

Wagamama owner's profits jump but heatwave weighs on summer dining

The Restaurant Group swung to a profit in the past six months as diners returned but said its [Wagamama](#) chain saw demand slow during the summer heatwave.

The hospitality giant said like-for-like sales slowed at Wagamama and its leisure brands, which include Frankie & Benny's, during July and August.

However, chief executive Andy Hornby told the PA news agency that sales have since recovered and highlighted that the company's pub operation was boosted by warm weather.

The group, which also owns the BarBurrito brand, posted a £10.2 million adjusted pre-tax profit for the six months to July 3, compared with a £19.9 million loss over the same period last year.

[Sales](#) almost doubled to £423.4 million over the six months, from £216.8 million a year earlier, following the relaxation of pandemic restrictions.

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The Restaurant Group owns brands including Frankie & Benny's (Mike Egerton/PA) / PA Archive

Nevertheless, the group revealed a slight slowdown in growth at Wagamama since its previous update in May.

The pan-Asian brand reported 11% like-for-like sales growth over the 19 weeks to May 15, but saw this dip to 5% growth over the 14 weeks since the update.

However, Mr Hornby said there is no reason for the business to be concerned.

"We have already seen that come back to higher levels and it came in the context of hot weather which was good for the pub business," he told PA.

"Wagamama has continued to have really strong growth ahead of the market and we still have room for more restaurants. It's all very positive."

The upbeat tone came despite the group facing higher costs, amid energy pressures and suppliers facing significant inflation.

The Restaurant Group also told investors that energy costs were £2 million more expensive over the recent period than predicted in May due to recent energy increases and new openings.

Mr Hornby said the company is pleased with how it has mitigated energy inflation through hedging and welcomed action from the [Government](#), set to be announced later on Thursday, to help customers with their bills.

"We welcome anything that provides financial certainty for our customers," he told PA.

“The issue is not knowing how much their energy bills will be, with the prospect of them being very high, but hopefully this announcement can give people with more confidence with their spending.”