



AmRest Holdings SE

Q1 2017 Presentation for Investors
May 19th, 2017



Teleconference details

- **AmRest Q1 2017 results** are included in the **Q1 2017 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,
Supervisory Board Member



**Mateusz
Gzyl**

Global Controller



**Mark
Chandler**

Management Board Member,
Chief Financial Officer



**Michał
Serwatka**

IR and M&A Director



**Wojciech
Mroczyński**

Management Board Member,
Chief Strategy Officer



**Dorota
Surowiec**

IR Manager

Executive summary Q1 2017

- **Accelerated growth**

- 2x3 vision: **double the Company in 3 years** (2017-2019)
- Historic level of organic builds
- Multiple M&A opportunities

- **Recent M&A activities**

- **Roll-up of existing brands** in the markets of Western Europe
- Trends in Delivery and Digital transforming the industry. **Investment in Pizzaportal.pl**

- **Strengthening the base for future growth**

- Short-term pressure on margins driven by integration efforts
- Solid trends in the core business continued



Our restaurants

Total: 1 338



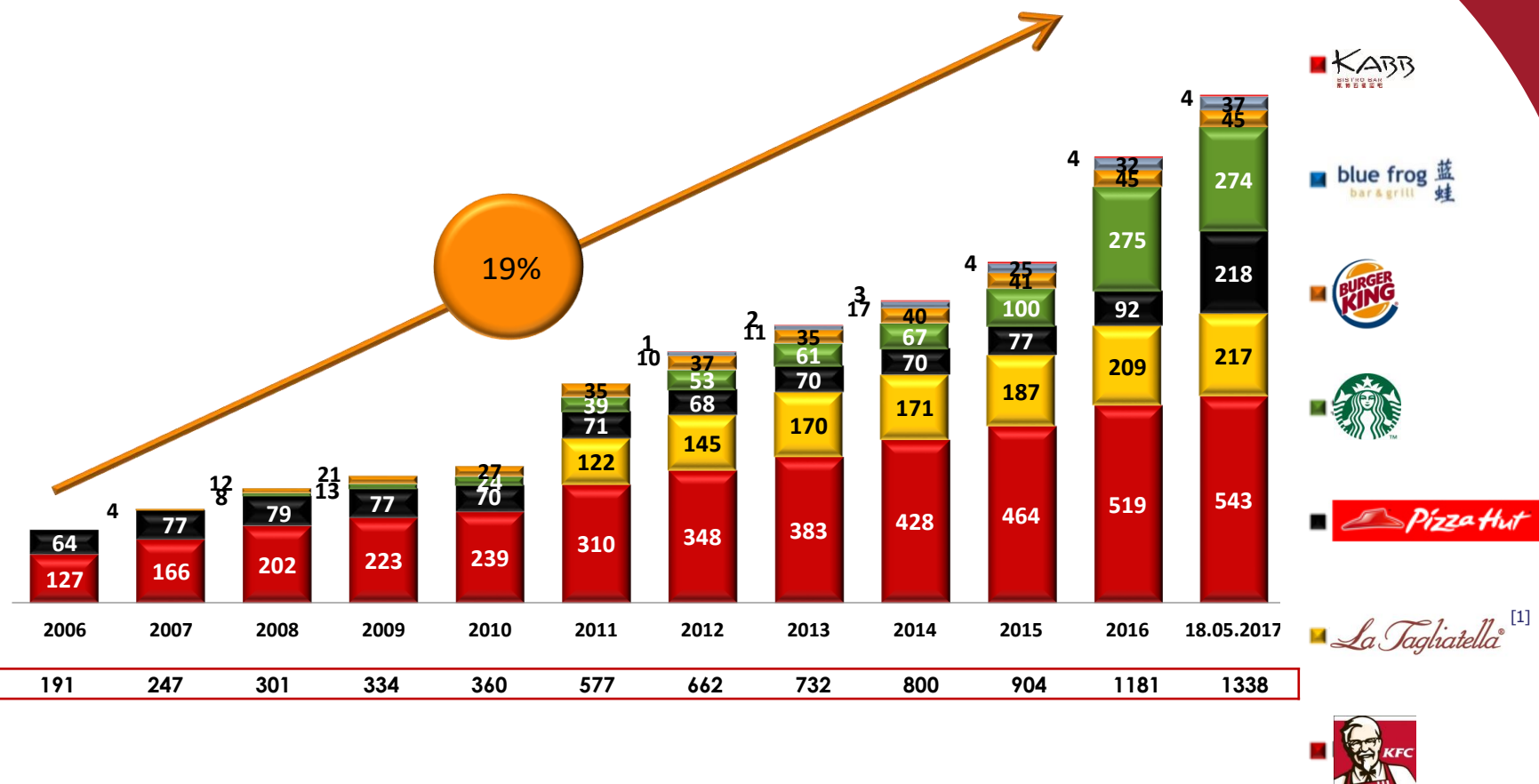
New restaurants openings*

- 7 stores opened in Q1 2017: 1 CE, 2 Russia, 2 TAG and 1 KFC in Spain, 1 Blue Frog,
- 24 stores opened in 2017 YTD (till May 18th, 2017): 10 CE, 4 Russia, 4 TAG and 1 KFC in Spain and 5 Blue Frog in China,
- 21 openings since the last call (March 17th, 2017): 10 CE, 3 Russia and 3 TAG and 1 KFC in Spain and 4 Blue Frog in China .
- Solid pipeline assumes opening of ca. 210 restaurants in 2017.



