



## FINAL INVESTOR REPORT

### MITCHELLS & BUTLERS RETAIL LIMITED

**This Final Investor Report covers the results for Mitchells & Butlers Retail Limited for the Financial Year from 25 September 2022 to 30 September 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 :

Q4	means the results for the Financial Quarter from 2 July 2023 to 30 September 2023 (13 weeks);
Relevant Period	means the last two Financial Quarters (25 weeks) and
Relevant Year	means the last four Financial Quarters (53 weeks)

## Principal Debt Movements

Q4 Principal Debt Movements on the Notes	Balance as at 2 July 2023 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 30 September 2023 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,303.3	(29.6)		1,273.7
Class A1N Notes	77.7	(3.2)		74.5
Class A2 Notes	141.3	(5.7)		135.6
Class A3N Notes	\$162.6	\$(6.5)		\$156.1
Class A4 Notes	92.9	(3.5)		89.4
Class AB Notes	279.5	(3.9)		275.6
Class B1 Notes	10.7	(5.3)		5.4
Class B2 Notes	244.1	(4.1)		240.0
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 2023 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 30 September 2023 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,303.3	(29.6)		1,273.7
A1N Term Advance	77.7	(3.2)		74.5
A2 Term Advance	141.3	(5.7)		135.6
A3N Term Advance	97.1	(3.9)		93.2
A4 Term Advance	92.9	(3.5)		89.4
AB Term Advance	279.5	(3.9)		275.6
B1 Term Advance	10.7	(5.3)		5.4
B2 Term Advance	244.1	(4.1)		240.0
C1 Term Advance	200.0			200.0
C2 Term Advance	50.0			50.0
D1 Term Advance	110.0			110.0



# Mitchells & Butlers

## Specific Trading Details

Turnover for the 13 weeks comprising Q4 was £464.0m giving a total of £1,848.6m for the Relevant Year (comprising 53 weeks). EBITDA for the quarter was £75.9m giving a total for the Relevant Year of £278.4m.

	Q4 (13 weeks) £m	Relevant Period (25 weeks) £m	Relevant Year (53 weeks) £m
Turnover	464.0	893.0	1,848.6
Operating expenses	(404.7)	(781.6)	(1,641.2)
Operating profit	59.3	111.4	207.4
EBITDA	75.9	144.4	278.4
Free Cash Flow	63.1	121.8	239.8
Debt Service	(50.1)	(94.5)	(201.4)

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

	Q4 £m	Relevant Period £m	Relevant Year £m
Unadjusted operating (loss)/profit after non-cash separately disclosed items	(41.5)	12.1	112.8
<b>Add back/(deduct) non-cash separately disclosed items:</b>			
Revaluation of pub estate	94.9	94.9	94.9
Net impairment recognised on short lease assets	2.4	2.4	2.4
Net impairment of right-of-use assets	4.9	4.9	4.9
Intercompany impairment	1.5	1.5	1.5
Lease disposals	(0.1)	(0.1)	(0.1)
Property disposals	(2.0)	(2.0)	(2.0)
<b>Adjusted operating profit before non-cash separately disclosed items</b>	<b>60.1</b>	<b>113.7</b>	<b>214.4</b>
<b>IFRS 16 Adjustments</b>			
Rent receivable	0.1	0.2	0.3
Dilapidations costs	(0.1)	(0.1)	(0.5)
Rent payable	(4.1)	(8.9)	(20.0)
Sublease impairment	0.0	0.0	(0.2)
Right-of-use asset depreciation	3.3	6.5	13.4
<b>Adjusted operating profit pre IFRS 16</b>	<b>59.3</b>	<b>111.4</b>	<b>207.4</b>
Add back: Depreciation	16.6	33.0	71.0
<b>Adjusted EBITDA pre IFRS 16</b>	<b>75.9</b>	<b>144.4</b>	<b>278.4</b>

## Coverages and Covenants

Free Cashflow DSCR was 1.2 times and the EBITDA to Debt Service ratio was 1.4 times for the Relevant Year and 1.3 times and 1.5 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 Financial Year end was £2,115m and the Net Worth Covenant is therefore satisfied.



# Mitchells & Butlers

Mitchells & Butlers Retail Limited  
Registered in England no. 24542  
Registered Office: 27 Fleet Street, Birmingham, B3 1JP

	Q3 (13 weeks)	Relevant Period (25 weeks)	Relevant Year (53 weeks)
Free Cash Flow : Debt Service	1.3 times	1.3 times	1.2 times
EBITDA : Debt Service	1.5 times	1.5 times	1.4 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 30 September 2023 was zero and no calculation of the Further Restricted Payment Maximum was required.

The cumulative Maintenance Expenditure\* at the end of Q4 was £163.0m. The Required Maintenance Amount\* for the Financial Year is £93.8m.

Capital Enhancement Expenditure Investments of £2.8m were made in Q4, £4.2m in the Relevant Period and £12.3m in the Relevant Year.

