

25 July 2024

Mitchells & Butlers plc
LEI no. 213800JHYNDNB1NS2W10

Third Quarter Trading Update

Trading statement covering the 42 weeks ended 20 July 2024.

Sales

Following a very strong start to the year sales growth has remained ahead of the market^a through the third quarter, with like-for-like sales growth of 5.7% in the year to date and all brands in growth. As anticipated, the third quarter growth rate reflects the movement of Easter into our fiscal first half this year, coupled with a progressive easing of the inflationary environment, through a period of generally wet weather.

The current run rate of like-for-like sales growth, over the most recent 13 weeks to exclude Easter in both years, is 4.2%.

Like-for-like sales:

	Weeks 1-15 Q1	Weeks 16-28 Q2	Weeks 1-28 H1	Weeks 29-42 Q3	Weeks 1-42 YTD
Food	8.7%	6.6%	7.7%	2.6%	6.0%
Drink	6.6%	5.3%	6.0%	4.0%	5.3%
Total	7.7%	6.1%	7.0%	3.4%	5.7%

Total sales in the year to date have increased by 7.3%.

Investments

In the year to date we have completed 139 conversions and remodels and have opened six new sites in addition to the continued rollout of a number of initiatives to reduce energy usage, such as solar panels and sensors.

Outlook

We continue to anticipate net cost headwinds in the region of £55m this financial year with increases in labour costs due to the statutory National Living Wage rise mitigated in part by deflation in our energy costs (which are now substantially all bought forward for the year), slowing food cost inflation and strong cost control at site level. Coupled with a robust sales performance we believe this will allow us to continue to rebuild margins and we remain very confident in the delivery of full year consensus expectations.

Phil Urban, Chief Executive, commented:

“We are pleased with the continued strong trading performance, which has remained ahead of the market^a through the year. As inflationary pressures have eased the level of price increase we have taken has reduced, leading to headline sales growth in line with more normalised levels as expected during the second half. The combination of easing inflationary costs and continued sales growth will ultimately benefit our profit levels for the year.

Our focus remains on the effective execution of our Ignite programme of initiatives and our successful capital investment programme, driving cost efficiencies and increased sales. With the unique strengths of our business, including a diverse portfolio of established brands, value proposition and enviable estate locations, we are well positioned to continue to grow profitability and market share into next year.”

Definitions

a – As measured by the CGA Business Tracker.

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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, Ember Inns and Ego Restaurants. In addition, it operates Innkeeper's Collection 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.