MITCHELLS & BUTLERS PLC
LEI no: 213800JHYNDNB1NS2W10

22 May 2025

HALF YEAR RESULTS

(For the 28 weeks ended 12 April 2025)

Highlights
- Strong trading performance with like-for-like sales[a] growth of 4.3% over the first half
- Operating profit of £181m up 10.4% from prior half-year
- Operating margin increased to 12.4% (HY 2024 11.7%)
- Full year operating profit expected to be at the top end of current consensus

Reported results
- Total revenue of £1,454m (HY 2024 £1,396m)
- Operating profit of £181m (HY 2024 £164m)
- Profit before tax of £134m (HY 2024 £108m)
- Basic earnings per share of 16.8p (HY 2024 13.6p)

Trading results
- Adjusted operating profit[a] £181m (HY 2024 £164m)
- Adjusted earnings per share[a] of 16.8p (HY 2024 13.6p)

Balance sheet and cash flow
- Cash inflow before bond amortisation of £131m (HY 2024 £137m)
- Net debt[a] reduced to £860m (HY 2024 £1,037m), excluding £438m of IFRS 16 lease liabilities (HY 2024 £449m)

Phil Urban, Chief Executive, commented:

"The strength of our first half performance is driven by continued focus on maximising the guest appeal of our diverse portfolio of brands to drive sales, supported by efficiency initiatives delivered through our Ignite programme of work. We are delighted with the like-for-like sales[a] performance which continues to outperform against the market[b].

As we enter the second half of the year, with increased employer national insurance contributions, we remain focused on the effective delivery of our Ignite programme of initiatives and our capital investment programme, driving further cost efficiencies and increased sales. Notwithstanding a likely increase in cost headwinds next year, we have confidence that relentless focus on delivery of our strategic priorities will generate further value from our well invested and strategically located estate portfolio and compelling customer offers."

Definitions
a – The Directors use a number of alternative performance measures (APMs) that are considered critical to aid the understanding of the Group's performance. APMs are explained later in this announcement.

b – As measured by the CGA Business Tracker.

There will be a presentation held today at 8:30am accessible by phone on 020 3807 9124, access code: 699179 and at https://www.netroadshow.com/events/login?show=2c5d75e9&confId=81719

The slides will also be available on the website at www.mbplc.com The replay will then be available at https://www.mbplc.com/hy2025/analystspresentation.

All disclosed documents relating to these results are available on the Group's website at www.mbplc.com

For further information, please contact:

Tim Jones – Chief Financial Officer	+44 (0)121 498 6112
Amy de Marsac – Investor Relations	+44 (0)121 498 6514
James Murgatroyd (FGS Global)	+44 (0)20 7251 3801
Jenny Bahr (FGS Global)	+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, Ember Inns, Ego Restaurants and Pesto. 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.

CURRENT TRADING AND OUTLOOK

We traded strongly through the first half of the year with like-for-like sales[a] growth of 4.3% built on strong performances, ahead of the market[b], through the brand portfolio and supported by broadly flat volumes. Combined with disciplined cost control and further Ignite efficiencies this delivered over 10 per cent growth in operating profit to £181m (HY 2024 £164m).

Over the most recent 10 weeks, to include both Easter and Mother's Day in each year, like-for-like sales[a] have grown by 6.0%. Looking forward we expect the market to remain robust and believe we are well placed to continue to outperform.

Our guidance on cost headwinds for the current financial year remains unchanged, with an anticipated increase of c.£100m before mitigation, representing c.5% of our cost base, driven primarily by labour costs including increases to both the statutory National Living Wage and employer national insurance contributions which will impact from the second half. Looking forward to FY26, we will have annualisation of labour cost increases, plus further increases in statutory thresholds which we would expect to exceed the general level of inflation. These, combined with recent indications of high increases in food costs, notably meat, lead us to anticipate a higher level of overall inflation next year, probably approaching £130m, representing slightly less than 6% of our cost base before mitigation.

Notwithstanding future cost increases we believe that the business remains in good shape, supported by a balance sheet that continues to strengthen, with reduced debt and a substantially de-risked pension surplus. We expect to deliver profits at the top end of consensus for the current year.

BUSINESS REVIEW

Total sales across the period were £1,454m reflecting 4.2% growth on HY 2024. Like-for-like sales[a] increased by 4.3% with strong performances through the brand portfolio. Operating profit of £181m reflected 10.4% growth on last half-year (HY 2024 £164m) and a 0.7ppt increase in operating margin to 12.4%.

We made a good start to the year with like-for-like sales[a] growth of 4.0% over the first seven weeks. Performance over the important three-week festive period was particularly strong with like-for-like sales[a] growth of 10.4%. Across the first quarter as a whole, like-for-like sales[a] remained well ahead of the market[a], growing by 3.9% despite the notable adverse, albeit temporary, impact of very cold and stormy weather over the last couple of weeks of the quarter.

Sales remained resilient through the second quarter aided by good weather in late March, and with a particularly strong performance on Mother's Day. Across the quarter, we recorded like-for-like sales[a] growth of 4.7%, comprising drink sales growth of 5.1% and food sales growth of 3.6%.

We have continued to consistently outperform the market[b], as represented by the CGA Business tracker, by over 3% over the first half. Across the market segments reported on by CGA Business tracker, Pubs and Pub Restaurants have seen the highest sales growth over the first half, benefitting from the warm weather in March and April. The Restaurant segment of the market has delivered broadly flat sales across the period, which we have consistently outperformed. Bars across the market have reported sales decline over the first half, with the late-night market being particularly challenged. This is the segment that we have least exposure to, but again we have outperformed significantly, with our offers appealing across a range of occasions with less exposure to late-night trade.

Overall current year cost inflation remains in line with previous guidance at £100m, driven primarily by increased labour costs and with a stabilisation of energy costs in particular. Strong and resilient sales growth combined with effective delivery of our Ignite and capital programmes has driven an increase in both profitability and margins.

Supply across the sector largely stabilised by the end of 2024. However, as the industry faces a new wave of cost headwinds there is renewed likelihood of supply contraction. In the three months to March 2025 there was an average of 20 net closures a week with food-led sites being particularly impacted (CGA AlixPartners Hospitality Market Monitor April 2025).

OUR STRATEGIC PRIORITIES

Our strategy, based on three key pillars, has provided the foundation for our ongoing performance. We focus on maximising the value generated from our 82% freehold and long leasehold estate, utilising the diversity of our brand portfolio to grow market share with appeal across a broad range of consumer occasions, demographics and locations. Our range of brands is a particular strength during times of uncertainty, with familiar brands to suit a wide range of occasions, offering guests the opportunity to adapt their eating out choices to meet their needs.

Our Ignite programme of work remains a key focus for the business and is at the core of our long-term value creation. We currently have around 40 initiatives underway across a range of areas, all focused on driving sales and delivering cost efficiencies. Our initiatives focus on enhancing guest experience in a variety of ways and continue to reap rewards, reflected in sustained like-for-like sales[a] growth as well as continued market outperformance on guest review scores, which averaged 4.6 out of 5 over the first half. We now have a new workstream focused on our drinks offer, from optimum font positioning, to perfect serve to cellar practices. In recent years, we have focused on the food element of our offers, and we believe there is significant opportunity in developing our drinks offers to the same high standard.

Enhancing productivity and efficiency to help mitigate inflationary costs remains an important focus and we have a number of initiatives in place designed to improve efficiency including our labour scheduling system and auto-order technology. Employee engagement and low turnover are important elements supporting team efficiency. Therefore, to enhance our employee experience, we have launched an employee app providing a single portal to access benefits and pay slips. The app also provides a direct route of communication from the brand designed to enhance engagement behind incentives and 'calls to action' which will increase productivity over time.

