

WHITBREAD PLC

Investing
in growth

Annual Report and Accounts 2024/25

Registered company number: 4120344

THURSDAY



We own Premier Inn, the UK's largest hotel brand, operating 86,000 rooms in over 850 hotels. We also have a significant and growing presence in Germany and, with 62 hotels open, we are on course to replicate our UK success and become the number one hotel brand.

Our scale, operating model and passion for excellence mean we can deliver a great guest experience whilst continuing to invest in our operations and drive attractive shareholder returns.

Find out more online
www.whitbread.co.uk/

Find out more about Force for Good
in our ESG Report 2024/25

Our year at a glance

Financial highlights

Statutory revenue £2,922m 2023/24: £2,960m	Adjusted profit before tax† £483m 2023/24: £561m	Statutory profit before tax £368m 2023/24: £452m
Adjusted basic earnings per share† 194.6p 2023/24: 206.9p	Statutory basic earnings per share 141.5p 2023/24: 161.0p	Dividend per share 97.0p 2023/24: 97.0p
Adjusted operating cash flow† £723m 2023/24: £787m	Lease-adjusted net debt to adjusted EBITDAR† 3.0x 2023/24: 2.6x	Total shareholder returns*, £442m 2023/24: £756m

* Total shareholder dividends paid and share buy-backs completed in 2024/25.

† See pages 232 to 238 for definitions of alternative performance measures. This footnote is referenced throughout the report.

Throughout this report and unless stated otherwise, all percentage growth comparisons are made comparing the latest year (2024/25) performance with that of the prior year (2023/24).

Sustainability highlights

Read more on pages 58-59

Opportunity	Community	Responsibility
Ethnic minority representation in our leadership population 9.3% 2023/24: 9.1%	Raised for Great Ormond Street Hospital Children's Charity (GOSH) £2m 2023/24: £2.4m	Reduction in Scope 1 and 2 emissions intensity from a 2016/17 base year 59.7% 2023/24: 54.9%

Investing in growth

In 2024, we launched our Five-Year Plan to deliver a step change in profits, margins and returns. Throughout this report, we explain our progress in 2024/25 and our plans to 2029/30.

Find out more on pages 14 to 19

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PURPOSE AND STRATEGY

What sets us apart?

Purpose

To provide high-quality, affordable hotel rooms to our guests, to help them to live and work well and to positively impact the world around us.

With no barriers to entry or limits to ambition, we will provide meaningful work, skills and career development opportunities for our teams.

See page 55

Strategic pillars

Our strategy comprises the following three pillars:

See page 16

Force for Good

Our long-established and industry-leading sustainability programme is fully embedded within each pillar of our business strategy. We have set ambitious targets across all areas of our business.

Find out more online
www.whitbread.co.uk

Opportunity

We want all of our team members to reach their potential with no barriers to entry and no limits to ambition.

See page 58

Community

We are focused on making a meaningful contribution to the customers and communities we serve.

See page 58

Responsibility

We always seek to operate in a way that respects people and the planet.

See page 59

“Our ambition is to be the world’s best budget hotel brand.”

Dominic Paul
Chief Executive

Grow and innovate in the UK

Read more on page 17

Focus on our strengths to grow in Germany

Read more on page 18

Enhance our capabilities to support long-term growth

Read more on page 19

Underpinned by our Values

**warm+
welcoming**

**passionate
+proud**

**budget
+brilliant**

BRANDS AND LOCATIONS

High-quality, great value proposition

Our hotel brands

Premier Inn is the largest hotel brand in the UK and has a growing presence in Germany. Our consistent guest proposition is synonymous with providing high-quality and great value hotel rooms. We have a long runway for growth; our committed and future pipeline, together with our UK extensions programme, means we will reach at least 98,000 open rooms in the UK and Ireland and 20,000 open rooms in Germany by 2029/30.

'hub by Premier Inn' offers a more compact, digitally advanced in-room experience at a great price in prime city locations. With 18 hub hotels already open across London and Edinburgh, we have a committed pipeline to open more sites over the next few years.

Our food and beverage brands

Food and beverage, especially a hot breakfast, is a key part of the guest experience at Premier Inn. The majority of our guests are served by an integrated restaurant within the hotel, tailored for the Premier Inn guest. At approximately 200 of our sites, guests are served by a neighbouring branded restaurant trading under one of our six brands above.

Find out more online
www.whitbread.co.uk/about-us/our-brands/

Where we operate¹

United Kingdom and Ireland

Our largest and most profitable market is driven by high volumes of domestic travel, supplemented by inbound travel. With a significant decline in the independent sector and limited new room growth from other branded operators, a favourable supply backdrop is expected to remain in place for the next few years.

UK long-term room potential

125,000

Open rooms²

86,000

Committed pipeline⁴

8,000

Read more on pages 24 to 25

Germany

The German hotel market is 40% larger than that in the UK and shares a number of attractive structural characteristics that helped drive Premier Inn's success in the UK. Having grown rapidly in recent years, we are on course to become Germany's number one hotel brand, delivering profitable growth and attractive long-term returns on capital.

Long-term ambition to become

No.1

Open rooms³

11,000

Committed pipeline⁴

7,000

Read more on pages 32 to 33

¹ As at 27 February 2025, we also operate 11 Premier Inns across the Middle East as part of a joint venture.

² Includes six sites in Ireland, one site in each of Guernsey and the Isle of Man and two sites in Jersey.

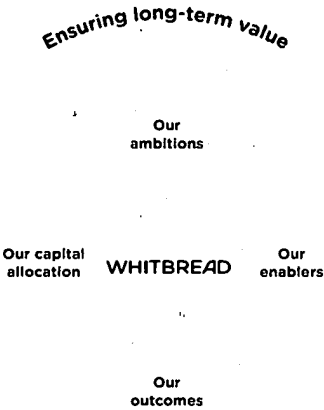
³ Includes one site in Austria.

⁴ Sites where the Group has a legal interest in a property with the intention of opening a hotel in the future. UK committed pipeline includes Accelerating Growth Plan extension rooms with planning approval

BUSINESS MODEL

Our differentiated approach

With a market-leading position in the UK and a growing presence in Germany, through our business model we are executing at pace to reach our ambitions and deliver long-term value for key stakeholders.



Find out more about how we generate and sustain value
www.whitbread.co.uk/

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Our ambitions

See more about our Five-Year Plan on page 14

Our strategy is underpinned by our Five-Year Plan that is set to drive us closer towards the achievement of each of the following ambitions that are set out later in this report:

Extending our market-leading position in the UK

Becoming No.1 in Germany

Enabling long-term growth

Our enablers

We have identified a number of key enablers that are fundamental to our long-term success:

Force for Good

Page 58

Culture and values

Page 50

Governance framework

Page 90

Vertically integrated model

Our outcomes

See more about our outcomes on pages 17-19

Generating benefits for our teams, guests, communities and shareholders:

Highly engaged teams

Market-leading guest proposition

Sustainable profitable growth

Our capital allocation

Striking the appropriate balance through our strict capital discipline and framework, we are:

Investing in long-term value

Rewarding key stakeholders

Vertically integrated model

Our vertically integrated model differentiates us from our peers and is a significant source of competitive advantage:

We control all elements of the value chain...

which generates key benefits for us...

...and for our guests.

We have a flexible property model

Operational control

Commercial excellence

We own and operate all of our hotels and brands

>

Freehold-backed balance sheet

>

We manage our inventory distribution

Low-cost distribution

Cost efficiency

We own the customer relationship

Sustainability

Availability

- Over 850 hotels across the UK and Ireland, with 43 hotels in the committed pipeline
- 62 hotels in Germany, with 38 hotels in the committed pipeline
- Variety of room and booking options catering to guests' needs

Value

- High-quality rooms at affordable prices
- Offering flexibility and value through our different rate types
- Tailored food and beverage offering enhances the guest experience

Consistency

- UK's leading hotel brand¹
- High guest satisfaction in Germany²
- Investment in our product and teams delivers a consistent, high-quality experience

¹ UK YouGov BrandIndex Quality & Value scores as at 27 February 2025.

² Germany YouGov Satisfaction: 1 March 2024 to 27 February 2025

Driving long-term, sustainable value for our stakeholders

WHY INVEST?

Investment case

Our market-leading reputation for both quality and value in the UK is also underpinning strong growth in Germany. With c.34,000 people employed, the Group is a constituent of the FTSE 100 index.

1 | Long-term growth opportunity in the UK

With 86,000 rooms open and a further 8,000* rooms in our pipeline, we have significant growth potential of up to 125,000 rooms across the UK and Ireland. With a material reduction in independent supply following the pandemic and a subdued pipeline of new build hotels, we do not expect UK supply to recover to 2019 levels until at least 2027. Our flexible approach to property ownership means we are well placed to take advantage of this significant market opportunity by adding rooms through both new sites and extensions as demonstrated by our Accelerating Growth Plan (AGP).

* UK and Ireland committed pipeline, including AGP rooms with planning approved.

Open and committed rooms	94,000
2029/30 open rooms target	98,000
Long-term potential rooms	125,000

2 | Unlocking value in Germany

Germany is a large and exciting market with significant volumes of leisure and business travel. The independent sector is larger than that in the UK and has also been declining post the pandemic. However, there is no clear leader in the branded budget segment, creating opportunity for Premier Inn.

Having grown rapidly through a combination of acquisitions, conversions and new builds, we have 100 hotels in our open and committed pipeline. Including our pipeline, we are already one of the largest operators and are on course to become the country's number one hotel brand.

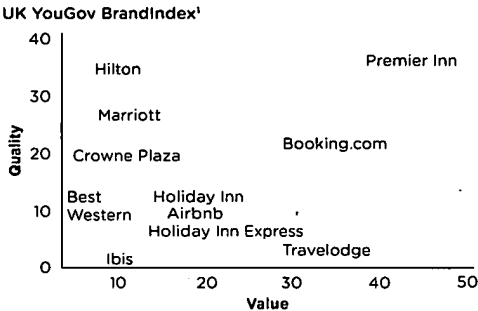
Open hotels*	Pipeline hotels
62	38

* Includes one hotel in Austria.

3 | Differentiated model underpins a market-leading proposition

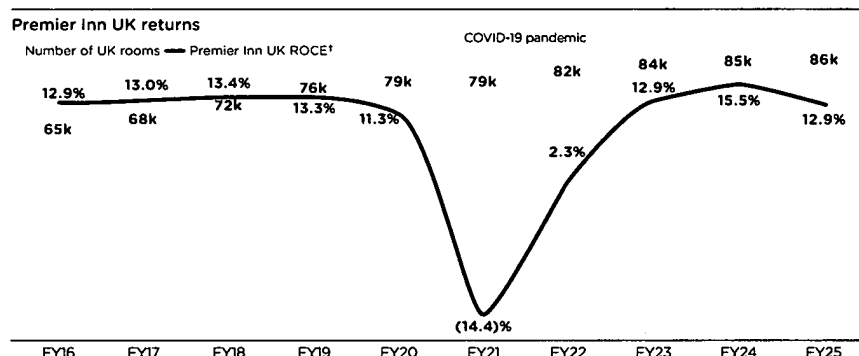
Our operating model is a key source of competitive advantage. Ownership of all aspects of our operations ensures the delivery of a consistent, high-quality product, whilst our scale and financial discipline mean we can continue to offer great value for our guests. A centralised approach to revenue management allows us to maximise revenue whilst managing our cost of sales by integrating our digital marketing and customer relationship management activity into our trading strategy. Our food and beverage offer helps us to drive incremental RevPAR and our Accelerating Growth Plan will optimise our offer and further enhance the guest experience. Our Force for Good sustainability programme ensures we are contributing positively to the communities where we operate.

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



4 | Attractive returns on a growing capital base

Since 2019/20, we have added over 7,000 rooms across the UK and Ireland and increased our return on capital employed¹ (ROCE). Whilst benefiting from a small shift towards more leasehold properties, lease-adjusted returns have also increased over this period and remain well above our cost of capital. At the end of 2024/25, our UK estate stood at 86,000 rooms and we achieved ROCE¹ of 12.9%. While this is lower than 2023/24 levels, this reduction reflected the impact of our Accelerating Growth Plan, higher inflation and softer UK demand. With the further optimisation of our estate, our ongoing commercial initiatives and operating efficiencies, we expect to increase UK returns substantially as reflected in our Five-Year Plan. Our German business is also making excellent progress and is on track to deliver similar rates of return to the UK over the medium to long term. As laid out in our Five-Year Plan, our current open estate in Germany of 11,000 rooms will be mature and deliver double-digit returns by 2029/30 with our remaining estate maturing thereafter.



5 | Asset-backed balance sheet provides stability and enables growth

Our strong balance sheet¹ and property expertise underpin our confidence in continuing to invest in high-returning hotel projects. These projects can sometimes be capital intensive and take years to complete and are often out of reach for many of our competitors. As well as helping to bolster the strength of our financial covenant, our freehold estate provides operational flexibility and is also a potential source of attractive long-term funding through selective sale and leaseback transactions. Owning freehold property also means we can both maximise the commercial opportunity in any location, as well as optimise our estate by recycling lower-returning assets into bigger, more efficient hotels in better locations, maximising long-term returns.

¹ Fitch Affirms Whitbread at 'BBB'; Outlook Stable - Fitch Ratings, 29 January 2025.

Freehold:leasehold mix

Open		Open and committed	
Freehold	52%	Freehold	52%
Leasehold	48%	Leasehold	48%

Five-Year Plan

Our investment case is underpinned by the execution of our Five-Year Plan to deliver incremental Group adjusted PBT¹ of at least £300m¹ by 2029/30 that will generate more than £2bn available for share buy-backs and dividends.

¹ Versus 2024/25.

Read more on pages 14 and 15

CHAIRMAN'S STATEMENT

Long-term investment

"Our leadership position is not something that we take for granted and we are determined to extend it further through a well-managed programme of long-term investment."

Adam Crozier
Chairman

Find out more online
www.whitbread.co.uk

Our position as the UK's number one hotel brand has been founded on our ability to deliver a consistent and high-quality service. By continuing to invest in our estate, our supporting infrastructure and our teams, we have been able to secure an unrivalled market reputation for both quality and value. Our leadership position in the UK is not something we take for granted and we are determined to extend it further through a carefully managed programme of long-term investment. This will ensure that we can continue to deliver for our guests whilst generating attractive long-term returns for our shareholders. By replicating this approach in Germany, we have a growing presence in one of Europe's largest hotel markets, where we are on course to become the number one hotel brand¹.

Five-Year Plan

Against a more challenging macroeconomic backdrop during 2024/25, our business model and strategy, together with the dedication and professionalism of our teams, have enabled us to lay the foundations for significant value creation.

Given our strong balance sheet and our confidence in the delivery of our Five-Year Plan, that includes recycling at least £1bn of our most mature property, we expect to generate at least £300m of incremental profit and more than £2bn for share buy-backs and dividends by 2029/30. Our plan is covered in more detail in the Chief Executive's review and on pages 10 to 13.

¹ Based on number of available hotel rooms.
² Fitch Ratings, 29 January 2025.

Full-year results and final dividend

Premier Inn UK outperformed the market and delivered a robust financial performance in the year, with accommodation sales in line with last year. UK food and beverage revenues reduced as a result of our Accelerating Growth Plan, in line with our expectations. In Germany, the continued and progressive maturity of our hotels meant that we outperformed the market and delivered a much-improved performance. This offset a reduction in net finance income (before lease liability interest) following the return of £442m to shareholders through dividends and share buy-backs, as well as total capital expenditure totalling £488m. The net result was that the Group delivered a statutory profit before tax of £368m, after £116m of adjusting items (including £76m of property-related impairments).

We successfully completed the issuance of a new £400m bond in February 2025 and our balance sheet remains strong, as reflected by our investment grade rating².

Given the strategic progress made over the past year and our confidence in the delivery of our Five-Year Plan, the Board is recommending a final dividend of 60.6p per share, resulting in a total dividend per share to 97.0p (2023/24: 97.0p). The final dividend will be paid on 4 July 2025 to shareholders on the register on 23 May 2025. As in previous years, the Dividend Reinvestment Plan (DRIP) will enable eligible shareholders to receive their dividend entitlement in the form of additional Whitbread shares.

Strategy

The three pillars of our strategy have not changed:

- (i) grow and innovate in the UK;
- (ii) focus on our strengths to grow in Germany; and
- (iii) enhance our capabilities to support long-term growth.

Embedded within each pillar is our commitment to our Force for Good sustainability programme that ensures we execute our strategy in ways that seek to minimise our impact on the environment, maximise opportunities for all and deliver benefits for our communities. Further details of our progress on each pillar are included in the Chief Executive's review on pages 10 to 13, while examples of our strategy in action explain how the execution of our plans is continuing to produce a fantastic experience for our guests, quality employment for our teams and attractive and sustainable returns for our shareholders.

Read more about each of our strategic pillars as well as our Force for Good commitments and progress on pages 16 to 19

Capital allocation

With a large capital base, capital allocation is a key area of focus as we look to grow our financial returns. Retaining a strong balance sheet with investment grade metrics means we can take full advantage of our vertically integrated model to optimise the balance between short-term growth and the delivery of attractive, sustainable long-term returns. Since April 2023, the Group has returned £1.2bn to shareholders. Reflecting our confidence in the Group's medium-term prospects and preserving

sufficient capacity to fund our existing capital programmes, as well as any suitably attractive and high-returning investments, the Board has announced plans to complete an additional £250m share buy-back to be completed during the current financial year.

Further details regarding the latest share buy-back can be found in the Chief Executive's review on pages 10–13

The Board

As a few Board members are approaching the prescribed maximum tenure of nine years on the Whitbread Board, we have been considering carefully how best to ensure the smooth transition and transfer of the considerable collective experience of departing Board members. As part of this process, we announced in December 2024 that Chris Kennedy will be stepping down from the Board and as Chair of the Audit Committee at the Company's AGM in June 2025. Chris joined the Board in March 2016 and he has been an invaluable source of advice and counsel to me as Chair, as well as to the rest of the Board. We want to thank him formally for his enormous contribution over that time and wish him the very best in his future endeavours.

Whilst we are well advanced with the recruitment of a new Audit Committee Chair, I am pleased that Horst Baier, who has significant and relevant experience, has agreed to act as interim Chair of the Committee whilst this process completes and to allow a reasonable period of handover.

We expect to announce at least two new non-executive directors over the coming year and are focused on appointing individuals that can further enhance the Board's already extensive skills matrix, whilst also considering the background and experience of departing Board members.

We have been making good progress towards the FCA's target of having at least 40% of the board being female and our last three appointments to the Board have been female directors. We will meet this target when Chris Kennedy steps down from the Board in June. On the FCA's target of having at least one of the top positions being held by a woman, we wish to highlight that our previous Chief Executive was female. As and when further positions open up on the Board, we will continue to drive progress in this area and will provide further updates in future reports.

Governance

Having completed internal reviews for the past two years, we were required to complete an external review of the Board's effectiveness during 2024/25. Whilst pleased to be able to report that the Board remains highly effective in all areas, we are never complacent and continue to seek ways that we can improve in order to drive better outcomes for our stakeholders. A fundamental part of our process includes meeting with key shareholders so that they can raise any concerns with me directly. They can also discuss our business strategy and culture, remuneration, environmental, social and governance matters as well as financial and operational performance. As ever, these discussions are invaluable in helping to ensure that we consider all aspects carefully as we seek to drive our financial performance whilst effectively managing our key risks.

Having conducted a thorough review of our existing remuneration policy during the past year, we have proposed a revised policy that will be put to shareholders for a formal vote at the forthcoming 2025 AGM. Whilst the core elements of the new policy have not changed materially, full details of the policy are laid out in the remuneration report on pages 122 to 129. As explained in the introduction to the report by the Chair of the Remuneration Committee, the Committee has sought to establish a clear framework of appropriate incentives based on the achievement of stretching and measurable targets designed to align the interests of our management and teams with those of our shareholders and other key stakeholders.

Share capital

During the year we simplified our share capital by converting our outstanding B and C Preference Shares into Ordinary Shares, which was well received by the holders of those shares. We also traced around 5,000 shareholders that had not cashed dividend cheques sent out to them and so were able to re-unite them with more than £800,000 in lost assets.

The interim dividend that we paid in December 2024 was our first to be paid without an option of being paid by cheque. Whilst the majority of our shareholders have opted to have their dividends paid electronically, not all have yet done so. Details of how shareholders can register so their dividends can be paid directly to their bank account can be found in the shareholder services section of the Annual Report on page 240.

Annual general meeting

The AGM will take place at 2:30pm on 19 June 2025 at our head office in Dunstable and full details of the meeting are set out in the Notice of Meeting. For those able to attend, my colleagues and I look forward to welcoming you then.

In line with last year and reflecting the low numbers of shareholders using the service previously, we will not be providing a live video stream of our AGM but the meeting will be available remotely via an audio-only webcast. Shareholders who are unable to attend the meeting in person are welcome to submit questions by email in advance of the meeting to agmquestions@whitbread.com. Any questions should be submitted by 5pm on 18 June 2025. Votes can be submitted in person at the meeting or in advance via a proxy card or the online proxy voting system, but it will not be possible to vote online during the meeting.

Outlook

Investing for the long term is an approach that has served us well throughout our 282-year history – it has enabled us to continue to prosper, even in the face of significant macroeconomic, commercial and geopolitical headwinds. Our Five-Year Plan will deliver a step change in our profits, margins and returns and is underpinned by our scale, strong balance sheet, the quality of our customer proposition and the power of our vertically integrated model. We are excited about our future prospects and look forward with confidence.

Adam Crozier
Chairman
30 April 2025

CHIEF EXECUTIVE'S REVIEW

Delivering a step-change in performance

"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. We remain confident in the medium-term outlook."

Dominic Paul
Chief Executive

In October 2024, we announced our Five-Year Plan that we are confident will deliver at least £300m incremental adjusted profit before tax¹ by 2029/30, releasing more than £2bn available for share buy-backs and dividends.

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.

2024/25 Financial performance

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') market¹ 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). The result was that total statutory revenue was slightly lower than last year at £2,922m (2023/24: £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 profit before tax¹ decreased to £483m (2023/24: £561m). There was an increased charge for adjusting items in the year of £116m (2023/24: £109m). The result was that statutory profit before tax was down 19% to £368m (2023/24: £452m).

UK - Continuing to outperform the market

Total accommodation sales were in line with last year with occupancy remaining high at 81.0% (2023/24: 82.2%), and ARR only slightly lower than last year at £79.52 (2023/24: £79.76).

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 market¹ 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.

Several external and internal factors were important drivers for our UK business over the past year including: softer UK market demand; muted hotel supply growth; the optimisation of F&B at a number of our sites as part of our AGP; our continued network expansion; and the impact of several commercial initiatives as part of our ongoing commercial programme.

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 adjusted profit before tax¹ fell to £507m (2023/24: £588m). This impacted UK pre-tax margins¹ that reduced to 18.8% (2023/24: 21.2%) and UK ROCE¹ was 12.9% (2023/24: 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. The result is 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.

Germany – On track to replicate 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 remain on course to deliver a positive adjusted profit before tax¹ in 2025/26 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 2024/25, 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 (2023/24: 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. Key initiatives included improvements to our trading strategies; our first online marketing campaign; broadening our distribution using third-party platforms; and increasing our brand awareness.

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 market². This strong performance was supported by our cohort of 17 more established hotels³, 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 hotels³. Whilst not yet mature, the cohort delivered aggregate site-level profit⁴ of £16m in FY25 (2023/24: £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 tax¹ for all of our German operations of £11m (2023/24: £36m), 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 2024/25.

Our teams

It is thanks to the continued professionalism and hard work by our team members that we are able to continue to deliver a great quality service, at prices that deliver fantastic value to our guests. Having made some changes to our organisational structure during the past year, the commitment from our teams, coupled with the strength of our model and our continued programme of investment, meant that our guest scores remained high over the past year, strengthening our position as the UK's leading hotel brand.

Financial strength

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.

The Group remains highly cash generative and after total capital expenditure of £488m (2023/24: £509m), £442m of share buy-backs and dividends and the recent issuance of a new £400m bond⁵, our ratio of adjusted EBITDAR to lease-adjusted net debt¹ using the new Fitch methodology was 3.0x (2023/24: 2.6x), which is below our internal threshold of 3.5x⁶.

- 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 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.
- 5 The Group issued £400m of 5.50% guaranteed notes due in 2032.
- 6 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.

CHIEF EXECUTIVE'S REVIEW CONTINUED

Clear 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;
- focusing 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 2029/30 the Group will:

- increase Group adjusted PBT¹ versus 2024/25 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-like¹ 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-like¹ sales growth, together with our cost efficiencies, will be in excess of UK cost inflation over the life of the plan. The key elements of our plan are as follows:

UK: Accelerating Growth Plan (AGP) (+£100m adjusted PBT¹ by 2029/30)

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 2029/30.

UK: Network expansion (+£120m adjusted PBT¹ by 2029/30)

By opening our current committed pipeline¹ 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 2029/30. Before the benefits of our AGP, our network expansion will deliver incremental PBT of at least £120m by 2029/30.

Germany: network expansion and RevPAR uplift (+£80m adjusted PBT¹ by 2029/30)

We are on course to reach profitability in 2025/26. With the opening of our existing pipeline and the addition of a further rooms that will be open by 2029/30, our open estate will almost double to 20,000 rooms.

Reflecting the increasing maturity of our estate, improved distribution and increased brand awareness, by 2029/30 we expect to achieve a network RevPAR of c.€80 and deliver adjusted PBT¹ of at least £70m². Thereafter, we expect to make further progress as our estate and brand continue to mature.

Strong commercial programme and cost efficiencies to at least offset inflation

We plan to continue to drive like-for-like¹ sales momentum through several initiatives that include continuing to evolve our trading strategies and enhancing our digital capabilities, including greater usage and functionality of the Premier Inn app. Whilst difficult to measure the individual impact of each initiative on our performance, we believe that each will deliver a positive contribution and help drive like-for-like¹ sales momentum in 2025/26.

Having completed an extensive exercise looking at all areas of our P&L, we are on track to deliver £60m of cost efficiencies in 2025/26, with a further £190m of savings in aggregate between 2026/27 and 2029/30, totalling £250m of efficiencies across the life of the plan.

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. Having a large portfolio of freehold property with significant in-house property expertise is a major source of commercial and operational advantage, including maximising our chances of securing the right assets in our target locations and by enabling us to recycle capital and release significant development profits through sale and leasebacks and other property-related transactions.

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.

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 2024/25 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.

We have instructed our external property valuers to compete a current market valuation of our freehold and long-leasehold estate in the UK, Ireland and Germany and as part of our Five-Year Plan we will recycle at least £1bn of our more mature property. 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 2029/30.

Full details of our Five-Year Plan are set out on pages 14 and 15.

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

² Using a GBP: EUR exchange rate of 1.18.

Capital allocation and share buy-backs

Having reapplied the Group's capital allocation framework, given the strength of our balance sheet, our confidence in the delivery of our Five-Year Plan 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) and has announced its intention to conduct an additional £250m share buy-back, to be completed over the next twelve months.

2025/26 guidance and 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.

Our guidance for 2025/26 includes:

- 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: increased cost efficiencies of £60m (versus previous guidance of £50m), meaning 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 PBT¹ one-off impact of £20m – £25m in FY25 will be fully reversed;
- Germany: open c.400 new rooms and deliver adjusted profit before tax¹ of between £5m and £10m;

- Group: £15m to £20m reduction in net finance income (excluding lease liability interest) versus 2024/25 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.

Delivering a step-change in profits, margins and returns

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-like¹ 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 tax¹ by FY30, releasing more than £2bn available for share buy-backs and dividends.

Dominic Paul
Chief Executive
30 April 2025

Capital allocation in 2024/25

Five-Year Plan: Capital allocation
Read more on pages 15 and 37

Maintain investment grade metrics

Asset-backed balance sheet and investment grade status²



Continue to invest in profitable growth

£488m gross capex and receipts from property-related transactions of £137m



Clear dividend policy

Recommended final dividend of 60.6p per share (2023/24: 62.9p) making 97.0p for the year (2023/24: 97.0p)



Capital return

£250m of share buy-backs completed in 2024/25

² Fitch Ratings, 29 January 2025

Delivering

a step change in profits, margins and returns

Objective

Demonstrating our confidence in the medium-term outlook for the Group, in October 2024 we announced the details of our Five-Year Plan that illustrates the scale of our ambition and the inherent strengths of our business model. Our plan outlines how, over the next five years, we plan to deliver at least £300m incremental adjusted profit before tax¹, unlocking more than £2bn for share buy-backs and dividends.

Why is this important?

Our Five-Year Plan is focused on the drivers that we can control and therefore we are confident in being able to deliver a step change in our performance. Whilst we cannot control external factors such as market growth and inflation, our plan assumes that over the next five years, we are able to offset UK cost inflation with our UK like-for-like sales¹ growth plus cost efficiencies. However, our ambition is to do better than this and we are confident in growing UK margins over the life of the plan.

“Having laid the foundations for significant growth, we are executing at pace against our strategic priorities. Over the next five years, we are set to deliver a step change in our profits, margins and returns which will release significant cash flow for shareholder returns.”

Dominic Paul
Chief Executive

Pillars of the plan	How we'll deliver	2029/30 outcomes vs 2024/25
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UK: Accelerating Growth Plan (AGP)

- Replacing some of our lower-returning branded restaurants with a more efficient, integrated F&B offer
- Unlocking the addition of new, high-returning hotel extension rooms
- Exiting over 100 lower-returning branded restaurants

- Incremental adjusted PBT¹ of **£100m**
- **3,500** extension rooms

UK: Network expansion

- In addition to 3,500 new extension rooms from our AGP, we also expect to open 7,000 new rooms in our committed pipeline as well as 1,500 further new rooms that we will add and open over the next few years

- Incremental adjusted PBT¹ of **£120m**
- **98,000** open rooms in the UK and Ireland, including AGP

Germany: Continuing momentum

- We expect to open a further 9,000 new rooms
- Increase the appeal of our estate through improved distribution and increased brand awareness
- Improvements to our operating model and additional scale benefits

- Incremental adjusted PBT¹ of **£80m¹**
- **20,000** open rooms
- Network RevPAR of **c.€80**
- Double-digit returns on our current open portfolio

Efficiencies and commercial programme

- We will at least offset the impact of UK cost inflation through the delivery of cost efficiencies; and
- Positive UK like-for-like sales growth, supported by our strong commercial programme

- **£250m** of efficiencies in aggregate
- While these efficiencies together with **like-for-like¹ sales growth** are assumed to offset UK cost inflation, we expect that, on average, UK like-for-like¹ sales growth and our cost efficiencies will be in excess of UK cost inflation over the life of the plan

Capital allocation

- We will fund the plan as well as our ongoing programme of investment by maintaining net capex after net receipts from property-related transactions, including sale and leasebacks
- Lease-adjusted leverage¹ will remain below internal threshold of **3.5x**

- We expect average net capex will remain at **£500m** each year between 2025/26 and 2029/30
- We will recycle at least **£1bn** of property

2029/30 outcomes

Delivery of at least
£300m
incremental Group
adjusted PBT¹
vs 2024/25

Generating more than
£2bn
available for
share buy-backs
and dividends

¹ Versus FY25 Germany adjusted loss before tax¹

STRATEGY AND KPIS

Well positioned to deliver growth

We have made excellent progress against our strategic objectives in 2024/25. The execution of our Five-Year Plan will deliver a step change in our profits, margins and returns by 2029/30.

Our strategic pillars

Force for Good

Our sustainability programme is embedded within the three pillars of our strategy. The following pages include some case studies of our programme in action.

Force for Good
Read more on pages 58 to 61

Find out more about Force for Good
in our ESG Report 2024/25
www.whitbread.co.uk/

Grow and innovate in the UK

Strategy in action
Read more on page 17

Focus on our strengths to grow in Germany

Strategy in action
Read more on page 18

Enhance our capabilities to support long-term growth

Strategy in action
Read more on page 19

Grow and innovate in the UK

2024/25 highlights	Key 2024/25 outcomes	Future plans
Market share gains Accommodation sales +0.7pp ahead of the UK M&E sector, with a RevPAR premium of +£5.49	UK and Ireland committed pipeline¹ 8,222	Extend our market-leading position as the UK's number one hotel brand and reach at least 98,000 open rooms by 2029/30
Long-term growth in profits and returns Executed the first phase of our Accelerating Growth Plan and mitigated UK cost inflation through increased efficiencies	AGP: planning applications approved 50%	Continue to execute our AGP to deliver at least £100m incremental adjusted PBT² by 2029/30, increasing margins and returns
Expand guest choice Completed our 'Bed of the Future' replacement programme, and launched the offer of 'rooms with a view' across 100 hotels	Rooms with a view 1,600	Broaden our distribution channels and add more features to our digital journey including additional guest options and product add-ons
Maintain excellent guest scores Maintained our 'Best Value Hotel Chain' ranking from YouGov, reflecting our focus on high quality and great value	YouGov 'Best Value Hotel Chain' ranking² No.1	Upgrade our digital networks and continue the roll-out of IDS, Premier Plus and twin rooms to our estate

Community Monitoring nutritional value

Offering safe, tasty, affordable food is our responsibility as well as a business opportunity. To date, we have made average reductions across all our menus of 21.2% for salt (baseline 2017), 24.7% for sugar (baseline 2015) and 3.1% for calories (baseline 2017).

To support the UK Government's approach to reducing foods high in fat, salt and sugar (HFSS), we have reviewed all our core menus for their HFSS status and plan to set internal non-HFSS targets in the coming year.

We will also continue to develop inclusive menus for guests with a range of dietary needs including dedicated meat-free and non-gluten menus, supported by full nutritional and allergen information in restaurants and online, to ensure guests can make informed choices.

Average sugar reduction across our menus since 2015
24.7%

1 UK and Ireland committed pipeline as at 27 February 2025, including extension rooms approved as part of AGP.
2 UK YouGov BrandIndex Quality & Value scores as at 27 February 2025 based on a nationally representative 52-week moving average.

STRATEGY AND KPIS CONTINUED

Focus on our strengths to grow in Germany

2024/25 highlights	Key 2024/25 outcomes	Future plans
Continue to build a national network		
62 open hotels across key locations, with 3 new sites opened during the year	Germany committed pipeline 7,265	Continue to take a flexible approach to property, looking for attractive opportunities to grow our pipeline
Build brand awareness		
Through the use of OTAs and our online marketing campaigns, we have increased our brand awareness and guest volumes	YouGov brand awareness ¹ 19%	Explore the use of other distribution channels to help further broaden our reach and accelerate brand awareness and RevPAR growth
Refine our proposition for the German guest		
Expanded guest choice including new payment methods, new room types and product add-ons	YouGov guest satisfaction ² 61.0	Seek improvements to our operating model, unlocking new opportunities to drive efficiencies across our estate and enhance the guest experience
Pathway to long-term, sustainable returns		
Improved financial performance from strong RevPAR growth and a clear focus on our cost base	Germany RevPAR growth ³ 18%	On track to deliver profitability in FY26, reaching £70m of adjusted PBT ¹ by 2029/30

Responsibility

Raising procurement standards

Premier Inn Germany's evolving supply chain management approach ensures that we remain compliant with German and EU regulations. Across the Group we buy third-party certified goods, where possible. For example, from 2024, our bed linen in Germany has been certified by Grüner Knopf, a government-run certification label for sustainable textiles. To reduce deforestation risks, in addition to compliance with the EUDR, we continue to partner with the Roundtable on Sustainable Palm Oil, FSC, PEFC and the Rainforest Alliance.

Share of suppliers assessed for inherent human rights risk⁴

100%

¹ Germany YouGov Brand Awareness: 1 March 2024 to 27 February 2025.

² Germany YouGov Satisfaction Scores: 1 March 2024 to 27 February 2025.

³ In local currency EUR.

Enhance our capabilities to support long-term growth

2024/25 highlights	Key 2024/25 outcomes	Future plans
Use our strong balance sheet to fund growth and returns		
Significant operating cash flow helped to fund our investment programme and ongoing returns to shareholders	Shareholder cash returns ¹ £442m	More than £2bn available for share buy-backs and dividends
Retention and engagement of teams		
Launch of our refreshed Company values to teams across the business	UK team members with >1 year's service 75%	Drive retention and engagement through our continued investment in pay, training, career development and wellbeing
Improve technology capability		
Increased digital capabilities and new commercial opportunities unlocked by our new reservation system	Hotels successfully migrated to new reservation system 900+	Explore product and service enhancements which will further improve the guest experience and generate additional revenue streams
Build on our efficiency programme		
Increased cost efficiencies versus target due to acceleration of existing initiatives plus further savings	Delivery of cost efficiencies £75m	Deliver £250m of cost efficiencies between 2025/26 and 2029/30

Responsibility Sustainable construction

Since 2022, we target BREEAM Excellent for all our UK&I developments, both freehold and leasehold. Of the last 80 hotels opened, 75 achieved an Energy Performance Certificate (EPC) rating of A or B. In Germany, all 14 new build hotels have either received or are pending sustainable building certification.

Whitbread's leading development strategy is repurposing underused buildings into high-quality, energy-efficient hotels. This allows us to cut down on embodied carbon, maximise the lifespan of existing structures and significantly reduce construction waste.

All our new self-built hotels in UK&I will be powered solely by REGO-backed electricity, with no gas connection for water and space heating or cooking, from

2025

¹ Dividends paid and share buy-backs completed during 2024/25.

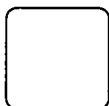
STRATEGY IN ACTION: GROW AND INNOVATE IN THE UK&I

Progressing

towards our
long-term room
potential in the
UK and Ireland

“By opening 8,000 new rooms, together with 3,500 extension rooms through our Accelerating Growth Plan, we are on track to have 98,000 open rooms by 2029/30 and thereafter reach our long-term room potential of 125,000 rooms.”

Mark Anderson
Managing Director, Property and International



Watch a video
of our progress
by scanning the
code above

Five-Year Plan: Accelerating Growth Plan; UK: Network expansion

How we're growing our potential in the UK and Ireland

Long-term room potential in the UK and Ireland

125,000

94,000 98,000 125,000

Open and committed rooms ¹	Open rooms by 2029/30	Long-term room potential
94,000	98,000	125,000

¹ UK and Ireland open and committed pipeline including AGP extension rooms with planning approval.

London/Regions mix

2024/25
open estate

Committed
pipeline²

London Regions	18% 82%	London Regions	42% 58%

² Committed pipeline of 8,222 rooms, excluding AGP extension rooms, as at 27 February 2025.

Accelerating Growth Plan

In April 2024, we announced our plan to optimise food and beverage at a number of sites whilst unlocking the ability to build higher-returning extension rooms.

Through converting over 100 lower-returning branded restaurants, we will unlock 3,500 extension rooms in hotels where we know there is excess demand. Over the last 12 months, we have submitted the majority of required planning applications and have started work at several sites to replace the branded restaurant with a new, more efficient integrated restaurant, before then building the approved extension rooms.

Our plan also includes exiting over 100 lower-returning branded restaurants and replacing the branded restaurant with a new, more efficient integrated restaurant. We are making good progress, and so far have sold 38 branded restaurants for £38m and are confident in exiting the remaining affected sites over the next 12 months.

By 2029/30, this plan will deliver an incremental £100m adjusted profit before tax¹ (versus 2024/25), resulting in increasing margins and returns for the UK business.

Five-Year Plan

Accelerating Growth Plan on page 24

Ireland long-term room potential

5,000

Ireland

With 1,000 rooms open across six hotels in Ireland, we are excited by the significant potential for further expansion. We are confident that we can reach our long-term room target of 5,000 open rooms over the next few years.

Open and committed pipeline of hub hotels

4,700

hub

'hub by Premier Inn' resonates well with guests, offering a modern in-room experience at an attractive price. With 18 hotels open across London and Edinburgh, we see opportunity to open more sites across prime city centre locations.

UK MARKET DRIVERS

Grow and innovate in the UK

A key pillar of our strategy is to protect and extend our position as the UK's leading branded budget hotel chain, delivering excellent service for our guests, rewarding employment for our teams and attractive returns for our shareholders.

UK market¹

The UK is a large and mature hotel market with 185 million rooms booked each year and a total supply of approximately 720,000 rooms. Since the pandemic, the hotel industry has had to navigate material shifts in the shape of both domestic and inbound demand, as well as significant cost inflation, at the same time as political instability and economic pressures have altered travel behaviour and market conditions.

However, Premier Inn has continued to perform well and given the strength of our brand and operating model, coupled with a favourable supply backdrop, we are confident in being able to continue to grow market share. We see a compelling opportunity to continue to invest in new capacity and drive attractive, long-term returns for our shareholders.

Market overview

68m

population

12%

Premier Inn market share of UK rooms

185m

room nights booked in the UK market

2027

Supply not back to 2019 levels until at least 2027

720,000

total market hotel rooms

10%

independent decline since 2019

hub by Premier Inn, London Paddington

¹ Company data 2023.

Outlook for UK hotel supply

Having updated our proprietary analysis, we still expect UK hotel room supply (including Premier Inn) to remain below pre-pandemic levels until at least 2027. Thereafter, we expect total supply to grow broadly in line with previous trends and we remain confident that we can continue to take market share from smaller and less well-capitalised competitors.

Accelerated decline of independents

We believe that total UK hotel supply contracted by approximately 4.5% between 2019 and 2023, led by an accelerated decline in the independent sector that reduced by 10%. This represented a marked increase over the steady decline seen over previous years as customers migrated from independents towards branded budget hotels, including Premier Inn. Over half of independents that closed during this time period had less than 25 hotel rooms. This highlights the ongoing challenges facing smaller establishments, where competition and changing consumer preferences are making it increasingly difficult for them to match the offer provided by larger, branded operators. We believe that the independent sector is likely to continue to contract as a result of sustained high inflationary pressures and an uncertain macroeconomic environment.

Structural advantages of the budget hotel market

The UK branded budget hotel sector is a highly attractive market, with large volumes of domestic short-stay travel for both business and leisure. The sector, including Premier Inn, has continued to grow, even during the pandemic. However, over the next few years, the supply of branded budget hotel rooms is expected to grow at a slower rate than the long-term average as operators gradually rebuild their pipelines that have been impacted by a material slowdown in construction and higher interest rates.

Premier Inn has grown significantly over the past decade, increasing its market share of all UK rooms from 6% in 2010 to 12% in 2023. With our strong balance sheet and in-house property expertise, we are confident that we can continue to grow our pipeline and increase our market share at a time when many others cannot.

Proven resilience during periods of macro uncertainty

Hotel room demand is strongly correlated with economic growth and RevPAR typically grows in line with GDP. Whilst current macroeconomic forecasts predict relatively low GDP growth in 2025/26, this needs to be viewed in the context of what has been a marked decline in total hotel supply. The branded budget hotel sector has proven resilient during previous consumer and economic downturns, as guests tend to trade down to lower-cost alternatives that provide great value.

Total UK hotel supply: number of rooms

730k	750k	720k
9%	10%	12%
15%	16%	16%
24%	24%	25%
53%	50%	47%

2015	2019	2023
Premier Inn		UK branded non-budget
UK branded budget (excluding Premier Inn)		Independent

UK STRATEGY

Extending our market-leading position in the UK

“During the past year, we’ve made excellent progress in enhancing our digital capabilities and improving our guest offer. In 2025/26, we expect to go further and deliver positive like-for-like sales’ momentum.”

Joe Garrood
Chief Commercial Officer

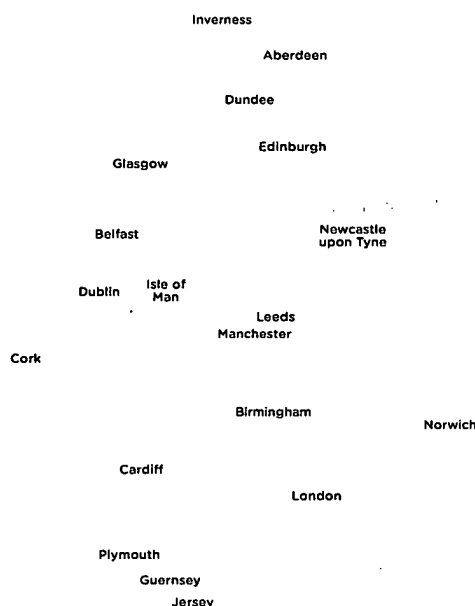
Five-Year Plan:
2029/30 outcomes
98,000+
open rooms

£100m+
incremental adjusted PBT[†] from
Accelerating Growth Plan

£120m+
incremental adjusted PBT[†] from
network expansion

Key:

Premier Inn
hub by Premier Inn



Accelerating Growth Plan (AGP)

Food and beverage (F&B) is a fundamental part of our proposition and a hot breakfast is particularly important to our hotel guests, helping to drive occupancy and RevPAR. 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 over the next few years that will drive increased margins and returns for the UK business.

We are making good progress and are on track with our plans. 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 to 700 extension rooms open by the end of FY26. Despite a marked increase in the market supply of restaurants for sale across the UK, we have sold 38 branded restaurants for a total consideration of £38m and remain confident of exiting the remaining affected sites over the next 12 months as planned.



Watch a video of
our AGP progress
by scanning the
code to the left

Room with a view at Premier Inn St Pancras

Network expansion

With over 850 open hotels across the UK and Ireland, Premier Inn is the UK's largest hotel chain with an approximately 12% share of all hotel rooms. Despite our extensive coverage, we still have opportunities to increase our market share. Based on our latest proprietary analysis, we believe that the favourable supply backdrop in the UK and Ireland will continue for a number of years, with supply not returning to pre-pandemic levels until at least 2027. 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.

By opening our current committed pipeline¹ of over 7,000 rooms, 70% of which is freehold, adding the 3,500 extensions as a result of our Accelerating Growth Plan and 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 2029/30. Over the longer term, we have the potential to reach 125,000 open rooms, which is 45% more than we have open today. 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 of appropriate sites that can meet our target levels of return.

Commercial programme

As a vertically integrated operator, we are able to deploy a broad range of commercial initiatives that are focused on driving like-for-like² sales momentum to support and extend our market-leading position in the UK. Our commercial strategy remains focused on those drivers that are within our control and include:

Maximising revenue

The highly dynamic nature of the midscale and economy (M&E) market requires that we continuously evolve our trading strategies to maximise revenue and outperform our competitors. With further improvements to our trading engine, we plan to drive even more value and improve our trading performance further. With our new cloud-based reservation system we are continuing to trial and test the introduction of new ancillary revenue streams, including the use of dynamic pricing to increase revenue.

Enhancing our digital capabilities

As well as increasing the range of inventory we can sell through our digital partners, we are also continuing to optimise our website and app functionality, further improving the digital guest booking experience. Early progress has been encouraging, with our app generating 9% of total accommodation sales in 2024/25.

The opportunities to increase our digital capabilities are significant. With increased connectivity with our guests through our app, we will be able to make better use of our data in order to increase revenue through more effective engagement, as well as reduce costs to drive higher margins.

Refining marketing strategies

Continuing to attract new guests is essential as we seek to extend our leadership and grow market share; we are exploring greater use of social media marketing channels such as YouTube and TikTok, as well as third-party digital platforms, to help broaden our reach.

Broadening our appeal to business guests

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 at the same time, we have

strengthened our relationships with several travel management companies (TMCs). Together, these channels represented approximately 21% of total accommodation sales in 2024/25 (2023/24: 20%).

During 2025/26, we plan to integrate our Business Booker and Business Account programmes into a single offering named 'InnBusiness' for the benefit of users and to drive further revenue growth. With the addition of Sabre to our distribution channels, we will also seek to grow our international inbound business volumes.

Further improvements in F&B

In addition to AGP, we are continuing to roll out our new integrated ground floor concept across our estate that is driving positive guest feedback and increased F&B revenues. For our remaining branded restaurants, we have several initiatives in place to help drive positive sales momentum and increase profitability.

Operational excellence

Our significant refurbishment plan and ongoing repair and maintenance programme ensure that we meet the high standards expected by our guests. Adding more twin and Premier Plus rooms to our estate will broaden our appeal and allow us to attract a premium to our standard room rate. With the introduction of new technologies, further process improvements and a more efficient organisation structure, we plan to drive positive guest scores whilst maintaining a tight control over our costs.

UK YouGov brand awareness²

93%

¹ Excluding extension rooms from Accelerating Growth Plan.

² UK YouGov Brand Consideration: 1 March 2024 to 27 February 2025.

UK PERFORMANCE

Premier Inn UK

£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 and rent	(1,696)	(1,722)	(2)%
Adjusted EBITDAR ¹	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 ¹	652	722	(10)%
Interest: lease liability	(145)	(134)	(8)%
Adjusted profit before tax ¹	507	588	(14)%
ROCE ¹	12.9%	15.5%	(260)bps
PBT margins ¹	18.8%	21.2%	(240)bps

Premier Inn UK¹ KPIs

£m	FY25	FY24	vs FY24
Number of hotels	852	853	0%
Number of rooms	85,984	85,443	1%
Committed pipeline (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 ¹	£79.52	£79.76	0%
Revenue per available room ¹	£64.42	£65.56	(2)%
Sales growth:			
Accommodation			0%
Food and beverage			(11)%
Total			(3)%
Like-for-like sales ¹ growth:			
Accommodation			(2)%
Food and 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.

Whitbread PLC Annual Report and Accounts 2024/25

Room with a view at Premier Inn St Pancras

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

£m	H1 FY25	H2 FY25	FY25
PI accommodation sales performance (vs FY24) ⁴	+0.5pp	+0.9pp	+0.7pp
PI occupancy performance (vs FY24) ⁴	(1.3)pp	(0.8)pp	(1.0)pp
PI ARR performance (vs FY24) ⁴	+0.7pp	+1.2pp	+1.0pp
PI RevPAR performance (absolute) ⁴	+£5.89	+£5.10	+£5.49
PI market share ⁵	8.4%	8.1%	8.3%
PI market share gains pp (vs FY24) ⁵	(0.3)pp	(0.3)pp	(0.3)pp

⁴ STR data, standard basis, Premier Inn accommodation revenue, occupancy, ARR and RevPAR, 1 March 2024 to 27 February 2025; M&E market excludes Premier Inn.

⁵ 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 (2023/24: £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 (2023/24: £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 committed⁶, the majority of which are freehold, plus an additional 1,030 AGP extension rooms that are also committed⁷.

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% (2023/24: 21.2%) and UK ROCE[†] was 12.9% (2023/24: 15.5%).

⁶ UK and Ireland committed pipeline excluding extension rooms from Accelerating Growth Plan.

⁷ Planning approval received for Accelerating Growth Plan extension rooms.

The Social at Premier Inn Cardiff North

STRATEGY IN ACTION: FOCUS ON OUR STRENGTHS TO GROW IN GERMANY

Expanding

in Germany
to become the
No.1 hotel brand

"I'm really pleased with our progress in Germany and with 100 hotels in our open and committed pipeline, we are confident of reaching 20,000 open rooms by 2029/30, taking us closer to our ambition of becoming the number one hotel brand."

Erik Friemuth
Chief Executive Officer, Premier Inn Germany

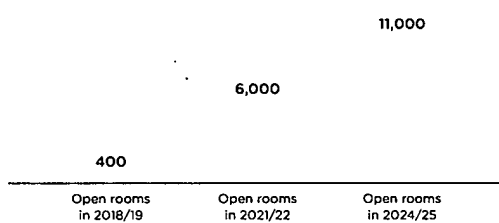
Five-Year Plan: Germany: Continuing momentum

Whitbread PLC Annual Report and Accounts 2024/25

How we're growing our potential in Germany

Number of open hotel rooms

11,000



Number of open rooms by 2029/30

20,000



Key:

Open: 11,000
-- Target: 20,000

Open and committed: 18,000

Ambition to have a presence in the

25

top major cities

We have grown rapidly over the last few years and now have 11,000 open rooms. These hotels are predominantly in prime, city centre locations which appeal to both business and leisure guests, allowing us to maximise occupancy levels.

Number of open and committed hotels

100

We are building a business of real scale and our focus is to continue to expand and develop our network, through a combination of organic growth and bolt-on M&A in our target locations.

Progress towards maturity

As a new, relatively unknown brand in Germany, our view is that it is likely to take four to five years for a hotel to mature. With some delay due to the impact of the pandemic, none of our 62 open hotels are yet mature, as evidenced by the fact that their RevPARs are continuing to increase ahead of the market.

We therefore expect our estate will continue to mature over the next few years through further network expansion, increasing brand awareness through broadening our distribution channels and new brand marketing campaigns.

As set out in our Five-Year Plan, we expect our current open estate of 11,000 rooms will reach maturity and be delivering double-digit returns on capital by 2029/30. As our remaining hotels and brand continue to grow and mature beyond this date, we expect our German business will deliver even higher profits, margins and returns.

Five-Year Plan

Germany: Continuing momentum on page 15

GERMAN MARKET DRIVERS

Focus on our strengths to grow in Germany

Germany is a large and exciting market for the Group. Having opened our first hotel in 2016, we are building a business of scale and remain on track to replicate our UK success and become the number one hotel brand.

German market¹

With significant volumes of business and leisure travel, we believe that Germany represents a significant opportunity to create substantial value. The German hotel market today is very similar to where the UK was 15 to 20 years ago: it is highly fragmented, with a large independent hotel sector and a relatively small branded budget hotel segment, and there is no clear market leader.

Market structure

While the German hotel market is approximately 40% larger than the UK in terms of room supply, it is much more fragmented and we believe that the share held by independent hotels was approximately 68% of the total in 2023. As in the UK, having declined gradually for several years, the share held by the independent hotel sector fell by approximately 5pp between 2019 and 2022 as a result of the pandemic. While the share of independents has since stabilised, we do expect a return to the steady, gradual decline seen previously due to continued cost pressures and through conversions to branded operators. Having reopened later than many other international hotel markets after the pandemic, led by a strong recovery in both business and leisure demand, the M&E market in Germany is still recovering back to pre-pandemic levels.

Market overview

83m

population

c.40%

larger than the UK hotel market

996,000

total market hotel rooms

c.68%

of the German market held by independents

225m

rooms booked in the German market

c.5pp

decline in independent supply since 2019

Premier Inn Cologne City Centre

¹ Company data 2023.

Geography drives short-stay domestic travel

Germany is more regionally dispersed than the UK, with a federalised political and industrial structure. This greater geographic spread, together with a larger population and a greater number of large cities and towns, drives high demand for short-stay domestic travel. The market has high levels of both domestic leisure and business demand, with a number of sizeable trade fairs and conferences which continue to drive volumes and attract millions of visitors each year.

Structural advantage for owner-operators

The branded budget sector has grown strongly over the past few years, driven by owner-operators such as Premier Inn, that are well-placed to acquire, lease, convert or build new hotels and so have been able to expand at a faster rate than the rest of the market. The absence of a less well-developed real estate investment trust sector and the fragmented nature of the market have meant that signing large blocks of hotels by branded franchised and managed operators may have been more challenging than in other markets.

No clear leader in the budget sector

No brand commands more than a 2% share of the market in Germany; this compares with the UK where Premier Inn has a 12% market share. With the gradual decline of the independent hotel sector, the branded budget sector has continued to grow and now occupies approximately 12% of the German hotel market. This is led by owner-operators such as Premier Inn, and we have opened nearly 10,000 rooms since February 2020, growing at almost twice the rate of the next fastest-growing brand.

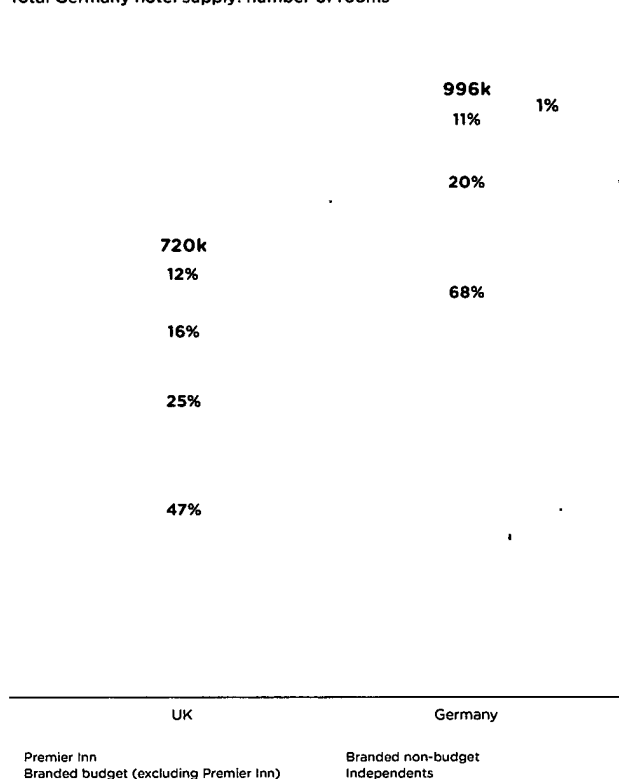
Attractive RevPAR outlook

The M&E market in Germany has attractive levels of RevPAR, albeit there is intra-period volatility depending upon the phasing of business and leisure events that are an important driver of overall demand in Germany. Prior to the pandemic, branded budget RevPAR in Germany grew at a compound annual growth rate of 2.9% between 2015 and 2019. M&E RevPAR in Germany has now recovered to above pre-pandemic levels.

Further opportunities for network expansion

The rise in interest rates and construction costs over the last three years has led to a reduction in hotel pipelines. We have, however, started to see more opportunities to acquire individual assets and complete bolt-on M&A transactions at attractive long-term returns. By using our balance sheet strength and property expertise, we see significant opportunity to continue to grow ahead of the competition, and we remain confident in our ambition to become the No.1 hotel brand.

Total Germany hotel supply: number of rooms



GERMAN STRATEGY

Building momentum in Germany

“We’ve made great progress this year against our strategic priorities. With our planned network expansion, increased brand maturity and further RevPAR growth, we are on track to deliver our Five-Year Plan.”

Erik Friemuth
Chief Executive Officer,
Premier Inn Germany

Five-Year Plan:
2029/30 outcomes

20,000

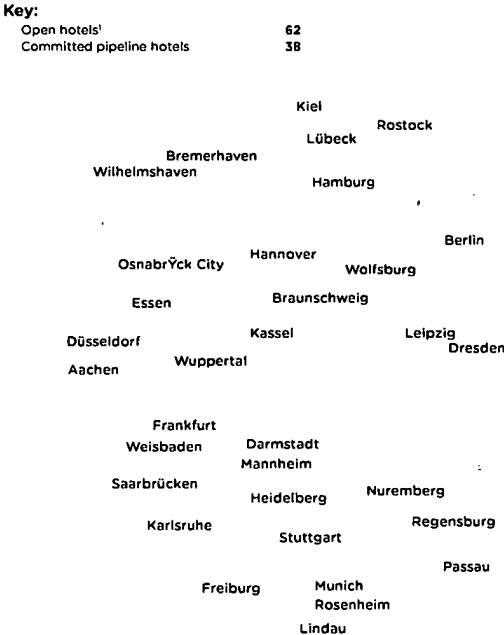
total open rooms

€80

network RevPAR

£70m+

adjusted PBT¹



¹ Includes one hotel in Austria.

Further network expansion

We have 11,000 rooms open across 62 hotels and a further 7,000 rooms in our committed pipeline. With a presence in most major towns and cities, our focus is to continue to expand and develop our network, through a combination of organic growth, conversions and small bolt-on M&A in our target locations. By 2029/30, we expect to have 20,000 rooms open, taking us closer towards our target of becoming the country’s number one hotel brand.

Building the Premier Inn brand

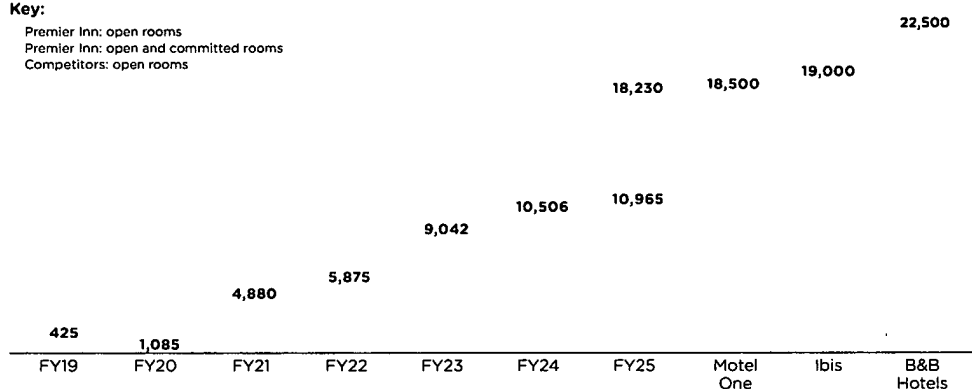
As we become a business of real scale in Germany, we are focused on raising our profile and, as a result of our initiatives and growing customer base, have increased our brand awareness to 19%¹. Whilst this is behind some of our key competitors, given the quality of our product and the high guest scores we are achieving, we are on course to close the gap further and increase our market share. As well as using online brand campaigns, we will continue to explore how we can use other distribution channels such as online travel agents (OTAs) and aggregators to help accelerate RevPAR growth and profitability. As our customer base expands, we are exploring how we can increase the number of returning guests through a combination of CRM and other loyalty tools.

¹ Germany YouGov Brand Awareness:
1 March 2024 to 27 February 2025.

Premier Inn Germany room growth¹

Key:

Premier Inn: open rooms
 Premier Inn: open and committed rooms
 Competitors: open rooms



¹ Premier Inn: company data, competitors: STR data.

Refining commercial strategy

Drawing upon an expanding pool of trading data, we are improving our performance by applying the learnings from trading our growing estate. Following the roll-out of our new cloud-based reservation system in March 2024, we have unlocked several commercial opportunities, including new CRM tools and the ability to price certain product enhancements dynamically, increasing yield in response to demand.

Broadening distribution

Providing room availability through the optimum mix of channels ensures we can continue to attract high volumes of both domestic and international business demand. We have seen an increase in guest volumes and revenues having expanded our

distribution to include third-party channels such as OTAs. Whilst this is a different approach to that in the UK, after an extensive trial it was evident that OTAs are an important and value accretive channel in the German market, driving incremental demand and helping us raise brand awareness.

Enhancing appeal to business guests

Maintaining a balanced mix of business and leisure guests helps to maximise occupancy across the cycle. Business guests tend to have higher frequency of travel than leisure guests and drive higher ARR's. With high levels of domestic travel in Germany driven by the large trade fair market, ensuring our platform is easy to use with all the key attributes our guests need, we are increasing the

appeal of our offer. Our planned launch of 'InnBusiness' will make it even easier for businesses of all sizes to book with us direct and our cluster manager sales team is focused on broadening our reach into the SME market. We are also strengthening our travel management company (TMC) relationships to expand our distribution and increase our addressable customer base.

Optimising product and offer

Our proposition continues to attract excellent guest scores, helping to drive increasing guest volumes into our hotels. As well as rolling out more Premier Plus rooms, we are also testing product add-ons both online (e.g. early check-in and late check-out) and on site (e.g. parking and in-hotel self-service shops), each of which drive incremental

revenue. We are also looking to further increase our F&B revenues through promotion of the Premier Inn breakfast and our evening bar offerings. With increased scale, we are continuing to refine our operating model and unlock new opportunities to drive efficiencies across our estate through improved labour scheduling and procurement.

Pathway to attractive long-term, sustainable returns

With the initiatives outlined above, we remain on track to deliver profitability in FY26 and expect Germany to deliver significant revenue and profit growth by FY30, as set out in our Five-Year Plan.

GERMAN PERFORMANCE

Premier Inn Germany¹

£m	FY25	FY24	vs FY24	vs FY24 CC ²
Statutory revenue	231	190	21%	24%
Other income (excluding 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 Germany¹ KPIs

£m	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 and beverage			20%	23%
Total			21%	24%
Like-for-like sales [†] growth:				
Accommodation			18%	21%
Food and beverage			16%	20%
Total			18%	21%

1 Includes one site in Austria.

2 On a constant currency basis, EUR.

A Premier Plus room at Premier Inn Hamburg City Centre

Germany performance vs M&E market

€m	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 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.

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 hotels⁴ increased by 17% to €67, outperforming the wider M&E market.

Other income in the period was Enil, while 2023/24 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 (2023/24: £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 2029/30.

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 tax¹ to £11m (2023/24: £36m loss).

Room with a view at Premier Inn Berlin Alexanderplatz

STRATEGY IN ACTION: ENHANCE OUR CAPABILITIES TO DELIVER LONG-TERM GROWTH

Enabling sustainable long-term growth

“Our scale, differentiated business model, strong balance sheet and disciplined approach to capital allocation are delivering attractive returns for our shareholders. Over the next five years, we plan to deliver £300m incremental adjusted profit before tax*, generating more than £2bn for share buy-backs and dividends.”