* Including franchisee operated stores

Continued growth in the number of restaurants



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

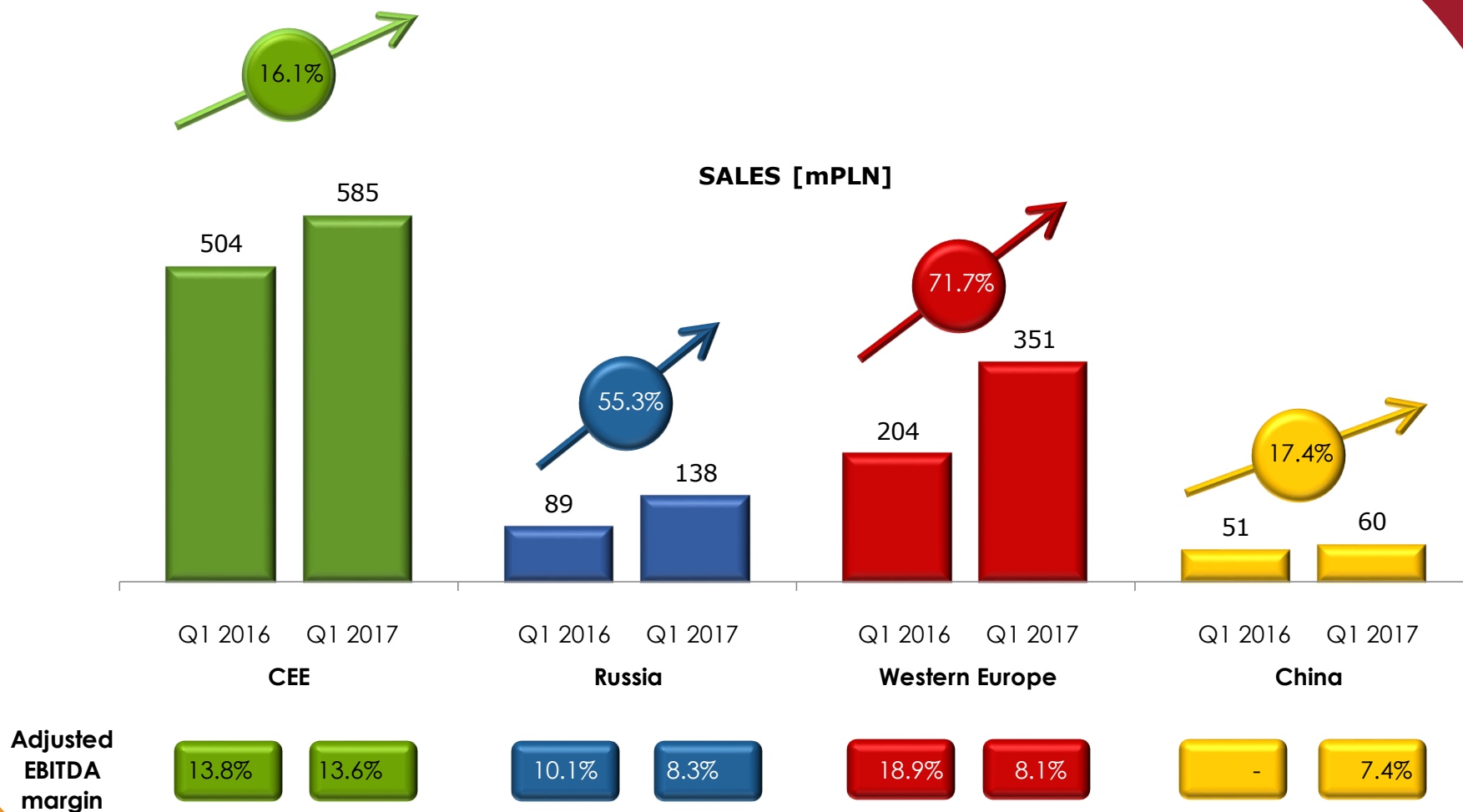
Financial highlights Q1 2017

- **Sales** at PLN 1 147m (+33.7% vs LY)
 - CE PLN 585m (+16.1%)
 - Russia PLN 138m (+55.3%)
 - Western Europe PLN 351m (+71.7%)
 - China PLN 60m (+17.4%)
- **EBITDA** at PLN 117m (+0.9% vs LY)
 - EBITDA margin at 10.2% (-3.3pp vs LY)
- **Net profit*** at PLN 21m (-48.3% vs LY)
 - Net profit margin at 1.8% (-2.8pp vs LY)
- **Net debt** at PLN 1 114m, leverage at 2.0x



* Attributable to AmRest shareholders

Q1 2017 financials by segments



Q1 2017 financials – key figures

Thousand PLN	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	TTM [1]
Sales	858 221	977 055	1 157 569	1 214 524	1 147 400	4 496 548
Sales growth [2]	14.4%	20.7%	34.4%	32.3%	33.7%	30.5%
Adjusted EBITDA [3]	113 596	139 690	166 605	168 547	121 081	595 923
Adjusted EBITDA (%)	13.2%	14.3%	14.4%	13.9%	10.6%	13.3%
EBIT	55 153	54 788	90 924	67 309	40 063	253 084
EBIT (%)	6.4%	5.6%	7.9%	5.5%	3.5%	5.6%
Profit for the period [4]	39 758	36 261	62 451	52 094	20 557	171 363
Profit for the period (%)	4.6%	3.7%	5.4%	4.3%	1.8%	3.8%
Net debt	822 110	1 009 116	939 299	980 163	1 113 863	1 113 863
