Chairman's Address ASM 2023

SLIDE: 1 *Chairman's Address*	"May you live in interesting times" goes the expression and there is no doubt that Restaurant Brands (together with much of the rest of the world) has endured some very interesting (or difficult!) trading conditions over the past three years. After riding out the two years of COVID relatively well we were then faced with an even bigger challenge in 2022 with the arrival of sudden and significant inflationary conditions across all our businesses. Our two key cost categories of ingredients and labour saw unprecedented increases during 2022, compounded by staffing shortages as we emerged from the COVID crisis. Despite the diversification of our earnings across brands and geographies, the impact of ingredient inflation and staffing shortages has impacted us across the board. However, despite these continued challenges we have still managed to produce a satisfactory outcome for the 2022 year.
SLIDE: 2 *Highlights FY 22*	These, then are some of the highlights for the last financial year: • A $170.8 million increase in total sales for the year to $1.24 billion, 16.0% up against the previous year, with all four operating divisions showing growth. • Reported net profit after tax of $32.1 million for the year. Whilst this was down $19.8 million on the last year, due to the ongoing adverse impact of inflation the comparison was also impacted by the FY 21 results recording forgiveness of the $11.4 million US Government PPP loans and $7 million in government grants. • Combined store EBITDA (pre-NZ IFRS 16) for the period was $180.2 million, up 4.3% on the previous year.

	• Total company-owned store numbers increased by 17 to 376 including the acquisition of two KFC stores, one in New Zealand and one in California. • A fully imputed final dividend of 16.0 cents per ordinary share was paid on 20 April.
SLIDE: 3 *Profit Reconciliation*	Whilst our reported profit was down $19.8 million on prior year to $32.1 million, it is important to note that the EBITDA result was up on prior year. Brand EBITDA (the key measure of business performance) was up 4% to $180 million and even after G&A costs was up 3% to $125 million. As can be seen from the table, the prior year comparison was significantly adversely impacted by the $11 million in loan forgiveness and $7 million in government grants both received in 2021.
SLIDE: 4 *Sales*	Total brand sales for the Group, having broken the $1 billion-mark last year, continued to climb to a new high of $1.2 billion, up $170 million on prior year. All four divisions produced positive total sales over the year. Same store sales were also positive for all divisions except California.
SLIDE: 5 *Store Numbers*	Restaurant Brands' company-owned store numbers at the end of the financial year totalled 376, comprising 143 in New Zealand, 75 in Hawaii, 83 stores in Australia and 75 stores in California. With the inflationary and staff availability "headwinds" we reduced the intensity of our store build programmes to a more measured pace. Nonetheless we have continued to open Taco Bell stores in New Zealand and Australia, continue the Taco Bell refurbishment programme in Hawaii and progress new build KFC stores in California. Capital expenditure on new store builds and refurbishments is a key pillar of our growth strategy and to that end we are planning to spend up to $400 million over the next four to

	five years in continuing to build our store network. However, as we have said before, our ongoing investment in both new store builds and acquisitions will continue to be undertaken within a disciplined and structured framework. We will only embark upon those offering clear value creation for our shareholders.
SLIDE: 6 *Cash Flows*	Despite the tougher trading environment and cost escalations from inflationary pressures we have continued with our store build momentum following COVID delays. 17 new stores opened over the year. This together with continued store upgrades has meant an increase in investing cash flows over the prior year. Normalised investing cash outflows (adjusted for acquisitions) were $92 million (versus $82 million last year) Operating cash flows (adjusted for NZ IFRS 16) were down $7 million to $95 million, reflecting lower earnings in FY22.
SLIDE: 7 *Net Borrowings*	Higher levels of capital expenditure and reduced profitability, together with the payment of the $40 million FY21 dividend meant net bank borrowings were up $49 million to $251 million. This is still well within our $375 million facility limit, and we continue to meet required banking covenants comfortably, with Net Debt: EBITDA of 2.0X and a 46% gearing ratio. Given both the strength of our cash flows and the fact that there were currently no significant acquisitions under consideration, the Board elected to distribute a $20 million dividend to shareholders. Consequently, you would have all received on 20 April a dividend payment of 16 cents per share. The dividend was paid as fully imputed to all New Zealand resident shareholders. This payment does not necessarily signal a return to a regular dividend because the Group continues to look to utilise cash for continued expansion. However future dividends may be declared in the event that we accumulate cash

	for which there is no immediate reinvestment opportunity.
SLIDE: 8 *Directors*	I would once again like to take this opportunity to acknowledge the contribution made by my fellow directors over the past 12 months, with yet another significant challenge to the business. Your board continues to work well together as we have endeavoured to deliver the necessary governance of the company and guidance to management in these uncertain times.
SLIDE: 9 *Senior Management*	Shareholders will be aware of the retirements of Russel Creedy as Group CEO (in March) and Grant Ellis as Group CFO (this month). Russel and Grant have made a significant contribution to the growth of this company and their experience and wise counsel will be sorely missed. Russel (with 22 years) and Grant with 26 years' service with Restaurant Brands would be the longest serving CEO-CFO partnership of any listed NZX company and I congratulate them and thank them for their contribution to Restaurant Brands. We do have successors in place for both these roles. Arif Khan has commenced as Acting Group CEO and has completed a handover from Russel. Arif is a very experienced operator in the Quick Service Restaurant business, with more than 25 years of experience in the industry, nearly half of which has been at Restaurant Brands. Julio Valdés commences as Group CFO at the end of this month. Arif will speak a little more on Julio in his address. Suffice to say, Julio is a very experienced financial manager, who joins us from Grupo Finaccess where he held the CFO role. More details on both Arif's and Julio's skills and experience are in your annual report.
SLIDE: 9 *Staff*	I also want to recognise and thank the entire staff of Restaurant Brands for their hard work and loyalty to the company over the past twelve months. Major labour shortages have meant our

	teams have been often required to work long hours in often trying circumstances. It has been another challenging year that they have overcome with dedication and commitment. And finally, I would like to thank you, our loyal shareholders, for your continued support and interest in the company. 2022 has been another tough year following two years of the COVID crisis and, from what we've seen of the 2023 year so far, the inflation challenges continue. We are however confident that our processes and people are sound and can deliver increased shareholder value.