



# AmRest Holdings SE

Q1 2018 Presentation for Investors  
May 15th, 2018



# Teleconference details

- **AmRest Q1 2018 results** are included in the **Q1 2018 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,  
Executive Director



**Aleksandra Tajak**

Global Controller



**Mark Chandler**

Executive Team Member,  
Chief Financial Officer



**Michal Serwatka**

IR and M&A Director



**Peter Kaineder**

Chief Strategy Officer



**Dorota Surowiec**

IR Manager



# Executive summary

- Solid business growth continued. **SALES +31% and EBITDA +24% vs LY**
- **Core business** driving the results (**24% EBITDA growth delivered**)
- **2x3 Vision** on track:
  - Accelerated organic growth (**42 new restaurants YTD**). **300+ openings for 2018**
  - Continued integration of M&As
  - Significant performance improvement in Starbucks Germany
  - Pizza Hut Russia deal announced on 30<sup>th</sup> May
- Strong balance sheet position maintained. **Net debt/EBITDA at 2.25x**
- Long-term vision of becoming #1 restaurant operator in Europe



# Our restaurants

Total: 1 662



# New restaurant openings\*

- **21 stores opened in Q1 2018:** 7 CE, 4 Russia and 10 WE (2 TAG in Spain, 1 KFC in France, 1 KFC in Germany, 3 SBX in Germany, 3 PH in Germany);
- **42 stores opened in 2018 YTD (till May 14th, 2018):** 14 CE, 11 Russia, 15 WE (3 TAG in Spain, 2 KFC in France, 1 KFC in Germany, 2 KFC Spain, 3 SBX in Germany, 1 PH in France, 3 PH in Germany) and 2 Blue Frog in China;
- **25 openings since the last call (March 9th, 2018):** 9 CE, 7 Russia, 7 WE (2 TAG in Spain, 2 KFC in Spain, 1 KFC in France, 1 PH in Germany, 1 PH in France) and 2 Blue Frog in China;
- **Solid pipeline for 2018** assumes opening of **300+ restaurants**.

## Acquisitions:

- 2 Pizza Hut restaurants in France,
- 1 KFC restaurant in France

\* Including franchisee operated stores



# Financial highlights Q1 2018

- Sales at EUR 347m (+31% vs LY)
  - Central Europe EUR 164m (+21%)
  - Russia EUR 39m (+23%)
  - Western Europe EUR 125m (+54%)
  - China EUR 15m (+10%)
- EBITDA at EUR 34m (+24.4% vs LY)
  - EBITDA margin at 9.7% (-0.5pp vs LY)
- Net profit\* at EUR 5m (+7.6% vs LY)
- Net debt at EUR 354m, leverage at 2.25x

