



Macro & Market News

Week 49 2021 – Week ending 10/12/2021



Macro/Economic News

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- **In England**, PM Boris Johnson announced new measures to combat the spread of the Omicron variant. Masks will be compulsory in most public venues, including cinemas and theatres, from Friday, 10 December, while people are advised to work from home from Monday, 13 December. Vaccine passports will from next Wednesday, 15 December, be required for entry to nightclubs and events where large crowds gather – including unseated indoor venues with more than 500 people, unseated outdoor venues with more than 4,000 people and any venue with more than 10,000 people. A negative lateral flow test will also be acceptable.
- **Treasury** officials said there would be no further support for businesses during the Plan B restrictions (see above) for England. “There is already support in place,” said one official, adding that this could change if further restrictions were imposed. The Treasury said its covid-19 support package for businesses would continue into the spring of next year and “we will continue to respond proportionately to the changing path of the virus, as we have done since the start of the pandemic”.
- **In ROI**, nightclubs, which had only recently reopened for the first time since the pandemic began, had to close again on Tuesday, 7 December. Many of the restrictions which applied to pubs, hotels and restaurants prior a relaxation of Covid rules on 22 October have now been reimposed for the Christmas and New Year period. Those include: a table service only rule, which means customers cannot queue at a bar for drinks; social distancing rules are being reintroduced with a minimum of 1m (3ft) between tables; a maximum of six adults can sit together at a table; there is a ban on multiple table bookings; masks must be worn when not at the table. The closing time however remained at midnight. The EU Covid pass is also now required for gyms and leisure centres as well as hotel bars and restaurants. New restrictions apply to entertainment, cultural and sporting events - attendance numbers were reduced to 50% capacity and the venues must be fully seated. The new rules will be in effect until 9 January 2022.
- **Scottish PM**, Nicola Sturgeon has said she expects to see the numbers of Omicron cases to increase over the next few weeks, ordering Scots to work from home wherever possible until mid-January. She vowed to consider the need for further Covid measures on a daily basis, including measures such as Covid passports.
- **The British Chambers of Commerce** has said that weaker consumer spending and slower trade will reduce economic growth in the UK next year. The BCC is still looking for 4.2 per cent next year, but this represents a downward revision from its earlier forecast of 5.2 per cent growth. The BCC expects inflation to hit 5.2% next spring.



Market News

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Market News (1)

