

## EARNINGS PRESENTATION

# Q3 & 9M 24 RESULTS

GREAT PEOPLE,  
GREAT FOOD,  
GREAT COMPANY

November 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



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SANDHU**  
CHIEF EXECUTIVE OFFICER



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



**SONIKA  
SAHNI**  
HEAD OF INVESTOR RELATIONS

**01** Business Updates

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**02** Financial Review

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**03** Concluding Remarks and Q&A

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**04** Appendix



# BUSINESS UPDATES

# Q3 24 Key updates



## Continued store expansion in KSA

- **700+ stores in KSA** as of 30 September



## Krispy Kreme market entry in Morocco

- Launch of **Krispy Kreme** in **Morocco** with the first hot light store opening in Rabat, two stores opened in Q3 24



## Peet's Coffee expansion

- **1<sup>st</sup> Peet's Coffee store** opened in **Abu Dhabi**, in line with expansion plans



## Americana Digital Platform Kiosks expansion

- **ADP Kiosks installed in KFC Kuwait and Qatar**; currently live in four KFC markets



## Pizza Hut – Social purpose in action

- Under the "**Opportunity4All**" initiative, opened the first Pizza Hut store in Riyadh, KSA operated by team members with hearing and speech challenges

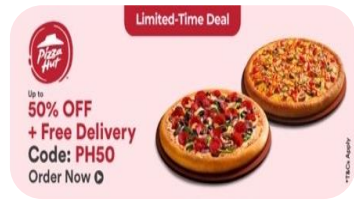
# Multiple initiatives to drive transactions through continued product innovation, value offers and new constructs

## Product innovation



## Value constructs

### UAE



### Egypt



### Kuwait



## Value initiatives to drive traffic



### Everyday value

Across markets for accessibility and to increase order frequency



### Disruptive value

Introduced across markets for higher traffic and increased conversion



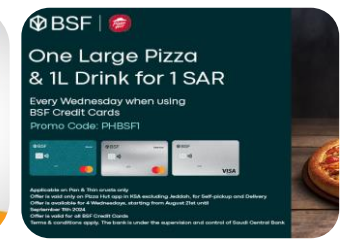
### Digital promotions

Competitive offers on Americana apps and aggregator platform to increase digital share



### Partnership

Bank and Co-funded partnerships for customer acquisition



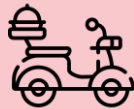
# Continued strategic investments in digital capabilities



ADP kiosks have been installed in KFC locations in Kuwait and Qatar, and are now operational in four KFC markets



Following KFC's success, Loyalty program launched for Hardee's in KSA



Successful expansion of Americana Last Mile Platform to Kazakhstan; covering nine markets in total



Customer Data Platform (CDP) in works, designed to revolutionize engagement with customers by leveraging hyper-personalization to deliver tailored experiences at an individual level



New aggregators onboarded to capture platform share

Source: Company information

# Q3 24 Performance dashboard



## Restaurant Portfolio

**2,504 stores**

**+32** gross new restaurants added  
in Q3 24



## Revenues \$555.0m

(vs. Q3 23)

**(15.3%)** decline



## LfL

(vs. Q3 23)

**(18.0%)** decline



## Adj. EBITDA \$117.9m

(vs. Q3 23)

**(23.8%)** decline

**21.2%** margin



## Net Profit \$37.4m

(vs. Q3 23)

**(54.3%)** decline

**6.7%** margin



## Capex \$26.8m

**4.8%** of revenue

Source: Company information



# 9M 24 Performance dashboard



## Restaurant Portfolio

**2,504 stores**

**+229** gross new restaurants added  
(LTM<sup>1</sup>)

**53** under construction



## Revenues \$1,607.8m

(vs. 9M 23)

**(15.2%)** decline



## LfL

(vs. 9M 23)

**(19.6%)** decline



## Adj. EBITDA \$350.6m

(vs. 9M 23)

**(21.5%)** decline

**21.8%** margin



## Net Profit \$117.4m

(vs. 9M 23)

**(48.2%)** decline

**7.3%** margin



## Capex \$73.6m

**4.6%** of revenue

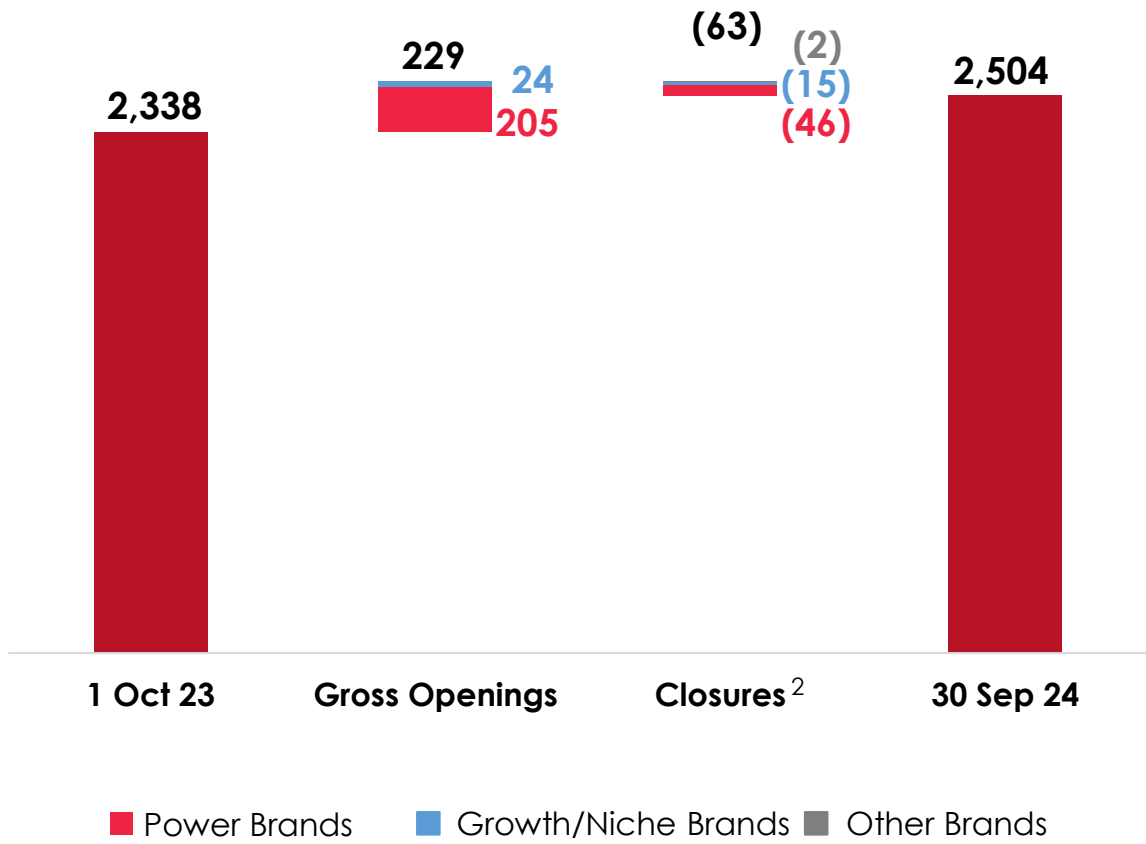
Source: Company information

<sup>1</sup> LTM is defined as period from 1 October 2023 to 30 September 2024

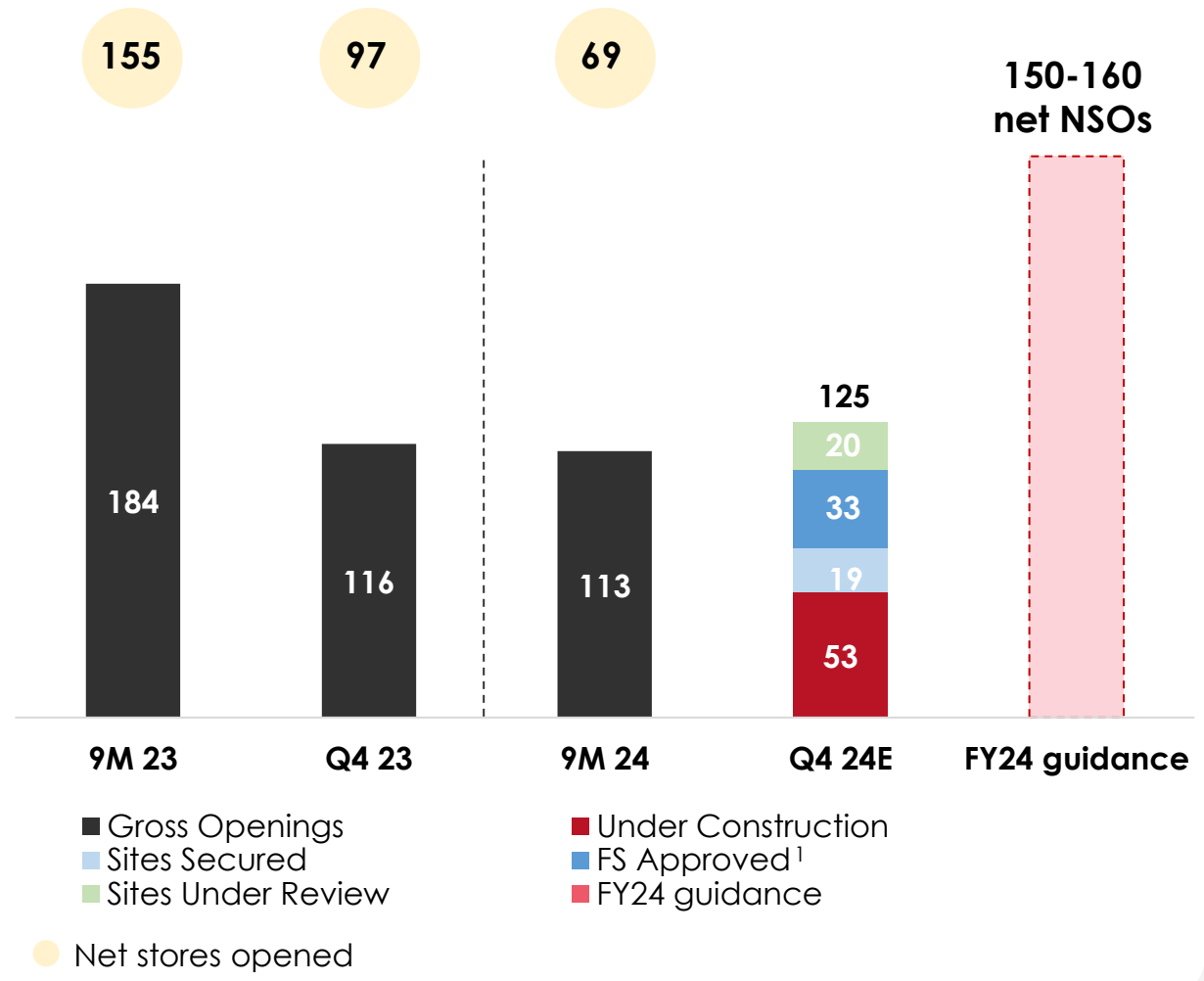
# Selective store openings amidst evolving regional challenges; net new store guidance for 2024 revised to 150 – 160

