



INTERIM INVESTOR REPORT

MITCHELLS & BUTLERS RETAIL LIMITED

This Interim Investor Report covers the results for Mitchells & Butlers Retail Limited for the Semi Annual Period from 25 September 2022 to 8 April 2023

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 :

Q2 means the results for the Financial Quarter from 15 January 2023 to 8 April 2023 (12 weeks);

Relevant Period means the last two Financial Quarters (28 weeks) and

Relevant Year means the last four Financial Quarters (52 weeks)

Principal Debt Movements

Q2 Principal Debt Movements on the Notes	Balance as at 14 January 2023 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 8 April 2023 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,361.4	(28.9)		1,332.5
Class A1N Notes	83.9	(3.1)		80.8
Class A2 Notes	152.6	(5.6)		147.0
Class A3N Notes	\$175.7	\$(6.5)		\$169.2
Class A4 Notes	99.9	(3.5)		96.4
Class AB Notes	286.9	(3.7)		283.2
Class B1 Notes	21.1	(5.2)		15.9
Class B2 Notes	252.1	(3.9)		248.2
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q2 Principal Debt Movements on the Term Advance	Balance as at 14 January 2023 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 8 April 2023 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,361.4	(28.9)		1,332.5
A1N Term Advance	83.9	(3.1)		80.8
A2 Term Advance	152.6	(5.6)		147.0
A3N Term Advance	104.9	(3.9)		101.0
A4 Term Advance	99.9	(3.5)		96.4
AB Term Advance	286.9	(3.7)		283.2
B1 Term Advance	21.1	(5.2)		15.9
B2 Term Advance	252.1	(3.9)		248.2
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 Q2 was £407.3m giving a total of £1,732.4m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £63.5m giving a total for the Relevant Year of £255.7m.

	Q2 (12 weeks) £m	Relevant Period (28 weeks) £m	Relevant Year (52 weeks) £m
Turnover	407.3	955.6	1,732.4
Operating expenses	(360.1)	(859.6)	(1,547.6)
Operating profit	47.2	96.0	184.8
EBITDA	63.5	134.0	255.7
Free Cash Flow	53.0	118.0	229.2
Debt Service	(47.6)	(106.4)	(200.6)

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

	Q2 £m	Relevant Period £m	Relevant Year £m
Unadjusted operating profit after non-cash separately disclosed items	49.7	100.8	102.1
Add back/(deduct) non-cash separately disclosed items:			
Revaluation of pub estate	0.0	0.0	75.3
Impairment recognised on short lease assets	0.0	0.0	4.1
Impairment of right-of-use assets	0.0	0.0	9.0
Intercompany impairment	0.0	0.0	1.4
Lease disposals	(0.1)	(0.1)	(0.2)
Property disposals	0.0	0.0	0.1
Adjusted operating profit before non-cash separately disclosed items	49.6	100.7	191.8
IFRS 16 Adjustments			
Rent receivable	0.1	0.2	0.4
Dilapidations costs	(0.4)	(0.4)	(0.5)
Rent payable	(4.8)	(11.1)	(20.2)
Sublease impairment	(0.3)	(0.3)	(0.3)
Right-of-use asset depreciation	3.0	6.9	13.6
Adjusted operating profit pre IFRS 16	47.2	96.0	184.8
Add back: Depreciation	16.3	38.0	70.9
Adjusted EBITDA pre IFRS 16	63.5	134.0	255.7

Coverages and Covenants

Free Cashflow DSCR was 1.1 times and the EBITDA to Debt Service ratio was 1.3 times for the Relevant Year and 1.1 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.

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



Mitchells & Butlers

	Q2 (12 weeks)	Relevant Period (28 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.1 times	1.1 times	1.1 times
EBITDA : Debt Service	1.3 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 Q2. The Restricted Payment Maximum at 8 April 2023 was zero and no calculation of the Further Restricted Payment Maximum was required.

The cumulative Maintenance Expenditure* at the end of Q2 was £91.2m. The Required Maintenance Amount* for the Financial Year is £93.8m.

Capital Enhancement Expenditure Investments of £2.5m were made in Q2, £8.1m in the Relevant Period and £12.0m in the Relevant Year.

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

Cash Balances

Balances on the following accounts at 8 April 2023 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	0.9
Maintenance Reserve Account	0.0
All other Obligor Accounts*	83.8

* Includes £45.8m of cash collateral received from a Swap Counterparty.

Liquidity Facility

The amount available under the Liquidity Facility at 8 April 2023 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 Q2	1,333
Acquisitions and substitutions	0
Disposals	0
Outlets at the end of Q2	<u>1,333</u>



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.

