# GB Hospitality Sector in focus, CGA

November 2021

The COVID-19 pandemic has wiped

# £104bn

Off hospitality sales in the 18 months from April 2020 to September 2021

However, Q3 2021 turnover has increased by 73% compared to 2020

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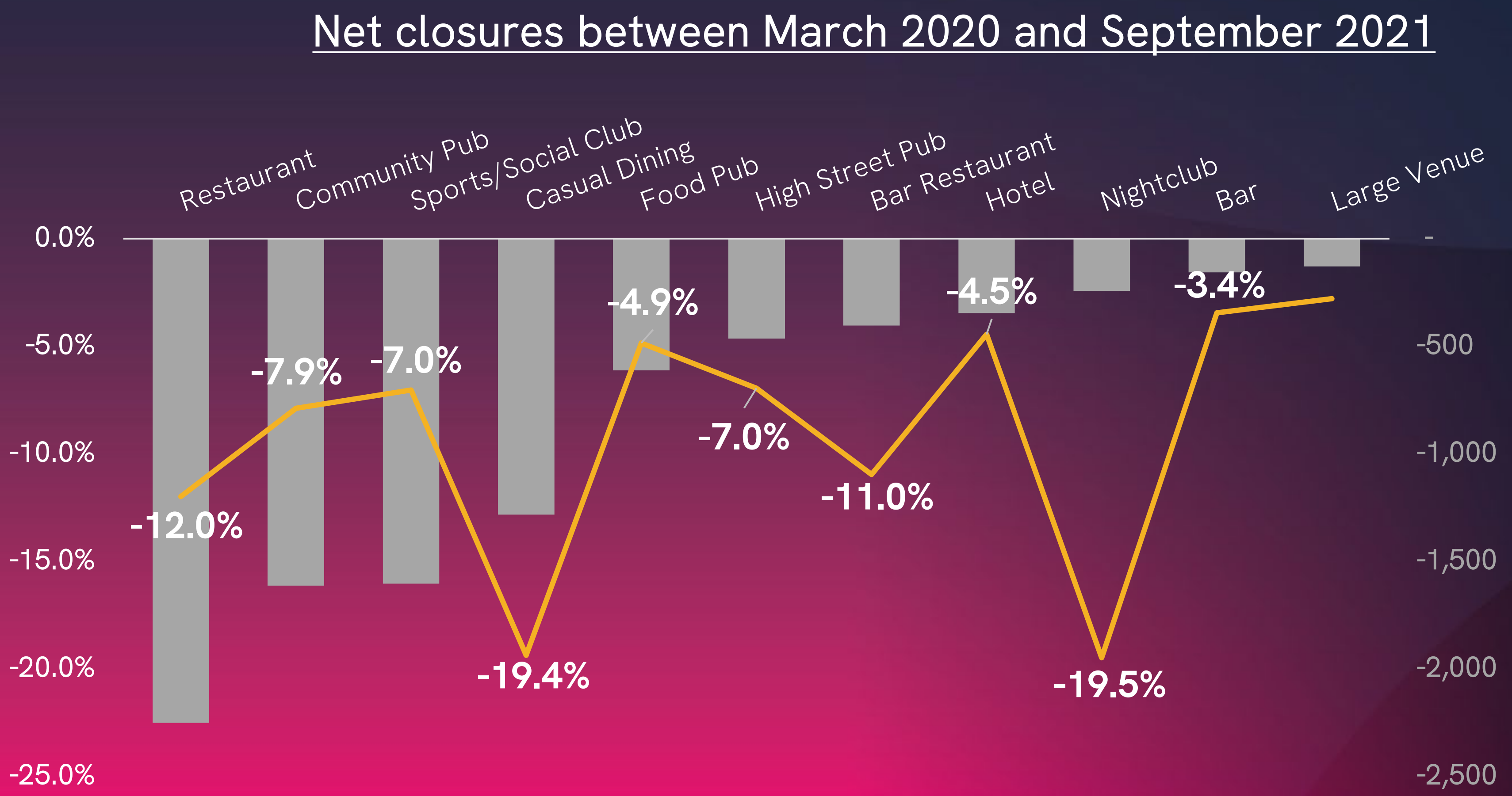
CGA & UKH Hospitality Tracker, November 2021

