2018 Highlights

1. Strategic alignment delivered – now a pure play Aviation Services business

2. Menzies Aviation continues to grow – Revenue, Profit and EPS progression

3. Excellent year for contract renewals – overall margin improved

4. Resilient performance in 2018 – full year expectations delivered
Robust and diversified business model

Key facts

Robust business model underpinned by: global product, geographical & customer diversification and flexible cost base

- Strong governance underpins all activities
- Capital discipline
  - 15% modified internal rate of return on all projects
  - 10% minimum new business margin at station level
  - 3 years targeted minimum payback
- Average contract length of 3 years
- Contract renewal rate 83%
- 500+ airline customers

Flexibility of cost base
As % of total operating costs

- Fixed costs: 25%
- Variable costs: 75%

Top 10 customers
By Revenue

- 35% of revenue

Core products
By Revenue

- Fuel farm
- Cargo forwarding
- Into-plane fuelling
- Cargo handling
- Ground handling

Geography
By Revenue

- Americas
- EMEA
- Rest of World

3
Menzies Investment Case
Pure Play Aviation Service Business

**Marketplace**
- **$60bn** $5\%$ CAGR to 2025
- **Passenger growth** $+4.7\%$ to 2037
- **Aircraft growth** $+3.5\%$ to 2037
- **Cargo growth** $+4.2\%$ to 2037

**Growth Dynamics**
- **Organic growth**
  - Increased volume from existing customers
  - New customer at an existing airport
  - New airport with scale customer
  - Continuing outsourcing trend
- **Acquisitive growth**
  - Highly synergistic prioritised
  - Bolt-ons boost returns from existing operations
  - All deals must be margin accretive

**Shareholder Value**
- **Revenue** $+8\%$ per annum
- **Earnings Per Share** $+10\%$ per annum
- **Dividend Policy** 2-3 times covered
- **Net Debt** 1.5-2 times EBITDA
Financial Overview
Financial Highlights
Continuing to drive the business forward

Revenue
£1.3bn
+4%

Underlying Operating Profit
£55.1m
+8%

Underlying Earnings per Share
37.6p
+20%

Net Debt
£1,999.6m
-7%

Full year expectations delivered

Note: Revenue, underlying operating profit and underlying earnings per share are for continuing operations only with growths at constant currency
## Financial overview – continuing operations

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>2018</th>
<th>2018</th>
<th>2017</th>
<th>vs 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Constant currency</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>1,291.0</td>
<td>1,318.2</td>
<td>1,273.6</td>
<td></td>
<td>+4%</td>
</tr>
<tr>
<td>Underlying operating profit</td>
<td>55.1</td>
<td>57.4</td>
<td>53.1</td>
<td></td>
<td>+8%</td>
</tr>
<tr>
<td>Interest</td>
<td>(11.0)</td>
<td>(11.0)</td>
<td>(10.8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Underlying profit before tax</strong></td>
<td>44.1</td>
<td>46.4</td>
<td>42.3</td>
<td></td>
<td>+10%</td>
</tr>
<tr>
<td>Net debt</td>
<td>199.6</td>
<td>214.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exceptional charge in operating profit</td>
<td>13.5</td>
<td>27.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt to EBITDA covenant ratio</td>
<td>2.4x</td>
<td>1.9x</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying effective tax rate</td>
<td>28%</td>
<td>35%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underlying EPS</td>
<td>37.6p</td>
<td>33.7p</td>
<td></td>
<td>+20%</td>
<td></td>
</tr>
<tr>
<td>Basic EPS</td>
<td>14.6p</td>
<td>0.1p</td>
<td></td>
<td>+20%</td>
<td></td>
</tr>
<tr>
<td>Dividend per share</td>
<td>20.5p</td>
<td>20.5p</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: 2017 results for the continuing operations have been restated to exclude the results of Menzies Distribution Ltd and its associated subsidiaries disposed of on 4 September 2018
## Segmental performance

