

**MOTO VENTURES LIMITED**

**QUARTERLY REPORT**

**JUNE 2021**

## UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

	13 weeks Ended 30 June 2021 £'000s	13 weeks Ended 24 June 2020 £'000s	26 weeks Ended 30 June 2021 £'000s	26 weeks Ended 24 June 2020 £'000s
Non-fuel turnover.....	85,228	24,110	125,117	99,454
Fuel turnover.....	107,945	44,014	182,961	128,849
<b>Turnover</b> .....	<b>193,173</b>	<b>68,124</b>	<b>308,078</b>	<b>228,303</b>
Change in stocks of non-fuel goods.....	177	(1,062)	(349)	(2,175)
Change in stocks of fuel.....	198	(1,121)	682	(528)
<b>Change in stocks of finished goods</b> .....	<b>375</b>	<b>(2,183)</b>	<b>333</b>	<b>(2,703)</b>
Staff costs.....	(19,809)	(11,377)	(33,591)	(30,625)
Depreciation and amortization .....	(11,252)	(11,279)	(22,597)	(22,802)
Non-fuel operating costs .....	(50,049)	(22,065)	(77,296)	(69,583)
Cost of fuel purchased.....	(98,387)	(38,671)	(167,586)	(114,989)
<b>Other operating costs</b> .....	<b>(148,436)</b>	<b>(60,736)</b>	<b>(244,882)</b>	<b>(184,572)</b>
<b>Profit / (loss) on ordinary activities before interest being operating profit / (loss)</b> .....	<b>14,051</b>	<b>(17,451)</b>	<b>7,341</b>	<b>(12,399)</b>
Interest receivable and similar income.....	-	8	-	31
Interest receivable from group undertakings.....	137	113	274	227
Interest payable on bank loans .....	(8,507)	(8,249)	(16,719)	(16,242)
Fair value movement on derivative financial instruments .....	1,815	(7,689)	16,912	(18,331)
<b>Profit / (loss) on ordinary activities before taxation</b> .....	<b>7,496</b>	<b>(33,268)</b>	<b>7,808</b>	<b>(46,714)</b>
Tax on profit / (loss) on ordinary activities.....	-	-	-	-
<b>Profit / (loss) on ordinary activities after taxation being retained profit / (loss) for the financial period</b> .....	<b>7,496</b>	<b>(33,268)</b>	<b>7,808</b>	<b>(46,714)</b>
 <b>Note: Adjusted EBITDA</b> .....	 <b>25,128</b>	 <b>(6,361)</b>	 <b>29,590</b>	 <b>10,026</b>
 <b>Fuel margin</b> .....	 <b>9,756</b>	 <b>4,222</b>	 <b>16,057</b>	 <b>13,332</b>

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As of 30 June 2021 £'000s	As of 24 June 2020 £'000s
Cash.....	32,611	17,050
Current assets (excluding cash) .....	33,952	30,235
Net fixed assets.....	825,108	842,996
<b>Total assets</b> .....	<b>891,672</b>	<b>890,281</b>
Current liabilities.....	(61,842)	(54,543)
Long term borrowings (excluding derivatives) .....	(684,518)	(666,548)
Retained Earnings .....	(661,022)	(656,346)

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	13 weeks Ended 30 June 2021 £'000s	13 weeks Ended 24 June 2020 £'000s	26 weeks Ended 30 June 2021 £'000s	26 weeks Ended 24 June 2020 £'000s
<b>Net cash inflow / (outflow) from operating activities</b> .....	<b>35,444</b>	<b>(10,572)</b>	<b>38,284</b>	<b>(2,456)</b>
Cash outflow from servicing bank loans.....	(7,841)	(3,534)	(15,496)	(10,783)
<b>Net cash outflow from returns on investments and servicing of finance</b> .....	<b>(7,871)</b>	<b>(3,599)</b>	<b>(15,547)</b>	<b>(10,855)</b>
<b>Taxation</b> .....	<b>(1,255)</b>	<b>2,000</b>	<b>(1,344)</b>	<b>(2,776)</b>
<b>Net cash outflow for capital expenditure and financial investment</b> .....	<b>(7,186)</b>	<b>(8,991)</b>	<b>(13,308)</b>	<b>(18,983)</b>
<b>Net cash outflow from financing</b> .....	<b>(5,627)</b>	<b>(547)</b>	<b>(4,389)</b>	<b>12,953</b>
<b>Equity dividends paid to shareholders</b> .....	<b>(5,448)</b>	<b>-</b>	<b>(5,448)</b>	<b>-</b>
<b>Increase / (decrease) in net cash</b> .....	<b>13,505</b>	<b>(21,709)</b>	<b>3,697</b>	<b>(22,117)</b>

