



AmRest Q3 2020 Financial Results

Revenues (12.6%) year-on-year to 441.4m EUR
EBITDA (10.3%) to 90.2m EUR year-on-year, margin up 0.5pp to 20.4%
Quarter-on-quarter improvement of 62.2% in sales and 308.9% in EBITDA

Madrid, Spain, 10th November, AmRest (EAT), a leading European multi-brand, foodservice and digital platform, today reported its financial results for the third quarter of 2020.

Key highlights Q3 2020:

- Consolidated revenues at 441.4m EUR versus 504.8m EUR last year and 272.1m EUR last quarter
- Same-store-sales index at 86.6% in Q3 2020 vs. 67.7% in Q2 2020
- EBITDA at 90.2m EUR (IFRS16) versus 100.6m EUR last year and 22.0m EUR last quarter
- EBITDA margin up by 0.5pp year-on-year in Q3 2020 to 20.4% and by 12.3pp vs. last quarter
- Net profit at 2.1m EUR (IFRS16)¹ versus 16.8m EUR last year
- Cash position at 180.2m EUR following a scheduled 56.8m EUR bank debt repayment
- Bank waiver received for Q3 2020.

Commenting on the third quarter 2020 results, Chief Executive Officer, Mark Chandler said:

"I am pleased with the steady recovery of our business visible throughout the third quarter. It underlines the enormous effort and collaboration of our teams and the quality of our people and brands at AmRest. It has been an impressive multi-speed recovery which started in the second quarter and has been led by our businesses in China as well as the recently acquired Sushi Shop, both generating monthly same store sales above last year's and this also still applies to the results in October. Thanks to the recovery of our business combined with our focus on cash preservation we were able to further improve our cash position until September, when we executed a scheduled repayment of bank debt. The disposal of our stake in Glovo, which we announced in October, will further add to our cash balance and puts us into even stronger position with no further scheduled debt repayments before the third quarter 2021."

Consolidated revenues in the reporting period dropped by 12.6% over the year to 441.4m EUR as a result of limited travel-, social- and business activities due to restrictions put in place in order to control the spread of the COVID-19 pandemic. In addition, foreign exchange movements have been impacting results negatively. Compared to the previous quarter, the business has shown strong recovery as the top line increased by 62.2% and EBITDA by 308.9%. The easing of the restrictions in most of the countries and investments into digital and delivery/take-away channels have started to generate benefits which were additionally supported by significant efforts from our operational teams. Our business in China posted positive sales growth and record profitability in Q3 2020 which once again underlines the strength of the business model, the brand and the local team.

¹ Attributable to AmRest's shareholders

The Group reported EBITDA of 90.2m EUR which was 10.3% lower than last year while margin was up by 0.5pp to 20.4%. Strong recovery in sales along with cost savings initiatives and rent relief impacted positively, offset by still a negative effect from operational leverage alongside a higher portion of non-incremental and therefore more costly delivery sales. Quarter-on-quarter EBITDA increased by 308.9%.

Revenues in Central and Eastern Europe in Q3 2020 reached 198.6m EUR, translating to a 9.0% decrease over the year. Compared to Q2 2020, the segment revenue increased by 48.6%. The share of opened restaurants as of end of September 2020 was at 100% versus 99% as of end of June 2020.

Sales in Western Europe amounted to 167.3m EUR in Q3 2020, representing a decline of 16.2% vs. last year. Compared to the quarter before, sales increased by 81.0%. Percentage of opened restaurants as of end of September 2020 was at 97% while as of end of Q2 2020 it was 91%.

The Russian segment posted a 22.2% decline in top-line in Q3 2020 year-on-year to 42.8m EUR. Quarter-to-quarter sales were up 91.8%. Percentage of opened restaurants as of end of September was 97% compared to 77% as of end of June 2020.

Our business in China posted a 4.5% increase in sales vs. last year to 24.7m EUR in Q3 2020. Share of opened restaurants as of end of September was 99% compared to 100% as of end of June 2020.

In terms of profitability, margins across every segment recovered strongly in Q3 2020 compared to the quarter before or even last year as a result of easing in the restrictions across many countries, cost savings initiatives and rental and payroll relief programs. CEE segment EBITDA margin increased by 0.7pp year-on-year to 24.3% in Q3 2020 and by 6.2pp quarter-on-quarter. Western Europe posted an EBITDA margin of 14.2% in Q3 2020 compared to 17.7% last year and (5.4%) quarter before. The Russia segment reached an EBITDA margin of 31.0% in Q3 2020 vs. 20.9% last year and 9.5% in Q2 2020. China posted an EBITDA margin of 42.1% in Q3 2020 vs. 27.0% last year and 30.0% in the quarter before.

Net profit attributable to AmRest's shareholders in the reporting period reached 2.1m EUR compared to EUR 16.8m in Q3 2019. In Q2 2020 net loss reached 119.1m EUR and was additionally impacted by impairment costs.

Chief Executive Officer, Mark Chandler added: "Unfortunately, the restrictions implemented across some of our markets during the fourth quarter are creating headwinds which will mean a setback to our business and will be delaying full recovery until next year. We have been using the last couple of months well, to prepare for a potential second wave and we therefore do not expect its impact to be as harsh as in spring. Our confidence is based on the observation of a customer who is better prepared and ready to migrate from offline to online channels available to them and at AmRest we have been working to allow for a smooth transition and good customer experience. In addition, governments and authorities seem better prepared to act fast, bold and efficient in order to mitigate the impact of implemented restrictions on affected businesses, customers and the economy."

Further information

The third quarter 2020 results can be found on www.amrest.eu



The teleconference with investors will be held on 12th November at 4:30pm CET. For enquiries please contact: InvestorRelations@amrest.eu