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Comptoir Group Plc Annual Results FY2022

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**COMPTOIR
GROUP**

COMPTOIR LIBANAIS | SHAWA LEBANESE GRILL | YallaYalla LEBANESE KITCHEN | kenza





Presenters



Nick Ayerst CEO

Nick has more than 30 years' experience in the hospitality industry and was previously Managing Director of LEON. Prior to his role at LEON Nick spent 15 years in leadership roles at The Restaurant Group, the UK's largest listed restaurant company, where he was a member of the TRG Executive team. Between 2013 and 2020 Nick was Managing Director of TRG Concessions, which operates restaurants, bars and SR outlets in airports, stations, shopping centres and Hilton Hotels, where he implemented short- and long-term growth opportunities, more than doubling revenue and profit, and oversaw the opening of 45 new sites.

Nick is responsible for the overall management and strategic direction of the Group.



Michael Toon FD

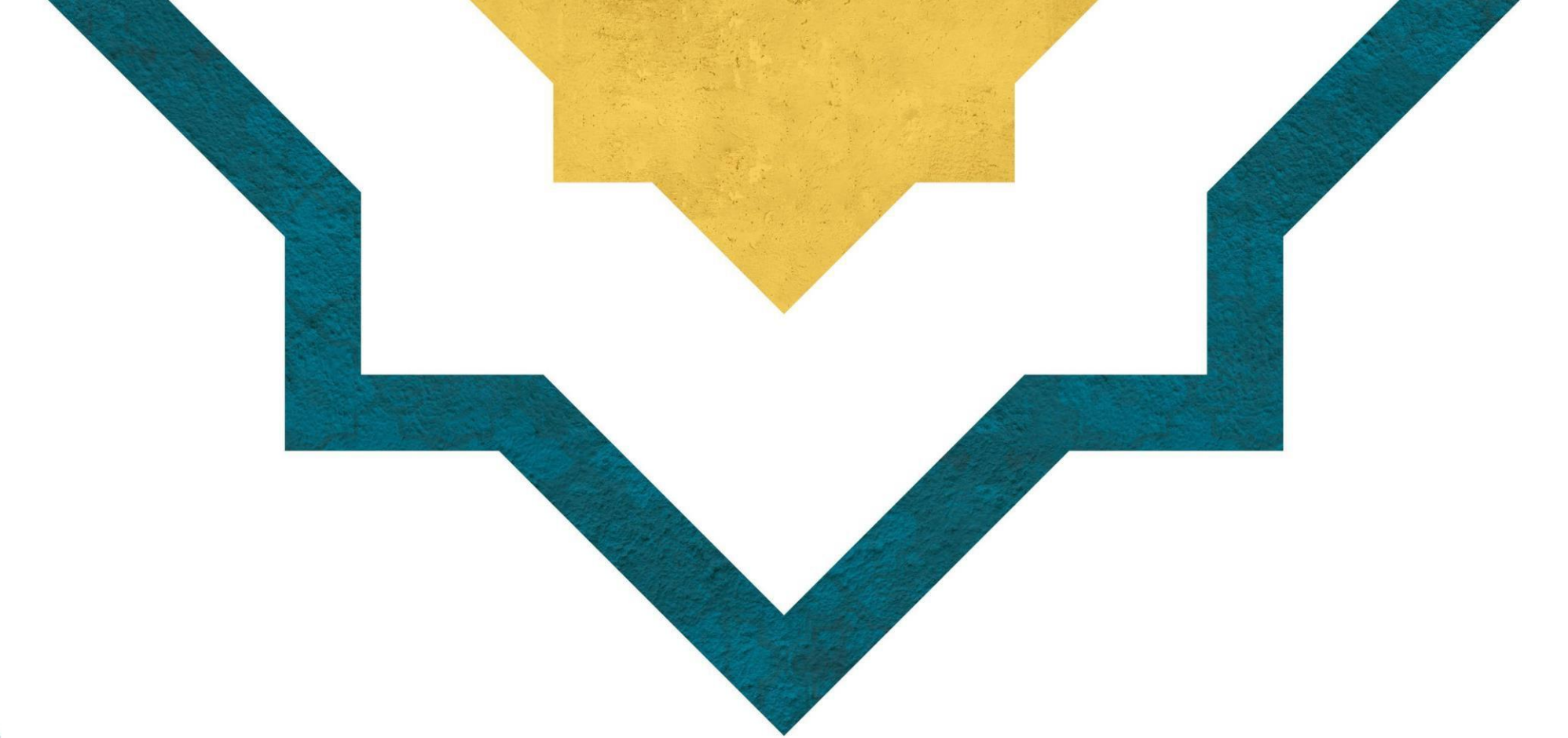
Michael is a seasoned F&B Finance Director having worked in the industry for over 25 years. Michael has held similar roles at Chopstix where he oversaw the rapid expansion of the country's largest Asian SR provider and the Big Table Group formerly the Casual Dining Group holding a variety of roles across all financial disciplines and was part of the large-scale expansion of the company through organic growth as well as brand purchase, before joining Comptoir Group Plc as Finance Director in October 2020.

