

J D Wetherspoon PLC
Preliminary Results
7 October 2022

Financial Summary

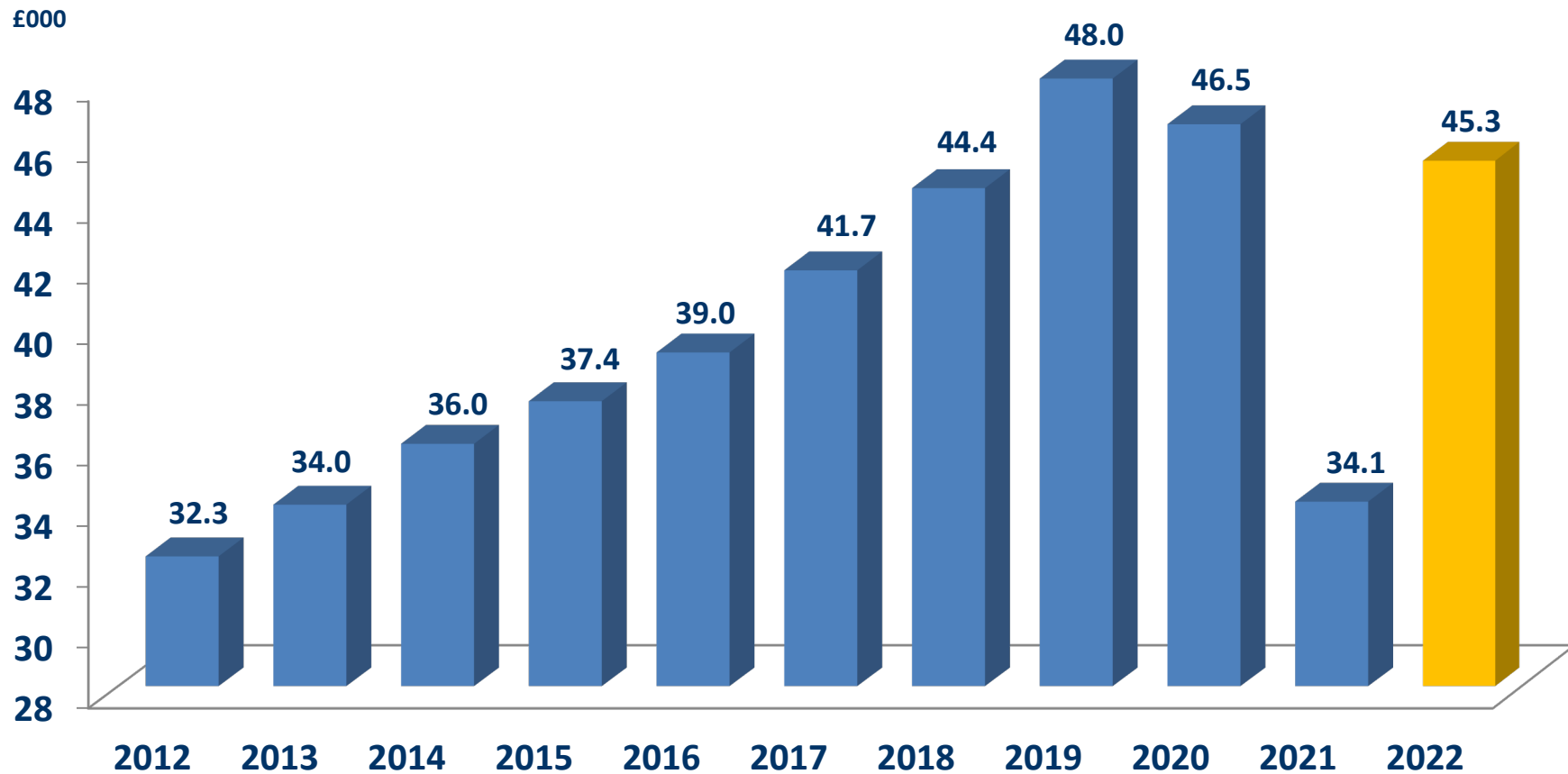
	2022 ^{2,3}	2021 ³	Var%		2020	2019	2018	2017 ²	2016	2015	2014	2013
Revenue (£m)	1,740.5	772.6	125.3%		1,262.0	1,818.8	1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9
Like-for-like sales	+29.9% (vs 2021)	-38.4% (vs 2020)			-29.5%	+6.8%	+5.0%	+4.0%	+3.4%	+3.3%	+5.5%	+5.8%
(Loss)/profit before tax and property gains and losses (£m)	(32.6)	(167.3)	80.5%		(33.5)	96.9	104.3	100.0	75.3	78.5	80.8	76.9
(Loss)/profit before tax (£m)	(30.4)	(167.2)	81.8%		(34.1)	102.5	107.2	102.8	80.6	77.8	79.4	76.9
Underlying (Losses)/Earnings per share ¹ (p)	(21.3)	(119.1)	82.1%		(35.9)	70.2	76.5	66.6	43.8	47.6	48.0	44.3
Free cash flow per share (p)	17.3	(67.8)	125.5%		(54.2)	92.0	88.4	97.0	76.7	89.8	74.1	51.8
Dividend per share (p)	-	-	0.0%		-	12.0	12.0	12.0	12.0	12.0	12.0	12.0
After exceptional items:												
Profit/(loss) before tax (£m)	26.3	(194.6)	113.5%		(94.8)	95.4	89.0	76.4	66.0	58.7	78.4	57.1

¹ Underlying (losses)/earnings per share are before exceptional items and exclude gains/losses on property.

² Financial year contains 53 weeks.

