



AmRest Q1 2016 Financial Results

Solid beginning of the year

Wrocław, Poland, April 29th 2016, AmRest (WSE: EAT), the largest publicly listed restaurant group in CE, today reports financial results for the first quarter of 2016.

Key highlights:

- 8 new stores opened in Q1 2016, total number of restaurants as at April 29th, 2016 is 921,
- Total revenues increased by 14.4% to PLN 858.2m (€ 196.8m),
- EBITDA increased by 21.2% to PLN 116.0m (€ 26.6m),
- EBITDA margin at 13.5%,
- Net profit increased by 45.4% to PLN 39.8m^[2] (€ 9.1m).

Henry McGovern, the founder and Member of Supervisory Board of AmRest, commented:

“We have concluded another solid quarter of AmRest’s performance. A number of positive developments in many brands allowed us to continue the trends from past quarters and significantly improve our results.

The revenues of AmRest grew by 14.4% in Q1 2016, supported by continued positive LFL trends in most of our markets and growing scale of the business. Dynamic pace of new openings along with the acquisition of Starbucks chains in Romania and Bulgaria in June 2015 have strengthened our growth platform.

Solid top line growth supported the double-digit improvement in profitability. EBITDA in Q1 2016 amounted to PLN 116m and was 21.2% higher than year ago. Continued positive trends in our core markets – CE and Spain – to a large degree determined outstanding results of the Group. Growing disposable income of our consumers and favorable developments in eating-out habits resulted in more frequent visits in our restaurants. This further strengthened the position of our major brands in the market: KFC, La Tagliatella and Starbucks.

I would like to draw particular attention to the markets of Czech Republic and Hungary. EBITDA margin in both countries well exceeded 15% and continues to grow. Consolidated results were additionally strengthened by the acquisition of Starbucks chain in Romania, as

^[2] Attributable to the parent shareholders

profitability of Starbucks stores in that country is the highest among the markets and exceeds 20%.

Business environment in Russia and China remains challenging and requires more discipline and focus on the operational excellence. Thanks to a number of margin protective initiatives, we have been able to minimize the impact of high inflation and weakening ruble in Russia. In New Markets we significantly reduced the operating losses and expect this division to break even in 2016.

Encouraged by the solid start of the year, we will continue our path of growing the scale of the business and further margin improvement. Our aspiration will be additionally supported by innovative developments in many areas, such as: successful launch of new restaurant formats (e.g. Pizza Hut Express), further expansion into delivery channel, as well as investments in digital solutions enhancing the communication with our customers.”

Outlook

The outlook for 2016 remains positive on the back of the strong performance in the first quarter and continuation of current trends. As in previous periods, the economies of scale will be one of the drivers of further margin improvement. This year we plan to significantly increase our development pace and open min. 140 new restaurants. KFC, La Tagliatella and Starbucks will constitute the lion’s share of our opening plan. Strong pipeline and the number of leases already signed give us confidence in the feasibility of our development assumptions.

In June 2016 we expect another milestone in the history of Blue Frog brand. The opening of our flagship restaurant in the prestigious location of Shanghai Disney Resort should significantly enhance the brand awareness among our customers.

AmRest will continue strengthening its leadership position in CE and Spain and expanding into other European markets. Acquisition of Starbucks chain in Germany, to be finalized by end of May, is a great example of such growth strategy. Addition of 144 Starbucks locations in the rich and prospective German market will significantly increase the scale of coffee segment under AmRest umbrella. This acquisition is also a clear recognition of AmRest as the leading restaurant operator and a living example of ‘Anything Is Possible’ approach in strengthening our position in the restaurant industry.



Further information

The full Q1 2016 results can be found on www.amrest.eu

The teleconference with investors will be held on April 29th, 2016 at 2:30pm CET, to attend the conference and for any other enquiries please contact:

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