Result update

INVESTMENT RESEARCH – Saudi Arabia

UNITED SECURITIES LLC

Americana Restaurants International

Sector : Food Retail

BUY

5 November 2025

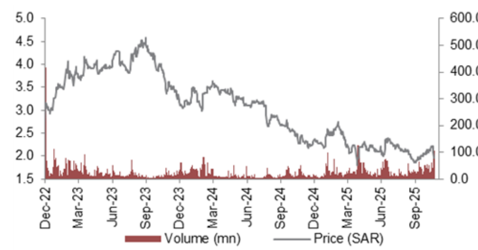
- **Revenue grew 12.2% YoY in 3Q25, exceeding estimates, supported by steady growth across core brands. However, like-for-like (LFL) growth was softer than expected at 6.7%.**
- **37 new stores opened in 3Q25 and 112 during the year, bringing the total outlet count to 2,657. Full-year guidance for new store openings (NSOs) has been revised down to 110–120 from 145–150, with slower expansion anticipated in Saudi Arabia.**
- **Higher sales and marketing expenses and an incremental tax provision weighed on profitability. Net profit rose 18.2% YoY, though it came in below estimates.**
- **No material changes to the 2025 earnings forecast. Reiterate BUY with a target price of SAR 2.22 per share.**

Revenue increased 12.2% YoY in 3Q25, driven by solid performance across core brands — KFC (+9.4%), Hardee's (+16.1%), Pizza Hut (+17.4%), and Krispy Kreme (+10.1%). Despite the strong top-line growth, LFL sales rose only 6.7%, falling short of expectations. Management attributed this weakness to unexpectedly soft sales in September, but expects a recovery in October–November. Revenue growth was also supported by 153 new store openings over the past year, including 32 gross openings in 3Q25 and 112 during 9M25. The company reduced its full-year NSO guidance from 140–150 to 110–120 to rationalize underperforming stores, particularly in Saudi Arabia. The Saudi market remains highly competitive and less profitable, continuing to pressure margins. Home delivery accounted for 47% of total sales versus 43% last year, highlighting a shift in consumer preferences across the region. We believe food aggregators will continue to shape consumer behavior in core markets moving forward.

Effective cost management drove a 77 bps YoY increase in gross margin to 54.2%, while EBITDA margin improved 120 bps YoY to 22.4% in 3Q25. The cost of inventory as a percentage of sales fell to a multi-quarter low of 28.5%. However, higher sales and marketing spending weighed on operating margins. Other operational metrics remained broadly consistent with previous quarters. Net profit for 3Q25 came in at USD 43 million, up 18.2% YoY, but slightly below estimates due to a slightly lower than expected operating margin. Nonetheless, the results reflect sustained improvement in both top and bottom lines. For the 9M25 period, the company reported USD 135 million in net profit, marking an 18.2% YoY increase.

Valuation: Americana maintains the largest regional network of outlets and manages some of the world's most recognized brands. Management has successfully navigated a challenging two-year period, positioning the company for sustainable long-term growth. While near-term expansion has been tempered, we remain optimistic about the company's long-term prospects. Accordingly, we maintain our earnings forecast but lower our target price slightly to SAR 2.22 per share. We reaffirm our BUY recommendation, supported by robust fundamentals, improving profitability, and reduced risk at current valuations.

Target price (SAR)		2.22
Current price (SAR)		1.89
Return		17.6%



Exchange	Saudi Arabia
Index weight (%)	0.2%

(mn)	SAR	USD
Market Cap	16,426	4,380
Enterprise value	17,467	4,716

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

Valuation Summary (TTM)	
PER TTM (x)	24.4
P/Book (x)	9.6
EV/EBITDA (x)	8.4
Dividend Yield (%)	3.3
Free Float (%)	13%
Shares O/S (mn)	8,424
YTD Return (%)	-14%
Beta	1.2

