



# Macro and Market News

Week 26 2023 – Week ending 30/06/2023

30 JUNE 2023





# Macro/Economic News

Week 26 2023 – Week ending 30/06/2023

# Macro/Economic News

## Week 26 2023 – Week ending 30/06/2023

- **London is getting back on track as it recovers from the pandemic** –with the number of passengers using public transport surging. The Evening Standard reports that data from Transport for London reveals that the return to the office, weekend trips and the soaring popularity of the Elizabeth line have resulted in the best passenger figures since 2019. The number of journeys on the TfL network has reached 88% of pre-pandemic levels and is expected to hit 94% by the end of the year. Income from fares has now reached its highest level since the first covid lockdown, despite the cost-of-living crisis. Business leaders welcomed the booming figures but called on more Londoners to return to the office – and said the government must take further action to help the bounceback.
- **UK retailers suffered another month of falling sales** in June as slow economic growth stretched household finances. The Times reported the latest CBI monthly survey found retail sales volumes fell 9% compared with the same period last year. It is the second consecutive decline after a 10% fall in May. June's performance was in line with forecasts and comes after overall retail sales growth slowed last month, according to the Office for National Statistics.
- **Billpayers dipped into bank and savings accounts at a record level in May**, prompting warnings from charities about the ongoing high cost of living. There was £4.6bn more withdrawn than paid into bank and building society accounts, the Bank of England said. That was the highest level seen since comparable records began 26 years ago. The rising cost of living, including grocery bills, mortgage payments, and rent, is putting household finances under strain.
- **UK Hospitality** has called for measures to allow businesses to exit utility contracts fixed at the peak of the energy crisis. It comes following a recent member survey showing that energy costs are up 80% year-on-year and almost half of businesses who signed a contract at the peak of the energy crisis fear their business is at risk of failure. Inflation is then driven up as the cost of doing business increases and businesses are forced to feed these increases through to the consumer, the trade body said.
- **The price of a pint of beer has jumped by about 50p in just over 12 months**, according to the Office of National Statistics (ONS). Taking into account regional variations, the average price of a pint of lager in May was about £4.56. The same drink was around 47p cheaper a year ago in May 2022, at £4.09. Month on month, draught lager saw a 0.5% rise from £4.54 in April 2023, meaning the average price tag of a pint has jumped 11% over the last 12 months



## Market News

Week 26 2023 – Week ending 30/06/2023

# Market News (1 of 3)

Week 26 2023 – Week ending 30/06/2023

- Half of the six-strong Dirty Bones business** has been acquired in a pre-pack administration process for a total consideration of circa £600,000. Founded in 2013, Dirty Bones operated four London sites – in Carnaby, Shoreditch, Soho and Kensington (the latter is currently closed) – and one in Oxford, plus Dirty Vegan at The Balcony in Westfield, London, which had closed.
- Thunderbird Fried Chicken**, the wings and fried chicken concept backed by TriSpan, has begun talking to prospective franchisees as it looks at growing outside London, and believes it can grow to at least 150 sites. The Paul Gilchrist-led company currently operates seven sites in London, with several more in the pipeline, and five franchised locations with Parkdean Holiday Resorts.
- Diverse Dining, which operates Shake Shack in the UK**, has said that due to the recalibration of the trading landscape since the turn of the year, it is “actively in pursuit of further sites within its trading area”. It comes as the company reported turnover increased to £44,182,914 for the year ending 31 December 2022 compared with £34,799,226 the year before. Pre-tax losses widened substantially to £4,589,546 from £2,495,329 the previous year. The company operates 13 Shake Shack restaurants in the UK, with a further site set to open in Clapham High Street.
- Cambridgeshire piri piri chicken concept The Ladz** is set to open its eighth site, in Northampton. It will open on Friday (30 June) in Bridge Street, six years after its first opening, in Peterborough. It also has branches in Cambridge, Ely, Nottingham, Gloucester, Coatbridge and Hamilton.
- Traditional Greek cuisine concept The Souvlaki** has opened its sixth site, in Margate, Kent. The restaurant has opened in the former Ruby Lounge in The Parade, serving up traditional Greek souvlaki and gyros as well as desserts, fresh salads and vegetarian and vegan options.
- Cineworld Group** has announced it will file for administration as part of a proposed restructuring plan. The proposed restructuring will involve the release of about \$4.53bn of the group’s funded indebtedness, the execution of a rights offering to raise gross proceeds of \$800m and provision of \$1.46bn in new debt financing.
- Cake Box**, the specialist retailer of fresh cream cakes, has set out plans to double its number of shops to 400, despite profit falling amid a “unique set of macroeconomic pressures”. The company said trading continues to be “robust”, with franchise like-for-like sales up 5.4% since the year end. Revenue rose to £34.8m for the year ending 31 March 2023 (2021: £33.0m), but amid high inflation – especially for food items – pre-tax profit fell by 28.6% to £5.4m (2022: £7.7m). Chief executive Sukh Chamdal said the group was approaching the target it had set of 250 shops, and as a result, it has set a new target of 400

