

OCTOBER 2016

# AlixPartners Growth Company Index 2016



# At a glance

- 1 Introduction and methodology
- 2 Top 50 fastest growing eating and drinking-out companies
- 3 Analysis, new entrants and ones to watch
- 4 The changing map of UK eating out
- 5 State of the nation – the view of consumers and industry leaders
- 6 Doing the deal – CEO interview
- 7 Top 50 company profiles

# Welcome to AlixPartners' fifth Growth Company Index, our annual report tracking the 50 fastest growing companies in the UK's dynamic eating and drinking-out market.

## CELEBRATING THE GROWTH STARS OF EATING AND DRINKING-OUT

As our Index shows, trends such as all-day dining, quirky venues, and revitalised bars mean that the £80 billion market for eating and drinking-out remains lively and creative. But in time, 2016 may be seen as a high watermark for profit growth in the sector during the current cycle. Driving the stellar growth that many have experienced is about to get much more challenging.

The Growth Company Index looks at the period just before the National Living Wage was introduced, and also precedes the fall in the value of sterling following the Brexit vote, which increased costs.<sup>1</sup>

This is not to say that we expect the growth of branded casual dining in the UK to be at an end – far from it. UK drinkers and diners show no sign of abandoning their love of going out. But the challenges facing operators now demand a fresh emphasis on all areas of operational efficiency.

AlixPartners' operational improvement teams were already seeing a renewed emphasis on the controllable elements of operations that drive the bottom line before Brexit. **Procurement** is the first obvious area of focus, where smarter use of distribution channels or changes to previously ingrained processes can have a material impact on gross margin. We have also assisted operators with the application of **lean operating** principles, typically the preserve of manufacturing businesses, to multi-site restaurant businesses, which has driven additional upside, especially by reducing labour costs.

**Data analytics** is another growth area in the fight for profit growth. Whilst many businesses produce significant amounts of internal data, it is the ability to blend this data with external data sources that allows companies to plan more effectively. An obvious example is using historical data to analyse the impact

of weather on individual product lines. This knowledge allows operators, particularly in the grab and go sector, to reduce waste by tailoring production.

These factors aside, there is a market disrupter in play; the growth of **home delivery**. Delivered food services, such as Deliveroo, have started to gain real traction, with many operators reporting a pleasing impact on like-for-like sales. This service can, however, be a double-edged sword. Some of our clients have experienced a shift in demand once the delivery option is available. Whilst most are seeing good overall growth, the level of cannibalisation of existing restaurant customers is a potential cause for concern. The impact on profitability is not just the 30% cost of the delivery agent, but also the margin on all the ancillary sales that would have come from the restaurant visit.

Delivery can open a 'Pandora's Box', which is very difficult to close once customers begin to associate their experiences with a particular concept with eating at home. Some operators who have seen a shift from eating out to ordering in have taken the drastic step of cancelling the delivery services. Many operators have found that once customers become used to ordering delivery, they will shift to another delivered concept rather than return to dining out at their restaurants.

These market forces are yet to play out. What is clear for now is that, with the benefit of another year's data, measuring companies by Profit growth across multiple sets of accounts is an effective way to identify the sector's outstanding companies. Operators that feature highly in future editions will not only be growth concepts and emerging stars, such as this year's winner, The Breakfast Club, but also established operators that have evolved their business practices to meet the challenges of an increasingly competitive, cost-driven trading environment.

**Paul Hemming** is a managing director at AlixPartners

<sup>1</sup> This edition of the report covers accounts filed up to the end of January 2016, therefore it actually covers trading in the period 2013 to 2015.

# Methodology



Profits are defined as EBITDA (earnings before interest, taxation, depreciation and amortisation), with director remuneration added back in.

## PROFIT MEASURE

In the AlixPartners Growth Company Index, Profits are defined as EBITDA (earnings before interest, taxation, depreciation and amortisation), with director remuneration added back in. The research for this year's index largely involved identifying the correct parent trading company, and then adding back depreciation and amortisation to individual companies' operating profit figures.

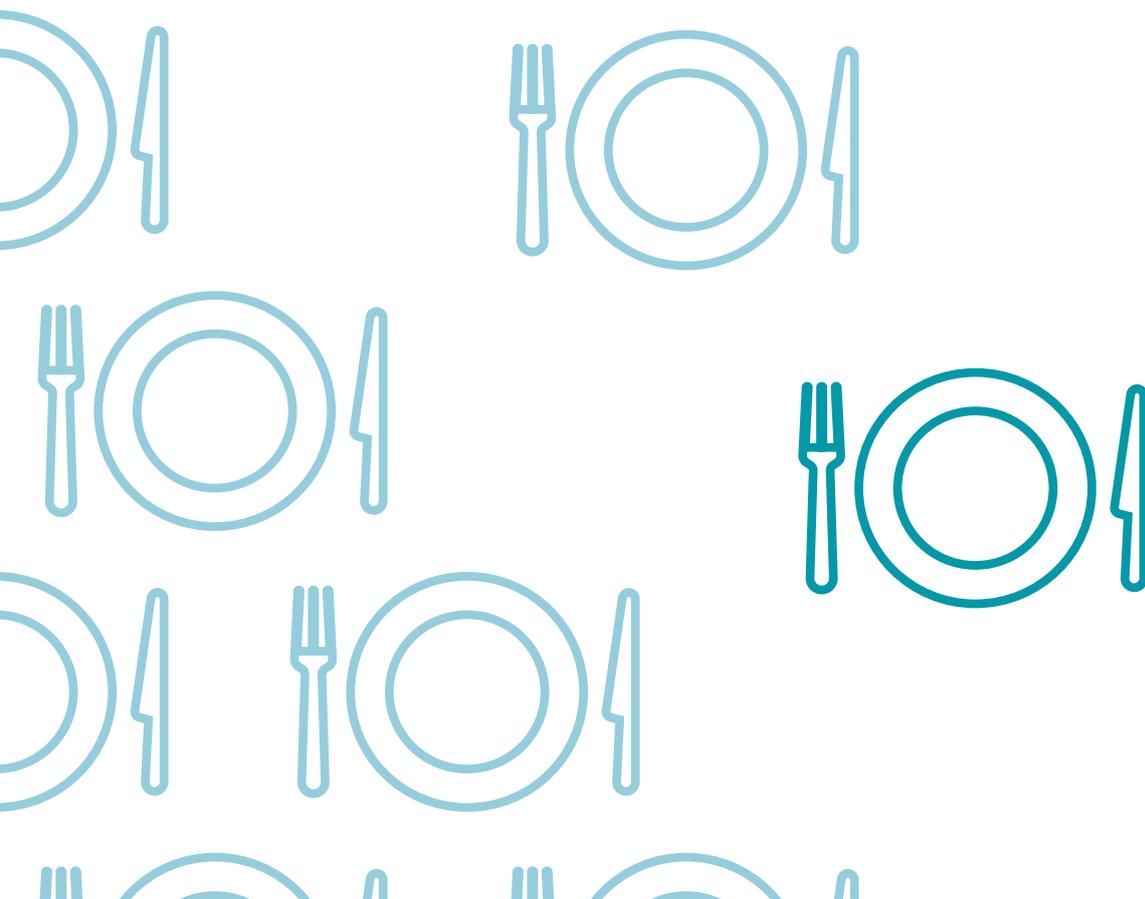
The rationale for adding back directors' emoluments is that as much as 70% of company profits can be removed at private companies to reward directors. The Profit figure is also before any dividends have been paid to shareholders.

## TIMEFRAME

Profit growth is taken as the compound growth rate over the past two years (covering three sets of annual accounts). Companies that filed their 2015 accounts will have Profit growth measured from 2013 to 2015, whilst companies that had not filed 2014 accounts will have Profit growth measured from 2012 to 2014.

## QUALIFYING COMPANIES

Qualifying companies must show turnover of at least £3 million, Profits of at least £300,000 in their latest accounts and have filed updated accounts since the previous edition of the AlixPartners Growth Company Index. Businesses must be registered in the UK and be independent, unquoted and ultimate holding companies. Companies qualify if they have grown by acquisition but will not be included if their growth was a result of re-stating accounts after changes in accounting methods.



# The top 50

Rank	Versus 2015	Company/Brand	FY end	Turnover (£m)	Profit (£m)	2-year Profit CAGR %
1	New	The Breakfast Club	Mar-15	10.0	1.5	147.4
2	▲8	Krispy Kreme	Jan-15	52.2	10.3	145.7
3	▼2	Brewdog	Dec-14	29.6	5.4	138.0
4	▼2	Bill's	Jun-15	90.0	9.9	119.6
5	Re-entry	Leon	Dec-14	18.9	2.2	118.0
6	▲13	Wahaca	Jun-14	28.2	4.6	96.0
7	▼2	Loungers	Apr-15	48.0	6.5	76.1
8	▼5	Ed's Easy Diner	Sep-14	26.5	2.7	70.6
9	Re-entry	Corbin & King	Mar-15	43.8	1.3	64.9
10	New	The New World Trading Company	Mar-15	17.7	1.5	63.0
11	New	Byron	Jun-14	55.2	9.5	45.9
12	▲4	Itsu	Dec-14	67.9	8.3	43.6
13	New	Comptoir Libanais	Dec-14	15.2	2.0	42.6
14	▼10	Hawksmoor	Dec-14	28.1	4.6	37.8
15	▼6	Be At One	Mar-15	22.5	3.2	37.1
16	New	Thorley Taverns	Jun-15	11.6	1.7	36.9
17	▼5	Tortilla	Dec-14	15.2	1.1	36.4
18	▲29	Wasabi	Dec-14	63.6	8.1	32.4
19	▼5	HIX restaurants	Dec-14	15.9	0.8	30.2
20	New	The Deltic Group	Feb-15	91.6	11.8	28.7
21	New	Giggling Squid	Mar-15	7.7	0.6	26.3
22	▲6	TGI Friday's	Dec-14	174.4	28.0	23.9
23	New	Inception Group	Dec-14	9.1	2.1	22.4
24	Re-entry	Dorbiere	Sep-14	13.4	1.8	21.4
25	Re-entry	Hook Norton	Sep-14	7.1	0.7	20.0
26	New	Azzurri Restaurants	Jun-15	217.7	32.2	19.7
27	New	Ping Pong	Mar-15	15.2	1.3	18.2
28	▲8	Wagamama	Apr-15	188.1	32.4	16.6
29	▲21	Pho	Feb-15	14.1	1.9	16.5
30	Re-entry	Chapman Group	Mar-15	9.5	2.0	16.1
31	▲7	McMullens	Sep-14	72.5	14.8	15.5
32	Re-entry	Castle Rock	Mar-15	9.9	1.2	14.2
33	▼11	Amber Taverns	Jan-15	43.3	9.2	12.6
34	▼9	Carluccios	Sep-14	128.3	14.9	12.5
35	Re-entry	Hydes	Mar-15	22.3	4.2	12.2
36	New	Prezzo	Dec-14	189.9	33.6	11.9
37	▲3	Yo! Sushi	Nov-14	75.8	10.1	11.7
38	▼11	Pret A Manger	Dec-14	593.6	77.2	11.3
39	▼6	St Austell Brewery	Dec-14	125.4	16.3	10.5
40	RE	Crussh	Mar-15	13.2	0.6	10.1
41	▼11	Beds and Bars	Mar-15	35.8	4.2	9.2
42	▼8	Glendola Leisure	Mar-15	34.0	4.6	9.0
43	Re-entry	Moto	Dec-14	803.4	90.9	8.6
44	▼12	G1 Group	Mar-15	69.7	19.4	7.4
45	Re-entry	KFC UK	Nov-14	478.1	84.5	7.1
46	▼3	JW Lees	Mar-15	64.0	10.5	6.8
47	▼12	Everards	Sep-15	31.6	7.8	6.7
48	▼11	Hall & Woodhouse	Jan-15	109.5	17.3	6.5
49	▼3	Peach Pub company	Dec-14	22.0	2.3	5.9
50	Re-entry	Sir John Fitzgerald	Jan-15	18.4	1.7	5.7

# Analysis, new entrants and ones to watch

A business that was started at a small café in Soho in 2005 has topped this year's Index of the UK's fastest growing companies in eating and drinking-out, by delivering annual compound Profit growth over three sets of annual accounts of 147.4%.

The Breakfast Club, the all-day London-based business led by founder Jonathan Arana-Morton, now comprises nine outlets, including its biggest to date at Canary Wharf, plus a regional outpost in Brighton. Famed for its retro interiors, American-inspired breakfasts and cool basement bars, the concept has found favour with young Londoners, who happily queue outside in the hope of securing a table – morning, noon and night.

