

PUNCH

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Punch Finance plc
Quarterly Bondholder Report

Results for the period ended 23 February 2025



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Forward-looking statements

This report may include forward-looking statements. All statements other than statements of historical facts included in this report, including those regarding the Group's financial position, business, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Use of non-IFRS financial information

Certain parts of this report contain non-IFRS measures and ratios. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this presentation. In particular, underlying EBITDA is not a measure of our financial performance or liquidity under IFRS and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.



Contents

Punch Pubs Group Limited¹ and subsidiary companies

Quarterly Bondholder Report

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	Page
Introduction	3
Business review	4
Quarterly results	10
Estate portfolio	11
Loan to value	14
Liquidity & freehold acquisitions	15
Consolidated income statement	16
Consolidated balance sheet	17
Performance summary	18
ESG	19
Glossary	23
Investor contacts	24



Notes

1. The debt is secured against Punch Pubs Group Limited "PPG", the holding company of the listed debt. The results of the group are consolidated at the PPG level.



Punch Pubs Group Limited was incorporated on 26 May 2021, following which the group acquired its trading subsidiaries on 23 June 2021.

These are the second quarter's accounts of FY25, for the 28 week period up to 23 February 2025.

Reporting calendar

01 August 2025 – Q3 FY25 quarterly report for the 12 weeks to 18 May 2025

24 October 2025 – Q4 FY25 quarterly report for the 12 weeks to 10 August 2025

08 December 2025 - Audited Annual report and financial statements for FY25

13 February 2026 - Q1 FY26 quarterly report for the 16 weeks to 30 November 2025

08 May 2026 - Q2 FY26 quarterly report for the 12 weeks to 22 February 2026

Investor calls are held twice yearly following the release of the H1 (Q2) and full year (Q4) results.



- The Punch Pubs Group comprises 1,264 pubs, 92% of which are owned on a freehold or long-leasehold basis.
- The principal characteristics of the estate being:
 - We operate a community pub estate and therefore have limited exposure to the high-street, city centre and late-night markets and we do not operate pub brands with each pub being individual;
 - We operate a drinks-led pub estate and therefore have lower exposure to destination dining with c.77% of our income coming from drink;
 - Being a drink led community estate our pubs tend to have a smaller footprint in terms of size and labour requirement, thus benefiting from lower fixed costs to operate;
 - Our pubs are operated by independent entrepreneurs as opposed to being fully managed. Consequently, we are not directly exposed to changes in labour rates; and
 - Approximately one third of our EBITDA profit comes from rental income, predominantly on inflation linked 5-year tenancy agreements.

