

Trading statement



The Rank Group Plc

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21 April 2022

The Rank Group Plc (LSE: RNK) ('Rank' or 'Group') provides a trading update for the quarter to 31 March 2022

Q3 Trading

LFL NGR	Q3 2021/22 £m	Q3 2020/21 £m	Change
Grosvenor venues	69.1	0.1	-
Mecca venues	34.1	0.3	-
Enracha venues	8.0	2.2	-
UK digital	40.0	40.6	(1)%
International digital	5.2	5.5	(5)%
Group	156.4	48.7	221%

Venues

As is clear from the table above, our UK venues (Grosvenor and Mecca) were closed for the entirety of Q3 2020/21. Our Enracha venues in Spain were open for part of the prior year third quarter but under very severe capacity restrictions.

The most recent comparable non-COVID-19 affected third quarter period is therefore the three months to 31 March 2019. Against that comparative period, Grosvenor venues NGR was down 14% and Mecca venues down 25%. For both our UK venues businesses there was a softness in visits at the end of the quarter consistent with the rise in new COVID-19 cases reported across the UK.

Enracha venues performance continued to recover, with NGR down just 2% compared to the same quarter in 2018/19.

Whilst the recovery is taking time, we believe that in the medium term there remains a strong path to recovery to the pre-COVID-19 levels.

Digital

UK digital NGR was down 1% year on year. Grosvenor digital grew NGR by 3%, as it continues to benefit from omni-channel players from our Grosvenor venues. Mecca digital NGR was down 11% due to the anticipated impact of its migration onto the RIDE platform in January. The performance of our remaining digital brands continued to be mixed, with a growth of 42% in our other brands operating on the RIDE platform partly offset by a revenue decline of 25% in the non-proprietary brands following the introduction of affordability restrictions in H1 2021/22 by other operators.

International digital was down 5%.

Outlook

We enter Q4 at the start of a traditionally low seasonal period in our Grosvenor venues with visit numbers down. We anticipate an improvement in performance post April, but it remains to be seen how the trends in the rate of return of office workers to city centres and overseas customers to London will develop towards the summer.

Considering the Q3 trends, notably the softness in our UK venues towards the end of the quarter and continued inflationary costs, we are updating our previously guided EBIT range of £55m-£65m for the year ending 30 June 2022 to a range of £47m-£55m.

John O'Reilly, CEO of Rank, said:

“The performance of our venues softened in March, and this has continued into the first few weeks of Q4, impacting our current expectations for our full year performance. We recognise the pressures on UK consumers but are confident that the improvements we are continuing to make to the customer proposition and the investments in our venues, alongside the gradually reducing impact of the pandemic and, with it, the return of overseas customers, position us well for the year ahead.”

Forthcoming announcements

Rank will announce its preliminary results for the 12 months ending 30 June 2022 on 18 August 2022.

Ends

Contacts:

Rank

Sarah Powell – investor relations

Tel: +44 1628 504 303

David Williams – public affairs

Tel: +44 1628 504 295

Media Enquiries:

FTI Consulting LLP (PR adviser to Rank)

Edward Bridges

Tel: +44 20 3727 1067

Alex Beagley

Tel: +44 20 3727 1045

Notes to editors:

1. Net gaming revenue ('NGR') is GGR less customer incentives.
2. Like-for-like excludes the impacts of venue openings, closures, relocations, acquired businesses and foreign exchange movements.
3. Q3 is for the period 1 January to 31 March.
4. Digital comprises the Grosvenor, Mecca, Stride, Yo and Enracha brands.
5. EBIT is earnings before exceptional items, interest and tax.