Michael is responsible for all the financial, procurement and systems governance within the Group.





Agenda

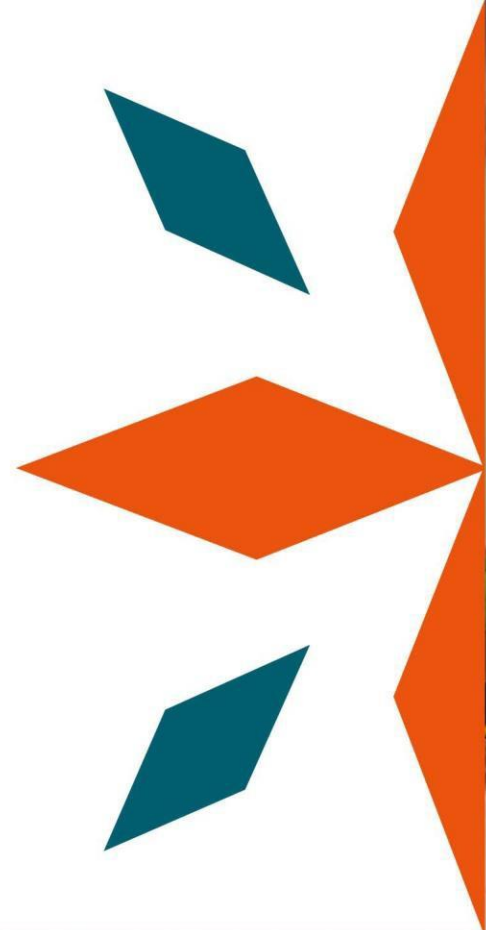


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Overview & Highlights



Our brands are born out of a passion for food – the flavours, the textures, the colours and the smells. It can transport you, and as ambassadors of Lebanese food and ambience we transport people every day.



Tony Kitous, Founder Comptoir Group



Strategic and Operational

Reconstitution of the board with new NED, Chair and CEO

Opening 2 franchise units in high profile travel hubs

Closure of Westfield Stratford

Senior Leadership Team appointments - Executive Chef & Head of Procurement 1st time for group

