



Results 2018

April 2019



AGENDA

BUSINESS EVOLUTION

ECONOMIC ENVIRONMENT

CONSOLIDATED KPI's

TRAVEL CONCESSIONS SPAIN

FINANCIAL STATEMENTS

SHARE EVOLUTION

OUTLOOK 2019

Who are we?



- Opened the first Pizza Hut in Portugal in 1990
- Listed in the Euronext Lisbon since 1997
- 125 franchised units and operating directly 516 equity restaurants
 - Portugal 332
 - Spain 292
 - Angola 10
 - Italy 7
- We have more than 10.200 employees

Mission

- Ibersol is a multi brand operator in the restaurant business with a strong foothold in Iberia and a presence in Angola

Principles:

- Quality, Food Safety and Environment
- Human Resources highly motivated and qualified
- Customer focus
- Proper Shareholder remuneration



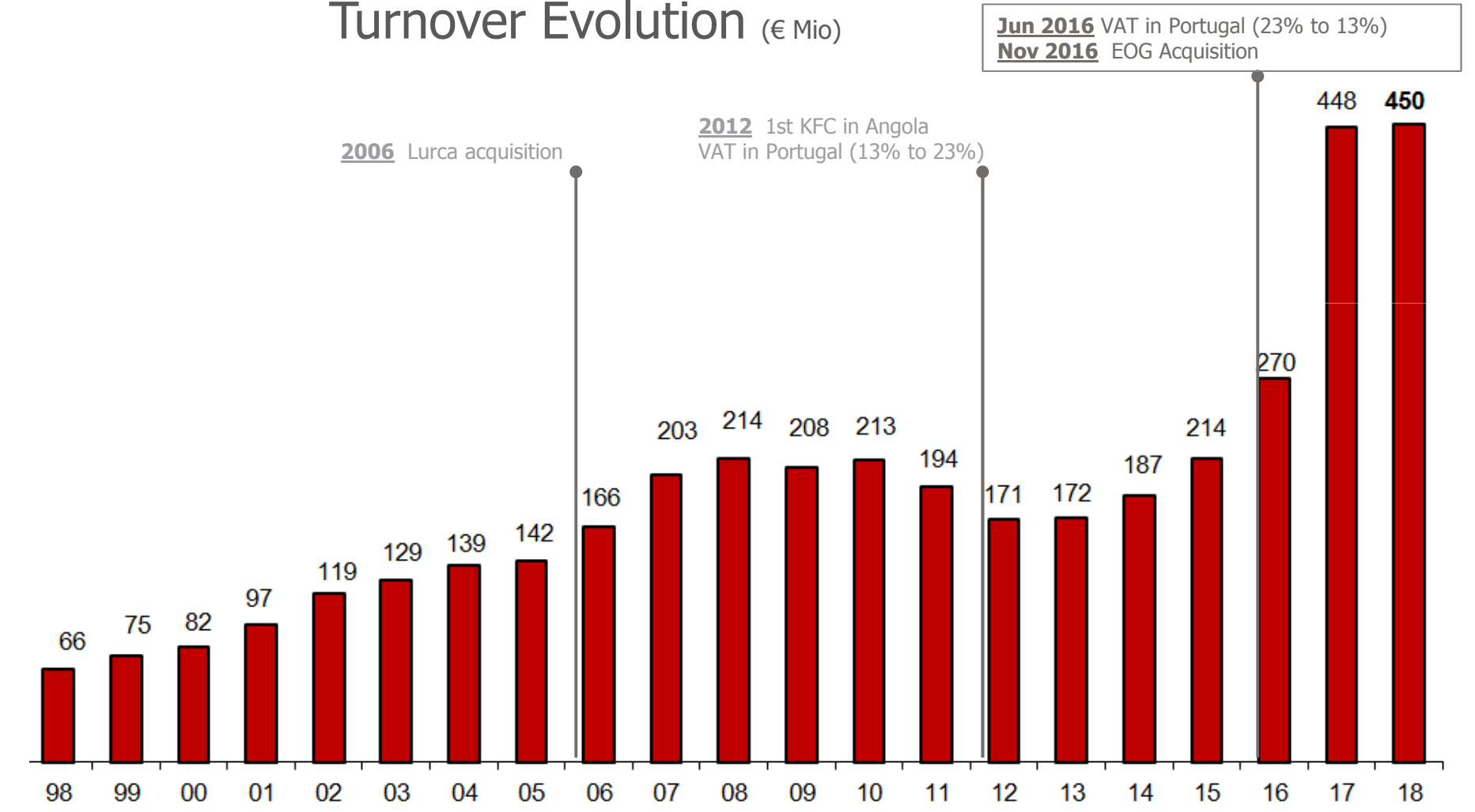
BUSINESS EVOLUTION



Activity

Average Yearly Growth = 10,0%

Turnover Evolution (€ Mio)





