

Full Year Results for
the 52 weeks ended
30 March 2024



AGENDA

HIGHLIGHTS

FINANCIAL REVIEW

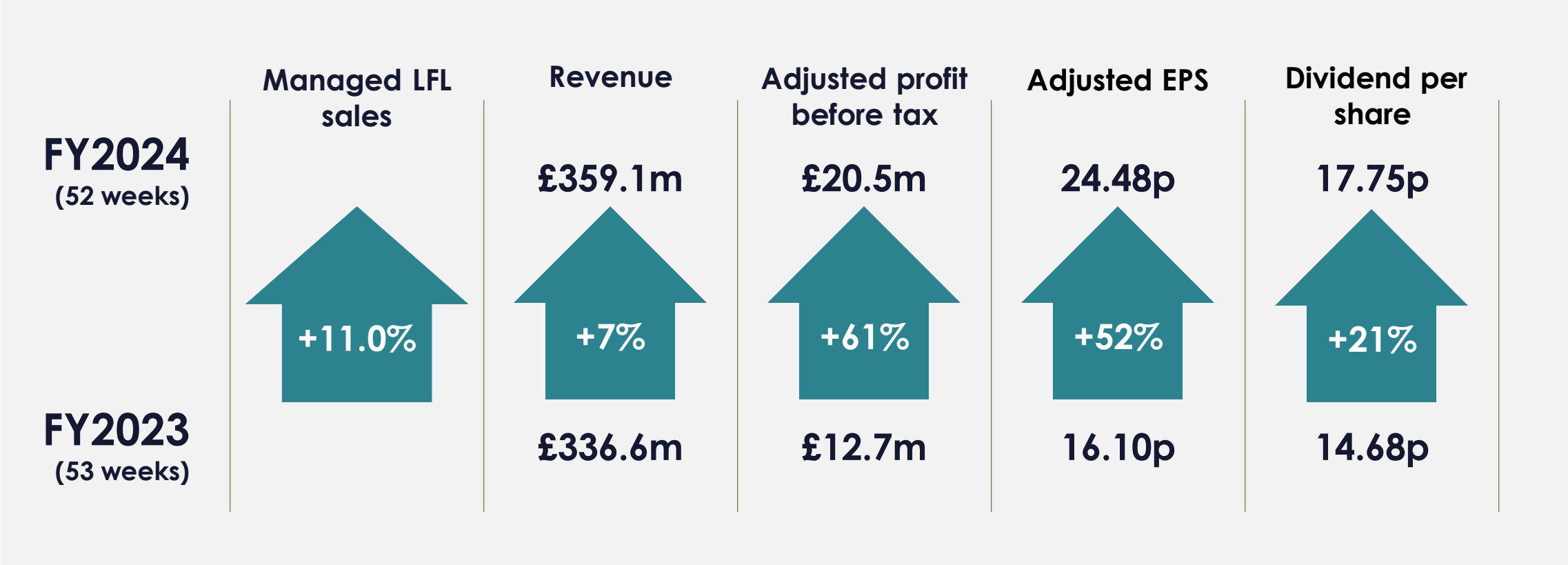
BUSINESS REVIEW

CURRENT TRADING &
OUTLOOK



HIGHLIGHTS

A year of excellent progress



A BUSINESS BUILT FOR CONTINUED SUCCESS

Underpinned by solid foundations and a clear growth strategy

Long-term fundamentals are excellent

- Predominately freehold, well-invested estate in iconic locations
- Strong Balance Sheet
- Highly cash generative business
- Premium positioning
- Proactive management of the estate



Clear and consistent strategy – focused on delivering long-term growth

- Delighting our customers to grow sales and revenues
- Inspiring our people to deliver an outstanding customer experience
- Enhancing our estate to maintain our premium position
- Evolving our business to stay ahead of market trends
- Owning our impact – because *Life is too good to waste*





The Forester, Ealing

FINANCIAL REVIEW

INCOME STATEMENT

	FY2024 £m	FY2023 £m	
Revenues	359.1	336.6	+7%
Operating costs	(324.6)	(311.5)	
Adjusted operating profit	34.5	25.1	
Finance costs	(14.0)	(12.4)	
Adjusted profit before tax	20.5	12.7	+61%
Separately disclosed items	(6.1)	(2.4)	
Taxation	(5.3)	(2.4)	
Statutory profit after tax	9.1	7.9	
Adjusted EPS	24.48p	16.10p	+52%

