



Mabel Mezzco Limited

**Interim report
as at and for the 22-week period to
September 29, 2019**

Second Quarter 2019 highlights

Financial highlights

- Turnover¹ increased 11.0% to £93.5 million in Q2 2019 with the continued expansion of our restaurants in the UK (6 new restaurants and 1 delivery kitchen opening in the quarter), 6.3% UK like for like sales growth and 12.5% US like for like sales growth.
- Adjusted EBITDA up 27.2% in Q2 2019 to £16.7 million from £13.2 million in Q2 2018/19 (13 weeks).
- Adjusted EBITDA margin at 18.1% in Q2 2019 compared to 15.7% in Q2 2018/19.
- 5.1% UK outperformance of the market in Q2 2019 and traded ahead of the competition consistently for over 5 years (287 weeks).

Operational highlights

- Investment in our people, product and property continuing to drive key metrics, including top ranking against our competitors for net promoter score (NPS), low team turnover and delivering double digit adjusted EBITDA growth.
- Synergy savings as part of the wider TRG Group continue to be realised in Q2 2019.
- 2 transformational refurbishments completed in Q2 at Stratford and Exeter.

YTD Second Quarter 2019 highlights

Financial highlights

- Turnover¹ increased 12.4% to £154.0 million in YTD Q2 2019 with the continued expansion of our restaurants in the UK (7 new openings), 8.9% UK like for like sales growth and 12.5% US like for like sales growth.
- Adjusted EBITDA up 36.7% in YTD Q2 2019 to £25.7 million from £18.8 million in YTD Q2 2018/19 (22 weeks).
- 6.4% UK outperformance of the market in YTD Q2 2019 and traded ahead of the competition consistently for over 5 years (287 weeks).

Operational highlights

- Investment in our people, product and property continuing to drive key metrics, including top ranking against our competitors for net promoter score (NPS), low team turnover and delivering double digit adjusted EBITDA growth.
- Synergy savings as part of the wider TRG Group realised throughout YTD Q2 2019.
- 2 new sites, Heathrow T3 and Old Street, 4 conversion sites and 1 delivery kitchen completed so far this year. 2 transformational refurbishments completed at Stratford and Exeter, bringing Kaizen design and new covers.
- Strong pipeline of sites for Q3 and 2020, including the two more conversion sites opened in early Q3.

¹ Turnover includes franchise income

Emma Woods, CEO, commented

Great businesses are built from dedicated people, a commitment to always be on the side of their customers and a galvanising sense of purpose. wagamama has always followed this model, and I am thrilled to say has delivered another quarter of strong outperformance versus the market with a number of record restaurant sales weeks.

We look forward to 2020, and whilst we don't expect to be immune to the various headwinds facing our industry, we will stay true to our positive culture and growth mindset.

Results of operations

Second Quarter 2019 compared with Second Quarter 2018/19

Note: Q2 2018/19 was a 12 week period ended 11 November 2018. Q2 2019 is however a 13 week period ended 29 September 2019 after a short 9 week Q1 in order to align the reporting calendar with our parent company TRG Plc. 13 week profit and loss comparatives are therefore shown below together with the original 12 week comparative reported.

Turnover

Turnover increased 11.0% to £93.5 million in Q2 2019 from £84.2 million in Q2 2018/19 (13 weeks). A geographic and business line analysis of our turnover follows:

£ million	Q2 2019 13 weeks	Q2 2018/19 12 weeks	Q2 2018/19 13 weeks	% change 13 weeks
Company-operated UK	88.8	78.0	80.8	9.9%
Company-operated US	3.8	2.7	2.6	46.2%
Franchise	0.9	0.8	0.8	12.5%
Total	93.5	81.5	84.2	11.0%

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 9.9% to £88.8 million in Q2 2019 from £80.8 million in Q2 2018/19 (13 weeks). This was due to 6.3% like for like sales growth and an increase in the number of sites from 135 open at the end of Q2 2018/19 (13 weeks) to 142 open at the end of Q2 2019.

Turnover in our restaurant business in the United States increased 46.2% (34.6% in USD terms) to £3.8 million (\$4.7 million) in Q2 2019 from £2.6 million (\$3.5 million) in Q2 2018/19 (13 weeks), reflecting growth in like-for-like sales.

International franchised restaurants

Turnover from our international franchised restaurants remained in line at £0.9 million in Q2 2019 and £0.8 million in Q2 2018/19 (13 weeks) reflecting a higher level of royalties and marketing revenue in Q2 2019 but a lower level of restaurant opening fees.

