RNS Number : 3578J
Mitchells & Butlers PLC
28 November 2025

MITCHELLS & BUTLERS PLC
LEI no: 213800JHYNDNB1NS2W10

28 November 2025

FULL YEAR RESULTS
Another Year of Strong Trading Ahead of the Market
(For the 52 weeks ended 27 September 2025)

Highlights

- Strong trading ahead of the market[b] with like-for-like sales[a] growth of 4.3%
- Adjusted operating profit[a] of £330m up 5.8% from prior year
- Increased adjusted operating margin[a] of 12.2% (FY 2024 12.0%)
- Strong cash flows reducing net debt (excluding leases) by £146m

Reported results

- Total revenue of £2,711m (FY 2024 £2,610m)
- Operating profit of £322m (FY 2024 £300m)
- Profit before tax of £238m (FY 2024 £199m)
- Basic earnings per share of 29.7p (FY 2024 25.0p)

Trading results

- Adjusted operating profit[a] £330m (FY 2024 £312m)
- Adjusted earnings per share[a] of 30.9p (FY 2024 26.4p)

Balance sheet and cash flow

- Net debt[a] reduced to £843m (FY 2024 £989m), excluding £434m of IFRS 16 lease liabilities (FY 2024 £447m)
- Net asset value increased to 476p per share (FY 2024 433p)
- Pension surplus used to offset against ongoing DC contributions equating to c.£10m pa

Operational highlights

- Strong performances across all market segments
- Accelerated capital programme delivering strong returns
- Record non-financial metrics across guest, employee and safety scores

Current trading

- Solid start to FY 2026, like-for-like sales[a] of 3.8% in the first eight weeks

Phil Urban, Chief Executive, commented:

"We are pleased to report another year of strong performance. Like-for-like sales[a] continued to outperform the market[b] across all segments, reinforcing the strength of our strategy and market positioning. Combined with disciplined operational execution, this delivered robust profit growth mitigating sector-wide cost headwinds.

As we look to the year ahead, we anticipate increased cost pressures across the sector. However, we remain confident in our ability to manage these challenges through our established Ignite improvement programme and disciplined capital investment strategy. Our market-leading estate and diversified guest propositions provide a strong foundation for resilience and growth, enabling us to capture incremental market share and deliver continued long-term outperformance"

Definitions

a - The Directors use a number of alternative performance measures (APMs) that are considered critical to aid the understanding of the Group's performance. APMs are explained later in this announcement.

b - As measured by the CGA Business Tracker.

There will be a presentation held today at 8:30am accessible by phone on 0203 936 2999, access code: 247263 and at https://www.netroadshow.com/events/login/LE9zwo4Aq8L56SCsV3LTjUWoMpQIWQqdcQD The slides will also be available on the website at www.mbplc.com. The replay will then be available at https://www.mbplc.com/fy2025/analystspresentation.

All disclosed documents relating to these results are available on the Group's website at www.mbplc.com

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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, Ego Restaurants and Pesto. 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.

CURRENT TRADING AND OUTLOOK

We traded strongly throughout the year with like-for-like sales[a] growth of 4.3% built on strong performances across the brand portfolio. We remained ahead of the market[b] in each segment reported by the CGA Business Tracker, supported by broadly flat volumes across the period. Combined with disciplined cost control, further Ignite efficiencies and strong returns from our capital programme, this delivered growth of 5.8% in adjusted operating profit[a] to £330m (FY 2024 £312m) despite well publicised cost pressures.

Over the most recent 8 weeks like-for-like sales[a] have strengthened from the final quarter of FY 2024, growing by 3.8% despite uncertainty ahead of the Chancellor's Autumn Budget. Looking forward, Lumina Intelligence forecasts the UK eating out market to grow by 2.4% in 2026 (UK Eating Out Market Report, 2025), against which we expect to maintain our outperformance.

During FY 2026 we anticipate cost headwinds of c.£130m, representing slightly less than 6% of our cost base before mitigation, driven by annualisation of labour cost increases, plus further increases in the statutory thresholds, and increased levels of food cost inflation. This includes our preliminary assessment of the impact of the Chancellor's recent Autumn Budget, pending clarification of further detail. We believe that our strong market position, together with the success of our Ignite improvement programme, should enable us to continue to outperform the sector and leave us well positioned to mitigate these increases.

We remain focused on strengthening our balance sheet, which will enhance the resilience of the group and deliver further value to shareholders, principally through a transfer to equity. The Board do not feel that it will be efficient, particularly with regard to break costs and new debt issue costs, to consider a reset of the capital allocation strategy of the Group within the near term. Over time, and as the securitisation matures, the Board will however continue to monitor the position and shareholder returns will be considered alongside investment opportunities.

BUSINESS REVIEW

Total sales across the period were £2,711m reflecting 3.9% growth on FY 2024. Like-for-like sales[a] increased by 4.3% with strong performances through the brand portfolio. Adjusted operating profit[a] of £330m was 5.8% growth on last year (FY 2024 £312m) and a 0.2ppt increase in adjusted operating margin to 12.2% (FY 2024 12.0%).

We made a good start to the year with like-for-like sales[a] growth of 4.0% over the first seven weeks. Performance over the important three-week festive period was particularly strong with like-for-like sales[a] growth of 10.4%. Across the first quarter as a whole, like-for-like sales[a] remained well ahead of the market[a], growing by 3.9% despite the notable adverse, albeit temporary, impact of very cold and stormy weather over the last couple of weeks.

Sales remained resilient through the second quarter aided by good weather in late March, and with a particularly strong performance on Mother's Day. Across the quarter, we recorded like-for-like sales[a] growth of 4.7%.

Third quarter growth remained strong and benefitted from the movement of Easter into the second half, with like-for-like sales[a] growth of 5.0%.

Fourth quarter like-for-like sales[a] growth of 3.2% reflected robust performances in mid-market pub and pub restaurants balanced against slightly weaker sales in London within the M25 and in more premium businesses.

We have continued to consistently outperform the market[b], as represented by the CGA Business Tracker, by c.3% over the financial year. Across the market segments reported on by CGA Business Tracker, Pubs and Pub Restaurants have seen the highest sales growth across the year, benefitting from periods of warmer weather. The Restaurant segment has delivered broadly flat sales, which we have consistently outperformed. Bars have reported sales decline, with the late-night market being particularly challenged. This is the segment that we have least exposure to, but again we have outperformed significantly, with our offers appealing across a range of occasions with less exposure to late-night trade.

Cost inflation headwinds over the financial year were in line with guidance at £100m, driven primarily by increased labour costs (including increased national insurance contributions which impacted the second half) and against a backdrop of stabilisation of overall energy costs. Strong and resilient sales growth, combined with effective delivery of our Ignite and capital programmes, have driven an increase in both profitability and margins.

The macro pressures impacting the sector have resulted in a decline in the number of licensed outlets of 0.5% in the year to June 2025, after a period of relative stability during 2024. Leased businesses were most affected, with net closures of 3.3%. Independents reported a net reduction of 0.1% with net closures in food-led outlets offsetting growth in drink-led outlets. Managed operators marginally increased outlet numbers by 0.7% despite a reduction in food-led outlets. The reduction of outlet numbers suggests that operators in certain segments of the market are no longer able to withstand the cost pressures impacting the sector.

OUR STRATEGIC PRIORITIES

Our strategy, based on three key pillars, has provided the foundation for our ongoing performance. We focus on maximising the value generated from our 83% freehold and long leasehold estate, utilising the diversity of our brand portfolio to grow market share with appeal across a broad range of consumer occasions, demographics and locations. Our range of offers is a particular strength during times of uncertainty, with familiar brands to suit a wide range of occasions, providing guests with the opportunity to adapt their drinking and eating out choices to meet their needs.

Our Ignite improvement programme of work remains a key focus for the business. The programme enables our organisation to be agile in response to the evolving external environment, facilitating change whilst maximising the power of our scale. We have around 40 initiatives underway across a range of areas, all focused on driving sales and delivering cost efficiencies. Sales focused initiatives deliver enhanced guest experiences in a variety of ways and continue to reap rewards, reflected in sustained like-for-like sales[a] growth as well as continued market outperformance on guest review scores, which averaged 4.6 out of 5.0 over the financial year. During the year we have expanded our guest feedback surveys to include reviews of dishes, enabling us to use additional data driven insights to evolve our menus to better satisfy guest needs.

Enhancing productivity and efficiency to help mitigate inflationary costs remains an important focus. We have a number of initiatives in place designed to improve efficiency, including optimisation of our labour scheduling system which assists General Managers in achieving an effective balance of team to maximise sales across day parts, as well as our auto-ordering system which helps to reduce instances of stock outs and to minimise waste.

A number of initiatives deliver commercial savings whilst also contributing to our sustainability objectives. We have continued the roll out of remote control in-site energy systems which have delivered energy consumption savings across our estate. Remote control of heating, for example, provides a significant opportunity to reduce consumption whilst also relieving our managers of one of their many daily tasks, allowing them to focus on guests. In addition, during the year we realised an opportunity in packaging, following a market transition to exchange glass bottles for cans in certain soft drinks, delivering cost savings and environmental benefits through lower emission packaging.

Our capital programme continues to deliver significant value through improving the competitive position of our pubs and restaurants within their local markets. We are committed to prioritising investment in our estate and this year we expanded the programme, investing £181m and completing 216 investment projects comprising 199 remodels, 13 conversions and 4 acquisitions. We are generating very strong returns, currently c.35% on remodels, justifying an increasing allocation of capital to this area as we look to re-establish an average 7-year investment cycle.

