

Americana Restaurants International

Sector : Food Retail

- Revenue momentum continued into 1Q26, growing by 13.3% YoY and beating our estimate by 17%. Like-for-like (LFL) sales at 6.7% YoY in 1Q26.
- Company added 10 new stores and 7 Malak Al Tawouk (MAK) outlets to its portfolio taking the total to 2,741 by the end of the quarter. 2026e NSO guidance at 120-130 stores.
- Margins improved on the back of lower raw material cost and higher operational efficiency. Gross margins expanded by 284bps, while EBITDA margin was higher by 350bps YoY. Net profit exceeded our expectation and reached USD 63mn, doubling from last year.
- We upgrade our revenue and profit estimates for 2026e and increase the target price to SAR 2.36 per share, reiterate our BUY recommendation.

Revenue for 1Q26 increased by 13.3% YoY, driven by strong all-round performance across the core brands, menu localization initiatives, targeted marketing campaigns, and the inclusion of MAK. During the quarter, the company recorded 17 gross store additions; however, a significant number of closures resulted in the total operational store count declining by eight stores YoY to 2,741. Management reiterated its strategy of rebalancing the store network based on profitability and maintained its guidance of 120–130 net store openings (NSO) for 2026. Core power brands, which accounted for 94% of total sales, grew by 12.8% YoY, led by KFC (+14.2%) and Hardee's (+12.9%). More modest growth was recorded by Pizza Hut (+9.2%) and Krispy Kreme (+4.4%). Changing consumer purchasing behavior continued to drive a higher contribution from home deliveries, which increased to 51% of revenue in 1Q26 from 46% in 1Q25, while in-store revenue contribution declined from 53% to 48% over the same period.

Gross margin expanded by 284bps YoY, supported by lower inventory costs. Inventory costs as a percentage of revenue declined to 27.3% from 29.2% in 1Q25. Management reiterated that centralized sourcing remains a key lever for negotiating supplier contracts and improving procurement discipline. We believe this advantage has been demonstrated repeatedly during periods of disruption and crisis. EBITDA margin improved by 350bps YoY, resulting in EBITDA growth of 31.9% YoY. Other operating metrics remained broadly in line with prior years, although marketing and sales expenses declined slightly compared to the previous year. Overall, net profit for 1Q26 reached USD 63mn, up 97.4% YoY and ahead of our estimates.

Valuation: We had previously maintained a conservative stance on both revenue and margin assumptions due to the anticipated impact of the war during the quarter. However, both organic and inorganic growth performed strongly in 1Q26, reinforcing the sustainability of the recovery trajectory. Management has guided for mid-single-digit LFL growth while maintaining margins at current levels. It also expects 120-130 new stores to become operational during the year. Following the stronger-than-expected results, we raise our 2026e revenue forecast to USD 2.6bn and now project net profit of USD 230mn. This supports a revised target price of SAR 2.36 per share, implying an upside potential of 19.2%. Accordingly, we reiterate our BUY recommendation on Americana.

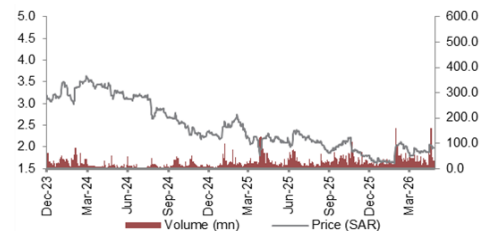
BUY

10 May 2026

Target price (SAR) 2.36

Current price (SAR) 1.98

Return 19.2%



Exchange Saudi Arabia
Index weight (%) 0.2%

(mn)	SAR	USD
Market Cap	14,725	4,503
Enterprise value	15,699	4,801

Major shareholders

Adeptio AD Investmen	66.0%
Securities Depositor	22.1%
Vanguard Group Inc/T	1.5%
Others	10.4%

Valuation Summary (TTM)

PER TTM (x)	17.1
P/Book (x)	7.8
EV/EBITDA (x)	7.1
Dividend Yield (%)	5.3
Free Float (%)	10%
Shares O/S (mn)	8,424
YTD Return (%)	18%
Beta	1.2

