

APPLEGREEN PLC

H1 2020 INTERIM RESULTS

18 September 2020





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A resilient performance in an unprecedented environment...



EBITDA H1 2020

- Core Applegreen €29.4m (H1 2019: €26.5m), classified as essential service
- Welcome Break €(4.1)m (H1 2019: €32.4m), mandated travel restrictions

Swift and decisive actions at start of pandemic

- Focus on protecting people, customers and communities
- Proactive cost reduction measures
- Tight capex and working capital controls
- Assisted by government measures

Positive growth trajectory

- Strong recovery as restrictions lifted since June

Balance sheet and liquidity

- Cash of €107.3m at 30 June (net debt: €550m)
- Cash increased to €216.7m at 31 August (net debt: €480.9m)
- Core Applegreen banking group leverage of 2.2x
- Current undrawn committed debt Facilities of €52.5m

Sales

€1.1bn ▼ (26.6%)

EBITDA

€25.3m ▼ (57.0%)

Cash

€107.3m ▼ (22.6%)

Group Net Debt

€550.7m ▲ (4.8%)

Group Leverage

5.2x



Q2 lockdown impact...

YoY Sales
by quarter

Q1
(6%)

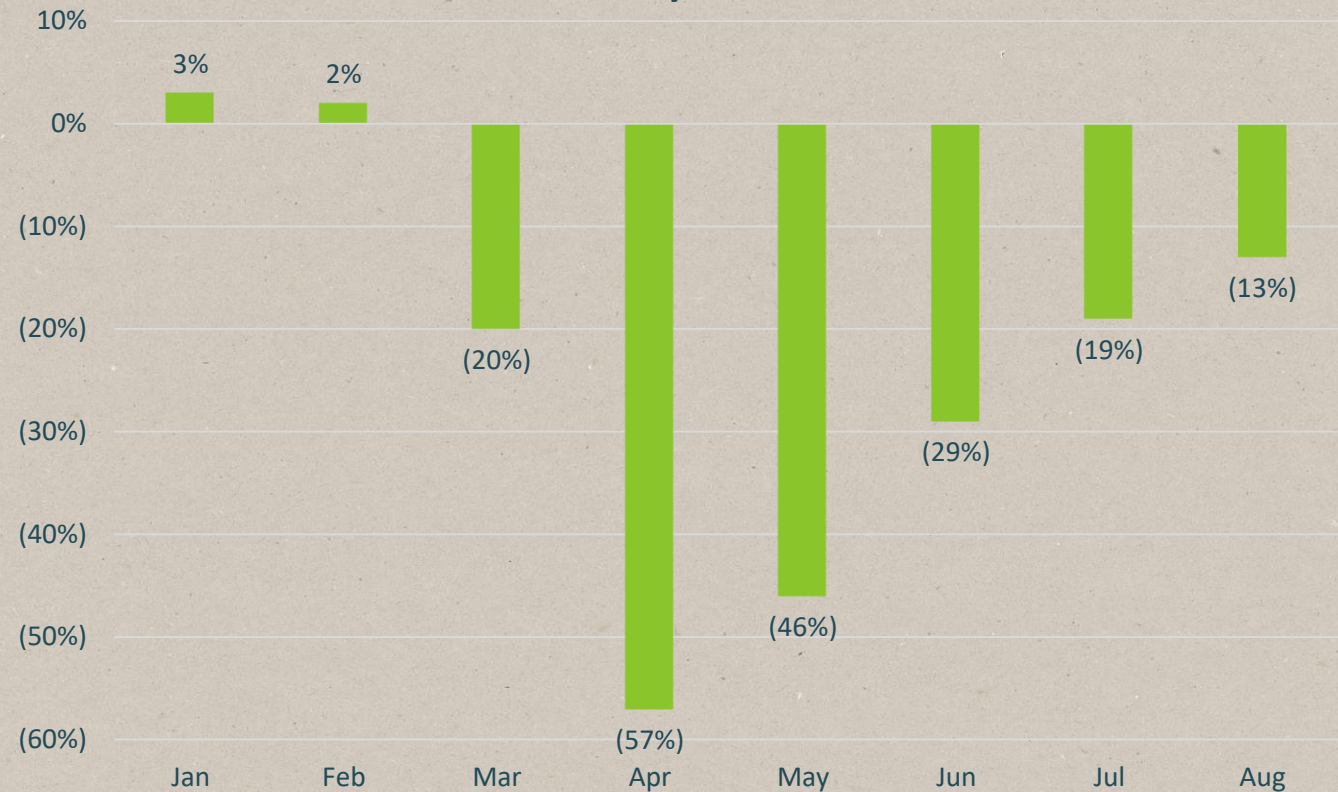


Q2
(44%)



