

Loungers posts record revenue after post-Christmas Covid recovery

Bar and restaurant chain Loungers has forecast better than expected profits after a post-Christmas Covid recovery helped it to record revenue.

The Bristol-founded group, which operates 164 Lounge cafe-bars and 31 Cosy Club restaurant-bars, reported total revenue of £237.3m despite “subdued” December trading as a result of the Omicron variant.

In a trading update for the financial year ending April 17, 2022, the firm said like-for-like sales also rebounded “convincingly” in the second half, up 17% net and 9% gross on a two-year basis.

The company’s board said the improvement reflected “the relevance, resilience and popularity” of its brands.

Bosses added they continued to be “very pleased” with the record 27 new sites [opened](#) during the period – comprising 26 Lounges and one Cosy Club.

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The AIM-listed firm’s net debt stood at £1.2m, excluding a further £1.4m of outstanding rent liabilities, to give underlying net debt of £2.6m. Loungers said this represented a reduction in underlying net debt of £44.9m compared to April 18, 2021.

In the statement, directors said as a result of the strong performance after the holiday period they expected profitability for the financial year to be “slightly ahead” of market expectations.

Chief executive Nick Collins said: “We continued to deliver underlying, volume driven like-for-like sales growth despite the uncertain consumer backdrop and we are well-positioned to increase share in the coming months through our new site opening programme and value for money offer.

“It has been a phenomenal effort from our team to open 27 fantastic new sites in what has at times been a difficult year. The new site pipeline is in excellent shape and we are optimistic as we look ahead to FY23.”

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