

04 May 2022

J D WETHERSPOON PLC

Q3 Trading Update

J D Wetherspoon plc ('J D Wetherspoon' or 'the Company'), announces its Q3 trading update for the 13-week period up to 24 April 2022.

Current trading

For the 13 weeks to 24 April 2022 like-for-like sales decreased by 4.0%, in comparison with the same period in FY19. Year-to-date like-for-like sales have decreased by 6.2%.

In our interim statement, we indicated that like-for-like sales in the three weeks to 13 March 2022 had improved to -2.6%. In the following six weeks, to the end of the quarter, there was a further modest improvement to -1.6%. In the last two weeks of the period, like-for-like sales were slightly positive.

The company operates 47 pubs which have music, trading as 'Lloyds'. Like-for-like sales for these pubs, in the quarter, were +3.4%. The company also operates 57 hotels. Like-for-like room sales during the quarter were +5.0%.

Property

In the financial year to date, the company has disposed of six pubs. A further five pubs have been surrendered to landlords, following lease expiries. In addition, three leasehold pubs have been closed, in anticipation of lease expiries.

The disposals and surrenders gave rise to a cash inflow of £6.3m.

Financial position

Net debt at the end of the quarter was £906m and liquidity was £173m. Debt is expected to be around £870m at the end of the financial year.

Directorate Changes

As required by the Listing Rules of the FCA, Wetherspoon is today issuing a simultaneous statement announcing the retirement of long-serving Wetherspoon director Su Cacioppo and the appointment of James Ullman, a member of the Wetherspoon management board, as her replacement. The company is extremely grateful for Su's exceptional efforts in the last 31 years and wishes her every success in the future.

Outlook

The chairman of JD Wetherspoon, Tim Martin, said:

“Since Covid restrictions ended, sales have improved, as previously reported. As many hospitality companies have indicated, there is considerable pressure on costs, especially in respect of labour, food and energy. Repairs are also running at a higher rate than before the pandemic.

“The company anticipates a continuing slow improvement in sales, in the absence of further restrictions, and anticipates a “break-even” outcome for profits in the current financial year.

“Since 13 March, the company has returned to profitability and to a positive cash flow, and is cautiously optimistic about the prospect of a return to relative normality in FY23.

“The biggest threat to companies in the hospitality, tourism and related sectors is the possibility of future lockdowns and restrictions. These sorts of actions were never previously contemplated in the nation’s history - or, indeed, in the government’s own pre-pandemic plans.

“Many people, including those in the government and the medical establishment, believe that the UK response to Covid, which included a number of prolonged national lockdowns, was a success.

“This view is called into question by the outcome in Sweden, a more urbanised country than the UK, which did not lock down - and which appears to have had better health results.

“The collateral damage from lockdowns has yet to be quantified, but the economic cost, approximately half a trillion pounds, financed largely by “money printing” by the Bank of England, is a direct cause of the current inflationary crisis.”

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Directorate Changes

Wetherspoon has been informed by Su Cacioppo, personnel and legal director, of her intention to retire from the board and company on 7th October 2022.

The company thanks Su for her excellent contribution during the last 31 years and wishes her well for the future.

Su joined the Company in 1991 and joined the board in 2008.

James Ullman, currently retail audit director, will be appointed to the board with immediate effect as personnel and retail audit director.

James joined the Company in 1994 as part of the management team at JJ Moons in South Harrow. His previous roles include retail auditor, area manager and head of retail audit.

James was appointed to the management board in 2019. He is a graduate of Brighton University and Birmingham City University. He became a chartered internal auditor in 2011.

There is no information required to be disclosed on James Ullman pursuant to Listing Rule 9.6.13(R).

Enquiries:

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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
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 53 trading weeks to 31 July 2022.
6. The next trading update is expected to be the Company's statement on 13 July 2022.