

Americana Restaurants International

Sector : Food Retail

- Revenue reached a record USD 2.51bn in 2025, up 14.2% YoY, exceeding our estimate by 3.6%. Like-for-like (LFL) sales rebounded to +9.7% YoY.
- Net store openings (NSO) totaled 159 (including 40 from Pizza Hut Oman), bringing the total outlet count to 2,749. Management's 2026 NSO guidance of 120–130 stores appears achievable.
- Margin expansion across all levels: Gross margin (+126bps YoY), EBITDA margin (+170bps YoY), and net profit margin (+182bps YoY), supported by cost savings and inventory optimization.
- Net profit increased 44.3% YoY to USD 218mn, surpassing our expectations.
- We upgrade our 2026 earnings forecast and reiterate our BUY recommendation with a target price of SAR 2.30 per share.

Revenue rose 14.2% YoY in 2025, driven by a broad-based recovery across core brands. KFC, contributing 59.5% of total revenue, grew 12.8% YoY, supported by the addition of 57 new stores during the year. The acquisition of Pizza Hut Oman boosted sales by 20% YoY, while Hardee's, previously the most impacted brand rebounded strongly with 18% YoY growth. Other brands contributed 10% of total revenue and expanded by 10% YoY. LFL sales increased 9.7% YoY, marking a clear recovery after two years of weakness and signaling traction in the new outlets. The company adopted a disciplined expansion strategy, moderating new store openings during the year. Gross new restaurant openings totaled 216 (including 46 from Pizza Hut Oman), while net new openings stood at 159 (119 organic vs. 155 in 2024), bringing the total network to 2,749 outlets. In a recent strategic move, the company acquired franchise rights for Malek Al Tawouk (MAK) for USD 20.8mn. The Lebanese brand specializes in Arabic cuisine, and Americana will own and operate MAK across 13 MENA and CIS countries. We believe this to be positive move and an attempt to diversify and localize the menu. Consumer preferences continue shifting toward home delivery, which accounted for 48% of total sales in 2025 (vs. 44% in 2024). Revenue contribution from core brands remained stable at 94%, while core markets continued to account for 79.5% of total revenue.

Gross margin expanded by 126bps YoY, while EBITDA margin improved by 170bps YoY. Gross profit rose 16.9% YoY, and EBITDA increased 23.1% YoY. Management has guided for further gross margin expansion in 2026, supported by declining input costs. Inventory costs fell to a record low of 28.5% of sales, reinforcing the margin outlook. Other operating metrics remained broadly in line with prior years, although marketing and sales expenditures have been elevated over the past two years to support brand recovery and expansion.

Valuation: While we had anticipated a recovery and adjusted our forecasts accordingly, 2025 results exceeded expectations, primarily due to stronger-than-expected margin performance. We now raise our 2026e revenue estimate to USD 2.8bn and forecast net profit of USD 240mn. This supports a revised target price of SAR 2.30 per share, implying 17.4% upside. Given operational momentum, margin expansion, and strategic growth initiatives, we reiterate our BUY recommendation on Americana.

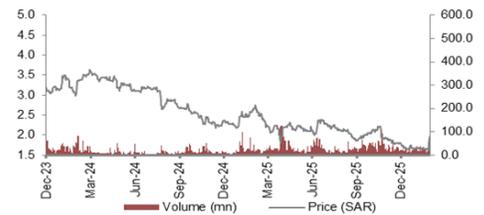
BUY

11 February 2026

Target price (SAR) **2.30**

Current price (SAR) **1.96**

Return **17.4%**



Exchange Saudi Arabia
Index weight (%) 0.2%

(mn)	SAR	USD
Market Cap	13,312	4,071
Enterprise value	14,074	4,304

Major share holders

Adeptio AD Investmen	66.0%
SECURITIES DEPOSITOR	19.1%
Vanguard Group Inc/T	1.4%
Others	13.5%

Valuation Summary (TTM)

PER TTM (x)	17.5
P/Book (x)	7.8
EV/EBITDA (x)	7.1
Dividend Yield (%)	5.3
Free Float (%)	13%
Shares O/S (mn)	8,424
YTD Return (%)	17%
Beta	1.3

