

Analyst Day

1st June 2015

Mitchells
& Butlers



Agenda

Site	Agenda	Speaker
Miller & Carter	Welcome	Tim Jones
	EPOS systems	Phil Urban
	Site tour	
	Lunch	
	Branding	Catriona Kempston
Toby Carvery	Site tour	
The Cock Inn	Orchid – conversion and integration	Steve de Polo
O'Neill's	Informal reception	

MILLER & CARTER

- STEAKHOUSE -



Miller & Carter, Brookmans Park

Open	2013
Ownership	FREEHOLD
NBV	£3.1m
AWT	£40k
Food Mix	75%

Toby Carvery, Whitewebbs House



Toby Carvery, Whitewebbs House

Opened	2007
Ownership	LONG LEASEHOLD
NBV	£3.6m
AWT	£39k
Food Mix	72%

The Cock Inn, Cockfosters



The Cock Inn, Cockfosters

Opened	2015
Ownership	LEASEHOLD
Lease Expiry	2050
AWT*	£36k
Food Mix*	47%

* Based on three weeks trading post-conversion



O'Neill's, Euston Road

Opened	Pre-2000
Ownership	LONG LEASEHOLD
NBV	£1.3m
AWT	£54k
Food Mix	35%



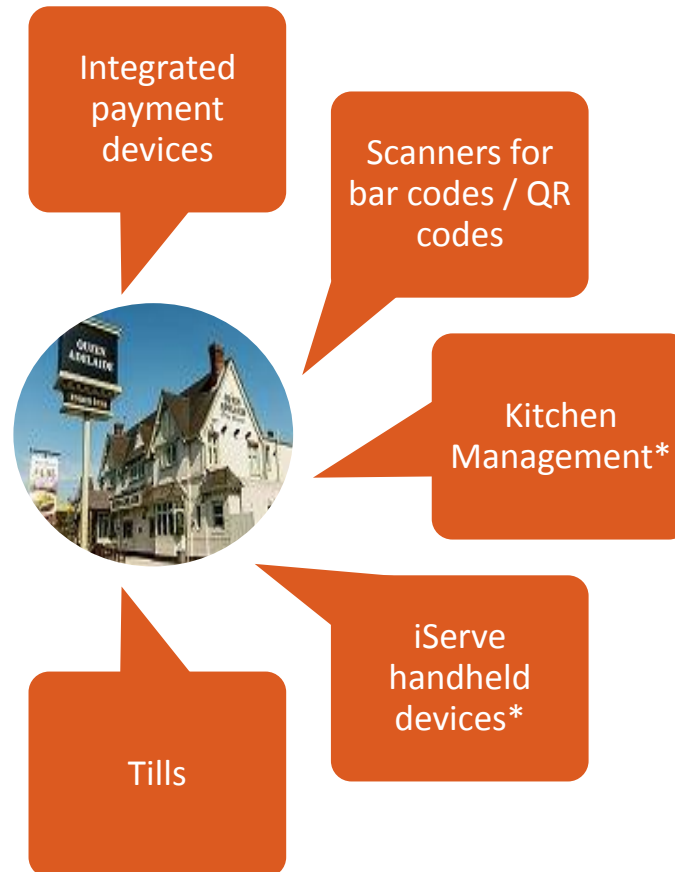
Phil Urban
Chief Operating Officer

EPOS systems

EPOS systems – GO! Technology

Key benefits:

- Increased payment speed for guests
- Efficiency: reduced management and server time
- Improved controls and integrity data
- Platform for further technological development



*Brand specific equipment

- Handheld devices for waiting team to take orders
- Order immediately appears in kitchen/ bar – reduced walktime for server
- Faster processing of orders increases table turn in peak sessions
- Guest benefits: drinks can arrive before food orders are completed

