

# INTERIM RESULTS 2025

26 WEEKS ENDED 28 DECEMBER 2024



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# HIGHLIGHTS

## The new Board is in place, driving strategic future plans with a difficult market backdrop

- **Christmas trade was robust**, with **pubs continuing to deliver strong results** both at Christmas and across H1. Sales in both bar brands continue to be challenged outside of peak periods
- **Delivering on Restructuring Plan Commitment:** the Revolution Brand proposition, site closures, and central savings
- **Recovery is slower than expected** due to reduced consumer confidence currently impacting the nighttime economy, and the Restructuring Plan completing two months later than planned
- The Government's changes to **NIC thresholds in particular** were unforeseen and costly
- **Costs have been managed**, with Support Centre savings delivered with more to come to help mitigate the softer sales and tax changes. Inflation is a continuing challenge
- Now we are past the **period of disruption** arising from the Restructuring Plan, **Management is confident of delivering improved like-for-like sales** in the future
- Softer sales have impacted the EBITDA and cash position, but **new Board is injecting fresh energy and pace into our strategy and recovery**

# FINANCIAL REVIEW

## CFO – DANIELLE DAVIES

# CHALLENGES AND OPPORTUNITIES

Costs removed, a painful budget, and further action taken

## FY24 H2 to FY25 H1

- Restructuring Plan expected to complete by end of July-24, delayed to Sep-24
- Following sanction of Plan, leases successfully surrendered in August-24, removing annualised losses of **£3.4m**
- Support Centre cost savings, including redundancies and reduction of budgets, gave an annualised reduction in costs of **£1.7m**
- Receipt of £12.5m equity fundraising in Sep-24, formally ending the Plan
- Chancellor's Budget in October-24 creates significant tax burden through National Insurance Contribution and National Minimum Wage rises, estimated annualised impact of **£4.0m**



## FY25 H2

- Response required to mitigate negative cost impact of the October 2024 budget
- Further Operational and Sales Team rationalisation, creating a leaner and more specialised team, to save annualised costs of c. **£1.7m**
- Additional Support Centre restructuring expected to save annualised costs of **£1.0m**
- Management is confident on delivering sales growth with restructured business and right cost base to deliver profitable performance

# FY25 H1 – INCOME STATEMENT

Adjusted\*\* EBITDA profit of £3.1m (IAS 17)



## Summary Income Statement

	IFRS 16*		IAS 17	
	FY25 H1 £m	FY24 H1 £m	FY25 H1 £m	FY24 H1 £m
Bars & Pubs at end of period	62	88	62	88
Sales	64.2	82.3	64.2	82.3
Gross profit	48.9	63.0	48.9	63.0
Gross profit %	76.2%	76.5%	76.2%	76.5%
Adjusted** EBITDA	6.1	8.9	3.1	3.2
Adjusted** EBITDA %	9.5%	10.8%	4.8%	3.9%
Adjusted** LBT	(1.5)	(0.7)	(0.5)	(1.2)
Adjusted** LBT %	(2.3%)	(0.9%)	(0.8%)	(1.4%)
Adjusted** (L)/EPS	(0.8p)	(0.6p)	0.1p	(0.4p)

- **Sales** of £64.2m were £(18.1)m (22.0%) lower than FY24 H1
  - Group LFL\*\*\* sales for the 4 weeks from 7 December 2024 to 3 January 2025 were +1.6%
- **Margin:** slight reduction in FY25 H1 due to:
  - Increased Peach mix – Peach sales have a higher proportion of food which is lower margin than wet
- **Adjusted\*\* EBITDA** (IAS 17) of £3.1m reflecting impact of delays to Restructuring Plan and ongoing challenges
- Adjusted measures are reported before:
  - non-cash exceptional income of £30.8m
  - cash exceptional costs of £(2.4)m relate to the Restructuring Plan
  - further details in Appendix 3
- IFRS 16 Operating profit is £30.5m

\* The Group adopted IFRS 16 in FY20 which changes the accounting treatment of leases

\*\* Adjusted measures exclude exceptional items, share-based charges/(credits) and bar opening costs – see Appendix 2-3

\*\*\* Like-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 and prior year

# FY25 H1 – CASH

Net Bank Debt of £14.7 million at FY25 H1 after £4.0 million write-off of borrowings

