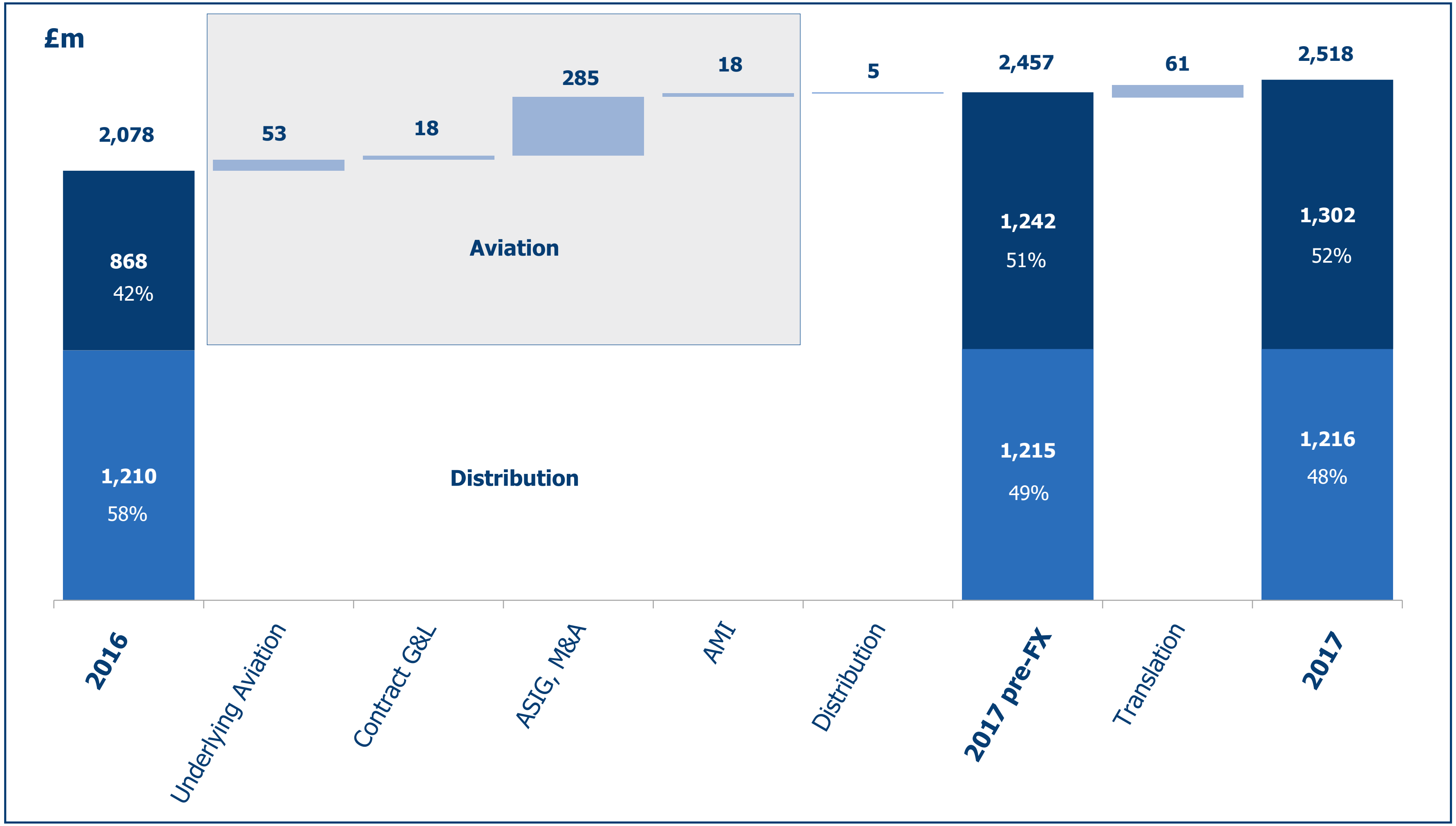
Aviation turnover

EXCEEDS £1bn

Aviation reported underlying operating profit

UP 72%

John Menzies plc – Turnover



Note: 2016 turnover has been restated

HIGHLIGHTS

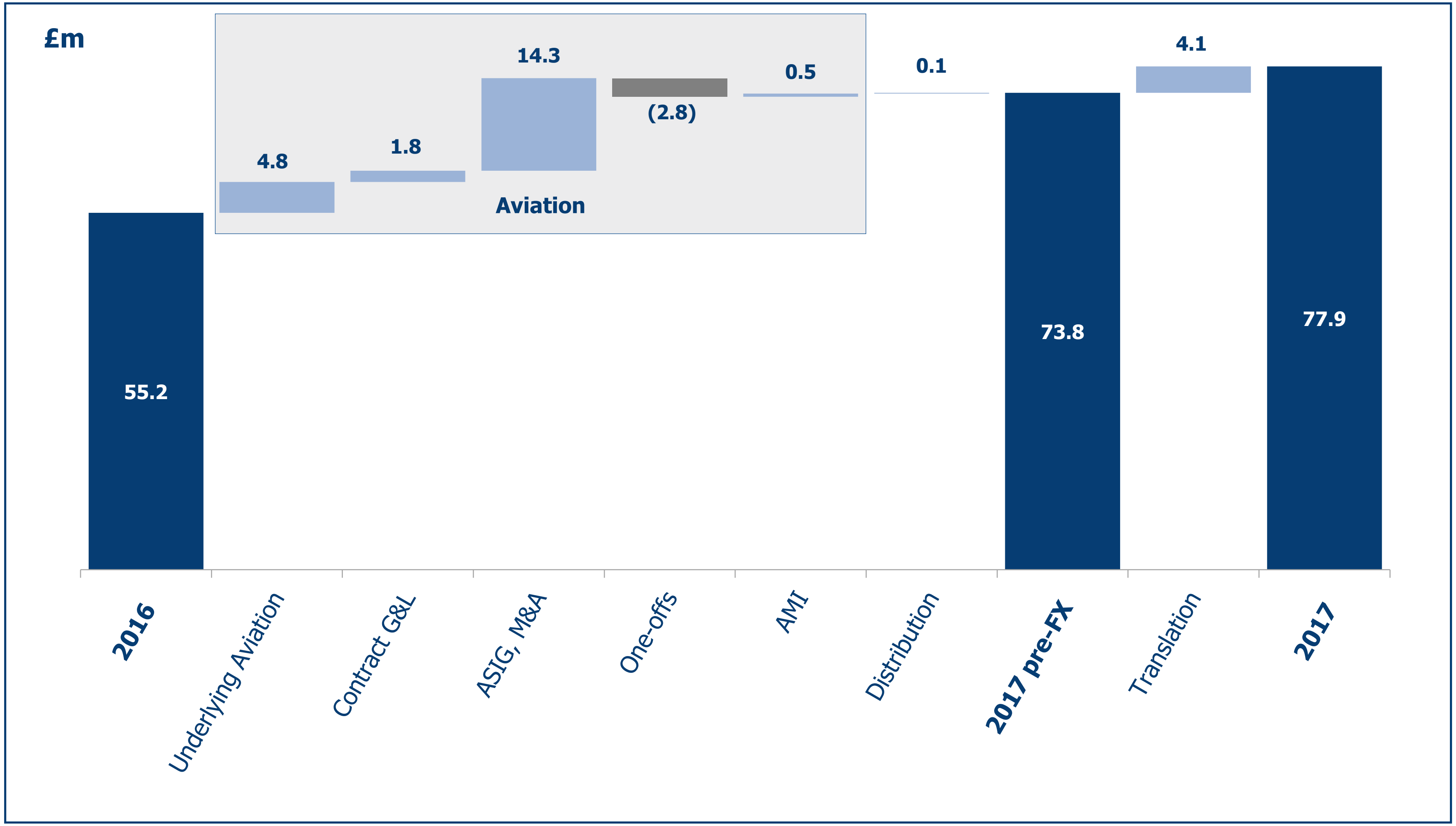
Aviation business development

ADDS 35%

Exited low margin contracts and still contract momentum

ADDS 2%

John Menzies plc – Underlying operating profit



HIGHLIGHTS

Underlying business

ADDS 9%

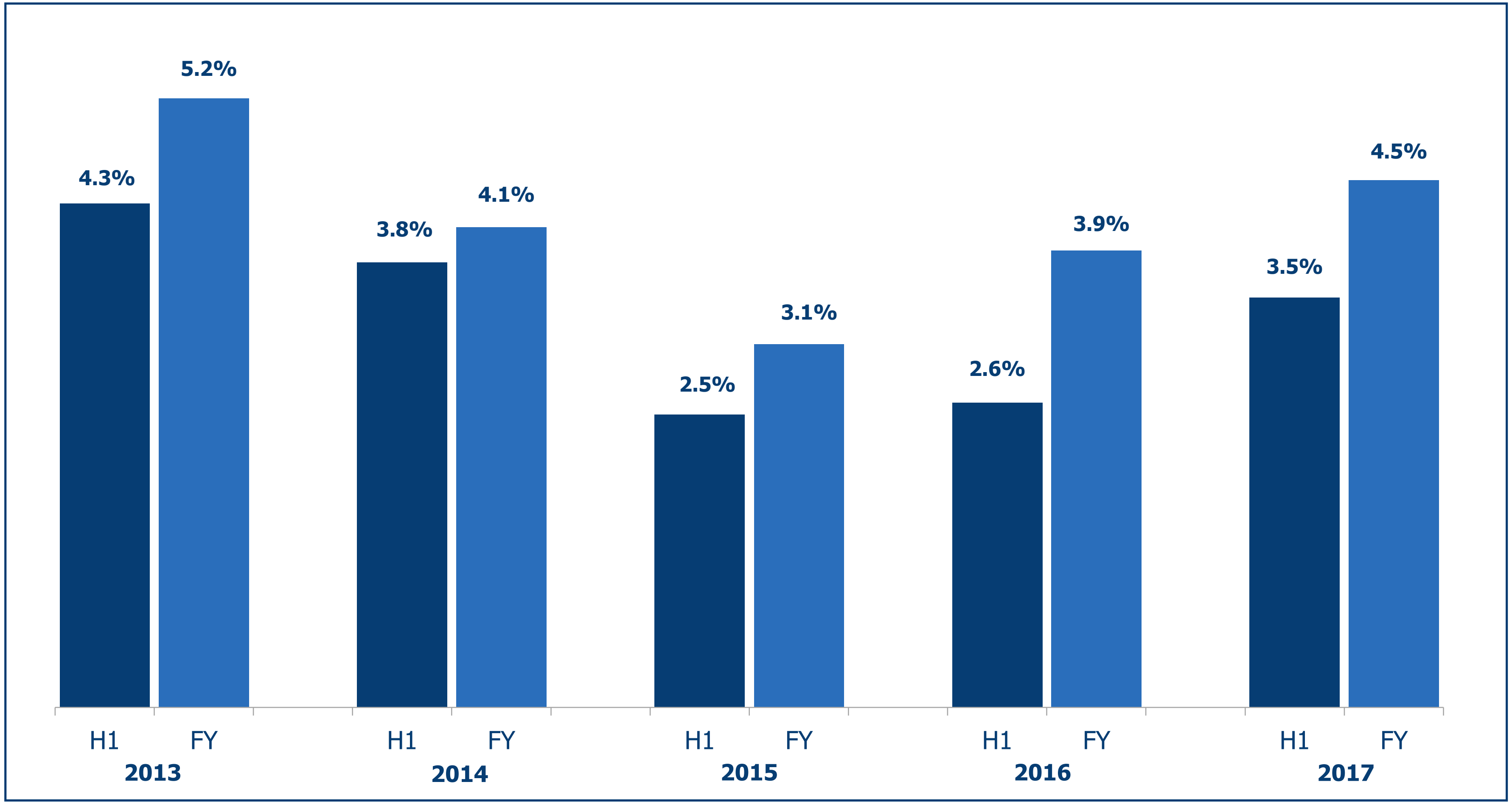
Commercial development and M&A

ADDS £16.1m

Underlying operating profit

RECORD £77.9m

Menzies Aviation – Margin progression



Note: Margin is reported underlying operating profit divided by turnover

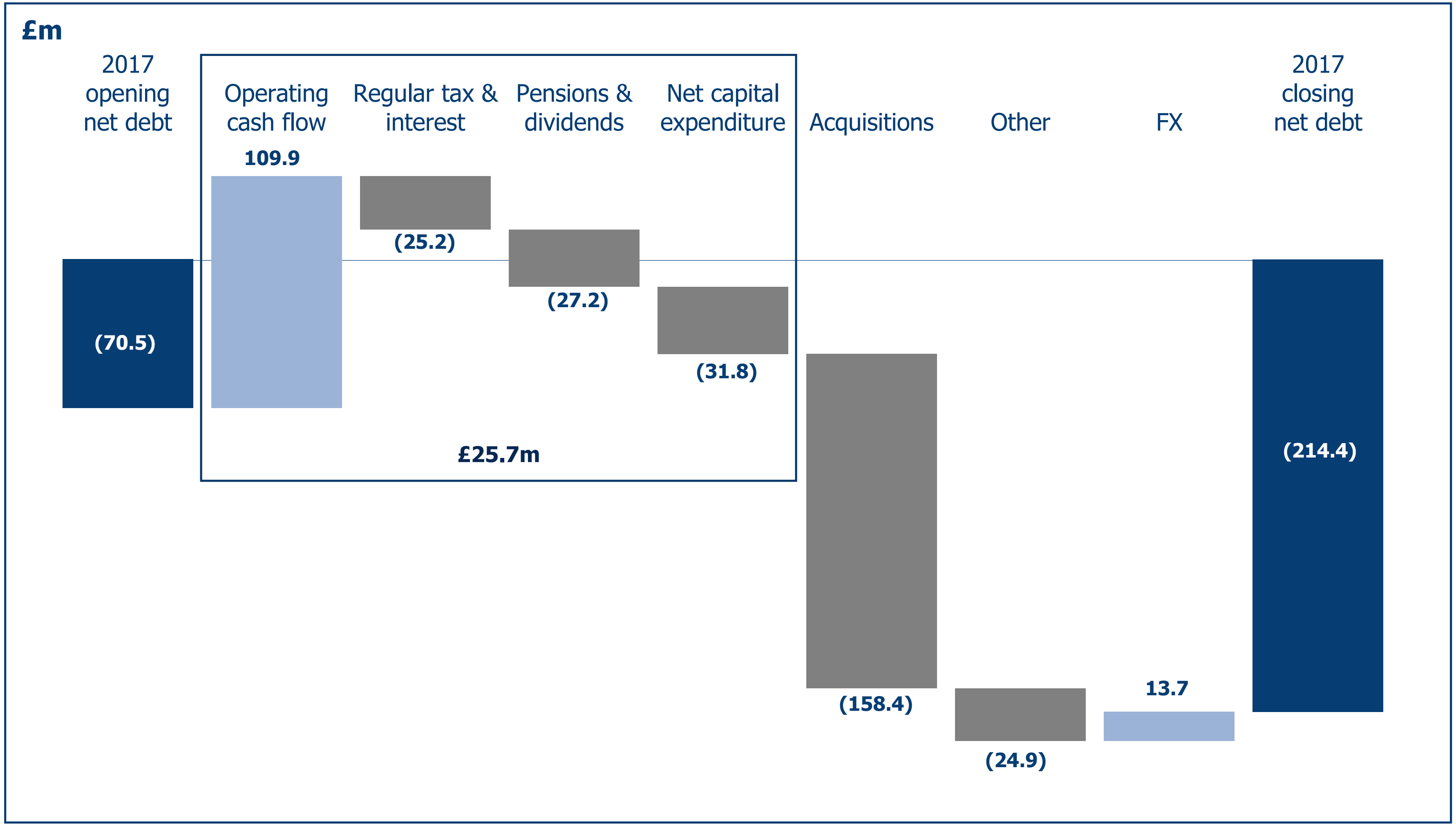
HIGHLIGHTS

Margin improvement continues

UP TO 4.5%

Group focus on margin improvement

Movement in net debt



HIGHLIGHTS

Net debt beats expectations

£214.4m

1.9x EBITDA

Strong operating cash flow performance

Headroom allows continued business development

Effective tax rate

2017 impacted by US federal tax changes

- 2017 effective tax rate is 30%
- Historically effective tax rate reduced by:
  - US net operating losses brought forward
  - Deferred tax asset in relation to US net operating losses carried forward
- 2017 one-off non-cash increase due to impact of lower US tax rates to revalue deferred tax assets of c.3%
- Working through legislation of toll charges on overseas US subsidiaries. Costs expected to be mitigated.

2018 and beyond

- Reduction in US tax rates should maintain Group's underlying effective tax rate at c.28%

HIGHLIGHTS

2017 effective tax rate

30%

2018 rate expected to return to lower normalised level

c.28%

Menzies Distribution

Summary

- Excellent performance holding profits in line with last year at £24.8m
- Cost savings helped offset volume decline and wage inflation
- Core volume declines in Newstrade in line with expectations
- Menzies Parcels expanded with increased volume and new contracts
- Excellent year for Hand2Hand and Fore with new contracts and increased footprint
- Retail Logistics offering continues to develop capabilities to serve UK high street

Business development

- Buy out of Eason & Son JV performing well and provides an all-Ireland platform
- Gnewt Cargo acquisition expands Menzies Parcels into central London with an all-electric vehicle offering

The future

- Preparations for contract renewal process are in place
- Separation plans underway as business looks to prosper as a well capitalised UK & Ireland logistics business

