

Revolution Bars Group plc (LSE:RBG)

Pre-Close Statement

Revolution Bars Group plc ("the Group"), a leading operator of 68 premium bars and 21 beautiful pubs, trading mainly under the Revolution, Revolución de Cuba and Peach Pubs brands, is pleased to update on the year ended 2 July 2023 ("FY23") which is anticipated to be in line with market expectations.

Trading

Peach Pubs have continued to trade strongly and in line with business expectations at acquisition, with full year like-for-like¹ ("LFL") sales +14% ahead of pre-Covid LFLs. The Peach team is now largely integrated into the wider group, our guests are enjoying their experiences in our pubs and gardens, and our menus and amazing service continue to delight. We see significant opportunities to invest in and expand this exciting brand when appropriate to do so.

Overall Group LFLs were (8.7)% vs pre-Covid, as trading in our late-night bars has continued to be difficult with our younger guests struggling financially in the current challenging economic environment. Notwithstanding these trading conditions, we are very pleased to see our Christmas party pre-booked revenue 24.7% up compared to the same time last year, showing that our corporate guests are looking forward to enjoying the festive period with us.

We have managed the inflationary cost environment proactively, and are pleased to see wholesale electricity prices reduce from their peak last year. In addition, we have tightly controlled spend across the Group in the second half of FY23.

We paused our major refurbishment programme in January, having completed five significant refurbishments in the preceding six months, when the depth of the challenges faced by the UK economy more generally, and our Revolution guests in particular, became clear. These refurbishments have performed well, outperforming the rest of the estate, and have largely delivered the two-year pay back expectation. Assuming that trading continues in line with our expectations, we are committed to restarting this programme as soon as we are able. Until then we are limiting capital investment to where it is essential to maintain and enhance the condition of the key assets in the estate.

With a positive contribution from Peach Pubs, and notwithstanding the challenging trading conditions for our late-night bars, we are pleased to be able to confirm FY23 EBITDA (IAS 17) is expected to be in line with market expectations of £6.6m. The Group had net bank debt of £20.8m as at 25 July 2023.

We expect the trading conditions we operate in to remain challenging for FY24 and look forward to the all-important peak trading period at Christmas which we hope will be the first uninterrupted peak period since 2019.

The Group intends to publish its Preliminary Results for the financial year ended 2 July 2023 on 17 October 2023.

Rob Pitcher, CEO of Revolution Bars Group, said:

"Our acquisition of Peach Pubs was well timed given the impact of the economic challenges to the younger guests in our Revolution bars alongside the working from home trend being exacerbated by continued uncertainty on the rail network.

The Pubs estate is in great shape and I have enjoyed getting to know the teams at the pubs, as well as seeing our guests enjoy themselves in our beautiful gardens. There is a huge opportunity to strengthen and grow this brand and I look forward to us embracing that.

Our vision and strategy to delight our guests across all our brands is delivering, and when our guests have the opportunity to go out and enjoy themselves we see them come to us, where our teams across the group love making them feel welcome.

FY23 has been very challenging, however we have controlled costs and limited capex in the second half to reduce net debt. I'd like to take this opportunity to thank our teams, in all roles, for their enthusiasm, commitment and resilience, as everything we achieve is down to their hard work.

¹Like-for-like (LFL) sales are same site sales defined as sales at only those venues that traded in the same week in both the current year and comparative reporting periods

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