

## ASX RELEASE

### COLLINS FOODS LIMITED 2018 AGM CHAIRMAN'S ADDRESS

**Thursday, 6 September 2018:** It is with great pleasure that I welcome you to Collins Foods Limited 2018 Annual General Meeting. Collins Foods Limited has continued to grow its core KFC Australia business, established a KFC footprint in Europe, opened our first Taco Bell restaurant in Australia and continue to successfully transition the Sizzler business. As a result, Collins Foods has delivered another solid financial performance.

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Collins Foods continues to build a platform for long-term shareholder growth, underpinned by the expansion of our footprint in Australia and Europe, and a focus on driving operational excellence across our network of restaurants.

Through the completion of KFC acquisitions in Australia and Europe over the past 12 months, Collins Foods has successfully expanded into attractive growth markets.

Complementing the Group's expanded footprint, organic growth of the underlying business has continued due to our focus on driving operational efficiencies. Together this has resulted in another year of solid financial performance across the Group.

In FY18, Group revenue increased 21.7% to \$770.9 million, and translated to 16.4% growth in underlying EBITDA to \$94.5 million. This was underpinned by vigilant cost control and a focus on continued operational efficiency improvements, while still investing for growth.

As indicated in previous years, the Group remains committed to maintaining a strong balance sheet. There has been a sustainable increase in our level of gearing this financial year as we made accretive acquisitions to provide an additional foundation for long term earnings growth. As Collins Foods continues to generate cash, the Company's net leverage ratio will decrease.

As our business grows, we are delighted to share its success with our shareholders. Reflecting this, Collins Foods has paid shareholders a final fully franked dividend of 9 cents per share, bringing the full year FY18 dividend to 17 cents per share, fully franked. The final dividend was paid on 26 July 2018 and is in line with the Board's dividend policy to pay out 50% of full year net profit.

Our Australian KFC network continues to perform well. As the largest franchisee of KFC in Australia, Collins Foods is committed to delivering the highest quality products, at great value, to our customers.

Our European businesses acquired last year have also been tracking well, with the restaurants contributing to earnings. We are confident the Group's strategic decision to expand into Europe provides a significant upside and will continue to support an attractive long-term platform for growth.

During the financial year, the Board took the strategic decision to launch the Taco Bell brand in Australia. The launch of this exciting brand provides a further growth channel for shareholders.

The restaurant in Annerley, Queensland is the only Taco Bell in Australia and the initial customer reaction has been strong.

We continue to successfully transition the Sizzler business, with no further growth capital allocated to this non-core business. We have maintained a positive EBITDA contribution from Sizzler Australia, with a reduced restaurant count. At the same time, the growth of Sizzler Asia continues with solid royalty revenue generated from restaurants in Thailand, Japan and China.

Following a strategic review, Collins Foods exited the Snag Stand business during the financial year.

## Outlook

With an expanded global footprint, organic growth across the restaurant network, and the introduction of the Taco Bell brand, the 2018 financial year has been another successful period for Collins Foods.

The Board is confident the strategy we are executing will generate sustainable growth over the long-term for shareholders. We will work to continue our track record of successfully integrating our acquisitions, while driving operational excellence across our business. We are excited by the potential of Taco Bell, and look forward to establishing this brand in Australia.

Serving the needs of our customers will continue to underpin our offering. To this end, Collins Foods remains focused on product innovation and offering great value to customers.

I would like to thank each of my fellow directors for their contribution to the business, and our management team — led by Managing Director & CEO, Graham Maxwell — for their leadership. I also thank our staff, now numbering at around 13,500, for another year of hard work and their very important contribution to our success.

Once again, I thank shareholders for their ongoing support of Collins Foods as we continue to execute our strategy to ensure we remain the market leader in our sector.

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## About us

Collins Foods Limited (ASX: CKF) is a KFC and Taco Bell franchisee in Australia and KFC franchisee in the Netherlands and Germany, the owner of Sizzler restaurants in Australia and the franchisor for Sizzler in Asia. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Establish Collins Foods as a leading restaurant holding company, which operates premier brands where people love to eat and are proud to work." For further information please visit [www.collinsfoods.com](http://www.collinsfoods.com)