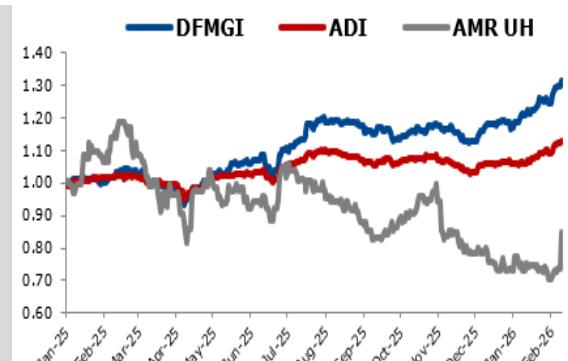


Americana Restaurants International PLC (AMR)

Lower discounting and cost discipline lift profits

Current Price AED 1.89	Target Price AED 2.50	Upside/Downside (%) +32%	Rating BUY
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- Expanded its digital footprint, reaching more than 2,700 kiosks in 2025.
- Restaurant portfolio reached 2,749 stores across 12 markets with gross addition of 216 new stores in 2025.
- Expects net new store rollout guidance of 120-130 in 2026.
- Home delivery continued to lead the channel mix, accounting for 48% of total sales in 2025 compared to 44% in 2024.
- Generated USD 209.1 Mn in free cash flow in 2025, doubled from USD 94.8 Mn in 2024.
- Americana's BOD proposed a cash dividend distribution of USD 201.6 Mn (USD 0.024 per share) resulting into AED 0.088 per share for FY2025.
- Management guided for mid-single-digit like-for-like revenue growth, slight gross margin expansion, and double-digit EBITDA and net income growth in 2026.



4Q25 Net Profit higher than our estimate

Americana Restaurants (Americana/ the Company) net profit attributable to shareholders more than doubled from USD 41 Mn in 4Q24 to USD 84 Mn in 4Q25, higher than our estimate of USD 56 Mn. The increase in net profit was primarily supported by revenue growth driven by healthy LFL sales, cost discipline, and positive operating leverage, partially offset by higher finance costs and income tax & zakat expenses. Adjusted net profit rose 47.4% YOY to USD 76.5 Mn in 4Q25, excluding the one-off charge in 4Q24 and one-off benefit in 4Q25.

P&L Highlights

Americana restaurant's revenue grew 13.6% YOY to USD 669 Mn in 4Q25, owing to growth in LFL sales driven by brand initiatives and pricing strategies, coupled with new store openings, continued menu innovation, strong brand collaborations, and operational excellence across key markets. It recorded double-digit year-over-year growth across power brands in 4Q25. The Company's cost of goods sold increased 6.7% YOY to USD 292 Mn in 4Q25, while the cost of inventory as a percentage of revenue improved from 29.4% in 4Q24 to 27.1% in 4Q25. As a result, gross profit increased 19.6% YOY to USD 377 Mn in 4Q25, with gross margin expanding 283 bps YOY to 56.4% in 4Q25. Selling & marketing expenses rose 7.2% YOY to USD 224 Mn in 4Q25, with G&A expenses increasing 17.7% YOY from USD 47 Mn in 4Q24 to USD 55 Mn in 4Q25. Thus, total operating expenses rose 3.6% YOY to USD 275 Mn in 4Q25. Moreover, Americana's EBITDA increased 36.2% YOY to USD 181 Mn in 4Q25, with the EBITDA margin expanding 450 bps YOY to 27.1% in 4Q25. Operating profit more than doubled from USD 50 Mn in 4Q24 to USD 102 Mn in

Stock Information	
Market Cap (USD, Mn)	15,920.67
Paid Up Capital (Mn)	167.42
52 Week High	2.66
52 Week Low	1.55
3M Avg. daily value (AED)	16,059,430

4Q25 Result Review (USD, Mn)	
Total Assets	1,734
Total Liabilities	1,244
Total Equity	490
EBITDA	181
Net Profit	84

Financial Ratios	
Dividend Yield (12m)	2.97
Dividend Pay-out (%)	91.99
Price-Earnings Ratio(x)	19.52
Price-to-Book Ratio (x)	8.77
Book Value (AED)	0.06
Return-on Equity (%)	49.61

Stock Performance	
5 Days	18.13%
1 Months	13.86%
3 Months	0.00%
6 Months	-8.70%
1 Year	-27.03%
Month to Date (MTD%)	21.15%
Quarter to Date (QTD%)	16.67%
Year to Date (YTD%)	16.67%

4Q25, with a margin of 15.3%, 682 bps higher on a YOY basis. The Company's finance income increased 7.6% YOY to USD 4 Mn in 4Q25, while finance costs rose 28.0% YOY to USD 12 Mn in 4Q25. Income tax and zakat expenses increased from USD 7 Mn in 4Q24 to USD 10 Mn in 4Q25.