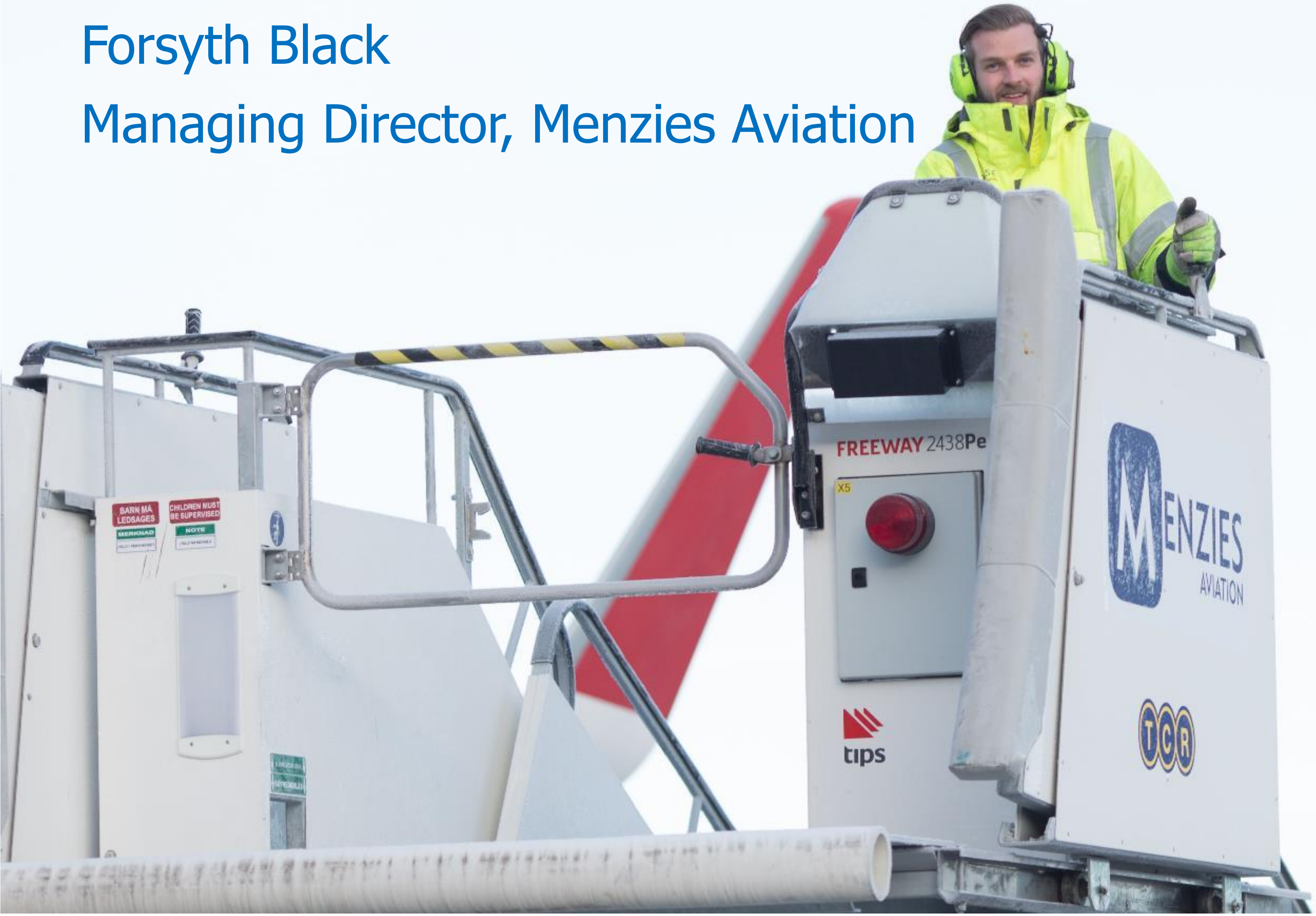
Activities

Fleet of c.1,100 vehicles, predominantly leased	c.1,000 contractor vehicles utilised
c.1,700 delivery routes, 364 days per year	Over 30,000 customer deliveries daily
c.135,000 delivery miles driven each day	c.3,700 employees in the UK & I
56 distribution sites across UK & Ireland	Over 100 million units handled each year
Neutral parcel consolidator for all leading parcel carriers	3.8 million picks per week from 3,500 SKUs

Business Overview

Forsyth Black

Managing Director, Menzies Aviation



2017 Highlights

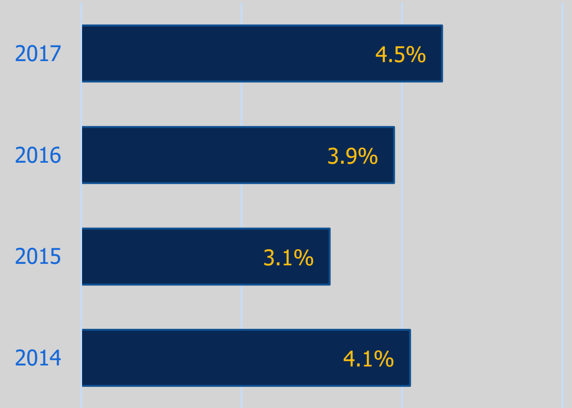
A year of great progress at Aviation

- 72% uplift in reported underlying operating profit
- Acquisition of ASIG broadens our product offering and business development opportunities
- Tangible progress made with our Excellence Manifesto
- Growth plans continuing to deliver
  - Commercial focus delivered excellent contract gain momentum deepening customer relationships
  - Business development activities continue – three acquisitions delivered in 2017

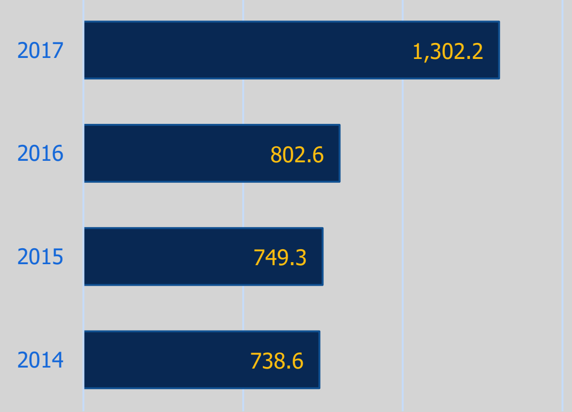
Resilient business model

- Second half impacted by natural disasters but diverse portfolio offers resilience
- Strategic contract losses help to focus on profitable contracts
- Margin improvement continues – focus on cost and efficiency

Repairing the margin



Growing the top line - £m



Business review

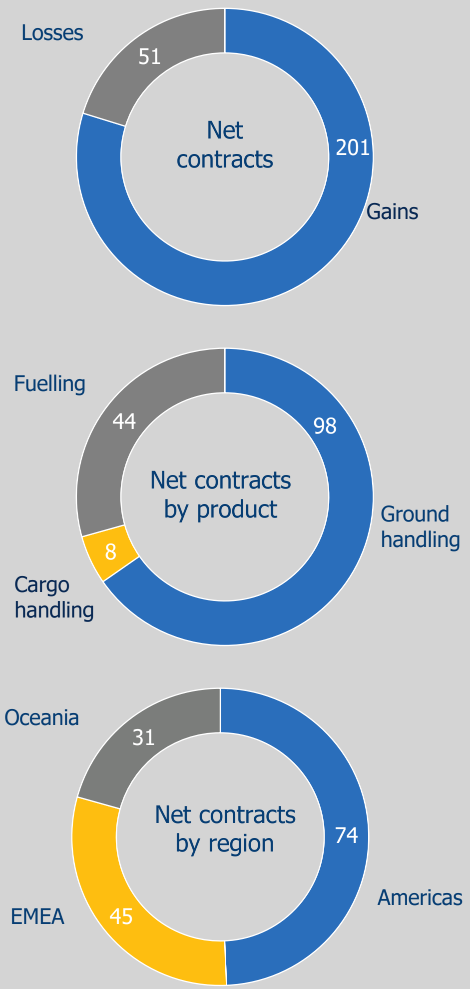
Product volume

- Absolute cargo volumes were up 5%
  - Better volumes across all regions and the impact of new contracts
- Absolute ground handling turnarounds were ahead by 11%
  - Addition of ASIG, excellent new contracts in EMEA, although offset by the loss of Alaska Airlines hub in Seattle
- 3.7m fuelling turnarounds completed in North America and the UK for the first time

Contracts

- 150 net contract gains
- 154 contracts renewed securing £119m of revenue achieved with no overall impact on yield
- Significant loss of Etihad business in Australia and Netherlands
- Strategic contract losses and rebalancing of structurally challenged contracts inherited from the ASIG acquisition strengthen the portfolio
  - easyJet at London Gatwick, Delta at Atlanta, various at New York JFK

Contractual progress



Regional review

Americas

- Excellent operational performance integrating ASIG and driving forward the underlying business
- Significant labour issues for all market participants in North America impacting consistency of service
- Good progress in fuelling with new contracts from Southwest and American Airlines

EMEA

- Significant contract awards by IAG across UK and Ireland
- Strong cargo performance with good volume in Prague, Amsterdam and Heathrow
- Failure of Air Berlin and Monarch led to bad debts

Oceania

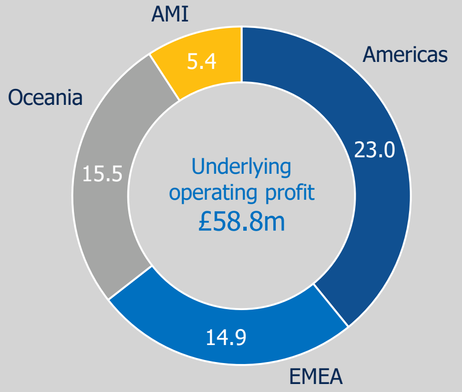
- Australia and New Zealand continue to perform very strongly, organic and acquisitive expansion
- Good contract gains, despite Etihad loss, and momentum with Chinese carriers
- Expansion into South East Asia with an office in Malaysia and operations due to start in Indonesia

