

**JD Wetherspoon PLC**  
**Preliminary Results**  
**16 October 2020**

# The alternative to lockdown is mainstream

## BBC isn't telling us the full story on Covid

The corporation is sticking to ministers' line that 'the science' supports their policy when the truth is far more complex

Matthew Parris – Sat 3 October



Britain's Covid-19 strategy simply adds up to many more jobless people.      Larry Elliott - Thu 15 Oct 2020



## Boris Johnson's 'strongman' Government is destroying democracy

Rule by ministerial decree is both contrary to our political tradition and thoroughly bad practice.      Jonathan Sumption - Fri 2 October 2020



# “Britains Covid-19 Strategy Simply Adds Up To Many More Jobless People”

15 October 2020, Larry Elliot, Guardian Economics Editor

- **Lockdown damaging and counter-productive with no guarantee of success but rise in unemployment is , in contrast, certain.**
- Opinion now spilt on what to do next - lockdown OR shield the vulnerable and allow people to get on with lives.
- Reasons lockdown approach is flawed:
  - Harm to education of millions from shut down schools
  - Millions of cancer scans cancelled already
  - Contraction in economy has hit young and most vulnerable workers the hardest
  - No guarantee a circuit breaker won't be followed by several more until a vaccine available – (i.e. a problem deferred/ not solved)
  - Will impact on areas where infection rates low – i.e. South West
  - Lock downs counter- productive – evidence shows transmission linked to shared living accommodation where distancing a problem. Why force people into it.
- Modelling does not account for people changing behaviour on their own - Sweden forecast to have 96k Covid deaths because of no lockdown – actual number 6000 because people altered their behaviour anyway which models did not build in.
- Swedish strategy good because clear (in contrast to UK Gvt approach – lots of mixed messages leading to confusion)
- Good Track and Trace system key. In S. Korea it has saved lives AND limited economic impact. We have “worst of both worlds”
- The fear = blanket lockdown in place for whole winter with no guarantee virus defeated BUT unemployment will be higher for CERTAIN.

# Background

- Average food hygiene score of 4.96 out of 5
- 758 pubs (out of 781) have a score of 5
- £13.1m spent on safety measures before reopening
- £33m spent on bonuses and free shares, 98% paid to staff below board level and 87% to pub staff
- Top Employer UK for the 17th consecutive year (Top Employers Institute)
- 253 pubs are listed in CAMRA's Good Beer Guide 2020
- £18.7m raised for CLIC Sargent in the 17-year partnership
- 13,000 employee shareholders
- 99% of pubs Cask Marque approved

## Wetherspoon is the number-one-rated national pub company for food hygiene ratings

– the only independent government scheme assessing food hygiene standards.



	Total premises	Average rating per premises
Las Iguanas	50	5
Aldi	616	4.99
ASK	68	4.98
Mc Donald's	1,184	4.97
Waitrose	354	4.97
<b>Wetherspoon</b>	<b>781</b>	<b>4.96</b>
Nando's	405	4.96
Slug & Lettuce	82	4.96
Walkabout	21	4.95
Browns	21	4.95
Sainsbury's	963	4.94
PizzaExpress	400	4.94
Pret a Manger	387	4.93
TGI Fridays	75	4.93
Greggs	1,392	4.92
Lidl	683	4.92
Tesco	1,781	4.91
Zizzi	124	4.91
Miller & Carter	106	4.91
O'Neill's	34	4.91