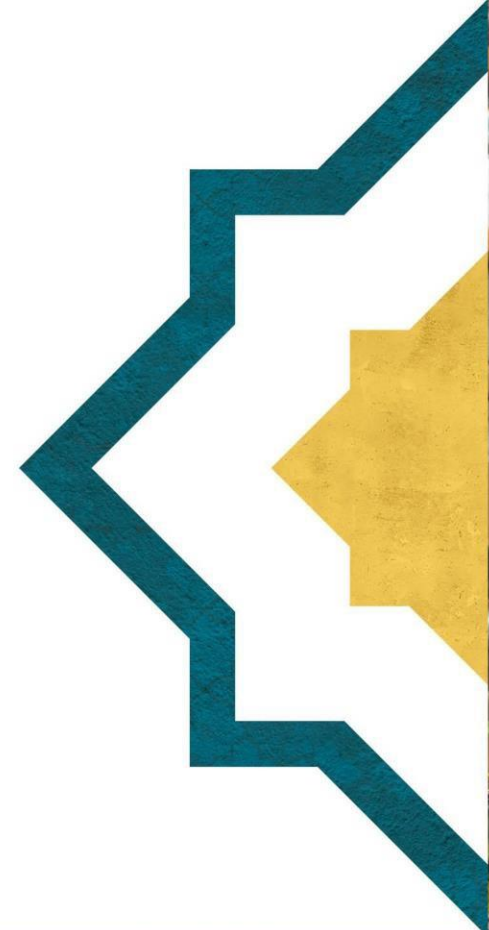
Focus on guest satisfaction NPS 60%

Menu engineering protected margin and guest value perception





Overview & Highlights



I have always had a need to explore and discover new things. Each of our Comptoir Group brands is an extension of my sense of adventure.



Tony Kitous, Founder Comptoir Group



Financial

Revenues up 4.1% to 31.0m 2021 20.7m

Gross profit up 44.3% to 24.4m 2021 16.7m

Net Profit 0.6m

Adj. EBITDA ¹ 2.8m FRS102 - 2021 3.0m / 6.8m

IFRS - 2021 7.1m

Net Cash ² 7.8m 2021 7.1m

*Adjusted EBITDA is calculated excluding the impact of the share-based payment charge, depreciation, amortisation and impairment of assets, restaurant reopening costs, loss on disposal of fixed assets, finance costs & provision.

*Net Cash is cash and cash equivalents less bank borrowings.



Comptoir Group Plc Financials



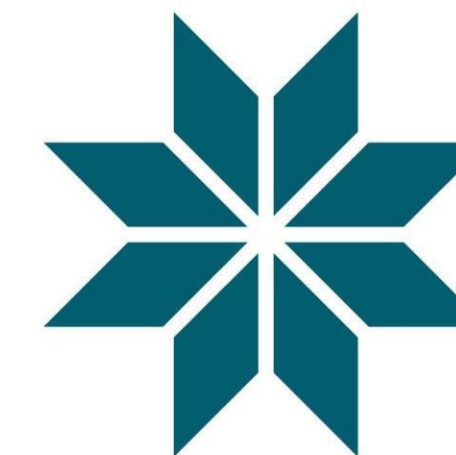
Income Statement

Revenues up 49.9% to £31.0m (2021: £20.7m). This was driven by like-for-like store growth in the period and the absence of a COVID lockdown which impacted Q1 FY21. Franchise income increased at a similar level with System Sales at £7.4m

Gross profit up 44.3% to £24.4m (2021: £16.9m). The gross profit margin was 3.1 percentage points lower than FY21 being adversely impacted by the change in the VAT rates (1.7ppts) and inflation of which a significant amount is attributable to the war in Ukraine (1.6ppts)

Distribution and Administrative costs increased by 21.7% following the increase in trade as well as the one-off exceptional costs as noted below

Net Profit £0.6m. Includes exceptional costs relating to the board reconstitution of £1m



	Notes	Period ended 1 January 2023	Period ended 2 January 2022
		£	£
Revenue	2	31,046,546	20,711,257
Cost of sales		(6,605,074)	(3,773,721)
Gross profit		24,441,472	16,937,536
Distribution expenses		(11,431,633)	(9,318,203)
Administrative expenses		(11,357,436)	(9,362,286)
Other income	2	292,744	4,090,214
Operating profit	3	1,945,147	2,347,261
Finance costs	6	(1,042,697)	(822,094)
Profit before tax		902,450	1,525,167
Taxation (charge)/credit	7	(314,146)	118,288
Profit for the period		588,304	1,643,455
Other comprehensive income		-	-
Total comprehensive income for the period		588,304	1,643,455
Basic earnings per share (pence)	8	0.48	1.34
Diluted earnings per share (pence)	8	0.48	1.34

Adjusted EBITDA is calculated excluding the impact of the share-based payment charge, depreciation, amortisation and impairment of assets, restaurant reopening costs, loss on disposal of fixed assets, finance costs & provision.