- Significant progress with revenues increased 7% to £359.1m
- Adjusted profit increased by 61% to £20.5m, with adjusted EPS growing by 52% to 24.48p
- Underlying effective tax rate increased to 28% due to increased corporation tax rate
- Dividend per share of 17.75p consisting of interim payment of 6.63p per share and proposed final dividend of 11.12p, giving a total dividend of £10.5m

FY2024 results are for the 52 weeks ended 30 March 2024, FY2023 results are for the 53 weeks ended 1 April 2023

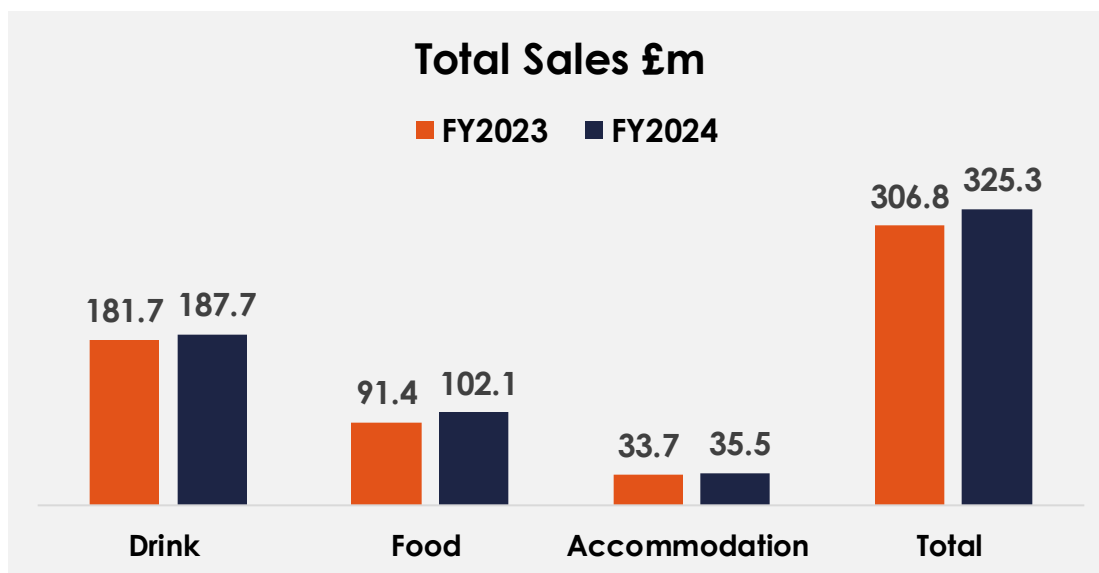
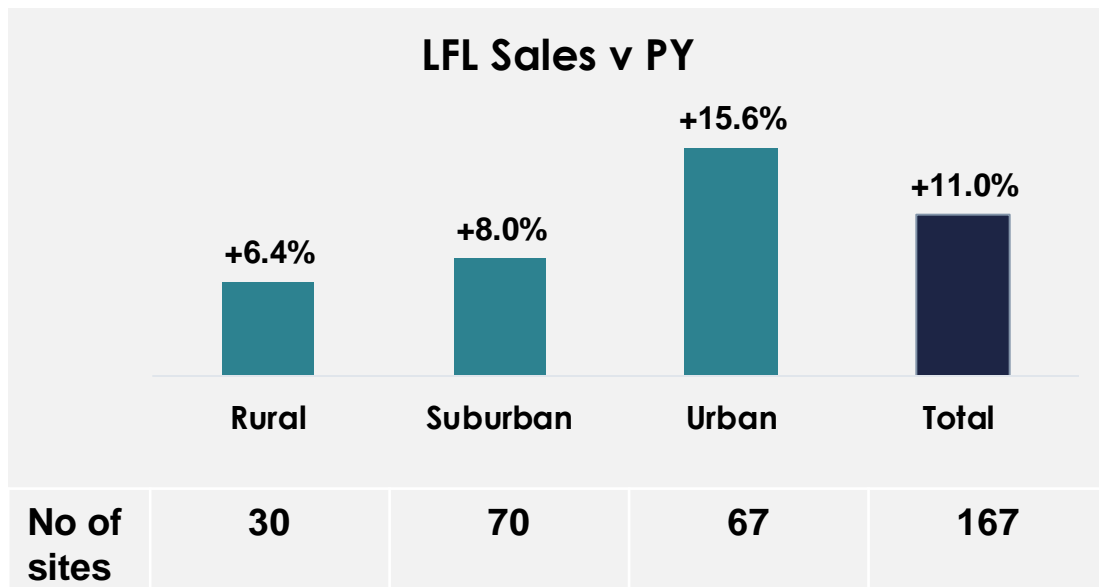
DIVISIONAL RESULTS

