



# AmRest Holdings SE

Q1 2015 Presentation for Investors  
May 8th, 2015



## Teleconference details

- **AmRest Q1 2015 results** are included in the **Q1 2015 Financial Report** which is available to download from Investor Relations section at: <http://www.amrest.eu>
- The recording of this Teleconference will be available at our website within 24 hours

### AmRest participants:



**Henry  
McGovern**

Founder of AmRest,  
Chairman of the Supervisory Board



**Mateusz  
Gzyl**

Global Controller



**Mark  
Chandler**

Management Board Member,  
Chief Financial Officer



**Michał  
Serwatka**

IR and M&A Manager



**Wojciech  
Mroczyński**

Management Board Member,  
Chief Strategy Officer



**Dorota  
Surowiec**

IR Specialist



# Executive summary Q1 2015

- **Predictable improvement of results**
  - Another quarter of solid top line growth
  - 31% increase in EBITDA and net profit more than tripled
- **Focus on CE & Spain driving results of the Group**
  - Solid LFL growth and margins improvement across the board
  - Favorable macro trends
  - Ample room for further development
- **Resilience of Russian division**
- **Recovering New Markets**
- **Operating cash flow at PLN 50m (+63m vs LY)**



## Our restaurants

Total: 818



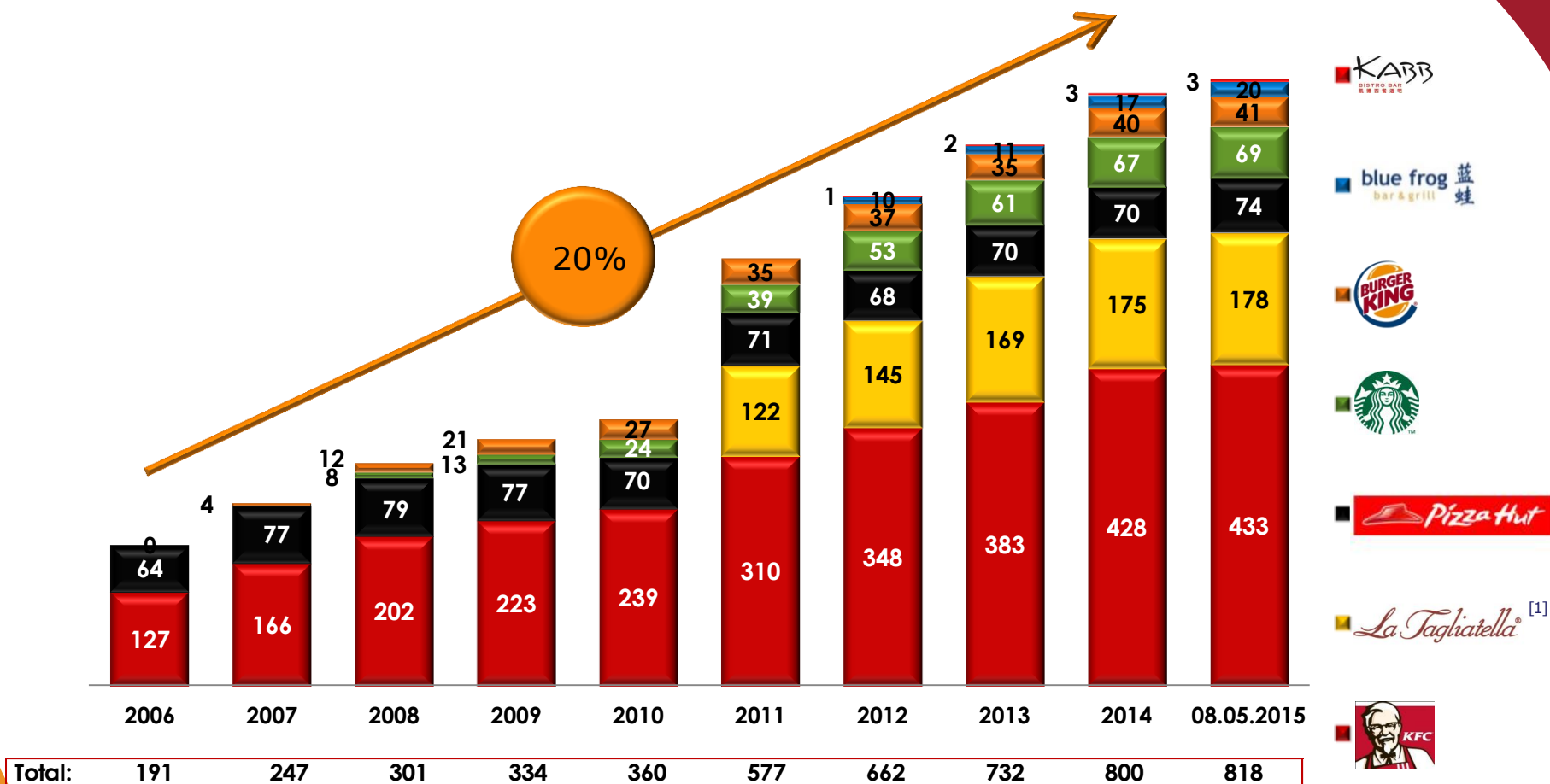
## New restaurants openings\*

- 15 stores opened in Q1 2015: 6 CE, 4 Russia, 4 TAG (3 Spain, 1 France), 1 Blue Frog,
- 24 stores opened in 2015 YTD: 9 CE, 4 Russia, 8 TAG (7 Spain, 1 France), 3 Blue Frog,
- 13 openings since the last call (March 18th, 2015): 6 CE, 5 TAG in Spain, 2 Blue Frog,
- Solid pipeline for 2015 assumes opening of similar number of restaurants as in previous year.



\* Including franchisee operated stores

## Continued growth in the number of restaurants



Countries of operation: Poland, Czech Republic, Hungary, Russia, Serbia, Bulgaria, Croatia, Spain, France, Germany, China & USA  
 Data doesn't include Applebee's restaurants sold in 2012 to Apple American Group II, LLC



