



# **AmRest Holdings SE**

**2012 Q1 Presentation for Investors  
14th May 2012**

# Teleconference Details

- **AmRest Q1 2012 results** are included in the **Q1 2012 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

## The AmRest participants:

<b>Henry McGovern</b>	Chairman of the Supervisory Board
<b>Mark Chandler</b>	Management Board Member, Chief Financial Officer
<b>Wojciech Mroczyński</b>	Management Board Member, Chief Strategy Officer
<b>Krzysztof Piechna</b>	Group Controller
<b>Maciej Mausch</b>	IR Manager

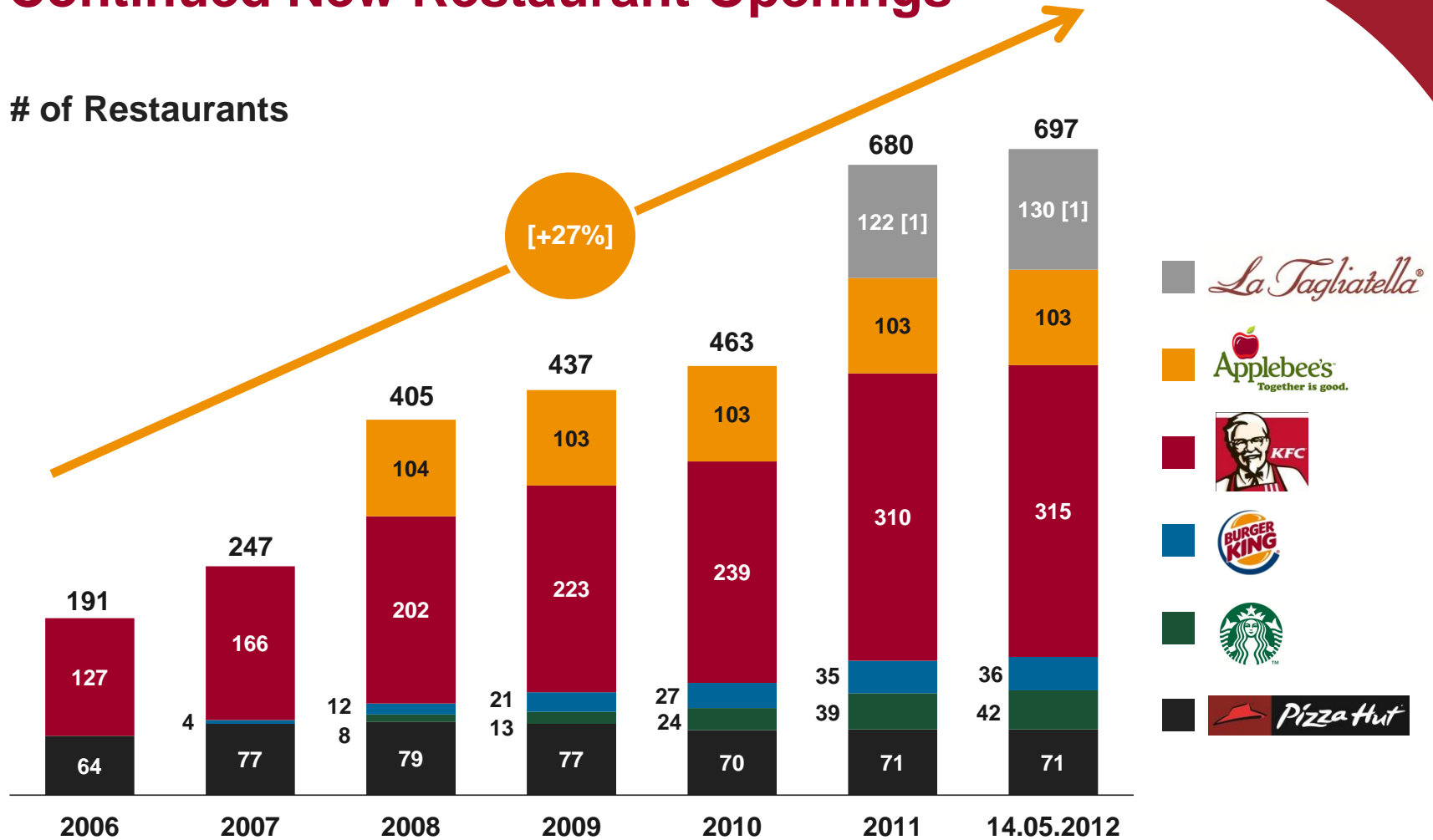
# Executive Summary

- **Sales up by 43.6 % at PLN 754.0 m with EBITDA growing to PLN 82.5 m by 65.9% and EBIT increase of 79.4% to PLN 35.0 m**
- **Positive SSS performance across most regions** in both local currencies and PLN