PEOPLE

Our people bring our brands to life and are critical in the success of the business. We are delighted that engagement scores have continued to improve over the period and believe this is representative of the commitment of our teams to deliver the change needed to navigate the challenging operating environment and ultimately to drive the future success of the business. Pleasingly, employee turnover has also continued to improve reaching record levels of 55% (FY 2024 64%) supported by improved internal succession rates, reflecting the strength of our training and progression opportunities. For a number of years, we have been able to evidence the strong correlation between employee engagement scores, guest satisfaction and sales performance and this has proven to be the case once again over the course of FY 2025.

Our sustained progress across key people metrics, despite a persistently challenging recruitment environment, underscores the effectiveness of our talent strategy - successfully attracting high-calibre individuals, enhancing capability through structured development programmes, and supporting long-term retention via clear and compelling career progression pathways.

SUSTAINABILITY

We are committed to reducing the environmental impact of our business and are pleased with the progress we have made against our challenging targets. We have committed to:

- Net Zero emissions by 2040, including scope 1, 2 and 3

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  Progress: We have reduced our total footprint by 16% from our 2019 baseline year, comprising a reduction in scope 1 and 2 emissions of 22% driven by energy consumption reduction and reduced reliance on gas as an energy source, and scope 3 reduction of 15% reflecting progress made in partnership with our suppliers to reduce the impact of our supply chain.

- Zero operational waste to landfill by 2030
  Progress: We now divert 99% of waste from landfill and are confident of achieving our target ahead of 2030. In addition, we have increased recycling rates to 60% with enhanced segregation and a focus on engagement and behaviour change in sites.

- 50% reduction in food waste by 2030
  Progress: To date we have successfully reduced our food waste by 23% from our 2019 baseline, with progress both in sites and in the supply chain. We are focused on operational practices to reduce waste and have effective partnerships in place with Fareshare and Too Good To Go to redistribute unavoidable surplus food.

We remain focused on working towards our sustainability goals, with numerous initiatives underway to support these ambitions and we were delighted to again receive the award for the Most Sustainable Pub Company at this year's Publican Awards. We have continued to invest in sustainability capital, we now have 244 sites with solar panels, and significant further opportunity to grow our production of renewable energy. We have made good progress in the electrification of sites to reduce our reliance on gas as an energy source, having removed gas fully from 24 sites (FY 2024 5 sites) and electrified 100 kitchens (FY 2024 60). In addition, we are investing in technology which allows us to remotely control high energy consumption equipment across the estate, opening up the opportunity for energy consumption savings without requiring intervention from our teams.

Our teams are vital to the delivery of progress. We provide support for these types of initiatives through our dedicated network of sustainability ambassadors, as well as centrally developed online training. We know that our people are passionate about improving the environmental impact of our business and are pleased to deliver continued progress in this area further enhancing our employer proposition.

FINANCIAL REVIEW

On a statutory basis, profit before tax for the financial year was £238m (FY 2024 £199m), on sales of £2,711m (FY 2024 £2,610m).

The Group Income Statement discloses adjusted profit and earnings per share information that excludes separately disclosed items, determined by virtue of their size or nature, to allow a more effective comparison of the Group's trading performance from one period to the next.

	Statutory		**Adjusted[a]**	
	FY 2025 £m	**FY 2024 £m**	**FY 2025 £m**	**FY 2024 £m**
Revenue	2,711	2,610	2,711	2,610
Operating profit	322	300	330	312
Profit before tax	238	199	246	211
Earnings per share	29.7p	25.0p	30.9p	26.4p
Operating margin	11.9%	11.5%	12.2%	12.0%

At the end of the period, the total estate comprised 1,718 sites in the UK and Germany of which 1,631 are directly managed.

Revenue

Total revenue of £2,711m (FY 2024 £2,610m) reflects a strong period of trading driven by sustained like-for-like sales[a] growth.

Like-for-like sales[a] in the first half increased by 4.3%, comprising an increase in like-for-like food sales[a] of 3.8% and of like-for-like drink sales[a] of 4.3% driven by strengthening spend per head. Over the second half like-for-like sales[a] grew by 4.2% and remained consistently ahead of the market[b]. Volumes of both food and drink were broadly flat across the year. Other trading revenue lines (primarily from accommodation and machines) grew at a slightly greater rate than food and drink in the year.

The current underlying rate of growth of like-for-like sales[a], as measured over the first 8 weeks of the new financial period, is 3.8%.

Like-for-like sales[a]:

	Weeks 1-15 Q1	**Weeks 16-28 Q2**	**Weeks 29-42 Q3**	**Weeks 43-52 Q4**	**Weeks 1-52 YTD**
Food	4.0%	3.6%	4.9%	3.4%	**4.0%**
Drink	3.6%	5.1%	4.8%	2.3%	**4.0%**
Total	**3.9%**	**4.7%**	**5.0%**	**3.2%**	**4.3%**

Total sales grew by 3.9% against last financial year.

Separately disclosed items

Separately disclosed items are identified due to their nature or materiality to help the reader form a view of overall and adjusted trading.

Revaluation and impairment assessment has resulted in a £94m increase in the value of property, plant and equipment (as set out in Note 6 to the consolidated financial statements). Within this a net £6m increase is separately disclosed in the income statement comprising an £11m increase arising from the revaluation of freehold and long leasehold sites, less a £5m impairment of short leasehold and unlicensed properties. Further impairment of £9m is separately disclosed relating to right-of-use assets and goodwill.

Other separately disclosed items include £3m charge in relation to the amendment of past service costs of defined benefit obligations, an increase of £3m (on remeasurement) of the contingent consideration relating to the acquisition of Pesto and net profit arising on property disposals of £1m. Refer to Note 3 to the consolidated financial statements for comparative information.

Operating profit and margins[a]

Adjusted operating profit[a] was £330m (FY 2024 £312m), an increase of 5.8% on a 52-week basis. Adjusted operating margin of 12.2% was 0.2ppts higher than last year with strong like-for-like sales[a] growth and operating efficiencies offsetting cost headwinds. Statutory operating profit was £322m (FY 2024 £300m) with statutory operating profit margin of 11.9% (FY 2024 11.5%).

The aggregate cost headwind for the financial year of £100m represented c.5% of our cost base of c. £2.0 billion, driven primarily by labour costs including increases to the statutory National Living Wage and a second half increase in employer national insurance contributions. Looking forward to FY 2026, we anticipate an increase in the level of cost inflation, to c.£130m, representing slightly less than 6% of our cost base before mitigation. The increase is driven by the annualisation of labour cost increases, plus further increases in statutory thresholds and high increases in food costs, notably meat. This includes our preliminary assessment of the impact of the Chancellor's recent Autumn Budget, pending clarification of further detail.

Interest

Interest

Net finance costs of £91m (FY 2024 £99m) for the financial year were £8m lower than the same period last year. The net pensions finance credit of £7m reflects the recognition of the net surplus funding position (FY 2024 charge of £2m).

Earnings per share

Basic earnings per share, after the separately disclosed items described above, were 29.7p (FY 2024 earnings 25.0p), with adjusted earnings per share[a] of 30.9p (FY 2024 26.4p).

The basic weighted average number of shares in the period was 595m and the total number of shares issued at the balance sheet date was 599m.

Cash flow

	FY 2025 £m	FY 2024 £m
EBITDA before movements in the valuation of the property portfolio	460	444
Non-cash share-based payment and pension costs and other	15	10
Utilisation of pension surplus for DC contributions	9	-
Operating cash flow before movements in working capital and additional pension contributions	**484**	**454**
Working capital movement	(15)	15
Pension escrow return	12	35
Pension payments	(1)	(1)
Cash flow from operations	**480**	**503**
Capital expenditure	(181)	(154)
Acquisition of Pesto Restaurants Limited	-	(2)
Net finance lease principal payments	(39)	(40)
Interest on lease liabilities	(14)	(17)
Net interest paid	(73)	(82)
Tax	(24)	(18)
Purchase of own shares	(5)	(7)
Other	2	2
Net cash flow before bond amortisation	**146**	**185**
Mandatory bond amortisation	(130)	(123)
Net cash flow	16	62

EBITDA, before movements in the valuation of the property portfolio, increased largely as a result of the improved trading performance to £460m. Net cash inflow for the period before bond amortisation of £146m (FY 2024 £185m) benefitted from a final pension escrow return of £12m in addition to £9m utilisation of pension surplus towards ongoing DC contributions plus a further £3m utilisation against death in service benefits and AVCs in respect of prior year bonus payments. Working capital flows reversed to an outflow of £15m, on timing differences, and capital expenditure increased to £181m with acceleration of the investment programme based on strong returns.

After all outgoings, including mandatory bond amortisation of £130m (including the net impact of currency swaps), cash inflow was £16m (FY 2024 £62m).

Capital expenditure

Capital expenditure of £181m (FY 2024 £154m, including £2m intangible assets) comprises £169m from the purchase of property, plant and equipment and £12m in relation to the purchase of intangible assets.

	FY 2025		FY 2024	
	£m	**#**	**£m**	**#**
Maintenance and infrastructure	**65**		**58**	

Remodels - refurbishment	91	193	69	170
Remodels - expansionary	2	6	2	8
Conversions	14	13	10	11
Acquisitions - freehold	5	2	12	4
Acquisitions - leasehold	4	2	3	2
Total return generating capital expenditure	**116**	**216**	**96**	**195**
Total capital expenditure	**181**		**154**	

Maintenance and infrastructure spend included investment of £10m towards our sustainability ambitions, such as solar panels and remote equipment control technology. Digital and technology investment increased to £16m (FY 2024 £6m) due to upgrade and replacement of in-house devices and network and hosting equipment.

During the period we have made good progress on increasing the number of completed investment projects, and we remain committed to resumption of an average seven-year refurbishment cycle across our estate, justified by the strong returns we are generating in this area of c.35% on remodels. To that end we expect capital expenditure to increase further in FY 2026, to c.£210m, with additional potential for new site acquisitions.