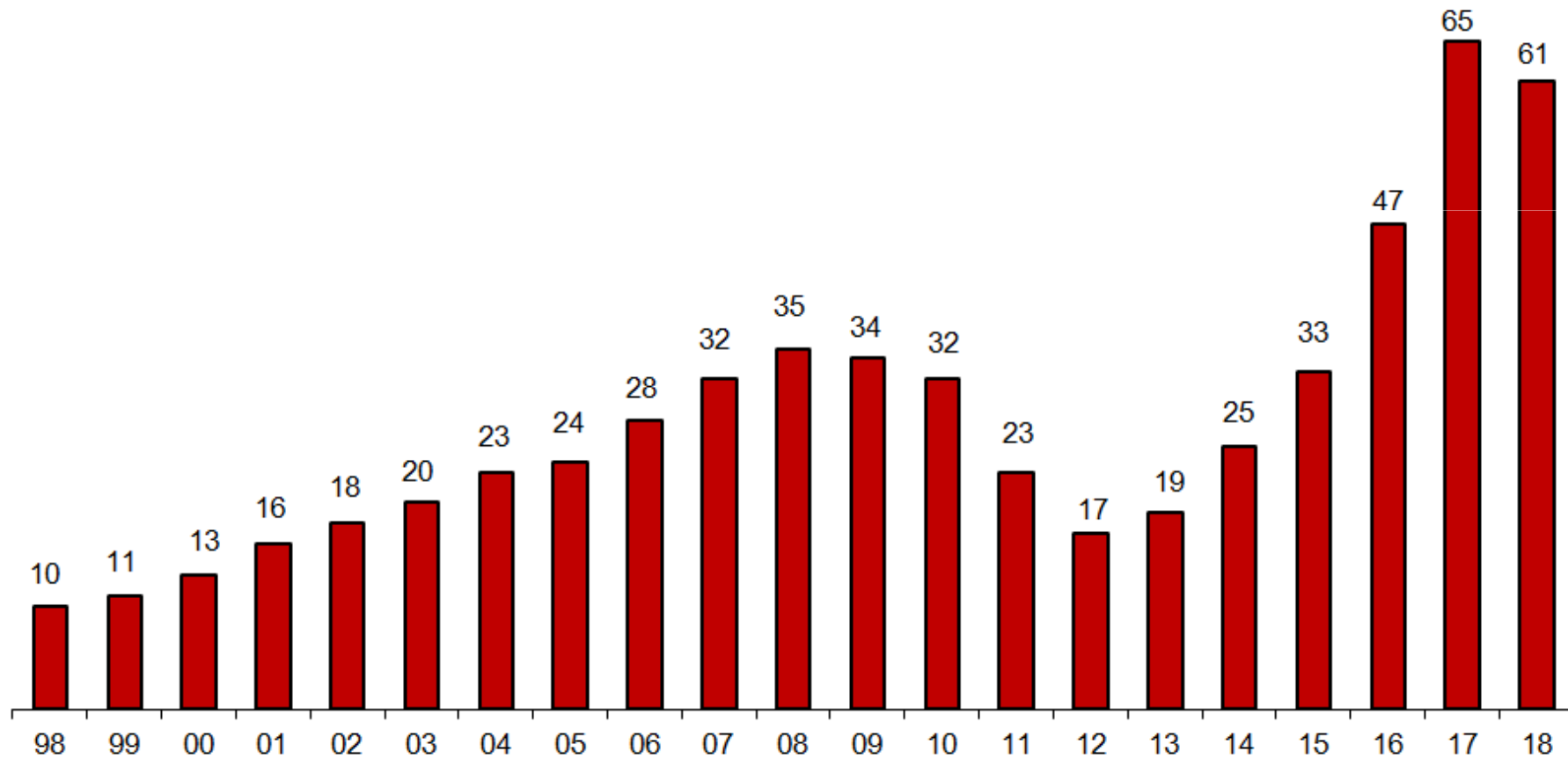
BUSINESS EVOLUTION



Activity

Average Yearly Growth = 9,5%

EBITDA Evolution (€ Mio)

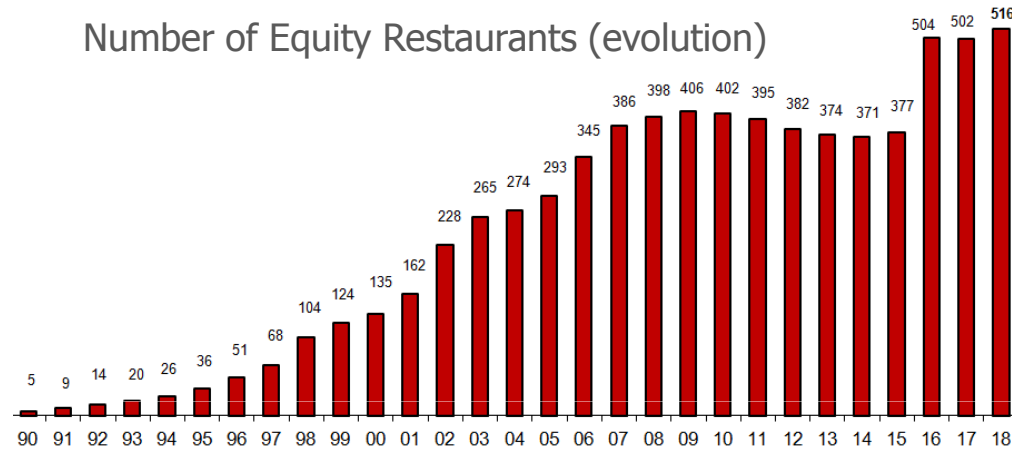




BUSINESS EVOLUTION

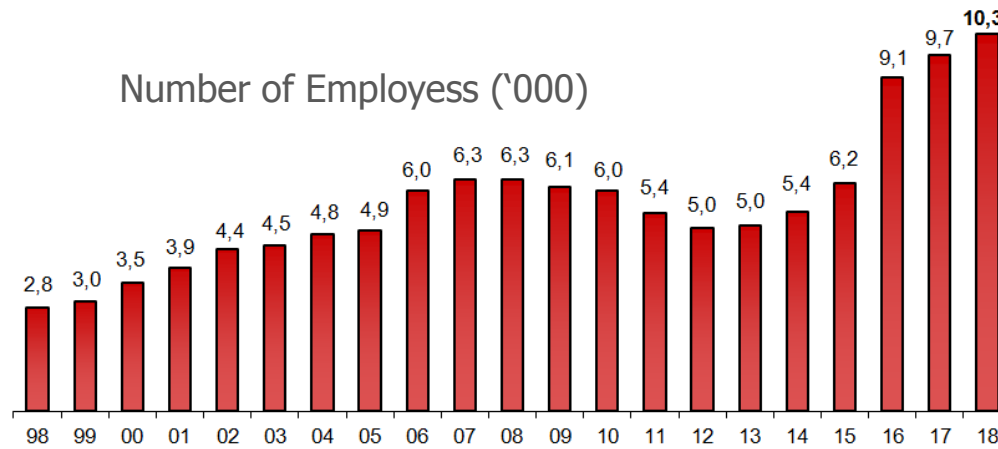
Activity

Number of Equity Restaurants (evolution)



Maintained the net increase of equity restaurants in 2018.

Number of Employees ('000)



Average yearly growth = 6,7%

ECONOMIC ENVIRONMENT

	PORTUGAL			ESPAÑA			ANGOLA		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
GDP	1,4%	2,9%	2,2%	3,2%	3,1%	2,6%	1,1%	-1,1%	-2,4%
Unemployment Rate	11,1%	8,1%	6,6%	19,6%	16,5%	14,3%	26,6%*	20,0%*	20,0%*
Inflation Rate	0,6%	1,4%	1,0%	1,6%	1,1%	1,2%	42,0%	31,7%	18,6%

Sources: INE Portugal, INE Spain, BNAngola

* estimated

	PORTUGAL			
	1Q 18	2Q 18	3Q 18	4Q 18
GDP	2,1%	2,5%	2,1%	1,7%
Unemployment Rate	7,9%	6,7%	6,6%	6,6%
Private Consumption	2,0%	2,8%	2,3%	2,8%

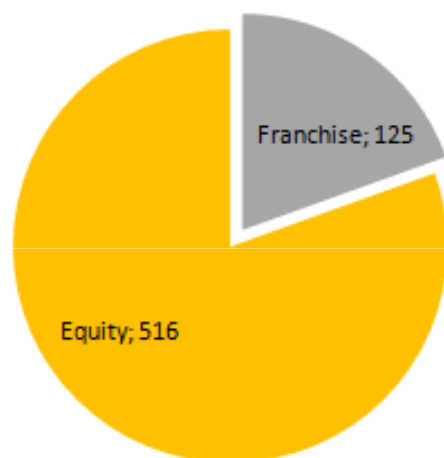
In Iberia we had a positive evolution of employment for the second consecutive year and a GDP increase by over 2% and inflation of around 1%.

Private consumption in Portugal, with fluctuations over the quarters, with the fourth quarter recovering to 2.8%.

In Angola, 2018 registered a recession, an inflation rate of 18.6% and a currency devaluation of 88%.

