



HALF YEAR RESULTS FOR THE 26 WEEKS ENDED 25 SEPTEMBER 2021

AGENDA

The Long Term View

Financial Review

Trading Patterns

Strategy Update

Current Trading and Outlook

The Business Case

THE LONG TERM VIEW

- Predominately freehold-backed company with over 175 years of history and experience to draw on
- High-quality, premium estate is fully-opened, geographically balanced, cash generative and well-invested
- Company is in excellent financial health, with a strong Balance Sheet and prudent financial policies
- Used the last 18 months wisely – making sensible decisions around investments, infrastructure, suppliers, and supporting our teams and tenants
- Well-positioned to face current sector challenges and resume the Fuller's long-term growth story



The Ship at Langstone

FINANCIAL REVIEW



The Scarsdale, Kensington

KEY METRICS

	H1 2022	H1 2021
Managed LFL sales*	80%	75%
Revenue and other income	£116.3m	£45.6m
Profit/(loss)before tax	£10.6m	£(23.0)m
Adjusted profit/(loss)before tax	£4.6m	£(22.2)m
Adjusted EPS	6.09p	(32.34)p
Dividend	3.90p	Nil
Net debt**	£131.5m	£187.4m

Commentary

- Trading limitations for the first 17 weeks of the first half
- Outside trading areas opened on 12 April 2021
- Inside trading areas opened with restrictions on 17 May 2021 – rule of six and only two households indoors
- All restrictions lifted on 19 July 2021 – allowing nine full weeks of unrestricted trade in the first half

All figures relate to continuing operations

*Both sets of figures are compared to H1 2020

**Net debt excludes IFRS 16 lease liabilities

DIVISIONAL RESULTS

	H1 2022 £m	H1 2021 £m
Managed		
Revenue	104.4	39.4
Operating profit/(loss)*	13.6	(10.6)
Tenanted		
Revenue	11.9	6.0
Operating profit*	4.8	1.3
Total operating profit/(loss)*	18.4	(9.3)

Commentary

- Trading profitably as a group and building week on week
- Strong sales in rural areas from April, with City sites taking longer to recover, but now seeing steady increase in trade and footfall
- Results are impacted by sector-wide challenges around costs and labour shortages
- Tenanted rent suspended during closure and gradually reintroduced as pubs opened from April onwards