Following the successful trial of the use of remote control in-site energy systems which have delivered energy consumption savings we have begun the roll out of this technology across our estate. Remote control of heating, for example, provides a significant opportunity to reduce consumption whilst also relinquishing our managers of one of their many daily tasks, allowing them to focus on guests. Our energy initiatives help us to improve efficiency whilst also supporting our sustainability objectives.

Our capital programme continues to deliver significant value through improving the competitive position of our pubs and restaurants within their local markets. Enhancing the effectiveness of delivery of the programme has also been an area of Ignite focus, ensuring optimisation of closure and re-opening timing, streamlining of costs and rigorous analysis of post-investment performance. Over the first half, we completed 95 investment projects comprising 87 remodels, 5 conversions and 3 acquisitions. We are generating strong returns, currently in excess of 35% on remodels, justifying an increasing allocation of capital to this area as we look to re-establish an average 7 year investment cycle.

PEOPLE

Our people are fundamental to the delivery of great experiences for our guests. We are delighted that engagement scores have continued to improve across all employee groups in the first half of the year, representative of the commitment of our teams to work together to drive the future success of the business. Pleasingly, turnover has also continued to improve, reaching record lows during the first half of FY 2025. The continued progress on our people measures, despite the challenging recruitment environment, is testament to our success in attracting the best talent, enhancing performance through our development programmes and retaining teams through progression opportunities.

SUSTAINABILITY

We are committed to reducing the environmental impact of our business and the Board has challenging targets to drive continued momentum in this area. We have committed to:

- Net Zero emissions by 2040, including scope 1, 2 and 3
- Zero operational waste to landfill by 2030
- 50% reduction in food waste by 2030

We remain focused on working towards our sustainability goals, with numerous initiatives underway to support these ambitions and we were delighted to again receive the award for the Most Sustainable Pub Company at this year's Publican Awards. During the first half we have continued to invest in sustainability capital, we now have 180 sites with solar panels, and significant further opportunity to grow our production of renewable energy. We have electrified 74 kitchens, reducing our reliance on gas for cooking, and have fully removed gas in 5 sites taking the learnings from these projects forward to expand the removal of gas in the coming years. In addition, we are investing in technology which allows us to remotely control high energy consumption equipment across the estate, opening up the opportunity for energy consumption savings without requiring intervention from our teams. Our teams are vital to the delivery of progress in other areas, for example our ambition to increase recycling rates is dependent on our teams effectively segregating waste. We provide support for these types of initiatives through our dedicated network of sustainability ambassadors, as well as centrally developed online training. We know that our people are passionate about improving the environmental impact of our business and are pleased to deliver continued progress in this area further enhancing our employer proposition.

FINANCIAL REVIEW

On a statutory basis, profit before tax for the half year was £134m (HY 2024 £108m), on sales of £1,454m (HY 2024 £1,396m).

The Group Income Statement discloses adjusted profit and earnings per share information that excludes separately disclosed items, disclosed by virtue of their size or nature, to allow a more effective comparison of the Group's trading performance from one period to the next.

	HY 2025 £m	**HY 2024 £m**
Revenue	1,454	1,396
Operating profit	181	164
Profit before tax	134	108
Earnings per share	16.8	13.6p
Operating margin	12.4%	11.7%

At the end of the period, the total estate comprised 1,723 sites in the UK and Germany of which 1,653 are directly managed.

Revenue

Total revenue of £1,454m (HY 2024 £1,396m) reflects a strong period of trading with sustained like-for-like sales[a] growth across the brand portfolio.

Like-for-like sales[a] in the first half increased by 4.3%, comprising an increase in like-for-like food sales[a] of 3.8% and of like-for-like drink sales[a] of 4.3% driven by strengthening spend per head. Volumes of both food and drink were broadly flat across the first half.

Like-for-like sales[a]:

	Weeks 1–15 Q1	**Weeks 16–28 Q2**	**Weeks 1–28 H1**
Food	4.0%	3.6%	**3.8%**
Drink	3.6%	5.1%	**4.3%**
Total	**3.9%**	**4.7%**	**4.3%**

Over the most recent 10 weeks, to include both Easter and Mother's Day in each year, like-for-like sales[a] have grown by 6.0%.

Separately disclosed items

There were no separately disclosed items recognised in the period.

Operating profit and margins[a]

Adjusted operating profit[a] for the first half was £181m (HY 2024 £164m), an increase of 10.4% on the first half of the previous year.

Adjusted operating margin of 12.4%, 0.7ppts higher than last year driven by strong like-for-like sales[a] growth and operating efficiencies.

We continue to expect cost headwinds for this year of £100m before mitigation, representing c.5% of our cost base, driven primarily by labour costs including increases to the statutory National Living Wage and an increase in employer national insurance contributuions which will impact from the second half. Looking forward to FY26 we will have annualisation of labour cost increases, plus further increases in statutory thresholds which we would expect to exceed the general level of inflation. These, combined with recent indications of high increases in food costs, notably meat, lead us to anticipate a higher level of overall inflation probably approaching £130m, representing slightly less than 6% of our cost base before mitigation.

Interest

Net finance costs of £50m (HY 2024 £55m) for the half year were £5m lower than the same period last year. The net pensions finance income of £3m (HY 2024 charge £1m) reflects the surplus funding position now recognised on the balance sheet.

Earnings per share

Basic and adjusted earnings per share were 16.8p (HY 2024 13.6p basic and adjusted earnings per share[a]).

The basic weighted average number of shares in the period was 595m and the total number of shares issued at the balance sheet date was 599m.

Cash flow

	HY 2025 £m	HY 2024 £m
EBITDA	252	233
Non-cash share-based payment and pension costs and other	9	5
Operating cash flow before movements in working capital and pension contributions	**261**	**238**
Working capital movement	30	27
Pension escrow return	12	35
Pension contributions	(1)	(1)
Cash flow from operations	**302**	**299**
Capital expenditure	(92)	(81)
Net finance lease principal payments	(22)	(20)
Interest on lease liabilities	(9)	(8)
Net interest paid	(37)	(42)
Purchase of own shares	(2)	(3)
Tax	(10)	(8)
Other	1	-
Net cash flow before bond amortisation	**131**	**137**
Mandatory bond amortisation	(64)	(61)
Net cash flow	**67**	**76**

This was a strong period of cash generation, built on EBITDA increased as a result of an improved trading performance to £252m, a pension escrow return of £12m which was received during the period (HY 2024 £35m) and the use of tax losses incurred over the pandemic to temporarily reduce cash tax paid. Capital expenditure increased to £92m (HY 2025 £81m) with reduced impact of external delays allowing us to extend the number of completed projects, with an increasing allocation of capital to this area being justified by strong returns.

After all outgoings, including mandatory bond amortisation of £64m (including net impact of currency swaps), cash inflow was £67m (HY 2024 £76m).

Capital expenditure

Capital expenditure of £92m (HY 2024 £81m) comprises £89m from the purchase of property, plant and equipment and £3m in relation to the purchase of intangible assets.

	HY 2025		HY 2024	
	£m	#	£m	#
Maintenance and infrastructure	**33**		**29**	
Remodels - refurbishment	45	87	35	78
Conversions	8	5	5	4
Acquisitions – freehold	4	2	10	2
Acquisitions – leasehold	2	1	2	1
Total return generating capital expenditure	**59**	**95**	**52**	**85**
Total capital expenditure	**92**		**81**	

Maintenance and infrastructure spend included investments towards our sustainability ambitions, such as further installations of solar panels and control sensors, and electrification of kitchens. Investment in these areas was slightly higher than the prior period.

Project numbers have increased in the period as we remain committed to resumption of an average seven-year refurbishment cycle across our estate, justified by the strong returns we are generating in this area of over 35% on remodels.