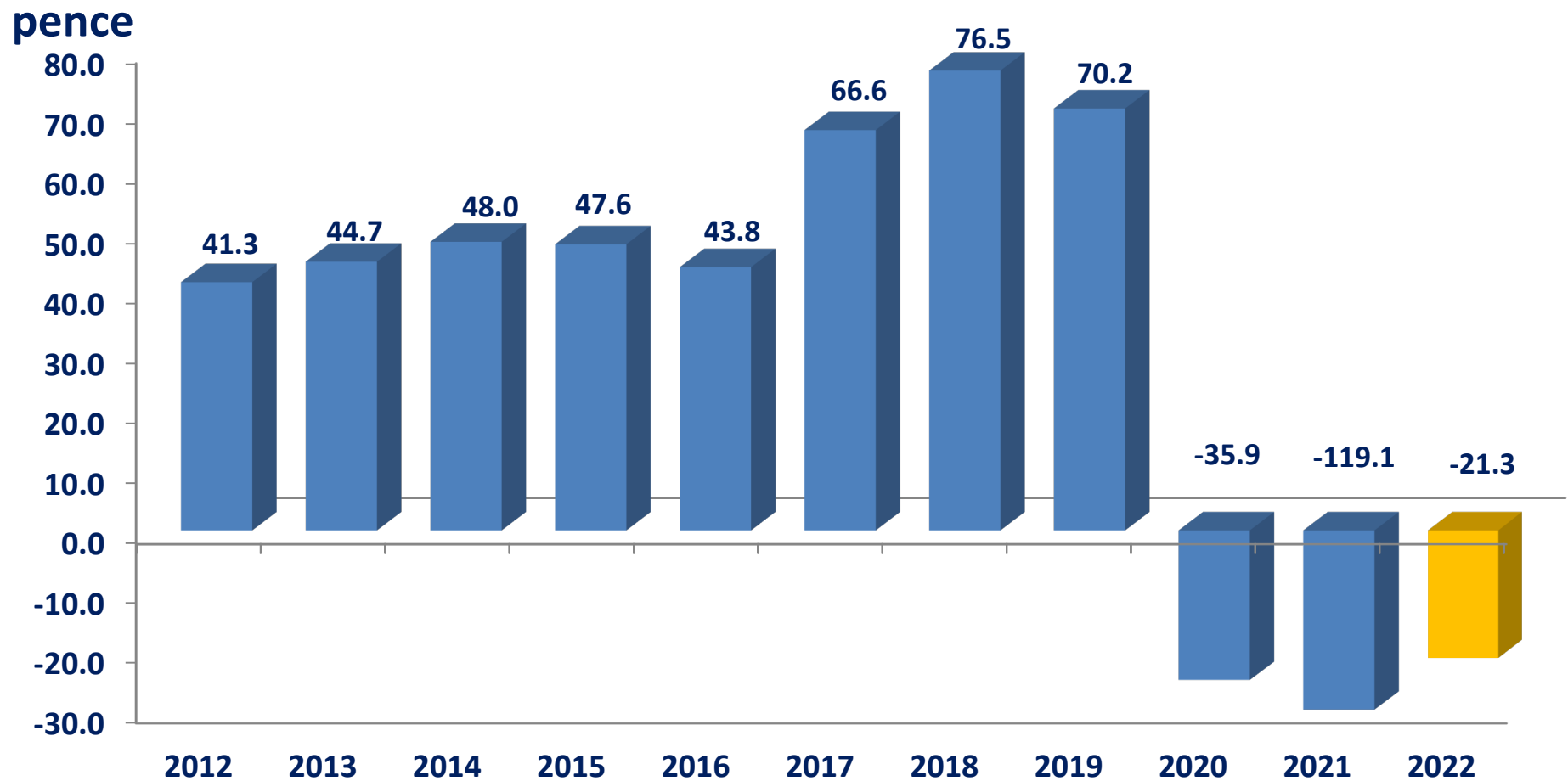
³ Financial year 2022 and 2021 are post IFRS-16 while the remainder of the financial years are pre-IFRS16

Average Weekly Sales Per Pub (including VAT)



Financial years 2020, 2021 and 2022 were impacted from a VAT reduction during the COVID-19 pandemic (15 July 2020- 31 March 2022)

Underlying (Losses)/Earnings Per Share (pence)*



*Underlying (losses)/earnings per share are before exceptional items and exclude gains/losses on property.
Note in 2020, 2021 and 2022 the graph is not to scale.

Like-for-like Performance

%	2022 (vs 2019)	2021 (vs 2020)		2020	2019	2018	2017	2016	2015	2014	2013
Bar	-6.5	-42.2		-29.3	+5.8	+5.1	+3.1	+3.3	+1.2	+2.7	+3.8
Food	-3.2	-37.4		-30.1	+8.3	+5.1	+5.7	+3.5	+7.3	+12.0	+10.9
Fruit/slot machines	+12.3	-52.1		-20.9	+10.3	+2.9	-1.2	-2.8	-2.8	-3.1	+0.4
Hotel	+6.5	-27.1		-38.7	+3.9	+2.3	+9.9	+9.7	+24.2	+6.3	–
LFL sales	-4.7	-38.4		-29.5	+6.8	+5.0	+4.0	+3.4	+3.3	+5.5	+5.8
LFL Pub profit ¹	-42.5	-88.3		-53.5	+0.1	+1.2	+8.4	-0.3	-1.1	+2.0	+4.4

¹ Excludes head office, depreciation, share incentive plan, property gains and losses, and interest costs.