- **Profit margins improved** at both EBITDA and EBIT level
  - **Strong contribution of the Western European division**
  - **Stable margins of non-Western European business**; various offsetting effects
  - Efficiency improvements and lean initiatives in many geographies continue
- **Strategic review of business portfolio**
- **Continued expansion** with 21 openings YTD; AmRest now close to 700 restaurants



# Continued New Restaurant Openings

# of Restaurants



- Countries of operation include Poland, the Czech Republic, Hungary, Russia, Serbia, Bulgaria, Spain, Croatia, France and USA.
- [1] Including franchisee operated stores





# Financial Highlights – Q1 2012

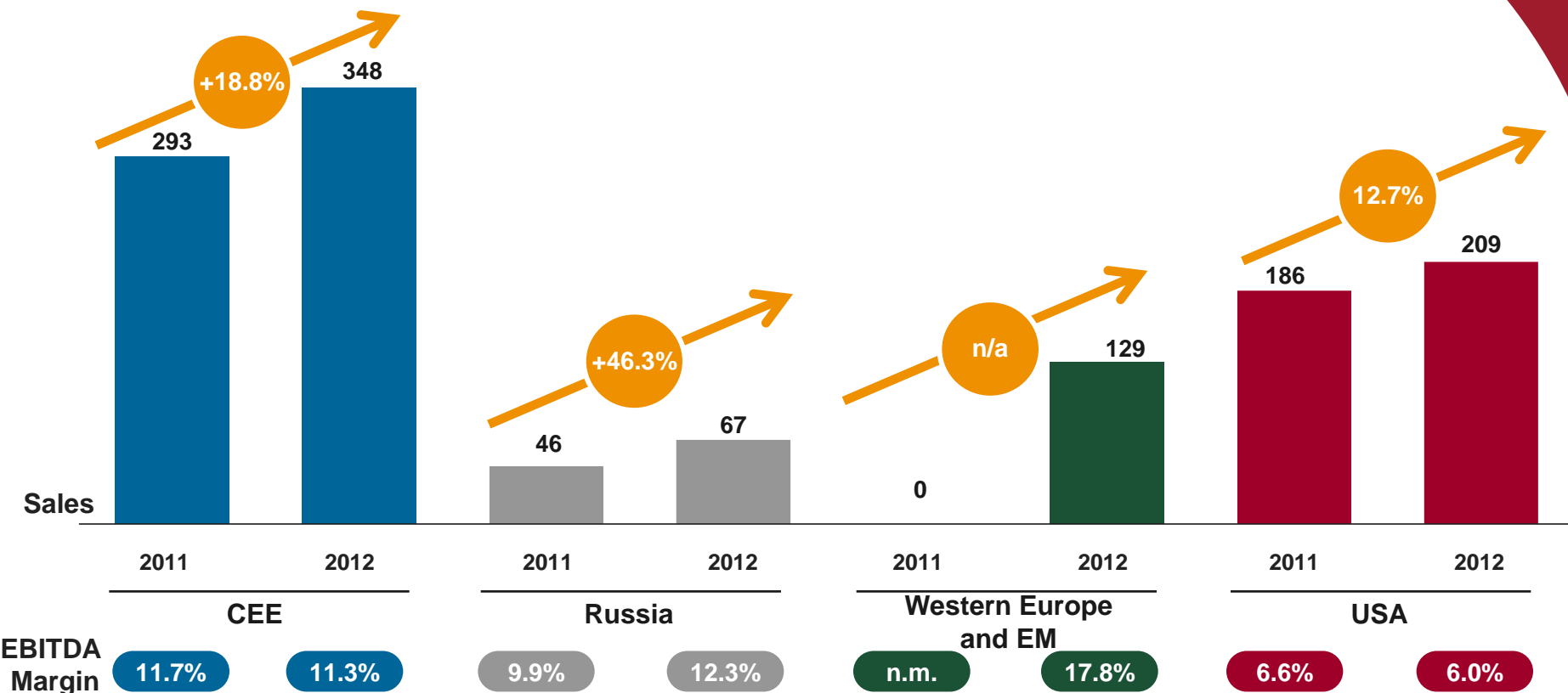
## Significant growth in both EBITDA and Net Profit versus LY

