

27 June 2025

ASX Compliance
ASX Limited

Your reference: 110410

Email: ListingsComplianceSydney@asx.com.au

Dear ASX Compliance

COLLINS FOODS LIMITED (ASX: CKF) – ASX REQUEST FOR INFORMATION

In response to your letter dated 25 June 2025, please see below our answers in relation to your request for information.

ASX QUESTION

1. Does CKF consider that any measure of its statutory or underlying earnings for the year ended 27 April 2025 disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
 - 1.1 If CKF had published earnings guidance, that guidance.
 - 1.2 If CKF is covered by sell-side analysts, the earnings forecasts of those analysts.
 - 1.3 If paragraphs 1.1 and 1.2 are not applicable, CKF's earnings for the prior corresponding period, being the year ended 27 April 2024.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

CKF RESPONSE

1. CKF does not consider that any measure of its Earnings Information disclosed in the Results Announcements differed materially from the market's expectations.

The CKF Board and its Executive Team continuously monitor both CKF's actual and expected financial performance to determine whether there is any material difference between CKF's and the market's expectations regarding CKF's financial performance.

CKF has regard to ASX Guidance Note 8, including the commentary in paragraphs 4(a) and 4(b) of section 7.3. In relation to the FY25 results, CKF did consider the market's expectations in the period leading up to the Results Announcement on 24 June 2025. During the period that the Results Announcements were being finalised, CKF's Disclosure Committee monitored CKF's financial performance for the full-year period, with oversight from the Board.

The end of year audit process was concluded, and the Results Announcements were finalised on 23 June 2025, with the results being released to the market before opening of trade on 24 June 2025.

1.1 CKF Guidance

Half Year Results Guidance

CKF did not publish statutory or underlying NPAT, EBIT or EBITDA guidance for the Financial Year 2025 (FY25).

CKF did, however, provide the following guidance with respect to underlying EBITDA margins, underlying EBIT margins, interest costs and tax rate on 3 December 2024 as part of our Half Year Results announcement:

- FY25 group underlying EBITDA (post AASB16) margins expected to be in range of: 14.2% – 14.7% (FY24: 15.4%) with underlying EBIT margins expected to be in range of 6.8% – 7.3% (FY24: 8.3%).
 - CKF's actual underlying EBITDA margin for FY25 was 15%. This represents a **2.3%** positive difference to the top end of the range.
 - CKF's actual underlying EBIT margin for FY25 was 7.7%. This represents a **5.5%** positive difference to the top end of the range.
 - **CKF does not consider either of the above to be materially different from the market expectations.**
- Full year FY25 interest (including lease interest) estimated to be around \$42 million (FY24 underlying: \$38.0 million) with the increase primarily reflecting lease additions and renewals.
 - CKF's actual FY25 interest (including lease interest) was \$40.9m. This represents a **2.6%** positive difference to the guidance.
 - **CKF does not consider the above to be materially different from the market expectations.**
- Group effective tax rate FY25 (in line with HY25) estimated to be around 33% (FY24 underlying continuing operations: 30.3%) but expected to normalise as European profitability improves.
 - FY25 actual tax rate was 32.9%. This represents 0.3% negative difference to the guidance.
 - **CKF does not consider that this differed materially from the market expectations.**

Strategy Update Guidance

On 15 April 2025 CKF announced as part of a strategy update the following with respect to impairment:

- A partial impairment of the Netherlands restaurant portfolio is expected in FY25, with the non-cash impact estimated to be between \$25.5m to \$32.7m (€14m to €18m) based on the early impairment work completed to date. A further update will be provided in the Company's full year results release in June 2025.
 - CKF's impairment for the Netherlands for FY25 was \$36.4m. This represents a **11.3%** negative difference to the top of the guidance range.
 - CKF's announcement clearly stated that work was ongoing with respect to impairments. Furthermore, impairment is a non-cash item that is one-off in nature, which is not reflective of CKF's underlying earnings potential.
 - **CKF does not consider that this differed materially from the market expectations.**

Noting ASX's commentary in paragraph 4(a) of section 7.3 of Guidance Note 8 that the relevant benchmark for considering a disclosure is an expected variation of between 5% and 10% between actual earnings and CKF published guidance, CKF is satisfied that the CKF financial performance for FY25 by reference to the metrics listed above was at levels that did not result in any obligation for CKF to make an announcement regarding those expectations.

1.2 Analyst Consensus

The key earnings metrics for market participants in assessing CKF's financial performance include underlying NPAT, underlying EBITDA, underlying EBIT [and statutory NPAT] on a post AASB 16 basis.

CKF is currently covered by 13 sell-side analysts, who typically (but do not always) update their estimates following CKF's full-year and half-year results announcements.

All analysts had updated their estimates since the 1H25 results announcement.

