



THE BLUE BOAT

FULLER, SMITH & TURNER PLC
Final Results for the 52 weeks ended 28 March 2015



Michael Turner

Chairman



Agenda

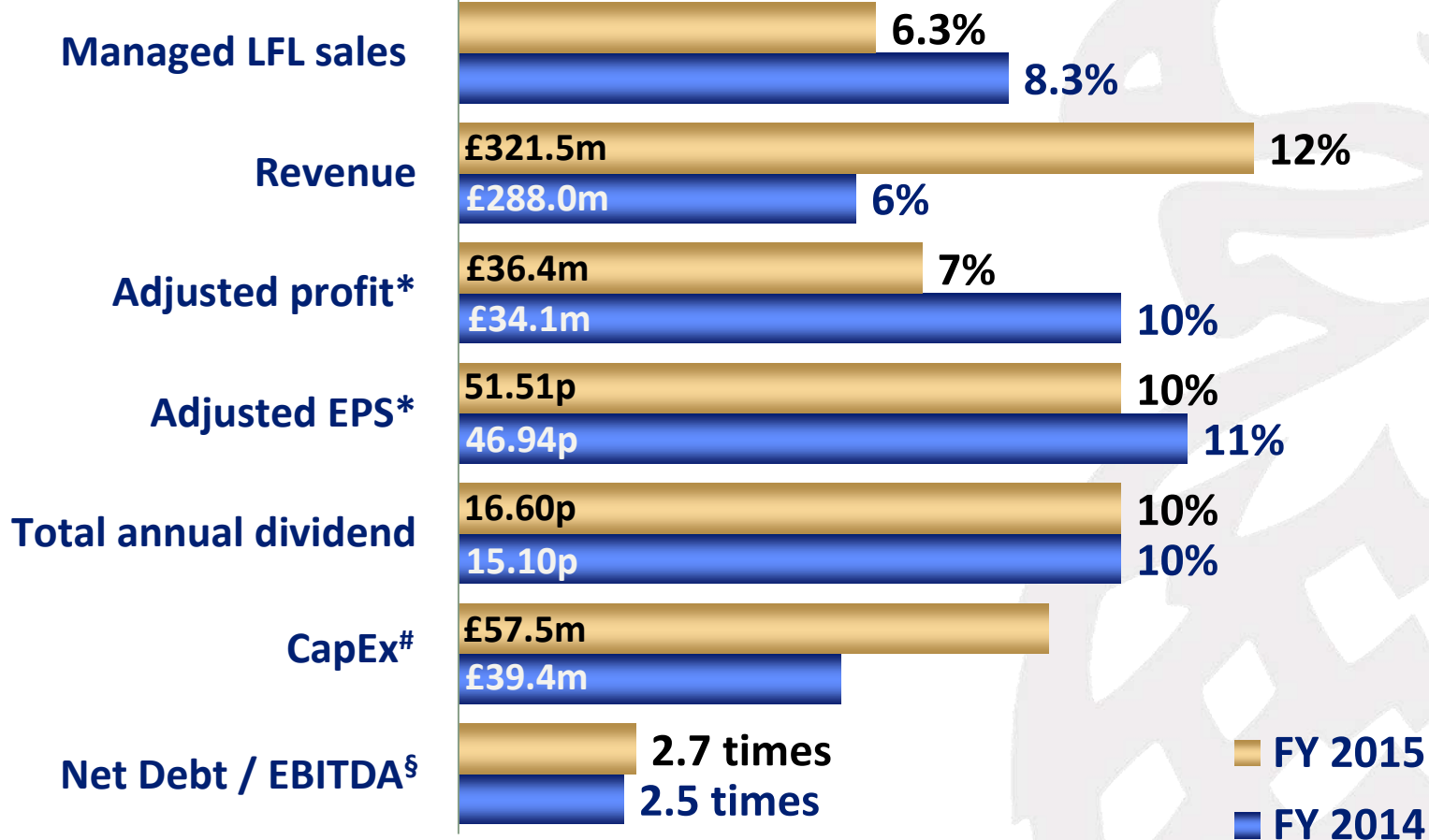
- Overview
- Financial Results
- Strategy and Operations
- Prospects



Highlights

Strong performance, investing in core business

Growth on prior year (%)



* Excluding exceptional items. # Capital expenditure including acquisition costs paid in the period which are treated as exceptional items.
§ Net debt / EBITDA is on a pro forma 12 months basis for acquisitions and disposals in the period



James Douglas

Finance Director



Group Performance

	2015 £m	2014 £m	
Revenue	321.5	288.0	+12%
Operating costs*	(279.2)	(248.1)	+13%
Operating profit*	42.3	39.9	+6%
Net finance costs*	(5.9)	(5.8)	+2%
Adjusted profit before tax*	36.4	34.1	+7%
Depreciation & amortisation	16.4	14.6	+12%
EBITDA*	58.7	54.5	+8%

* Excluding exceptional items



Exceptional Items

2015
£m

2014
£m

Profit on sale of properties

0.8

1.9

Pension curtailment gain

1.2

-

Acquisition costs

(1.2)

(1.1)

Asset impairments & reversals

-

(0.5)

Onerous lease provisions & releases

(0.3)

0.9

Pension scheme finance costs

(0.8)

