RNS Number : 3825J
Comptoir Group PLC
09 September 2016

Comptoir Group plc

("Comptoir", the "Company" or the "Group")

Half-yearly report for the period ending 30 June 2016

Highlights

- Group revenue of £9.7m up by 24.6% (2015: £7.7m)
- Gross profit of £3.79m up by 10.2% (2015: £3.4m)
- Adjusted EBITDA* before highlighted items of £1.0m up by 9.2% (2015: £0.9m)
- Net cash and cash equivalents at the period end of £8.0m (30/06/2015: £1.3m)
- Following the IPO, the company now has a balance sheet position from which it can pursue its intended expansion and growth.
- With the current pipeline, it is hoped that the balance of 2016 will see 8 new sites opened which will be funded from the Group's operating cash flow and the proceeds from the IPO.

*Adjusted EBITDA was calculated from the profit/(loss) before taxation adding back interest, depreciation, the costs arising from the flotation (IPO), share-based payments and non-recurring costs incurred in opening new sites (note 10).

Richard Kleiner, Non-Executive Chairman, said: "*We are delighted to announce Comptoir Group Plc's maiden set of results as a quoted company in respect of the 6 month period to 30 June 2016. The Group's pipeline for new sites is well developed and we look forward to another period of strong growth in the second half of the year. I would like to thank my fellow directors and the whole of the Comptoir Group team for their efforts over the interim period and for seeing the Group through its IPO in June 2016.*"

9th September 2016

Enquiries:

Comptoir Group plc
Chaker Hanna Tel: 0207 486 1111

Cenkos Securities plc (NOMAD and Broker)
Bobbie Hilliam Tel: 020 7397 8900
Alex Aylen

Chief executive's review

I am pleased to report the results for the 6-month period ended 30 June 2016. The performance of the Group's various brands and restaurants, during the first six months of the year, was strong. As reported at the IPO, the Group ended the period owning and operating 15 restaurants based in the Greater London and Manchester area. Revenue for the period was £9.7m, an increase of £2m or 26% (£7.7m). Adjusted EBITDA was £1.0m, an increase of £0.1m or 9.2% (2015: £0.9m). Following various adjustments including the company's flotation on the AIM market and other highlighted items, the income statement shows a pre-tax loss of £0.4m.

The Group's largest brand, Comptoir Libanais, had revenues of £6.9m (2015: £5.6m), an increase of £1.3m or 23.2%. Other sites in the Group delivered revenues of £2.5m (2015: £2.0m), an increase of £0.5m or 25%. During the 6-month period to 30 June, the Group did experience a number of additional cost pressures including the National Living Wage, which was implemented at the beginning of April 2016. The management team have worked hard during the period to mitigate these various costs pressures through efficiencies and looking at improving the Group's gross margin.

The basic loss per share for the period was 0.47 pence (2015: basic earnings per share 0.44 pence) and diluted loss per share was 0.47 pence (2015: diluted earnings per share 0.44 pence).

Estate Roll-out

It is anticipated that the Group will open 8 new sites before the end of December 2016. The pipeline for 2017 and even 2018 has already started being developed and includes a number of other sites, the contract for one of which has already been exchanged but is not due to be completed until Q2 of 2017.

Cash Flows & Balance Sheet

Cash and cash equivalents increased in the period by £7.4m (2015: cash used £0.4m), principally from shares issued as part of the IPO. The group's cash balance at the end of the reporting period was £8.0m (2015: £1.3m). As at 30 June 2016 the Group had bank borrowings of £2.3m (2015: £1.9m) from sites that opened prior to the AIM admission.

The Group's focus remains on expanding the number of operational sites through a programme of expansion although the Group does continue to assess acquisition opportunities which may be a strategic fit and add value to the Group's overall operations.

Current Trading and Outlook

As indicated above, the Group continues to control its costs and improve its operational efficiencies and margins and, with the quality of the new site openings planned for the remainder of the financial year, together with the continuing solid trading that the Group has experienced in July and August, there is a degree of confidence of achieving the board's expectations for the full 2016 financial year.

