Continued market outperformance by Premier Inn UK
Excellent progress in Germany
Five-Year Plan is on track, underpinning confidence in delivery
Accelerating the delivery of shareholder returns with a £250m share buy-back

Throughout this release all percentage growth comparisons are made comparing the current year (FY25) performance for the 52 weeks to 27 February 2025 with FY24 (52 weeks to 29 February 2024).

FY25 Group Financial Summary

£m	FY25	FY24	vs FY24
Statutory revenue	2,922	2,960	*(1)%*
Adjusted EBITDAR†	1,030	1,057	*(3)%*
Adjusted profit before tax†	483	561	*(14)%*
Statutory profit before tax	368	452	*(19)%*
Statutory profit after tax	254	312	*(19)%*
Adjusted basic EPS†	194.6p	206.9p	*(6)%*
Statutory basic EPS	141.5p	161.0p	*(12)%*
Dividend per share	97.0p	97.0p	*0%*
Group ROCE†	11.3%	13.1%	*(180)bps*
Net debt†	(483)	(298)	*(185)*
Lease-adjusted leverage†	3.0x	2.6x	*n/a*

Overview

- Group statutory revenue was down 1% reflecting lower food and beverage ('F&B') revenues as a result of our Accelerating Growth Plan ('AGP') and softer UK market demand, mitigated by strong growth in Germany
- Adjusted profit before tax† of £483m (FY24: £561m) reflects the impact of AGP, cost inflation and lower interest income, partially offset by increased cost savings and excellent progress in Germany
- Statutory profit before tax of £368m (FY24: £452m) was after charging £116m of adjusting items (FY24: £109m) that primarily related to impairment charges and the Group's strategic programme costs; statutory basic EPS was 141.5p (FY24: 161.0p)
- We are executing at pace and our **Five-Year Plan** is on track to deliver incremental adjusted profit before tax† of at least **£300m**[1] by FY30:
    - ***Accelerating Growth Plan (+£100m[1])***: progressing well as we replace lower-returning branded restaurants with an integrated F&B offering at a number of our sites and start to unlock 3,500 extension rooms; full reversal of FY25 adjusted PBT† impact during FY26;
    - ***UK Network expansion (+£120m[1]):*** 1,075 new rooms opened in FY25; 1,000 - 1,200 rooms (including AGP extension rooms) expected to open in FY26 and accelerating thereafter to reach 98,000 open rooms in the UK and Ireland by FY30;
    - ***Strong commercial programme***: new initiatives are delivering positive UK like-for-like† sales momentum and contributing to our outperformance versus the market[2];
    - ***Efficiencies***: having delivered £75m of savings in FY25, we are increasing our FY26 guided cost savings from £50m to £60m and are on course to deliver £250m of savings by FY30;
    - ***Germany (+£80m[1])***: with a strong outperformance versus the market[3] in FY25, we are on track to deliver adjusted profit before tax† of £5m - £10m[4] in FY26 and reach 20,000 open rooms and at least £70m[4] adjusted PBT† by FY30; and
    - ***Disciplined capital allocation:*** to the plan will see us recycle at least £1bn of our more mature property in order to fund high-returning growth including network expansion and AGP and maintain average annual net capex of £500m; expected £250m - £300m of property disposals in FY26
- With strong operating cashflow, we are on track to deliver **more than £2bn** for share buy-backs and dividends. Given our confidence in the delivery of our Five-Year Plan, together with the strength of our balance sheet, the Board is accelerating these returns by recommending a final dividend of 60.6p per share (FY24: 62.9p) making 97.0p for the year (FY24: 97.0p) and plans to launch a £250m share buy-back to be completed over the next twelve months

1: Incremental adjusted profit before tax† versus FY25

2: STR data, standard basis, 1 March 2024 to 27 February 2025, UK M&E market excludes Premier Inn
3: STR data, standard basis, 1 March 2024 to 27 February 2025, Germany M&E market excludes Premier Inn
4: Using a GBP: EUR exchange rate of 1.18

Financial highlights

- Premier Inn UK: total accommodation sales were in line with last year and with the strength of our brand and commercial initiatives, we outperformed the M&E market[1] by +0.7pp; while revenue per available room† ('RevPAR') was down 2%, we maintained a healthy RevPAR premium of £5.49 and outperformed the M&E market[1] in the second half by +0.3pp on RevPAR growth
- UK F&B sales were in line with our expectations and fell by 11% due to the impact of AGP, partially mitigated by strong breakfast sales
- UK adjusted pre-tax profit margins† were 18.8% (FY24: 21.2%), reflecting the impact of AGP, softer market demand and cost inflation, partially offset by increased cost efficiencies
- Premier Inn Germany: our estate outperformed the M&E market[2] and total sales grew 21%, driven by the increasing maturity of our hotels and brand, enhanced distribution, a strong events calendar and the positive impact of our commercial initiatives; adjusted loss before tax† reduced to £11m (FY24: £36m);
- Group: adjusted profit before tax† was £483m (FY24: £561m) and statutory profit before tax was £368m (FY24: £452m) after charging £116m of adjusting items (FY24: £109m) including a non-cash, net impairment charge of £76m, and £45m relating to the Group's strategic IT & F&B programme costs including our AGP
- Group: adjusted EBITDAR† was £1,030m (FY24: £1,057m)
- Total cash returned to shareholders via dividends and share buy-backs in FY25 of £442m (FY24: £756m)
- Strong balance sheet: lease adjusted leverage† increased to 3.0x (FY24: 2.6x) and net debt† was £483m (FY24: £298m)

Segment highlights

Premier Inn UK

£m	FY25	FY24	vs FY24
Statutory revenue	2,691	2,770	(3)%
Adjusted profit before tax†	507	588	(14)%
Revenue per available room (£)†	64.42	65.56	(2)%

Premier Inn Germany

£m	FY25	FY24	vs FY24
Statutory revenue	231	190	21%
Adjusted loss before tax†	(11)	(36)	69%
Revenue per available room (£)†	50.90	44.44	15%

Current trading (seven weeks to 17 April 2025)

- Premier Inn UK:
  - Total accommodation sales were down 1% versus FY25, however our brand strength and the positive impact of several commercial initiatives meant that we outperformed the M&E market[3] by 2pp on both accommodation sales and RevPAR growth, with an increased RevPAR premium of £6.79
  - Our forward booked position is ahead of last year, supported by strong peak leisure demand. Although the UK macroeconomic outlook remains uncertain, with the introduction of further commercial initiatives, we remain confident in continuing to outperform the market
- UK F&B: sales were 16% behind FY25, reflecting the removal of a number of lower-returning branded restaurants, in line with our expectations
- Premier Inn Germany: total accommodation sales up 23% versus FY25; total estate RevPAR was €63 and RevPAR for our cohort of 17 more established hotels[4] was €73, which were both ahead of the M&E market[5]

1: STR data, standard basis, 1 March 2024 to 27 February 2025, UK M&E market excludes Premier Inn
2: STR data, standard basis, 1 March 2024 to 27 February 2025, Germany M&E market excludes Premier Inn
3: STR data, standard basis, 28 February 2025 to 17 April 2025, UK M&E market excludes Premier Inn
4: Cohort of 17 more established German hotels that were open and trading under the Premier Inn brand for 12 consecutive months as at 4 March 2022
5: STR data, standard basis, 28 February 2025 to 17 April 2025, Germany M&E market excludes Premier Inn

FY26 guidance

- UK: open 1,000 - 1,200 new rooms, the majority of which will open in the second half of the year; 500 - 700 of these new rooms are AGP extension rooms;
- UK: with increased cost efficiencies of £60m (versus previous guidance of £50m), net inflation is expected to be towards the lower end of our previously guided range of 2% – 3% on our £1.7bn UK cost base;
- UK: AGP adjusted PBT† one-off impact of £20m - £25m in FY25 will be fully reversed
- Germany: open c.400 new rooms and deliver adjusted profit before tax† between £5m and £10m[1];
- Group: £15m to £20m reduction in net finance income (excluding lease liability interest) versus FY25 reflecting lower cash balances, the outlook for Bank of England rates and the recent issue of a new £400m 5.50% bond; and
- Group: net capital expenditure of £400m - £500m, with gross capital expenditure of between £700m – £750m including AGP (£150m - £200m) and network expansion; receipts from property-related transactions of £250m – £300m

1: Using a GBP: EUR exchange rate of 1.18

Five-Year Plan and medium-term outlook

Our operational and strategic progress in FY25 mean we are positive about the medium-term outlook and the delivery of our Five-Year Plan. Whilst we have limited visibility of short-term market demand and inflation, our vertically integrated model means we have significant self-help levers that can provide positive like-for-like† sales momentum whilst also reducing our costs. By focusing on what we can control, together with strong growth potential in both the UK and in Germany, we remain confident in generating at least £300m incremental adjusted profit before tax† by FY30, releasing more than £2bn available for share buy-backs and dividends.

Commenting on today's results, Dominic Paul, Whitbread Chief Executive, said:

"Having laid the foundations for significant growth, we are executing at pace and making excellent progress on our strategic initiatives, against what has been a softer market backdrop over the past year. By focusing on what we can control, our Five-Year Plan is on track to deliver a step-change in our profits, margins and returns and we remain positive about the medium-term outlook.

"In the UK and Ireland, our Accelerating Growth Plan is progressing well and as we open our growing committed pipeline, we will reach at least 98,000 open rooms by FY30. At the same time, our commercial strategy is driving our outperformance versus the M&E market and we are continuing to realise material cost savings across all areas of our business without compromising our reputation for both quality and value.

"This will be a breakthrough year in Germany and we are set to deliver our first ever adjusted profit in FY26. We are growing quickly, driving strong guest satisfaction scores, performing well ahead of the market and our cohort of more established hotels is on track to reach its targeted double-digit level of returns. We remain confident in realising our long-term ambition of becoming the country's number one hotel brand, delivering significant revenue growth, attractive long-term returns and providing a platform for potential expansion into other international markets.

"We remain focused on disciplined capital allocation and returns. Our vertically integrated model is a key source of competitive advantage as we continue to drive further growth. With a more favourable outlook in the property investment market, we will look to recycle at least £1bn of our more mature property assets to fund future growth and drive higher financial returns. Given our confidence in our Five-Year Plan, together with the strength of our balance sheet, we are recommending a final dividend of 60.6p per share and are accelerating the planned delivery of shareholder returns with a £250m share buy-back to be completed over the next twelve months."

For more information please contact:

Investor Relations - Whitbread investorrelations@whitbread.com
Peter Reynolds, Director of Investor Relations peter.reynolds@whitbread.com
Kirsten O'Reilly, Investor Relations Manager kirsten.oreilly@whitbread.com

Media – Brunswick whitbread@brunswickgroup.com
Tim Danaher +44 (0) 20 7404 5959

A webcast for investors and analysts will be made available at 8:00am on 1 May 2025 and will be followed by a live Q&A teleconference at 9:15am. Details of both can be found on Whitbread's website (www.whitbread.co.uk/investors).

†Alternative performance measures
We use a range of measures to monitor the financial performance of the Group. These measures include both statutory measures in accordance with IFRS and alternative performance measures ('APMs') which are consistent with the way that the business performance is measured internally. We report adjusted measures because we believe they provide both management and investors with useful additional information about the financial performance of the Group's businesses.

Adjusted measures of profitability represent the equivalent IFRS measures adjusted for specific items that we consider relevant for comparison of the financial performance of the Group's businesses either from one period to another or with other similar businesses. APMs are not defined by IFRS and therefore may not be directly comparable with similarly titled measures reported by other companies. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures. Further information can be found in the glossary and reconciliation of APMs at the end of this document.

Chief Executive's Review

Overview

We made excellent progress on delivering against each element of our Five-Year Plan that is underpinned by our vertically integrated model and by focusing on those things we can control. As a result, and given the strength of our commercial programme, we remain confident that, over the next five years, we will deliver a step change in our profits that will generate more than £2bn for share buy-backs and dividends. Reflecting this confidence we are accelerating the delivery of returns to shareholders and in addition to the final dividend, intend to launch a further £250m share buy-back.

Group Results

While the expected impact of AGP and softer market demand in the UK made for a more challenging trading backdrop, Premier Inn UK outperformed the midscale and economy ('M&E') market[1] and delivered a robust financial performance. The strength of our brand and guest proposition meant that total accommodation sales were in line with last year while total UK F&B revenues fell by 11% due to the impact of the transition from lower-returning branded restaurants to an integrated F&B offering as part of AGP, partly mitigated by strong breakfast sales in our integrated restaurants. In Germany, we made excellent progress and total accommodation sales were up by 21% with good growth in both occupancy and average room rate ('ARR'). Our cohort of more established[2] hotels, as well as our entire German network, performed ahead of the M&E market[3] on both accommodation sales and RevPAR growth, reflecting the increasing maturity of both our estate and our brand as well as our ongoing commercial initiatives. The result was that total statutory revenue was slightly lower than last year at £2,922m (FY24: £2,960m).

The combination of the impact of AGP, cost inflation and lower interest income, partially offset by increased cost savings and excellent progress in Germany, meant that adjusted operating profit fell by 7% to £630m (FY24: £674m). Lower cash balances and a reduction in central bank base rates during the year meant that net finance income (excluding lease liability interest) also declined so that adjusted profit before tax† decreased to £483m (FY24: £561m). There was an increased charge for adjusting items in the year of £116m (FY24: £109m). The result was that statutory profit before tax was down 19% to £368m (FY24: £452m). A tax charge of £114m (FY24: £140m) resulted in a statutory profit after tax of £254m (FY24: £312m). The lower level of earnings, mitigated by a reduced weighted average number of shares following the completion of £250m of share buy-backs during the year, meant that adjusted basic earnings per share† decreased by 6% to 194.6p (FY24: 206.9p). An increase in adjusting items meant that statutory basic earnings per share decreased by 12% to 141.5p (FY24: 161.0p).

1: STR data, standard basis, 1 March 2024 to 27 February 2025, UK M&E market excludes Premier Inn
2: Cohort of 17 more established German hotels that were open and trading under the Premier Inn brand for 12 consecutive months as at 4 March 2022
3: STR data, standard basis, 1 March 2024 to 27 February 2025, Germany M&E market excludes Premier Inn

Further detail on the drivers behind the Group's performance is set out below.

Premier Inn UK – continuing to outperform the market

Total accommodation sales were in line with last year with occupancy remaining high at 81.0% (FY24: 82.2%), and ARR only slightly lower than last year at £79.52 (FY24: £79.76). In London, softer levels of demand prompted a small reduction in both occupancy and ARR, although the resulting 4.4% reduction in RevPAR was more than offset by estate growth and accommodation sales grew by over 1%. In the Regions, occupancy levels also remained high at 81.1% (FY24: 82.0%) and ARR was 0.2% lower than last year with the result that total accommodation sales were in line with FY24.

The strength of our brand, our scale and continued network expansion are important drivers for our business and help us to stay ahead of the market in terms of accommodation sales. As the largest hotel brand in the UK, performing ahead of the market on RevPAR growth is more challenging as we have more rooms to fill than our competitors. However, with the benefit of several new commercial initiatives deployed during the year, we outperformed the M&E market[1] on RevPAR growth during the second half of the year and maintained a significant £5.49 RevPAR premium versus the rest of the M&E market.

1: STR data, standard basis, 1 March 2024 to 27 February 2025, UK M&E market excludes Premier Inn

The following external and internal factors were important drivers for our UK business over the past year:

- **Softer UK market demand:** Overall market demand levels were softer across the year for both business and leisure but Premier Inn's overall levels of occupancy remained high. While long-lead and peak leisure demand remained robust, we saw lower levels of short-lead, discretionary leisure demand than the previous year. While business demand was broadly flat, we have continued to see good growth in our B2B channels especially through Business Booker and Travel Management Companies ('TMCs').

- **Muted supply growth**: Our latest market analysis[1] of UK hotel rooms confirmed that the recovery in supply post-COVID remains muted. After the initial shock of the pandemic, the subsequent increase in interest rates limited the availability of funding for new developments and suppressed supply growth. While the branded budget sector, including Premier Inn, is expected to grow over the next few years, we predict that the independent hotel sector will continue to decline, with the result that the total UK market will not return to 2019 levels of supply until at least 2027.

  1: Company data

- **Accelerating Growth Plan ('AGP'):** Our plan to optimise our F&B offer at a number of sites and unlock 3,500 new extension rooms is on track. Planning applications for over 70% of affected sites have been submitted and permission for c.50% of sites has already been approved. Construction has started at several sites and the first of our 3,500 new extension rooms will open later this year. We have sold 38 branded restaurants for a total consideration of £38m and remain confident of exiting the remaining sites over the next 12 months as planned. Having impacted profitability in FY25, we expect this to fully reverse in FY26, in line with our previous guidance.

