

CORPORATE NEWS

Vapiano publishes figures for the first half of 2019

- Group sales increase by 12.3% to EUR 196.6 million
- Like-for-like decline in sales of 3.2%
- Adjusted EBITDA in H1/2019 (before IFRS 16 adjustments) down to EUR 7.6 million
- Adjusted EBITDA in Q2/2019 (before IFRS 16 adjustments) in line with prior year at EUR 4.4 million
- Outlook for the 2019 financial year confirmed

Cologne, 11 September 2019 – Vapiano SE (ISIN: DE000A0WMNK9, Ticker symbol: VAO) has announced its figures for the first six months of 2019. Group sales (corporate and consolidated joint venture restaurants) increased by 12.3% to EUR 196.6 million in the first half of 2019 compared to the same period in the previous year (H1/2018: EUR 175.1 million). The increase in sales is mainly due to the new restaurants opened in the second half of 2018 and the first half of 2019 as well as the majority share acquisitions in 2018 (Australia and Darmstadt). In particular, the Rest of Europe (+15.2%) and Rest of World (+53.4%) segments developed positively. The Germany segment posted a slight increase of 1.1%. On a like-for-like basis, however, sales declined by 3.2%, due to a fall in the number of guests. The like-for-like decline in sales in the Germany segment (-3.4%) and the Rest of Europe segment (-3.6%) was only partially offset by the increase in the Rest of World segment (+0.5%).

Taking into account the amended accounting rules under IFRS 16, the adjusted EBITDA^[1] amounted to EUR 28.5 million and the adjusted EBITDA margin to 14.5% during the reporting period. Before IFRS 16, the adjusted EBITDA in the first half of 2019 fell from EUR 14.0 million to EUR 7.6 million and the adjusted EBITDA margin from 8.0% to 3.9%. In the second quarter of 2019 an adjusted EBITDA of EUR 4.4 million was generated before IFRS 16, similar to prior year (Q2/2018: EUR 4.7 million). Therefore, the decline in the first half of 2019 compared with the previous year was in particular due to the results in the first quarter of 2019. The reported EBITDA and the reported EBITDA margin amounted to EUR 22.8 million and EUR 11.6% respectively in the first half of 2019 after IFRS 16. Before IFRS 16, the reported EBITDA fell from EUR 8.4 million to EUR 1.9 million and the reported EBITDA margin from 4.8% to 1.0%.

The adjusted result for the period^[2] in the first half of 2019 amounts to EUR -18.0 million (H1/2019 before IFRS 16: EUR -13.7 million, H1/2018: EUR -8.1 million). In the adjusted result for the period, one-time effects for restructuring of EUR 5.8 million and non-scheduled depreciation of EUR 8.4 million were adjusted. The reported result for the period amounted to EUR -34.3 million (H1/2019 before IFRS 16: EUR -29.1 million, H1/2018: EUR -17.9 million).

Equity decreased in the first half of the year from EUR 46.9 million to EUR 11.9 million (including a one-time IFRS 16 effect of EUR 5.2 million), mainly due to the negative result for the period. The consolidated equity ratio fell from 13.3% on 31 December 2018 to 5.0% (before taking into account the effects of IFRS 16) or 2.0% (including effects from IFRS 16). Net debt on 30 June 2019 increased to EUR 470.0 million. Ignoring leasing liabilities reported in accordance with IFRS 16, net debt would stand at EUR 199.8 million, an increase of 15.0% compared with 31 December 2018 (31 December 2018: EUR 173.7 million).

Cash flow from operating activities before tax and interest reached EUR 24.2 million in the first half of the year (before IFRS 16: EUR 3.2 million, H1/2018: EUR 7.4 million). The net cash flow from investment activities decreased significantly to EUR -21.7 million (H1/2018: EUR -33.9 million), reflecting the continuing, but slower, growth of Vapiano. The opening of five corporate or joint venture restaurants and two franchisee restaurants contrasted with the closure of a total of three restaurant locations (two corporate or joint venture restaurants and one operated by a franchisee). Vapiano is currently represented in 33 countries with 235 restaurants.

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For the 2019 financial year, the Management Board continues to expect Group sales in the range of EUR 390 and 420 million as well as a continuing decline in the development of like-for-like sales (-2% to -4%). The adjusted EBITDA (before IFRS 16) is expected to be between EUR 20 million and EUR 25 million.

