



EARNINGS PRESENTATION

H1 23 RESULTS

GREAT PEOPLE,
GREAT FOOD,
GREAT COMPANY

August 2023

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



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



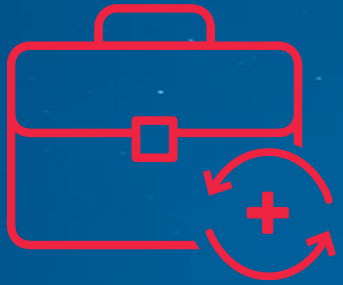
**SONIKA
SAHNI**
HEAD OF INVESTOR RELATIONS

01 Business Updates

02 Financial Review

03 The Way Forward

04 Appendix



BUSINESS **UPDATES**

H1 23 Performance dashboard



Restaurant Portfolio

2,277 stores

262 gross new restaurants added (LTM¹)

84 under construction



Revenues \$1,241.5m

(vs. H1 22)

7.8% growth
\$90m increase



LfL

(vs. H1 22)

7.2% growth



Adj. EBITDA \$291.7m

(vs. H1 22)

7.7% growth
23.5% margin



Net Profit \$144.8m

(vs. H1 22)

19.4% growth

11.7% margin

1.1% margin accretion



Capex \$69.0m

5.6% of revenue

\$322k (Avg. capex²/
Restaurant)



Avg. Payback

1.9 years

Source: Company information, Consolidated interim financial statements of Americana Restaurants for the six-month period ended 30 June 2023

1. LTM is defined as period from 1 July 2022 to 30 June 2023

2. Avg. capex per restaurant of gross stores opened between 1 April 2021 and 31 March 2023

H1 23 Key updates



Pizza Hut expansion in KSA

- Successfully launched **Pizza Hut** in **Mecca** in June 2023



Peet's Coffee expansion

- **Launch of Peet's Coffee in the Kingdom**, 2 stores opened in July 2023
- Opened **second flagship store in Dubai Mall** in July 2023, taking the total store count to three in Dubai



Continued expansion of Krispy Kreme

- Launch of first Krispy Kreme in **Alexandria, Egypt** through a factory store
- Launch of Krispy Kreme factory stores in **Tabuk and Taif, KSA**



Inclusion into UAE MSCI Index

- MSCI Index inclusion widely **recognised as an important benchmark** by investors



Cloud based ERP rollout in key markets

- Cloud based ERP system (Oracle Fusion) **implemented in 7 countries of operations**



Americana Digital Platform

- **Americana Kiosks - designed and developed in house**, rolled out in five stores, delivering new age ordering experience
- **CKE Global - Digital Excellence Award** for delivering transformational digital experiences