	FY2024 £m	FY2023 £m
Managed Pubs and Hotels		
Revenue	325.3	306.8
Operating profit*	41.6	30.0
EBITDA*	64.0	53.4
EBITDA %	19.7%	17.4%
Tenanted Inns		
Revenue	33.8	29.8
Operating profit*	13.7	13.2
EBITDA*	16.7	15.5
EBITDA %	49.4%	52.0%
Central costs		
Operating costs*	(20.8)	(18.1)
% of revenue	5.8%	5.4%
Total revenue	359.1	336.6
Total operating profit*	34.5	25.1

* Excluding separately disclosed items

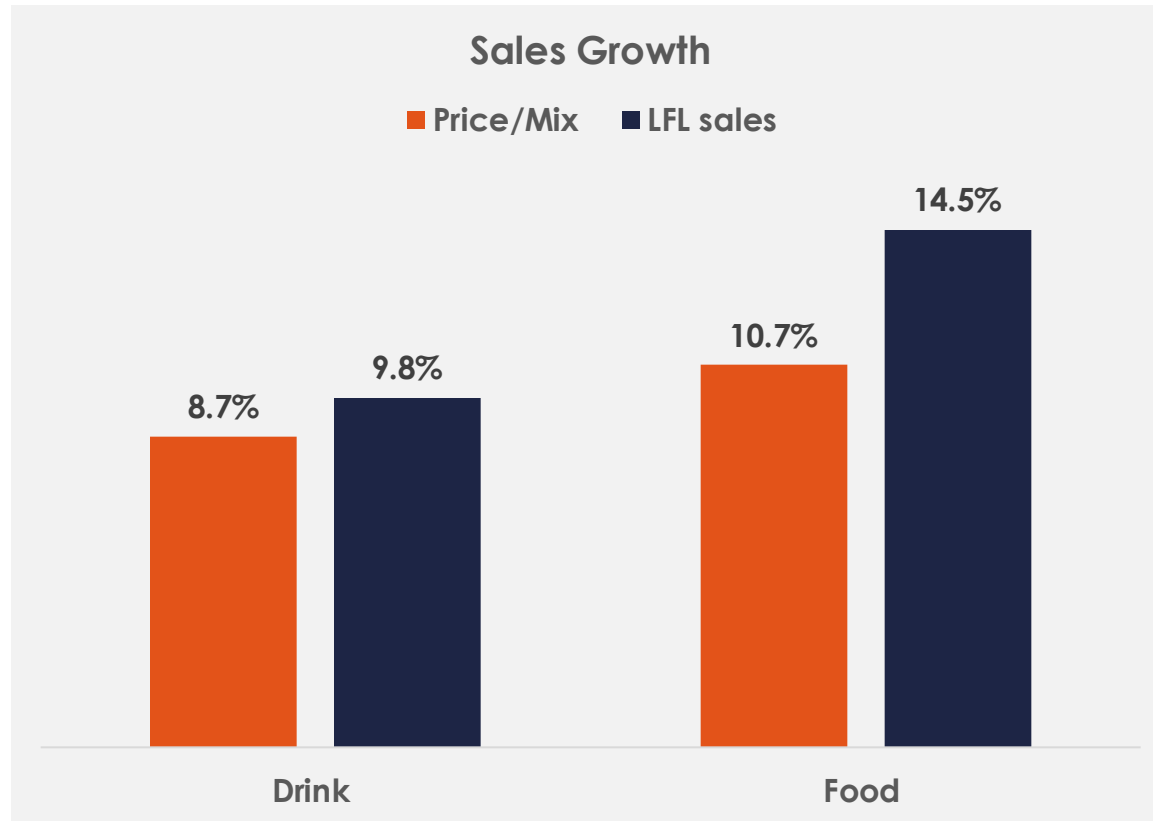
- Revenue in Managed Pubs and Hotels increased by 6%
 - Excluding the impact of the 23 sites transferred to Tenanted Inns in the year, revenue increased by 10%
- Operating profit up 39% with margin improvement to 19.7% as we effectively managed inflationary pressures
- A successful year for Tenanted Inns with revenue up 13% and operating profits up 4%
 - One-off costs associated with the tenanted transfer meant small erosion in margin
- Underlying central costs remain flat – in year increase due to incentive/bonus payments reflecting improved business performance

