Group CEO's Address ASM 2023

SLIDE: 1 *CEO's Address*	Thank you, Jose. And good morning, everyone. Firstly, I would like to thank the Board for entrusting me with the opportunity to step up as the Acting Chief Executive Officer of Restaurant Brands. As you know, I have been in this industry for most of my working life and have spent a good deal of my career with Restaurant Brands. I acknowledge the sterling work done by Russel Creedy in the role and I am confident I will be able to deliver continuing strong returns for our shareholders. I would also like to take the opportunity to introduce Julio Valdes as our new Chief Financial Officer. Julio has a very strong financial background, including nearly 30 years at PwC, where he was actively involved in providing a variety of services, to companies in the consumer goods, utilities, and manufacturing sectors. You would have read Julio's and my thoughts on how we are going to work together to drive further growth in Restaurant Brands over coming years in this year's annual report. I am equally confident that Julio and I will be able to effectively follow and build on the footsteps of Russel and Grant. I propose to brief you on trading results by division for 2022 and provide some colour on current challenges and strategies. I will also highlight some of our ESG reporting and initiatives, which are becoming an increasingly important part of our stakeholder accountability.
SLIDE: 2 *NZ Operations*	The New Zealand business still comprises of the largest part of our portfolio, generating sales last year of more than half a billion dollars.

	Total sales were up 14.8% on prior year with a strong performance by the KFC brand. This was driven by the implementation of price increases and growing store numbers in both the KFC and Taco Bell businesses. Carl's Jr. also continues to grow strongly. The sales growth comparison was also assisted by the extended COVID lockdown in Auckland which depressed last years sales somewhat. Significant ingredient and labour cost increases had a material adverse impact on the New Zealand business. We were unable to increase prices at the same rate that our costs were escalating, leading to a drop in EBITDA margin % from 18.1% to 16.9%. Total store EBITDA, however increased by $6.2 million to $89.5 million. Taco Bell remains a small but growing portion of the New Zealand (and Australian) business. The brand is currently not profitable, with its slower than anticipated growth path. However, this is largely because of the significant macro-economic challenges it has faced since its launch three years ago. We are actively addressing a profit building plan.
SLIDE: 3 *Store Builds NZ*	Despite the difficult trading conditions, we continued to progress store development in the New Zealand market. The KFC network expanded by four stores to 109 with three new restaurants opening and the Auckland International Airport store being acquired from an independent franchisee. Taco Bell also saw a further three stores opening over the year to a total of 13. The Pizza Hut store network has grown to 114 with Restaurant Brands holding six stores and 108 operated by independent sub-franchisees under RBD's supervision.
SLIDE: 4 *Australian Operations*	Like New Zealand, Australia also suffered from local cost inflation, but enjoyed solid sales growth. At $A259 million, sales were up 12.6% on prior year and 6.1% on a same store basis.

	It was pleasing to see the sales recovery in the mall and CBD inline stores. Store EBITDA of $A28.6 million (which is 11.0% of sales) was down $A1.2 million or -4% on last year. The impact of labour disruptions, combined with significant ingredient cost increases were simply not able to be recovered. However, this is beginning to be addressed as we move through the new financial year. New store builds continued, albeit at a reduced pace with one new KFC store and four new Taco Bell stores being opened over the year, bringing the total store numbers in Australia to 83.
SLIDE: 5 *Hawaiian Operations*	Despite the post COVID staffing challenges and cost increases in Hawaii, this division traded particularly well, with Taco Bell in particular generating sales for the first time in excess of $US100 million. Total sales in Hawaii for the period were $US156.4 million, up $US10 million, primarily due to a strong recovery by Taco Bell. Same store sales growth was 2.9% for the year, rolling over 9.1% for prior year. Store level EBITDA in Hawaii was $US26.8 million (up $US2.4 million), reaching 17.1% as a percentage of sales vs 16.4% in the prior period. Store numbers are up by two from December 2021 with two new Taco Bells opening during the year and performing well.
SLIDE: 6 *Californian Operations*	After a very strong result last year assisted by increased consumer spending on the back of government stimulus payments, the California business struggled to roll over these numbers, particularly in the face of high ingredient inflation. With the addition of five new stores and the implementation of price increases, total sales improved to $US113 million. However, on a same store basis they fell back to -2.9%. Of all our divisions, California suffered the most significant ingredient cost increases during 2022 and whilst initiatives were put in place and

