

Loungers planning 13 new site openings as sales leap above pre-pandemic levels

Loungers has reported sales above pre-pandemic levels as customers returned to its chain of bars and restaurants following the easing of national lockdown restrictions earlier this year.

In a set of half-year results published on Wednesday (December 1), the Bristol-founded group posted revenues of £102m in the six months to October 3.

This was up from £53.5m during the same period a year ago, and up from £79.8m in the same six-month period before the pandemic.

The company said pre-tax profits were £12.8m compared to a £117,000 profit a year ago and a £2.5m pre-tax loss in the six months in 2019.

The Aim-listed company, which operates a total of 184 sites, comprising 153 Lounge café-bars and 31 Cosy Cub restaurant-bars, added the boost in trade came despite only 11 weeks of the most recent period being absent from any Covid restrictions, including four weeks when only outdoor service was permitted.

Bosses said the opening of 12 new sites during the period – 11 Lounges branches and one Cosy Club outlet – had helped the group's performance, with a further 13 new site openings planned for the current financial year, ending April 2022.

The group said its strategy to focus on sites in suburban and market town would "protect" it against longer-term behavioural changes brought about by the pandemic, with more home-workers

heading to cafes in local high streets rather than city centres.

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The company said it was “mindful” of the new Omicron variant of coronavirus, with chief executive Nick Collins adding the business had yet to see any impact on trade since its emergence.

The group said it was “optimistic” ahead of the Christmas period and beyond and encouraged by the level of bookings it had received.

Mr Collins said: “Our value for money, all-day offer appeals to a very broad demographic and this underpins our market-leading performance in towns and suburbs across England and Wales.

“We will open 25 sites this year as we continue to benefit from the changing dynamics of the high street and our pipeline of new sites has never looked so strong.

“Our sustained growth alongside our operational discipline are enabling us to manage and mitigate most inflationary pressure.

“As we move into the Christmas trading period any potential impact of Omicron remains to be seen, but as we look ahead to 2022, I am very optimistic with regards to our prospects and the continuing rollout of both Lounge and Cosy Club.”

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