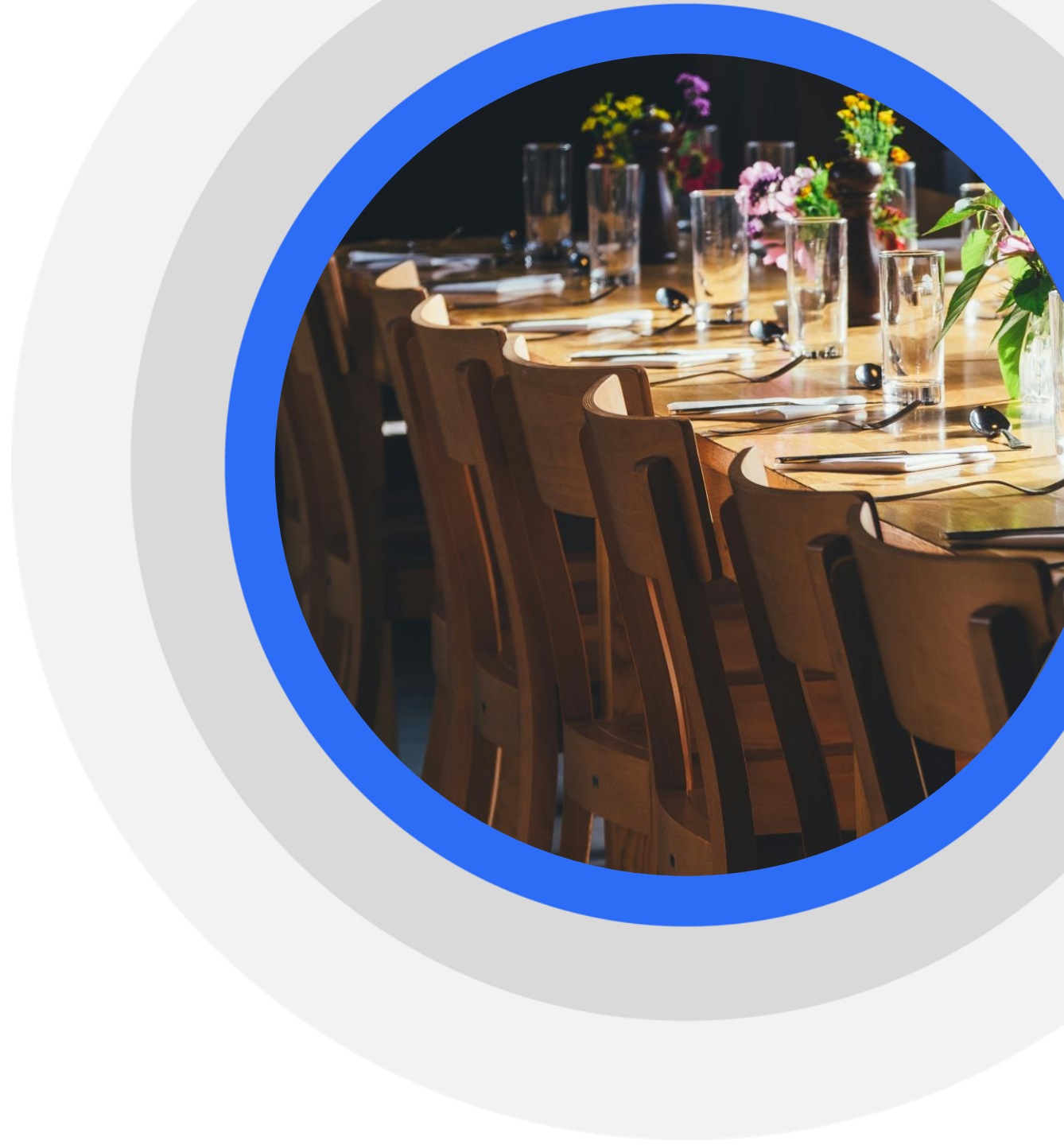


Business Confidence

In collaboration with Sona

May 2025





Methodology

May 2025

The CGA Business Confidence Survey surveys performance, forecasts, and opinions, regarding the current and future state of the hospitality industry.

Those surveyed were in senior business roles, between 2nd and 25th May 2025.

Results presented in this research are primarily based on responses from **Business Leaders**, defined as those from businesses managing five or more sites.

Supplemental data from single-site operators may be used for comparison, referred to as **Independents**.