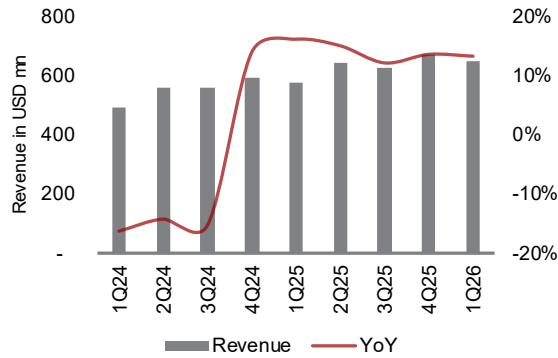
Key ratios	2023	2024	2025
EPS (USD)	0.031	0.018	0.026
BVPS (USD)	0.054	0.047	0.058
DPS (USD)	0.021	0.015	0.024
Payout ratio (%)	68%	84%	93%

Price performance (%)	1M	3M	12M
Americana Restaurants	5%	11%	-6%
Tadawul All Share Index	-3%	-2%	-3%

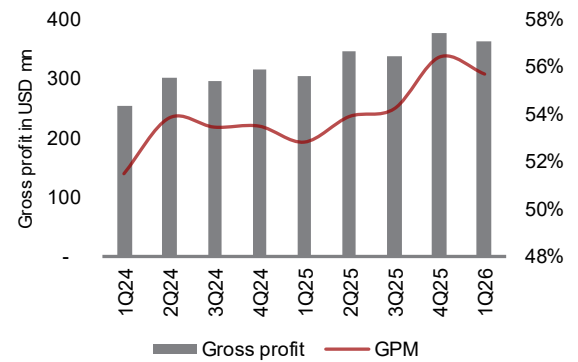
52 week	High	Low	CTL*
Price (SAR)	2.43	1.62	22.2

