VAPIANO

Q3 STATEMENT
07-09/2019

Dear Shareholders,
Ladies and Gentlemen,

Vapiano is consistently working on the implementation of the Group's strategic realignment, which has already had its first positive effects during the first nine months of the current financial year, in particular in the gross profit margin. We have a clearly defined plan to further enhance our attractiveness to our guests, which will materialise in both the guest experience and the future operational development of Vapiano. In view of the realignment, business development in the first nine months of the 2019 financial year was in line with our expectations, and we accordingly confirm the forecast for our 2019 financial year as a whole.

Turnover and sales

Group sales increased by EUR 25.2 million or 9.3 percent to EUR 295.5 million in the first nine months of the financial year. Growth in France, Austria and the UK was more than able to compensate for a slight decline in sales in Germany and Sweden. Sales growth was also influenced by company acquisitions (in Australia and Germany), which were consolidated for the full year for the first time in 2019.

As expected, like-for-like sales in the first nine months of the 2019 financial year, in the context of the realignment, were 4.2 percent lower than in the same period of the previous year. The average transaction per guest increased by five percent in the same period.

As of 30 September 2019 Vapiano operated 235 restaurants worldwide, of which 144 restaurants were operated by the Group itself and 91 restaurants by franchisees. In the first nine months of the 2019 financial year, nine restaurants were opened and five restaurants closed.

Result and investment

In the first nine months of 2019, Vapiano achieved an EBITDA of EUR 38.2 million compared to EUR 11.8 million in the previous year. Without the application of the accounting rules regarding operating lease under IFRS 16, which had not yet been applied in the previous year, EBITDA would have been at EUR 6.3 million.

The operating result includes one-time effects in the context of the refinancing in June 2019, in particular legal and consultancy costs of EUR 3.1 million. Adjusting EBITDA for these and other one-time effects (e.g. preopening costs of restaurant openings) results in an adjusted value of EUR 14.3 million for the first nine months of 2019. Initial successes from the optimisation measures initiated as part of the strategic realignment have already been reflected in the improved cost of materials ratio from 24.9 percent to 23.6 percent compared to the same period last year. Among other things, the streamlining of the menu by focusing on popular dishes resulted in a higher gross margin and contributed to reduced waiting times in the restaurants.

The consolidated net result for the period is within the expected range and amounted to EUR -46.1 million in the first three quarters of 2019, following EUR -29.4 million in the same period of the previous year. In quarter 3 the net result was EUR -11.8 million (-11.2 million 2018).

For the opening of new restaurants and the remodelling of existing restaurants, the Group invested EUR 25.2 million in the first nine months of the financial year, which was mainly financed with debt capital.

Earnings per share

The earnings per share amount to EUR -1.59 for the first nine months of 2019 (same period last year: EUR -1.06). There were no circumstances that could have resulted in a dilution of earnings per share.

Change in accounting principles

IFRS 16 "Leases" is mandatory for reporting periods beginning 1 January 2019. As a result of the application of IFRS 16, payment operating lease obligations have to be discounted at the marginal interest rate on debt capital and recognised as leasing liabilities. Corresponding rights of use from the affected contracts are capitalised and amortised on a straight-line basis over the respective contractual maturity. The right of use assets in accordance with IFRS 16 are not disclosed separately in the consolidated balance sheet, but within property, plant and equipment.

In the consolidated cash flow statement, the repayment portion of the lease payments from current operating leases now reduces the cash flow from financing activities and no longer the cash flow from operating activities. Only the interest payments remain in the cash flow from operating activities. In total, the sum is increasing.

With regards to the effects resulting from the opening balance sheet as of 1 January 2019, please refer to the notes to the interim consolidated financial statements as of 30 June 2019. In the consolidated statement of comprehensive income for the first nine months, the application of the provisions of IFRS 16 resulted in an increased EBITDA of EUR 31.9 million and a decrease of EUR 6.0 million of the consolidated net income, both of which were higher than previously presented. The latter effect results from lower repayment or higher interest portions at the beginning of the contract periods in comparison to a straight-line distribution (so-called "front-loading").