The number of sites managed by Business Leaders equates to more than:

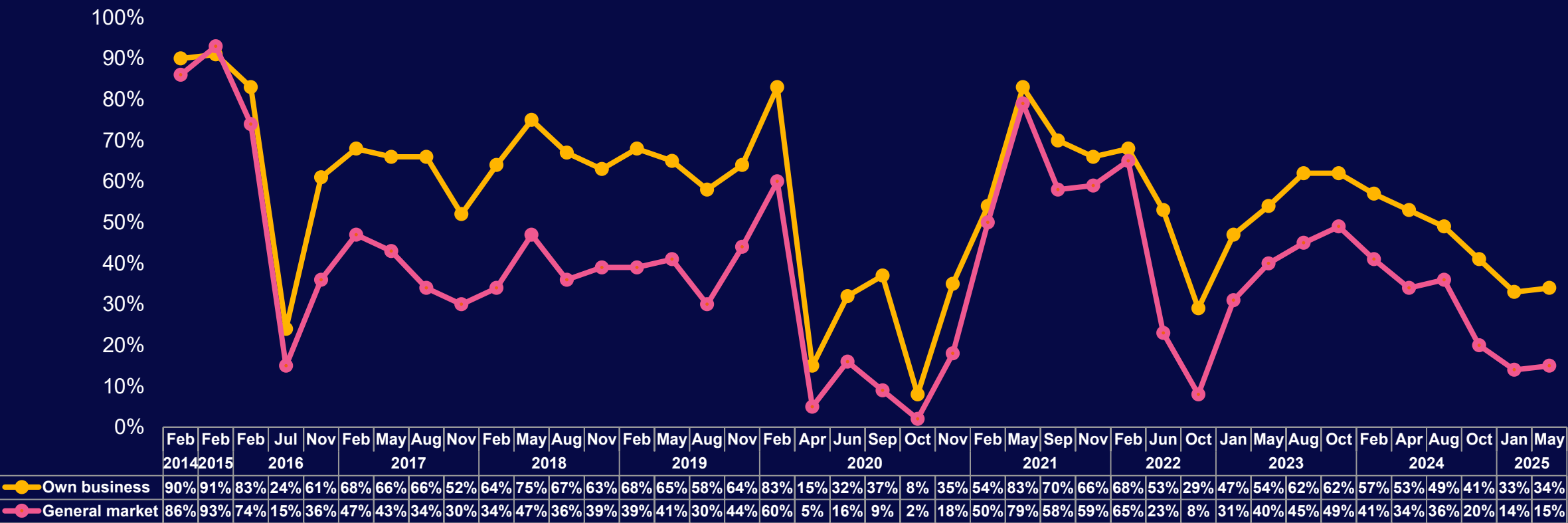
17,100 sites

Among the Business Leaders sample:

- 50% are at CEO / MD level
- 35% at Director or Board level
- 15% in other Senior Management positions

The decline in business confidence has halted in May, though levels still remain at lows only comparable with mid-pandemic trading

Business leader optimism in the **general market** and in **own business** (over the next 12 months)



Jun-16
Brexit referendum

Apr-20
First COVID lockdown

Oct-20
Lockdown reintroduced

Oct-22
Inflation at a 40-year high

Oct-24
Autumn Budget

Sites in the market are also flat year-on-year. While there is churn and some growth in the short-term, only bars have managed drive longer-term growth over the past five years

As of March 2025, there were

98,866

licensed sites in Great Britain.