Key ratios	2023	2024	2025
EPS (USD)	0.031	0.018	0.026
BVPS (USD)	0.054	0.047	0.058
DPS (USD)	0.021	0.015	0.024
Payout ratio (%)	68%	84%	93%

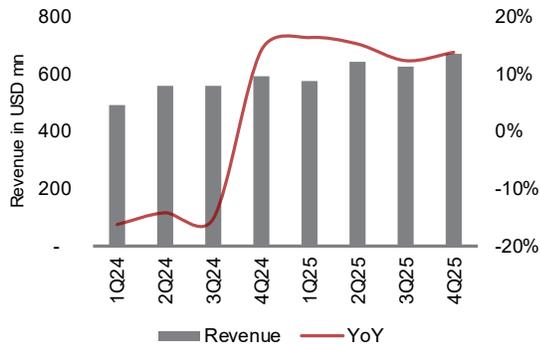
Price performance (%)	1M	3M	12M
Americana Restaurants	17%	3%	-25%
Tadawul All Share Index	6%	-1%	-10%

52 week	High	Low	CTL*
Price (SAR)	2.76	1.62	21.0

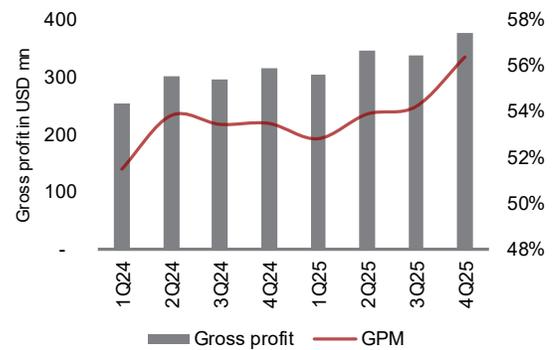
* CTL is % change in CMP to 52w k low



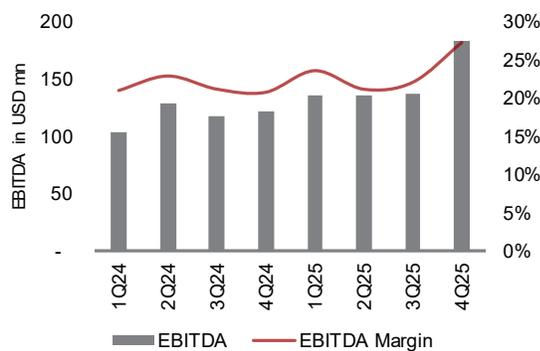
Revenue recovery evident in 2025



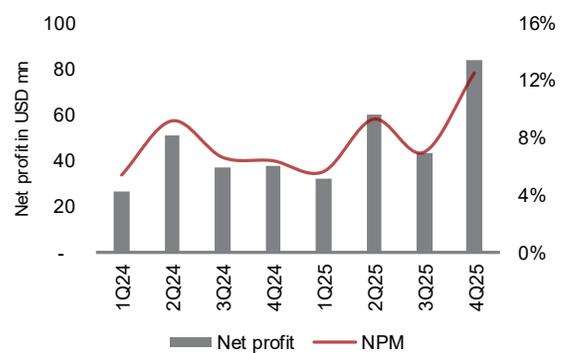
Gross margin improves in 4Q25



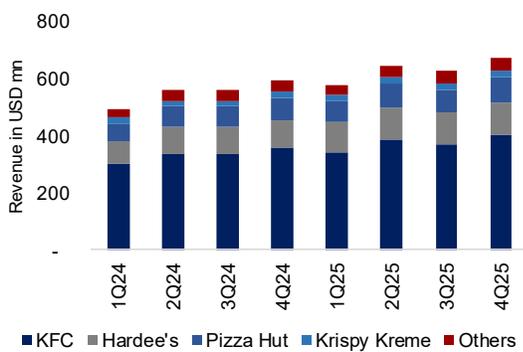
EBITDA increases on cost optimisation



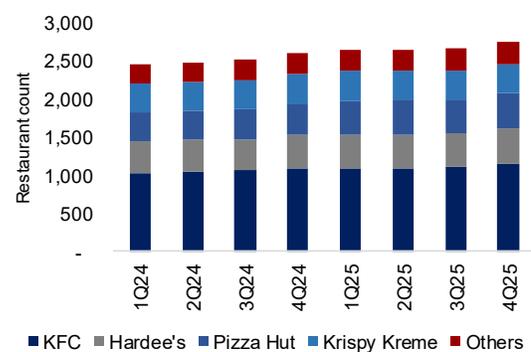
Net profit hits a high and beats expectation