Net debt/EBITDA	1.8	2.1	1.8	1.8	2.0	2.0

[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), 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).

[4] Attributable to AmRest shareholders

Outlook

- **Positive outlook for remaining part of the year**
 - Solid LFL trends continued
 - Further EBITDA growth
 - Pressure on margins coming from labor cost
- Focus on **finalizing ongoing M&A projects** and profitability improvement in acquired businesses
- **Accelerated organic growth. 200+ openings on track**
 - Majority of leases already secured
- Building the **foundation for future growth and margin improvement**



3 years guidance



Sales growth

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



EBITDA

- Strong EBITDA growth driven by sales and margin improvement



20%+ ROIC on expansion Capex

- Improved ROIC on existing investments through growing margins,
- Prudent capital allocation and lower build cost



CAPEX

- Average Capex per restaurant below PLN 3m
- >200 restaurants p.a.



Leverage

- short-term increase driven by M&A activities, within internal guardrails (3.2x)

IR contact



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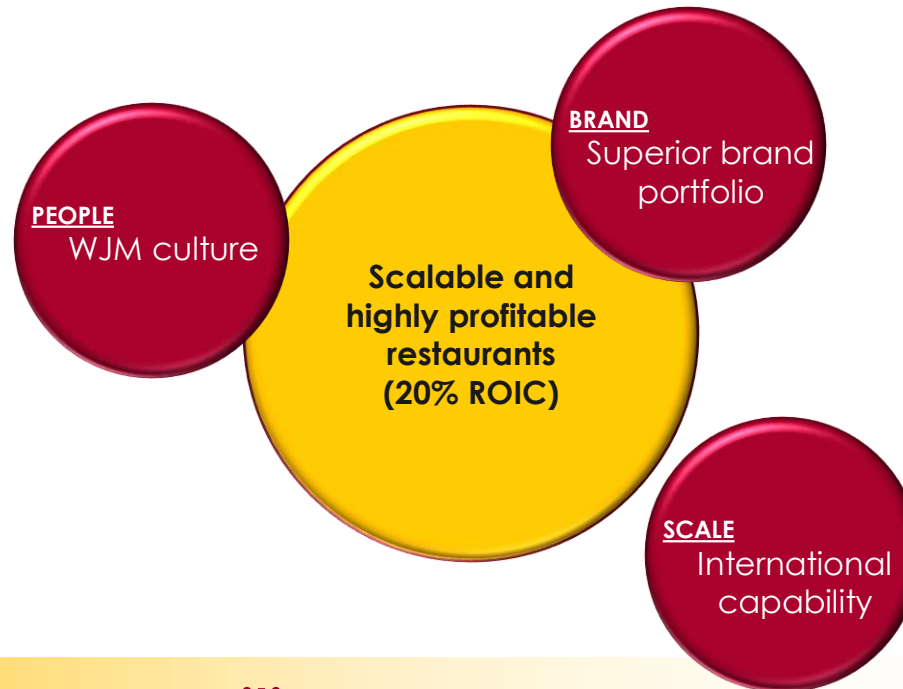


