



19 September 2019
ASX/NZX

Restaurant Brands Strong Sales Growth Continues in the Second Quarter

Restaurant Brands' total sales for the second quarter of the financial year (16 weeks to 9 September 2019) were \$259.7 million, an increase of \$8.8 million or 3.5% on the equivalent period last year. Each of its operating divisions (New Zealand, Australia and Hawaii) maintained strong same store sales growth with sales increases of +5.4%, +5.8% and +9.6% respectively.

New Zealand operations sales were \$134.8 million, up 1.5% in total (despite the sale of the Starbucks Coffee business in October 2018), and up 5.4% on a same store basis. Australian KFC outlets produced sales of \$NZ62.0 million, up 5.8% on both a total basis and a same store basis (local currency). Hawaiian operations sales were \$NZ62.9 million, up 6.4% on a total basis and 9.6% on a same store basis (local currency).

Year to date sales were \$442.6 million, an increase of 2.7% over the prior year on a total basis.

Company store numbers were down by 20 on the equivalent period last year to 285, primarily from the sale of the 22 Starbucks Coffee stores in October 2018.

KFC New Zealand

Second quarter sales for KFC New Zealand were \$113.5 million, an increase of 8.8% on the equivalent period last year and up 6.1% on a same store basis for this quarter.

Year to date sales for KFC New Zealand were \$193.5 million, an increase of 7.9% on a total basis and 5.7% on a same store basis.

Store numbers remained constant during the quarter, but increased by three on the prior year with the opening of stores last quarter at Bombay (south of Auckland), Courtenay Place in Wellington (in the new CBD format) and Tauranga Crossing.

Pizza Hut New Zealand

Second quarter sales for Restaurant Brands-owned Pizza Hut stores were \$10.6 million, a decrease of 5.9% on the equivalent period last year. Same store sales for the quarter decreased by 4.3%.

Year to date sales for Restaurant Brands-owned Pizza Hut stores were \$18.3 million, a decrease of 10.5% in total, and down 4.4% on a same store basis.

Restaurant Brands-owned store numbers decreased by one during the quarter and were up by one from last year to 30, as the brand continues to build and sell stores to independent franchisees. There are now 70 Pizza Hut stores operated by independent franchisees of a network of 100 stores.

Network total sales for the quarter were \$30.9 million, a decrease of 4.7%. Year to date network total sales were \$53.6 million, a decrease of 4.0%.

Carl's Jr.

Total Carl's Jr. sales for the second quarter were \$10.7 million, an increase of 8.3% on the equivalent period last year following the introduction of delivery via the UberEats platform. Same store sales for the quarter were up by 8.2%.

Year to date sales for Carl's Jr. were \$19.0 million, an increase of 8.8% on a total basis and 9.8% on a same store basis.

Store numbers remained steady at 18 during the quarter.

KFC Australia

Second quarter sales for KFC Australia were \$A58.8 million (\$NZ62.0 million), an increase of 5.8% on both a total basis and a same store basis (local currency).

Year to date sales for KFC Australia were \$A99.5 million (\$NZ104.8 million), an increase of 4.2% on a total basis and 5.9% 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 second quarter were up to \$US25.0 million (\$NZ38.1 million) on the back of several successful promotions. This was an increase of 11.1% on a total basis and 14.5% on a same store basis (local currency).

Year to date sales for Taco Bell were \$US42.4 million (\$NZ64.0 million), an increase of 9.8% on a total basis and 13.7% on a same store basis (local currency).

Store numbers remained steady at 36 during the quarter.

Pizza Hut Hawaii

Pizza Hut Hawaii sales for the second quarter were \$US16.2 million (\$NZ24.7 million), flat to the prior year on a total basis and up 2.8% on a same store basis (local currency).

Year to date Pizza Hut Hawaii sales were \$US28.5 million (\$NZ42.9 million), an increase of 0.1% on a total basis and up 2.9% on a same store basis (local currency).

Store numbers were down one during the quarter and down two on last year, following the expiry of leases on the Tamuning and Kona stores.

