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# **Restaurant Brands New Zealand Limited**

**Results Presentation**

**6 Months to 30 June 2021 (1H 21)**

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## Presentation Outline

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- Key Points
- Results Overview
- New Zealand Operations
- Australia Operations
- Hawaii Operations
- California Operations
- Outlook
- Questions

## Key Points

	1H 21 vs. 1H 20	1H 19R	1H 20	1H 21
• Group Sales	+41%	\$411.0m	\$383.4m	\$540.6m
• Reported NPAT	+208%	\$18.6m	\$11.2m	\$34.5m
• Brand EBITDA	+43%	\$67.4m	\$61.7m	\$88.1m

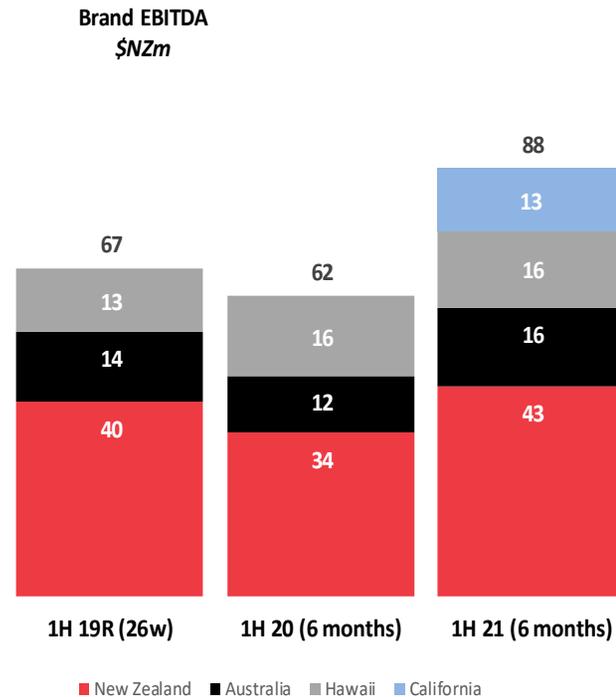
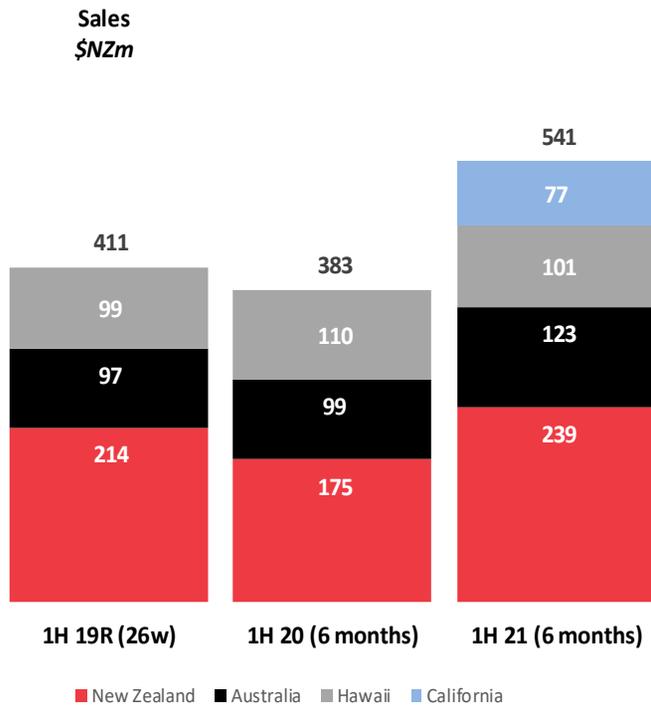
- COVID-19's adverse impact on the NZ business in 1H 20 saw a significant turnaround in 1H 21.
- California acquisition contributed an entire half year of new sales \$77.3m and EBITDA \$12.7m.
- COVID-19 continues to impact operations in all markets to a greater or lesser extent.

