

Corporate News

Vapiano publishes figures for the first nine months of 2018 and adjusts outlook for 2018

- Group sales rise by 15.0% to EUR 271.4 million in the first nine months
- Like-for-like sales decrease by 0.3 %; excluding Sweden like-for-like sales increase of 0.9% at Group level
- Adjusted EBITDA down 14.4% to EUR 22.6 million (9M 2017: EUR 26.4 million), adjusted EBITDA margin at 8.3% (9M 2017: 11.2%)
- Reported EBITDA drops by 4.5 % to EUR 12.0 million, reported EBITDA margin at 4.4% (9M 2017: 5.3%)
- International presence expanded to 220 restaurants
- Forecast adjustment for the full year 2018 due to unsatisfactory development in Rest of Europe and slower ramp-up of some newly opened restaurants

Cologne, November 28, 2018 – Vapiano SE (ISIN: DE000A0WMNK9, ticker symbol: VAO) has published its figures for the first nine months of 2018. Group sales (corporate and consolidated joint venture restaurants) rose by 15.0% to EUR 271.4 million compared to the previous year (9M 2017: EUR 235.9 million). This increase in sales resulted from the opening of new restaurants and from the acquisitions made in Austria, Australia and Germany.

Like-for-like sales declined slightly by -0.3%. The like-for-like growth of the segments Germany (+1.2%) and Rest of World (+0.3%) could not fully offset the negative development of the segment Rest of Europe (-1.9%). This was mainly due to the decline in sales in the European core markets and the slower ramp-up of some newly opened restaurants. Excluding Sweden, like-for-like sales at Group level developed slightly positively at +0.9%.

For the aforementioned reasons, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA)^[1], primarily adjusted for pre-opening costs for new restaurants, reached EUR 22.6 million after EUR 26.4 million in the previous year. The adjusted EBITDA margin fell accordingly by 2.9 percentage points to 8.3%. Reported EBITDA in the first nine months of fiscal year 2018 amounted to EUR 12.0 million, 4.5% lower than in the corresponding prior-year period (9M 2017: EUR 12.6 million). The reported EBITDA margin was 4.4% (9M 2017: 5.3%).

Adjusted net earnings fell to EUR -13.2 million (9M 2017: EUR 1.6 million) as a result of higher depreciation and amortization due to higher capital expenditure and higher interest costs as a result of higher net debt overall. The reported net earnings for the first three quarters of 2018 deteriorated year-on-year from EUR -18.0 million to EUR -29.4 million.

At the end of September 2018, Vapiano SE's equity stood at EUR 98.4 million. This corresponds to an equity ratio of 24.7%. Due to expansion, net debt rose to EUR 180.2 million as of September 30, 2018 after EUR 117.1 million at the end of 2017.

The cash flow from operating activities reached EUR 9.7 million in the nine-month period and was 24.6% below the previous year (9M 2017: EUR 12.8 million). The cash outflow from investing activities amounted to EUR 50.7 million (9M 2017: EUR -55.3 million) and reflects the further growth of Vapiano. As a result, free cash flow amounted to EUR -47.9 million after EUR -48.7 million in the previous year.

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As announced in the ad hoc release of November 27, 2018, the Management Board now expects net sales to grow by 15% to 19% year-on-year to EUR 375 to 385 million (previously: EUR 385 to 400 million) and like-for-like sales to develop between -0.5% and 0.5% (previously: between 0% and 1%) in fiscal year 2018. Adjusted EBITDA is expected to amount to EUR 34 to 38 million (previously: EUR 42 to 47 million).

Jochen Halfmann, CEO of Vapiano SE: "After a positive start into the year, the second and third quarter were challenging for our company. The main reasons were the decline in like-for-like sales in our European core markets and the slower ramp-up of some newly opened restaurants. In order to increase profitability again promptly, we have launched a program of measures to enhance operational excellence in our key markets in addition to focusing on the turnaround in Sweden. The Management Board and the entire management team of Vapiano SE are focused on implementing this program in a structured and sustainable manner so that we can expect first positive effects for the year 2019 ahead."

Vapiano opened 18 restaurants worldwide in the first nine months of 2018, 13 of the newly opened restaurants are corporate and joint venture restaurants, and five restaurants are operated by external franchisees. As of September 30, the company operated 220 restaurants in 33 countries. Vapiano now offers take away and home delivery services at 120 locations in 16 countries.

The quarterly statement and the presentation for analysts and investors are available on the Investor Relations pages (<http://ir.vapiano.com>) under the heading "Reports & Presentations".

