



Macro & Market News

Week 22 2022 – Week ending 01/06/2022



Macro/Economic News

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- **The ONS** reports that the UK has seen a dip in weekly card spending, with overall restaurant bookings falling by two percentage points in the week to 22 May and spending on credit and debit cards falling three percentage points on the previous week.
- **Chancellor Rishi Sunak** has hinted he could provide more help for households struggling with soaring living costs. Current measures will see a £400 discount on all energy bills, part-funded by a windfall tax on oil and gas company profits.
- **The ONS** reports that some budget foods have increased in price by more than +15% in the past year. The lowest cost version of pasta rose by +50% in the year to April, with minced beef, bread and rice also recording large increases.
- **Staff shortages** are causing widespread disruptions at airports. About 34,000 TUI customers were told their June holidays out of Manchester had been axed, some in overnight emails. Other airlines, including easyJet and British Airways have also cancelled flights, amid staff shortages and other issues that have coincided with rising demand for foreign travel after the pandemic.



Market News

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- **UKHospitality** has backed the launch of a new visa scheme for the world's top graduates, saying it is a "positive indication the UK wants to welcome global talent with open arms". The scheme will be available to alumni of the top non-UK universities who graduated in the past five years. Graduates will be eligible regardless of where they were born and will not need a job offer in order to apply.
- **Pret A Manger** has secured a further franchisee in the UK for Kent and Sussex. The franchisee, which currently works with KFC, already has five Pret sites in the region.
- **Bird**, the London-based chicken concept, has opened its fifth site, in Port Solent. The site seats 60 inside and 40 outside, allowing guests views over the marina. The new opening forms part of Bird's long-term expansion and development plan, with the restaurant group already making improvements to its three London locations – in Camden, Islington and Canary Wharf – as well as opening its first restaurant outside the capital, in Gillingham, last November.
- **Deliveroo and Just Eat Takeaway.com** shares were notable fallers after JP Morgan downgraded both stocks. The bank highlighted the cost-of-living crisis, which will probably hit consumers' pockets and lead to fewer takeaways being ordered as people spend more on energy bills instead. Both stocks performed strongly during the pandemic as consumers ordered food to their doors.
- **Comptoir Group**, which currently owns and operates some 21 restaurants with a further 4 under franchise, has reported full year numbers to end-December saying that group revenue was up by +66.9% at £20.7m with adjusted EBITDA of £6.4m. Although less badly hit than 2020, the year just reported was still impacted by Covid. The company says it had 'all sites closed from 5 January 2021 for indoor dining, [and they] re-opened in April 2021 for outdoor dining and dine-in from May 2021.'
- **Just Eat for Business**, the food delivery service's corporate arm, has added **Franco Manca**, the pizza brand owned by Fulham Shore, and **German Doner Kebab (GDK)**, which is owned by Hero Brands, to its offer. It comes at a time when Just Eat for Business said food orders to the office are at an all-time high, with the business seeing rapid levels of growth as workers gradually return to the office. GDK can be delivered to offices across London, with Franco Manca available in proximity to Tottenham Court Road and Bishopsgate.

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- **Chicken Cottage** has begun a £500,000 expansion in Great Manchester with a cloud kitchen launch, which could be followed by two more restaurants. The Ardwick-based cloud kitchen, launched to meet increased online demand, will offer the company's recently launched plant-based Impossible "chicken" nuggets, and a build your own burger range. A further two quick-service restaurants are also currently in the planning stages, with several potential sites being reviewed across Greater Manchester.
- Entrepreneur **Hugh Osmond** has warned the price of dining out could soar in the coming months as families stomach rising inflation. The cost of food and ingredients is already squeezing the restaurant trade, the former PizzaExpress chief executive said. Some food products are up +30%, he said. Osmond, who founded Punch Taverns and now runs Various Eateries, told The Mail on Sunday he expects higher prices to last for months. He predicts overall food and drink inflation to reach +10% in his restaurants.
- Hot chocolate shop **Knoops** is set to build on the "significant growth" it has seen in the iced chocolate market after "creating a sector" for it in London. The six-strong brand is due to open its seventh site overall and fourth site in the capital, in Covent Garden, in June – having launched in Rye, Sussex, nine years ago. Along with its hot chocolate, which can be personalised according to taste, Knoops also offers chocolate milkshakes and iced chocolate – and it is the latter which it says has seen "triple-digit growth" in 2022.
- **Extrawurst**, one of the leading German bratwurst fast-food to go brands, is pausing its bricks-and-mortar roll-out to focus on its "midi and micro" sites, and will concentrate on the Midlands before expanding further across the UK. The brand, which signed a UK master franchise agreement last year and plans to open "hundreds" of sites over here, last week opened its second, in Birmingham's New Street. A restaurant in Nottingham was originally next on the agenda, but that will now wait until later in the year while its midi format – "anything from a shipping container to a trailer" – and micro – "a pop-up bike with a grill and a big umbrella" sites take centre stage.
- **Pepe's Piri Piri** has opened its first site in Kent. The flame-grilled chicken brand, which operates circa 150 UK sites as well as five in Pakistan and one in the UAE, has opened in Camden Road, Tunbridge Wells. Two more sites in the county will follow, but their locations have not yet been confirmed.



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