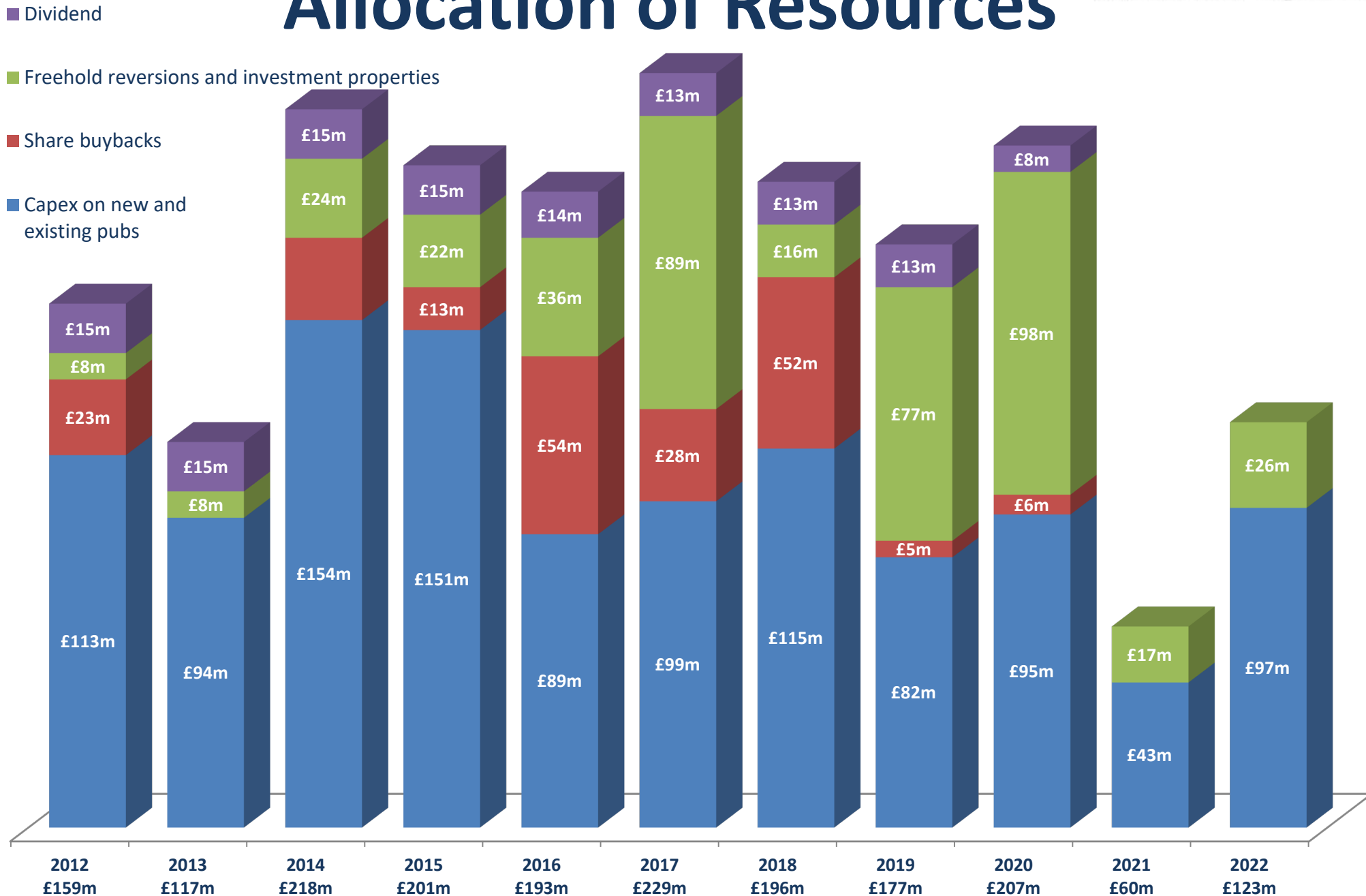
10 Year Operating Profit

£m	2022 ^{1,2}	2021 ²		2020	2019	2018	2017 ¹	2016	2015	2014	2013
Turnover	1,740.5	772.6		1,262.0	1,818.8	1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9
Pub profit (pre repairs)	295.8	131.5		214.2	349.7	338.6	330.6	288.3	285.4	284.4	259.0
Repairs	(100.7)	(63.3)		(75.9)	(76.9)	(71.3)	(66.2)	(54.9)	(53.4)	(59.4)	(48.0)
Head office costs	(45.2)	(37.3)		(40.8)	(47.5)	(44.3)	(51.3)	(41.9)	(43.9)	(42.7)	(40.4)
Share Incentive Plan	(7.3)	(10.3)		(10.7)	(11.6)	(11.4)	(10.7)	(9.6)	(8.9)	(7.2)	(6.2)
Depreciation	(116.9)	(121.0)		(79.6)	(81.8)	(79.3)	(73.9)	(72.2)	(66.7)	(58.1)	(53.1)
Operating profit/(loss)	25.7	(100.4)		7.2	131.9	132.3	128.5	109.7	112.5	117.0	111.3
Operating margin	1.5%	-13.0%		0.6%	7.3%	7.8%	7.7%	6.9%	7.4%	8.3%	8.7%
Gains and losses on property	2.1	(0.1)		(0.7)	5.6	2.9	2.8	5.3	(0.7)	(1.4)	–
EBIT before exceptionals	27.9	(100.5)		6.5	137.5	135.2	131.3	115.0	111.8	115.6	111.3
Exceptional items	56.7	(27.5)		(60.7)	(7.0)	(18.3)	(26.9)	(14.6)	(19.1)	–	(19.8)
EBIT after exceptionals	84.6	(128.0)		(54.2)	130.5	116.9	104.4	100.4	92.7	115.6	91.5

¹ Financial year contains 53 weeks.