H1
(27%)

YoY Monthly Sales



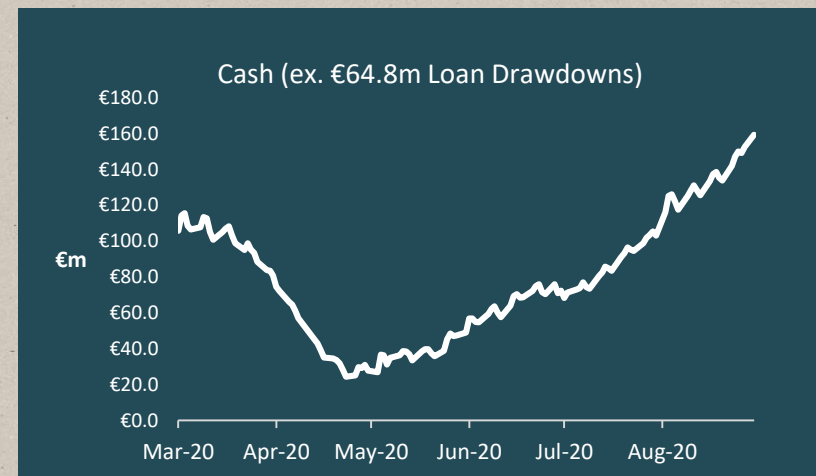
....and recovery underway



Proactive cash management.....

- Working capital balance unwind with low point in mid-May as anticipated
- Range of steps taken to conserve cash
- Monthly EBITDA consistently positive, apart from April 2020, and this has continued
- No breach of original Applegreen banking group covenants and none forecasted
- Summer trading performance has increased cash balance to €216.7m in August
- Strong support from finance providers

	31 Dec 19	30 Jun 20	31 Aug 20
Cash & Cash Equivalents	138.7	107.3	216.7
Total External debt	664.2	658.0	697.6
Net External debt	525.5	550.7	480.9



.... providing ample liquidity

Trading Performance by Region





Business performance by region



Gross Profit: €60.0m Q2: (33%) | H1: (16)%

- Strong PFS performance but SA's impacted by restrictions
- Positive store sales in local community sites during national lockdown
- Robust fuel margin performance
- Tight cost control to mitigate impact fuel/food volume loss



Gross Profit: €100.5m Q2: (65%) | H1: (38)%

- PFS performance traded ahead of 2019 with strong fuel margin and store sales
- Welcome Break significantly impacted due to travel restrictions and closure of food offerings
- Good recovery following phased reopening of WB food offers from mid-June onwards



Gross Profit: €45.5m Q2: +36% | H1: +23%

- Lockdown restrictions varied; NE deep, SE light
- Strong fuel margin in each of the regional areas
- Mid West acquisition included in H1 2020 figures (LFL: H1 (2%))
- New York Thruway conditional lease signed in July



Financial Review





Profit & Loss*

€m	H1 2020	H1 2019	%Var
Revenue	1,083.5	1,475.6	(26.6%)
Gross profit	206.0	268.0	(23.1%)
Selling and distribution expenses	(122.7)	(153.7)	
Admin expenses & other income	(22.4)	(21.5)	
Adjusted EBITDAR	60.9	92.8	(34.4%)
Rent	(35.6)	(33.9)	
Adjusted EBITDA	25.3	58.9	(57.0%)
Depreciation & amortisation	(26.0)	(20.0)	
Finance costs, net	(13.1)	(14.0)	
Adjusted PBT	(13.8)	24.9	
Tax	1.2	(2.9)	
Adjusted PAT	(12.6)	22.0	
Non controlling interest	11.1	(5.3)	
Profit attributable to Applegreen plc	(1.5)	16.7	
Adjusted Diluted EPS (cents) *	(1.2)	13.7	