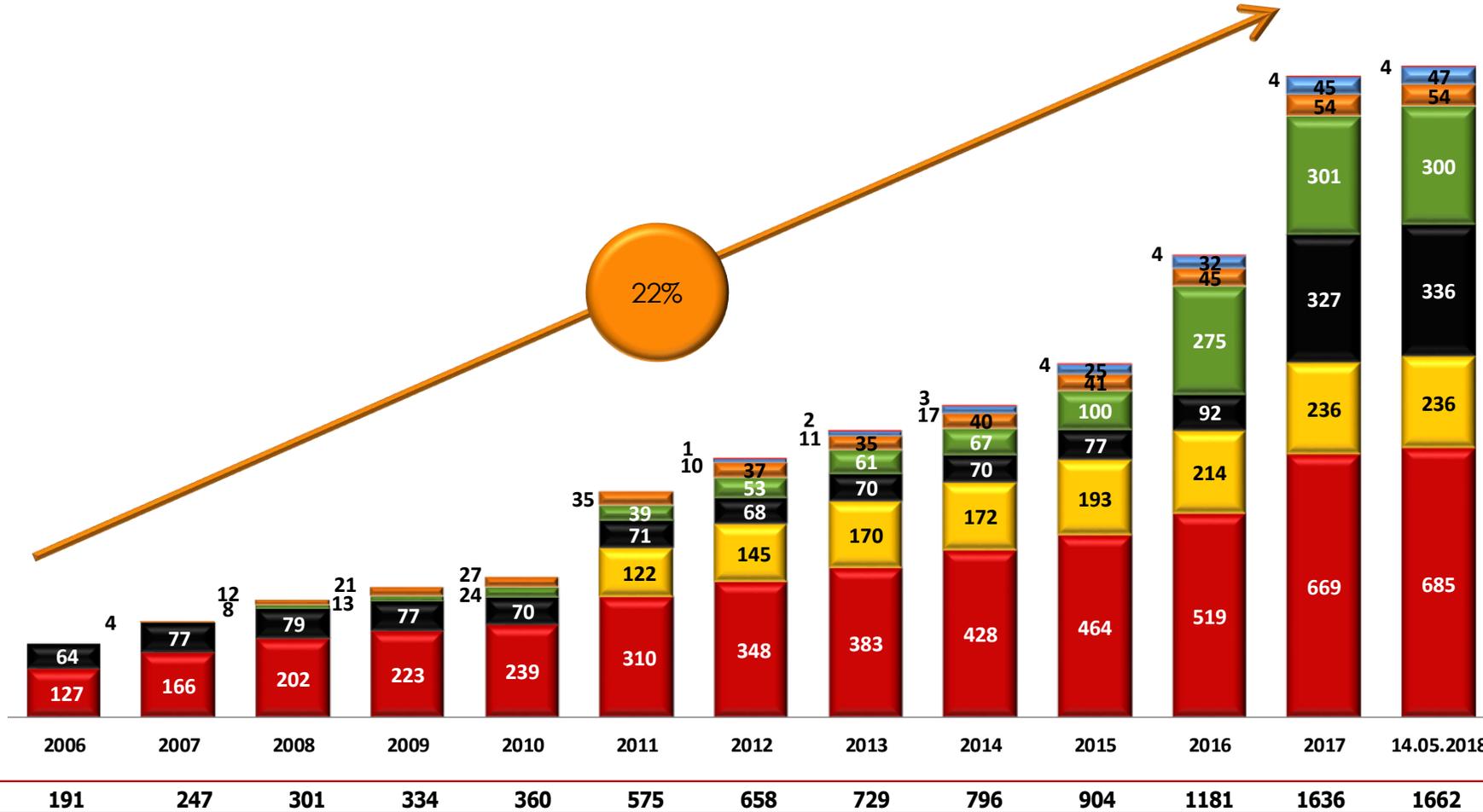


\* Attributable to AmRest's shareholders



AmRest

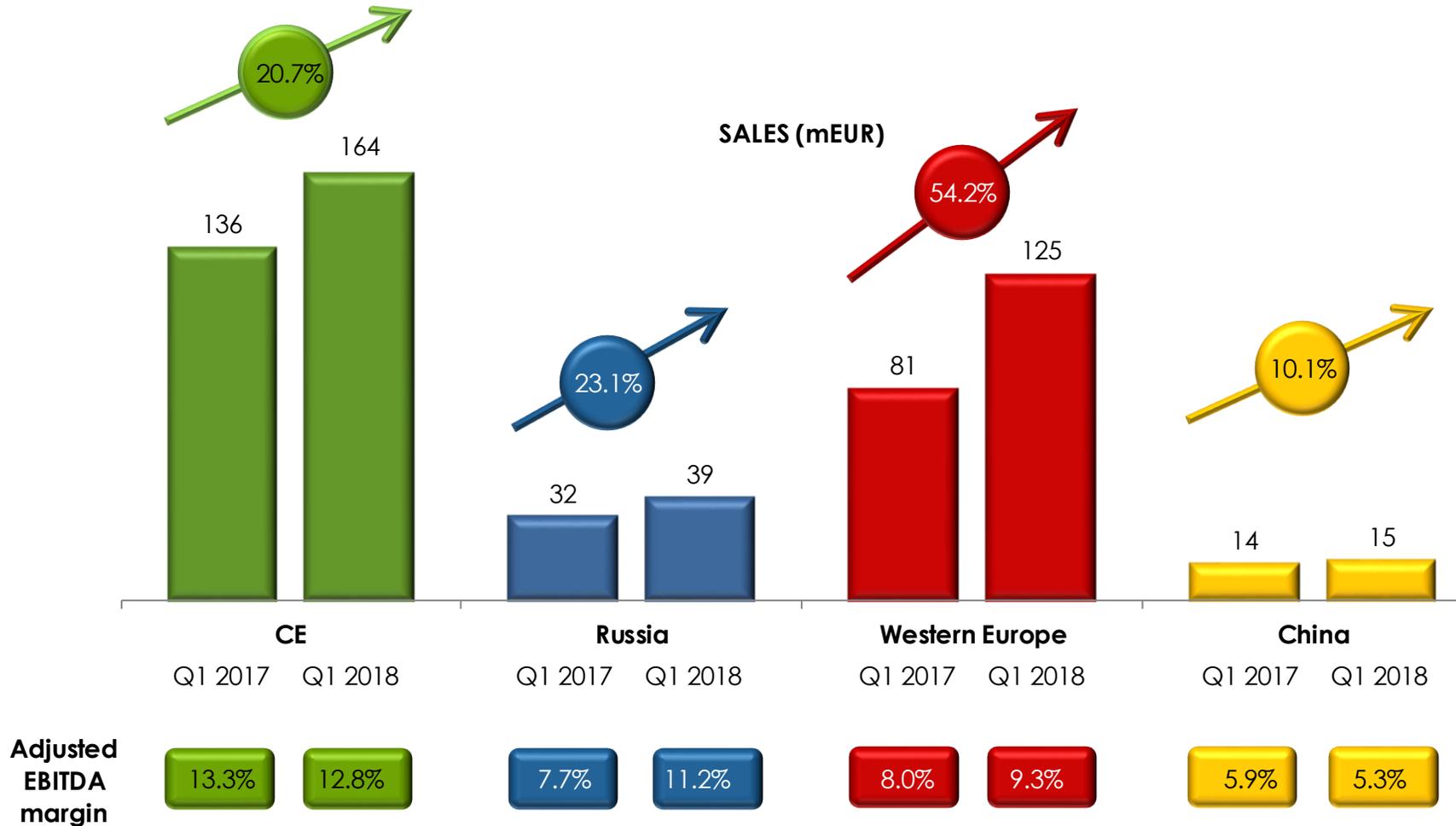
# Continued growth in the number of restaurants\*



Countries of operation: Poland, Czech Republic, Hungary, Russia, Romania, Bulgaria, Serbia, Croatia, Slovakia, Austria, Slovenia, Spain, Portugal, France, Germany & China  
 Data doesn't include Applebee's restaurants sold in 2012 to Apple American Group II, LLC  
 \*Including franchisee operated stores