Cost summary

£ million	Q2 2019 13 weeks	Q2 2018/19 12 weeks	Q2 2018/19 13 weeks	% change 13 weeks
Cost of sales	54.0	47.7	49.3	9.6%
Administrative expenses before exceptional items	31.0	31.4	30.0	3.1%
Exceptional items	1.8	1.6	1.7	2.2%
Net interest payable	2.6	2.4	2.5	3.4%
Tax on loss on ordinary activities	1.3	0.3	1.1	19.9%

Cost of sales

Gross profit has increased 15.3% from £34.2 million in Q2 2018/19 (13 weeks) to £39.4 million in Q2 2019. The growth in the estate and the like for like sales growth were the primary causes of this increase offset by the benefit of synergy savings as part of the wider TRG Group.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 3.1% to £31.0 million in Q2 2019 from £30.0 million in Q2 2018/19 (13 weeks). An increase in overhead costs and depreciation commensurate with the addition of new restaurants together with the increase in central overhead expenses has been offset through both operational efficiencies and synergy savings as part of the wider TRG group.

Exceptional items

Exceptional administrative expenses remained in line at £1.7 million in Q2 2018/19 (13 weeks) and £1.8 million in Q2 2019. The charge in Q2 2019 related to costs to support the achievement of synergy savings. The charge in Q2 2018/19 related to the strategic review of the business.

Net interest payable and similar charges

Net interest payable and similar charges remained in line at £2.5 million in Q2 2018/19 (13 weeks) and £2.6 million in Q2 2019 principally reflecting the interest charge on the Group's bond debt.

Tax on loss on ordinary activities

The tax charge on profit on ordinary activities increased from £1.1 million in Q2 2018/19 (13 weeks) to £1.3 million in Q2 2019. This reflects an increased level of underlying profitability.

YTD Q2 2019 compared with YTD Q2 2018/19

Note: YTD Q2 2018/19 was a 28 week period. YTD Q2 2019 is a 22 week in order to align the reporting calendar with our parent company TRG Plc. 22 week profit and loss comparatives are therefore shown below together with the original 28 week comparative reported and as included within the following financial statements.

Turnover

Turnover increased 12.4% to £154.0 million in YTD Q2 2019 from £137.0 million in YTD Q2 2018/19 (22 weeks). A geographic and business line analysis of our turnover follows:

£ million	YTD Q2 2019 22 weeks	YTD Q2 2018/19 28 weeks	YTD Q2 2018/19 22 weeks	% change 22 weeks
Company-operated UK	146.4	171.1	131.2	11.6%
Company-operated US	6.2	5.9	4.4	40.9%
Franchise	1.4	1.9	1.4	0.0%
Total	154.0	178.9	137.0	12.4%

Company-operated restaurants

Turnover in our restaurant business in the United Kingdom increased 11.6% to £146.4 million in YTD Q2 2019 from £131.2 million in YTD Q2 2018/19 (22 weeks). This was due to 8.9% like for like sales growth and an increase in the number of sites from 135 open at the end of Q2 2018/19 (22 weeks) to 142 open at the end of Q2 2019.

Turnover in our restaurant business in the United States increased 40.9% (32.3% in USD terms) to £6.2 million (\$7.7 million) in YTD Q2 2019 from £4.4 million (\$5.9 million) in Q2 2018/19 (22 weeks), reflecting growth in like-for-like sales.

International franchised restaurants

Turnover from our international franchised remained in line at £1.4 million in YTD Q2 2019 and £1.4 million in YTD Q2 2018/19 (22 weeks) reflecting a higher level of royalties but a lower level of restaurant opening fees.

Cost summary

£ million	YTD Q2 2019 22 weeks	YTD Q2 2018/19 28 weeks	YTD Q2 2018/19 22 weeks	% change 22 weeks
Cost of sales	90.2	105.8	81.4	10.9%
Administrative expenses before exceptional items	51.2	66.9	50.4	1.7%
Exceptional items	2.0	3.1	1.9	11.1%
Net interest payable	4.4	5.3	4.1	7.3%
Tax on loss on ordinary activities	2.2	1.7	1.5	46.7%

Cost of sales

Gross profit has increased by 17.7% from £54.2 million in YTD Q2 2018/19 (22 weeks) to £63.8 million in YTD Q2 2019. The growth in the estate and the like for like sales growth were the primary causes of this increase as well as the benefit of synergy savings as part of the wider TRG Group.

Administrative expenses before exceptional items

Administrative expenses before exceptional items increased 1.7% to £51.2 million in YTD Q2 2019 from £50.4 million in YTD Q2 2018/19. An increase in overhead costs and depreciation commensurate with the addition of new restaurants together with the increase in central overhead expenses has been offset through both operational efficiencies and synergy savings as part of the wider TRG group.

Exceptional items

Exceptional administrative expenses have increased from £1.9 million in YTD Q2 2018/19 (22 weeks) to £2.0 million in YTD Q2 2019. The charge in YTD Q2 2019 related to costs to support the achievement of synergy savings. The charge in YTD Q2 2018/19 (22 weeks) related to the strategic review of the business.

Net interest payable and similar charges

Net interest payable and similar charges have remained broadly in line at £4.1 million in YTD Q2 2018/19 (22 weeks) to £4.4 million in YTD Q2 2019 principally reflecting the interest charge on the Group's bond debt.

Tax on loss on ordinary activities

The tax charge on profit on ordinary activities increased from £1.5 million in YTD Q2 2018/19 (22 weeks) to £2.2 million in YTD Q2 2019. This reflects an increased level of underlying profitability.

