

Annual Shareholders Meeting 2020

Chairman's Address

The last financial year has been a big one for Restaurant Brands and I'm pleased to say that as the new majority shareholder, Finaccess has been impressed with the achievements of the company over the past twelve months.

In discussing the 2019 results, I would note that Restaurant Brands changed its balance date from February to 31 December during the year. Hence the trading results for the December 2019 period are for only 44 weeks vs 52 weeks for the prior period. We also saw the first full period impact of the adoption of the new lease accounting standard NZ IFRS 16 on the financial outcomes. I will therefore restate some results in this address for a more meaningful comparison.

Particular highlights for the 10 months to December 2019 include:

- Total reported sales for the 10 month period of \$705.5 million which, whilst down against the previous 12 month period, were up over 5% for the equivalent 12 months. Sales were positive on a same store basis across all three operating divisions.
- Combined brand EBITDA¹ (pre NZ IFRS 16) for the 10 months of \$116.0 million, down 10.3% on the previous 12 month period; however on an equivalent 12 month basis, EBITDA was up over 6% at \$137.1 million.
- The Taco Bell brand being successfully launched in New Zealand and New South Wales, Australia with the first three stores opening in the last quarter of the December 2019 year.
- The company entering into a conditional agreement to acquire 70 KFC and Taco Bell stores in California.
- Reported net profit after tax of \$30.1 million; this was for the 10 month period and was adversely impacted by the shorter reporting period and the adoption of NZ IFRS 16. The equivalent normalised profit was \$45.7 million, up 8.3% on prior year.

The strong financial performance arose primarily from the aggressive capital investment programme and continued positive trading momentum across the key brands.

Restaurant Brands' store numbers now total 286, comprising 148 in New Zealand, 73 in Hawaii and 65 stores in Australia.

2019 was another busy period of consolidation and strengthening the company's position across each of our markets as we continued to invest for future growth, while successfully maintaining our track record of delivering strong trading results.

All three operational divisions have performed well, driven by strong contributions from each of our key brands, Taco Bell in Hawaii and KFC in Australia and New Zealand.

Russel will provide a little more "colour" around our individual divisional performance.

The continued strong trading outcomes is evidence of our ability to successfully acquire, integrate and further build this business, providing proof that our growth strategy is well founded. We have successfully

¹ EBITDA is earnings before interest, tax, depreciation and amortisation. It is a non-GAAP financial measure and is not prepared in accordance with NZ IFRS

transitioned into a global enterprise and we see plenty of opportunities on the horizon to continue to pursue our growth ambitions.

Unfortunately, the COVID-19 pandemic has severely affected our operations in the past months. We were able to take rapid and appropriate actions, always prioritizing employee and customer health and the well-being of the community, in strict compliance with the measures established by government authorities in the countries where the Company is present.

It will be important to monitor closely the depth of the economic impact that the health crisis will generate in the countries where we operate.

However, we are certain that this is a short-term issue since the Company's fundamentals continue to be solid. Once the pandemic is under control, operations will gradually be re-established in all markets to move forward with plans in place.

Our growth strategies have been articulated before, but for the sake of completeness, I shall restate our key areas of potential network development, which is over and above our continued organic same-store sales growth through constant improvement in in-store operations and brand marketing.

Firstly is the intention to open 60 Taco Bell stores in New Zealand and Australia over the next five years, while also increasing the number of new KFC store builds on both sides of the Tasman.

Both our Australian and New Zealand operations have some runway left for new KFC builds, particularly in the smaller CBD format (like the Fort Street store in Auckland). Taco Bell as a new and exciting brand in this part of the world has seen substantial sales through the newly opened stores.

KFC acquisition opportunities in Australia remain a focus. Whilst these are opportunistic in nature and require independent KFC franchisees being willing to sell, we believe that these opportunities will continue to arise and provide further critical mass to our 63 store network in New South Wales.

Before the COVID-19 outbreak, the Hawaiian store network transformation and rationalisation strategy had begun to gain momentum, despite continuing delays in the local council approval process. The construction of new Pizza Hut delivery stores and the closure of some of the larger inefficient red roofs has helped produce solid growth in the Pizza Hut business. The transformation (major renovation) of the larger Taco Bell stores continues to produce sales results well ahead of expectations with four stores already transformed and another two scheduled for completion this year.