Pensions

In the prior period the Trustees of the Mitchells & Butlers Executive Pension Plan (MABEPP) completed a full scheme buy-out of the liabilities of the plan. Subsequent to that, and in the current period, the scheme has been wound up with all escrow monies repaid and a surplus cash balance of £3m transferring to the Mitchells & Butlers Pension Plan (MABPP).

The Trustees of MABPP have resolved that any surplus arising in that plan can be used to pay for the employer contributions to the defined contribution section of MABPP. During the period, the MABPP surplus has funded the settlement of £12m of the Company's employer contributions, AVC's in respect of prior year bonus payments and death in service benefits.

One further scheme remains. This is closed and unfunded and has estimated liabilities of £22m, before tax.

Net debt and facilities

Net debt[a] at the period end reduced to £1,277m, comprised of £843m non-lease liabilities and lease liabilities of £434m (FY 2024 £1,436m comprised of £989m non-lease liabilities and lease liabilities of £447m). This represents a multiple of 2.7 times EBITDA over the last year including lease liabilities (1.8 times excluding these liabilities).

Further details of existing debt arrangements and an analysis of net debt can be found in Note 9 to the consolidated financial statements and at https://www.mbplc.com/infocentre/debtinformation/.

Going Concern

After considering forecasts, sensitivities and mitigating actions available to management and having regard to risks and uncertainties, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate within its borrowing facilities and covenants for a period of at least 12 months from the date of signing the financial statements. Accordingly, the financial statements have been prepared on the going concern basis. Full details are included in Note 1 to the consolidated financial statements.

Director's responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This responsibility statement was approved by the Board of Directors on 27 November 2025 and is signed on its behalf by:

Tim Jones
Chief Financial Officer
27 November 2025

Definitions

a - The Directors use a number of alternative performance measures (APMs) that are considered critical to aid the understanding of the Group's performance. Key measures are explained later in this announcement.

b - As measured by the CGA Business Tracker.

Group income statement
For the 52 weeks ended 27 September 2025

		2025 52 weeks			2024 52 weeks		
	Notes	Before separately disclosed items £m	Separately disclosed items[a] £m	Total £m	Before separately disclosed items £m	Separately disclosed items[a] £m	Total £m
Revenue	2	2,711	-	2,711	2,610	-	2,610
Operating costs before depreciation, amortisation and movements in the valuation of the property portfolio		(2,246)	(6)	(2,252)	(2,168)	-	(2,168)
Net profit arising on property disposals	3	-	1	1	-	2	2
EBITDA[b] before movements in the valuation of the property portfolio		465	(5)	460	442	2	444
Depreciation, amortisation and movements in the valuation of the property portfolio	3	(135)	(3)	(138)	(130)	(14)	(144)
Operating profit/(loss)		330	(8)	322	312	(12)	300
Finance costs	10	(100)	-	(100)	(109)	-	(109)
Finance income	10	9	-	9	10	-	10

Net pensions finance income/(charge)	10, 11	7	-	7	(2)	-	(2)
Profit/(loss) before tax		246	(8)	238	211	(12)	199
Tax (charge)/credit	4	(62)	1	(61)	(54)	4	(50)
Profit/(loss) for the period		184	(7)	177	157	(8)	149
Earnings per ordinary share							
Basic	5	30.9p		29.7p	26.4p		25.0p
Diluted	5	30.6p		29.5p	26.2p		24.8p

a. Separately disclosed items are explained and analysed in note 3.
b. Earnings before interest, tax, depreciation, amortisation and movements in the valuation of the property portfolio. The Directors use a number of alternative performance measures (APMs) that are considered critical to aid the understanding of the Group's performance. Key measures are explained later in this announcement.

All results relate to continuing operations.

Group statement of comprehensive income
For the 52 weeks ended 27 September 2025

	Notes	2025 52 weeks £m	2024 52 weeks £m
Profit for the period		177	149
Items that will not be reclassified subsequently to profit or loss:			
Unrealised gain on revaluation of the property portfolio	6	88	254
Remeasurement of pension liability	11	(18)	166
Tax relating to items not reclassified	4	(13)	(116)
		57	304
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges:			
- Gain/(losses) arising during the period		10	(34)
- Reclassification adjustments for items included in profit or loss		5	11
Tax relating to items that may be reclassified	4	(4)	6
		11	(17)
Other comprehensive income after tax		68	287
Total comprehensive income for the period		245	436

Group balance sheet

27 September 2025	Notes	2025 £m	2024 £m
Assets			
Goodwill and other intangible assets		28	20
Property, plant and equipment	6, 8	4,591	4,419
Right-of-use assets	7, 8	291	307
Finance lease receivables		10	11
Pension surplus	11	132	164
Deferred tax asset		2	3
Derivative financial instruments		15	19
Total non-current assets		5,069	4,943
Inventories		26	27
Trade and other receivables		79	98
Current tax asset		2	-
Finance lease receivables		1	1

Finance lease receivables		1	1
Cash and cash equivalents	9	216	176
Total current assets		324	302
Total assets		5,393	5,245
Liabilities			
Pension liabilities	11	(1)	(1)
Trade and other payables		(473)	(482)
Current tax liabilities		-	(1)
Borrowings	9	(174)	(143)
Lease liabilities	7	(42)	(33)
Derivative financial instruments		(4)	(2)
Total current liabilities		(694)	(662)
Pension liabilities	11	(21)	(24)
Other payables	13	-	(8)
Borrowings	9	(900)	(1,041)
Lease liabilities	7	(392)	(414)
Derivative financial instruments		(11)	(27)
Deferred tax liabilities		(546)	(491)
Provisions		(13)	(12)
Total non-current liabilities		(1,883)	(2,017)
Total liabilities		(2,577)	(2,679)
Net assets		2,816	2,566
Equity			
Called up share capital	12	51	51
Share premium account	12	358	357
Capital redemption reserve		3	3
Revaluation reserve		1,209	1,143
Own shares held		(10)	(9)
Hedging reserve		(10)	(21)
Translation reserve		14	14
Retained earnings		1,201	1,028
Total equity		2,816	2,566

Group statement of changes in equity
For the 52 weeks ended 27 September 2025

	Called up share capital £m	Share premium account £m	Capital redemption reserve £m	Revaluation reserve £m	Own shares held £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity £m
At 30 September 2023	51	357	3	951	(5)	(4)	14	763	2,130
Profit for the period	-	-	-	-	-	-	-	149	149
Other comprehensive income/(expense)	-	-	-	192	-	(17)	-	112	287
Total comprehensive income)/(expense)	-	-	-	192	-	(17)	-	261	436
Purchase of shares	-	-	-	-	(7)	-	-	-	(7)
Release of shares	-	-	-	-	3	-	-	(3)	-
Credit in respect of share-based payments	-	-	-	-	-	-	-	6	6
Tax on share based payments	-	-	-	-	-	-	-	1	1
At 28 September 2024	51	357	3	1,143	(9)	(21)	14	1,028	2,566
Profit for the period	-	-	-	-	-	-	-	177	177
Other comprehensive income/(expense)	-	-	-	66	-	11	-	(9)	68
Total comprehensive income	-	-	-	66	-	11	-	168	245
Share capital issued	-	1	-	-	-	-	-	-	1
Purchase of shares	-	-	-	-	(5)	-	-	-	(5)
Release of shares	-	-	-	-	4	-	-	(4)	-
Credit in respect of share-based payments	-	-	-	-	-	-	-	9	9

At 27 September 2025	51	358	3	1,209	(10)	(10)	14	1,201	2,816

Group cash flow statement
For the 52 weeks ended 27 September 2025

	Notes	2025 52 weeks £m	2024 52 weeks £m
Cash flow from operations			
Operating profit		322	300
Add back/(deduct):			
Movement in the valuation of the property portfolio	3	3	14
Net profit arising on property disposals	3	(1)	(2)
Depreciation of property, plant and equipment	6	96	92
Amortisation of intangibles		3	4
Depreciation of right-of-use assets	7	36	34
Cost charged in respect of share-based payments		9	7
Administrative pension costs	11	4	5
Amendment of past service cost in relation to the defined benefit obligation	11	3	-
Utilisation of pension surplus for DC contributions	11	9	-
Operating cash flow before movements in working capital and additional pension contributions		484	454
Decrease/(increase) in inventories		1	(1)
Decrease in trade and other receivables		16	44
(Decrease)/increase in trade and other payables		(17)	8
Decrease in provisions		(3)	(1)
Pension contributions	11	(1)	(1)
Cash flow from operations		480	503
Interest payments[a]		(82)	(96)
Interest (payments)/receipts on interest rate swaps[a]		(1)	3
Interest receipts on cross currency swap[a]		4	7
Interest payments on cross currency swap[a]		(3)	(5)
Other interest paid - lease liabilities	9	(14)	(17)
Borrowing facility fees paid		(1)	-
Interest received		9	9
Tax paid		(24)	(18)
Net cash from operating activities		368	386
Investing activities			
Acquisition of Pesto Restaurants Limited		-	(2)
Purchases of property, plant and equipment		(169)	(152)
Purchases of intangible assets		(12)	(2)
Proceeds from sale of property, plant and equipment		1	1
Finance lease principal repayments received		1	1
Net cash used in investing activities		(179)	(154)
Financing activities			
Issue of ordinary share capital		1	-
Purchase of own shares		(5)	(7)
Repayment of principal in respect of securitised debt[b]	9	(134)	(128)
Principal receipts on currency swap[b]	9	21	21
Principal payments on currency swap[b]	9	(17)	(16)
Cash payments for the principal portion of lease liabilities	9	(39)	(41)
Repayment of other borrowings		-	(1)
Short-term financing of employee advances		-	2
Net cash used in financing activities		(173)	(170)
Net increase in cash and cash equivalents		16	62
Cash and cash equivalents at the beginning of the period	9	164	103
Foreign exchange movements		1	(1)
Cash and cash equivalents at the end of the period	9	181	164

a. Interest paid is split to show gross payments on the interest rate and cross currency swaps.
b. Principal repayments on securitised debt are split to show repayments relating to the cross currency swap.