## OPERATING AND FINANCIAL REVIEW

The following discussion contains trend information and forward-looking statements. Actual results could differ materially from those discussed in these forward-looking statements. Any forward-looking statements are only made as at the date of this report and we undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

### Results of Operations

#### Results of operations for the 26 weeks ended 30 June 2021 compared to the 26 weeks ended 24 June 2020

The following table sets forth our main operating results for the 26 weeks ended 30 June 2021 compared to the 26 weeks ended 24 June 2020:

	26 weeks ended 30 June 2021 £'000s	26 weeks ended 24 June 2020 £'000s	Variance £'000s	Variance %
Non-fuel Turnover .....	125,117	99,454	25,663	25.8%
Fuel Turnover .....	182,961	128,849	54,112	42.0%
<b>Turnover</b> .....	<b>308,078</b>	<b>228,303</b>	<b>79,775</b>	<b>34.9%</b>
Change in stocks of non-fuel goods .....	(349)	(2,175)	1,826	84.0%
Change in stocks of fuel .....	682	(528)	1,210	229.2%
<b>Change in stocks of finished goods</b> .....	<b>333</b>	<b>(2,703)</b>	<b>3,036</b>	<b>112.3%</b>
Staff costs .....	(33,591)	(30,625)	(2,966)	(9.7)%
Depreciation and amortization .....	(22,597)	(22,802)	205	0.9%
Non-fuel operating costs .....	(77,296)	(69,583)	(7,713)	(11.1)%
Cost of fuel purchased .....	(167,586)	(114,989)	(52,597)	(45.7)%
<b>Other operating costs</b> .....	<b>(244,882)</b>	<b>(184,572)</b>	<b>(60,310)</b>	<b>(32.7)%</b>
<b>Profit / (loss) on ordinary activities before interest being operating profit / (loss)</b> .....	<b>7,341</b>	<b>(12,399)</b>	<b>19,740</b>	<b>159.2%</b>
Interest receivable and similar income .....	-	31	(31)	(100.0)%
Interest receivable from group undertakings .....	274	227	47	20.7%
Interest payable on bank loans .....	(16,719)	(16,242)	(477)	(2.9)%
Fair value movement on derivative financial instruments .....	16,912	(18,331)	35,243	192.3%
<b>Profit / (loss) on ordinary activities before taxation</b> .....	<b>7,808</b>	<b>(46,714)</b>	<b>54,522</b>	<b>116.7%</b>
Tax on profit / (loss) on ordinary activities .....	-	-	-	-%
<b>Profit / (loss) on ordinary activities after taxation being retained profit / (loss) for the financial period</b> .....	<b>7,808</b>	<b>(46,714)</b>	<b>54,522</b>	<b>116.7%</b>
<b>Note: EBITDA</b> .....	<b>29,938</b>	<b>10,403</b>	<b>19,535</b>	<b>187.8%</b>
Loss on disposal of fixed assets .....	36	-	36	-%
Travelodge provision .....	(384)	(377)	(7)	(1.9)%
<b>Adjusted EBITDA</b> .....	<b>29,590</b>	<b>10,026</b>	<b>19,564</b>	<b>195.1%</b>

*Turnover.* Turnover increased by £79.8 million, or 34.9%, from £228.3 million in the 26 weeks ended 24 June 2020 to £308.1 million in the 26 weeks ended 30 June 2021. The change was attributable to increases in both fuel turnover and non-fuel turnover of £54.1 million and £25.7 million respectively. Both of these increases are attributable to the impact of the Covid-19 pandemic, with a more significant trading impact experienced as a result of the initial lockdown from March 2020 onwards. The pandemic and resultant travel disruption adversely impacted the number of motor vehicles travelling on UK roads and the number of customer transactions, impacting the first half of 2020, as well as 2021. Non-essential areas of the business such as amusements areas have been largely closed and other essential areas of the business have been open for essential journeys but operating at a reduced capacity. During Q2 2021 there has been an increase in travel and customer transactions, particularly in the period since the May Bank Holiday weekend, resulting in a significant increase in turnover supported also by the reopening of gaming areas.

