



## AmRest 2013 Full Year Results

Wrocław, Poland, March 14<sup>th</sup>, 2014, AmRest (WSE: EAT), the largest publicly listed restaurant group in CEE, today reports financial results for its financial year ended December 31<sup>st</sup>, 2013.

### Key highlights:

- 91 new stores opened in 2013, total number of restaurants as at March 14<sup>th</sup>, 2014 amounted to 740
- Total revenues increased by 14.6% to PLN 2 701 million (€ 643 million)
- Adjusted EBITDA decreased by 4.4% to PLN 301 million<sup>[1]</sup> (€ 72 million)
- EBITDA decreased by 24.9% to PLN 275 million (€ 65 million)
- Adjusted EBITDA margin at 11.2%, EBITDA margin at 10.2%
- Net profit decreased by 94% to PLN 6 million<sup>[2]</sup> (€ 1.3 million)

### Henry McGovern, Chairman of Supervisory Board of AmRest, commented:

“It was a very special year for AmRest. In November we celebrated the 20th anniversary of our company. The founding spirit of “Wszystko Jest Możliwe” along with unique organizational culture have helped us to develop into a leading restaurants operator in Central and Eastern Europe (CEE) and Spain. Currently we run 740 stores in 12 countries.

I am really proud to say that we have managed to satisfy the needs of our customers, which resulted in the sales growth close to 15% and opening of 91 stores despite the signs of economic slowdown. The positive sales trends observed in the second half of 2013 in CEE give us hope for significant improvement of results in the future.

We also continued our expansion in other markets. Improving sales trends in Spain, along with the new units openings, make me strongly believe that the unique proposition of La Tagliatella will be one of the growth platforms for AmRest in the future. The situation in the Chinese market is also promising. Dynamic sales growth observed in our brands - blue frog and Kabb - together with outstanding margins will be soon the source of value accretion to shareholders.

The 2013 financial results were greatly impacted by one off events. The funds raised through the issue of corporate bonds let us acquire minority stake in Restauravia, which resulted in

<sup>[1]</sup> EBITDA adjusted by one-off costs of new stores opening, costs of mergers and acquisitions and corrections in indirect taxes. EBITDA for 2012 additionally adjusted by the impact of gain on sale of Applebee's assets (PLN 68 million)

<sup>[2]</sup> In 2012 net income included PLN 68 million net gain on sale of Applebee's assets



AmRest being the sole owner of highly profitable La Tagliatella restaurants. On the other hand, the international expansion in New Markets turned out to be more expensive than previously expected. I am fully aware that we paid a high price to fully understand the characteristics of each market we entered. Having this experience, we will reduce these costs significantly in 2014 and focus on making our restaurants profitable.

Looking ahead, we will keep our development pace by opening similar number of restaurants as in 2013 but our revised capital allocation strategy will help us improve ROIC. Since 2014 we will invest about 80% of our capex into restaurants delivering over 20% return on capital hence strengthening our core business particularly in Poland and Spain. We will allocate the remaining 20% of the capex to other brands.

I truly believe that the huge engagement of our employees supported by diversified portfolio of great brands will be a driving force behind future success, getting us closer to becoming the largest restaurant operator in the world.”

### **Outlook**

The Management remains optimistic about the outlook given the encouraging sales trends observed across the portfolio in fourth quarter. Although the geopolitical situation is unclear at the moment apart from swings in Ruble no other impact has been observed so far. It is believed that due to the geographic and currency diversification of AmRest any translation related risks will be naturally mitigated.

Detailed plans regarding limiting the loss in the New Markets are now being executed. The EBITDA impact of the Tagliatella test will be reduced to up to PLN 30 million in 2014.

In 2014 AmRest will open approximately 90 stores with PLN 380 million capex planned.

### **Further Information**

The full 2013 results can be found on [www.amrest.eu](http://www.amrest.eu)

The teleconference with investors will be held on March 14<sup>th</sup>, 2014 at 2:30pm CET, to attend the conference and for any other enquiries please contact:

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