Half Year Results

The company expects to release its half year trading results on 16 October 2019.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 2nd Quarter (Q2)

(for the 16 weeks 21/05/19 to 09/09/19)

	2019/20 (\$000's)	2018/19 (\$000's)	Change
Total Store Sales (\$NZ)			
<u>Q2 2019/20 vs Q2 2018/19</u>			
KFC New Zealand	113,477	104,299	8.8%
Pizza Hut New Zealand	10,606	11,275	(5.9%)
Starbucks Coffee	-	7,304	(100.0%)
Carl's Jr.	10,740	9,913	8.3%
New Zealand	134,823	132,792	1.5%
KFC Australia *	62,040	60,600	2.4%
Taco Bell *	38,140	33,476	13.9%
Pizza Hut Hawaii *	24,740	24,092	2.7%
Hawaii *	62,880	57,569	9.2%
Total Store Sales	259,743	250,960	3.5%
<u>YTD 2019/20 vs YTD 2018/19</u>			
KFC New Zealand	193,487	179,264	7.9%
Pizza Hut New Zealand	18,309	20,452	(10.5%)
Starbucks Coffee	-	13,049	(100.0%)
Carl's Jr.	19,001	17,461	8.8%
New Zealand	230,797	230,226	0.2%
KFC Australia *	104,846	103,391	1.4%
Taco Bell *	63,998	56,115	14.0%
Pizza Hut Hawaii *	42,921	41,255	4.0%
Hawaii *	106,919	97,370	9.8%
Total Store Sales	442,563	430,987	2.7%
<i>* - Converted at exchange rates on following page</i>			
Same Store Sales (Local Currency)			
<u>Q2 2019/20 vs Q2 2018/19</u>			
KFC New Zealand	109,896	103,591	6.1%
Pizza Hut New Zealand	9,924	10,371	(4.3%)
Carl's Jr.	10,724	9,907	8.2%
New Zealand (\$NZ)	130,543	123,869	5.4%
KFC Australia (\$A)	56,779	53,651	5.8%
Taco Bell	24,654	21,526	14.5%
Pizza Hut Hawaii	15,996	15,557	2.8%
Hawaii (\$US)	40,650	37,084	9.6%
<u>YTD 2019/20 vs YTD 2018/19</u>			
KFC New Zealand	188,378	178,201	5.7%
Pizza Hut New Zealand	17,165	17,963	(4.4%)
Carl's Jr.	18,981	17,293	9.8%
New Zealand (\$NZ)	224,524	213,457	5.2%
KFC Australia (\$A)	96,486	91,105	5.9%
Taco Bell	41,892	36,841	13.7%
Pizza Hut Hawaii	28,068	27,270	2.9%
Hawaii (\$US)	69,960	64,111	9.1%

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Total Store Sales (Local Currency)			
<u>Q2 2019/20 vs Q2 2018/19</u>			
KFC Australia (\$A)	58,796	55,595	5.8%
Taco Bell	24,969	22,482	11.1%
Pizza Hut Hawaii	16,195	16,193	0.0%
Hawaii (\$US)	41,164	38,675	6.4%
<u>YTD 2019/20 vs YTD 2018/19</u>			
KFC Australia (\$A)	99,458	95,480	4.2%
Taco Bell	42,413	38,640	9.8%
Pizza Hut Hawaii	28,460	28,443	0.1%
Hawaii (\$US)	70,873	67,083	5.6%
Number Of Stores Open At Quarter End	2019/20	2018/19	Change
KFC New Zealand	97	94	3
Pizza Hut New Zealand	30	29	1
Starbucks Coffee	-	22	(22)
Carl's Jr.	18	18	-
New Zealand	145	163	(18)
KFC Australia	61	61	-
Taco Bell	36	36	-
Pizza Hut Hawaii	43	45	(2)
Hawaii	79	81	(2)
Total Stores	285	305	(20)
Exchange Rates			
- Blended \$A:\$NZ rate for Q2	0.948	0.917	0.030
- Blended \$A:\$NZ rate for YTD	0.949	0.923	0.025
- Blended \$US:\$NZ rate for Q2	0.655	0.672	(0.017)
- Blended \$US:\$NZ rate for YTD	0.663	0.689	(0.026)

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