



# Sphera Franchise Group

## Investor Presentation

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June 2024

**KFC**



# Disclaimer

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Therefore, the final results achieved may vary significantly from the forecasts, and the variations may be material.



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# About Sphera Franchise Group



S P H E R A





## PURPOSE

Development through relevance and trust.

## VISION

Be the leaders in the Romanian food service industry and become an important player at the European level.

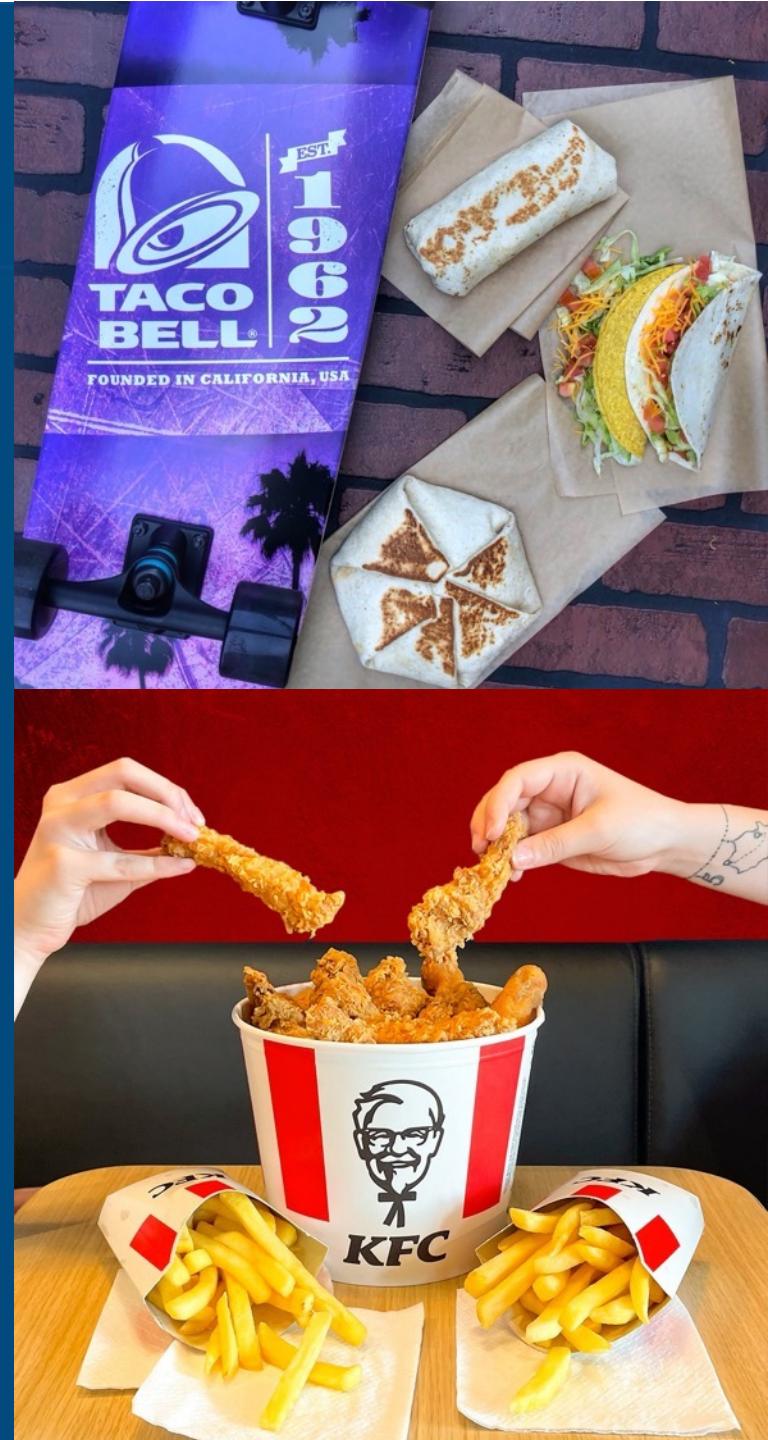
## MISSION

Offer customers a memorable experience, through excellent services and unique products, prepared by passionate teams.

GĂTIT ÎN  
RESTAURANTELE  
NOASTRE  
în fiecare zi

# Sphera Franchise Group at a glance

- Sphera is the leading food operator in **Romania**, operating through subsidiaries in **Moldova and in Italy**.
- Sphera Franchise Group was **incorporated in May 2017** to consolidate all brands operated by the Group since 1994: KFC, Pizza Hut Dine-In, and Pizza Hut Delivery ahead of the IPO.
- In 2017, Sphera secured the franchise for operation of **Taco Bell** restaurants in Romania and opened its first two KFC restaurants in **Italy**; today Sphera is the largest KFC operator in Italy.
- KFC Romania, KFC Italy, Pizza Hut and Taco Bell Romania operate under the **Yum International** Franchise Agreement.
- Quoted on the **Bucharest Stock Exchange** since November 2017; since September 2018 SFG shares are included in the BET index of BVB, as of March 2022, in the FTSE Global Micro Cap index and as of August 2023, in MSCI Frontier & Romania Small Cap.





**#1 QSR operator** in Romania.



4 out of 5 companies from the Group generated net profit in 2023, proving the effectiveness of the strategy adopted by the management.



Restaurant expenses tempered in 2023, growing slower than sales, **reaching 89.1% of sales in 2023** (91.8% in 2022) **and 88% in Q1 2024** (91.8% in Q1 2023).



**9% dividend yield** in 2023.



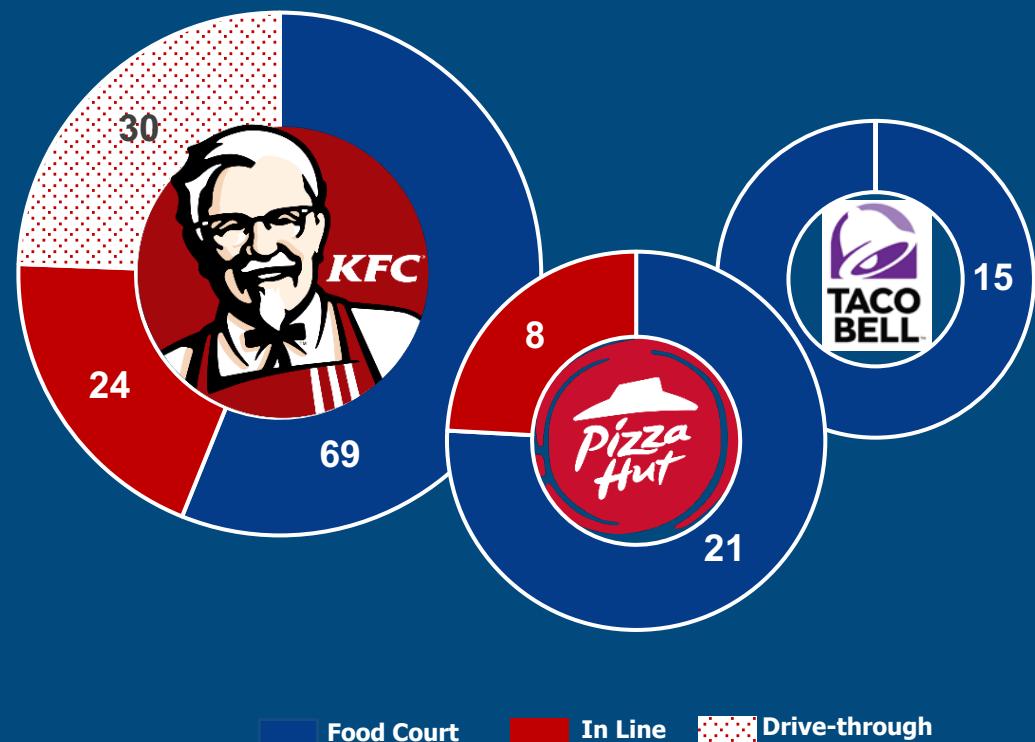
Thanks to an effective pricing strategy, internal cost control measures and higher sales volumes, **restaurant operating profit increased by 45.7%** in 2023 and 63.1% in Q1 2024.



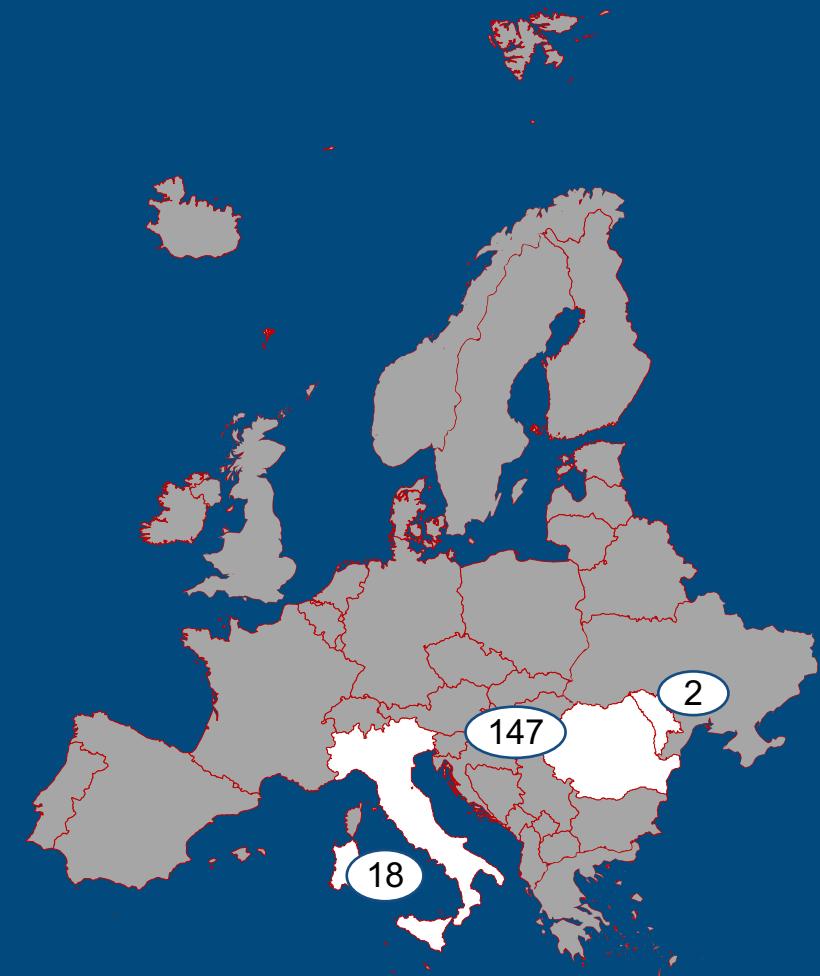
Low indebtedness level as of end of Q1 2024 (**0.3 net debt / EBITDA**) and strong cash position.