CONSOLIDATED KPI's

2018 Activity

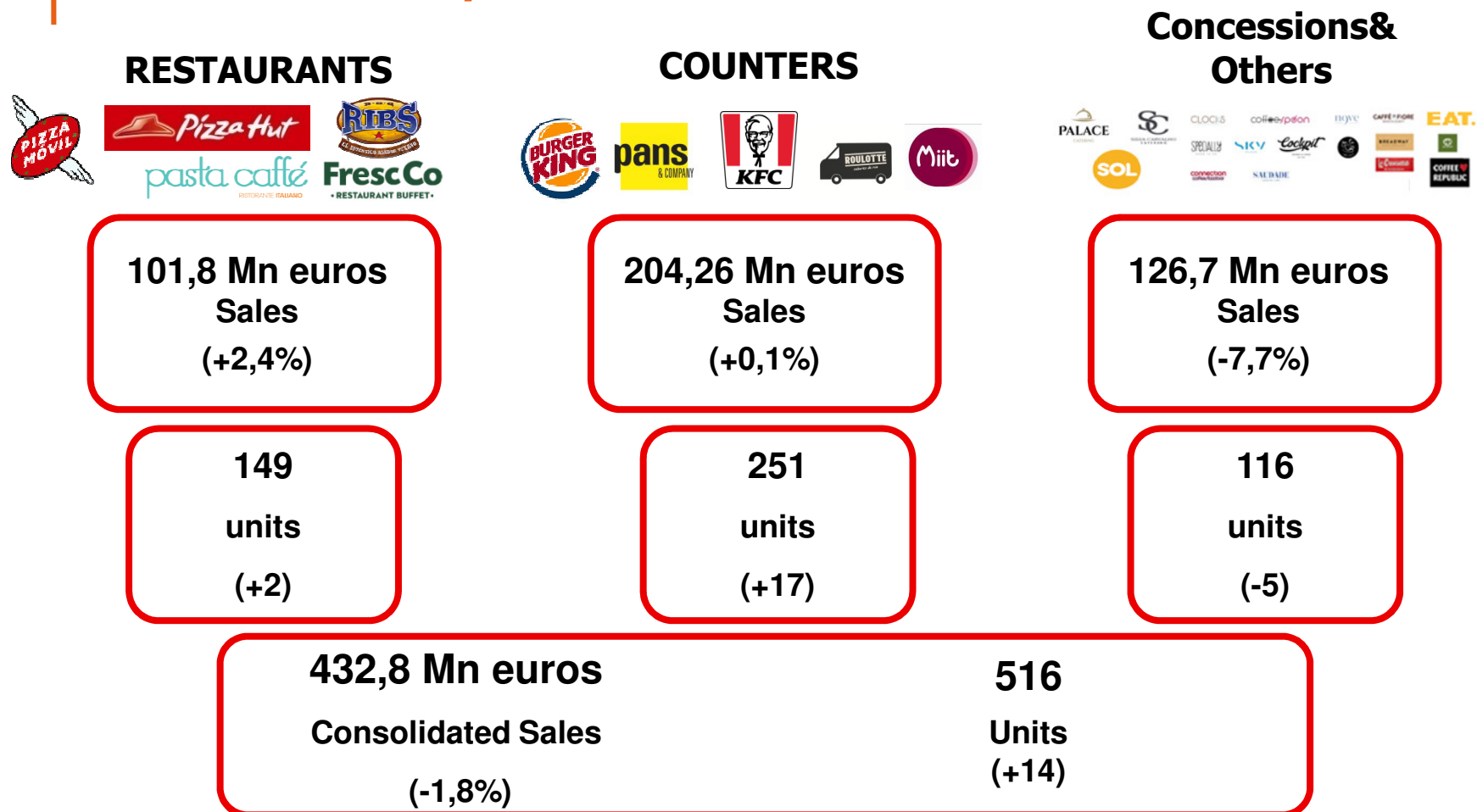


N° of Restaurants	2017	Openings	Transfer	Closures	2018
	31-Dec				31-Dec
PORTUGAL	316	22		6	332
Equity Restaurants	315	22		6	331
Pizza Hut	91	6		2	95
Okilo+MIT+Ribs	4				4
Pans+Roulotte	46				46
Burger King	77	10			87
KFC	22	6		1	27
Pasta Caffé	9			2	7
Quiosques	8				8
Coffee Shops	27				27
Catering	7				7
Concessions & Other	24			1	23
Franchise Restaurants	1				1
SPAIN	312	19		39	292
Equity Restaurants	177	16		18	175
Pizza Móvil	31		-2	1	28
Pizza Hut	3		2		5
Burger King	33	2			35
Pans	35	1		1	35
Ribs	9	1			10
FrescCo	3				3
Concessions	63	12		16	59
Franchise Restaurants	135	3		21	117
Pizza Móvil	16			1	15
Pans	58	2		8	52
Ribs	28	1		2	27
FrescCo	8			1	7
SantaMaria	25			9	16
ANGOLA	10				10
KFC	9				9
Pizza Hut	1				1
Other Locations - Franchise	8	1		2	7
Pans Italy	8	1		2	7
Total Equity Restaurants	502	38	0	24	516
Total Franchise Restaurants	144	4	0	23	125
TOTAL	646	42	0	47	641

At the end of the year Ibersol operated 331 equity restaurants in Portugal, 175 in Spain and 10 in Angola.

