

# John Menzies plc – Trading update

18 May 2018

**John Menzies plc issues the following trading update for the first four months of the year, from 1 January 2018 to 30 April 2018, in advance of its Annual General Meeting to be held today.**

The positive start to the year highlighted in March has continued and the Group continues to trade ahead of last year.

Overall, at **Menzies Aviation**, trading across the division has generally been positive with strong cargo volumes continuing to prevail, ground handling and fuelling volume in line with expectations and continuing positive contract momentum.

In North America, we have successfully added a number of into-plane fuelling contracts where we are driving innovation and implementing new technologies that aid productivity and benefit our airline customers. Operations continue to be impacted by marketwide labour issues which are holding back returns in this region but we are working with airlines and airport authorities to tackle these issues. In the EMEA region we have successfully started operations in Dublin for IAG owned airlines and Icelandair. In line with our strategy to deepen our product offering we completed a deal to acquire the trade and assets of Airline Services, primarily a UK based de-icing business, strengthening and broadening our service offering in the UK market and taking our operations into four new airports. Within Oceania and South East Asia, cargo volumes have been strong and we have won the business of Vietnam Airlines which has helped offset volume lost late in 2017. Our cargo forwarding business, AMI, is trading strongly and we believe the business has strong growth prospects.

Overall, we continue to review and prioritise a number of new business opportunities and we believe that with our broad service offering and geographical spread we are well placed to take advantage of the exciting opportunities that exist within our growing marketplace.

**Menzies Distribution** is trading positively. Within the print media category sales decline is 5% against the same period last year, with newspaper volume in line with expectations but magazines trading better than forecast. Cost saving initiatives are delivering against plan and we continue to make progress with our new revenue initiatives where we are seeking to optimise our existing assets during daylight hours.

As detailed in our final results a sale process for Menzies Distribution is in progress, this process is taking longer than we anticipated but we remain fully engaged with a number of potential buyers. We remain hopeful that we will be able to reach a satisfactory conclusion and will update shareholders at the appropriate time.

Looking ahead, excluding the impact of previously flagged weaker foreign currency, the Group continues to be on track and the Board is confident of achieving its full year projections.

**Dr Dermot F Smurfit, Chairman of John Menzies plc, commented:**

"I am pleased that our Aviation business continues to go from strength to strength. We are operating in a structural growth market, we are extremely well placed to extend our geographical presence and overall market share as we grow organically, enter new markets and deepen our product offering. We remain committed to our Group separation plans and I remain hopeful that we can reach a satisfactory conclusion."

**For further information:**

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