

# AmRest Holdings SE

•Restauravia acquisition

•All numbers used in this presentation, regarding future performance are based on analysts' independent forecast of AmRest results.



## Executive Summary

- Definitive agreement to acquire Spanish Restaurant operator, Restauravia, €99m of revenues and €23.9m of normalized EBITDA
- Restauravia operates 30 KFC units and operates or franchises 100 units under three of its own Casual Dining Brands including a highly successful Italian concept known as Tagliatella ("Tag")
- €197.9m acquisition price funded with a combination of cash, bank financing, and equity rollover from existing management
- 7.4x EV/2011 EBITDA acquisition multiple attractive relative to AmRest's own multiple, Restauravia's demonstrated growth profile, and public/private comparables
- Significant potential for shareholder value creation driven by large domestic and international market opportunity, proven management team, and synergies
- Business and mgmt team have delivered tangible growth and ROIC throughout the economic crisis



# Investment Rationale

- 1 Ownership of profitable Taglietalla brand with large growth opportunity within Spain and internationally
- 2 KFC is underpenetrated in Spain and building momentum (impressive same-store sales growth delivered in 2010)
- 3 Proven management team that fits well into AmRest's culture and has invested a significant portion of own wealth behind future growth of AmRest-Restauravia (mgmt rolled over €28m of equity).
- 4 Synergies with AmRest from economies of scale, relationship with Yum!, and expertise in international expansion
- 5 Accretive to shareholders. AmRest is acquiring a higher margin business with an impressive growth profile at a discount to AmRest's multiple
- 6 Attractive risk reward profile. Resilient and cash generative business that grew through a difficult economic crisis in Spain and offers many potential upsides (continued strengthening of KFC brand, synergies, and international expansion)

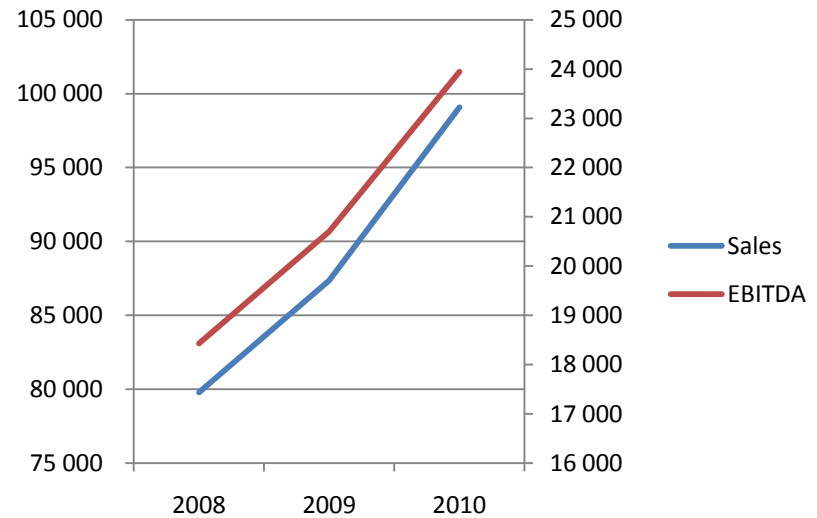
# Overview of Business – Restauravia

- **Strong financials:**

- Group sales in 2010 99 million EUR
- Group EBITDA in 2010 23.9 million EUR  
**24% EBITDA margin**