(0.6)

Reorganisation costs

-

(1.2)

Total exceptional items

(0.3)

(0.6)

Tax on exceptional items

0.1

0.1

Reduction in tax rate

-

3.4

Exceptional items net of tax

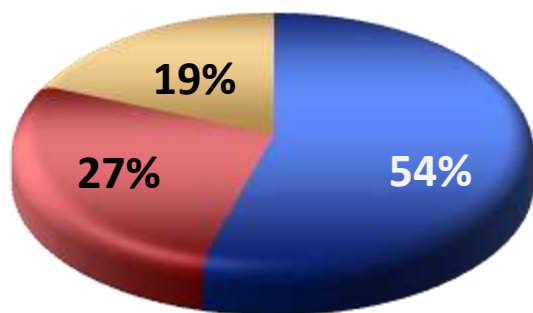
(0.2)

2.9



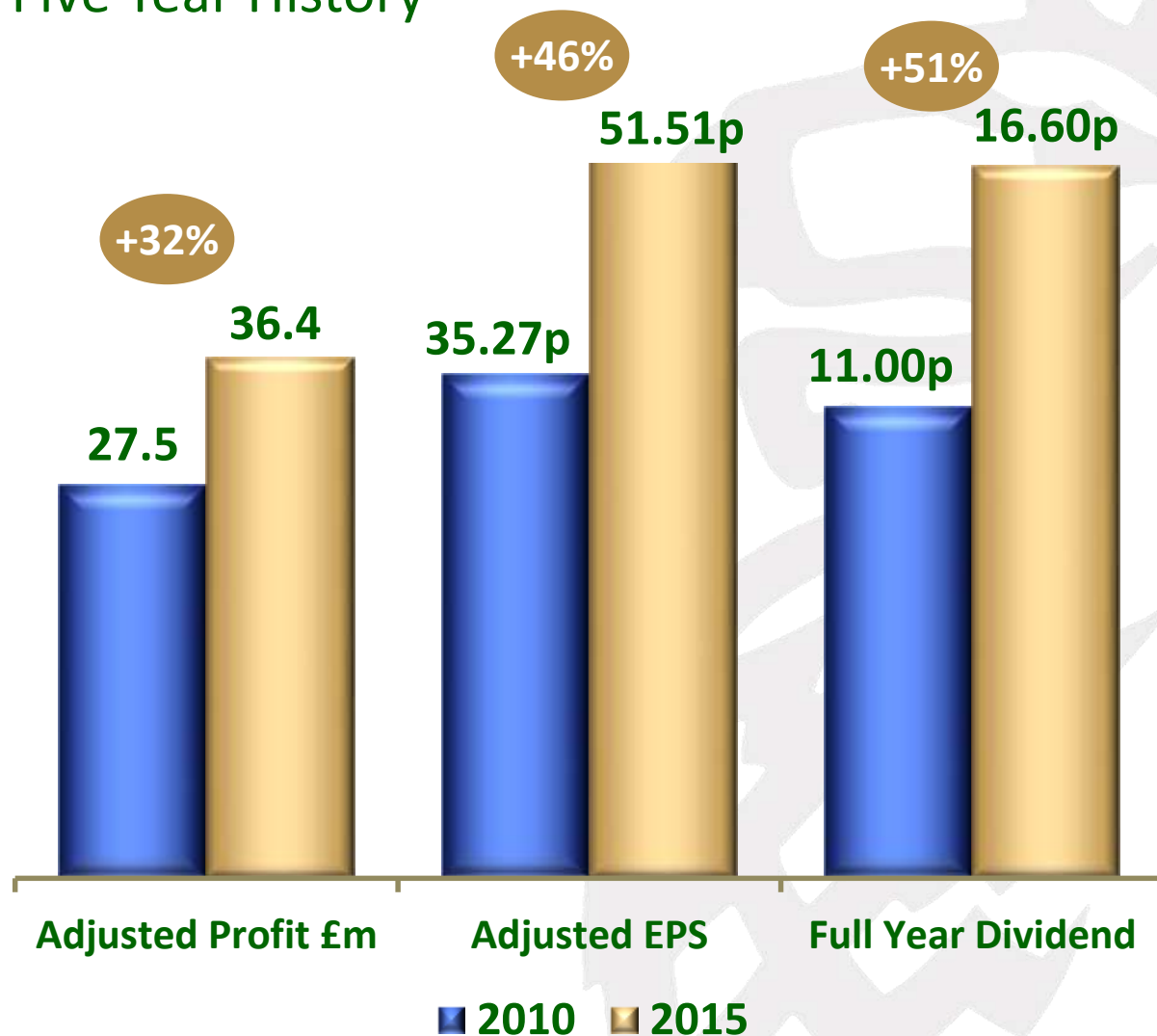
Group Performance

Share of Operating Profit



- Managed Pubs & Hotels
- Tenanted Inns
- The Fuller's Beer Company

Five Year History



Share of operating profit above excludes exceptional items and before unallocated central management costs. Adjusted profits are profits before tax excluding exceptional items. 2010 has been restated to exclude pension finance costs/income from adjusted profit.