Notes to the consolidated financial statements

1. Preparation of preliminary consolidated financial statements

General information

Mitchells & Butlers plc, along with its subsidiaries, (together 'the Group') is required to prepare its consolidated financial statements in accordance with UK-adopted International Financial Reporting Standards (IFRSs) as and in accordance with the Companies Act 2006. While the financial information included in this release is based on the Group's consolidated financial statements and has been prepared in accordance with the recognition and measurement criteria of UK-adopted International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs.

The preliminary financial statements include the results of Mitchells & Butlers plc and all its subsidiaries for the 52 week period ended 27 September 2025. The comparative period is for the 52 week period ended 28 September 2024. The respective balance sheets have been drawn up as at 27 September 2025 and 28 September 2024.

The consolidated financial statements have been prepared on the historical cost basis as modified by the revaluation of freehold and long leasehold properties, pension obligations and financial instruments.

The Group's accounting policies have been applied consistently.

Going concern

The Directors have adopted the going concern basis in preparing these financial statements after assessing the impact of identified principal risks and their possible adverse impact on financial performance, specifically revenue and cash flows throughout the going concern period, being 12 months from the date of signing of these financial statements.

The Group's primary source of borrowings is through nine tranches of fully amortising loan notes with a gross debt value of a little over £1bn as at the end of the year. These are secured against the majority of the Group's property and future income streams. The principal repayment period varies by class of note with maturity dates ranging from 2028 to 2036. Within this financing structure there are two main covenants: the level of net worth (being the net asset value of the securitisation group), and FCF to DSCR. As at 27 September 2025 there was substantial headroom on the net worth covenant. FCF to DSCR represents the multiple of Free cash Flow (being EBITDA less tax and required capital maintenance expenditure) generated by sites within the structure to the cost of debt service (being the repayment of principal, net interest charges and associated fees). This is tested quarterly on both a trailing two quarter and four quarter basis.

The Group also has a committed unsecured credit facility of £150m, with a negative pledge in favour of participating banks and an expiry date in July 2028. At the balance sheet date there were no drawings under this facility. This facility has two main financial covenants, based on the performance of the unsecured estate: the ratio of EBITDAR to rent plus interest (at a minimum of 1.25 times) and Net debt to EBITDA (to be no more than 3.0 times), both tested on a half-yearly basis (for the prior four quarters).

In the year ahead the main uncertainties facing the Group are considered to be the maintenance of sales growth in the face of pressure on consumer spending power, and the rate of cost inflation. The outlook for these remains uncertain, depending on a number of factors including consumer confidence, global macroeconomic and political developments, supply chain disruptions and Government policies.

The Directors have reviewed the financing arrangements against a base case forward trading forecast. This forecast assumes continued mid single digit growth in sales across the year. Cost inflation is assumed to increase to a slightly higher level than the previous financial year driven primarily by increased food input costs (notably red meat) and labour costs (which include annualisation of increased levels of employers national insurance contributions from April 2025). As a result an overall net increase of approximately 6% across the cost base of the business of approximately £2.2bn is expected. Under this base case the Group is able to stay within securitisation and committed facility financial covenants and maintains sufficient liquidity.

1. Preparation of preliminary consolidated financial statements

Going concern (continued)

The Directors have also considered a severe but plausible downside scenario covering adverse movements against the base forward forecast in both sales and cost inflation, but no major disruption to supply chain or systems. Some mitigation activity is taken including lower capital expenditure on site remodel activity and a flex down of labour and site costs in line with reduced sales. In this scenario sales are assumed to remain marginally in growth, but at 2.5% below the base case forecast. Unmitigated cost inflation is also higher in the areas of food, labour, duty and energy. In this downside scenario the Group is again able to stay within securitisation and committed facility financial covenants, whilst maintaining sufficient liquidity.

Furthermore, the Directors have considered a reverse stress test analysis, to review the headroom below which trading could fall beyond the downside scenario before the earlier of financial covenants becoming breached, or available liquidity becoming insufficient. This analysis indicates that on consistent cost assumptions, sales would be able to fall by approximately 4% beyond the downside case throughout the assessment period before financial covenants were breached, when tested at Q4 FY 2026 being the last full testing period within the 12 month going concern assessment period. In this scenario the Group would still have sufficient available liquidity.

After due consideration of these factors, the Directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

Foreign currencies

The results of overseas operations have been translated into sterling at the weighted average euro rate of exchange for the period of £1 = €1.17 (2024 £1 = €1.15), where this is a reasonable approximation to the rate at the dates of the transactions. Euro and US dollar denominated assets and liabilities have been translated at the relevant rate of exchange at the balance sheet date of £1 = €1.14 (2024 £1 = €1.20) and £1 = 1.34 (2024 £1 = 1.34) respectively.

New and amended IFRS Standards that are effective for the current period

The International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) have issued the following standards and interpretations which have been adopted by the Group in these consolidated financial statements for the first time with no material impact.

Accounting standard	Effective date
Amendments to IFRS 16 Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to IAS 1 Presentation of Financial Statements (Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants)	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments (Disclosures - Supplier Finance Arrangements)	1 January 2024

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, income and expense.

Estimates and judgements are periodically evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgements and estimates for the period remain largely unchanged from the prior period.

1. Preparation of preliminary consolidated financial statements (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Significant accounting estimates:

The significant accounting estimate with a significant risk of a material change to the carrying value of assets and liabilities within the next year in terms of IAS 1 Presentation of Financial Statements, is:

- Fair value of freehold and long leasehold properties - see note 6

Other areas of judgement are described in each section listed below:

- Determination of items that are separately disclosed - see note 3
- Impairment review of short leasehold properties and right-of-use assets - see note 8
- Recognition of pension surplus - see note 11

Other sources of estimation uncertainty are described in:

- Impairment review of short leasehold properties and right-of-use assets - see note 8

2. Segmental analysis

Operating segments
IFRS 8 Operating Segments requires operating segments to be based on the Group's internal reporting to its Chief Operating Decision Maker (CODM). The CODM is regarded as the Chief Executive together with other Board members. The Group trades in one business segment (that of operating pubs and restaurants) and the Group's brands meet the aggregation criteria set out in Paragraph 12 of IFRS 8. Economic indicators assessed in determining that the aggregated operating segments share similar economic characteristics include: expected future financial performance; operating and competitive risks; and return on invested capital. As such, the Group reports the business as one reportable business segment.

The CODM uses EBITDA and operating profit before interest and separately disclosed items as the key measures of the Group's results on an aggregated basis.

Geographical segments
Substantially all of the Group's business is conducted in the United Kingdom. In presenting information by geographical segment, segment revenue and non-current assets are based on the geographical location of customers and assets.

Geographical segments

	UK		Germany		Total	
	2025 52 weeks £m	2024 52 weeks £m	2025 52 weeks £m	2024 52 weeks £m	2025 52 weeks £m	2024 52 weeks £m
Revenue - sales to third parties	2,598	2,493	113	117	2,711	2,610
Segment non-current assets[a]	4,868	4,706	56	51	4,924	4,757

a. Includes balances relating to intangibles, property, plant and equipment, right-of-use assets and finance lease receivables.

3. Separately disclosed items

The items identified in the current period are as follows:

	Notes	2025 52 weeks £m	2024 52 weeks £m
Separately disclosed items			
Remeasurement of contingent consideration	a	(3)	-
Amendment of past service cost in relation to the defined benefit obligation	b	(3)	-
Total separately disclosed items recognised within operating costs		(6)	-
Net profit arising on property disposals		1	2
Movement in the valuation of the property portfolio:			
- Impairment reversal arising from the revaluation of freehold and long leasehold properties	c	11	4
- Net impairment of short leasehold and unlicensed properties	d	(5)	-
- Net impairment of right-of-use assets	e	(8)	(17)

- Net impairment of right-of-use assets	e	[illegible]	[illegible]
- Net impairment of computer software	f	-	(1)
- Net impairment of goodwill	g	(1)	-
Net movement in the valuation of the property portfolio		(3)	(14)
Total separately disclosed items before tax		(8)	(12)
Tax credit relating to above items		1	4
Total separately disclosed items after tax		(7)	(8)

a. Loss on remeasurement of the contingent consideration relating to the acquisition of Pesto Restaurants Limited.

b. In FY 2018 the High Court ruled that pensions provided to members who had contracted-out of their scheme must be recalculated to ensure payments reflect the equalisation of state pension ages in the 1990s. An initial estimate for this liability of £19m was charged in FY 2019, and disclosed separately. Following the buy-in of the Mitchells & Butlers Main Pension Plan during the 53 weeks ending 30 September 2023 work is ongoing to fully quantify the liability, which is now anticipated to cost an additional £3m.

c. The impairment arising from the Group's revaluation of its freehold and long leasehold pub estate comprises an impairment credit as the result of a revaluation surplus that reverses past impairments net of an impairment charge, where the carrying values of the properties exceed their recoverable amount. See note 6 for further details.

d. Impairment of short leasehold and unlicensed properties where their carrying values exceed their recoverable amounts, net of reversals of past impairments. See note 8 for further details.

e. Impairment of right-of-use assets where their carrying values exceed their recoverable amounts, net of reversals of past impairments. See note 8 for further details.

f. Impairment of computer software where the carrying value exceeds the recoverable amount. See note 8 for further details.

g. Impairment of goodwill where the carrying value exceeds the recoverable amount. See note 8 for further details.

