

## **AmRest full year 2014 results**

### **Breakthrough year**

Wrocław, Poland, March 18th 2015, AmRest (WSE: EAT), the largest publicly listed restaurant group in CEE, today reports financial results for its financial year ended December 31<sup>st</sup> 2014.

#### **Key highlights:**

- 84 new stores opened in 2014, total number of restaurants as at March 18<sup>th</sup>, 2015 amounted to 808
- Total revenues increased by 9.3% to PLN 2 952 million (€ 705 million)
- Adjusted EBITDA increased by 26.7% to PLN 382 million<sup>[1]</sup> (€ 91 million)
- EBITDA increased by 29.7% to PLN 356 million (€ 85 million)
- Adjusted EBITDA margin at 12.9%, EBITDA margin at 12.1%
- Net profit increased by PLN 42 million to PLN 52 million<sup>[2]</sup> (€ 12 million)

#### **Henry McGovern, Chairman of Supervisory Board of AmRest, commented:**

“It is a great pleasure to share with you the results of AmRest’s outstanding performance in 2014. During this transition period our company went from the phase of portfolio and country expansion to the stage of reaping the benefits of our scale. I am pleased to admit that AmRest has become a diversified growth platform of 7 brands, operating over 800 restaurants in 12 countries. We are truly now a unique international restaurant growth company.

Last year we opened 84 new restaurants which – along with strong LFL trends in all our divisions – resulted in 9.3% increase in revenues vs 2013. Significant margin improvement across the board additionally drove our profitability. Consolidated EBITDA of AmRest amounted to PLN 356m in 2014 and was 29.7% higher than year ago. Net profit rose 520% to PLN 52m in 2014.

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<sup>[1]</sup> EBITDA adjusted by one-off costs of new stores opening, costs of mergers and acquisitions and corrections in indirect taxes

<sup>[2]</sup> Net profit attributable to AmRest’s shareholders



During this period we witnessed many records on different areas of our company. In Q3 2014 EBITDA for the first time broke the barrier of PLN 100m. In Q4 we set an even higher record of PLN 101m. Our brands, including the core: KFC and Pizza Hut in Central Europe and La Tagliatella in Spain achieved historically high margins. Burger King turned positive in Q2 2014 and continued increasing profitability.

In 2014 we also proved the strength of AmRest's systems and culture. In Russia strong margins in base business were maintained, despite unfavorable political and economic environment. In Spain we improved EBITDA margin to 21% on the back of economic revival, strong LFL trends and outstanding performance of new openings. China saw the fastest expansion of Blue Frog and Kabb in our history: opening seven new restaurants, entering into three new cities and maintaining strong double-digit LFL growth resulted in 43% increase in revenues and higher margins. Outstanding performance of new openings along with extremely positive reception of Blue Frog offer among our customers reinforced our belief in huge potential for further expansion in China.

In New Markets division we significantly reduced the loss of La Tagliatella International as a result of cost cutting initiatives and closure of low performing restaurants. Further development of La Tagliatella International in 2015 will be focused on France which turned EBITDA positive, bringing hope to replicate the success of the Spanish market.

In 2014 we also celebrated two milestones in our business development, i.e. opening of 300th KFC in Central Europe (CEE) and reaching the scale of 800 restaurants globally.

Being proud of the progress we made in 2014, I strongly believe that the best is still ahead of us. Our business model, based on diversified brand portfolio supported by a team of fantastic people, makes AmRest a unique global restaurant company with huge growth prospects."

## **Outlook**

AmRest will continue its long-term focus on core business, in line with previously communicated 80/20 investment strategy.

Development plans for 2015 assume maintaining similar pace of new openings as in 2014. In order to ensure the highest returns on invested capital, the expansion will be focused on Central Europe, Spain and China. Despite existing potential in Russia, development in this market will be limited until political environment stabilizes.

The acquisition of Starbucks chains in Romania and Bulgaria in May 2015 will additionally strengthen AmRest's leadership position in the restaurant industry in Central Europe and will contribute to further profitability improvement. This acquisition is accretive in all aspects and will drive EPS, margins and growth.



#### **Further Information**

The full 2014 results can be found on [www.amrest.eu](http://www.amrest.eu)

The teleconference with investors will be held on March 18<sup>th</sup>, 2015 at 2:30pm CET, to attend the conference and for any other enquiries please contact:

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