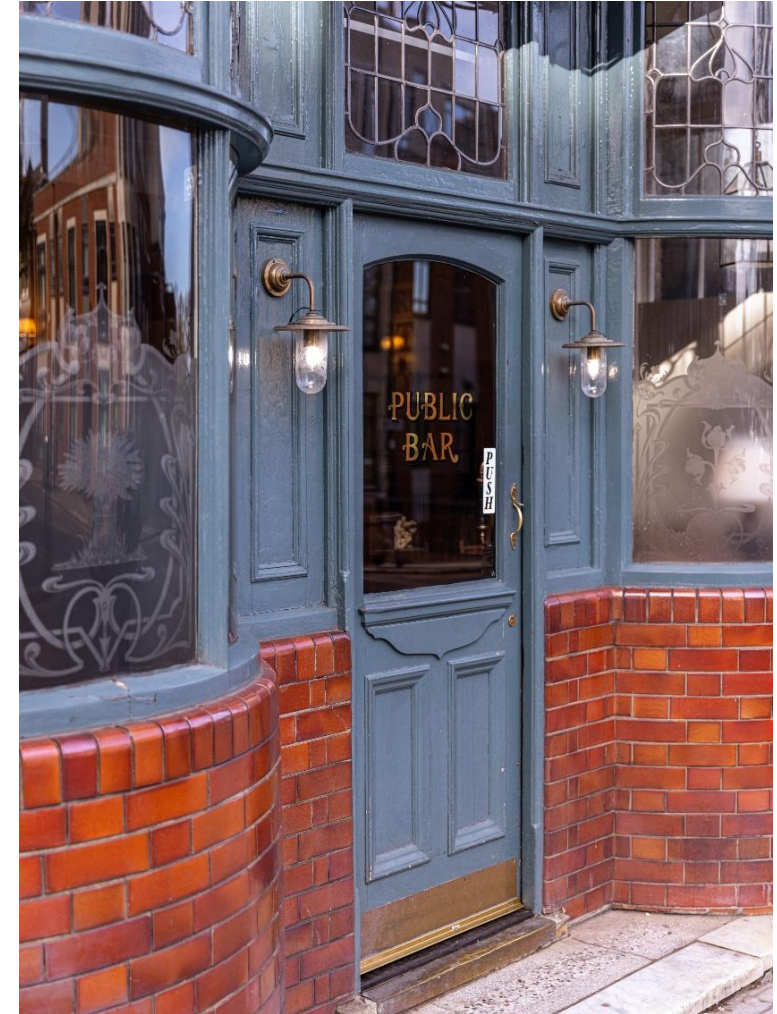


Business Review: Trading & Financial Performance

- Strong performance in the quarter, delivering £19.8m of underlying EBITDA for the 12 weeks ended 23 February 2025 versus £17.6m of underlying EBITDA in the 12 weeks ended 25 February 2024. For the 12 weeks to 23 February 2025 total revenue was £71.0m, compared to £69.1m in the prior year period of 12 weeks to 25 February 2024.
- All three divisions (Leased and Tenanted, Management Partnership and Laine) delivered like-for-like Underlying EBITDA growth for the 28 week period when compared to the prior year. Underlying EBITDA for the pub estates before central costs increased by £3.2 million to £61.8 million.
- Underlying EBITDA for the 52 weeks to 23 February 2025 was £94.8m, which compares positively to the £76.0m of Adjusted Underlying EBITDA from the wider Punch Group in the year to August 2019, being the most recent financial year prior to the Covid pandemic.
- This strong profit growth stems from:
 - Growth in our like-for-like estate driven by inflationary price increases and trade enhancing capex investment;
 - Maturing profits from pubs converted from L&T to MP;
 - Opportunistic acquisitions of single sites and small pub portfolios with 56 acquisitions completed since August 2022; and
 - Optimising our cost base as we implement the £5.1 million cost saving plan identified in partnership with Deloitte.



- A further £6.6m of capex has been invested into our pubs in the quarter alongside acquisitions of £1.5m.
- In the quarter to 23 February 2025 the group acquired 2 pubs, comprising 2 individual pub acquisitions, and disposed of 5 pubs, generating proceeds of £3.4m and a profit on disposal of £0.5m.
- As noted in previous reports, we have identified the next tranche of pubs to convert to the Management Partnership model. We are now in our 11th year of progressively converting pubs across from L&T to Managed Partnerships. Over the ten year period to February 2024 we converted 240 pubs at an ROI of 33% on average enhancing capex spend of £205k per pub.
- Over the 12 months to 23 February 2025 we have converted (or are on-site for investment in) 18 pubs to Management Partnerships and have identified, costed and fully appraised the next 37 pubs for conversion to Management Partnerships over the next 12 months to February 2026.



Business Review: Property valuation

- After having realised £7.7 million from property disposals in the 28 week period, property assets increased by £76.2 million to £992.0 million (11 August 2024: £915.8 million). The Group benefits from operating a predominantly freehold estate, with 92% of the pub portfolio owned on a freehold or long leasehold (greater than 50 years remaining lease term) basis.
- A full estate property valuation was recently completed by Savills (UK) Limited, independent chartered surveyors, who valued 100% of the pub estate owned as at 23 February 2025 and the head office. The impact of the revaluation in the current period is to increase the net book value of property, plant and equipment by £63.5 million (£43.8 million being charged to operating profit and a £107.3 million credit recognised in the Statement of Other Comprehensive Income).
- The current net book value of properties at £992.0 million compares favourably to the full estate property valuation undertaken ahead of the High Yield Bond launch in May 2021 at £849.7 million.
- The Group benefits from operating a predominantly freehold estate, with 92% of the pub portfolio owned on a freehold or long leasehold (greater than 50 years remaining lease term) basis.