Backup



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



543 restaurants

9 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**



45 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**



274 coffee shops

7 countries

Within AmRest since 2008

Global # 1 in Coffee

Personalized customer service

Fresh food offer, locally developed

Starbucks Reserve

Substantial **white space** in CE



218 restaurants

4 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

217 restaurants

3 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

37 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**

KABB
BISTRO BAR
凯博西餐酒吧

4 restaurants

China

Within AmRest since 2013

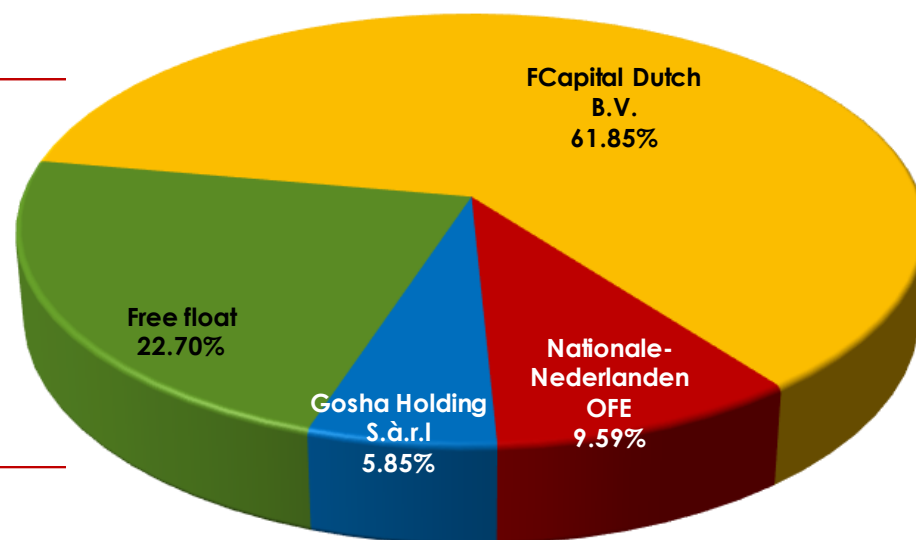
High-end Casual Dining concept

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	22.70%
Analyst Coverage	Unicredit, mBank, Wood&Co, Trigon, Raiffeisen Centrobank AG, Noble Securities, IPOPEMA, ERSTE, DM PKO BP, DM Banku BPS, BM Bank BGŻ
Number of employees	31,686
Number of shares	21.2m
Number of restaurants	1 338 ^[1]