Pensions

In the prior period the Trustees of the Mitchells & Butlers Executive Pension Plan (MABEPP) completed a full scheme buy-out of the liabilities of the plan. Subsequent to that, and in the current period, the scheme has been wound up with all escrow monies repaid and a surplus cash balance of £3m transferring to the Mitchells & Butlers Pension Plan (MABPP).

Over the course of 2024, the Trustees of MABPP resolved that any surplus arising in that plan can be used to pay for the employer contributions to the defined contribution section of MABPP. During the period, the MABPP surplus has funded the settlement of £6m of the Company's employer contributions, AVC's in respect of prior year bonus payments and death in service benefits.

One further scheme remains. This is closed and unfunded and has estimated liabilities of £21m.

Net debt and facilities

On the back of a strong cash performance, net debt[a] at the period end reduced to £1,298m, comprised of £860m non-lease liabilities and lease liabilities of £438m (HY 2024 £1,486m comprised of £1,037m non-lease liabilities and lease liabilities of £449m). This represents a multiple of 2.8 times EBITDA over the last year including lease liabilities (1.9 times excluding these liabilities).

In addition to the securitisation the Group has a £200 million committed unsecured facility, expiring in July 2026. Further details of existing debt arrangements and an analysis of net debt can be found in Note 10 to the financial statements and at https://www.mbplc.com/infocentre/debtinformation/.

Going Concern

After considering forecasts, sensitivities and mitigating actions available to management and having regard to risks and uncertainties, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate within its borrowing facilities and covenants for a period of at least 12 months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on the going concern basis. Full details are included in Note 1.

Director’s responsibility statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ as required by DTR 4.2.4R and to the best of their knowledge gives a true and fair view of the information required by DTR 4.2.4R;
- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first 28 weeks and description of principal risks and uncertainties for the remaining 24 weeks of the year); and
- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

This responsibility statement was approved by the Board of Directors on 21 May 2025 and is signed on its behalf by:

Tim Jones
Chief Financial Officer
21 May 2025

Definitions

a – The Directors use a number of alternative performance measures (APMs) that are considered critical to aid the understanding of the Group’s performance. Key measures are explained later in this announcement.

b – As measured by the CGA Business Tracker.

GROUP CONDENSED INCOME STATEMENT
for the 28 weeks ended 12 April 2025

		2025 28 weeks (Unaudited)		2024 28 weeks (Unaudited)		2024 52 weeks (Audited)	
	Notes	**Before separately disclosed items[a] £m**	**Total £m**	Before separately disclosed items[a] £m	Total £m	Before separately disclosed items[a] £m	Total £m
Revenue	3	**1,454**	**1,454**	1,396	1,396	2,610	2,610
Operating costs before depreciation, amortisation and movements in the valuation of the property portfolio		**(1,202)**	**(1,202)**	(1,163)	(1,163)	(2,168)	(2,168)
Net profit arising on property disposals		**-**	**-**	-	-	-	2
EBITDA[b] before movements in the valuation of the property portfolio		**252**	**252**	233	233	442	444
Depreciation, amortisation and movements in the valuation of the property portfolio		**(71)**	**(71)**	(69)	(69)	(130)	(144)
Operating profit		**181**	**181**	164	164	312	300
Finance costs	5	**(55)**	**(55)**	(60)	(60)	(109)	(109)
Finance income	5	**5**	**5**	5	5	10	10
Net pensions finance income/ (charge)	5,11	**3**	**3**	(1)	(1)	(2)	(2)
Profit before tax		**134**	**134**	108	108	211	199
Tax charge	6	**(34)**	**(34)**	(27)	(27)	(54)	(50)
Profit for the period		**100**	**100**	81	81	157	149
Earnings per ordinary share:	7						
Basic		**16.8p**	**16.8p**	13.6p	13.6p	26.4p	25.0p
Diluted		**16.7p**	**16.7p**	13.5p	13.5p	26.2p	24.8p

a. Separately disclosed items are explained and analysed in note 4.
b. Earnings before interest, tax, depreciation, amortisation and movements in the valuation of the property portfolio.

All results relate to continuing operations.

GROUP CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the 28 weeks ended 12 April 2025

	Notes	**2025 28 weeks £m (Unaudited)**	2024 28 weeks £m (Unaudited)	2024 52 weeks £m (Audited)
Profit for the period		**100**	81	149
Items that will not be reclassified subsequently to profit or loss:				
Unrealised gain on revaluation of the property portfolio		**-**	-	254
Remeasurement of pension liabilities	11	**(16)**	1	166
Tax relating to items not reclassified	6	**4**	-	(116)
		(12)	1	304
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		**-**	-	-
Cash flow hedges:				
- Gains/(losses) arising during the period		**14**	(18)	(34)
- Reclassification adjustments for items included in profit or loss		**-**	3	11
Tax relating to items that may be reclassified	6	**(4)**	4	6
		10	(11)	(17)
Other comprehensive (expense)/income after tax		**(2)**	(10)	287
Total comprehensive income for the period		**98**	71	436

GROUP CONDENSED BALANCE SHEET

12 April 2025

	Notes	**2025 12 April £m (Unaudited)**	2024 13 April £m (Unaudited)	2024 28 September £m (Audited)
ASSETS				
Goodwill and other intangible assets	8	**21**	16	20
Property, plant and equipment	8	**4,451**	4,114	4,419
Right-of-use assets	9	**302**	316	307
Finance lease receivables		**10**	11	11
Other receivables	11	**-**	12	-
Pension surplus	11	**141**	-	164
Deferred tax asset		**3**	4	3
Derivative financial instruments	12	**19**	28	19
Total non-current assets		**4,947**	4,501	4,943
Inventories		**28**	27	27
Trade and other receivables		**73**	92	98
Finance lease receivables		**2**	1	1
Derivative financial instruments	12	**1**	2	-
Cash and cash equivalents	10	**253**	194	176
Total current assets		**357**	316	302
Total assets		**5,304**	4,817	5,245
LIABILITIES				
Pension liabilities	11	**(1)**	(1)	(1)
Trade and other payables		**(492)**	(489)	(482)
Current tax liabilities		**(2)**	(2)	(1)
Borrowings	10	**(156)**	(140)	(143)
Lease liabilities	9	**(42)**	(42)	(33)
Derivative financial instruments	12	**(2)**	-	(2)
Total current liabilities		**(695)**	(674)	(662)
Pension liabilities	11	**(21)**	(22)	(24)
Other payables		**(8)**	-	(8)
Borrowings	10	**(976)**	(1,120)	(1,041)
Lease liabilities	9	**(396)**	(407)	(414)
Derivative financial instruments	12	**(15)**	(21)	(27)
Deferred tax liabilities		**(514)**	(363)	(491)
Provisions		**(12)**	(9)	(12)
Total non-current liabilities		**(1,942)**	(1,942)	(2,017)
Total liabilities		**(2,637)**	(2,616)	(2,679)
Net assets		**2,667**	2,201	2,566
EQUITY				
Called up share capital		**51**	51	51
Share premium account		**358**	357	357
Capital redemption reserve		**3**	3	3
Revaluation reserve		**1,143**	951	1,143
Own shares held		**(7)**	(5)	(9)
Hedging reserve		**(11)**	(15)	(21)
Translation reserve		**14**	14	14
Retained earnings		**1,116**	845	1,028
Total equity		**2,667**	2,201	2,566

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY
for the 28 weeks ended 12 April 2025

