

# John Menzies plc – Capital Markets Day

Forsyth Black, CEO



MENZIES  
AVIATION





**MENZIES**  
AVIATION

**EXCELLENCE**  
FROM TOUCHDOWN TO TAKEOFF

## THE EXCELLENCE MANIFESTO

In order to become the undisputed, premium brand in the Aviation Services sector, Menzies Aviation will:

1

SET THE HIGHEST  
STANDARDS FOR SAFETY,  
SECURITY & PERFORMANCE

2

OFFER THE DEEPEST  
COMBINATION OF SERVICE  
PORTFOLIO & GEOGRAPHY

3

DEPLOY THE MOST  
SOPHISTICATED TECHNICAL  
SOLUTIONS



EXCELLENCE FROM TOUCHDOWN TO TAKEOFF





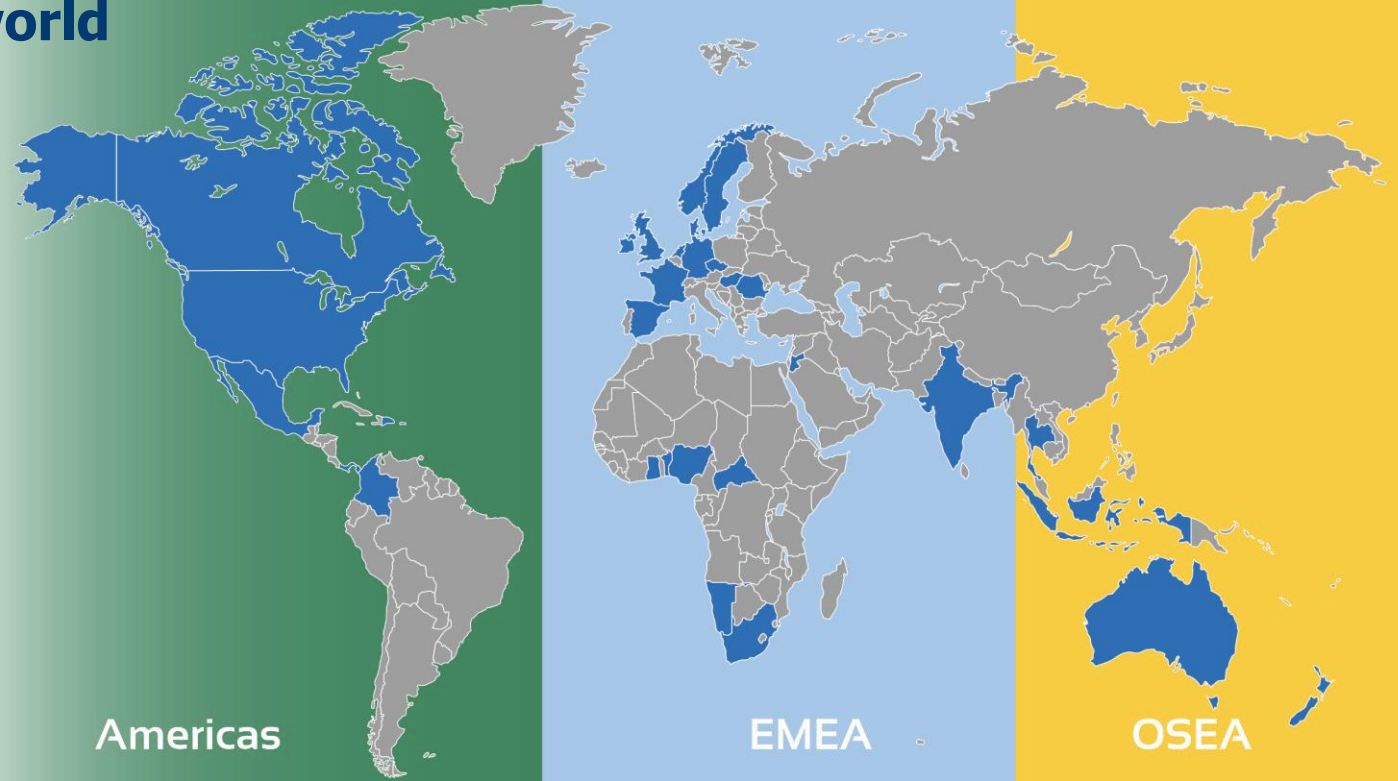
# Industry leading services across the world

## A snapshot of our network

We work at over 200 airports across six continents, offering landside and airside services tailored to our customers' needs

## Growth strategy

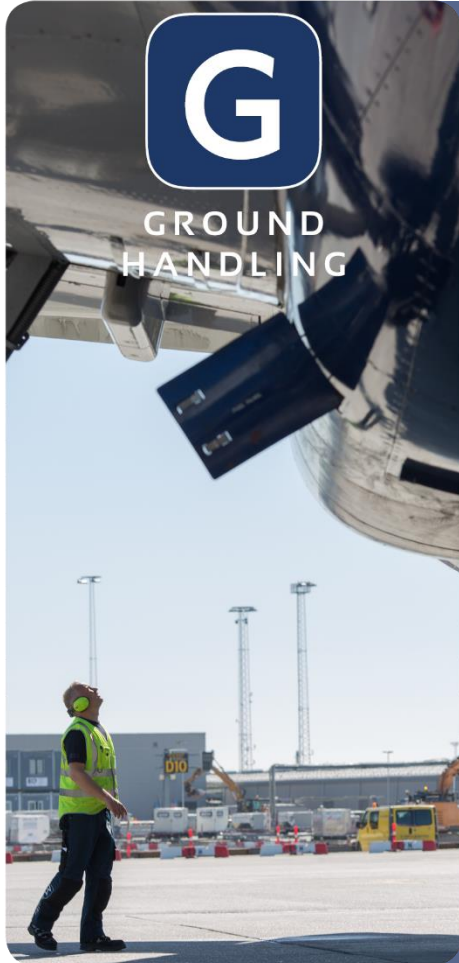
We plan to open new stations in growth markets; expand services at existing stations; acquire bolt-ons where fit is right



|                | Americas  | EMEA    | OSEA    |
|----------------|-----------|---------|---------|
| Employees      | 15,000    | 14,700  | 3,000   |
| Stations       | 122       | 76      | 21      |
| Aircraft Turns | 538,500   | 632,450 | 92,745  |
| Fuelling Turns | 3,457,000 | 451,188 | 14,143  |
| Cargo Tonnes   | 382,500   | 775,646 | 407,572 |
| Lounges        | 1         | 25      | 4       |



## Our Core Products



**G**

**GROUND  
HANDLING**

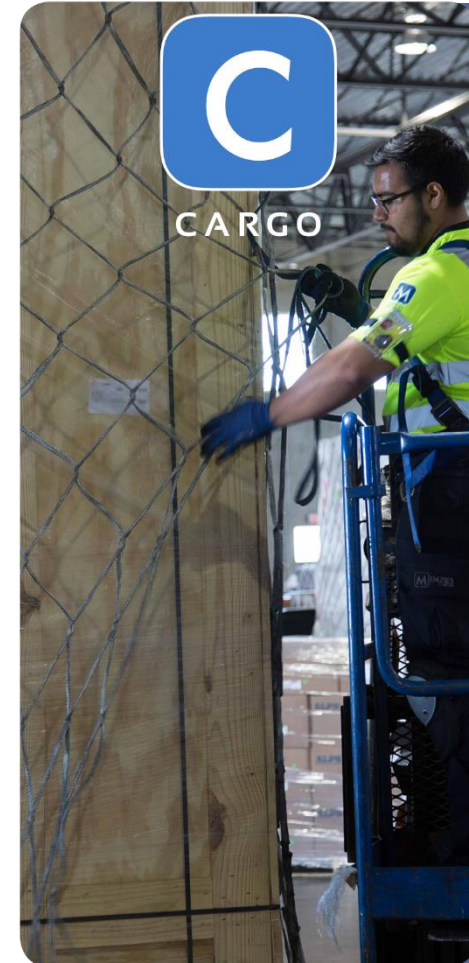
We provide front-line airport services both above and below the wing, ensuring passengers and aircraft complete journeys efficiently and on schedule



**F**

**FUELLING**

We manage the fuelling requirements both of aircraft, through our Into-Plane Fuelling service, and of airports as a whole through Fuel Farm Management



**C**

**CARGO**

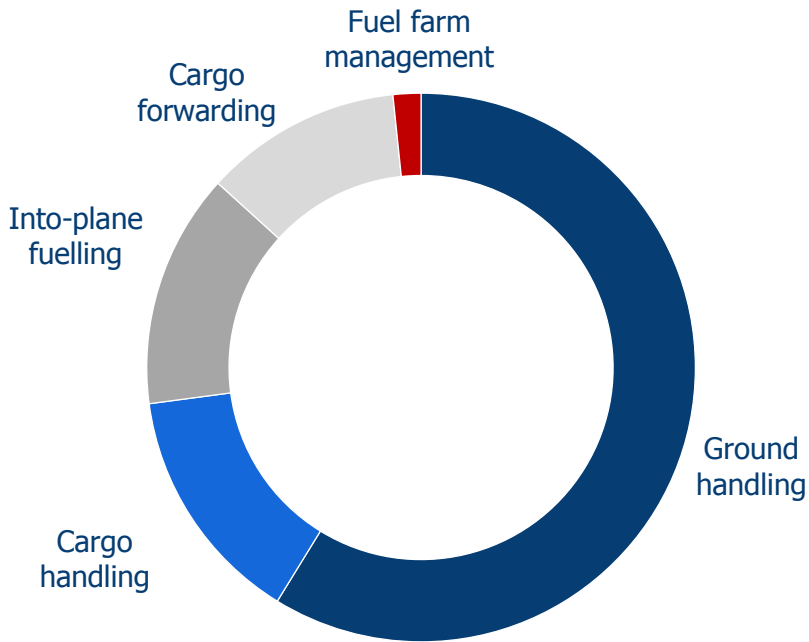
We facilitate transportation of goods by accepting, storing and preparing cargo for worldwide transit with our airline customers



# Menzies Aviation – A Resilient Mix

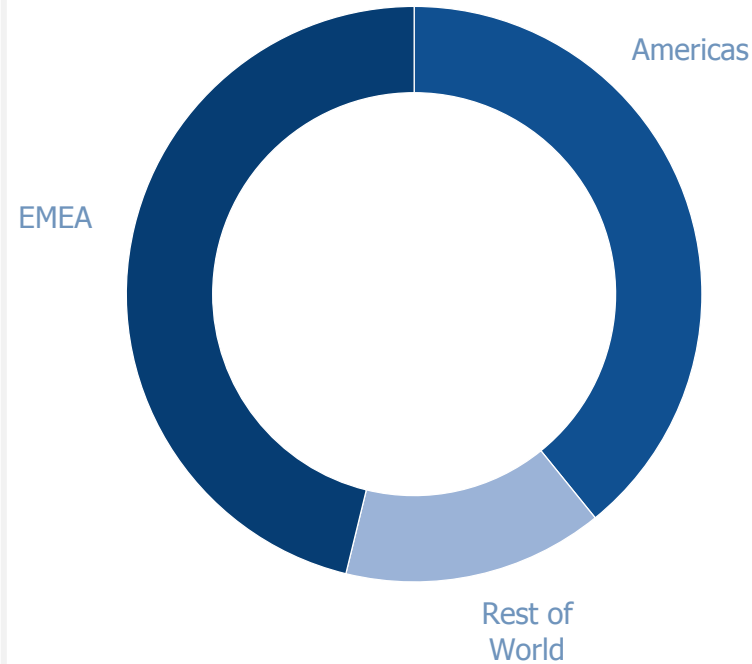
## Service mix – Core products

By Revenue



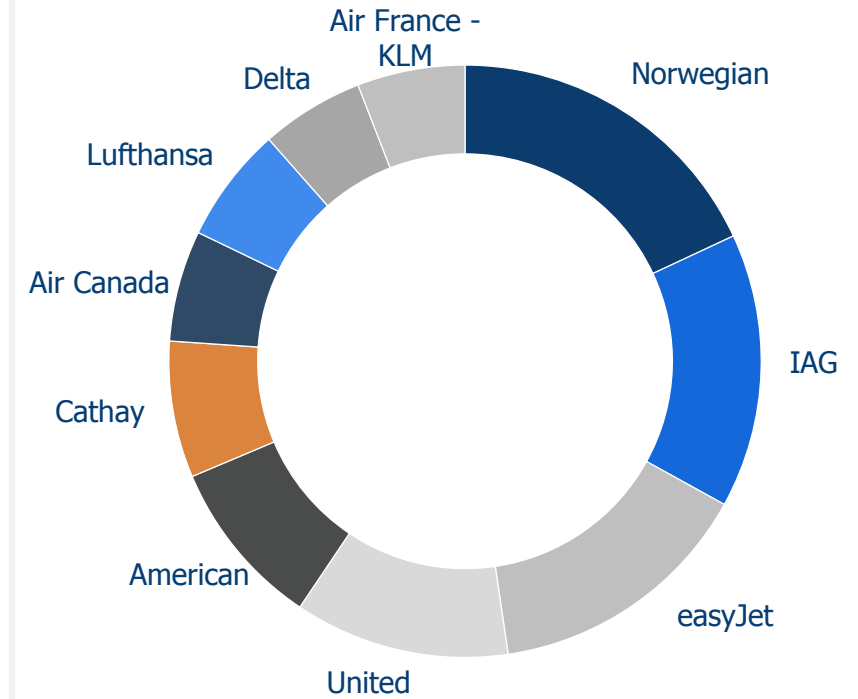
## Geography

By revenue



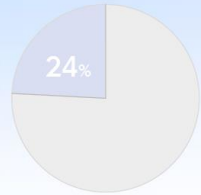
## Top 10 Customers

By Revenue



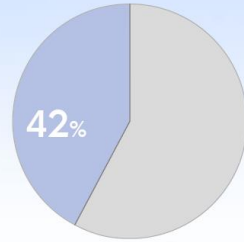
# Market overview – Ground handling market