It exemplifies the rich creativity of an eating and drinking-out market where entrepreneurs and owner-operators trade head-on with single-site independents, emerging multiple-site operators, more established brands and the big corporate players. They all compete for a bigger bite of the UK out-of-home food and drink market, which is estimated to be worth in excess of £80 billion. And the leading companies, both big and small, vie to reach the top of the AlixPartners Growth Company Index, now in its fifth year.

For operators like The Breakfast Club and Inception Group – another new entrant in this year's Index – one of the key challenges is to fund and manage the growth journey, continually increasing operational capability, whilst retaining their businesses' essence, the operational stardust that created a stand-out consumer offer in the first place.

Thankfully, it is a well-trodden path as graphically illustrated by some of the constituents of this Index – companies such as Bill's, Leon, Wahaca, Loungers, Byron, Hawksmoor, Be At One and Carluccio's, which have consistently delivered impressive growth. Many expanding companies take the opportunity to collaborate with private equity (PE) groups who – as we discuss later in this report – are a significant partner in the eating and drinking-out market. A feature of PE players in this market is that many deliver deep sector knowledge and experience, and typically have access to a raft of senior operators, or 'grey hairs' through far-reaching contacts and previous investments. They therefore add substantial value not just through finance and funding, but also operations, property and managing fast growth and site rollout programmes.

## **IS 2016 A VINTAGE YEAR FOR SECTOR PROFIT GROWTH?**

Given the lead time between a company's financial year end and accounts being posted, the numbers analysed for this latest Index broadly capture the trading period 2012-13 and 2014-15, a time of significant expansion for many eating and drinking-out operators, amid relatively benign trading conditions, particularly when compared to the previous downturn.

So, how does this list compare to previous years? This is certainly a high-water mark for the level of growth required to make the top 50: this year, Sir John Fitzgerald, in 50th place, delivered a compound annual growth rate (CAGR) of 5.7%. In previous years, the company occupying 50th place needed to post CAGR of 1.1% (Pho, 2015), 0.4% (Food & Fuel, 2014), 2.9% (Food & Fuel, 2013) and 1.8% (EAT, 2012), so 2016 represents a significant step up in the threshold required.

At the other end of the list, the CAGR figure required to top the list is perhaps less instructive – this year's highest growth rate of 147.4% is some way short of Côte's remarkable 225.3% in 2012. More telling perhaps, is comparing what was required to make the top ten this year versus other editions of the Index. This year the firm that placed 10th, The New World Trading Company, delivered a Profit CAGR of 63.0%. This again is the highest we have seen by some distance. In previous years, our 10th placed company delivered 43.5% (Krispy Kreme, 2015), 45.3% (Itsu, 2014), 36.2% (Leon, 2013) and 41.5% (Peach Pub Company, 2012).

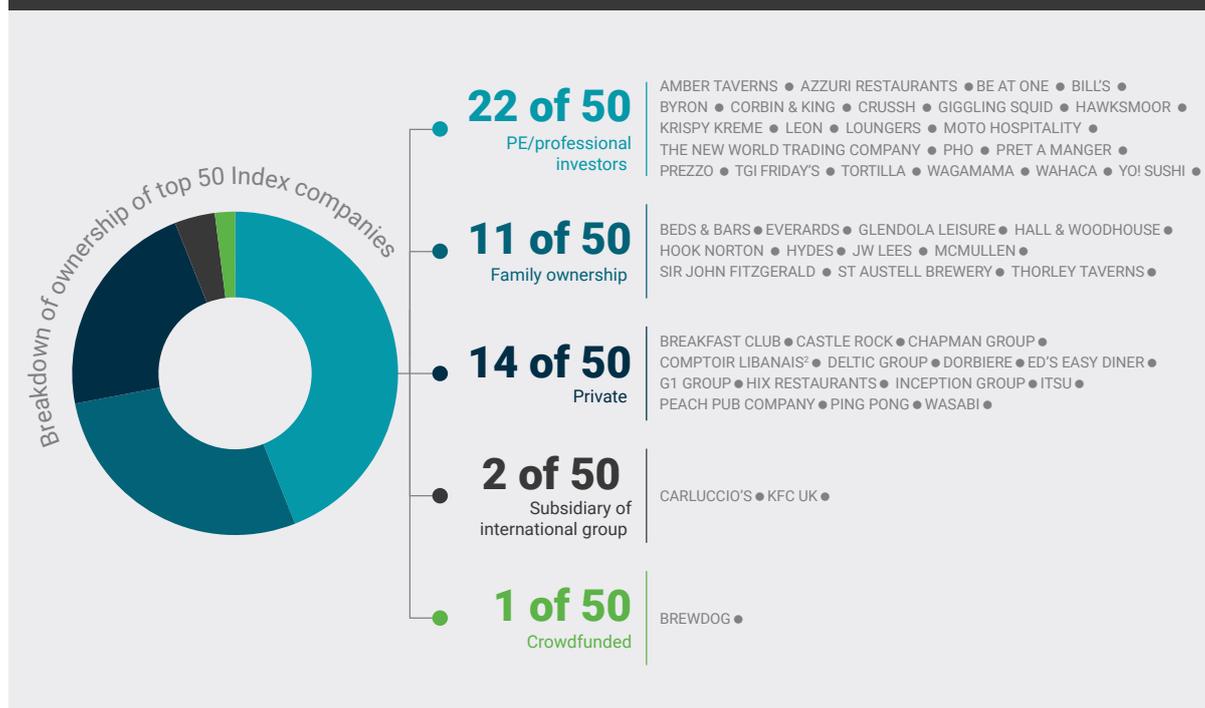
Finally, in the interests of robust analysis, how about companies in the middle ranks of the table? While 2016 has again outperformed the benchmark of previous years, the difference is less stark. This year 20th place delivered CAGR of 28.7% while 25th place posted 20.0%, which is broadly consistent with prior editions of the Index.

### PRIVATE EQUITY REMAINS THE GROWTH PARTNER OF CHOICE FOR THE EATING AND DRINKING-OUT MARKET

Far from the unfavourable and lazy caricature sometimes painted by the popular press, private equity is a substantial and significantly-positive force in the UK eating and drinking-out market, driving growth and job creation. Private equity investors of various sizes and shapes stand behind 22 of the top 50 growth companies in this market, equating to 44% of the Index, a number broadly consistent with previous years (2015: 42%; 2014: 40%).

The participation of PE in the ownership of the top 50 growth companies is more pronounced, the further one looks up the list. PE firms or professional investors have significant stakes in seven of the top 10 companies; 11 of the top 20; 16 of the top 30, and 21 of the top 40. In other words, the more significant the growth profile of the operating company, the more likely it is to be owned by a PE firm – again, this trend is in line with prior years' analysis.

**FIGURE 1 : BREAKDOWN OF OWNERSHIP OF TOP 50 GROWTH COMPANIES**



<sup>2</sup> Comptoir Libanais was admitted to AIM after our 2016 analysis was completed.

The list of top 10 companies that are backed by private equity underlines that the eating and drinking-out market has a number of sector-specialist investors. Without exception, the PE firms that support these companies are multiple investors in the leisure market, and well-versed in the challenges and opportunities that face multiple-site bar and restaurant companies, in expansion mode. The relatively low-key Alcuin Capital Partners, which participated in an MBO of Krispy Kreme UK in 2011, also backs Salt Yard Group and the Groucho Club, while Graphite and Piper are serial investors in the eating and drinking-out market, appearing more than once above. Similarly, Hutton Collins is a former investor in Caffè Nero, Loch Fyne, Novus Leisure, Pizza Express and Wagamama. These companies tacitly understand the ingredients for success and are highly attractive to incumbent management teams who recognise the operational value such investment partners deliver.

Of the top 10 firms backed by PE investors, The New World Trading Company was the subject of investment in the past 12 months, while others, such as Be At One, Loungers and Tortilla, are almost certainly nearing the end of their current investment cycle and will be assessing options in the next 12-18 months.

For the purposes of this study, and the analysis of the breakdown of ownership within the Index, we have included any business backed by the Business Growth

Fund (Giggling Squid) and businesses owned by Richard Caring (Bill's) as private equity investment.

### THE GROWTH COMPANY INDEX 'ALL STARS'

There are 10 companies that have featured in all five editions of the AlixPartners Growth Company Index since we began tracking those groups delivering the best compound growth rate for Profit in the sector, in 2012. They are Amber Taverns, G1 Group, Glendola Leisure, JW Lees, Loungers, Peach Pub Company, Pret A Manger, St Austell, TGI Friday's and Wasabi. These 10 companies illustrate the diversity of the eating and drinking-out market's top performers – businesses whose operations collectively span community pubs, city centre bars and nightclubs, casual dining eateries, quick service restaurants and integrated family breweries.

In addition, a further 13 companies have listed four times out of five – an equally eclectic group comprising Be At One, Beds & Bars, Bill's, Brewdog, Carluccio's, Everards, Itsu, KFC, Krispy Kreme, Moto, Pho and Yo! Sushi.

As our 'All Star' table illustrates, in the intervening five years between our first Growth Company Index and this most recent edition, some of these companies have transformed their profitability. Amber Taverns has doubled Profit, while TGI Friday's and G1 Group have

**FIGURE 2: TOP 10 PE-BACKED FIRMS BY COMPOUND PROFIT GROWTH**

Rank	Company	PE firm	2-year Profit CAGR %
1	Krispy Kreme	Alcuin Capital Partners	145.7
2	Bill's Restaurants	Richard Caring	119.6
3	Leon	Active Private Equity	118.0
4	Wahaca	Capricorn Ventures	96.0
5	Loungers	Piper Private Equity	76.1
6	Corbin & King	Graphite Capital	64.9
7	New World Trading Co	Graphite Capital <sup>3</sup>	63.0
8	Byron	Hutton Collins	45.9
9	Hawksmoor	Graphite Capital	37.8
10	Be At One	Piper Private Equity	37.1

<sup>3</sup> At the date of our 2016 analysis, The New World Trading Company was backed by LDC/Hill Capital.

**FIGURE 3: GROWTH INDEX ALL STARS – COMPANIES THAT HAVE APPEARED IN ALL FIVE INDEXES (2012-16)**

Company	2012 Profit £M	2012 2-year Profit CAGR %	2016 Profit £M	2016 2-year Profit CAGR %
Amber Taverns	4.0	68.9	9.2	12.6
G1 Group	10.9	6.1	19.4	7.4
Glendola Leisure	3.2	48.0	4.6	9.0
JW Lees	7.5	13.6	10.5	6.8
Loungers	1.6	67.4	6.5	76.1
Peach Pub Company	1.7	41.5	2.3	5.9
Pret A Manger	48.1	38.4	77.2	11.3
St Austell Brewery	12.4	10.1	16.8	10.5
TGI Friday's	12.0	32.7	28.0	23.9
Wasabi	1.9	79.8	8.1	32.4

almost achieved the same feat. Loungers has more than tripled Profit and Wasabi has gone further, more than quadrupling underlying Profit. The juggernaut that is Pret A Manger, backed by long-term investor Bridgepoint, has added almost £30 million of underlying Profit, from a 2012 base of £48 million – hugely impressive. For what it is worth, these 10 companies have in total generated an additional £79.3 million of Profit, combined, in the five years of this Index.

#### **DINING AT THE TOP TABLE – THE TOP CASUAL DINING OPERATORS**

Driven by the UK consumer's seemingly insatiable appetite for eating-out, mid-market and fast-casual restaurants have been one of the leisure sector's stand-out growth stories. In the past decade 8,500 casual dining restaurants and food-led pubs have opened. While growth is now slowing, and potentially plateauing – in the face of intense competition, significant cost headwinds and economic uncertainty prompted by Brexit – our Market Growth Monitor, which tracks restaurant and bar openings, showed that some 1,500 new venues were launched in 2015 alone.

The list of our 10 highest-placed casual dining groups in this year's Index again highlights how entwined fast-growth companies in this sector are with professional investors. Of the top 10, six are in private equity ownership, while a seventh, Comptoir Libanais, recently made its debut on London's junior market (after our

2016 analysis was completed). Of the remaining four companies, two – Breakfast Club and Ed's Easy Diner – have been the subject of deal speculation.