* Excluding separately disclosed items

A BALANCED ESTATE

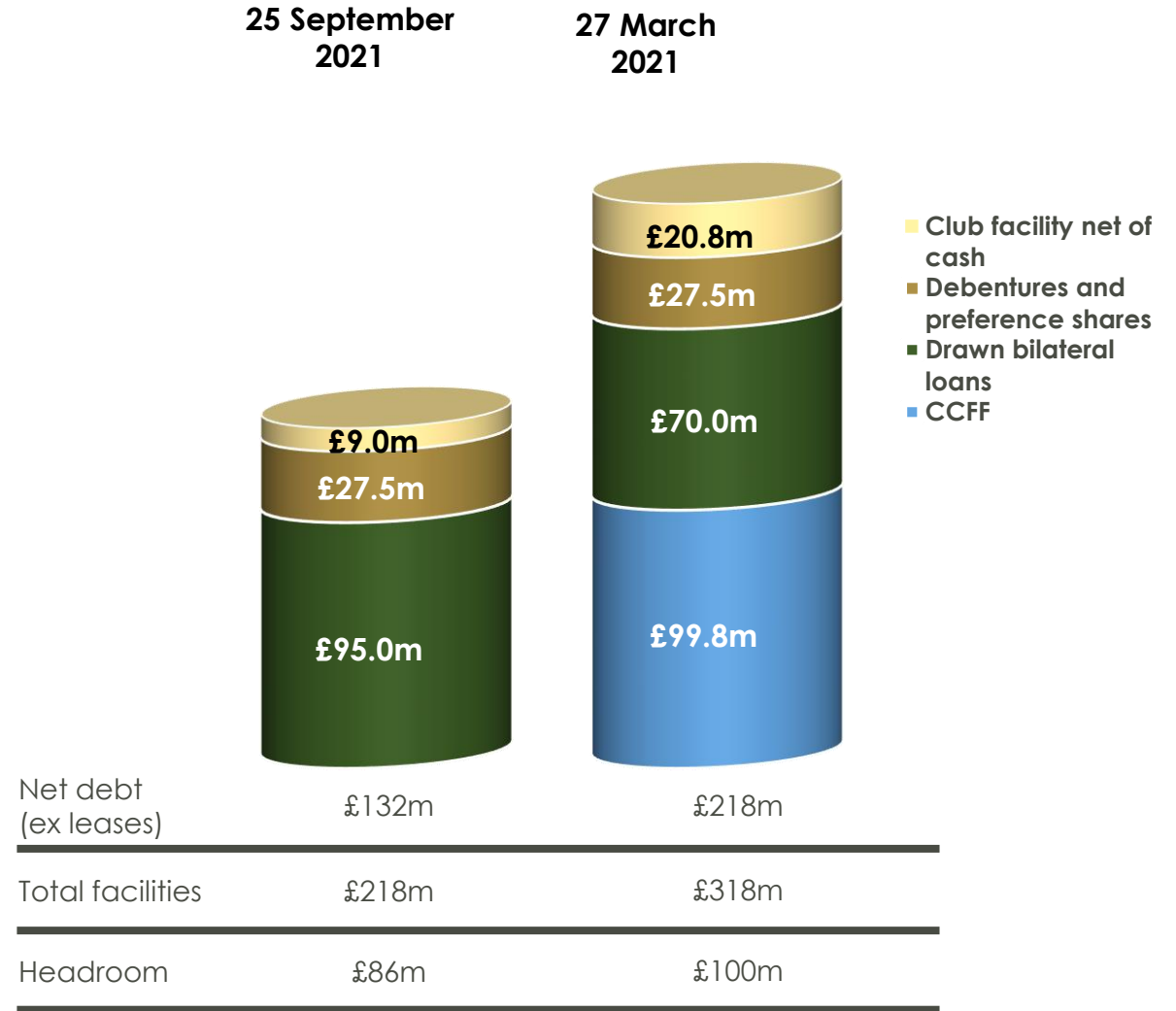
		H1 2022		Seven weeks to 13 November	
		No of Sites	Invested LFL Index (PY-1)*	No of Sites	Invested LFL Index (PY-1)*
Outside M25	Rural	31	109	37	106
	Suburban	31	93	31	96
	Urban	16	88	16	101
	Total	78	98	84	101
Inside M25	Rural	-	-	-	-
	Suburban	57	82	55	94
	Urban	55	58	55	78
	Total	112	69	110	84
Total		190	80	194	90

* Invested like for like index compares like for like sales for the stated period in FY 2022 with like for like sales for the same period in FY 2020

STRONG FINANCIAL POSITION

Available facilities and cash at period end

- Net debt at 25 September 2021 of £131.5m excluding leases
- Bank facilities of £192m (due to expire in February 2023), £26m of debentures – total £218m
- £86m of liquidity (cash and undrawn bank facilities) at half year
- Equity placing in April 2021 raised £52m
- Repaid £100m Covid Corporate Financing Facility (CCFF) in May 2021



CASHFLOW

	H1 2022 £m	H1 2021 £m
Adjusted EBITDA	22.8	(3.7)
Working capital	26.3	7.6
Interest	(2.9)	(2.5)
Pension	(1.2)	(1.1)
Capital expenditure	(8.4)	(7.3)
Disposals net of lease surrenders	2.9	-
Net proceeds of equity placing	51.8	-
Tax	-	3.6
Other	-	(0.9)
Cash movement in net debt	91.3	(4.3)

