

## EARNINGS PRESENTATION

# H1 24 RESULTS

GREAT PEOPLE,  
GREAT FOOD,  
GREAT COMPANY

August 2024

# Disclaimer

## Cautionary statement regarding forward looking information

This presentation includes statements that are, or may be deemed to be, "forward looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places and include, but are not limited to, statements regarding the Company's intentions, beliefs or current expectations concerning, amongst other things, results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

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The payment of dividends by the Company is subject to consideration by the Board of Directors of the cash management requirements of the Company. In addition, the Company expects that when deciding on dividend distribution, the Board of Directors will also consider market conditions, the then current operating environment in the markets in which the Company operates, and the outlook for the Company's business.

# AGENDA & PRESENTERS



**AMARPAL  
SANDHU**  
CHIEF EXECUTIVE OFFICER

**01** Business Updates

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**HARSH  
BANSAL**  
CHIEF FINANCIAL OFFICER &  
CHIEF GROWTH OFFICER

**02** Financial Review

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**SONIKA  
SAHNI**  
HEAD OF INVESTOR RELATIONS

**03** Appendix



# BUSINESS UPDATES

# H1 24 Performance dashboard



## Restaurant Portfolio

**2,477 stores**

**273** gross new restaurants added  
(LTM<sup>1</sup>)

**36** under construction<sup>2</sup>



## Revenues \$1,052.8m

(vs. H1 23)

**(15.2%)** decline



## LfL

(vs. H1 23)

**(20.3%)** decline



## Adj. EBITDA \$232.7m

(vs. H1 23)

**(20.2%)** decline

**22.1%** margin

**(1.4%)** margin dilution



## Net Profit \$80.0m

(vs. H1 23)

**(44.8%)** decline

**7.6%** margin

**(4.1%)** margin dilution



## Capex \$46.8m

**4.4%** of revenue

**\$324k** (Avg. capex<sup>3</sup>/  
Restaurant)

Source: Company information

1. LTM is defined as period from 1 July 2023 to 30 June 2024

2. As of 30 June 2024

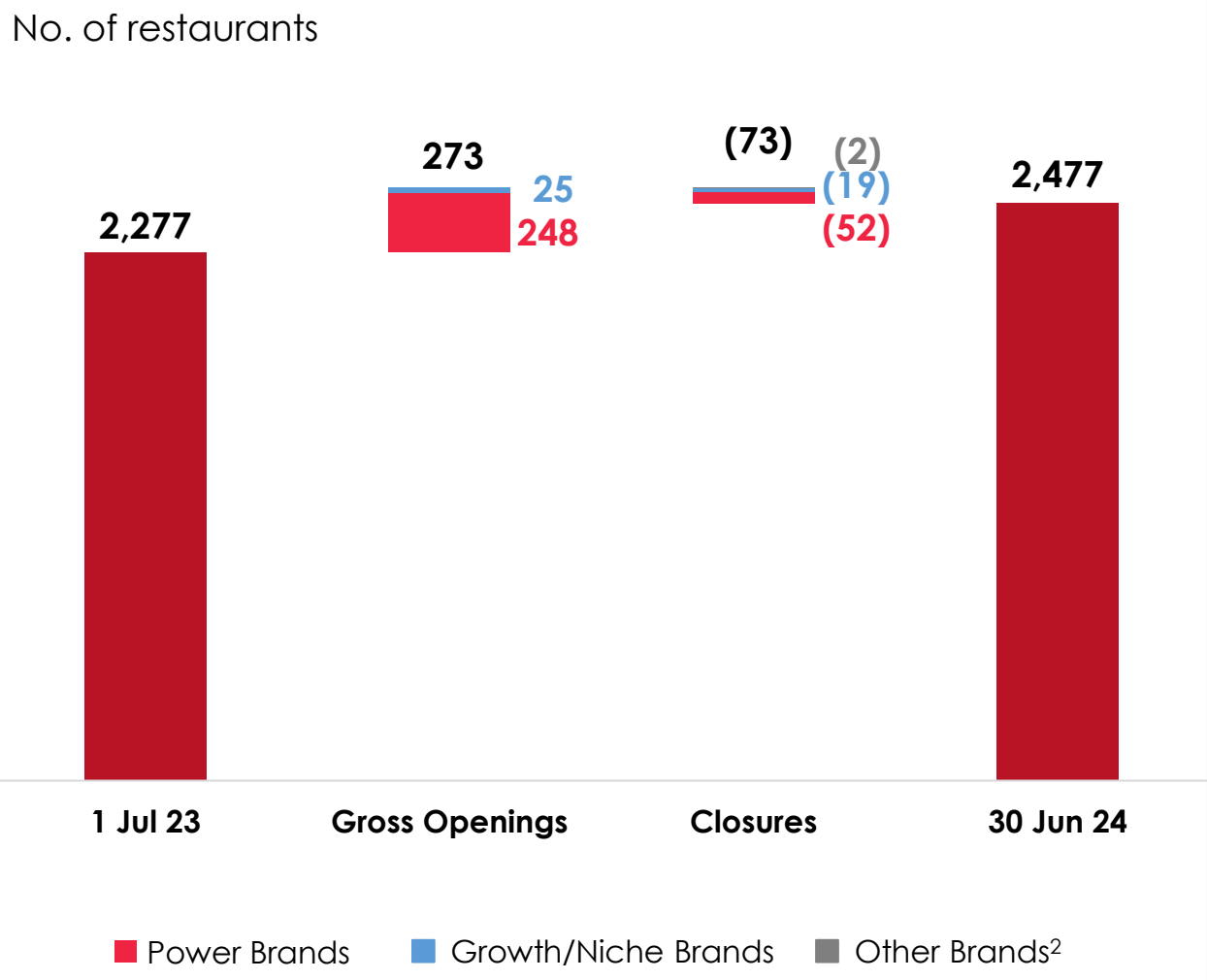
3. Avg. capex per restaurant of gross stores opened between 1 October 2023 and 31 March 2024