Bill's, the all-day dining concept backed by Richard Caring, has featured in four of our five Indexes and this year produced compound growth over three sets of accounts of 119.6%, backing up its equally-impressive 2015 result of 121.7%. In the four years that Bill's has featured in this study, it has built Profit from £1.2 million to £9.9 million and in that time has expanded from 21 locations to its current portfolio of 74. Whilst this historical expansion has been impressive, a raft of changes were made to the senior management team in July 2016, which suggests that the business may be finding trading further away from London more challenging than initially anticipated.

Loungers is another perennial presence in the growth Index. In 2012, it had 22 sites and Profit of £1.6 million. This year it has posted Profit of £6.5 million and now has an estate of approximately 80 bar-restaurants. The Piper-backed all-day café and bar format is eyeing 100 sites and has talked of the potential to grow to 400 sites in the UK. Again, diversity is a rich theme, with businesses like Hawskmoor, which operates large-scale, high-volume, upscale restaurants contrasting with the more casual and hip Breakfast Club and Byron.

**FIGURE 4: LEADING CASUAL-DINING GROUPS' TURNOVER, PROFIT AND CAGR**

Rank	Company	Turnover £M	Profit £M	2-year CAGR %
1	The Breakfast Club	10.0	1.5	147.4
2	Bill's	90.0	9.9	119.6
3	Wahaca	28.2	4.6	96.0
4	Loungers	48.0	6.5	76.1
5	Ed's Easy Diner	26.5	2.7	70.6
6	Byron	55.2	9.5	45.9
7	Comptoir Libanais	15.2	2.0	42.6
8	Hawksmoor	28.1	4.6	37.8
9	HIX Restaurants	15.9	0.8	30.2
10	Giggling Squid	7.7	0.6	26.3

**TIME AT THE BAR? NOT QUITE...**

Against a backdrop of headline-grabbing closure rates – some 22,000 pubs have closed their doors in the past decade – our analysis reveals a pub sector with a significant number of strong and high-performing operators, delivering substantial Profit growth.

Although Brewdog was third in this year's Index, its hugely impressive compound growth rate of 138.0% is actually higher than the 133.6% it delivered to secure first place in last year's Index.

With the blurring of boundaries between many bar, pub and restaurant groups, defining which is which is increasingly more art than science. For example, Breakfast Club on balance is categorised as a restaurant group, although it does have significant revenues of liquor whereas New World Trading Company falls into our pub and bar segmentation, although food is an important part of the sales mix in most of its venues. Loungers could feasibly be classified in both the pub and bar and restaurant segmentations – for the purposes of our analysis we have classified Loungers as a restaurant.

In spite of significant macro trends pointing to the increasing importance of food, and the casual dining boom, some operators such as Be At One, don't sell so much as a sausage – a fact that has not stopped it listing in four of the five Company Growth Indexes. The food opportunity in the market is not lost on Piper and its management team, but they have staunchly stuck

to the essence of the brand – a place renowned for great drinks, served by friendly and highly competent bar tenders, in a fun, high-energy environment. It is an approach that has worked, with the business growing from 12 sites and Profit of £1.7 million in 2012 to 31 venues and Profit of £3.2 million in this latest list.

While casual dining operators typically have a more distinct and differentiated market positioning, that is replicable from site to site, the bar and pub fraternity is by no means short of creativity and flair. The latest in a line of such companies is Inception Group, a London-based bar and club business founded by entrepreneurs Charlie Gilkes and Duncan Stirling in 2006, which operates high-profile venues such as Bunga Bunga, Maggie's and Beaver Lodge. The company has garnered a reputation for taking off-pitch sites and transforming them into quirky, destination venues that tend to play very well with the well-heeled partygoers of West London. The duo have set their sights on more venues and group turnover of £20 million, and it will be interesting to see how they fund their future expansion.

Thorley Taverns, led by father-and-son team Frank and Phil, is a new entrant. This business is perhaps representative of a breed of privately-owned multiple operator that has been running pubs and bars for many years. Its progress and quantum of Profit may seem less dramatic than some other constituents, but it has necessarily had to transform itself away from what were once highly-profitable and traditional, wet-led boozers

**FIGURE 5: LEADING PUB AND BAR COMPANIES' TURNOVER, PROFIT AND CAGR**

Rank	Company	Turnover £M	Profit £M	2-year Profit CAGR %
1	Brewdog	29.6	5.4	138.0
2	New World Trading Company	17.7	1.5	63.0
3	Be At One	22.5	3.2	37.1
4	Thorley Taverns	11.6	1.7	36.9
5	The Deltic Group	91.6	11.8	28.7
6	Inception Group	9.1	2.1	22.4
7	Dorbiere	13.4	1.8	21.4
8	Hook Norton	7.1	0.7	20.0
9	Chapman Group	9.5	2.0	16.1
10	McMullens	72.5	14.8	15.5

to a business increasingly focused on food-led pubs, families and accommodation. The fruits of what has effectively been a profit-rebuilding journey – this two-year CAGR performance – speak to its metamorphosis.

Speaking of transformation, the Deltic Group continues to re-build itself under the stewardship of nightclub industry veteran Peter Marks, backed by a number of private investors. Salvaged from the Luminar Group, the listed operator that once ran some 300 nightclubs, when Marks and Co. took charge the business comprised just 55 venues. Under its new name, Deltic has addressed years of under-investment and re-positioned many venues away from the 'big box' proposition, introducing different spaces designed to trade earlier in the evening, although 'dancing' is, and always will be, insists Marks, at the heart of the business. The group now operates 59 venues and last year unveiled a new £3 million nightclub in Essex. The longer-term ambition is to raise underlying profits to £20 million and then refinance the business.

#### THE NEW KIDS ON THE BLOCK

As ever, there is a healthy smattering of fresh blood in this year's Growth Company Index, starting right at the top with Breakfast Club. Other businesses new to the list include the much-admired The New World Trading Company, which was acquired by Graphite Capital in the summer, and Byron, which is backed by Hutton Collins.

The new entrants to the list also include two large-scale casual dining businesses, Azzurri Restaurants and Prezzo, which between them operate 500 venues and account for underlying Profit of more than £65 million, combined. Azzurri was the name given to the vehicle behind the ASK Italian and Zizzi Italian chains, which for many years was a stablemate of Pizza Express and was acquired by Bridgepoint in 2015. Meanwhile Prezzo has rejoined the private ranks after being bought by TPG, also in 2015. Their appearance for the first time in this list comes as other larger-scale players, including Nando's and managed pub group Stonegate miss out.

As ever, there are some emerging operators that we expect to see make their debut in the 2017 edition of the Index. These companies include Turtle Bay, the Caribbean restaurant chain backed by Piper Private Equity, with 34 sites and annual sales of £26.0 million, Barburrito, the fast-casual Mexican chain backed by the Business Growth Fund, which has 18 sites and annual sales of £10.2 million, and Oakman Inns, the food-led pub operator led by Peter Borg-Neal that comprises 14 venues and has annual sales of £12.1 million. Also look out for Boston Tea Party, the café-restaurant concept that already operates 18 venues and has sales of £12.2 million, and Thai Leisure Group, the 15-strong Thai restaurant operator that has sales of around £30 million, and runs concepts including Chaophraya and the increasingly-admired Thaikhun.

**FIGURE 6: TOP 10 NEW ENTRANTS TO THE GROWTH COMPANY INDEX (IN ORDER OF RANKING)**

Rank in Index	Company	Turnover £M	Profit £M	2-year Profit CAGR %
1	Breakfast Club	10.0	1.5	147.4
10	New World Trading Company	17.7	1.54	63.0
11	Byron	55.2	9.5	45.9
13	Comptoir Libanais	15.2	2.0	42.6
16	Thorley Taverns	11.6	1.7	36.9
20	Deltic Group	91.6	11.8	28.7
21	Giggling Squid	7.7	0.6	26.3
23	Inception Group	9.1	2.1	22.4
26	Azzurri Restaurants	217.7	32.2	19.7
27	Ping Pong	15.2	1.31	18.2

**FIGURE 7: THE CASH GENERATORS – TOP OPERATORS BY QUANTUM OF PROFIT**

Rank in Index	Company	Profit £M
43	Moto Hospitality	90.9
45	KFC UK	84.5
38	Pret A Manger	77.2
36	Prezzo	33.6
28	Wagamama	32.4
26	Azzurri Restaurants	32.2
22	TGI Friday's	28.0
44	G1 Group	19.4
48	Hall & Woodhouse	17.3
30	St Austell Brewery	16.3

Who are the companies within our top 50, that actually generate the biggest level of Profit? Below we have captured those companies producing the most in underlying Profit, in terms of actual quantum. It graphically illustrates that the AlixPartners Growth Company Index is not just about small and fast-growing companies finally reaching critical mass.

At the top of the list is Moto Hospitality, the operator of motorway service areas. Clearly, its numbers are heavily influenced by fuel sales, somewhat distorting the picture. Less controversial is KFC UK, which produces a mighty £84.5 million of underlying Profit on sales of £478.1 million and Pret A Manger – a star and a perennial constituent of this Index since 2012.



# The changing map of UK eating out

By Peter Martin

The geography of Britain's eating- and drinking-out market has been reshaped fundamentally over the past decade. It is not just about where pubs and restaurants have opened or closed, but the whole mix and makeup of food and drink businesses has altered.

The big headline for the media has been the net loss of over 22,000 pubs in the past 10 years—mainly smaller, drink-led community locals. It has become a politically emotive issue, with legislation being introduced to try to protect these supposed “community assets”—and the decline is still continuing, if slowing. But the steep drop-off in pub numbers should be put into context. Over the same period, a net 8,500 new restaurants and food pubs have appeared, and more often than, not these are higher-volume businesses than the pubs that have shut up shop.

The truth is that Britain has changed from a nation that liked to go out for a beer or two into a country that today eats out—and regularly. While cheap supermarket alcohol and high property rents are usually cited as the reasons for Britain's boarded-up boozers, what may be fuelling much of the market movement is a cultural shift—particularly among younger generations.

There are now actually more licensed restaurants in Britain than community pubs: 27,000 against 24,400. Just five years ago, the figures were 22,500 against

31,000—a significant switch. While pubs still make up the biggest slice of Britain's licensed premises, 52,400 venues out of a total of 124,000—more and more of those are dependent on food sales rather than just drink sales.

In the past year alone, the number of branded pub restaurants operated by the big four (Mitchells & Butlers, Greene King, Whitbread and Marston's) grew 20% to just under 3,000, mainly down to conversion of existing pub sites; while numbers of branded casual-dining restaurants grew 5.6% to around 4,000—equating to five new restaurant brand openings somewhere in the country every week. The numbers illustrate how the rollout of branded concepts—the primary drivers of company performance in the AlixPartners Growth Company Index—is also shaping the overall market.

All of those figures come from CGA Peach's Outlet Index, the comprehensive database of GB licensed premises that feeds the quarterly Market Growth Monitor, produced by the food and drink consultancy in partnership with AlixPartners to provide a regular snapshot of the ever-shifting out-of-home property landscape.

As well as the continuing move from pub to restaurant and drink to food, the Market Growth Monitor has also been able to highlight other important trends—not least the renaissance of the UK's provincial cities—and the continuing emergence of ambitious entrepreneurial multisite bar and restaurant operators to challenge both the big chains and traditional independents.

London remains the indisputable hotbed of eating and drinking out in the UK, but more and more operators, especially restaurant chains, have been putting their focus on other big cities for their openings. While numbers of food-led businesses with liquor licences in the capital increased by 13% over the last five years to March, other big British cities like Cardiff, Leeds, and Liverpool have all seen their supplies of licensed premises increase by more than a fifth over the same period, with Manchester—now seen as a restaurant city in its own right—not far behind.

Rising property prices in London and the growth of younger, better-off, metropolitan populations in these cities have all helped their development, which in turn has changed the complexion of the micromarkets within these cities, too. For example, Manchester has seen the development of Spinningfields as an eating-out hub, while the hip Northern Quarter is seeing restaurants nudge out some of the old bar businesses.

The London scene is dominated by independents and emerging groups, and the same pattern is starting to emerge in provincial cities too, with smaller operators with fewer than 25 sites running 40% of restaurants—up from 34% five years ago. That in turn is pushing bigger, established restaurant brands out to the suburbs and into retail and leisure parks.

In the market as a whole, groups with 5 to 25 sites—a segment that's growing rapidly—have grown their site numbers by around a net 500 new openings in the last three years, whereas growth among established brands with more than 100 sites—a small group of only a dozen operators—amounted to a more modest total of just under 300 net new openings.

