



EARNINGS
PRESENTATION

FINANCIAL RESULTS FY22

FEBRUARY 2023

GREAT PEOPLE,
GREAT FOOD,
GREAT COMPANY

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.

Forward looking statements are not guarantees of future performance and the actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates, may differ materially from those made in or suggested by the forward-looking statements set out in this presentation. Past performance of the Company cannot be relied on as a guide to future performance. The forward-looking statements contained in this document speak only as at the date of this document. The Company expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law. No statement in this document is intended to be a profit forecast. As a result, you are cautioned not to place any undue reliance on such forward-looking statements. In addition, even if the results of operations, financial condition and liquidity of the Company, and the development of the industry in which the Company operates, are consistent with the forward-looking statements set out in this document, those results or developments may not be indicative of results or developments in subsequent periods.

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.

**AMARPAL
SANDHU**

CHIEF EXECUTIVE OFFICER



**HARSH
BANSAL**

CHIEF FINANCIAL OFFICER &
CHIEF GROWTH OFFICER

AGENDA & PRESENTERS

01 Business Updates

02 Detailed Financial Review

03 The Way Forward

04 Appendix



BUSINESS **UPDATES**

2022A Performance dashboard

Key performance updates



Restaurant Portfolio

2,183 stores

+220 gross new restaurants added in FY22

+173 net new restaurants



Revenues \$2,379m

+15.9% growth

+\$327m incremental gain (vs. 2021)



Revenues LfL

+13.6% LfL growth



Adj. EBITDA \$536m

+15.4% growth

22.5% margin

(0.1%) margin dilution (vs.2021)



Net Profit \$259m

+27.1% growth

10.9% margin

+1.0% margin accretion (vs.2021)



Capex \$152m

6.4% of sales

\$293k (Avg. capex/ Restaurant)



Avg. Payback

1.9 years



Dividend Distribution

Announced H2 2022 dividends at **\$103.5m** (subject to shareholders approval at AGM)

2022 Key milestones



Signed a franchise agreement with Yum! Brands to develop and operate **Pizza Hut** restaurants across **Saudi Arabia**, except for Jeddah city



Signed an exclusive master franchise agreement with **Peet's Coffee**, part of JDE Peet's, the world's leading pure-play coffee and tea company by revenue. Launched the first Peet's Coffee outlet in **Dubai Mall** in January 2023



Successful launch of **Krispy Kreme** in **Jordan** and continued scale-up in **Egypt**



Launched **Wimpy** in the **UAE** with two showcase locations in the **Dubai Mall** and **Dubai Hills Mall**



Americana Restaurants was recognized with the "**Exceptional Workplace**" award by **Gallup** in 2022



Launched a technology driven **Voice of the Customer platform** across major brands and countries, providing real time visibility on friction points and guest recovery

Innovative new restaurant rollouts (1/2)



Riyadh, KSA



29-Oct-22



225 sqm



Dubai Mall, UAE



26-Sep-22



426 sqm



Dubai Hills Mall, UAE



23-Dec-22



129 sqm



Dubai Mall, UAE



28-Nov-22



66 sqm

Innovative new restaurant rollouts (2/2)

 Peet's Coffee™



Dubai Mall, UAE



05-Jan-23



112 sqm

 Peet's Coffee™



Dubai Hills Mall, UAE



14-Feb-23



153 sqm



Tabuk, KSA



21-Jan-23



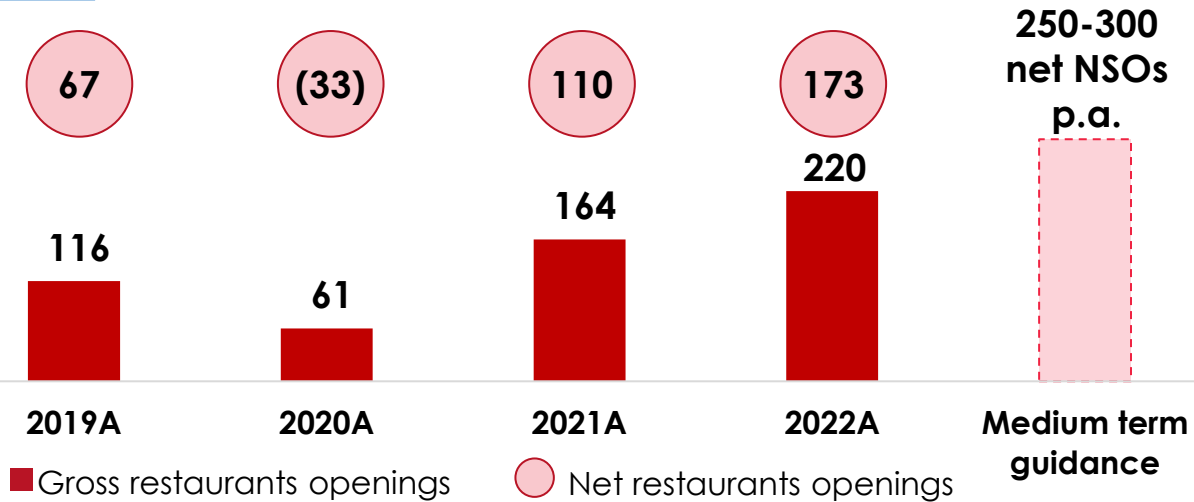
160 sqm



DETAILED **FINANCIAL REVIEW**

Step-up in portfolio growth since 2019

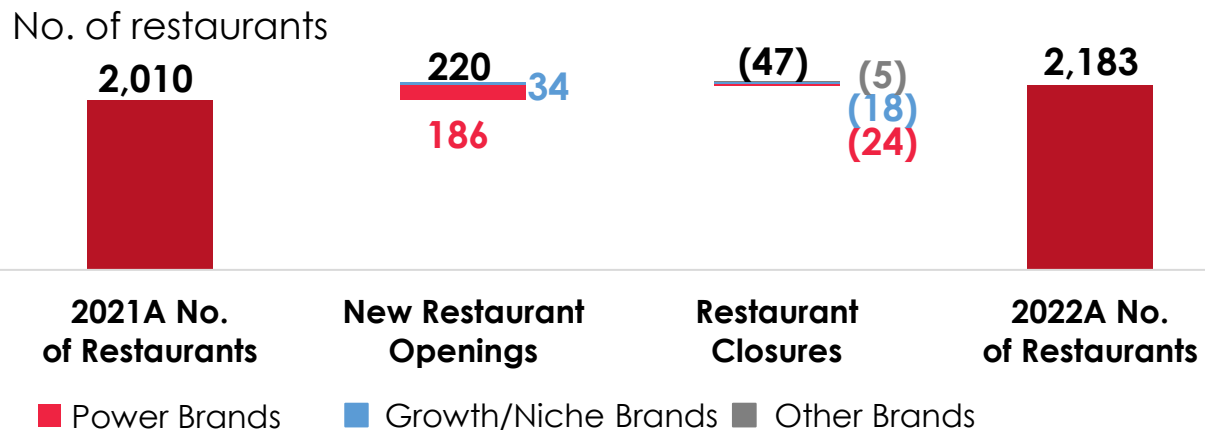
Restaurant gross and net openings (2019A to 2022A)