- **Network expansion:** With over 850 open hotels across the UK and Ireland, Premier Inn is the UK's largest hotel chain with approximately 12% share of all hotel rooms. Having opened a total of 1,075 rooms during the year, we closed 534 lower-returning rooms as part of our estate optimisation programme, including AGP, and added more rooms to our pipeline[1]. As at 27 February 2025, we had 852 hotels and 85,984 rooms open while our committed pipeline[1] increased to 7,192 rooms (FY24: 6,795 rooms), the majority of which are freehold.

  1: UK and Ireland committed pipeline excluding extension rooms from Accelerating Growth Plan

- **Commercial programme:** We have deployed a broad range of commercial initiatives to drive like-for-like† sales momentum and extend our market-leading position in the UK. Highlights during FY25 include:

  - *Improving our trading performance:* our proprietary automated trading engine is a significant source of competitive advantage and helps us to maximise revenue. Drawing upon our extensive bank of historical trading data, we improved our trading techniques, capabilities and pricing, all of which helped us to stay ahead of the wider M&E market.

  - *Enhancing our guest offer:* Our new cloud-based reservation system has allowed us to enhance the digital guest journey by offering several new options including: early check-in, late check-out, 'Rooms with a view', and Twin rooms.

  - *Increasing our digital capabilities:* As well as increasing the range of inventory we can sell through our digital partners, we are also optimising our website and app functionality. Early progress has been encouraging, with our app generating 9% of total accommodation sales in FY25 (FY24: 8%). Our new technology stack is also enhancing the quality and effectiveness of our customer engagement to increase revenues, as well as improving our operations to reduce costs.

  - *Highly effective brand marketing:* Our brand campaigns are a powerful customer acquisition tool and help keep us front-of-mind with consumers. Continuing to attract new guests is essential as we seek to extend our leadership and grow market share. In addition to the launch of our latest marketing campaign, 'Better sleep for your money', we also increased our digital marketing efforts, helping to maintain our market-leading position with over 90% brand awareness[1].

    1: UK YouGov Brand Consideration: 1 March 2024 to 27 February 2025

  - *Enhancing our business proposition:* Business guests are an attractive customer segment because they tend to drive higher RevPARs and travel more frequently than leisure guests. Our Business Booker portal has grown substantially over the past few years, and we have also strengthened our relationships with several TMCs. Together, these channels represented approximately 21% of total accommodation sales in FY25 (FY24: 20%). We also extended our reach to new corporate partners by adding connectivity to Sabre, one of the big three Global Distribution Systems.

- *Best-in-class operations:* Premier Inn is the UK's number one hotel brand and remains the 'Best Value Hotel Chain' as measured by YouGov[2]. Our significant refurbishment plan, alongside our repair and maintenance programme, means we now have approximately 8,000 of our new ID5 rooms open across our UK and Ireland estate. This is helping to ensure the consistency of our offer, while our continued investment in pay, training and development ensures that team engagement remains high.

2: YouGov BrandIndex Quality & Value scores as at 27 February 2025 based on a nationally representative 52-week moving average

Taken together, these factors meant that UK accommodation sales were in line with last year, while the impact of AGP meant that F&B revenue declined by 11%, resulting in UK statutory revenue down 3%.

Despite increasing cost pressures from cost inflation and network expansion, our shift to a more efficient F&B model as part of AGP, plus increased cost efficiencies of £75m, meant that operating costs reduced by 2%. As a result of lower revenues and higher depreciation costs, adjusted profit before tax† fell to £507m (FY24: £588m). This impacted UK pre-tax margins† that reduced to 18.8% (FY24: 21.2%) and UK ROCE† was 12.9% (FY24: 15.5%).

During the year, further sites have been identified to be disposed of as part of our AGP and we have also updated cashflow assumptions for sites originally included in the scope of the plan. This resulted in a net impairment charge of £43m being incurred in the year in relation to AGP. Further net impairment charges of £10m have been incurred over the rest of the UK estate.

Premier Inn Germany – on track to replicate our UK success

Our German business is making excellent progress and the Premier Inn brand is attracting growing numbers of both German and international guests. With the increasing maturity of our estate and brand, supported by our commercial initiatives, we delivered excellent revenue growth and outperformed the M&E market on both accommodation sales and RevPAR growth[1]. As a result, we remain on course to deliver a positive adjusted profit before tax† in FY26 and are progressing towards our longer-term objective of becoming the country's number one hotel brand and delivering strong profit growth and double-digit returns on capital.

While the slowdown in construction during the pandemic reduced the number of new room openings to 459 in FY25, our strong balance sheet meant we were able to add nearly 1,500 new rooms to our committed pipeline that will drive a marked increase in new room openings over the next few years. Our current open and committed pipeline stands at 18,230 rooms (FY24: 16,792 rooms) with 40% of our committed pipeline being freehold sites.

Drawing upon our growing pool of guest data, we have continued to refine and improve our commercial strategy that is contributing to strong RevPAR momentum:

- **Improved trading strategies** - We have seen a marked improvement in our trading around key events, that in FY25 included the European Football Championship and a number of high-profile concert tours by international artists. As up to 20% of room nights in Germany are event nights (versus less than 5% in the UK), being able to trade these effectively is a key driver of profitability in the German market.

- **Digital marketing** – We launched our first online campaign during the year, which focused on promoting the quality of our hotel rooms and how guests can enjoy a great night's sleep at Premier Inn. The campaign is proving successful in raising our profile and is also helping to differentiate us from our competitors.

- **Broadening distribution** – We have seen an increase in guest volumes and revenues as we expanded our distribution to include third-party channels such as online travel agents ('OTAs') that are an important and value accretive channel in the German market.

- **Increasing brand awareness** – Our brand awareness increased to 19% (FY24: 14%)[2] and whilst still behind some of our key competitors, given the quality of our product and the high guest scores we are achieving, we are on course to close the gap further in FY26.

As a result of these initiatives and with the increasing maturity of our estate and brand, RevPAR grew by 18% in local currency which was significantly ahead of the M&E market[1]. This strong performance was supported by our cohort of 17 more established hotels[3], that is continuing to mature at pace, as evidenced by its 17% RevPAR growth.

As in the UK, we also made good progress on improving our operational efficiency and managing our costs. With our increasing scale, we are finding new opportunities to reduce costs without compromising our great guest experience. Examples include increased spans of control for some of our hotel managers, taking advantage of new technologies and through better procurement.

We are particularly pleased with the performance of our cohort of 17 more established hotels[3]. Whilst not yet mature, the cohort delivered aggregate site-level profit[4] of £16m in FY25 (FY24: £9m). As well as giving us visibility on the future profit potential for our estate as a whole, this performance contributed to a much-reduced adjusted loss before tax† for all of our German operations of £11m (FY24: £36m loss), in line with our expectations.

The Group continues to make progress through organic growth and portfolio acquisitions with current year performance reflecting the increased maturity of open sites. Having updated site-level cashflow forecasts for these sites, we have identified impairment indicators at a small number of sites which has resulted the impairment of five sites totalling £22m in FY25.

1: Local currency based on STR data, standard basis, 1 March 2024 to 27 February 2025, Germany M&E market excludes Premier Inn
2: Germany YouGov Brand Consideration: 1 March 2024 to 27 February 2025
3: Cohort of 17 more established German hotels that were open and trading under the Premier Inn brand for 12 consecutive months as at 4 March 2022
4: In aggregate, adjusted profit before tax excluding non-site related administration and overhead costs

Current Trading – seven weeks to 17 April 2025

In the UK, total accommodation sales were down 1% and RevPAR was down 1% versus last year reflecting softer market demand, as evidenced by the published market data. Despite the volatility in the period, that we experience each year due to the phasing of public holidays, we have seen a positive impact from our commercial initiatives that have driven a 2pp outperformance versus the market[1] on both accommodation sales and RevPAR growth.

Our forward booked position is ahead of last year, supported by strong peak leisure demand. Although the UK macroeconomic outlook remains uncertain, with the introduction of further commercial initiatives, we remain confident in continuing to outperform the market.

F&B sales were down 16% in the period, driven by the removal of a number of lower-returning branded restaurants as part of AGP and were in line with our expectations.

In Germany, our strong performance has continued into the current trading period, with total accommodation sales up 23% in local currency versus last year. The increasing maturity of our estate and brand, together with our commercial initiatives, meant that RevPAR for the total estate was €63, 17% ahead of last year. This was led by the performance of our cohort of more established hotels[2] that delivered a RevPAR of €73, which was 27% ahead of last year and significantly ahead of the market[3].

1: STR data, standard basis, 28 February 2025 to 17 April 2025, UK M&E market excludes Premier Inn
2: Premier Inn more established hotels: open and trading under the Premier Inn brand for 12 consecutive months as at 4 March 2022: 17 hotels
3: STR data, standard basis, 28 February 2025 to 17 April 2025, Germany M&E market excludes Premier Inn

FY26 guidance

A summary of our FY26 guidance is detailed below.

UK

- Sales: every 1% change in like-for-like† accommodation sales versus FY25 has a £16m - £17m impact on profit before tax; and every 1% change in total F&B[1] sales versus FY25 has a £2.5m impact on profit before tax
- Inflation: with our increased efficiency target of £60m, year-on-year net inflation is expected to be towards the lower end of our previously guided range of 2 – 3% on our £1.7bn UK cost base
- New rooms:
    - c.500 (100% freehold), the majority of which will open in the second half of the year and;
    - 500 – 700 AGP extension rooms, the majority of which will open in the second half of the year
- Accelerating Growth Plan:
    - Total F&B sales: further reduction of between £75m - £90m as the remaining branded restaurants that are affected by the plan are repurposed or exited
    - Adjusted PBT†: FY25 one-off impact of £20m - £25m will be fully reversed as the benefit of removing lower-returning branded restaurants offsets any remaining impact of transition

1: F&B sales excluding sites impacted by the Accelerating Growth Plan for which separate guidance is provided

Germany

- We are on track to deliver adjusted profit before tax† of between £5m and £10m[2] in FY26
- New rooms: c.400 (50% freehold)

2: Using a GBP: EUR exchange rate of 1.18

Central and other costs

- Net finance income (excluding lease liability interest): Expected £15m - £20m reduction versus FY25 reflecting lower cash balances, the recent issuance of a new £400m bond and based on the outlook for Bank of England rates

Balance sheet

- Net capex: £400m - £500m
- Gross capex: £700m - £750m, reflecting our plan to optimise F&B and unlock 3,500 extensions as part of AGP (£150m - £200m), in addition to our other network expansion and regular programme of refurbishments and maintenance
- Proceeds from property transactions: expected to be between £250m and £300m, including sale and leasebacks and disposals

Outlook

In the UK, after a softer start to the quarter that was impacted by the phasing of public holidays, our commercial programme has delivered an increasing level of outperformance versus the M&E market. Our forward booked position is ahead of last year, supported by strong peak leisure demand. Although the UK macroeconomic outlook remains uncertain, with the introduction of further commercial initiatives, we remain confident in continuing to outperform the market.

In Germany, the increasing maturity of our estate and brand, together with our commercial initiatives, means we are continuing to make excellent progress. With a strong events calendar, our forward booked position is building well ahead of last year, and we remain on track to deliver positive pre-tax profit in FY26.

Capital allocation – Investing for the long-term to drive higher returns

Having a strong balance sheet means we can strike an appropriate balance between investing in high-returning, long-term growth opportunities and returning excess capital to shareholders through dividends and earnings-enhancing share buy-backs. Our primary focus is on driving high returns on capital and the pillars of our framework are unchanged:

- maintain our investment grade status by operating within our leverage threshold;
- continue to fund our ongoing capital expenditure requirements and invest through the cycle;
- complete selective freehold acquisitions and M&A opportunities that meet our returns thresholds;
- recycle capital from lower returning assets into higher returning investments, when suitable opportunities arise;
- grow dividends in line with earnings; and
- return excess capital to shareholders, dependent on the outlook and market conditions.

During the year, Fitch Ratings (‘Fitch’) changed their approach on lease methodology, moving away from capitalising profit and loss account-derived lease expense to cash lease payments which they consider better represents the Group’s ongoing lease commitments. This change led to a reduction in EBITDAR net leverage for FY24 to 2.6x (from 2.9x previously). Fitch also reviewed the threshold applied to maintain the Group’s investment grade credit rating and reconfirmed the Group’s investment grade credit rating on 29 January 2025 with a stable outlook.

Lease liabilities at the end of the year were £4.2bn (FY24: £4.1bn) and after total capital expenditure of £488m (FY24: £509m), £442m of share buy-backs and dividends and the recent issuance of a new £400m bond[1], our ratio of adjusted EBITDAR to lease-adjusted net debt† using the new Fitch methodology was 3.0x (FY24: 2.6x) versus our threshold of 3.5x.

Given our confidence in the delivery of our Five-Year Plan, the strength of our balance sheet, and the attractive returns available from repurchasing the Group’s shares at current levels, the Board is recommending a final dividend of 60.6p per share (FY24: 62.9p) making a total of 97.0p for the year (FY24: 97.0p), and has announced its intention to accelerate the planned delivery of £2bn of returns with a £250m share buy-back, to be completed over the next twelve months. Further details about the share buy-back can be found in a separate announcement issued today.

1: The Group issued £400m of 5.50% guaranteed notes due in 2032

2:This measure aligns to the Fitch methodology, with the leverage threshold set at 3.5x lease-adjusted net debt : adjusted EBITDAR for BBB- and 3.0x for BBB, both of which are within investment grade

Business strategy

Our ambition is to become the world's leading budget hotel brand, delivering a fantastic experience for our guests, rewarding employment for our teams and long-term, sustainable returns for our shareholders whilst also driving positive change through our Force for Good sustainability programme. To achieve our objective, we are executing the following three pillars of our business strategy:

- continuing to grow and innovate in the UK;
- focus on our strengths to grow in Germany; and
- enhancing our capabilities to support long-term growth.

Each pillar is embedded within our Five-Year Plan that we announced in October 2024 and is set to deliver a step change in our profits, margins and returns.

Five-Year Plan

With the execution of several strategic initiatives and by maintaining a steady level of capital intensity and leverage, by FY30 the Group will:

- **increase Group adjusted PBT† versus FY25 by at least £300m; and**
- **generate more than £2bn available for share buy-backs and dividends.**

We have a strong track record of being able to more than offset UK cost inflation through a combination of cost efficiencies and positive UK like-for-like† sales growth. Our Five-Year Plan illustrates the position assuming we only offset cost inflation over the life of the plan. However, we expect that our actual UK like-for-like† sales growth together with our cost efficiencies will be in excess of UK cost inflation over the life of the plan.

Our progress during FY25 is reinforcing our confidence in the delivery of the plan, each element of which is summarised below:

UK: Accelerating Growth Plan ('AGP') (+£100m adjusted PBT† by FY30)

By optimising the delivery of F&B at around 200 of our sites and converting a number of our lower returning branded restaurants into a more efficient, integrated F&B offer, we will unlock 3,500 new extension rooms. This will deliver incremental adjusted PBT† of at least £100m by FY30.

Whilst the exact phasing of new rooms coming onstream is difficult to predict, the first of our new extension rooms are nearing completion and we expect to have between 500 - 700 extension rooms open towards the end of FY26. We are exiting over 100 branded restaurants and having sold 38 sites for £38m, we also remain confident of exiting the remaining sites over the next 12 months as planned.

UK: network expansion (+£120m adjusted PBT† by FY30)

By opening our current committed pipeline[1] of over 7,000 rooms, adding the 3,500 extensions as a result of our AGP and by adding and opening a further 1,500 rooms over the next few years, we are on course to reach at least 98,000 open rooms by FY30. Before the benefits of our AGP, our network expansion will deliver incremental adjusted PBT† of at least £120m by FY30.

We are confident that these new rooms will be higher returning than our current open estate average. Our committed pipeline[1] has a higher weighting towards London at 42% (open estate: 18%) and freehold at 70% (open estate: 55%), meaning that RevPARs are higher and costs are lower. As we optimise the estate, we are also opening bigger hotels with the committed pipeline[1] hotels having 167 rooms on average (open estate: 101 rooms) which enables us to drive higher levels of profitability. Our 'Hub by Premier Inn' proposition is performing well and we are continuing its expansion over the next few years (23% of committed pipeline[1]).

Having identified catchments where we do not currently have a presence, or where we can add more rooms without cannibalising our existing estate, we have significant growth potential. Drawing upon our suite of development options including new builds, conversions, extensions and single-site acquisitions, the pace and extent of our expansion will be driven by the availability and cost of appropriate sites that can meet our target levels of return.