Over the past year,

+121

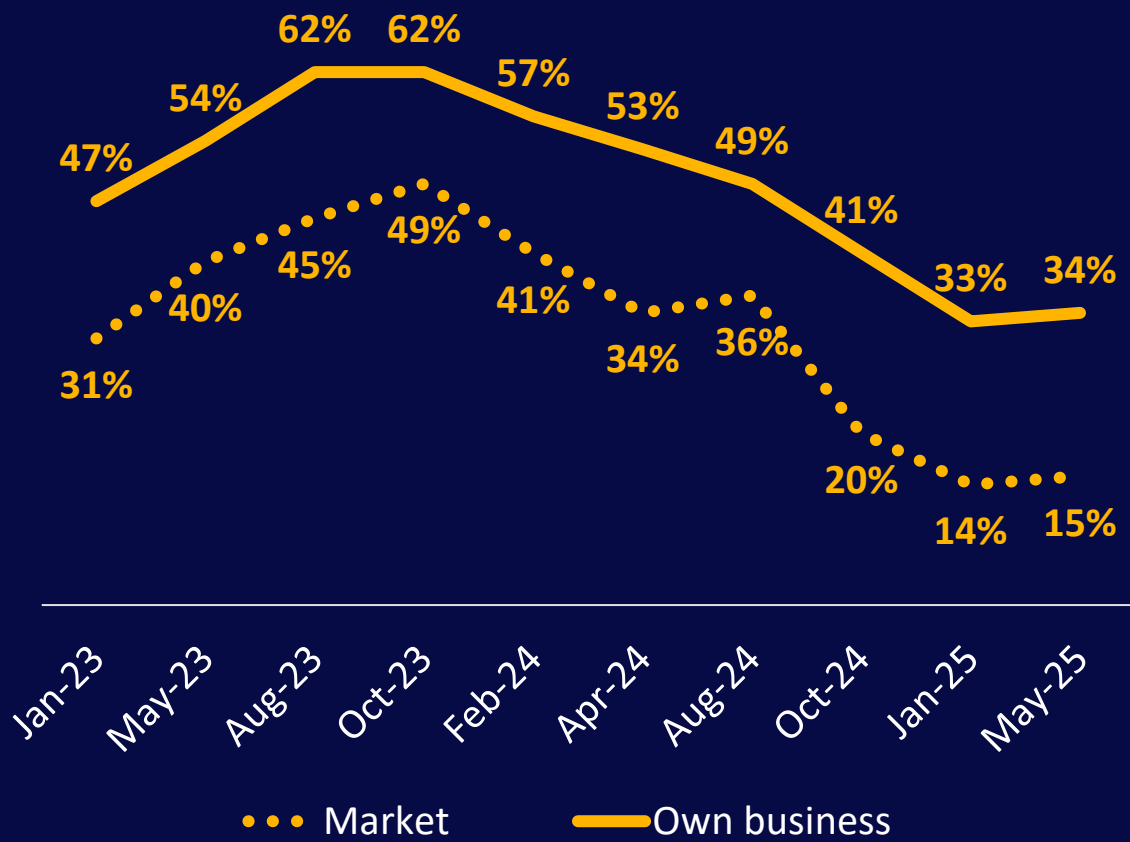
net sites have been gained,
seeing the market flat at

+0.1%

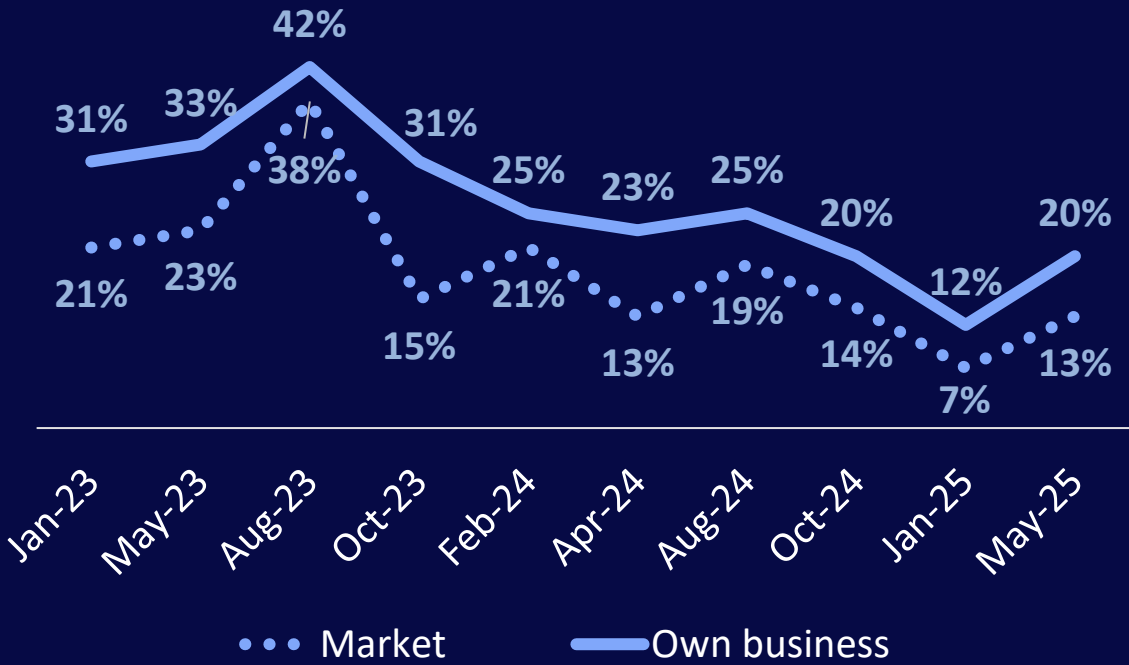
Sector	Five year % change	YoY % change
Bar	+3%	+8%
Community Pub	-5%	+2%
High Street Pub	-6%	+2%
Large Venue	-9%	-2%
Nightclub	-9%	+4%
Bar Restaurant	-12%	+1%
Casual Dining Restaurant	-16%	+1%
Food Pub	-22%	-3%
Restaurant	-24%	-1%
Hotel	-44%	-5%

