



## AmRest 3Q 2019 Financial Results

**3Q19 revenues +28.7% year-on-year to 504.8m EUR, EBITDA +27.6% to 63.4m EUR (non IFRS16)**

Madrid, Spain, November 7th, 2019, AmRest (EAT), a leading European multi-brand, foodservice and digital platform, today reported its financial results for the third quarter of 2019.

### Key highlights:

- 47 stores opened, growing the number of restaurants to 2,211 (as of 30 September 2019)
- Consolidated revenues increased by 28.7%, reaching 504.8m EUR in 3Q19
- EBITDA at 63.4m EUR (non IFRS16), 100.6m EUR (IFRS16)
- EBITDA margin at 12.5% (non IFRS16), 19.9% (IFRS16)
- Net profit at 23.1m EUR (non IFRS16), 16.8m EUR (IFRS16)<sup>1</sup>

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Commenting on the third quarter 2019, Chief Strategy Officer Peter Kaineder said:

“We are very pleased with the third quarter results and the outstanding work done by our 50,000 employees so far this year. Also, when looking at current trading, we are confident about the fourth quarter and about achieving the full year growth- and margin guidance previously communicated to the market.

Same-store-sales are growing at solid mid-single digit overall which translates into a respectable increase versus our pace of growth seen last year, driven mainly by franchise brands, especially in Eastern Europe. China, in gaining scale, has been very strong in terms of same store sales as well as margin and clearly shown that we got a brand and team in place which is well positioned to succeed.

Another area we are making substantial progress and we are very proud of is the roll-out of digital sales channels across the different brands. We have rolled-out about 300 kiosks last year, another 540 in the first nine months of this year and are aiming for an additional 400 until the end of this year. Taking our largest brand, KFC, the share of sales through different digital channels now accounts for 27%, up from less than 5% beginning of last year.

Overall, we are well positioned to benefit from our portfolio of class-leading brands, the scale and the great team of people we got, across our four strategic pillars on our path to become Europe’s leading restaurant operator.

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Consolidated revenues for 3Q 2019 have grown by 28.7% year over year to 504.8m EUR mainly supported by solid mid-single digit like-for-like growth of the total business, 456 store additions over the past twelve months, as well as the consolidation of Sushi Shop and other acquisitions. Excluding last year’s M&A’s, revenues grew in 3Q 2019 by 16.9% versus last year to 456.3m EUR.

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<sup>1</sup> Attributable to AmRest’s shareholders



Revenues in Central and Eastern Europe reached 218.2m EUR in 3Q19, implying a 17.1% year over year increase, mainly driven by solid like for like growth in all of our major markets, with Poland, Czech and Hungary standing out as strongest performers. Russia segment reported 28.8% growth in top-line in 3Q 2019 year-on-year to 55m EUR supported by strong like-for-like, positive F/X and solid roll-out, and performance of new openings. Sales in Western Europe reached 199.7m EUR in the reporting period, representing a growth of 42.6% vs. last year driven by M&A consolidation and organic growth. China segment posted in 3Q'19 a 21.6% growth in sales vs. last year to 23.6m EUR as a result of solid like-for-like, restaurant roll-out and F/X.

Profitability during the third quarter was mainly driven by strong performance of our core business despite continued pressure on labor costs as well as the consolidation of Sushi Shop and integration efforts linked to our most recent M&A deals. CEE segment improved comparable EBITDA margin by 0.1pp to 36.4m EUR, despite 1.9m EUR VAT refund last year in Poland. Russia posted 0.3pp improvement year on year in non-IFRS EBITDA margin to 12.7% due to strong sales and cost optimization. Western Europe posted 0.3pp increase in comparable EBITDA margin to 10.6% due to positive impact from Sushi Shop, KFC France acquisition and restructuring actions in other acquired businesses, offset by recent wage increases. China reached the highest increase in profitability as comparable EBITDA margin was up 5.7pp vs. last year to 13.7% *due* to sales leverage, cost control as well as strong performance and roll-out of new restaurants.

On the consolidated level the Group reported in 3Q'19 EBITDA of 100.6m EUR under IFRS16 that translated to EBITDA margin of 19.9%. Adjusting for the effects of IFRS16 comparable EBITDA reached 63.4m EUR, a 27.6% increase versus the same period last year, with margin at 12.5% (0.2pp lower vs. last year). Non-IFRS16 core EBITDA margin (w/o acquisition from the last 12 months) was higher by 0.1pp and reached 12.8% in the reporting period.

Net profit attributable to AmRest's shareholders in the third quarter of this year reached 16.8m EUR. Excluding the effect from IFRS 16 net profit amounted to 23.1m EUR and resulted in comparable margin at 4.6%, the same as year before.

#### **Further information**

The full 3Q 2019 results can be found on [www.amrest.eu](http://www.amrest.eu)

The teleconference with investors will be held on November 8<sup>th</sup>, 2019 at 1:30pm CET. To attend the conference and for any other enquiries please contact:

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