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Whitbread PLC
22 June 2023

Total revenue up 19%, strong trading momentum and positive outlook

Throughout this release percentage growth comparisons are made comparing Q1 FY24 performance for the 13 weeks to 1 June 2023 with the same period in FY23, unless stated otherwise

Summary

- Premier Inn UK delivered an outstanding performance during the first quarter:
  - Total UK accommodation sales were up 18% vs FY23 and UK LFL accommodation sales up 16% vs FY23 with strong demand from both business and leisure guests across the Regions and London
  - RevPAR +16% ahead of FY23 and +40% vs FY20. Continued outperformance versus the wider midscale and economy ('M&E') market[1] with a RevPAR premium of £6.18 (Q1 FY23: £5.76)
  - UK food and beverage ('F&B') sales were 10% ahead vs FY23 which benefited from several commercial initiatives put in place during the second half of FY23
- Premier Inn Germany also made good progress, led by our cohort of 18 more established hotels which is continuing to mature in line with our expectations. RevPAR for this cohort increased to €63 (Q1 FY23: €44) and total RevPAR for the entire German estate increased to €55 (Q1 FY23: €35)
- The strength of our overall performance and forward booked position has increased our confidence in being able to deliver a strong first half result in FY24
- Trading momentum is strong and we remain positive about the full year outlook
- £300m share buy-back is on-track with 3.1m shares purchased so far at a total cost of c.£103m
- Interim results will be announced on 18 October 2023

Dominic Paul, Chief Executive said:

"In the UK, our market leading brand and value-led customer proposition is continuing to deliver impressive revenue growth and a healthy RevPAR premium versus the wider M&E market. The structural reduction in hotel supply, coupled with strong consumer demand, is highlighting the strengths of our differentiated business model, as evidenced by our continued strong performance. Our forward booked position into Q2 underpins our confidence in being able to deliver a strong first half result.

"In Germany, we now have 56 hotels with 10,000 rooms open, and a further 32 hotels and 6,000 rooms in the pipeline. Overall market demand continued to recover during the first quarter. Our cohort of 18 more established hotels is continuing to perform in line with the market and we have been encouraged by the performance of our less mature cohorts that are starting to follow a similar trajectory. The continued recovery of the wider German market, the performance of our more established hotels and encouraging guest scores across all of our hotels mean we remain confident in achieving our long-term target of 10-14% returns on capital.

"Our business is in great shape and trading well. Given the lack of branded supply growth and permanent decline in the independent sector, I am confident that our business model will continue to deliver as we strengthen Premier Inn's position in the UK, unlock our potential in Germany and maximise long-term returns for our shareholders."

Q1 Financial Performance[2]

	vs last year (FY23)		
	UK	Germany[2]	Total
Sales growth:			
Accommodation	18%	129%	23%
Food & beverage	10%	100%	12%
Total	16%	124%	19%
Like-for-like sales growth:			
Accommodation	16%	66%	18%
Food & beverage	9%	47%	10%
Total	14%	63%	15%

1: STR data, standard basis, 3 March 2023 to 1 June 2023, M&E market excludes Premier Inn

2: LFL sales in Germany: **FY23**: 38 sites

Q1 performance

Consumer demand in the UK has remained strong and Premier Inn delivered an excellent operational and financial performance. Whilst there was good revenue growth in both the Regions and London, demand was particularly strong in London that led to a marked increase in ARRs. We opened 348 new rooms across the UK and Ireland and remain on course to open a total of 1,500-2,000 new rooms in FY24, most of which will open in the second half of the year.

In F&B, the encouraging start to the quarter has continued and total sales were up 10% versus last year. While trading at the value end of the pub restaurant market remains challenging, we have been pleased with the positive impact of a number of commercial initiatives introduced in FY23. We are continuing to explore a variety of options to optimise our F&B offer whilst maintaining a quality experience for our Premier Inn guests.

In Germany, the recovery in market demand continued during the first quarter. We have 56 open hotels and a further 32 in the pipeline and remain on course to open 1,000-1,500 rooms in FY24. Our cohort of 18 more established hotels continues to trade in line with the wider market, achieving a RevPAR of €63 (Q1 FY23: €44) which is 45% ahead of the same period last year.