Cash flow

The cash balance at the end of Q2 2019 was £22.4 million compared to a balance of £24.7 million at the end of Q2 2018/19 (28 weeks).

The cash inflow of £3.7 million in Q2 2019 increased from an inflow of £1.3 million in Q2 2018/19 (12 weeks). This resulted from an increased level of adjusted EBITDA in Q2 2019 and an increased level of working capital inflow offset by a higher level of tax and interest payments.

The cash outflow of £1.7 million in YTD Q2 2019 reduced from an outflow of £4.6 million in YTD Q2 2018/19 (28 weeks). This resulted from an increased level of adjusted EBITDA in Q2 2019, a reduced level of working capital outflow and a lower level of capital expenditure offset by a higher level of tax and interest payments.

Net cash inflow from operating activities

Net cash inflow from operating activities increased 77.9% to £19.3 million in Q2 2019 from £10.8 million in Q2 2018/19 (12 weeks). This resulted from an increased level of adjusted EBITDA in Q2 2019 which was driven by underlying trading performance, synergy savings as part of the wider TRG group and based on 13 weeks compared to 12 weeks. An increased level of working capital inflow based on timing of the period end within the payment cycle also contributed to increased net cash inflow.

Taxation cash outflow increased to £1.3 million in Q2 2019 from £0 million in Q2 2018/19 (12 weeks) based on the timing of payments on account falling due.

Net cash inflow from operating activities increased 3.6% to £20.2 million in YTD Q2 2019 from £19.5 million in YTD Q2 2018/19 (28 weeks). This resulted from an increased level of adjusted EBITDA in YTD Q2 2019 and a decreased level of working capital outflow based on timing of the period end within the payment cycle.

Taxation cash flows decreased to £2.2 million in YTD Q2 2019 from £2.3 million in YTD Q2 2018/19 (28 weeks) based on the timing of payments on account falling due.

Net cash outflow from investing activities

Net cash outflow from capital expenditure remained steady at £9.6 million in Q2 2019 from £9.5 million in Q2 2018/19 (12 weeks). There were 7 openings in Q2 2019 compared to one opening in Q2 2018/19 (12 weeks) however with a large proportion of the Q2 2019 new opening spend already falling due in Q1. There was a lower level of maintenance spend based on a 13 week period compared to a 12 week period.

Net cash outflow from capital expenditure decreased 13.3% to £14.9 million in YTD Q2 2019 from £17.2 million in YTD Q2 2018/19 (28 weeks). There were 7 openings in YTD Q2 2019 compared to 5 openings in YTD Q2 2018/19 (28 weeks) however there was a lower level of maintenance spend based on a 22 week period compared to a 28 week period.

Net cash inflow/outflow from financing

Net cash outflow from financing increased to a £4.7 million outflow in Q2 2019 from a £0.1 million outflow in Q2 2018/19 (12 weeks). The semi-annual interest payment on the Group's bond debt was paid in Q2 2019, however did not fall due in Q2 2018/19 (12 weeks).

Net cash outflow from financing remained steady at a £4.8 million outflow in YTD Q2 2019 from a £4.7 million outflow in Q2 2018/19 (28 weeks) with the interest payment on the Group's bond debt falling due in both periods.

Capital expenditures

The following table shows our capital expenditures for the periods indicated:

	For the period ended		For the period ended	
	Sept 29, 2019 13 weeks	Nov 11, 2018 12 weeks	Sep 29, 2019 22 weeks	Nov 11, 2018 28 weeks
New site capital expenditures	5.3	3.4	7.9	7.8
Refurbishment expenditures	1.7	3.9	3.2	5.2
Maintenance expenditures	1.5	1.9	2.5	3.6
Other capital expenditures*	1.2	0.3	1.3	0.6
Total capital expenditures	9.7	9.5	14.9	17.2
Corporate expenses	-	0.1	0.1	0.1

*other capital expenditure: office, systems and central kitchen

Estate summary

We opened seven new restaurants in Q2 2019 compared to one restaurant in Q2 2018/19.

The table below shows the number of our Company-operated and franchised restaurants as at the following dates:

	For the period ended		For the YTD period ended	
	Sept 29, 2019 13 weeks	Nov 11, 2018 12 weeks	Sept 29, 2019 22 weeks	Nov 11, 2018 28 weeks
Company-operated restaurants⁽¹⁾.....	147	139	147	139
<i>United Kingdom restaurants</i>	142	134	142	134
<i>United States restaurants</i>	5	5	5	5
<i>Company-operated restaurant openings during the period</i>	7	1	7	5
<i>Company-operated restaurants closures during the period</i>	-	-	-	(1)
Franchised ⁽²⁾	57	59	57	59
Total	204	198	204	198

(1) Company-operated restaurants include all of our restaurants in the United Kingdom and the United States.