While Leaders' confidence is mostly unchanged on last quarter, independents' confidence has somewhat recovered from only 1-in-8 being confident in their business in January

Leaders' confidence

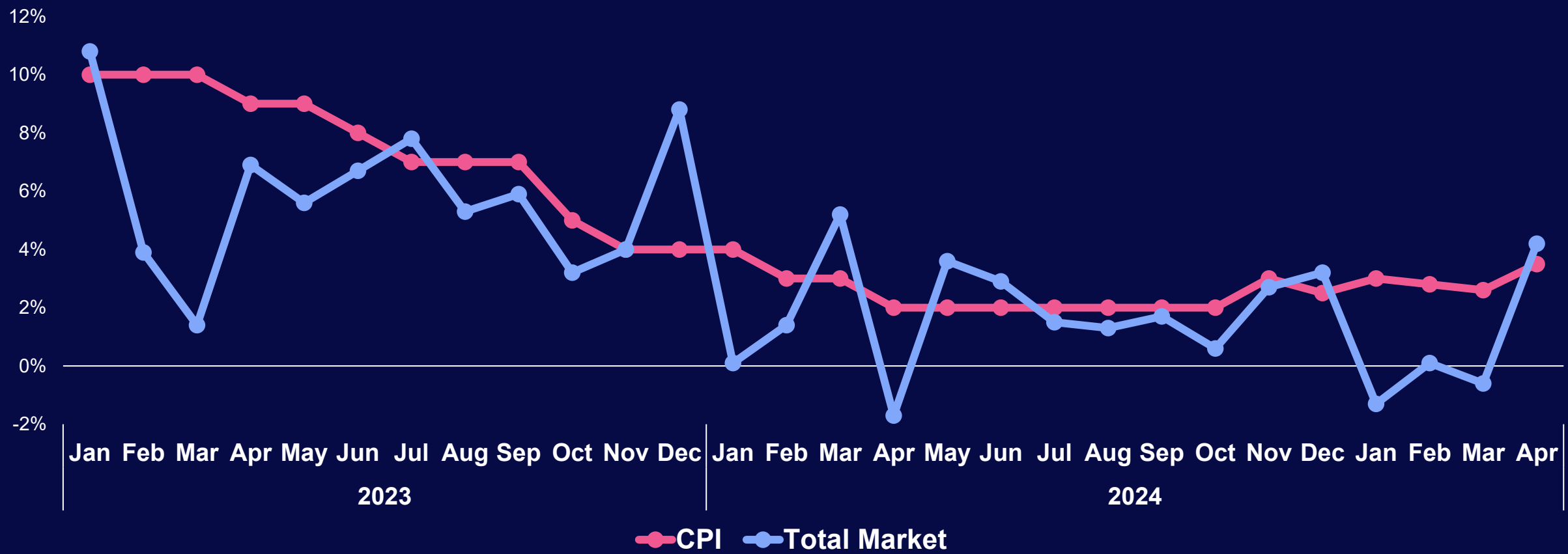


Independents' confidence



Trading among managed groups has been overall negative in the first quarter of the year, with a slight rebounding of inflation leaving a significant shortfall. Easter has aided recovery in April