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Revaluation reserve £m	Own shares held £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	**Total equity £m**
At 30 September 2023 (Audited)	**51**	**357**	**3**	**951**	**(5)**	**(4)**	**14**	**763**	**2,130**
Profit for the period	-	-	-	-	-	-	-	81	81
Other comprehensive income/(expense)	-	-	-	-	-	(11)	-	1	(10)
Total comprehensive (expense)/income	-	-	-	-	-	(11)	-	82	71
Purchase of own shares	-	-	-	-	(3)	-	-	-	(3)
Release of own shares	-	-	-	-	3	-	-	(3)	-
Credit in respect of share-based payments	-	-	-	-	-	-	-	3	3
At 13 April 2024 (Unaudited)	**51**	**357**	**3**	**951**	**(5)**	**(15)**	**14**	**845**	**2,201**
Profit for the period	-	-	-	-	-	-	-	68	68
Other comprehensive (expense)/income	-	-	-	192	-	(6)	-	111	297
Total comprehensive (expense)/income	-	-	-	192	-	(6)	-	179	365
Purchase of own shares	-	-	-	-	(4)	-	-	-	(4)
Release of own shares	-	-	-	-	-	-	-	-	-
Credit in respect of share-based payments	-	-	-	-	-	-	-	3	3
Tax on share based payments								1	1
At 28 September 2024 (Audited)	**51**	**357**	**3**	**1,143**	**(9)**	**(21)**	**14**	**1,028**	**2,566**
Profit for the period	-	-	-	-	-	-	-	100	**100**
Other comprehensive income /(expense)	-	-	-	-	-	10	-	(12)	**(2)**
Total comprehensive income	-	-	-	-	-	10	-	88	**98**
Share capital issued	-	1	-	-	-	-	-	-	**1**
Purchase of own shares	-	-	-	-	(2)	-	-	-	**(2)**
Release of own shares	-	-	-	-	4	-	-	(4)	-
Credit in respect of share-based payments	-	-	-	-	-	-	-	4	**4**
At 12 April 2025 (Unaudited)	**51**	**358**	**3**	**1,143**	**(7)**	**(11)**	**14**	**1,116**	**2,667**

GROUP CONDENSED CASH FLOW STATEMENT
for the 28 weeks ended 12 April 2025

	Notes	2025 28 weeks £m (Unaudited)	2024 28 weeks £m (Unaudited)	2024 52 weeks £m (Audited)
Cash flow from operations				
Operating profit		**181**	164	300
Add back/(deduct):				
Movement in the valuation of the property portfolio		-	-	14
Net profit arising on property disposals		-	-	(2)
Depreciation of property, plant and equipment	8	**51**	49	92
Amortisation of intangibles		**1**	2	4
Depreciation of right-of-use assets	9	**19**	18	34
Cost charged in respect of share-based payments		**4**	3	7
Administrative pension costs	11	**2**	2	5
Utilisation of pension surplus for DC contributions		**3**	-	-
Operating cash flow before movements in working capital and pension contributions		**261**	238	454
Increase in inventories		**(1)**	(2)	(1)
Decrease in trade and other receivables		**26**	50	44
Increase in trade and other payables		**17**	14	8
Decrease in provisions		-	-	(1)
Pension contributions	11	**(1)**	(1)	(1)
Cash flow from operations		**302**	299	503
Interest payments		**(43)**	(50)	(96)
Interest receipts on interest rate swap		**-**	2	3
Interest receipts on cross currency swap		**3**	4	7
Interest payments on cross currency swap		**(2)**	(3)	(5)
Other interest paid – lease liabilities		**(9)**	(8)	(17)
Interest received		**5**	5	9
Tax paid		**(10)**	(8)	(18)
Net cash from operating activities		**246**	241	386
Investing activities				
Acquisition of Pesto Restaurants Ltd		**-**	-	(2)
Purchases of property, plant and equipment		**(89)**	(80)	(152)
Purchases of intangible assets		**(3)**	(1)	(2)
Net proceeds from sale of property, plant and equipment		**-**	-	1
Finance lease principal repayments received		**1**	1	1
Net cash used in investing activities		**(91)**	(80)	(154)
Financing activities				
Issue of ordinary share capital		**1**	-	-
Purchase of own shares		**(2)**	(3)	(7)
Repayment of principal in respect of securitised debt	10	**(67)**	(64)	(128)
Principal receipts on currency swap	10	**11**	11	21
Principal payments on currency swap	10	**(8)**	(8)	(16)
Cash payments for the principal portion of lease liabilities		**(23)**	(21)	(41)
Repayment of other borrowings		**-**	-	(1)
Short term financing of employee advances	10	**-**	-	2
Net cash used in financing activities		**(88)**	(85)	(170)
Net increase in cash and cash equivalents	10	**67**	76	62
Cash and cash equivalents at the beginning of the period	10	**164**	103	103
Foreign exchange movements on cash		**1**	-	(1)
Cash and cash equivalents at the end of the period	10	**232**	179	164

Cash and cash equivalents are defined in note 10.

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

Basis of preparation
Mitchells & Butlers Plc (the Company) is a company domiciled in the UK. These condensed consolidated interim financial statements (interim financial statements) as at and for the 28 weeks ended 12 April 2025 comprise the Company and its subsidiaries (together referred to as the Group). The Group is primarily involved in the hospitality industry providing guests with memorable occasions serving food and drink across a range of restaurants, pubs and bars.

This interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted within the United Kingdom and should be read in conjunction with the Group's last annual consolidated financial statements as at 28 September 2024. They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

These interim financial statements were authorised for issue by the Company's board of Directors on 21 May 2025

The information for the 52 weeks ended 28 September 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies and has been prepared in accordance with IFRS as adopted within the United Kingdom. The auditor's report on those accounts was not qualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

This interim financial information has not been audited or reviewed by the auditor under the International Standard on Review Engagements (UK) 2410.

Going concern

The Directors have adopted the going concern basis in preparing these financial statements after assessing the impact of identified principal risks and their possible adverse impact on financial performance, specifically revenue and cashflows throughout the going concern period, being 12 months from the date of signing of these financial statements.

The Group has two main sources of funding. Namely, a secured debt financing structure and a £200m unsecured revolving credit facility due to expire in July 2026.

Within the secured debt financing structure there are two main covenants: the level of net worth (being the net asset value of the securitisation group) and FCF to DSCR. As at 12 April 2025 there was substantial headroom on the net worth covenant. FCF to DSCR represents the multiple of Free Cash Flow (being EBITDA less tax and required capital maintenance expenditure) generated by sites within the structure to the cost of debt service (being the repayment of principal, net interest charges and associated fees). This is tested quarterly on both a trailing two quarter and a four quarter basis with a minimum level of 1.1 times.

The unsecured facility includes financial covenants relating to the ratio of EBITDAR to rent plus interest (at a minimum of 1.25 times) and Net debt to EBITDA (to be no more than 3.0 times) based on the performance of the unsecured estate, tested at each Half Year and Full Year date. Unsecured facilities expire in July 2026, beyond the going concern assessment period.

In the year ahead the main uncertainties are considered to be the continuation of growth in sales and the rate of cost inflation. The Directors believe that there are signs of further increases in the rate of overall cost inflation facing the Group both in the current financial year and next. These are expected to manifest particularly in the areas of labour costs (driven by higher statutory minimum wage rates and by employers national insurance increases from April 2025) and in food input costs, especially meat. The outlook overall remains uncertain and will depend on a number of factors including consumer spending power and confidence, global political developments and supply chain disruptions and government policy.

1. GENERAL INFORMATION (CONTINUED)

Going concern (continued)

The Directors have reviewed the financing arrangements against a forward trading forecast in which they have considered the Group's current financial position. This forecast assumes further growth in sales but recognises the impact of increasing cost pressure, notably in labour and food costs, which the Group will expect to have some success in mitigating. Under this scenario the Group is able to stay within all committed facility financial covenants, with good levels of headroom, and maintains sufficient liquidity throughout.