# Financial Summary

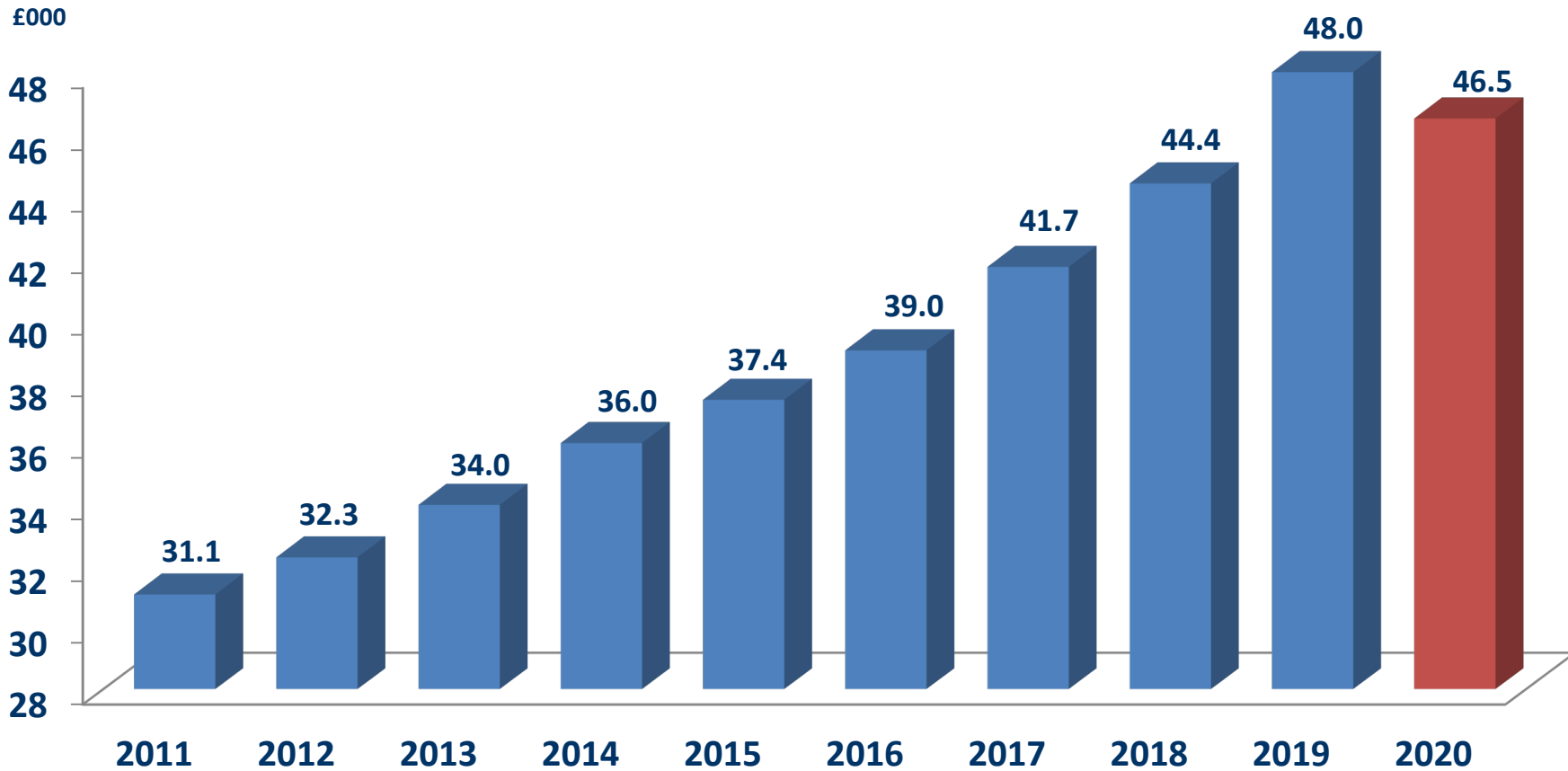
	2020	2019	Var%		2018	2017 <sup>2</sup>	2016	2015	2014	2013	2012 <sup>2</sup>	2011
Revenue (£m)	<b>1,262.0</b>	1,818.8	-30.6%		1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9	1,197.1	1,072.0
Like-for-like sales	<b>-29.5%</b>	+6.8%			+5.0%	+4.0%	+3.4%	+3.3%	+5.5%	+5.8%	+3.2%	+2.1%
(Loss)/profit before tax and property gains and losses <sup>3</sup> (£m)	<b>(33.5)</b>	96.9	-134.6%		104.3	100.0	75.3	78.5	80.8	76.9	72.4	66.8
(Loss)/profit before tax <sup>3</sup> (£m)	<b>(34.1)</b>	102.5	-133.3%		107.2	102.8	80.6	77.8	79.4	76.9	72.4	66.8
Underlying Earnings per share <sup>1</sup> (p)	<b>(35.9)</b>	70.2	-151.1%		76.5	66.6	43.8	47.6	48.0	44.7	41.3	35.3
Free cash flow per share <sup>1</sup> (p)	<b>(54.2)</b>	92.0	-158.9%		88.4	97.0	76.7	89.8	74.1	51.8	70.4	57.7
Dividend per share (p)	–	12.0	-100.0%		12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
After exceptional items:												
(Loss)/profit before tax <sup>3</sup> (£m)	<b>(94.8)</b>	95.4	-199.4%		89.0	76.4	66.0	58.7	78.4	57.1	58.9	61.4

<sup>1</sup> Including shares held in trust. Underlying earnings per share are before exceptional items and exclude gains/losses on property and deferred tax credits.

<sup>2</sup> Financial year contains 53 weeks.

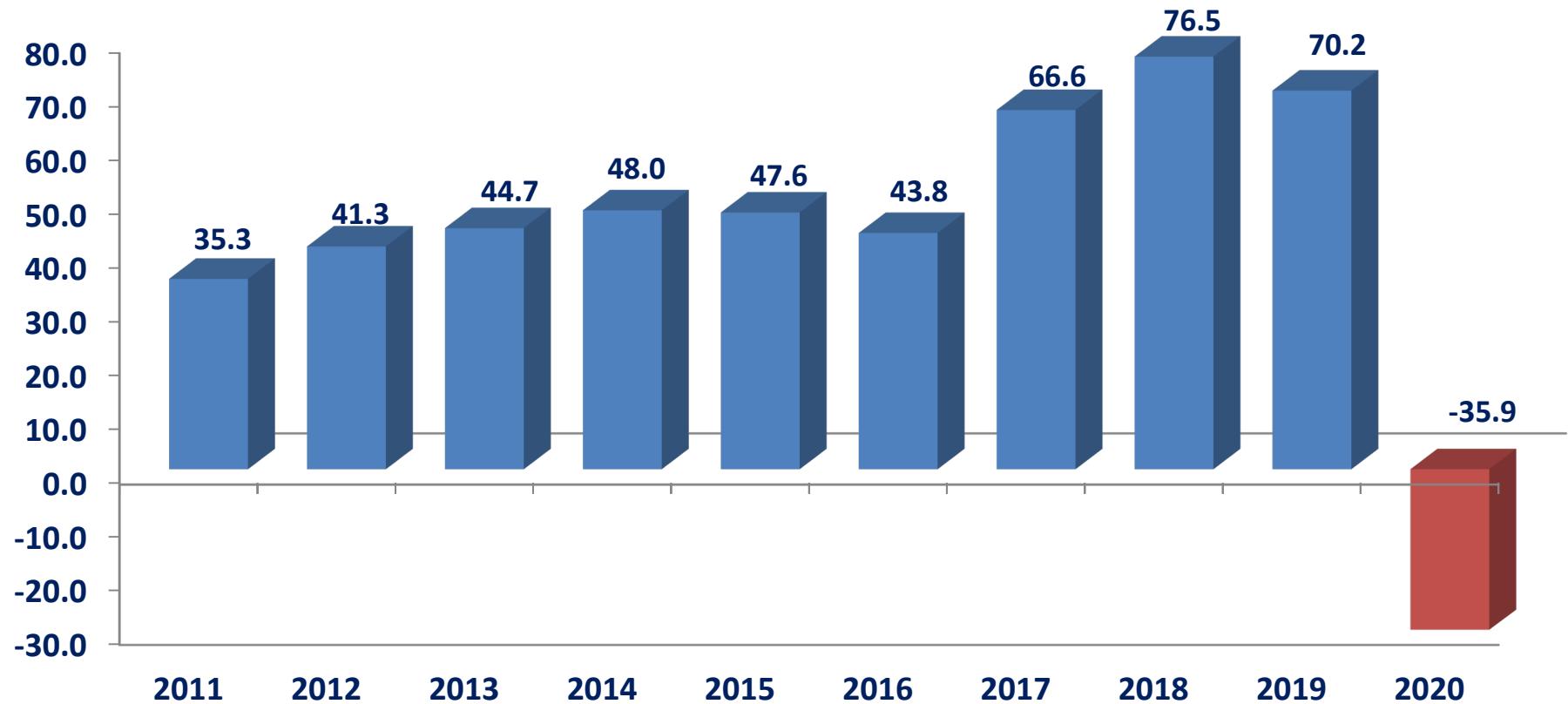
<sup>3</sup> Excluding impact of IFRS 16.