New restaurants openings

Dubai, UAE



P Peet's Coffee



29-Jul-2023



149 sqm

Alexandria, Egypt



29-Jun-23



222 sqm

Riyadh, KSA



P Peet's Coffee



29-Jul-2023



160 sqm

Taif, KSA



21-Apr-23



80 sqm



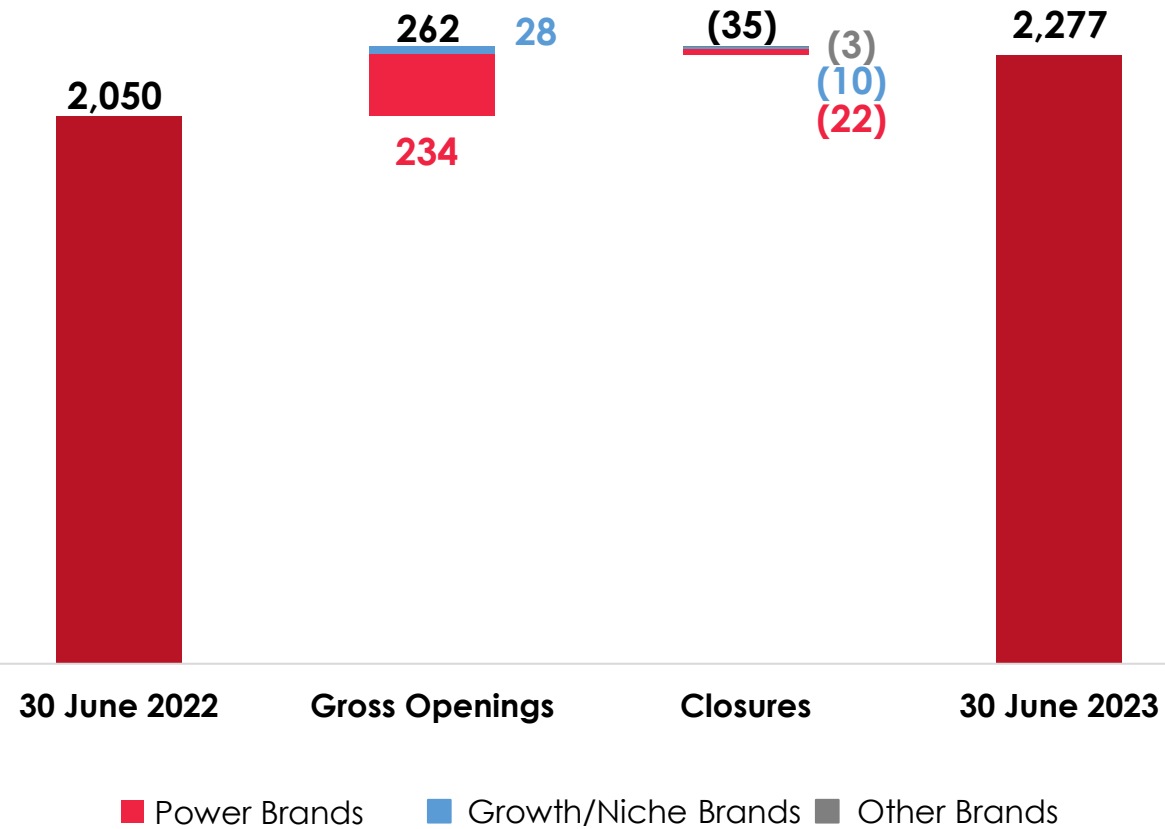
FINANCIAL

REVIEW

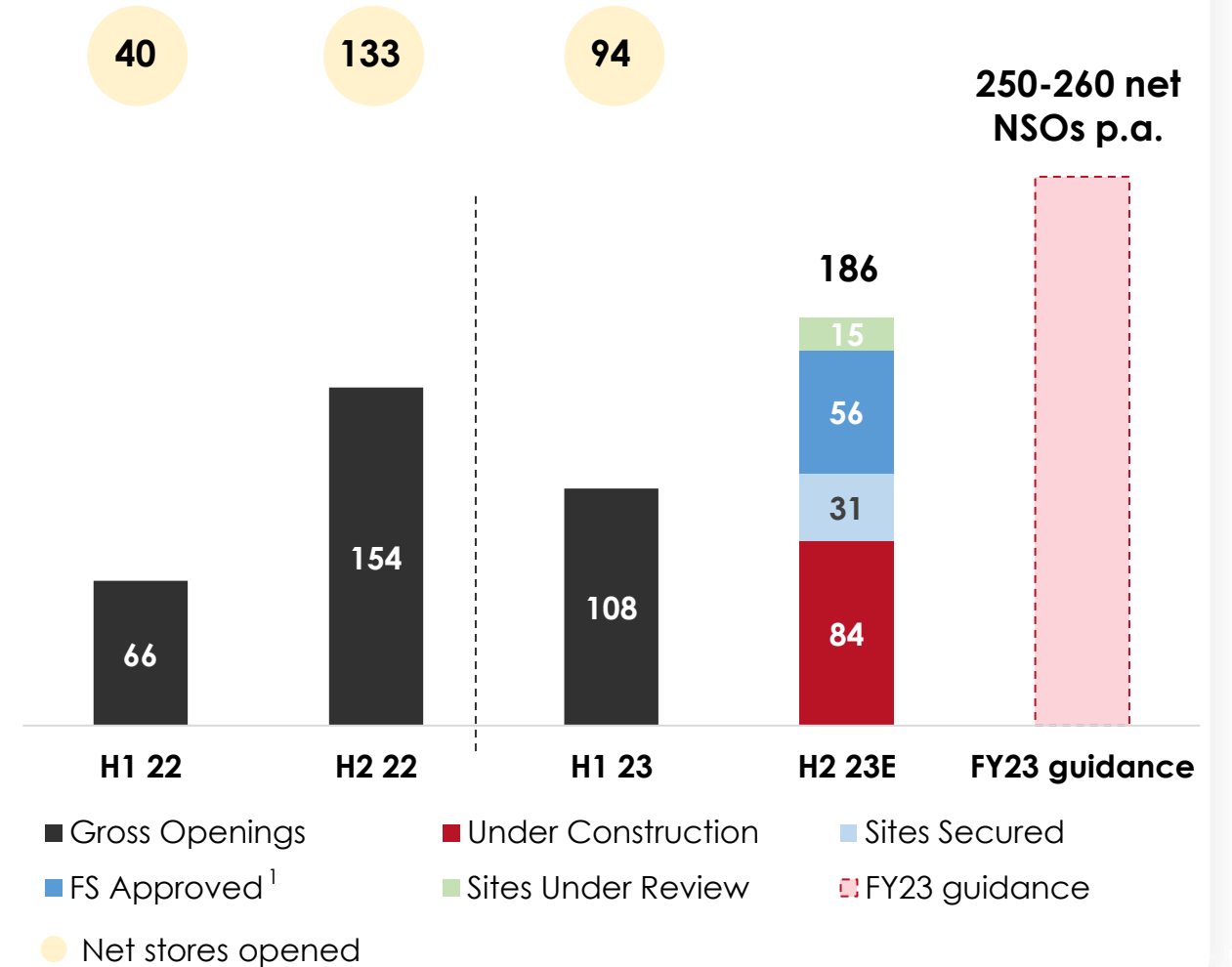
Restaurant rollout on track, 108 gross new store additions in H1 23

Restaurant portfolio evolution (H2 22 to H1 23)

