



17 July 2023

Tortilla Mexican Grill plc
("Tortilla" or the "Group")

H1 2023 Trading Update

Resilient trading supports FY 2023 expectations¹

Tortilla Mexican Grill plc ("Tortilla"), the largest and most successful fast-casual Mexican restaurant group in the UK, provides a Trading Update for the half year ended 2 July 2023 ("H1 2023", the "Period").

Highlights

- Group revenue increased by 22.0% to £32.7m (H1 2022: £26.9m), illustrating growing demand for the Group's high-quality, value-for-money customer proposition.
- Continued industry outperformance with Group LFL revenue increasing by 8.4% (adjusting for FY 2022 VAT benefit), ahead of the industry Peach Coffer Tracker benchmark².
- Franchise sites performed very well with record sales being achieved in all SSP locations. Further franchise sites in the pipeline to expand on the success.
- Continued delivery against strategic expansion of the Group's estate with new site openings during the Period in Derby and Greenwich alongside an additional SSP franchise site at Manchester Piccadilly, all performing well since opening. In total, there were 85 sites at end of the Period operating under the Tortilla and Chilango brands (82 at end of FY22).
- First Tortilla in Northern Ireland set to open this week in Belfast, with another in Bracknell in coming weeks.
- Net debt (pre-IFRS 16) of £1.6m as at 2 July 2023, in line with expectations.

Outlook

The Group continues to deliver strong strategic progress and achieve good levels of revenue growth. While the widely publicised economic pressures impacting the sector remain, management has successfully implemented several efficiency and cost-saving initiatives including utilities hedging that are supporting Group profitability and these will continue in the second half. The Board is also pleased to report some easing of cost inflation in relation to certain key food ingredients.

In addition, the Group has delivered a number of new strategic initiatives to continue to grow demand including driving evening trade through the new 'Tortilla Sunsets' menu and 'Happy Hour' offers.

The Board remains confident in the Group's ability to deliver FY 2023 results in line with market expectations¹.

Richard Morris, CEO of Tortilla, commented:

"We are pleased to have delivered good revenue growth and further strategic progress in the first half. Our strong LFL sales growth has been ahead of industry comparatives reflecting the appeal of our high quality, healthy and customisable great value propositions.

We continue to deliver on our disciplined but ambitious approach to new site openings and strategic expansion, with all of our new openings performing well and meeting our expectations. Our franchise sites also continue to perform well with our SSP sites achieving record results and we remain hugely excited by the significant franchise growth opportunities in the UK and overseas."

The Group intends to announce its Interim Results for the six months ended 2 July 2023 in mid-September 2023.

ENDS

¹ Company-compiled consensus: FY23: revenue £69.8m, Adjusted EBITDA £5.0m (Adjusted EBITDA defined as statutory operating profit before interest, tax, depreciation and amortisation (before application of IFRS 16 and excluding exceptional costs) and reflects the underlying trading performance of the Group)

² Average of the 26-week period ended June 2023 reported by CGA Peach was 4.6% (restaurants-only) compared to 5.0% for Tortilla (both sets of numbers reported without Q1 2022 VAT adjusted)

ENQUIRIES

Tortilla Mexican Grill PLC
Emma Woods, Non-Executive Chair
Richard Morris, CEO
Andy Naylor, CFO

Via Hudson Sandler

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NOTES TO EDITORS

Tortilla is the largest and most successful fast-casual Mexican restaurant group in the UK specialising in the sale of freshly made Californian-inspired Mexican cuisine. As at 1 January 2023, the Group had 82 sites worldwide, comprising 65 sites in the UK operated by the Group, 4 sites franchised to SSP Group in the UK, 5 sites franchised to Compass Group UK & Ireland and 8 franchised sites in the Middle East.

The Group was founded in 2007 by Brandon Stephens, originally from California who arrived in London in 2003 to find a gap in the market for quality burritos and tacos. As a result, Brandon established Tortilla with a mission of offering customers freshly prepared, customisable, and authentic Californian-inspired Mexican food.

The Tortilla and Chilango brands are synonymous with an energetic, vibrant culture, and with providing a great value-for-money proposition. They embrace fast-growing sector trends (including eating out, healthy eating, provenance, ethnic cuisine, delivery) across a variety of locations, through a differentiated product offering which is popular with a broad customer base, and a clearly defined multi-channel marketing strategy. It benefits from flexible site locations and formats, and a scalable central infrastructure.