



EARNINGS PRESENTATION

Q1 24 RESULTS

GREAT PEOPLE,
GREAT FOOD,
GREAT COMPANY

May 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.

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.

AGENDA & PRESENTERS



**AMARPAL
SANDHU**
CHIEF EXECUTIVE OFFICER



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



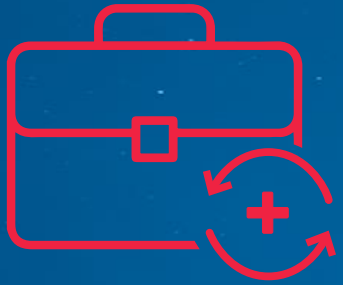
**SONIKA
SAHNI**
HEAD OF INVESTOR RELATIONS

01 Business Updates

02 Financial Review

03 The Way Forward

04 Appendix



BUSINESS **UPDATES**

Q1 24 Performance dashboard



Restaurant Portfolio

2,456 stores

+288 gross new restaurants added
(LTM¹)

37 under construction



Revenues \$493.5m

(vs. Q1 23)

(16.3%) decline



LfL

(vs. Q1 23)

+(19.6)%² decline in LfL revenues (till 10
March 2024)

(22.2%) for Q1 24



Adj. EBITDA \$103.3m

(vs. Q1 23)

(18.6%) decline
(0.6%) margin dilution



Net Profit \$28.0m

(vs. Q1 23)

(51.8%) decline
(4.2%) margin dilution



Capex \$21.7m

4.4% of revenue

Source: Company information

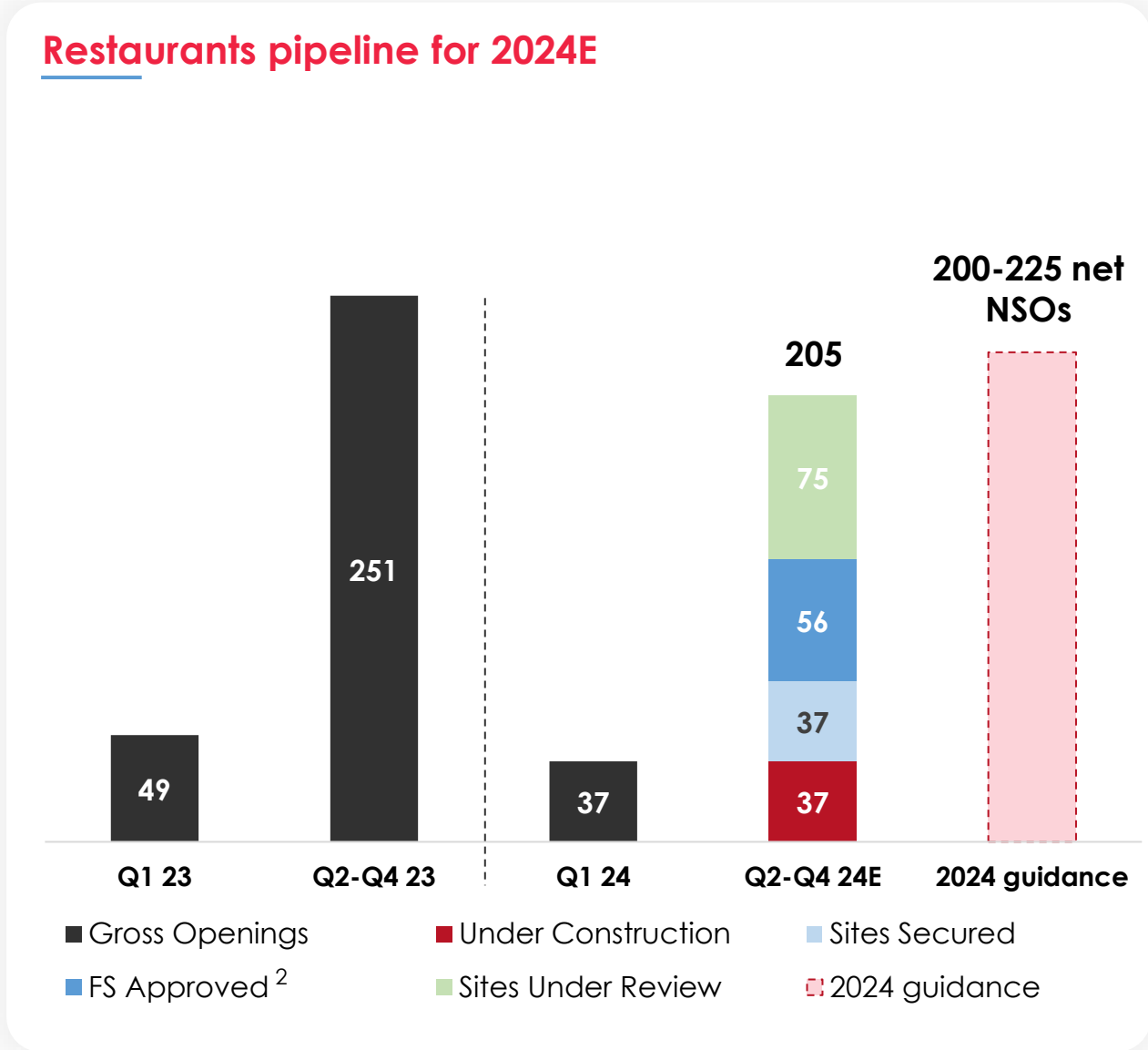
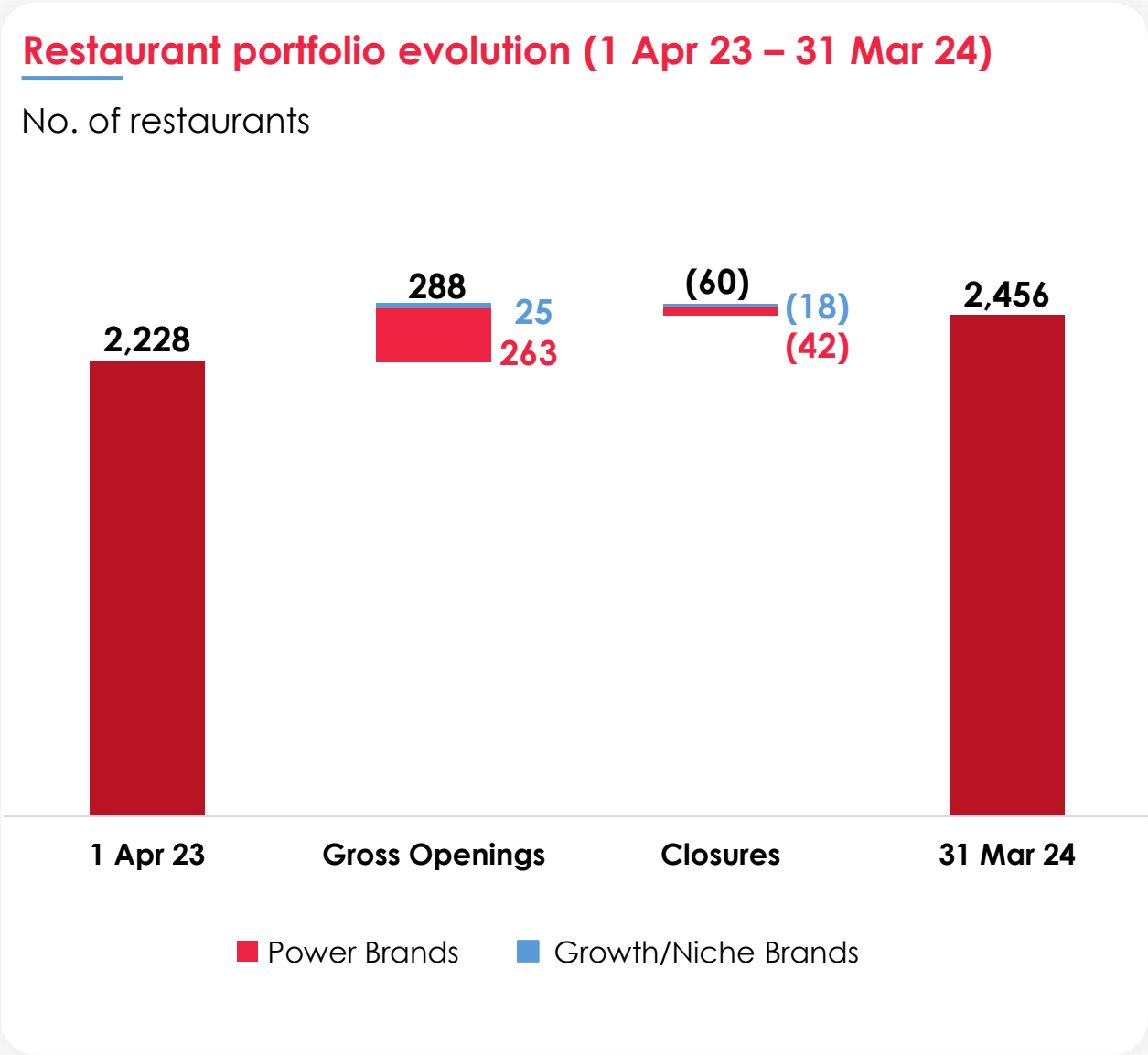
1. LTM is defined as period from 1 April 2023 to 31 March 2024