<table>
<thead>
<tr>
<th>£m</th>
<th>Revenue</th>
<th>Underlying operating profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Constant currency</td>
</tr>
<tr>
<td>Americas</td>
<td>463.8</td>
<td>477.9</td>
</tr>
<tr>
<td>EMEA</td>
<td>517.3</td>
<td>518.2</td>
</tr>
<tr>
<td>Rest of World</td>
<td>157.6</td>
<td>166.3</td>
</tr>
<tr>
<td>Cargo Forwarding</td>
<td>152.3</td>
<td>155.8</td>
</tr>
<tr>
<td>Corporate</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,291.0</strong></td>
<td><strong>1,318.2</strong></td>
</tr>
</tbody>
</table>

**Margin**

|          | 4.3% | 4.4% | 4.2% |

Note: Continuing operations only
Underlying operating profit

£m

2017  Existing business  AMI  Exclusive licence losses  Contract gains & losses  New business, M&A  2018 pre-FX  Translation  2018

53.1  1.3  2.1  (1.6)  0.2  2.3  57.4  (2.3)  55.1

Note: Continuing operations only

HIGHLIGHTS

Underlying operating profit

£55.1m

Underlying business

DELIVERS £3.4m profit
## Exceptional costs and discontinued operations

### Exceptional costs in continuing operations

<table>
<thead>
<tr>
<th>£m</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and transaction costs</td>
<td>(2.9)</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Integration costs</td>
<td>(2.1)</td>
<td>(13.9)</td>
</tr>
<tr>
<td>Warranty and claim costs</td>
<td>(6.7)</td>
<td>-</td>
</tr>
<tr>
<td>Others</td>
<td>(1.8)</td>
<td>(4.1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(13.5)</strong></td>
<td><strong>(22.6)</strong></td>
</tr>
</tbody>
</table>

### Discontinued operations loss before tax

<table>
<thead>
<tr>
<th>£m</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying operating profit</td>
<td>17.1</td>
<td>24.8</td>
</tr>
<tr>
<td>Exceptional costs</td>
<td>(3.3)</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Loss on disposal</td>
<td>(27.9)</td>
<td>-</td>
</tr>
<tr>
<td>Interest</td>
<td>(0.1)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(14.2)</strong></td>
<td><strong>16.8</strong></td>
</tr>
</tbody>
</table>
Movement in net debt

£m

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating cash flow</th>
<th>Tax &amp; interest</th>
<th>Pensions, dividends</th>
<th>Net capital expenditure</th>
<th>Net M&amp;A</th>
<th>One off pension</th>
<th>Other</th>
<th>Translation</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(214.4)</td>
<td>(199.6)</td>
</tr>
<tr>
<td>2017</td>
<td>94.9</td>
<td>(25.5)</td>
<td>(28.1)</td>
<td>(17.3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

HIGHLIGHTS

Strong operating cash flow performance

Debt within covenant

2.4x EBITDA
Pension liability and deficit reduction

**£m**

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>374.4</td>
<td>(423.9)</td>
</tr>
<tr>
<td>2018</td>
<td>305.0</td>
<td>(323.0)</td>
</tr>
</tbody>
</table>

**Deficit**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(49.5)</td>
<td>(18.0)</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Deficit improved by disposal with Distribution and cash contributions: **£31m**
- Annual contributions 2019-2026 of **£9m**
- DOWN £2m on 2018
Underlying earnings per share

Note: All data is stated excluding Menzies Distribution Ltd and its associated subsidiaries disposed of on 4 September 2018
Business Review
2018 business review

Continued progress underpinned by product and geographical resilience

Underlying Profit up by 8%
- Continuing focus on margin improvement
- Close management of cost base

Wins and Renewals key to success
- Excellent year of renewals
- Win momentum continues

A People business
- US labour market proved to be very challenging
- Innovative approaches in place and delivering benefits