Balance Sheet Highlights

Americana's cash & cash equivalents, including balance of short and long-term deposits, stood at USD 417 Mn in 4Q25 compared to USD 308 Mn in 3Q25. Consequently, the Company generated USD 209.1 Mn in free cash flow in 2025, more than double from USD 94.8 Mn generated in 2024, while maintaining a robust balance sheet with zero leverage. Net working capital improved from negative USD 195 Mn in 2024 to negative USD 248 Mn in 2025. It amounted to negative 9.9% of total revenue in 2025, compared to negative 8.9% of total revenue in 2024. Additionally, gross capex amounted to USD 125 Mn in 2025, compared to USD 115 Mn in 2024.

Target Price and Rating

We maintain our BUY rating on Americana Restaurants with a target price of AED 2.50. The Company delivered a strong 4Q25 performance, with revenues growing 13.6% YOY, driven by menu innovation, brand collaborations, and operational execution across key markets, confirming sustained recovery momentum. Revenue from the Power Brands portfolio, including KFC, Hardee's, Pizza Hut, and Krispy Kreme, contributed 94% of total revenue in 2025, with all Power Brands recording double-digit revenue growth in 4Q25. Americana's ongoing digital transformation delivered strong results, with the self-service kiosk revenue mix improving from 8% in 2024 to 15% in 2025. Management guided for mid-single-digit like-for-like revenue growth in 2026, supported by net new store additions of 120–130, focused on high-return markets. Profitability improved in 4Q25, with gross margin expanding by 283 bps YOY, driven by effective procurement, pricing discipline, and favourable input costs. EBITDA margin expanded 450 bps YOY to 27.1% in 4Q25, reflecting strong operating leverage, while net profit more than doubled in 4Q25 compared to 4Q24. Management also guided slight gross margin expansion in 2026 compared to 2025, alongside double-digit EBITDA and net income growth (margins in line with 2025 or slightly better). Americana has strong visibility on commodity sourcing into FY2026 since most of the commodity contracts are locked in for 6–9 months or the full year. In 2025, the Company continued its disciplined footprint expansion, opening 216 new stores to reach a total of 2,749 restaurants across 12 markets, with a selective focus on capital efficiency and high-return locations. The UAE, Kuwait, and Qatar markets showed strong recovery and are near or above pre-boycott levels. Management expressed confidence in deploying growth capital in Egypt, citing improved market conditions and leadership stability, and expects stabilization in the KSA food and beverage market over the next 12–24 months. Capital expenditure amounted to USD 125 Mn, representing 5.0% of total revenues, including the acquisition of the Pizza Hut Oman subsidiary, in line with the Company's long-term growth strategy. The Company maintained strong financial stability with zero leverage and a solid cash position. It generated a free cash flow of USD 209.1 Mn, with a cash conversion rate of 57.7% in 2025. Looking ahead to 2026, management expects continued momentum supported by brand-led innovation, portfolio optimization, disciplined expansion, and increased penetration of digital and delivery channels, while remaining focused on sustainable growth, margin protection, and long-term shareholder value. Strategically, the Company's focus in 2026 will shift from aggressive network expansion toward digital monetization, cost efficiency initiatives, and portfolio optimization. Further, Americana's BOD proposed a cash dividend distribution of USD 201.6 Mn (USD 0.024 per share) resulting into AED 0.088 per share for FY2025. Thus, based on our analysis, we maintain our BUY rating on the stock.

Americana - Relative valuation¹

(at CMP)	2022	2023	2024	2025	2026F
PE	17.80	17.78	29.04	20.99	16.79
PB	16.21	10.50	11.69	9.41	8.67
EV/EBITDA	8.10	7.71	8.99	7.02	6.16
BVPS (AED)	0.124	0.191	0.172	0.214	0.232
EPS (AED)	0.113	0.113	0.069	0.096	0.120
DPS (AED)	0.093	0.078	0.055	0.088	0.097
Dividend Yield	4.9%	4.1%	2.9%	4.7%	5.1%

FABS Estimates & Co Data, ¹Americana Restaurants was listed in 2022; hence, the previous year's multiples are unavailable