2. Figure excluding the impact of Ramadan which commenced on 11 March 2024



FINANCIAL **REVIEW**

228 net new stores added in last twelve months¹; upholding 2024 guidance with a cautious stance, influenced by the ongoing geopolitical situation

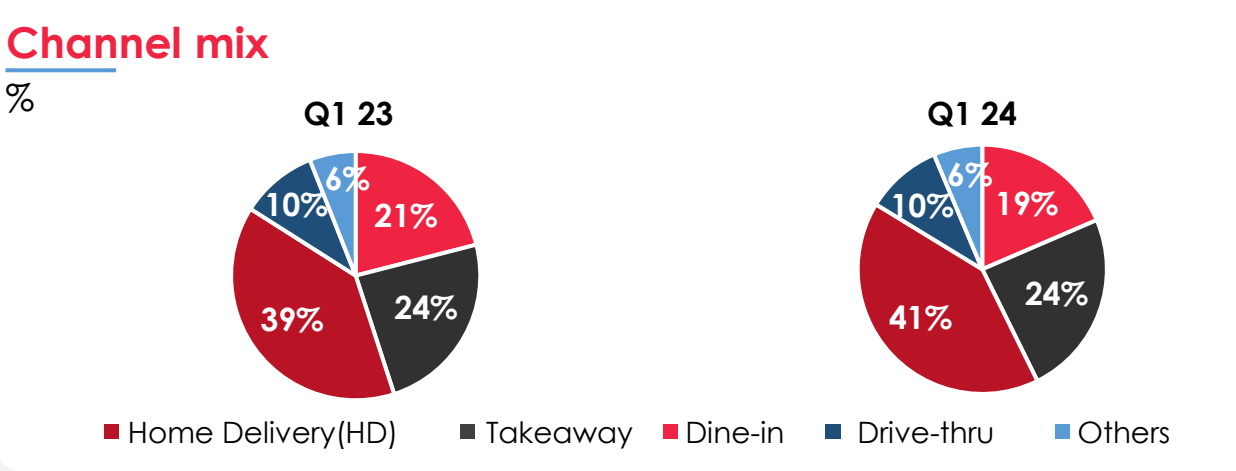
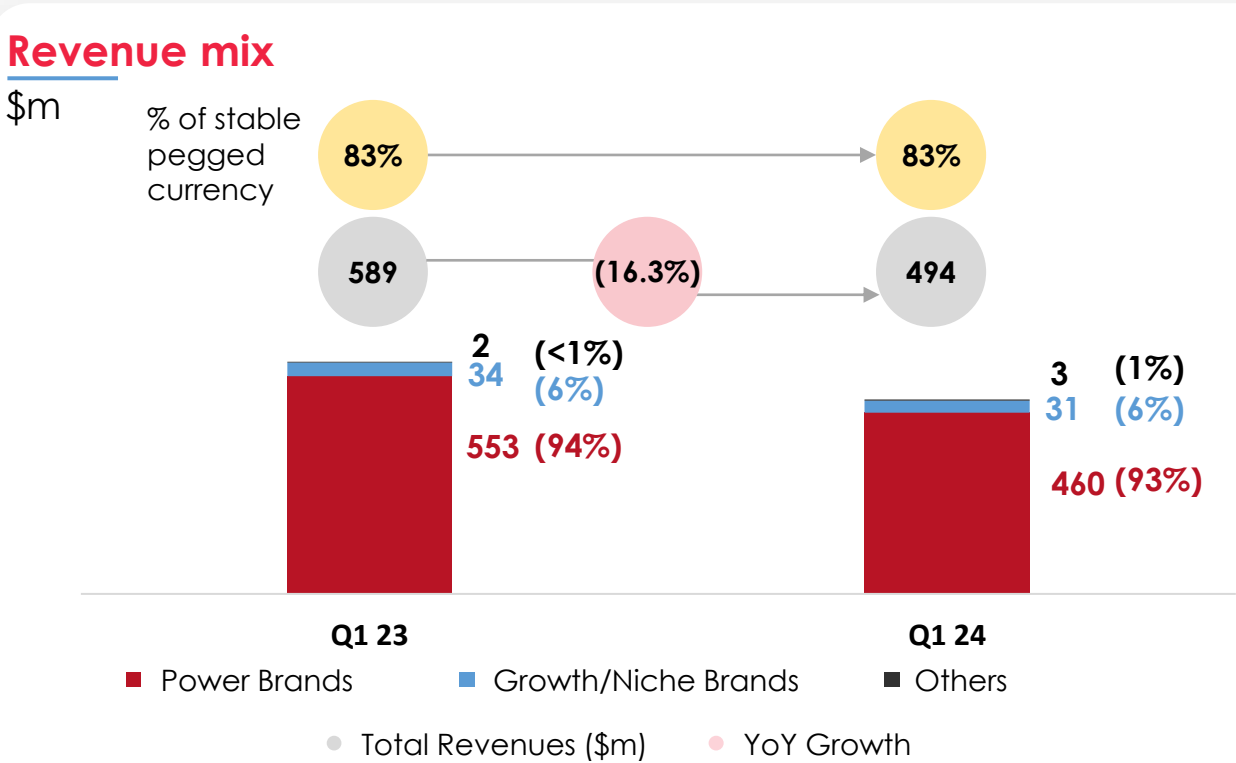
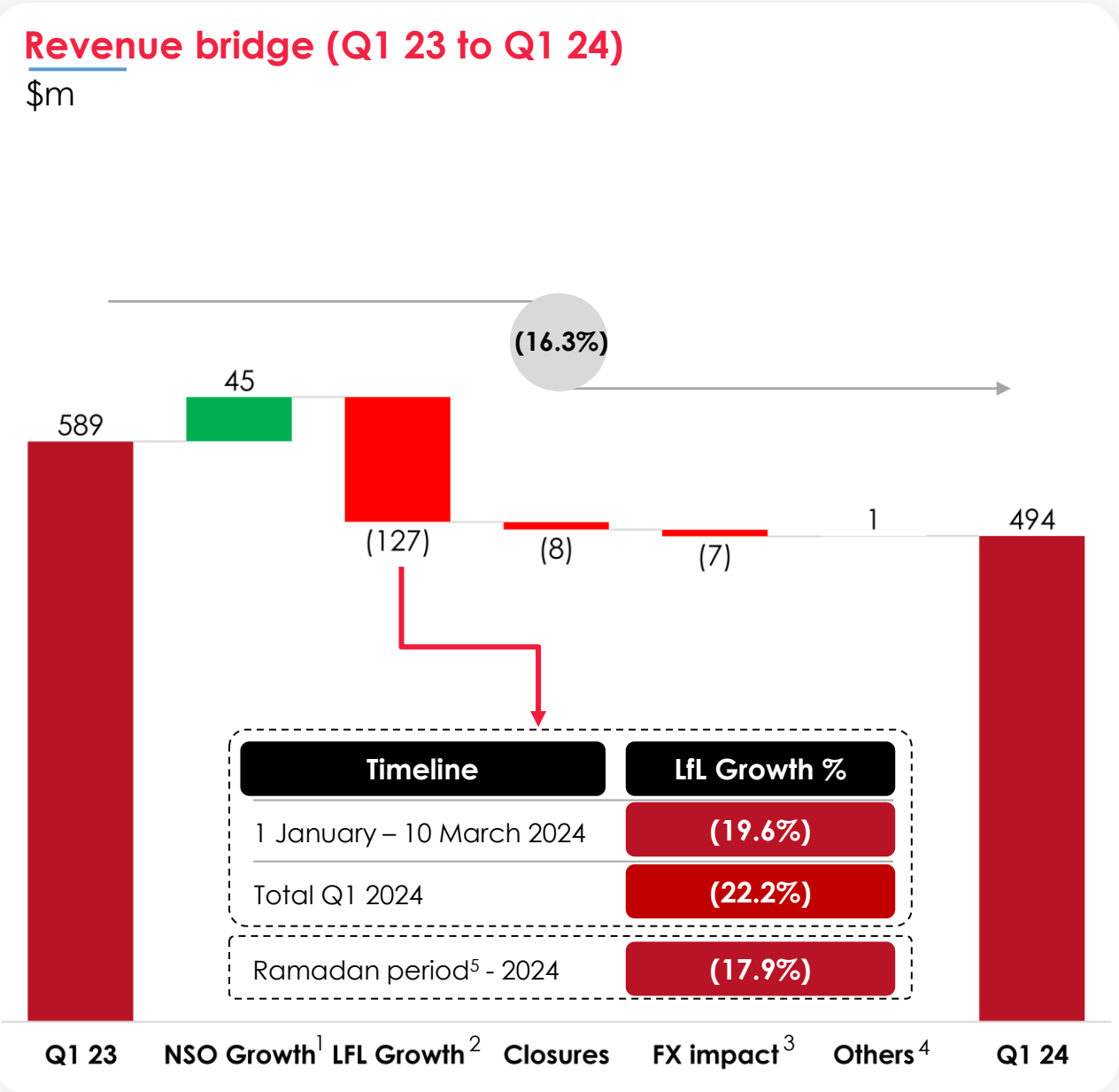