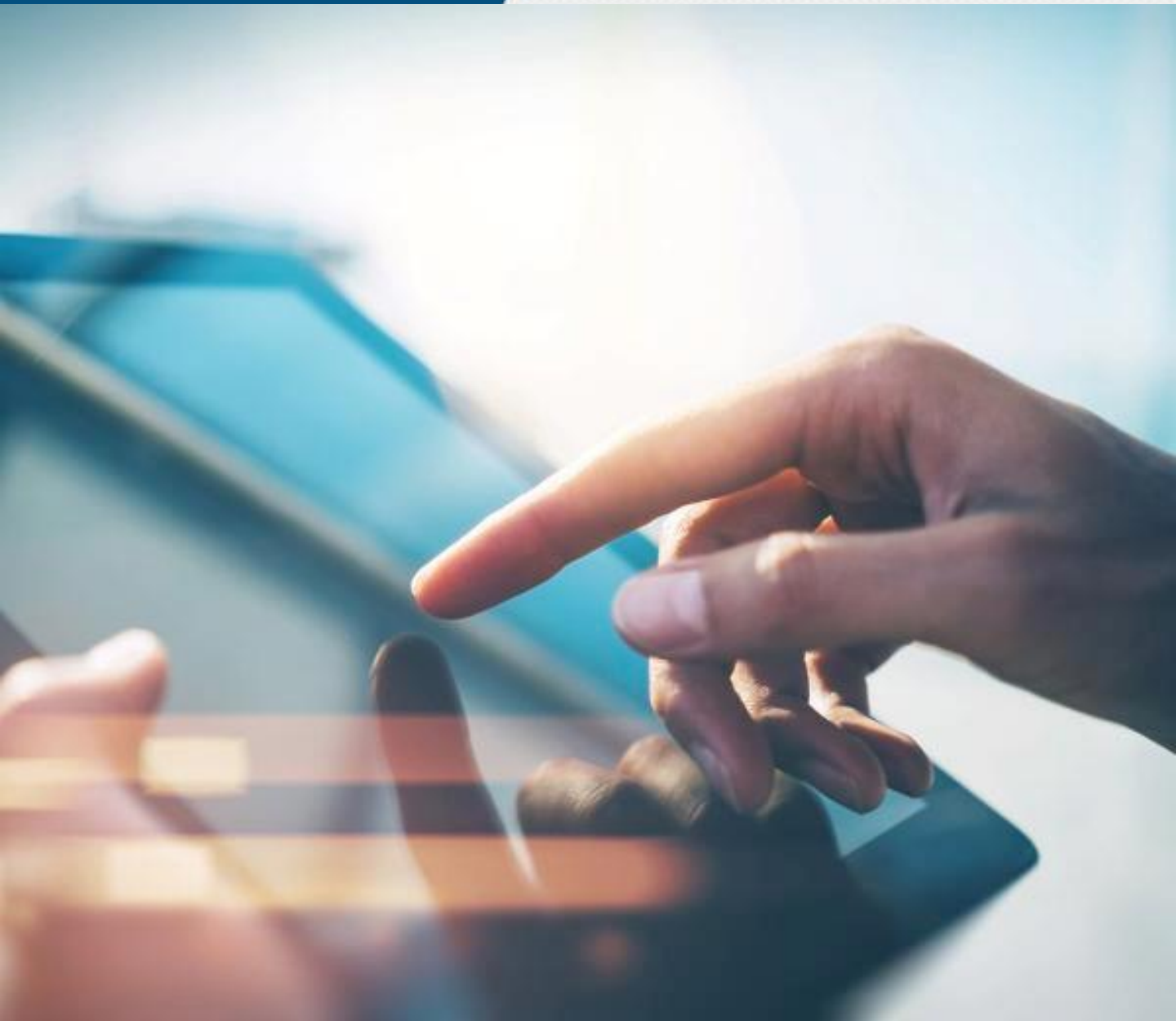
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- McDonald's** has opened its first 'net-zero' restaurant in Market Drayton, Shropshire. Part of its Plan for Change programme, which aims to cut greenhouse gas emissions across its restaurants, offices, and supply chains in the UK and Ireland by 2040, the new UK restaurant will be the blueprint for all McDonald's new-build branches. It will support the company's target to revamp everything from the beef in its burgers to furniture in restaurants, with sustainability-oriented improvements including compostable packaging made from renewable, recycled or certified sources.
- Jollibee** is giving free chicken burgers to the first 10,000 JolliApp users who enter the code "FREEBURGER". Jollibee currently operates eight sites in the UK – London, Leeds, Leicester, Cardiff, Reading, Newcastle and Liverpool.
- Thunderbird Fried Chicken**, the wings and fried chicken concept, is to further add to its presence in London with another opening next year in Wimbledon in addition to a new site in St John's Hill, near Clapham Junction station. The brand is to build on its partnership with Parkdean Resorts with the opening of three further sites in the first half of next year. In summer of 2021, the brand opened a franchise site with Parkdean at its Camber Sands resort and Trecco Bay Holiday Park in Porthcawl in Wales. Thunderbird currently operates restaurants at Earl's Court, Charing Cross, Westfield Stratford and The O2, and delivery kitchens at Battersea and Shoreditch.
- Joe & The Juice** is planning to open 20 new UK sites next year in addition to the 54 sites already open here, making Britain the biggest market for the brand worldwide. The company permanently closed 10 outlets due to the pandemic but has been able to secure many new sites as rents have fallen and rivals downscaled. At the moment, five of its London outlets are being temporarily closed because of staff shortages, while expansion in the north is also being held back by the time taken to hire and train youngsters. Since July, the company's UK business has rebounded, exceeding 2019 sales levels for the year to date by September. Its delivery service now accounts for 20% of UK sales, having only started just before the pandemic. A subscription service is being tested and is likely to be on the way next year.
- Megan's** has lined up three openings for early 2022, including an opening in Welwyn Garden City. The brand recently opened its 14th site, in Dulwich Village, and expected to appear soon in Kingston and Marlow. The company said it plans to expand to 22 sites by the end of next year.
- Fulham Shore**, operator of Franco Manca and The Real Greek, has reported strong revenue growth in the six months to 26 September and continued buoyant current trading ahead of management's expectations. Revenues increased 103% to £39.5m (2020: £19.9m). Headline Ebitda was £10.6m (2020: £3.6m) and operating profit was £4.5m (2020: loss of £3.0m). Profit after tax was £2.4m (2020: loss of £3.9m). Fulham Shore operated 75 restaurants as of 26 September 2021 (2020: 72): 55 Franco Manca's, and 20 The Real Greek. Another three stores have opened since the report date and another 21 potential sites are in the pipeline.