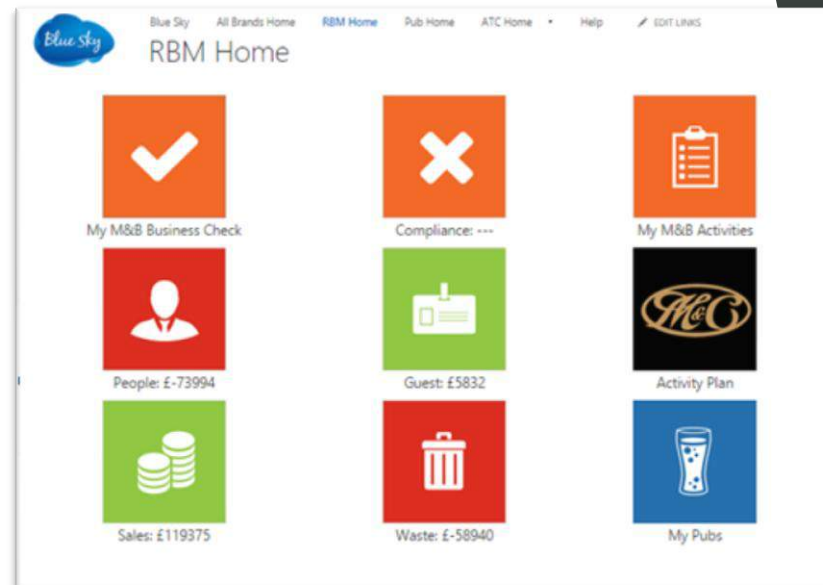


Kitchen Management Solution

- Process for the kitchen to know what to cook and when
- Tracks guest progress from arrival to departure
- Paperless solution
- Enables all dishes on one table to be delivered hot and at the same time
- M&B the UK's biggest user of KMS



- Dashboard technology via tablets for all Operations team
- Communication
 - One stop shop for frontline communications: one view of the truth
 - Simple and consistent reporting at all levels of Operations hierarchy
- Prioritisation
 - Clear visibility of prioritised tasks
 - Exception reporting on key legal and compliance actions
- Efficiency
 - Business checks recorded on tablets: frees up GM/ Area Manager time