Available market in Ground Handling continues to **grow**



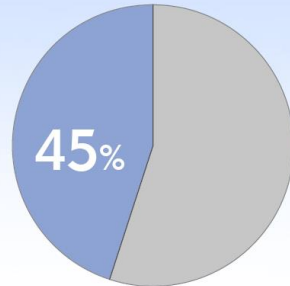
2007

**\$41bn** market



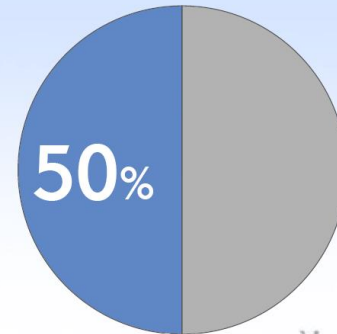
2011

**\$48bn** market



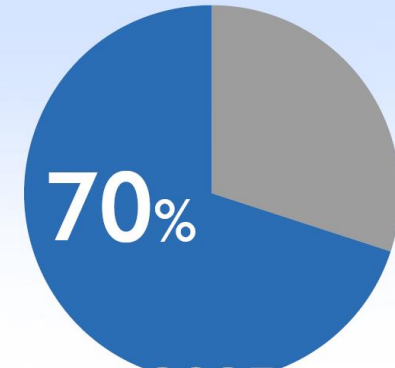
2015

**\$55bn** market



2017

**\$61bn** market



2025

Projected

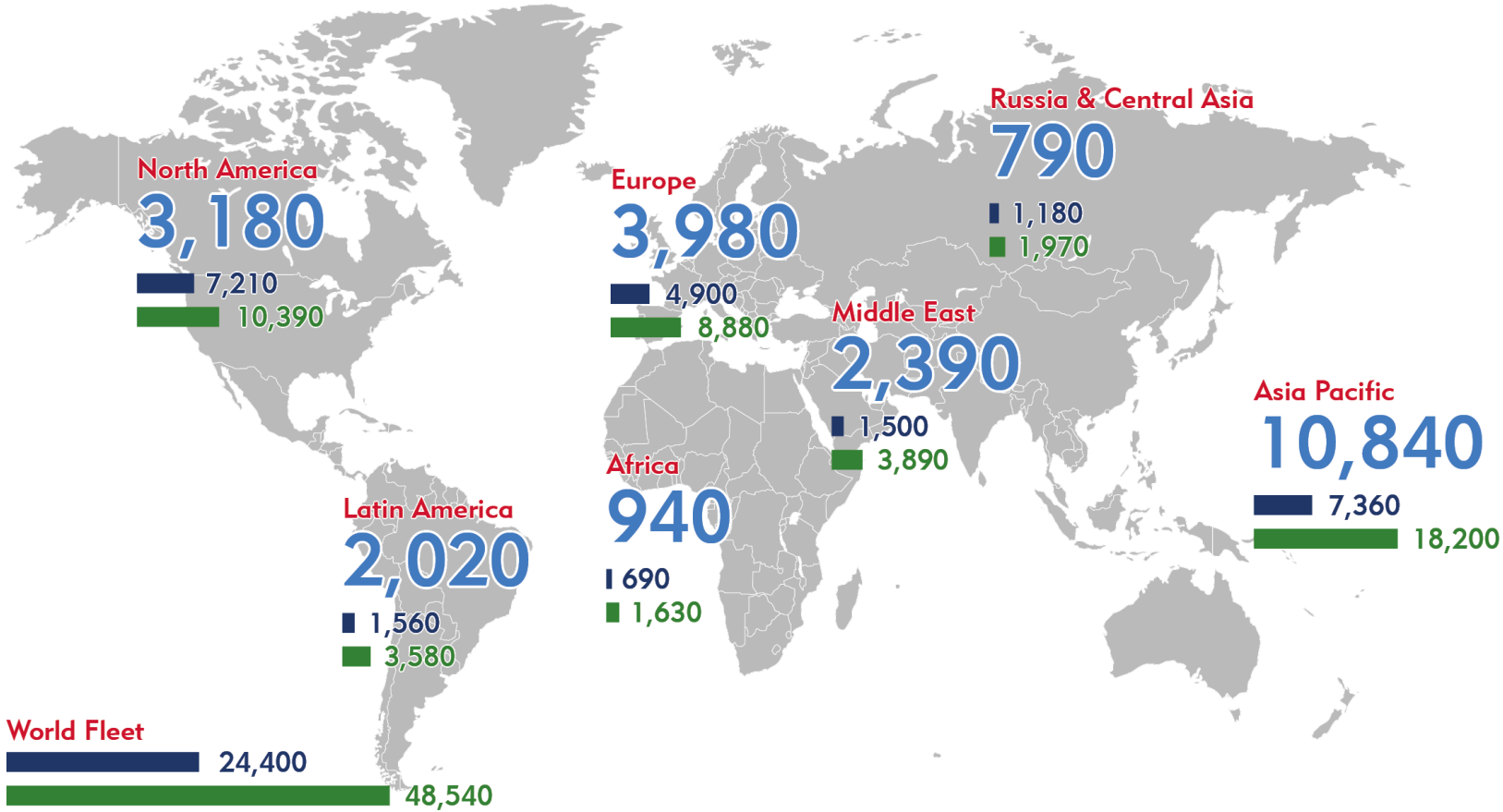
**\$95bn** market  
(estimated)



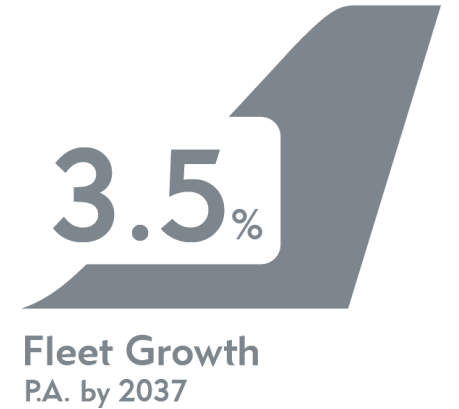
Source: KPMG



# Market Overview – Growth Dynamics



Source: Boeing CMO forecast 2018





■ 2017 Total Fleet ■ 2037 Total Fleet

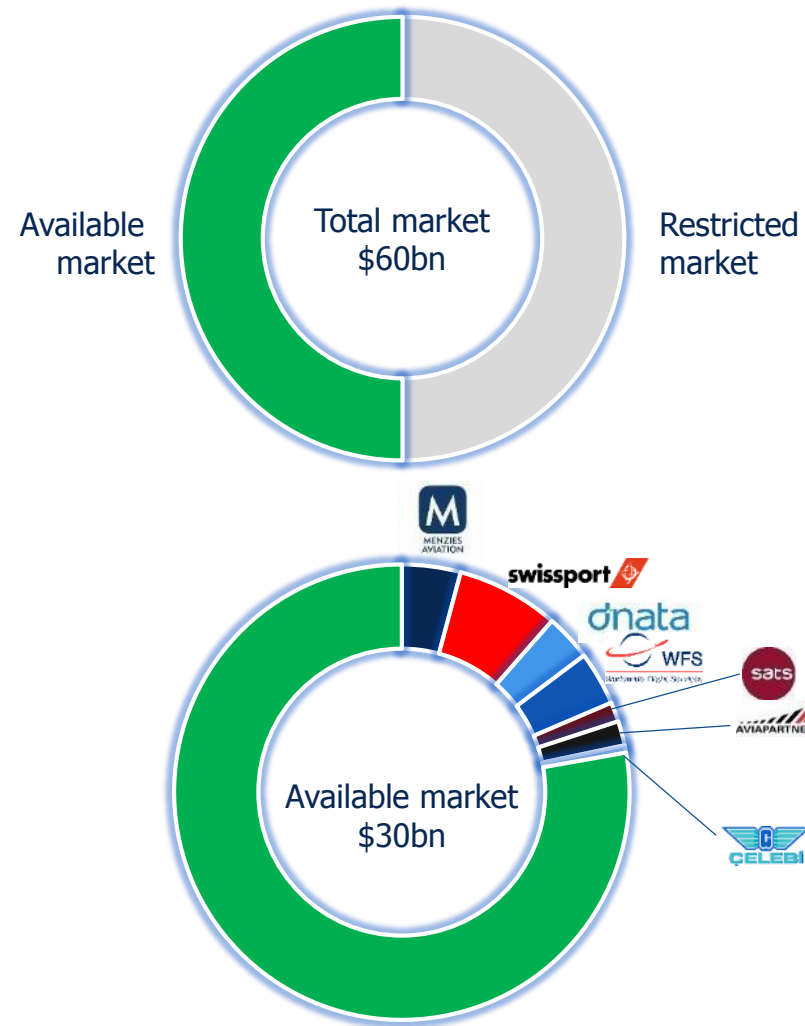
**Net new Aircraft**  
delivered to 2037



# Market Overview – Competitive landscape

|  |  |  |          |          |          |          |          |
|--|---|---|----------|----------|----------|----------|----------|
| Global Players   |   |   |          |          |          |          |          |
|  swissport   | 50  | 315   | <b>G</b> | <b>F</b> | <b>C</b> | <b>E</b> | <b>O</b> |
|  MENZIES AVIATION                                  | 36  | 220   | <b>G</b> | <b>F</b> | <b>C</b> | <b>E</b> | <b>O</b> |
|  WFS<br><small>Worldwide Flight Services</small>   | 22  | 195   | <b>G</b> |          | <b>C</b> |          | <b>O</b> |
|  dnata   | 19  | 129   | <b>G</b> |          | <b>C</b> | <b>E</b> |          |
| Regional Players   |   |   |          |          |          |          |          |
|  sats  | 13  | 60  | <b>G</b> |          | <b>C</b> |          |          |
|  AVIAPARTNER                                      | 6   | 38  | <b>G</b> |          | <b>C</b> | <b>E</b> |          |
|  CELEBI  | 5   | 36  | <b>G</b> |          | <b>C</b> |          |          |
|  ATS<br><small>AIRPORT TERMINAL SERVICES</small> | 2   | 41  | <b>G</b> |          |          | <b>E</b> |          |

## Available Market





# Our growth agenda

A structured approach





**GROUND  
HANDLING**





# Ground handling growth - Organic

## CONTRACT OPPORTUNITY

Increased volume from existing customer



New customer at an existing airport



New airport with an existing customer



New airports with new customers



New markets with new/existing customers



Risk and reward must always match



# Ground handling growth - Organic

## Scale Operations

- Economies of scale
- Dedicated workforce, trained on one product
- Greater staff utilisation
- Easier to plan

## Operational characteristics

- High volume narrow bodied operation
- Typically same aircraft type
- Less staff training
- Lower staff turnover

## Examples

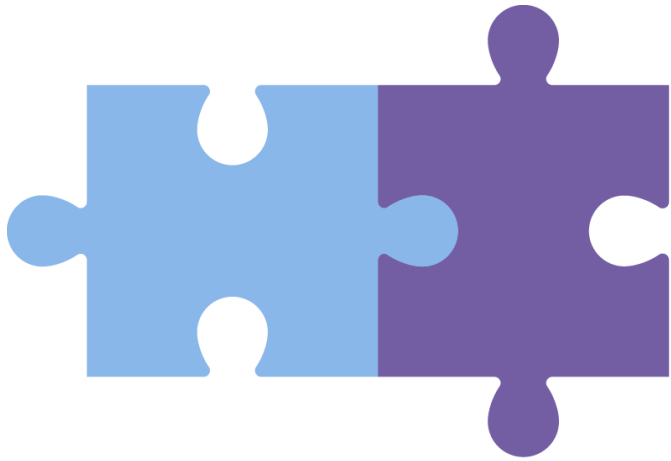
**Sunwing**

- Contract commenced 1 November 2018

**LSA CZECH AIRLINES** 

- Contract commenced 1 October 2018

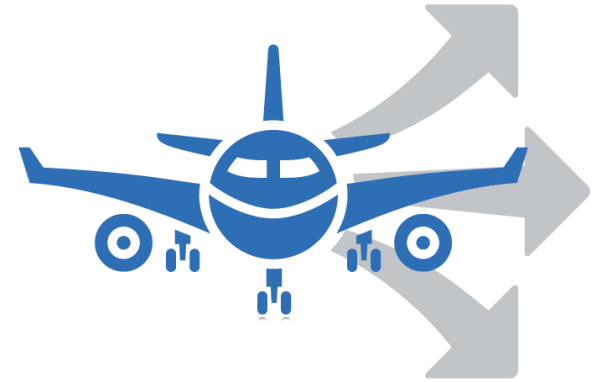
## Ground handling growth – Emerging markets



Typically Joint Ventures



Above average margins



Airline Outsourcing



- Operations scheduled to start in February 2019
- Joint venture with AirBP and Al Burhan Group
- Exclusive licence for ground handling & into plane fuelling
- 20,000 annual turns total for Iraq Airways and international carriers





# FUELLING



# Fuelling products

## Into-Plane Fuelling



Deals with the delivery of fuel to individual aircraft, in preparation for their upcoming journey.

