



13 June 2023

NEWBURY RACECOURSE PLC  
("Newbury Racecourse" or the "Company")

### **AGM Statement**

At the Annual General Meeting to be held at 12 noon at Newbury Racecourse today, the Chairman, Dominic Burke, will make the following statement:

As stated in the latest Annual Report, following two years of restrictions and disruption caused by the COVID-19 pandemic, 2022 saw the business return to normal trading with growth reported in the underlying business. Revenue grew by 17% as we were able to host 30 racing fixtures during the year with 1 fixture abandoned on 14 December 2022 due to adverse weather. This compared with 29 fixtures hosted in 2021. The nursery business operated throughout the year and The Lodge hotel re-opened in January after 22 months of closure.

It has always been the board's strategy to develop the racecourse into a year-round leisure and events business. Last year the Company entered into an agreement with reputable events partner, Underbelly Limited ("Underbelly"), to launch the Great Christmas Carnival which took place at the racecourse from 25 November 2022 until 2 January 2023. This was expected to create an important new revenue stream and broaden the business base beyond racing, but due to a number of factors, the event was not as well attended as Underbelly expected and has resulted in a material loss of £0.67m to the Company in 2022.

Excluding the impact of this single event loss, the profit before tax for 2022 was £0.8m compared with £0.18m in 2021.

### **Racing highlights**

The 2022 racing programme returned to normal following the disruption of the previous two years, with over 141,000 racegoers being welcomed to the racecourse.

We played host to some top-class racing during the year, enhancing our ability to attract the very best horses across both codes and once again providing our racegoers with some outstanding performances on the track. Highlights early in the year included wins in the Betfair Hurdle for Glory and Fortune and for Eldorado Allen in the Betfair Denman Chase.

The start of the 2022 flat season was held over the Easter weekend in April, with Wild Beauty, Max Vega and Perfect Power winning the main races in the Dubai Duty Free Spring Trials. In May 2022 the Al Shaqab Lockinge Stakes was won in majestic fashion by Baaeed, which kicked off an outstanding campaign for one of the world's top-ranked racehorses.

The first Party in the Paddock event took place after the Weatherby's Super Sprint meeting, with a crowd of over 15,000 enjoying the return of Craig David who performed after an excellent day's racing, which saw Eddie's Boy win the Super Sprint and Minzaal win the Bet365 Hackwood Stakes. Our second Party in the Paddock in August saw the Ministry of Sound Classical orchestra perform at the BetVictor Hungerford meeting where Jumby was victorious in the day's feature race.

Rounding off 2022 in style, Le Milos delighted crowds by winning the rebranded Coral Gold Cup. A new commercial relationship between the Company and Entain Group means that Coral has become the title sponsor of the two-day Gold Cup meeting in a three-year deal. Coral also sponsored the 2022 running of the Grade 1 Challow Novices Hurdle won by Hermes Allen.

The start of the 2023 flat season commenced at the end of April, with Grand Alliance, Remarquee and Isaac Shelby winning the main races in the Dubai Duty Free Spring Trials. In May, the Group One Al Shaqab Lockinge Stakes was won by Modern Games, in one the most exciting races in recent memory.

### **Liquidity and investments**

The David Wilson Homes (“DWH”) residential development continued throughout 2022 with construction now continuing into the final phase at the eastern end of the racecourse. Approximately 1,100 homes out of the planned approximate total of 1,500 are now built. The final payment for the balance of the guaranteed minimum land value of £10.7m due from DWH, under the 2012 development agreement, was received in March 2022 so the Company does not expect to receive any further payments from this agreement.

Subsequently this enabled the business to settle the outstanding £4.5m balance on the NatWest Bank loan as well as make the final £2.7m repayment of the Compton Beauchamp Estates Loan, meaning that the Company is currently free of debt. Given these transactions we were able to satisfy the commitment made in 2012, and in many subsequent announcements, to return capital to shareholders. The Board announced on 5 May last year the declaration of an 89.6 pence per share special interim dividend, totalling £3m, which was paid in June 2022.

Our commitment to investing in our racing was again evident with a 10% increase in prize money to £5.17m, of which our executive contribution increased by 64% to £2.47m.

Additionally, our commitment to improving facilities at the racecourse has been demonstrated with a joint £1.2m investment in the Berkshire Stand’s first floor facilities shared equally with our catering partner, Levy Restaurants, as well as a further joint £1.8m for a similar project in the Hampshire Stand Hennessy Restaurant in the first quarter of this year. These developments have been made in the face of a very challenging environment for racing both at Newbury Racecourse and throughout rest of the UK, but we believe in the importance of providing high class facilities for all of our racegoers.

## **Outlook**

The Company’s new Betting Office retail rights agreement with Arena Leisure Racing & The Racing Partnership commenced on 1 April 2023, which will be followed by all other media rights on 1 January 2024. Subject to normal trading conditions continuing and the Government review of the Gambling Act not materially impacting betting turnover on the Company’s racing activities, the Board is currently committing to investing a minimum of 40% of its total media rights income into prize money. This percentage will then be reviewed in two years from now. Following on from 2022, we have been able to announce a substantial increase in our prize money commitment for 2023 to a record £6.06m (representing a 17% increase) with an executive contribution of £3.1m (representing a 26% increase).

The Great Christmas Carnival project enabled the Company to create an important upgraded site in the centre of the racecourse for future event use. Following these works the Company has completed a review of its Conference & Events business and decided to recommence its activities within this sector.

As previously reported, subject to future financial performance, the Board intends to declare an annual dividend, funded from trading activities in respect of future years, with the dividend per share being declared annually alongside the Company’s preliminary results announcement.

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