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FY15 FINANCIAL YEAR RESULTS

25 June 2015

FY15 financial overview

$m	FY14 Underlying[1]	FY15 Statutory[2]	Significant items [3]	FY15 Underlying[2]	Change versus FY14 Underlying
Revenue	425.1	571.6		571.6	34.4% ↑
EBITDA	49.0	67.4		67.4	37.5% ↑
EBIT	30.8	6.8	38.3	45.1	46.4% ↑
NPAT	17.9	(10.4)	34.9	24.6	37.4% ↑
ROCE[4]	10.4%	12.9%		12.9%	2.5 points ↑
Net Debt	128.0	122.8		122.8	$5.2m ↓
Net Leverage Ratio	2.22	1.83		1.83	
Net cash flow	13.3	4.9		4.9	
EPS basic (cents)	19.2	(11.1)		26.4	37.4% ↑
DPS full year (cents)	10.5	11.5		11.5	9.5% ↑

- Underlying NPAT up 37.4% to $24.6m
- Underlying Revenue up 34.4% up to $571.6m
- EBITDA up 37.5% to $67.4m
- ROCE up 2.5 points to 12.9%
- Net debt down to $122.8m, net leverage ratio improved to 1.83
- Underlying EPS 26.4 cps
- Net cash flow of $4.9m
- Final dividend 6.5 cps (fully franked) bringing the full year dividend to 11.5 cps – an increase of 9.5%
- Pre-tax non-cash impairment charge of $38.3m – Sizzler $37.5m and KFC $0.8m

[1] Adjusted to exclude impact of WA/NT acquisition, non-cash impairments and other significant items in FY14
[2] FY15 includes an additional trading week (53 week year)
[3] Significant items include Impairment of Sizzler brand $6.3m, Sizzler Goodwill $27.1m, Sizzler restaurants $4.1m, and KFC restaurants $0.8m
[4] Underlying EBIT / Average Capital Employed

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FY15 operational highlights

- Strong top line growth: 46.7% total underlying revenue growth, 4.8% same store sales (SSS)
- Built 6 new restaurants and undertook 16 major remodels
- Better than internally predicted initial return on WA/NT acquisition
- Strong overall margin growth

- Sizzler Australia now regarded as non-core to strategic growth
- Sizzler Australia continuing to generate positive EBITDA despite 8.5% SSS decline
- Sizzler Asia continues to contribute steady earnings growth

- Continuing to evolve Snag Stand model
- 2 new format Stands achieving positive results

Strong overall performance across KFC business

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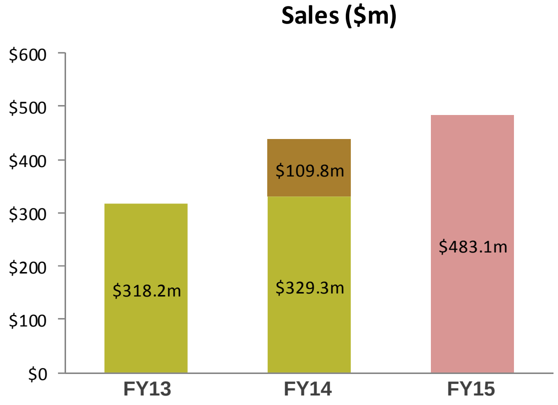
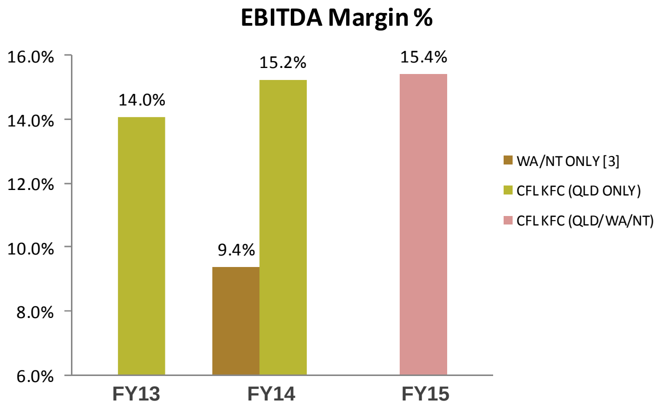
Strong growth across KFC

$m	FY14 Underlying [1]	FY15 Underlying [2]	Change
Restaurants			
- year end	125	171	46 ↑
Revenue	329.3	483.1	46.7% ↑
% SSS	0.8%	4.8%	
EBITDA	50.2	74.4	48.3% ↑
% margin	15.2%	15.4%	20 bps ↑
EBIT	37.6	57.2	52.2% ↑
% margin	11.4%	11.8%	40 bps ↑





- Underlying revenue up 46.7% with SSS up 4.8%
- 6 new restaurants built, 16 major remodels
- Disciplined focus on cost controls improving margins
- WA/NT performance stronger than forecast
- EBITDA margin 15.4% up 20 bps
- EBIT margin 11.8% up 40 bps

[1] Adjusted to exclude WA/NT costs of acquisition and non-cash impairments in FY14