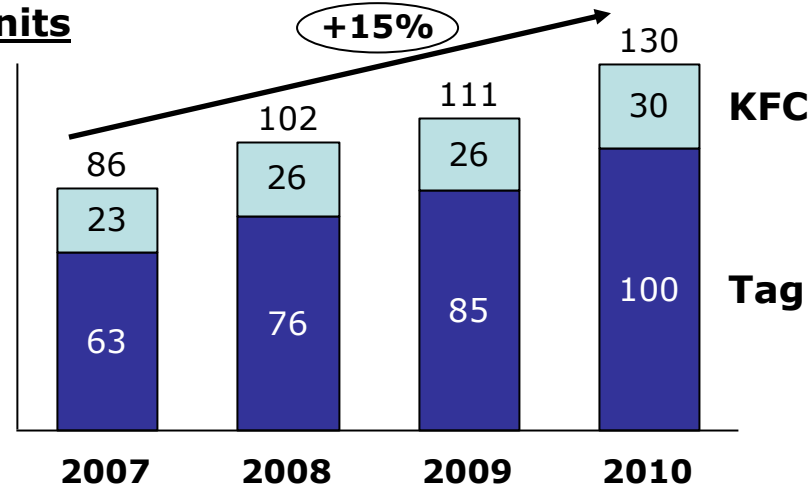
- **Solid restaurant portfolio:**

- 130 restaurants
  - KFC 30 units
  - Tagliatella 100 Units (incl. 73 franchised)
- **19 new** restaurants **added in 2010 with** plan to double the number of restaurants in the next 5 years. France opened this past year.

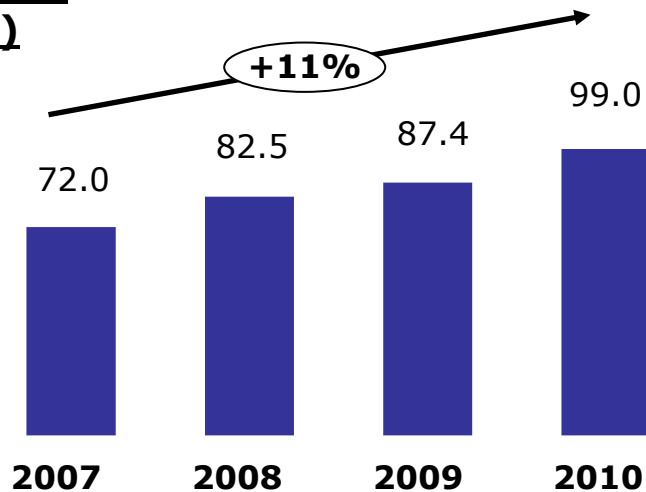


# Restauravia Overview

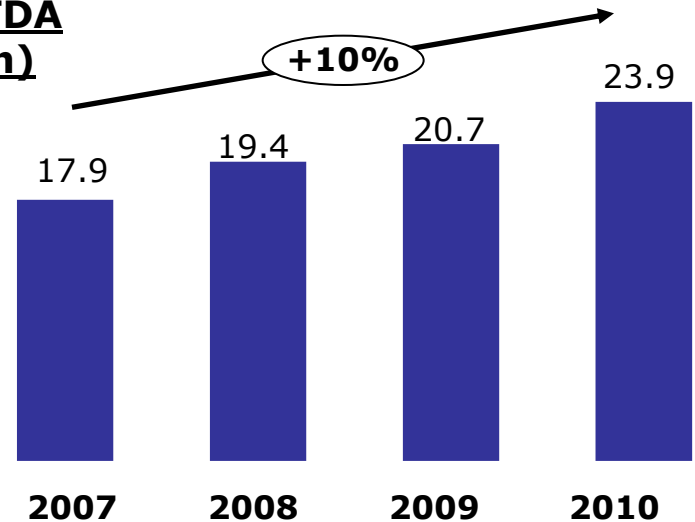
## Units



## Revenues (€m)



## EBITDA (€m)



## Senior Management



**Steven Winegar**  
President

- 23 years of restaurant experience
- Acquired a casual dining brand in Spain called Foster's Hollywood in 1987 (5 restaurants) that grew to 140+ restaurants today
- Co-founded Grupo Zena in 1993 which today has 500+ restaurants in Spain (including Foster's)
- Data focused, experienced operator (Steve has 7 years of experience with Arthur Andersen)