² Financial year 2022 and 2021 are post IFRS-16 while the remainder of the financial years are pre-IFRS16.

Allocation of Resources



Cash Capital Expenditure

£m	2022	2021		2020	2019	2018	2017	2016	2015	2014	2013
New Openings:											
Acquisition and development costs:											
Current year	26.2	11.5		18.6	19.8	32.0	27.2	38.6	76.5	64.5	40.4
Future year	24.9	9.6		31.8	7.5	14.4	13.1	16.6	30.5	33.2	12.8
Freehold reversions and investment properties	25.8	16.9		98.5	77.2	16.3	88.6	36.1	21.6	23.6	7.7
	76.9	38.0		148.9	104.5	62.7	128.9	91.3	128.6	121.3	60.9
Reinvestment in existing pubs:											
Kitchen and bar equipment / furniture etc.	20.2	8.8		18.5	28.7	46.2	25.3	16.0	18.4	22.6	16.7
Refurbishments	22.5	10.9		24.9	18.7	17.5	19.8	12.4	19.2	22.0	12.8
Business and IT projects	3.1	2.6		0.9	6.9	5.2	13.5	5.1	7.1	11.6	11.4
	45.8	22.3		44.3	54.3	68.9	58.6	33.5	44.7	56.2	40.9
Total	122.7	60.3		193.2	158.8	131.6	187.5	124.8	173.3	177.5	101.8

Movement in Net Debt

£m	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Opening Net debt	845.5	817.0	737.0	726.2	696.3	650.8	601.1	556.6	474.2	462.6
Free cash flow	21.9	83.3	58.9	(97.0)	(93.4)	(107.9)	(90.5)	(109.8)	(92.9)	(65.3)
Disposal of fixed assets	(10.5)	(2.6)	(4.8)	(9.3)	(4.7)	(19.6)	(22.5)	(0.7)	(0.5)	(0.6)
New pubs and extensions	51.1	21.1	50.4	27.2	46.4	40.3	55.2	107.0	97.7	53.2
Freehold reversions and investment properties	25.8	16.9	98.5	77.2	16.3	88.6	36.1	21.6	23.6	7.7
Share buy-backs	–	–	6.5	5.4	51.6	28.4	53.6	12.7	24.6	–
Dividends paid	–	–	8.4	12.7	12.7	13.4	14.2	14.6	14.9	15.1
Net exceptional finance income	–	–	–	–	–	(0.4)	–	–	–	–
Gaming machine settlement	–	–	–	–	–	–	–	–	16.7	–
Share placing proceeds	–	(91.5)	(138.0)	–	–	–	–	–	–	–
Other	57.8	1.3	0.1	(5.4)	1.0	2.7	3.6	(0.9)	(1.7)	1.5
Closing Net debt¹	891.6	845.5	817.0	737.0	726.2	696.3	650.8	601.1	556.6	474.2
Available facility	1,083.0	1,083.0	993.0	895.0	860.0	860.0	840.0	840.0	690.0	575.0
Other borrowings	9.1	16.2	18.4	–	0.1	0.2	0.3	2.0	4.7	10.2
Less net borrowings	(891.6)	(845.5)	(817.0)	(737.0)	(726.2)	(696.3)	(650.8)	(601.1)	(556.6)	(474.2)
Unutilised facility	200.5	249.7	194.4	158.0	133.9	163.9	189.5	240.9	138.1	111.0

¹ Net debt excludes lease liabilities and derivative assets/liabilities.

Property Update

	2022	2021		2020	2019	2018	2017	2016	2015	2014	2013
Trading pubs at start of FY	861	872		879	883	895	926	951	927	886	860
Freehold pubs opened	7	4		2	4	6	9	10	24	31	14
Leasehold pubs opened	–	1		–	1	–	1	6	6	15	15
Sold or closed pubs	(15)	(16)		(9)	(9)	(18)	(41)	(41)	(6)	(5)	(3)
Total trading pubs	852	861		872	879	883	895	926	951	927	886
New hotels in period	1	–		–	1	4	7	7	9	4	2
Sold or closed hotels	(1)	(1)		–	–	–	–	–	–	–	–
Total number of hotels	57	57		58	58	57	53	46	39	30	26
Pubs in Republic of Ireland	9	7		7	7	5	5	5	4	1	–
Average cost of development (£k)	6,831	2,125		2,330	2,644	2,773	2,299	2,459	2,070	1,643	1,552
Freehold average cost (£k)	2,367	1,516		723	960	542	721	907	843	559	589
Average Size (sq.ft.) – Openings	6,124	4,024		4,005	4,851	5,201	4,379	4,264	4,321	3,585	3,643
Freehold (%)	68.8	66.3		64.3	61.4	58.0	57.0	51.4	49.2	46.6	44.2
Leasehold (%)	31.2	33.7		35.7	38.6	41.3	43.0	48.6	50.8	53.4	55.8

People and standards

Financial Year	Bonus and free shares £m	(Loss)/Profit after tax £m	Bonus etc as % of profits
2007	19	47	41%
2008	16	36	45%
2009	21	45	45%
2010	23	51	44%
2011	23	52	43%
2012	24	57	42%
2013	29	65	44%
2014	29	59	50%
2015	31	57	53%
2016	33	57	58%
2017	44	77	57%
2018	43	84	51%
2019	46	80	58%
2020	33	-39	-
2021	23	-142	-
2022	30	-25	-
Total	467	560	49.7%

