

SAVOR

NZX Release

Savor releases 2022 results, raises \$2m of new capital, announces new Viaduct and MoVida venues

30 May 2022

Savor Limited (NZX: SVR) (“Savor” or with its subsidiaries “the Group”), New Zealand’s premier hospitality group, announces its 2022 annual results, a completed equity raise of \$2m, the lease of Viaduct Harbour’s most desirable site and the opening of culinary icon MoVida in Britomart later in the year.

Solid 2022 financial performance despite COVID-19

Highlights:

- Group revenue increased to \$31m from \$16m in the prior year, following the acquisition of the Amano, Ortolana and The Store venues from Hipgroup in April 2021.
- Group operating cash flows for the period were \$3m, compared to \$0.4m in the prior year.
- The Group strengthened its balance sheet by paying down \$1.7m of borrowings during the year.
- Including significant non-cash items such as depreciation and impairment of \$5.5m and interest costs of \$1.3m, the Group reported a net loss after tax of \$5m.
- Despite the challenges presented by COVID-19 during the year, Savor reported an improved EBITDA of \$3m for the period, compared to \$2m in the prior year.

The Group had a strong start to the year, reflecting an increase in trading performance and a higher than expected contribution from the Hipgroup acquisitions. The solid winter trading further solidified the Board’s confidence in the Group’s growth strategy and the strength of its brands.

However, the impact of COVID-19 was considerable, with the Delta lockdown forcing the mandated closure of all venues and the drawn-out return to trading placing the Group under severe cash flow pressures. As outlined at the Annual Shareholders Meeting in November 2021, the Group anticipates the repercussions of the Delta lockdown to adversely impact Group earnings by approximately \$3 million.

The progressive return to trading through October and November once again showed the resilience and popularity of our offerings, as online orders for takeaways and home deliveries, plus the Amano Bakery, continued to outperform.

The Omicron outbreak in early 2022 had a marked impact on customer sentiment, with many venues running significantly below capacity. Fortunately, this appears to have been limited to a six-week period, with sales recovering towards the end of March 2022. The effect of the Omicron restrictions further impacted earnings by \$1 million.

Trading update

The new financial year has started ahead of expectations, continuing the momentum achieved in the first three months of the year. The April results exceeded expectations, with revenue of \$3.5m, or 10% in excess of the pre-Covid 2019 comparable trade, and a cash build of in excess of \$500k for the month. Despite inflationary pressures, average transaction values remained consistent, demonstrating the strength of the Group’s offerings.

The progressive reopening of international borders is expected to continue to support trading levels, and the return of major events to the central city will provide a further boost. The Group looks forward

to the maritime border reopening in due course, and welcoming cruise passengers into the Commercial Bay and Auckland Fish Market venues, which have proven popular to these customers in the past.

Savor Group Chairman, Paul Robinson, said: “Savor has delivered a resilient result overall in April, with trading over the traditionally quiet Easter holidays surpassing expectations. After a challenging period for the hospitality industry, Savor has been delighted with the strong response from customers. Consistent with the international trends, the domestic hospitality sector is experiencing a “V” shaped recovery. The Group is pleased to start FY23 with strong momentum and a reaffirmed commitment to deliver sustained value to our shareholders.”

Completed \$2m equity raise via private placement

Savor has secured approximately \$2 million of new capital, through a private equity placement at a price of \$0.40 per share. The placement comprises the issue of approximately 5 million shares, which represents 8% of Savor’s shares on issue following the completion of the equity raise. Settlement of the placement took place on 30 May 2022.

Savor Board Chair, Paul Robinson, said: “This raise confirms that investor confidence in Savor remains high and we are well positioned with fresh and innovative hospitality offerings as consumer confidence strengthens.”

Viaduct site secured

Savor reached an agreement today with Viaduct Harbour Holdings Limited to lease the waterfront hospitality site formerly known as Headquarters. Following an extensive refurbishment, this latest Savor venue is expected to open later this year.

Savor Group Chief Executive Officer, Lucien Law, confirmed the prospect of opening in Viaduct Harbour is an exciting one.

“The position and size of the corner waterfront site makes it unquestionably one of the jewels in the crown of Auckland’s waterfront, allowing patrons to bask in all-day sun with uninterrupted views of the marina and harbour,” he said.

“We look forward to creating an incredible dining experience for customers that adds to the vibrancy of the precinct and confirms Viaduct Harbour as one of the most desirable hospitality locations in the city.”

Melbourne icon MoVida locked in for Britomart

Savor has secured a deal to bring Melbourne’s iconic restaurant MoVida to Auckland’s Britomart precinct.

Britomart’s Seafarers Level 2, once home to Ostro and boasting uninterrupted harbour views, will be transformed by a major refurbishment, with MoVida Auckland expected to open in September this year.

Savor Group Chief Executive Officer, Lucien Law, confirmed MoVida Auckland will be a destination dining experience for the Britomart precinct.

“Enjoyed by Melbournites for two decades, MoVida will be a destination eatery for sophisticated domestic and international clientele, with every dish a celebration of Spanish food and culture through the very best produce,” he said.

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About Savor

Savor, established in 2011, is one of New Zealand's largest hospitality businesses with 17 iconic venues in Auckland, including Azabu Ponsonby, Azabu Mission Bay, Ebisu and Non Solo Pizza, each with its own unique concept, culture and offering. In April 2021, Savor acquired the iconic Auckland venues Amano, Ortolana, and The Store, bringing further strength and depth to the Group. Savor has a reputation for originality, the quality of its products and the high standard of service that is consistent across the company portfolio.