



AmRest Q3 2018 Financial Results

Well-positioned for future growth

Madrid, Spain, November 15th 2018, AmRest (WSE: EAT), one of the largest publicly listed restaurant groups in Europe, today reports financial results for the third quarter of 2018.

Key highlights:

- 51 new stores opened in Q3 2018, total number of restaurants as at November 15th, 2018 is 2 015,
- Total revenues increased by 23.2% to EUR 392 million,
- Record-high EBITDA for the quarter: EUR 50 million (+5.6% YoY),
- EBITDA margin at 12.7%,
- Net profit at EUR 18 million¹.

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

“A few days ago we celebrated the 25th anniversary of AmRest. With over 1,500 attendees from 16 countries we shared our success stories and whilst celebrating a quarter of a century of growth we took time to reflect on the learnings for the future. With 16 countries represented, we brought some serious fun to life!

It is undisputed truth, that thanks to the passion of over 40,000 employees, exemplifying our unique “Wszystko Jest Mozliwe” culture and their determination in reaching stretch goals we’ve been able to build one of the world’s fastest growing restaurant businesses, with a nearly 30% growth rate over the last 25 years. Looking at what we’ve achieved so far, and with all the opportunities on the horizon, we truly believe the growth story of AmRest is just beginning. Our belief is even further reinforced by the latest results for the third quarter of 2018.

In Q3 2018, the revenues of AmRest Group grew by 23.2%, reaching EUR 392m. We were glad to see the positive LFL trends in most of the markets of AmRest’s operations, dynamic growth of our delivery business as well as additional revenues coming from new stores. In the last 12 months we expanded our portfolio with 242 restaurants. Our top line growth was additionally supported by a consolidation of recently acquired businesses, which added ca. EUR 50m of revenues in Q3 2018. Excluding the 2017-2018 M&A projects, the Core business of AmRest grew by nearly 12% in sales.

Similar to previous quarters, the total profits of the Group were shaped by a solid performance of the Core business and dilutive impact of recent M&A’s. The EBITDA in Q3 2018 reached almost EUR 50m, which represented a 6% growth over the year. At the same time, EBITDA margin decreased by 2.1pp. It is important to emphasize a solid performance of our Core operations. The EBITDA profit, excluding 2017 and 2018 M&A projects, amounted to EUR 51.5 million in Q3 2018 and was 12.1% higher than year ago. The EBITDA margin of the Core improved by 0.1pp to a record high level of 15.1%.

¹ Attributable to AmRest’s shareholders



Profitability of all major markets of CEE grew in a double-digit pace in the last quarter, with nearly 20% and 30% dynamics observed in Czech Republic and Hungary, respectively. The margins strengthened in Poland, Czech Republic and Hungary despite the challenges observed on labor market. At the same time, we continued expanding of delivery business, which remained the fastest growing segment of our operations. In Poland, where today we are the most advanced, the revenues in delivery channel grew by 35% in Q3 2018. In Russia, the results of KFC business exceeded our expectations, while the total profits of the region were negatively impacted by the consolidation of recently acquired Pizza Hut chain.

In Q3 2018 we also saw promising results of our integration efforts in Starbucks Germany which reported a solid 5% EBITDA margin for the quarter and became profitable on a year-to-date basis. At the same time a solid margin improvement was observed in KFC France. Based on the positive early results of turnaround activities we are confident in our ability in building a highly profitable KFC business in the future. In Spain, our profits remained flat over the year, which was a mixed result of a solid performance of La Tagliatella restaurants, accelerated development of KFC business and recent launch of Blue Frog brand.

In the last quarter we also focused on finalizing M&A transactions announced earlier during the year. We are excited about the successful completion of Sushi Shop acquisition, which significantly strengthened our portfolio with another proprietary brand and is expected to strengthen our margins. Thanks to this acquisition, today AmRest is a 2,000+ restaurant operator, well positioned for even faster growth in the future.

Over the past 25 years, we've build a clear leadership position in the restaurant markets of Central Europe and Spain. Our desire is to replicate that success on a larger scale and one day become a #1 European restaurant company. In order to get there, we will keep the focus on building highly profitable business in the core markets, integration of acquired businesses and our investments in digital platforms that would allow us better understand the customer needs and provide them with unmatched quality of service."

Further information

The full Q3 2018 results can be found on www.amrest.eu

The teleconference with investors will be held on November 16th, 2018 at 2:30pm CET, to attend the conference and for any other enquiries please contact:

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