

**FINAL INVESTOR REPORT**

**MITCHELLS & BUTLERS RETAIL LIMITED**

**This Final Investor Report covers the results for Mitchells & Butlers Retail Limited  
for the Financial Year from 26 September 2021 to 24 September 2022**

To: HSBC Trustee (C.I.) Limited (as Borrower Security Trustee and Trustee)  
HSBC Global Investor Services (Ireland) Limited (as Irish Paying Agent)  
HSBC Bank plc (as Principal Paying Agent)  
Ambac Assurance UK Limited  
Standard & Poor's Rating Services  
Fitch Ratings Limited  
Moody's Investors Service Limited

Terms defined in Schedule 1 (*Master Definitions Schedule*) of a master framework agreement (the "**Master Framework Agreement**") dated 13 November 2003, restated and amended on 15 September 2006 and made between, *inter alios*, the Issuer and the Borrower Security Trustee shall bear the same meaning herein.

Definitions :

Q4 means the results for the Financial Quarter from 3 July 2022 to 24 September 2022 (12 weeks);  
Relevant Period means the last two Financial Quarters (24 weeks) and  
Relevant Year means the last four Financial Quarters (52 weeks)

## Principal Debt Movements

Q4 Principal Debt Movements on the Notes	Balance as at 2 July 2022 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 24 September 2022 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,417.8	(28.0)		1,389.8
Class A1N Notes	90.0	(3.0)		87.0
Class A2 Notes	163.7	(5.5)		158.2
Class A3N Notes	\$188.4	\$(6.3)		\$182.1
Class A4 Notes	106.5	(3.3)		103.2
Class AB Notes	294.1	(3.6)		290.5
Class B1 Notes	31.4	(5.1)		26.3
Class B2 Notes	259.6	(3.7)		255.9
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q4 Principal Debt Movements on the Term Advance	Balance as at 2 July 2022 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 24 September 2022 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,417.8	(28.0)		1,389.8
A1N Term Advance	90.0	(3.0)		87.0
A2 Term Advance	163.7	(5.5)		158.2
A3N Term Advance	112.5	(3.8)		108.7
A4 Term Advance	106.5	(3.3)		103.2
AB Term Advance	294.1	(3.6)		290.5
B1 Term Advance	31.4	(5.1)		26.3
B2 Term Advance	259.6	(3.7)		255.9
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0

## Specific Trading Details

Turnover for the 12 weeks comprising Q4 was £385.4m giving a total of £1,645.3m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £60.4m giving a total for the Relevant Year of £254.1m.

	Q4 (12 weeks) £m	Relevant Period (24 weeks) £m	Relevant Year (52 weeks) £m
Turnover	385.4	776.7	1,645.3
Operating expenses	(341.6)	(688.0)	(1,462.1)
Operating profit	43.8	88.7	183.2
EBITDA	60.4	121.7	254.1
Free Cash Flow	55.9	111.1	234.2
Debt Service	(48.8)	(92.7)	(202.9)

Note: Operating profit, EBITDA and Free Cash Flow are quoted after the following adjusting items:

	Q4 £m	Relevant Period £m	Relevant Year £m
<b>Unadjusted operating profit after non-cash separately disclosed items</b>	<b>(44.8)</b>	<b>1.2</b>	<b>100.0</b>
<b>Add back/(deduct) non-cash separately disclosed items:</b>			
Revaluation of pub estate	75.3	75.3	75.3
Impairment recognised on short lease assets	4.1	4.1	4.1
Impairment of right-of-use assets	9.0	9.0	9.0
Intercompany impairment	1.4	1.4	1.4
<b>Adjusted operating profit before non-cash separately disclosed items</b>	<b>45.0</b>	<b>91.1</b>	<b>189.8</b>
IFRS 16 Adjustments			
Rent receivable	0.0	0.2	0.7
Dilapidations costs	0.0	0.0	(0.5)
Rent payable	(4.5)	(9.3)	(20.9)
Right-of-use asset depreciation	3.3	6.7	14.1
<b>Adjusted operating profit pre IFRS 16</b>	<b>43.8</b>	<b>88.7</b>	<b>183.2</b>
Add back: Depreciation	16.6	33.0	70.9
<b>Adjusted EBITDA pre IFRS 16</b>	<b>60.4</b>	<b>121.7</b>	<b>254.1</b>

## Coverages and Covenants

Free Cashflow DSCR was 1.2 times and the EBITDA to Debt Service ratio was 1.3 times for the Relevant Year and 1.2 times and 1.3 times respectively for the Relevant Period. The Debt Service Covenant was satisfied for the Relevant period and Relevant Year. The Restricted Payment Condition was not satisfied for the Relevant Period or for the Relevant Year. Under the waiver dated 14 February 2021 the Relevant Period Debt Service Covenant and the Relevant Year Debt Service Covenant are performed at revised lower levels until full reinstatement in January 2023, so no Loan Event of Default has occurred.