- The company has just over 42,000 employees
- 14,097 employees are shareholders
- 96.5% of hourly paid employees are on guaranteed hours contracts
- £30.1m paid in bonuses and free shares, of which 98.8% paid to staff below board level and 91.5% to pub staff
- Average pub manager length of service is 13.9 years (FY21: 13.6 years)
- Average kitchen manager length of service is 10.4 years (FY21: 9.6 years)
- 213 pubs are listed in CAMRA's Good Beer Guide 2022
- £20.6m raised for CLIC Sargent in the 20-year partnership
- Average food hygiene score of 4.98 out of 5. A total of 762 pubs (out of 775) have a maximum score

Financial year	Average pub manager length of service (Years)	Average kitchen manager length of service (Years)
2013	9.1	6.0
2014	10.0	6.1
2015	10.1	6.1
2016	11.0	7.1
2017	11.1	8.0
2018	12.0	8.1
2019	12.2	8.1
2020	12.9	8.1
2021	13.6	9.6
2022	13.9	10.4

The **only independent government scheme** assessing food hygiene standards



Portfolio	Total premises scored	Average rating per premise
ASDA	59	5
Aldi	781	4.99
Nandos	406	4.99
TDI Friday's	76	4.99
WETHERSPOONS	778	4.98
Waitrose	230	4.98
McDonald's	1144	4.98
GBK	12	4.98
Shig & Lorraine	78	4.98
Las Spasmas	45	4.95
Walkabout	20	4.95
Greggs	1589	4.94
Sainsbury's	932	4.94
Giraffe	17	4.94
Lidl	447	4.93
Costa Coffee	2119	4.92
Tesco	1743	4.92
Pret a Manger	376	4.92
Primark	319	4.92
Miller & Carter	102	4.92
Starbucks	786	4.91

CGA Brandtrack research – April 2022

In the unlicensed market, Wetherspoon is the 3rd most visited of all brands in a six month period



1st

59%

100%



2nd

51%

92%



3rd

43%

83%



4th

40%

88%



5th

36%

93%







Usage

Awareness



CGA Brandtrack research – April 2022

The only other licensed brand that falls into the top 10 is Nando's, with other key competitors only just making it into the top 15

	<i>Top 6 brands in GB</i>	<i>% of consumers visited in the last 6 months</i>	<i>Ranking amongst all brands</i>
	JD Wetherspoon	43%	3 rd
	Nando's	20%	9 th
	Toby Carvery	19%	11 th
	Greene King	18%	12 th
	Pizza Hut	18%	13 th
	Harvester	17%	14 th

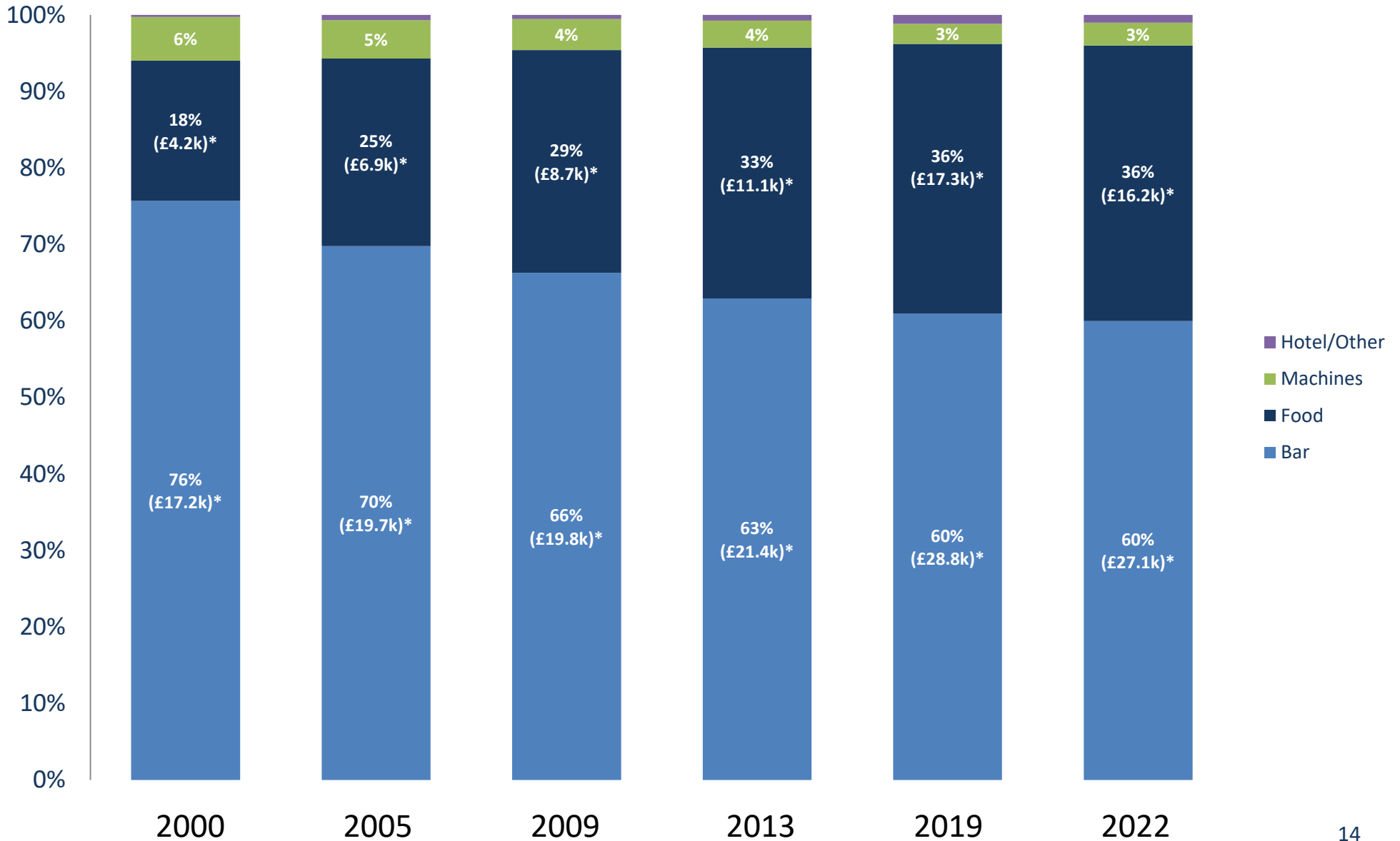


ESG (Environmental, social and governance)