No. of restaurants



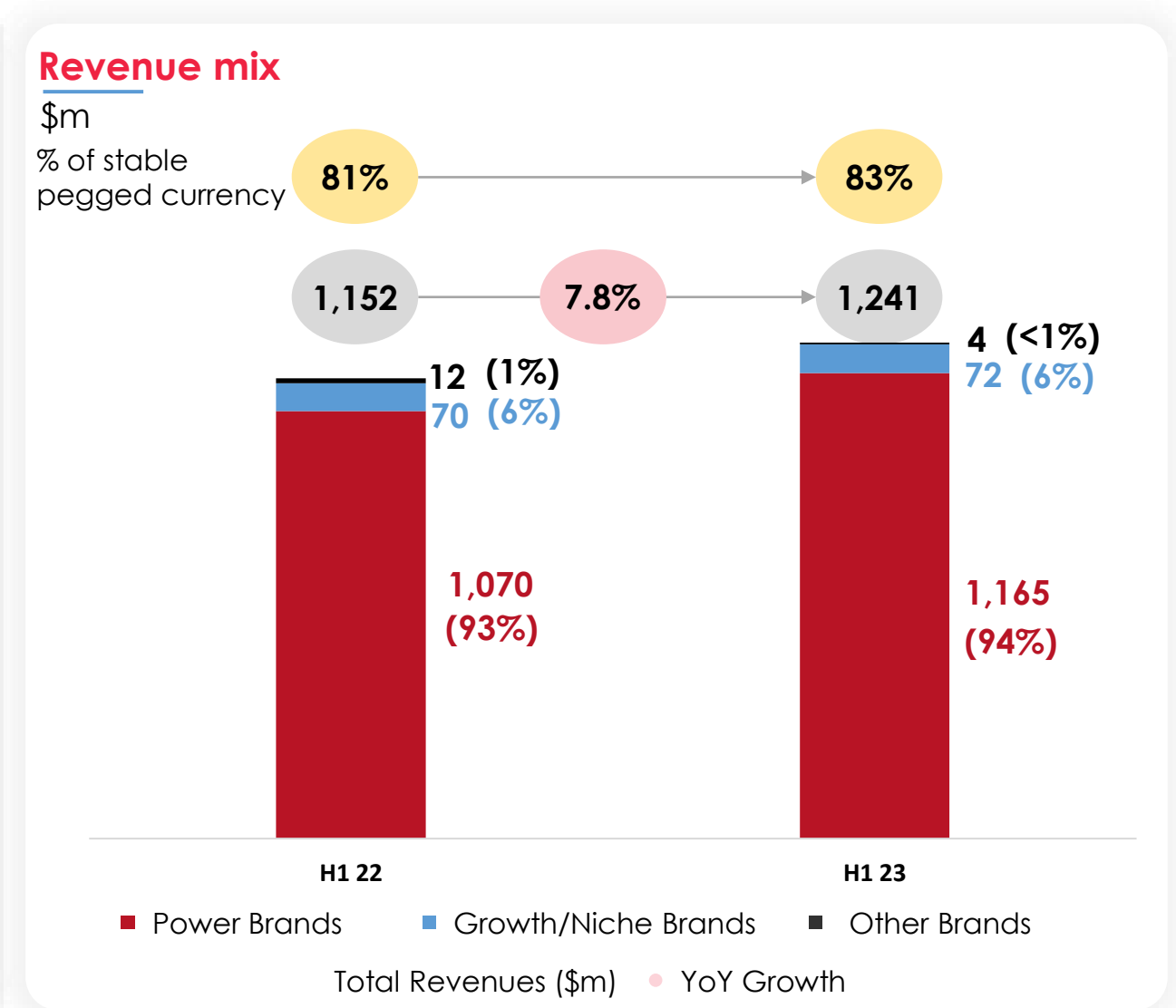
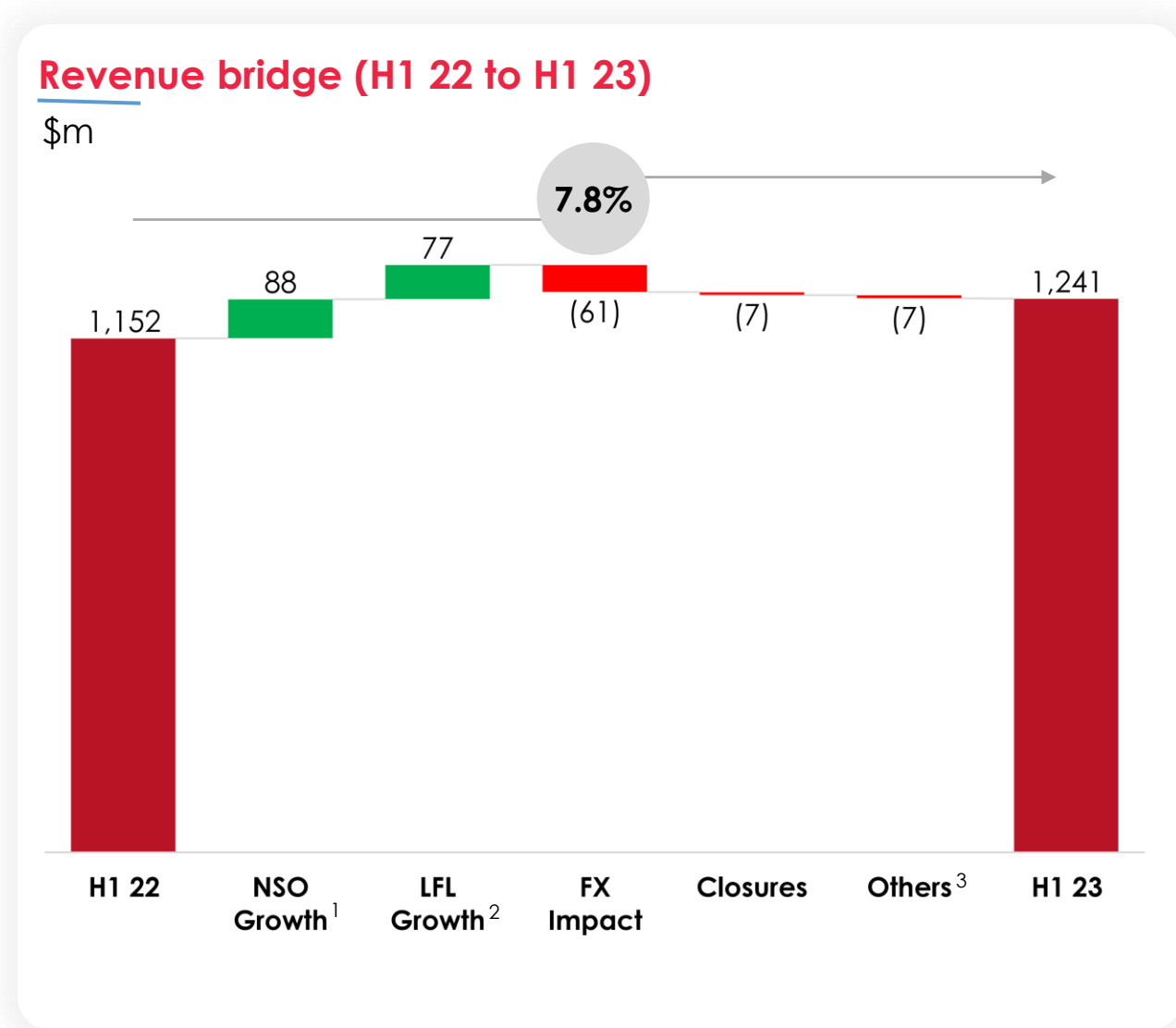
NSO pipeline for 2023E



Source: Company information

¹ Restaurant sites approved by leadership for signing lease and start construction work

High single digit growth registered on the back of new store openings and healthy LfL revenues, despite FX impact from Egypt and Lebanon