### Note:

- 1H 19R = 28 weeks to 9 September 2019 prorated down to 26 weeks
- 1H 20 = 6 months to 30 June 2020
- 1H 21 = 6 months to 30 June 2021

# Results Overview

## Rollover of NZ 1H 20 COVID-19 closures and bringing California acquisition on-stream contributed to record sales and earnings outcome



## Net “non-trading” items strongly positive on US PPP loan forgiveness. Disclosure to be changed going forward

*\$NZm (Pre tax)*

	1H 20	1H 21
ERP implementation	-	1.2
Acquisition costs	0.8	0.7
Net Other Expense	0.8	1.9
Franchise rights amortisation	0.7	3.3
Relocation, refurbishment & closures	0.7	0.6
Impairment of assets	0.6	-
Sundry other income & expenses	(0.3)	(0.2)
Gain on sale Pizza Hut stores	-	(0.9)
Net other items	1.7	2.8
US PPP Loan Forgiven	-	(11.4)
Net "non-trading" items	2.5	(6.7)

**Operating cash flow up on prior year in line with higher profitability.  
Investing cash flow up by \$29m with acquisition of KFC stores in Australia**

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<b><i>\$NZm</i></b>	<b>1H 20</b>	<b>1H 21</b>
Operating Cash Flow (adjusted) *	28	50
Investing Cash Flow	(24)	(53)
Free Cash Flow	4	(3)

*\*Adjusted for payments of lease interest classified as operating activities under NZ IFRS 16 of \$10.8m in 1H 20 and \$14.2m in 1H 21, and payments of lease costs excluded from operating activities under NZ IFRS 16 of \$20.7m in 1H 20 and \$26.3m in 1H 21.*

**Net borrowings up on prior 1H despite strong operating cash flows, with settlement of California acquisition in September 2020 for \$119.2m and acquisition of 5 KFC stores in Sydney for \$25.3m. Ratios remain well within required limits**

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<b>\$NZm</b>	<b>1H 20</b>	<b>1H 21</b>
Net Debt	119	195
Net Debt:EBITDA*	1.3:1	1.4:1
Gearing (ND:ND+E)	35%	42%

\* EBITDA for rolling 12 months, including lease costs

# New Zealand Operations

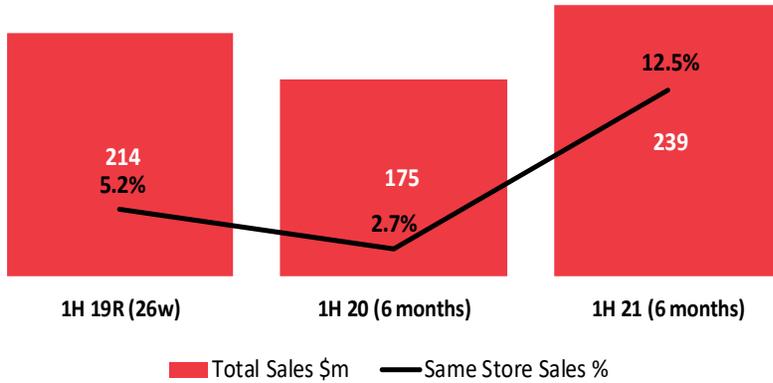
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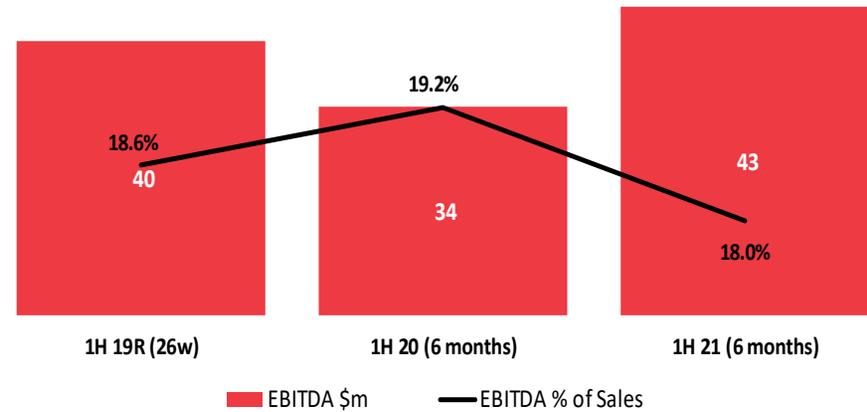
# NZ sales strongly up against prior year's COVID-19 closures and restrictions. EBITDA up in \$ terms