Hemant Patel
Chief Financial Officer

Five-Year Plan: Efficiencies and commercial programme; Capital allocation

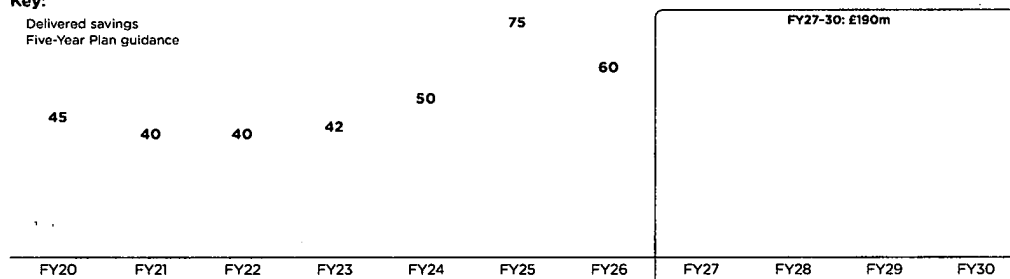
Whitbread PLC Annual Report and Accounts 2024/25

Consistent delivery of cost savings, mitigating inflationary pressures

Delivered savings and expected Five-Year Plan savings per annum £m

Key:

Delivered savings
Five-Year Plan guidance



Recycling freehold property

We have a significant freehold property estate which differentiates us from our asset-light peers and unlocks a number of commercial and operational advantages.

It allows us to optimise our estate, realise development profits and recycle capital into higher-returning investments. By exiting smaller, less profitable sites and investing in more efficient, larger sites as well as new extensions as part of our Accelerating Growth Plan, we can increase our return on capital.

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.

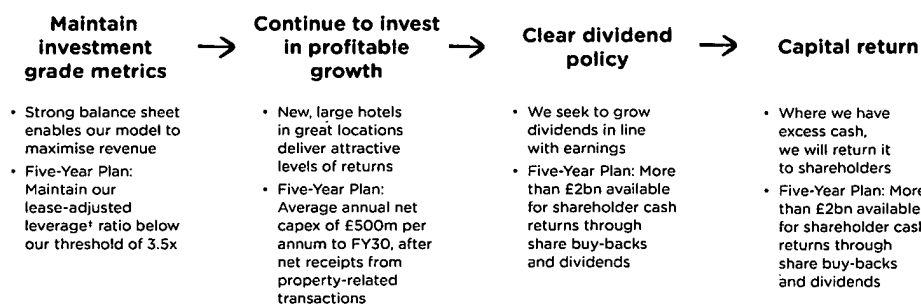
With an improving property investment market, we will recycle at least £1bn of property and maintain net capex at £500m per annum, after net receipts from property-related transactions, keeping lease-adjusted leverage below our threshold of 3.5x.

Five-Year Plan

Capital allocation on page 15

Capital allocation

Our capital allocation framework is regularly reviewed by the Board and allows us to strike an appropriate balance between investing in high-returning growth opportunities and returning excess capital to shareholders.



LONG-TERM GROWTH STRATEGY

Enhance our capabilities to support long-term growth

Our vertically integrated model is underpinned by our strong, asset-backed balance sheet and a multi-year programme of investment. This keeps us ahead of our competitors and drives long-term growth.

KPIs

2025/26 cost efficiencies guidance

£60m

Total new rooms to open¹ in 2025/26

1,400-1,600

2024/25 UK return on capital employed²

12.9%

Group freehold:leasehold mix²

52%:48%

Fitch rating³

BBB

Average net capital expenditure per annum to 2029/30

£500m

¹ Across the UK, Ireland and Germany.

² Group open and committed pipeline.

³ Fitch Ratings, January 2025.

Our capital structure is a key source of competitive advantage

Funding

- Investment grade status ensures access to debt markets at attractive rates
- Selective sale and leasebacks can raise additional funding at competitive rates, if required

Strength of covenant

- We are a highly attractive and trusted partner
- Strong advantage in competitive transactions
- Helps us to secure more favourable lease terms

Strategic and financial flexibility

- Proven resilience during periods of macroeconomic uncertainty
- Ability to execute quickly whilst maximising returns by location
- Our scale and property expertise can unlock value-enhancing opportunities
- Control over network planning and customer proposition
- Ability to invest in our efficiency programme

Investing for profitable growth

Our ongoing programme of investment underpins our market-leading position in the UK and our progress towards becoming the number one brand in Germany. Extending and optimising our hotel network, improving our guest proposition and infrastructure, as well as continuing to drive our Force for Good sustainability programme are all central to our long-term success. Each of these initiatives is described in more detail below.

Estate growth and optimisation

We see significant growth potential in the UK and Ireland and are on course to double the size of our network in Germany by 2029/30. By combining our vertically integrated model, our in-house property expertise and our strong balance sheet, we can commission new build projects, and complete bolt-on M&A as well as single-site acquisitions. With a large freehold portfolio, we are also able to optimise our estate, realise development profits and recycle capital into higher-returning investments.

This includes exiting smaller, less profitable sites and investing in more efficient, larger sites as well as new extensions as part of AGP.

[Read more on page 24](#)

Guest proposition

Continuing to deliver for our guests with a consistent, high-quality offer is a key driver behind our market-leading position. During 2024/25, we continued the roll-out of our new 'ID5' standard room format as well as more of our Premier Plus rooms that command a healthy RevPAR premium versus a standard room in the same hotel. With £247m invested in non-expansionary capex during the year, we continue to seek ways to meet our high standards whilst also controlling our costs. This includes the development of new products, services and features that will further enhance the guest experience and ensure Premier Inn is their first choice whenever they are staying away from home.

[Read more on page 25](#)

Technology

Most of our guests' purchase decisions take place online resulting in the majority of our revenues being generated via digital channels. The performance and reliability of our technology infrastructure are therefore central to our ongoing success. Having upgraded our reservation system and associated technology stack in March 2024, we are already seeing some benefits from new revenue streams and enhanced digital capabilities. We are continuing to upgrade our digital networks and systems with a view to further improving the quality of our service and unlocking additional efficiency savings.

Teams

Our teams are at the heart of our long-term success. Whilst well-designed training and competitive pay and rewards can encourage team stability and retention, it is promoting a positive business culture and a passion for excellence that ensures teams are engaged and remain focused on delivering for our guests.

[Read more on page 53](#)

Force for Good

Our sustainability programme is fully embedded into our business strategy and across all areas of our business. Our vertically integrated model means we are able to effect change that many other operators cannot and our programme holds us accountable for the changes we are seeking to make. As referenced throughout this report and in our ESG report, driving positive change for our people, our communities and the wider environment ensures that our business is sustainable for the long term, and is one that all of our stakeholders continue to value and support.

[Read more on pages 58 to 61](#)

Lean and agile cost model

By capturing the vast majority of the value chain, we are able to exercise considerable control over our cost base. While the breadth of our business means that inflationary pressures are always present, our strong business culture means we are continuously seeking ways we can improve and adopt new, more efficient ways of working. Whilst global events over the past year have meant that inflationary pressures have remained higher than anticipated, there are signs that inflation may come down over the medium term. To help mitigate the impact of inflation, we are committed to delivering £250m of cost efficiencies between 2025/26 and 2029/30.

£2bn available for share buy-backs and dividends

Our scale, differentiated business model, strong balance sheet and disciplined approach to capital allocation have combined to deliver attractive returns for our shareholders. Even with conservative assumptions about like-for-like sales¹ growth and inflation, the execution of our Five-Year Plan to 2029/30 is set to deliver a step change in our profits, margins and returns. This unlocks more than £2bn available for shareholder returns through share buy-backs and dividends.

CHIEF FINANCIAL OFFICER'S REVIEW

Delivering long-term sustainable returns

"We delivered a robust financial performance in the UK, despite a tougher market environment. We also made excellent progress in Germany and as a result, we delivered Group adjusted profit before tax[†] of £483m."

Hemant Patel
Chief Financial Officer

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 2023/24 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 (2023/24: £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 (2023/24: £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 (2023/24: £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 (2023/24: £200m). As a result, adjusted operating profit[†] decreased by 7% to £630m (2023/24: £674m).

Financial highlights

	FY25 £m	FY24 £m	vs FY24 %
Statutory revenue	2,922	2,960	(1)%
Other income (excluding 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 costs (excluding 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)%

Central and other costs

	FY25 £m	FY24 £m	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 profit/(loss) before tax[†]	(12)	10	(226)%

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 (2023/24: £50m). A reduction in IAS 19 pension net finance income to £8m (2023/24: £16m) resulted in a reduced net finance credit (excluding lease liability interest) for the period of £20m (2023/24: £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 tax¹ for the year was £483m, compared to a profit of £561m in 2023/24.

Adjusting items

Total adjusting items before tax were a charge of £116m for the year compared to a £109m charge in 2023/24.

The Group has completed a review of site-level 2024/25 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 (2023/24: £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 (2023/24: £160m) represents an effective tax rate on the profit before adjusting items of 27.8% (2023/24: 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 (2023/24: £140m) represents an effective tax rate of 31.0% (2023/24: 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

Statutory profit after tax for the year was £254m, compared to a profit of £312m in 2023/24.

Earnings per share

	FY25 £m	FY24 £m	vs FY24 %
Adjusted basic earnings per share ¹	194.6p	206.9p	(6)%
Statutory basic earnings per share	141.5p	161.0p	(12)%

Adjusted basic profit per share¹ 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 (2023/24: 62.9 pence), taking the total dividend per share for the year to 97.0p (2023/24: 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 11 to the financial statements.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Cash flow

	FY25 £m	FY24 £m
Adjusted EBITDAR¹	1,030	1,057
Change in working capital	5	34
Net turnover rent and rental income	2	1
Lease viability and principal lease payments	(313)	(305)
Adjusted operating cash flow¹	723	787
Interest (excluding IFRS 16)	8	22
Corporate taxes	(50)	(53)
Pension	(18)	(18)
Capital expenditure: non-expansionary	(247)	(253)
Capital expenditure: expansionary ¹	(241)	(256)
Acquisitions	(12)	0
Disposal proceeds	137	57
Other	(40)	0
Cash flow before shareholder returns 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 cash flow	(185)	(470)
Opening net cash ¹	(298)	171
Closing net debt¹	(483)	(298)

¹ 2024/25 includes £2m payment of contingent consideration (2023/24: Enil 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 EBITDAR¹ was £1,030m (2023/24: £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 (2023/24: £34m), this meant that adjusted operating cashflow¹ was £723m (2023/24: £787m).

The corporation tax net outflow in the period was £50m (2023/24: £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 (2023/24: £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 2023/24 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 (2023/24: £298m).

Debt funding facilities and liquidity

	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 cash¹		(491)	
Net debt¹		(483)	
Net debt and lease liabilities¹		(4,717)	

The Group's objective is to manage to investment grade metrics, maintaining a lease-adjusted leverage¹ ratio of less than 3.5x over the medium term¹. 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 (2023/24: £2,757m) and the lease-adjusted leverage¹ ratio was 3.0x (2023/24: 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 (2023/24: €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.

2 Excludes unamortised fees associated with the debt instrument.

3 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

	FY15 £m	FY24 £m
UK maintenance and product improvement	240	249
New/extended UK hotels	179	172
Germany and Middle East ⁴	69	88
Total	488	509

4 2024/25 includes £2m payment of contingent consideration (2023/24: Enil).

UK maintenance expenditure in the period was slightly lower than last year at £240m (2023/24: £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 (2023/24: £509m).

The balance sheet value of property, plant and equipment increased to £4.7bn (2023/24: £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 ⁵
Premier Inn UK	55%/45%	57%/43%
Premier Inn Germany	23%/77%	30%/70%
Group	52%/48%	52%/48%

5 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 (2023/24: £3.6bn) and lease liabilities increasing to £4.2bn (2023/24: £4.1bn).

Return on capital

Returns ¹	FY25	FY24
Group ROCE	11.3%	13.1%
UK ROCE	12.9%	15.5%

6 Germany ROCE not included as losses were incurred in the year.

Group ROCE¹ 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 (2023/24: £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 on page 167.

Hemant Patel
Chief Financial Officer
30 April 2025

STAKEHOLDER ENGAGEMENT

Building
long-term
sustainable
success for
everyone

“In its decision-making, the Board considers what is most likely to promote the success of the Company for its stakeholders in the long term and in a sustainable manner.”

Clare Thomas
General Counsel and Company Secretary

Section 172 statement

Stakeholder engagement is central to the formulation and delivery of our strategy.

As part of this process, the views and interests of various stakeholders including the views of customers, employees, shareholders and suppliers are taken into account. Equally, the impact of our strategy on the communities in which we operate, and on the environment, is also considered. That way, the strategy is developed directly with those interests in mind.

The interests of all relevant stakeholders are carefully considered by the Board and the Executive Committee as and when specific decisions are made throughout the year. In its decision-making, the Board considers what is most likely to promote the success of the Company for its stakeholders in the long term and in a sustainable manner.

Our directors understand the importance of their section 172 duty to act in good faith to promote the success of the Company.

Every month, the Executive Committee considers a 'Balanced Scorecard' that measures performance against a range of metrics, both financial and non-financial. The non-financial metrics include guest satisfaction, team and guest safety, team retention, internal promotions, gender and ethnic diversity at leadership levels, and sustainability targets, like carbon and water reduction, as well as donations to Great Ormond Street Hospital Children's Charity. The 'Balanced Scorecard' also goes to the Board regularly as part of the Board pack.

The Chief Executive's report gives details of any relevant interaction with government or regulators, and key issues with suppliers and landlords.

The Chief Financial Officer's report includes details on recent engagement with shareholders and the pension trustee discussions and qualitative feedback on specific concerns.

The Chief People Officer's report provides details of all relevant employee-related matters, including recruitment, retention, diversity and inclusion, listening, wellbeing, training and reward.

The General Counsel's report contains an update on key developments on the Force for Good agenda, including work in the community, charitable fundraising, the environment, plastics and food waste. It also includes best practice guidance on governance.

Any Board discussion on possible M&A activity includes wider impact assessments, considering issues such as integration with the current business, management capabilities, the impact on team members and our supply chain.

The Board also takes into consideration the long-term consequences for both the Company and its stakeholders when making these decisions, making sure the Company conducts its business in a fair way, protecting its reputation and external relationships.

Insightful and well-considered strategic decision-making

Board information

- Forward agendas are available to allow the Board to plan ahead of time and to ensure the appropriate allocation of agenda time to each stakeholder group.
- Detailed papers are circulated a week in advance of Board meetings giving directors due time to consider them.
- An annual Board strategy day allows the Board to consider and agree key strategic priorities.



Resources available

- The Board is supported by the Company Secretary who is present at every Board meeting. The Board also has access to the advice of the Company Secretary on governance matters all year round.
- The Board has access to external advisers should it need advice on specific matters.



Board decisions

- The Board culture fosters open discussion and constructive challenge from the non-executive directors.
- The Board benefits from the diverse skills, knowledge and experience of directors when making key strategic decisions and performing its duties under section 172.



Review

- The composition of the Board is constantly monitored to ensure the right balance of skills and experience is maintained.
- The performance of the Board is evaluated in line with the UK Corporate Governance Code 2018.
- Decisions and outcomes are reviewed to ensure intended outcomes are achieved.

STAKEHOLDER ENGAGEMENT CONTINUED

Employees

Our people are the key to our success. A talented, engaged and diverse workforce is critical to support our growth ambitions in the UK and Germany.

What our employees tell us matters to them

- A healthy and safe working environment.
- Industry-leading training and development.
- Career development opportunities.
- Market-leading reward and incentive structures.
- Focus on team member wellbeing.
- A diverse and inclusive culture in which everyone is welcome and can be themselves.
- Open, honest and transparent management processes.

Chefs in Bar and Block Kings Cross

Board considerations

- ‘Our Voice’, a body made up of elected representatives across the business, represents the views of employee constituencies to senior management, including an annual session chaired by the Chief Executive. The Board receives reports of these meetings.
- Over the year the Board has focused discussions on team member pay, taking into consideration the cost of living, the impact on our hourly paid employees, and any changes in legislation likely to impact our approach to reward.
- The Chief Executive, in his Board report, outlines and makes proposals in relation to team retention and reward strategies and the Board reviews monthly KPI data regarding team retention and other employee measures as part of Whitbread’s balanced scorecard.
- The Board reviews the Speaking Out process to ensure we have the right platform for employees to raise concerns.
- The Board discusses Whitbread’s overall people strategy on an annual basis, receives a bi-annual report on overall talent health, and also receives an update on employee engagement. People strategy encompasses all facets of our approach to people and engagement, including diversity and inclusion.
- Diversity and inclusion is specifically considered as part of all Board appointments. This is guided by the Board diversity policy, which was updated in March 2024, and the Gender and Ethnicity Pay Gap Report 2024.

More detail on this can be found on our website: www.whitbread.co.uk
- Diversity and inclusion is also discussed as part of the succession planning process which includes a focus on creating a diverse pipeline at the senior management level. The Board discussed the various diversity and inclusion networks: GLOW, REACH, eNable and GEN. The Board also attended diversity and inclusion training in October, facilitated by an external partner.
- The Chief People Officer’s report regularly updates the Board on progress against all areas of the people strategy.
- The Board receives reports on health and safety management bi-annually; statistics are included in the monthly KPI pack and any serious incidents are reported immediately to the Board.

Outcomes of engagement

- Over £40m in pay awards across our hourly and salaried teams in the UK and Germany, an investment of £4.5m into a specific ‘thank you’ payment to hourly team members, the award of over £40m in Annual Incentive Scheme payments, and issuance of more than 10,000 instances of recognition via our Whitbread Heroes programme.
- Material reduction of 5%pts in team turnover rates in the UK and high engagement scores from our employees across both the UK and Germany.
- Good progress since 2020 in our female representation in leadership to currently stand at 39.8% and strong step-up in ethnic representation in leadership to 9.3%; new targets established for both to maintain our progress through to 2026.

Customers

Customers are at the heart of our business and Board decisions are driven by a desire to provide our guests with a consistent, high-quality experience at a great price to ensure they keep coming back.

What our customers tell us matters to them

- Consistent, high-quality hotels to stay in with a quality food and beverage offering, for a great price.
- Brilliant service from our teams.
- Excellent standards in our hotels and restaurants, which are clean, safe and welcoming.
- Healthy and responsibly sourced menu choices including vegan and fish items on the menu.

Board considerations

- The Board receives regular updates on customer satisfaction scores.
- The Board receives a monthly report on commercial, pricing and operational performance.
- Quarterly in-depth reviews are provided into pricing and commercial strategies in the UK and Germany.
- The Board approves the refurbishment schedule and repairs and maintenance programmes. The Board also reviews a programme of investment to ensure we maintain the high quality expected by our guests.
- The Board has visibility of and input to the investment made in our digital product and customer journey.

- The Board considers room innovations periodically, e.g. Premier Plus rooms and twin rooms.
- The Board considers brand positioning, marketing campaigns and digital strategies.
- The Remuneration Committee includes customer measures in the remuneration structures for key team members.

Outcomes of engagement

- Improved customer satisfaction scores; read more on page 118.
- Market outperformance and YouGov scores demonstrate the quality and value of the brand proposition and its popularity.

Investors

The Group conducts a wide-reaching investor relations programme throughout the year and seeks to engage on a range of topics including financial and operating performance, business strategy and governance, as well as our Force For Good sustainability programme.

What our investors tell us matters to them

- Clear and well-communicated strategy.
- Evidence of strong execution against that strategy.
- Financial performance, both in absolute terms and relative to the competitive set.
- Capital structure and capital allocation.
- A proactive programme of engagement on key topics.
- Leadership, governance and remuneration.
- A progressive ESG programme.
- Identification and management of key risks.

Board considerations

- The Board receives monthly updates on changes to the share register and market expectations as well as recent engagement with shareholders and other investors.

- The Chairman and General Counsel consulted with a number of shareholders during the year; key themes discussed included strategy, financial and operating performance, business culture, remuneration and ESG.
- The Chief Executive, Chief Financial Officer and Investor Relations team have conducted meetings with shareholders, prospective investors, banks and bondholders throughout the year.
- The Board receives a presentation at least once each year from its brokers on the current views of investors and on issues which may need to be addressed.
- The Board considers very carefully whether the Company is fairly valued and what steps can be taken to enhance value further.

Outcomes of engagement

- We conducted hundreds of investor meetings over the past year, not just with existing shareholders but also large numbers of other investors, both in the UK and internationally. We also maintained a regular dialogue with over 20 sell-side analysts that produce written equity research on the Company.
- We received helpful input regarding non-executive succession planning, remuneration policy development and certain other ESG-related topics.

STAKEHOLDER ENGAGEMENT CONTINUED

Suppliers

The Board values its relationships with suppliers and fosters these carefully to support the long-term sustainable success of the Company.

What our suppliers tell us matters to them

- Payment on time and in full.
- Good communication: strong and consistent levels of demand and transparent feedback on performance.
- Tackling modern slavery.
- A plan to reduce carbon through the supply chain.

Board considerations

- The Board has discussed inflation in the supply chain as part of the Chief Financial Officer's report.
- The Board considers and approves a Modern Slavery Act Statement each year.
- The Board approves material contracts with suppliers. This year, the Board has reviewed and approved contracts with a new logistics supplier.
- The Board has received presentations regarding our sustainability programme, Force for Good, which includes responsible sourcing.

Outcomes of engagement

- Increased levels of engagement with the supply chain to ensure continuity of supply.
- Agreed measures to ensure suppliers are paid on time.
- Engaged with suppliers regarding modern slavery and ethical sourcing.

Read more in our Modern Slavery Statement 2024/25 www.whitbread.co.uk/

Communities and the environment

Whitbread is committed to doing right by the communities in which we operate and the environment. This is embedded in our Force for Good programme and brought to life in our ambitious sustainability targets.

What our communities tell us matters to them

- A robust health and safety programme for team members and guests.
- An ambitious environmental programme which includes Scope 1, 2 and 3 carbon reduction targets in line with 1.5°C of global warming, and targets to eliminate waste, particularly food waste, and reduce water usage.
- Ensuring that our critical commodities are sourced sustainably and responsibly.
- Supporting local communities with economic opportunities and raising funds for our chosen charities, national and local.

Board considerations

- The Board has received presentations regarding our sustainability programme, Force for Good.
- The Board receives regular updates on key developments in the Force for Good programme and provides comments and views on material issues.

Outcomes of engagement

- Over our 13-year-long partnership with Great Ormond Street Hospital (GOSH), we have raised £26.4 million.
- Scope 1 and 2 emissions intensity has been reduced by 59.7%/m² from our 2016/17 baseline.
- We have reduced our water consumption by 14.2% per sleeper from our 2019/20 base year.
- We have cut our food waste by 31.3% from our 2018/19 base year.

Lenders

The Board has identified our key lenders as our syndicate of banks that participate within our revolving credit facility, and our bondholders, who hold our 2015 and 2021 issued bonds, and the recently issued February 2025 bonds.

What our lenders tell us matters to them

- Our current performance and financing strategy.
- The nature and quantum of debt and level of liquidity of the Group.
- Our ability to service the debt interest payments and repayment at maturity.
- Our credit rating and commitment to investment grade metrics.
- Our covenant and compliance certification.
- The Green Bond framework.

Board considerations

- Once a year the Chief Executive and Chief Financial Officer meet the key lenders within the revolving credit facility to discuss the annual results and business performance.
- The Group holds a fixed income call with our bondholders after the annual results presentation.
- The Group Financial Controller is in regular contact with our banks' relationship teams, discussing operational and strategic financing requirements, and our Treasury team engages to manage the Group's operational requirements.
- We continue to monitor and discuss with the banks their strategy and ability to lend to the Group in the future and any changes that may impact this.

Outcomes of engagement

- Debt capital structure that is optimum for the Group.
- A base of lenders that can support the Group's financing and operational needs.
- Robust relationships with lenders that are continually monitored, and facilitate refinancing and access to sources of finance when needed.
- The support and access to product offerings that the lenders provide.

Pension scheme trustee

We are committed to maintaining our positive and constructive relationship with the pension scheme trustee and to ensuring security of members' benefits in the pension scheme.

What our pension scheme trustee tells us matters to it

- Pension scheme funding and investment strategy, supported by a strong Whitbread covenant, that ensures the long-term security of members' defined benefits.
- Value for money defined contribution arrangements and engaging communications that support members in saving for retirement.

Board considerations

- The Chief Financial Officer attends a trustee meeting annually to present, and answer questions on, the Company's annual results and its ability to meet its obligations to the pension scheme.

- A Company representative attends the trustee's Benefits Sub-Committee and Funding & Investment Sub-Committee meetings. Attendance at the latter enables an understanding of any investment changes that are planned and can provide a Company view where appropriate.
- Twice a year, a senior member of the Finance team meets with the Funding & Investment Sub-Committee and its covenant adviser to give an update on Company performance and answer any questions.
- The Board receives presentations in relation to pension issues, including regarding the funding position, triennial valuation and investment performance.
- During the year, the Company and trustee agreed the assumptions for, and completed, the 31 March 2023 triennial valuation.

Outcomes of engagement

- Strong and open relationship with the pension scheme trustee.
- Well-funded pension scheme and security of defined benefits.

OUR VALUES

Our refreshed Values support the execution of our long-term strategy

Creating our new Values

Whitbread has a long and proud heritage and has always been led by its Values; how we do things has been a critical enabler of the ongoing success of the business. We have created Values that codify our culture and really capture what is special about working at Whitbread, reflecting changes in our organisation, adapting to our operating context and helping support our future growth plans.

To shape our Values we sought to engage with teams across the business to understand: their perspective on how it feels to work here when we are at our best; what would be memorable and engaging for them; and how we could best distil the essence of Whitbread. The result of that extensive process was a set of Values that are distinctly us: aspirational, capture the essence of who we are on our best day; aligned with our purpose; and focused on our ambitions.

warm + welcoming

We are warm and welcoming to our guests and each other. We value difference, we are team players and we create a culture of inclusivity and collaboration within our teams.

passionate + proud

We are passionate and proud about the big picture and the little things that matter. Our guests and our teams are our world, and we bring our best, every day. This centres on the individual commitment and dedication of our team members to delivering excellence, whatever their role; we use our initiative, drive action, and take ownership for everything we do.

budget + brilliant

Our guests believe we are both budget and brilliant. We want to make every penny count for both our business and our guests. We are always focused on delivering excellence and exceptional value. It means we are creative, innovative and bold, continuously seeking better ways of doing things. We are budget focused and resourceful; we make considered decisions and invest in the things that matter.

Sharing our new Values

Support Centre

- We held 14 interactive sessions engaging over 900 attendees from across our Support Centre.
- Sessions comprised an Executive Committee member-led overview, break-out sessions focused on each value in turn, and attendees making their own personal commitment related to the values.
- Following positive feedback and further affirmation that the Values resonate with our teams and align with our aspirations, the sessions also identified opportunities for us to further deepen the Values' impact through fostering stronger knowledge sharing and relationships between Operations and Support Centre, as well as across functions more broadly.

UK and Ireland Operations

- In January 2025 we launched the values to all Multi-Site Hotel Managers and Restaurant General Managers at the National Operations Meetings. Managers attended a three-hour interactive session with Regional Operations Managers leading the break-out sessions and the structure mirroring the format for the Support Centre launch.
- At our annual recognition event, Whitbread Celebrates, we launched the values to the 3,000 attendees at that event.

- Our Managers are now in the process of cascading our values through Operations via a series of team meetings at site level to reach all of our team members. The session consists of a fun and interactive game to bring the values to life with videos for each value.
- Feedback to date has been positive; the values are landing well and the Operations leadership is showing real ownership to embrace and bring the values to life for our team members.

Germany

- We followed the same approach in Germany as for the UK, launching to our Support Centre and Regional Operations Managers across three events opened by Erik Friemuth, CEO for Premier Inn Germany, in October 2024.
- We trained all Hotel Managers and Cluster Managers at their Operations conference in December and are now rolling out the site level training via the values game to mirror the UK roll-out.

**warm+
welcoming**

to our guests
and each other

**passionate
+proud**

about the big picture and
the little things that matter

**budget
+brilliant**

in everything
that we do

How we show up

We value
difference



We are team
players

We bring our
best everyday



We are guest
obsessed

We deliver
great value



We are always
a step ahead

CHIEF PEOPLE OFFICER'S REVIEW

Building capability for growth

"Whitbread is a special place to work, and we will continue to bring our best every day, retain our warm welcome, our passion and our pride, whilst also ensuring that we are agile and responsive to meet the challenges of growing successfully in a changing world."

Rachel Howarth
Chief People Officer

Whitbread has a rich heritage for service, delivering for our people so that they can deliver for our guests, underpinned by strong values and culture. We are guest obsessed and believe our teams are key to delivering a market leading guest experience that allows us to command a higher room rate in comparison to other budget competitors. In turn, we believe our differentiated talent offer is a key factor in helping us in attracting, retaining and motivating our teams to deliver that guest experience. We have no barriers to entry and no limits to ambition for our people.

There are several achievements worth celebrating from the last year: team engagement levels remain high, retention is at its highest level ever, and our ability to recruit in the market is strong. We are team players and we believe that the stability of our teams is one of the key underpins to delivering for our guests; so that we stay a step ahead we have also made important changes to how we organise our teams to bring even clearer accountabilities, speed up decision-making, and further sharpen that focus on guests. We have supported the conversion of several of our restaurants into new hotel extensions as part of AGP, simplified our hotel operating structures to empower managers, and redesigned our Support Centre to create a more efficient structure that is more connected to our operations teams and moves to a product-oriented approach to technology.

Listening to our teams remains at the heart of our approach to building our talent proposition and supporting our people. I was delighted to see the strong levels of advocacy from our teams in our Your Say survey and the ongoing pride that people have in working for Whitbread. We work

closely with our elected employee forum, Our Voice, throughout the year to ensure that all voices from across the business are heard, including an annual event where they engage directly with the Chief Executive and myself. Our employee representatives stimulated several business ideas, from menu development to uniform design, and have helped us shape change and deliver what really matters to our teams over the past year. Our inclusion networks have also been very active and continue to raise awareness, provide education, and influence policy. We have been externally recognised for both our networks and our overall diversity and inclusion activity.

There are several enablers for our future growth that we delivered in 2024/25. We launched our new Values, establishing a clear and memorable distillation of our culture and how we show up every day, and we also successfully deployed our new people system, Dayforce, which has step-changed team member experience and provides us with a common, modern technology platform for our people across Europe. We have begun simplifying our pay structure, already helping to offset cost inflation driven by National Living Wage and National Insurance increases. In Germany we have made the shift to a high-quality local leadership team, supported by targeted dedicated UK resource, that is accelerating the performance of the German business.

We have no barriers to entry at Whitbread and have continued to give opportunities to everyone, with a particular focus on young people that might otherwise face obstacles in starting their career. I am very proud of the partnership we have developed with Barnado's to deliver a programme to

support care-experienced young people into work, our continued relationship with the Derwen and Herward special educational needs colleges to help their students into employment, and our recent work with UK Hospitality on the Hospitality Skills Passport. We also have no limits to ambition and have delivered several development initiatives for our people over the last year including an extensive apprenticeship offer, programmes to enable progression into management roles, and a senior leadership programme with Ashridge Business School.

Our people strategy must also ensure we retain our cultural strengths whilst ensuring we are set up for future growth. We will therefore need to fully embed our recent organisational changes in F&B, Operations and the Support Centre which have set us up to have the right capabilities for the future. The ever-evolving external trading environment means we will need to be a consistently high-performing team. Building excitement around our new Values and a new cultural manifesto for the business will be important enablers.

Our strategic ambitions for growth will have material implications from a people perspective, requiring our people strategy to expand again – defining the right operating model for further European growth, ensuring we have the talent, capabilities, and culture for our fantastic teams to be able to continue delivering market-leading guest experiences, wherever we operate.

Investing in our teams' pay, reward and benefits

We have continued to invest in our teams across all levels of the organisation in 2024/25, with our biggest ever investment in hourly pay in April 2024 of £40m. This was alongside an investment of £4.5m in a special one-off payment for over 30,000 of our UK hourly and Contact Centre teams as a 'thank you' for their ongoing commitment and contribution to Whitbread's strong performance. Our Support Centre and Operations Management teams in the UK received pay awards of 5% and our Germany team received pay awards of 3%, reflecting the differences in the reward landscape across our markets.

In addition, we have made significant progress in simplifying our hourly pay model, making it easier for our teams to understand their pay and to support flexibility and multi-skilling, moving from over 150 different pay rates to 30 outside of Central London. Entry pay rates increased by over 9% and the average pay rate increase was 8%. For our Support Centre and Site Management teams, we awarded over £40m in annual incentive payments in May 2024 based on our strong 2023/24 performance. Nearly 4,000 of our hourly team members also received an incentive payment under our 'All Green' incentive scheme, with total payments of £1m.

Despite the significant headwind of the increase to employer's National Insurance contributions this year, we delivered another multi-million-pound investment in hourly pay in April 2025, with average pay increases of 6%, continuing to pay ahead of the National Minimum Wage and National Living Wage for all roles.

Our Support Centre and Operations Management teams in Germany were awarded incentive payments of over €2.5m in May 2024 based on the performance of the German business in 2024/25. For our hotel team members in Germany, we offer a

package in line with the local tariff agreements in each federal state, which offers a competitive base salary, increased through tenure and skills development, and a set of additional benefits. This is aligned to most of our competitors and the retail/hospitality sector. We awarded €2.5m in November and December 2024 via a special annual payment for our teams, with the majority of our teams receiving a payment above the local tariff.

We have continued to focus on recognising our teams across the business, through a calendar of monthly recognition activities and awarding over 10,000 recognitions under our Whitbread Heroes long service scheme, recognising service milestones from one year and beyond. As we look ahead to 2025/26, the launch of our new Values provides an opportunity to supercharge our approach to recognition and we will be launching a new recognition programme and digital platform across the UK and Germany this year, connecting our entire workforce for the first time.

Enabling future growth of the business

We laid some important foundations for our future growth in 2024/25, notably with the implementation of our new People System, Dayforce. We successfully launched our first phase of Dayforce in the UK, Ireland, and Crown Dependencies, in 2024, and in Germany in early 2025, which modernised our provision of clocking, payroll, expenses, core employee records, and scheduling. This has step-changed our team member experience in visibility of their hours, rota, and pay – now all available to them on their phone. Centrally the new system provides us with richer, accurate data to enable more efficient labour scheduling, better understanding of absence to guide future wellbeing strategy, and improved reporting to understand our workforce.

We will implement talent and learning modules in the system in 2025 to enhance our approach to performance management, career planning, succession processes, and the delivery of our extensive online learning to teams.

We have also made strong progress in the development of our teams and people processes in Germany. As we have scaled in Germany we have evolved from having a UK leadership team and now have a leadership team comprising German nationals living in Germany that understand local market nuance and how these should be reflected in our proposition and plan. Where relevant we have also moved to dedicated and specific UK based resource that support the Germany teams, including new roles in our Commercial team and a Head of Germany in Technology. Within the People function we have redesigned the resourcing model, halving our time to hire and doubling our volume of applicants, as well as successfully moving team member pay to align to Tariff, unlocking a significant saving.

We have upweighted capability in Digital, Commercial, and Technology teams to support our growth ambitions. In Technology we have moved to a product-led structure, better aligned to the business, and more agile and efficient in delivery of solutions.

Supporting our teams to deliver for our guests

Our teams once again delivered market-leading guest satisfaction scores in 2024/25 that we continue to believe is underpinned by the stability and engagement of teams at our hotels and restaurants. We heard from over 27,000 of our employees in our bi-annual Your Say engagement survey and saw strong levels of advocacy with 72% of people in the UK and 68% in Germany recommending Whitbread as a place to work; similarly, 73% of people in the UK and 70% in Germany are proud to work for us.

Strong levels of engagement have been one of the drivers of excellent levels of retention. Building on the work from 2023/24 we have seen a further improvement in turnover rates and the benefits of sustained retention mean that we now have more experienced, higher skilled teams which are better able to provide great service for our guests. Turnover has improved by c.10%pts over the last two years, reducing our costs in training, and reducing our hiring requirement significantly.

As a market-leading hospitality business we have always prioritised the wellbeing of our teams, encompassing mental, physical, and financial health, as we believe that it directly impacts employee morale, reduces absenteeism, and fosters a more engaged and productive workforce. In a sector reliant on positive customer interactions, happy and healthy employees translate into enhanced customer experiences, driving repeat business and contributing to improved profitability. Furthermore, demonstrating a commitment to wellbeing strengthens our employer branding, helping us attract and retain top talent in a competitive market.

We implemented change in the organisation in 2024/25 to enable more efficient and effective structures, speed up decision-making and clarify accountabilities. Change can be unsettling and our priority throughout has been in supporting affected team members during these transitions, ensuring they have the support they need, including access to our wellbeing resources and partners. Through all of our change programmes we have consistently seen that people want to stay with Whitbread and we have worked hard to open up as many redeployment opportunities as possible so that we retain talent and people can continue to progress their careers with us. We have seen significant numbers of people move to new roles, notably Restaurant team members moving into Premier Inn and cross functional moves within Support Centre.

CHIEF PEOPLE OFFICER'S REVIEW CONTINUED

Supporting our teams to deliver for our guests continued

Wellbeing remains a key focus and we have a range of mechanisms to support employees with their mental, physical and financial wellbeing. We utilise our trusted experts, Health Partners and Hospitality Action, to provide advice and support, supplementing the activity that we lead internally. In the last year we have delivered an ongoing financial education programme, continued to invest in mental health first aiders, introduced a new whistleblowing service (Speaking Out), redesigned our Dunstable office to include dedicated wellbeing space, and maintained a regular provision of advice through our 'Wellbeing Wednesday' communications. Our teams also have access to Spectrum Life, an app delivered in partnership with Hospitality Action, offering wellbeing tools at their fingertips and providing a range of content including a digital fitness programme, nutrition guides, wellbeing-related e-learning, meditation and podcasts.

Continued progress on inclusion and diversity

We value difference and are committed to increasing diversity in our leadership population and were previously holding ourselves against a set of published representation targets. I am delighted that we achieved 9.3% ethnic representation versus a target of 8%. We have now set ourselves a new target of 10% leadership representation for 2026.

In terms of gender diversity, we have made excellent progress, increasing our female representation in leadership from 32% in 2020 to 39.8% as we closed out 2024/25. However, that means that we narrowly missed our target of 40.0% representation and recognise there is more to do. Our focus is now on achieving our new 2026 target of 45%.

Our inclusion networks have had an exceptionally busy year and continue to be important voices in raising awareness, education and influencing policy within the business. Our Gender Equality Network (GEN) maintains the menopause as a key focus and we are on track to gain our Menopause Friendly Employer accreditation; we have introduced menopause support guides to our teams, available in seven languages. Our LGBTQIA network, GLOW, was shortlisted in the top 15 for the Network Group of the Year award at the British LGBT Awards 2025 and we were delighted to achieve 10th place in the Stonewall Workplace Equality Index and be awarded Gold Employer status.

Our Race, Religion and Cultural Heritage (REACH) network has worked hard to listen to our Muslim colleagues to ensure greater inclusivity during Ramadan and we issued guidance for Managers to support team members fasting during the period. We celebrated Black History Month with a range of activities showcasing Black culture, including an event to promote products from Black-owned businesses that are local to our Support Centre in Dunstable. We also introduced multi-faith rooms as part of our office refurbishment at our Support Centre. In October we were very proud to be announced as a top 10 employer at the Investing In Ethnicity Awards and REACH was listed in the top 15 network groups, the first time it has been included in this category.

Gender¹**Executive Committee**

Women	2
	22.2%
Men	7
	77.8%

Leadership community

Women	39
	39.8%
Men	59
	60.2%

All employees

Women	20,005
	63.9%
Men	11,608
	36.1%

Ethnicity²**Executive Committee**

White	8
	88.9%
Ethnic minorities	1
	11.1%

Leadership community

White	78
	90.7%
Ethnic minorities	8
	9.3%

All employees³

White	22,292
	70.3%
Black	1,416
	4.5%
Asian	3,027
	9.6%
Other ethnicity	1,547
	4.9%

1 As an inclusive organisation we recognise all gender identities and understand that not all of our team members will identify as male or female.

2 The information provided for ethnicity is discretionary and not all employees, including within the leadership population, have chosen to share their ethnicity with us.

3 89.5% of our employees have chosen to share their ethnicity with us.

In April we were awarded the Inclusive Recruitment award at the Disability Smart Awards 2024 for our Thrive programme, working with Derwen College in Oswestry and Hereward College in Coventry to support young people with special educational needs into paid employment. The programme is now expanding to additional areas of the UK including Liverpool and Lincoln.

No barriers to entry, no limits to ambition

For many people, working in a hotel or restaurant is their first introduction to the workplace, or a way back into it for those who've taken time out to have a family or study. We therefore have a unique opportunity to be a Force for Good in the places we operate, focusing on giving people the opportunity to grow, develop and be their best. No barriers to entry, no limits to ambition.

We passionately believe that we can give opportunities to everyone and we continue to remove barriers to employment for people that might otherwise face challenges in accessing work, notably with young people.

As a result, we have several strands to our development agenda:

- Offering **no barriers to entry** by creating career opportunities for disadvantaged young people.

Programmes: *Barnardo's - care-experienced young people pilot; Thrive - supporting those with special educational needs; and work experience.*

- Offering **no limits to ambition** through our Get Set Grow offer in Operations and Support Centre.

Programmes: *Progressing Into; Leading for Tomorrow; apprenticeships; and Get Set Grow.*

Opportunities for disadvantaged young people

In 2023, over 13,000 young people in England exited the care system on their 18th birthday and 39% of care leavers aged 19-21 are not in education, employment or training, compared to 13% of all 19-21 year olds. Care leavers make up 25% of the adult homeless population, with almost 25% of the adult prison population having previously been in care. Therefore, we have partnered with Barnardo's to develop a ten-week pre-employment programme to support care-experienced young people into meaningful jobs and careers with Whitbread. The programme focuses on building skills and confidence, and includes areas such as customer service and communications, work experience on site and interview practice. The goal is to secure permanent employment for those participating at one of our local Premier Inns, at the end of the employability programme. We invest £2,000 per individual going through the scheme.

We have run two pilots with Barnardo's in Glasgow and Birmingham, with 30 people attending a programme to date. So far, eight young people are now in employment or part of our Talent pipeline for a future role. Our long-term goal is to build internal capability and knowledge to attract, hire and develop care-experienced young people directly and at scale.

We are also committed to removing barriers to entry for young people with special education needs. Only 4.8% of people with learning difficulties are in paid employment in the UK. Over 1.6 million pupils have special educational needs. The government has a commitment to get 1 million more people with disabilities into work by 2027, which can be achieved through the joint expertise of specialist colleges and employers.

We have two long-standing partnerships with special educational needs (SEN) colleges, with the Derwen partnership set up in 2013

and Hereward set up in 2019. These partnerships allow students with more complex needs to learn skills to help them secure employment so they can live independent lives, e.g. cleaning and making a bed, and support students who are close to employability with a first step towards this, with the opportunity to then move into a supported internship and employment with us. There is a small 'Premier Inn' at both colleges with three bedrooms,

a reception and a housekeeping room to provide a simulated and safe environment for students to practice their skills as part of their hospitality qualifications.

Across the first 10 years of the partnership, we have had 30 students move into employment. Last year, we agreed to extend our partnership model to reach our aspiration of 100 supported internships per year. This is to be done via Hereward Training Services, which we have established in partnership with Hereward College, which will onboard new partners to the programme. During 2024, we partnered with two additional colleges in Lincoln and Liverpool. We will have 25 people complete a supported internship via one of our college partnerships.

Barnardo's

Warren, Maintenance Team Member/Housekeeping, Premier Inn Birmingham Exchange

Warren joined us through one of our Barnardo's work placements and was subsequently successful in securing a permanent role. He is currently working across two sites as a Maintenance team member and Housekeeper. His Hotel Manager, Charlotte, said: "He was so good there was no way I could not give him a job."

"I've never been closed off to an opportunity, and there was a guaranteed job opportunity at the end. I got to try everything during the work experience including the restaurant. At the end of the work experience I mentioned that I was really interested in the maintenance role and they made sure there was something for me. It's been mentioned to me some of the qualifications I can get in the role and I will try to gain whatever I can."

Thrive

Mary, Reception Team Member, Greenwich Premier Inn

When Whitbread first contacted Derwen about partnering, Mary was the student who gave our senior team a tour. Working reception at the college she asked if she could work on our reception, and this led to three months' work experience at a Premier Inn. Once she completed her work experience she was offered a job as a Reception team member. In June 2025, Mary will have worked at Whitbread for ten years. She said it was a life-changing goal to get the job, which has helped her with her independence, confidence and organisational skills.

CHIEF PEOPLE OFFICER'S REVIEW CONTINUED

Opportunities for disadvantaged young people continued

UK Hospitality (UKH), in conjunction with the Department for Work And Pensions, officially launched its skills passport scheme in 2025. The Hospitality Skills Passport is designed to create a universal entry standard for hospitality employees and comprises a four-week programme that works in a similar way to a sector-based work academy programme, aimed at supporting unemployed people with or without experience into a role in hospitality. It includes an opportunity for learners to attend work experience as well as training in compliance and customer service, and a guaranteed interview at the end of the course. We have supported UKH with piloting the programme, providing work experience opportunities in our Central London restaurants, working closely with Capital City College through Westminster Kingsway College London and The Mayor's Academy Hub for Hospitality. In total we have supported 43 students, building on our previous offers of work experience opportunities, and it underlines our ongoing commitment to providing career routes for people into the sector.

Work experience**Maura, Front of House Team Member, hub King's Cross**

Maura completed work experience with us 18 months ago when she was at college. During her time with us she was able to spend a day in each of the departments at hub by Premier Inn King's Cross where the team made her feel really welcomed and supported. Then, whilst at university, furthering her studies, she also wanted to continue in employment and reached out to Tom, her Multi-Site Hotel Manager (MHM), and he knew she was the perfect person for his team. She'd demonstrated great behaviours during her week of work experience and she's now a valued part of the team.

"I got to work in a department each day. It was very different as I've never worked before, so it was a great experience. I knew even if I didn't get a job here, I had more chance of getting one somewhere because I now had experience. I was so nervous and thought I would do really badly, but it went really well. I learnt so much working here, not just with the job but skills like communication, problem solving and teamwork. I really wanted to get a job at hub because I was made so comfortable by everyone. All the team members and Tom, the MHM, were so supportive."

Progressing careers in Operations

Each year, we need to identify and develop c.800 operational managers to meet our internal resource requirements. To support this, we have developed a suite of internal management development programmes to develop our teams in both the technical and behavioural skills required for each management level in Operations. Each programme follows a blended approach to learning which includes face-to-face workshops, online learning, on the job training on site, periods of holding roles and reflective practice.

We have designed three levels of programme, focused on developing individuals into:

- Duty Managers (and other hourly paid management roles);
- Salaried Managers (Hotel Managers and other salaried management roles); and
- Multi-site Hotel Managers

Following successful pilots which resulted in 123 delegates completing programmes, we have launched 'Progressing Into First Management' across the Premier Inn estate, are about to launch 'Progressing Into Hotel Management' and will pilot 'Progressing Into Multi-Site Hotel Management'.

Progressing into first management role**Liv, Duty Manager, Premier Inn Birmingham**

Liv was looking for progression in the Company, having worked in reception whilst they were studying at university. After completing their studies they decided that they wanted to progress in the business. After talking to their Manager about it they were eager to get onto the 'Progressing Into' course to be ready for a Duty Manager role in future. They completed the course last year and a few months later successfully applied for their first management role.

"I joined as a receptionist and it was originally a job to just get me through uni but when I graduated I wanted to progress in the Company. I finished the 'Progressing Into First Management' course in May last year and became a Duty Manager in September when a position in the area came up. I got to understand all areas of the business; I picked up so much about working within the restaurant as well as the hotel. The course laid out exactly what was expected of you in the Duty Manager role. I'd recommend anyone who wants to progress to consider the course."

Apprenticeships

We also offer apprenticeships at every level in operations, from level 2 hospitality team member through to level 5 operations manager. Our apprenticeship programmes help us to attract, recruit and develop our early careers talent as well as developing our managers alongside our internal management development programmes. We currently have over 750 apprentices in learning, with over 300 achieving their nationally recognised qualification this year. We have been externally recognised for the programmes we offer, and are very proud to be ranked 24th in the Top 100 Apprenticeship Employers, and 9th in Rate My Apprenticeship, as well as being highly commended by the Multi-Cultural Apprenticeship Awards.

Apprentices in learning

>750

Number of apprentices that have achieved their qualification

300

Rank achieved in the Top 100 Apprenticeship Employers

24th

Apprenticeship levels 3 and 4

Charlotte, Hotel Manager, Premier Inn Birmingham Exchange Square

Working at Premier Inn for nine years, Charlotte has worked in almost every role at Premier Inn from breakfast team member to Head Housekeeper. Now a Hotel Manager, she believes her apprenticeships have supported her getting the role she's in today.

"My hotel manager encouraged me to join the apprenticeship. The fact I could get my qualification in English and Maths was part of the reason I wanted to do it. It made a big difference that I was able to learn at work. I have ADHD and Dyslexia, it doesn't matter if you have additional needs, Whitbread provides you with the right level of support. As a Head House Keeper I started the apprenticeship Level 3 which taught me situational leadership and how to adapt my learning style. That aspect was really helpful and what I took the most from the course. I am a Hotel Manager now and have done my level 4. I didn't think I was going to pass, but I got a phone call to find out I got a distinction and I nearly fell off my chair. I encourage all my team to do it as long as they have a clear end plan and know what they want to get from it."

Support Centre development

We have a structured approach to identifying and developing talent across our Support Centre. We proactively enable individual career conversations, talent calibration and talent action plans for approximately 1,500 of our team. The structured talent cycle gives us a more accurate view of our succession and capability which, in turn, helps us identify who to focus on and where to invest in development.

All of our Support Centre teams have access to a Personal Development Plan and our Get Set Grow development offer. Our development offer supports our teams to develop both their technical skills and behaviours, and includes online digital resources and regular development workshops as well as dedicated Get Set Grow weeks so teams can really lead their own development.

We also have formal learning programmes for our Support Centre teams. We widened our Support Centre apprenticeship offer in 2024 to include over 20 different apprenticeships including Digital Marketing, Data Science and Software Engineering. These are focused on developing the technical skills of our team, with an apprenticeship or equivalent learning offer in place in all of our Support Centre functions.

For individuals in leadership roles or with the potential to be a leader in the future, we also run both Senior Leader and Future Senior Leader development programmes. These programmes run over a 9-12 month period, in partnership with Ashridge Business School, and support us in developing our current and future talent.

Career Growth (Operations to Support Centre)

Molly, Trainee Solicitor General Counsel

Molly started with us as a Housekeeper for some extra money while studying at university and then moved to reception. Once she completed her Master's her Hotel Manager, Adam, told her that there were opportunities at our Whitbread Support Centre. She managed to secure a role as a Paralegal, where she performed so well that we are now supporting her through a training contract as a Trainee Solicitor.

"For quite a long time it was just a job on the side; I didn't realise the potential I could have here. It's a really difficult profession to get into; it's really hard to land a trainee solicitor role in an external law firm. To be able to get this with a company I've already been with for five years is amazing. Getting a part time job at a Premier Inn - you don't know where you might end up."

Rachel Howarth
Chief People Officer
30 April 2025

SUSTAINABILITY

Our 2024/25 performance

“Sustainability is more than just a goal – it is a key value driver for our future, and we are fully committed to the success of our Force for Good programme.”

Clare Thomas
General Counsel

Find out more about Force for Good in our ESG Report 2024/25 www.whitbread.co.uk/

As our Force for Good strategy continues to evolve, it gives me great pride to lead a sustainability programme that builds value for both our internal and external stakeholders. Our environmental, social and governance initiatives create an engaging and inclusive environment for our colleagues and build a resilient and trusted organisation for our guests, suppliers and shareholders.

Our teams lead on a broad range of projects that drive down the carbon emissions from our operations and supply chain, reduce waste and minimise resource usage, unlock development opportunities in our workforce and create economic contribution in our local communities.

We are working hard to embed sustainability decision-making into our governance processes. With cross-functional leadership steering our programme and with the longer-term view of the ESG risks and opportunities identified through the Task Force on Climate-related Financial Disclosures (TCFD) now built into our organisational risk management, we can plan with climate and regulatory scenarios in mind.

To ensure we maintain the momentum required to meet our sustainability responsibilities, our annual incentive plan for all salaried employees and executive directors is linked to ESG KPIs, with the Board keeping a close eye on the suitability of our sustainability targets.

Opportunity

Target
2023/24 performance

A team where everyone can reach their potential with no barriers to entry and no limits to ambition

Key performance indicators	Performance in 2024/25	2023/24	Market	Link to material topic
45% female representation in our leadership population ¹ in 2026	39.5% female representation	39.8%	UK&I	• Equal treatment and opportunities for all
10% ethnic minority representation in our leadership population ¹ in 2026	9.3% ethnic minority representation	9.1%	UK&I	• Equal treatment and opportunities for all

¹ Leadership population is defined by all Head of / Director roles that are UK based.
Read more about our people on pages 52-57

Community

Making a meaningful contribution to the customers and communities we serve

Key performance indicators	Performance in 2024/25	2023/24	Market	Link to material topic
20% salt reduction by the end of 2024 from a 2017 baseline	21.2% salt reduction	19.8%	UK&I	• Product safety and quality
20% sugar reduction programme from a 2015 baseline	24.7% sugar reduction	24.1%	UK&I	• Product safety and quality
20% calorie reduction by the end of 2024 from a 2017 baseline	3.1% calorie reduction	4.3%	UK&I	• Product safety and quality
We will raise £3m each year for Great Ormond Street Hospital Children's Charity	£2m raised	£2.4m	UK	• Corporate culture • Equal treatment and opportunities for all

Responsibility

Always operating in a way that respects people and the planet

Key performance indicator	Performance in 2024/25	2023/24	Market	UK&I and Germany	Climate	Energy	Link to material topic
99.6% absolute reduction in Scope 1 and 2 emissions by 2040	44.0% Scope 1 and 2 absolute reduction from base year	38.0%	2023/24	UK&I and Germany	Climate	Energy	Link to material topic
84.1% intensity reduction in Scope 1 and 2 emissions by 2030 from a 2016/17 baseline	59.7%/m ² Scope 1 and 2 intensity reduction from base year	54.9%/m ²		UK&I and Germany	Climate change	Energy	
90% absolute reduction in Scope 3 emissions by 2050 from a 2018/19 baseline	16.7% Scope 3 absolute reduction from base year	8.5%		UK&I and Germany	Climate change	Energy	
58.1% intensity reduction in Scope 3 emissions by 2030 from a 2018/19 baseline	34.6%/m ² Scope 3 intensity reduction from base year	27.6%/m ²		UK&I and Germany	Climate change	Energy	
We will reduce water use in the UK by 20% per guest by 2030 from a 2018/19 baseline	14.2% reduction in water use per sleeper from our 2019/20 baseline year	10%		UK&I	Water	Energy	
We will cut our food waste by 50% by 2030 from a 2018/19 baseline	31.3% reduction in food waste from our 2018/19 baseline year ¹	24.5% ²		UK&I	Circular economy	Climate change	
We will not send any operational waste to landfill	99.3% of operational waste diverted from landfill	100%		UK&I	Circular economy	Water	
100% of our suppliers will be risk assessed for inherent human rights risk	100% ³ of suppliers risk assessed for human rights risks ⁴	100%		UK&I and Germany	Supply chains		
100% cage-free status on all whole shell and ingredient eggs by 2025	100% of whole shell eggs served	100%		UK&I	Supply chains		
	85.4% cage-free status in our own ingredient eggs have recipe products ⁵	75.2%					

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Key performance indicator	Performance in 2024/25	2023/24	Market	UK&I	Supply chains	Link to material topic
100% of raw beef will be produced to a recognised farm assurance scheme in its country of origin	100% of our raw beef range is produced to a recognised farm assurance scheme	100%	2023/24	UK&I	Supply chains	Link to material topic
100% of wild caught fish served will be Marine Stewardship Council (MSC) or equivalent	100% of wild caught fish served is MSC or equivalent certified	100%		UK&I	Supply chains	
100% of palm oil in own recipe products ¹ will be Roundtable on Sustainable Palm Oil (RSPO) certified by the end of 2025	73% of palm oil in our own recipe products is RSPO certified	71%		UK&I	Supply chains	
90% of our cotton sourced as Better Cotton by the end of 2025	At the time of reporting our Better Cotton results were not yet available and will be released by the end of 2025	52.3% ⁶		UK&I	Supply chains	
SBTi no-deforestation commitment across beef, our primary commodity, with a target date of 31 December 2025	New target	N/A		UK&I and Germany	Supply chains	
Does not include the waste occurred due to a short-term disruption in one of our partners' warehouses in December 2024.	2 Restated number for 2023/24 due to an error in the previous years' methodology compared to how our baseline was calculated.					
3 Due to a short-term disruption with one of our key UK suppliers in December 2024, we had to temporarily source some food and consumables from UK supermarkets and retailers as a contingency measure. The 100% figure does not cover this spend.						
4 Own recipe is where Whitbread owns the recipe of the product or dish.						
5 Retates to 'cotton in rented linen', guest buys the bed' and 'duvet and pillow purchases' annually. Better Cotton is sourced via a chain of custody system of mass balance and is not physically traceable to end products.						
6 The latest available data is for 2022/23.						

Year in review

Our Force for Good programme is focused on four strategic levers: decarbonisation, resource use, social mobility and economic contribution. These issues are the most material to Whitbread and, given our operating model, we are able to make a difference.

This year has been one of significant transformation at Whitbread. As part of AGP, we are divesting some of our lower-performing restaurants while converting more than 100 others into higher-returning hotel rooms.

We have also switched to a new national waste partner and announced a future change to a wholesale food procurement and logistics model.

As we have made these changes, the alignment of our Force for Good programme with our core business strategy has allowed us to integrate sustainability into each initiative.

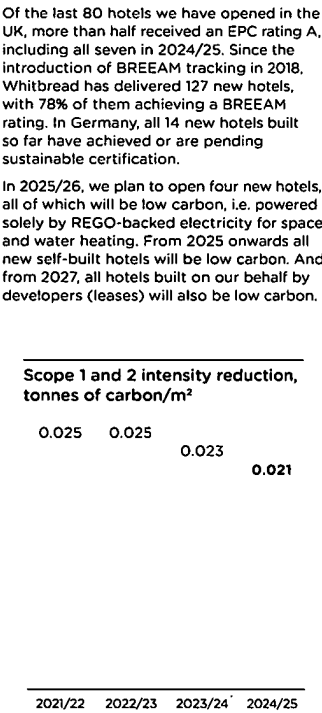
Decarbonisation

In November, the Board approved our fully costed operational decarbonisation programme, enabling us to continue to reduce Scope 1 emissions from our estate in the most economically viable manner. With more than 1,500 rooms powered entirely by electricity backed by Renewable Energy Guarantees of Origin (REGO) and no gas connections or liquid petroleum gas (LPG), we offer the most low-carbon hotel rooms in the UK and Ireland. REGO certifies that the equivalent number of units of electricity purchased have been generated from renewable sources such as wind or solar.

This was achieved by replacing old gas boilers with air-source heat pumps at our hotels, electrifying our kitchens and installing water-efficient showerheads and taps. These initiatives drive immediate reductions in our carbon footprint and operational costs, as well as enhancing the value of our assets.

The vast majority of the new extension rooms from AGP will also be low carbon. This work drives our progress towards our zero operational carbon emissions target by 2040.

Our Property team has been focusing on designing energy-efficient hotels and re-using existing structures where possible to minimise the emissions associated with embodied carbon and construction waste. For example, in Cambridge city centre, we opened a 125-room hotel that largely preserved the exterior structure of the unused office space.



Resource use

We are realising environmental and commercial benefits from using less water. By rolling out more lower-flow showerheads and taps, and through active leak detection and fix, we heat less water which lowers our costs and the carbon emissions from our gas boilers, whilst preserving the quality of our guest experience.

Although the operational changes with our new waste partner and new wholesale provider will not take effect until later in 2025, we have been busy laying the foundations for sustainable partnerships that align with our waste targets and supply chain decarbonisation goals. Our new partners have strategies that align with our sustainability targets and will provide us with more data and insight, which are critical to support the implementation of effective sustainability strategies.

Our focus on reducing waste and using our resources more efficiently presents us with opportunities to reduce emissions, mitigate other environmental impacts and deliver cost savings that demonstrate the business case for sustainability.

Our cross-functional working group to reduce food waste is driving initiatives that will improve the way we buy, distribute, store and prepare food. We are trialling an AI technology that analyses the food that we put in our bins, providing insight for our teams to look at changes to menu design and portion sizes to minimise waste. We have also launched a staff engagement campaign on segregation and reduction that should reduce our overall waste and increase efficiencies across our hotels and restaurants.

Whitbread's employees skydiving for GOSH

Read more about our charity work in our ESG Report www.whitbread.co.uk/

Social mobility

The people-focused aspects of our Force for Good programme are fundamental to our success, with a strong emphasis on diversity and inclusion, training and development and employee wellbeing. As one of the most socially inclusive industries, hospitality provides opportunities for people from all walks of life. At Whitbread, we create jobs in hundreds of local communities, helping individuals build skills and grow careers without limits.

We remain committed to being an inclusive business and continue to strengthen our approach to diversity and inclusion through an ongoing programme designed to equip our teams with knowledge and confidence. This includes a mix of mandatory training and a dedicated D&I hub, offering accessible learning resources for everyone. We celebrate key cultural and awareness events throughout the year and champion minority voices through our support of employee networks and forums.

Our training and development opportunities begin from day one, with a structured, role-specific induction that ensures new team members feel welcomed and prepared to deliver great service. As their careers progress, team members can access further training to expand their responsibilities, unlock higher pay, or take part in one of our formal development pathways into management or leadership roles. We also offer apprenticeships at every level, with over 750 apprentices currently in training.

We're particularly proud of our partnerships that support young people facing barriers to employment, helping them into meaningful jobs and long-term careers. This includes our work with Barnardo's and specialist colleges such as Derwen and Hereward.

For more on the opportunities we create, see pages 55-57.

Economic contribution

The energy and enthusiasm of our teams continue to shine as they raise funds for our charity partners and seek innovative ways to contribute to the communities we serve. With every new hotel open, our teams volunteer their time to local initiatives. For example, the Premier Inn Torquay Harbour team helped to rehouse giraffes in the zoo,

while the Premier Inn York Layerthorpe team spent more than 200 hours restoring and maintaining areas of the local nature reserve.

We are proud to have embarked on our third commitment with Great Ormond Street Hospital Children's Charity (GOSH), aiming to raise £20m for the Children's Cancer Centre through individual and team sponsored activities and guest donations. This transformative facility will feature three clinical wards and one patient carer lounge, with completion planned for spring/summer 2028.

In Germany, we support CHILDREN, which provides opportunities for disadvantaged young people to engage in activities like cooking, eating healthy meals and participating in experiences that develop important life skills.

In Ireland, we partner with the Children's Health Foundation which provides essential medical equipment and offers rehabilitation support to children with chronic pain.

I am looking forward, in the year ahead, to realise the enormous potential and opportunities that Force for Good will unlock.

Our long-term vision will build resilience into our organisation, helping us to attract and retain great team members, mitigate risk, maintain stability and quality across our supply chain and drive efficiencies in our operating model.

Sustainability is more than just a goal - it is a key value driver for our future. It is increasingly important, particularly to our business bookers and younger leisure customers. Among our employees, 90% in the Support Centre and 81% in Operations believe it is essential that Whitbread is a Force for Good. With stricter regulations on building efficiency, nutrition and waste, alongside growing stakeholder focus on our decarbonisation strategy and employee relations, we are fully committed to the success of our sustainability programme.

Clare Thomas
General Counsel
30 April 2025

Recent graduates from Hereward College, gaining permanent employment at Premier Inn hotels

RISK MANAGEMENT

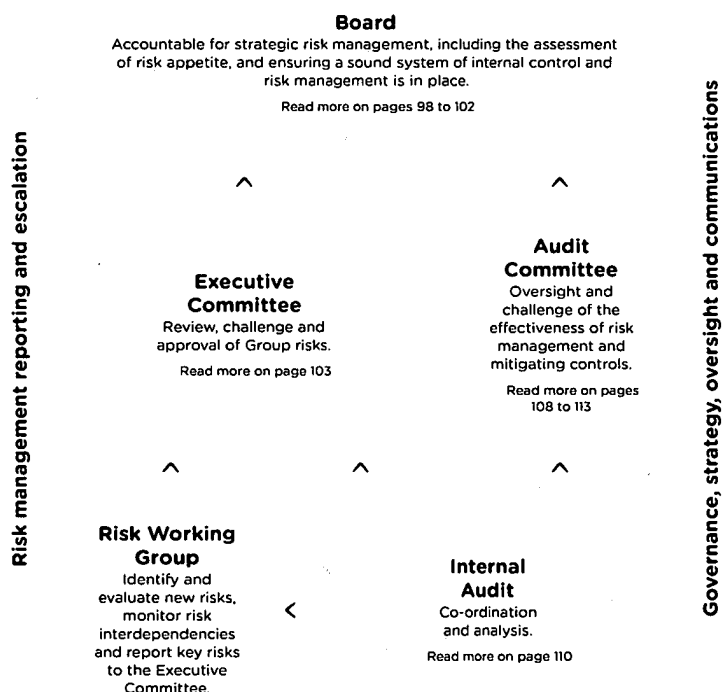
Understanding and responding to Risk

“Our risk management strategy enables us to proactively pinpoint and assess potential risks, and implement effective and pragmatic mitigations that align with our established risk appetite.”

