

REVOLUTION

BARS GROUP PLC

ANNUAL RESULTS 2023

52 WEEKS ENDED 1 JULY 2023



DO GOOD.
FEEL GOOD.
CHANGE
THE WORLD



FLIPPING THE
FAMILIAR
INTO A FIESTA
EVERYDAY



TIME TO
THINK, DRINK,
LAZE, GRAZE
& BROWSE



NEXT LEVEL
GAMING
MEETS
KILLA PIZZA



MAKING
LIFE PEACHY
SERVING THE
GOOD STUFF



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REVOLUTION
BARS GROUP PLC

REVOLUTION *Revolution de Cuba*

PEACH PUBS FOUNDERS & CO. PLAYHOUSE

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HEADLINES

Delivered our FY23 Adjusted EBITDA forecast from January 2023 and a well invested diversified estate with a supportive bank means we are ready to capitalise as trading conditions improve

- **Peach Pubs acquisition has delivered diversification of sales and guests**
- **Bars business has been particularly impacted by the cost-of-living crisis**
- **Revolución de Cuba outperforming the bars market, Revolution benefiting from student return and Founders & Co. bar trading strongly**
- **Taken positive action across our bar brands and guest metrics are stronger than ever**
- **Inflation including utility prices look to have peaked, consumer confidence is rising but resolution of industrial rail action, prior to the festive period, is vital for the sector**
- **Our bookings for Christmas 2023 are at record levels, up +17.7% versus this time last year**

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FINANCIAL REVIEW

CFO — DANIELLE DAVIES

FY23 — INCOME STATEMENT

Adjusted** EBITDA profit of £6.6m (IAS 17)

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Summary Income Statement

| | IFRS 16* | | | IAS 17 | | |
|------------------------------|----------|-------|-------|--------|-------|-------|
| | FY23 | FY22 | FY19 | FY23 | FY22 | FY19 |
| | £m | £m | £m | £m | £m | £m |
| Bars & Pubs at end of period | 89 | 69 | 79 | 89 | 69 | 79 |
| Sales | 152.6 | 140.8 | 151.4 | 152.6 | 140.8 | 151.4 |
| Gross profit | 117.1 | 110.1 | 114.8 | 117.1 | 110.1 | 114.8 |
| Gross profit % | 76.7% | 78.2% | 75.8% | 76.7% | 78.2% | 75.8% |
| Adjusted** EBITDA | 17.0 | 19.4 | 11.1 | 6.6 | 10.2 | 11.1 |
| Adjusted** EBITDA % | 11.1% | 13.8% | 7.3% | 4.3% | 7.2% | 7.3% |
| Adjusted** (LBT)/PBT | (2.1) | 3.1 | 3.0 | (1.5) | 4.5 | 3.0 |
| Adjusted** (LBT)/PBT % | (1.4%) | 2.2% | 2.0% | (1.0%) | 3.2% | 2.0% |
| Adjusted** EPS/(LPS) | 0.7p | 1.3p | 3.4p | (0.3p) | 1.9p | 3.4p |

- **Sales** of £152.6m were +£11.8m (+8.4%) higher than FY22
 - Peach Pubs contributed £22.6m of sales post-acquisition. Group sales to increase once annualised
 - However, underlying LFL sales were challenged as FY22 benefited from pent-up demand and VAT rate cut but FY23 saw the impacts of the cost-of-living crisis, industrial action and hot weather (prior to Peach acquisition)
 - Christmas in FY23 improved by £3.5m compared to FY22 with record pre-booked sales achieved but train strikes had a significant impact on walk-in trade
- **Margin** reduced slightly in FY23 as cost-of-living impacted late night trading and higher food mix (lower margin) from Peach acquisition
- **Adjusted** EBITDA** (IAS 17) profit of £6.6m reflecting impact of challenging macroeconomic environment
- IFRS 16 Operating loss of £(15.2m) includes non-cash exceptional items of £18.6m and cash exceptionals of £1.6m, which are detailed further in Appendix 5

LFL ***
Sales KPIs

FY23 Group
LFL Sales

(8.7%)