MANAGED REVENUE ANALYSIS



- Excellent like for like sales growth against prior year at +11.0%
- All areas of the estate in strong growth, led by urban up 15.6%
- Well-balanced revenues with strong growth across all categories
 - Like for like drink sales up 9.8%
 - Like for like food sales up 14.5%
 - Accommodation like for like sales up 7.8%, with RevPAR up by £7.79 at £97.26

SALES MIX AND PRICING



- Food and drink volume growth delivered in FY2024
 - 1.1% volume growth in drink
 - 3.8% volume growth in food
- Reflecting strong underlying growth and recognition of our customers' appreciation of our offer

COST ENVIRONMENT EASING

	Impact	Response
Energy	<ul style="list-style-type: none"> Utilities cost for FY2024 is £11.6m, down 14% (£2m) on FY2023, expecting further reduction of £2m in FY2025 	<ul style="list-style-type: none"> FY2025 forward market purchases – 89% hedged for electricity, 92% for gas Further reductions in usage – 6.5% gas and 3.5% electricity in FY2024
Labour	<ul style="list-style-type: none"> National living wage up 9.8% in April 2024, impacting FY2025, on the back of a similar increase in April 2023. 	<ul style="list-style-type: none"> Investment in home-grown talent Recovery via effective labour scheduling and pricing
Food & Drink	<ul style="list-style-type: none"> Inflation was high through FY2024 <ul style="list-style-type: none"> drink at 3.6% food at 9.3% Inflation has now eased, outlook at or below normalised levels 	<ul style="list-style-type: none"> Long term supply agreement with Asahi mitigates some drink inflation Supplier relationships, dynamic menu management and pricing helped to manage food inflation

STRONG BALANCE SHEET

	FY2024 £m	FY2023 £m
Property, plant & equipment	581.9	583.3
Right-of-use assets (IFRS 16)	58.7	66.4
Other non-current assets	48.9	46.7
Current assets (excluding cash)	20.9	22.1
Net debt (excluding leases)	(133.1)	(132.8)
Other current liabilities	(60.5)	(55.1)
Lease liabilities (IFRS 16)	(65.9)	(71.8)
Other non-current liabilities	(19.6)	(16.2)
Net assets	431.3	442.6

- High quality asset base
 - 88% of Fuller's estate are freehold sites
 - Invested £27m into the estate to maintain and enhance our premium position
 - Directors' valuation of the estate at £995m reported in spring 2022 – remains our view of long-term value
- Net debt flat – cash generated by the business has funded significant investment in the estate and returns to shareholders through dividends and share buybacks

NET DEBT

- Net debt at 30 March 2024 of £133.1m excluding leases (1 April 2023: £132.8m)
- Reduced leverage – net debt/EBITDA** of 2.5 times (1 April 2023: 3.0 times)
- Significant cash headroom – will be boosted further with the sale of The Mad Hatter, Southwark, in July 2024, which will realise £20m in value, and £18.3m from the sale of 37 pubs to Admiral Taverns
- Extension agreed on £200m bank facilities to May 2027. Debenture of £6m repaid out of current facilities in December 2023
- Zero premium collar until September 2025 over £60m of the term loan – floor sold at 310bps, and cap purchased at 500bps. Average cost of debt in year of 8.0%, expected to reduce with anticipated base rate reductions