The following table shows the breakdown of our non-fuel turnover for the 26 weeks ended 30 June 2021 and the 26 weeks ended 24 June 2020:

	26 weeks ended 30 June 2021 £'000s	26 weeks ended 24 June 2020 £'000s	Variance £'000s	Variance %
Catering .....	56,853	38,902	17,951	46.1%
Convenience Food .....	26,564	23,927	2,637	11.0%
Confectionary, Tobacco and News .....	15,685	14,342	1,343	9.4%
Amusements .....	2,139	4,281	(2,142)	(50.0)%
Other .....	10,111	7,789	2,322	29.8%
<b>Amenity Building .....</b>	<b>111,352</b>	<b>89,241</b>	<b>22,111</b>	<b>24.8%</b>
Forecourt.....	13,765	10,213	3,552	34.8%
<b>Total non-fuel turnover .....</b>	<b>125,117</b>	<b>99,454</b>	<b>25,663</b>	<b>25.8%</b>

The following table shows the like-for-like sales growth/ (decline) in 2021:

	13 weeks Ended 31 March 2021	13 weeks Ended 30 June 2021	26 weeks Ended 30 June 2021
<b>Amenity Building (including amusements) .....</b>	<b>(54.8)%</b>	<b>320.9%</b>	<b>22.7%</b>
Forecourt .....	1.6%	75.1%	33.3%
<b>LFL non-fuel turnover .....</b>	<b>(50.1)%</b>	<b>269.8%</b>	<b>23.9%</b>

The following table shows the like-for-like transaction growth/ (decline) in 2021:

	13 weeks Ended 31 March 2021	13 weeks Ended 30 June 2021	26 weeks Ended 30 June 2021
<b>Amenity Building (excluding amusements).....</b>	<b>(56.0)%</b>	<b>474.1%</b>	<b>17.5%</b>

The following table shows the average spend growth in 2021:

	13 weeks Ended 31 March 2021	13 weeks Ended 30 June 2021	26 weeks Ended 30 June 2021
<b>Amenity Building (excluding amusements).....</b>	<b>3.4%</b>	<b>(7.2)%</b>	<b>8.0%</b>

*Change in stocks of finished goods.* Change in stocks of finished goods was £0.3 million in the 26 weeks ended 30 June 2021 and was £(2.7) million in the 26 weeks ended 24 June 2020. The value of fuel stocks increased by £0.7 million and the value of non-fuel stocks decreased by £0.3 million in the 26 weeks ended 30 June 2021.

*Staff costs.* Staff costs increased by £3.0 million, or 9.7%, from £30.6 million in the 26 weeks ended 24 June 2020 to £33.6 million in the 26 weeks ended 30 June 2021. The ratio of staff costs to non-fuel turnover decreased from 30.8% in the 26 weeks ended 24 June 2020 to 26.8% in the 26 weeks ended 30 June 2021 with improved productivity supported by the implementation of new workforce management software, coupled with increased volume efficiencies as a result of increased non-fuel revenue. In Q2 2021, the business has significantly reduced the use of the Coronavirus Job Retention Scheme, with staff returning from furlough staff, as trading improves.

*Depreciation and amortization.* Depreciation and amortization decreased by £0.2 million, or 0.9%, from £22.8 million in the 26 weeks ended 24 June 2020 to £22.6 million in the 26 weeks ended 30 June 2021. Amortization charges were unchanged from 2020 to 2021.

*Other operating costs.* Other operating costs increased by £60.3 million, or 32.7%, from £184.6 million in the 26 weeks ended 24 June 2020 to £244.9 million in the 26 weeks ended 30 June 2021. The change was partly attributable to the cost of fuel purchased, which increased by £52.6 million. The increase in non-fuel operating costs of £7.7 million is attributable to (1) a £11.4 million increase in the cost of non-fuel merchandise reflecting the increase in non-fuel turnover, (2) a £4.6 million decrease in property taxes reflecting the business rates holiday, and (3) a £1.1 million increase in franchise fees reflecting the increase in non-fuel turnover.

