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More than half of U.K. pub operators report falling profits

A new industry survey found 38.6% posted higher turnover, underscoring a broad squeeze on margins across the sector.

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A growing share of U.K. pub operators say sales are holding up this year, but many more say profits are still falling, pointing to a deeper squeeze on margins across the sector.

According to an exclusive survey that has helped shape The Morning Advertiser’s MA Pub Report 2026, 38.6% of pub operators said turnover has risen this year. That group included 26.5% who reported a modest increase and 12.1% who said the rise was substantial. At the same time, 36.4% said turnover has fallen, with 19.7% reporting a substantial drop and 16.7% saying sales were down a little. Another 25.0% described turnover as flat.

The profit picture was notably weaker. A combined 56.8% of operators said profitability has declined, including 31.1% who said profits were down substantially and 25.8% who reported a smaller fall. Only 24.2% said profitability has improved, while 18.9% said it was unchanged.

The gap between the sales and profit figures is one of the clearest findings in the survey. The share of operators reporting lower profitability was 20.5 percentage points higher than the share reporting lower turnover. On the other side, the proportion reporting profit growth was 14.4 percentage points below the share reporting turnover growth. The figures suggest that many pubs are still bringing in customers and revenue but are not able to translate that business into stronger earnings.

That matters because pubs remain a core outlet for beer, cider, wine, and spirits in the on-trade market. If operators are preserving sales while losing margin, they may have less room to expand drinks ranges, invest in premium products, test new menus, or agree to less flexible terms with suppliers. The effect will differ from business to business, but tighter margins can limit how much pubs spend on stock, promotions, and product innovation even when customer demand is relatively steady.

The findings offer a more mixed picture than a simple sales headline might suggest. On turnover alone, the sector appears close to evenly split, with a slightly larger share reporting growth than decline. But the profit data shows a more one-sided result, with more than half of operators saying earnings are deteriorating. For an industry with high fixed costs, that difference is significant. Revenue resilience can help keep sites trading, but it does not remove the strain if operating costs continue to absorb any gains.

The Morning Advertiser said the survey results form part of the MA Pub Report 2026, which is scheduled to be published during the week beginning Sept. 28. The report will examine the state of the U.K. pub market across leased and tenanted operations, managed estates, independent venues, and large pub company sites. It will also draw on research from sector specialists and property agents to assess current conditions, near-term expectations, and the main forces that have shaped the market over the past year.

The publication is also set to include a ranking of the top 50 pub companies by estate size. While the largest operators are expected to remain at the top of that list, the report will also look at smaller and mid-sized groups and at operators described as among the most innovative in the business over the past 12 months.

For now, the survey points to a sector that is still attracting trade but struggling to protect what it earns from that trade. The balance between turnover and profitability suggests that the challenge for many pubs is no longer only whether customers are coming through the door, but whether enough of each sale is left once costs are covered.