



AmRest H1 2015 Financial Results

Record first half of the year

Wrocław, Poland, Aug 13th 2014, AmRest (WSE: EAT), the largest publicly listed restaurant group in CE, today reports financial results for the first half of 2015.

Key highlights:

- 35 new stores opened in H1 2015, total number of restaurants as of Aug 13th, 2015 amounted to 854,
- Total revenues increased by 12.4% to PLN 1 559.7m (€ 376.6m),
- Adjusted EBITDA increased by 31.6% to PLN 216.0m^[1] (€ 52.2m),
- EBITDA increased by 27.7% to PLN 198.0m (€ 47.8m),
- Adjusted EBITDA margin at 13.9%, EBITDA margin at 12.7%,
- Net profit increased to PLN 53.0m^[2] (€ 12.8m),
- Net debt/EBITDA at 2.13.

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

‘It is a great pleasure for me to present the latest results of AmRest. The recent trends have continued allowing us to report a solid improvement of financial results for Q2 2015. Group’s sales increased by 13,4% to PLN 809m and EBITDA for the quarter exceeded PLN 100m for the third time during last year. In H1 2015 AmRest’s sales totaled PLN 1 559m, which was 12.4% higher than last year. In the same period EBITDA grew by 27.7% to PLN 198m.

Excellent profits resulted from both top line growth on the back of favorable macro trends in most of our markets, leveraging our brand portfolio and our relentless efforts in margin improvement.

Continued positive LFL trends in each of our brands combined with increased pace of new openings have driven the growth of our business and allowed us to realize the economies of scale. Growing profitability in most of the markets along with enhanced investment decisions helped us improve the quality of our portfolio and translated into higher returns from invested capital.

^[1] EBITDA adjusted by costs of new stores openings, costs of mergers and acquisitions, corrections in indirect taxes and the effect of SOP exercise method modification (difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan).

^[2] Attributable to AmRest’s shareholders



In H1 2015 positive news came from all the four divisions. In our core markets – Central Europe (CE) and Spain we observed continuation of strong sales trends. Favorable developments in commodity markets enhanced by labor management improvements and rent reductions were key drivers of breakthrough results of KFC, La Tagliatella and Starbucks. In Q2 2015 adjusted EBITDA margin in CE reached almost 15%, while Spain was at nearly 21%.

In Russia our resilience to unfavorable external factors continued. In Q2 2015 revenue of this division increased by more than 11%, despite weakening ruble. The business is healthy with double-digit LFL growth in local currency. Growth of business scale combined with a number of cost saving initiatives helped us keep EBITDA margin at last year's level.

Record high results were reported in New Markets, where for the first time we saw positive EBITDA north of PLN 2m in Q2 2015. Consistent reduction of losses in La Tagliatella International, promising performance of this brand in France as well as dynamic expansion of Blue Frog in China are the key drivers of such a visible improvement in profitability.

Looking at the great results in the first two quarters of this year I expect good news for our employees and shareholders to come in the nearest future. Favorable macro trends, perfectly diversified structure of our business as well as our drive for achieving ambitious goals will guarantee a successful 2015 year."

Outlook

Management of AmRest remains optimistic about the upcoming months of 2015. Similar to previous years, the second half of the year is expected to be stronger than the first one. Positive sales trends across all businesses continue and major cost categories are under control. Additionally, on the back of current macro situation in most of the markets (GDP growth, low inflation and improving consumer confidence) the business is predicted to continue growing at high single digit in terms of sales and double-digit in terms of profitability.

The operating environment in Russia remains uncertain. Given the historical resilience in the market, AmRest Management plans to review its investment strategy in the region. In case of improving economic outlook the acceleration of growth will be considered.

The current pace of new opening bodes well for completing the initial plan of 90-100 new restaurants in 2015. The Capex for this year is expected not to exceed PLN 400m.



In June 2015 the acquisition transaction of Starbucks in Romania and Bulgaria was completed. Purchase of highly profitable Starbucks business in Romania was the entry gate to that perspective market and a great enhancement of importance of this brand in AmRest portfolio. The Management believes that this transaction will bring additional value to AmRest shareholders.

Further information

The full H1 2015 results can be found on www.amrest.eu

The teleconference with investors will be held on Aug 14th, 2015 at 2:30pm CET, to attend the conference and for any other enquiries please contact:

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