However, this does assume that there are no material factors which could impact on the results including significant delays in the opening of the new sites or macro-economic factors outside the Group's control.

Subsequent Events

After the period end, the Group exercised its option to acquire the building occupied by the Group's central production unit. As at the date of this report the Group was still in negotiations with the current owner of the property in respect of the final acquisition cost, although a ceiling of £1.6m has previously been agreed.

Chaker Hanna
Chief Executive

Consolidated statement of comprehensive income

For the half-year ended 30 June 2016

	Notes	**Half-year ended 30 June 2016 £**	**Half-year ended 30 June 2015 £**	**Year ended 31 December 2015 £**
Revenue		9,649,207	7,744,356	17,727,212
Cost of sales		(5,862,402)	(4,299,697)	(9,172,904)
Gross profit		3,786,805	3,444,659	8,554,308
Operating expenses				
- Depreciation		(414,357)	(287,313)	(696,258)
- Administrative expenses		(3,064,924)	(2,655,280)	(6,523,451)
AIM admission costs	**2**	(196,561)	-	-
Share-based payment charge	**4**	(513,810)	-	-
Other income		93,190	2,066	50,000
Operating (loss)/profit		(309,657)	504,132	1,384,599
Finance costs		(37,553)	(29,261)	(68,242)
(Loss)/profit before tax		(347,210)	474,871	1,316,357
Tax		(25,895)	(120,838)	(317,706)
(Loss)/profit for the period		(373,105)	354,033	998,651
Other comprehensive income		**-**	**-**	**-**
Total comprehensive income for the period		**(373,105)**	**354,033**	**998,651**

Basic (loss)/earnings per share (pence)	**5**	(0.47)	0.44	1.25
Diluted (loss)/earnings per share (pence)	**5**	(0.47)	0.44	1.25

All of the above results are derived from continuing operations

Consolidated balance sheet

At 30 June 2016

	Notes	**30 June 2016 £**	**30 June 2015 £**	**31 December 2015 £**
Assets				
Non-current assets				
Property, plant and equipment	**6**	6,081,515	5,026,723	6,225,681
Current asset				
Inventories		315,393	208,131	304,199
Trade and other receivables		1,716,232	1,557,668	1,637,140
Deferred taxation asset		267,495	164,733	164,733
Cash and cash equivalents		8,002,286	1,332,160	667,247
		10,301,406	3,262,692	2,773,319
Total assets		16,382,921	8,289,415	8,999,000
Liabilities				
Current liabilities				
Borrowings		(662,180)	(575,347)	(1,162,543)
Trade and other payables		(2,687,825)	(2,594,561)	(2,860,563)
Current tax liabilities		(341,899)	(238,868)	(273,341)
		(3,691,904)	(3,408,776)	(4,296,447)
Non-current liabilities				
Borrowings		(1,691,902)	(1,522,577)	(1,236,258)
Provisions for liabilities		(326,380)	(234,698)	(281,377)
		(2,018,282)	(1,757,275)	(1,517,635)
Total liabilities		(5,710,186)	(5,166,051)	(5,814,082)
Net assets		**10,672,735**	**3,123,364**	**3,184,918**
Equity				
Share capital	**8**	960,000	100	100
Share premium	**8**	6,465,587	-	-
Other reserves		513,810	-	-
Retained earnings		2,733,338	3,123,264	3,184,818
Total equity - attributable to equity shareholders of the company		**10,672,735**	**3,123,364**	**3,184,918**

