



Restaurant Brands New Zealand Limited

30 May 2019
ASX/NZX

Restaurant Brands Delivers Strong First Quarter Same Store Sales Growth Across All Three Divisions

Restaurant Brands' total sales for the first quarter of the financial year (12 weeks to 20 May 2019) were \$182.8 million, an increase of \$2.8 million or 1.6% on the equivalent period last year. Each of its operating divisions of New Zealand, Australia and Hawaii produced solid same store sales growth of +4.9%, +6.0% and +8.4% respectively.

New Zealand operations generated sales of \$96.0 million, down 1.5% on a total basis mainly as a result of the sale of the Starbucks Coffee business in October 2018, but up 4.9% on a same store basis. Australian KFC outlets produced sales of \$NZ42.8 million, constant on a total basis, and up 6.0% on a same store basis (local currency). Hawaiian operations generated sales of \$NZ44.0 million, up 10.6% on a total basis and 8.4% on a same store basis (local currency).

Total company store numbers were down by 22 on the equivalent period last year to 287, primarily from the sale of the 22 Starbucks Coffee stores in October 2018.

KFC New Zealand

First quarter sales for KFC New Zealand were \$80.0 million, an increase of 6.7% on the equivalent period last year and up 5.2% on a same store basis for this quarter.

Store numbers increased by three to 97 during the quarter with opening of stores at Bombay (south of Auckland), Courtenay Place in Wellington (in the new CBD format) and Tauranga Crossing.

Pizza Hut New Zealand

First quarter sales for Restaurant Brands-owned Pizza Hut stores were \$7.7 million, a decrease of 16.1% on the equivalent period last year. Same store sales for the quarter decreased by 4.6%.

Restaurant Brands-owned store numbers increased by one during the quarter and were down by two from last year to 31, as the brand continues to build and sell stores to independent franchisees. There are now 69 Pizza Hut stores operated by independent franchisees, with the total network at 100 stores.

Network sales for the quarter were \$22.6 million, a decrease of 3.1% on the equivalent period last year.

Starbucks Coffee

The 22 Starbucks Coffee stores were sold during October 2018.

Carl's Jr.

Total Carl's Jr. sales for the first quarter were \$8.3 million, an increase of 9.5% on the equivalent period last year following the introduction of delivery via the UberEats platform. Same store sales for the quarter were up by 11.8%.

Store numbers remained steady at 18 during the quarter.

KFC Australia

First quarter sales for KFC Australia were \$A40.7 million (\$NZ42.8 million), an increase of 1.9% on a total basis despite temporary closures for store refurbishments, and up 6.0% on a same store basis (local currency).

Store numbers remained constant at 61 during the quarter.

Taco Bell Hawaii

Total Taco Bell sales for the first quarter were up strongly to \$US17.4 million (\$NZ25.9 million) with some successful promotions. This was an increase of 8.0% on a total basis and 12.6% on a same store basis (local currency).

Store numbers remained steady at 36 during the quarter.

Pizza Hut Hawaii

Pizza Hut Hawaii also gained some sales momentum with sales for the first quarter of \$US12.3 million (\$NZ18.2 million), an increase of 0.1% on a total basis and up 3.1% on a same store basis (local currency).

Store numbers remained unchanged at 44 during the quarter.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 1st Quarter (Q1)

(for the 12 weeks 26/02/19 to 20/05/19)

	2019/20 (\$000's)	2018/19 (\$000's)	Change
Total Store Sales (\$NZ)			
<u>Q1 2019/20 vs Q1 2018/19</u>			
KFC New Zealand	80,010	74,965	6.7%
Pizza Hut New Zealand	7,703	9,177	(16.1%)
Starbucks Coffee	-	5,744	(100.0%)
Carl's Jr.	8,261	7,547	9.5%
New Zealand	95,974	97,434	(1.5%)
KFC Australia *	42,806	42,791	0.0%
Taco Bell *	25,858	22,638	14.2%
Pizza Hut Hawaii *	18,181	17,163	5.9%
Hawaii *	44,039	39,802	10.6%
Total Store Sales	182,820	180,027	1.6%
<u>YTD 2019/20 vs YTD 2018/19</u>			
KFC New Zealand	80,010	74,965	6.7%
Pizza Hut New Zealand	7,703	9,177	(16.1%)
Starbucks Coffee	-	5,744	(100.0%)
Carl's Jr.	8,261	7,547	9.5%
New Zealand	95,974	97,434	(1.5%)
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Total Store Sales	182,820	180,027	1.6%
* - Converted at exchange rates on following page			
Same Store Sales (Local Currency)			
<u>Q1 2019/20 vs Q1 2018/19</u>			
KFC New Zealand	78,482	74,609	5.2%
Pizza Hut New Zealand	7,241	7,593	(4.6%)
Starbucks Coffee	-	-	-
Carl's Jr.	8,258	7,386	11.8%
New Zealand (\$NZ)	93,981	89,588	4.9%
KFC Australia (\$A)	39,707	37,454	6.0%
Taco Bell	17,238	15,315	12.6%
Pizza Hut Hawaii	12,072	11,713	3.1%
Hawaii (\$US)	29,310	27,028	8.4%
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Total Store Sales (Local Currency)			
<u>Q1 2019/20 vs Q1 2018/19</u>			
KFC Australia (\$A)	40,662	39,885	1.9%
Taco Bell	17,443	16,158	8.0%
Pizza Hut Hawaii	12,265	12,250	0.1%
Hawaii (\$US)	29,708	28,408	4.6%
<u>YTD 2019/20 vs YTD 2018/19</u>			
KFC Australia (\$A)	40,662	39,885	1.9%
Taco Bell	17,443	16,158	8.0%
Pizza Hut Hawaii	12,265	12,250	0.1%
Hawaii (\$US)	29,708	28,408	4.6%
Number Of Stores Open At Quarter End			
	2019/20	2018/19	Change
KFC New Zealand	97	94	3
Pizza Hut New Zealand	31	33	(2)
Starbucks Coffee	-	22	(22)
Carl's Jr.	18	18	-
New Zealand	146	167	(21)
KFC Australia	61	61	-
Taco Bell	36	36	-
Pizza Hut Hawaii	44	45	(1)
Hawaii	80	81	(1)
Total Stores	287	309	(22)
Exchange Rates			
- Blended \$A:\$NZ rate for Q1	0.950	0.932	0.018
- Blended \$A:\$NZ rate for YTD	0.950	0.932	0.018
- Blended \$US:\$NZ rate for Q1	0.675	0.714	(0.039)
- Blended \$US:\$NZ rate for YTD	0.675	0.714	(0.039)

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