	Facility	Term	Cost	Drawn (net of cash)*
Bank facilities	£200m	May 2027	SONIA plus 227.5bps - 295bps	£111.6m
Debentures	£19.9m	April 2028	6.875%	£19.9m
Preference shares	£1.6m	n/a	7.5%	£1.6m
Total	£221.5m			£133.1m

*Net of arrangement fees

**Pro forma net debt / EBITDA is calculated on a 12-month basis adjusting as appropriate for acquisitions and pub disposals

CASHFLOW

	FY2024 £m	FY2023 £m
Adjusted EBITDA	60.8	51.8
Working capital	7.7	(1.1)
Interest	(10.4)	(8.7)
Tax payment	(1.0)	-
Pension	(2.6)	(2.3)
Acquisitions	-	(5.7)
Capital expenditure	(27.2)	(25.0)
Disposals net of lease surrenders	-	16.0
Lease payments	(8.7)	(9.8)
Other	3.8	(3.0)
Free cashflow to equity	22.4	12.2
Dividends	(10.0)	(7.4)
Share buybacks	(12.4)	(4.8)
Cash movement in net debt	-	-
Non-cash movement	(0.3)	(0.9)
Movement in net debt	(0.3)	(0.9)

- Strong cashflow generation has delivered shareholder returns and enabled continued investment in the estate
- Underlying earnings growing with adjusted EBITDA up 17%
- One-off benefit through working capital which will unwind during the next financial year
- Capital expenditure of £27.2m in FY2024 – largest projects include The Sanctuary House in Westminster, The Rising Sun in the New Forest, The Forester in Ealing and The Counting House in the City
- Share buyback of two million 'A' shares completed in FY2024 for total of £12.4m. Further share buyback of one million 'A' shares started end of March 2024 and is ongoing

CAPITAL ALLOCATION FRAMEWORK

Policy	Targets & Philosophy	FY2024 Update and FY2025 Outlook
<p>Invest in long-term organic growth</p>	<p>Returns-based approach to capital investment</p>	<ul style="list-style-type: none"> Invested £27m into the estate in FY2024 with plans to invest over £30m in FY2025, including 26 transformational schemes
<p>Sustainable & progressive dividend</p>	<p>Dividend cover normalised range of 2.5-3x</p>	<ul style="list-style-type: none"> FY2024 Dividend of 17.75p – up 21% Progressive dividend growth in line with EPS growth once cover normalised
<p>Invest in additional growth opportunities</p>	<p>Disciplined approach to assessing investment opportunities</p>	<ul style="list-style-type: none"> Strong balance sheet with headroom for high quality acquisition opportunities
<p>Targeting leverage of 3x Net Debt/EBITDA</p>	<p>Strong Balance Sheet maintained – target leverage at 3x Net Debt / EBITDA</p>	<ul style="list-style-type: none"> Buyback of over 3 million 'A' shares over last two years, with intention to repurchase up to a total of 6.5 million 'A' shares

CAPITAL RETURNED TO SHAREHOLDERS OF £34.6M OVER LAST TWO YEARS

FY2025 GUIDANCE

- Continued sales and earnings growth
- Easing inflationary environment
- Depreciation expected to be in the region of £28m
- Interest charge expected to be in the region of £14m
- Adjusted effective tax rate estimated at 28%
- Capital expenditure of c.£30m
- IFRS 16 reconciliation in appendix





BUSINESS REVIEW

STANDING OUT FROM THE COMPETITION

Initiatives and Investments

- Proactive management of our estate, with 23 sites transferred from Managed to Tenanted and the sale of 37 sites to Admiral Taverns
- Invested £27m, including 18 transformational schemes in our existing iconic pubs and hotels – maintaining our premium position and optimising returns
- Improvements to menu development and marketing assets, especially at key trading periods
- Invested £1.3m in training – with a focus on leadership training and *Be the Difference*
- Launched inclusion action plan and continued to build on feedback from our teams across the business

Results

- Financial firepower to invest in premium assets – both new and existing
- Great pubs, attracting more customers, delivering like for like sales up 11.0%
- Delivered our biggest, and best, ever Christmas – delighting our customers, improving margin, and further building confidence in our teams
- High levels of customer satisfaction and great feedback, resulting in record high NPS scores
- Increased happiness and engagement scores among our team members

