

Alternative performance measures

The performance of the Group is assessed using a number of Alternative Performance Measures (APMs).

The Group's results are presented both before and after separately disclosed items. Adjusted profitability measures are presented excluding separately disclosed items as we believe this provides both management and investors with useful additional information about the Group's performance and supports a more effective comparison of the Group's trading performance from one period to the next. Adjusted profitability measures are reconciled to unadjusted IFRS results on the face of the income statement with details of separately disclosed items provided in note 2.2.

The Group's results are also described using other measures that are not defined under IFRS and are therefore considered to be APMs. These APMs are used by management to monitor business performance against both shorter-term budgets and forecasts but also against the Group's longer-term strategic plans.

APMs used to explain and monitor Group performance include:

APM	Definition	Source
EBITDA	Earnings before interest, tax, depreciation and amortisation.	Group income statement
Adjusted EBITDA	Annualised EBITDA on a 52 week basis before separately disclosed items is used to calculate net debt to EBITDA.	Group income statement
EBITDA before adjusted items	EBITDA before separately disclosed items.	Group income statement
Operating profit	Earnings before interest and tax.	Group income statement
Adjusted operating profit	Operating profit before separately disclosed items.	Group income statement
Like-for-like sales growth	Like-for-like sales growth reflects the sales performance against the comparable period in the prior year of UK managed pubs, bars and restaurants that were trading in the two periods being compared, unless marketed for disposal. Like-for-like sales are measured against relevant accounting weeks in the prior year. Full year like-for-like sales growth is measured on a 53 week basis.	
Adjusted earnings per share (EPS)	Earnings per share using profit before separately disclosed items.	Note 2.5
Net debt: Adjusted EBITDA	The multiple of net debt as per the balance sheet compared against 52 week EBITDA before separately disclosed items which is a widely used leverage measure in the industry.	
Free cash flow	Calculated as net movement in cash and cash equivalents before the movement on unsecured revolving credit facilities.	Cash flow statement

A. Like-for-like sales

The sales this year compared to the sales in the previous year of all UK managed sites that were trading in the two periods being compared, expressed as a percentage. FY 2017 is a 53 week year and the like-for-like measure is presented on a 53 week basis. This widely used industry measure provides better insight into the trading performance than total revenue which is impacted by acquisitions and disposals.

	Source	2017 53 weeks £m	2016 52 weeks £m	Year-on-year %
Reported revenue	Income statement	2,180	2,086	4.5
Less non like-for-like sales	Non GAAP	(288)	(202)	
Adjust for 53rd week comparability	Non GAAP	–	34	
Like-for-like sales on a 53 week basis		1,952	1,918	1.8

B. Adjusted operating profit

Operating profit before separately disclosed items as set out in the Group Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or incidence (see note 2.2). Excluding these items allows a better understanding of the trading of the Group.

	Source	2017 53 weeks £m	2016 52 weeks £m	Year-on-year %
Operating profit	Income statement	208	231	(10.0)
Separately disclosed items	Income statement	106	87	
Adjusted operating profit		314	318	(1.3)

C. Adjusted earnings per share

Earnings per share using profit before separately disclosed items. Separately disclosed items are those which are separately identified by virtue of their size or incidence. Excluding these items allows a better understanding of the trading of the Group.

	Source	2017 53 weeks £m	2016 52 weeks £m	Year-on-year %
Profit for the period	Income statement	63	89	(29.2)
Separately disclosed items	Income statement	83	55	
Adjusted profit		146	144	1.4
Weighted average number of shares	Notes to accounts	418	413	
Adjusted earnings per share		34.9	34.9	0.0

Alternative performance measures continued

D. Net debt: EBITDA

The multiple of net debt as per the balance sheet compared against 52 week EBITDA before separately disclosed items which is a widely used leverage measure in the industry. Adjusted EBITDA is used for this measure to prevent distortions in performance resulting from separately disclosed items.

	Source	2017 53 weeks £m	2016 52 weeks £m
Net debt	Income statement	1,750	1,840
EBITDA	Income statement	395	432
Less separately disclosed items	Non GAAP	34	(1)
Adjusted for 53rd week		(8)	–
Adjusted 52 week EBITDA		421	431
Net debt: EBITDA		4.2	4.3

E. Free cash flow

Free cash flow excludes the cash movement on unsecured revolving credit facilities and is presented to allow understanding of the cash movements excluding short-term debt.

	Source	2017 53 weeks £m	2016 52 weeks £m
Net decrease in cash and cash equivalents	Cash flow statement	(11)	(7)
Net movement on unsecured revolving credit facilities	Cash flow statement	25	(31)
Net free cash flow		14	(38)

F. FY 2017 52 week reconciliation

A 53 week accounting period occurs every five years. FY 2017 was a 53 week period and therefore presentation of a 52 week basis provides better comparability to previous financial years.

	Source	2017 53 weeks	2017 Week 53	2017 52 weeks	2016 52 weeks	Year-on-year %
Revenue	Income statement	£2,180m	£39m	£2,141m	£2,086m	2.6
Adjusted operating profit	Income statement	£314m	£6m	£308m	£318m	(3.1)
Adjusted PBT	Income statement	£183m	£3m	£180m	£181m	(0.6)
Adjusted EPS	Income statement	34.9p	0.5p	34.4p	34.9p	(1.4)

Shareholder information

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For those with hearing loss, a textphone is available on 0371 384 2255* for UK callers with compatible equipment.

<http://www.mbplc.com/investors/contacts/>

* Lines are open 8.30am to 5.30pm (UK time), Monday to Friday, excluding public holidays in England & Wales.

Key dates

These dates are indicative only and may be subject to change. For the current status visit the financial calendar on our website at www.mbplc.com/investors

Ex-dividend date (final dividend)	14 December 2017
Final dividend record date	15 December 2017
Announcement of Scrip Reference Share price	21 December 2017
Last date for receipt of Scrip Dividend election forms	16 January 2018
Annual General Meeting	23 January 2018
Final dividend payment date/allotment of Scrip Dividend shares	6 February 2018
Announcement of interim results	May 2018
Interim dividend payment date	July 2018
Pre-close trading update	September 2018
2018 final results announcement	November 2018

Our brands

All of our popular brands have their own websites, helping our customers to find the information they need straight away. Latest food and drink menus, news and offers, email newsletters, online bookings and details of new openings are all available.

Alex

www.dein-alex.de

All Bar One

www.allbarone.co.uk
@allbarone

Browns

www.browns-restaurants.co.uk
@BrownsBrasserie

Castle

www.mbplc.com/findapub

Crown Carveries

www.crowncarveries.co.uk
@CrownCarveries

Ember Inns

www.emberinns.co.uk
@EmberInns

Harvester

www.harvester.co.uk
@HarvesterUK

Innkeeper's Lodge

www.innkeeperslodge.com
@InnkeepersLodge

Miller & Carter

www.millerandcarter.co.uk
@MillerandCarter

Nicholson's

www.nicholsonspubs.co.uk
@Nicholsonspubs

O'Neill's

www.oneills.co.uk
@ONEillsPubs

Oak Tree Pubs

www.mbplc.com/findapub

Premium Country Pubs

www.mbplc.com/findapub

Sizzling Pubs

www.sizzlingpubs.co.uk
@SizzlingPubs

Stonehouse Pizza & Carvery

www.stonehouserestaurants.co.uk
@Stonehousepizza

Toby Carvery

www.tobycarvery.co.uk
@tobycarvery

Vintage Inns

www.vintageinn.co.uk
@Vintage_Inns

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