Restaurant closures 2022A

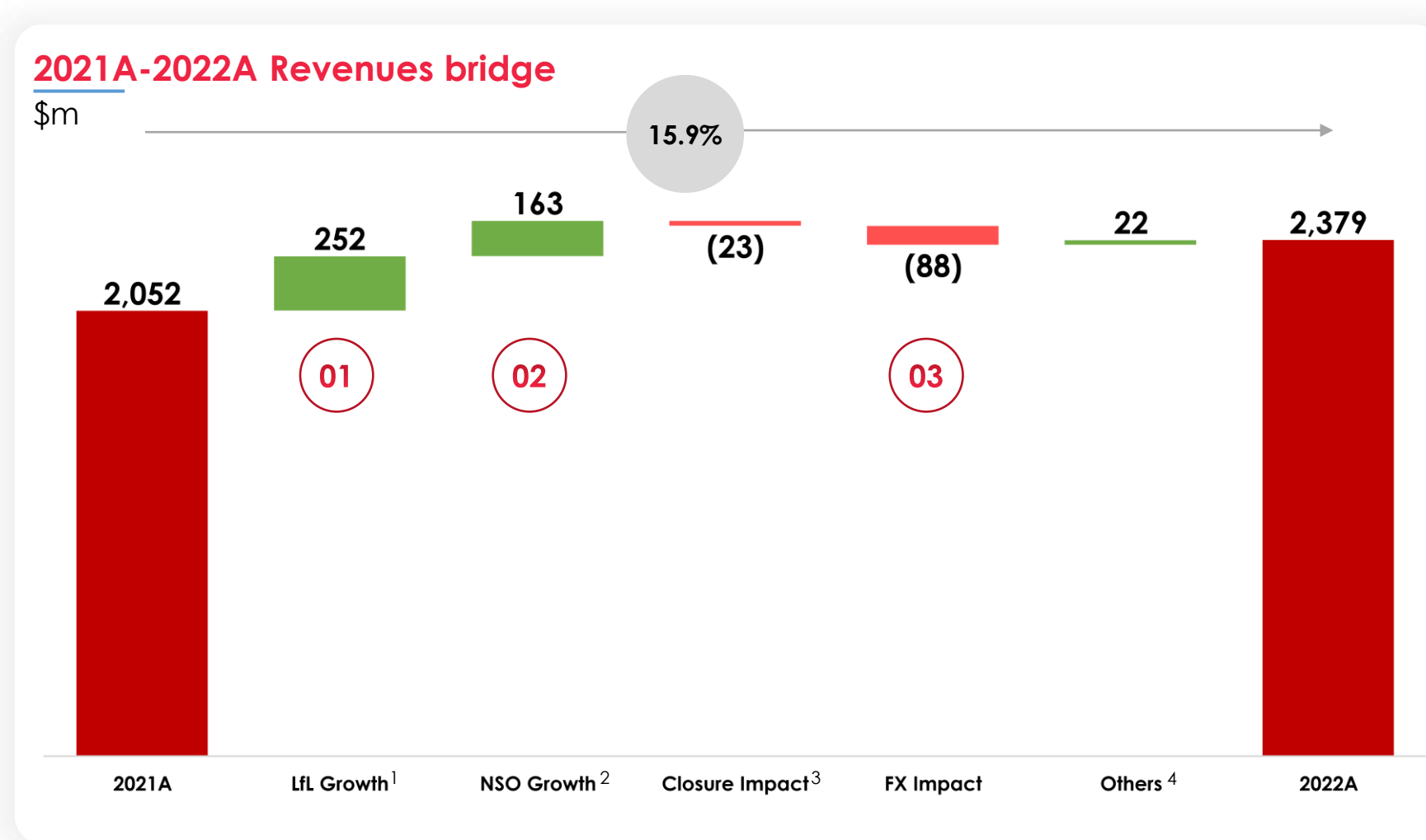
	2022A	% of total stores ¹ 2022A
Power brands	24	1.2%
Growth / Niche Brands	18	7.6%
Other	5	83.3%
Total	47	2.2%

Restaurant portfolio evolution (2021A to 2022A)



- The revenue impact from closure of **47** restaurants is minimal (approx. **\$23m**) as majority of the stores were legacy stores with low AuVs
- Company is committed to open **250-300** net new restaurants per annum

Strong LfL revenues and contribution from new restaurants driving total revenue growth offset by FX impact due to Egypt and Lebanon