Net Bank Debt*			
	FY25 H1 £m	FY24 H1 £m	FY24 FY £m
Opening net bank debt	(24.4)	(21.6)	(21.6)
Adjusted** EBITDA (IFRS 16)	6.1	8.9	13.4
Rent charges (IFRS 16)	(3.0)	(5.7)	(10.4)
Adjusted** EBITDA (IAS 17)	3.1	3.2	3.0
Capex - existing estate	(0.8)	(1.2)	(2.2)
Working capital movement	(5.6)	1.5	(0.1)
<b>Cash utilised - existing business</b>	<b>(3.3)</b>	<b>3.5</b>	<b>0.7</b>
Net proceeds from equity fundraising	11.6	-	-
Acquisition - Peach Equity Consideration	-	(0.5)	(0.5)
Exceptional items - Cash other	(2.4)	(0.3)	(2.7)
Lease surrender premiums (paid)/received	(0.1)	0.3	1.1
Capex - expansion	-	(0.1)	(0.1)
Interest paid	(0.1)	(1.3)	(1.4)
Tax	-	-	0.1
<b>Net cash flow</b>	<b>5.7</b>	<b>1.6</b>	<b>(2.8)</b>
Debt write-off	4.0	-	-
<b>Closing net bank debt</b>	<b>(14.7)</b>	<b>(20.0)</b>	<b>(24.4)</b>

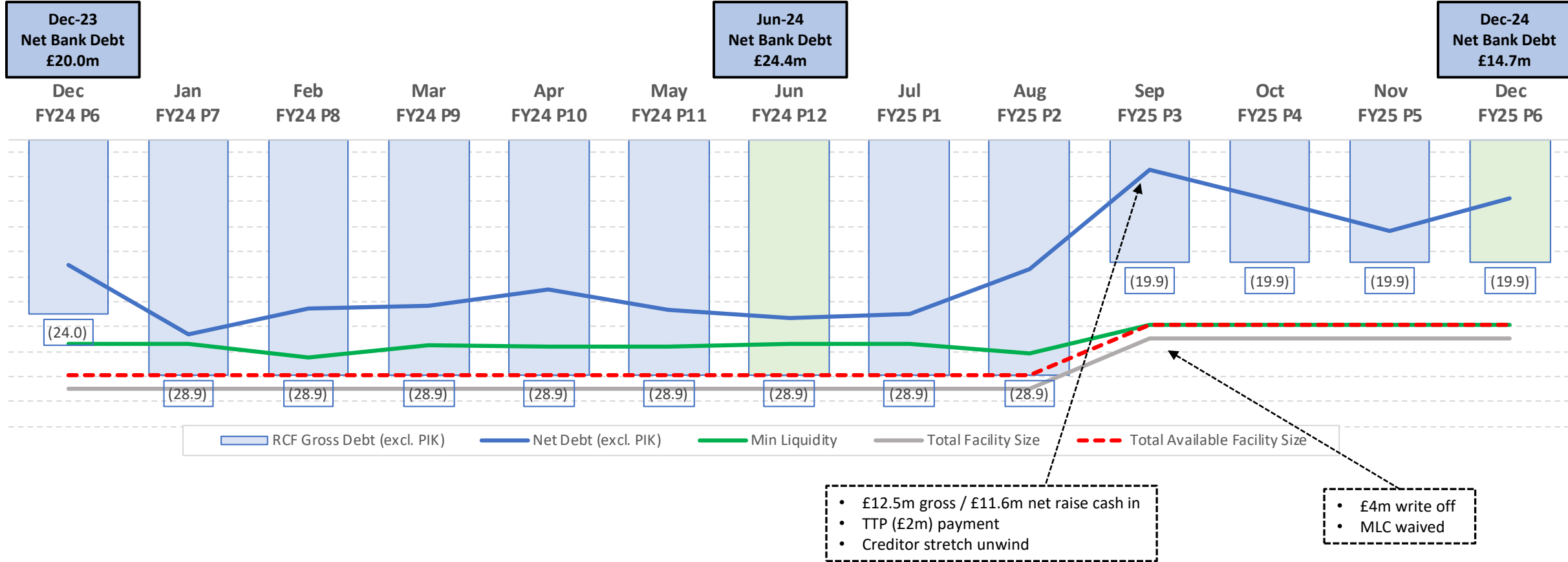
- **Capex** – careful capex management with only necessary capex incurred in the year to date
- **Working capital** – includes VAT deferred from FY24 due to Time To Pay arrangement and other deferred payments and accrual unwinds from the Restructuring Plan
- **Fundraising** – gross Fundraise of £12.5 million equated to net £11.6 million received by the business
- **Exceptional cash items** – relates to costs of Restructuring Plan and site closures
- **Net bank debt c/f** of £(14.7)m at end of FY25 H1, benefitted from Fundraising proceeds, £4.0m debt write-off, and completion of Restructuring Plan
- **Covenants** – minimum liquidity covenant waived till April 2025, and profitability-based covenants waived till July 2026