**Malena Pato-Castel**  
Managing Director

- 13 years of restaurant experience
- 5 years with Yum! as marketing director for Southern Europe and North Africa
- Has been running Restauravia since it was founded in 2003
- 11 years with Unilever



# Business Overview – Tagliatella

- We own the brand
- **3 sources of revenue solid, resilient cash flow** due to unique business model
  - operating **own restaurants**
  - **boutique kitchen** - sources and receives all ingredient fresh from Italy. Prepares meals and delivers to restaurants
  - **royalty** – resilient cash flow

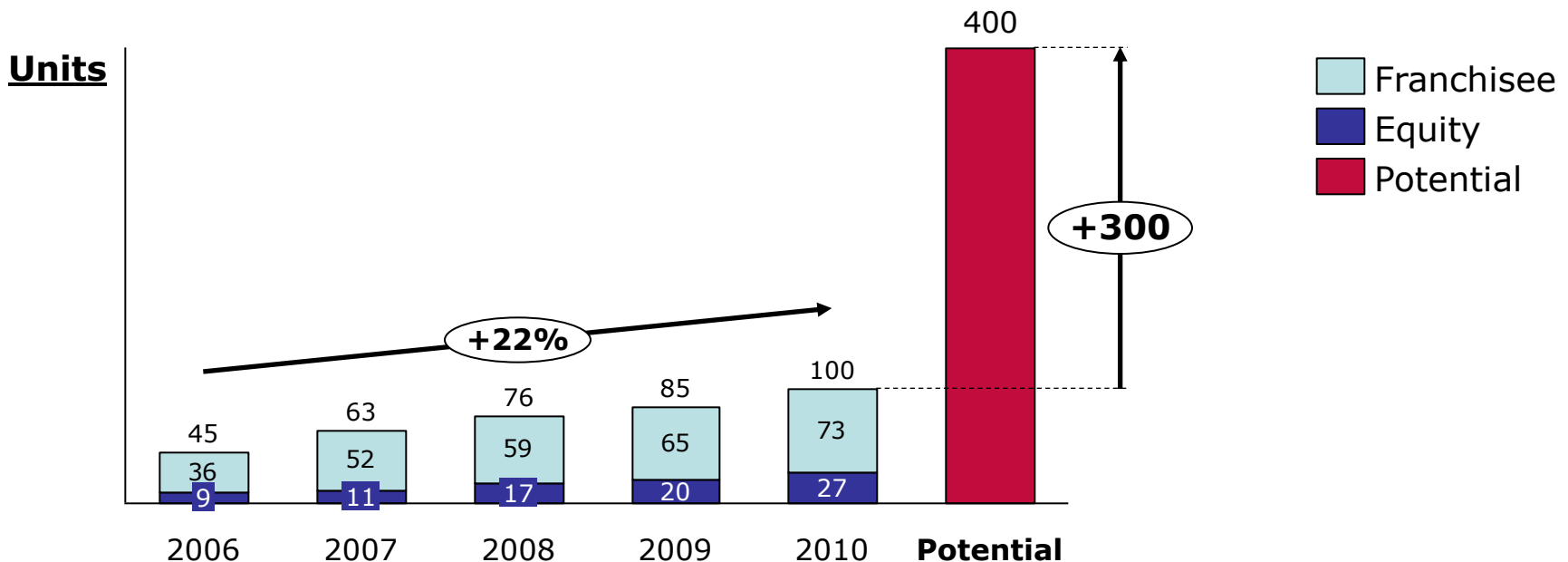


# Tagliatella Introduction

- “Fine Dining experience at Casual Dining prices and services levels with the simplicity of a QSR kitchen”
- €17-€18 average guest check. Destination restaurant. Food is fantastic! Fastest growing Italian brand in Spain
- Centralized boutique kitchen sources and receives all ingredient fresh from Italy. Prepares pastas, sauces, risottos, lasagnas, deserts, etc.
  - 27 company owned and operated (“Equity”) restaurants
  - 73 franchisee restaurants
- Payback on equity restaurants in less than 3.5 years
- Franchisee business model generates EBITDA from royalty and sale of food to franchisees
  - Franchisee restaurants pay Tag initial fee of €36,000, royalty of 6% of sales