## Restaurant portfolio evolution (1 Oct 23 – 30 Sept 24)

No. of restaurants



## NSO pipeline for 2024E



Source: Company information

1. Restaurant sites approved for signing lease and to start construction work

2. Closed 1 Fish Market and 1 Grand Café store

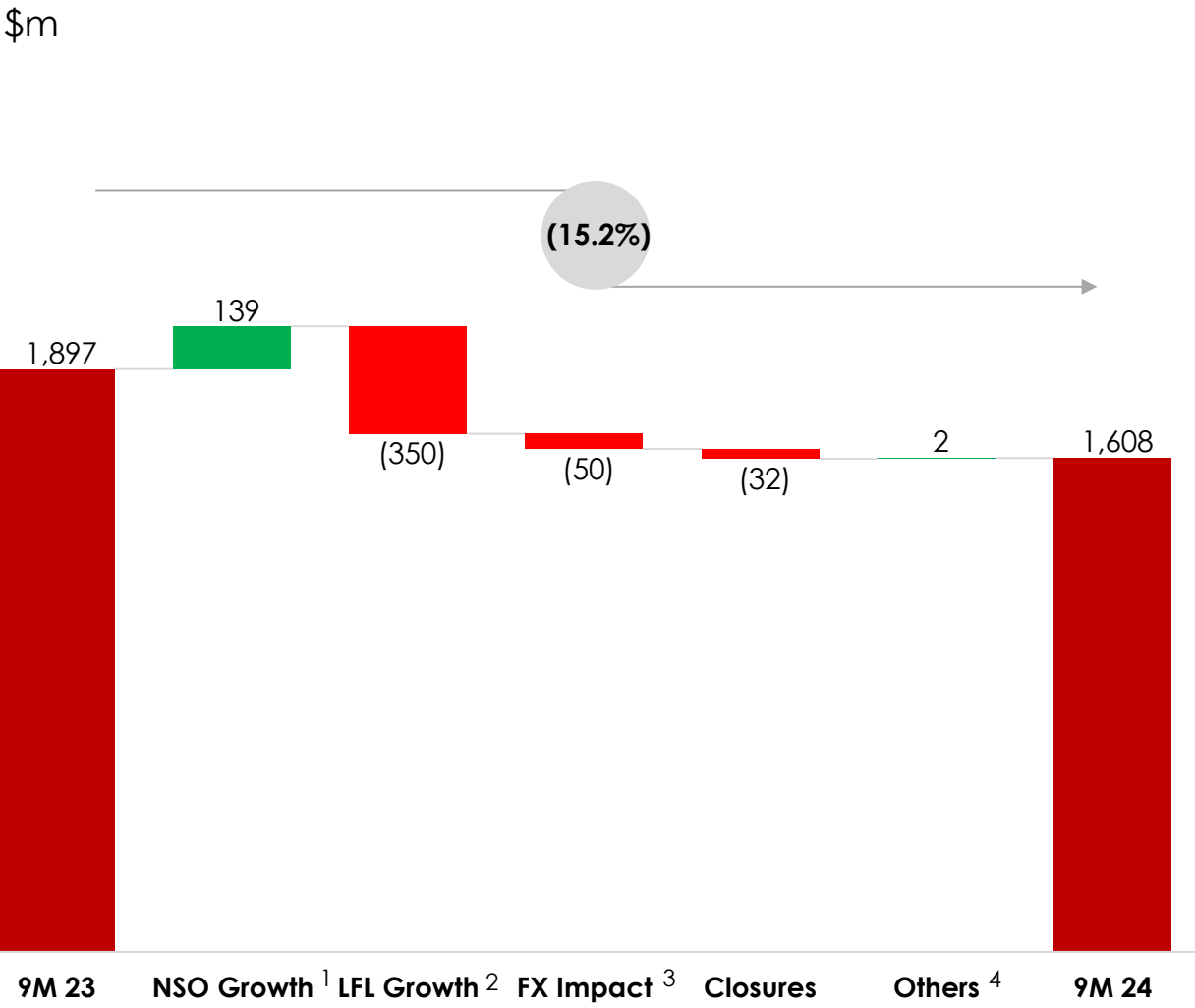


**FINANCIAL**

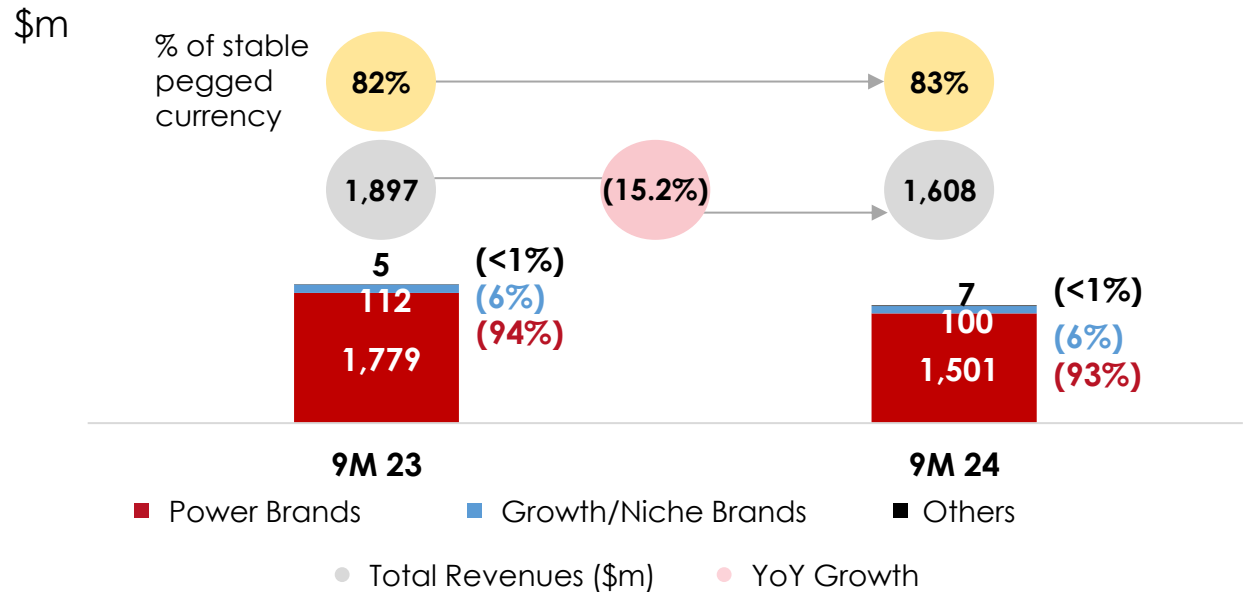
**REVIEW**

# Revenue growth impacted by regional conflict situation, high inflation, and slowness in consumer demand in some markets, despite support from NSOs

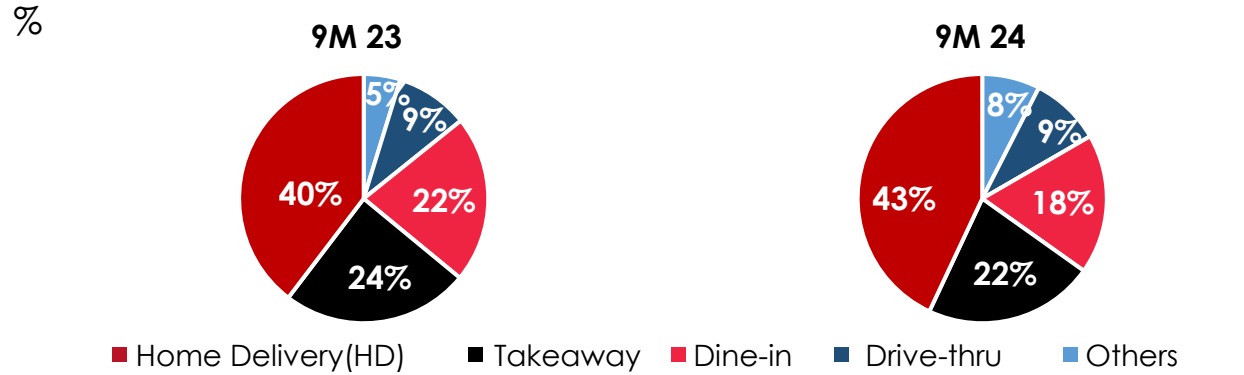
## Revenue bridge (9M 23 to 9M 24)