1: UK and Ireland committed pipeline excluding extension rooms from Accelerating Growth Plan

Germany: network expansion and RevPAR uplift (+£80m adjusted PBT† by FY30)

We are on course to reach profitability in FY26. With the opening of our existing pipeline of 7,000 rooms and the addition of a further 2,000 rooms that will be open by FY30, our open estate will almost double to 20,000 rooms, moving us closer towards our ambition of becoming the country's number one hotel brand. In addition to continuing to grow our network, we are continuing to build the Premier Inn brand; refine our commercial strategy; enhance our business proposition; and optimise our model and product offer.

With the initiatives outlined above, we remain on track to deliver adjusted profit before tax† of between £5m and £10m in FY26. Thereafter, reflecting the increasing maturity of our estate, improved distribution and increased brand awareness, we expect to achieve a network RevPAR of c.€80 and reach double-digit returns on our current open portfolio by FY30. With the benefit of operating leverage, improvements to our operating model and additional scale benefits, we expect Germany to deliver adjusted PBT† of at least £70m[1] by FY30, representing an uplift of at least £80m versus FY25. Thereafter, we expect to make further progress as our estate and brand continue to mature.

1: Using a GBP: EUR exchange rate of 1.18

Strong commercial programme and cost efficiencies

We plan to continue to drive like-for-like† sales momentum through several initiatives that include: continuing to evolve our trading strategies and trading engine; enhancing our digital capabilities including greater usage and functionality of the Premier Inn app; refining our marketing strategies and broadening our distribution with greater use of social media channels such as YouTube and TikTok and exploring the use of third-party channels; broadening our appeal to business guests through Business Booker and TMCs; further improvements to F&B; and continuing to invest in our significant refurbishment plan and ongoing repair and maintenance programme, ensuring that we meet the high standards expected by our guests. Whilst difficult to measure the individual impact of these initiatives on our performance, we believe that each will deliver a positive contribution and help drive like-for-like† sales momentum in FY26.

We are focused on delivering value for our guests and have a long track record of delivering material cost savings which help mitigate the impact of inflation on our UK cost base. Having completed an extensive exercise looking at all areas of our P&L, we are on track to deliver £60m of cost efficiencies in FY26, with a further £190m of savings in aggregate between FY27 and FY30, totalling £250m over the life of the plan. Key areas of saving include: improvements to our operating model, more efficient labour scheduling and further savings unlocked through the deployment of new technology.

Using our balance sheet to fund growth whilst maintaining average net capex at £500m per annum

Our strong balance sheet and prudent investment approach means we can continue to invest in growing our business whilst also increasing our return on capital. Our long-term horizon for investment means we can put capital to work when many of our competitors cannot, allowing us to extend our leadership position in the UK and Ireland and grow our presence in Germany, which is proving that the Premier Inn brand can travel internationally. Having a large portfolio of freehold property with significant in-house property expertise is a major source of commercial and operational advantage:

- maximising our chances of securing the right assets in our target locations because we can access both freehold and leasehold opportunities and can move quickly, funding developments from available resources;
- ensuring we have total control over the location and initial development of the hotel as well as all maintenance and redevelopment, including extensions;
- maximising the commercial opportunity in any location for the Group;
- providing protection from increasing property costs during periods of high or persistent inflation and by offering greater protection during market downturns through lower rent commitments;
- strengthening our financial position and covenant, helping us to secure more favourable lease terms with landlords and attractive financing terms with lenders; and
- enabling us to recycle capital and release significant development profits through the disposal of some of our more mature properties through sale and leasebacks and other property-related transactions.

While freehold sites do benefit from the advantages highlighted above, when assessing the merits of a site, we are broadly agnostic between freehold and leasehold, as long as the resulting returns meet our internal thresholds.

By segmenting our portfolio into a series of categories based on a site's strategic importance, size, location and maturity, we can prioritise any potential opportunities to create further value. This could be through an extension or further development or by adopting a different financial structure that results in development profits and/or additional yield potential. As a result, we have a pool of sites where there is an opportunity to generate additional value, subject to market conditions and funding.

After a challenging period post-pandemic, there are signs that the property investment market is improving and activity levels in the hotel sector are increasing. We completed two sale and leasebacks for £56m in the first half of FY25 at an average yield of just over 4% and are progressing the sale and leaseback of a further seven hotels across a variety of regional UK locations at attractive yields.

With the evidence from these sales, together with other recent freehold and long-leasehold transactions involving Premier Inn hotels, we have instructed our external property valuers to complete a current market valuation of our freehold and long-leasehold estate in the UK, Ireland and Germany based on individual sale and leaseback transaction values. This is the same approach that was used to produce the last market valuation of £4.9bn - £5.8bn that was completed in 2018 and which was based on a yield range of 4.5% - 5.0%, a rent cover range of 2.25x - 2.40x and included £400m of net book value assets that were under construction and non-trading.

As part of our Five-Year Plan we will recycle at least £1bn of our more mature property over the life of the plan. By recycling more of our freehold property into higher returning assets, we can fund all of our plans outlined above and maintain average annual net capex at £500m per annum to FY30.

Force for Good

Being a Force for Good is fundamental to the sustainable and long-term growth of our business. Our programme comprises three core pillars: opportunity, responsibility and community, and has stretching targets that are embedded across all areas of our business, ensuring that responsible business practices are integrated into our operations.

Opportunity

Opportunity at Whitbread is anchored to three key themes within our overall People Plan – diversity and inclusion ('D&I'), wellbeing, and training and development.

We have made good progress over recent years on leadership diversity and have now set stretching targets to take us through to the end of FY26. Our ethnicity target is 10% and we now have 9.3% ethnic representation while we are striving for 45% female representation and currently stand at 39.8%.

We continue to prioritise the wellbeing of our teams, encompassing mental, physical, and financial health. We utilise our trusted experts, Health Partners and Hospitality Action, to provide advice and support, supplementing the activity that we lead internally.

We have enabled several training and development initiatives in the last year. Underlining our commitment to removing barriers we partnered with Barnardo's to develop a 10-week pre-employment programme to support care experienced young people into work with 30 people attending across two pilots to date and we continued our relationship with special educational needs colleges at Derwen and Hereward to provide a pathway to employment for people with learning difficulties. We also developed a layered development programme designed to support internal talent progress to Duty Manager, Hotel Manager, and Multi-Site Hotel Manager, and we offer apprenticeships at all levels in the organisation. We currently have over 750 apprentices in learning with over 300 achieving their qualification this year.

Responsibility

The launch of our AGP, as well as our transition to new national waste and wholesale food partners have both allowed us to further align our Force for Good programme with our core business strategy, seamlessly integrating sustainability into each initiative.

Almost all of the new rooms being added as part of AGP will be all-electric which, together with our decarbonisation programme to replace gas boilers with electric heat pumps, means we are making great progress towards our goal of zero operational carbon emissions by 2040. Our property teams in the UK and Germany are focused on designing energy-efficient hotels and reusing existing structures to help minimise emissions associated with embodied carbon. Over 90% of our new UK hotels have achieved an EPC rating of A or B, while in Germany, all 11 of our new hotels have attained BREEAM Excellent or Good, LEED Gold, or DGNB Gold and Silver certifications.

Our new waste and wholesale partnerships are fully aligned with our waste reduction and supply chain decarbonisation targets. They will also provide us with more data and insight which will help to support the implementation of effective sustainability strategies across our business.

By focusing on reducing waste and optimising resource use we can minimise our environmental impact and also generate cost savings, reinforcing the business case for sustainability. We are trialling innovative AI technology to help analyse food waste, providing insights for menu design and portion sizes.

Our efforts in water conservation, such as the rollout of lower flow showerheads and taps as well as active leak detection and repair, are proving effective in reducing water usage and heating costs as well as carbon emissions from gas boilers.

Community

Giving back to our local communities is a key part of our ethos and we are proud to have launched our latest commitment to raise £20 million by 2026 for the Children's Cancer Centre at Great Ormond Street Hospital, a transformative facility featuring three clinical wards and a patient carer lounge, with completion planned for Spring/Summer 2028. Funds are raised through individual and team-sponsored activities, guest donations made in our hotels and as part of the booking process.

In Germany, we continue to support Children.de, providing opportunities for disadvantaged children to engage in activities that develop important life skills. In Ireland, we partner with the Children's Health Foundation, providing essential medical equipment and rehabilitation support to children with chronic pain.

For further information on our Force for Good programme, please see our most recent ESG Report:
https://www.whitbread.co.uk/sustainability/our-strategy-targets/.

Business Review

Premier Inn UK[1]

£m	FY25	FY24	vs FY24
Statutory Revenue	**2,691**	**2,770**	***(3)%***
Other income (excl rental income)	1	-	*n/a*
Operating costs before depreciation, amortisation & rent	(1,696)	(1,722)	*2%*
Adjusted EBITDAR†	**997**	**1,048**	***(5)%***
Net turnover rent and rental income	1	0	*200%*
Depreciation: Right-of-use asset	(153)	(144)	*(6)%*
Depreciation and amortisation: Other	(193)	(183)	*(6)%*
Adjusted operating profit†	**652**	**722**	***(10)%***
Interest: Lease liability	(145)	(134)	*(8)%*
Adjusted profit before tax†	**507**	**588**	***(14)%***
ROCE†	**12.9%**	15.5%	*(260)bps*
PBT Margins†	**18.8%**	21.2%	*(240)bps*

Premier Inn UK[1] key performance indicators

	FY25	FY24	vs FY24
Number of hotels	852	853	*0%*
Number of rooms	85,984	85,443	*1%*
Committed pipeline (new rooms)[2]	7,192	6,795	*6%*
Committed pipeline (AGP extension rooms)[3]	1,030	-	*n/a*
Occupancy	81.0%	82.2%	*(120)bps*
Average room rate†	£79.52	£79.76	*0%*
Revenue per available room†	£64.42	£65.56	*(2)%*
Sales growth:			
Accommodation			*0%*
Food & beverage			*(11)%*
Total			*(3)%*
Like-for-like† sales growth:			
Accommodation			*(2)%*
Food & beverage			*(2)%*
Total			*(2)%*

1: Includes one site in each of: Guernsey and the Isle of Man, two sites in Jersey and six sites in Ireland
2: UK and Ireland committed pipeline excluding extension rooms from Accelerating Growth Plan
3: Planning approval received for Accelerating Growth Plan extension rooms

Premier Inn UK's total statutory revenue was down 3%, reflecting an 11% reduction in F&B sales driven by the impact of AGP and a softer level of UK hotel market demand than last year. Total accommodation sales were in line with last year and +0.7pp ahead of the wider M&E market, with a 2% decline in RevPAR offset by net room growth. Despite the softer demand environment, Premier Inn maintained a healthy RevPAR premium versus the M&E market of £5.49, underpinned by our scale, brand strength, commercial expertise, operational excellence and vertically integrated operating model.

UK performance vs M&E market

	H1 FY25	H2 FY25	FY25
PI accommodation sales growth performance (vs FY24)[1]	+0.5pp	+0.9pp	**+0.7pp**
PI occupancy growth performance (vs FY24)[1]	(1.3)pp	(0.8)pp	**(1.0)pp**
PI ARR growth performance (vs FY24)[1]	+0.7pp	+1.2pp	**+1.0pp**
PI RevPAR premium (absolute)[1]	+£5.89	+£5.10	**+£5.49**
PI market share[2]	8.4%	8.1%	**8.3%**
PI market share gains (vs FY24)[2]	(0.3)pp	(0.3)pp	**(0.3)pp**

1: STR data, standard basis, Premier Inn accommodation revenue, occupancy, ARR and RevPAR 1 March 2024 to 27 February 2025, UK M&E market excludes Premier Inn
2: STR data, revenue share of total UK market, 1 March 2024 to 27 February 2025

The impact of transitioning some of our lower-returning branded restaurants to a more efficient, integrated format as part of AGP, was in line with our expectations. While mitigated in part by strong breakfast sales in our integrated restaurants, total F&B revenues were 11% lower than last year.

Operating costs reduced to £1,696m (FY24: £1,722m). While inflation across a number of cost lines and further estate growth increased cost pressures, these were more than offset by the removal of F&B costs associated with AGP and an increased level of cost efficiencies. As expected, the reduction in F&B revenues from AGP was not fully matched by a reduction in costs, prompting a reduction in adjusted EBITDAR† to £997m (FY24: £1,048m).

Right-of-use asset depreciation in the period increased by 6% to £153m and lease liability interest increased by 8% to £145m reflecting recent growth in our leasehold estate and the impact of rent reviews completed during the period. We opened a total of 1,075 hotel rooms during the year and closed 534 lower-returning rooms as we seek to optimise the portfolio to drive higher returns. As at 27 February 2025, we had 85,984 rooms across 852 hotels that were open for business with a further 7,192 new rooms committed[1], the majority of which are freehold, plus an additional 1,030 AGP extension rooms that are also committed[2].

UK adjusted profit before tax† fell by 14% to £507m (FY24: £588m) reflecting the impact of AGP, softer hotel market demand and cost inflation. As a result, UK adjusted pre-tax margins† reduced to 18.8% (FY24: 21.2%) and UK ROCE† was 12.9% (FY24: 15.5%).

1: UK and Ireland committed pipeline excluding extension rooms from Accelerating Growth Plan
2: Planning approval received for Accelerating Growth Plan extension rooms

Premier Inn Germany[1]

£m	FY25	FY24	vs FY24	vs FY24 CC[2]
Statutory revenue	**231**	**190**	***21%***	***24%***
Other income (excl. rental income)	0	3	*(96)%*	*(97)%*
Operating costs before depreciation, amortisation and rent	(165)	(151)	*(9)%*	*(12)%*
Adjusted EBITDAR†	**66**	**42**	***58%***	***62%***
Net turnover rent and rental income	0	0	*200%*	*300%*
Depreciation: Right-of-use asset	(42)	(39)	*(5)%*	*(8)%*
Depreciation and amortisation: Other	(15)	(17)	*16%*	*13%*
Adjusted operating profit / (loss)†	**10**	**(15)**	***166%***	***167%***
Interest: Lease liability	(21)	(21)	*(1)%*	*(4)%*
Adjusted loss before tax†	**(11)**	**(36)**	***69%***	***68%***

Premier Inn Germany[1] key performance indicators

	FY25	FY24	vs FY24	vs FY24 CC[2]
Number of hotels	62	59	*5%*	-
Number of rooms	10,965	10,506	*4%*	-
Committed pipeline (rooms)	7,265	6,286	*16%*	-
Occupancy	67.8%	61.8%	*600bps*	-
Average room rate†	£75.08	£71.88	*4%*	*7%*
Revenue per available room†	£50.90	£44.44	*15%*	*18%*
Sales growth:				
Accommodation			*21%*	*25%*
Food & beverage			*20%*	*23%*
Total			*21%*	*24%*
Like-for-like† sales growth:				
Accommodation			*18%*	*21%*
Food & beverage			*16%*	*20%*
Total			*18%*	*21%*

1: Includes one site in Austria
2: On a constant currency basis, EUR

Total statutory revenue in Germany increased by 24% in local currency, reflecting: the increasing maturity of our estate and brand; a strong events calendar; improvements made to our trading strategies, especially for key events; the broadening of our distribution across new channels, including OTAs; and increasing brand awareness through increased distribution and effective online marketing campaigns. Total estate RevPAR increased by 18% to €60 and RevPAR for our cohort of 17 more established hotels[4] increased by 17% to €67, outperforming the wider M&E market.

Germany performance vs M&E market

	H1 FY25	H2 FY25	FY25
Germany M&E RevPAR performance[3]	€60	€54	€57
PI more established hotels RevPAR performance[4]	€67	€67	€67
PI total hotels RevPAR performance[4]	€61	€60	€61

3: STR data, standard methodology basis, 1 March 2024 to 27 February 2025, M&E excludes Premier Inn
4: Premier Inn more established hotels: open and trading under the Premier Inn brand for 12 consecutive months as at 4 March 2022: 17 hotels and Premier Inn total: 60 hotels as at 27 February 2025

Other income in the period was £nil, while FY24 included the release of a £3m provision relating to a prior year claim for Government support which has since been finalised.

Operating costs in the period increased by 9% to £165m (FY24: £151m) reflecting cost inflation and the impact of new hotel openings. As a budget hotel operator, we are determined to ensure that our operating model is as efficient as possible, delivering a great guest experience whilst also keeping tight control over our costs. During the year and reflecting our increased scale and density of footprint, we were able to increase our spans of control with a more streamlined management structure, increasing our agility and reducing our costs. The full year impact of recent additions to our leasehold estate meant that right-of-use asset depreciation increased to £42m and lease liability costs were £21m. Other depreciation and amortisation charges of £15m reflected the growing size of our hotel network.

As at 27 February 2025, we had 62 hotels open and trading with a total of 10,965 rooms. During the year we secured a number of new freehold and leasehold opportunities with the result that our committed pipeline increased by 16% to 7,265 rooms and we remain on course to reach 20,000 open rooms by FY30.