Source: Company information

1. From 1 April 2023 to 31 March 2024

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

Revenue performance impacted by negative LFL sales growth and closures due to regional geopolitical situation and FX impact, despite \$45m growth from NSOs



Source: Company information

1. Revenue contribution from stores opened during Q1 23 and Q1 24

2. LFL growth for stores that have completed 12 months of operations

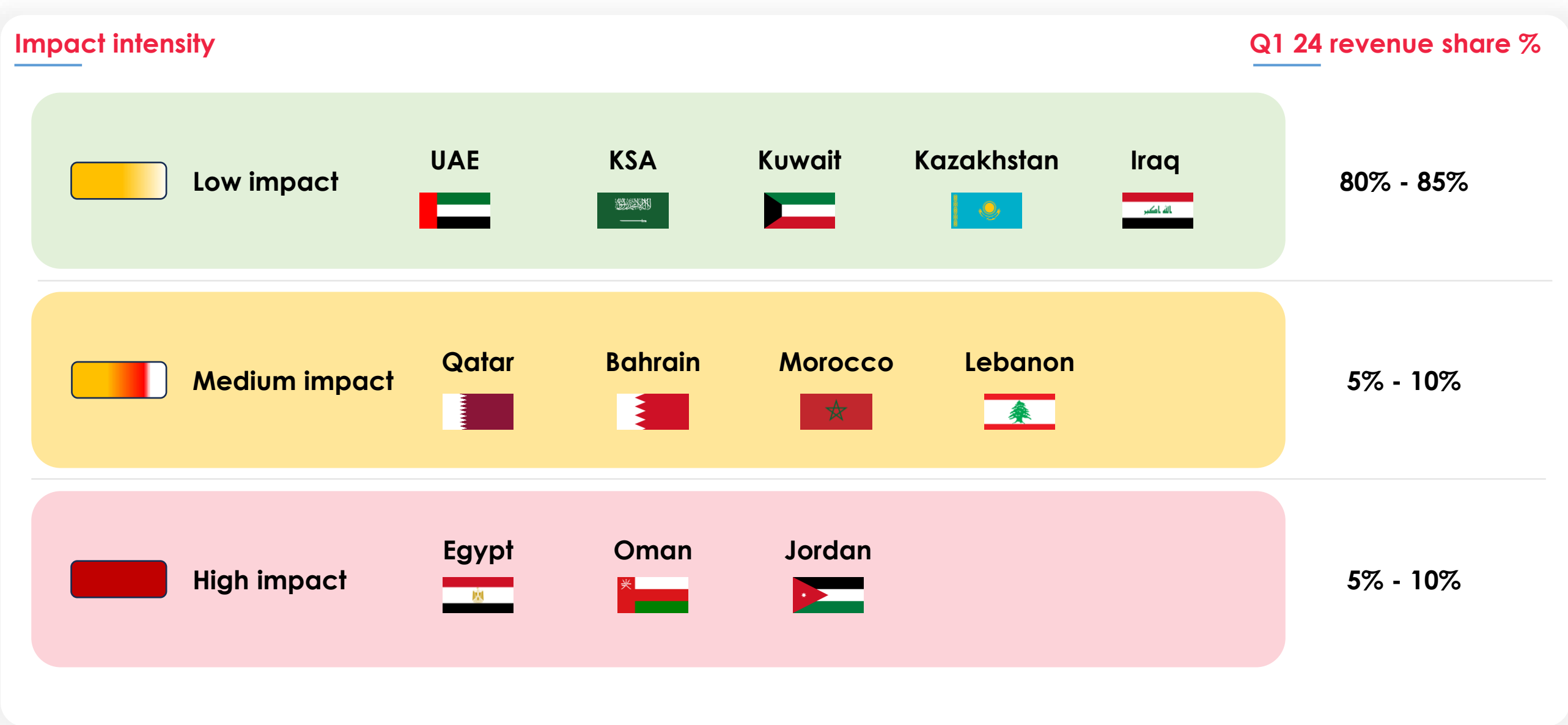
3. FX impact mainly due to Egypt and Lebanon

4. Others include Lebanon hyperinflation impact, rentals and logistics

5. Data for the period 11 March – 31 March of 2024 compared with 23 March – 12 April of 2023

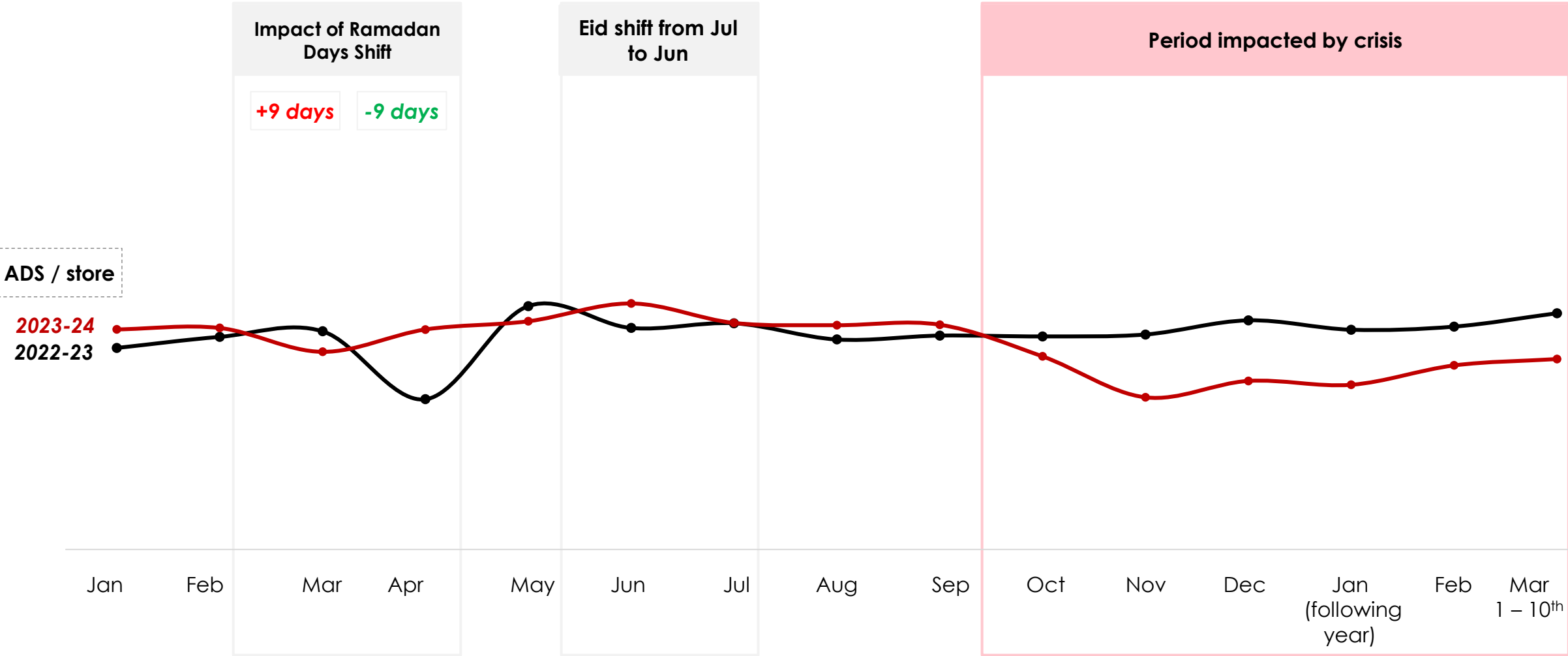
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Recovery strongest in Kuwait which transitioned from medium to low impact; muted by impact in the UAE and KSA