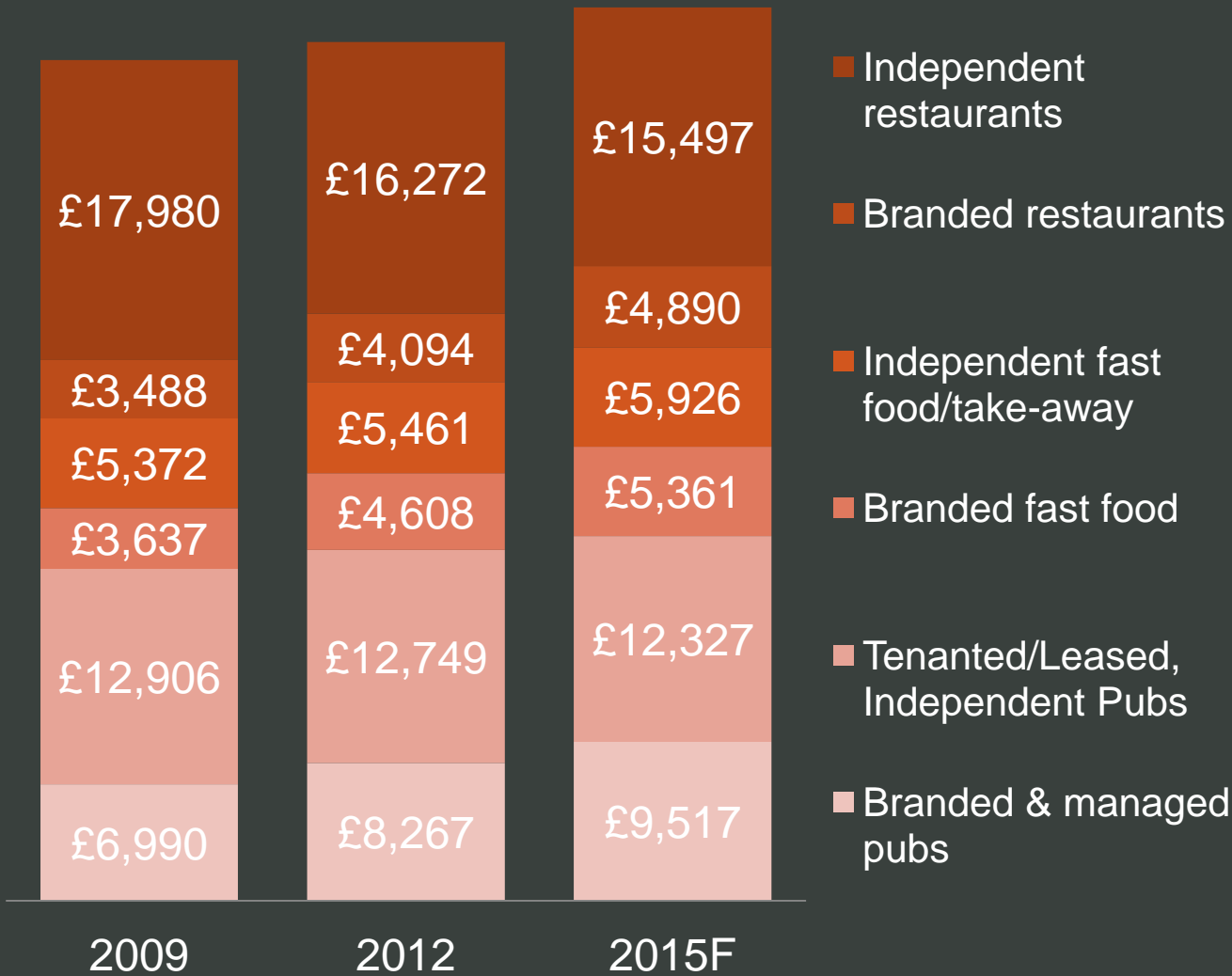


Catriona Kempston

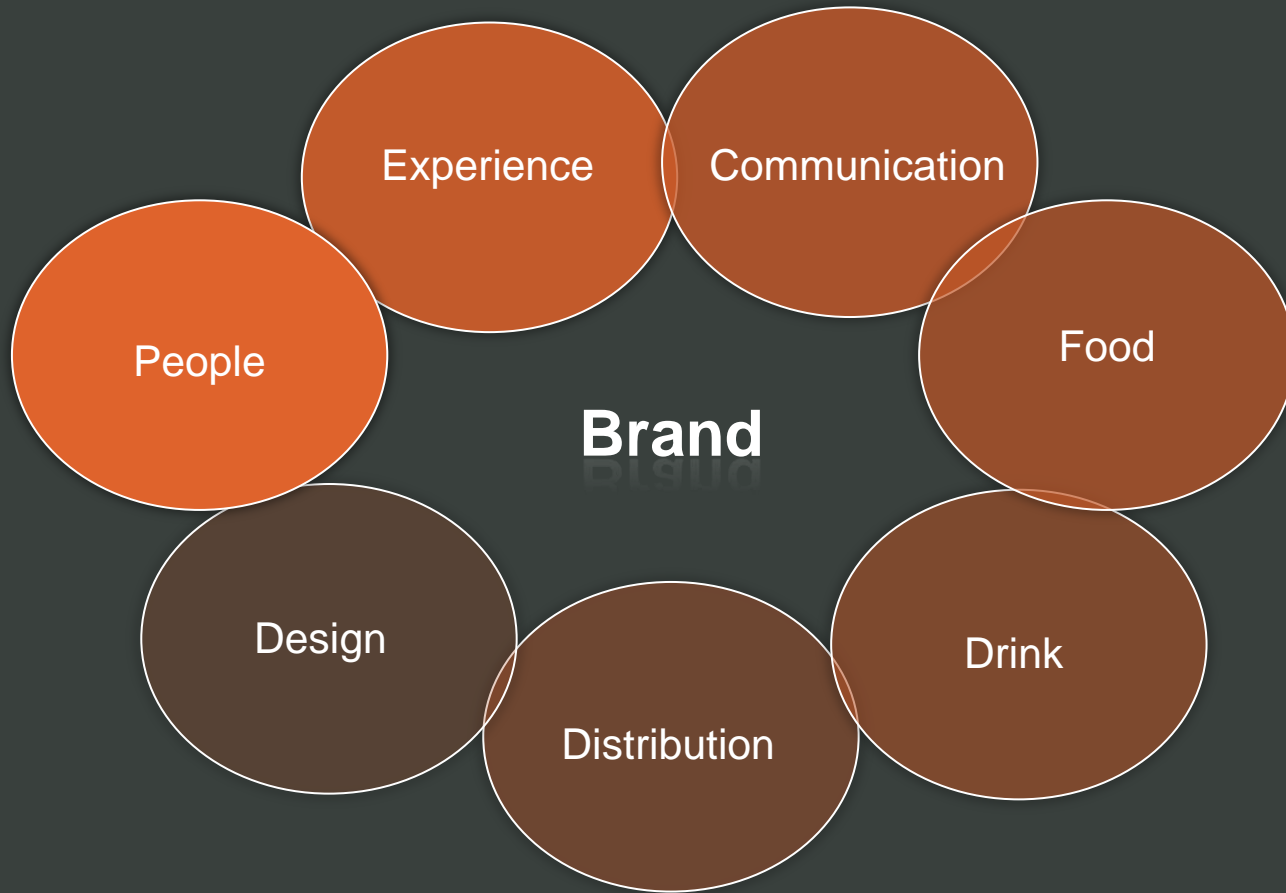
Marketing Director

Building Brands

Growth of Branded Pub & Restaurants



Source: M&C Allegra, Analysis of growth in turnover across the UK Restaurant market, 2009-2015F



THE VOYAGE HOME OF
COLUMBUS

**NEW ADDITIONS
AT THE HOME OF THE ROAST**

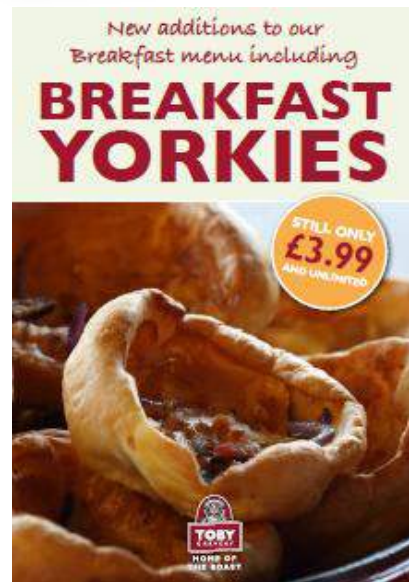
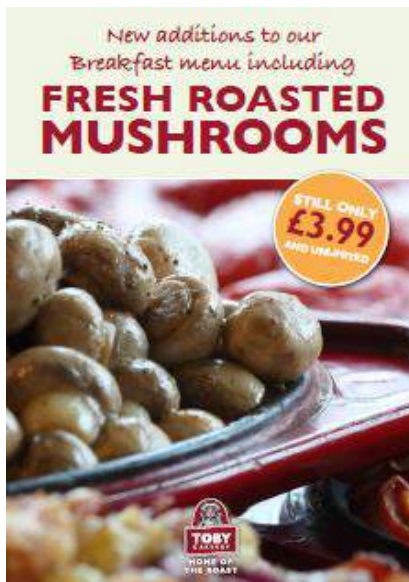
*Our canning desk now includes seasonal, fun-filled
washed potato and seasonal ruffled varieties!
Ask a member of the team for ruffled's choices.*

Images are for illustrative purposes only.

Only and Original Potatoes

20th ANNIVERSARY
1997-2017
MAKING THE DIFFERENCE

TONY'S
ROASTED
POTATOES





LONG DRINKS NEW

Cuba Libre 300ml 0.9

Pepsi with Bacardi and a wedge of lime

Gin & Tonic 185ml 0.9

Britvic Slimline Tonic & Gordons Gin with a wedge of lime.

Rose Cup 300ml 0.6

J20 Garden Rose with Pimms No.1, strawberries, lime and orange.

Fruity Moscato 125ml 1.0

Barefoot Bubbly Pink Moscato with ice, lime and strawberries.

Absolut Cranberry 300ml 1.0

Absolut Vodka, cranberry juice and a wedge of orange.