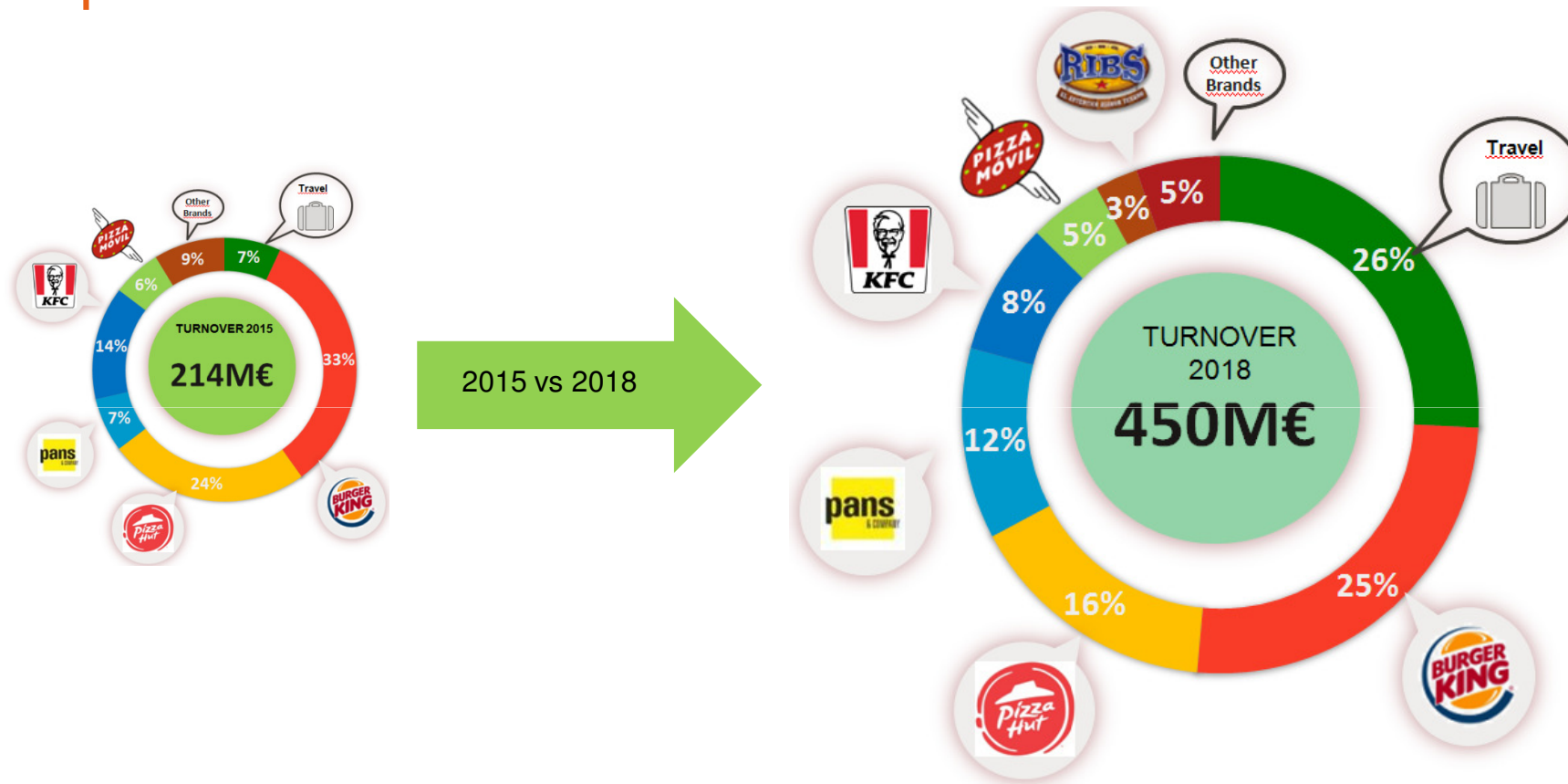
CONSOLIDATED KPI's

2018 Activity – equity restaurants



Counters and concession sales, penalized by activity in Angola and the the reduction of restaurants at Barcelona airport, respectively.

Activity 2018 – Turnover



The Travel business had a significant weight in the portfolio (€ 116M), with scale to be a platform that allows future international expansion.

Relevant Facts

Economic Environment

- In Iberia, despite the slowdown in GDP growth, there is an increase in private consumption . However, in Angola there has been an economic recession with relevant impacts on the activity.

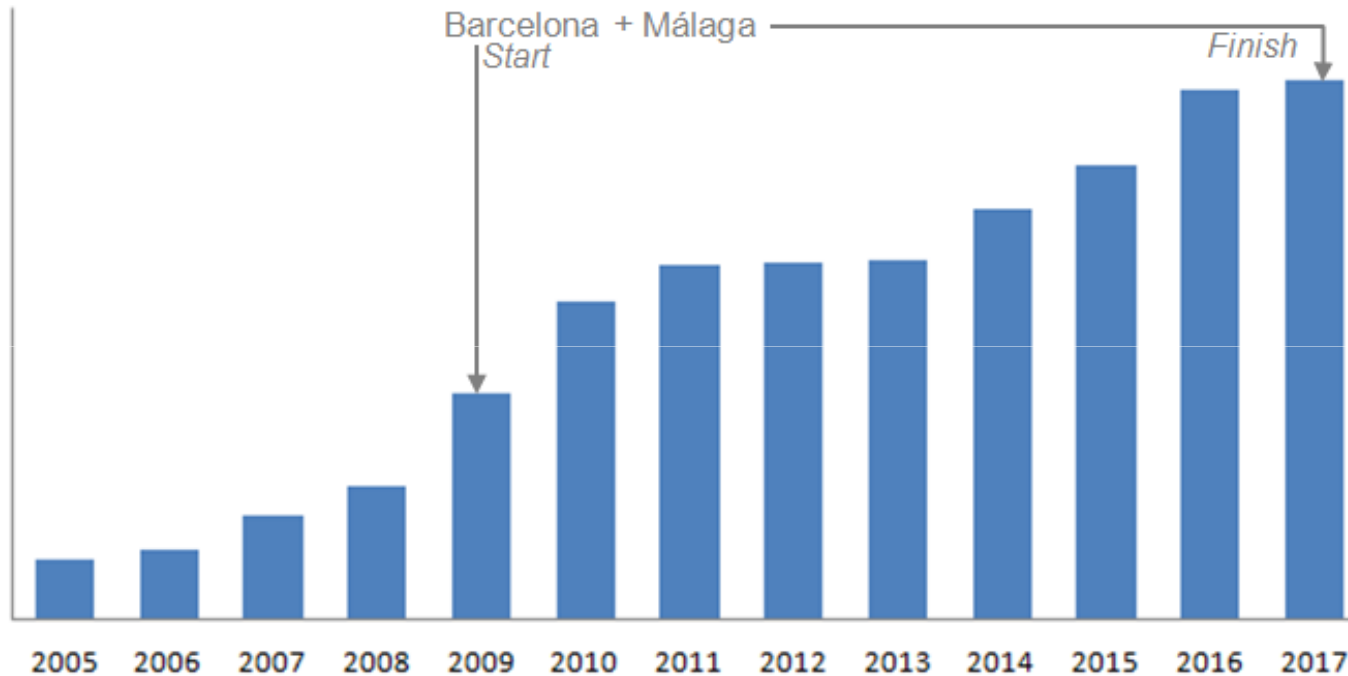
Portfolio Readjustment

- Ensure the Travel concessions turnover in Spain, after the end of the contracts at Barcelona and Malaga airports,

Focus on the Operations

- A bet on the employees, engine of the success of Ibersol Group, through continuous training programs and career development programs.

Evolution – Travel Turnover

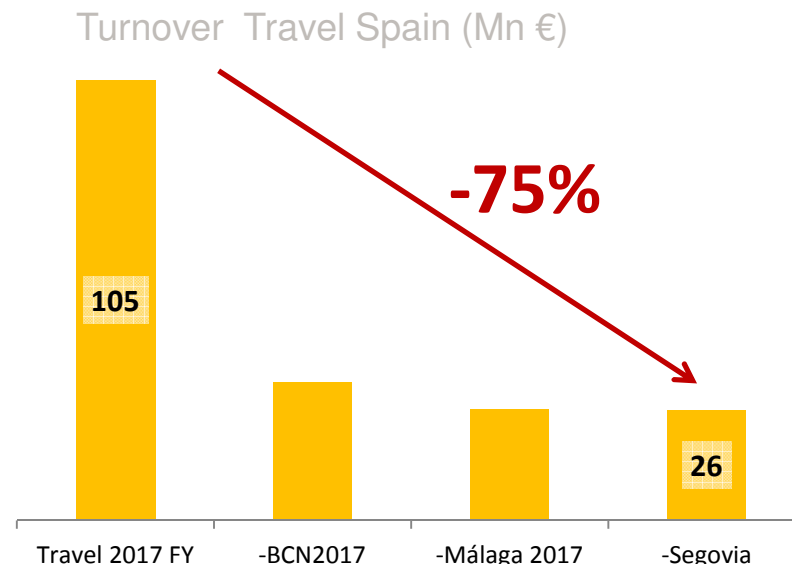


After 12 years growth of Travel in Spain, the end of the Barcelona and Malaga airports concession, placed a significant part of the Group's turnover at risk.

