

## Americana Restaurants International PLC (AMR)

Current Price AED 2.15	Target Price AED 2.95	Upside/Downside (%) +37.2%	Rating BUY
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### 2Q25 Net income in line with our estimate

- Americana Restaurants revenue rose 15.1% YOY to USD 644 Mn in 2Q25, primarily supported by operational efficiency and strong brand performance.
- The Company reported 15.2% YOY growth in gross profit to USD 347 Mn in 2Q25 as compared to USD 301 Mn in 2Q24. Gross profit margin marginally increased 6 bps YOY to 53.9% in 2Q25.
- Americana opex including expense on S&M and G&A expenses rose from USD 241 Mn in 2Q24 to USD 272 Mn in 2Q25.
- EBITDA grew 18.4% YOY to USD 153 Mn during 2Q25. EBITDA margin also ticked up from 23.1% in 2Q24 to 23.8% in 2Q25.
- Net profit grew 15.2% YOY to USD 60 Mn in 2Q25, indicating ongoing business recovery. Net profit margin remained stable at 9.3% in 2Q25 compared to 2Q24.
- Generated a free cash flow of USD 111 Mn in 1H25 with zero debt.
- The Company's cash balance stands at USD 107 Mn in 2Q25. The Company's cash and cash equivalents stood at USD 286 Mn in 2Q25 compared to USD 337 Mn in 1Q25.

### Earnings Call Summary

- Americana directed multiple innovations and promotions in 2Q25 to attract new customers at their restaurants.
- Launched the Customer Data Platform, which unifies data from an extensive active customer record into one platform. This enabled Americana to carry out highly personalized engagement and offers, along with advanced segmentation.
- The Customer Data Platform witnessed early signs of success with a 10% rise in first-time orders in KFC UAE and 8% lower cost per install in KFC Saudi Arabia.
- Capex is primarily driven by the ongoing investments towards store expansion and technology developments.
- Partnership with Carpo, underpins Americana's strategic entry in the premium retail market.
- In KSA, the company is facing a tough environment marked by weaker consumer spending and intense competition, with aggregator listings having surged 2.5x since 2022. Despite this, targeted promotions and value-driven offerings, especially from Hardee's and KFC, are delivering strong results, and the company is actively working to improve performance.
- Americana has strategic plans to get back the LFL recovery to September 2023 levels. However, Americana focuses on restoring transaction levels to previous highs.
- Expected to launch Carpo stores either at the end of 2025 or in 1Q26.
- Focusing on product innovation, creating value across countries and brand, and investments in digital technology like Customer Data Platform to drive the LFL growth.
- Heavily promoted value offerings from May 2024 through early 2025 to regain traffic, using visible price-point promotions and in-store campaigns. Since April 2025, Americana started to scale back promotions to focus on improving average check, gross margin, and operating profit.

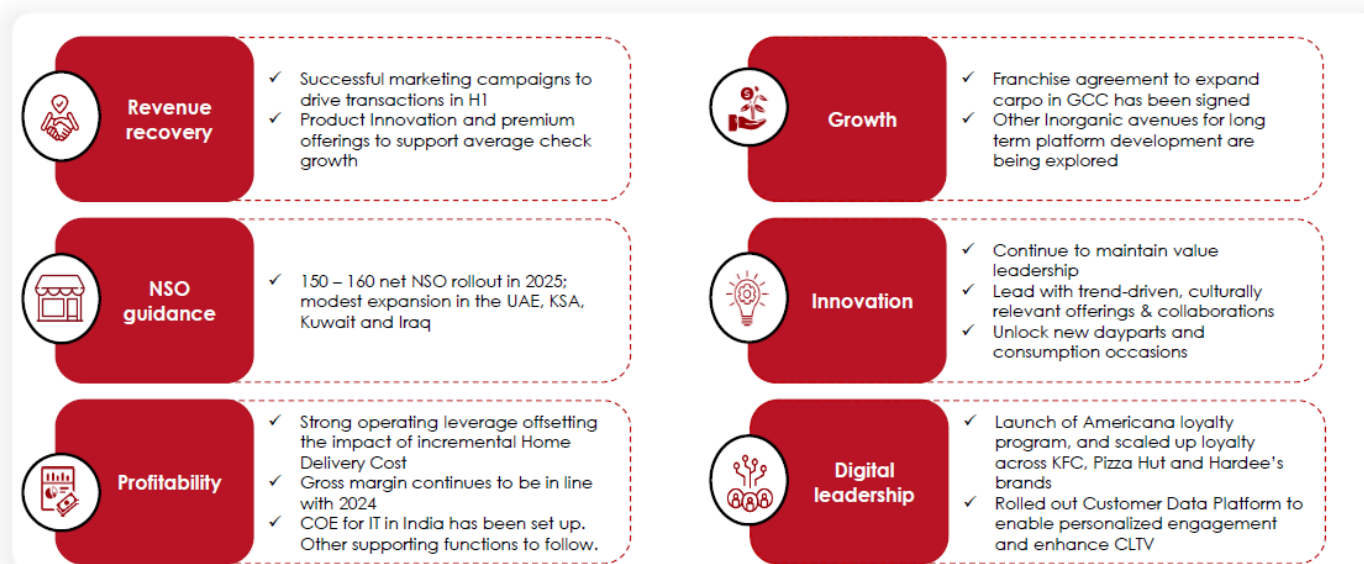
## Americana Restaurants

(USD Mn)	2Q24	1Q25	2Q25	2Q25F	Var.	YOY Ch.	QOQ Ch.
Revenue	559	573	644	654	-1.6%	15.1%	12.2%
COGS	-258	-270	-297	-294	0.8%	14.9%	9.7%
<b>Gross Profit</b>	<b>301</b>	<b>303</b>	<b>347</b>	<b>360</b>	<b>-3.5%</b>	<b>15.2%</b>	<b>14.5%</b>
<b>Total Operating Expense</b>	<b>-241</b>	<b>-256</b>	<b>-272</b>	<b>-279</b>	<b>-2.7%</b>	<b>12.7%</b>	<b>6.0%</b>
<b>EBITDA</b>	<b>129</b>	<b>123</b>	<b>153</b>	<b>146</b>	<b>4.9%</b>	<b>18.4%</b>	<b>24.8%</b>
<b>EBIT</b>	<b>60</b>	<b>47</b>	<b>75</b>	<b>80</b>	<b>-6.3%</b>	<b>25.2%</b>	<b>61.1%</b>
<b>Profit Before ZAKAT</b>	<b>56</b>	<b>40</b>	<b>68</b>	<b>74</b>	<b>-7.6%</b>	<b>23.1%</b>	<b>69.2%</b>
Zakat	-5	-7	-9	-14	-36.7%	NM	18.6%
<b>Net profit from Equity Holders</b>	<b>52</b>	<b>34</b>	<b>60</b>	<b>61</b>	<b>-1.9%</b>	<b>15.2%</b>	<b>77.5%</b>

FABS estimate & Co Data



## 2025 guidance



## Research Rating Methodology:

Rating	Upside/Downside potential
BUY	Higher than +15%
ACCUMULATE	Between +10% to +15%
HOLD	Lower than +10% to -5%
REDUCE	Between -5% to -15%
SELL	Lower than -15%

## FAB Securities Contacts:

### Research Analyst

Ahmad Banihani                      +971-2-6161629                      [ahmad.banihani@Bankfab.com](mailto:ahmad.banihani@Bankfab.com)

### Sales & Execution

Abu Dhabi Head Office

Trading Desk                      +971-2-6161700/1                      Online Trading Link

+971-2-6161777

Institutional Desk                      +971-4-4245765

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