# Network footprint

Network as of 31.03.2024



NOTE: 1 PHD sub-franchise not included above.



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# Key investment highlights



KFC



Leading food service group operating a portfolio of iconic, internationally recognized brands

Scalable platform with fully fledged process in place allowing efficient roll-out

Operational excellence proven by consistent top ranked among YUM franchisees in Europe

Improved liquidity due to Market Making, attested by inclusion in FTSE Russell indices



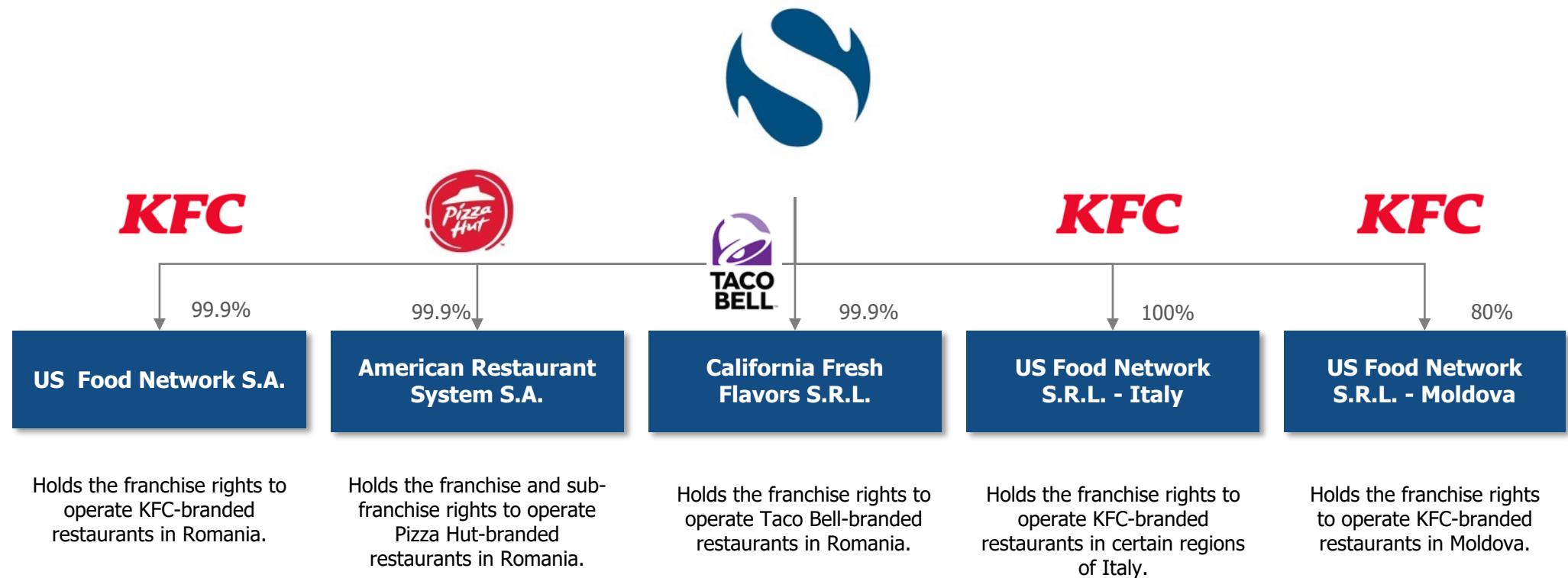
Proven network roll-out capabilities with long track record of successful growth, even in pandemic

Continuous development potential in Romania (smaller cities) & white space opportunity in Italy

Enhanced marketing capabilities investing directly into notable successful marketing campaigns

Dividend stock (2023 DivY: 8.3%), 100% dividend payout strategy.

# Sphera Franchise Group corporate structure



# Management team

**CALIN IONESCU**

CEO

Mr Ionescu is the Chief Executive Officer of Sphera Franchise Group since October 2020. Mr. Ionescu has been involved in the restaurant business since 1994, when the first Pizza Hut restaurant operated by ARS was opened. He has occupied various operational positions, from Restaurant Manager to General Manager and, in 2012, Mr. Ionescu was promoted to COO of the Group. During this time, he has actively participated in all expansions of the KFC and Pizza Hut brands in Romania and the Republic of Moldova and in 2016, he laid the foundations for developing the KFC brand in Northeast and North-Western Italy.

**VALENTIN BUDES**

CFO

Mr Budes is the Chief Financial Officer of the Sphera Franchise Group since May 2019. Mr. Budes is a senior member of the ACCA, holds a certification in risk management issued by the Institute of Internal Auditors of the USA. In Romania, Valentin Budes is an accounting expert member of CECCAR and an insolvency practitioner being a member of UNPIR. His prior experience include financial consulting at KPMG Romania, the financial division within the telecommunications companies of the Telekom Romania group, as well as coordinated the financial activities of the Medicover Romania Group.

**MONICA EFTIMIE**

CMO

Mrs Eftimie is the Chief Marketing Officer of Sphera Franchise Group since August 2017. From 2013 until 2017 Monica was the Marketing Director of ARS Romania and USFN Romania. In this capacity she led the marketing activities for a portfolio of brands which included KFC, Pizza Hut and Pizza Hut Delivery and for which she developed and implemented marketing campaigns. Mrs Eftimie led the successful launch in Romania of Taco Bell. Mrs Eftimie has 14 years of experience in the QSR experience, including Paul, Accor Group and Saatchi & Saatchi Advertising.

# Leading foodservice group in Romania



KFC



TACO BELL



#2

player on the chained QSR segment (20.4% market share)  
operating 102 restaurants

#1

player on the QSR chicken segment



✓ 92% aided brand awareness among Romanian QSR customers (Dec'23), maintaining consideration and recommendation indicators at high levels



✓ KFC leads the supremacy on taste, the main driver of the category and scores the highest on the attributes related with taste ("best tasting chicken", "freshest ingredients", "high quality food", "food is freshly prepared")



✓ KFC most iconic products: Crispy Strips, Garlic sauce, Smart Menu, Crispy Sandwich, Hot Wings, Buckets

#1

The most awarded brand in the QSR category at Effie, the festival that celebrates effective advertising and marketing campaigns.



#1

player on the pizza chain segment (nearly 1.9% market share from total food service category value)



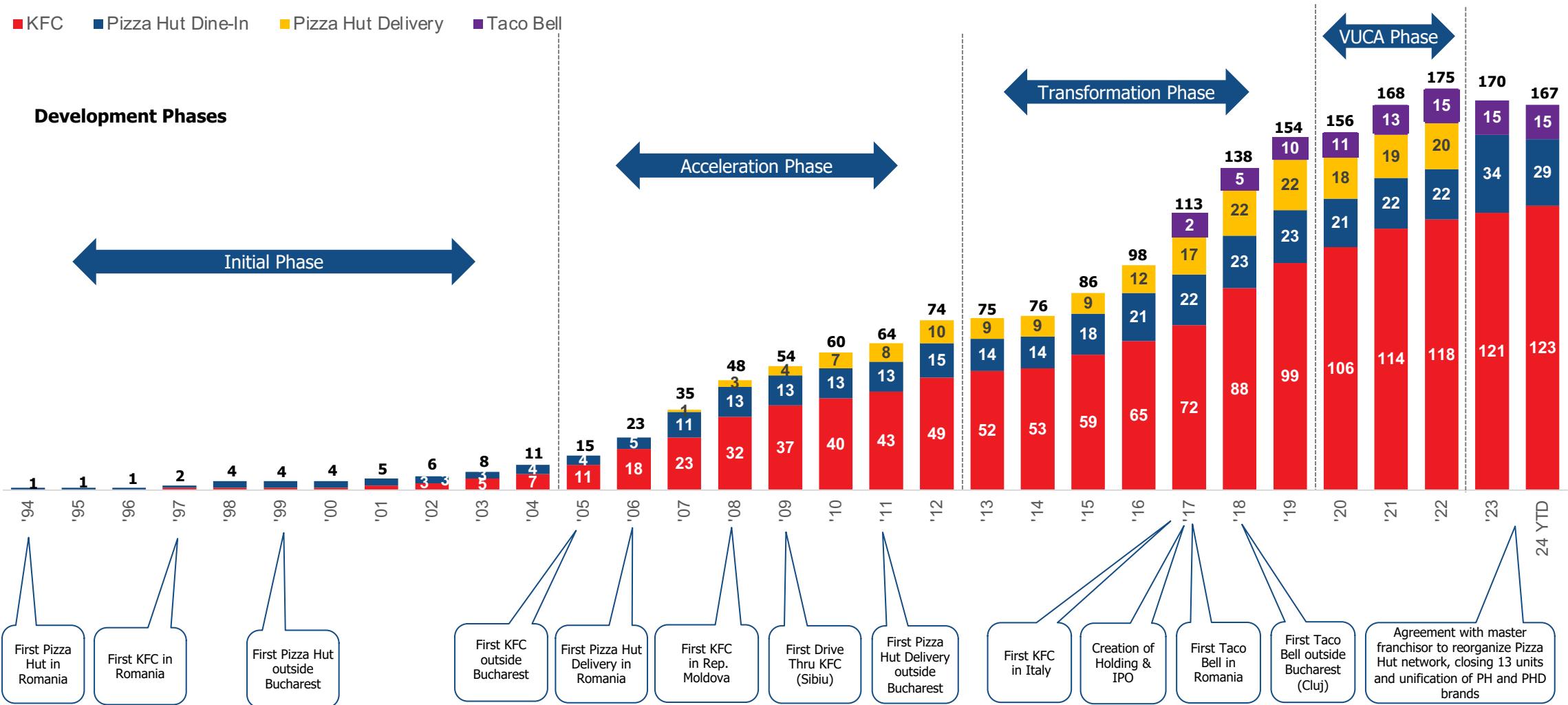
S P H E R A

- ✓ The highest awareness in pizza category: 77% aided brand awareness among Romanian quick service customers (Dec'23)
- ✓ The highest heritage in Romania, 30 years presence in Romanian market
- ✓ The highest level of Brand Trust and Brand Differentiation in the pizza category



