

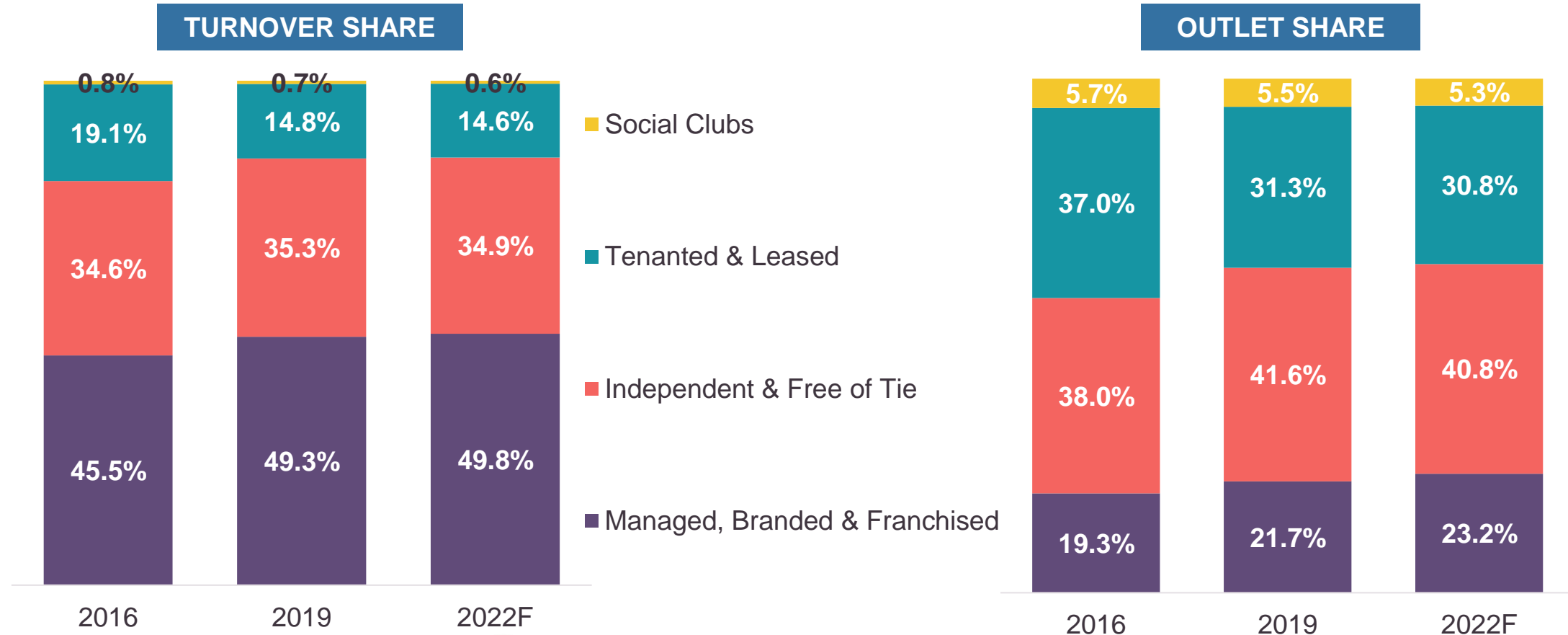
UK Pubs & Bars Market Report 2022

September 2022



MANAGED SITES GROW TURNOVER SHARE OF PUB MARKET

Managed, branded & franchised pubs are set to account for half of the UK pub market value in 2022, up from a 46% share in 2016. Tenanted & leased pubs have seen the steepest share decline in both turnover and outlets with companies shifting towards managed models.



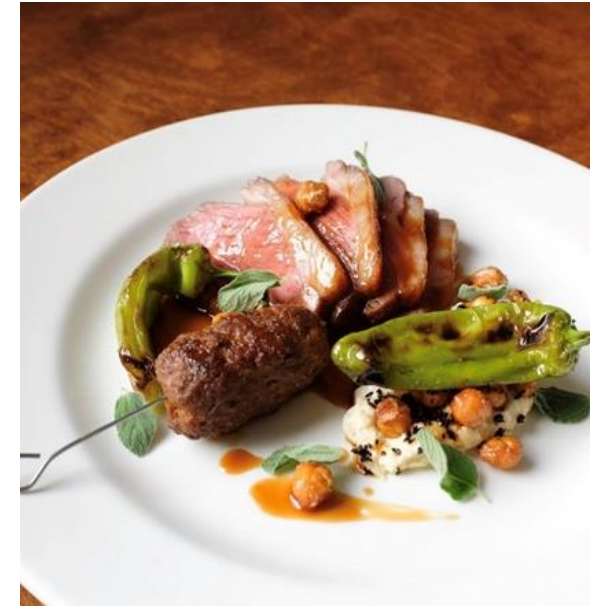
Source: Lumina Intelligence, September 2022

CONCEPT TO WATCH - THE BARING, ISLINGTON – LONDON (4/5)

The Baring, a premium-led gastropub, has launched in Islington, London. Sustainability, provenance, and low environmental impact are core principles of The Baring.