Profitability

Adj. EBITDA^{*1} (pre-IFRS 16) £2.8m which was a decrease of £0.2m on the prior year

Profitability was strong considering the return to 20% VAT from Q2, the cost-of-living crisis, the accelerating inflation across the economy in general and the falling away of the government assistance seen in prior years.

Inflation impacted the F&B input costs in particular, but also saw increases in other costs such as packaging and consumables with energy inflation impacting the wholesalers and associated transport costs

Utilities were hedged until September 2022 and then capped with government support until the end of the year. The group is hedged on a flexible purchase product until September 2025

Adjusted EBITDA is calculated excluding the impact of the share-based payment charge, depreciation, amortisation and impairment of assets, restaurant preopening costs, loss on disposal of fixed assets, finance costs & provision.



	Post IFRS 16 1 January 2023	Pre IFRS 16 1 January 2023	Post IFRS 16 2 January 2022	Pre IFRS 16 2 January 2022
	£	£	£	£
Sales	31,046,546	31,046,546	20,711,257	20,711,257
Adjusted EBITDA:				
Profit before tax	902,450	578,609	1,525,167	1,259,709
Add back:				
Depreciation	3,252,841	1,124,243	3,659,196	1,372,645
Finance costs	1,042,697	94,078	822,094	21,057
Impairment of assets	78,266	-	336,356	266,255
EBITDA	5,276,254	1,796,930	6,342,813	2,919,666
Share-based payments expense	15,377	15,377	32,436	32,436
Restaurant opening costs	-	-	10,489	10,489
Loss on disposal of fixed assets	8,188	8,188	38,098	38,098
Exceptional legal and professional fees (Note 3)	1,002,054	1,002,054	-	-
Adjusted EBITDA	6,301,873	2,822,549	6,423,836	3,000,689





Balance Sheet

Closed FY22 with unchanged cash equivalents balances of £9.9m

Net Cash £7.7m (2021: £7.1m)

This is despite exceptional cost payments of £1m in the year

Debt of £2.2m. CBIL with no restrictive covenants

Strong liquidity provides a platform for new sites and refurbishments and other appropriate investments.



	Notes	1 January 2023	2 January 2022
		£	£
Assets			
Non-current assets			
Intangible assets	9	29,134	55,267
Property, plant and equipment	10	6,708,383	7,232,869
Right-of-use assets	10	13,704,427	15,960,380
Deferred tax asset	17	-	106,659
		20,441,944	23,355,175
Current assets			
Inventories	12	474,655	465,890
Trade and other receivables	13	1,220,053	698,994
Cash and cash equivalents		9,930,323	9,867,799
		11,625,031	11,032,683
Total assets		32,066,975	34,387,858
Liabilities			
Current liabilities			
Borrowings	15	(600,000)	(600,000)
Trade and other payables	14	(6,399,675)	(6,131,539)
Lease liabilities	26	(2,351,410)	(2,387,104)
Current tax liabilities		-	(64,480)
		(9,351,085)	(9,183,123)
Non-current liabilities			
Borrowings	15	(1,600,000)	(2,200,000)
Provisions for liabilities	16	(362,088)	(859,414)
Lease liabilities	26	(15,728,066)	(17,995,233)
Deferred tax liabilities	17	(271,967)	-
		(17,962,121)	(21,054,647)
Total liabilities		(27,313,206)	(30,237,770)
Net assets		4,753,769	4,150,088
Equity			
Share capital	18	1,226,667	1,226,667
Share premium		10,050,313	10,050,313
Other reserves	19	145,099	129,722
Retained losses		(6,668,310)	(7,256,614)
Total equity		4,753,769	4,150,088