Forecast, opportunity and risk report

In the course of the realignment, the Company's development is progressing as expected. The Company does not have any information that would result in a change in the material forecasts and other statements regarding the development of the Group for the 2019 financial year provided in the Group Management Report of the 2018 Annual Report or the updated information of the Interim Report as of 30 June 2019. The statements made on the risks and opportunities of the Group in the 2018 Annual Report and the updated information of the Interim Report as of 30 June 2019 remain unchanged.

Outlook

The statements made in the Interim Report of 30 June 2019 regarding the expected sales and earnings development for the entire 2019 financial year continue to apply.

Cologne, 20 November 2019

Vapiano SE

The Board

Consolidated Statement of Comprehensive Income

(kEUR)	Q3/2019	Q3/2018*	9M/2019	9M/2018*
Result for the period				
Sales	98,862	95,145	295,460	270,266
Changes in inventories	-7	-	20	-
Other operating income	4,142	2,654	8,895	10,459
Capitalised own work	220	85	220	568
Cost of materials	-22,799	-22,930	-69,835	-67,374
Personnel expenses	-42,019	-42,609	-131,600	-119,040
Amortization and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	-17,405	-11,667	-66,389	-33,107
Impairment losses on financial assets	-2	-	-525	-
Other operating expenses	-22,961	-28,602	-64,392	-83,040
Operating profit	-1,969	-7,924	-28,146	-21,268
Financial income	77	36	2,117	226
Finance costs	-10,508	-2,756	-22,878	-6,647
Net financial income / expenses	*-10,431*	*-2,720*	*-20,761*	*-6,421*
Result from accounting using the equity method	-84	-74	-176	-256
Loss before taxes	-12,484	-10,718	-49,083	-27,945
Income tax income / expenses	629	-496	2,968	-1,474
Result for the period	-11,855	-11,214	-46,115	-29,419
Other comprehensive income				
Items which may be reclassified to profit or loss in the future				
Currency translation differences as a result of foreign operations	40	64	-682	-1,261
Total comprehensive income	-11,815	-11,150	-46,797	-30,680
Result for the period attributable to:				
Shareholders of the parent company	-10,174	-9,537	-41,440	-25,939
Non-controlling interests	-1,681	-1,677	-4,675	-3,480
Total	-11,855	-11,214	-46,115	-29,419
Total comprehensive income attributable to:				
Shareholders of the parent company	-10,079	-9,585	-41,898	-26,777
Non-controlling interests	-1,736	-1,565	-4,899	-3,903
Total	-11,815	-11,150	-46,797	-30,680
Earnings per share from continuing operations				
Basic (euros per share)	-0.81	-0.40	-1.59	-1.06
Diluted (euros per share)	-0.81	-0.40	-1.59	-1.06

* The comparative prior-year figures shown here have been adjusted to reflect the fact that VAP Darmstadt GmbH was not consolidated for the first time until December 31, 2018. In the consolidated statement of comprehensive income originally published for the interim financial statements as of September 30, 2018, this company was included in the Group with effect from June 30, 2018.