KEY FEATURES:

- Provenance – beers are sourced from small UK breweries and low intervention wines from independent suppliers are available
- Premium-led, elevated menu featuring quail shish with garlic yoghurt and pul biber chili, grilled leeks with gribiche and hazelnuts, and Cornish hake with Tropea onion and taramasalata
- Seasonally changing offering

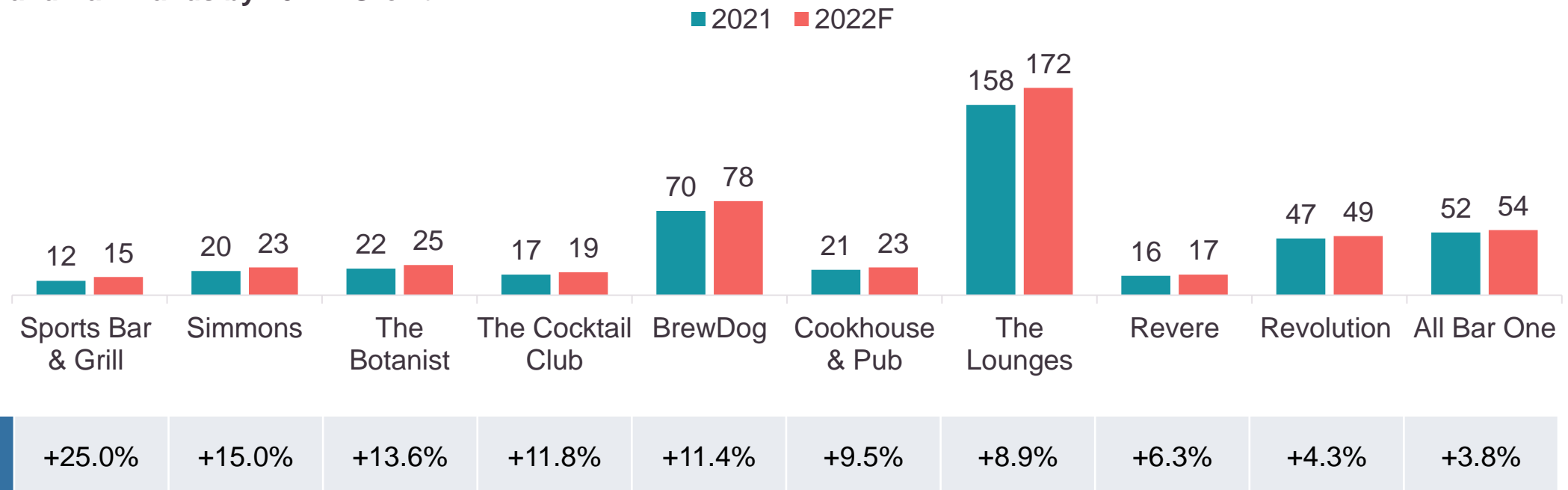


Lumina Intelligence comment: The Baring’s proposition aligns with consumer trends around conscious consumption and the demand for higher quality, premium food offerings, which have grown in relevance post-pandemic. The location within an affluent London suburb will attract consumers that are willing to spend more for a pub occasion.

SPORTS BAR & GRILL DRIVES GROWTH THROUGH CONVERSIONS

Sports Bar & Grill has seen positive outlet growth due to conversions from other Stonegate sites into the format. The Lounges is expected to add +14 sites to its estate – it was less vulnerable during the pandemic due to its market town-focused estate and the company has expressed interest in growing its presence in Greater London. Simmons' growth is driven by its value-led proposition, which will attract consumers seeking cheaper wet-led occasions as economic strains worsen.

