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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 QSR 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 QSR 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.

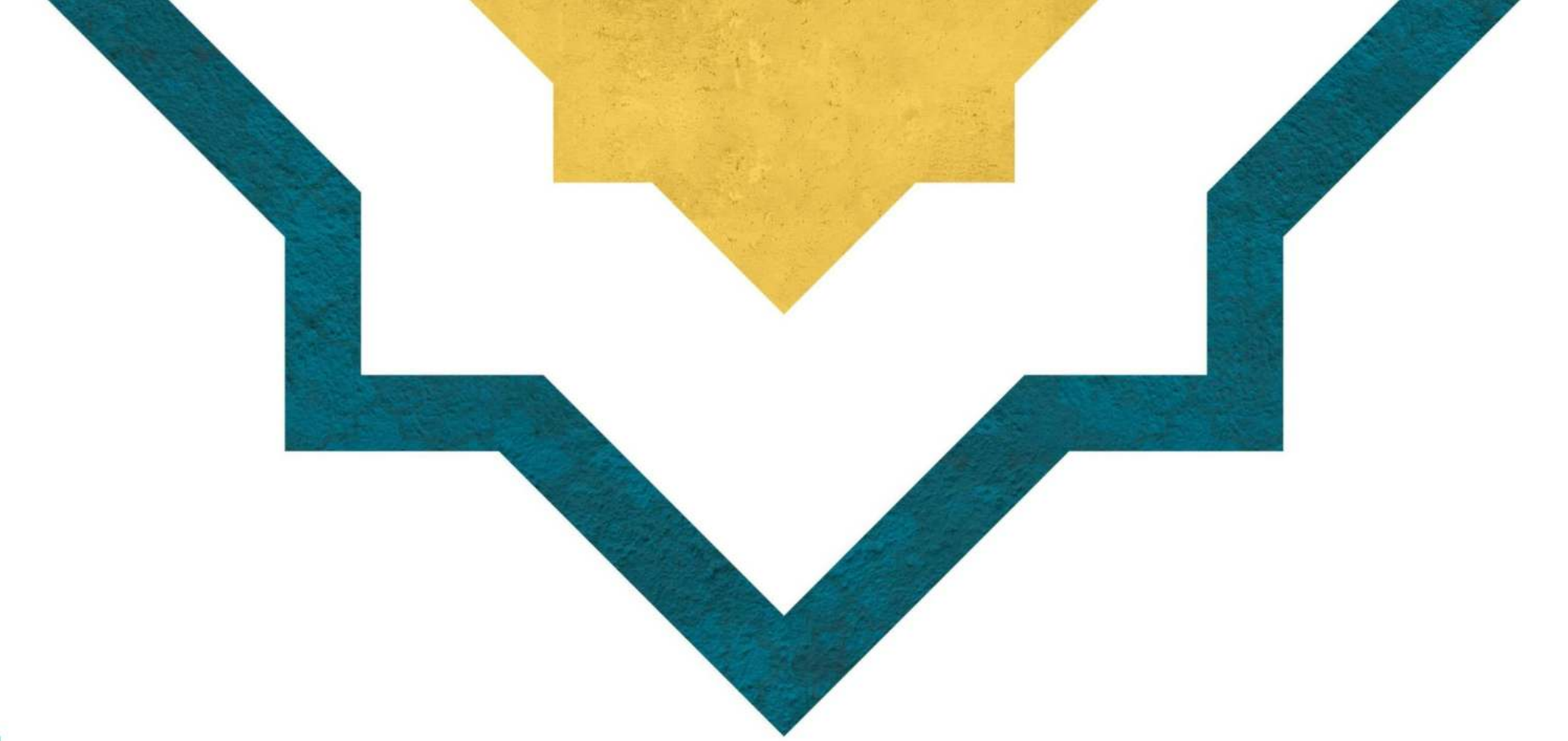
Michael is responsible for all the financial, procurement and systems governance within the Group.