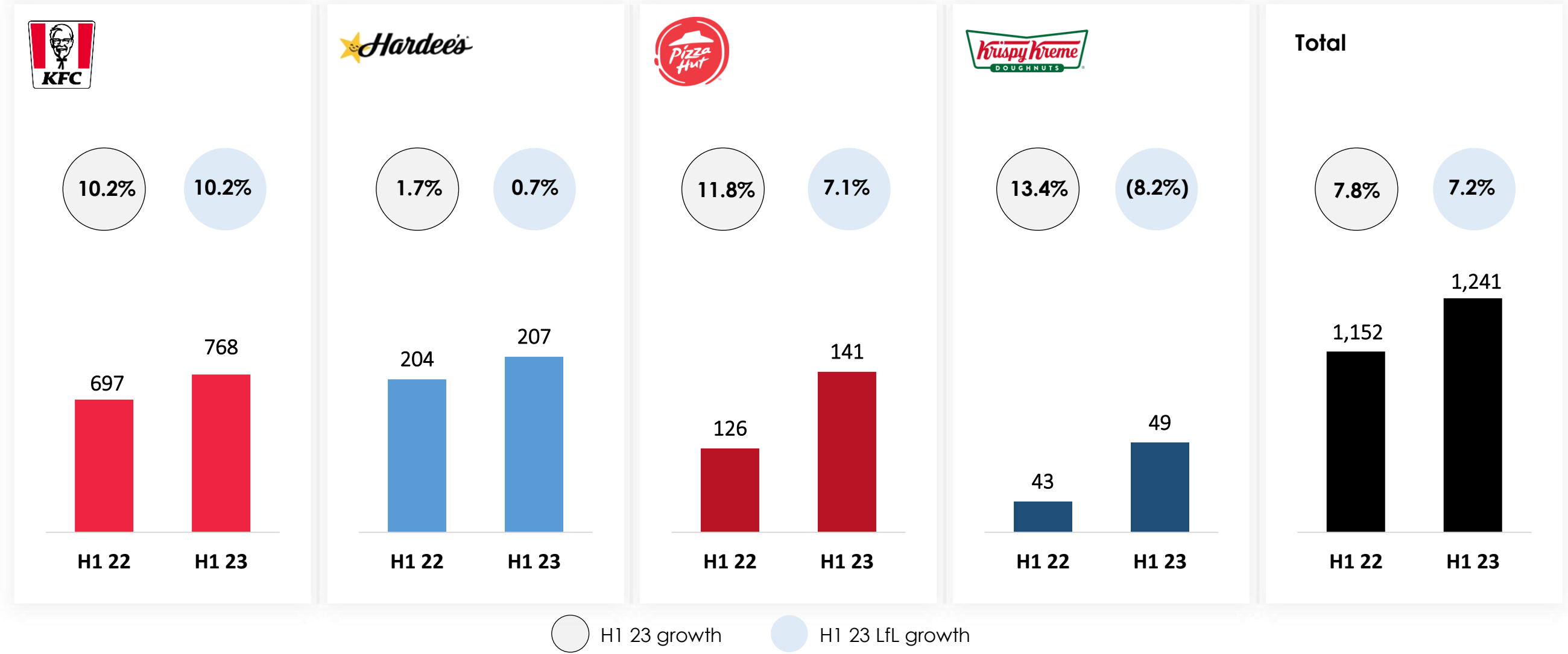
Source: Company information

1. Revenue contribution from stores opened during H1 22 and H1 23
2. LFL growth for stores that have completed 12 months of operations
3. Others include Lebanon hyperinflation impact, rentals and logistics