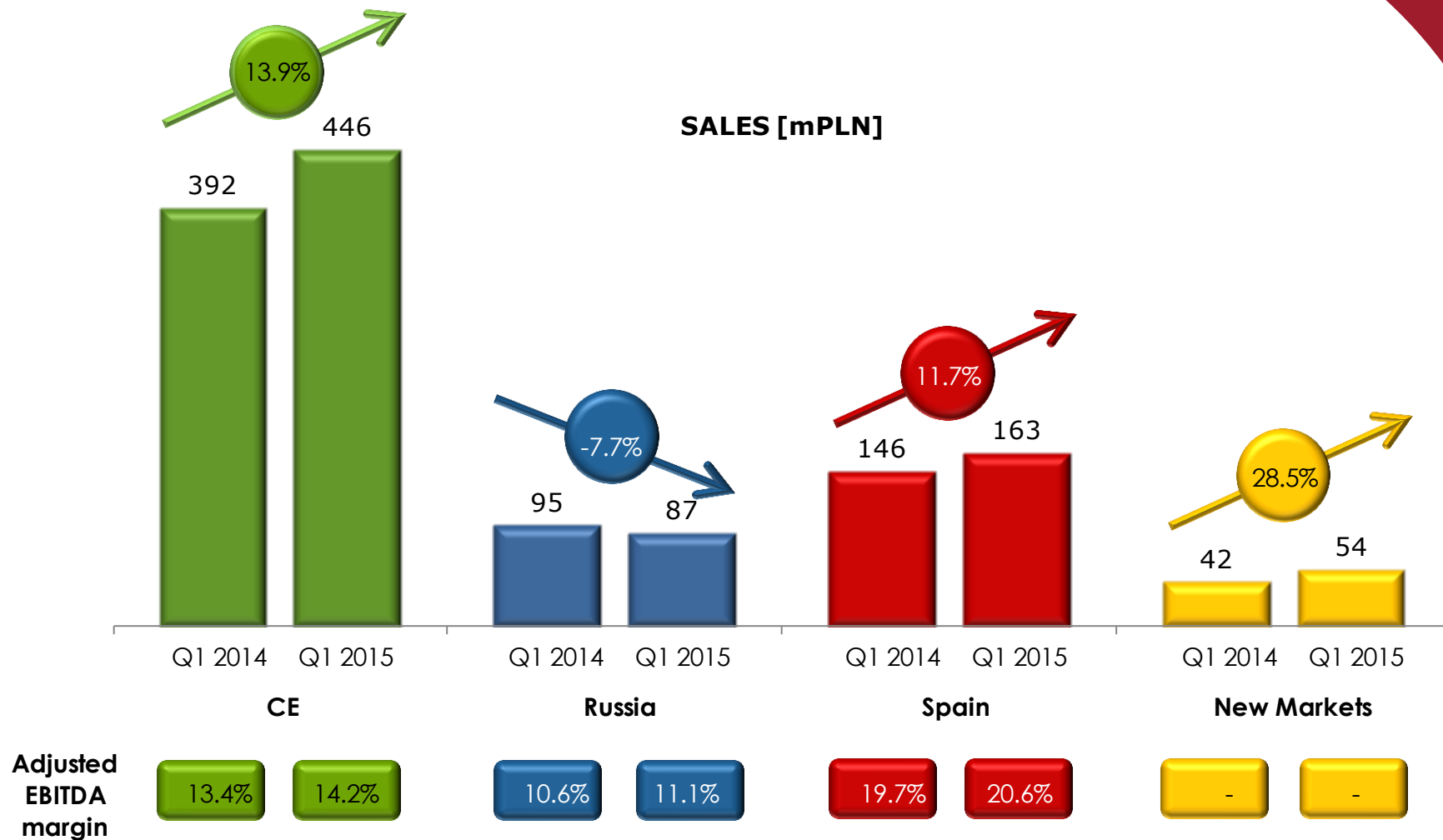
## Financial highlights Q1 2015

- **Sales** at PLN 750m (+11% vs LY)
  - CE PLN 446m (+13.9%)
  - Russia PLN 87m (-7.7%; +35.5% in local currency)
  - Spain PLN 163m (+11.7%)
  - New Markets PLN 54m (+28.5%)
- **EBITDA** at PLN 96m (+31.5% vs LY)
  - EBITDA margin at 12.8% (+2pp vs LY)
- **Adjusted EBITDA** at PLN 99m (+28.3% vs LY)
  - Adjusted EBITDA margin at 13.2% (+1.8pp vs LY)
- **Net profit\*** at PLN 27m (+219% vs LY)
  - Net profit margin at 3.6% (+2.3pp vs LY)
- **Net debt** at PLN 828m, leverage decreased to 2.13x



\* Attributable to AmRest shareholders

## Q1 2015 financials by segments





## Q1 2015 financials – key figures

Thousand PLN	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	TTM [1]
<b>Sales</b>	<b>730 197</b>	<b>674 118</b>	<b>713 646</b>	<b>765 295</b>	<b>799 592</b>	<b>750 351</b>	<b>3 028 884</b>
Sales growth [2]	14.0%	10.7%	7.3%	9.9%	9.5%	11.3%	9.5%