- ✓ Taco Bell consolidated its position of the largest Mexican food chain in Romania operating 15 restaurants at present, reaching 1.5% market share from total food service restaurant
- ✓ Aided awareness went up 55% (Dec'23)
- ✓ The 3<sup>rd</sup> most distinctive brand in QSR market
- ✓ Taco Bell rewards the most loyal fans through a loyalty program which can be accessed by mobile app

# Network development track record



# Historical performance - key indicators

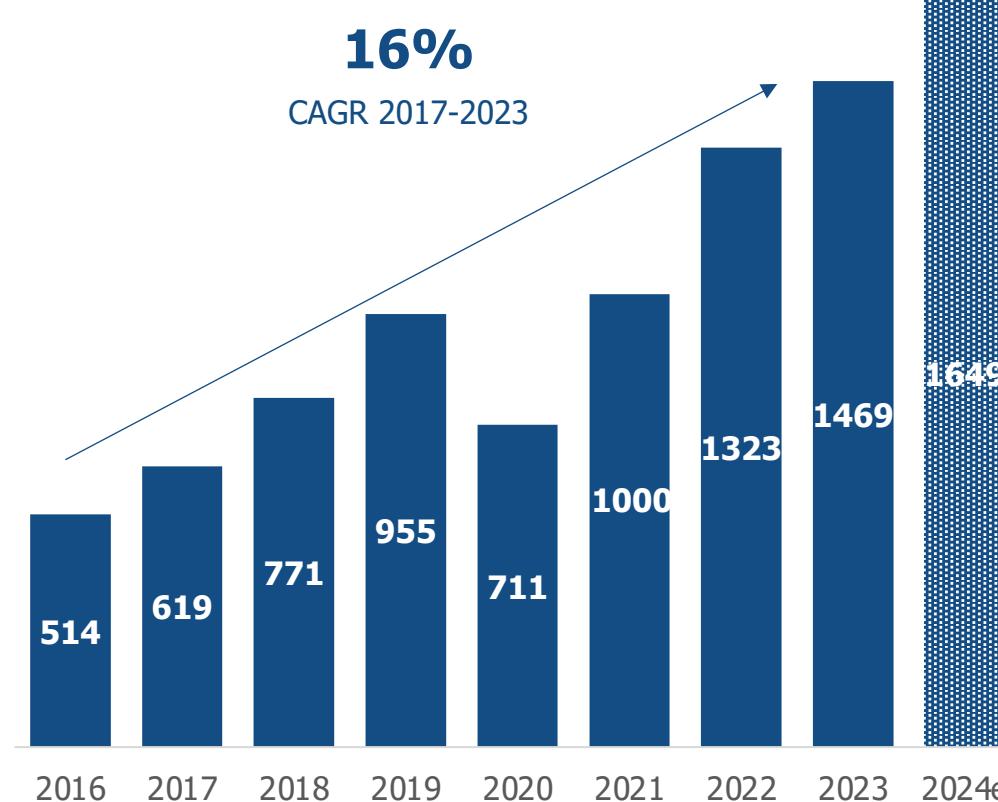


KFC



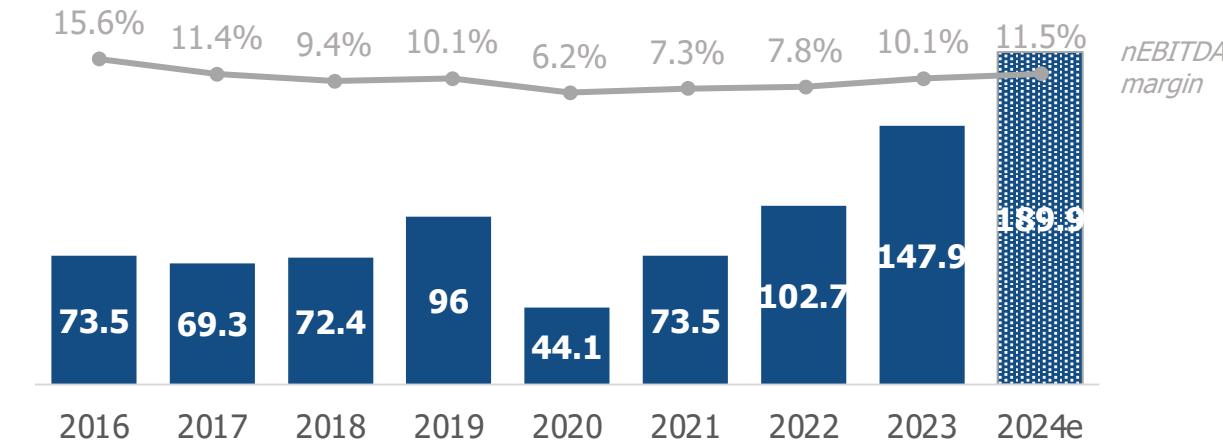
## Turnover

in RON m



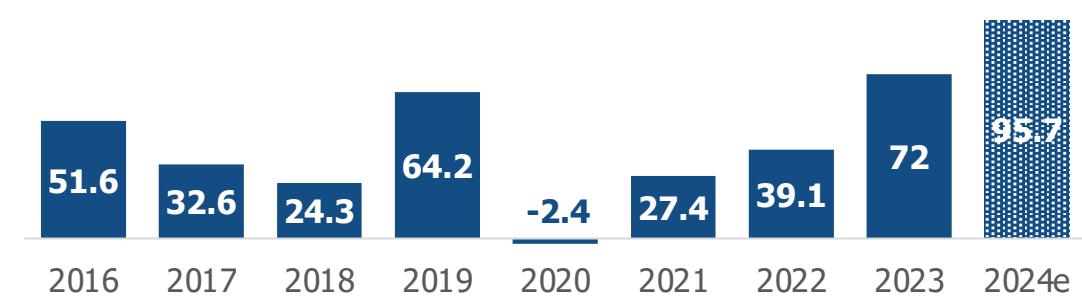
## Normalized EBITDA

in RON m, excl. IFRS16



## Net profit

in RON m, excl. IFRS16

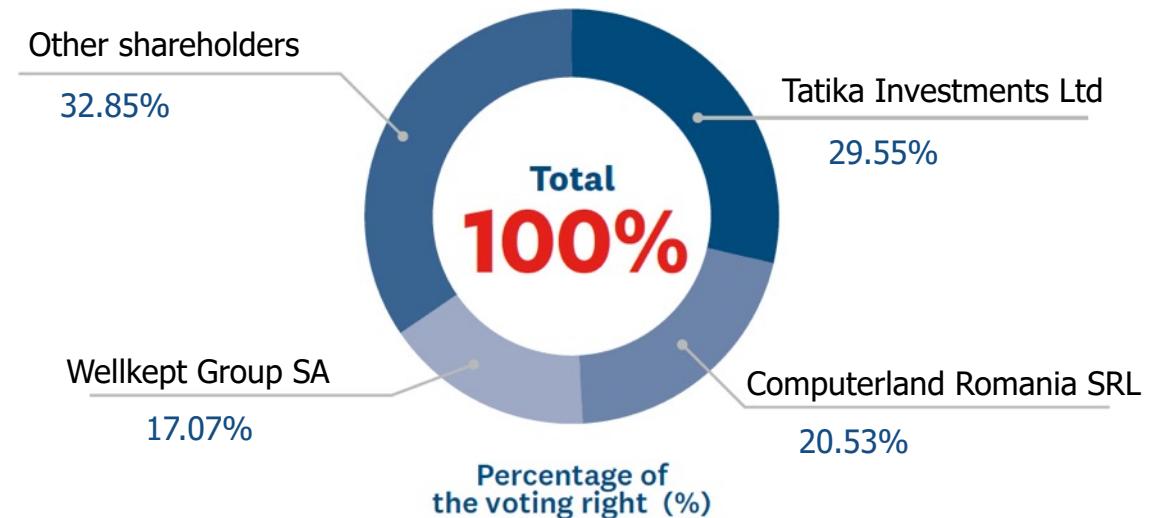


# SFG on BVB

SFG is quoted on the Main Market of Bucharest Stock Exchange as of November 2017. Since September 2018, SFG shares are included in the reference index of BVB, BET, as of March 2022, in the FTSE Global Micro Cap and as of August 2023, in the MSCI Frontier & Romania Small Cap indices.



