

PeachReport

The Restaurant Group accelerates openings

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The Restaurant Group (TRG), operator of brands including Frankie & Benny's and Garfunkel's, has revealed plans to accelerate its opening programme with plans for almost another 25 sites by the end of the year.

The news came with TRG's interim results which saw pre-tax profit climb 12.3% from £30m to £33.7m on revenue up 10% from £280m to £308m. TRG, which operates more than 450 restaurants and pub restaurants, said EBITDA increased 13.5% from £46.9m to £53.2m and operating profit margins had increased by 20bps. Like-for-like sales increased by 2.5%.

The group said 17 new sites opened in the first half – nine Frankie & Benny's outlets and a further three new restaurants had opened since the end of the period. A total of 38-43 new sites were expected for the full year. Alan Jackson, non-executive chairman, said the group expected to open 18-21 Frankie & Benny's restaurants in the full year and at least one further Coast to Coast. A "substantially" higher number would open next year. Two more pubs were scheduled to open this year following the opening of The Red Lion near Lichfield since the end of the first half and the group was actively looking for potential new sites for Garfunkel's although no new venues were in the pipeline. One more concession restaurant this year is anticipated.

Jackson said: "The second half has started well; year to date after 34 weeks total turnover is up 10.4% and like-for-like sales are up 3.5%. With an improving economic outlook, lower inflation and higher levels of employment the prospects for TRG continue to look good."

Andrew Page, outgoing chief executive, said: "The Restaurant Group has delivered another record set of results, with double digit growth in earnings, dividends and cashflow." He said the performance was "outstanding" and the business was "in great shape."

Danny Breithaupt, incoming chief executive, said: "I am delighted to be taking on the leadership of TRG with the business in such great shape. TRG has a clear strategy, successful brands and a great team of people. This is a terrific platform for the further growth of the business, and I am looking forward to building on this and leading the company through its next phase of development."