[2] Underlying - excludes $0.8m KFC restaurant impairment

[3] WA/NT FY14 results (primarily pre Collins acquisition)

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KFC Brand supported by compelling core products and great brand building

- Strong product offers appealing to our core customer base – Burger Relaunch, Zinger Pie, Hash Double, Zinger Family

- Continued innovation around boxed meals - The 'One Boxed' meal, HCG Box

- Successful summer cricket campaign centred around #HCG

- Value remains a key focus with strong headline offers complementing everyday value across menu

- Continuing to drive social media and community engagement – e.g. Drive-thru surprises, KFC Open day

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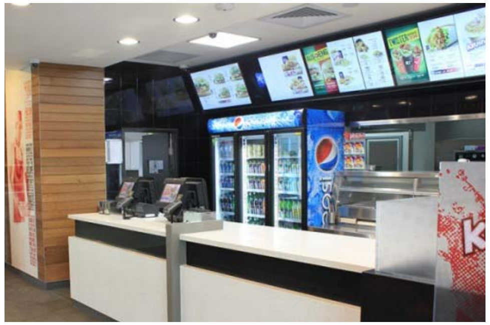
Focus on customer experience to drive top line



- Continue to bring brand to life through customer focused in-store experience
- Enhance customer dining experience through contemporary restaurant design
- Provide best in class service experience on the front counter
- Deliver on convenience promise through enhanced drive thru design and speed of service mindset

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Investing in assets to drive growth

- Capex of $23.8m for KFC network development
  - 6 new builds
  - 9 major remodels in QLD
  - 7 major remodels in WA
  - 8 minor remodels
- Core maintenance and systems capital approximately $5.6m
- Investments are delivering returns ahead of internal benchmarks

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Sizzler Australia business now regarded as non-core to strategic growth in Australia

Sizzler Australia determined non-core to strategic growth in Australia

Total Sizzler $m	FY14 Underlying [1]	FY15	Significant items [2]	FY15 Underlying	Change
Restaurants					
- year end [3]	26	26	-	-	-
Revenue	95.8	88.5	-	88.5	7.6% ↓
% SSS [3]	(9.3%)	(8.5%)	-	(8.5%)	-
EBITDA	7.8	4.5	-	4.5	42.6% ↓
% margin	8.1%	5.1%	-	5.1%	300 bps ↓
EBIT	3.9	(35.1)	37.5	2.4	38.6% ↓
% margin	4.1%	(39.6%)	-	2.7%	140 bps ↓

- Sizzler Australia now regarded as non-core to Collins Foods strategic growth
  - Limited number of restaurants will be closed during FY16
    - $0.9m estimated earnings impact
  - No further growth capital to be invested
  - Remaining restaurants to be closely monitored with appropriate action taken as and when necessary
  - Sizzler Australia forecasted to generate a positive EBITDA in FY16
- Sizzler Asia not included in review, will continue to operate as normal

[1] Pre Sizzler Mackay impairment $1.9m
[2] Significant items includes Impairment of Sizzler brand $6.3m, Sizzler Goodwill $27.1m, Sizzler restaurants $4.1m
[3] Sizzler Australia only (excludes Sizzler Asia)

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Sizzler Asia contributing steady earnings

- Royalty revenue over the year up 12.7%
- No net new builds in FY15, 1 relocated in China
- 2 new restaurants in Thailand planned for FY16, further growth plans for China in development

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Snag Stand building a foundation for growth

SNAG STAND
GOURMET SAUSAGE GRILL

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Snag Stand showing positive signs

- Two Stand openings in FY15: Macquarie Centre and Sunshine Plaza
- New format delivering healthy sales and positive consumer feedback
- Solid pipeline for network expansion with a new Stand scheduled to open in Pacific Fair in late 2015
- Continuing to refine operational and economic model for future growth

Financial overview

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Strong cash generation supporting a healthy balance sheet

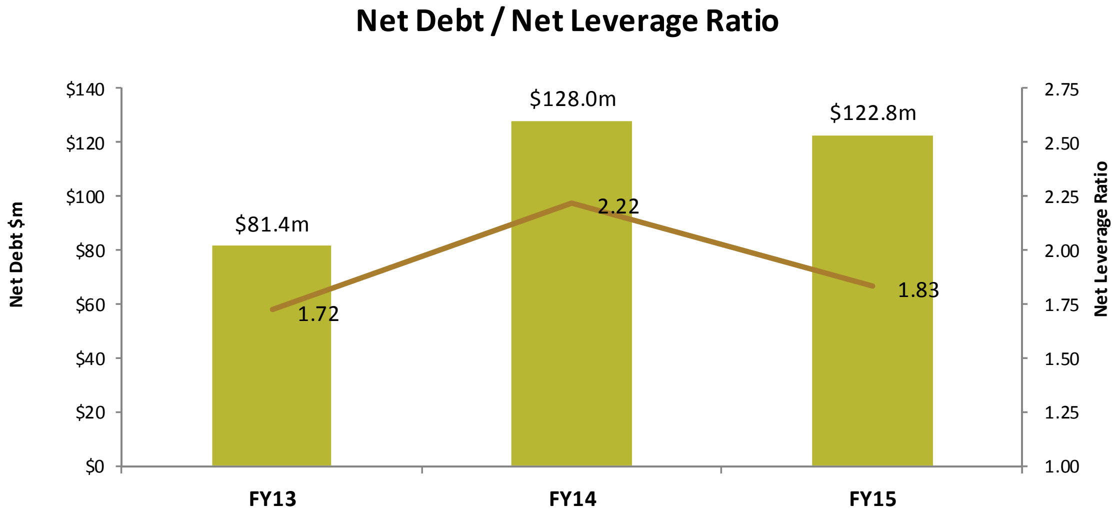
$m	FY14	FY15
Net operating cash flows before interest and tax	57.5	71.0
Net interest paid	(5.7)	(8.2)
Income tax paid	(6.9)	(13.7)
Net operating cash flows	44.9	49.1
Payment for acquisitions including costs	(59.5)	0.0
Payment for franchise rights	(1.2)	(0.5)
Capex *	(20.6)	(32.5)
Net cash flow from investing	(81.3)	(33.0)
Net cash flow from financing	49.8	(11.3)
NET CASH FLOW	13.3	4.9

