RESTAURANT BRANDS NEW ZEALAND LIMITED

RESTAURANT BRANDS RELEASES 30 JUNE 2024 HALF YEAR FINANCIAL RESULTS

- Record Group store sales of $687.2 million
- Net Profit After Tax (NPAT) of $12.6 million
- Group store EBITDA was $94.6 million, an increase of 20.8% on 1H 2023
- Store numbers (owned and franchised) now total 506

Auckland, 29 August 2024. Restaurant Brands New Zealand Limited (RBD or the Group), has reported today its financial results for the six months ended 30 June 2024 (1H 2024).

RBD delivered record Group store sales of $687.2 million for 1H 2024, a 7.3% increase on the same period last year (1H 2023).

Group NPAT of $12.6[1] million represents a significant improvement on 1H 2023.

Group store EBITDA reached $94.6 million, a significant increase of $16.3 million or 20.8% on 1H 2023.

Restaurant Brands' store numbers totalled 506, of which 378 are owned and 128 franchised. Four new stores were opened in 1H 2024, for a total of 13 net new stores from 1H 2023.

"We are proud to observe that our strategy is delivering good results", said RBD Chairman, José Parés. "Initiatives including cost control measures, operational efficiencies, and price programmes continue to deliver value for money for customers and to protect brand health, maintain customer loyalty, and staying competitive. They have also helped offset rising labour costs and consumer pressures. In terms of the regions where RBD operates, performance in New Zealand and Hawaii are particularly noteworthy as both regions showed significant improvements, with solid growth in 1H 2024".

Parés continued, "our brand reach is growing, with the opening of new stores across all brands, including small-format delivery, carry-out and drive-through concepts to meet the changing needs of our customers. We also continue to recruit motivated business owners to open franchised stores for our award-winning Pizza Hut network".

RBD Chief Executive Officer, Arif Khan, says "the Group is expanding its store portfolio, investing in technology and disrupting its brand offerings to deliver winning, digital-first brands to customers and strengthen revenue streams".

In New Zealand store sales recorded solid growth to $309.6 million, up 13.7% on 1H 2023. The development of new KFC, Taco Bell and Carl's Jr. stores contributed to the increase in total sales. Same store sales increased 10.0%, primarily driven by a solid transaction growth resulting from our strategic initiatives and resuming operations to full trading hours, as labour shortages eased. KFC delivered double digit growth in same store sales and, most importantly, steady solid transactions. Taco Bell did well with double digit growth in both same store sales and transactions, with customers adopting the Mexican-inspired food offered by the brand. Carl's Jr. also delivered positive same store sales in 1H 2024 and offered innovative store formats.

Store EBITDA was $49.2 million, a 52.8% increase on 1H 2023. Store EBITDA margin was at 15.9%, which also represented a significant increase compared with the same period last year.

[1] Included in Group NPAT is a non-cash net impairment charge of $3.3 million relating to property, plant and equipment and intangible assets ($2.5 million after-tax).

In Australia, store sales were $A139.6 million, down 0.5% on 1H 2023. The region is facing an adverse economic environment that continues to impact consumer demand. However, digital sales through owned and third-party aggregator channels are contributing to the sales volume.

Same store sales were down 3.8% on 1H 2023, from current market conditions and a high comparison base.

Store EBITDA was $A15.4 million, a 0.6% decrease on 1H 2023. The Group continues to implement cost control initiatives to support recovery and preserve margins to deliver growth when market conditions improve.

In Hawaii, store sales were $US84.3 million, a 6.3% increase on 1H 2023, primarily driven by the thriving Taco Bell brand and steady Pizza Hut sales.

Same store sales increased 4.7% on 1H 2023, as a result of a strong marketing and promotions programme and the successful implementation of pricing strategies. Additionally, some areas saw an increase in staffing which allowed certain key stores to extend their trading hours and serve late-night customers.

Store EBITDA was $US14.9 million, an increase of 18.3% on the prior year. This was driven by the effect of margin recovery initiatives, although inflation and high energy prices are still limiting disposable income.

In California, store sales were $US53.6 million, down 3.4% on the same period last year, affected by elevated cost-of-living pressures.

Same store sales decreased by 5.8%, primarily due to a shift in consumer preferences to value-oriented options. However, this was partially offset by new menu propositions and strategic pricing programmes.

Store EBITDA decreased by $US3.0 million, or 53.6%, largely due to the 29% increase in the minimum wage which came into effect on 1 April 2024. RBD continues to focus on initiatives to offer new products, reinforce transactions and improving operational efficiencies to maintain brand health and support growth once market conditions begin to recover.

Group General and Administration (G&A) expenses were $33.1 million, an increase of $0.3 million on 1H 2023. G&A as a percentage of total revenue was 4.6%, down on 1H 2023 at 4.9%, supported by initiatives aimed at reducing non-essential G&A expenses across the Group.

Total assets were $1,442.0 million, up $16.2 million on 31 December 2023 and bank debt at the end of 1H 2024 was $274.4 million compared to $289.4 million as of 31 December 2023, due to a combination of net repayments of $23 million offset by $8 million of exchange rate effects.

Total liabilities were $1,132.0 million, down $3.3 million on 31 December 2023. The Group had bank debt facilities totalling $385.9 million, with $111.5 million undrawn. Cash and cash equivalents decreased by $9.6 million since 31 December 2023 with the higher earnings offset by investment in the store development programme and the repayment of bank loans. RBD remains comfortably within all banking covenants with a Net Debt to EBITDA ratio of 1.9:1 (2.4:1 in 1H 2023).

Khan added, “in addition to focusing on margin and profit recovery, we are launching innovative new products, transforming our menus, investing in technology, and delivering enhanced marketing programmes in order to continue to grow our distinctive brands”.