Consolidated statement of financial position

(kEUR) Assets	30.09.2019	31.12.2018
Assets		
Intangible assets	91,495	101,270
Property, plant and equipment	372,035	163,933
Trade receivables	434	839
Investments accounted for using the equity method	2,432	2,303
Other financial assets (non-current)	3,309	2,263
Other assets (non-current)	509	551
Deferred tax assets	7,840	5,379
Non-current assets	478,054	276,538
Inventories	7,207	7,228
Trade receivables	6,094	4,996
Other financial assets (current)	12,323	11,426
Other assets (current)	13,157	9,390
Income tax assets	1,840	1,811
Cash and cash equivalents	12,739	27,562
	53,360	62,413
Assets classified as held for sale	32,151	14,559
Current assets	85,511	76,972
Total	563,565	353,510
Equity & Liabilities		
Equity		
Share capital	26,063	26,063
Capital reserve	106,907	106,907
Currency translation reserves	-1,512	-1,054
Retained earnings	-138,211	-96,710
Equity attributable to the shareholders of the parent company	-6,753	35,206
Non-controlling interests	6,837	11,736
Equity	84	46,942
Liabilities		
Provisions	8,693	10,063
Non-current financial liabilities	392,846	111,135
Other financial liabilities (non-current)	13,626	1,732
Other liabilities (non-current)	1,933	12,770
Deferred tax liabilities	8,690	11,444
Non-current liabilities	425,788	147,144
Provisions	1,917	3,350
Current financial liabilities	48,399	81,396
Trade payables	24,000	29,400
Other financial liabilities (current)	20,061	18,428
Other liabilities (current)	21,614	21,747
Income tax liabilities	2,193	1,080
	118,184	155,401
Liabilities directly associated with assets classified as held for sale	19,509	4,023
Current liabilities	137,693	159,424
Liabilities	563,481	306,568
Total	563,565	353,510

Consolidated statement of cash flows

(kEUR)	9M/2019	9M/2018*
Cash flow from operating activities		
Results for the period (before tax)	-49,083	-27,945
Adjustments for:		
Amortization and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	66,389	33,107
Impairment losses on financial assets	525	-
Non-cash income and expenses	-1,468	-1,169
Net finance costs	20,761	6,421
Profit- or loss of companies accounted for using the equity method, net of tax	176	256
Net loss from the sale of property, plant and equipment	-	332
	37,300	11,002
Changes in:		
Inventories	-44	-439
Trade receivables and other receivables	-6,238	748
Trade payables and other liabilities	2,355	-2,867
Other provisions and provisions for employee benefits	-71	962
Cash inflow from operating activities	33,302	9,406
Payment in connection with existing financing commitments	-3,051	-
Interest received	88	-
Interest paid	-6,650	-3,602
Income taxes paid	-1,081	-3,277
Net cash flow from operating activities	22,608	2,527
Cash flow from investing activities		
Acquisition of intangible assets and property, plant and equipment	-25,185	-48,744
Acquisition of subsidiaries, net of cash acquired	-	-332
Acquisition of other financial assets	-306	-998
Cash flow from investing activities	-25,491	-50,074
Cash flow from financing activities		
Loans received from shareholders of Vapiano SE	12,900	-
Proceeds from other financial liabilities	16,653	73,232
Transaction costs relating to syndicated loan	-3,176	-
Outflows relating other financial liabilities	-38,189	-11,950
Non-cash deposit on accounts with restraints on disposal	900	-
Distribution of profits	-	-220
Cash flow from financing activities	-10,912	61,062
Cash and cash equivalents		
Net decrease / increase in cash and cash equivalents	-13,795	13,515
Cash and cash equivalents at the beginning of the reporting period	26,381	14,871
Effect of movement in exchange rate and changes in the scope of consolidation on cash held	-128	-
Cash and cash equivalents as of 30 September	12,458	28,386
Cash according to balance sheet	*12,739*	
Minus "restricted cash"	*-281*	
Cash and cash equivalents	*12,458*	

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About Vapiano

In 2002, the Italian lifestyle brand VAPIANO established a new category in system catering with its innovative fresh casual dining concept. Quality, fresh ingredients (no compromises) and transparency are the basis of the restaurant concept. The pasta is made fresh from scratch every day in every VAPIANO. The dishes are cooked in front of guests "à la minute" and to their wishes. The success of the formula also relies on the cosmopolitan atmosphere of the restaurants. Long oak tables that encourage conversation, a tall olive tree and cosy bar and lounge areas define the unique guest experience. VAPIANO also prioritises individuality and self-determination: guests can choose at any point between various 'guest journeys'. They decide whether to order their meal and drinks from the Vapianisti, at the counter, or via the VAPIANO app and whether to pay by chip card or app. The company also offers takeaway and delivery services. As of 30 September 2019, VAPIANO's network comprises 235 restaurants in 33 countries on 5 continents.

For further information see: https://de.vapiano.com/de/home/

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