



**20 September 2018**  
**NZX/ASX**

## **Restaurant Brands' Second Quarter Sales Up 11.6% Following Further Australian Acquisitions**

Restaurant Brands' total sales for the second quarter of the financial year (16 weeks to 10 September 2018) were \$251.0 million, an increase of 11.6% or \$26.1 million on the equivalent period last year.

New Zealand operations generated sales of \$132.8 million, up 1.7% on a total basis and 2.4% on a same store basis. Australian KFC outlets produced sales of \$NZ60.6 million, up 43.7% on a total basis, and 4.8% on a same store basis (local currency). Hawaiian operations generated sales of \$NZ57.6 million, up 10.4% on a total basis and 2.0% on a same store basis (local currency).

Year to date sales were \$431.0 million, an increase of 11.6% over the prior year on a total basis.

Total company store numbers were up by eight on the equivalent period last year to 305, primarily from the acquisition of a further 13 KFC stores in Australia offset by the sale of five New Zealand Pizza Hut stores to independent franchisees.

### **KFC New Zealand**

Total second quarter sales for KFC New Zealand were \$104.3 million, an increase of 4.9% on the equivalent period last year and up 3.5% on a same store basis for this quarter.

Year to date sales for KFC New Zealand were \$179.3 million, an increase of 5.3% in total and up 3.8% on a same store basis.

Store numbers remained steady at 94 during the quarter.

### **Pizza Hut New Zealand**

Total second quarter sales for Restaurant Brands-owned Pizza Hut stores were \$11.3 million, a decrease of 14.4% on the equivalent period last year. Same store sales for the quarter decreased by 4.8%.

Year to date sales for Restaurant Brands-owned Pizza Hut stores were \$20.5 million, a decrease of 10.5% in total, and down 4.9% on a same store basis.

Restaurant Brands-owned stores reduced by four during the quarter to 29 as four Pizza Hut stores were sold to independent franchisees. There are now 69 Pizza Hut stores operated by independent franchisees, with the total network at 98 stores.

Network total sales for the quarter were \$32.5 million, an increase of 2.1%. Year to date network total sales were \$55.8 million, an increase of 1.7%.

### **Starbucks Coffee**

Starbucks Coffee total sales for the second quarter were \$7.3 million, consistent with the equivalent period last year despite the network having one less store. Same store sales for the quarter were up 5.2%.

Year to date sales for Starbucks Coffee were \$13.0 million, an increase of 3.8% on a same store basis.

Store numbers remained steady at 22 during the quarter.

## **Carl's Jr.**

Total Carl's Jr. sales for the second quarter were \$9.9 million, a decrease of 7.3% on the equivalent period last year with the network having one less store. Same store sales for the quarter were down by 1.3%.

Year to date sales for Carl's Jr. were \$17.5 million, a decrease of 2.0% on a same store basis.

Store numbers remained steady at 18 during the quarter.

## **KFC Australia**

Second quarter sales for KFC Australia were \$A55.6 million (\$NZ60.6 million), an increase of 41.9% on a total basis and 4.8% on a same store basis (local currency).

Year to date sales for KFC Australia were A\$95.5 million (\$NZ103.4 million), an increase of 43.1% on a total basis and 4.5% on a same store basis (local currency).

Store numbers remained steady at 61 stores during the quarter. Store numbers were 14 up on last year from the acquisition of 13 stores and one new store opening.

## **Taco Bell Hawaii**

Total Taco Bell sales for the second quarter were \$US22.5 million (\$NZ33.5 million), an increase of 2.5% on a total basis and 4.8% on a same store basis (local currency).

Year to date sales for Taco Bell were \$US38.6 million (\$NZ56.1 million), an increase of 5.5% on a total basis and 3.2% on a same store basis (local currency).

Store numbers remained steady at 36 during the quarter, and reduced by one on last year with the closure of the Taco Bell Pearlridge store due to the lease expiring.

## **Pizza Hut Hawaii**

Total Pizza Hut Hawaii sales for the second quarter were \$US16.2 million (\$NZ24.1 million), a decrease of 0.1% on a total basis and 1.8% on a same store basis (local currency).

Year to date Pizza Hut Hawaii sales were \$US28.4 million (\$NZ41.3 million), an increase of 4.4% on a total basis and a decrease of 2.0% on a same store basis (local currency).

Store numbers remained steady at 45 during the quarter. During last year a new store opened at Mall Stadium to replace the Pizza Hut Pearlridge store which closed due to the lease expiring.

## **Half Year Results**

The financial results for the first half year will be released on 18 October 2018.

