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Whitbread PLC
08 September 2015

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WHITBREAD TRADING STATEMENT

Good second quarter trading with total sales up 11.1%, on track for full year expectations

Whitbread PLC today reports its trading performance for the 24 weeks to 13 August 2015.

Sales update (% change vs. prior year)

	Sales for the 11 weeks to 13 August 2015		**Sales for the 24 weeks to 13 August 2015**	
	Like for like sales*[1]	Total sales	Like for like sales*[1]	Total sales
Premier Inn	4.3%	11.6%	5.3%	12.9%
Restaurants	0.6%	2.0%	0.3%	1.7%
Hotels and Restaurants	3.2%	8.6%	3.7%	9.2%
Costa	4.0%	16.2%	4.6%	16.7%
Total	**3.3%**	**11.1%**	**3.9%**	**11.8%**

Andy Harrison, Chief Executive of Whitbread comments:

"We are continuing to deliver our ambitious organic growth plans with another good quarter, growing total sales by 11.1% and like for like sales by 3.3% for the 11 weeks to 13 August.

Premier Inn grew total sales by 11.6% with rooms available growing by 7.9%, total revpar growing by 3.9% and occupancy remaining high at 87.0%. We are particularly pleased with our London performance where we grew total sales by 21.1%, driven by a 20.3% growth in rooms available, a 1.5% increase in total revpar, as well as an increase in our occupancy by 0.3% pts to 92.2%. In the regions we delivered good total sales growth of 9.2%, growing rooms available by 6.2% and total revpar by 3.3% with good occupancy of 86.2%. This was against strong comparatives which benefitted from the Commonwealth Games and the Farnborough Airshow last year. Our Restaurants business outperformed a continuing soft pub restaurant market, with like for like sales growth of 0.6%. Costa maintained its rapid growth with worldwide sales growing by 16.2% and UK Retail system sales up 14.8%. In the UK like for like sales growth was good at 4.0%, against a strong performance last year. August is often affected by weather and holiday patterns and trading this August, across all our brands, was softer than expected against strong comparatives from an excellent month last year.

We are developing plans to adopt the recently announced National Living Wage. We shall mitigate this substantial cost increase over time with a combination of productivity improvements, boosted by investment in systems and training, efficiency savings and some selective price increases. We shall announce more details of our plans with our Interim Results on 20 October 2015.

Our first half performance keeps us on track to deliver full year expectations, as well as our ambitious growth milestones. This year we plan to open around 5,500 UK rooms, around 220 net new Costa stores worldwide and to install 700-800 new Costa Express machines. Our committed UK hotel pipeline has grown to 14,106 rooms."

Trading highlights for the 24 weeks:

Hotels and Restaurants

- Premier Inn has continued to win UK market share, growing total sales*[2] for the 24 weeks by 12.9%, like for like sales by 5.3%, total revpar by 4.9% and total room nights sold by 8.0% to 8.3 million. Total occupancy remained high at 83.5%, in line with last year, together with an 8.1% growth in the number of rooms available.
- In the quarter Premier Inn grew total sales by 11.6% and total revpar by 3.9%. Like for like sales growth of 4.3% was ahead of the like for like revpar growth of 3.2%, benefitting from our accelerated hotel extension programme.
- In London we grew total sales by 21.1% in the quarter, with a 20.3% increase in rooms available, total revpar growth of 1.5% and total occupancy up 0.3% pts to 92.2%. Total London market*[3] revpar grew by 1.9% and the Midscale and Economy *[3] sector grew total revpar by 3.7%.
- In the regions we grew total sales by 9.2% in the quarter, with a 3.3% increase in total revpar, a 6.2% increase in rooms available with total occupancy similar to last year at 86.2%. Total regional market revpar grew by 5.3% and the Midscale and Economy*[3] sector grew total revpar by 6.4%.
- Restaurants delivered total sales growth of 1.7% and like for like sales growth of 0.3% for the 24 weeks, ahead of a soft pub restaurant market outside the M25.
- 800 UK rooms were opened in the year to date and we also opened our first international management contract hotel in Sharjah UAE, with 168 rooms. For the full year, we plan to open around 5,500 UK rooms including c.1,300 extensions.