# The GB licensed universe has shrunk by nearly 10% in the past 18 months




There are now

**105,208**

licensed premises in GB

-8.6%

-9,900

vs March 2020

CGA & AlixPartners Market Recovery Monitor September 2021

Change in On Premise market between March 2020 and September 2021
(Net Change incl. openings and closures)

| ***Managed*** | ***Free Trade*** | ***Leased & Tenanted*** |
| --- | --- | --- |
| 5.0% of sites lost | 9.4% of sites lost | 9.4% of sites lost |
| *-1,081 outlets* | *-7,004 outlets* | *-1,815 outlets* |

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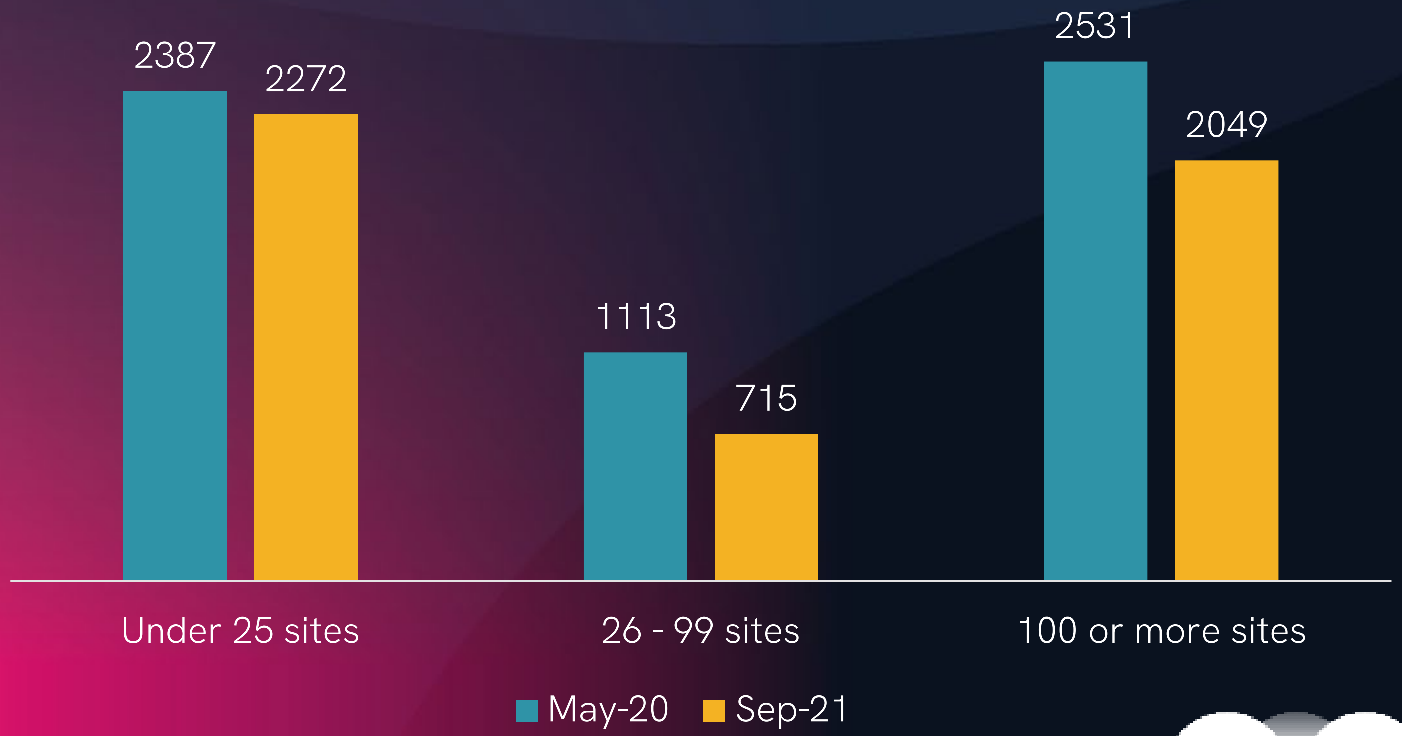
# There are now more managed restaurant sites for under 25 site groups than over 100

**Total change in managed outlets**

| | | |
|---|---|---|
| **Small Managed** (0-25 sites) | 3.0% of sites lost | -181 outlets |
| **Medium Managed** (26-99 sites) | 8.5% of sites lost | -331 outlets |
| **Large Managed** (0-25 sites) | 4.9% of sites lost | -569 outlets |