## Revenue mix



## Channel mix



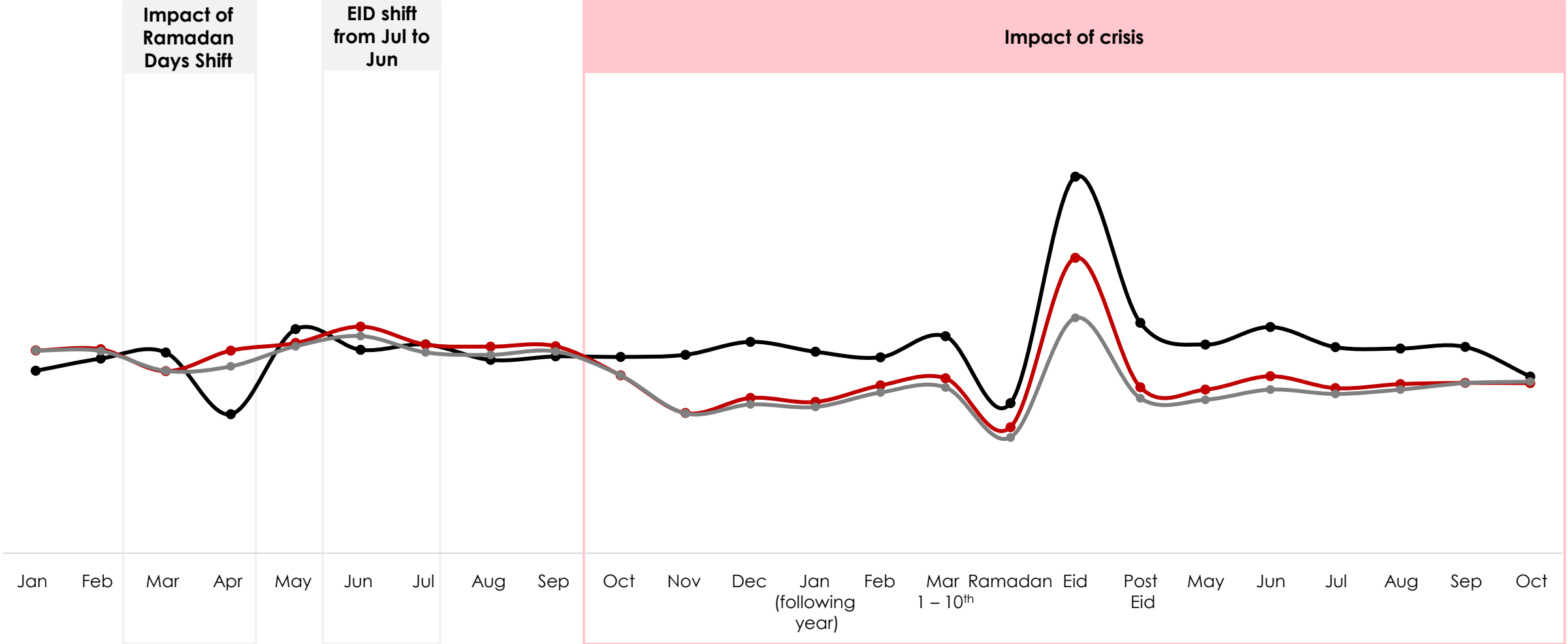
Source: Company information

- 1. Revenue contribution from stores opened during 9M 23 and 9M 24
- 2. LFL growth for stores that have completed 12 months of operations

- 3. FX impact mainly due to Egypt and Lebanon
- 4. Others include Lebanon hyperinflation impact, rentals and logistics

# Recovery observed on the back of strategic efforts

## Transactions recovery leading to month-on-month improvement in ADS per store in Q3 24



ADS / store (2023-24)<sup>1</sup>    ADS / store (2022-23)<sup>1</sup>    ADT / store (2023-24)<sup>1,2</sup>

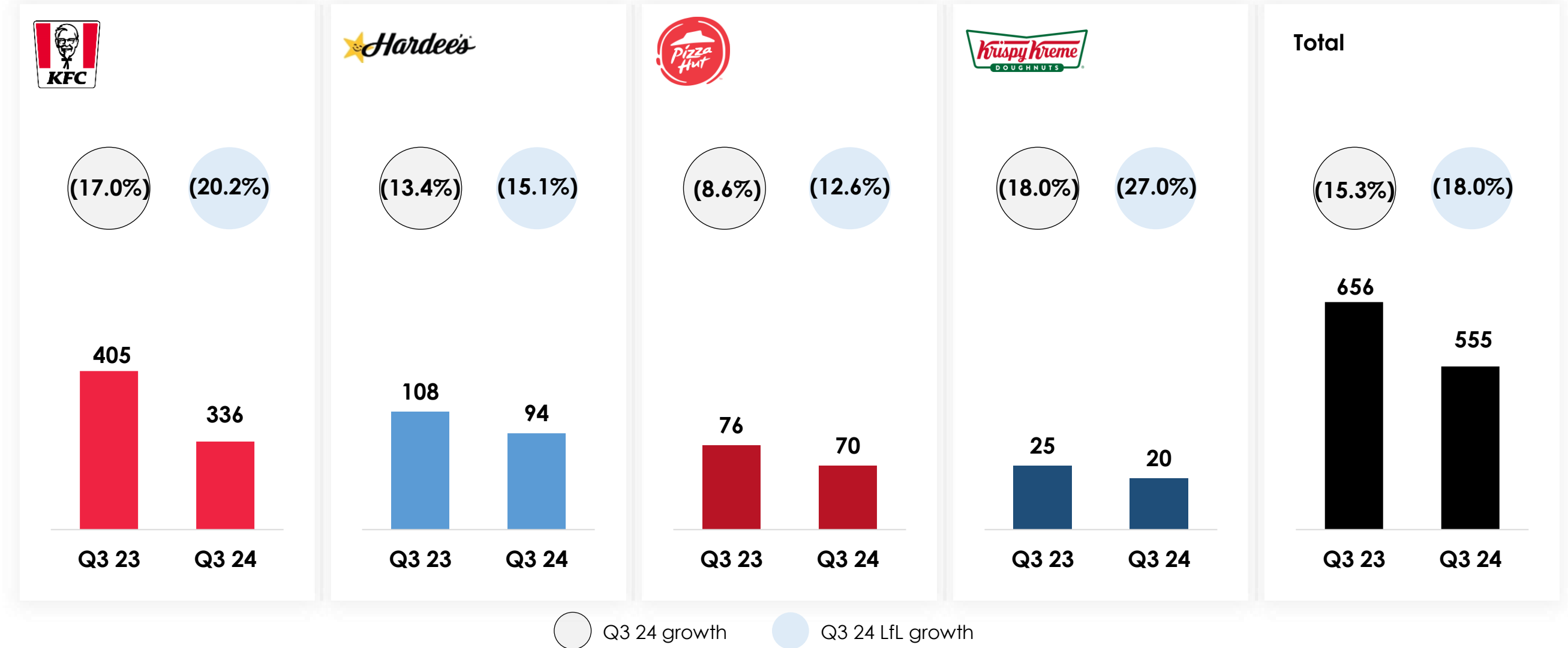
Source: Company information

Notes:  
 1 ADS/store and ADT/store of LFL stores (stores fully operational in 2022 and 2023)  
 2 Data points for ADT / store (2023-24) are rebased to ADS / store (2023-24)

# Q3 24 - Continued conflict, inflation, and slowness in consumer demand in certain markets impacted the performance of Power brands...