# Agenda



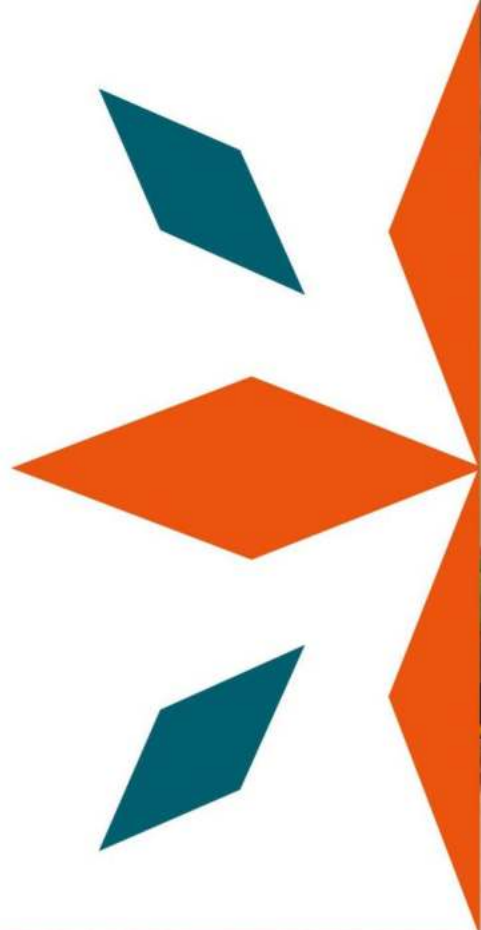
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# Overview & Highlights



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



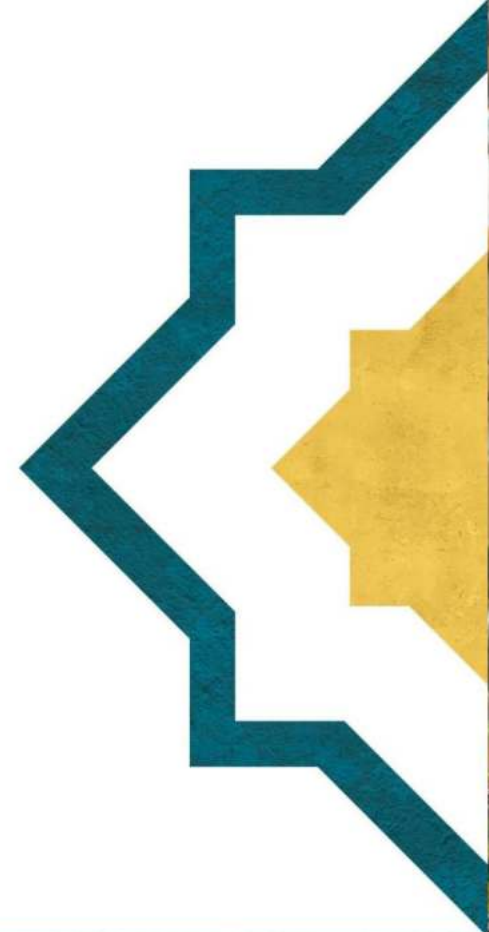
- Reconstitution of the board with new NED, Chair and CEO
- Opening 2 franchise units in high profile travel hubs
- Closure of Westfield Stratford
- Senior Leadership Team appointments – Executive Chef & Head of Procurement (1st time for group)
- Focus on guest satisfaction – NPS >60%
- Menu engineering 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 49.9% to £31.0m (2021: £20.7m)
- Gross profit up 44.3% to £24.4m (2021: £16.9m)
- Net Profit £0.6m
- Adj. EBITDA\*<sup>1</sup> £2.8m (FRS102 - 2021 £3.0m) / £6.8m (IFRS - 2021 £7.1m)
- Net Cash\*<sup>2</sup> £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.





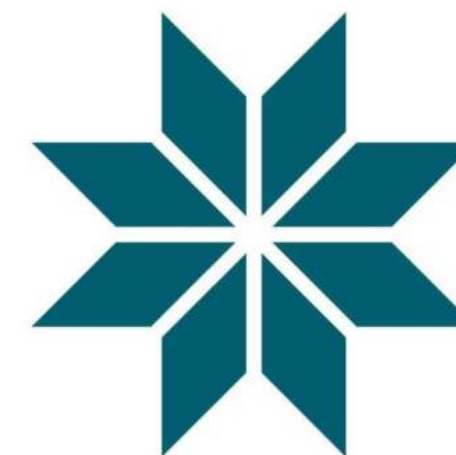
# Comptoir Group Plc Financials





# 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)
<b>Gross profit</b>		<b>24,441,472</b>	<b>16,937,536</b>
Distribution expenses		(11,431,633)	(9,318,203)
Administrative expenses		(11,357,436)	(9,362,286)
Other income	2	292,744	4,090,214
<b>Operating profit</b>	3	<b>1,945,147</b>	<b>2,347,261</b>
Finance costs	6	(1,042,697)	(822,094)
<b>Profit before tax</b>		<b>902,450</b>	<b>1,525,167</b>
Taxation (charge)/credit	7	(314,146)	118,288
<b>Profit for the period</b>		<b>588,304</b>	<b>1,643,455</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>588,304</b>	<b>1,643,455</b>
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 preopening costs, loss on disposal of fixed assets, finance costs & provision.