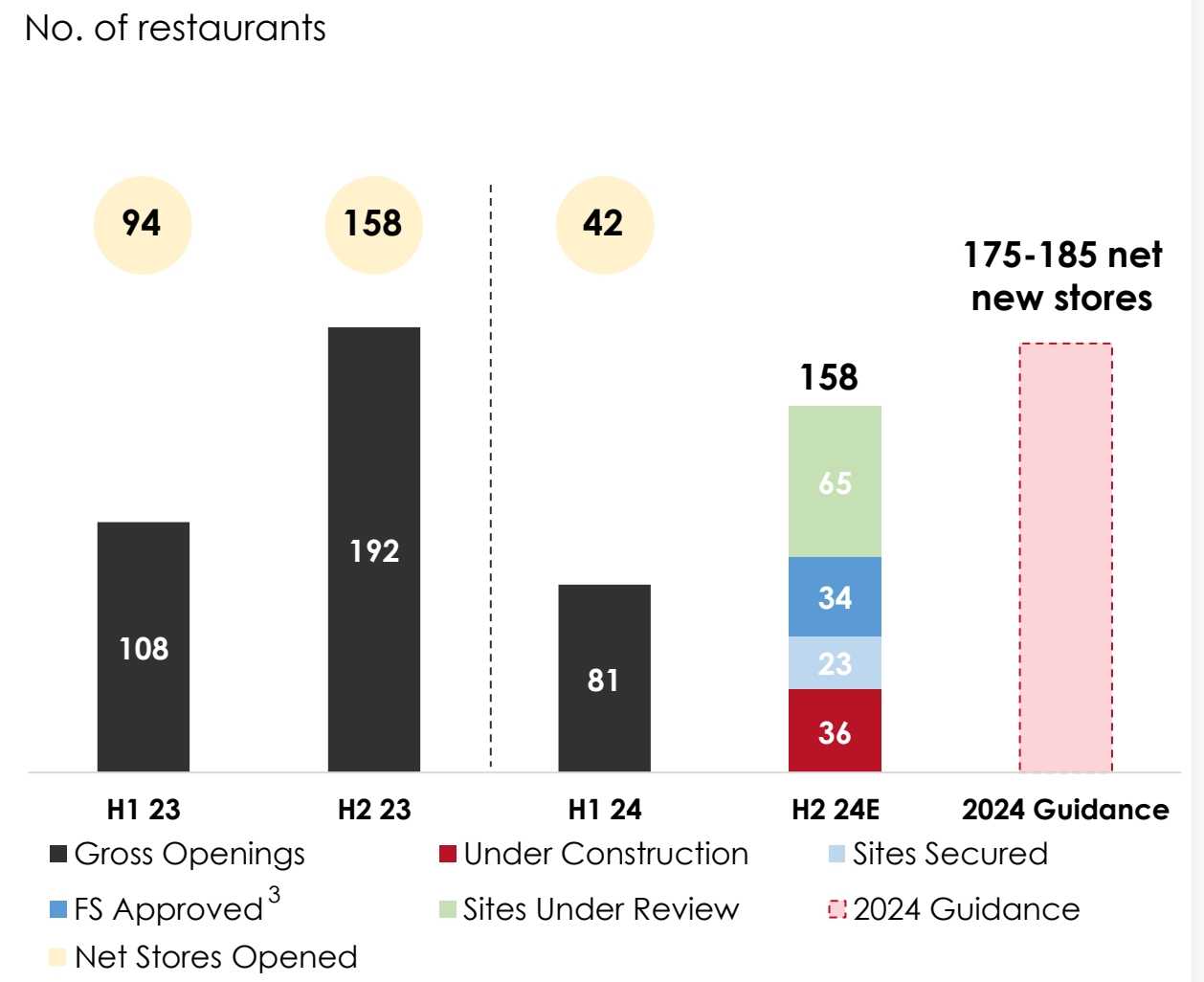
# FINANCIAL REVIEW

# 200 net new stores added in last twelve months<sup>1</sup>; net new store guidance for 2024 revised to 175 – 185

## Restaurant portfolio evolution (1 Jul 23 – 30 Jun 24)



## NSO pipeline for 2024E

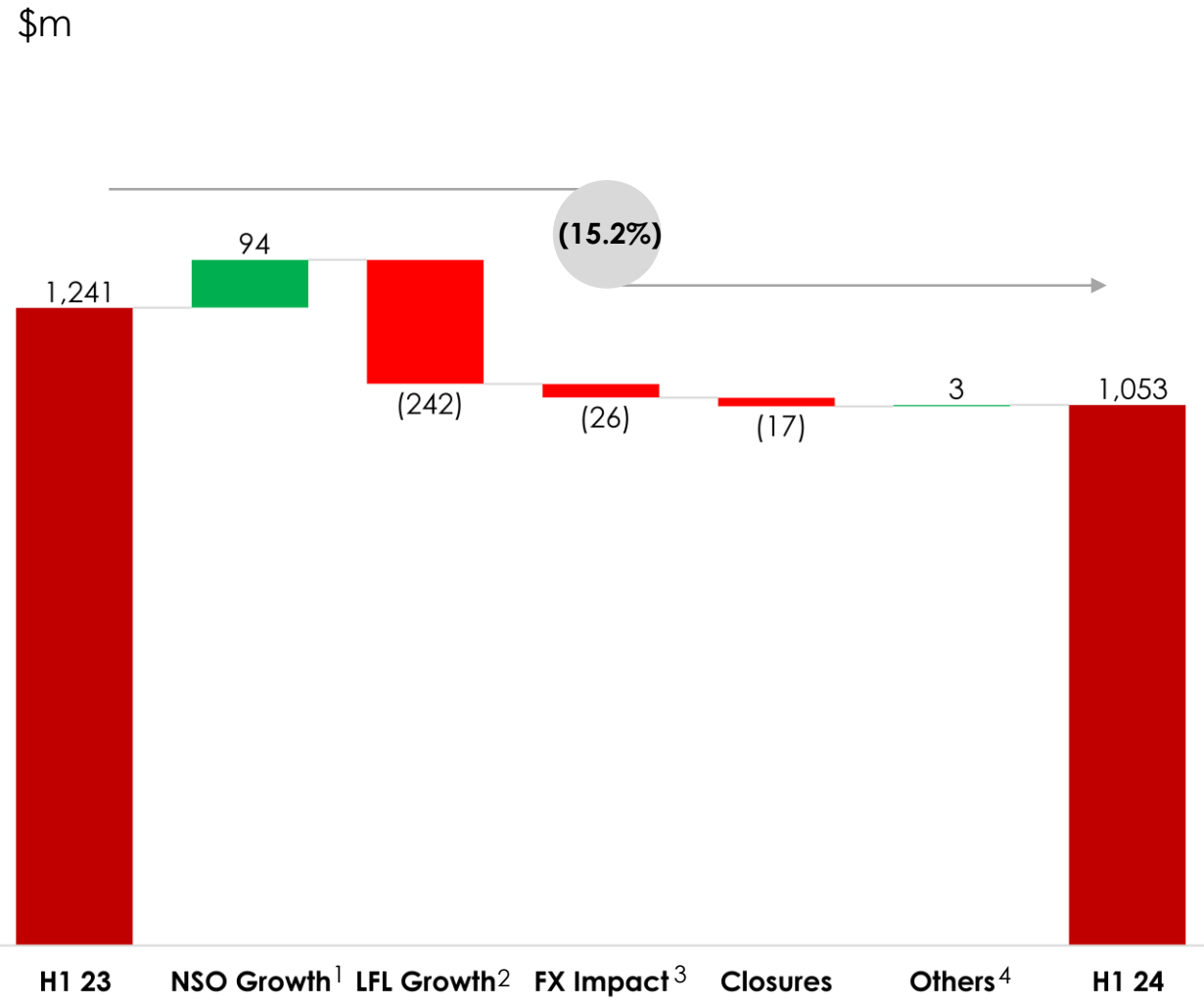


Source: Company information

- From 1 July 2023 to 30 June 2024
- Closed 1 Fish Market and 1 Grand Café store
- Restaurant sites approved by leadership for signing lease and start construction work

# Revenue growth remained constrained by negative LFL sales growth due to ongoing regional geopolitical situation, partially offset by growth from NSOs

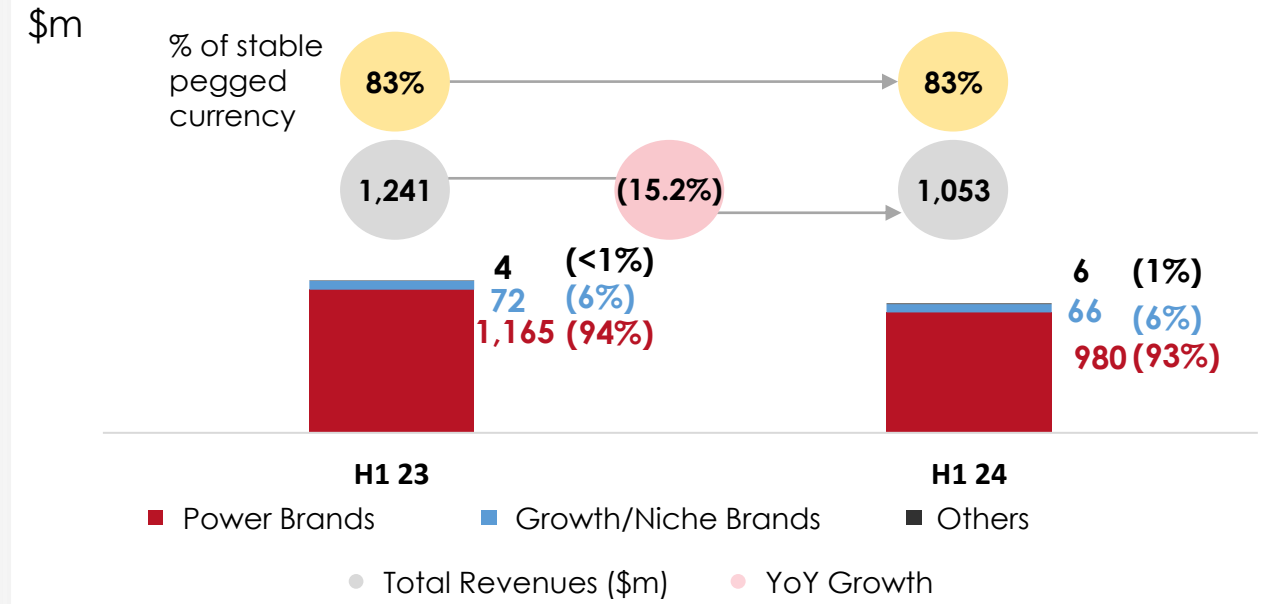
## Revenue bridge (H1 23 to H1 24)