Managed Pubs and Hotels

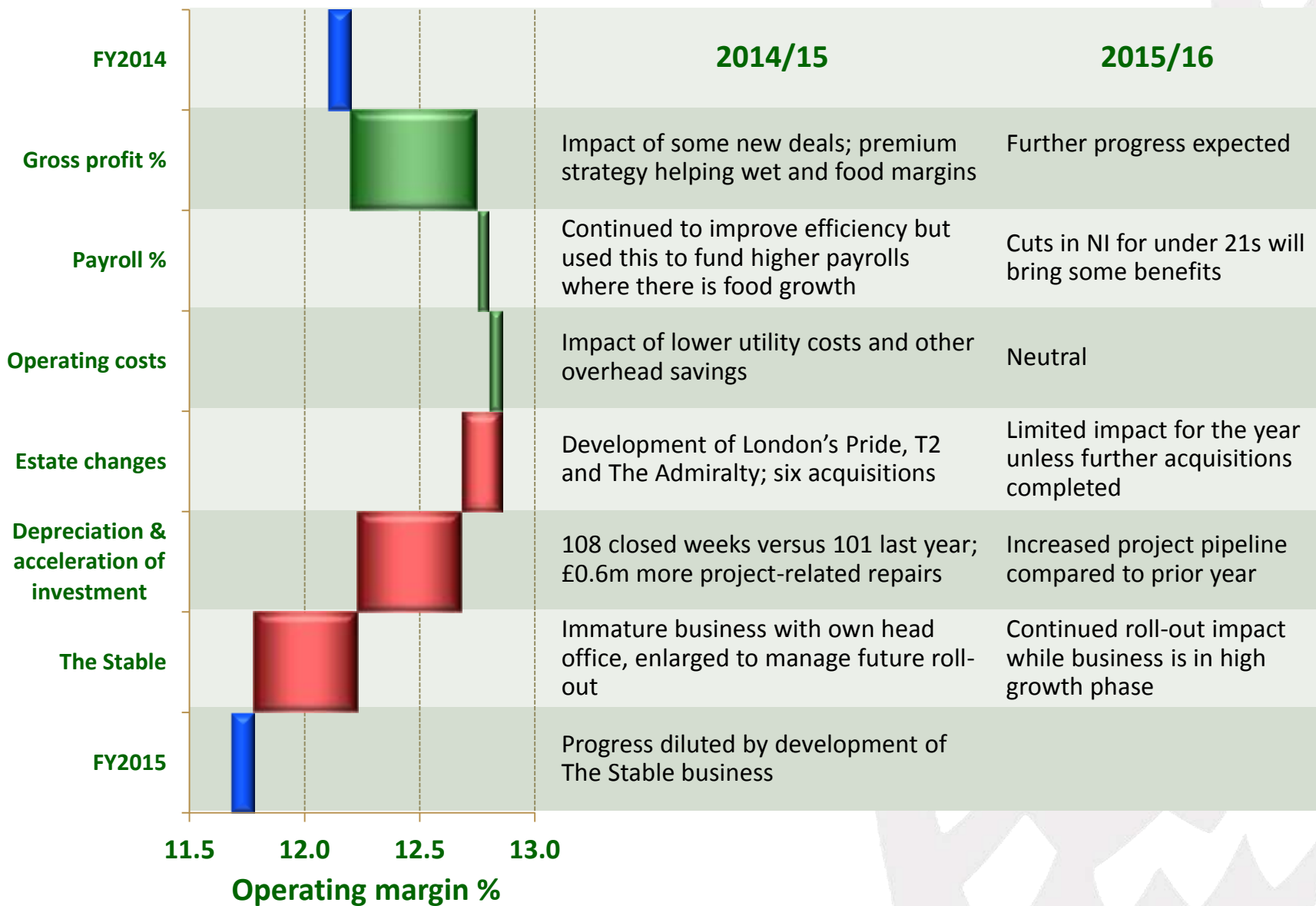
	2015	2014	
LFL sales	+6.3%	+8.3%	
Revenue	£213.8m	£186.0m	+15%
Operating costs*	£188.8m	£163.5m	+15%
Operating profit*	£25.0m	£22.5m	+11%
Operating margin	11.7%	12.1%	
Depreciation & amortisation	£11.5m	£10.0m	+15%
EBITDA*	£36.5m	£32.5m	+12%

* Excluding exceptional items



Margin Evolution

Managed Pubs and Hotels margin down 0.4% on last year



Tenanted Inns

	2015	2014	
LFL profits	+5%	+2%	
Average EBITDA per pub	+5%	+1%	
Number of pubs at year end	203	207	
Revenue	£31.4m	£31.3m	Level
Operating costs*	£18.8m	£19.0m	-1%
Operating profit*	£12.6m	£12.3m	+2%
Operating margin	40.1%	39.3%	
Depreciation	£1.6m	£1.6m	level
EBITDA*	£14.2m	£13.9m	+2%

