SSPG XLON SSP Group PLC

Q4 Trading Update · RNS 2567Y · 9 October 2026

SSP holds 14.0p EPS guidance and launches £50m buyback as cash forecast slips

Share price	188.1p
Market cap	£1.41bn
52-week range	137.4p - 219.4p
Shares in issue	751.2m
12-month change	+15.9%

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SUMMARY

SSP Group's Q4 trading update today confirmed full-year earnings per share of c.14.0p, up c.18%, and launched a new share buyback of up to £50m. Q4 like-for-like sales (sales from units open in both periods) rose 4%, led by 9% in the UK & Ireland, while the Gulf fell 10% after the Middle East conflict cut passenger numbers. Beneath the EPS figure, operating profit of c.£230m is slightly below plan, and lower minority-interest and tax charges made up the gap. Free cash flow of c.£70m is below the £100m indicated in July, even with some capital projects pushed into FY27. The earnings record through a difficult year holds up, but group margins look broadly flat on FY25 and the cash-backed case now depends on the reconciliation due with full-year results on 8 December 2026.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
FY26 earnings per share (expected, underlying pre-IFRS 16)	c.14.0p	Year to 30 September 2026	up c.18% year on year
FY26 group revenue	£3.8bn	Year to 30 September 2026	up 5% year on year (constant currency)
Q4 group like-for-like sales growth	4%	1 July to 30 September 2026	
FY26 operating profit (expected, underlying pre-IFRS 16)	c.£230m	Year to 30 September 2026	slightly lower than planned
FY26 free cash flow, post-interest (expected)	c.£70m	Year to 30 September 2026	modestly below prior expectation
New share buyback	up to £50m	12 Oct 2026 to 12 Oct 2027	
Continental Europe operating margin (expected)	c.3%	FY26	from 2.2% in FY25
UK & Ireland Q4 like-for-like sales growth	9%	Q4 FY26	
Underlying free cash flow	-£176m	H1 FY26	
Lease liabilities	£1.84bn	30 September 2025	

Sources: Q4 Trading Update RNS, 9 Oct 2026; Share Buyback Programme RNS, 9 Oct 2026; 2026 Half Year Results Announcement, 19 May 2026; Debt, maturities and covenants (annual report), 2025-09-30

THE ANNOUNCEMENT

- FY26 EPS is expected at c.14.0p, up c.18% year on year, within the guided range and in line with market expectations. Lower-than-planned minority interests and tax charges offset operating profit of c.£230m, which is slightly below plan because of subdued North American passenger numbers over the summer.
- A new buyback of up to £50m starts on 12 October 2026 and runs no later than 12 October 2027, following completion of the £100m programme announced on 9 October 2025. SSP expects leverage to return towards the lower end of its 1.5-2.0x medium-term target range.
- Q4 group like-for-like sales grew 4%: UK & Ireland 9%, Continental Europe 3%, North America 2% and APAC & EEME 1%, within which the Gulf fell 10%. Gulf passenger volumes have recovered to 90% of prior-year levels, but Asia Pacific, India and the Eastern Mediterranean still show lower traffic.
- Free cash flow after interest is expected at c.£70m, modestly below prior expectations, with no increase in supply-chain financing. SSP puts the underlying year-on-year cash improvement at c.£140-150m, and capital investment at c.£170m after some projects moved into FY27.
- Continental Europe's operating margin is expected to rise to c.3% from 2.2%, and the final German motorway service area unit closed in the quarter. FY revenue was c.£3.8bn, up c.5% at constant currency, and group ROCE is expected to strengthen materially from 18.7%.

AGAINST GUIDANCE

EPS of c.14.0p sits within the 13.6-14.8p range reiterated on 28 July 2026 and is described as in line with current market expectations, though it relies on lower minority-interest and tax charges. Operating profit of c.£230m is slightly below plan, without a quantified shortfall. Free cash flow of c.£70m compares with the £100m reiterated in July, and capital investment of c.£170m was helped by projects rescheduled into FY27. The currency effect (c.0.3% on revenue, c.(1.6)% on operating profit) is broadly unchanged since the Q3 statement.

BULL CASE

- EPS growth of c.18% came through a year in which the Middle East conflict hit passenger numbers across APAC & EEME, and Q4 like-for-like growth of 4% matched Q3. The UK & Ireland, at 9% in Q4, shows strong demand where traffic is normal.
- Self-help under the Focus26 plan is showing up in the numbers. Continental Europe's margin rises to c.3% from 2.2%, the German motorway exit is complete, and work on the joint-venture model, particularly in North America, cut the minority-interest charge.
- SSP claims a c.£140-150m year-on-year improvement in underlying cash generation with no extra supply-chain financing (paying suppliers later through a bank). Leverage heading towards the lower end of the 1.5-2.0x range supports a second buyback after 55,119,418 shares were repurchased since the 2026 AGM.

BEAR CASE

- EPS held up only because tax and minority-interest charges came in below plan, while operating profit fell short. With operating profit c.£230m against FY25's £223m and revenue up c.5%, the group margin looks broadly flat, so Continental Europe's gains are not yet lifting the whole.
- Free cash flow of c.£70m missed the £100m indicated in July even though capital spending of c. £170m was flattered by projects deferred into FY27. Those projects now fall into next year's cash, and the £50m buyback is large against this year's cash flow before dividends.
- The balance sheet leaves limited room for error in a fixed-cost concession model: at 30 September 2025 SSP carried £916m of borrowings and £1.84bn of lease liabilities against £342m of cash. North American like-for-like growth was only 2% on subdued passenger numbers, and the Gulf fell 10%.

WHAT TO WATCH

- FY26 results on 8 December 2026: a cash-flow bridge that confirms c.£70m of free cash flow and the c.£140-150m underlying improvement, plus the outstanding supply-chain financing balance.
- Year-end debt and the leverage calculation against the 1.5-2.0x target, and how much of the deferred capital spending lands in FY27 guidance.
- Whether group operating margin moves above FY25's level, and whether North American like-for-like growth improves from 2% as passenger numbers recover.
- Gulf, Asia Pacific and Eastern Mediterranean trading, where Gulf passenger volumes are back to 90% of prior-year levels but Gulf Q4 like-for-like sales were still down 10%.

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