“We continue to push the boundaries of creativity to deliver insight-driven marketing and social media programmes, which are creating virality and solidifying our brands at the forefront of culture”.

“The margin recovery initiatives implemented in 2H 2023 will continue to deliver steady improvements over the next 18 months.”

Parés said in closing that, “while the operating environment continues to present challenges, the last 12 months have been transformative for Restaurant Brands, and we are seeing the results. Looking forward, we are gearing up for the next phase of growth alongside our investors, our customers and our team".

Authorised by:

Arif Khan	Julio Valdés
CEO	CFO
Phone: 525 8700	Phone: 525 8700

ENDS

INTERIM REPORT

FOR THE SIX MONTHS ENDED 30 JUNE 2024

RESTAURANTBRANDS.CO.NZ

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ABOUT RESTAURANT BRANDS

Restaurant Brands New Zealand Limited (RBNZ) and its subsidiaries (together the Group), also referred to as Restaurant Brands (RBD), operates the KFC, Pizza Hut, Taco Bell and Carl's Jr. brands in New Zealand, the KFC and Taco Bell brands in Australia, the KFC and Taco Bell brands in California, and the Taco Bell and Pizza Hut brands in Hawaii, Saipan and Guam. These brands – four of the world's most famous – are distinguished for their product, look, style, ambience and service and for the total experience they deliver to their customers around the world.

KEY RESULTS

$687.2M

Group store sales / 1H 2024

Up $47.0 million or 7.3% on 1H 2023.

$94.6M

Group store EBITDA[1] / 1H 2024

Up $ 16.3 million on 1H 2023, driven by strong sales and improved performance of the New Zealand and Hawaii divisions.

$12.6M

Group Net Profit After Tax (NPAT) / 1H 2024

Up $10.4 million on 1H 2023. Total earnings per share rises to 10.1cps

506 STORES

378 owned + 128 franchised / 1H 2024

A net increase of 13 stores from 493 stores in 1H 2023.

[1] EBITDA is earnings before interest, tax, depreciation and amortisation. The store EBITDA amounts referred to throughout this report are before General and Administration (G&A) expenses, NZ IFRS 16 and Other Items. EBITDA is a non-GAAP financial measure and is not in accordance with NZ IFRS.

GROUP OPERATING RESULTS

$NZm	1H 2024	1H 2023	Change ($)	Change (%)
Group store sales	687.2	640.2	+47.0	+7.3
Group NPAT	12.6	2.2	+10.4	+472.7
Group store EBITDA	94.6	78.3	+16.3	+20.8
Group store EBITDA as a % of sales	13.8	12.2		
Store numbers (owned and franchised)	506	493		

Restaurant Brands has delivered record total Group store sales of $687.2 million for the six months ended 30 June 2024 (1H 2024).

Group NPAT of $12.6[1] million represents a significant improvement on the same period last year (1H 2023) and is underpinned by the ongoing implementation of strategic initiatives including cost control measures, operational efficiencies, and strategic pricing programmes. These initiatives are carefully balanced with the continued delivery of value for money for customers - in both price and experience – to protect brand health, maintain customer loyalty, and staying competitive. They have also helped offset rising labour costs and consumer pressures.

As a result, Group store EBITDA saw a significant improvement, reaching $94.6 million, an increase of $16.3 million or 20.8% on 1H 2023.

Our strategy is delivering gradual margin recovery for the Group. New Zealand and Hawaii are particularly noteworthy, showing significant improvements in performance, with solid growth in 1H 2024. Although recovery in Australia and California has been slower, the strong results in New Zealand and Hawaii are positioning the Group on the right track to reach Group store EBITDA margin levels obtained in FY2022, established as the baseline for future growth.

In Australia and California, market conditions - including the 29% increase in the recently imposed minimum wage in California - continue to place significant pressure on consumer spending and labour costs. We are closely monitoring these markets and implementing strategies to mitigate the adverse impact of the current trading conditions.

In addition to focusing on margin and profit recovery, we have made considerable progress in advancing our growth strategy, even under market conditions that continue to be challenging. Across all markets we are launching innovative new products, transforming our menus, investing in digital channels, increasing digital sales, and delivering enhanced marketing programmes. We continue to grow distinctive, modern brands that deliver a winning experience to our customers, the Restaurant Brands team, and our franchisee network. Furthermore, investments in technology are delivering significant cost efficiencies to support margins while improving customer access and staff experience across all divisions.

We opened four new stores – including new-formats - in 1H 2024 (13 net new stores from 1H 2023), maintained our ongoing store refurbishment programme, and continued to optimise the store portfolio to focus on key growth areas. As at 30 June 2024, Restaurant Brands' store numbers totalled 506 (378 owned and 128 franchised), including 150 owned stores in New Zealand, 85 stores in Australia, 70 in Hawaii, and 73 in California. Of the 130 Pizza Hut stores in New Zealand, 124 are owned by independent franchisees.

NEW ZEALAND OPERATIONS

	1H 2024	1H 2023	Change ($)	Change (%)
Store sales ($m)	309.6	272.3	+37.3	+13.7
Store EBITDA ($m)	49.2	32.2	+17.0	+52.8
EBITDA as a % of sales	15.9	11.8		
Store numbers	150	143		

New Zealand store sales recorded solid growth to $309.6 million, up $37.3 million or 13.7% on 1H 2023. The development of new KFC, Taco Bell and Carl's Jr. stores contributed to the increase in total sales.

[1] Included in Group NPAT is a non-cash net impairment charge of $3.3 million relating to property, plant and equipment and intangible assets ($2.5 million after-tax).