(2) Franchised restaurants as at the dates listed were located in Austria, Bahrain, Belgium, Cyprus, Denmark, France, Gibraltar, Greece, Ireland, Italy, Malta, The Netherlands, Northern Ireland, Norway, Oman, Qatar, Saudi Arabia, Slovakia, Spain, Sweden, Turkey and United Arab Emirates,

Key performance indicators

	For the period ended		For the YTD period ended		LTM
	Sept 29, 2019 13 weeks	Nov 11, 2018 12 weeks	Sept 29, 2019 22 weeks	Nov 11, 2018 28 weeks	Sept 29, 2019 52 weeks
	(£ millions)				
Like-for-like sales growth (%)	6.3%	12.0%	8.9%	10.0%	9.3%
EBITDAR	22.8	15.0	36.3	34.7	79.3
Rent Expense.....	7.1	6.2	11.7	14.3	26.8
EBITDA	15.7	8.7	24.5	20.4	52.5
EBITDA Margin (%).....	17.0%	10.8%	16.1%	11.5%	14.7%
Adjusted EBITDA ⁽¹⁾	16.7	13.2	25.7	25.9	58.8
Adjusted EBITDA margin (%).....	18.1%	16.4%	16.9%	14.6%	16.5%
Net total indebtedness ⁽²⁾					200.7
Ratio of net total indebtedness to Adjusted EBITDA					3.4x

(1) Please find below a reconciliation calculation from profit for the financial period to EBITDA and Adjusted EBITDA and adjustments made to calculate Adjusted EBITDA for the periods indicated:

(2) Net total indebtedness represents total debt less cash.

	For the period ended		For the YTD period ended		LTM
	Sept 29, 2019 13 weeks	Nov 11, 2018 12 weeks	Sept 29, 2019 22 weeks	Nov 11, 2018 28 weeks	Sept 29, 2019 52 weeks
	(£ millions)				
Profit/loss for the financial period ..	2.8	(1.8)	4.0	(4.0)	(24.8)
Tax on profit/loss on ordinary activities	1.3	0.3	2.2	1.7	3.0
Net interest payable and similar charges	2.6	2.3	4.4	5.4	10.3
Exceptional ^(a) expenses/(income) .	1.8	1.6	2.0	3.1	35.4
Amortisation	2.5	2.2	4.2	5.3	10.3
Depreciation and impairment of tangible assets	4.7	4.0	7.7	8.8	17.6
Loss on disposal of assets	-	0.1	-	-	0.7
EBITDA	15.7	8.7	24.5	20.4	52.5
Pre-opening costs ^(b)	0.9	0.5	1.0	1.4	3.9
Share based payment charge ^(c)	-	0.1	0.1	0.2	2.2
Corporate expenses ^(d)	0.1	3.9	0.1	3.9	0.2
Adjusted EBITDA.....	16.7	13.2	25.7	25.9	58.8
Adjustment (to 13 week period) ...	n/a	-	-	-	-
Adjustment (to 22 week period) ...	-	-	n/a	(7.1)	-
Adjusted EBITDA (13 and 22 week comparable)	16.7	13.2	25.7	18.8	58.8

(a) For the 22 weeks ended 29 September 2019, the exceptional charges related to costs to support the achievement of synergy savings and for the 28 week period ended 11 November 2018, exceptional costs related to the strategic review of the business.

(b) Pre-opening costs represents costs incurred prior to the opening of a new restaurant, including rent incurred prior to opening, wages of employees in training and food costs incurred for training of new employees.

(c) The share based payment charge is non-recurring and in respect of the Group's management share based incentive scheme.

(d) Corporate expenses represent fees paid to our principal shareholders and security agent under our bond and RCF agreement, professional fees incurred relating to syndication and listing of loan notes under that agreement and fees in respect of our corporate status.

General information

Wagamama operates popular award-winning pan-Asian inspired noodle restaurants based in the United Kingdom. In addition to our Company-operated restaurants across the United Kingdom and the United States, we have franchised restaurants operating in 22 markets around the world spread across Northern Europe, Mediterranean Europe, and the Middle East.

Wagamama offers fresh, pan-Asian cuisine in a friendly, vibrant setting. Our menu features a wide variety of noodle and rice dishes, as well as salads and side dishes, juices, hot drinks, wine, sake and Asian beers. Freshness and quality are two ingredients that we believe go into every dish. Many Wagamama signature dishes can be found in all of our restaurants across the globe and we also have local specialties that take advantage of regional produce and tastes.

Presentation of financial information

Unless otherwise indicated, the financial information presented in this report is the historical consolidated financial information of Mabel Mezzco Limited and its subsidiaries (the "Group").

This report includes or derives information from the following financial sources:

- the unaudited consolidated financial information of the Group as of and for the 13 weeks ended September 29, 2019 ("Second Quarter 2019", "Q2 2019", or "the quarter"), and the comparative period as of and for the 12 weeks ended November 11, 2018 ("Second Quarter 2018/19" or "Q2 2018/19"), prepared in accordance with FRS 102.
- the unaudited consolidated financial information of the Group as of and for the 22 weeks ended September 29, 2019 ("YTD Second Quarter 2019", "YTD Q2 2019") and the comparative period as of and for the 28 weeks ended November 11, 2018 ("YTD Second Quarter 2018/19" or "YTD Q2 2018/19"), prepared in accordance with FRS 102.