## Market Dynamics

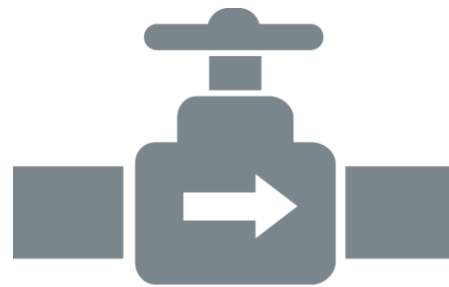
**Airlines vs Oil Majors** as partners



## Fuel Facility Management



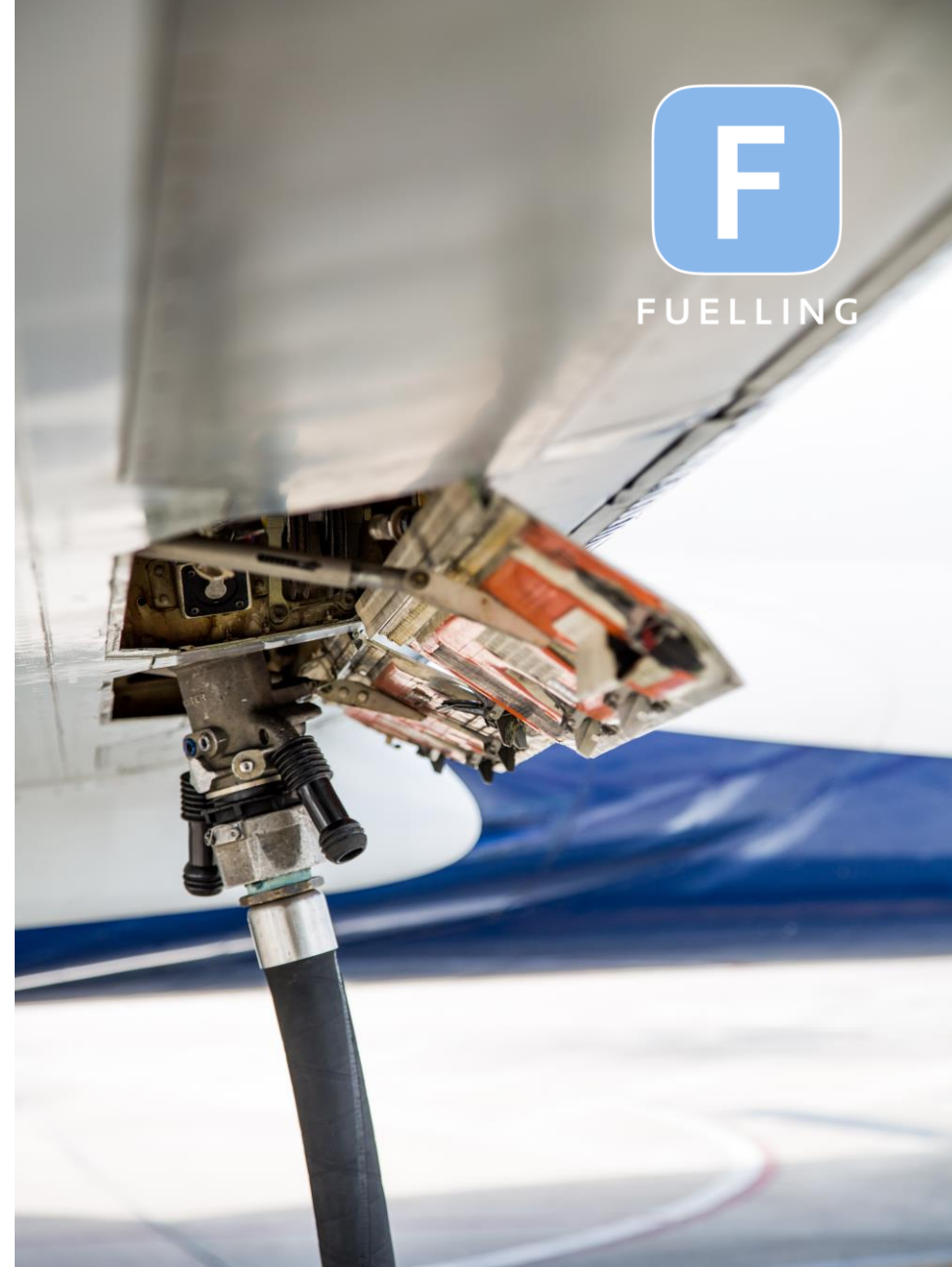
Deals with the storage, management and accounting of fuel supplies on airport campuses.



Handling fuel, not owning it

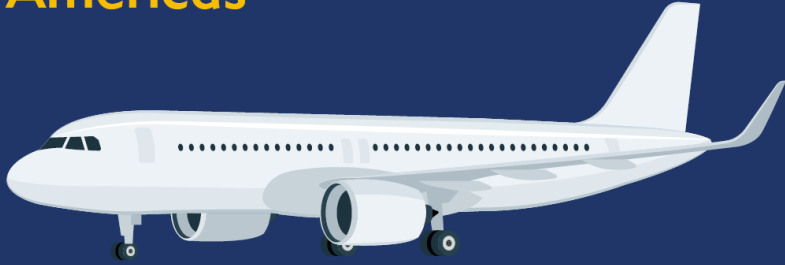


FUELLING



# Fuelling growth - Organic

## Americas



Contracting with Airlines



## Rest of World



Contracting with Oil Majors & Traders

Strong contract win and renewal performance

Innovating to modernise processes – win/win for Menzies and airlines

Cross selling opportunities with existing ground handling operations

Focus on expanding into existing territories

Leveraging existing customer relationships

### Successes

- New contracts in Bordeaux, Nice & Paris Le Bourget
- Expansion in UK at Leeds/Bradford airport



# Fuelling growth – Outsourcing & Partnership

## Existing Partners



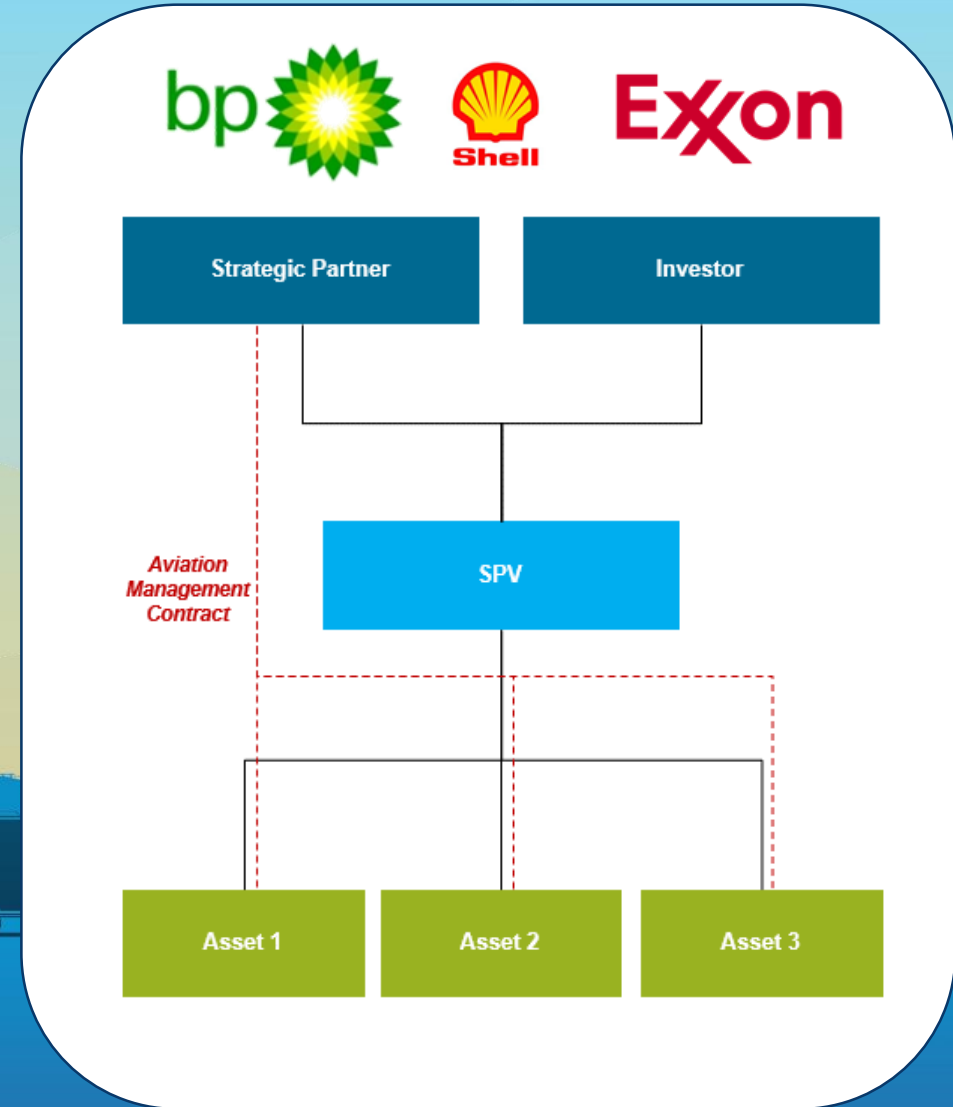
## Potential Partners



- Replicate EMEA model to facilitate growth in existing and new markets
- Leverage existing relationships and develop new ones
- Focus on global and larger regional players
- Ongoing oil major retrenchment

## Fuelling growth - Infrastructure Partnerships

- Significant opportunity exists to take advantage of future airport asset divestment by oil majors
- Menzies Aviation is the world's largest independent
- Investment by infrastructure funds is continuing
- We are developing partnerships and ensuring we are in the discussions
- Approach potential investors





CARGO





## Market Overview – Cargo growth

Global Cargo volumes are forecast to grow on average



+4.2%



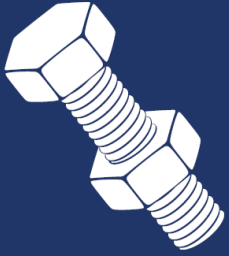
each year for the next 20 years

- Cargo volume to world trade growth correlation has tightened over the last decade but forecast to outperform long term
- Significant regional differences
- Market dynamics must be right
- Asian markets will continue to lead industry growth

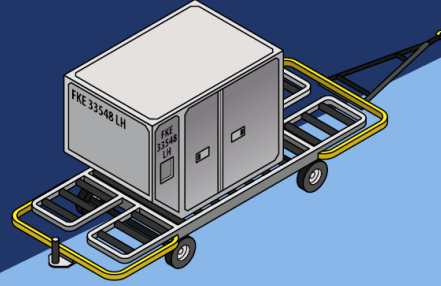
Source: Boeing CMO forecast 2018

# Driving growth - Cargo

## Bolt-on acquisitions



Deepening our service offer at existing locations



## Airline Outsourcing

Leveraging key relationships to build scale across our network



Allow one-stop shop offering at secondary airports

Typically higher margins derived

Successful track record

- Farnair, Gold Coast Cargo, Cairns Cargo

Assets typically acquired from owner manager

Where an airline has sufficient scale Menzies can manage the warehouse on their behalf

Opportunities in North America

Open facilities where market dynamics are favourable

# Acquisition strategy

## Criteria

Highly synergistic prioritised

Bolt-ons boost returns from existing operations

All opportunities must be margin accretive

Provide a good entry point to strong growth markets

Pipeline of opportunities exists

## Recent Deals

| Date             | Company          | Price | EBITDA multiple * | Product |
|------------------|------------------|-------|-------------------|---------|
| Apr 18           | ASL              | £15m  | 4.8x              | G O     |
| Jul 17           | Cairns Cargo     | £1.4m | 7x                | C       |
| May 17           | Gold Coast Cargo | £2m   | 1.8x              | C       |
| May 17           | Farnair          | £1m   | 3.1x              | C       |
| Feb 16           | Renaissance      | £2m   | 2.3x              | G       |
| Nov 14           | Planebiz         | £2m   | 2.2x              | G C     |
| Oct 13           | Skystar          | £10m  | 2.7x              | G       |
| Oct 13           | Moose            | £2m   | 3.9x              | G O     |
| * Post Synergies |                  |       |                   |         |