## SHAREHOLDING STRUCTURE AS OF 31.12.2023



### INDICES



FTSE  
Russell

MSCI

### ANALYST COVERAGE



ipopema

SWISS CAPITAL

### MARKET MAKER



ERSTE

Raiffeisen Bank  
International  
Member of RBI Group

WOOD  
&  
COMPANY

## 2023 - the best year for SFG on BVB

### 2023 evolution of the share price vs. market



SFG: **+83.6%**  
SFG-TR: **+95.5%**



BET: **+31.8%**  
BET-TR: **+39.9%**



**Best CEO, CFO, IRO and IR program**  
winner as voted by Institutional Investors,  
awarded at ARIR Gala 2023



## Q1 2024 - strong start to the year

### Q1 2024 evolution share price vs. market



SFG: +14%

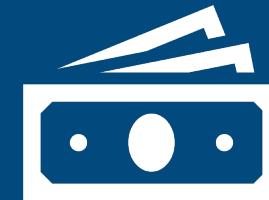
Liquidity: +214% YoY



BET: +10.8%



10/10 in the VEKTOR  
score for IR



**RON 1.05 gross dividend per share to be paid in  
June 2024; intention for distribution of  
supplementary dividend in H2'24**



**Buyback of maximum  
675,346 SFG shares  
approved by EGSM**



# 2023 Results Highlights



S P H E R A

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**KFC**



TACO BELL

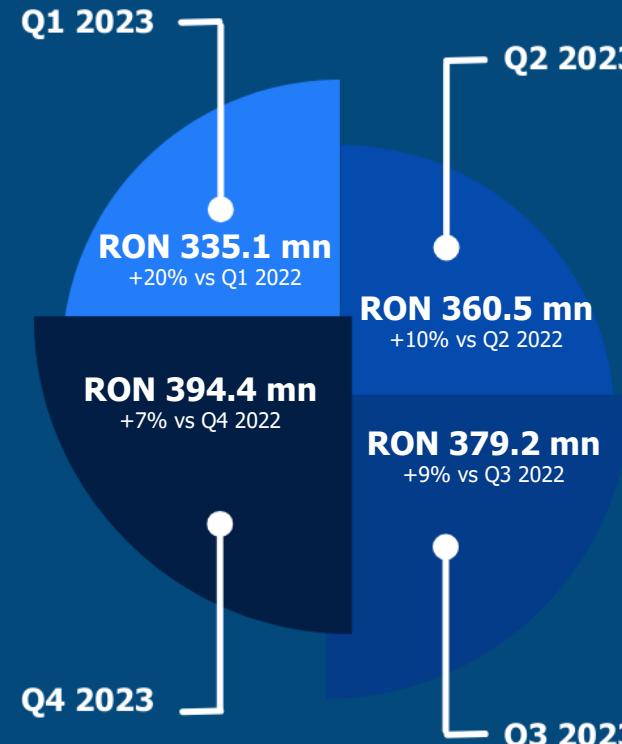
# Key 2023 Highlights

excl. IFRS16

## 2023 Consolidated Sales

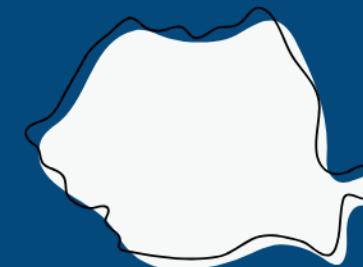
**RON 1,469.2 mn**

+11% vs. 2022



**RON 1,264.8 mn**

+11% vs. 2022



**RON 183.8 mn**

+11% vs. 2022



**RON 20.6 mn**

+18% vs. 2022



**KFC**



**RON 1,269.4 mn**

+12% vs. 2022

**RON 115.2 mn**

-6% vs. 2022

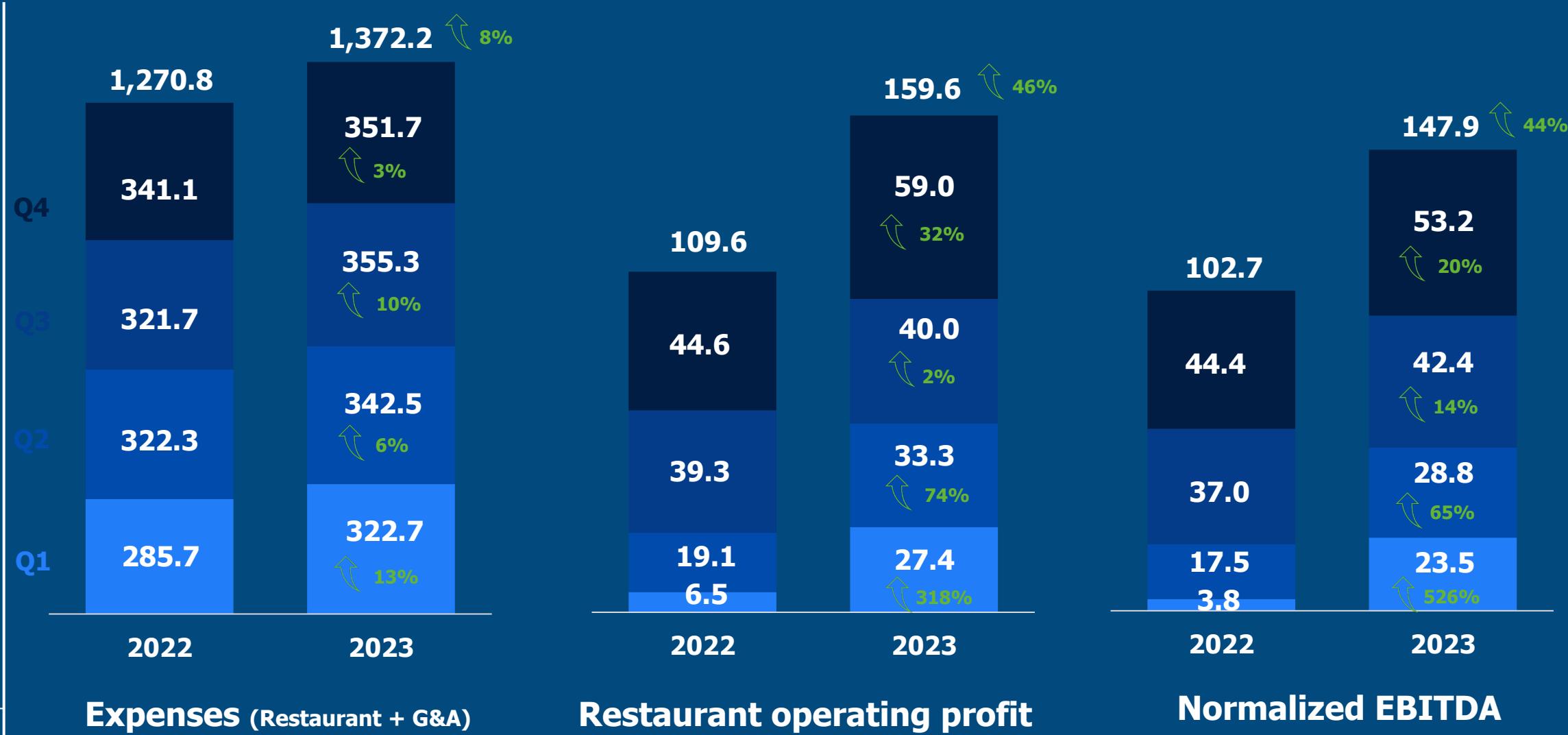


**RON 84.5 mn**

+22% vs. 2022

# Evolution of key indicators

in RON m, excl. IFRS16



# 2023 key financials

in RON m, excl. IFRS16

Data in RON'000	2023P	2022A	Y/Y %
<b>Restaurant sales</b>	<b>1,469,172</b>	<b>1,322,822</b>	<b>11.1%</b>
<b>Other restaurant income</b>	-	<b>1,172</b>	<b>-100.0%</b>
Restaurant expenses	1,309,595	1,214,438	7.8%
<b>Restaurant operating profit</b>	<b>159,577</b>	<b>109,555</b>	<b>45.7%</b>
General & Admin expenses	62,655	56,389	11.1%
EBITDA	145,290	102,161	42.2%
<b>Normalized* EBITDA</b>	<b>147,937</b>	<b>102,655</b>	<b>44.1%</b>
Operating Profit	96,923	53,166	82.3%
<b>Normalized* operating profit</b>	<b>104,624</b>	<b>53,166</b>	<b>96.8%</b>
Finance costs	11,772	13,307	-11.5%
Finance income	1,239	496	149.8%
Profit before tax	86,389	40,355	114.1%
<b>Normalized* profit before tax</b>	<b>94,090</b>	<b>40,355</b>	<b>133.2%</b>
Income tax expense	14,410	(1,264)	-
Specific Tax	0	2,565	-100.0%
Profit for the period	71,979	39,054	84.3%
<b>Normalized* profit for the period</b>	<b>79,680</b>	<b>44,270</b>	<b>80.0%</b>

Topline growth rate indicates the **consolidation of the Group's network**, with the principal focus on profit margins.

The **restaurant expenses** increased at a slower pace than sales, growing 7.8% YoY, reducing their weight in sales with almost 3pp, reaching 89.1% of sales in 2023 versus 91.8% in 2022.

Attributable to an effective pricing strategy, internal cost-control measures and higher sales volumes, **restaurant operating profit** increased 45.7% YoY.

4 out of 5 Group companies generated **positive net result**, proving the effectiveness of the strategy adopted by the management to consolidate the presence of KFC Romania and Moldova, while turning KFC Italy and Taco Bell to profit.

The **net debt to EBITDA** ratio was **0.4** as of December 31<sup>st</sup>, 2023.



SPHERA





KFC



# Key Q1 2024 Highlights

excl. IFRS16

## Q1 2024 Consolidated Sales

Q1 2024



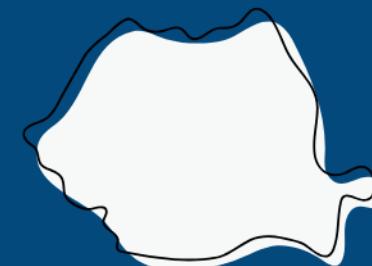
**RON 317.1 mn**

+10% vs. Q1 2023

**KFC**

**RON 317.6 mn**

+12% vs. Q1 2023



**RON 43.3 mn**

+6% vs. Q1 2023



**RON 27.4 mn**

-12% vs. Q1 2023



**RON 5.5 mn**

+12% vs. Q1 2023



**RON 20.9 mn**

+5% vs. Q1 2023

# Evolution of key indicators

in RON m, excl. IFRS16



# Q1 2024 key financials

in RON m, excl. IFRS16

Data in RON'000	Q1'24	Q1'23	Y/Y %
<b>Restaurant sales</b>	<b>365,924</b>	<b>335,060</b>	<b>9.2%</b>
Other restaurant income	771	-	100.0%
Restaurant expenses	322,086	307,705	4.7%
<b>Restaurant operating profit</b>	<b>44,610</b>	<b>27,355</b>	<b>63.1%</b>
General & Admin expenses	15,758	14,990	5.1%
<b>EBITDA</b>	<b>39,779</b>	<b>23,523</b>	<b>69.1%</b>
<b>Operating profit</b>	<b>28,852</b>	<b>12,365</b>	<b>133.3%</b>
Finance costs	2,639	3,051	-13.5%
Finance income	56	942	-94.1%
<b>Profit before tax</b>	<b>26,268</b>	<b>10,255</b>	<b>156.1%</b>
Income tax expense	4,818	2,911	65.5%
Normalized profit for the period	21,450	7,344	192.1%
<b>Profit for the period</b>	<b>21,450</b>	<b>7,344</b>	<b>192.1%</b>

The best first quarter in the history in terms **sales, EBITDA** and **net profit**.