Same store sales increased 10.0%, primarily driven by a solid transaction growth as a result of product innovation, enhanced marketing, and strategic pricing programmes. Additionally, labour shortage easing enabled the stores to resume full trading hours.

KFC delivered double digit growth in same store sales and, most importantly, steady solid transactions. Taco Bell has been doing well in New Zealand, where customers are adopting the Mexican-inspired food offered by the brand, which delivered double digit growth in both same store sales and transactions for 1H 2024. Carl's Jr. also delivered positive same store sales in 1H 2024, and continued to create new consumption occasions by offering innovative store formats in the region, an initiative that we are expanding to other brands as well.

Store EBITDA was $49.2 million, a $17.0 million or 52.8% increase on 1H 2023, primarily driven by the strong store sales performance, margin improvement initiatives and the stabilisation of input costs. Store EBITDA margin was 15.9%, which also represented a significant increase compared with the same period last year. Our goal is to surpass FY 2022 margins in the near term. We are working hard to face the prevailing challenges in market conditions that continue to place pressure on consumer spending.

The robust Pizza Hut network in New Zealand continues to grow, totalling 130 stores as at 30 June 2024. Six new stores were opened in 1H 2024, owned and operated by independent franchisees under the Group Master Franchise Agreement. A strong pipeline of new store development is in place for the second half of 2024.

Total RBD-owned store numbers in New Zealand increased by seven from 1H 2023, with four new store openings in 2H 2023 (one KFC, one Taco Bell and two Carl's Jr.) and three in 1H 2024 (two Taco Bell and one KFC), bringing the total to 150 stores.

AUSTRALIA OPERATIONS

	1H 2024	1H 2023	Change ($)	Change (%)
Store sales ($Am)	**139.6**	140.3	-0.7	-0.5
Store EBITDA ($Am)	**15.4**	15.5	-0.1	-0.6
EBITDA as a % of sales	**11.0**	11.1		
Store numbers	**85**	85		

Store sales in Australia were $A139.6 million, down $A0.7 million or 0.5% on 1H 2023.

Australia is facing an adverse economic environment, resulting in challenging operating conditions for the Quick Service Restaurant (QSR) sector as elevated cost of living pressures and interest rates continue to impact consumer demand, particularly across shopping centre and mall-based stores. Additionally, labour and utility costs remain high. On a positive note, digital sales through owned and third-party aggregator channels are contributing to the sales volume. Ongoing investments in these channels, alongside investments in restaurant design, are strengthening brand health and improving operational efficiencies.

Although same store sales were down 3.8% on 1H 2023, it is noteworthy that last year's growth rates were strong, making for a high comparison base.

Store EBITDA was $A15.4 million, a decrease of $A0.1 million or 0.6% on 1H 2023. The Group continues to implement cost control initiatives to support recovery and preserve margins while ensuring our brands are well positioned to deliver growth once market conditions improve.

In $NZ terms, the Australian division contributed store sales of $NZ150.9 million (down 0.6%), and store EBITDA of $NZ16.6 million, a decrease of 1.0% on 1H 2023.

RBD operates 85 stores in Australia. During 1H 2024 we opened one new KFC store as we re-branded a Taco Bell store, which was closed during 2H 2023.

HAWAII OPERATIONS

	1H 2024	1H 2023	Change ($)	Change (%)
Store sales ($USm)	**84.3**	79.3	+5.0	+6.3
Store EBITDA ($USm)	**14.9**	12.6	+2.3	+18.3
EBITDA as a % of sales	**17.7**	15.9		
Store numbers	**70**	73		

Store sales in Hawaii (including Guam and Saipan) were $US84.3 million, an increase of $US5.0 million or 6.3% on 1H 2023. These results were primarily driven by the solid performance of the Taco Bell brand, which continued to thrive in this market, and steady Pizza Hut sales which delivered moderate growth.

Same store sales increased 4.7% on 1H 2023, as a result of a strong marketing and promotions programme that continues to drive sales growth, alongside the successful implementation of pricing strategies. Although some areas are still experiencing staffing shortages, an increase in staffing has allowed certain key stores to extend trading hours to serve the late-night customer market.

Store EBITDA was $US14.9 million, an increase of $US2.3 million or 18.3% on the prior year. This was primarily driven by the effect of margin recovery initiatives and the easing of inflationary pressures in the region. Nevertheless, current economic conditions continue to place pressure on consumers, with year-on-year inflation and high energy prices limiting disposable income.

In $NZ terms, the Hawaiian operations contributed $NZ138.5 million in store sales, up 9.0% on 1H 2023, and $NZ24.5 million in store EBITDA, an increase of 21.1%.

RBD operates 70 stores in Hawaii. Resulting from the August 2023 wildfires, one Pizza Hut and one Taco Bell store were temporarily closed. Another Taco Bell store was permanently closed in 2H 2023.

CALIFORNIA OPERATIONS

	1H 2024	1H 2023	Change ($)	Change (%)
Store sales ($USm)	**53.6**	55.5	-1.9	-3.4
Store EBITDA ($USm)	**2.6**	5.6	-3.0	-53.6
EBITDA as a % of sales	**4.9**	10.1		
Store numbers	**73**	76		

Store sales in California were $US53.6 million, down $US1.9 million, or 3.4% on the same period last year, as elevated cost of living pressures continue to impact consumer spending.

Same store sales decreased by 5.8%, primarily due to consumer preferences shifting to value-oriented menus and promotional items as economic conditions continue to impact discretionary spending. However, this was partially offset by new menu propositions and strategic pricing programmes aimed at improving the number of transactions and ticket values.

Store EBITDA decreased by $US3.0 million or 53.6%, largely due to the 29% increase in the minimum wage which came into effect on 1 April 2024. Although other input costs remained stable, the Group continues to implement strategies to mitigate the impacts of increased labour costs.