## Growth Agenda - Margins



Management's focus is to steadily improve margin by:

- Winning and renewing business at sustainable rates
- Delivering productivity benefits
- Tight cost control
- Investing in people
- Targeting growing airlines

**2018** | **198** Initiatives  
**69** Station/Product line combinations

# Why Customers choose Menzies

We offer a clear and compelling customer proposition



**SAFETY &  
SECURITY**



**INCREASED  
PRODUCTIVITY**



**RIGHT PRICE**



**GREAT SERVICE**

...supported by our strategic approach

# Menzies Enablers

We deliver our strategy through a great team – our enablers

## Commercial

Developing strong customer relationships is key to our future growth ambitions



Jamie Ross

## People

People are at the heart of everything we do, and will be a primary target for investment



Claire Hall

## Systems & Transformation

We will lead the industry on technology to drive efficiency and deliver great service



Steve Rick





# Commercial

Jamie Ross, SVP Commercial





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DEPLOY THE MOST  
SOPHISTICATED TECHNICAL  
SOLUTIONS



# Key Accounts – our core customer base





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# Key Accounts – our core customer base



# Key Accounts – our core customer base





## Highlights of 2018 so far



Growth with Chinese Carriers

## Highlights of 2018 so far



Growth with Chinese Carriers

# Highlights of 2018 so far



Outsourcing of Key Hubs



# Highlights of 2018 so far



Outsourcing of Key Hubs

Highlights of 2018 so far



**SUNWING**

**FINNAIR**



Targeted expansion at Major Airports

Highlights of 2018 so far



**SUNWING**

**FINNAIR**



Targeted expansion at Major Airports

## Highlights of 2018 so far



Continued growth with Key Accounts



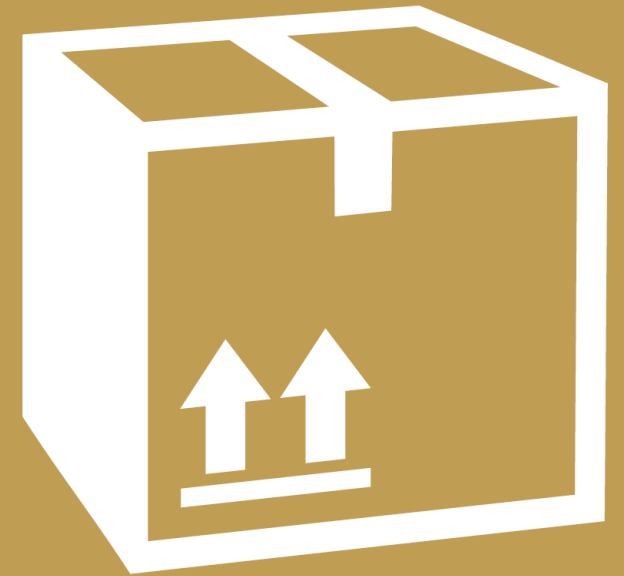
## Highlights of 2018 so far



Continued growth with Key Accounts

Highlights of 2018 so far

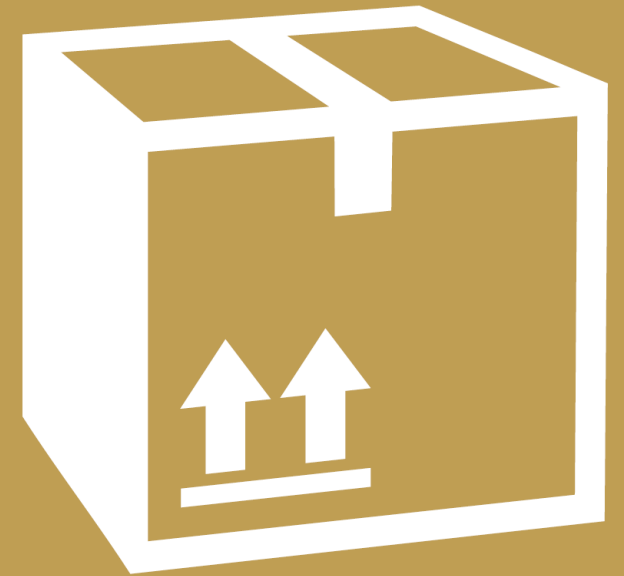
virgin atlantic



Cargo Success

Highlights of 2018 so far

virgin atlantic



Cargo Success

## 2018 in Numbers

818

BIDDING INSTANCES

83%

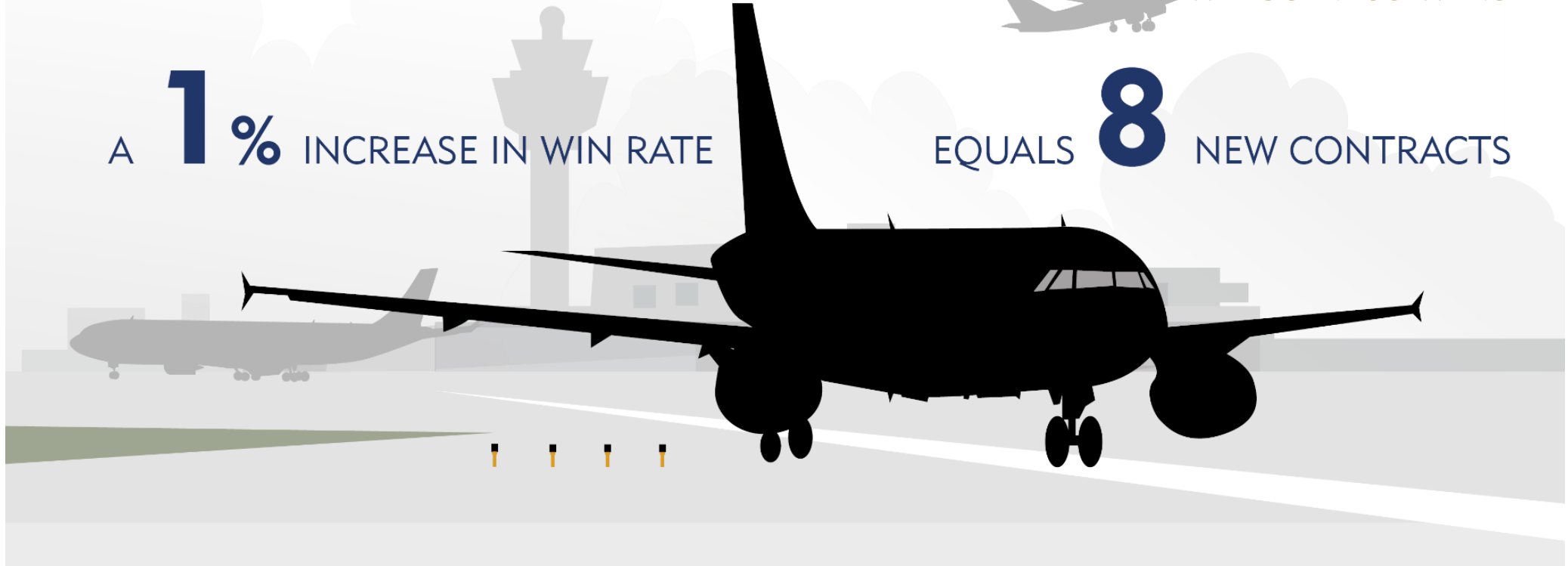
RENEWAL RATE

144

NEW BUSINESS WINS

A 1% INCREASE IN WIN RATE

EQUALS 8 NEW CONTRACTS





## 2018 in Numbers

818

BIDDING INSTANCES

83%

RENEWAL RATE

144

NEW BUSINESS WINS

A 1% INCREASE IN WIN RATE

£185m

# Strengthening our Commercial Approach



## More specificity in Sales Roles

- £386m of business in Cargo & Fuels

## Key Account Resources



## Effective Contract Support

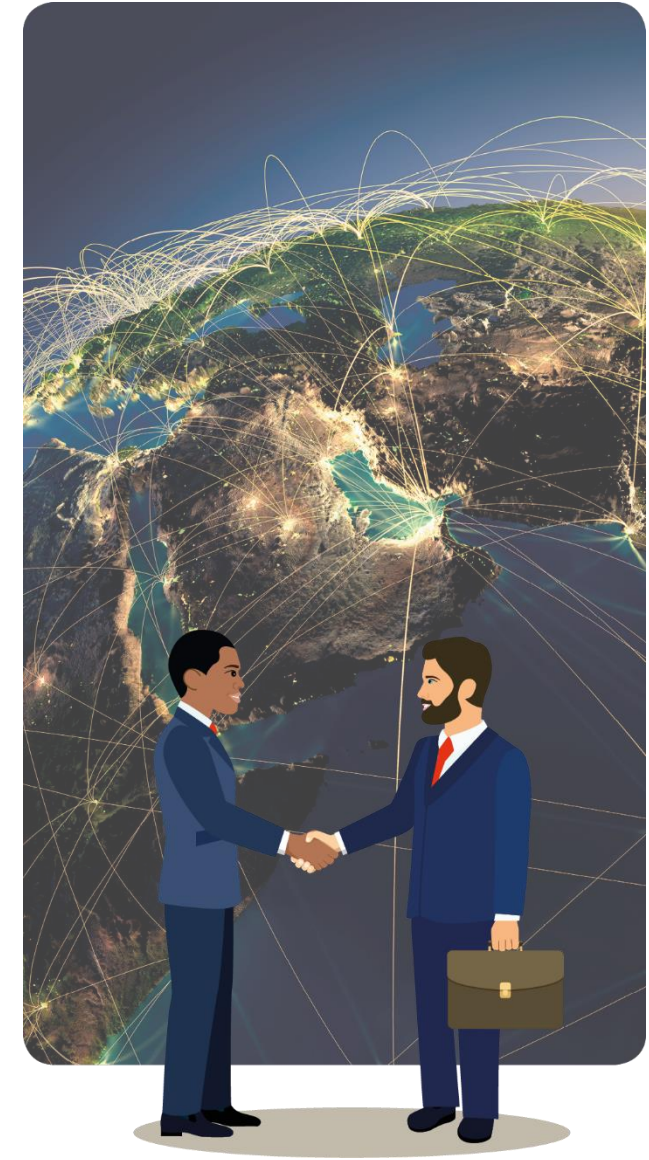


## Focused Business Development resource



## Key Accounts – global agreements

- Growing dialogue with many of our Key Accounts about global agreements – aiming to conclude some key agreements in the next 3 months
- Clear opportunity to simplify our contractual interface
- Requires some compromise with our major customers but benefit is clear
- Allows our competitive efforts to focus on the quality of our bid and overall proposition



# Key Accounts – global agreements

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- Allows our commercial efforts to focus on the quality of our bid and overall proposition

£267m





# How customers see our position in the industry

"Opportunity for Global relationship..."

"We'd like to see you expand in Asia..."

"America has lots of opportunity..."

"...huge growth potential in Fuels..."

**ground**  
**handling**  
INTERNATIONAL

**20th Annual**  
Ground Handling International Conference



**77<sup>th</sup> Aviation Fuel Forum**  
13-15 November 2018 Singapore

# What Customers want from our Products



**Safety & Security**



**Performance**

## Product Management



**Standardisation of Service**

## Focus on People and Innovation



# Coffee Break

Please re-join us in 15 minutes



# People

Claire Hall, EVP People



We are a **people organisation**







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SOLUTIONS



## Our People Priorities



Attracting  
and retaining  
the best



World class  
Training and  
Development



Creating an  
engaged  
team, giving  
great service

...adding up to improved retention, productivity and service  
- alongside reduced cost