Top 10 Pub and Bar Brands by 2022F Growth



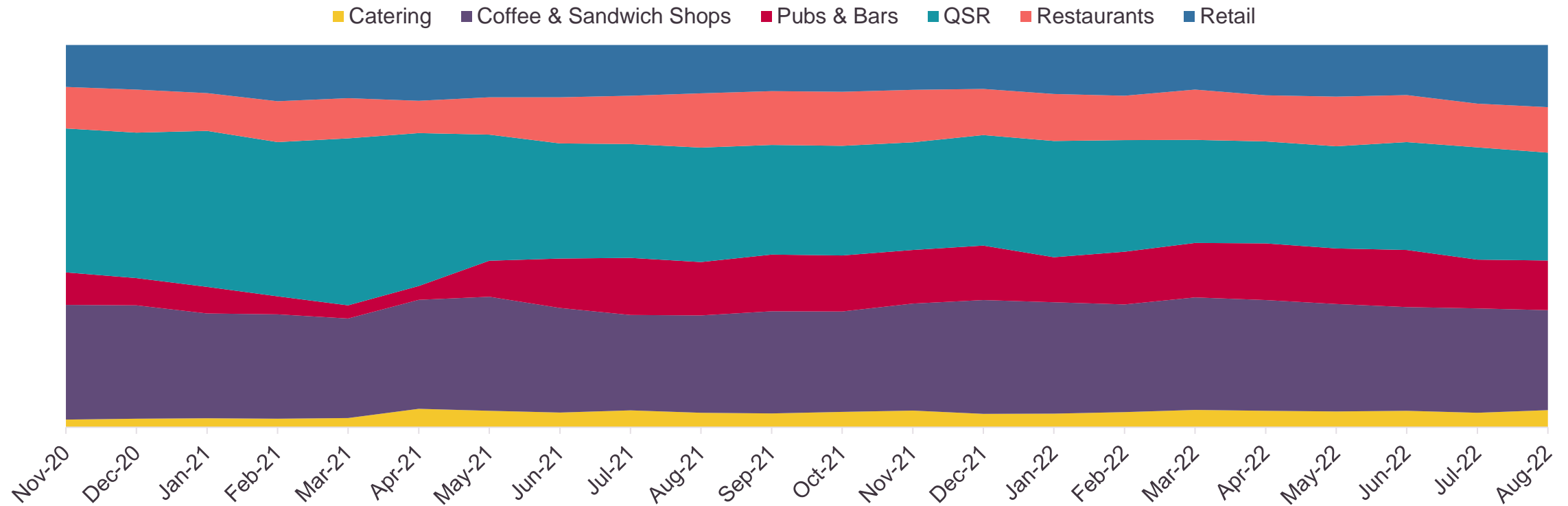
Note: Brands must have 10 sites at Dec-21 to be included.

Source: Lumina Intelligence, September 2022

PUBS & BARS RECOVER SHARE LOST DURING RESTRICTIONS

Pubs and bars and restaurants are recovering the share lost as a result of restrictions, but seeing a slight decline after June 2022 upon rising inflation and increased energy bills. More expensive on the go channels including QSR are seeing share decline, whilst lower spend channels including retail are growing share over time. Consumers are seeking more affordable alternatives and restricting discretionary spending on eating out occasions.

