

Preliminary results

For the 52 weeks ended 30 March 2015





Today

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Stephen Goodyear

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Peter Whitehead

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Patrick Dardis

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Stephen Goodyear

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Stephen Goodyear


Strategy and business review





Pure play, differentiated pub company

- Well-invested, premium end of the market
- Based primarily in London and south east
- Focussed on:
 - Investing in high returning projects
 - Acquiring managed houses, as packages or individual sites
 - Expanding hotels operation
 - Investing to exceed customer expectations
 - Maintaining an estate of quality tenanted houses
 - Exploiting operational efficiency and scale benefits



**8 new pubs
opened**

**76
bedrooms
added**

**£50.6M
pub capex
investment**



Driving...

	2012 Year End 52 Weeks	2013 Year End 52 weeks	2014 Year End 52 weeks	2015 Year End 52 weeks
Strong Managed House LFL performance	6.0%	4.6%	6.7%	6.5%
Improving operating margins	14.6%	14.9%	15.7%	16.5%
Strong cash generation	£34.6M	£35.1M	£47.3M	£50.6M





Business review




- Strong performance across the business
- Continuation of strategy of adding carefully selected, high-quality managed houses to Young's and Geronimo estates
- Proactive estate management with some transformational developments undertaken
- Strong balance sheet
- Progressive dividend policy, 18th consecutive year of increase

Financial review





Another year of strong results

Revenue	£227.0M		+7.7%
Operating profit*	£37.4M		+12.7%
PBT*	£32.0M		+17.6%
EPS*	50.62p		+18.1 %
Dividend	16.46p		+6.1%

* Adjusted to exclude exceptional items



Adjusted operating performance by division

Managed Houses

£50.1M



+11.3%

Ram Pub Company

£4.3M



+13.2%

Outlet profit

£54.4M



+11.5%

Operating profit



£37.4M



+12.7%





Managed LFL revenue at pub level

			Total
No. of pubs	121	33	154
£M	156.0	48.3	204.3
Change %	+7.6	+3.1	+6.5
AWT per pub £K	24.8	28.1	25.5





Managed LFL profit at pub level

			Total
EBITDA £M	49.2	12.2	61.4
Operating profit £M	39.2	9.6	48.8
Change %	+10.7	+5.8	+9.7
Margin %	25.1	19.9	23.9
Change % points	+0.7	+0.5	+0.7





Strong cash generation and investment

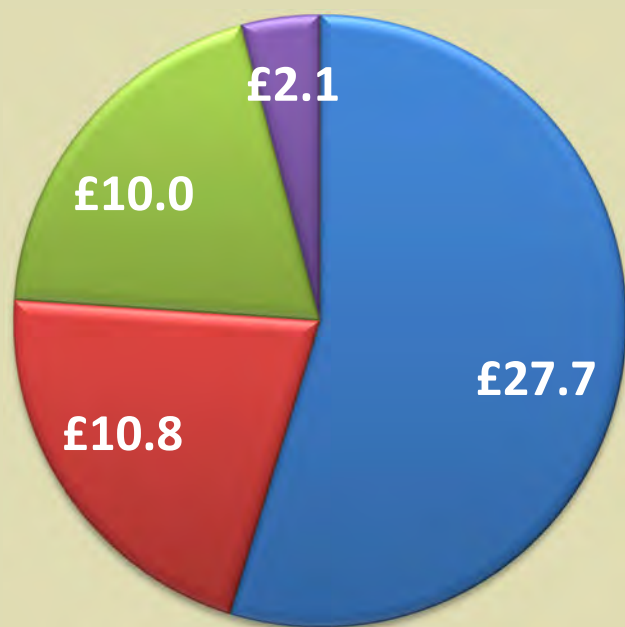
	2015 £M	2014 £M
Cash generated from operations	50.6	47.3
Interest and tax	(12.0)	(11.6)
Dividends	(7.7)	(7.3)
Disposals	3.3	5.0
Capital expenditure	(50.9)	(33.6)
Non-cash items	(0.3)	0.8
(Increase)/decrease in net debt	(17.0)	0.6





