



## AmRest 2018 Financial Results

### Uniquely positioned foodservice operator

Madrid, Spain, February 28<sup>th</sup>, 2019, AmRest (WSE: EAT), one of the largest publicly listed restaurant groups in Europe, today reported 2018 financial results.

#### Key highlights:

- 280 new restaurants opened in 2018, total number of restaurants as of December 31<sup>st</sup>, 2019 at 2 126,
- Total revenues increased by 25% to EUR 1 547 million,
- EBITDA increased by 17% to EUR 173 million,
- EBITDA margin at 11.2%,
- Net profit at EUR 43 million<sup>1</sup>,
- Net debt/EBITDA at 2.97.

Michał Serwatka, Investor Relations and M&A Director, commented:

'2018 was a unique year for AmRest Group. Not only could we celebrate the 25th anniversary of the Company, but we also observed continued growth across all regions, strengthening our leadership position in key markets. Our solid business trends has been reflected in the financial report of AmRest for 2018, which we gladly published today.

Consolidated revenues of the Group grew by 25%, reaching EUR 1 547 million in 2018. Similar to previous periods, sales increase was driven by solid like-for-like trends, accelerated organic growth (280 new restaurants were opened during the year) and M&A activities. In the meantime, the EBITDA profit amounted to EUR 173 million, which was 17% higher than year ago. While the profitability in most of our major markets improved, total margins of the Group were under the pressure from consolidation and integration of recently acquired businesses. The EBITDA margin of the Group stood at 11.2% in 2018 (-0.8pp), while the core operations of AmRest (i.e. adjusted by 2017-2018 M&As activities) reached EBITDA margin of 13.2%, growing by 0.4pp compared to 2017.

In 2018, we were pleased to observe continued solid trends in Russia, Czech Republic and Hungary. All of these markets reported nearly 30% growth of EBITDA vs last year, which clearly proves the strengths of AmRest's core operations. In Poland, despite the challenges from growing labor costs and Sunday ban, we managed to grow the revenues by 11% and improve EBITDA by 3%. At the same time, delivery business in Poland grew by 34%. In Spain, well-balanced business development resulted in nearly 10% growth of EBITDA. Today, the results of the Group are mainly driven by our core markets. We truly believe that with 25-year experience in operating restaurant business,

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



AmRest is well-positioned to maintain its high growth profile and strengthen the margins in the future.

In 2018 AmRest also remained focused on the integration of acquired businesses. The turnaround efforts in Starbucks Germany brought tangible effects and the brand turned positive in Q3 2018. At the same time, the performance of KFC France exceeded our initial expectations, which bodes very well for the future. Although there is still a lot of work ahead of us, we are confident that successfully integrated businesses will serve as a solid platform for future growth of the Company.

Speaking of M&As, in 2018 AmRest remained active in this field, adding to its portfolio KFC chain in Paris and Pizza Hut chain in Russia. In addition, the Group entered new categories of sushi and premium burgers, through the acquisition of Sushi Shop and Bacoa. Investment into Sushi Shop has been the biggest M&A transaction in AmRest history. As previously communicated, the intention is strengthen our portfolio with solid, proven proprietary brands. Going forward, such investments should support the expansion of our franchise network and gradual shift of our business towards more asset light model.

In order to leverage our position in digital segment, in July 2018 AmRest acquired a 10% stake in Glovo - a leading Spanish aggregator. With such investment, we intend to stay at the forefront of technology innovations in the foodservice industry and benefit from dynamic growth of this segment in the future.

Today, with 2,100+ restaurants in 26 countries, AmRest Group is a uniquely positioned European foodservice operator. Diversified multi-brand restaurant operations, integrated supply system, growing franchise network and digital innovations form the four pillars of our future growth and should help continue delivering above-industry results.'

#### **Further information**

The full 2018 results can be found on [www.amrest.eu](http://www.amrest.eu)

The teleconference with investors will be held on March 1<sup>st</sup>, 2019 at 1:30pm CET, to attend the conference and for any other enquiries please contact:

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