



9 January 2023

**Tortilla Mexican Grill PLC  
("Tortilla" or the "Group")**

**FY & Q4 Trading Update**

***FY22 performance in line with market expectations\* supported by Q4 UK LFL revenue growth of 16.0%***

Tortilla Mexican Grill PLC, the largest and most successful fast-casual Mexican restaurant group in the UK, provides a Trading Update in respect of the financial year ended 1 January 2023 (the "Period").

**Financial Highlights**

- Tortilla's performance remained highly resilient throughout the year, in the face of ongoing macroeconomic challenges. This was driven by the ongoing strength of our customer proposition and demand for our sector-leading brands, alongside the continued expansion of our site portfolio in line with our long-term growth strategy.
- Group revenue increased 20% to £57.7m (FY21: £48.1m; FY20: £26.8m):
  - FY22 UK LFL revenue increased 16.4% vs. FY19.
  - Growth driven by a net increase of 18 sites in FY22, taking the Group total to 82 at Period end.
- Trading since our last update in early October has been strong with Q4 UK LFL revenue growth (vs. FY19) of 16.0%. This was despite challenging trading conditions in December due to the combined impact of poor weather and multiple train strikes. Some favourable changes in input costs, together with actions taken by management and the strong trade in the majority of the fourth quarter give the Board confidence that FY22 revenue and profit will be in line with market expectations\*.

**Strategic Highlights**

- FY22 was a year of significant growth and strategic progress for Tortilla:
  - New sites were opened across the UK at an ambitious but disciplined rate, taking advantage of the favourable rental market. New openings in 2022 have continued to perform strongly, with Durham and Canterbury opened most recently.
  - Strategic acquisition of Chilango in May 2022 strengthened the Group's market position in London and added a complementary premium brand. Eight stores were added to the portfolio; five of these sites were rebranded to Tortilla and three continue to trade under the Chilango brand.
  - Commenced new franchise relationship with Compass Group plc within the Higher Education sector, with five sites now open.
- Delivery demand remained stable as the Group expanded and diversified delivery partners to now include Uber Eats, Just Eat and Deliveroo. The Group also expanded with delivery kitchen partners Growth Kitchen and Karma Kitchen, with these sites performing well and further growing the reach of the Tortilla brand.
- Several new franchise sites are in the pipeline for 2023, which will enhance the diversity of our locations, including the expansion of our existing partnership with Compass Group plc, and further planned openings at rail stations with SSP Group plc.
- Strong cash position remains, enabling the Group to self-fund its site rollout growth strategy.

## **Current trading and outlook**

Despite the ongoing uncertainties impacting the market and wider sector in the short term, LFL sales growth in Q4 remained strong and we remain confident of finding efficiencies in our supply chain to aid profitability.

We have an outstanding brand and customer proposition, which continues to be in high demand across all our sites, and we have a strong pipeline of new site openings. New sites set to open in FY23 include Derby and Greenwich (London) in the spring, with a healthy pipeline of further openings planned for later in the year.

The Board remains confident in the outlook for FY23 and beyond, and the Group's ability to continue to implement its proven growth strategy.

## **Richard Morris, Chief Executive Officer of Tortilla, commented:**

*"We have a proven and highly popular customer proposition. During difficult economic times, restaurants that offer great, consistent food at competitive price points will be the winners, and we sit comfortably in this space."*

*"We continued to achieve excellent strategic progress during 2022, in line with our long-term growth strategy. We have successfully opened a number of new sites across the UK - including Durham, Coventry, Canterbury and Leicester - showing the excellent demographic diversity in which the brand can operate. This is further testament to the nationwide popularity and appeal of our brand. We have also strengthened our market position in London through our strategic acquisition of Chilango."*

*"Looking ahead, we remain as motivated and enthusiastic as ever about Tortilla's significant organic growth opportunities in the UK, with the added excitement of growing our already successful franchise partnerships both in the UK and abroad."*

\* Company-compiled consensus (FY22: revenue £58.4m, Adjusted EBITDA £4.0m) (FY23: revenue £69.8m, Adjusted EBITDA £5.0m). Adjusted EBITDA defined as statutory operating profit before interest, tax, depreciation and amortisation (before application of IFRS 16 and excluding exceptional costs) and reflects the underlying trading performance of the Group.

Note - all figures are subject to FY22 audit

## **ENQUIRIES**

### **Tortilla Mexican Grill PLC**

Via Hudson Sandler

Emma Woods, Non-Executive Chairwoman

Richard Morris, CEO

Andy Naylor, CFO

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## **NOTES TO EDITORS**

### **About Tortilla Mexican Grill plc**

Tortilla is the largest and most successful fast-casual Mexican restaurant group in the UK specialising in the sale of freshly made Californian-inspired Mexican cuisine. The Group has 82 sites worldwide, comprising 65 sites in the UK operated by the Group, 4 sites franchised to SSP Group in the UK, 5 sites franchised to Compass Group UK & Ireland and 8 franchised sites in the Middle East.

The Group was founded in 2007 by Brandon Stephens, originally from California who, upon his arrival in London in

The Group was founded in 2007 by Brandon Stephens, originally from California who, upon his arrival in London in 2003, found it difficult to satisfy his desire for quality burritos and tacos. As a result, Brandon established Tortilla with a mission of offering customers freshly prepared, customisable, and authentic Californian-inspired Mexican food.

The brand is synonymous with an energetic, vibrant culture, and with providing a great value-for-money proposition. It embraces fast-growing sector trends (including eating out, healthy eating, provenance, ethnic cuisine, delivery) across a variety of locations, through a differentiated product offering which is popular with a broad customer base, and a clearly defined multi-channel marketing strategy. It benefits from flexible site locations and formats, and a scalable central infrastructure.

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