Pub investments £50.6M

By division



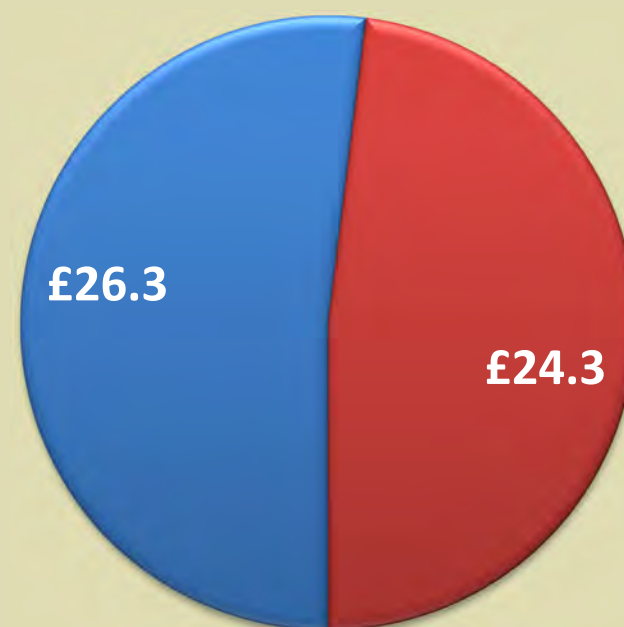
■ Young's pubs

■ Young's hotels

■ Geronimo

■ Tenanted

By nature of spend






■ Investment on existing estate

■ Acquisitions



Pub portfolio

				Total
April 2014	128	35	79	242
Additions	5	3	-	8
Disposals	(1)	(1)	(2)	(4)
Transfers (net)	(3)	-	3	-
March 2015	129	37	80	246

**Out of the total of 246 pubs, there are 192 freeholds and 12 long leases with peppercorn rents (leases with > 38 years to run, with rents that are < £10K per annum)*





Debt structure

Longer-dated committed facilities £30M long term (March 2023) £20M medium term (March 2018)	£50.0M
Medium-dated committed facilities £50M term loan (March 2021) £75M RCF (March 2019)	£125.0M
Net debt	£129.2M
% of debt fixed	62%
Interest cover	7.2x
Net debt/EBITDA	2.47x
Loan to value	21%



Managed Houses - Young's





Young's Managed House operating highlights

- 129 outlets, including 22 hotels:
 - Revenue up 8.9% in total and 7.6% on a LFL basis with strong growth across all categories
 - Food outperforms drink and now represents 29.5% of sales (2014: 29.1%)
 - Strong sales and improved margins drive a 0.7% point increase in operating margin on a total and LFL basis
- £38.5M invested in estate
 - Five freeholds acquired
 - £17.9M invested in new pubs and hotels
 - £20.6M invested in existing pubs, £4.4M of which is in hotels
- Community engagement and technology initiatives increase trade, enhance customer experience and drive productivity gains