DRINKS MENU
Spring/Summer

**MOUTH-WATERING,
ICE COLD AND REFRESHING,
PERFECTLY SERVED DRINKS
TO COMPLEMENT
YOUR ROAST.**

TOBY
HOME OF THE ROAST

THE TASTE OF SUMMER
The Toby
CIDER
FESTIVAL
16TH MAY - 2ND SEPT 2015

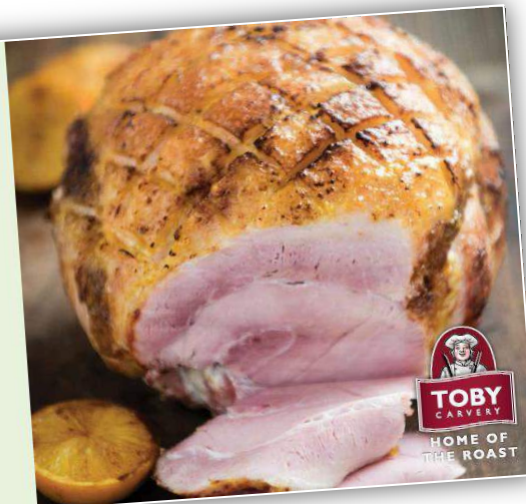
Enjoy all your favourites plus three guest ciders for a limited time only

TOBY
HOME OF THE ROAST

2 COURSE TOBY TREAT £6.99*

All day Monday-Saturday, excluding Bank Holidays.

*Selected options only, please ask a member of the team for details.



Enjoy 2 courses for £6.99†

Choose Soup of the Day or Dairy Ice Cream
with our famous Four Roast Carvery for just £6.99

Then finish your meal with Tea or Coffee for only £1 extra!

If you don't fancy Soup or Ice Cream you can upgrade to one of our other delicious
dishes instead. Why not treat yourself to a Treacle Sponge, Chocolate Fudge Cake or
Rhubarb & Custard Sundae for an extra £1!

All day Monday-Saturday, excluding Bank Holidays.

†2 course deal cannot be used in conjunction with any other offer.



See our Summer menu for more details.



Cream Tea Sundae £4.19
Celebrate Summer with this delicious NEW addition to our range.



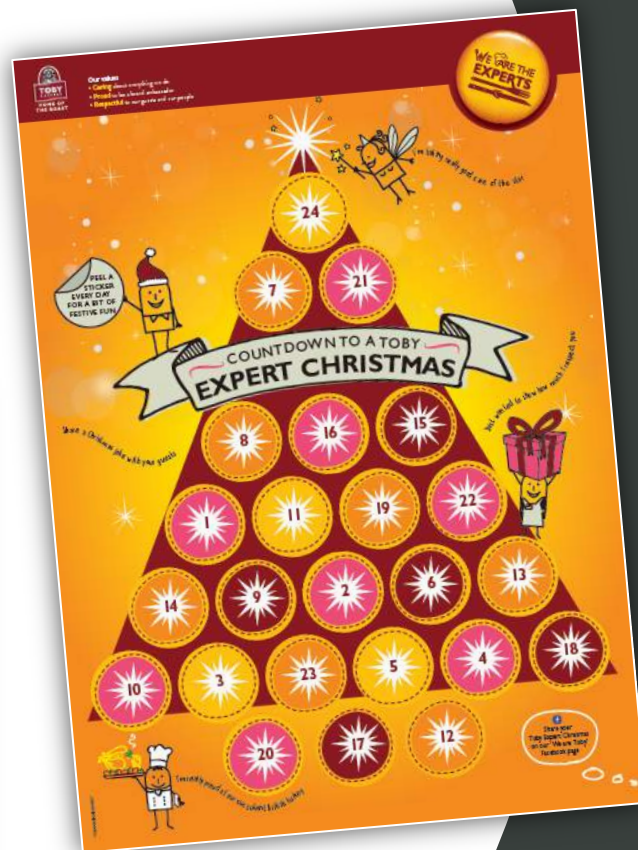
**CELEBRATE THE SUMMER AT TOBY
WITH A SUNSHINE FAVOURITE**



See our Summer menu for more details.