## Revenues by Power Brands (Q3 23 and Q3 24)

\$m

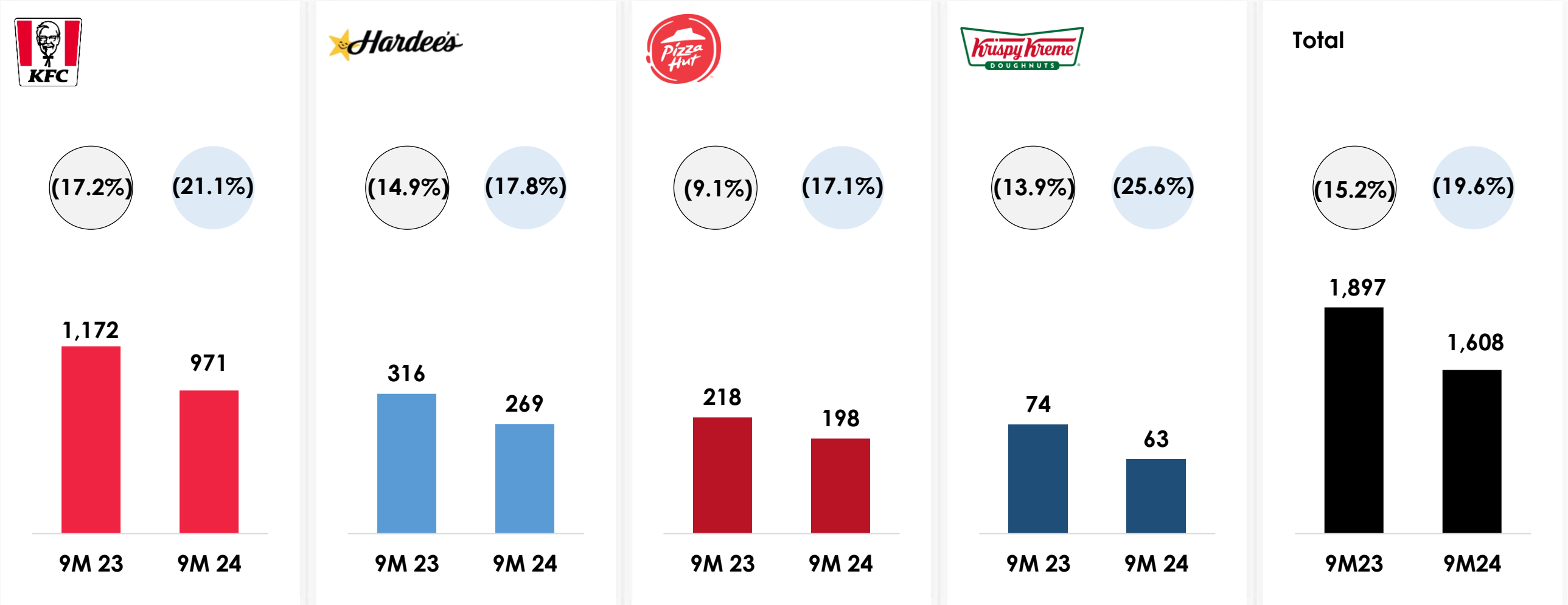


Source: Company information

...with similar trends observed during 9M 24 across Power brands

Revenues by Power Brands (9M 23 and 9M 24)

\$m



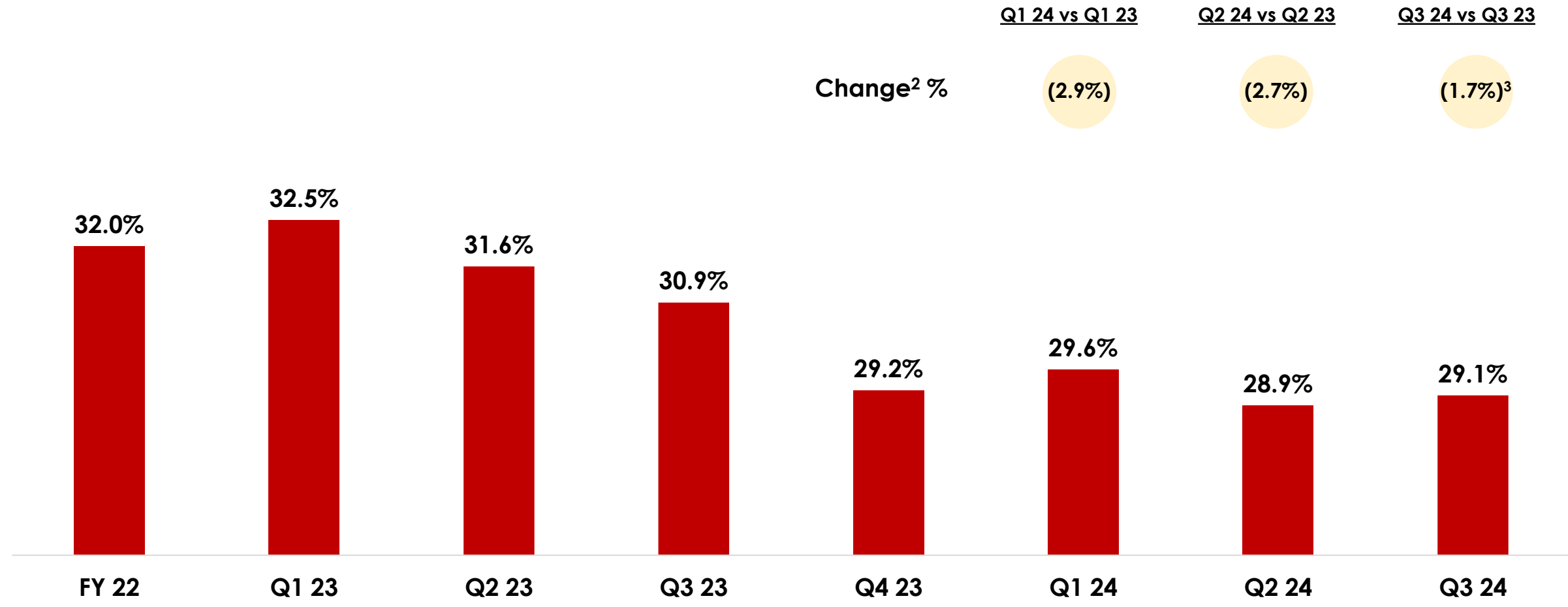
○ 9M 24 growth    ● 9M 24 LfL growth

Source: Company information

# Gross margins maintained in Q3 24 despite value offerings and discounts; driven by favorable commodity trends and procurement initiatives

## Cost of inventory<sup>1</sup> evolution

%

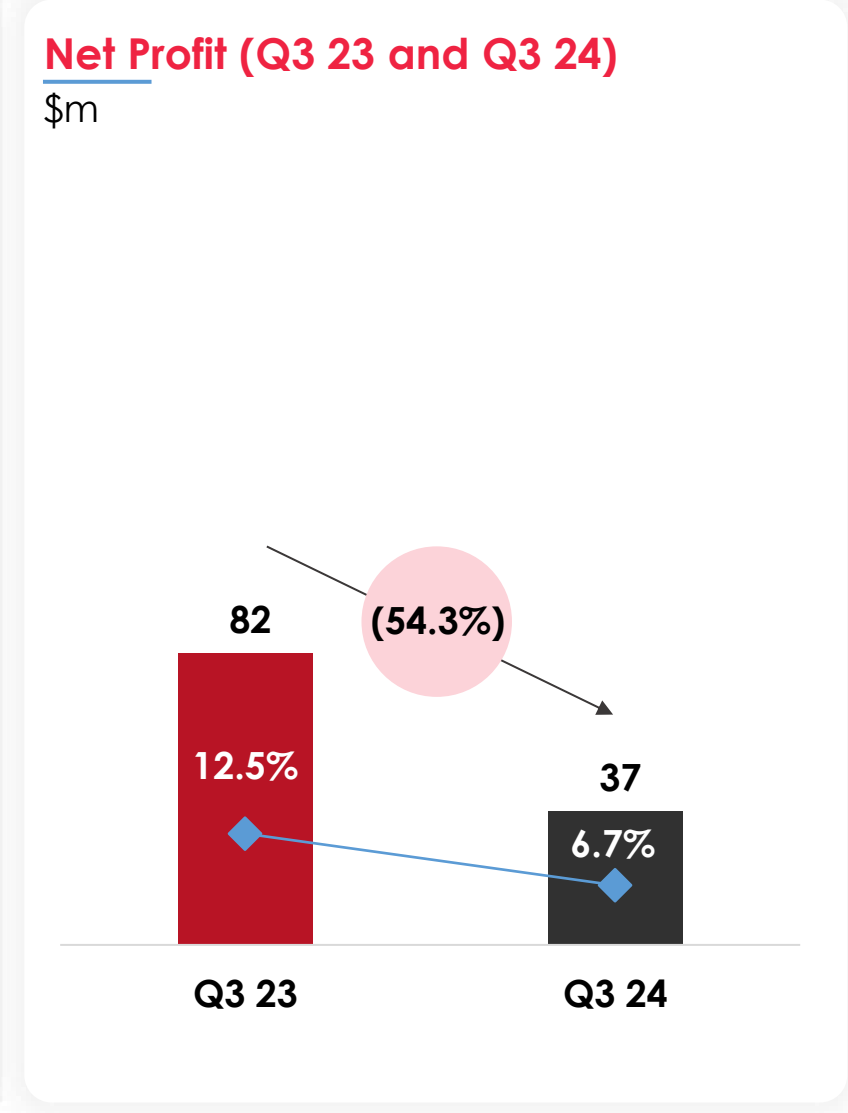
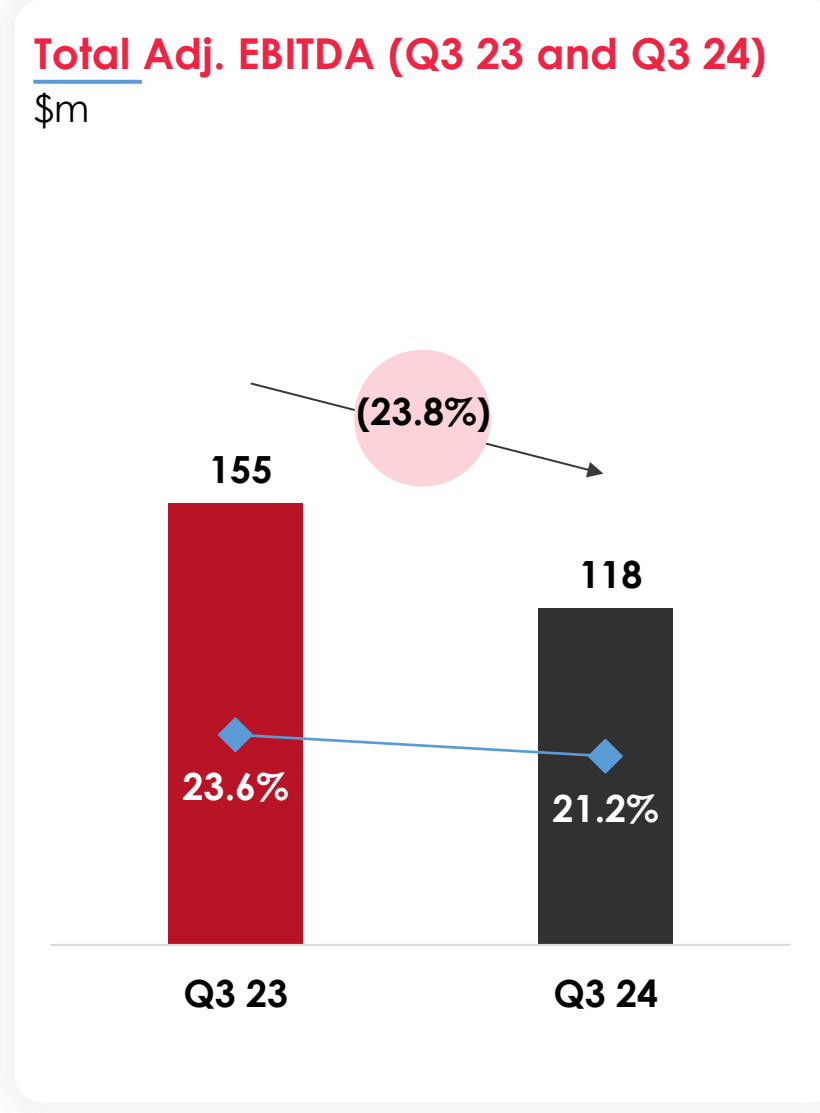
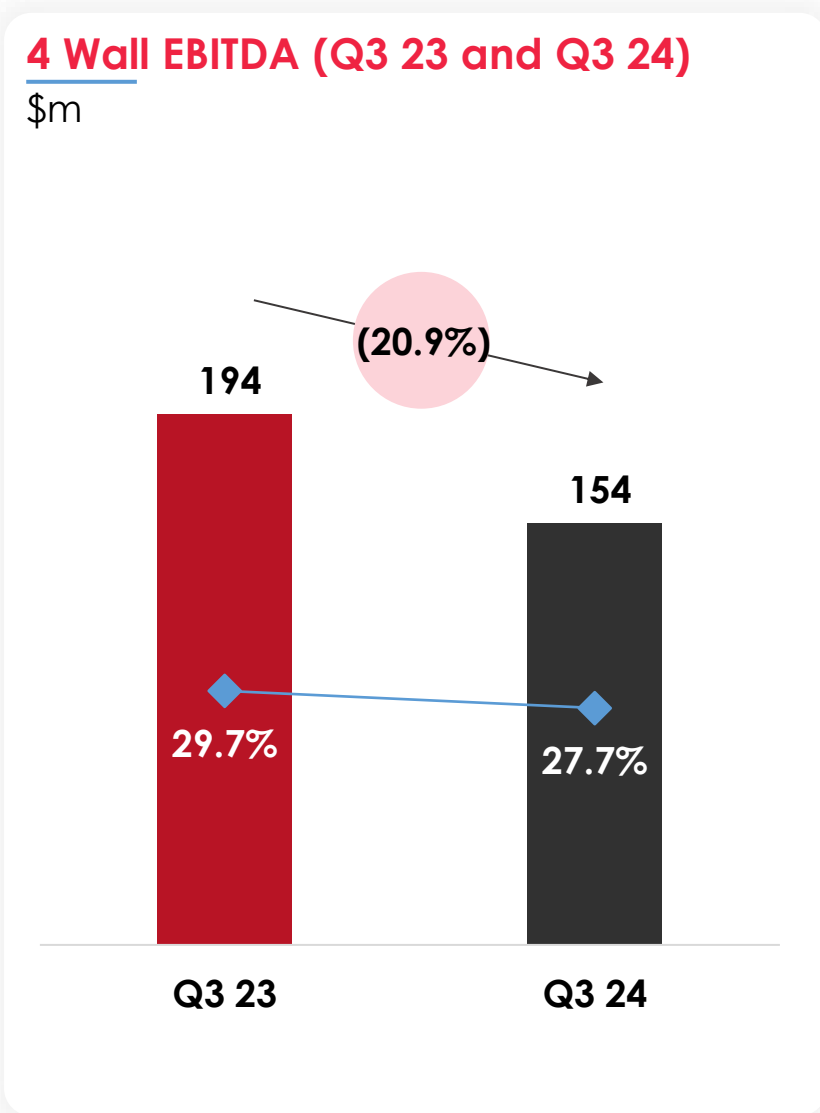