**Number of managed restaurant sites by size of group**

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# Optimism has returned to the market in 2021 for those who have survived

## Business leader confidence across the market and in own business


| | Feb-14 | Feb-15 | Feb-16 | Jul-16 | Nov-16 | Feb-17 | May-17 | Aug-17 | Nov-17 | Feb-18 | May-18 | Aug-18 | Nov-18 | Feb-19 | May-19 | Aug-19 | Nov-19 | Feb-20 | Apr-20 | Jun-20 | Sep-20 | Oct-20 | Nov-20 | Feb-21 | May-21 | Sep-21 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General market | 86% | 93% | 74% | 15% | 36% | 47% | 43% | 34% | 30% | 34% | 47% | 36% | 39% | 39% | 41% | 30% | 44% | 60% | 5% | 16% | 9% | 2% | 18% | 50% | 79% | 58% |
| Own business | 90% | 91% | 83% | 24% | 61% | 68% | 66% | 66% | 52% | 64% | 75% | 67% | 63% | 68% | 65% | 58% | 64% | 83% | 15% | 32% | 37% | 8% | 35% | 54% | 83% | 70% |

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# With pent-up demand having driven initial consumer visits, the most frequent visitors have now almost resumed previous rates of visit

Proportion of GB consumers visiting the sector at least weekly

**2019**

**38%**

**-2pp**

**2021**

**36%**

**85%**

Of GB consumers plan to maintain (60%) or increase (25%) their monthly spend on eating and drinking out from now

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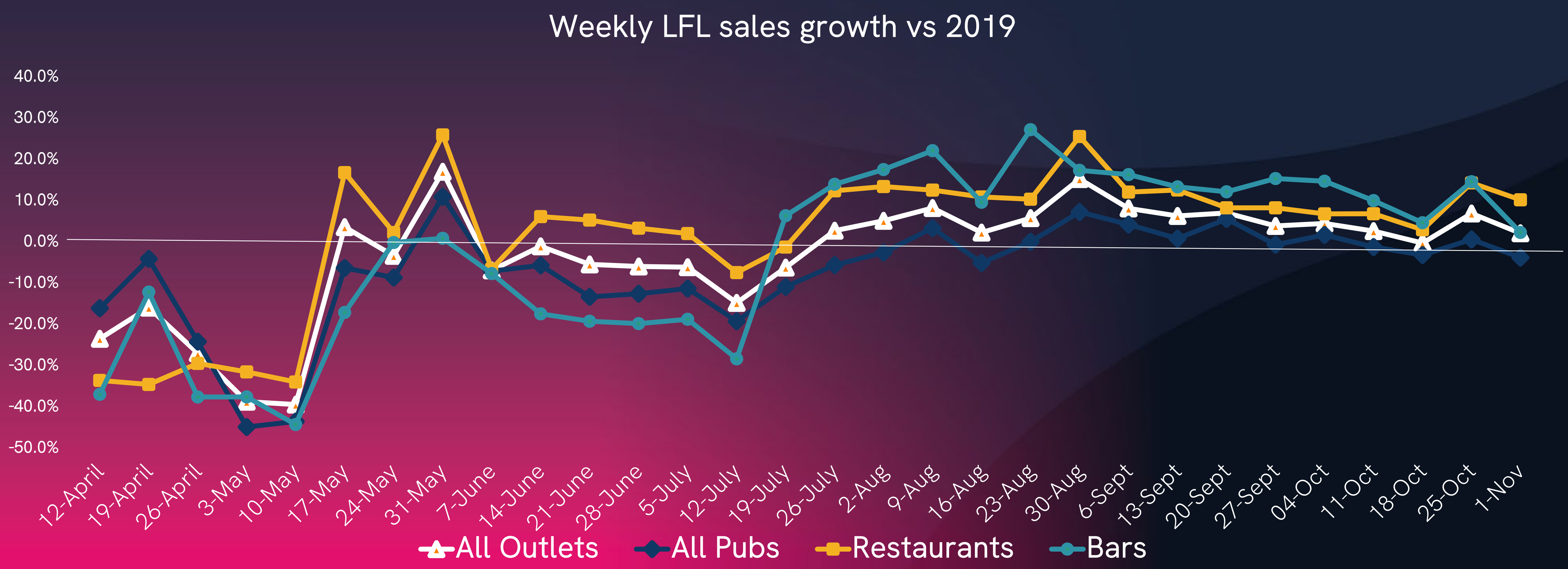
# Since restrictions have been lifted, outlets have been outperforming the 2019 like for like figures, with bars and restaurants leading the way