**Restaurant expenses** grew slower than the revenues in Q1 2024, increasing 4.7% YoY to RON 322.1 million, reducing their weight in sales with almost 4pp YoY, down to 88%.

The **G&A expenses** decreased as % of sale from 4.5% to 4.3% in Q1 2024, amounting to RON 15.8 million.

The **operating profit** increased 133% YoY, to RON 28.9 million.

The **net profit** increased 192% YoY, to RON 21.4 million in Q1 2024.

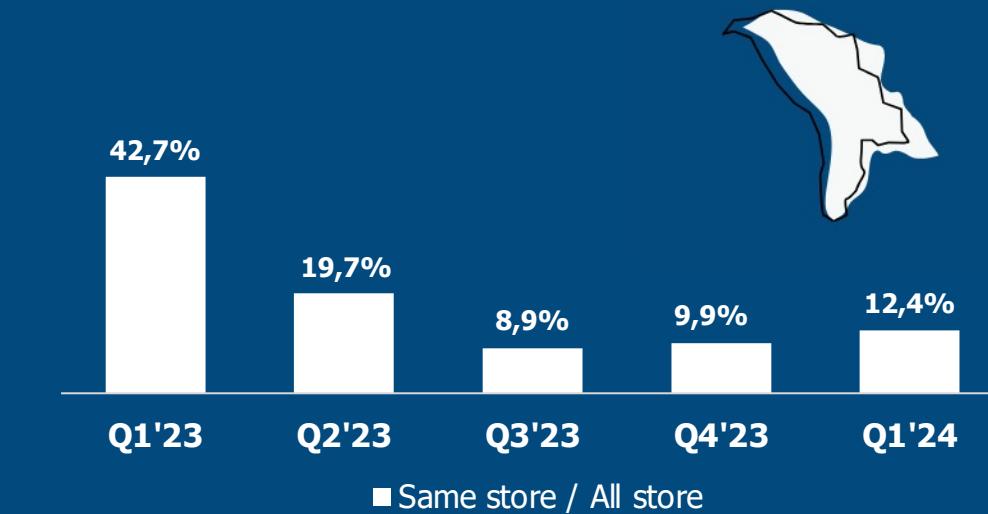
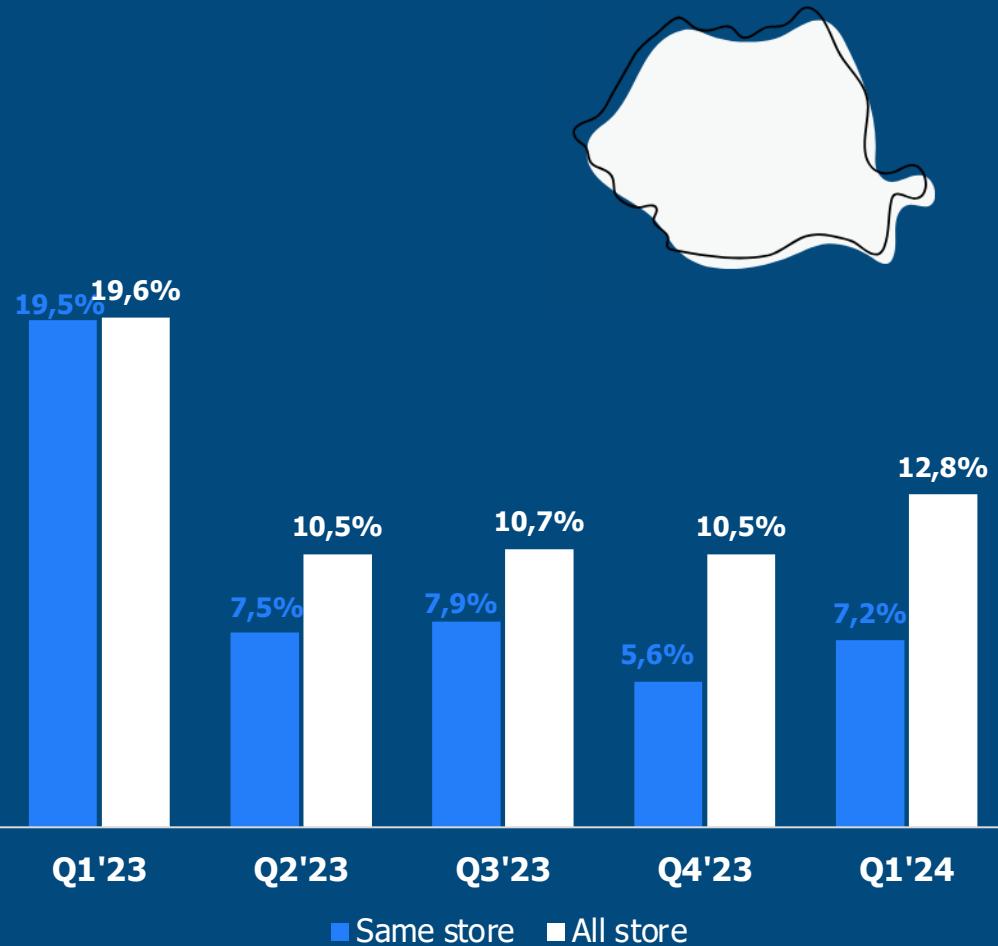
**Net debt / EBITDA** ratio reached a minimum level of **0.3**.



## Brand performance



## Sales brand performance: KFC



# Marketing KFC



**KFC**  
POȚI CÂȘTIGA  
**100.000€**

**1000 x HOT BUCKET**  
/ SĂPTĂMÂNĂ

**2000 x 2 ARIPIOARE PICANTE**  
/ ZI

**PARTICIPĂ PE [KFC.RO/PROMO](http://KFC.RO/PROMO)**

Condicții promotionali este valabilă în perioada 10.01.2024 - 28.02.2024. În perioada campaniei KFC îți oferă, inclusiv în cadrul Hot Bucket, 2000 x 2 aripi de pui picante și 1000 x Hot Bucket. Acesta împreună cu 2000 x 2 aripi de pui picante și 1000 x Hot Bucket, potrivită pentru a obține un premiu de 100.000 €. Conditii și regulamentele campaniei promotionali disponibile pe [www.kfc.ro/promo](http://www.kfc.ro/promo) sau la telefon 021.207.00.04, număr cu tarif normal, disponibil de luni până vineri în intervalul 09:00-18:00 cu excepția zilelor libere și a săptămânii legături. Valoarea campaniei a premiului este de 100.000 €. Conditii și regulamentele campaniei promotionali disponibile pe [www.kfc.ro/promo](http://www.kfc.ro/promo) sau la telefon 021.207.00.04, număr cu tarif normal, disponibil de luni până vineri în intervalul 09:00-18:00 cu excepția zilelor libere și a săptămânii legături. Valoarea campaniei a premiului este de 100.000 €.

**KFC**  
**SMART MENU**  
**19,90 LEI**

**ÎȚI FACI POFTA LA OFERTĂ**  
și stocuri pe [KFC.RO/SMARTSTOC](http://KFC.RO/SMARTSTOC)

Sugestie de prezentare. Campania este valabilă în perioada 29 februarie - 8 mai 2024, în toate restaurantele KFC din România. Pentru mai multe detalii, consultați regulamentele pe [kfc.ro/smartsoc](http://kfc.ro/smartsoc)

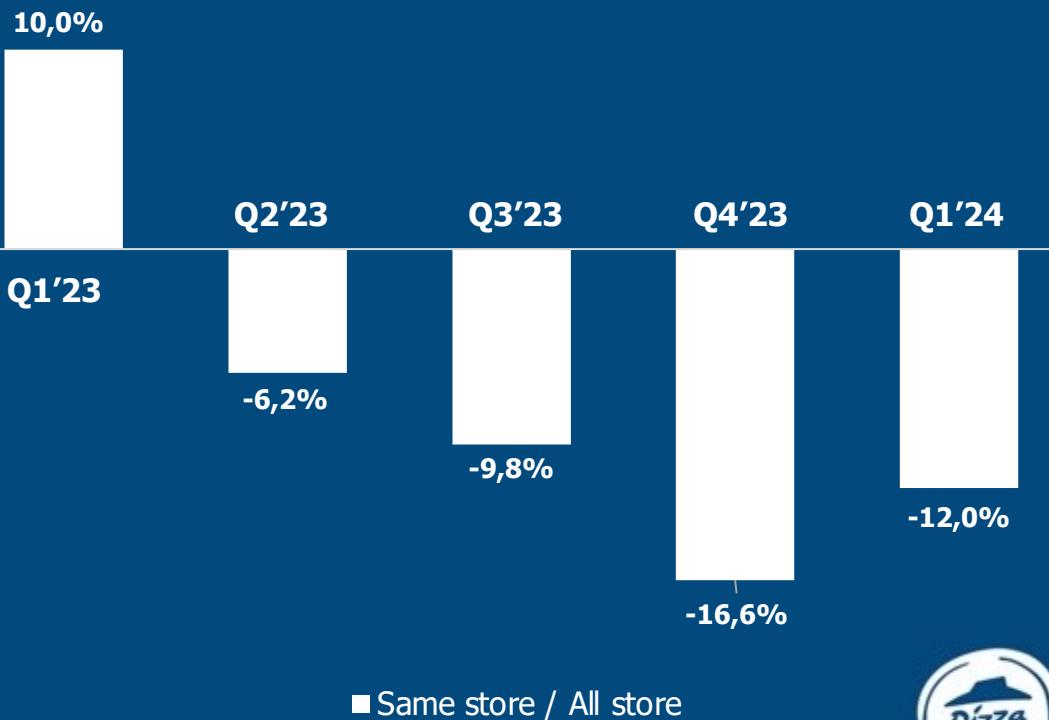
**KFC**  
PUNE-ȚI POFTA-N PUI CU  
**MARTI BUCKET**

**31,90 LEI**  
20 HOT WINGS\*

**2 COCA-COLA ZERO ZAHĂR (0,33L)**

Marti Bucket + 2 doze Coca-Cola Zero Zahăr 0,33L la 31,90 lei. Conform H 1074/2024, pentru băuturile în ambalaj împrengrijite SGR, se plătește o garanție de 50 de bani/bucătă. Aceasta nu este inclusă în prețul de vânzare alăpt. Sugestie de prezentare. Oferta este valabilă în limită stocuri disponibile, doar în zonele de mărfă, în perioada 27 februarie - 26 martie 2024, în restaurantele KFC din România, cu excepția celor din cadrul beneficiarii parteneri și a serviciilor de livrare. Hot Bucket nu este disponibil în zonele de mărfă.