# Q1 2018 financials by segments



# Q1 2018 financials – key figures

mEUR	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	TTM [1]
<b>Sales</b>	<b>277.4</b>	<b>265.5</b>	<b>294.8</b>	<b>318.5</b>	<b>359.1</b>	<b>347.4</b>	<b>1 319.7</b>
Sales growth [2]	28.8%	34.9%	31.9%	19.4%	29.4%	30.8%	27.7%
<b>Adjusted EBITDA [3]</b>	<b>38.5</b>	<b>28.0</b>	<b>38.4</b>	<b>49.2</b>	<b>46.5</b>	<b>35.7</b>	<b>169.8</b>
Adjusted EBITDA (%)	13.9%	10.6%	13.0%	15.5%	13.0%	10.3%	12.9%
<b>EBIT</b>	<b>15.4</b>	<b>9.3</b>	<b>14.7</b>	<b>28.0</b>	<b>10.7</b>	<b>11.7</b>	<b>65.2</b>
EBIT (%)	5.6%	3.5%	5.0%	8.8%	3.0%	3.4%	4.9%
<b>Profit for the period [4]</b>	<b>11.9</b>	<b>4.8</b>	<b>7.8</b>	<b>20.0</b>	<b>10.3</b>	<b>5.1</b>	<b>43.2</b>
Profit for the period (%)	4.3%	1.8%	2.7%	6.3%	2.9%	1.5%	3.3%
<b>Net debt</b>	<b>222.0</b>	<b>263.7</b>	<b>284.8</b>	<b>279.5</b>	<b>342.4</b>	<b>354.3</b>	<b>354.3</b>
Net debt/EBITDA	1.8	2.0	2.1	1.99	2.21	2.25	2.25

[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

- Solid start of the year. Positive trends continued
- Accelerated development pace. **300+ openings** planned for 2018
- Focus on **integration of acquired businesses**
- Expected short-term pressure on margins driven by M&A
- Continued execution of our "**2x3 growth vision**", based of 3 pillars:
  - Enhanced core business
  - Potential acquisitions
  - Investment in Digital
- Long-term vision of becoming #1 restaurant operator in Europe



AmRest

# IR contact



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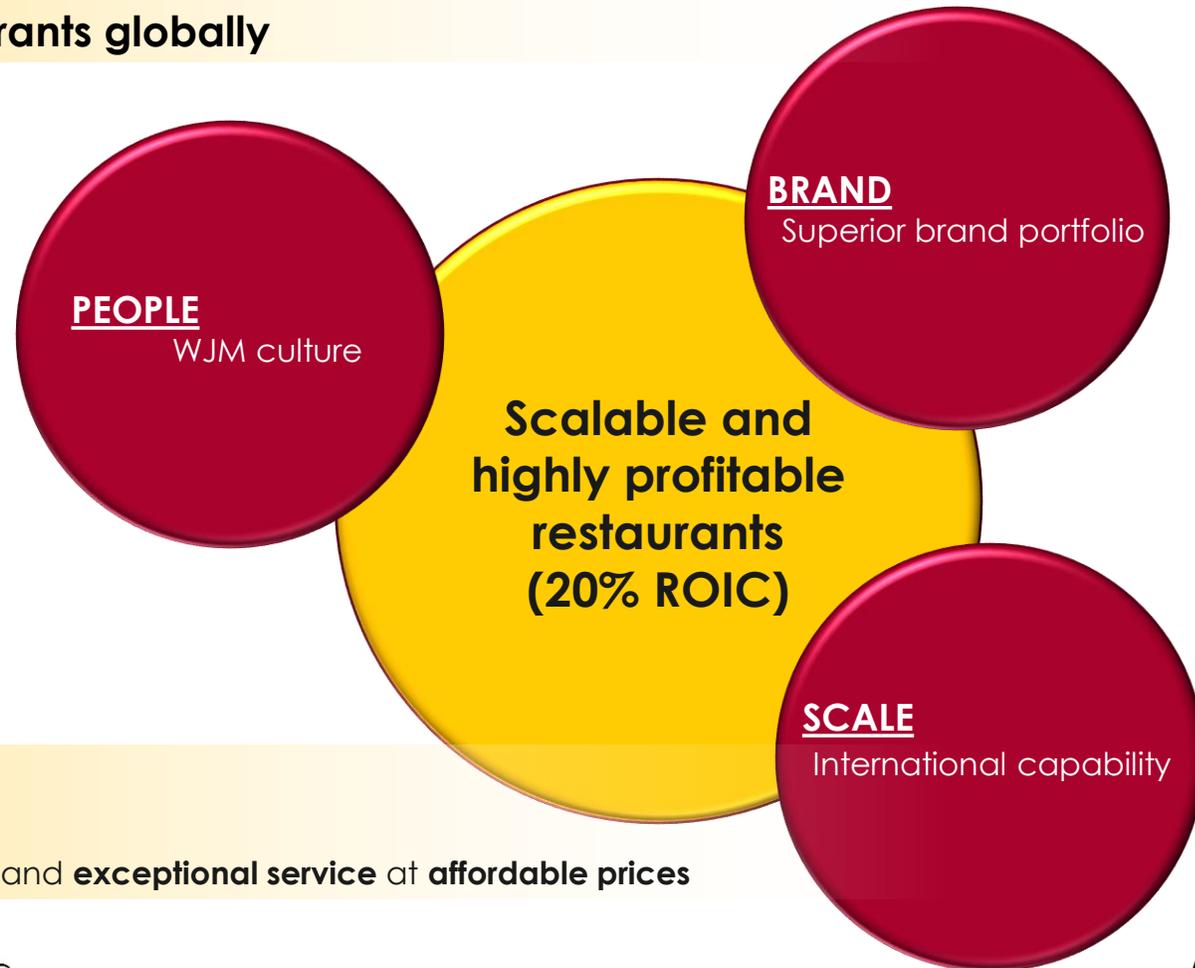