[1] Adjusted for upfront costs associated with opening new restaurants as well as other non-recurring effects, e.g. currency fluctuations, and - in the previous year - extraordinary effects of the IPO. Adjusted EBITDA is the key metric for measuring operating performance at Vapiano as a growing company, as the adjustments increase transparency and make the figures easier to compare over time.

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VAPIANO SE – Performance Indicators (in EUR million)

	9M 2018	9M 2017	Change	Q3 2018	Q3 2017	Change
System sales (Corporate, joint venture and franchise restaurants)	400.8	365.3	9.7%	138.7	123.5	12.3%
Group sales (Corporate and consolidated joint venture restaurants)	271.4	235.9	15.0%	96.3	82.3	17.0%
Like-for-like Group sales	-0.3%	5.7%	-	-1.9%	4.8%	-
Average sales per guest (in EUR)	11.7	11.4	2.6%	11.8	11.5	2.6%
Adjusted EBITDA	22.6	26.4	-14.4%	8.6	10.5	-18.1%
Adjusted EBITDA margin	8.3%	11.2%	-	8.9%	12.8%	-
Reported EBITDA	12.0	12.6	-4.5%	3.7	6.1	-39.8%
Reported EBITDA margin	4.4%	5.3%	-	3.8%	7.4%	-
Adjusted result for the period*	-13.2	1.6	> -100%	-5.4	2.3	> -100%
Adjusted earnings per share (in EUR)	-0.56	0.06	> -100%	-0.22	0.11	> -100%
Reported result for the period	-29.4	-18.0	-63.3%	-11.4	-3.3	> -100%
Reported earnings per share (in EUR)	-1.08	-0.82	-31.7%	-0.41	-0.15	> -100%
Cash flow from operating activities, before taxes and interest	9.7	12.8	-24.6%	2.3	6.0	-61.9%
Investment in tangible and intangible assets	-48.8	-49.7	1.8%	-16.0	-17.1	6.4%
Investment for acquisitions (less acquired cash)	-0.9	-4.8	81.4%	0.0	-2.2	100%
Cash flow from investing activities	-50.7	-55.3	8.3%	-16.8	-19.4	13.4%
Cash flow from financing activities	61.6	72.4	-15.0%	28.4	-43.8	> 100%

*Result for the period corrected for EBITDA adjustments plus depreciation and tax effects from business combinations; prior-year figures adjusted

	09/30/2018	12/31/2017	Change
Balance sheet total	397.9	350.3	13.6%
Equity	98.4	131.1	-24.9%
Equity ratio	24.7%	37.4%	-
Net debt	180.2	117.1**	53.9%
Net debt/adjusted EBITDA (in years)	4.95	2.99	65.6%

	09/30/2018	12/31/2017	Change
Number of restaurants	220	205	15***

** Prior-year figures adjusted

*** Net change (incl. closure of three restaurants)

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About Vapiano

In 2002, Italian lifestyle brand Vapiano created a new category in system gastronomy with its innovative "fresh casual dining" concept combining elements from "fast casual" and "casual dining". The restaurant concept is based on quality, uncompromisingly fresh ingredients, and transparency. Pasta, pizza dough, sauces, dressings and desserts are handmade each day in every Vapiano. The dishes are prepared in front of the guests "à la minute" and "customized" to the guests' requirements. The recipe for success also includes the cosmopolitan ambiance. Long oak tables invite communication, a fully grown olive tree and a cozy bar and lounge area characterize the feel-good atmosphere found in every Vapiano. Vapiano also represents autonomy and individuality, so guests can choose between different "Guest Journeys". Guests decide whether they will order their food from the Vapianisti, at the terminal or via the Vapiano app, and whether they will pay via chip card or app. The company has also successfully been offering take away and delivery services in a growing number of restaurants so guests can enjoy Vapiano "anytime, anyplace, anywhere". The successful concept has quickly spread from Hamburg all over the world. As of September 30, 2018, there were 220 restaurants in 33 countries on five continents in the Vapiano network. Vapiano shares (ISIN: DE000A0WMNK9) have been traded on the Prime Standard segment of the Frankfurt Stock Exchange since June 27, 2017. Further information can be found at ir.vapiano.com.

Investor Relations contact:

Dr. Andrea Rolvering
Mobile: +49 151 5445 9750
Phone: +49 221 67001 301
Email: a.rolvering@vapiano.eu

Financial and business press:

Dariusch Manssuri, IR on AG
Mobile: +49 173 566 2776
Phone: +49 221 9140 975
Email: dariusch.manssuri@ir-on.com