4. Taxation

Taxation - Group income statement

	2025 52 weeks £m	2024 52 weeks £m
Current tax:		
- Corporation tax	(22)	(16)
Total current tax charge	(22)	(16)
Deferred tax:		
- Origination and reversal of temporary differences	(40)	(33)
- Amounts over/(under)-provided in prior periods	1	(1)
Total deferred tax charge	(39)	(34)
Total tax charge in the Group income statement	(61)	(50)
Further analysed as tax relating to:		
Profit before separately disclosed items	(62)	(54)
Separately disclosed items	1	4
Total tax charge in the Group income statement	(61)	(50)

The standard rate of corporation tax applied to the reported profit is 25.0% (2024 25.0%).

The tax charge (2024 charge) in the Group income statement for the period is higher than (2024 in line with) the standard rate of corporation tax in the UK. The differences are reconciled below:

	2025	2024

	52 weeks £m	52 weeks £m
Profit before tax	238	199
Taxation charge at the UK standard rate of corporation tax of 25.0% (2024 25.0%)	(59)	(50)
Expenses not deductible	(4)	(3)
Permanent benefits	1	4
Adjustments in respect of prior periods	1	(1)
Total tax charge in the Group income statement	(61)	(50)

Taxation for other jurisdictions is calculated at the rates prevailing in those jurisdictions.

4. Taxation (continued)

	2025 52 weeks £m	2024 52 weeks £m
Deferred tax in the Group income statement:		
Accelerated capital allowances	(12)	(14)
Tax losses - UK	(22)	(15)
Tax losses - Interest restriction	(5)	(7)
Retirement benefit obligations	3	1
Share-based payments	-	1
Unrealised gains on revaluations	(3)	-
Depreciated non-qualifying assets	1	-
Right of use assets	(1)	-
Total deferred tax charge in the Group income statement	(39)	(34)

Taxation - other comprehensive income

	2025 52 weeks £m	2024 52 weeks £m
Deferred tax:		
Items that will not be reclassified subsequently to profit or loss:		
- Unrealised gains due to revaluations - revaluation reserve	(22)	(62)
- Unrealised gains due to revaluations - retained earnings	5	(12)
- Remeasurement of pension liability	4	(42)
	(13)	(116)
Items that may be reclassified subsequently to profit or loss:		
- Cash flow hedges	(4)	6
Total tax charge recognised in other comprehensive income	(17)	(110)

	2025 52 weeks £m	2024 52 weeks £m
Tax relating to items recognised directly in equity		
Deferred tax:		
- Tax credit related to share-based payments	-	1

Factors which may affect future tax charges

The Group is within the scope of the OECD Pillar Two (Global Minimum Tax) model rules. The legislation has been enacted in the UK and Germany, being the jurisdictions in which the Group operates. The rules are effective for the Group from the accounting period commencing 29 September 2024. The Group has assessed that no material top-up taxes will arise.

For the 52 week period ended 27 September 2025, the Group has applied the IAS 12 mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

5. Earnings/(loss) per share

Basic earnings per share (EPS) has been calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period, excluding own shares held by employee share trusts.

For diluted earnings per share, the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares.

Adjusted earnings per ordinary share amounts are presented before separately disclosed items (see note 3) in order to allow an understanding of the adjusted trading performance of the Group.

The profits used for the earnings per share calculations are as follows:

	2025 52 weeks £m	2024 52 weeks £m
Profit for the period	177	149
Separately disclosed items, net of tax	7	8
Adjusted profit for the period[a]	184	157

The number of shares used for the earnings per share calculations are as follows:

	2025 52 weeks million	2024 52 weeks million
Basic weighted average number of ordinary shares	595	595
Effect of dilutive potential ordinary shares:		
- Contingently issuable shares	5	5
- Other share options	1	-
Diluted weighted average number of shares	601	600

	2025 52 weeks pence	2024 52 weeks pence
Basic earnings per share		
Basic earnings per share	29.7p	25.0p
Separately disclosed items net of tax per share	1.2p	1.4p
Adjusted basic earnings per share[a]	30.9p	26.4p
Diluted earnings per share		
Diluted earnings per share	29.5p	24.8 p
Adjusted diluted earnings per share[a]	30.6p	26.2 p

a. Adjusted profit and adjusted EPS are alternative performance measures (APMs) and are considered critical to aid understanding of the Group's performance. These measures are explained later in this announcement.

At 27 September 2025, 2,949,881 (2024 1,486,595) other share options were outstanding that could potentially dilute basic EPS in the future but were not included in the calculation of diluted EPS as they are anti-dilutive for the periods presented.

6. Property, plant and equipment

Accounting policies

Property, plant and equipment
The majority of the Group's freehold and long leasehold licensed land and buildings, and the associated landlord's fixtures, fittings and equipment (i.e. fixed fittings) are revalued annually and are therefore held at fair value less depreciation. Tenant's fixtures and fittings (i.e. loose fixtures) within freehold and long leasehold properties, are held at cost less depreciation and impairment.

Short leasehold buildings (leases with an unexpired lease term of less than 50 years), unlicensed land and buildings and associated fixtures, fittings and equipment are held at cost less depreciation and impairment.

Revaluation
The revaluation, performed at 27 September 2025, is determined via annual third-party inspection of 20% of the sites with the aim that all sites are individually valued approximately every five years. The valuation utilises estimates of fair maintainable trade (FMT) and valuation multiples. The revaluation determined by the annual inspection was carried out in accordance with the RICS Valuation - Global Standards 2025 which incorporate the International Valuation Standards and the RICS Valuation - Professional Standards UK (the 'Red Book') assuming each asset is sold as a fully operational trading entity.

Properties are valued as fully operational entities, to include fixtures and fittings but excluding stock, tenant's fixtures and fittings and personal goodwill.

The 80% of the freehold and long leasehold estate which is not subject to a third-party valuation in the period is instead revalued internally by management. The Group's external valuer provides advice to management in relation to their internal valuation. This valuation is performed using estimates of FMT, together with the same valuation multiples as those applied by the external valuer. Sites impacted by expansionary capital investment in the preceding twelve months are reviewed for impairment only, based on estimated annualised post investment FMT against the carrying value of the asset. Where the value of land and buildings derived purely from a multiple applied to the FMT misrepresents the underlying asset value, a spot valuation is applied.

Surpluses which arise from the revaluation exercise are included within other comprehensive income (in the revaluation reserve) unless they are reversing a revaluation deficit which has been recognised in the income statement previously; in which case an amount equal to a maximum of that recognised in the income statement previously is recognised in the income statement. Where the revaluation exercise gives rise to a deficit, this is reflected directly within the income statement, unless it is reversing a previous revaluation surplus against the same asset; in which case an amount equal to the maximum of the revaluation surplus is recognised within other comprehensive income (in the revaluation reserve).

Impairment
Short leaseholds, unlicensed properties and fixtures and fittings are reviewed on an outlet basis for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Further details of the impairment policy are provided in the impairment note 8.

6. Property, plant and equipment (continued)

Property, plant and equipment can be analysed as follows:

	2025 £m	2024 £m
At beginning of period	4,419	4,086
Acquired through business combinations	-	7
Additions	177	163
Disposals	(4)	(2)
Net increase from property revaluation	99	258
Net impairment of short leasehold properties	(5)	-
Depreciation provided during the period	(96)	(92)
Exchange differences	1	(1)
At end of period	4,591	4,419

Revaluation and impairment recognised

Current period valuations have been incorporated into the consolidated financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve or Group income statement as appropriate.

The impact of the revaluations/impairments described above is as follows:

	2025 52 weeks £m	2024 52 weeks £m
Group income statement		
Revaluation deficit charged as an impairment	(63)	(120)
Reversal of past revaluation deficits	74	124
Total impairment reversal arising from the revaluation	11	4
Impairment of short leasehold and unlicensed properties (note 8)	(7)	(7)
Reversal of past impairments of short leasehold and unlicensed properties (note 8)	2	7
Net impairment of short leaseholds and unlicensed properties	(5)	-
Total impairment reversal recognised in the income statement	6	4
Group statement of other comprehensive income		
Unrealised revaluation surplus	165	356
Reversal of past revaluation surplus	(77)	(102)
Total movement recognised in other comprehensive income	88	254
Net increase in property, plant and equipment	94	258

6. Property, plant and equipment (continued)

Accounting judgements

Revaluation of freehold and long leasehold properties
The revaluation methodology is determined, with advice from CBRE, independent chartered surveyors, and incorporates management judgement where appropriate. The application of a valuation multiple to the FMT of each site is considered the most appropriate method for the Group to determine the fair value of freehold and long leasehold licensed land and buildings.

In the current and prior period, judgement has been applied to establish the basis of FMT that a willing third-party buyer would assume. The estimation of FMT is derived from the individual profit and loss accounts of pubs and restaurants and is inclusive of the centrally recorded trading margins earned by the Group but exclusive of certain head office costs. This represents the Group's best view of the value that would be attributed by other reasonably efficient operators. In both the current and prior periods FMT is estimated with reference to the reported site performance, with averages of the last two years performance taken in the current period.

Where sites have been impacted by expansionary capital investment in the preceding twelve months, the FMT has been determined by estimating annualised post-investment operating profit with reference to post-investment forecasts. See sensitivity analysis shown below regarding sites with investment in the current period.

For the purposes of the valuation, and in order to group together properties of a similar nature, groupings by brand are applied for which standard multiples have been established through third-party inspections of 20% of the freehold and long leasehold licensed property estate. Judgements are applied in assessing multiples on the basis of market evidence of transaction prices and nature of the overall offer within the local market, with specific consideration given to geographical location, ancillary revenue such as accommodation sales from bedrooms and lease terms for long leasehold sites.