# Average Weekly Sales Per Pub (including VAT)



# Underlying Earnings Per Share (pence)\*

pence



\*Underlying earnings per share are before exceptional items and exclude gains/losses on property and one-off deferred tax benefits relating to changes in corporation tax rates. We include all shares held in trust. Excludes re-statement to deferred tax announced 14 September 2018.

# Like-for-like Performance

%	2020	2019		2018	2017	2016	2015	2014	2013	2012	2011
Bar	-29.3	+5.8		+5.1	+3.1	+3.3	+1.2	+2.7	+3.8	+2.8	+1.7
Food	-30.1	+8.3		+5.1	+5.7	+3.5	+7.3	+12.0	+10.9	+4.8	+4.2
Fruit/slot machines	-20.9	+10.3		+2.9	-1.2	-2.2	-2.8	-3.1	+0.4	-2.8	-3.9
Hotel	-38.7	+3.9		+2.3	+9.9	+9.7	+24.2	+6.3	–	–	–
LFL sales	-29.5	+6.8		+5.0	+4.0	+3.4	+3.3	+5.5	+5.8	+3.2	+2.1
LFL Pub profit <sup>1</sup>	-53.5	+0.1		+1.2	+8.4	-0.3	-1.1	+2.0	+4.4	-2.2	-1.2

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



# 10 Year Operating Profit

£m	2020	2019		2018	2017 <sup>1</sup>	2016	2015	2014	2013	2012 <sup>1</sup>	2011
Turnover	1,262.0	1,818.8		1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9	1,197.1	1,072.0
Pub profit (pre repairs)	214.2	349.7		338.6	330.6	288.3	285.4	284.4	259.0	245.4	226.8
Repairs	(75.9)	(76.9)		(71.3)	(66.2)	(54.9)	(53.4)	(59.4)	(48.0)	(46.6)	(38.4)
Head office costs	(40.8)	(47.5)		(44.3)	(51.3)	(41.9)	(43.9)	(42.7)	(40.4)	(36.6)	(36.7)
Share Incentive Plan	(10.7)	(11.6)		(11.4)	(10.7)	(9.6)	(8.9)	(7.2)	(6.2)	(5.7)	(5.1)
Depreciation and impairment	(79.6)	(81.8)		(79.3)	(73.9)	(72.2)	(66.7)	(58.1)	(53.1)	(49.2)	(44.4)
<b>Operating profit</b>	<b>7.2</b>	131.9		132.3	128.5	109.7	112.5	117.0	111.3	107.3	102.2
Operating margin	<b>0.6%</b>	7.3%		7.8%	7.7%	6.9%	7.4%	8.3%	8.7%	9.0%	9.5%
Gains and losses on property	(0.7)	5.6		2.9	2.8	5.3	(0.7)	(1.4)	–	–	–
<b>EBIT before exceptionals</b>	<b>6.5</b>	137.5		135.2	131.3	115.0	111.8	115.6	111.3	107.3	102.2
Exceptional items	(60.7)	(7.0)		(18.3)	(26.9)	(14.6)	(19.1)	–	(19.8)	(13.5)	(5.4)
<b>EBIT after exceptionals</b>	<b>(54.2)</b>	130.5		116.9	104.4	100.4	92.7	115.6	91.5	93.8	96.8

<sup>1</sup> Financial year contains 53 weeks.

# Summary of Exceptional Items

		2020 £000	2019 £000
<b>Operating exceptional items</b>			
Covid-19		29,091	–
Gaming machine settlement		(15,890)	–
		13,201	–
<b>Exceptional property losses</b>			
Disposal programme	<i>(see next slide)</i>	8,151	4,108
Other property losses	<i>Impairment of property, plant and equipment</i>	23,904	2,252
	<i>Impairment of intangible assets</i>	10,699	–
	<i>Impairment of right of use assets</i>	4,722	–
	<i>Impairment of other assets</i>	–	52
	<i>Onerous lease</i>	–	628
		47,476	7,040
<b>Exceptional tax</b>	<i>Tax effect on operating exceptional items</i>	(5,885)	(188)
	<i>Impact of corporate tax rate change</i>	4,252	–
		(1,633)	(188)
<b>Total exceptional items</b>		59,044	6,852