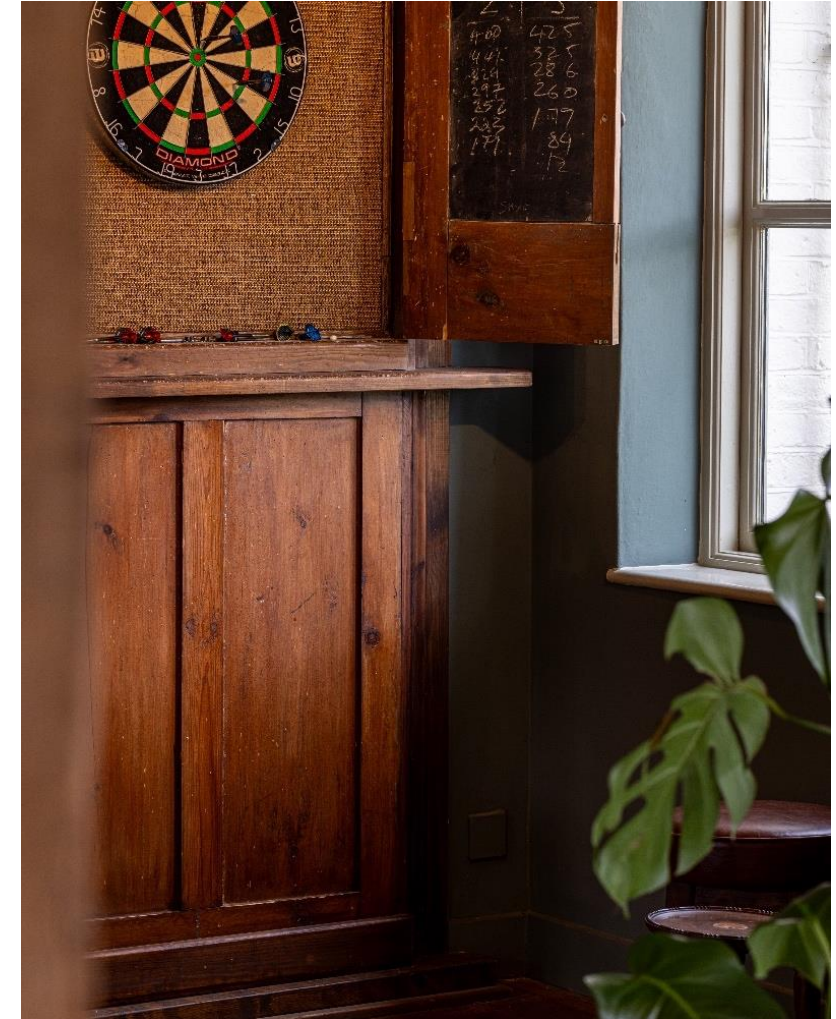




- The Group generated a net cash inflow from operating activities for the 12 weeks to 23 February 2025 of £25.3m, compared to £21.1m for the 12 weeks to 25 February 2024.
- At the end of the period the Group had £74.0 million of available financial resources (11 August 2024: £66.5 million), represented by £3.7 million of cash and cash equivalents, £37.0 million undrawn against the RCF and £33.3 million from 49 freehold pub acquisitions funded from cash reserves and drawing on the RCF. In addition, £2.6 million of cash held in deposit accounts is classified within prepayments (11 August 2024: £2.6 million).
- Net proceeds from the sale of properties in the period was £7.7 million (prior year 28 weeks: £6.8 million), at £0.9 million above book value (prior year 28 weeks: £1.6 million).
- As at 23 February 2025, Group LTV stood at 63.4%.



- Group profitability is expected to grow from the £94.8 million of underlying EBITDA for the 12 months to 23 February 2025 to a pro forma run rate EBITDA of £111.0m, driven by:
 - £3.7m run rate adjustment for acquisitions and disposals in the last 12 months;
 - £3.8m L&T to MP conversions;
 - £2.0m run rate adjustment for enhancing investments completed in the last 12 months;
 - £0.6m benefit from pubs transferred into the bondholder group, and other adjustments;
 - £3.4m from annual drinks price increases implemented on 14 April 2025 net of product cost increases; and
 - £2.8m of additional cost savings identified in partnership with Deloitte.
- Quarter 3 trading to date (8 weeks to 20 April 2025) has been strong with EBITDA 10% ahead of the same period in 2024 (up £1.4m).



£m

Revenue and EBITDA¹

Revenue

End of Q2: £168.3m

MAT: £326.7m

EBITDA¹

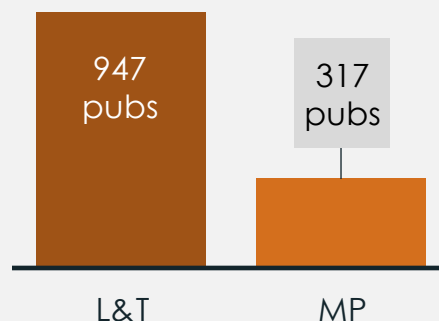
Feb-25 adjusted
run-rate: £111.0m

End of Q2: £46.9m

MAT: £94.8m

Pub Estate and Capex / Disposals

Pub Estate



Capex / Disposals

Q2 Capex: £6.6m

Q2 Disposal²: £3.4m

Q2 Acquisitions: £1.5m

Liquidity, Freehold Acquisitions & Cashflow

Liquidity and acqⁿs

Q2 FY25: £74.0m

Q4 FY24: £66.5m

Operating cash flow

End of Q2: £44.0m

MAT: £91.9m

Net Debt and Loan to Value

Net Debt

Q2 FY25: £629.3m

Q4 FY24: £625.7m

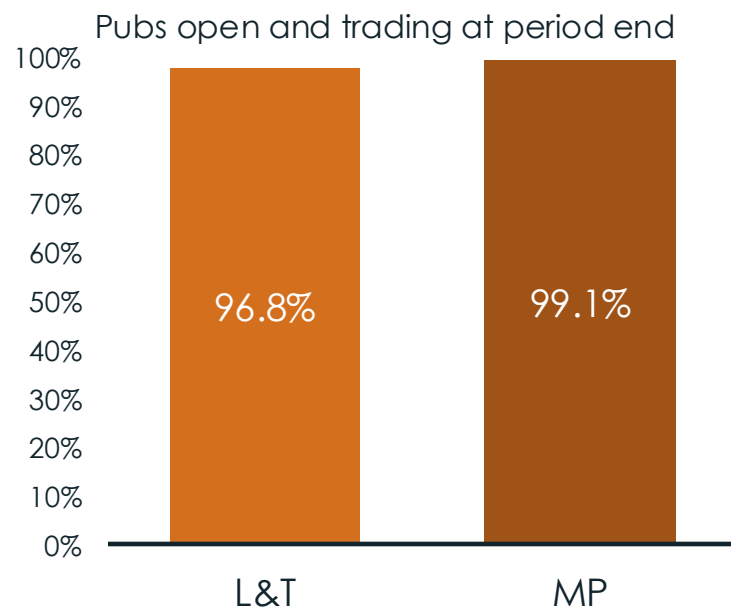
Loan to value

Q2 FY25: 63.4%

Q4 FY24: 68.3%



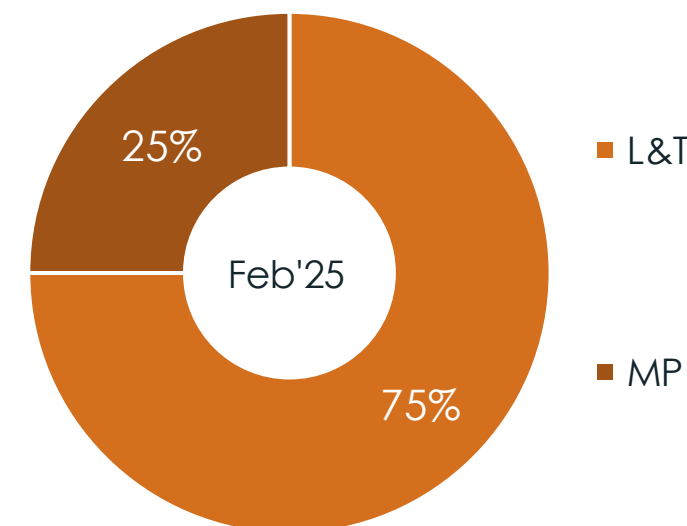
- At the end of the quarter the Group owned 1,264 pubs, of which 97.4% were open and trading at the quarter end.