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). All relevant facilities and agreements referencing Sterling LIBOR transitioned to reference SONIA in a prior period 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 25 September 2022 to 14 January 2023

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 :

Q1 means the results for the Financial Quarter from 25 September 2022 to 14 January 2023 (16 weeks);

Relevant Period means the last two Financial Quarters (28 weeks) and

Relevant Year means the last four Financial Quarters (52 weeks)

Principal Debt Movements

Q1 Principal Debt Movements on the Notes	Balance as at 24 September 2022 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 14 January 2023 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,389.8	(28.4)		1,361.4
Class A1N Notes	87.0	(3.1)		83.9
Class A2 Notes	158.2	(5.6)		152.6
Class A3N Notes	\$182.1	\$(6.4)		\$175.7
Class A4 Notes	103.2	(3.3)		99.9
Class AB Notes	290.5	(3.6)		286.9
Class B1 Notes	26.3	(5.2)		21.1
Class B2 Notes	255.9	(3.8)		252.1
Class C1 Notes	200.0			200.0
Class C2 Notes	50.0			50.0
Class D1 Notes	110.0			110.0

Q1 Principal Debt Movements on the Term Advance	Balance as at 24 September 2022 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 14 January 2023 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,389.8	(28.4)		1,361.4
A1N Term Advance	87.0	(3.1)		83.9
A2 Term Advance	158.2	(5.6)		152.6
A3N Term Advance	108.7	(3.8)		104.9
A4 Term Advance	103.2	(3.3)		99.9
AB Term Advance	290.5	(3.6)		286.9
B1 Term Advance	26.3	(5.2)		21.1
B2 Term Advance	255.9	(3.8)		252.1
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 16 weeks comprising Q1 was £548.3m giving a total of £1,710.3m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £70.5m giving a total for the Relevant Year of £249.2m.

	Q1 (16 weeks) £m	Relevant Period (28 weeks) £m	Relevant Year (52 weeks) £m
Turnover	548.3	933.7	1,710.3
Operating expenses	(499.5)	(841.0)	(1,532.2)
Operating profit	48.8	92.7	178.1
EBITDA	70.5	130.9	249.2
Free Cash Flow	65.0	120.9	227.8
Debt Service	(55.3)	(107.6)	(201.9)

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

	Q1 £m	Relevant Period £m	Relevant Year £m
Unadjusted operating profit after non-cash separately disclosed items	51.1	6.3	95.0
Add back/(deduct) non-cash separately disclosed items:			
Revaluation of pub estate	0.0	75.3	75.3
Impairment recognised on short lease assets	0.0	4.1	4.1
Impairment of right-of-use assets	0.0	9.0	9.0
Intercompany impairment	0.0	1.4	1.4
Lease disposals	(0.1)	(0.1)	(0.1)
Property disposals	0.1	0.1	0.1
Costs directly associated with the Covid-19 pandemic	0.0	0.0	0.1
Adjusted operating profit before non-cash separately disclosed items	51.1	96.1	184.9
IFRS 16 Adjustments			
Rent receivable	0.1	0.1	0.5
Dilapidations costs	0.0	0.0	(0.5)
Rent payable	(6.3)	(10.8)	(20.6)
Right-of-use asset depreciation	3.9	7.3	13.8
Adjusted operating profit pre IFRS 16	48.8	92.7	178.1
Add back: Depreciation	21.7	38.2	71.1
Adjusted EBITDA pre IFRS 16	70.5	130.9	249.2

Coverages and Covenants

Free Cashflow DSCR was 1.1 times and the EBITDA to Debt Service ratio was 1.2 times for the Relevant Year and 1.1 times and 1.2 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.

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



Mitchells & Butlers

	Q1 (16 weeks)	Relevant Period (28 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.2 times	1.1 times	1.1 times
EBITDA : Debt Service	1.3 times	1.2 times	1.2 times
Debt Service covenant satisfied		Yes	Yes
Restricted Payment Condition satisfied		No	No

No Restricted Payments were made during Q1. The Restricted Payment Maximum at 14 January 2023 was zero and no calculation of the Further Restricted Payment Maximum was required.

The cumulative Maintenance Expenditure* at the end of Q1 was £49.7m. The Required Maintenance Amount* for the Financial Year is £93.8m.

Capital Enhancement Expenditure Investments of £5.6m were made in Q1, £7.9m in the Relevant Period and £11.8m in the Relevant Year.

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

Cash Balances

Balances on the following accounts at 14 January 2023 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	0.9
Maintenance Reserve Account	0.0
All other Obligor Accounts*	93.1

* Includes £51.3m of cash collateral received from a Swap Counterparty.

Liquidity Facility

The amount available under the Liquidity Facility at 14 January 2023 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 Q1	1,335
Acquisitions and substitutions	0
Disposals	<u>(2)</u>
Outlets at the end of Q1	1,333



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.

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Andrew Vaughan – Group Treasurer

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