# Covid-19 timeline

- 20 Mar 2020 All pubs closed by the government
- Apr – Jul 2020 £13.1m investment in safety measures for staff and customers
  - Perspex floor/till screens, sanitiser stations, external furniture, masks, gloves, thermometers, customer posters/signage,
- 04 Jul 2020 First pubs reopened in England (712 pubs of 872)
- 15 Jul 2020 Temporary VAT cut on food and non-alcoholic drinks. This was passed on by Wetherspoon to customers.
- 31 Jul 2020 Job retention bonus announced for Feb 2021 (£1000/retained member of staff)
- 01 Aug 2020 Tapering of furlough scheme commences
- 03-31 Aug 2020 “Eat Out to Help Out” scheme offering diners 50% discount on food and non-alcoholic drinks
- 14 Sep 2020 ‘Rule of 6’ introduced
- 24 Sep 2020 NHS Covid APP launched
- 24 Sep 2020 Introduction of 10pm curfew, table service only & face masks for customers
- 09 Oct 2020 38 pubs in Scotland closed due to government restrictions

# Covid-19 support measures

- Furlough rebate (£124.2m for FY20)
- Reduced VAT rate on food and non-alcoholic drinks
- Business rates suspended
- VAT payment deferrals
- £250k local authority grants
- “Eat Out to Help Out” scheme (August)

# COVID-19

- Approximately 46 million customer visits to pubs since reopening in July 2020
- Over 16 million track & trace registrations – for most of the time, only the lead person in each group has needed to register (excludes NHS APP registrations)
- 429 employees (of 43,000) have tested positive for Covid-19 since 4 July 2020 (1.0%)
- Reflects the nationwide test rate (0.9%)
- 670 pubs have had zero positive tests among staff (77%)
- Most positive tests appear to have resulted from contacts outside of work

# Management Actions

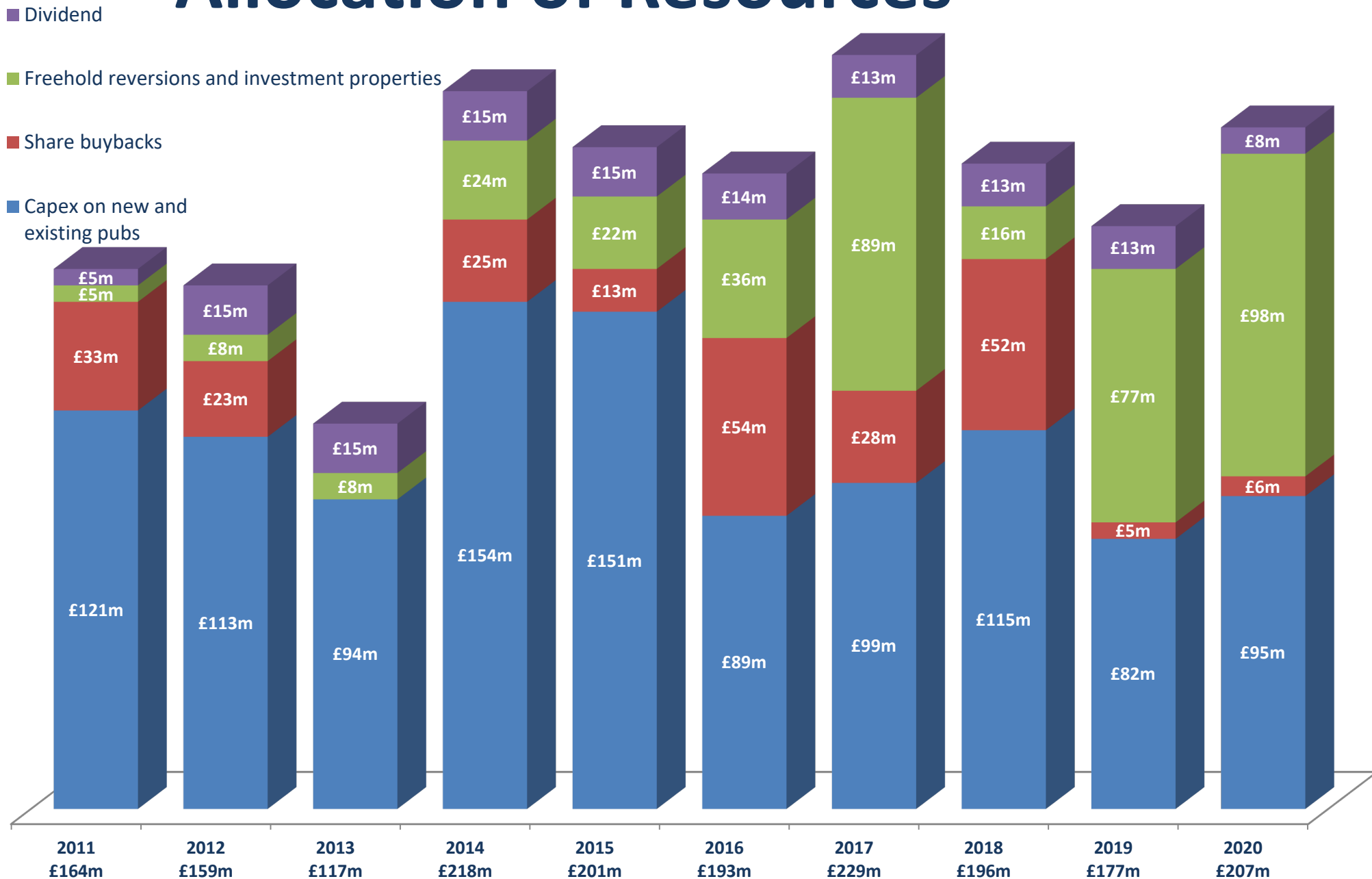
The company implemented an extensive set of measures to safeguard the business. These include:

- **Operational reductions.** The company closed its pubs and hotels, putting them, in effect, into 'hibernation' in which ongoing costs, for example utilities, are minimised.
- **Capital Expenditure.** Around £70m of capital expenditure planned for the second half of the financial year was deferred
- **Labour costs.** Around 43,000 employees, more than 99% of the workforce, were furloughed.
- **Suppliers.** The company continued to pay 83% of suppliers in full throughout lockdown. Extended payment terms were agreed with a number of larger suppliers.
- **Rents.** The majority of rental payments due in March, other than some concessions, were deferred. The company has agreed extended payment terms with many landlords.
- **SIP Award.** The award for the March 2020 share incentive plan (SIP) was cancelled.