Notes

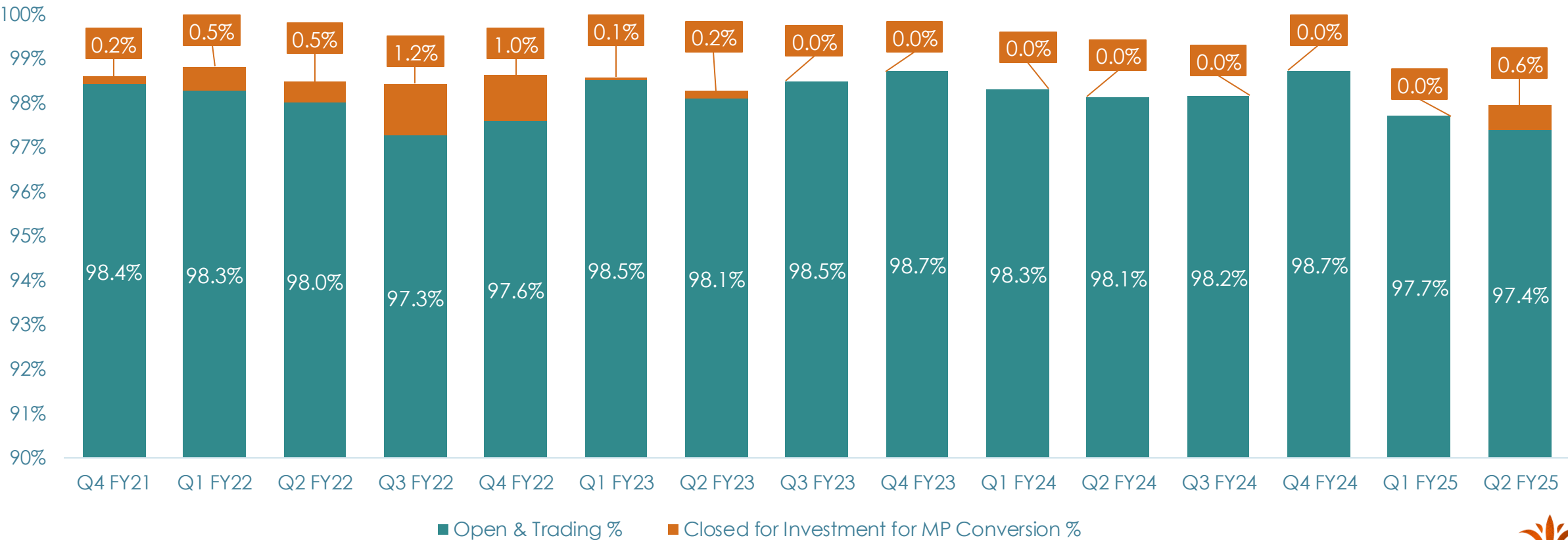
- End of Q2 FY24
- End of Q3 FY24
- Financial year end FY24
- End of Q1 FY25
- 3 transfers to Management Partnership, 1 transfer to Leased & Tenanted
- End of Q2 FY25