The following represents a breakdown of our non-fuel operating costs for the 26 weeks ended 30 June 2021 and the 26 weeks ended 24 June 2020:

	26 weeks ended 30 June 2021 £'000s	26 weeks ended 24 June 2020 £'000s	Variance £'000s	Variance %
Cost of non-fuel merchandise .....	52,170	40,774	11,396	27.9%
Property taxes .....	144	4,725	(4,581)	(97.0)%
Utilities .....	4,847	4,029	818	20.3%
Franchise fees .....	3,857	2,693	1,164	43.2%
Maintenance.....	2,881	2,868	13	0.5%
Distribution .....	515	410	105	25.6%
Cleaning, travel and admin .....	4,071	3,604	467	13.0%
Rent expense .....	4,900	4,469	431	9.6%
Central income.....	(912)	1,999	(2,911)	(145.6)%
Corporate and other .....	5,207	4,389	818	18.6%
Travelodge provision .....	(384)	(377)	(7)	(1.9)%
<b>Total non-fuel operating costs.....</b>	<b>77,296</b>	<b>69,583</b>	<b>7,713</b>	<b>11.1%</b>

Central income of £0.9 million relates to £1.6 million of backdated rates settlements and £0.7 million being the net of a number of other one-off costs (2020: £2.7 million of Covid-19 costs, offset by £0.7 million of backdated rates settlements).

*Operating profit.* Operating profit increased by £19.7 million, or 159.2%, from a £12.4 million loss in the 26 weeks ended 24 June 2020 to a £7.3 million profit in the 26 weeks ended 30 June 2021. The reasons for the change in operating profit are outlined in the commentary above.

*Interest receivable and similar income.* Interest receivable and similar income decreased by £0.031 million, or 100.0%, from £0.031 million in the 26 weeks ended 24 June 2020 to £nil in the 26 weeks ended 30 June 2021.

*Interest receivable from group undertakings.* Interest receivable from group undertakings increased by £0.047 million, or 20.7%, from £0.227 million in the 26 weeks ended 24 June 2020 to £0.274 million in the 26 weeks ended 30 June 2021.

*Interest payable on bank loans.* Interest payable on bank loans increased by £0.5 million, or 2.9%, from £16.2 million in the 26 weeks ended 24 June 2020 to £16.7 million in the 26 weeks ended 30 June 2021. The increase was primarily attributable to an increase in interest accrued on the external debt arrangements due to a higher facility B and RCF loan balance compared with the prior period, but also due to an additional undrawn loan facility made available to the business at the start of the Covid-19 pandemic, on which commitment fees are payable.

*Fair value movement on derivative financial instruments.* Fair value movement on derivative financial instruments was a £16.9 million credit in the 26 weeks ended 30 June 2021 compared with £18.3 million debit in the 26 weeks ended 24 June 2020. This represents the movement of the fair value of interest rate derivatives held by the group. The mark-to-market (MTM) valuation of derivatives held by the group at 30 June 2021 was a £29.4 million credit compared with a £50.8 million credit at 24 June 2020.

*Tax on profit / (loss) on ordinary activities.* Tax on profit / (loss) on ordinary activities was £nil in both periods. The tax charge for 2021 will be posted in the statutory accounts as a final year-end adjustment, consistent with the treatment in previous periods.

*Retained profit for the financial period.* For the reasons set forth above, retained profit for the period increased by 116.7%, from a loss of £46.7 million in the 13 weeks ended 25 March 2020 to a profit of £7.8 million in the 26 weeks ended 30 June 2021.

## Liquidity and Capital Resources

### Net cash inflow from operating activities

The following table summarizes the principal components of our net cash inflow from operating activities for the 26 weeks ended 30 June 2021 compared to the 26 weeks ended 24 June 2020:

	26 weeks ended 30 June 2021 £'000s	26 weeks ended 24 June 2020 £'000s	Variance £'000s	Variance %
<b>Operating profit / (loss)</b> .....	7,341	(12,399)	19,740	159.2%
Depreciation charge .....	20,293	20,498	(205)	(1.0)%
Loss on disposal of tangible fixed assets .....	35	-	35	-%
Goodwill amortization .....	2,304	2,304	-	-%
(Increase) / decrease in stocks.....	(333)	2,703	(3,036)	(112.3)%
Increase in debtors .....	(1,266)	(3,965)	2,699	68.1%
Increase / (decrease) in creditors.....	9,910	(11,597)	21,507	185.5%
<b>Net cash inflow / (outflow) from operating activities</b> .....	<b>38,284</b>	<b>(2,456)</b>	<b>40,740</b>	<b>1,658.8%</b>

Cash inflow from operating activities increased by £40.7 million, or 1,658.8%, from £(2.5) million in the 26 weeks ended 24 June 2020 to £38.3 million in the 26 weeks ended 30 June 2021. This is attributable to (1) an increase in operating profit of £19.7 million, from a loss of £12.4 million in the 26 weeks ended 24 June 2020 to a profit of £7.3 million in the 26 weeks ended 30 June 2021, (2) an increase in the cash flow from working capital of £21.2 million, from a £12.9 million outflow in the 26 weeks ended 24 June 2020 to a £8.3 million inflow in the 26 weeks ended 30 June 2021, and (3) a decrease in the depreciation charge and loss on disposal of tangible fixed assets of £0.2 million.