\* The cashflow presented here represents the non-statutory illustrative position to present cash movements in the business

\*\* Adjusted measures exclude exceptional items, share-based charges/(credits)

# FY24 – LIQUIDITY

Liquidity and net bank debt aided by Fundraise proceeds and £4.0m debt write-off





# FINANCIAL SUMMARY

Good festive trading with forward-looking focus on recovery of bars



- **Completion of Restructuring Plan and Fundraise** saw net £11.6m received in September and rightsizing of portfolio
- **Strong trading in pubs** but bars still challenged
- **Cost savings achieved throughout business** through central and operational team restructures and challenge of costs, with more to come
- **Government imposed payroll costs** will begin in April 2025 with expected annual impact of £4.0m
- **EBITDA** and **Bank debt** both **impacted by slower recovery**
- **Management is confident of delivering improved like-for-like sales** in the future



# STRATEGY UPDATE

## CEO — ROB PITCHER

# MACRO ENVIRONMENT

A challenging market made harder by Government cost increases

## The Pubs & Bars Market

- Peach Pubs tracking ahead of growing market
- Bars market sales declining; our bar brands have tracked behind the market due in part to the disruption and delay of the Restructuring Plan along with our exposure to late night trading
- A more competitive market with 17% more cocktail bars and 25% more competitive socialising / theme bars opened across 2024 (c.200 new openings)
- Consumer confidence remains suppressed due to the ongoing cost-of-living crisis, rising inflation and the negative narrative surrounding the new Chancellors budget



## The Budget

- Restructuring Plan savings to be offset by Budget cost increases, with expected annualised cost increase of £4.0m
- The increases in NICs are regressive as they will negatively impact those on the lowest salaries, the opposite of what was expected from a Labour Government
- Prior to the implementation of the Budget, 38p in every £1 spent in hospitality already ends up with the Chancellor through taxes and duties, up from 31p pre-COVID
- Upcoming 16.3% increase in wages for 18-20-year-olds could be a net benefit to our Revolution brand, as millions of young people will have more disposable income

What are we doing to tackle these challenges?

# FORWARD LOOKING STRATEGY

Driving strategic future in a challenging market

FY25

## Delivering in a Challenging Year

- Corporate restructuring delivered after delays and massive disruption for the business. Formal Sale Process run, Restructuring Plan sanctioned, Equity raise successful, Refinancing completed
- New Board injecting fresh energy and ideas
- Rebase all costs to mitigate budget impacts
- Delivered the vital Festive trading period
- Restructure sales team to drive Pre-Booked Revenue
- Relaunch Revolution App and implement RDC App
- Revolution brand relaunch in Spring 2025
- RDC focus on live content to drive footfall
- Peach menu redesign and breakfast relaunch
- Founders & Co refresh trader line up

FY26

## Rebalanced Business

- Revolution revival through music led proposition reestablishing brand as the world best party bar
- Evolve brand makeup of existing estate through rebrand opportunities
- Identify expansion opportunities for Peach Pubs and Founders & Co.
- Recommence refurbishments when funding allows
- Huge opportunity for bars business as we build back from disruption of FY24/25
- Active cost management

FY27 onwards

## Long-term Growth

- Focus on debt reduction
- Build and maintain pipeline of opportunities
- Expansion of our most profitable brands
- Rebranding of certain locations within existing estate to most profitable brands



