



PROPOSED SALE OF FULLER'S BEER BUSINESS AND TRADING UPDATE

25 January 2019

SUMMARY: Proposed sale of Fuller's Beer Business to Asahi Europe Ltd ("AEL")



- Substantial premium to the value attributable to the Company had the business remained under Fuller's ownership
- Sale of Fuller's Beer Business for an enterprise value of £250 million (representing a multiple of 23.6x EBITDA (of £10.6 million for the 52 weeks ending 31 March 2018)*)
- Fuller's will form a strategic alliance with Asahi
- A return of proceeds between £55 million to £69 million is expected to be distributed to Ordinary Shareholders
- Transaction is conditional on two inter-conditional Ordinary Shareholder resolutions and other conditions
- Fuller's to focus on pubs and hotels, which is the core of the business and contributes 87% of Fuller's operating profits (excl. unallocated costs)*

The Fuller's Beer Company



- All Fuller's beer, cider, wine and soft drinks and other drinks assets
- Includes the Griffin Brewery, Cornish Orchards, Dark Star Brewing and Nectar Imports
- Portfolio of iconic premium beers and ciders and a variety of cask and craft keg beers
- Core brands include London Pride, Frontier and Cornish Orchards
- Products sold across the UK and exported to over 80 countries internationally

Asahi



- A global beverage and food company listed in Japan
- An unrivalled portfolio of iconic premium beers including Asahi Super Dry, Peroni, Pilsner Urquell, Grolsch and Meantime
- Aims to bring the best quality beer to its customers worldwide
- Has a significant international presence servicing customers in almost 80 countries through its operations

* Historical financials sourced from Fuller's Reported Accounts.

ONGOING RELATIONSHIP & TRANSITION: A strategic alliance, with a shared culture of brewing excellence



Continued Relationship

- Strengthening of the existing relationship with AEL a key supplier of high quality premium beers to Fuller's pubs and hotels business
- Continued supply of existing Fuller's beer brands and access to a wider portfolio of Asahi beers
- AEL will receive the benefit of a license, on a perpetual, global, exclusive and royalty-free basis, to use certain trade marks for the provision of beverages in connection with the Fuller's Beer Business

How this will work

- Fuller's will support AEL during the transition period
- A corporate reorganisation of some of the Fuller's Beer Business into a new entity, The Fuller's Beer Company Ltd
- TSA will govern the provision of services for a transitional period post Completion
- Majority of employees will remain, however subject to the outcome of legally required consultation processes, certain employees may not have a role with AEL
- All liabilities relating to Fuller's Pension Scheme would be retained by Fuller, Smith & Turner P.L.C.

TIMELINE & PROCEEDS: Completion expected first half of 2019



Approval Timeline

- Transaction is conditional on (among other things) Ordinary Shareholder and A Ordinary Shareholder approval
- Class 1 Circular to be issued in due course
- Completion expected in the first half of 2019

Use of Proceeds

- Net proceeds of approximately £205 million, after taking into account adjustments and after estimated transaction, reorganisation and separation costs
- A return of proceeds between £55 million to £69 million to Ordinary Shareholders, representing £1.00 – £1.25 per A and C Ordinary Share and £0.10 – £0.125 per B Ordinary Share
- Fuller's Board is evaluating the optimal way to distribute this return to Ordinary Shareholders
- Fuller's intends to use some of the net proceeds to make a contribution to Fuller, Smith & Turner P.L.C Pension Scheme
- Remaining funds will be used to grow and further develop Fuller's premium pubs and hotels business

FULLER'S: What does the premium pubs and hotels business look like today?



- The pubs and hotels business is the core part of Fuller's business generating 87% of the Group's operating profit (for the 52 weeks ending 31 March 2018 and excluding unallocated costs)*
- A high quality asset base underpinned by freehold sites that comprise 88%* of the managed estate
- The estate comprises 203 managed pubs and 183 tenanted pubs focused on the south of England, with a focus on delivering memorable customer experiences through outstanding service and hospitality
- The Fuller's premium pub estate stretches from Brighton to Birmingham and from Bristol to the Greenwich Peninsula, including 173 locations within the M25
- The hotels includes 789 beautiful boutique bedrooms



* Historical financials sourced from Fuller's Reported Accounts.

FULLER'S: Future prospects

- Enhanced focus on the fast-growing and successful pubs and hotels business
- Investing in and developing the higher margin part of the business
- Further strengthening of the balance sheet that enables Fuller's to pursue attractive investment opportunities, including M&A, focussing on areas in the south of England which enhance Fuller's premium offering
- Fuller's will continue its successful strategy of ensuring its estate remains stylish, high quality and relevant to today's discerning customer



FULLER'S: Trading update for the 42 weeks to 19 January 2019



- The Company has delivered a very strong performance since it last reported
- Managed Pubs and Hotels saw like for like sales rising 5.6% in the last 10 weeks
- Like for like sales in Managed Pubs and Hotels have risen 4.7%,
- Like for like profits in Tenanted Inns have risen 2%
- Total beer and cider volumes in The Fuller's Beer Company have remained level





Q&A



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