RNS Number : 4383B
Shepherd Neame Limited
08 October 2020

Shepherd Neame

Trading Update and Annual General Meeting

Since our last update on 1 July 2020, nearly all of our pubs have re-opened, traded successfully and benefitted from the Eat Out To Help Out Scheme across the summer. Our London pubs have been the last to open and most of these in the last few weeks.

Reopening our estate required the development of new ways of working, significant staff training and the introduction of extensive protective measures for staff and to ensure that our pubs are Covid - secure. Our licensees and team members have adapted to the new ways of working magnificently and immense gratitude is due for their enthusiasm and determination during a very difficult period.

Our new financial year started on 28 June. In the thirteen weeks since 4 July when pubs were allowed to reopen, the business has been profitable and cash generative.

Net debt at the year end was £84.4m with an additional £11m of tax liabilities that had been deferred in agreement with HMRC. As at 26 September net debt was £82.4m with the tax liabilities that had been deferred reduced to £5.7m with a further £1.2m of general deferrals. Liquidity is sufficient for the foreseeable future.

Like-for-like sales in those 64 Managed Pubs and Hotels that were open for this period were down -7.9%. Our coastal and destination sites have performed well and food and accommodation sales have been strong but our city centre and Central London drinks-led outlets less so.

For the thirteen weeks to 26 September, we achieved 73% of prior year Tenanted Pub income. This includes substantial rental support for our licensees throughout the period and the phased opening of our pubs.

Own Brand Beer and Cider volumes since the start of the new financial year are -1.9% versus last year.

We anticipate that trading during the winter months will be challenging as the new restrictions, such as the rule of six and 10pm curfew, impact business and consumer confidence; but we welcome the extension of the reduced VAT rate of 5% until March 2021.

Results for the year ending 27 June 2020 will be announced later than usual on 4 November with the AGM to be held on Wednesday 2 December.

As highlighted previously, the AGM format this year will be constrained by Covid restrictions and guidelines. The results presentation will be posted online on the day of the results announcement. Shareholders will be invited to ask questions via a company email address and the answers to those questions will be posted online together with the shareholder voting results after the AGM. We regret that shareholders will not be able to attend in person. Further details will be communicated in the Notice of Meeting in due course.

8 October 2020

Enquiries:

Shepherd Neame Tel: 01795 532206

Jonathan Neame, Chief Executive

Mark Rider, Finance and IT Director

Instinctif Partners Tel: 07831 379122

Matthew Smallwood

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