# Tag Shareholder Value Creation

- Large domestic market opportunity (300 openings through franchising (higher ROIC and lower risk) and equity stores (more "tonnage").
- International expansion (2 successful franchised restaurants in France)
- Economies of scale through boutique kitchen (currently at 55% of capacity) and strengthening of brand



## KFC History

- In 2003, Steve Winegar and his partners purchased 14 restaurants in Madrid and Barcelona
- They **delivered** through cost reduction, remodelling, brand positioning and accretive restaurant openings

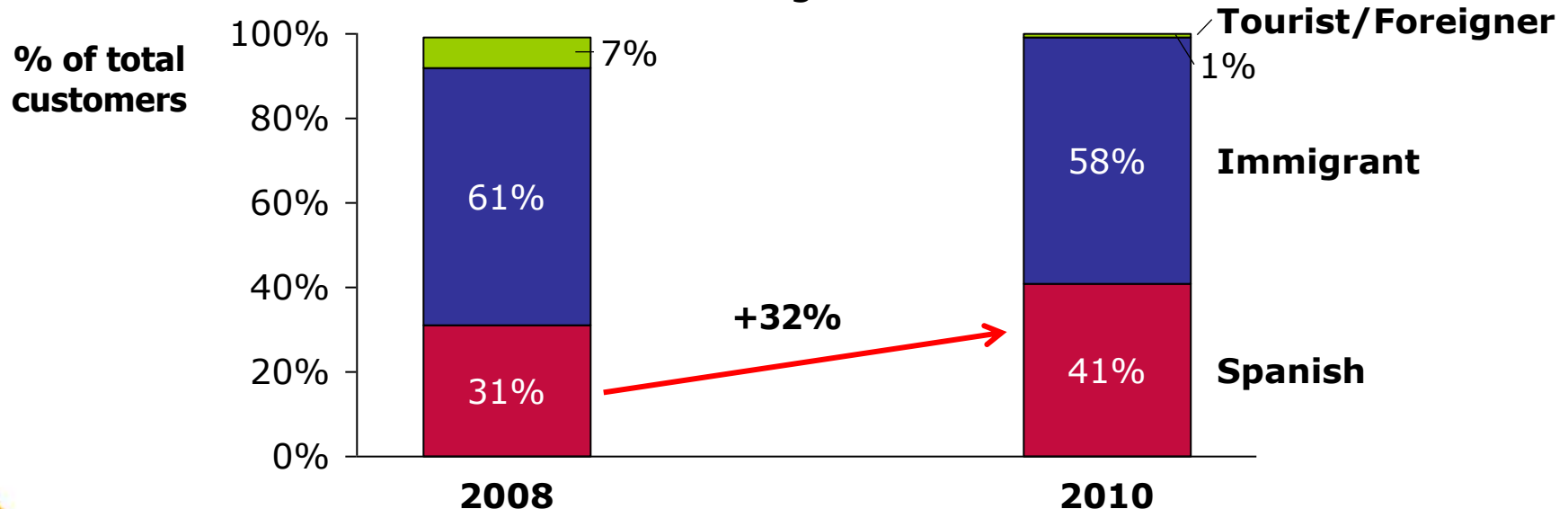
### KFC EBITDA Margin



# KFC Shareholder Value Creation

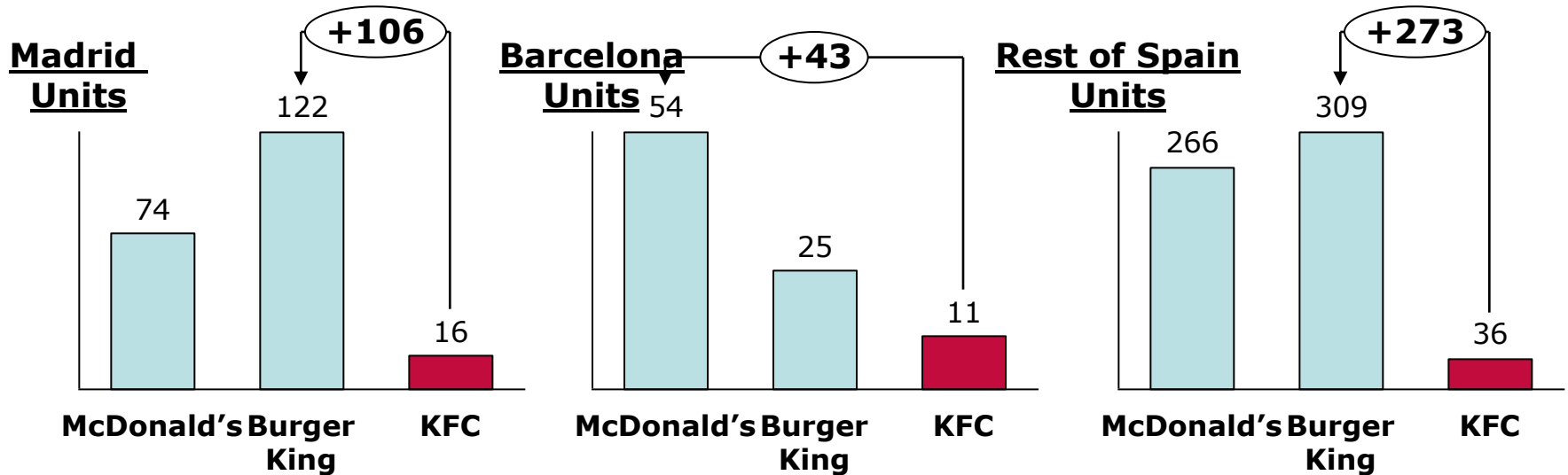
- Synergies in cost of food, labour management, ...
- Continue to drive additional traffic by expanding the customer base (traditionally immigrant populations from South America) and taking the brand on TV.
- Weekly per store transactions in Restauravia at <50% of KFC in Poland and Czech.

2008-2010 Change in KFC Customer



# KFC Shareholder Value Creation (Ctd.)

- There is significant market potential to build out KFC by opening new restaurants.
- Restauravia operates 30 of 63 KFC units in Spain



- €197.9m Enterprise Value to vendors equating to 7.4x 2011 EBITDA
- Funding to come from €80m of bank financing, €90m of AmRest equity, and €28m of rolled-over equity from the existing management team
- 7.4x entry multiple accretive to AmRest and attractive relative to fast growing public comparables (Panera Bread, Chipotle) and Wagamama (a private casual dining asset in the UK)

TOTAL SOURCES (€m)		% of Total Equity	TOTAL USES (€m)		May-11 PF EBITDA Multiple	Nov-11 EBITDA Multiple
				Amount		
Total Debt	80.0		Repay Existing Net Debt	35.7	1.4x	1.3x
			Equity Value to Vendors	163.4		
AmRest Equity	91.1	76.5%	Total Enterprise Value To Vendors	199.1	7.8x	7.4x
Management Rollover	28.0	23.5%				
Total Equity	119.1	100.0%				
Total Sources	199.1		Total Uses	199.1	7.8x	7.4x

