

JD Wetherspoon PLC
Interim Results
19 March 2021

Background

- Average food hygiene score of 4.96 out of 5
- 758 pubs (out of 781) have a score of 5
- £6.1b of tax paid to the government in the last ten years by Wetherspoon, its staff and customers
- £428m in bonuses and free shares in the last 15 years, equivalent to 55% of profits after tax
- 242 pubs are listed in CAMRA's Good Beer Guide 2021
- £18.8m raised for CLIC Sargent in the 19-year partnership
- 15,032 employee shareholders
- 99% of pubs Cask Marque approved

Wetherspoon is the number-one-rated national pub company for food hygiene ratings

– the only independent government scheme assessing food hygiene standards.



	Total premises scored	Average premises score out of 5
Las Iguanas	48	5
Aldi	608	4.99
ASDA	62	4.98
McDonald's	1,173	4.97
Nando's	407	4.97
Waitrose	351	4.97
Wetherspoon	793	4.96
Sainsbury's	959	4.95
Pizza Express	375	4.95
Walkabout (Stonegate Pub Company)	21	4.95
BROWN'S (Michels & Butler)	21	4.95
Pref a Manger	382	4.94
Slug & Lettuce (Stonegate Pub Company)	82	4.94
TGI Fridays	74	4.93
Gourmet Burger Kitchen	42	4.93
Greggs	1,387	4.92
Lidl	679	4.92
Zizzi	115	4.92
Tesco	1,777	4.91
Miller & Carter (Michels & Butler)	106	4.91

Financial Summary

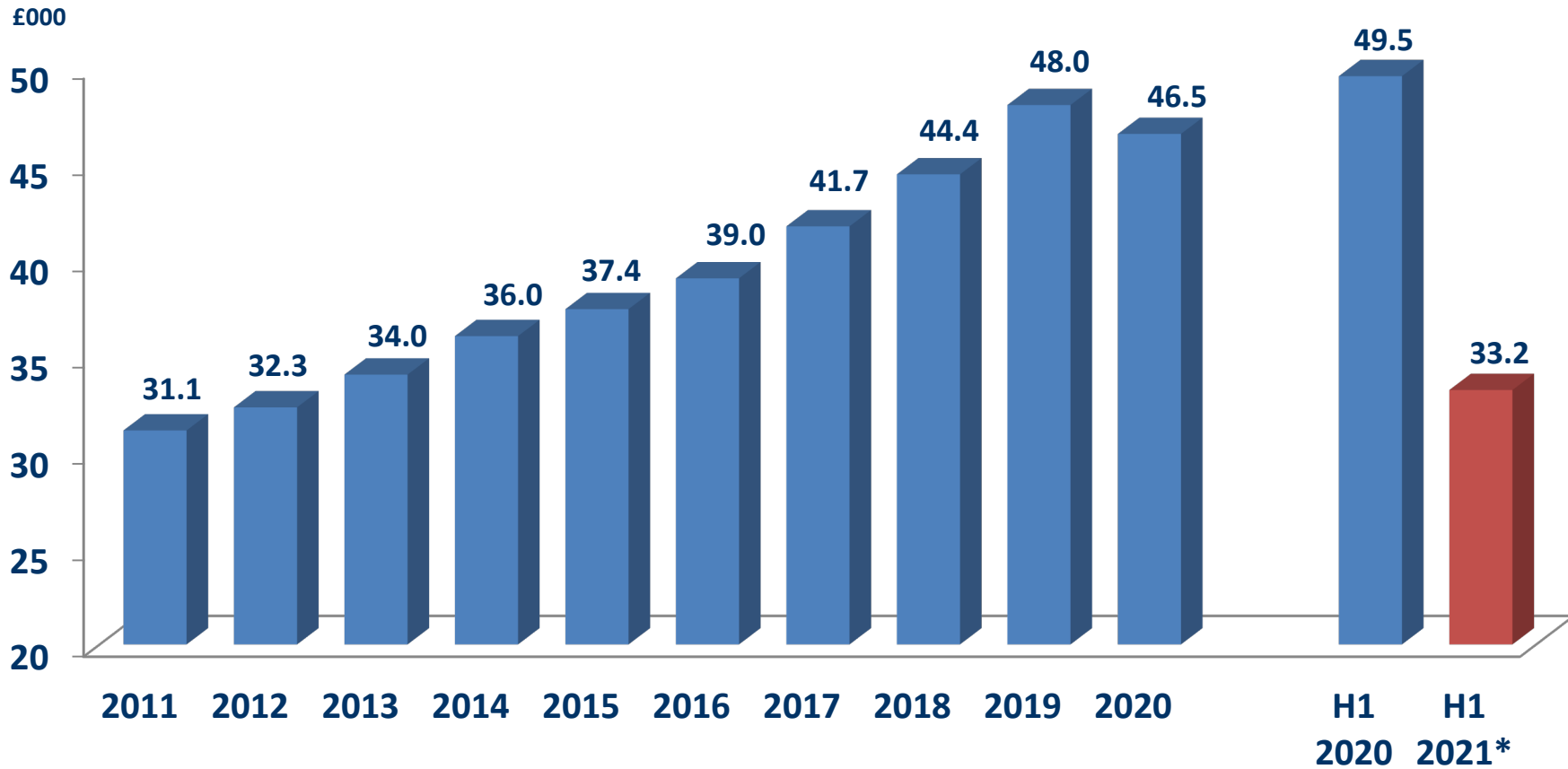
	H1 2021	H1 2020	Var %	2020	2019	2018	2017 ²	2016	2015	2014	2013	2012 ²	2011
Revenue (£m)	431.1	933.0	-54%	1,262.0	1,818.8	1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9	1,197.1	1,072.0
Like-for-like sales	-53.9%	+5.0%		-29.5%	+6.8%	+5.0%	+4.0%	+3.4%	+3.3%	+5.5%	+5.8%	+3.2%	+2.1%
(Loss)/profit before tax and property gains and losses ³ (£m)	(44.9)	58.1	-177%	(33.5)	96.9	104.3	100.0	75.3	78.5	80.8	76.9	72.4	66.8
(Loss)/profit before tax ³ (£m)	(46.2)	57.9	-180%	(34.1)	102.5	107.2	102.8	80.6	77.8	79.4	76.9	72.4	66.8
Underlying Earnings per share ^{1,3} (p)	(35.3)	44.6	-194%	(27.5)	70.2	76.5	66.6	43.8	47.6	48.0	44.7	41.3	35.3
Free cash flow per share ¹ (p)	(64.5)	46.7	-238%	(55.2)	92.0	88.4	97.0	76.7	89.8	74.1	51.8	70.4	57.7
Dividend per share (p)	–	–		–	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
After exceptional items:													
(Loss)/profit before tax ³ (£m)	(59.3)	42.0	-241%	(94.8)	95.4	89.0	76.4	66.0	58.7	78.4	57.1	58.9	61.4