CKF is of the view that its financial performance for FY25 as disclosed in its Results Announcements was materially consistent with the consensus estimate of CKF's financial performance published by those analysts as follows:

As at 30 May 2025:

- Analyst consensus for Revenue was \$1,530.4m vs CFK's actual FY25 result of \$1,519.5m.
 - This represents a **0.7%** negative difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**
- Analyst consensus for Underlying EBITDA was \$219.4m vs CFK's actual FY25 result of \$228.5m.
 - This represents a **4.1%** positive difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**
- Analyst consensus for Underlying EBIT was \$108.6m vs CFK's actual FY25 result of \$117.1m.
 - This represents a **7.8%** positive difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**
- Analyst consensus for Underlying NPAT was \$44.9m vs CFK's actual FY25 result of \$51.1m.
 - This represents a **13.8%** positive difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**

As at 17 June 2025:

- Analyst consensus for Revenue was \$1,529.2m vs CFK's actual FY25 result of \$1,519.5m.
 - This represents a **0.6%** negative difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**
- Analyst consensus for Underlying EBITDA was \$218.7m vs CFK's actual FY25 result of \$228.5m.
 - This represents a **4.5%** positive difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**
- Analyst consensus for Underlying EBIT was \$108.1m vs CFK's actual FY25 result of \$117.1m.
 - This represents an **8.3%** positive difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**
- Analyst consensus for Underlying NPAT was \$44.6m vs CFK's actual FY25 result of \$51.1m.
 - This represents a **14.6%** positive difference to the analyst consensus.
 - **CKF does not consider that this differed materially from the market expectations.**

Noting ASX's commentary in paragraph 4(b) of section 7.3 of Guidance Note 8 that the relevant benchmark for considering a disclosure is an expected variation of 15% or more between actual earnings and the consensus estimates of analysts, CKF is satisfied that the CKF financial performance for FY25 by reference to the metrics listed above was at levels that did not result in any obligation for CKF to make an announcement regarding those expectations.

1.3 Not Applicable.

ASX QUESTION

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how CKF determined market expectations in relation to each relevant measure of its earnings, including:
 - 2.1 If CKF had published earnings guidance, details of:
 - 2.1.1 that guidance and when it was released to the market; and
 - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
 - 2.2 If CKF used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
 - 2.2.1 the method that CKF used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not CKF used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;
 - 2.2.2 the entity's estimate of market expectations using that method; and
 - 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
 - 2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, CKF's earnings for the prior corresponding period.

CKF RESPONSE

2.
 - 2.1 **Earnings Guidance**
 - 2.1.1 CKF's response to item 1 above provides details of the guidance provided and the date of release.
 - 2.1.2 CKF is of the view that its financial results relating to the guidance provided as disclosed in the Results Announcements were materially consistent with the December 2024 and April 2025 guidance. The end of year audit process was concluded, and the Results Announcements were finalised on 23 June 2025, with the results being released to the market before opening of trade on 24 June 2025
 - 2.2 **Analyst Consensus**
 - 2.2.1 CKF continuously monitors the forecasts published by sell-side analysts that cover CKF. As stated in the response to question 1.2, thirteen analysts published forecasts for CKF. CKF translates these analysts' forecasts into its estimate of market consensus by calculating the simple average of the analysts' forecasts for FY25.
 - 2.2.2 Refer to CKF's response to question 1.2 for CKF's estimate of market expectations for each of underlying NPAT, underlying EBITDA, underlying EBIT and revenue.
 - 2.2.3 CKF is of the view that the financial performance as disclosed in the Results Announcements were materially consistent with the consensus estimate of CKF's financial performance. The end of year audit process was concluded, and the Results Announcements were finalised on 23 June 2025, with the results being released to the market before opening of trade on 24 June 2025.
 - 2.3 **Not Applicable.**

ASX QUESTION

3. Does CKF consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of CKF's securities?

Please answer separately for each measure of earnings referred to in the Earnings Information.

CKF RESPONSE

3. CKF does not consider that, at any time prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for FY25 of a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of CKF's securities.

ASX QUESTION

4. If the answer to question 3 is "no", please provide the basis for that view.

CKF RESPONSE

4. Considering the difference between CKF's actual financial performance and its best estimate of the market's expectations, as outlined in the response to questions 1.1 and 1.2, CKF considered that the FY25 financial performance as set out in the Results Announcements would not have a material effect on the price or value of CKF's securities.

ASX QUESTION

5. If the entity first became aware of the variance before the release of Results Announcements, did CKF make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CKF was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CKF took to ensure that the information was released promptly and without delay.

CKF RESPONSE

5. Not applicable.

ASX QUESTION

6. Please provide details of any other explanation CKF may have for the trading in its securities following the release of the Results Announcements.

