

Azzurri Group

2015-16 Financial Results

Good Performance Driven by Organic Growth and New Sites

Azzurri Group, a market leader in the Italian casual dining sector through its Zizzi, ASK Italian and Coco di Mama brands, today announces its financial results for the year ended 26 June 2016.

Financial Highlights

- Sales increased by 5.0% to £233.8m, with like-for-like growth across all three brands
- Margins stable at 15%
- Adjusted EBITDA grew by 6.4% to £35.0m

Operational Highlights

- Highly successful acquisition of Coco di Mama during the year, which has subsequently almost doubled in size
 - 5 new Coco di Mama sites opened since acquisition taking total to 11
- Completion of ASK Italian repositioning program which has delivered strong double-digit profit growth for each of the last four years
 - 4 new ASK Italian sites opened taking total to 112
- Accelerated opening programme at Zizzi including first international site, in the Republic of Ireland
 - 11 new Zizzi sites opened taking total to 145
- Growth, in a more competitive environment, driven by –
 - **Continued investment in estate** - 27 refurbishments in an evolved look-and-feel
 - **Innovative and healthy food** – significant success from vegan cheese menu options and now offering Thomson & Scott Skinny Prosecco, the first chain to do either
 - **People** – successful focus on increasing team stability through career progression opportunities and investment in training, including with Theo Randall
 - **Delivery** - ASK Italian and Zizzi partnership with Deliveroo delivering additional revenue and providing access to the fast-growing home delivery market

Outlook

- Pipeline of new sites for all three brands, particularly Coco di Mama
- December opening of **Radio Alice Pizzeria** in Hoxton Square, in partnership with Matteo and Salvatore Aloe (owners of the iconic Berbere in Italy) and Emma King (a co-founder of Gail's Bakery)

Steve Holmes, CEO of Azzurri Group, commented:

“2016 has been another successful year for Azzurri Group. We are pleased to have achieved like-for-like revenue growth across all three brands, with Coco di Mama in particular delivering excellent growth since it was acquired at the start of the year. Revenues grew by 5% translating into EBITDA growth of 6.4%. We continued to expand our estate with the opening of 20 new sites, including our first restaurant outside the UK with the opening of a Zizzi site in the Republic of Ireland.

“Continually investing in keeping our restaurant design and food offering contemporary, fresh and exciting for consumers is a key part of our business strategy, and has been instrumental in driving sales for the year. We believe our constant focus on evolving with consumer trends is a key part of what enables us to continue to deliver positive results in an increasingly competitive market.

“This year marked the completion of our major repositioning programme for ASK Italian, which began in 2010. Our estate of 112 restaurants across the UK have now all been fully re-designed, with the refurbishments continuing to deliver strong returns.

“Zizzi’s continued performance and its strength of brand gave us the confidence to accelerate its openings programme, with 11 new UK sites in the year. We continued to invest in evolving the look of Zizzi restaurants, and 16 sites now support our latest enhanced design.

“Alongside new site openings, we have broadened the reach of ASK Italian and Zizzi by partnering with Deliveroo. Nearly half of our ASK Italian and 72 of our Zizzi sites now offer Deliveroo, with a vision to expand this in the future. The partnership gives us access to the fast-growing home delivery market and provides the restaurants offering the service additional revenues.

“Since our acquisition of Coco di Mama at the beginning of the financial year, it has been performing exceptionally well. We have doubled the size of the estate, including an additional London opening outside of Coco di Mama’s City heartland, which has also delivered excellent returns and confirmed our belief that the brand can trade successfully across various locations.

“We have a strong pipeline of new openings across our estate, with particularly ambitious growth plans for Coco di Mama, which we have every confidence will become part of the small group of players leading the London quick service restaurant space.”

“In November, we will be launching a new restaurant brand in partnership with Matteo and Salvatore Aloe (owners of the iconic Berbere Pizzeria in Italy) and Emma King (a co-founder of Gail’s Bakery). ‘Radio Alice’ will open in an old school building on Hoxton Square and serve pizzas made with a sourdough of ancient grains, topped with seasonal and innovative ingredients.

“Looking ahead, there is likely to be a more challenging environment due to economic uncertainty following the Brexit vote although there has been no impact on our trading so far. Overall, we are confident that all of Azzurri Group’s brands are well positioned for future growth.”

Enquiries

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