¹ Including shares held in trust. Underlying earnings per share are before exceptional items and exclude gains/losses on property and deferred tax credits.

² Financial year contains 53 weeks.

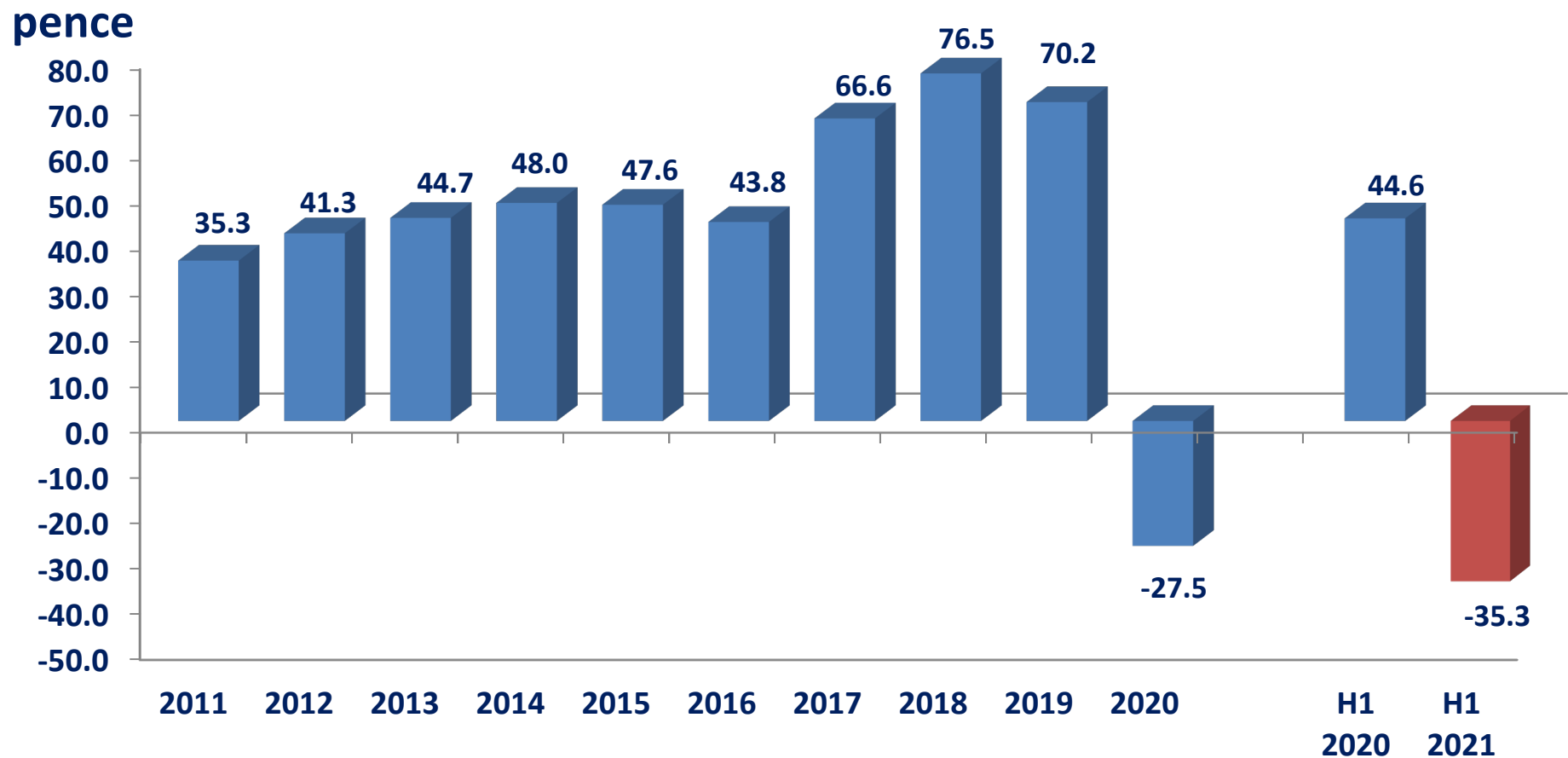
³ Excluding impact of IFRS 16.

Average Weekly Sales Per Pub (including VAT)



*2021 uses average pub sales for trading weeks

Underlying Earnings Per Share (pence)*



*Underlying earnings per share are before exceptional items and exclude gains/losses on property and one-off deferred tax benefits relating to changes in corporation tax rates. We include all shares held in trust. This graph is pre-IFRS 16.