* Excluding exceptional items



The Fuller's Beer Company

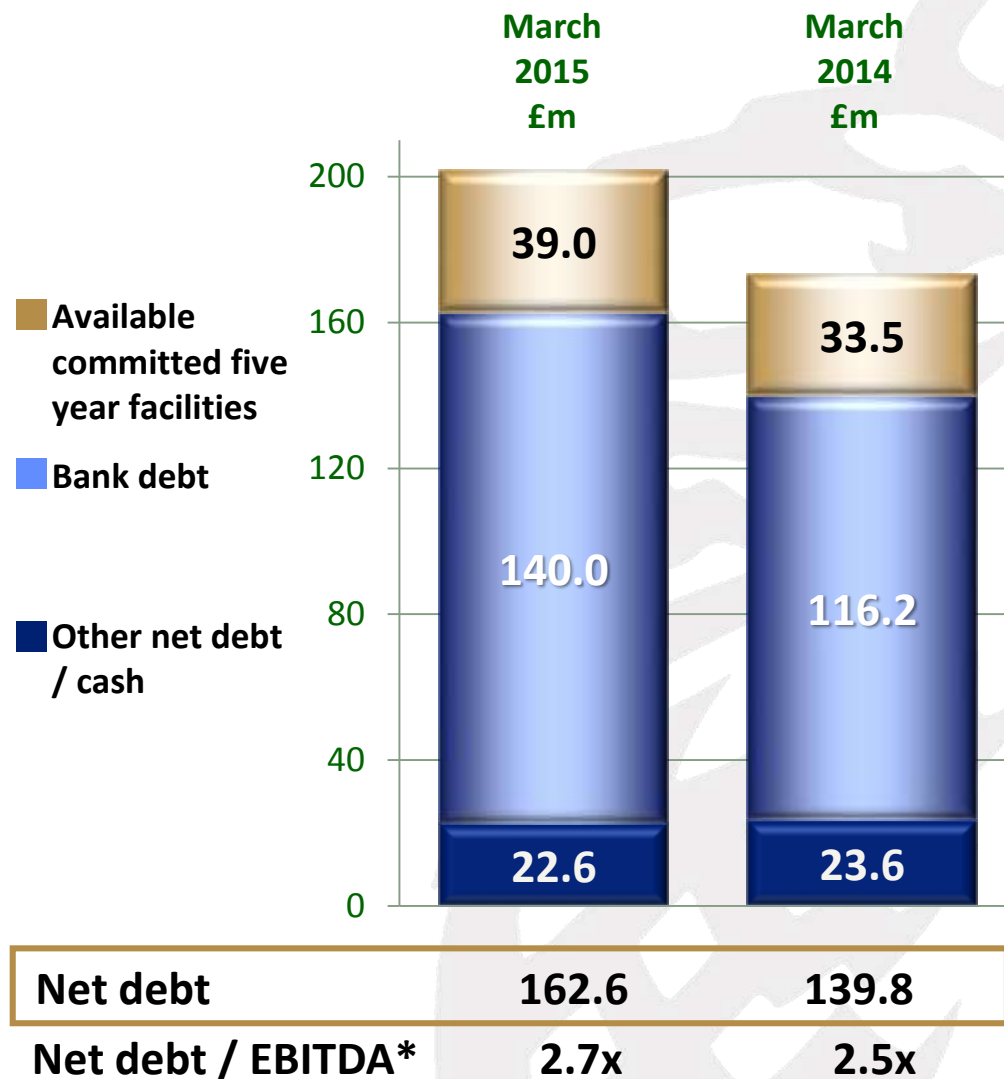
	2015	2014	
Total beer & cider volumes	+4%	+1%	
Revenue	£122.9m	£115.8m	+6%
Operating costs*	£114.2m	£107.3m	+6%
Operating profit*	£8.7m	£8.5m	+2%
Operating margin	7.1%	7.3%	
Depreciation	£3.3m	£3.0m	+10%
EBITDA*	£12.0m	£11.5m	+4%

* Excluding exceptional items



Borrowing Capacity

- New bank facilities signed August 2014
- £180m committed across five banks until August 2019
- Freedom to add further funding for acquisitions
- 79% of period end gross borrowings fixed or capped
- Interest rate hedges in place stepping down gradually to 2022
- Full year blended cost of borrowings for 2014/15 has reduced to 2.9%



* Net debt / EBITDA is on a pro forma 12 months basis for acquisitions and disposals in the period