Early signs of recovery... however slower than expected

Average daily sales (ADS) per store trend

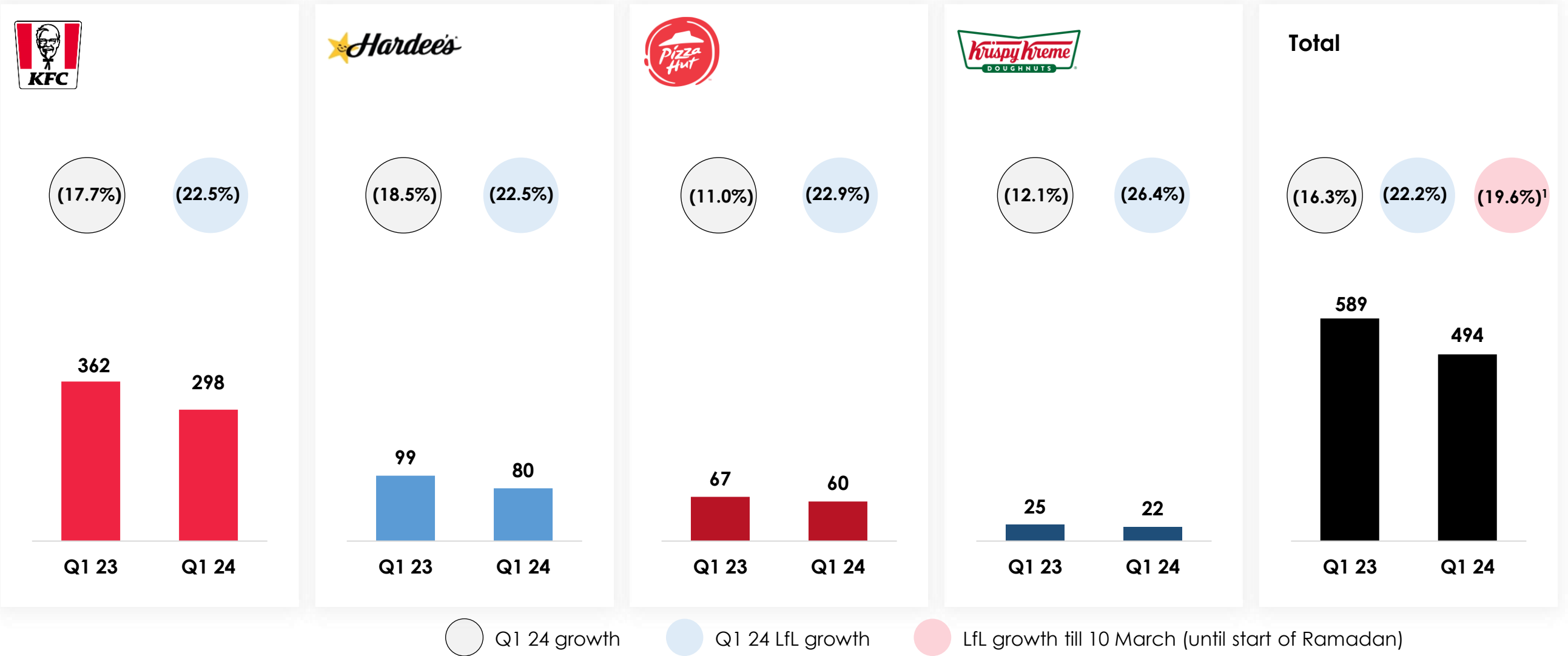


Source: Company information
Note: Comparison ADS/store of LFL stores (stores fully operational in 2022 and 2023)

Power brands performance remained under pressure due to regional geopolitical situation; further impacted by onset of Ramadan

Revenues by power brands

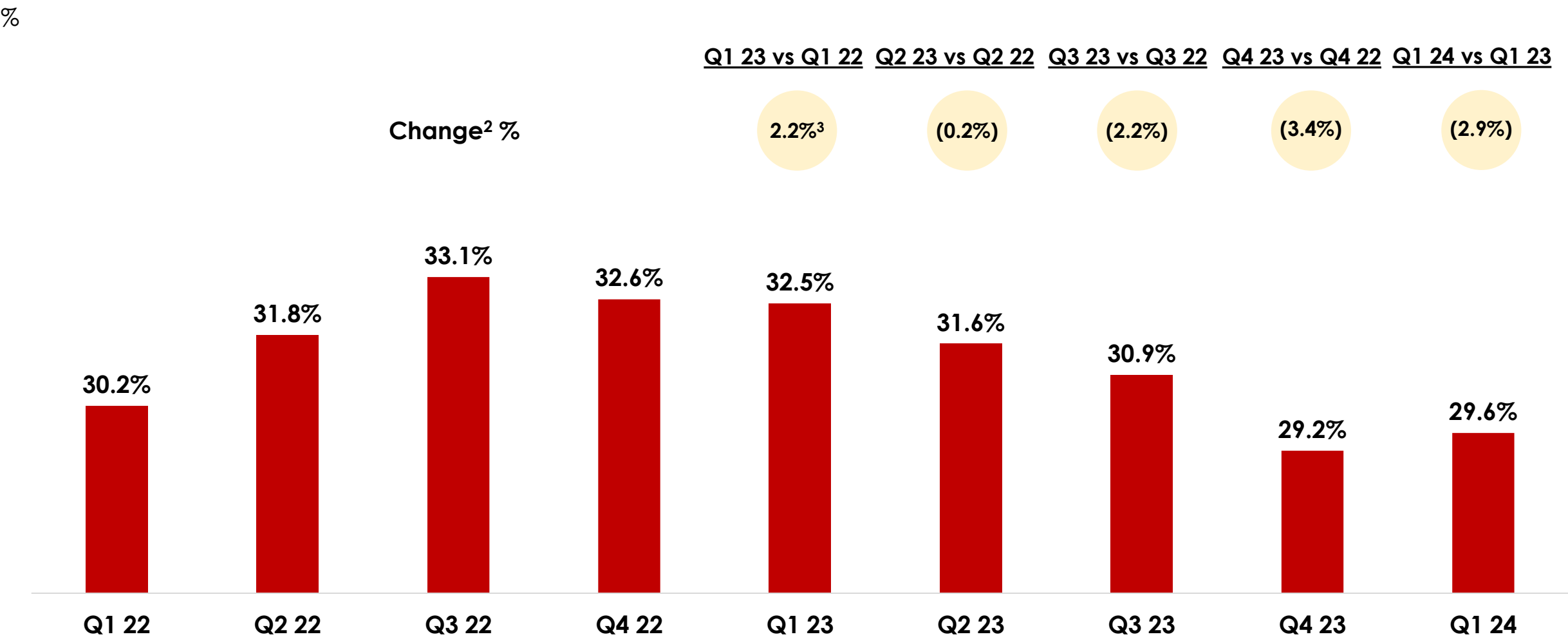
\$m



Source: Company information
1. Data for the period is 1 Jan – 10 Mar, for both 2023 and 2024