Wetherspoon is committed to operating ethically and sustainably

- The company is developing a net-zero road map.
- Expect to make submission to Science Based Targets Initiative in January 2023.
- Listed on 2022 FT-Statista Europe's Climate Leaders list, which highlights companies that have achieved the greatest reductions in greenhouse gas emissions over the last 5 years.
- The company has reduced scope 1 and 2 emissions (Tonnes CO₂e) by 49.5% since 2014.
- Energy & Environment group chaired by Executive Board Director meets twice a month.
- From October 2022 all electricity supplied to Wetherspoon pubs will have been generated from 100% renewable sources.
- Waste is segregated into a minimum of 7 streams.
- Unwanted, yet fit-for-consumption food is donated to charity partner FareShare.
- Remaining food waste is separated and sent for anaerobic digestion.
- Cooking oil is converted to biodiesel for agricultural use.
- No waste is sent to landfill.
- Volume of paper used to print menus has reduced by about 35% in the last three years.
- The company is working hard to reduce single-use plastics in pubs.
 - Plastic straws have been replaced with biodegradable recyclable straws.
 - The company no longer uses cling film
 - Complimentary water fountains are in all pubs offering alternatives to plastic water bottles

Changing sales mix since 2000



*Average sales per week

Taxation*

	2022 ¹	2021 ¹	2020	2019	2018	2017	2016	2015	2014	2013	TOTAL 2013 to 2022
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
VAT	287.7	93.8	244.3	357.9	332.8	323.4	311.7	294.4	275.1	253.0	2,774.1
Alcohol duty	156.6	70.6	124.2	174.4	175.9	167.2	164.4	161.4	157.0	144.4	1,496.1
PAYE and NIC	141.9	101.5	106.6	121.4	109.2	96.2	95.1	84.8	78.4	70.2	1,005.3
Business rates	50.3	1.5	39.5	57.3	55.6	53.0	50.2	48.7	44.9	46.4	447.4
Corporation tax	1.5	-	21.5	19.9	26.1	20.7	19.9	15.3	18.4	18.4	161.7
Corporation tax credit (historic capital allowances)	-	-	-	-	-	-	-	-2.0	-	-	-2.0
Fruit/slot Machine duty	12.8	4.3	9.0	11.6	10.5	10.5	11	11.2	11.3	7.2	99.4
Climate change levies	9.7	7.9	10.0	9.6	9.2	9.7	8.7	6.4	6.3	4.3	81.8
Stamp duty	2.7	1.8	4.9	3.7	1.2	5.1	2.6	1.8	2.1	1.0	26.9
Sugar tax	2.9	1.3	2.0	2.9	0.8	-	-	-	-	-	9.9
Fuel duty	1.9	1.1	1.7	2.2	2.1	2.1	2.1	2.9	2.1	2.0	20.2
Carbon tax	-	-	-	1.9	3.0	3.4	3.6	3.7	2.7	2.6	20.9
Premise licence and TV licences	0.5	0.5	1.1	0.8	0.7	0.8	0.8	1.6	0.7	0.7	8.2
Landfill tax	-	-	-	-	1.7	2.5	2.2	2.2	1.5	1.3	11.4
Employee support grants	-4.4	-213.0	-124.1	-	-	-	-	-	-	-	-341.5
Eat out to help out	-	-23.2	-	-	-	-	-	-	-	-	-23.2
Local Government Grants	-1.4	-11.1	-	-	-	-	-	-	-	-	-12.5
TOTAL TAX	662.7	37.0	440.7	763.6	728.8	694.6	672.3	632.4	600.5	551.5	5,784.1
TAX PER PUB	0.78	0.04	0.53	0.87	0.83	0.77	0.71	0.67	0.66	0.63	6.49
TAX AS % OF NET SALES	38.1%	4.8%	34.9%	42.0%	43.0%	41.8%	42.1%	41.8%	42.6%	43.1%	37.4%
LOSS/PROFIT AFTER TAX	-24.9	-146.5	-38.5	79.6	83.6	76.9	56.9	57.5	58.9	65.2	272.8

¹ Financial year 2022 and 2021 are post IFRS-16 while the remainder of the financial years are pre-IFRS16.