Net Worth at this Financial Year end was £2,182m and the Net Worth Covenant is therefore satisfied.



# Mitchells & Butlers

	Q4 (12 weeks)	Relevant Period (24 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.1 times	1.2 times	1.2 times
EBITDA : Debt Service	1.2 times	1.3 times	1.3 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		No	No

No Restricted Payments were made during Q4. The Restricted Payment Maximum at 24 September 2022 was zero and no calculation of the Further Restricted Payment Maximum was required.

The cumulative Maintenance Expenditure\* at the end of Q4 was £135.9m. The Required Maintenance Amount\* for the Financial Year is £72.5m.

Capital Enhancement Expenditure Investments of £2.3m were made in Q4, £3.9m in the Relevant Period and £8.1m in the Relevant Year.

\* Maintenance includes both capital items and items expensed through the income statement.

## Cash Balances

Balances on the following accounts at 24 September 2022 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	0.9
Maintenance Reserve Account	0.0
All other Obligor Accounts*	55.6

\* Includes £20.5m of cash collateral received from a Swap Counterparty.

## Liquidity Facility

The amount available under the Liquidity Facility at 24 September 2022 was as follows:

	£m
Total Liquidity Facility	295.0
Liquidity Facility drawn	0.0
Available Liquidity Facility	<u>295.0</u>

## Estate

	Number
Outlets at the beginning of Q4	1,337
Acquisitions and substitutions	0
Disposals	<u>(2)</u>
Outlets at the end of Q4	1,335

### **Accounting Policies**

Mitchells & Butlers Retail Limited prepares its financial statements in accordance with FRS 101 as issued by the Financial Reporting Council.

Mitchells & Butlers Retail Limited certifies that these financials comply with its financial statements adjusted to remove the impact of any changes in accounting standards since issuance of the Term Loans.

### **Defaults**

Mitchells & Butlers Retail Limited certifies that no Loan Event of Default or Potential Loan Event of Default has occurred (other than as waived under the terms of the agreement with the Trustee and Ambac as previously announced on 15 February 2021 and 22 February 2021).

### **LIBOR Transition**

The Mitchells & Butlers Group has now completed the necessary amendments to transition its financing arrangements for the discontinuation of LIBOR as a floating reference rate, replacing LIBOR with a Sterling Overnight Index Average (SONIA) based rate in respect of Sterling and a Secured Overnight Financing Rate (SOFR) based rate in respect of US Dollars. The amendments in respect of the securitised bonds were agreed by the Bondholders through a formal consent solicitation process and bilateral agreements were reached with securitised swap and liquidity facility providers (using amended reference rates consistent with those agreed under the bonds). The liquidity facility transitioned during the prior year to reference SONIA. All other relevant facilities and agreements referencing Sterling LIBOR transitioned to reference SONIA for periods commencing on or after 1st January 2022 and those currently referencing US Dollar LIBOR will transition to SOFR for periods commencing on or after 1st July 2023.

For further information please contact:

<http://www.mbplc.com/investors/securitisationanddebtinformation/>

Andrew Vaughan – Group Treasurer

0121 498 4400

**QUARTERLY FINANCIAL INFORMATION**

**MITCHELLS & BUTLERS RETAIL LIMITED**

**This Quarterly Financial Information covers the results for Mitchells & Butlers Retail Limited for the Financial Quarter from 10 April 2022 to 2 July 2022**

To: HSBC Trustee (C.I.) Limited (as Borrower Security Trustee and Trustee)  
HSBC Global Investor Services (Ireland) Limited (as Irish Paying Agent)  
HSBC Bank plc (as Principal Paying Agent)  
Ambac Assurance UK Limited  
Standard & Poor's Rating Services  
Fitch Ratings Limited  
Moody's Investors Service Limited

Terms defined in Schedule 1 (*Master Definitions Schedule*) of a master framework agreement (the "**Master Framework Agreement**") dated 13 November 2003, restated and amended on 15 September 2006 and made between, *inter alios*, the Issuer and the Borrower Security Trustee shall bear the same meaning herein.

Definitions :

Q3	means the results for the Financial Quarter from 10 April 2022 to 2 July 2022 (12 weeks);
Relevant Period	means the last two Financial Quarters (24 weeks) and
Relevant Year	means the last four Financial Quarters (52 weeks)

**Principal Debt Movements**

Q3 Principal Debt Movements on the Notes	Balance as at 9 April 2022 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 2 July 2022 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1445.5	(27.7)		1417.8
Class A1N Notes	93.0	(3.0)		90.0
Class A2 Notes	169.2	(5.5)		163.7
Class A3N Notes	\$194.6	\$(6.2)		\$188.4
Class A4 Notes	109.8	(3.3)		106.5
Class AB Notes	297.8	(3.7)		294.1
Class B1 Notes	36.4	(5.0)		31.4
Class B2 Notes	263.1	(3.5)		259.6
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q3 Principal Debt Movements on the Term Advance	Balance as at 9 April 2022 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 2 July 2022 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1445.5	(27.7)		1417.8
A1N Term Advance	93.0	(3.0)		90.0
A2 Term Advance	169.2	(5.5)		163.7
A3N Term Advance	116.2	(3.7)		112.5
A4 Term Advance	109.8	(3.3)		106.5
AB Term Advance	297.8	(3.7)		294.1
B1 Term Advance	36.4	(5.0)		31.4
B2 Term Advance	263.1	(3.5)		259.6
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0

## Specific Trading Details

Turnover for the 12 weeks comprising Q3 was £391.3m giving a total of £1,636.2m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £61.3m giving a total for the Relevant Year of £302.3m.