The Directors have also considered a severe but plausible downside scenario covering adverse movements against the base forward forecast in both sales and cost inflation in which some, but limited, further mitigation activity is taken. In this downside scenario the Group also retains sufficient liquidity throughout the period, and no covenants are breached with reasonable headroom maintained throughout the review period.

After due consideration of these factors, the Directors believe that they have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the 12 months from the date of approval of these condensed financial statements, and therefore continue to adopt the going concern assumption in their preparation.

Accounting policies

The interim financial information has been prepared on a consistent basis using the accounting policies set out in the Annual Report and Accounts 2024.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, income and expense.

Estimates and judgements are periodically reviewed and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Details of the Group's critical accounting judgements and estimates are described within the relevant accounting policies set out in the Annual Report and Accounts 2024. Judgements and estimates for the interim period remain unchanged.

2. SEGMENTAL ANALYSIS

The Group trades in one business segment (that of operating pubs, bars and restaurants). The Group's brands meet the aggregation criteria set out in paragraph 12 of IFRS 8 Operating Segments and as such the Group reports the business as one reportable segment.

3. REVENUE

Revenue is analysed as follows:	**2025**	2024	2024
	28 weeks	28 weeks	52 weeks
	£m	£m	£m
Food	**782**	751	1,385
Drink	**621**	597	1,132
Services	**51**	48	93
Total	**1,454**	1,396	2,610

Revenue from services includes rent receivable from unlicensed properties and leased operations of £5m (2024 28 weeks £5m, 2024 52 weeks £9m).

Food and drink revenue includes £14m (2024 28 weeks £12m, 2024 52 weeks £18m) in respect of gift card redemptions, which was recorded within deferred income at the prior period end.

4. SEPARATELY DISCLOSED ITEMS

In addition to presenting information on an IFRS basis, the Group also presents adjusted profit and earnings per share information that excludes separately disclosed items and the impact of any associated tax. 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 profit and earnings per share information is used by management to monitor business performance against both shorter-term budgets and forecasts but also against the Group's longer-term strategic plans.

Judgement is used to determine those items which should be separately disclosed. This judgement includes assessment of whether an item is of sufficient size or of a nature that is not consistent with normal trading activities.

There are no separately disclosed items in the current period. In the prior period separately disclosed items include movements in the valuation of the property portfolio as a result of the revaluation exercise of property, plant and equipment; impairment reviews of right-of-use assets and computer software.

	Notes	**2025 28 weeks £m**	2024 28 weeks £m	2024 52 weeks £m
Net profit arising on property disposals		**-**	-	2
Movement in the valuation of the property portfolio:				
- Impairment credit arising from the revaluation of freehold and long leasehold properties	a	-	-	4
- Impairment of right-of-use assets	b	-	-	(17)
- Impairment of computer software	c	-	-	(1)
Net movement in the valuation of the property portfolio		-	-	(14)
Total separately disclosed items before tax		-	-	(12)
Tax relating to the above items		-	-	4
Total separately disclosed items after tax		-	-	(8)

Separately disclosed items are as follows:

a. The impairment arising from the Group's revaluation of its freehold and long leasehold pub estate comprises an impairment credit as the result of a revaluation surplus that reverses past impairments net of an impairment charge, where the carrying values of the properties exceed their recoverable amount.
b. Impairment of right-of-use assets where their carrying values exceeded their recoverable amounts, net of reversals of past impairments.
c. Impairment of computer software where the carrying value exceeded the recoverable amount.

5. FINANCE COSTS AND INCOME

	2025 28 weeks £m	2024 28 weeks £m	2024 52 weeks £m
Finance costs			
Interest on securitised debt	**(40)**	(44)	(79)
Interest on other borrowings	**(6)**	(7)	(13)
Interest on lease liabilities	**(9)**	(9)	(17)
Total finance costs	**(55)**	(60)	(109)
Finance income			
Interest receivable on cash balances	**5**	5	10
Net pensions finance income / (charge) (note 11)	**3**	(1)	(2)

6. TAXATION

The taxation charge for the 28 weeks ended 12 April 2025 has been calculated by applying an estimate of the annual effective tax rate before separately disclosed items of 25.7% (2024 28 weeks, 25.4%). The annual effective rate is slightly above the UK statutory rate of 25% largely due to profits arising and taxed in Germany, which has a higher statutory tax rate.

The Group is within the scope of the OECD Pillar Two (Global Minimum Tax) model rules. The legislation has been substantively enacted in the UK and Germany, being the jurisdictions in which the Group operates. The rules are effective for the Group from this accounting period commencing 29 September 2024. Initial assessments indicate that Pillar Two income taxes will not be material to the Group, with the effective tax rate in the UK and Germany both exceeding the 15% global minimum tax rate by some margin. The Group is continuing to work on evaluating the final impact of both the calculations and the reporting requirements through the remainder of FY 2025.

Tax charge in the income statement	**2025 28 weeks £m**	2024 28 weeks £m	2024 52 weeks £m
Current tax:			
- Corporation tax	**(11)**	(8)	(16)
Total current tax charge	**(11)**	(8)	(16)
Deferred tax:			
- Origination and reversal of temporary differences	**(23)**	(19)	(33)
- Amounts under-provided in prior periods	**-**	-	(1)
Total deferred tax charge	**(23)**	(19)	(34)
Total tax charge in the income statement	**(34)**	(27)	(50)
Further analysed as tax relating to:			
Profit before separately disclosed items	**(34)**	(27)	(54)
Separately disclosed items	**-**	-	4
	(34)	(27)	(50)

6. TAXATION (CONTINUED)

Tax relating to items recognised in other comprehensive income/(expense)	**2025 28 weeks £m**	2024 28 weeks £m	2024 52 weeks £m
Deferred tax:			
Items that will not be reclassified subsequently to profit or loss:			
- Unrealised gains due to revaluations – revaluation reserve	**-**	-	(74)
- Remeasurement of pension liabilities	**4**	-	(42)
	4	-	(116)
Items that may be reclassified subsequently to profit or loss:			
- Cash flow hedges	**(4)**	4	6
Total tax credit/(charge) recognised in other comprehensive income	**-**	4	(110)

7. EARNINGS PER SHARE

Basic earnings per share (EPS) has been calculated by dividing the profit for the financial period by the weighted average number of ordinary shares in issue during the period, excluding own shares held by employee share trusts.

For diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

Adjusted earnings per ordinary share amounts are presented before separately disclosed items (see note 4) in order to allow a better understanding of the adjusted trading performance of the Group.

The profit used for the earnings per share calculations is as follows:

	2025 28 weeks £m	2024 28 weeks £m	2024 52 weeks £m
Profit for the period	**100**	81	149
Separately disclosed items net of tax	**-**	-	8
Adjusted profit for the period	**100**	81	157

The number of shares used for the earnings per share calculations are as follows:

	2025 28 weeks million	2024 28 weeks million	2024 52 weeks million
Basic weighted average number of ordinary shares	**595**	596	595
Effect of dilutive potential ordinary shares:			
- Contingently issuable shares	**4**	4	5
- Other share options	**1**	-	-
Diluted weighted average number of shares	**600**	600	600

At 12 April 2025, 4,152,712 (2024 28 weeks 4,629,922, 2024 52 weeks 1,486,595) share options were outstanding that could potentially dilute basic EPS in the future but were not included in the calculation of diluted EPS as they are anti-dilutive for the periods presented. Outstanding options can only be dilutive, and therefore included in the diluted EPS calculation, when the average share price during the period exceeds the exercise price of the options.