## What they will deliver.....



Retention  
Productivity  
Service  
Growth



Overtime  
Costs

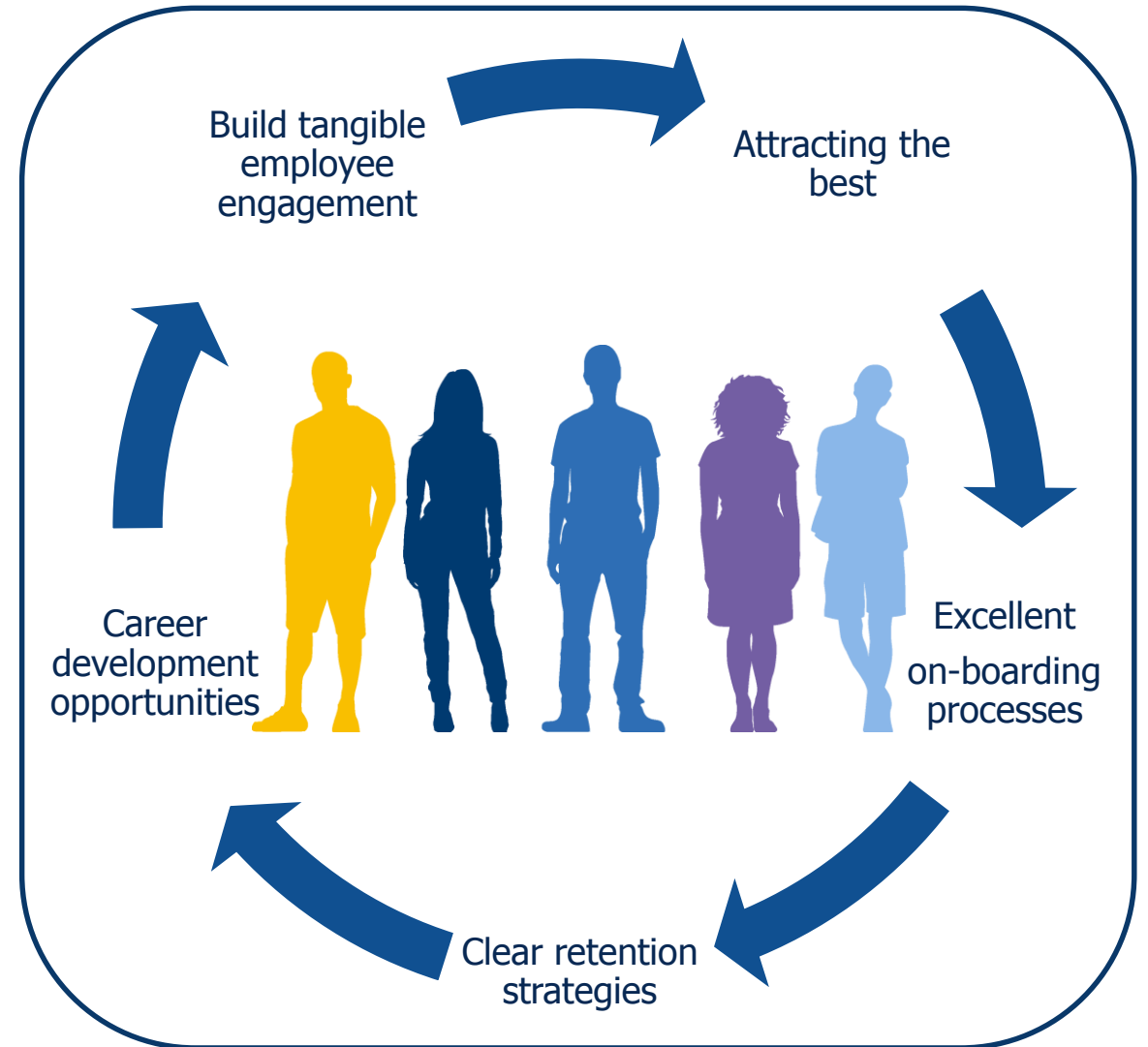
# People – The heart of our organisation

We invest

c. **65%** of our spending  
in our people



The way we engage with them  
offers **huge opportunity**





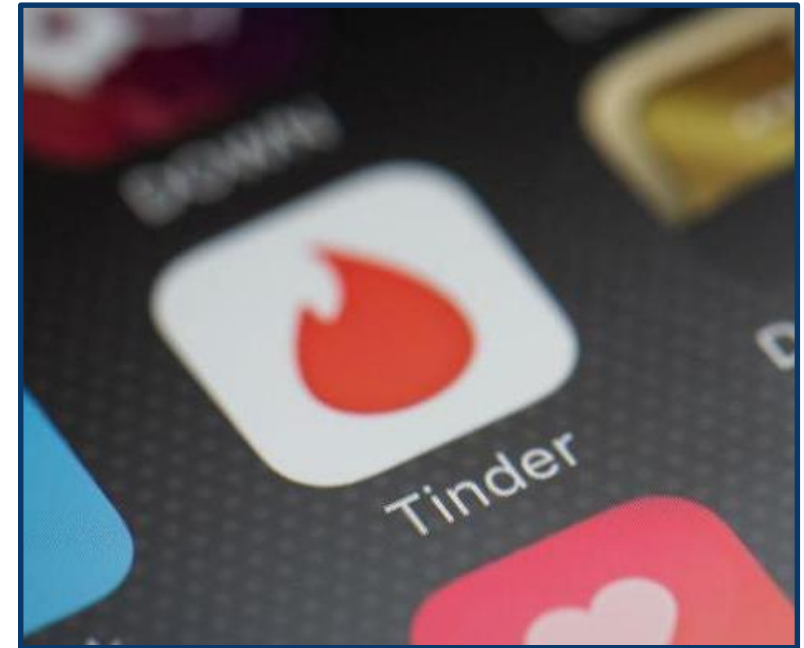
# Recruitment

Attracting the best





# Creating a conversation with potential employees



## What have we done so far to improve our attraction ....



Careers Menzies Aviation Ramp Agents



Careers Ikra Nadeem Passenger Service Agent based in Edinbu...



**1.2m**  
views in 2018



**30,000**  
followers



**200,000**  
all-time video plays

# We are partnering with text recruit to modernise our employee recruitment and on boarding experience



Text message, chat apps and live online chat are the new email: candidates and employees want to use them with their employers



**100% install base**



**Real time**



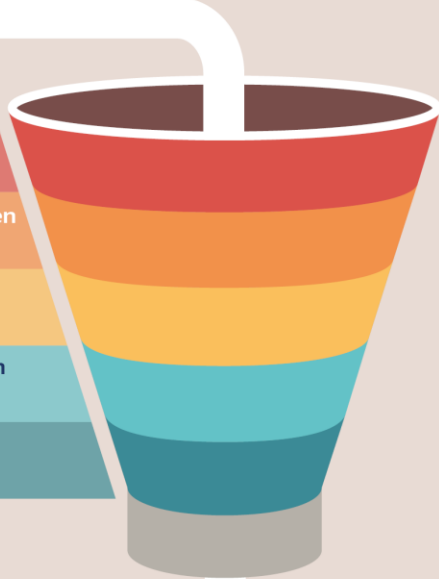
**Work email isn't mobile**

# Improving the recruitment experience for our candidates and our recruitment teams

Improved standard  
of Applicants



- 1 Attraction
- 2 Assess & Screen Online
- 3 Auto-identify Candidates
- 4 Local selection & Interview
- 5 Auto Onboarding



Improved calibre  
of Recruits

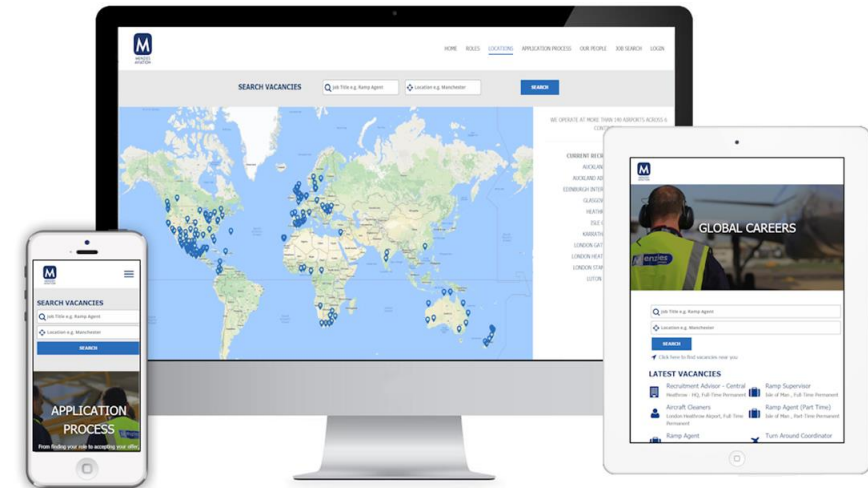
## Automated recruitment process delivers multiple benefits

Reduction in time taken to recruit

Unsuitable or ineligible applicants filtered out of recruitment process

Onboarding helps recruits hit the ground running

Automation delivers overall cost savings





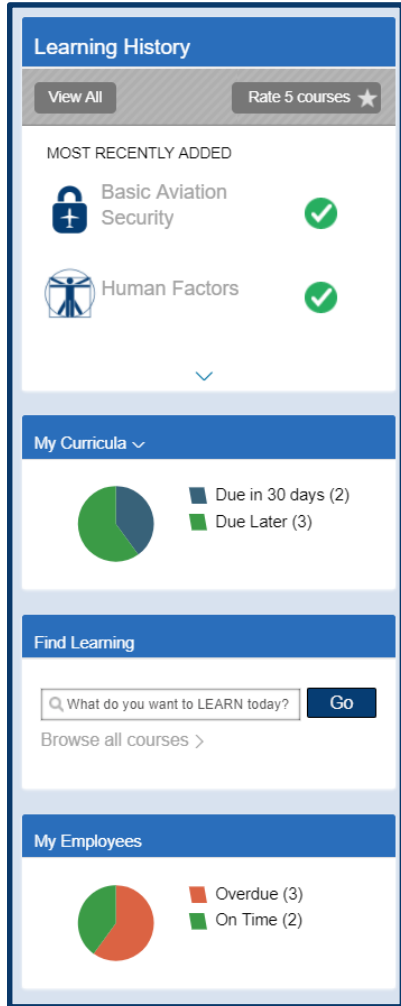
# World Class Training & Development

Being the best

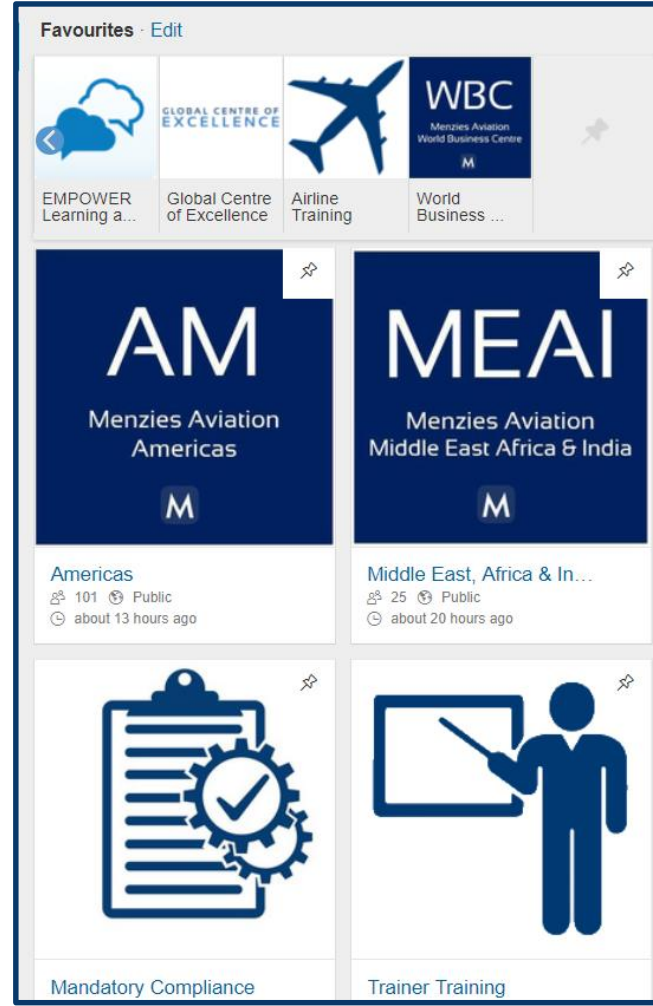




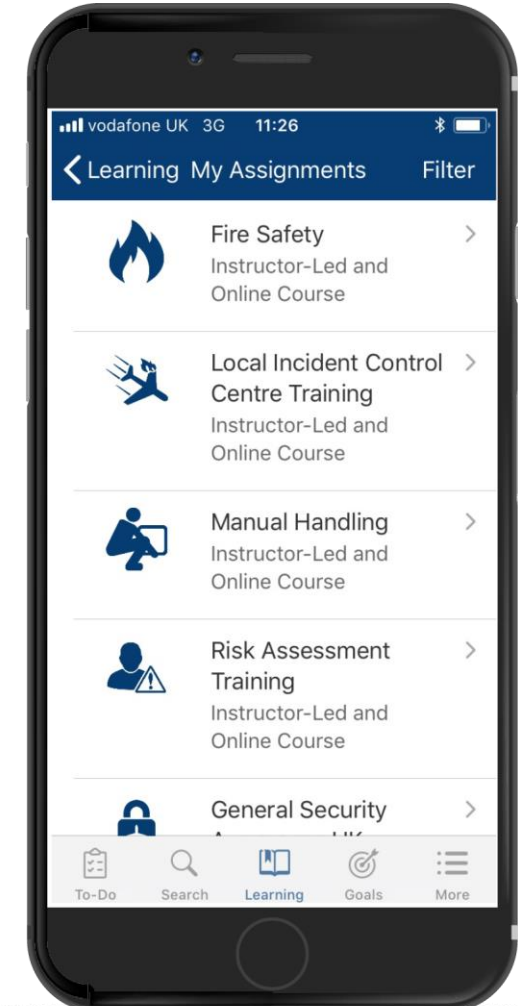
# Technology enabling our L&D evolution



Digital Learning



Social Collaboration



Mobile Learning

# Leadership

Leading from the back – empowering our people



# Vision and Values



WE CARE ABOUT OUR PEOPLE  
TOGETHER, WE DELIVER EXCELLENCE



SAFETY,  
SECURITY &  
SERVICE  
EXCELLENCE



CREATIVE  
EXCELLENCE



TEAMWORKING  
EXCELLENCE



ETHICAL  
EXCELLENCE





The new Menzies employee engagement survey has now been launched







# Combining investing in our communities with investing in our future leaders



## Seeing success in our focus stations

In **Denver** this year we have been trailing a range of retention activities and have seen a 10% reduction in their turnover