# Management Actions (continued)

- **Board salary reductions.** The board volunteered to take the following reductions: Tim Martin - 50%; John Hutson - 50%; Ben Whitley 38%; Su Cacioppo - 42%; each of the non-executive directors - 50%.
- **Repairs and maintenance.** Reduced from an annualised run rate of £83 million to £10 million during lockdown.
- **Overheads.** Overhead expenditure (e.g. utilities, distribution centre costs, HQ running costs, IT) were reduced from an annualised run rate of £210 million to approximately £35 million during lockdown.
- 
- **Taxation.** In general, the government and HMRC were helpful in agreeing delays in payments of tax. Just over £20 million VAT payments were deferred, to be repaid from March 2021.
- **Dividend.** As previously announced, the interim dividend has been cancelled.
- **Equity raise.** £138m raised from a non-pre-emptive 15% share placing (after fees)
- **Government loan.** £48.3m CLBILs loan arranged in August 2020

# Allocation of Resources





# Cash Capital Expenditure

£m	2020	2019		2018	2017	2016	2015	2014	2013	2012	2011
<b>New Openings:</b>											
Acquisition and development costs:											
Current year	18.6	19.8		32.0	27.2	38.6	76.5	64.5	40.4	57.2	74.0
Future year	31.8	7.5		14.4	13.1	16.6	30.5	33.2	12.8	10.4	9.0
Freehold reversions and investment properties	98.5	77.2		16.3	88.6	36.1	21.6	23.6	7.7	7.8	4.6
	148.9	104.5		62.7	128.9	91.3	128.6	121.3	60.9	75.4	87.6
<b>Reinvestment in existing pubs:</b>											
Kitchen and bar equipment / furniture etc.	18.5	28.7		46.2	25.3	16.0	18.4	22.6	16.7	22.5	13.4
Refurbishments	24.9	18.7		17.5	19.8	12.4	19.2	22.0	12.8	11.6	9.8
Business and IT projects	0.9	6.9		5.2	13.5	5.1	7.1	11.6	11.4	11.1	15.2
	44.3	54.3		68.9	58.6	33.5	44.7	56.2	40.9	45.2	38.4
<b>Total</b>	193.2	158.8		131.6	187.5	124.8	173.3	177.5	101.8	120.6	126.0












# Movement in Net Debt

£m	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Opening Net debt</b>	<b>737.0</b>	726.2	696.3	650.8	601.1	556.6	474.2	462.6	437.7	388.4
Free cash flow	58.9	(97.0)	(93.4)	(107.9)	(90.5)	(109.8)	(92.9)	(65.3)	(91.5)	(78.8)
Disposal of fixed assets	(4.8)	(9.3)	(4.7)	(19.6)	(22.5)	(0.7)	(0.5)	(0.6)	(0.9)	(1.1)
New pubs and extensions	50.4	27.2	46.4	40.3	55.2	107.0	97.7	53.2	67.6	83.0
Freehold reversions and investment properties	98.5	77.2	16.3	88.6	36.1	21.6	23.6	7.7	7.8	4.6
Share buy-backs	6.5	5.4	51.6	28.4	53.6	12.7	24.6	–	22.7	32.8
Dividends paid	8.4	12.7	12.7	13.4	14.2	14.6	14.9	15.1	15.5	5.2
Net exceptional finance income	–	–	–	(0.4)	–	–	–	–	–	–
Gaming machine settlement	–	–	–	–	–	–	16.7	–	–	–
Share placing proceeds	(138.0)	–	–	–	–	–	–	–	–	–
Other	0.1	(5.4)	1.0	2.7	3.6	(0.9)	(1.7)	1.5	3.7	3.6
<b>Closing Net debt</b>	<b>817.0</b>	737.0	726.2	696.3	650.8	601.1	556.6	474.2	462.6	437.7
Available facility	<b>993.0</b>	895.0	860.0	860.0	840.0	840.0	690.0	575.0	575.0	550.0
Other borrowings	18.4	–	0.1	0.2	0.3	2.0	4.7	10.2	16.1	7.9
Less net borrowings	(817.0)	(737.0)	(726.2)	(696.3)	(650.8)	(601.1)	(556.6)	(474.2)	(462.6)	(437.7)
<b>Unutilised facility</b>	<b>194.4</b>	158.0	133.9	163.9	189.5	240.9	138.1	111.0	128.5	120.2

# Property Update

	2020	2019		2018	2017	2016	2015	2014	2013	2012	2011
Trading pubs at start of FY	879	883		895	926	951	927	886	860	823	775
Freehold pubs opened	2	4		6	9	10	24	31	14	18	34
Leasehold pubs opened	–	1		–	1	6	6	15	15	22	16
Closures/disposals	(9)	(9)		(18)	(41)	(41)	(6)	(5)	(3)	(3)	(2)
Total trading pubs	872	879		883	895	926	951	927	886	860	823
New hotels in period	–	1		4	7	7	9	4	2	2	–
Total number of hotels	58	58		57	53	46	39	30	26	24	22
Pubs in Republic of Ireland	7	7		5	5	5	4	1	–	–	–
Average cost of development (£k)	2,330	2,644		2,773	2,299	2,459	2,070	1,643	1,552	1,420	1,207
Freehold average cost (£k)	723	960		542	721	907	843	559	589	639	825
Average Size (sq.ft.) – Openings	4,005	4,851		5,201	4,379	4,264	4,321	3,585	3,643	3,325	3,572
Freehold (%)	64.3	61.4		58.7	57.0	51.4	49.2	46.6	44.2	43.8	43.4
Leasehold (%)	35.7	38.6		41.3	43.0	48.6	50.8	53.4	55.8	56.2	56.6