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

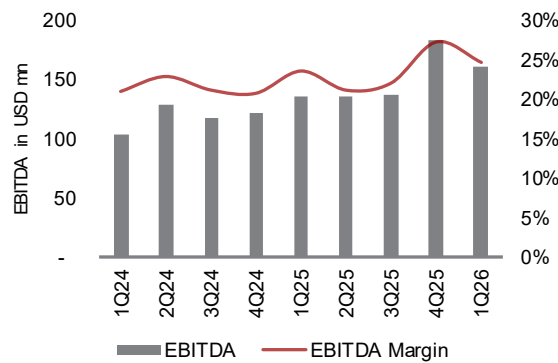
Revenue momentum continues into 1Q26



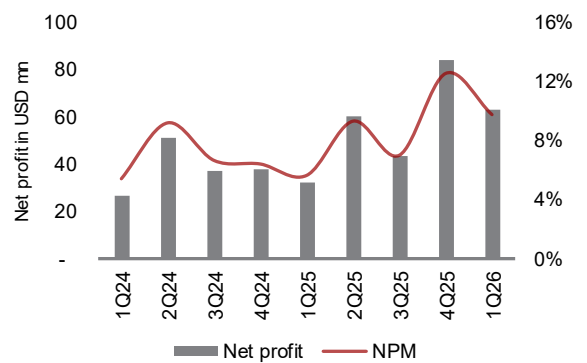
Gross margin improves on a YoY basis



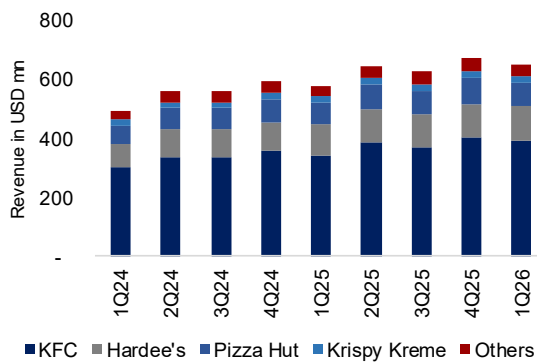
EBITDA increases operational efficiency



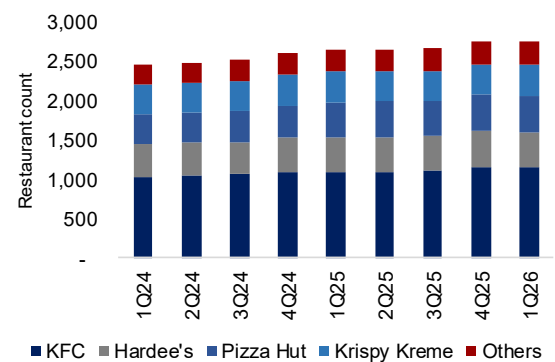
Net profit doubles from last year beats estimate



Double digit growth in most major brands



Restaurant count stands at 2,741





Income Statement (In USD mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Revenue	2,379	2,413	2,197	2,509	2,590	2,970	3,201	3,331
Direct Costs	-1,148	-1,152	-1,029	-1,144	-1,175	-1,357	-1,463	-1,522
Gross profit	1,230	1,262	1,167	1,365	1,415	1,613	1,738	1,809
Selling and marketing expenses	-739	-777	-785	-886	-920	-1,055	-1,088	-1,133
General and administrative expenses	-193	-192	-185	-203	-213	-245	-264	-275
Other expenses	-5	-1	-6	7	13	15	16	17
Operating Profit	293	291	192	283	295	328	402	418
EBITDA	512	543	470	590	617	696	805	868
Finance Income	4	15	16	16	19	19	19	19
Finance costs	-25	-31	-36	-44	-45	-51	-54	-55
Profit before Zakat (PBT)	272	275	172	254	270	296	367	383
Income Tax and Zakat	-9	-13	-21	-36	-40	-44	-55	-57
Net Profit (PAT)	263	262	151	218	230	252	312	325
Balance Sheet (in USD mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Property, plant and equipment	270	327	329	341	348	362	387	409
Right of use assets	418	499	566	611	660	712	751	767
Intangible assets	50	67	59	63	82	79	75	71
Other non-current assets	18	8	6	125	7	3	3	3
Non-current assets	755	908	967	1,151	1,106	1,165	1,226	1,259
Inventories	174	156	134	155	141	163	176	183
Trade and other receivables	104	109	110	128	129	148	160	167
Other current assets	3	0	0	-	21	-	-	-
Short term deposits with banks	-	296	214	145	287	287	287	287
Cash and cash equivalents	305	88	81	154	119	234	336	393
Current assets	585	648	540	583	698	832	958	1,029
ASSETS	1,341	1,557	1,507	1,734	1,803	1,997	2,184	2,288
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	388	444	542	602
Non-controlling interest	11	12	4	1	1	1	1	1
EQUITY	296	451	398	490	518	574	672	732
Lease liability	275	341	389	429	451	486	513	524
Provision for employees	66	69	68	71	75	86	92	96
Trade and other payables	58	36	20	3	3	3	3	4
Other non-current liabilities	6	2	2	2	-	-	-	-
Non-current liabilities	399	448	479	505	529	575	609	624
Bank facilities	19	4	-	-	-	-	-	-
Lease liability	179	165	190	208	222	240	253	258
Trade payable and other liabilities	401	434	392	463	470	543	585	609
Other current liabilities	66	54	48	69	65	65	65	65
Current liabilities	646	658	630	739	757	847	903	932
LIABILITIES	1,045	1,105	1,109	1,244	1,285	1,422	1,512	1,556
EQUITY AND LIABILITIES	1,341	1,557	1,507	1,734	1,803	1,997	2,184	2,288
Cash Flow (In USD mn)	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Cash from operations	453	540	433	589	598	684	768	821
Investing cash flow	-41	-451	-21	-152	-117	-134	-144	-150
Financing cash flow	-287	-307	-413	-366	-516	-436	-521	-615
Change in cash	138	-217	-6	72	-35	114	103	56
Beginning cash	168	305	88	82	154	119	234	336
Ending cash	305	88	82	154	119	234	336	393



