

## Azzurri Group

### 2016-17 Financial Results

#### **Continued success across all brands; strong performance with like-for-like growth**

Azzurri Group, a market leader in the Italian casual dining sector through its Zizzi, ASK Italian, Coco di Mama and Radio Alice brands, today announces its financial results for the year ended 2 July 2017.

#### **Financial Highlights**

- Sales increased by 12.5% year on year to £262.8m, with good like-for-like growth; fifth consecutive year of like-for-like and EBITDA growth for Zizzi and ASK Italian
- Adjusted EBITDA grew by 8.6% to £38.0m\*
- Successful mitigation of industry-wide cost pressures meant EBITDA margin fell only slightly to 14.5%, from 15% the prior year

#### **Operational Highlights**

- An overall strong performance against a more challenging backdrop, driven by:
  - Continued investment in the estate – 17 new site openings plus 31 refurbishments
  - Constant innovation of menus to meet evolving consumer tastes
  - Increased sales from delivery
- **Zizzi** achieved good like-for-like revenue and profit growth
  - Refurbishments into the latest design, now in just under 40% of the estate are delivering exceptional returns
  - Continued site growth with five new openings, including a second restaurant in Ireland
- A strong year for **ASK Italian**, with particularly strong performances from new and refurbished sites
  - Driven by four new openings and refurbishment of nine restaurants
- Success of **Coco di Mama** continued, with strength and awareness of the brand growing
  - Six new store openings in the year, nearly trebling estate since 2015 acquisition
- 2016 saw the launch of new brand **Radio Alice**, currently operating two sites, which has been well received by customers

#### **Outlook**

- The new financial year has started with good momentum and positive trading
- Strong pipeline of new sites across the group
- Anticipate another year of good progress

#### **Steve Holmes, CEO of Azzurri Group, commented:**

“2017 was another successful year for Azzurri, as the group consolidates its position as a leading player in the UK eating out market. Sales increased by 12.5% with good like-for-like growth, as our brands continued to gain market share. Group adjusted EBITDA grew by 8.6%, while the careful management of industry wide cost pressures meant our margin declined only slightly to 14.5%. Our core brands, Zizzi and ASK Italian, have both delivered their fifth consecutive years of like-for-like and EBITDA growth.

“We have continued to expand our estate with a total of 17 successful new openings in the year, bringing our total number of sites to 280. Investment in our existing estate is fundamental to our strategy and ensures our brands remain relevant in today’s market; 31 sites have undergone refurbishments, which are delivering very strong returns.

\* Adjusted EBITDA is defined as EBIT plus depreciation and amortisation, goodwill amortisation, items of a one-off non-recurring nature and pre-opening costs, which totalled £1.8m

“Menu innovation is also a key part of our strategy and has been instrumental in us remaining competitive in the market. We are constantly evolving our menus and introducing new dishes so that our offer stays fresh and interesting to consumers and their changing tastes. For example, we have broadened our range of vegan dishes across our brands and introduced a new pizza range in ASK Italian.

“Takeaway and home delivery is becoming increasingly important for Azzurri’s brands; it is our belief that delivery can fulfil new at-home occasions rather than leading to the cannibalisation of our restaurants. Last year we increased our sales both through Deliveroo and owned channels, and we have since invested significantly in developing state-of-the-art takeaway packaging for Zizzi.

“Zizzi continued its strong performance in 2017, achieving above-market like-for-like revenue and profit growth. We are seeing exceptional returns following the roll out of newly-renovated Zizzis which now comprise just under 40% of the estate. We opened five new Zizzi sites in 2017, including our second restaurant in Ireland, a market in which the brand is being well received.

“ASK Italian performed very well; we opened four new sites and transformed nine restaurants to an evolved look and feel, which have been positively received by customers. These refurbished sites have been delivering exceptionally strong returns.

“Coco di Mama has continued to trade successfully. We have nearly tripled the size of the estate since we acquired the business in 2015, including six new openings last year. As the brand grows, we are focussed on developing its proposition; we have refurbished two sites and have improved our pasta and breakfast offering. We have also extended our opening hours to cater for early evening customers. The strength and awareness of Coco di Mama is increasing, and the new openings outside Coco di Mama’s City heartland in Piccadilly and Westminster suggest it has potential for growth beyond London.

“In November last year we were pleased to launch our new pizzeria brand, Radio Alice, 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). There are now two Radio Alice sites, in Hoxton Square and Clapham, and the concept has been well received by customers.

“Azzurri has begun the new financial year with good momentum and positive trading despite the challenging environment. We see opportunities for all our brands to expand further in the UK, and have a strong pipeline of new sites for the year ahead.”

## **Enquiries**

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## **About Azzurri Group:**

- The Azzurri Group is a market leader in the Italian Casual dining sector through its Zizzi, ASK Italian, Coco di Mama and Radio Alice brands
- Azzurri operates total of 280 sites in the UK and two restaurants in the Republic of Ireland
  - Zizzi: 147 UK sites and two ROI sites
  - ASK Italian: 112 UK sites
  - Coco di Mama: 17 shops, all in London
  - Radio Alice: Two restaurants, both in London
- Azzurri employs over 6,000 staff and serves over 17 million meals annually

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