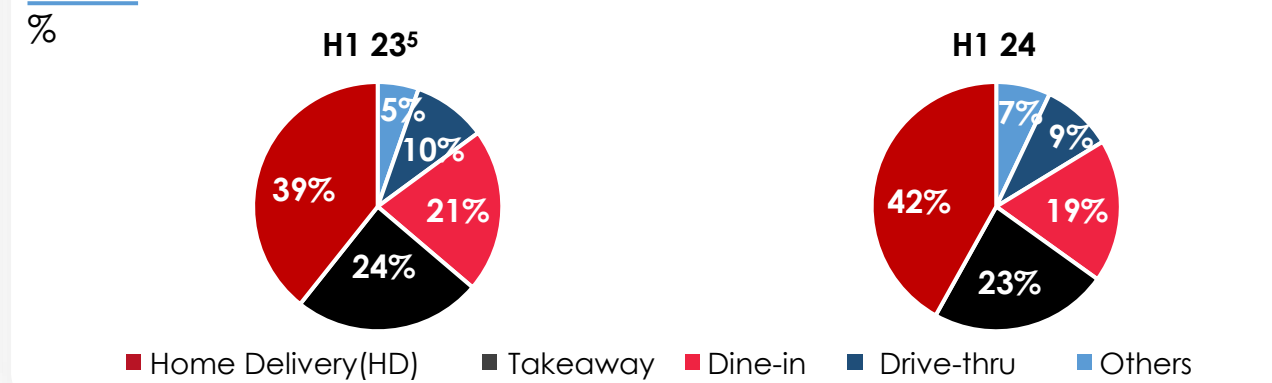
Source: Company information

1. Revenue contribution from stores opened during H1 23 and H1 24
2. LFL growth for stores that have completed 12 months of operations

## Revenue mix



## Channel mix



3. FX impact mainly due to Egypt and Lebanon
4. Others include Lebanon hyperinflation impact, rentals and logistics
5. Sum not adding up to 100% due to rounding