- **EBITDA +65.9% to PLN 82.5 MM; Margins +1.4 p.p. to 10.9%**
  - CEE margins stable at 11.3% as lower Polish margins offset by improved Czech margins
  - Russian margin higher despite new openings
  - US margin slightly lower at 6.0%
  - Overall **positive effect of Restauravia consolidation – Western Europe and EM EBITDA at PLN 22.9 MM**
    - Western Europe and EM margin at 17.8% including PLN 2.3 MM loss generated by new markets
- **EBIT +79.4% to PLN 35.0 MM**
- **10.8% increase in the Net Profit attributable to equity holders of the parent [1] to PLN 14.9 MM**
  - Booked in Q1 non-cash expenses of PLN 3.4 MM related to unwinding Put Option charges

## Balance sheet remains strong

- Current leverage ratio at 2.3x (Net Debt/annualized EBITDA)

# Q1 2012 Financials by Segments (PLN '000)





# Q1 2012 Financials – Key Figures

Thousand PLN	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	TTM [2]
<b>Sales</b>	<b>524 907</b>	<b>615 426</b>	<b>701 492</b>	<b>782 346</b>	<b>753 969</b>	<b>2 853 233</b>
Sales growth [1]	7.9%	21.3%	34.1%	51.3%	43.6%	-
<b>EBITDA</b>	<b>49 707</b>	<b>62 440</b>	<b>86 091</b>	<b>85 814</b>	<b>82 464</b>	<b>316 809</b>
EBITDA (%)	9.5%	10.1%	12.3%	10.8%	10.9%	11.1%
<b>EBIT</b>	<b>19 501</b>	<b>24 422</b>	<b>42 238</b>	<b>16 854</b>	<b>34 988</b>	<b>118 502</b>
EBIT (%)	3.7%	4.0%	6.0%	2.2%	4.6%	4.2%
<b>Profit for the period</b>	<b>13 443</b>	<b>9 789</b>	<b>27 346</b>	<b>19 654 [3]</b>	<b>14 903 [3]</b>	<b>71 692 [3]</b>
Profit for the period%	2.6%	1.8%	4.3%	2.5%	2.0%	2.5%
<b>Net debt</b>	<b>222 655</b>	<b>690 141</b>	<b>783 252</b>	<b>776 623</b>	<b>773 057</b>	<b>-</b>
Net debt/EBITDA	1.3	2.5	2.6	2.4	2.3	-

[1] The growth vs. corresponding period in the previous year, [2] trailing 12 months, [3] Adjusted for the one off costs related to the Put Option

## Seasonality of sales:

The seasonality of sales and inventories of the AmRest Group is not significant which is typical for the whole restaurant industry. On Central and East European markets, restaurants have lower sales in the first half of the year which is mainly the result of a smaller number of days of sale in February and lower number of customers in the restaurants. The United States market is characterized by stronger first half versus second half sales performance. After a period of lower sales in the summer months and a slight revival related to the Christmas season, the first half of the year is a period of increased activity in connection with the use of holiday vouchers promotional coupons and a high number of holidays.

