

15 February 2022

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THIS IS AN ANNOUNCEMENT UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE

FOR IMMEDIATE RELEASE

John Menzies plc

Possible Offer for John Menzies plc ("Menzies")

The Board of Menzies (the "Board") notes the announcement on 14 February 2022 by NAS Holding for Company's Business Management (Holdco) S.P.C. ("NAS"), a subsidiary of Agility Public Warehousing Co. K.S.C. ("Agility"), regarding its all cash proposal for Menzies of 510 pence per Menzies share (the "NAS Proposal").

The Board of Menzies has engaged with its shareholders following its announcement of the NAS Proposal on 9 February 2022. As previously announced, the Board of Menzies has unanimously rejected the NAS Proposal, having concluded that it is opportunistic, conditional and that the terms fundamentally undervalue Menzies and its future prospects.

When adjusted for permanent cost savings of £25 million that the management team of Menzies has already delivered, the NAS Proposal implies a (pre-IFRS16) EV/EBITDA multiple of 6.4x, which is significantly lower than achieved in comparable transactions over the last decade in our sector for other assets of Menzies' size and standing.

In addition, the NAS Proposal fails to take account of the execution of Menzies' strategy and the significant potential value creation driven by:

- The full impact of management actions not yet reflected in Menzies' valuation;
- The return of underlying volumes to pre-pandemic levels with Menzies well positioned to benefit as a global player in a market with proven structural growth; and
- The pipeline of higher margin opportunities that we believe will generate approximately £80 million of net new annualised revenue from commercial opportunities and approximately £150-200 million of new revenue over the short to medium term from several business development opportunities.

The Board believes the strong portfolio mix, positioning of Menzies and the ongoing execution of Menzies' strategy will create significant value for shareholders in the near and medium term. The Board will consider the best interests of Menzies' shareholders and all actions to maximise shareholder value.

There can be no certainty that any firm offer for Menzies will be made nor as to the terms on which any firm offer may be made. A further announcement will be made in due course. Shareholders are urged to take no action at this time.

In accordance with Rule 2.6(a) of the Code, NAS is required, by not later than 5.00 p.m. on 9 March 2022, either to announce a firm intention to make an offer for Menzies in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

The person responsible for arranging for the release of this announcement on behalf of Menzies is John Geddes, Menzies' Corporate Affairs Director & Company Secretary.

## **Enquiries**

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## **About Menzies**

Menzies Aviation is a leading global provider of time critical ground services, fuel services and air cargo services. Menzies Aviation operates at more than 200 airports in 37 countries, supported by a global team of 25,000 highly trained people.

In 2020 Menzies Aviation handled 0.5 million aircraft turns, 1.2 million tonnes of cargo and fuelled 1.9 million turnarounds. Customers include Air Canada, Air China, Air France-KLM, American Airlines, Cathay Pacific, easyJet, Frontier Airlines, IAG, Qantas Group, Qatar Airways, Southwest, United Airlines, WestJet and Wizz Air. Best in class safety and security is the number one priority each day and every day.

Menzies plc, one of Scotland's oldest and largest companies, was established in 1833 as a book seller on Edinburgh's Princes Street and is still headquartered in the city. Today the company is an international aviation services business with operations worldwide.

## **Overseas Jurisdictions**

The release, distribution or publication of this announcement in jurisdictions other than the United Kingdom may be restricted by the laws of the relevant jurisdictions and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. The information disclosed in this announcement may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

## **Publication on a website**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at Menzies' website ([www.johnmenziesplc.com](http://www.johnmenziesplc.com)) by no later than 12 noon (London time) on 16 February 2022. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Menzies and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Menzies for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in connection with the matters referred to in this announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Securities Exchange Act of 1934, Barclays and its affiliates will continue to act as exempt principal trader in Menzies securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.

## **Dealing Disclosure Requirements**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities

exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## APPENDIX I

### SOURCES OF INFORMATION AND BASES OF CALCULATION

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1. Permanent cost removed of £25 million identified by the Company and calculated from Company internal reporting and sources. Updated position of permanent cost removed of £20 million which was announced on 9 March 2021.
  2. EV/EBITDA multiple implied by the NAS Proposal and EV/EBITDA multiples achieved in comparable transactions over the last decade are detailed in the presentation for analysts and investors dated 9 February 2022 which is available at [www.johnmenziesplc.com](http://www.johnmenziesplc.com)
  3. 2022 targets expected to deliver approximately £80 million of net new annualised revenue identified by the Company and calculated from Company internal reporting and sources.
  4. Business development opportunities expected to deliver approximately £150-200 million of new revenue identified by the Company and calculated from Company internal reporting and sources based on total expected revenue for live projects at the end of the three-year period 2022 to 2025.