Costa

- Costa grew its worldwide total sales by 16.7% and like for like UK sales by 4.6% for the 24 weeks.
- Costa grew worldwide system sales by 15.1% to £693.7 million (15.1% at constant currency). Within this franchise system sales grew by 12.2% to £265.7 million.
- UK Retail system sales, year to date, grew by 15.7% to £376.5 million with equity stores growing like for like sales by 4.6%. We opened 61 net new UK stores.
- Costa Enterprises (including Costa Express UK & International) delivered system sales of £175.0 million, up 15.5%. Costa Express maintained its success with the installation of a further 379 Costa Express machines*[5] taking the total to 4,671.
- International system sales grew by 13.6% to £144.1 million (13.6% at constant currency). 11 net new stores were opened in the period with two in EMEI and nine in Asia.
- In the year Costa plans to open around 220 net new stores. This includes the closure of around 60 lower margin UK franchise stores in petrol stations following their disposal by Esso. We also plan to install around 700-800 net Costa Express machines in the year.

Group

- The strong financial position of the Group remains unchanged.

Notes:

Site detail	26 February 2015	Opened	Closed	Transfers	13 August 2015
Premier Inn UK*[4]	59,138	800			59,938
Premier Inn International	1,703	168			1,871
Total Premier Inn (rooms)	**60,841**	**968**			**61,809**
Restaurants (sites)	**405**	**2**	**(2)**		**405**
Costa Retail Equity	1,114	55	(21)		1,148
Franchise	461	38	(1)		498
Costa Enterprises	356	12	(22)		346
Total Costa UK Stores (Retail + Enterprises)	1,931	105	(44)		1,992
Costa EMEI	785	34	(32)		787
Costa Asia	364	22	(13)		373
Total Costa (stores)	**3,080**	**161**	**(89)**		**3,152**
Costa Express Machines*[5]	**4,292**	**379**			**4,671**
Total Equity	**1,242**	**59**	**(25)**	**9**	**1,285**
Total JV	**344**	**18**	**(11)**		**351**
Total Franchise	**1,494**	**84**	**(53)**	**(9)**	**1,516**

*[1] Like for like sales which are stated Pre IFRIC 13 adjustment are for Premier Inn - UK and Ireland and for Costa UK equity stores and Restaurants - UK. Post IFRIC 13 for the 24 weeks to 13 August 2015 Premier Inn like for like and total sales would be the same; Restaurants like for like sales would be 0.3% pts lower and growth in total sales 0.3% pts lower; Costa like for like sales would be 0.2% pts lower, growth in total sales 0.1% pts higher and growth in total system sales 0.1% pts higher.

*[2] Premier Inn total sales include UK and International, all other Premier Inn numbers included in this statement relate to UK and Ireland only.

*[3] Hotel market performance data collected by STR Global.

*[4] Includes hub by Premier Inn.

*[5] Costa Express machines installed means net machine installations.

Conference call for analysts and investors

Andy Harrison and Nicholas Cadbury will be available for a conference call at 8.00am today. To participate, dial 0800 694 5707 and enter Conference ID: 7503449.

For international participants dial +44 (0)1452 541003.

Please dial into the call ten minutes before to ensure you don't miss the start.

A recording of the conference call will be available until 21 September 2015. To listen, dial 08717000145 and enter the passcode 7503449. International +44 (0)1452 550000.

This service will be active approximately two hours after the conference call has finished.

For more information please contact:

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For photographs and video please visit our media library on www.whitbreadimages.co.uk

Notes to Editors

Whitbread PLC is the owner of the UK's favourite hotel chain, Premier Inn and the UK's favourite coffee shop, Costa, as well as restaurant brands, Beefeater, Brewers Fayre, Table Table and Taybarns.

Whitbread PLC employs over 45,000 people in more than 2,200* outlets across the UK, with its well-loved brands making every day experiences special for over 25 million UK customers every month.

Whitbread has outlined growth milestones for 2016, 2018 and 2020. The 2020 milestones are to increase the number of Premier Inn UK rooms to around 85,000 and to achieve global system sales of around £2.5bn for Costa.

At Whitbread we are committed to being a force for good in the communities in which we operate. Our CR programme, 'Good Together' is focused on the three pillars of Team & Communities, Customer Wellbeing and Energy & Environment.

In the year ended 26 February 2015, Whitbread PLC reported a 13.7% increase in Group Revenue to £2,608.1 million and Underlying Profit before tax of £488.1 million up 18.5%.

Whitbread PLC is listed on the London Stock Exchange and is a constituent of the FTSE 100. It is also a member of the FTSE4Good Index.

*excludes Costa Franchise stores and Costa Express

This information is provided by RNS
The company news service from the London Stock Exchange

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