



RESTAURANT BRANDS NEW ZEALAND LIMITED

7 March 2019
ASX/NZX

Restaurant Brands' Full Year Sales Up 7.2% with Strong Growth in Overseas Operations

Restaurant Brands' total sales for the 12 months ended 25 February 2019 were \$794.0 million, up 7.2% on the prior year.

Restaurant Brands' Chairman Ted van Arkel expressed the Board's satisfaction with this result, particularly the sales achieved by the KFC and Taco Bell brands that have been earmarked for future expansion.

New Zealand operations generated sales of \$419.8 million, down 0.4% on a total basis mainly as a result of the sale of Starbucks Coffee in October 2018, and up 2.7% on a same store basis. Australian KFC outlets produced sales of \$NZ191.5 million, up 27.8% on a total basis with a full year's trading from last year's acquisitions, and 4.7% on a same store basis (local currency). Hawaiian operations generated sales of \$NZ182.7 million, up 4.1% on a total basis and 2.0% on a same store basis (local currency).

Restaurant Brands' total sales during the fourth quarter of the financial year (12 weeks ended 25 February 2019) were \$181.6 million, an increase of \$0.2 million or 0.1% on the equivalent period last year.

Total company store numbers were down by 31 on the equivalent period last year to 283, primarily because of the sale of the 22 Starbucks Coffee stores in October and the sale of eight New Zealand Pizza Hut stores to independent franchisees.

KFC New Zealand

Full year sales for KFC New Zealand were \$336.5 million, an increase of 5.3% in total and up 4.3% on a same store basis.

Fourth quarter sales for KFC New Zealand were \$80.1 million, an increase of 5.7% on the equivalent period last year and up 5.6% on a same store basis for this quarter.

Store numbers remained steady at 94 during the quarter.

Pizza Hut New Zealand

Full year sales for Restaurant Brands-owned Pizza Hut stores were \$35.4 million, a decrease of 14.0% in total, and down 6.1% on a same store basis.

Total fourth quarter sales for Restaurant Brands-owned Pizza Hut stores were \$7.3 million, a decrease of 18.5% on the equivalent period last year. Same store sales for the quarter decreased by 9.4%.

Restaurant Brands-owned store numbers increased by one during the quarter and down by six from last year to 30, primarily due to eight Pizza Hut stores being sold to independent franchisees. There are now 68 Pizza Hut stores operated by independent franchisees, with the total network at 98 stores.

Network total sales for the full year were \$101.0 million, an increase of 0.2%. Network sales for the quarter were \$22.0 million, a decrease of 3.4%.

Starbucks Coffee

Full year sales for Starbucks Coffee were \$16.0 million, an increase of 4.0% on a same store basis.

The 22 Starbucks Coffee stores were sold on 23 October 2018.

Carl's Jr.

Full year sales for Carl's Jr. were \$31.9 million, a decrease 8.8% on a total basis and 3.3% on a same store basis.

Total Carl's Jr. sales for the fourth quarter were \$7.4 million, a decrease of 7.4% on the equivalent period last year with the network having one less store than last year. Same store sales for the quarter were down by 1.5%.

Store numbers remained steady at 18 during the quarter.

KFC Australia

Full year sales for KFC Australia were \$A178.3 million (\$NZ191.5 million), an increase of 27.8% on a total basis and 4.7% on a same store basis (local currency).

Fourth quarter sales for KFC Australia were \$A41.9 million (\$NZ43.9 million), an increase of 7.2% on a total basis and 6.9% on a same store basis (local currency).

Store numbers decreased by one to 61 stores during the quarter with the closure of a store following the opening of a replacement store in Bondi last quarter.

Taco Bell Hawaii

Full year sales for Taco Bell were \$US72.3 million (\$NZ106.0 million), an increase of 5.9% on a total basis and 5.1% on a same store basis (local currency).

Total Taco Bell sales for the fourth quarter were \$US16.9 million (\$NZ24.8 million), an increase of 5.6% on a total basis and 6.5% 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

Full year Pizza Hut Hawaii sales were \$US52.4 million (\$NZ76.7 million), an increase of 1.8% on a total basis and a decrease of 2.1% on a same store basis (local currency).

Total Pizza Hut Hawaii sales for the fourth quarter were \$US12.3 million (\$NZ18.0 million), a decrease of 2.1% on a total and same store basis (local currency).

Store numbers reduced by one to 44 during the quarter with the closure of the Pizza Hut Kona store due to the lease expiring.