FY23 Pubs LFL
Sales post-
acquisition

+14.1%

Christmas
Corporate LFL
Sales

+10.3%

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

*** 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 year and most recent non-COVID-19 affected comparative period

** Adjusted measures exclude exceptional items, share-based charges/(credits) and bar opening costs – see Appendix 4-5

FY23 – CASH

Cash utilised for acquisition of Peach Pubs

Net Bank Debt*

| | FY23 £m | FY22 £m | FY19 £m |
|--|---------------|--------------|---------------|
| Net bank cash/(debt) b/f | 4.1 | (3.6) | (11.5) |
| Adjusted** EBITDA (IFRS 16) | 17.0 | 19.4 | |
| Rent charges (IFRS 16) | (10.4) | (9.2) | |
| Adjusted** EBITDA (IAS 17) | 6.6 | 10.2 | 11.1 |
| Capex - existing estate | (5.5) | (4.7) | (5.0) |
| Working capital movement | (7.0) | 5.5 | 0.8 |
| Cash utilised - existing business | (5.9) | 11.0 | 6.9 |
| Acquisition - Peach Equity Consideration | (13.9) | - | - |
| Acquisition - Peach acquired Cash | 4.7 | - | - |
| Acquisition - Deal costs (Exceptional items) | (1.5) | - | - |
| Acquisition - Repayment of Peach Borrowings | (5.9) | - | - |
| Exceptional items - Cash other | (0.1) | - | - |
| Capex - expansion | (1.2) | (1.1) | (8.1) |
| Capex - accelerated refurbishments | - | (1.3) | - |
| Interest paid | (1.9) | (0.9) | (0.8) |
| Tax | - | - | 0.3 |
| Dividends | - | - | (1.7) |
| Net cash flow | (25.7) | 7.7 | (3.4) |
| Closing net bank (debt)/cash | (21.6) | 4.1 | (14.9) |

- **Capex** - existing estate & accelerated refurbishments – five refurbishments completed in FY23, and the balance is maintenance and IT capex
- **Acquisition** – relating to £13.4m equity value paid for Peach, £0.5m Escrow payment, £4.7m cash acquired, £1.5m of exceptional acquisition deal costs, and the agreed repayment of borrowings on acquisition
- **Net cash outflow** of £25.7m due mainly to acquisition of Peach
- **Net bank debt c/f** of (£21.6)m at end of FY23
- **Covenants** - all profitability-based covenants have been waived until June 2025 with remaining minimum liquidity covenant linked to management downside case forecast

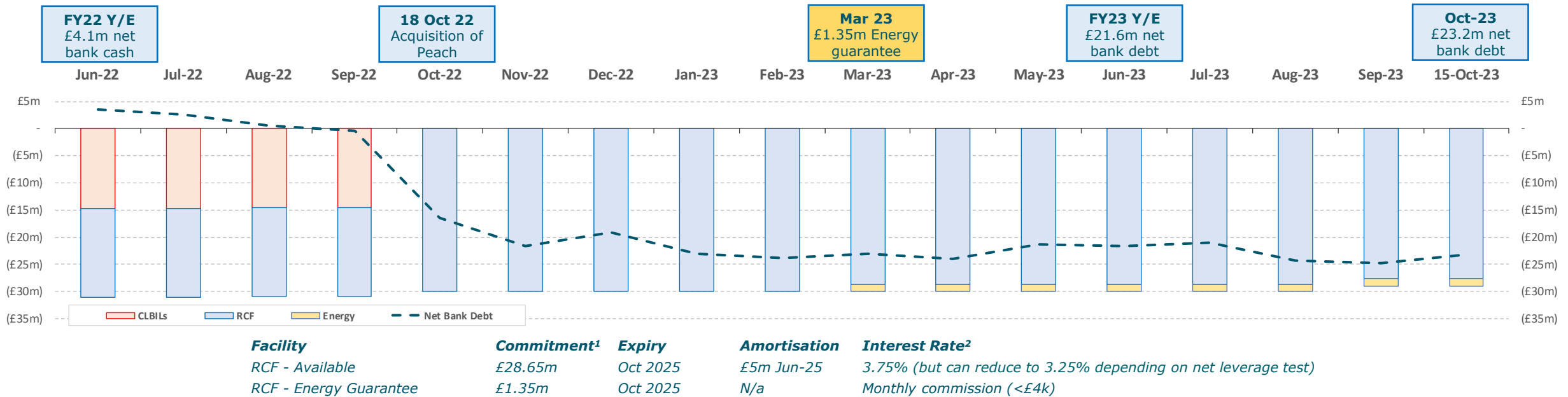
* The cashflow presented here represents the non-statutory illustrative position to present cash movements in the business