Consolidated statement of changes in equity

For the half-year ended 30 June 2016

	Notes	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Half year ended 30 June 2016						
At 1 January 2016		100	-	-	3,184,818	3,184,918
Total comprehensive income		-	-	-	(373,105)	(373,105)
Transactions with owners						
Equity dividends	**7**	-	-	-	(78,375)	(78,375)
Share based-payments	**4**	-	-	513,810	-	513,810
Issue of shares	**2**	959,900	6,465,587	-	-	7,425,487
Total transactions with owners		959,900	6,465,587	513,810	(78,375)	7,860,922
At 30 June 2016		960,000	6,465,587	513,810	2,733,338	10,672,735
Half-year ended 30 June 2015						
At 1 January 2015		100	-	-	2,855,842	2,855,942
Total comprehensive income		-	-	-	354,033	354,033
Transactions with owners						
Equity dividends	**7**	-	-	-	(86,611)	(86,611)
Total transactions with owners		-	-	-	(86,611)	(86,611)
At 30 June 2015		100	-	-	3,123,264	3,123,364
Year ended 31 December 2015						
At 1 January 2015		100	-	-	2,855,842	2,855,942
Total comprehensive income		-	-	-	998,651	998,651
Transactions with owners						
Equity dividends	**7**	-	-	-	(669,675)	(669,675)
Total transactions with owners		-	-	-	(669,675)	(669,675)
At 31 December 2015		100	-	-	3,184,818	3,184,918

Consolidated statement of cash flows

For the half-year ended 30 June 2016

	Notes	Half-year ended 30 June 2016 £	Half-year ended 30 June 2015 £	Year ended 31 December 2015 £
Operating activities				
Cash flow (used by)/from operations	**9**	(250,620)	434,976	1,935,265

Interest paid	(37,553)	(29,261)	(68,242)
Tax received/(paid)	18,409	(118,101)	(218,547)
Net cash (used by)/from operating activities	**(269,764)**	**287,614**	**1,648,476**
Investing activities			
Purchase of property, plant & equipment	(270,190)	(1,404,380)	(3,012,283)
Net cash used in investing activities	**(270,190)**	**(1,404,380)**	**(3,012,283)**
Financing activities			
Proceeds from issue of shares	7,425,487	-	(100)
Dividends paid to equity shareholders	(78,375)	(86,611)	(669,675)
Drawdown of new bank borrowings	825,000	1,000,000	1,000,000
Repayment of bank borrowings	(239,216)	(177,367)	(418,891)
Increase in other borrowings	-	-	437,016
Payment of finance lease obligations	(45,487)	(51,156)	(93,772)
Net cash outflow from financing activities	**7,887,409**	**684,866**	**254,578**
Increase/(decrease) in cash and cash equivalents	7,347,455	(431,900)	(1,109,229)
Cash and cash equivalents at beginning of period	654,831	1,764,060	1,764,060
Cash and cash equivalents at end of period	**8,002,286**	**1,332,160**	**654,831**
Cash and cash equivalents:			
Cash at bank and in hand	8,002,286	1,332,160	667,247
Bank overdrafts included in creditors payable within one year	-	-	(12,416)

Notes to the financial information

For the half-year ended 30 June 2016

1. Basis of preparation

The consolidated half-yearly financial information for the half-year ended 30 June 2016, has been prepared in accordance with the accounting policies which the group expects to adopt in its next annual report for the year ending 31 December 2016 and is consistent with those adopted in the consolidated historical financial information presented in the company's Alternative Investment Market ("AIM") Admission Document. These accounting policies are based on the EU-adopted International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee ("IFRIC") interpretations that the group expects to be applicable at 31 December 2016. This consolidated half-yearly information for the half-year ended 30 June 2016 has been prepared in accordance with IAS 34: 'Interim Financial Reporting', as adopted by the EU, and under the historical cost convention.

The financial information relating to the half-year ended 30 June 2016 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. It has, however, been reviewed by the company's auditors and their report is set out at the end of this document. The comparative figures for the year ended 31 December 2015 have been extracted from the consolidated financial statements, on which the auditors gave an unqualified audit opinion and did not include a statement under section 498 (2) or (3) of the Companies Act 2006. Whilst those financial statements were not prepared under IFRS, but under UK Generally Accepted Accounting Practice ("UK GAAP"), no accounting adjustments were required in order to align the UK GAAP financial information with IFRS. The annual report and accounts for the year ended 31 December 2015 has been filed with the Registrar of Companies.

The group's financial risk management objectives and policies are consistent with those disclosed in the 2015 annual report and accounts.

The half-yearly report was approved by the board of directors on 8 September 2016. The half-yearly report is available on the Comptoir Libanais website, www.comptoirlibanais.com, and is being sent to shareholders. Further copies are available at Comptoir Group's registered office, Suite 4 Strata House, 34a Waterloo Road, London, NW2 7UH.