# Outlook

- **Q1 sales trends expected to continue during remainder of 2012**
- **Food inflation in AmRest below CPI in 2012** across the portfolio
  - Price increases expected to offset the inflation effect
- **La Tagliatella global launch to be initiated soon** by opening the first store in Germany
- FY capex number expected to be at PLN 350 MM
- **Pipeline of over 70 new restaurant openings** during remainder of year
- **Continued focus on cost control and opportunities** to improve ROIC:
  - Lean efficiency program
  - Business portfolio under review

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**Backup slides**

# AmRest Strategy

## Scope

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



## Our unique value proposition

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



# Brand Portfolio



## #1 in Chicken

16,000 restaurants in over 100 countries

## #1 and the fastest growing QSR brand in the Emerging Markets

Over 700 restaurants added in 2010

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## #1 CDR in the World

Over 13,000 restaurants in over 100 countries

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## #1 Coffee in the World

17 000 stores in over 50 countries

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## #2 in #1 QSR category in the World

Burgers. Over 12,000 restaurants in 73 countries

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## #1 CDR Chain in the US

1,900 restaurants in 49 States

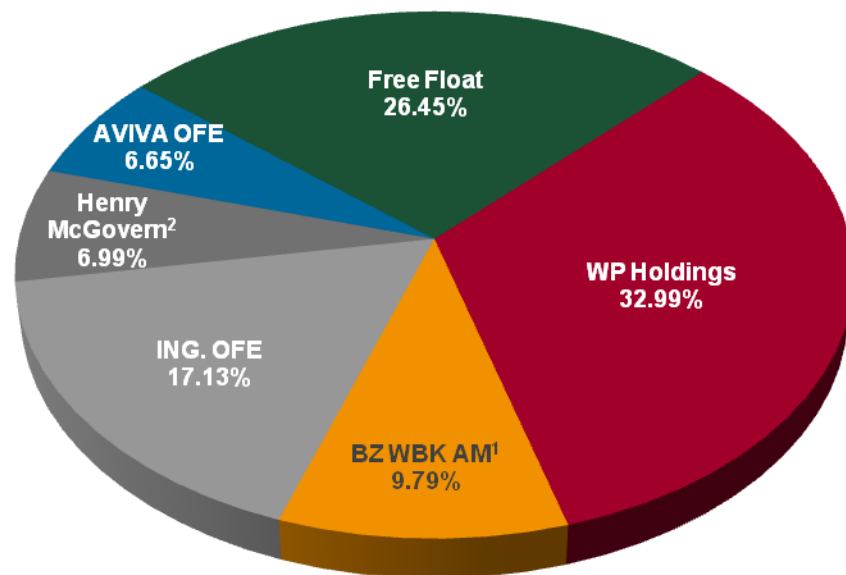
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**Unique proven restaurant concept**, unmatched business model

# EAT Factsheet

<b>Ticker</b>	EAT (AmRest)
<b>Listing</b>	WSE
<b>Free Float</b>	26.45%
<b>Analyst Coverage</b>	UniCredit. Wood&Co. ERSTE. Deutsche Bank. BDM. DM PKO BP. KBC. IPOPEMA
<b>Number of Employees</b>	22,000
<b>Number of Shares</b>	21.2 million
<b>Number of Restaurants</b>	697 <sup>3</sup>



<sup>1</sup> BZ WBK AM manages assets which include the funds of BZ WBK AIB TFI

<sup>2</sup> Shares owned directly by Henry McGovern and through the companies wholly owned by him, i.e. IRI and MPI