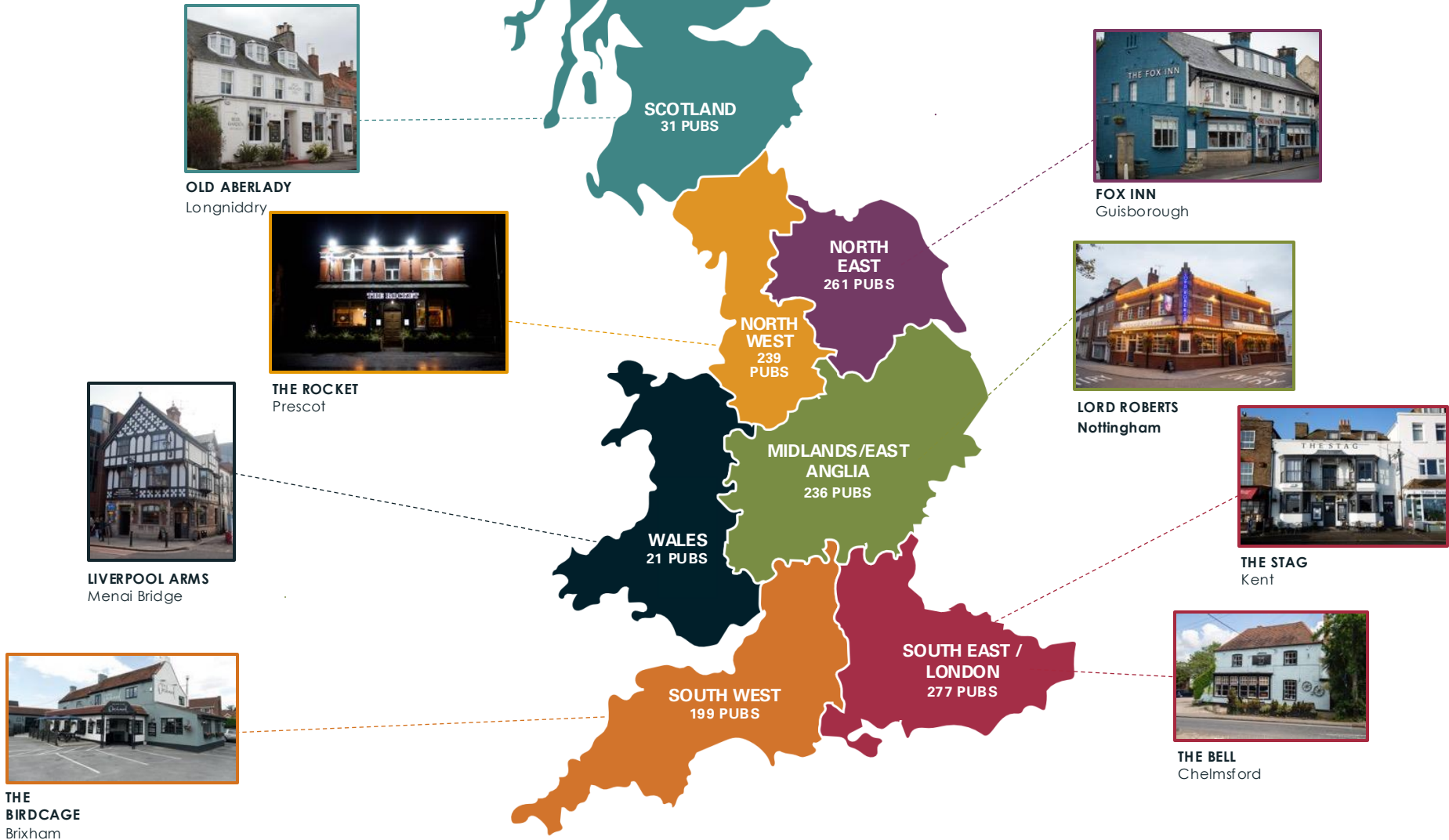
Pub numbers	Leased & Tenanted	Management Partnerships	Total
25.February.24 ¹	922	315	1,237
Transfers	7	(7)	-
Additions	25	-	25
Disposals	(6)	(1)	(7)
19.May.24 ²	948	307	1,255
Transfers	-	-	-
Additions	11	-	11
Disposals	(7)	(1)	(8)
11.August.24 ³	952	306	1,258
Transfers ⁵	(2)	2	-
Additions	18	-	18
Disposals	(9)	-	(9)
1.December.24 ⁴	959	308	1,267
Transfers	(9)	9	-
Additions	2	-	2
Disposals	(5)	-	(5)
23.February.25 ⁶	947	317	1,264



- Of the 1,264 pubs owned by the group at the end of the quarter, 2.6% were temporarily closed

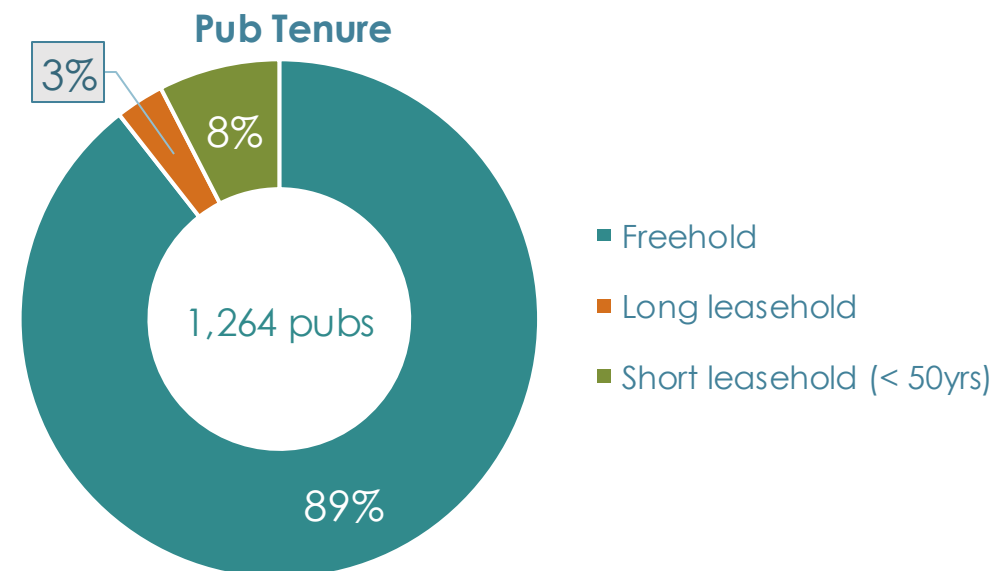
Percentage of pubs open & trading over time





- 92% of the pub portfolio is owned on a freehold or long leasehold (>50 years remaining) basis;
- Net debt to property value of 63.4%.

