



AmRest Q1 2020 Financial Results

Revenues (7.4%) year-on-year to 411.9m EUR
EBITDA (44.5%) to 42.6m EUR (IFRS16)

Madrid, Spain, May 15th, 2020, AmRest (EAT), a leading European multi-brand, foodservice and digital platform, today reported its financial results for the first quarter 2020.

Key highlights Q1 2020:

- Consolidated revenues down by 7.4% over the year to 411.9m EUR
- EBITDA at 42.6m EUR (IFRS16), EBITDA margin at 10.3% (IFRS16)
- Net loss at 41.6m EUR (IFRS16)¹
- Around 50% of restaurants operating as of end of March 2020
- 19 stores opened in Q1 2020
- PizzaPortal transaction closed with 20.0m EUR payment in cash received.

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

“The COVID-19 crisis presents the most challenging environment for the industry in our company’s close to three decade history. Following a strong start into the year with same store sales growth at around 5% in January and February, the obligatory lock-down in March had a significant impact on the business.

We have been reacting early and with bold measures to ensure the health and safety of employees and customers, sales growth via available channels and to preserve liquidity in order to mitigate the financial impact. Initiatives to increase delivery sales have borne fruit and were able to absorb an increasing part of losses from the lack of dine-in business, but having up to 58% of our stores closed in March has overall been a significant headwind to profitability”.

Consolidated revenues in the reporting period dropped by 7.4% over the year to 411.9m EUR due to the strict measures implemented by governments world-wide to fight the pandemic of the coronavirus, especially forced-closure of dine-in areas and shopping malls as well as strong social distancing. After the first two months of the reporting period revenue grew by 13.8% over the year or 16.4%, excluding China.

The Group reported EBITDA of 42.6m EUR under IFRS16 that translated to EBITDA margin of 10.3% and was 7.0pp lower than last year. Negative impact from operational leverage due to drop in sales with higher share of delivery and promotions mainly impacted on the profitability. Group’s EBITDA margin after the first two months of 2020 was 0.2pp lower than last year or 0.4pp higher, excluding China.

¹ Attributable to AmRest’s shareholders



Revenues in Central and Eastern Europe in Q1 2020 reached 181.8m EUR, translating to a 2.1% decrease over the year. This was mainly driven by strong roll-out in the second half of 2019 and growth trends in January and February but was more than offset by limited business activity in March with delivery, take-away and drive-thru only available due to implemented restrictions.

Our Russian business saw 11.8% growth in top-line in Q1 2020 year-on-year to 49.1m EUR, supported by strong operations and roll-out, partially offset by the restrictions implemented in the second half of March.

Sales in Western Europe reached 164.9m EUR in the reporting period, representing a decline of 13.5% vs. last year driven by the lockdown of the economies, including dine-in and shopping malls closure with temporary force-closure of majority of the restaurants in France and Spain in March as well as relatively more dine-in business share.

Our business in China posted a 49.7% drop in sales vs. last year to 9.9m EUR as a result of the first lockdown restrictions to limit the spread of the coronavirus implemented in the second half of January as well as high share of dine-in model.

In terms of profitability, margins across every segment were impacted mainly by the negative effect from operational leverage due to lower sales along with higher share of delivery and promotions. CEE segment EBITDA margin decreased by 4.7pp to 15.8%. Russia segment reached EBITDA margin at 15.3% and was 3.4pp lower than last year. Western Europe posted an EBITDA margin at 6.7% vs. 15.3% last year, additionally impacted by higher share of casual dining segment. China posted the biggest drop in profitability as EBITDA margin was down to (2.4%) from 23.8% last year due to longer period of impact from the restrictions on Q1 results as well as dine-in oriented business.

Net loss attributable to AmRest's shareholders in the reporting period reached 41.6m EUR with margin at (10.1%) vs. 0.8% last year. The net loss was mainly driven by drop in operating results as well as higher FX costs.

Chief Executive Officer, Mark Chandler added:

"Short term containment measures have mostly been aimed at a revision of CAPEX initiatives, namely store openings and renovations, but also at a reduction of fixed costs addressing the drop in revenue. Tapping into government support schemes has been a key focus, as we applied for 69 programs across 15 of our largest markets. In addition there have been discussions with our long-standing partners including landlords, suppliers, franchisors, but also our employees which have been showing significant commitment and contribution, which I am very pleased with and grateful for."

With markets gradually re-opening in the second quarter, we could already see an improvement of our top line in the recent weeks. As of mid May, about 70% of our stores are operational, with the majority of those still working off delivery, and in some cases take-out and drive through only.

I am confident that due to the quality of brands in our portfolio, unique positioning in the markets we operate and our outstanding people on board, we will come out of this crisis, stronger than before and we will keep you updated on further progress in coming months."



Further information

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

The teleconference with investors will be held on May 18th, 2020 at 4:30pm CET. To attend the conference and for any other enquiries please contact:

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