Source: Company information

- 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
- 3. Difference of 0.1% due to rounding



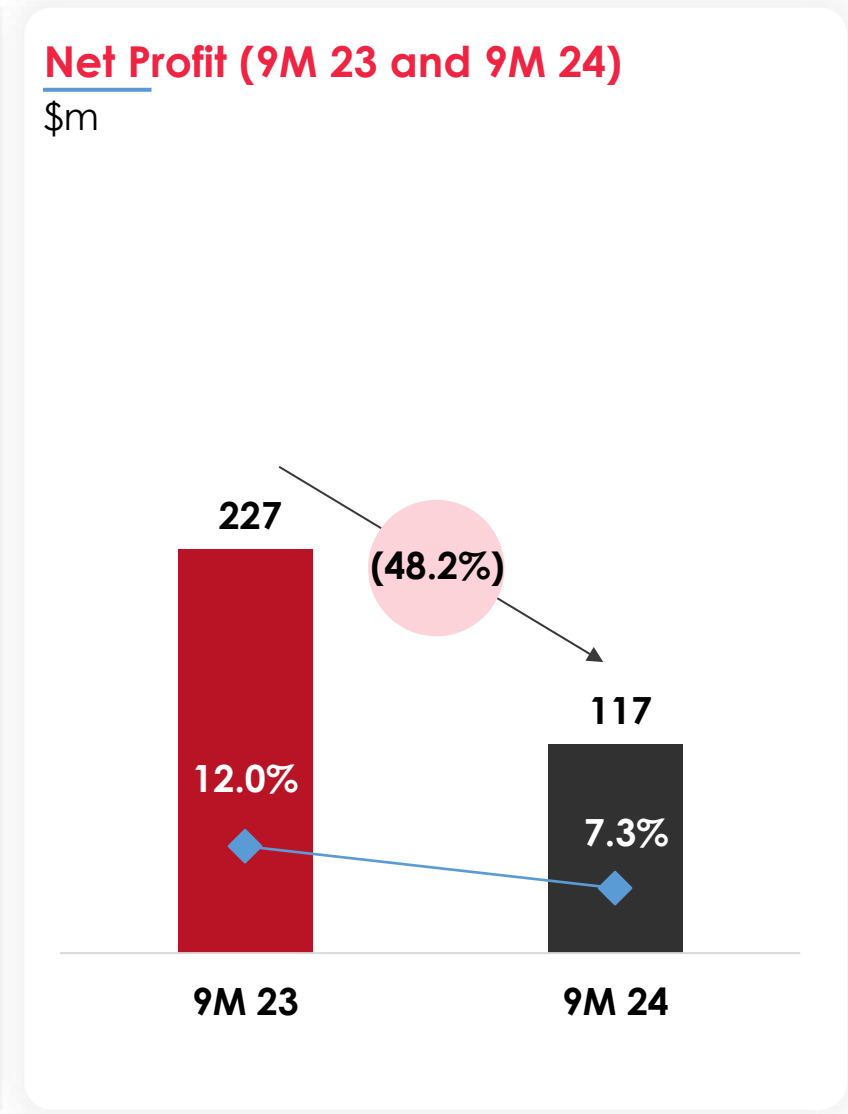
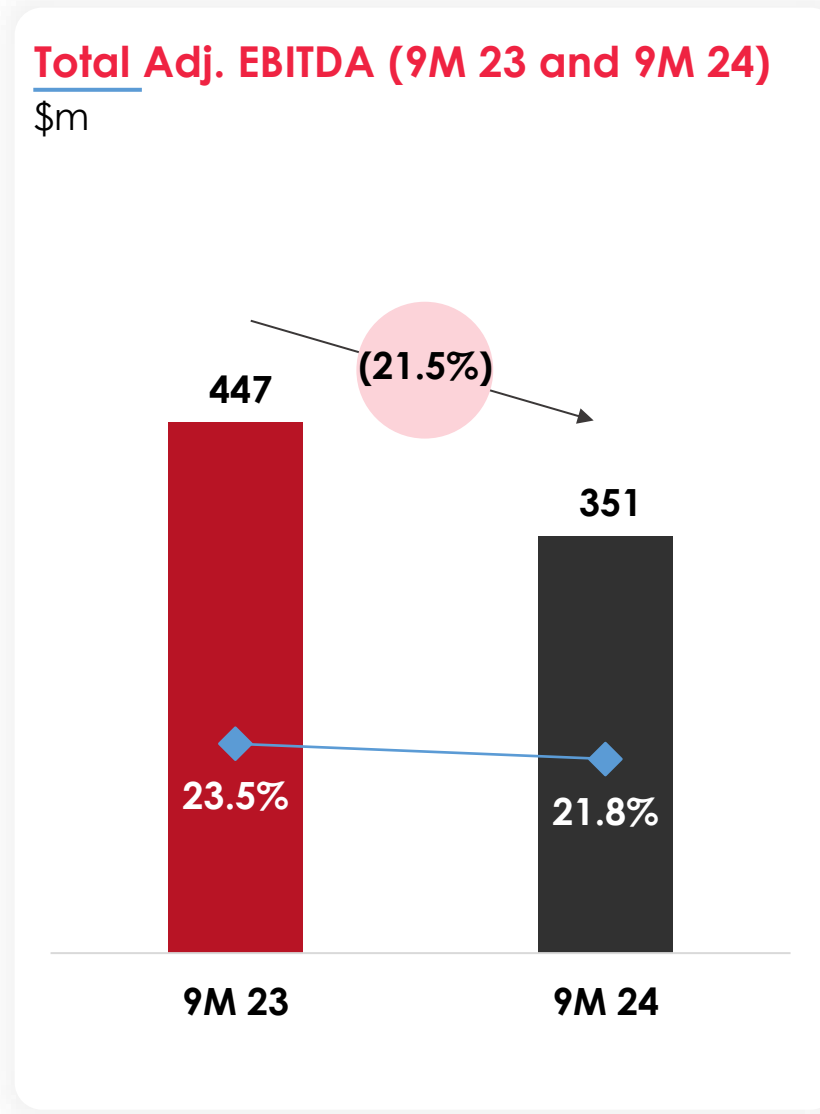
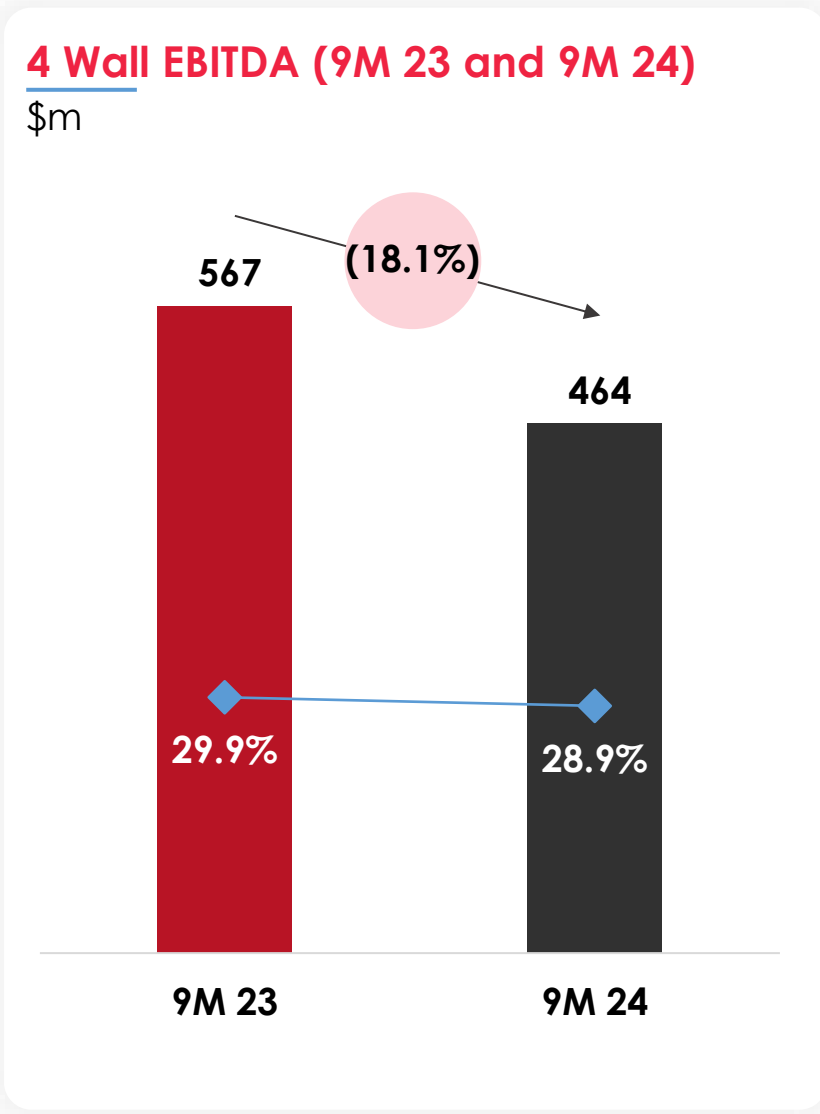
# Lower revenue and higher delivery costs impacted operating margins; net income dilution due to higher depreciation charge, and taxes in the UAE