<sup>3</sup> Including 87 restaurants operated by franchisees

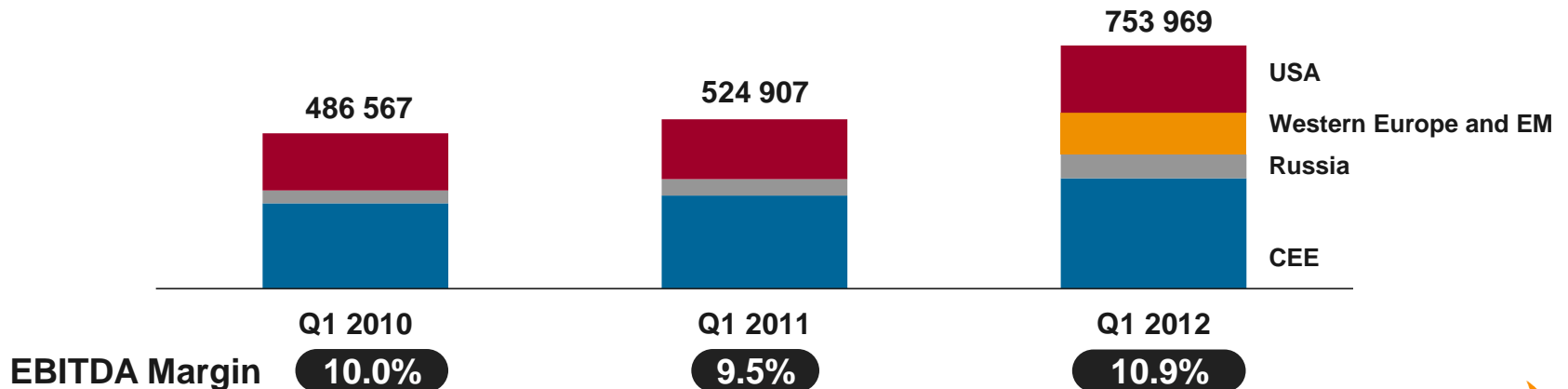
# New Restaurant Openings

- **21 sites opened YTD** (13 CEE, 8 TAG)
- **Pipeline on track** with more than 45 openings expected in CEE, 10 in Russia, 5 the Balkans, and 15 in Spain
- **New markets development as planned** – excess of 10 equity sites to be opened this year with 5 forecasted in Germany and balance in US, France, China and India

# Sales Trends

- Consolidated sales increased by +43.6%
- CEE sales +18.8% in PLN, +17.6% in local currencies. Low single digit performance SSS continued
- Russia +46.3% in PLN, + 31.4% in local currency; Strong over 20 p.p. SSS driven by both transactions and AGC in KFC and PH
- USA +12.7% in PLN, +0.8% in USD; consumer confidence improvement very slow
- Western Europe and EM +13.9% in EUR; TAG's SSS performance still negative but trend improved in March; KFC very strong

## Sales dynamics in Q1 2012 compared to previous years (PLN th)



# Q1 2012 – Consolidated P&L

Thousand PLN	Q1 2012	% of sales	Q1 2011	% of sales
Restaurant sales	714 578		519 202	
Franchise and other sales	39 391		5 705	
<b>Total sales</b>	<b>753 969</b>		<b>524 907</b>	
<b>Company operated restaurant expenses:</b>				
Food and material	-216 552	-28.7%	-162 684	-31.0%
Payroll and employee benefits	-185 004	-24.5%	-133 543	-25.4%
Royalties	-35 868	-4.8%	-27 568	-5.3%
Occupancy and other operating expenses	-203 441	-27.0%	-148 685	-28.3%
Franchise and other expenses	-35 498	-4.7%	-3 758	-0.7%
General and administrative (G&A) expenses	-47 686	-6.3%	-31 923	-6.1%
Impairment losses	-233	0.0%	-4	0.0%
Other operating income / (expense). net	5 301	0.7%	2 759	0.5%
<b>Profit/(loss) from operations</b>	<b>34 988</b>	<b>4.6%</b>	<b>19 501</b>	<b>3.7%</b>
<b>EBITDA</b>	<b>82 464</b>	<b>10.9%</b>	<b>49 707</b>	<b>9.5%</b>
<b>Adj. EBITDA<sup>1</sup></b>	<b>87 152</b>	<b>11.6%</b>	<b>53 009</b>	<b>10.1%</b>
Finance costs <sup>2</sup>	-18 853	-2.5%	-6 618	-1.3%
Finance income	254	0.0%	3 508	0.7%
Income/(loss) from associates	16	0.0%	50	0.0%
Income tax expense	-4 141	-0.5%	-2 757	-0.5%
Profit for the period from continuing operations	12 264	1.6%	13 684	2.6%
Loss on discontinued operations	-	-	-228	-
Profit for the period	12 264	1.6%	13 456	2.6%
<b>Attributable to:</b>				
Non controlling interest	727	0.1%	13	0.0%
Equity holders of the parent	11 537	1.5%	13 443	2.6%
<b>Adj. Equity holders of the parent<sup>3</sup></b>	<b>14 903</b>	<b>2.0%</b>	<b>13 443</b>	<b>2.6%</b>