The financial year for the Group runs from the calendar day following the previous financial year end to the Sunday nearest to December 30 of each calendar year. Accordingly, from time to time, the financial accounting period covers a 53-week period, which impacts the comparability of results. Our 2019 financial year will end on December 29, 2019 and constitutes a short 35-week period.

Further information for noteholders

This report was prepared in accordance with the indenture dated July 10, 2017 among Wagamama Finance plc, as Issuer, the guarantors named therein, U.S. Bank Trustees Limited, as Trustee and Security Agent and Elavon Financial Services DAC, UK Branch, as paying agent.

This interim report may include forward-looking statements. All statements other than statements of historical facts included in this interim report, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this interim report. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The quarterly financial results presented in this report include calculations or figures that have been prepared internally by management and have not been reviewed or audited by our independent chartered accounting firm. This financial data should not be viewed as a substitute for full financial

statements prepared in accordance with FRS 102 and is not necessarily indicative of the results to be achieved for any future periods.

In this report, we present turnover of our US business in US dollars as well as Pounds Sterling equivalent. To present this information, current and comparative prior period results are converted using the average exchange rates of the respective quarters.

Use of non-FRS 102 financial information

Certain parts of this report contain non-FRS 102 measures and ratios, including EBITDAR, rent expense, EBITDA, EBITDA margin, Adjusted/(Adj.) EBITDA, Adjusted/(Adj.) EBITDA margin, new site capital expenditures, refurbishment expenditures, maintenance capital expenditures, other capital expenditures, total capital expenditures, like-for-like sales growth, working capital and leverage ratios that are not required by, or presented in accordance with, FRS 102. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this interim report. In particular, EBITDAR, EBITDA, Adjusted / (Adj.) EBITDA are not measures of our financial performance or liquidity under FRS 102 and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under FRS 102.

Our non-FRS 102 measures are defined by us as follows:

- We define “EBITDAR” as EBITDA plus rent expense.
- We define “rent expense” as the aggregate fees incurred for the period indicated pursuant to our property lease obligations.
- We define “EBITDA” as profit for the financial period plus tax on profit on ordinary activities, net interest payable and similar charges, exceptional administrative (expenses)/income, gain/(loss) on disposal of fixed assets, goodwill amortisation and depreciation and impairment of tangible assets.
- We define “EBITDA margin” as EBITDA divided by company operated sales.
- We define “Adjusted/(Adj.) EBITDA” as EBITDA adjusted for the impact of restaurant pre-opening costs and corporate expenses. We define LTM performance as FY 2018/19 audited full year results plus Q2 2019 less Q2 2018/19 (restated to 22 weeks).
- We define “Adjusted/(Adj.) EBITDA margin” as Adjusted EBITDA divided by turnover.
- We define “sales” as income generated from company operated restaurants. We define “turnover” as income generated from company operated restaurants and franchise income.
- We define “new site capital expenditure” as the capital expenditures we incur in order to purchase and outfit a new restaurant in preparation for its opening.
- We define “refurbishment expenditure” as expansion capital expenditure in existing restaurants.
- We define “maintenance capital expenditure” as the capital expenditures we incur to maintain our restaurants.
- We define “other capital expenditure” as the capital expenditures we incur for overhead costs relating to our central kitchen and other centralised capital expenditures relating primarily to training and IT.
- We define “total capital expenditure” as the purchase of tangible fixed assets as reflected in our cash flow statements.
- We define “like-for-like sales growth” as sales from our United Kingdom and/or United States restaurants that traded for at least 17 full four-week periods. Restaurants are included on a rolling basis as each new restaurant is included in the like-for-like comparison once it has traded for 17 full four-week periods. Any week in which a restaurant did not have revenue and the preceding and following week are excluded both in the period considered and in the comparative period.

Mabel Mezzco Limited

Interim financial information
For the 22 weeks ended 29 September 2019

Registered number: 07556501

Mabel Mezzco Limited

Group profit and loss account for the period ended 29 September 2019

	Note	Unaudited 22 weeks to 29 Sept 2019 £'000	Unaudited 28 weeks to 11 Nov 2018 (restated) £'000	Audited 52 weeks to 28 April 2019 £'000
Turnover	2	154,001	178,896	342,171
Cost of sales		(90,202)	(105,835)	(201,557)
Gross profit		63,799	73,061	140,614
Administrative expenses before exceptional items		(51,236)	(66,919)	(125,383)
Operating profit before exceptional items	3	12,563	6,142	15,231
Exceptional administrative expenses	3	(1,984)	(3,130)	(35,320)
Operating profit after exceptional items		10,579	3,012	(20,089)
Interest receivable and similar income		38	154	363
Interest payable and similar charges before exceptional items	4	(4,428)	(5,481)	(10,387)
Net interest and similar charges		(4,390)	(5,327)	(10,024)
Profit/(loss) on ordinary activities		6,189	(2,315)	(30,113)
Tax on profit/(loss) on ordinary activities		(2,150)	(1,666)	(2,395)
Profit/(loss) after tax for the financial period		4,039	(3,981)	(32,508)

All of the activities of the Group are continuing.

