



# HALF YEAR RESULTS TO 30 JUNE 2024 (1H 24)

**Arif Khan | CEO**  
**Julio Valdés | CFO**

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# Presentation Outline



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**1H 24 Overview**

# Key Points



- Group Sales
- Store EBITDA
- NPAT

1H 24 vs. 1H 23	1H 22	1H 23	1H 24
+7%	\$584.9m	\$640.2m	\$687.2m
+21%	\$85.4m	\$78.3m	\$94.6m
+473%	\$15.3m	\$2.2m	\$12.6m

- Strategic initiatives continue to drive record sales for the Group. Strong performance in Hawaii and New Zealand is offsetting impacted sales in California and Australia, which continue to experience adverse consumer pressures.
- EBITDA improves on strong sales and cost control initiatives. While ingredient costs are beginning to stabilise, labour, fuel, utility and occupancy costs remain elevated.
- Group NPAT increases on flow through of EBITDA increase.

# 1H 24 in review



- Record sales largely driven by product and menu innovation, digital channels, strategic pricing, and enhanced marketing. New store openings and full trading hours also contributed.
- Strategic initiatives for margin improvement implemented in 2H 2023 are providing gradual margin recovery across the Group.
- While inflationary pressures and staff shortages have eased, consumer spending remains under pressure across all regions, in particular in Australia and California.
- Continued delivery of value for money remains key to maintaining customer loyalty and supporting brand health.
- Balance sheet remains healthy with Net debt:EBITDA reducing to 1.9x.



# 1H 24 Financial Performance

# Group NPAT increases on sales and margin improvement initiatives



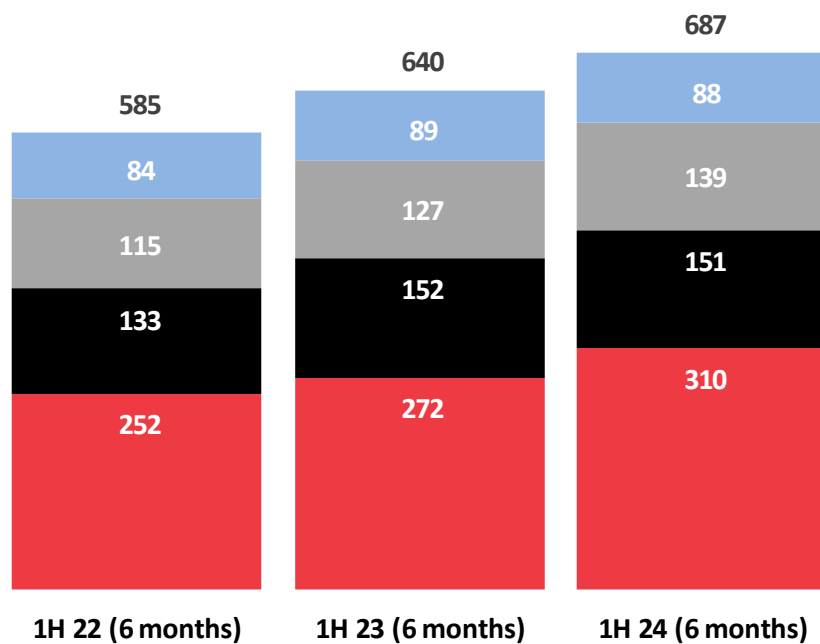
<b>\$NZm</b>	<b>1H 23</b>	<b>1H 24</b>	<b>Change B/(W)</b>
Group Store EBITDA *	78	95	17
G&A Expenses	29	29	0
	49	66	17
Other Expenses	2	3	(1)
Depreciation & Amortisation	28	30	(2)
<b>Operating Profit Pre NZ IFRS 16</b>	19	33	14
NZ IFRS 16 Adjustment	11	12	1
<b>Operating Profit</b>	30	45	15
Financing Expenses	27	28	(1)
<b>Net Profit Before Tax</b>	3	17	14
Taxation	1	4	(3)
<b>Net Profit After Tax</b>	2	13	11