# Profitability

- Adj. EBITDA\*<sup>1</sup> (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
<b>EBITDA</b>	<b>5,276,254</b>	<b>1,796,930</b>	<b>6,342,813</b>	<b>2,919,666</b>
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	-	-
<b>Adjusted EBITDA</b>	<b>6,301,873</b>	<b>2,822,549</b>	<b>6,423,836</b>	<b>3,000,689</b>





# 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
		£	£
<b>Assets</b>			
<b>Non-current assets</b>			
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
		<b>20,441,944</b>	<b>23,355,175</b>
<b>Current assets</b>			
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
		<b>11,625,031</b>	<b>11,032,683</b>
<b>Total assets</b>		<b>32,066,975</b>	<b>34,387,858</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
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)
		<b>(9,351,085)</b>	<b>(9,183,123)</b>
<b>Non-current liabilities</b>			
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)	-
		<b>(17,962,121)</b>	<b>(21,054,647)</b>
<b>Total liabilities</b>		<b>(27,313,206)</b>	<b>(30,237,770)</b>
<b>Net assets</b>		<b>4,753,769</b>	<b>4,150,088</b>
<b>Equity</b>			
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)
<b>Total equity</b>		<b>4,753,769</b>	<b>4,150,088</b>





# Strategy and Operational





# COMPTOIR LIBANAIS

## 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

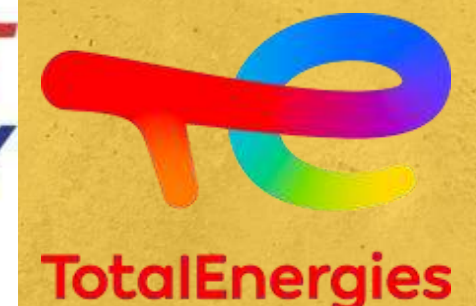
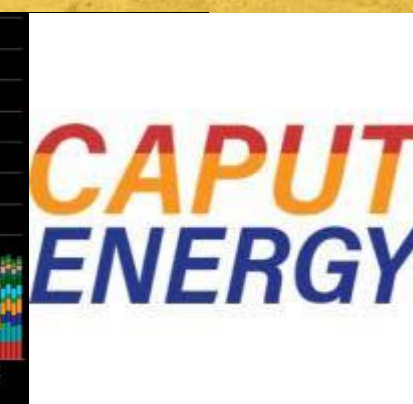
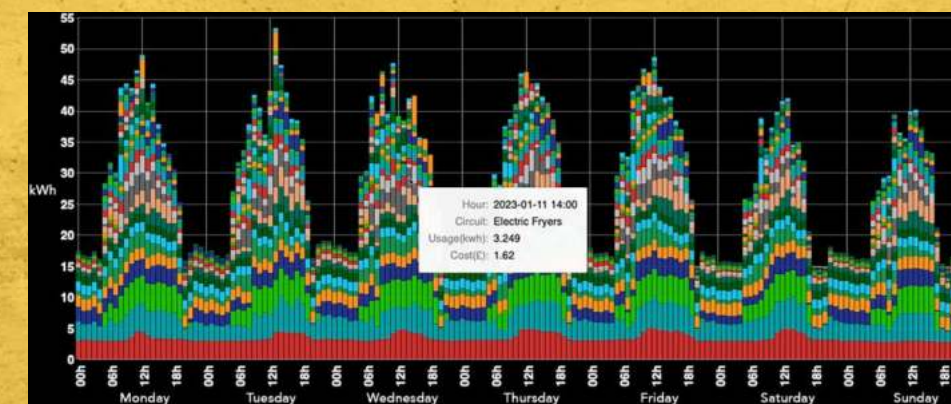