Further judgement is required when a spot valuation is applied where the property value derived purely from a multiple applied to the FMT misrepresents the underlying asset value with consideration given to the level of trade and location characteristics.

Significant accounting estimates

Revaluation of freehold and long leasehold properties
The application of the valuation methodology requires two significant estimates; the estimation of valuation multiples, which are determined via third-party inspections; and an estimate of FMT.

In the prior period, inflation and costs stabilised, such that the Group's external valuer considered that the level of reported site profitability was representative of the FMT that a third-party, reasonably efficient operator would include in arriving at a transaction price. In the current period, trading conditions have remained stable, and the Group's external valuer has determined FMT as the average of the current and prior period reported site profitability for all sites other than those impacted by investment in either period, or sites that have been spot valued.

The estimation of valuation multiples is derived from the valuer's knowledge of market evidence of transaction prices for similar properties. In the current period the multiples adopted are mostly in line with the prior period.

There is considered to be a significant risk that an adjustment to either of these assumptions could lead to a material change in the property valuation within the next year.

6. Property, plant and equipment (continued)

Significant accounting estimates (continued)

Sensitivity analysis
Changes in the FMT, or the multiple could materially impact the valuation of the freehold and long leasehold properties, and as such they are both considered to be significant estimates in the current period. The carrying value of properties to which these estimates apply is £4,407m (2024 £4,260m).

FMT
In the current period, FMT has increased by 1% over the prior period's FMT, excluding the sites with investment in the current period which are only assessed for impairment. Given trading has now normalised following the disruption caused by the Covid pandemic in 2020, and there is a more stable inflationary environment, a return to pre Covid FMT movements is considered to be within range of reasonably possible outcomes. Over the three years reported prior to Covid the average movement in the FMT of the revalued estate was 1%. Assuming multiples remain stable, it is estimated that a 1% reduction in the FMT would generate an approximate £36m reduction in the valuation. A 1% increase in the FMT is estimated to generate an approximate £38m increase in the valuation. The sensitivity does not apply to sites with spot valuations as these valuations are independent of reported operating profits. Any change to the spot valuations would not be material.

Multiples
Valuation multiples are determined at an individual brand level. Over the last three financial periods, the weighted average brand multiple has moved by an average of 0.1, which is considered to be within the range of reasonably possible outcomes for future movements in multiples. It is estimated that a 0.1 reduction in the multiple would generate an approximate £42m reduction in the valuation. A 0.1 increase to the multiple is estimated to generate an approximate £44m increase in the valuation.

Sites with investment in the current period
205 properties were subject to investment over the last 12 months and, consistent with the Group's policy have been valued at previous valuation plus the associated investment capital expenditure as an approximation of current valuation. Trading results in the period immediately following an investment in a site are less predictable and are therefore not taken into the assessment of fair maintainable trade until a

year has passed. There is a reasonable possibility that the valuation of the invested properties will move materially over the next 12 months as the post investment trading pattern becomes clearer. Over the last two financial periods, the invested property portfolio has seen a valuation uplift in the year subsequent to the investment. If this pattern continues during FY 2026, then the uplift recognised on FY 2025 invested properties could represent around 2.8% of the overall property estate valuation. This is completely dependent on the individual performance of those sites and past experience also indicates that there is a risk of downward movements. The invested properties are reviewed for impairment, based on estimated annualised post investment FMT against the carrying value of the asset as described in the revaluation policy.

Impairment review

Short leasehold and unlicensed properties (comprising land, buildings, fixtures, fittings and equipment) which are not revalued to fair market value, are reviewed for impairment as described in the impairment note 8. A net impairment of £5m (2024 £nil) has been recognised against short leasehold and unlicensed properties in the period.

7. Leases

Right-of-use assets

Right-of-use assets can be analysed as follows:

	2025 £m	2024 £m
At beginning of period	307	327
Acquired through business combinations	-	7
Additions	29	30
Disposals	(3)	(5)
Impairment	(8)	(17)
Depreciation provided during the period	(36)	(34)
Foreign currency movements	2	(1)
At end of period	291	307

Impairment review of right-of-use assets

Right-of-use assets are reviewed for impairment by comparing site recoverable amounts to their carrying values. Impairment is considered at a cash-generating unit level. A net impairment of £8m (2024 £17m) has been recognised against right-of-use assets in the period. Details of the impairment review at a cash-generating unit level are disclosed in note 8.

Lease liabilities

Analysed as:		
Current lease liabilities - principal amounts due within twelve months	42	33
Non-current lease liabilities - principal amounts due after twelve months	392	414
	434	447

8. Impairment

Accounting policies

Impairment - Property, plant and equipment, right-of-use assets, computer software and goodwill
Impairment reviews are considered at a cash-generating unit level, with this being an individual outlet.

The carrying value of assets for an individual outlet, comprise the property, plant and equipment value, the associated right-of-use asset, computer software and any attributable goodwill, that includes an allocation of central asset values. At each balance sheet date, the Group assesses whether there is any indication that the carrying value of assets for individual outlets may be impaired. If any such impairment indicator exists then an impairment loss is recognised in the income statement, whenever the carrying value of the outlet exceeds its recoverable amount, which is determined as the higher of the value in use, or fair value less costs to sell for each outlet. Any resulting impairment relates to sites with poor trading performance, where the output of the value in use calculations are insufficient to justify their current net book value. Changes in outlet earnings or cash flows, the discount rate applied to those cash flows, or the estimate of fair value less costs of disposal could give rise to an additional impairment loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised in the income statement. An impairment reversal is only recognised where there is a change in circumstances or favourable events since the last impairment test impacting estimates used to determine recoverable amounts, not where it results from the passage of time.

8. Impairment (continued)

Accounting policies (continued)

Accounting judgements

Impairment review of cash-generating units - property, plant and equipment, right-of-use assets, computer software and goodwill
For the individual outlet level impairment review, judgement has been applied to determine the most appropriate site level profit and cash flow forecasts based on the Group forecast for FY 2026 to FY 2028 that was in place at the balance sheet date.

Management apply judgement:

- when allocating overhead costs to site cash flows, with an overhead allocation being made only for those costs that can be directly attributable to a site on a consistent basis; and
- in the allocation of corporate level assets to individual cash generating units, based on relative profitability.

Other sources of estimation uncertainty

Impairment review of cash-generating units - property, plant and equipment, right-of-use assets, computer software and goodwill
The impairment review requires two key sources of estimation uncertainty in calculating the value in use: the estimation of forecast cash flows for each site and the selection of an appropriate discount rate. The discount rate is applied consistently to each cash-generating unit.

Impairment review of cash-generating units, comprising property, plant and equipment, right-of-use assets, computer software and goodwill
Recoverable amount is determined as the higher of the value in use, or fair value less costs to sell for each outlet.

Value in use calculations use forecast trading performance pre-tax cash flows, for years 1 to 3. These include steady increases to revenue and costs. In the short to medium term, over the three year forecast period, no allowances have been made for any potential impact activity related to climate change, other than continued maintenance and infrastructure spend on existing sustainability projects, as the impacts of this on future cash flows or capital expenditure cannot yet be reasonably estimated or allocated to cash-generating units.

The forecast cash flows are discounted by applying a pre-tax discount rate of 11.3% (2024 11.0%) and a long-term growth rate of 2.0% from year 4 (2024 2.0%). The long-term growth rate is applied to the net cash flows and is based on up-to-date economic data points.

In addition to the short leasehold property and right-of-use asset impairment review performed at a cash-generating unit level, the Group's freehold, long and short leasehold cash generating units have been grouped together to ensure that the unallocated corporate level assets are also considered for impairment. The assumptions are consistent with those described above for the value in use calculations performed at an individual outlet level, whilst also including unallocated central overheads. As a result of this review, no additional impairment has been recognised in the current period.

In summary, the carrying value of the cash-generating units and impairment charges and reversals recognised against those cash-generating units is as follows:

	Note	Carrying value 2025 £m	Impairment charges 2025 £m	Impairment reversals 2025 £m	Net impairment 2025 £m
Short leasehold properties	6	138	(7)	2	(5)
Right-of-use assets	7	291	(18)	10	(8)
Software		16	-	-	-
Goodwill		6	(1)	-	(1)
		451	(26)	12	(14)

	Note	Carrying value 2024 £m	Impairment charges 2024 £m	Impairment reversals 2024 £m	Net impairment 2024 £m
Short leasehold properties	6	122	(7)	7	-
Right-of-use assets	7	307	(29)	12	(17)
Software		6	(1)	-	(1)
Goodwill		7	-	-	-
		442	(37)	19	(18)

Sensitivity analysis

Changes in forecast cash flows or the discount rate could impact the impairment charge recognised against the cash-generating units, and corporate level assets.

Forecast cash flows

The forecast pre-tax cash flows used in the value in use calculations are site level forecasts determined from the Group forecast for FY 2026 to FY 2028 that was in place at the balance sheet date. For short leasehold sites and freehold/long leasehold sites with ROU or goodwill assets, should future cash flows decline by 1%, this would result in an increase of £2m to the net impairment charge recognised.

Discount rate

The pre-tax discount rate applied to the forecast cash flows is derived from the Group's post-tax weighted average cost of capital (WACC). The assumptions used in the calculation of the Group's WACC are benchmarked to externally available data. A single discount rate is applied to all cash-generating units. Over recent periods, the discount rate used in impairment reviews has moved by c.1.0%. For short leasehold sites and freehold/long leasehold sites with ROU or goodwill assets, an increase of 1.0% in the discount rate would result in an increase of £4m to the net impairment charge recognised.