Excellence Manifesto being delivered
- Continuing deployment of systems driving benefits
- Investment delivers customer satisfaction

TRACK RECORD OF DELIVERING GROWTH
2018 commercial activity

Product volume

- Ground handling – like for like turns up 7%
  - Increased volume at existing stations – Denver, Heathrow, Mexico
- Cargo handling – like for like tonnes up 3%
  - Strong volumes in USA and India
- Fuelling – turns up 7%
  - Increased turns in USA and new EMEA stations

Contracts

- 98 net contract gains
  - 48 net contract gains in fuelling business
  - Continuing strong performance in ROW
- 276 contracts renewed securing £152m of annual revenue
  - Excellent progress in North America into-plane fuelling contracts
Organic growth – 2018 achievements

- Growth with Chinese carriers
- Targeted expansion at major airports
- Continued growth with key accounts
- Cargo handling success
Regional overview

**AMERICAS**
- Multi-site into-plane fuelling renewals with major US carriers
- North American labour market was challenging
- Latin American operations continue to deliver good results

**EMEA**
- Strong performance in Continental Europe with new contracts and key renewals
- UK regional business remains challenged
- Eastern European operations bolstered by win of Czech Airlines hub

**REST OF WORLD**
- Operations in Oceania continue to prosper
- Good progress in New Zealand, particularly with Chinese carriers
- Operations in Indonesia commenced

**New management team continue to invigorate the business**
**Profit progression continues**
**Investment in global IT system provides platform for further growth**

**STRONG PERFORMANCE IN MORE CHALLENGING MARKETS**
John Menzies plc
Summary and Outlook
Industry leading standards

Why customers choose Menzies

- Best-in-class training programme
- Industry leading safety record
- Low aircraft damage 0.06 per 1,000 turns

Safety & security

- Expertise in on-time turnaround
- Industry leading technical solutions
- Investment in employee

Increased productivity

- Securing the right contract with the right partner at disciplined pricing
- Pricing power deriving from quality offering

Right price

- Provide on-time performance
- High quality consistent service

Great service

- Minimising damage costs
- Lower insurance premiums
- Investment in people
- Lower employee turnover
- Strong contracting disciplines/governance
- Higher margins
- Higher contract renewal rate
- Market share gains and revenue growth

Menzies operational excellence
Evolving commercial approach

- Strategic Targeting
- Cross Selling
- Sustainable Earnings Growth
- Contract Renewals
- Global Agreements

With clarity on Who, When and Where

- Target

To develop systems, processes & quality

- Invest

Demonstrate that we can be Logistics Partner of Choice for Airlines

- Partner
Outlook remains confident

Strong organic opportunities being pursued

Differentiated by continuing innovation

Driving to be Partner of Choice

DELIVERING SUSTAINABLE, QUALITY EARNINGS & SHAREHOLDER VALUE
Appendix 1

Further financial information
HIGHLIGHTS

2018 margin
4.3%

Track record of increasing margin

Note: Margin is reported underlying operating profit divided by revenue. All data is stated excluding Menzies Distribution Ltd and its associated subsidiaries disposed of on 4 September 2018.
## Profit before tax

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underlying profit before tax</strong></td>
<td>44.1</td>
<td>42.3</td>
<td></td>
</tr>
<tr>
<td>Non-recurring items in operating profit</td>
<td>(10.5)</td>
<td>(22.6)</td>
<td></td>
</tr>
<tr>
<td>Non-recurring items in finance costs</td>
<td>(0.7)</td>
<td>(0.8)</td>
<td></td>
</tr>
<tr>
<td>JV and associate tax</td>
<td>(2.0)</td>
<td>(1.9)</td>
<td></td>
</tr>
<tr>
<td>Acquisition intangible amortisation</td>
<td>(6.3)</td>
<td>(7.1)</td>
<td></td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>24.6</td>
<td>9.9</td>
<td></td>
</tr>
</tbody>
</table>