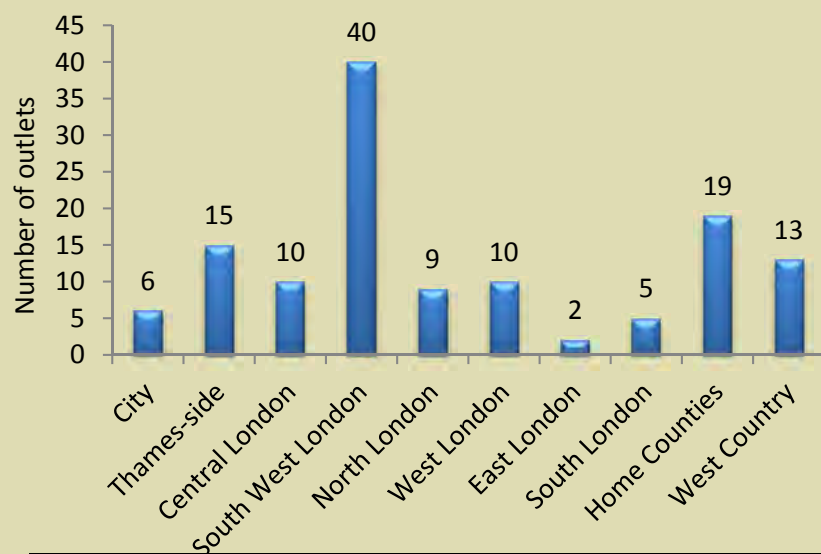
Young's Managed House estate

Outlets

129

Capex investment

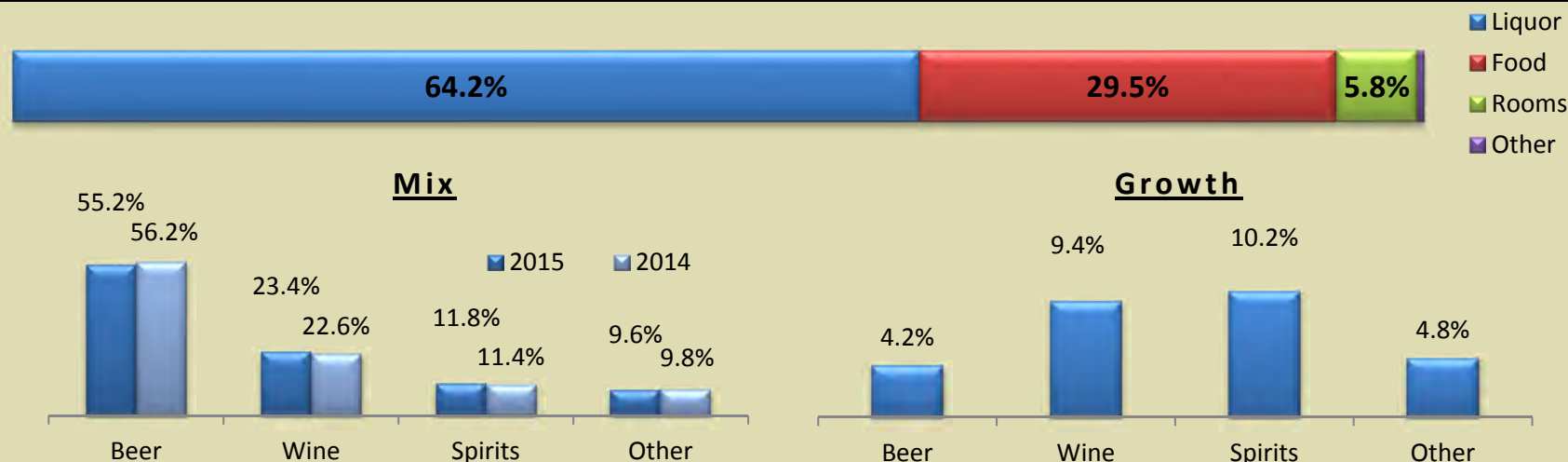
£38.5M



Additions	Pub developments	Hotel developments
Bell at Stow (Stow on the Wold)	Britannia (Kensington)	Alexander Pope (Twickenham)
Defector's Weld (Shepherd's Bush)	Castle (Tooting)	Bull's Head (Chislehurst)
Fox & Anchor (Smithfield Market)	Coborn (Bow)	Dog & Fox (Wimbledon Village)
John Salt (Islington)	Crooked Billet (Wimbledon)	Orange Tree (Richmond)
White Bear (Kennington)	Duke on the Green (Fulham)	Windmill (Clapham Common)
	Finch's (Finsbury Square)	
	Halfway House (Earlsfield)	
	Richard the First (Greenwich)	
£17.9M	£16.2M	£4.4M



Young's Managed House drink sales



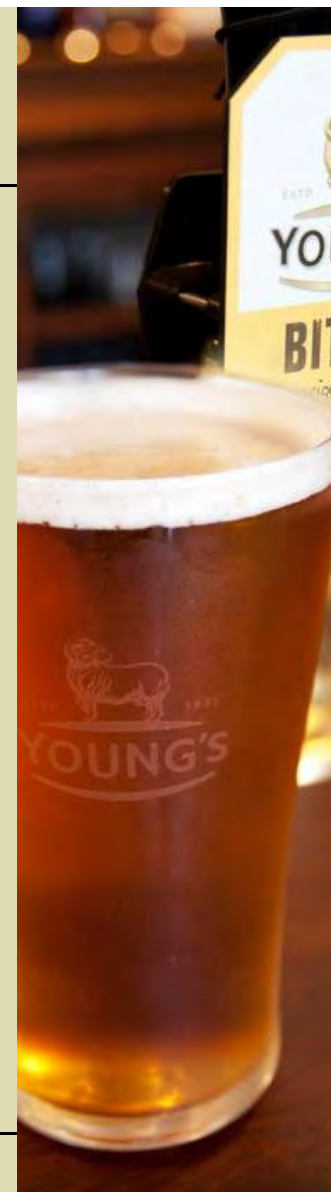
Market leading product portfolio, growing across all categories