Commentary

- Steady improvement in trading resulting in much improved EBITDA despite only being fully opened from 19 July 2021
- Improved working capital position, although flattered due to timing of £12.4 million month end payment run
- Net proceeds of £51.8 million raised through equity placing in April 2021
- Non-core properties disposed and leases surrendered as part of continued review of portfolio
- Cash movement in Net Debt was inflow of £91.3 million

STRONG BALANCE SHEET

UNDERPINNED BY AN EXCELLENT ESTATE

- High quality asset base and low debt protects our stable position
 - 92% of Fuller's estate is freehold by book value
 - Property portfolio was last revalued in 1999
- Estate is well balanced – 56% is outside the M25
- Diverse London estate – comprising suburban, community, City, transport hubs and West End locations
- Continue to invest in our estate with capital expenditure over £8m during the first half of the year and planned capex of £14m for H2

	H1 2022 £m
Property, plant & equipment	588.4
Right-of-use assets	77.5
Other non-current assets	35.9
Current assets (excluding cash)	27.6
Net debt	(131.5)
Other current liabilities	(58.5)
Lease liabilities	(83.8)
Other non-current liabilities	(14.5)
Net assets at 25 September 2021	441.1

STRATEGY UPDATE



The Bell & Crown, Strand-on-the-Green

TRADING PATTERNS

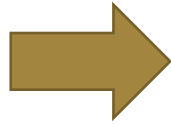
- Steady sales growth month on month since reopening across the business
- Like for likes in rural pubs and hotels have consistently exceeded 2019 levels since reopening
- Cotswold Inns & Hotels (not included in our like for like figures) have delivered strong trading from staycations
- Footfall in the City and West End continues to build steadily as consumer confidence grows and office workers return
- International tourism is beginning to resume as travel restrictions ease
- Operational agility to respond to evolving consumer behaviour



The White Buck at Burley in the New Forest

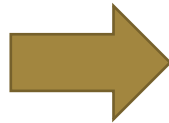
EVOLVING CONSUMER BEHAVIOUR

The consumer is back with money to spend on premium experiences



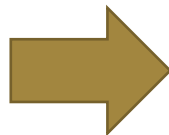
- Focus on creating memorable experiences underpinned by a great range of premium food and drinks, particularly cocktails and craft beer
- Proactive marketing campaigns promoting exciting, high-quality, in-pub activity
- Strategic investments eg repositioning The Red Lion in Wendover into the Bel & The Dragon brand

Today's customer experience increasingly starts and ends with a digital touchpoint and pre-bookings have risen significantly



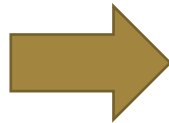
- Roll out of improved, more engaging and easier to use pub websites to simplify customer journey and booking online
- Upgraded CRM system to further build our ability to communicate and market to our customers based on their basket spend
- Exciting social media posts to stimulate demand and drive conversations around our premium experiences

Staycation boom as the UK consumer discovers the beauty of their own country



- Cohesive marketing campaign for our *Beautiful Bedrooms*
- New hotel booking engine to improve the customer journey for both room and table reservations and increase direct bookings