**CELEBRATE THE SUMMER AT TOBY
WITH A SUNSHINE FAVOURITE**



25

People



SERVER - 'GROW' to Expert Observation Sheets

Name: _____ Date: _____ Observer: _____ Review Date: _____

Service Cycle	Expert	Expert	Good	Excellent	Not Assessed
1. Did the team Member explain our offering "4 Roast Canvases" and "unlimited fresh veg" including any offers, e.g. 2 course for £6.99?					
2. On check back did the team member ask an open question ie "how are you enjoying your meal?" and offer a 2nd drink?					
3. After the check back did the team member enter the canvases into the till, including any king size?					
4. Did the team member offer Puddings and make recommendations, attempting to overcome any objections?					
5. When presenting the bill did the team member clearly explain the guest satisfaction survey and incentive for completion?					
6. Did the team member take payment quickly from the guest offering a genuine "thank you" and friendly goodbye?					

If your team Member has not reached 'Expert' Status, GROW them through a quick coaching conversation

Goal	Reality	Options	What's next
1. What does 'Expert' look like?	1. How does your team's Guests feel being served by you?	1. What specifically could you do to improve?	1. When will you do this?
2. How do you want your Guests to feel being served by you?	2. How do you think your guests feel at the moment?	2. What can you do to help?	2. Who can help you?
3. How will this benefit you, Guest and our business?	3. What are your thoughts on the level of service given?	3. How can you make that happen?	3. How will you know you are successful?

Agreed actions - know your team member to write these using our words and agree a date for review.

1	2



Menu description
A summer edition to Toby's famous crumbles! Served with a bottomless custard jug. Our crumble does not contain any gluten containing ingredients.

Tempt me!!
You could describe it as...
Not your everyday crumble. This warming wonderful pud is just for the grown-ups as it contains alcohol. Sharp Bramley apples, zesty lemons and sweet strawberries all soaked in refreshing cider, combine to make this an extremely mouthwatering, crunchy topped crumble. If you like fruity ciders, you'll love it. No kids allowed!
Don't worry about the custard, we'll top you up as we go along.

You could ask this...
✓ Why don't you try our latest summer inspired crumble! It's gluten free, and extremely tasty. Would you like it hot or cold?
✓ How about our new crumble, it's sweet & refreshing!

APPLE, LIME & STRAWBERRY CRUMBLE

LET'S CREATE MEMORABLE MOMENTS

Joined ▾ Add people ▾ Notifications ▾

KNOW YOUR ONIONS

Place your dish or drink here

1. Who does it appeal to? Who would like it?
eg. Vegetarians, Ladies that like it

2. How would you describe its taste and texture?
eg. Rich and creamy, Soft and fluffy, Creamy, Velvety, Smooth

3. How does it make you feel?
eg. Happy, Relaxed, Warm, Cozy

4. What does it look like on the plate?
eg. It's beautiful, mouth-watering, a work of art

5. What's special about it?
eg. It's a classic, Traditional, Not just for the holidays, Perfect for everyone who loves Christmas

Have a go! Tempt me!!