Drink sales
Total +7.2%
LFL +6.2%

LFL sales
Lager +5.6%
Ale +9.3%

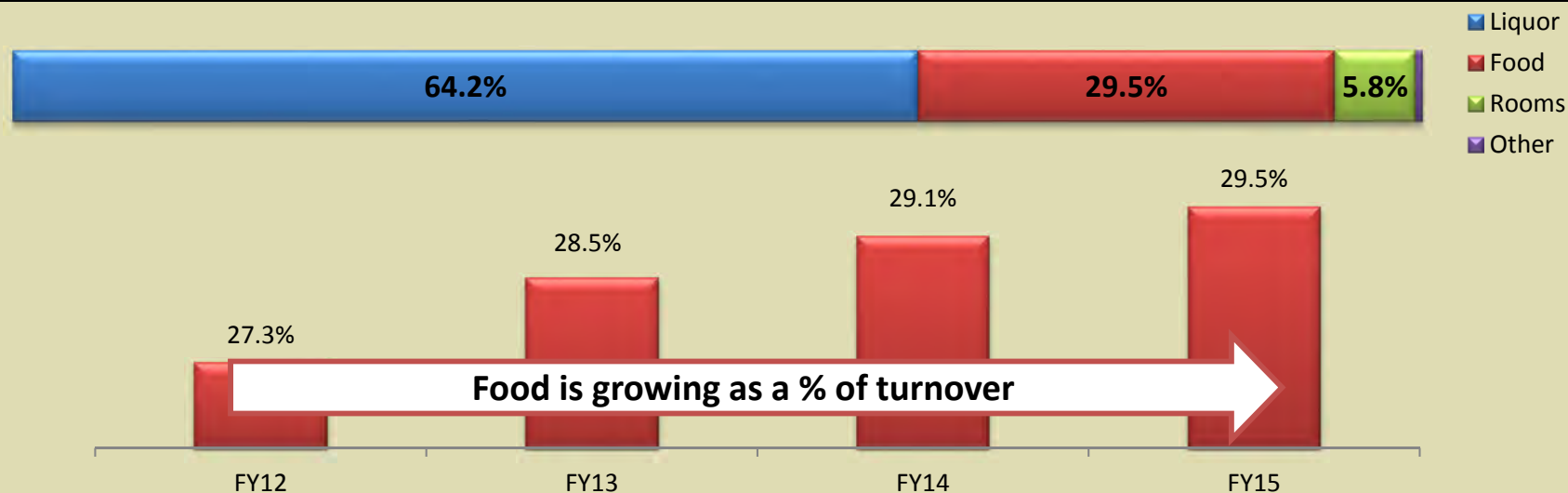
LFL sales
White +6.7%
Sparkling +29.2%

LFL sales
Gin +31.7%
Cocktails +11.8%





Young's Managed House food sales



Total +10.5%
LFL +9.2%

**Freshly
prepared,
British pub
food**

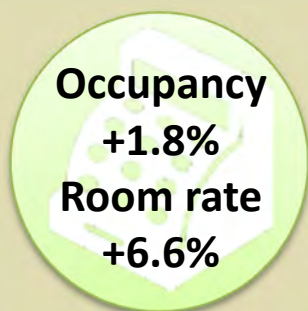
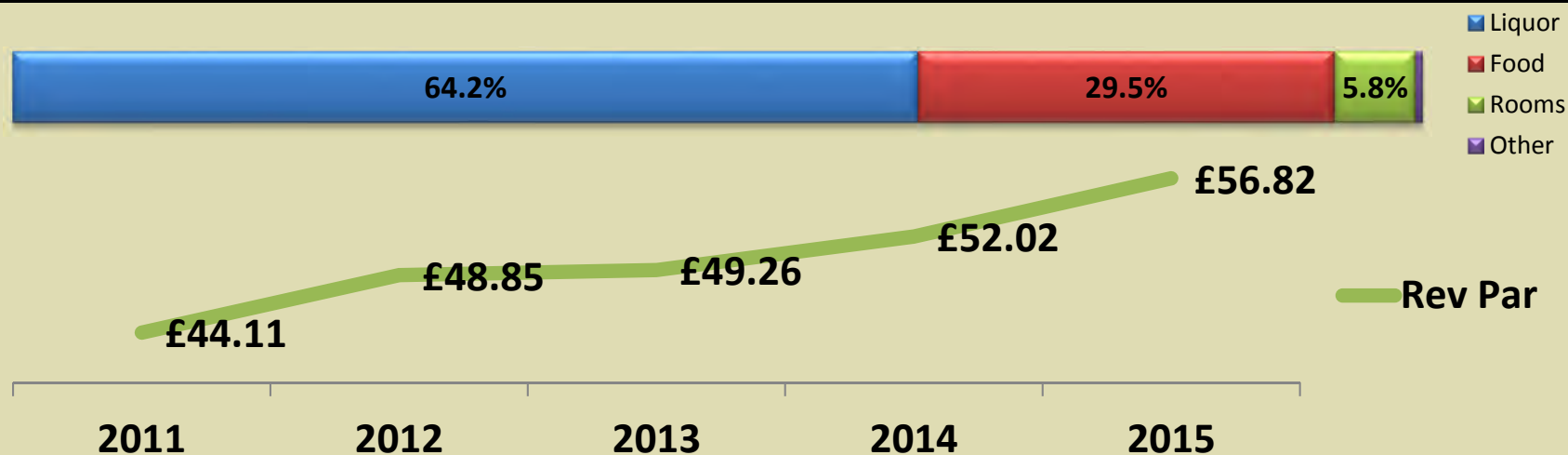
**Seasonal and
locally
sourced**