Going concern

The directors are satisfied that the group has sufficient cash resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. AIM admission costs

During the six-month period to 30 June 2016, the company carried out an initial public offering ("IPO") of its ordinary shares and on 21 June 2016 the ordinary shares of the company were admitted to trading on London's Alternative Investment Market ("AIM"). At the time of the IPO the company issued 16,000,000 new shares to the public at an IPO price of £0.50 each, raising £8,000,000 of new capital for the group.

The expenses incurred directly in the issue of the new shares have been debited to the share premium account, whilst the costs incurred relating to the admission of the company's existing shares to trading on AIM have been included within AIM admission costs and are shown separately on the face of the income statement.

3. Operating segments

The Group has only one operating segment: the operation of restaurants with Lebanese and Middle Eastern offering and one geographical segment (the United Kingdom). The Group's brands meet the aggregation criteria set out in paragraph 22 of IFRS 8 "Operating Segments" and as such the Group reports the business as one reportable segment.

4. Share options and share-based payment charge

On 14 June 2016 the company established an Enterprise Management Incentive ("EMI") share option scheme and on the same day granted 2,970,000 EMI share options to certain key employees. The exercise price of all of the options is £0.50, the term to expiration is 10 years and all of the options have the same vesting conditions attached to them.

On 21 June 2016, as a result of the company's IPO, all 2,970,000 of the EMI options in issue vested, resulting in a charge to the income statement equal to the fair value of the options on the date of grant. Since vesting and to the date of approval of this financial information none of the options had either been exercised or had lapsed.

The total share-based payment charge for the period was £513,810 (half-year ended 30 June 2015: £Nil and year ended 31 December 2015: £Nil).

5. (Loss)/earnings per share

As at 30 June 2015 and 31 December 2015 the company had 10,000 ordinary shares in issue. In June 2016, these shares were sub-divided into 80,000,000 shares. The basic and diluted earnings per share figures, which are set out below, have been calculated assuming 80,000,000 shares were in issue at each of those prior period end dates.

	Half-year ended 30 June 2016 £	**Half-year ended 30 June 2015 £**	**Year ended 31 December 2015 £**
(Loss)/profit attributable to shareholders	(373,105)	354,033	998,651
Assumed number of shares	**Number**	**Number**	**Number**
For basic earnings per share	80,000,000	80,000,000	80,000,000
Adjustment for options outstanding	1,043,588	-	-
For diluted earnings per share	81,043,588	80,000,000	80,000,000
	Pence per share	**Pence per share**	**Pence per share**
(Loss)/earnings per share:			
Basic (loss)/earnings per share	(0.47)	0.44	1.25
Diluted (loss)/earnings per share	(0.47)	0.44	1.25

On the date of the IPO the company issued a further 16,000,000 new shares. The basic and diluted earnings per share figures, based on the weighted average number of shares in issue during the period ended 30 June 2016 and the actual number of shares in issue at June 2015 and December 2015, are set out below.

Weighted average number of shares	**Number**	**Number**	**Number**
For basic earnings per share	11,613,187	10,000	10,000
Adjustment for options outstanding	1,043,588	-	-
For diluted earnings per share	12,656,775	10,000	10,000
	Pence per share	**Pence per share**	**Pence per share**
Earnings per share:			
Basic (pence)			
From (loss)/profit for the period	(3.21)	3,540	9,987
Diluted (pence)			
From (loss)/profit for the period	(3.21)	3,540	9,987

Diluted earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of shares and 'in the money' share options in issue. Share options are classified as 'in the money' if their exercise price is lower than the average share price for the period. As required by IAS 33, this calculation assumes that the proceeds receivable from the exercise of 'in the money' options would be used to purchase shares in the open market in order to reduce the number of new shares that would need to be issued.

The diluted loss per share for the period ended 30 June 2016 has been kept the same as the basic loss per share as the conversion of share options decreases the basic loss per share, thus being anti-dilutive.