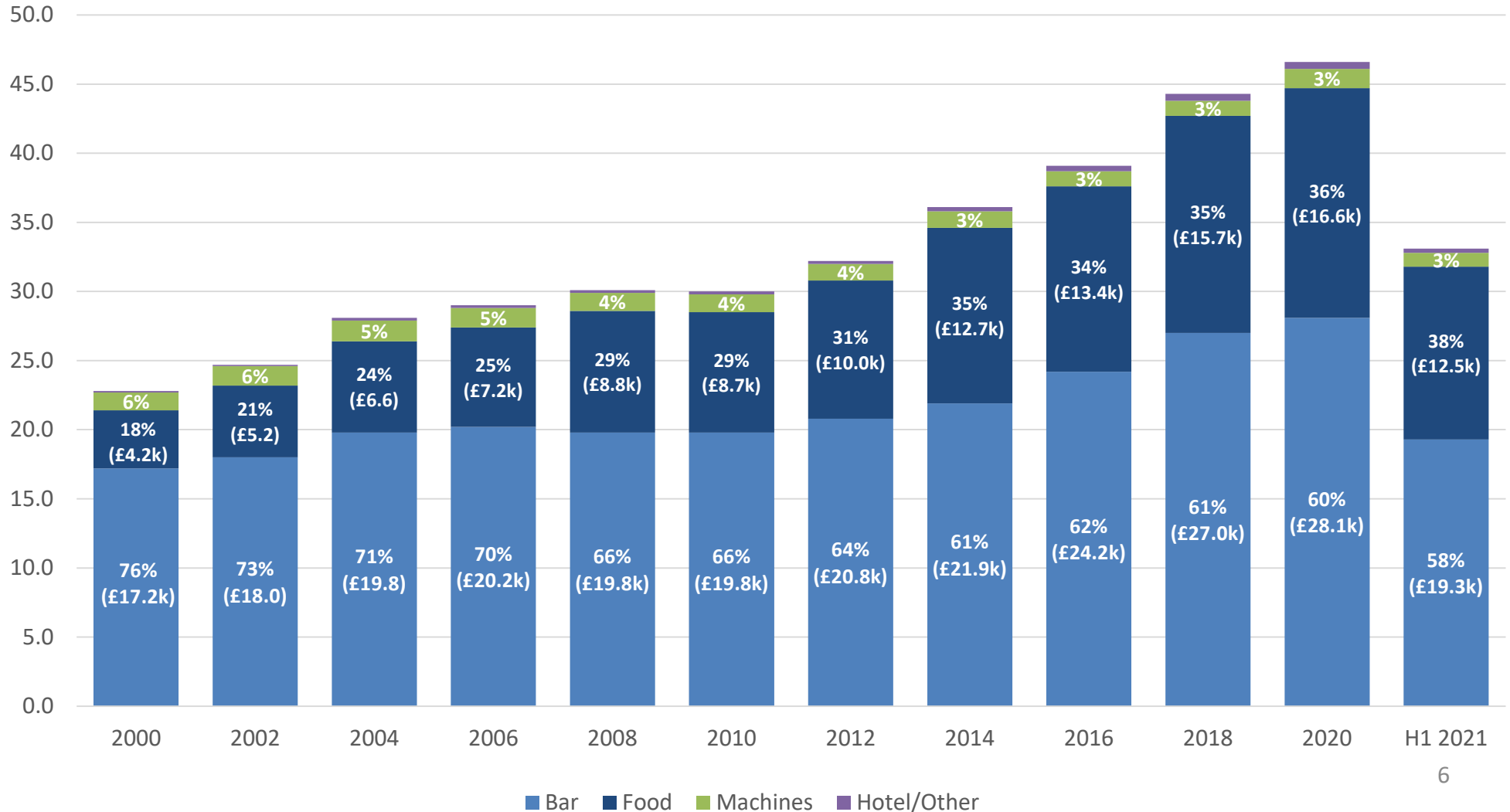
Like-for-like Performance

%	H1 2021	H1 2020		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bar	-57.3	+4.2		-29.3	+5.8	+5.1	+3.1	+3.3	+1.2	+2.7	+3.8	+2.8	+1.7
Food	-48.4	+5.6		-30.1	+8.3	+5.1	+5.7	+3.5	+7.3	+12.0	+10.9	+4.8	+4.2
Fruit/slot machines	-53.7	+20.3		-20.9	+10.3	+2.9	-1.2	-2.2	-2.8	-3.1	+0.4	-2.8	-3.9
Hotel	-51.8	-1.3		-38.7	+3.9	+2.3	+9.9	+9.7	+24.2	+6.3	-	-	-
LFL sales	-53.9	+5.0		-29.5	+6.8	+5.0	+4.0	+3.4	+3.3	+5.5	+5.8	+3.2	+2.1
LFL Pub profit*	-68.9	-2.9		-53.5	+0.1	+1.2	+8.4	-0.3	-1.1	+2.0	+4.4	-2.2	-1.2

* Excludes head office, depreciation, share incentive plan, property gains and losses, and interest costs.

Changing Sales Mix Since 2000

Average Weekly Sales
(£000)



10 Year Operating Profit

£m	H1 2021 ²	H1 2020		2020 ²	2019	2018	2017 ¹	2016	2015	2014	2013	2012 ¹	2011
Turnover	431.1	933.0		1,262.0	1,818.8	1,693.8	1,660.8	1,595.2	1,513.9	1,409.3	1,280.9	1,197.1	1,072.0
Pub profit (pre repairs)	67.2	192.2		214.2	349.7	338.6	330.6	288.3	285.4	284.4	259.0	245.4	226.8
Repairs	(25.7)	(46.1)		(75.9)	(76.9)	(71.3)	(66.2)	(54.9)	(53.4)	(59.4)	(48.0)	(46.6)	(38.4)
Head office costs	(17.0)	(24.1)		(40.8)	(47.5)	(44.3)	(51.3)	(41.9)	(43.9)	(42.7)	(40.4)	(36.6)	(36.7)
Share Incentive Plan	(6.4)	(5.5)		(10.7)	(11.6)	(11.4)	(10.7)	(9.6)	(8.9)	(7.2)	(6.2)	(5.7)	(5.1)
Depreciation and impairment	(38.8)	(39.9)		(79.6)	(81.8)	(79.3)	(73.9)	(72.2)	(66.7)	(58.1)	(53.1)	(49.2)	(44.4)
Operating profit	(20.7)	76.6		7.2	131.9	132.3	128.5	109.7	112.5	117.0	111.3	107.3	102.2
Operating margin	-4.8%	8.2%		0.6%	7.3%	7.8%	7.7%	6.9%	7.4%	8.3%	8.7%	9.0%	9.5%
Gains and losses on property	(1.3)	(0.2)		(0.7)	5.6	2.9	2.8	5.3	(0.7)	(1.4)	–	–	–
EBIT before exceptionals	(22.1)	76.4		6.5	137.5	135.2	131.3	115.0	111.8	115.6	111.3	107.3	102.2
Exceptional items	(7.6)	(15.9)		(60.7)	(7.0)	(18.3)	(26.9)	(14.6)	(19.1)	–	(19.8)	(13.5)	(5.4)
EBIT after exceptionals	(29.7)	60.5		(54.2)	130.5	116.9	104.4	100.4	92.7	115.6	91.5	93.8	96.8

