

Target Price: SAR2.70/share
 Current Price: SAR2.11/share
 Upside: ~27.9% (+Div. Yield: 2.4%)
Rating: Overweight

Americana Restaurants International

Yield recovery and expansion to drive growth

- 2Q25 earnings beat on higher-than-expected sales momentum and cost controls.
- We project revenue to grow at a CAGR of 9.0% over 2024–28e, while net profit is expected to rise at a CAGR of 21.7% on the back of operational efficiencies and strategic channel optimization, despite higher tax/zakat and finance costs.
- We maintain our blended 1-year forward TP at SAR2.7/sh, with an Overweight rating and an upside of 27.9%.

2Q25 result: Americana reported a 15.1% y/y growth in top line to USD644mn, slightly beating our USD599mn estimate. This growth was fueled by strong LFL sales momentum, store roll-outs, and a favorable Ramadan/Eid low base comparison in 2Q24. Furthermore, gross profit mirrored top line with ~15% y/y growth to USD347mn, 7.7% above our USD322mn, on the back of resilient LFL demand and locked-in inventory prices. At the operating level, profit climbed 25% y/y to USD75mn, surpassing our expectations by 27.7%, supported by higher top-line and robust operating leverage, offsetting a 12.7% y/y increase in Opex. Lastly, earnings rose 16.7% y/y to USD60mn, beating our estimates. This was largely attributable to broad-based revenue growth across all markets and disciplined cost management despite new tax/zakat regimes in key geographies.

Americana's yield per store rebounds despite delivery headwinds: Following 1H25 healthy results, Americana's yield per store rebounded by 8.3% y/y, with Egypt leading the recovery with a 21.4% y/y increase, reflecting the currency gradual strengthen through the 1H25, followed by Kuwait (+9.8%) and UAE (9%) respectively, while other markets marked a 6.6% y/y growth. Lastly, KSA market recorded slight growth with 2.8% y/y, reflecting intensified competition, new market entrants, and shifting consumer preferences toward healthier options. However, continued consumer pivot to home delivery (47% of sales in 1H25 vs 42% in 1H24) is placing more pressure on margins. Americana is countering this headwind by leveraging operating scale and steering customers to its digital platforms in order to help recapture lost margins to delivery services. Overall, we estimate yield per store to grow to 3.7% CAGR over 2024-28e, driven by growth recovery and operational efficiency.

Figure 1: Key financial metrics

US\$m	2023a	2024a	2025e	2026e
Revenue	2,413	2,197	2,566	2,738
Revenue growth	1.5%	-9.0%	16.8%	6.7%
Gross Profit	1,262	1,167	1,370	1,490
Gross Profit margin	52.3%	53.1%	53.4%	54.4%
EBITDA	544	470	583	654
Op. income	291	192	285	343
Net profit	262	151	227	282
Net profit margin	10.9%	6.9%	8.8%	10.3%
EPS (cents)	3.1	1.9	2.7	3.3
P/E	18.3x	29.8x	20.9x	16.8x

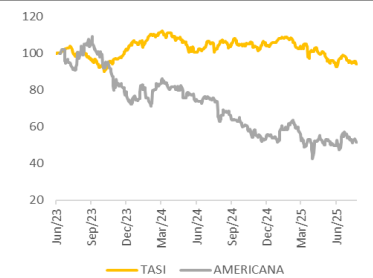
Source: Company data, GIB Capital

Stock data

TASI ticker	6015
Mcap (SARmn)	17,774
Trd. Val (3m) (SARmn)	48.9
Free float	15.3%
QFI holding	3.7%
TASI FF weight	0.30%

Source: Bloomberg

Prices indexed to 100



Source: Bloomberg

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Capitalizing on volume to drive top-line growth: In addition, Americana has reaffirmed its target of 150–160 net new store openings in 2025 despite the delay. By 1H25, 36 stores were opened, 53 more are under construction, and 72 secured for future launches with a total pipeline of 125 sites and a footprint of 2,638 stores by 2Q25 end. We believe that some openings may slip into 1H26. Accordingly, we conservatively expect 140 NSOs (excluding the acquisition of 46 PizzaHut Oman stores). Additionally, management remains focused on restoring gross margins to pre-Sep23 levels by volume-driven promotions alongside diversifying its portfolio with the latest franchise deal, ‘Carpo’, which is exclusive rights to build and operate Carpo stores in Kuwait and Qatar (due to launch late 2025/ early 26), with further expansion planned across Bahrain and Saudi Arabia.

Looking forward, we project revenue to grow at a CAGR of 9% over 2024–28e, ending 2025 with USD2,566mn supported by LFL sales and yield per store recovery. Moreover, gross profit margins are expected to average 54% and net profit to grow at a higher CAGR of 21.7% on the back of operational efficiencies despite higher tax/zakat and finance costs.