Despite increased discounts, Y-o-Y gross margins increased due to decline in commodity prices and procurement & revenue management initiatives

Cost of inventory¹ evolution (Q-o-Q)



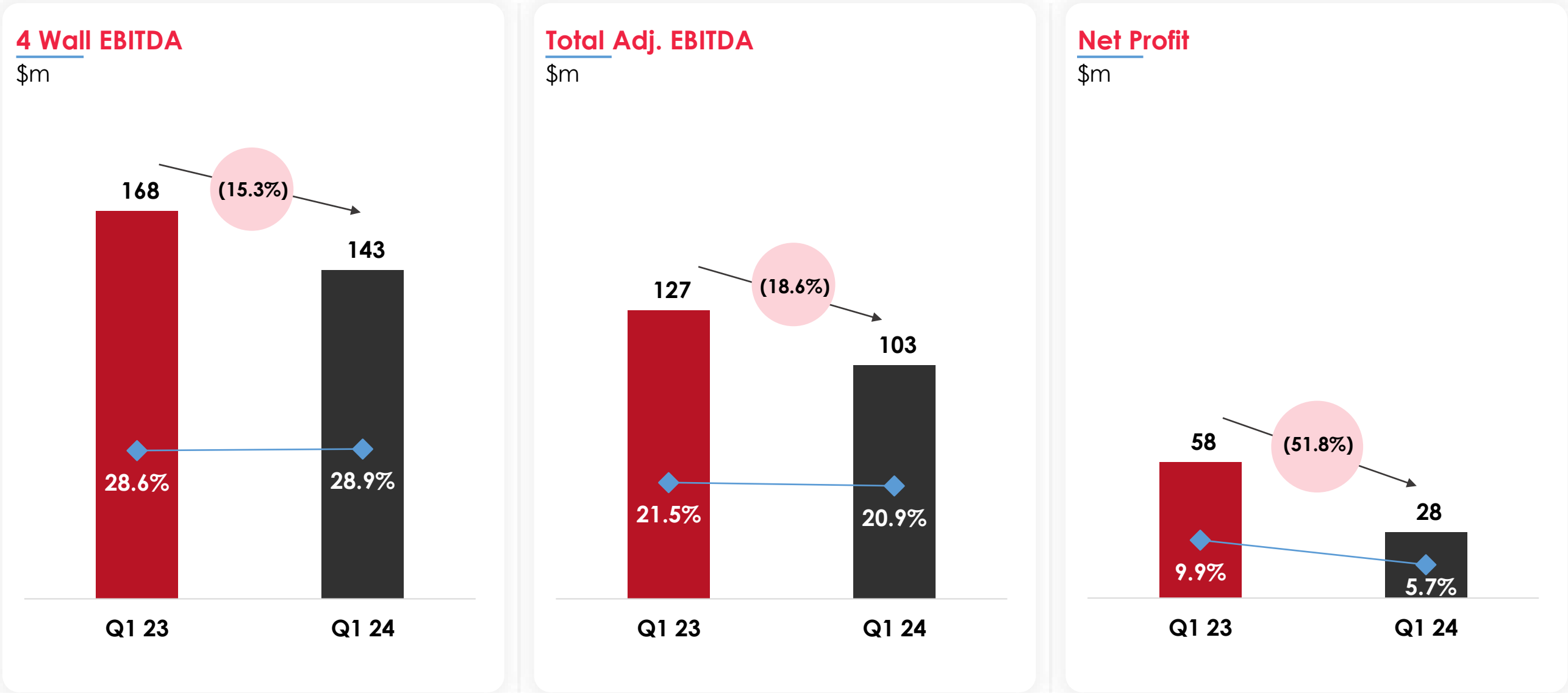
Source: Company information

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

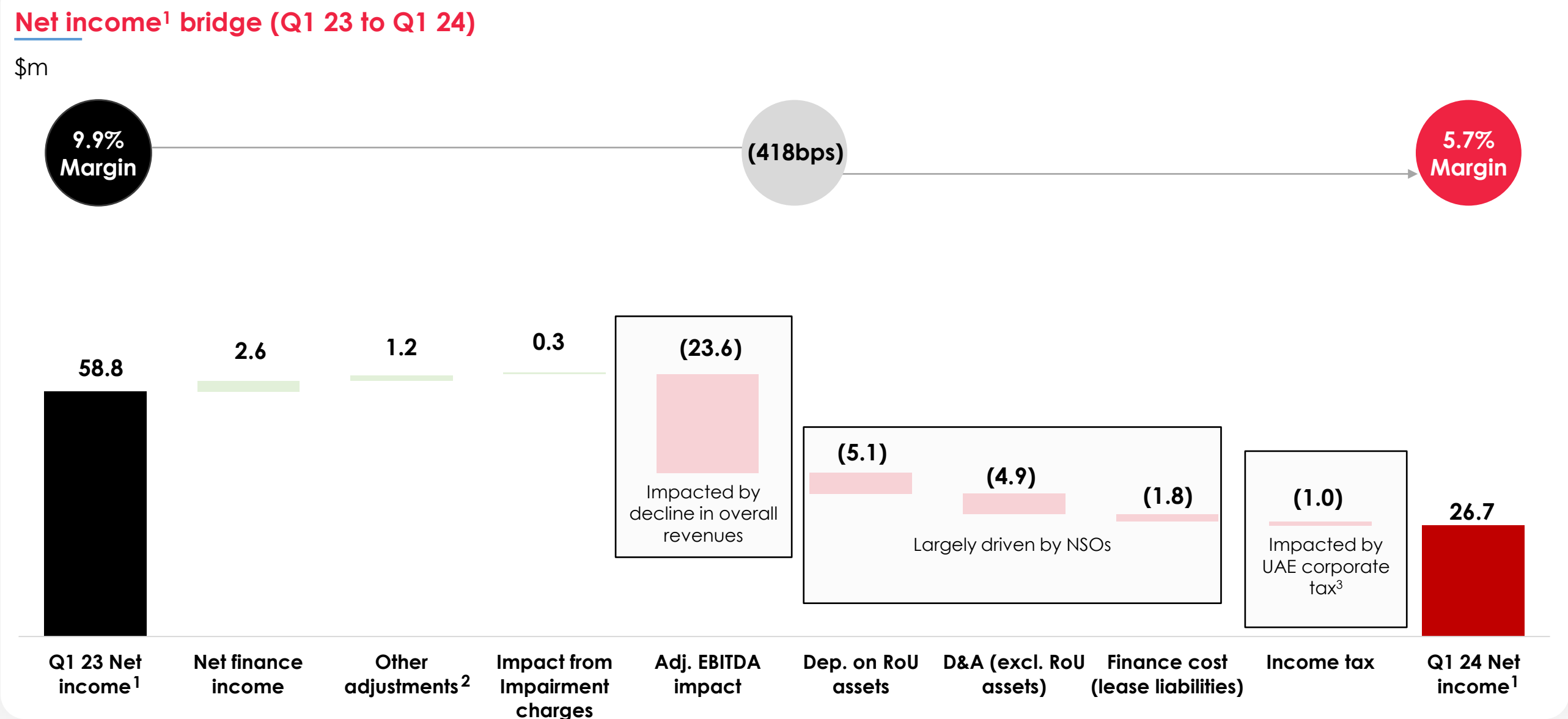
3. Doesn't tally with one decimal figure of 2.3% due to rounding

4-wall EBITDA margins maintained; net margins impacted due to flowthrough of revenue decline and higher depreciation charges for NSOs



◆ Margin (% of revenues) ● YoY Growth

Net income majorly impacted by decline in revenue and increased depreciation costs



Source: Company information

1. Net profit for the period

2. Lebanon IAS 29 adjustment

3. Net impact; total UAE Income tax impact is \$1.9m

The company remains committed to minimize the impact of the geopolitical situation; through enhancing revenue opportunities and optimizing costs

Revenue management



Event based pricing



Differential pricing



Price increase specific to macro situation of markets



Targeted communication via leveraging CRM platform



Prioritizing brand equity with a focus on group customers (families etc.)