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

Price performance (%)	1M	3M	12M
Americana Restaurants	-3%	-9%	-15%
Tadawul All Share Index	0%	6%	-5%

52 week	High	Low	CTL*
Price (SAR)	2.76	1.78	9.6

* CTL is % change in CMP to 52wk low

Income Statement (In USD mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Revenue	**2,379**	**2,413**	**2,197**	**2,422**	**2,748**	**3,011**	**3,291**
Direct Costs	-1,148	-1,152	-1,029	-1,124	-1,316	-1,442	-1,577
Gross profit	**1,230**	**1,262**	**1,167**	**1,297**	**1,432**	**1,568**	**1,715**
Selling and marketing expenses	-739	-777	-785	-860	-934	-1,024	-1,119
General and administrative expenses	-193	-192	-185	-196	-228	-250	-273
Other expenses	-5	-1	-6	1	14	16	18
Operating Profit	**293**	**291**	**192**	**243**	**284**	**311**	**341**
EBITDA	**512**	**543**	**470**	**559**	**655**	**739**	**831**
Finance Income	4	15	16	15	15	15	15
Finance costs	-25	-31	-36	-43	-48	-50	-51
Profit before Zakat (PBT)	**272**	**275**	**172**	**216**	**251**	**276**	**305**
Income Tax and Zakat	-9	-13	-21	-34	-38	-41	-46
Net Profit (PAT)	**263**	**262**	**151**	**182**	**213**	**235**	**259**

Balance Sheet (in USD mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Property, plant and equipment	270	327	329	322	334	374	416
Right of use assets	418	499	566	624	669	699	714
Intangible assets	50	67	59	60	67	73	80
Other non-current assets	18	8	6	3	3	3	3
Non-current assets	**755**	**908**	**967**	**1,017**	**1,081**	**1,158**	**1,220**
Inventories	174	156	134	146	171	187	205
Trade and other receivables	104	109	110	121	137	151	165
Other current assets	3	0	0	-	-	-	-
Short term deposits with banks	-	296	214	226	225	225	227
Cash and cash equivalents	305	88	81	130	226	271	323
Current assets	**585**	**648**	**540**	**624**	**760**	**833**	**919**
ASSETS	**1,341**	**1,557**	**1,507**	**1,641**	**1,840**	**1,992**	**2,139**
Share capital	168	168	168	168	168	168	168
Reserves	-23	-22	-46	-46	-46	-46	-46
Retained earnings	139	293	272	326	394	458	529
Non-controlling interest	11	12	4	14	16	18	20
EQUITY	**296**	**451**	**398**	**463**	**533**	**599**	**672**
Lease liability	275	341	389	427	457	478	488
Provision for employees	66	69	68	69	80	87	96
Trade and other payables	58	36	20	8	9	10	11
Other non-current liabilities	6	2	2	-	-	-	-
Non-current liabilities	**399**	**448**	**479**	**503**	**546**	**576**	**594**
Bank facilities	19	4	-	-	-	-	-
Lease liability	179	165	190	210	225	235	240
Trade payable and other liabilities	401	434	392	416	487	534	583
Other current liabilities	66	54	48	48	48	48	48
Current liabilities	**646**	**658**	**630**	**674**	**761**	**817**	**872**
LIABILITIES	**1,045**	**1,105**	**1,109**	**1,178**	**1,307**	**1,393**	**1,466**
EQUITY AND LIABILITIES	**1,341**	**1,557**	**1,507**	**1,641**	**1,840**	**1,992**	**2,139**

Cash Flow (In USD mn)	2022	2023	2024	2025e	2026e	2027e	2028e
Cash from operations	453	540	433	504	638	707	797
Investing cash flow	-60	-436	-21	-105	-127	-170	-186
Financing cash flow	-287	-307	-409	-351	-416	-491	-560
Change in cash	**119**	**-202**	**-2**	**48**	**96**	**46**	**51**
Beginning cash	168	286	84	82	130	226	272
Ending cash	**286**	**84**	**82**	**130**	**226**	**272**	**323**

