

12 January 2023

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

**First Quarter Trading Update**

Trading statement covering the 15 weeks ended 7 January 2023.

**Sales**

Sales comparisons unless otherwise stated are to the same period in FY 2022. Prior year figures include the benefit of the temporary reduction in the rate of VAT on food and non-alcoholic drink sales.

Continued strong trading over the festive season has increased like-for-like sales in the year to date to 10.4%, with total sales growth of 13.3%.

Like-for-like sales:

	10 weeks to 3 December 2022	5 weeks to 7 January 2023	15 weeks to 7 January 2023
Food	1.9%	15.8%	<b>6.4%</b>
Drink	12.1%	23.4%	<b>15.5%</b>
<b>Total</b>	<b>6.5%</b>	<b>19.0%</b>	<b>10.4%</b>
<i>Total excl. FY 2022 VAT benefit</i>	<i>11.1%</i>	<i>23.9%</i>	<i>15.1%</i>

As previously announced, we made a strong start to the year with like-for-like sales growth of 6.5% over the first ten weeks, primarily driven by drink sales growth. As expected, growth has significantly increased in the last five weeks due principally to last year being impacted by the emergence of the Omicron variant which resulted in a downturn in activity across much of the festive season.

Comparing to the same period in FY 2019, the last full financial year before Covid-19, like-for like sales were up 8.9% over the first 15 weeks to 12 January 2019, with 9.2% growth in the first ten weeks followed by 8.5% growth in the last five weeks, despite key recent weeks being negatively impacted by industrial action.

**Investments**

We continue to focus on investment in the estate, premiumising where possible as well as improving amenity. In the year to date we have already completed 43 conversions and remodels and opened one new site, a second All Bar One at Edinburgh Airport.

**Pensions**

The latest triennial valuation of the pension schemes, as at 31 March 2022, has now been completed with an improvement in the combined actuarial funding position to a marginal surplus (FY 2019: £293m combined deficit), with all future contributions to be made by the company until September 2023 being paid into blocked escrow accounts.

Phil Urban, Chief Executive, commented:

“We are encouraged by a strong performance through the first quarter and delighted to have been able to welcome our guests back over the festive trading season after three years of disruption due to Covid 19, setting sales records as we did so.

However, we are mindful that the trading environment for the hospitality sector remains very challenging with inflationary costs putting sustained pressure both on the industry’s margins and disposable income of our guests.

We remain focused on our Ignite programme of initiatives and our successful capital investment programme, driving cost efficiencies and increased sales. Combined with our diverse portfolio of established brands, value proposition and enviable estate locations, we believe we are well positioned to meet the challenges of the year ahead.”

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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).