

27 February 2020

John Menzies plc

Update on Impact of COVID-19

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

As set out in the trading update of 28 November 2019, the Group made significant progress during FY19 in establishing a platform for long term, sustainable growth. The actions taken to right-size the business and reduce overheads during 2019 are delivering benefits.

Our focus on operational discipline is also bearing fruit with underperforming stations responding to actions and we are progressing our business development activities where there are many opportunities. In addition, the positive commercial momentum of the Group, which improved significantly during 2019, has continued in the new year.

We are also pleased to announce that a successful re-financing of the Group was agreed with our banking syndicate in January. As a result, the Group has extended its current levels of facilities at £325m through to 2025 with improved covenants providing a strengthened funding platform from which to deliver attractive levels of growth over the medium term.

Notwithstanding the progress made in 2020 so far, the outbreak and continued spread of COVID-19 (“coronavirus”) is having a direct impact on the operations of the Group. This impact has been at its greatest within our operations in Macau and where we handle Chinese carriers across our network. The situation is still evolving, and we only have limited visibility of what flight schedules are being impacted into March and beyond, so it is difficult to assess how extensive the impact could be at this point.

However, the Board currently estimate that there is likely to be an adverse profit impact in the year of approximately £6-9m on the assumption that the impact of the virus subsides towards the end of quarter two. Wherever possible mitigation actions are in place along with a tight control on costs and expenditure.

Given the otherwise underlying positive momentum of the business, this headwind is disappointing, but the Group is well positioned to manage it effectively and return to our positive growth trajectory for this year and beyond.

The Group will be announcing its Preliminary Results for the year ended 31 December 2019 on 10 March 2020.

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