Hemant Patel
Chief Financial Officer

Whitbread PLC Annual Report and Accounts 2024/25

Risk management framework



An effective and robust risk management process is integral to achieving our strategic priorities. Our success is underpinned by our ability to identify, manage and mitigate risk within our business.

We can never fully avoid or eliminate risk, which arises naturally from operational and strategic decisions taken. Instead, we must actively manage and harness risk as far as is practical, whilst pursuing our business objectives.

The Board has ultimate responsibility for risk management throughout the business and determines the nature and extent of the risks we are willing to take. Certain responsibilities, including overseeing the systems of risk management and internal control, have been delegated by the Board to the Audit Committee, which completes an annual review of the effectiveness of these processes. Our functional areas regularly review both operational and strategic risks relevant to the achievement of their respective goals, reporting these to the Executive Committee and allowing effective risk management throughout the business.

A robust, top-down risk assessment is completed bi-annually to capture Board and Executive Committee views on the principal risks facing the business and our related risk appetite. This enables us to keep up to date with changes in our risk profile and adapt as necessary. Actions required to manage these risks are monitored and reviewed on a regular basis.

Risk identification

Our risk management process continues to develop with efficient and effective processes embedded across the business. Our functional risk owners identify functional level risks, which are monitored and actively mitigated as required. This ensures that we are able to proactively identify and evaluate risks, which may affect our ability to achieve our strategic objectives, and implement practical and pragmatic mitigations to reduce these to an acceptable level.

Risks are often highly interdependent, meaning changes to one risk can affect multiple existing risks or result in new risks being created. Our Risk Working Group (RWG) is a collaborative forum, which includes organisation-wide representation across functions, allowing us to utilise insights from senior leaders to monitor these interdependencies effectively and identify associated new risks. The RWG reports directly to the Executive and Audit Committees on risk management across Whitbread.

All principal risks are assigned to a member of the Executive Committee and this, combined with our robust three lines of defence model, helps to reinforce a culture of accountability throughout the business. Internal Audit constructs a risk-based audit plan, aligned to the principal risk register, to provide independent assurance over our highest risk activities.

Risk appetite

Risk appetite is defined as the level of risk we are willing to accept in pursuit of our strategic priorities. The level of risk acceptable for principal and emerging risks is assessed on an annual basis by the Executive Committee and Board members, who define their risk appetite against key indicators including potential impact of risk, likelihood of risk and ability to reduce risk through mitigation. This ensures alignment between our view of acceptable risk exposure and the strategic priorities of the business.

The Executive Committee communicates the appetite for risk, to embed this within our ways of working. Risk appetite is considered when making strategic or operational decisions regarding new opportunities for the business.

Emerging risks

Emerging risks, while not immediate, have the potential to impact our business significantly over time. These risks may be new or evolving, making them difficult to quantify. The rapid pace of change and uncertainty in areas such as technology, legislation, and geopolitics, underscores the importance of proactive risk management. To identify emerging risks early, we review industry trends, professional insights and peer networks annually, through our risk management framework.

We have identified several emerging risks, such as:

- the influence of shifting geopolitical alignments and how changes in the way in which countries work together is affecting the balance of power around the world which is creating a more complex and dynamic international landscape;

- the rapid pace of technological and digital advancements and our ability to respond effectively to seize opportunities;
- the potential importance of recycling of assets for new capital opportunities within our financial framework during uncertain property market conditions and changing regulatory requirements for property-related structures; and
- challenges or investments required in our operating model to ensure long-term efficiency savings to create a robust platform for growth.

These risks are assessed on an ongoing basis to identify both the direct and indirect impact to our strategic objectives and operations at the earliest possibility.

We recognise that, whilst rare, there is the risk of so called 'black swan' catastrophic events, both natural and man-made, which could have a significant adverse impact on our business and operations. The unpredictable nature of these events emphasises the importance of resilience and adaptability in our risk management strategies and incident management processes to enable timely and effective responses.

Updated risks

Internal and external factors, as well as continued uncertainty of key drivers, mean the nuances in the detail of our risks are constantly changing. Risk descriptions are periodically reviewed and updated to ensure they remain an accurate reflection of the risks faced by the business.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks

Risk	Key mitigations	Strategic priorities
Uncertain economic outlook Uncertain UK and Germany economic outlook due to broader macroeconomic trends, geopolitical volatility and local political instability. This uncertainty may affect consumer confidence; reduce domestic and international travel and ultimately weaken hotel market demand. Additionally, persistent structural inflation may impact our cost base across wages, utilities, food costs and construction materials compounded by supply chain disruption and potential increases in duties and tariffs on imports. Whilst higher interest rates impact the cost of borrowing, they also affect property valuations, our ability to fund growth and are a strain on balance sheet strength. Overall resulting in reduced cash flows.	• We currently have a strong balance sheet, with substantial liquidity and a large freehold property base, giving us the option to raise additional funds by entering into sale and leaseback agreements, if required. • We continue to make good progress with our efficiency programme and rolling utilities hedging, to offset inflationary and demand-led pressures, and maintain rigorous discipline over our capital spend and costs. • We continue to execute our strong commercial strategy, designed to increase market share and financial returns through execution of several commercial initiatives. • Our rigorous business planning process considers many scenarios and appropriate responses, always seeking to drive increased returns and create value for shareholders whilst continuing to manage risk.	Risk appetite N/A Movement vs prior year ▼ Slight decrease in risk driven by lower inflation across some key costs
Cyber and data security Businesses are subject to continuously evolving methods of cyber-attack. Data breaches or operational disruption caused by malware, such as ransomware, can result in a loss of revenue, brand trust, regulatory fines and have an adverse impact on the Group's share price.	• We have a specialist team and mature information security management in place with a wide range of proactive and reactive security controls including up-to-date antivirus software across the estate, network and system monitoring, and regular penetration testing to identify vulnerabilities. • All IT change and engineering has information security built in by design. • A continuous security improvement programme is in place, with regular internal and external independent reviews of the control effectiveness and maturity. • Our mature risk process and proactive threat modelling and monitoring allow us to identify and address threats at the earliest opportunity. • We have solid compliance foundations across all countries for data protection and effective collaboration between the Information Security and Data Protection teams exists to minimise risks and ensure compliance with GDPR.	Strategic priorities Risk appetite Cautious Movement vs prior year <>

Strategic priorities

See pages 16 to 19

Grow and innovate in the UK

Focus on our strengths to grow in Germany

Enhance our capabilities to support long-term growth

Movement vs prior year

▼ Lower
▲ Higher
<> Level

Risk Strategic business change and interdependencies The risk that we are unable to deliver major transformational programmes on time and realise benefits, due to the high volume of change. This may disrupt core business processes and operational efficiency, potentially affecting guest experiences. This risk particularly refers to organisational restructuring, estate optimisation, execution of our Accelerating Growth Plan, people-related technology, upgrading and securing our systems and networks across the estate, supply chain transformation, outsourced guest contact points and other commercial optimisation initiatives. Additionally, embedding new ways of working, having successfully delivered our new reservation technology, presents further challenges. This risk remains elevated due to cross-programme dependencies, the scale and pace of organisational change, extensive operational impacts and the significant associated investment in technology.	Key mitigations • To help ensure successful delivery of our change projects, we have enhanced internal project delivery expertise with a dedicated strategic project management office (PMO) function, supported by a robust assurance management framework. • This framework is coupled with regular reporting, cross-functional forums and monthly reporting to the Executive Committee. • Our mature and independent programme assurance plan ensures aligned assurance utilising subject matter experts to provide external insight. • We engage with various change experts and strategic partners to gain knowledge, challenge and insights.	Strategic priorities Risk appetite Balanced Movement vs prior year <>
Prolonged strategic change to the food and beverage proposition in restaurants There is a risk that continued uncertainty for our guests and teams, along with proposition changes may damage brand perception, operational excellence and the demand to eat in our restaurants, causing us to lose share to other local branded restaurants. Whilst some impacted properties continue to be marketed for sale, this risk continues to be high. Restaurants are also being impacted by current operational challenges in a highly competitive market with sector driven inflationary pressures and recent people-related legislation costs. Overall this risk could drive a prolonged and increased focus on restaurants by the business to adequately provide a solution that satisfies any investment to remain relevant as a branded offer.	• We have appointed a new Managing Director of the Group's branded restaurant business and continue to implement our Accelerating Growth Plan aligning to our strategic objectives. • New menus and propositions have been launched, including revenue opportunities focusing on specific trading times throughout the day, premiumisation and improvement of the guest experience by integrating ground floor spaces inside our hotels. • We harness better buying with supply chain and procurement targets. • We are always considering how best to serve our customers with extensive market research and customer feedback. • Our periodic rejuvenation of our brands and their associated marketing ensures we optimise spend. This includes specific brand-led initiatives and a focus on key events throughout the year.	Strategic priorities Risk appetite Open Movement vs prior year <>
Strategic priorities See pages 16 to 19 Grow and innovate in the UK Focus on our strengths to grow in Germany Enhance our capabilities to support long-term growth Movement vs prior year ✓ Lower ▲ Higher <> Level		

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk	Key mitigations	
Brand strength and customer demand Demand for our products and services can be impacted by a number of factors including changes in customer behaviour, brand perception and competitor activity. The Group's brands need to remain relevant in order to compete effectively with new and existing sector operators and also to combat any potential threats from digital disruptors such as online travel agents. The importance of brand relevance can increase during periods of market weakness or if more challenging economic conditions prompt consumers to become more focused on price and value, at the same time competitor activity can become more aggressive and disruptive. Given the prominence of the Premier Inn brand, negative media coverage could have an adverse reputational impact and influence consumer behaviour and booking volumes. The combined impact of these factors may present a risk to market share, potential returns and cash flow.	• We perform extensive top line scenario modelling, fed by regular competitor and market analysis, allowing us to assess the impact of various structural shifts on the business and enabling us to make informed decisions going forward. • Our Customer & Trading Committees track metrics including Brand Index, net promoter score, and customer satisfaction and feedback to supplement all decision-making. • We continue to focus on market share trading initiatives and perform in-depth reviews into the impacts of key competitors to our business. • There is an established Commercial and Customer Plan with ongoing development and investment in customer proposition to maintain quality and reflect demands of different segments. • We perform proactive public relations activities including monitoring of all media and prompt responses to any significant negative coverage that might have a bearing on our reputation or our commercial activities.	Strategic priorities Risk appetite Cautious Movement vs prior year ^ Increase in risk due to highly competitive market and softening customer demand
Extended stagnation of the UK and Germany property market slows growth The stagnation in both the UK and German markets continues for longer than expected and impacts our ability to maintain our rooms pipeline, putting pressure on our returns and growth in subsequent years. This is driven by several factors including the slowdown in developer-led opportunities due to weak sentiment and possible fall in the value of land, construction inflation, increased cost of debt and investment yields. Whitbread could potentially take on a risk premium to acquire sites by assuming a future value from sale and leaseback arrangements, which is not realised thereby impacting returns. We also note that opportunities may become available whilst there is less competition to buy land and to build out, or developers may look to release properties in the short term.	• We have a strong balance sheet that we can use to access a wide variety of different property-related opportunities. • Our strong financial covenants make us attractive to investment funds as a preferred hotel tenant. • We have a robust capital investment framework with updated analysis including yield ranges (+/-50bps), coupled with an experienced and well-networked Property team to support decisions. • We perform continual monitoring of the market with sale and leaseback yields tested regularly. • Our committed pipeline remains solid with 7,192 rooms in the UK, excluding AGP extension rooms and 7,265 rooms in Germany.	Strategic priorities Risk appetite Balanced Movement vs prior year v Slight decrease in risk reflecting the gradual return of developers to the UK market and a more favourable property investment market

Strategic priorities

See pages 16 to 19

Grow and innovate
in the UKFocus on our strengths
to grow in GermanyEnhance our capabilities to
support long-term growth

Movement vs prior year

v Lower

^ Higher

<> Level

Risk	Key mitigations	
Germany profitable growth Uncertain German economic outlook, or failure to achieve a flexible operating model, may impact our ability to build the Premier Inn brand, deliver market growth assumptions and deliver our targeted level of return in a timeframe that satisfies shareholder and analyst expectations, whilst recognising the significant amount of capital now invested. Some counterbalance with increased opportunity to acquire sites due to competitor weakness.	• We are able to use the deep level of skills and experience used to build the UK business, coupled with our strong development team and new leadership in country, which is able to perform detailed and ongoing assessments of the German market and economic fundamentals at both a micro and macro level. • Focus continues to be on the development of our strong organic and small M&A growth pipelines to become the number one hotel brand in Germany. • We reduce capital costs through better buying power and harness efficiencies and synergies with the UK business. • A clear commercial plan and operational model driving improved profitability along with the continued maturity of the estate and brand.	Strategic priorities Risk appetite Open Movement vs prior year ✓ Decrease in risk due to confidence in profitability and returns within expected timeframe
Health and safety Death or serious injury arising from Company negligence or a significant failure resulting from food, in particular the risk from allergens, fire, terrorism or another significant safety failure. This could be due to a failure in safety standards, supply chain provenance, responsible sourcing or poor hygiene standards, or a direct targeted terrorism attack, all of which could lead to adverse publicity, loss of revenue, brand damage and a sudden or prolonged downturn in demand in key markets and locations.	• The safety of our guests and employees is of paramount importance. NSF, an independent company, undertakes unannounced health and safety audits at sites covering food, fire, and general health and safety requirements. Compliance with these requirements is incentivised as part of site WINcard measures. • We have robust fire safety policies, procedures and training for our team members, and work closely with independent fire safety consultants regarding fire safety in our hotels. • We have stringent food safety and sourcing policies with robust traceability and testing requirements, including the independent audit of key suppliers in our supply chain. We invest considerable resources into employee training along with allergen information, which is made easily accessible both online and at sites. • Regular health and safety updates are provided to the Risk Working Group, Executive Committee and Board. • We invest in ongoing site level training to help identify hostile reconnaissance activities and to ensure we have an appropriate response should such events take place. The executive team also holds crisis management exercises to ensure we are prepared for such events.	Strategic priorities Risk appetite Cautious Movement vs prior year ^ Increase in risk recognising the impact of ongoing operational changes

Strategic priorities

See pages 16 to 19

Grow and innovate
in the UKFocus on our strengths
to grow in GermanyEnhance our capabilities to
support long-term growth**Movement vs prior year**

✓ Lower

^ Higher

<> Level

PRINCIPAL RISKS AND UNCERTAINTIES CONTINUED

Risk	Key mitigations	
Talent attraction and retention Recruitment and retention remain a challenge due to the structural shifts in the labour market, with occasional shortage in key roles such as chefs and cost-of-living pressures disproportionately affecting the hospitality sector. Whilst market conditions are relatively stable, recent planned leadership and management changes can create uncertainty, knowledge attrition and operational disruption, particularly during significant transitions. Substantial organisational changes driven by strategic business programmes could also impact job security perception, affecting team engagement, external employer sentiment and Whitbread's ability to attract top diverse talent. These factors may result in cost inflation and potential business disruption.	• The success of our business would not be possible without the passion and commitment of our teams. Team engagement is fundamental. We monitor this closely through our annual engagement survey and invest in ongoing development, wellbeing and engagement, along with driving our diversity and inclusion strategy. • We have a dedicated Direct Hire Resourcing team, and in addition to optimising our model, we continue to enhance our employer brand presence with a particular focus on youth. • Team retention is a key component of our WINcard and Annual Incentive Scheme, with long-term incentive schemes in place for senior team members. • We have focused reviews of remuneration in key areas each year and regularly benchmark our reward packages against the market to ensure these remain attractive.	Strategic priorities Risk appetite Balanced Movement vs prior year <>
Third-party arrangements and supply chain rigour Whitbread has several key supplier relationships that help ensure the efficient delivery of our multi-site and Support Centre operations, including IT, food and beverage, distribution, and laundry services. Withdrawal of services by one or more of these suppliers, provision of services below acceptable standards, lack of or failure of information security controls or reputational damage as a result of unethical supplier practices could cause significant business interruption.	• We continually review our preferred supplier partnerships and business continuity arrangements. Business continuity plans are in place for critical suppliers, whilst enhanced supplier performance monitoring allows proactive action when required. • We expect our suppliers' practices to be in line with our values and standards. Suppliers are thoroughly vetted before we enter into any arrangements to ensure they are reputable and then monitored through our supplier management arrangements. • We have evolved our international sourcing strategy by exploring additional capacity in China, while also focusing on local suppliers and utilising stock holding capacity in our German warehousing facility.	Strategic priorities Risk appetite Balanced Movement vs prior year ^ Increased risk from supplier failure due to robustness of information security controls across third parties and their dependencies along with continued geopolitical disruptions

Strategic priorities

See pages 16 to 19

Grow and innovate
in the UKFocus on our strengths
to grow in GermanyEnhance our capabilities to
support long-term growth

Movement vs prior year

✓ Lower

^ Higher

<> Level

Risk**Environmental, social and governance (ESG)**

As a business we have an impact on and can be impacted by a wide variety of environmental issues. A changing regulatory landscape and high costs related to decarbonisation may mean we are unable to meet our publicly stated carbon targets which potentially could result in an increase to our costs through carbon taxation and/or reputational damage.

More regular extreme weather events impacting our hotels, causing water shortages, affecting natural resources or disrupting our supply chain, may materially affect our ability to operate or increase costs.

Socially unacceptable practices such as unethical sourcing issues, e.g. modern slavery or poor working conditions, could damage our reputation and reduce customer, supplier and/or investor confidence.

In addition, the volume of ESG legislation, including reporting requirements to comply with the Corporate Sustainability Reporting Directive and the Task Force on Climate-related Financial Disclosures, could result in increased cost or complexity to deliver or increased potential to incur fines or penalties from non-compliance.

Key mitigations

- Our Force for Good programme and structured sustainability governance forums drive our ESG agenda. We set targets and strategies around emissions, food procurement and waste, carbon and water reduction, and diversity and inclusion ensuring our accountability for positive change.
- Our TCFD response helps us to identify and assess key risks, opportunities and impacts of climate change to the business.
- We champion inclusivity and improving diversity across the organisation with our inclusion networks raising awareness, providing education and influencing policy within the business, to ensure our teams feel supported and engaged.
- We perform regular ethical supplier audits combined with our responsible sourcing policies and initiatives ensuring ethical end-to-end buying.
- We revise our public Net Zero Transition Plan at least every three years as per best practice guidance. Internally, we regularly review progress, implementation and our trajectory towards our near-term and long-term targets, drawing on our internal expertise, supported by external guidance and extensive modelling across all three scope areas.

Strategic priorities

Risk appetite
Balanced

Movement vs prior year

Increase in risk due to increasing volume of regulations and timeframes to comply or meet targets

Strategic priorities

See pages 16 to 19

Grow and Innovate
in the UK

Focus on our strengths
to grow in Germany

Enhance our capabilities to
support long-term growth

Movement vs prior year

✓ Lower

▲ Higher

↔ Level

VIABILITY STATEMENT

The UK Corporate Governance Code 2018 requires that the directors have considered the viability of the Group over an appropriate period of time selected by them.

The Board acknowledges that, despite the performance of the business, there are a number of factors that continue to cause uncertainty to the Group's business planning, namely: potential fluctuations in the global economy and the impact on competitor and customer behaviour.

Assessment period: three years

The directors, in making the assessment that three years is appropriate, considered the current financial and operational position of the Group, the Group's business planning cycle and the period over which the directors have carried out a robust assessment of the principal risks and uncertainties facing the Group as outlined on pages 64 to 69 of the Annual Report.

Longer-term prospects

The strategy in action and business model sections in the strategic report describe how the Board has positioned the Group to take advantage of the growth opportunities in the markets in which the business operates and how the Company is positioned to create value for shareholders, over the longer term, taking account of the risks described in this section of the Annual Report.

Mitigating actions

As noted within the assessment of viability, management would consider mitigating actions such as making use of its strong balance sheet to raise funding, implementing a remeasured property expansion plan, and establishing a stricter control framework for spending.

➤ Assessment of viability

Business plan (downside assumption)

The Group's business plan is sensitised to include downside assumptions to show the expected impact of the current uncertain economic outlook. The directors consider as part of the planning cycle process; cash, profit and headroom to the Group's external leverage targets.

Outcome

This shows the Group has sufficient headroom within its existing facilities and planned activities to continue to operate over the period of the viability statement, operating within its existing facilities.

+ individual principal risks

This stage of the assessment also includes consideration of the potential impact of climate change and associated regulation across the viability statement period as well as other principal risks occurring as individual events, specifically: uncertain economic impact, cyber and data security, strategic business change and interdependencies.

Outcome

The impact on the Group's financial position and the viability statement would not result in a requirement for further facilities; however, the Group may look to implement mitigating actions or make use of its revolving credit facility to maintain growth plans.

+ combined principal risks

This stage of the assessment considers the impact if a combination of the principal risks (noted before) were to occur together across the viability statement period.

Outcome

The impact on the Group's financial position and the viability statement would result in greater use of its committed facilities, but does anticipate the need to secure additional facilities. As above, the Group may look to implement mitigating actions or make use of its revolving credit facility to maintain growth plans.

◀ Assessment of prospects

The directors believe it is reasonable to expect that the Group would have access to further financing and/or the ability to agree covenant amendments, assuming debt levels are maintained at an acceptable ratio to the Group's EBITDA.

The combination of compelling structural opportunities and the advantages of our unique operating model should enable the business to outperform in the UK as well as take market share and capitalise on the material growth opportunity in Germany. The strong fundamentals outlined above, combined with the appropriate capital structure, should continue to drive long-term value.

Long-term viability statement

Based upon this assessment, the directors confirm that they have reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period.



NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

As the UK's largest hotel company, we have a responsibility to focus and lead on our most important people, social and environmental issues, which is why one of our Force for Good commitments is to ensure we always do business in the right way.

We aim to comply with the new non-financial reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below table, and the information it refers to, is intended to help stakeholders understand our position on these key non-financial matters. Our due diligence process is that each policy and standard is reviewed annually by the responsible party and updated accordingly to ensure it reflects up-to-date and accurate information. Further information on the various policies mentioned below and throughout the report can be found on our website at www.whitbread.co.uk/governance/reports-policies. More details on our Customer Privacy Policy is available on the Premier Inn website and the websites of our restaurant brands.

Reporting requirement	Policies and standards which govern our approach		See for additional information
Anti-corruption and anti-bribery	• Anti-bribery policy • Code of conduct		• Corporate governance, page 97
Employees	• Gender and ethnicity pay gap report • Health and safety policy - statement of intent	• Speaking out policy • Diversity and inclusion report	• Board leadership and Company purpose, page 96 • Force for Good, pages 58 to 61 • Section 172 statement on page 44
Corporate social responsibility	Sustainability reporting • 2023/24 Environmental, social and governance report • TCFD reporting • Climate-related Financial Disclosure (CFD) • SASB reporting Environmental Policies • Premier Inn environment policy • Restaurants environment policy • Responsible sourcing - timber policy	• Whitbread responsible sourcing - packing policy • Whitbread responsible sourcing policy 2024 Responsible Sourcing Policy • Responsible sourcing - soy policy • Responsible sourcing - cotton policy • Responsible sourcing - cocoa policy • Responsible sourcing - sugar policy • Responsible sourcing - palm oil policy	Animal welfare • Animal welfare policy • Animal welfare KPIs • Force for Good, pages 58 to 61 • Read the full reports on our website, www.whitbread.co.uk
Human rights	• Human rights policy • Workplace adjustment policy • Diversity and inclusion policy	• Human trafficking positioning statement • Modern slavery statement	• Whitbread PLC Board diversity policy 2024 • Force for Good, pages 58 to 61
Privacy	• Customer privacy policy		
Social matters	• Gender pay gap report • Responsible sourcing policy	• Diversity and inclusion statement	• Force for Good, pages 58 to 61 • Diversity and inclusion commitments, page 54
Description of principal risks and impact on business activity			• Principal risks and uncertainties, pages 64 to 69
Description of the business model			• Business model, pages 4 and 5
Non-financial performance indicators			• Our strategic framework, pages 17 and 19
Diversity and inclusion	As part of our Diversity and inclusion commitments, we are undertaking regular reviews of our policies across Whitbread to ensure they are inclusive, particularly of under-represented groups. For further information, see page 54.		

CLIMATE-RELATED FINANCIAL DISCLOSURES

Responding to a changing climate

As climate change becomes increasingly evident in our daily lives and its effects are visible worldwide, our sustainability programme is focused on reducing our environmental impact and in parallel enhancing our business resilience by identifying and managing key risks, issues and opportunities.

The following pages provide an overview of our climate-related risks and opportunities, and contain our responses to the 11 TCFD disclosures, as well as the Companies Act 2006 requirements (s414CA and CB).

Disclosure	Where we cover this disclosure	Pages	Alignment with CFD or Companies Act requirements
Governance: Disclose the organisation's governance around climate-related risks and opportunities.			
Describe the Board's oversight of climate-related risks and opportunities.	The 'embedding climate change into our governance structure' section describes the Board's oversight of climate-related issues, including the frequency by which the Board and other forums meet to discuss these issues, and how it considers, implements and monitors progress against goals and targets.	See pages 85	(a)
Describe management's role in assessing and managing climate-related risks and opportunities.	The 'embedding climate change into our governance structure' and 'risk management' sections describe management's role in the assessment and management of climate-related issues, including: assignment of climate-related responsibilities; the associated organisational structure(s); processes by which management is informed about climate-related issues; and how management monitors climate-related issues.	See pages 85 and 88	
Strategy: Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.			
Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	The 'principal climate-related risks and opportunities' section sets out what we consider to be the relevant short, medium and long-term risks and opportunities, together with a description of the specific climate-related issues potentially arising and their associated potential financial impacts on our business. The processes used to determine which risks and opportunities could have a material financial impact on our business are set out in the 'our approach to climate risk' section.	See pages 78-83 and 75-77	(d), (e), (f)
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Within the 'testing the resilience of our strategies' section, we describe how climate-related issues serve as an input to our financial planning process. Within the 'our approach to climate risk' section, we describe the time period(s) used and how these risks and opportunities are prioritised. Climate-related scenarios were used to inform the strategy and financial planning which have also been described in this section.	See pages 84 and 75-77	
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Within the 'testing the resilience of our strategies' section, we describe how climate-related issues serve as an input to our financial planning process. Within the 'our approach to climate risk' section, we describe the time period(s) used and how these risks and opportunities are prioritised.	See pages 84 and 75-77	

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Responding to a changing climate continued

Whitbread PLC has complied with the requirements of LR 9.8.6(8)R by including climate-related financial disclosures consistent with the TCFD recommendations and recommended disclosures. We disclose the work we have undertaken to analyse the relevant climate scenarios against each risk with the data available to us, including the financial quantification of the potential impacts of climate change under different climate scenarios. This is with the exception of one thematic area, relating to customer demand, where we have found that much of the data we rely on contains a wide range of assumptions and consequent uncertainties. While we continue to evolve our approach to the quantification of these risks, we look forward to the development of market regulatory frameworks that will establish more comprehensive datasets that, alongside improvements in our own data and understanding, will help improve our assessment of the resilience of our business under each climate scenario.

The climate-related financial disclosures made by Whitbread PLC comply with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Basis of preparation

This report and the information contained within it are prepared on the following basis:

This Annual Report contains, in addition to financial information, non-financial information (NFI), including environmental, social and governance-related metrics, statements, goals, commitments and opinions. NFI can be found throughout the report but mostly in the Force for Good section. NFI is prepared following various external and internal frameworks, reporting guidelines and measurement, collection and verification methods and practices, which are materially different from those applicable to financial information and are in many cases emerging and evolving. NFI is based on various materiality thresholds, estimates, assumptions, judgements, and underlying data derived internally and from third parties. NFI is thus subject to significant measurement uncertainties, may not be comparable to NFI of other companies or over time or across periods and its inclusion is not meant to imply that the information is for any particular purpose or that it is material to us under mandatory reporting standards. NFI is for informational purposes only, without any liability being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law.

Disclosure	Where we cover this disclosure	Pages	Alignment with CFD or Companies Act requirements
Risk management: Disclose how the organisation identifies, assesses and manages climate-related risks.			
Describe the organisation's processes for identifying and assessing climate-related risks.	In the section on 'risk management', we describe our processes for identifying and assessing climate-related risks, including how we determine the relative significance of climate-related risks.	See page 88	(b), (c), (d)
Describe the organisation's process for managing climate-related risks.	In the 'risk management' section, we describe our processes for managing climate-related risks, including how we make decisions to mitigate, transfer, accept or control those risks.	See page 88	
Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	In the 'risk management' section, we set out how our processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management.	See page 88	
Metrics and targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.			
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Within the 'principal climate-related risks and opportunities' section we disclose the metrics relevant to each of the four thematic areas. The progress against these metrics can be found in the 'sustainability' section of this Annual Report.	See pages 78-83	(g), (h)
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Within the section on 'principal climate-related risks and opportunities' we describe how our decarbonisation poses both risks and opportunities, and disclose the potential impact on the business. Within the 'sustainability' section of this Annual Report, we update on progress this year against our Scope 1, Scope 2 and Scope 3 GHG emissions.	See pages 78-83 and 59	
Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.	Within the 'principal climate-related risks and opportunities' section, we describe our key climate-related targets, in line with anticipated regulatory requirements, market constraints and/or other goals.	See pages 78-83	

Our approach to climate risk

Why climate change matters to Whitbread

While the transition to a lower-carbon economy can present risks, it can also create opportunities for those organisations that focus on climate change mitigation and adaptation solutions. Our approach to responsible business, integrating sustainability throughout our business strategy and ensuring that this is embedded across all functions and teams, not only helps to minimise our impacts on the world's climate but also reduces our vulnerability to climate-related risks. We have stretching SBTi-validated targets, including Forest, Land and Agriculture (FLAG) emissions targets currently under validation. We also have our published Net Zero Transition Plan with its ambitious commitments to build all future hotels without gas connections, and our programme to replace gas boilers in existing hotels with solutions powered by renewable energy, prioritising sites with ageing boilers or running on liquid petroleum gas (LPG) due to its higher emissions and cost. This puts Whitbread in a strong position to minimise the impacts of climate change and take advantage of the opportunities available.

Having followed a specific approach for climate risk over the previous three reporting cycles, we feel that our understanding of climate risk is now sufficiently mature and, as such, our approach to risk identification and management is fully embedded within our Company risk management framework.

See page 63 for more details on how we manage risks

We classify climate risks into two types:

Transition risks:

- Policy, regulatory and legal changes.
- Technology shifts.
- Changing market demand.

Typically managed by:

- Sustainability team monitors legislative landscape and emerging trends and advises the Executive Committee and Board.
- Proposition, Brand and Property teams manage our response.
- Supply Chain, Operations and other departments implement requisite changes.

This year, we are delighted that for the first time we are able to publish the results of the financial quantification of these risks and opportunities. Given the tight interlinkages between many risks and opportunities, associated risks and opportunities have been considered together for quantification, allowing us to present a quantified result for each climate-related thematic area.

Physical risks:

- **Acute:** event driven, e.g. extreme weather or flood risk.
- **Chronic:** longer-term shifts in climate patterns, e.g. sustained higher temperatures.

Typically managed by:

- Safety and Security team and Repairs and Maintenance team manage this with support from Operations.
- Network Planning and Property and Construction team future proof our estate.
- Supply Chain and Procurement manage the impact on global supply chains.

Timeframes

Whitbread's standard risk management framework requires that appropriate timeframes are applied, although the overarching guidance is to consider risks in the context of the Five-Year business plan (see pages 14-15). Given that climate-related risks are likely to materialise over a longer period, Whitbread has considered risk review timelines alongside strategy review timelines and has categorised short, medium and long term to mean the following timeframes:

Short:

0-1

years (aligned to our budget cycle)

Medium:

1-5

years (aligned to our Five-Year Plan)

Long:

5-15

years (aligned to our 2040 Scope 1 and 2 reduction targets)

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Our approach to climate risk continued

How we assess the future potential impacts of climate change

Given the uncertain nature of climate change and the potential warming trajectories, which are highly dependent on the global community's actions over the coming years, scenario analysis is a critical tool to understand how climate change could affect our business. It is key to ensuring our disclosures are as comprehensive as possible and supports financial planning under different climate futures. This assessment allows us to derive a probability-based projection of the position that Whitbread would be in at or around 2050, or, where related to transition risks, along the way to 2050 where costs are incurred.

We analysed each identified risk using three reference scenarios: 1.5°C, 2°C and 4°C increase by 2100. These scenarios were selected in line with the TCFD guidance to include a range of scenarios, including at least one that results in 2°C or less of warming. The different scenarios present a variety of exposure levels to physical and transition risks over different timescales with sufficient granularity to effectively stress test strategy. They are also aligned to the reference scenarios used by the Bank of England in its analysis of the resilience of the financial system and are applicable in a business context, presenting a plausible range of possible trajectories.

Climate scenario parameters		
Scenario A: 1.5°C by 2100	Scenario B: 2°C by 2100	Scenario C: 4°C by 2100
Overview Urgent global policy response delivering net zero emissions by 2050 and in line with Paris Agreement ambition. Assumptions Rapid shifts in energy generation, consumer behaviours and technological innovation. Impact Physical risk increases are limited but transition risks are high.	Overview Implementation of stated climate policies and commitments without further action beyond this. Assumptions Global and national institutions work towards but make slow progress in achieving UN Sustainable Development Goals. Impact Medium levels of physical and transition risks in the short term, with increasing physical risks over time.	Overview No further global policy action is taken on climate change, and even current obligations are not met. Assumptions Emissions continue to grow. Severe and frequent extreme weather. Impact Physical risks grow significantly over time, but transition risks are low.
This year, we used outputs from an Integrated Assessment Model (IAM) scenario analysis tool to underpin our quantification, which comprises a Computable General Equilibrium (CGE) model, an energy transition model, and an earth systems model. The IAM develops scenarios based on constraining emissions associated with different economic activities to align with different temperature pathways, which could result in sector and region-specific macroeconomic shifts (e.g. changes in output, costs, capital and labour). The IAM incorporates a variety of robust, academic sources, including the Global Trade Analysis	Project, and provides global coverage. For physical risks, we have applied the Representative Concentration Pathway (RCP; referring to projected future greenhouse gas concentrations) 2.6 for Scenarios A and B and RCP 8.5 for Scenario C. The modelling assumes that transitioning to a lower-carbon economy will require significant changes to the global economy, and economic activity will change over time in different sectors and geographies as policy and legal developments, technological developments, and market and reputational developments take place. The analysis	allows for consideration of the potential size, shape and scope of transition risks and opportunities that may occur as a result, including, for example, changes to market performance leading to demand shifts, driving revenue change; changing commodity costs due to supply and demand shifts; and increasing carbon taxation, representing government action to disincentivise emissions-intensive activities.

The Group's modelling is based on the current estate size and future growth targets taking into account expected economic growth. The annual financial impact of the risks and opportunities is discounted to present value using the Group's weighted average cost of capital to arrive at an annualised discounted cash flow impact.

We have used each scenario to understand how our principal risks and opportunities present under the different parameters. As part of this process, we have assessed strategies which may be affected by climate-related risks and opportunities, how those strategies may change as a result, and associated impacts on financial performance.

The Group has hotel operations within the UK, Ireland and Germany, and the three countries are considered to have similar risk profiles regarding the relevant (environmental) legislative and geographical make-up of these markets. Therefore, the differences are neither material nor relevant when assessing climate-related risks and opportunities at an overall business level and, equally, we do not believe that climate-related risks and opportunities can or should be broken down by regions within each country.

The Group also has franchised operations in the Middle East, but due to the very small size of the business in the region, and as Whitbread holds a minority stake, we have deemed it not relevant to include what would be very different risk profiles within this report, and have focused on our wholly owned operations only. The Group only operates branded restaurants in the UK. Noting the nature of our hotel and restaurant operations, similar risks exist across both and where there are specific significant risks faced by one of those sectors compared to the other, these are limited and identified in the following risk assessment.

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Whitbread PLC Annual Report and Accounts 2024/25

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Principal climate-related risks and opportunities

This section presents the principal climate-related risks and opportunities identified this year, grouped by thematic area to demonstrate the tight interlinkages between risks and opportunities; a risk may pose a potential cost to the business, but may then be reduced by capitalising on a corresponding opportunity.

The high-level review of risks and opportunities this year resulted in five risks and two opportunities being removed since last year. Those removed include:

Risks:

- customer dissatisfaction due to hot rooms;
- sea level rise;
- rising temperatures causing health and safety issues for workers;
- water supply disruption; and
- wildfires.

Opportunities:

- innovation and technological opportunities; and
- EV charging.

All the above were removed due to senior risk owners not considering these as truly material to the business, due to limited impact on a limited number of sites at any one time, and current mitigants in place.

We then added two new risks and one opportunity:

Risks:

- tax on carbon; and
- reliance on third parties, local government, and broader infrastructure.

Opportunity:

- less carbon-intensive sectors may see relatively small increases in typical costs compared to carbon-intensive sectors.

All these were identified through peer benchmarking as risks that were present in many companies' reports, and risk owners considered they each had the potential to have a material impact on the business.

hub by Premier Inn Clerkenwell

Table of climate-related thematic areas

Customer demand

Description and context

Description

Climate change impacts consumer preferences because it raises environmental awareness, prompting individuals to seek products and services that minimise their ecological footprint.

As people become more conscious of their climate impact, they prioritise businesses that demonstrate sustainability and responsibility, influencing their purchasing decisions across various industries, including hospitality.

Context

As awareness of environmental issues grows, customer demand for sustainable and eco-friendly hospitality offerings may affect demand for traditional offerings.

Risks

- Less consumer business travel/in-person conferences due to desire by businesses to reduce carbon emissions associated with travel.
- Climate awareness leads to customers choosing more sustainable options for food and accommodation.

Assumptions

As above, the 1.5°C and 2°C scenarios we have used for our analysis assume that transitioning to a lower-carbon economy will require significant changes to the global economy, and economic activity will change over time in different sectors and geographies. The modelling makes evidenced assumptions regarding how emissions may be reduced through different sectors in the economy, based on external data sources and assumed policy/technology instruments. The 1.5°C scenario assumes a fast adoption and a significant reduction in demand for less sustainable, carbon-intensive products and services. As a result, in the medium and longer-term timeframes, we assume consumers will increasingly move away from non-sustainable products.

Opportunities

- The transition to a low-carbon economy is likely to benefit the services sector, as sectors that are generally less carbon intensive (such as the services sector) could see an opportunity resulting from the transition. This is due to relatively small increases in typical costs compared to carbon-intensive sectors. In addition, over time, as costs associated with emissions-intensive activity increase, this could cause a shift in global activity towards the UK and other decarbonised economies.
- There may also be an increase in non-business customers who are choosing to holiday locally, either because of climate concerns or because of increased costs associated with overseas travel.
- As more businesses require more from their providers in order to meet their sustainability targets, being seen as a leader in sustainability will help attract customers.

Mitigation

- Dynamic pricing strategy in place to respond to changes in customer demand.
- Evolving our F&B product range to remain at the forefront of emerging customer behaviours and demands.
- As our emissions will be accounted for within business customers' Scope 3 footprint, our decarbonisation programme will help ensure we are a priority choice for customers with stretching Scope 3 targets.
- Our Force for Good programme and its communication to customers.

Metrics and targets

Metrics under development

We will explore developing new indicators, relating to changing consumer preferences for both leisure and business guests, and in both our hotels and restaurants, if these prove useful in monitoring our exposure to climate risk and the success of our mitigating activity.

An update on our activity and decarbonisation in these areas can be found in our [ESG Report](#).

Quantification

Whilst initial modelling shows that the sector and regions in which Whitbread operates are likely to benefit from the transition to a low-carbon economy, there is a high level of assumption and judgement used within these calculations and therefore the disclosure of a more precise quantification would not provide additional information.

Our initial modelling is demonstrating that the hotel sector in the markets in which we operate may see an opportunity resulting from the transition. This is due to relatively small increases in typical costs compared to carbon-intensive sectors.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Principal climate-related risks and opportunities continued

Quantification results key:
Discounted cash flow impact
>£60m £20-40m <£20m Not relevant

Table of climate-related thematic areas continued

Policy, taxation and compliance

Description and context

Description
Climate change will prompt governments to enact policies aimed at mitigating its effects. This can include implementing carbon taxes to reduce greenhouse gas emissions.

Additionally, governments may choose to offer tax incentives for businesses that adopt eco-friendly practices or invest in renewable energy. Such policies aim to incentivise sustainability and combat climate change on a broader scale.

This may lead to increased regulatory and compliance burden.

Context
In the transition to net zero, there will be an array of voluntary and mandatory regulations, with which the Group may need to comply. The greatest impact is expected from carbon pricing mechanisms, which are being introduced across jurisdictions to encourage decarbonisation. In addition, there is a possibility that suppliers may face increased taxes, which are passed on in the cost of goods supplied.

Risks

- Tax on carbon or increased carbon pricing throughout the value chain increases costs.
- There is a chance of increased assurance and compliance costs.
- We may see increased supply chain costs due to suppliers passing their increased costs from their own net zero transition down to us.
- The introduction of higher energy efficiency standards may require buildings to be upgraded in order to be compliant.
- There is a potential reputational impact of failure to meet our public climate change commitments.

Assumptions

The model assumes the 2023/24 emissions mix and markets remain static over the reporting period with emissions growth rate in line with 24/25 target growth rates. A carbon price has been applied to the Group's Scope 1 emissions.

The underpinning scenarios make evidenced assumptions regarding how emissions may be reduced through different sectors in the economy, based on external data sources and assumed policy/technology instruments. In order to facilitate emissions reductions under 1.5°C and 2°C pathways, we assume the introduction of a carbon price. As a result of this carbon price, there could be an increase in costs associated with fossil fuels, leading to the energy system adapting to lower-emission sources such as renewables and away from fossil fuels.

We assume the cost increases are not passed on to customers through increased prices.

Metrics and targets

- Food waste**
• Reduce food waste by 50% by 2030, from a 2018/19 baseline.
Metric: Tonnes food waste.
- GHG emissions**
• Net zero by 2050.
• Reduce Scope 1 and 2 by 84.1%/m² by 2030 and by 99.6% by 2040, from a 2016/17 baseline.
• Reduce Scope 3 by 58.1%/m² by 2030 and by 90% by 2050 from a 2018/19 baseline.
Metric: Scope 1, 2 and 3 carbon emissions (absolute and intensity).

- Energy efficiency standards**
Metric: Number of hotels receiving BREEAM Excellent
Metric: Number of hotels receiving EPC A

Mitigation

- Switching to low-carbon energy sources and renewables and implementing efficiency measures across the Group's operations.
- Considering climate implications when making purchasing decisions.
- Our ability to vary our pricing in response to cost increases.
- Targets to reduce our own emissions will minimise exposure to taxation on carbon.

Quantification

The quantification represents the modelled cost of carbon taxes based on anticipated carbon prices and the Group's Net Zero Transition Plan.

	Short	Medium	Long
4°C scenario			
2°C scenario			
1.5°C scenario			

Under all scenarios, there is no impact in the short-term horizon as it will take time to introduce policy. We expect a low impact in the medium to long term from the introduction of a carbon tax, as our Net Zero Transition Plan means that Scope 1 emissions will be reduced over this period.

Quantification results key:

Discounted cash flow impact

>£60m £20-40m <£20m Not relevant

Investment in carbon reduction solutions

Description and context

Description

Climate change necessitates more stringent building standards to enhance energy efficiency and resilience. With rising temperatures, buildings must withstand heatwaves while minimising energy consumption. This entails adopting advanced insulation, efficient HVAC systems, and renewable energy sources.

Context

To align with global climate goals and to achieve environmental targets, the Group will need to invest in the identification and implementation of efficiency measures, switching to renewable sources of energy and decarbonising across the estate.

Risks

- Meeting net zero targets and climate-related legislation requires investment in new technology and the upgrade of buildings. The replacement of assets may require the impairment of existing book values.
- We are reliant on third parties, local government and broader infrastructure to meet our targets, e.g. capacity of the grid to supply the additional energy required for electrification.

Assumptions

The Group will invest in new solutions as existing assets need replacement at all sites to meet its long-term (2040) Scope 1 and 2 emissions reduction target, replacing all gas equipment in hotels and restaurants with technology which can be powered by renewable electricity, including air-source heat pumps and immersion heaters.

The Group will meet its 2030 SBTi accredited target to reduce emissions.

No further investment, in addition to the Group's net zero plan, will be required to conform with changes to laws and regulations.

Opportunities

- Improving the fabric and operational efficiency of our buildings to mitigate increased operating costs.

Mitigation

- Maintaining both short and long-term investment plans with clear connection between these plans and our sustainability targets and commitments.
- Replacing assets at the end of their life, aligning expenditure with ongoing maintenance capex cycle.
- Fostering partnerships and relationships and supporting our suppliers to help us meet our objectives.

Metrics and targets

GHG emissions

- Net zero by 2050.
- Reduce Scope 1 and 2 by 84.1%/m² by 2030 and by 99.6% by 2040, from a 2016/17 baseline.
- Reduce Scope 3 by 58.1%/m² by 2030 and by 90% by 2050 from a 2018/19 baseline.

Metric: Scope 1, 2 and 3 carbon emissions (absolute and intensity).

Metric: Number of low-carbon rooms available.

Metric: Number of hotels with solar panels.

Quantification

The quantification represents the gross discounted capex costs of investing in retrofitting the Group's estate.

	Short	Medium	Long
4°C scenario			
2°C scenario			
1.5°C scenario			

In all scenarios, there is a significant long-term investment in replacing end of life assets with more efficient solutions; however, the longer-term impact is offset by reduced energy spend as a result of increased building efficiency.

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Principal climate-related risks and opportunities continued

Quantification results key:

Discounted cash flow impact

>£60m

£20-40m

<£20m

Not relevant

Table of climate-related thematic areas continued

Extreme weather events

Description and context

Description
Climate change has increased the frequency of extreme weather events by altering atmospheric conditions.

Prolonged periods of extreme temperatures may strain heating and cooling systems, impacting guest comfort and increasing energy costs. Rising sea levels can threaten coastal hotels with flooding and erosion. Additionally, water stress may lead to reduced water availability.

Context

There is a risk to both revenue and the supply chain of increased severe events. Revenue would be impacted through sites being unable to trade or customers being unable to travel due to extreme heat, flooding, wildfires or snow/rain. There may be additional damage to sites impacted by these events. In addition, the availability of products in the supply chain could be impacted by severe weather affecting product availability and input prices.

Risks

- Flooding, storms, droughts, etc. lead to sites being unable to trade either due to direct disruption or disruption of critical services. The supply chain may be impacted by non-availability of goods.
- Severe weather may impact guest visits/stays leading to cancellations.
- An increased use of energy for heating and cooling leads to greater costs to the business.
- There may be losses from assets located in high flood risk zones.

Opportunities

- Higher temperatures result in certain locations becoming more desirable as leisure destinations, leading to increased leisure guests from the UK and abroad.

Mitigation

- Incorporating climate change factors into design of new sites, refurbishment programmes and maintenance capex programmes.
- Adopting resilient building designs and sustainable practices can mitigate these risks.
- Ensuring appropriate insurance can also mitigate the risks posed by extreme weather.

Metrics and targets

Water

Target: 20% reduction in water consumption per sleeper by 2030, from a 2019 baseline.

Metric: Water consumption per sleeper.

Metrics in development

We will explore developing new indicators, relating to the impacts of extreme weather events (both acute and chronic) on our buildings and our operations, if these prove useful in monitoring our exposure to climate risk and the success of our mitigating activity. An update on our activity and decarbonisation in this area can be found in our ESG Report.

Quantification

The quantification represents the expected combined cost of asset damage and business interruption as a result of extreme weather events.

	Short	Medium	Long
4°C scenario			
2°C scenario			
1.5°C scenario			

In general, the level of risk to sector assets in both the UK and Germany is low. Of all hazards considered, only coastal inundation in the UK could become moderate towards the end of the timeframe provided. The risk is higher in RCP 8.5 than in RCP 2.6.

Assumptions

Due to the geographic spread of the Group's assets, the impact of extreme weather events has been modelled using country level assumptions in the UK and Germany. The Group intends to further develop these scenarios based on the specific location of the Group's estate in future years.

Results of the scenario analysis

Overall, we do not believe the impact of climate change will be material for our business over the short or medium term.

However, our Net Zero Transition Plan will require us to make significant investment in our estate over the medium and long term. Over the longer term, impacts are harder to identify due to the timeframes and nature of risks, but at this point, we do not believe the impact of climate change will be material, at least over the initial years of this period. This materiality is not the same as financial statement materiality as set out on page 153.

These risks were considered most material once current mitigating activity was taken into account; potential further activities to mitigate the residual risk were also identified. Each risk was analysed against the three climate scenarios and the potential financial impact of each risk went through a quantification exercise. These are presented in thematic groups, allowing us to represent where the severity of a risk may be offset by the opportunity offered through addressing it.

The results of the analysis indicate that the highest short-term price and cost changes can be expected under the early, smooth transition climate scenario in association with a near-term transition to a low-carbon global economy.

Although the scenario tracker tool indicates that, at the global scale, a high-end warming scenario is currently most probable, increasing climate policy action is being undertaken at national and regional scales, which will increase the potential for transition risk occurrence. Climate scenario analysis has become a valuable component of the TCFD recommendations and has been used to better understand the financial implications of key climate-related physical and transition risks under a range of climate scenarios.

However, there are several limitations to scenario analyses. It is impossible to encapsulate all potential future pathways with a limited suite of defined scenarios, and the true pathway may unfold outside the ranges considered. In addition, at the time of analysis, not all value drivers identified for individual risks could be modelled robustly using existing datasets. For this reason, we have not disclosed the results of the quantification for the customer demand thematic area. We remain committed to reviewing and improving our TCFD-climate scenario analysis work over time, and updating it at least every three years, as per the CFD requirements.

Premier Inn Milton Keynes (Willen Lake)

Whitbread PLC Annual Report and Accounts 2024/25

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Testing the resilience of our strategies

The TCFD disclosure process continues to provide us with further opportunities to test the resilience of our strategies to climate change with extensive cross-functional input. It also means we can continue to evolve and identify the potential impact of climate-related issues on our financial performance and position. We will continue to monitor this as part of our governance structure to ensure the strategies remain resilient.

The risk assessment and mitigating activity already in place has enabled us to review the resilience of our strategies and demonstrated that there is no immediate concern. Nonetheless, we recognise that as knowledge and understanding evolve and the climate situation changes, our exposure may change and as such we will continue to review, measure and update our assessment of these risks.

The business' structure, with direct, centralised control of its operations, makes Whitbread well placed to react rapidly to any emerging risks or opportunities to ensure the best possible outcomes.

Whitbread's in-depth scenario analysis provides an understanding of the climate risks and opportunities and how they will present under the different climate scenarios. As we have seen, the list of principal risks has evolved since our first report in 2021/22 to reflect our own improved understanding of the risks, opportunities and their interlinkages, changes in scientific knowledge on climate change and changing geopolitical context. This demonstrates the responsiveness of our processes to change and the value in conducting this exercise annually.

Extensive discussions around current and future mitigating actions have also improved our understanding of where we could potentially build further resilience into our strategies – even over just a few years, innovation and technological advancements mean new options are available to us – and it is important to ensure we stay abreast of these. A key example is in our commitment to reduce reliance on natural gas for hot water, whereby over recent years more technological

solutions have become available, and more manufacturers produce viable options. We are exploring and testing different solutions as they emerge, and the results will be fed into our cost model to allow us to better understand our trajectory towards net zero.

Nonetheless, the results of the scenario analysis have demonstrated that each of our strategies is resilient and can therefore be delivered. Several mitigants have already been identified, some of which will require a change in how we execute our strategy as and when those mitigants need to come into effect. Where required, strategies have already been adapted to ensure resilience is maintained.

Our materiality assessment gives us confidence that we are addressing the most material sustainability issues for our business and this year we have conducted a double materiality assessment for our German business. This creates a framework for us to recognise both how climate change could affect our business and how our operations could impact the environment. Double materiality is also an important step in our preparation for reporting against the International Sustainability Standards Board (ISSB) and Corporate Sustainability Reporting Directive (CSRD) over the coming years.

Low-flow 2 litre per minute tap at Premier Inn Swindon

Embedding climate change into our governance structure

Effective corporate governance is critical to executing our strategy and delivering for all of our stakeholders. Our governance of climate and sustainability-related matters reflects our commitment to strong leadership and oversight by senior management and the Board, ensuring that there are strategies in place which are resilient to climate-related risks.

The Whitbread PLC Board

Governance of climate and sustainability-related matters is overseen by the Whitbread PLC Board (the Board) and is embedded throughout the organisation at multiple levels, helping to ensure that responsibility for delivery sits where it makes the most difference. The Board's role includes oversight of ESG matters and ensuring that strategies are resilient to climate-related risk.

Sustainability, including climate-related issues, is an important consideration for the Board when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets and business plans, as well as setting the organisation's performance objectives. Sustainability is included in the objectives of senior management, as outlined in the directors' remuneration report. This includes KPIs linked to year-on-year carbon and water reduction targets.

The Board held seven meetings during 24/25, during which the Board's Committees also met. At three of these meetings the Head of Sustainability attended to take the Board through key strategic priorities for Whitbread, including the strategy behind our transition to net zero. In addition, at each meeting, the General Counsel delivers an update to the Board, including, where relevant, progress against goals and targets for addressing climate-related issues.

Key developments are also highlighted for discussion at upcoming Board meetings and presented in reports as required.

For more information on the role of the Board and its meetings, see pages 90-107

The Audit Committee

Sustainability, including climate-related issues, is an important part of the Audit Committee's risk management process. In 2024/25, the Audit Committee held four meetings, and at three of these the Committee discussed sustainability-related regulation and compliance, as well as the results of the climate risk analysis. ESG was included in the Group risk management process and was formally reviewed twice each year by the Audit Committee as part of its half-year and full-year reviews. The Audit Committee is also responsible for reviewing and approving this TCFD disclosure and for reviewing the process of assurance over the financial and non-financial information disclosures in respect of ESG.

The Nomination Committee

The Nomination Committee ensures that the composition of the Board reflects the necessary balance of skills, knowledge and experience, including those relevant for ESG matters. The directors have disclosed their ESG skills, with climate change, carbon emissions and ESG regulation being the most well represented areas of expertise on the Board. Experience of managing ESG issues is one of our Board member considerations.

For more information on the role of the Audit Committee, see pages 108-113

The Remuneration Committee

The Remuneration Committee ensures that ESG is adequately reflected within our reward structures and monitors performance of senior management against these key performance indicators (KPIs). ESG has been part of our incentive programme for some time and, in 2024/25, ESG measures formed part of the Chief Executive's Annual Incentive Scheme. These measures include progress against our carbon and water reduction target. In the same way, ESG measures also form part of the Annual Incentive Scheme for other senior Whitbread employees, e.g. Executive Committee members. ESG measures are also incentivised both through individual objectives and through the WINcard (Whitbread In Numbers - a balanced scorecard to measure progress against key performance targets). The WINcard applies to all Whitbread employees, thereby ensuring a focus on specified ESG matters throughout the Company, and has historically focused on energy reduction targets. The WINcard for 2024/25 includes KPIs related to the Group's carbon reduction target from both an operational level and Support Centre level.

For more information see pages 114-141

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Management oversight and functional groups

The Executive Committee

Managing our sustainability, including climate-related issues, is an important role performed by the Executive Committee and includes formulating, implementing and monitoring strategy (including resilience to climate-related risks), major plans of action, risk management policies, annual budgets and business plans, as well as setting the organisation's performance objectives, monitoring implementation and performance and overseeing major capital expenditures, acquisitions and divestitures. During the past financial year, the Head of Sustainability presented five sustainability updates to the Executive Committee. Sustainability is included in the objectives of senior management, over which the Board has oversight; for example, relevant sponsorship or accountabilities relating to our net zero carbon target. Clare Thomas, General Counsel, is a member of the Executive Committee and has responsibility for the Group's sustainability programme, Force for Good. Clare joined Whitbread in June 2023, bringing extensive ESG experience from previous roles.

The Executive Committee meetings include a review of climate strategy and progress against stated targets. This review forms part of the General Counsel's report to the Board on sustainability matters. Each year, a materiality assessment is completed across our business when key external trends affecting our business (including climate-related risks) are identified. The climate strategy is then revised and proposed to the Executive Committee,

together with goals and targets. Such revisions are designed to deliver progress against the strategy and are accompanied by the action plans to deliver on these strategies. This is then reflected in financial planning. Outside of this annual materiality cycle, periodic updates are provided to the Executive Committee and specific issues discussed, as required, including ensuring strategies are resilient to climate-related risks. In 2024/25, updates have included subjects such as our carbon emissions reduction progress, our retrofit programme to 2030 and the water use reduction programme.

Sustainability Steering Committee

The Sustainability Steering Committee (SSC) is a multidisciplinary group responsible for overseeing the Company's response to sustainability risk, opportunity and communication and providing oversight, co-ordination and delivery of key programmes and initiatives against key FFG targets, as approved by the Executive Committee. Meeting at least quarterly, the Committee develops recommendations for our response to emerging risks, opportunities and legislation, and provides quarterly consolidation of decisions and actions to be updated and reported internally. The SSC is chaired by the General Counsel and includes representation from Finance, Investor Relations, HR, Operations, Brand, Property and Procurement, as well as including five representatives of the Executive Committee.

Sustainability team

The Sustainability team is led by the Head of Sustainability, Will Silverwood, and is responsible for setting the overarching sustainability strategy, designing the framework to deliver our ESG programme, embedding processes across the business where it can make the most difference and supporting internal stakeholders to deliver against these targets. Our sustainability strategy covers a wide range of issues and delivers against stretching targets. Responsibility for delivery against those targets is managed day-to-day by the departments most aligned with the core impact measures. The team oversees efforts across the business to incorporate sustainability into the Group's business practices and recommends environmental sustainability objectives and strategy to the Executive Committee. The team also oversees the development of our corporate sustainability disclosures, including this TCFD disclosure, and monitors climate-related issues. The Head of Sustainability reports directly to the General Counsel, forming part of the governance structure, ensuring consistency with how we apply our climate programme across the individual brands and ensuring accurate and timely monitoring of climate-related issues. The Head of Sustainability presents to the Board on the Force for Good programme bi-annually, including climate targets and plans, and meets regularly with the CEO and other business leaders. The Head of Sustainability

also advises on the development of climate risk governance, stress testing methodologies and carbon modelling and leads the Sustainability Steering Committee.

Find out more in our ESG Report 2024/25
www.whitbread.co.uk/

TCFD Steering Group

This group is chaired by the Chief Financial Officer with representation across various functions in the business and meets bi-annually. It provides oversight and drives implementation of the TCFD recommendations and wider climate strategy. The Steering Group works with subject matter experts across the organisation to oversee the development and implementation of mitigating activities and planning against key risks and opportunities.

Risk Working Group

The Risk Working Group supports the Executive Committee by reviewing the methodology for identifying and assessing both emerging as well as principal risks, including climate-related risks, and reporting on the approved position. The General Counsel and Head of Sustainability are members of this group.

HR and Rewards	• Has oversight of the opportunity pillar of the FFG programme including training and development, wellbeing, diversity and inclusion. • Ensures sustainability targets are clear and measurable, with appropriate and aligned incentives as part of reward.	Finance department
	• Sets financial targets which reflect the implementation of climate-related initiatives, including energy efficiency measures. • Approves and sponsors capital expenditure to help reduce energy consumption. • Is responsible for energy procurement. • Implements responsible sourcing policies and strategies including ensuring that material commodities (including cotton, meat, palm oil and timber) are sourced to internationally recognised sustainable certification standards. • Engages with suppliers to address efficiency and climate change issues (including Scope 3 targets). • Works closely with the Sustainability team to ensure climate and broader sustainability requirements in tendering and purchasing are set, monitored and addressed.	
	Procurement team	
	• Procures and manages logistics. • Engages with suppliers to address efficiency and climate change issues (including Scope 3 targets). • Ensures sustainability requirements in tendering and purchasing are set, monitored and addressed. • Operational delivery of our sustainability initiatives and achievement of our targets will always depend largely on those operating our sites on the ground, e.g. energy management and food wastage.	
	Operations team	
	• Manages a broad range of construction issues, including sustainability, compliance and opportunities, both in new builds and refurbishments, including initiatives designed to increase energy efficiency. • Keeps our estate in good condition. Sustainability compliance and opportunities are key elements to ensuring maximum energy efficiency and the team sponsors the capital expenditure for energy efficiency and water-saving projects.	
	Repairs and Maintenance team	
	Internal Audit	
	Network Planning	
	Food Safety and Integrity Steering Board	

CLIMATE-RELATED FINANCIAL DISCLOSURES CONTINUED

Risk management

The ability to identify, understand and manage risk has always been critical to ensure effective management of climate-related risks in line with our strategic priorities.

Climate-related risks, along with other risks associated with our core sustainability strategy, are monitored and managed through the sustainability risk register as part of the wider risk management framework. Risks, corresponding mitigations and ownership for individual risk management are all tracked through this framework with regular interaction between the Head of Sustainability and Internal Audit. The Board has ultimate responsibility for risk management and the risks that we are willing to accept to achieve our objectives, including risks related to climate change.

For more about Whitbread's risk management framework, see page 62

The Sustainability team considers existing and emerging climate change regulatory requirements, using both the team's and external advisers' expertise, through both internal and external horizon scanning workshops and regular meetings. Information on emerging requirements is cascaded

directly to relevant teams through cross-functional meetings as part of our standard risk management process to assess impacts on the Group.

For more information on our risk identification and management process, see page 63

With regards to specific climate-related risks and opportunities, TCFD reports are reviewed by the Audit Committee. Specific risks are then discussed with either the Board or the Audit Committee.

Our Internal Audit team, responsible for risk management, forms part of the internal TCFD Steering Group and, as such, is closely involved in the work undertaken to identify and assess exposure to physical and transition risks over the short, medium and long term. The TCFD Steering Group forms part of the annual financial planning and budget process, ensuring the principal climate-related risks and opportunities are taken into account.

For more information on how risks are considered by the Executive Committee and how they are captured within our financial planning process, please see page 63

We continue to evolve our approach to climate-related issues, monitoring scientific developments around climate change so we can adapt our response to ensure that our strategy is robust and resilient in ever changing environments, and that sustainability is integrated throughout.

A chef recycling at Premier Inn St Pancras

Our metrics and targets

Measuring our progress towards our diverse sustainability programme is key to ensuring its success.

We have a number of publicly stated targets which are directly relevant to our management of climate risk, including our SBTi-validated emissions reduction targets, food waste target and water reduction target (see page 59 and see our ESG Report) to ensure they are addressing our most material issues, risks and opportunities. As well as publicly stated, long-term targets, we set annual internal targets in order to build a delivery plan and ensure that progress against longer-term goals is tracked. These annual targets are then incorporated into both individual and Company-wide annual objectives, which, in turn, are captured within the Group's remuneration policies.

We use several climate-related metrics for measuring performance against these targets, which have been reviewed against

the metrics and targets section in the TCFD all-sector guidance. This year, as last year, carbon reduction metrics, in line with our net zero target, were included in our executive remuneration package as part of the ESG performance measures, as well as our Operational Incentive Scheme through our WINcard system. Progress against targets and goals is reported annually to the Board and through the Annual Report and can be found on page 59. Annual disclosures made in our ESG Report and Annual Report and Accounts regarding our carbon emissions enable performance against our emissions reduction target to be monitored and reported.

All our targets, programmes of implementation and progress against them, including assurance statements, are outlined in our ESG Report. Our reporting is aligned with the requirements of the Sustainability Accounting Standards Board (SASB). Key metrics are independently assured to the ISAE 3000 standard, in compliance with ISQM (UK) 1.

For information on the metrics and targets directly linked to the identified climate-related risks and opportunities, please see the table of principal climate-related risks and opportunities on pages 78 to 83.

For further information on our sustainability metrics and targets please see page 59 and our ESG Report

The strategic report on pages 2 to 89 was approved by the Board and signed on its behalf by Clare Thomas, General Counsel on 30 April 2025.



AI-enabled food waste detection at Premier Inn Kings Cross

Whitbread PLC Annual Report and Accounts 2024/25

Read our ESG Report online
www.whitbread.co.uk

Our full assurance statement
can be found on pages 149-152

Corporate

governance at a glance

During the year, we were fully compliant with the provisions of the 2018 UK Corporate Governance Code (the 'Code').