¹ Financial year contains 53 weeks

² Numbers are pre-IFRS 16

Covid-19 Summary

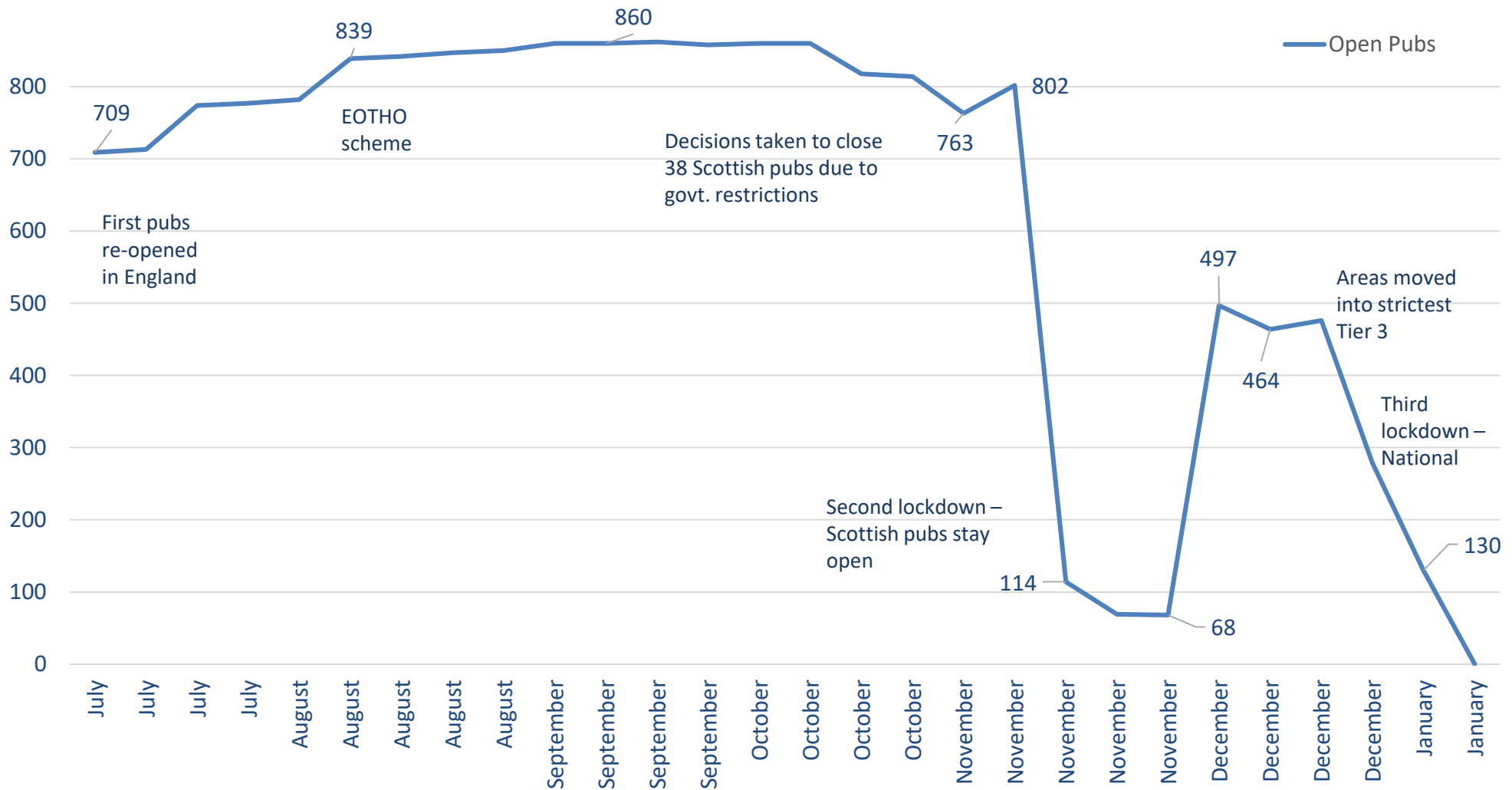
- All pubs closed since 31 December 2020
- £13.1m of investment to ensure the safety of employees and customers
- Employee infection rate no worse than the general population
- More than 50m customer visits since July reopening and no evidence of outbreaks
- 450 pub gardens due to reopen on 12 April
- Pubs in England due to reopen internal areas on 17 May

Safeguarding Actions

In response to the current pub closure, the following actions have been taken to safeguard the business:

- Reduced capital expenditure
- Reduced expenditure on repairs, utilities and general overheads
- Around 99% of the workforce furloughed throughout the recent lockdown
- Deferred payment plans agreed with suppliers, landlords and HMRC.
- Free share award cancelled in March 2021
- Board salary reductions
- Dividends suspended
- £94m raised in January from a 6.95% non-pre-emptive share placing (before fees)
- A further £51.7m CLBILS loan agreed in March 2021 on top of the £48.3m agreed in August 2020

Number of Pubs Open Throughout the Pandemic:



