

City Pub Group Plc

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City Pub Group reports rise in first-half profits as it turns focus to improving dividends

The City Pub Group PLC (LON:CPC) has reported an almost 20% rise in profits for its first half as it shifted its focus toward developing its pub estate and improving dividends for investors.

The chain, which operates 47 upmarket 'wet' (drink-led) pubs across England and Wales, reported an adjusted pre-tax profit of £1.9m for the six months ended 30 June, 19% higher than the prior year, while revenues jumped 36% to £27.1m.

WATCH: City Pub Group shifts focus to developing pub estate and improving dividends

Like-for-like sales increased 2.6% year-on-year, while trading into the second half had also improved with sales over the last 11 weeks rising 35%.

Looking ahead, Clive Watson, City's executive chairman, said the group would focus on opening four of its sites currently in development, by 2020, as well as refining the existing pub estate, reducing debt and "improving" its dividend for shareholders.

The shift in focus came as Watson blamed "uncertainty in the market" caused by Brexit for a decision by the firm to rein in its expansion plans, adding that the renewed focus on its existing pubs would "minimise" the impact of any potential headwinds, particularly from a 'no deal' exit from the EU.

City's change of tack may mean that it will have to re-evaluate its target of having around 65 pubs open for business by mid-2021, although the firm stressed that it still expected "significant growth" for the foreseeable future.

The news of slower expansion overshadowed the strong half-year figures, with the shares falling 6.4% to 203.5p in early trading on Thursday.

Price: 195

Market Cap: £116.41 m

1 Year Share Price Graph



Share Information

Code: CPC

Listing: AIM

52 week **High** **Low**
240 180

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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