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

FY23 – LIQUIDITY

Refinanced facilities with supportive bank

Net Bank Debt & Funding Facility



- In October 2023, the Group refinanced its banking facilities resulting in full repayment of all existing CLBILS term loans
- The previous Revolving Credit Facility ("RCF") was increased to £30.0m and then utilised to fund the acquisition of Peach Pubs
- £1.35m of facilities were subsequently allocated for an Energy Guarantee for the purposes of signing a new energy contract
- As at 15 October 2023, the Group had net debt of £23.2m

¹ Facilities available as at 16 October 2023

² Interest rates are stated over the Sterling Relevant Reference Rate (SONIA is specified by the Bank)

FINANCIAL SUMMARY

FY23 Adjusted EBITDA in line with January 2023 expectations

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- We have **delivered FY23 Adjusted EBITDA** of £6.6m in line with market expectations set in January 2023
- **Acquisition of Peach Pubs has delivered its objectives** with positive EBITDA contribution and providing much needed diversification
- **Delivering on strategy despite tough trading environment** has continued with the cost-of-living crisis. Focus on cost control, footfall driving initiatives and proactively managing the estate
- **Festive period was, yet again, impacted by external factors**, particularly walk-in trade from train strikes, whilst corporate party bookings were at record levels
- FY23 Net bank debt within expectations and continued **support from bank**
- FY24 LFLs are at -5.5% to date versus FY23, though pleasingly **LFLs have improved in the last three weeks to -3.5%**
- **FY24 Adjusted EBITDA expected to be in line with market expectations** albeit mindful of ongoing macroeconomic events and situations out of our control

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STRATEGY UPDATE

CEO — ROB PITCHER

REVOLUTION BARS GROUP

Diversification helping navigate challenging market conditions

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- **Purchase of Peach Pub Group** in October 2022 has been a success
- **Significant opportunity for growth at Peach**
- **Revolución de Cuba is consistently outperforming the bars market**
- **Revolution benefiting from value food promotion** and has enjoyed a **strong student return**
- **New concept development - Founders & Co. provides a future growth opportunity**
- Management focus is on **footfall driving initiatives, CRM, pre-booked revenue and cost efficiency measures**

Clear Strategic Priorities

Maximising Revenue & Profit

Brand Awareness, ESG & EVP

Guest Experience

Cost Control

Diversification of Sales

Five exciting premium brands

REVOLUTION

Revolución de Cuba
RUM BAR • CANTINA

PEACH PUBS
— Making Life Peachy —

WIND ST.
FOUNDERS & CO.

PLAYHOUSE

PEACH PUBS

Delivers diversification and provides another route for future growth



- Achieved **continued strong trading since acquisition** and brings balance
- Attractive outdoor spaces deliver **increased sales during good weather** and benefit from working from home on Fridays
- **Integration is going well** and on target for full delivery of £1.5m by FY25 taking proforma EBITDA to approximately £3.0m
- Beginning to **scale up the Pubs business with first acquisition**, taking the number of Pubs to 22
- **Significant potential for growth** and seeing high quality opportunities
- **Focusing** on premiumisation, optimising our outdoor spaces and marginal gains on sales and margin



Premiumisation Case Study

In June 2023, The Thatch pub had a premium menu relaunch for a relatively low capital outlay

- **Average of 34 additional covers per week**
- **Spend Per Head increase of £1.44**



REVOLUCIÓN DE CUBA

Consistently outperforming the Bars market

- Revolución de Cuba targets a market who have **higher disposable income**
- This guest base has **returned more strongly** in the second half of the year
- **Brand proposition refresh has been completed** and we are implementing new initiatives to drive spend and frequency of visit
- Revamped **pre-bookable products** driving participation and revenue