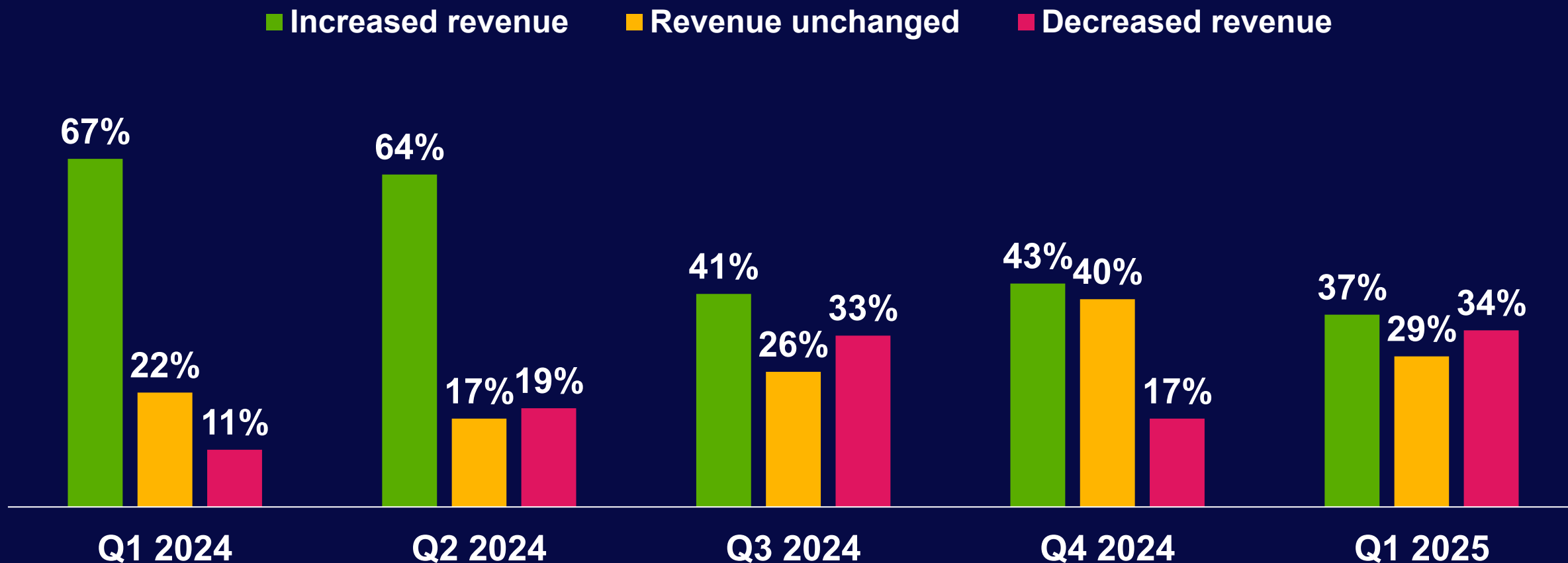
Year-on-year, like-for-like food and drink sales growth



CGA RSM Hospitality Business Tracker: year-on-year, like-for-like sales growth, total market

These revenue pressures are recognised in Leader sentiment, with sharp losses in Q1 leading almost as many to report revenue decline (43%) as revenue growth (37%)

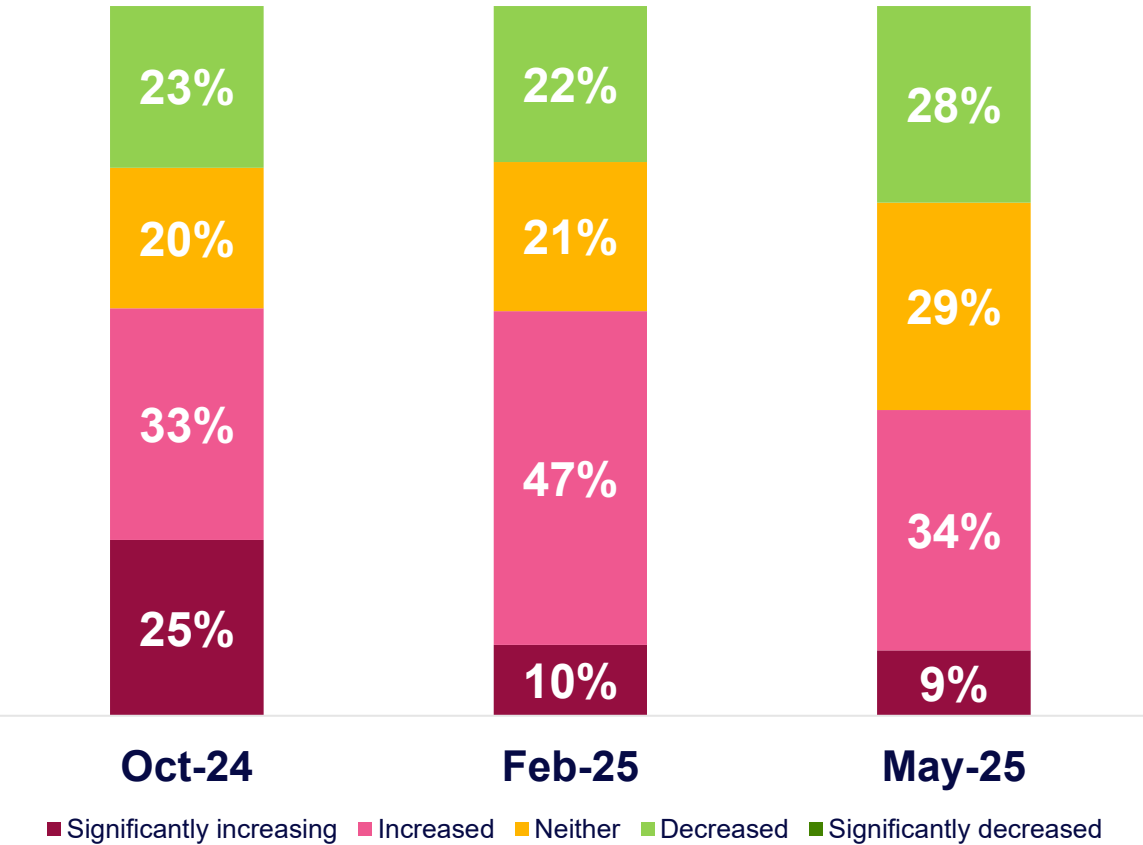
How would you describe your business's **REVENUE** performance over the quarter, compared to the same time last year?



