

# John Menzies plc

## Annual General Meeting Statement

17 May 2019

John Menzies plc (“Menzies”, the “Group”) the global aviation services business, today announces a trading update for the period 1 January 2019 to 30 April 2019.

### **The Group continues to be on track to meet the Board’s expectations for the full year.**

Trading across the Group has improved as we move towards the summer season with good visibility on summer schedules and a positive start to the year renewing key contracts. Cargo volumes had a poor start to the year and whilst we have seen some improvement they continue to track behind last year.

With the investments made in systems and processes over the last three years and the completion of a management review, the Group has commenced an efficiency improvement programme which is expected to reduce our ongoing cost base by over £10m across both our central and regional operations. This programme will drive efficiencies across Menzies to ensure bottom line benefits are delivered while building on the new systems and processes we are deploying. Actions already taken will help underpin this year’s forecasts and will deliver incremental benefits in 2020.

Within the Americas region, the price adjustments secured during 2018 together with people retention initiatives that were put in place have delivered benefits although higher than acceptable staff turnover is still prevalent at major ports. Operationally the region is performing well and continues to win and renew key contracts, most notably within the into-plane fuelling business, where we recently renewed contracts with Alaska Airlines at 11 airports in the USA.

In EMEA, we have refreshed the leadership team in the UK business and we are focussing on our customer relationships and winning new profitable business. The acquisition of Airline Services Limited, which received full CMA clearance in January, is being successfully integrated and has won significant new business recently securing cabin cleaning contracts with British Airways at London Heathrow and easyJet at London Luton and Edinburgh.

Our Oceania business has had a strong start to the year commercially with new business won from Korean Air and Qatar in New Zealand together with the multiple contract renewals including Thai Airways across Australia and our anchor customer in Macau, Air Macau.

The process to appoint a Chief Executive Officer is progressing as planned and the Board is hoping to conclude this process in early June.

### **Giles Wilson, Interim Chief Executive Officer said:**

“I am pleased to report we are on track to meet our expectations. We have started the year well commercially with key contracts renewed and new contracts won and our recently launched efficiency programme is progressing well and benefits are being delivered.

“We have a strong and experienced team in place and I am confident that by continuing to deploy leading edge systems and processes that we will deliver our customers needs and sustainably grow our business.”

**For further information:**

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