### Net cash outflow from returns on investments and servicing of finance

The following table summarizes the principal components of our net cash outflow from returns on investments and servicing of our financing arrangements for the 26 weeks ended 30 June 2021 compared to the 26 weeks ended 24 June 2020:

	26 weeks ended 30 June 2021 £'000s	26 weeks ended 24 June 2020 £'000s	Variance £'000s	Variance %
Interest received .....	-	31	(31)	(100.0)%
Interest paid on bank loans.....	(15,496)	(10,783)	(4,713)	(43.7)%
Bank interest and similar.....	(51)	(103)	52	50.5%
<b>Net cash outflow from returns on investments and servicing of finance.....</b>	<b>(15,547)</b>	<b>(10,855)</b>	<b>(4,692)</b>	<b>(43.2)%</b>

*Interest received.* Interest received decreased by £0.031 million, or 100.0%, from £0.031 million in the 26 weeks ended 24 June 2020 to £nil in the 26 weeks ended 30 June 2021.

*Interest paid on bank loans.* Interest paid on bank loans increased by £4.7 million, or 43.7%, from £10.8 million in the 26 weeks ended 24 June 2020 to £15.5 million in the 26 weeks ended 30 June 2021. The increase was primarily attributable to a longer interest period taken on the senior debt in 2020, meaning £4.5 million of interest was deferred to Q3. In addition, there is an increase in interest paid due to a higher facility B and RCF loan balance compared with the prior period.

*Bank interest and similar.* Bank interest and similar charges remains materially unchanged in the 26 weeks ended 30 June 2021. This represents the banking costs of the group.

### Capital expenditure

The following table shows our capital expenditures for the 26 weeks ended 30 June 2021 compared to the weeks ended 24 June 2020:

	26 weeks ended 30 June 2021 £'000s	26 weeks ended 24 June 2020 £'000s	Variance £'000s	Variance %
<b>Capital Expenditure by Category:</b>				
Maintenance spend .....	(2,978)	(2,239)	(739)	(33.0)%
Expansion spend.....	(1,953)	(6,220)	4,267	68.6%
Rugby new site spend.....	(4,926)	(9,832)	4,906	49.9%
IT One-off projects spend.....	(3,451)	(692)	(2,759)	(398.7)%
<b>Cash outflow for capital expenditure.....</b>	<b>(13,308)</b>	<b>(18,983)</b>	<b>5,675</b>	<b>30.0%</b>

For the 26 weeks ended 30 June 2021, our capital expenditure amounted to £13.3 million, which consisted of £3.0 million for maintenance spending, £6.9 million for expansion including the completion of the new site at Rugby which is now fully open, and ongoing spend on prior year projects and £3.5 million on IT projects.

For the 26 weeks ended 24 June 2020, our capital expenditure amounted to £19.0 million, which consisted of £2.2 million for maintenance spending, £16.1 million for expansion including 6 new Greggs units, WH Smith upgrades, new and existing site acquisition and development, including the new site at Rugby, and ongoing spend on prior year projects and £0.7 million on IT projects.



**Net debt**

The following table shows our net debt position as at 30 June 2021 compared to 24 June 2020:

	<b>30 June 2021 £'000s</b>	<b>24 June 2020 £'000s</b>
Cash in hand and at bank .....	32,611	17,050
Debt due after one year .....	<u>(684,518)</u>	<u>(666,548)</u>
<b>Net debt</b> .....	<b><u>(651,907)</u></b>	<b><u>(649,498)</u></b>

At 30 June 2021, the debt due after one year includes £536.9 million of senior debt and £150.0 million of corporate bonds, less £2.4 million of capitalised debt costs.

At 24 June 2020, the debt due after one year includes £519.8 million of senior debt and £150.0 million of corporate bonds, less £2.4 million of capitalised debt costs.