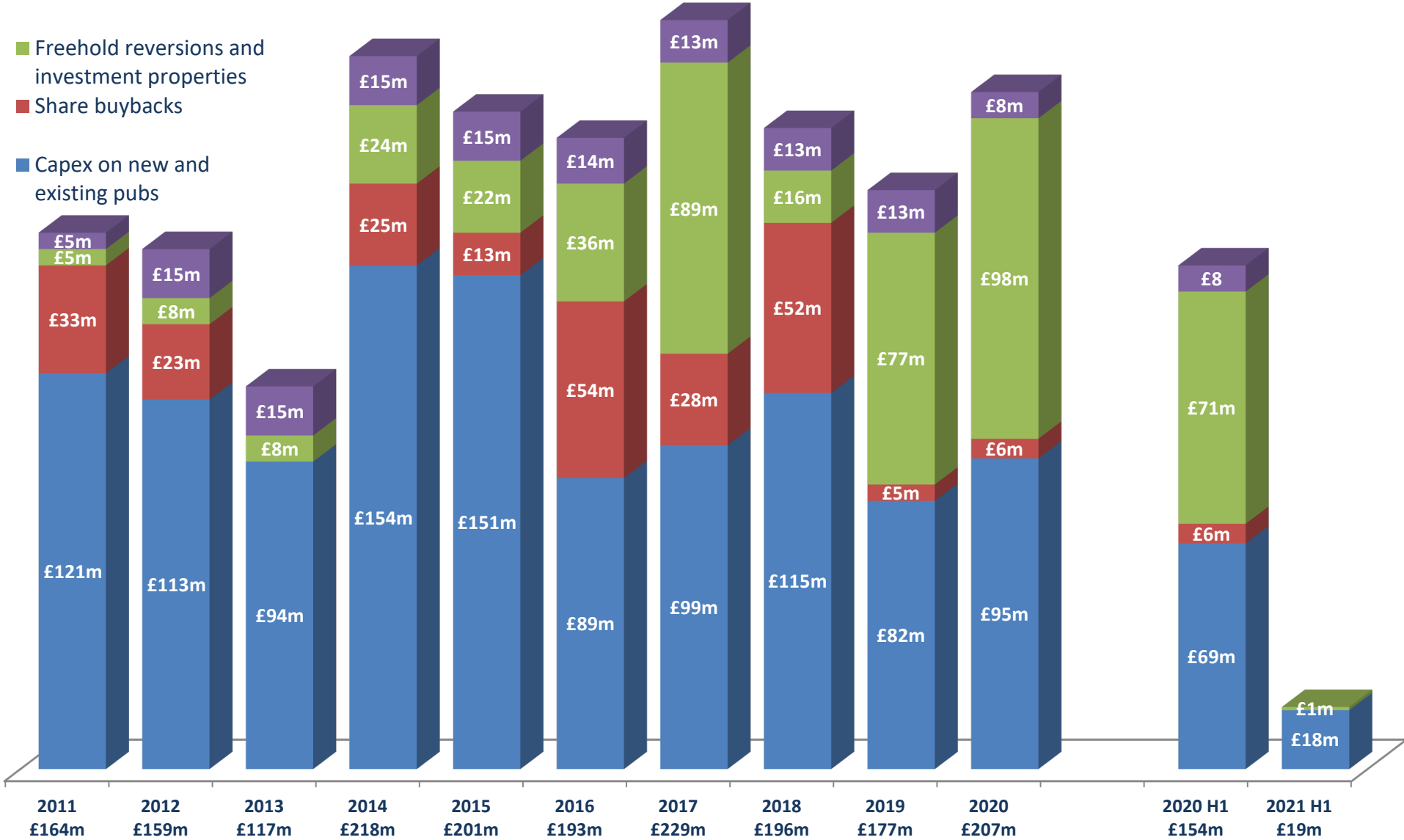
Allocation of Resources

■ Dividend

■ Freehold reversions and investment properties

■ Share buybacks

■ Capex on new and existing pubs



Cash Capital Expenditure Update

£m	H1 2021	H1 2020		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
New Openings:													
Acquisition and development costs:													
Current year	1.3	14		18.6	19.8	32	27.2	38.6	76.5	64.5	40.4	57.2	74
Future year	5.8	20.8		31.8	7.5	14.4	13.1	16.6	30.5	33.2	12.8	10.4	9
Freehold reversions and investment properties	1.4	70.6		98.5	77.2	16.3	88.6	36.1	21.6	23.6	7.7	7.8	4.6
	8.5	105.4		148.9	104.5	62.7	128.9	91.3	128.6	121.3	60.9	75.4	87.6
Reinvestment in existing pubs:													
Kitchen and bar equipment / furniture etc.	3.4	13.6		18.5	28.7	46.2	25.3	16	18.4	22.6	16.7	22.5	13.4
Refurbishments	6.2	19.1		24.9	18.7	17.5	19.8	12.4	19.2	22	12.8	11.6	9.8
Business and IT projects	0.9	1.8		0.9	6.9	5.2	13.5	5.1	7.1	11.6	11.4	11.1	15.2
	10.5	34.5		44.3	54.3	68.9	58.6	33.5	44.7	56.2	40.9	45.2	38.4
Total	19.0	139.9		193.2	158.8	131.6	187.5	124.8	173.3	177.5	101.8	120.6	126

