

13 January 2022

Mitchells & Butlers plc
LEI no. 213800JHYNDNB1NS2W10

First Quarter Trading Update

Trading statement covering the 15 weeks ended 8 January 2022.

Sales

Sales comparisons are on a three-year basis, to the same period in FY2019, being the last full pre Covid-19 financial year. Current year figures include the benefit of the temporary reduction in the rate of VAT on food and non-alcoholic drink sales.

Like-for-like sales in the year to date have declined by 1.5%, with total sales in decline of 5.2%, being also adversely impacted by Covid related site closures.

	8 weeks to 20 November 2021	7 weeks to 8 January 2022	15 weeks to 8 January 2022
Food	9.5%	0.5%	5.2%
Drink	(4.8%)	(13.8%)	(9.1%)
Like-for-like sales	2.7%	(6.0%)	(1.5%)

We made a strong start to the year with like-for-like sales growth of 2.7% over the first eight weeks. This encouraging performance continued until early December when concerns first arose around the emergence of the new Covid variant, Omicron, leading to calls for further caution in socialising which resulted in a downturn in activity across the sector. As a result, over the seven weeks since the last update like-for-like sales have been down 6.0%, with the adverse impact of Omicron being particularly felt in the most recent four weeks, over the important festive season, during which like-for-like sales have been down 10.2%.

The trading environment remains uncertain, but we continue to benefit from our wide range of brands, offers and locations. Sales have remained stronger in suburban and food-led brands, particularly at the more premium end of the market.

Costs

As previously announced, in the current year inflationary cost headwinds are expected to be higher than the normal pre-Covid level of £60m to £65m, due particularly to high levels of statutory wage rate increases and persistent historic high prices in energy markets.

Cash

The Group currently has cash balances on hand of £235m, with undrawn unsecured facilities of £150m.

Pensions

The trustees of the M&B Executive Pension Plan, working closely with the Company, have successfully completed a full scheme buy-in with Legal and General Assurance Society Limited. This transaction eliminates substantially all remaining risk in this scheme within the level of existing committed contributions. The

Executive Plan makes up approximately 20% of the Company's total pension obligations, with the vast majority of the balance being in the M&B Main Pension Plan for which the next triennial valuation will be as at 31st March 2022.

Phil Urban, Chief Executive, commented:

"This first quarter performance represents a robust performance given the challenges the industry faces from the rapid spread of the new variant both in terms of reduced consumer activity and disruption caused by the inevitable isolation of team members.

Experience shows that as restrictions ease, and confidence returns, our business is able to swiftly recover. To that end, whilst we expect activity to continue to be adversely impacted in the short term, we are encouraged by the latest data on the Omicron variant which we believe will boost consumers' confidence to return to pubs and restaurants allowing us to regain the momentum which was beginning to build, supported by the benefits from our new set of Ignite initiatives."

For further information, please contact:

Tim Jones – CFO

+44 (0)121 498 6112

Amy de Marsac – Investor Relations

+44 (0)121 498 6514

James Murgatroyd (Finsbury)

+44 (0)20 7251 3801

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 and supporting photography can be downloaded at www.mbplc.com/imagelibrary.