# PEACH PUBS

## Continued strong performance at Christmas and FY25 to date

- Peach Pubs **continues to trade strongly**, providing diversification
- **Peach Pubs performed the best** out of the three main brands over Christmas
- Strong food-led offering leading a **growth in overall food sales** for the Group
- **Peach Pubs are primed for expansion** from FY26, with opportunities for rebranding existing properties within the existing estate to Peach Pubs

### Going from strength to strength



- Peach Pubs now making up over a third of our estate
- Strengthening like-for-like performance in FY25
- Attractive marketplace with affluent guest base

### The Three Horseshoes



- *First Peach Pub post-acquisition in late 2023*
- *Minimal capex as pub already had look and feel of a Peach Pub*
- *Delivering strong like for like growth in second year*



# REVOLUCIÓN DE CUBA

Authentic brand proposition, with increased focus on guest experience



- Revolución de Cuba targets a market who have **higher disposable income**
- **Strong pre-booked revenue**, largely corporate guests, **achieved** over the festive period
- Increased focus on providing experience led **live Latin content** to drive guest footfall, extend dwell time and elevate our authentic proposition



- **Competitor expansion** has seen an impact on several of our biggest Revolución de Cuba bars
- Management has created specific turnaround plans, with an increased focus on **Day Parties and Supper Clubs**
- Refreshed and reduced cocktail menu will increase **authenticity, quality and speed of service**



# REVOLUTION

Brand relaunch in Spring 2025, makers of the original party spirit



REVOLUTION

Relaunch all elements of our brand on the same day to get noticed and re-establish ourselves at the best party bar on the plant

## Brand Identity

*Returning to our heritage in Vodka & Music*

- The OG Party Starters
- VodkaFM Radio on Soundcloud
- Way Back When 90's nostalgia



## Experience

*Music defining our late-night bar culture*

- Boiler room DJ sets & broadcasts
- DJ competitions and academy
- VodkaFM weekly branded events
- Hosting the best parties every weekend

## Savage Eats



## Events & Collaborations

*Way Back When Event Series*

- Headliner DJ Tours
- Band and Brand collabs for pre and post gig parties
- Sound of Summer Parties

## Epic Eats & Drinks

*Only the hits food menu*

- Savage Eats – Smash Burgers
- Slice Shop – Sourdough Pizza Shop
- Redesign and elevation of the menu

*Vodka – the OG Party Spirit*

- Cocktail menu reduced range focused on Vodka
- Fame point - makers of the party spirit since 1996
- Redesigned back bars – our shop window

# FOUNDERS & CO.

Continues to grow and beat budgets with great expansion opportunity

- Founders & Co. is in its **third consecutive year of like-for-like sales growth**
- Food trader **lineup is the strongest it's ever been**
- Events are **regularly refreshed**, ensuring there is **always a reason to visit**
- **Primed for expansion opportunities from FY26**



## What's going on?

### Beaujolais Day

A sell-out event every year at Founders & Co. with a full 12 hours of activity to see in the new vintage

### Oktoberfest

The hit sell-out event is back at Founders & Co. with live oompah band and entertainment



## What's on offer

- Wide array of food & drink offerings
- Coffee shop
- Vintage clothing
- Barbers
- Paint-alongs
- Salsa classes
- Record fairs
- Crochet workshops
- Barn dances
- Baby groups
- Terrarium workshops
- Event Space
- Pub quizzes
- Bottomless brunches
- And more!



# SUMMARY



# OUTLOOK & CURRENT TRADING

- Distractions of the delayed Restructuring Plan behind us, with **huge opportunity for the bars over the next 12 months**, together with **strong performance from Peach Pubs and Founders & Co.**
- Upcoming **Budget cost increases** offsets Restructuring Plan savings
- **Peach Pubs** now a third of Group portfolio and well positioned for further growth
- **Revolución de Cuba** has strong market position, and following competitor expansion has increased delivery of live content to improve footfall
- **Revolution relaunch planned for Spring**, with music led campaign to recapture our place as the best party bar on the planet. **Young guest base set to get 16.3% pay increase** through NMW, increasing their disposable income
- **Founders & Co. performing very strongly**, but only one site so a desire to expand the brand when appropriate