7. EARNINGS PER SHARE (CONTINUED)

	2025 28 weeks Pence	2024 28 weeks pence	2024 52 weeks pence
Basic earnings per share			
Basic earnings per share	**16.8**	13.6	25.0
Separately disclosed items net of tax per share	**-**	-	1.4
Adjusted basic earnings per share	**16.8**	13.6	26.4
Diluted earnings per share			
Diluted earnings per share	**16.7**	13.5	24.8
Adjusted diluted earnings per share	**16.7**	13.5	26.2

8. PROPERTY, PLANT AND EQUIPMENT

Net book value	**2025 12 April £m**	2024 13 April £m	2024 28 September £m
At beginning of period	**4,419**	4,086	4,086
Additions	**84**	80	163
Acquired through business combinations	**-**	-	7
Disposals	**(2)**	(3)	(2)
Net increase from property revaluation	**-**	-	258
Depreciation provided during the period	**(51)**	(49)	(92)
Foreign currency movements	**1**	-	(1)
At end of period	**4,451**	4,114	4,419

Revaluation and impairment

The freehold and long leasehold licensed properties were valued at market value as at 28 September 2024, using information provided by CBRE, independent Chartered Surveyors. This valuation was based on an assessment of individual asset fair maintainable trade (FMT) and property multiples. The Group has performed an assessment for material changes that would impact the value of its freehold and long leasehold properties at the interim date. The Group's profit performance is in line with forecast supporting the fair maintainable trade assessed at 28 September 2024 and the property multiples adopted at 28 September 2024 are supported by the current property market. As such there is no requirement to perform a revaluation at the interim date.

Short leasehold properties, unlicensed properties and fixtures, fittings and equipment are held at cost less depreciation and impairment provisions. During the current period, in accordance with IAS 36, the Group has performed an assessment for indicators of impairment of these categories of property, plant and equipment, together with right-of-use assets (note 9). This review included an assessment that current year performance is in line with the overall Group forecast used in the impairment review at 28 September 2024, and estimates of long term growth rates and capital maintenance from the year end remain appropriate. In addition, our sensitivity analysis at FY24 year end showed that the impairment charge was relatively insensitive to likely movements in the discount rate (pre-tax WACC) of 11.00%. As such, there are not considered to be any indicators of impairment that would require the Group to perform a further review of impairment.

As a result of the above review, no revaluation or impairment has been recognised in the period (2024 28 weeks £nil, 2024 52 weeks revaluation increase of £258m and short leasehold properties net impairment of £nil).

8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Goodwill and other intangible assets

Goodwill and other intangible assets at 12 April 2025 of £21m (13 April 2024 £16m, 28 September 2024 £20m) comprise goodwill of £7m (13 April 2024 £2m, 28 September 2024 £7m), brands of £6m (13 April 2024 £5m, 28 September 2024 £7m) and computer software of £8m (13 April 2024 £9m, 28 September 2024 £6m).

As a result of the review of indicators of impairment described above, no impairment has been recognised against goodwill and other intangible assets in the period (2024 28 weeks £nil, 2024 52 weeks computer software impairment of £1m).

Capital commitments

The total amount contracted for but not provided in the financial statements was £20m (13 April 2024 £25m, 28 September 2024 £18m).

9. LEASES

Right-of-use assets

Net book value	**2025 12 April £m**	2024 13 April £m	2024 28 September £m
At start of period	**307**	327	327
Acquired through business combinations	**-**	-	7
Additions	**14**	13	30
Impairment	**-**	-	(17)
Disposals[a]	**(2)**	(5)	(5)
Depreciation provided during the period	**(19)**	(18)	(34)
Foreign currency movements	**2**	(1)	(1)
At end of period	**302**	316	307

a. Disposals mainly relate to leasehold properties where the freehold has been purchased, and therefore, the right-of-use assets and corresponding lease liabilities (see note 10) have been disposed. The freehold purchases are reflected in property, plant and equipment additions (see note 8).

Impairment review of right-of-use assets

As described in note 8, the Group has reviewed its short leasehold properties and right-of-use assets for indicators of impairment at the interim date, and determined that there are no indicators that lead the Group to conclude that a further review of impairment is required.

Lease liabilities

An analysis of lease liabilities recognised are as follows:

	12 April 2025 £m	13 April 2024 £m	28 September 2024 £m
Current liabilities	**42**	42	33
Non current liabilities	**396**	407	414
Total lease liabilities	**438**	449	447

10. BORROWINGS AND NET DEBT

Borrowings

	12 April 2025 £m	13 April 2024 £m	28 September 2024 £m
Current			
Securitised debt	**134**	127	130
Unsecured revolving credit facilities	**(1)**	(2)	(1)
Overdraft	**21**	15	12
Short term financing of employee advances	**2**	-	2
Total current	**156**	140	143
Non-current			
Securitised debt	**976**	1,120	1,041
Total borrowings	**1,132**	1,260	1,184

Net debt

	12 April 2025 £m	13 April 2024 £m	28 September 2024 £m
Cash and cash equivalents	**253**	194	176
Overdraft	**(21)**	(15)	(12)
Cash and cash equivalents as presented in the cashflow statement[a]	**232**	179	164
Securitised debt	**(1,110)**	(1,247)	(1,171)
Unsecured revolving credit facility	**1**	2	1
Derivatives hedging balance sheet debt[b]	**19**	29	19
Short term financing of employee advances[c]	**(2)**	-	(2)
Net debt excluding leases	**(860)**	(1,037)	(989)
Lease liabilities	**(438)**	(449)	(447)
Net debt including leases	**(1,298)**	(1,486)	(1,436)

a Cash and cash equivalents in the cash flow statement are presented net of an overdraft within a cash pooling arrangement, relating to various entities across the group.

b Represents the element of the fair value of currency swaps hedging the balance sheet value of the Group's US dollar denominated A3N loan notes. This amount is disclosed separately to remove the impact of exchange rate movements which are included in the securitised debt amount.

c Advances to employees is a borrowing from Wagestream.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short-term highly liquid deposits with an original maturity at acquisition of three months or less. Cash held on deposit with an original maturity at acquisition of more than three months is disclosed as other cash deposits. In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

10. BORROWINGS AND NET DEBT (CONTINUED)

Net debt

Net debt comprises cash and cash equivalents, cash deposits net of borrowings and discounted lease liabilities. Net debt is presented on a constant currency basis, due to the inclusion of the fixed exchange rate component of the cross currency swap. Cash flows on the interest rate and cross currency swaps are shown within interest paid in the Group cash flow statement.

Securitised debt

On 13 November 2003, the Group refinanced its debt by raising £1,900m through a securitisation of the majority of its UK pubs and restaurants owned by Mitchells & Butlers Retail Limited. On 15 September 2006 the Group completed a further debt ('tap') issue to borrow an additional £655m and refinance £450m of existing debt at lower cost. The notes are secured on the majority of the Group’s property and future income streams therefrom. All of the floating rate notes are hedged using interest rate swaps which fix the interest rate payable.

The overall cash interest rate payable on the loan notes is 6.3% (13 April 2024 6.3%, 28 September 2024 6.3%) after taking account of interest rate hedging and the cost of the financial guarantee provided by Ambac Assurance UK Limited (Ambac). Ambac acts as a guarantor of the Group’s obligations to repay interest and principal on the loan notes. In the event that the Group is unable to pay such amounts the guarantee is limited to the Class A1N, A3N, A4 and Class AB note holders only.

The securitisation is governed by various covenants, warranties and events of default, many of which apply to Mitchells & Butlers Retail Limited, the Group’s main operating subsidiary. There are two main financial covenants, being the level of net assets and free cash flow (FCF) to debt service. FCF to debt service represents the multiple of cash generated by sites within the structure to the cost of debt service. This is tested quarterly on both a trailing two quarter and a four quarter basis. There are additional covenants regarding the maintenance and disposal of securitised properties and restrictions on its ability to move cash, by way of dividends for example, to other Group companies.

