

ACQUISITION OF BE AT ONE LIMITED
ACQUISITION OF 15 SITES FROM NOVUS LEISURE

Stonegate Pub Company (“Stonegate” or “the Group”), is pleased to announce that it has today agreed to acquire Be At One Limited (“Be At One”), for an undisclosed sum. The acquisition is expected to complete later today.

Be At One is the leading, specialist cocktail bar operator with 33 bars in prime high street town and city locations with 17 sites in London and representation throughout the UK including in Leeds, Manchester, Liverpool, Birmingham, Reading and Cardiff. Established in 1998 with its first bar in Battersea Rise, the Be At One brand is synonymous with high quality cocktails, excellent service and a great party atmosphere. As such, Be At One is highly complementary with Stonegate’s drink-led prowess and growing managed, high street bar portfolio.

Stonegate plans to operate Be At One as a standalone, eighth format with its wider portfolio of c.700 predominantly high street pubs and bars. All of the operational management team and Head Office staff will be retained. The three original founding directors – Rhys Oldfield, Steve Locke and Leigh Miller - will step away from the business upon completion of the deal.

Be At One has ambitious expansion plans with a strong pipeline of new sites in place. Following a recent opening in Soho, a new site is due to open in Chelmsford later this month, as well as a second Be At One cocktail bar in Birmingham in August. Stonegate plans to continue to expand Be At One in future, as well as investing in the existing estate.

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In addition, Stonegate announces today that it has exchanged contracts to acquire 15 bars from Novus Leisure Limited, for an undisclosed sum.

Located in prime Central London locations in the City and West End, the sites being acquired - all of which are leasehold - were selected from a total of 26 sites in Novus high quality bars portfolio.

The acquisition of these premium assets will further consolidate Stonegate’s position as a leading high street, managed pub operator in the UK. Stonegate plans to invest in the sites promptly post acquisition, as well as capitalise on Novus’ acknowledged expertise in pre-booked sales.

Stonegate has a proven track record of success in identifying, unlocking value and ultimately delivering higher returns from the pub and bar assets which it has acquired and has built a reputation for consistently achieving industry-leading returns on its investments. Examples include the acquisitions of Bramwell in 2014, Tattershall Castle Group in 2015, iNTERTAIn in 2016 and Sports Bar & Grill in 2017 - all of which continue to perform strongly.

There is also the potential to deliver further synergy benefits by leveraging Stonegate’s economies of scale in the context of the enlarged business.

Following the acquisition, Stonegate will comprise 739 operating venues, further consolidating the Group’s position as a leading managed pub operator in town and city centre locations nationwide.

Simon Longbottom, Chief Executive of Stonegate, commented:

“These are both excellent acquisitions for Stonegate which are right in our sweet-spot. Be At One is a business we know well and have admired for some time. This acquisition is a great cultural fit with our existing portfolio and Be At One’s strong association with the delivery of premium cocktails in high street locations, capitalising on the growing trend of premiumisation, further consolidates Stonegate’s leading position in this market segment. We see excellent potential to continue to grow the business, investing in the brand and its people and look forward to learning from Be At One’s legendary cocktail theatre and market-leading customer service skills.

“In addition, the Novus sites which being acquired comprise a portfolio of high quality assets which will further establish our leading credentials in London. Stonegate has a proven track record of success in identifying, unlocking value and ultimately delivering higher returns from the pub and bar assets which we acquire and we are excited about the opportunity which these acquisitions present as we continue to build the UK’s leading high street, managed pub and bar business.”

“We look forward to welcoming the Be At One team and colleagues who will be joining Stonegate from Novus into the enlarged Group.”

23 July 2018

ENQUIRIES

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Information on Stonegate:

Stonegate is the UK’s leading privately owned managed pub company with 691 sites nationwide. With a strong drinks-focus, the Group operates seven different trading formats which appeal to a breadth of customers and occasions from high street pubs and bars, such as Slug & Lettuce, to traditional country inns, local community pubs, sports bars and latenight venues. This distinctive approach gives flexibility to apply the right format to sites and to capitalise on the customer opportunity, ensuring the trading opportunity is maximised for every asset.

Most recently, the Group reported revenue of £720.9 million and adjusted EBITDA of £106.2 million for the 52 weeks to 8 April 2018.

Information on Be At One:

Be At One comprises 33 specialist cocktail bars in prime high street locations in major UK towns and cities, 17 of which are in Central London. The business will be acquired by Stonegate from its three original founders, Steve Locke, Rhys Oldfield and Leigh Miller, and Piper, the specialist investor in consumer brands. The business is entirely drink-led, specialising in cocktail theatre with a range of 101 cocktails and a strong emphasis on customer service, with a party vibe into the evening. In the 53 weeks ended 2 April 2017, the business reported revenue of £36.9 million and site EBITDA of £9 million.

About Novus Leisure

Novus Leisure, operates 41 premium bars/restaurants and venues including Balls Brothers, Tank and Paddle and Tiger Tiger. Novus' sites are located in Central London and some of the UK's biggest cities.

Venues included in the transaction:

Loop, London, West End

Fifty 9, London, West End

Gem, London, West End

Bar Soho, London, West End

Village, London, West End

Foundation, London, West End

Sway, London, West End

Forge, London, City

Kanaloa, London City

Babble City, London City

Warwick, London, West End

Gable, London, City

Core, London, City

The Long Acre, London, West End

Abbey, London, City