In this section

90 Corporate governance at a glance	106 Nomination Committee report
92 Chairman's governance report	108 Audit Committee report
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	149 Independent limited assurance report

**Highlights
2024/25**

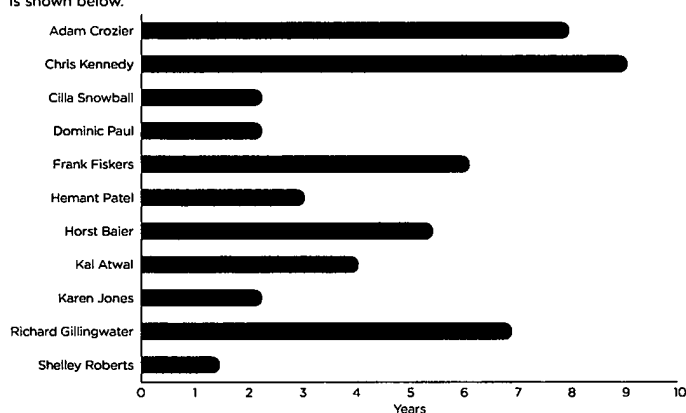
- Developed a new crisis management plan
- Asset reunification programme
- Move to chequeless dividend payments
- Updated the Whitbread Code of Conduct
- Conducted a comprehensive external Board evaluation. Read more on pages 104 and 105

**Priorities for
2025/26**

- Continue full compliance with the Code provisions and work to ensure compliance with the new UK Corporate Governance Code 2024
- Support and oversight of the growth of the business both in the UK and internationally
- Review and act on the recommendations from the external Board evaluation. Read more on page 105
- Progress towards meeting the board FCA diversity targets

Board tenure

The length of time each of the directors has served on the Board at the date of the report is shown below.



Board meeting attendance

Name of director	Number of meetings attended	% attendance at meetings
Adam Crozier	7/7	100%
Chris Kennedy	7/7	100%
Cilla Snowball	7/7	100%
David Atkins (resigned from the Board in June 2024)	3/3	100%
Dominic Paul	7/7	100%
Frank Fiskers	7/7	100%
Fumbi Chima (resigned from the Board in June 2024)	3/3	100%
Hemant Patel	7/7	100%
Horst Baier	7/7	100%
Kal Atwal	7/7	100%
Karen Jones ¹	5/7	71%
Richard Gillingwater	7/7	100%
Shelley Roberts	7/7	100%

¹ The two meetings Karen Jones couldn't attend were due to prior commitments before joining Whitbread.

Board focus areas

The chart below demonstrates the proportion of the Board's time spent in each area.

Continue to grow and innovate in the UK	23%
Focusing on our strengths to grow in Germany	11%
Enhancing our capabilities to support long-term growth	17%
People and pay	10%
Financial strategy and reporting	23%
Governance, sustainability and risk	16%

Please see page 97 for details of key agenda items that were covered at the Board meetings during the period.

Board experience

The Board comprises directors with a broad range of skills and experience. The chart below provides an overview of the experience around the Board table.

Consumer/retail	7
Travel and hospitality	7
Digital	6
Corporate transformation	7
Financial	6
International	6
Commercial property	2
ESG	8

Gender diversity

The chart below shows the gender split of the Board.

Women	4	36%
Men	7	64%

Ethnic diversity

The chart below shows the ethnic diversity of the Board.

White British or other White including minority White (including minority White groups)	9	82%
Minority Ethnic-Asian	2	18%

CHAIRMAN'S GOVERNANCE REPORT

Continued focus on strong governance

“The Board’s objective is to generate lasting value for stakeholders by maintaining the highest standards of governance.”

Adam Crozier
Chairman

I am pleased to present this year’s Board report on the Company’s compliance with the UK Corporate Governance Code.

Quality decision-making is facilitated by the quality of Board papers and the diverse knowledge, skills and experience of the directors, supported by an open and transparent culture. Decisions are taken to deliver the key strategic priorities whilst always remaining cognisant of the impact on stakeholders.

At Whitbread we are committed to ensuring the Company’s actions are in keeping with our culture, values and strategic goals. This is achieved by understanding the critical role that strong corporate governance plays.

Every year, we carry out an internal review of our compliance with the Code and I am pleased to report that we have been fully compliant with the provisions of the Code this year. In the pages that follow, we have set out how we have applied the principles set out in the Code.

At the last annual general meeting in June 2024, both David Atkins and Fumbi Chima chose not to put themselves up for re-election and left the Whitbread Board.

As announced earlier in the year, Chris Kennedy will be stepping down from the Board and as Chair of the Audit Committee with effect from the conclusion of the Company’s 2025 AGM in June.

An external Board evaluation was carried out during the year by Christopher Saul Associates; Chris was selected following a detailed tender process. Chris met with each of the Board and Executive Committee members either in person or online to gather necessary information for his review. Chris also attended the Board and Committee meetings in March 2025 as part of his review.

In his report, Chris has concluded that the Board is operating effectively and that the Committees work hard and effectively and are well integrated into overall Board processes.

Further details of the findings and the progress against actions from the previous Board evaluation are provided on page 104 and 105. As required by the Code, the next Board evaluation will be an internally facilitated one.

During the year we updated internal policies and documents such as the Code of Conduct and the Board diversity and inclusion policy to ensure they reflect the most up-to-date market practice.

The Board as a whole accepts its responsibility for engaging with various stakeholders and keeping them in mind when making decisions for the Company.

You can find information on our [stakeholder engagement](#) on pages 46 to 49.

Looking ahead

The focus for the Board is now on building on the progress made so far and generating long-term value for all stakeholders. I look forward to seeing those of you attending the annual general meeting in person at our head office in Dunstable.

Adam Crozier
Chairman
30 April 2025

Shareholder engagement programme

Whitbread's shareholder base is a mix of large investors as well as retail shareholders. During the last year, we took steps to re-engage with retail shareholders with whom we we had lost touch, improving their shareholder experience.

Locating missing shareholders ensures accurate representation in decision-making processes and promoting fair practices. Tracing lost shareholders enhances corporate governance by fostering transparency and accountability. This proactive approach strengthens investor trust, mitigates potential fraud, and aligns with regulatory compliance. Effective shareholder tracing contributes to a robust governance framework, vital for sustainable corporate success.

For Whitbread, this involved tracing over 15,500 shareholders (49% of the register) with unclaimed dividends more than 12 months old.

As a result of this tracing activity, we received contact from 4,951 shareholders. We successfully processed 3,234 claims and the rest are going through various stages of verification checks.

Number of shareholders with unclaimed dividends

15,500

Number of shareholders submitting a claim¹

4,951

¹ As at February 2025

As part of this initiative, we also offered the option to shareholders to donate their unclaimed assets to Great Ormond Street Children's Hospital Charity.

Total value claimed by shareholders¹

£826,765

56 shareholders have donated¹

£3,535

to Great Ormond Street Children's Hospital Charity

CORPORATE GOVERNANCE STATEMENT

The UK Corporate Governance Code 2018

The UK Corporate Governance Code 2018 is the standard against which we measure ourselves. It is issued by the Financial Reporting Council (FRC) and is available to view on its website, www.frc.org.uk.

Further information on our compliance with the Code can be found in the table on the right:

Section 1 – Board leadership and Company purpose

On page 91, we have reported on the experience of the members of the Board and how the discussions at the Board meetings this year were focused on improving shareholder value and contributing to wider society. There is detail on the Board's engagement with all its stakeholders, including the Company's major shareholders. You will also find information on how the Board lays out its strategy and sets the Company up for long-term sustainable success.

	See page
A Effective and entrepreneurial board to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society	92
B Purpose, values and strategy with alignment to culture	92
C Resources for the company to meet its objectives and measure performance. Controls framework for management and assessment of risks	97
D Effective engagement with shareholders and stakeholders	92
E Consistency of workforce policies and practices to support long-term sustainable success	96-97

Section 2 – Division of responsibilities

On page 98 we outline the responsibilities of the Chairman; these are different from the role of the Chief Executive. We also provide details on the matters reserved for the Board and the matters that are delegated to the Executive Committee. On pages 99 to 102, we have introduced the Board to you and provide details on the skills and experience they bring to the table.

	See page
F Leadership of the board by the chair	98
G Board composition and responsibilities	98
H Role of non-executive directors	98
I Company secretary, policies, processes, information, time and resources	98-107

Section 3 – Composition, succession and evaluation

You will find details of the composition, roles and responsibilities and the work of the Nomination Committee, which met three times during the year, together with a summary of its activities during the year on pages 106 and 107.

We have provided a summary of the Board evaluation carried out this year. We carried out an external evaluation this year as required by the Code.

	See page
J Board appointments and succession plans for board and senior management and promotion of diversity	107
K Skills, experience and knowledge of board and length of service of board as a whole	91
L Annual evaluation of board and directors and demonstration of whether each director continues to contribute effectively	104–105

Section 4 – Audit, risk and internal control

Pages 108 to 113 contain a letter from Chris Kennedy, Chair of the Audit Committee, which met four times during the year, and provide an introduction to the composition, roles and responsibilities of the Committee, together with information on the key topics discussed during the year. It also covers details on decision-making in line with the recommendations provided by the Financial Reporting Council (FRC).

	See page
M Independence and effectiveness of internal and external audit functions and integrity of financial and narrative statements	110–111
N Fair, balanced and understandable assessment of the company's position and prospects	109
O Risk management and internal control framework and principal risks the company is willing to take to achieve its long-term objectives	110

Section 5 – Remuneration

On pages 114 to 141, Frank Fiskers, Chair of the Remuneration Committee, which met four times during the year, presents the remuneration report that sets out in detail the key decisions made by the Committee during the year and also lays out the new remuneration policy. The report provides comprehensive and in-depth disclosures on executive pay and the linkage to the Company's strategic goals.

	See page
P Remuneration policies and practices to support strategy and promote long-term sustainable success, with executive remuneration aligned to company purpose and value	122
Q Procedure for executive remuneration, director and senior management remuneration	122–129
R Authorisation of remuneration outcomes	114–117

BOARD LEADERSHIP AND COMPANY PURPOSE

Purpose, values and strategy

The Board and the Executive team remain focused on the strategic objectives of the Company while also balancing the needs of stakeholders and promoting shareholder value. You can read more about how stakeholders are considered in the decision-making process on pages 44 to 49.

The Chairman and the General Counsel met with key shareholders during the year to discuss environmental, social and governance issues as well as business strategy and performance in the UK and Germany.

Culture

The Board appreciates the rich culture of Whitbread and its commitment to maintaining the highest standards of honesty, openness and accountability. The Board recently approved the "Values" that are aligned to the strategy and purpose of the organisation.

Speaking Out

The Speaking Out (whistleblowing) service is available to all team members, employees, suppliers and third parties allowing them to raise concerns.

Through this service, reports can be raised online using the web reporting functionality or through the telephone hotline in multiple languages and can also be accessed on phones by scanning the QR code displayed on the Company's intranet or on the posters across all of our locations. The Audit Committee approved the new Speaking Out Policy in April 2025.

Board diversity

The Board diversity policy was updated in March 2024 to align with the latest FCA targets and also business best practice.

The FCA's diversity targets for UK listed companies, which are implemented on a "comply or explain" basis, require that at least 40% of the board be women, and at least one senior board position (Chair, CEO, SID, or CFO) be held by a woman. Additionally, at least one board member must be from a minority ethnic background. As an organisation we recognise and are working towards these targets. We are pleased to have 18% ethnic representation on our Board, meeting the FCA ethnicity target. From a gender perspective, 36% of our Board are female. We are making good progress towards the FCA's target with the last three appointments to the Board being female directors. In addition, following the conclusion of the 2025 AGM, when Chris Kennedy will step down from the Board, 40% of our Board will be female, in compliance with the FCA diversity target. On the FCA's target of having at least one of the top positions being held by a woman, we wish to highlight that our previous Chief Executive was female. As and when further positions open up on the Board, we will continue to drive progress in this area and will provide further updates in future reports.

Gender and ethnicity data collection

The table below sets out the gender and ethnicity of the Board, executive management and senior Board positions (CEO, CFO, SID and Chairman) as at 27 February 2025. In line with the Listing Rules definition, 'executive management' consists of Whitbread's Executive Committee members.

For full details of the Executive Committee please see page 103.

The Board diversity data is collected using a questionnaire and given on a self-identification basis at the point of their onboarding to the Company. The diversity data collated for the Executive Committee is collected on an anonymous basis directly from each member using a questionnaire and given on a self-identification basis.

Gender of members of the Board and executive management

	Board members	Percentage of the Board	Senior Board positions (Chair, CEO, CFO and SID)	Executive management	Percentage of executive management
Women	4	36%	0	2	22%
Men	7	64%	4	7	78%

Ethnic background of members of the Board and executive management

	Board members	Percentage of the Board	Senior Board positions (Chair, CEO, CFO and SID)	Executive management	Percentage of executive management
White British or other White (including minority White groups)	9	82%	3	8	89%
Mixed/multiple ethnic groups	0	0%	0	0	0%
Asian/Asian British	2	18%	1	1	11%
Black/African/Caribbean/Black British	0	0%	0	0	0%
Other ethnic groups including Arab	0	0%	0	0	0%
Not specified/prefer not to say	0	0%	0	0	0%

Controls and risk management

The Board is responsible for the Company's systems of internal control and risk management and for reviewing their effectiveness. These systems are designed to manage rather than eliminate risk of failure to achieve business objectives. They can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has established an ongoing process for identifying, evaluating and managing the Company's principal risks.

This process was in place throughout the financial year and up to the date of this report. The process is reviewed by the Board and accords with the internal control guidance for directors in the Code.

A report of the principal risks, together with the viability statement, can be found on pages 64 to 72.

Code of Conduct

In line with our commitment to uphold the highest standards of integrity and ethical conduct, we have recently updated our Code of Conduct. Key enhancements include an update to our whistleblowing reporting processes designed to streamline the process for raising concerns and to enable users to very clearly identify when to use the system over other available reporting tools, whilst always ensuring absolute confidentiality and protection for whistleblowers. We have reinforced our zero-tolerance stance against all forms of abuse and discrimination, whether towards our people, our guests or those that we work with. These updates reflect our commitment to ensuring a safe, transparent and accountable workplace, aligning with our core values and commitment to doing business the right way.

Through updated mandatory training for all employees, we seek to ensure our teams not only understand these changes but model our values in their daily operations.

Board strategy day

The Board and the Executive Committee met in London in November 2024 for a Board strategy day.

The purpose of the Board strategy day is to present, discuss, evolve and crystallise the key strategic priorities for the Group.

Information on the Group's strategic priorities can be found on pages 16 to 17.

Each Executive Committee member presented their part of the plan and all participants were able to ask questions and provide feedback.

The presentations broadly covered the following themes:

- the latest view of the Five-Year Plan;
- financial plan;
- food and beverage transformation plan;
- customer, commercial and operations plan;
- property plan;
- Germany plan;
- enterprise transformation plan;
- technology plan;
- efficiency plan; and
- Force for Good.

Board agenda 2024/25

Standing agenda items

- Chief Executive's report
- Chief Financial Officer's report
- Chief People Officer's report
- General Counsel's report
- Property and International Managing Director's report
- Approval of capital projects
- KPI pack
- Budget review

Q1

- Risk review and appetite
- Board evaluation
- Property disposal
- Accelerating Growth Plan
- Capital projects
- Review of annual accounts ended 29 February 2024
- Reports from Remuneration and Audit committee
- Food and beverage update
- Health and safety

Q2

- Commercial update
- Accelerating Growth Plan
- Germany update
- Investor relations
- Annual general meeting

Q3

- Forecast and Five-Year Plan financial update
- Refurbishment programme
- Force for Good
- Germany update
- Employee engagement and insight
- Report from Audit Committee
- Capital projects
- Board strategy day preparation
- Report from the Remuneration Committee
- Review of half year results
- Post-completion review
- Commercial/trading update
- Cyber security
- Half-year risk review
- Capital projects
- Operational and property strategy

Q4

- Bond issue
- Operational delivery
- People strategy
- Health and safety
- Capital projects

DIVISION OF RESPONSIBILITIES

Board responsibilities

The Chairman and the Chief Executive have clearly defined roles which are separate and distinct. The specific duties and division of responsibilities between the Chairman and the Chief Executive have been agreed by the Board and are set out below, together with information on the roles of the Senior Independent Director, the executive Directors, the non-executive directors and the Company Secretary.

The matters reserved for the Board can be found on our website www.whitbread.co.uk

Chairman

- Leadership of the Board and setting its agenda, including approval of the Group's strategy, business plans, annual budget and key areas of business importance
- Maintaining appropriate contact with major shareholders and ensuring that Board members understand their views concerning the Company, especially on governance
- Ensuring a culture of openness and debate around the Board table
- Leading the annual evaluation of the Board, the Committees and individual directors
- Ensuring, through the Company Secretary, that the members of the Board receive accurate, timely and clear information

Chief Executive

- Optimising the performance of the business
- Day-to-day operation of the business
- Reviewing and proposing strategy
- Ensuring effective communication with shareholders and employees
- The creation of shareholder value by delivering profitable growth and a good return on capital
- Ensuring the Company has a strong team of high-calibre executives, and putting in place appropriate management succession and development plans
- Leading and motivating a large workforce of people

Senior Independent Director

- The Senior Independent Director provides a sounding board for the Chairman and supports him in the delivery of his objectives. The Senior Independent Director is available to shareholders if they have concerns which the normal channels have failed to resolve, or which would be inappropriate to raise with the Chairman or the executive team. He also leads the annual evaluation of the Chairman on behalf of the other directors

Executive directors

- The executive directors are responsible for the day-to-day running of the business and for implementing the operational and strategic plans of the Company

Non-executive directors

- The non-executive directors play a key role in constructively challenging and scrutinising the performance of the management of the Company and helping to develop proposals on strategy

Company Secretary

- Advising the Board on legal matters, corporate governance and Board procedures
- Arranging and minuting the Board and Committee meetings
- Providing support to the Chairman, the Chief Executive and the Board Committee Chairs
- Enabling and supporting communication between directors and senior management to the Board and Committees

BOARD OF DIRECTORS

We believe that it is vital for the Board to include a diverse range of skills, backgrounds and experience, to enable a broad evaluation of all matters considered and to contribute to a positive culture of mutual respect and constructive challenge.

The mix of skills and experience represented on the Board is outlined on page 91.

Key:
A Audit Committee
N Nomination Committee
R Remuneration Committee
 ○ Committee Chair
 ○ Committee member

Adam Crozier
Chairman

(N) R

Board tenure:

Appointed Chairman March 2018

Adam previously served on Whitbread's Board as an independent non-executive director from April 2017

Nationality: British

External appointments:

- BT Group plc (Chairman)
- Kantar Group (Chairman)

Career:

Adam was Chief Executive of ITV plc from 2010 to 2017. During his time as Chief Executive, ITV was transformed into a global media player of scale, delivering consistently good growth and with increasing emphasis on international content creation and distribution.

Prior to ITV, Adam was Chief Executive of Royal Mail, where he led its modernisation and transformed it from a heavily loss-making position to profitability.

He has also been CEO of The Football Association and joint CEO of Saatchi & Saatchi.

Adam has served as Chairman of Vue International, ASOS, and Stage Entertainment.

Dominic Paul
Chief Executive

Board tenure:

Appointed January 2023

Nationality: British

External appointments:

N/A

Career:

Dominic is an experienced senior executive, with a very strong operational and commercial record in the travel, leisure and hospitality sector and has a track record of growing and transforming brands both in the UK and internationally.

Dominic was previously a member of the Whitbread Executive Committee and Managing Director of Costa Coffee for three years, before serving as CEO of Domino's Pizza Group Plc where he led the business through the COVID-19 pandemic, delivered a strong period of sales growth and value creation and aligned all stakeholders behind a growth strategy for the future.

Previously Dominic was Senior Vice President of International with Royal Caribbean Cruise Line where he led the business through a period of strong growth. His extensive experience in the travel and leisure industry also includes senior roles at easyJet, British Midland and British Airways.

Hemant Patel MBE
Chief Financial Officer

Board tenure:

Appointed March 2022

Nationality: British

External appointments:

- 3i Group PLC (non-executive director)

Career:

Hemant joined Whitbread in 2018 as UK Finance Director, having previously been Finance Director of Greene King Pub Co. He also worked at ASDA-Walmart for 11 years, carrying out various management roles including Commercial Finance Director, Director of Own Label and Director of Strategy. He also had several finance roles over six years at Mars, Inc.

He was Chair of the Royal Armouries Museum and was awarded an MBE for services to Museums and Heritage in the 2020 Birthday Honours List. He also received the Arts and Business Individual of the Year award in 2007 for his work with Interplay Theatre.

BOARD OF DIRECTORS CONTINUED

Richard Gillingwater
Senior Independent director

N R

Board tenure:

Appointed June 2018

Nationality: British**External appointments:**

- Spirax-Sarco Engineering plc (independent non-executive director and Senior Independent director)
- Wellcome Trust (Chair of the Investment Committee)

Career:

Richard was Chairman of Janus Henderson Group plc from 2017 to the end of 2022, and served as a non-executive director of Helical PLC and was former Pro-Chancellor of the Open University. Richard also served as Chairman of SSE PLC from 2015 to 2021.

Richard is a highly experienced executive and has spent much of his career in corporate finance and investment banking with Kleinwort Benson, BZW and Credit Suisse First Boston, before he moved out of banking and became Chief Executive of the Shareholder Executive and then Dean of Bayes Business School.

Kal Atwal
Independent non-executive director

N R

Board tenure:

Appointed March 2021

Nationality: British**External appointments:**

- OSB Group PLC (non-executive director)
- Royal London Group (non-executive director)
- Funky Pigeon Limited (Chair)

Career:

Kal has over 14 years' executive experience at BGL Group Limited in various roles, including founding Managing Director of comparethemarket.com. Kal was also Chair of Simply Cook, a tech-enabled meal kit subscription service, prior to its sale to Nestlé.

Kal began her career at EY in Madrid, after which she held a number of operational and strategic roles with Southern Derbyshire Chamber and Northcliffe Media Ltd.

Kal is an experienced strategic leader with international experience in start-up, scale-up, fintech and digital businesses.

Karen Jones DBE
Independent non-executive director

N R

Board tenure:

Appointed January 2023

Nationality: British**External appointments:**

- Deliveroo plc (Senior Independent non-executive director)
- The Crown Estate (Senior non-executive director)
- Underdog Group Limited (Hawksmoor – Chair)
- Imbiba Growth LLP (advisory board member)
- Bricks and Fuel Limited (director)
- National Theatre Enterprises Ltd (Chair)
- Mowgli Street Food (non-executive director)

Career:

Karen is Senior Independent director at Deliveroo plc and The Crown Estate and the Chair at Hawksmoor. Karen previously served as Executive Chair at Prezzo and Senior Independent director at Booker plc.

Karen has a wealth of experience in the restaurant, food and hospitality sectors having founded Café Rouge and led the formation of Spirit Group as CEO. Karen also has strong experience in executive remuneration, having previously chaired the remuneration committees at ASOS plc and Booker plc.

Key:

A Audit Committee

N Nomination Committee

R Remuneration Committee

○ Committee Chair

○ Committee member

Cilla Snowball DBE
Independent non-executive director

N A

Board tenure:

Appointed January 2023

Nationality: British

External appointments:

- Derwent London plc (non-executive director)
- University of Birmingham (Deputy Pro Chancellor and Chair of the remuneration committee)
- Wellcome Trust (Governor)

Career:

Cilla has a wealth of advertising, marketing and digital experience, being made a Dame in 2017 for her services to advertising, diversity and equality.

Cilla started her career in advertising and served as Group Chief Executive at Abbott Mead Vickers BDDO Ltd from 2006 to 2018, also sitting on the BBDO Worldwide Board, and Chair of both the Advertising Association and the Women's Business Council.

Frank Fiskers
Independent non-executive director

Ⓡ N A

Board tenure:

Appointed February 2019

Nationality: Danish

External appointments:

- Shurgard Self Storage SA (non-executive director)

Career:

Frank spent ten years with Scandic Hotels Group and served twice as President & CEO from 2007 to 2010 and from 2013 to 2018. Between September 2010 and September 2012, he was a non-executive director at the Group. He has experience in several countries in Europe and Africa.

Frank has served as Chairman of Norstedt and Akademibokhandeln. He has also served as a board member of the Swedish Hospitality Employers Association, the Dame Thomas Foundation for Young People, and the British Hospitality Association.

Horst Baier
Independent non-executive director

N A

Board tenure:

Appointed November 2019

Nationality: German

External appointments:

- Bayer AG (member of supervisory board)
- Ecclesia Holding GmbH (member of the voluntary supervisory board)
- DIAKOVERE GmbH, Hannover (member of the voluntary supervisory board)

Career:

Horst was Chief Financial Officer of TUI AG, the London-listed Anglo-German leisure travel group, for eight years until the end of September 2018. During his time at TUI AG, Horst played an important role in TUI's transformation from a tour operator to a global provider of holidays.

BOARD OF DIRECTORS CONTINUED

Chris Kennedy Independent non-executive director	Shelley Roberts Independent non-executive director	Clare Thomas General Counsel and Company Secretary
Board tenure: Appointed March 2016	Board tenure: Appointed November 2023	Board tenure: Appointed June 2023
Nationality: British	Nationality: Austrian	Nationality: British
External appointments: • ITV PLC (Chief Financial Officer) • The EMI Group Archive Trust (Trustee) • Great Ormond Street Hospital Trust (Trustee) • Tesco PLC (Independent non-executive director)	External appointments: • Compass Group (Chief Commercial Officer)	External appointments: N/A
Career: Chris is Chief Financial Officer of ITV PLC which he joined in February 2019. Prior to this, Chris held roles with Micro Focus International plc, ARM Holdings plc and easyJet plc, having previously spent 17 years in a variety of senior roles at EMI. Chris was voted FTSE 100 CFO in 2015.	Career: Shelley is currently the Group Chief Commercial Officer at Compass Group PLC, where she is responsible for leading the Group's Global Clients, Strategy, M&A, Health & Safety, Sustainability, Digital and Procurement functions. Shelley has vast experience in the travel and hospitality sector, having served as Managing Director of Compass Group's Australian business and previous to this holding leadership roles at easyJet, Tiger Airways and Sydney Airport.	Career: Clare joined Whitbread as General Counsel and Company Secretary in June 2023, having previously held a similar position at Britvic from 2013 to 2023. Prior to this, she was a corporate/M&A partner at law firm Addleshaw Goddard LLP, where she had a particular focus on working with consumer-facing businesses in retail, consumer brands, leisure and hospitality. As well as being General Counsel and Company Secretary, Clare is also the Executive Committee member responsible for Whitbread's sustainability programme, Force for Good.

- Key:
- A Audit Committee
 - N Nomination Committee
 - R Remuneration Committee
 - Committee Chair
 - Committee member

EXECUTIVE COMMITTEE

The Executive Committee has authority to manage the day-to-day operations of the Group's businesses, with the exception of those matters reserved for the Board, and within the financial limits set by the Board.

The Committee's responsibilities include:

- formulation of strategy for recommendation to the Board;
- management of performance in accordance with strategy and budgets;
- talent and succession as well as team member wellbeing;
- risk management;
- capital investment decisions (where Board approval is not required);
- cost efficiency, procurement and organisational design;
- reputation and stakeholder management;
- culture and values;
- the Force for Good sustainability programme;
- health and safety; and
- customer engagement and product development.

Changes during the year

- In June 2024, Nigel Jones left Whitbread after eight years. Nigel was the Group Operations and Transformation Director and successfully implemented Opera while at Whitbread.
- In the autumn of 2024, Mark Smith was appointed as Chief Technology Officer. You can read more about Mark's experience on the Company's website.

Dominic Paul
Chief Executive

Erik Friemuth
Chief Executive Officer,
Premier Inn Germany

Hemant Patel MBE
Chief Financial Officer

Biographical details for the Executive Committee
can be found on the Company's website:
www.whitbread.co.uk

Mark Anderson
Managing Director,
Property and International

Joe Garrood
Chief Commercial Officer

Mark Smith
Chief Technology Officer

Simon Ewins
Managing Director,
UK Hotels and Restaurants

Rachel Howarth
Chief People Officer

Clare Thomas
General Counsel
and Company Secretary

Composition, succession and evaluation

Board composition

The Nomination Committee aims to ensure the Board and its Committees have the appropriate balance of skills, experience, diversity, independence and knowledge of the Company to enable them to discharge their responsibilities effectively. After assessing independence against the Code, the Board considers all non-executive directors to be independent in judgement and character and also considered the Chairman to be independent on appointment.

The Board is currently composed of the Chairman, the Chief Executive, the Chief Financial Officer and eight independent non-executive directors.

As required by the Code, all directors will be subject to re-election at the next AGM. During the year, the Chairman completed the individual performance review of each non-executive director in respect of their contribution and time commitment to the Company.

Details setting out why each director is deemed to be suitable for reappointment, and how their contribution continues to be important to the Company's long-term success, will be included in the AGM papers circulated to the shareholders.

Board succession

The Chairman leads the Nomination Committee in annually evaluating the balance of skills, experience, independence and knowledge on the Board. A matrix of the skills and competencies of the current Board is mapped against the skills and competencies the Committee believes will be required in the future. This process helps the Committee ensure a robust succession

plan and the development of a diverse pipeline in line with the Board's policies and diversity and inclusion commitments.

As part of the annual talent cycle, the Nomination Committee reviews the long-term succession plan for the members of the Executive Committee and their direct reports. The Committee recognises the importance of reviewing internal succession strength and ensuring robust emergency succession plans are in place. Deep dive talent reviews into the critical capabilities of the Executive Committee and senior leadership team for both the UK and Germany are also carried out annually.

As a few Board members are approaching a tenure of nine years on the Whitbread Board, we have been considering carefully how best to ensure the smooth transition and transfer of the considerable collective experience of departing Board members.

As part of this process, we announced in December 2024 that Chris Kennedy will be stepping down from the Board and as Chair of the Audit Committee at the Company's AGM in June 2025. Whilst well advanced with the recruitment of a new Audit Committee Chair, we are pleased that Horst Baier, who has significant and relevant experience, has agreed to act as interim Chair of the Committee when Chris steps down after the AGM until such time that a successor is appointed.

As summarised in the governance section on page 96, we are also determined to reach at least 40% of the Board being female with at least one of the main Board positions also being held by a female. The 40% target will be achieved when Chris steps down from the Board in June.

Board evaluation

During the year, a performance review of the Board and its Committees was carried out by Christopher Saul of Christopher Saul Associates (CSA). CSA is an independent company which has no other links to Whitbread or its directors.

Chris undertook background research and interviewed each director and member of the Executive Committee on the basis of an agenda designed to probe key areas of effectiveness. He observed meetings of the Board and the Audit and Remuneration Committees. He collated the interview feedback and impressions gained from meeting observation and prepared a report which was presented to, and discussed at, a meeting of the Board.

Overall the conclusion of the report was that the Board is operating effectively. It is collegiate and well-led, operates to high standards of professionalism and benefits from quality support. The Audit and Remuneration Committees are effective and well-integrated into Board processes.

- A number of topics were identified for ongoing attention, especially around:
- the strategy for developing the business in a changing world and assessing the most appropriate deployment of digital technology and AI;
 - ongoing attention to the competitor landscape and the scope for external stimulus;
 - a continued focus on non-executive director and Executive Committee succession; and
 - arranging more opportunities for directors to spend time in an informal setting in order to aid collaboration and diversifying the location of Board and Committee meetings.

Board and Committee review cycle

Year 1
2022/23
External review

Year 2
2023/24
Internal review

Year 3
2024/25
External review

Summary of the 2025 Board evaluation

Overall, the results were positive. A summary of the key points is as follows:

Strategy and business priorities

The Board has a good understanding of strategy and key priorities. The feedback in relation to the 2024 strategy day was positive and the Board appreciated the regular briefing which it received from the Chief Executive on his core priorities for the business.

It was also recommended that there should be regular analysis and discussion of the competitive landscape, including the broader competitive set. There was, in addition, interest in more external stimulus being made available to the Board, for example around AI, the future of cities and Generation Z.

Culture and stakeholders

Feedback around Board culture was strong. It is a collegiate, positive and inclusive environment and the executive directors and other members of the Executive Committee appreciate the mixture of constructive challenge and support which they receive from the non-executive directors.

Whilst employee engagement was felt to be at an appropriate level, and this has been in focus following previous reviews, there is interest among non-executive directors in continuing 'field trip' visits to properties and in spending more time in the business. There is also interest in more customer engagement (for example through observation of customer focus groups).

Board and Executive Committee succession

Non-executive director succession is an area of focus for the Board and the Nomination Committee with a new Chair of the Audit Committee being sought.

There is thought to be a good mix of skills and experience among the non-executive directors although the Board and Nomination Committee are conscious of the need to monitor this regularly.

The Board was pleased with the manner in which the Executive Committee had been developed over the last year but noted the importance of continued focus on internal succession planning and market mapping for external talent.

Meetings and Committees

Board meetings are well chaired and the quality of Board debate and decision-making is felt to be good. Non-executive directors are generally happy with the Board papers although there is some commentary that they could be shorter, with greater clarity around the 'ask'. There is positive feedback for the proactive and thoughtful support provided by the Company Secretary and her team.

In terms of meeting arrangements, it was suggested that more opportunities are arranged for the Board to interact informally. It was also recommended that more variety in meeting location be considered (for example potentially meeting more regularly in Dunstable and overseas).

The Audit and Remuneration Committees are well chaired and well supported. The review suggested ongoing focus on the development of emerging risks and the use of more case studies in the analysis of potential responses if material risks crystallise.

Next steps

Actions agreed by the Board for the coming year in response to the review included organising:

- (i) more regular Board discussions of key strategic themes around scaling the business whilst embedding recent structural changes and addressing the AGP programme - with clear 'action points' being articulated following these discussions;
- (ii) periodic Board 'competitor deep dives' and input from external experts on topics such as AI, the future of cities and Generation Z;
- (iii) at least one Board 'field trip' to view properties and meet team members and the facilitation of more customer engagement;
- (iv) an additional Nomination Committee discussion around Executive Committee succession;
- (v) arranging more opportunities for directors to spend time in an informal setting in order to aid collaboration (one or two of which may be for non-executives only); and
- (vi) more variety in Board and Committee meeting location.

Progress against actions from 2023/24

Last year, there were a few actions arising from the internal evaluation that was carried out and we have listed below the actions and progress made against each of them:

- More site visits factoring time to engage directly with employees: The Board visited a number of sites during the year and used the opportunity to engage with team members at site.
- Company Secretary to organise optional training sessions for the Board: The Company Secretary organised training sessions during the year for the Board around diversity and inclusion as well as cyber.
- Put in place a forward agenda: Last year we reported that the Company Secretary was implementing a new forward agenda as part of the actions that came out of the evaluation. This is now operating effectively and was reviewed by the Board at its meeting in March 2025.

NOMINATION COMMITTEE REPORT

Composition, succession and evaluation

“The Nomination Committee aims to ensure the Board and its Committees have the appropriate balance of skills, experience, diversity, independence and knowledge of the Company to enable them to discharge their responsibilities effectively.”

Adam Crozier
Chair, Nomination Committee

Membership of the Nomination Committee and meeting attendance

Name of director	Attendance at meetings
Adam Crozier (Chair)	3/3
David Atkins*	1/1
Kal Atwal ¹	3/3
Horst Baier ¹	2/3
Fumbi Chima*	1/1
Frank Fiskers	3/3
Richard Gillingwater	3/3
Chris Kennedy ¹	2/3
Karen Jones ¹	1/3
Shelley Roberts	3/3
Cilla Snowball	3/3

1 These Board members missed one or more meetings due to scheduling conflicts with pre-arranged board meetings.
* David Atkins and Fumbi Chima stepped down from the Board in June 2024.

Role of the Committee

The role of the Nomination Committee is to review the composition of the Board and Executive Committee. The Committee is also responsible for evaluating the directors on an annual basis, striving for a balance of skills, knowledge, independence, experience and diverse representation to allow it to operate effectively. The Committee also carries out annual succession planning for senior management.

Responsibilities of the Committee

The Committee has specific responsibilities on behalf of the Board and these are detailed below:

- to regularly review the structure, size and composition of the Board (including the balance of skills, independence and diversity, including gender), and to make recommendations to the Board;
- to consider succession planning for the Board and senior management, oversee the development of a diverse pipeline for succession and determine the skills and experience required for future Board appointments;
- to identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- to evaluate the balance of skills, knowledge, experience and diversity required prior to making an appointment to the Board and, on the basis of this evaluation, to prepare a role description outlining the capabilities required for a particular appointment;

- to keep the leadership needs of the Company under review, for both executive and non-executive directors;
- to ensure that, on appointment to the Board, non-executive directors receive a formal letter of appointment;
- to annually review the time commitment required from non-executive directors and to ensure that a performance evaluation is undertaken to determine if non-executive directors are spending sufficient time to fulfil their duties; and
- to review the results of the annual Board evaluation that relate to the composition of the Board.

Board training during the year

Throughout the year, various members of the Board attended training sessions across a wide range of topics to hone their skills and expertise and keep abreast of changing market conditions. Key themes of these sessions were:

- diversity and inclusion;
- cyber and information security;
- crisis management;
- risk management/internal controls systems; and
- ESG-CSR reporting.

Board diversity and inclusion policy

The Board diversity and inclusion policy was updated in March 2024 to align with the latest FCA targets and also business best practice.

This policy is applicable to the PLC Board and its committees but sits alongside the Whitbread Code of Conduct and our Diversity and Inclusion Policy, which set out Whitbread's broader commitment to Diversity and Inclusion. The entire policy can be found on the Whitbread website.

Time commitment of non-executive directors

On behalf of the Board, the Nomination Committee has reviewed the extent of other interests of the non-executive directors. As a result, the Board is satisfied that the Chairman and each of the non-executive directors continue to commit sufficient time to their duties and fulfil their obligations to the Company. No executive director has taken on more than one other non-executive directorship in a FTSE 100 company.

Matters considered by the Nomination Committee during the year

Every year, the Committee considers the following matters:

- talent review;
- Board succession planning;
- composition of the Board; and
- Board skills matrix.

Talent review

The Nomination Committee reviews talent bi-annually. During this time, the Committee reviews the long-term succession plan for our Executive Committee and its direct reports as standard. The Committee recognises the importance of reviewing the internal succession strength and ensuring robust emergency and medium-term succession places are in place. We also value deep dive talent reviews into the critical capabilities of the Executive Committee and senior leadership team. This review includes both the UK and Germany.

During the year, the Board formally reviewed diversity and inclusion twice as part of the talent review process. This included the following:

- details of the representation at different levels;
- assessing performance against the targets set within the organisation;
- targets representation levels in identified high potentials pools;
- an update on the activities of the various D&I networks across the business; and
- any external recognition received.

On the review of skills matrix, during the year, the Nomination Committee focused on key themes:

- Commercial and digital;
- Technology; and
- Germany.

For each of these topics, the Committee have set out how these capabilities relate to the delivery of our strategy as well as identifying any skill opportunities that can be bridged with talent. The Committee also reviewed plans for the delivery of these and any progress made in the year against the plans.

Audit Committee Chair succession

We announced in December last year that Chris Kennedy will be stepping down from the Board at the conclusion of the upcoming AGM in June. Chris has served Whitbread for nine years both as a member of the Board and as Chair of the Audit Committee. We are in the process of recruiting a new Audit Committee Chair and in the meantime, Horst Baier, non-executive director, has agreed to act as interim Audit Committee Chair from the time Chris steps down until such time as the position is filled. We will announce the new appointment in accordance with regulations at the appropriate time.

Adam Crozier

Chair, Nomination Committee
30 April 2025

AUDIT COMMITTEE REPORT

Audit, risk and internal control

“It has been a pleasure and privilege to have served as Chair of the Audit Committee for the past nine years.

Together, we’ve supported the Board through pivotal moments such as the sale of Costa in 2019 and navigating the Company through the complexities of the Covid-19 pandemic. I want to sincerely thank my fellow Committee members for their support throughout my time as Chair.”

Chris Kennedy
Chair, Audit Committee

Membership of the Audit Committee and meeting attendance

Name of director	Attendance at meetings
Chris Kennedy (Chair)	4/4
David Atkins*	2/2
Horst Baier	4/4
Fumbi Chima*	2/2
Frank Fiskers	4/4
Cilla Snowball	4/4
Shelley Roberts	4/4

* David Atkins and Fumbi Chima stepped down from the Audit Committee in June 2024.

Roles and responsibilities of the Committee

The Board has delegated specific responsibilities to the Committee in accordance with the Code. The key responsibilities of the Audit Committee are to:

- monitor and review the integrity of the Group’s half-year and full-year financial results, and the financial reporting process including consideration of these reports being fair, balanced and understandable;
- monitor the statutory audit of the parent company and consolidated financial statements;
- review the Group’s internal controls and risk management systems;
- review and monitor the independence and effectiveness of the external auditor, in particular the provision of additional services;
- monitor and review the effectiveness of the Group’s Internal Audit function; and
- have primary responsibility for the recommendations to the Board in relation to the external auditor.

To aid its review, the Committee considers reports from the Group Financial Controller and the Head of Internal Audit, as well as reports from the external auditor on the outcomes of its half-year review and annual audit. The Committee looks for constructive challenge from Deloitte as external auditor.

The Committee met four times in 2024/25. Meetings were attended by members of the Committee and, by invitation, the Chairman of the Board, the Chief Executive, the Chief Financial Officer, the Head of Internal Audit, the Group Financial Controller, the General Counsel and other relevant people from the business when appropriate.

The external auditor, Deloitte, is also invited to meetings except where discussion includes matters relating to its own independence, performance, reappointment, fees or audit tendering.

Composition of the Committee

In accordance with the UK Corporate Governance Code 2018, the Board has confirmed that all members of the Committee are independent non-executive directors and have been appointed to the Committee based on their individual financial and commercial experience.

The Board has also confirmed that I, as Chair of the Committee, have recent and relevant financial experience through my current appointment as Chief Financial Officer of ITV plc and my previous appointments as Chief Financial Officer of Micro Focus International plc and ARM Holdings plc, together with my past role as Group Finance Director of easyJet plc.

As part of the Company’s governance processes, an external evaluation of the Committee was undertaken this year.

Significant matters in the financial statements

The key areas of judgement and estimates considered by the Committee, in relation to the 2024/25 accounts and disclosed in Note 2 to the consolidated financial statements on pages 167 and 176, were:

Adjusting items

The Committee challenged the appropriateness of the presentation of adjusting items, giving consideration to the nature and significance of each item classified as adjusting. The Committee concluded that the items met the criteria as defined by the accounting policy and that the policy had been applied consistently across years.

Assets held for sale

The Committee reviewed, considered and exercised judgement on the assumptions used by management to assess whether (on a site-by-site basis) the sales of those sites being marketed as part of the Group's Accelerating Growth Plan will complete within one year. The Committee has concluded that the available information including external market expert advice has been applied appropriately.

Recognition of German deferred tax asset

The Committee challenged the basis of Management's assessment regarding the required criteria to be met for German loss generated deferred tax asset recognition. The Committee has concluded that the assessment conducted supports not recognising the asset in this financial year but it appropriately classified as a Key Judgement for the Group.

Defined benefit pension

The Committee reviewed, considered and exercised judgement on the assumptions used to calculate the fair value of pension scheme assets and present value of defined benefit obligations under IAS 19, to satisfy itself that appropriate consideration and balance had been given to all macroeconomic factors. The principal assumptions used and the sensitivities around them were considered and the consistency in approach from 2023/24 to 2024/25 was assessed.

Impairment testing - property, plant and equipment, and right-of-use assets

The Group's impairment reviews require significant judgement in estimating the recoverable amount of its cash generating units.

Impairment reviews conducted during the financial year have resulted in the recognition of a net impairment charge of £76.5m, both on CGUs impacted by the Accelerating Growth Plan and the rest of the Group's estate that is not impacted.

The Committee reviewed the approach taken to the impairment review. The Committee challenged management's approach, in particular the methodology used to estimate both value in use and fair value less costs of disposal for site level impairment reviews. The Committee also challenged the inputs used in management's model, specifically challenging the valuations utilised, the advice provided by local market experts and the application of growth rates.

The Committee was satisfied that the Group has appropriately performed the impairment reviews, accounted for the impairment and impairment reversals identified and that the related disclosures were appropriate.

Impact of Accelerating Growth Plan

The Accelerating Growth Plan is not by itself a significant matter; it does, however, have an impact across the significant matters of adjusting items, assets held for sale and impairment testing for this financial year and future financial years. The Audit Committee has considered and approved the approach taken by management across these areas.

Environmental, social and governance (ESG)

Due to the significant changes proposed around sustainability regulations and associated reporting requirements, ESG is a standing item on the Audit Committee's agenda and during the year the Committee:

- reviewed the approach and proposed disclosure around the quantification of climate-related risks and opportunities under the TCFD requirements; and
- monitored readiness for CSRD and EU Taxonomy for the Group's subsidiaries and the impact on timing from the EU Omnibus simplification package.

Corporate governance

In response to the revised UK Corporate Governance Code, provision 29, the Committee is currently reviewing the new Code and associated guidance. A project has been established to lead the identification and implementation of material risk and controls (financial and non-financial) in preparation for the changes.

'Speaking Out' facility

In accordance with the Code, the Committee has continued to review the Company's whistleblowing function. A new system was introduced in 2024 and is now operated by Safecall Ltd. This allows employees and third parties to report anonymously and in confidence in a variety of different ways. The Committee received half-yearly reports from the General Counsel on the operation of this function and the arrangements in place for proportionate and independent investigations.

Fair, balanced and understandable

In order to confirm to the Board that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, there has been a thorough verification and approval process using the Committee's knowledge of the Company, as outlined below:

- The Annual Report and Accounts is drafted by the appropriate senior management with overall coordination by the Secretariat team to ensure consistency.
- Comprehensive reviews of the drafts of the Annual Report and Accounts are undertaken by management, members of the Executive Committee and the Audit Committee Chair.
- A final draft is reviewed by the Audit Committee prior to consideration by a Committee of the Board.
- Formal approval of the Annual Report and Accounts is given by the Disclosure Committee.

AUDIT COMMITTEE REPORT CONTINUED

Going concern and viability

The assessment of the Group to continue as a going concern is supported by the following:

- cash and cash equivalents of £0.9bn at the balance sheet date;
- the Group maintains sufficient headroom to its current financial covenants throughout the going concern period; and
- £0.4bn of sterling bonds raised in January 2025, with the proceeds to cover general corporate purposes, including the refinancing of debt maturing inside the going concern period in October 2025.

The Committee has reviewed the Group's assessment of viability over a period greater than 12 months. In assessing viability, the Committee has considered the Group's position as listed above, considered the current financial and operational position of the Group, the Group's business planning cycle and the period over which the directors have carried out a robust assessment of the principal risks and uncertainties facing the Group as outlined on pages 64 to 69 of the Annual Report. Further detail of the assessment following this can be found within the Viability Statement.

The viability statement can be found on page 70

Internal control and risk management

The Audit Committee monitors the systems of risk management and internal control. In addition, the Committee completes an annual review of the effectiveness of these systems, assessing the risk management framework and policy, management's risk assessment and review process, and the monitoring and reporting of risk. This review is completed in conjunction with an internal control effectiveness review from Internal Audit and Group Finance, and considers all material controls, including financial, operational and compliance controls.

Overall, the systems and processes in the UK are robust, and our overseas businesses are progressively maturing. Due to the organisational changes over the past 12 months and the ongoing need for manual oversight in some processes following last year's Opera implementation, there is an increased focus on ensuring the effectiveness of business-as-usual controls.

During the year, the Committee dedicated time to ESG and sustainability compliance, corporate reform readiness, and the whistleblowing 'Speaking Out' facility as already outlined. Additionally, the updated treasury policy and tax strategy were approved, and a comprehensive update was provided on our approach to employee relations in the UK operations including the key themes and potential risks.

A robust assessment of the principal and emerging risks facing the Company was carried out by the Board, considering risk appetite; each risk was assessed and the level of assurance required was determined.

Further details of the principal risks identified and agreed by the Company can be found on pages 64 to 69

Internal Audit

The Internal Audit function provides independent assurance through reviewing the risk management processes and internal controls established by management.

The Audit Committee discusses and approves the Internal Audit annual plan, which aims to provide objective and insightful assurance that appropriate controls are in place to support our strategy and growth ambitions. The Head of Internal Audit provides regular updates on progress against the plan, key findings, as well as progress of audit action completion, at each meeting. To help the Committee gain assurance that the Internal Audit function is independent, the Committee meets with the Head of Internal Audit at least once a year without the presence of management.

Over the last 12 months, the business audits primarily focused on operational and people processes across both the UK and Germany. Group-wide audits were delivered across the technology functions focusing on cyber risk and transition of programme activities into IT services. In addition, a series of programme assurance reviews has been conducted across two of our strategic programmes, being the replacement of our HR & Payroll system and Accelerated Growth Programme (AGP).

A rolling 24-month audit plan is created each year, with the first 12 months of activity agreed by the Committee in March 2025. Creating the 24-month audit plan provides greater flexibility and agility for Internal Audit to respond and re-prioritise audits as business priorities change. The Internal Audit plan is developed on the following basis:

- It is risk-based, aligned to Whitbread's principal risks, and determined by the Audit Universe, which sets out all auditable areas of the business and assigns each area a risk level and recommended audit frequency.
- It considers areas of major change within the business, recurring themes from previous audit results, the views of management and external risk trends.
- Follow-up audits are also planned in areas where past audits highlighted significant risks to ensure remedial actions have been implemented and are working effectively to reduce Whitbread's risk exposure.

FRC review

The Committee reviewed a letter received from the FRC on its review of the Group's H1 FY25 interim results. The FRC's review was based solely on the contents of the interim results release. The FRC had no questions or queries that they wished to raise with the Group.

External auditor

On behalf of the Board, the Committee oversees the relationship with the external auditor. Deloitte was appointed as the auditor of the Company in 2015 following a formal tender process, and reappointed at the 2023 annual general meeting.

The current lead audit partner is Kate Houldsworth, who was appointed in 2020. Kate will rotate as the lead partner following the 2024/25 financial year audit following the completion of Kate's five-year tenure in that role. The Committee worked closely with management to ensure that a suitable auditor onboarding process is in place during the Deloitte tender bid. Following this, William Smith has been identified as the proposed successor audit partner. William has shadowed Kate over this financial year's audit and will become the audit lead after this financial year's audit.

The Committee confirms that the Company has complied with the requirement of the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Audit effectiveness

The effectiveness of the external audit process is dependent on appropriate audit risk identification at the start of the audit cycle.

We receive a detailed audit plan from Deloitte, identifying its assessment of these key risks.

These risks were reviewed and they, together with the work done by the auditor, were used to challenge management's assumptions and estimates around these areas, as well as other areas reported upon. The effectiveness of the audit process was assessed in addressing these matters through the reporting we received from Deloitte at both the half year and year-end. In addition, feedback was sought from the Committee, the Board and management on the effectiveness of the audit process and targeted and tailored questionnaires were completed.

An assessment of the effectiveness of Deloitte in respect of the previous financial year was undertaken in July 2024. Overall, the audit was effective and executed to a high standard with relevant and robust challenge together with working through significant judgemental areas and best practice governance. It was noted that good progress has been made in multiple areas across the audit, and the focus for the coming year continues in the areas of enhancing its systems audit reliance, aligning component audit work with the Group audit team and planning the use of experts to support certain key audit matters as well as building on the proactive approach to improve the approach to the Group's defined benefit pension, its impairment process and evolving sustainability reporting requirements.

As part of our review process for the financial year, the Committee will be assessing the work of the year-end audit after it is finalised, incorporating an external audit effectiveness review for this financial year which will be completed and reported to the Audit Committee.

Auditor independence

To safeguard the objectivity and independence of the external auditor, the Committee's terms of reference set out the policy in respect of provision of services by the external auditor. The Committee regularly reviews this policy for necessary changes in response to changes in related standards and regulatory requirements.

The policy defines permitted services that can be provided by the auditor, because of the knowledge and experience of the external auditor and/or for reasons of confidentiality, meaning it can be more efficient or prudent to engage the external auditor rather than another party. This is particularly the case with audit-related assurance services that are closely connected to the audit function where the external auditor has the benefit of knowledge gained from work already performed as part of the audit.

For certain specified audit and audit-related services, the Group can employ the external auditor without reference to the Audit Committee, subject to a specified fee limit of up to £250,000. For the services permitted in certain circumstances, agreement must be sought from me, as Chair of the Committee, where fees are less than the limit specified, or with full Audit Committee approval where fees are anticipated to be greater than £250,000. A tender process would be held where appropriate.

AUDIT COMMITTEE REPORT CONTINUED

Auditor independence

continued

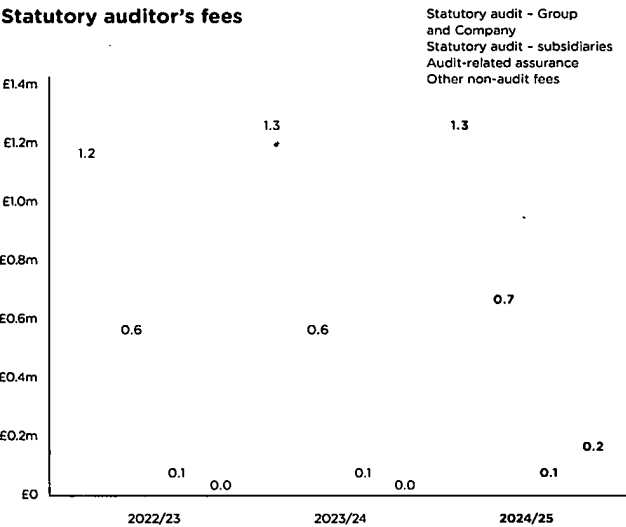
Total non-audit fees amounted to £0.3m, as broken down below:

£0.1m for audit-related assurance (interim review), although this is considered to be a non-audit service, the objectives of the review are aligned with the audit.

£0.2m for non-audit services in relation to the February 2025 Bond issue in the form of providing comfort letters. The work performed was subject to independent review from partners outside of the audit team.

Chris Kennedy
Chair, Audit Committee
30 April 2025

Statutory auditor's fees



Audit quality

The Committee monitors engagements with external stakeholders relevant to the Committee's areas of oversight, including the FRC.

Main activities during the year

In 2024/25, the Audit Committee's work covered internal controls, risk management, internal audit, external audit and financial reporting. The details of the matters discussed at Committee meetings are shown below.

March 2024

- Review of the year-end financial statements and reports template, accounting judgements methodology and early view on estimates and impairment approach
- External audit – approval of remuneration, terms of engagement and non-audit fees
- Approval of the Internal Audit plan
- Risk and controls – financial controls update, approval of risk management policy and risk management framework and deep dive on cyber risks
- Compliance report and TCFD
- Committee evaluation report

April 2024

- 2023/24 Annual Report and Accounts including strategic report, governance and consolidated accounts
- Approval of the impact of judgements and estimates
- External audit – year-end audit report and non-audit fees
- Internal Audit – internal audit report and terms of reference
- Risk and controls – review of statements on risk management and controls and litigation report
- Compliance report (including subsidiary audit status) – whistleblowing update and TCFD report

July 2024

- Compliance – treasury policy, UK tax strategy for the year, approach to compliance with new Governance Code and CSRD
- Internal audit report and external quality assessment action plan update
- External audit – auditor effectiveness review and management update
- Risk and controls – financial control framework update

October 2024

- Review of 2024/25 interim results – including management papers in relation to judgements and estimates, impairment and going concern
- External audit – half-year report, interim letter of representation and preliminary audit plan
- Risk and controls – financial controls update and UK Corporate Governance Code – key controls plan
- Internal Audit – interim update including retail audit
- Compliance – litigation report, compliance report, whistleblowing, employee relations in Whitbread UK operations, TCFD quantification and CSRD update

Main activities post-financial year

March 2025

- Review of year-end financial statements and report template – including accounting judgements and estimates methodology and approval of going concern assessment on behalf of the Board
- External audit – audit update report, AQR output review, approval of remuneration, non-audit fees and UK Corporate Code update
- Internal Audit – approval of plan and update on recent internal audits
- Risk and controls – approval of risk management policy and management framework and update on financial control framework and cyber risks
- Compliance report (including subsidiary audit status) and TCFD

April 2025

- 2024/2025 Annual Report and Accounts including strategic report, governance and consolidated accounts
- Approval of the impact of updated judgements and estimates
- External audit – year-end audit report and non-audit fees
- Internal Audit – internal audit report and terms of reference
- Risk and controls – review of statements on risk management and tax controls and litigation report
- Compliance report – whistleblowing and TCFD update
- External Audit Committee evaluation

REMUNERATION COMMITTEE REPORT

Remuneration

“The proposed remuneration policy we are bringing for approval at this year’s AGM is a modest evolution of our current Policy which we believe has remained effective in motivating management and aligning with shareholder interests.”

Frank Fiskers
Chair, Remuneration Committee

Membership of the Remuneration Committee and meeting attendance

Name of director	Attendance at meetings
Frank Fiskers (Chair)	4/4
David Atkins	4/4
Kal Atwal	4/4
Adam Crozier	4/4
Richard Gillingwater	4/4
Karen Jones ¹	3/4

¹ The meeting Karen Jones couldn’t attend was due to a prior commitment before joining Whitbread.

On behalf of the Remuneration Committee, I am pleased to present our remuneration report for 2024/25. This report outlines the key decisions made by the Committee during the financial year, including the review of the remuneration policy that is due to be put to shareholder vote at the 2025 AGM.

Remuneration Committee activities in 2024/25

The Committee’s key area of focus this year has been the review of our Directors’ remuneration policy – as we approach the expiry of our current Policy at the 2025 AGM. The proposed Policy we are bringing for approval at this year’s AGM is a modest evolution of our current Policy which we believe has remained effective in motivating management and aligning with shareholder interests. We have engaged widely with shareholders in relation to this Policy review, and shareholders’ views have shaped our final proposals which are set out further in this letter. I would like to thank the shareholders with whom we have engaged for their time and support during the year.

Aside from the Policy renewal, the Committee has focused on setting annual incentive targets for the coming year and assessing prior year outcomes for both the annual incentive and the Restricted Share Plan. This letter summarises the actions we have taken, the reasoning behind our decision-making and why we believe these outcomes are appropriate.

Business performance

Our challenge to management this year was to continue to grow and innovate in the UK, to expand and strengthen in Germany, and to drive long-term growth in order to deliver for our stakeholders.

During the year, we made progress on a number of strategic initiatives that underpin the Five-Year Plan to generate at least £300m per annum adjusted PBT and more than £2bn for shareholder returns by 2029/30. Although these initiatives will drive benefits in years to come, some entailed in-year costs. Despite this effect, combined with softer UK market demand and cost inflation, we have maintained a robust UK trading performance throughout 2024/25 and made excellent progress in Germany.

2024/25 annual incentives

The Annual Incentive Scheme (AIS) for 2024/25 was structured around financial, strategic, and ESG-related performance metrics:

- financial performance: 70% weighting (50% profit, 20% efficiency savings); and
- strategic and ESG objectives: 30% weighting.

The incentive outcomes for 2024/25 reflect the business’ robust financial performance in the year, as well as the continued delivery of strategic and ESG objectives.

As explained in last year's remuneration report, the stretching profit target approved at the start of the year took account of the Accelerating Growth Plan which, by making investments for the long-term benefit of the Group, had an impact on profitability in 2024/25. This effect, together with softer trading conditions (although partly mitigated by efficiency savings) resulted in an adjusted PBT outturn of £483m, slightly above the threshold level of performance we set. The Committee believes that this is a fair reflection of this element of performance.

The delivery of our efficiency programme remains as critical as ever to our financial performance and allows us to continue to invest in our people and our growth opportunities and to enhance the guest experience. Efficiency savings delivered in the year were £75m, materially above our stretch goal of £60.5m.

Delivery of the executive directors' strategic objectives, which purposefully focused on key areas that underpin the Five-Year Plan, was excellent, with highlights in the year included on pages 131 and 132.

After assessing all elements of the AIS, payouts for 2024/25 on a formulaic basis are 54.4% of maximum for Dominic Paul and 53.3% for Hemant Patel. This is c.40%pts lower than AIS outcomes in the last two years. The Committee believes this is an appropriate reflection of in-year performance and has, therefore, not made any adjustment to this outcome. As ever, the Committee sought to ensure these outcomes were reasonable in the context of the overall performance of the business and the manner in which it has delivered for all of its stakeholders, and the way we confirmed this is set out on page 130.

2024/25 performance highlights

Grow and innovate in the UK

- Achieved UK total accommodation sales in line with 2024/25
- Outperformed the midscale and economy (M&E) market
- Delivered a RevPAR premium to the M&E market of £5.49
- Opened 1,075 new rooms and added 1,909 to the committed pipeline

Focus on our strengths to grow in Germany

- Increased Germany's total year-on-year accommodation sales by 25% in local currency
- Grew RevPAR by 18% in local currency, which was significantly ahead of the M&E market
- On track to deliver profitability in 2025/26
- Opened 926 new rooms and added 2,083 to the committed pipeline

Enhance our capabilities to support long-term growth

- Announced and commenced delivery of our Five-Year Plan, targeting incremental profit of at least £300m by 2029/30
- Delivered £75m in cost efficiencies
- Started to execute our Accelerating Growth Plan, which optimises the delivery of F&B at a number of our sites by converting and exiting some of our poorer performing branded restaurants and adding new room extensions
- Enhanced operation and commercial performance through investment into our technology stack
- Maintained a strong balance sheet:
 - Lease adjusted leverage of 3.0x
 - Net debt £483m
- Completed a £264m share buy-back programme
- Successfully refinanced our 2015 bond

Five-Year Plan
Read more on pages 14 and 15

REMUNERATION COMMITTEE REPORT CONTINUED

2022 Restricted Share Plan award

The two underpins for the 2022 RSP were a cumulative cost efficiency measure of £60m over the three-year period 2022/23 – 2024/25 and a balanced overall assessment of performance and delivery against strategic priorities. This 2022 RSP award is the last award to use a balanced assessment, before moving back to two numerical financial underpins for the 2023 award.

Both RSP underpins were met and, therefore, the 2022 RSP awards will vest in full; a summary of the Committee's assessment of these underpin conditions is set out on page 133.

Proposed remuneration policy

As part of our review of the remuneration policy, the Committee considered a wide range of remuneration structures, assessing what is the most appropriate structure to incentivise the delivery of our strategy, whilst remaining aligned with current market practice. Our conclusion was that the current structure, consisting of an annual incentive and a Restricted Share Plan, remains the most appropriate structure at this point in time. As such, we are proposing to continue with this core structure, with only minor changes proposed which are intended to improve the effectiveness of our Policy.

We conducted an extensive consultation exercise with major shareholders, to seek their views on the current structure of our remuneration schemes and our proposals. We were pleased to have the support of the overwhelming majority and we modified our proposals slightly in light of some feedback received.

Retaining our Restricted Share Plan

We are proposing to retain our current construct. It has been effective at both the executive level and in the cascade to the wider management team, being widely understood by participants and effective as both a retention tool and in driving alignment to share price. Successfully delivering our Five-Year Plan will result in strong shareholder returns and share price performance. This will directly increase the values vesting from our RSP. We believe this simple incentive structure is the most effective way to align our executives and the wider management team with the shareholder experience.

Changes to deferral policy

Our current Policy is that 50% of any bonus earned will be deferred into shares that vest after three years. In practice, it can be challenging for executive directors to dispose of shares when they are in role. Consequently, the combination of our deferral policy and awarding the RSP fully in shares means that executives may build up an exposure to Whitbread shares that is materially beyond the ownership guidelines we set.

We have set these minimum shareholding requirements at 300% of salary for the CEO and 200% of salary for the CFO and believe that this is the appropriate mechanism through which to ensure that executives are aligned to share price.

As such we are proposing that, once directors have met or exceeded their shareholding guideline, the AIS deferral requirement will reduce to 25% of any bonus earned.

For the avoidance of doubt the entire cash bonus will remain subject to clawback for three years post-payment and the deferred bonus will remain subject to malus for three years post-award. Further, the events which can trigger the application of malus and clawback, whether the award is cash or equity settled, are identical under our plan rules. As such the Committee believes that this proposed change does not limit our ability to enforce malus and/or clawback if required.

Annual Incentive Scheme - payout at target

Our current Policy states that 'around 50% is paid for on-target performance'. As disclosed in last year's remuneration report, in practice the Committee has set the payout for on-target performance at differing levels depending on the measure and the particular characteristics of the actual targets each year. In particular the current payout for on-target performance against our financial measures is 60% of maximum, due to the stretching nature of our budgets and our desire to align 'target' to 'budget'.

In order to provide more clarity, we propose to amend our Policy to say that the payout for on-target performance will be determined by the Committee for each measure when targets are set and that it will be no more than 60% of maximum for any measure.

Changes to post-cessation shareholding requirements

Our current post-cessation shareholding requirement (PCSR) is a phased requirement, from 100% of the in-role requirement for the first year post-departure, reducing to 50% in the second year and 25% for the third year post-departure.