**Conversions opportunities within existing portfolio into Peach Pubs and Founders & Co.**

# APPENDICES

# APPENDIX 1

Well distributed portfolio offers diversification and expansion opportunities



	 <b>REVOLUTION</b>	 <b>Revolucion de Cuba</b> <small>RUM BAR • CANTINA</small>	 <b>PEACH PUBS</b> <small>Making Life Peachy</small>	<small>WIND ST</small> <b>FOUNDERS &amp; CO.</b>
	<b>24 BARS</b>	<b>15 BARS</b>	<b>22 PUBS</b>	<b>1 VENUE</b>
<b>WE ARE FOR EVERYONE</b>	Exciting high street party venue, serving fresh food, expertly mixed cocktails and big weekend entertainment to get the party started	Authentic Cuban bar experience where you can bring your amigos for live music, rum-focused cocktails and great tapas	Beautiful countryside pubs offering toasty fireplaces, cosy seating, lovely outdoor spaces, and a very warm welcome	Eclectic food hall offering 4 independent kitchens with a coffee shop, barbers, vintage clothing and community-focused events
<b>WE ARE BARTENDERS</b>	A wide range of premium cocktails and vodka focused drinks, regular menu changes ensuring our cocktails stay on-trend and photo-worthy	Rum-led cocktails and Cuban inspired drinks, with regular spotlights and innovative menus of our favourite brands	Excellent wines, local and well-known beers on tap, all supported by beautifully curated cocktails	Stocked with local drinks, created and curated by the finest homegrown South Wales talent
<b>WE ARE FOOD-LOVERS</b>	Signature pizzas and burgers, supported by delicious grazing dishes	Cuban and Latin American inspired tapas focused food menu	Always serving the good stuff, ensuring we only serve what we want to eat ourselves, supplied by the very best suppliers	Ever-changing array of local food vendors – anything from pizza, burgers, Indian, Mexican – there’s always something new to try
<b>WE ARE ENTERTAINERS</b>	Delivering the party spirit since 1996, the best place to celebrate any occasion with our amazing DJs and entertainment	Authentic live Latin music and dance productions, supported by exciting dancers and entertainment	Beautiful spaces to host your own event, or let our warm and welcoming atmosphere soothe you after a long hard day	Pub quizzes, learn-to-paint, life drawing, baby groups, dogs, creative writing... new events added and enjoyed regularly

# APPENDIX 2

## Reconciliation of Adjusted\*\* EBITDA to Profit/(Loss) Before Tax

### Reconciliation of Adjusted\*\* EBITDA to Profit/(Loss) Before Tax

	IFRS 16*		IAS 17	
	FY25 H1 £m	FY24 H1 £m	FY25 H1 £m	FY24 H1 £m
<b>Adjusted** EBITDA</b>	<b>6.1</b>	<b>8.9</b>	<b>3.1</b>	<b>3.2</b>
Depreciation	(4.0)	(5.6)	(2.3)	(3.0)
Exceptional items	28.4	3.9	(5.7)	(0.9)
Credit arising from LTIP	-	(0.1)	-	(0.1)
<b>Operating Profit/(Loss)</b>	<b>30.5</b>	<b>7.2</b>	<b>(4.9)</b>	<b>(0.8)</b>
Finance expense	(3.6)	(4.1)	(1.2)	(1.4)
Exceptional finance income	3.1	-	3.1	-
<b>P/(L)BT</b>	<b>30.0</b>	<b>3.1</b>	<b>(3.0)</b>	<b>(2.2)</b>
<b>Adjusted** LBT</b>	<b>(1.5)</b>	<b>(0.7)</b>	<b>(0.5)</b>	<b>(1.2)</b>

- IFRS 16 includes **depreciation** of right-of-use assets
- **Exceptional items** – detailed in Appendix 3, significant Gains on Disposal seen under IFRS 16
- IFRS 16 includes **financing** element of lease liabilities
- £3.1m exceptional finance income arising from £4.0 million debt write-off offset by warrant shares issued

\* The Group adopted IFRS 16 in FY20 which changes the accounting treatment of leases

\*\* Adjusted measures exclude exceptional items, share-based charges/(credits) and bar opening costs