Channel share % of occasions over time



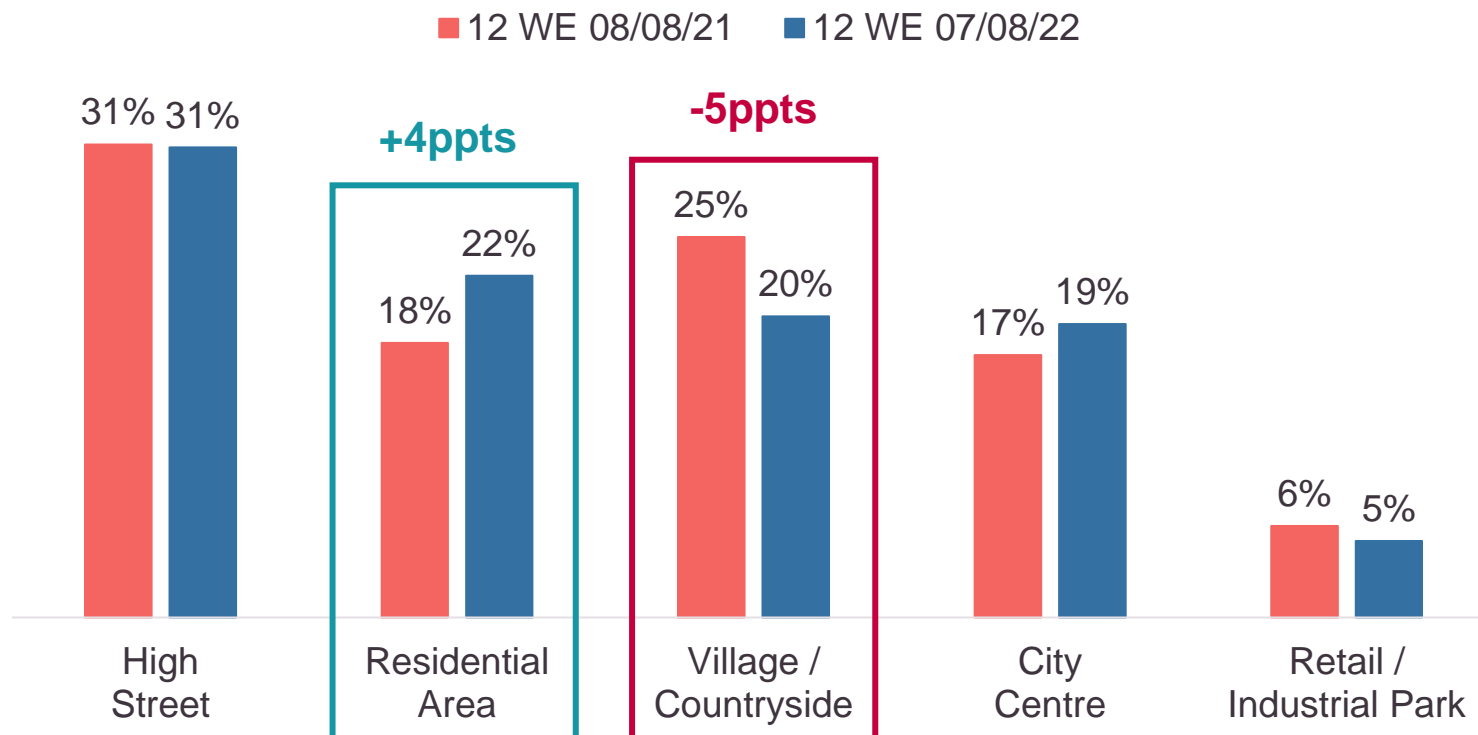
Source: Lumina Intelligence Eating & Drinking Out Panel, data collected 12 WE 08/08/21, 12 WE 15/05/22 and 12 WE 07/08/22

TREND IN NEIGHBOURHOOD PUBS CONTINUES POST-PANDEMIC

The trend for supporting local is enduring, with residential area visits growing share by +4ppts year-on-year.

Neighbourhood pubs and bars have opportunities to capitalise on more weekday footfall than before, with more consumers working from home during the week. City centres show signs of slow recovery, increasing share by +2ppts year-on-year, with pubs offering lunch deals during office hours to target those professionals.

Pubs & Bars: Share of eating/drinking out occasions by outlet area



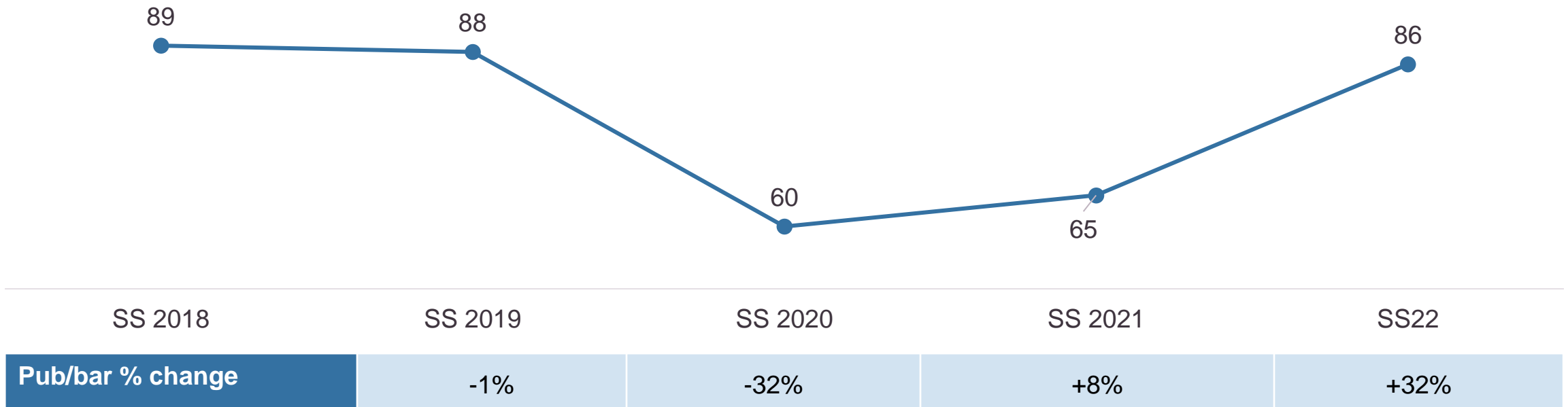
The Lyric is a local pub in London, offering a selection of ales and craft beers. It has recently introduced its **lunch meal deal** of a sandwich and a drink to attract the office crowd working nearby.

Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 12 WE 08/08/21 and 12 WE 07/08/22

DISH COUNTS RECOVERING POST COVID RATIONALISATIONS

Dish counts in pubs and bars have risen during Spring/Summer 2022 to just -2.3% smaller than pre-pandemic. Average dish count during Spring/Summer 2022 stands at 86, as operators have expanded menus considerably as restrictions have been lifted and outlets are able to operate at full capacity again.

Average dish count in pubs and bars Spring/Summer 2018 – Spring/Summer 2022



Source: Lumina Intelligence Menu Tracker Tool Spring/Summer 2022

OPERATORS FOCUS NPD ON MORE PREMIUM SIDE DISHES

Operators are launching more premium side dishes to drive spend. Beefeater's menu visibly contains a range of new side dishes, ranging from loaded fries to vegan coleslaw and corn riblets. New side dishes are following the trend of indulgence, with Beefeater, Brewers Fayre and Harvester all launching new dirty fries or topped chips.

A BIT ON THE SIDE?

- Beer-Battered Onion Rings[†]** (280 kcal)
- House-Made Slaw** 🌱
Our house-made creamy slaw (182 kcal)
- NEW Vegan Slaw** 🌱 🌱
Our house made creamy vegan slaw (207 kcal)
- Halloumi Fries** (524 kcal)
- Chopped Salad** 🌱 🌱
Our house Cobb salad with crisp Cos lettuce, red peppers, cucumber, cherry tomatoes, crunchy slaw, sweetcorn and French dressing (82 kcal)
- Skinny Fries** 🌱 🌱
(374 kcal)
- Sweet Potato Fries** 🌱 🌱
(290 kcal)
- Triple-Cooked Chips** 🌱 🌱
(343 kcal)
- Skin-On Mini Roasties** 🌱
Skin-on mini potatoes roasted in garlic & parsley (328 kcal)
- Mac & Cheese** 🌱 (426 kcal)

Adults need around 2,000 kcal a day

- NEW Loaded Cheesy Fries** 🌱
Crispy skinny fries seasoned in our '74 BBQ rub, topped with gooey cheese, burger sauce and tomato & red pepper salsa (579 kcal)
↑ Add Pulled Beef Barbacoa (116 kcal)
- NEW Loaded Vegan Fries** 🌱 🌱
Crispy skinny fries seasoned in our '74 BBQ rub, topped with burger sauce and tomato & red pepper salsa (499 kcal)
↑ Add Sloppy Joe's (123 kcal)
- Chargrilled Veggies** 🌱 🌱
Flat mushroom, red onion, Tenderstem® broccoli, red pepper, spring onion and slow roasted tomato (145 kcal)
- NEW Corn Riblets** 🌱
Chargrilled wedges of corn seasoned with our '74 BBQ rub (342 kcal)
- Grill Master Beans[†]** 🌱 🌱
Smoky and punchy spicy pit beans (153 kcal)
- Seasoned Veggie Rice** 🌱 🌱
With peppers, cauliflower and sweetcorn with a hint of chilli (220 kcal)

Beefeater Side Dish Menu



Brewer's Fayre new Topped Chips

DIRTY FRIES

CLASSIC DIRTY FRIES 🌱

Topped with cheese sauce, crispy onion and bacon flavour crunch 597kcal

NEW TEX MEX DIRTY FRIES 🌱

Topped with salsa, guacamole, sour cream, cheese sauce and jalapeños 660kcal

NEW BBQ PULLED PORK DIRTY FRIES

BBQ pulled pork topped with crispy onions, chilli and spring onions 659kcal

Harvester Dirty Fries

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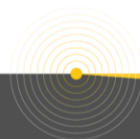
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Holly.franklin@lumina-intelligence.com or

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