OUR PREMIUM CUSTOMER

- Affluent, premium customer base – more resilient to cost pressures
- Looking for a great customer experience – trading up to more premium products
- Improved segmentation of customer base to better tailor offer around food, drink and price

Household Income (£)	Fuller's Average Index (2024)
> 75k	144
50-75k	126
40-50k	116
30-40k	106
25-30k	94
20-25k	91
15-20k	77
10-15k	75
< 10k	74



REASONS TO VISIT



FOCUSING ON DELICIOUS FOOD

- Like for like food sales up by 14.5%
- Volume growth of 3.8% through enhanced menus and confident upselling
- Appointed Carrie Joslin to the role of Food & Drink Director
- Invested in a bespoke development kitchen and training hub to inspire creativity and innovation
- New corporate buffet menus rolled out – corporate bookings more than doubled
- Very strong Christmas trading, and a significant eight point increase in margin



CONTINUALLY EVOLVING OUR DRINKS RANGE

- Like for like drinks sales up 9.8%
- Hosted over 100 guest ales with unique beers from breweries including Siren and Tiny Rebel – planned additional focus on cask in the coming year
- Added trade ups to every spirits category, in response to consumer trend for premiumisation – increasing our market value share by 6.5%
- Leading the way in low and no alcohol sector, with 89 pubs now having an alcohol-free option on draught
 - Total sales of alcohol-free beer up 81%
- Wine sales increased by 13% due to further range enhancements and introduction of wine champions across the estate

Asahi Super Dry Rugby World Cup Partnership



WIN A V.I.P TABLE WITH JASON ROBINSON

- Takeover of The Parcel Yard
- Interactive watchalong with England legend Jason Robinson at The Cabbage Patch
- Interactive predictor game across estate to increase dwell time
- Sales growth of 17% volume and 22% value ahead of total beer (6% and 13% respectively)

SO MUCH MORE TO ACCOMMODATION

- Like for like accommodation sales rose 7.8%
 - RevPAR up 9% to £97.26 (FY2023: £89.47)
 - Occupancy rates up at 79% (FY2023: 78%)
 - Average room rate of £119.84 – an increase of 9%
- Enhanced rooms – with schemes including The Sanctuary House in Westminster, The White Hart in Hampton Wick, The Swan at Staines and new rooms at The Counting House, Cornhill
- Direct bookings increased by 36% following development of upgraded websites
- Investments made to simplify booking journey delivering £0.75m pre-booked dinner sales in Cotswold Inns & Hotels alone – roll out now complete across the entire Fuller's estate

Case Study: Cotswold Inns & Hotels The Close, Tetbury



Highest Weekly ARR: £314.66
32% of customers pre-booked dinner
Like for like accommodation revenue
for Cotswold Inns & Hotels up 9.5%

INVESTING IN OUR ICONIC ESTATE



Five schemes over £500k completed during the year, with another three already completed this year



Clockwise from top left:

The Windmill, Portishead
Investment: £0.9m

The Counting House, Cornhill
Investment: £1.6m

The Astronomer,
Liverpool Street
Investment: £0.7m

The Rising Sun, New Forest
Investment: £0.8m



INVESTING IN OUR PEOPLE-FIRST CULTURE

Strong leadership building engaged teams, delighting customers and growing sales

- Invested £1.3m in training and development in the last year, with a total of 4,636 training days across the business
- All Operations and General Managers participated in our *Lead your Way* programme – now rolling out to Head Chefs and support centre managers
- Enhanced our popular Management Training Programme – developing the next generation of leaders and building resilience in our workforce
- Launched inclusion training for all senior leaders and produced a guide to supporting neurodiverse team members
- Recruited an additional 144 apprentices



A HOLISTIC ESG STRATEGY: *Life is too good to waste*

Our People

- Rolled out Inclusion Action Plan
- Our diverse workforce includes Team Members from 99 different countries
- Launched Head Chef Forum



Our Planet

- Near-term science-based emissions reduction target approved by the Science Based Targets initiative
- Reduced energy consumption by 22% over the last three years



Our Communities

- Raised a total of £218k for Special Olympics GB
- Increased matched funding across our pub estate
- Donated a total of £276k to good causes during the year