The quality of our hotel product, the progressive maturity of our estate and the success of our commercial initiatives are combining to both raise our brand awareness and increase customer volumes. By continuing to carefully manage our costs we significantly reduced our adjusted loss before tax† to £11m (FY24: £36m loss).

Central and other costs

£m	FY25	FY24	vs FY24
Operating costs before depreciation, amortisation and rent	(37)	(36)	*(3)%*
Share of profit from joint ventures	5	4	*15%*
Adjusted operating loss†	**(32)**	**(32)**	***(1)%***
Net finance income	20	42	*(51)%*
Adjusted (loss) / profit before tax†	**(12)**	**10**	***(226)%***

Central operating costs increased slightly to £37m (FY24: £36m). Net finance income (excluding lease liability interest) reduced to £20m (FY24: £42m) reflecting a reduction in interest receivable on the Group's cash balances to £34m (FY24: £50m) and a reduction in IAS 19 pension net finance income to £8m (FY24: £16m).

Financial review

Financial highlights

£m	FY25	FY24	vs FY24
Statutory revenue	**2,922**	**2,960**	***(1)%***
Other income (excl rental income)	1	3	*(63)%*
Operating costs before depreciation, amortisation and rent	(1,893)	(1,906)	*1%*
Adjusted EBITDAR†	**1,030**	**1,057**	***(3)%***
Net turnover rent and rental income	2	1	*200%*
Depreciation: Right-of-use asset	(194)	(183)	*(6)%*
Depreciation and amortisation: Other	(208)	(200)	*(4)%*
Adjusted operating profit†	**630**	**674**	***(7)%***
Net finance income (excl. lease liability interest)	20	42	*(51)%*
Interest: Lease liability	(167)	(155)	*(8)%*
Adjusted profit before tax†	**483**	**561**	***(14)%***
Adjusting items	(116)	(109)	*(6)%*
Statutory profit before tax	**368**	**452**	***(19)%***
Tax expense	(114)	(140)	*18%*
Statutory profit after tax	**254**	**312**	***(19)%***

Statutory revenue
Statutory revenue was slightly lower than what was a strong performance last year, reflecting a reduction in F&B revenues as a result of AGP and softer UK market demand, offset by our continued estate growth across the UK and excellent progress in Germany.

Adjusted EBITDAR
Other income in the period was £1m, while FY24 other income included a £3m provision release relating to a prior year claim for Government support which has since been finalised. Operating costs in the period were £1,893m, 1% lower than last year (FY24: £1,906m), with increased levels of cost inflation and our continued estate growth across the UK and Germany, largely mitigated by AGP and good progress on cost efficiencies. As a result, adjusted EBITDAR† decreased by 3% to £1,030m (FY24: £1,057m).

Adjusted operating profit
The increase in the size of our leasehold estate across the UK and Germany resulted in a 6% uplift to right-of-use asset depreciation to £194m (FY24: £183m). The addition of new hotels in combination with our continued focus of investing in our core estate meant that other depreciation and amortisation charges increased by 4% to £208m (FY24: £200m). As a result, adjusted operating profit† decreased by 7% to £630m (FY24: £674m).

Net finance costs
Lower cash balances reflected our capital expenditure programme and share buy-backs completed during the year, resulting in lower interest receivable of £34m (FY24: £50m). A reduction in IAS 19 pension net finance income to £8m (FY24: £16m) resulted in a reduced net finance credit (excluding lease liability interest) for the period of £20m (FY24: £42m credit). Lease liability interest increased by 8% to £167m, primarily driven by the opening of new leasehold hotels across the UK and Germany.

Adjusted profit before tax
Adjusted profit before tax† for the year was £483m, compared to a profit of £561m in FY24.

Adjusting items
Total adjusting items before tax were a charge of £116m for the year compared to a £109m charge in FY24.

The Group has completed a review of site-level FY25 performance that identified a number of sites for an impairment review. Within the UK, a net impairment charge of £43m has been recorded in relation to AGP, with £10m net impairment charge over the rest of the UK estate. The Group's impairment review process of the German estate has resulted in adjusting net impairment charges of £22m relating to five sites in Germany.

During the year, the Group made gains on property disposals (including sale and leasebacks) of £40m and created a provision in relation to damaged inventory of £4m.

The Group has assessed the presentation of costs incurred in relation to the implementation of the new hotel management system, HR & payroll system, restaurant system and our strategic network programme, upgrading the IT networks across our estate. Cash costs incurred on the programmes and presented within adjusting items in the year were £25m, with cumulative cash costs to date being £66m (FY24: £41m). At this time the Group expects to incur future cash costs presented within adjusting items in the next financial year of between £5m and £15m.

The Group incurred legal, advisory and project management costs in connection with AGP as well as redundancy costs. This plan represents a significant business change for the Group's strategic focus in relation to F&B. Cash costs incurred by AGP and presented within adjusting items in the period were £20m, with cumulative cash costs to date being £26m. At this time the Group expects to incur future cash costs presented within this adjusting item in FY26 of up to £10m.

The Group incurred contract exit fees in relation to a supplier of £24m. The decision to exit allows the Group to make use of a different supply model and it is expected that the commercial and strategic benefit will accrue over several years.

During the year, the Group restructured its UK and Germany Support Centres, as well as its site operations in Germany resulting in a charge of £9m, with £7m of this within provisions at the end of the year.

Taxation
The tax charge of £134m on the profit before adjusting items (FY24: £160m) represents an effective tax rate on the profit before adjusting items of 27.8% (FY24: 28.5%). This is higher than the UK corporate tax rate of 25.0%, primarily due to the impact of overseas tax losses for which no deferred tax has been recognised. The statutory tax charge for the period of £114m (FY24: £140m) represents an effective tax rate of 31.0% (FY24: 30.9%). This is higher than the effective tax rate on the profit before adjusting items of 27.8%, primarily due to impact of the impairment of Germany property in the year.

Statutory profit after tax
Reflecting all of the movements above, statutory profit after tax for the year was £254m, compared to a profit of £312m in FY24.

Earnings per share

	FY25	**FY24**	***vs FY24***
Adjusted basic profit / earnings per share†	**194.6p**	206.9p	*(6)%*
Statutory basic profit / earnings per share	**141.5p**	161.0p	*(12)%*

Adjusted basic profit per share† of 194.6p and statutory basic profit per share of 141.5p reflect the adjusted and statutory profits reported in the year and are based on a weighted average number of shares of 179m (FY24: 194m). The reduction in the weighted average number of shares reflects shares purchased and cancelled as part of the Group's previously announced share buy-back programmes.

Dividend
Given the Board's confidence in delivering a step change in performance, as outlined by our Five-Year Plan and the Group's strong balance sheet, the Board has recommended a final dividend per share of 60.6 pence (FY24: 62.9 pence), taking the total dividend per share for the year to 97.0p (FY24: 97.0p). The final dividend will be paid on 4 July 2025 to all shareholders on the register at the close of business on 23 May 2025. Shareholders will be offered the option to participate in a dividend re-investment plan. The Group's dividend policy is to grow the dividend broadly in line with earnings across the cycle. Full details are set out in note 8 to the accompanying financial statements.

Cashflow

£m	FY25	FY24
Adjusted EBITDAR†	**1,030**	**1,057**
Change in working capital	5	34
Net turnover rent and rental income	2	1
Lease liability interest and lease repayments	(313)	(305)
Adjusted operating cashflow†	**723**	**787**
Interest (excl. lease liability interest)	8	22
Corporate taxes	(50)	(53)
Pension	(18)	(18)
Capital expenditure: non-expansionary	(247)	(253)
Capital expenditure: expansionary[1]	(241)	(256)
Pre-paid property acquisition cost	(12)	0
Disposal Proceeds	137	57
Other	(40)	0
Cashflow before shareholder returns / receipts and debt repayments	**260**	**286**
Dividend	(178)	(165)
Share buy-back	(264)	(591)
Payment of facility fees and costs of long-term borrowings	(2)	(1)
Net cashflow	**(185)**	**(470)**
Opening net (debt)/cash†	(298)	171
Closing net (debt)†	**(483)**	**(298)**

1: FY25 includes £2m payment of contingent consideration (FY24: £nil payment of contingent consideration)

The strength of our vertically integrated model meant that despite the lower UK revenues, we made strong progress on cost efficiencies and together with an improved performance in Germany, adjusted EBITDAR† was £1,030m (FY24: £1,057m). Lease liability interest and lease repayments increased by £8m to £313m reflecting the addition of new leasehold hotels in the UK and Germany. Together with a working capital inflow of £5m (FY24: £34m), this meant that adjusted operating cashflow† was £723m (FY24: £787m).

The corporation tax net outflow in the period was £50m (FY24: £53m). This comprises payments of £49m in the UK, £1m in Germany.

Non-expansionary capital expenditure in the period of £247m partly reflects activity relating to our accelerated refurbishment programme, in addition to spend incurred for the Group's strategic IT projects. Expansionary capital expenditure of £241m was £15m lower than last year, reflecting the continued development of our committed pipelines in both the UK and Germany and the investment in our AGP.

We continue to optimise our estate and seek to take advantage of value-enhancing opportunities. Disposal proceeds of £137m includes £56m of sale and leasebacks together with £15m of AGP related disposals and £66m of non-AGP related disposals.

The significant operating cashflow generated in the period helped to fund our continued programme of investment, resulting in a cash inflow before shareholder returns of £260m (FY24: £286m).

As announced with the Group's preliminary results on 30 April 2024, the Board recommended an increased final dividend of 62.9 pence per share reflecting the strength of the Group's FY24 performance and confidence in the outlook. The resulting payment of £115m was paid on 5 July 2024. At the interim results in October 2024, the Board declared an interim dividend of 36.4 pence per share, resulting in a £65m total interim dividend payment.

On 29 April 2024, the Board approved a £150m share buy-back which completed on 24 July 2024. At the interim results in October 2024, the Board approved a further £100m share buy-back which was completed on 13 November 2024.

As a result, net debt† at the end of the period was £483m (FY24: £298m).

Debt funding facilities & liquidity

£m	Facility	Utilised	Maturity
Revolving Credit Facility	(775)	-	2029
Bond	(450)	(450)	2025
Green Bond	(300)	(300)	2027
Green Bond	(250)	(250)	2031
Bond	(400)	(400)	2032
	(2,175)	**(1,400)**	
Cash and cash equivalents		909	
Total facilities utilised, net of cash[1]		**(491)**	
Net debt†		**(483)**	
Net debt and lease liabilities†		**(4,717)**	

The Group's objective is to manage to investment grade metrics, maintaining a lease-adjusted leverage† ratio of less than 3.5x over the medium term[2]. In January 2025, we received confirmation from Fitch Ratings that we have maintained our investment grade status with a rating of BBB. The Group's lease-adjusted net debt was £3,082m (FY24: £2,757m) and the lease-adjusted leverage† ratio was 3.0x (FY24: 2.6x). As at 27 February 2025, £35m of the £775m Revolving Credit Facility is carved-out as an ancillary guarantee facility for the Group's use in Germany. At 27 February 2025, guarantees issued using the Commerzbank line totalled €30m (FY24: €23m).

The 2032 bonds were issued on 12 February 2025 and interest is payable semi-annually on 31 May and 30 November. The bonds pay a fixed coupon of 5.50% of face value and are unsecured. On issue of these bonds, the Group received proceeds net of discount and costs of hedging of £398.3m and incurred fees of £2.3m. The proceeds of the bonds will be used for general corporate purposes, including the refinancing of existing debt.

1: Excludes unamortised fees associated with the debt instrument
2: This measure aligns to the Fitch methodology, with the leverage threshold set at 3.5x lease-adjusted net debt : adjusted EBITDAR for BBB- and 3.0x for BBB, both of which are within investment grade.

Capital investment

£m	FY25	FY24
UK maintenance and product improvement	240	249
New / extended UK hotels	179	172
Germany and Middle East[1]	69	88
Total	**488**	**509**

1: FY25 includes £2m payment of contingent consideration (FY24: £nil)

UK maintenance expenditure in the period was slightly lower than last year at £240m (FY24: £249m) and related to our accelerated refurbishment programme and spend relating to the Group's strategic IT projects. UK expansionary spend of £179m includes the development of our committed pipeline as well as spend relating to the first phase of AGP. In Germany, capital expenditure of £69m was £19m lower than last year. As a result, total capital expenditure was £488m (FY24: £509m).

The balance sheet value of property, plant and equipment increased to £4.7bn (FY24: £4.6bn) as the increased expenditure in growing and maintaining our estate was offset by transfers to assets held for sale, depreciation and impairment charges.

Property backed balance sheet

Freehold / leasehold mix	Open estate	Total estate[1]
Premier Inn UK	55%:45%	57%:43%
Premier Inn Germany	23%:77%	30%:70%
Group	52%:48%	52%:48%

1: Open plus committed pipeline

The current open UK estate is 55% freehold and 45% leasehold; However, as the existing committed pipeline is brought onstream, the mix will be slightly more weighted towards freehold. The current estate in Germany is 23% freehold and 77% leasehold reflecting the skew towards leasehold properties in city centre locations, however with the opening of our committed pipeline, this will shift to 30% freehold and 70% leasehold.

The new site openings in Germany and continued expansion in the UK resulted in right-of-use assets increasing to £3.7bn (FY24: £3.6bn) and lease liabilities increasing to £4.2bn (FY24: £4.1bn).

Return on Capital[1]

Returns	FY25	FY24
Group ROCE†	**11.3%**	13.1%
UK ROCE†	**12.9%**	15.5%

1: Germany ROCE not disclosed as losses were incurred in the period

Group ROCE† in the period was 11.3% reflecting several factors including lower UK revenues and the impact of AGP, partially mitigated by strong progress in Germany.

Events after the balance sheet date

The Board of Directors approved a share buy-back on 30 April 2025 for £250m and is in the process of appointing the relevant brokers to undertake the programme in accordance with that approval.

Pension

The Group's defined benefit pension scheme, the Whitbread Group Pension Fund (the 'Pension Fund'), had an IAS19 Employee Benefits surplus of £135m at the end of the period (FY24: £165m). The change in surplus was primarily driven by: asset performance being lower than the discount rate; and changes in demographic assumptions which increased the assessed value of the pension obligations. These factors were partially offset by an increase in corporate bond yields resulting in an increase in the discount rate used to value the liabilities.

There are currently no deficit reduction contributions being paid to the Pension Fund, however this year an annual contribution was paid to the Fund through the Scottish Partnership arrangements which amount to approximately £12m. The Trustee holds security over £532m of Whitbread's freehold property which will remain at this level until no further obligations are due under the Scottish Partnership arrangements, which is expected to be in 2026. Following that, the security held by the Trustee will be the lower of: £500m; and 120% of the buy-out deficit and will remain in place until there is no longer a buy-out deficit. The Pension Fund is currently in the process of conducting the triennial actuarial valuation of the Fund as at 31 March 2025.

Going concern

The directors have concluded that it is appropriate for the consolidated financial statements to be prepared on the going concern basis. Full details are set out in note 1 of the attached financial statements.

Risks and uncertainties

The directors have reconsidered the principal risks and uncertainties of the Group, which are summarised below.

Whitbread's risk profile remained relatively stable across its highest rated risks, which acknowledge ongoing external uncertainties such as geopolitical conflicts and weak near-term sentiment regarding economic growth in both the UK and Germany. This more cautious outlook has been heavily influenced by a more conservative approach to rate cuts being adopted by central banks, with inflation now expected to persist longer. At the same time, hotel market demand continues to be a subdued; and we remain mindful that reduced levels of disposable income may lead to a softening of consumer sentiment prompting increased pressure on GDP growth.

The Group is undergoing a heightened period of change that is expected to continue for the next three years as new organisational structures are finalised and embedded, and as several significant strategic programmes are delivered. These initiatives impact many areas of our business including our people, property, technology, supply chain, commercial efforts and guest contact points, testing the capacity and resilience of the organisation. In order to ensure as smooth a transition as possible, careful planning and execution are paramount so that the full benefits of these changes can be realised as expected.

