

AmRest H1 2024 and Q2 2024 Financial Results

Excellent commercial momentum boots sales¹ to a new all-time high

Madrid, Spain, September 5th, 2024, AmRest (EAT), a leading multi-brand restaurant operator in Europe, today reported its financial results for first half year and the second quarter of 2024.

Key highlights Q2 2024:

- All time revenues¹ record that reached EUR 638.9 million with an increase of 5.3% vs last year.
- EBITDA¹ generation accelerated to EUR 112.8 million, the highest nominal figure in AmRest's history.
- Group operating profit (EBIT) stood at EUR 4.9 million after booking impairments for EUR 44.0 million during the quarter.
- 22 new restaurants opened and 110 renovated during the quarter.

Key highlights H1 2024:

- Revenues of EUR 1 231.5 million with a growth of 5.3% vs 2023.
- EBITDA generated amounted to EUR 193.9 million, up 12.7% compared to the same period of 2023.
- Despite the operating improvement, the result from continuing operations amounted to EUR -25.2 million vs. to EUR 20.3 million in H123 due to impairment charges and higher financing costs.

Revenues hit a new all-time high.

The major European economies have shown relatively weak economic growth during the first half of the year, while inflation continued to moderate across the board. However, there have been significant divergences across countries. On the positive side, activity in Spain and especially Poland, AmRest's main market, grew strongly. In contrast, Czech Republic, France and Germany showed modest growth.

AmRest's sales in the second quarter of 2024 reached EUR 638.9 million, 5.3% higher than in 2023, which is the highest quarterly revenue level in the Group's history. This new record becomes more relevant in a context where consumer spending was subdued. However, the success of AmRest's strategy has been to adapt to a more price-sensitive and value-seeking customer.

In cumulative terms, sales in the first half of 2024 amounted to EUR 1 231.5 million, an increase of 5.3% compared to the same period of 2023.

EBITDA margin expansion.

The Group's EBITDA generation in the second quarter accelerated to EUR 112.8 million, the highest nominal figure in AmRest's history and up 11.2% year-on-year. Margin recovery also accelerated, driven by moderating inflationary pressures and despite intense competition in some markets. In terms of EBITDA margin, profitability increased by 1 p.p. to 17.7%.

In addition to the lower cost pressure, other factors contributing to the margin expansion have been the positive effect generated by the increase in average sales per restaurant, the continuous progress

¹ Excluding Russia business

in efficiency and the achievement of clear strategic objectives aimed at promoting optimisation and savings initiatives throughout the Group.

In terms of Group operating profit (EBIT), it stood at EUR 4.9 million after booking impairments for EUR 44.0 million during the quarter, of which EUR 41.1 million corresponds to a value adjustment of the goodwill associated with the Sushi Shop business, therefore it has no impact on the Group's liquidity or cash generation. The EBIT margin for the quarter was 0.8%. Excluding the effect of the goodwill impairment, adjusted operating profit amounted to EUR 46.0 million, representing a margin of 7.2% compared to 6.1% in the same period of 2023.

The EBITDA generated during the first half of the year amounted to EUR 193.9 million, up 12.7% compared to the same period of 2023. The operating profit amounted to 23.5 million euros, representing a margin of 1.9%.

During the second quarter of 2024 the net result for the period generated by AmRest was EUR -23.1 million. Despite the operating improvement, the result was negative due to impairment charges as well as higher financing costs as a result of rising interest rates.

The cumulative result generated in the first half of 2024 from continuing operations amounted to EUR -25.2 million compared to EUR 20.3 million in 2023.

Financial leverage at low end of target level.

The Group's risk profile remained virtually unchanged, despite the generation of a negative result during the period, as there has been no impact from the impairment on the Group's cash generation capacity or liquidity.

The leverage ratio stood at 2.0x, the same level as the previous quarter despite a significant increase in the Group's CAPEX that reached EUR 47.1 million, this is an increase of 61.9% quarter on quarter and 38.5% year on year.

The Group's liquidity amounted to EUR 136.4 million at the end of the quarter. This level of liquidity, together with additional liquidity lines and credit facilities for EUR 255.4 million, is considered an efficient level according with the Group's needs.

Number of openings and renovations accelerates.

The number of restaurants managed by AmRest at the end of the second quarter of the year stood at 2 177 units, following the opening of 22 new restaurants and the closure of 14. In addition, the number of restaurants renovated or upgraded accelerated to 110 units, doubling last year's figure.

Openings during the first 6 months of the year amounted to 40 units and closures to 26 of which 6 were franchised, mainly Pizza Hut in France.

Business regions

Central and Eastern Europe (CEE)

Revenues generated during the quarter in the region amounted to EUR 368.8 million euros, an increase of 10.3% over the previous year. Of note was the excellent performance of the Polish market, where revenues increased by 15.5%. EBITDA generated in the region during the quarter amounted to EUR 73.8 million, representing a margin of 20.0% and 7.7% year-on-year growth.

During the first half of the year, revenues amounted to EUR 704.1 million, an increase of 10.3%. EBITDA amounted to EUR 132.6 million, representing a margin of 18.8% and growth of 14.0%.

The restaurant portfolio in the region amounted to 1 189 units following the opening of 5 restaurants and the closure of 1 during the quarter. Openings year to date amounted to 17 and closures to 5.

Western Europe (WE)

Quarterly sales in the region amounted to EUR 223.8 million, virtually flat compared to 2023. This development hides significant divergences in the evolution shown by the different countries. While sales in Spain grew at a rate of 7.3%, the figures for Germany show a decline of -9.2% and for France - 1.7%. EBITDA reached 36.7 million euros, representing a margin of 16.4% and growth of 16.3%.

Revenues for the first half of the year amounted to EUR 442.6 million, a growth of 1.2%. EBITDA reached EUR 64.4 million, representing a margin of 14.6% and a growth of 16.3%.

The restaurant portfolio closed the period with 902 units after the opening of 14 restaurants and the closure of 8. In cumulative terms, 18 restaurants were opened during the first 6 months of the year and 14 units were closed, 8 of them in France.

China

Sales in the region declined by -6.2% in euros to EUR 25.1 million. However, the decline in sales in local currency (constant euros) was -4.3%. The macroeconomic situation and the global downturn in consumption explain this decline in business generation. However, there was a recovery in activity as the year progressed due to the excellent commercial management carried out by Blue Frog team to adapt to this complicated environment, which resulted in a significant expansion of margins and growth in EBITDA generation at nominal level. EBITDA generated amounted to 6 million euros, representing a margin of 23.9% compared to 20.6% in the same period of the previous year.

Sales during the first half amounted to EUR 46.7 million, a decline of -9.4%; in constant euros, the decline was -6.1%. EBITDA reached EUR 10.1 million, with a margin of 21.6%.

The number of restaurants managed by Blue Frog in the region at the end of the quarter was 86 units following the opening of 3 restaurants and the closure of 5. Cumulatively, in the first half of the year, 5 restaurants were opened and 7 closed.

About AmRest Group

AmRest Group is a leading European multi-brand restaurant operator with a portfolio of first-class brands across 22 countries. AmRest operates more than 2.100 restaurants under franchised brands such as KFC, Starbucks, Pizza Hut and Burger King, as well as proprietary brands like La Tagliatella, Sushi Shop, Blue Frog and Bacoa. More information is available on the webpage: www.amrest.eu/en.

Further information

The second quarter 2024 results can be found on www.amrest.eu

The teleconference with investors will be held on September 6th 14:00 CET.

For enquiries please contact: investors.relations@amrest.eu