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### NZ Sales



### NZ EBITDA



## New store openings have continued apace for both Taco Bell and KFC in NZ



Taco Bell Stonefields (Lunn Avenue)



Taco Bell Eastgate



KFC Takanini

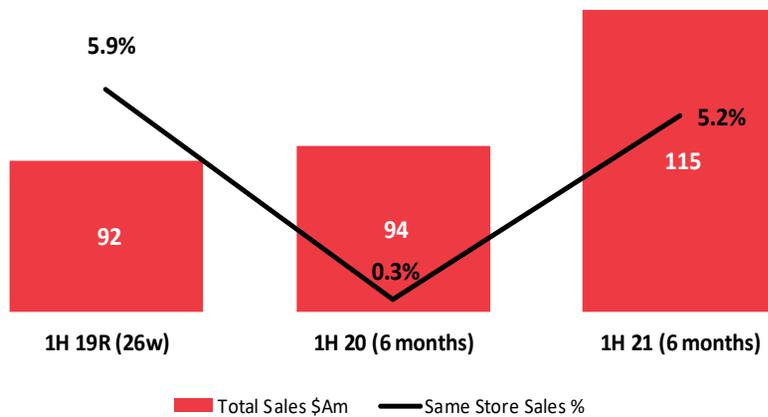
## Australia Operations

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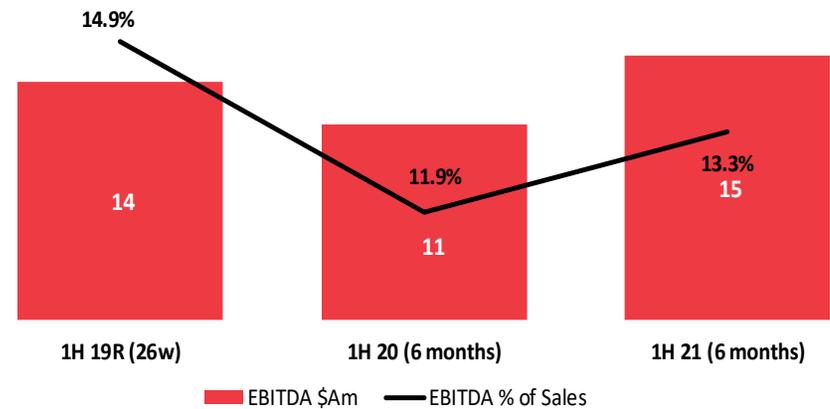


**Australia business partially recovered from mall store closures and dine in restrictions, but still suffering from limitations in non-FSDT stores. Five store KFC acquisition in North Sydney boosted sales and profits**