To this end, we continue to focus on initiatives to offer new products and reinforce customer base, and on improving operational efficiencies that will help maintain brand health and support growth once market conditions begin to recover.

While these initiatives have shown improved performance towards the end of the first half of FY24, we anticipate that it will take 12-18 months to see better trading conditions in the market.

In $NZ terms, the Californian operations contributed $NZ88.1 million in store sales, down 0.9% on 1H 2023, and $NZ4.3 million in store EBITDA, a decrease of 52.4%.

RBD operates 73 stores in California, down three from 76 stores in 1H 2023 as part of the ongoing optimisation of the portfolio to focus on key growth areas.

CORPORATE & OTHER

Group General and Administration (G&A) expenses were $33.1 million, an increase of $0.3 million on 1H 2023. G&A as a percentage of total revenue was 4.6%, down on 1H 2023 at 4.9%, supported by initiatives aimed at reducing non-essential G&A expenses across the Group.

Depreciation charges of $24.5 million for 1H 2024 were $1.5 million higher than 1H 2023. The increase is due to the continued new store builds and store refurbishments, although these are being executed at a slower rate than the prior year. Depreciation of right of use assets is also up $0.6 million, to $21.7 million, with new leases increasing the associated right of use asset depreciation.

Financing costs of $28.6 million were up $1.3 million on 1H 2023, primarily driven by increased interest rates charged on the Group loans. Interest on bank loans was $10.4 million, compared with $9.7 million in 1H 2023. Lease interest contributed $0.5 million to the increase due to both new leases and existing leases being extended.

Tax expense was $3.8 million, up $3.0 million on the back of higher earnings for the period. The effective tax rate is 23.3%, a decrease from 27.4% on 1H 2023 largely due to additional tax deductions.

OTHER EXPENSES

Other expenses for 1H 2024 included $3.3 million related to the recognition of an impairment expense for five restaurants in California, three in Australia, and two in New Zealand.

BALANCE SHEET AND CASH FLOW

Total assets of the Group were $1,442.0 million, up $16.2 million on 31 December 2023, primarily due to new store builds and refurbishments which increased the value of both property, plant, and equipment as well as right of use assets. Bank debt at the end of 1H 2024 was $274.4 million compared to $289.4 million as of 31 December 2023, due to a combination of net repayments of $23 million offset by $8 million of exchange rate effects.

As of 30 June 2024, the Group had bank debt facilities totalling $385.9 million ($111.5 million undrawn as of 30 June 2024). Cash and cash equivalents decreased by $9.6 million since 31 December 2023 with the higher earnings offset by investment in the store development programme and the repayment of bank loans.

The Group remains comfortably within all banking covenants with a Net Debt to EBITDA ratio of 1.9 : 1 (2.4 : 1 in 1H 2023).

Net operating cash inflows were $60.8 million, up $11.2 million on 1H 2023. This increase is mainly driven by higher sales and is partially offset by increased payments to suppliers generating a net cash inflow. Higher interest payments on bank debt and income tax amounted to $1.4 million.

Net investing cash outflows were $32.3 million, $1.1 million lower than the $33.4 million in 1H 2023.

OUTLOOK

Despite the ongoing challenges in the markets, the Board and Management team remain confident in the progress being made against the Group's recovery and growth strategy.

The margin recovery initiatives implemented in 2H 2023 will continue to deliver steady improvements over the next 18 months.

Our customers are responding positively to the innovations being delivered across our menus, service models, and store network. This is driving continued record sales volume, which plays a critical role in the Group's strategy to deliver sustainable long-term value for stakeholders.

There are indications that the inflationary headwinds of the last two years are lessening in some regions. Additionally, the easing of monetary policy is expected by year-end across most global markets. Although these economic shifts will begin to flow into the wider operating environment, in the near-term costs related to labour, fuel, electricity, and interest rates remain elevated, as are cost-of-living pressures for consumers.

We continually monitor the impact on all divisions closely, focusing particularly on the minimum wage increases in Hawaii and California and the challenging trading conditions in Australia.

Looking forward, the focus will remain firmly on improving margins and profits, while positioning the Group for its next phase of growth through network expansion, technology advancement and delivering winning, digital-first, disruptive QSR brands. We aspire to reach $2 billion in Group store sales and are well on our way to achieving this.

We thank our shareholders, our customers, and the Restaurant Brands team for their ongoing and valued support.

PRO FORMA INCOME STATEMENT

for the six months ended 30 June 2024

$NZ000's	30 June 2024 unaudited	vs Prior %	30 June 2023 unaudited
Sales			
New Zealand	309,645	*13.7*	272,317
Australia	150,918	*(0.6)*	151,894
Hawaii	138,528	*9.0*	127,076
California	88,064	*(0.9)*	88,864
Total sales	**687,155**	***7.3***	**640,151**
Other revenue	37,790	*14.5*	33,002
Total operating revenue	**724,945**	***7.7***	**673,153**
Cost of goods sold[1]	(602,685)	*(5.5)*	(571,273)
Gross profit	**122,260**	***20.0***	**101,880**
Distribution expenses[2]	(4,766)	*(3.5)*	(4,606)
Marketing expenses[3]	(36,260)	*(11.8)*	(32,431)
General and administration expenses[4]	(33,063)	*(0.9)*	(32,759)
Other income	118	*n/a*	-
Other expenses (Impairment charges)	(3,305)	*(80.6)*	(1,830)
Operating profit	**44,984**	***48.7***	**30,254**
Financing expenses	(28,587)	*(4.9)*	(27,245)
Net profit before taxation	**16,397**	***444.9***	**3,009**
Taxation expense	(3,814)	*(361.6)*	(826)
Total profit after taxation (NPAT)	**12,583**	***476.4***	**2,183**

1 Cost of goods sold are direct costs of operating stores: food, paper, freight, labour and store overheads.
2 Distribution expenses are costs of distributing product from store.
3 Marketing expenses are order centre, advertising and local store marketing expenses.
4 General and administration expenses (G&A) are non-store related overheads.

GROUP STORE EBITDA

for the six months ended 30 June 2024

Store EBITDA before G&A, NZ IFRS 16 and other items	30 June 2024 unaudited	% sales	vs Prior %	30 June 2023 unaudited	% sales
$NZ000's					
New Zealand	49,170	*15.9*	*52.8*	32,187	*11.8*
Australia	16,633	*11.0*	*(1.0)*	16,802	*11.1*
Hawaii	24,546	*17.7*	*21.1*	20,265	*15.9*
California	4,289	*4.9*	*(52.4)*	9,002	*10.1*
Total store EBITDA before G&A, NZ IFRS 16 and other items	**94,638**	***13.8***	***20.9***	**78,256**	***12.2***
Ratios					
Net tangible assets per security (net tangible assets divided by number of shares) in cents	40.0			2.5	

NON-GAAP FINANCIAL MEASURES

for the six months ended 30 June 2024

The Group results are prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) and comply with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") and New Zealand International Financial Reporting Standards (“NZ IFRS”). These financial statements include a non-NZ GAAP financial measure that is not prepared in accordance with NZ IFRS. The non-NZ GAAP financial measure used in this presentation is as follows:

Store EBITDA before General and Administration (G&A) expenses, NZ IFRS 16 and other items. The Group calculates Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) before G&A, NZ IFRS 16 and other items by taking net profit before taxation and adding back (or deducting) financing expenses, other items, depreciation, amortisation, NZ IFRS 16 and G&A. The Group also refers to this measure as Store EBITDA before G&A and other items. This measure provides the results of the Group’s core operating business and excludes those costs not directly attributable to stores.

The term **Store** refers to the Group’s 10 operating divisions comprising the four New Zealand brands (KFC, Pizza Hut, Taco Bell and Carl’s Jr.), the two Australia brands (KFC and Taco Bell), the two Hawaii brands (Taco Bell and Pizza Hut) and the two California brands (KFC and Taco Bell). The term **G&A** represents non-store related overheads.

The Group believes that this non-NZ GAAP measure provides useful information to readers to assist in the understanding of the financial performance and position of the Group, but it should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with IFRS and NZ IFRS. This non-NZ GAAP measure as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

The following is a reconciliation between this non-GAAP measure and net profit after taxation:

$NZ000's	30 June 2024 unaudited	30 June 2023 unaudited
Store EBITDA before G&A, NZ IFRS 16 and other items	**94,638**	**78,256**
Depreciation	(24,494)	(23,013)
Net loss on sale of property, plant and equipment (included in depreciation)	(363)	(687)
Lease depreciation	(21,723)	(21,063)
Lease costs	33,818	31,770
Amortisation (included in cost of sales)	(4,855)	(4,861)
G&A expenses - area managers, general managers and support centre	(28,850)	(28,638)
Gain on lease termination	-	320
Other income	118	-
Other expenses (Impairment charges)	(3,305)	(1,830)
Operating profit	**44,984**	**30,254**
Financing expenses	(28,587)	(27,245)
Net profit before taxation	**16,397**	**3,009**
Taxation expense	(3,814)	(826)
Net profit after taxation	**12,583**	**2,183**

Interim Financial Statements

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2024

$NZ000's	Note	30 June 2024 unaudited	30 June 2023 unaudited
Store sales revenue		687,155	640,151
Other revenue		37,790	33,002
Total operating revenue		**724,945**	**673,153**
Cost of goods sold		(602,685)	(571,273)
Gross profit		**122,260**	**101,880**
Distribution expenses		(4,766)	(4,606)
Marketing expenses		(36,260)	(32,431)
General and administration expenses		(33,063)	(32,759)
Other income	3	118	-
Other expenses (Impairment charges)	3	(3,305)	(1,830)
Operating profit		**44,984**	**30,254**
Financing expenses		(28,587)	(27,245)
Profit before taxation		**16,397**	**3,009**
Taxation expense		(3,814)	(826)
Profit after taxation attributable to shareholders		**12,583**	**2,183**
Other comprehensive income:			
Exchange differences on translating foreign operations		6,970	6,469
Other comprehensive income net of tax		**6,970**	**6,469**
Total comprehensive income attributable to shareholders		**19,553**	**8,652**
Basic and diluted earnings per share (cents)	4	10.09	1.75

For and on behalf of the Board:

José Parés
Chairman
29 August 2024

Emilio Fullaondo
Director
29 August 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024

$NZ000's	Share capital	Foreign currency translation reserve	Retained earnings	Total
For the period ended 31 December 2023				
Balance at the beginning of the period	**154,565**	**8,935**	**129,684**	**293,184**
Comprehensive income				
Profit after taxation attributable to shareholders	-	-	2,183	2,183
Other comprehensive income				
Movement in foreign currency translation reserve	-	6,469	-	6,469
Total other comprehensive income	-	**6,469**	-	**6,469**
Total comprehensive income	-	**6,469**	**2,183**	**8,652**
Transactions with owners				
Net dividends distributed	-	-	(19,961)	(19,961)
Total transactions with owners	**-**	**-**	**(19,961)**	**(19,961)**
Unaudited balance as at 30 June 2023	**154,565**	**15,404**	**111,906**	**281,875**
Comprehensive income				
Profit after taxation attributable to shareholders	-	-	14,080	14,080
Other comprehensive income				
Movement in foreign currency translation reserve	-	(5,514)	-	(5,514)
Total other comprehensive income	-	**(5,514)**	**-**	**(5,514)**
Total comprehensive income	**-**	**(5,514)**	**14,080**	**8,566**
Audited balance as at 31 December 2023	**154,565**	**9,890**	**125,986**	**290,441**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

for the six months ended 30 June 2024

$NZ000's	Share capital	Foreign currency translation reserve	Retained earnings	Total
For the six months ended 30 June 2024				
Balance at the beginning of the period	**154,565**	**9,890**	**125,986**	**290,441**
Comprehensive income				
Profit after taxation attributable to shareholders	-	-	12,583	12,583
Other comprehensive income				
Movement in foreign currency translation reserve	-	6,970	-	6,970
Total other comprehensive income	-	**6,970**	-	**6,970**
Total comprehensive income	**-**	**6,970**	**12,583**	**19,553**
Unaudited balance as at 30 June 2024	**154,565**	**16,860**	**138,569**	**309,994**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

$NZ000's	Note	30 June 2024 unaudited	31 December 2023 audited
Non-current assets			
Property, plant and equipment	5	350,734	341,773
Land held for development	8	11,131	12,431
Right of use assets	6	592,795	587,649
Sub-lease receivable		837	878
Intangible assets		354,491	349,216
Deferred tax asset		61,976	54,187
Total non-current assets		**1,371,964**	**1,346,134**
Current assets			
Inventories		18,121	19,761
Trade and other receivables		24,008	23,739
Income tax receivable		2,746	4,600
Cash and cash equivalents		21,978	31,584
Held for sale assets	9	3,220	-
Total current assets		**70,073**	**79,684**
Total assets		**1,442,037**	**1,425,818**
Equity attributable to shareholders			
Share capital		154,565	154,565
Reserves		16,860	9,890
Retained earnings		138,569	125,986
Total equity attributable to shareholders		**309,994**	**290,441**
Non-current liabilities			
Provisions		5,553	5,354
Deferred income		313	477
Loans		273,999	288,962
Lease liabilities		685,383	674,304
Total non-current liabilities		**965,248**	**969,097**
Current liabilities			
Income tax payable		2,198	-
Trade and other payables		127,811	131,339
Provisions		1,840	1,689
Lease liabilities		33,154	31,984
Deferred income		1,792	1,268
Total current liabilities		**166,795**	**166,280**
Total liabilities		**1,132,043**	**1,135,377**
Total equity and liabilities		**1,442,037**	**1,425,818**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2024

$NZ000's	30 June 2024 unaudited	30 June 2023 unaudited
Cash flows from operating activities		
Cash was provided by / (applied to):		
Receipts from customers	725,728	672,406
Payments to suppliers and employees	(629,927)	(589,619)
Interest paid	(10,127)	(9,612)
Interest paid on leases	(18,030)	(17,580)
Payment of income tax	(6,814)	(5,931)
Net cash from operating activities	**60,830**	**49,664**
Cash flows from investing activities		
Cash was provided by / (applied to):		
Payment for intangible assets	(452)	(1,132)
Purchase of property, plant and equipment	(31,992)	(33,348)
Proceeds from disposal of property, plant and equipment	117	1,097
Net cash used in investing activities	**(32,327)**	**(33,383)**
Cash flows from financing activities		
Cash was provided by / (applied to):		
Proceeds from loans	104,436	143,740
Repayment of loans	(127,413)	(139,512)
Dividends paid to shareholders	-	(19,961)
Payments for lease principal	(15,790)	(14,190)
Net cash used in financing activities	**(38,767)**	**(29,923)**
Net (decrease) in cash and cash equivalents	**(10,264)**	**(13,642)**
Cash and cash equivalents at beginning of the period	31,584	29,869
Foreign exchange movements	658	901
Cash and cash equivalents at the end of the period	**21,978**	**17,128**
Cash and cash equivalents comprise:		
Cash on hand	708	691
Cash at bank	21,270	16,437
	21,978	**17,128**

Reconciliation of profit after taxation with net cash from operating activities:

$NZ000's	Note	30 June 2024 unaudited	30 June 2023 unaudited
Total profit after taxation attributable to shareholders		**12,583**	**2,183**
Add items classified as investing activities:			
Loss on disposal of property, plant and equipment		245	687
		245	**687**
Add / (less) non-cash items:			
Depreciation		46,217	44,077
Lease termination		-	(320)
Increase in provisions		210	60
Amortisation of intangible assets		4,855	4,861
Impairment of property, plant and equipment	3	2,668	1,830
Impairment of intangible assets	3	637	-
Net (increase) in deferred tax asset		(7,253)	(3,454)
		47,334	**47,054**
Add / (less) movement in working capital:			
Decrease in inventories		1,746	6,301
Decrease / (increase) in trade and other receivables		226	(3,981)
(Decrease) in trade creditors and other payables		(5,556)	(929)
Decrease/(increase) in net income tax receivable		4,252	(1,651)
		668	**(260)**
Net cash from operating activities		**60,830**	**49,664**

Reconciliation of movement in term loans		
Opening balance	288,962	280,281
Net cash flow movement	(22,977)	4,228
Decrease in prepaid facility costs	62	61
Foreign exchange movement	7,952	7,215
Closing balance	**273,999**	**291,785**

Notes to and forming part of the consolidated interim financial statements

for the six months ended 30 June 2024

1. GENERAL INFORMATION

The reporting entity is the consolidated group (the "Group") comprising the parent entity Restaurant Brands New Zealand Limited (the "Company") and its subsidiaries. Restaurant Brands New Zealand Limited is a limited liability company incorporated and domiciled in New Zealand. The principal activity of the Group is the operation of quick service and takeaway restaurant concepts in New Zealand, Australia, USA, Saipan and Guam.

The Company is listed on the New Zealand Stock Exchange ("NZX") and the Australian Securities Exchange ("ASX"). The Group is designated as a for-profit entity for financial reporting purposes.

Statutory base

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets conduct Act 2013.

Reporting framework

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with NZ IAS 34 *New Zealand Interim Financial Reporting*, and IAS 34 *Interim Financial Reporting* and should be read in conjunction with the financial statements published in the Annual Report year ended 31 December 2023 which have been prepared in accordance with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) and New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The accounting policies have been applied on a basis consistent with those used and described in the audited consolidated financial statements for the year ended 31 December 2023.

The unaudited interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP").

New standards and amendments

There are no NZ IFRS, NZ IFRIC interpretations or other applicable IFRS Accounting Standards that are effective for the first time for the financial year beginning on or after 1 January 2024 that had a material impact on these interim financial statements.

2. SEGMENTAL REPORTING

The Group is organised into five operating segments, depicting the four geographically distinct operating divisions: New Zealand, Australia, Hawaii and California, and the corporate support function located in New Zealand. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The chief operating decision makers consider the performance of the business from a geographic perspective, while the performance of the corporate support function is assessed separately.

The Group evaluates performance and allocates resources to its operating segments on the basis of segment assets, segment revenues, Store EBITDA before general and administration expenses, NZ IFRS 16 and operating profit before other items. Operating profit refers to earnings before interest and taxation. Revenue is from external customers.

The Group believes that this non-GAAP measure provide useful information to readers to assist in the understanding of the financial performance and position of the Group but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with New Zealand Equivalents to International Financial Reporting Standards Accounting Standards (NZ IFRS). The non-GAAP measures presented do not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities.

Segment assets include items directly attributable to the segment. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill. The Group has not disclosed segment liabilities as the chief operating decision makers evaluate performance and allocate resources purely on the basis of aggregated Group liabilities.

30 June 2024 $NZ000's	New Zealand	Australia	Hawaii	California	Corporate support function	Consolidated half year unaudited
Business segment						
Store sales revenue	309,645	150,918	138,528	88,064	-	687,155
Other revenue	36,756	-	1,028	6	-	37,790
Total operating revenue	**346,401**	**150,918**	**139,556**	**88,070**	**-**	**724,945**
Store EBITDA before G&A expenses, NZ IFRS 16 and other items	**49,170**	**16,633**	**24,546**	**4,289**	**-**	**94,638**
G&A expenses	(8,789)	(7,164)	(6,235)	(5,795)	(867)	(28,850)
	40,381	**9,469**	**18,311**	**(1,506)**	**(867)**	**65,788**
Other income	-	-	-	118	-	118
Impairment charges	(306)	(1,466)	-	(1,533)	-	(3,305)
Depreciation	(11,238)	(6,901)	(4,380)	(2,330)	(8)	(24,857)
Amortisation	(525)	(588)	(764)	(2,901)	(77)	(4,855)
Adjustments for NZ IFRS 16	5,342	3,391	1,526	1,836	-	12,095
Operating profit	**33,654**	**3,905**	**14,693**	**(6,316)**	**(952)**	**44,984**
Current assets	36,200	12,915	11,879	9,079	-	70,073
Non-current assets excluding deferred tax	357,417	368,264	294,867	289,440	-	1,309,988
Total assets excluding deferred tax	**393,617**	**381,179**	**306,746**	**298,519**	**-**	**1,380,061**

30 June 2023 $NZ000's	New Zealand	Australia	Hawaii	California	Corporate support function	Consolidated half year unaudited
Business segment						
Store sales revenue	272,317	151,894	127,076	88,864	-	640,151
Other revenue	32,589	306	-	107	-	33,002
Total operating revenue	**304,906**	**152,200**	**127,076**	**88,971**	**-**	**673,153**
Store EBITDA before G&A expenses, NZ IFRS 16 and other items	**35,120**	**15,812**	**19,296**	**8,028**	**-**	**78,256**
G&A expenses	(10,204)	(6,483)	(4,775)	(4,547)	(2,629)	(28,638)
	24,916	9,329	14,521	3,481	(2,629)	49,618
Impairment charges	-	(1,830)	-	-	-	(1,830)
Depreciation	(10,153)	(6,609)	(4,717)	(2,212)	(10)	(23,701)
Amortisation	(550)	(656)	(635)	(2,943)	(77)	(4,861)
Adjustments for NZ IFRS 16	4,921	3,166	1,343	1,598	-	11,028
Operating profit	**19,134**	**3,400**	**10,512**	**(76)**	**(2,716)**	**30,254**
Current assets	29,132	14,327	13,783	8,292	-	65,534
Non-current assets excluding deferred tax	333,298	378,651	296,699	314,768	-	1,323,416
Total assets excluding deferred tax	**362,430**	**392,978**	**310,482**	**323,060**	**-**	**1,388,950**

3. PROFIT BEFORE TAXATION

$NZ000's	30 June 2024 unaudited	30 June 2023 unaudited
The profit before taxation is calculated after charging / (crediting) the following items:		
Royalties paid	**40,530**	37,862
Lease expenses	**4,799**	5,384
Other income	**(118)**	-
Other expenses	**3,305**	1,830

Lease expenses

This relates to short term and variable lease costs included in the consolidated statement of comprehensive income not included in NZ IFRS 16 costs.

Other income

$NZ000's	30 June 2024 unaudited	30 June 2023 unaudited
Income from settlement on assets	**118**	-
Total other income	**118**	**-**

Other income relates to proceeds received in 2024 from a legal settlement on California store assets previously impaired.