# Sales brand performance: Pizza Hut & Taco Bell



# Marketing Pizza Hut



2x



**PIZZA MICĂ LA 1 LEU**  
CU ORICE PIZZA MEDIE

PENTRU CĂ NU DAI ÎNAPOI  
DE LA NICIO MASĂ ÎN DOI.

Ofertă disponibilă în perioada Ianuarie – martie, la achiziționarea oricărui pizza de dimensiune medie la prețul din meniu, poți cumpăra orice pizza de dimensiune mică la doar 1.00 leu, pe blat Classic sau Pan. Nu se cumulează cu alte oferte sau reduceri atestate în desfășurare sau la comenzi plasate prin platformele agregatorilor: Glovo, Tazz by eMag, Bolt Food. Produsele din Imagine sunt cu titlu de prezentare.

**OFERTA DE MIERCURI**  
ORICE PORȚIE DE PASTE LA DOAR  
**21.90 LEI**



ÎNCEARCĂ NOILE  
**ARIPIOARE**  
CU ATTUDINEA  
CEA MAITARE  
**BLING-BLING**  
**DIN 5 SOSURI**

**WingStreet**  
ONLY AT

Produse disponibile în limita stocului din restaurantele Pizza Hut din România, cu excepția celor de tip Express. Produsele din Imagine sunt cu titlu de prezentare.

# Marketing Taco Bell



**TACO BELL**

## *Cheesy* **GORDITA** **CRUNCH**

UNDE-S MULTE STRATURI,  
GUSTUL CREŞTE

**10,50 LEI**

Sugestie de prezentare. Oferta valabilă în perioada 18 ianuarie - 27 martie 2024, în toate restaurantele Taco Bell din România. Produsele sunt disponibile în limită stocului.

## TACO TUESDAY

**CUMPĂRĂ UN TACO SUPREME  
ȘI PRIMEȘTI ÎNCĂ UNUL**  
DIN PARTEA CASEI\*

Sugestie de prezentare. Oferta disponibilă în perioada 18 ianuarie - 27 martie 2024, în toate restaurantele Taco Bell din România, cu excepția celor din București. Produse disponibile în limită stocului.

## MÁS MENU

PREA COOL CA SĂ-L RATEZI

**19,90 LEI**

**TACO BELL**

Sugestie de prezentare. Oferta disponibilă de luni până vineri în restaurantele Taco Bell din România, cu excepția celor din București. Produse disponibile în limită stocului.

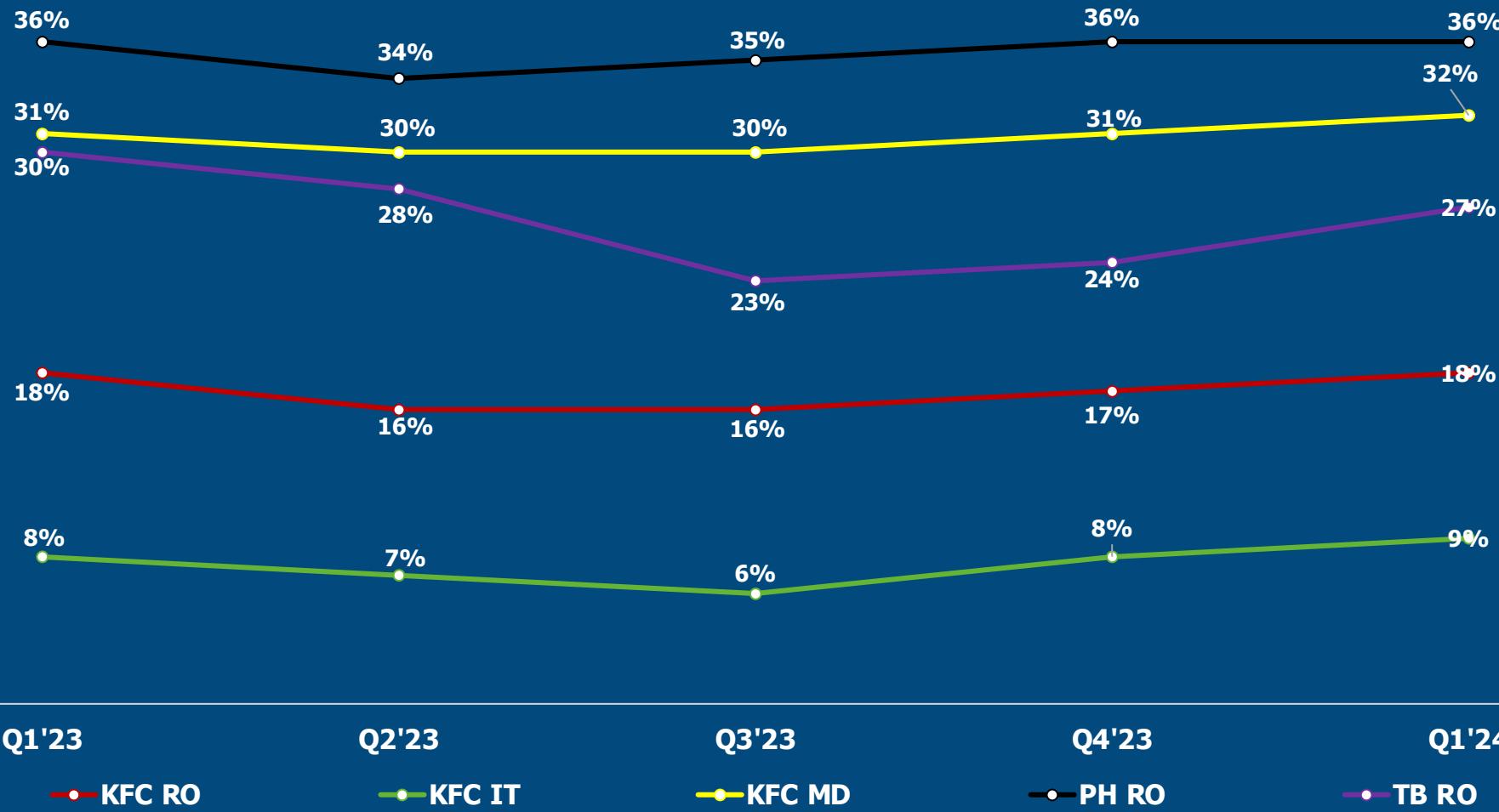


KFC



TACO BELL

## Evolution of orders for delivery





# Development Plan

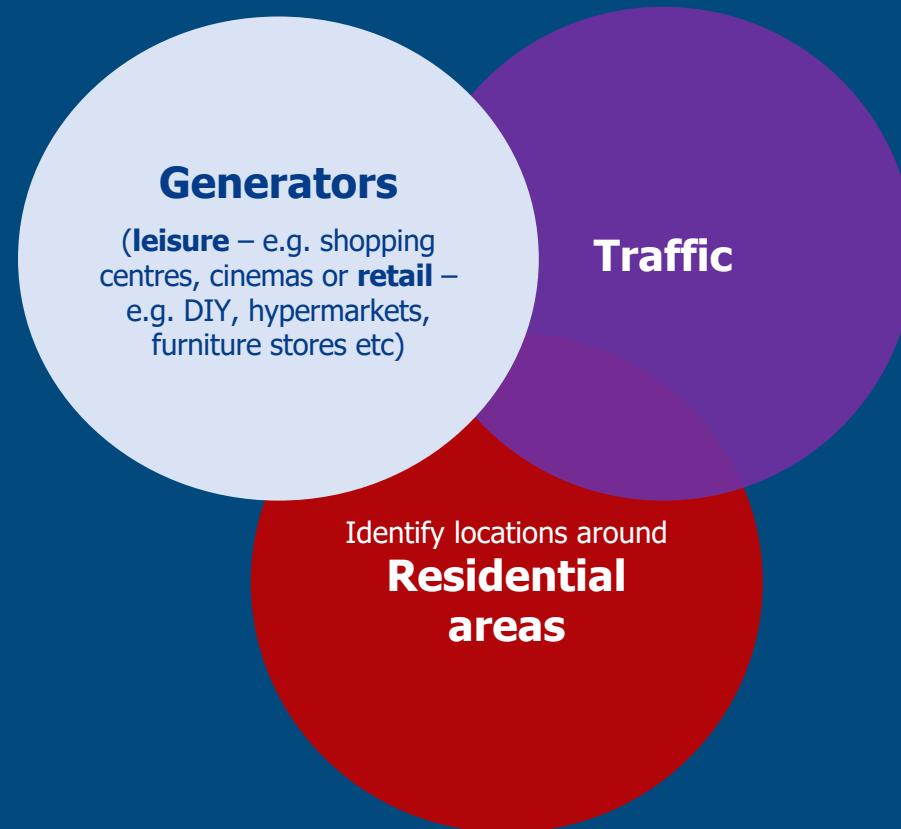


SPHERA



# Efficient restaurant roll-out

## Restaurant-selection criteria



## New restaurant opening process





KFC



# 2024 Budget

in RON m, excl. IFRS16

Indicator	RON millions (mn)	2024 Budget		2023		2024 Budget vs. 2023	
		RON millions	% Sales	RON millions	% Sales	%	
<b>Restaurant Sales (*)</b>	<b>1,648.9</b>	<b>100.0%</b>		<b>1,469.2</b>	<b>100.0%</b>		<b>12.2%</b>
<b>Other Income</b>	-	-		-	-		-
Food and Material	528.4	32.0%		479.4	32.6%		10.2%
<b>Restaurant Gross Margin</b>	<b>1,120.5</b>	<b>68.0%</b>		<b>989.8</b>	<b>67.4%</b>		<b>13.2%</b>
Restaurant Operational Expenses	867.1	52.6%		783.3	53.3%		10.7%
<b>Restaurant Operating Profit</b>	<b>253.4</b>	<b>15.4%</b>		<b>206.5</b>	<b>14.1%</b>		<b>22.7%</b>
G&A expenses	63.5	3.9%		58.5	4.0%		8.6%
<b>EBITDA (normalized, excluding IFRS 16 impact) (*)</b>	<b>189.8</b>	<b>11.5%</b>		<b>147.9</b>	<b>10.1%</b>		<b>28.3%</b>
<b>Normalized Net Profit for the year (*)</b>	<b>95.7</b>	<b>5.8%</b>		<b>79.7</b>	<b>5.4%</b>		<b>20.1%</b>
Free Cash Flow <sup>1)</sup> (*)	116.8			108.7			7.4%

(\*) Financial indicators included in Sphera Franchise Group S.A. Remuneration Policy relevant for variable remuneration calculation.