	Q3 (12 weeks) £m	Relevant Period (24 weeks) £m	Relevant Year (52 weeks) £m
Turnover	391.3	776.6	1,636.2
Operating expenses	(346.5)	(691.1)	(1,405.5)
Operating profit	44.8	85.5	230.7
EBITDA	61.3	118.2	302.3
Free Cash Flow	55.3	106.9	290.0
Debt Service	(48.9)	(92.9)	(202.5)

Note: Operating profit, EBITDA and Free Cash Flow are quoted after the following adjusting items:

	Q3 £m	Relevant Period £m	Relevant Year £m
<b>Unadjusted operating profit after non-cash separately disclosed items</b>	<b>46.2</b>	<b>88.8</b>	<b>277.5</b>
<b>Add back/(deduct) non-cash separately disclosed items:</b>			
Costs directly associated with the Covid-19 pandemic	(0.0)	(0.0)	(0.2)
Revaluation of pub estate	(0.0)	(0.0)	(43.4)
Impairment of freehold & long leasehold fixtures & fittings	(0.0)	(0.0)	2.3
Impairment recognised on short lease assets	(0.0)	(0.0)	0.7
Impairment of right-of-use assets	(0.0)	(0.0)	3.1
Lease disposals	(0.0)	(0.0)	(0.1)
Profit on disposal of property	(0.0)	(0.0)	(0.0)
Intercompany impairment	(0.0)	(0.0)	(1.1)
<b>Adjusted operating profit before non-cash separately disclosed items</b>	<b>46.2</b>	<b>88.8</b>	<b>238.8</b>
IFRS 16 Adjustments			
Rent receivable	0.2	0.4	0.9
Dilapidations costs	0.0	(0.5)	(1.4)
Rent payable	(4.9)	(9.8)	(21.7)
Right-of-use asset depreciation	3.3	6.6	14.1
<b>Adjusted operating profit pre IFRS 16</b>	<b>44.8</b>	<b>85.5</b>	<b>230.7</b>
Add back: Depreciation	16.5	32.7	71.6
<b>Adjusted EBITDA pre IFRS 16</b>	<b>61.3</b>	<b>118.2</b>	<b>302.3</b>

## Coverages and Covenants

Free Cashflow DSCR was 1.4 times and the EBITDA to Debt Service ratio was 1.5 times for the Relevant Year and 1.2 times and 1.3 times respectively for the Relevant Period. The Debt Service Covenant was satisfied for the Relevant period and Relevant Year. The Restricted Payment Condition was not satisfied for the Relevant Period or for the Relevant Year. Under the waiver dated 14 February 2021 the Relevant Period Debt Service Covenant was waived until April 2022 and the Relevant Year Debt Service Covenant has been waived until July 2022, with both tests then performed at revised lower levels until full reinstatement in January 2023, so no Loan Event of Default has occurred.

Net Worth at the last Financial Year end was £2,359m and the Net Worth Covenant is therefore satisfied.



# Mitchells & Butlers

	Q3 (12 weeks)	Relevant Period (24 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.1 times	1.2 times	1.4 times
EBITDA : Debt Service	1.3 times	1.3 times	1.5 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		No	No

No Restricted Payments were made during Q3. The Restricted Payment Maximum at 2 July 2022 was zero and no calculation of the Further Restricted Payment Maximum was required.

The cumulative Maintenance Expenditure\* at the end of Q3 was £95.7m. The Required Maintenance Amount\* for the Financial Year is £72.5m.

Capital Enhancement Expenditure Investments of £1.6m were made in Q3, £3.8m in the Relevant Period and £7.2m in the Relevant Year.

\* Maintenance includes both capital items and items expensed through the income statement.

## Cash Balances

Balances on the following accounts at 2 July 2022 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	0.9
Maintenance Reserve Account	0.0
All other Obligor Accounts	62.30

## Liquidity Facility

The amount available under the Liquidity Facility at 2 July 2022 was as follows:

	£m
Total Liquidity Facility	295.0
Liquidity Facility drawn	0.0
Available Liquidity Facility	<u>295.0</u>

## Estate

	Number
Outlets at the beginning of Q3	1,337
Acquisitions and substitutions	0
Disposals	0
Outlets at the end of Q3	<u>1,337</u>

### **Accounting Policies**

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