



RESTAURANT BRANDS NEW ZEALAND LIMITED

21 September 2017
NZX

Restaurant Brands' Second Quarter Sales up 41% following Australian and Hawaiian Acquisitions

Restaurant Brands' total sales during the second quarter of the financial year (16 weeks ended 11 September 2017) were \$224.9 million, an increase of 41.0% or \$65.4 million on the equivalent period last year.

New Zealand operations generated sales of \$130.6 million, up 5.3%, with an additional \$42.2 million from the 47 KFC outlets in Australia (majority acquired in April 2016), and \$52.1 million from the 37 Taco Bell and 45 Pizza Hut outlets in Hawaii, Guam and Saipan (acquired in March 2017).

Group same store sales for the quarter were up 6.7% with New Zealand operations up 6.1% and Australia up 8.9%.

Year to date sales were \$386.1 million, an increase of 50.7% over the prior year on a total basis, and up 6.8% on a same store basis.

Total company store numbers were up by 82 on the equivalent period last year to 297 primarily from the 82 store Hawaiian acquisition.

KFC New Zealand

Second quarter sales for KFC New Zealand were \$99.4 million, an increase of 8.0% on the equivalent period last year on a total store basis and up 7.0% on a same store basis for the quarter.

Year to date sales for KFC New Zealand were \$170.3 million, an increase of 8.2% on a total basis and up 7.0% on a same store basis.

Store numbers remained steady at 92 during the quarter, up one on the prior year.

Pizza Hut New Zealand

Total second quarter sales for Restaurant Brands-owned Pizza Hut stores were \$13.2 million, an increase of 2.9% on the equivalent period last year, despite having three less stores because of sales to independent franchisees. Same store sales for the quarter increased by 10.1%.

Year to date sales for Restaurant Brands-owned Pizza Hut stores were \$22.9 million, an increase of 3.8% on a total basis, and up 10.6% on a same store basis.

Company owned store numbers remained steady during the quarter at 34 stores. There are now 60 Pizza Huts operated by independent franchisees, bringing the total network to 94 stores.

Network total sales for the quarter were \$31.8m, an increase of 12.2%. Year to date network total sales were \$54.9 million, an increase of 12.4%.

Starbucks Coffee

Starbucks Coffee total sales for the second quarter were \$7.3 million, a 6.4% decrease on the equivalent period last year following the closure of the Botany store during the quarter. Same store sales for the quarter were up 3.9%.

Year to date sales for Starbucks Coffee were \$13.4 million, an increase of 6.5% on a same store basis.

There were 23 stores trading at the end of the quarter, two down on prior year.

Carl's Jr.

Total sales for the second quarter were \$10.7 million, down 6.1% on the equivalent period last year due to strong sales in that period last year, following two new store openings in Christchurch and the closure of the poor performing Otahuhu store at the end of last year. On a same store basis sales were down by 3.7%.

Year to date sales for Carl's Jr. were \$18.8 million, a decrease of 2.3% on a same store basis.

Store numbers remained constant at 19 during the quarter, one down on prior year.

KFC Australia

On 27 April 2016 Restaurant Brands acquired 42 KFC stores in New South Wales, Australia. During the first quarter of this year the company acquired another 5 independent KFC franchise stores.

The 47 stores contributed AUD\$39.2 million (NZD\$42.2 million) in total sales during the second quarter, up 6.2% (AUD) on a same store basis for the quarter.

Year to date sales for KFC Australia were AUD\$66.7 million (NZD\$71.9 million), an increase of 5.8% (AUD) on a same store basis.

Taco Bell and Pizza Hut Hawaii

On 7 March 2017 Restaurant Brands acquired 37 Taco Bell and 45 Pizza Hut stores in Hawaii, Guam and Saipan.

The 82 acquired stores contributed USD\$38.1 million (NZD\$52.1 million) in total sales in the second quarter.

Year to date sales for the 27 weeks since acquisition were USD\$63.9 million (NZD\$88.9 million).

Of the 82 stores, the Taco Bell and Pizza Hut stores located at Pearl Harbour are temporarily closed due to infrastructure work on the base and are scheduled to reopen in May 2018.

Half Year Results

The financial results for the first half year will be released on 19 October 2017.