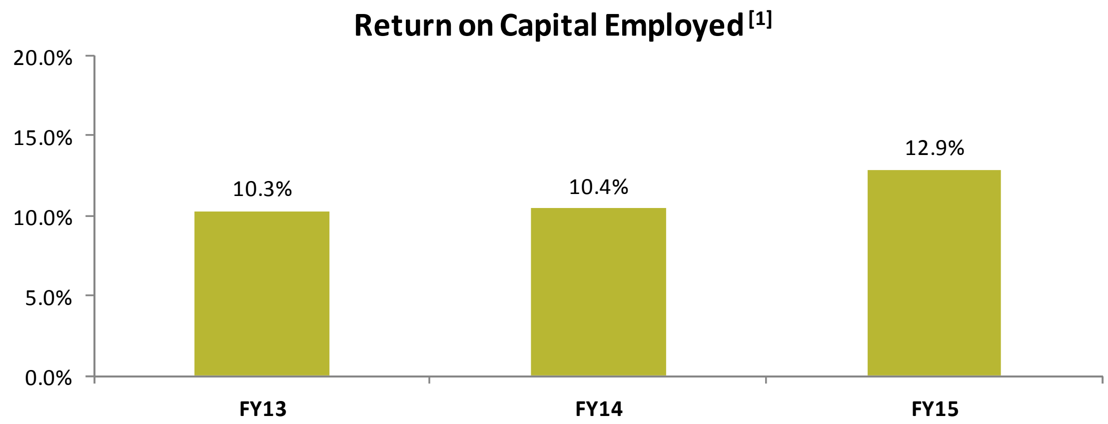
Note: Capex reflects actual Capex spent, excludes accruals at period end

- Net cash flow positive $4.9m
- Net operating cash flows before interest and tax up $13.5m due to strong EBITDA offset by a working capital increase
- Increase in tax payments of ~$6.8m
  - Instalment rate in FY14 low due to lag effect of IPO costs ~$2m
  - Tax instalments changed from monthly to quarterly ~$2m
  - Improved financial performance and acquisition of WA/NT
- Capex up $11.9m on prior year, but in line with budget
- Final dividend 6.5 cps (fully franked) bringing the full year dividend to 11.5 cps – an increase of 9.5%

Stronger debt profile and growing returns

- Net debt down $5.2m to $122.8m
- Increased covenant headroom with net leverage ratio down to 1.83
- Improving returns with return on capital employed up 2.5 points





[1] Underlying EBIT / Average Capital Employed

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Balance sheet

$m	FY14	FY15
Cash and equivalents	37.0	42.2
Total current assets	**44.7**	**53.1**
Property, plant and equipment	72.5	79.5
Total non-current assets	**376.0**	**355.8**
Total assets	420.7	408.9
Debt [1]	164.4	164.6
Total current liabilities	**61.1**	**66.6**
Total non-current liabilities	**168.2**	**171.1**
Total liabilities	**229.3**	**237.7**
NET ASSETS	**191.4**	**171.3**

[1] Net of capitalised costs $0.5m (FY14: $0.6m)

- Cash balance up $5.2m to $42.2m
- Property, Plant & Equipment (PP&E) up $7.0m due to new restaurants and remodels partially offset by restaurant depreciation and $4.9m of pre-tax non-cash impairment
- Reduction in non-current assets due to $33.4m of pre-tax non-cash impairment of Sizzler intangible assets partially offset by an increase in deferred tax assets and PP&E
- Increase in current liabilities due to capital and other accruals

Looking Forward

- Continued disciplined focus on KFC business
- 8 new store builds and 18 major remodels
- Continued focus on margin improvement in KFC WA/NT
- Continue to refine Snag Stand concept with ongoing investment in the brand
- Continue to explore new avenues for growth
- Group capital investment in FY16 in the region of $33m
- Dividend policy to pay out 50% of NPAT excluding KFC WA/NT

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Questions

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