Backup



# 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**



# Superior BRAND portfolio

Franchised  
brands



- **Global #1 in chicken category**
- Fresh chicken, genuine food, craveable taste
- **Innovative design** and order system
- **Delivery platform** and **mobile restaurants**

685 restaurants  
12 countries  
AmRest since 1994



- **Global #1 in pizza category**
- **Handmade pizza...** and more
- **Casual dining** - unmatched hospitality
- **Delivery and Express** concepts – world class food innovations based on digital solutions

336 restaurants  
6 countries  
AmRest since 1993



# Superior BRAND portfolio

Franchised  
brands



54 restaurants  
3 countries  
AmRest since 2007

- **Global #2 in burger category**
- **Better burger** – 100% beef, flame grilled, strong focus on quality
- „**Have it your way**” philosophy
- **Authentic, humorous and bold approach**



300 coffee shops  
7 countries  
AmRest since 2008

- **Global #1 in coffee category**
- **Personalized** customer service
- **Fresh food offer**, locally developed
- **Starbucks Reserve**
- Substantial **white space** in CE



# Superior BRAND portfolio

Proprietary brands



blue frog 蓝蛙  
bar & grill

47 restaurants  
China, Spain, Poland  
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
- AUV leader in our portfolio > \$3 m



La Tagliatella

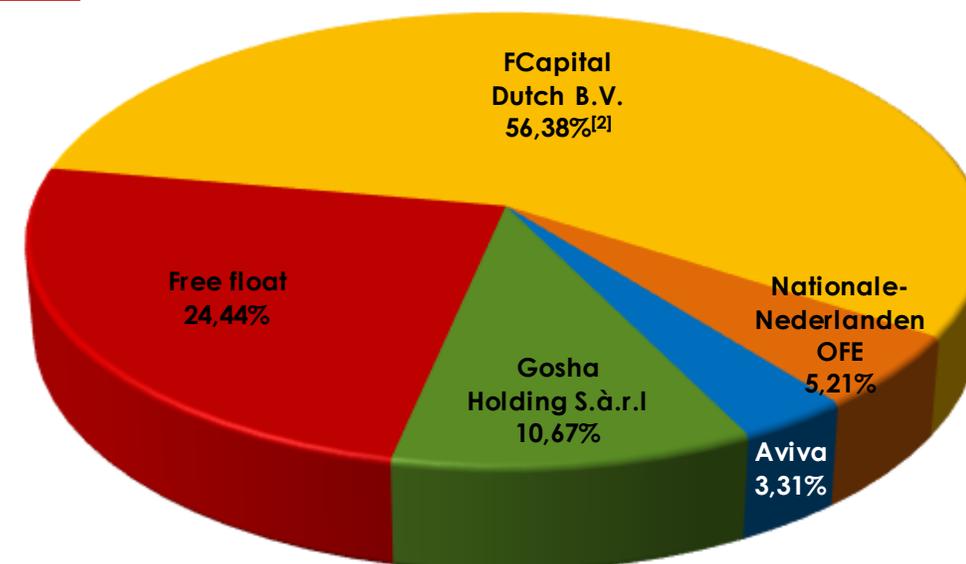
236 restaurants  
4 countries  
AmRest since 2011