# ESG



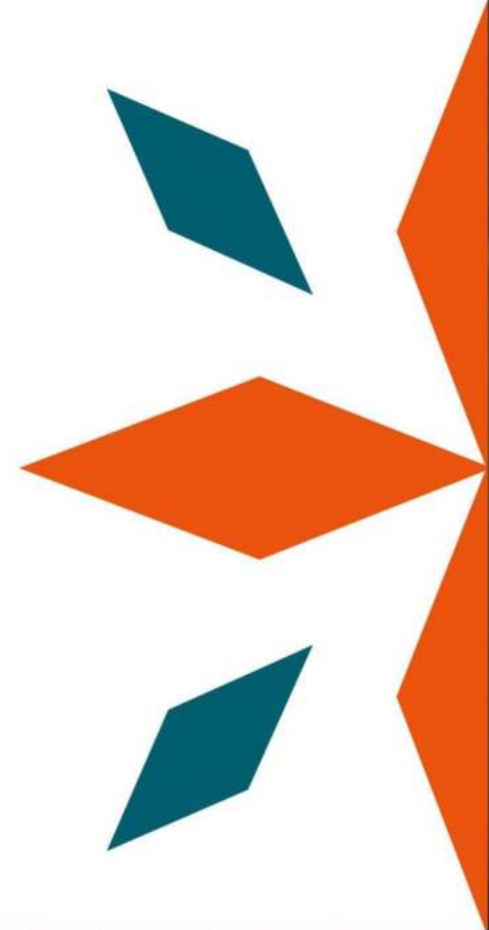
- Joined the Sustainable Restaurant Association – working in partnership on a 2-year action plan
- Formation of Board Level ESG committee
- Developing our action plan to achieve Net Zero Carbon footprint
- Green electricity from 100% renewable sources
- Use of Caput to monitor individual equipment energy 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**



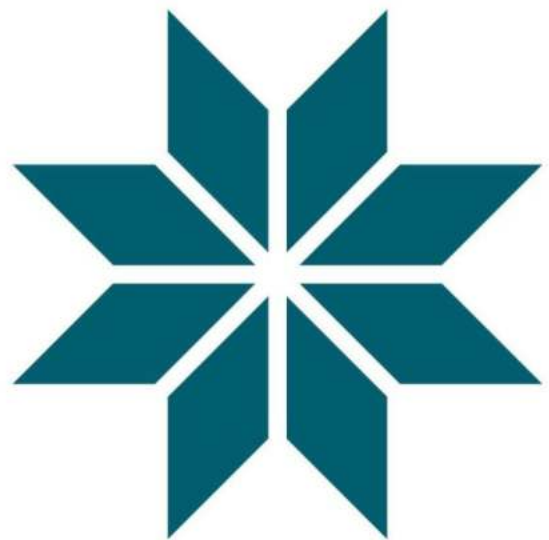
**Beatrice Lafon - Non-Executive Chair**

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 Pizza Express and SuperDry, she chairs a number of businesses in the UK and Europe, including Crosstown.



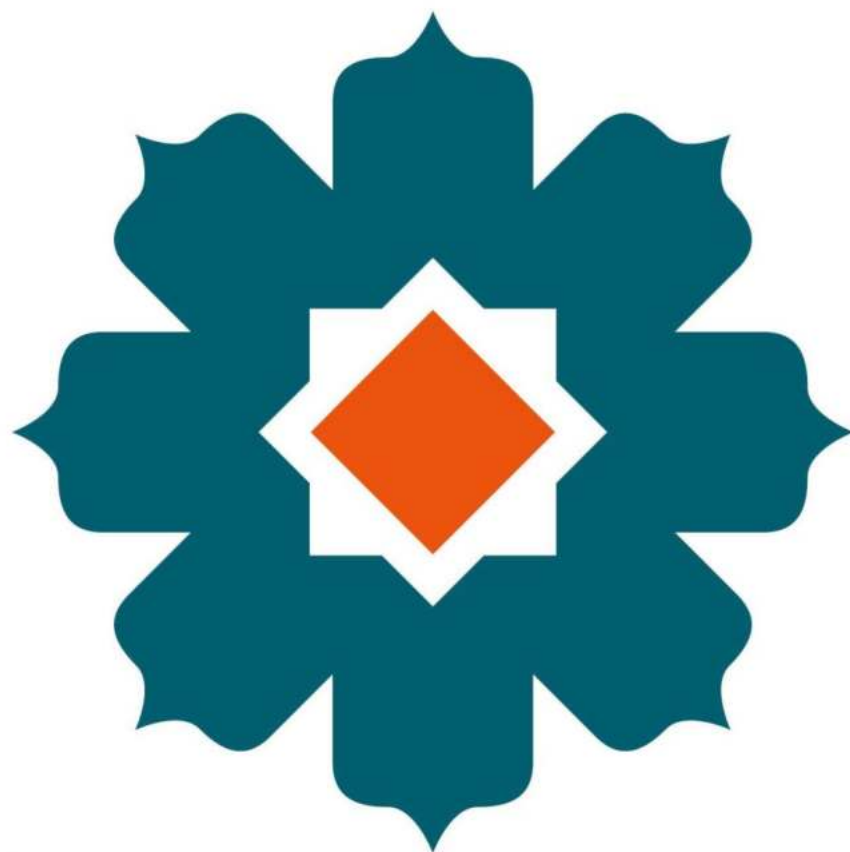
**Jean Michel Orieux - Non-Executive Director**

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





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