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

### Cash Balances

Balances on the following accounts at 30 September 2023 were as follows:

	£m
Borrower Transaction Account	0.00
Disposals Proceeds Account	3.80
Maintenance Reserve Account	0.00
All other Obligor Accounts*	73.30

\* Includes £58.11m of cash collateral received from a Swap Counterparty.

### Liquidity Facility

The amount available under the Liquidity Facility at 30 September 2023 was as follows:

	£m
Total Liquidity Facility	295.0
Liquidity Facility drawn	0.0
Available Liquidity Facility	295.0

### Estate

	Number
Outlets at the beginning of Q4	1,331
Acquisitions and substitutions	0
Disposals	(3)
Outlets at the end of Q4	1,328



## **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 referencing US Dollar LIBOR transitioned 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 INVESTOR REPORT**

**MITCHELLS & BUTLERS RETAIL LIMITED**

**This Quarterly Investor Report covers the results for Mitchells & Butlers Retail Limited  
for the Financial Quarter from 9 April 2023 to 1 July 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 :**

Q3	means the results for the Financial Quarter from 9 April 2023 to 1 July 2023 (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 2023 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 1 July 2023 £m
Aggregate principal amount outstanding at the Financial Quarter Date	1,332.5	(29.2)		1,303.3
Class A1N Notes	80.8	(3.1)		77.7
Class A2 Notes	147.0	(5.7)		141.3
Class A3N Notes	\$169.2	\$(6.6)		\$162.6
Class A4 Notes	96.4	(3.5)		92.9
Class AB Notes	283.2	(3.7)		279.5
Class B1 Notes	15.9	(5.2)		10.7
Class B2 Notes	248.2	(4.1)		244.1
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 2023 £m	Scheduled repayments made £m	Prepayments £m	Balance as at 1 July 2023 £m
Aggregate Principal Debt Outstanding at the Financial Quarter Date	1,332.5	(29.2)		1,303.3
A1N Term Advance	80.8	(3.1)		77.7
A2 Term Advance	147.0	(5.7)		141.3
A3N Term Advance	101.0	(3.9)		97.1
A4 Term Advance	96.4	(3.5)		92.9
AB Term Advance	283.2	(3.7)		279.5
B1 Term Advance	15.9	(5.2)		10.7
B2 Term Advance	248.2	(4.1)		244.1
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 12 weeks comprising Q3 was £428.9m giving a total of £1,770m for the Relevant Year (comprising 52 weeks). EBITDA for the quarter was £68.5m giving a total for the Relevant Year of £263.0m.

	Q3 (12 weeks) £m	Relevant Period (24 weeks) £m	Relevant Year (52 weeks) £m
Turnover	428.9	836.3	1,770.0
Operating expenses	(376.9)	(737.0)	(1,578.0)
Operating profit	52.0	99.3	192.0
EBITDA	68.5	132.0	263.0
Free Cash Flow	58.7	111.7	232.6
Debt Service	(48.5)	(90.8)	(200.2)

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>53.6</b>	<b>103.2</b>	<b>109.5</b>
<b>Add back/(deduct) non-cash separately disclosed items:</b>			
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	0.0	(0.1)	(0.2)
Property disposals	0.0	0.0	0.1
<b>Adjusted operating profit before non-cash separately disclosed items</b>	<b>53.6</b>	<b>103.1</b>	<b>199.2</b>
<b>IFRS 16 Adjustments</b>			
Rent receivable	0.1	0.1	0.3
Dilapidations costs	0.0	(0.4)	(0.5)
Rent payable	(4.8)	(9.3)	(20.1)
Sublease impairment	0.0	(0.3)	(0.3)
Right-of-use asset depreciation	3.1	6.1	13.4
<b>Adjusted operating profit pre IFRS 16</b>	<b>52.0</b>	<b>99.3</b>	<b>192.0</b>
Add back: Depreciation	16.5	32.7	71.0
<b>Adjusted EBITDA pre IFRS 16</b>	<b>68.5</b>	<b>132.0</b>	<b>263.0</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 1.5 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.



	Q3 (12 weeks)	Relevant Period (24 weeks)	Relevant Year (52 weeks)
Free Cash Flow : Debt Service	1.2 times	1.2 times	1.2 times
EBITDA : Debt Service	1.4 times	1.5 times	1.3 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 1 July 2023 was zero and no calculation of the Further Restricted Payment Maximum was required.

The cumulative Maintenance Expenditure\* at the end of Q3 was £123.9m. The Required Maintenance Amount\* for the Financial Year is £93.8m.

Capital Enhancement Expenditure Investments of £1.4m were made in Q3, £3.9m 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 1 July 2023 were as follows:

	£m
Borrower Transaction Account	0.0
Disposals Proceeds Account	1.0
Maintenance Reserve Account	0.0
All other Obligor Accounts*	63.90

\* Includes £60.93m of cash collateral received from a Swap Counterparty.

### Liquidity Facility

The amount available under the Liquidity Facility at 1 July 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 Q3	1,333
Acquisitions and substitutions	0
Disposals	<u>(2)</u>
Outlets at the end of Q3	1,331



### 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**

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Andrew Vaughan – Group Treasurer

0121 498 4400