- #1 in Italian category in Spain - authentic cuisine with ingredients sourced in Italy
- Fine dining experience at casual dining price
- Unique business model based on central kitchen operations
- Doubled the scale since acquisition



# EAT factsheet

Ticker	EAT (AmRest)
Listing	WSE
Free float	24.44%
Analyst Coverage	Unicredit, mBank, Wood&Co, Trigon, Raiffeisen Centrobank AG, Noble Securities, IPOPEMA, ERSTE, DM PKO BP, DM Banku BPS, BM Bank BGŽ
Number of employees	38 720
Number of shares	21.2m
Number of restaurants	1 662 <sup>[1]</sup>



Data as at May 14th, 2018

<sup>[1]</sup> Including stores operated by La Tagliatella and Pizza Hut franchisees

<sup>[2]</sup> FCapital Dutch B. V. is the dominant entity of FCapital Lux (holding 5 232 907 AmRest shares) and the subsidiary of Finaccess Capital, S.A. de C.V. Finaccess Capital, S.A. de C.V. is an indirect subsidiary of Grupo Far-Luca, S.A. de C.V. The directly dominant person of Grupo Far-Luca, S.A. de C.V., Mr. Carlos Fernández González, is AmRest's Board of Directors member.

<sup>[3]</sup> Gosha Holding S.à.r.l. is an entity closely associated with Mr. Henry McGovern and Mr. Steven Kent Winegar, members of AmRest's Board of Directors.



# Segment reporting

	Q1 2018			Q1 2017		
	mEUR	Share	Margin	mEUR	Share	Margin
<b>Sales</b>	<b>347.4</b>			<b>265.5</b>		
Poland	95.3	27.4%		83.2	31.3%	
Czech Republic	37.5	10.8%		29.0	10.9%	
Hungary	19.9	5.7%		14.9	5.6%	
Other CE	10.9	3.1%		8.4	3.2%	
Total CE	163.6	47.1%		135.5	51.0%	
Russia	39.4	11.3%		32.0	12.1%	
Spain	55.2	15.9%		48.7	18.3%	
Germany	40.8	11.7%		31.4	11.8%	
Other Western Europe	29.2	8.4%		1.1	0.4%	
Western Europe	125.2	36.0%		81.2	30.6%	
China	15.3	4.4%		13.9	5.2%	
Unallocated	3.9	1.1%		2.9	1.1%	
<b>EBITDA</b>	<b>33.7</b>		<b>9.7%</b>	<b>27.1</b>		<b>10.2%</b>
Poland	9.3		9.8%	8.6		10.3%
Czech Republic	7.4		19.6%	5.4		18.5%
Hungary	3.3		16.5%	2.6		17.7%
Other CE	1.0		9.5%	1.4		17.0%
Total CE	21.0		12.8%	18.0		13.3%
Russia	4.4		11.2%	2.5		7.7%
Spain	11.6		20.9%	9.9		20.3%
Germany	-1.1		-	-3.1		-
Other Western Europe	1.1		3.8%	-0.3		-
Western Europe	11.6		9.3%	6.5		8.0%
China	0.8		5.3%	0.8		5.9%
Unallocated	-4.1		-	-0.7		-
<b>Adjusted EBITDA*</b>	<b>35.7</b>		<b>10.3%</b>	<b>28.0</b>		<b>10.6%</b>
Poland	9.7		10.1%	8.8		10.6%
Czech Republic	7.4		19.8%	5.4		18.8%
Hungary	3.4		17.0%	2.7		18.2%
Other CE	1.1		10.3%	1.5		17.8%
Total CE	21.6		13.2%	18.4		13.6%
Russia	4.6		11.7%	2.7		8.3%
Spain	11.9		21.4%	10.0		20.5%
Germany	-0.8		-	-3.1		-
Other Western Europe	1.6		5.6%	-0.3		-
Western Europe	12.7		10.2%	6.6		8.1%
China	0.9		5.8%	1.0		7.4%
Unallocated	-4.1		-	-0.7		-
<b>EBIT</b>	<b>11.7</b>		<b>3.4%</b>	<b>9.3</b>		<b>3.5%</b>
Poland	3.2		3.4%	3.0		3.6%
Czech Republic	5.0		13.3%	3.5		12.0%
Hungary	1.9		9.5%	1.5		10.0%
Other CE	-0.1		-	0.5		6.2%
Total CE	10.0		6.1%	8.5		6.2%
Russia	2.0		5.0%	0.4		1.2%
Spain	8.1		14.7%	6.7		13.8%
Germany	-3.2		-	-4.9		-
Other Western Europe	-0.5		-	-0.4		-
Western Europe	4.4		3.5%	1.4		1.8%
China	-0.4		-	-0.3		-
Unallocated	-4.3		-	-0.7		-



