



RESTAURANT BRANDS NEW ZEALAND LIMITED

14 December 2017
ASX/NZX

Restaurant Brands' Third Quarter Sales up 45.1% following Australian and Hawaiian acquisitions

Restaurant Brands' total sales during the third quarter of the financial year (12 weeks ended 4 December 2017) were \$173.3 million, an increase of 45.1% or \$53.9 million on the equivalent period last year.

The bulk of the increase (\$39.2 million) came from the 37 Taco Bell and 45 Pizza Hut outlets in Hawaii, Guam and Saipan acquired in March 2017. A further \$10.8 million came from newly acquired KFC stores in Australia with \$3.9 million from New Zealand operations.

Group same store sales for the quarter were up 6.2% with New Zealand operations up 4.7% and Australia up 11.4%.

Year to date sales were \$559.5 million, an increase of 49.0% over the prior year on a total basis, and up 6.6% on a same store basis.

Total company store numbers were up by 96 on the equivalent period last year to 310, primarily from the 82 store Hawaiian acquisition and a further 17 KFC stores acquired in Australia.

KFC New Zealand

Third quarter sales for KFC New Zealand were \$73.5 million, an increase of 7.6% on the equivalent period last year on a total sales basis and up 5.6% on a same store basis.

Year to date sales for KFC New Zealand were \$243.9 million, an increase of 8.0% on a total sales basis and up 6.6% on a same store basis.

Store numbers increased by one to 93 during the quarter with the opening of a new concept design in Fort Street Auckland. Store numbers were also one up on the same period last year.

Pizza Hut New Zealand

Total third quarter sales for Restaurant Brands-owned Pizza Hut stores were \$9.3 million, a decrease of 2.5% on the equivalent period last year, due to having two less stores because of sales to independent franchisees in previous quarters. Same store sales for the quarter increased by 5.5%.

Year to date sales for Restaurant Brands-owned Pizza Hut stores were \$32.1 million, an increase of 1.9% on a total basis, and up 9.1% on a same store basis.

Company owned store numbers remained steady during the quarter at 34 stores. There are now 61 Pizza Huts operated by independent franchisees, bringing the total network to 95 stores.

Network total sales for the quarter were \$23.1m, an increase of 8.2%. Year to date network total sales were \$78.0 million, an increase of 11.1%.

Starbucks Coffee

Starbucks Coffee total sales for the third quarter were \$6.0 million, a 5.9% decrease on the equivalent period last year. Same store sales for the quarter were up 6.4%.

Year to date sales for Starbucks Coffee were \$19.4 million, an increase of 6.5% on a same store basis.

There were 23 stores trading over the quarter, one down on prior year.

Carl's Jr.

Total sales for the third quarter were \$8.1 million, down 7.8% following the closure of the Otahuhu store at the end of last year. On a same store basis sales were down by 5.2%.

Year to date sales for Carl's Jr. were \$26.9 million, a decrease of 3.2% on a same store basis.

Store numbers remained constant at 19 during the quarter, one down on prior year.

KFC Australia

Restaurant Brands started the year with 42 KFC stores in New South Wales, Australia.

During the first quarter the company acquired five KFC stores from independent franchises. Three independent franchise and eight Yum! KFC stores were acquired in the third quarter along with a store opening bringing store numbers to 59.

The 59 stores contributed \$A33.7 million (\$NZ37.3 million) in total sales during the third quarter, up 5.9% on a same store basis for the quarter.

Year to date sales for KFC Australia were \$A100.5 million (\$NZ109.1 million), an increase of 5.9% on a same store basis.

Taco Bell and Pizza Hut Hawaii

On 7 March 2017 Restaurant Brands acquired 37 Taco Bell and 45 Pizza Hut stores in Hawaii, Guam and Saipan.

The 82 acquired stores contributed \$US27.3 million (\$NZ39.2 million) in total sales in the third quarter.

Year to date sales for the 39 weeks since acquisition were \$US91.2 million (NZ\$128.1 million).

Of the 82 stores, the Taco Bell and Pizza Hut stores located at Pearl Harbour are temporarily closed due to ongoing infrastructure work on the base and are scheduled to reopen in March 2018.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 3rd Quarter (Q3)

(for the 12 weeks 12/09/2017 to 04/12/2017)

