

27 July 2023

TMR Capital (PTC) Limited (“TMR”), with a 1.75% shareholding in The Restaurant Group plc (“TRG”, the “Company”), believes, in its opinion, the non-core assets of the group should be sold, namely the pubs division (the “Pubs”), the leisure division (“Leisure”) and the concessions division (“Concessions”).

TMR estimates that the sale of the Pubs and Leisure, based on its analysis and opinion, should enable a full pay down of TRG’s debt.

In addition, once the above has been achieved, TMR believes, in its opinion, that overheads outside of Wagamama, which it estimates to be no less than £25 mn., based on its analysis of the Company prior to the Wagamama acquisition, can on the whole be eliminated.

TMR therefore believes, in its opinion, that within c. 12 months of such events, the Company will have liberated in excess of c. £30 million in cashflow, or c. 4p per share. TMR has asked for the Company to comment on the above analysis, but it has declined to do so.

This available cashflow, in TMR’s opinion, should be used for:

(a) Reinvestment into Wagamama

Wagamama’s growth prospects, in TMR’s opinion, including buying out the US joint-venture partner and renegotiating franchises in Europe and the Middle East, would be greatly enhanced as a result of reinvestment and a focus on this core asset.

(b) To pay a dividend within 12 months

Assuming the Company’s tax losses from the write down of the acquisitions and losses in the last four years balance any potential corporate tax liability, TMR estimates, in its opinion, that after retaining cash for reinvestment in Wagamama, the Company should have cashflow available for dividend distribution on a recurring basis. TMR believes, in its opinion, that in the first year, the Company can distribute c. 50% of the liberated cashflow and therefore reinstate a dividend programme far earlier than expected which TMR estimates to be c. 2p per share or a dividend yield of c. 5% based on a share price of 40p. In the following years, with growth of Wagamama achieving a higher cashflow and lower reinvestment required, TMR believes, in its opinion, that the dividend can be increased significantly.

We note that the Company has agreed to review/revisit its remuneration-related resolutions that were passed at the AGM dated May 23, 2023, and in parallel, that it is willing to consider disposal offers that are in the best interests of shareholders. TMR believes this to be a positive step forward.

About TMR (<https://www.tmrcapitalptc.com>)

TMR is a BVI based family office with investment activities in both North America and Europe. TMR concentrates in equities, fixed income, real estate and the hospitality sectors (food/beverage, hotels, leisure). It is in parallel a value-added investor focusing on companies which need restructuring and repositioning as well as providing specialist management and directors as required.

Enquiries: Derek Vago ([jdvago@visyg.net](mailto:jdvago@visyg.net))