

24 September 2020

Mitchells & Butlers plc
LEI no. 213800JHYNDNB1NS2W10

Pre-Close Trading Update

Trading statement covering the 51 weeks ended 19 September 2020.

Operating performance

Following enforced closure in response to the Covid-19 pandemic in March we were able to reopen the vast majority of our estate on 4 July thanks to the hard work and dedication of our teams. We have now been trading for 11 weeks and at the date of this announcement the number of sites which have reopened has increased to over 95% of the estate.

During the period since reopening we have, as before, continued to outperform the market^a, benefiting in particular from the breadth of our estate and the balanced exposure we have both regionally and across offerings. In July like-for-like sales declined by 32.4% impacted by reduced capacity as a result of enforcement of social distancing measures and by consumers' caution to visit restaurants and pubs. During August, the well-publicised government funded Eat Out to Help Out scheme plus a temporary reduction in the rate of VAT on certain supplies combined to help return the business to like-for-like sales growth, of 1.4%. Subsequent trading in the first three weeks of September has settled slightly below this at a like-for-like sales decline of 6.4% prior to the introduction of additional trading restrictions this week.

	Weeks 1-24	Weeks 25-40	Weeks 41-44 July	Weeks 45-48 August	Weeks 49-51 September	Weeks 1-51
Food	1.3%	Closure	(29.2%)	20.1%	4.5%	0.6%
Drink	0.3%	Closure	(34.0%)	(16.7%)	(16.5%)	(6.7%)
Like-for-like sales	0.9%	Closure	(32.4%)	1.4%	(6.4%)	(3.1%)

Total sales over the year to date have declined by 35.4% due to the closure period.

Liquidity and Investments

On 12 June the group announced revised financing arrangements that had been agreed with our main creditors to provide a platform of both additional liquidity and improved financial flexibility in order to meet the challenge presented by Covid-19. The group currently has unsecured cash balances of c.£100m, in addition to undrawn committed unsecured facilities of c.£140m.

Before the closure of the estate we had completed 168 investment projects including two acquisitions. The investment programme was suspended in March and resumption will be considered through continuous review of operational performance and cash flow management.

Phil Urban, Chief Executive, commented:

“After a difficult period of closure, we have been delighted to welcome back our guests with the vast majority of our sites open and trading again under Covid-secure procedures. I am particularly impressed by the way in

which our teams have made this possible by responding to the challenge of our new operating environment with energy and enthusiasm.

The future remains both challenging and uncertain, with only this week a curfew and other additional restrictions being imposed on how and when we can operate. However, we believe we are well placed to meet that challenge and to keep Mitchells & Butlers at the forefront of the eating and drinking-out market.”

Definitions

a – As measured by the Coffey Peach business tracker.

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 (Finsbury)	+44 (0)20 7251 3801

Note for editors:

Mitchells & Butlers is a leading operator of managed restaurants and pubs. Its portfolio of brands and formats includes Harvester, Toby Carvery, All Bar One, Miller & Carter, Premium Country Pubs, Sizzling Pubs, Stonehouse, Vintage Inns, Browns, Castle, Nicholson's, O'Neill's and Ember Inns. In addition, it operates Innkeeper's Lodge 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.