^[1] Including 253 stores operated by franchisees

Q1 2017 segment reporting

PLN '000	Q1 2017		Q1 2016	
	Share	Margin	Share	Margin
Sales	1 147 400		858 221	
Poland	359 408	31.3%	320 218	37.3%
Czech Republic	125 172	10.9%	109 246	12.7%
Hungary	64 383	5.6%	46 872	5.5%
Other CE	36 379	3.2%	27 671	3.2%
Total CE	585 342	51.0%	504 007	58.7%
Russia	138 350	12.1%	89 110	10.4%
Spain	210 886	18.4%	196 994	23.0%
Germany	135 601	11.8%	2 511	0.3%
Other Western Europe	4 664	0.4%	4 963	0.6%
Western Europe	351 151	30.6%	204 468	23.8%
China	60 033	5.2%	51 137	6.0%
Unallocated	12 524	1.1%	9 499	1.1%
EBITDA	117 071	10.2%	116 008	13.5%
Poland	37 012	10.3%	41 937	13.1%
Czech Republic	23 196	18.5%	19 750	18.1%
Hungary	11 398	17.7%	7 741	16.5%
Other CE	6 195	17.0%	4 170	15.1%
Total CE	77 801	13.3%	73 598	14.6%
Russia	10 676	7.7%	8 006	9.0%
Spain	42 873	20.3%	39 043	19.8%
Germany	-13 597	-	-771	-
Other Western Europe	-1 339	-	-291	-
Western Europe	27 937	8.0%	37 981	18.6%
China	3 548	5.9%	-535	-
Unallocated	-2 891	-	-3 042	-
Adjusted EBITDA*	121 081	10.6%	113 596	13.2%
Poland	37 947	10.6%	37 239	11.6%
Czech Republic	23 469	18.7%	20 124	18.4%
Hungary	11 719	18.2%	7 883	16.8%
Other CE	6 464	17.8%	4 169	15.1%
Total CE	79 599	13.6%	69 415	13.8%
Russia	11 482	8.3%	8 966	10.1%
Spain	43 367	20.6%	39 693	20.1%
Germany	-13 558	-	-771	-
Other Western Europe	-1 332	-	-292	-
Western Europe	28 477	8.1%	38 630	18.9%
China	4 414	7.4%	-373	-
Unallocated	-2 891	-	-3 042	-
EBIT	40 063	3.5%	55 153	6.4%
Poland	12 852	3.6%	18 609	5.8%
Czech Republic	15 053	12.0%	12 295	11.3%
Hungary	6 408	10.0%	4 301	9.2%
Other CE	2 243	6.2%	1 075	3.9%
Total CE	36 556	6.2%	36 280	7.2%
Russia	1 648	1.2%	2 272	2.5%
Spain	29 337	13.9%	26 658	13.5%
Germany	-21 193	-	-984	-
Other Western Europe	-1 867	-	-807	-
Western Europe	6 277	1.8%	24 867	12.2%
China	-1 421	-	-5 017	-
Unallocated	-2 997	-	-3 249	-

[*] 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), 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)

Q1 2017 consolidated P&L

[PLN '000]	Q1 2017	% of sales	Q1 2016	% of sales
Restaurant sales	1 082 796		799 730	
Franchise and other sales	64 604		58 491	
Total sales	1 147 400		858 221	
Company operated restaurant expenses:				
Food and material	-323 561	-28.2%	-248 023	-28.9%
Payroll and employee benefits	-275 984	-24.1%	-182 683	-21.3%
Royalties	-54 770	-4.8%	-38 568	-4.5%
Occupancy and other operating expenses	-337 347	-29.4%	-244 393	-28.5%
Franchise and other expenses	-40 245	-3.5%	-37 446	-4.4%
General and administrative (G&A) expenses	-81 194	-7.1%	-60 461	-7.0%
Impairment losses	-483	0.0%	554	0.1%
Other income	6 247	0.5%	7 952	0.9%
Profit/(loss) from operations	40 063	3.5%	55 153	6.4%
EBITDA	117 071	10.2%	116 008	13.5%
Finance costs	-12 181	-1.1%	-10 198	-1.2%
Finance income	680	0.1%	453	0.1%
Income/(loss) from associates	-46	0.0%	-11	0.0%
Income tax expense	-7 194	-0.6%	-6 878	-0.8%
Profit for the period	21 322	1.9%	38 519	4.5%
Attributable to:				
Non controlling interest	765	0.1%	-1 239	-0.1%
Equity holders of the parent	20 557	1.8%	39 758	4.6%