Positive momentum in LfL revenue growth; driven by KFC and Pizza Hut performance

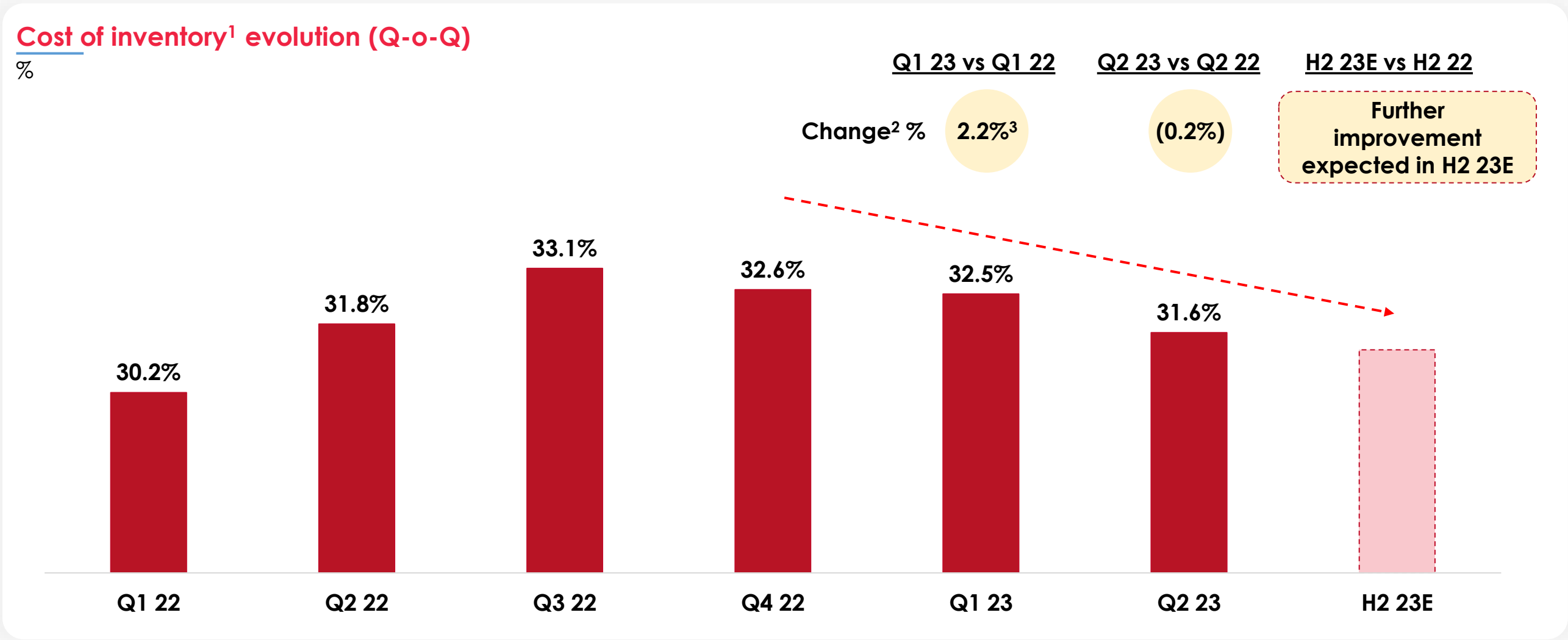
Revenues by Power Brands

\$m



Source: Company information

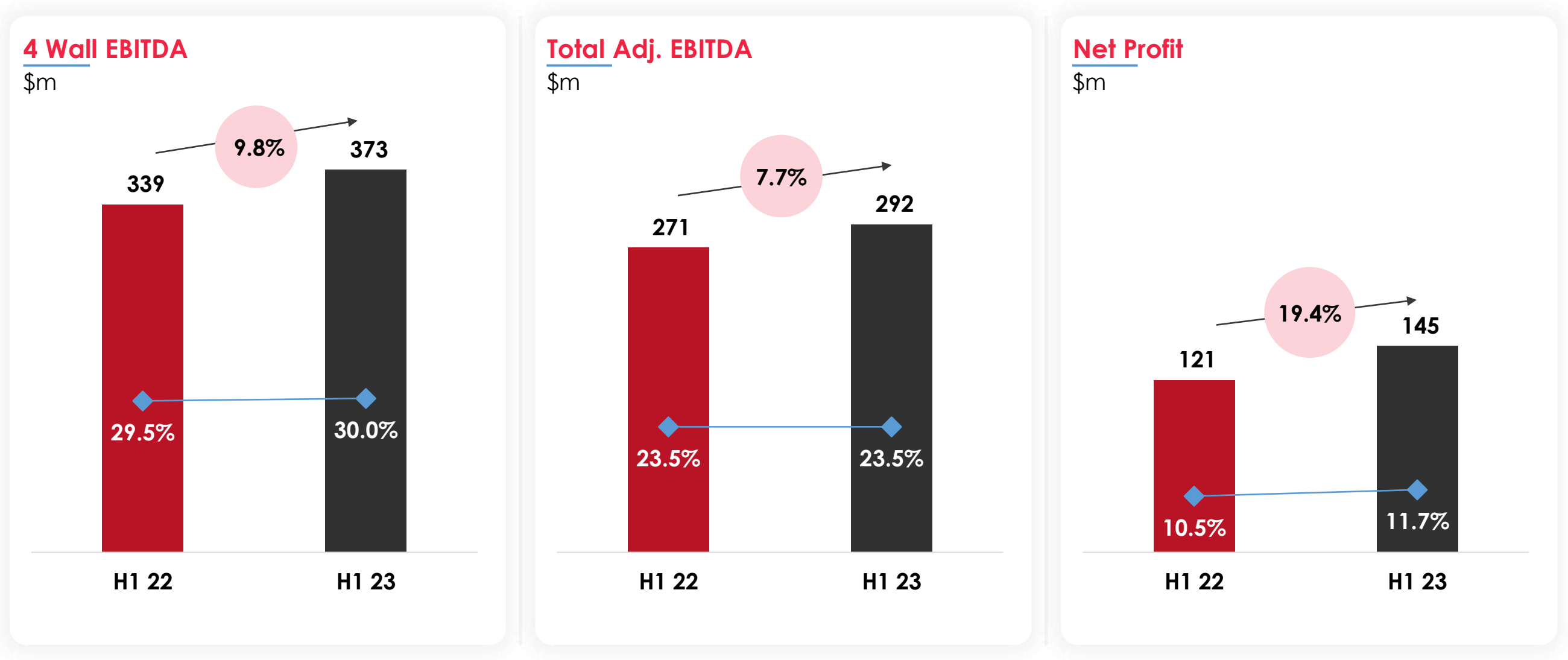
Improvement in cost of inventory due to depleting buildup inventory levels, supported with cool off in prices of key commodities



Source: Company information. Cost of inventory refers to cost of materials, filing and packing materials

- 1. Cost of inventory as a % of revenue
- 2. Change % calculated as cost of inventory % in current quarter less same quarter last year
- 3. Doesn't tally with one decimal figure of 2.3% due to rounding



Double digit Y-o-Y net profit growth driven by EBITDA performance and one-off tax claim charge in Egypt in H122



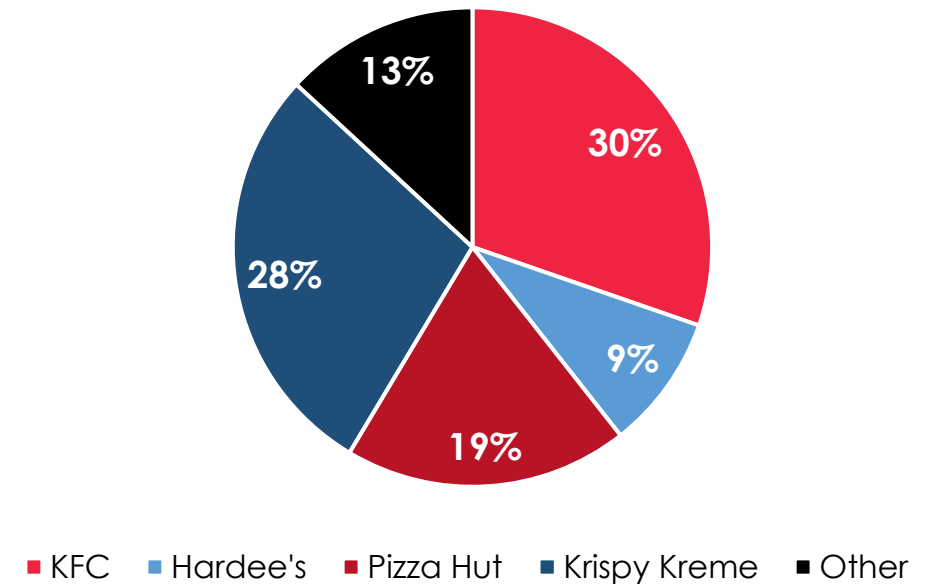
◆ Margin (% of revenues) ● YoY Growth

Stable portfolio paybacks, Krispy Kreme increase is due to additional capacity built in commissary to support future store roll out

Key metrics by restaurants¹

Brand	New Restaurants openings	Avg. Capex / new restaurant (\$k)	Payback (years)
 KFC	126	469	1.6
 Hardee's	39	427	2.0
 Pizza Hut	80	317	2.7
 Krispy Kreme	116	138	1.6
Others	56	308	4.6
Total	417	322	1.9