AMI

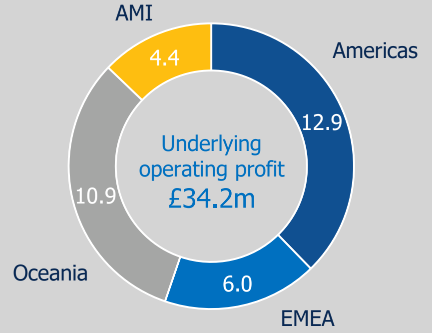
- Good performance with significant profit improvement
- New management team in place to standardise and drive the business forward

Growing the bottom line

2017



2016



Acquisition of ASIG – Integration and beyond

US$202m acquisition of ASIG

- Deal completed on 1 February 2017
- Fuel farm, into-plane fuelling and ground handling operations in 7 countries at 87 airports
- 4 million flights fuelled and 110,000 ground handling turnarounds annually
- 54 fuel farm operations

Integration

- Synergies validated and now expected to exceed £15m by the end of 2018 (previous target £10.5m)
- Integration has gone very well with deadlines being met
- Transitional services agreement exited on time after six months
- Billing system for fuelling business designed and implemented in-house

Opportunities

- Cross selling of product portfolio – into-plane fuelling and ground handling
- Expansion of into-plane fuelling operations
- New customer relationships being developed – oil companies and airlines
- Positive customer reaction allows existing business to be secured and new opportunities to be pursued

Evolving customer base

Aviation Turnover - £0.7bn

Aviation Turnover - £1.3bn

- Growing relationships with major US airlines
- No reliance on any one customer or geography
- Key account approach paying dividends
- Multi product offering attractive to customers
- New relationships now exist with oil majors
- Top 10 customers account for 36%

… growing and broadening our customer base

Key account management – Case studies

KEY CUSTOMER	PAST RELATIONSHIP HISTORY	KAM ACTIVITY	CURRENT RELATIONSHIP
norwegian	Good local relationship in Europe; no coverage elsewhere	Collaboration between Europe & Americas led to global solution for USA & Mexico expansion	Global relationship developed further; innovative solutions make us stand out
CATHAY PACIFIC	Good local relationship in Oceania; difficult relationship in other regions	Key account focus led to more positive engagement; global agreement in place	New business at Heathrow, Perth, Adelaide and Christchurch
IAG	Difficult relationship with service issues in UK	Key account focus led to a healthier conversation about service	Excellent renewal and new business wins across UK & Ireland. Including entry into Dublin
Emirates	Difficult relationship culminating in unilateral cancellation of contract at Amsterdam	Key Account Manager in regular contact	Renewals secured in Oceania and new business at Oslo & Hyderabad

Market dynamics

Structural growth

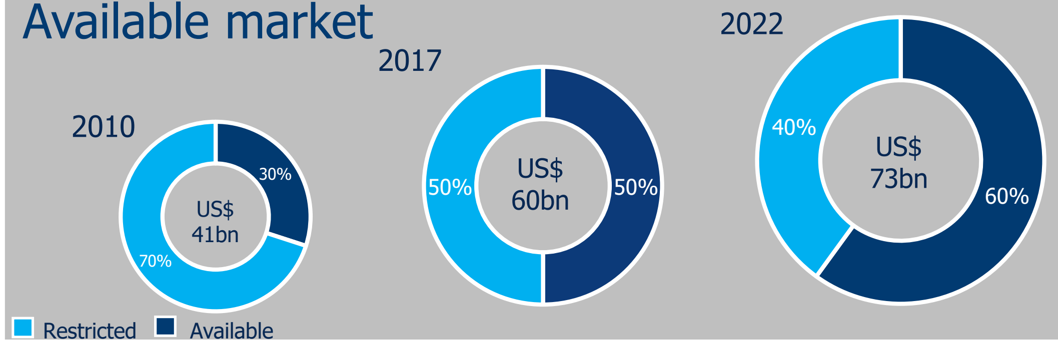
4.7% TRAFFIC GROWTH

3.5% FLEET GROWTH

41,030 AIRCRAFT DELIVERIES

= Market growth

Available market



= Market share growth

Competitor consolidation

Market consolidation

Regionals

Majors

= Invested logistics players

Airlines requirements

Safe and secure operations

+

Great customer service

+

On-time performance

+

Innovation

+

Competitive pricing

Winning proposition

Our excellence manifesto

EXCELLENCE

FROM TOUCHDOWN TO TAKEOFF

Menzies Aviation is an organisation which sets standards, not one which chases them.

Our objective is to be the market leader, not in size, but in the quality of aviation services we offer our customers: the undisputed, premium handler in the industry.

In the pursuit of this objective, we strive to deliver against three clear goals, which we call our **excellence manifesto**:

1. SET THE HIGHEST STANDARDS FOR SAFETY, SECURITY & PERFORMANCE
2. OFFER THE DEEPEST COMBINATION OF SERVICE PORTFOLIO AND GEOGRAPHY
3. DEPLOY THE MOST SOPHISTICATED TECHNICAL SOLUTIONS

Strategy – Prioritising products and geographies

Investment Case

MARKET LEADER

Quality • Safety & Security • Innovation

PRODUCT GROWTH OPPORTUNITIES

Cross selling opps • Fuelling services • Executive services

GROWTH MARKETS

Strong fundamentals • 5% pa growth forecast • Aircraft order book

MARKET SHARE GROWTH

Out-sourcing trend • Low cost carriers • Emerging markets

A STRUCTURAL GROWTH STORY

Well placed for ongoing success

UNDERPINNED BY A STRONG MANAGEMENT TEAM

Industry experience • Track record for delivery • Strong commercial principles • Focus on growing margin

John Menzies plc

Summary & Outlook

John Menzies plc – Summary and Outlook

Strong performance delivered a record year

Sale process for Menzies Distribution underway

Strong management team in place

ASIG acquisition completed – synergy target exceeded

Structured business development plans being delivered

Excellence Manifesto positions Menzies Aviation as the market leader

Well placed, well funded Group operating in a structural growth market

Questions

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Appendix 1

Further financial information

Profit before tax

£m	2017	2016
Underlying profit before tax	67.1	49.7
Non-recurring items in operating profit	(27.1)	(8.8)
Non-recurring items in finance costs	(0.8)	(1.7)
JVs and associates tax	(2.0)	(1.9)
Contract amortisation	(10.5)	(7.9)
Impairment of assets	-	(9.6)
Profit before tax	**26.7**	**19.8**