Vanessa Hall, CEO of Vapiano SE: "Our half year results highlight the urgent task in hand to enhance guest loyalty and grow like-for-like sales. The time invested on restructuring the company, together with the excessive charges incurred, has distracted the organisation from the fundamentals. In my new role as Chairwoman of the Management Board, my priority focus is to rebuild a winning culture to help deliver our future plan; long term profitability, concentration on European core markets and our franchising strategy. We are working towards a positive free cash flow from 2020 onwards and break even by 2021."

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

About Vapiano

With its innovative "fresh-casual-dining concept" in 2002 the Italian lifestyle brand Vapiano established a new category in the food service industry. Quality, an uncompromising freshness of the ingredients and transparency form the foundation of the restaurant concept. In each Vapiano, pasta is freshly prepared on a daily basis. The dishes are prepared "à la minute" in front of the guests and are tailored to suit guests' tastes. The cosmopolitan ambience is also part of the recipe for success. Long oak tables encourage communication, a tall olive tree and a cosy bar and lounge area characterise the feel-good atmosphere of every Vapiano. Vapiano also stands for self-determination and individuality; guests can choose between different "Guest Journeys": they decide whether to order their food from the Vapianisti, at the terminal or via the Vapiano app and whether to pay for it using the chip card or the app. In addition, the company is offering take-away and delivery services. As of 30 June 2019, 235 restaurants in 33 countries on five continents belong to the Vapiano network. Vapiano shares (ISIN: DE000A0WMNK9) have been traded in the Prime Standard of the Frankfurt Stock Exchange since 27 June 2017. For further information please visit ir.vapiano.com

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[1] Adjusted for the pre-operating costs for the opening of restaurants as well as other one-time effects, e.g., from expenses for previous periods and re-structuring. For Vapiano, as a growth-oriented company, the adjusted EBITDA is the most important index of the operative business performance as the adjustments increase both the transparency and, in addition, the comparability of the figures over time.

[2] Adjusted for the effects described in the transition to the adjusted EBITDA, for amortisation on reacquired franchise rights and associated deferred tax revenues and special write-offs as well as for effects from the revaluation of severance pay liabilities to non-controlling shareholders measured at fair value and recorded in the financial result.

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VAPIANO SE –Key financials (in EUR million)

	H1/2019	H1/2019 (before IFRS 16)	H1/2018 (before IFRS 16)	Change (before IFRS 16)
System sales				
(corporate, joint venture and franchise restaurants)	281.7	281.7	262.1	7.5%
Net sales				
(corporate and consolidated joint venture restaurants)	196.6	196.6	175.1	12.3%
Like-for-like Group sales	-3.2%	-3.2%	-0.8%	-
Average receipt per guest (EUR)	12.5	12.5	11.7	6.6%
Adjusted EBITDA	28.5	7.6	14.0	-45.9%
Adjusted EBITDA margin	14.5%	3.9%	8.0%	-
Reported EBITDA	22.8	1.9	8.4	-77.4%
Reported EBITDA margin	11.6%	1.0%	4.8%	-
Adjusted net profit or loss for the period	-18.0	-13.7	-8.1	-69.1%
Adjusted earnings per share (in EUR)	-1.01	-0.81	-0.34	>-100%
Reported net profit or loss for the period	-34.3	-29.1	-17.9	-62.5%
Reported earnings per share (in EUR)	-1.20	-1.00	-0.67	-49.4%
Cash flow from operating activities before taxes and interest	24.2	3.2	7.4	-56.8%
Investments in tangible and intangible assets	21.7	21.7	32.7	-33.6%
Investments for acquisitions (less cash and cash equivalents acquired)	0.0	0.0	0.9	-100.0%
Cash flow from investing activities	-21.7	-21.7	-33.9	36.0%
Cash flow from financing activities	4.2	19.0	33.2	-42.8%

	6/30/2019	6/30/2019 (before IFRS 16)	12/31/2018 (before IFRS 16)	Change (before IFRS 16)
Balance sheet total	603.4	343.5	353.5	-2.8%
Equity	11.9	17.1	46.9	-63.5%
Equity ratio in %	2.0%	5.0%	13.3%	-
Net debt	470.0	199.8	173.7	15.0%
Net debt / adjusted EBITDA (in years)	23.2	9.9	6.6	49.5%
Number of restaurants	235	235	231	1.7%