*UK taxes only

Current Trading and Outlook

- Like-for-like sales in the first nine weeks of the current financial year were 10.1% higher than the same weeks in 2021
- Prospects have improved:
 - Underlying sales are improving
 - The company owns an increasing percentage of freehold properties
 - Post IFRS 16 net debt has reduced by £155m (11%) since the start of the pandemic
 - Interest rates are fixed at low levels to 2031
 - The company has a large contingent of long-serving pub staff
- Given the potentially adverse effects of rises in interest rates and energy costs on the economy, combining with geo-political issues, firm predictions are hard to make
- A major threat to the hospitality industry is the huge and unjustifiable tax advantage that supermarkets enjoy
- Wetherspoon is cautiously optimistic about future prospects, in the absence of further lockdowns or restrictions

Questions

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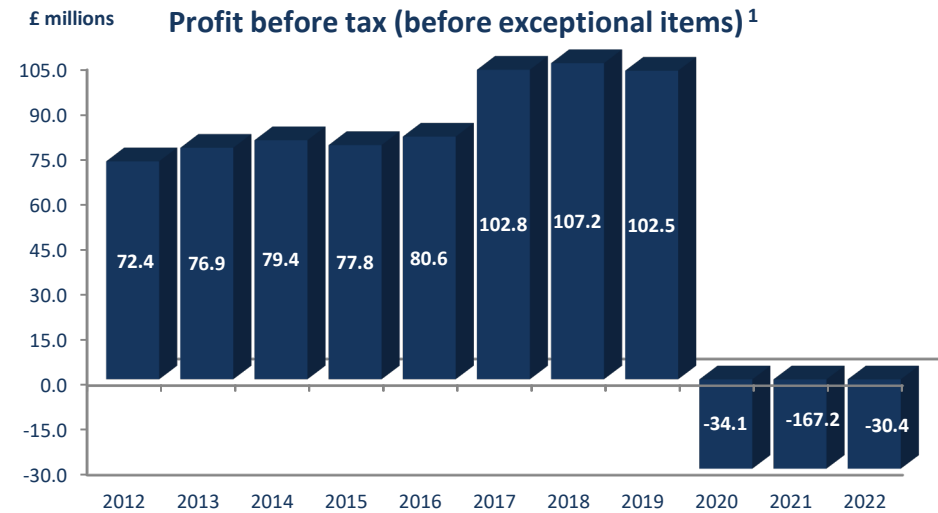
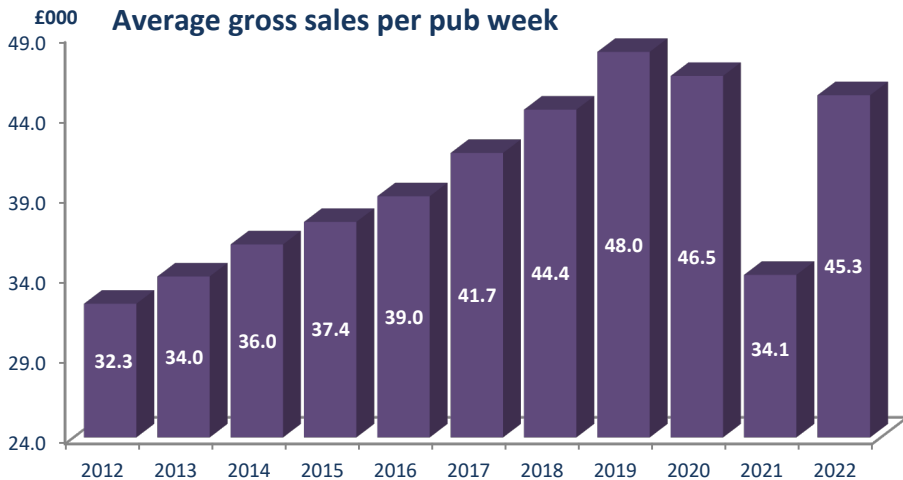
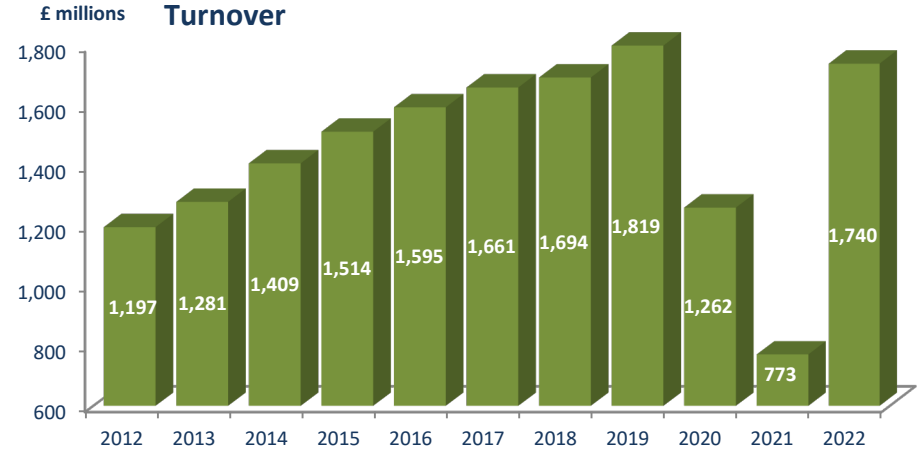
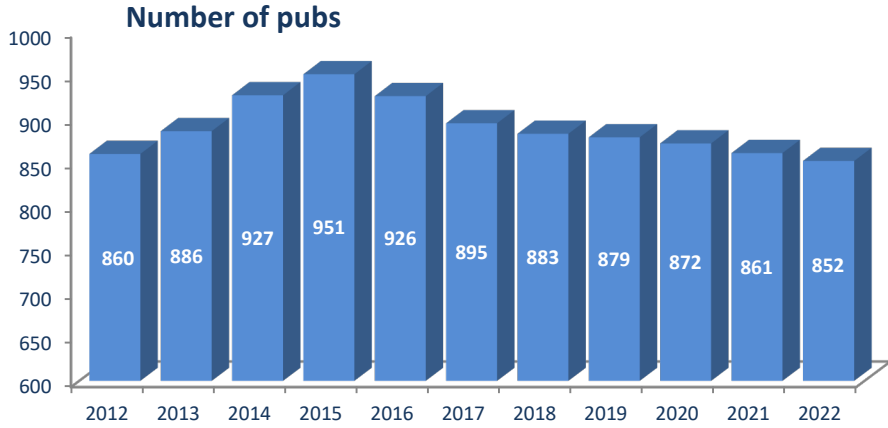
Appendices

Appendices

- A 10 year overview
- B 10 year financial trends
- C Summary of exceptional items
- D 10 year debt overview
- E1 ROC/CROCCE/ROE calculations
- E2 ROC/CROCCE/ROE calculations
- F Swap maturity profile

Appendix A

10 Year Overview



¹ Financial year 2022 and 2021 are Post IFRS-16 while the remainder of the financial years are showing Pre-IFRS16.