<sup>1</sup> EBITDA adjusted for one time costs related to startups

<sup>2</sup> Including PLN 3.4 m one off costs related to the Put Option

<sup>3</sup> Adjusted for the Put Option



# Q1 2012 – Segment reporting

PLN th.	Q1 2012	Share of revenues	Margin	Q1 2011	Share of revenues	Margin
<b>Revenues</b>	<b>753 969</b>	43.6%		<b>524 907</b>		
<i>Poland</i>	243 996	32.4%		201 559	38.4%	
<i>Czech</i>	76 726	10.2%		70 654	13.5%	
<i>Other CEE</i>	27 698	3.7%		21 080	4.0%	
CEE	348 420	46.2%		293 333	55.9%	
Russia	67 244	46.3%		45 976	8.8%	
Western Europe and Emerging Markets	129 227	-		-	-	
USA	209 078	12.7%		185 598	35.4%	
Unassigned	-	-		-	-	
<b>EBITDA</b>	<b>82 464</b>		<b>10.9%</b>	<b>49 707</b>		<b>9.5%</b>
<b>EBITDA [1]</b>	<b>87 152</b>		<b>11.6%</b>	<b>53 009</b>		<b>10.1%</b>
<i>Poland</i>	29 584		12.1%	27 591		13.7%
<i>Czech</i>	9 501		12.4%	7 226		10.2%
<i>Other CEE</i>	346		1.2%	(505)		(2.4%)
CEE	39 431		11.3%	34 312		11.7%
Russia	8 304		12.3%	4 570		9.9%
Western Europe and Emerging Markets	22 983		17.8%	-		-
USA	12 495		6.0%	12 189		6.6%
Unassigned	(749)		-	(1 364)		-
<b>EBIT</b>	<b>34 988</b>		<b>4.6%</b>	<b>19 501</b>		<b>3.7%</b>
<i>Poland</i>	12 224		5.0%	13 527		6.7%
<i>Czech</i>	2 446		3.2%	674		1.0%
<i>Other CEE</i>	(1 888)		(6.8%)	2 360		(11.2%)
CEE	12 782		3.7%	11 841		4.0%
Russia	3 864		5.7%	1 859		4.0%
Western Europe and Emerging Markets	12 359		9.6%	-		-
USA	6 732		3.2%	7 156		3.9%
Unassigned	(749)		-	(1 364)		-

[1] EBITDA adjusted for one time costs related to startups

# AmRest Portfolio

Countries	Brands	2011-03-31	2011-06-30	06-30-2011	9-30-2011	12-31-2011	03-31-2012	05-14-2012
Poland		213	223	223	242	256	258	260
	KFC	126	133	133	142	150	151	152
	BK	21	22	22	26	27	27	27
	SBX	9	11	11	16	21	23	23
	PH	57	57	57	58	58	58	58
Czech		75	75	75	74	73	77	77
	KFC	58	58	58	57	56	57	57
	BK	5	5	5	5	5	7	7
	SBX	12	12	12	12	12	13	13
Hungary		23	23	24	26	29	29	29
	KFC	18	19	19	19	21	21	21
	SBX	3	3	3	5	6	6	6
	PH	2	2	2	2	2	2	2
Russia		50	50	50	51	55	57	57
	KFC	39	39	39	40	44	46	46
	PH	11	11	11	11	11	11	11
Bulgaria		5	5	5	5	5	4	4
	KFC	2	2	2	2	2	2	2
	BK	3	3	3	3	3	2	2
Serbia		4	4	4	4	4	4	4
	KFC		4	4	4	4	4	4
Croatia						1	1	1
	KFC					1	1	1
US		103	103	103	103	103	103	103
	AB		103	103	103	103	103	103
Spain			139	139	146	152	156	160
	TAGE		28	28	32	35	39	43
	TAGF		81	81	82	85	85	85
	KFC		30	30	32	32	32	32
France			2	2	2	2	2	2
	TAGF		2	2	2	2	2	2
<b>Total AmRest</b>		<b>473</b>	<b>624</b>	<b>625</b>	<b>653</b>	<b>680</b>	<b>691</b>	<b>697</b>