# Revenue recovery strategy guided by building trust, driving transactions, and serving delicious food

## Limited-time deals and value offers



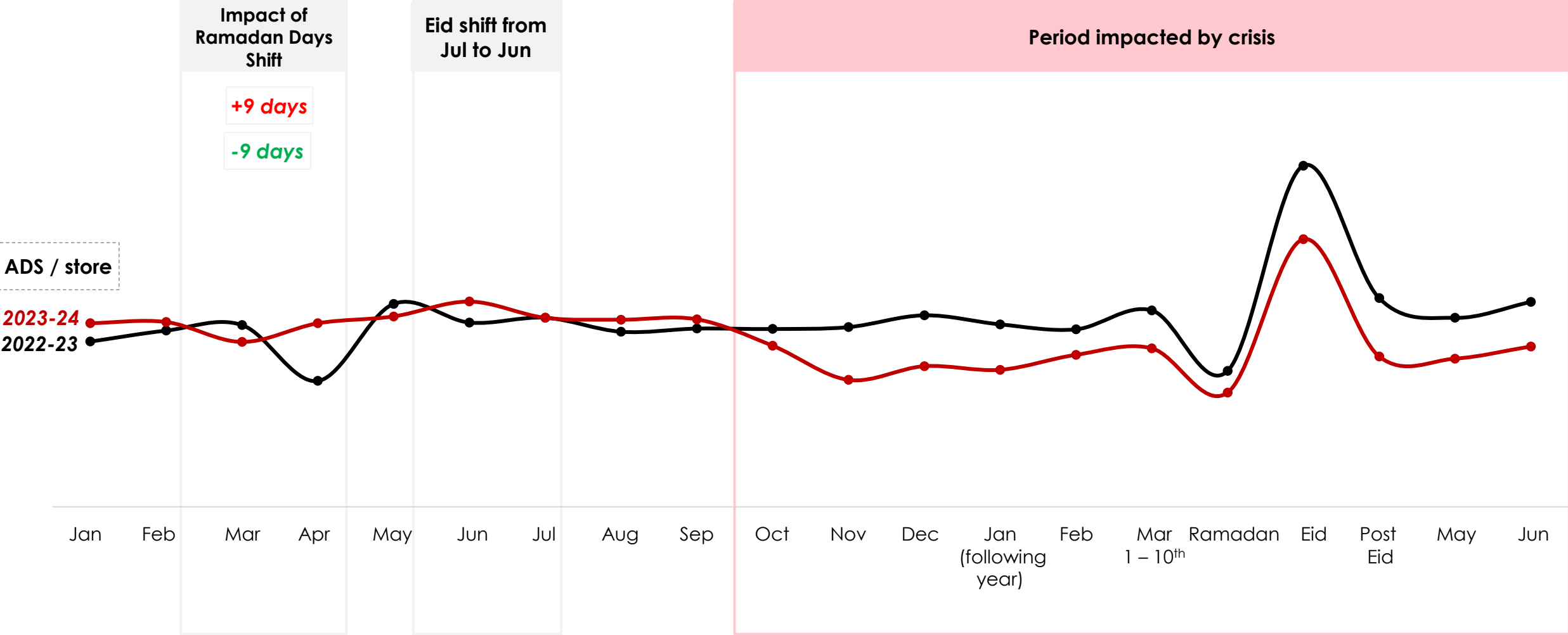
New star savers

## Product innovation across Power brands



# Improvement in ADS trend; however, recovery slower than expected

## Average daily sales (ADS) per store trend

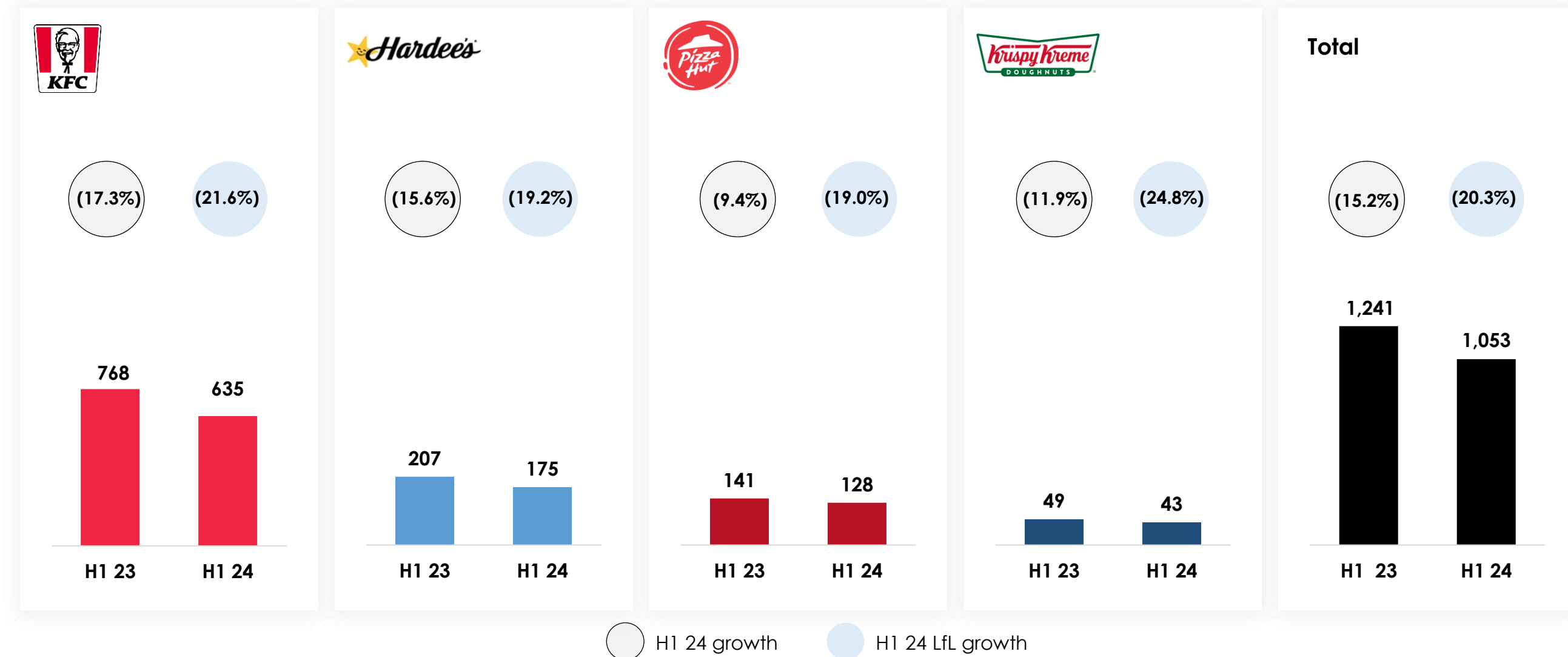


Source: Company information  
Note: Comparison ADS/store of LFL stores (stores fully operational in 2022 and 2023)

# Power brands' performance impacted by persistent regional geopolitical situation and slowdown in consumer demand in select markets

## Revenues by power brands

\$m

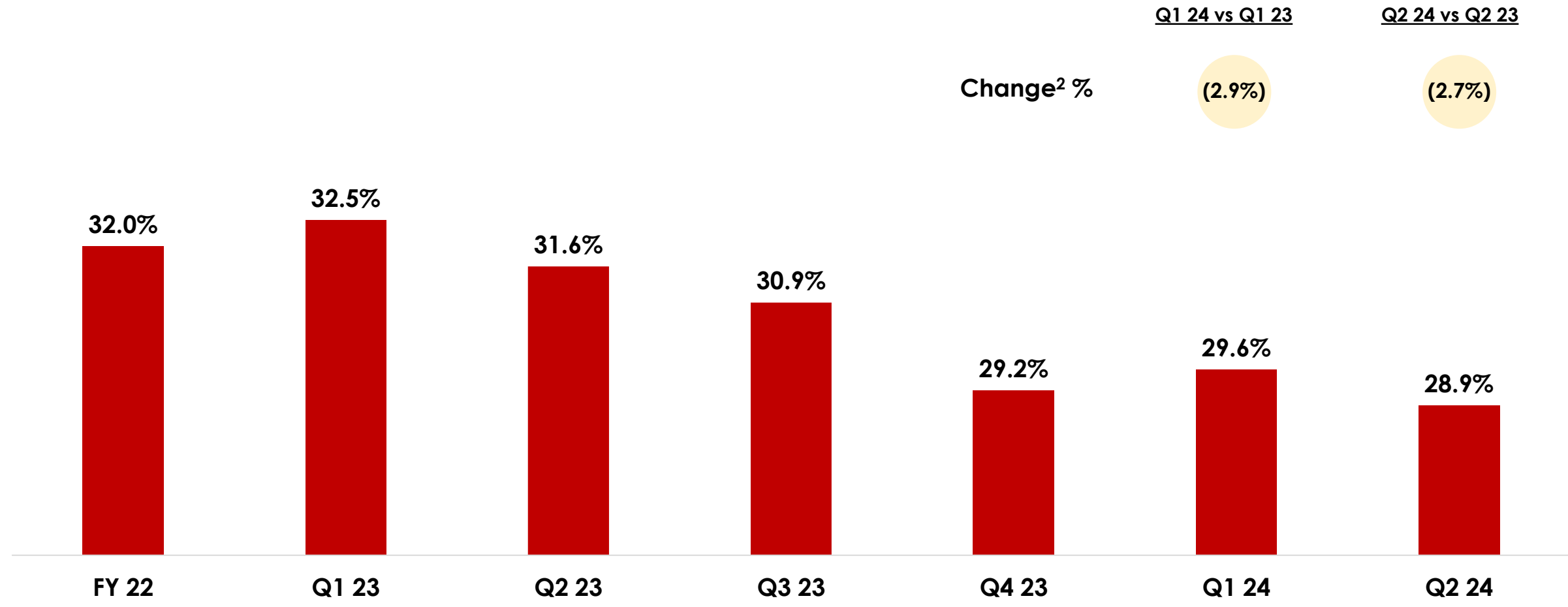


Source: Company information

# Y-o-Y gross margins improved despite increased focus on value; driven by commodity prices and revenue management initiatives