Acknowledging the changing nature of the Group's principal risks and how they might impact our business, we have updated the descriptions of the Group's key risks as follows:

- **Uncertain economic outlook** – in both the UK and Germany due to broader macroeconomic trends, geopolitical volatility and local political instability, affecting consumer confidence, reduced travel and ultimately weaker hotel market demand and higher costs;

- **Cyber and data security** – data breaches or operational disruption caused by malware such as ransomware, resulting in a loss of brand trust and regulatory fines;

- **Strategic business change and interdependencies** – being unable to deliver major transformational programmes, across successive years and failing to realise targeted benefits due to the high volume of change;

- **Prolonged focus on food and beverage propositions** – continued uncertainty for our guests and team members along with proposition changes could damage brand perception, reduce our share of the branded restaurant market and put pressure on our ability to maintain a RevPAR premium in our Premier Inn hotels versus the wider M&E market;

- **Brand strength and customer demand** – these key success factors can be influenced by sector specific influences including changes in customer behaviour, brand perception and competitor activity. To remain relevant and resilient against potential threats from digital disruptors, especially during periods of market weakness or challenging economic conditions, the Group must continually adapt and strengthen its brands;

- **Extended stagnation of the Property market** – if stagnation continues for longer than expected and impacts our ability to maintain the pipeline in both UK and Germany, this could put pressure on our returns and growth in subsequent years;

- **Profitable growth in Germany** – we may be unable to execute our strategy in Germany successfully;

- **Health & safety** – adverse publicity and damage to our brand due to death or serious injury as a result of company negligence, or a significant incident resulting from food, in particular the risk from allergens, as well as fire, terrorism or another safety failure;

- **Talent, attraction and retention** – albeit stable currently, labour market challenges may be compounded by real cost-of-living pressures and 'hot spots' covering specific roles. Additionally, planned leadership and management changes, along with broader business transformations, contribute to uncertainty, impacting engagement and causing disruption;

- **Third-party arrangements** – business interruption due to withdrawal of services by one or more of the Group's critical suppliers; provision of services below acceptable standards; lack of or failure of information security controls; and/or reputational damage because of unethical supplier practices; and

- **Environmental, Social and Governance including climate change risk** – this encompasses a broad range of risks that may arise individually or collectively. Examples include: failing to meet carbon targets, extreme weather events impacting natural resources, socially unacceptable practices and the increasing volume of regulatory change and compliance requirements.

The Board continually assesses a broad spectrum of emerging risks and their potential impact on the Group's strategic objectives. Over the past year, we have identified several emerging risks including: how changes to the way in which countries work together is affecting the balance of power around the world; the potential importance of recycling our assets to generate cash for future growth; the rapid pace of technological and digital advancements and our ability to respond effectively to seize opportunities; and the challenges or investments required in our operating model to ensure long-term efficiency savings.

Our approach to identifying and managing emerging risks is embedded into the risk management framework and integrated through the Group's policies and risk control mechanisms.

The detail of our principal risks can be found in our Annual Report which is available on the website www.whitbread.co.uk.

American Depositary Receipts

Whitbread has established a sponsored Level 1 American Depositary Receipt ('ADR') programme for which JP Morgan perform the role of depositary bank. The Level 1 ADR programme trades on the U.S. over the counter ('OTC') markets under the symbol WTBDY (it is not listed on a U.S. stock exchange).

Notes

†The Group uses certain APMs to help evaluate the Group's financial performance, position and cashflows, and believes that such measures provide an enhanced understanding of the Group's results and related trends and allow for comparisons of the financial performance of the Group's businesses either from one period to another or with other similar businesses. However, APMs are not defined by IFRS and therefore may not be directly comparable with similarly titled measures reported by other companies. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures. APMs used in this announcement include like-for-like revenue, revenue per available room ('RevPAR'), average room rate ('ARR'), direct bookings/distribution, adjusted operating profit / (loss), return on capital employed ('ROCE'), adjusted pre-tax profit margins, adjusted profit / (loss) before tax, adjusted basic profit / earnings per share, net cash / (debt), net cash / (debt) and lease liabilities, lease-adjusted net debt / (cash), lease-adjusted net debt to adjusted EBITDAR for leverage, adjusted operating cashflow, adjusted EBITDA (post-IFRS 16), adjusted EBITDA (pre-IFRS 16) and adjusted EBITDAR. Further information can be found in the glossary and reconciliation of APMs at the end of this document.

Consolidated income statement

Continuing operations	Notes	52 weeks to 27 February 2025 Before adjusting items £m	Adjusting items (Note 4) £m	Total £m	52 weeks to 29 February 2024 Before adjusting items £m	Adjusting items (Note 4) £m	Total £m
Revenue	2	**2,921.9**	**-**	**2,921.9**	2,959.9	-	2,959.9
Other income		**6.5**	**0.9**	**7.4**	6.7	6.9	13.6
Operating costs	3	**(2,303.5)**	**(116.5)**	**(2,420.0)**	(2,296.5)	(125.2)	(2,421.7)
Operating profit before joint ventures		**624.9**	**(115.6)**	**509.3**	670.1	(118.3)	551.8
Share of profit from joint ventures		**4.7**	**-**	**4.7**	4.1	8.9	13.0
Operating profit	2	**629.6**	**(115.6)**	**514.0**	674.2	(109.4)	564.8
Finance costs	5	**(188.5)**	**-**	**(188.5)**	(179.3)	-	(179.3)
Finance income	5	**42.3**	**-**	**42.3**	66.2	-	66.2
Profit before tax	2	**483.4**	**(115.6)**	**367.8**	561.1	(109.4)	451.7
Tax expense	6	**(134.4)**	**20.3**	**(114.1)**	(159.9)	20.3	(139.6)
Profit for the year		**349.0**	**(95.3)**	**253.7**	401.2	(89.1)	312.1

Earnings per share (Note 7)	52 weeks to 27 February 2025 pence	pence	pence	52 weeks to 29 February 2024 pence	pence	pence
Basic	**194.6**	**(53.1)**	**141.5**	206.9	(45.9)	161.0
Diluted	**193.4**	**(52.8)**	**140.6**	205.5	(45.6)	159.9

Consolidated statement of comprehensive income

	Notes	**52 weeks to 27 February 2025 £m**	52 weeks to 29 February 2024 £m
Profit for the year		**253.7**	312.1
Items that will not be reclassified to the income statement:			
Remeasurement loss on defined benefit pension scheme	15	**(51.7)**	(188.2)
Current tax on defined benefit pension scheme	6	**(1.8)**	(10.0)
Deferred tax on defined benefit pension scheme	6	**14.4**	59.5
		(39.1)	(138.7)
Items that may be reclassified subsequently to the income statement:			
Net gain/(loss) on cash flow hedges:			
Net fair value movement		**5.7**	(14.6)
Reclassified and reported in the consolidated income statement		**8.8**	-
Deferred tax on cash flow hedges	6	**(3.6)**	4.3
Net gain on hedge of a net investment		**16.1**	10.4
Current tax on hedge of a net investment	6	**(2.1)**	(1.2)
Cost of hedging		**1.1**	1.1
		26.0	-
Exchange differences on translation of foreign operations		**(20.9)**	(21.7)
Current tax on exchange differences on translation of foreign operations	6	**2.4**	2.7
		(18.5)	(19.0)
Other comprehensive loss for the year, net of tax		**(31.6)**	(157.7)
Total comprehensive income for the year, net of tax		**222.1**	154.4

Consolidated statement of changes in equity

	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Currency translation reserve £m	Other reserves £m	Total £m
At 2 March 2023	164.9	1,026.6	50.2	5,230.1	35.0	(2,395.4)	4,111.4
Profit for the year	-	-	-	312.1	-	-	312.1
Other comprehensive loss	-	-	-	(138.7)	(9.1)	(9.9)	(157.7)
Total comprehensive income/(loss)	-	-	-	173.4	(9.1)	(9.9)	154.4
Ordinary shares issued on exercise of employee share options	0.2	5.2	-	-	-	-	5.4
Loss on ESOT shares issued	-	-	-	(6.4)	-	6.4	-
Accrued share-based payments	-	-	-	15.8	-	-	15.8
Tax on share-based payments	-	-	-	0.5	-	-	0.5
Equity dividends paid (Note 8)	-	-	-	(164.7)	-	-	(164.7)
Share buy-back, commitment and cancellation (Note 13)	(13.3)	-	13.3	(603.4)	-	-	(603.4)
At 29 February 2024	151.8	1,031.8	63.5	4,645.3	25.9	(2,398.9)	3,519.4
Profit for the year	**-**	**-**	**-**	**253.7**	**-**	**-**	**253.7**
Other comprehensive (loss)/income	**-**	**-**	**-**	**(39.1)**	**(3.9)**	**11.4**	**(31.6)**
Total comprehensive income/(loss)	**-**	**-**	**-**	**214.6**	**(3.9)**	**11.4**	**222.1**
Ordinary shares issued	**0.1**	**7.0**	**-**	**-**	**-**	**-**	**7.1**
Loss on ESOT shares issued	**-**	**-**	**-**	**(8.1)**	**-**	**8.1**	**-**
Accrued share-based payments	**-**	**-**	**-**	**16.8**	**-**	**-**	**16.8**
Tax on share-based payments	**-**	**-**	**-**	**(0.8)**	**-**	**-**	**(0.8)**
Equity dividends paid (Note 8)	**-**	**-**	**-**	**(178.1)**	**-**	**-**	**(178.1)**
Share buy-back, commitment and cancellation (Note 13)	**(6.8)**	**-**	**6.8**	**(252.0)**	**-**	**-**	**(252.0)**
Conversion of preference share capital	**0.1**	**(0.1)**	**-**	**-**	**-**	**-**	**-**
At 27 February 2025	**145.2**	**1,038.7**	**70.3**	**4,437.7**	**22.0**	**(2,379.4)**	**3,334.5**

Consolidated balance sheet

	Notes	27 February 2025 £m	29 February 2024 £m
Non-current assets			
Intangible assets		**174.3**	185.0
Right-of-use assets		**3,662.7**	3,597.0
Property, plant and equipment	9	**4,677.4**	4,627.9
Investment in joint ventures		**54.4**	50.8
Derivative financial instruments		**-**	3.8
Defined benefit pension surplus	15	**134.6**	165.2
		8,703.4	8,629.7
Current assets			
Inventories		**17.1**	21.2
Derivative financial instruments		**19.9**	-
Trade and other receivables		**127.1**	119.3
Cash and cash equivalents		**909.0**	696.7
		1,073.1	837.2
Assets classified as held for sale	11	**128.2**	54.4
Total assets		**9,904.7**	9,521.3
Current liabilities			
Borrowings		**450.0**	-
Lease liabilities		**167.0**	155.6
Provisions		**27.6**	10.3
Derivative financial instruments		**1.4**	11.5
Current tax liabilities		**12.2**	10.2
Trade and other payables		**660.8**	670.5
Other financial liabilities		**-**	12.3
		1,319.0	870.4
Non-current liabilities			
Borrowings		**942.4**	994.9
Lease liabilities		**4,066.8**	3,942.8
Provisions		**7.2**	8.3
Derivative financial instruments		**-**	4.4
Deferred tax liabilities		**234.8**	181.1
		5,251.2	5,131.5
Total liabilities		**6,570.2**	6,001.9
Net assets		**3,334.5**	3,519.4
Equity			
Share capital	13	**145.2**	151.8
Share premium		**1,038.7**	1,031.8
Capital redemption reserve		**70.3**	63.5
Retained earnings		**4,437.7**	4,645.3
Currency translation reserve		**22.0**	25.9
Other reserves		**(2,379.4)**	(2,398.9)
Total equity		**3,334.5**	3,519.4

Consolidated cash flow statement

	Notes	**52 weeks to 27 February 2025 £m**	52 weeks to 29 February 2024 £m
Cash generated from operations	14	**1,004.5**	1,086.7
Payments against provisions		**(15.5)**	(5.0)
Defined benefit pension scheme payments	15	**(17.9)**	(17.5)
Interest paid on lease liabilities		**(166.7)**	(154.9)
Interest paid on other items		**(26.0)**	(26.3)
Interest received		**33.5**	48.2
Corporation taxes paid		**(50.2)**	(53.3)
Net cash flows from operating activities		**761.7**	877.9
Cash flows used in investing activities			
Cash paid in advance for purchase of property		**(12.2)**	-
Purchase of property, plant and equipment	2	**(466.4)**	(479.9)
Proceeds from disposal of property, plant and equipment		**136.5**	56.9
Investment in intangible assets	2	**(19.6)**	(28.6)
Payment of deferred and contingent consideration		**(1.9)**	-
Distributions received from joint ventures		**1.2**	7.7
Net cash flows used in investing activities		**(362.4)**	(443.9)
Cash flows used in financing activities			
Proceeds from issue of ordinary shares		**7.1**	5.4
Proceeds from issuance of debt		**398.3**	-
Payment of facility fees and costs of long term borrowings		**(3.1)**	(0.8)
Net lease incentives received / (paid)		**2.7**	(2.7)
Payment of principal of lease liabilities		**(148.7)**	(147.1)
Purchase of own shares, including transaction costs		**(264.3)**	(591.1)
Dividends paid		**(178.1)**	(164.7)
Net cash flows used in financing activities		**(186.1)**	(901.0)
Net increase / (decrease) in cash and cash equivalents	12	**213.2**	(467.0)
Opening cash and cash equivalents	12	**696.7**	1,164.8
Foreign exchange differences	12	**(0.9)**	(1.1)
Closing cash and cash equivalents		**909.0**	696.7

Notes to the consolidated financial statements

1. General information, basis of accounting and preparation

General information

The consolidated financial statements and preliminary announcement of Whitbread PLC for the year ended 27 February 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2025.

The financial year represents the 52 weeks to 27 February 2025 (prior financial year: 52 weeks to 29 February 2024).

The financial information included in this preliminary statement of results does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006 (the "Act"). The financial information for the year ended 27 February 2025 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the year ended 27 February 2025 will be delivered to the Registrar of Companies in advance of the Group's Annual General Meeting.

The statutory accounts for the year ended 29 February 2024, have been delivered to the Registrar of Companies, and the Auditors of the Group made a report thereon under Chapter 3 of part 16 of the Act. That report was unqualified and did not contain a statement under sections 498 (2) or (3) of the Act.

The consolidated financial statements of Whitbread PLC and all its subsidiaries have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted international accounting standards.

Accounting policies

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended 29 February 2024, except for the adoption of the new standards and interpretations that are applicable for the year ended 27 February 2025.

Basis of consolidation

The consolidated financial statements incorporate the accounts of Whitbread PLC and all its subsidiaries, together with the Group's share of the net assets and results of joint ventures incorporated using the equity method of accounting. These are adjusted, where appropriate, to conform to Group accounting policies.

A subsidiary is an entity controlled by the Group. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Apart from the acquisition of Whitbread Group PLC by Whitbread PLC in 2000/01, which was accounted for using merger accounting, acquisitions by the Group are accounted for under the acquisition method and any goodwill arising is capitalised as an intangible asset. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from, or up to, the date that control passes respectively. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

A combination of the strong cash flows generated by the business and the sufficient available headroom on its credit facilities supports the directors' view that the Group has sufficient funds available to meet its foreseeable working capital requirements. At the balance sheet date, these credit facilities include both the newly issued £400m notes and the £450m notes maturing in October 2025. In reaching this conclusion, the directors have considered all elements of the capital allocation framework. The directors have also determined that, over the period of the going concern assessment, there is not expected to be a significant impact as a result of climate change.

The directors have therefore concluded that the going concern basis of preparation remains appropriate.

Adjusting items and use of alternative performance measures

We use a range of measures to monitor the financial performance of the Group. These measures include both statutory measures in accordance with IFRS and alternative performance measures (APMs) which are consistent with the way the business performance is measured internally by the Board and Executive Committee. A glossary of APMs and reconciliations to statutory measures is given at the end of this report.

The term adjusted profit is not defined under IFRS and may not be directly comparable with adjusted profit measures used by other companies. It is not intended to be a substitute for, or superior to, statutory measures of profit. Adjusted measures of profitability are non-IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS.

The Group makes certain adjustments to the statutory profit measures in order to derive many of its APMs. The Group's policy is to exclude items that are considered to be significant in nature and quantum, not in the normal course of business or are consistent with items that were treated as adjusting in prior periods or that span multiple financial periods. Treatment as an adjusting item provides users of the accounts with additional useful information to assess the year-on-year trading performance of the Group.

On this basis, the following are examples of items that may be classified as adjusting items:

- net charges associated with the strategic review of the Group's hotel and restaurant property estate;
- significant restructuring costs and other associated costs arising from strategy changes that are not considered by the Group to be part of the normal operating costs of the business;
- significant pension charges arising as a result of changes to UK defined benefit scheme practices;
- net impairment and related charges for sites which are/were underperforming that are considered to be significant in nature and/or value to the trading performance of the business;
- costs in relation to non-trading legacy sites which are deemed to be significant and not reflective of the Group's ongoing trading results;
- transformation and change costs associated with the implementation of the Group's IT strategic programme;
- profit or loss on the sale of a business or investment, and the associated cost impact on the continuing business from the sale of the business or investment;
- acquisition costs incurred as part of a business combination or other strategic asset acquisitions;
- amortisation of intangible assets recognised as part of a business combination or other transaction outside of the ordinary course of business; and
- tax settlements in respect of prior years, including the related interest and the impact of changes in the statutory tax rate, the inclusion of which would distort year-on-year comparability, as well as the tax impact of the adjusting items identified above.