During our engagement process a small number of shareholders asked that we align our PCSR with the Investment Association's recommended approach of 100% of the in-role requirement for two years after cessation of employment. While we were comfortable with the current approach, which extends the requirement over a longer timeframe, we are amending our Policy on this basis.

Implementation for 2025/26

Both Dominic Paul and Hemant Patel will receive salary increases of 3%. This is in line with the increase applied to salaried employees in the UK and considerably lower than the increase applied to the majority of our hourly paid team members in the UK where we have continued to make a significant investment to ensure our pay rates remain competitive.

In respect of the AIS, as the German business is on track to deliver profitability in 2025/26, we believe now is the right time to introduce this measure into our incentives and we will be introducing a 10% weighting to Germany profit. We will retain the 50% weighting to Group profit and have a 15% weighting to efficiency. The remaining 25% will be split between strategic objectives and ESG. We communicated the intention to include an allocation to Germany profit to our shareholders as part of our engagement process and were pleased that shareholders were supportive of this change.

Full details on our measures for 2025/26 are on page 139

2025 RSP awards will be made at 125% for Dominic Paul and 110% for Hemant Patel. The underpins are based on net debt to EBITDAR ratio and returns. The Committee considers these underpins to continue to be the most appropriate to protect shareholders against any payments for potential failure.

More details on the underpins are provided on page 140

Looking forward

We look forward to our continued engagement with shareholders over the course of the year and with the aim of ensuring that our Policy continues to align executive pay and incentives to our strategic priorities, as well as the interests of our stakeholders.

With the business well-positioned for long-term profitable growth, the Committee will continue to set stretching goals and appropriate policies that align management with this long-term growth, driving the right behaviours and performance outcomes.

I hope to meet some of you at our AGM in June, where I will be happy to answer any questions you might have.

Frank Fiskers
Chair, Remuneration Committee
30 April 2025

Integrated restaurant at Premier Inn St Pancras

Whitbread PLC Annual Report and Accounts 2024/25

REMUNERATION COMMITTEE REPORT CONTINUED

Stakeholder experience in 2024/25

Employees

- An increase in our UK lowest entry pay rates of 9.2% in April 2024 and 6.7% in April 2025, continuing to be above the National Living Wage
- A special one-off payment in April 2024 to UK hourly paid team members and Guest Support teams as a thank you for their ongoing commitment and contribution to Whitbread's strong performance
- A special annual payment to hourly paid team members in Germany
- Investment in developing careers, through external leadership programmes for senior leaders and our 'Leading for Tomorrow' programme for operational leaders (with 462 Multi-Site Hotel Managers and Restaurant General Managers completing the programme)
- Launched 'Progressing Into', our internal operation development programmes, with over 200 delegates on the programmes
- We have over 750 team members on apprenticeship programmes, together with over 300 achieving their qualification this year, and an increasing number in our Support Centres, enabling our people to increase their technical knowledge and gain a qualification to recognise their skills. We were recognised as 24th in the Top 100 Apprenticeship Employers by the DfE, an improvement of eight places versus last year
- Recognised as a Top Employer for the 15th consecutive year
- Continued investment in wellbeing through financial education and financial assistance through grants via Hospitality Action

Customers

- Customer satisfaction scores in UK Premier Inn sites not impacted by the Accelerating Growth Plan, increased by 0.7%pts year on year, and Germany Premier Inn sites were up by 3.2%pts
- Branded restaurant customer satisfaction scores have increased year on year by 3.7%pts
- Maintained our market-leading Quality & Value scores in the UK with scores in Germany among the highest in the midscale and economy market, measured by the YouGov BrandIndex
- Continued our bed replacement programme, with now over 65,000 beds upgraded to the new specification to further reinforce quality of sleep for customers
- Refurbished a further 5,187 rooms to ensure a consistent, quality experience for customers - and materially reduced the refurbishment cost per room
- Rolled out the early check-in option for our guests across the UK estate and rolled out both early check-in and late check-out across the German estate
- Introduced 'rooms with a view' in c.100 UK hotels
- Developed a further 897 Premier Plus rooms across 64 hotels to provide an upgrade option for customers, including 244 Premier Plus rooms in Germany across 12 hotels - taking the total Premier Plus rooms to 6,473 including 630 in Germany
- Opened and converted 11 new hotels to provide great-value accommodation in even more locations for customers, including four new and converted hotels in Germany. In addition, we also:
 - completed our first hotel conversion as part of our Accelerating Growth Programme; and
 - launched our first Premier Inn in Vienna, Austria featuring 180 rooms
- Expanded online payment options with the introduction of Apple Pay and Google Pay for both our UK and German hotels
- Went live in Germany with our virtual assistant, Tom, enabling our reception teams to focus on providing enhanced on-site care
- Launched our first online brand campaign in Germany, raising brand awareness by 4%pts
- Opened connection to Sabre GDS, one of the big three partners, widening access to TMCs in Europe and North America
- Expanded our distribution in Germany by strengthening partnerships with OTAs, enhancing visibility and increasing booking opportunities
- Extended the trial of our ground-floor concept, 'The Social', to 19 sites, giving our hotel guests a fantastic F&B experience
- Significant expansion in CRM communication and promotional activity, increasing revenue contribution year on year by c.80%

Communities

- Donated 137,092 meals to FareShare and other charities
- Raised £2.0m for Great Ormond Street Hospital Children's Charity
- For the Children's Health Foundation in Ireland, we've committed to raising €30,000 in 2024-2027 to fund a ground-breaking multi-disciplinary rehabilitation programme, which will be the first of its kind for children in Ireland
- Donated 2,000 mattresses and sofa beds since 2023 to temporary shelters in Ukraine through our partnership with Hope & Aid
- Raised €500,000 in 2024/25 for our German charity partner Children for a better World e.V. (CHILDREN), a national charity fighting child poverty
- 660 hours donated to a variety of local community projects through our New Site Opening volunteering initiative. For example, our Premier Inn Torquay Harbour team helped to rehouse giraffes in the local zoo, while the Premier Inn York Layerthorpe team spent more than 200 hours restoring and maintaining areas of the local nature reserve
- Donated £200,000 to charitable initiatives in Bedfordshire

Environment

- Completed our first double materiality assessment for the German operations
- Submitted our Forest, Land and Agriculture (FLAG) targets to SBTi for validation
- Scope 1 and 2 carbon intensity reduction at 59.7% vs 2016/17 baseline
- This year, we decarbonised more rooms than expected (759 vs target of 555), where old gas boilers were replaced with air-source heat pumps. This helped us to cut our direct (Scope 1) GHG emissions
- The Accelerating Growth Plan will result in 3,500 new rooms, 90% of which will be operationally low carbon, powered by electricity backed by Renewable Energy Guarantees of Origin (REGO)
- ESG scores received in 2024/25: MSCI AA, Sustainalytics 18.9 (Low Risk), ISS ESG B-, CDP B for climate and water
- 14.2% reduction in water use per sleeper from a 2019/20 baseline, meaning we are on track to reach our target of a 20% reduction by 2030
- All seven new UK hotels in 2024/25 achieved EPC A, and three of them BREEAM Excellent. Three of the seven hotels were opened in repurposed office buildings which helped to reduce embodied carbon associated with construction
- 15 hotels are now open to BREEAM Excellent or higher standards
- In Germany, all 14 new build hotels, including two in 2024/25, have either received or are pending sustainable building certificates (BREEAM, LEED or DGNB)
- In Germany, all electricity is sourced from 100% eco electricity (Ökostrom)
- We continue to source our critical commodities responsibly, with 100% of whole beef farm assured, 100% of whole fish MSC certified and 100% of whole shell eggs cage free

Investors

- Adjusted PBT of £483m
- Dividend of 97.0 pence per share
- £264m share buy-back completed
- A further year of market outperformance in the UK, with Premier Inn total accommodation sales 0.7%pts ahead of the midscale and economy market (excl. Premier Inn)
- Expansion continuing at pace in Germany, establishing a broad national network with 62 open hotels (10,965 rooms) and 38 in the pipeline (7,265 rooms), committed to almost double the estate by 2029/30 to 20,000 rooms
- Successful issue of seven-year £400m bond at a strong price of gilts +133 bps
- Significant interaction through Chairman, Chief Executive, CFO, General Counsel and IR team over the year

Suppliers

- Continued option for discounted early payment to support supplier cash flow management
- Continued the committed buy process, giving additional contractual security on high-value food products
- Continued additional due diligence on human rights

REMUNERATION AT A GLANCE

Incentive outcomes in 2024/25

2024/25 Annual Incentive Scheme outcomes

Measure	Weighting (% of max)	Threshold	Target	Max	Outcome (% of maximum)	
					Dominic Paul	Hemant Patel
Adjusted PBT performance	50%	Actual: £483m			13.6%	13.6%
		£477m (10% payout)	£530m (60% payout)	£585m (100% payout)		
Efficiency savings	20%	Actual: £75m			100%	100%
		£49.5m (10% payout)	£55.0m (60% payout)	£60.5m (100% payout)		
Strategic objectives	20%	Details of performance are set out on pages 131 and 132			98.0%	92.4%
ESG measures	10%	Details of performance are set out on page 133			80%	80%
Total outcome (% of maximum)					54.4%	53.3%
Actual annual incentive					£865k	£499k
Value of which deferred into shares (50% of total)					£433k	£250k

2022 RSP underpin assessment

Underpin	Assessment	Vesting level (% of maximum)
Cumulative cost efficiency of £60m over the three-year period to the end of 2024/25	Met: £167m delivered	100%
Balanced assessment of underlying performance and delivery against strategic priorities over the performance period	Met: full assessment set out on page 133	

2024/25 single total figure of remuneration

The diagram below provides a summary of the single total figure of remuneration for 2024/25. Further details are set out on page 130 in the annual report on remuneration.

Dominic Paul
Chief Executive

Hemant Patel
Chief Financial Officer

£3.07m

£1.70m

Base salary	30.3%	Base salary	32.3%
Benefits	0.7%	Benefits	1.3%
Annual Incentive Scheme	28.2%	Annual Incentive Scheme	29.5%
Restricted Share Plan	37.8%	Restricted Share Plan	33.7%
Pension	3.0%	Pension	3.2%

Summary of our proposed remuneration policy and implementation for 2025/26

The Company's directors' remuneration policy (the 'Policy') is due to be renewed by shareholder approval at the annual general meeting on 19 June 2025. A summary of the proposed Policy and how we intend to implement it for 2025/26 is set out below. We set out the full proposed remuneration policy on pages 122 to 129.

Key elements	2025/26	2026/27	2027/28	2028/29	2029/30	Overview of remuneration policy	Implementation for 2025/26
Base salary, pension and benefits	>					Salary	Salaries are reviewed annually. CEO: £964,080 (3% increase). CFO: £568,218 (3% increase).
						Benefits	Car or car allowance and healthcare or personal insurance. Additional benefits may be provided in exceptional circumstances (e.g. relocation). In line with Policy.
						Pension	Maximum of 10% of salary. CEO: 10% of salary. CFO: 10% of salary.
Annual Incentive Scheme	>				>	Maximum opportunity	Up to 200% of base salary. Any increase beyond 170% of salary will only be applied in exceptional circumstances. CEO: 170% of salary. CFO: 170% of salary.
						Operation and metrics	Directors are required to defer 50% of their bonus into shares, if they have not met their minimum shareholding requirement, or 25% of their bonus if they have met their shareholding requirement. The remainder is paid in cash. Shares vest after three years. Malus and clawback provisions apply. Profit: 50%. Germany profit: 10%. Efficiency: 15%. Strategic objectives: 20%. ESG: 5%.
Restricted Share Plan	>				>	Maximum opportunity	CEO: 125% of salary. CFO: 110% of salary. CEO: 125% of salary. CFO: 110% of salary.
						Operation and metrics	Three-year vesting period. Subject to two or more performance underpins and continued employment. Additional two-year holding period. Malus and clawback provisions apply. Average lease-adjusted net debt to EBITDAR leverage ratio being less than 4.2x. Average ROCE for the UK business to be 9% or higher.
Shareholding requirement	>				>	Shareholding requirements	CEO: 300% of salary. CFO: 200% of salary. Requirement is that shares from exercised share awards must be retained until these levels have been reached. Actual shareholding as at 27 February 2025: Dominic Paul 235%. Hemant Patel: 187%.
						Post-cessation shareholding requirements	100% of the in-role requirement for two years post-departure.
Malus and clawback	>					Circumstances	i) Material misstatement of results. ii) Misconduct. iii) Material loss as a result of participant actions or behaviour. iv) Material reputational damage. v) An error in assessing the performance conditions or underpin. vi) Insolvency or corporate failure.

DIRECTORS' REMUNERATION POLICY

Introduction

This report outlines the Company's directors' remuneration policy (the 'Policy'), which shareholders will be asked to approve at the annual general meeting to be held on 19 June 2025. Subject to shareholder approval, the Policy will be effective from the date of the 2025 AGM and is intended to apply for three years.

For executive directors, our approach continues to be designed so as to:

- align with the business strategy and the achievement of planned business goals;
- support the creation of sustainable long-term shareholder value;
- provide an appropriate balance between remuneration elements that attract, retain and motivate the highest calibre of executive talent; and
- encourage a high-performance culture by ensuring share-based remuneration constitutes a substantial proportion of the remuneration package and by linking maximum payout opportunity to outstanding results.

Whitbread is an international-focused hotel business and our approach is also designed to enable the Company's long-term objective of expansion and growth in both the UK and Germany.

The Policy table below provides more detail on each key element of remuneration for executive and non-executive directors, including the maximum potential value of each element, a brief summary of how it works and details of any performance metrics. It also details the changes from the previous Policy, where applicable.

Future Policy table

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Base salary Changes from previous Policy: None.	• Base salaries are set to be sufficient to attract and retain the calibre of executive talent needed to support the long-term interests of the business.	Salaries are reviewed annually taking account of: • the salary review across the Group; • trading circumstances; • personal performance, including against agreed objectives; and • market data for an appropriate comparator group of companies.	• Annual salary increases would normally be in line with the average increases for employees in other appropriate parts of the Group. • On occasion, increases may be larger where the Committee considers this to be necessary. Circumstances where this may apply include growth into a role, to reflect a change in scope of role and responsibilities, where market conditions indicate a level of under-competitiveness and where the Committee judges that there is a risk in relation to attracting or retaining executive directors.	• None.
Benefits Changes from previous Policy: None.	• Benefits are intended to be competitive in the market so as to assist the recruitment and retention of executive directors.	• Executive directors are entitled to benefits relating to a car or car allowance and healthcare or personal insurance. • In exceptional circumstances, such as the relocation of a director, or for a new hire, additional benefits may be provided in the form of a relocation allowance and benefits including tax equalisation, reimbursement of expenses for temporary accommodation, travel and legal and/or financial assistance.	• We do not anticipate that the maximum payable would exceed 10% of salary. However, the Committee may provide benefits above this level in certain situations where it deems it necessary. This may include, for example, the appointment of a director based overseas or a significant increase in the cost of the benefits.	• None.

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Annual Incentive Scheme (AIS) Changes from previous Policy: Deferral reduced to 25% once shareholding requirement is met. At most, 60% of the maximum incentive will be payable for target performance respectively for each measure.	- To provide a direct link between annual performance and reward. - To incentivise the achievement of outstanding results across appropriate key stakeholder measures. - To align with the long-term interests of shareholders and help participants build a significant stake in the business over time, by awarding a material part of the annual incentive in deferred equity.	- Targets for measures are normally set at the beginning of the financial year. - Cash awards paid following the end of the financial year. - Deferred share awards normally vest after three years, subject to continued employment. - Malus provisions apply to unvested deferred shares and clawback provisions apply to cash awards as set out below.	- Up to 200% of base salary. - The maximum bonus for 2025/26 for the current executive directors will be 170% of base salary. Any increase beyond this level in future years will only be applied in exceptional circumstances and will be at the discretion of the Committee. 50% of any bonus earned is deferred into shares if the minimum shareholding requirement has not been met. If the minimum shareholding requirement has been met, 25% of any bonus earned is deferred into shares.	- Awards are payable based on a mix of financial metrics and other business objectives. Financial metrics will represent no less than 60% of the total award for each year, of which the predominant amount is intended to be profit. Other measures will be objective and, when possible, externally benchmarked leading indicators of future financial performance will be used. At most, 25% of the maximum incentive is paid for threshold performance, with a maximum of 60% paid for on-target performance and the full incentive payment being paid for delivering stretch performance for each measure. - These vesting levels may vary from year to year. - The Committee may at its discretion adjust the outcome under the formulaic measures where it considers it is appropriate to do so to better reflect overall Company performance.
Restricted Share Plan (RSP) Changes from previous Policy: None.	- To enable the growth strategy in both the UK and Germany, which requires different strategies and approaches. - To promote long-term value creation rather than focusing on specific targets at a time when the executive directors need to balance investment and growth. - To retain executive directors throughout an important time for the business to deliver the growth strategy.	- Awards normally vest after a period of at least three years, subject to two or more performance underpins and continued employment. - After vesting, there will be an additional holding period during which vested shares cannot be sold, such that the combined underpin measurement period and holding period is at least five years. - Subject to clawback and malus provisions as set out below. - Dividend equivalents may be provided on vested awards during a holding period.	- Annual awards to a maximum of 125% of base salary in respect of each financial year. - The grant for 2025/26 for the current executive directors will be 125% of base salary for the CEO and 110% of base salary for the CFO. Any increase beyond this level for the CFO will only be applied in exceptional circumstances and will be at the discretion of the Committee.	- Vesting will be subject to two or more performance underpins, which will be disclosed at or around the time of grant in the DRR. - If one or more of the underpins are not met, then a portion of the award up to or equal to the weighting of that measure(s) will lapse, subject to the overall discretion set out below. - It is anticipated that all performance underpins will be equally weighted, although the Committee retains the discretion to adjust the weighting of any underpins each year. - The Committee will select the underpins each year in order to align with the Company's strategy and these will normally be disclosed at or around the time of grant, in the DRR. At least one underpin will be based on an objective financial metric. - In addition, the Committee will have general discretion to determine the most appropriate vesting levels if it believes this will better reflect the underlying financial performance of the Company over the period and such other factors as it may determine.

DIRECTORS' REMUNERATION POLICY CONTINUED

Future Policy table continued

Element	Purpose and link to strategy	Operation	Maximum potential value	Performance metrics
Sharesave scheme Changes from previous Policy: None.	To encourage long-term shareholding in the Company.	- Annual invitation to all employees, including executive directors. - Option price calculated by reference to the market price discounted by 20% on the invitation date. - Options granted subject to participant agreeing to save over a three and/or five-year period. - In the event an employee working in Germany is made an executive director, they will be eligible to participate in the International Sharesave scheme (which is aligned with the scheme for UK-based employees).	Consistent with prevailing HMRC limits, currently savings are limited to £500 per month.	None.
Pension Changes from previous Policy: Maximum potential value simplified to remove legacy text in relation to phased reduction in contribution rate from 15% to 10% of base salary.	Pension benefits are provided in order to offer a market competitive remuneration package that is sufficient to attract and retain executive talent.	- Executive directors are entitled to participate in the Company's pension scheme (or other pension arrangements relevant to their location if based overseas). - Defined contribution scheme. - Can elect for cash in lieu of pension contributions.	The maximum pension contribution is aligned with the rate available to the majority of the wider workforce, which is currently 10% of base salary.	None.
Chairman and non-executive fees Changes from previous Policy: None.	To attract and retain a Chair and non-executive directors of the highest calibre.	- The Chairman receives an annual fee and the non-executive directors receive a base fee, with additional fees for acting as the Senior Independent Director or for chairing, or being a member of, the Audit or Remuneration Committee or any other Board Committee as may be constituted from time to time. - The Chairman and non-executive directors are entitled to claim all reasonable expenses, and the Company may settle any tax incurred, but do not receive any other fees or remuneration in connection with their roles at Whitbread.	- The fees are reviewed annually by the Board (excluding the non-executive directors), taking into account a range of factors including the time commitment required of the directors, the responsibilities of the role and the fees paid by other similar companies. - Non-executive director fees must remain within the aggregate limit approved by shareholders from time to time. The current aggregate limit is £1,000,000 (excluding the Chairman's fee and additional fees, such as for Committee membership).	None.

Share-based awards under the AIS and RSP may:

- a) be delivered as nil-cost options, forfeitable shares, conditional share awards or equivalent cash-settled instruments; and
- b) be adjusted in the event of any variation of the Company's share capital or in any other circumstances the Committee considers it appropriate.

Illustration of application of remuneration policy

The graphs below show how the Policy will be applied in 2025/26, with details of expected remuneration levels for each director for below threshold performance, on-target performance and maximum performance.

Executive directors – potential value of 2025/26 package**Dominic Paul**

Below threshold	91% 9%	£1,077,174		
On target	31% 3% 15%	15%	37%	£3,189,563
Maximum	25% 2%	21%	21%	30% £3,886,110
Maximum, with 50% share price growth	22% 2%	18%	18%	39% £4,471,110

Hemant Patel

Below threshold	91% 9%	£643,840		
On target	33% 3% 15%	15%	34%	£1,806,108
Maximum	26% 3%	22%	22%	27% £2,216,646
Maximum, with 50% share price growth	23% 2%	19%	19%	36% £2,520,063
Base salary and benefits	Pension	Cash incentive	Deferred shares	RSP

The table below sets out the assumptions used in the scenario charts on the left:

Below threshold	On target	Maximum
- Only the fixed pay elements are received (base salary, benefits and pension). - Salary reflects what will be paid in 2025/26. For the CEO and CFO this means the salary has been pro-rated to reflect the increase from 1 May 2025. - Benefits are included at the value in the 2024/25 single figure table. - The CEO's and CFO's pensions are 10% of salary.	- Fixed pay elements plus target annual bonus and RSP. - Incentives are based on salaries at 1 May 2025. - On-target pay for the Annual Incentive Award has been included at 57.5% of the maximum award (170% for each director). - On-target pay for the RSP has been included at 100% of the 2025/26 maximum award (125% of salary for the CEO and 110% of salary for the CFO).	- Fixed pay elements plus maximum Annual Incentive Award and RSP, with values as set out to the left. - An additional scenario sets out the value of the RSP assuming a 50% increase in share price between grant and vesting.

Performance measures

With the exception of base salary, benefits, pension and participation in the Sharesave scheme, all other elements of the remuneration packages of the executive directors are linked to performance.

The RSP is subject to performance underpins, which, if not met, may cause an award to be reduced. The RSP is designed to incentivise delivery of the growth strategy in both the UK and Germany, to support shareholder alignment through direct exposure to share price and to retain executive directors throughout an important time for the business to deliver the growth. The underpins each year are set taking into account the business plan and the Group's strategy so as to protect against a payment for failure.

The performance measures and targets for the Annual Incentive Scheme are selected annually to align with the business strategy. Targets for measures are normally set at the beginning of the financial year.

There are a number of types of measure used to determine the level of awards under the scheme. There are financial and other business measures and some strategic growth objectives. The growth objectives will be quantitative measures linked to individual responsibilities in the context of our strategic objectives and will be reviewed in advance by the Committee. Targets are set taking into account the business plan.

DIRECTORS' REMUNERATION POLICY CONTINUED

Malus and clawback

Malus and clawback provisions apply to the RSP for the duration of the vesting period and for two years following vesting respectively, which can result in a reduction of the award (including to zero). Malus and clawback provisions apply to the deferred annual bonus and cash portion of the bonus respectively for the duration of three years from the date of the award (or, if earlier, in the case of a deferred share award, the date of vesting). The malus and clawback periods are purposefully designed to align with respective deferral, vesting and holding periods. These are considered appropriate timeframes to review whether any trigger events have occurred under the malus and clawback provisions.

Malus and clawback can be triggered where, in the opinion of the Committee, there are exceptional circumstances including: (i) a material misstatement of results; (ii) misconduct on the part of the participant; (iii) where the participant is deemed to have caused a material loss for the Company and/or the Group as a result of (a) reckless, negligent or wilful actions or (b) inappropriate values or behaviour; (iv) where there has been an event that has caused, or is likely to cause, material reputational damage to the Group; (v) an error in assessing the performance conditions or underpin that results in the award vesting/bonus being awarded to a greater degree than would have been the case had that error not occurred; or (vi) insolvency or corporate failure.

For awards already granted, malus and clawback provisions in place at the time of that grant will continue to apply.

Shareholding requirements

The Chief Executive is required to build and hold a shareholding at least equal to the value of 300% of salary, and the Chief Financial Officer is expected to reach a holding equal to the value of 200% of salary. Until they reach this level, executive directors are expected to retain 100% of vested awards (after the deduction of income tax, National Insurance contributions and dealing fees). In addition, a newly appointed executive director is expected to build a shareholding in the Company during the vesting of any share awards. The failure to adhere to these requirements may lead to the executive director being excluded from participation in future share plan awards.

Shares held outright (including by a connected person) count towards the shareholding requirement. In addition, any vested but unexercised options, deferred bonus shares or any vested Long Term Incentive Plan (LTIP) or RSP share awards subject to a holding period count towards the shareholding requirement on a notional net of tax basis. Any awards still subject to performance conditions, including awards subject to a performance underpin under the RSP, cannot count towards a shareholding requirement.

Additionally, executive directors will continue to have shareholding requirements post-cessation. It is a term of grant of all deferred bonus and RSP awards granted since December 2019 that the award cannot be exercised if an individual is not, at that point in time, meeting their post-cessation shareholding requirement.

The post-cessation shareholding requirements have been set at 100% of the normal shareholding requirement for two full years after cessation of employment.

In cases where the individual has not had sufficient time to build up shares to meet the above levels, the requirement is set at the individual's actual level of shareholding at cessation of employment. The Committee retains the flexibility to waive the post-cessation shareholding requirements in certain exceptional circumstances.

Service contracts and external appointments

The key terms of the executive directors' service contracts are as follows:

- notice period – six months by the director and 12 months by the Company;
- termination payment – see policy on payment for loss of office below;
- sickness – full salary for a maximum of 12 months in any three-year period or for a maximum of nine consecutive months; and
- non-compete – for six months after leaving or being put on garden leave.

The dates of the executive directors' service contracts are as follows:

Dominic Paul	28 June 2022
Hemant Patel	26 January 2022

Executive directors' service contracts are available for inspection by any person at the Company's registered office during normal office hours and on the Company's website at www.whitbread.co.uk. The executive directors are entitled to retain fees from external directorships.

The effective dates of the letters of appointment of the Chairman and the non-executive directors are as follows:

Adam Crozier	1 March 2018
Kal Atwal	1 March 2021
Horst Baier	1 November 2019
Frank Fiskers	1 February 2019
Richard Gillingwater	27 June 2018
Karen Jones	9 January 2023
Chris Kennedy	1 March 2016
Shelley Roberts	31 October 2023
Cilla Snowball	24 January 2023

The Chairman and non-executive directors were each appointed for an initial three-year term and are subject to annual re-election at the AGM.

Policy on payment for loss of office

Base salary and contractual benefits

All of the executive directors have a rolling service contract with a 12-month notice period from the Company. The Company may make a payment in lieu of notice to include up to 12 monthly payments of base salary and the cash equivalent of pension contributions. The Company may also either allow for contractual benefits to continue during this time or, at its sole discretion, pay the value of those benefits on a monthly basis. Neither notice nor payment in lieu of notice would be given if an executive director is summarily dismissed for reason of gross misconduct.

An executive director is under a contractual duty to mitigate his or her position by actively seeking an alternative remunerated position and the Company will make a corresponding reduction in any payment in lieu of notice. Where a payment in lieu of notice is not applicable, the payment of salary and contractual benefits would cease on the individual's leaving date.

The Committee reserves the right to make any other payments in connection with a director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with his or her cessation of office or employment.

Annual Incentive Scheme

If an executive director leaves the Company for a 'permitted reason' under the rules of the scheme (redundancy, death, the sale of his or her employing company or business out of the Group, injury, ill health or disability, or if the Committee decides to apply 'good leaver' status in accordance with the discretion outlined later in the 'Remuneration Committee discretion' section of this Policy), the default position would be that unvested deferred share awards would vest on the date of leaving and a time pro-rated cash award would be made for the incentive year in which cessation of employment occurs. No new deferred share awards would be granted in respect of any Annual Incentive Scheme award made after the executive director leaves the Company, and the executive director would receive a time pro-rated cash payment in lieu of the deferred share awards. Notwithstanding the above, the Committee has the discretion to make a deferred share award for the incentive year in which cessation of employment occurs, with any such award due to vest at the same time as the awards made to continuing employees for that year and for unvested deferred bonus awards to vest as if the executive director had not left the Company.

If an executive director leaves the Company for any other reason, 25% of an outstanding deferred share award would vest if the leaving date was between one and two years from the date of grant and 50% of an outstanding deferred share award would vest if the leaving date was between two and three years from the date of grant. Any other unvested deferred share awards would lapse on the date of leaving. The executive director would receive no cash incentive payment for the financial year in which they leave, and no deferred share awards would be awarded.

In the event that an executive director was to leave the Company by reason of gross misconduct, or in circumstances in which the reputation of the Company is materially damaged, the malus provisions may be applied, in which case no deferred shares would vest.

In the event of a change of control of the Company, deferred bonus awards will normally vest at that point unless the Committee determines otherwise, e.g. a replacement award is granted by the acquiring company. For in-year schemes, no new deferred share awards would be granted, and the executive director would normally receive a pro-rated cash payment in lieu of the deferred share awards, assuming that the performance metrics had been fully satisfied.

Restricted Share Plan

If an executive director leaves the Company for a 'permitted reason' under the rules of the plan (redundancy, death, the sale of his or her employing company or business out of the Group, injury, ill health or disability, or if the Committee decides to apply 'good leaver' status in accordance with the discretion outlined in the 'Remuneration Committee discretion' section of this Policy), the default position would be that any unvested RSP awards would be pro-rated for time served (over the relevant underpin vesting period) unless the Committee determines otherwise. The extent to which unvested RSP awards vest would be determined by the Committee taking into account the performance underpins, the underlying financial performance of the Company and any other factors the Committee considers appropriate, and the awards would normally vest at the original vesting date, unless the Committee determines otherwise. If the participant dies, awards will normally be allowed to vest (subject to the factors set out above) on the date of death.

If an executive director leaves the Company for any other reason, any unvested RSP awards would lapse at the date of leaving.

Vested, but unexercised, RSP awards (including those subject to a holding period) would normally be exercisable up to the later of six months from the date of leaving or six months from the end of the holding period. However, if the executive director is summarily dismissed for gross misconduct, the award would lapse.

In the event that an executive director was summarily dismissed for gross misconduct or was to leave the Company in circumstances in which the reputation of the Company is materially damaged, the Committee would consider the application of the clawback and/or malus provisions to which the awards were subject. In the event of a change of control of the Company, unvested RSP awards will typically vest to the extent determined by the Committee, taking into account: (i) the Committee's assessment of the relevant performance underpins; (ii) the underlying financial performance of the Company; and (iii) such other factors as it considers relevant. RSP awards will (unless the Committee determines otherwise) be reduced on a time-apportioned basis, normally by reference to the proportion of the underpin measurement period (or if the Committee determines, the vesting period) that has elapsed. In determining whether an award should not be time pro-rated, the Committee will take into account: (i) the performance of the Company during the vesting period; (ii) the Company's share price performance during the vesting period; (iii) the amount of consideration from any buyer; and (iv) such other factors as it considers relevant.

DIRECTORS' REMUNERATION POLICY CONTINUED

Approach to remuneration on recruitment

Our approach to recruitment is that remuneration should be set in line with the Policy table set out on pages 122 to 124. Whilst we would not seek to vary this approach, there may be circumstances in which it is necessary to do so.

On the appointment of a new executive director, base salary levels will be set taking into account a range of factors including experience and expertise, internal salaries, market levels and cost. If an individual is appointed on a base salary below the market positioning contingent on individual performance, the Committee may realign base salary over the one to three years following appointment, which may result in a higher than normal rate of annualised increase, with any such increase aligned to internal policies. If the Committee intends to do so, it will be noted in the first directors' remuneration report following an individual's appointment.

Other elements of annual remuneration will be set in line with the Policy set out in the Policy table. As such, variable remuneration will be capped at 200% of salary under the Annual Incentive Scheme. If a new executive director is recruited, they can be granted an award under the RSP, the maximum opportunity of which will be 125% of salary. The following exceptions will apply:

- as deemed necessary and appropriate to secure an appointment, the Committee is able to make additional payments linked to relocation; and
- the Committee may also make an additional award of cash or shares in connection with the appointment of a new director in order to compensate for the forfeiture, or the loss of value in respect of all or part of an award from a previous employer. Such awards would take account of the value, the performance conditionality of the awards which they replace, the proportion of the performance period remaining and the type of award. The Committee would take into account the strategy at Whitbread and may also require the appointee to purchase shares in Whitbread to a pre-agreed level prior to vesting.

Where an individual is recruited internally to the position of executive director, Whitbread will seek to honour any pre-existing contractual commitments, taking into account the remuneration of the existing executive directors.

Service contracts will be entered into on terms similar to those for the existing executive directors, summarised in the service contracts and external appointments section. However, if necessary, the Committee would authorise the payment of a relocation allowance and repatriation, as well as other associated international mobility terms, or agree terms appropriate to the local market for an executive director based overseas.

With respect to the appointment of a new Chairman or non-executive director, the approach will be consistent with that currently adopted. Variable pay will not be considered and as such no maximum applies. With respect to non-executive directors, fees will be consistent with the Policy at the time of appointment. If necessary, to secure the appointment of a new Chair not based in the UK, payments relating to relocation and/or housing could be considered.

A timely announcement with respect to any director appointment will be made to the regulatory news services and posted on Whitbread's website.

Comparison of executive remuneration policy with wider employee population

When reviewing the executive directors' remuneration policy, the Remuneration Committee takes into consideration the pay and employment conditions of all employees across the Group. Remuneration was discussed at the Our Voice Pan-Whitbread Forum, our formal workforce advisory panel, and during the year the Remuneration Committee considered wider workforce remuneration, and its alignment with executive remuneration, together with the key themes from employee engagement.

This section of the Policy describes each element of the executive remuneration package and explains the extent to which those elements are made available to the wider employee population.

Base salary

The base salaries of all employees, including the executive directors, are subject to annual review. Under normal circumstances, the annual increase in salary for an executive director will be in the same range as the increase for employees across the Group.

Benefits

Approximately 430 employees across the Group are entitled to a company car or cash in lieu of a company car. The scheme is structured so that the level of the allowance is on a sliding scale, with employees on higher grades receiving a larger allowance. The executive directors are no longer entitled to a company car under this scheme but are entitled to receive cash in lieu of a car.

Approximately 1,600 employees are entitled to participate in the Group's private healthcare scheme, with 700 of these, including the executive directors, entitled to family cover. In addition, a small number of senior executives, including the executive directors, are entitled to annual health screening.

All employees receive discounts on Company products, but the executive directors have waived their right to this benefit.

Whitbread's Sharesave scheme is a standard HMRC approved SAYE scheme, which is offered to all UK employees, including the executive directors, on equal terms. A similar Sharesave scheme is also offered to employees in Germany. This runs alongside the UK scheme, using the same option price and savings terms.

Annual Incentive Scheme

Approximately 3,600 employees are eligible to take part in an Annual Incentive Scheme linked to the achievement of financial and other business targets. The maximum opportunity is dependent on role. Approximately 60 employees, including the executive directors, are entitled to participate in the Annual Incentive Scheme, with maximum payouts split between cash and deferred share awards, ranging from 60% to 170% of base salary.

Approximately 100 employees, including the executive directors, have individual strategic objectives in addition to the financial and other business targets mentioned above.

Restricted Share Plan

Approximately 55 employees, including the executive directors, participate in the RSP. This plan is not available to the wider employee population, although the Sharesave scheme provides employees with a form of long-term incentive.

Pension

Like all employees, the executive directors are entitled to participate in the Company's pension scheme. The scheme is a defined contribution scheme. Employees below the executive level are able to choose a contribution rate of between 5% and 10% and have this matched by the Company.

Consideration of shareholder views and summary of decision-making process

The Committee has consulted with Whitbread's major investors, along with Glass Lewis, ISS and the Investment Association.

These consultations have been very helpful to us as we have updated our Policy for the future, and we would like to thank all those who responded to the consultations for their time and input. As part of the feedback, a small number of shareholders asked that we align our post-cessation shareholding requirement (PCSR) with the Investment Association's recommended approach. While we are comfortable with our current approach, which extends the requirement to three years on a phased basis, we would be equally comfortable with this suggested amendment. As such, we propose to amend our PCSR to apply 100% of the normal shareholding requirement for two full years after cessation of employment. This amendment aligns us with typical market practice as well as the Investment Association guidelines.

Legacy matters

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed: (i) before the Company's first shareholder-approved directors' remuneration policy came into effect; (ii) before this Policy came into effect if the terms were in line with the Company's shareholder-approved directors' remuneration policy in force at the time those terms were agreed; or (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Remuneration Committee discretion

The Committee retains the discretion to apply 'good leaver' terms to leavers in respect of both the Annual Incentive Scheme and the RSP. In exercising its discretion, the Committee must consider the individual circumstances in the particular case and must not exercise its discretion in a way which would be discriminatory on grounds of sex, race, age or any other protected characteristic within the meaning of section 4 of the Equality Act 2010.

The Committee must also, so far as it is able to do so, exercise its discretion in a way which is consistent as between individuals who are in the same position.

Under the rules of the Annual Incentive Scheme, if 'good leaver' terms apply, any deferred share awards normally vest in full on the date of leaving and may be exercised within six months. Under the rules of the RSP, the award would normally vest subject to the satisfaction of performance underpins measured at the end of the period originally set (unless the Committee determines otherwise). The number of shares vesting would normally be on a pro-rata basis, taking account of the proportion of the relevant period that the individual had been employed within the Group (unless the Committee determines otherwise). The extent to which RSP awards vest would also be subject to the Committee's discretion (mentioned above) to determine the level of vesting based on the underlying financial performance of the Company and such other factors it considers appropriate.

Vested but unexercised awards (including those subject to a holding period (under the RSP) are exercisable for six months from the later of the end of any relevant holding period and the date of termination.

The Committee sets the performance targets for the Annual Incentive Scheme and the underpins for the RSP. The Committee may change a performance target or underpin from time to time to take account of legal changes or to obtain or retain favourable tax, regulatory or exchange control treatment or in the event that it considers it fair and reasonable to do so. Any change to an existing underpin under the RSP must not have the effect, in the opinion of the Committee, of making the underpin materially easier or materially more difficult to achieve than it was when the award was initially granted.

The Committee has the discretion to override formulaic outcomes under the Annual Incentive Scheme and RSP, where it considers it would be appropriate to do so to better reflect overall Company performance.

ANNUAL REPORT ON REMUNERATION

Single total figure of remuneration – executive directors (audited information)

Director	Base salary		Benefits		Pension		Fixed pay		Annual Incentive Scheme		Long-term Incentive ¹		Variable pay		Total	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Dominic Paul	930	900	22	22	93	90	1,045	1,012	865	1,453	1,163	—	2,029	1,453	3,074	2,465
Hemant Patel	548	528	22	22	55	53	625	603	499	865	570	123	1,070	988	1,695	1,591

1 The value in relation to the 2023/24 long-term Incentive has been updated from the estimate provided in last year's report to reflect the actual share price on the date of exercise (23 May 2024) of 2,956.0 pence.

Base salary

Annual salary increases across the Group are usually effective from 1 May each year. The base salary numbers shown in the table, therefore, include two months' pay based on the director's salary from 1 May 2023 and ten months' pay based on the director's salary from 1 May 2024.

Benefits

The benefits received by each executive director include family private healthcare and a cash allowance in lieu of a company car.

Pension

The executive directors receive a monthly amount in cash in lieu of pension contributions. This is at the rate of 10% of base salary and is aligned with the rate available to the majority of the wider workforce. No executive director participates in a Group defined benefit or final salary pension scheme.

2024/25 Annual Incentive Scheme

The incentive for 2024/25 was assessed against a combination of profit, efficiency savings, strategic objectives and ESG metrics.

As stated in the Committee Chair's letter on page 115, the Committee believes the formulaic outcome was appropriate and consistent with the wider stakeholder experience and as such no discretion was exercised. The outcome of the Annual Incentive Scheme is as follows:

Director	Profit outcome (% maximum)	Efficiency target outcome (% maximum)	Strategic objectives outcome (% maximum)	ESG measures outcome (% maximum)	Total % of maximum	Total % of salary	Total £'000
Weighting	50%	20%	20%	10%			
Dominic Paul	13.6%	100%	98.0%	80%	54.4%	92.5%	865
Hemant Patel	13.6%	100%	92.4%	80%	53.3%	90.5%	499

Half of these awards will be paid in cash in May 2025, with the remaining half being settled in deferred shares, which are expected to vest in 2028. Details on the financial measures outcomes (70% of total award) and the overall outcomes are provided in the at a glance section on page 120.

Awards based on strategic objectives (20% of total award)

Dominic Paul and Hemant Patel each had a number of business objectives and 20% of the maximum incentive opportunity was linked to performance against these objectives. A summary of each of the executive directors' objectives, together with the incentive outcomes, is shown in the tables below.

Chief Executive, Dominic Paul

Measure	Actual outcome vs targets
Objective 1: Grow and innovate in the core UK market - 7.8% out of 8.0%	
Deliver the network growth plan for the UK	- Opened 1,075 new rooms in UK and added 1,909 rooms to the committed pipeline, both ahead of stretch. - Completed 5,840 refurbished rooms (including 653 upgrades to Premier Plus) ahead of stretch.
Successfully communicate F&B plan	Successfully communicated F&B plan to market, highlighting incremental 3,500 extension rooms and increasing margin/returns through replacing loss-making restaurants with high-returning hotel rooms. Received positive feedback from investors on clarity of message and plan.
Deliver strategic F&B implementation plan and execute agreed in-year activity	- Delivered agreed strategic plan with successful cutover of 128 branded restaurant operations to Premier Inn and implemented transitional F&B offerings for hotel guests. Successfully disposed of initial cohort of restaurant sites. - Delivered the agreed breakfast room/integrated restaurant programme and in-year Premier Inn extensions and set up plan for future years' delivery. Overall programme has been delivered within budget.
Build digital acceleration strategy	Digital strategy and roadmap in place with redesigned organisation and successful hiring of leaders and experts to support delivery of roadmap. Progress made against the agreed roadmap, with double digit app revenue growth.
Achieve customer/guest satisfaction targets	- Achieved Premier Inn guest satisfaction above target. - Achieved restaurant customer satisfaction, materially ahead of stretch.
Objective 2: Focus on our strengths to grow in Germany - 6.8% out of 7.0%	
Deliver budgeted progress against the target returns and profitability plan	Full-year loss is within budgeted range.
Deliver network growth plan including organic pipeline additions in Germany	926 new and converted rooms opened in Germany (outcome above target). - Added 2,083 rooms to committed pipeline (materially above stretch).
Drive RevPAR growth strategy to enable delivery of 2024/25 plan and beyond	Launched Premier Inn brand, with material improvement in brand awareness. Executed distribution strategy, with revenue contribution from new channels ahead of plan. Defined and delivered events and business travel strategy, with significant improvement on events pricing.
Achieve guest satisfaction targets	Guest satisfaction ahead of stretch.
Objective 3: Enhance our capabilities to support long-term growth - 5.0% out of 5.0%	
Delivery of People System on time and on budget and overall IT spend in line with budget	- All People System UK sites live by end of August 2024. German sites live by 1 March 2025. Programme costs within budget. - Priority upgrades delivered on time and in budget.
Deliver efficiency initiatives to enable future growth and optimisation	Agreed long-term cost saving target together with delivery plan. Transformation office established and reshaping of the organisation implemented.
Drive technology stability	Overall uptime and revenue impact ahead of stretch.
Total outcome (% of maximum incentive opportunity)	19.6% out of 20.0%

ANNUAL REPORT ON REMUNERATION CONTINUED

Single total figure of remuneration – executive directors (audited information) continued

2024/25 Annual Incentive Scheme continued

Awards based on strategic objectives (20% of total award) continued

Chief Financial Officer, Hemant Patel

Measure	Actual outcome vs targets
Objective 1: Grow and innovate in the UK – 5.7% out of 7.0%	
Deliver the network growth plan for the UK	- Opened 1,075 new rooms in UK and added 1,909 rooms to the committed pipeline, both ahead of stretch. - Completed 5,840 refurbished rooms (including 653 upgrades to Premier Plus) ahead of stretch.
Deliver strategic F&B Implementation plan and execute agreed in-year activity	- Delivered agreed strategic plan with successful cutover of 128 branded restaurant operations to Premier Inn and implementing transitional F&B offerings for hotel guests. Successfully disposed of initial cohort of restaurant sites. - Delivered the agreed breakfast room/integrated restaurant programme and in-year Premier Inn extensions and set up plan for future years' delivery. Overall programme has been delivered within budget.
Delivery of UK revenue target and budgeted margin	Revenue growth exceeded market but, given a softer trading environment and cost inflation, performance fell short of targets.
Optimisation of UK PI estates portfolio	- Sale and leaseback threshold target not met due to execution of one package being deferred to 2025/26 to ensure price optimised. - Cash generated from disposal of surplus assets materially ahead of stretch.
Objective 2: Focus on our strengths to grow in Germany – 4.8% out of 5.0%	
Deliver budgeted progress against the target returns and profitability plan	- Full-year loss is within budgeted range. - Implemented the agreed TOM for Germany.
Deliver network growth plan including organic pipeline additions in Germany	926 new and converted rooms opened in Germany (outcome above target). - Added 2,083 rooms to committed pipeline (materially above stretch).
Objective 3: Enhance our capabilities to support long-term growth – 8.0% out of 8.0%	
Deliver Investor Relations plan including broadening of shareholder base and communications of German value	Successful communication of updated strategy and effective IR engagement throughout the year, including in relation to updated F&B plan. Clear engagement process and plans in place for 2025, including German teach-in.
Deliver FY24 financial audit clearance with no material misstatements and HY25 Interim review	Delivered the 2023/24 audit clearance and 2024/25 interim review with high accuracy and timeliness.
Deliver efficiency initiatives to enable future growth and optimisation	Agreed long-term cost saving target together with delivery plan. Transformation office established and reshaping of the organisation implemented.
Agree and execute refinancing of maturing 2025/26 bond	- Reviewed funding strategy to decide on level, term and type of refinancing. - Executed refinancing strategy, with bond refinanced in February 2025 with interest rate lower than initial price target.
Delivery of People System on time and on budget and overall IT spend in line with budget	- All People System UK sites live by end of August 2024. German sites live by 1 March 2025. Programme costs within budget. - Priority upgrades delivered on time and in budget.
Drive technology stability	Overall uptime and revenue impact ahead of stretch.
Total outcome (% of maximum incentive opportunity)	18.5% out of 20.0%

Awards based on ESG objectives (10% of total award)

The ESG targets for 2024/25, together with the results, are shown below. Only half of the maximum reward was payable based on a green result, with higher rewards available for stretch or excel performance above target.

ESG measure	Amber target	Green target	Stretch target	Excel target	Allocation	Result	(% of maximum)
Scope 1 and 2 emissions intensity reduction vs 2023/24	>= +1.1% reduction	>= +1.4% reduction	>= +1.55% reduction	>= +1.7% reduction	3%	Excel: 3.7% reduction	100%
Water reduction vs 2023/24 usage	>= +1.4% reduction	>= +1.7% reduction	>= +1.85% reduction	>= +2% reduction	3%	Excel: 5.6% reduction	100%
Leadership diversity ¹	Senior leadership population to be made up of: • 42% female representation • 9% ethnic minority representation				4%	Achieved ¹ : 39.8% female and 9.3% ethnic minority representation	50%
TOTAL							80%

¹ This measure was assessed in a binary manner, unlike the other measures with an amber to excel range as outlined above.

Long-term Incentive

Assessment of performance underpins for the 2022 RSP

The 2022 RSP was awarded subject to two underpins and, for each underpin that is not met, the Committee may reduce the vesting outcome by up to 50%. Given the difficulty in setting financial metrics during the pandemic, following consultation with major shareholders in 2020/21, the Committee determined to set one financial underpin together with an underpin that was a balanced overall assessment of performance and delivery against strategic priorities.

- **Cumulative cost efficiency of £60m over the three-year performance period:** Over the period, there were efficiency savings of £167m; therefore, this underpin was met.
- **Balanced overall assessment of performance and delivery against its strategic priorities over the performance period with the default that the underpin would be met in the absence of clear evidence of management failure or significant underperformance:** The Committee assessed the performance of management and the business, taking into account the Group's financial performance, balance sheet strength, market share, response to the COVID-19 pandemic and recovery of shareholder value and performance against environmental, social and corporate governance priorities. The Committee concluded that there was no evidence of management failure and that management had delivered strong performance; therefore, this underpin was met.

Therefore, the Committee determined that the 2022 RSP should vest in full.

The number and value of shares vesting for the executive directors under the RSP are as follows:

Director	Number of shares granted	Number of shares vesting	Estimated value at vesting date (£'000)
Dominic Paul	40,920	40,920	1,163
Hemant Patel	20,063	20,063	570

The share price used to calculate the value at vesting was 2,843.24 pence, which was the average closing price of a Whitbread share in the final quarter of the 2024/25 financial year. The shares vesting to Hemant Patel will vest in May 2025 and the shares vesting to Dominic Paul will vest in 2026. In both cases the awards are subject to a two-year post-vesting holding period.

ANNUAL REPORT ON REMUNERATION CONTINUED

Single total figure of remuneration - Chairman and non-executive directors (audited information)

Director	Base fee		Senior Independent director fee		Fee as Chair of a Board Committee		Fee as a member of a Board Committee		Total	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Adam Crozier	450	433	—	—	—	—	—	—	450	433
David Atkins ¹	21	66	—	—	—	—	4	11	25	77
Kal Atwal	69	66	—	—	—	—	5	5	74	72
Horst Baier	69	66	—	—	—	—	5	5	74	72
Fumbi Chima ¹	21	66	—	—	—	—	2	5	23	72
Frank Fiskers	69	66	—	—	22	21	5	5	96	93
Richard Gillingwater	69	66	17	16	—	—	5	5	91	87
Karen Jones	69	66	—	—	—	—	5	5	74	72
Chris Kennedy	69	66	—	—	22	21	—	—	91	87
Shelley Roberts ¹	69	22	—	—	—	—	5	2	74	24
Cilla Snowball	69	66	—	—	—	—	5	5	74	72

¹ Shelley Roberts joined the Board on 9 November 2023. David Atkins and Fumbi Chima stepped down from the Board on 18 June 2024.

Neither the Chairman nor the non-executive directors are entitled to any additional benefits.

Statement of directors' shareholding and share interests (audited information)

The Committee believes that the shareholding requirements for executives play an important role in the alignment of the interests of executives and shareholders and help to incentivise executives to deliver sustainable long-term performance.

The Chief Executive's shareholding requirement is 300% of salary and the Chief Financial Officer's is 200% of salary. All shares vesting from incentive plans cannot be sold until the shareholding requirement has been met. The Chairman and the non-executive directors are each required to build a holding to the value of 100% of their annual fee over a three-year period.

The table below shows the holdings of directors as at 27 February 2025:

Director	Ordinary shares	Share awards ¹	Value based on input price £'000	Value based on market price £'000	Requirement % of salary/base fee	% of salary based on input price	% of salary based on market price	Share awards not counting towards requirements
CHAIRMAN								
Adam Crozier	13,930	—	455	396	100	101	88	—
EXECUTIVE DIRECTORS								
Dominic Paul	25,051	98,012	2,197	2,189	300	235	234	109,914
Hemant Patel	17,093	30,990	1,031	953	200	187	173	55,298
NON-EXECUTIVE DIRECTORS								
Kal Atwal	2,063	—	60	59	100	88	85	—
Horst Baier	2,456	—	86	70	100	125	101	—
Frank Fiskers	3,865	—	110	110	100	159	160	—
Richard Gillingwater	2,000	—	70	57	100	102	83	—
Karen Jones	2,075	—	67	59	100	97	86	—
Chris Kennedy	3,270	—	98	93	100	142	135	—
Shelley Roberts	417	—	15	12	100	22	17	—
Cilla Snowball	2,258	—	69	64	100	101	93	—

¹ The market price used was the average for the last quarter of the financial year (2,843.24 pence). The number of share awards shown is the full number, but the valuation of those awards has been reduced to reflect deductions to be made at the point of exercise in respect of income tax and National Insurance contributions. The awards counting towards the requirement include deferred shares awarded under the Annual Incentive Scheme and unexercised awards under the Restricted Share Plan and the Recruitment and Retention Scheme, where no further performance conditions apply. All share awards are structured as nil-cost options on vesting. The awards not counting towards requirements are unvested awards under the Restricted Share Plan, where the performance underpins have not yet been tested.

There has been no change to the interests in the tables shown on this page between the end of the financial year and the date of this report.

ANNUAL REPORT ON REMUNERATION CONTINUED

Awards granted in 2024/25

The tables below outline the share awards granted during 2024/25. Awards were granted using the average closing price of a Whitbread share for the five trading days immediately prior to the grant, excluding any days on which dealing in Whitbread shares by management was prohibited.

Deferred share awards under the Annual Incentive Scheme

50% of the total annual incentive earned in respect of performance during 2023/24 was deferred into shares, as detailed below. Deferred share awards are subject to continued employment, but are not subject to further performance conditions.

Director	Date of award	Number of shares	Market price (p)	Total value (£'000)	Vesting date
Dominic Paul	30 April 2024	21,082	3,445.8	726	1 March 2027
Hemant Patel	30 April 2024	12,551	3,445.8	432	1 March 2027

2024 Restricted Share Plan

Director	% of base salary awarded	Date of award	Number of shares granted	Share price used (p)	Face value of award at grant (£'000)	Vesting date
Dominic Paul	125	30 April 2024	32,648	3,445.8	1,125	30 April 2027
Hemant Patel	110	30 April 2024	16,933	3,445.8	583	30 April 2027

The awards made under the Restricted Share Plan are subject to the following two underpins being met, which are assessed over the three-year performance period to the end of 2026/27:

- the Company's average lease-adjusted net debt to EBITDAR ratio being less than 4.5x; and
- the Company's average ROCE for the UK business to be 9% or higher.

Awards vesting will then be subject to a two-year holding period.

Options exercised (audited information)

Director	Scheme	Number of shares	Exercise price	Exercise date	Market price on exercise (p)
Hemant Patel	AIS	1,415	N/A	23 May 2024	2,956.0
	R&R	6,054	N/A	23 May 2024	2,956.0
	RSP	4,158	N/A	23 May 2024	2,956.0

Key

AIS: Awards made under the Annual Incentive Scheme.

RSP: Awards made under the Restricted Share Plan.

R&R: Shares awarded under the Recruitment and Retention Scheme prior to Hemant's appointment as a director.

Whitbread PLC Annual Report and Accounts 2024/25**Payments to past directors (audited information)****Alison Brittain**

As disclosed in the 2022/23 remuneration report, Alison Brittain was treated as a 'good leaver' on her retirement from the Company.

Alison Brittain's 2022 RSP award was eligible for vesting subject to assessment of the performance underpins and time pro-rating. Based on the assessment versus the performance underpins as set out on page 133, the 2022 RSP vested in full for eligible participants. The estimated value of the award that will vest to Alison Brittain is follows:

Award	Number of shares granted	Vesting outcome (% of maximum)	Number of shares vesting (before pro-ratio)	Number of shares vesting (after pro-ratio)	Estimated value at vesting date (£'000)
2022 RSP	39,604	100%	39,604	13,200	375

The share price used to calculate the value at vesting was 2,843.24 pence, which was the average closing price of a Whitbread share in the final quarter of the 2024/25 financial year.

Chief Executive's remuneration

Whitbread is in the hospitality business and has a large workforce of around c34,000 team members who are employed directly by the business, with the majority being in hourly paid customer-facing roles in our hotels and restaurants. We have an aligned set of reward principles for all employees which includes offering competitive pay rates at all levels, reflecting our position as a leading organisation in the hospitality sector. This enables us to attract and retain the right talented people for our winning teams.

For our hourly paid team members, we benchmark against other hospitality companies to ensure we are competitive when comparing pay with similar organisations and we operate an approach to pay which increases pay for skills progression with clear and transparent pay rates for each role that increase as new skills are developed. For our Chief Executive, we benchmark against the FTSE 31-100 (removing any non-comparative industries such as Financial Services, Oil and Gas and Natural Resources, which include significantly higher levels of remuneration) and this allows us to have an appropriate comparison for this role in our sector.

As noted in previous years, the Chief Executive has a high level of variable pay and, therefore, the CEO median pay ratio fluctuates in line with Chief Executive incentive outcomes each year.

For 2024/25, the median pay ratio has increased from 105:1 in 2023/24 to 122:1. The primary driver of this increase is the first vesting of an RSP award, following Dominic Paul commencing employment in January 2023. This increase has been slightly offset by the lower annual incentive outcome in 2024/25, and relatively high average pay increases applied across our hourly paid population, who represent our 25th, median, and 75th percentiles.

All three of the UK employee reference points compare our Chief Executive's remuneration with that of hourly paid team members in customer-facing roles in the operational sites and again there is relatively limited difference in the 25th, median and 75th percentile ratios as shown below. Given this, we believe the median pay ratio is consistent with the reward policies for our UK employees. Whitbread has continued to use Option A to calculate its ratio, as the data required is readily available and this option provides the most accurate comparison as the figures are calculated on a like-for-like basis.

The table below shows how the total pay of the Chief Executive compares with our UK employees at the 25th, median and 75th percentile:

Year	Method	25th percentile ratio	Median pay ratio	75th percentile pay ratio
2024/25	Total pay (FTE):	£24,034	£24,390	£26,371
	Total pay and benefits (FTE):	£24,427	£25,236	£27,068
	Pay ratio (Option A):	126:1	122:1	114:1
2023/24	Pay ratio (Option A):	110:1	105:1	97:1
2022/23	Pay ratio (Option A):	147:1	141:1	131:1
2021/22	Pay ratio (Option A):	110:1	105:1	98:1
2020/21	Pay ratio (Option A):	55:1	53:1	50:1
2019/20	Pay ratio (Option A):	150:1	143:1	134:1

The figures were calculated on 27 February 2025 (the 'snapshot date') and use the single figure methodology (salary, benefits, annual incentive, LTIP and pension) and for the Chief Executive this is taken from the total single figure remuneration for 2024/25 on page 130 of £3.1m.

Annual percentage change in remuneration

We are required to publish the annual percentage change in remuneration (salary or fees, benefits and annual bonus) for each director compared to the annual average percentage change in remuneration for the employees (excluding directors) of the parent company. As Whitbread PLC is not an employing entity, it has no employees and as such this statutory disclosure is not possible. For information purposes, the average remuneration of the Group's employees increased by 11.1% versus the previous year.

Director	2024/25			2023/24			2022/23			2021/22			2020/21		
	% change 2024/25-2023/24			% change 2023/24-2022/23			% change 2022/23-2021/22			% change 2021/22-2020/21			% change 2020/21-2019/20		
	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus	Base salary/fees	Benefits	Annual bonus
EXECUTIVE DIRECTORS															
Dominic Paul	3%	0%	(40%)	0%	0%	1%	—	—	—	—	—	—	—	—	—
Hemant Patel	4%	0%	(42%)	3%	0%	5%	—	—	—	—	—	—	—	—	—
NON-EXECUTIVE DIRECTORS															
Adam Crozier	4%	—	—	3%	—	—	3%	—	—	7%	—	—	(5%)	—	—
David Atkins	4%	—	—	3%	—	—	3%	—	—	6%	—	—	(4%)	—	—
Kal Atwal	4%	—	—	3%	—	—	3%	—	—	—	—	—	—	—	—
Horst Baier	4%	—	—	3%	—	—	3%	—	—	7%	—	—	(6%)	—	—
Fumbi Chima	4%	—	—	3%	—	—	3%	—	—	—	—	—	—	—	—
Frank Fiskers	4%	—	—	3%	—	—	3%	—	—	5%	—	—	15%	—	—
Richard Gilllingwater	4%	—	—	3%	—	—	3%	—	—	5%	—	—	(4%)	—	—
Karen Jones	4%	—	—	3%	—	—	—	—	—	—	—	—	—	—	—
Chris Kennedy	4%	—	—	3%	—	—	3%	—	—	5%	—	—	(4%)	—	—
Shelley Roberts	4%	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cilla Snowball	4%	—	—	3%	—	—	—	—	—	—	—	—	—	—	—

ANNUAL REPORT ON REMUNERATION CONTINUED

Chief Executive's remuneration continued

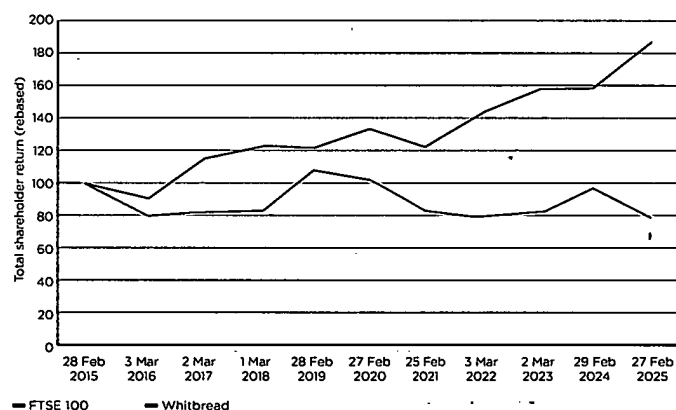
Ten-year history of Chief Executive remuneration

The following table shows the Chief Executive's pay over the last ten years, with details of the percentage of maximum paid out under the Annual Incentive Scheme and the LTIP/RSP vesting percentage for each year.

Year	Chief Executive	Single total figure of remuneration (£'000)	% of maximum annual incentive achieved	% of LTIP/RSP award vesting
2024/25	Dominic Paul	3,074	54.4	100.0
2023/24	Dominic Paul	2,465	95.0	N/A
2022/23	Dominic Paul	2,416	94.4	N/A
	Alison Brittain	3,199	94.4	45.0
2021/22	Alison Brittain	2,164	71.4	N/A
2020/21	Alison Brittain	1,032	0.0	N/A
2019/20	Alison Brittain	2,636	56.7	36.0
2018/19	Alison Brittain	5,588	54.8	0.0
2017/18	Alison Brittain	2,336	64.1	38.3
2016/17	Alison Brittain	2,509	49.8	76.5
2015/16	Alison Brittain	634	38.8	N/A
	Andy Harrison	2,423	38.8	97.2

Total shareholder return (TSR)

The chart looks at the value over ten years of £100 invested in Whitbread PLC on 28 February 2015 compared, on a consistent basis, with that of £100 invested in the FTSE 100 index based on 30 trading day average values. The FTSE 100 has been selected by the Committee as an appropriate comparator group due to Whitbread's position within the index.



Source: Workspace by LSEG.

Relative importance of spend on pay

The table below compares the change in total expenditure on employee pay during the year with the change in dividend payments and share buy-backs.

	2023/24	2024/25	% change
Employee costs	£837.8m	£818.7m	(2.3)%
Dividends and share buy-backs	£755.8m	£442.4m	(41.5)%

Implementation of remuneration policy in 2025/26

Base salary

Dominic Paul and Hemant Patel will each receive a 3% salary increase in May 2025. This is in line with the increases in pay for salaried employees across the organisation. The base salaries of the executive directors with effect from 1 May 2025 will be as follows:

Director	Base salary at 1 May 2025 (£'000)	Base salary at 1 May 2024 (£'000)
Dominic Paul	964	936
Hemant Patel	568	552

Benefits and pension

The benefits received by each executive director will continue to include family private healthcare, a cash allowance in lieu of a company car and cash allowances at 10% of salary in lieu of pension.

Annual Incentive Scheme

The maximum bonus opportunity for Dominic Paul and Hemant Patel will be 170% of base salary. Any incentive payments will be at the discretion of the Remuneration Committee in the event that the health and safety score is red on the WINcard. Keeping our teams and customers safe is not an incentive lever but a core responsibility that earns the right to achieve incentivised rewards.

The Committee has the discretion to amend formulaic outcomes.

The measures and weightings for the 2025/26 annual incentive are, therefore, as follows:

Measure	Weighting
Profit performance	50%
Germany profit	10%
Efficiency	15%
Strategic objectives	20%
ESG measures	5%

Financial measures

The targets of the three financial metrics, which make up 75% of the annual incentive, are considered by the Board to be commercially sensitive and, for that reason, are not disclosed in advance. The Committee intends to disclose the targets retrospectively in the 2025/26 report.

Targets have been set with reference to external consensus and budget.

Strategic objectives

Each executive director also has business objectives aligned with the Group's strategic priorities. They will be eligible to receive up to 20% of the maximum incentive opportunity based on the delivery of these objectives. Some of the objectives have measures with clear threshold, on-target and stretch targets, whereas others will be objectively assessed against a stretch level of performance. All measures are quantifiable and linked to the business plan and future financial performance. For both executives, objectives have been set under the following areas:

- 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.