Movement in Net Debt

£m	H1 2021	H1 2020		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Opening Net Debt	817.0	737.0		737.0	726.2	696.3	650.8	601.1	556.6	474.2	462.6	437.7	388.4
Free cash flow	77.3	(49.0)		58.9	(97.0)	(93.4)	(107.9)	(90.5)	(109.8)	(92.9)	(65.3)	(91.5)	(78.8)
Disposal of fixed assets	–	(4.2)		(4.8)	(9.3)	(4.7)	(19.6)	(22.5)	(0.7)	(0.5)	(0.6)	(0.9)	(1.1)
New pubs and extensions	7.1	34.8		50.4	27.2	46.4	40.3	55.2	107.0	97.7	53.2	67.6	83.0
Freehold reversions and investment properties	1.4	70.6		98.5	77.2	16.3	88.6	36.1	21.6	23.6	7.7	7.8	4.6
Share buy-backs	–	6.5		6.5	5.4	51.6	28.4	53.6	12.7	24.6	–	22.7	32.8
Dividends paid	–	8.4		8.4	12.7	12.7	13.4	14.2	14.6	14.9	15.1	15.5	5.2
Net exceptional finance income	–	–		–	–	–	(0.4)	–	–	–	–	–	–
Gaming machine settlement	–	–		–	–	–	–	–	–	16.7	–	–	–
Share Placing Proceeds	(91.5)	–		(138.0)	–	–	–	–	–	–	–	–	–
Other	0.6	0.4		0.1	(5.4)	1.0	2.7	3.6	(0.9)	(1.7)	1.5	3.7	3.6
Closing Net Debt	811.9	804.5		817.0	737.0	726.2	696.3	650.8	601.1	556.6	474.2	462.6	437.7
Available facility	1,041.0	993.0		993.0	895.0	860.0	860.0	840.0	840.0	690.0	575.0	575.0	550.0
Other Borrowings	16.1	3.9		18.4	–	0.1	0.2	0.3	2.0	4.7	10.2	16.1	7.9

Property Update

	H1 2021	H1 2020		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Trading pubs at start of FY	872	879		879	883	895	926	951	927	886	860	823	775
Freehold pubs opened	1	1		2	4	6	9	10	24	31	14	18	34
Leasehold pubs opened	1	–		–	1	–	1	6	6	15	15	22	16
Closures/disposals	(2)	(6)		(9)	(9)	(18)	(41)	(41)	(6)	(5)	(3)	(3)	(2)
Total trading pubs	872	874		872	879	883	895	926	951	927	886	860	823
New hotels in period	–	–		–	1	4	7	7	9	4	2	2	–
Total number of hotels	58	58		58	58	57	53	46	39	30	26	24	22
Pubs in Republic of Ireland	7	7		7	7	5	5	5	4	1	–	–	–
All pubs average cost of development (£k)	1,300	2,160		2,330	2,644	2,773	2,299	2,459	2,070	1,643	1,552	1,420	1,207
All pubs freehold average cost (£k)	637	565		723	960	542	721	907	843	559	589	639	825
Average Size (sq.ft.) – New openings	3,866	4,143		4,005	4,851	5,201	4,379	4,264	4,321	3,585	3,643	3,325	3,572
Freehold (%)	64.4	63.6		64.3	61.4	58.7	57.0	51.4	49.2	46.6	44.2	43.8	43.4
Leasehold (%)	35.6	36.4		35.7	38.6	41.3	43.0	48.6	50.8	53.4	55.8	56.2	56.6

“It’s a People Thing”

	Bonus and free shares	(Loss)/Profit after tax
Financial Year	£m	£m
2020	33	(30)
2019	46	80
2018	43	84
2017	44	77
2016	33	57
2015	31	57
2014	29	59
2013	29	65
2012	24	57
2011	23	52
2010	23	51
2009	21	45
2008	16	36
2007	19	47
2006	17	40
Total	428	777
Bonus % of profits after tax		55%

- 39,416 employees of which 15,032 are shareholders
- £428m of bonuses and free shares over the last 15 years - equivalent of 55% of profits after tax
- Approximately 83% of the awards have been to employees working in pubs
- Since the share scheme was introduced, Wetherspoon has awarded 20.6 million free shares to employees, approximately 16% of the shares in issue today

Manager Retention:

	2021	2013	2008
Pub Manager	13 yr 2 mth	9 yr 8 mths	7 yr 1 mth
Kitchen Manager	9 yr 11 mths	6 yr 5 mths	4 yr 7 mths

Taxation

Wetherspoon Tax Payments In Financial Years 2011 To 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
VAT	244.3	357.9	332.8	323.4	311.7	294.4	275.1	253.0	241.2	204.8
Alcohol duty	124.2	174.4	175.9	167.2	164.4	161.4	157	144.4	136.8	120.2
PAYE and NIC	106.6	121.4	109.2	96.2	95.1	84.8	78.4	70.2	67.1	65.2
Business rates	39.5	57.3	55.6	53.0	50.2	48.7	44.9	46.4	43.9	39.8
Corporation tax	21.5	19.9	26.1	20.7	19.9	15.3	18.1	18.4	18.2	21.2
Corporation tax credit (historic capital allowances)	-	-	-	-	-	-2.0	-	-	-	-
Fruit/slot machine duty	9.0	11.6	10.5	10.5	11.0	11.2	11.3	7.2	3.3	2.9
Climate change levies	10.0	9.6	9.2	9.7	8.7	6.4	6.3	4.3	1.9	1.6
Stamp duty	4.9	3.7	1.2	5.1	2.6	1.8	2.1	1.0	0.8	1.1
Sugar tax	2.0	2.9	0.8	-	-	-	-	-	-	-
Fuel duty	1.7	2.2	2.1	2.1	2.1	2.9	2.1	2.0	1.9	1.9
Carbon tax	-	1.9	3.0	3.4	3.6	3.7	2.7	2.6	2.4	0.8
Premise licence and TV licences	1.1	0.8	0.7	0.8	0.8	1.6	0.7	0.7	0.5	0.4
Landfill tax	-	-	1.7	2.5	2.2	2.2	1.5	1.3	1.3	1.1
Furlough Tax Rebate	-124.1	-	-	-	-	-	-	-	-	-
TOTAL TAX	440.7	763.6	728.8	694.6	672.3	632.4	600.2	551.5	519.3	461.0
TAX PER PUB (£000)	533	871	825	768	705	673	662	632	617	560
TAX AS % of NET SALES	34.9%	42.0%	43.0%	41.8%	42.1%	41.8%	42.6%	43.1%	43.4%	43.0%

*Source: J D Wetherspoon plc Annual Reports and Accounts 2012 - 2020

Outlook

- Wetherspoon and its employees, along with the hospitality industry, have worked very hard to comply with ever-changing government guidelines
- It is disappointing that so many regulations, implemented at tremendous cost to the nation, appear to have had no real basis in common sense or science - for example, curfews, “substantial meals” with drinks and masks for bathroom visits
- The future of the industry, and of the UK economy, depends on a consistent set of sensible policies, based on scientific evidence, rather than on political expediency