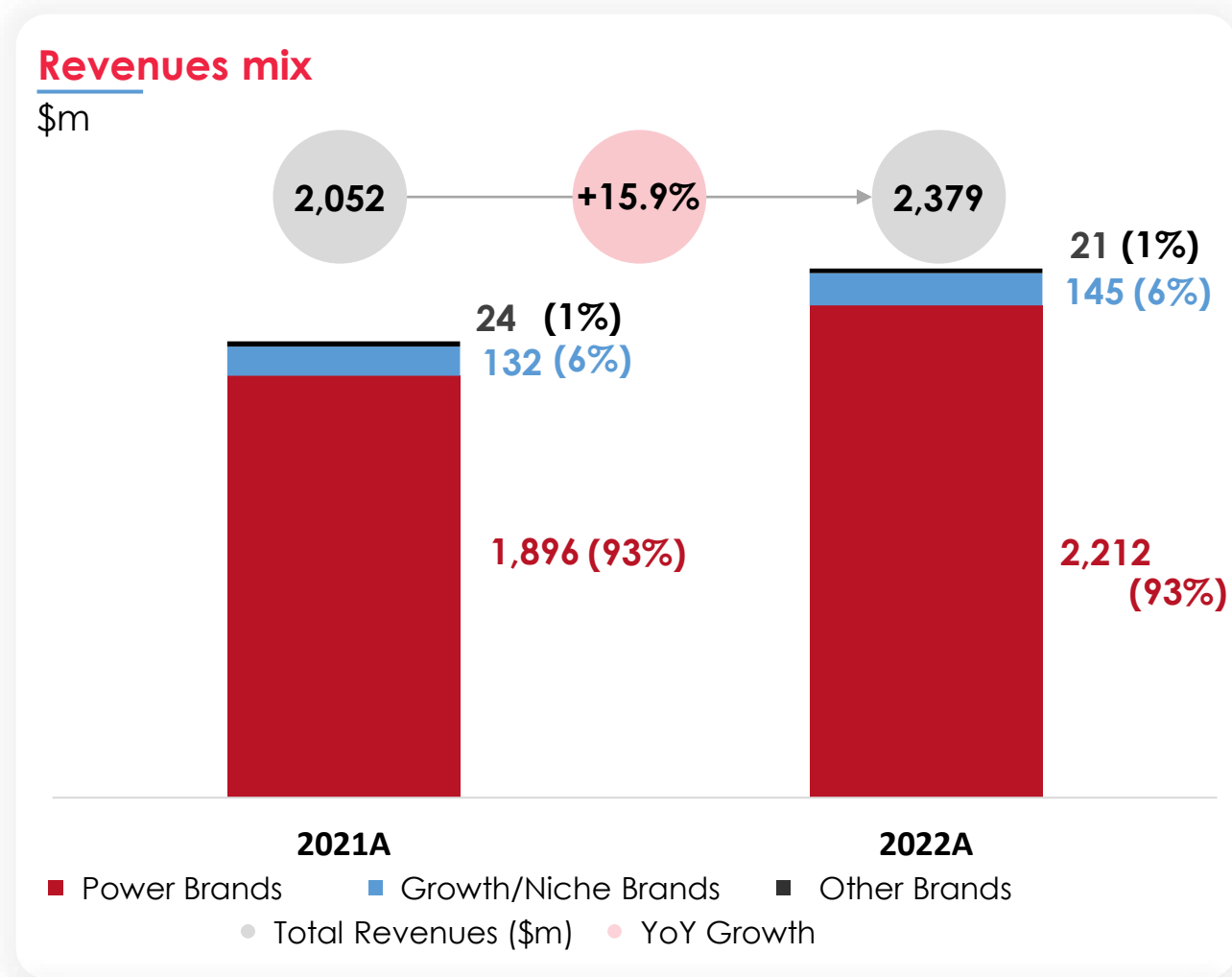
Commentary

- 01** Strong LfL growth momentum largely driven by transaction growth
- 02** Limited impact of 2022 NSOs on revenue given openings in H2
- 03** FX impact of \$88m largely driven by Egypt and Lebanon

Source: Company information

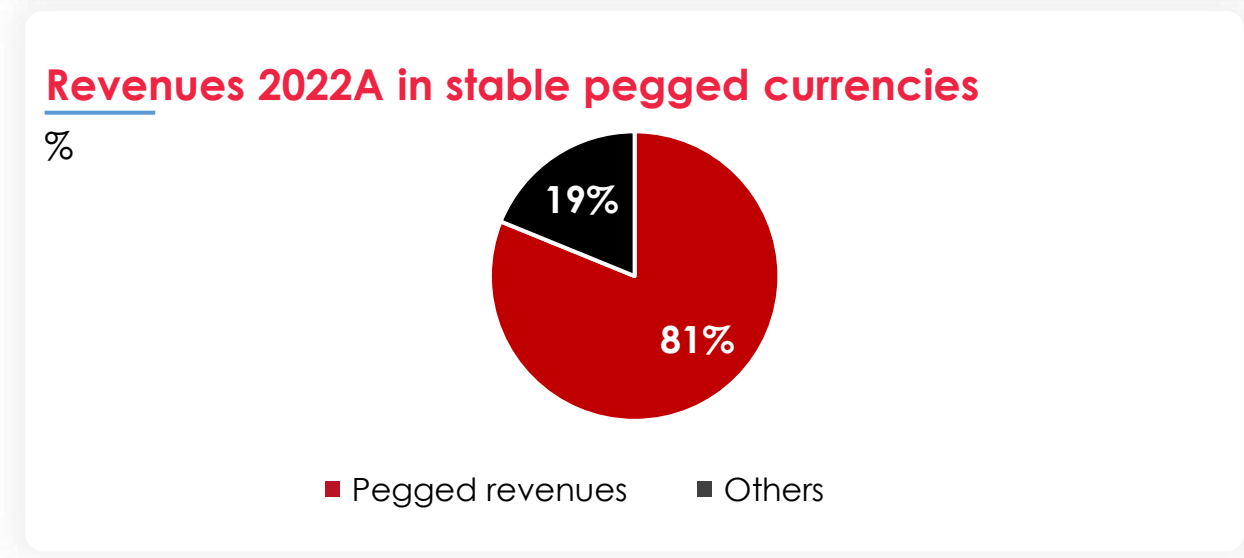
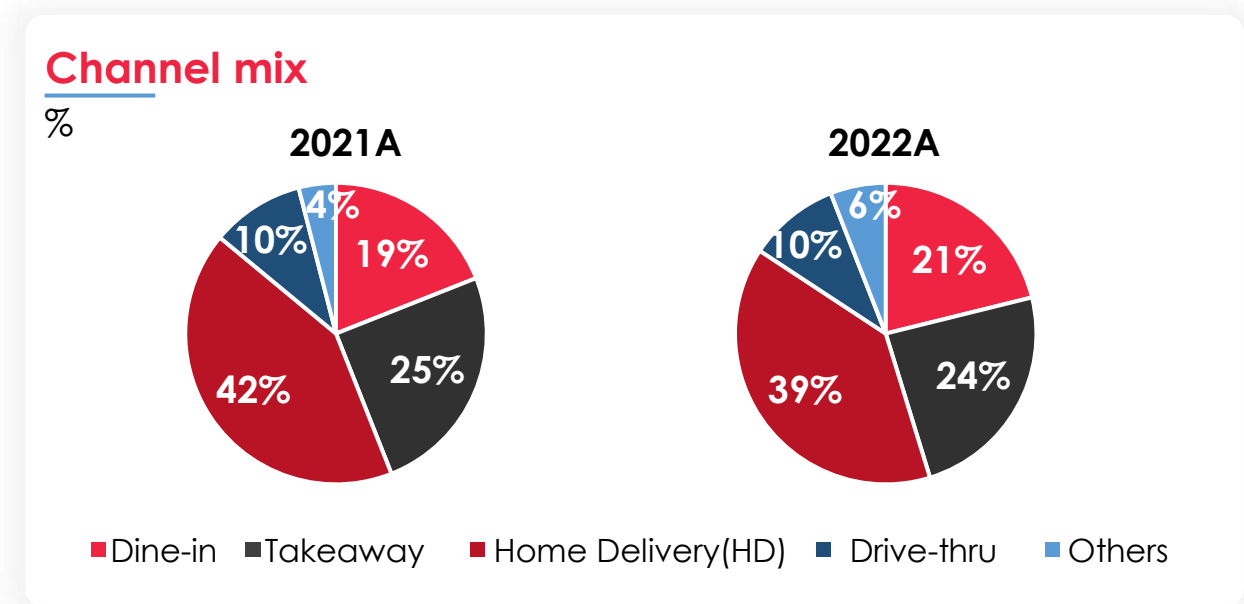
1. Growth of LfL base 2022 vs 2021 (LfL Base are stores operating through full period of 2021 and 2022)
2. Revenue contribution from stores opened during 2021 and 2022 in the year 2022
3. Loss of net sales in 2022 compared to 2021 of stores closed during 2022
4. Others include temporary closures, Lebanon hyperinflation impact, rentals and logistics

Double-digit revenues growth underpinned by continued power brand performance, healthy LfL growth and optimized channel mix



Unchanged mix by Power Brands with KFC capturing the majority of total revenues (~61%), followed by Hardee's (~17%), Pizza Hut (~11%), and Krispy Kreme (~4%)