Note: Continuing operations only
## Cash flow and net debt

<table>
<thead>
<tr>
<th></th>
<th>£m</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underlying EBITDA</strong></td>
<td></td>
<td>98.7</td>
<td>109.1</td>
</tr>
<tr>
<td><strong>Working capital movement</strong></td>
<td></td>
<td>(1.8)</td>
<td>1.9</td>
</tr>
<tr>
<td><strong>Other movements</strong></td>
<td></td>
<td>(2.0)</td>
<td>(1.1)</td>
</tr>
<tr>
<td><strong>Operating cash flow</strong></td>
<td></td>
<td>94.9</td>
<td>109.9</td>
</tr>
<tr>
<td><strong>Tax and net interest paid</strong></td>
<td></td>
<td>(25.5)</td>
<td>(28.9)</td>
</tr>
<tr>
<td><strong>Net capital expenditure</strong></td>
<td></td>
<td>(17.3)</td>
<td>(31.8)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td></td>
<td>52.1</td>
<td>49.2</td>
</tr>
<tr>
<td><strong>M&amp;A</strong></td>
<td></td>
<td>29.2</td>
<td>(158.4)</td>
</tr>
<tr>
<td><strong>Exceptional items</strong></td>
<td></td>
<td>(11.0)</td>
<td>(22.7)</td>
</tr>
<tr>
<td><strong>Additional pension contribution</strong></td>
<td></td>
<td>(24.8)</td>
<td>(11.3)</td>
</tr>
<tr>
<td><strong>Dividends</strong></td>
<td></td>
<td>(17.1)</td>
<td>(15.9)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td>(4.4)</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Net cash flow</strong></td>
<td></td>
<td>24.0</td>
<td>(157.6)</td>
</tr>
</tbody>
</table>

Net debt at start of year | (214.4) | (70.5)

Currency translation | (9.2) | 13.7

**Net debt at end of year** | (199.6) | (214.4)
## Net assets

<table>
<thead>
<tr>
<th>£m</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible fixed assets and investments</td>
<td>140.5</td>
<td>183.3</td>
</tr>
<tr>
<td>Goodwill, intangibles and other assets</td>
<td>179.3</td>
<td>219.5</td>
</tr>
<tr>
<td>Working capital and others</td>
<td>(4.0)</td>
<td>(14.8)</td>
</tr>
<tr>
<td>Net debt</td>
<td>(199.6)</td>
<td>(214.4)</td>
</tr>
<tr>
<td>Pension liability, net of deferred tax</td>
<td>(14.9)</td>
<td>(41.1)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101.3</strong></td>
<td><strong>132.5</strong></td>
</tr>
</tbody>
</table>
### Indicative 2019 impact of IFRS 16 Leases

<table>
<thead>
<tr>
<th>£m</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance Sheet at 1 January 2019</strong></td>
<td></td>
</tr>
<tr>
<td>Right of use assets in property, plant and equipment</td>
<td>190</td>
</tr>
<tr>
<td>Lease liabilities in net debt</td>
<td>(190)</td>
</tr>
<tr>
<td><strong>Income Statement projection 2019</strong></td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>50</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>(3)</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- New standard will gross up the Balance Sheet
  - c£190m
- EBITDA enhanced
  - c£50m
- Small reduction in profit before tax

*Note: Indicative only and does not constitute a forecast. These numbers are based on current plans, estimates and projections as at the time they are made and therefore undue reliance should not be placed on them.*
Appendix 2

Additional information
Business development

Contracts renewals by service

- **276* contracts renewed (FY revenue £152m)**
  - Fuelling/ITP: 51
  - Cargo handling: 14
  - Ground handling: 87