Mabel Mezzco Limited

Group statement of comprehensive income for the period ended 29 September 2019

	Unaudited	Unaudited	Audited
	22 weeks to	28 weeks to	52 weeks to
	29 Sept	11 Nov	29 April
	2019	(restated)	2019
	£'000	£'000	£'000
Profit/(loss) for the financial period	4,039	(3,981)	(32,508)
Foreign exchange differences arising on consolidation	(484)	354	(6)
Total comprehensive income/(expense) for the period	3,555	(3,627)	(32,514)

Group statement of changes in equity for the period ended 29 September 2019

	Unaudited	Unaudited	Audited
	22 weeks to	28 weeks to	52 weeks to
	29 Sept	11 Nov 2018	to 28 April
	2019	(restated)	2019
	£'000	£'000	£'000
Profit/(loss) for the financial period	4,039	(3,981)	(32,508)
Other comprehensive income for the period	(484)	354	(6)
Total comprehensive income/expense for the period	3,555	(3,627)	(32,514)
Share based payments	-	3,930	4,933
Total transactions with owners recognised directly in equity	-	3,930	4,933
Net change in shareholders' funds/(deficit)	3,555	303	(27,581)
Opening shareholders' deficit	(37,187)	(9,606)	(9,606)
Closing shareholders' deficit	(33,632)	(9,303)	(37,187)

Mabel Mezzco Limited

Group balance sheet as at 29 September 2019

	Note	Unaudited 29 Sept 2019 £'000	Unaudited 11 Nov 2018 (restated) £'000	Audited 28 April 2019 £'000
Fixed assets				
Intangible assets	5	107,376	114,634	110,719
Tangible assets	6	122,014	123,831	112,277
		229,390	238,465	222,996
Current assets				
Stocks		2,680	2,390	2,537
Debtors	7	22,105	17,623	17,310
Cash at bank and in hand		22,358	24,711	24,058
		47,143	44,724	43,905
Creditors: amounts falling due within one year	8	(65,765)	(55,325)	(59,484)
Net current liabilities		(18,622)	(10,601)	(15,579)
Total assets less current liabilities		210,768	227,864	207,417
Creditors: amounts falling due after more than 1 year	9	(225,575)	(225,192)	(225,334)
		(14,807)	2,672	(17,917)
Provisions for liabilities and charges		(18,825)	(11,975)	(19,270)
Net liabilities		(33,632)	(9,303)	(37,187)
Capital and reserves				
Called-up share capital		20,000	20,000	20,000
Other reserves		4,933	3,930	4,933
Profit and loss account		(58,565)	(33,233)	(62,120)
Total shareholders' deficit		(33,632)	(9,303)	(37,187)

Mabel Mezzco Limited

Group cash flow statement for the period ended 29 September 2019

		Unaudited 22 weeks to 29 Sept 2019 £'000	Unaudited 28 weeks to 11 Nov 2018 £'000	Audited 52 weeks to 28 April 2019 £'000
Net cash inflow from operating activities	10	20,181	19,488	37,484
Taxation		(2,195)	(2,251)	(4,663)
Net cash generated from operating activities		17,986	17,237	32,821
Cash flow from investing activities				
Interest received		41	85	290
Payments to acquire tangible fixed assets		(14,923)	(17,221)	(28,688)
Net cash used in investing activities		(14,882)	(17,136)	(28,398)
Cash flow from financing activities				
Interest paid		(4,830)	(4,720)	(9,694)
New bond issue		-	-	-
Repayment of bond		-	-	-
Expenses paid in connection with issue of debt		-	-	-
Net cash used in financing activities		(4,830)	(4,720)	(9,694)
Net decrease in cash and cash equivalents	11	(1,726)	(4,619)	(5,271)
Cash and cash equivalents at the beginning of the period		24,058	29,312	29,312
Exchange adjustments		26	18	17
Cash and cash equivalents at the end of the period		22,358	24,711	24,058

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019

1. Basis of preparation

The unaudited interim financial information contains consolidated financial information for Mabel Mezzco Limited and its subsidiary undertakings (the "Group") for the 22 weeks ended 29 September 2019.

The unaudited interim financial information has been prepared using consistent accounting policies, presentation and a method of computation to those applied in the latest annual audited financial statements of the Group for the 52 week period ended 28 April 2019.

The statutory accounts for the 52 week period ended 28 April 2019 have been approved by the Board of Directors. The auditors reported on those accounts, their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

Certain balances were restated for the period ended 11 November 2018 to align with the restatement of comparatives in the 28 April 2019 financial statements. For further detail on the restatement this financial information should be read in conjunction with the Group's financial statements for the period ended 28 April 2019, which have been prepared under FRS 102.