Source: Company information

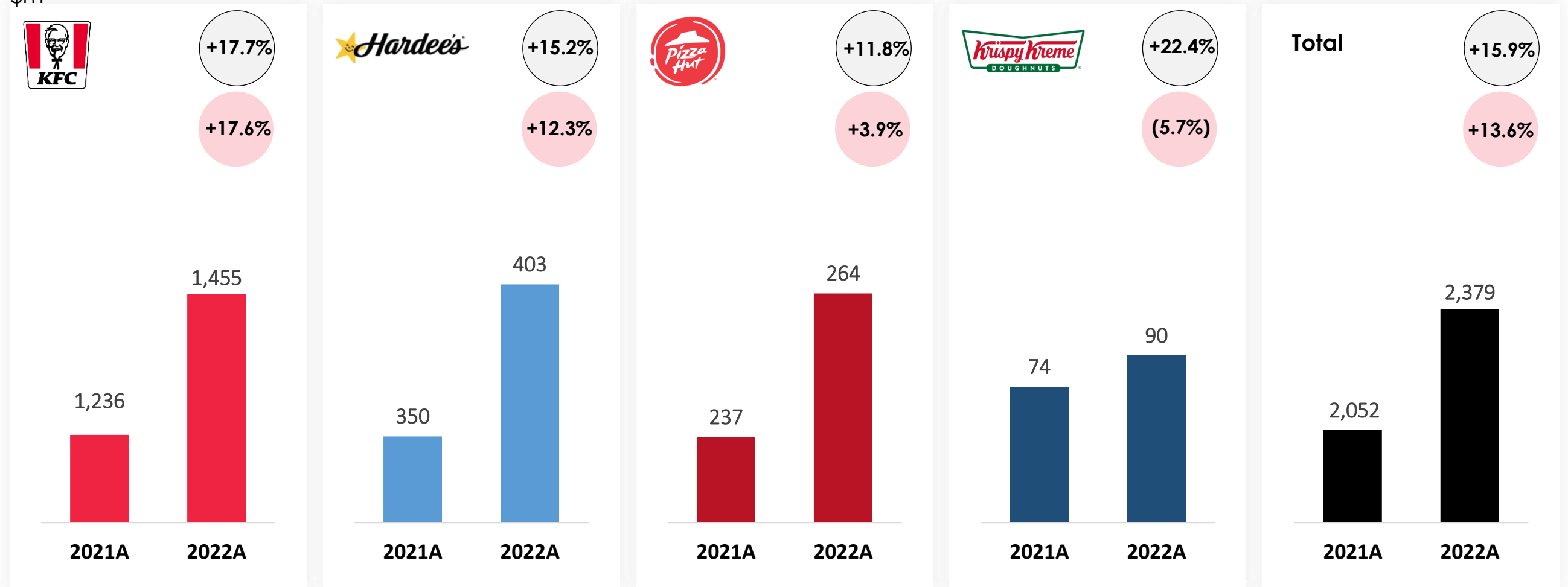


Power brands continued to register double digit y-o-y growth

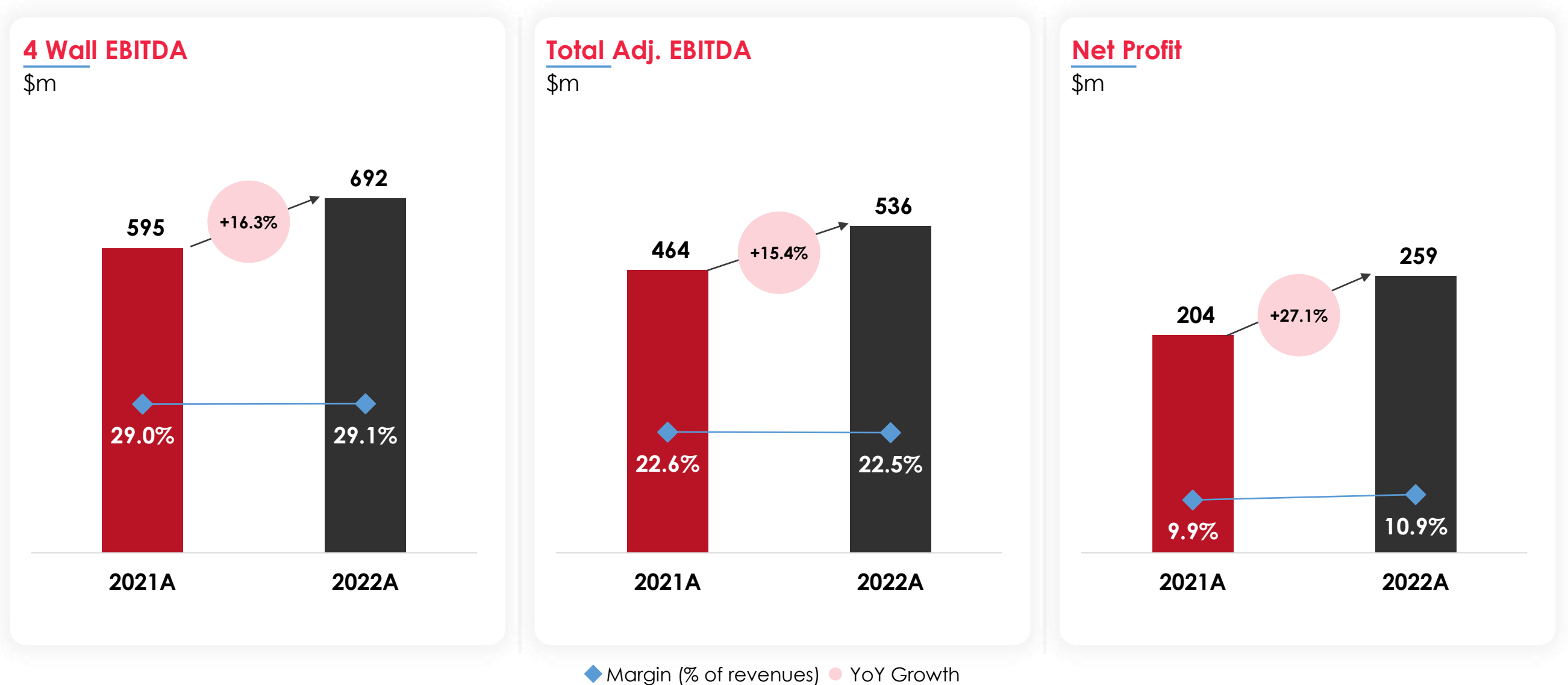
Revenues by power brands

\$m

○ 2022A growth ● LfL growth



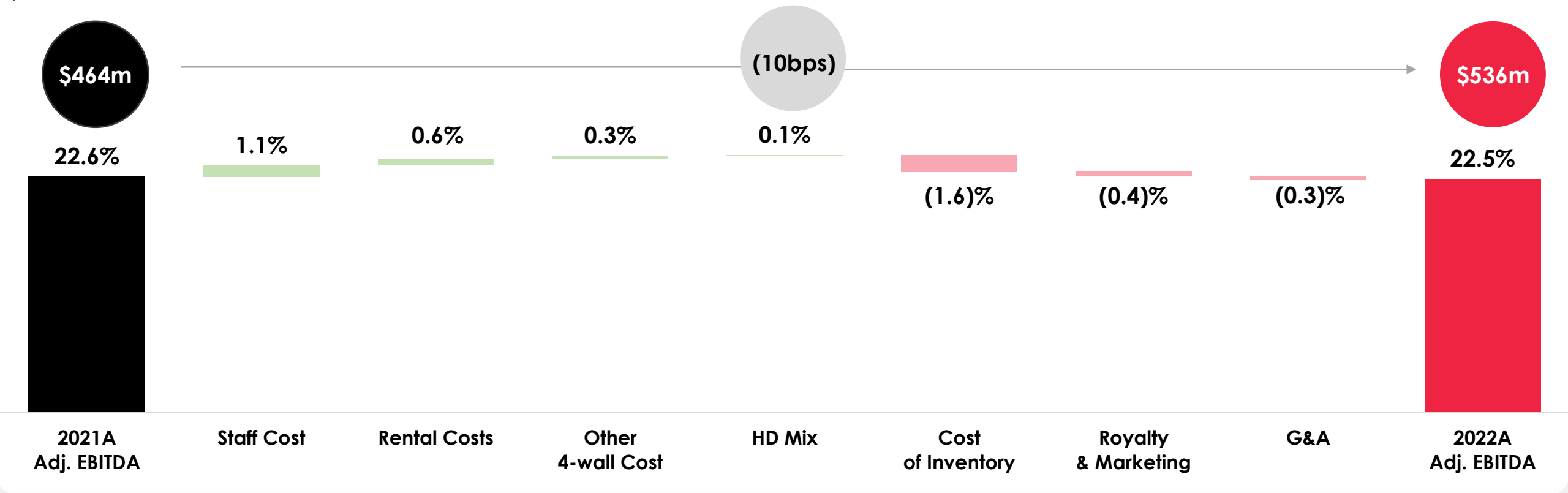
Resilient EBITDA with expanding margins at net profit level



Stable Adj. EBITDA margin despite commodity headwinds through on-going cost discipline and ZBB culture

2021A to 2022A Adj. EBITDA margin bridge

% of revenues





Largely maintained Adj. EBITDA margin compared to 2021 despite:

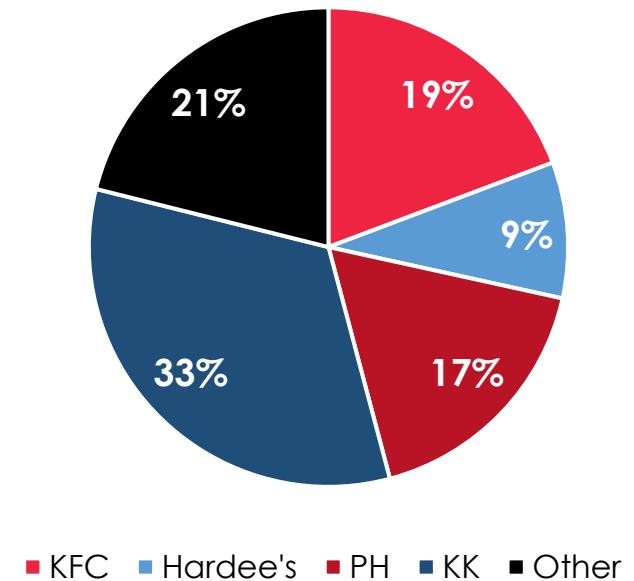
- Increase in cost of inventory due to inflationary pressures leading to higher commodity prices (partially mitigated through price increases)
- Step up in royalty of Hardee's and KFC

Attractive and stable portfolio paybacks, Pizza Hut payback increase is driven by aggressive roll out in KSA in H2 2022

Key metrics by restaurants

Brand	New restaurant openings ¹	Annualised revenues ² (\$m)	Avg. capex / new restaurant (\$k)	Payback (years)
 KFC	21	28	470	1.9
 Hardee's	10	10	439	2.4
 Pizza Hut	19	16	355	4.1
 Krispy Kreme	36	16	129	0.9
Other	23	17	275	2.2
Total	109	88	293	1.9