Cash flow and net debt

£m	2017	2016
Underlying EBITDA	109.1	80.7
Working capital movement	1.9	(5.8)
Other movements	(1.1)	0.1
Operating cash flow	109.9	75.0
Regular tax and net interest paid	(25.2)	(14.1)
Non-recurring tax paid	(3.7)	(5.1)
Net capital expenditure	(31.8)	(24.7)
Free cash flow	48.2	31.1
Acquisitions, investments and earn-outs	(158.4)	(5.2)
Exceptional items	(22.7)	(14.2)
Additional pension payment	(11.3)	(10.9)
Share schemes and rights issue proceeds	1.5	72.9
Dividends	(15.9)	(10.6)
Net cash flow	**(157.6)**	**63.1**
Net debt at start of year	**(70.5)**	**(123.2)**
Currency translation	13.7	(10.4)
Net debt at end of year	**(214.4)**	**(70.5)**

Balance sheet

£m	2017	2016
Tangible fixed assets and investments	183.3	158.2
Goodwill, intangibles and other assets	219.5	116.1
Working capital and others	(14.8)	(19.7)
Net debt	(214.4)	(70.5)
Pension liability, net of deferred tax	(41.1)	(58.9)
Net assets	**132.5**	**125.2**

Note: 2016 working capital and others restated

Exceptional charge in operating profit

£m	H1	2017
ASIG acquisition and integration	7.4	16.1
Distribution disposal	3.2	3.2
Pension sectioning and de-risking (non-cash £2.7m)	5.1	5.4
Other transaction related costs	1.9	2.4
	17.6	**27.1**

HIGHLIGHTS

ASIG cost in line with expectations

Aborted deal cost relating to DX Group

Pension de-risking gives Group greater flexibility

Pensions

Sectionalisation to provide greater optionality

- May 2017 defined benefit scheme sectionalised
    - New section supported by Menzies Distribution covenant, remainder by the Company
    - Company to guarantee Menzies Distribution section while part of Group
- June 2017 17% of scheme's assets and liabilities transferred to Menzies Distribution section
- Exceptional charge £1.2m – advisor fees

De-risking of the scheme

- March 2017 pension scheme closed to future accrual
- Looking to buy-out liabilities in 2018
- Exceptional charge of £4.2m – accounting impact to revalue past benefits (£2.7m), costs (£0.7m) and fees (£0.8m)

HIGHLIGHTS

Scheme closed to future accrual

Sectionalisation allows corporate structure optionality

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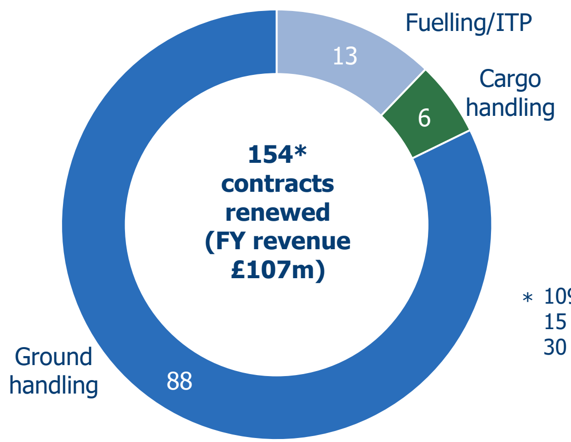
Appendix 2

Further information

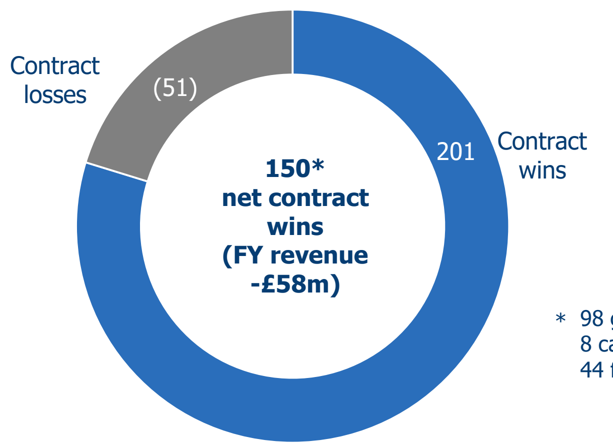
Business development

Contracts renewals by service



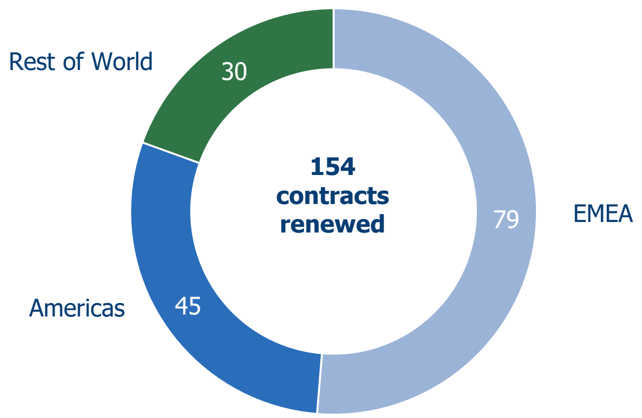
* 109 ground handling
15 cargo handling
30 fuelling/ITP