Valuation and risks: Post 2Q25 result, we reaffirm our 1Y forward target price to SAR2.7/share based on blended valuation using DCF and P/E (24x average 2025-26 EPS) methods, implying an upside of 27.9% and an Overweight rating. Key downside risks are the outbreak of more geopolitical tension, further currency devaluation in Egypt and Lebanon, an increase in competition leading to a decline in pricing, failure to deliver expansion targets, and an increase in inflation.

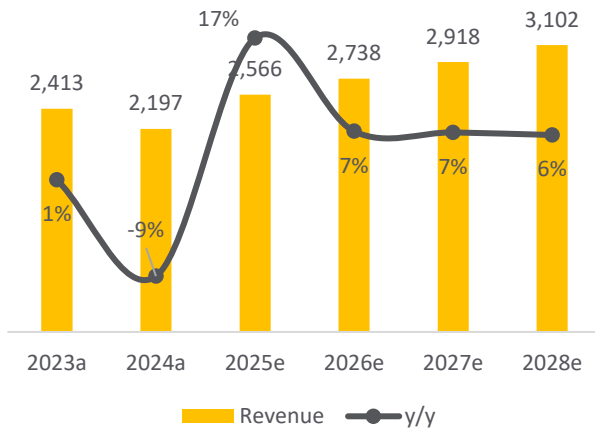
Figure 2: 2Q25 results summary

US\$m	2Q25	2Q24	y/y %	1Q25	q/q %	GIBC est.	Variance %
Revenues	644	559	15.1%	573	12.2%	599	7.5%
Cost of Goods	297	258	14.9%	270	9.7%	277	7.3%
Gross Profit	347	301	15.2%	303	14.5%	322	7.7%
Opex	272	241	12.7%	257	5.6%	263	3.3%
Operating Profit	75	60	25.2%	46	64.8%	59	27.7%
Net Income	60	51	16.7%	33	82.6%	46	29.4%
Gross Margin	53.9%	53.8%		52.8%		53.8%	
Operating Margin	11.7%	10.7%		7.9%		9.8%	
Net Profit Margin	9.3%	9.1%		5.7%		7.7%	

Source: Company data, GIB Capital

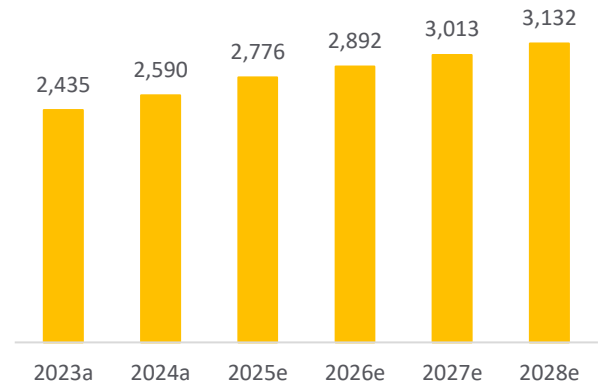
Financial analysis in charts

Figure 4: Revenue trend (US\$m)