1) Free Cash Flow = EBITDA - Δ Working Capital - Investments

# Key drivers behind 2024 budget



**General context:** the budget approved in the annual OGSM from April 26th, 2024, was based under presumption of a normal course of business and considering that the yearly average inflation will be around 6% in 2024. The budget also takes into consideration the increase of the minimum wage starting with January 2024.

**Topline performance:** the Group estimates that the restaurant sales will increase with 12% compared to 2023, due to a combined effect of same stores sales growth and new stores sales. In 2024, the split of revenue between the traditional and delivery channels will be comparable to that from 2023, with delivery channel representing estimated 17% of sales.

**Restaurant operating expenses:** the assumed increase of food and material costs in 2024 is estimated to be below the increase in sales. The costs of labor will match the ramp-up of the sales throughout the year, similar to how the Group managed it in 2023. Energy cost is assumed to be predictable and in line with the expenses registered in 2023.

**G&A expenses:** the weight of the normalized G&A expenses in total sales in 2024 shall be lower than in 2023, due to inelasticity of these costs in relation with activity volume increase.

**Net profit:** the Group aims to achieve a normalized net profit higher with 20% than in 2023, of RON 95.7 million, with the growth being above the estimated increase in sales (+12%).

**CAPEX:** the Group plans to open 6 KFC restaurants in Romania. The company will focus also on store remodeling and on the implementation of digital solutions. The total estimated CAPEX for 2024 is around RON 69 million.

**Cash position:** the Group estimates an increase in free cash flow of 7.4% versus the result from 2023. The Group estimates the cash position available at the end of 2024 to be around RON 60 million, while the bank debt is estimated to be around RON 160 million with a net bank debt of RON 100 million.



## Annex: key financial data



# Summary of 2023 Consolidated FS

(excluding IFRS 16 impact)



KFC



Summary of Consolidated Financial Statements for FY (excluding IFRS 16 Impact):						
Data in RON'000	2023	2022	Y/Y %	% of Sales		
			2023/2022	2023	2022	Δ%
<b>Restaurant sales</b>	<b>1,469,172</b>	<b>1,322,822</b>	<b>11.1%</b>			
<b>Other restaurant income</b>	<b>-</b>	<b>1,172</b>	<b>-100.0%</b>			
<b>Restaurant expenses</b>	<b>1,309,595</b>	<b>1,214,438</b>	<b>7.8%</b>	<b>89.1%</b>	<b>91.8%</b>	<b>-2.7%</b>
Food and material	479,405	457,108	4.9%	32.6%	34.6%	-1.9%
Payroll and employee benefits	325,207	287,056	13.3%	22.1%	21.7%	0.4%
Rent	104,287	94,646	10.2%	7.1%	7.2%	-0.1%
Royalties	87,935	78,803	11.6%	6.0%	6.0%	0.0%
Advertising	75,351	66,988	12%	5.1%	5.1%	0.1%
Other operating expenses	192,872	184,560	4.5%	13.1%	14.0%	-0.8%
Depreciation and amortization	44,537	45,276	-1.6%	3.0%	3.4%	-0.4%
<b>Restaurant operating profit</b>	<b>159,577</b>	<b>109,555</b>	<b>45.7%</b>	<b>10.9%</b>	<b>8.3%</b>	<b>2.6%</b>
General & Admin expenses	62,655	56,389	11.1%	4.3%	4.3%	0.0%
<b>Operating profit</b>	<b>96,923</b>	<b>53,166</b>	<b>82.3%</b>	<b>6.6%</b>	<b>4.0%</b>	<b>2.6%</b>
<b>Normalized operating profit<sup>1</sup></b>	<b>104,624</b>	<b>53,166</b>	<b>96.8%</b>	<b>7.1%</b>	<b>4.0%</b>	<b>3.1%</b>
Finance costs	11,772	13,307	-11.5%	0.8%	1.0%	-0.2%
Finance income	1,239	496	149.8%	0.1%	0.0%	0.0%
Profit before tax	<b>86,389</b>	<b>40,355</b>	<b>114.1%</b>	<b>5.9%</b>	<b>3.1%</b>	<b>2.8%</b>
<b>Normalized profit before tax<sup>1</sup></b>	<b>94,090</b>	<b>40,355</b>	<b>133.2%</b>	<b>6.4%</b>	<b>3.1%</b>	<b>3.4%</b>
Income tax expense/ (credit)	14,410	(1,264)	-	1.0%	-0.1%	1.1%
Specific Tax	0	2,565	-100.0%	0.0%	0.2%	-0.2%
Profit for the period	71,979	39,054	84.3%	4.9%	3.0%	1.9%
<b>Normalized profit for the period<sup>1</sup></b>	<b>79,680</b>	<b>44,270</b>	<b>80.0%</b>	<b>5.4%</b>	<b>3.3%</b>	<b>2.1%</b>
EBITDA	145,290	102,161	42.2%	9.9%	7.7%	2.2%
<b>Normalized EBITDA<sup>2</sup></b>	<b>147,937</b>	<b>102,655</b>	<b>44.1%</b>	<b>10.1%</b>	<b>7.8%</b>	<b>2.3%</b>

<sup>1</sup> In 2023, net profit was normalized to exclude: the impairment for the closing of 13 Pizza Hut units, in line with the network reorganization plan (RON 4.1m), impairment for the closing of KFC restaurants in Romania (RON 0.9m), closing costs for the selected units as part of the PH network reorganization (RON 2.3m, out of which RON 2.2m YUM costs and RON 0.1m other closing costs), as well as other provisions (litigation with a former non-executive director, RON 0.3m). In 2022, net profit was normalized to exclude the impairment of non-current assets (RON 4.7m) and other costs related to the closing of non-performing stores (RON 0.5m).

<sup>2</sup> In 2023, EBITDA was normalized to exclude: closing costs for the selected units as part of the PH network reorganization (RON 2.3m), as well as other provisions (litigation with a former non-executive director, RON 0.3m). In 2022, EBITDA was normalized to exclude the provisions related to the closing of non-performing stores in amount of RON 0.5m.

# Breakdown of 2023 results by entity

(excluding IFRS 16 impact)



Breakdown of the consolidated results by Group companies for FY2023 (excluding IFRS16 impact):								
Data in RON'000	USFN (RO)	ARS	USFN (MD)	USFN (IT)	CFF	SFG	Cons. Adj.	SFG Cons
<b>Restaurant sales</b>	<b>1,065,024</b>	<b>115,211</b>	<b>20,589</b>	<b>183,814</b>	<b>84,544</b>	<b>40,779</b>	<b>(40,788)</b>	<b>1,469,172</b>
<b>Dividends revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,003</b>	<b>(73,003)</b>	<b>-</b>
<b>Restaurant expenses</b>	<b>926,044</b>	<b>123,952</b>	<b>16,808</b>	<b>164,656</b>	<b>78,589</b>	<b>-</b>	<b>(455)</b>	<b>1,309,595</b>
Food and material	360,398	31,478	8,225	49,943	29,359	-	3	479,405
Payroll and employee benefits	230,034	32,217	3,062	41,692	18,202	-	-	325,207
Rent	70,699	11,490	1,090	14,789	6,219	-	-	104,287
Royalties	63,805	6,810	1,233	11,012	5,075	-	-	87,935
Advertising	52,928	6,405	804	11,359	4,287	-	(432)	75,351
Other operating expenses	124,645	27,411	2,072	26,760	11,990	-	(6)	192,872
Depreciation	23,535	8,140	322	9,101	3,459	-	(20)	44,537
<b>Restaurant operating profit/(loss)</b>	<b>138,979</b>	<b>(8,740)</b>	<b>3,781</b>	<b>19,158</b>	<b>5,954</b>	<b>113,782</b>	<b>(113,336)</b>	<b>159,577</b>
G&A expenses	37,524	7,858	473	11,153	3,522	46,680	(44,555)	62,655
Operating profit/(loss)	<b>101,456</b>	<b>(16,599)</b>	<b>3,308</b>	<b>8,005</b>	<b>2,432</b>	<b>67,101</b>	<b>(68,781)</b>	<b>96,923</b>
<b>Normalized operating profit/(loss)<sup>1</sup></b>	<b>102,373</b>	<b>(10,120)</b>	<b>3,308</b>	<b>8,005</b>	<b>2,432</b>	<b>71,776</b>	<b>(73,150)</b>	<b>104,624</b>
Finance costs	8,410	1,089	71	3,429	1,623	3,809	(6,659)	11,772
Finance income	5,279	12	-	1	-	2,605	(6,659)	1,239
Profit/(Loss) before tax	<b>98,324</b>	<b>(17,676)</b>	<b>3,237</b>	<b>4,577</b>	<b>809</b>	<b>65,898</b>	<b>(73,150)</b>	<b>86,389</b>
<b>Normalized profit/ (loss) before tax<sup>1</sup></b>	<b>99,242</b>	<b>(11,197)</b>	<b>3,237</b>	<b>4,577</b>	<b>809</b>	<b>70,572</b>	<b>(73,150)</b>	<b>94,090</b>
Income tax expense/ (credit)	12,462	(475)	433	1,572	175	244	-	14,410
Profit/(Loss) for the period	85,863	(17,201)	2,804	3,005	634	65,654	(68,781)	71,979
<b>Normalized profit/(loss) for the period<sup>1</sup></b>	<b>86,780</b>	<b>(10,722)</b>	<b>2,804</b>	<b>3,005</b>	<b>634</b>	<b>70,328</b>	<b>(73,150)</b>	<b>79,680</b>
EBITDA	126,925	(7,574)	3,666	17,205	6,097	67,778	(68,808)	145,290
<b>Normalized EBITDA<sup>2</sup></b>	<b>126,925</b>	<b>(5,232)</b>	<b>3,666</b>	<b>17,205</b>	<b>6,097</b>	<b>72,452</b>	<b>(73,176)</b>	<b>147,937</b>

<sup>1</sup> In 2023, net profit was normalized to exclude: the impairment for the closing of 13 Pizza Hut units, in line with the network reorganization plan (RON 4.1m), impairment for the closing of KFC restaurants in Romania (RON 0.9m), closing costs for the selected units as part of the PH network reorganization (RON 2.3m, out of which RON 2.2m YUM costs and RON 0.1m other closing costs), as well as other provisions (litigation with a former non-executive director, RON 0.3m).