- *125 ground handling
  - 28 cargo handling
  - 123 fuelling/ITP

Net contract wins

- **98* net contract wins (FY revenue -£2m)**
  - Gains: 170
  - Losses: 72

- *30 ground handling
  - 20 cargo handling
  - 48 fuelling/ITP

Contract renewals by region

- **276 contracts renewed**
  - Americas: 156
  - ROW: 54
  - EMEA: 66

Net contract wins by region

- **98 net contract wins**
  - Americas: 45
  - ROW: 26
  - EMEA: 27

*Note: The numbers indicate the count of renewals or wins.*
Competitor landscape and key product offering

Fragmented market place

Available market

- Significant addressable market to go after
- Quality of service now at a premium
- Airline demands moving the market to the fully invested handlers

Competitors

- Four truly international players
- Represent less than 30% of the available market
- Only Menzies and Swissport offer a full suite of services
- Major players investing in technologies that drive the industry forward
- Many regional and single market competitors

Key product categories

- Addressing servicing requirements of an airline between arrival and departure
- Focus on operational scale by entering dynamic new markets, continue to innovate to become partner of choice

- Managing fuelling requirements of aircraft and airport vehicles
- Organically grow through co-operating with oil majors and leveraging existing customer relationships

- Facilitate transportation of goods by accepting, storing and preparing cargo for worldwide transit
- Grow presence in favourable markets and enhance services through operational enhancements and employee training
Innovation drives business forward

**PEOPLE**
- 65% of our spend
- Focus on engagement and retention
- Initiatives in North America delivering improvements
- Online training delivery accelerates process and drives standardisation
- STANDARDISATION

**SYSTEMS**
- Dynamic rostering systems
  - Telematics
  - Safety benefits
  - Asset allocation benefits
  - Efficiency benefits
- Fuelling systems driving the industry forward
- Focus on revenue recognition
- STANDARDISATION

**QUALITY ASSURANCE**
- Risk management led organisation
- Industry leading QA programme
- Continuing investment will allow airlines to rely on our processes
- Overall QA programme saves cost
- STANDARDISATION

Right Cost • Increased Productivity • Service Excellence
Menzies track record

Revenue £m

- 2015: 728
- 2016: 843
- 2017: 1,274
- 2018: 1,291

Underlying operating profit £m

- 2015: 19.8
- 2016: 30.5
- 2017: 53.1
- 2018: 55.1

Underlying EPS

- 2015: 11.2p
- 2016: 21.8p
- 2017: 33.7p
- 2018: 37.6p

Dividend per share

- 2015: 16.8p
- 2016: 18.5p
- 2017: 20.5p
- 2018: 20.5p

Menzies Aviation management team in place since 2015

- EPS growth at 50% CAGR
- Margin improved by 160 bps
- On track to deliver three year plan
Innovating throughout the airport

**Environmental Reporting**
Improved data capture, speed and analysis which enhances reporting

**Fuel Suppliers**
Integrating directly with suppliers IT and billing systems

**Bulk Storage**
Managing fuel farm stocks, reconciliation, loss and gain calculations

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

**Cargo**
Industry leading cargo solution standardised throughout the network

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

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

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

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

**Telemetry**
Real-time analysis of GSE and vehicle activities

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

**GSE Maintenance**
Integrated real-time approach to routine and predictive maintenance and parts management

**EXCELLENCE FROM TOUCHDOWN TO TAKEOFF**
Menzies Aviation

36 Countries

32,000 Employees

212 Stations

1.3m Aircraft turns per year

1.6m Tonnes of cargo handled per year

3.9m Fuelling turns per year
Creating shareholder value

2018 Results

- **Sales**: 4% Revenue growth
- **EPS**: 20% EPS growth
- **Leverage Ratio**: 2.4x Net debt/EBITDA
- **Dividend**: 2.7x Dividend cover

3 Year Plan

- **Sales**: 8% Revenue growth per annum
- **EPS**: 10% EPS growth per annum
- **Leverage Ratio**: 1.5-2x Net debt/EBITDA
- **Dividend**: 2-3x Dividend cover

Capital Discipline

- **+15%** modified IRR on projects
- **+10%** minimum new business margin at station level
- **3 years** targeted minimum payback period