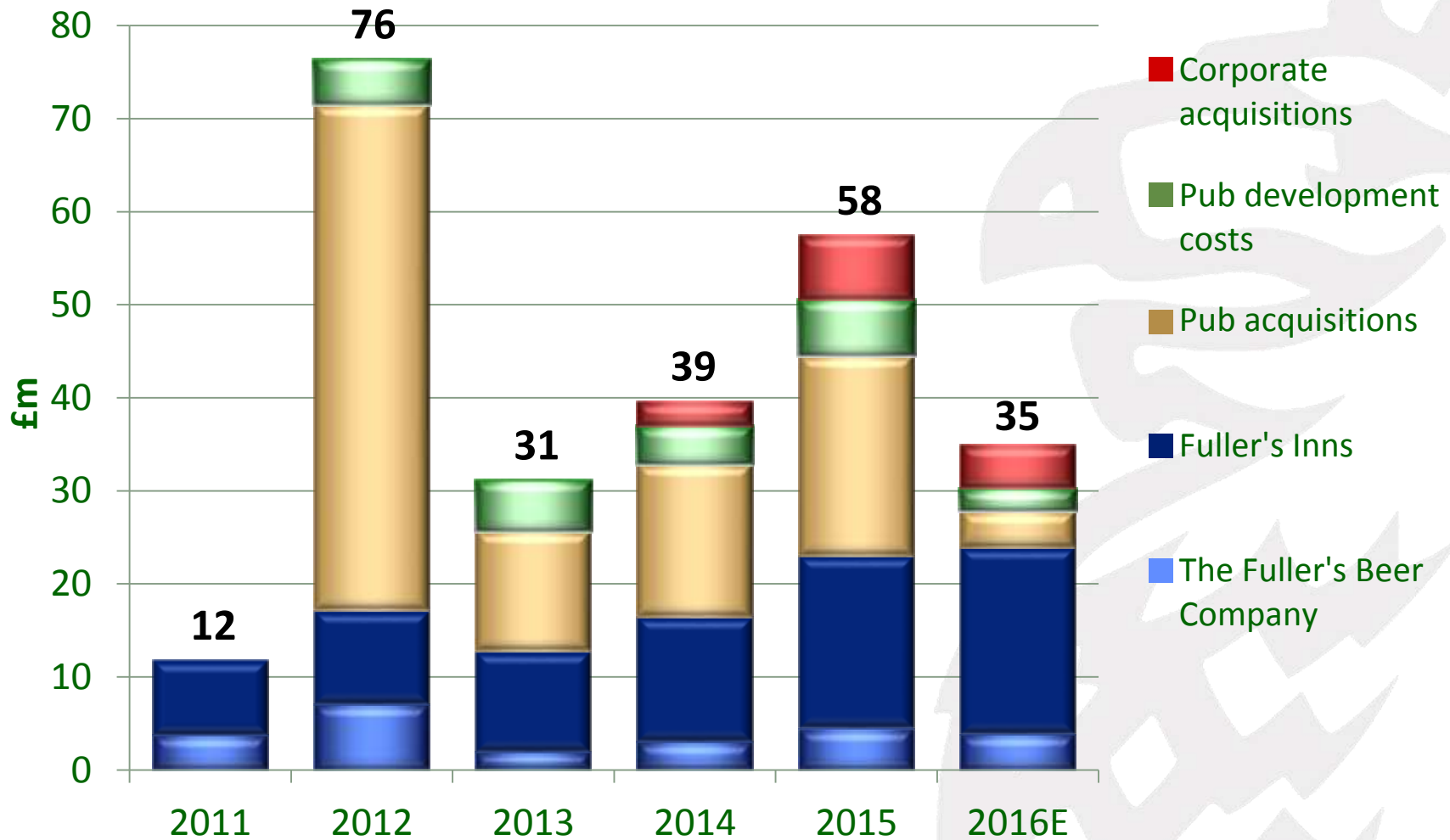
Generation and Use of Cash

	2015 £m	2014 £m
EBITDA	58.7	54.5
Working capital / other adjustments	2.5	4.9
Interest	(5.2)	(5.3)
Tax	(8.3)	(8.0)
Cash available for discretionary spend	47.7	46.1
Capex on existing estate and brewery	(23.0)	(16.4)
Company acquisitions	(6.7)	(2.5)
Pub acquisitions*	(20.6)	(15.1)
Pub development costs	(6.0)	(4.1)
Acquisition and other exceptional costs paid	(1.7)	(2.1)
Property disposals	3.3	2.6
Dividends and share transactions	(14.9)	(11.8)
Cash flow	(21.9)	(3.3)
Non cash movement (incl. acquired debt)	(0.9)	(0.9)
Net debt movement	(22.8)	(4.2)

* Includes both pubs acquired as businesses and purchases of freeholds



Annual Capital Expenditure



Capital expenditure for all years includes pub acquisition costs paid in the period, which from 2012 onwards we have treated as exceptional expenses in the statutory accounts. 2016E represents the current estimate of capital expenditure for the year to March 2016 and committed pub acquisitions. Further pub acquisitions would be in addition to this.





Simon Emeny

Chief Executive



Successfully Delivering on Strategy

Distinctive Pub & Hotel Experience

- Excellent LFL sales
- Tenanted like for like profits up 5% – best performance in a decade
- New recruitment website attracting best in class applicants
- Improved training from induction onwards
- Provided equivalent of 12,000 training days

Targeted Acquisitions & Developments

- Majority investment in The Stable
- Acquisition and development of iconic pubs
- Opening of new riverside pubs
- Over £18m invested in sustaining the quality of our existing estate
- 29 bedrooms added to our estate