The Group income statement is presented in a columnar format to enable users of the accounts to see the Group's performance before adjusting items, the adjusting items, and the statutory total on a line-by-line basis. The directors believe that the adjusted profit and earnings per share measures provide additional useful information to shareholders on the performance of the business. These measures are consistent with how business performance is measured internally by the Board and Executive Committee.

Changes in accounting policies
The Group has adopted the following standards and amendments for the first time for the annual reporting period commencing 1 March 2024, they have been assessed as not having a material financial impact on adoption:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current (effective for periods beginning on or after 1 January 2024)
- Amendments to IAS 1 – Non-current Liabilities with Covenants (effective for periods beginning on or after 1 January 2024)
- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (effective for periods beginning on or after 1 January 2024)
- Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements (effective for periods beginning on or after 1 January 2024)

Standards issued by the IASB not effective for the current year and not early adopted by the Group
Whilst the following standards and amendments are relevant to the Group, they have been assessed as not having a material financial impact or additional disclosure requirements at this time:

- Amendments to IAS 21 – Lack of Exchangeability (effective for periods beginning on or after 1 January 2025)
- Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments (effective for periods beginning on or after 1 January 2026)
- Annual improvements to IFRS – volume 11 (effective for periods beginning on or after 1 January 2026)
- IFRS 19 *Subsidiaries without public accountability: Disclosures* (effective for periods beginning on or after 1 January 2027)

The impact of the following is under assessment: - IFRS 18 'Presentation and disclosure in financial statements', which will become effective in the consolidated Group financial statements for the financial year ending 26 February 2028, subject to UK endorsement.

The Group does not intend to early adopt any of these new standards or amendments.

Critical accounting judgements and key sources of estimation uncertainty
The following are the critical accounting judgements, apart from those involving estimations (dealt with separately below) that management has made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements.

The Group has considered the impact of climate-related risks on its financial performance and position, and although the impact represents an uncertainty, it is not considered to be material.

Critical accounting judgements
The following are the critical accounting judgements, apart from those involving estimations (dealt with separately below) that management has made in the process of applying the Group's accounting policies and which have the most significant effect on the amounts recognised in the financial statements.

Adjusting items
During the year certain items are identified and separately disclosed as adjusting items. Judgement is applied as to whether the item meets the necessary criteria as per the accounting policy disclosed earlier in this note. This assessment covers the nature of the item, cause of occurrence and the scale of impact of that item on reported performance. Reversals of previous adjusting items are assessed based on the same criteria. Note 4 provides information on all of the items disclosed as adjusting in the current year and comparative financial statements.

Assets held for sale
Assets are classified as held for sale only if the asset is available for immediate sale in their present condition and a sale is highly probable and expected to be completed within one year from the date of classification.
As a result of the Group's Accelerating Growth Plan (AGP) the Group is actively marketing a significant number of sites. Judgement exists on a site-by-site basis as to whether the sale will complete within one year. In exercising its judgement management has taken into consideration all available information including external market expert advice.

Recognition of German Deferred Tax Asset
The Group, through its market entry in Germany, has generated tax losses that will be available for offset against future taxable profits. These losses have resulted in a material unrecognised deferred tax asset of £80.9m (unrecognised tax losses carried forward of £253.6m) at this balance sheet date. If the Group were to fully recognise the deferred tax asset in this financial year it would have the effect of reducing the Group's effective tax rate from 31.0% to 9.0%.

The German reportable segment's results have continued to improve, with this forecast to continue in future reporting periods. However, the forecasts used to support whether sufficient positive evidence exists to recognise the deferred tax asset are instead based on the German taxable profits profile. Following this assessment, the Group has judged that at the balance sheet date there remains to be insufficient convincing other evidence, as required under IAS 12, that it will have sufficient taxable profits to realise the above deferred tax asset at this time.

Key sources of estimation uncertainty
The following are the key areas of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Defined benefit pension
Defined benefit pension plans are accounted for in accordance with actuarial advice using the projected unit credit method. The Group makes significant estimates in relation to the discount rates, mortality rates and inflation rates used to calculate the present value of the defined benefit obligation. Note 15 describes the assumptions used together with an analysis of the sensitivity to changes in key assumptions.

Impairment testing – Property, plant and equipment and right-of-use assets
The performance of the Group's impairment review requires management to make a number of judgements and estimates which are presented together below for ease of understanding but identified separately:

Estimates within impairment testing:
Inputs used to estimate value in use
The estimate of value in use is most sensitive to the following inputs:
- Forecast period cashflows – the initial five-year period's cashflows are drawn from the five-year business plan.
- Discount rate – judgement is required in estimating the weighted average cost of capital (WACC) of a typical market participant and in assessing the specific country and currency risks associated with the Group. The rate used is adjusted for the Group's gearing, including equity, borrowings and lease liabilities.
- Maturity profile of individual sites – judgement is required to estimate the time taken for sites to reach maturity and the sites' trading level once they are mature.

Methodology used to estimate fair value
Fair value is determined using a range of methods, including present value techniques using assumptions consistent with the value in use calculations and market multiple techniques using externally available data. For the purpose of assessing fair value for sites the Group has sought expert valuations based on insight into local market specific factors.

Judgements within impairment testing:
Strategic impact on composition of CGUs
The Group has judged that where there is a commitment and expectation that part of a trading site's value will be realised through sale an impairment review should be completed on the trading site as separate CGUs. This is due to the change in how the Group now expects to receive cashflows from the trading site's assets which are largely independent.

Identification of indicators of impairment and reversal
The Group assesses each of its CGUs for indicators of impairment or reversal at the end of each reporting period and, where there are indicators of impairment or reversal, management performs an impairment assessment.

2. Segment information

The Group provides services in relation to accommodation, food and beverage both in the UK and internationally. Management monitors the segment performance separately for the purpose of making decisions about allocating resources and assessing performance. Segment performance is measured based on segment adjusted profit/(loss), defined below. Included within central and other in the following tables are the costs of running the public company, other central overhead costs and share of profit from joint ventures.

The following tables present revenue and profit information regarding business operating segments for the years ended 27 February 2025 and 29 February 2024.

	52 weeks to 27 February 2025				52 weeks to 29 February 2024			
Revenue	**UK & Ireland[1] £m**	**Germany[2] £m**	**Central and other £m**	**Total £m**	UK & Ireland[1] £m	Germany[2] £m	Central and other £m	Total £m
Accommodation	**2,010.1**	**197.6**	**-**	**2,207.7**	2,007.7	162.7	-	2,170.4
Food and beverage	**646.4**	**26.7**	**-**	**673.1**	728.2	22.4	-	750.6
Other items	**34.8**	**6.3**	**-**	**41.1**	33.8	5.1	-	38.9
Revenue	**2,691.3**	**230.6**	**-**	**2,921.9**	2,769.7	190.2	-	2,959.9

	52 weeks to 27 February 2025				52 weeks to 29 February 2024			
Profit/(loss)	**UK & Ireland[1] £m**	**Germany[2] £m**	**Central and other £m**	**Total £m**	UK & Ireland[1] £m	Germany[2] £m	Central and other £m	Total £m
Adjusted operating profit/(loss)	**653.1**	**9.9**	**(33.4)**	**629.6**	721.5	(15.1)	(32.2)	674.2
Segmental royalty fees[3]	**(1.0)**	**-**	**1.0**	**-**	-	-	-	-
Segment adjusted operating profit/(loss)	**652.1**	**9.9**	**(32.4)**	**629.6**	721.5	(15.1)	(32.2)	674.2
Net finance (costs)/income	**(145.3)**	**(21.2)**	**20.3**	**(146.2)**	(134.0)	(20.9)	41.8	(113.1)
Segment adjusted profit/(loss) before tax	**506.8**	**(11.3)**	**(12.1)**	**483.4**	587.5	(36.0)	9.6	561.1
Adjusting items before tax (Note 4)				**(115.6)**				(109.4)
Profit before tax				**367.8**				451.7

[1] The UK and Ireland segment includes operations of the Group within Crown Dependencies. Royalty fees are charged between the geographies but are all contained within this segment.
[2] The Germany segment includes operations of the Group within Austria.
[3] Prior to and including this financial year, inter-segmental royalty fees have been waived for the Germany segment by the UK and Ireland segment. To aid future comparability for when this waiver expires we have introduced a new profit measure 'segment adjusted operating profit/(loss)' which will exclude the impact of segmental royalty fees charged from UK and Ireland to Germany.

	52 weeks to 27 February 2025				52 weeks to 29 February 2024			
Other segment information	**UK & Ireland[1] £m**	**Germany[2] £m**	**Central and other £m**	**Total £m**	UK & Ireland[1] £m	Germany[2] £m	Central and other £m	Total £m
Capital expenditure:								
Property, plant and equipment– cash basis	**399.6**	**66.8**	**-**	**466.4**	391.8	88.1	-	479.9
Property, plant and equipment – accruals basis	**402.0**	**63.3**	**-**	**465.3**	373.5	92.5	-	466.0
Intangible assets	**18.9**	**0.7**	**-**	**19.6**	28.5	0.1	-	28.6
Cash outflows from lease interest and payment of principal of lease liabilities	**262.4**	**53.0**	**-**	**315.4**	247.7	54.3	-	302.0
Depreciation – property, plant and equipment	**162.7**	**14.6**	**-**	**177.3**	159.6	17.3	-	176.9
Depreciation – right-of-use assets	**152.8**	**41.5**	**-**	**194.3**	143.9	39.4	-	183.3
Amortisation	**30.1**	**0.1**	**-**	**30.2**	23.1	0.1	-	23.2

Segment assets and liabilities are not disclosed because they are not reported to, or reviewed by, the Chief Operating Decision Maker.

The Group's revenue, split by country in which the legal entity resides, is as follows:	**52 weeks to 27 February 2025 £m**	52 weeks to 29 February 2024 £m
United Kingdom	**2,649.1**	2,740.8
Germany	**226.3**	185.9
Ireland	**29.6**	16.0
Other	**16.9**	17.2
	2,921.9	2,959.9

The Group's non-current assets[1], split by country in which the legal entity resides, are as follows:	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
United Kingdom	**7,063.3**	6,946.3
Germany	**1,219.4**	1,227.3
Ireland	**179.4**	182.4
Other	**106.7**	104.7
	8,568.8	8,460.7

[1] Non-current assets exclude derivative financial instruments and the surplus on the Group's defined benefit pension scheme.

3. Operating costs

	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Cost of inventories recognised as an expense	**225.7**	255.1
Employee benefits expense	**818.7**	837.8
Amortisation of intangible assets	**30.2**	23.2
Depreciation – property, plant and equipment (Note 9)	**177.3**	176.9
Depreciation – right-of-use-assets	**194.3**	183.3
Utilities	**134.8**	143.8
Rates	**105.4**	100.1
Other site property costs	**494.1**	455.2
Variable lease payment expense	**4.0**	3.5
Net foreign exchange differences	**0.5**	0.4
Other operating charges	**118.5**	117.2
Adjusting operating costs (Note 4)	**116.5**	125.2
	2,420.0	2,421.7

4. Adjusting items

As set out in the policy in Note 1, we use a range of measures to monitor the financial performance of the Group. These measures include both statutory measures in accordance with IFRS and APMs which are consistent with the way that the business performance is measured internally. We report adjusted measures because we believe they provide both management and investors with useful additional information about the financial performance of the Group's businesses. Adjusted measures of profitability represent the equivalent IFRS measures adjusted for specific items that we consider hinder the comparison of the financial performance of the Group's businesses either from one period to another or with other similar businesses.

	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Other income:		
Legal claim settlements and insurance proceeds[1]	**0.9**	6.9
Adjusting other income	**0.9**	6.9
Operating costs:		
Net impairment charges – property, plant and equipment, right-of-use assets and assets held for sale[2]	**(33.0)**	(30.5)
Accelerating Growth Plan-related net impairment charges and write-offs[3]	**(43.5)**	(77.0)
Net gains on disposals, property and other provisions[4]	**35.7**	15.3
Strategic IT programme costs[5]	**(24.8)**	(27.1)
Strategic F&B programme costs[6]	**(19.9)**	(5.9)
Strategic supply chain programme costs[7]	**(24.1)**	-
Employment tax settlement[8]	**2.0**	-
Other restructuring costs[9]	**(8.9)**	-
Adjusting operating costs before joint ventures	**(116.5)**	(125.2)
Share of profit from joint ventures:		
Gains on disposals, property and other provisions[4]	**-**	8.9
Adjusting items before tax	**(115.6)**	(109.4)
Tax on adjusting items	**20.3**	19.8
Impact of change in tax rates	**-**	0.5
Adjusting tax credit	**20.3**	20.3

[1] During the year, the Group received settlements for business interruption insurance claims of £0.9m (FY24: £nil) and did not receive any settlements in relation to other legal matters (FY24: £6.9m).

[2] The Group has identified indicators of impairment and impairment reversal relating to assets held by the Group at the year-end date, including those sites impacted by the Accelerating Growth Plan (see separate footnote below).

For those sites not impacted by the Accelerating Growth Plan, an impairment review of relevant assets was undertaken, resulting in adjusting net impairment charges of £33.0m. The net impairment is comprised of impairment charges on sites of £38.3m (£22.2m relating to property, plant and equipment and £16.1m relating to right-of-use assets) offset by impairment reversals of £5.3m (£2.0m relating to property, plant and equipment and £3.3m relating to right-of-use assets), netting to an impairment charge of £33.0m. This brings the total adjusting net impairment charge within operating costs, outside of the Accelerating Growth Plan, to £33.0m.

During the comparative year, impairments outside of the Accelerating Growth Plan resulted in adjusting net impairment charges of £40.6m (£30.8m relating to property, plant and equipment and £9.8m relating to right-of-use assets) offset by impairment reversals of £10.3m (£7.2m relating to property, plant and equipment and £3.1m relating to right-of-use assets), netting to an impairment charge of £30.3m. In addition, impairment charges of £0.2m had been recorded in relation to assets held for sale during the year. This brought the total adjusting net impairment charge within operating costs, outside of the Accelerating Growth Plan, to £30.5m.

Further information is provided in Note 10.

[3] Included in the amounts recorded for impairment this period are impairments as a result of the Group continuing with the optimisation of the UK F&B strategy, the Accelerating Growth Plan. The net impairment of £43.5m is comprised of impairment charges on sites of £51.0m (£30.6m relating to property, plant and equipment, £13.2m relating to right-of-use assets and £7.2m relating to assets held for sale) offset by impairment reversals of £7.5m (£1.5m relating to property, plant and equipment, £0.7m relating to right-of-use assets and £5.3m relating to assets held for sale). The net impairment charge includes an amount of £1.0m relating to the write-off of assets based on their revised useful economic lives for Extensions sites.

During the comparative year, net impairments were made up of impairment charges on sites of £84.3m (£83.7m relating to property, plant and equipment and £0.6m relating to right-of-use assets) offset by impairment reversals of £7.3m (£7.3m relating to property, plant and equipment), totalling to net impairment of £77.0m.

At this time the Group expects to incur further net impairment charges and write downs within adjusting items totalling between £60.0m and £80.0m in relation to the net write down of assets as part of the Accelerating Growth Plan to transform and exit a number of the Group's branded restaurants.

[4] During the year, the Group made gains on property disposals (including sale and leasebacks) of £40.1m and created a provision in relation to damaged inventory of £4.4m. As a result of the sale and leasebacks the Group received proceeds of £55.9m and recognised a net gain of £0.1m.

During the comparative year, the Group's joint venture made a gain on a property sale with the Group's share being £8.9m, the Group made gains on other property disposals of £8.7m, released net provisions of £4.2m relating to historic indirect tax matters and had reimbursements of costs of remedial works on cladding material from property developers of £2.4m.

[5] The Group has assessed the presentation of costs incurred in relation to the current and future implementation of its strategic IT programmes. The programmes scheduled are the Group's Hotel Management System, HR & Payroll System, Restaurant System and Strategic Network. These represent significant business change costs for the Group rather than replacements of IT systems with the System products being Software as a Service (SaaS). The start date of these projects varies and as such we expect costs to be incurred within this category over the next few financial years, with their commercial and strategic benefit seen as lasting several years.

Cash costs incurred on the programmes and presented within adjusting items in the period were £24.8m, with cumulative cash costs to date being £65.7m (FY24: £40.9m).

At this time the Group expects to incur future cash costs presented within adjusting items in the next financial year of between £5.0m and £15.0m.

[6] The Group has incurred legal, advisory and project management costs regarding the announced changes to facilitate the Accelerating Growth Plan ('AGP') as well as restructuring costs. This programme represents a significant business change for the Group's strategic focus in relation to F&B.

Cash costs incurred on the programmes and presented within adjusting items in the period were £19.9m, with cumulative cash costs to date being £25.8m.

At this time the Group expects to incur future cash costs presented within this adjusting item across the next financial year of up to £10.0m.

