

10 November 2021

J D WETHERSPOON PLC

TRADING UPDATE

J D Wetherspoon plc ('Wetherspoon' or 'the Company') provides a trading update for the 15 weeks to 7 November 2021, comprising Q1 and a further fortnight.

Current trading

Like-for-like sales for the first 15 weeks of the financial year were 8.9% lower (-8.9%) than the record sales achieved in the same period in 2019. Bar sales were -9.6%, food -8.1%, fruit/slot machines -12.3% and hotels were +11.5%. This is an improvement compared to sales of -17.8% in the last 10 weeks of the previous financial year (ten weeks to 25 July, 2021), when pubs reopened inside – although restrictions applied for most of that trading period.

In the last 15 weeks, there has been a considerable increase in sales of the range of drinks often consumed by younger customers, for example cocktails (+45%), vodka (+17%) and rum (+26%).

In contrast, draught products, more often consumed by older customers, have been under pressure, with traditional ales down by 30% and stout down by 20%, for example.

Food volumes appear to have been affected by some customers working from home, with breakfasts, for example, down by 22% and coffee down by 30%.

The company's pubs which trade under the 'Lloyds' banner, with music, mostly at the weekends, were +0.5%, probably reflecting a higher percentage of younger customers.

Contrary to some forecasts (including our own), trade has been positive in the centre of many, but not all, larger cities and towns - and negative in the suburbs.

For example, sales have been positive in central Liverpool (+9.1%), Newcastle Upon Tyne (+11.1%), Oxford (+11.3%), Chester (+4.3%), Bournemouth (+4.2%), Nottingham (+3.6%), Cardiff (+3.5%) and Manchester (+0.4%).

In contrast, trade has been lower in central London (-17.4%).

As expected, trade has been lower in airports (-38.8%), stations (-22.4%), and also in Scotland (-12.2%) and Northern Ireland (-11.0%), where some restrictions still apply.

The Supply Chain

Supply chain issues in pubs have been extensively debated in recent months. Wetherspoon has had some problems from time to time, but they have usually related to a minority of items, for which we have almost always been able to find alternatives. Overall stocking levels of bar and food products have been in line with previous years. The problems have eased in recent weeks, albeit that the busy Christmas period is yet to come.

Recruitment

Recruitment problems have also been widely reported in respect of both the hospitality industry and the wider economy. Wetherspoon had some isolated difficulties in staycation areas in the summer

and during the “pingdemic” but, in general, there has been a reasonable level of job applications. The number of employees has increased from 36,987 when pubs reopened in April 2021 to 42,240 today.

Outlook & comments

Wetherspoon chairman Tim Martin said:

“With no music in Wetherspoon pubs (apart from 46 trading as Lloyds), a material proportion of our trade comes from older customers, some of whom have visited pubs less frequently in recent times.

“As outlined in our annual report, published in October 2021, there have been no outbreaks of Covid-19, as defined by the health authorities, among customers in Wetherspoon pubs.

“However, some customers have been understandably cautious. Improvement in trade will therefore depend, to some extent, on the outlook for the Covid-19 virus.

“Whereas we have an increased element of caution about near-term sales, ‘booster’ vaccinations and better weather in the spring are likely to have a positive impact in the coming months.

“The last 18 months have presented a considerable challenge to the hospitality industry, with many unexpected twists and turns.

“As in previous downturns, the company will continue to concentrate on providing high standards of service, reasonable prices and regular, small upgrades to the business.”

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Notes to editors

1. J D Wetherspoon owns and operates pubs throughout the UK and Ireland. The Company aims to provide customers with good-quality food and drink, served by well-trained and friendly staff, at reasonable prices. The pubs are individually designed, and the Company aims to maintain them in excellent condition.
2. Visit our website: www.jdwetherspoon.com
3. This announcement has been prepared solely to provide additional information to the shareholders of J D Wetherspoon, to meet the requirements of the FCA’s Disclosure and Transparency Rules. It should not be relied on by any other party, for any other purposes. Forward-looking statements have been made by the directors in good faith, using information available up until the date on which they approved this statement. Forward-looking statements should be regarded with caution, because of the inherent uncertainties in economic trends and business risks.
4. This announcement contains inside information on J D Wetherspoon plc.
5. The current financial year comprises 53 trading weeks to 31 July 2022.
6. The next trading update is expected to be the Company’s trading update on 19 January 2022.