<b>Adjusted EBITDA [3]</b>	<b>93 040</b>	<b>77 360</b>	<b>86 840</b>	<b>108 059</b>	<b>109 722</b>	<b>99 247</b>	<b>403 868</b>
Adjusted EBITDA (%)	12.7%	11.5%	12.2%	14.1%	13.7%	13.2%	13.3%
<b>EBIT</b>	<b>-20 799</b>	<b>23 216</b>	<b>27 412</b>	<b>50 211</b>	<b>9 056</b>	<b>43 656</b>	<b>130 335</b>
EBIT (%)	-	3.4%	3.8%	6.6%	1.1%	5.8%	4.3%
<b>Profit for the period [4]</b>	<b>-40 434</b>	<b>8 499</b>	<b>4 453</b>	<b>31 594</b>	<b>7 121</b>	<b>27 108</b>	<b>70 276</b>
Profit for the period (%)	-	1.3%	0.6%	4.1%	0.9%	3.6%	2.3%
<b>Net debt</b>	<b>824 934</b>	<b>891 514</b>	<b>898 496</b>	<b>886 741</b>	<b>867 292</b>	<b>827 901</b>	<b>827 901</b>
Net debt/EBITDA	2.9	2.9	2.7	2.5	2.4	2.1	2.1

[1] Trailing 12 months

[2] The growth vs corresponding period in the previous year

[3] EBITDA adjusted by costs of new openings (Start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction) and corrections in indirect taxes