# IFRS 16 – impact

Profit and loss impact		£m
EBITDA		£58.5
Depreciation		£(48.7)
Operating profit		£9.8
Disposal of leases		£1.1
Interest		£(21.5)
Profit before tax		£(10.6)
Tax		£2.0
Profit after tax		£(8.6)
Balance sheet impact		£m
Right-of-use assets		£514.2
Net lease liabilities		£(541.9)
Other		£27.7

Based on leases in place at the year end

# “It’s a People Thing”

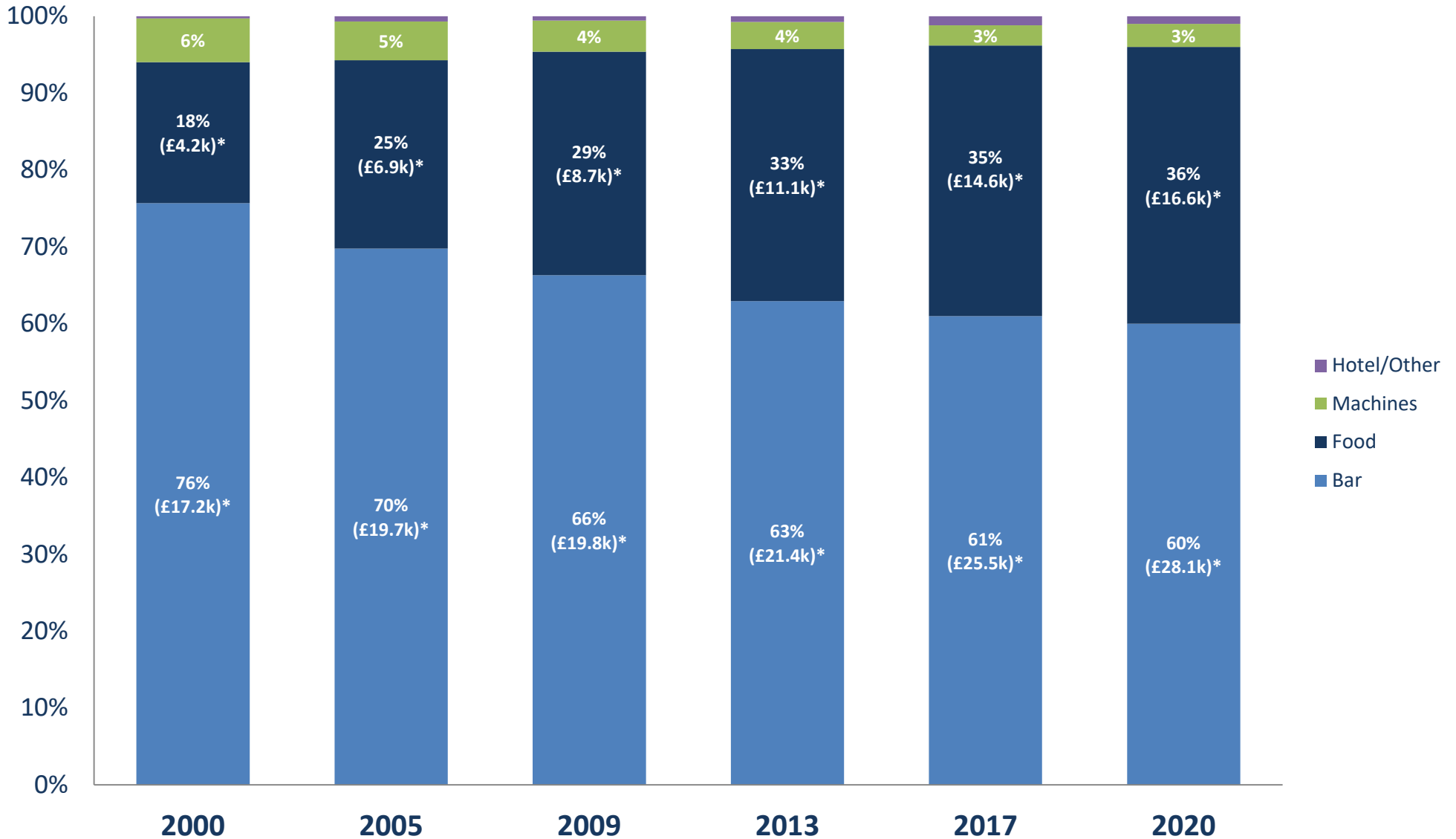
- Over 43,000 employees of which over 13,000 are shareholders
- Manager retention:

	2020	2013	2008
Pub Manager	12 yr 11 mth	9 yr 8 mths	7 yr 1 mth
Kitchen Manager	9 yr 5 mths	6 yr 5 mths	4 yr 7 mths

- Recognised as one of ‘Britain’s Top Employers’ in a Guardian publication for 17 consecutive years
- £33m paid in bonuses and free shares, of which 87% was paid to staff working in our pubs
- Employee development
  - Diploma in Higher Education: Business Management Practice
  - BA (Hons) Business Management Practice Degree Apprenticeship
  - MBA (Executive) Senior Leader Master’s Degree Apprenticeship
  - Hospitality Apprenticeships Levels 2-4
  - ‘Wethercentre Development Programme’
  - Academies for pubs – front of house, kitchen, people and cellar/coffee/dispense
- Around 96% of hourly paid employees are on guaranteed hours contracts