9. Borrowings and net debt

Borrowings can be analysed as follows:

	2025 £m	2024 £m
Current		
Securitised debt[a]	137	130
Unsecured revolving credit facilities[b]	-	(1)
Overdrafts[c]	35	12
Other borrowings[d]	2	2
Total current	174	143

Non-current

Non-current

Securitised debt[a,b]	900	1,041
Total borrowings	1,074	1,184

a. Stated net of deferred issue costs.
b. At 27 September 2025 the amount of £nil (2024 £1m) represents unamortised issue costs.
c. The overdraft is within a cash pooling arrangement. In the cash flow statement, cash and cash equivalents are presented net of this overdraft.
d. Short-term financing of employee advances.

	2025 £m	2024 £m
Analysis by year of repayment		
Due within one year or on demand	174	143
Due between one and two years	160	157
Due between two and five years	463	458
Due after five years	277	426
Total borrowings	1,074	1,184

Securitised debt

The securitisation is governed by various covenants, warranties and events of default, many of which apply to Mitchells & Butlers Retail Limited, the Group's main operating subsidiary. There are two main financial covenants, being the level of net assets and free cash flow (FCF) to debt service. FCF to debt service represents the multiple of cash generated by sites within the structure to the cost of debt service. This is tested quarterly on both a trailing two quarter and a four quarter basis. There are additional covenants regarding the maintenance and disposal of securitised properties and restrictions on its ability to move cash, by way of dividends for example, to other Group companies. Further details of the covenants are provided in the going concern review in note 1.

Liquidity facility

Under the terms of the securitisation, the Group holds a liquidity facility of £295m provided by two counterparties. The amount drawn at 27 September 2025 is £nil (2024 £nil).

Unsecured revolving credit facilities

In the prior period, the Group held a single unsecured committed revolving credit facility of £200m. During the period, the unsecured committed revolving credit facility of £200m was cancelled and replaced by a new unsecured committed revolving credit facility of £150m which expires on 22 July 2028. The amount drawn at 27 September 2025 is £nil (2024 £nil).

There are covenants on the unsecured revolving credit facility relating to the ratio of EBITDAR to rent plus interest and net debt to EBITDA based on the performance of the unsecured estate. Further details of the covenants are provided in the going concern review in note 1.

9. Borrowings and net debt (continued)

Net debt	2025 £m	2024 £m
Cash and cash equivalents	216	176
Overdraft	(35)	(12)
Cash and cash equivalents as presented in the cash flow statement[a]	181	164
Securitised debt	(1,037)	(1,171)
Unsecured revolving credit facility	-	1
Derivatives hedging securitised debt[b]	15	19
Short-term financing of employee advances[c]	(2)	(2)
Net debt excluding leases	(843)	(989)
Lease liabilities	(434)	(447)

Net debt including leases	(1,277)	(1,436)

a. Cash and cash equivalents, in the cash flow statement, are presented net of an overdraft within a cash pooling arrangement relating to various entities across the Group.
b. Represents the element of the fair value of currency swaps hedging the balance sheet value of the Group's US denominated A3N loan notes. This amount is disclosed separately to remove the impact of exchange movements which are included in the securitised debt amount. Derivatives hedging debt restates the US debt at 1.675:£1.
c. Advances to employees is a borrowing from Wagestream.

9. Borrowings and net debt (continued)

Movement in net debt excluding leases	2025 52 weeks £m	2024 52 weeks £m
Net increase in cash and cash equivalents	16	62
Add back cash flows in respect of other components of net debt:		
Principal repayments on securitised debt	134	128
Principal receipts on cross currency swap	(21)	(21)
Principal payments on cross currency swap	17	16
Short term financing of employee advances	-	(2)
Decrease in net debt arising from cash flows	146	183
Movement in capitalised debt issue costs net of accrued interest	(1)	(1)
Decrease in net debt excluding leases	145	182
Opening net debt excluding leases	(989)	(1,170)
Foreign exchange movements on cash	1	(1)
Closing net debt excluding leases	(843)	(989)

Movement in lease liabilities:

	2025 52 weeks £m	2024 52 weeks £m
Opening lease liabilities	(447)	(463)
Acquired through business combinations	-	(5)
Additions[a]	(26)	(28)
Interest charged during the period	(17)	(17)
Repayment of principal	39	41
Payment of interest	14	17
Disposals	5	7
Foreign currency movements	(2)	1
Closing lease liabilities	(434)	(447)

a. Additions to lease liabilities include new leases and lease extensions or rent reviews relating to existing leases.

10. Finance costs and income

	2025 52 weeks £m	2024 52 weeks £m
Finance costs		
Interest on securitised debt	(72)	(79)
Interest on other borrowings	(11)	(13)

Interest on other borrowings	(11)	[illegible]
Interest on lease liabilities	(17)	(17)
Total finance costs	(100)	(109)
Finance income		
Interest receivable - cash	9	10
Net pensions finance income/(charge) (note 11)	7	(2)

11. Pensions

In the prior period the Trustees of the Mitchells & Butlers Executive Pension Plan (MABEPP) bought out the liabilities of the plan with Legal & General Assurance Society Limited through converting the overall bulk annuity policy into individual policies in members own names. Subsequent to that, and in the current period the scheme has been wound up.

As a result, retirement and death benefits for eligible employees in the United Kingdom are now provided principally by the Mitchells & Butlers Pension Plan (MABPP). This plan is a funded, HMRC approved, occupational pension scheme with defined contribution and defined benefit sections. The defined benefit section of the plan is now closed to future service accrual. The defined benefit liabilities relate to this funded plan, together with an unfunded unapproved pension arrangement (the Executive Top-Up Scheme, or MABETUS). The assets of the MABPP plan are held in a self-administered trust fund separate from the Company's assets.

Measurement of scheme assets and liabilities

MABPP - buy-in policy transaction
During the 53 weeks ended 30 September 2023, the Trustees of the MABPP entered a Bulk Purchase Agreement (BPA) with Standard Life. The resulting policy was set up to provide the plan with sufficient funding to cover all known member benefits of the scheme. As at the balance sheet date the buy-in continues.

During the period, the Trustee and insurer have progressed a significant amount of work on the data cleanse project that ensures the data and benefits covered by the BPA accurately reflect the entitlements of the MABPP members. Net reserves have been included within the MABPP balance sheet, that cover the estimated additional costs for refinement of the benefit entitlements of the MABPP members. These net reserves are as follows:

- £15m to cover the impact of contingent spouse pension calculations (which is the majority of this cost), some data corrections and GMP rectification. This amount is a best-estimate of a final premium that will be due to the insurer when the buy-in data cleanse process is completed, and therefore results in a value of the bulk annuity policy that is lower than the defined benefit obligation in respect of the membership it covers by this amount.
- £24m (2024 £16m) as an additional liability arising from GMP equalisation; the majority of which will need to be secured with the insurer in future, via the payment of an additional premium.

The GMP equalisation liability includes a £3m charge in the current period, relating to amendment of the liability that has been recognised as a past service cost within separately disclosed items (note 3).

These reserves may be updated in future as the data cleanse project progresses to allow for any further changes.

11. Pensions (continued)

MABPP - recognition of actuarial surplus
Over the course of the previous period, the Trustees of MABPP resolved that any surplus arising in MABPP can be used to pay for the employer contributions to the defined contribution section of MABPP. In connection with this, before the buy-out of MABEPP occurred in September 2024, the defined contribution members within MABEPP were moved across to MABPP, along with the remaining surplus funds from the MABEPP to enable future employer contributions for them to be met out of the surplus in the MABPP. Since this was a change in the Trustee's agreed use of the MABPP surplus compared to previous years, the accounting surplus was recognised in full during the 52 weeks ended 28 September 2024. This economic benefit was determined over the future lifetime of the DC section of the plan, in particular on the basis that this section remains open to new members in its current form, and therefore will continue to remain active for the foreseeable future.

Prior to the 52 week period ending 28 September 2024 no actuarial surplus had been recognised as the Company did not have an unconditional right to recover any surplus from the pension plans. During the 52 week period ending 27 September 2025, the MABPP surplus has funded £12m of the Company's employer contributions, AVCs in respect of prior year bonus payments and death in service benefits. This is shown in the surplus movements below.

Actuarial valuation
The actuarial valuations used for IAS 19 (revised) purposes are based on the results of the latest full actuarial valuation carried out as at 31 March 2022, which completed in December 2022, and updated by the schemes' independent qualified actuaries to 27 September 2025. The Plan's assets are stated at market value at 27 September 2025 and the liabilities of the Plan and the Scheme have been assessed as at the same date using the projected unit method. IAS 19 (revised) requires that the schemes' liabilities are discounted using market yields at the end of the period on high-quality corporate bonds.

The principal financial assumptions have been updated to reflect changes in market conditions in the period and are as follows.

	Main plan and MABETUS 2025	Main plan and MABETUS 2024	Executive plan 2024
Discount rate	5.9%	5.1%	5.1%
Pensions increases - RPI max 5%	3.0%	3.0%	3.0%
Inflation rate - RPI	3.1%	3.2%	3.2%

The discount rate is based on a yield curve for AA corporate rated bonds which are consistent with the currency and estimated term of retirement benefit liabilities.

To determine the RPI assumption the gilt implied inflation yield curve has been used, reflecting the duration of the Plan's cash flows, and adjusting for an assumed inflation risk premium.

11. Pensions (continued)

Amounts recognised in respect of defined benefit schemes
The following amounts relating to the Group's defined benefit and defined contribution arrangements have been recognised in the Group income statement and Group statement of comprehensive income.