Cost measures



Further optimizing raw material sourcing across categories and supply chain



Added new suppliers ensuring stable supply at competitive pricing for key commodities such as protein



G&A platform optimization

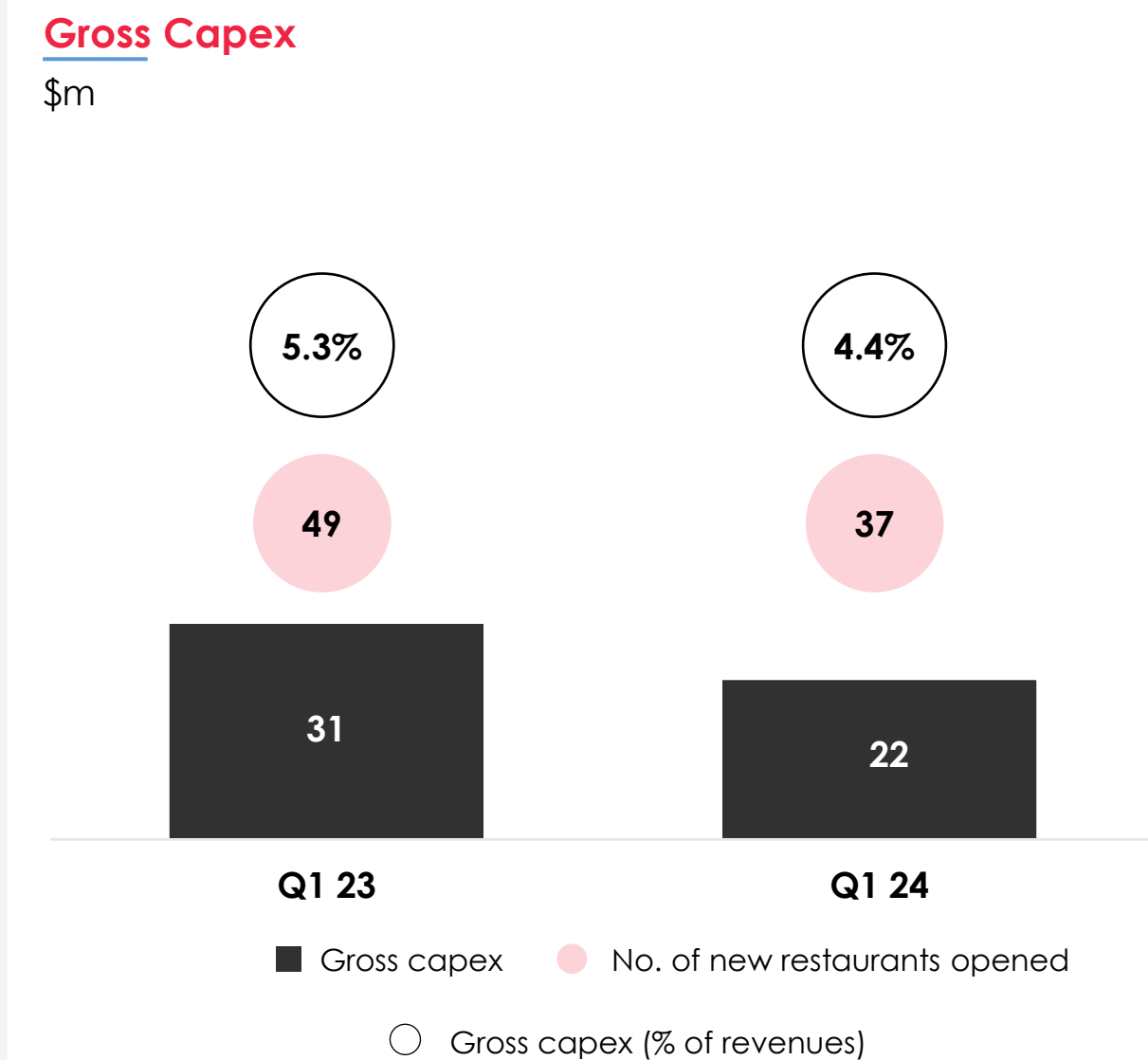
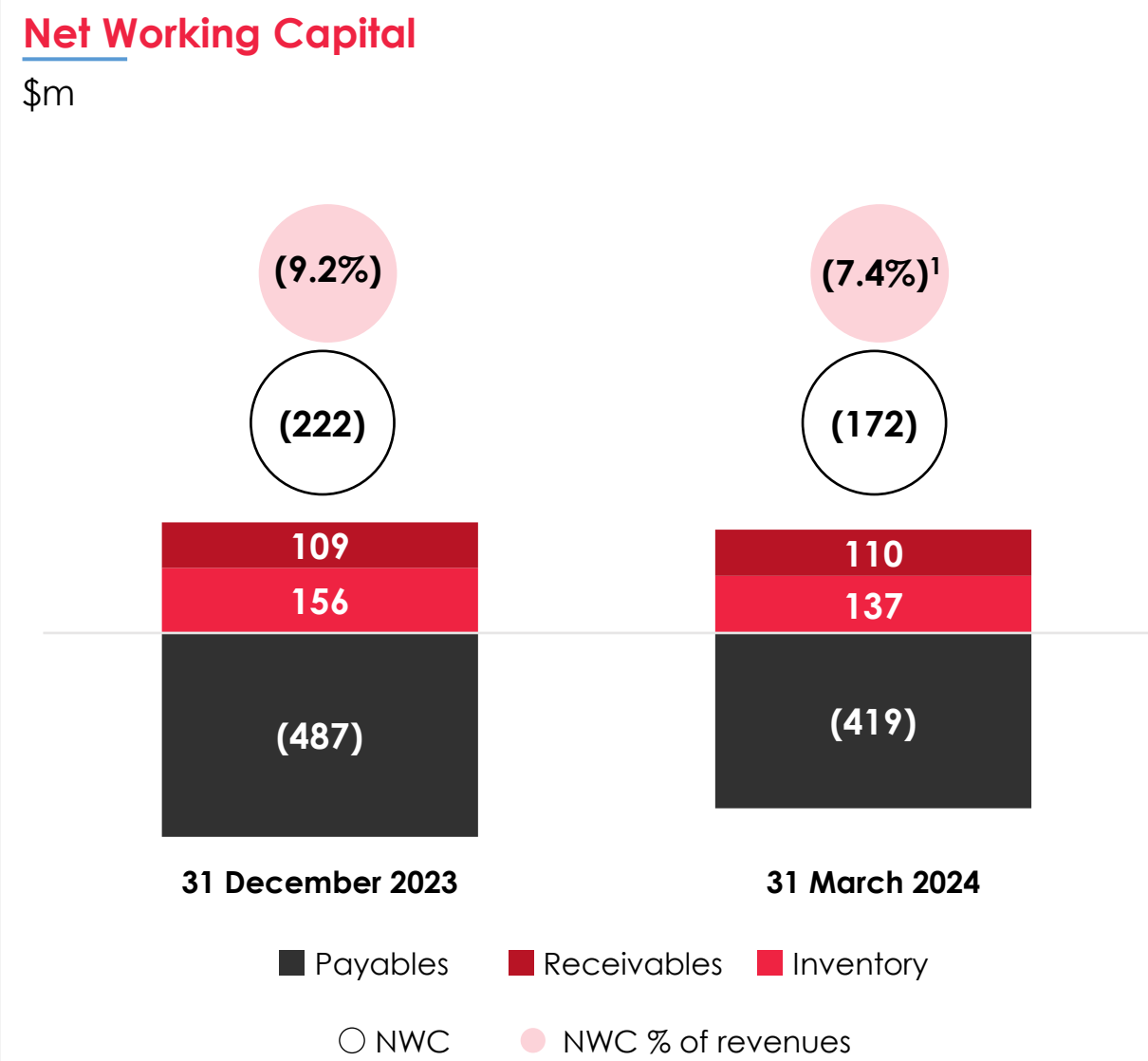


