

**06 November 2024**

## **J D WETHERSPOON PLC**

### **Trading Update Announcement**

J D Wetherspoon plc (the “company”) today publishes its scheduled trading update announcement for the 14 weeks to 3 November 2024, comprising quarter one (Q1) and a further week.

#### **Current trading**

Like-for-like (LFL) sales in the first 14 weeks of the financial year were 5.9% higher than the same period last year. Bar sales increased by 5.7%, food by 5.7% and slot/fruit machines by 13.5%. Hotel room sales decreased by 2.0%.

Total sales have grown by 4.6% in the year to date, less than LFL sales, as a result of a small number of pub disposals.

The “CGA RSM Hospitality Business Tracker” reports monthly LFL sales for a number of multi-outlet pub and restaurant companies.

In August, the tracker reported industry LFL sales of +1.3%, compared to +4.1% for Wetherspoon.

In September, the latest month for which information is available, the tracker reported industry sales of +1.7%, compared to +5.7% for Wetherspoon.

Wetherspoon has outperformed the tracker for 25 consecutive months.

#### **Property**

In the year-to-date, the company has opened two pubs - in Marlow, Buckinghamshire and at London Waterloo station. The company plans to open a total of nine pubs in the year, including sites at London Bridge station, Fulham Broadway underground station and Manchester Airport.

Five pubs have been sold in the year, giving rise to a cash inflow of £2.4 million. The company currently has a trading estate of 797 pubs.

#### **Franchises**

Three pubs now operate as Wetherspoon franchises.

The first of these, at Hull University student union, opened in January 2022. Sales have approximately doubled compared to the pre-franchise history.

The second, at Newcastle University student union, opened in September 2023, and sales increased approximately fourfold in the first year.

The most recent franchise opening was at Haven Primrose Valley Holiday park, Filey, North Yorkshire in March 2024, where trading has been encouraging, and we are reviewing plans with Haven to introduce Wetherspoon to more parks in 2025 and beyond.

#### **Costs**

Following the government budget of 30 October, taxes and business costs are expected to increase by approximately £60 million, on an annualised basis, in calendar year 2025, including an estimated 67% increase in national insurance contributions.

## **Correction**

An article in Investors' Chronicle (No Free Lunch, 23 October) said that the pub magazine, Wetherspoon News, published 'biased articles' with regard to the 2016 referendum.

In fact, unlike most mainstream newspapers, including Investors' Chronicle's sister newspaper, The Financial Times, Wetherspoon News published articles reflecting views on both sides of the referendum debate.

For example, the summer 2016 edition of the magazine, published approximately a month before the referendum, contained pro-remain articles by Prime Minister David Cameron, by Nick Clegg, by government minister Anna Soubry and by Financial Times chief economics commentator Martin Wolf. The articles appeared alongside articles by four pro-leave advocates. The articles can be found [here](#).

The editor of Wetherspoon News said, in an introduction to the above articles, that:

"Most people feel confused by the conflicting arguments concerning the EU referendum. Here, we have tried to present the arguments for and against- in an easy to read format.... There is a lot to read, but it's an important decision. So, grab a drink, find a corner and take an hour or two to weigh up the information in your mind...".

Wetherspoon's full press statement, in response to the Investors' Chronicle article, can be found in **appendix 1** below.

## **Outlook**

Wetherspoon chairman Tim Martin said:

"The company achieved record sales in the 14-week period and staff retention continues to be at high levels.

"Cost inflation, which had jumped to elevated levels in 2022, slowly abated in the following two years, but has now jumped substantially again following the budget.

"All hospitality businesses, we believe, plan to increase prices, as a result. Wetherspoon will, as always, make every attempt to stay as competitive as possible.

"The company is confident of a reasonable outcome for the year, although forecasting is more difficult given the extent of the increased costs."

An article which appeared in Investors' Chronicle (No Free Lunch, 23 October) contained a number of inaccuracies.

For example, it repeated the myth that Wetherspoon was named "after a teacher" who said that Mr Martin would "never make it".

In fact, as Mr Martin has repeatedly said, the company was named after a teacher who struggled to control the class- just as Mr Martin struggled to control the first pub.

The article also says that Mr Martin "visited pubs anonymously with a hygrometer" in the early days of the company.

This is also untrue- Mr Martin never visited pubs anonymously and he has never owned, or used, a hygrometer.

More importantly, the article says, with regard to the 2016 referendum, that Mr Martin "plastered his pubs with.....biased articles in the pub chain's free magazine."

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The Investors' Chronicle also says that Wetherspoon "lost £ 210 million between 2020 and 2022 DESPITE (Wetherspoon capital letters) receiving government subsidies of £377 million".

This is a confusing statement - pubs were closed for long periods during the pandemic. Furlough payments covered most, but not all, employment costs, but clearly did not cover rent, interest and a plethora of other business costs. Therefore, all pub and restaurant companies inevitably made substantial losses "despite" receiving furlough payments.

The article contained other inaccuracies, falsely linking, for example, the resignation of long serving non-executive directors to Mr Martin's stance on the referendum.

Wetherspoon chairman Tim Martin said:

"The Investors' Chronicle article contained a number of inaccuracies. The accusation that Wetherspoon News was biased cannot be sustained, since it clearly featured arguments for and against Brexit and urged readers to make up their own mind- unlike, for example, the Financial Times, a sister publication of Investors' Chronicle, which adopted an entirely pro-remain stance. Ex hypothesi, that WAS bias"

**Ends.**

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## Notes to editors

1. J D Wetherspoon owns and operates pubs throughout the UK and Ireland. The Company aims to provide customers with good-quality food and drink, served by well-trained and friendly staff, at reasonable prices. The pubs are individually designed, and the Company aims to maintain them in excellent condition.
2. Visit our website: [www.jdwetherspoon.com](http://www.jdwetherspoon.com)
3. This announcement has been prepared solely to provide additional information to the shareholders of J D Wetherspoon, to meet the requirements of the FCA's Disclosure and Transparency Rules. It should not be relied on by any other party, for any other purposes. Forward-looking statements have been made by the directors in good faith, using information available up until the date on which they approved this statement. Forward-looking statements should be regarded with caution, because of the inherent uncertainties in economic trends and business risks.
4. This announcement contains inside information on J D Wetherspoon plc.
5. The current financial year comprises 52 trading weeks to 27 July 2025.
6. The next trading update is expected to be issued on 22 January 2025.