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Whitbread PLC
28 November 2025

Response to UK Government's Budget and trading update

Whitbread PLC issues the following statement, noting the measures announced as part of the UK Government's 2025 Budget ('UK Budget'), ahead of the Q3 Trading Update on 13 January 2026.

Q3 trading and FY26 outlook

- In the UK, the return to market growth has continued into the third quarter and we continue to trade well with positive RevPAR growth and our forward bookings remain ahead of last year
- In Germany, market demand has stepped up since the second quarter, supported by a strong events calendar, and we continue to outperform the market
- There is no change to our previously announced FY26 guidance and we remain confident in the full year outlook

UK Budget and FY27 cost guidance

- This week's UK Budget included a number of changes that are expected to impact the Group's future financial performance, particularly significant increases in the rateable values for many hotels prompting a large increase in business rates
- Whilst we are still finalising the precise details, we are now in a position to give guidance on how we expect the changes to business rates will take effect in FY27; our preliminary estimate is that there will be an impact of between £40m and £50m
- Including the estimated impact of the UK Budget, we now expect gross UK cost inflation (including business rates) to be between 7% and 8% on our £1.7bn UK cost base. However, with accelerated efficiencies of £60m, net UK cost inflation is now expected to be between 3.5% and 4.5%

Comment from Dominic Paul, Whitbread Chief Executive:

"In the UK, we are pleased that we have seen positive RevPAR growth in the third quarter. In Germany, demand has stepped up since the second quarter and we remain confident in reaching profitability this year.

"We are extremely disappointed with the outcome of this week's UK Budget which will have a significant impact on our business and the wider hospitality industry. However, we have a strong track record of responding to inflationary headwinds by adapting our business and over time, we are well placed to mitigate their impact through careful management of our cost base and the delivery of significant cost efficiencies. To help mitigate the estimated impact of these changes, we will deliver accelerated cost efficiencies of £60m in FY27. Over the coming weeks and months, we will be exploring a variety of options in order to further drive profits, margins and returns."

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