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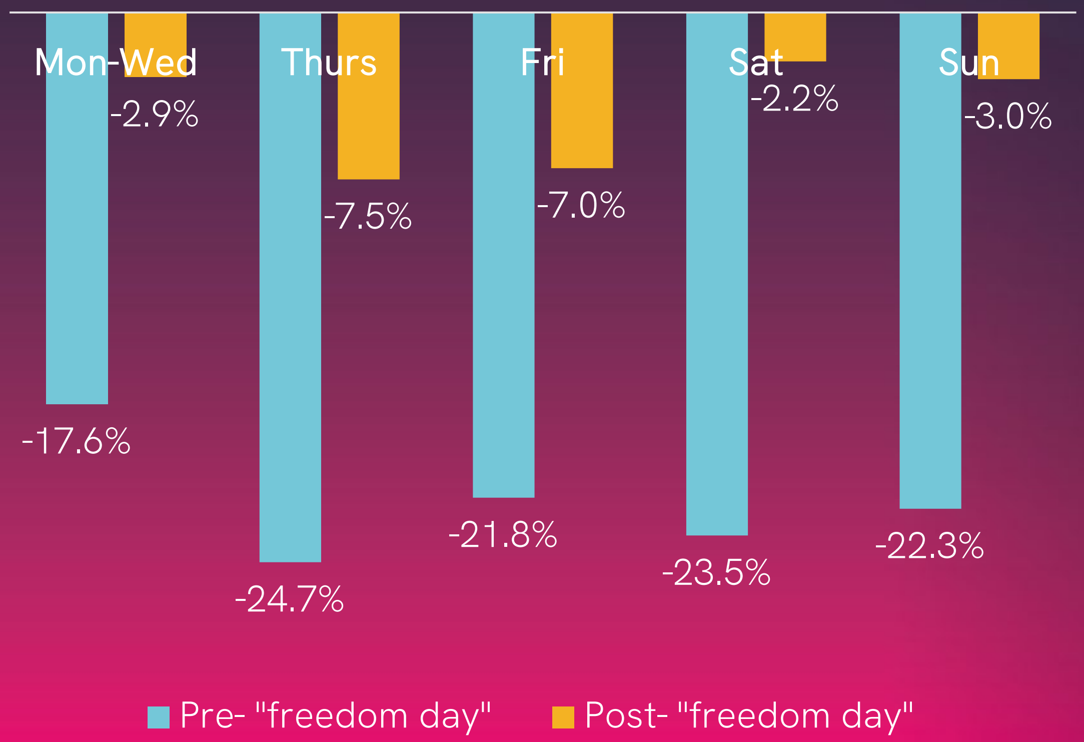
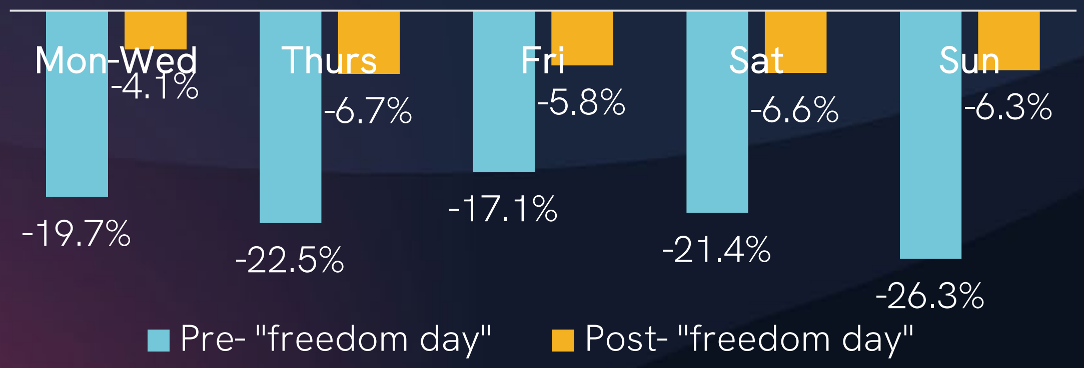
Coffer CGA Business Tracker, October 2021

# After restrictions lifted, sales across the week have almost recovered to previous levels, with weekend drink sales topping 2019 equivalents