<sup>2</sup> In 2023, EBITDA was normalized to exclude: closing costs for the selected units as part of the PH network reorganization (RON 2.3m), as well as other provisions (litigation with a former non-executive director, RON 0.3m). At individual level, normalized EBITDA for 2023 excludes the impairment loss for the investment in ARS (4,369) registered in SFG.

# Breakdown of 2023 G&A expenses



KFC



	Data in RON '000						Percentage of sales			
	2023	2023	2022	2022	Change (%)		2023	2023	2022	2022
	(1)	(2)	(1)	(2)	2023/ 2022 (1)	2023/ 2022 (2)	(1)	(2)	(1)	(2)
<b>General and administration (G&amp;A) expenses</b>	<b>61,976</b>	<b>62,655</b>	<b>55,572</b>	<b>56,389</b>	<b>11.5%</b>	<b>11.1%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.2%</b>	<b>4.3%</b>
Payroll and employee benefits	42,839	42,839	36,488	36,488	17.4%	17.4%				
Third-party services	7,201	7,201	7,210	7,210	-0.1%	-0.1%				
Depreciation and amortization	7,017	3,830	6,588	3,720	6.5%	3.0%				
Rent	232	4,098	264	3,949	-12.0%	3.8%				
Banking charges	748	748	773	773	-3.3%	-3.3%				
Transport	1,397	1,397	1,203	1,203	16.1%	16.1%				
Other*	2,541	2,541	3,047	3,047	-16.6%	-16.6%				

*Note: (1) Including the impact of the adoption of IFRS 16; (2) Excluding the impact of the adoption of IFRS 16.*

*\*Other expenses include maintenance & repairs, smallware, insurance, advertising, phone & postage, miscellaneous expenses.*

# Summary of Q1 2024 Consolidated FS

(excluding IFRS 16 impact)



## Summary of interim Consolidated Financial Statements for Q1 (excluding IFRS 16 Impact):

Data in RON'000	Q1-24	Q1-23	Y/Y %	% of Sales		
			Q1-24/ Q1-23	Q1-24	Q1-23	Δ%
<b>Restaurant sales</b>	<b>365,924</b>	<b>335,060</b>	<b>9.2%</b>			
<b>Other restaurant income</b>	<b>771</b>	<b>-</b>	<b>100.0%</b>			
<b>Restaurant expenses</b>	<b>322,086</b>	<b>307,705</b>	<b>4.7%</b>	<b>88.0%</b>	<b>91.8%</b>	<b>-3.8%</b>
Food and material	116,199	113,047	2.8%	31.8%	33.7%	-2.0%
Payroll and employee benefits	82,498	77,895	5.9%	22.5%	23.2%	-0.7%
Rent	25,902	24,605	5.3%	7.1%	7.3%	-0.3%
Royalties	21,997	19,983	10.1%	6.0%	6.0%	0.0%
Advertising	17,685	15,911	11.2%	4.8%	4.7%	0.1%
Other operating expenses	47,556	46,136	3.1%	13.0%	13.8%	-0.8%
Depreciation and amortization	10,248	10,128	1.2%	2.8%	3.0%	-0.2%
<b>Restaurant operating profit</b>	<b>44,610</b>	<b>27,355</b>	<b>63.1%</b>	<b>12.2%</b>	<b>8.2%</b>	<b>4.0%</b>
General & Admin expenses	15,758	14,990	5.1%	4.3%	4.5%	-0.2%
<b>Operating Profit</b>	<b>28,852</b>	<b>12,365</b>	<b>133.3%</b>	<b>7.9%</b>	<b>3.7%</b>	<b>4.2%</b>
Finance costs	2,639	3,051	-13.5%	0.7%	0.9%	-0.2%
Finance income	56	942	-94.1%	0.0%	0.3%	-0.3%
<b>Profit before tax</b>	<b>26,268</b>	<b>10,255</b>	<b>156.1%</b>	<b>7.2%</b>	<b>3.1%</b>	<b>4.1%</b>
Income tax expense	4,818	2,911	65.5%	1.3%	0.9%	0.4%
<b>Profit for the period</b>	<b>21,450</b>	<b>7,344</b>	<b>192.1%</b>	<b>5.9%</b>	<b>2.2%</b>	<b>3.7%</b>
Normalized Profit for the period	21,450	7,344	192.1%	5.9%	2.2%	3.7%
<b>EBITDA</b>	<b>39,779</b>	<b>23,523</b>	<b>69.1%</b>	<b>10.9%</b>	<b>7.0%</b>	<b>3.9%</b>
Normalized EBITDA	39,779	23,523	69.1%	10.9%	7.0%	3.9%

# Breakdown of Q1 2024 results by entity

(excluding IFRS 16 impact)



## Breakdown of consolidated results by Group companies – Q1 2024 (excluding IFRS 16 impact):

Data in RON'000	USFN (RO)	ARS	USFN (MD)	USFN (IT)	CFF	SFG	Cons. Adj.	SFG Cons
<b>Restaurant sales</b>	<b>268,823</b>	<b>27,436</b>	<b>5,498</b>	<b>43,303</b>	<b>20,865</b>	<b>10,394</b>	<b>(10,395)</b>	<b>365,924</b>
<b>Other restaurant income</b>	<b>509</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>(18)</b>	<b>771</b>
<b>Restaurant expenses</b>	<b>231,007</b>	<b>27,843</b>	<b>4,154</b>	<b>40,031</b>	<b>19,189</b>	<b>-</b>	<b>(138)</b>	<b>322,086</b>
Food and material	88,333	7,535	2,012	11,574	6,745	-	-	116,199
Payroll and employee benefits	58,474	7,953	782	10,615	4,674	-	-	82,498
Rent	17,762	2,565	282	3,748	1,545	-	-	25,902
Royalties	16,164	1,650	330	2,594	1,259	-	-	21,997
Advertising	12,187	1,459	114	2,654	1,381	-	(110)	17,685
Other operating expenses	31,602	5,787	559	6,617	3,006	-	(15)	47,556
Depreciation	6,485	894	75	2,229	579	-	(13)	10,248
<b>Restaurant operating profit/(loss)</b>	<b>38,325</b>	<b>(137)</b>	<b>1,345</b>	<b>3,271</b>	<b>1,686</b>	<b>10,394</b>	<b>(10,274)</b>	<b>44,610</b>
G&A expenses	9,690	1,802	122	2,825	814	10,753	(10,247)	15,758
<b>Operating profit/(loss)</b>	<b>28,635</b>	<b>(1,939)</b>	<b>1,223</b>	<b>447</b>	<b>872</b>	<b>(358)</b>	<b>(27)</b>	<b>28,852</b>
Finance costs	1,872	403	21	955	409	945	(1,966)	2,639
Finance income	1,500	2	-	1	-	520	(1,966)	56
<b>Profit/(Loss) before tax</b>	<b>28,263</b>	<b>(2,340)</b>	<b>1,202</b>	<b>(508)</b>	<b>462</b>	<b>(783)</b>	<b>(27)</b>	<b>26,268</b>
Income tax expense	4,373	-	150	187	86	23	-	4,818
<b>Profit/(Loss) for the period</b>	<b>23,890</b>	<b>(2,340)</b>	<b>1,052</b>	<b>(694)</b>	<b>376</b>	<b>(806)</b>	<b>(27)</b>	<b>21,450</b>
Normalized Profit/(Loss) for the period	23,890	(2,340)	1,052	(694)	376	(806)	(27)	21,450
<b>EBITDA</b>	<b>35,406</b>	<b>(899)</b>	<b>1,306</b>	<b>2,700</b>	<b>1,494</b>	<b>(185)</b>	<b>(43)</b>	<b>39,779</b>
Normalized EBITDA	35,406	(899)	1,306	2,700	1,494	(185)	(43)	39,779

# Breakdown of Q1 2024 G&A expenses



KFC



	Data in RON '000				Change (%)		Percentage of sales			
	Q1-24	Q1-24	Q1-23	Q1-23	2024/ 2023 (1)	2024/ 2023 (2)	Q1-24	Q1-24	Q1-23	Q1-23
	(1)	(2)	(1)	(2)			(1)	(2)	(1)	(2)
<b>General and administration (G&amp;A) expenses</b>	<b>15,512</b>	<b>15,758</b>	<b>14,755</b>	<b>14,990</b>	<b>5.1%</b>	<b>5.1%</b>	<b>4.2%</b>	<b>4.3%</b>	<b>4.4%</b>	<b>4.5%</b>
Payroll and employee benefits	11,292	11,292	10,168	10,168	11.1%	11.1%				
Third-party services	1,703	1,703	1,710	1,710	-0.4%	-0.4%				
Depreciation and amortization	1,446	679	1,791	1,030	-19.3%	-34.1%				
Rent	48	1,061	59	1,054	-18.6%	0.6%				
Banking charges	192	192	189	189	2.0%	2.0%				
Transport	297	297	300	300	-1.3%	-1.2%				
Other*	534	534	538	538	-0.8%	-0.7%				

Note: (1) Including the impact of the adoption of IFRS 16; (2) Excluding the impact of the adoption of IFRS 16.

\*Other expenses include maintenance & repairs, smallware, insurance, advertising, phone & postage, miscellaneous expenses.



# Thank you!

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