**Best-in-class
classics and
the ultimate
Sunday roasts**





Young's Managed House accommodation





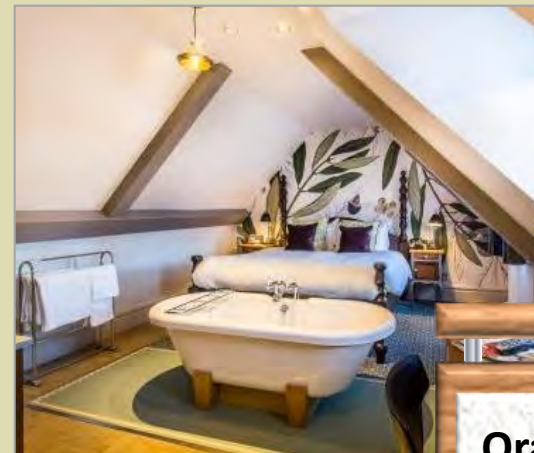
Young's Managed House pub investments



**The
Coborn**



**Duke
on the
Green**



**Orange
Tree**



Managed Houses - Geronimo





Geronimo operating highlights



- 37 outlets delivered a robust performance:
 - Revenue up 3.8% in total and 3.1% on a LFL basis
 - Heathrow upheaval impacted performance:
 - Closure of the Tin Goose (Terminal 1)
 - Three Bells (Terminal 3) adversely affected by the opening of Terminal 2
 - Operating profit up by 8.1% in total and 5.8% on a LFL basis
- An established business which is evolving with a new team
 - Reinvigorating Geronimo's DNA and re-establishing point of difference
 - Critical look at our design to separate us from our many imitators
 - Appointed a new Director of Food
 - Brand extension with food on-the-go
 - Recreating its unique sense of "play" for grown-ups