At 12 April 2025, Mitchells & Butlers Retail Limited had cash and cash equivalents of £113m (13 April 2024 £90m, 28 September 2024 £91m). Of this amount £2m (13 April 2024 £1m, 28 September 2024 £2m), representing disposal proceeds, was held on deposit in an account over which there are a number of restrictions. The use of this cash requires the approval of the securitisation trustee and may only be used for certain specified purposes such as capital enhancement expenditure and business acquisitions.

The carrying value of the securitised debt in the Group balance sheet is analysed as follows:

	12 April 2025 £m	13 April 2024 £m	28 September 2024 £m
Principal outstanding at beginning of period	**1,170**	1,308	1,308
Principal repaid during the period	**(67)**	(64)	(128)
Net principal receipts on cross currency swap	**3**	3	5
Exchange on translation of dollar loan notes	**-**	(5)	(15)
Principal outstanding at end of period	**1,106**	1,242	1,170
Deferred issue costs	**(1)**	(2)	(1)
Accrued interest	**5**	7	2
Carrying value at end of period	**1,110**	1,247	1,171

Liquidity facility

Under the terms of the securitisation, the Group holds a liquidity facility of £295m provided by two counterparties. The amount drawn at 12 April 2025 is £nil (13 April 2024 £nil, 28 September 2024 £nil).

Unsecured revolving credit facility

The Group holds an unsecured committed revolving credit facility of £200m, which expires on 20 July 2026. The amount drawn at 12 April 2025 is £nil, (13 April 2024 is £nil, 28 September 2024 £nil).

10. BORROWINGS AND NET DEBT (CONTINUED)

Movement in net debt excluding leases

	2025 28 weeks £m	2024 28 weeks £m	2024 52 weeks £m
Net increase in cash and cash equivalents	**67**	76	62
Add back cash flows in respect of other components of net debt:			
- Repayment of principal in respect of securitised debt	**67**	64	128
- Principal receipts on cross currency swap	**(11)**	(11)	(21)
- Principal payments on cross currency swap	**8**	8	16
- Short term financing of employee advances	**-**	-	(2)
Decrease in net debt arising from cash flows	**131**	137	183
Movement in capitalised debt issue costs net of accrued interest	**(3)**	(4)	(1)
Decrease in net debt excluding leases	**128**	133	182
Opening net debt excluding leases	**(989)**	(1,170)	(1,170)
Foreign exchange movements on cash	**1**	-	(1)
Closing net debt excluding leases	**(860)**	(1,037)	(989)

Movement in lease liabilities

	2025 28 weeks £m	2024 28 weeks £m	2024 52 weeks £m
Opening lease liabilities	**(447)**	(463)	(463)
Acquired through business combinations	**-**	-	(5)
Additions[a]	**(14)**	(13)	(28)
Interest charged during the period	**(9)**	(9)	(17)
Repayment of principal	**23**	18	41
Payment of interest	**9**	12	17
Disposals[b]	**2**	5	7
Foreign currency movements	**(2)**	1	1
Closing lease liabilities	**(438)**	(449)	(447)

a Additions to lease liabilities include new leases and lease extensions or rent reviews relating to existing leases.

b Disposals mainly relate to leasehold properties where the freehold has been purchased, and therefore, the right-of-use assets (see note 9) and corresponding lease liabilities have been disposed.

11. PENSIONS

In the prior period the Trustees of the Mitchells & Butlers Executive Pension Plan (MABEPP) bought out the liabilities of the plan with Legal & General Assurance Society Limited through converting the overall bulk annuity policy into individual policies in members own names. Subsequent to that, and in the current period the scheme has been wound up with a surplus cash balance of £3m transferring to the Mitchells & Butlers Pension Plan (MABPP).

As a result, retirement and death benefits for eligible employees in the United Kingdom are now provided principally by the Mitchells & Butlers Pension Plan (MABPP). This plan is a funded, HMRC approved, occupational pension scheme with defined contribution and defined benefit sections. The defined benefit section of the plan is now closed to future service accrual. The defined benefit liabilities relate to this funded plan, together with an unfunded unapproved pension arrangement (the Executive Top-Up Scheme, or MABETUS). The assets of the MABPP plan are held in a self-administered trust fund separate from the Company's assets.

In addition, Mitchells & Butlers plc also provides a workplace pension plan in line with the Workplace Pensions Reform Regulations. This automatically enrols all eligible workers into a Qualifying Workplace Pension Plan.

Measurement of scheme assets and liabilities

MABPP buy-in policy transaction
During the 53 weeks ended 30 September 2023, the Trustees of the MABPP entered a Bulk Purchase Agreement (BPA) with Standard Life. The resulting policy was set up to provide the plan with sufficient funding to cover all known member benefits of the scheme. As at the balance sheet date the buy-in continues.

The Trustee and insurer continue to progress a data cleanse project. Net reserves have been included within the MABPP balance sheet as follows:

- £16m to cover the impact of a trivial commutation exercise, contingent spouse pension calculations, some data corrections and GMP rectification. This amount is a best-estimate of an additional premium that will need to be paid to the insurer when the buy-in is finalised.
- £24m as an additional liability arising from GMP equalisation; the majority of which will be secured with the insurer when the buy-in is finalised, via the payment of an additional premium.

These reserves may be updated in future as the data cleanse project progresses to allow for any further changes, including the potential impact of the recent Virgin Media legal case.

MABPP – recognition of actuarial surplus
Over the course of 2024, the Trustees of MABPP resolved that any surplus arising in MABPP can be used to pay for the employer contributions to the defined contribution section of MABPP. In connection with this, before the buy-out of MABEPP occurred in September 2024, the defined contribution members within MABEPP were moved across to MABPP, along with the remaining surplus funds from the MABEPP to enable future employer contributions for them to be met out of the surplus in the MABPP. Since this was a change in the Trustee's agreed use of the MABPP surplus compared to previous years, the accounting surplus was recognised in full during the 52 weeks ended 28 September 2024, with the full value of the surplus of £164m expected to be an economic benefit to the Company. This economic benefit has been determined over the future lifetime of the DC section of the plan, in particular on the basis that this section remains open to new members in its current form, and therefore will continue to remain active for the foreseeable future. Prior to the 52 week period ending 28 September 2024 no actuarial surplus had been recognised as the Company did not have an unconditional right to recover any surplus from the pension plans. During the period, the MABPP surplus has funded £6m of the Company's employer contributions, AVCs in respect of prior year bonus payments and death in service benefits. This is shown in the surplus movements below.

11. PENSIONS (CONTINUED)

Actuarial valuation

The actuarial valuations used for IAS 19 (revised) purposes are based on the results of the latest full actuarial valuation carried out at 31 March 2022 and updated by the schemes' independent qualified actuaries to 12 April 2025. Schemes' assets are stated at market value at 12 April 2025 and the liabilities of the schemes have been assessed as at the same date using the projected unit method. IAS 19 (revised) requires that the schemes' liabilities are discounted using market yields at the end of the period on high quality corporate bonds.

The principal financial assumptions used at the balance sheet date have been updated to reflect changes in market conditions in the period. The key assumptions used at the balance sheet date are Discount Rate of 6.0% (13 April 2024 5.1%, 28 September 2024 5.1%); Pensions Increases (RPI max 5%) of 3.0% (13 April 2024 3.0%, 24 September 2024 3.0%); and Inflation (RPI) of 3.1% (13 April 2024 3.2%, 28 September 2024 3.2%). The mortality assumptions remain unchanged from the last financial year end.

Minimum funding requirements

The results of the 2022 actuarial valuation show a marginal surplus and, subsequent to this, buy-in transactions for both MABPP and MABEPP were completed in prior periods. As a result, payments for both schemes were made into Blocked Accounts with amounts paid recognised as other receivables.

In the prior period the full amount within the MABPP Blocked Account of £35m was repaid to the company. A receivable balance of £12m at 28 September 2024 in respect of the MABEPP blocked account has been repaid to the Company in the current period.