Energy is the only area to have seen a declining pace of increase over the past year



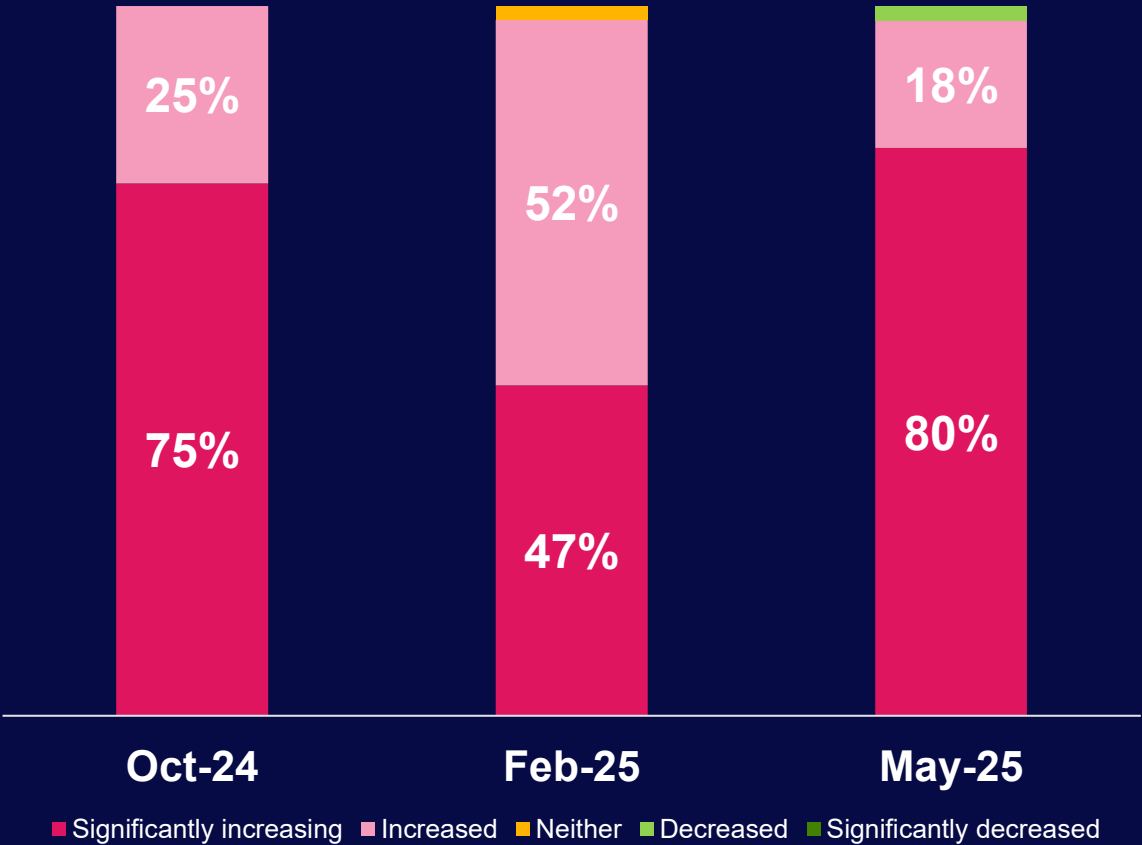
Year-on-year energy costs



Wage costs have been rising consistently, but increases are at a new high in May

