



Food retail

BUY: 12M TP @ 2.50

Upside +19%

Valuation Summary (TTM)

Price (SAR)	2.10
PER TTM (x)	26.0
P/Book (x)	10.2
P/Sales (x)	2.1
EV/Sales (x)	2.3
EV/EBITDA (x)	8.8
Dividend Yield (%)	2.7
Free Float (%)	13%
Shares O/S (mn)	8,424
YTD Return (%)	-8%
Beta	1.1

(mn)	SAR	USD
Market Cap	17,690	4,714
Enterprise value	18,670	5,041

Price performance (%)	1M	3M	12M
Americana Restaurants	-6%	-6%	-25%
Tadawul All Share Index	-2%	-6%	-9%

Trading liquidity (,000)	1M	3M	6M
Avg daily turnover (SAR ,000)	30,186	48,537	56,959
Avg Daily Volume (,000)	14,039	22,125	26,205

52 week	High	Low	CTL*
Price (SAR)	2.93	1.78	18.0

* CTL is % change in CMP to 52wk low

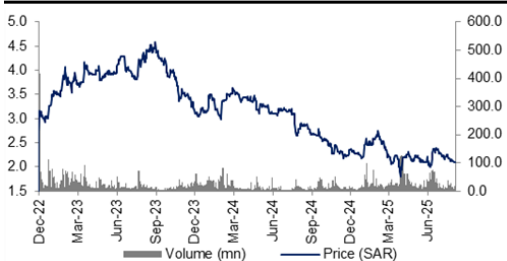
Major shareholders

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

Other details

Exchange	Saudi Arabia
Sector	Food Retail
Index weight (%)	0.3%

Key ratios	2022	2023	2024
EPS (SAR)	0.03	0.03	0.02
BVPS (SAR)	0.04	0.05	0.05
DPS (SAR)	0.01	0.02	0.02
Payout ratio (%)	39%	68%	84%



Americana – all round improvement

Americana (AMR) reported 2Q25 revenue of USD 644mn, exceeding our expectations by 11.9% and rising 15.1% YoY. Net income came in at USD 60mn, up 16.6% YoY and 26% above our forecast. After turning optimistic last quarter due to stable margins and improving profitability, these results have exceeded our expectations. Notably, 2Q25 revenue and profit are the highest since the crisis began in 3Q23. For 1H25, revenue reached USD 1.2bn (+15.6% YoY) with net profit of USD 92mn (+18.1% YoY). The company also delivered strong like-for-like sales growth of 12.4% YoY, confirming its return to organic growth. We believe the worst may be behind Americana as operations normalize after two turbulent years, moving closer to pre-crisis performance levels.

During 2Q25, the company added 22 new stores (gross), with net store openings (NSO) at 8. For 1H25, NSO totaled 48, largely due to the acquisition of Pizza Hut Oman earlier this year. Americana now operates 2,638 outlets across 12 countries in the MENA and Kazakhstan, with management targeting an additional 100 outlets by year-end 2025. All brands delivered strong results this year, albeit from a low base: KFC (+14.3% YoY), Hardee's (+21.1%), Pizza Hut (+25%), and Krispy Kreme (+4.7%). Geographically, core markets accounted for 79.5% of total revenue, growing 14% YoY in 1H25. AMR also signed an exclusive franchise agreement with Athens-based Carpo, which we expect will further diversify its product portfolio.

Gross margin for 2Q25 expanded to 53.9%, up 110bps QoQ. Prudent cost management and lower capex on new store openings supported a 50bps improvement in EBITDA margin in 1H25. Management's cost discipline throughout the crisis has consistently cushioned margins. Capex for 1H25 stood at USD 49.7mn (in line with guidance of 4% of revenue). Finance and tax expenses remained stable, resulting in net profit of USD 60mn (+16.6% YoY) for 2Q25 and USD 92mn (+18.1% YoY) for 1H25. While our outlook has turned more positive, we will wait for additional quarters of stability before revising forecasts further. Based on current results, we maintain our 2025e revenue estimate at USD 2.3bn, but raise our net profit estimate to USD 186mn. Accordingly, our target price is revised to AED 2.50, implying a 19% upside from current levels, and we provide a BUY rating.