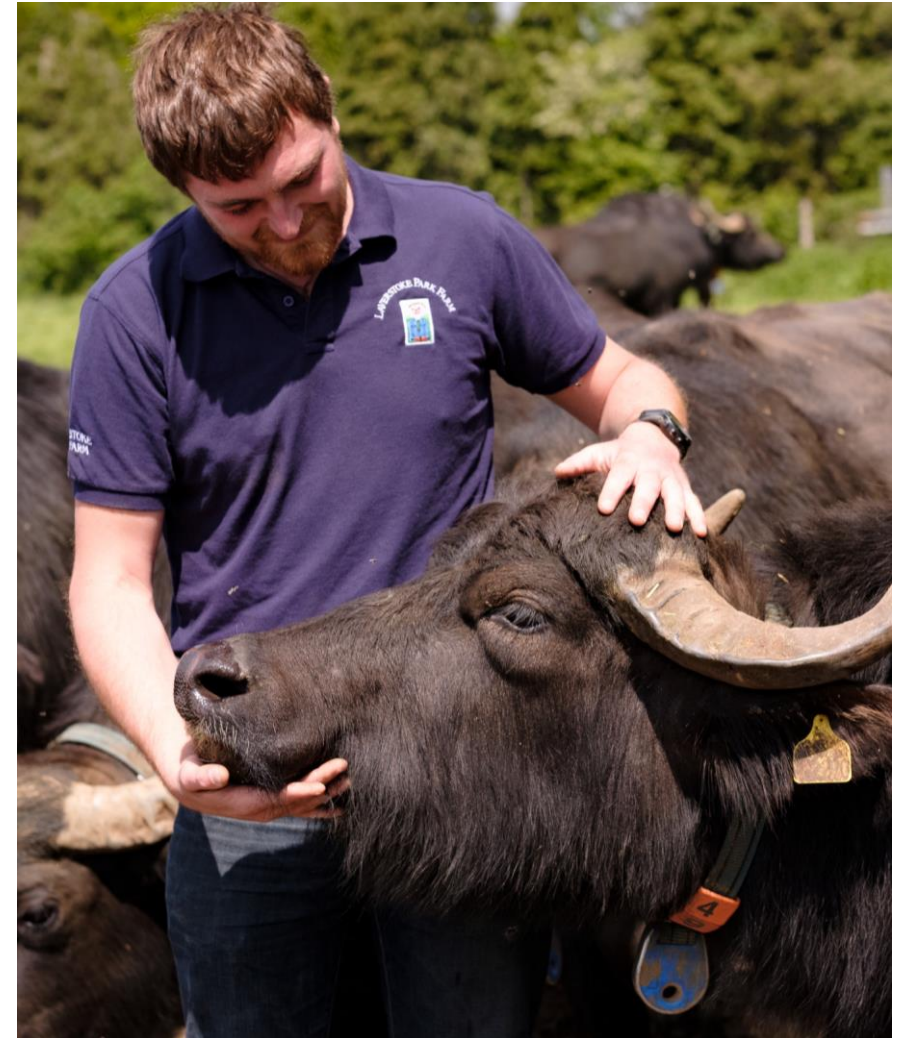
Consumers are enjoying being served at the table



- £3.4m committed so far for garden projects to extend the season and provide additional covers

SOLID SUPPLY CHAIN PARTNERSHIPS

- Long-term relationships and a collaborative approach are mutually beneficial and are ensuring continuity of supply
- The long-term supply agreement with Asahi has protected the supply of beers to our Managed and Tenanted estates and ensured a high level of service
- Forward buying agreements with mainly UK producers have protected our supplies of goods including beef, turkeys and potatoes
- Energy agreements in place with 94% of our gas and 76% of our electricity pricing locked until the end of FY22, and 43% and 25% respectively contracted until the end of the FY23



Buffalo at Laverstoke Park Farm, Hampshire

TALENT RETENTION AND DEVELOPMENT

- Our people are the key to our success and our goal is to develop and retain talent
- Continued investment in home-grown talent with seven tailored development programmes to build genuine career paths at all levels
 - 130 pupils on the Chefs' Guild Scholarship
 - 123 of our general managers are internal promotions
 - Reinvigorating our Service Coach Programme
- Continued commitment to apprentices, with a further 200 planned for next year
- Excellent pastoral care for employees including access to a range of well-being tools
- Launch of industry-leading medical benefit for pub and hotel team members in January 2022



The Team at The Mayfly, Stockbridge

GROWING IN A SUSTAINABLE WAY

- Commitment to a holistic ESG strategy – *Life's too good to waste* – to underpin all our activity
- Appointed Oliver Rosevear, ex-Costa Coffee, as our first Head of Sustainability
- Quickly identified easy wins both in our pubs and hotels and at the support centre
 - LED lights across our estate, reducing energy by 75%
 - Recycling our cooking oil to produce biofuels
 - Reduced deliveries by 60,000 journeys per year
 - Managed Pubs and Hotels, and Pier House, now using 100% renewable energy
- Builds on our pubs' position at the heart of their communities
- Signed up to hospitality industry commitment to be net zero in our operation by 2030, and supply chain by 2040