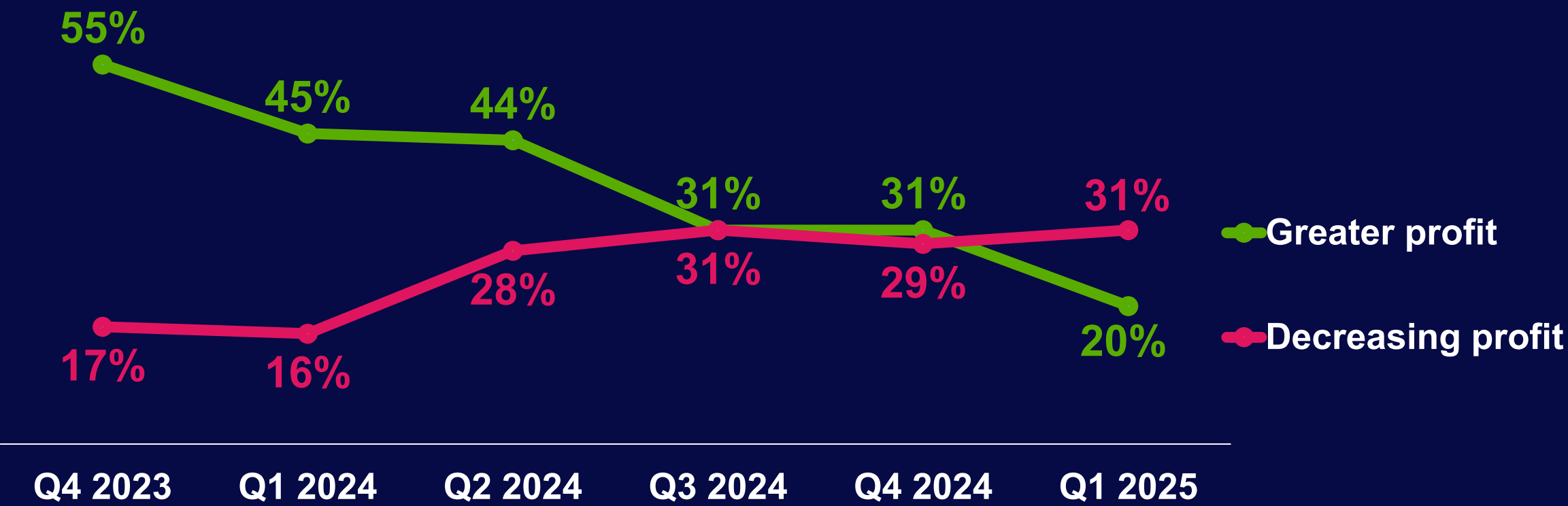


Year-on-year wage costs



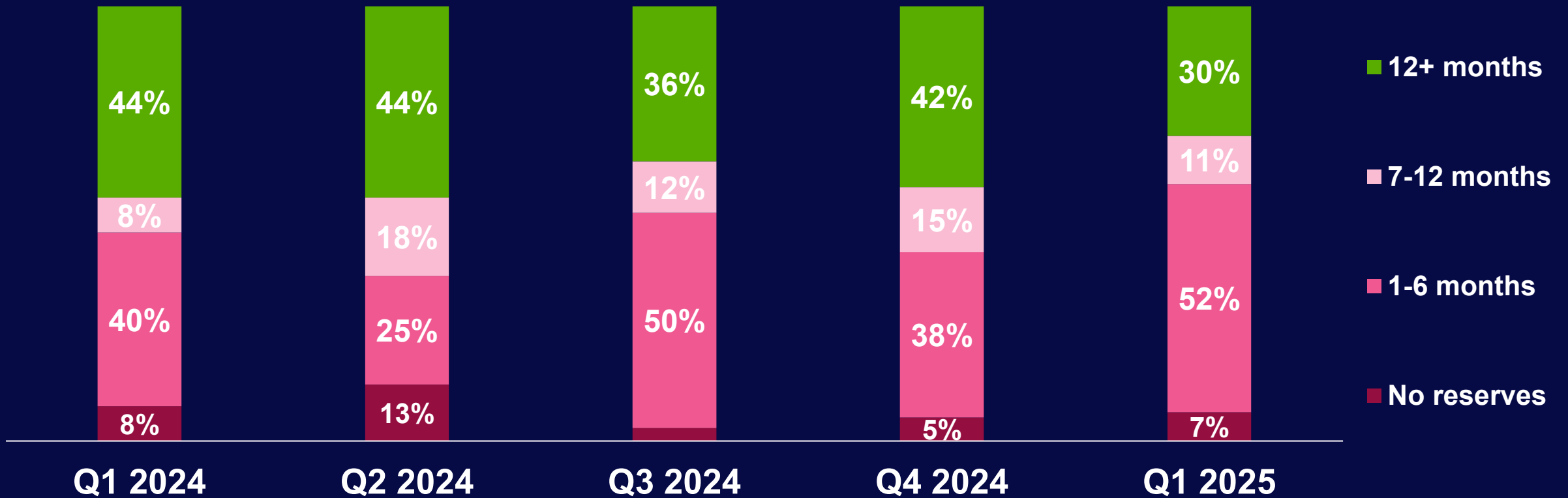
This has culminated in more Leaders reporting profit decline than profit growth in May