[1] Adjusted EBITDA - 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)



# Consolidated P&L

[mEUR]	Q1 2018	% of sales	Q1 2017	% of sales
Restaurant sales	328.2		250.6	
Franchise and other sales	19.2		14.9	
<b>Total sales</b>	<b>347.4</b>		<b>265.5</b>	
Company operated restaurant expenses:				
Food and material	-95.4	-27.5%	-74.9	-28.2%
Payroll and employee benefits	-85.8	-24.7%	-63.9	-24.0%
Royalties	-17.0	-4.9%	-12.7	-4.8%
Occupancy and other operating expenses	-99.0	-28.5%	-78.0	-29.4%
Franchise and other expenses	-14.4	-4.2%	-9.3	-3.5%
General and administrative (G&A) expenses	-25.5	-7.3%	-18.8	-7.1%
Impairment losses	-0.5	-0.1%	-0.1	0.0%
Other income	1.9	0.5%	1.5	0.5%
<b>Profit/(loss) from operations</b>	<b>11.7</b>	<b>3.4%</b>	<b>9.3</b>	<b>3.5%</b>
<b>EBITDA</b>	<b>33.7</b>	<b>9.7%</b>	<b>27.1</b>	<b>10.2%</b>
Financial costs	-4.7	-1.4%	-2.8	-1.1%
Financial income	0.2	0.0%	0.1	0.0%
Income tax expense	-2.7	-0.8%	-1.7	-0.6%
<b>Profit for the period</b>	<b>4.5</b>	<b>1.3%</b>	<b>4.9</b>	<b>1.9%</b>
<b>Attributable to:</b>				
Non controlling interest	-0.6	-0.2%	0.2	0.1%
Equity holders of the parent	5.1	1.5%	4.7	1.8%



# Net profit and adjusted EBITDA reconciliation

[mEUR]	Q1 2018	% of sales	Q1 2017	% of sales	Q1 vs Q1	% change
Restaurant sales	328.1	94.5%	250.6	94.4%	77.6	31.0%
Franchise and other sales	19.2	5.5%	14.9	5.6%	4.3	28.7%
<b>Total sales</b>	<b>347.4</b>		<b>265.5</b>		<b>81.9</b>	<b>30.8%</b>