ESG measures

The 5% allocation to ESG measures will be split between an environmental measure and a social measure.

Cash awards will be made in May 2026, with deferred share awards granted in April or May 2026 and due to vest in 2029, with no further performance conditions applying.

ANNUAL REPORT ON REMUNERATION CONTINUED

Implementation of remuneration policy in 2025/26 continued**Restricted Share Plan**

Awards will be granted at 125% of salary for Dominic Paul and 110% of salary for Hemant Patel. The awards will be subject to two underpins and, subject to these underpins being met, are expected to vest in 2028, after which they will be subject to a two-year holding period.

The underpins are the same as used for last year's award:

- the Company's average lease-adjusted net debt to EBITDAR leverage ratio being less than 4.2x; and
- the Company's average ROCE for the UK business to be 9% or higher.

Chairman's fee

The Chairman will receive a 3% increase in his fee with effect from 1 May 2025, taking his annual fee to £463,690.

Non-executive director fees

The base annual fee for non executive directors will increase on 1 May 2025 by 3% to £70,950. The fees for the chairmanship of the Audit Committee and the Remuneration Committee will increase to £22,740. The fee for the Senior Independent Director will increase to £17,060 and the fees for membership of the Audit and Remuneration Committees will increase to £5,700.

Statement of shareholder voting

The advisory resolution to approve the 2023/24 annual report on remuneration was put to shareholders for approval at the 2024 AGM and the resolution was passed. The resolution to approve the directors' remuneration policy was put to shareholders for approval at the 2022 AGM and that resolution was also passed.

The voting results were as follows:

Resolution	For	Against	Total	Withheld
Annual report on remuneration	118,704,728 (94.9%)	6,352,081 (5.1%)	125,056,809	49,896
Directors' remuneration policy	109,378,984 (85.7%)	118,280,422 (14.3%)	£127,659,406	145,506

Remuneration Committee - responsibilities

- Set the broad Policy for the remuneration of the Chairman and members of the Executive Committee, including the executive directors.
- Within the terms of the agreed Policy, determine the total individual remuneration package (including incentive payments, share awards and other benefits) of the Chairman and each executive director.
- Monitor the structure and level of remuneration of Executive Committee members.
- Approve the design of, and determine the targets for, executive incentive schemes.
- Approve awards to be made to executive directors and other senior executives under incentive schemes.
- Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- Review the alignment of incentives with the Company's wider culture.
- Obtain ideas and concerns from the wider workforce about reward and take into account workforce remuneration across the Company and externally when setting remuneration policy for the executive directors.

In carrying out its duties, the Committee has taken into account the principles outlined in the UK Corporate Governance Code 2018, including provisions 40 and 41. The Committee believes that the Company's remuneration structures are aligned to the Company's culture and values. Furthermore, the Company's remuneration structures are simple and clear, with executive directors receiving base salary, an annual incentive and a long-term incentive under the RSP.

Risk is managed, with both the Annual Incentive Scheme and the RSP being subject to malus and clawback provisions. In addition, any payout under the Annual Incentive Scheme would be at the Committee's discretion if the health and safety score was red on the WINcard and the underpins under the RSP provide protection against any payment for failure.

Outcomes are predictable to the extent that the Company achieves its targets over any given performance period.

A significant proportion of an executive's total reward is linked to performance, with much of the reward achieved being deferred. This helps to align the interests of executives to investors.

Remuneration Committee - advisers

Internal advisers

Clare Thomas	General Counsel and Secretary to the Committee
Rachel Howarth	Chief People Officer
Steve Jones	Reward, Pensions and Insight Director

External advisers

PwC, one of the founding members of the Remuneration Consultants Group Code of Conduct, was appointed remuneration consultant by the Committee with effect from September 2017 following a rigorous tender process and adheres to this code in its dealings with the Committee. Fees paid to PwC in respect of advice received by the Committee amounted to £186,250. These fees were charged on a time and material basis.

The Committee is satisfied that the advice received is independent and objective. The Committee is comfortable that the PwC engagement partner and team that provide remuneration advice to the Committee do not have connections with the Company that may impair their independence or objectivity. PwC also provided Whitbread with internal audit and other consulting advice.

Remuneration Committee agenda - 2024/25

- Approval of Annual Incentive Scheme and targets for 2024/25.
- Approval of awards of cash and deferred shares to executive directors and senior executives under the 2023/24 Annual Incentive Scheme.
- Approval of executive directors' and senior executives' salary review.
- Consideration of shareholder feedback on the underpins for the 2024 RSP award.
- Approval of the 2024 awards made under the RSP.
- Approval of the 2024 remuneration report.
- Confirmation of the vesting percentage for the RSP awards made in 2021 and which vested in 2024.
- Review of the directors' remuneration policy.
- Consideration of the approach to underpins for the 2025 RSP award.
- Review of wider remuneration strategy across the organisation.
- Consideration of the performance of the 2024/25 Annual Incentive Scheme.
- Consideration of the performance against the underpins for the 2022 RSP award.
- Evaluation of Committee effectiveness.
- Review of the terms of reference.
- Consideration of revisions to the UK Corporate Governance Code and the IA letter to Remuneration Committee Chairs.

Premier Inn Kings Cross

Frank Fiskers
Chair, Remuneration Committee
30 April 2025

DIRECTORS' REPORT

Certain information required for disclosure in this report is provided in other appropriate sections of the Annual Report and Accounts. These include the corporate governance and remuneration reports and the Group financial statements and notes to those financial statements, and accordingly these are incorporated into the report by reference.

The directors present their report and accounts for the year ended 27 February 2023.			
Results and dividends			
Group adjusted profit		£483m	
Group profit before tax		£368m	
Interim dividend paid on 6 December 2024	35.4p per share		
Recommended final dividend	60.5p per share		
Total dividend for the year	97.0p per share		

Details on the Group's dividend policy can be found on page 41 in the Chief Financial Officer's review.

Subject to approval at the AGM, the final dividend will be payable on 4 July 2025 to the shareholders on the register at the close of business on 23 May 2025.

The Board

Board of directors

The names of the directors of this report are listed on pages 99 to 102.

David Allison and Fumihiko Chino did not seek re-election at the 2024 AGM and stepped down from the Board at the conclusion of that meeting.

As announced earlier this year, Chris Kennedy will step down from the Board at the conclusion of this year's AGM in June 2025 and will not, therefore, be seeking re-election.

Work to appoint a new independent non-executive director to replace Chris Kennedy is well advanced. The search is being led by the Audit Committee, which is supported by the interim, Horst Baier has agreed to chair the Committee from the date that Chris steps down until such time as a successor is appointed.

Directors' service contracts

The key terms of the executive directors' service contracts, together with the dates of those contracts, can be found in the Directors' Remuneration Report, together with the effective dates of the letters of appointment of the Chairman and the non-executive directors.

The executive directors' service contracts are available for inspection at our head office.

Powers of directors

The business of the Company is managed by the directors who exercise all the powers of the Company, subject to the Company's articles of association, any relevant legislation and any directions given by the Company by passing a special resolution. The directors may exercise all the powers of the Company to borrow money, issue shares, appoint and remove directors and recommend and declare dividends.

Appointment and replacement of directors

Directors shall be no fewer than two and no more than 20 in number. Directors may be appointed by the Company, by ordinary resolution or by the Board of directors. In accordance with the UK Corporate Governance Code 2018, all directors will stand for annual re-election at each AGM.

The Company may, by special resolution, remove any director before the expiration of their term of office.

Directors automatically stop being directors if:

- they give the Company a written notice of resignation (at the date appointed to the position);
- they resign as a director;
- they give the Company a written notice in which they offer to resign and the other directors decide to accept the offer.

- all of the other directors (who must comprise at least three people) pass a resolution or sign a written notice resulting the director to resign;

- they are removed from office by a resolution of the directors or by a special resolution of the directors.

- they have misused directors' meetings (whether or not an alternate director appointed attend those meetings) for a purpose other than the business of the Company, or

- they have been removed from office by the directors or the directors pass a resolution removing the director from office;

- a bankruptcy order is made against them or they make any arrangement or composition with their creditors generally;

- they are prohibited from being a director under any applicable legislation or are removed from office under the Company's articles of association.

Directors' indemnity

A directors' indemnity provision was in force for the benefit of the directors during the financial year. In addition, a qualifying pension scheme indemnity provision was in force for the benefit of Whitehead Pension Trustees during the financial year.

Compensation for loss of office

There are no agreements between the Company and its directors or employees providing for compensation for loss of office or for the payment of sums to directors as a result of a takeover bid.

Directors' share interests

Details regarding the share interests of the directors in the share capital of the Company are set out in the Directors' Remuneration Report on page 135.

Shares

Share capital

Details of the issued share capital can be found in Note 27 to the accounts.

Holders of ordinary shares are entitled to attend and speak at general meetings of the Company, to appoint one or more proxies and, if they are corporations, corporate representatives to attend general meetings and to exercise voting rights. Holders of ordinary shares may receive a dividend and, on a liquidation, may share in the assets of the Company. Holders of ordinary shares are entitled to receive the Company's Annual Report and Accounts. Subject to meeting certain thresholds, holders of ordinary shares may requisition a general meeting of the Company or the proposal of resolutions at AGMs.

Voting rights

On a show of hands at a general meeting of the Company, every holder of ordinary shares present, in person or by proxy, and entitled to vote, has one vote (unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution) and on a poll every member present in person or by proxy and entitled to vote has one vote for every ordinary share held. Voting rights for any ordinary shares held in treasury are suspended.

None of the ordinary shares carry any special rights with regard to control of the Company.

Electronic and paper proxy appointments and voting instructions must be received by the Company's registrars not later than: (i) 48 hours before a meeting or adjourned meeting (excluding non-working days); or (ii) 24 hours before a poll is taken, if the poll is not taken on the same day as the meeting or adjourned meeting.

Unless the directors decide otherwise, a shareholder cannot attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or upon a poll or exercise any other right conferred by membership in relation to general meetings or polls if he or she has not paid all amounts relating to those shares which are due at the time of the meeting.

Where a shareholder with at least a 0.25% interest in a class of shares has been served with a disclosure notice in relation to a particular holding of shares and has failed to provide the Company with information concerning those shares, those shares will no longer give that shareholder any right to vote at a shareholders' meeting.

Restrictions on transfer of shares

There are the following restrictions on the transfer of shares in the Company:

- certain restrictions which may from time to time be imposed by laws and regulations (for example, insider trading laws);
- pursuant to the Company's share dealing code, the directors and senior executives of the Company require approval to deal in the Company's shares;
- where a person with at least a 0.25% interest in a class of shares has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares;
- the subscriber ordinary shares may not be transferred without the prior written consent of the directors;
- the directors can, without giving any reason, refuse to register the transfer of any shares which are not fully paid;
- transfers cannot be in favour of more than four joint holders; and

- the directors can refuse to register the transfer of an uncertificated share in the circumstances set out in the uncertificated securities rules (as defined in the Company's articles of association).

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of shares or on voting rights.

Conversion of B shares and C shares

During the year, the Company exercised its right to convert the B and C preference shares into ordinary shares. There are no longer any B or C preference shares in existence.

Share forfeiture

After completing a programme to re-unite shareholders with lost assets, 150,863 shares were forfeited by 4,161 shareholders in accordance with the Company's articles of association. Those shares were sold, with the net proceeds being returned to the Company.

Major interests

As at the end of the financial year, the Company had received formal notification, under the Disclosure and Transparency Rules, of the following material holdings in its shares (the percentages shown are the percentages at the time of the disclosure and have not been re-calculated based on the issued share capital at the year-end):

	Number of shares	% of issued share capital ¹
BlackRock, Inc. ²	10,999,381	6.22%
MFS Investment Management	9,757,865	4.83%
Longview Partners	9,046,346	4.48%
Aberdeen Asset Management	9,155,869	4.99%
Aviva PLC	5,408,904	3.09%

¹ The percentage of issued share capital is taken from the date of the relevant notification and changes to the voting rights since that date can cause higher numbers of shares to have lower percentages and vice versa.

² Since the end of the financial year, the company has received two disclosures from BlackRock, Inc in accordance with Rule 5 of the Disclosure and Transparency Rules. The latest was received on 29 April 2025 and disclosed that they held 11,121,133 shares and financial instruments representing 6.29% of voting rights.

Purchase of own shares

The Company is authorised to purchase its own shares in the market. Approval to renew this authority will be sought from shareholders at the 2025 AGM. The Company purchased 8.9 million of its own shares during the year and cancelled them. At 27 February 2025, 12.5 million shares were held as treasury shares (29 February 2024: 12.5 million).

Employee share schemes

Whitbread does not have any employee share schemes with shares which have rights with regard to the control of the Company that are not exercisable directly by the employees.

DIRECTORS' REPORT CONTINUED

Mandatory greenhouse gas reporting

In order to comply with the requirements of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we have amended our environmental reporting accordingly.

Scopes 1 & 2

We considered the six main greenhouse gases (GHGs) and report in CO₂e for our Scope 1 (direct) and Scope 2 (indirect) CO₂ emissions. We used the GHG Protocol Corporate Accounting and Reporting Standard methodology to calculate our emissions as well as DEFRA and International Energy Standards GHG Conversion Factors for Company Reporting.

Scope 1 includes emissions from the fuels we use in our hotels, restaurants and offices such as natural gas and liquid petroleum gas (LPG). It also accounts for CO₂e from business-owned vehicles which includes company cars and food logistics vehicles as we own the lease arrangements. CO₂e from company cars are calculated using the manufacturer's stated performance multiplied by an uplift stated in the DEFRA standards methodology paper.

Scope 2 relates to the indirect emissions associated with the generation of the electricity consumed in our sites including district heating.

When defining the scope of our data, we do not report on operations under Joint Venture agreements, or that are fully franchised, where we do not have operational control such as Premier Inn UAE. For reasons of materiality, small, one person, offices in the Far East have been excluded. All other sites throughout the world are included.

Where possible we reported billed or AMR (Automated Meter Reading) data. For those operations which are currently beyond our reporting capabilities, we have used an estimation model based on historic budgeted or billed usage.

In 2024/25, we decarbonised a further 759 hotel rooms installing air-source heat pumps and other electric equipment to reduce our reliance on gas for water and space heating. We continued our track record of energy efficiency across the estate by undertaking projects such as refrigeration optimisation, installing improved controls for HVAC (heating, ventilation, and air conditioning) and utilising voltage optimisation technology. We continued electrification of our kitchens and installed solar PV at new sites where possible.

We improved our understanding of landlord sites that used REGO-backed electricity over the year; this was been taken into account when reporting our Scope 2 emissions. We also improved our tracking of the F-gas data for the Scope 1 reporting.

Scope 3

Whitbread's 2024/25 Scope 3 emissions stand at 407,242 tCO₂e. This is a reduction in emissions of 9% compared to FY23/24, and a reduction of 17% since the 2018/19 baseline.

Following SBTi Forest Land and Agriculture (FLAG) guidance, Whitbread has updated and re-baselined the 2018/19 result to calculate FLAG and non-FLAG emissions. This methodology was followed for 2024/25. Whitbread's total FLAG emissions were 92,932 tCO₂e and reduction of 33% from 2018/19. Total non-FLAG emissions were 314,310 tCO₂e, a reduction of 11% from the 2018/19 baseline.

The key sources of Scope 3 emissions are:

- **Category 1a:** Purchased goods and services (product) contributing 32% of total Scope 3 - this includes embodied emissions of food and packaging procured by Whitbread.
- **Category 1b:** Purchased goods and services (non-product) contributing 23% - this includes embodied emissions of corporate services, non-capital property services and IT.
- **Category 2:** Capital Goods contributing 27% - this includes capitalised construction, repair and maintenance services.

Together, the three categories account for 82% of Whitbread reported emissions (83% in 2018/19).

Category 1a emissions have decreased compared to 2023/24 by 35%. This is largely due to a 20% decrease in volumes procured. Category 1b emissions have increased 25% compared to the previous year. Changes in emission factors also affected results in both categories.

Source of emissions	Scope	Total % Change 2023/24 to 2024/25	2024/25			2023/24			2022/23		
			Total	Rest of the world	UK	Total	Rest of the world	UK	Total	Rest of the world	UK
Gas (TCO ₂ e)	Scope 1	-6.2%	44,005	1,486	42,519	46,921	1,360	45,561	49,328	1,234	48,094
LPG (TCO ₂ e)	Scope 1	-8.3%	2,114	—	2,114	2,306	—	2,306	2,590	—	2,590
F-gas (TCO ₂ e)	Scope 1	-20.0%	5,686	54	5,632	7,104	258	6,845	6,222	—	6,222
Business travel (TCO ₂ e)	Scope 1	-11.2%	6,664	137	6,527	7,504	128	7,376	7,004	129	6,875
Total Scope 1 emissions (TCO ₂ e)	Scope 1	-8.4%	58,469	1,677	56,792	63,835	1,747	62,088	65,143	1,363	63,781
Electricity, district heating and EV Charging (Total Scope 2 location based) (TCO ₂ e)	Scope 2	-8.6%	81,422	13,584	67,838	89,130	12,952	76,179	75,567	9,415	66,152
Electricity, district heating and EV Charging (Total Scope 2 market based) (TCO ₂ e)	Scope 2	-21.2%	5,938	4,180	1,758	7,537	4,924	2,612	8,037	3,433	4,604
Gross emissions (location based)	—	-8.5%	139,890	15,261	124,629	152,965	14,698	138,267	140,711	10,778	129,933
Gross emissions (market based)	—	-9.8%	64,407	5,857	58,550	71,372	6,671	64,700	73,181	4,796	68,385
Floor area (m ²)	—	0.7%	3,133,314	438,297	2,695,017	3,110,054	426,530	2,683,524	2,951,063	301,043	2,650,020
Tonnes carbon per m ² floor area (location based)	—	-9.3%	0.0446	—	—	0.0492	—	—	0.0477	—	—
Tonnes carbon per m ² floor area (market based)	—	-10.2%	0.0206	—	—	0.0229	—	—	0.0248	—	—
Gas (kWh)	—	-6.2%	240,593,338	8,125,335	232,468,003	256,499,715	7,434,531	249,065,184	270,228,239	6,755,772	263,472,467
LPG (kWh)	—	-8.4%	9,176,774	—	9,176,774	10,013,931	—	10,013,931	11,243,545	—	11,243,545
Business travel (kWh)	—	-82.3%	5,065,164	863,992	4,201,172	28,654,168	846,610	27,807,558	28,388,999	614,025	27,774,973
Electricity, district heating and EV charging (kWh)	—	-8.2%	381,429,268	52,928,003	328,501,265	415,317,497	47,243,369	368,074,128	377,347,945	35,040,568	342,307,377
Self-generated electricity via solar PV (kWh)	—	-2.4%	3,848,140	—	3,848,140	3,943,107	—	3,943,107	4,416,103	—	4,416,103
Total (kWh)	—	-10.4%	640,112,684	61,917,330	578,195,354	714,428,418	55,524,510	658,903,908	691,624,831	42,410,366	649,214,466

DIRECTORS' REPORT CONTINUED

Additional disclosures

The table below sets out the location of information required to be disclosed in the directors' report (in accordance with Listing Rule 9.8.4R, and otherwise) which can be found in other sections of this Annual Report and Accounts and is incorporated by reference:

Item	Section
An indication of likely future developments in the business	Strategic report, pages 2 to 89
Financial risk management objectives and policies	Financial statements, Note 24, pages 198 to 200
Research and development	N/A
Existence of branches	N/A
Post-balance sheet events	Financial statements, Note 34, page 217
Stakeholder and employee engagement	Stakeholder engagement, pages 44 to 49
Conflicts of interest	Corporate governance report, pages 90 to 141
Statement of capitalised interest	Financial statements, Note 8 page 182
Long-term incentive schemes	Remuneration report, pages 114 to 141

Details on Whitbread's compliance with Disclosure Guidance and Transparency Rules 7.2 can be found on this page.

Additional information

Stakeholder engagement

Information on how the directors engage with Whitbread's different stakeholders, including shareholders, employees and customers, and on how directors have regard to stakeholders' interests and the need to foster stakeholder relationships when making decisions, can be found in the stakeholder engagement section on pages 44 to 49.

Employment policies

Whitbread has a range of employment policies covering such issues as diversity, employee wellbeing and equal opportunities.

Read more on our website
www.whitbread.co.uk

Environmental policies

Whitbread businesses depend upon the environment to operate hotels and restaurants through the energy we use and the services and products we provide to our customers. Our main environmental impacts are from the use of natural resources, water consumption and generation of residual waste and GHG emissions associated with energy and fuel use.

Whitbread's strategic drive is provided by the corporate responsibility Force for Good programme which includes energy, water and waste reduction activities. We are committed to minimising our impact on the environment, preventing pollution and promoting good environmental practices.

Further details can be found on pages 58 to 61

Employee involvement

The importance of good relations with our teams is fundamental to our culture and the success of our business. Across the UK and Germany, and across our sites and Support Centres, we regularly ask all our employees for their views, through regular pulse surveys. Every employee has an opportunity to participate in these surveys, and action plans are created by site/business area.

Our Employee Forum, which we call Our Voice, is made up of formally elected representatives from across our hotels, restaurants and Support Centres. Our Voice is designed to connect our senior leaders with our front-line teams for two-way conversations about the business, ensuring employee views are properly represented. More detail can be found on pages 52.

Our employees are actively encouraged to take part in our Sharesave scheme, which is available to all employees and offers an option price discounted by 20%.

Regular internal communications are made to all employees to ensure that they are kept well informed about the performance of Whitbread, and of financial and economic factors that may affect the Company's performance.

Amendment of the Company's articles of association

Any amendments to the articles of association of the Company may be made in accordance with the provisions of the Companies Act 2006 by way of special resolution.

Contractual arrangements

The Group has contractual arrangements with numerous third parties in support of its business activities, none of which are considered individually to be essential to its business and, accordingly, it has not been considered necessary for an understanding of the development, performance or position of the Group's business to disclose information about any of those third parties.

Post-balance sheet events

Information on post-balance sheet events is provided in Note 34 to the accounts.

Political donations

The Company has not made any political donations during the year and intends to continue its policy of not doing so for the foreseeable future.

Auditor

Deloitte has expressed its willingness to continue in office as auditor of the Company and a resolution proposing its reappointment will be put to shareholders at the 2025 AGM. After proper consideration, the Audit Committee is satisfied that Deloitte continues to be objective and independent of the Company. In coming to this conclusion, the Audit Committee gave full consideration to any non-audit work carried out by Deloitte and has concluded that certain services will not be carried out by Deloitte, as outlined in the Committee's terms of reference.

Disclosure of information to auditor

The directors have taken all reasonable steps to make themselves aware of relevant audit information and to ensure that the auditor is aware of that information. The directors are not aware of any relevant audit information which has not been disclosed to the auditor.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report on pages 2 to 89. The financial position of the Company, its cash flows, net debt and borrowing facilities and the maturity of those facilities are set out in the Chief Financial Officer's review on pages 40 to 43.

In addition, there are further details in the financial statements on the Group's financial risk management, objectives and policies (Note 24) and on financial instruments (Note 25).

The directors have outlined the assessment approach for going concern in the accounting policy disclosure in Note 2 of the consolidated financial statements. Following that review, the directors have concluded that the going concern basis remains appropriate.

The viability statement can be found on page 70

Annual general meeting

The AGM will be held at 2.30pm on 19 June 2025 at Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable LU5 5XE. The Notice of Meeting is enclosed with this report for shareholders receiving hard copy documents and is available at www.whitbread.co.uk for those who have elected to receive documents electronically.

Approved by the Board on 30 April 2025 and signed.



Clare Thomas
General Counsel and Company Secretary

Registered office:
Whitbread Court
Houghton Hall Business Park
Porz Avenue
Dunstable
Bedfordshire LU5 5XE

Registered company number: 4120344

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The directors have chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

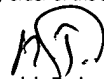
Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of directors on 30 April 2025 and is signed on its behalf by:

By order of the Board


Dominic Paul
Chief Executive


Hemant Patel
Chief Financial Officer

INDEPENDENT LIMITED ASSURANCE REPORT

to the Directors of Whitbread PLC

The Directors of Whitbread PLC (the 'Entity') engaged us to provide limited assurance on the Subject Matter Information defined below.

Our assurance conclusion does not extend to information in respect of earlier periods, or to any other information included in, or linked from, the Report.

Our limited assurance conclusion

Based on the work we have performed, as outlined in the 'Summary of work performed' section of our report, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information, as defined below, has not been prepared, in all material respects, in accordance with the Applicable Criteria, as defined below.

This conclusion is to be read in the context of what we say in the remainder of our report, in particular the 'inherent limitations' and 'use and distribution of our report' explained below.

Subject Matter Information

The Subject Matter Information comprises the Force for Good metrics for the financial year ending 27 February 2025 in the Annual Report and the ESG report (the 'Report'). The Force for Good metrics in scope of our assurance are detailed in Appendix A.

The scope of our work was limited to the provision of limited assurance over the Subject Matter Information.

Applicable Criteria

The criteria used to measure or evaluate the underlying subject matter ('Underlying Subject Matter') are in the 2025 Basis of Preparation. The Subject Matter Information needs to be read and understood together with the Applicable Criteria, which the Entity is solely responsible for selecting and applying.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable evaluation and measurement techniques and can affect comparability between entities and over time. The precision of different measurement techniques may also vary.

Non-financial information is subject to more inherent limitation than financial information, given the characteristics of the Underlying Subject Matter and the methods used for determining such information.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Directors' responsibilities

The Directors of Whitbread are responsible for:

- Designing, implementing and maintaining internal controls to enable the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- Selecting and/or establishing suitable Applicable Criteria for preparing the Subject Matter Information;

- Preparing, measuring and presenting the Subject Matter Information in accordance with the Applicable Criteria;
- Referring to or describing in the Subject Matter Information the Applicable Criteria used and, when it is not readily apparent from the engagement circumstances, the person(s) responsible for developing the Applicable Criteria; and
- The content and preparation of the Subject Matter Information, including adjustments to the comparative year greenhouse gas emissions footprint, and the associated intensity metric and reduction percentage, as compared to the FY16/17 base year.

Our responsibilities

Our responsibility is to independently express a limited assurance conclusion on the Subject Matter Information based on the procedures we have performed and the evidence we have obtained.

We are also responsible for:

- Planning and performing the engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the Applicable Criteria;
- Assessing the suitability of the Applicable Criteria and whether they exhibit the characteristics of relevance, completeness, reliability, neutrality and understandability;
- Forming an independent conclusion, based on the work we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Whitbread.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board (IAASB) and, in respect of the Greenhouse Gas Statement, in accordance with International Standard on Assurance Engagements (ISAE) 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the IAASB (ISAE 3410). These standards require that we plan and perform our engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe the Subject Matter Information has not been prepared, in all material respects, in accordance with the Applicable Criteria.

A limited assurance engagement undertaken in accordance with ISAE 3410 involves assessing the suitability in the circumstances of the Entity's use of the Applicable Criteria as the basis for the preparation of the Greenhouse Gas Statement, assessing the risks of material misstatement of the Greenhouse Gas Statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Greenhouse Gas Statement.

INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED

to the Directors of Whitbread PLC

Professional standards applied and level of assurance continued

A 'limited assurance' engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion about whether the Subject Matter Information has been prepared, in all material respects, in accordance with the Applicable Criteria.

Our independence and quality control

We have complied with the independence and other ethical requirements of the ethical pronouncements in the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics which are founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour that are at least as demanding as the applicable provisions of the IESBA International Code of Ethics for Professional Accountants.

RSM UK Risk Assurance Services LLP applies the International Standard on Quality Management (UK) 1 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements' (ISQM (UK) 1), which requires RSM UK Risk Assurance Services LLP to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

The work we perform depends on our professional judgement and included enquiries, observation of processes performed, inspection of documents, analytical procedures, recalculation, reperformance and confirmations.

We are required to obtain an understanding of the Underlying Subject Matter, the Entity, its environment and the internal controls relevant to the Underlying Subject Matter, sufficient to identify the risk of material misstatement of the Subject Matter Information and to design and perform procedures to address the assessed risks of material misstatement in order to obtain sufficient appropriate evidence to support our limited assurance conclusion.

In doing so, we:

- Made enquiries of Whitbread's management about the control environment, information systems and results of Whitbread's risk assessment process;
- Considered the suitability for the engagement circumstances of Whitbread's use of the Applicable Criteria as the basis for preparing the Subject Matter Information;

- Assessed the appropriateness of the Subject Matter which is measured or evaluated against the Applicable Criteria;
- Performed limited substantive testing on a selective basis of the Underlying Subject Matter to check that the information had been appropriately measured, recorded, collated and reported, including:

- Agreed or reconciled the Subject Matter to underlying records;
- Reviewed the data collection and consolidation processes used to compile the Subject Matter, including the data scope and reporting boundaries;
- Agreed a selection of the Subject Matter to corresponding source documents, including third-party data;
- Reperformed calculation of the Subject Matter;
- Vouched emission factors used to independent external sources;
- Performed analytical procedures by comparing year-on-year movements and making enquiries of management to obtain explanations for significant differences from our developed expectations; and
- Evaluated whether the Subject Matter Information adequately refers to the Applicable Criteria; and
- Considered the disclosure and presentation of the Subject Matter Information.

Other information

The other information comprises the information included in the Report, other than the Subject Matter Information and our limited assurance report thereon. The Directors are responsible for the other information contained within the Report. Our limited assurance conclusion does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information to identify material inconsistencies, if any, with the Subject Matter Information or our limited assurance report. If, on reading the other information, we identify such material inconsistencies or become aware of a material misstatement of fact in that other information that is unrelated to matters appearing in the Subject Matter Information or our limited assurance report, we discuss the matter with the Directors and take further action as appropriate.

Use and distribution of our report

This report, including our conclusion, has been prepared solely for the confidential use of the Directors of Whitbread in accordance with our engagement letter dated 7 August 2024 and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors of Whitbread as a body and Whitbread for our work, for this limited assurance report or for the conclusions we have formed.

This report is released to the Directors on the basis that it shall not be copied, referred to, disclosed (in whole or in part) used, distributed or made available (in whole or in part) to any other party (save as otherwise permitted by agreed written terms), without our express prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Directors of Whitbread as a body and Whitbread PLC, we acknowledge that the Directors may choose to make this report publicly available. Any other party that chooses to rely on this report (or any part of it) will do so at their own risk and RSM UK Risk Assurance Services LLP neither owes nor accepts any responsibility or duty to those parties, and shall not be liable for any loss, damage or expense of whatever nature caused by their reliance on this report for any purpose or in any context.

Signed

RSM UK Risk Assurance Services LLP
25 Farringdon Street,
London EC4A 4AB
30 April 2025

Appendix A: Subject Matter Information

The Subject Matter Information subject to limited assurance procedures is set out below. The Subject Matter Information is the reported results for selected Force for Good performance measures for the 2024/25 reporting period. Whitbread's Basis of Preparation 2024/25 lists out the Force for Good performance measures and reported results, as well as the Reporting Criteria used to prepare and report on the Subject Matter Information.

Pillar	Force for Good performance measures provided for testing	2024/25 reported performance measure per FFG report (Subject Matter Information)
Opportunity	In our leadership population*: 39.5% of female representation 9.3% of ethnic minority representation * Leadership population is defined by all roles at grades C20+ that are UK based.	In our leadership population*: 39.5% of female representation 9.3% of ethnic minority representation * Leadership population is defined by all roles at grades C20+ that are UK based.
	In our workforce population: % of female representation: Female 63.9% Male 36.1% % of ethnic minority representation: Asian/Asian British 9.6% Black/African 4.5% Other ethnicity 4.9% White 70.3%	In our workforce population: % of female representation: Female 63.9% Male 36.1% % of ethnic minority representation: Asian/Asian British 9.6% Black/African 4.5% Other ethnicity 4.9% White 70.3%
	% of positive responses to the question from our internal survey - 'Would you recommend Whitbread as a place to work?' UK Operations and Support Centre: 72%	% of positive responses to the question from our internal survey - 'Would you recommend Whitbread as a place to work?' UK Operations and Support Centre: 72%
	Community 21.2% salt reduction based on 2017 baseline 24.7% sugar reduction based on 2021 baseline 3.1% calorie reduction based on 2017 baseline	Community 21.2% salt reduction based on 2017 baseline 24.7% sugar reduction based on 2021 baseline 3.1% calorie reduction based on 2017 baseline

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INDEPENDENT LIMITED ASSURANCE REPORT CONTINUED
to the Directors of Whitbread PLC

Appendix A: Subject Matter Information continued

Pillar	2024/25 reported performance measure per FFG report (Subject Matter Information)	
	2024/25 reported performance measure per FFG report (Subject Matter Information)	2024/25 reported performance measure per FFG report (Subject Matter Information)
Responsibility	Factor for Good performance measure provided for testing	Factor for Good performance measure provided for testing
	100% of whole shell eggs sourced from cage-free hens	100% of whole shell eggs sourced from cage-free hens
85.4% of eggs used as ingredients sourced from cage-free hens*	85.4% of eggs used as ingredients sourced from cage-free hens*	85.4% of eggs used as ingredients sourced from cage-free hens*
	85.4% of eggs used as ingredients sourced from cage-free hens*	85.4% of eggs used as ingredients sourced from cage-free hens*
100% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin	100% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin	100% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin
	100% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin	100% of our raw beef range in the UK is produced to a recognised farm assurance scheme in its country of origin
31.3% food waste reduction based on 2018/19 baseline year data**	31.3% food waste reduction based on 2018/19 baseline year data**	31.3% food waste reduction based on 2018/19 baseline year data**
	31.3% food waste reduction based on 2018/19 baseline year data**	31.3% food waste reduction based on 2018/19 baseline year data**
14.2% reduction in water use per sleeper since 2019/20	14.2% reduction in water use per sleeper since 2019/20	14.2% reduction in water use per sleeper since 2019/20
	14.2% reduction in water use per sleeper since 2019/20	14.2% reduction in water use per sleeper since 2019/20

The Basis of Preparation for the above Subject Matter Information is held on the Whitbread PLC website within the Sustainability Reports and Policies sub-section of the Environmental and Social section.

Report on the audit of the financial statements

1. Opinion

- In our opinion:
- the financial statements of Whitbread PLC (the parent company) and its subsidiaries (the Group) give a true and fair view of the state of the Group's and of the parent company's affairs as at 27 February 2025 and of the Group's profit for the year then ended;
 - the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
 - the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
 - the consolidated financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
 - the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company balance sheets;
- the consolidated cash flow statement;
- the notes to the consolidated financial statements 1 to 35; and
- the notes to the parent company financial statements 1 to 9.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and the International Standards on Auditing (UK) which are part of the audit framework in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year ended 27 February 2025 have not affected the independence of the auditor in providing any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters

The key audit matter that we identified in the current year was: impairment and impairment reversals of property, plant and equipment and right-of-use assets

Within this report, key audit matters are identified as follows:

- Newly identified
- Increased level of risk
- Similar level of risk

Decreased level of risk

Materiality

The materiality that we used for the Group financial statements was £25.0 million (2024: £28.0 million) which represents 4.8% of profit before tax including gains or losses on property disposals, but excluding other adjusting items as defined in Note 6. Our materiality represents 6.8% of statutory profit before tax.

Scoping

We have designed our audit to cover all of the Group's trading entities in the UK & Ireland and Group head office, with specified audit procedures performed on one or more classes of transactions, account balances or disclosures for the Germany business. These locations account for 91% of the Group's revenues and 99.6% of total assets.

There were no significant changes in our overall approach in the current year compared to the previous year in relation to impairment and impairment reversals of property, plant and equipment and right-of-use assets.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Whitbread PLC

Report on the audit of the financial statements continued

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included;

- Obtained an understanding of the processes and controls underpinning directors forecasting of financial performance and cash flow;
- Obtained confirmation of the financing facilities including nature of facilities, repayment terms and covenants;
- Obtained an understanding of how the directors identify, monitor and manage principal risks facing the business;
- Assessed the reasonableness of the assumptions used in the business plan, including performing a retrospective review of previous assumptions and considering the impact of the macroeconomic environment;
- Considered the amount of headroom in the business plans with regards to liquidity and covenants;
- Assessed the sensitivity of the headroom in the five-year plan; and
- Assessed the appropriateness of the Group's disclosure concerning the going concern basis of preparation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Impairment and impairment reversals of property, plant and equipment and right-of-use assets

Key audit matter description	As described in Note 14 (Impairment), Note 13 (Property, plant and equipment), and Note 22 (Lease arrangements), the Group held £4,677.4 million (2024: £4,627.9 million) of property, plant and equipment and £3,662.7 million (2024: £3,597.0 million) of right-of-use assets at 27 February 2025. <i>Overall</i> Under IAS 36 Impairment of Assets ("IAS 36"), the Group is required to complete an impairment review of its site portfolio where there are indicators of impairment. The net impairment charge for the year of £76.5 million is comprised of £22.5 million charge on sites in Germany and £54.0 million charge on UK sites, of which £43.5 million relates to sites impacted by the Accelerating Growth Plan ("AGP"), and has been recognised through the consolidated income statement, within Adjusting items (Note 6). Estimation and judgement is required in determining the recoverable amount of the Group's portfolio of sites. There is a risk that the carrying value of sites, including the property, plant and equipment and right-of-use assets, may be higher than the recoverable amount, which would indicate an impairment is required. There is also a risk that the recoverable value of previously impaired sites is higher than the carrying value, which would indicate an impairment reversal is required. Where an impairment review is performed, the recoverable amount is determined based on the higher of value-in-use or fair value less costs of disposal, which is determined through the use of either a discounted cash flow method using a market based discount rate or an industry valuation methodology.
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Report on the audit of the financial statements continued**5. Key audit matters continued****5.1. Impairment and impairment reversals of property, plant and equipment and right-of-use assets continued** <>

Key audit matter description continued	<i>Sites impacted by the AGP</i> In the current year, as part of the AGP, a number of food and beverage sites will be disposed of through agreed transactions or future sales, with further sites being converted into new hotel rooms as part of the extension programme. The impact of these strategy changes has led to an increase in the judgement and complexity in the impairment assessment relating to these impacted sites. The Group has recognised a total impairment charge of £51.0 million and impairment reversal of £7.5 million relating to sites impacted by the AGP. With regards to the sites covered by the extension programme, judgement and estimation is required to assess whether sites whose financial performance has been impacted by the AGP should be impaired, as well as in determining the point at which the Group is committed to the change in use and should therefore, reassess the remaining useful economic life of relevant property, plant and equipment in accordance with IAS 16 Property, plant and equipment ("IAS 16"). For sites which are planned for disposal as part of the AGP, the Group has determined that a portion of these sites meet the classification criteria as held for sale per IFRS 5 Non-current Assets Held for Sale and Discontinued Operations ("IFRS 5"). When sites are held for sale, they must be held at the lower of carrying amount and fair value less costs to sell, with any impairment or impairment reversal recognised. The fair value has been determined based on current prices in an active market for similar properties.
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Estimates and judgements

Estimates and judgement is required in assessing the appropriate treatment under IAS 36, IFRS 5 and IFRS 13 Fair Value Measurement ("IFRS 13"), which are set out below:

- Determining the cash-generating units ("CGUs") that show indicators of impairment or impairment reversal. A CGU is determined to be each individual trading outlet;
- Calculation of the appropriate discount and long-term growth rates;
- Estimates of future trading earnings and cash flow projections, including the impact of the AGP;
- Assessing whether sites to be disposed of as part of AGP meet the criteria of held for sale as per IFRS 5;
- Estimating the fair value of property assets to be disposed of;
- Assessing the future growth profile of sites which have not yet reached maturity;
- Considering the appropriateness of the valuation methodology, as well as inputs to these; and
- Estimating a reasonable possible change in assumptions for the purpose of sensitivity analysis.

The Group's accounting policy on impairment, the critical judgements and key sources of estimation uncertainty in relation to impairment testing are disclosed in the financial statements. In addition, Impairment testing - property, plant and equipment and right-of-use assets is also a significant matter considered by the Audit Committee, as discussed on page 109.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Whitbread PLC

Report on the audit of the financial statements continued

5. Key audit matters continued

5.1. Impairment and impairment reversals of property, plant and equipment and right-of-use assets continued

How the scope of our audit responded to the key audit matter	We performed the following audit procedures in response to the identified key audit matter: • Obtained an understanding of the relevant controls relating to the impairment review process and determination of cash flow forecasts; • Challenged the valuation methodologies adopted to identify impairment indicators, including the consistency of these with the requirements of IAS 36, IFRS 5 and IFRS 13; • Tested the mechanical accuracy of the impairment models, with input from our analytics and modelling specialists; • Assessed the completeness of CGUs displaying impairment indicators or impairment reversal indicators by challenging a sample of CGUs for which no indicators had been identified; • Assessed the appropriateness of the discount rates applied in conjunction with our internal valuation specialists and compared the rates applied with our internal benchmarking data; • Performed testing on a sample of sites where impairment had been recognised, sites where impairment indicators had been identified, but no impairment recognised, and sites which indicated an impairment reversal was required; we challenged the individual circumstances of these sites and whether the rationale for conclusion was appropriate. In order to perform this assessment, we considered the trading history of each site, understood its current performance with reference to market data and challenged the appropriateness of site-wide forecasts being applied, where appropriate; • Assessed the sensitivity analysis performed by management; and • Assessed the completeness and accuracy of disclosures within the financial statements with reference to relevant IFRS requirements. In addition to the above, we have performed the following procedures in response to sites impacted by the AGP: • Performed inquiries with key management personnel to understand the latest status of the programme; • Assessed the appropriateness of the impairment assessment of extension sites through comparison to board approved plans; this was done with reference to historical forecasting accuracy and external market data such as industry forecasts;
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- Assessed the judgement reached as to when the Group is committed to the change in use and must reassess the remaining useful economic life of relevant property, plant and equipment in accordance with IAS 16;
- Assessed whether the criteria of IFRS 5 are met for sites which are held for sale; and
- Assessed the appropriateness of the fair value of property assets to be disposed of in conjunction with our internal real estate specialists and compared valuations to external comparable transactions or offers received.

Key observations Based on the audit procedures performed, we are satisfied that the impairment and impairment reversals recognised in the year are appropriate. We consider the disclosures, including the sensitivities in Note 14, to be appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

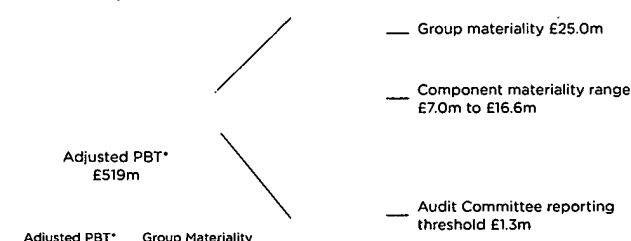
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£25.0 million (2024: £28.0 million)	£21.2 million (2024: £23.8 million)
Basis for determining materiality	We have determined materiality to be £25.0 million based on 4.8% (2024: 5.0%) of profit before tax, before adjusting items normalised for gains on property disposals, which represents 6.8% (2024: 6.2%) of statutory profit before tax.	Materiality was determined on the basis of the parent company's net assets. This was then capped at 85% of Group materiality. In the prior year, this was also capped at 85% of Group materiality.
Rationale for the benchmark applied	In determining the benchmark for the current year, we have considered the focus of the users of the financial statements on the Group's trading performance and determined that profit before tax including gains or losses on property disposals, but excluding other adjusting items is the most appropriate benchmark, consistent with our approach in the prior year.	The entity is non-trading and contains investments in all the Group's trading components and as a result, in line with prior year, we have determined materiality using net assets as our benchmark for the current year.

Report on the audit of the financial statements continued

6. Our application of materiality continued

6.1. Materiality continued



* Profit before tax including gains or losses on property disposals, but excluding other adjusted items.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2024: 70%) of Group materiality	70% (2024: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: • Our understanding of the entity and its environment, including our assessment of the Group's overall control environment; • Our cumulative knowledge of the Group, including the nature, quantum and volume of corrected and uncorrected misstatements in prior periods; and • Our understanding of accounting issues that require significant judgement.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £1.3 million (2024: £1.4 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls and assessing the risks of material misstatement at the Group level. The Group has three (2024: three) reporting units and the financial statements reflect a consolidation of entities covering centralised functions, operating units, and non-trading legal entities. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

Our scoping consisted of performing a risk-based approach considering both quantitative and qualitative factors to obtain sufficient appropriate audit evidence to address the risk of material misstatement over the Group financial statements. Based on our assessment, we have focused our audit on the UK & Ireland business, which was subject to an audit of its entire financial information, and performed audit procedures on one or more classes of transactions, account balances or disclosures for the German business. The Group audit team performed this work with the assistance of component auditors in Germany. The scope of our audit procedures covered 91.1% of the Group's revenues and 99.6% of total assets within the Group. For the UK & Ireland business, component performance materiality was assessed at £16.6 million and for Germany this was assessed at £7.0 million.

At the Group level, we also tested the consolidation process and have performed analytical review procedures on other wholly owned and joint venture businesses.

Revenue		Total assets	
Review at group level	9%	Review at group level	<1%
Full audit scope	91%	Full audit scope	>99%

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Whitbread PLC

Report on the audit of the financial statements continued**7. An overview of the scope of our audit continued****7.2. Our consideration of the control environment**

The Whitbread IT landscape contains a number of IT systems, applications and tools used to support business processes and for reporting. In line with our scoping of components (refer to section 7.1) our work in relation to IT controls focused on the UK component. We performed an independent risk assessment of the systems, applications and tools to determine those which are of greatest relevance to the Group's financial reporting, including those that contain system configured automated controls that host financially relevant data and associated reports. In addition, we tested the relevant manual business controls alongside the automated controls.

With involvement from our IT specialists, we performed testing of General IT Controls ("GITCs") of these systems, typically covering controls over user access management, change management and interfaces with other systems relating to in scope IT systems (including Oracle Fusion) as well as controls over key reports generated from the IT systems and their supporting infrastructure (database and operating system). We also performed certain procedures over the hotel management system implemented last year.

In order to evaluate IT controls, we performed walkthrough procedures of relevant controls in key business cycles, including revenue, property, plant and equipment, right-of-use assets, lease liabilities and expenditure (processed through Oracle Fusion) to understand whether the purpose of the control was effectively designed to address the IT related risk. We then performed testing of the relevant controls across the audit period, to determine whether the control had been consistently applied as designed.

Our procedures enabled us to place reliance on IT controls, as planned, in the audit approach across a number of business cycles, where audit quality and effectiveness are enhanced by doing so. Based on the testing performed, we adopted a controls reliance approach over the processes supporting revenue, expenditure (processed through Oracle Fusion), right-of-use assets, lease liabilities, and additions to property, plant and equipment.

The Board's discussion of the internal controls and risk management framework is set out on page 97.

7.3. Our consideration of climate-related risks

As described on pages 72 to 82, the Group has assessed the risks and opportunities associated with various future climate-related scenarios. The Group's full Task Force on Climate-Related financial disclosures report outlines the process they have taken to identify the principal climate-related issues which have affected and will potentially affect the business. We have considered the Group's assessment of the impact of these risks and the opportunities on the financial statements and their conclusion that there is no material impact on the financial performance and position of the Group (as described in Note 2 to the financial statements).

As part of our risk assessment procedures, we have performed the following:

- Obtained an understanding of the Group's process and controls in considering the impact of climate risks;
- Performed enquiries of management and those charged with governance to understand the impact of climate-related risks;
- Assessed whether the risks identified by the entity are complete and consistent with our understanding of the entity;
- Performed a review of the climate change risk assessment and related documentation prepared by management including the basis for the quantification of risks and opportunities, and read the Task Force on Climate-related financial disclosures report on page 73 to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit; and
- Evaluated whether appropriate disclosures have been made in relation to climate-related risks in the financial statements.

7.4. Working with other auditors

The Group audit team is responsible for the scope and direction of the audit process and provides direct oversight, review and coordination of our component audit team. During the current year we engaged component auditors from the Deloitte member firm in Germany to perform specific procedures on the German entities. This approach allowed us to engage local auditors who have appropriate knowledge of local regulations to perform this audit work. We issued detailed instructions to the component auditor and directed, supervised, and reviewed their work.

We interacted regularly with the component team during each stage of the audit and reviewed key working papers. We maintained continuous and open dialogue with our component teams in addition to holding formal meetings so that we were fully aware of their progress and results of their procedures.

8. Other information

The other information comprises the information included in the annual report, strategic report on pages 2 to 89 and the governance reports on pages 90 to 152, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

Report on the audit of the financial statements continued

8. Other information continued

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- Results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team including the component audit team in Germany, and relevant internal specialists, including tax, valuations, pensions, IT, real estate, and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: impairment and impairment reversals of property, plant and equipment and right-of-use assets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, UK corporate governance legislation, tax legislation, and health and safety legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of Whitbread PLC

Report on the audit of the financial statements continued**11. Extent to which the audit was considered capable of detecting irregularities, including fraud continued****11.2. Audit response to risks identified**

As a result of performing the above, we identified impairment and impairment reversals of property, plant and equipment and right-of-use assets as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the Audit Committee and General Counsel concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements**12. Opinions on other matters prescribed by the Companies Act 2006**

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 147;
- The directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 70;
- The directors' statement on fair, balanced and understandable set out on page 109;
- The board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 62;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 110; and
- The section describing the work of the Audit Committee set out on page 108.

14. Matters on which we are required to report by exception**14.1. Adequacy of explanations received and accounting records**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Report on other legal and regulatory requirements continued**15. Other matters which we are required to address****15.1. Auditor tenure**

Following the recommendation of the Audit Committee, we were appointed by members on 21 June 2015 to audit the financial statements for the year ending 3 March 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 10 years covering the years ending 3 March 2016 to 27 February 2025.

15.2. Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Kate J Houldsworth FCA
(Senior statutory auditor)
 For and on behalf of Deloitte LLP
 Statutory Auditor
 London, UK
 30 April 2025

CONSOLIDATED INCOME STATEMENT

Year ended 27 February 2025

	Notes	52 weeks to 27 February 2025			52 weeks to 29 February 2024		
		Before adjusting items £m	Adjusting Items (Note 6) £m	Total £m	Before adjusting items £m	Adjusting items (Note 6) £m	Total £m
Continuing operations							
Revenue	3	2,921.9	—	2,921.9	2,959.9	—	2,959.9
Other income	4	6.5	0.9	7.4	6.7	6.9	13.6
Operating costs	5	(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	16	4.7	—	4.7	4.1	8.9	13.0
Operating profit	3	629.6	(115.6)	514.0	674.2	(109.4)	564.8
Finance costs	8	(188.5)	—	(188.5)	(179.3)	—	(179.3)
Finance income	8	42.3	—	42.3	66.2	—	66.2
Profit before tax	3	483.4	(115.6)	367.8	561.1	(109.4)	451.7
Tax expense	9	(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 10)

	52 weeks to 27 February 2025			52 weeks to 29 February 2024		
	pence	pence	pence	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

Year ended 27 February 2025

	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	32	(51.7)	(188.2)
Current tax on defined benefit pension scheme	9	(1.8)	(10.0)
Deferred tax on defined benefit pension scheme	9	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	25	5.7	(14.6)
Reclassified and reported in the consolidated income statement	25	8.8	—
Deferred tax on cash flow hedges	9	(3.6)	4.3
Net gain on hedge of a net investment	25	16.1	10.4
Current tax on hedge of a net investment	9	(2.1)	(1.2)
Cost of hedging	25	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	9	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

Year ended 27 February 2025

	Share capital (Note 27) £m	Share premium (Note 28) £m	Capital redemption reserve (Note 28) £m	Retained earnings (Note 28) £m	Currency translation reserve (Note 28) £m	Other reserves (Note 28) £m	Total equity £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	—	—	—	(164.7)	—	—	(164.7)
Share buy-back, commitment and cancellation	(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 (Note 27)	0.1	7.0	—	—	—	—	7.1
Loss on ESOT shares issued	—	—	—	(8.1)	—	8.1	—
Accrued share-based payments (Note 31)	—	—	—	16.8	—	—	16.8
Tax on share-based payments	—	—	—	(0.8)	—	—	(0.8)
Equity dividends paid	—	—	—	(178.1)	—	—	(178.1)
Share buy-back, commitment and cancellation	(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

At 27 February 2025

	Notes	27 February 2025 £m	29 February 2024 £m
Assets			
Intangible assets	12	174.3	185.0
Right-of-use assets	22	3,662.7	3,597.0
Property, plant and equipment	13	4,677.4	4,627.9
Investment in joint ventures	16	54.4	50.8
Derivative financial instruments	25	—	3.8
Defined benefit pension surplus	32	134.6	165.2
Total non-current assets		8,703.4	8,629.7
Inventories	17	17.1	21.2
Derivative financial instruments	25	19.9	—
Trade and other receivables	18	127.1	119.3
Cash and cash equivalents	19	909.0	696.7
Total current assets		1,073.1	837.2
Assets classified as held for sale	15	128.2	54.4
Total assets		9,904.7	9,521.3
Liabilities			
Borrowings	20	450.0	—
Lease liabilities	22	167.0	155.6
Provisions	23	27.6	10.3
Derivative financial instruments	25	1.4	11.5
Current tax liabilities		12.2	10.2
Trade and other payables	26	660.8	670.5
Other financial liabilities	25	—	12.3
Total current liabilities		1,319.0	870.4
Borrowings	20	942.4	994.9
Lease liabilities	22	4,066.8	3,942.8
Provisions	23	7.2	8.3
Derivative financial instruments	25	—	4.4
Deferred tax liabilities	9	234.8	181.1
Total non-current liabilities		5,251.2	5,131.5
Total liabilities		6,570.2	6,001.9
Net assets		3,334.5	3,519.4

	Notes	27 February 2025 £m	29 February 2024 £m
Equity			
Share capital	27	145.2	151.8
Share premium	28	1,038.7	1,031.8
Capital redemption reserve	28	70.3	63.5
Retained earnings	28	4,437.7	4,645.3
Currency translation reserve	28	22.0	25.9
Other reserves	28	(2,379.4)	(2,398.9)
Total equity		3,334.5	3,519.4



Dominic Paul
Chief Executive
30 April 2025



Hemant Patel
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

Year ended 27 February 2025

	Notes	52 weeks to 27 February 2025 £m	52 weeks to 29 February 2024 £m
Cash generated from operations	29	1,004.5	1,086.7
Payments against provisions		(15.5)	(5.0)
Defined benefit pension payments	32	(17.9)	(17.5)
Interest paid on lease liabilities	22	(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	3	(466.4)	(479.9)
Proceeds from disposal of property, plant and equipment		136.5	56.9
Investment in intangible assets	3	(19.6)	(28.6)
Payment of deferred and contingent consideration		(1.9)	—
Distributions received from joint ventures	16	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	27	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	27	(264.3)	(591.1)
Dividends paid	11	(178.1)	(164.7)
Net cash flows used in financing activities		(186.1)	(901.0)
Net increase/(decrease) in cash and cash equivalents		213.2	(467.0)
Opening cash and cash equivalents	21	696.7	1,164.8
Foreign exchange differences	21	(0.9)	(1.1)
Closing cash and cash equivalents	19	909.0	696.7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 27 February 2025

1. General information and authorisation of consolidated financial statements

The consolidated financial statements of Whitbread PLC for the year ended 27 February 2025 were authorised for issue by the Board of directors on 30 April 2025. Whitbread PLC is a public company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange. The address of the registered office is shown on page 147. Whitbread PLC and its subsidiaries and joint ventures operate hotels and restaurants located in the UK and internationally.

2. Accounting policies**Basis of accounting and preparation**

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.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value at the end of each reporting period, assets classified as held for sale and the defined benefit pension scheme as explained in the accounting policies below.

The consolidated financial statements are presented in pounds sterling and all values are rounded to the nearest hundred thousand except when otherwise indicated. The financial year represents the 52 weeks to 27 February 2025 (prior financial year: 52 weeks to 29 February 2024).

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.

Changes in 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 policies applicable for the year ended 27 February 2025. The significant accounting policies adopted during the year are set out below. They have been assessed as not having a material financial impact.

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 March 2024:

- 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 impact nor 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 disclosures in financial statements', which will become effective in the consolidated Group financial statements for the financial year end 26 February 2028, subject to UK endorsement.

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

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. The financial statements of significant trading subsidiaries are prepared for the same reporting year as the parent company.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

2. Accounting policies continued**Basis of consolidation continued**

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.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and any equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated income statement as incurred.

When the consideration transferred by the Group in a business combination includes contingent consideration, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Changes in the fair value of the contingent consideration at subsequent reporting dates that do not qualify as measurement period adjustments are recognised within finance costs in the consolidated income statement, unless the contingent consideration is classified as equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill arising on acquisition is capitalised and represents the excess of the fair value of consideration over the value of the Group's interest in the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is not amortised but reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired separately from a business are carried initially at cost. An intangible asset acquired as part of a business combination is recognised at fair value, separately from goodwill if the asset is separable, or arises from contractual or other legal rights, and its fair value can be measured reliably.

Amortisation of IT software and technology is calculated on a straight-line basis over the estimated life which varies between three and ten years.

The carrying values are reviewed for impairment if events or changes in circumstances indicate that they may not be recoverable.

Software as a Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

2. Accounting policies continued

Property, plant and equipment

Property, plant and equipment acquired separately from a business are stated at cost less accumulated depreciation and impairment. Gross interest costs incurred on the financing of qualifying assets are capitalised until the time that the assets are available for use. Property, plant and equipment acquired as part of a business combination are recognised at fair value.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- freehold land is not depreciated;
- freehold and long leasehold buildings are depreciated to their estimated residual values over periods up to 50 years; and
- plant and equipment is depreciated over 3 to 25 years.

The residual values and estimated useful lives are reviewed annually.

Profits or losses on disposal of property, plant and equipment reflect the difference between net selling price and carrying amount at the date of disposal and are recognised in the consolidated income statement.

Leases

Right-of-use assets

A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, these assets are called right-of-use assets. The Group recognises right-of-use assets for hotel and restaurant properties along with other equipment at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated over the shorter of its estimated useful life and lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments and variable lease payments that depend on an index or a rate less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate (e.g. turnover rent) are recognised as an expense in the period over which the event or condition that triggers the payment occurs. The Group incurs service charges on property leases which are non-lease components of the contract under IFRS 16 and therefore these charges are recorded separately within operating costs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. Incremental borrowing rates are determined quarterly and depend on the country, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; and a credit risk adjustment based on the Group's credit rating.

After the commencement date, the amount of lease liabilities is increased to reflect lease interest charges and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. Cash outflows relating to lease interest are recorded within net cash flows from operating activities and cash outflows relating to principal repayments are included within net cash flows from financing activities in the consolidated cash flow statement.

Sale and leaseback

A sale and leaseback transaction occurs when the Group sells an asset and immediately reacquires the use of the same asset in the same state as sold by entering into a lease with the buyer. A sale occurs when control of the underlying asset passes to the buyer. A lease liability is recognised, the associated property, plant and equipment asset is derecognised, and a right-of-use asset is recognised at the proportion of the carrying value relating to the right retained. Any gain or loss arising therefore relates to the rights transferred to the buyer and development of the underlying asset.

Impairment of non-current assets

Property, plant and equipment and right-of-use assets

The carrying values of property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Individual assets are grouped into cash generating units (CGUs), for impairment purposes, at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other assets.

The recoverable amount of an asset or CGU is the greater of its fair value less costs of disposal (FVLCD) and value in use (VIU). For an asset that does not generate largely independent cash inflows, the recoverable amount is determined with reference to the CGU to which the asset belongs. In estimating value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. To estimate fair value less costs of disposal, the Group uses a number of techniques including third-party valuations, market multiple approaches and discounted cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

2. Accounting policies continued**Impairment of non-current assets continued****Property, plant and equipment and right-of-use assets continued****Impairment charges**

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of other assets in the CGU, on a pro rata basis. Any impairment in the values of property, plant and equipment and right-of-use assets is charged to the consolidated income statement within operating costs.

Impairment reversals

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the CGU's recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimated future cash flows used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

Such a reversal is recognised in the consolidated income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's carrying amount, less any residual value, on a straight-line basis over its remaining useful life.

Central assets

For the purposes of impairment testing, all centrally held assets are allocated in line with IAS 36 to CGUs based on management's view of the consumption of the asset. Any resulting impairment is recorded against the centrally held asset.

Goodwill

Goodwill acquired through business combinations is allocated to groups of CGUs at the level management monitors goodwill, which is at an operating segment level. The Group performs an annual review of its goodwill to ensure that its carrying amount is not greater than its recoverable amount. The recoverable amount is determined as the greater of fair value, less costs of disposal and value in use. An impairment is then made to reduce the carrying amount to the recoverable amount.

Investments in joint ventures

The Group assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

Assets held for sale

Non-current assets and disposal groups are classified as held for sale only if 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.

Such assets are measured at the lower of carrying amount and fair value, less the cost of disposal, and are not depreciated or amortised.

In accordance with *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*, the net results of discontinued operations are presented separately in the consolidated income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated on the basis of first in, first out and net realisable value is the estimated selling price less any costs to sell.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are discounted to present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amortisation of the discount is recognised as a finance cost.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2. Accounting policies continued

Provisions continued

Restructuring costs

A restructuring provision is recognised when the Group has developed a detailed formal plan and has raised a valid expectation, in those affected, that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

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 on pages 232 to 238.

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 the 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.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the rates of exchange quoted at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Day-to-day transactions in a foreign currency are recorded in the functional currency at an average rate for the month in which those transactions take place, which is used as a reasonable approximation to the actual transaction rate. Translation differences on monetary items are taken to the consolidated income statement.

A number of subsidiaries within the Group have a non-sterling functional currency. The financial performance and end position of these entities are translated into sterling in the consolidated financial statements. Balance sheet items are translated at the rate applicable at the balance sheet date. Transactions reported in the consolidated income statement are translated using an average rate for the month in which they occur.

The differences that arise from translating the results of foreign entities at average rates of exchange, and their assets and liabilities at closing rates, are dealt with in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated income statement. All other currency gains and losses are dealt with in the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

2. Accounting policies continued**Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. Consideration is net of discounts, allowances for customer loyalty and other promotional activities and amounts collected on behalf of other parties, such as value added tax. Revenue includes duties which the Group pays as principal.

The Group has analysed its business activities and applied the five-step model prescribed by *IFRS 15 Revenue from Contracts with Customers* to each material line of business, as outlined below:

Sale of accommodation

The contract to provide accommodation is established when the customer books accommodation. The performance obligation is to provide the right to use accommodation for a given number of nights, and the transaction price is the room rate for each night determined at the time of booking. The performance obligation is met when the customer is given the right to use the accommodation, and so revenue is recognised for each night as it takes place, at the room rate for that night.

Sale of food and beverage

The contract is established when the customer orders the food or beverage item and the performance obligation is the provision of food and beverage by the outlet. The performance obligation is satisfied when the food and beverage are delivered to the customer, and revenue is recognised at this point at the price for the items purchased. Where payment is made on the same day there are no contract assets or liabilities.

Payment terms

Customers may pay in advance for accommodation, food and beverage. In this case the Group has received consideration for services not yet provided. This is treated as a contract liability, net of VAT, until the performance obligation is met. The Group has taken advantage of the practical expedient in *IFRS 15* to not adjust the consideration for the effects of a financing component as the period between payment and the performance obligation is less than one year.

Payment terms for corporate customers are generally 30 days with amounts recorded in trade and other receivables once the performance obligations have been met.

Contract costs

The Group applies the practical expedient in paragraph 94 of *IFRS 15* and consequently contract costs incurred related to contracts with an amortisation period of less than one year have been expensed as incurred.

Variable consideration

The Group makes an estimate, based on historical information, of amounts that will be refunded to customers. The refund liability represents variable consideration under *IFRS 15* with revenue recognised reduced by this amount and a corresponding liability recognised in other payables in the consolidated balance sheet.

Certain restaurants within the Group offer customer loyalty programmes where the customer can earn vouchers for historic purchases which are redeemable as discounts on future purchases. The loyalty points issued by the Group are a separate performance obligation providing a material right to a future discount. The sales price of goods is allocated to the loyalty points and the goods sold based on their relative standalone selling prices, with the loyalty points, standalone price based on the value of the points to the customer, adjusted for expected redemption rates. The amount allocated to loyalty points is deferred as a contract liability within trade and other payables. Revenue is recognised as the points are redeemed by the customer.

Finance income

Interest income is recognised as the interest accrues, using the effective interest method.

Finance costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except for gross interest costs incurred on the financing of major projects, which are capitalised until the time that the projects are available for use.

Retirement benefits

In respect of the defined benefit pension scheme, the surplus recognised in the consolidated balance sheet represents the fair value of scheme assets, reduced by the present value of the defined benefit obligation. Where the calculation results in a surplus to the Group, the recognised asset is limited to the present value of any future available refunds from the plan.

The cost of providing benefits is determined using the projected unit credit actuarial valuation method. Remeasurements are recognised in full in the period in which they occur in the statement of comprehensive income and are not reclassified to the consolidated income statement in subsequent periods.