How would you describe your business's **PROFIT** performance over the quarter, compared to the same time last year?



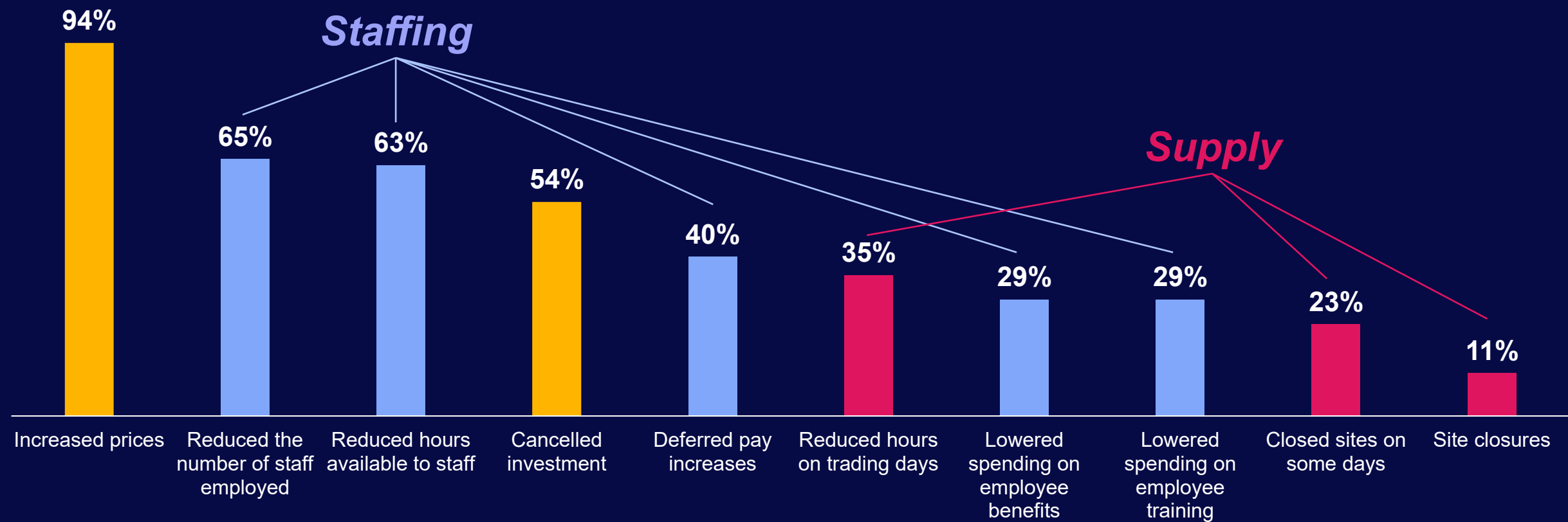
Operating losses have led Leaders to expend cash reserves. Over half (59%) now have less than 6-months reserves

How many months' worth of cash reserves does your business currently have?



Almost all Leaders have passed on some of their new operating costs to consumers, but responses go much further. Employment levels have been widely reduced, and cuts to staff training and benefits risks further talent supply

What actions have you taken in response to changing operating costs in April 2025?



Commentary from our Paul Watson, Sona's VP of Hospitality

“The hospitality industry is continuing to endure a storm of economic challenges, stifling growth and draining productivity. From a labour standpoint, now more than ever, ensuring that every rota and schedule is fully optimised is incredibly important. Having the right digital solutions in place is a game changer – it supercharges decision-making and ensures businesses are operating at peak efficiency, 100% of the time. Now isn't the time to weather the storm, it's the time to empower businesses to operate as efficiently as possible in order to help them trade their way out of trouble.”

Sona.

Contacts us

To learn more, or to speak to a member of the team, please feel free to get in touch:



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