

City Pub Group Plc

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Investors pour into City Pub Group as "strong momentum" continues

City Pub Group PLC (LON:CPC) shares were pulled higher on Monday after the pubs operator reported a 35% jump in sales so far this year.

Much of the growth has come from new openings, with the AIM-listed company now trading from 45 sites compared to 36 this time last year.

WATCH: City Pub Group well placed to achieve target of 65-70 sites by mid-2021

That figure will rise again to 50 in the not-too-distant future, as City Pub redevelops and opens another five pubs, including its flagship Aragon House in Parsons Green, London, which is due to start serving customers next week.

"We have enjoyed continued strong momentum since the start of the year," said chief executive Clive Watson, who is also the father of Made in Chelsea 'stars' Tiffany and Lucy.

"Whilst still early in the year, the board believes the group is well-placed to meet its expectations for the year as a whole," he added. "We are continuing to seek further pubs in Southern England and Wales to build the estate and achieve our target of 65-70 sites by mid-2021."

Momentum continues

"We expect further upside to be achieved from the investment in new openings and the sites due to open later this year," said analysts at City broker Liberum, who have the stock as a 'buy'.

"We estimate £48m of growth capex spent 2018/19 - the majority of which is not yet trading - which should help drive earnings momentum over the next few years. Additionally, the company remains on the lookout for further pubs in the South East and Wales to add to its estate."

Liberum concludes: "The sector leading growth, expansion opportunity and strong asset backed balance sheet supports our target price of 280p."

City Pub shares were up 1.1% to 230p in early deals on Monday.

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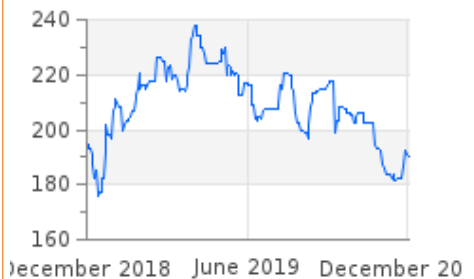
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Price: 190.6

Market Cap: £113.79 m

1 Year Share Price Graph



Share Information

Code: CPC

Listing: AIM

52 week

High	Low
240	170.5

Sector: Food & drink

Website: www.citypubcompany.com

Company Synopsis:

The City Pub Group owns and operates an estate of premium pubs across southern England. The Group's pub estate comprises 34 free houses located largely in London, cathedral cities and market towns, each of which is focused on appealing specifically to its local market.

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