<b>Net Profit for the period</b>	<b>4.5</b>	<b>1.3%</b>	<b>4.9</b>	<b>1.9%</b>	<b>-0.5</b>	<b>-9.7%</b>
<b>Adjusted Net Profit for the period</b>	<b>4.5</b>	<b>1.3%</b>	<b>4.9</b>	<b>1.9%</b>	<b>-0.5</b>	<b>-9.7%</b>
+ Finance costs	4.7	1.4%	2.8	1.1%	1.9	66.6%
- Finance income	-0.2	0.0%	-0.1	-0.1%	0.0	16.3%
+ Income tax expense	2.7	0.8%	1.7	0.6%	1.0	61.7%
+ Depreciation and Amortisation	21.5	6.2%	17.7	6.7%	3.8	21.4%
+ Impairment losses	0.5	0.1%	0.1	0.0%	0.4	349.6%
<b>EBITDA</b>	<b>33.7</b>	<b>9.7%</b>	<b>27.1</b>	<b>10.2%</b>	<b>6.6</b>	<b>24.3%</b>
+ Start-up expenses*	2.0	0.6%	0.9	0.4%	1.0	112.4%
<b>Adjusted EBITDA</b>	<b>35.7</b>	<b>10.3%</b>	<b>28.0</b>	<b>10.6%</b>	<b>7.6</b>	<b>27.2%</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.

\*\*\* 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	Brands	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	14.05.2018
Poland		131	139	158	188	206	256	279	299	320	346	389	454	461
	KFC	79	85	94	110	121	150	163	179	191	206	222	243	246
	BK		4	9	17	19	27	28	27	32	33	36	41	41
	SBX				3	9	21	32	35	38	40	52	64	64
	PH BF	52	50	55	58	57	58	56	58	59	67	79	105	109
													1	1
Czech		43	44	62	67	75	73	83	89	94	102	114	133	133
	KFC	43	44	53	55	58	56	62	65	68	71	78	85	85
	BK			1	2	5	5	7	7	7	7	8	12	12
	SBX PH			8	10	12	12	14	17	19	24	28	34	34
								0	0	0	0	2	2	
Hungary		17	22	22	22	21	29	34	38	42	49	66	82	83
	KFC	5	13	15	17	16	21	25	27	30	35	45	50	50
	SBX PH	12	9	7	5	3	6	7	9	10	12	16	20	20
					2	2	2	2	2	2	2	5	12	13
Russia			40	54	51	50	55	66	77	101	109	123	165	175
	KFC		22	37	37	39	44	56	67	92	101	115	154	161
	PH		18	17	14	11	11	10	10	9	8	8	11	14
Bulgaria			1	4	4	5	5	6	5	6	11	11	13	14
	KFC		1	2	2	2	2	4	4	5	5	5	5	5
	BK SBX			2	2	3	3	2	1	1	5	7	8	
Serbia	KFC		1	1	2	3	4	4	5	5	5	5	7	7
Croatia	KFC						1	2	5	5	5	6	7	7
Romania	SBX										19	28	36	38
Slovakia	SBX											3	4	4
Spain							152	168	178	190	216	245	278	281
	TAG E						35	47	53	57	65	73	72	71
	TAG F						85	89	94	101	115	129	152	154
	KFC BF						32	32	31	32	36	43	53	55
												1	1	
France							2	1	4	4	10	10	176	176
	TAG E							1	4	4	4	5	4	4
	TAG F						2	4	4	4	6	5	5	4
	PH E PH F												8	8
	KFC												118	116
												41	44	
Germany								2	3	3	2	145	231	231
	SBX											143	136	132
	TAG E							2	3	3	2	2	2	2
	KFC												22	23
	PH E PH F												3	4
												68	70	
Austria	KFC												1	1
Portugal	TAG E												1	1
China								12	18	22	29	36	47	49
	BF							10	11	17	25	32	43	45
	KABB							1	2	3	4	4	4	4
Total Amrest		191	247	405	437	463	680	658	729	796	904	1181	1636	1662



Total AmRest's figures for 2008-2015 include Applebee's in US and La Tagliatella restaurants in India, US and China, that are no longer in AmRest portfolio