◆ Margin (% of revenues) ● YoY Growth

Source: Company information

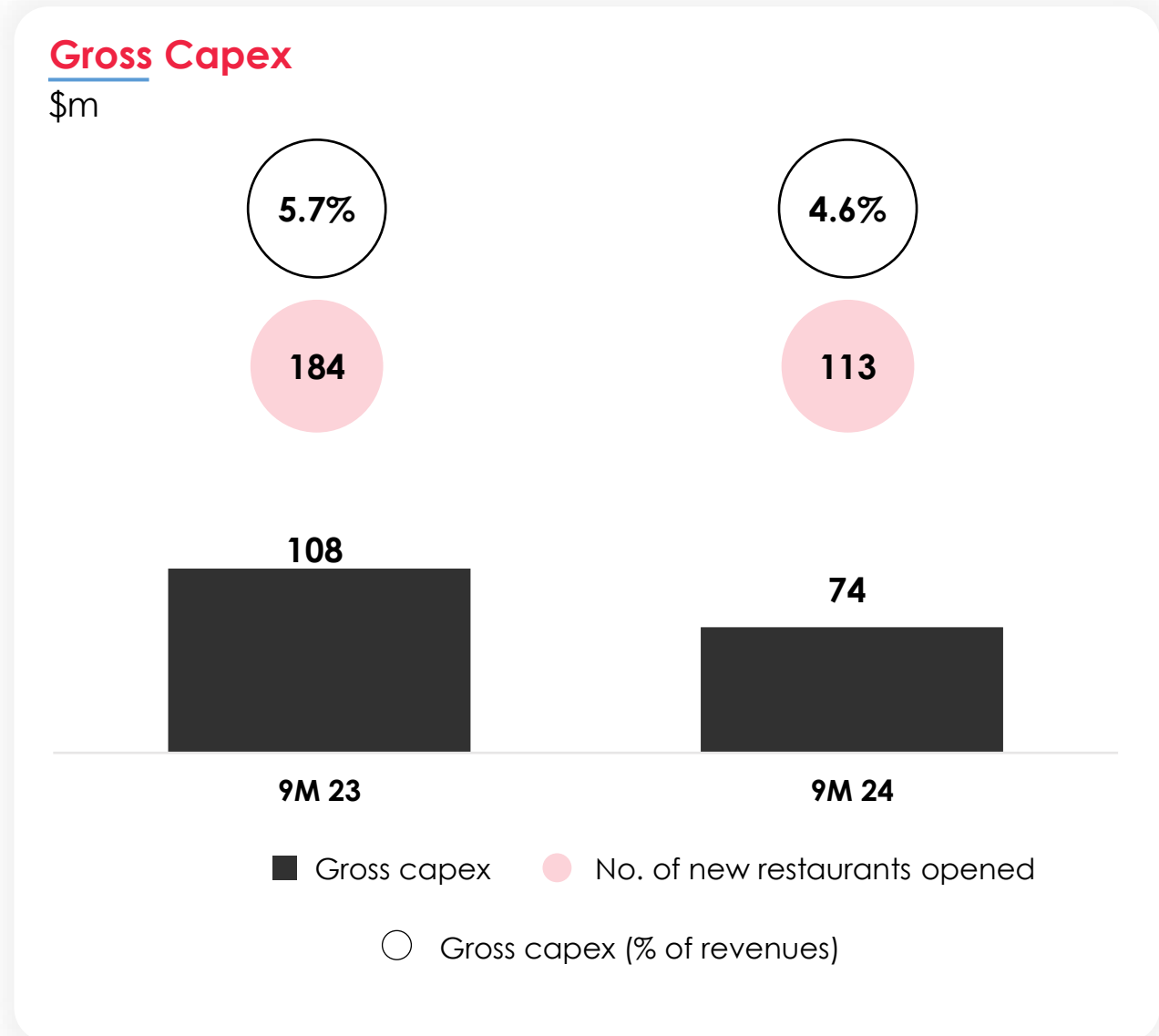
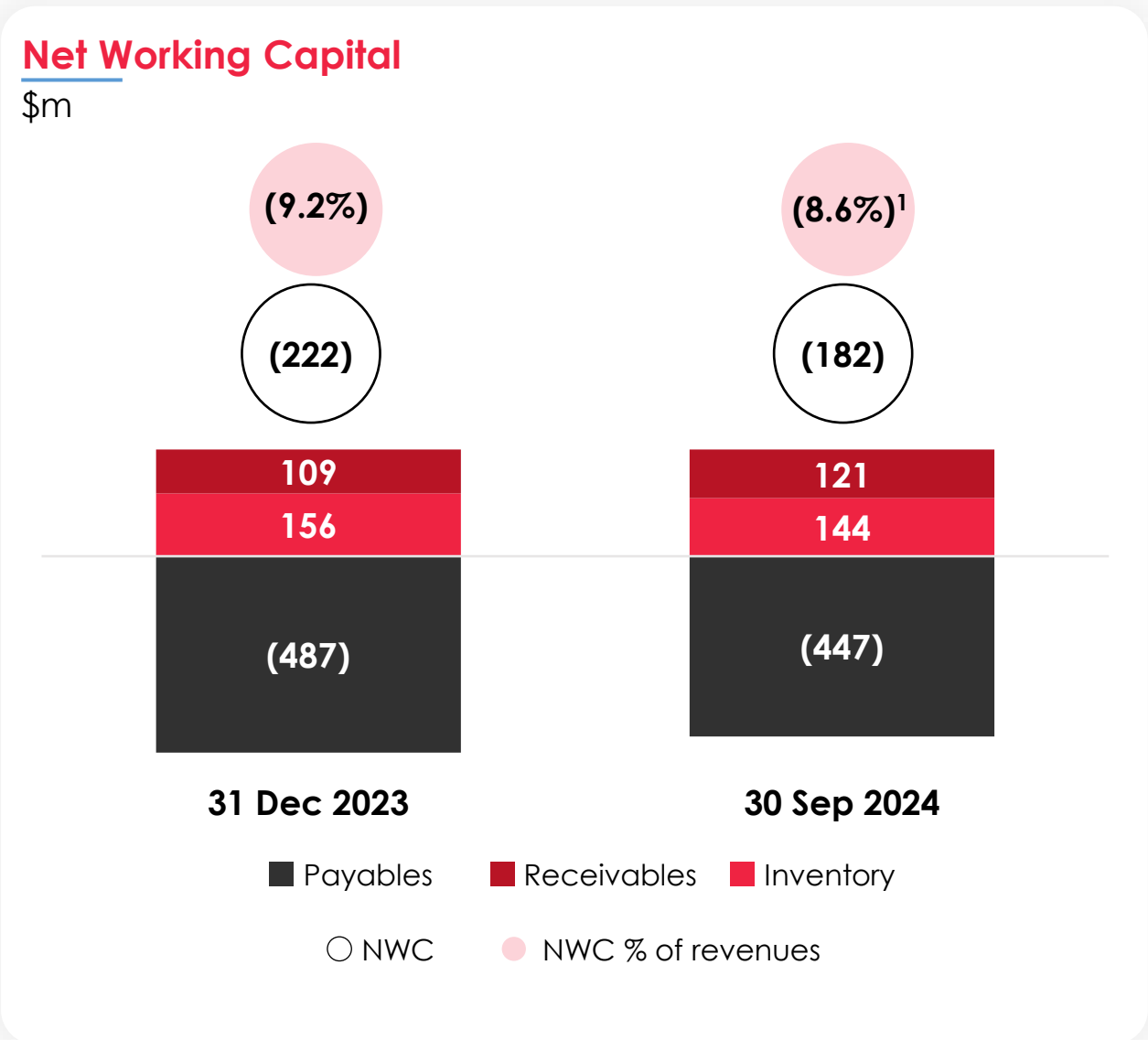
# Margin dilution on account of lower revenue, higher depreciation charge and higher taxes