(£m)	Q2 FY25
Secured Notes 6.125%	600
Revolving Credit Facility	33
Less: Cash	(4)
Net Debt	629
Property, plant & equipment ¹	992
Loan to Value	63.4%



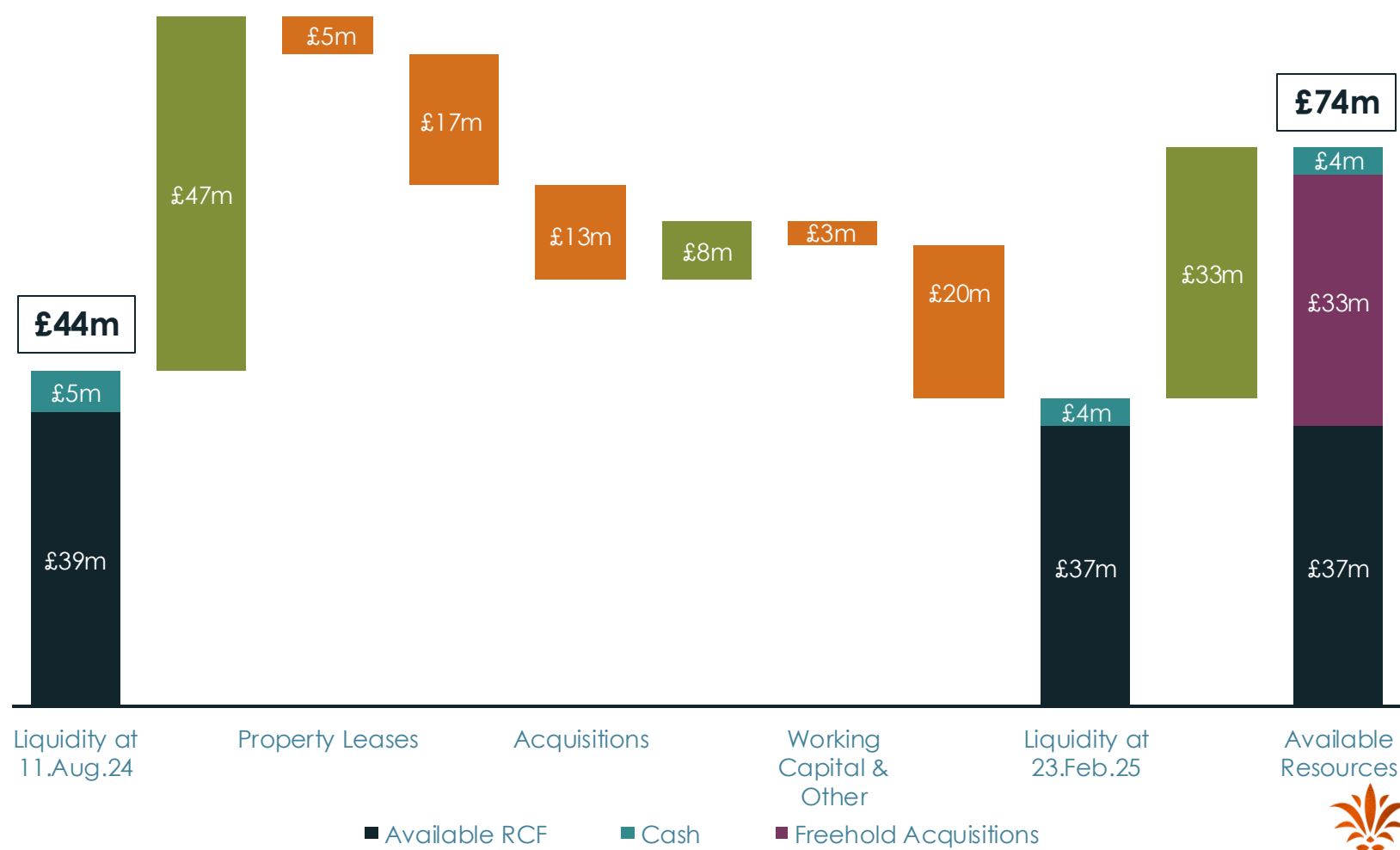
Notes

1. PP&E includes assets classified as held for sale



Liquidity and Freehold Acquisitions

- The Group maintained strong levels of available financial reserves of £74.0m at the quarter end, made up of £40.7m of liquidity and £33.3m of 49 freehold pub acquisitions funded from cash reserves and drawing on the RCF.
- Disposal proceeds relate to the disposal of 14 pubs for cash proceeds of £7.7m at £0.9m above book value.
- Working capital and property lease cash flows are influenced by the timing of quarter ends.



Consolidated Income Statement

- YTD non-underlying items include:
 - £(0.8)m of one-off costs including professional fees, restructuring and conversion of pubs to the MP division
 - £0.9m of profit on sale of assets
 - £(3.0)m impairment
 - £(43.8)m of movement in valuation of properties²
 - £(0.2)m of share-based payment charges
- YTD finance costs include:
 - £(21.3)m of net interest payable
 - £(3.0)m of interest payable on lease liabilities
 - £(0.4)m net pension interest costs
 - £(1.3)m amortisation of deferred issue costs
 - £0.1m bank interest receivable

	Quarter 2	YTD	MAT
(£m)	23.Feb.25 ¹	28 weeks	52 weeks
Revenue	71.0	168.3	326.7
Operating costs	(51.2)	(121.4)	(231.9)
Underlying EBITDA	19.8	46.9	94.8
Depreciation & Amortisation	(4.5)	(10.4)	(17.7)
Finance Costs	(11.3)	(25.9)	(48.1)
Underlying profit before tax	4.0	10.6	29.0
Non-underlying items	(46.7)	(46.9)	(72.8)
Taxation credit / (charge)	(1.0)	(2.6)	(6.6)
Profit / (loss) for the period	(43.7)	(38.9)	(50.4)

Notes

1. 12 weeks of trading ended 23 February 2025
2. £107.3m upwards revaluation was also recognised in the revaluation reserve.
The net upwards movement was £63.5m.