Brunch



**FY24 Brunch
pre-booked revenue
+58% YoY**

Masterclass



**FY24 Masterclass
pre-booked revenue
+57% YoY**

Christmas



**2023 Christmas
pre-booked revenue
+26% YoY**

Disruptive PR campaigns

Utilising brand partnerships



REVOLUTION

Strong improvements seen in recent months

- The young professionals and student **demographic** has been hit hardest during the **cost-of-living crisis**
- Focus is on providing the **very best value and guest experiences** to attract our guests

Strategic Initiatives

- Strategic **brand proposition** review
- Dedicated resource for **entertainment and atmosphere creation**
- Proactively **managing the estate** – two recent disposals

Footfall Driving Initiatives

Inflation busting offers



Covers
+35%
Revenue
+5%

Reigniting Fridays



Revenue in trial bars
+18%

Halls of rev-idence



YoY CRM sign ups
+228%

Early Christmas targeting



Festive PBR vs 2022
+13%

Student survey by Russell Group/NUS



On average, students were left with only £50 per month



Average income of only £825 per month



1 in 4 students is regularly going without food or necessities because they cannot afford them

Cost of Living Report | [russellgroupstudentsunions.org](https://www.russellgroupstudentsunions.org)

NEW CONCEPTS

Founders & Co. provides another route for growth



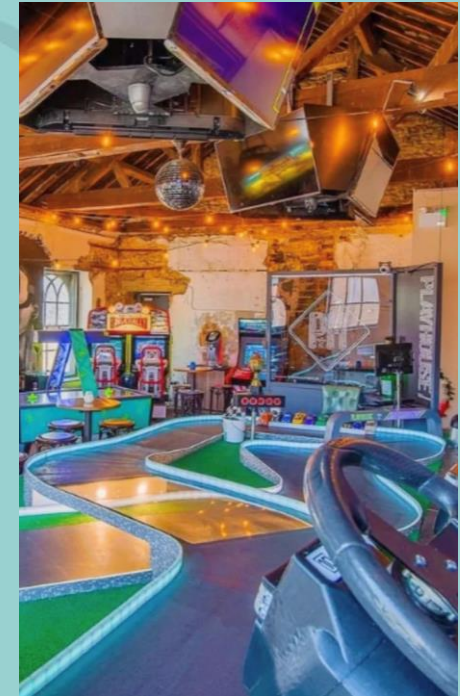
WIND ST.

FOUNDERS & CO.

- **Founders & Co.**, our market hall concept, has converted a loss-making location into profit
 - Now a go-to destination for food and events
 - Created a community space for likeminded locals
 - **Seek to expand this brand when able**

PLAYHOUSE

- **Playhouse**, our competitive socialising trial, now has two sites
 - Locations and guest base disproportionately impacted by the cost-of-living crisis
 - Up to 34% of sales come from gaming machines
 - Positive guest feedback on brand proposition



SUMMARY

MANAGEMENT FOCUS

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- Sales-driving initiatives
- Active cost management
- Proactively managing the estate
- Exploiting all opportunities available to us
- Maximising Christmas



OUTLOOK & CURRENT TRADING

- **Macroeconomic climate remaining difficult**, however, utility prices are trending in the right direction, inflation and interest rates peaking, consumer confidence rising and initiatives starting to deliver
- FY24 LFLs are at -5.5% to date versus FY23, pleasingly **LFLs have improved in the last three weeks to -3.5%**
- **Peach has performed extremely well**
- **Revolución de Cuba continues to outperform the bars market**
- **Revolution has had a strong student return**
- **Founders & Co. provides another route for growth**
- **Christmas bookings are tracking well ahead of last year**



Well invested diversified estate with supportive bank, primed to capitalise as conditions improve

APPENDICES

APPENDIX 1

Sustainability and ESG

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Sustainability

- Our Net Zero target was assessed and approved by the Science Based Targets initiative in the year, becoming **one of the first UK companies to have their net zero targets approved** in this way
- Won **On-trade Company of the Year** at the Footprint Drinks Sustainability Awards, and a finalist for the EDIE Net Zero Strategy of the Year award
- **Installed cellar energy reduction equipment** across 80% of the bars estate (produces an eight-month return on investment)
- Instigated a trial of **energy-efficient kitchen extract controls** in our bar in Wigan, with a view to roll-out following a successful trial period
- Retained our B score in our FY23 Carbon Disclosure Project ("CDP") submission, which is in the Management band, demonstrating that we are **taking coordinated action on climate issues**

