

Mitchells & Butlers

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Mitchells & Butlers froths up to 4yr high as stays ahead of peers

Mitchells & Butlers PLC's (LON:MAB) shares frothed up to a four-year high after the pubs group performed ahead of the market in the past quarter, defying the low UK consumer spending and bad weather.

Alongside full-year results to 28 September, the FTSE 250 group said over the subsequent five weeks, like-for-like (LFL) sales have risen 1.4% compared to the same period last year, which were better than its peers but lower than growth in the past year.

READ: Mitchells & Butlers continues to outperform the market as Brits are driven to drink

In the preceding 12 months, LFL sales grew 3.5% to £2bn, with average spend per item up 3.4% on food and 4.5% on drink, reflecting price rises and efforts to showcase the quality of the offer.

Adjusted underlying earnings (EBITDA) were 3% higher at £436mIn, while statutory profit before tax jumped 26% to £177mIn. Free cash flow swung from a loss of £19mIn to £11mIn.

No final dividend was proposed as part of the firm's strategy to strengthen the business and knock off debt, which was reduced by 7% to £1.5bn.

According to broker Peel Hunt, which forecasts LFL growth to be up between 2% and 2.5% in the current year, the debt reduction paired with the uptick in EBITDA created 25% growth in equity value.

Shares were up 4% to 465.5p on Wednesday morning, reaching levels not seen since summer 2015

Price: 410

Market Cap: £1.76 billion

1 Year Share Price Graph



Share Information

Code: MAB

Listing: LSE

52 week High Low
483 236.5

Sector: Leisure, gaming and gambling

Website: www.mbplc.com

Company Synopsis:

Mitchells & Butlers plc is an operator of managed pubs and pub restaurants. As of September 27, 2008, it had an estate of 1,993 sites located in the United Kingdom and 42 pub restaurants in Germany. The Company has two retail operating segments: Pubs & Bars, which focuses primarily on drink and entertainment-led sites, and Restaurants, which focuses on food and accommodation-led sites.

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