Strategy and Operational





Growth

Pursuing growth through organic sales, new owned sites & franchising

Organic

Refurbishment / revitalising team / maximising use of terraces

Menu laddering / technology / daypart extension / delivery

New owned sites

2-3 Comptoir Libanais restaurants

Finalise Shawa brand concept and trial

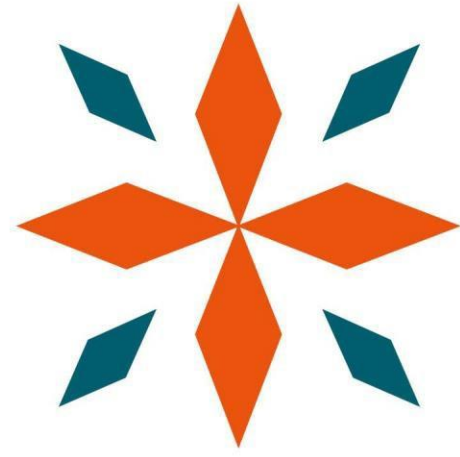
Franchising

New opening Abu Dhabi confirmed

Heads of terms signed with new partner for European airport

Additional new partner discussions





Operations

Focus on 3 sectors , casual dining, fast casual & premium casual dining

Back to Basics programme working on refurbishments, improving the guest journey and ensuring food consistency

Increase employee numbers to deliver propositions

Improving employee benefits and employer NPS

Embed implementation of supplier consolidation into Brakes and Matthew Clark

Labour deployment to improve right people, right place, right time

Focus on controllable costs including energy usage

Focussed marketing plan





Technology

- Continue development of Comptoir App for pre and at table ordering and guest data collection
- Guest segmentation and seamless CRM
- Handheld tills to be deployed following current trial
- Kitchen display screens to be trialled H2
- Labour deployment software launching shortly



ESG



Joined the Sustainable Restaurant Association - working in partnership on a 2-year action plan

Formation of Board Level ESG committee

Developing our action plan to achieve Net zero Carbon footprint

Green electricity from 100% renewable sources

Use of Caput to monitor individual equipment energy usage

All packaging is 100% compostable or recyclable

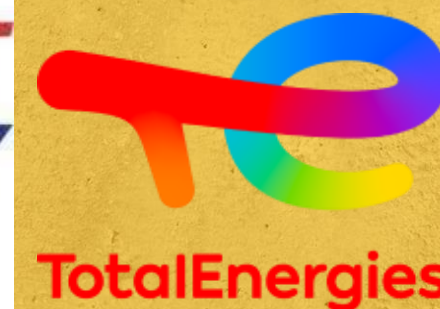
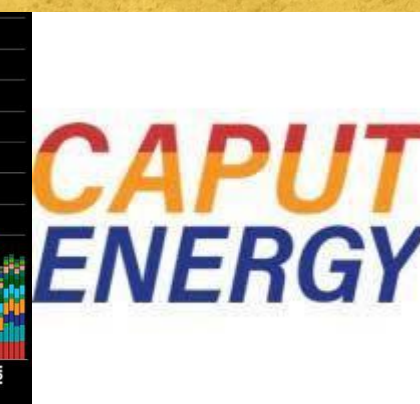
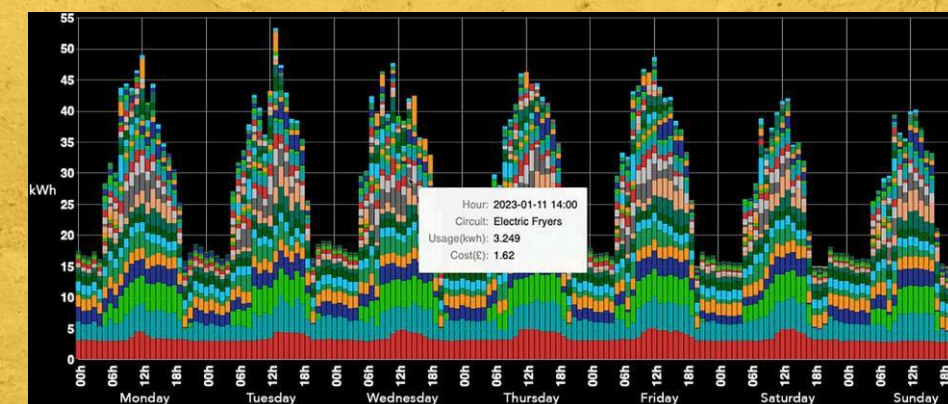
CPU - low food miles and waste