Valuation and outlook: AMR has been a consistent performer, owning some of the most prominent brands in the food retail industry. Its strong internal framework has demonstrated resilience through the challenges of the past two years. We believe revenue and profits are likely to stabilize from here, with growth on the horizon. While we remain cautiously optimistic, we prefer to monitor performance over the next few quarters before confirming a sustained positive trend.

Income Statement (In USD mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	2,379	2,413	2,197	2,378	2,704	2,961	3,237
Direct Costs	-1,148	-1,152	-1,029	-1,111	-1,295	-1,419	-1,551
Gross profit	1,230	1,262	1,167	1,268	1,409	1,543	1,687
Selling and marketing expenses	-739	-777	-785	-832	-919	-1,007	-1,101
General and administrative expenses	-193	-192	-185	-192	-224	-246	-269
Other expenses	-5	-1	-6	1	14	16	18
Operating Profit	293	291	192	245	279	306	335
EBITDA	512	543	470	574	651	735	825
Finance Income	4	15	16	16	15	15	15
Finance costs	-25	-31	-36	-42	-48	-50	-51
Profit before Zakat (PBT)	272	275	172	219	246	271	299
Income Tax and Zakat	-9	-13	-21	-33	-37	-41	-45
Net Profit (PAT)	263	262	151	186	209	230	254
Balance Sheet (in USD mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Property, plant and equipment	270	327	329	316	326	364	402
Right of use assets	418	499	566	634	673	698	708
Intangible assets	50	67	59	68	73	79	84
Other non-current assets	18	8	6	3	3	3	3
Non-current assets	755	908	967	1,028	1,083	1,152	1,205
Inventories	174	156	134	133	155	170	186
Trade and other receivables	104	109	110	119	135	148	162
Cash and cash equivalents	307	384	295	382	474	525	583
Current assets	585	648	540	635	765	843	931
ASSETS	1,341	1,557	1,507	1,663	1,848	1,995	2,136
Share capital	168	168	168	168	168	168	168
Reserves	-23	-22	-46	-46	-46	-46	-46
Retained earnings	139	293	272	331	391	454	524
Non-controlling interest	11	12	4	14	16	18	20
EQUITY	296	451	398	468	530	595	667
Lease liability	275	341	389	433	460	477	484
Provision for employees	66	69	68	67	79	86	94
Trade and other payables	58	36	20	11	13	14	16
Other non-current liabilities	6	2	2	-	-	-	-
Non-current liabilities	399	448	479	511	552	578	593
Bank facilities	19	4	-	-	-	-	-
Lease liability	179	165	190	213	227	235	238
Trade payable and other liabilities	401	434	392	422	492	539	589
Other current liabilities	66	54	48	48	48	48	48
Current liabilities	646	658	630	684	767	822	876
LIABILITIES	1,045	1,105	1,109	1,195	1,318	1,400	1,469
EQUITY AND LIABILITIES	1,341	1,557	1,507	1,663	1,848	1,995	2,136
Cash Flow (In USD mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	453	540	433	544	638	706	795
Investing cash flow	-60	-436	-21	-120	-125	-167	-183
Financing cash flow	-287	-307	-409	-337	-421	-488	-554
Change in cash	131	77	-89	87	92	51	57
Beginning cash	176	307	384	295	382	474	525
Ending cash	307	384	295	382	474	525	583