Franchisor reliefs

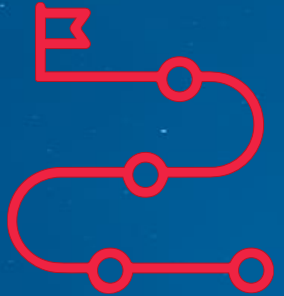


Various indirect cost & capex cost reduction initiatives

Net working capital decreased as a result of inventory management and decrease in payables



Source: Company information
1. NWC as % of revenues (7.4%) for Q1 2024 based on LTM revenues (1 April 2023 to 31 March 2024)



THE WAY FORWARD

2024 key focus areas

1 **Revenue recovery** with focus on establishing trust, driving transactions and serving great tasting food

2 Growth journey to continue with **cautious outlook given evolving macro dynamics**

3 Continued focus on **operational efficiencies and excellence**

4 **Innovation, digitization and customer centric initiatives** to grow share of wallet and share of voice

5 Continue to look for **growth plans and inorganic opportunities**



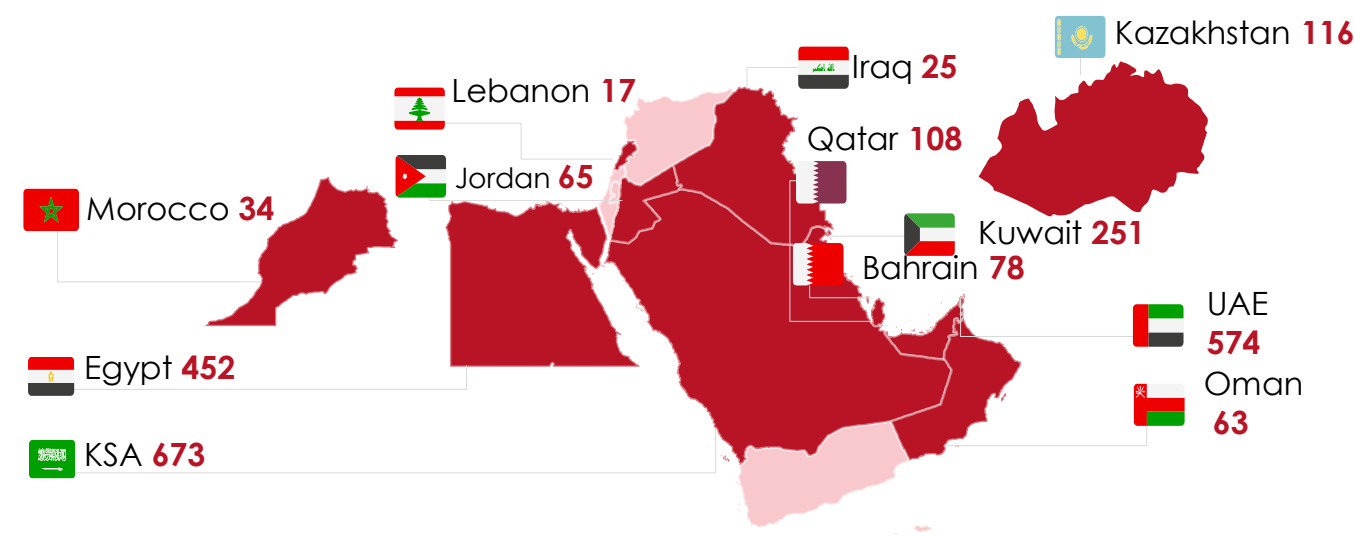
CONCLUDING **REMARKS AND Q&A**



APPENDIX

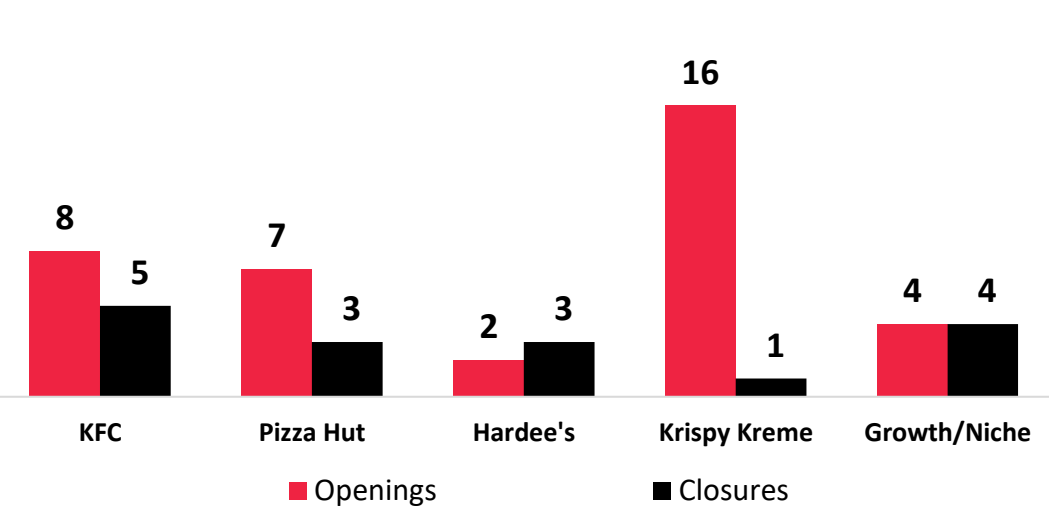
Portfolio evolution

No. of restaurants¹ – by country and brands



Openings & closures – Q1 24

No. of restaurants – by brand/ category



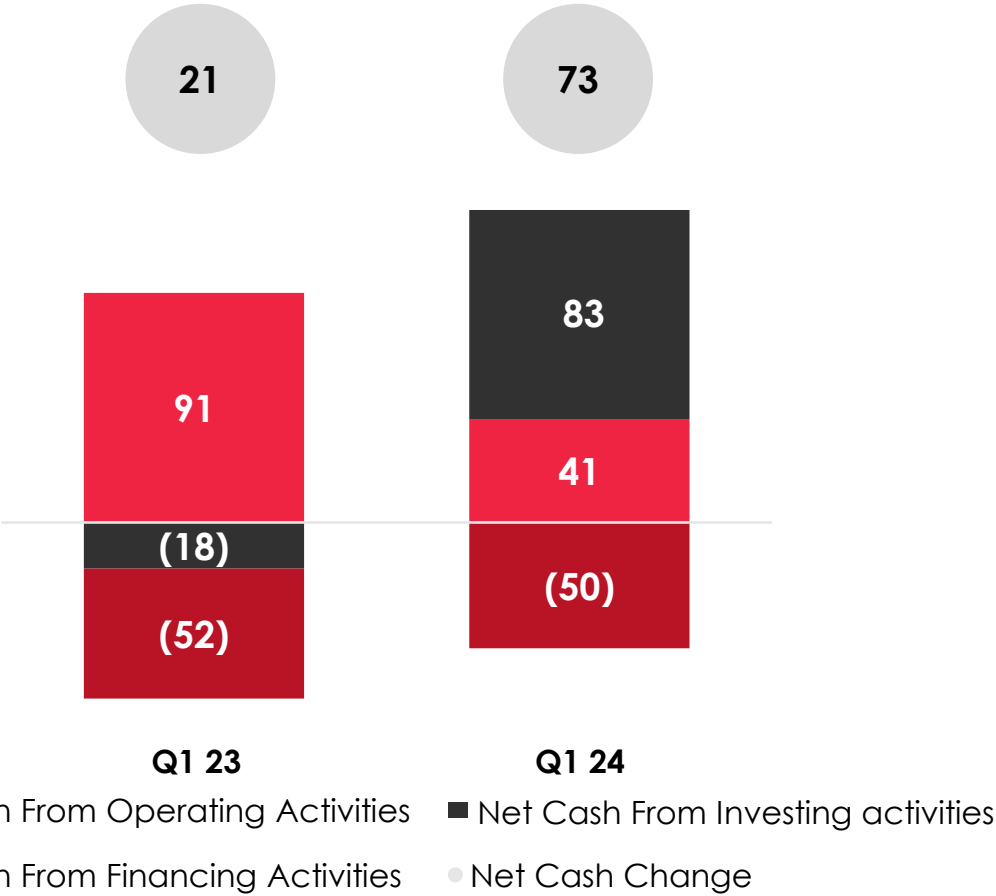
	KSA	UAE	Kuwait	Egypt	Others	Total ¹
	264	209	76	175	306	1,030
	139	89	59	42	84	413
	73	164	-	98	48	383
	178	85	30	32	45	370
Growth / Niche Brands	19	26	85	101	23	254
Other Brands	-	1	1	4	-	6
	673	574	251	452	506	2,456 ¹