1. Place a dish or drink on a platter or in a glass

2. As a server, make a short description - giving your own touch to the menu

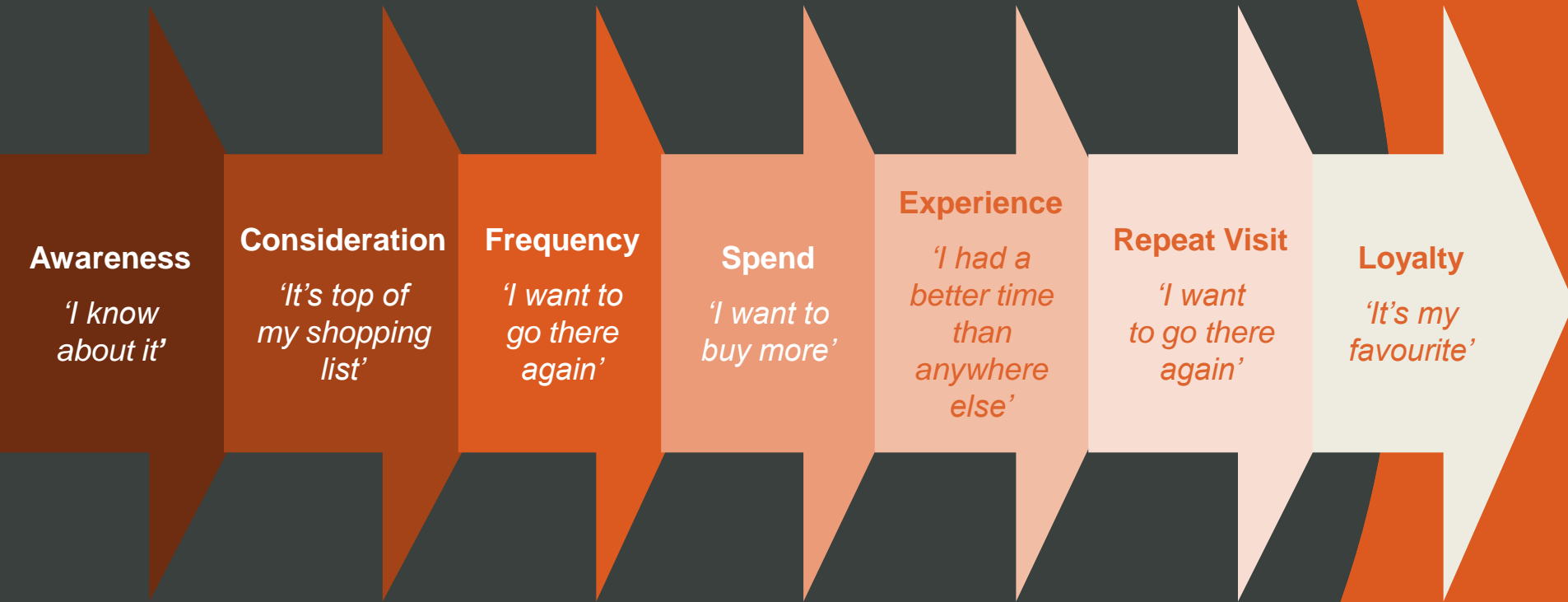
3. Agree the best presentation and when to serve it

