Morning Wrap

Today’s Newsflow

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Equity Research **28 Nov 2025**

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Upcoming Events

Company Events

28-Nov	Mitchells & Butlers; FY25 Results
4-Dec	SSP Group; FY25 Results

Economic Events

Ireland

United Kingdom

28-Nov	Nationwide House Price

Goodbody Capital Markets

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Mitchells & Butlers FY25: Strong delivery, robust outlook for FY26 post-Budget

Recommendation: Buy
Closing Price: £2.56

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MAB has reported its FY25 results with adj EBIT of £330m, +5.8% yoy, vs. consensus £327m (and the pre-close guidance in-line with consensus) and 30.9p adj EPS, +17% yoy. Having reported +4.2% 51wk LFL sales, the FY came in at +4.3% LFL (Q4 +3.2%) - trading in the 8 weeks to 22 November has been +3.8% LFL. With the cost inflation outlook reiterated post Budget, we don't expect material changes to consensus EBIT (GBYe/consensus £330m) at this point though EPS could tick higher on lower leverage/net interest costs.

For FY26, the company is still looking to a gross inflationary outlook at this point of c.£130m (c.6% of the cost base), vs. c.£100m in FY25, of which c.60% is labour costs (and now does include MAB's preliminary views on the incremental impacts of this week's UK Budget – i.e. broadly neutral). For FY26, VA consensus currently has £2,817m sales, £330m EBIT and 30.7p adj EPS.

Shares are +5% ytd but are -12% since mid-summer over concerns around the UK Budget which in our view have now largely been assuaged. Despite the solid momentum, MAB now trades on just 8.4x cal.26 P/E and 5.9x EV/EBITDA – a discount to the sector on 10x/6.3x. While material earnings upgrades are unlikely today, given the unchallenging valuation, solid top-line delivery and confirmation of the cost outlook (albeit usually very conservative), MAB is our top pick in UK Hospitality.

FY25 Food LFLs came in at +4.0% (Q4 +3.4%) with Drink also +4.0% (Q4 +2.3%) with both on broadly flat volumes while Accommodation and Machine sales outperformed. NAV per share is £4.76. Net debt including leases £1,277m including £843m non-lease liabilities – this is 2.7x EBITDA including leases or 1.8x ex-leases. Due to incremental likely costs, a debt refinancing to open up dividend payment options is being ruled out at this point. Capex increased to £181m vs. £154m yoy including 216 "returns generating" projects (c.35% returns target) – FY26 capex is ticking up further to c.£210m.

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Irish Banks Mortgage Approvals Reach a Record €14.6bn

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Mortgage approvals in Ireland for the first ten months of 2025 reached over 45,500, worth nearly €14.6 billion—the highest value since records began in 2011, according to the BPFI. October saw 4,783 approvals, up 0.5% from September, with a total value of €1.55 billion, a 4.2% increase year-on-year. First-time buyers accounted for 60% of October approvals, while mover purchases fell to their lowest year-to-date level since 2020. Remortgaging and switching surged by 37.3% year-on-year in October, helping offset declines in purchase mortgage approvals, which dropped 5.9% in volume and 1.3% in value. Despite weaker mover activity, demand for first-time buyer schemes like Help to Buy remains strong, with over 31,600 applications so far this year.

The October data illustrates a continuation of the themes evident in prior months. That is, relatively low volumes in the mover purchaser segment given the lack of second-hand homes coming to the market and strong switcher activity due to the lower interest rate environment.

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