- Schedule flexibility
- Visibility of support team and managers
- Communication from Senior Leaders
- Recognition activity

IN 2018 WE HAVE LOST

**1500**

FEWER EMPLOYEES IN THE  
US, YOY



## A Winning Position



Attracting  
and retaining  
the best



World class  
Training and  
Development



Creating an  
engaged  
team, giving  
great service

# Technology

Steve Rick, SVP Systems & Transformation

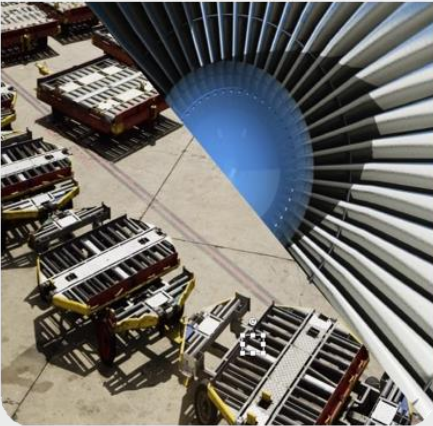


EXCELLENCE FROM TOUCHDOWN TO TAKEOFF

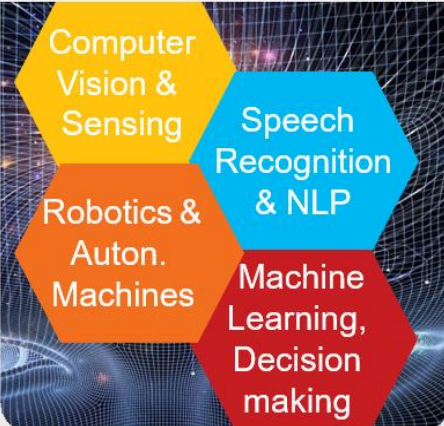


# Aviation Industry using Technology to improve the traveller experience and improve efficiency

Internet of things



Artificial intelligence



Biometrics & ID Management



Digital twins & virtual interaction



Blockchain & smart contracts



...the complexity is knowing what to invest in





## Our Objectives

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

- All systems and transformations projects have to:
  - Deliver value for the business
  - Improve productivity and performance
  - Starting with those delivering the highest impact and benefits

## Making the biggest impact

**Major Programmes** – WAN, VOIP, GDPR, Resource Management, HRiS, Payroll, Telematics, Digitising Fuelling and fluids, Contract Management, Operational Messaging & Billing, RSMS, Cargo systems, O365 and Domain Consolidation

**Controls, Management & Innovation** – Menzies Method BPL, Lean, Mobility, “eHandshake” and “eyes on the business” through Digital Board

### People

- Recruitment
- HRiS - biometrics
- Learning
- **Resource Management**

### Operational Standards

- **Business Management System**
- Menzies Method
- Technical Services
- **Asset Management**

### Systems

- IT Outsource
- Platform Transformation
- **Integration**
- Service Excellence
- Fuel Management

# Resource Management WorkBridge – Demand Led Rostering

Flight schedules don't go to plan – so how do we deal with optimising our staff in real time?

## 1. Flight Schedule

| FL    | AL | FL NO | ORIG | AC  | REG    | ETA   | BAK   | GATE  | ST    | ATA   | NOB | RF  | COO | MAL | BAK PC | BAK AS | STATUS   |           |
|-------|----|-------|------|-----|--------|-------|-------|-------|-------|-------|-----|-----|-----|-----|--------|--------|----------|-----------|
| 00:00 | TR | 8071  | ICN  | 738 | RRK001 | 00:00 | 0     | 01:00 | 01:00 | 0     | 0   | 0   | 0   | 0   | 0      | 0      | On Block |           |
| 00:40 | LJ | 111   | ICN  | 738 | RL752  | 00:59 | 804   | 6     | 01:16 | 01:21 | 148 | 148 | 0   | 100 | 133    | 112    | 1394     | On Block  |
| 01:10 | NZ | 897   | MAN  | 321 | BRAP   | 01:04 | A10   | 7     | 01:05 | 01:11 | 159 | 159 | 0   | 487 | 0      | 14     | 381      | On Block  |
| 01:40 | NZ | 881   | BRK  | 321 | BRAP   | 01:14 | 808   | 8     | 01:14 | 01:15 | 119 | 119 | 0   | 232 | 0      | 125    | 1813     | On Block  |
| 02:10 | KL | 440   | ROM  | 320 |        |       |       |       |       |       |     |     |     |     |        |        |          | Cancelled |
| 02:15 | NZ | 879   | BAK  | 320 | BRBC   | 02:13 | B10   | 8     | 02:19 | 02:18 | 111 | 111 | 0   | 20  | 220    |        |          | On Block  |
| 04:30 | NZ | 879   | BRK  | 321 | BRBC   | 04:10 |       |       | 04:08 | 04:11 |     | 179 | 0   |     |        |        |          | On Block  |
| 08:30 | IT | 301   | TFE  | 320 |        |       |       |       |       |       |     |     |     |     |        |        |          | Scheduled |
| 08:40 | LJ | 8101  | HEL  | 743 | RRAP   |       |       |       |       |       |     |     |     |     |        |        |          | Scheduled |
| 09:30 | NZ | 805   | TFE  | 321 | BRAP   | 09:15 | 09:19 | 0     | 09:15 | 09:19 | 0   | 180 | 0   |     |        |        |          | On Block  |
| 10:15 | AA | 182   | PHX  | 320 |        |       |       |       |       |       |     |     |     |     |        |        |          | Scheduled |
| 10:10 | TP | 740   | PHX  | 320 |        |       |       |       |       |       |     |     |     |     |        |        |          | Scheduled |
| 10:35 | NZ | 825   | ICN  | 321 | BRBA   |       |       |       |       |       |     | 170 | 1   |     |        |        |          | Scheduled |

## 2. Service Standards

**CPH PAX FLIGHT DEP**

Wide body

| Match Conditions | Operator | Value           |
|------------------|----------|-----------------|
| Identifer        |          |                 |
| Departure ACType | In       | 787,788,330,340 |

Tasks

- DY WB GATE**  
Duration: Variable duration (minimum 15 minutes)  
Requirements: 2 (DYFALEAD)  
Window start: 30 minutes before end of operation  
Window end: 10 minutes after end of operation
- DY WB CKIN**  
Duration: Variable duration (minimum 15 minutes)  
Requirements: 3 (DYFACINIB)  
Window start: 180 minutes before end of operation  
Window end: 60 minutes before end of operation

## 3. Workload Demand



# WorkBridge – Demand Led Rostering matching skills, demand and legal requirements

## 4. Employees & Skills

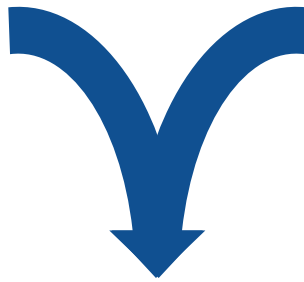
| First Name           | Last Name  | Employee Number | Organiz | Contract     | Role        | Skills      | Pattern     |
|----------------------|------------|-----------------|---------|--------------|-------------|-------------|-------------|
| SIGNE                | BAEKSTED J | 40065           | PAX     | Part time HI | PAX service | PAX Gate, P | PAX PT Patt |
| JUWAL                | GABRIELI   | 50089           | RAMP    | Full time 3F | RAMP DEIC   | RAMP Bag I  | RAMP DE-    |
| KRISTIAN JAN MATTIAS | KJELLBIN   | 40011           | PAX     | Full time HK | PAX Gate Le | PAX Delta C | PAX FT Patt |
| TROELS PALLISGAARD   | ANDERSON   | 50039           | RAMP    | Full time 3F | RAMP LOAL   | RAMP Bag I  | RAMP wint   |
| POUL                 | SMITH      | 50125           | RAMP    | Part time 3F | RAMP LOAL   | RAMP Bag I  | RAMP PT P   |
| ANDREAS              | BIRK       | 50026           | RAMP    | Full time 3F | RAMP LOAL   | RAMP Bag I  | RAMP wint   |
| NANNA DENICE MARIA   | JOHANSEN   | 40063           | PAX     | Part time HI | PAX service | PAX Gate, P | PAX PT Patt |
| CAMILLA              | PEDERSEN   | 40026           | PAX     | Full time HK | PAX Gate Le | PAX Gate, P |             |
| MARTIN JACOB         | PETERSEN   | 50038           | RAMP    | Part time 3F | RAMP LOAL   | RAMP Bag I  | RAMP PT P   |
| KASPER               | THONING K  | 50066           | RAMP    | Full time 3F | RAMP Sorti  | RAMP Bag I  | RAMP HAL    |
| PER                  | LORENTZEN  | 50021           | RAMP    | Full time 3F | RAMP Sorti  | RAMP Bag I  | RAMP P-ma   |
| BENNY                | JENSEN     | 50095           | RAMP    | Full time 3F | RAMP LOAL   | RAMP Bag I  | RAMP wint   |
| CECILIA              | GOERANSO   | 40028           | PAX     | Full time HK | PAX COMBI   | PAX Gate, P | PAX FT Patt |
| LOTUS                | MAHONEY    | 40020           | PAX     | Full time HK | PAX COMBI   | PAX Airport | PAX FT Patt |



## 5. Employment Rules

Shift Rules configuration interface showing various settings for breaks, rest times, and sequence lengths.

- Allowed breaks: Employees get their breaks from: SP/SEPAUSE HK&PAX&OPS
- Days off in a row: 1
- Extended Rest Time: 2
- Extended Rest Time: 1
- Extended Rest Time: 1



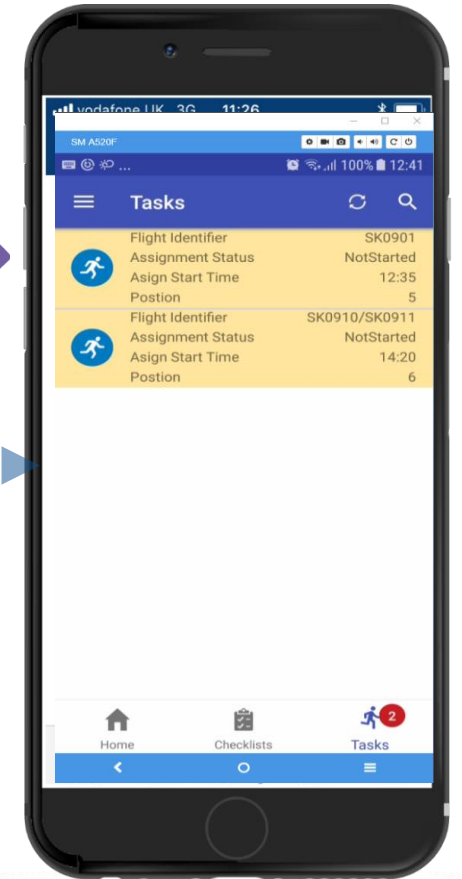
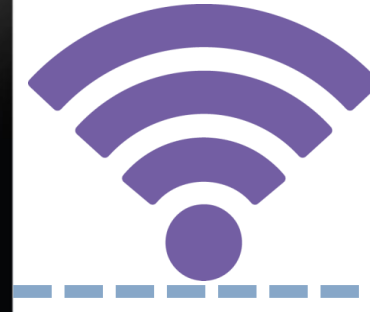
## 6. Rosters

| First Name         | Last Name     | Number | Role                      | Skills   | Contract                | Signature | Tuesday 1/19/2016 | Wednesday 1/20/2016 | Thursday 1/21/2016 | F 1/22  |
|--------------------|---------------|--------|---------------------------|--|-------------------------|-----------|-------------------|---------------------|--------------------|---------|
| ANDREAS            | BIRK          | 50026  | RAMP LOAD                 | RAMP Headset, RAMP TBL, RAMP Highloader, RAMP Bag Driving, RAMP Bag Oversize, RAMP Bag Sorting, RAMP ... | Full time 3F            | ABR       | Day Off           | 06:15-13:00         | 06:45-13:45        | 06:...  |
| NANNA DENICE MARIA | JOHANSEN      | 40063  | PAX service checkin agent | PAX Gate, PAX Vueling Check-in Altea, PAX Norwegian Check-in Altea wide body, PAX Norwegian Check-in ... | Part time HK 90h        | NAN       | 06:00-10:45       | 14:15-18:30         | Day Off            | 14:...  |
| CAMILLA            | PEDERSEN      | 40026  | PAX Gate Lead             | PAX Vueling Lead, PAX Norwegian Lead, PAX Gate, PAX Vueling Check-in Altea, PAX Norwegian Check-in A ... | Full time HK            |           | Maternity leave   | Maternity leave     | Maternity leave    | Mate... |
| MARTIN JACOB       | PETERSEN      | 50038  | RAMP LOAD (RAMP DEICE)    | RAMP De-Ice, RAMP Highloader, RAMP Bag Driving, RAMP Bag Oversize, RAMP Bag Sorting, RAMP Basic, Ram ... | Part time 3F 104h Deice |           | 05:30-15:00       | FRIDAG              | Day Off            | 06:...  |
| KASPER             | THONING KROGH | 50066  | RAMP Sorting              | RAMP Bag Driving, RAMP Bag Oversize, RAMP Bag Sorting, ...   | Full time 3F            | KKR       | Day Off           | 05:00-14:00         | 04:30-14:30        | 09:...  |