# Market News (2 of 3)

Week 26 2023 – Week ending 30/06/2023

- **The Big Table Group**, the operator of Las Iguanas, Banana Tree, Bella Italia and Café Rouge, has significantly ramped up the expansion of its pasta delivery brand Super Nonna to circa 70 sites, across the Bella Italia and Las Iguanas brands.
- **Fast growing quick service restaurant brand Chopstix** has invested more than £1m into a programme of renovations of its existing estate. With stores in Nottingham, Reading and London's Oxford Street having recently undergone refurbishments, its Peterborough store in Long Causeway is the latest to undergo a £100,000 facelift. Over the next year, 12 further sites are scheduled for redevelopment.
- **Natural fast food brand Leon** has enhanced its summer dining offer with three new dishes. It has added a fish finger wrap with tangy gherkins and tartare sauce served with a portion of waffle fries (£7.49); loaded Mexican fries topped with black beans, smashed avocado, drizzled chilli sauce, aioli, crispy onions and fresh mint and parsley (£7.49); and a chicken and bacon BBQ big smoke burger with chargrilled chicken thigh, barbecue sauce, creamy garlic pink slaw, bacon, gherkins and pink kraut (£8.49).
- **John Eckbert, chief executive of better burger brand Five Guys UK**, has said the 157-strong business sees scope for a further 150 sites here, and a transport hub opening is the "last boundary that lies ahead" for the brand. The business, which will mark its tenth anniversary in the UK on Tuesday (4 July), still believes there is plenty of white space to go after in Britain, where this year it is again on track to open 15 new sites.
- **Canadian pancake brand Fluffy Fluffy** is set to open its third UK site, in Reading, and is aiming for two more this year. The brand, which offers Japanese souffle-style pancakes, will open at the Berkshire town's The Village destination in King Street this summer, following a £250,000 investment. The 2,055 square-foot location will be Fluffy Fluffy's biggest store yet and feature its signature "open-kitchen" concept, where guests can watch their made-to-order pancakes created and covered in their chosen toppings. These include Nutella, tiramisu, Biscoff, creme brûlée and blueberry cheese.
- **Vegan Shack, the sister brand of wing-based concept Wing Shack**, has said it is set to open "multiple locations" over next three years and is looking into dark kitchens and food trucks. Head of operations Dimeji Sadiq gave the update as Vegan Shack's £180,000 crowdfunding campaign on Crowdcube, which overfunded last week, winds down ahead of tomorrow's (Friday, 30 June) finish.

# Market News (3 of 3)

## Week 26 2023 – Week ending 30/06/2023

- **Popeyes Louisiana Kitchen**, the US fried chicken quick-service brand, is planning a move into franchising in the UK. Popeyes has begun the search for a head of franchise, who will be “key in driving the exponential growth of Popeyes UK”. The company said: “This role will work closely with the chief development officer and chief executive to construct the strategic approach to franchise and then require a hands-on execution of the franchise plan.” Meanwhile, Popeyes has launched across the country on UberEats and Just Eat. The company said the move follows “two years of sustained growth for the brand, which has seen it open 25 sites nationwide and set records globally – with its Westfield Stratford restaurant crowned the most commercially successful out of more than 4,000 restaurants globally”.
- **Sanjeev Sanghera, founder of Berlin fast casual kebab concept Döner Shack**, has completed the acquisition of three restaurants and several territories from its franchisees as it focus on company-owned expansion in the current climate. Sanghera said it would be wrong to force ambitious development on franchisees “knowing returns are much slower than anticipated”.
- **Almost half (48%) of all food delivery orders arrive cold**, according to new research. The findings by London premium food delivery service Supper also found three in ten (29%) complain of poor food quality, while a similar number (30%) have received the wrong order and almost half (46%) have had their food order cancelled. According to the data, one in five UK residents order at least one meal a week, channelling more than £220m into the UK’s economy each and every week.
- **Boost Juice Bars** has said the business is still trading strongly despite the challenges of inflation and supply chain price increases. Parent company TD4 Brands reported revenue increased 82% to £13,939,737 for the year ending 28 September 2022 compared with £7,659,865 the previous year. Turnover also exceeded the £12,008,335 reported for the year ending 28 September 2019 – the last full year before the covid pandemic. Ebitda before exceptional items increased to £1,891,829 (2021: £1,493,660). Pre-tax profit was down to £1,470,961 from £5,377,437 the year before.

# For more information

Email Circana [contactus@circana.com](mailto:contactus@circana.com), or one of the UK Foodservice account representatives below:

**Seton Leung**

Head of UK Foodservice

[seton.leung@circana.com](mailto:seton.leung@circana.com)

07795 430967

**Gareth Nash**

Commercial Lead

[gareth.nash@circana.com](mailto:gareth.nash@circana.com)

07503 629227

**Sergey Chekmarev**

Client Director

[sergey.chekmarev@circana.com](mailto:sergey.chekmarev@circana.com)

[com](http://circana.com)

07741 658042

**Peter Linden**

Senior Client Manager

[peter.linden@circana.com](mailto:peter.linden@circana.com)

07901 106568

## About Circana

Circana is the leading advisor on the complexity of consumer behavior. Through unparalleled technology, advanced analytics, cross-industry data and deep expertise, we provide clarity that helps almost 7,000 of the world's leading brands and retailers take action and unlock business growth. We understand more about the complete consumer, the complete store, and the complete wallet so our clients can go beyond the data to apply insights, ignite innovation, meet consumer demand, and outpace the competition.

For more information, visit [circana.com](http://circana.com).