[4] Attributable to AmRest shareholders and adjusted for the Put Option valuation

# Outlook

- **Positive trends** continue in 2015
  - **Dynamic GDP growth** in core markets
  - **Positive LFL trends** across the board
  - Expected further **improvement in margins**
  - **Strong pipeline** of new openings
- **Investment in Russia limited** to cash flow generated locally
- **AmRest 2.0 guidance** on track
  - Double-digit EBITDA growth
  - Cash flow expected to exceed Capex
  - Maintained pace of new openings in 2015
- Acquisition of **Starbucks** in **Romania** and **Bulgaria** in final closing stage



## 3 years guidance



### Sales growth

- Double-digit organic growth
- Potential M&A activity



### EBITDA

- Strong EBITDA growth driven by sales and margin improvement
- EBITDA above Capex



### 20%+ ROIC on expansion Capex

- Improved ROIC on existing investments through growing margins,
- Prudent capital allocation (80/20) and lower build cost



### CAPEX

- Average Capex per restaurant below PLN 3m
- >80 restaurants p.a.



### Leverage

- Declining annually

## IR contact



Michał Serwatka  
[michal.serwatka@amrest.eu](mailto:michal.serwatka@amrest.eu)  
tel. +48 71 3861 246  
mobile: +48 519 191 246



Dorota Surowiec  
[dorota.surowiec@amrest.eu](mailto:dorota.surowiec@amrest.eu)  
tel. +48 71 3861 235  
mobile: +48 519 191 235



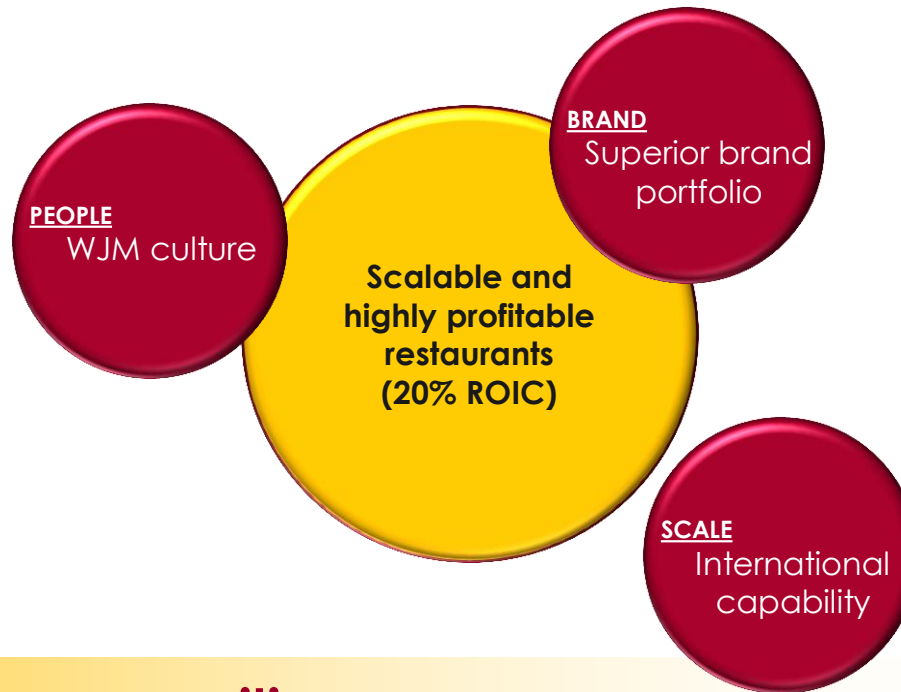


**Backup**



## AmRest strategy

Leverage our WJM culture, international capability and superior brand portfolio  
to grow scalable, highly profitable restaurants globally



## Our unique proposition

Through our WJM culture we will deliver **delicious taste** and **exceptional service** at **affordable prices**