Consolidating deliveries to reduce vehicle movements via industry-leading distributors

Olio - food waste distributed into local communities

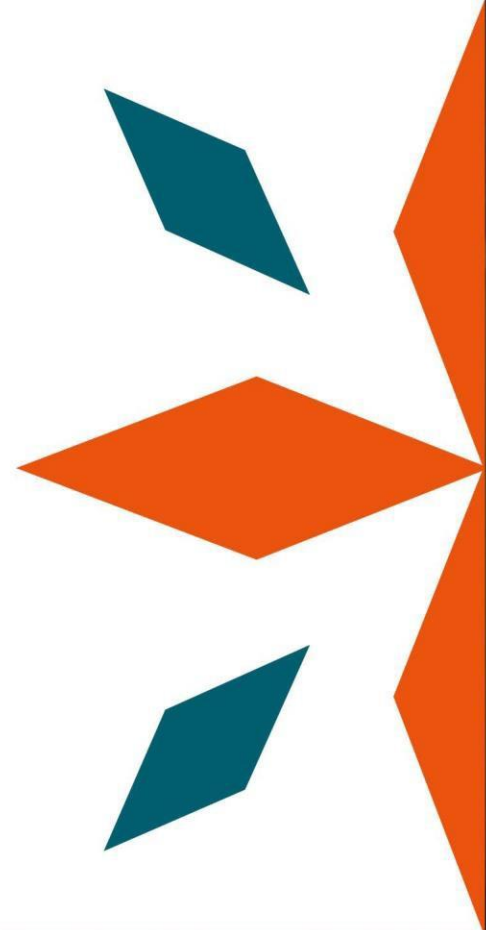
Eco-friendly chemical trial underway

Charity fundraising for Syria and Turkey earthquake





Central Production Unit



- Central Production Unit CPU in North London of 14,750 sq ft
- Production infrastructure to support long-term growth
- CPU largest supplier to restaurants 40% of food spend with items such as Hommos, Baba Ghanoush and Tagines being supplied directly via our own vehicles
- BRC accredited highest rating recently retained
- R&D investment has improved shelf life of products and is tax efficient



This gives us the following advantages

- Consistency of quality
- Continuity of supply
- Product development timelines shortened
- Cost neutral operation growth will reduce cost per product
- Safeguarding of recipes and their IPs
- Supply to our franchise partners
- Opportunity to supply proprietary products to strategic partners



Summary

Focus on three complementary sectors with clearly defined brands

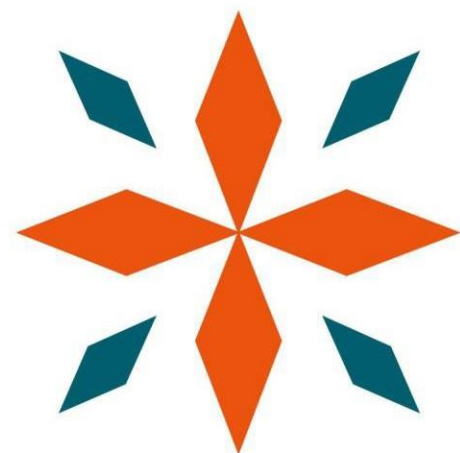
Strong NPS scores underpinned by well-loved interiors, food and service propositions

