

Admiral Taverns snaps up Hawthorn and its 674 pubs from NewRiver in £222 million deal as sector heats up

Admiral Taverns is to snap up rival community pubco Hawthorn in a £222.3 million deal as pub firms vie for market share on reopening.

Admiral has agreed to acquire Hawthorn and its 674 venues from FTSE 250 property firm, NewRiver, as it pursues a growth strategy.


NewRiver entered the pub sector in December 2013 with the acquisition of 202 pubs from Marston's, and bought operator Hawthorn in 2018 for £107 million.

The move will take Admiral to over 1,500 sites – a larger estate than its main rival, the private equity-owned Punch Pubs & Co – and cement it as one of Britain's biggest pub firms.

Punch revealed just weeks ago that it had bought the Ram's tenanted division from Young's in a £53 million deal, taking its estate to 1,282 pubs. The pubco was reportedly also bidding for Hawthorn. Punch declined to comment on Monday.

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NewRiver CEO, Allan Lockhart, said the company had “received significant interest from a range of potential buyers for Hawthorn”.

Admiral’s CEO, Chris Jowsey, said the acquisition is “a really exciting step forward for the business”.

Admiral is owned by a joint venture between Magners cider-maker C&C Group and real estate investor Proprium Capital Partners, with a minority stake held by the senior management team. The company is paying for Hawthorn with a mixture of debt and new capital from Proprium.

NewRiver had said in April that Hawthorn was considering an IPO to be led by its CEO, British Beer and Pub Association board member Mark Davies.

Shore Capital analysts Clive Black and Greg Johnson said the sale is an “attractive exit price at the top-end of our valuation range”, and posits a good deal for NewRiver shareholders. The sale price was around 10% down on Hawthorn’s book value in March of £248 million, they said.

NewRiver plans to use the cash to help reset its LTV and strengthen its balance sheet. Shares in the firm rose by 0.9% on Monday morning.

The deal is expected to complete in August.