New restaurant openings¹ by brands

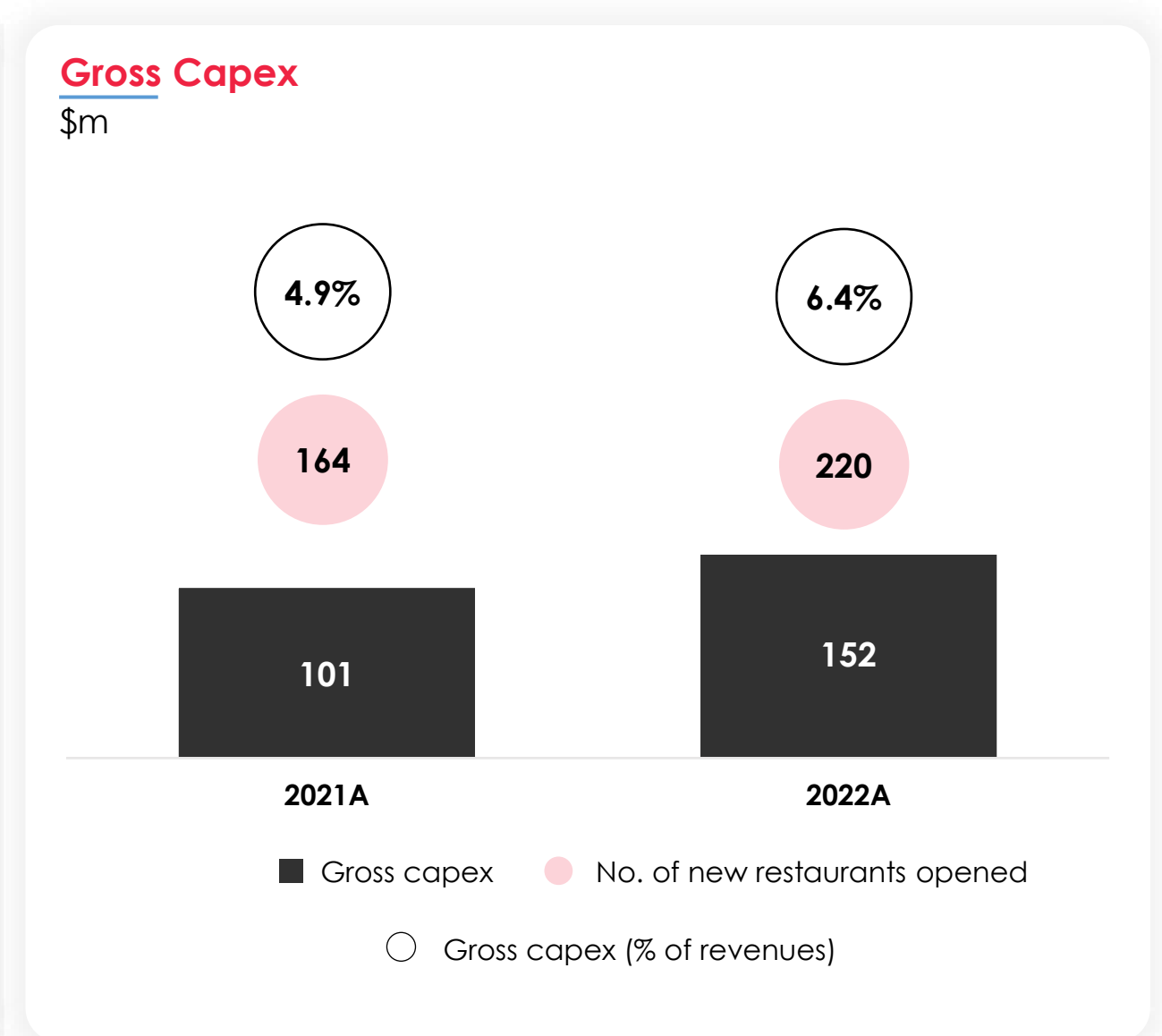
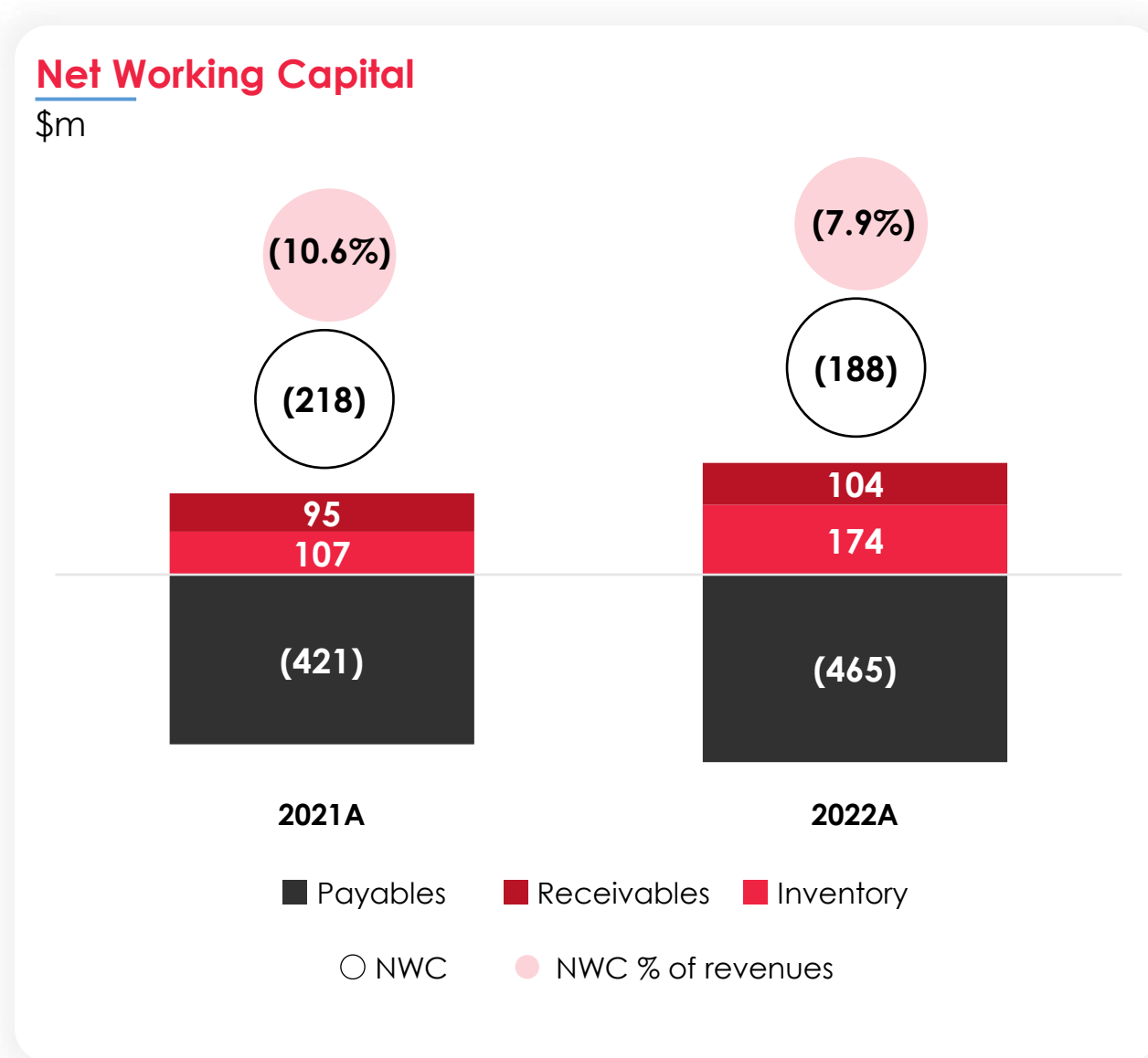


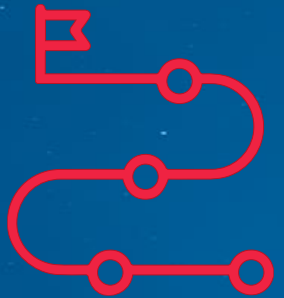
Source: Company information

1. Stores opened till Sep 2022A

2. Revenues annualised for 12 months

Continued negative NWC with strategically increased inventory levels to prevent stock-outs and counteract supply chain disruptions





THE WAY
FORWARD

2023 Outlook and key focus areas

Key priorities and focus areas for 2023



Expand restaurant portfolio with approx. **250-300** net new restaurants with KSA over indexing and Iraq providing greenfield opportunity



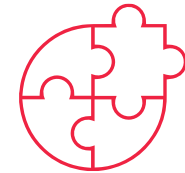
Egypt – Focus on operations, people transformation, franchisor support and cost efficiencies to weather the headwinds. Pullback on remodels and NSOs



Improvement in GP margin by H2 23, once existing strategically built inventory is phased out



Continue **developing digital capabilities** & optimizing off-premise revenue channels (ALMP, KFC loyalty program, etc.)



Continue to scale up new brands – Pizza Hut in KSA, Peet's Coffee, Wimpy.

Incubator brands/new launches can take 24 to 36 months to get to portfolio level margins as we invest in the initial stages of brand building and scale-up

Management outlook

Medium-term objectives



Restaurant Development

~250-300
net new restaurants / year



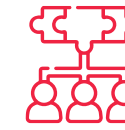
Revenues

Aiming to **2x revenues**
Target solid mid-single digit
LfL growth



Profitability

250-300bps
improvement in Adj. EBITDA
margin over the medium
term



Shareholder Value Creation

Target annual dividend
distribution post 2023E with
target pay out of **min. 50%**
of net profit from 2023E
onwards