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**RESTAURANT BRANDS NEW ZEALAND LIMITED**

Quarterly Sales Report

**Summary of Results for the 2nd Quarter (Q2)**

(for the 16 weeks 22/05/2018 to 10/09/18)

	2018/19 (\$000's)	2017/18 (\$000's)	Change
<b>Total Store Sales (\$NZ)</b>			
<b><u>Q2 2018/19 vs Q2 2017/18</u></b>			
KFC New Zealand	104,299	99,424	4.9%
Pizza Hut New Zealand	11,275	13,164	-14.4%
Starbucks Coffee	7,304	7,308	0.0%
Carl's Jr.	9,913	10,697	-7.3%
<b>New Zealand</b>	<b>132,792</b>	<b>130,594</b>	<b>1.7%</b>
<b>KFC Australia *</b>	<b>60,600</b>	<b>42,163</b>	<b>43.7%</b>
Taco Bell *	33,476	29,996	11.6%
Pizza Hut Hawaii *	24,092	22,151	8.8%
<b>Hawaii *</b>	<b>57,569</b>	<b>52,147</b>	<b>10.4%</b>
<b>Total Store Sales</b>	<b>250,960</b>	<b>224,903</b>	<b>11.6%</b>
<b><u>YTD 2018/19 vs YTD 2017/18</u></b>			
KFC New Zealand	179,264	170,307	5.3%
Pizza Hut New Zealand	20,452	22,862	-10.5%
Starbucks Coffee	13,049	13,425	-2.8%
Carl's Jr.	17,461	18,803	-7.1%
<b>New Zealand</b>	<b>230,226</b>	<b>225,397</b>	<b>2.1%</b>
<b>KFC Australia *</b>	<b>103,391</b>	<b>71,864</b>	<b>43.9%</b>
Taco Bell *	56,115	50,950	10.1%
Pizza Hut Hawaii *	41,255	37,919	8.8%
<b>Hawaii *</b>	<b>97,370</b>	<b>88,869</b>	<b>9.6%</b>
<b>Total Store Sales</b>	<b>430,987</b>	<b>386,130</b>	<b>11.6%</b>
<i>* - Converted at exchange rates on following page</i>			
<b>Same Store Sales (Local Currency)</b>			
<b><u>Q2 2018/19 vs Q2 2017/18</u></b>			
KFC New Zealand	101,849	98,432	3.5%
Pizza Hut New Zealand	11,061	11,623	-4.8%
Starbucks Coffee	7,294	6,934	5.2%
Carl's Jr.	9,911	10,043	-1.3%
<b>New Zealand (\$NZ)</b>	<b>130,115</b>	<b>127,031</b>	<b>2.4%</b>
<b>KFC Australia (\$A)</b>	<b>39,551</b>	<b>37,743</b>	<b>4.8%</b>
Taco Bell	22,183	21,169	4.8%
Pizza Hut Hawaii	15,508	15,799	-1.8%
<b>Hawaii (\$US)</b>	<b>37,691</b>	<b>36,967</b>	<b>2.0%</b>
<b><u>YTD 2018/19 vs YTD 2017/18</u></b>			
KFC New Zealand	175,101	168,690	3.8%
Pizza Hut New Zealand	19,897	20,921	-4.9%
Starbucks Coffee	13,020	12,542	3.8%
Carl's Jr.	17,458	17,807	-2.0%
<b>New Zealand (\$NZ)</b>	<b>225,475</b>	<b>219,960</b>	<b>2.5%</b>
<b>KFC Australia (\$A)</b>	<b>67,134</b>	<b>64,219</b>	<b>4.5%</b>
Taco Bell	36,737	35,599	3.2%
Pizza Hut Hawaii	26,311	26,846	-2.0%
<b>Hawaii (\$US)</b>	<b>63,048</b>	<b>62,445</b>	<b>1.0%</b>

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(for the 16 weeks 22/05/2018 to 10/09/18)

	2018/19 (\$000's)	2017/18 (\$000's)	Change
<b>Total Store Sales (Local Currency)</b>			
<u>Q2 2018/19 vs Q2 2017/18</u>			
KFC Australia (\$A)	55,595	39,168	41.9%
Taco Bell	22,482	21,942	2.5%
Pizza Hut Hawaii	16,193	16,202	-0.1%
<b>Hawaii (\$US)</b>	<b>38,675</b>	<b>38,144</b>	<b>1.4%</b>
<u>YTD 2018/19 vs YTD 2017/18</u>			
KFC Australia (\$A)	95,480	66,718	43.1%
Taco Bell	38,640	36,628	5.5%
Pizza Hut Hawaii	28,443	27,252	4.4%
<b>Hawaii (\$US)</b>	<b>67,083</b>	<b>63,880</b>	<b>5.0%</b>
<b>Number Of Stores Open At Quarter End</b>			
	<b>2018/19</b>	<b>2017/18</b>	<b>Change</b>
KFC New Zealand	94	92	2
Pizza Hut New Zealand	29	34	-5
Starbucks Coffee	22	23	-1
Carl's Jr.	18	19	-1
<b>New Zealand</b>	<b>163</b>	<b>168</b>	<b>-5</b>
<b>KFC Australia</b>	<b>61</b>	<b>47</b>	<b>14</b>
Taco Bell	36	37	-1
Pizza Hut Hawaii	45	45	-
<b>Hawaii</b>	<b>81</b>	<b>82</b>	<b>-1</b>
<b>Total Stores</b>	<b>305</b>	<b>297</b>	<b>8</b>
<b>Exchange Rates</b>			
- Blended \$A:\$NZ rate for Q2	0.917	0.929	-0.012
- Blended \$A:\$NZ rate for YTD	0.923	0.928	-0.005
- Blended \$US:\$NZ rate for Q2	0.672	0.731	-0.060
- Blended \$US:\$NZ rate for YTD	0.689	0.719	-0.030

Note: Some Sales numbers for each of the concepts may not aggregate in total due to rounding.