Appendix B

10 Year Financial Trends

	2022	2021		2020	2019	2018	2017	2016	2015	2014	2013
Sales per pub (£000) (1)	2,011	1,573		2,017	2,075	1,921	1,807	1,694	1,620	1,562	1,476
EBITDA per pub (£000) (2) (4)	125.7	(21.7)		139.9	253.3	248.0	229.0	209.2	200.9	204.5	200.9
Number of pubs	852	861		872	879	883	895	926	951	927	886
% freeholds (%)	69	66		64	61	59	57	51	49	47	44
CROCCE (3) (%)	3.7	(1.4)		3.9	9.7	10.0	9.9	9.7	9.6	10.5	10.6
Cash return on investment (3) (%)	3.1	(5.3)		3.2	12.4	13.5	13.3	12.2	11.7	12.3	12.4

(1) Calculated on 52 week period

(2) Excluding sale & leaseback rent, calculated on 52 week period

(3) See appendix D1 and D2 for calculation

(4) Pre-IFRS 16

Summary of Exceptional Items

		2022 £000	2021 £000
Operating exceptional items			
Rank settlement		(27,771)	-
Local government support grants		(1,443)	(11,123)
Duty drawback		(170)	(4,418)
Exceptional operating costs		-	24,482
		(29,384)	8,941
Exceptional property losses		24,430	4,132
Disposal programme		96	1,707
Other property losses	<i>Impairment posted during the year</i>	24,430	4,132
		24,526	5,839
Other Exceptional Items	<i>Exceptional Finance Costs (Hedge Ineffectiveness)</i>	(51,859)	12,690
Exceptional tax	<i>Tax effect on operating exceptional items</i>	14,664	(3,271)
	<i>Impact of corporation tax rate change</i>	(2,102)	6,336
		12,562	3,065
Total exceptional items		(44,155)	30,535

Appendix D

10 Year Debt Overview¹

	2022	2021		2020	2019	2018	2017	2016	2015	2014	2013
Net debt/EBITDA	10.15²	-27.32 ²		9.48*	3.36	3.39	3.39	3.47	3.37	3.21	2.88
(EBITDAR - Reinvestment)/Fixed charge	1.02²	-0.21 ²		1.01*	2.26	2.25	2.21	2.14	1.97	1.79	1.88
Interest cover (times)	1.72	-2.85		-1.33	3.72	4.19	3.72	2.92	2.73	3.11	2.66
Interest cover pre exceptional (times)	0.33	-2.27		0.16	3.92	4.84	4.61	3.34	3.29	3.19	3.24
Fixed charge cover (times)											
statutory	1.32	-1.19		0.01	1.92	1.94	1.78	1.63	1.57	1.76	1.56
excluding depreciation	2.12	-0.27		0.84	2.71	2.79	2.54	2.32	2.22	2.32	2.09
excluding depreciation and Exceptional items	1.51	0.06		1.48	2.78	2.98	2.81	2.46	2.41	2.34	2.28

¹ Pre-IFRS 16

² Waivers agreed against covenant tests due to the impact of Covid-19 pub closures

Appendix E1

ROC/CROCCE/ROE

		2022 £000	2021 £000
Shareholders equity per accounts		277,977	300,344
Deferred tax balances		34,718	16,546
Interest rate swaps valuations		2,031	37,643
Impairment balances		60,477	48,190
Net book value of revalued assets		(3,687)	(4,540)
Adjusted shareholders equity	(a)	371,516	398,183
Net debt		891,652	845,474
Capital employed	(b)	1,263,168	1,243,657
Accumulated depreciation (excluding impairments)	(c)	1,174,748	1,088,872
Cash capital employed	(d)	2,437,916	2,332,529

ROC/CROCCE/ROE

		2022 £000	2021 £000
EBITDA (cash return) ²	(e)	87,835	(30,942)
Depreciation and amortisation	(f)	(74,554)	(76,474)
EBIT	(g)	13,281	(107,416)
Interest		(40,655)	(47,260)
Loss before tax		(27,374)	(154,676)
Current tax	(h)	(22)	(1,166)
Loss after cash tax	(i)	(27,396)	(155,842)
Deferred tax credit/(charge) (excluding exceptional items)		5,582	20,315
Loss after tax		(21,814)	(135,527)
Return on capital employed [(g+h)/average b] ¹		1.1%	(8.6%)
Cash return on cash capital employed [(e+h)/average d] ¹		3.7%	(1.4%)
P&L return on shareholders equity [i/average a] ¹		(7.1%)	(35.8%)
Cash Return on Investment [(i-f)/(average a+c)]		3.1%	(5.3%)

¹ All returns are calculated after tax

² Pre-IFRS 16

Swap Maturity Profile

Swap Value	From	To	Weighted Average %
£770m	30 July 2021	30 July 2023	1.61%
£770m	31 July 2023	30 July 2026	1.10%
£770m	31 July 2026	30 June 2028	1.33%
£770m	01 July 2028	29 March 2029	1.32%
£770m	31 March 2029	30 November 2031	1.02%