New restaurant openings^{1,2} by brands

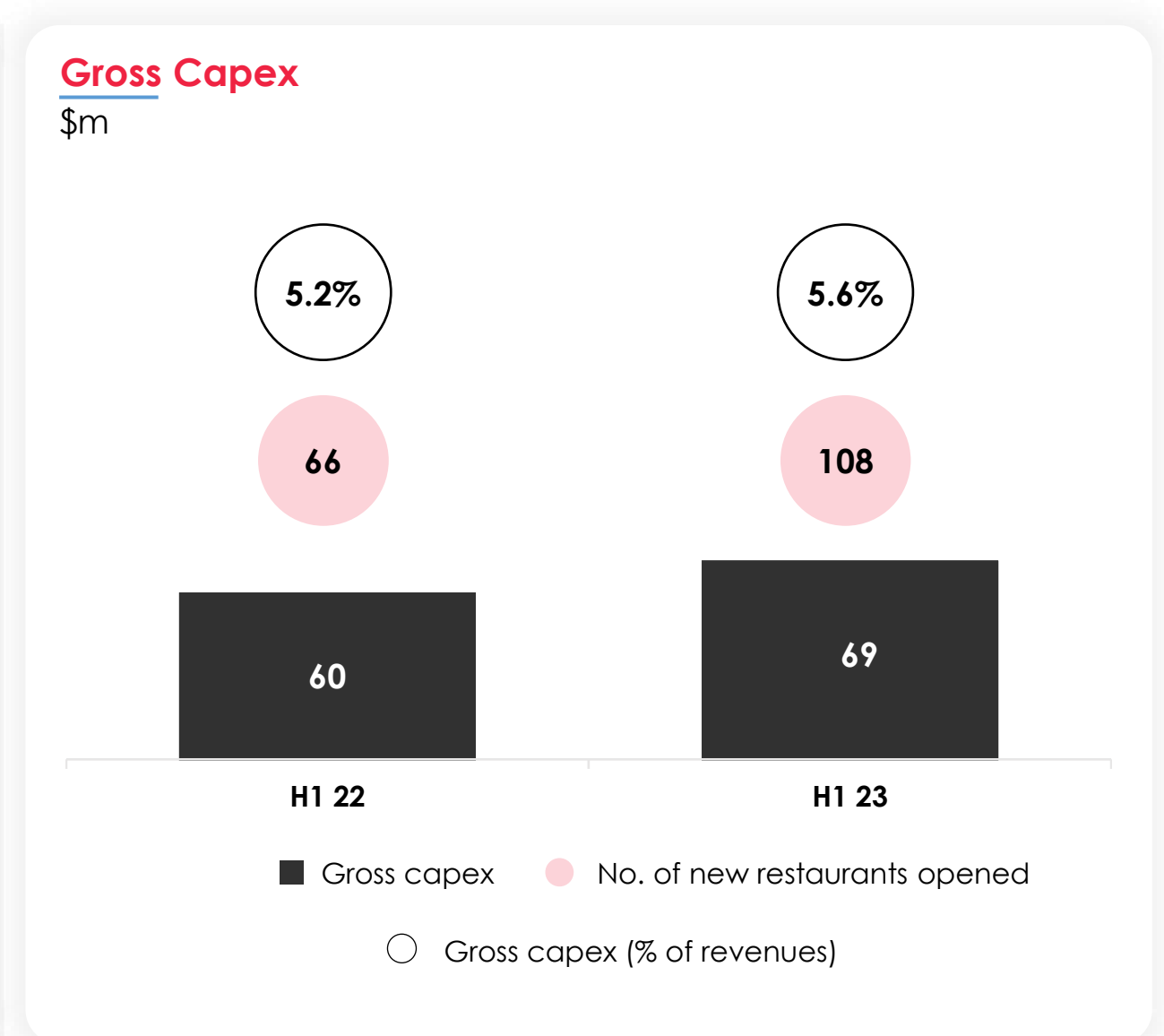
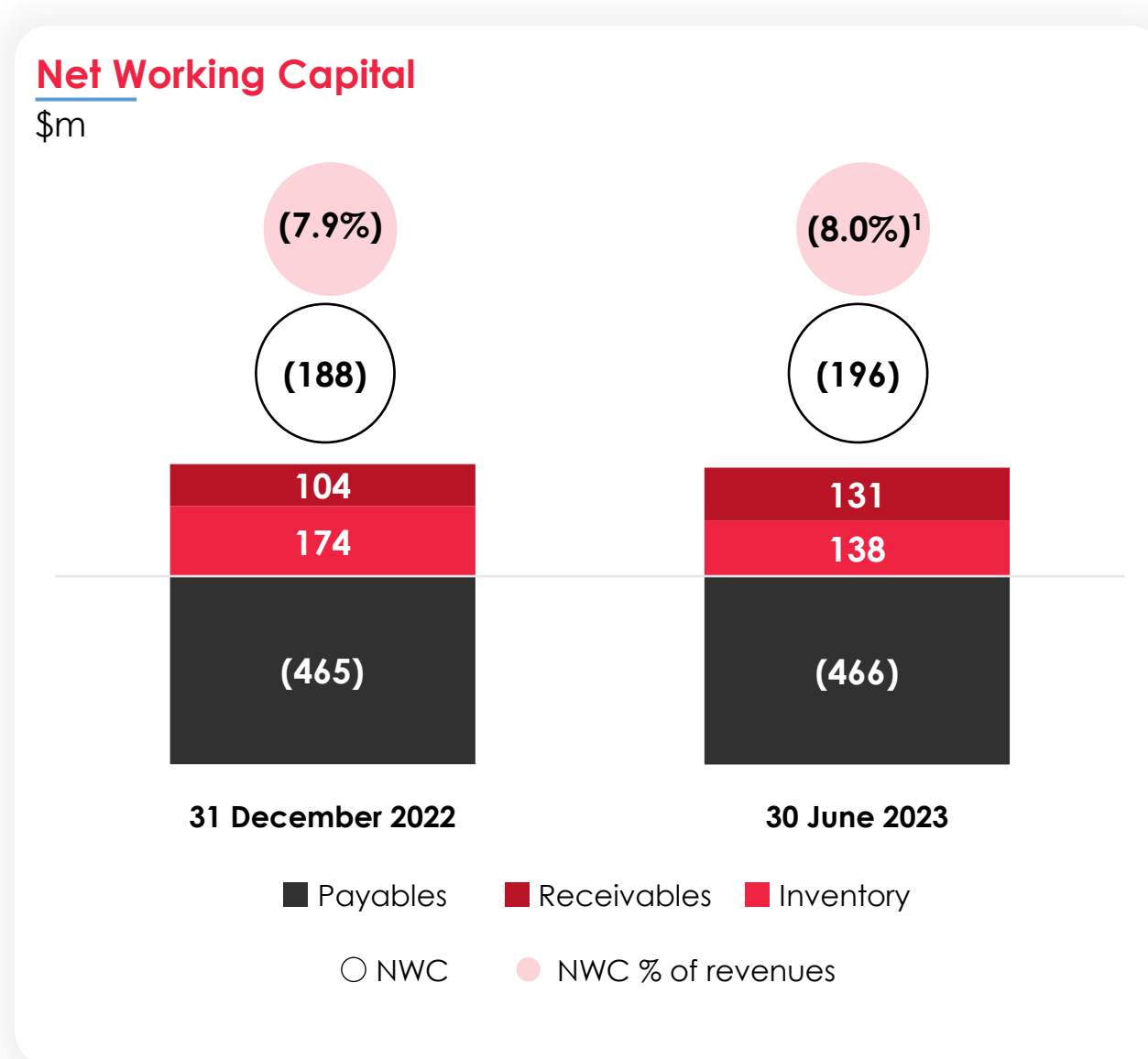


Source: Company information

1. Gross stores opened between 1 April 2021 and 31 March 2023

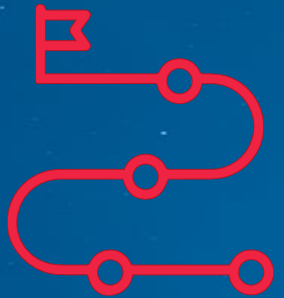
2. Total % not adding up to 100% due to rounding