◆ Margin (% of revenues) ● YoY Growth

Source: Company information

# Negative NWC maintained despite reduction in payables



Source: Company information  
 1. NWC as % of revenues for 9M 24 based on LTM revenues as of 30 September 2024



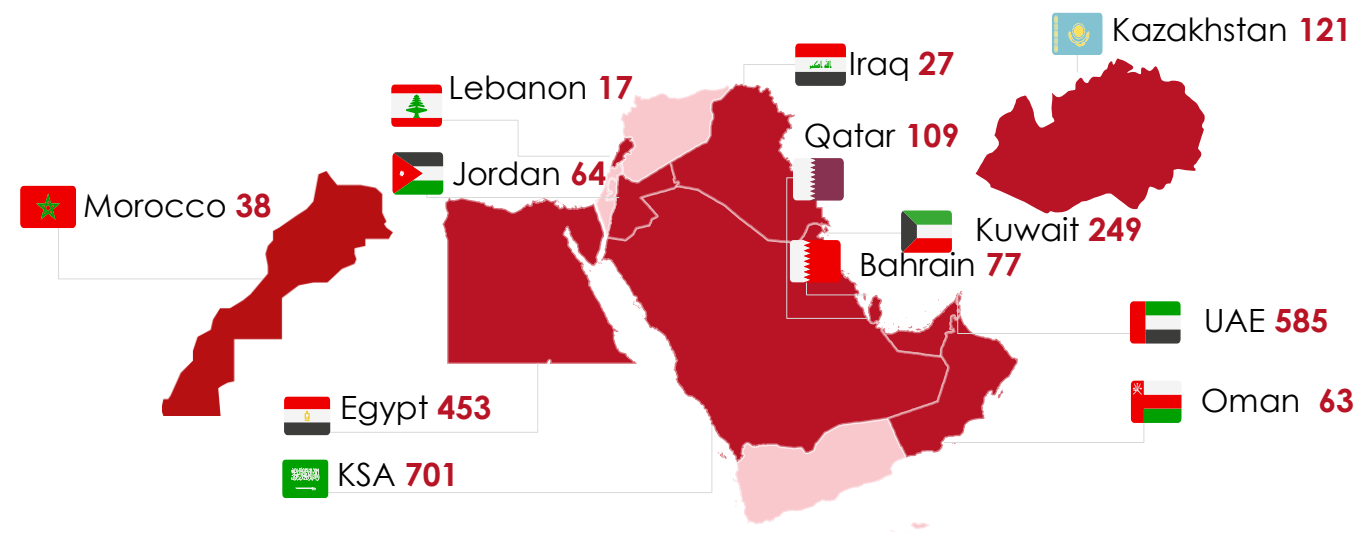
# CONCLUDING REMARKS AND Q&A



# APPENDIX

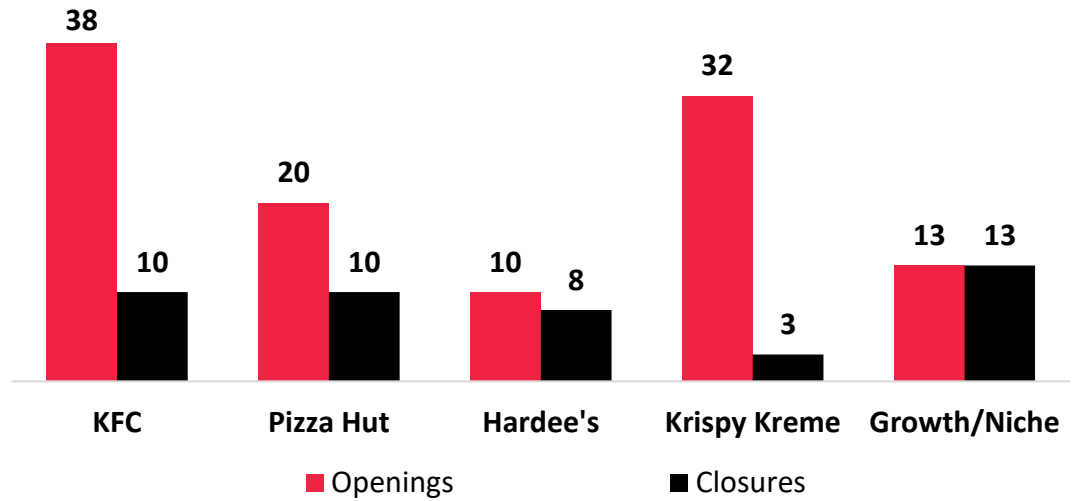
# Portfolio evolution – 9M 24

## No. of restaurants – by country and brands



## Openings & closures – 9M 24

No. of restaurants – by brand/ category



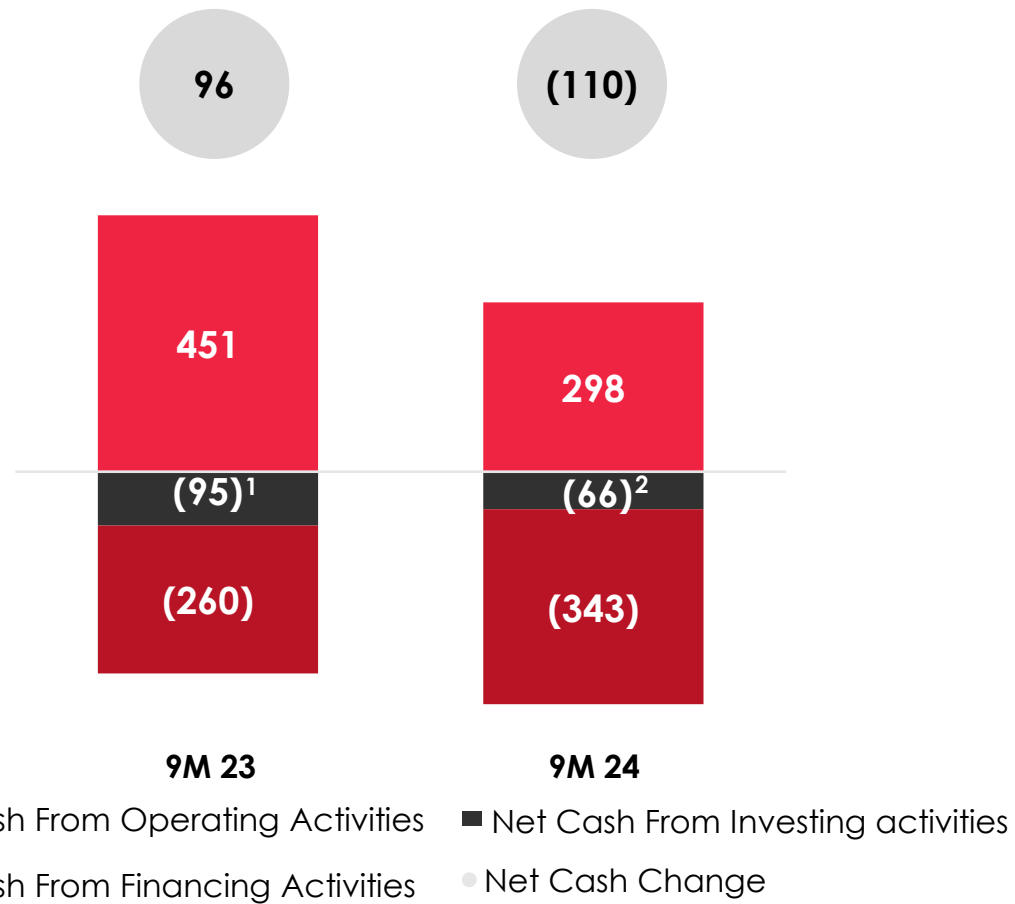
	KSA	UAE	Kuwait	Egypt	Others	Total
KFC	278	212	76	175	314	1,055
Hardee's	143	90	58	41	84	416
Pizza Hut	82	165	-	97	45	389
Krispy Kreme	178	88	30	38	50	384
<b>Growth / Niche Brands</b>	20	29	84	100	23	256
<b>Other Brands</b>	-	1	1	2	-	4
	<b>701</b>	<b>585</b>	<b>249</b>	<b>453</b>	<b>516</b>	<b>2,504</b>