CKF RESPONSE

6. Any explanation CKF may provide for the CKF share price increase experienced on 24 June 2025 is general in nature and CKF cannot comment (and is not commenting) definitively as to the factors influencing the trading of its shares. Against this context, there are several factors that may have contributed to the trading in CKF securities following the release of the Results Announcements, including:

FY26 outlook

CKF provided a trading update for the first 8 weeks' of FY26 which demonstrated positive same store sales for the KFA Australia and KFC Germany businesses (neutral for KFC Netherlands).

- CKF also provided earnings guidance as follows:
 - *Collins Foods remains focused on operational excellence to further improve customer engagement and grow sales, while labour productivity and disciplined cost management is expected to deliver margin improvement. KFC Australia will continue to benefit from deflation across some product inputs categories while other inputs are expected to grow broadly in line with inflation. Pressure on European poultry costs, due to avian flu, is expected to continue in FY26.*

- In FY26, Collins Foods is targeting year-on-year group underlying NPAT (post AASB16) growth in the low to mid-teens (percentage basis).
- The FY26 outlook may have provided confidence and greater certainty to the market, when combined with the stronger H2 FY25 results.

Strategic Update

CKF provided further details regarding its accelerated growth plans in Germany, including key market metrics.

The investor call was presented by Xavier Simonet (MD & CEO), Andrew Leyden (Group CFO), Krystal Zugno (General Manager – Operations) and Chris Johnson (Acting General Manager – Europe), with effective execution of strategy and operational excellence highlighted.

ASX QUESTION

7. Please confirm that CKF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

CKF RESPONSE

7. CKF confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

ASX QUESTION

8. Please confirm that CKF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CKF with delegated authority from the board to respond to ASX on disclosure matters.

CKF RESPONSE

8. Collins Foods Limited's Board of Directors has approved the responses contained in this release.

Yours faithfully



Tracey Wood

Group Chief Legal & Risk Officer, and Company Secretary
COLLINS FOODS LIMITED



25 June 2025

Reference: 110410

Ms Tracey Wood
Group Chief Legal & Risk Officer and Company Secretary
Collins Foods Limited

By email: twood@collinsfoods.com

Dear Ms Wood

Collins Foods Limited ('CKF'): ASX Aware Letter

ASX refers to the following:

- A. CKF's announcements released on the ASX Market Announcements Platform on 24 June 2025 in connection with its full year results for the year ended 27 April 2025 ('Results Announcements'), being:
 - 1.1 'FY25 Appendix 4E and Annual Report', released at 8:25 AM AEST;
 - 1.2 'Dividend/Distribution – CKF', released at 8:25 AM AEST;
 - 1.3 'FY25 Results ASX Release', released at 8:25 AM AEST; and
 - 1.4 'FY25 Results Presentation', released at 8:25 AM AEST.
- B. The change in the price of CKF's securities from \$7.26 immediately prior to the release of the Results Announcements to a high of \$9.15 following the release of the Results Announcements.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows:
 - 3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
 - 3.1A.1 *One or more of the following 5 situations applies:*
 - *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*

- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*

- G. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact....

...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities....

Request for information

Having regard to the above, ASX asks CKF to respond separately to each of the following questions and requests for information:

1. Does CKF consider that any measure of its statutory or underlying earnings for the year ended 27 April 2025 disclosed in the Results Announcements ('Earnings Information') differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
 - 1.1 If CKF had published earnings guidance, that guidance.
 - 1.2 If CKF is covered by sell-side analysts, the earnings forecasts of those analysts.
 - 1.3 If paragraphs 1.1 and 1.2 are not applicable, CKF's earnings for the prior corresponding period, being the year ended 27 April 2024.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX's commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how CKF determined market expectations in relation to each relevant measure of its earnings, including:
 - 2.1 If CKF had published earnings guidance, details of:
 - 2.1.1 that guidance and when it was released to the market; and
 - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
 - 2.2 If CKF used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:
 - 2.2.1 the method that CKF used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not CKF used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;
 - 2.2.2 the entity's estimate of market expectations using that method; and

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- 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
- 2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, CKF's earnings for the prior corresponding period.
3. Does CKF consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of CKF's securities?
- Please answer separately for each measure of earnings referred to in the Earnings Information.
4. If the answer to question 3 is "no", please provide the basis for that view.
5. If the entity first became aware of the variance before the release of Results Announcements, did CKF make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe CKF was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps CKF took to ensure that the information was released promptly and without delay.
6. Please provide details of any other explanation CKF may have for the trading in its securities following the release of the Results Announcements.
7. Please confirm that CKF is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that CKF's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CKF with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AEST Friday, 27 June 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CKF's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require CKF to request a trading halt immediately if trading in CKF's securities is not already halted or suspended.

Your response should be sent by e-mail to ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in CKF's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to CKF's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that CKF's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance