



COLLINS FOODS LIMITED

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ASX RELEASE

TRADING UPDATE

Thursday, 22 August 2024: Collins Foods Limited (ASX: CKF) (**Collins Foods or the Company**) released a trading update after the first 16 weeks of its FY25 financial year (29 April 2024 – 18 August 2024).

In the first 16 weeks of the Company's FY25 financial year, total Company sales grew 1.1%, however the profit gains on higher sales were more than offset by the impact of persistent inflation on cost of sales, labour and energy. Same store sales (SSS) performance continued to reflect weaker consumer sentiment in Australia and Europe and the impacts arising from the conflict in the Middle East, which has affected sales in the Netherlands.

As a result, H1 FY25 margins are expected to contract relative to prior year. Group underlying EBITDA (post AASB16) H1 FY25 margins are expected to reduce, in the range of 1.3% – 1.6% (FY24: 15.8%) with underlying EBIT margins expected to decrease, in the range of 1.5% – 1.8% (FY24: 8.8%).

Australian KFC portfolio development remains on track with planned new restaurant additions in line with the previous financial year. The Europe portfolio will see an additional four to five company-owned restaurants added at the end of the 2024 calendar year.

Collins Foods remains highly cash generative and has a strong balance sheet, ensuring it can invest in growth opportunities domestically and in Europe as they arise.

Commenting on the update, Interim CEO and Managing Director, Kevin Perkins, said:

"Current conditions remain challenging for consumers. This, and the impact of continued cost inflation, albeit moderating, will impact H1 margins. However, the fundamentals of our business remain strong. Collins Foods will continue to provide value and affordability for our customers and protect the long-term health of our trusted brands. While timing is uncertain, Collins Foods is well-positioned to take advantage of improved consumer conditions when they emerge."

Analysis of total and SSS:

	FY25 (first 16 weeks)	FY25 (first 7 weeks)
Total Sales		
KFC Australia	2.5%	1.5%
KFC Europe	(1.8%)	(0.1%)
SSS%		
KFC Australia	(0.3%)	(0.8%)
KFC Netherlands	(2.6%)	(2.3%)
KFC Germany	(4.5%)	(2.8%)
Taco Bell	0.0%	0.6%

Authorised for release by the Board.

ENDS

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About us

Collins Foods Limited (ASX: CKF) is a KFC and Taco Bell franchisee in Australia, KFC Netherlands corporate franchisee and KFC franchisee in Germany. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Restaurants Done Better." For further information please visit www.collinsfoods.com