Premium Brand Portfolio

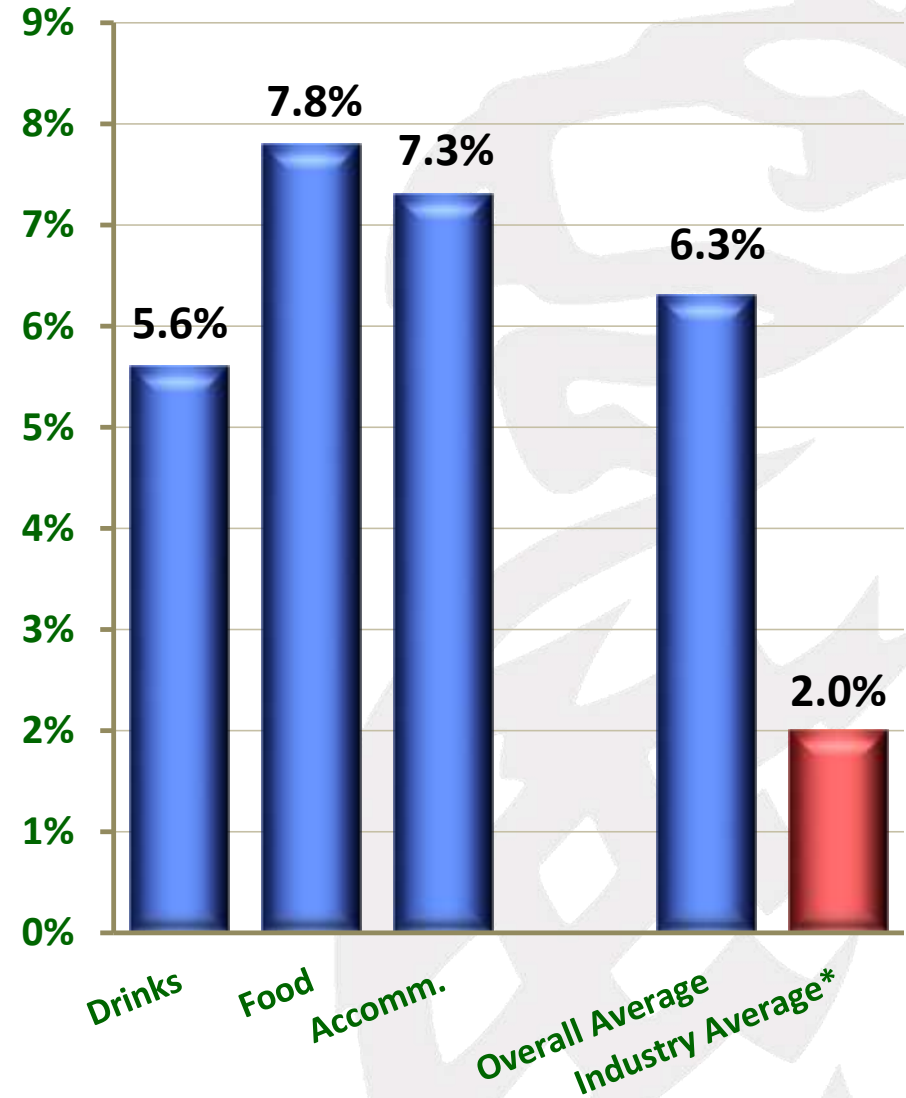
- Launch of Oliver's Island – a new golden cask ale
- Growing distribution of Frontier
- Excellent year for wine sales
- Integration of Sierra Nevada with distribution more than doubled
- Award winning *Made of London* campaign



Managed Pubs and Hotels Trading

- Excellent LFL sales, consistently ahead of Peach Tracker
- Food continues to perform strongly
- Record investment in redevelopments
- Increased focus on service and training – key driver of growth
- Winner of two Publican Awards
 - Best Managed Pub
 - Best Food Offer

LFL Growth Rates



* Peach Tracker index 52 weeks to 28 March 2015

People

Engaging with our teams to deliver outstanding service

- Interactive, mobile-friendly recruitment website — game changer in the battle for talent
 - 17,000 new applicants
 - 1,700 new joiners
- Increased investment in training with 12,000 days of pub staff training
- Structured career paths with good opportunities for progression
- 109 Service Coaches embedded across the business



Food

Delicious dishes, freshly made from local ingredients by skilled chefs

- LFL sales up 7.8%
- Work with suppliers to create innovative dishes using seasonal ingredients
- Improved food marketing both in-pub, via digital channels and social media
- Training programmes for kitchen team members at all levels
- 70 team members participating in chef scholarship programmes
- Increased focus on high quality kitchen equipment when redeveloping pubs



Redevelopment Programme

Investing in our core business

- Record level of investment in our estate is a key driver for growth
- More than £18m capital expenditure in the year
- Two design awards for recent investments at the Restaurant & Bar design awards
- 108 weeks of pub closures for refurbishment



The White House, Guildford



New Additions

Growing our core business

- The Harp, Covent Garden
- The Three Guineas, Reading
- The Cromwell Arms, Romsey
- The Windmill, Portishead
- London's Pride, Heathrow Terminal 2
- The Bull Hotel, Bridport



The Cromwell Arms, Romsey



Riverside Pubs

Creating icons for the future



The Blue Boat, Fulham Reach

- Opened in March 2015
- South facing terrace with views over The Boat Race course
- 2,025 sq ft offering 100 internal and 90 external covers
- Heart of a burgeoning residential development

One Over the Ait, Kew Bridge

- Opened in November 2014
- Wrap-around balcony and outside space overlooking The Thames
- 2,800 sq ft offering 160 internal and 140 external covers



Digital Marketing

Expanding our digital footprint

- Increased on-line engagement with customers
- More 360° managed pub tours on Google than any other company
- Establishing a comprehensive client database
 - 925 unique marketing emails to almost two million recipients
 - 70% opening rate on welcome emails
- Increased use of on-line booking systems



360 Tour

Navigate through our pub, just as you would in Google Street View. Click and drag the image to look around.