Other expenses

$NZ000's	30 June 2024 unaudited	30 June 2023 unaudited
Net impairment of property, plant and equipment and intangible assets	3,305	1,830
Total other expenses	**3,305**	**1,830**

Net impairment of property, plant and equipment and intangible assets

The Group continued to face inflationary pressures in the California and Australia divisions in addition to reduced household spending impacting sales and margins. A detailed review of property, plant and equipment, intangible assets, and right of use assets of stores at period end resulted in a number of stores with impairment indicators. Based on further analysis a net impairment charge of $3.3 million was recognised for June 2024 (June 2023: $1.8 million). This includes $1.5 million for five KFC stores in Californa, $1.5 million for two Taco Bell stores and one KFC store in Australia, and $0.3 million for one KFC and one Carl's Jr store in New Zealand.

4. EARNINGS PER SHARE

	30 June 2024 unaudited	30 June 2023 unaudited
Basic and diluted earnings per share		
Profit after taxation attributable to the shareholders ($NZ000's)	12,583	2,183
Weighted average number of shares on issue (000's)	124,759	124,759
Basic and diluted earnings per share (cents)	10.09	1.75

Shares on issue

As at 30 June 2024, the total number of ordinary shares on issue was 124,758,523 (June 2023: 124,758,523).

5. PROPERTY, PLANT AND EQUIPMENT

Additions and disposals

During the six months ended 30 June 2024, the Group acquired assets with a total cost of $30.5 million (December 2023: $78.9 million) and disposed of assets with a total cost of $0.4 million (December 2023: $4.8 million).

6. RIGHT OF USE ASSETS

Additions and modifications

During the six months ended 30 June 2024, the Group had lease additions and modifications of $14.4 million (December 2023: $20.6 million).

7. RELATED PARTY TRANSACTIONS

Transactions with key management or entities related to them

Apart from directors' fees and key management remuneration, there were no other related party transactions with key management or any Directors or entities associated with them (June 2023: $0.6 million).

8. LAND HELD FOR DEVELOPMENT

As at 30 June 2024 there was $11.1 million relating to land that has been purchased for use in developing new stores in the future (December 2023: $12.4 million).

9. HELD FOR SALE ASSETS

As at 30 June 2024 there was $3.2 million relating to land and building assets that are being actively marketed for sale in accordance with the Group's sale and leaseback programme (December 2023: nil).

10. CAPITAL COMMITMENTS

As at 30 June 2024 the Group has capital commitments totalling $12.3 million (December 2023: $28.0 million) which are not provided for in these interim financial statements.

11. CONTINGENT LIABILITIES

In December 2023, Gordon Legal and Shine Lawyers have filed two class actions in the Federal Court of Australia on behalf of certain KFC employees naming the franchisor, QSR Pty Limited (the Group's Australian operating subsidiary) and eighty-eight other franchisees as respondents. The two class actions were subsequently combined into a single proceeding. As at balance date, there was no impact to the consolidated financial statements, however the Group will continue to assess the claim and will update the market in the event that the claim is expected to have a material impact on the Group.

12. SUBSEQUENT EVENTS

There were no subsequent events that would have a material effect on these consolidated interim financial statements.

REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our conclusion

We have reviewed the consolidated interim financial statements of Restaurant Brands New Zealand Limited (the Company) and its subsidiaries (the Group) on pages 13 to 24, which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six month period ended on that date, and notes, comprising material accounting policy information and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements of the Group do not present fairly, in all material respects, the financial position of the Group as at 30 June 2024, and its financial performance and cash flows for the six month period then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibilities are further described in the *Auditor's responsibilities for the review of the consolidated interim financial statements* section of our report.

We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out other services for the Group in the areas of limited assurance engagements over franchisee advertising spend and greenhouse gas emissions and a whistleblower service. In addition, certain partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the Group. The provision of these other services and relationships has not impaired our independence.

Responsibilities of the Director for the consolidated interim financial statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these consolidated interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the consolidated interim financial statements

Our responsibility is to express a conclusion on the consolidated interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34.

A review of consolidated interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these consolidated interim financial statements.

Who we report to

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Karen Shires.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
29 August 2024

Auckland

CORPORATE DIRECTORY

Directors

José Parés Gutiérrez (Chairman)
Emilio Fullaondo Botella
Carlos Fernández González
Luis Miguel Álvarez Pérez
Stephen Ward
Huei Min (Lyn) Lim
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FINANCIAL CALENDAR

Financial year end

31 December 2024

Annual profit announcement

February 2025

Restaurant Brands New Zealand Limited
Results announcement to the Market

Results for announcement to the market		
Name of issuer	Restaurant Brands New Zealand Limited	
Reporting Period	Six months ended 30 June 2024	
Previous Reporting Period	Six months ended 30 June 2023	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$724,945	7.7%
Total Revenue	$724,945	7.7%
Net profit/(loss) from continuing operations	$12,583	476.4%
Total net profit/(loss)	$12,583	476.4%
Interim/Final Dividend		
Amount per Quoted Equity Security	n/a	
Imputed amount per Quoted Equity Security	n/a	
Record Date	n/a	
Dividend Payment Date	n/a	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	$0.40	$0.03
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer announcement for Restaurant Brands released to the market on 29 August 2024	
Authority for this announcement		
Name of person authorised to make this announcement	Julio Valdés	
Contact person for this announcement	Julio Valdés	
Contact phone number	+64 9 525 8700	
Contact email address	julio.valdes@rbd.co.nz	
Date of release through MAP	29/08/2024	

This report is based on accounts which have not been audited. The report is provided with the accounts which accompany this announcement.