Ratio Analysis	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share							
EPS (USD)	0.03	0.03	0.02	0.02	0.02	0.03	0.03
BVPS (USD)	0.04	0.05	0.05	0.06	0.06	0.07	0.08
DPS (USD)	0.01	0.02	0.02	0.02	0.02	0.02	0.02
FCF per share (USD)	0.05	0.01	0.05	0.05	0.06	0.06	0.07
Valuation							
Market Cap (USD mn)	7,028	7,346	5,186	4,776	4,776	4,776	4,776
EV (USD mn)	7,177	7,473	5,469	5,041	4,989	4,964	4,916
EBITDA	512	543	470	574	651	735	825
P/E (x)	27	28	34	26	23	21	19
EV/EBITDA (x)	14.0	13.8	11.6	8.8	7.7	6.8	6.0
Price/Book (x)	23.8	16.3	13.0	10.2	9.0	8.0	7.2
Dividend Yield (%)	1.5%	2.4%	2.4%	3.1%	3.5%	3.9%	4.3%
Price to sales (x)	3.0	3.1	2.5	2.1	1.8	1.7	1.5
EV to sales (x)	3.0	3.1	2.5	2.1	1.8	1.7	1.5
Liquidity							
Cash Ratio (x)	0.5	0.1	0.1	0.6	0.6	0.6	0.7
Current Ratio (x)	0.9	1.0	0.9	0.9	1.0	1.0	1.1
Quick Ratio (x)	0.6	0.7	0.6	0.7	0.8	0.8	0.9
Returns Ratio							
ROA (%)	19.6%	16.9%	10.0%	11.2%	11.3%	11.6%	11.9%
ROE (%)	88.9%	58.1%	38.0%	39.8%	39.5%	38.7%	38.1%
ROCE (%)	37.9%	29.2%	17.3%	19.0%	19.3%	19.7%	20.2%
Cash Cycle							
Inventory turnover (x)	6.6	7.4	7.7	8.3	8.3	8.3	8.3
Accounts Payable turnover (x)	2.5	2.4	2.5	2.6	2.6	2.6	2.6
Receivables turnover (x)	23	22	20	20	20	20	20
Inventory days	55	49	48	44	44	44	44
Payable Days	144	149	146	142	142	142	142
Receivables days	16	17	18	18	18	18	18
Cash Cycle	-73	-83	-80	-80	-80	-80	-80
Profitability Ratio							
Net Margins (%)	11.1%	10.9%	6.9%	7.8%	7.7%	7.8%	7.9%
EBITDA Margins (%)	21.5%	22.5%	21.4%	24.1%	24.1%	24.8%	25.5%
PBT Margins (%)	11.4%	11.4%	7.8%	9.2%	9.1%	9.2%	9.2%
EBIT Margins (%)	12.3%	12.1%	8.7%	10.3%	10.3%	10.3%	10.3%
Effective Tax Rate (%)	3.2%	4.7%	12.0%	15.1%	15.0%	15.0%	15.0%
Leverage							
Total Debt (USD mn)	453	511	579	646	687	712	722
Net Debt (USD mn)	149	127	284	264	212	188	139
Debt/Equity (x)	1.53	1.13	1.45	1.38	1.30	1.20	1.08
Net Debt/Equity (x)	0.50	0.28	0.71	0.56	0.40	0.32	0.21

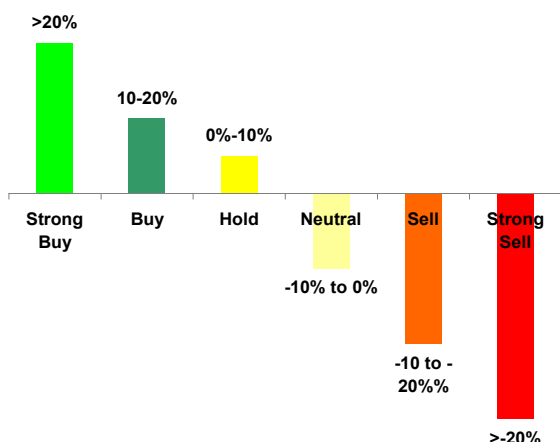
Key contacts

Research Team

Joice Mathew	Manna Thomas ACCA	Contact Address
Sr. Manager - Research	Research Associate	P. O Box: 2566; P C 112
E-Mail: joyce@usoman.com	Email: manna.t@usoman.com	Sultanate of Oman
Tel: +968 2476 3311	Tel: +968 2476 3347	Tel: +968 2476 3300

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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