Environmental & Social Governance

- Most recent Quality of Life employee survey showed **employee engagement at record levels**, seeing the highest ever participation rate and highest ever Employee Net Promoter Score
- We remain an **above NMW employer**
- **High levels of internal succession** and our high-performance programme saw promotions to Area Manager and General Manager of flagship bar
- 157 internal graduates of **Mental Health First Aid** training course
- **External partnerships** with Women in Hospitality, Travel and Leisure, Be Inclusive, The Drinks Trust, Plan B, So Let's Talk and Springboard
- Supporting 21 of our colleagues through **exciting apprenticeship journeys**
- Developed and implemented **crucial new role of Head Bartender** to improve guest experience and held national Bartender championship

APPENDIX 2

Diversification gives greater balance over trading patterns and income

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PLAYHOUSE



WE ARE FOR EVERYONE

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

Place to thrill, chill and fill, bringing a mix of next-level gaming experiences, pizza by the slice and an innovative drinks range

WE ARE BARTENDERS

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

ails on tap and self-service drink dispensers let you keep on gaming

WE ARE FOOD-LOVERS

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

New York-inspired giant pizza slice, prepared with 24hr dough freshly made in house (including the metre pizza)

WE ARE ENTERTAINERS

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

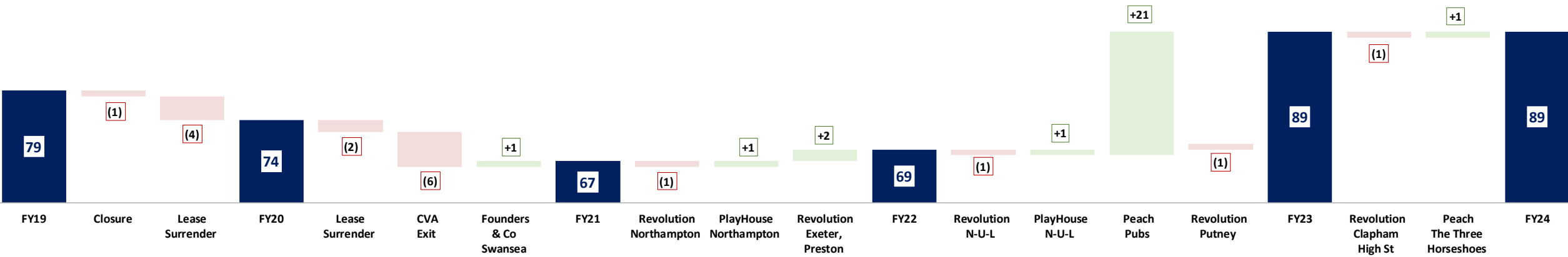
Pub quizzes, learn-to-paint, life drawing, baby groups, dogs, creative writing... new events added and enjoyed regularly

All the classic arcade games here, with the showcase being the huge 10-person raceway

APPENDIX 3

Current Trading Estate

Revolution Bars Group Trading Estate



- Acquisition of Peach in October 2022 increased the Estate by 30%
- Playhouse Newcastle-under-Lyme opened in late October 2022, taking over the Revolution venue
- Revolution Putney closed in May-23, Revolution Clapham High St closed in Aug-23 and The Three Horseshoes (Peach) exchanged contracts in Sep-23