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RESTAURANT BRANDS NEW ZEALAND LIMITED

Quarterly Sales Report

Summary of Results for the 2nd Quarter (Q2)

(for the 16 weeks 23/05/2017 to 11/09/2017)

	2017/18 (\$000's)	2016/17 (\$000's)	% change
<u>Q2 2017/18 vs Q2 2016/17</u>			
Total Store Sales - KFC New Zealand	99,424	92,039	8.0%
Total Store Sales - Pizza Hut New Zealand	13,164	12,793	2.9%
Total Store Sales - Starbucks Coffee	7,308	7,807	-6.4%
Total Store Sales - Carl's Jr.	10,697	11,390	-6.1%
Total Store Sales - New Zealand	130,594	124,029	5.3%
Total Store Sales - KFC Australia *	42,163	35,504	18.8%
Total Store Sales - Taco Bell *	29,996	-	-
Total Store Sales - Pizza Hut Hawaii *	22,151	-	-
Total Store Sales - Hawaii *	52,147	-	-
Total Store Sales	224,903	159,533	41.0%
Same Store Sales - KFC New Zealand	98,207	91,788	7.0%
Same Store Sales - Pizza Hut New Zealand	13,121	11,923	10.1%
Same Store Sales - Starbucks Coffee	7,307	7,030	3.9%
Same Store Sales - Carl's Jr.	10,697	11,110	-3.7%
Total Same Store Sales - New Zealand	129,332	121,851	6.1%
Same Store Sales - KFC Australia *	38,350	35,228	8.9%
Same Store Sales - Taco Bell *	N/A	-	-
Same Store Sales - Pizza Hut Hawaii *	N/A	-	-
Total Same Store Sales - Hawaii *	N/A	-	-
Total Same Store Sales	167,682	157,080	6.7%
<u>YTD 2017/18 vs YTD 2016/17</u>			
Total Store Sales - KFC New Zealand	170,307	157,417	8.2%
Total Store Sales - Pizza Hut New Zealand	22,862	22,023	3.8%
Total Store Sales - Starbucks Coffee	13,425	13,784	-2.6%
Total Store Sales - Carl's Jr.	18,803	19,338	-2.8%
Total Store Sales - New Zealand	225,397	212,562	6.0%
Total Store Sales - KFC Australia *	71,864	43,596	64.8%
Total Store Sales - Taco Bell *	50,950	-	-
Total Store Sales - Pizza Hut Hawaii *	37,919	-	-
Total Store Sales - Hawaii *	88,869	-	-
Total Store Sales	386,130	256,158	50.7%
Same Store Sales - KFC New Zealand	168,051	157,004	7.0%
Same Store Sales - Pizza Hut New Zealand	22,757	20,578	10.6%
Same Store Sales - Starbucks Coffee	13,394	12,574	6.5%
Same Store Sales - Carl's Jr.	18,451	18,889	-2.3%
Total Same Store Sales - New Zealand	222,652	209,045	6.5%
Same Store Sales - KFC Australia *	47,065	43,510	8.2%
Same Store Sales - Taco Bell *	N/A	-	-
Same Store Sales - Pizza Hut Hawaii *	N/A	-	-
Total Same Store Sales - Hawaii *	N/A	-	-
Total Same Store Sales	269,717	252,555	6.8%

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Summary of Results for the 2nd Quarter (Q2)

(for the 16 weeks 23/05/2017 to 11/09/2017)

	2017/18 (\$000's)	2016/17 (\$000's)	% change
<u>NUMBER OF STORES OPEN AT QUARTER END</u>			
KFC New Zealand	92	91	1
Pizza Hut New Zealand	34	37	-3
Starbucks Coffee	23	25	-2
Carl's Jr.	19	20	-1
Total - New Zealand	168	173	-5
Total - KFC Australia	47	42	5
Taco Bell	37	-	37
Pizza Hut Hawaii	45	-	45
Total - Hawaii	82	-	82
Total Stores	297	215	82
<u>AUSTRALIAN SALES IN AUD</u>			
Q2 2017/18 vs Q2 2016/17			
Total Store Sales - KFC Australia	39,168	33,811	15.8%
Same Store Sales - KFC Australia	35,626	33,549	6.2%
YTD 2017/18 vs YTD 2016/17			
Total Store Sales - KFC Australia	66,718	41,383	61.2%
Same Store Sales - KFC Australia	43,695	41,301	5.8%
<u>HAWAIIAN SALES IN USD</u>			
Q2 2017/18 vs Q2 2016/17			
Total Store Sales - Taco Bell	21,942	-	-
Total Store Sales - Pizza Hut Hawaii	16,202	-	-
Total Store Sales - Hawaii	38,144	-	-
Same Store Sales - Taco Bell	N/A	-	-
Same Store Sales - Pizza Hut Hawaii	N/A	-	-
Total Same Store Sales - Hawaii	N/A	-	-
YTD 2017/18 vs YTD 2016/17			
Total Store Sales - Taco Bell	36,628	-	-
Total Store Sales - Pizza Hut Hawaii	27,252	-	-
Total Store Sales - Hawaii	63,880	-	-
Same Store Sales - Taco Bell	N/A	-	-
Same Store Sales - Pizza Hut Hawaii	N/A	-	-
Same Store Sales - Hawaii	N/A	-	-
Some Sales numbers for each of the concepts may not aggregate in total due to rounding.			
* Note:			
- Blended AUD:NZD rate for Q2	0.929	0.952	-0.023
- Blended AUD:NZD rate for YTD	0.928	0.949	-0.021
- Blended USD:NZD rate for Q2	0.731	-	-
- Blended USD:NZD rate for YTD	0.719	-	-