Amounts recognised in respect of pension schemes

The net pension surplus is presented in the Group balance sheet as follows.

Group balance sheet	**2025 12 April £m**	2024 13 April £m	2024 28 September £m
Pension surplus (MABPP)[a]	**141**	-	164
Current pension liability (MABETUS)	**(1)**	(1)	(1)
Non-current pension liability (MABETUS)	**(21)**	(22)	(24)
Net actuarial surplus/(liability)	**119**	(23)	139
Associated deferred tax (liability)/asset	**(30)**	6	(35)

a. The MABPP pension surplus comprises the following assets and liabilities.

MABPP pension surplus	**2025 12 April £m**	2024 13 April £m	2024 28 September £m
Fair value of scheme's assets	**1,115**	1,516	1,238
Present value of scheme's liabilities	**(974)**	(1,366)	(1,074)
Actuarial surplus in the scheme	**141**	150	164
Additional liabilities recognised due to asset ceiling	-	(150)	-
Net MABPP pension surplus	**141**	-	164

11. PENSIONS (CONTINUED)

Movements in the net pension surplus/(liability) are analysed as follows:

	2025 12 April £m	2024 13 April £m	2024 28 September £m
Pension surplus/(liabilities) at beginning of period	**139**	(22)	(22)
Administration costs	**(2)**	(2)	(5)
Net pensions finance income/(charge)	**3**	(1)	(1)
Employer contributions to MABETUS	**1**	1	1
Utilisation of pension surplus[a]	**(6)**	-	-
Remeasurement of pension liabilities	**(16)**	1	166
Net pension surplus/(liabilities) at end of period	**119**	(23)	139

a. Includes £3m for DC contributions and £3m for AVCs in respect of prior year bonus payments.

12. FINANCIAL INSTRUMENTS

Fair value of derivative financial instruments

The table below sets out the valuation basis of financial instruments held at fair value by the Group:

	12 April 2025 £m	13 April 2024 £m	28 September 2024 £m
Financial assets:			
Currency swaps*	**20**	30	19
Financial liabilities:			
Interest rate swaps*	**(17)**	(21)	(29)
	3	9	(10)

* Level 2 instruments using inputs, other than quoted prices, that are observable either directly or indirectly

The fair value of interest rate and currency swaps is the estimated amount which the Group could expect to pay or receive on termination of the agreements. These amounts are based on quotations from counterparties which approximate to their fair market value and take into consideration interest and exchange rates prevailing at the balance sheet date.

Fair value of financial assets and liabilities

Borrowings have been valued as level 1 financial instruments as the various tranches of the securitised debt have been valued using period end quoted offer prices. As the securitised debt is traded on an active market, the market value represents the fair value of this debt. The current value of the overdraft represents its fair value. The carrying value and fair value of borrowings is as follows:

	12 April 2025		13 April 2024		28 September 2024	
	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m	Carrying value £m	Fair value £m
Borrowings (note 10)	**(1,132)**	**(1,069)**	(1,260)	(1,114)	(1,184)	(1,084)

All other financial assets and liabilities are either short-term in nature or their book values approximate to fair values.

13. RELATED PARTY TRANSACTIONS

The Group holds a property lease agreement with its associate company, Fatboy Pub Company Limited. The Group has entered into the following transactions with the associate:

	2025 28 weeks £000	2024 28 weeks £000	2024 52 weeks £000
Rent charged	**61**	50	128
Sales of goods and services	**11**	9	12
	72	59	140

The balance due from Fatboy Pub Company at 12 April 2025 was £nil (13 April 2024 £5,000, 28 September 2024 £14,000), net of a provision of £179,000 (13 April 2024 £179,000, 28 September 2024 £179,000).

During the prior period, Mitchells & Butlers Retail Limited entered an option arrangement with Tottenham Hotspur Football Co Limited (THFC), a related party, to sell the company's leasehold interest in a trading site. THFC paid an agreed amount to the company under the option agreement. Should the option under the option agreement be exercised, THFC would pay a further amount to acquire the site at the fair market value at the time the option agreement was entered into.

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 profit 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 an effective comparison of the Group's trading performance from one period to the next. Adjusted profit measures are reconciled to unadjusted IFRS results on the face of the condensed income statement with details of separately disclosed items provided in note 4.

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 condensed income statement
Adjusted EBITDA	Annualised EBITDA on a 52-week basis before separately disclosed items is used to calculate net debt to EBITDA.	Group condensed income statement
Operating profit	Earnings before interest and tax.	Group condensed income statement
Adjusted operating profit	Operating profit before separately disclosed items.	Group condensed 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.	Group condensed income statement
Adjusted earnings per share (EPS)	Earnings per share using profit before separately disclosed items.	Note 7
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 10
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 10 Group condensed income 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. This widely used industry measure provides better insight into the trading performance than total revenue which is impacted by acquisitions and disposals.

	Source	2025 28 weeks £m	2024 28 weeks £m	Year-on-year %
Reported revenue	Condensed income statement	**1,453.9**	1,395.6	**4.2%**
Less non like-for-like sales and income		**(116.7)**	(113.1)	
Like-for-like sales		**1,337.2**	1,282.5	**4.3%**

Drink sales

	Source	2025 28 weeks £m	2024 28 weeks £m	Year-on-year %
Reported drink revenue	Note 3	**620.5**	596.9	**4.0%**
Less non like-for-like drink sales		**(44.0)**	(44.0)	
Drink like-for-like sales		**576.5**	552.9	**4.3%**

Food sales

	Source	2025 28 weeks £m	2024 28 weeks £m	Year-on-year %
Reported food revenue	Note 3	**782.4**	750.9	**4.2%**
Less non like-for-like food sales		**(64.6)**	(59.7)	
Food like-for-like sales		**717.8**	691.2	**3.8%**

Other sales

	Source	2025 28 weeks £m	2024 28 weeks £m	Year-on-year %
Reported other revenue	Note 3	**50.94**	47.80	**6.6%**
Less non like-for-like other sales		**(8.02)**	(9.34)	
Other like-for-like sales		**42.92**	38.46	**11.6%**

B. Adjusted operating profit

Operating profit before separately disclosed items as set out in the Group Condensed Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or nature. Excluding these items allows a more effective comparison of the Group's trading performance from one period to the next.

	Source	2025 28 weeks £m	2024 28 weeks £m	Year-on -year %
Operating profit	Condensed income statement	**181**	164	**10.4%**
Separately disclosed items	Note 4	**-**	-	
Adjusted operating profit		**181**	164	**10.4%**
Reported revenue	Condensed income statement	**1,454**	1,396	**4.2%**
Adjusted operating margin		**12.4%**	11.7%	**0.7bps**

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 nature. Excluding these items allows a more effective comparison of the Group's trading performance from one period to the next.

	Source	2025 28 weeks £m	2024 28 weeks £m	Year-on -year %
Profit for the period	Condensed income statement	**100**	81	**23.5%**
Add back separately disclosed items	Note 4	**-**	-	
Adjusted profit		**100**	81	**23.5%**
Basic weighted average number of shares	Note 7	**595**	596	
Adjusted earnings per share		**16.8p**	13.6p	**23.5%**

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.

	Source	2025 28 weeks £m	2024 28 weeks £m
Net debt	Note 10	**1,298**	1,486
Adjusted EBITDA H1	Group condensed income statement	**252**	233
Adjusted EBITDA prior year H2*		**209**	183
Adjusted 52-week EBITDA		**461**	416
Net debt : Adjusted EBITDA		**2.8**	3.6

**H2 measures are calculated from the income statement as the measure for the 52 weeks ended 30 September 2023, adjusted to remove the 53rd week, less the measure for the 28 weeks ended 8 April 2023*