July 2026

Americana Restaurants International (AMERICANA)

Results Flash Note Q2-26

Earnings growth accelerates on gross margin expansion and operating leverage

Americana (Americana) reported net income of SAR 315mn up 40.5% Y/Y, the result was in line with AJBC of SAR 305mn but was materially above the consensus estimate of SAR 248mn. Revenues grew 11.1% Y/Y to SAR 2,680mn in Q2-26. This improvement underpins strong LFL sales (+6.3% improvement in H1-26), which was driven by menu localization, balance value-premium strategy and improved customer engagement. While the revenue modestly exceeded expectations, the earnings beat was primarily margin-led, reflecting stronger-than-expected execution on cost and operating leverage. A 4.1% Y/Y growth in store count also supported the revenue momentum. Despite higher input costs, the gross margins expanded 266bps Y/Y due to i) procurement savings, ii) premiumization and iii) operating leverage. While the operating margin expanded by 297bps to 14.6%, supported by operating leverage, cost discipline and improving Home Delivery channel profitability. Decline in below EBIT cost intensity further supported the bottom-line, as a result the net margins expanded by 246bps Y/Y.

- **Americana reported net income of SAR 315mn** up 40.5% Y/Y and 33.0% Q/Q, the result was in line with AJBC estimate of SAR 305mn but was materially above the consensus estimate of SAR 248mn. The earnings beat was largely margin-led, with YoY earnings benefiting from 11.1% sales growth, a 266bps gross margin expansion, and a 32bps decline in OPEX-to-sales driven by cost discipline and fixed-cost leverage.
- **Revenues** increased by 11.1% Y/Y (10.0% on a sequential basis) to SAR 2,680mn (+1.4% deviation to AJBC estimate of SAR 2,645mn) in Q2-26. The growth was underpinned by strong like-for-like sales (+6.3% in H1-26) which was driven by menu localization, balanced premium and value offering and targeted marketing initiatives that enhanced customer engagement. Store count grew 4.1% Y/Y to 2,746, further aiding top-line momentum.
- **Gross profit** increased by 16.5% Y/Y and 11.8% Q/Q to SAR 1,516mn (+2.0% deviation to AJBC estimate of SAR 1,486mn). Gross margins improved by 266bps Y/Y and 88bps Q/Q to 56.6%, exceeding AJBC's estimate of 56.2% by 38bps. Margin expansion was achieved despite elevated input cost pressures, driven by strategic sourcing initiatives, premium menu mix, and scale benefits from strong sales growth. Notably, continued margin expansion amid inflationary pressures suggests procurement efficiencies and product mix optimization are evolving into structural competitive advantages rather than one-off benefits.
- **Operating profit** increased by 39.3% Y/Y and 31.7% Q/Q to SAR 392mn, +3.5% deviation to AJBC estimate of SAR 379mn. Operating margins improved by 297bps Y/Y and 241bps Q/Q to 14.6%, +30bps deviation to AJBC estimate of 14.3%. OPEX-sales declined by 32bps Y/Y to 41.9% (AJBC estimate 41.8%) on account of operating leverage, tight cost control and improved Home Delivery channel economics.

AJBC view and valuation: Americana delivered a strong Q2-26 performance, driven by healthy revenue growth, sustained LFL momentum and meaningful margin expansion. This margin improvement was aided by procurement efficiencies, a favorable premium menu mix, and operating leverage from robust sales growth, while disciplined cost management and improving Home Delivery channel economics further supported earnings growth. Looking ahead, the net income is likely to grow by double digits in 2026, and gross margins are expected to see improvement. The company is now ensuing a more calculated store and brand portfolio expansion strategy with focus on development of Arabic QSR. Trading at 2026e PE of 17.7x we maintain our "**Overweight**" recommendation on the stock and the TP of **SAR 2.45/share**.

Results Summary

SAR mn	Q2-25	Q1-26	Q2-26	Change Y/Y	Change Q/Q	Deviation from AJBC Estimates
Revenue	2,413	2,437	2,680	11.1%	10.0%	1.4%
Gross profit	1,301	1,357	1,516	16.5%	11.8%	2.0%
Gross margin	53.9%	55.7%	56.6%	-	-	-
EBIT	282	298	392	39.3%	31.7%	3.5%
Net profit	224	237	315	40.5%	33.0%	3.4%
EPS	0.03	0.03	0.04	-	-	-

Source: Company Reports, AlJazira Capital Research

Recommendation	**Overweight**
Target Price (SAR)	**2.45**
Upside / (Downside)*	**17.2%**

Source: Tadawul *prices as of 28th of July 2026

Key Financials

Financials (in USD mn, unless specified)	FY23	FY24	FY25
Revenue	2,413	2,197	2,509
Y/Y	1.5%	-9.0%	14.2%
Gross Profit	1,262	1,167	1,365
Operating profit	291	192	283
Net income	259	159	219
Y/Y	0.1%	-38.8%	38.0%
EPS (Cents)	3.08	1.88	2.60
DPS (Cents)	2.10	1.50	2.40

Source: Company reports, Aljazira Capital Research

Key Ratios

	FY23	FY24	FY25
GP Margin	52.3%	53.1%	54.4%
Operating Margin	12.1%	8.7%	11.3%
Net Margins	10.8%	7.2%	8.7%
P/E (x)	27.8	32.3	16.7
P/B (x)	16.4	13.0	7.5
EV/EBITDA (x)	13.5	11.5	6.8
DY	2.5%	2.6%	5.5%

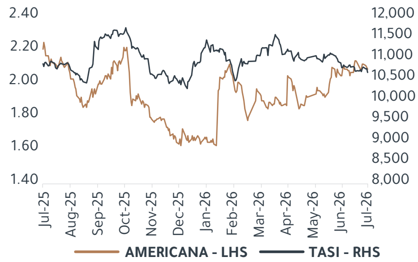
Source: Company reports, Aljazira Capital Research

Key Market Data

Market Cap(bn)	17.6
YTD%	24.4%
52 week (High)/(Low)	2.30/1.62
Share Outstanding (mn)	8,423.6

Source: Company reports, Aljazira Capital Research

Price Performance



Source: Tadawul, Aljazira Capital Research

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RESEARCH DIVISION

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RATING TERMINOLOGY

1. Overweight: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated "Overweight" will typically provide an upside potential of over 10% from the current price levels over next twelve months.
2. Underweight: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated "Underweight" would typically decline by over 10% from the current price levels over next twelve months.
3. Neutral: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated "Neutral" is expected to stagnate within +/- 10% range from the current price levels over next twelve months.
4. Suspension of rating or rating on hold (SR/RH): This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

Disclaimer