Source: Company information
1. Restaurants count as at 31 March 2024

Free cash flows

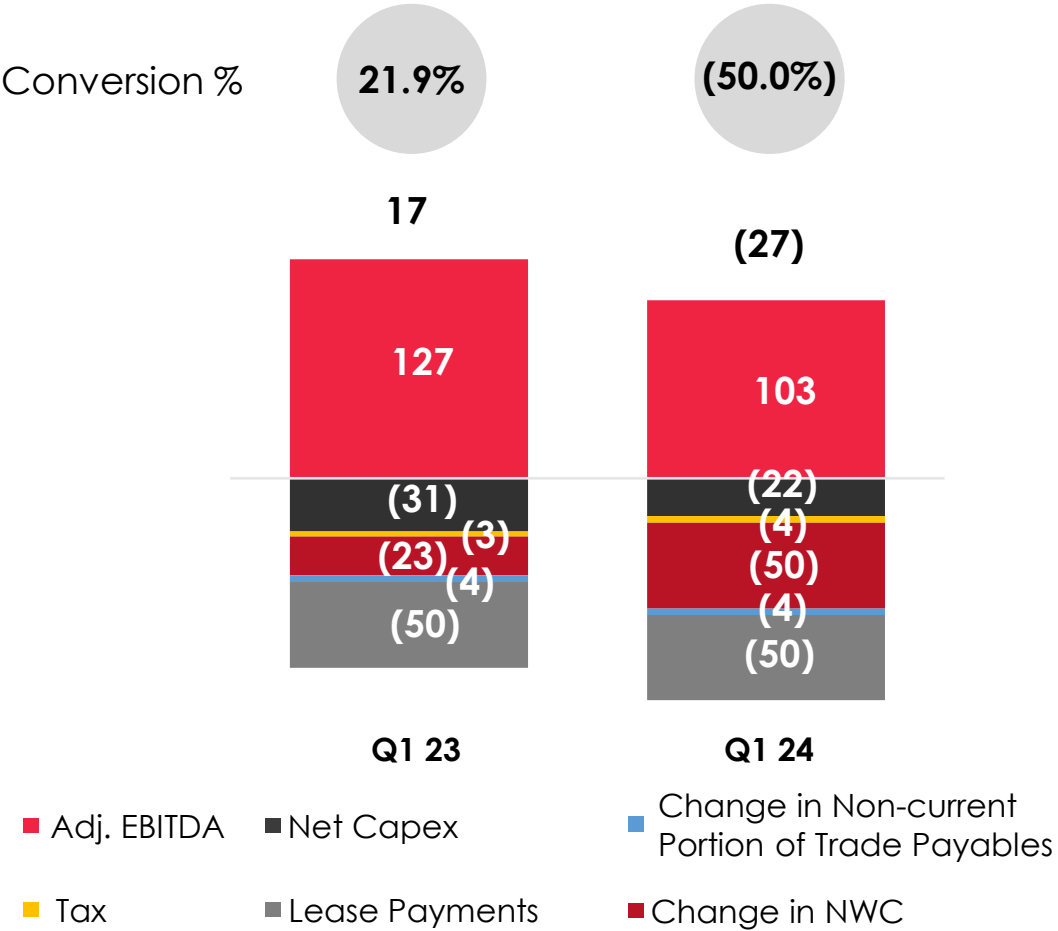
Movement in Cash & Cash Equivalents

\$m



Adj. Free Cash Flow (FCF)

\$m



EBITDA & Adj. EBITDA reconciliation

Post IFRS-16 basis

\$k	Q1 23	Q1 24
Net profit for the period	58,791	26,661
Income tax, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	2,871	3,852
Finance cost (net) excluding finance costs on lease liabilities	(1,525)	(4,126)
Depreciation and amortization (excluding depreciation related to RoU assets) ¹	18,293	23,145
Depreciation on RoU assets	41,222	46,306
Finance costs on lease liabilities	5,957	7,709
Impairment charges	431	119
EBITDA	126,040	103,666
Other Adjustments A	839	(341)
Adj. EBITDA	126,879	103,325

A		
\$k	Q1 23	Q1 24
Lebanon IAS 29 adjustment	839	(341)

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

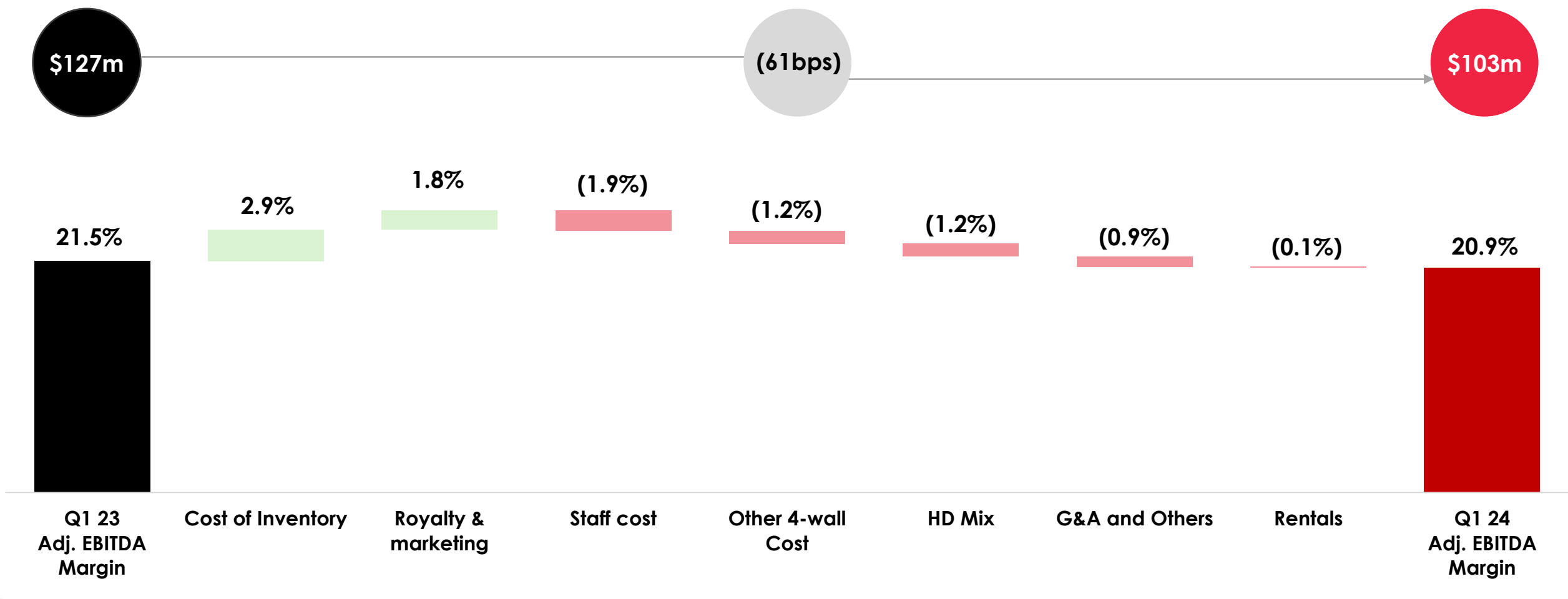
Source: Company information

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

Adj. EBITDA margin bridge

Adj. EBITDA margin bridge (Q1 23 to Q1 24)

% of revenues



Source: Company information

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, change in non-current portion of trade receivables, 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
- **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, zakat, and contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")

THANK YOU

Investor.Relations@americanarestaurants.com