## Franchised brands

### Superior BRAND portfolio – AmRest unique approach



**433 restaurants**

8 countries

Within AmRest since 1994

**Global # 1 in Chicken Category**

**Fresh chicken** and **genuine food**

**Craveable taste**

**Innovative design** and order system

**Delivery platform** and **mobile restaurants**



**41 restaurants**

3 countries

Within AmRest since 2007

**Global # 2 in Burger Category**

**'Better burger'** – 100% beef, flame grilled!

**'Have it your way'** philosophy

Authentic, humorous and bold approach

Strong focus on **quality**



**69 coffee shops**

3 countries

Within AmRest since 2008

**Global # 1 in Coffee**

**Personalized** customer service

**Fresh food offer**, locally developed

**Starbucks Reserve**

Substantial **white space** in CE



**74 restaurants**

3 countries

Within AmRest since 1993

**Global # 1 in Pizza Category**

**Handmade pizza...** and much more!

**Casual dining** experience

Unmatched **hospitality**

World class food **innovations**

**Family and friends** meeting place

## Superior BRAND portfolio – AmRest unique approach

*La Tagliatella*

**178 restaurants**

4 countries

Within AmRest since 2011

**# 1 in Italian category in Spain**

**Authentic Italian cuisine**

**Best quality ingredients** sourced in Italy

Almost 30 years expertise

**Fine dining experience** at **casual dining price**

**Unique business model** based on central kitchen operations

**blue frog** 蓝蛙  
bar & grill

**20 restaurants**

China

Within AmRest since 2013

**High-end Casual Dining concept**

**American cuisine** with Asian touch

Fresh, craveable food served in a relaxed atmosphere

Distinctive restaurant concept **poised for expansion**

**KAB3**  
BISTRO BAR  
凯博西餐酒吧

**3 restaurants**

China

Within AmRest since 2013

**High-end Casual Dining concept**

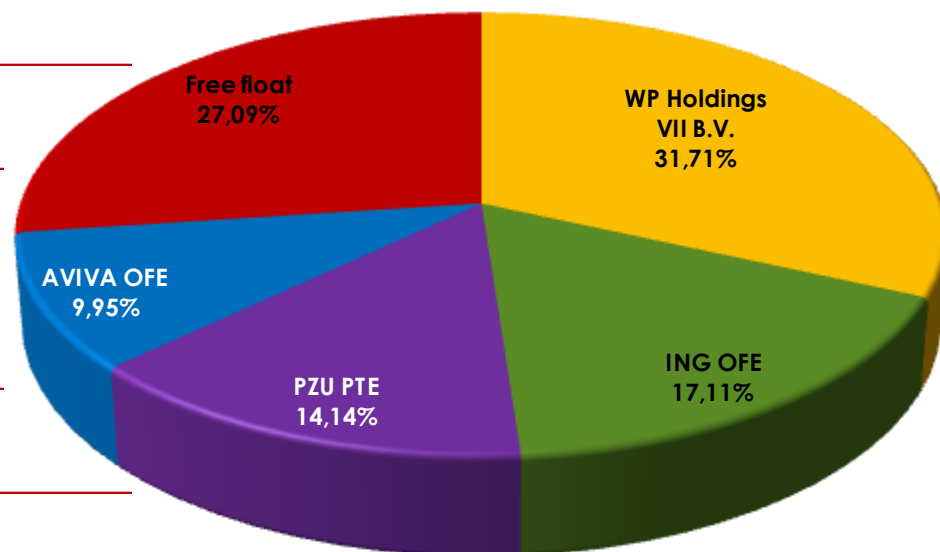
**Superior quality bistro** food with extensive wine and cocktail menu

**A place to meet** – extremely popular among professionals at managerial level



## EAT factsheet

Ticker	EAT (AmRest)
Listing	WSE
Free float	27.09%
Analyst Coverage	Unicredit, DI Investors, Wood&Co, Trigon, Raiffeisen Centrobank AG, KBC Securities, IPOPEMA, ERSTE, DM PKO BP, DM Banku BPS
Number of employees	23,039
Number of shares	21.2m
Number of restaurants	818 <sup>[1]</sup>