Q1 2017 net profit and adjusted EBITDA reconciliation

[PLN '000]	Q1 2017	% of sales	Q1 2016	% of sales	Q1 vs Q1	% of change
Restaurant sales	1 082 796	94.4%	799 730	93.2%	283 066	35.4%
Franchise and other sales	64 604	5.6%	58 491	6.8%	6 113	10.5%
Total sales	1 147 400		858 221		289 179	33.7%
Net Profit for the period	21 322	1.9%	38 519	4.5%	-17 197	-44.6%
Adjusted Net Profit for the period	21 322	1.9%	38 519	4.5%	-17 197	-44.6%
+ Finance costs	12 181	1.1%	10 198	1.2%	1 983	19.4%
- Finance income	-680	-0.1%	-453	-0.1%	-227	50.1%
- Income/(loss) from associates	46	0.0%	11	0.0%	35	318.2%
+ Income tax expense	7 194	0.6%	6 878	0.8%	316	4.6%
+ Depreciation and Amortisation	76 525	6.7%	61 409	7.2%	15 116	24.6%
+ Impairment losses	483	0.0%	-554	-0.1%	1 037	-187.2%
EBITDA	117 071	10.2%	116 008	13.5%	1 063	0.9%
+ Start-up expenses*	4 010	0.3%	2 893	0.3%	1 117	38.6%
+ M&A related expenses**	0	0.0%	0	0.0%	0	n/a
+ / - Effect of SOP exercise method modification***	0	0.0%	0	0.0%	0	n/a
+ / - Indirect taxes adjustments****	0	0.0%	-5 305	-0.6%	5 305	-100.0%
Adjusted EBITDA	121 081	10.6%	113 596	13.2%	7 485	6.6%

* 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.

*** Effect of SOP exercise method modification – a difference in accounting cost of employee benefits accounted under cash settled versus equity settled option plan

**** Indirect taxes - all material adjustments for indirect taxes reported in given period but concerning prior reporting periods resulting from tax fillings adjustments. Indirect taxes are mainly VAT, land tax and other EBITDA level taxes.

AmRest portfolio

Countries	Brand	31.12.2006	31.12.2007	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014	31.12.2015	31.12.2016	31.03.2017	18.05.2017
Poland		131	139	158	188	206	256	279	299	320	346	389	389	393
	KFC	79	85	94	110	121	150	163	179	191	206	222	222	223
	BK		4	9	17	19	27	28	27	32	33	36	36	36
	SBX				3	9	21	32	35	38	40	52	52	53
	PH	52	50	55	58	57	58	56	58	59	67	79	79	81
Czech		43	44	62	67	75	73	83	89	94	102	114	115	116
	KFC	43	44	53	55	58	56	62	65	68	71	78	79	80
	BK			1	2	5	5	7	7	7	7	8	8	8
	SBX			8	10	12	12	14	17	19	24	28	28	28
Hungary		17	22	22	22	21	29	34	38	42	49	66	66	67
	KFC	5	13	15	17	16	21	25	27	30	35	45	45	45
	SBX					3	6	7	9	10	12	16	16	16
	PH	12	9	7	5	2	2	2	2	2	2	5	5	6
Russia			40	54	51	50	55	66	77	101	109	123	124	126
	KFC		22	37	37	39	44	56	67	92	101	115	116	118
	PH		18	17	14	11	11	10	10	9	8	8	8	8
Bulgaria			1	4	4	5	5	6	5	6	11	11	11	11
	KFC		1	2	2	2	2	4	4	5	5	5	5	5
	BK			2	2	2	3	2	1	1	1	1	1	1
	SBx			2	2	3	3	2			5	5	5	5
Serbia			1	1	2	3	4	4	5	5	5	5	5	6
	KFC		1	1	2	3	4	4	5	5	5	5	5	6
Croatia							1	2	5	5	5	6	6	7
	KFC						1	2	5	5	5	6	6	7
Romania											19	28	28	29
	SBx										19	28	28	29
Slovakia												3	3	3
	SBx											3	3	3
US				104	103	103	103	1	6	4	1	0	0	0
	TAGE							1	5	3	0	0	0	0
	TAGF								1	1	1	0	0	0
	AB			104	103	103	103	0	0	0	0	0	0	0
Spain							152	168	178	190	216	245	248	250
	TAGE						35	47	53	57	65	73	73	74
	TAGF						85	89	94	101	115	129	131	132
	KFC						32	32	31	32	36	43	44	44
France							2	1	4	4	10	10	9	132
	TAGE							1	4	4	4	5	4	4
	TAGF						2	4	4	4	6	5	5	5
	PH E											0	0	7
	PH F											0	0	116
Germany								2	3	3	2	145	157	157
	SBx											143	140	140
	TAGE							2	3	3	2	2	2	2
China												0	15	15
	KFC													
								12	18	22	29	36	37	41
	BF							10	11	17	25	32	33	37
	KABB							1	2	3	4	4	4	4
Total AmRest														
	ST							1	1	0	0	0	0	0
	TAGE							1	4	2	0	0	0	0
Total AmRest		191	247	405	437	463	680	658	729	796	904	1181	1198	1338