# Changing Sales Mix since 2000



\*Average sales per week

# Taxation\*

	2020 £m	2019 £m	2018 £m	2017 £m	2016 £m	2015 £m	2014 £m	2013 £m	2012 £m
VAT	<b>244.3</b>	357.9	332.8	323.4	311.7	294.4	275.1	253.0	241.2
Alcohol duty	<b>124.2</b>	174.4	175.9	167.2	164.4	161.4	157.0	144.4	136.8
PAYE and NIC	<b>106.6</b>	121.4	109.2	96.2	95.1	84.8	78.4	70.2	67.1
Business rates	<b>39.5</b>	57.3	55.6	53.0	50.2	48.7	44.9	46.4	43.9
Corporation tax	<b>21.5</b>	19.9	26.1	20.7	19.9	15.3	18.1	18.4	18.2
Corporation tax credit (historic capital allowances)	–	–	–	–	–	(2.0)	–	–	–
Machine duty	<b>9.0</b>	11.6	10.5	10.5	11.0	11.2	11.3	7.2	3.3
Climate change levies	<b>6.1</b>	10.4	9.2	9.7	8.7	6.4	6.3	4.3	1.9
Stamp duty	<b>4.9</b>	3.7	1.2	5.1	2.6	1.8	2.1	1.0	0.8
Sugar tax	<b>2.0</b>	2.9	0.8	–	–	–	–	–	–
Fuel duty	<b>1.7</b>	2.2	2.1	2.1	2.1	2.9	2.1	2.0	1.9
Carbon tax	–	1.9	3.0	3.4	3.6	3.7	2.7	2.6	2.4
Premise licence and TV licences	<b>1.1</b>	0.8	0.7	0.8	0.8	1.6	0.7	0.7	0.5
Landfill tax	–	–	1.7	2.5	2.2	2.2	1.5	1.3	1.3
<b>TOTAL TAX</b>	<b>560.9</b>	764.4	728.8	694.6	672.3	632.4	600.2	551.5	519.3
<b>TAX PER PUB (£000)</b>	<b>677.6</b>	871	825	768	705	673	662	632	617
<b>TAX AS % of NET SALES</b>	<b>44.4%</b>	42.0%	43.0%	41.8%	42.1%	41.8%	42.6%	43.1%	43.4%
<b>Furlough tax rebate</b>	<b>(124.2)</b>	–	–	–	–	–	–	–	–
<b>TOTAL TAX ADJUSTED FOR FURLOUGH TAX REBATE</b>	<b>436.7</b>	764.4	728.8	694.6	672.3	632.4	600.2	551.5	519.3

\*UK taxes only

# Current Trading and Outlook

- Like-for-like sales in the first 11 weeks have been 15.0% below last year
- 10pm curfew and introduction of 'table service only' have been particularly damaging for trade
- The outlook for pubs over the remainder of the current financial year is even more unpredictable than hitherto
- There is a need for a more sensible and consistent regulatory framework in which to operate



# Questions

**wetherspoon**

**Appendices**

# Appendices

- A 10 year overview
- B 10 year financial trends
- C 10 year debt overview
- D1 ROC/CROCCE/ROE calculations
- D2 ROC/CROCCE/ROE calculations
- E Pub disposal programme
- F Swap maturity profile

Appendix A

# 10 Year Overview

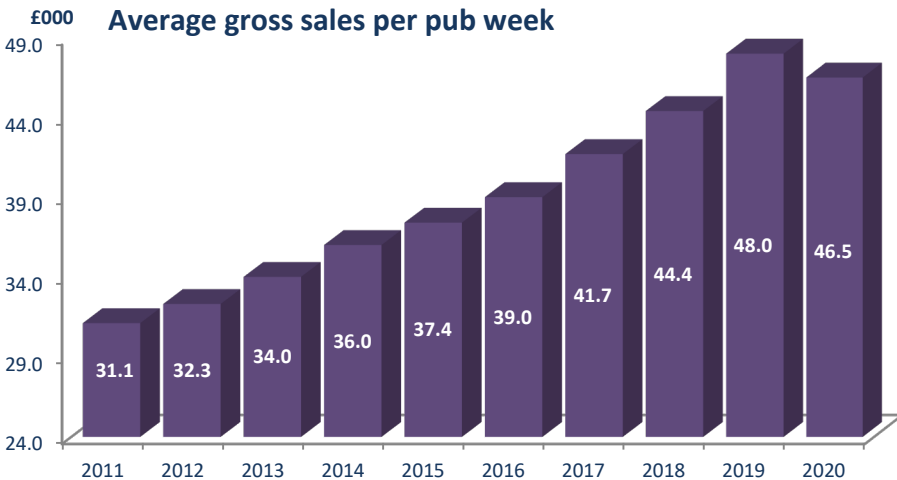
Number of pubs



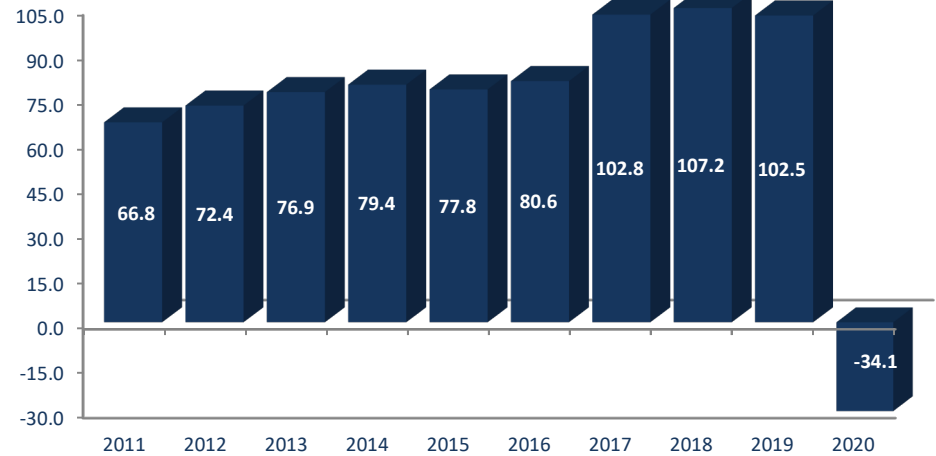
£ millions Turnover



Average gross sales per pub week



£ millions Profit before tax (before exceptional items)