<sup>[1]</sup> Including 113 stores operated by La Tagliatella franchisees

# Q1 2015 segment reporting

PLN '000	Q1 2015		Q1 2014	
	Share	Margin	Share	Margin
<b>Sales</b>	<b>750 351</b>		<b>674 118</b>	
Poland	311 353	41.5%	273 042	40.5%
Czech Republic	89 949	12.0%	81 474	12.1%
Other CE	44 875	6.0%	37 209	5.5%
Total CE	446 177	59.5%	391 725	58.1%
Russia	87 480	11.7%	94 741	14.1%
Spain	162 929	21.7%	145 821	21.6%
New Markets	53 765	7.2%	41 831	6.2%
<b>EBITDA</b>	<b>95 737</b>	12.8%	<b>72 810</b>	10.8%
Poland	42 266	13.6%	37 604	13.8%
Czech Republic	13 905	15.5%	10 213	12.5%
Other CE	5 508	12.3%	2 287	6.1%
Total CE	61 679	13.8%	50 104	12.8%
Russia	9 036	10.3%	9 735	10.3%
Spain	33 282	20.4%	28 282	19.4%
New Markets	-3 445	-	-11 676	-
Unallocated	-4 815	-	-3 635	-
<b>Adjusted EBITDA*</b>	<b>99 247</b>	13.2%	<b>77 360</b>	11.5%
Poland	43 233	13.9%	39 454	14.4%
Czech Republic	14 198	15.8%	10 658	13.1%
Other CE	5 762	12.8%	2 364	6.4%
Total CE	63 193	14.2%	52 476	13.4%
Russia	9 667	11.1%	9 999	10.6%
Spain	33 544	20.6%	28 757	19.7%
New Markets	-2 342	-	-10 237	-
Unallocated	-4 815	-	-3 635	-
<b>EBIT</b>	<b>43 656</b>	5.8%	<b>23 216</b>	3.4%
Poland	20 832	6.7%	17 527	6.4%
Czech Republic	7 441	8.3%	4 101	5.0%
Other CE	2 435	5.4%	-637	-
Total CE	30 708	6.9%	20 991	5.4%
Russia	3 087	3.5%	3 611	3.8%
Spain	22 068	13.5%	17 741	12.2%
New Markets	-7 331	-	-15 493	-
Unallocated	-4 876	-	-3 634	-

\* EBITDA adjusted by costs of new openings (Start-up), costs of mergers and acquisitions (all material costs relating to professional services, connected with finalized merger or acquisition and directly related to the transaction) and corrections in indirect taxes.

## Q1 2015 consolidated P&L

[ PLN '000]	Q1 2015	% of sales	Q1 2014	% of sales
Restaurant sales	704 079		629 645	
Franchise and other sales	46 272		44 473	
<b>Total sales</b>	<b>750 351</b>		<b>674 118</b>	
Company operated restaurant expenses:				
Food and material	-221 010	-29.5%	-205 844	-30.5%
Payroll and employee benefits	-159 688	-21.3%	-143 647	-21.3%
Royalties	-34 479	-4.6%	-31 023	-4.6%
Occupancy and other operating expenses	-215 537	-28.7%	-199 117	-29.5%
Franchise and other expenses	-30 250	-4.0%	-30 892	-4.6%
General and administrative (G&A) expenses	-50 140	-6.7%	-46 344	-6.9%
Impairment losses	-214	0.0%	-675	-0.1%
Other income	4 623	0.6%	6 640	1.0%
<b>Profit/(loss) from operations</b>	<b>43 656</b>	<b>5.8%</b>	<b>23 216</b>	<b>3.4%</b>
<b>EBITDA</b>	<b>95 737</b>	<b>12.8%</b>	<b>72 811</b>	<b>10.8%</b>
Finance costs	-10 737	-1.4%	-12 483	-1.9%
Finance income	1 492	0.2%	1 063	0.2%
Income/(loss) from associates	3	0.0%	4	0.0%
Income tax expense	-7 925	-1.1%	-3 981	-0.6%
<b>Profit for the period</b>	<b>26 489</b>	<b>3.5%</b>	<b>7 819</b>	<b>1.2%</b>
<b>Attributable to:</b>				
Non controlling interest	-619	-0.1%	-680	-0.1%
Equity holders of the parent	27 108	3.6%	8 499	1.3%