Source: Company information

# Free cash flows

## Movement in Cash & Cash Equivalents

\$m



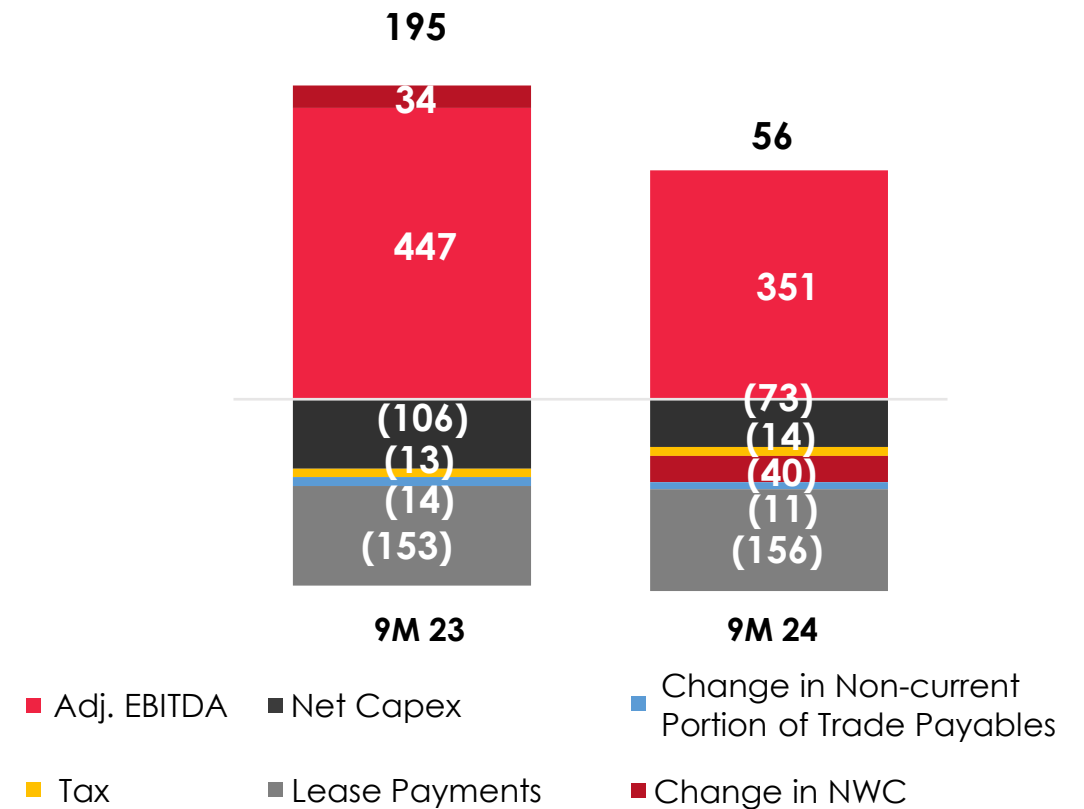
## Adj. Free Cash Flow (FCF)

\$m

Conversion %

66.3%

28.9%



Source: Company information

1. Excluding short term fixed deposit of \$259.8m

2. Excluding redemption of short-term fixed deposit of \$107.7m

# EBITDA & Adj. EBITDA reconciliation – Q3 23 and Q3 24

## Post IFRS-16 basis

\$k	Q3 23	Q3 24
<b>Net profit for the period</b>	<b>83,513</b>	<b>36,555</b>
Income tax and zakat	2,859	5,791
Finance cost (net) excluding finance costs on lease liabilities	(3,838)	(2,682)
Depreciation and amortization (excluding depreciation related to RoU assets) <sup>1</sup>	20,533	23,912
Depreciation on RoU assets	43,890	45,264
Finance costs on lease liabilities	6,741	8,252
Impairment charges	(24)	353
<b>EBITDA</b>	<b>153,674</b>	<b>117,445</b>
Other Adjustments <b>A</b>	1,088	430
<b>Adj. EBITDA</b>	<b>154,762</b>	<b>117,875</b>

**A**

\$k

Lebanon IAS 29 adjustment

Q3 23

1,088

Q3 24

430

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



# EBITDA & Adj. EBITDA reconciliation – 9M 23 and 9M 24

## Post IFRS-16 basis

\$k	9M 23	9M 24
<b>Net profit for the period</b>	<b>230,422</b>	<b>114,279</b>
Income tax and zakat	12,644	14,186
Finance cost (net) excluding finance costs on lease liabilities	(6,572)	(9,818)
Depreciation and amortization (excluding depreciation related to RoU assets) <sup>1</sup>	57,801	69,812
Depreciation on RoU assets	128,473	136,362
Finance costs on lease liabilities	19,173	23,367
Impairment charges	753	2,353
<b>EBITDA</b>	<b>442,694</b>	<b>350,541</b>
Other Adjustments <b>A</b>	3,814	55
<b>Adj. EBITDA</b>	<b>446,508</b>	<b>350,596</b>

**A**

\$k

Lebanon IAS 29 adjustment

9M 23

3,814

9M 24

55

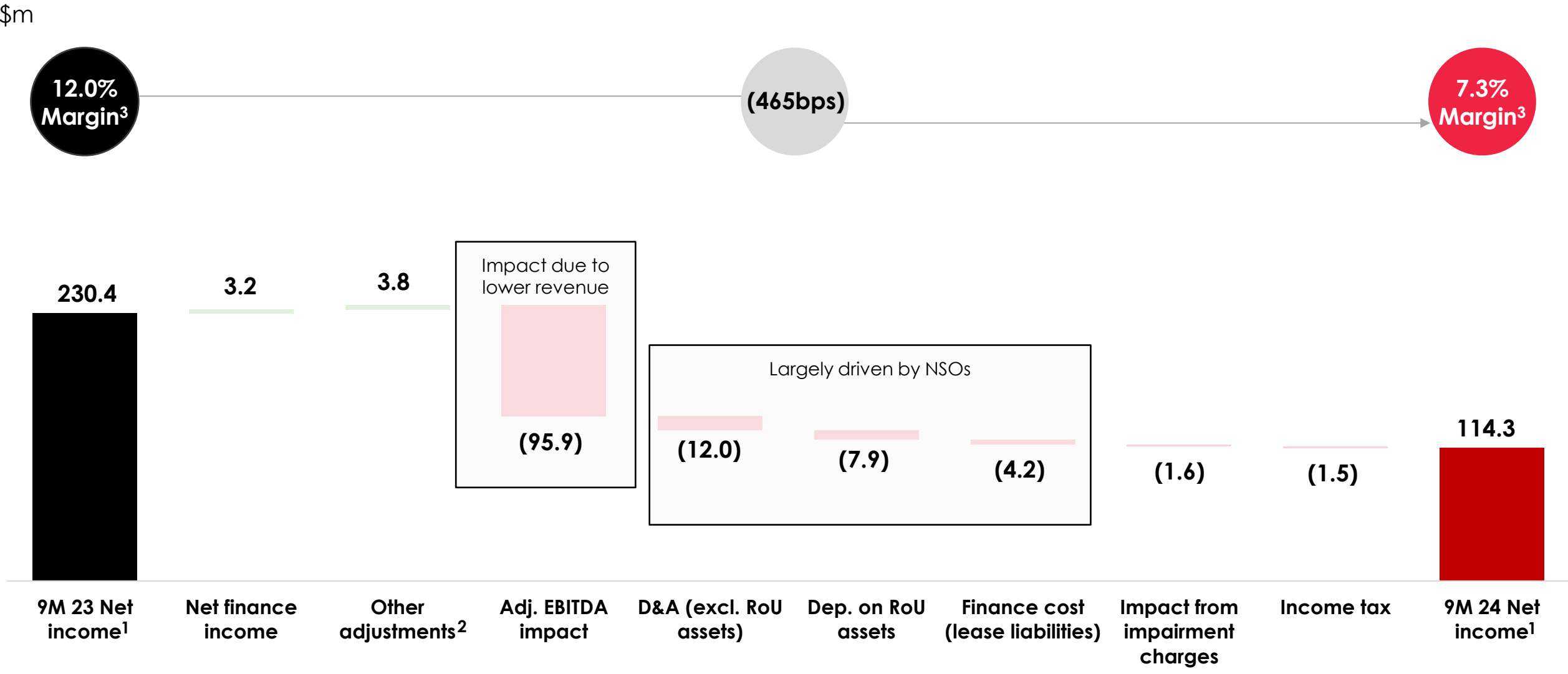
*Due to hyperinflation in the Lebanese economy all P&L and BS were restated using general price index in line with IAS 29*

Source: Company information

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

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

## Net income<sup>1</sup> bridge (9M 23 to 9M 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

# 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, 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

- **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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