

DANIEL THWAITES PLC

INTERIM REPORT 2026 - for the six months ended 30 September 2026

Financial Highlights

- A positive performance despite significant headwinds and weak consumer confidence
- Turnover up 4% to £69.3m (2025: £66.7m)
- Operating profit before property disposals up 4% to £10.4m (2025: £10.0m)
- Net debt increased by £1.0m since 31 March 2026 to £68.7m
- Capital investment into the business of £9.9m (2025: £6.2m)
- 25% increase in earnings per share to 14.1p (2025: 11.3p)
- Interim dividend increased by 5% to 1.0p (2025: 0.95p)

Cover: FYR Restaurant, Thorpe Park Hotel & Spa, Leeds

Chairman's Statement

Overview

The Company has traded well in an uncertain environment and delivered steady growth in the first six months of the year. The periods of good weather, and the football World Cup have delivered brisk trade. Margins have been maintained despite inflationary headwinds, which have contributed to a growth in profits and earnings per share.

Results

Turnover for the half year was £69.3m, which is a 4% increase compared to turnover last year of £66.7m.

An operating profit of £11.2m for the half year compares to £10.1m last year; the increase largely due to the profit on disposal of a development site and the combined performance of Langdale Chase Hotel, returns on recent investments in our properties and price increases which have been applied cautiously.

Interest rates have remained at 3.75% during the period which has lowered our interest costs by £0.1m compared to last year. However, inflation has remained higher than the Bank of England's target so it seems that in the short to medium term rates will remain slightly higher for longer than the expectation at the beginning of the year. This has had a positive impact on the mark to market fair value of our interest rate swaps, resulting in a decrease in the provision of £0.5 at the half year (2025: £0.1m), and this positive movement is shown in our profit and loss account.

Net debt on 30 September 2026 was £68.7m (2025: £66.7m); an increase of £2.0m compared to last year, and up £1.0m from £67.7m on 31 March 2026. The business has comfortable headroom against total banking facilities of £82.5m and is trading well within it banking covenants.

Pubs and Inns

The pubs performed well during the period due the to the long dry summer and the football World Cup. However, the war in the Middle East has had a negative impact on consumer confidence and beer volumes for the half year were flat year on year, which we believe is ahead of the market.

The inns performed strongly due to the benefit of major refurbishments last year. Sales were up 4% on last year, and with the benefit of a clear focus on cost control, profits increased by 6%. Our bedroom sales have been strong all year, however we are starting to see signs, signalled elsewhere in the industry, that people are eating out less, which we believe is a result of a combination of factors, in part due to the total cost of an eating out occasion and in part to people eating less; we are adapting our menus to cater for this by providing greater value for money and more flexibility.

Hotels & Spas

The hotels have echoed the performance of our inns, room sales have been up 6% year on year, and our health club memberships have grown by 7%; the more discretionary areas of food, spa treatments and meetings have been weaker.

The overall performance benefitted from continuing growth in sales at Langdale Chase, where the sales for the period continued to grow ahead of our expectations. Total sales for the hotels increased by 3% year on year and profits were up 4%.

Awards

Langdale Chase continues to receive a great deal of positive press and customer feedback and has been awarded five AA Red Stars and is once again a Condé Nast Traveller Readers´ Choice winner.

A number of our properties have won awards in their local market places, including the Bulls Head, Earlswood (Midlands Tourists Awards - Pub of the Year) and The Royal, Heysham (Lancashire Tourists Awards - Small Accommodation).

Acquisitions, developments and disposals

We did not make any acquisitions during the period.

We have continued to invest in our properties, investing £9.9m in the period, which was more than last year partly due to more schemes and partly due to a significant escalation in building costs. Major investment schemes have been completed at Thorpe Park Hotel & Spa, to create a FYR restaurant and bar and bedroom refurbishments at the Lister Farmhouse, Malham.

A new beer garden scheme was delivered at The Crown, Pooley Bridge helping it to deliver several record weeks sales over the summer. We also have several bedroom refurbishment schemes underway across our hotels.

In the pubs we have completed eight investment schemes, including a large investment at the Clarence, Blackpool, to create a sports pub .

We continue to divest of pubs that no longer suit our requirements or are no longer viable due to the significant increases in operating costs and sold two pubs in the period. We received total proceeds from these disposals of £2.3m, making a profit on disposal of £0.8m.