## Q1 2015 net profit and adjusted EBITDA reconciliation

[ PLN '000]	Q1 2015	% of sales	Q1 2014	% of sales	Q1 vs Q1	% of change
Restaurant sales	704 079	93.8%	629 645	93.4%	74 434	11.8%
Franchise and other sales	46 272	6.2%	44 473	6.6%	1 799	4.0%
<b>Total sales</b>	<b>750 351</b>	<b>-</b>	<b>674 118</b>	<b>-</b>	<b>76 233</b>	<b>11.3%</b>

<b>Net Profit for the period</b>	<b>26 489</b>	<b>3.5%</b>	<b>7 819</b>	<b>1.2%</b>	<b>18 670</b>	<b>238.8%</b>
+ Finance costs	10 737	1.4%	12 483	1.9%	-1 746	-14.0%
- Finance income	-1 492	-0.2%	-1 063	-0.2%	-429	40.4%
- Income/(loss) from associates	-3	0.0%	-4	0.0%	1	-25.0%
+ Income tax expense	7 925	1.1%	3 981	0.6%	3 944	99.1%
+ Depreciation and Amortisation	51 867	6.9%	48 919	7.3%	2 948	6.0%
+ Impairment losses	214	0.0%	675	0.1%	-461	-68.3%
<b>EBITDA</b>	<b>95 737</b>	<b>12.8%</b>	<b>72 810</b>	<b>10.8%</b>	<b>22 927</b>	<b>31.5%</b>
+ Start-up expenses*	3 510	0.5%	4 550	0.7%	-1 040	-22.9%
<b>Adjusted EBITDA</b>	<b>99 247</b>	<b>13.2%</b>	<b>77 360</b>	<b>11.5%</b>	<b>21 887</b>	<b>28.3%</b>

\* Start-Up expenses – all material operating expenses incurred in connection with new stores opening prior the opening.

\*\* M&A expenses – all material expenses connected with successful acquisition covering professional services (legal, financial, other) directly connected with transaction.



# AmRest portfolio

Countries	Brands	2006-12-31	2007-12-31	2008-12-31	2009-12-31	2010-12-31	2011-12-31	2012-12-31	2013-12-31	2014-12-31	2015-03-31	2015-05-08
Poland		131	139	158	188	206	256	279	299	320	323	324
	KFC	79	85	94	110	121	150	163	179	191	190	190
	BK		4	9	17	19	27	28	27	32	32	33
	SBX				3	9	21	32	35	38	38	38
	PH	52	50	55	58	57	58	56	58	59	63	63
Czech		43	44	62	67	75	73	83	89	94	96	97
	KFC	43	44	53	55	58	56	62	65	68	69	69
	BK			1	2	5	5	7	7	7	7	7
	SBX			8	10	12	12	14	17	19	20	21
Hungary		17	22	22	22	21	29	34	38	42	42	43
	KFC	5	13	15	17	16	21	25	27	30	30	31
	SBX					3	6	7	9	10	10	10
	PH	12	9	7	5	2	2	2	2	2	2	2
Russia			40	54	51	50	55	66	77	101	105	105
	KFC		22	37	37	39	44	56	67	92	96	96
	PH		18	17	14	11	11	10	10	9	9	9
Bulgaria			1	4	4	5	5	6	5	6	6	6
	KFC		1	2	2	2	2	4	4	5	5	5
	BK			2	2	3	3	2	1	1	1	1
Serbia			1	1	2	3	4	4	5	5	5	5
	KFC		1	1	2	3	4	4	5	5	5	5
Croatia							1	2	5	5	5	5
	KFC						1	2	5	5	5	5
US				104	103	103	103	1	6	4	1	1
	TAGE							1	5	3	0	0
	TAGF								1	1	1	1
	AB			104	103	103	103	0	0	0	0	0
Spain							152	168	178	190	193	197
	TAGE						35	47	53	57	58	58
	TAGF						85	89	94	101	103	107
	KFC						32	32	31	32	32	32
France							2	5	8	8	9	9
	TAGE							1	4	4	4	4
	TAGF						2	4	4	4	5	5
Germany								2	3	3	3	3
	TAGE							2	3	3	3	3
China								12	18	22	22	23
	BF							10	11	17	18	20
	KABB							1	2	3	3	3
	ST								1	0	0	0
	TAGE							1	4	2	1	0
India									2	0	0	0
	TAGE								2	0	0	0
Total Amrest		191	247	405	437	463	680	662	733	800	810	818