# WorkBridge - Allocation



Task status is updated from the PDA along with key data points in the turn being captured and fed to RSMS for billing



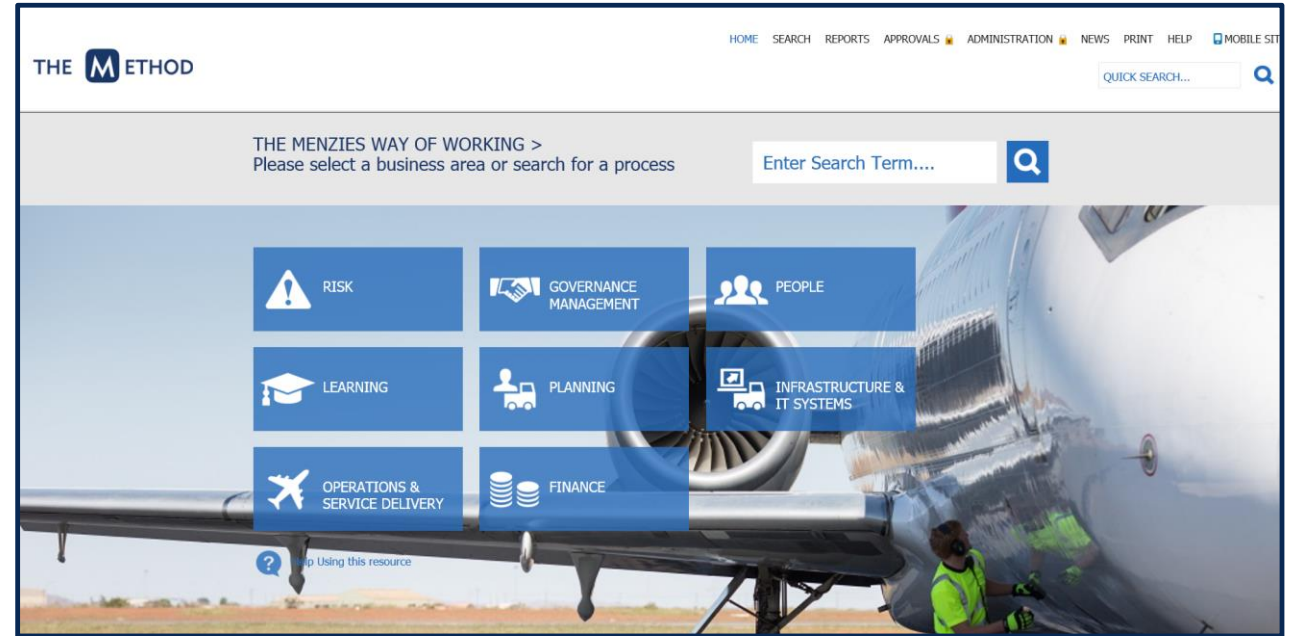
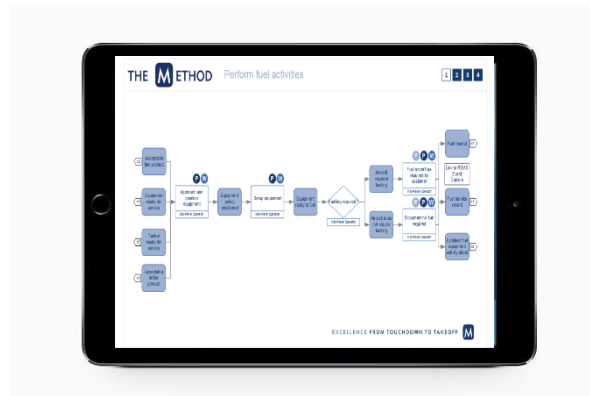
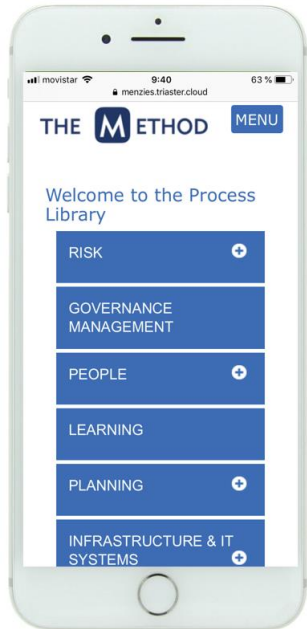
# Asset Management – Telemetry and GSE utilisation



# Operating Standards – Menzies Method - Digital governance framework

Definition of “Method” - Orderly arrangement of parts or steps to accomplish an end.

**Synonyms:** method, system, routine, manner, fashion, mode, way



The Menzies Method is the **single source of truth** for governance and operations providing a robust **governance framework** and innovative platform for **continuous improvement** and is the core of our Business Management System

# Menzies Method - Digital governance framework & Business Management System

## Policy

### 11.6.3.2 Aircraft approach

Vehicles shall be brought to a complete stop 15m (50 ft.) from the aircraft to assess the best approach route and check that brakes are functioning properly.

Once the vehicle/equipment reaches the 3-metre perimeter, another full stop should be performed and a Low or first gear shall be engaged, where the aircraft shall be approached at a walking pace (e.g. no more than 5 km/h (3 mph)).

Vehicles shall not approach an aircraft until the aircraft anti-collision lights have been switched off and the aircraft has been suitably chocked. In the case of propeller-driven aircraft, operators shall ensure all propellers have stopped turning before approaching

Vehicle operators shall approach the aircraft in a forward direction. If reversing is unavoidable on approaching the aircraft, a competent guide person shall be positioned behind the vehicle and visible to the driver at all times must guide the vehicle driver as they reverse. The aircraft customer representative must always agree to this reversing operation prior to its undertaking.

360-degree walk around looking up and down shall be performed before entering the cab and moving the vehicle.

## Work Instruction (Procedure)

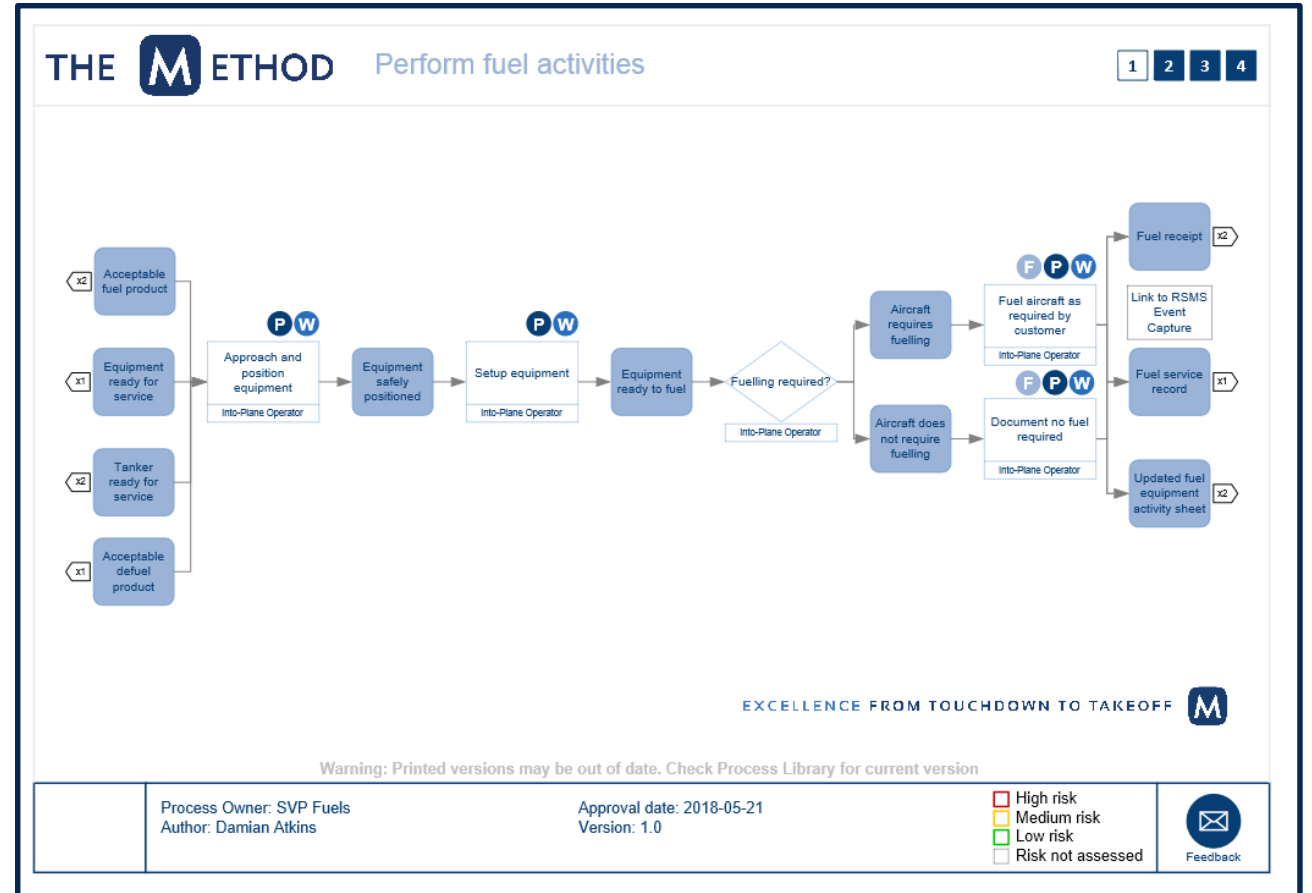
### 2. Hydrant dispenser truck operation

#### 2.1 Positioning - hydrant truck

**Aircraft fuel servicing hydrant vehicles do not have tanks. These vehicles connect to a pressurized Airport Fuelling System hydrant and transfer the fuel to the aircraft through a filter.**

After daily equipment pre-use inspection, and equipment documentation has been completed the following task shall be followed if applicable to equipment type used.

| Activity   | Supporting image(s) |
|--|---------------------|
| (a) Prior to moving any fuelling equipment, perform a 360° visual walk around inspection to ensure all equipment is correctly stowed/secured, ensure that no part of the fuelling equipment can come into contact with any stationary object whilst manoeuvring the equipment/vehicle.   |                     |
| (b) Prior to approaching aircraft, ensure aircraft has come to a complete stop, the anti-collision lights are off and aircraft chocks have been placed.  |                     |
| (c) When approaching an aircraft, perform a safety stop at 15 meters and 3 meters away from the aircraft.  |                     |
| (d) The positioning of the dispenser underwing: <ul style="list-style-type: none"> <li>Use extreme caution when positioning under aircraft wings and pay attention to the proximity of the aircraft engines and wing flap track fairing.</li> <li>No attempt should be made to position your vehicle under an aircraft wing if the flaps are in the down position.</li> <li>Park Parallel or facing away from the aircraft fuselage and engines. (where aircraft/stand design permits)</li> <li>Vehicle front steerable wheels should be turned away from the aircraft fuselage.</li> <li>Ensure entry and exit of the refuelling vehicle is not blocked by other vehicles or equipment placed around the aircraft.</li> </ul> |                     |