## Appendix B

# 10 Year Financial Trends

	2020	2019		2018	2017	2016	2015	2014	2013	2012	2011
Sales per pub (£000) (1)	<b>2,017</b>	2,075		1,921	1,807	1,694	1,620	1,562	1,476	1,401	1,360
EBITDA per pub (£000) (2)	<b>139.9</b>	253.3		248.0	229.0	209.2	200.9	204.5	200.9	194.9	198.7
Number of pubs	<b>872</b>	879		883	895	926	951	927	886	860	823
% freeholds (%)	<b>64</b>	61		59	57	51	49	47	44	44	43
CROCCE (3) (%)	<b>3.9</b>	9.7		10.0	9.9	9.7	9.6	10.5	10.6	10.8	10.7
Cash return on investment (3) (%)	<b>3.2</b>	12.4		13.5	13.3	12.2	11.7	12.3	12.4	12.6	11.8

(1) Calculated on 52 week period

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

(3) See appendix D1 and D2 for calculation

## Appendix C

# 10 Year Debt Overview

	2020	2019		2018	2017	2016	2015	2014	2013	2012	2011
Net debt/EBITDA	<b>9.48*</b>	3.36		3.39	3.39	3.47	3.37	3.21	2.88	2.96	2.98
(EBITDAR - Reinvestment)/Fixed charge	<b>1.01*</b>	2.26		2.25	2.21	2.14	1.97	1.79	1.88	1.75	1.74
Interest cover (times)	<b>-1.33</b>	3.72		4.19	3.72	2.92	2.73	3.11	2.66	2.68	2.73
Interest cover pre exceptional (times)	<b>0.16</b>	3.92		4.84	4.61	3.34	3.29	3.19	3.24	3.07	2.88
Fixed charge cover (times)											
statutory	<b>0.01</b>	1.92		1.94	1.78	1.63	1.57	1.76	1.56	1.58	1.62
excluding depreciation	<b>0.84</b>	2.71		2.79	2.54	2.32	2.22	2.32	2.09	2.06	2.07
excluding depreciation and exceptionals	<b>1.48</b>	2.78		2.98	2.81	2.46	2.41	2.34	2.28	2.20	2.13

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

## Appendix D1

# ROC/CROCCE/ROE

		2020 £000	2019 £000
Shareholders equity per accounts		325,199	316,812
Deferred tax balances		26,521	31,073
Interest rate swaps valuations		82,194	49,072
Impairment balances		44,058	19,675
Net book value of revalued assets		(4,939)	(5,334)
<b>Adjusted shareholders equity</b>	<b>(a)</b>	<b>473,033</b>	<b>411,298</b>
Net debt		816,987	737,022
<b>Capital employed</b>	<b>(b)</b>	<b>1,290,020</b>	<b>1,148,320</b>
Accumulated depreciation (excluding impairments)	<b>(c)</b>	<b>1,017,917</b>	951,986
<b>Cash capital employed</b>	<b>(d)</b>	<b>2,307,937</b>	<b>2,100,306</b>

# ROC/CROCCE/ROE

		2020 £000	2019 £000
EBITDA (cash return)	(e)	86,150	219,327
Depreciation and amortisation	(f)	(79,639)	(81,811)
<b>EBIT</b>	<b>(g)</b>	<b>6,511</b>	<b>137,516</b>
Interest		(40,606)	(35,057)
<b>Profit before tax</b>		<b>(34,095)</b>	<b>102,459</b>
Current tax	(h)	588	(22,484)
<b>Profit after cash tax</b>	<b>(i)</b>	<b>(33,507)</b>	<b>79,975</b>
Deferred tax credit/(charge) (excluding exceptional items)		3,570	(346)
<b>Profit after tax</b>		<b>(29,937)</b>	<b>79,629</b>
<b>Return on capital employed [(g+h)/average b]*</b>		<b>0.6%</b>	<b>10.3%</b>
<b>Cash return on cash capital employed [(e+h)/average d]*</b>		<b>3.9%</b>	<b>9.7%</b>
<b>P&amp;L return on shareholders equity [i/average a]*</b>		<b>-7.6%</b>	<b>20.7%</b>
<b>Cash Return on Investment [(i-f)/(average a+c)]</b>		<b>3.2%</b>	<b>12.4%</b>

\*All returns are calculated after tax



## Appendix E

# Summary of pub disposal programme

The company has offered several of its sites for sale. At the year end, a further 8 (2019: 8) sites had been sold. The company closed one pub in the year that fell outside the scope of the disposal programme.

		2020 £000	2019 £000
<b>Disposal programme</b>	<i>Loss on disposal of pubs</i>	3,453	1,583
	<i>Impairment of property, plant and equipment</i>	4,698	1,298
	<i>Impairment of other non-current assets</i>	–	93
	<i>Onerous lease provision – closed pubs</i>	–	1,134
		<b>8,151</b>	<b>4,108</b>

# Swap Maturity Profile

Swap Value	From	To	Weighted Average %
£770m	02 July 2018	29 Jul 2021	2.42%
£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%