We are also actively working on rebuilding the KFC brand in Hawaii. We have Yum! support to begin building our own new store network. Hawaii is, we believe, a significant opportunity for the KFC brand.

Finally we achieved a major growth step into continental US with the announcement at the end of last year that we had entered into a conditional agreement to acquire 59 KFC and 11 joint KFC/Taco Bell stores in California, USA for \$US73 million. This business generates an annual turnover of \$US95 million and has a 12 month trailing store EBITDA of in excess of \$US12 million.

Whilst the approval process has been delayed with the recent COVID-19 crisis, we are expecting completion early in the second half of this year.

That 70 store base with a solid above-store support structure will provide a strong platform for future new store-builds and acquisitions in what is a relatively under-penetrated market.

This intensive growth programme has begun to increase our capital expenditure requirements as we look to quickly achieve further scale in the Taco Bell brand and continue to build our KFC store network.

In response to these increased demands on capital, the Company this year restructured its banking facilities, securing (after a competitive tender process) a global facility of \$370 million for a tenor of up to four years with four major international banks.

In order to protect the liquidity of the Company, the Board of Directors decided not to declare a dividend for FY19, given the current uncertainty of the potential economic impact of the COVID-19 outbreak on the markets where we operate.

I would like to take this opportunity to acknowledge the contribution made by my fellow directors over the past 12 months and specially during the COVID-19 crisis. All directors have been available for weekly calls to monitor the evolution of the business during these tough times in order to make adequate and timely decisions.

As a brand new board your directors have worked together well and quickly picked up the nuances of governing a company such as Restaurant Brands operating as a multi-branded, multi-geography franchisee. I have greatly valued their support and guidance.

I would also like to thank Russel Creedy and his management team for their continued outstanding efforts in adding further value for all shareholders. Russel and his team have not only delivered a strong result for the last financial year, but have more recently steered the company through what has been one of the most disruptive crises of recent times.

I wish to recognize the entire staff for their hard work and commitment. A special mention is deserved by those who have been working so hard to serve our delivery and drive through customers during the health crisis.

And finally, I would like to thank our loyal shareholders for your continued support and interest in the company.

Chairman's Address

José Parés



Highlights FY 19 Year



**Launch of
Taco Bell in
Australia and
New Zealand**

**Agreement
to acquire**

70

**stores in
California**

	FY 18	FY 19	FY 19D	FY 19D (R)	FY 19D (R) vs. FY 19
Group Sales	\$740.8m	\$794.0m	\$705.5m	\$833.8m	5.0%
Brand EBITDA ¹	\$122.6m	\$129.2m	\$116.0m	\$137.1m	6.0%

Note:

- FY 19 = 12 months to 25 February 2019
- FY 19D = 10 months to 31 December 2019
- FY 19D (R) = Restated FY 19D (pro rata) for equivalent 12 month period

¹EBITDA is earnings before interest, tax, depreciation and amortisation. It is a non-GAAP financial measure and is not prepared in accordance with NZ IFRS

Profit reconciliation FY 19 to FY 19D

\$NZm

	Feb 2019	Dec 2019
Reported NPAT	35.7	30.1
Impact of NZIFRS 16	-	4.5
Other Income & Expenses	6.5	4.0
Change of Balance Date*	-	7.1
Comparable Trading NPAT	42.2	45.7