\* - Pre G&A, NZ IFRS 16 and Other (Income)/Expenses

# Sales growth continues, with gradual margin recovery at Group level

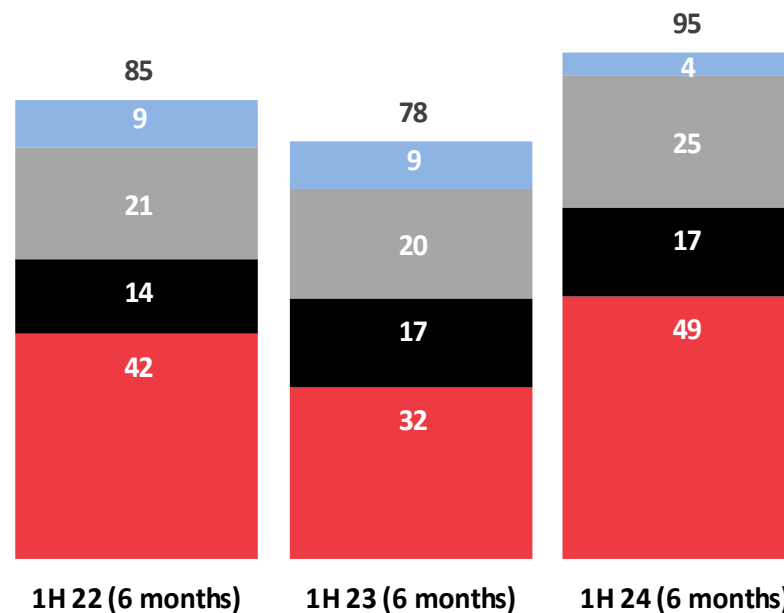


Sales  
\$NZm



■ New Zealand ■ Australia ■ Hawaii ■ California

Store EBITDA  
\$NZm



■ New Zealand ■ Australia ■ Hawaii ■ California



# Other Income and Expenses – Impairments



*\$NZm (Pre-tax)*

Other Income

Net Impairments

Net Other (Income)/Expense

1H 23

-

1.8

1.8

1H 24

(0.1)

3.3

3.2

# Operating cash flows increase. Store builds and refurbishments continue



<b><i>\$NZm</i></b>	<b>1H 23</b>	<b>1H 24</b>
Operating Cash Flows (adjusted) *	35	45
Investing Cash Flows	(33)	(32)
Free Cash Flow	2	13

*\*Adjusted for payments of lease interest classified as operating activities under NZ IFRS 16 of \$17.6m in 1H 23 and \$18.0m in 1H 24, and payments of lease costs excluded from operating activities under NZ IFRS 16 of \$31.8m in 1H 23 and \$33.8m in 1H 24.*

# Net borrowings reduce on 1H 23 with improved trading performance and healthy working capital



<b><i>\$NZm</i></b>	<b>1H 23</b>	<b>1H 24</b>
Net Debt	275	252
Net Debt:EBITDA*	2.4:1	1.9:1
Gearing (ND:ND+E)	49%	45%

\* EBITDA for rolling 12 months, excluding right of use asset lease costs (pre-NZ IFRS 16)