2. Turnover

The turnover and operating profit for the period was derived from the Group's continuing activity which was carried out primarily in the UK. The analysis of turnover is as follows:

	Unaudited	Unaudited	Audited
	22 weeks to	28 weeks to	52 weeks
	29 Sept	11 Nov 2018	to 28
	2019		April
	£'000	£'000	£'000
UK location analysis			
Town	73,766	86,430	166,363
Shopping centre	52,989	61,959	118,398
Other location	19,671	22,698	41,542
Total UK company operated	146,426	171,087	326,303
Franchise revenue	1,387	1,884	3,454
Total UK revenue	147,813	172,971	329,757
US revenue	6,188	5,925	12,414
Total Revenue	154,001	178,896	342,171

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

3. Operating profit

Operating profit is stated after charging:

	Unaudited 22 weeks to 29 Sept 2019 £'000	Unaudited 28 weeks to 11 Nov 2018 £'000	Audited 52 weeks to 28 April 2019 £'000
Amortisation	4,264	5,312	9,885
Depreciation of owed fixed assets	7,716	8,812	16,887
Auditors' remuneration			
as auditors (current auditors)	60	53	86
for taxation services (previous auditors)	31	100	88
for other advisory services (previous auditors)	-	-	762
Loss on disposal of fixed assets	-	115	732
Operating lease costs - land & buildings	11,742	14,285	26,210
Exceptional administrative expenses/(income)	1,984	3,130	35,320

For the period ended 29 September 2019 exceptional expenses related to costs to support the achievement of synergy savings. For the period ended 11 November 2018 exceptional expenses included costs incurred as part of a strategic review of the business.

For the period ended 28 April 2019, the exceptional administrative expenses incurred comprise of expenditure relating to the sale of the group, movements in onerous lease provision, fixed asset impairments, costs related to executive restructuring and project development costs.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

4. Interest payable and similar charges

	Unaudited	Unaudited	Audited
	22 weeks to	28 weeks	52 weeks to
	29 Sept	to	28 April
	2019	11 Nov 2018	2018
	£'000	£'000	£'000
Interest payable on bond	3,927	4,998	9,281
Interest payable on bank borrowings	218	106	488
Amortisation of loan fees	283	377	618
Foreign exchange difference	-	-	-
Interest payable and similar charges	4,428	5,481	10,387

Interest payable on bank borrowings relates to non-utilisation fees on bank facilities. The Group does not have any bank borrowings.

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Notes to the interim financial information for the period ended 29 September 2019 (continued)

5. Intangible Assets

	Goodwill £'000	Trademarks £'000	Software and IT Development £'000	Total £'000
Cost				
As at 29 April 2019	181,989	180	2,461	184,630
Additions	-	-	921	921
Disposals	-	-	-	0
As at 29 September 2019	181,989	180	3,382	185,551
Accumulated amortisation				
At 29 April 2019	72,892	77	942	73,911
Disposals	-	-	-	-
Charge for the period	3,850	6	408	4,264
As at 29 September 2019	76,742	83	1,350	78,175
Net book value				
At 29 September 2019	105,247	97	2,032	107,376
At 28 April 2019	109,097	103	1,519	110,719

	Goodwill £'000	Trademarks £'000	Software and IT Development £'000	Total £'000
Cost				
As at 30 April 2018	181,989	180	1,893	184,062
Additions	-	-	60	60
Disposals	-	-	-	-
As at 11 November 2018	181,989	180	1,953	184,122
Accumulated amortisation				
At 30 April 2018	63,793	61	322	64,176
Disposals	-	-	-	-
Charge for the period	4,899	7	406	5,312
At 11 November 2018	68,692	68	728	69,488
Net book value				
At 11 November 2018	113,297	112	1,225	114,634
At 29 April 2018	118,196	119	1,571	119,886

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

6. Tangible fixed assets

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 29 April 2019	129,764	54,379	184,143
Additions	9,714	7,629	17,343
Disposals	-	-	-
Foreign exchange differences	883	226	1,109
At 29 September 2019	140,361	62,234	202,595
Accumulated depreciation			
At 29 April 2019	51,134	21,773	72,907
Charge for the period	3,376	4,340	7,716
Disposals	-	-	-
Foreign exchange difference	831	158	989
At 29 September 2019	55,341	26,271	81,612
Net book value			
At 29 September 2019	85,020	35,963	120,983
at 28 April 2019	78,630	32,606	111,236

Assets held under finance leases

Net book value	
At 29 September 2019	1,031
at 28 April 2019	1,041

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

6. Tangible fixed assets (continued)

	Leasehold property £'000	Restaurant and office equipment £'000	Total £'000
Cost			
At 30 April 2018 (restated)	116,670	43,444	160,114
Additions	8,231	8,393	16,624
Disposals	(850)	(131)	(981)
Foreign exchange differences	840	169	1,009
At 11 November 2018 (restated)	124,891	51,875	176,766
Accumulated depreciation			
at 30 April 2018 (restated)	32,845	12,780	45,625
Charge for the period	4,090	4,722	8,812
Disposals	(791)	(75)	(866)
Foreign exchange difference	377	38	415
At 11 November 2018 (restated)	36,521	17,465	53,986
Net book value			
At 11 November 2018 (restated)	88,370	34,410	122,780
at 29 April 2018 (restated)	83,825	30,664	112,773