* Pre IFRS 16

Refer to glossary at end of presentation for definition of terms above



Cash Flow*

€m	H1 2020	H1 2019
Adjusted EBITDA	25.3	58.9
Non-cash adjustments	(4.5)	(7.4)
Working Capital Movement	(36.2)	14.7
Taxes Paid	0.1	(2.7)
Cash flows from Operating Activities	(15.3)	63.5
Capital Expenditure	(28.0)	(34.5)
Equity proceeds	0.0	19.1
Dividends and Shareholder Distributions	0.0	(1.0)
Long-Term Borrowings	27.1	(23.3)
Net Interest and Finance Leasing Costs Paid	(9.8)	(10.0)
Cash Flows from Financing Activities	17.3	(15.2)
Net decrease in cash and cash equivalents	(26.0)	13.8
FX Impact	(5.4)	(0.7)
Total decrease in cash and cash equivalents	(31.4)	13.1
Cash Conversion (LTM)	61.9%	131.0%

* Pre IFRS 16

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Balance Sheet*

€m	30-Jun-20	31-Dec-19
Non-Current Assets	1,131.3	1,192.6
Non-Current Liabilities	(61.9)	(46.2)
Current Assets	102.5	140.2
Current Liabilities	(241.8)	(338.6)
Working Capital	(139.3)	(198.4)
Cash and Cash Equivalents	107.3	138.7
Total External Debt	(658.0)	(664.2)
Net External Debt	(550.7)	(525.5)
Shareholders Loans (Eurobonds)	(88.2)	(90.6)
Net Debt	(638.9)	(616.1)
Net Assets	291.2	331.9
Equity attributable to owners	377.2	397.5
Non-controlling interests	(86.0)	(65.6)
Total equity	291.2	331.9
Leverage	5.2x	3.7x
Return on Capital Employed	6.5%	10.6%

* Pre IFRS 16

Refer to glossary at end of presentation for definition of terms above

Strategy & Outlook





Our Core Strategy is unchanged

Focused on large roadside retail outlets with.....

Multiple 'Food to Go' opportunities



- Digital ordering kiosks
- Drive Thru and curb side collection
- Developing new food opportunities in Connecticut plazas

High-end Convenience retailing



- Locally focused with bespoke offer
- Grab and Go offers
- Introducing Seasonal lines

Benefitting from Electric Vehicle transition



- Carbon Neutral programme launched
- Continued roll out of EV fast chargers
- Strong Tesla relationship

.....and being a good corporate citizen is more important than ever



Outlook is clouded by potential for additional public health measures but...

Our business has demonstrated its resilience

- Operating in 3 markets with a portfolio of profit centres assisting ongoing recovery
- Cost reduction benefits will endure but government stimulus tapering off in Q4
- Significant cash generation assists our continued focus on driving down leverage
- Not materially exposed to any Brexit outcome

In conclusion.....

We have successfully navigated a very difficult period and emerged in good shape, with improving metrics in all areas. This was assisted by a committed workforce, supportive government measures, an experienced senior team and a resilient business model.

As such we look forward to the future with growing confidence but are allowing for the risks that may impact the business in the future.