Consolidated Balance Sheet

- Loans are the £600.0m loan notes issued in June 2021. This is offset by deferred issue costs of £3.2m, that will be released over the life of the loan.
- The short-term loans relate to the RCF, the total balance drawn down at 23 February 2025 is £33.0m.
- The loan facility is available until June 2026 and the RCF until January 2026, the group has £37.0m undrawn at 23 February 2025.
- Accruals and deferred income include £5.8m of accrued interest on the debt held.
- The actuary report for the defined benefit pension scheme showed a net asset, we have restricted this to £nil under IFRIC 14.

(£m)	Quarter 2 23.Feb.25	Quarter 4 11.Aug.24
Fixed Assets & Intangible Assets	983.9	907.1
Right of use assets	61.7	61.7
Non current assets	1,045.6	968.8
Trade debtors, prepayments & other debtors	15.9	14.7
Inventories	4.1	4.0
Non-current assets classified as held for sale	9.2	9.9
Cash at bank	3.7	5.3
Current assets	32.9	33.9
Short-term loans	(33.0)	(31.0)
Trade & other creditors	(30.3)	(34.6)
Lease liability	(10.1)	(10.4)
Accruals & deferred income	(22.7)	(18.3)
Social security & other taxes	(4.1)	(3.4)
Current liabilities	(100.2)	(97.7)
Loans	(596.8)	(595.5)
Lease liability	(62.3)	(61.0)
Deferred tax	(27.1)	(24.6)
Retirement benefit obligations	-	-
Non-current liabilities	(686.2)	(681.1)
Net assets	292.1	223.9
Net debt	629.3	625.7



- Summary of quarterly performance for each quarter since the formation of the Bond Group.

	Q4 FY21	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23*	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
From	26.May.21	16.Aug.21	6.Dec.21	28.Feb.22	23.May.22	15.Aug.22	6.Dec.22	27.Feb.23	22.May.23	14.Aug.23	4.Dec.23	26.Feb.24	20.May.24	12.Aug.24	2.Dec.24
To	15.Aug.21	5.Dec.21	27.Feb.22	22.May.22	14.Aug.22	5.Dec.22	26.Feb.23	21.May.23	13.Aug.23	3.Dec.23	25.Feb.24	19.May.24	11.Aug.24	1.Dec.24	23.Feb.25
No. of trading weeks	8	16	12	12	12	16	12	12	12	16	12	12	12	16	12
Portfolio															
Opening	1,230	1,279	1,274	1,276	1,276	1,271	1,269	1,267	1,256	1,248	1,242	1,237	1,255	1,258	1,267
Acquisitions	56	-	2	1	-	-	-	-	-	-	-	25	11	18	2
Transfer to ULP	-	-	-	(1)	(1)	-	-	-	-	-	-	-	-	-	-
Disposals	(7)	(5)	-	-	(4)	(2)	(2)	(11)	(8)	(6)	(5)	(7)	(8)	(9)	(5)
Closing	1,279	1,274	1,276	1,276	1,271	1,269	1,267	1,256	1,248	1,242	1,237	1,255	1,258	1,267	1,264
(£m)															
Underlying EBITDA	14.2	25.2	14.5	20.4	23.2	23.9	15.0	20.3	22.1	25.6	17.6	21.8	26.1	27.1	19.8
Cash generated from operations	8.7	12.9	10.8	29.6	16.9	17.1	18.1	23.0	20.6	22.2	21.1	19.0	28.9	18.7	25.3
Capex															
Investment	8.4	8.0	7.5	6.1	12.7	11.5	5.2	6.9	7.2	7.7	5.6	7.3	8.2	10.7	6.6
Acquisition	53.0	2.8	1.5	0.6	-	-	-	-	-	-	-	17.1	8.1	11.0	1.5
Total	61.4	10.8	9.0	6.7	12.7	11.5	5.2	6.9	7.2	7.7	5.6	24.4	16.3	21.7	8.1
Disposal proceeds	(1.4)	(5.6)	0.1	(0.2)	(3.2)	(1.1)	(0.9)	(6.4)	(2.8)	(4.1)	(2.7)	(4.2)	(3.8)	(4.3)	(3.4)
Net investment	60.0	5.2	9.1	6.5	9.5	10.4	4.3	0.5	4.4	3.6	2.9	20.2	12.5	17.4	4.7
Net Debt															
Secured loan notes	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)	(600.0)
Revolving credit facility	(30.0)	(30.0)	(40.0)	(40.0)	(30.0)	(30.0)	(35.0)	(20.0)	(20.0)	(20.0)	(25.0)	(28.5)	(31.0)	(33.0)	(33.0)
Cash and cash equivalents	22.5	26.7	15.2	35.5	12.6	16.0	12.7	16.2	10.3	4.1	5.2	1.0	5.3	5.3	3.7
Nominal value of net debt	(607.5)	(603.3)	(624.8)	(604.5)	(617.4)	(614.0)	(622.3)	(603.8)	(609.7)	(615.9)	(619.8)	(627.5)	(625.7)	(627.7)	(629.3)