Americana - P&L

USD Mn	4Q24	3Q25	4Q25	4Q25F	Var.	YOY Ch.	QOQ Ch.	2024	2025	Change
Revenue	589	623	669	644	3.9%	13.6%	7.4%	2,197	2,509	14.2%
COGS	-274	-285	-292	-300	-2.7%	6.7%	2.4%	-1,029	-1,144	11.1%
Gross Profit	315	338	377	344	9.6%	19.6%	11.7%	1,167	1,365	16.9%
S&M Expenses	-209	-225	-224	-224	0.1%	7.2%	-0.3%	-785	-886	12.9%
G&A Expenses	-47	-52	-55	-51	7.6%	17.7%	5.3%	-185	-203	9.6%
Other Income	2	2	3	5	-31.6%	59.8%	50.1%	7	13	79.1%
Total Operating Expense	-266	-278	-275	-270	1.9%	3.6%	-1.0%	-976	-1,082	10.9%
EBITDA	133	139	181	145	25.1%	36.2%	30.2%	484	596	23.1%
EBIT	50	60	102	74	37.9%	105.3%	70.8%	192	283	47.4%
Financing income	4	4	4	5	-15.8%	7.6%	2.1%	16	16	-3.8%
Financing cost	-10	-11	-12	-9	38.6%	28.0%	12.8%	-36	-44	23.3%
Profit Before ZAKAT	44	53	94	70	34.2%	114.4%	78.0%	172	254	47.6%
Zakat	-7	-9	-10	-16	-37.3%	53.5%	8.2%	21	36	72.0%
Net Profit	37	43	84	54	55.5%	125.2%	93.0%	151	218	44.3%
Non-controlling interest	-4	0	0	-2	-94.1%	-96.8%	NM	-7	-1	-90.8%
Net profit attributable	41	43	84	56	49.4%	102.4%	95.1%	159	219	38.0%

FABS estimate & Co Data

Americana - Margins

	4Q24	3Q25	4Q25	YOY Ch.	QOQ Ch.	2024	2025	Change
Gross Profit	14	54.2%	56.4%	283	214	53.1%	54.4%	126
EBITDA	22.6%	22.4%	27.1%	450	475	22.0%	23.7%	172
Operating Profit	8.5%	9.6%	15.3%	682	567	8.7%	11.3%	254
Net Profit	7.0%	6.9%	12.5%	549	562	7.2%	8.7%	151

FABS estimate & Co Data

Key Developments:

- 22 June 2025:** Americana Restaurants International PLC announced that it is in preliminary discussions with Cravia, a Middle East food and beverage franchise operator, to explore a potential stake acquisition. The company affirmed that it will disclose all material updates to the market promptly and transparently in line with regulatory requirements.
- 03 July 2025:** Americana Restaurants partnered with premium lifestyle brand Carpo to launch its stores across Kuwait, Qatar, Bahrain, and Saudi Arabia, entering the luxury food retail space. The move marks Americana's entry into the luxury food retail segment, with flagship stores launching by late 2025.

Valuation:

We use Discounted Free Cash Flow (DCF) and Relative Valuation (RV) to value Americana Restaurants. We have assigned 70% weight to DCF and 30% to RV.

Valuation Method	Target	Weight	Weighted Value
DCF Method	2.14	70.0%	1.50
Relative Valuation (RV)	3.35	30.0%	1.00
Weighted Average Valuation (AED)			2.50
Current market price (AED)			1.89
Upside/Downside (%)			+32%

1) DCF Method:

Americana is valued using free cash flow to equity. We have discounted the cash flow using the cost of equity of 9.5%. The cost of equity is calculated using a 10-year government bond yield of 4.9%, a beta of 1.0, and an equity risk premium of 4.6%. Government bond yield is calculated after adding Abu Dhabi's 10-year spread over 10-year US risk-free rate. Also, assumed a terminal growth rate of 2.5%.

Sum of PV (USD, Mn)	1,301
Terminal value (USD, Mn)	3,584
FV to Common shareholders (USD, Mn)	4,885
No. of share (Mn)	8,399
Current Market Price (AED)	1.89
Fair Value per share (AED)	2.14

DCF Method

(All Figures in USD Mn)	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F
Net Income	278	288	304	352	367
D&A	325	342	350	363	379
(-) Capex	-122	-128	-132	-139	-145
Change in working capital	30	26	23	21	24
Net change in debt	-201	-213	-220	-231	-243
Free Cash Flow to Equity (FCFE)	310	315	325	366	382
Discounting Factor	0.92	0.84	0.77	0.70	0.64
Discounted FCFE	285	265	249	257	244

Source: FAB Securities

2) Relative Valuation:

We have used regional and global peers to value Americana, which is valued using the EV/EBITDA multiple. It is valued at EV/EBITDA multiple of 11.6x in line with peers.

Company	Market (USD Mn)	EV/EBITDA (x)		P/E (x)	
		2026F	2027F	2026F	2027F
Herfy Food Services Co	264	7.7	6.5	NM	26.4
Domino's Pizza Enterprises Ltd	1,458	10.0	9.3	17.7	15.6
Yum China Holdings Inc	19,617	10.8	10.0	19.1	17.1
Restaurant Brands International	23,058	12.4	11.7	17.5	16.1
Yum Brands	44,622	17.9	16.6	24.1	21.5
Domino's Pizza Inc	13,293	16.6	15.8	20.1	18.5
Average		12.6x	11.7x	19.7x	19.2x
Median		11.6x	10.8x	19.1x	17.8x
Max		15.6x	14.8x	20.1x	20.8x
Min		10.2x	9.5x	17.7x	16.4x

Source: FAB Securities

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%

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