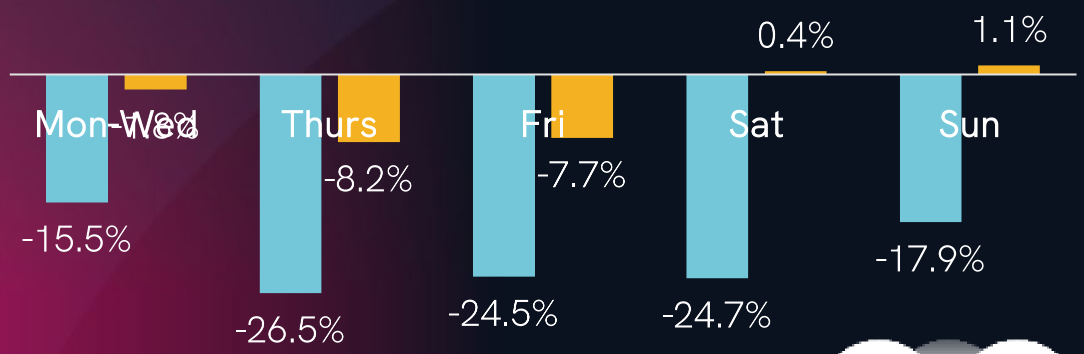
## Value Rate of Sale vs. 2019 by day of week: Total sales




## Value Rate of Sale vs. 2019 by day of week: Dry sales




## Wet sales



# Spirits sales performance has been stronger than other categories, with cocktails a key driver to increased share

Drinks sales : Re-opening to P09 vs 2019

| | Beer | Wine | Spirits | Cider | Soft Drinks |
|---|---|---|---|---|---|
| Value Share GB | 41.5% | 11.4% | 25.0% | 6.5% | 15.0% |
| vs 2019 | -0.4ppts | -1.4ppts | +2.5ppts | -0.5ppts | 0.0ppts |

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OPMS Total On-Trade Re-opening to 11/09/2021 Data vs 2YA

## Consumer expectations have never been higher than they currently are among explorative and experiential consumers…

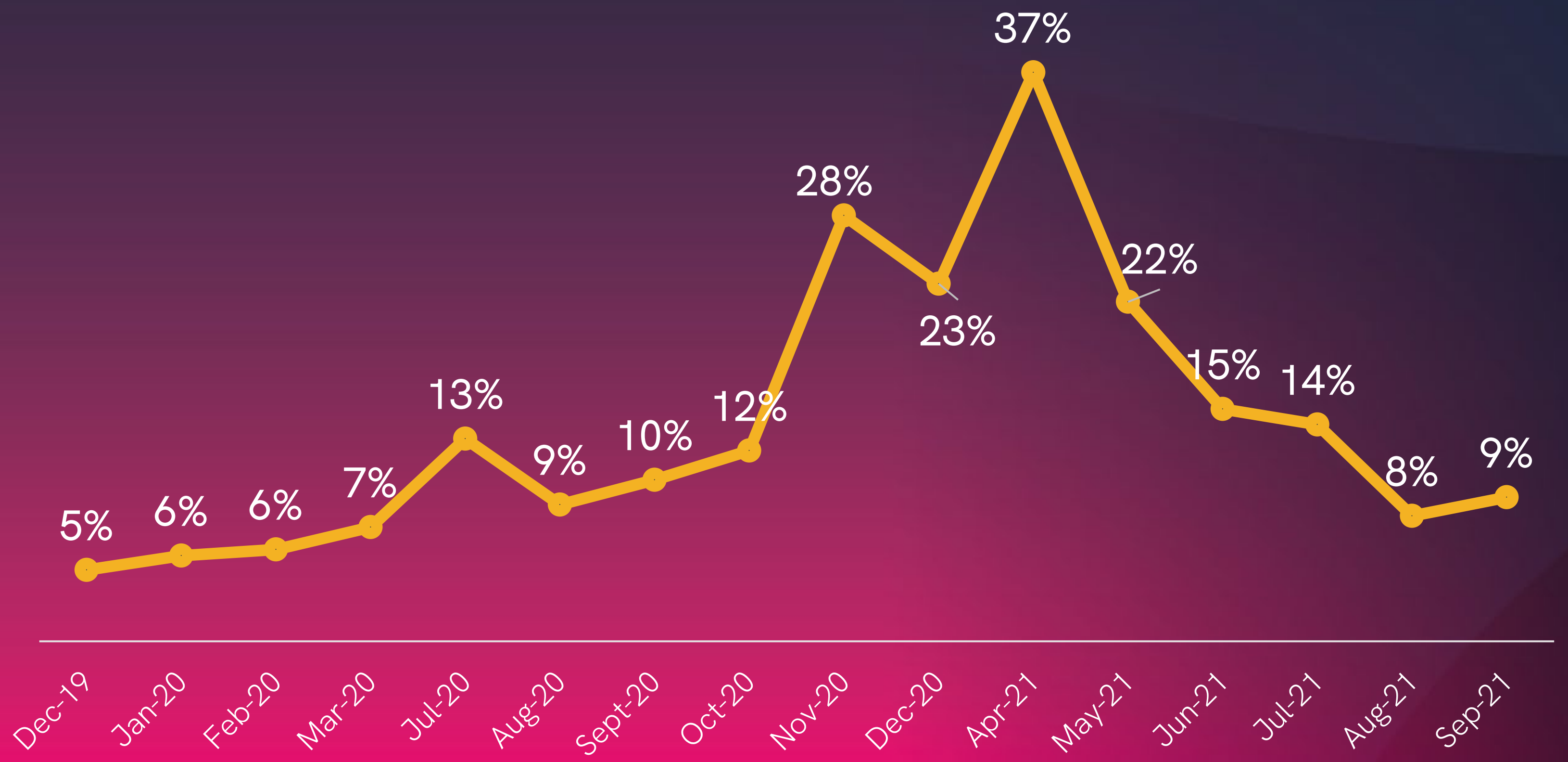
*Factors of increased importance in venue choice vs. 2020:*