This trend shows that for all the talk of identikit high streets, the majority of new restaurants, particularly

in our bigger urban centres, are being opened by fledgling multisite operators and indies, reflecting the appetite of city dwellers for different and exciting eating-out experiences. The increase in the variety and diversity of smaller groups in the marketplace to meet evolving consumer demands presents ever increasing competition to the relatively few major players.

The market looks like it will continue to evolve at a pace, and we will see those operators that are able to embrace this evolution at the upper echelons of future editions of the AlixPartners Growth Company Index.

**FIGURE 2: NET OPENINGS AND CLOSURES IN THE PAST FIVE YEARS BY URBAN LOCATION**

Segment	Food-led sites %	Drink-led sites %	Total sites %
London	13.4	2.7	10.9
Big cities	22.4	(0.9)	11.9
Small cities	15.2	(5.9)	4.7

Note: March 2016 compared with March 2011. Big cities defined as cities outside London with more than 300,000 residents.

Peter Martin is Vice President of CGA Peach, the market research and insight consultancy.

**FIGURE 1: CITY CENTRES WITH BIGGEST GROWTH IN LICENCED PREMISES IN THE PAST FIVE YEARS.**

City centre	Increase in total sites %	Increase in food-led sites %	Increase in drink-led sites %	Total sites at March 2016
Cardiff	23.0	45.8	6.7	219
Leeds	22.3	37.3	10.7	335
Liverpool	20.8	17.1	17.1	372
York	19.0	19.8	18.5	263
Newcastle	17.9	32.4	3.6	389
Bath	16.9	33.7	(1.6)	194
Manchester	16.5	32.7	1.3	566
Southampton	15.2	36.4	(14.0)	121
Leicester	12.3	27.6	0.0	229
Norwich	12.2	9.7	16.7	184

Note: Includes cities with more than 100 sites only.

# State of the nation – the view of consumers and industry leaders

By Mark Wingett

A combination of Brexit-driven uncertainty, an ever-increasing competitive landscape, and a tide of rising costs—stemming not least from the introduction of the National Living Wage—has left the UK's eating- and drinking-out market feeling a little fragile.

## HOW INDUSTRY LEADERS AND CONSUMERS VIEW THE MARKET, POST-BREXIT

MCA's poll of senior sector figures carried out post-Brexit found confidence about consumers' eating-out behaviour going forward but also noted concerns about operator casualties as a result of intense competition. The research was based on interviews with 50 senior executives across the eating- and drinking-out sector—including many constituents of the AlixPartners Growth Company Index—and it was designed to interrogate the influential factors that will shape the eating- and drinking-out market from 2016 to 2020.

Despite the obvious and immediate challenges, and uncertainty as to how Brexit will impact consumer confidence, market sentiment remains overwhelmingly positive, with the majority polled believing that both customer visits and spend will rise over the next four years. The study found that 88% think consumers will be eating out with greater frequency and 64% believe they will devote an increasing share of disposable income to eating out. However, there is also a sense that the market will not get any easier. The poll, which formed part of MCA's comprehensive Eating Out Report 2016, revealed that 69% of respondents expect

high street property prices in the regions to rise over the next four years. Market saturation is an increasing concern, according to 41% of respondents, while 72% think intensifying competition will result in rising operator casualties.

## EMERGING FOOD TRENDS

With regard to emerging trends, there was broad agreement that healthier eating will become more important in determining what and where people eat out of home, with 90% and 85% of senior operators agreeing, respectively. There is less consensus when it comes to consumers' willingness to trade up, with 49% agreeing but 46% neither agreeing nor disagreeing.

When it comes to street food, most said they see it as a major influence, with 84% saying more branded concepts inspired by street food will emerge on our high streets. Broadly, about half the market (49%) said the influence of street food will have peaked by 2020, although 28% disagreed.

## CONSUMER SENTIMENT IN BREXIT'S WAKE

In addition to interviews with senior people from the eating- and drinking-out market itself, MCA also assessed the temperature of the nation with a poll of 1,000 consumers. It should be stressed that this poll was in the immediate wake of the Brexit vote, and so at a time when respondents were most likely to be feeling a heightened sense of unease and uncertainty.

What the study found was a shift in attitudes towards spending across generations. While almost half of 18-34-year-olds said they would be more cautious with their money and their spending post-Brexit, the figure fell to a third for over-55s. While 40% of over-55s said Brexit would have no impact at all, only 21% of Millennials agreed.

Looking specifically at eating out, a total of 22% of customers said they expected their spend to decrease, compared with 9%, who expected it to rise. Again, the disparity between generations was clear, with 34% of 18-34-year-olds planning to cut spend against 16% of the 55+ market.

The picture is similar in terms of eating-out frequency, with 19% across all age-groups expecting to eat out less following Brexit, compared with 8%, who thought they would eat out more. Again, almost twice as many Millennials planned to cut back as older customers.

The research showed that consumers expected prices over the coming year to rise but added that they thought food quality was likely to remain unchanged. In terms of how consumers expected to economise to mitigate the possible effects of Brexit, the most popular approach appears to be greater utilisation of promotional deals, chosen by 46% of respondents across all age-groups. Other options included preparing more food at home to eat out (37%), ordering cheaper options (31%), eating out less often (31%), visiting cheaper establishments more frequently (24%), and ordering more home delivery (13%).

Again, it is worth emphasising that the MCA study was conducted a few days after the Brexit vote. The market is now showing broadly flat sales, with consumer confidence stabilising, or normalising. Our analysis of UK eating out from the first half of 2016 suggests the market is actually firing on all of the key metrics of increasing participation, visit frequency, and spend. So, despite weakening consumer and business confidence, it is not going to come to a grinding halt, though some growth slowdown appears inevitable. It will, however, up the ante for operators and make it harder for higher costs to be passed on to consumers. As always in a tightening market, businesses that are less well managed or don't have financial backing are going to be in for a more volatile ride.

**Mark Wingett** is Editor of MCA, the information and market research group that produces the Growth Company Index in partnership with AlixPartners.



# Doing the deal – CEO interview

Interview with Chris Hill, CEO of The New World Trading Company

From an early stage we knew that The New World Trading Company (NWTC) was a special business. Our first two sites were the incredible Oast House in central Manchester and a suburban pub, The Botanist, in a leafy location on the outskirts of Greater Manchester.

They were two businesses that were very different from each other, which were both very, very successful.

Creating venues with mass appeal that produce sales way above the industry norm was something that Tim Bacon and Jeremy Roberts of Living Ventures had been doing for 20-plus years. However, the plan with NWTC was to build the business as a standalone entity, with investment from Living Ventures and Hill Capital Partners/LDC, who bought into the business in 2013.

I was appointed as managing director of NWTC when Hill Capital/LDC invested. The plan was to build it and eventually refinance with another partner, who would support the next phase of growth.

With Tim, Jeremy, Paul Campbell and Tim Farazmand from Hill Capital/LDC on the board, we had an awful lot of experience, but we were mindful that this was a new strategy for Living Ventures. We wanted to ensure we weren't going to make any avoidable mistakes. We also wanted to understand what would be needed to be attractive to investors, and what should be avoided – and to ensure that the business was in the right shape at the right time.

We brought in Paul Hemming of AlixPartners and Ian Edward to advise our board and to attend quarterly board meetings. They both have reams of experience, which proved invaluable. They were able to advise and steer us. In the six months up to launching a process to find new investors, they were all over it.

Very early on they encouraged us to clearly document the DNA of the business. They helped us get to a point where we could very clearly articulate the business, and that drove every single decision.

On the back of the success of our first two sites, we felt we had something that was very scalable and could be successful in many different locations. Initially, as we pursued growth, we were focused on expanding in our North West heartland, but AlixPartners encouraged us to look further afield. Not just at classic large 'rollout' conurbations, such as Birmingham, Leeds, Liverpool, Sheffield or York, but in the South East, which was how we decided upon the opportunities in Marlow and Farnham. The success of these two sites meant that we were able to demonstrate the extent of the opportunity, given the scope for expansion in towns across this region – and not just London.

On a personal note, this was my first experience on this kind of process. Looking at it dispassionately and objectively, AlixPartners were acting for the outgoing investors, and as I was staying with the business I was more of a buyer than a seller, so we could easily have been on opposite sides of the negotiations. But what stood out for me was the fact it never felt this way. AlixPartners were very focused on agreeing the right price, rather than the maximum price, and ensuring that the management team committed to an ambitious but realistic and deliverable business growth plan – one that the incoming investors Graphite Capital could support.

From those two initial sites, we are now at 14 locations. The plan from here is to grow in a sensible way, continuing to shape the business as we have done from the start, and to build on the foundations. Eventually, as is the way of these things, there will be another process. But we are in no rush, and when the time comes, we know who to call.

# Top 50 company profiles

## 1 BREAKFAST CLUB

Last year's position:	<b>New entry</b>
Sites:	<b>9</b>
Latest revenue:	<b>£10.0 million</b>
Profit growth:	<b>147.4%</b>
Key personnel:	<b>Co-founders Jonathon Arana-Morton and Alison Rooney; Non-executive Director Paul Campbell</b>
Backer:	<b>Privately funded</b>

Background: This year's winner of the AlixPartners Growth Company Index, The Breakfast Club, makes its debut in this year's edition. Through the Index period, revenue increased from £5.8 million to £10.0 million and Profit increased from £0.2 million to £1.5 million, or 147.4% CAGR. The first Breakfast Club outlet opened in a small cafe on D'Arblay Street in Soho in 2005, followed by an opening in Camden Passage in Angel and then in Hoxton in 2009. The retro inspired interiors, and all-day breakfast offering quickly earned the brand a cult following among young Londoners. Last year, the company took its estate to nine sites, with the opening of its first regional café in Brighton and its biggest unit in Canary Wharf.

## 2 KRISPY KREME

Last year's position:	<b>10</b>
Sites:	<b>Approximately 70</b>
Latest revenue:	<b>£52.2 million</b>
Profit growth:	<b>145.7%</b>
Key personnel:	<b>Chief Executive Mike Dowell; Managing Director Richard Cheshire</b>
Backer:	<b>Alcuin Capital Partners</b>

Background: Krispy Kreme UK, the Alcuin Capital Partners backed doughnut and coffee retailer, makes its fourth appearance in the Growth Company Index - its only previous absence was in 2014. The group's 2<sup>nd</sup> place finish in this year's Index is an improvement of eight places from last year. Through the Index period, revenue increased from £45.1 million to £52.2 million whilst Profit increased at a CAGR of 145.7%, from

£1.7 million to £10.3 million. The group has spent the last 12-18 months undertaking investments featuring an updated design at a number of its cafe/retail units, whilst also returning to the expansion trail. The group, which is led by Mike Dowell, the former Costa Coffee, and Pitcher & Piano executive, said it had made significant progress during the past year on both parts of its business plan. Krispy Kreme UK announced in May it is planning an IPO and appointed Investec to oversee the flotation.

## 3 BREWDOG

Last year's position:	<b>1</b>
Sites:	<b>29 in the UK and an additional 16 sites internationally</b>
Latest revenue:	<b>£29.6 million</b>
Profit growth:	<b>138.0%</b>
Key personnel:	<b>Co-founders James Watt and Martin Dickie; Managing Director David McDowall</b>
Backer:	<b>Crowdfunding</b>

Background: Scottish brewer and pub operator BrewDog has featured in the last four editions of the Growth Company Index, never finishing outside the top four. The group topped the Index last year with a Profit CAGR of 113.6%, but this year drops two positions to 3<sup>rd</sup> place despite achieving a higher growth rate. Through the Index period, BrewDog's revenue increased from £10.7 million to £29.6 million and Profit increased by a CAGR of 138.0%, from £0.9 million to £5.4 million. Since the Index was released, the company has released new accounts showing it has continued its rapid expansion over the last year, reporting UK revenue growth of 130% in 2015, with total revenue rising 52% (includes international operations) on the prior year. The group has crowdfunded over £25 million since 2010 and will launch a further round of crowdfunding in May 2017, specifically targeted at US investors. BrewDog has recently partnered with Deliveroo as the food delivery service confirmed the launch of its alcohol delivery service. Last year David McDowall, managing director of BrewDog bars, said the plan was to have 100 UK sites by the middle of 2019 and 75 international outlets.

