

**10 September 2020**

**John Menzies plc**  
**(the 'Company' or the 'Group')**

**Trading Update**

John Menzies plc, the global aviation services business, today provides an update on financing and current trading.

**New Covenant Package**

The Board is pleased to confirm that following positive discussions with its banking group, it has agreed a revised banking covenant structure, subject to agreement of final legal documentation between the Group and its lenders and among the lenders. The new covenant package will provide additional flexibility to support the Group, as the aviation industry recovers from the impact of the COVID-19 pandemic.

The key terms of the new covenant package are:

- The net leverage covenant is replaced with a minimum EBITDA covenant tested on a quarterly basis;
- A new minimum liquidity covenant will be introduced;
- The interest cover covenant is suspended;
- The interest margin is increased by 0.5% to 4.0% whilst leverage is greater than 3.5 times.

The revised covenant package will remain in place until the earlier of June 2022, or net leverage remaining below 3.0 times for two consecutive quarters, at which point the Group will revert to the original covenants for the remainder of the facilities term.

Alongside the agreement on restructuring of the facility covenants, we have also been effective in our proactive management of the Group's liquidity. Whilst a partial return to operations has required reinvestment in working capital, the Group's liquidity currently stands at approximately £170m.

The Board believes that with the new covenant package the Group will be well placed to manage through the current market uncertainty.

**Trading Update**

As expected, trading has remained challenging due to the ongoing impact of COVID-19, however we are now re-starting operations and seeing a partial return of flight schedules. Cargo volumes continue to be more resilient and our AMI business, a cargo brokerage, is trading ahead of expectations given the current lack of available capacity.

As a result of the very challenging conditions experienced by the industry, revenue to the half year was down approximately 33%, in constant currency, on the prior year. The revenue decline has had a significant impact on profitability and will lead to the Group being loss making in the first half, although

the extent of this has been limited by the speed and effectiveness of our cost management actions. In the second half, profitability will benefit from a more significant contribution by various government support programmes and continuing tight cost management. Net debt as at 30 June 2020 pre IFRS16 was £160m (£336m on an IFRS16 basis) which reflects the very tight cash management by the business and the benefit of additional government support programmes.

Despite the crisis we have made very encouraging commercial progress winning significant new business. In the first six months we added £27m of net annualised revenue from commercial activities. Since the half year end we have won the ground handling and cabin cleaning business of Air France/KLM in Toronto, Canada and further strengthened our relationship with Qatar Airways securing new cargo handling contracts at six locations across three countries together with ground handling contracts at four of these locations.

### **Notice of Results**

The Group will announce its interim results for the period ended 30 June 2020, on 29 September 2020.

### **For further information, please contact:**

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### **Notes:**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") EU no.596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain. For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, the person responsible for arranging for the release of this Announcement on behalf of the Company is John Geddes, Corporate Affairs Director & Group Company Secretary.

### **Forward Looking Statements**

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable

terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and involve predictions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events, and depend on circumstances, that will occur in the future. Forward-looking statements may and often do differ materially from actual results expressed or implied in these forward looking statements. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the business, results of operations, financial position, liquidity, prospects, growth or strategies of the Company, and the industry in which John Menzies operates. Forward looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. Save as required by law or regulation, John Menzies disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect events or circumstances after the date of this announcement.