| | | |
|---|---|---|
| *Level of service* | *Food quality* | *Drinks quality* |
| **#1** | **#2** | **#3** |
| *Trust in the venue* | *Hygiene / cleanliness* | *Loyalty to the venue* |

*Factors of decreased importance in venue choice vs. 2020:*

# Hospitality at home is here to stay

Monthly delivery share of total sales –
CGA & Slerp Hospitality at Home Tracker




# 130%

**Value** sales growth in delivery vs. 2019

# 60%

**Volume** sales growth in delivery vs. 2019

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# 96%

Of hospitality business leaders anticipate significant staff shortages at the end of 2021

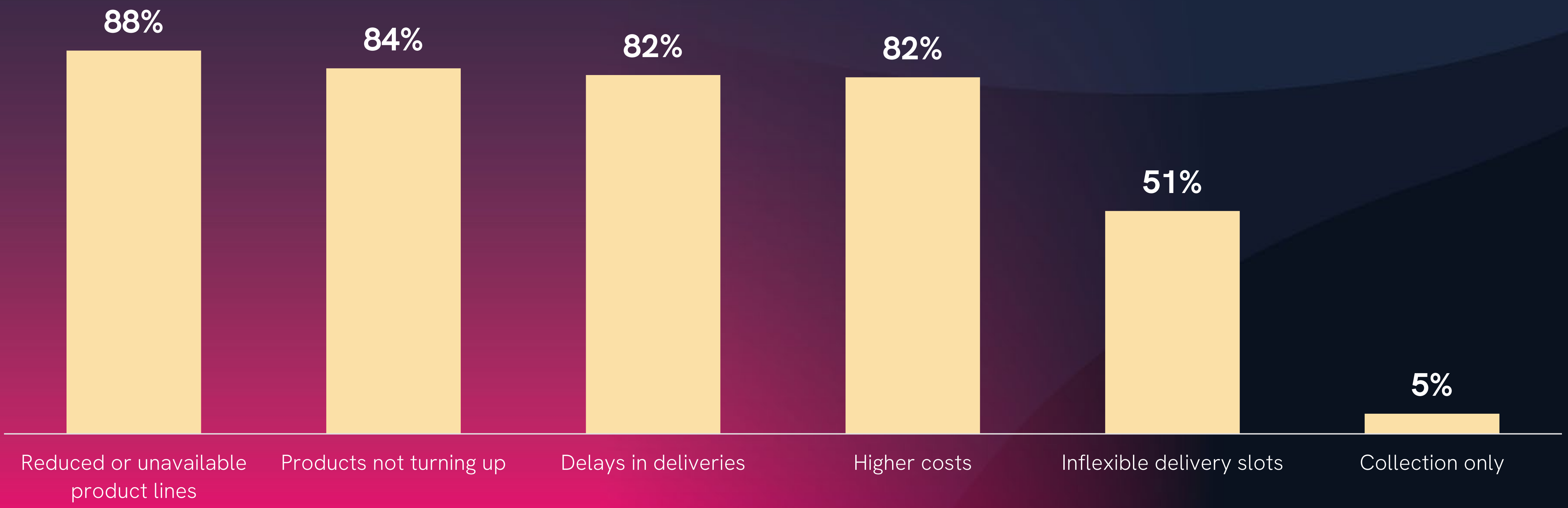
# 99%

of businesses are experiencing supply chain issues

CGA & UKH Hospitality Tracker, November 2021

# Reduced product lines, products failing to turn up, delays in deliveries and higher costs are all issues impacting a large majority of businesses

Are you experiencing any of the following issues in your supply chain?