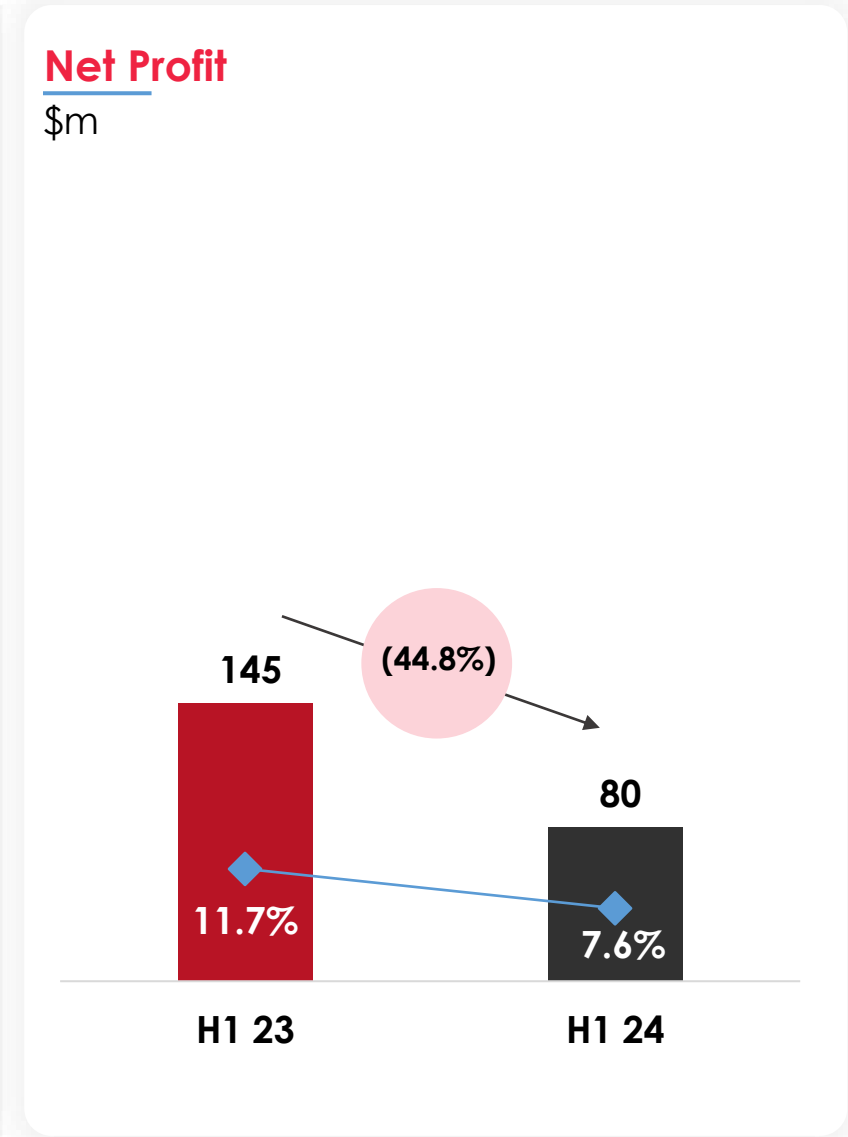
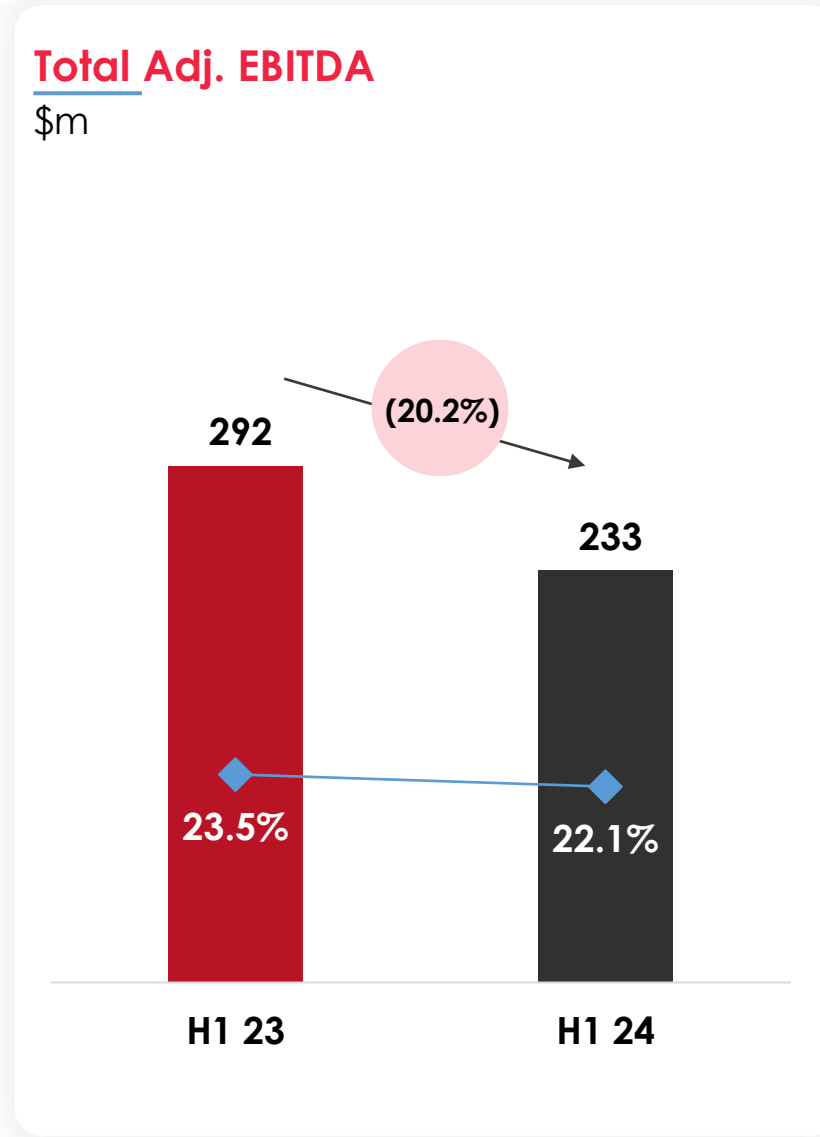
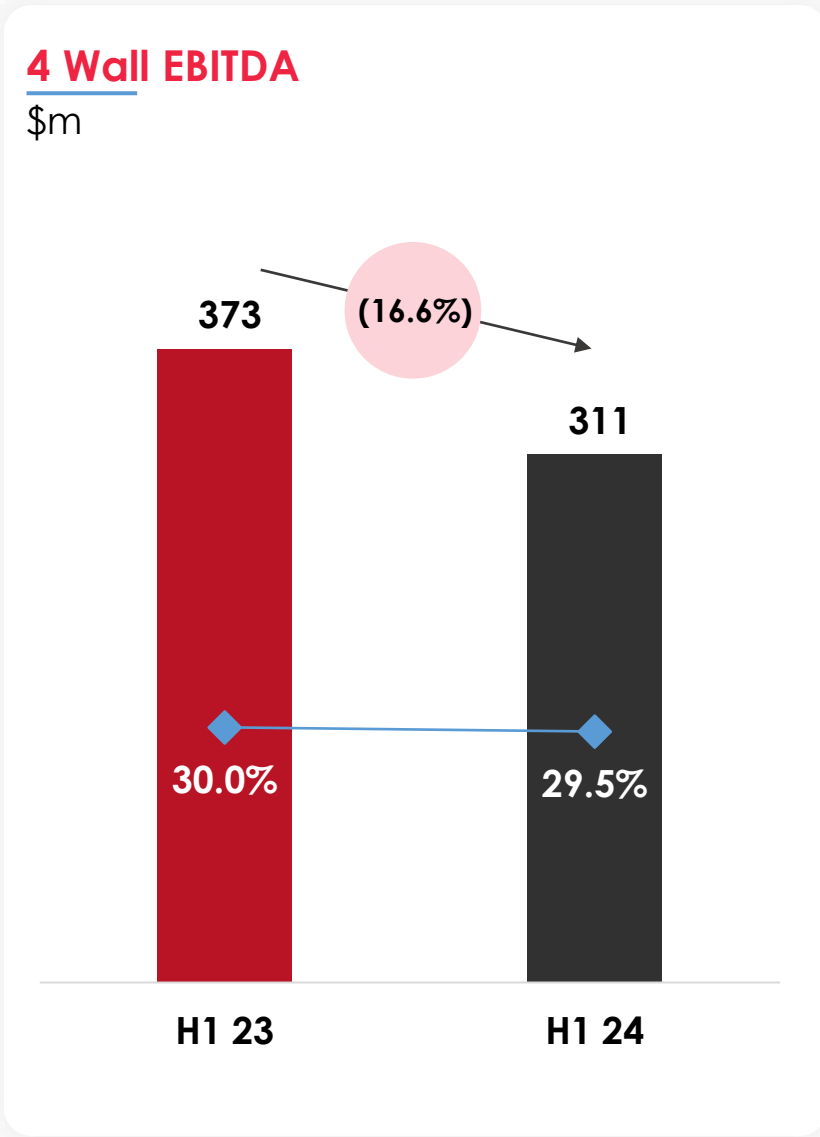
## Cost of inventory<sup>1</sup> evolution (Q-o-Q)

%



Source: Company information  
 1. Refers to cost of materials, filling and packing materials. Calculated as % of revenue  
 2. Change % calculated as cost of inventory % in current quarter less same quarter last year