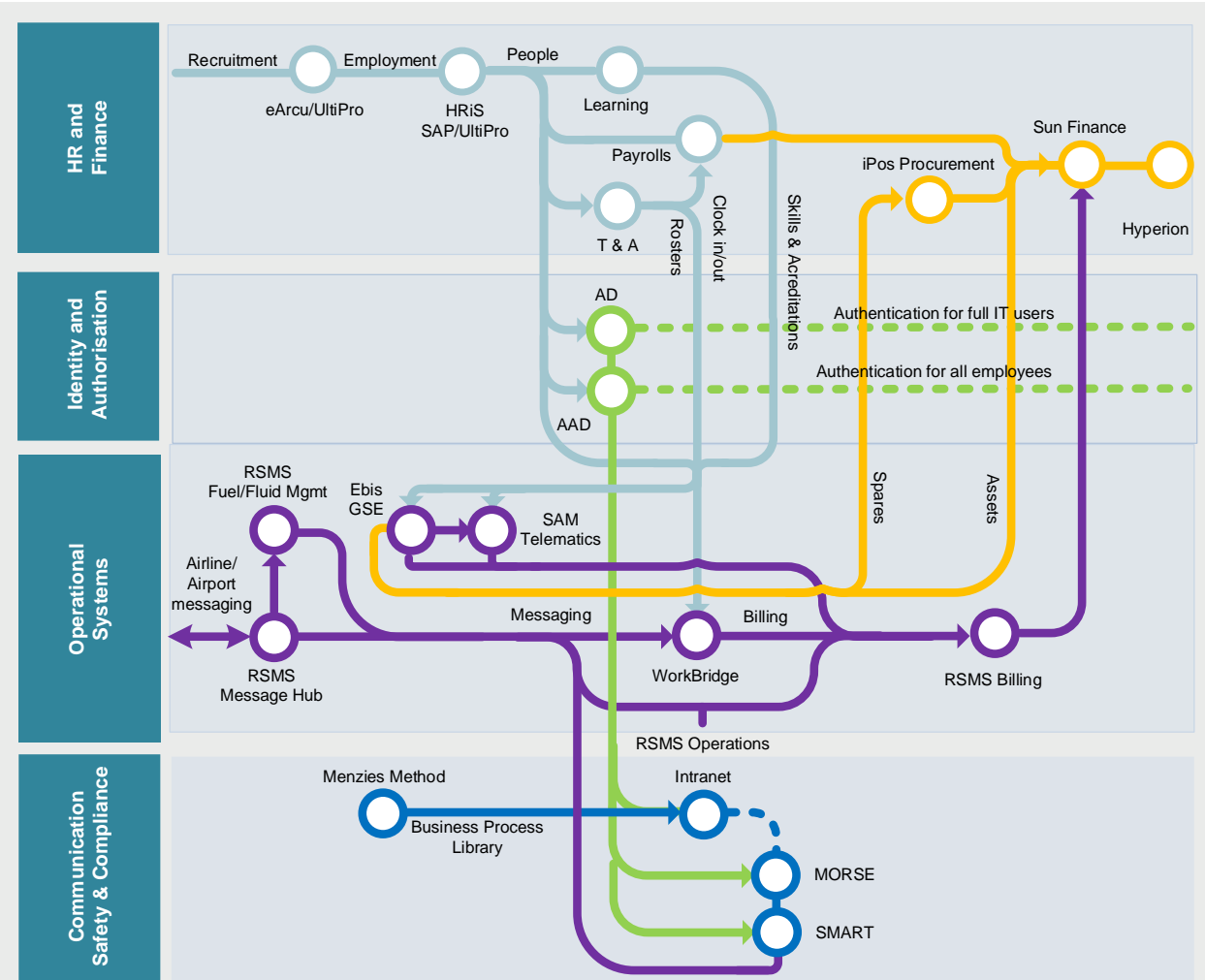


# Integration – Joining our Systems up

- Joining our technologies together and interfaced them with our customers messaging
- We achieve this through our RSMS hub
- We have taken stand alone systems and joined them up
- We are leveraging the data and automating as much as possible – The Menzies Method

## Key Principles:

- Enter data once and use many times
- Single view of the truth across all systems
- Commit to benefits and measure them



# Delivering end to end solutions for consistent services

## Fuel Deliveries

Tracking and managing delivery methods; pipeline, road tanker, barge and rail

## Fuel Suppliers

Integrating directly with suppliers IT & billing systems

## Bulk Storage

Managing fuel farm stocks, reconciliation, loss & gain calculations

## Cargo

Industry leading cargo solution standardised throughout the network

## eHandshake

Fully interactive, paperless refuelling and turn acceptance by aircrew and airline Ops

## VoIP/COMMS/Mobility

Integrated VOIP communications capability via our tablet/smartphone interface – single device operation

## Ramp Services

Integrated suite of tools and systems for managing operations from touchdown to take off

## Environmental & Regulatory Reporting

Improved data capture, speed and analysis which enhances reporting

## Airlines

Integration with airline operations centres for planning, billing and real time event management

## Telemetry

Real-time analysis of GSE & vehicle activities

## Staffing

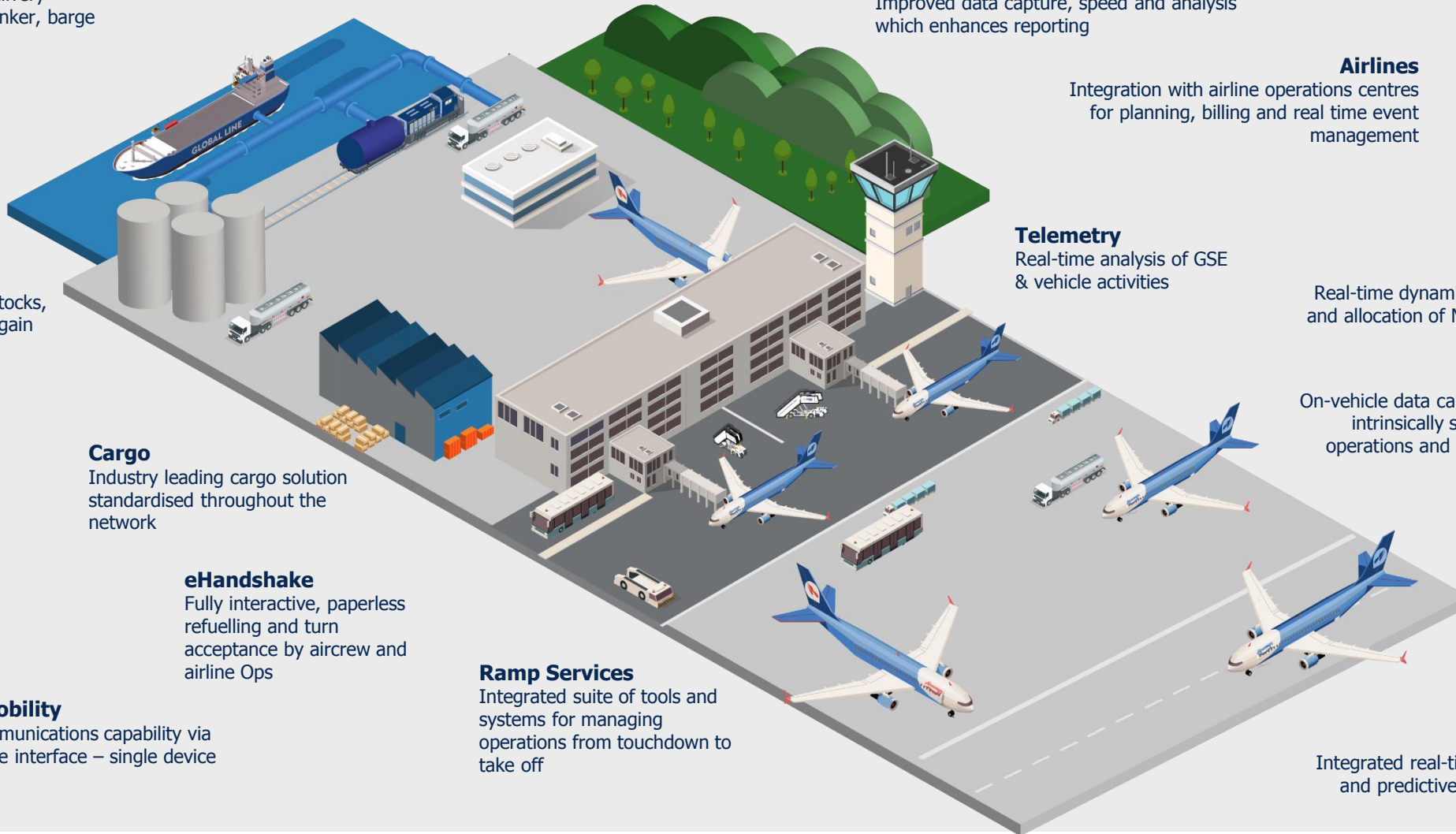
Real-time dynamic scheduling, rostering and allocation of Menzies crews and GSE

## Fuel Operations

On-vehicle data capture and fully mobile, intrinsically safe equipment, airside operations and real time flight fuelling status information

## GSE Maintenance

Integrated real-time approach to routine and predictive maintenance and parts management.



# Operational Excellence – Delivering our Vision for the future

**MENZIES AVIATION**

**Operational Excellence – Delivering the vision**

- The Menzies Method**
  - Policies manuals & processes
  - New Menzies Intranet
  - Business Process Library using Triaster process mapping, lean and six sigma tools
- Employee Management HRIS**
  - SAP Success Factors & Ultipro
  - Integration with WorkBridge and T&A
  - Improve employee management
  - More engagement from accurate data
  - Monitor work profile and absence
  - Employee and Manager Self Service
  - Performance Management using Success Factors
- Workforce Recruitment**
  - eArcu & Ultipro candidate attraction, on boarding and management
  - Integrated into HRIS
  - Improve efficiency and customer services
  - Better planning with real-time control and visibility of resources
- Learning Self-Service**
  - SAP Success Factors & Harley Interactive
  - Improve employee development processes
  - Learning paths to add competencies
  - Schedule courses and training
  - Integrated with Telematics and WorkBridge
- Time & Attendance**
  - Standard implementation
  - Biometric clocking
  - Integrated with WorkBridge
  - Common reporting structure
- IT Strategy & Programme**
  - ITO with Sungard AS
  - IT Transformation
  - Integration of key systems
  - Private and Public Cloud
- Sales & KAM**
  - KAM programme and processes
  - CRM using Microsoft Dynamics
  - Opportunity management and forecasting
  - Contract Management using CobbleStone
- GSE and Asset Tracking**
  - SAM Telematics on Motorised GSE
  - Asset lifecycle management plan
  - Better-informed asset management
  - Make the right decisions on maintenance and disposal
  - Optimisation of the fleet
  - Ensure operators are trained
  - Bill accurately for GSE used
- IT Help Desk**
  - Implement ServiceNow
  - Single integrated service desk
  - eBonding with key service providers
- GSE Scheduling and Billing**
  - GSE integration to WorkBridge to allow GSE scheduling
  - Increase efficiency and improve customer service
  - Agile management of GSE
  - Integrated GSE asset management and utilisation with SAM and EBis
  - Preventative Maintenance
- Departure Control**
  - WorkBridge Airport Management System
  - Digital allocation of employees to customer tasks
  - Agents provided tasks via handhelds
  - Push to Talk via handheld removing radios to commence rollout in 2018
- Cargo Handling**
  - Standardise on Hermes NextGen globally
  - Deliver tighter integration with AMI
- Health, Safety and Quality**
  - Integrated Risk Manager
  - Capture CAT A, B, C, D & E incidents
  - Reduce risk and support compliance
  - Aircraft, Personal Injury and Environmental
- Lounge Hospitality**
  - Online booking & mail app to access hospitality services
  - RSMS billing integration
- GSE Parts Management**
  - Standardising GSE recording and management globally by end of 2018 on EBis
  - Improve control of equipment costs and maintenance processes
  - Better first-time fix-rates
  - Integrated parts management and billing
- Long-term Planning**
  - WorkBridge - Prepare & Mobilize implemented for rostering
  - Integration with RSMS and T&A
  - Improve cost management
  - More accurate forecasting of capacity against demand
- Signature on Glass**
  - Single consistent data capture on every Menzies turn globally
  - Dispatch Card, Die-icing, Fuelling digital data capture
  - Increase productivity and reduce errors
  - User Interface for RSMS that eliminates the need to re-key data
  - Ensure services delivered to customers are charged

## Our programme is delivering results:

- Improved aircraft turn around times
- Improved employee management
- Better utilisation of our equipment
- Improved safety
- Improved quality of service
- Greater billing accuracy
- Increased bid success rate





# Financial approach

Giles Wilson, CFO





## OUR TARGETS

# 8%

REVENUE GROWTH

# 1.5x - 2.0x

NET DEBT TO EBITDA RATIO

# 2.0x - 3.0x

DIVIDEND COVER

# 10%

EPS GROWTH



Strong Financial  
Discipline



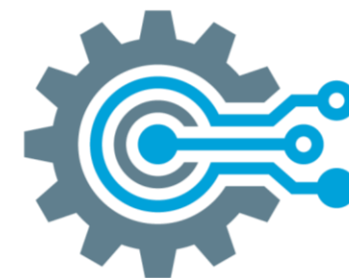
Embedded Governance  
Culture



Commercial approach



Great people



Enabling Technologies

UNDERPINNED BY

# Financial Discipline - Our approach

## CAPITAL DISCIPLINE

+ **15%**



Modified internal rate of return on all projects

+ **10%**



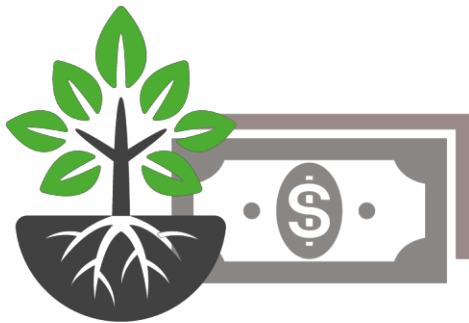
Minimum new business margin at station level

**3** years



Targeted Minimum payback period

## CAPITAL ALLOCATION



Organic growth preferred to acquisitive



Central Investment Review Committee



Key Metrics

Modified rate of return •  
Net present value • Payback period

# Capital application process

A RIGOROUS REVIEW PROCESS: ...it's more than just the numbers



Financial review • Risk Profiling • Legal review • Operational governance • Local ownership





**MENZIES** | **EXCELLENCE**  
AVIATION | FROM TOUCHDOWN TO TAKEOFF

## THE EXCELLENCE MANIFESTO

In order to become the undisputed, premium brand in the Aviation Services sector, Menzies Aviation will:

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