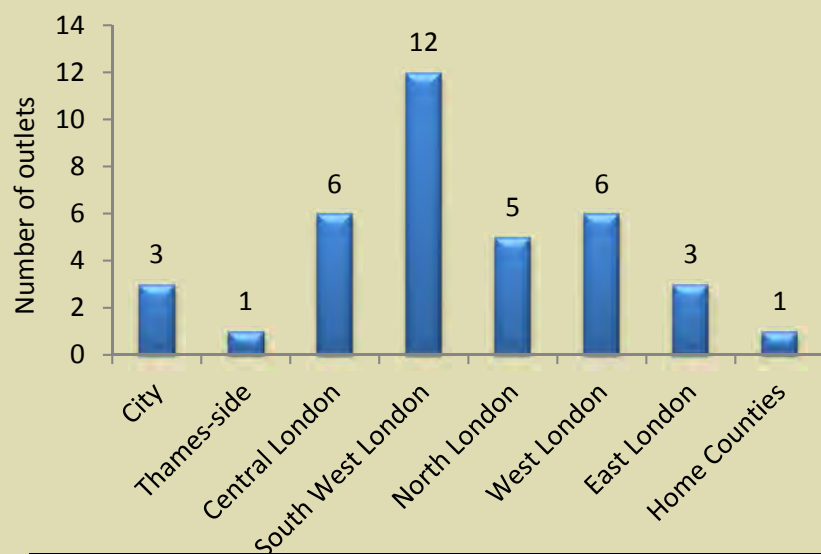
Geronimo estate

Outlets

37

Capex investment

£10.0M

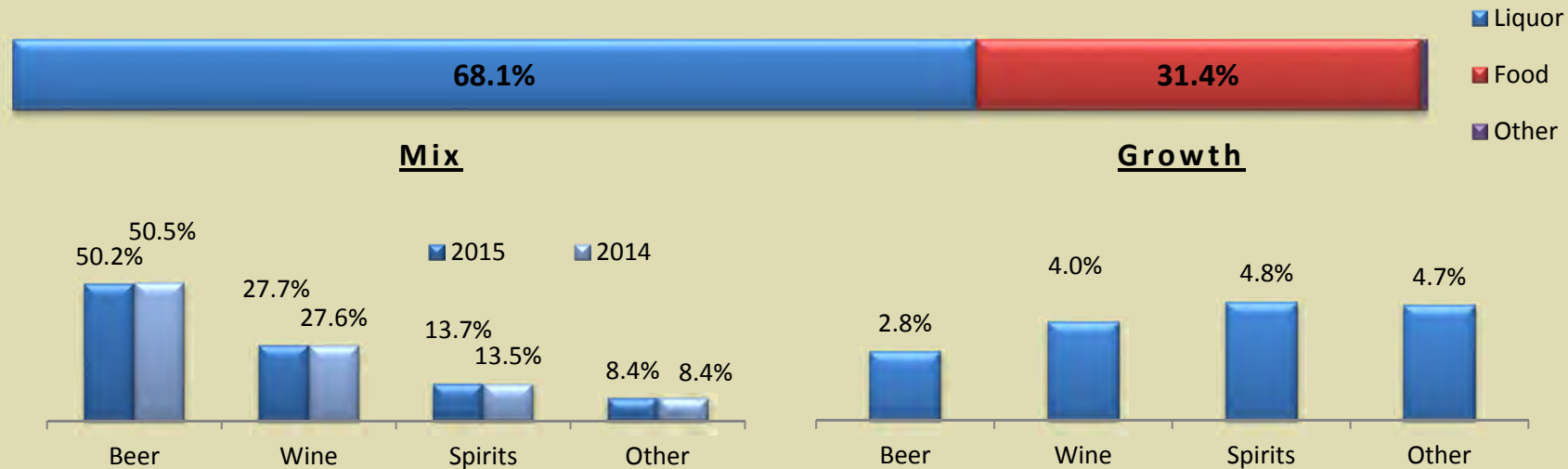


Additions	Pub developments	New builds
Curious Pig (St. Pancras)	Betjeman Arms (St Pancras)	Trafalgar * (Tooting)
Fellow (King's Cross)	Bull (Westfield –Shepherd's Bush)	Guard House (Woolwich Arsenal)*
Owl & Pussycat (Shoreditch)	18 sparkles	
£2.5M	£3.6M	£3.9M

