

08 November 2023

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 5 November 2023, 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 9.5% higher than the same period last year. Bar sales increased by 10.7%, food by 8.2% and slot/fruit machines by 10.0%. Hotel room sales increased by 6.2%.

Total sales have grown by 8.1% in the year to date.

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

In September, the latest month for which information is available, the tracker reported industry LFL sales of +5.9%, compared to +9.4% for Wetherspoon.

Wetherspoon has outperformed the tracker for 13 consecutive months.

Which? Report – Best hotel chains in the UK

In October 2023, Which? reported that a survey of 4,611 of its members and the public had rated Wetherspoon hotels 4th highest of all large UK hotel chains (more than 31 hotels) for value.

Wetherspoon achieved an overall customer score of 73%, which was higher than Sofitel, Hilton, Marriott, Radisson Blu and many others.

Financing

On 22 August 2023, the company disposed of all interest rate swaps in place, receiving £14.8 million.

At the same time, the company fixed interest rates in respect of £200 million of borrowings from 23 August 2023 to 6 February 2025 at a rate of 5.665%. On 25 September 2023, the company fixed interest rates in respect of £400 million of borrowings from 6 February 2025 to 6 February 2028 at a rate of 4.225%.

Interest costs for FY24, excluding IFRS 16 notional interest, are expected to be approximately the same as they were in FY23 (£51 million), following the transactions noted above.

Property

The company has opened one pub at London’s Heathrow airport during the period.

Four pubs have been sold and six leasehold pubs have been surrendered to the landlord.

The company currently has a trading estate of 816 pubs.

Urban Myths

In a pre-close trading statement of July 2023, a section was included in respect of inaccurate “urban myths” concerning Wetherspoon pubs. Urban myths are surprisingly resilient, so it is intended to repeat this section in an appendix, until the message reaches all corners of the known universe. (Please see appendix 1 below)

Outlook

Wetherspoon chairman Tim Martin said:

“Sales in the first 14 weeks of the financial year have continued the pattern of gradual improvement which has followed the ending of lockdowns and restrictions. Inflationary pressures have eased, but energy costs, in particular, remain at far higher levels than pre-pandemic, putting pressure on suppliers and the wider economy.

“The company is increasing investment in existing pubs in the current financial year to approximately £70 million (FY23: £46.9 million). Areas of investment include new staff rooms, changing rooms, glass racks above bars (to cater for increased usage of brewers’ “branded” glasses) and air conditioning.

“The company currently expects an outcome for the financial year in line with market expectations, and will provide further updates as the year progresses.”

Appendix 1 – Extract from JD Wetherspoon PLC Pre-Close Trading Update, 12 July 2023 - Price, Quality and Myths

Since Wetherspoon prices are lower than average, some commentators assume that quality or service standards will also be lower than average.

However, in the crucial area of beer quality, for example, Wetherspoon has more pubs (200) listed in CAMRA’s Good Beer Guide 2023 than any other company.

This is also reflected in inspections carried out by Cask Marque, an organisation run by small and regional brewers, which aims to promote high real ale standards in pubs. We receive approximately 1,800 visits a year from Cask Marque experts, with over 99% of our pubs gaining the Cask Marque accreditation, the highest, we believe, of any pub company.

Wetherspoon also has the best results of any substantial hospitality company in respect of local authorities’ “scores on the doors” schemes, run by environmental health officers - which are designed to reflect adherence to cleanliness and health legislation.

In this respect, Wetherspoon has 762 pubs listed on the government’s Food Standards Agency website and our average score is 4.99 out of a maximum 5. 99.1% of our pubs have achieved the maximum score.

Another urban myth, occasionally reflected in social media comments, is that Wetherspoon has below-average employment standards.

In fact, Wetherspoon has recently been recognised as a Top Employer United Kingdom 2023 by the independent Top Employers Institute, for the 18th time.

In this area, for example, Wetherspoon, awards free shares to all participating employees, subject to a qualifying period.

Since the free-share scheme was introduced in 2006, 23.4 million shares have been awarded, which equates to 18.2% of all the shares in existence today. 14,000 employees were awarded free shares in March 2023.

Another related urban myth, sometimes repeated by City analysts, is that Wetherspoon does not attract customers in higher income groups.

In fact, a recent survey by market researchers CGA indicates that the average income of Wetherspoon customers is 7% above that of the average 'high street pub consumer'.

As regards misinformation generally, Wetherspoon took issue with a number of false reports which appeared in the mainstream media, during the pandemic, and received corrections or apologies from a wide range of publications. These have been collated and can be read in "Does Truth Matter?", a Wetherspoon publication which is available online (see link:

https://www.jdwetherspoon.com/~media/files/pdf-documents/wetherspoon-news/does-truth-matter_.pdf)

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
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 28 July 2024.
6. The next trading update is expected to be issued on 24 January 2024.