

# John Menzies plc – Trading update

12 May 2017

**John Menzies plc issues the following trading update for the first four months of the year, from 1 January 2017 to 30 April 2017, in advance of its Annual General Meeting to be held today.**

The Group has had a positive start to the year, continuing to make good progress against our strategic objectives.

At Menzies Aviation, the underlying business is performing well with solid revenue growth in the period of 12% on a constant currency basis. Contract gain momentum has continued with notable wins across each region. In the UK, contracts have been secured with Cathay Pacific and Jet2 and in the Americas with Virgin America and Frontier. In addition our joint venture with Oman Air is due to start early in the second half of the year at nine airports across Oman.

The acquisition of ASIG was completed on 1 February 2017 and trading is in line with our expectations. Integration plans are on track, the anticipated synergies are being realised and overall we are pleased with the business we have acquired. Customer reaction to the acquisition has been positive and the pipeline of opportunities remains strong. Our current focus is on the seamless integration of the existing business into Menzies systems and processes, which will provide a strong platform to build the enlarged business.

Menzies Distribution is performing in line with expectations. Overall sales decline of 3.1%, against the same four month period last year, is broadly in line with our forecasts, although the rate of decline within the magazine market is sharper than expected.

Within our retail logistics arm we secured a contract with NHS Scotland, collecting stock from their National Distribution Centre in Larkhall and distributing to hospitals across all of the Regional Health Boards throughout Scotland. This contract commenced successfully on 1 April 2017 and builds on the national WHSmith contract which commenced in 2016. Our entry into this market is being viewed favourably and the commercial team are following a number of opportunities.

Our proposed deal to combine Menzies Distribution with DX (Group) plc continues to move forward positively. We remain confident of a conclusion to the deal during the summer and will update shareholders at the appropriate time.

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

"I am very pleased at the progress made so far this year. The integration of ASIG is progressing well and I am confident we will be able to deliver on a deal to combine the businesses of DX (Group) plc and Menzies Distribution.

Our Aviation business continues to trade strongly. The opportunities that exist to cross sell our new product lines and also to expand into new markets are very exciting and your Board looks to the future with increasing confidence."

## **For further information:**

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