The Cross Keys



Hello. And cheers.

Hi Helen

As a thank you for signing up and to say hello properly, come in and have a drink on us. Show the code below at the bar any time before Friday, 13 March 2015 and enjoy a free drink with us. After all, anything tastes great when it's free!

FJVGGD3

See you soon

Tim Marsh



★ THE ★
STABLE
— PIZZA · PIES · CIDER —

Style

- Characterful, unique
- Natural surroundings
- Informal, communal benches
- Candlelight

Ethos

- Strong community links
- Local, fresh produce
- Energetic, passionate team

**A Cathedral
to Cider and
Pizza**

Customer appeal

- All ages, young to old
- Wanting premium social experience
- Mixed - families, couples and groups
- Female friendly

Roll out

- Very scalable with Fuller's support
- Prosperous towns and cities
- Relaxed, vibrant places

The Stable

Craft product offering under a characterful & distinctive brand

- Purchased majority share in June 2014 for £3.6m, with six sites operating across the south west
- Put and call option for the staged purchase of the remaining stake in future years
- Excellent showcase for Cornish Orchards and Frontier Craft Lager
- New site opened in Falmouth, August 2014
- Opened on the waterfront at Plymouth, April 2015
- At least 12 sites in total by end of the year

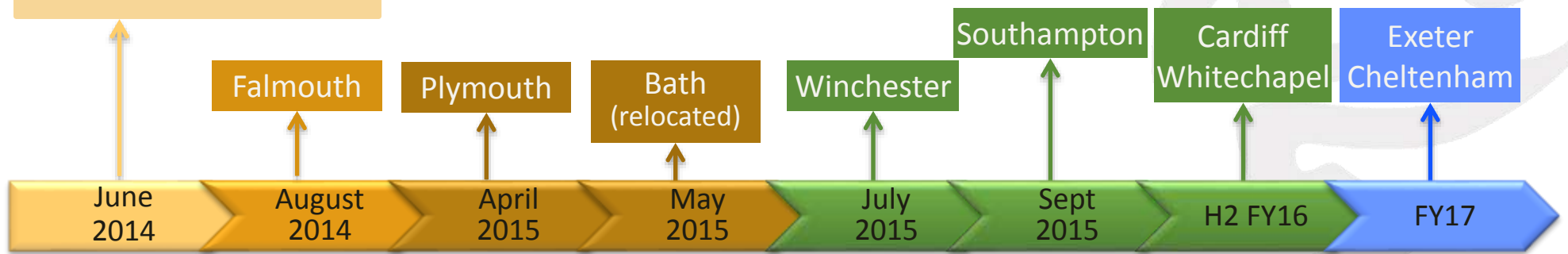


Openings and Pipeline

Building the brand for the future

Acquired six sites

Bridport	Newquay
Weymouth	Bristol
Bath	Poole



Plymouth

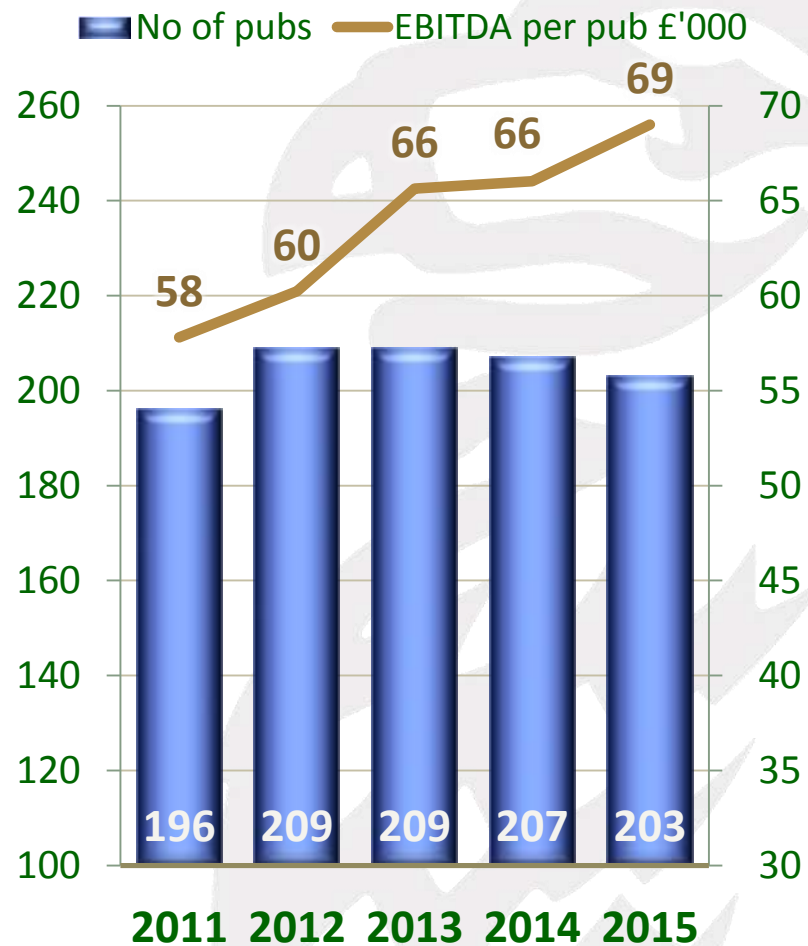


Bath

Tenanted Inns

- LFL profits up 5% following increased investment in repairs
- Average EBITDA per pub is up 5% and increased 19% over five years
- Strongest performance in over a decade driven by:
 - Investment in our pubs
 - High level of training and support
- 203 Tenanted pubs at year end
 - 3 transferred to Managed
 - 1 site purchased
 - 2 sites sold

