

Project Demeter

AWARD-WINNING PREMIUM PUB RESTAURANT GROUP

Opportunity to invest £15m in an award-winning premium pub restaurant chain in the UK to scale group operations with site acquisitions and development.

Group substantially increased operations and its site EBITDA during the pandemic.



Corporate Background

- Award-winning, established premium pub restaurant group with strong local identity and long-term vision for growth.
- Proven customer proposition with impressive community buy-in, through well invested, profitable pub restaurant chains and inns.



Opportunity

- Sustainable business trading for 15 years.
- Group operates an estate of 36 pub restaurants, 225 hotel rooms, extensive function / events space and employs over 1,300 staff.
- Opportunity to roll-out business model, almost doubling operations to 65 sites by 2026. 11 expansion sites already owned or under option.



Market

- Total value of the UK pub market £24 billion, 14% growth from 2015 - 2021.
- The pandemic mainly hit outdated, poorly run establishments with a metropolitan focus. This is expected to reduce competition and provide significant growth opportunity.



Headquarters: South East England



Sector: Hospitality: Restaurant & Bar



Investment Required: £15 million



Use: Site acquisition & expansion



USP

- Award-winning management team with CEO, CIO and Chairman / founder holding industry experience exceeding 80 years.
- Proven business model with deep understanding of target demographics.
- Impressive growth track record with readiness to scale.
- Covid-19 resilience by outperforming market, and significantly increasing turnover, EBITDA, sites, headcount.
- Well balanced property freehold / leasehold / management contract mix.
- Industry leading profits and pub restaurant metrics.
- Strong balance sheet, asset-backed and estimated realisable NAV exceeding £80 million.

Investment Highlights

AWARD-WINNING PREMIUM PUB RESTAURANT GROUP

Substantial pub restaurant with a proven track record of growth and a strong COVID-19 bounce back. The award-winning training and development programme allows the Group to consistently outperform the market.

Financial Performance

- Turnover (FY2021): c.£46 million, 4-year historical CAGR c.19%.
- Turnover (Forecast): c.£170 million (FY2026), 5-year CAGR c.30%.
- Site EBITDA (FY2021): c.£5 million (11%) normalised, 4-year CAGR 31%.
- Site EBITDA (Forecast): c.£39 million (19%), 5-year CAGR c.51%.

£'millions	2022	2023	2024	2025	2026
No. Sites	29	37	45	55	65
Sales	59	85	112	140	170
<i>Sales growth</i>	<i>27.3%</i>	<i>45.0%</i>	<i>31.6%</i>	<i>24.4%</i>	<i>21.8%</i>
Gross Profit	45	64	84	105	128
Site EBITDA	13	18	24	31	39
<i>Site EBITDA %</i>	<i>22.3%</i>	<i>20.9%</i>	<i>21.7%</i>	<i>22.3%</i>	<i>22.8%</i>

People and Strategy

The Group recognises the importance of staff retention and thus considers it a leading success indicator and profit driver. Investing significantly in staff training, welfare and development resulted the pandemic having a significantly different experience on the business to its peers.

ESG Initiatives

- Sustainable supply chains and ingredients, Tree-Nation contributor, #BanTheStraw campaign leader.
- Fundraising on both a corporate level for national and industry charities, and for local charities, selected at each branch's discretion.
- Experienced board with 3 executive directors and 3 NEDs.

Awards

- Multiple awards, including, Best Community Pub Operator, Casual Dining's Sustainable Pub Operator, Business Leader, Sunday Times Best Employer (consistently), Princess Royal awards for Training Excellence.

Investment

- Opportunity to invest £15 million in ordinary shares, with potential for follow on investment.
- Funds used to scale Group operations through site acquisitions, aiming to reach 65 sites by 2026.
- Future exit through IPO, trade sale or future raise.

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In order to obtain the Information Memorandum, please register your interest by sending an email to Esther Grove: esthergrove@forsterchase.com
The Information Memorandum will be issued in February 2022.