4. Show the server the dish

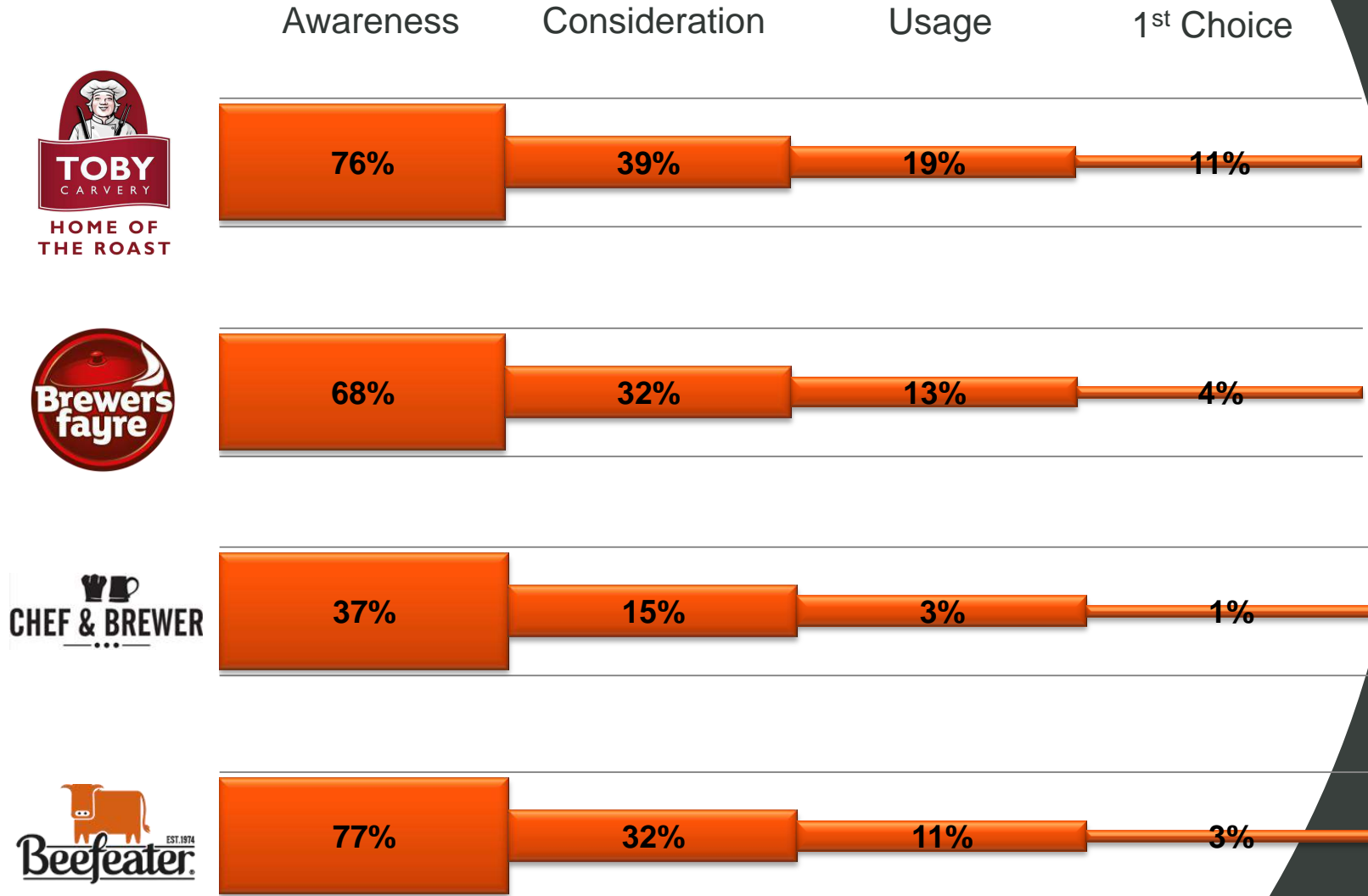
5. Check and a few examples here



Building Strong Brands



Toby performs strongly across brand metrics



A woman with blonde hair, wearing a grey sweater, is smiling and looking towards the left. She is seated at a table in a restaurant or bar, with a glass of red wine and a plate of food in front of her. The background is dimly lit, showing a menu board and other patrons.

Steve de Polo

Programme Director

Orchid conversion and integration

The Business Plan

- Acquisition cost of £266m + c£40m investment capex
- Purchased EBITDA of £29m before head office costs of £8m
- Two major value creation levers delivering £6m synergy:
 - Overhead synergy
 - M&B purchasing power
- Investments delivering core EBITDA growth

Progress so far

- 24 investments open and trading by end of May
- Strong turnaround in sales and high ROI
- Office closed and majority of overhead synergy delivered
- Major drink supply chain moves completed
- Significant change programme around IT, training and policy migration in progress
- Two way best practice transfer occurring

Integration Process

July
to
Sept

- Organisational learning
- Plan design and maintain trading momentum

Oct
to
Dec

- Migration preparation
- Christmas delivery

Jan
to
Mar

- Cutover of IT systems, major processes and drink supply chain
- Corporate consultation and office closedown

Apr
to
Aug

- SOP training and migration
- Retail consultation & payroll switch

- **How our brands & formats can create value**
 - Hemlock Stone, Ember – was a traditional pub and Thai dining
 - The Angel, Castle – was an independent local

Hemlock Stone Pre-investment



Purchased AWT: £12k
Purchased EBITDA: £125k



Hemlock Stone Now



KEY STATISTICS:

Opening Date: Dec 2014

Investment: £444k

Post investment AWT: £21k

Post investment ROI: 45.1%



The Angel Pre-investment



Purchased AWT: £10k
Purchased EBITDA: £144k



The Angel Now



KEY STATISTICS:

Opening Date:	Feb 2015
Investment:	£501k
Post investment AWT:	£16k
Post investment ROI:	n/a



What Next?

- 24 investments completed and around 65 left to do
- c. 80 pubs to move to our Heartland division around October
- Further investment potential in many of these pubs – innovation pipeline
- Pizza Kitchen Bar – continue to review, learn and improve
- Pragmatic approach on playbarns

- **What did we know?**

- Investing in our brands can add significant value to quality pub assets
- Our scale and operating skill can add commercial value and increase guest saliency

- **What have we learnt?**

- Orchid had a strong people-centric culture
- Outstanding cost control and waste management culture



Tim Jones

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