Ratio Analysis	2022	2023	2024	2025e	2026e	2027e	2028e
Per Share							
EPS (USD)	0.03	0.03	0.02	0.02	0.03	0.03	0.03
BVPS (USD)	0.04	0.05	0.05	0.05	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	4,299	4,299	4,299	4,299
EV (USD mn)	7,177	7,473	5,469	4,579	4,530	4,517	4,477
EBITDA	512	543	470	559	655	739	831
P/E (x)	26.7	28.0	34.3	23.7	20.2	18.3	16.6
EV/EBITDA (x)	14.0	13.8	11.6	8.2	6.9	6.1	5.4
Price/Book (x)	23.8	16.3	13.0	9.3	8.1	7.2	6.4
Dividend Yield (%)	1.5%	2.4%	2.4%	3.4%	4.0%	4.4%	4.8%
Price to sales (x)	3.0	3.1	2.5	1.9	1.6	1.5	1.4
EV to sales (x)	3.0	3.1	2.5	1.9	1.6	1.5	1.4
Liqiudity							
Cash Ratio (x)	0.5	0.1	0.1	0.2	0.3	0.3	0.4
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	0.8
Returns Ratio							
ROA (%)	19.6%	16.9%	10.0%	11.1%	11.6%	11.8%	12.1%
ROE (%)	88.9%	58.1%	38.0%	39.2%	40.0%	39.2%	38.5%
ROCE (%)	37.9%	29.2%	17.3%	18.8%	19.7%	20.0%	20.4%
Cash Cycle							
Inventory turnover (x)	6.6	7.4	7.7	7.7	7.7	7.7	7.7
Accounts Payable turnover (x)	2.5	2.4	2.5	2.7	2.7	2.7	2.7
Receivables turnover (x)	23	22	20	20	20	20	20
Inventory days	55	49	48	47	47	47	47
Payable Days	144	149	146	138	138	138	138
Receivables days	16	17	18	18	18	18	18
Cash Cycle	-73	-83	-80	-72	-72	-72	-72
Profitability Ratio							
Net Margins (%)	11.1%	10.9%	6.9%	7.5%	7.8%	7.8%	7.9%
EBITDA Margins (%)	21.5%	22.5%	21.4%	23.1%	23.8%	24.6%	25.3%
PBT Margins (%)	11.4%	11.4%	7.8%	8.9%	9.1%	9.2%	9.3%
EBIT Margins (%)	12.3%	12.1%	8.7%	10.0%	10.3%	10.3%	10.3%
Effective Tax Rate (%)	3.2%	4.7%	12.0%	15.7%	15.0%	15.0%	15.0%
Leverage							
Total Debt (USD mn)	453	511	579	637	682	713	728
Net Debt (USD mn)	149	127	284	280	231	218	178
Debt/Equity (x)	1.53	1.13	1.45	1.38	1.28	1.19	1.08
Net Debt/Equity (x)	0.50	0.28	0.71	0.60	0.43	0.36	0.27

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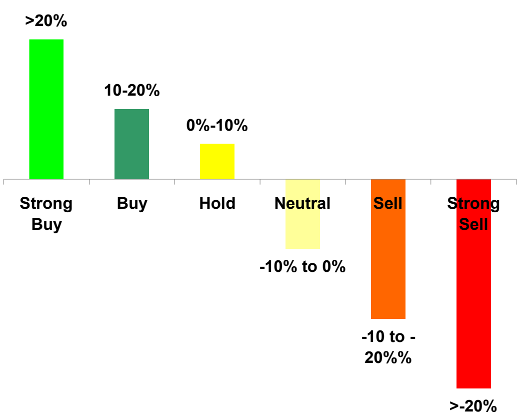
Rating Criteria and Definitions

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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