[7] As part of the Group's strategic supply chain programme the Group has incurred £24.1m contract exit fees in relation to a supplier. This decision allows the Group to make use of a different supply model and it is expected the commercial and strategic benefit will be seen over several years.

[8] During the year, the Group received confirmation that a previous enquiry from HMRC on historic taxes has been closed. £2.0m has been released through adjusting items from accruals held in relation to these enquiries.

[9] During the year, the Group has restructured its UK and Germany Support Centres, as well as its site operations in Germany resulting in a charge of £8.9m, with £6.5m of this within provisions at the end of the year.

In total across the adjusting item lines that can be forecasted (contained in the footnotes above) the Group expects to incur future adjusting item costs in the next financial year of between £75.0m and £105.0m.

5. Finance (costs)/income

	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Finance costs		
Interest on bank loans and overdrafts	**(4.7)**	(4.6)
Interest on other loans	**(24.7)**	(24.2)
Interest on lease liabilities	**(166.7)**	(154.9)
Interest capitalised	**8.7**	5.5
Cost of hedging	**(1.1)**	(1.1)
	(188.5)	(179.3)
Finance income		
Bank interest receivable	**33.5**	50.0
IAS 19 pension net finance income (Note 15)	**8.3**	16.2
Other interest receivable	**0.5**	-
	42.3	66.2
Total net finance costs	**(146.2)**	(113.1)

6. Taxation

Consolidated income statement	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Current tax:		
Current tax expense	51.4	59.3
Adjustments in respect of previous years	(1.1)	(6.7)
	50.3	52.6
Deferred tax:		
Origination and reversal of temporary differences	63.1	76.8
Effect of in-year rate differential/change in tax rates	-	(0.5)
Adjustments in respect of previous years	0.7	10.7
	63.8	87.0
Tax reported in the consolidated income statement	114.1	139.6

Consolidated statement of other comprehensive income	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Current tax:		
Defined benefit pension scheme	1.8	10.0
Tax on net movement on hedge of a net investment	2.1	1.2
Tax on exchange differences on translation of foreign operations	(2.4)	(2.7)
	1.5	8.5
Deferred tax:		
Cash flow hedges	3.6	(4.3)
Defined benefit pension scheme	(14.4)	(59.5)
	(10.8)	(63.8)
Tax reported in other comprehensive income	(9.3)	(55.3)

A reconciliation of the tax expense applicable to adjusted profit before tax and profit before tax at the statutory tax rate, to the actual tax expense at the Group's effective tax rate, for the years ended 27 February 2025 and 29 February 2024 respectively is set out below. All items have been tax effected at the UK statutory rate of 25.0% (FY24: 24.5%), with the exception of the effect of unrecognised losses in overseas companies, which has been tax effected at the statutory rate in the relevant jurisdictions with an adjustment to account for the differential tax rates included in the effect of different tax rates.

	2024/25 Tax on adjusted profit £m	2024/25 Tax on profit £m	2023/24 Tax on adjusted profit £m	2023/24 Tax on profit £m
Profit before tax as reported in the consolidated income statement	483.4	367.8	561.1	451.7
Tax at current UK tax rate of 25.0% (FY24: 24.5%)	120.9	92.0	137.5	110.7
Effect of different tax rates	(2.7)	(4.5)	(5.9)	(8.3)
Unrecognised losses in overseas companies	9.3	17.6	15.5	25.8
Effect of super deduction in respect of tax relief for fixed assets	-	-	(0.5)	(0.5)
Expenditure not allowable	3.3	5.4	6.5	5.7
Adjustments to current tax expense in respect of previous years	(1.0)	(1.0)	(6.7)	(6.7)
Adjustments to deferred tax expense in respect of previous years	0.7	0.7	10.7	10.7
Impact of deferred tax being at a different rate from current tax rate	-	-	-	(0.5)
Impact of deferred tax related to indexation allowance	2.7	2.7	4.4	4.4
Other movements	1.2	1.2	(1.6)	(1.7)
Tax expense reported in the consolidated income statement	134.4	114.1	159.9	139.6

The Group has unrecognised German tax losses of £253.6m (FY24: £226.6m). Recognition of these in their entirety would increase deferred tax assets reported by £80.9m (FY24: £72.4m).

7. Earnings per share

The basic earnings per share (EPS) figures are calculated by dividing the net profit/(loss) for the year attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the year after deducting treasury shares and shares held by an independently managed employee share ownership trust (ESOT).

The diluted earnings per share figures allow for the dilutive effect of the conversion into ordinary shares of the weighted average number of options outstanding during the year. Where the average share price for the year is lower than the option price, the options become anti-dilutive and are excluded from the calculation.

The number of shares used for the earnings per share calculations are as follows:

	52 weeks to 27 February 2025 million	52 weeks to 29 February 2024 million
Basic weighted average number of ordinary shares	**179.3**	193.9
Effect of dilution – share options	**1.2**	1.3
Diluted weighted average number of ordinary shares	**180.5**	195.2

The total number of shares in issue at the reporting period date, as used in the calculation of the basic weighted average number of ordinary shares, was 188.8m, less 12.5m treasury shares held by Whitbread PLC and 0.8m held by the ESOT.

The profits used for the earnings per share calculations are as follows:

	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Profit for the year attributable to parent shareholders	**253.7**	312.1
Adjusting items before tax (Note 4)	**115.6**	109.4
Adjusting tax credit (Note 4)	**(20.3)**	(20.3)
Adjusted profit for the year attributable to parent shareholders	**349.0**	401.2

	52 weeks to 27 February 2025 pence	52 weeks to 29 February 2024 pence
Basic EPS on profit for the year	**141.5**	161.0
Adjusting items before tax	**64.4**	56.4
Adjusting tax credit	**(11.3)**	(10.5)
Basic EPS on adjusted profit for the year	**194.6**	206.9
Diluted EPS on profit for the year	**140.6**	159.9
Diluted EPS on adjusted profit for the year	**193.4**	205.5

8. Dividends paid and proposed

	52 weeks to 27 February 2025		52 weeks to 29 February 2024	
	pence per share	**£m**	pence per share	£m
Final dividend, proposed and paid, relating to the prior year	**62.90**	**114.7**	49.80	99.2
Interim dividend, proposed and paid, for the current year	**36.40**	**65.2**	34.10	65.3
Unclaimed dividend written back	**n/a**	**(2.1)**	n/a	-
Total equity dividends paid in the year on ordinary shares		**177.8**		164.5
Dividends on other shares:				
B shares	**11.40**	**0.2**	2.60	0.1
C shares	**7.60**	**0.1**	5.50	0.1
Total dividends paid		**178.1**		164.7
Proposed for approval at annual general meeting:				
Proposed final equity dividend for the current year	**60.60**	**106.4**	62.90	115.0

A final dividend of 60.60p per share amounting to a dividend of £106.4m was recommended by the directors at their meeting on 30 April 2025. A dividend reinvestment plan (DRIP) alternative will be offered. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these consolidated financial statements.

9. Property, plant and equipment

During the reporting period the Group has had additions of £465.3m (FY24: £466.0m), depreciation charges of £177.3m (FY24: £176.9m), net impairment charges of £48.3m (FY24: £100.0m), net movements to assets held for sale of £167.0m (FY24: to held for sale of £62.4m), net book value disposed of £0.1m (FY24: £38.9m) and a reduction of net book value from foreign currency translation of £22.5m (FY24: reduction of £19.6m).

Included in property, plant and equipment are assets under construction of £682.3m (FY24: £492.7m).

There is a charge in favour of the pension scheme over properties with a market value of £531.5m (FY24: £531.5m).

Capital expenditure commitments

	27 February 2025	29 February 2024
	£m	£m
Capital expenditure commitments for property, plant and equipment for which no provision has been made	**271.8**	56.5

10. Impairment

During this year, net impairment charges of £76.5m (FY24: £107.5m) were recognised within operating costs.

Accelerating Growth Plan:
Net impairment, write-offs and accelerated depreciation of £43.5m (FY24: £84.3m) has been recognised in respect of the Group continuing with the Accelerating Growth Plan (the optimisation of the UK F&B strategy).

UK:
Outside of Accelerating Growth Plan-related impairments, gross impairment charges in the UK of £15.8m (FY24: £8.4m) and gross impairment reversals in the UK of £5.3m (FY24: £10.3m) have been recorded across right-of-use assets and property, plant and equipment during the year.

Germany:
The Group continues to make progress through organic and portfolio acquisitions in order to access German markets, with FY25 performance reflecting the increased maturity of open sites. Impairment indicators were identified at a small number of German sites, following which the Group has updated relevant cash flow assumptions which has resulted in a net impairment charge of £22.5m (FY24: £32.2m impairment charge).

The charges/(reversals) were recognised on the following classes of assets:

2024/25	**Impairment charge**	**Impairment reversal**	**Total**
	£m	**£m**	**£m**
Impairment charges/(reversals) included in operating costs			
Property, plant and equipment[1]	**52.8**	**(3.5)**	**49.3**
Accelerating Growth Plan sites	30.6	(1.5)	
Rest of estate	22.2	(2.0)	
Right-of-use assets	**29.3**	**(4.0)**	**25.3**
Accelerating Growth Plan sites	13.2	(0.7)	
Rest of estate	16.1	(3.3)	
Assets held for sale	**7.2**	**(5.3)**	**1.9**
Accelerating Growth Plan sites	7.2	(5.3)	
Total charges/(reversals) for impairment included in operating costs	**89.3**	**(12.8)**	**76.5**

[1]The net impairment charge of £49.3m above includes £1.0m of write-offs in relation to the Extensions programme.

2023/24	**Impairment charge**	**Impairment reversal**	**Total**
	£m	**£m**	**£m**
Impairment charges/(reversals) included in operating costs			
Property, plant and equipment	**114.5**	**(14.5)**	**100.0**
Accelerating Growth Plan sites	83.7	(7.3)	
Rest of estate	30.8	(7.2)	
Right-of-use assets	**10.4**	**(3.1)**	**7.3**
Accelerating Growth Plan sites	0.6	-	
Rest of estate	9.8	(3.1)	
Assets held for sale	**0.2**	**-**	**0.2**
In year assessment	0.2	-	
Total charges/(reversals) for impairment included in operating costs	**125.1**	**(17.6)**	**107.5**

All of the impairment assessments take account of expected market conditions which include future risks including climate change and related legislation.

Methodology in relation to the Group's Accelerating Growth Plan
During the year, the Group continued the plan to optimise its UK F&B offering through the Accelerating Growth Plan. The following material topics have been considered in relation to the Group's impairment review:

Extensions programme:
As part of the Group’s Extensions programme, some of the Group’s branded restaurants will be repurposed with smaller space devoted to providing integrated F&B services and remaining space being converted to additional hotel rooms. The composition of the CGU remains unchanged. In FY25, planning applications have been submitted for a number of sites, and permission obtained for some of the sites. The useful economic life of relevant buildings and fixtures & fittings has been reassessed based on the current status of relevant approvals and work commencement on-site. The carrying amount of such assets are being written down at the point that all relevant internal and external approvals are received. During the year, an amount of £1.0m has been written off, the Group expects to incur further charges of between £60.0m and £80.0m over the next few financial years.

Disposal sites:
The Group has a committed plan to dispose of a further group of sites to third parties.
At the year end, sites that are being actively marketed with a valid expectation that they will be disposed of within 12 months from the balance sheet date have been moved to Assets Held for Sale (AHFS). As the economic benefit of these sites is expected to be recovered through sale rather than by continuing to trade, these sites have been measured at the lower of cost and expected proceeds less costs of disposal, with the remaining NBV of £68.0m relating to these sites has been included within assets held for sale.

Those sites that do not meet the criteria as AHFS have been measured at the lower of cost and their net realisable value (NRV). NRV in these instances is represented by their FVLCD which is higher than their VIU.

11. Assets classified as held for sale
The following table present the major classes of assets and liabilities classified as held for sale:

	27 February 2025 £m	29 February 2024 £m
Property, plant and equipment	**128.8**	56.0
Right-of-use assets	**1.1**	5.2
Lease liabilities	**(1.7)**	(6.8)
Assets classified as held for sale	**128.2**	54.4

At the year end, there were 107 sites with a combined net book value of £128.2m (FY24: 73 with net book value of £54.4m) classified as assets held for sale (AHFS). There are no gains or losses recognised in other comprehensive income with respect to these assets. The value and number of assets held for sale are both heightened by the Group’s continued commitment to the Accelerating Growth Plan.

There are no individually material assets within this group of assets.

Sites are classified as held for sale only if they are available for immediate sale in their present condition and a sale is highly probable and expected to be completed within one year from the date of classification. Where there has been a delay in disposing of a site, the Group remains committed to its plan to sell the asset. If a site no longer meets this criteria at future reporting dates it is transferred back to property, plant and equipment.

12. Movements in cash and net debt

	29 February 2024	Share buy-back commitments including transaction costs	Cash flow	Net new lease liabilities	Foreign exchange	Transfers from Assets held for sale	Cost of borrowings and amortisation of premiums and discounts	27 February 2025
	£m	£m	£m	£m	£m	£m	£m	£m
Cash and cash equivalents	**696.7**	**-**	**213.2**	**-**	**(0.9)**	**-**	**-**	**909.0**
Liabilities from financing activities:								
Borrowings	**(994.9)**	-	(398.3)	-	-	-	0.8	**(1,392.4)**
Lease liabilities	**(4,098.4)**	-	148.7	(311.1)	31.6	(4.6)	-	**(4,233.8)**
Committed share buy-back	**(12.3)**	(252.0)	264.3	-	-	-	-	**-**
Total liabilities from financing activities	**(5,105.6)**	**(252.0)**	**14.7**	**(311.1)**	**31.6**	**(4.6)**	**0.8**	**(5,626.2)**
Less: lease liabilities	**4,098.4**	-	(148.7)	311.1	(31.6)	4.6	-	**4,233.8**
Less: committed share buy-back	**12.3**	252.0	(264.3)	-	-	-	-	**-**
Net debt	**(298.2)**	**-**	**(185.1)**	**-**	**(0.9)**	**-**	**0.8**	**(483.4)**

The 2032 bonds were issued on 12 February 2025 and interest is payable semi-annually on 31 May and 30 November. The bonds pay a fixed coupon of 5.500% of face value and are unsecured. On issue of these bonds, the Group received proceeds net of discount and costs of hedging of £398.3m and incurred fees of £2.3m. The proceeds of the bonds will be used for general corporate purposes, including the refinancing of existing debt.

13. Share capital
Ordinary share capital

Allotted, called up and fully paid ordinary shares of 76.80p each (FY24: 76.80p each)	**million**	**£m**
At 29 February 2024	**197.5**	**151.8**
Issued on exercise of employee share options	0.1	0.1
Conversion of preference share capital	0.1	0.1
Cancellations following share buy-back	(8.9)	(6.8)
At 27 February 2025	**188.8**	**145.2**

Share buy-back, commitment and cancellation
The Company purchased and cancelled 8.9m shares with a nominal value of £6.8m under the share buy-back programmes running through this financial year. Consideration of £264.3m, including associated fees and stamp duty of £2.0m, was paid during the year. The final payment to shareholders in relation to the share buy-back programme, that was announced in October 2024, was made on 12 November 2024.

Share Forfeiture
The Group has implemented a share forfeiture programme following the completion of a tracing and notification exercise to any shareholders who have not had contact with the Company over the past 12 years, in accordance with the provisions set out in the Company's Articles of Association. Under the share forfeiture programme the shares and dividends associated with shares of untraced members have been forfeited. During the financial year, the Group received £3.8m proceeds from the sale of untraced shares reflected in share premium and recorded a £2.1m write-back of unclaimed dividends reflected as a reduction in dividends paid in the year.

