

4 April 2022

The Fulham Shore PLC
("Fulham Shore", the "Company" or the "Group")

Trading Update

The Board of The Fulham Shore PLC is pleased to provide an update on trading ahead of the publication of the Company's results for the year ended 27 March 2022.

Trading Update

Following the removal of all restrictions in February 2022, customers have continued to return to the Group's restaurants in increasing numbers, reflecting the fantastic quality and value of the Franco Manca and The Real Greek propositions.

During the second half of the financial year both Franco Manca and The Real Greek businesses delivered strong underlying performances. This was achieved despite periods of disruption, including the UK government's guidance to work from home due to the Omicron variant.

The Group also made excellent progress against its UK expansion plans by opening 10 new restaurants, including Franco Manca pizzeria in Blackheath and Baker Street in London, and sites in Bishops Stortford and Cheltenham. The Real Greek opened three new restaurants in Bluewater Kent, Corn Exchange Manchester and The Trafford Centre Manchester, all of which opened in the second half, were received very well by customers and have enjoyed strong trading momentum since opening.

In line with Fulham Shore's international strategy, two franchised Franco Manca restaurants were also opened during the period, in Athens, Greece.

Input costs rose throughout the year due to increased transportation costs, raw materials and the impact of Covid-19 disruption. However these were mitigated through small price increases and generated better results than the Board had previously anticipated at the half year.

This strong trading momentum and expansion drove a significant increase in revenue, comparable with the levels seen pre COVID-19. As a result, the Board expects to report that revenue, EBITDA and Adjusted Headline EBITDA for the financial year ended 27 March 2022 will be ahead of last year's figures and comfortably ahead of market expectations.

Fulham Shore believes that market expectations for the year ending 27 March 2022 are currently revenue of £73.4m, EBITDA of £16.5m and Adjusted Headline EBITDA of £9.5m.

Definition of EBITDA and Adjusted Headline EBITDA can be found on page 56 of the FY2021 Annual Report.

Cash and bank facilities

The Company's net cash position before lease liabilities recognised under IFRS 16 as at 25 March 2022 was £4.0m (2021: net debt of £3.6m). The Group has undrawn bank facilities of £15.9m.

Planned openings have been and will continue to be financed primarily by internally generated cash flow. It should be noted the Group improved its cash balance through this financial year despite opening 10 restaurants.

Dividend policy

In parallel with this expansion programme, and subject to sufficient cash generation within the business, the Board is still considering formulating a dividend policy during the coming financial year, reflecting the Board's continued confidence in the outlook for Fulham Shore. This decision will depend on geo-political events, our trading patterns and UK economic conditions.

Current trading and outlook

A 24th The Real Greek restaurant is within days of opening in Newcastle. 5 new Franco Manca pizzeria are in development, in Stockbridge Edinburgh (our second in that city), Kingston upon Thames, Canterbury, and in Manchester, both on King Street and in Didsbury.

The Group continues to secure desirable sites at favourable rents, supported by high vacancy rates and lower rents than at the peak levels seen in 2019. 19 proposed new Franco Manca sites are in legal negotiations and are planned to open in the summer and autumn of 2022. The Real Greek is also in legal negotiations for 5 new sites around the country.

The outlook for costs, be they utilities, raw ingredients or labour presents challenges for all operators within the sector. In addition, the reduced VAT rate and hospitality business rates relief both ended on 1 April 2022. Thanks to its brands' affordable, value-for-money proposition, the Group is well placed to offset these increased costs through increased menu pricing, which, when they occur, will be implemented to cover costs rather than increase margin.

As customer numbers continue to grow and trading continues to be robust, the Group plans to open around 18 new restaurants across both brands in the financial year ending March 2023 and will review this opening programme at the half year.

The Board is very encouraged by the strong performance achieved by the Group during FY22 and underpinned by its two relevant businesses, their value-for-money propositions and the clear growth opportunities, remains confident of its exciting potential.

Fulham Shore will announce full year figures around the end of July 2022.

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Notes for editors

Information on The Fulham Shore PLC

Fulham Shore owns and operates "The Real Greek" (www.therealgreek.com) and "Franco Manca" (www.francomanca.co.uk) restaurants.

Fulham Shore was incorporated in March 2012. The Directors believed that there were attractive investment opportunities within the restaurant sector in the UK and that, given their collective experience in the restaurant sector, they could take advantage of the opportunities which existed.

The ordinary shares of the Company were admitted to trading on AIM in October 2014 in order to capitalise on such opportunities and to give the company employees, customers and public the ability to share in the enterprise.

The Real Greek

Since its foundation in London in 1999, The Real Greek group has grown steadily, now offering modern Greek cuisine in 23 restaurants primarily in London and Southern England but with restaurants across the UK (e.g. Manchester and Norwich).

The Real Greek food centres on the delicious, healthy diet of the Eastern Mediterranean, staying true to the Greek ethos of food, family and friends. Dishes are created using premium ingredients sourced from Greece and Cyprus whenever possible, and developed by Tonia Buxton, the face of Greek food in the UK.

The Real Greek's menu and atmosphere retain the spirit of eating in Greece, encouraging diners to take their time eating amongst friends and family, be it a relaxed dinner, family get-together, or a fully catered party.

Franco Manca

Franco Manca opened its first restaurant in 2008 and now has 59 restaurants, primarily in London, but also with restaurants across the UK (e.g. Edinburgh, Glasgow, Manchester, Leeds, Cambridge, Bath, Oxford, Bristol and Exeter).

Franco Manca's pizza is made from slow-rising sourdough and is baked in an oven that produces high heat. The slow levitation and blast cooking process lock in the flour's natural aroma and moisture, giving a soft and easily digestible crust. Where possible, locally sourced and organic ingredients are used.

Franco Manca has received the following accolades:

Winner of Peach 20/20's Consumer Choice Award at the 2021 Hero & Icon Awards

Winner of the Casual Dining Best Family Dining Experience Award 2020

Winner of the R200 Best Value Restaurant Operator- Over 20 Sites Award 2019 and 2017