# 1H 24 Regional Performance

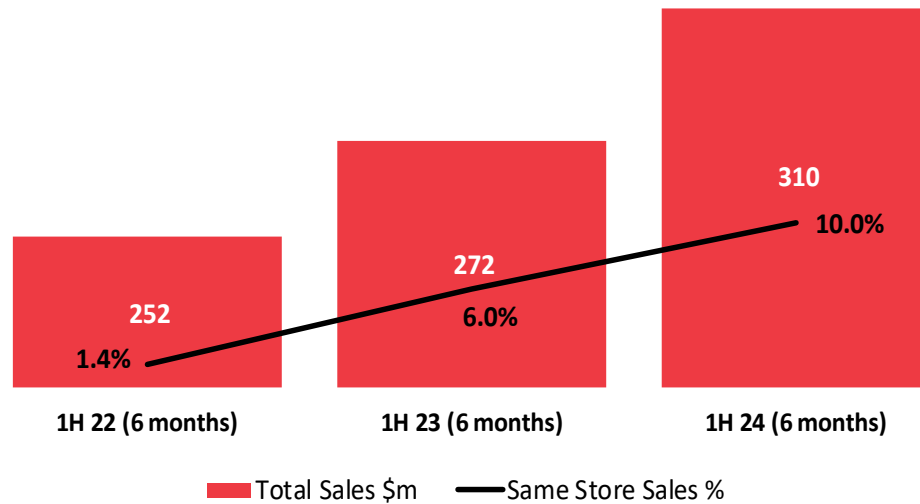
# New Zealand Operations



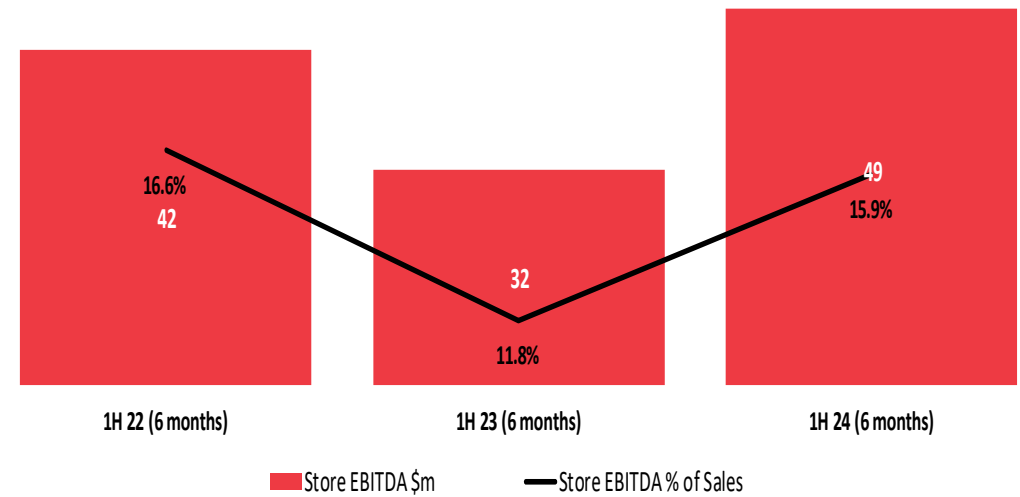
# NZ sales up against prior year with steady transactions. Margins improving.