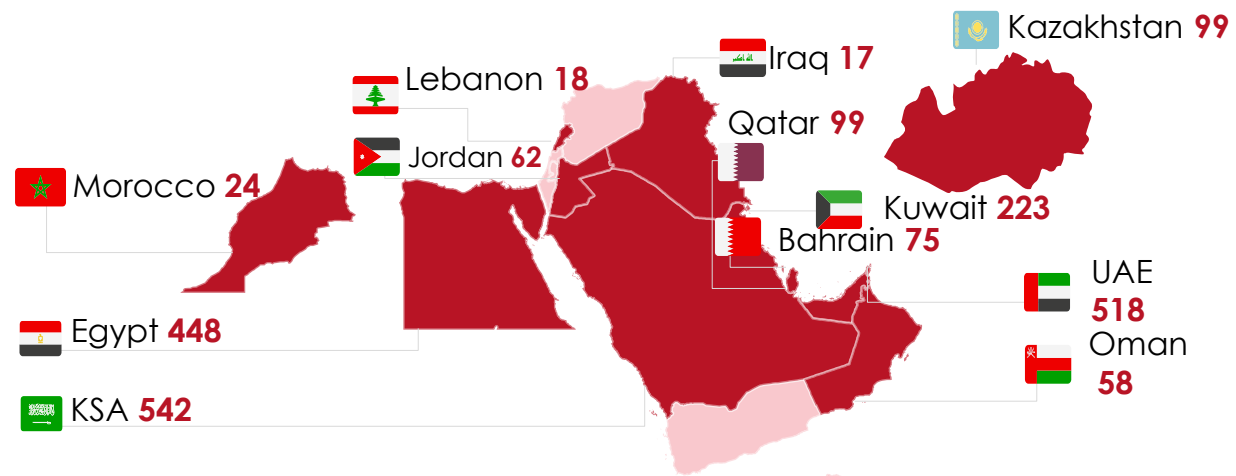
CONCLUDING **REMARKS AND Q&A**



APPENDIX

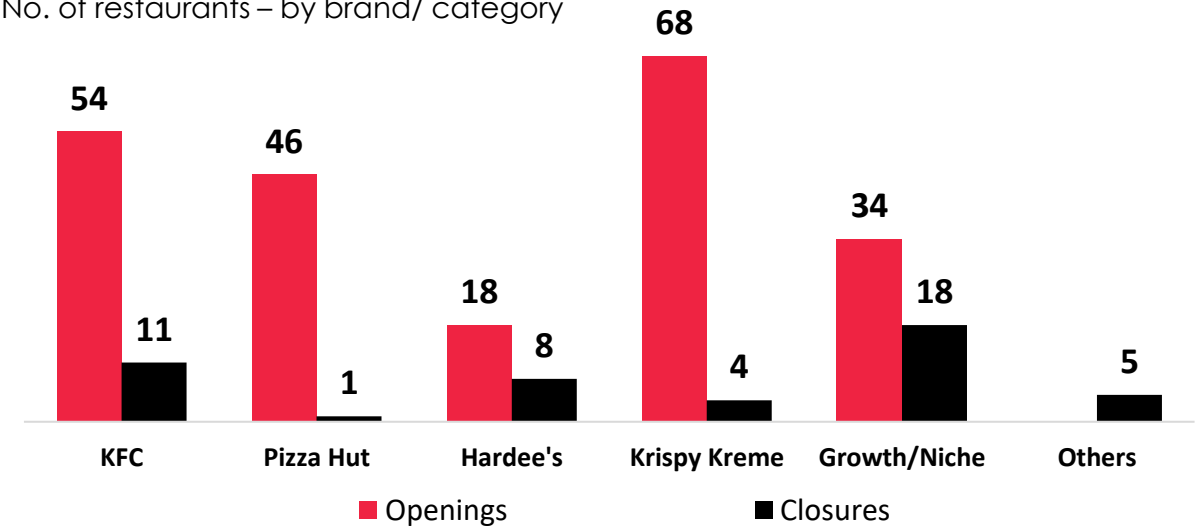
Portfolio evolution

No. of restaurants – by country and brands



Openings & closures

No. of restaurants – by brand/ category

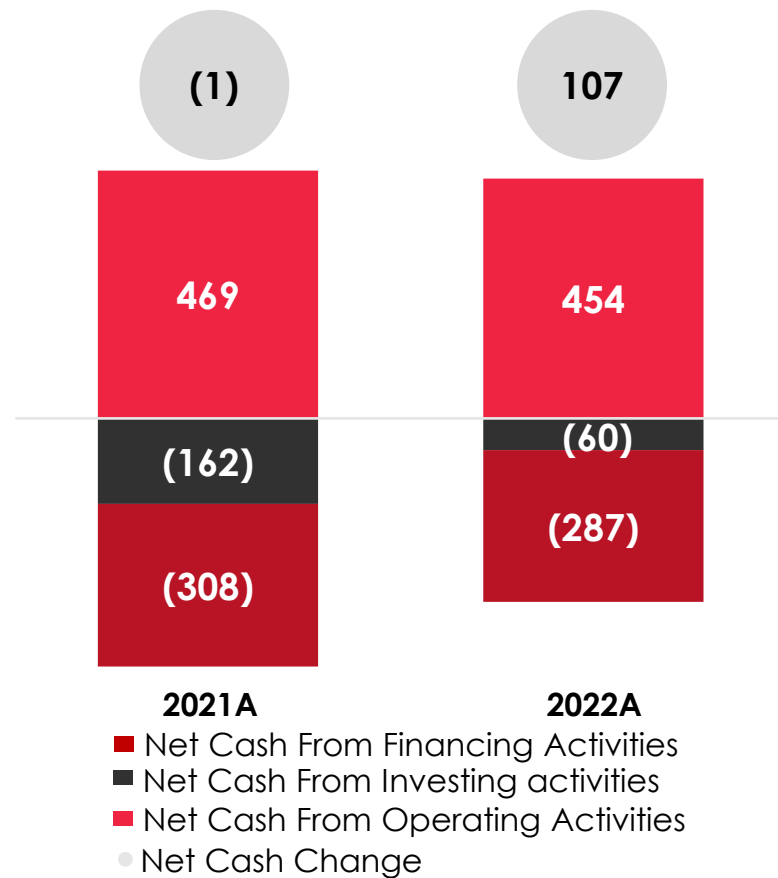


	KSA	UAE	Kuwait	Egypt	Others	Total
	228	192	71	174	274	939
	124	83	57	45	82	391
	30	152	0	99	44	325
	144	71	19	18	32	284
Growth / Niche Brands	16	19	75	108	20	238
Other Brands	-	1	1	4	-	6
	542	518	223	448	452	2,183

