

7 January 2021

**Mitchells & Butlers plc**  
**LEI no. 213800JHYNDNB1NS2W10**

### **First Quarter Trading Update**

Trading statement covering the 14 weeks ended 2 January 2021.

#### **Operating performance**

Since the announcement of our Preliminary results on 26 November 2020 we have emerged from the second national shutdown, the new regional tier system was introduced and now we have entered a third national shutdown. Over the period, progressively tighter restrictions were imposed through December both across the UK and in Germany resulting in an ever smaller number of sites open and significantly reduced sales activity being possible through the important festive trading season.

Since the UK government announcement reallocating regions in England between tiers, on 30<sup>th</sup> December 2020, we have had no sites open.

Across the whole of the first quarter total sales were 67.1% below prior year. On a like-for-like basis (for sites when open, excluding periods of closure) trading has been 30.1% down on prior year across this period.

Throughout, we have again reduced discretionary capital expenditure and operating costs to a minimum.

#### **Cash and Balance Sheet**

The group currently has cash balances on hand of £125m, with all facilities drawn. With no sites trading, ongoing monthly cash burn has returned to the level previously disclosed in relation to the last shutdown, at approximately £35m to £40m before payment of debt service (representing interest and amortisation) of £50m per quarter. The next quarter payment date for debt service is 15 March 2021.

We welcome recent positive news on vaccine approval and roll-out but the future facing the hospitality sector remains extremely uncertain. It is not possible to estimate with any confidence what restrictions on our ability to trade lie ahead of us and for how long. As a result, the directors believe it is prudent to explore an equity capital raise, to give the group increased financial and operational flexibility. No decision has yet been made with regards to the timing, size, or terms of any such equity capital raise.

The Board, which includes representatives of the major shareholders, is unanimous in its support for these actions being taken.

Phil Urban, Chief Executive, commented:

“We are now in a third national lockdown. I am consistently impressed by the resilience and energy of our teams as we repeatedly open and close businesses that we have invested in to make Covid

secure and urge the government to better understand the huge impact these restrictions are having on the hospitality sector. The Job Retention Scheme is temporarily protecting some employment but there is a real and pressing need for support for businesses themselves if we are to return to being the vibrant sector and important employers that we were.

Mitchells & Butlers was a high performing business going into the pandemic and with the support of our main stakeholders I have every confidence that we can emerge in a strong competitive position once the current restrictions on us are lifted.”

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Note for editors:

Mitchells & Butlers is a leading operator of managed restaurants and pubs. Its portfolio of brands and formats includes Harvester, Toby Carvery, All Bar One, Miller & Carter, Premium Country Pubs, Sizzling Pubs, Stonehouse, Vintage Inns, Browns, Castle, Nicholson's, O'Neill's and Ember Inns. In addition, it operates Innkeeper's Collection hotels in the UK and Alex restaurants and bars in Germany. Further details are available at [www.mbplc.com](http://www.mbplc.com) and supporting photography can be downloaded at [www.mbplc.com/imagelibrary](http://www.mbplc.com/imagelibrary).