Questions

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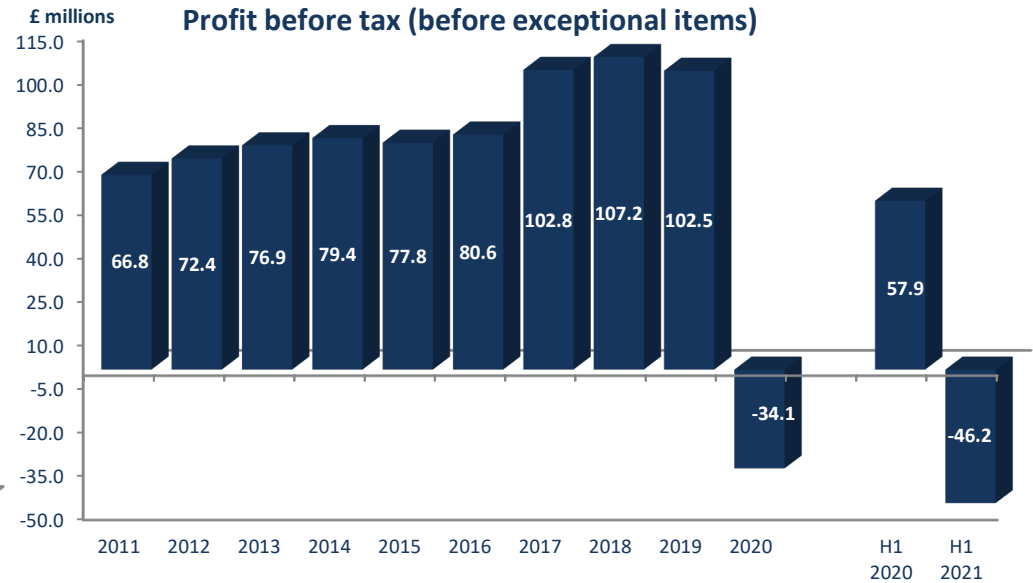
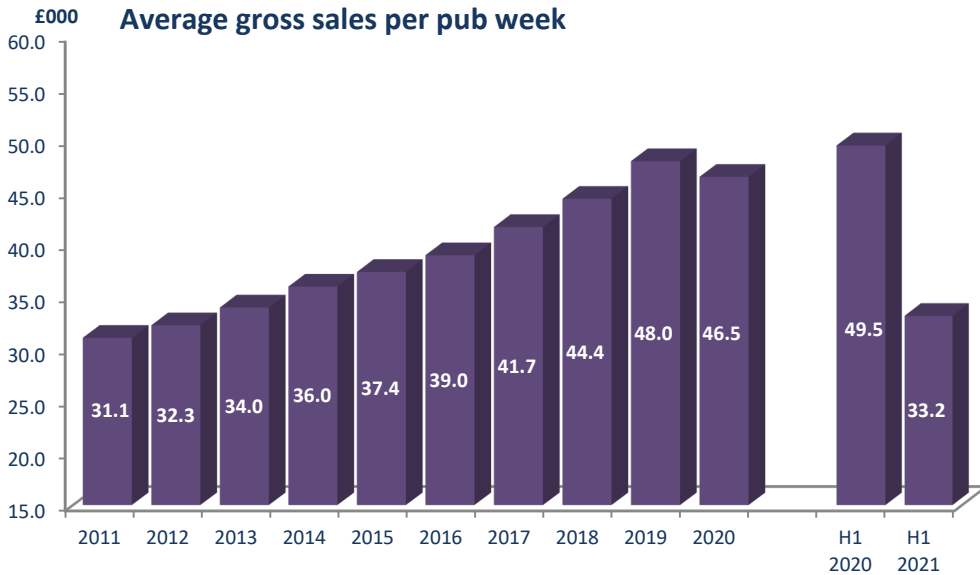
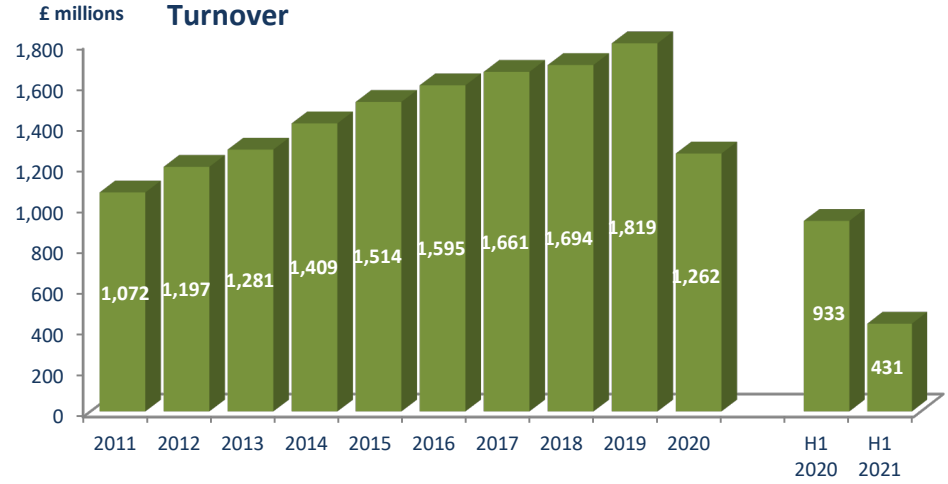
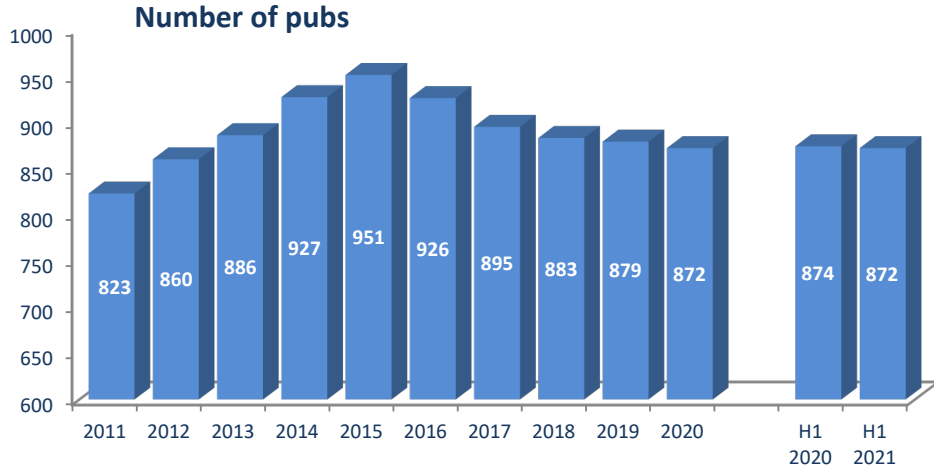
Appendices

