RNS Number : 2347Q
Whitbread PLC
16 June 2015

16 June 2015

**WHITBREAD TRADING STATEMENT**

**Good first quarter trading with total sales up 12.5%**

Whitbread PLC today reports its trading performance for the 13 weeks to 28 May 2015.

Sales update (% change vs. prior year)

| | **Sales for the 13 weeks to 28 May 2015** | |
|---|---|---|
| | Like for like sales[*1] | Total sales[*2] |
| Premier Inn | 6.3% | 14.3% |
| Restaurants | 0.1% | 1.6% |
| Hotels and Restaurants | 4.1% | 9.9% |
| Costa | 5.0% | 17.2% |
| **Total** | **4.3%** | **12.5%** |

Whitbread Chairman, Richard Baker said,

"I am pleased to confirm that Alison Brittain will now be joining Whitbread as Chief Executive Designate on 28 September. Alison will start as Chief Executive on 7 December enabling a smooth transition with Andy Harrison who will be retiring from the Company on that date."

Chief Executive, Andy Harrison, said,

"Whitbread has begun the new financial year well, in line with expectations, with total sales growth for the first quarter of 12.5% and good like for like sales growth of 4.3%, driven by continued momentum in Premier Inn and Costa.

Premier Inn grew its total sales[*2] by 14.3%, with a powerful combination of strong like for like sales growth of 6.3% and an 8.2% increase in rooms available. Total revpar grew by 6.1% and occupancy remained high at 80.6%. In London we saw pleasing sales growth of 21.6% driven by a 23.2% increase in rooms available, whilst maintaining high occupancy at 86.2%. In the regions we delivered another good performance growing total sales by 12.3%, with occupancy of 79.7%. Our Restaurants business grew like for like sales by 0.1%, slightly ahead of a soft pub restaurant market outside the M25. Costa had another excellent quarter with total sales growth of 17.2% and UK Retail like for like sales growth of 5.0% driven by winning more customers with like for like transaction growth of 4.4%. Costa's international business continues to grow rapidly with a 15.1% growth in system sales (14.1% at constant currency).

Our leading brands continue to win market share as we invest in our people, our customer experience and our infrastructure. We are on track to deliver our ambitious growth milestones. This year we plan to open around 5,500 new Premier Inn UK rooms[*4] and around 250 net new Costa stores worldwide. Our committed UK pipeline has grown to 13,339 rooms and construction is underway on 42 new hotel sites as well as 19 hotel extensions."

Trading highlights for the 13 weeks:

**Hotels and Restaurants**

- Premier Inn has continued to win UK market share growing total sales[*2] for the 13 weeks by 14.3%, like for like sales by 6.3%, total revpar by 6.1% and total room nights sold by 8.1% to 4.3 million. Total occupancy at 80.6% was down (0.1%) pt and the number of rooms available increased by 8.2%.
- In London Premier Inn grew total sales by 21.6%, with a 23.2% increase in rooms available and total occupancy up 0.1% pt at 86.2%. Total revpar was down (1.0%) compared to a decline in the total market[*3] revpar of (1.7%). The Midscale and Economy[*3] London competitive set grew total revpar by 3.1%.
- In the regions the market continued to recover and Premier Inn grew total sales by 12.3% and total revpar by 6.4% with a 6.2% increase in rooms available. Occupancy was down (0.3%) pts at 79.7%. For the regional hotel market[*3] total revpar grew 6.9% and was up 9.7% for the Midscale and Economy[*3] sector.
- Restaurants delivered total sales growth of 1.6% and like for like sales growth of 0.1% in the first quarter, slightly ahead of a soft pub restaurant market outside the M25.
- 333 UK rooms were opened in the quarter and, for the full year, we plan to open around 5,500 UK rooms.

**Costa**

- Costa had a good start to the year, growing total system sales by 15.9% to £375.2 million, (15.7% at constant currency).

Within this, franchise system sales grew by 13.5% to £143.6 million.

- UK Retail continued its strong momentum with equity stores delivering like for like sales growth of 5.0% driven by transaction growth of 4.4%. We opened 37 net new UK stores in the quarter.
- Costa Enterprises continued its success with the installation of a further 171 Costa Express machines taking the total to 4,463.
- International system sales grew by 15.1% to £80.6 million (14.1% at constant currency). Eight net new stores were opened in the period with five in EMEI and three in Asia. In May we acquired the Costa franchise business in Singapore, where we now have nine equity stores.
- Costa plans to open around 250 net new stores and 700-800 net Costa Express machines in the full year.

**Group**

- The Group strengthened its funding position by issuing a £450 million 3.375% bond due in 2025. This, together with our existing facilities and strong operating cash flow, will support the delivery of our 2020 milestones and reinforces the strong financial position of the Group. As announced at our Annual Results on 28 April our capital investment for this year is expected to be around £700 million.

**Notes:**

| Site detail | 26 February 2015 | Opened | Closed | Transfers | 28 May 2015 |
|---|---|---|---|---|---|
| Premier Inn UK*4 | 59,138 | 333 | | | 59,471 |
| Premier Inn International | 1,703 | | | | 1,703 |
| **Total Premier Inn (rooms)** | **60,841** | **333** | | | **61,174** |
| **Restaurants (sites)** | **405** | **2** | **(1)** | | **406** |
| Costa Retail Equity | 1,114 | 21 | (7) | | 1,128 |
| Franchise | 461 | 17 | | | 478 |
| Costa Enterprises | 356 | 7 | (1) | | 362 |
| Total Costa UK Stores (Retail + Enterprises) | 1,931 | 45 | (8) | | 1,968 |
| Costa EMEI | 785 | 17 | (12) | | 790 |
| Costa Asia | 364 | 9 | (6) | | 367 |
| **Total Costa (stores)** | **3,080** | **71** | **(26)** | | **3,125** |
| **Costa Express Machines***5 | 4,292 | **171** | | | 4,463 |
| **Total Equity** | **1,242** | **21** | **(9)** | **9** | **1,263** |
| **Total JV** | **344** | **8** | **(5)** | | **347** |
| **Total Franchise** | **1,494** | **42** | **(12)** | **(9)** | **1,515** |

*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 13 weeks to 28 May 2015 Premier Inn like for like and total sales would be the same; Restaurants like for like sales would be 0.2% pts lower and growth in total sales 0.2% pts lower; Costa like for like sales would be 0.1% pts lower, growth in total sales 0.1% pts higher and growth in total system sales the same.

*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 08006945707 and enter Conference ID: 57370539

For international participants dial +44 (0) 1452 541003

A recording of the conference call will be available until 30 June 2015. To listen, dial 08717000145 and enter the passcode 57370539. International +44 (0) 1452 550000.

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

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

**For more information please contact**:

**Investor Relations**
Nicholas Cadbury, Whitbread PLC +44 (0) 20 7806 5491
Joanne Russell, Whitbread PLC +44 (0) 1582 888633

**Press Contacts**
Anna Glover, Whitbread PLC +44 (0) 7768 917 651
David Allchurch, Tulchan +44 (0) 20 7353 4200

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 45,000 people in over 2,700* 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

END

IMSUVUWRVUANAAR