

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
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 FY 2021 sales performance directly against the comparable period in FY 2019 of UK managed pubs, bars and restaurants that were trading in the two periods being compared, unless marketed for disposal. Comparisons have been made against FY 2019, being the last full year pre Covid-19.	Group income statement
Adjusted loss per share (EPS)	Loss per share using loss before separately disclosed items.	Note 2.5
Net debt	Net debt comprises cash and cash equivalents, cash deposits net of borrowings and discounted lease liabilities. Presented on a constant currency basis due to the inclusion of the fixed exchange rate component of the cross currency swap.	Note 4.4 Note 4.3
Net debt: Adjusted EBITDA	The multiple of net debt including lease liabilities, as per the balance sheet compared against 52 week EBITDA before separately disclosed items which is a widely used leverage measure in the industry.	Note 4.4 Group income statement
Return on capital	Return generating capital includes investments made in new sites and investment in existing assets that materially changes the guest offer. Return on investment is measured by incremental site EBITDA following investment expressed as a percentage of return generating capital. Return on investment is measured for four years following investment. Measurement commences three periods following the opening of the site.	

A. Like-for-like sales

The sales comparisons this year have been compared directly to the sales in FY 2019 being the last full year pre Covid-19. FY 2020 is not considered an appropriate comparison for trading performance due to the significant disruption caused to trade due to Covid-19 related restrictions and closures. A comparison to FY 2019 performance is a new measure and, although we note its limitations, has been used to give the reader an insight into performance against the most recent year not to be impacted by Covid-19.

Sales of all UK managed sites that were trading in the two periods being compared, are expressed as a percentage. This widely used industry measure provides better insight into the trading performance than total revenue which is impacted by acquisitions and disposals. As like-for-like sales can only be measured when sites are trading the measure also excludes periods of closure in response to Covid-19.

	Source	2021 52 weeks £m	2019 52 weeks £m	2021 vs. 2019 LFL %
Reported revenue	Note 2.3	1,065	2,237	(52.4)%
Less non like-for-like sales and income		(199)	(1,279)	84.4%
Like-for-like sales		866	958	(9.6)%

Drink sales

	Source	2021 52 weeks £m	2019 52 weeks £m	2021 vs. 2019 LFL %
Reported drink revenue	Note 2.3	413.5	1,024.8	(59.7)%
Less non like-for-like drink sales		(63.6)	(578.6)	89.0%
Drink like-for-like sales		349.9	446.2	(21.6)%

Food sales

	Source	2021 52 weeks £m	2019 52 weeks £m	2021 vs. 2019 LFL %
Reported food revenue	Note 2.3	592.4	1,136.5	(47.9)%
Less non like-for-like food sales		(98.6)	(654.6)	84.9%
Food like-for-like sales		493.8	481.9	2.5%

Other sales

	Source	2021 52 weeks £m	2019 52 weeks £m	2021 vs. 2019 LFL %
Reported other revenue	Note 2.3	59.4	75.2	(21.0)%
Less non like-for-like other sales		(37.5)	(45.7)	17.9%
Other like-for-like sales		21.9	29.5	(25.8)%

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	2021 52 weeks £m	2020 52 weeks £m	Year-on-year %
Operating profit	Income statement	81	8	912.5%
Separately disclosed items	Note 2.2	(52)	91	(157.1)%
Adjusted operating profit		29	99	(70.7)%
Reported revenue	Income statement	1,065	1,475	(27.8)%
Adjusted operating margin		2.7%	6.7%	(4.0)ppts

C. Adjusted loss per share

Loss per share using loss 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	2021 52 weeks £m	2020 52 weeks £m	Year-on-year %
Loss for the period	Income statement	(65)	(112)	42.0%
(Deduct)/add back separately disclosed items	Income statement	(12)	85	(114.1)%
Adjusted loss		(77)	(27)	(185.2)%
Basic weighted average number of shares	Note 2.5	566	474	19.4%
Adjusted loss per share		(13.6)p	(5.7)p	(138.6)%

*Alternative performance measures continued***D. 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. From FY 2020 leases are included in net debt following adoption of IFRS16. Adjusted EBITDA is used for this measure to prevent distortions in performance resulting from separately disclosed items.

Due to the Covid-19 closure period we do not have a representative 52 week EBITDA measure to calculate this metric and therefore it has not been used in these financial statements.

E. Return on capital

Return generating capital includes investments made in new sites and investment in existing assets that materially changes the guest offer. Return on investment is measured by incremental site EBITDA following investment expressed as a percentage of return generating capital. Return on investment is measured for four years following investment. Measurement of return commences three periods following the opening of the site.

The reduced level of return is not indicative of the quality of the investment programme which has performed well over recent years, but due to the closure periods and reduced trading levels due to Covid-19 restrictions that are captured in the calculation.

Return on expansionary capital

		2020 FY 2017–20 £m	2021 FY 2018–20 £m	2021 FY 2021 £m	2021 Total £m
	Source				
Maintenance and infrastructure		221	168	14	182
Remodel – refurbishment		224	182	9	191
Non-expansionary capital		445	350	23	373
Remodel expansionary		28	14	0	14
Conversions and acquisitions*		111	55	0	55
Expansionary capital for return calculation		139	69	0	69
Expansionary capital open < 3 periods pre year end		16	13	10	23
Total capital	Cash flow	600	432	33	465
Adjusted EBITDA	Income statement	1,532	1,111	168	1,279
Non-incremental EBITDA		(1,530)	(1,112)	(168)	(1,280)
Incremental EBITDA		2	(1)	0	(1)
Return on expansionary capital		1%	(1)%	0%	(1)%

* Conversion and acquisition capital is net of capex incurred for projects which have been open for less than 3 periods pre year end.

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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

Annual General Meeting	January 2022
Announcement of interim results	May 2022
Pre-close trading update	September 2022
2022 final results announcement	November 2022

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www.dein-alex.de

All Bar One

www.allbarone.co.uk

@allbarone

Browns

www.browns-restaurants.co.uk

@BrownsBrasserie

Castle

www.mbplc.com/findapub

Ember Inns

www.emberinns.co.uk

@EmberInns

Harvester

www.harvester.co.uk

@HarvesterUK

Innkeeper's Collection

www.innkeeperslodge.com

Miller & Carter

www.millerandcarter.co.uk

@MillerandCarter

Nicholson's

www.nicholsonspubs.co.uk

@Nicholsonspubs

O'Neill's

www.oneills.co.uk

@ONEillsPubs

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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