* Cash has been restated to reclassify £2.6m of utility deposits from Cash to Working Capital



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Inspiring those moments

OUR AIM

To Be The 5 Star Pub Company

OUR VALUES

WE BELIEVE IN

THRIVING
TOGETHER

WE BELIEVE IN

DOING WELL
BY DOING GOOD

WE BELIEVE IN

PRIDE IN
OUR STRIDE

WE BELIEVE IN

DELIGHTING
EVERY GUEST

WE BELIEVE IN

DOING WELL BY DOING GOOD

*It's not only what you do,
but how you do it that matters.*

At Punch, positive performance is driven by building trust through open communication and transparency and by putting the needs of people, planet and pub first.



PEOPLE

Beating Heart in Each Community



PLANET

Better, Greener Choices



PUBS

Fit for future, shared success

OUR HIGHLIGHTS



18% increase in positive employee engagement feedback (65% to 83%).

100+ of our pubs celebrated Pub Pride Week 2024.

116% increase in no & low-alcohol sales since 2022.

1 in 5 of our Head Office & Field Teams joined MIND well-being sessions.

Working with People's Captain to develop an in-pub Mental Health First Aid qualification.

We are a Menovist.



87.5% of our pubs in England & Wales have an EPC rating of 'C' or above.

Energy consumption reduction in our MP & Laine pubs by 10-15%.

- Installation of cellar & fridge managers
- Upgraded 400 boilers in last two years
- Energy audits, dashboards & e-learning.
- Voltage Optimisation installs set to save an extra 8% per pub (£2k a year).

52% of our waste is recycled, 46% is converted to energy & 98% diverted from landfill.

105kgs of waste collected in our community cleans in 2024. Four more planned in 2025.

Biodiversity partnership with the Eden Project.

3% and 1% reductions respectively in our Scope 1 & 3 emissions in 2024.



Over 35+ Pub Heroes (sustainability champions).

£240m investment (incl. acquisitions) in our pubs over the last five years. Another £240m planned over the next three years.

Installation of 400 parcel lockers in our pubs.

Last year, our pubs raised £189,000+ for charities in our Grand Idea competition.

Launched our Sustainable Food Strategy.

Social Value research with Northumbria University to be completed this year.

AWARDS UPDATE



Publican Awards 2024 – Winners of Best Partnership Pub Company (501+ Sites) Category and finalist for Publican Awards 2025 for Best Sustainable Pub Co



Winners at the Springboard Awards for Excellence - Employee Health & Well-being & finalist in Best Recruitment Initiative



Mind Workplace Well-being Award, achieving Gold for the second year.



Winner for Licensed Trade Charity Champions Award 2024



Finalists for MCA Hospitality Awards – Sustainability Category 2025



Corporate Reporting Awards – Winner of the Best Use of the SDGs 2024/Finalists for Best ESG Report



Winner at the BII NITA's for Innovative Training in Sustainability 2024 and finalists for Innovative Training in ED&I

Term	Definition
Bond launch	The first day immediately after the bond was issued, 25 th June 2021
EBITDA	EBITDA represents earnings before depreciation, amortisation, non-underlying items, profit on sale of property, plant and equipment, non current assets classified as held for sale, impairment, movement in valuation of properties, loss on sale of subsidiaries, finance income, finance costs, tax of the Group and loss attributable to non-controlling interest
Leased & Tenanted (L&T)	The Leased and Tenanted part of our business, in which we rent our properties to tenants who run these pubs and often reside on the premises, The majority of these pubs operate under "tie" arrangements, which each tenant pays below market rent and, in return, is required to purchase the majority of their drinks from us at an above market price.
Liquidity	Total value of cash and cash equivalents plus the amount undrawn under the RCF
Loan to value	Net debt as a percentage of property, plant and equipment
Management Partnership (MP)	The Management Partnership model, is designed to maximise profitability and optimise the retail proposition in each of our pubs, while at the same time minimising operating costs for our Group. Each of these pubs are generally operated by a limited company and by a self-employed management partner, who receives a share of the pub's sales. The publican generally takes responsibility for running the pub on a day-to-day basis, including employing staff, while we generally determine the retail proposition and product offering.
MAT (Moving Annual Total)	The total of the previous 12 months up to the period end date
Net Debt	Nominal value of loan notes and RCF less cash & cash equivalents
Operating cash flow	Net cash generated from operating activities (per the statutory cashflow under IFRS)
PPG	Punch Pubs Group Limited, the top company in the bond group that acts as a guarantor
Property, plant & equipment	Total tangible fixed assets, this comprises of; land & buildings, fixtures & fittings in the pub estate and assets held for sale
RCF	Revolving credit facility, a £70 million super senior revolving credit facility, provided by Barclays Bank Plc and National Westminster Bank Plc
Underlying Adjusted EBITDA	As defined in the Offering Memorandum dated 18 th June 2021
Underlying profit before tax	Underlying EBITDA plus depreciation, amortisation and underlying finance costs
Unlicensed Premises (ULP)	A premises without a licence to sell alcohol, these comprise of our corporate offices, development opportunities, and premises that generate rental income



Investor Contact Details

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WITH THANKS

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