

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

Trading Update

The Company today announces a trading update ahead of its Annual General Meeting on the 7th June 2017. The Company currently operates 23 restaurants, 10 of which opened in the last 8 months, and 2 franchise locations.

The Directors confirm that, overall, the past two months have seen a continuation of the difficult trading it reported at the time of its prelims in April 2017. While the business saw improved sales figures over the Easter weekend and half term holidays, unfortunately much of this benefit was subsequently lost in the final two weeks of the month. In May 2017 the Company also experienced an unexpected decline in like for like sales and profit at certain mature restaurants, particularly in retail-led locations and at its higher-spend restaurants, Levant and Kenza.

In addition, although the group as a whole is seeing a progression in sales, a number of the restaurants opened in 2016 remain behind expectations in terms of their anticipated maturity trading curve.

Like many of its peers in the sector, the Company is experiencing upward pressure on costs, including incremental wage costs and related taxes (apprenticeship levy), higher food and drink costs (driven by depreciation in sterling versus the Euro) and increases in rent and business rates. Together with the softening in consumer spending, these factors have had a significant impact on restaurant profitability and visibility over short-term trading trends. The Company has taken steps to limit the increase in central overheads

The Directors believe the Comptoir brand continues to have a strong appeal to consumers and landlords and there remains considerable potential for expansion in the UK. The Company still expects to open 3 more restaurants before the end of 2017 - Comptoir Reading, Comptoir Oxford and Shawa Oxford - together with a first international franchise operation in the Netherlands with HMS Host.

Lastly, the Directors confirm that they expect to raise £2.7m (gross) from the sale and leaseback of the freehold of its central processing unit (CPU) in North London. The net proceeds will be used to fund the remaining new openings for 2017 and strengthen the Group's working capital position. A further announcement on the sale and leaseback will be made in due course.

This announcement contains inside information.

Enquiries:

Comptoir Group plc

Chaker Hanna
1111

Tel: 0207 486

Cenkos Securities plc (NOMAD and Broker)

Bobbie Hilliam
8900

Tel: 020 7397

Harry Pardoe

Alex Aylen

This information is provided by RNS
The company news service from the London Stock Exchange

END

TSTOKPDDCBKKNK

Anonymous (not verified)

Trading Update

26021567

A

Mon, 06/05/2017 - 10:15

LSE RNS

Results and Trading Reports

COM