6. Property, plant and equipment

During the period the group spent £83,007 (half-year ended 30 June 2015: £537,192 and year ended 31 December 2015: £998,736) on plant and machinery. During the period depreciation charges of £118,628 were recognised in respect of these assets.

During the period the group spent £115,158 (half-year ended 30 June 2015: £751,202 and year ended 31 December 2015: £1,646,617) on leasehold improvements. During the period depreciation charges of £239,336 were recognised in respect of these assets.

During the period the group spent £72,025 (half-year ended 30 June 2015: £115,986 and year ended 31 December 2015: £366,930) on fixtures, fittings and equipment. During the period depreciation charges of £56,393 were recognised in respect of these assets.

7. Dividends

Amounts recognised as distributable to equity holders in the period:

	Half-year ended 30 June 2016 £	**Half-year ended 30 June 2015 £**	**Year ended 31 December 2015 £**
Dividend for the year ended 31 December 2015 of £8.66 per share	N/A	86,611	86,611
Dividend for the year ended 31 December 2015 of £58.31 per share	N/A	-	583,064
Dividend for the year ending 31 December 2016 of £7.84 per share	78,375	N/A	N/A

Prior to the company's IPO, its Chief Executive, C Hanna, and its Creative and Founding Director, A Kitous, were remunerated by way of dividends in lieu of market rate salaries. Since the company's IPO, these directors have taken market rate salaries instead of such dividends.

8. Share capital

Allotted and fully paid

	Number of ordinary 1p shares		
	30 June 2016	**30 June 2015**	**31 December 2015**
Brought forward	10,000	10,000	10,000
Issued in the period	95,990,000	-	-
Carried forward	96,000,000	10,000	10,000

Nominal value

	30 June 2016 £	30 June 2015 £	31 December 2015 £
Brought forward	100	100	100
Issued in the period	959,900	-	-
Carried forward	960,000	100	100

The company had 5,000 ordinary shares of £0.01 each and 5,000 B ordinary shares of £0.01 each in issue as at 30 June 2015 and 31 December 2015. In June 2016, the 5,000 B ordinary shares were re-designated as ordinary shares of £0.01 each and 79,990,000 new ordinary shares of £0.01 each were allotted and issued to the existing shareholders as a bonus issue of shares. On 21 June 2016 the company issued 16,000,000 new shares to the public as part of the IPO and admission of the shares to the AIM market of the London Stock Exchange, raising £8 million, before costs of the share issue.

9. Cash flow from operations

	Half-year ended 30 June 2016 £	Half-year ended 30 June 2015 £	Year ended 31 December 2015 £
(Loss)/profit for the period	(373,105)	354,033	998,651
Income tax expense	25,895	120,838	317,706
Finance costs	37,553	29,261	68,242
Depreciation	414,357	287,313	696,258
Share-based payment charge	513,810	-	-
Movements in working capital			
Increase in inventories	(11,194)	(34,753)	(130,821)
Increase in trade and other receivables	(112,599)	(459,804)	(536,884)
(Decrease)/increase in trade and other payables and provisions	(745,337)	138,088	522,113
Cash (used by)/from operations	**(250,620)**	**434,976**	**1,935,265**

10. Adjusted EBITDA

Adjusted EBITDA was calculated from the profit/loss before taxation adding back interest, depreciation, the costs arising from the flotation (IPO), share-based payments and non-recurring costs incurred in opening new sites, as follows:

	6 months ended 30 June 2016 £	6 months ended 30 June 2015 £
(Loss)/profit before tax	(347,210)	474,871
Add back:		
Interest	37,553	29,261
Depreciation	414,357	287,313
EBITDA	104,700	791,445
Non-trading items:		
AIM admission costs	196,561	-

Share-based payments	513,810	-
Non-recurring costs incurred in opening new sites	189,135	128,313
Adjusted EBITDA	1,004,206	919,758

11. Subsequent events

After the period end, the Group exercised its option to acquire the building occupied by the Group's central production unit. As at the date of this report the Group was still in negotiations with the current owner of the property in respect of the final acquisition cost, although a ceiling of £1.6m had previously been agreed.

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Anonymous (not verified)
Half-year Report
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Results and Trading Reports
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