#### 4 BILL'S RESTAURANTS

Last year's position:	<b>2</b>
Sites:	<b>74</b>
Latest revenue:	<b>£90 million</b>
Profit growth:	<b>119.6%</b>
Key personnel:	<b>Chief Executive Mark Fox; Executive Director Graham Ford</b>
Backer:	<b>Richard Caring</b>

Background: Bill's has featured in the last four editions of the Growth Company Index, never finishing outside of the top five places, but this year's 4<sup>th</sup> place finish is a drop of two positions from last year. Through the Index period, revenue increased from £27.6 million to £90.0 million and Profit increased at a CAGR of 119.6%, from £2.0 million to £9.9 million. Bill's has reported it is now on track to report revenue of £110 million for the year to the end of July 2016, with EBITDA set to be over £15 million. Run-rate EBITDA for its current year is reportedly on track to be in excess of £17 million, dependent on its openings timetable. Roberto Moretti recently stepped down as chief operating officer, whilst former Starbucks UK managing director Mark Fox was appointed as chief executive. Last year, the 74-strong group agreed on a new £37 million facility with HSBC, which ensures it has the funding to continue its expansion plans over the next two years. The group is expected to slow its opening's rate this year but plans to open up to 15 sites this year, including an evolved version of its format, focused on a bakery and coffee offer.

#### 5 LEON

Last year's position:	<b>Re-entry</b>
Sites:	<b>38</b>
Latest revenue:	<b>£18.9 million</b>
Profit growth:	<b>118.0%</b>
Key personnel:	<b>Chief Executive John Vincent; Chief Financial Officer Antony Perring</b>
Backer:	<b>Active Private Equity</b>

Background: Leon has featured in three previous editions of the Growth Company Index, making a

return in 5<sup>th</sup> place after last year's absence. Through the Index period, revenue increased from £12.8 million to £18.9 million and Profit increased by a 118.0% CAGR, from £0.5 million to £2.2 million. In the company's most up-to-date accounts (released after the Index closing date), Leon's revenue increased by a further 40.7% to £26.6 million. The healthy fast food chain made its overseas debut this year with a launch in Holland, at Amsterdam's Schiphol Airport and recently announced a second site at Schiphol is being planned. The group, which opened 11 sites last year, will use the openings at the airport in conjunction with HMSHost as a gateway for further expansion in North West Europe. The company is in advanced talks on a further regional site in the UK and plan to open a site in Manchester in the second half of next year. Leon is set to continue its expansion rate of 2015 this year after securing a £19 million funding package from OakNorth in August. It is also thought to be working on securing its first site in the US.

#### 6 WAHACA

Last year's position:	<b>19</b>
Sites:	<b>23</b>
Latest revenue:	<b>£28.2 million</b>
Profit growth:	<b>96.0%</b>
Key personnel:	<b>Co-founders Mark Selby and Thomasina Miers; Director Jo Fleet</b>
Backer:	<b>Capricorn Ventures</b>

Background: Wahaca, the Mexican street food brand, has featured in three previous editions of the Growth Company Index, rising 13 places this year to 6<sup>th</sup>. Through the Index period, revenue increased from £14.6 million to £28.2 million and Profit increased by a CAGR of 96.0%, from £1.2 million to £4.6 million. Results for the year to June 2015 (released after the Index closing date), show a 28.4% increase in revenue to £36.2 million. The group added to its regional presence in April, when it made its long-awaited debut in Brighton. The company also recently opened in Chichester – a key site that will test its regional expansion plans, and has also secured a site at the Westquay Watermark development in Southampton for later this year. The group operates two sites under its

DF/Mexico concept and has lined up its first regional DF/Mexico site at the extension to Intu's Watford shopping centre scheme. Wahaca recently announced the launch of a new food product range in partnership with All About Food, to be sold exclusively in up to 900 Tesco stores and a number of its own sites.

## 7 LOUNGERS

Last year's position:	<b>5</b>
Sites:	<b>Approximately 80</b>
Latest revenue:	<b>£48.0 million</b>
Profit growth:	<b>76.1%</b>
Key personnel:	<b>Founders Alex Reilley and Jake Bishop; Managing Director Nick Collins</b>
Backer:	<b>Piper Private Equity</b>

Background: Loungers, the cafe/bar group, is the highest placed company to feature in all five editions of the Growth Company Index – its 7<sup>th</sup> position this year is a drop of two places from last year. Through the Index period, revenue increased from £20.1 million to £48.0 million and Profit increased by a 76.1% CAGR from £2.1 million to £6.5 million. The group remains broadly on track to post revenue of c. £78 million in its current financial year, but managing director Nick Collins recently said that the group's forecast run-rate site EBITDA of £17.4 million would be "slightly impacted" by its decision to introduce the National Living Wage early to all its employees, regardless of age. The company is on course to operate 100 sites by December 2016.

## 8 ED'S EASY DINER

Last year's position:	<b>3</b>
Sites:	<b>57</b>
Latest revenue:	<b>£26.5 million</b>
Profit growth:	<b>70.6%</b>
Key personnel:	<b>Chairman Stephen Greene; Chief Executive Andrew Guy</b>
Backer:	<b>Privately funded</b>

Background: Ed's has featured in the last three editions of the Growth Company Index, achieving a top 10 finish in each year - this year's 8<sup>th</sup> position is a drop of five places from last year. The company's position in this year's Index is based on accounts filed for the year to September 2014, which show that revenue increased from £9.4 million to £26.5 million and Profit increased from £0.9 million to £2.7 million, a CAGR of 70.6%. The group has continued to expand over the last year, opening 10 sites, despite the distractions of an aborted sales process and a change in leadership. The company announced earlier this year that Ivan Schofield was to step down as chief executive just six months after taking the helm at the 1950s American diner concept. Andrew Guy has resumed the role of chief executive, a position he previously held for five years before Schofield's appointment.

## 9 CORBIN & KING

Last year's position: Re-entry

Sites:	<b>9</b>
Latest revenue:	<b>£43.8 million</b>
Profit growth:	<b>64.9%</b>
Key personnel:	<b>Co-founders Jeremy King and Chris Corbin</b>
Backer:	<b>Graphite Capital</b>

Background: This year's 9<sup>th</sup> place is a return to the Growth Company Index for Corbin & King after a three year absence. Through the Index period, Corbin & King reported an increase in revenue from £28.6 million to £43.8 million and Profit increased at a CAGR of 64.9% from £0.5 million to £1.3 million. This was down from a Profit spike of £2.4 million the previous year. The company's latest accounts for the year to 29 March 2015 (released after the Index period), reported a further 24% increase in revenue to £43.8 million. The Graphite Capital-backed company refinanced with HSBC last November to support further growth, with the new facility comprising a £14.25 million long-term debt facility and a £1 million overdraft.

## 10 THE NEW WORLD TRADING COMPANY

Last year's position:	<b>New entry</b>
Sites:	<b>14</b>
Latest revenue:	<b>£17.7 million</b>
Profit growth:	<b>63.0%</b>
Key personnel:	<b>Managing Director Chris Hill; Finance Director Richard Barley</b>
Backer:	<b>Graphite Capital</b>

Background: This year's top 10 finish marks The New World Trading Company's debut in the Growth Company Index, having only been incorporated in 2011. Through the Index period, revenue increased from £4.5 million to £17.7 million and Profit increased at a 63.0% CAGR from £0.6 million to £1.5 million. The managed pub operator opened seven sites (four Botanists, two Trading Houses, and Liverpool's Club House) in the year to March 2016, taking the total estate to 14 and the Botanist brand to nine, with further pipeline openings secured in Sheffield and York. In June 2016, Graphite acquired the business from Living Ventures and LDC in a deal valued at over £50 million. Chris Hill, the managing director of the New World Trading Company, has said there is potential for "hundreds" of sites under the company's Botanist brand and has set a target of six openings per year under its new ownership.

## 11 BYRON

Last year's position:	<b>New entry</b>
Sites:	<b>65</b>
Latest revenue:	<b>£55.2 million</b>
Profit growth:	<b>45.9%</b>
Key personnel:	<b>Managing Director Tom Byng</b>
Backer:	<b>Hutton Collins</b>

Background: 2016 marks Byron's first appearance in the Growth Company Index, having previously been a subsidiary of Gondola (now Azzuri). Through the Index period, revenue increased from £28.6 million to

£55.2 million and Profit increased at a 45.9% CAGR, from £4.4 million to £9.5 million. In the company's most up-to-date accounts (released after the Index closing date), revenue increased by 25.0% to £69.0 million. Byron is looking to accelerate its roll out with a pipeline to reach 70 restaurants by the end of 2016. The group, which recently opened in Glasgow, has secured a unit at the Jacksons Corner development in Reading and will open alongside a Franco Manca next year. The Tom Byng-led company has launched at Richmond (Surrey) and lined up openings in Edinburgh, Wandsworth, Salisbury, Southampton, Farnham, Windsor, Watford, Bath, Chelmsford, Harrogate and Worcester for 2016/17.

## 12 ITSU

Last year's position:	<b>16</b>
Sites:	<b>70</b>
Latest revenue:	<b>£67.9 million</b>
Profit growth:	<b>43.6%</b>
Key personnel:	<b>Founder Julian Metcalfe; Chief Executive Ivan Schofield</b>
Backer:	<b>Privately funded</b>

Background: Itsu, the healthy sushi chain, has featured in the last four editions of the Growth Company Index, featuring in the top twenty on each occasion. This year's 12th position is a jump of four places versus last year. Through the Index period, revenue increased from £45.2 million to £67.9 million and Profit increased at a 43.6% CAGR from £4.0 million to £8.3 million. Itsu released accounts after the Index period showing 21.6% revenue growth to £82.6 million. The group recently announced Ivan Schofield, formerly of Ed's and KFC Europe, as its new chief executive at the beginning of September. The move saw Cameron Roberts move to head up the group's US expansion plans, backed by a £40 million funding package from HSBC secured back in October. Itsu, which opened in Manchester in February, recently opened a 144-cover site on Commercial Street in Leeds.

### 13 COMPTOIR LIBANAIS

Last year's position:	<b>New entry</b>
Sites:	<b>11</b>
Latest revenue:	<b>£15.2 million</b>
Profit growth:	<b>42.6%</b>
Key personnel:	<b>Founder Tony Kitous; Chief Executive Chaker Hanna</b>
Backer:	<b>Privately funded during the Index period (now listed on AIM)</b>

Background: Comptoir's 13th position in this year's Growth Company Index is the first time it has featured, following revenue growth through the Index period from £8.4 million to £15.2 million and Profit growth from £1.0 million to £2.0 million, a CAGR of 42.6%. The group released updated accounts following the Index period, showing 16.5% revenue growth to £17.7 million. The company will not be eligible for the next edition of the Index as it made its debut on AIM earlier this year. Comptoir closed its first day of trading with a market capitalisation of £66.2 million, valuing the business over 30x its historical adjusted EBITDA (£2.1 million) after accounting for its £1.7 million of net debt. The company's core Comptoir Libanais brand recently made its debut in Manchester. It is currently looking at further regional openings for its core brand and is in talks on sites in Leeds, Oxford, and Reading, which it hopes to add to its estate this year. The group plans to open between four and five new sites each year, including the expansion of its second brand, Shawa.

### 14 HAWKSMOOR

Last year's position:	<b>4</b>
Sites:	<b>7</b>
Latest revenue:	<b>£28.1 million</b>
Profit growth:	<b>37.8%</b>
Key personnel:	<b>Co-founders Huw Gott and Will Beckett; Chair Karen Jones</b>
Backer:	<b>Graphite Capital</b>

Background: Hawksmoor has featured in the last three editions of the Growth Company Index, with this year's 14th position a drop of 10 places from last year's fourth place. Through the Index period, revenue increased from £18.1 million to £28.1 million and Profit increased at a 37.8% CAGR, from £2.4 million to £4.6 million, although this was a drop from £5.2 million in the previous year. We note that these financials are in relation to Hawksmoor only, as the corporate entity which incorporates Foxlow has not submitted three sets of accounts. In January, Hawksmoor announced it would open a flagship restaurant in the World Trade Center at the end of 2017. The premium steakhouse brand was approached to anchor the Richard Rogers-designed Tower 3 with a 14,000sq ft outlet - its biggest restaurant to date. Late last year, it acquired Sam's Brasserie in Chiswick and Harrison's in Balham, and converted both to its neighbourhood restaurant format, Foxlow.

### 15 BE AT ONE

Last year's position:	<b>9</b>
Sites:	<b>31</b>
Latest revenue:	<b>£22.5 million</b>
Profit growth:	<b>37.1%</b>
Key personnel:	<b>Founders Steve Locke, Rhys Oldfield; Leigh Miller; Chairman Mark Derry</b>
Backer:	<b>Piper Private Equity</b>

Background: Be At One has featured in four of the five editions of the Growth Company Index, with this year's 15th position a drop of six places from last year. Through the Index period, revenue increased from £11.6 million to £22.5 million and Profit increased by a 37.1% CAGR from £1.7 million to £3.2 million. The group opened its 31st site in Nottingham in September, its 14th outside the capital. This was preceded by openings in Liverpool (July), Manchester (March) and Birmingham (April), and the company believes it can eventually grow to 120 sites in the UK. Be At One is the market leader in the specialist cocktail bar segment, and is one of the most consistent highly ranking wet-led offers in the Growth Company Index.