# 4-wall EBITDA margins preserved, net profit impacted by revenue decline and depreciation charges due to NSOs



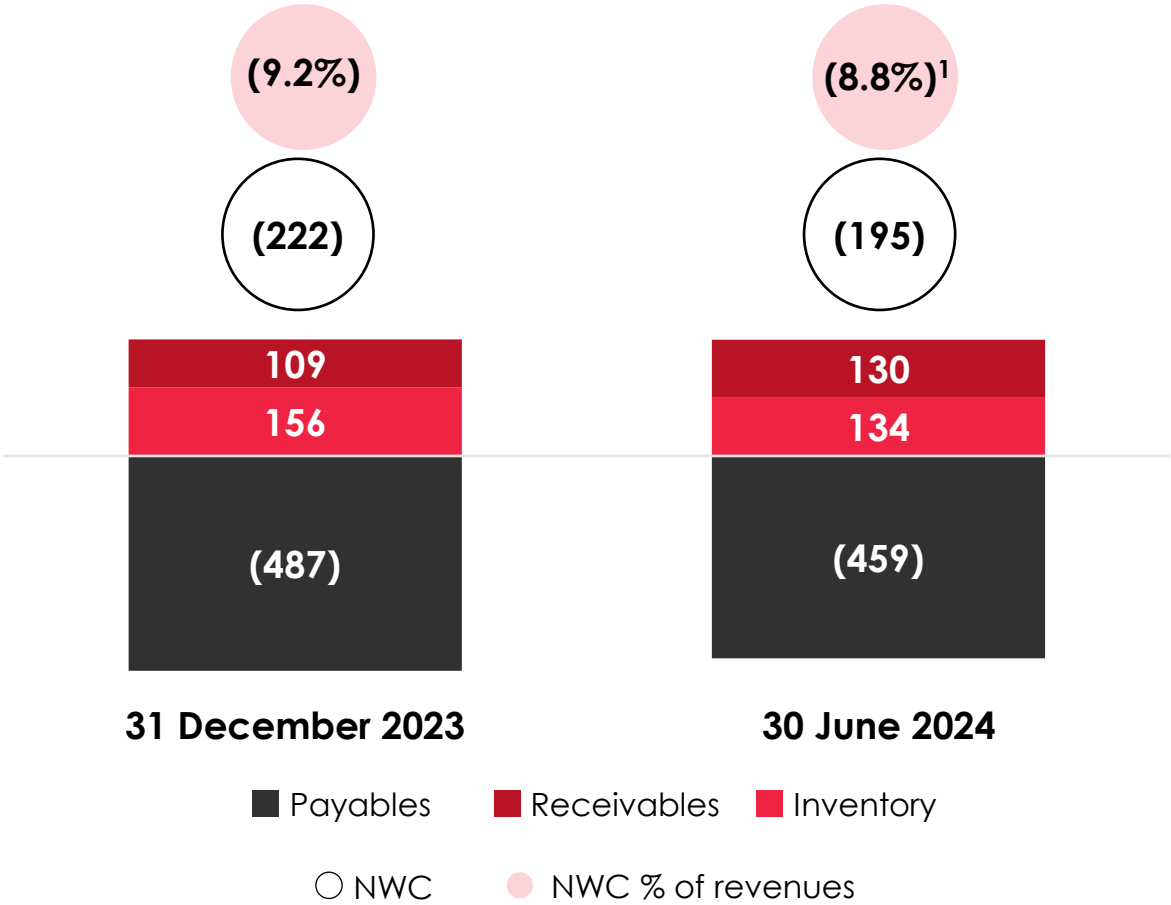
◆ Margin (% of revenues) ● YoY Growth

Source: Company information

# Negative NWC maintained; supported by active inventory management

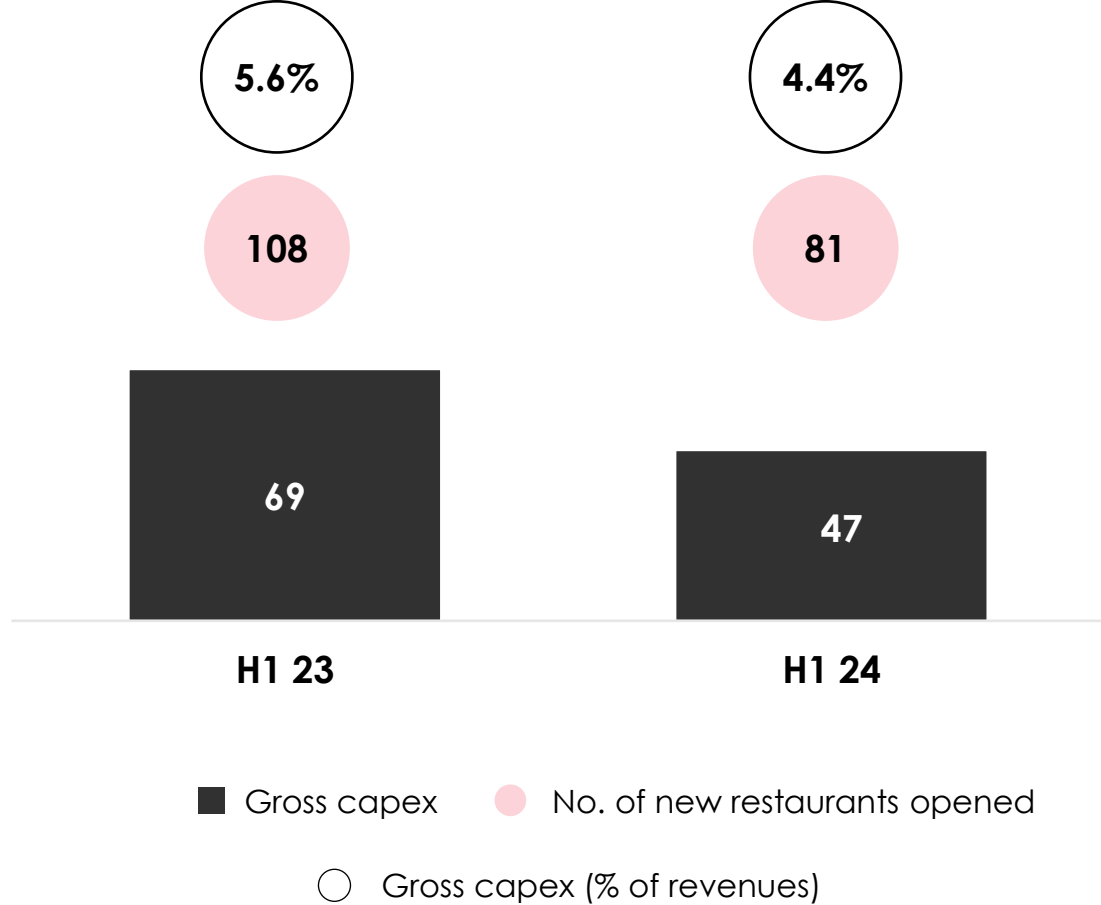
## Net Working Capital

\$m



## Gross Capex

\$m



Source: Company information

1. NWC as % of revenues (8.8%) for H1 2024 based on LTM revenues (1 July 2023 to 30 June 2024)



# CONCLUDING REMARKS AND Q&A

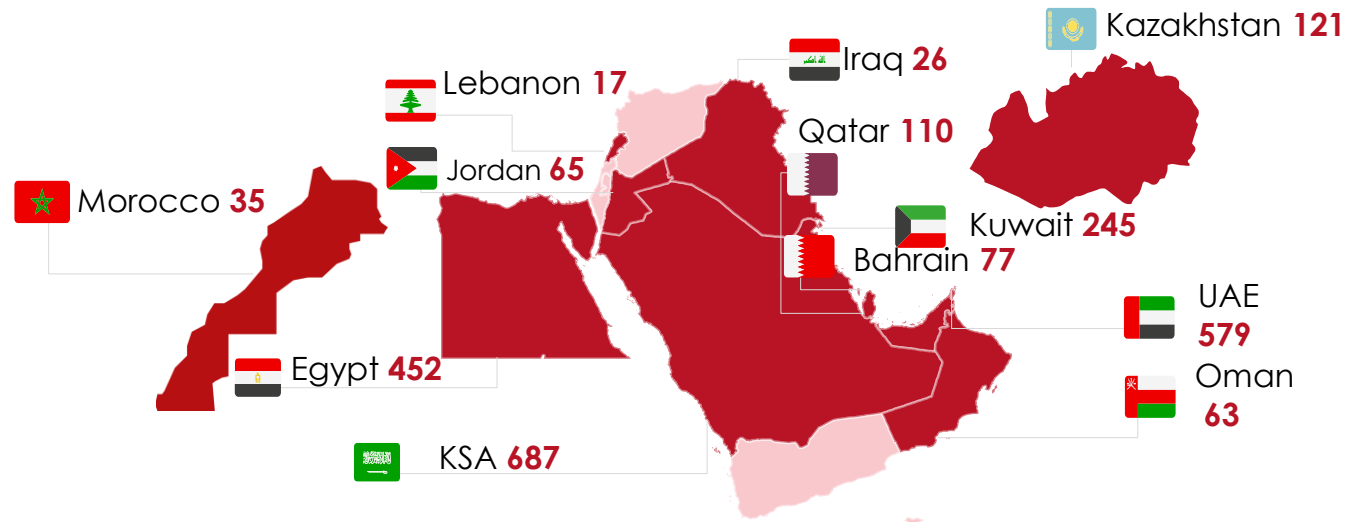


# APPENDIX



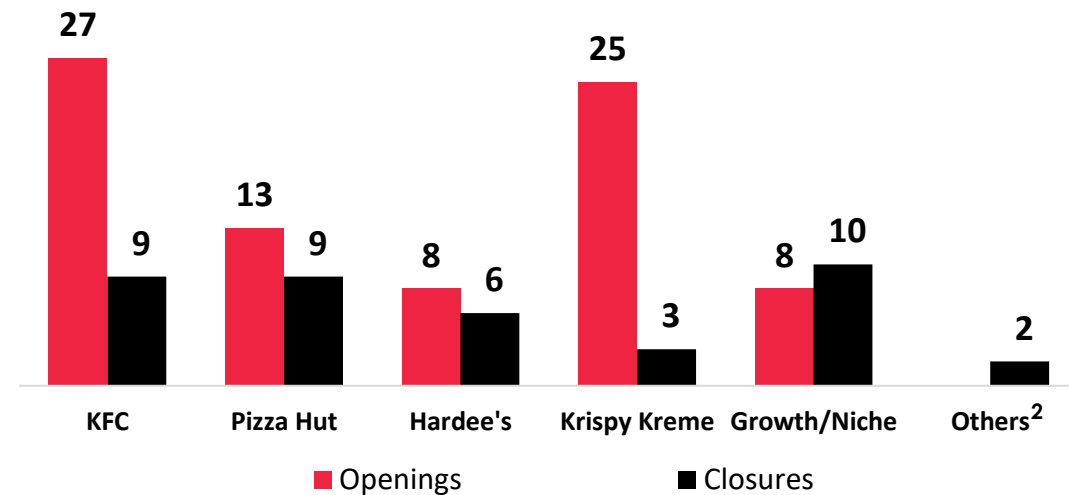
# Portfolio evolution – H1 24

## No. of restaurants<sup>1</sup> – by country and brands



## Openings & closures – H1 24

No. of restaurants – by brand/ category



	KSA	UAE	Kuwait	Egypt	Others	Total <sup>1</sup>
KFC	272	211	75	175	312	1,045
Hardee's	142	89	58	42	85	416
Pizza Hut	75	165	-	97	46	383
Krispy Kreme	178	87	29	35	48	377