Evolution – Contract maturities

➤ Implications:

- - 32 restaurants = 50% of Travel business restaurants in Spain
- - 78M€ turnover= 75% of Spain Travel turnover

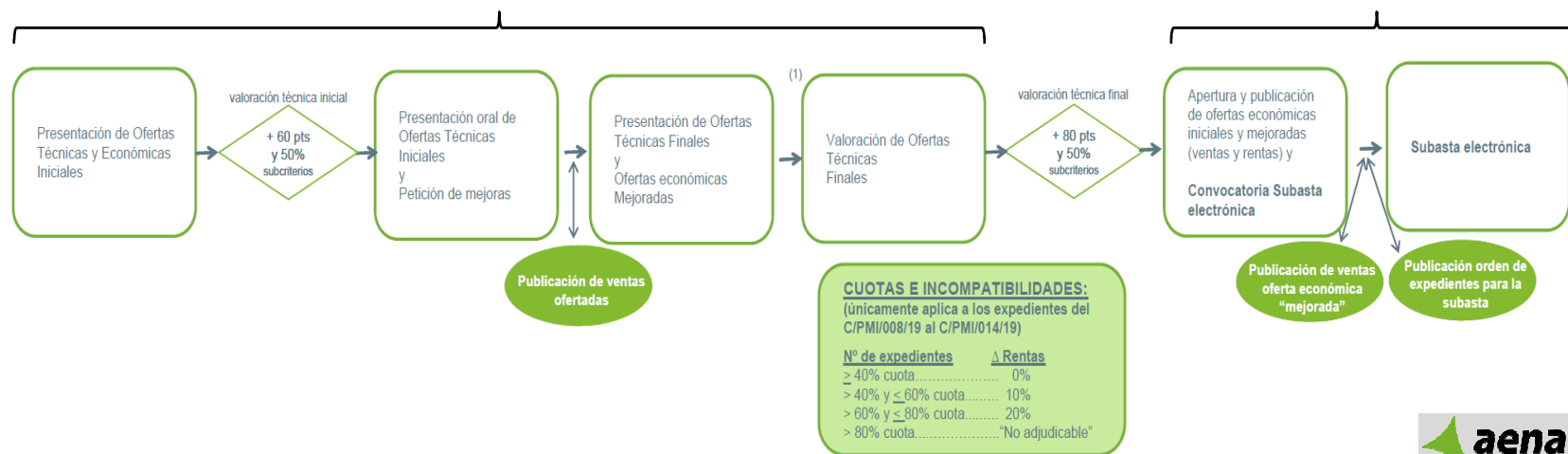


The main objective for 2018 was to ensure the maintenance of turnover, with the award of equivalent number of restaurants to those lost by the contract concessions maturities.

Process – Concession Tenders in Spain

➤ AENA tender process – Spain airports:

- Standard duration of the concession contracts – 8 years;
- The process begins with a technical phase of concepts presentation;
- Final award decision – Variable income amount for the concession period;
- Minimum guaranteed income is 80% of the considered income value (Proposed Income Rate x Estimated Turnover)

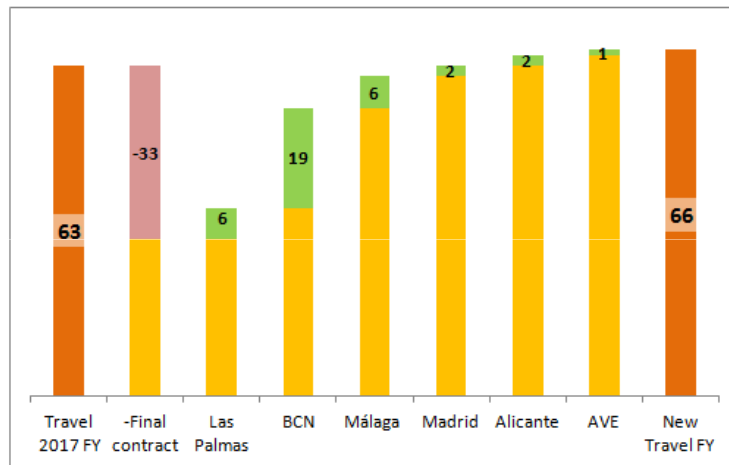


Tender Results 2018

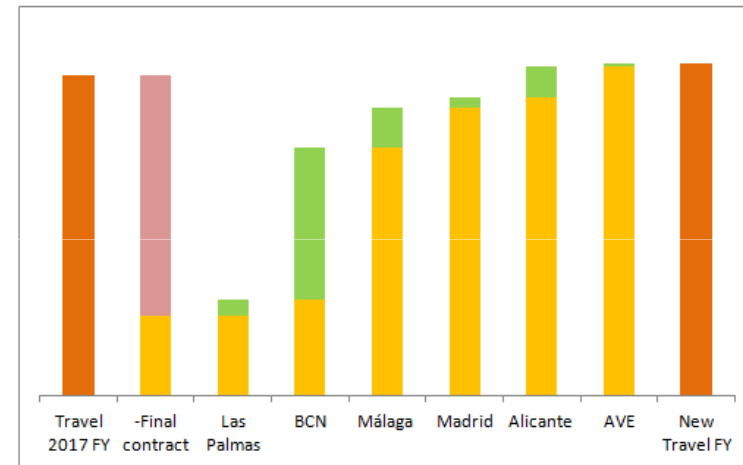
- In 2018 we won new Travel concession restaurants, that were auctioned in Spain, which compensated the losses by term of the concessions:
 - 6 Tenders
 - We guarantee 40% of restauration market share at Barcelona airport;
 - We doubled the number of restaurants at Malaga airport;
 - Started to operate at 3 new airport locations (Madrid, Las Palmas, Alicante);
 - We won an AVE concession at Girona;

2018 Tender Results

63 ⇒ RESTAURANTS ⇒ 66



Full Year Turnover



TOTAL

Contract maturities

Same Concessions

New Concessions

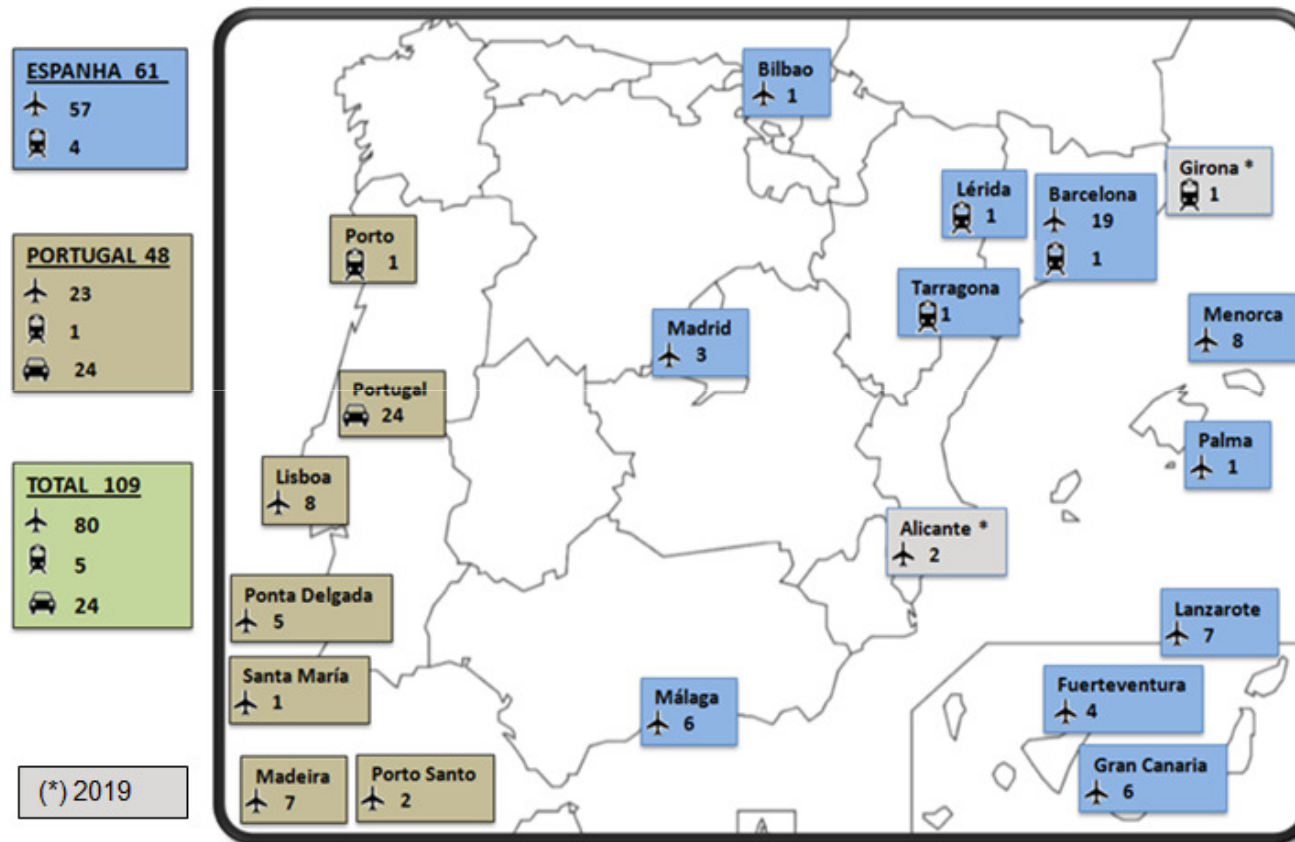
In total, 36 new restaurants won during 2018, which we estimate will compensate the lost of turnover of the 33 restaurants;
The loss of market share in Barcelona will be compensated with the presence in the remaining locations.

