

7 February 2019

Ei Group plc

AGM trading update for the 18 weeks to 2 February 2019

Maintaining growth momentum and monetising value creation

Ei Group plc (EIG or Group), the largest owner and operator of pubs in the UK, today publishes its scheduled trading update for the 18 weeks to 2 February 2019. This update coincides with the Annual General Meeting of EIG which will be held at 11.00am today at its registered office.

Publican Partnerships

The financial year has started well for our leased and tenanted business with like-for-like net income growth of 2.0% in the 18 weeks to 2 February 2019. The Christmas trading period was particularly strong and we are pleased that trading in January remained in line with our expectations. While cost pressures are evident across the broader market, our continued investment in our leased and tenanted business combined with our proactive publican support has ensured that income growth momentum has been maintained.

Managed Pubs

We have continued to convert selected pubs from our leased and tenanted business to our managed estate, which now comprises 398 pubs (355 at 30 September 2018). We expect to continue pub conversions, anticipating approximately 460 managed pubs will be trading in our estate by 30 September 2019.

Pubs that have traded as managed pubs throughout both the 18 weeks to 2 February 2019 and the prior year comparative period delivered like-for-like sales growth of 5.7%, aided by a particularly strong Christmas trading period.

Commercial Properties

On 11 January 2019 we announced that we had entered into sale agreements, subject to shareholder approval, with Tavern Propco Limited in relation to 370 properties comprising public houses and other commercial properties for expected gross aggregate cash consideration of £348 million.

The General Meeting of shareholders to consider the disposal will take place today following the completion of the Annual General Meeting. Assuming shareholder approval is received, completion of the first tranche of the disposal, comprising 348 of the properties to be sold, is expected to occur in early March 2019.

Capital Allocation

On 21 November 2018 we commenced the return of a further £20 million to shareholders via a share buyback programme. This buyback programme was completed on 22 January 2019 with EIG having purchased 10.6 million shares for cancellation at an average price of 188.87p per share.

Simon Townsend, Chief Executive Officer, commented:

“The year has started well, with growth being maintained across our operating businesses and, despite the ongoing uncertainty regarding the consumer environment, we are on track to deliver our plans for the year. The proposed disposal of a substantial proportion of our commercial property portfolio is in line with our strategy of unlocking the embedded value from every asset within our business and monetising that value creation for the benefit of all stakeholders.”

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Forward-looking statements. *Certain statements made in this announcement are forward-looking. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future events or results referred to in these forward-looking statements. Unless otherwise required by applicable laws, regulations or accounting standards, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.*