For defined benefit plans, the employer's portion of the past and current service cost is charged to operating profit, with net interest costs reported within finance costs. In addition, all administration costs, other than those relating to the management of plan assets or taxes payable by the plan itself, are charged as incurred to operating costs in the consolidated income statement. Net interest is calculated by applying the opening discount rate to the opening net defined benefit obligation, taking into account the expected contributions and benefits paid.

2. Accounting policies continued

Retirement benefits continued

Curtailments and settlements relating to the Group's defined benefit plan are recognised in the period in which the curtailment or settlement occurs.

Payments to defined contribution pension schemes are charged as an expense as they fall due.

Share-based payment transactions

Equity-settled transactions

Certain employees and directors of the Group receive equity-settled remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares. The cost of these equity-settled transactions is measured by reference to the fair value, determined using a stochastic model, at the date at which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions or non-vesting conditions are fulfilled, ending on the relevant vesting date. Except for awards subject to market-related conditions for vesting, the cumulative expense recognised for equity-settled transactions, at each reporting date until the vesting date, reflects the extent to which the vesting period has expired, and is adjusted to reflect the directors' best available estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. If options are subject to market-related conditions, awards are not cumulatively adjusted for the likelihood of these targets being met. Instead, these conditions are included in the fair value of the awards.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. Where an equity-settled award is forfeited, the related expense recognised to date is reversed.

Where an equity-settled award is replaced by newly granted instruments, these are accounted for as a modification of the existing award. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee.

Tax

The income tax charge represents both the income tax payable, based on profit for the year, and deferred income tax.

Deferred income tax is recognised in full, using the liability method, in respect of temporary differences between the tax base of the Group's assets and liabilities and their carrying amounts that have originated but have not been reversed by the balance sheet date. No deferred tax is recognised if the temporary difference arises from the initial recognition of goodwill, or the initial recognition of an asset or liability, in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred income tax is recognised in respect of taxable temporary differences associated with investments in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise, income tax is recognised in the consolidated income statement.

Investments in joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

The Group's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to joint ventures is included in the carrying amount of the investment.

The consolidated income statement reflects the Group's share of the results of operations of the joint ventures. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the joint ventures are eliminated to the extent of the interest in the joint venture. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

2. Accounting policies continued**Financial assets****Trade receivables and contract assets**

Trade receivables and contract assets are initially measured at fair value. Subsequently they are measured at amortised cost as the objective of the business model is to hold the assets to collect contractual cash flows and the contractual terms of the asset give rise to cash flows on specified dates which are solely payments of principal and interest.

In line with the IFRS 9 Financial Instruments 'simplified approach', the Group segments its trade receivables and contract assets based on shared characteristics and recognises a loss allowance for the lifetime expected credit loss for each segment. The expected credit loss is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of the current and forecast conditions at the reporting date.

Credit impaired financial assets

A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, such as significant financial difficulty of the debtor or default by the debtor. The Group writes off a financial asset where there is no realistic prospect of recovery. Credit losses are recorded within operating costs in the consolidated income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash in hand and deposits (including Money Market Funds) which are short term, highly liquid and which are not at significant risk of changes in value.

Recognition and derecognition

The recognition of financial assets occurs when the Group becomes party to the contractual provisions of the instrument. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Derivatives and hedging

The Group enters into derivative transactions to manage its exposure to interest rate, foreign exchange rate and power commodity price risks.

Derivatives are recognised initially at fair value on the date the contract is entered into and subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both the legal right and intention to offset.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The Group designates certain derivatives as hedging instruments in respect of interest rate, foreign currency and power commodity price risks as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. The Group documents whether the hedging instrument is effective in offsetting the hedged risk, by confirming that:

- there is an economic relationship between hedged items and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the planned ratio of hedge item is the same as the actual ratio of hedge: hedge item.

The fair value change on qualifying fair value hedges is recognised in profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated as cash flow hedges is recognised in other comprehensive income and accumulated under the cash flow hedging reserve. Any gain or loss relating to the ineffective portion of the hedge is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

The Group discontinues hedge accounting when the hedge relationship ceases to meet the qualifying criteria, or when the hedging instrument expires, is sold, terminated or exercised.

2. Accounting policies continued

Derivatives and hedging continued

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

The Group uses a cross-currency swap as a hedge of its exposure to foreign exchange risk on its investments in foreign subsidiaries. Refer to Note 25 for more details.

Financial liabilities

Debt and equity instruments are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements.

Financial liabilities are measured at amortised cost using the effective interest rate method unless they are required to be measured at fair value through profit or loss or the Group has opted to measure them at fair value through the profit or loss. The effective interest rate method calculates the amortised cost of a financial liability and allocates interest expense to the relevant period.

Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of any directly associated issue costs. Borrowings are subsequently recorded at amortised cost, with any difference between the amount initially recorded and the redemption value recognised in the consolidated income statement using the effective interest method.

Recognition and derecognition

The recognition of liabilities occurs when the Group becomes party to the contractual provisions of the instrument.

The derecognition of financial liabilities occurs when the obligation under the liability is discharged, cancelled or expires. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Share buy-back transactions

Shares purchased for cancellation are deducted from retained earnings. The Group uses irrevocable closed period buy-back programmes. A liability to purchase shares is recognised at inception of the programme with any subsequent reduction in the obligation credited back to retained earnings at the end of the programme. Share capital is reduced and credited to the capital redemption reserve once shares are cancelled, maintaining non-distributable reserves.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported as assets and liabilities at the balance sheet date and the amounts reported as revenues and expenses during the year. Although these amounts are based on management's best estimates, events or actions may mean that actual results ultimately differ from those estimates, and these differences may be material. These judgements and estimates and the underlying assumptions are reviewed regularly.

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 6 provides information on all of the items disclosed as adjusting in the current year and comparative financial statements.

Assets held for sale

As per the accounting policy above assets are classified as held for sale only if the asset is available for immediate sale in its 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

2. Accounting policies continued**Critical accounting judgements and key sources of estimation uncertainty continued****Critical accounting judgements continued****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 32 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 cash flows - the initial five-year period's cash flows 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 cash flows 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.

Key estimates and sensitivities for impairment of assets are disclosed in Note 14.

3. 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			
	UK and Ireland ¹ £m	Germany ² £m	Central and other £m	Total £m	UK and Ireland ¹ £m	Germany ² £m	Central and other £m	Total £m
Revenue								
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			
	UK and Ireland ¹ £m	Germany ² £m	Central and other £m	Total £m	UK and Ireland ¹ £m	Germany ² £m	Central and other £m	Total £m
Profit/(loss)								
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 6)				(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

3. Segment information continued

Other segment information	52 weeks to 27 February 2025				52 weeks to 29 February 2024			
	UK and Ireland £m	Germany £m	Central and other £m	Total £m	UK and Ireland £m	Germany £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 (Note 13)	402.0	63.3	—	465.3	373.5	92.5	—	466.0
Intangible assets (Note 12)	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 (Note 13)	162.7	14.6	—	177.3	159.6	17.3	—	176.9
Depreciation – right-of-use assets (Note 22)	152.8	41.5	—	194.3	143.9	39.4	—	183.3
Amortisation (Note 12)	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 and non-current assets¹, split by country in which the legal entity resides, is as follows:

	Group revenue		Group non-current assets ¹	
	2024/25 £m	2023/24 £m	2025 £m	2024 £m
United Kingdom	2,649.1	2,740.8	7,063.3	6,946.3
Germany	226.3	185.9	1,219.4	1,227.3
Ireland	29.6	16.0	179.4	182.4
Other	16.9	17.2	106.7	104.7
	2,921.9	2,959.9	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.

4. Other income

An analysis of the Group's other income is as follows:

	2024/25 £m	2023/24 £m
Rental income	5.5	4.0
Government payments ¹	—	2.5
Other	1.0	0.2
Other income before adjusting items	6.5	6.7
Legal claim settlements (Note 6)	0.9	6.9
Other income	7.4	13.6

¹ During the comparative year, £2.5m was released as other income from a previously held provision relating to government payments.

5. Operating costs

	2024/25 £m	2023/24 £m
Cost of inventories recognised as an expense ^{1,2}	225.7	255.1
Employee benefits expense ² (Note 7)	818.7	837.8
Amortisation of intangible assets (Note 12)	30.2	23.2
Depreciation – property, plant and equipment (Note 13)	177.3	176.9
Depreciation – right-of-use assets (Note 22)	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 (Note 22)	4.0	3.5
Net foreign exchange differences	0.5	0.4
Other operating charges ²	118.5	117.2
Adjusting operating costs ² (Note 6)	116.5	125.2
	2,420.0	2,421.7

¹ Cost of inventories recognised as an expense includes £6.8m (2023/24: £6.5m) of inventory write downs recorded during the year.

² Operating costs above are before adjusting items. Adjusting operating costs includes a charge of £4.4m relating to cost of inventories recognised as an expense (2023/24: nil), a charge for net impairments and write offs of £76.5m (2023/24: charge of £107.5m), a charge of £23.1m (2023/24: charge of £4.7m) relating to employee benefit expenses and a charge of £12.5m (2023/24: charge of £13.0m) relating to other operating charges (see Note 6).

Fees paid to the Group's auditor during the year consisted of:

	2024/25 £m	2023/24 £m
Audit of the Group's financial statements	1.3	1.3
Audit of the Group's subsidiaries	0.7	0.6
Total audit fees	2.0	1.9
Audit-related assurance	0.1	0.1
Other non-audit fees	0.2	—
Total non-audit fees	0.3	0.1
Included in other operating charges	2.3	2.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

6. Adjusting items

As set out in the policy in Note 2, 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.

Adjusting items were as follows:

	2024/25 £m	2023/24 £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	—	8.9
Gains on disposals, property and other provisions ⁴	—	8.9
Adjusting items before tax	(115.6)	(109.4)

Tax adjustments included in reported profit after tax, but excluded in arriving at adjusted profit after tax:

	2024/25 £m	2023/24 £m
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 (2023/24: £nil) and did not receive any settlements in relation to other legal matters (2023/24: £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 14.

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.

6. Adjusting items continued

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 (2023/24: £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 three financial years 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 at its site operations in Germany resulting in a charge of £8.9m, with £6.5m of this within provisions (Note 23) 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.

7. Employee benefits expense

	2024/25 £m	2023/24 £m
Wages and salaries	738.8	758.9
Social security costs	63.5	64.2
Defined contribution pension costs	16.4	14.7
	818.7	837.8

The amounts above exclude adjusting items. Wages and salaries excludes a charge of £23.1m (2023/24: charge of £4.7m).

Included in wages and salaries is a share-based payments expense of £16.8m (2023/24: £15.8m), which arises from transactions accounted for as equity-settled share-based payments.

Employee costs are split between hourly paid and salaried employees as below:

	2024/25 £m	2023/24 £m
Employee costs – hourly paid	548.5	549.7
Employee costs – salaried	270.2	288.1
	818.7	837.8

Average number of employees directly employed	2024/25 Number	2023/24 Number
UK and Ireland	33,157	38,106
Germany	1,543	1,505
	34,700	39,611

Employees of joint ventures are excluded from the numbers above.

Directors' remuneration is disclosed below:

	2024/25 £m	2023/24 £m
Directors' remuneration	3.5	3.9
Aggregate contributions to the defined contribution pension scheme	–	–
Aggregate gains on the exercise of share options	0.3	0.6

The number of directors accruing benefits under the defined benefit pension scheme was nil (2023/24: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

8. Finance (costs)/Income

	2024/25 £m	2023/24 £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 (Note 22)	(166.7)	(154.9)
Interest capitalised (Note 13)	8.7	5.5
Cost of hedging (Note 25)	(1.1)	(1.1)
	(188.5)	(179.3)
Finance income		
Bank interest receivable	33.5	50.0
IAS 19 pension net finance income (Note 32)	8.3	16.2
Other interest receivable	0.5	—
	42.3	66.2
Total net finance costs	(146.2)	(113.1)

Net finance costs includes £187.4m (2023/24: £178.2m) finance costs and £33.5m (2023/24: £50.0m) finance income in respect of financial assets and liabilities that are measured at amortised cost using the effective interest rate method.

9. Taxation

	2024/25 £m	2023/24 £m
Consolidated income statement		
Current tax:		
Current tax expense	51.4	59.3
Adjustments in respect of previous periods	(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 periods	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		
Current tax:		
Defined benefit pension scheme	1.8	10.0
Tax on net gain 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)

9. Taxation continued

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 here. All current year items have been tax effected at the UK statutory rate of 25.0% (2023/24: 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		2023/24	
	Tax on adjusted profit £m	Tax on profit £m	Tax on adjusted profit £m	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% (2023/24: 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

Pillar Two legislation

On 20 June 2023, the UK substantively enacted the Pillar Two global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting ('BEPS'). The legislation took effect for financial years commencing on or after 1 January 2024, making it effective for the Group from 1 March 2024.

Under the Pillar Two rules, a top-up tax will arise in respect of the Group's operations in any individual jurisdiction in which (i) none of the Transitional Safe Harbour tests are met and (ii) the effective tax rate is below 15%. The Group has performed an assessment of the Group's potential exposure to Pillar Two rules based on financial information for the year ended 27 February 2025 and simulated the Transitional Safe Harbour tests set out by the OECD. Based on this assessment, Whitbread expects to meet one or more of the Safe Harbour tests in the majority of the jurisdictions in which the Group operates, and does not expect the Pillar Two rules to have a material impact on the tax charge for the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

9. Taxation continued

Deferred tax

The major deferred tax assets/(liabilities) recognised by the Group and movement during the current and prior financial years are as follows:

	Accelerated capital allowances £m	Rolled over gains and property revaluations £m	Pensions £m	Leases £m	Losses £m	Other ¹ £m	Total £m
At 2 March 2023	(87.2)	(93.8)	(116.4)	44.3	97.5	(2.6)	(158.2)
(Expense)/credit to consolidated income statement ¹	(22.5)	7.7	(5.3)	(0.4)	(62.7)	(3.8)	(87.0)
Credit to statement of comprehensive income ²	—	—	59.5	—	—	4.3	63.8
Credit/(expense) to statement of changes in equity	—	—	—	0.4	(0.1)	0.2	0.5
Foreign exchange and other movements	—	—	—	(0.5)	0.5	(0.2)	(0.2)
At 29 February 2024	(109.7)	(86.1)	(62.2)	43.8	35.2	(2.1)	(181.1)
(Expense)/credit to consolidated income statement ¹	(20.9)	(9.0)	(3.7)	6.0	(33.9)	(2.3)	(63.8)
Credit/(expense) to statement of comprehensive income ²	—	—	14.4	—	—	(3.6)	10.8
Expense to statement of changes in equity	—	—	—	—	—	(0.8)	(0.8)
Foreign exchange and other movements	—	—	—	0.1	(0.3)	0.3	0.1
At 27 February 2025	(130.6)	(95.1)	(51.5)	49.9	1.0	(8.5)	(234.8)

1 The total charge to the consolidated income statement of £63.8m (2023/24: £87.0m) relates predominantly to the utilisation of tax losses carried forward in the period of £29.6m (2023/24: £57.2m) and accelerated capital allowances arising from full expensing reliefs of £29.8m (2023/24: £25.3m), these being the largest components of the net charge.

2 The total credit to other comprehensive income of £10.8m (2023/24: credit of £63.8m) relates predominantly to a net deferred tax credit on defined benefit pension scheme movements through other comprehensive income of £14.4m (2023/24: credit of £59.5m).

3 The Other category includes a deferred tax liability of £14.8m (2023/24: £13.6m) in respect of capitalised interest and a deferred tax asset of £5.8m (2023/24: £7.3m) in respect of share-based payments.

The Group recognises UK deferred tax assets to the extent that taxable profits will be available to utilise deductible temporary differences or unused tax losses. At 27 February 2025, no net UK deferred asset is unrecognised (2023/24: Nil).

The Group has unrecognised German tax losses of £253.6m (2023/24: £226.6m) which can be carried forward indefinitely and offset against future taxable profits in the same tax group. The Group carries out an assessment of the recoverability of these losses at the reporting period and, to the extent that they exceed tax liabilities within the same tax group, does not deem it appropriate at this stage to recognise any net German deferred tax asset, refer to the Critical Accounting Judgement within Note 2 for further information. Recognition of German deferred tax assets in their entirety would result in an increase in the reported deferred tax asset of £80.9m (2023/24: £72.4m). The impact on the current year effective tax rate from the non-recognition of the assets that accrued in this year is 2.3% (2023/24: 1.9%).

At 27 February 2025, no deferred tax asset is recognised (2023/24: Nil) on gross temporary differences of £2.4m (2023/24: £2.4m) relating to the accumulated losses of other international subsidiaries as the Group is able to control the timings of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future.

Tax relief on total interest capitalised amounts to £2.0m (2023/24: £1.2m).

10. Earnings per share

The basic earnings per share (EPS) figures are calculated by dividing the net profit/(loss) for the period attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period 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 period. Where the average share price for the period 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 is as follows:

	2024/25 million	2023/24 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 year-end, 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 (2023/24: 197.4m, less 12.5m treasury shares held by Whitbread PLC and 0.9m held by the ESOT).

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

	2024/25 £m	2023/24 £m
Profit for the year attributable to parent shareholders	253.7	312.1
Adjusting items before tax (Note 6)	115.6	109.4
Adjusting tax credit (Note 6)	(20.3)	(20.3)
Adjusted profit for the year attributable to parent shareholders	349.0	401.2

	2024/25 pence	2023/24 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

11. Dividends paid and proposed

	2024/25		2023/24	
	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)		
Total equity dividends paid in the year		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:				
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

12. Intangible assets

	Goodwill £m	IT software and technology £m	Total £m
Cost			
At 2 March 2023	350.1	146.7	496.8
Additions	—	28.6	28.6
Assets written off	—	(15.2)	(15.2)
Foreign currency translation	—	(0.1)	(0.1)
At 29 February 2024	350.1	160.0	510.1
Additions	—	19.6	19.6
Assets written off	—	(12.6)	(12.6)
Foreign currency translation	—	(0.1)	(0.1)
At 27 February 2025	350.1	166.9	517.0
Amortisation and impairment			
At 2 March 2023	(239.6)	(77.6)	(317.2)
Amortisation during the year	—	(23.2)	(23.2)
Amortisation on assets written off	—	15.2	15.2
Foreign currency translation	—	0.1	0.1
At 29 February 2024	(239.6)	(85.5)	(325.1)
Amortisation during the year	—	(30.2)	(30.2)
Amortisation on assets written off	—	12.6	12.6
Foreign currency translation	—	—	—
At 27 February 2025	(239.6)	(103.1)	(342.7)
Net book value at 27 February 2025	110.5	63.8	174.3
Net book value at 29 February 2024	110.5	74.5	185.0

Other than goodwill, there are no intangible assets with indefinite lives. IT software and technology assets, which are made up entirely of internally generated assets, have been assessed as having finite lives and are amortised under the straight-line method over periods ranging from three to ten years.

Note 14 contains details of the impairment review conducted on goodwill as at the year-end date.

Capital expenditure commitments

Capital expenditure commitments in relation to intangible assets at the year-end amounted to £4.3m (2023/24: £6.5m).

13. Property, plant and equipment

	Land and buildings £m	Plant and equipment £m	Total £m
Cost			
At 2 March 2023	3,982.5	1,721.7	5,704.2
Additions	242.3	223.7	466.0
Interest capitalised	5.5	—	5.5
Net movements to assets held for sale in the year	(58.2)	(53.8)	(112.0)
Disposals	(39.8)	(9.7)	(49.5)
Assets written off	(2.8)	(91.7)	(94.5)
Foreign currency translation	(18.7)	(2.8)	(21.5)
At 29 February 2024	4,110.8	1,787.4	5,898.2
Additions	228.0	237.3	465.3
Interest capitalised	8.7	—	8.7
Net movements to assets held for sale in the year	(261.8)	(62.3)	(324.1)
Disposals	(0.6)	(0.1)	(0.7)
Assets written off	(2.2)	(103.7)	(105.9)
Foreign currency translation	(22.5)	(3.8)	(26.3)
Asset reclassified from right-of-use asset	(3.8)	—	(3.8)
At 27 February 2025	4,056.6	1,854.8	5,911.4

13. Property, plant and equipment continued

	Land and buildings £m	Plant and equipment £m	Total £m
Depreciation and impairment			
At 2 March 2023	(331.7)	(818.3)	(1,150.0)
Depreciation charge for the year	(23.8)	(153.1)	(176.9)
Net impairment (charge)/reversal (Note 14)	(111.2)	11.2	(100.0)
Net movements to assets held for sale in the year	16.5	33.1	49.6
Disposals	4.7	5.9	10.6
Depreciation on assets written off	2.8	91.7	94.5
Foreign currency translation	0.8	1.1	1.9
At 29 February 2024	(441.9)	(828.4)	(1,270.3)
Depreciation charge for the year	(21.5)	(155.8)	(177.3)
Net impairment charge (Note 14)	(46.2)	(2.1)	(48.3)
Net movements to assets held for sale in the year	120.8	36.3	157.1
Disposals	0.5	0.1	0.6
Depreciation on assets written off	0.3	100.1	100.4
Foreign currency translation	2.3	1.5	3.8
At 27 February 2025	(385.7)	(848.3)	(1,234.0)
Net book value at 27 February 2025	3,670.9	1,006.5	4,677.4
Net book value at 29 February 2024	3,668.9	959.0	4,627.9

Included above are assets under construction of £682.3m (2023/24: £492.7m).

There is a charge in favour of the pension scheme over properties with a market value of £531.5m (2023/24: £531.5m). See Note 32 for further information.

Amounts relating to right-of-use assets under IFRS 16 are detailed in Note 22.

Capital expenditure commitments

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

Capitalised interest

Interest capitalised during the year amounted to £8.7m, using an average rate of 2.4% (2023/24: £5.5m, using an average rate of 2.4%).

14. Impairment**Summary of impairment charges and reversals**

During this year, net impairment charges of £76.5m (2023/24: £107.5m) were recognised within operating costs.

Accelerating Growth Plan:

Net impairment, write-offs and accelerated depreciation of £43.5m (2023/24: £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 (2023/24: £8.4m) and gross impairment reversals in the UK of £5.3m (2023/24: £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 (2023/24: £32.2m impairment charge).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

14. Impairment continued**Summary of impairment charges and reversals** continued

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

	Impairment charge £m	Impairment reversal £m	Total £m
2024/25			
Impairment charges/(reversals) included			
In operating costs			
Property, plant and equipment¹	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 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

Property, plant and equipment and right-of-use assets – impairment review

The carrying values of property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable.

The majority of the Group's trading sites offer a combination of accommodation and food and beverage services, either through a hotel and branded restaurant at the same location or a hotel which offers food and beverage. Due to the high dependency of cash flows across accommodation and food and beverage services at these locations, the Group considers each such trading site to be a separate cash generating unit (CGU). Exceptions to this exist in the form of a small number of sites where a third party provides food and beverage services. In addition, in circumstances where the Group is committed to disposal of a proportion of a site, the related proportion is not included in the trading CGU as the economic benefits are expected to be received principally through sale.

In assessing whether an asset has been impaired, the carrying amount of the CGU is compared to its recoverable amount. The recoverable amount is the higher of its value in use and its fair value less costs of disposal.

Valuation methodology:

The Group calculates a value in use (VIU) for each CGU. The key assumptions used in calculating VIU are set out below.

Where the VIU is lower than the carrying value of the CGU, the Group additionally estimates a fair value less costs of disposal (FVLCD) for each site.

- For leasehold sites, FVLCD is estimated based on present value techniques using a discounted cash flow method.
- For freehold sites, FVLCD is estimated based on applying a market multiple to the CGU EBITDAR.

The assumptions applied in estimating fair value for each of the above are set out below. Both estimates of FVLCD rely on inputs not normally observable by market participants and are therefore level 3 measurements in the fair value hierarchy.

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

14. Impairment continued

Property, plant and equipment and right-of-use assets – impairment review continued

Key assumptions:

VIU for freehold and leasehold sites:

The key assumptions used by management in estimating VIU were:

Discount rates

The discount rate is based on the Weighted Average Cost of Capital (WACC) of a typical market participant, taking into account specific country and currency risks associated with the Group. The discount rates have decreased year-on-year driven by a reduction in the market risk premium partially offset by increased UK risk-free rates, while German risk-free rates remained stable.

	2024/25		2023/24	
	UK	Germany	UK	Germany
Average pre-tax discount rate	11.4%	9.2%	11.6%	9.9%
Average post-tax discount rate	9.1%	7.0%	9.3%	7.5%

Approved budget period

Forecast cash flows for the initial five-year period are based on actual cash flows and considered after applying management's assumptions of the performance of the Group over the next five years.

The key assumptions used by management in setting the Board approved financial budgets for the initial five-year period were as follows:

- Forecast period cash flows: The initial five-year period's cash flows are drawn from the five-year business plan.
- Forecast growth rates: Forecast growth rates are based on the Group business plan, which includes assumptions around the UK and German economies over the next five years.
- Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of inflation and cost saving initiatives.
- Local factors impacting the site in the current year or expected to impact the site in future years. Key assumptions include the maturity profile of individual sites, the future potential of immature sites and the impact of increasing or reducing market supply in the local area.

Long-term growth rates

A long-term growth rate of 2.0% (2023/24: 2.0%) was used for cash flows subsequent to the five-year approved budget/plan period. This long-term growth rate is a conservative rate and is considered to be lower than the long-term historical growth rates of the underlying territories in which the CGUs operate and the long-term growth rate prospects of the sectors in which the CGUs operate.

FVLCD for leasehold sites:

The key assumptions used by management in estimating the FVLCD on a discounted cash flow method were similar to those used in the VIU assessment, modified to reflect estimated cost of disposal and lease payments.

Discount rates

The discount rate is based on the Weighted Average Cost of Capital (WACC) of a typical market participant, taking into account specific country and currency risks associated with the Group. The discount rates have decreased year-on-year driven by a reduction in the market risk premium partially offset by increased UK risk-free rates, while German risk-free rates remained stable.

	2024/25		2023/24	
	UK	Germany	UK	Germany
Average pre-tax discount rate for FVLCD for leaseholds	12.1%	10.0%	12.4%	10.7%

FVLCD for freehold sites:

The key assumption used by management in estimating the FVLCD for freehold sites is an EBITDAR multiple.

EBITDAR multiple

An EBITDAR multiple is estimated based on a normalised trading basis and market data obtained from external sources. This resulted in a multiple in the range of 7 to 11 times.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

14. Impairment continued**Methodology in relation to the Group's Accelerating Growth Plan**

As set out in detail on page 10 of the strategic report the Group is continuing to progress with the announced changes to facilitate its optimisation of UK F&B through the AGP. This has had the following impact on 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.

Sensitivity to changes in assumptions

The level of impairment is predominantly dependent upon estimates used in arriving at future growth rates and the discount rates applied to cash flow projections. The incremental impact on the net impairment charge of applying a reasonably possible change in assumptions to the growth rates used in the five-year business plans, long-term growth rates, pre-tax discount rates, EBITDAR multiple and FV of disposal is as follows:

	Total £m
Incremental Increase/(decrease) to the net impairment charge	
Increase to net impairment charge if year one's cash flows reduced by 10%	0.5
Decrease to net impairment charge if year one's cash flows increased by 10%	(0.5)
Increase to net impairment charge if discount rates increased by 2%	13.2
Decrease to net impairment charge if discount rates reduced by 2%	(8.5)
Increase to net impairment charge if the fair value of disposal sites reduced by 20%	18.3
Decrease to net impairment charge if the fair value of disposal sites increased by 20%	(4.7)
Increase to net impairment charge if long-term growth rates reduced by 1%	5.9
Increase to net impairment charge if EBITDAR multiple reduced by 10%	9.5

The above sensitivity analyses are based on a reasonably possible change in an assumption (in line with disclosure requirements) whilst holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated.

Goodwill - impairment review

Following the impairment assessment over property, plant and equipment and right-of-use assets, the Group completed an impairment review of goodwill. Goodwill acquired through business combinations is allocated to groups of CGUs at an operating segment level, being the level at which management monitors goodwill. As a result of the German goodwill being impaired in previous years, all of the Group's goodwill is allocated to the UK and Ireland segment.

The recoverable amount is the higher of FVLCD and VIU using the same assumptions as those used in the site level impairment reviews. The recoverable amount has been determined from VIU calculations. The future cash flows are based on assumptions from the approved budget and cover a five-year period. These forecasts include management's most recent view of medium-term trading prospects. Cash flows beyond this period are extrapolated using a 2.0% (2023/24: 2.0%) growth rate. The pre-tax discount rate applied to cash flow projections is 11.4% (2023/24: 11.6%).

Given the level of headroom within the UK segment, there is no reasonably possible change that could result in a further material impairment of goodwill.

Assets held for sale - impairment review

In addition to impairments on assets transferred to held for sale in the year, an impairment charge of £1.9m (2023/24: £0.2m) was recorded in relation to assets which had previously been classified as held for sale as a result of a reduction in expected sales proceeds.

15. Assets classified as held for sale

The following table presents the major classes of assets and liabilities classified as held for sale:

	2025 £m	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 (2023/24: 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.

Included within assets held for sale are assets which were written down to fair value less costs to sell of £56.4m (2023/24: £34.4m). The fair value of property assets was determined based on current prices in an active market for similar properties or from independent market valuations of the assets by management's experts. Where such information is not available management considers information from a variety of sources including current prices for properties of a different nature or recent prices of similar properties, adjusted to reflect those differences. This is a level 3 measurement as per the fair value hierarchy set out in Note 24. The key inputs under this approach are the property size and location.

16. Investment in joint ventures

Movement in Investment in joint ventures	2025 £m	2024 £m
Opening investment in joint ventures	50.8	48.2
Share of profit for the year	4.7	13.0
Foreign exchange movements	0.1	(2.7)
Distributions received from joint ventures	(1.2)	(7.7)
Closing investment in joint ventures	54.4	50.8

Premier Inn Hotels LLC

The Group holds a 49% interest in Premier Inn Hotels LLC, a joint venture which operates Premier Inn branded hotels in the United Arab Emirates. The investment forms part of the Group's international growth strategy. Premier Inn Hotels LLC holds a 49% investment in Premier Inn Qatar Limited.

During the year, Premier Inn Hotels LLC repatriated £1.2m (2023/24: £7.7m) to the Group as a return of capital contributed to the joint venture. The Group continues to exercise significant influence over the entity. During the year, the Group also charged a franchise fee aggregating to £1.0m which has been repatriated by Premier Inn Hotels LLC and recorded in the Group's Income Statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

16. Investment in joint ventures continued

	2025	2024
	Premier Inn Hotels LLC £m	Premier Inn Hotels LLC £m
Summary of joint ventures' balance sheets		
Current assets	20.8	18.6
Non-current assets	132.8	132.3
Current liabilities	(13.7)	(13.6)
Non-current liabilities	(29.0)	(33.8)
Net assets	110.9	103.5
Group's share of interest in joint ventures' net assets	54.4	50.8
Group's carrying amount of the investment	54.4	50.8
Within gross balance sheets		
Cash and cash equivalents	17.8	15.7
Current financial liabilities	(4.8)	(4.7)
Non-current financial liabilities	(29.0)	(33.8)

	2024/25	2023/24
	Premier Inn Hotels LLC £m	Premier Inn Hotels LLC £m
Summary of joint ventures' income statement		
Revenue	35.6	34.5
Depreciation and amortisation	(2.9)	(3.9)
Other operating costs	(20.6)	(19.0)
Gain on disposal	—	18.2
Finance costs	(1.8)	(3.3)
Profit before tax	10.3	26.5
Income tax	(0.7)	—
Profit after tax	9.6	26.5
Group share		
Profit after tax	4.7	13.0

At 27 February 2025, the Group's share of the capital commitments of its joint ventures amounted to £1.2m (2023/24: £0.2m).

17. Inventories

	2025 £m	2024 £m
Finished goods held for resale	13.9	17.4
Consumables	3.2	3.8
	17.1	21.2

The carrying value of inventories is stated net of a provision of £0.7m (2023/24: £1.5m).

18. Trade and other receivables

	2025 £m	2024 £m
Trade receivables	55.3	54.4
Prepayments and accrued income	53.7	34.4
Other receivables	18.1	30.5
	127.1	119.3
Analysed as:		
Current	127.1	119.3
Non-current	—	—
	127.1	119.3

Trade and other receivables are non-interest bearing and are generally on 30-day terms. Trade receivables includes £49.3m (2023/24: £52.0m) relating to contracts with customers.

The allowance for expected credit loss relating to trade and other receivables at 27 February 2025 was £0.9m (2023/24: £0.9m). During the year, credit write-backs of £0.5m (2023/24: credit losses of £0.8m) were recognised within operating costs in the consolidated income statement.

19. Cash and cash equivalents

	2025 £m	2024 £m
Cash at bank and in hand	1.9	97.8
Money market funds	572.1	193.9
Short-term deposits	335.0	405.0
	909.0	696.7

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group. They earn interest at the respective short-term deposit rates.

The Group does not have material cash balances which are subject to contractual or regulatory restrictions.

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the amounts as disclosed above.

20. Borrowings

Amounts drawn down on the Group's borrowing facilities are as follows:

	Current		Non-current	
	2025 £m	2024 £m	2025 £m	2024 £m
Senior unsecured bonds	450.0	—	942.4	994.9
	450.0	—	942.4	994.9

Revolving credit facility and covenant

In May 2024 the Group signed an extension to the existing five-year £775.0m multicurrency revolving credit facility agreement, which extended the final maturity date by a further year to now expire on 25 May 2029. The facility's other terms remain consistent, being a multicurrency revolving credit facility agreement and having variable interest rates with GBP being linked to SONIA and EUR being linked to EURIBOR. The revolving credit facility agreement contains one financial covenant ratio, being:

Net debt/adjusted EBITDA <3.5x.

Senior unsecured bonds

The Group has issued senior unsecured bonds with coupons and maturities as shown in the following table:

Title	Year issued	Principal value	Maturity	Coupon
2025 senior unsecured bonds	2015	£450.0m	16 October 2025	3.375%
2027 senior unsecured – green use of proceeds bonds	2021	£300.0m	31 May 2027	2.375%
2031 senior unsecured – green use of proceeds bonds	2021	£250.0m	31 May 2031	3.000%
2032 senior unsecured bonds	2025	£400.0m	31 May 2032	5.500%

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.

Amortised arrangement fees of £5.0m (2023/24: £2.1m) incurred in relation to the bonds are included in the carrying value and are being amortised over the term of the bonds. The bonds contain an early prepayment option which meets the definition of an embedded derivative.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

21. Movements in cash and net debt

	29 February 2024 £m	Share buy-back commitments including transaction costs £m	Cash flow £m	Net new lease liabilities £m	Foreign exchange £m	Transfers to assets held for sale £m	Cost of borrowings and amortisation of premiums and discounts £m	27 February 2025 £m
Year ended 27 February 2025								
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)
	2 March 2023 £m	Share buy-back commitments including transaction costs £m	Cash flow £m	Net new lease liabilities £m	Foreign exchange £m	Transfers to assets held for sale £m	Cost of borrowings and amortisation of premiums and discounts £m	29 February 2024 £m
Year ended 29 February 2024								
Cash and cash equivalents	1,164.8	—	(467.0)	—	(1.1)	—	—	696.7
Liabilities from financing activities								
Borrowings	(993.4)	—	—	—	—	—	(1.5)	(994.9)
Lease liabilities	(3,958.4)	—	147.1	(322.9)	29.0	6.8	—	(4,098.4)
Committed share buy-back	—	(603.4)	591.1	—	—	—	—	(12.3)
Total liabilities from financing activities	(4,951.8)	(603.4)	738.2	(322.9)	29.0	6.8	(1.5)	(5,105.6)
Less: lease liabilities	3,958.4	—	(147.1)	322.9	(29.0)	(6.8)	—	4,098.4
Less: committed share buy-back	—	603.4	(591.1)	—	—	—	—	12.3
Net cash/(debt)	171.4	—	(467.0)	—	(1.1)	—	(1.5)	(298.2)

22. Lease arrangements

The Group leases various buildings which are used as hotels and restaurants. The leases are non-cancellable leases with varying terms, rent review clauses and renewal rights and include variable payments that are not fixed in amount but based upon a percentage of sales. The Group also leases various plant and equipment under non-cancellable lease agreements.

An analysis of the Group's right-of-use assets and lease liabilities is as follows:

Right-of-use assets	Property £m	Other £m	Total £m
At 2 March 2023	3,503.0	1.6	3,504.6
Additions	316.3	1.9	318.2
Net impairment charge (Note 14)	(7.3)	—	(7.3)
Foreign currency translation	(29.0)	—	(29.0)
Depreciation	(182.2)	(1.1)	(183.3)
Terminations	(1.0)	—	(1.0)
Net movements from assets held for sale in the year	(5.2)	—	(5.2)
At 29 February 2024	3,594.6	2.4	3,597.0
Additions	323.4	0.5	323.9
Net impairment charge (Note 14)	(25.3)	—	(25.3)
Foreign currency translation	(30.4)	—	(30.4)
Depreciation	(193.1)	(1.2)	(194.3)
Terminations	(1.6)	—	(1.6)
Net movements from assets held for sale in the year	3.7	—	3.7
Reclassification to property, plant and equipment ¹	(10.3)	—	(10.3)
At 27 February 2025	3,661.0	1.7	3,662.7

Lease liabilities	Property £m	Other £m	Total £m
At 2 March 2023	3,957.0	1.4	3,958.4
Additions	322.2	1.8	324.0
Interest	154.9	—	154.9
Foreign currency translation	(29.0)	—	(29.0)
Payments	(300.6)	(1.4)	(302.0)
Terminations	(1.1)	—	(1.1)
Net movements from assets held for sale in the year	(6.8)	—	(6.8)
At 29 February 2024	4,096.6	1.8	4,098.4
Additions	327.6	0.4	328.0
Interest	166.6	0.1	166.7
Foreign currency translation	(31.6)	—	(31.6)
Payments	(313.7)	(1.7)	(315.4)
Terminations	(0.3)	—	(0.3)
Net movements from assets held for sale in the year	4.6	—	4.6
Reclassification to property, plant and equipment ¹	(16.6)	—	(16.6)
At 27 February 2025	4,233.2	0.6	4,233.8

1 During the year, the Group acquired two properties over which it had previously held a leasehold interest.

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of £205.0m (2023/24: £212.3m) relating to new leases and £118.9m (2023/24: £105.9m) relating to amendments to existing leases. The Group recognised net lease payments of £4.1m on entering new and amended leases (2023/24: £5.8m, of which included £3.6m relating to a released prepayment of sale and leaseback property transaction).

A maturity analysis of gross lease liability payments is included within Note 24.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

22. Lease arrangements continued**Amounts recognised in the Group Income statement**

	2024/25 £m	2023/24 £m
Depreciation expense of right-of-use assets	194.3	183.3
Interest expense on lease liabilities	166.7	154.9
Expense relating to low-value assets and short-term leases	—	—
Variable lease payment expenses	4.0	3.5
Impairment losses of right-of-use assets (Note 14)	25.3	7.3
Rental income	(5.5)	(4.0)
Net lease expense recognised in the consolidated income statement	384.8	345.0

The Group's total cash outflow in relation to leases was £319.4m including variable lease payments of £4.0m (2023/24: £305.4m including variable lease payments of £3.5m).

Future possible cash outflows not included in the lease liability

The Group has several lease contracts that include extension and termination options. Set out below are the undiscounted future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease liability.

	2024/25 £m	2023/24 £m
Extension options expected not to be exercised	1,600.8	1,361.1
Termination options expected to be exercised	—	—
	1,600.8	1,361.1

The Group uses judgement in determining whether termination and extension option periods will be included within the lease term. The Group assumes that, unless a decision has been made to exit a lease, termination options will not be exercised as a result of historical practices within the Group. At the outset of a lease, the Group assumes that it will not exercise extension options. Due to the length of the Group's leases, there is generally insufficient evidence that exercising an extension option is certain.

Future increases or decreases in rentals linked to an index or rate are not included in the lease liability until the change in cash flows takes effect. Approximately 77% of the Group's lease liabilities are subject to inflation-linked rentals (with 94% of these leases containing caps) and a further 12% which are subject to open market rent or similar review clauses. Rental changes linked to inflation or rent reviews typically occur on an annual or five-yearly basis.

As at 27 February 2025, the Group was committed to leases with future cash outflows totalling £1,182.3m (2023/24: £1,368.8m) which had not yet commenced and as such are not accounted for as a liability. A liability and right-of-use asset will be recognised for these leases at the lease commencement date.

The Group as a lessor

The Group acts as a lessor in relation to a number of non-trading legacy sites and in subletting space within trading sites. Rental income recognised by the Group during the year is £5.5m (2023/24: £4.0m). Future minimum rentals receivable under non-cancellable operating leases at the year-end are as follows:

	2024/25 £m	2023/24 £m
Within one year	4.1	3.3
After one year but not more than five years	7.9	6.7
More than five years	12.7	13.5
	24.7	23.5

23. Provisions

	Restructuring £m	Onerous contracts and related costs £m	Property costs £m	Insurance claims £m	Government payments £m	Other £m	Total £m
At 2 March 2023	—	4.7	5.6	8.7	7.0	2.5	28.5
Created	—	0.4	4.0	2.0	—	0.4	6.8
Utilised	—	(0.9)	(4.0)	(1.0)	—	(0.3)	(6.2)
Released	—	(1.3)	—	(1.4)	(6.9)	(0.8)	(10.4)
Foreign exchange	—	—	—	—	(0.1)	—	(0.1)
At 29 February 2024	—	2.9	5.6	8.3	—	1.8	18.6
Created	8.6	24.0	0.9	2.0	—	—	35.5
Utilised	(2.0)	(10.7)	(2.7)	(2.1)	—	(0.2)	(17.7)
Released	(0.1)	—	(0.4)	(1.0)	—	—	(1.5)
Foreign exchange	—	—	(0.1)	—	—	—	(0.1)
At 27 February 2025	6.5	16.2	3.3	7.2	—	1.6	34.8
Analysed as:							
Current	6.5	16.2	3.3	—	—	1.6	27.6
Non-current	—	—	—	7.2	—	—	7.2
At 27 February 2025	6.5	16.2	3.3	7.2	—	1.6	34.8
Analysed as:							
Current	—	2.9	5.6	—	—	1.8	10.3
Non-current	—	—	—	8.3	—	—	8.3
At 29 February 2024	—	2.9	5.6	8.3	—	1.8	18.6

Restructuring

During the year, the Group has announced restructuring programmes for its UK and Germany Support Centres, as well as its site operations in Germany resulting in a provision created of £8.6m, with £2.0m utilised and £0.1m released.

Onerous contracts

Onerous contract provisions relate primarily to property, software licences and supplier contracts where the contracts have become onerous. Provision is made for property-related costs for the period that a sublet or assignment of the lease is not possible. Onerous contract provisions are discounted using a discount rate of 2.0% (2023/24: 2.0%) based on an approximation for the time value of money.

Property related

The amount and timing of the expected cash outflows are subject to variation. The Group utilises the skills and expertise of both internal and external property experts to determine the provision held. Provisions are expected to be utilised over a period of up to ten years. During the year, the Group utilised £0.5m of property-related onerous provisions.

Exit fees

The Group has incurred exit fees in relation to the Group's strategic decision to exit and change to a new logistics provider. A provision of £24.0m was created in relation to these contracts. During the year, the Group utilised £10.0m of the provision.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

23. Provisions continued**Property costs**

The Group has established a provision for the performance of remedial works on cladding material at a small number of the Group's sites. A provision of £5.6m is brought forward in relation to these costs. During the year £2.7m of the provision has been utilised, £0.4m released and £0.9m was created. The provision is expected to be utilised over the next two years.

Insurance

A provision of £8.3m was brought forward in relation to the estimate of the cost of future claims against the Group from employees and the public. The claims covered typically relate to accidents and injuries sustained within Whitbread's trading sites. During the year, £2.1m of the provision was utilised and £2.0m was created.

Other

The Group has previously announced its intention to exit hotel operations in Southeast Asia. During the year, £0.2m of the provision had been utilised, with £1.3m of the provision carried forward for risks arising from indemnity agreements. The remaining costs are expected to be utilised within one year.

The Group operates leases where it neither anticipates nor intends exiting a lease; therefore, the Group has determined that the circumstances in which these leases would end mean that an outflow of resources is not considered probable. As a result, the Group does not hold a material dilapidations provision.

24. Financial risk management objectives and policies

The Group's principal financial instruments, other than derivatives, comprise bank loans, senior unsecured bonds, cash, short-term deposits, trade receivables and trade payables. The Group's financial instrument policies can be found in the accounting policies in Note 2. The Board agrees policies for managing the financial risks summarised below:

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations. Interest rate swaps are used where necessary to maintain a mix of fixed and floating rate borrowings to manage this risk, in line with the Group treasury policy. At the year-end, 100% of Group debt was fixed for an average of 3.9 years at an average interest rate of 3.7% (2023/24: 100% for 3.5 years at 3.0%).

In accordance with IFRS 7 Financial Instruments: Disclosures, the Group has undertaken sensitivity analysis on its financial instruments which are affected by changes in interest rates. This analysis has been prepared on the basis of a constant amount of net debt, a constant ratio of fixed to floating interest rates, and the hedging instruments in place at 27 February 2025 and 29 February 2024 respectively. Consequently, the analysis relates to the situation at those dates and is not representative of the years then ended. The following assumptions were made:

- balance sheet sensitivity to interest rates applies only to derivative financial instruments, as the carrying value of debt and deposits does not change as interest rates move; and
- gains or losses are recognised in equity or the consolidated income statement in line with the accounting policies set out in Note 2.

Based on the Group's net debt position at the year-end, a 1%pt increase in interest rates would increase the Group's profit before tax by £9.1m (2023/24: £7.0m).

Liquidity risk

In its funding strategy, the Group's objective is to maintain a balance between the continuity of funding and flexibility through the use of overdrafts and bank loans. This strategy includes monitoring the maturity of financial liabilities to avoid the risk of a shortage of funds.

Excess cash used in managing liquidity is placed on interest-bearing deposit where maturity is fixed at no more than three months. Short-term flexibility is achieved through the use of short-term borrowing on the money markets.

24. Financial risk management objectives and policies continued**Liquidity risk** continued

The Group presents the time bands below as they reflect the maturity profile that it monitors in its liquidity management activities. The tables below summarise the Group's financial liabilities at 27 February 2025 and 29 February 2024 based on contractual undiscounted payments, including interest:

	Less than 12 months £m	Between 1 and 3 years £m	Between 3 and 10 years £m	Between 10 and 20 years £m	More than 20 years £m	Total £m	Carrying value £m
27 February 2025							
Non-derivative financial assets/liabilities:							
Interest-bearing loans and borrowings	501.8	373.3	790.0	—	—	1,665.1	1,392.4
Lease liabilities	337.8	673.2	2,282.8	2,271.6	1,562.1	7,127.5	4,233.8
Trade and other payables	170.4	—	—	—	—	170.4	170.4
	1,010.0	1,046.5	3,072.8	2,271.6	1,562.1	8,963.0	5,796.6
Derivative financial assets/liabilities:							
Cross-currency swaps							
Derivative contracts - receipts	(465.2)	—	—	—	—	(465.2)	
Derivative contracts - payments	439.1	—	—	—	—	439.1	
	(26.1)	—	—	—	—	(26.1)	
Total	983.9	1,046.5	3,072.8	2,271.6	1,562.1	8,936.9	
29 February 2024							
Non-derivative financial assets/liabilities:							
Interest-bearing loans and borrowings	29.8	494.4	594.6	—	—	1,118.8	994.9
Lease liabilities	318.7	640.2	2,172.0	2,277.3	1,551.9	6,960.1	4,098.4
Other financial liabilities	12.3	—	—	—	—	12.3	12.3
Trade and other payables	181.3	—	—	—	—	181.3	181.3
	542.1	1,134.6	2,766.6	2,277.3	1,551.9	8,272.5	5,286.9
Derivative financial assets/liabilities:							
Cross-currency swaps							
Derivative contracts - receipts	(15.2)	(465.2)	—	—	—	(480.4)	
Derivative contracts - payments	9.4	455.6	—	—	—	465.0	
	(5.8)	(9.6)	—	—	—	(15.4)	
Total	536.3	1,125.0	2,766.6	2,277.3	1,551.9	8,257.1	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

24. Financial risk management objectives and policies continued**Credit risk**

Due to the high level of cash held at the year-end, the most significant credit risk faced by the Group is that arising on cash and cash equivalents. The Group's exposure arises from default of the counterparty, with a maximum exposure equal to the carrying value of these instruments. The Group seeks to minimise the risk of default in relation to cash and cash equivalents by spreading investments across a number of counterparties and dealing in accordance with Group treasury policy which specifies acceptable credit ratings and maximum investments for any counterparty.

In the event that any of the Group's banks get into financial difficulty, the Group is exposed to the risk of withdrawal of currently undrawn committed facilities. This risk is mitigated by the Group having a range of counterparties to its facilities.

The Group is exposed to a small amount of credit risk attributable to its trade and other receivables. This is minimised by dealing with counterparties with good credit ratings. The amounts included in the balance sheet are net of expected credit losses, which have been estimated by management based on prior experience and any known factors at the balance sheet date.

The Group's maximum exposure to credit risk arising from trade and other receivables, derivatives and cash and cash equivalents is £1,002.3m (2023/24: £785.4m).

Foreign currency risk

The Group monitors the growth and risks associated with its overseas operations and will undertake hedging activities as and when they are required. In October 2019, the Group entered into a net investment hedge to manage the impact of movements in the GBP:EUR exchange rate on the value of the Group's investment in its business in Germany. See Note 25 for more details.

Capital management

The Group's primary objective in regard to capital management is to ensure that it continues to operate as a going concern and has sufficient funds at its disposal to grow the business for the benefit of shareholders. The Group seeks to maintain a ratio of debt to equity that balances risks and returns and also complies with the Group's net debt to EBITDA covenant. See pages 30 to 37 of this report for the policies and objectives of the Board regarding capital management, analysis of the Group's credit facilities and financing plans for the coming years.

The Group aims to maintain sufficient funds for working capital and future investment in order to meet growth targets. The management of equity through share buy-backs and new issues is considered as part of the overall leverage framework balanced against the funding requirements of future growth. In addition, the Group may carry out a number of sale and leaseback transactions to provide further funding for growth.

The Group has access to a £775.0m multicurrency revolving credit facility with a final maturity date on 25 May 2029. There is one financial covenant ratio, being: net debt/adjusted EBITDA <3.5x.

The above matters are considered at regular intervals and form part of the business planning and budgeting processes. In addition, the Board regularly reviews the Group's dividend policy and funding strategy.

25. Financial instruments

The carrying values of financial assets and liabilities at each reporting date are as follows:

	Amortised cost		Fair value		
	Financial assets £m	Financial liabilities £m	Hedging instruments £m	Other £m	Carrying value £m
At 27 February 2025					
Trade and other receivables	73.4	—	—	—	73.4
Cash and cash equivalents	336.9	—	—	572.1	909.0
Interest-bearing loans and borrowings	—	(1,392.4)	—	—	(1,392.4)
Lease liabilities	—	(4,233.8)	—	—	(4,233.8)
Derivative financial instruments	—	—	18.5	—	18.5
Trade and other payables	—	(170.4)	—	—	(170.4)
	Amortised cost		Fair value		
	Financial assets £m	Financial liabilities £m	Hedging instruments £m	Other £m	Carrying value £m
At 29 February 2024					
Trade and other receivables	84.9	—	—	—	84.9
Cash and cash equivalents	502.8	—	—	193.9	696.7
Interest-bearing loans and borrowings	—	(994.9)	—	—	(994.9)
Lease liabilities	—	(4,098.4)	—	—	(4,098.4)
Derivative financial instruments	—	—	(12.1)	—	(12.1)
Other financial liabilities	—	(12.3)	—	—	(12.3)
Trade and other payables	—	(178.1)	—	—	(178.1)
Deferred and contingent consideration	—	—	—	(3.2)	(3.2)

Fair values

IFRS 13 Fair Value Measurement requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. The classification uses the following three-level hierarchy:

- level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2 - other techniques for which all inputs, which have a significant effect on the recorded fair value, are observable, either directly or indirectly; and
- level 3 - techniques which use inputs, which have a significant effect on the recorded fair value, that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest-level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

25. Financial instruments continued**Fair values continued**

Financial assets and liabilities measured at amortised cost

The carrying values of trade and other receivables, cash and cash equivalents and trade and other payables are considered to be reasonable approximations of their fair values largely due to the short-term maturities of these instruments.

The fair value of the Group's borrowings is estimated at £1,344.8m (2023/24: £920.1m). The fair value of the Group's borrowings is based on level 1 valuation techniques where there is an active market for the instrument and on level 2 valuation techniques otherwise.

Financial assets and liabilities measured at fair value

	2025 £m	2024 £m
Financial assets		
Derivative financial instruments – level 2	19.9	3.8
Financial liabilities		
Derivative financial instruments – level 2	1.4	15.9
Deferred and contingent consideration – level 3	—	3.2

During the year ended 27 February 2025, there were no transfers between fair value measurement levels. Derivative financial instruments include Enil assets (2023/24: £3.8m) due after one year, £19.9m assets (2023/24: Enil) due within one year, and £1.4m liabilities (2023/24: £11.5m) due within one year and Enil liabilities (2023/24: £4.4m) due after one year. Deferred and contingent consideration includes Enil due within one year (2023/24: £3.2m due within one year).

The fair value of derivative instruments classified as level 2 is calculated by discounting all future cash flows by the relevant market discount rate at the balance sheet date. The fair values of money market funds within cash and cash equivalents classified as level 1 are calculated by reference to their active market values at 27 February 2025.

Derivative financial instruments**Hedge of net investment in foreign operations**

In October 2019, the Group entered into cross-currency swaps, whereby it pays an average fixed rate of 2.12% on a notional amount of €521.0m and receives a fixed rate of 3.375% on a notional amount of £450.0m. These swaps are being used as a net investment hedge to manage the impact of movements in the GBP:EUR exchange rate on the value of the Group's investment in its business in Germany. The swaps mature in October 2025 in line with the associated maturing bond.

There is an economic relationship between the hedged item and the hedging instrument as the net investment creates a translation risk that will match the foreign exchange risk on the cross-currency swaps. The Group has established a hedge ratio of 1:1 as the underlying risk of the hedging instrument is identical to the hedged risk component. The hedge ineffectiveness will arise if the amount of the investment in the foreign subsidiary was to become lower than the nominal amount of the swaps.

The net investment hedges were assessed to be highly effective at 27 February 2025 and a net unrealised gain of £16.7m (2023/24: £11.1m) has been recorded in the translation reserve. The Group has recorded costs of hedging of £1.1m (2023/24: £1.1m) within finance costs in the consolidated income statement as a result of the foreign currency basis spread within the hedging instrument.

Cash flow hedges**Commodity price risk**

The Group is exposed to the impact of changes in gas and power prices. In the UK, the Group manages this risk by entering into physical supply agreements with an energy supplier or by hedging with financial counterparties.

As at 27 February 2025, the Group had fixed prices in respect of approximately 80% of its gas and power requirements for the next financial year. The Group forecasts its UK gas and power requirements for future years. Group policy specifies that prices are fixed on a proportion of the projected future requirement.

Given its knowledge of its estate, and its intention to continue operations, the Group is able to forecast UK energy requirements with a high degree of probability. The Group hedges its exposure by either entering into physical supply agreements with suppliers or into derivative trades with financial counterparties ('financial hedge').

The maximum hedge period is three years. The proportion required to be at a fixed price increases the closer the period in question is. The policy is operated on a rolling basis. The specified proportion is never more than 100% of the forecasted requirement. Moreover, by increasing the proportion of hedging over time, the Group is able to allow for any changes in the forecasted requirements.

When entering into a financial hedge, the Group undertakes to pay a fixed price for a specified amount of energy. Settlement is on a monthly basis for the life of the hedge. In return, the counterparty undertakes to pay an amount equal to the quantity of energy at the average benchmark price for the month. This benchmark price should be the same as the benchmark price paid by the Group to its supplier for the same period.

25. Financial instruments continued**Derivative financial instruments continued****Cash flow hedges continued****Commodity price risk continued**

The impact of the hedging instruments and hedged items on the statement of financial position is as follows:

At 27 February 2025	Notional amount £m	Carrying amount £m	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the year £m	Hedged item	Change in fair value of hedged item £m
Net investment in foreign operations						
Cross-currency swaps	450.0	19.9	Derivative financial instruments	16.1	Net investment in foreign subsidiaries	(16.1)
Cash flow hedges						
Power commodity swaps	4.5	(1.4)	Derivative financial instruments	5.7	Highly probable forecast future power usage	N/A - future usage

At 29 February 2024	Notional amount £m	Carrying amount £m	Line item in statement of financial position	Change in fair value used for measuring ineffectiveness for the year £m	Hedged item	Change in fair value of hedged item £m
Net investment in foreign operations						
Cross-currency swaps	450.0	3.8	Derivative financial instruments	10.4	Net investment in foreign subsidiaries	(10.4)
Cash flow hedges						
Power commodity swaps	38.9	(15.9)	Derivative financial instruments	(14.6)	Highly probable forecast future power usage	N/A - future usage

The impact of the hedging instruments in the consolidated income statement and consolidated statement of comprehensive income is as follows:

2024/25	Total hedging gain/(loss) recognised in OCI £m	Amount reclassified from OCI to profit or loss £m	Line item in the consolidated income statement	Accumulated value recognised in cash flow hedge reserve £m
Power commodity swaps	5.7	8.8	N/A - future usage	(1.4)
2023/24	Total hedging gain/(loss) recognised in OCI £m	Amount reclassified from OCI to profit or loss £m	Line item in the consolidated income statement	Accumulated value recognised in cash flow hedge reserve £m
Power commodity swaps	(14.6)	—	N/A - future usage	(15.9)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

25. Financial instruments continued**Derivative financial instruments continued**

Impact of hedging on equity

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	Cash flow hedge reserve £m	Foreign currency translation reserve £m
At 2 March 2023	(1.3)	35.0
Net fair value movement recognised in other comprehensive income:		
- Power commodity swaps	(14.6)	—
Foreign exchange arising on consolidation	—	(21.7)
Fair value movement on derivatives designated as net investment hedges	—	11.1
Net current tax credit	—	1.5
Deferred tax credit	4.3	—
At 29 February 2024	(11.6)	25.9
Net fair value movement recognised in other comprehensive income:		
- Power commodity swaps	5.7	—
Reclassified and reported in the consolidated income statement:		
- Power commodity swaps	8.8	—
Foreign exchange arising on consolidation	—	(20.9)
Fair value movement on derivatives designated as net investment hedges	—	16.7
Net current tax credit	—	0.3
Deferred tax charge	(3.6)	—
At 27 February 2025	(0.7)	22.0

The foreign currency translation reserve includes an accumulated gain of £17.3m (2023/24: gain of £0.6m) relating to derivatives designated as net investment hedges.

26. Trade and other payables

	2025 £m	2024 £m
Trade payables	96.1	91.9
Other taxes and social security	73.8	61.9
Contract liabilities	183.3	177.1
Accruals	233.3	250.2
Other payables	74.3	86.2
Deferred and contingent consideration	—	3.2
	660.8	670.5
Analysed as:		
Current	660.8	670.5
Non-current	—	—
	660.8	670.5

Included with contract liabilities is £180.0m (2023/24: £171.9m) relating to payments received for accommodation where the stay will take place after the year-end and £3.3m (2023/24: £5.2m) revenue deferred relating to the Group's customer loyalty programmes. During the year, £177.1m presented as a contract liability at 29 February 2024 has been recognised in revenue (2023/24: £167.3m).

Trade payables typically have maturities up to 60 days depending on the nature of the purchase transaction and the agreed terms.

27. Share capital

Ordinary share capital

Allotted, called up and fully paid ordinary shares of 76.80 pence each (2023/24: 76.80 pence each)

	million	£m
At 2 March 2023	214.6	164.9
Issued on exercise of employee share options	0.2	0.2
Cancellations following share buy-back	(17.3)	(13.3)
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

Employee share options

During the year, options over 0.1m (2023/24: 0.2m) ordinary shares, fully paid, were exercised by employees under the terms of various share option schemes. The Company received proceeds of £3.3m (2023/24: £5.4m) on exercise of these options.

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, which 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.

Preference share capital

Allotted, called up and fully paid shares of 1 penny each (2023/24: 1 penny each)

	B shares		C shares	
	million	£m	million	£m
At 2 March 2023 and 29 February 2024	2.0	—	1.9	—
Converted in year	(2.0)	—	(1.9)	—
At 27 February 2025	—	—	—	—

During the year, the Company converted its existing B shares and C shares into ordinary shares in accordance with the relevant conversion provisions under the articles of association. As part of the conversion mechanism, short-term deferred shares of 1/153 pence each, with an aggregate nominal value of £0.1m (equal to less than 0.01% of the Company's called-up share capital), were created and promptly indirectly transferred back to the Company in order to finalise the conversion process. The deferred shares were transferred to the Company by way of gift and accordingly the Company did not pay any consideration in respect of such transfer.

As part of the conversion process, a final preference dividend was paid to B shareholders and C shareholders in the year, as shown within Note 11.

Other than shares issued in the normal course of business as part of the share-based payments schemes, there have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these consolidated financial statements.

28. Reserves

Share premium

The share premium reserve is the premium paid on the Company's 76.80 pence ordinary shares.

Capital redemption reserve

A capital redemption reserve was created on the cancellation of the Group's B and C preference shares and also includes the nominal value of cancelled ordinary shares.

Retained earnings

In accordance with IFRS practice, retained earnings include revaluation reserves which arose on transition to IFRS.

Currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries, other foreign currency investments and exchange differences on derivative instruments that provide a hedge against net investments in foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

28. Reserves continued**Other reserves**

The movement in other reserves during the year is set out in the table below:

	Treasury reserve £m	Merger reserve £m	Hedging reserve £m	Excluded component of hedge reserve £m	Total other reserves £m
At 2 March 2023	544.5	1,855.0	1.3	(5.4)	2,395.4
Other comprehensive income – net gain on cash flow hedges (Note 25)	—	—	14.6	—	14.6
Other comprehensive income – deferred tax on cash flow hedges (Note 25)	—	—	(4.3)	—	(4.3)
Other comprehensive income – loss on net investment hedge	—	—	—	0.7	0.7
Cost of hedging	—	—	—	(1.1)	(1.1)
Loss on ESOT shares issued	(6.4)	—	—	—	(6.4)
At 29 February 2024	538.1	1,855.0	11.6	(5.8)	2,398.9
Other comprehensive income – net gain on cash flow hedges (Note 25)	—	—	(14.5)	—	(14.5)
Other comprehensive income – deferred tax on cash flow hedges (Note 25)	—	—	3.6	—	3.6
Other comprehensive income – loss on net investment hedge	—	—	—	0.6	0.6
Cost of hedging	—	—	—	(1.1)	(1.1)
Loss on ESOT shares issued	(8.1)	—	—	—	(8.1)
At 27 February 2025	530.0	1,855.0	0.7	(6.3)	2,379.4

28. Reserves continued

Other reserves continued

Treasury reserve
This reserve relates to shares held by an independently managed employee share ownership trust (ESOT) and treasury shares held by Whitbread PLC. The shares held by the ESOT were purchased in order to satisfy our employee share purchase plan and the potential award under the Long Term Incentive Plan (LTI) and other incentive schemes. The movement in treasury reserves during the year is set out in the table below:

	Treasury shares held by Whitbread PLC		ESOT shares held	
	million pounds	£m	million pounds	£m
At 2 March 2023	12.5	514.5	1.2	30.0
Exercised during the year	–	–	(0.3)	(6.4)
At 29 February 2024	12.5	514.5	0.9	23.6
Exercised during the year	–	–	(0.3)	(8.1)
Purchase of ESOT Shares	–	(5.1)	0.2	5.1
At 27 February 2025	12.5	509.4	0.8	20.6

Merger reserve
The merger reserve arose as a consequence of the merger in 2000/01 of Whitbread Group PLC and Whitbread PLC.

Hedging reserve

The hedging reserve records movements for effective cash flow hedges measured at fair value.

Excluded component of hedge reserve

The excluded component of hedge reserve records movements in the elements of derivatives used in hedging arrangements that are excluded from the hedge relationship.

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

	2024/25	2023/24
Profit for the year	253.7	312.1
Adjustments for:		
Tax expense	114.1	139.6
Net finance costs (Note 8)	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 14)	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 trade and other receivables	4.1	0.4
Decrease in inventories	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

Other non-cash items include a net outflow representing bad debt charges (2023/24: £0.6m outflow), an inflow of £33.9m (2023/24: £3.2m inflow) as a result of net provision-related movements, administration costs, an outflow of £35m (2023/24: nil) in relation to other adjusting item write-offs and an inflow of £0.2m (2023/24: £1.0m inflow) from foreign exchange gains.