Full Year Result

Restaurant Brands will be announcing its full year trading results on Tuesday 16 April.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 4th Quarter (Q4)

(for the 12 weeks 04/12/18 to 25/02/19)

	2018/19 (\$000's)	2017/18 (\$000's)	Change
Total Store Sales (\$NZ)			
<u>Q4 2018/19 vs Q4 2017/18</u>			
KFC New Zealand	80,057	75,741	5.7%
Pizza Hut New Zealand	7,331	8,991	-18.5%
Starbucks Coffee	-	6,416	-100.0%
Carl's Jr.	7,446	8,039	-7.4%
New Zealand	94,834	99,187	-4.4%
KFC Australia *	43,886	42,701	2.8%
Taco Bell *	24,822	22,115	12.2%
Pizza Hut Hawaii *	18,009	17,300	4.1%
Hawaii *	42,830	39,415	8.7%
Total Store Sales	181,551	181,303	0.1%
<u>YTD 2018/19 vs YTD 2017/18</u>			
KFC New Zealand	336,534	319,597	5.3%
Pizza Hut New Zealand	35,350	41,111	-14.0%
Starbucks Coffee	16,022	25,818	-37.9%
Carl's Jr.	31,864	34,921	-8.8%
New Zealand	419,770	421,447	-0.4%
KFC Australia *	191,547	151,844	26.1%
Taco Bell *	106,004	95,487	11.0%
Pizza Hut Hawaii *	76,725	71,997	6.6%
Hawaii *	182,729	167,484	9.1%
Total Store Sales	794,046	740,776	7.2%
* - Converted at exchange rates on following page			
Same Store Sales (Local Currency)			
<u>Q4 2018/19 vs Q4 2017/18</u>			
KFC New Zealand	79,112	74,936	5.6%
Pizza Hut New Zealand	6,725	7,427	-9.4%
Starbucks Coffee	-	-	-
Carl's Jr.	7,345	7,456	-1.5%
New Zealand (\$NZ)	93,182	89,819	3.7%
KFC Australia (\$A)	40,096	37,509	6.9%
Taco Bell	16,585	15,575	6.5%
Pizza Hut Hawaii	12,019	12,272	-2.1%
Hawaii (\$US)	28,604	27,847	2.7%
<u>YTD 2018/19 vs YTD 2017/18</u>			
KFC New Zealand	330,209	316,663	4.3%
Pizza Hut New Zealand	33,968	36,170	-6.1%
Starbucks Coffee	15,993	15,374	4.0%
Carl's Jr.	31,759	32,853	-3.3%
New Zealand (\$NZ)	411,928	401,060	2.7%
KFC Australia (\$A)	140,250	133,967	4.7%
Taco Bell	69,551	66,184	5.1%
Pizza Hut Hawaii	49,485	50,547	-2.1%
Hawaii (\$US)	119,036	116,731	2.0%

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	2018/19 (\$000's)	2017/18 (\$000's)	Change
Total Store Sales (Local Currency)			
<u>Q4 2018/19 vs Q4 2017/18</u>			
KFC Australia (\$A)	41,896	39,067	7.2%
Taco Bell	16,942	16,048	5.6%
Pizza Hut Hawaii	12,286	12,554	-2.1%
Hawaii (\$US)	29,228	28,603	2.2%
<u>YTD 2018/19 vs YTD 2017/18</u>			
KFC Australia (\$A)	178,309	139,527	27.8%
Taco Bell	72,324	68,295	5.9%
Pizza Hut Hawaii	52,399	51,493	1.8%
Hawaii (\$US)	124,723	119,787	4.1%
Number Of Stores Open At Quarter End	2018/19	2017/18	Change
KFC New Zealand	94	94	-
Pizza Hut New Zealand	30	36	-6
Starbucks Coffee	-	22	-22
Carl's Jr.	18	19	-1
New Zealand	142	171	-29
KFC Australia	61	61	-
Taco Bell	36	37	-1
Pizza Hut Hawaii	44	45	-1
Hawaii	80	82	-2
Total Stores	283	314	-31
Exchange Rates			
- Blended \$A:\$NZ rate for Q4	0.955	0.915	0.040
- Blended \$A:\$NZ rate for YTD	0.931	0.919	0.012
- Blended \$US:\$NZ rate for Q4	0.682	0.726	-0.043
- Blended \$US:\$NZ rate for YTD	0.683	0.715	-0.033

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