Outlook

With strong trading momentum across the Group, we remain confident in the full year outlook. Forward booked revenue in the UK is well ahead of last year and in Germany we remain on course and expect to reach break-even on a run-rate basis during calendar year 2024.

Extension of existing debt facility

The Group is pleased to have extended its existing £775m revolving credit facility (RCF), that remains undrawn, for a further 12 months to May 2028. The five-year facility is provided by a syndicate of seven banks led by Banco Santander, Barclays, NatWest and Bank of China. The RCF has variable interest rates with GBP linked to SONIA and EUR being linked to EURIBOR.

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A live Q&A teleconference for investors and analysts will be hosted by Dominic Paul and Hemant Patel at 8:00am BST on 22 June 2023. Details to join are noted below. An on-demand version will be made available on the Group's website: (www.whitbread.com/investors/results-reports-and-presentations) later today.

Q&A teleconference participant dial-in numbers:
Start time - 8:00am BST
United Kingdom (Local): 020 3936 2999
All other locations: +44 203 936 2999
Participant Access Code: 804213

Appendix

1) Premier Inn UK key performance indicators

	FY23					FY24	
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q1[2] %**
London							
Occupancy (full inventory)	83.4%	87.1%	87.3%	76.8%	83.6%	**81.2%**	*(2.2)pp*
Average room rate (£)	85.57	102.60	107.06	93.07	97.31	**111.71**	*30.5%*
Revenue per available room (£)	71.38	89.37	93.46	71.50	81.37	**90.76**	*27.2%*
Total accommodation sales (£m)	**91.1**	**114.2**	**119.9**	**94.0**	**419.3**	**120.8**	***32.5%***
Regions							
Occupancy (full inventory)	82.4%	87.1%	85.1%	75.7%	82.6%	**83.1%**	*0.7pp*
Average room rate (£)	63.37	74.87	68.20	58.54	66.54	**71.06**	*12.1%*
Revenue per available room (£)	52.23	65.20	58.03	44.31	54.94	**59.06**	*13.1%*
Total accommodation sales (£m)	**326.3**	**408.4**	**363.1**	**277.9**	**1,375.7**	**372.0**	***14.0%***

Total							
Occupancy (full inventory)	82.6%	87.1%	85.5%	75.9%	82.7%	82.8%	*0.2pp*
Average room rate (£)	67.17	79.57	74.95	64.60	71.84	78.02	*16.1%*
Revenue per available room (£)	55.48	69.30	64.06	49.02	59.45	64.59	*16.4%*
Total accommodation sales (£m)	**417.4**	**522.6**	**483.0**	**371.9**	**1,795.0**	**492.8**	***18.0%***
RevPAR premium vs M&E market[1]	**+£5.76**	**+£5.35**	**+£4.56**	**+£4.32**	**+£4.97**	**+£6.18**	***+£0.42***
F&B							
Total food and beverage sales (£m)	**176.2**	**181.8**	**177.7**	**177.1**	**712.7**	**193.7**	***9.9%***
Total UK sales (£m)	**593.6**	**704.4**	**660.7**	**549.0**	**2,507.7**	**686.5**	***15.6%***

2) Premier Inn Germany key performance indicators

			FY23			FY24	
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**	**Q1**	**Q1[2] %**
Occupancy (full inventory)	57.1%	69.0%	61.9%	50.0%	59.4%	64.5%	*7.4pp*
Average room rate (€)	61.85	67.61	88.30	69.05	72.30	84.81	*37.1%*
Revenue per available room (€)	35.31	46.66	54.67	34.56	42.94	54.67	*54.8%*
Total accommodation sales (€m)	**21.0**	**31.5**	**38.2**	**25.5**	**116.1**	**46.2**	***120.4%***
Total food and beverage sales (€m)	4.0	5.4	5.9	4.9	20.2	7.7	*92.5%*
Total sales (€m)	**24.9**	**36.9**	**44.1**	**30.4**	**136.3**	**53.8**	***115.9%***

Notes:

1: RevPAR STR data, standard inventory basis, 4 March 2022 to 1 June 2023, M&E market excludes Premier Inn

2: Sales growth versus FY23

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