Group income statement	2025 52 weeks £m	2024 52 weeks £m
Operating profit:		
Employer contributions (defined contribution plans)	(21)	(19)
Administrative costs (defined benefit plans)	(4)	(5)
Charge to operating profit before separately disclosed items	(25)	(24)
Past service cost	(3)	-
Charge to operating profit	(28)	(24)
Finance costs:		
Net pensions finance income on actuarial surplus	7	6
Additional pensions finance charge due to asset ceiling	-	(8)
Net finance income/(charge) in respect of pensions	7	(2)
Total charge	(21)	(26)

Group statement of comprehensive income	2025 52 weeks £m	2024 52 weeks £m

(Loss)/return on scheme assets and effects of changes in assumptions	(18)	16
Movement in pension liabilities recognised due to asset ceiling	-	150
Remeasurement of pension liabilities	(18)	166

The net pension surplus is presented in the Group balance sheet as follows.

Group balance sheet	2025 £m	2024 £m
Pension surplus (MABPP)	132	164
Current pension liability (MABETUS)	(1)	(1)
Non-current pension liability (MABETUS)	(21)	(24)
Net actuarial surplus	110	139
Associated deferred tax liability	(28)	(35)

11. Pensions (continued)

The movement in the net actuarial surplus in the period is as follows:

	2025 £m	2024 £m
Actuarial surplus at beginning of period	139	121
Interest income	7	6
(Loss)/return on scheme assets and effects of changes in assumptions	(18)	16
Employer contributions to MABETUS	1	1
Utilisation of pension surplus	(12)	-
Past service cost	(3)	-
Administration costs	(4)	(5)
At end of period	110	139

12. Share capital and share premium

Called up share capital	2025 Number of shares	£m	2024 Number of shares	£m
Allotted, called up and fully paid				
Ordinary shares of $8^{13}/_{24}$p each				
At start of period	598,057,671	51	597,726,859	51
Share capital issued[a]	806,728	-	330,812	-
At end of period	598,864,399	51	598,057,671	51

a. During the period, the Company issued 806,728 (2024 330,812) shares for total consideration of £1m (2024 £nil). The nominal value of shares issued under share option schemes was £68,908 (2024 £28,257), with £1m (2024 £nil) recognised within share premium.

All of the ordinary shares rank equally with respect to voting rights and rights to receive Ordinary and Special Dividends. There are no restrictions on the rights to transfer shares.

Dividends

There were no dividends declared or paid during the current period.

Share premium account

The share premium account represents amounts received in excess of the nominal value of shares on issue of new shares. Share premium of £1m (2024 £nil) has been recognised on shares issued in the period.

13. Financial statements

The preliminary statement of results was approved by the Board of Directors on 27 November 2025.

The financial information set out above does not constitute the Group's statutory consolidated financial statements for the 52 weeks ended 27 September 2025 or for the 52 weeks ended 28 September 2024 but is derived from those statutory consolidated financial statements. Statutory accounts for 2024 have been delivered to the Registrar of Companies, and those for 2025 will be delivered following the Company's Annual General Meeting. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Alternative Performance Measures

The performance of the Group is assessed using a number of Alternative Performance Measures (APMs).

The Group's results are presented both before and after separately disclosed items. Adjusted profit measures are presented excluding separately disclosed items as we believe this provides both management and investors with useful additional information about the Group's performance and supports an effective comparison of the Group's trading performance from one period to the next. Adjusted profit measures are reconciled to unadjusted IFRS results on the face of the income statement with details of separately disclosed items provided in note 3.

The Group's results are also described using other measures that are not defined under IFRS and are therefore considered to be APMs. These APMs are used by management to monitor business performance against both shorter term budgets and forecasts but also against the Group's longer-term strategic plans.

APMs used to explain and monitor Group performance include:

APM	Definition	Source
EBITDA	Earnings before interest, tax, depreciation and amortisation, before movements in the valuation of the property portfolio.	Group income statement
Adjusted EBITDA	EBITDA before separately disclosed items is used to calculate net debt to EBITDA.	Group income statement
Operating profit	Earnings before interest and tax.	Group income statement
Adjusted operating profit	Operating profit before separately disclosed items.	Group income statement
Like-for-like sales growth	Like-for-like sales growth reflects the sales performance against the comparable period in the prior year of UK managed pubs, bars and restaurants that were trading in the two periods being compared, unless marketed for disposal.	APM A
Adjusted earnings per share (EPS)	Earnings per share using profit before separately disclosed items.	Note 5
Net debt	Net debt comprises cash and cash equivalents, cash deposits net of borrowings and discounted lease liabilities. Presented on a constant currency basis due to the inclusion of the fixed exchange rate component of the cross currency swap.	Note 9
Net debt : Adjusted EBITDA	The multiple of net debt including lease liabilities, as per the balance sheet compared against EBITDA before separately disclosed items, which is a widely used leverage measure in the industry.	APM D
Return on capital	Return generating capital includes investments made in new sites and investment in existing assets that materially changes the guest offer. Return on investment is measured by incremental site EBITDA following investment expressed as a percentage of return generating capital. Incremental EBITDA reflects the increase in profit following investment, with the pre-investment profit being measured as the average annual profit prior to investment. Return on investment is measured for four years following investment. Measurement commences three periods following the opening of the site.	APM E

A. Like-for-like sales

The sales this year compared to the sales in the previous year of all UK managed sites that were trading in the two periods being compared, expressed as a percentage. This widely used industry measure provides additional insight into the trading performance than total revenue which is impacted by acquisitions and disposals. Like-for-like sales is provided on a 52-week basis.

	Source	2025 £m	2024 £m	Year-on-year %
Reported revenue	Income statement	**2,711.0**	2,610.0	**3.9%**
Less non like-for-like sales		**(237.3)**	(237.3)	**0.0%**
Like-for-like sales		**2,473.7**	2,372.7	**4.3%**

Drink sales

	Source	2025 £m	2024 £m	Year-on-year %
Reported drink revenue		**1,172.0**	1,132.0	**3.5%**
Less non like-for-like drink sales		**(91.0)**	(93.0)	**2.2%**
Drink like-for-like sales		**1,081.0**	1,039.0	**4.0%**

Food sales

	Source	2025 £m	2024 £m	Year-on-year %
Reported food revenue		**1,440.0**	1,385.0	**4.0%**
Less non like-for-like food sales		**(131.0)**	(126.9)	**(3.2%)**
Food like-for-like sales		**1,309.0**	1,258.1	**4.0%**

Other sales

	Source	2025 £m	2024 £m	Year-on-year %
Reported other revenue		**99.0**	93.0	**6.5%**
Less non like-for-like other sales		**(15.3)**	(17.4)	**12.1%**
Other like-for-like sales		**83.7**	75.6	**10.7%**

B. Adjusted operating profit

Operating profit before separately disclosed items as set out in the Group Income Statement. Separately disclosed items are those which are separately identified by virtue of their size or nature. Excluding these items provides useful additional information in the comparison of the Group's trading performance from one period to the next.

	Source	2025 £m	2024 £m	Year-on-year %
Operating profit	Income statement	**322**	300	**7.3%**
Separately disclosed items	Income statement	**8**	12	**(33.3%)**
Adjusted operating profit	Income statement	**330**	312	**5.8%**
Reported revenue	Income statement	**2,711**	2,610	**3.9%**
Adjusted operating margin		**12.2%**	12.0%	**0.2ppts**

C. Adjusted earnings per share

Earnings per share using profit before separately disclosed items. Separately disclosed items are those which are separately identified by virtue of their size or nature. Excluding these items allows a more effective comparison of the Group's trading performance from one period to the next.

	Source	2025 £m	2024 £m	Year-on-year %
Profit/(loss) for the period	Income statement	**177**	149	**18.8%**
Add back separately disclosed items	Income statement	**7**	8	**(12.5%)**
Adjusted profit		**184**	157	**17.2%**
Basic weighted average number of shares	Note 5	**595**	595	**-%**
Adjusted earnings per share		**30.9p**	26.4p	**17.0%**

D. Net Debt: Adjusted EBITDA

The multiple of net debt as per the balance sheet compared against EBITDA before separately disclosed items which is a widely used leverage measure in the industry. From FY 2020, leases are included in net debt following adoption of IFRS16. Adjusted EBITDA is used for this measure to prevent distortions in performance resulting from separately disclosed items.

	Source	2025 £m	2024 £m	Year-on-year %
Net Debt including leases	Note 9	**1,277**	1,436	**(11.1%)**
EBITDA	Income statement	**460**	444	**3.6%**
Add back separately disclosed items	Income statement	**5**	(2)	**350.0%**
Adjusted EBITDA		**465**	442	**5.2%**
Net debt : Adjusted EBITDA		**2.7**	3.2	

E. Return on capital

Return generating capital includes investments made in new sites and investment in existing assets that materially changes the guest offer. Return on investment is measured by incremental site EBITDA following investment expressed as a percentage of return generating capital. Return on investment is measured for four years following investment. Measurement of return commences three periods following the opening of the site.

Return on expansionary capital

	Source	2024 FY21-24 £m	2025 FY22-24 £m	2025 FY25 £m	**2025** Total £m
Maintenance and infrastructure		178	164	65	**229**
Remodel - refurbishment		203	194	91	**285**
Non-expansionary capital		381	358	156	**514**
Remodel expansionary		8	9	2	**11**
Conversions and acquisitions*		43	50	14	**64**
Expansionary capital for return calculation		51	59	16	**75**
Expansionary capital open < 3 periods pre year end		7	(5)	8	**3**
Freehold purchases		26	20	1	**21**
Total capital	Cash flow	465	432	181	**613**
Adjusted EBITDA	Income statement	1,337	1,169	465	**1,634**
Non-incremental EBITDA		1,327.3	1,159	463	**1,622**
Incremental EBITDA		9.7	10	2.5	**12.5**
Return on expansionary capital		19%	17%	16%	**16.7%**

*Conversion and acquisition capital is net of capex incurred for projects which have been open for less than 3 periods pre year end