



AmRest FY 2019 Financial Results

FY 2019 Revenues +26.8% year-on-year to 1,961.5m EUR
EBITDA +43.1% to 247.8m EUR (non IFRS16)

Madrid, Spain, on February 28th, 2020, AmRest (EAT), a leading European multi-brand, foodservice and digital platform, reported its financial results for the full year 2019.

Key highlights FY:

- 264 stores opened, growing the number of restaurants to 2,339 (as of 31 December 2019)
- Consolidated revenues increased by 26.8% vs. last year, reaching 1,961.5m EUR in 2019
- EBITDA at 247.8m EUR (non IFRS16), 394.4m EUR (IFRS16)
- EBITDA margin at 12.6% (non IFRS16), 20.1% (IFRS16)
- Net profit at 80.5m EUR (non IFRS16), 65.1m EUR (IFRS16)¹

Key highlights Q4 2019:

- 128 stores opened in Q4 2019, out of 264 in 2019
- Consolidated revenues increased by 19.4% vs. last year, reaching 529.0m EUR in Q4 2019
- EBITDA at 89.0m EUR (non IFRS16), 128.0m EUR (IFRS16)
- EBITDA margin at 17.0% (non IFRS16), 24.2% (IFRS16)
- Net profit at 38.5m EUR (non IFRS16), 38.0m EUR (IFRS16)²
- Profit on PizzaPortal deal at 36.9m EUR, net of transaction costs

Commenting on the full year 2019 results, Chief Strategy Officer Peter Kaineder said:

“We are pleased with last year’s performance and proud of the outstanding work done by the team showing yet again, that our unique combination of committed people, class-leading brands and our scale is a proven formula which works well even in a changing and sometimes challenging market environment.

Our foodservice division and their contribution to product quality, sustainability and profitability has been and will remain a major contributor to our success and one of the four strategic pillars of our business. Leveraging off our increasing scale and strong portfolio of brands, suppliers and customers, this team forms a very hard to replicate competitive advantage supporting to offset wage pressure visible in some of our markets.

Digital initiatives, such as the continued roll-out of self-ordering systems, which we call kiosks, across our network have been beneficial in terms of average guest check, which we found is considerably higher than via traditional ordering, as well as labor scheduling. Consequently, we will keep on rolling out and offer kiosks in additional stores. Another area of great progress is digital delivery, where we are working on own capabilities as well as forming beneficial partnerships with aggregators. Our

¹ Attributable to AmRest’s shareholders

² Attributable to AmRest’s shareholders



investment in Glovo, one of the leading global delivery platforms helps us to identify and respond to trends early and benefits us strategically as well as financially. The successful rollout of our first shadow kitchen in Poland is the result of our learnings from current market trends and as a multi-brand operator we are ideally positioned to succeed. I am pleased to report that the results of our first opening with internally developed delivery-only, or virtual brands are far above expectations and milestones we set for further engaging in that field and we are excited to keep you updated on further developments”.

Consolidated revenues in 2019 grew by 26.8% year over year to 1 961.5m EUR mainly supported by mid-single digit like-for-like growth of the total business, 264 store additions over the past twelve months, as well as the consolidation of Sushi Shop and other acquisitions. Excluding last year’s M&A, revenues grew in 2019 by 16.4% versus last year to 1 747.8m EUR.

The Group reported in 2019 EBITDA of 394.4m EUR under IFRS16 that translated to EBITDA margin of 20.1%. Adjusting for the effects of IFRS16 comparable EBITDA reached 247.8m EUR, a 43.1% increase versus the same period last year, with margin at 12.6% (1.4pp higher vs. last year). PizzaPortal sale impacted positively at 36.9m EUR, net of transaction costs. Non-IFRS16 core EBITDA margin (w/o the acquisitions since 2018 and profit on sale) was higher by 0.1pp and reached 11.5% in 2019.

Revenues in Central and Eastern Europe in 2019 reached 839.3m EUR, translating to a 16.9% year over year increase, mainly driven by solid like for like growth in all of our major markets with Poland, Hungary and Czech keeping their strengths and Other CEE segment gaining on traction. Our Russian business saw 22.6% growth in top-line in FY 2019 year-on-year to 206.6m EUR supported by strong like-for-like, positive F/X as well as solid roll-out and performance of new openings. Sales in Western Europe reached 796.6m EUR in the reporting period, representing growth of 39.8% vs. last year driven by consolidation of most recent acquisitions and organic growth. Our Chinese business posted in 2019 a 21.8% growth in sales vs. last year to 89.6m EUR as a result of solid like-for-like, restaurant roll-out and positive F/X.

Profitability during 2019 was mainly driven by strong performance of our core business despite continued pressure on labor costs as well as the consolidation of Sushi Shop and integration efforts linked to our most recent M&A deals. Our CEE segment improved comparable EBITDA margin by 0.3pp to 125.5m EUR, driven by the first-stage of digitalization (kiosks rolled-out in KFC Poland, Czech and Hungary in progress) as well as strong operations and operational leverage. Russia recorded profitability at 10.5% vs. 12.9% last year which was a result of dilutive impact from most recent acquisition and investments in delivery and digital channels. Western Europe posted comparable EBITDA margin at 8.9% vs. 10.1% last year, impacted by wage increase, softness in casual dining segment, investments in delivery and integration costs. China reached the highest increase in profitability as comparable EBITDA margin was up 2.9pp vs. last year to 12.6% due to operational leverage, cost control as well as strong performance and roll-out of new restaurants.

Net profit attributable to AmRest’s shareholders in 2019 reached 65.1m EUR. Excluding the effect from IFRS 16 net profit amounted to 80.5m EUR and resulted in comparable margin at 4.1%, higher by 1.3pp vs last year, driven mainly by PizzaPortal profit and Glovo stake revaluation, offset partially by impairments and provisions.



Further information

The full year 2019 results can be found on www.amrest.eu

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