All core brands contribute to the growth in revenue



Restaurant count stands at 2,749





Income Statement (In USD mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	2,379	2,413	2,197	2,509	2,842	3,100	3,341	3,477
Direct Costs	-1,148	-1,152	-1,029	-1,144	-1,361	-1,485	-1,600	-1,666
Gross profit	1,230	1,262	1,167	1,365	1,481	1,615	1,741	1,812
Selling and marketing expenses	-739	-777	-785	-886	-966	-1,054	-1,136	-1,182
General and administrative expenses	-193	-192	-185	-203	-227	-248	-267	-278
Other expenses	-5	-1	-6	7	14	16	17	17
Operating Profit	293	291	192	283	301	329	354	369
EBITDA	512	543	470	590	657	734	788	856
Finance Income	4	15	16	16	18	18	18	18
Finance costs	-25	-31	-36	-44	-36	-38	-39	-39
Profit before Zakat (PBT)	272	275	172	254	283	309	333	348
Income Tax and Zakat	-9	-13	-21	-36	-42	-46	-50	-52
Net Profit (PAT)	263	262	151	218	240	262	283	296
Balance Sheet (in USD mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Property, plant and equipment	270	327	329	341	359	377	407	432
Right of use assets	418	499	566	611	650	677	699	692
Intangible assets	50	67	59	63	63	62	61	59
Other non-current assets	18	8	6	125	122	122	122	122
Non-current assets	755	908	967	1,151	1,204	1,248	1,299	1,316
Inventories	174	156	134	155	184	200	216	225
Trade and other receivables	104	109	110	128	142	155	167	174
Other current assets	3	0	0	-	-	-	-	-
Short term deposits with banks	-	296	214	145	145	145	145	145
Cash and cash equivalents	305	88	81	154	212	280	338	384
Current assets	585	648	540	583	683	781	866	928
ASSETS	1,341	1,557	1,507	1,734	1,887	2,029	2,165	2,244
Share capital	168	168	168	168	168	168	168	168
Reserves	-23	-22	-46	-40	-40	-40	-40	-40
Retained earnings	139	293	272	360	398	456	516	571
Non-controlling interest	11	12	4	1	1	1	1	1
EQUITY	296	451	398	490	528	586	646	701
Lease liability	275	341	389	429	444	462	477	473
Provision for employees	66	69	68	71	80	87	94	97
Trade and other payables	58	36	20	3	3	4	4	4
Other non-current liabilities	6	2	2	2	-	-	-	-
Non-current liabilities	399	448	479	505	527	553	575	574
Bank facilities	19	4	-	-	-	-	-	-
Lease liability	179	165	190	208	219	228	235	233
Trade payable and other liabilities	401	434	392	463	545	594	640	666
Other current liabilities	66	54	48	69	69	69	69	69
Current liabilities	646	658	630	739	832	890	944	968
LIABILITIES	1,045	1,105	1,109	1,244	1,359	1,443	1,518	1,542
EQUITY AND LIABILITIES	1,341	1,557	1,507	1,734	1,887	2,029	2,165	2,244
Cash Flow (In USD mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	453	540	433	589	654	708	757	814
Investing cash flow	-41	-451	-21	-152	-128	-140	-150	-156
Financing cash flow	-287	-307	-413	-366	-468	-501	-549	-612
Change in cash	138	-217	-6	72	58	68	58	46
Beginning cash	168	305	88	82	154	212	280	338
Ending cash	305	88	82	154	212	280	338	384



Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Per Share								
EPS (USD)	0.031	0.031	0.018	0.026	0.029	0.031	0.034	0.035
BVPS (USD)	0.035	0.054	0.047	0.058	0.063	0.070	0.077	0.083
DPS (USD)	0.012	0.021	0.015	0.024	0.024	0.026	0.029	0.030
FCF per share (USD)	0.049	0.011	0.049	0.052	0.062	0.067	0.072	0.078
Valuation								
Market Cap (USD mn)	7,028	7,346	5,186	3,821	4,458	4,458	4,458	4,458
EV (USD mn)	7,177	7,473	5,469	4,159	4,764	4,723	4,687	4,635
EBITDA	512	543	470	590	657	734	788	856
P/E (x)	26.7	28.0	34.3	17.5	18.5	17.0	15.8	15.1
EV/EBITDA (x)	14.0	13.8	11.6	7.1	7.3	6.4	5.9	5.4
Price/Book (x)	23.8	16.3	13.0	7.8	8.4	7.6	6.9	6.4
Dividend Yield (%)	1.5%	2.4%	2.4%	5.3%	4.6%	5.0%	5.4%	5.6%
Price to sales (x)	3.0	3.1	2.5	1.7	1.7	1.5	1.4	1.3
EV to sales (x)	3.0	3.1	2.5	1.7	1.7	1.5	1.4	1.3
Liquidity								
Cash Ratio (x)	0.5	0.1	0.1	0.2	0.3	0.3	0.4	0.4
Current Ratio (x)	0.9	1.0	0.9	0.8	0.8	0.9	0.9	1.0
Quick Ratio (x)	0.6	0.7	0.6	0.6	0.6	0.7	0.7	0.7
Returns Ratio								
ROA (%)	19.6%	16.9%	10.0%	12.6%	12.7%	12.9%	13.1%	13.2%
ROE (%)	88.9%	58.1%	38.0%	44.6%	45.5%	44.8%	43.8%	42.2%
ROCE (%)	37.9%	29.2%	17.3%	22.0%	22.8%	23.0%	23.2%	23.2%
Cash Cycle								
Inventory turnover (x)	6.6	7.4	7.7	7.4	7.4	7.4	7.4	7.4
Accounts Payable turnover (x)	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5
Receivables turnover (x)	23	22	20	20	20	20	20	20
Inventory days	55	49	48	49	49	49	49	49
Payable Days	144	149	146	148	147	147	147	147
Receivables days	16	17	18	19	18	18	18	18
Cash Cycle	-73	-83	-80	-80	-79	-79	-79	-79
Profitability Ratio								
Net Margins (%)	11.1%	10.9%	6.9%	8.7%	8.5%	8.5%	8.5%	8.5%
EBITDA Margins (%)	21.5%	22.5%	21.4%	23.5%	23.1%	23.7%	23.6%	24.6%
PBT Margins (%)	11.4%	11.4%	7.8%	10.1%	9.9%	10.0%	10.0%	10.0%
EBIT Margins (%)	12.3%	12.1%	8.7%	11.3%	10.6%	10.6%	10.6%	10.6%
Effective Tax Rate (%)	3.2%	4.7%	12.0%	14.0%	15.0%	15.0%	15.0%	15.0%
Leverage								
Total Debt (USD mn)	453	511	579	637	663	690	713	706
Net Debt (USD mn)	149	127	284	338	306	265	230	177
Debt/Equity (x)	1.53	1.13	1.45	1.30	1.26	1.18	1.10	1.01
Net Debt/Equity (x)	0.50	0.28	0.71	0.69	0.58	0.45	0.36	0.25

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Rating Criteria and Definitions

Rating	Rating Definitions
	Strong Buy This recommendation is used for stocks whose current market price offers a deep discount to our 12-Month target price and has an upside potential in excess of 20%
	Buy This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 10% to 20%
	Hold This recommendation is used for stocks whose current market price offers a discount to our 12-Month target price and has an upside potential between 0% to 10%
	Neutral This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between 0% to -10%
	Sell This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential between -10% to -20%
	Strong Sell This recommendation is used for stocks whose current market price offers a premium to our 12-Month target price and has a downside side potential in excess of 20%
	Not rated This recommendation used for stocks which does not form part of Coverage Universe

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