Appendices

- A 10 year overview
- B 10 year financial trends
- C1 ROC/CROCCE/ROE calculations
- C2 ROC/CROCCE/ROE calculations
- D Summary of exceptional items
- E IFRS-16 impact
- F Swap maturity profile

Appendix A

10 Year Overview



Appendix B

10 Year Financial Trends

	H1 2021	H1 2020	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Sales per pub (£000) (1)	767	1,013	2,017	2,075	1,921	1,807	1,694	1,620	1,562	1,476	1,401	1,360
EBITDA per pub (£000) (2)	61.8	122.7	139.9	253.3	248.0	229.0	209.2	200.9	204.5	200.9	194.9	198.7
Number of pubs	872	879	872	879	883	895	926	951	927	886	860	823
% freeholds (%)	61	60	64	61	59	57	51	49	47	44	44	43
CROCCE (3) (%)	-0.1	9.5	3.9	9.7	10.0	9.9	9.7	9.6	10.5	10.6	10.8	10.7
Cash return on investment (3) (%)	-3.3	12.8	3.2	12.4	13.5	13.3	12.2	11.7	12.3	12.4	12.6	11.8

(1) Calculated on 52 week period

(2) Excluding sale & leaseback rent, calculated on 52 week period

(3) See appendix D1 and D2 for calculation

Appendix C1

ROC/CROCCE/ROE

		H1 2021 £000	H1 2020 £000	FY 2020 £000
Shareholders equity per accounts		379,241	319,907	325,199
Deferred tax balances		17,832	28,506	26,521
Interest rate swaps valuations		65,477	57,096	82,194
Impairment balances		44,058	19,115	44,058
Net book value of revalued assets		(4,423)	(5,198)	(4,939)
Adjusted shareholders equity	(a)	502,185	419,426	473,033
Net debt		811,944	804,527	816,987
Capital employed	(b)	1,314,129	1,223,953	1,290,020
Accumulated depreciation (excluding impairments)	(c)	1,054,705	995,121	1,017,917
Cash capital employed	(d)	2,368,834	2,219,074	2,307,937

ROC/CROCCE/ROE












		12 months to January 2021 £000	12 months to January 2020 £000	FY 2020 £000
EBITDA (cash return)	(e)	(13,353)	227,473	86,150
Depreciation and amortisation	(f)	(78,590)	(80,812)	(79,639)
EBIT	(g)	(91,943)	146,661	6,511
Interest		(46,246)	(36,557)	(40,606)
Profit before tax		(138,189)	110,104	(34,095)
Current tax	(h)	10,232	(24,635)	588
Profit after cash tax	(i)	(127,957)	85,469	(33,507)
Deferred tax credit/(charge) (excluding exceptional items)		8,923	94	3,570
Profit after tax		119,034	85,563	(29,937)
Return on capital employed [(g+h)/average b]*		-6.4%	10.5%	0.6%
Cash return on cash capital employed [(e+h)/average d]*		-0.1%	9.6%	3.9%
P&L return on shareholders equity [i/average a]*		-27.8%	21.3%	-7.6%
Cash Return on Investment [(i-f)/(average a+c)]		-3.3%	12.3%	3.2%

*All returns are calculated after tax

Summary of Exceptional Items

		H1 2021 £000	H1 2020 £000
<u>Operating Exceptional Items</u>			
COVID-related stock losses		2,200	
Duty refunds and supplier credits		(3,699)	
Equipment		2,516	
Local government support grants		(5,238)	
Staff costs		11,562	
Other		195	
		7,536	
<u>Exceptional property losses</u>			
Disposal programme	<i>Loss on disposal of pubs</i>	57	3,622
	<i>Impairment of property plant and equipment</i>		1,496
Other property losses	<i>Impairment of property, plant and equipment</i>		1,290
	<i>Impairment of intangible assets</i>		9,540
	<i>Impairment of right-of-use asset</i>	2,133	
		2,190	15,948
<u>Exceptional finance costs</u>		5,511	
<u>Exceptional tax</u>	<i>Exceptional tax items</i>	(2,816)	
	<i>Tax effect on exceptional items</i>		(1,801)
		(2,816)	(1,801)
Total exceptional items		12,421	14,147

IFRS 16 – impact

Profit and loss impact		£m
EBITDA		£26.1
Depreciation		£(23.0)
Operating profit		£3.1
Disposal of leases		£1.1
Interest		£(10.8)
Profit before tax		£(6.6)
Tax		£3.8
Profit after tax		£(2.8)
Balance sheet impact		£m
Right-of-use assets		£527.6
Net lease liabilities		£(568.8)
Other		£41.2

Based on leases in place at the half-year

Swap Maturity Profile

Swap Value	From	To	Weighted Average %
£770m	02 July 2018	29 Jul 2021	2.42
£770m	30 July 2021	30 July 2023	1.61
£770m	31 July 2023	30 July 2026	1.10
£770m	31 July 2026	30 June 2028	1.33
£770m	01 July 2028	29 March 2029	1.32