TENANTED INNS

- Tenanted Inns revenue rose 13% to £33.8m (FY2023: £29.8m)
- Tenanted pubs are an integral part of our long-term balanced estate
- Excellent Tenanted estate that is well-invested, well-located, with pubs run by high calibre, entrepreneurial Tenants
- Continued development of turnover agreements, with over a third of all Tenanted Inns now on this business model
- Invested £3.9m of capex, including 28 significant schemes in conjunction with our Tenants – looking to invest even more in joint schemes over the coming year



ENHANCING OUR GROWTH POTENTIAL

- Proactive asset management – transferred 23 Managed pubs to Tenanted during the year
- Disposal of 37 non-core pubs where we saw limited long-term growth potential, will realise £18.3m
- Combined with the imminent sale of The Mad Hatter, total of £38m cash will be realised for investment in growth

CAPITAL ALLOCATION FRAMEWORK

Policy	Targets & Philosophy	FY2024 Update and FY2025 Outlook
Invest in long-term organic growth	Returns-based approach to capital investment	<ul style="list-style-type: none"> • Invested £27m into the estate in FY2024 with plans to invest over £30m in FY2025, including 26 transformational schemes
Sustainable & progressive dividend	Dividend cover normalised range of 2.5-3x	<ul style="list-style-type: none"> • FY2024 Dividend of 17.75p – up 21% • Progressive dividend growth in line with EPS growth once cover normalised
Invest in additional growth opportunities	Disciplined approach to assessing investment opportunities	<ul style="list-style-type: none"> • Strong balance sheet with headroom for high quality acquisition opportunities
Targeting leverage of 3x Net Debt/EBITDA	Strong Balance Sheet maintained – target leverage at 3x Net Debt / EBITDA	<ul style="list-style-type: none"> • Buyback of over 3 million 'A' shares over last two years, with intention to repurchase up to a total of 6.5 million 'A' shares

CAPITAL RETURNED TO SHAREHOLDERS OF £34.6M OVER LAST TWO YEARS

- In line with our Capital Allocation Framework:
 - Intending to repurchase the 6.5m 'A' shares that were issued in 2021 at a price of £8.30
 - 3.5m already purchased at a discount of 30%
 - Strengthening our Balance Sheet – set for growth

SUMMARY AND OUTLOOK

- Excellent progress – delivering on all areas of our strategy, with strong momentum as we go into the new financial year
- Strong Balance Sheet, outstanding pubs and hotels, and an engaged and motivated Exec Team with a continued ambition to grow
- Business in great shape with strong investment programme planned in both our people and our existing estate, to deliver further organic growth
- More upside to come in our urban businesses with strong tourist trade and office workers continuing to return to the City
- Good like for like sales for the 10 weeks to 8 June 2024 increasing by 4.4% against strong comparatives





GM Conference 2024

Appendix: Fuller's Estate

	1 Apr 2023	New	Disposed	Transfers	30 Mar 2024	Transfers	13 June 2024
Total Fuller's	377	-	(7)	-	370	(1)	369
Managed Pubs & Hotels	204	-	(2)	(22)	180	(1)	179
Tenanted Inns	173	-	(5)	22	190	-	190
Number of bedrooms	1,046	6	-	(37)	1,015	(6)	1,009

The disposal of 37 pubs to Admiral Taverns is anticipated to complete on 25 June 2024. Following completion, Fuller's will have 154 pubs within its Tenanted Inns Division to complement the 178 properties in its Managed Pubs and Hotels Division.

Appendix: IFRS16 reconciliation

	Pre IFRS16 £m	IFRS16 £m	Post IFRS16 £m
Revenue and other income	359.1	-	359.1
Operating costs	(327.1)	2.5	(324.6)
Adjusted operating profit	32.0	2.5	34.5
Finance costs	(10.9)	(3.1)	(14.0)
Adjusted profit before tax	21.1	(0.6)	20.5
Separately disclosed items	(4.8)	(1.3)	(6.1)
Profit before tax	16.3	(1.9)	14.4
Depreciation and amortisation	20.7	5.6	26.3
Adjusted EBITDA	52.7	8.1	60.8

Appendix:

A geographically balanced business