## 16 THORLEY TAVERNS

Last year's position:	<b>New entry</b>
Sites:	<b>19</b>
Latest revenue:	<b>£11.6 million</b>
Profit growth:	<b>36.9%</b>
Key personnel:	<b>Managed Director Frank Thorley; Operations Director Phil Thorley</b>
Backer:	<b>Family owned</b>

Background: This year marks Thorley Taverns' first appearance in the Growth Company Index. Through the Index period, revenue increased from £11.5 million to £11.6 million and Profit increased at a 36.9% CAGR, from £0.9 million to £1.7 million. The company sold two nightclubs on Margate seafront last year and used some of the funds to buy the freeholds of two of its pubs in Broadstairs. Phil Thorley, operations director, says: "The property sales helped but overall we had a better year's trading. We have had a situation where some of our plans are coming to fruition. Our transition from a wet-led nightclub business to a food-led business is well underway." Of the 19 sites operated by Thorley Taverns, 15 are freehold.

## 17 TORTILLA

Last year's position:	<b>12</b>
Sites:	<b>29</b>
Latest revenue:	<b>£15.2 million</b>
Profit growth:	<b>36.4%</b>
Key personnel:	<b>Founder Brandon Stephens; Managing Director Richard Morris</b>
Backer:	<b>Quilvest</b>

Background: This year marks the third appearance of Tortilla in the Growth Company Index, and its third consecutive top 20 finish. This year's 17<sup>th</sup> position is a drop of five places from last year. Through the

Index period, revenue increased from £7.1 million to £15.2 million and Profit increased at a 36.4% CAGR, from £0.6 million to £1.1 million. Tortilla expects to open 10 new stores this year and its first franchise operation, alongside restaurant operating platform Eathos, is also due to open this year in Dubai. Managing director Richard Morris says: "We should have half-a-dozen open by the half-year, and hopefully we're going to be doing up to 10 this year." Outside of the new store openings, Morris said he was currently recruiting for a new head of marketing. "Otherwise, the team that I've got here now is pretty much the team that's set to take us to 40-50 sites."

## 18 WASABI

Last year's position:	<b>47</b>
Sites:	<b>46 in the UK and 2 in the USA</b>
Latest revenue:	<b>£63.3 million</b>
Profit growth:	<b>32.4%</b>
Key personnel:	<b>Founder Dong Hyun Kim</b>
Backer:	<b>Privately funded</b>

Background: Wasabi, the London-based sushi and bento chain led by Dong Hyun Kim, is the second ever present in this year's Growth Company Index, having featured in all five previous editions. This year's position is a jump of 29 places from last year. Through the Index period, revenue increased from £40.7 million to £63.6 million and Profit increased at a 32.4% CAGR, from £4.6 million to £8.1 million. Wasabi has since reported results for the year to December 2015, with revenue up 14.8% to £72.6 million. At the start of the year, the company opened a 65,000sq ft production kitchen in Park Royal, West London. The 48-strong group, which made its international debut in New York's Times Square in 2014, opened its second New York site in March in Fulton Street. It has a further opening lined up at the redeveloped World Trade Center. The company currently operates 40 sites in London and has further openings lined up Ealing Broadway Shopping Centre and Lime Street.

## 19 HIX RESTAURANTS

Last year's position:	<b>14</b>
Sites:	<b>10</b>
Latest revenue:	<b>£15.9 million</b>
Profit growth:	<b>30.2%</b>
Key personnel:	<b>Founder Mark Hix; Finance Director Ratnesh Bagdai</b>
Backer:	<b>Privately funded</b>

Background: HIX restaurants makes its second Growth Company Index appearance this year in 19<sup>th</sup> position, a drop of five places from its debut last year. Through the Index period, revenue increased from £13.7 million to £15.9 million and Profit increased at a 30.2% CAGR from £0.4 million to £0.8 million. This was down from a Profit spike of £1.4 million the previous year. Late last year, the group opened a standalone Mark's Bar within The Old Vic theatre in London. The venue became the chef and restaurateur's fourth Mark's Bar, but its first unaccompanied by a restaurant. Hix has also opened a cooking academy in Weymouth, Dorset offering an education that, in his words, is "off-piste to the normal curriculum." Earlier this year, the chef signed a joint venture with WSH to launch further projects in the sector.

## 20 THE DELTIC GROUP

Last year's position:	<b>New entry</b>
Sites:	<b>59</b>
Latest revenue:	<b>£91.6 million</b>
Profit growth:	<b>28.7%</b>
Key personnel:	<b>Chief Executive Peter Marks; Group Finance Director Russell Margerrison</b>
Backer:	<b>Privately funded</b>

Background: This year's 20<sup>th</sup> place marks The Deltic Group's first appearance in the Growth Company Index. Through the Index period, revenue increased from £90.9 million to £91.6 million and Profit increased at a 28.7% CAGR from £7.1 million to £11.8 million, driven by a combination of margin improvement and cost control. In the company's most up-to-date accounts (released after the Index closing date), revenue increased by 10.0% to £100.8 million. Over the last 12

months, The Deltic Group has increased entertainment spend by 50%, with clubs attracting a range of world class DJs and celebrities to headline key nights. "Clubs are unique, in that they offer a big night out experience that you can't get anywhere else. Well invested venues that engage well with their customers on social channels and provide a premium night out will continue to prosper," says chief executive Peter Marks. Deltic plans to invest over £3 million refurbishing sites in Nottingham and Stevenage, together with the launch of a new PRYZM club in Birmingham.

## 21 GIGGLING SQUID

Last year's position:	<b>New entry</b>
Sites:	<b>15</b>
Latest revenue:	<b>£7.7 million</b>
Profit growth:	<b>26.3%</b>
Key personnel:	<b>Chairman Simon Kossoff; Founder and Managing Director Andy Laurillard</b>
Backer:	<b>Business Growth Fund</b>

Background: Giggling Squid, the Andy Laurillard-led Thai chain, makes its first appearance in the Growth Company Index this year. Through the Index period, revenue increased from £2.7 million to £7.7 million and Profit increased at a 26.3% CAGR from £0.4 million to £0.6 million. Last November, the Business Growth Fund acquired a significant minority stake in the business, investing £6.4 million, which valued the then 13-strong group at approximately £25 million. The company, which believes it has the potential to grow to 150 sites, will open in Norwich, Farnham, and Warwick during 2016. Its target is to add at a rate of 10 sites per year over the next three years.

## 22 TGI FRIDAY'S

Last year's position:	<b>28</b>
Sites:	<b>75</b>
Latest revenue:	<b>£174.4 million</b>
Profit growth:	<b>23.9%</b>
Key personnel:	<b>Chairman Neil Johnson; Chief Executive Karen Forrester</b>
Backer:	<b>Electra Partners</b>

Background: TGI Friday's is an ever present in the Growth Company Index, and this year's 22<sup>nd</sup> place finish is an improvement of six places versus last year. Through the Index period, revenue increased from £147.7 million to £174.4 million and Profit increased at a 23.9% CAGR from £18.2 million to £28.0 million. In its most recent accounts (released after the Index closing date) revenue climbed to £193.5 million, an 11.0% increase on the prior year. Electra acquired TGI Friday's UK at the end of 2014, and its investment is set to help the brand expand to 100 sites over the next three to four years. In June 2016, two of the company's non-executive directors, Dame Kate Barker and Francesca Barnes, resigned from their roles on the board and the company has engaged a search firm to find two additional independent non-executive directors. TGI hopes to open up to eight sites this year and has already secured units for its openings pipeline in Bournemouth, Brighton, Newcastle (Eldon Square), Southampton, Stevenage, Stoke, and Telford.

### 23 INCEPTION GROUP

Last year's position:	<b>New entry</b>
Sites:	<b>8</b>
Latest revenue:	<b>£9.1 million</b>
Profit growth:	<b>22.4%</b>
Key personnel:	<b>Co-founders Charlie Gilkes and Duncan Stirling</b>
Backer:	<b>Privately funded</b>

Background: London-based bar and restaurant operator Inception Group features in the Growth Company Index for the first time this year. Through the Index period, revenue increased from £5.9 million to £9.1 million and Profit increased by a 22.4% CAGR from £1.4 million to £2.1 million. Co-founder Charlie Gilkes says that the opening of the second site under the Italian bar and pizzeria brand Bunga Bunga this summer and a planned third iteration of the Mr. Fogg's concept should see the group "getting closer towards £20 million." In April, the Inception Group announced their next venture, Mr. Fogg's Hot Air Balloon Bar, to be launched later this year in London, inspired by the famous novel "Around the World in 80 Days."

### 24 DORBIERE

Last year's position:	<b>Re-entry</b>
Sites:	<b>49</b>
Latest revenue:	<b>£13.4 million</b>
Profit growth:	<b>21.4%</b>
Key personnel:	<b>Managing Director Ebrahim Mukadam</b>
Backer:	<b>Privately funded</b>

Background: Dorbiere Pub Group, the operator of freehold pubs across northern England and the Midlands, has made a return to the Growth Company Index following its sole previous appearance in 2013. Over the Index period, revenue increased from £12.0 million to £13.4 million and Profit increased by a 21.4% CAGR from £1.2 million to £1.8 million. In the company's most up-to-date accounts (released after the Index closing date), Dorbiere's revenue fell by 3.0% to £13.0 million. Managing director Ebrahim Mukadam says he expected at least three pubs from the group's current estate to be sold to fund further growth. The company bought just one site in 2015 – Da Vinci's in Stockport and Mukadam said he hoped to add more in 2016. He said: "Last year a lot of the focus was on improving the current estate."

### 25 HOOK NORTON

Last year's position:	<b>Re-entry</b>
Sites:	<b>37</b>
Latest revenue:	<b>£7.1 million</b>
Profit growth:	<b>20.0%</b>
Key personnel:	<b>Chairman Jonathan Paveley; Managing Director James Clarke</b>
Backer:	<b>Family owned</b>

Background: Hook Norton, the Oxfordshire brewer, has re-entered the Growth Company Index following its only previous appearance in 2014. Over the Index period revenue decreased from £7.4 million to £7.1 million, but Profit increased by a 20.0% CAGR from £0.5 million to £0.7 million. This was driven by cost control and margin improvement. Hook

Norton has since reported results for the year to September 2015 (after the Index closing date), with revenue remaining steady at £7.1 million. Following the resignation of Adrian Staley, James Clarke is now responsible for all aspects of the business. Staley's departure came as the company was launching its first managed site – The Fox – in Chipping Norton. Clarke says: "Nothing has changed there. We remain acquisitive both in the managed and tenanted side of the business, but we are very keen to grow our managed offer after a successful launch with The Fox. We have learnt a lot of lessons, and we are now in a very good position to grow."

## 26 AZZURRI RESTAURANTS

Last year's position:	<b>New entry</b>
Sites:	<b>Approximately 266</b>
Latest revenue:	<b>£217.7 million</b>
Profit growth:	<b>19.7%</b>
Key personnel:	<b>Chairman Harvey Smyth; Chief Executive Stephen Holmes</b>
Backer:	<b>Bridgepoint Capital</b>

Background: This year marks Azzuri's Growth Company Index debut. Over the Index period, revenue increased from £193.9 million to £217.7 million and Profit increased by a 19.7% CAGR from £22.5 million to £32.2 million. Stephen Holmes, chief executive at Azzurri Group, says he believes there is scope for the company's Zizzi and ASK Italian brands to reach 250 sites each in the UK & Ireland. Holmes said that the company has ambitious plans for Zizzi, which reached 145 sites this year, including opening its first site in Ireland, and expects to add between eight and 10 restaurants a year.

