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The Revel Collective Plc
(the "Group")

H1 update

The Revel Collective plc, a leading operator of premium bars and gastro pubs, trading mainly under the Revolution, Revolución de Cuba and Peach Pubs brands, today provides an update on Christmas and H1 trading and gives guidance on the outturn for the year ending 28 June 2025 (FY25).

Festive trading

- Group like-for-like sales for the 4 weeks from 7 December 2024 to 3 January 2025 were +1.6%.
- Prebooked revenue, largely Corporate Christmas bookings, achieved record levels over the festive period in our Revolution and Revolución De Cuba and was 5.3% ahead of last year.
- 32 weekly food and drink sales records were broken across the group during the festive period with the Peach Pubs brand performing the best of our 3 main brands.

FY 25 Outturn

While Festive trading was robust, and our pubs have seen a strong H1 performance compared to last year, sales in our bar brands during the early part of the financial year were hampered by the uncertainty caused by the delay to the completion of the Revolution Bars Limited Restructuring Plan. Although there has been some gradual improvement in sales in our Revolution brand, the late night market continues to be challenging, and sales have not yet recovered as quickly as we had anticipated.

Several planned initiatives are in place to boost profitable growth in the second half, as previously outlined as part of our Restructuring Plan. However, the changes announced in the budget are expected to fully offset these efforts in FY25. We estimate that the annual profit impact of the Budget announcements on the Group is £4m.

Lower sales in H1 and higher costs arising from the Budget, which will come into effect for the final quarter of the financial year, mean that the Board now expect the IAS 17 EBITDA outcome, driven by the level consumer sentiment, to be in the range of £2.0-4.0m. Net debt at 21 January 2025 is £14.4m (excluding the PIK tranche of £2.3m and excluding lease debt). We currently have headroom on our banking facilities but we will continue to keep discretionary spend and capital investment under significant restriction for the rest of this financial year.

22 January 2025

Rob Pitcher, CEO of Revolution Bars Group, said:

"The 2024 festive trading period provided us with a fantastic opportunity to showcase what we do best and it was wonderful to see our guests enjoying the parties we hosted. I am particularly pleased with the strong performance in Peach and Founders & Co, which stood out in terms of sales growth.

However, the younger guests in our bars continue to face challenges with the high cost of living. Additionally, the negative discourse surrounding the Restructuring Plan created uncertainty among our guests and team members. This uncertainty persisted well into FY25, leading to a weaker recovery than we had originally anticipated. We now look forward to a period which will see us implement several new sales initiatives, including launching the new brand proposition for our Revolution brand, just in time for our target guests to receive the 16.3% (18-20 year olds) increase in National Minimum Wage.

The newly elected Labour Government's recent budget announcements, especially the reduction in the National Insurance thresholds for Employers, will have a very damaging impact on the Group. These measures are regressive and offer no clear pathway for economic growth within the hospitality sector. They also pose risks to the employment market. We strongly urge the government to reconsider this policy in particular and explore more balanced alternatives.

I'd like to thank our teams for all their dedication and hard work in making the Christmas period such a wonderful experience for our guests. "

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