<b>Growth / Niche Brands</b>	20	26	82	101	23	252
<b>Other Brands</b>	-	1	1	2	-	4
	<b>687</b>	<b>579</b>	<b>245</b>	<b>452</b>	<b>514</b>	<b>2,477<sup>1</sup></b>

Source: Company information

1. Restaurants count as at 30 June 2024

2. Closed 1 Fish Market and 1 Grand Café store

# Store closures – H1 24

## Store closures in H1 24

Brand portfolio	Closures	% of total stores <sup>1</sup> H1 24
Power brands	27	1.2%
Growth / Niche Brands	10	4.0%
Others	2 <sup>2</sup>	50.0%
<b>Total</b>	<b>39</b>	<b>1.6%</b>

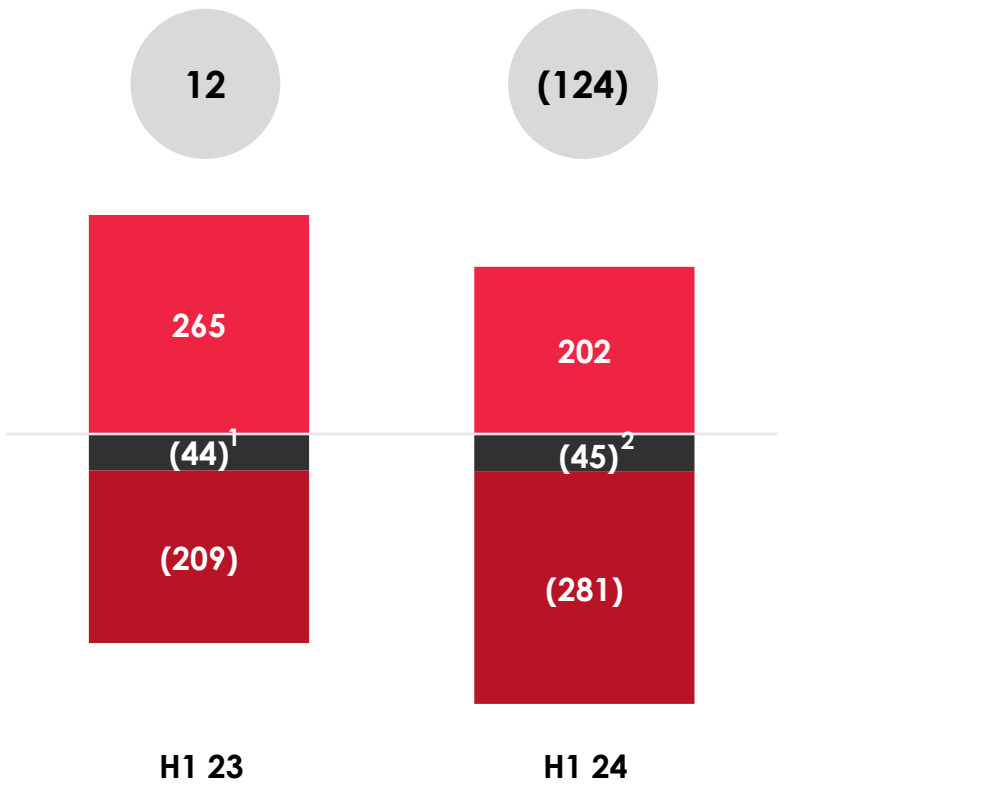
Source: Company information

1. Calculated as store closures during H1 24 divided by total stores as of 30 Jun 24
2. Closed 1 Fish Market and 1 Grand Café store

# Free cash flows

## Movement in Cash & Cash Equivalents

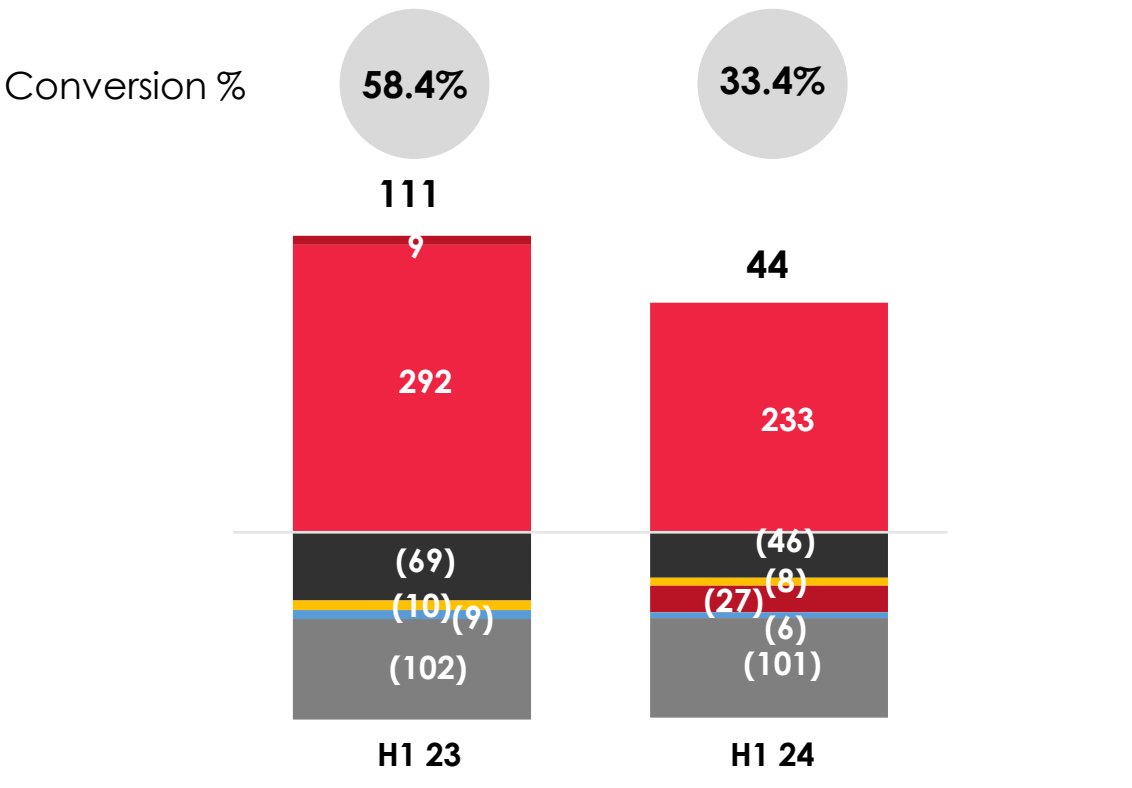
\$m



■ Net Cash From Operating Activities    ■ Net Cash From Investing Activities  
■ Net Cash From Financing Activities    ● Net Cash Change