### NZ Sales



### NZ Store EBITDA



# Australian Operations



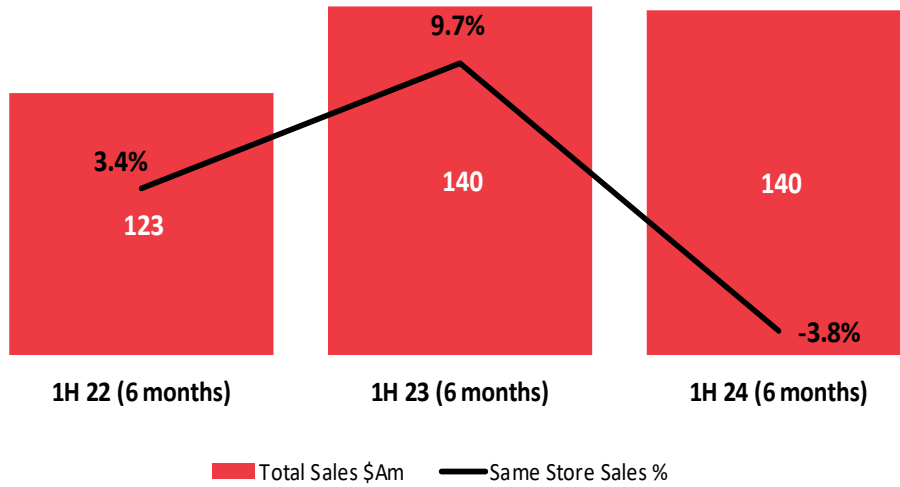
**KFC**

 **TACO BELL**

# Inflationary pressures on consumer spending continues to impact performance. Margins flat on 1H23.



### Australia Sales



### Australia Store EBITDA





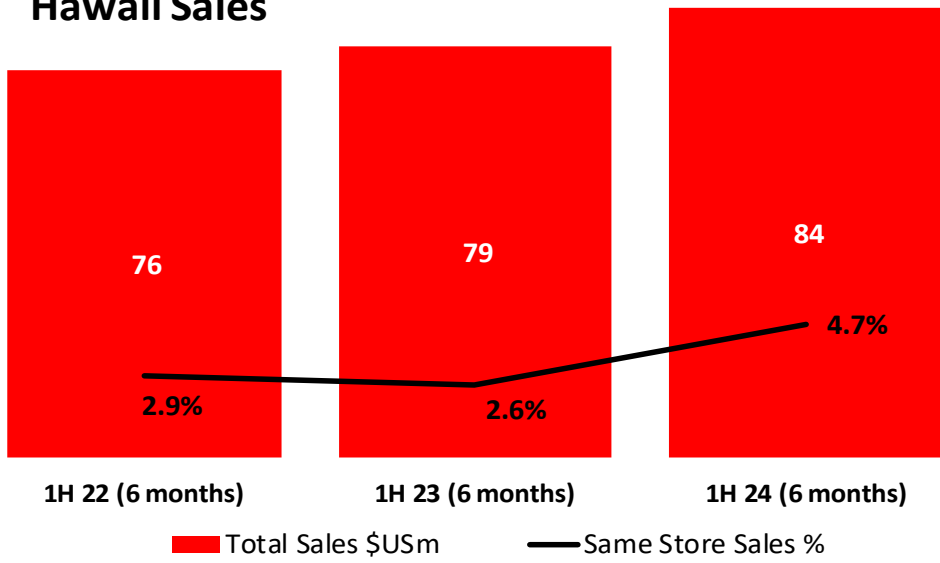
# Hawaiian Operations



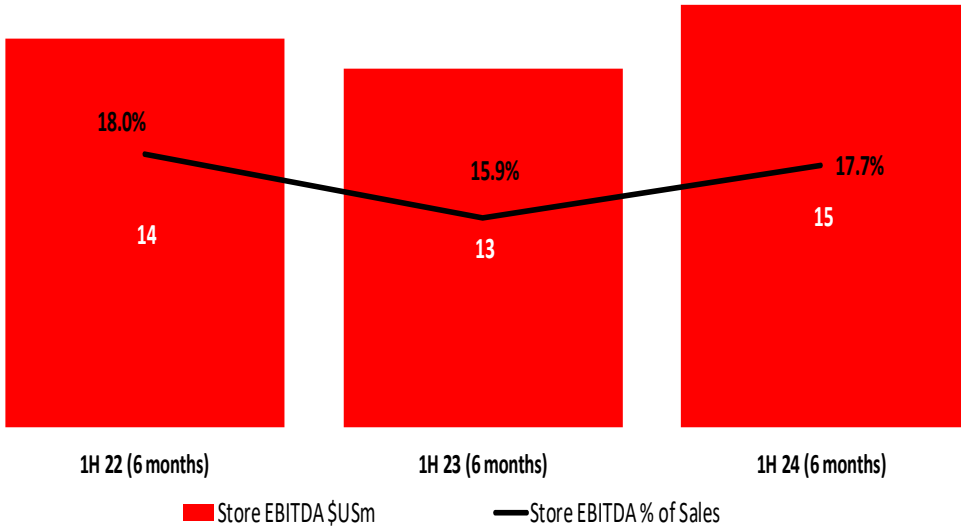
**Hawaii sales growth driven by strong promotions and increased trading hours. Margins improving.**



### Hawaii Sales



### Hawaii Store EBITDA



# Californian Operations



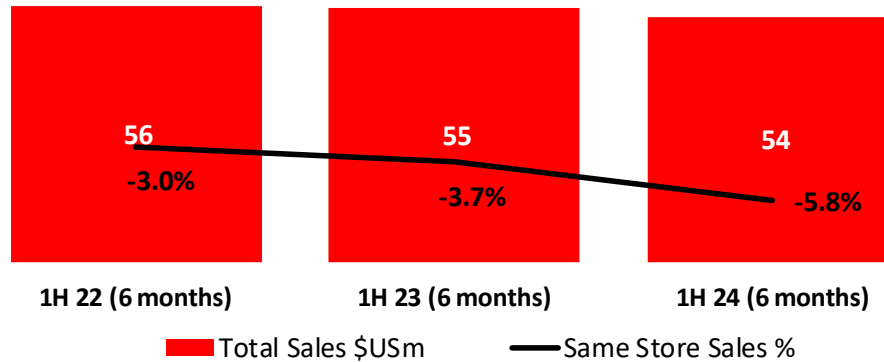
**KFC**

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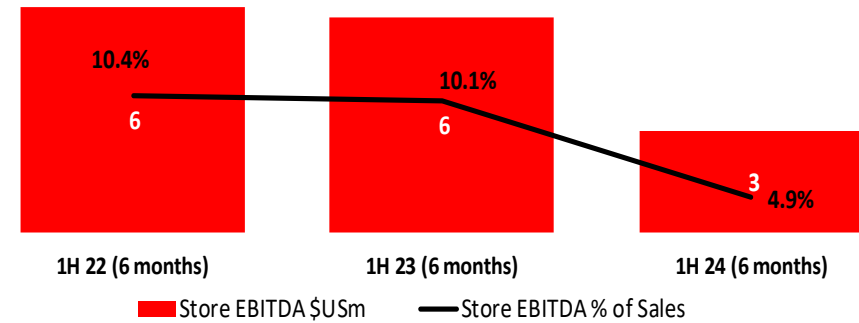
California sales growth impacted by elevated cost of living pressures. Margins lower on large minimum wage increase.



### California Sales



### California Store EBITDA





**FY24 Outlook**

# FY24 Outlook



## Forward Outlook

- There are indications of inflationary headwinds lessening, but near-term costs such as labour, fuel, electricity, and interest rates remain elevated.
- Cost-of-living pressures continue for consumers across all markets. Value for money is critical and we are innovating to meet changing market needs.
- Margin recovery initiatives implemented in 2H 2023 will continue to deliver steady improvements over the next 18 months.



# Questions

# Questions



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