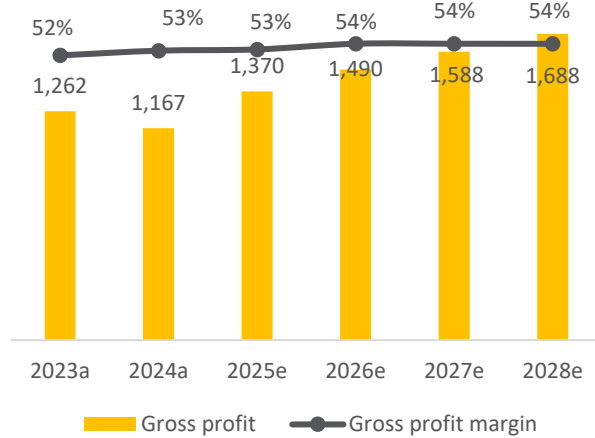
Source: Company data, GIB Capital

Figure 5: Total outlets trend



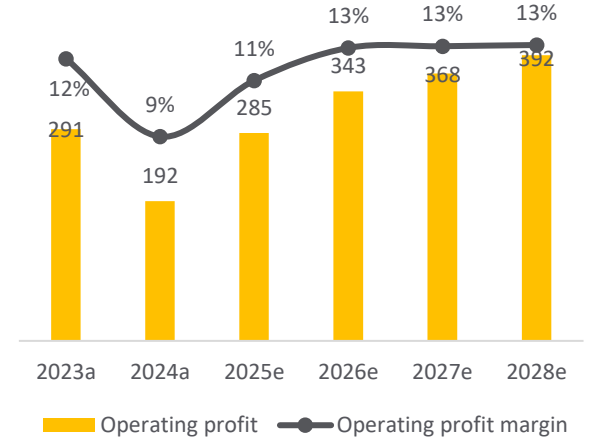
Source: Company data, GIB Capital

Figure 6: Gross profit (US\$m) and gross margin trend



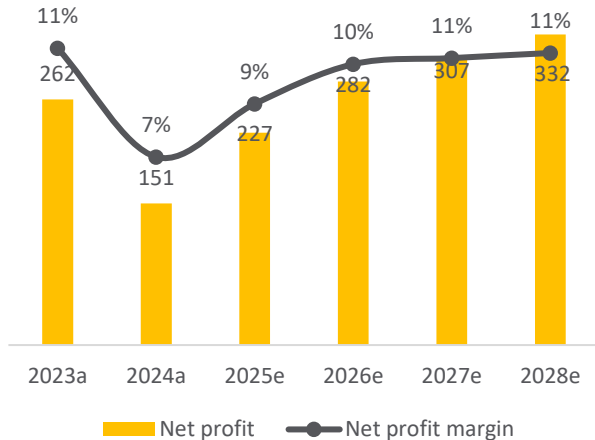
Source: Company data, GIB Capital

Figure 7: Operating profit (US\$m) and operating margin trend



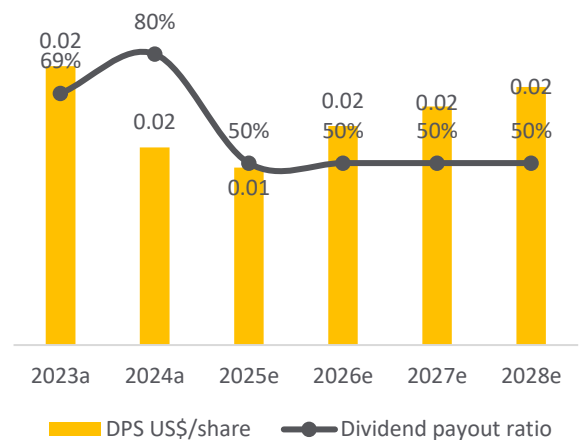
Source: Company data, GIB Capital

Figure 8: Net income (US\$m) and net margin trend



Source: Company data, GIB Capital

Figure 9: Dividend trend



Source: Company data, GIB Capital

Financials

Figure 10: Summarized basic financial statements (US\$m)

Income statement	2023a	2024a	2025e	2026e
Revenue	2,413	2,197	2,566	2,738
revenue y/y	1%	-9%	17%	7%
COGS	1,152	1,029	1,196	1,248
Gross Profit	1,262	1,167	1,370	1,490
Gross Profit margin	52%	53%	53%	54%
G&A	192	185	196	207
S&M	777	785	893	945
Operating profit	291	192	285	343
Operating margin	12%	9%	11%	13%
Finance income	15	16	15	19
Finance costs	31	36	41	39
Net income	262	151	227	282
Net margin	11%	7%	9%	10%
y/y	0%	-42%	50%	24%
EPS	0.03	0.02	0.03	0.03
DPS	0.02	0.02	0.01	0.02
Payout	69%	80%	50%	50%
EBITDA	544	470	583	654

Balance Sheet	2023a	2024a	2025e	2026e
Inventories	156	134	156	163
Trade Receivables	109	110	129	138
Other Current Assets	296	214	214	214
Cash and Equivalents	88	81	179	287
Total Current Assets	649	540	678	802
Intangible Assets	67	59	59	59
Property, Plant & Equipment	327	329	315	286
Total Non-Current Assets	908	967	1,046	1,114
Total Assets	1,557	1,507	1,724	1,916
Current Liabilities	658	630	707	735
Non-current Liabilities	448	479	519	542
Equity	451	398	498	639
Total Equity and Liabilities	1,557	1,507	1,724	1,916
BVPS	0.1	0.0	0.1	0.1

Cashflow	2023a	2024a	2025e	2026e
Cashflow from Operations	540	433	600	642
Cashflow from Investing	-436	-21	-50	-31
Cashflow from Financing	-308	-409	-453	-503
Total Cashflows	-204	2	98	108

Source: Company, GIB Capital

Figure 2: Key ratios

Key ratios	2023a	2024a	2025e	2026e
Profitability ratios				
RoA	17%	10%	13%	15%
RoE	58%	38%	46%	44%
Sales/Assets	155%	146%	149%	143%
Net margin	11%	7%	9%	10%
EBITDA margin	23%	21%	23%	24%
Liquidity ratios				
Current Assets/ Current Liabilities	1.0	0.9	1.0	1.1
Receivable Days	17	18	18	18
Inventory Days	49	48	48	48
Payable days	138	139	139	139
Debt ratios				
Net Debt/EBITDA	0.8	1.1	0.8	0.5
Debt/Assets*	33%	38%	36%	34%
Debt/Equity	1.1	1.5	1.2	1.0
Valuation ratios				
P/E	18.3	29.8	20.9	16.8
P/B	10.5	11.9	9.5	7.4
EV/EBITDA	5.0	5.8	4.7	4.2
FCF yield	6.3%	6.3%	7.0%	11.2%
Div Yield	3.8%	2.7%	2.4%	3.0%

Source: Company, GIB Capital, * Debt includes bank facilities taken + lease liabilities. Calculations may differ from those reported by the company

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