Earnings per Share and share buy back

Earnings per share for the period is 14.1p per share, an increase of 25% compared to 11.3p per share in 2025. The increase is due the increase in operating profit and the movement in the fair value of the interest rate swaps during the period.

We were able to buy back 640,000 of our shares in the period for an average price of 93.0p, which have been cancelled leaving 56,000,000 shares in issue.

Dividend

The Board recommends an interim dividend of 1.0p per share (2025: 0.95p) to be paid on 8 January 2027 to shareholders on the register on 11 December 2026.

Summary and Outlook

We were hopeful that the Prime Minister might be a strong supporter of pubs and the hospitality industry, but there has been virtually no sign of any meaningful measures to alleviate pressures other than tinkering with business rates for a minority of small pubs. The hospitality industry needs business friendly policies to address energy costs, the costs of employing young people and the creation of a fair business rates regime. Despite announcing that the "cavalry are coming" this is, thus far, an empty promise.

Whilst we continue to face several headwinds, none of which are unique to us, the Company has performed well and has several opportunities to invest for the future, create opportunities and new employment, particularly for young people, and contribute to the growth of the economy.

We are mindful of the cost of delivering investment projects with elevated energy prices and high inflation. We would like the government to listen to business and pursue policies to address the structural increases in costs of the past decade which have eroded margins and the ability to invest in growth and employment.

A strong start to the year has tailed off into the weaker months of September and October and we are cautious about the outlook for the rest of the year, hopeful that a period of stability can be re-established after the budget to help restore business and consumer confidence.

Richard Bailey
Chairman

11 November 2026

Financial Statements

Profit and Loss Account

For the six months ended 30 September 2026

	2026 Unaudited 6 months ended 30 September	2025 Unaudited 6 months ended 30 September	2026 Audited 12 months ended 31 March
	£'m	£'m	£'m
Turnover	**69.3**	66.7	127.0
Operating profit before profit on property disposals	**10.4**	10.0	13.0
Profit on property disposals	**0.8**	0.1	0.2
Operating profit	**11.2**	10.1	13.2
Net interest payable	**(2.4)**	(2.5)	(4.7)
Gain on interest rate swaps measured at fair value	**0.5**	0.1	0.4
Net finance income on pension asset	**0.5**	0.6	1.7
Profit on ordinary activities before taxation	**9.8**	8.3	10.6
Taxation on profit for the period	**(1.9)**	(1.7)	(2.8)
Profit on ordinary activities after taxation	**7.9**	6.6	7.8
Earnings per share	**14.1p**	11.3p	13.6p

Balance Sheet

as at 30 September 2026

	2026 Unaudited 30 September	2025 Unaudited 30 September	2026 Audited 31 March
	£'m	£'m	£'m
Fixed Assets			
Tangible assets	**330.7**	321.2	325.8
Investments	**0.7**	0.8	0.8
	331.4	322.0	326.6
Current Assets			
Stocks	**1.0**	0.9	1.0
Trade and other debtors	**7.2**	7.8	6.2
Cash at bank and in hand	**1.8**	4.3	3.8
	10.0	13.0	11.0
Creditors due within one year			
Trade and other creditors	**(23.6)**	(24.1)	(23.5)
Loan capital	**(4.5)**	(30.5)	(4.5)
	(28.1)	(54.6)	(28.0)
Net current liabilities	**(18.1)**	(41.6)	(17.0)
Total assets less current liabilities	**313.3**	280.4	309.6
Creditors due after one year			
Loan capital	**(66.0)**	(40.5)	(67.0)
Deferred tax	**(12.5)**	(11.5)	(12.4)
Interest rate swaps	**(0.6)**	(1.6)	(1.2)
	(79.1)	(53.6)	(80.6)
Net assets excluding pension asset	**234.2**	226.8	229.0
Pension asset	**28.9**	30.3	28.3
Net assets including pension asset	**263.1**	257.1	257.3
Capital and reserves			
Called up share capital	**14.0**	14.3	14.1
Capital redemption reserve	**1.8**	1.5	1.7
Revaluation reserve	**81.3**	79.9	81.3
Profit and loss account	**166.0**	161.4	160.2
Equity shareholders´ funds	**263.1**	257.1	257.3

Notes

1. Basis of preparation

These interim accounts, which have not been audited, have been prepared using the accounting policies set out in the Annual Report and Accounts for the year ended 31 March 2026.

2. Taxation

The taxation charge is based on the estimated tax rate for the year.

Myerscough Road
Mellor Brook
Lancashire
BB2 7LB

thwaites.co.uk