Negative NWC maintained, inventory levels continue to decline as inflationary priced inventory is depleted



Source: Company information

1. NWC as % of revenues for H1 23 based on LTM revenues as of Jun 2023



THE WAY
FORWARD

2023 Outlook



Expect to open **250-260** net new restaurants in 2023, focusing on growth opportunities across markets of operations, over indexing on Saudi Arabia



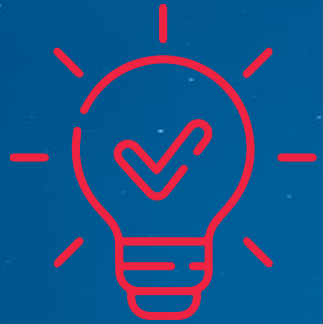
Egypt – Proactively navigating through headwinds with sharp focus on operations and implementation of effective cost measures



Expected improvement in GP margin in H2 23, expecting full year 2023 gross margin to be inline with 2022



Expected improvement in Net Profit margin in H2 23, as a result of flow-through from gross profit and operational efficiencies and ZBB initiatives



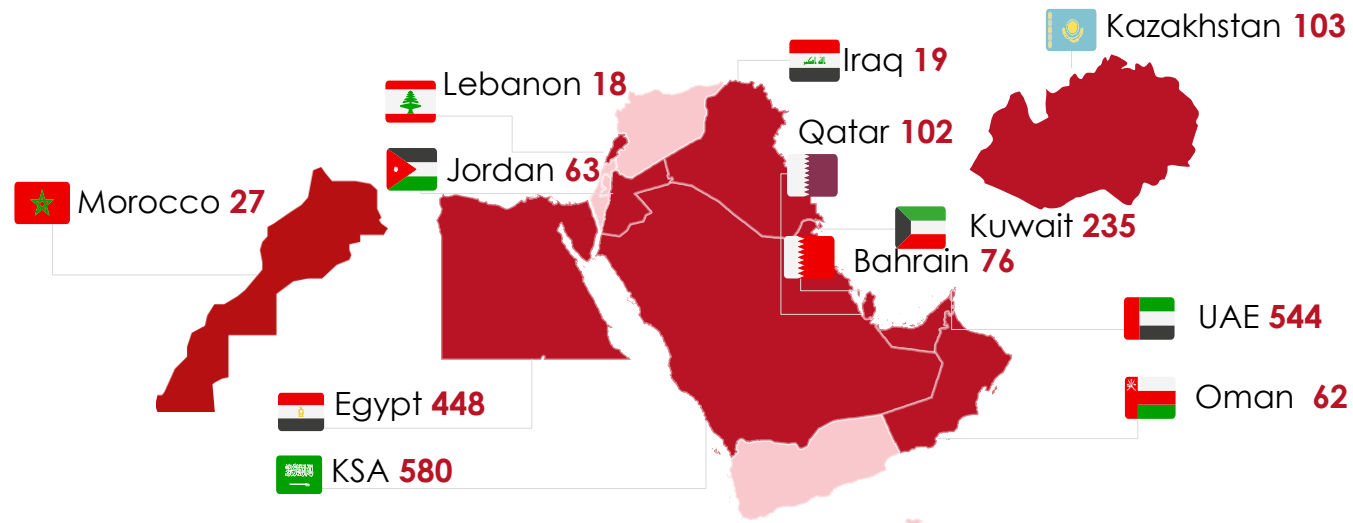
CONCLUDING **REMARKS AND Q&A**



APPENDIX

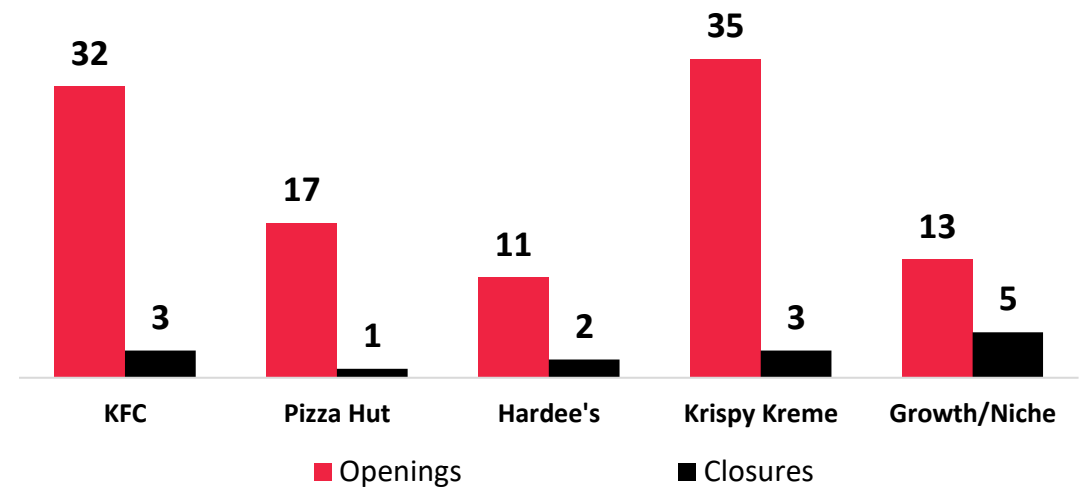
Portfolio evolution – H1 23

No. of restaurants – by country and brands



Openings & closures – H1 23

No. of restaurants – by brand/ category

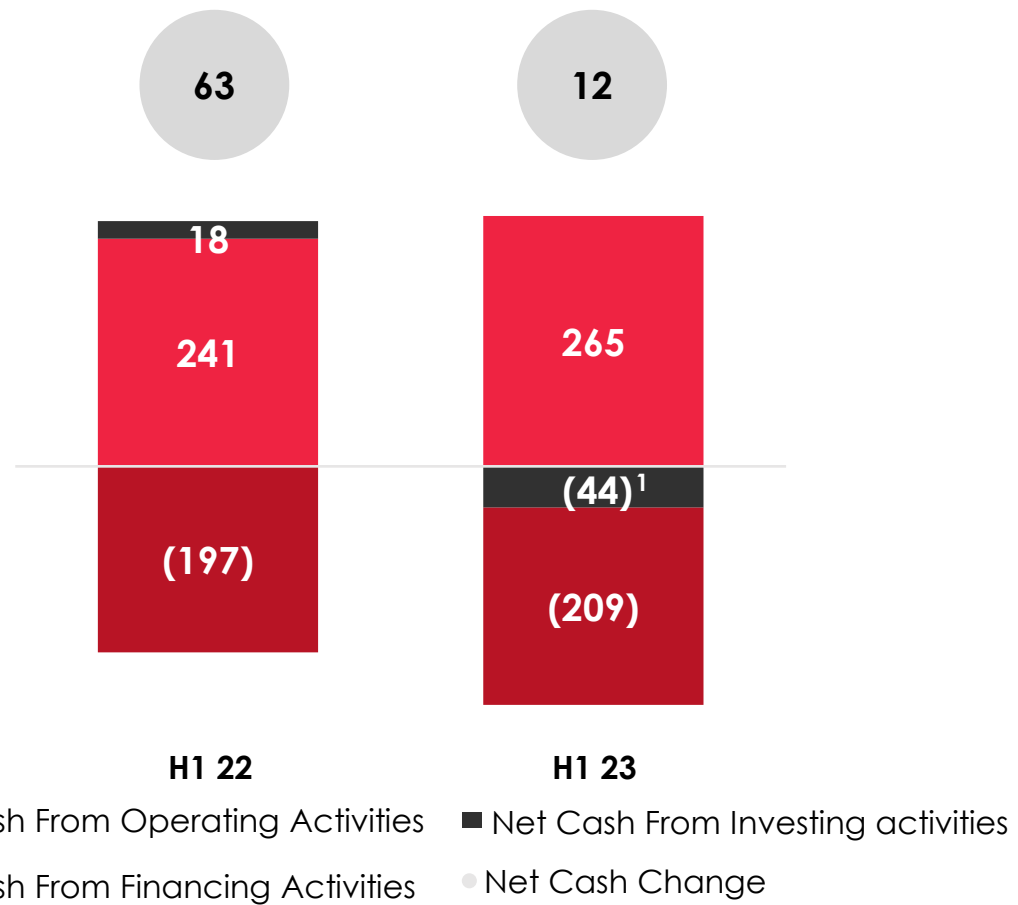


	KSA	UAE	Kuwait	Egypt	Others	Total
	237	198	72	175	286	968
	129	86	58	43	84	400
	36	160	-	99	46	341
	160	77	25	22	32	316
Growth / Niche Brands	18	22	79	105	22	246
Other Brands	-	1	1	4	-	6
	580	544	235	448	470	2,277

Free cash flows

Movement in Cash & Cash Equivalents

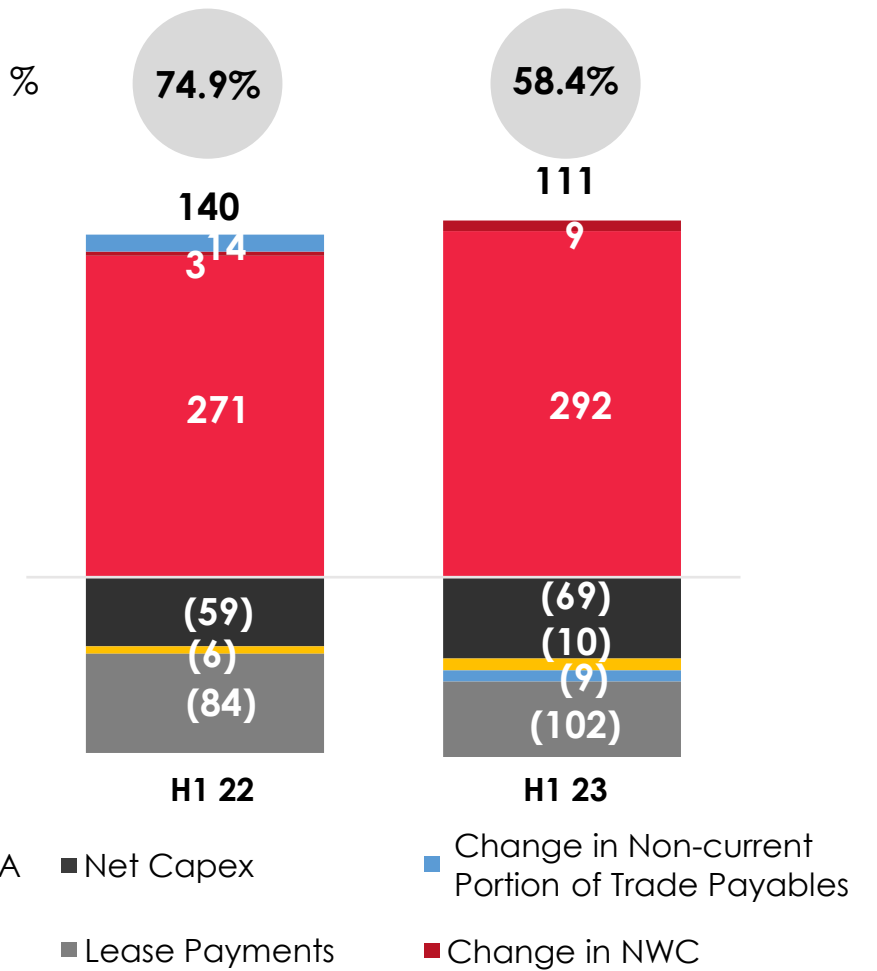
\$m



Adj. Free Cash Flow (FCF)

\$m

Conversion %



Source: Company information

1. Excluding short term fixed deposit of \$185.8m

EBITDA & Adj. EBITDA reconciliation

Post IFRS-16 basis