+8.3%

**Estimated (unaudited) NPAT over the eight weeks to February 2020, prorata'd from the 44 weeks to December 2019*

6 new KFC stores in NZ this year

KFC Tauranga Crossing



KFC Bombay



In Hawaii, Taco Bell transformations are delivering excellent sales growth

Taco Bell Nanakuli



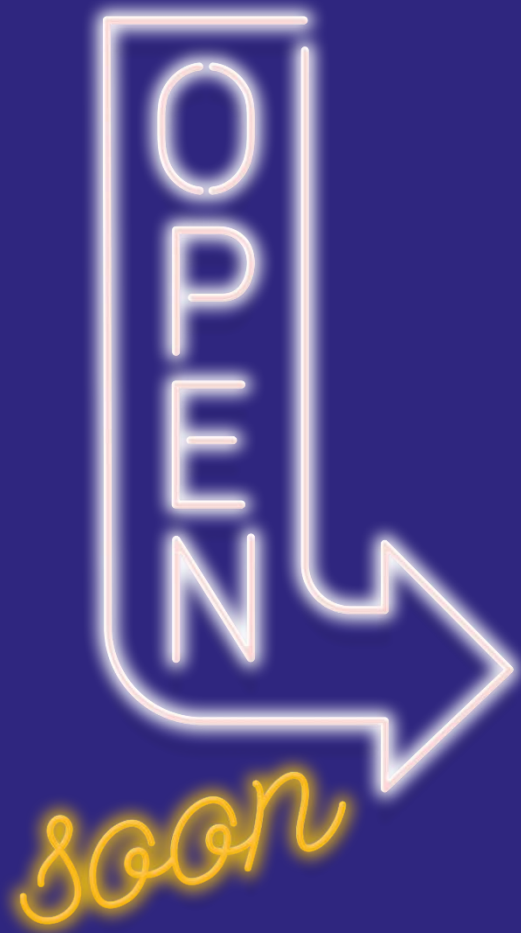
Taco Bell Moanalua



Taco Bell Pearl City



RBD has entered into an agreement to acquire 70 stores in Southern California



KFC & Taco Bell

Mainland USA
\$US

\$73m

Purchase price

\$95m

Annual sales

\$12m

Store EBITDA

11

KT Stores

59

KFC Stores

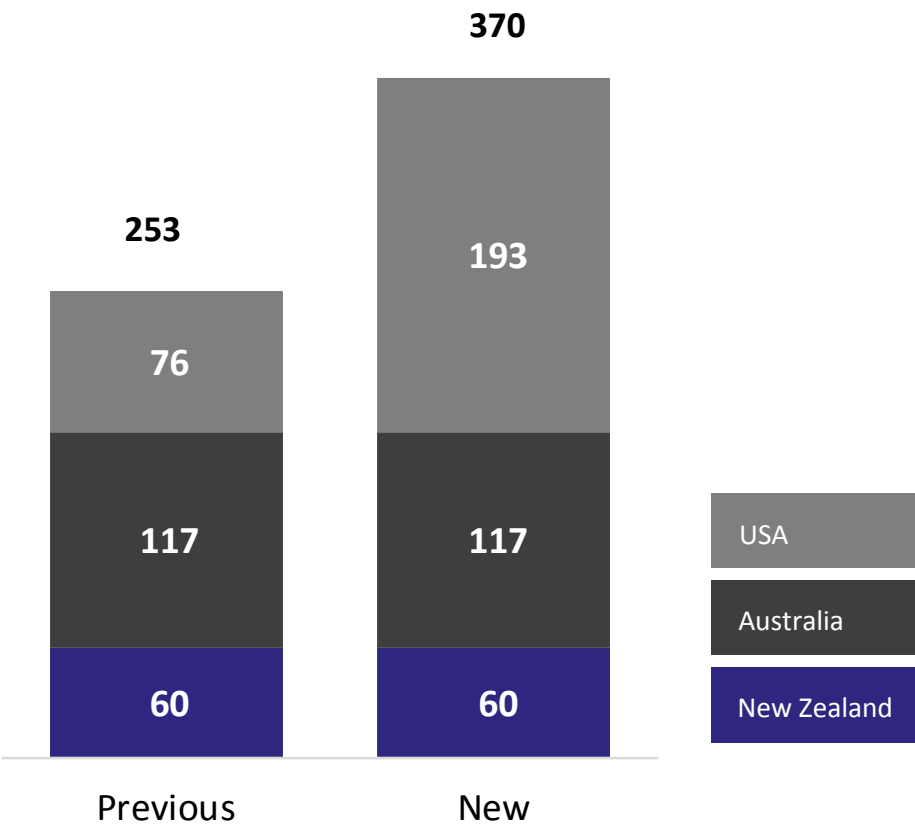
1,500

Staff

Conditional on Yum! approval and lease assignments

New banking facilities in place reflecting RBD’s more global outlook

\$NZm



Banks	Westpac, Rabobank, JP Morgan, Bank of China
Tenor	3 – 4 years
Security	Negative Pledge Structure
Type	Bilateral Facilities under a Common Terms Deed
Currencies	NZD, AUD, USD
Facilities	Term and Revolving