Assets held under finance leases

Net book value	
At 11 November 2018 (restated)	1,051
at 28 April 2018 (restated)	1,063

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

7. Debtors

	Unaudited 29 Sept 2019 £'000	Unaudited 11 Nov 2018 £'000	Audited 28 April 2019 £'000
Trade debtors	3,556	1,885	4,336
Other debtors and prepayments	15,518	14,999	11,386
Amounts receivable from Group undertakings	3,031	-	1,588
Corporation tax	-	739	-
	22,105	17,623	17,310

8. Creditors: amounts falling due within one year

	Unaudited 29 Sept 2019 £'000	Unaudited 11 Nov 2018 £'000	Audited 28 April 2019 £'000
Trade creditors	20,322	13,678	21,096
Amounts owed to parent undertakings	669	263	523
Corporation tax	984	1,388	688
Other taxation & social security	11,416	13,822	10,873
Other creditors	6,728	6,571	6,855
Accruals	25,646	19,603	19,449
	65,765	55,325	59,484

9. Creditors: amounts falling due after more than one year

	Unaudited 29 Sept 2019 £'000	Unaudited 11 Nov 2018 £'000	Audited 28 April 2019 £'000
Bond	223,019	222,495	222,736
Other creditors	2,556	2,697	2,598
	225,575	225,192	225,334

The bond is stated net of unamortised issued costs of £1,981,000. The issue costs are being amortised over the five year term of the bond.

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

10. Reconciliation of operating profit to net cash inflow from operating activities

	Unaudited 22 weeks to 29 Sept 2019 £'000	Unaudited 28 weeks to 11 Nov 2018 £'000	Audited 52 weeks to 28 April 2019 £'000
Operating profit	10,579	3,012	(20,089)
Amortisation	4,264	5,312	9,885
Depreciation	7,716	8,812	16,887
Loss on disposal of fixed assets	-	115	732
Share based payment expense	-	3,930	4,933
Impairment	-	-	15,434
Increase in stocks	(143)	(375)	(522)
Increase in debtors	(3,323)	(861)	301
Decrease/(increase) in creditors	1,191	(129)	1,844
Onerous lease	(104)	(328)	8,079
Net cash inflow from operating activities	20,180	19,488	37,484

11. Reconciliation of net cash flow to movement in net debt

	Unaudited 22 weeks to 29 Sept 2019 £'000	Unaudited 28 weeks to 11 Nov 2018 £'000	Audited 52 weeks to 28 April 2019 £'000
Increase/ (decrease) in cash in the period	(1,726)	(4,619)	(5,271)
Exchange adjustments	26	18	17
Amortisation of loan issue fees	(283)	(377)	(618)
Change in net debt	(1,983)	(4,978)	(5,872)
Opening net debt	(198,678)	(192,806)	(192,806)
Closing net debt	(200,661)	(197,784)	(198,678)

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

11. Analysis of changes in net debt (continued)

Non-cash changes

	Unaudited 22 weeks to 29 Sept 2019 £'000	Unaudited 28 weeks to 11 Nov 2018 £'000	Audited 52 weeks to 28 April 2019 £'000
Amortisation of loan issue fees	(283)	(377)	(618)
Currency translation	26	18	17
	(257)	(359)	(601)

12. Analysis of changes in net debt

22 weeks ended 29 September 2019

	At 28 April 2019 £'000	Cash flows £'000	Other non-cash changes £'000	At 29 Sept 2019 £'000
Net cash:				
Cash in hand and at bank	24,058	(1,726)	26	22,358
Debt:				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	(222,736)	-	(283)	(223,019)
	(222,736)	-	(283)	(223,019)
Net debt	(198,678)	(1,726)	(257)	(200,661)
Financing issue costs	(2,264)			(1,981)
Net debt before financing issue costs	(200,942)			(202,642)

Mabel Mezzco Limited

Notes to the interim financial information for the period ended 29 September 2019 (continued)

12. Analysis of changes in net debt (continued)

28 weeks ended 11 November 2018

	At 29 April 2018 £'000	Cash flows £'000	Other non- cash changes £'000	At 11 Nov 2018 £'000
Net cash:				
Cash in hand and at bank	29,312	(4,619)	18	24,711
Debt:				
Debt due within 1 year	-	-	-	-
Debt due after 1 year	(222,118)	-	(377)	(222,495)
	(222,118)	-	(377)	(222,495)
Net debt	(192,806)	(4,619)	(359)	(197,784)
Financing issue costs	(2,882)			(2,882)
Net debt before financing issue costs	(195,688)			(200,666)