| Trading Estate | RBG | REV | RDC | Peach | F&Co | PH |
|-----------------------------|-----|-----|-----|-------|------|----|
| FY19 | 79 | 60 | 19 | - | - | - |
| Founders & Co. Swansea | - | (1) | - | - | 1 | - |
| Lease Surrenders | (6) | (5) | (1) | - | - | - |
| CVA Exits | (6) | (6) | - | - | - | - |
| FY21 | 67 | 48 | 18 | - | 1 | - |
| Playhouse Northampton | - | (1) | - | - | - | 1 |
| Revolution Preston & Exeter | 2 | 2 | - | - | - | - |
| FY22 | 69 | 49 | 18 | - | 1 | 1 |
| Playhouse N-U-L | - | (1) | - | - | - | 1 |
| Peach Pubs Acquisition | 21 | - | - | 21 | - | - |
| Revolution Putney | (1) | (1) | - | - | - | - |
| FY23 | 89 | 47 | 18 | 21 | 1 | 2 |
| Revolution Clapham High St | (1) | (1) | - | - | - | - |
| Peach The Three Horseshoes | 1 | - | - | 1 | - | - |
| FY24 | 89 | 46 | 18 | 22 | 1 | 2 |

APPENDIX 4

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

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

| | IFRS 16* | | | IAS 17 | | |
|-----------------------------------|---------------|-------------|--------------|--------------|-------------|--------------|
| | FY23 £m | FY22 £m | FY19 £m | FY23 £m | FY22 £m | FY19 £m |
| Adjusted** EBITDA | 17.0 | 19.4 | 11.1 | 6.6 | 10.2 | 11.1 |
| Depreciation | (12.1) | (11.1) | (7.2) | (6.0) | (4.8) | (7.2) |
| Exceptional items | (20.2) | (0.6) | (7.1) | (7.7) | (0.2) | (7.1) |
| Bar opening costs | - | (0.3) | (1.5) | - | (0.3) | (1.5) |
| Credit/(charge) arising from LTIP | 0.1 | (0.1) | 0.1 | 0.1 | (0.1) | 0.1 |
| Operating (Loss) / Profit | (15.2) | 7.4 | (4.7) | (7.0) | 4.8 | (4.7) |
| Finance expense | (7.1) | (5.3) | (0.9) | (2.1) | (0.9) | (0.9) |
| (LBT) / PBT | (22.2) | 2.1 | (5.6) | (9.1) | 3.9 | (5.6) |
| Adjusted** (LBT) / PBT | (2.1) | 3.1 | 3.0 | (1.5) | 4.5 | 3.0 |

- IFRS 16 includes depreciation of right-of-use assets
- Exceptional items – detailed in Appendix 2
- IFRS 16 includes financing element of lease liabilities

* 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 5

Exceptional Items

Exceptional Items

| | IFRS 16* | | | IAS 17 | | |
|---|-------------|------------|------------|------------|------------|------------|
| | FY23 £m | FY22 £m | FY19 £m | FY23 £m | FY22 £m | FY19 £m |
| Impairment of right-of-use assets* | 12.6 | 0.4 | - | - | - | - |
| Impairment of property, plant and equipment | 6.1 | 0.3 | 5.2 | 6.1 | 0.3 | 5.2 |
| Lease modification | (0.1) | (0.1) | - | - | - | - |
| Movement on Onerous Lease Provision | - | - | 1.9 | - | (0.1) | 1.9 |
| Exceptional Items - Non-Cash | 18.6 | 0.6 | 7.1 | 6.1 | 0.2 | 7.1 |
| Acquisition costs | 1.5 | - | - | 1.5 | - | - |
| Business restructure | 0.1 | - | - | 0.1 | - | - |
| Exceptional Items - Cash | 1.6 | - | - | 1.6 | - | - |
| Total Exceptional Items | 20.2 | 0.6 | 7.1 | 7.7 | 0.2 | 7.1 |

- **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
- Under IAS 17 only, movements against **onerous lease provision** are still recognised
- **Peach acquisition** costs of £1.5m relate to legal and professional costs incurred during the acquisition of Peach
- **Business restructure** costs of £0.1m relate to final costs in closing off the 2020 CVA and associated expenditure with closure of bars

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



OUR PURPOSE

WE CREATE FUN AND MEMORABLE EXPERIENCES
WITH OUR TEAMS AND GUESTS

THE PLACE WHERE EVERYONE WANTS TO BE



OUR VISION



OUR VALUES



FUN

It's at the heart of what we do, it's who we are. Have fun, be fun and create fun.



AMBITION

Always striving to be the best version of ourselves.



INTEGRITY

Just doing the right thing, because it's the right thing to do!



RECOGNITION

Creatively rewarding & recognising the achievements of all our people.