## 27 PING PONG

Last year's position:	<b>New entry</b>
Sites:	<b>8</b>
Latest revenue:	<b>£15.2 million</b>
Profit growth:	<b>18.2%</b>
Key personnel:	<b>Chief Executive Art Sagiryan</b>
Backer:	<b>Privately funded</b>

Background: Dim sum chain Ping Pong features in the Growth Company Index for the first time this year. Over the Index period, revenue increased from £14.4 million to £15.2 million and Profit increased by an 18.2% CAGR from £0.9 million to £1.3 million. The group is eyeing a ninth site, refurbishing its current portfolio and planning a lunch trade rebound to recover from a disappointing Christmas trade. Chief executive Art Sagiryan said the group suffered from a lack of consumer confidence toward the end of last year. "Like many others, we had a very late start to the Christmas period – Christmas party bookings really didn't materialise until December. Our performance starting from October onwards was about 5-6% down." The group is looking to open another central London Ping Pong restaurant by the end of the year. "Thereafter we're looking at Manchester, Brighton, Birmingham and so on."

## 28 WAGAMAMA

Last year's position:	<b>36</b>
Sites:	<b>120 in the UK and a further 20 internationally</b>
Latest revenue:	<b>£188.1 million</b>
Profit growth:	<b>16.6%</b>
Key personnel:	<b>Chairman Allan Leighton; Chief Executive David Campbell</b>
Backer:	<b>Duke Street Capital</b>

Background: This year marks Wagamama's second consecutive appearance in the Growth Company Index, having been absent in 2013 and 2014. This year's 28<sup>th</sup> position is an improvement of eight places versus last year. Over the Index period, revenue increased from £141.2 million to £188.1 million and Profit increased by a 16.6% CAGR from £23.2 million to £32.2 million. Chief executive David Campbell said that when he took the job in 2013, he saw a "very strong brand that was very much loved in people's minds, but it felt to me that it had kind of lost a bit of its momentum." To change that, Campbell said he invested in a massive market research campaign, interviewing 5,000 customers in the UK and US. "By the end of the next decade, we definitely want to have created a global brand and in the first instance that's about growing more in the UK," Campbell said. This drive for UK growth is reflected in the group's financial performance, with its most recent

results showing impressive full year like for like growth of 13.1%. The group will open a site in New York this year and currently has “another four or five” London sites in the pipeline.

## 29 PHO

Last year's position:	<b>50</b>
Sites:	<b>19</b>
Latest revenue:	<b>£14.1 million</b>
Profit growth:	<b>16.5%</b>
Key personnel:	<b>Chairman Steve Hill; Co-founders Stephen and Juliette Wall</b>
Backer:	<b>Livingbridge</b>

Background: Pho, the Vietnamese restaurant group, run by Stephen and Juliette Wall, makes its fourth straight appearance in this year's Growth Company Index, rising up 21 places versus last year. Over the Index period, revenue increased from £8.2 million to £14.1 million and Profit increased by a 16.5% CAGR from £1.4 million to £1.9 million. Pho is on track to post revenue of approximately £20 million in its current financial year. Last year, the group secured just over £8 million of new funding from RBS, which should help the group grow to 30 sites over the next two to three years. Pho recently opened in Cambridge and its first launch in the South West in Bristol, whilst it has another three units in legals.

## 30 CHAPMAN GROUP

Last year's position:	<b>Re-entry</b>
Sites:	<b>26</b>
Latest revenue:	<b>£9.5 million</b>
Profit growth:	<b>16.1%</b>
Key personnel:	<b>Co-founders Chris and Delia Chapman</b>
Backer:	<b>Privately funded</b>

Background: This family-run, Sussex-based business was founded in 1983 and has operated pubs, restaurants, hotels and nightclubs. 2016 marks a return to the Growth Company Index, following its only previous appearance in 2013. Over the Index period,

revenue increased from £8.4 million to £9.5 million and Profit increased by a 16.1% CAGR from £1.5 million to £2.0 million. The group now predominantly operates through its Relax Innz brand and revealed last year that it was rolling out a new casual dining and microbrewery concept to selected sites.

## 31 MCMULLEN

Last year's position:	<b>38</b>
Sites:	<b>123</b>
Latest revenue:	<b>£72.5 million</b>
Profit growth:	<b>15.5%</b>
Key personnel:	<b>Joint Managing Directors Peter Furness-Smith and Tom McMullen</b>
Backer:	<b>Family owned</b>

Background: McMullen, the family brewer founded in 1827, has featured in the last four editions of the Growth Company Index and moved up seven places this year. Over the Index period, revenue increased from £63.8 million to £72.5 million and Profit increased by a 15.5% CAGR from £11.1 million to £14.8 million. McMullens has since reported results for the year to September 2015, with revenue increasing by 4.0% to £75.4 million. The group was ahead of the curve in moving away from a purely tied tenanted business and now operates a predominantly managed estate chiefly run under its Chicken & Grill and Destination divisions, with five of its Baroosh bars aimed at a more urban environment.

## 32 CASTLE ROCK

Last year's position:	<b>Re-entry</b>
Sites:	<b>21</b>
Latest revenue:	<b>£9.9 million</b>
Profit growth:	<b>14.2%</b>
Key personnel:	<b>Managing Director Colin Wilde</b>
Backer:	<b>Privately owned</b>

Background: Castle Rock has returned to the Growth Company Index, following a three year absence. Over the Index period, revenue increased from £7.4 million to £9.9 million and Profit increased by a 14.2%

CAGR from £0.9 million to £1.2 million. The group has seen revenue and profitability grow through strong performances across both its brewing and pub businesses. Last year it shed some of its under-performing sites and created its management services division, The Beer Consortium.

### 33 AMBER TAVERNS

Last year's position:	<b>22</b>
Sites:	<b>119</b>
Latest revenue:	<b>£43.3 million</b>
Profit growth:	<b>12.6%</b>
Key personnel:	<b>Managing Directors James Baer and Bryan Wardman; Chairman Clive Preston</b>
Backer:	<b>BlueBay Asset management and MxP Partners LLP</b>

Background: Amber Taverns has featured in every edition of the Growth Company Index, but has fallen 11 places this year to 33<sup>rd</sup>. Over the Index period, revenue increased from £33.2 million to £43.3 million and Profit increased by a 12.6% CAGR from £7.3 million to £9.2 million. In the company's most up-to-date accounts (released after the Index closing date), revenue increased by a further 21.5% to £52.6 million. The group has blazed a trail both in terms of making a virtue of its wet-led offer and pioneering the use of the operator agreement. Over the past year, the company has launched a South Wales division and continued to expand its geography further into the Midlands.

### 34 CARLUCCIO'S

Last year's position:	<b>25</b>
Sites:	<b>100 in the UK and a further 19 internationally</b>
Latest revenue:	<b>£128.3 million</b>
Profit growth:	<b>12.5%</b>
Key personnel:	<b>Chief Executive Neil Vickers</b>
Backer:	<b>Landmark Group</b>

Background: Carluccio's has featured in the last four editions of the Growth Company Index – this year's 34<sup>th</sup> place is a drop of nine places versus last year. Over

the Index period, revenue increased from £96.3 million to £128.3 million and Profit increased by a 12.5% CAGR from £11.8 million to £14.9 million. In the company's most up-to-date accounts (released after the Index closing date), revenue increased by a further 7.4% to £137.8 million. Over the last few months, Carluccio's has launched a new grab and go format called Via, secured its first hotel site in Regent's Park with Marriott Hotels and added pizza to its menus at the first of its "new generation" restaurants, in Spitalfields. The group is geared up for further expansion, both in the UK and internationally, following the recent opening of its 100<sup>th</sup> UK site in Gateshead. During last the year the group opened its first site in the US, in Virginia and is set to open a second imminently.

### 35 HYDES

Last year's position:	<b>Re-entry</b>
Sites:	<b>Approximately 57</b>
Latest revenue:	<b>£22.3 million</b>
Profit growth:	<b>12.2%</b>
Key personnel:	<b>Managing Director Chris Hopkins</b>
Backer:	<b>Privately funded</b>

Background: This year marks Hydes' first appearance in the Growth Company Index for four years. Over the Index period, revenue increased from £17.0 million to £22.3 million and Profit increased by a 12.2% CAGR from £3.4 million to £4.2 million. In September the company strengthened its portfolio with the acquisition of four pubs from the Woodward & Falconer Pub Co. portfolio. The company said it plans to add one to two sites a year to its food-led destination arm but remains committed to its wet-led pubs.

### 36 PREZZO

Last year's position:	<b>New entry</b>
Sites:	<b>235</b>
Latest revenue:	<b>£189.9 million</b>
Profit growth:	<b>11.9%</b>
Key personnel:	<b>Chairman Dirk Eller; Chief Executive Jon Hendry-Pickup</b>
Backer:	<b>TPG Capital</b>

Background: This year is Prezzo's first appearance in the Growth Company Index, following its acquisition by TPG Capital in January of last year. Over the Index period, revenue increased from £144.5 million to £189.9 million and Profit increased by an 11.9% CAGR from £26.8 million to £33.6 million. TPG Capital bought the Italian casual dining chain for £303.7 million with one of its operating partners, Dirk Eller, taking over as interim chief executive in June last year. It recently appointed Jon Hendry-Pickup, formerly of Travelodge and Tesco, as its new chief executive, with Eller becoming chairman. The company announced a flurry of openings at the end of last year – with 11 sites launching between October and December - and is expected to keep up the pace throughout 2016.

### 37 YO! SUSHI

Last year's position:	<b>40</b>
Sites:	<b>90</b>
Latest revenue:	<b>£75.8 million</b>
Profit growth:	<b>11.7%</b>
Key personnel:	<b>Chief Executive Robin Rowland OBE</b>
Backer:	<b>Mayfair Equity Partners</b>

Background: Yo! Sushi has appeared in all but one edition of the Growth Company Index, the lone omission being 2014. This year's 37<sup>th</sup> position is an improvement of three places versus last year. Over the Index period, revenue increased from £62.6 million to £75.8 million and Profit increased by an 11.7% CAGR from £8.1 million to £10.1 million. Mayfair acquired the controlling interest in YO! Sushi from Quilvest Private Equity in a deal valuing the business at £81 million. Following the deal, Vanessa Hall stepped down as chief executive, with chairman Robin Rowland stepping back into the role. The company has continued to strengthen its estate both in the UK and fledgling US portfolio.

### 38 PRET A MANGER

Last year's position:	<b>27</b>
Sites:	<b>Over 350</b>
Latest revenue:	<b>£593.6 million</b>

Profit growth:	<b>11.3%</b>
Key personnel:	<b>Chief Executive Clive Schlee</b>
Backer:	<b>Privately funded</b>

Background: Pret has featured in every edition of the Growth Company Index – this year's 38<sup>th</sup> position is a drop of 11 places versus last year. Over the Index period, revenue increased from £443.8 million to £593.6 million and Profit increased by an 11.3% CAGR from £62.3 million to £77.2 million. Pret has recently released updated accounts to December 2015 (released after the Index closing date) reporting 13.9% revenue growth to £676.2 million. Pret has continued to expand and refine its offer as its market share at lunchtime remains strong. The company opened its first university site in Exeter in April and is planning more university and hospital sites. Pret also recently launched a vegetarian-influenced pop-up in Soho to gauge consumer interest in new menu items.

### 39 ST AUSTELL

Last year's position:	<b>33</b>
Sites:	<b>168</b>
Latest revenue:	<b>£125.4 million</b>
Profit growth:	<b>10.5%</b>
Key personnel:	<b>Managing Director James Staughton</b>
Backer:	<b>Privately funded</b>

Background: St Austell is an ever present in the Growth Company Index, this year dropping six places to 39<sup>th</sup>. Over the Index period, revenue increased from £106.0 million to £125.4 million and Profit increased by a 10.5% CAGR from £13.4 million to £16.3 million. In the company's most up-to-date accounts (released after the Index closing date), St Austell's revenue increased by 9.6% to £137.4 million. Since the Index was finalised, St Austell announced the acquisition of Bath Ales, which included beer brands, pubs, and the Graze steak dining concept. The family brewer also continued to expand both its managed and tenanted estates throughout last year with a strong focus on driving accommodation and food sales. It is targeting an expansion of its geography into the south west and is experimenting with styles, exemplified by its award-winning Samuel Jones craft beer bar concept in Exeter.

## 40 CRUSHH

Last year's position:	<b>Re-entry</b>
Sites:	<b>26</b>
Latest revenue:	<b>£13.2 million</b>
Profit growth:	<b>10.1%</b>
Key personnel:	<b>Chairman Jonathan Hart, Managing Director Shane Kavanagh</b>
Backer:	<b>Hattington Capital</b>

Background: Crussh, the smoothie chain founded in 1998, makes its second entry to the Growth Company Index, following its sole previous appearance in 2012. Over the Index period, revenue increased from £9.8 million to £13.2 million and Profit increased by a 10.1% CAGR from £0.5 million to £0.6 million. In April, the company appointed Shane Kavanagh, former managing director of Benugo, as its new chief executive. He joined the 26-strong group after over 12 years at Benugo, firstly as operations director then as managing director. He joined the group as founder Chris Fung stepped aside as chief executive to explore new opportunities. Fung remains as a shareholder and advisor to the company, which he founded 12 years ago with James Learmond.

