



21 April 2020
NZX/ASX

Restaurant Brands Sales Growth Continues in the First Quarter

Restaurant Brands' total sales for the first quarter of the financial year (three months to 31 March 2020) were \$200.1 million, an increase of \$10.0 million or 5.3% on the equivalent period last year. Each of the operating divisions (New Zealand, Australia and United States) maintained same store sales growth with sales increases of +1.7%, +2.0% and +7.9% respectively.

New Zealand operations sales were \$98.0 million, down 1.5% on a total basis, and up 1.7% on a same store basis. The Australian business produced sales of \$NZ50.4 million, up 13.3% on a total basis and 2.0% on a same store basis (local currency). United States sales were \$NZ51.8 million, up 6.3% on a total basis and 7.9% on a same store basis (local currency).

Company store numbers were up by four on the equivalent period last year to 288.

New Zealand

First quarter sales for New Zealand were \$98.0 million, a decrease of 1.5% on the equivalent period last year in total as a result of the Government-mandated full store closures as New Zealand moved to COVID-19 Alert Level 4 from 25 March.

On a same store basis sales were up 1.7% for the quarter.

KFC continued its growth path with strong customer support for products and promotions. Pizza Hut sales decreased with two less stores which were sold to independent franchisees. Carl's Jr. showed a small increase after the successful introduction of delivery this quarter last year. Taco Bell sales were at the high end of expectations.

Store numbers remained at 148 during the quarter.

Australia

First quarter sales for Australia were \$A48.7 million (\$NZ50.4 million), an increase of 13.3% on a total basis following the opening of two KFC and two Taco Bell stores during last year coupled with a lower level of temporary store closures for refurbishments. On a same store basis sales were up 2.0% (local currency) despite the impact of Covid-19 restrictions on dine in sales implemented in late March.

Store numbers remained steady at 65 during the quarter.

United States

First quarter sales were \$US33.2 million (\$NZ51.8 million). This was an increase of 6.3% on a total basis and 7.9% on a same store basis (local currency) following continued successful local promotions with both the Taco Bell and Pizza Hut brands showing strong growth. The store transformation programme for Taco Bell in Hawaii is gaining momentum with four stores now rebuilt and delivering sales growth of on average 22% over the quarter.

Store numbers increased by one to 75 during the quarter with the opening of the Kahili Taco Bell.

COVID-19 Crisis

Whilst the first quarter was only peripherally affected by the COVID-19 crisis, the second quarter is seeing a significant impact with all stores in New Zealand closed for most of the month of April and the closures of the dine-in business and a number of in-line and mall stores in both Australia and the United States. It is expected that most New Zealand stores will re-open for drive-thru and delivery service when New Zealand's COVID-19 Alert Level moves to Level 3 from 28 April.

Annual Shareholders' Meeting

With measures to contain the spread of COVID-19 (particularly those that relate to large gatherings and international arrivals) expected to remain in place for some time in New Zealand, the Annual Shareholders' Meeting scheduled for 28 May 2020 will be held as a virtual meeting.

Authorised by:

Russel Creedy
CEO

Grant Ellis
CFO/Company Secretary

ENDS

RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 1st Quarter (Q1)

(for the 3 months 01/01/20 to 31/03/20)

	2020 (\$000's)	2019 (\$000's)	Change
Total Store Sales (\$NZ)			
<u>Q1 2020 vs Q1 2019</u>			
New Zealand	97,957	99,489	(1.5%)
Australia	50,354	44,781	12.4%
United States	51,812	45,842	13.0%
Total Store Sales	200,123	190,112	5.3%
<u>YTD 2020 vs YTD 2019</u>			
New Zealand	97,957	99,489	(1.5%)
Australia	50,354	44,781	12.4%
United States	51,812	45,842	13.0%
Total Store Sales	200,123	190,112	5.3%
<i>* - Converted at exchange rates on following page</i>			
	2020	2019	Change
Same Store Sales (Local Currency)			
<u>Q1 2020 vs Q1 2019</u>			
New Zealand	1.7%	4.9%	(3.2%)
Australia	2.0%	6.0%	(4.0%)
United States	7.9%	8.4%	(0.6%)
<u>YTD 2020 vs YTD 2019</u>			
New Zealand	1.7%	4.9%	(3.2%)
Australia	2.0%	6.0%	(4.0%)
United States	7.9%	8.4%	(0.6%)

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	2020 (\$000's)	2019 (\$000's)	Change
Total Store Sales (Local Currency)			
<u>Q1 2020 vs Q1 2019</u>			
Australia (\$A)	48,709	42,975	13.3%
United States (\$US)	33,179	31,203	6.3%
<u>YTD 2020 vs YTD 2019</u>			
Australia (\$A)	48,709	42,975	13.3%
United States (\$US)	33,179	31,203	6.3%
Number Of Stores Open At Quarter End			
	2020	2019	Change
New Zealand	148	143	5
Australia	65	61	4
United States	75	80	(5)
Total Stores	288	284	4
Exchange Rates			
- Blended \$A:\$NZ rate for Q1	0.967	0.960	0.008
- Blended \$A:\$NZ rate for YTD	0.967	0.960	0.008
- Blended \$US:\$NZ rate for Q1	0.640	0.681	(0.040)
- Blended \$US:\$NZ rate for YTD	0.640	0.681	(0.040)
Note: Some sales numbers for each of the concepts may not aggregate in total due to rounding.			