Cash reserves facilitating new restaurant openings

Strong Board and senior leadership team

Founder led innovation coupled with rigorous implementation

Proven franchise model





Appendices



About us



Number indicates number of direct reports



When I was eight my mother used to help me prepare harissa and merguez sandwiches and make fresh lemonades, and I would set up a stall outside the football stadium near my house. It's about making people feel welcome - it's about hospitality and I naturally just love welcoming people, even on a pavement.

Tony Kitous, Founder Comptoir Group

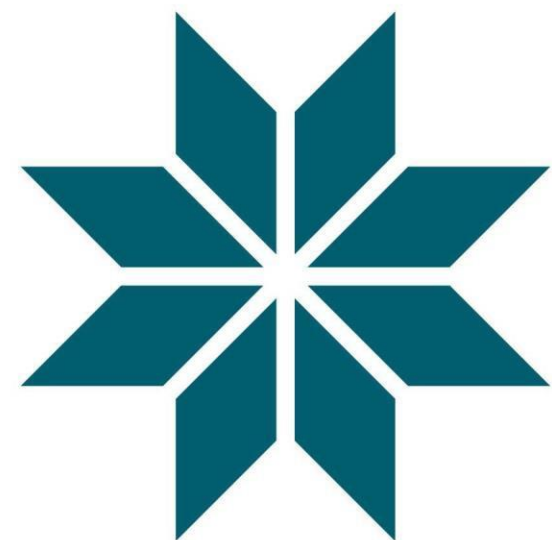


For the love of food Our history

Founder Tony Kitous' relationship with food began under his mum's influence. The eldest of seven children, his mum - like many Arabic mothers - would spend six hours a day in the kitchen. He still has strong memories of the fisherman who used to visit in his little truck and sell them fresh sardines, which his mother would either stuff or marinate. It was a holiday to London when Tony was 18 that really fired his imagination and his passion to make something of himself.



The Board



Nick Ayerst - CEO



Tony Kitous - Founder & Creative Director



Michael Toon - Finance Director



Beatrice Lafon - Non-Executive Chair

Dr Lafon has operated at CEO level for nearly 20 years and as a non-executive director for 6 years. She has an outstanding record in the launch, turnaround and profitable development of major retail businesses in the UK, Europe and the USA. Previously a non-executive director of Piña Express and SuperDry, she chairs a number of businesses in the UK and Europe, including Crosstown.



Jean Michel Orioux - Non-Executive Director

Mr. Orioux has deep expertise in the consumer and hospitality sectors. He was formerly CEO of Ping Pong, where he formulated and implemented a turnaround and brand strategy to drive international expansion. He became CEO of Paul UK and USA in 2013 before joining the Board in 2018. As CEO, he led the Argyll Club through a review of its core proposition, strategy and performance.



Cashflow



	Notes	Period ended 1 January 2023	Period ended 2 January 2022
		£	£
Operating activities			
Cash inflow from operations	22	4,368,949	4,675,786
Interest paid		(94,078)	(21,057)
Tax paid		-	30,292
Net cash from operating activities		4,274,871	4,685,021
Investing activities			
Purchase of property, plant & equipment	10	(581,250)	(436,272)
Net cash used in investing activities		(581,250)	(436,272)
Financing activities			
Payment of lease liabilities	26	(3,031,097)	(2,014,626)
Bank loan repayments	23	(600,000)	(200,000)
Net cash used in financing activities		(3,631,097)	(2,214,626)
Increase in cash and cash equivalents		62,524	2,034,123
Cash and cash equivalents at beginning of period		9,867,799	7,833,676
Cash and cash equivalents at end of period		9,930,323	9,867,799



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