WHITBREAD

Q3 FY25 Results

16 January 2025

Positive strategic progress, stable UK performance and continued momentum in Germany

Throughout this release percentage growth comparisons are comparing Q3 FY25 performance for the 13 weeks to 28 November 2024 to the same period in FY24, unless stated otherwise.

Comment from Dominic Paul, Whitbread Chief Executive:

"Our Five-Year Plan is set to deliver incremental profit of at least £300m by FY30 and release more than £2bn for shareholders through a combination of dividends and share buy-backs. We are making good progress against our strategic priorities including our Accelerating Growth Plan and cost efficiency programme, and we remain confident in our ability to deliver a step change in profits, margins and returns.

"The structural shift in UK supply has meant that Premier Inn is continuing to sustain the significant gains made since the pandemic. Whilst forward visibility remains limited, the favourable supply backdrop, together with our brand strength and commercial initiatives, means we are confident that we can continue to outperform the market.

"In Germany, we continued to perform strongly in what is an important trading period. As a result, we remain on track to reach profitability on a run-rate basis this year which is a key milestone and gives us real confidence as we continue to build momentum towards becoming the country's number one hotel brand."

Overview

- Total UK accommodation sales were in line with last year and we delivered another strong trading performance in Germany. With the expected reduction in UK food and beverage ('F&B') sales as a result of our Accelerating Growth Plan, total Group sales were down 2% to £763m
- Premier Inn UK:
  - Trading improved during the quarter resulting in total accommodation sales broadly in line with last year and up 51% versus FY20; total RevPAR was down 3% and up 35% versus FY20
  - Premier Inn continued to outperform the midscale and economy ('M&E') sector with total accommodation sales growth 0.8pp ahead and a RevPAR premium of £6.24[1]
  - F&B sales performed in line with our expectations reflecting the impact of our Accelerating Growth Plan
- Premier Inn Germany:
  - Total accommodation sales were up 23% in local currency (19% in GBP), led by the increasing maturity of our estate and the benefit of our commercial initiatives
  - Total estate RevPAR increased to €71 and RevPAR of our more established hotels was €79, performing well ahead of the wider M&E market[2]
- Current trading: In the six weeks to 9 January 2025, total UK accommodation sales were up 2% and total Germany accommodation sales were up 37%
- £100m share buy-back was completed on 13 November 2024

Q3 FY25 Summary

	Q3			Q3 YTD		
	UK	**Germany[3]**	**Total**	**UK**	**Germany[3]**	**Total**
Sales growth:						
Accommodation	0%	19%	1%	0%	21%	2%
Food & beverage	(14)%	22%	(12)%	(9)%	17%	(8)%
Total	(4)%	19%	(2)%	(2)%	20%	(1)%
Like-for-like sales growth:						
Accommodation	(3)%	19%	(1)%	(2)%	18%	(1)%
Food & beverage	(1)%	21%	0%	(2)%	14%	(2)%
Total	(3)%	20%	(1)%	(2)%	17%	(1)%

1: STR data, standard basis, 30 August 2024 to 28 November 2024, UK M&E market excludes Premier Inn
2: STR data, standard basis, 30 August 2024 to 28 November 2024, Germany M&E market excludes Premier Inn
3: Germany sales growth in GBP

Current trading (six weeks to 9 January 2025) and FY25 guidance

- UK total accommodation sales were up 2% with RevPAR in line with last year
- UK F&B sales continue to perform in line with our expectations and previous guidance
- Germany total accommodation sales were up 37% and RevPAR up 28% in local currency
- There is no change to our previous FY25 guidance

FY26 guidance and outlook

- We are making good progress against our strategic priorities and remain on track with our Five-Year Plan. Whilst forward visibility remains limited, we expect to realise further benefits from our commercial initiatives that will enable us to continue to outperform the market
- There is no change to our Accelerating Growth Plan guidance and we expect to fully reverse the FY25 PBT negative impact of £20m to £25m
- Including the impact of the UK Budget, we expect gross UK cost inflation to be between 5% and 6% on our £1.7bn cost base. However, with efficiencies of £50m, net UK cost inflation is expected to be between 2% and 3%
- We're making excellent progress in Germany and with continued estate and brand maturity, we are on track to deliver profitability in FY26
- Expected reduction of between £15m and £20m in net finance income versus FY25 reflecting lower cash balances and the impact of refinancing the Group's 2015 bond

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A live Q&A teleconference for investors and analysts will be held at 9:15am GMT on 16 January 2025. Details to join are noted below. An on-demand version of this will be made available on the website (www.whitbread.com/investors/results-reports-and-presentations) shortly after.

Q&A teleconference participant dial-in numbers:
Start time – 9:15am GMT
United Kingdom (Local): 020 3936 2999
Participant Access Code: 005367

Appendix

1) *Premier Inn UK key performance indicators*

	Q1	Q2	Q3	*Q3 %[1]*	YTD
London					
Occupancy (full inventory)	78.6%	84.3%	83.1%	*(3.2)pp*	**82.0%**
Average room rate (£)	109.12	116.65	112.47	*(2.9)%*	**112.84**
Revenue per available room (£)	85.77	98.32	93.49	*(6.4%)*	**92.55**
Total accommodation sales (£m)	120.0	138.5	133.9	*0.2%*	**392.4**
Regions					
Occupancy (full inventory)	82.6%	84.3%	83.9%	*(0.8)pp*	**83.6%**
Average room rate (£)	71.00	84.77	74.43	*(0.9)%*	**76.78**
Revenue per available room (£)	58.67	71.45	62.43	*(1.8)%*	**64.19**
Total accommodation sales (£m)	374.1	456.2	398.7	*(0.6)%*	**1,229.0**
Total					
Occupancy (full inventory)	81.9%	84.3%	83.7%	*(1.2)pp*	**83.3%**
Average room rate (£)	77.59	90.53	81.35	*(1.2)%*	**83.22**
Revenue per available room (£)	63.54	76.31	68.12	*(2.5)%*	**69.33**
Total accommodation sales (£m)	494.1	594.7	532.7	*(0.4)%*	**1,621.4**
Total accommodation sales vs M&E market[2]	+0.6pp	+0.3pp	+0.8pp	*(4.6)pp*	**+0.6pp**
RevPAR premium vs M&E market[2]	+£5.44	+£6.32	+£6.24	*£(0.25)*	**+£5.99**
F&B					
Total food and beverage sales (£m)	191.0	175.1	162.4	*(13.6)%*	**528.5**
Total UK sales (£m)	**685.2**	**769.8**	**695.1**	***(3.8)%***	**2,150.0**

2) *Premier Inn Germany key performance indicators*

	Q1	Q2	Q3	*Q3 %[1]*	YTD
Occupancy (full inventory)	64.6%	72.0%	73.5%	*7.7pp*	**70.1%**
Average room rate (€)	87.88	90.05	96.89	*7.0%*	**91.81**
Revenue per available room (€)	56.79	64.87	71.25	*19.6%*	**64.34**
Total accommodation sales (€m)	54.3	62.0	69.3	*23.1%*	**185.7**
Total food and beverage (€m)	8.8	9.8	11.3	*26.6%*	**30.0**
Total sales (€m)	**63.1**	**71.8**	**80.7**	***23.6%***	**215.6**

Notes:
1: Growth versus Q3 FY24
2: STR data, standard basis, 1 March 2024 to 28 November 2024, M&E market excludes Premier Inn