Ratio Analysis	2022	2023	2024	2025	2026e	2027e	2028e	2029e
Per Share								
EPS (USD)	0.031	0.031	0.018	0.026	0.027	0.030	0.037	0.039
BVPS (USD)	0.035	0.054	0.047	0.058	0.062	0.068	0.080	0.087
DPS (USD)	0.012	0.021	0.015	0.024	0.023	0.025	0.031	0.033
FCF per share (USD)	0.049	0.011	0.049	0.052	0.057	0.065	0.074	0.080
Valuation								
Market Cap (USD mn)	7,028	7,346	5,186	3,821	4,503	4,503	4,503	4,503
EV (USD mn)	7,177	7,473	5,469	4,159	4,771	4,709	4,647	4,606
EBITDA	512	543	470	590	617	696	805	868
P/E (x)	26.7	28.0	34.3	17.5	19.6	17.9	14.4	13.9
EV/EBITDA (x)	14.0	13.8	11.6	7.1	7.7	6.8	5.8	5.3
Price/Book (x)	23.8	16.3	13.0	7.8	8.7	7.8	6.7	6.2
Dividend Yield (%)	1.5%	2.4%	2.4%	5.3%	4.3%	4.8%	5.9%	6.1%
Price to sales (x)	3.0	3.1	2.5	1.7	1.8	1.6	1.5	1.4
EV to sales (x)	3.0	3.1	2.5	1.7	1.8	1.6	1.5	1.4
Liquidity								
Cash Ratio (x)	0.5	0.1	0.1	0.2	0.2	0.3	0.4	0.4
Current Ratio (x)	0.9	1.0	0.9	0.8	0.9	1.0	1.1	1.1
Quick Ratio (x)	0.6	0.7	0.6	0.6	0.7	0.8	0.9	0.9
Returns Ratio								
ROA (%)	19.6%	16.9%	10.0%	12.6%	12.8%	12.6%	14.3%	14.2%
ROE (%)	88.9%	58.1%	38.0%	44.6%	44.4%	43.9%	46.4%	44.4%
ROCE (%)	37.9%	29.2%	17.3%	22.0%	22.0%	21.9%	24.4%	24.0%
Cash Cycle								
Inventory turnover (x)	6.6	7.4	7.7	7.4	8.3	8.3	8.3	8.3
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	44	44	44	44
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	-85	-85	-85	-85
Profitability Ratio								
Net Margins (%)	11.1%	10.9%	6.9%	8.7%	8.9%	8.5%	9.8%	9.8%
EBITDA Margins (%)	21.5%	22.5%	21.4%	23.5%	23.8%	23.4%	25.1%	26.1%
PBT Margins (%)	11.4%	11.4%	7.8%	10.1%	10.4%	10.0%	11.5%	11.5%
EBIT Margins (%)	12.3%	12.1%	8.7%	11.3%	11.4%	11.0%	12.6%	12.6%
Effective Tax Rate (%)	3.2%	4.7%	12.0%	14.0%	14.6%	15.0%	15.0%	15.0%
Leverage								
Total Debt (USD mn)	453	511	579	637	673	726	766	783
Net Debt (USD mn)	149	127	284	338	267	205	144	103
Debt/Equity (x)	1.53	1.13	1.45	1.30	1.30	1.26	1.14	1.07
Net Debt/Equity (x)	0.50	0.28	0.71	0.69	0.52	0.36	0.21	0.14



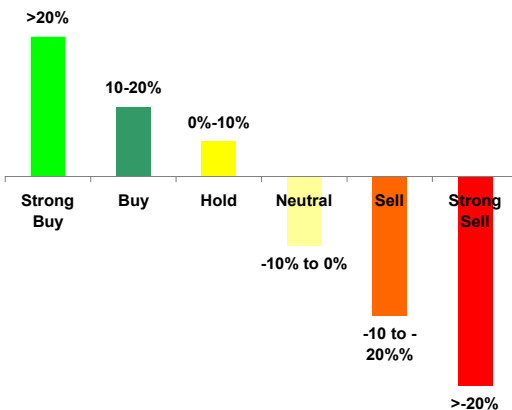
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Rating Criteria and Definitions

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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