	2017/18 (\$000's)	2016/17 (\$000's)	Change
<u>Q3 2017/18 vs Q3 2016/17</u>			
Total Store Sales - KFC New Zealand	73,549	68,323	7.6%
Total Store Sales - Pizza Hut New Zealand	9,258	9,493	-2.5%
Total Store Sales - Starbucks Coffee	5,977	6,353	-5.9%
Total Store Sales - Carl's Jr.	8,079	8,761	-7.8%
Total Store Sales - New Zealand	96,863	92,930	4.2%
Total Store Sales - KFC Australia *	37,279	26,513	40.6%
Total Store Sales - Taco Bell *	22,422	-	-
Total Store Sales - Pizza Hut Hawaii *	16,778	-	-
Total Store Sales - Hawaii *	39,200	-	-
Total Store Sales	173,342	119,443	45.1%
Same Store Sales - KFC New Zealand	71,835	67,998	5.6%
Same Store Sales - Pizza Hut New Zealand	9,153	8,677	5.5%
Same Store Sales - Starbucks Coffee	5,976	5,615	6.4%
Same Store Sales - Carl's Jr.	8,079	8,522	-5.2%
Total Same Store Sales - New Zealand	95,043	90,812	4.7%
Same Store Sales - KFC Australia *	29,451	26,437	11.4%
Same Store Sales - Taco Bell *	N/A	-	-
Same Store Sales - Pizza Hut Hawaii *	N/A	-	-
Total Same Store Sales - Hawaii *	N/A	-	-
Total Same Store Sales	124,495	117,249	6.2%
<u>YTD 2017/18 vs YTD 2016/17</u>			
Total Store Sales - KFC New Zealand	243,856	225,739	8.0%
Total Store Sales - Pizza Hut New Zealand	32,120	31,515	1.9%
Total Store Sales - Starbucks Coffee	19,402	20,138	-3.7%
Total Store Sales - Carl's Jr.	26,882	28,099	-4.3%
Total Store Sales - New Zealand	322,260	305,492	5.5%
Total Store Sales - KFC Australia *	109,143	70,109	55.7%
Total Store Sales - Taco Bell *	73,372	-	-
Total Store Sales - Pizza Hut Hawaii *	54,697	-	-
Total Store Sales - Hawaii *	128,069	-	-
Total Store Sales	559,472	375,601	49.0%
Same Store Sales - KFC New Zealand	239,886	225,002	6.6%
Same Store Sales - Pizza Hut New Zealand	31,910	29,255	9.1%
Same Store Sales - Starbucks Coffee	19,370	18,189	6.5%
Same Store Sales - Carl's Jr.	26,529	27,411	-3.2%
Total Same Store Sales - New Zealand	317,695	299,857	5.9%
Same Store Sales - KFC Australia *	76,432	69,919	9.3%
Same Store Sales - Taco Bell *	N/A	-	-
Same Store Sales - Pizza Hut Hawaii *	N/A	-	-
Total Same Store Sales - Hawaii *	N/A	-	-
Total Same Store Sales	394,127	369,776	6.6%

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Summary of Results for the 3rd Quarter (Q3)

(for the 12 weeks 12/09/2017 to 04/12/2017)

	2017/18 (\$000's)	2016/17 (\$000's)	Change
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
KFC New Zealand	93	92	1
Pizza Hut New Zealand	34	36	-2
Starbucks Coffee	23	24	-1
Carl's Jr.	19	20	-1
Total - New Zealand	169	172	-3
Total - KFC Australia	59	42	17
Taco Bell	37	-	37
Pizza Hut Hawaii	45	-	45
Total - Hawaii	82	-	82
Total Stores	310	214	96
<u>AUSTRALIAN SALES IN AUD</u>			
Q3 2017/18 vs Q3 2016/17			
Total Store Sales - KFC Australia	33,741	25,250	33.6%
Same Store Sales - KFC Australia	26,657	25,178	5.9%
YTD 2017/18 vs YTD 2016/17			
Total Store Sales - KFC Australia	100,460	66,633	50.8%
Same Store Sales - KFC Australia	70,351	66,452	5.9%
<u>HAWAIIAN SALES IN USD</u>			
Q3 2017/18 vs Q3 2016/17			
Total Store Sales - Taco Bell	15,618	-	-
Total Store Sales - Pizza Hut Hawaii	11,686	-	-
Total Store Sales - Hawaii	27,304	-	-
Same Store Sales - Taco Bell	N/A	-	-
Same Store Sales - Pizza Hut Hawaii	N/A	-	-
Total Same Store Sales - Hawaii	N/A	-	-
YTD 2017/18 vs YTD 2016/17			
Total Store Sales - Taco Bell	52,246	-	-
Total Store Sales - Pizza Hut Hawaii	38,938	-	-
Total Store Sales - Hawaii	91,185	-	-
Same Store Sales - Taco Bell	N/A	-	-
Same Store Sales - Pizza Hut Hawaii	N/A	-	-
Same Store Sales - Hawaii	N/A	-	-
Some Sales numbers for each of the concepts may not aggregate in total due to rounding.			
* <u>Note:</u>			
- Blended AUD:NZD rate for Q3	0.905	0.952	-0.047
- Blended AUD:NZD rate for YTD	0.920	0.950	-0.030
- Blended USD:NZD rate for Q3	0.697	-	-
- Blended USD:NZD rate for YTD	0.712	-	-