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Whitbread PLC
03 February 2021

Update on debt arrangements

Whitbread PLC today announces the successful pricing of two Green bonds, the extension of its Revolving Credit Facility ("RCF") and its intention to repay Private Placement Notes. This refinancing maintains the Group's strong balance sheet and financial flexibility, while at the same time extending the maturity of its debt.

The impact on the Group's combined gross debt and available facilities as a result of the £550m new Green bonds, is largely offset by a step down in the RCF of £225m in September 2022, and the proposed repayment of approximately £284m of Private Placement Notes.

Issue of 2027 and 2031 bonds

Whitbread has today priced the issue of £300m 2.375% Green bonds due May 2027 and £250m 3.0% Green bonds due May 2031.

The bonds are being issued in connection with Whitbread's new Green Bond Framework ("Framework"), which has received a Second Party Opinion ("Opinion") from Sustainalytics, and are compatible with the Green Bond Framework published by the International Capital Markets Association. An amount equal to the proceeds of the bonds will be used to finance or refinance eligible green projects, as set out in the Framework, and supports Whitbread's long-standing commitment to ESG principles and its Force for Good programme.

The Framework and Opinion have been published on the "Investors - Corporate Debt" section of the Group's website: https://www.whitbread.co.uk/investors/corporate-debt.

The bonds are senior unsecured, contain no financial covenants and are expected to be rated BBB- by Fitch, in line with the Group's current credit rating.

Extension of RCF maturity

Whitbread has also reached an agreement with its relationship banks to extend the final maturity date of its Revolving Credit Facility from September 2022 to September 2023. The facility size, which is currently £950m, will step down to £850m at 29 December 2021 and to £725m at 7 September 2022. As part of this agreement, the covenant waiver period has been extended by 12 months, meaning the financial covenants will not now be tested until March 2023, at which point new covenant targets will be introduced, being:

- March 2023: Net Debt[1] / EBITDA[1] < 5x, EBITDA[1] / Interest[1] >2.0x
- August 2023: Net Debt[1] / EBITDA[1] < 4.5x EBITDA[1] / Interest[1] >2.0x

The additional requirements outlined in the original waivers announced on 21 May 2020, including an obligation to retain £400m liquidity headroom, no more than £2bn of net debt and to not declare or pay dividends, will remain for the duration of the extended waiver period. However, these additional waiver period requirements can be removed if the Group demonstrates compliance with investment grade metrics, being Net Debt[1] / EBITDA[1] < 3.5x and EBITDA[1] / Interest[1] >3.0x.

Private Placement Notes

The Group has approximately £284m of Private Placement Notes that mature in 2021, 2022 and 2027. The Group intends to repay the 2021 and 2022 notes (£25m and $93.5m respectively) on their scheduled maturity dates of 6 September 2021 and 26 January 2022 respectively, and to repay the other notes (£200m) in the near future.

Notes:
1: Pre IFRS 16

Nicholas Cadbury, Group Finance Director, said:

"We thank our new bond investors and our relationship banks for their strong support for the Group.

We are particularly pleased that we have been able to reinforce Whitbread's long-term commitment to sustainability by establishing this Green Bond Framework and issuing these Green Bonds. Whitbread is committed to being a force for good for all our stakeholders, including our people, customers, suppliers, in the communities in which we operate, and for the wider world around us.

The refinancing announced today demonstrates the strength of our underlying business, and is another key step in ensuring that we emerge from the crisis as a leaner, stronger and more resilient business."

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