## Adj. Free Cash Flow (FCF)

\$m

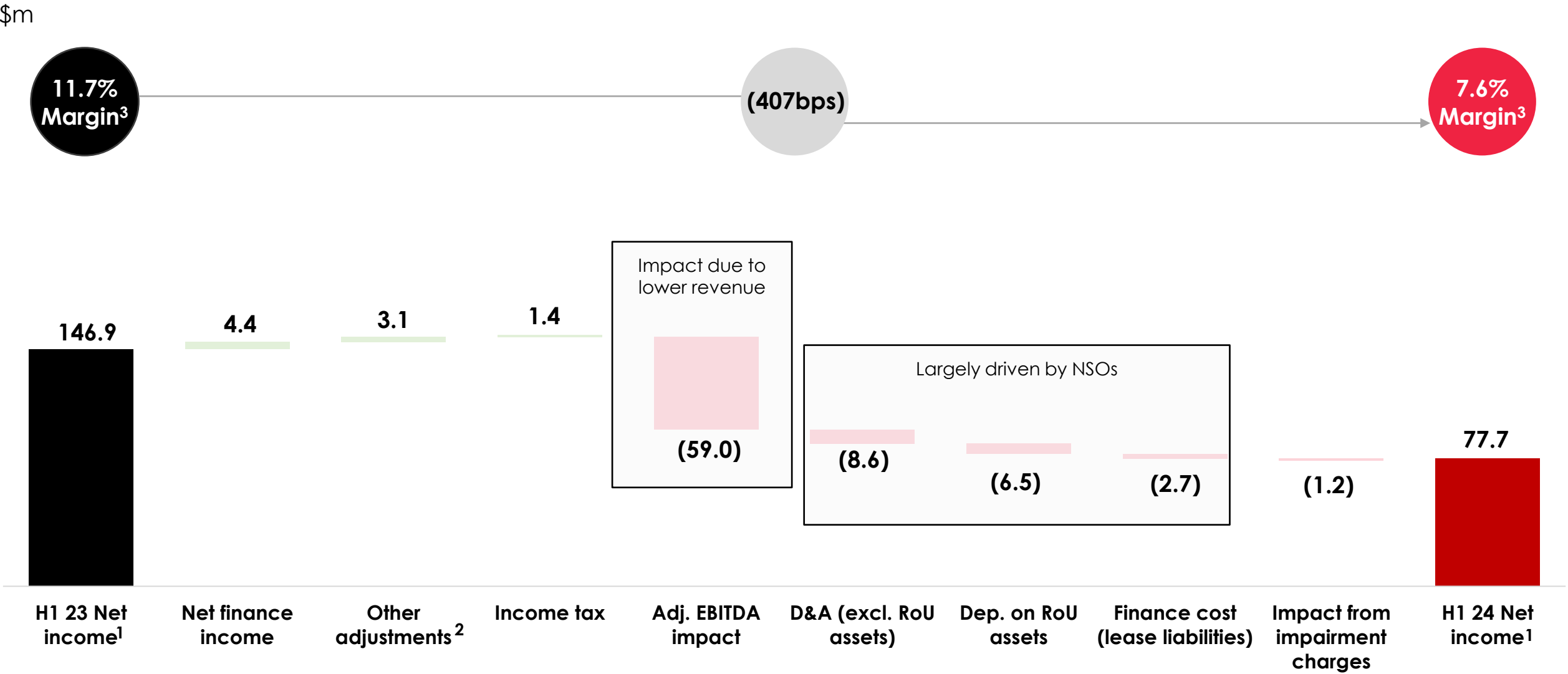


■ Adj. EBITDA    ■ Net Capex    ■ Change in Non-current Portion of Trade Payables  
■ Tax    ■ Lease Payments    ■ Change in NWC

Source: Company information  
 1. Excluding short term fixed deposit of \$185.8m  
 2. Excluding redemption of short term fixed deposit of \$144.8m

# Net income declined due to lower revenue and increased depreciation expense

## Net income<sup>1</sup> bridge (H1 23 to H1 24)



Source: Company information  
 1. Net profit for the period  
 2. Lebanon IAS 29 adjustment  
 3. Margin % calculated on net profit attributable to the shareholders of the Parent Company

# EBITDA & Adj. EBITDA reconciliation

## Post IFRS-16 basis

\$k	H1 23	H1 24
<b>Net profit for the period</b>	<b>146,909</b>	<b>77,724</b>
Income tax and zakat	9,785	8,395
Finance cost (net) excluding finance costs on lease liabilities	(2,734)	(7,136)
Depreciation and amortization (excluding depreciation related to RoU assets) <sup>1</sup>	37,268	45,900
Depreciation on RoU assets	84,583	91,098
Finance costs on lease liabilities	12,432	15,115
Impairment charges	777	2,000
<b>EBITDA</b>	<b>289,020</b>	<b>233,096</b>
Other Adjustments <b>A</b>	2,726	(375)
<b>Adj. EBITDA</b>	<b>291,746</b>	<b>232,721</b>

<b>A</b>	\$k	H1 23	H1 24
	Lebanon IAS 29 adjustment	2,726	(375)

*Due to hyperinflation in the Lebanese economy all P&L and BS were restated using general price index in line with IAS 29*

Source: Company information

1. Calculated as: Charge for the year (PPE) plus amortisation of intangible assets, and depreciation of investment properties

# Key definitions

- **Adjusted EBITDA:**

Adjusted EBITDA post IFRS-16 is defined as Net profit for the year plus finance cost (net), plus income tax and zakat, plus depreciation and amortisation expenses, impairment charges and other adjustments such as tax provisions, staff restructuring cost and a Lebanon IAS 29 adjustment

- **Adj. free cash flow:**

Adj. Free Cash Flow (FCF) defined as Adjusted EBITDA post IFRS-16 less capital expenditure, income tax and zakat and contribution to KFAS, change in net working capital, change in non-current portion of trade payables, and lease payments (including both principal and interest on lease liabilities)

- **Adj. free cash flow conversion:**

Adj. Free Cash Flow (FCF) over Adj. EBITDA post IFRS-16 less lease payments (including both principal and interest on lease liabilities)

- **Gross capex:**

Gross capex defined as purchase of property and equipment plus purchase of intangible assets, payments for key money and includes the initial franchisor fees

- **Growth / Niche brands:**

Refers to Baskin Robbins, TGIF, Chicken Tikka, Wimpy, Costa Coffee, Peet's Coffee

- **LfL:**

Like for like revenues growth denotes the percentage increase/decrease in the revenues for those AMR restaurants which have generated monthly revenues over the 12-month period in a given financial year and excludes revenues of those restaurants which have not generated revenues for more than 6 consecutive month

- **Net capex:**

Defined as Gross capex less proceeds from sale of property and equipment.  
Gross capex defined as purchase of property and equipment plus purchase of intangible assets, payments for key money and includes the initial franchisor fees

- **Net new restaurants :**

Net new restaurant openings are defined as gross openings less closures

- **Net profit:**

Refers to Net Profit attributable to the shareholders of the Parent Company/Net Parent Investment attributable to Former Parent Company

- **NSO:**

Refers to New Store Openings for the period

- **Pegged currency revenue:**

Refers to revenues generated in KSA, UAE, Kuwait, Qatar, Bahrain, Oman and Jordan

- **Power brands:**

Refers to KFC, Hardee's, Pizza Hut, and Krispy Kreme

- **Others (revenue):**

Includes revenue from Fish Market and Grand Cafe, as well as revenue from non-material items

- **Other channel revenues:**

Includes Car Hops, Catering, Sales Office/Food Supply, Kiosks and other revenues

- **Other countries:**

Includes Morocco, Qatar, Iraq, Bahrain, Kazakhstan, Jordan, Lebanon and Oman

- **Stable pegged currencies:**

Refers to revenues generated in KSA, UAE, Kuwait, Qatar, Bahrain, Oman and Jordan

- **Tax:**

Income tax and zakat

**THANK YOU**

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