



# Consolidated Budget and Activity Plan

## Proposal for Year 2021





### Macroeconomic environment

- The current budget proposal includes the effects generated by Covid-19
- RON will continue a slight depreciation trend against EUR, due to further deterioration of the current account deficit
- We expect overall inflation to reach 2.5% -3% in 2021
- Minimum wage increase starting with mid of January 2021.

### Restaurant Sales

- Progressive recovery of sales has been assumed during 2021: starting with H2 normal course of business is assumed, H1 continuing being affected by restrictions imposed by the state and by local authorities due to pandemic situation.
- The delivery is assumed to have a significant weight in total sales of around 25%.

### Restaurant Operational Expenses

- Food and Material costs (as percentage of sales) is assumed to be almost flat versus 2020, as we expect to be able to use our buying leverage and growing volumes.
- Cost of labor will be calibrated in order to match the ramp-up of the sales throughout of year.

### G&A expenses

- The weight of normalized G&A expenses in total sales is lower than 2020, due to inelasticity of these costs in relation with activity volume increase.

### Development Plan

- The development plan will focus on the opening of 16 restaurants (8x KFC Romania, 2x KFC Italy, 3x Pizza Hut and 3x Taco Bell), with an estimated capex of approximately EUR 10.2mn;
- Stores' remodeling is assumed around EUR 3.8mn, remodeling being part of new Yum! deal negotiated.

*All the assumptions mentioned above are taking into consideration only the current evolution of the Covid-19 pandemic, based on information available at this moment. We cannot anticipate accurately the further evolution of the pandemic; however, we are taking all actions to respond promptly to any such evolution and revise our plans accordingly.*



Indicator	Budget 2021		Actual 2020		Budget 2021 vs Actual 2020
	RON millions	% Sales	RON millions	% Sales	
<b>Restaurant Sales</b>	<b>1,157.6</b>	<b>100.0%</b>	<b>710.8</b>	<b>100.0%</b>	<b>62.9%</b>
<b>Other Income</b>	-	-	0.7	0.1%	-
Food and Material	379.5	32.8%	232.3	32.7%	63.3%
<b>Restaurant Gross Margin</b>	<b>778.1</b>	<b>67.2%</b>	<b>479.2</b>	<b>67.4%</b>	<b>62.4%</b>
Restaurant Operational Expenses *	627.5	54.2%	390.3	54.9%	60.8%
<b>Restaurant Operating Profit</b>	<b>150.5</b>	<b>13.0%</b>	<b>88.9</b>	<b>12.5%</b>	<b>69.3%</b>
G&A expenses *	55.5	4.8%	44.8	6.3%	23.9%
<b>EBITDA (normalized)</b>	<b>95.0</b>	<b>8.2%</b>	<b>44.1</b>	<b>6.2%</b>	<b>115.5%</b>

\* Without normalized expenses

### Liquidity and Debt

- **Cash position:** we estimate that the cash available at the end of this year is around RON 65-70 millions
- **Debt:** at the end of this year, the debt will be between RON 165 -175 millions
- **Net Debt:** as a result, the net debt will be between RON 95 -110 millions