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CGA Business Confidence Survey Q3 2021 in association with Fourth

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# 7 in 10 are seeing cost rises in food/drink and sub-contracted costs, with over half seeing a rise in the cost of doing business

Have you experienced cost rises in your supply chain?

| | Food Costs | Sundries | Drink Costs | Sub-Contracted Costs | Cost of doing business | Rent costs |
|---|---|---|---|---|---|---|
| *Increased costs* | 73% | 72% | 70% | 68% | 44% | 17% |
| *Significantly Increased costs* | 39% | 30% | 19% | 33% | 9% | 5% |

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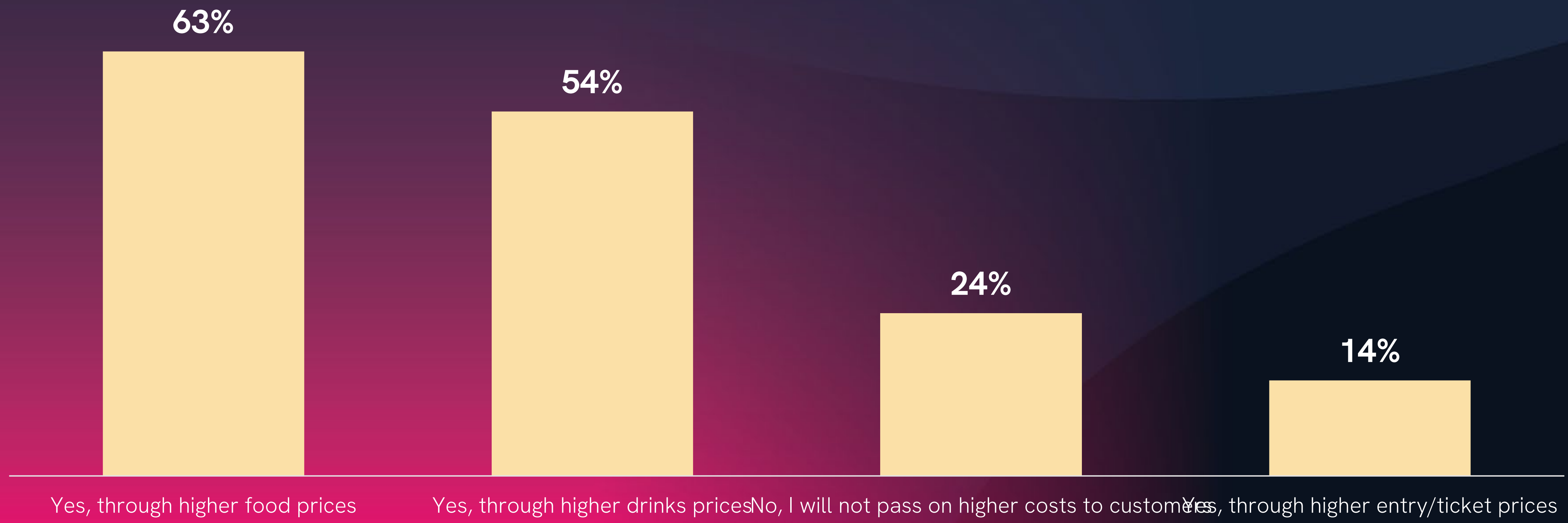
# 3 in 4 businesses will have to pass these higher costs onto consumers through price rises

How will you pass higher costs onto consumers?




CGA Business Confidence Survey Q3 2021 in association with Fourth

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For more information, please contact
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