30. 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 (2023/24: no contingent liabilities).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

31. Share-based payment plans**Long Term Incentive Plan (LTIP)**

LTIP awards were made to directors and senior executives of the Group prior to the adoption of the Restricted Share Plan. Vesting of share awards under the scheme was dependent on continued employment and meeting performance targets over a three-year vesting period. The awards are settled in equity once exercised.

Deferred equity awards

Share awards are made under the Whitbread Directors' Incentive Scheme implemented during 2004/05. The awards are not subject to performance conditions and will vest in full on the release date subject to continued employment at that date. If the director or senior executive of the Group ceases to be an employee of Whitbread prior to the release date, normally three years after the award, by reason of redundancy, death, injury, ill health, disability or some other reason considered to be a permitted reason by the Remuneration Committee, the awards may be released in full. If employment ceases for any other reason, the proportion of awards which vest depends upon the year in which the award was made and the date that employment ceased. If employment ceases in the first year after an award is made, none of the award vests, between the first and second anniversary, 25% vests, and between the second and third anniversary, 50% vests. The awards are settled in equity once exercised.

R&R Scheme

The R&R Scheme enables Whitbread to make share awards periodically on a flexible basis. There are typically no performance conditions but these can be imposed by Whitbread at time of grant. Vesting of awards under this scheme is dependent on being in employment at date of vesting. If employment at Whitbread ceases prior to the vesting date by reason of resignation or is terminated for cause, all unvested awards will lapse. If employment ceases for any other reason, any vesting will be at the discretion of the Remuneration Committee and if granted will be on a pro-rated basis to the leaving date. The awards are settled in equity once exercised.

Restricted Share Plan (RSP)

At the general meeting held on 6 December 2019, it was agreed that the Restricted Share Plan would replace the Long Term Incentive Plan. Vesting of all shares under the scheme will depend on continued employment and meeting underpin targets over a period of at least three years. Details of the underpin target that apply to RSP awards are included in the remuneration report on page 129. After vesting there is an additional holding period applicable to directors and senior executives such that the underpin measurement period and holding period are at least five years. If employment at Whitbread ceases prior to the vesting date by reason of resignation or terminated for cause, all unvested shares will lapse. If employment ceases for any other reason, any vesting will be at the discretion of the Remuneration Committee and if granted will be on a pro-rated basis to the leaving date. The awards are settled in equity once exercised.

Movements in the number of share awards are as follows:

	Outstanding at the beginning of the year	Granted during the year	Exercised during the year	Expired during the year	Outstanding at the end of the year	Exercisable at the end of the year
52 weeks to 27 February 2025						
Long Term Incentive Plan	569	—	—	(569)	—	—
Deferred equity awards	310,012	152,385	(62,436)	(24,093)	375,868	1,019
R&R Scheme	383,905	14,996	(210,792)	(11,757)	176,352	123,572
Restricted Share Plan	615,136	187,944	(46,155)	(52,164)	704,761	120,000
	1,309,622	355,325	(319,383)	(88,583)	1,256,981	244,591
52 weeks to 29 February 2024						
Long Term Incentive Plan	68,977	—	(68,408)	—	569	569
Deferred equity awards	263,860	157,199	(90,595)	(20,452)	310,012	6,168
R&R Scheme	539,159	54,161	(169,498)	(39,917)	383,905	145,602
Restricted Share Plan	477,080	205,391	(7,147)	(60,188)	615,136	173,517
	1,349,076	416,751	(335,648)	(120,557)	1,309,622	325,856

31. Share-based payment plans continued**Employee Sharesave scheme**

The employee Sharesave scheme is open to all employees and provides for a purchase price equal to the market price on the day preceding the date of invitation, with a 20% discount. The shares can be purchased over the six-month period following the third or fifth anniversary of the commencement date, depending on the length chosen by the employee.

The weighted average exercise price (WAEP) of movements in the number of share awards is as follows:

	2024/25		2023/24	
	Options	WAEP £ per share	Options	WAEP £ per share
Outstanding at the beginning of the year	1,213,411	23.79	1,259,804	23.01
Granted during the year	405,496	23.33	383,890	27.11
Exercised during the year	(140,968)	24.93	(207,689)	26.06
Expired during the year	(267,736)	24.76	(222,594)	22.99
Outstanding at the end of the year	1,210,203	23.29	1,213,411	23.79
Exercisable at the year-end	85,757	24.52	74,973	25.42

Outstanding options to purchase ordinary shares of 76.80 pence between 2025 and 2030 are exercisable at prices between £20.51 and £31.62 per share (2023/24: between 2024 and 2029 at prices between £20.51 and £31.62). The weighted average share price at the date of exercise for options exercised during the year was £31.17 (2023/24: £34.48).

The weighted average contractual life of the share options outstanding as at 27 February 2025 is between two and three years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

31. Share-based payment plans continued**Employee Sharesave scheme** continued

The following tables list the inputs to the model used for years ended 27 February 2025 and 29 February 2024:

	Grant date	Exercise price £	Price at grant date £	Expected term Years	Expected dividend yield %	Expected volatility %	Risk-free rate %	Vesting conditions	Weighted average fair value £ per share
27 February 2025									
Deferred equity awards	30.04.2024	—	31.67	2.15	2.00	N/A	N/A	Service ³	30.36
Deferred equity awards	30.01.2025	—	28.72	2.27	2.00	N/A	N/A	Service ³	27.44
Restricted Share Plan	30.04.2024	—	31.67	3.00	2.00	N/A	N/A	Non-market ^{1,2,3,4}	29.83
Restricted Share Plan	30.01.2025	—	28.72	2.27	2.00	N/A	N/A	Non-market ^{1,2,3,4}	27.44
R&R awards	30.04.2024	—	31.67	1.19	2.00	N/A	N/A	Service ³	30.92
R&R awards	30.01.2025	—	28.72	0.44	2.00	N/A	N/A	Service ³	28.47
SAYE - three years	16.12.2024	23.33	29.42	3.21	2.00	38.8	4.20	Service ³	10.68
SAYE - five years	16.12.2024	23.33	29.42	5.21	2.00	38.8	4.20	Service ³	12.14
29 February 2024									
Deferred equity awards	25.04.2023	—	32.59	3.00	2.00	N/A	N/A	Service ³	30.70
Deferred equity awards	11.01.2024	—	36.32	2.29	2.00	N/A	N/A	Service ³	34.69
Restricted Share Plan	25.04.2023	—	32.59	3.00	2.00	N/A	N/A	Non-market ^{1,2,3,4}	30.70
Restricted Share Plan	11.01.2024	—	36.32	2.29	2.00	N/A	N/A	Non-market ^{1,2,3,4}	34.69
R&R awards	11.01.2024	—	36.32	1.65	2.00	N/A	N/A	Service ³	35.97
SAYE - three years	12.12.2023	27.11	33.69	3.22	2.00	38.8	4.25	Service ³	12.08
SAYE - five years	12.12.2023	27.11	33.69	5.22	2.00	38.8	3.95	Service ³	13.63

1 Return on capital employed.

2 Other performance conditions.

3 Employment service.

4 Lease-adjusted net debt.

The fair value of share options granted is estimated as at the date of grant using a stochastic model, taking into account the terms and conditions upon which the options were granted.

Expected volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome. The risk-free rate is the rate of interest obtainable from government securities over the expected life of the equity incentive. The expected dividend yield is calculated on the basis of publicly available information at the time of the grant date which, in most cases, is the historical dividend yield. No other features relating to the granting of options were incorporated into the measurement of fair value.

31. Share-based payment plans continued

Employee share ownership trust (ESOT)

The Company funds an ESOT to enable it to acquire and hold shares for the share-based payment plans noted above. The ESOT held 0.8m shares at 27 February 2025 (2023/24: 0.9m). All dividends on the shares in the ESOT are waived by the Trustee.

Total charged to the consolidated income statement for all schemes

	2024/25	2023/24
	£m	£m
Deferred equity	3.5	3.5
R&R Scheme	2.1	2.1
Restricted Share Plan	5.7	5.6
Employee Sharesave scheme	5.5	4.6
Equity settled	16.8	15.8

32. Retirement benefits

Defined contribution schemes

The Group operates a contracted-in defined contribution scheme under the Whitbread Group Pension Fund. Contributions by both employees and Group companies are held in externally invested, trustee-administered funds.

The Group contributes a specified percentage of earnings for members of the above defined contribution scheme, and thereafter has no further obligations in relation to the scheme. The total cost charged to the consolidated income statement in relation to the defined contribution scheme in the year was £16.4m (2023/24: £14.7m). At the year-end, the Group owed outstanding contributions of £3.1m (2023/24: £2.8m) in respect of the defined contribution scheme.

Defined benefit scheme

The defined benefit (final salary) section of the principal Group pension scheme, the Whitbread Group Pension Fund, was closed to new members on 31 December 2001 and to future accrual on 31 December 2009. The Whitbread Group Pension Fund is set up under UK trust law, registered with His Majesty's Revenue and Customs and regulated by the Pensions Regulator. The Whitbread Group Pension Fund is governed by a corporate trustee which operates the scheme in accordance with the requirements of UK pensions legislation.

The surplus recognised in the consolidated balance sheet in respect of the defined benefit pension scheme is the fair value of the plan assets less the present value of the defined benefit obligation at the end of the reporting period. The IAS 19 pension cost relating to the defined benefit section of the Whitbread Group Pension Fund is assessed in accordance with actuarial advice from, and calculations provided by, Lane Clark & Peacock, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. As the scheme is closed to future accrual, there is no future service cost.

The surplus has been recognised as, under the governing documentation of the Whitbread Group Pension Fund, the Group has an unconditional right to receive a refund, assuming the gradual settlement of the scheme liabilities over time until all members and their dependants have either died or left the scheme, in accordance with the provisions of IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

With the pensioner buy-in policy purchased in June 2022, the defined benefit scheme has now insured around 50% of pensioners, under which the benefits payable to defined benefit members covered under the policy became fully insured, thus reducing the Group's exposure to changes in longevity, interest rates, inflation and other relevant factors.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12 years (2023/24: 13 years).

The Group continues to monitor the Virgin Media Ltd vs NTL Pension Trustees court case, despite the Court of Appeal recently upholding the earlier decision of the High Court against Virgin Media, based on the work performed by the Group to date, it remains appropriate that no adjustment is made to the Group's financial statements, and we will continue to keep this matter under review.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

32. Retirement benefits continued**Funding**

Expected contributions to be made in the next reporting period total £6.7m (2023/24: £17.7m). In 2024/25, contributions were £17.1m with £5.1m from the employer, £11.8m from Moorgate Scottish Limited Partnership (SLP) and £0.2m of benefits settled by the Group in relation to an unfunded scheme (2023/24: £17.7m, with £5.1m from the employer, £11.4m from Moorgate SLP and £0.2m of benefits settled by the Group in relation to an unfunded scheme). In addition, Whitbread paid £0.8m (2023/24: £0.8m) of investment manager expenses.

A scheme specific actuarial valuation for the purpose of determining the level of cash contributions to be paid into the Whitbread Group Pension Fund was undertaken as at 31 March 2023 by Towers Watson Ltd using the projected unit credit method. The valuation showed a surplus of assets relative to technical provisions of £34.0m (31 March 2020: surplus of £55.0m). As a result, no deficit reduction contributions are due.

A scheme specific actuarial valuation of the scheme as at 31 March 2025 is currently being carried out.

The Trustee holds as security £531.5m of Whitbread's freehold property and this is expected to remain at this level until no further obligations are due under the Scottish Partnership arrangements. Following that, which is expected to be the case during the 2025/26 financial year, the security held by the Trustee will be the lower of: £500.0m; and 120% of the buy-out deficit and will remain in place until there is no longer a buy-out deficit.

Investment in Moorgate SLP

Up until February 2025, the pension scheme received a share of the partnership profits from its investment in Moorgate SLP, which was established by the Group in the year ended 4 March 2010 (the share in profits was accounted for by the Group as pension contributions at the time of payment). The partnership interests in Moorgate SLP are held by the Group, the general partner and by the pension scheme.

Moorgate SLP holds an investment in a further partnership, Farringdon Scottish Partnership (SP), established in the same year. Property assets were transferred from other Group companies to Farringdon SP and are leased back to Whitbread Group PLC and Premier Inn Hotels Limited. The Group retains control over these properties, including the flexibility to substitute alternative properties. However, the Trustee has first charge over the property portfolio and certain other assets with an aggregate value of £228.0m which is included in the charge of £531.5m above. The Group retains control over both partnerships and, as such, they are fully consolidated in these consolidated financial statements.

The Pension Scheme is a partner in Moorgate SLP and, as such, was entitled to an annual share of the profits of the partnership up until February 2025. The underlying agreement will most likely terminate during the next financial year. At the end of this agreement, the partnership capital allocated to the Pension Scheme partner will, depending on the funding position of the Pension Scheme at that time, be transferred in cash to the Pension Scheme up to a value of £150.0m. The Group does not currently expect to need to pay out a material value under this clause as the funding position as at this year end is in a technical funding surplus, noting this is subject to change up to the point of the partnership agreement being terminated after this financial year.

Under IAS 19, the investment held by the pension scheme in Moorgate SLP, a consolidated entity, does not represent a plan asset for the purposes of the consolidated financial statements.

32. Retirement benefits continued

Risks

Through its defined benefit scheme, the Group is exposed to a number of risks in relation to the IAS 19 surplus, the most significant of which are detailed below:

Risk	Description	Principal impact on assets and obligation reconciliations
Market volatility	The value of the defined benefit obligation is linked to AA-rated corporate bonds whilst the scheme invests some of its assets in other asset classes (including those denominated in foreign currencies). These assets include private equities, secure income assets, gilts, swaps and cash. This exposes the Group to risks including those relating to interest rates, equity markets, foreign exchange and climate change. As a result, any change in market conditions which impacts the value of the scheme's assets or the interest rate on AA-rated corporate bonds will lead to volatility in the Group's net pension surplus on the balance sheet, pension expense in the income statement and remeasurement of movements in other comprehensive income. There is the potential for heightened market volatility through a number of different sources, including the economic impact of geopolitical events (e.g. regional conflicts or the potential for trade wars), and the policy response of central banks to changing economic conditions (e.g. growth and inflation) which could have consequential implications on interest rates, in addition to wider economic impacts. There are also longer-term macroeconomic risks, such as the possible risk of recession and constraints on market liquidity, which could all adversely affect the scheme's assets.	• Return on plan assets • Actuarial movements in financial assumptions
Inflationary risk	Due to the link between the scheme obligation and inflation, an increase in the expected future rate of inflation will lead to higher scheme liabilities, although this is mitigated by the scheme holding inflation-linked assets which aim to match the increase in liabilities.	• Actuarial movements in financial assumptions
Accounting assumptions	The defined benefit obligation is calculated by projecting the future cash flows of the scheme for many years into the future. Consequently, the assumptions used can have a significant impact on the balance sheet position and income statement charge. In practice, future scheme experience may not be in line with the assumptions adopted. For example, an increase in the life expectancy of members would increase scheme liabilities.	• Discount rate: interest income on scheme assets and cost on liabilities • Mortality: actuarial movements in demographic assumptions • Actuarial movements in financial assumptions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

32. Retirement benefits continued

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 (2023/24: 31 March 2020 to 29 February 2024) were:

	At 27 February 2025 %	At 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 expectancy assumptions		
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 amounts recognised in the consolidated income statement in respect of the defined benefit scheme are as follows:

	2024/25 £m	2023/24 £m
Net interest on net defined benefit surplus	(8.3)	(16.2)
Administrative expense	5.1	5.0
Total income recognised in the consolidated income statement (gross of deferred tax)	(3.2)	(11.2)

The amounts taken to the consolidated statement of comprehensive income are as follows:

	2024/25 £m	2023/24 £m
Actuarial (gains)/losses	(59.8)	4.6
Return on plan assets lower than discount rate	111.5	183.6
Remeasurement effects recognised in other comprehensive income	51.7	188.2

The amounts recognised in the consolidated balance sheet are as follows:

	2025 £m	2024 £m
Present value of defined benefit obligation	(1,641.2)	(1,719.6)
Fair value of scheme assets	1,775.8	1,884.8
Surplus recognised in the consolidated balance sheet	134.6	165.2

Changes in the present value of the defined benefit obligation are as follows:

	2024/25 £m	2023/24 £m
Opening defined benefit obligation	1,719.6	1,723.0
Interest cost	83.7	83.7
Remeasurement due to:		
Changes in financial assumptions	(95.4)	(17.5)
Changes in demographic assumptions	26.9	(17.9)
Experience adjustments	8.7	40.0
Benefits paid	(102.1)	(91.5)
Unfunded pension scheme benefits settled by the Group ¹	(0.2)	(0.2)
Closing defined benefit obligation	1,641.2	1,719.6

32. Retirement benefits continued

Changes in the fair value of the scheme assets are as follows:

	2024/25 £m	2023/24 £m
Opening fair value of scheme assets	1,884.8	2,047.7
Interest income on scheme assets	92.0	99.9
Return on plan assets lower than discount rate ²	(111.5)	(183.6)
Contributions from employer ¹	5.1	5.1
Additional contributions from Moorgate SLP ¹	11.8	11.4
Investment manager expenses paid by the employer ¹	0.8	0.8
Benefits paid	(102.1)	(91.5)
Administrative expenses	(5.1)	(5.0)
Closing fair value of scheme assets	1,775.8	1,884.8

The major categories of plan assets are as follows:

	2025			2024		
	Quoted and pooled £m	Unquoted £m	Total £m	Quoted and pooled £m	Unquoted £m	Total £m
Bonds	38.3	1.2	39.5	—	1.3	1.3
Private markets	—	273.5	273.5	—	356.4	356.4
Liability-driven investments (LDI) ³	981.5	—	981.5	1,022.9	—	1,022.9
Cash and other ⁴	20.0	4.1	24.1	24.2	6.1	30.3
Buy-in insurance	—	457.2	457.2	—	473.9	473.9
	1,039.8	736.0	1,775.8	1,047.1	837.7	1,884.8

1 The total of these items equals the cash paid by the Group as per the consolidated cash flow statement. 'Contributions from employer' include contributions to cover administration expenses.

2 Includes cost of managing fund assets.

3 Liability-driven investments include UK fixed and index-linked gilts, repurchase agreements and reverse repurchase agreements, interest rate and inflation (RPI) swaps, gilt futures and cash.

4 Other primarily relates to assets held in respect of cash and net current assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

32. Retirement benefits continued

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	
	2025 £m	2024 £m	2025 £m	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.

When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (projected unit credit method) has been applied as when calculating the pension surplus recognised within the consolidated balance sheet. The methods and types of assumptions did not change.

As the Trustees of the Fund have a strategy in place to hedge the Fund's liabilities against movements in interest rates and inflation, it is likely that movements in assets and liabilities will offset.

33. Related party disclosure

The Group consists of a parent company, Whitbread PLC, incorporated in the UK, and a number of subsidiaries and joint ventures held directly and indirectly by Whitbread PLC, which operate and are incorporated around the world. Note 9 to the Company's separate financial statements lists details of the interests in subsidiaries and related undertakings.

The Group holds 6% as a general partnership interest in Moorgate Scottish Limited Partnership (SLP) with Whitbread Pension Trustees holding the balance as a limited partner. Moorgate SLP holds a 67.8% investment in a further partnership, Farringtondon Scottish Partnership (SP), which was established by the Group to hold property assets. The remaining 32.2% interest in Farringtondon SP is owned by the Group. The partnerships were set up in 2009/10 as part of a transaction with Whitbread Pension Trustees and the Group retains control over both partnerships and, as such, they are fully consolidated in these consolidated financial statements. Further details can be found in Note 32.

Shares in Whitbread Group PLC are held directly by Whitbread PLC. Shares in the other subsidiaries are held directly and indirectly by Whitbread Group PLC.

Related party transactions

	2024/25 Joint ventures £m	2023/24 Joint ventures £m
Sales to a related party	1.1	—
Purchases from a related party	—	0.1
Amounts owed by a related party	—	—
Amounts owed to a related party	—	—

Other transactions with joint ventures

The sales to a related party majority relates to the £1.1m Franchise Fee charged by Whitbread to one of its Joint Ventures.

For details of the Group's investments in and loans to joint ventures, see Note 16; those details are excluded from the table above.

33. Related party disclosure continued**Key management personnel**

The key management personnel of the Group are defined as the members of the Whitbread PLC Executive Committee. Compensation of key management personnel (including directors) is set out below.

	2024/25 £m	2023/24 £m
Short-term employee benefits	7.5	8.0
Post-employment benefits	—	—
Share-based payments	6.0	6.3
	13.5	14.3

Terms and conditions of transactions with related parties

Sales to, and purchases from, related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided, or received, for any related party receivables. No adjustment for expected credit loss relating to amounts owed by related parties has been made (2023/24: £nil). An assessment is undertaken, each financial year, through examining the financial position of the related parties and the market in which the related parties operate.

Transactions with other related parties

Details of transactions with directors are detailed in Note 7.

34. 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.

35. 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.

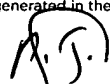
COMPANY BALANCE SHEET

At 27 February 2025

Company number: 04120344

	Notes	27 February 2025 £m	29 February 2024 £m
Non-current assets			
Investment in subsidiaries	3	2,489.6	2,472.8
Other receivables	4	273.9	598.1
Total non-current assets		2,763.5	3,070.9
Current assets			
Other receivables	4	250.0	350.0
Total assets		3,013.5	3,420.9
Current liabilities			
Other payables	5	(9.7)	(12.4)
Other financial liabilities		—	(12.3)
Total liabilities		(9.7)	(24.7)
Net assets		3,003.8	3,396.2
Equity			
Share capital	6	145.2	151.8
Share premium	7	1,038.7	1,031.8
Capital redemption reserve	7	70.3	63.5
Retained earnings	7	2,279.6	2,687.2
Treasury reserve	7	(530.0)	(538.1)
Total equity		3,003.8	3,396.2

The profit and loss account of the parent company is omitted from the Company's accounts by virtue of the exemption granted by section 408 of the Companies Act 2006. The profit generated in the year for ordinary shareholders, and included in the financial statements of the parent company, amounted to £13.8m (2023/24: £517.5m).


Dominic Paul
 Chief Executive
 30 April 2025


Hemant Patel
 Chief Financial Officer

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 27 February 2025

	Share capital (Note 6) £m	Share premium (Note 7) £m	Capital redemption reserve (Note 7) £m	Retained earnings (Note 7) £m	Treasury reserve (Note 7) £m	Total £m
At 2 March 2023	164.9	1,026.6	50.2	2,928.4	(544.5)	3,625.6
Profit for the year	—	—	—	517.5	—	517.5
Total comprehensive income	—	—	—	517.5	—	517.5
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
Dividends paid	—	—	—	(164.7)	—	(164.7)
Share buy-back, commitment and cancellation	(13.3)	—	13.3	(603.4)	—	(603.4)
At 29 February 2024	151.8	1,031.8	63.5	2,687.2	(538.1)	3,396.2
Profit for the year	—	—	—	13.8	—	13.8
Total comprehensive income	—	—	—	13.8	—	13.8
Ordinary shares issued on exercise of employee share options	0.1	7.0	—	—	—	7.1
Loss on ESOT shares issued	—	—	—	(8.1)	8.1	—
Accrued share-based payments	—	—	—	16.8	—	16.8
Dividends paid	—	—	—	(178.1)	—	(178.1)
Share buy-back, commitment and cancellation	(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	2,279.6	(530.0)	3,003.8

NOTES TO THE COMPANY FINANCIAL STATEMENTS

Year ended 27 February 2025

1. Basis of accounting

The financial statements of Whitbread PLC for the year ended 27 February 2025 were authorised for issue by 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 statements are prepared under the historical cost convention and in accordance with applicable UK Accounting Standards. The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements as issued by the Financial Reporting Council (FRC). Accordingly, in the year ended 3 March 2016, the Company underwent transition from reporting under UK GAAP to FRS 101 Reduced Disclosure Framework. The financial statements are therefore prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of non-current assets and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of the Group.

Going concern

The directors have concluded that it is appropriate for the financial statements to be prepared on the going concern basis (see Note 2 to the consolidated financial statements).

2. Summary of significant accounting policies

Investments

Investments held as non-current assets are stated at cost less provision for any impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Critical accounting judgements and key sources of estimation uncertainty

In the opinion of the directors, there are no critical accounting judgements or key sources of estimation uncertainty in relation to the parent company financial statements.

3. Investment in subsidiary undertakings

Investments at cost

	2025 £m	2024 £m
Opening investments	2,472.8	2,457.0
Contributions to subsidiaries in respect of share-based payments	16.8	15.8
Closing Investments	2,489.6	2,472.8

Significant trading subsidiary undertakings

	Principal activity	Country of incorporation	Country of principal operations	% of equity and votes held
Whitbread Group PLC	Hotels and restaurants	England	England	100.0
Premier Inn Hotels Limited	Hotels	England	England	100.0

Whitbread Group PLC, in which the Company has an investment, holds 6% as a general partnership interest in Moorgate Scottish Limited Partnership (SLP) with Whitbread Pension Trustees holding the balance as a limited partner. Moorgate SLP holds a 67.8% investment in a further partnership, Farrington Scottish Partnership (SP), which was established by the Group to hold property assets. The remaining 32.2% interest in Farrington SP is owned by Whitbread Group PLC. The partnerships were set up in 2009/10 as part of a transaction with Whitbread Pension Trustees. Further details can be found in Note 32 of the Whitbread PLC consolidated financial statements.

Shares in Whitbread Group PLC are held directly by Whitbread PLC. Shares in the other subsidiaries are held directly or indirectly by Whitbread Group PLC or its subsidiaries. A full list of subsidiaries and related undertakings is provided in Note 9.

4. Other receivables

	2025 £m	2024 £m
Amounts due from subsidiary undertakings	523.9	948.1
	523.9	948.1
Analysed as:		
Current	250.0	350.0
Non-current	273.9	598.1
	523.9	948.1

5. Other payables

	2025 £m	2024 £m
Unclaimed dividends	5.1	6.7
Corporation tax payable	4.6	5.7
	9.7	12.4

6. Share capital**Ordinary share capital**

Allotted, called up and fully paid ordinary shares of 76.80 pence each (2023/24: 76.80 pence each)

	million	£m
At 2 March 2023	214.6	164.9
Issued on exercise of employee share options	0.2	0.2
Share buy-back, commitment and cancellation	(17.3)	(13.3)
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
Share buy-back, commitment and cancellation	(8.9)	(6.8)
At 27 February 2025	188.8	145.2

Employee share options

During the year, options over 0.1m (2023/24: 0.2m) ordinary shares, fully paid, were exercised by employees under the terms of various share option schemes. The Company received proceeds of £3.3m (2023/24: £5.4m) on exercise of these options.

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.

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, which was announced in October 2024, was made on 12 November 2024.

Preference share capital

Allotted, called up and fully paid shares of 1 penny each (2023/24: 1 penny each)

	B shares		C shares	
	million	£m	million	£m
At 2 March 2023 and 29 February 2024	2.0	—	1.9	—
Converted in year	(2.0)	—	(1.9)	—
At 27 February 2025	—	—	—	—

During the year, the Company converted its existing B shares and C shares into ordinary shares in accordance with the relevant conversion provisions under the articles of association. As part of the conversion mechanism, short-term deferred shares of 1/153 pence each, with an aggregate nominal value of £0.1m (equal to less than 0.01% of the Company's called-up share capital), were created and promptly indirectly transferred back to the Company in order to finalise the conversion process. The deferred shares were transferred to the Company by way of gift and accordingly the Company did not pay any consideration in respect of such transfer.

As part of the conversion process, a final preference dividend was paid to B shareholders and C shareholders in the year, as shown within Note 11.

7. Reserves**Share premium**

The share premium reserve is the premium paid on the Company's 76.80 pence ordinary shares.

Capital redemption reserve

A capital redemption reserve was created on the cancellation of the Company's B and C preference shares and the nominal value of cancelled ordinary shares.

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

7. Reserves continued**Retained earnings**

Retained earnings are the net earnings not paid out as dividends, but retained to be reinvested.

Treasury reserve

This reserve relates to shares held by an independently managed employee share ownership trust (ESOT) and treasury shares held by Whitbread PLC. The shares held by the ESOT were purchased in order to satisfy outstanding employee share options and potential awards under the Long Term Incentive Plan (LTIP) and other incentive schemes.

The movement in treasury reserves during the year is set out in the table below:

	Treasury shares held by Whitbread PLC		ESOT shares held	
	million	£m	million	£m
At 2 March 2023	12.5	514.5	1.2	30.0
Exercised during the year	—	—	(0.3)	(6.4)
At 29 February 2024	12.5	514.5	0.9	23.6
Exercised during the year	—	—	(0.3)	(8.1)
Purchase of ESOT shares	—	(5.1)	0.2	5.1
At 27 February 2025	12.5	509.4	0.8	20.6

Distributable reserves

As at 27 February 2025, Whitbread PLC had distributable reserves of £1,516.3m (2023/24: £1,932.6m).

8. Contingent liabilities

Whitbread PLC is a member of the Whitbread Group PLC VAT group. All members of this group are jointly and severally liable for the VAT liability. At the balance sheet date that VAT Group's liability amounted to £42.1m (2023/24: £42.7m).

9. Related parties

Details of related undertakings are shown below:

Active related undertakings

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% class of shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
AIRE HIEX Stuttgart Verwaltungs GmbH	Germany	Ordinary EUR 50,000	—	100.0	100.0
Brickwoods Limited	England ¹	Ordinary £0.25	—	100.0	100.0
Duttons Brewery Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Elm Hotel Holdings Limited	England ¹	Ordinary £0.10	—	100.0	100.0
Farringdon Scottish Partnership	Scotland ²	N/A	N/A	N/A	N/A
Leeds City Hotels Limited	England ¹	Ordinary £100.00	—	100.0	100.0
London Hotel Holdings Limited	England ¹	Ordinary £100.00	—	100.0	100.0
London Hotel Holdings 2 Limited	England ¹	Ordinary £100.00	—	100.0	100.0
Manchester Hotel Holdings Limited	England ¹	Ordinary £10.00	—	100.0	100.0
Milton (SC) 2 Limited	Scotland ²	Ordinary £1.00	—	100.0	100.0
Milton (SC) Limited	Scotland ²	Ordinary £1.00	—	100.0	100.0
Milton 1 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Moorgate Scottish Limited Partnership	Scotland ²	N/A	N/A	N/A	N/A
Newbury Park Hotels Limited	England ¹	Ordinary £100.00	—	100.0	100.0
PI Hotels and Restaurants Ireland Limited	Ireland ³	Ordinary EUR 1	—	100.0	100.0
Premier Inn (Bath Street) Limited	Jersey ⁵	Ordinary £1.00	—	100.0	100.0
Premier Inn (Guernsey) Limited	Guernsey ¹⁶	Ordinary £1.00	—	100.0	100.0

9. Related parties continued

Active related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% class of shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Premier Inn (Isle of Man) Limited	Isle of Man ⁴	Ordinary £1.00	—	100.0	100.0
Premier Inn (Jersey) Limited	Jersey ⁵	Ordinary £1.00	—	100.0	100.0
Premier Inn (UK) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn AT Holding GmbH	Austria ¹⁸	Ordinary EUR 35,000	—	100.0	100.0
Premier Inn AT Hotelbetriebsgesellschaft GmbH	Austria ¹⁸	Ordinary EUR 35,000	—	100.0	100.0
Premier Inn AT Immobilienbesitz GmbH	Austria ¹⁸	Ordinary EUR 35,000	—	100.0	100.0
Premier Inn Dortmund Königswall GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Essen City Hauptbahnhof GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Flensburg City GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Frankfurt City Ostbahnhof GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Frankfurt Eschborn GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Glasgow Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Hamburg Nordanalstrasse GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Holding GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% class of shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Premier Inn Hotel GmbH	Germany ⁸	There are no classes of shares. The total nominal share capital amounts to EUR 300,000 and is divided into two shares, one in the nominal amount of EUR 275,000 and one in the nominal amount of EUR 25,000	—	100.0	100.0
Premier Inn Hotels Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Hotels LLC	United Arab Emirates ⁶	Ordinary AED 1,000	—	49.0	49.0
Premier Inn Hotels Qatar	Qatar ⁷	Ordinary QAR 100.00	—	24.0	24.0
Premier Inn Immo 19 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Immo 20 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Immo 21 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Immo 22 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Immo 23 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Immo 24 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Immo 25 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

9. Related parties continued

Active related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% class of shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Premier Inn International Development Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Manchester Airport Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Manchester Trafford Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Mannheim Quadrate T1 GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn München Frankfurter Ring GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Ochre Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Rostock City Hafen GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Verwaltungsgesellschaft Süd GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Premier Inn Westminster Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Travel Inn India Limited	England ¹	Ordinary £1.00	—	100.0	100.0
PT. Whitbread Indonesia	Indonesia ¹⁰	Ordinary USD 1.00	—	100.0	100.0
PTI Middle East Limited	United Arab Emirates ¹¹	Ordinary AED 1,000	—	100.0	100.0
Quay House Admirals Way Land Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Silk Street Hotels Limited	England ¹	Deferred £1.00	—	100.0	99.1
		Ordinary USD 0.01	—	100.0	100.0
St Andrews Homes Limited	England ¹	Ordinary £1.00	—	100.0	100.0

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% class of shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Swift Hotels Limited	England ¹	Ordinary £1.00	—	100.0	0.1
		Preference £5.00	—	100.0	99.9
T.F. Ashe & Nephew Limited	England ¹	Deferred £1.00	—	100.0	0.1
		Ordinary £0.01	—	100.0	100.0
UNA 312. Equity Management GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
UNA 352. Equity Management GmbH	Germany ⁸	Ordinary EUR 25,000	—	100.0	100.0
Wembley Park Holdings Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Asia Pacific Private Limited	Singapore ¹²	Ordinary SGD 1.00	—	100.0	100.0
Whitbread East Pennines Limited	England ¹	Ordinary £1.00	—	100.0	100.0
		Ordinary £0.23	100.0	—	50.0
Whitbread Group PLC	England ¹	A ordinary £0.25	100.0	—	50.0
		Ordinary £0.10	—	100.0	100.0
Whitbread Hotel Company Limited	England ¹	Ordinary £0.10	—	100.0	100.0
Whitbread International Sourcing Business Services (Shanghai) Co., Ltd	China ⁹	Ordinary RMB 1.00	—	100.0	100.0
Whitbread Properties Limited	England ¹	5% non-cumulative preference £0.50	—	100.0	24.9
		7% non-cumulative preference £0.25	—	100.0	24.9
		Ordinary £0.175	—	100.0	58.7
Whitbread West Pennines Limited	England ¹	Ordinary £1.00	—	100.0	24.9

9. Related parties continued**Active related undertakings continued**

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% class of shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
WHRI Development DMCC	United Arab Emirates ¹³	Ordinary AED 1,000	—	100.0	24.9
WHRI Holding Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0

Dormant related undertakings

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Advisebegin Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Alastair Campbell & Company Limited	Scotland ¹⁵	Ordinary £1.00	—	100.0	100.0
Archibald Campbell Hope & King Limited	Scotland ¹⁵	Ordinary £1.00	—	100.0	100.0
Autumn Days Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Belgrave Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Belstead Brook Manor Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Brewers Fayre Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Britannia Inns Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Broughton Park Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Carpenters of Widnes Limited	England ¹	Ordinary £1.00	—	100.0	100.0
		Deferred ordinary £1.00	—	100.0	100.0
Cherwell Inns Limited	England ¹	A ordinary non-voting £1.00	—	100.0	66.7
		Ordinary £1.00	—	100.0	33.3

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Chiswell Overseas Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Chiswell Properties Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Churchgate Manor Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Country Club Hotels Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Cromwell Hotel (Stevenage)	England ¹	Ordinary £1.00	—	100.0	100.0
Cymric Hotel Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Danesk Limited	Scotland ¹⁴	Ordinary £1.00	—	100.0	100.0
David Williams (Bulth) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Dealend Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Delamont Freres Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Delaunay Freres Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Dome Restaurants Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Dragon Inns and Restaurants Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Dukes Head 1988 Limited	England ¹	B ordinary £1.00	—	100.0	100.0
		W ordinary £1.00	—	100.0	100.0
E. Lacon & Co., Limited	England ¹	Ordinary £1.00	—	100.0	100.0
E.B. Holdings Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Evan Evans Bevan Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Finite Hotel Systems Limited	England ¹	A ordinary £1.00	—	100.0	50.0
		B ordinary £1.00	—	100.0	50.0
Fleet Wines & Spirits Limited	England ¹	Ordinary £1.00	—	100.0	100.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

9. Related parties continued

Dormant related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Forest of Arden Golf and Country Club Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Gable Care Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Goodhews (Castle)	England ¹	A ordinary £1.00	—	100.0	51.0
		Ordinary £1.00	—	100.0	49.0
Goodhews (Holdings) Limited	England ¹	A ordinary £1.00	—	100.0	42.2
		B ordinary £1.00	—	100.0	42.2
		C ordinary £1.00	—	100.0	15.6
Goodhews (Inns)	England ¹	Ordinary £1.00	—	100.0	100.0
Goodhews (Restaurants)	England ¹	Ordinary £1.00	—	100.0	100.0
Goodhews B. & S. Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Goodhews Enterprises	England ¹	Ordinary £1.00	—	100.0	100.0
Goodhews Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Gough Brothers Limited	England ¹	Deferred ordinary £0.20	—	100.0	97.6
		Ordinary £1.00	—	100.0	2.4
Grosvenor Leisure Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Hammock Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Hart & Co. (Boats) Limited	England ¹	1% non-cumulative preference £1.00	—	100.0	99.0
		Ordinary £1.00	—	100.0	1.0
		1% non-cumulative preference £0.01	—	100.0	—

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Harveys Leisure Promotions Limited	England ¹	A ordinary £1.00	—	100.0	100.0
		B ordinary £1.00	—	100.0	100.0
Hunter & Oliver Limited	England ¹	Ordinary £1.00	—	100.0	100.0
J. Burton (Warwick) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
J. J. Norman and Ellery Limited	England ¹	Ordinary £1.00	—	100.0	100.0
James Bell and Company Limited	England ¹	Deferred ordinary £0.25	—	100.0	96.2
		Ordinary 0.01	—	100.0	3.8
Jestbread Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Kingsmills Hotel Company Limited	Scotland ¹⁷	Ordinary £1.00	—	100.0	100.0
Lambtons Ale Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Latewise Limited	England ¹	Ordinary £1.00	—	53.4	53.4
Lawnpark Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Leisure and Retail Resources Limited	England ¹	Ordinary £1.00	—	99.6	99.6
Lloyds Avenue Catering Limited	England ¹	3% non-cumulative preference £1.00	—	100.0	50.0
		Ordinary £1.00	—	100.0	50.0
London International Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Lorimer & Clark, Limited	Scotland ¹⁵	Ordinary £1.00	—	100.0	100.0
Mackeson & Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Mackies Wine Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Maredrove Limited	England ¹	Ordinary £1.00	—	100.0	100.0

9. Related parties continued

Dormant related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Marine Hotel Porthcawl Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Marlow Catering Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Meon Valley Golf and Country Club Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Milton 2 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Morans of Bristol Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Morris's Wine Stores Limited	England ¹	Ordinary £1.00	—	100.0	5.4
		5.6% non-cumulative preference £1.00	—	100.0	
New Clapton Stadium Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Norseman Lager Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Pacific Caledonian Properties Limited	Scotland ^{1a}	Ordinary £1.00	—	100.0	100.0
Percheron Properties Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Peter Dominic Limited	England ¹	Ordinary £1.00	—	100.0	100.0
PI Hotels York Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Piquant Caterers Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Pizzaland Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Premier Inn Troon Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Priory Leisure Limited	England ¹	Ordinary £1.00	—	100.0	100.0
R.C. Gough and Co. Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Raybain (Northern) Limited	England ¹	Ordinary £1.00	—	100.0	100.0

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Raybain (Wine Bars) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Respotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Rhymney Breweries Limited	England ¹	Ordinary £1.00	—	100.0	100.0
S & S Property Limited	England ¹	Ordinary £1.00	—	100.0	100.0
S.H. Ward & Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Salford Automatics Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Scorechance 1 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Scorechance 12 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Scorechance 17 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Scorechance 25 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Scorechance 8 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Sheffield Automatics Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Shewell Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Silk Street Hotel Liverpool Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Small & Co. (Engineering) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Small & Co. Limited	England ¹	7% cumulative preference £1.00	—	100.0	0.7
		Ordinary £1.00	—	100.0	99.3
Spring Soft Drinks Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Sprowston Manor Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Square October 1 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Square October 2 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Square October 3 Limited	England ¹	Ordinary £1.00	—	100.0	100.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

9. Related parties continued

Dormant related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
St Andrews Homes (1995) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
St Martins Care Homes Investments Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Stoneshell Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Stripe Travel Inn Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Strong and Co. of Romsey Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Summerfields Care Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Sun Taverns Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Sweetings (Chop House) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swift (Lurchrise) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swift Hotels (1995) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swift Hotels (Management) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swift Inns and Restaurants Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swift Profit Sharing Scheme Trustees Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swift Quest Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Swingbridge Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Tewkesbury Park Golf and Country Club Limited	England ¹	Ordinary £1.00	—	100.0	100.0
The Barcave Group Limited	England ¹	7% cumulative preference £1.00	—	100.0	90.9
		Ordinary £1.00	—	100.0	9.1
The Dominic Group Limited	England ¹	Ordinary £1.00	—	100.0	100.0

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
The Four Seasons Hotel Investments Limited	England ¹	8% cumulative preference A £1.00	—	100.0	33.0
		8% cumulative preference B £1.00	—	100.0	28.1
		Ordinary £1.00	—	100.0	30.2
		Preferred ordinary £1.00	—	100.0	8.8
The Four Seasons Hotel Investments Management Limited	England ¹	Ordinary £1.00	—	100.0	100.0
The Four Seasons Hotel Limited	England ¹	Ordinary £1.00	—	100.0	100.0
The Oyster Spa Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
The Portsmouth and Brighton United Breweries, Limited	England ¹	Ordinary £0.25	—	100.0	100.0
Thomas Wethered & Sons Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Threlfalls (Liverpool & Birkenhead) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Threlfalls (Salford) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Trentise Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Uncle Sam's Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Virlat Limited	England ¹	Ordinary £1.00	—	100.0	100.0
W. M. Darley, Limited	England ¹	Ordinary £1.00	—	100.0	49.8
		Preference £1.00	—	100.0	49.8
		Preferred ordinary £0.01	—	100.0	0.4
W. R. Wines Limited	England ¹	Deferred £1.00	—	100.0	99.0
		Ordinary £0.01	—	100.0	1.0

9. Related parties continued

Dormant related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
West Country Breweries Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Wentworth Guarantee Company Limited	England ¹	N/A	N/A	N/A	N/A
Wheeler Gate Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread (Condor) Holdings Limited	England ¹	Ordinary £0.0001	—	100.0	100.0
Whitbread (G.C.) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Company Two Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Developments Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Devon Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Directors 1 Limited	England ¹	Ordinary £0.05	—	100.0	100.0
Whitbread Directors 2 Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Dunstable Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Enterprise Centre Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Finance PLC	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Fremains Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Golf and Country Club Limited	England ¹	5% non-cumulative preference £1.00	—	100.0	45.0
		A ordinary £1.00	—	100.0	55.0
Whitbread Golf Club Limited	England ¹	Ordinary £1.00	—	100.0	100.0

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Whitbread Guarantee Company Two Limited	England ¹	N/A	N/A	N/A	N/A
Whitbread Healthcare Trustees Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Hotel (Bournemouth) Limited	England ¹	Ordinary £0.05	—	100.0	100.0
Whitbread Hotels (Management) Limited	England ¹	Deferred £1.00	—	100.0	100.0
		USD 0.01	—	100.0	—
Whitbread International Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread International Trading Limited	England ¹	Ordinary £0.25	—	100.0	100.0
Whitbread Investment Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Investment Company Securities Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread London Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Nominees Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Pension Trustee Directors Company Limited	England ¹	N/A	N/A	N/A	N/A
Whitbread Pension Trustees	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Pub and Bars Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Pub Partnership Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Pub Restaurants Business Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Quest Trustee Limited	England ¹	Ordinary £1.00	—	100.0	100.0

NOTES TO THE COMPANY FINANCIAL STATEMENTS CONTINUED

Year ended 27 February 2025

9. Related parties continued

Dormant related undertakings continued

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Whitbread Restaurants (Australia) Limited	England ¹	Ordinary £1.00	—	100.0	—
		Ordinary £0.56	—	100.0	100.0
Whitbread Restaurants Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Scotland Limited	Scotland ¹⁴	Ordinary £1.00	—	100.0	100.0
Whitbread Secretaries Limited	England ¹	Ordinary £0.05	—	100.0	50.0
		4% preference £0.05	—	100.0	50.0
Whitbread Share Ownership Trustees Limited	England ¹	N/A	N/A	N/A	N/A
Whitbread Spa Company Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Sunderland (1995) Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Sunderland 2 Limited	England ¹	Ordinary £1.00	—	100.0	57.0
		5.6% non-cumulative preference £1.00	—	100.0	43.0
Whitbread Sunderland Limited	England ¹	Ordinary £5.00	—	100.0	50.0
		Preference £5.00	—	100.0	50.0
Whitbread Trafalgar Properties Limited	England ¹	A ordinary £1.00	—	100.0	50.0
		B ordinary £1.00	—	100.0	50.0
Whitbread UK Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Whitbread Wales Limited	England ¹	Ordinary £1.00	—	100.0	100.0

Company name	Country of incorporation	Class of shares held	% of class of shares held by the parent company	% of class shares held by the Group (if different from the parent company)	% of nominal value (where applicable)
Whitbread Wessex Limited	England ¹	Ordinary £1.00	—	100.0	100.0
White Cross Films Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Wiggin Tree Limited	England ¹	Ordinary £1.00	—	100.0	100.0
Willhouse Limited	England ¹	Deferred £1.00	—	100.0	50.0
		Q ordinary £1.00	—	100.0	25.0
		W ordinary £1.00	—	100.0	25.0
William Overy Crane Hire Limited	England ¹	Ordinary £1.00	—	100.0	100.0

The registered office of the above companies is as follows:

- 1 Whitbread Court, Houghton Hall Business Park, Porz Avenue, Dunstable, Bedfordshire LU5 5XE.
- 2 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh EH1 2EN, Scotland.
- 3 Ground Floor, Two Dockland Central, Guild St, North Dock, Dublin D01 K2C5, Ireland.
- 4 2nd Floor, St Mary's Court, 20 Hill Street, Douglas IM1 1EU, Isle of Man.
- 5 4th Floor, St Paul's Gate, 22-24 New Street, St Helier JE1 4TR, Jersey.
- 6 Ground Floor, Premier Inn Dubai Investment Park, P.O. Box 35118, Dubai, United Arab Emirates.
- 7 3rd Floor, Tornado Towers, PO Box 34040, Doha, Qatar.
- 8 Europa-Allee 22, 60327 Frankfurt am Main, Germany.
- 9 Room 742, 968 West Beijing Road, Jing'an District, Shanghai, China.
- 10 Gandaria 8 Office Tower, 19th Floor Unit A1, Jalan Sultan Iskandarmuda, Kebayoran Lama, 12240, Indonesia.
- 11 TMF Services B.V., Nassima Tower, Office 1401, Sheikh Zayed Road, PO Box 213975, Dubai, United Arab Emirates.
- 12 c/o EY Corporate Advisers Pte Ltd, One Raffles Quay, North Tower, 48583, Singapore.
- 13 Almas 6C, Almas Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates.
- 14 4th Floor, 115 George Street, Edinburgh EH2 4JN, Scotland.
- 15 The Royal Scot Hotel, 111 Glasgow Road, Edinburgh EH12 8NF, Scotland.
- 16 11 New St, Guernsey GY1 3EG, Guernsey.
- 17 Swallow Royal Scot Hotel, Glasgow Road, Edinburgh EH12 8NF, Scotland.
- 18 Hegelgasse 13, 1010 Wien, Austria.

GLOSSARY

Basic earnings per share (basic EPS)

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).

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 period.

Operating profit

Profit before net finance costs and tax.

OTAs

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	Excludes 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 3																					
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. <table><tr><td>RECONCILIATION</td><td>2024/25</td><td>2023/24</td></tr><tr><td>UK accommodation sales (£m)</td><td>2,010.1</td><td>2,007.7</td></tr><tr><td>Number of rooms occupied by guests ('000)</td><td>25,279</td><td>25,173</td></tr><tr><td>UK AVERAGE ROOM RATE (£)</td><td>79.52</td><td>79.76</td></tr><tr><td>Germany accommodation sales (£m)</td><td>197.6</td><td>162.7</td></tr><tr><td>Number of rooms occupied by guests ('000)</td><td>2,631</td><td>2,263</td></tr><tr><td>GERMANY AVERAGE ROOM RATE (£)</td><td>75.08</td><td>71.88</td></tr></table>	RECONCILIATION	2024/25	2023/24	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
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GERMANY AVERAGE ROOM RATE (£)	75.08	71.88																						
UK like-for-like accommodation sales growth	Movement in accommodation sales per the segment information (Note 3)	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. <table><tr><td>RECONCILIATION</td><td>2024/25</td><td>2023/24</td></tr><tr><td>UK like-for-like accommodation sales growth</td><td>(2.0%)</td><td>9.9%</td></tr><tr><td>Impact of extensions >5% of rooms</td><td>0.0%</td><td>0.1%</td></tr><tr><td>Contribution from net new hotels</td><td>2.1%</td><td>1.9%</td></tr><tr><td>UK ACCOMMODATION SALES GROWTH</td><td>0.1%</td><td>11.9%</td></tr></table>	RECONCILIATION	2024/25	2023/24	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%						
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APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose																					
REVENUE MEASURES CONTINUED																								
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. <table><tr><td>RECONCILIATION</td><td>2024/25</td><td>2023/24</td></tr><tr><td>UK accommodation sales (£m)</td><td>2,010.1</td><td>2,007.7</td></tr><tr><td>Available rooms ('000)</td><td>31,206</td><td>30,624</td></tr><tr><td>UK REVPAR (£)</td><td>64.42</td><td>65.56</td></tr><tr><td>Germany accommodation sales (£m)</td><td>197.6</td><td>162.7</td></tr><tr><td>Available rooms ('000)</td><td>3,882</td><td>3,660</td></tr><tr><td>GERMANY REVPAR (£)</td><td>50.90</td><td>44.44</td></tr></table>	RECONCILIATION	2024/25	2023/24	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
RECONCILIATION	2024/25	2023/24																						
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INCOME STATEMENT MEASURES																								
Adjusted ¹ operating profit/loss	Profit/loss before tax	Adjusting items (Note 6), finance income/costs (Note 8)	Profit/loss before tax, finance costs/income and adjusting items. <i>Reconciliation: Consolidated income statement</i>																					
Adjusted ¹ tax	Tax charge/credit	Adjusting items (Note 6)	Tax charge/credit before adjusting items. <i>Reconciliation: Consolidated income statement</i>																					
Adjusted ¹ profit/loss before tax	Profit/loss before tax	Adjusting items (Note 6)	Profit/loss before tax and adjusting items. <i>Reconciliation: Consolidated income statement</i>																					
Adjusted ¹ basic EPS	Basic EPS	Adjusting items (Note 6)	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). <i>Reconciliation: Note 10</i>																					
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. <i>Reconciliation: Strategic Report</i>																					

Whitbread PLC Annual Report and Accounts 2024/25

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose																																				
CASH FLOW MEASURES																																							
Lease-adjusted net debt to adjusted 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. <table><tr><td></td><td>2024/25 £m</td><td>2023/24 £m</td></tr><tr><td>RECONCILIATION</td><td></td><td></td></tr><tr><td>Lease-adjusted net debt</td><td>3,081.8</td><td>2,757.3</td></tr><tr><td>Adjusted EBITDAR</td><td>1,029.9</td><td>1,057.1</td></tr><tr><td>LEASE-ADJUSTED NET DEBT TO ADJUSTED EBITDAR FOR LEVERAGE</td><td>3.0x</td><td>2.6x</td></tr></table>		2024/25 £m	2023/24 £m	RECONCILIATION			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																					
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LEASE-ADJUSTED NET DEBT TO ADJUSTED EBITDAR FOR LEVERAGE	3.0x	2.6x																																					
Adjusted¹ 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 and shareholder returns, tax, pension and interest payments. <table><tr><td></td><td>2024/25 £m</td><td>2023/24 £m</td></tr><tr><td>RECONCILIATION</td><td></td><td></td></tr><tr><td>Adjusted operating profit</td><td>629.6</td><td>674.2</td></tr><tr><td>Depreciation - right-of-use assets</td><td>194.3</td><td>183.3</td></tr><tr><td>Depreciation - property, plant and equipment</td><td>177.3</td><td>176.9</td></tr><tr><td>Amortisation</td><td>30.2</td><td>23.2</td></tr><tr><td>ADJUSTED EBITDA (POST-IFRS 16)</td><td>1,031.4</td><td>1,057.6</td></tr><tr><td>Interest paid on lease liabilities</td><td>(166.7)</td><td>(154.9)</td></tr><tr><td>Payment of principal of lease liabilities</td><td>(148.7)</td><td>(147.1)</td></tr><tr><td>Net lease incentives received/(paid)</td><td>2.7</td><td>(2.7)</td></tr><tr><td>Movement in working capital</td><td>4.6</td><td>34.3</td></tr><tr><td>ADJUSTED OPERATING CASH FLOW</td><td>723.3</td><td>787.2</td></tr></table>		2024/25 £m	2023/24 £m	RECONCILIATION			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 on 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
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Cash capital expenditure ('cash capex')	No direct equivalent	Refer to definition	Cash flows on property, plant and equipment and investment property and investment in intangible assets, payments of deferred and contingent consideration, and capital contributions or loans to joint ventures.																																				

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose																																				
OTHER MEASURES																																							
Adjusted¹ EBITDA (post-IFRS 16), adjusted¹ EBITDA (pre-IFRS 16) and adjusted¹ 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).																																				
	<table> <tr> <th></th> <th>2024/25 £m</th> <th>2023/24 £m</th> </tr> <tr> <td>RECONCILIATION</td> <td></td> <td></td> </tr> <tr> <td>Adjusted operating profit</td> <td>629.6</td> <td>674.2</td> </tr> <tr> <td>Depreciation - right-of-use assets</td> <td>194.3</td> <td>183.3</td> </tr> <tr> <td>Depreciation - property, plant and equipment</td> <td>177.3</td> <td>176.9</td> </tr> <tr> <td>Amortisation</td> <td>30.2</td> <td>23.2</td> </tr> <tr> <td>ADJUSTED EBITDA (POST-IFRS 16)</td> <td>1,031.4</td> <td>1,057.6</td> </tr> <tr> <td>Variable lease payments</td> <td>4.0</td> <td>3.5</td> </tr> <tr> <td>Rental income</td> <td>(5.5)</td> <td>(4.0)</td> </tr> <tr> <td>ADJUSTED EBITDAR</td> <td>1,029.9</td> <td>1,057.1</td> </tr> <tr> <td>Rent expense, variable lease payments and rental income</td> <td>(323.4)</td> <td>(293.6)</td> </tr> <tr> <td>ADJUSTED EBITDA (PRE-IFRS 16)</td> <td>706.5</td> <td>763.5</td> </tr> </table>				2024/25 £m	2023/24 £m	RECONCILIATION			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
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APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose	
OTHER MEASURES CONTINUED				
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, right-of-use assets, lease liabilities, taxation 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.	
			2024/25	
			Total £m	UK and Ireland £m
RECONCILIATION				
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%

ALTERNATIVE PERFORMANCE MEASURES CONTINUED

APM	Closest equivalent IFRS measure	Adjustments to reconcile to IFRS measure	Definition and purpose	2023/24	
OTHER MEASURES CONTINUED				Total £m	UK and Ireland £m
Return on capital employed (ROCE) continued					
RECONCILIATION					
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 period 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.

SHAREHOLDER SERVICES

Useful contacts

Registrars

MUFG Corporate Markets Shareholder Services
Central Square
29 Wellington Street
Leeds LS1 4DL

The website address is www.mpms.mufg.com. For enquiries regarding your shareholding please telephone +44 (0)344 855 2327. Alternatively, you can email: whitbread@cm.mpms.mufg.com.

Registered office

Whitbread PLC
Whitbread Court
Houghton Hall Business Park, Porz Avenue
Dunstable
Bedfordshire LU5 5XE

General Counsel and Company Secretary

Clare Thomas

Managing your shareholdings

You can manage your shareholdings by visiting www.whitbread-shares.com. This is a secure online site where you can:

- sign up to receive shareholder information by email;
- buy and sell shares via the MUFG Corporate Markets Share Dealing Service;
- view your holding and get an indicative valuation; and
- change your personal details.

You will need to have your Investor Code to hand. This can be found on the following documentation:

- share certificate;
- dividend voucher; or
- proxy card.

Please ensure that you advise MUFG Corporate Markets promptly of any change of address.

Share dealing service¹

For MUFG Corporate Markets Share Dealing Services you can telephone +44 (0)371 664 0445. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 8.00am and 4.30pm, Monday to Friday excluding public holidays in England and Wales.

Private shareholders

Private shareholders are shareholders who hold their shares in their own name on the Company's Register of Members. They have full voting rights and have the right to stipulate their communication preferences and bank account preferences on their own holding.

Nominee shareholders

Nominee shareholders are underlying beneficial shareholders who hold their shares through a nominee company. The name of the nominee company will appear on the Company's Register of Members. It will depend on the terms and conditions of the nominee provider as to whether underlying shareholders receive copies of the annual general meeting (AGM) documents and any other Company documents that are mailed. Dividend options may also be restricted by the nominee. If underlying shareholders wish to receive Company mailings then they have the right to request to be put on the beneficial holders' information rights register, which can be arranged via their nominee provider.

Corporate Sponsored Nominee

We worked with MUFG Corporate Markets to establish the Whitbread Corporate Sponsored Nominee (CSN). We did this because we know that a number of shareholders prefer not to hold their shares in certificated form, but still wish to receive documents and benefits from the Company. This has been raised by shareholders at previous AGMs. The CSN allows shareholders to hold their Whitbread shares via a nominee, but also allows Whitbread to have direct access to the underlying register, such that we can ensure that participants receive the documents and benefits that they request.

If you would like to hold your shares in the Whitbread CSN, please log on to www.whitbread-shares.com. If you have not registered before then you will need your Investor Code. Your Investor Code is located on your share certificate.

On the portal you will find further information in relation to the Whitbread CSN. The terms and conditions and various transfer forms that you will need to review and complete are located there. If you need any assistance with the forms or want any additional support, please email CustodyMGT@cm.mpms.mufg.com outlining what you would like to do and they will email you back with the relevant instructions.

Annual general meeting 2025

The AGM will take place at 2.30pm on Thursday 19 June 2025 at Whitbread Court, Porz Avenue, Dunstable LU5 5XE.

Dividend diary 2025/26 (subject to confirmation)

Ex-dividend date for final dividend	22 May 2025
Record date for final dividend	23 May 2025
DRIP election	13 June 2025
Payment date for final dividend	4 July 2025
Ex-dividend date for interim dividend	30 October 2025
Record date for interim dividend	31 October 2025
DRIP election	14 November 2025
Payment date for interim dividend	5 December 2025

¹ These details have been provided for information only and any action you take is at your own risk. If you are in any doubt about what action to take, please consult your own financial adviser. Should you not wish to use these services you could find a broker in your local area, or on the internet, or enquire about share dealing at any high street bank or building society. The availability of this service should not be taken as a recommendation to deal.

SHAREHOLDER SERVICES CONTINUED

Analysis of ordinary shares at 27 February 2025

Range	Shareholder analysis		Shareholding analysis	
	Number of holders	% holders	Holding	% capital
100	14,552	51.71	525,773	0.28
200	4,578	16.27	665,471	0.35
500	4,672	16.60	1,498,643	0.79
1,000	2,125	7.55	1,488,780	0.79
2,000	1,000	3.55	1,375,161	0.73
5,000	488	1.73	1,516,573	0.80
10,000	157	0.56	1,055,927	0.56
50,000	269	0.96	6,076,174	3.22
100,000	89	0.32	6,488,785	3.43
500,000	144	0.51	31,139,621	16.48
1,000,000	34	0.12	24,128,766	12.77
5,000,000	26	0.09	45,440,601	24.04
10,000,000	3	0.01	20,281,636	10.73
50,000,000	4	0.01	47,265,677	25.02
TOTAL	28,141		188,947,588	

Capital gains tax

For further information on:

- the market value of shares in the Company as at 31 March 1982;
- the reduction of capital on 10 May 2001; and
- the special dividend and share consolidation in May 2005,

or if you require any further information on capital gains tax allocations, please refer to the investors section of the Company's website: www.whitbread.co.uk.

Dividend Reinvestment Plan

To reinvest your dividend, you will need to sign up for the Dividend Reinvestment Plan (DRIP). Terms and conditions of the DRIP can be found at www.whitbread-shares.com or can be requested from Link Group. For enquiries regarding the DRIP please telephone +44 (0)344 855 2327.

Dividend payments by BACS

We can pay your dividends directly to your bank or building society account using the Bankers' Automated Clearing Service (BACS). This means that your dividend will be in your account on the same day we make the payment. Your tax voucher will be posted to your home address. If you would like to use this method please ring the registrars on +44 (0)344 855 2327.

As mentioned in the Chairman's statement on page 8, we would like to remind you that cash dividend payments made by the Company, starting with the interim dividend, which was paid in December 2024, are now only made by electronic means. We no longer issue payments by cheque.

If you haven't already done so, you will need to register your bank account details to enable payment of cash dividends into your bank account. You can do this using one of the following methods:

- Via the Share Portal: www.signalshares.com. If you have not previously registered with the Share Portal, you will need your Investor Code (a unique number that can be found on shareholder correspondence, such as share certificates or dividend tax confirmations). Once registered, you will be able to register your bank account details and obtain dividend confirmations via the Share Portal. You can also register a preference to receive a notification by email that your cash dividend has been paid into your bank account.
- By calling MUFG Corporate Markets on 0371 664 0300. If you are outside the United Kingdom please call +44 371 664 0300. Opening hours and call charges are as stated earlier in this letter.

Shareholder FAQs**How can I find the current share price?**

You can keep up to date with the current share price on the Company's website: www.whitbread.co.uk.

I have lost my share certificate; how can I get a replacement?

If you have lost your certificate please contact the Company's registrars, MUFG Corporate Markets, on the shareholder helpline +44 (0)344 855 2327. They will be able to assist you in arranging a replacement.

Am I entitled to shareholder benefits?

Shareholders with a holding of 64 shares or more are eligible to receive a shareholder benefits card. Those shareholders who have previously registered to receive the shareholder benefits card should automatically have received the card with the Annual Report and Accounts mailing.

Shareholders who wish to register for a card can do so by contacting MUFG Corporate Markets, whose contact details are shown on page 239.

Unsolicited mail

We are aware that some shareholders have had occasion to complain of the use, by outside organisations, of information obtained from Whitbread's share register. Whitbread, like other companies, cannot by law refuse to supply such information provided that the organisation concerned pays the appropriate statutory fee. If you are a resident in the UK and wish to stop receiving unsolicited mail then you should register with the Mailing Preference Service; you can register online: www.mpsonline.org.uk.

Shareholder warning

Share and bond scams are often run from 'boiler rooms' where fraudsters cold-call investors offering them worthless, overpriced or even non-existent shares or bonds. Boiler rooms use increasingly sophisticated tactics to approach investors, offering to buy or sell shares in a way that will bring a huge return. However, victims are often left out of pocket - sometimes losing all of their savings or even their family home. Even seasoned investors have been caught out, with the biggest individual loss recorded by the police being £6m.

Shareholders are advised to be wary of unsolicited advice, offers to buy shares at a discount or offers of free Company reports. If you receive any unsolicited investment advice:

- make sure you get the correct name of the person or organisation;
- check that it is properly authorised by the FCA before getting involved by visiting www.fca.org.uk and contact the firm using the details on the register;
- report the matter to the FCA either by calling 0800 111 6768 or visiting www.fca.org.uk/scams;
- if the calls persist, hang up; and
- REMEMBER, if it sounds too good to be true, it probably is!

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme (FSCS) if things go wrong.

The FCA can be contacted by completing an online form at www.fca.org.uk/scams or you can call the FCA Consumer Helpline on 0800 111 6768 or Action Fraud on 0300 123 2040 (www.actionfraud.police.uk).

Details of any share dealing facilities that the Company endorses will be included in Company mailings.

More detailed information on this or similar activity can be found on the FCA website, www.fca.org.uk/consumers.

Whitbread PLC's commitment to environmental stewardship is reflected in this Annual Report, which has been printed on Revive 100 Silk, which is 100% post-consumer recycled, FSC® certified and totally chlorine free (TCF) paper. Printed in the UK by Park Communications using vegetable-based inks, with 99% of dry waste being diverted from landfill. The printer is a CarbonNeutral® company. Both the mill and the printer are certified to ISO 14001 (Environmental Management System) and ISO 9001 (Quality Management System).