



AmRest H1/Q2 2020 Financial Results

Revenues (26.3%) year-on-year to 684.0m EUR in H1 2020

EBITDA (61.0%) to 64.6m EUR in H1 2020

Solid month on month sales recovery from (66.9%) in April to (24.4%) in June year-on-year

Madrid, Spain, 24th September, AmRest (EAT), a leading European multi-brand, foodservice and digital platform, today reported its financial results for the first half of 2020.

Key highlights H1 2020:

- Consolidated revenues down by 26.3% over the year to 684.0m EUR
- EBITDA at 64.6m EUR (IFRS16), down 61% compared to last year
- Net loss at 160.7m EUR (IFRS16)¹
- Around 93% of restaurants operating as of end of June 2020
- Cash position improved from 2019 year-end by 101.5m EUR to 217.7m EUR

Key highlights Q2 2020:

- Consolidated revenues down by 43.6% over the year to 272.1m EUR
- Sales change over the year in April, May and June at (66.9%), (40.7%) and (24.4%), respectively
- Same-store-sales index at 48.8%, 68.7% and 78.8% in April, May and June, respectively
- EBITDA at 22.0m EUR (IFRS16) versus 89.0m EUR last year
- Net loss at 119.1m EUR (IFRS16)² driven also by impairments of 73.1m EUR.
- Bank waiver received for Q2 2020.

Commenting on the first half 2020 results, Chief Executive Officer, Mark Chandler said:

“The second quarter was a period of recovery for us, with the majority of stores re-opening and customers returning driving same store sales which have been coming back to more solid levels. The improvement has been broad based across markets and brands, though at difference speeds, and is lasting until now in September. Overall, thanks to our focus and strength in People, Brands and Scale, we see us recovering faster than many others around us and even beyond the pace we internally have previously been expecting. Our business in China, meanwhile generating same store sales well beyond last year in July, August and September is an encouraging benchmark for growth in a market where COVID has been brought under control and the confidence of customers has returned. At the same time our efforts to improve balance sheet liquidity led to a substantial increase in our cash position putting us in a much better and more comfortable place than at the end of the first quarter.”

¹ Attributable to AmRest's shareholders

² Attributable to AmRest's shareholders



Consolidated revenues in the reporting period dropped by 26.3% over the year to 684.0m EUR as a result of significantly reduced restaurants activity and stringent social limitations in order to tackle the spread of the coronavirus. Most of the forced closures of dine-in areas and shopping malls were implemented across Europe in the second half of March and mostly lasted until the second half of May in CEE and until beginning of June in Western Europe while Russia kept most restrictions in place until June. Hence the biggest impact on the results was visible in March, April and May. Our China segment was almost fully operational for the whole Q2 with about a week-long period of lockdown in Beijing in June and posted a promising pick up in sales on a month by month basis.

The Group reported EBITDA of 64.6m EUR which was 61.0% lower than last year. A significant drop in sales, particularly in the dine-in channel in combination with operational leverage and alongside a higher portion of non-incremental and therefore more costly delivery sales. As a result, in Q2 2020 EBITDA reached 22.0m EUR and was 75.2% lower versus last year.

Revenues in Central and Eastern Europe in H1 2020 reached 315.4m EUR, translating to a 18.9% decrease over the year. In Q2 2020 segment sales dropped by 34.3% over the year to 133.6m EUR. On a month by month basis, from April to June, segment sales were down 58.1%, 31.5% and 15.0% year-on-year, respectively. At the same time number of restaurants opened and operated as of end of a month but still with limited dine in for most of the quarter were 58%, 96% and 99%, respectively. In Q1 2020 segment sales dropped by 2.1%.

Our Russian business saw a 25.5% decline in top-line in H1 2020 year-on-year to 95.9m EUR. In Q2 2020 sales were down 57.1% vs. last year and reached EUR 22.3 million. On a month by month basis, from April to June, segment sales were down 65.9%, 59.5% and 47.0% year-on-year, respectively. At the same time percentage of restaurants opened and operated yet still with limited dine in for most of the quarter were 64%, 66% and 77%, respectively. In Q1 2020 segment sales grew by 11.8%.

Sales in Western Europe reached 257.3m EUR in the reporting period, representing a decline of 33.4% vs. last year. In Q2 2020 sales decreased by 52.8% to EUR 92.4 million. On a month by month basis segment revenues were down 79.1% in April, 49.3% in May and 29.6% in June year-on-year. At the same time percentage of restaurants opened and operated as of end of a month and still with limited dine in for most of the quarter were 50%, 71% and 91%, respectively. In Q1 2020 segment sales declined by 13.5%.

Our business in China posted a 33.9% drop in sales vs. last year to 29.1m EUR in H1 2020. However the segment has started its path of recovery in sales in the second quarter as revenue in Q2 2020 decreased by 21.0% vs. last year to EUR 19.2 million compared to a decrease of 49.8% in Q1 2020. On a month by month basis segment revenues were down 36.8% in April, 9.0% in May and 18.5% in June (impacted by about a week-long lockdown) year-on-year. At the same time share of restaurants opened and operated as of end of a month were 97%, 99% and 100%.

In terms of profitability, margins across every segment were impacted mainly by the negative effect from operational leverage due to the closure of dine-in channel and non-incremental delivery increase. CEE segment EBITDA margin at 16.8% in H1 2020 vs. 21.5% last year and 18.1% in Q2 2020 compared to 22.5% compared to Q1 2019. Russia segment reached EBITDA margin of 13.5% in H1 2020 vs. 20.3% last year and 9.5% in Q2 2020 over 21.7% last year. Western Europe posted an EBITDA margin of 2.4% in H1 2020 and (5.4%) in Q2 2020, compared to 15.5% and 15.6% in 2019, respectively. China posted



an EBITDA margin of 19.0% in H1 2020 and 30.0% in Q2 2020 vs. 27.8% and 30.9% in last year, respectively.

Net loss attributable to AmRest's shareholders in the reporting period reached 160.7m EUR compared to net profit of EUR 10.4m in H1 2019. In Q2 2020 net loss reached 119.1m EUR versus profit of 6.7m EUR last year. The net loss was additionally impacted by impairment costs in Q2.

Chief Executive Officer, Mark Chandler added: "We currently experience the tremendous strength of our platform in coping with today's challenges and in our ability to take advantage of the disruptive forces visible. I am confident that we will come out of this crisis in better shape, allowing us to take market share and to re-accelerate growth as soon as visibility returns. The whole of AmRest is committed, excited and laser-focused to execute on that plan."

Further information

The first half 2020 results can be found on www.amrest.eu

The teleconference with investors will be held on 25th September at 4:30pm CET. For enquiries please contact:

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