Net contract wins

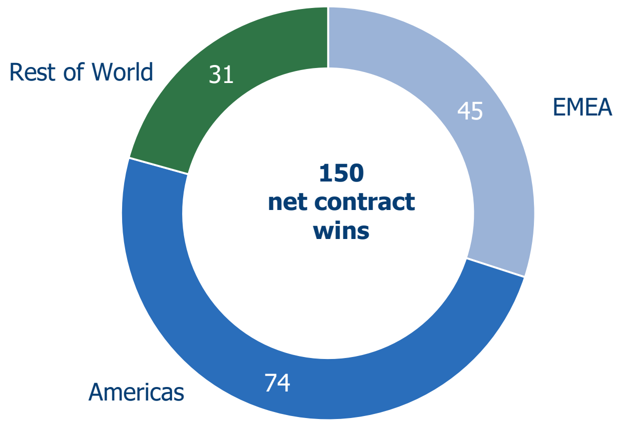


* 98 ground handling
8 cargo handling
44 fuelling/ITP

Contract renewals by region



Net contract wins by region

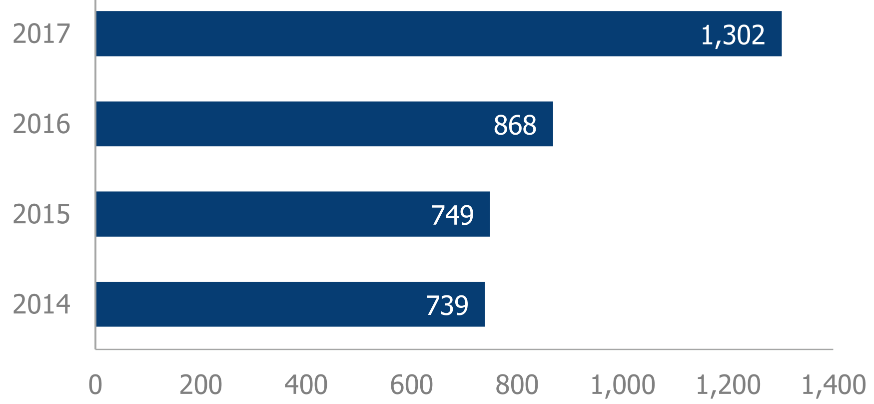


Operational Excellence

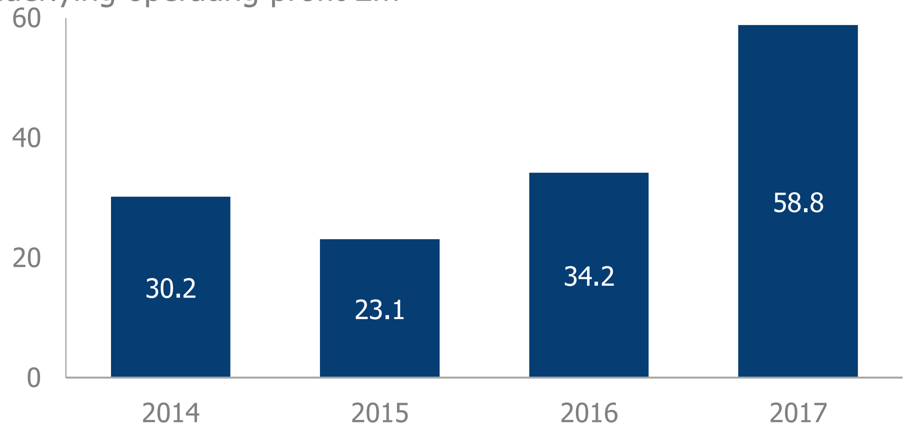
Menzies Aviation at a glance

Financial overview

Turnover £m



Underlying operating profit £m



Product offering

- G Ground handling
- F Fuelling
- C Cargo handling
- O Offline services
- E Executive services

Major customers

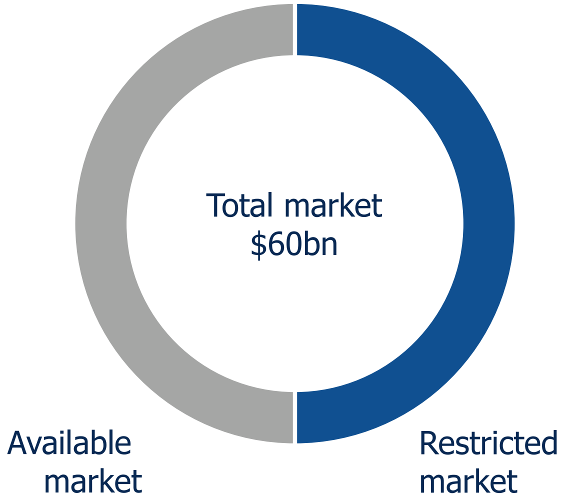
Aer Lingus, air bp, AIR CANADA, Alaska, American Airlines, IAG, CATHAY PACIFIC, DELTA, easyJet, norwegian, Lufthansa, Emirates, Southwest, United Airlines, QANTAS