2018 Tender Results

<p>10 airports</p>	<p>4 Train station AVE</p>
<p>26 brands 11 equity 15 franchised</p>	<p>66 Equity restaurants</p>
<p>15 Million of passengers attended by year</p>	<p>1.6 MM€ By restaurant</p>



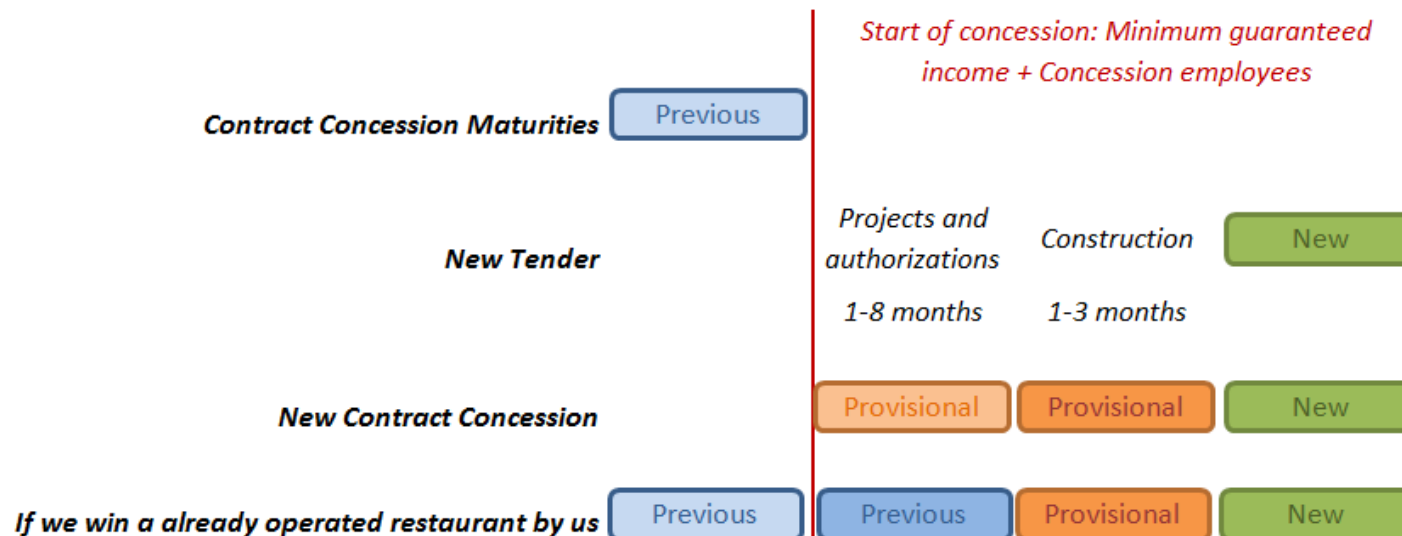
Tenders 2018 – New Iberian distribution of Travel Business



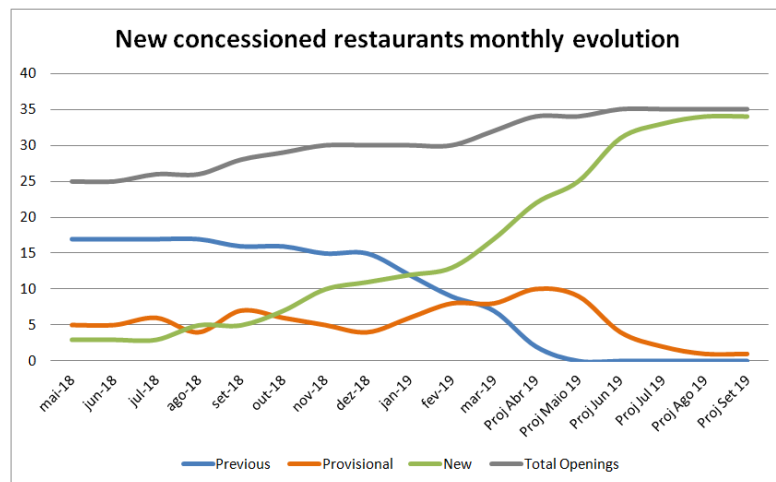
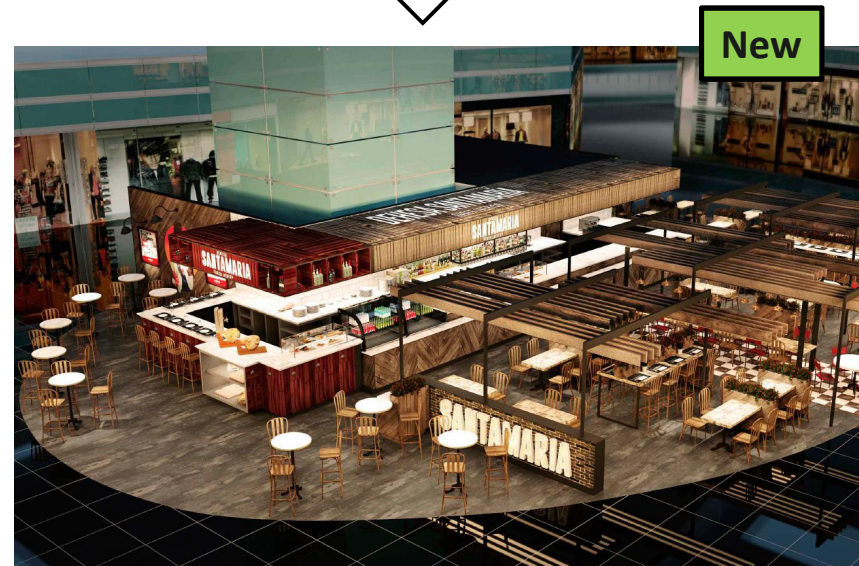
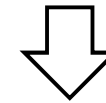
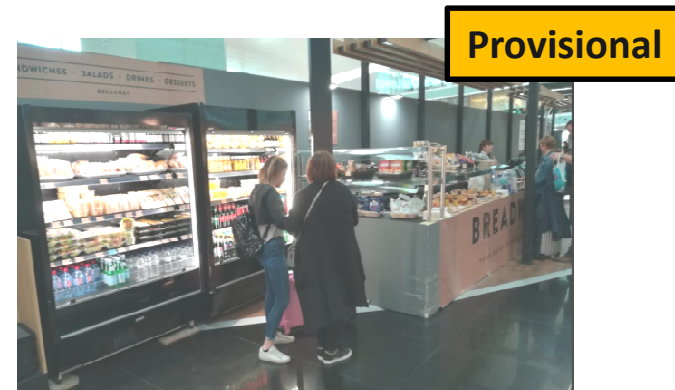
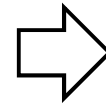
Ibersol maintained an important presence in this Iberian business. Dimension allows us to consider the presence in other markets.