14. Analysis of cash flows given in the cash flow statement

	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Profit for the year	253.7	312.1
Adjustments for:		
Tax expense	114.1	139.6
Net finance costs	146.2	113.1
Share of profit from joint ventures	(4.7)	(13.0)
Depreciation and amortisation	401.8	383.4
Share-based payments	16.8	15.8
Net impairment charge (Note 10)	76.5	107.5
Gains on disposals, property, and other provisions	(40.1)	(15.3)
Other non-cash items	35.6	9.2
Cash generated from operations before working capital changes	**999.9**	**1,052.4**
Decrease in inventories	4.1	0.4
Decrease in trade and other receivables	4.1	26.1
(Decrease)/increase in trade and other payables	(3.6)	7.8
Cash generated from operations	**1,004.5**	**1,086.7**

15. Retirement benefits

Defined benefit scheme
During the year, the defined benefit pension scheme has moved from a surplus of £165.2m to a surplus of £134.6m. The main movements in the surplus are as follows:

	£m
Pension surplus at 29 February 2024	**165.2**
Administrative expenses	(5.1)
Net interest on pension liability and assets (Note 5)	8.3
Losses recognised in other comprehensive income	(51.7)
Contributions from employer	17.7
Benefits paid directly by the Company in relation to an unfunded pension scheme	0.2
Pension surplus at 27 February 2025	**134.6**

The principal assumptions used by the independent qualified actuaries in updating the most recent valuation carried out as at 31 March 2023 of the UK scheme to 27 February 2025 for IAS 19 Employee benefits purposes (FY24: 31 March 2020 to 29 February 2024) were:

	27 February 2025	29 February 2024
Pre-April 2006 rate of increase in pensions in payment	**3.00%**	3.10%
Post-April 2006 rate of increase in pensions in payment	**2.10%**	2.10%
Pension increases in deferment	**3.00%**	3.10%
Discount rate	**5.50%**	5.00%
Inflation assumption	**3.20%**	3.20%
Life expectancies		
Retiring at the balance sheet date at age 65 - male	**19.7 years**	19.5 years
Retiring at the balance sheet date at age 65 - female	**22.4 years**	22.1 years
Retiring at the balance sheet date in 20 years at age 65 - male	**20.7 years**	20.4 years
Retiring at the balance sheet date in 20 years at age 65 - female	**23.5 years**	23.3 years

The life expectancies shown above are based on standard mortality tables which allow for future mortality improvements. The mortality improvement assumption has been updated to use the CMI 2023 model. The CMI 2023 model parameters include some weighting for 2023 mortality experience.

The assumptions in relation to discount rate, mortality and inflation have a significant effect on the measurement of scheme liabilities. The following table shows the sensitivity of the valuation to changes in these assumptions:

	(Increase)/decrease in net defined benefit surplus		**(Increase)/decrease in gross defined benefit liability**	
	27 February 2025 £m	29 February 2024 £m	**27 February 2025 £m**	29 February 2024 £m
Discount rate				
1.00% increase to discount rate	**(131.0)**	(150.0)	**165.0**	188.0
1.00% decrease to discount rate	**159.0**	187.0	**(199.0)**	(231.0)
Inflation				
0.25% increase to inflation rate	**23.0**	32.0	**(29.0)**	(38.0)
0.25% decrease to inflation rate	**(23.0)**	(31.0)	**29.0**	37.0
Life expectancy				
Additional one-year increase to life expectancy	**38.0**	42.0	**(60.0)**	(64.4)

The above sensitivity analyses are based on a change in an assumption whilst holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. Where the discount rate is changed this will have an impact on the valuation of scheme assets in the opposing direction.

16. Asset acquisitions
During this and the previous year, the Group has purchased a number of properties; the legal form of the transactions varies between acquisition of the property or acquisition of the company holding title of the property, as well as noting that a number of properties are purchased in a state that means they do not meet the definition of a business on acquisition.

For the remaining properties which do meet the definition of being a business on acquisition, these transactions have been accounted for as asset acquisitions under IFRS 3 Business Combinations as the fair value of the assets is concentrated in a single group of similar assets in each deal analysed. The transactions form part of the Group's strategic priorities over both international growth and continued UK market share gains.

17. Events after the balance sheet date

Share buy-back
The Board of Directors approved a share buy-back on 30 April 2025 for £250.0m and is in the process of appointing the relevant brokers to undertake the programme in accordance with that approval.

18. Contingent liabilities

The Group has ongoing legal proceedings in relation to a third-party intellectual property claim. Based on the legal advice management has received it believes the case to be without merit. However, alternative views may exist that could result in an outcome that requires an economic settlement. Any settlement would not be material to the Group (FY24: no contingent liabilities).

Glossary

Basic earnings per share (Basic EPS)
Profit attributable to the parent shareholders divided by the weighted average number of ordinary shares in issue during the year after deducting treasury shares and shares held by an independently managed share ownership trust ('ESOT').

Cash rent
The total of interest paid on lease liabilities, payment of principal of lease liabilities and variable lease payments, adjusted to reflect one year's rent.

Committed pipeline
Sites where the Group has a legal interest in a property (that may be subject to planning/other conditions) with the intention of opening a hotel in the future.

Direct bookings / distribution
Based on stayed bookings in the financial year made direct to the Premier Inn website, Premier Inn app, Premier Inn customer contact centre or hotel front desks.

Food and beverage (F&B) sales
Food and beverage revenue from all Whitbread owned restaurants and integrated hotel restaurants.

GOSH charity
Great Ormond Street Hospital Children's Charity.

IFRS
International Financial Reporting Standards.

Lease debt
Eight times cash rent.

Occupancy
Number of hotel bedrooms occupied by guests expressed as a percentage of the number of bedrooms available in the year.

Operating profit
Profit before net finance costs and tax.

OTA's
Online travel agents.

Rent expense
Rental costs recognised in the income statement prior to the adoption of IFRS 16.

Team retention
The number of permanent new starters that we retain for the first 90 days/three months.

Trading site
A joint hotel and restaurant or a standalone hotel.

WINcard
Whitbread In Numbers – balanced scorecard to measure progress against key performance targets.

YourSay
Whitbread's annual employee opinion survey to provide insight into the views of employees.

†Alternative Performance Measures

We use a range of measures to monitor the financial performance of the Group. These measures include both statutory measures in accordance with IFRS and alternative performance measures (APMs) which are consistent with the way that the business performance is measured internally. APMs are not defined by IFRS and therefore may not be directly comparable with similarly titled measures reported by other companies. APMs should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

In order to maintain alignment with Whitbread's Credit Rating agency's leverage calculation methodology, the Glossary definition of Lease Debt has been revised. The change in definition and calculation of this amount has an impact upon the APMs titled lease-adjusted net debt/cash and lease-adjusted net debt to adjusted EBITDAR for leverage, as such the figures presented below have been restated for 2023/24.

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
REVENUE MEASURES			
Accommodation sales	Revenue	Exclude non-room revenue such as food and beverage	Premier Inn accommodation revenue excluding non-room income such as food and beverage. The growth in accommodation sales on a year-on-year basis is a good indicator of the performance of the business. *Reconciliation: Note 2*
Average room rate (ARR)	No direct equivalent	Refer to definition	Accommodation sales divided by the number of rooms occupied by guests. The directors consider this to be a useful measure as this is a commonly used industry metric which facilitates comparison between companies.

Reconciliation	**52 weeks to 27 February 2025**	52 weeks to 29 February 2024
UK accommodation sales (£m)	**2,010.1**	2,007.7
Number of rooms occupied by guests ('000)	**25,279**	25,173
UK average room rate (£)	**79.52**	79.76
Germany accommodation sales (£m)	**197.6**	162.7
Number of rooms occupied by guests ('000)	**2,631**	2,263
Germany average room rate (£)	**75.08**	71.88

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
UK like-for-like accommodation sales growth	Movement in accommodation sales per the segment information (Note 2)	Accommodation sales from non like-for-like	Year over year change in accommodation revenue for outlets open for at least one year with no significant changes in room numbers. The directors consider this to be a useful measure as it is a commonly used performance metric and provides an indication of underlying revenue trends.

Reconciliation	**52 weeks to 27 February 2025**	52 weeks to 29 February 2024
UK like-for-like accommodation sales growth	**(2.0%)**	9.9%
Impact of extensions > 5% of rooms	**0.0%**	0.1%
Contribution from net new hotels	**2.1%**	1.9%
UK accommodation sales growth	**0.1%**	11.9%

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
Revenue per available room (RevPAR)	No direct equivalent	Refer to definition	Revenue per available room is also known as 'yield'. This hotel measure is achieved by dividing accommodation sales by the number of rooms available. The directors consider this to be a useful measure as it is a commonly used performance measure in the hotel industry.

Reconciliation	**52 weeks to 27 February 2025**	52 weeks to 29 February 2024
UK accommodation sales (£m)	**2,010.1**	2,007.7
Available rooms ('000)	**31,206**	30,624
UK REVPAR (£)	**64.42**	65.56
Germany Accommodation sales (£m)	**197.6**	162.7
Available rooms ('000)	**3,882**	3,660
Germany REVPAR (£)	**50.90**	44.44

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose
INCOME STATEMENT MEASURES			
Adjusted[1] operating profit/loss	Profit/loss before tax	Adjusting items (Note 4), finance income/costs (Note 5)	Profit/loss before tax, finance costs/income and adjusting items Reconciliation: Consolidated income statement
Adjusted[1] tax	Tax expense/credit	Adjusting items (Note 4)	Tax expense/credit before adjusting items. Reconciliation: Consolidated income statement
Adjusted[1] profit/loss before tax	Profit/loss before tax	Adjusting items (Note 4)	Profit/loss before tax and adjusting items. Reconciliation: Consolidated income statement

Adjusted[1] basic EPS	Basic EPS	Adjusting items (Note 4)	Adjusted profit attributable to the parent shareholders divided by the basic weighted average number of ordinary shares in issue during the year after deducting treasury shares and shares held by an independently managed share ownership trust (ESOT). Reconciliation: Note 7
Profit/PBT margin	No direct equivalent	Refer to definition	Segmental adjusted profit before tax divided by segmental adjusted revenue, to demonstrate profitability margins of the segmental operations. Reconciliation: Business review
BALANCE SHEET MEASURES			
Net cash/debt	Total liabilities from financing activities	Excludes lease liabilities, other financial liabilities and derivatives held to hedge financing activities	Cash and cash equivalents after deducting total borrowings. The directors consider this to be a useful measure of the financing position of the Group. Reconciliation: Note 12
Adjusted[1] net cash/debt	Total liabilities from financing activities	Exclude lease liabilities and derivatives held to hedge financing activities. Includes an adjustment for cash assumed by ratings agencies to not be readily available	Net cash/debt adjusted for cash, assumed by ratings agencies to not be readily available, and excluding unamortised debt-related fees. The measure has been amended in the year to exclude unamortised debt-related fees. The directors consider this to be a useful measure as it is aligned with the method used by ratings agencies to assess the financing position of the Group.

Reconciliation	**As at 27 February 2025 £m**	As at 29 February 2024 £m
Net debt	**483.4**	298.2
Less: unamortised debt costs	**7.6**	5.1
Restricted cash adjustment	**10.0**	10.0
Adjusted net debt	**501.0**	313.3

Lease-adjusted net debt/cash	Total liabilities from financing activities	Exclude lease liabilities. Includes an adjustment for cash assumed by rating agencies to not be readily available	In line with methodology used by credit rating agencies, lease-adjusted net debt includes lease debt which is calculated at 8x Cash Rent as defined in the Glossary. The directors consider this to be a useful measure as it forms the basis of the Group's leverage targets.

Reconciliation	**As at 27 February 2025 £m**	As at 29 February 2024 £m
Adjusted net debt	**501.0**	313.3
Lease debt	**2,580.8**	2,444.0
Lease-adjusted net debt	**3,081.8**	2,757.3

Net debt/cash and lease liabilities	Cash and cash equivalents less total liabilities from financing activities	Refer to definition	Net debt/cash plus lease liabilities. The directors consider this to be a useful measure of the financing position of the Group.

Reconciliation	**As at 27 February 2025 £m**	As at 29 February 2024 £m
Net debt	**483.4**	298.2
Lease liabilities	**4,233.8**	4,098.4
Net debt and lease liabilities	**4,717.2**	4,396.6

CASH FLOW MEASURES

Lease-adjusted net debt to EBITDAR for leverage	No direct equivalent	Refer to definition	This measure is a ratio of lease-adjusted net debt compared against the Group's adjusted EBITDAR. The directors use this to monitor the leverage position of the Group. This measure may not be directly comparable with similarly titled measures utilised by credit rating agencies, however on a normalised basis these measures would be expected to move proportionally in the same direction.

Reconciliation	**52 weeks to 27 February 2025**	52 weeks to 29 February 2024
Lease-adjusted net debt	**3,081.8**	2,757.3
Adjusted EBITDAR	**1,029.9**	1,057.1
Lease-adjusted net debt to adjusted EBITDAR for leverage	**3.0x**	2.6x

Adjusted[1] operating cash flow	Cash generated from operations	Refer to definition	Adjusted operating profit/loss adding back depreciation and amortisation and after IFRS 16 interest and lease repayments and working capital movement. The directors consider this a useful measure as it is a good indicator of the cash generated which is used to fund future growth, shareholder returns, tax, pension and interest payments.

Reconciliation	**52 weeks to 27 February 2025**	52 weeks to 29 February 2024
Adjusted operating profit	**629.6**	674.2
Depreciation – right-of-use assets	**194.3**	183.3
Depreciation – property, plant and equipment	**177.3**	176.9
Amortisation	**30.2**	23.2
Adjusted EBITDA (post-IFRS 16)	**1,031.4**	1,057.6
Interest paid – lease liabilities	**(166.7)**	(154.9)
Payment of principal of lease liabilities	**(148.7)**	(147.1)
Net lease incentives received/(paid)	**2.7**	(2.7)
Movement in working capital	**4.6**	34.3
Adjusted operating cash flow	**723.3**	787.2

Cash capital expenditure (cash capex)	No direct equivalent	Refer to definition	Cash flows on property, plant and equipment and investment in intangible assets, payments of deferred and contingent consideration, and capital contributions or loans to joint ventures.

OTHER MEASURES

Adjusted[1] EBITDA (post-IFRS 16), Adjusted[1] EBITDA (pre-IFRS 16) and Adjusted[1] EBITDAR	Operating profit	Refer to definition	Adjusted EBITDA (post-IFRS 16) is profit before tax, adjusting items, interest, depreciation and amortisation. Adjusted EBITDA (pre-IFRS 16) is further adjusted to remove rent expense. Adjusted EBITDAR is profit before tax, adjusting items, interest, depreciation, amortisation, variable lease payments and rental income. The directors consider this measure to be useful as it is a commonly used industry metric which facilitates comparison between companies. The Group's RCF covenants include measures based on adjusted EBITDA (pre-IFRS 16).

Reconciliation	**52 weeks to 27 February 2025**	52 weeks to 29 February 2024
Adjusted operating profit	**629.6**	674.2
Depreciation – right-of-use assets	**194.3**	183.3
Depreciation – property, plant and equipment	**177.3**	176.9
Amortisation	**30.2**	23.2
Adjusted EBITDA (post-IFRS 16)	**1,031.4**	1,057.6
Variable lease payments	**4.0**	3.5
Rental income	**(5.5)**	(4.0)
Adjusted EBITDAR	**1,029.9**	1,057.1
Rent expense, variable lease payments and rental income	**(323.4)**	(293.6)
Adjusted EBITDA (pre-IFRS 16)	**706.5**	763.5

WHITBREAD

Return on Capital Employed (ROCE)	No direct equivalent	Refer to definition	Adjusted operating profit/loss (pre-IFRS 16) for the year divided by net assets at the balance sheet date, adding back net debt/cash, right-of-use assets, lease liabilities, taxation assets/liabilities, the pension surplus/deficit and derivative financial assets/liabilities, other financial liabilities and IFRS 16 working capital adjustments. The directors consider this to be a useful measure as it expresses the underlying operating efficiency of the Group and is used as the basis for remuneration targets.

	52 weeks to 27 February 2025	
Reconciliation	**Total £m**	**UK & Ireland £m**
Adjusted operating profit	**629.6**	
Depreciation – right-of-use assets	**194.3**	
Rent expense	**(324.9)**	
Adjusted operating profit (pre-IFRS 16)	**499.0**	**497.3**
Net assets	**3,334.5**	
Net debt	**483.4**	
Current tax liabilities	**12.2**	
Deferred tax liabilities	**234.8**	
Pension surplus	**(134.6)**	
Derivative financial assets	**(19.9)**	
Derivative financial liabilities	**1.4**	
Lease liabilities	**4,233.8**	
Right-of-use assets	**(3,662.7)**	
IAS 17 rent adjustments	**(65.0)**	
Adjusted net assets	**4,417.9**	**3,844.2**
Return on capital employed	**11.3%**	**12.9%**

	52 weeks to 29 February 2024	
Reconciliation	Total £m	UK & Ireland £m
Adjusted operating profit	674.2	
Depreciation – right-of-use assets	183.3	
Rent expense	(294.1)	
Adjusted operating profit (pre-IFRS 16)	563.4	583.8
Net assets	3,519.4	
Net debt	298.2	
Current tax liabilities	10.2	
Deferred tax liabilities	181.1	
Pension surplus	(165.2)	
Derivative financial assets	(3.8)	
Derivative financial liabilities	15.9	
Lease liabilities	4,098.4	
Right-of-use assets	(3,597.0)	
Other financial liabilities	12.3	
IAS 17 rent adjustments	(65.0)	
Adjusted net assets	4,304.5	3,755.9
Return on capital employed	13.1%	15.5%

[1] *Adjusted measures of profitability represent the equivalent IFRS measures adjusted for specific items that we consider relevant for comparison of the Group's business either from one year to another or with similar businesses. We report adjusted measures because we believe they provide both management and investors with useful additional information about the financial performance of the Group's businesses.*