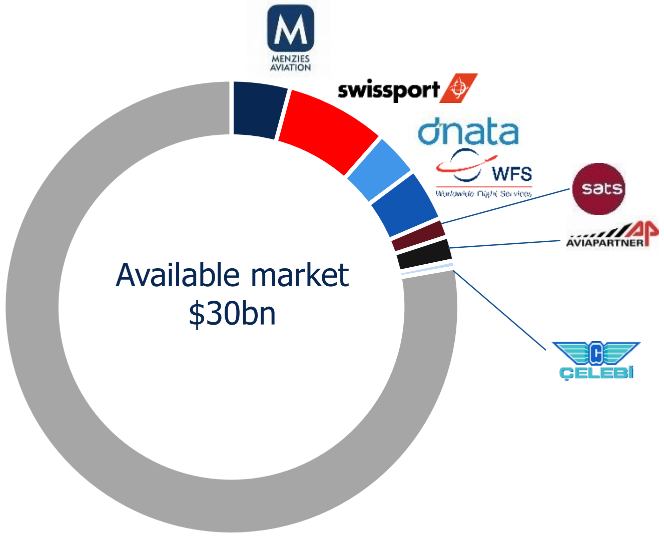
Coverage

COUNTRIES	AIRPORTS	EMPLOYEES
34	212	32,500

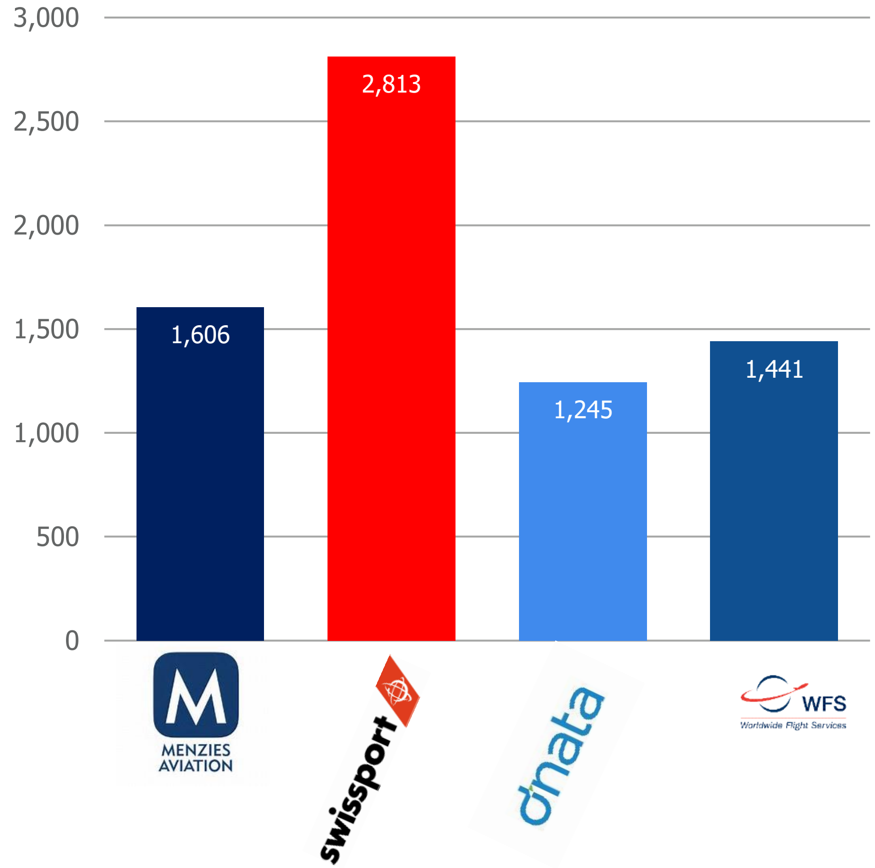
Market overview – Competitive landscape

Available market

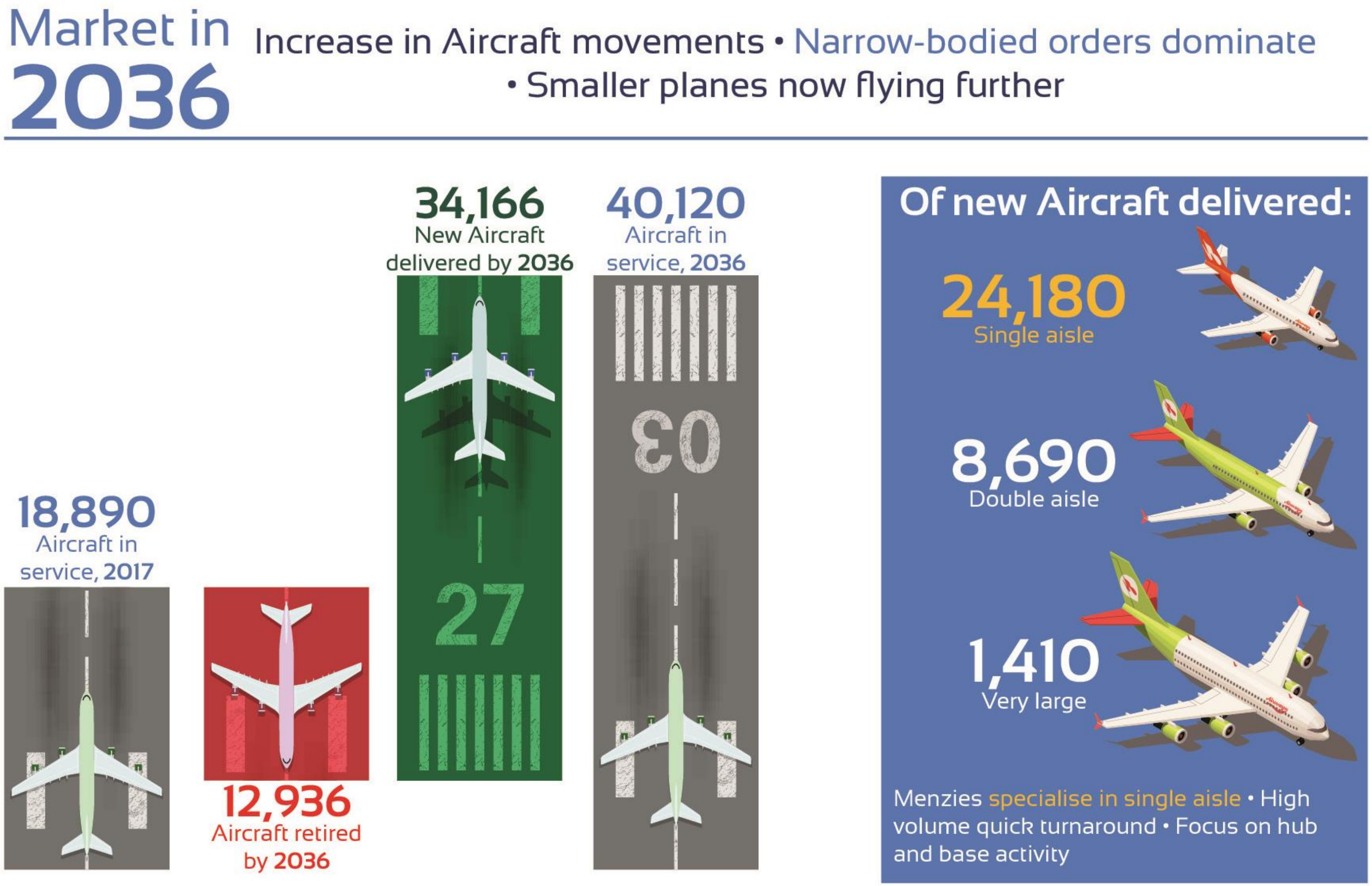




Global players – revenue $m



Market overview – Global Aircraft fleet



Source : Airbus Market Estimates

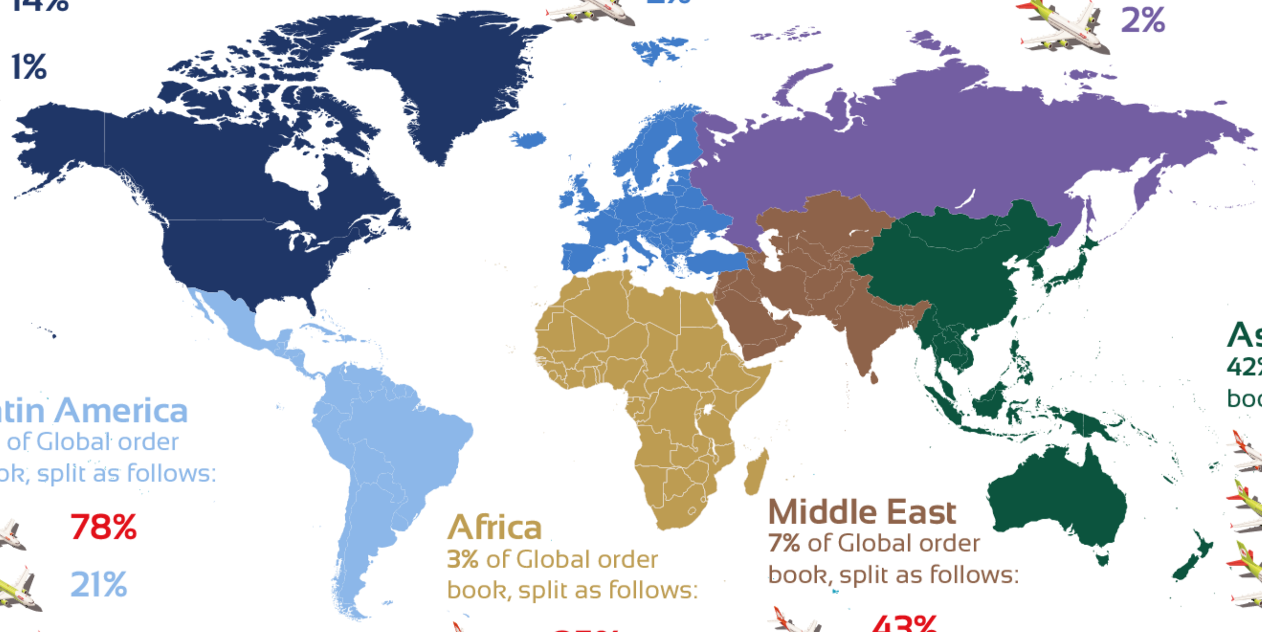
Market overview – Regional traffic forecast

4.7%
TRAFFIC GROWTH

3.5%
FLEET GROWTH

41,030
DELIVERIES

Source : Boeing Market Estimates



North America
16% of Global order book, split as follows:
85%
14%
1%

Europe
20% of Global order book, split as follows:
77%
21%
2%

CIS
4% of Global order book, split as follows:
84%
14%
2%

Latin America
8% of Global order book, split as follows:
78%
21%
1%

Africa
3% of Global order book, split as follows:
85%
24%
1%

Middle East
7% of Global order book, split as follows:
43%
41%
16%

Asia/Pacific
42% of Global order book, split as follows:
69%
27%
2%

Source : Airbus Market Estimates