# APPENDIX 3

## Exceptional Items

### Exceptional Items

	IFRS 16*		IAS 17	
	FY25	FY24	FY25	FY24
	H1	H1	H1	H1
	£m	£m	£m	£m
Impairment of right-of-use assets	-	-	-	-
Impairment of property, plant and equipment	-	-	-	-
Impairment of goodwill	-	-	-	-
Lease modification	(3.5)	(0.3)	-	-
Gain on Disposal	(27.3)	(3.9)	0.8	-
Movement on Onerous Lease Provision	-	-	2.5	0.8
<b>Exceptional Items - Non-Cash</b>	<b>(30.8)</b>	<b>(4.2)</b>	<b>3.3</b>	<b>0.8</b>
Business restructure	2.4	0.3	2.4	0.1
<b>Exceptional Items - Cash</b>	<b>2.4</b>	<b>0.3</b>	<b>2.4</b>	<b>0.1</b>
<b>Total Exceptional (Credit)/Charge</b>	<b>(28.4)</b>	<b>(3.9)</b>	<b>5.7</b>	<b>0.9</b>

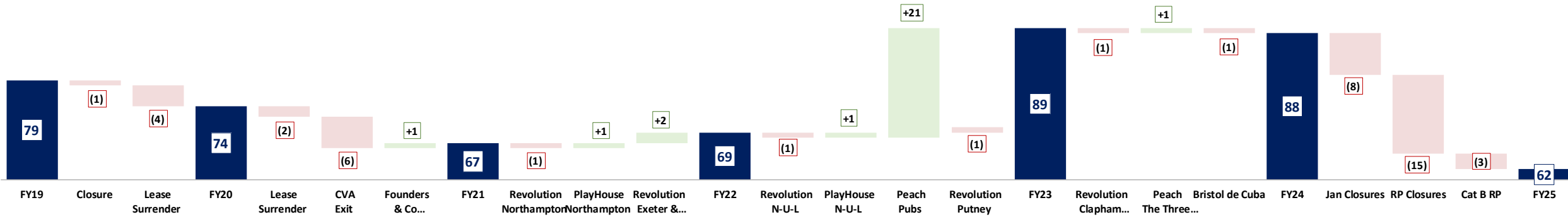
- **Impairment** reviews are conducted annually at year-end
- Exceptional **lease modifications** occur under IFRS 16 where an asset is fully impaired, so the re-gear credit is taken to the P&L
- **Gain on disposal** arises where leases and PPE are disposed of
- Under IAS 17 only, movements against **onerous lease provision** are still recognised
- **Business restructure** costs of £2.4m relate to costs, including redundancy, associated with the Restructuring Plan and closure of bars

\* The Group adopted IFRS 16 in FY20 which changes the accounting treatment of leases

# APPENDIX 4

## Current trading estate – 62 sites after the Restructuring Plan

### The Revel Collective plc Trading Estate



- Eight sites closed on 3 January 2024
- 15 more sites closed between April 2024 and Aug 2024 as part of the Restructuring Plan
- A further three bars closed in November 2024 as part of the Restructuring Plan
- Playhouse, as a standalone brand, is no longer operating



#### Trading Estate

	RBG	REV	RDC	Peach	F&Co	PH
<b>FY22</b>	<b>69</b>	<b>49</b>	<b>18</b>	-	<b>1</b>	<b>1</b>
Playhouse N-U-L	-	(1)	-	-	-	1
Peach Pubs Acquisition	21	-	-	21	-	-
Revolution Putney	(1)	(1)	-	-	-	-
<b>FY23</b>	<b>89</b>	<b>47</b>	<b>18</b>	<b>21</b>	<b>1</b>	<b>2</b>
Revolution Clapham High St	(1)	(1)	-	-	-	-
Peach The Three Horseshoes	1	-	-	1	-	-
Bristol de Cuba	(1)	-	(1)	-	-	-
January 24 Closures	(8)	(5)	(2)	-	-	(1)
Bournemouth, Torquay & Southend	(3)	(3)	-	-	-	-
<b>FY24</b>	<b>77</b>	<b>38</b>	<b>15</b>	<b>22</b>	<b>1</b>	<b>1</b>
Restructuring plan closures	(12)	(11)	-	-	-	(1)
Cat B plan closures	(3)	(3)	-	-	-	-
<b>FY25 to date</b>	<b>62</b>	<b>24</b>	<b>15</b>	<b>22</b>	<b>1</b>	<b>-</b>