



## AmRest Q1 2014 Financial Results

### Great beginning of a promising year

Wrocław, Poland, May 9th 2014, AmRest (WSE: EAT), the largest publicly listed restaurant group in CEE, today reports financial results for the first quarter of 2014.

#### Key highlights:

- 17 new stores opened in Q1 2014, total number of restaurants as at May 9<sup>th</sup>, 2014 amounted to 745,
- Total revenues increased by 10.7% to PLN 674.1m (€ 161.1m),
- Adjusted EBITDA increased by 31.5% to PLN 77.4m<sup>[1]</sup> (€ 18.5m),
- EBITDA increased by 39.8% to PLN 72.8m (€ 17.4m),
- Adjusted EBITDA margin at 11.5%, EBITDA margin at 10.8%,
- Net profit increased to PLN 8.5m<sup>[2]</sup> (€ 2m).

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

“This year’s first quarter was definitely one of the best in AmRest history with almost 11% top line growth and EBITDA increasing by almost 40% to 72.8 m PLN vs. Q1 2013! Such a great improvement confirms positive trends across our entire business and geographies that we started to observe in H2 of last year. It also brings a lot of optimism for the rest of this year becoming a long-awaited turning point in our performance.

Major part of the improvement came from CEE division due to an increase in traffic in our restaurants. Like-for-like upward trends in all the brands, supported by a number of initiatives around costs resulted in PLN 18m increase in EBITDA. Apart from our core brand KFC being the main driver of this result, we are pleased to observe BK following strong upward trend giving us confidence in turning positive in 2014.

The situation in Russia and Ukraine has definitely been in the spotlight recently. However I’d like to highlight that despite recent political turmoil in that region, AmRest business has not been negatively affected except weakening Ruble. I would also like to emphasize the continued dynamic growth of our business in Russia with close to 30% sales increase realized in local currency and significant margin improvement in base business.

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<sup>[1]</sup> EBITDA adjusted by one-off costs of new stores opening, costs of mergers and acquisitions and corrections in indirect taxes.

<sup>[2]</sup> Attributable to the parent shareholders



Positive trends in the Spanish market continued with La Tagliatella and KFC outperforming the market average. Total sales growth of 8% was recorded for the division and EBITDA grew by 13% in Q1 2014. Spain still remains the market with the highest returns on investment with some of our latest La Tagliatella builds exceeding 100% ROIC.

As previously announced, in 2014 we are committed to reducing significantly operating loss on New Markets. A number of cost optimizing initiatives are in place that will help us deliver significant loss reduction on New Markets in 2014.

I strongly believe that amazing improvement in Q1 financial results, driven primarily by our core business, shall continue throughout the rest of this year contributing to value creation for shareholders.”

### **Outlook**

The company remains optimistic about the outlook as recent trends observed in April and May all seem to confirm the continued growth of the business.

AmRest will continue the 80/20 capital allocation strategy. Recent improvement of ROIC in CEE business together with stable returns in Russia and Tag Spain support this approach and the company expects this profitability metric to improve throughout the year.

### **Further information**

The full Q1 2014 results can be found on [www.amrest.eu](http://www.amrest.eu)

The teleconference with investors will be held on May 9th, 2014 at 2:30pm CET, to attend the conference and for any other enquiries please contact:

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