Free cash flows

Movement in Cash & Cash Equivalents

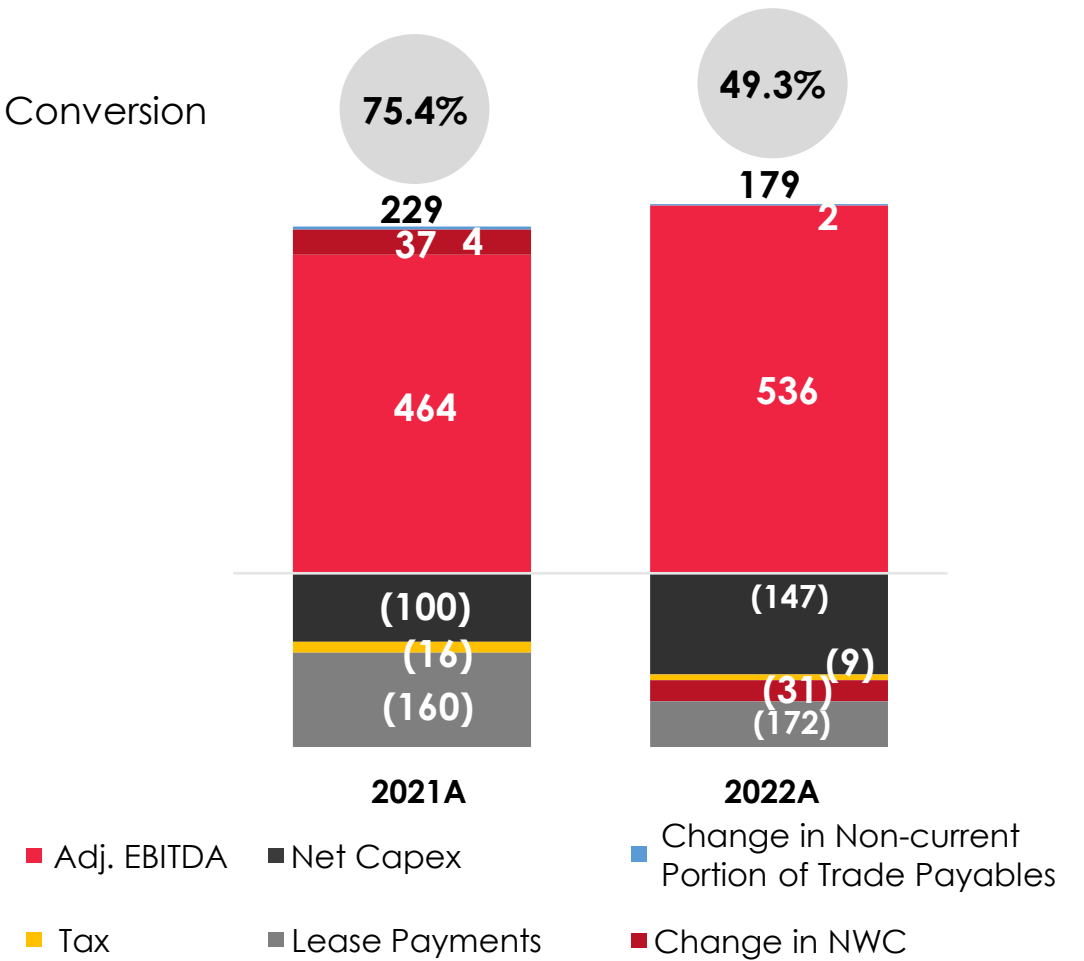
\$m



Adj. Free Cash Flow (FCF)

\$m

Conversion



EBITDA & Adj. EBITDA reconciliation

Post IFRS-16 basis

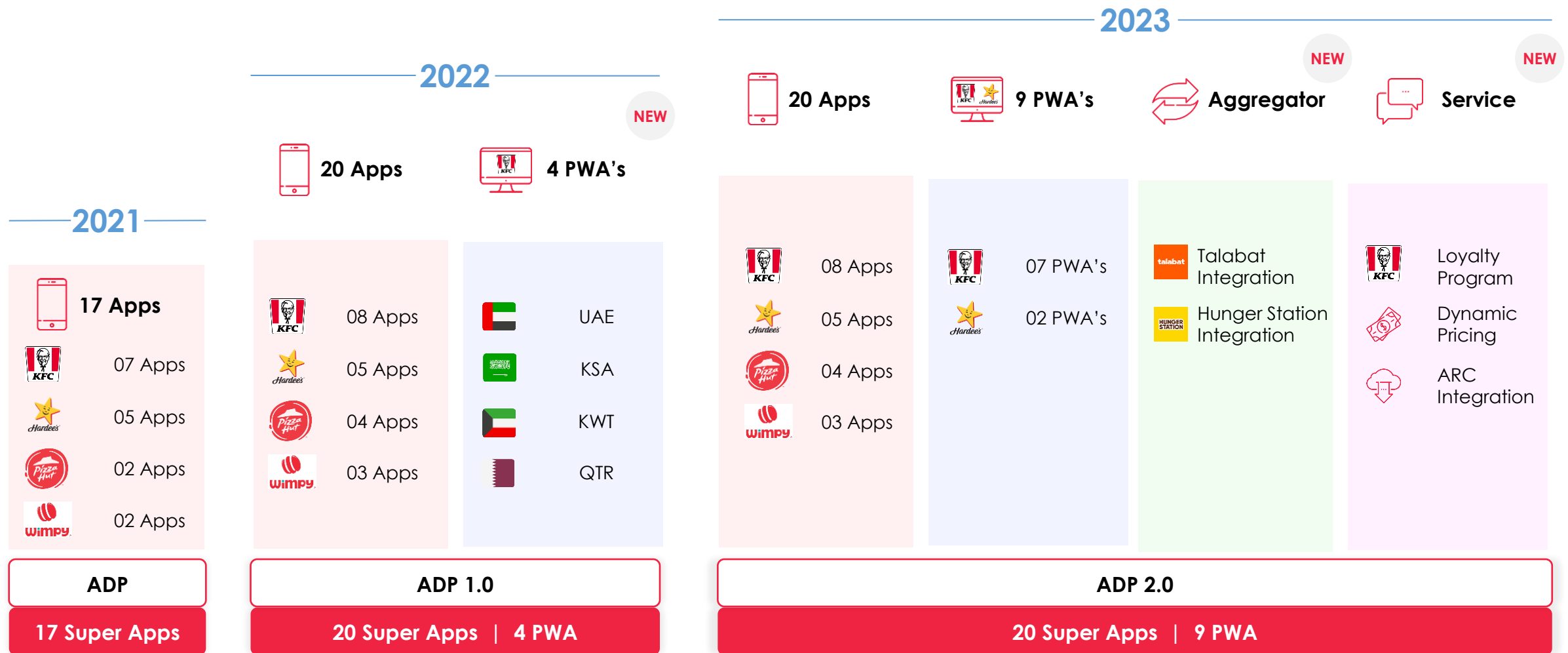
\$k	2021A	2022A
Net profit for the year	206,408	262,955
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	15,732	8,743
Finance cost (net) excluding finance costs on lease liabilities	197	(571)
Depreciation and amortization (excluding depreciation related to RoU assets) ¹	65,386	66,943
Depreciation on RoU assets	143,243	152,766
Finance costs on lease liabilities	20,713	21,517
EBITDA	451,679	512,353
Other Adjustments A	12,401	23,341
Adj. EBITDA	464,080	535,694

	A	2021A	2022A
<i>Severance payments for restructuring in Egypt - 2-months salary for each year of service in case of involuntary termination.</i>	\$k		
		9,997	22,534
		2,081	451
		323	356
<i>Due to hyperinflation in the Lebanese economy all P&L and BS were restated using general price index in line with IAS 29</i>			
<i>Non-recurring provision to settle an indirect legacy tax claim charge relating to pre-acquisition periods (2000-2017)</i>			

Source: Company information, FY 2022 audited financials of Americana Restaurants

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

Evolution of Americana Digital Platform



Americana Digital Platform (ADP) Growth

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 and contribution to Kuwait Foundation for the Advancement of Science ("KFAS"), plus depreciation and amortisation expenses and other adjustments such as tax provisions, staff restructuring cost and a Lebanon IAS 29 adjustment

- **Avg. payback:**

Average length of time required to recover the original cash investment in an individual Company-operated restaurant. It is calculated as total capital expenditure for a new restaurant opened YTD Sep-2022A (excluding any pre-opening expenses, which are recorded in the consolidated statement of profit or loss, and including the initial franchisor fees) for Company-operated restaurants, divided by restaurant level EBITDA (post store rentals) being Annualised

- **AuV:**

Average unit volume, estimated as revenue for the period divided by average number of restaurants in the same period

- **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

- **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

- **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

- **Other brands:**

Refers to Grand Café, Fish Market, Red Lobster (has been exited as of Jun 2022A) and Pavilion

- **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, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")

THANK YOU

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