Tenanted estate over five years



Partnering with Our Tenants

- Sector leading service agreement now covers 80% of our estate
- Collaborative approach to build successful, sustainable businesses
- New subsidised online training platform, assisting tenants to train their staff at low cost
- Premium product portfolio provides point of difference for our tenants
- The Royal Oak, Paley Street – has held a Michelin Star for five years

The Royal Oak, Paley Street, Maidenhead



The Wych Elm, Kingston-Upon-Thames



The Fuller's Beer Company

- A good year showing growth in all trade channels
- Launch of Oliver's Island, our new golden cask ale, complements our existing range
- Successful integration of Sierra Nevada
- Capacity increased at Cornish Orchards
- Westside Drinks making inroads to new markets, including summer festivals
- Award winning advertising campaign *Made of London* entering its fifth phase



A New Golden Cask Ale

Oliver's Island is a crisp, thirst quenching beer inspired by a local landmark



Made of London

Best Print Media and Overall Grand Prix Prize Winner at the inaugural Beer Marketing Awards 2015

In the words of advertising legend Sir John Hegarty, "This was a campaign that was all about craft." But he wasn't talking about the much-debated use of the word in relation to beer; he was referring to the craft of great advertising: the reverence and care taken over design and composition, the elegance of the creative idea that ties back to the product and brand.



Frontier Craft Lager

Everyone's festival favourite



Outstanding Product Portfolio

The right brands for the right venues

- Sierra Nevada – fully integrated and distribution more than doubled
- Cornish Orchards – new listings in supermarkets and gains in the on trade
- Good year for Veltins, provides another authentic brand in our premium portfolio



Summary

- A strong performance from the Group
 - Adjusted PBT up 7% to £36.4m
 - Adjusted EPS up 10% to 51.51p
- Growth led by Managed Pubs and Hotels, in the underlying business and new developments
- Outstanding performance from our Tenanted division
- A year of good progress for The Fuller's Beer Company as initiatives take effect
- Dividend up 10% to 16.60p
- Conservative net debt to EBITDA of 2.7 times
- People are at the core of our business, receiving increased focus and investment



Current Trading and Prospects

- Continuing good progress
 - Managed LFL sales up 5.5% for nine weeks
 - Tenanted LFL profits up 2% for nine weeks
 - Total beer & cider volumes down 2% for nine weeks
- Exciting new developments
 - King's Head, Earl's Court Village acquired in April 2015
 - New riverside pub, The Sail Loft, Greenwich Reach to be opened in the fourth quarter
 - The Stable to have at least 12 sites operating by March 2016
- Strong management team and financial flexibility to seize suitable opportunities as they arise
- Primed for another successful year



#TWEETAT12



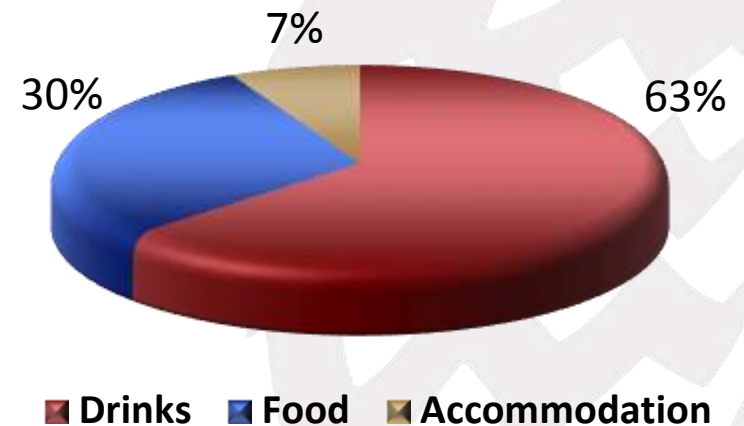
Appendix – Fuller's Inns



	March 2014	Acquired/ developed	Disposed	Transfers	March 2015
Managed Pubs and Hotels	177	8	-	3	188
Tenanted Inns	207	1	(2)	(3)	203
Total Pubs	384	9	(2)	-	391
The Stable	-	7	-	-	7
TOTAL	384	16	(2)	-	398

60% of our Managed pubs and 29% of our Tenanted pubs are inside M25

Managed Pubs and Hotels – share of total turnover*



* Includes The Stable

Appendix – Reconciliation to Statutory Profit



	2015 £m	2014 £m	
Adjusted profit	36.4	34.1	+7%
Exceptional items	(0.3)	(0.6)	
Profit before tax	36.1	33.5	+8%
Tax on adjusted profit	(7.9)	(7.9)	Level
Exceptional tax	0.1	3.5	
Profit after tax	28.3	29.1	-3%
Adjusted EPS	51.51p	46.94p	+10%
Basic EPS	51.15p	52.14p	-1%