	selling price increases introduced, these were not sufficient to prevent short term margin deterioration. Consequently, store EBITDA fell from $US17 million to $US11 million and margins from 15.2% of sales to 9.6%. Despite these short-term challenges, we remain optimistic about the growth prospects in this market, opening four new stores and acquiring one other over the year. As a result, total store numbers are 75, up from 70 at the end of 2021 and all new stores are trading at or ahead of expectations.
SLIDE: 7 *G&A Costs*	General and administration (G&A) costs were $61.4 million, up $11.4 million from last year. Wage inflation had a significant impact on salary costs, as did overheads associated with building the Taco Bell business and higher systems costs. G&A as a % of total revenue was 4.7%, slightly higher than our 4.5% from last year. Financing costs of $44.5 million were up $8.2 million on prior year. Interest on bank debt was $11.1 million, up $4.3 million with both increased debt levels and increasing interest rates. Higher debt levels arose from continued high capital expenditure on new stores and refurbishments and the payment of a $40 million dividend relating to the 2021 year.
SLIDE: 8 *ESG Reporting*	You will notice the increased emphasis in our shareholder reporting on the non-financial performance of the business. This year's annual report contains a much more detailed disclosure of ESG (Environment, Social and Governance) matters, and this will become more detailed in future years. As part of our increasing focus on improving our non-financial performance, we have created a new role in the organisation to purely focus on ESG outcomes. We remain very much aware of our footprint on society in all the markets we operate in and are comfortable being held accountable for our performance in this area.

	Whilst it is still early in our ESG journey, we are proud of some of our improved performance to date in such areas as: • Reduced lost time injuries across three of our four divisions. • Elimination of plastic bags, straws and lids in NZ and Australian markets. • More than 60% of restaurants are now on LED lighting. • Total megawatts of energy used per $ millions of sales is down on prior year. Whilst staff turnover performance worsened versus 2021, largely because of COVID, this performance indicator remains very much "top of mind" throughout the organisation. We will continue to refine our ESG reporting, both within prescribed legislative guidelines and voluntary disclosures. We assure you, our shareholders, that Restaurant Brands very much maintains a "balanced scorecard" approach to our measures of business performance.
SLIDE: 9 *Our People*	As you have heard, post the COVID-19 pandemic we continue to see major staff shortages throughout the organisation. This has placed considerable stress on remaining staff at all levels and in all locations where our company operates. As you will have seen from the annual report we do have considerable management depth in Restaurant Brands and we have some amazing key people in management roles in this company. I am grateful to them and our nearly 12,000 team members throughout our store networks in New Zealand, Australia, Hawaii and California for the focus and enthusiasm they have brought to the task of serving our customers under often trying circumstances.
SLIDE: 10 *Update Q1 and Outlook*	The new year sees first quarter sales up 12.0%, and all four divisions recording total revenue growth. However, we continue to experience input cost pressures constraining our margins, particularly over the first half of this year.

	We fully expect store EBITDA margins (the measure of the underlying health of our business) to improve as the year progresses and therefore anticipate that we will deliver a much stronger second half. These increased EBITDA margins will however be partly offset by higher G&A and funding costs, resulting in a full year reported profit in the vicinity of last year's result. We remain focussed on our long-term growth strategies and believe that despite the short term challenges our business has a strong track record in delivering improved outcomes in the long term. Thank you. I'll now hand you back to Jose.