Market News (2)

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- **Pret A Manger** has launched its Pret Coffee Subscription as a digital gift card, enabling Pret fans to gift their friends and family with up to 150 drinks per month, for £20 a month.
- **SSP Group** has reported results for year ended 30 September 2021. The group says revenue was £834.2m, down 41.8% vs 2020 and 70.1% vs 2019. The company reports an operating loss of £309.2m on a reported basis under IFRS 16. It says the underlying, pre-IFRS16 operating loss was £209.0m (2020: £211.7m loss).
- **KFC** has reported like-for-like sales fell by just 1.6% in the UK in the year to 27 December 2020. Operating profit has reduced year-on-year to £50.7m (2019: £107.9m) impacting on the profit margin also decreasing to 24.4% (2019: 54.7%). However, excluding the impact of one-off items, operating profit was £47.6m (2019: £67.6m) and a margin of 22.9% was achieved (2019: 34.3%). Turnover was £207.5m (2019: £197.1m) while pre-tax profit was £51.6m (2019: £92.8m). Turnover is split between £119.6m of company store sales (2019: £108.3m) and £87.9m of franchise royalties and fees (2019: £88.7m).
- **Whitbread** is bringing its steakhouse brand Bar + Block to Edinburgh on 13 December and planning six further openings in 2022. The restaurant is housed on the ground floor of the disused retail unit and forms part of an extension that has seen 60 bedrooms added to its neighbouring Premier Inn hotel. It's the 18th restaurant under the brand across the UK, all of which are located adjacent to Premier Inn hotels.
- **Boparan Restaurant Group (BRG)** announced that all its ten brands – Carluccio's, Caffè Carluccio's, Gourmet Burger Kitchen, Slim Chickens UK, The Cinnamon Collection (including The Cinnamon Club), FishWorks, Ed's Easy Diner, Giraffe, Rebel Vegan and the umbrella BRG brand – have been using energy from renewable sources since 2019 and have now been certified by Carbon Neutral Britain. This certification also sees BRG actively helping to fund renewable energy, woodland preservation, and tree planting projects around the world, regulated by the Verra Verified Carbon Standard, Gold Standard Voluntary Emission Reductions, and the United Nations Certified Emission Reductions programmes. Brand-specific sustainability campaigns, such as Carluccio's partnership with The Rainforest Alliance which sees every coffee bought preserving 33m² of rainforest, will continue alongside wider group initiatives.
- **Wimpy** has launched its own nationwide reusable hot cup scheme. For £2.50, customers will be able to buy their own double-walled and insulated 12oz reusable hot cup in-store, and every time they return with the cup, they will receive 25p off any regular takeaway hot drink. This means within ten purchases, they will have effectively got their reusable cup, which are both microwave and dishwasher friendly, for free.



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