## 41 BEDS AND BARS

Last year's position:	<b>30</b>
Sites:	<b>26</b>
Latest revenue:	<b>£35.8 million</b>
Profit growth:	<b>9.2%</b>
Key personnel:	<b>Chief Executive Keith Knowles; Managing Director Murray Roberts</b>
Backer:	<b>Privately funded</b>

Background: Beds and Bars have featured in the last four editions of the Growth Company Index – this year's 41<sup>st</sup> position is a drop of 11 places versus last year. Over the Index period, revenue increased from £26.0 million to £35.8 million and Profit increased by a 9.2% CAGR from £3.5 million to £4.2 million. The company embarked on a £7 million investment at key London sites at the start of this year, which includes a

£5 million spend on its Village site in Southwark. Last November, the pan-European bar, and hostel company signed an agreement which meant the Copenhagen Downtown Hostel became the first franchise member of its St Christopher's Network, the debut franchise option from its St Christopher's Inns brand.

## 42 GLENDOLA LEISURE

Last year's position:	<b>34</b>
Sites:	<b>17</b>
Latest revenue:	<b>£34.0 million</b>
Profit growth:	<b>9.0%</b>
Key personnel:	<b>Managing Director Alex Salussolia</b>
Backer:	<b>Privately funded</b>

Background: Glendola has featured in every edition of the Growth Company Index – its 42<sup>nd</sup> position this year is a drop of eight places. Over the Index period, revenue increased from £28.5 million to £34.0 million and Profit increased by a 9.0% CAGR from £3.8 million to £4.6 million. Last year Glendola acquired Edinburgh-based Saltire Taverns, comprising Le Monde on George Street and Angel's Share in Hope Street. Glendola Leisure is set to open its first brewpub and is also planning to invest in the Saltire Taverns sites over the next 12 months. Salussolia hopes to open the company's latest Bar & Beef in Manchester's Corn Exchange by September.

## 43 MOTO

Last year's position:	<b>Re-entry</b>
Sites:	<b>60</b>
Latest revenue:	<b>£803.4 million</b>
Profit growth:	<b>8.6%</b>
Key personnel:	<b>Chief Executive Tim Moss</b>
Backer:	<b>Universities Superannuation Scheme Ltd (USS)</b>

Background: Moto has featured in all but one edition of the Growth Company Index, the sole exception being last year. Over the Index period, revenue decreased from £849.5 million to £803.4 million whilst Profit increased by an 8.6% CAGR, from £77.1 million to

£90.9 million, driven by a reduction in operating costs. In the company's most up-to-date accounts (released after the Index closing date), Moto's revenue decreased further to £759.5 million. Last October, the Universities Superannuation Scheme Ltd (USS) announced it had reached two separate agreements to acquire 100% interest in the Moto Group, the largest motorway service station operator in the UK, for an undisclosed sum.

#### 44 G1 GROUP

Last year's position:	<b>31</b>
Sites:	<b>50+</b>
Latest revenue:	<b>£69.7 million</b>
Profit growth:	<b>7.4%</b>
Key personnel:	<b>Chief Executive Stefan King</b>
Backer:	<b>Privately funded</b>

Background: Scotland-based G1 Group is an ever present in the Growth Company Index – this year's 44<sup>th</sup> position is a drop of 13 places from last year. Over the Index period, revenue increased from £64.2 million to £69.7 million whilst Profit increased by a 7.4% CAGR, from £16.8 million to £19.4 million. The group undertook a significant capex programme in the year, with £5.3 million invested across the estate, £4.9 million of which was invested in acquiring new properties. The group acquired the Espionage clubs in Edinburgh and Aberdeen and the property housing the Jam House in Edinburgh. Operations director Michael Horan stepped down from G1 Group in June.

#### 45 KFC UK

Last year's position:	<b>Re-entry</b>
Sites:	<b>Approximately 900</b>
Latest revenue:	<b>£478.1 million</b>
Profit growth:	<b>7.1%</b>
Key personnel:	<b>Managing Director Martin Shuker</b>
Backer:	<b>Yum! Brands</b>

Background: KFC UK has featured in four of the five editions of the Growth Company Index, its only absence being last year. Over the Index period, revenue increased from £423.3 million to £478.1 million whilst Profit increased by a 7.1% CAGR from £73.7 million to £84.5 million. Martin Shuker, managing director of KFC UK and Ireland, said that 2015 was "another year of positive sales growth." On the back of reporting a 7.1% revenue rise in the year to 30 November 2014, Shuker said that 2015's growth was driven by "The rapid roll-out of our new restaurant design – in around 600 stores by the end of the year - which has step changed the store experience for our customers." The company believes it can build at least another 200 sites under a new smaller footprint format in the UK & Ireland.

#### 46 JW LEES

Last year's position:	<b>43</b>
Sites:	<b>150</b>
Latest revenue:	<b>£64.0 million</b>
Profit growth:	<b>6.8%</b>
Key personnel:	<b>Managing Director William Lees-Jones</b>
Backer:	<b>Family owned</b>

Background: JW Lees is an ever present in the Growth Company Index – this year's 46<sup>th</sup> place is a drop of three places versus last year. Over the Index period, revenue increased from £59.2 million to £64.0 million whilst Profit increased by a 6.8% CAGR from £9.2 million to £10.5 million. William Lees-Jones, the managing director of JW Lees, says that the company plans to add five to 15 pubs a year after completing a five-year program of reinvestment into the business. He said the group was currently in negotiations on six sites and would consider a group deal to accelerate growth.

#### 47 EVERARDS

Last year's position:	<b>35</b>
Sites:	<b>170</b>
Latest revenue:	<b>£31.6 million</b>
Profit growth:	<b>6.7%</b>
Key personnel:	<b>Chief Executive Stephen Gould</b>
Backer:	<b>Family owned</b>

Background: Everards has featured in the last four editions of the Growth Company Index – this year's 47<sup>th</sup> place is a drop of 12 places versus the last Index. Over the Index period, revenue increased from £29.8 million to £31.6 million whilst Profit increased by a 6.7% CAGR from £6.9 million to £7.8 million. The company has focused on refurbishing the current estate and said that of the 30 projects undertaken over the last three years approximately 65% was spent on income enhancing elements, with the balance spent on defending and protecting existing levels of income for all parties.

#### 48 HALL & WOODHOUSE

Last year's position:	<b>37</b>
Sites:	<b>185</b>
Latest revenue:	<b>£109.5 million</b>
Profit growth:	<b>6.5%</b>
Key personnel:	<b>Managing Director Anthony Woodhouse; Director of the Business Partnerships (tenanted) division Matt Kearsey</b>
Backer:	<b>Family owned</b>

Background: Hall & Woodhouse has been present in the last three editions of the Growth Company Index – its current position of 48<sup>th</sup> is a drop of 11 places versus last year. Over the Index period, revenue increased from £96.8 million to £109.5 million whilst Profit increased by a 6.5% CAGR from £15.3 million to £17.3 million. The group is gearing up for expansion in its tenanted arm and is likely to match this year's record capex spend of £3.5 million in the estate. Matt Kearsey, director of the Business Partnerships (tenanted) division said the company was looking to add eight to 10 new sites in the next few years in its core area – below the M4 between Exeter and Tunbridge Wells.

#### 49 PEACH PUB COMPANY

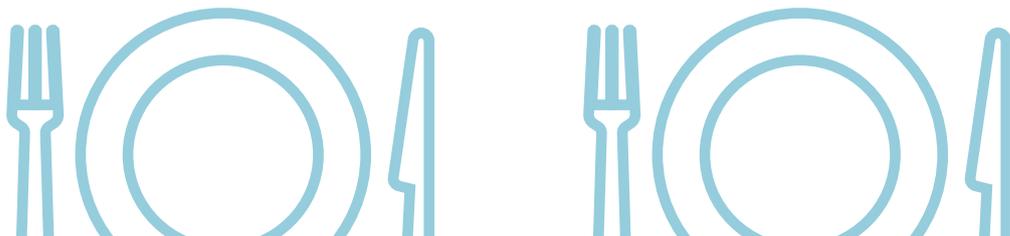
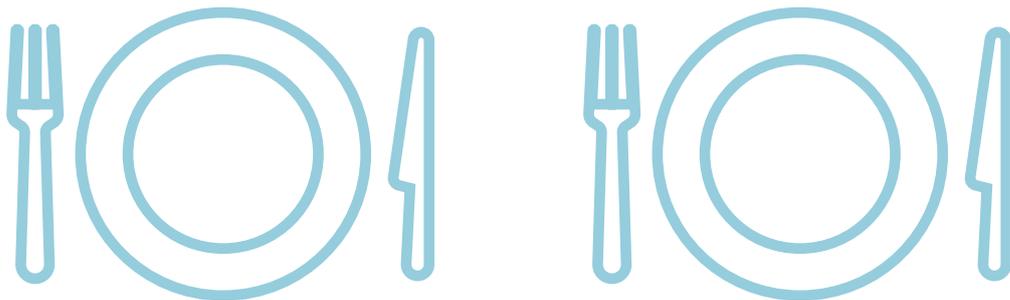
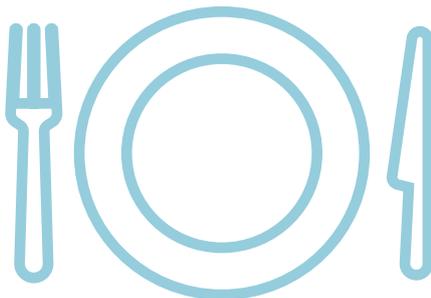
Last year's position:	<b>46</b>
Sites:	<b>18</b>
Latest revenue:	<b>£22.0 million</b>
Profit growth:	<b>5.9%</b>
Key personnel:	<b>Co-founders, Lee Cash and Hamish Stoddart</b>
Backer:	<b>Privately funded</b>

Background: Peach Pubs is an ever present in the Growth Company Index – its 49<sup>th</sup> position in the Index is a drop of three places versus last year. Over the Index period, revenue increased from £19.3 million to £22.0 million whilst Profit increased by a 5.9% CAGR from £2.0 million to £2.3 million. The 18-strong company added a 13-room boutique hotel to its High Field site in Edgbaston, Birmingham. Co-founder Hamish Stoddart said the company was ready to "go to the next stage," which includes joining forces with other companies to enhance purchasing power.

#### 50 SIR JOHN FITZGERALD

Last year's position:	<b>Re-entry</b>
Sites:	<b>21</b>
Latest revenue:	<b>£18.4 million</b>
Profit growth:	<b>5.7%</b>
Key personnel:	<b>Chief Executive David Horgan</b>
Backer:	<b>Family owned</b>

Background: Sir John Fitzgerald has returned to the Growth Company Index following its only previous appearance in 2014. Over the Index period, revenue increased from £17.5 million to £18.4 million whilst Profit increased by a 5.7% CAGR from £1.5 million to £1.7 million. For 100 years Sir John Fitzgerald has been offering real ale and pub food across the North East through its pubs in Newcastle, Sunderland, Middlesbrough, and Whitley Bay. The company also operates the Café Royal restaurant in Newcastle. It has spent the last couple of years consolidating its estate and enhancing its food offer, complete with the launch of its own chef academy. **A**



## ALIXPARTNERS EATING AND DRINKING OUT ADVISORY CREDENTIALS

<p>UK</p>  <p>Managed pub operator <b>VALUE £55 MILLION</b></p> <p>Advisor to vendor</p>	<p>UK</p>  <p>Cocktail bar chain <b>VALUE UNDISCLOSED</b></p> <p>Advisor to vendor</p>	<p>UK</p>  <p>Restaurant group <b>VALUE UNDISCLOSED</b></p> <p>Acquisition advisory</p>
<p>UK</p>  <p>Restaurant group <b>VALUE £85 MILLION</b></p> <p>Acquisition advisory</p>	<p>UK</p>  <p>Vietnamese restaurant group <b>VALUE UNDISCLOSED</b></p> <p>Advisor to board</p>	<p>UK</p>  <p>Italian restaurant group <b>VALUE £37 MILLION</b></p> <p>Advisor to vendor</p>

### ABOUT THE AUTHORS

If you wish to contact the authors please email Paul Hemming, Graeme Smith, Patrick Marrinan and Craig Rachel.

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