

Young's sells off most of its tenanted pubs to rival Punch for £53 million

Young's today revealed it has sold nearly all of its tenanted pubs to rival Punch in a £53 million deal.

The London pub group is to keep just seven of 63 sites held by its tenanted division, the Ram Pub Company, which has accounted for around 5% of total Young's revenues.


The pubco saw "one of the most challenging years" in its 190-year history in 2020. It reported a £45.2 million pre-tax loss for the year to March 29, and bosses said proceeds from the deal will be used to strengthen the company balance sheet. The move will also reduce head office costs.

It is Young's chiefs' latest move away from a tenanted model to focus on freehold managed pubs and hotels, which have a higher turnover and which bosses say will offer the best value for shareholders.

Young's shares rose 1.5%, or 24p, to 1639p, on the news this morning.

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The company's CEO, Patrick Dardis, said the "disposal will provide us with additional firepower to upgrade our existing pubs and capitalise on attractive acquisition opportunities that may come to the market".

Punch's CEO, Clive Chesser, said he is "delighted" at the purchase, and that the team "look forward to working alongside the talented and passionate tenants and lessees who run them so well".

He said: "This acquisition represents an extremely positive step for our business as we emerge from the crisis of the pandemic and head towards the long-awaited lifting of trading restrictions next week."

The move takes Punch's estate to 1,282 pubs. The formerly-listed pub group has been owned by real estate-focused PE fund Patron Capital and London firm May Capital since August 2017, when Punch Taverns was taken private and its estate carved up between the partners and brewing giant Heineken.

The sale was first revealed in May, as Young's confirmed it had appointed Savills as it explored putting the tenanted division up for sale. The deal is expected to complete on 9th August.