Pier House, Strand-on-the-Green

TENANTED INNS UPDATE

- Tenanted Inns division remains an integral and cash-generative part of our business
- Long-term agreements in place in 98% of our Tenanted Inns
- Strong pipeline of enquiries from entrepreneurs and people from outside the industry
- Decisions taken around rent during lockdown has ensured Tenants are in a strong position, well-funded and are investing in joint schemes
- Tenanted estate is 98% freehold
- Tenants have bounced back strongly, with a high degree of entrepreneurialism and innovation



The Farmer Inn, Catherington (top) and The Bull's Head, Dorking

A STRONG PLAN FOR H2

- Continued winterisation projects at a number of sites including The Mayfly in Stockbridge, The Red Lion in Barnes and The Head of the River, Oxford
- Good pipeline of investments including a transformational refurbishment at The White Star Hotel in Southampton, new rooms at The Fox & Goose, Ealing and commencement of works at The George & Dragon, Westerham – which will become our eighth Bel & The Dragon
- Microsoft Business Central finance system goes live on Monday 22 November 2021 – resulting in better reporting and management information
- Neil Smith, highly experienced Finance Director, with a depth of sector knowledge, joining at the end of November 2021
- Roll out of transformational digital projects upgrading websites, booking engines and CRM, and integration of all systems for seamless transfer of data across internally and externally-facing platforms and programmes
- Continued investment in our people, properties and systems to ensure the business is well-positioned for the future

CURRENT TRADING AND OUTLOOK

- Managed like for like sales for seven weeks to 13 November 2021 at 90% of 2019 levels
- Tenanted Inns performing ahead of plan
- Christmas bookings in good shape with clear customer appetite to socialise with friends and colleagues
- Excellent financial position and strong management team means we are best-placed to deal with the well-documented cost headwinds facing the hospitality sector
- Long-term commitment to developing our ESG strategy and meeting our net zero pledge
- Strong Balance Sheet puts us in a good place to take advantage of selected opportunities



The Viaduct Tavern, Holborn (top) and
The Bear of Burton, Christchurch

A GREAT COMPANY FOR LONG-TERM INVESTMENT

- An outstanding predominately freehold estate that is well-invested, geographically balanced and in excellent condition
- A cash generative business driven by an iconic Managed business and entrepreneurial Tenants
- A strong Balance Sheet and careful financial management
- A very clear and consistent purpose, vision and strategy underpinned by strong values
- Excellent people from a strong Board and Executive Team to first-class teams in our Managed Pubs and Hotels and entrepreneurial Tenants
- Enduring appeal of the high-quality British pub has never been stronger



The Churchill Arms, Kensington and Manager James Keogh



HIS 2K ALES & STOUT

THE CHURCHILL

CAMPBELL STREET

Merry Christmas

APPENDIX: A FOCUSED PUBS AND HOTELS BUSINESS VISION & VALUES

We create exceptional experiences full of style and spirit – characterful pubs and hotels where everyone feels they belong... and where people leave happier than when they arrived

Underpinned by our values:

- Doing things the right way
- Being part of the family
- Celebrating individuality
- Always asking *what's next?*

And by our purpose:

- Happy Teams, serving Happy Customers



APPENDIX: FULLER'S ESTATE

	27 Mar 2021	Disposed	25 Sept 2021	Transfers	18 Nov 2021	Within the M25
Managed Pubs & Hotels	211	(2)	209	1	210	58%
Tenanted Inns	175	-	175	(1)	174	28%
Total Fuller's	386	-	384	-	384	44%
No. of Bedrooms	1,028	(1)	1,027	-	1,027	

Managed Pubs & Hotels number includes:

- 7 Cotswold Inns & Hotels venues
- 7 Bel & The Dragon sites