

5 May 2020

ASX Market Announcements Office
10 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Dear Sir/ Madam

ANNOUNCEMENT FOR RELEASE VIA MARKET ANNOUNCEMENTS PLATFORM

Please find **attached** an announcement entitled, "*Collins Foods Limited – COVID-19 Update (4)*" (**Announcement**) for release via the ASX Market Announcements Platform.

The Announcement sets out contact details for queries relating to the Announcement.

By Order of the Board



Frances Finucan

Company Secretary

ASX RELEASE

COLLINS FOODS LIMITED – COVID-19 (4)

Tuesday, 5 May 2020: Collins Foods Limited (ASX: CKF) provides the following update in relation to the impact of the global COVID-19 (coronavirus) pandemic on its business and sales trends over the last five weeks of the Company's 2020 financial year (FY20), specifically, Monday, 30 March to Sunday, 3 May 2020.

Since the start of the global COVID-19 pandemic Collins Foods has further enhanced its procedures to ensure the health and safety of its employees and customers while at the same time implementing measures to maximise sales and tightly manage costs given the challenging operating conditions.

KFC Australia has continued to show improvements in sales trends during this difficult period. Over the last five weeks of FY20, same store sales (SSS) were down marginally at -0.9% versus prior year. The KFC Food Courts have been heavily affected due to the significant decline in shopping mall foot-traffic. Excluding the net effect of Food Courts, the remainder of the network (predominately drive-thru restaurants) traded positively, with +4.0% SSS growth over prior year. Increased drive-thru and home delivery sales more than offset any negative impact from the current Government restrictions banning dine-in transactions.

In Germany, the Company's KFC restaurants continue to trade through take-away, drive-thru and delivery channels whilst certain Government restrictions have reduced the dine-in sales. SSS for the five-week period was -28% which is nonetheless a sizeable improvement over the initial sales drop at the onset of COVID-19, with sales continuing to strengthen over the last couple of weeks.

In the Netherlands, while still allowing take-away, drive-thru and delivery, the Government has banned dine-in transactions. SSS for the last five-week period was -40%. The Netherlands' KFC business has been particularly affected by the number of in-line restaurants in city centres. Excluding in-line city centre restaurants from the overall sales numbers, the drive-thru restaurants have performed comparatively well, with SSS around -15% over the last five weeks of FY20.

After an initial decline in sales, Taco Bell has had a positive recovery with sales over the last few weeks of FY20 returning to pre-COVID levels. Sizzler Australia, which had seen a significant fall off in sales due to dine-in restrictions, has now implemented take-away and home delivery services.

Commenting on the sales performance of Collins Foods' restaurants over the last five weeks of FY20, Managing Director & CEO Graham Maxwell said, "We are living in extraordinary and unprecedented times, with an operating environment that is challenging and still fairly unpredictable. Pleasingly, we have seen an improvement in sales in recent weeks and talk is now more focused on easing than increasing the level of Government restrictions in both Europe and Australia.

"Our business continues to show strong resilience despite the very challenging operating environment and is well positioned to manage through the recovery period of the respective markets we operate in," added Mr Maxwell.

Collins Foods' balance sheet remains strong and the Company has significant headroom in its current debt facilities and covenants.

ENDS

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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