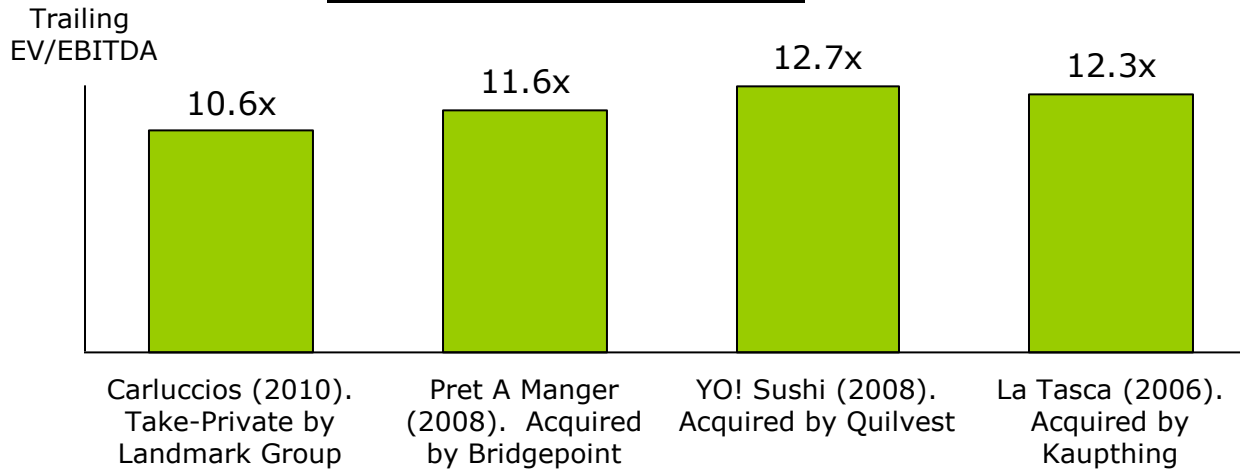
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May-11 EBITDA	25.5
Nov-11 EBITDA	27.1

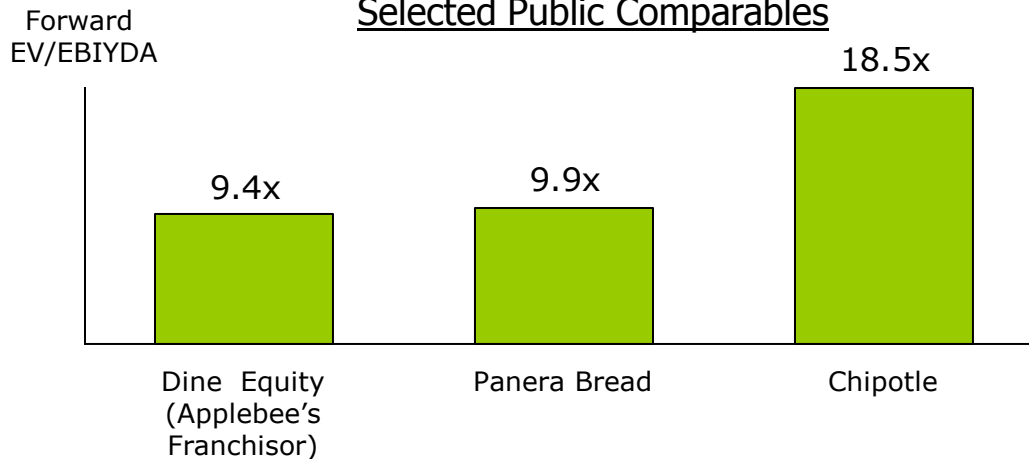


## Relative Value

### Selected Private Transactions



### Selected Public Comparables



- High quality casual dining brands with growth potential are typically valued at double digit multiples
- AmRest has been able to augment its portfolio at significantly lower valuation because of the disruption in Spanish market

•Data provided for indicative purposes only and sourced from CapitalIQ and merger-market.



Acquisition of Restauravia is an ideal strategic fit :

- Strengthens AmRest QSR and CDR business segments
- Extends our reach with KFC
- Provides an opportunity to develop own brand with unique and successfully proven economic model that will benefit from AmRest international capability
- Accretive and margin enhancing
- Add strong management team
- Does not distract from our focus on CEE organic growth

# Questions



**AmRest**