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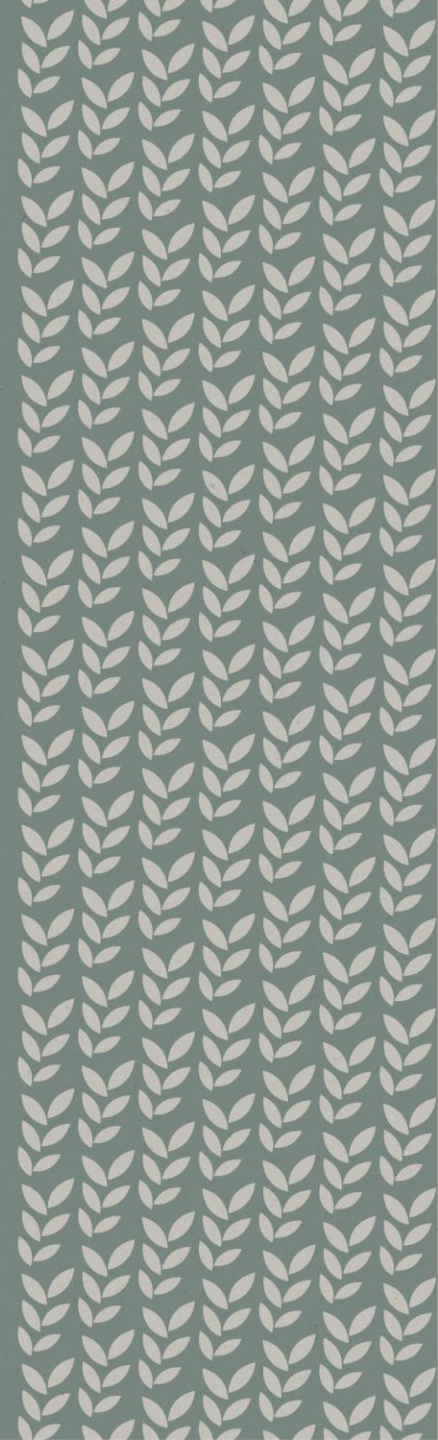
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Appendix





Reconciliation of EBITDA & Adjusted PAT

Adjusted EBITDA

€m	H1 2020	H1 2019
Adjusted EBITDA	25.3	58.9
Share based payments	(0.6)	(0.3)
Non Recurring Costs	(2.9)	(1.5)
Acquisition related rental adjustments	(1.1)	(1.2)
IFRS 16 adjustments	36.7	35.1
Reported EBITDA	57.4	91.0

Adjusted PAT attributable to the Group

€m	H1 2020	H1 2019
Adjusted PAT attributable to Group	(1.5)	16.7
Share based payments	(0.6)	(0.3)
Non-recurring charges	(2.9)	(1.5)
Acquisition related intangible assets adjustments	(1.9)	(1.9)
Interest on shareholder loans	(3.9)	(3.8)
Non-recurring finance cost	0.0	0.0
Acquisition related rental adjustments	(1.1)	(1.2)
Impairment	(1.4)	(1.1)
IFRS 16 adjustment	(4.1)	(4.8)
Tax	3.0	0.1
Minority interest	2.5	3.7
Reported PAT attributable to Group	(11.9)	5.9



Glossary

Pre IFRS 16	The pre IFRS 16 numbers and KPIs calculated thereon are prepared using the previous accounting treatment for leases (IAS 17) and are disclosed to provide more clarity to the reader on how the Group has performed in comparison to the prior period.
Adjusted EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation adjusted for share based payments, non-recurring operating charges and IFRS 16.
Adjusted PAT	Profit After Tax adjusted for share based payments, non-recurring operating charges, IFRS 16, impairments, interest on shareholder loans, non-recurring interest charges, acquisition related intangible asset amortisation charges and other fair value adjustments and the related minority interest and tax impact on these items
Adjusted diluted earnings per share (EPS)	EPS excluding the tax adjusted effects of the adjusting items to Profit After Tax referred to above.
Adjusted group leverage	Ratio of net debt to adjusted EBITDA for the group. Net debt adjusted for shareholder loans and IFRS 16 lease liabilities.
Adjusted APGN leverage	Ratio of net debt to adjusted EBITDA for the Applegreen plc debt (excluding non-recourse WB debt). Adjusted EBITDA for the Applegreen plc debt bank group plus deemed dividend received from Welcome Break as per bank covenant arrangements.
WB or Welcome Break	WB refers to the Welcome Break transaction which completed on 31 October 2018.
Total External Debt	Debt excluding shareholder loans and IFRS 16 lease liabilities.
LTM	Last twelve months (ie. July 2019 to June 2020).
Return on Capital Employed	Return on Capital Employed based on adjusted EBIT (Earnings Before Interest and Taxation).
Cash Conversion	Cash Conversion is calculated using Adjusted EBITDA and working capital movement, Adjusted EBITDA refers to normalised trading EBITDA, being EBITDA adjusted for share based payments & non-recurring items. Working capital movement is the variance between opening and closing debtors, creditors and stock adjusted for fixed asset accruals.