\$k	H1 22	H1 23
Net profit for the year	123,211	146,909
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	6,119	9,785
Finance cost (net) excluding finance costs on lease liabilities	21	(2,734)
Depreciation and amortization (excluding depreciation related to RoU assets) ¹	32,533	37,268
Depreciation on RoU assets	69,995	84,583
Finance costs on lease liabilities	9,264	12,432
Impairment charges	2,217	777
EBITDA	243,360	289,020
Other Adjustments A	27,620	2,726
Adj. EBITDA	270,980	291,746

Non-recurring provision to settle an indirect legacy tax claim charge in Egypt relating to pre acquisition periods (2000 to 2017)

Severance payments for restructuring in Egypt - 2-months salary for each year of service in case of involuntary termination.

A \$k	H1 22	H1 23
Tax provision	25,482	-
Staff restructuring costs	650	-
Lebanon IAS 29 adjustment	1,488	2,726

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 and contribution to Kuwait Foundation for the Advancement of Science ("KFAS"), 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)

- **Avg. payback:**

The payback investment period is calculated by dividing the initial investment by the annual cumulative cash inflow generated over 10 years. No discount rate have been assumed for all markets except Egypt. Equation is to compare the initial investment capex against the forecasted annual net cash flow over the period of 10 years

- **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

- **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 2022) 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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