Process – Concession Tenders in Spain

- 2018 was a transition year to new locations and beginning of construction of restaurants;
- Higher volume of concessionar restaurant openings in one year;
- 2019 completion of works in all places for the definitive concepts;
- It involves a long and tansitional period of projects and works.

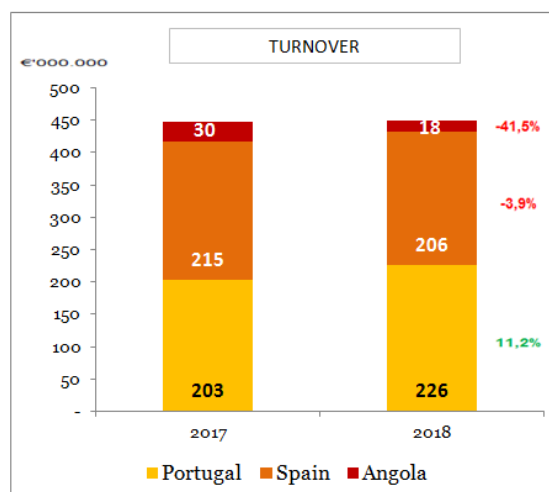


Process – Concession Tenders in Spain



PROFIT & LOSS ACCOUNT

	2018		2017		Var.
	€ Mn	%	€ Mn	%	%
Turnover	450,1		448,3		0,4%
Sales in Restaurants	432,8		440,7		-1,8%
Gross Margin	341,3	75,8%	345,5	77,1%	-1,2%
Costs of Labour	137,1	30,5%	135,3	30,2%	1,3%
Operating Costs	149,9	33,3%	149,5	33,3%	0,3%
Other Operating Income	9,9	2,2%	9,8	2,2%	1,4%
Operating Costs	3,1	0,7%	5,2	1,2%	-39,6%
EBITDA	61,0	13,6%	65,3	14,6%	-6,5%



- ✓ EBITDA reached 65.3 million euros **-6.5% vs 2017**
- ✓ Sales in restaurants decreased 8 million euros, which led to a reduction of the gross margin of 5.5 million euros, although percentage remained at the same level as the previous year;
- ✓ Increase in personal costs, due to salary increases and lower efficiency in the transition period of the new concessions.
- ✓ Due additional rents: -1.3 million euros – Application of IAS17 – Linearization of guaranteed rents for the contractual period of the new concessions.

PROFIT & LOSS ACCOUNT

	2018		2017		Var.
	€ Mn	%	€ Mn	%	%
EBITDA	61,0	13,6%	65,3	14,6%	-6,5%
<i>Depreciations</i>	29,8	6,6%	31,9	7,1%	-6,7%
EBIT	31,3	6,9%	33,4	7,4%	-6,3%
<i>Financial Results</i>	3,0	0,7%	5,4	1,2%	-44,6%
<i>Gains (losses) in joint controlled subsidiari</i>	-0,4	-0,1%	0,0	0,0%	
<i>Gain (loss) on the net monetary position</i>	1,2	0,3%	6,0	1,3%	-79,8%
Profit before taxes	29,1	6,5%	33,9	7,6%	-14,1%
<i>Taxes</i>	4,1	0,9%	2,7	0,6%	50,7%
Net Profit	25,1	5,6%	31,2	7,0%	-19,7%

✓ Net financing cost of 3.0 million euros **-44.6% vs 2017**

✓ Losses of 4.8 million euros on the net monetary position - IAS29 (Hyperinflationary Economies)

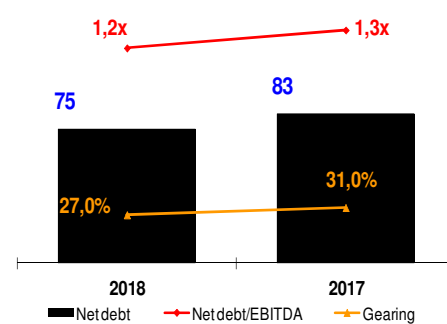
✓ Taxes of 4.1 million euros

✓ Net profit of 25.1 million euros **-19.7% vs 2017**

BALANCE SHEET

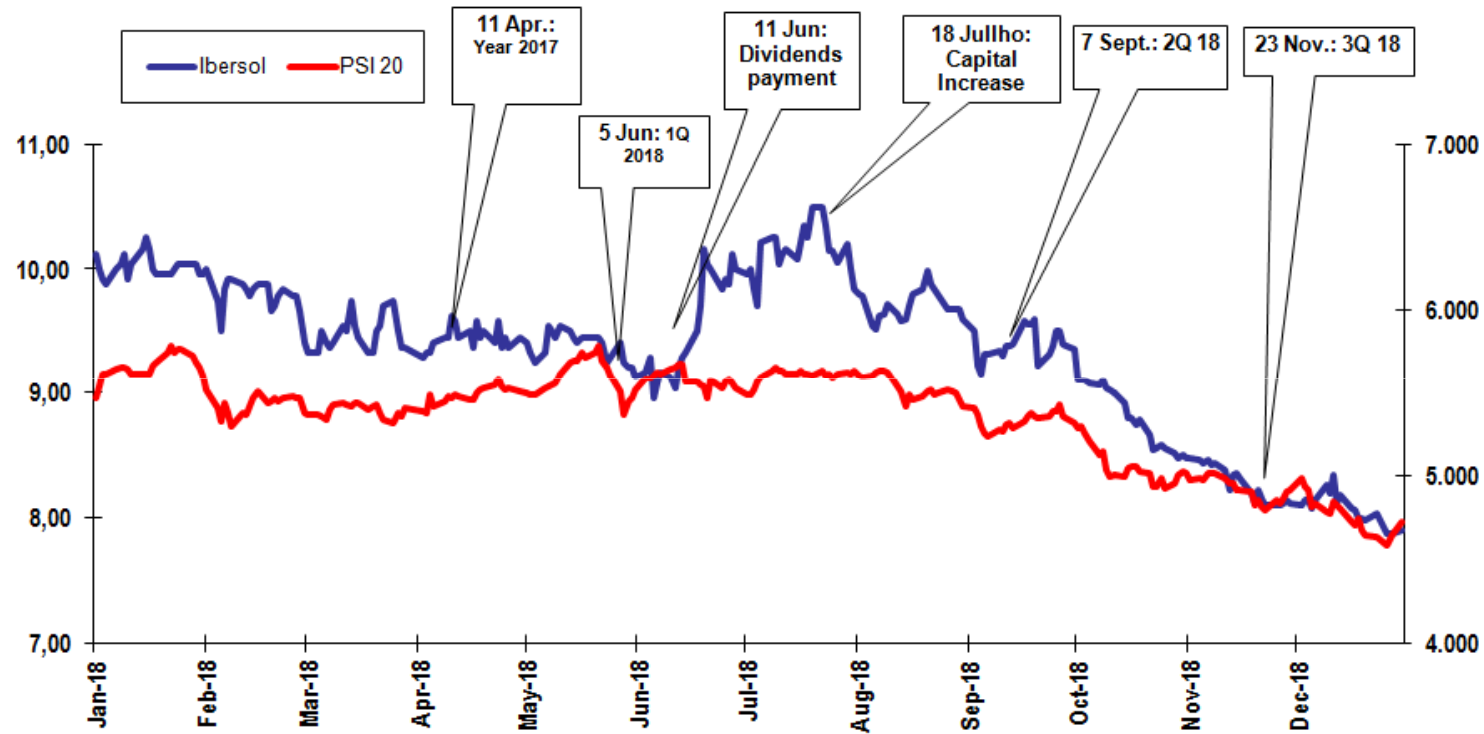
€ Mn	2018	2017
Net Assets	444	430
Intangible Assets	127	128
Tangible Assets	201	198
Others	116	104
Equity	203	189
Group Share	178	158
Net Result	25	31
Liabilities	241	241
MLT	80	108
ST	135	101
Others	27	32
Investment	39	34
Interests Ratio	18x	15x