**Australia Sales**



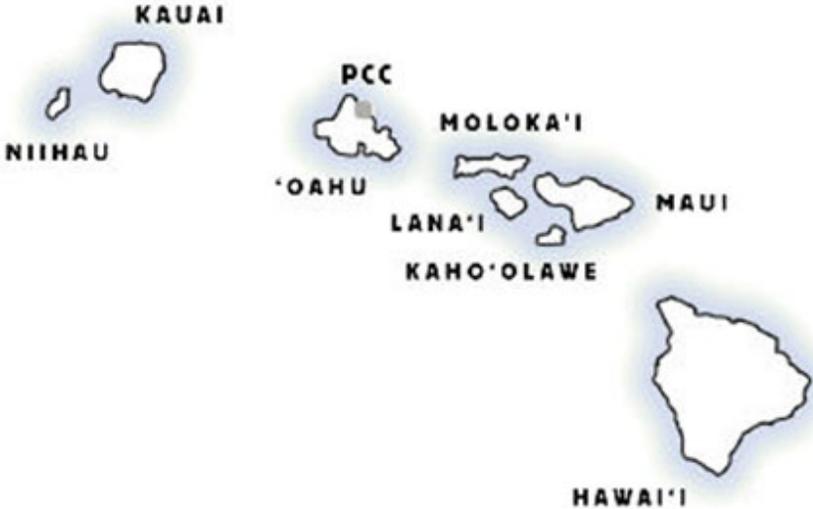
**Australia EBITDA**



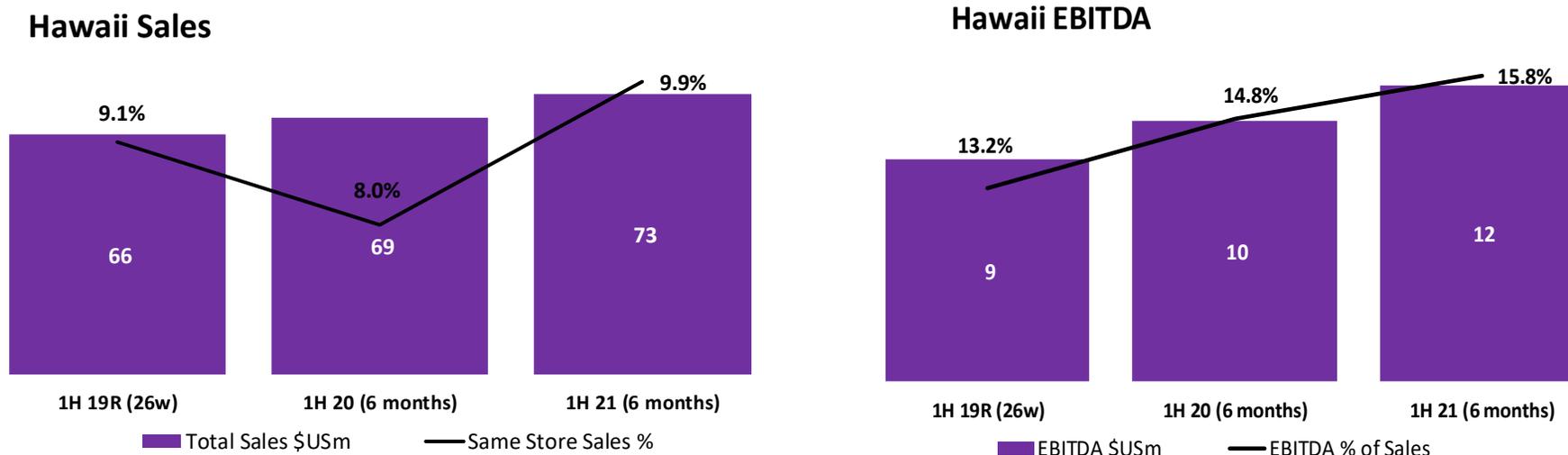


# Hawaii Operations

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## Hawaii held on to solid Pizza Hut gains from COVID-19 period and also enjoyed a significant improvement in Taco Bell post crisis



## Refurbished and relocated Taco Bell stores continue to deliver returns significantly ahead of expectation



Taco Bell Kahalui



Pizza Hut staff at the opening of the new Pahoa store



# California Operations

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# Despite the residual impact of the COVID-19 crisis in California, the new acquisition produced a strong 1H result

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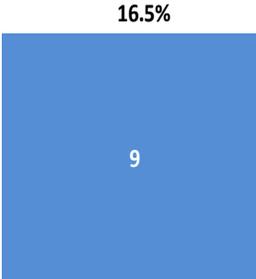
California Sales



1H 21 (6 months)

■ Total Sales \$USm

California EBITDA



1H 21 (6 months)

■ EBITDA \$USm    — EBITDA % of Sales

# RBD California completes its first acquisition with solid sales growth following re-opening after refurbishment



KFC Adelanto

## Outlook

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Restaurant Brands enjoyed a strong start to the year, despite the continued challenges of the COVID-19 pandemic.

Taco Bell store builds are expected to continue in Australia and New Zealand, with another eight stores expected to be open by year end. New KFC store openings will continue in New Zealand and California.

Hawaii will focus on maintaining the refurbishment programme momentum which is still delivering strong same store sales growth on re-opening.

**Despite the strong half year result and this ongoing network growth the prevailing uncertainty of COVID-19 makes it too difficult to predict a full year trading outcome.**

# Questions

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