* Expected to open late summer/autumn



Geronimo revenue analysis



Drink sales
Total +6.8%
LFL +3.8%

LFL sales
Lager +2.7%
Ale +11.4%

**Wine and
spirits 41.4%
of total
sales**

Food
LFL +1.2%





Geronimo pub investments



**Betjeman
Arms**



Bull



Northcote



Ram Pub Company





Ram Pub Company



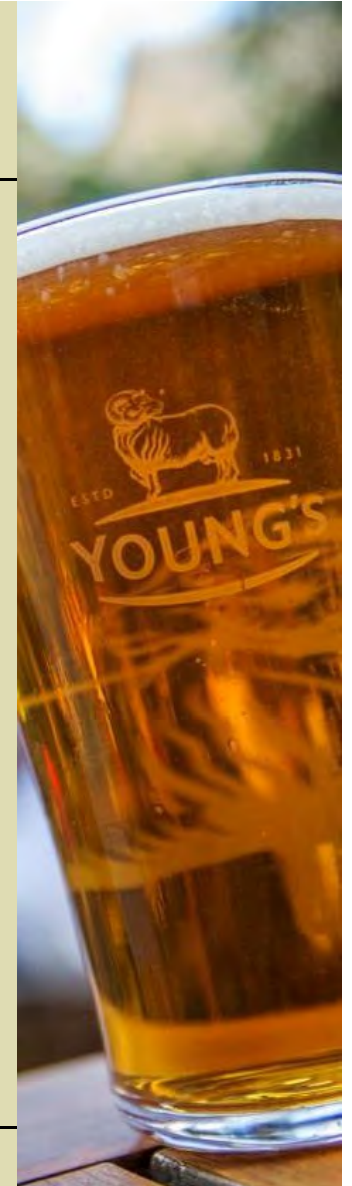
- Recent strategic initiatives, culminating in launch of the Ram Pub Company, are bearing fruit:
 - Tenanted operation has returned to growth, both on a total and a LFL basis
 - New website enables better tenant engagement
 - Attracting a wider audience of respected and innovative operators
 - Bi-monthly news magazine provides clear advice, marketing information and enables the sharing of best practice
 - Market leading product portfolio from range of suppliers to offer our tenants
- We will continue with these initiatives and to invest in the future of our tenanted estate



Revenue and operating performance



- Our tenanted business (80 pubs) represents:
 - 5.5% of group revenue
 - 7.9% of outlet group adjusted operating profit
- The full year benefit of last year's acquisitions (the Clapham North, New Inn (Ealing) and the Royal Oak (Bethnal Green)) and a net 3 transfers from our managed operations helped drive:
 - Revenue up 9.6% in total and 3.0% on a LFL basis
 - Operating profit up 13.2% in total and 7.2% on a LFL basis





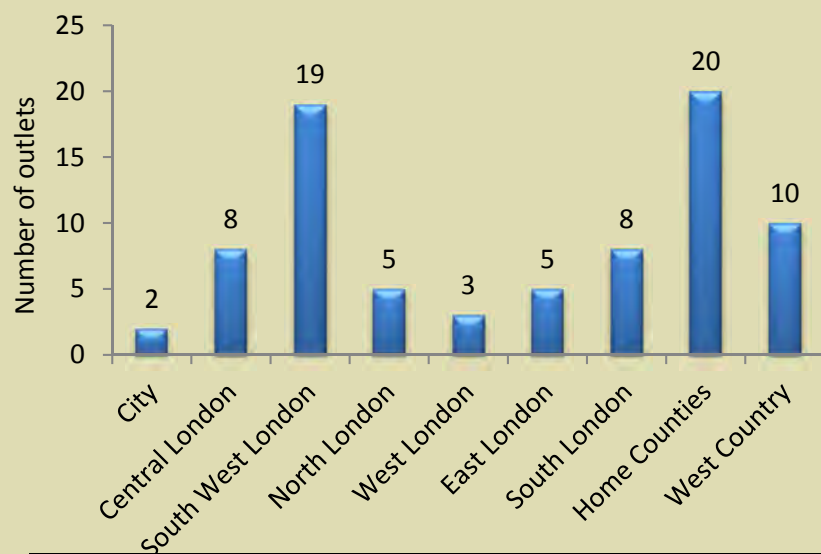
Estate

Outlets

80

Capex investment

£2.1M



Pub developments

Butcher's Hook (Hammersmith)

Dog & Bull (Croydon)

Grand Junction Arms (Harlesden)

Grey Horse (Kingston)

Hope (Norwood)

Horse Pond (Castle Cary)

Riverside (Chelmsford)

Unicorn (Somerton)

£2.1M



Pub investments



Dog & Bull



Butcher's Hook



Unicorn

Outlook



Outlook

- Positive momentum continued into new year
 - Managed house revenue for the first seven weeks up 8.1% and by 5.6% on a LFL basis
- Two new pubs already opened:
 - Bull & Gate (Kentish Town) and the recently acquired Canonbury (Islington)
- Three other new pubs under development:
 - Nine Elms Tavern, Trafalgar (Tooting) and Guard House (Woolwich Arsenal)
- We have sold the Seven Stars (Brighton) and exchanged contracts for sale of the New Town (Sutton) for a total of £3.4 million
- Well positioned to continue to benefit from the improving economy and consumer confidence
- Strong comparatives for new year offset by full year benefit from six acquisitions and returns from recent investments in estate
- We are confident that through our long-standing strategy we will continue to deliver superior returns to our shareholders