- ✓ Assets increase of 3.4% and liabilities at the same level of 2017.
- ✓ Investment achieved € 39 Mn with € 11 Mn in refurbishments and € 24 Mn in expansion;
- ✓ Net debt decreased € 8.5 Mn to € 75 Mn
- ✓ Gearing reduced to 27% (31% in 2017)
- ✓ Interest cover: 18x





SHARE EVOLUTION



Share price adjusted to take into consideration the bonus issue.

SHARE EVOLUTION



Stocks Statistics IBERSOL, SGPS, S.A. - YEAR 2018

(Values in EUR)

Total shares	36.000.000		Lowest price (27 Dec. 18)	7,88
Free Float	32.400.074		Highest price (20 July 18)	10,50
Treasury stock	3.599.926	10,0%	Average quotation	9,45
Stock Market Capitalization (29 Sep 18)	284.400.000		Opening price (2 Jan 18)	10,17
Average transactions 2018	12.374		Closing price (31 Dec. 18)	7,90
Average transactions 2017	11.705		Share price variation	-22,3%
			PSI-20 variation	-12,5%

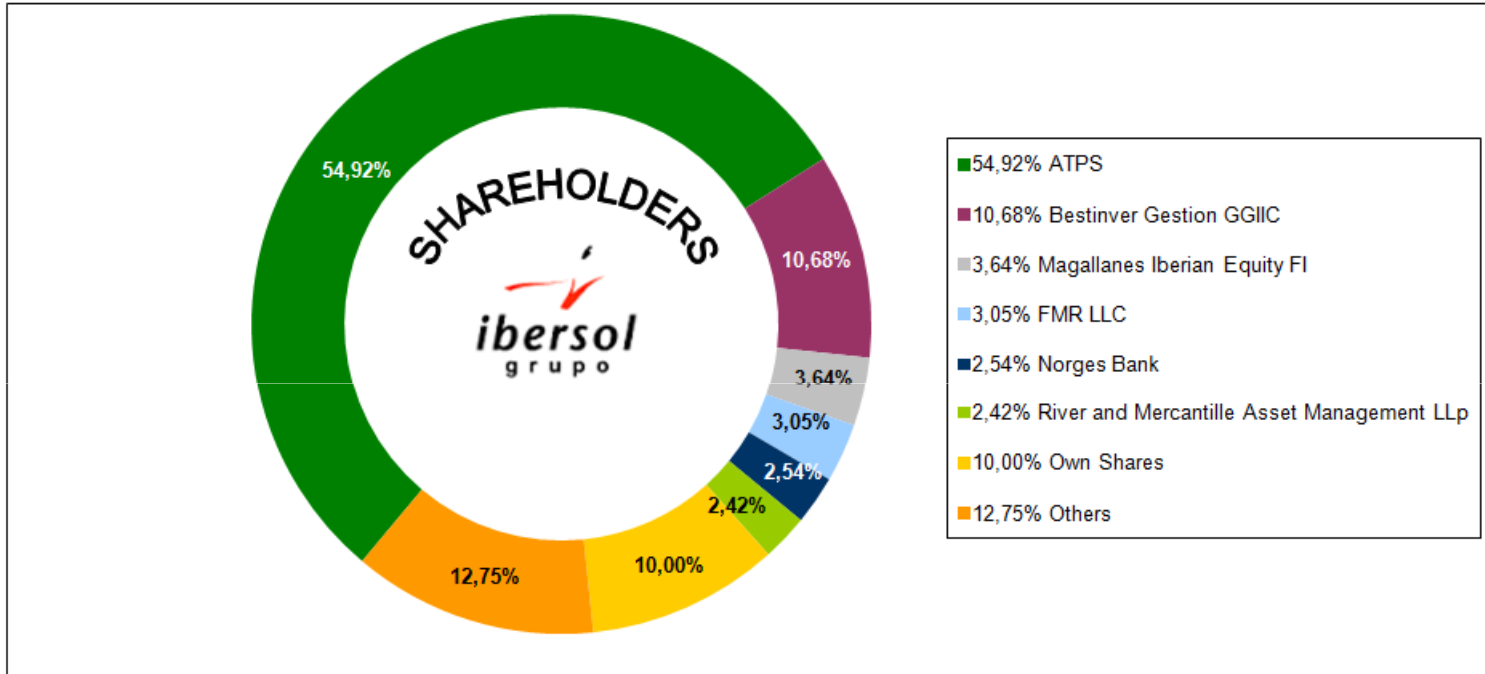
Price per share has decreased 22,5%. PSI-20 index decreased 12,5%.

Dividends – € 0,10 per share (vs € 0,10 in 2017)

Share Capital increase through incorporation of reserves from 30 to 36 million with one share for each existing four



SHAREHOLDERS





2019 OUTLOOK



- In Portugal, sales growth is expected to slowdown in line with what has been seen in recent months, while growth in Spain will be very moderate.
- In Spain, we expect to complete during the 3rd quarter all the new restaurants of the new concessions won in 2018 at Barcelona, Gran Canaria, Malaga and Alicante airports, with the definitive concepts.
- In Angola, it is estimated that the decline in consumption will continue with the inherent drop in transactions. The inability to increase prices, at the same pace of devaluation, will also lead to a sharp decline in the profitability of our operations.
- As far as expansion is concerned, we intend to maintain the pace of openings in the last years in Portugal, and in Spain, selective openings of Pans and Ribs.
- The market of home delivery operators has opened an opportunity for brands that have the capacity to serve this market but didn't have scale to do it alone.
- A KFC development agreement was recently signed for the next 5 years, which provides for the opening of 80 restaurants.
- In 2019, with IFRS16 application, a strong impact is expected on the financial statements. We estimate that the recognition of the right of use in the Asset and the corresponding Lease Liability is between 260 and 290 million euros.



Edifício Península Praça do Bom Sucesso, 105 a 159 – 9º
4150-146 Porto
Portugal
Phone: +351 226 089 700
www.ibersol.pt