RESTAURANT BRANDS NEW ZEALAND LIMITED

25 February 2021
NZX/ASX

RESTAURANT BRANDS ANNOUNCES ANNUAL PROFIT RESULT

$NZm	**Dec 2020** *(52 weeks)*	**Dec 2019** *(44 weeks)*	**Change ($)**	**Change (%)**
Total Sales	**892.4**	**705.5**	**+186.8**	**+26.5**
Net Profit After Tax	**30.9**	**30.1**	**+0.8**	**+2.8**

Note: With the change in balance date last year, the comparative reported results are for the 44 weeks ended 31 December 2019 (Dec 2019) whereas the current year comparisons are for the 52 weeks ended 31 December 2020 (Dec 2020.) A comparable unaudited "gross up" summary is annexed to this report.

Key Points

- These trading results for the December 2020 period are for 52 weeks (full year) vs 44 weeks (10 months) for the December 2019 period previously reported.
- Total sales for the year were $892.4 million, up against the previous 44 week period, with full year positive same store sales growth across all three operating divisions. On an equivalent 12 month basis total sales were up by 7.0% or $58.6 million.
- Reported net profit after tax of $30.9 million for the year was up $0.8 million on the 44 week reporting period last year, despite being adversely impacted by COVID-19.
- Combined store EBITDA[1] (pre NZ IFRS 16) for the period was $147.3 million, up 27.0% on the previous 44 week period. On an equivalent 12 month basis, EBITDA was up over 7.5% or $10.3 million.
- The company acquired 69 KFC and Taco Bell stores in California on 2 September 2020, generating an additional $51.9 million in sales and $8.5 million in EBITDA in the last four months of the financial year.
- The Taco Bell brand launched in New Zealand and Australia (New South Wales) in late 2019 and has continued to grow with eight stores now successfully operating in New Zealand and Australia.

Overview

During the year ended 31 December 2019 Restaurant Brands changed its balance date from February to December. Hence the comparative financial results for the reporting period to December 2019 (FY19) are for 44 weeks compared to 52 weeks for the current reporting period (FY20). Two other significant factors have impacted the FY20 results compared with prior year: the adverse effect of COVID-19 and the positive impact of the California acquisition.

COVID-19, whilst creating considerable disruption across all four operating divisions, was particularly testing for the New Zealand operations with the entire business being closed for nearly five weeks in March-April 2020. The Australian, Hawaiian and Californian operations, whilst adversely affected, have generally continued to trade through the crisis (with some limitations) and consequently have sustained much less of an adverse profit impact.

[1] [1]EBITDA is earnings before interest, tax, depreciation and amortisation. The amounts referred to throughout this report is EBITDA before G&A, NZ IFRS 16 and Other Items. It is a non-GAAP financial measure and is not prepared in accordance with NZ IFRS.

The acquisition of 69 stores in California (58 KFC and 11 joint KFC/Taco Bell) was successfully completed on 2 September 2020. The financial results for the California division have been significantly above expectations despite the challenges of COVID-19. The division added $51.9 million in total sales and $8.5 million in store EBITDA over the four months of ownership.

The resulting reported FY20 NPAT of $30.9 million is up 2.8% or $0.8 million on the prior 44 week period.

Group Operating Results

Directors are pleased to report that Restaurant Brands has produced a net profit after tax (NPAT) for the year ended 31 December 2020 (FY20) of $30.9 million, up 2.8% on the reported NPAT of $30.1 million for the prior period. As previously noted, the prior period reported NPAT is for 44 weeks compared to 52 weeks in this year.

$NZm after tax	Dec 2020	Dec 2019	Change ($)	Change (%)
Reported NPAT	**30.9**	**30.1**	**0.8**	**+2.8%**
Impact of NZ IFRS 16	7.0	4.5	2.5	+55.6%
Other Income & Expenses	8.8	4.0	4.8	+120.0%
Change of Balance Date*		7.1	(7.1)	-
Comparable Trading NPAT	**46.7**	**45.7**	**1.0**	**+2.2%**

**Estimated (unaudited) NPAT over the eight weeks to February 2020, prorata'd from the 44 weeks to December 2019*

In addition to the change of balance date, two other factors distort the prior year comparison: the continuing negative impact of NZ IFRS 16, and Other Income and Expenses.

The table above sets out a like-for-like comparison of the current year's 12 month result versus the prior year 10 months' normalised trading (detail of which is attached to this report). After adjusting for the negative impact of the NZ IFRS 16 accounting lease standard and the shorter trading period (estimated at $7.1 million), together with the impact of higher net expenses unrelated to normal trading, the underlying trading profit is estimated at $46.7 million (up 2.2% on the prior equivalent year).

Total brand sales for the Company were $892.4 million, up $186.8 million when compared with the 44 week prior period. On a like-for-like annualised footing they are up approximately 7.0%, primarily because of the inclusion of $51.9 million of sales for the four months following the California acquisition. All three existing divisions produced positive same store sales.

Combined store EBITDA (pre-NZ IFRS 16 and Other Items) of $147.3 million was up $31.4 million or +27.0% on the prior period. On an annualised basis the results were up 7.5%, due to strong performance in Hawaii and the acquisition of the California operations. EBITDA margins (as a % of sales) improved from 16.4% to 16.5% due to the strength of the Pizza Hut Hawaii performance.

Restaurant Brands' store numbers at the end of the financial year totalled 348, comprising 137 in New Zealand, 72 in Hawaii, 70 stores in Australia and 69 stores in California.

New Zealand Operations

Total store sales in New Zealand were $410.4 million, up $42.9 million or +11.7% on the 44 week period ending December 2019. This is a result of the additional eight weeks trading in the December 2020 year, partially offset by the five weeks full store lockdown due to COVID-19 with lost sales of approximately $40 million.

	Actual 52 weeks 31 December 2020	Actual 44 weeks 31 December 2019	Proportioned 52 weeks 31 December 2019	Change ($)	Change (%)
Store sales ($m)	**410.4**	367.5	434.3	+42.9	+11.7%
EBITDA ($m)	**75.9**	67.9	80.3	+8.0	+11.8%
EBITDA as a % of Sales	***18.5***	*18.5*	18.5		
Store Numbers	**137**	148			

The proportioned 52 weeks in the table above is an arithmetical calculation factoring up the 44 weeks ending Dec 2019 (26 February 2019 to 31 December 2019) to a 52 week equivalent. This is for illustrative purposes only.

The New Zealand business was completely closed for nearly five weeks in March-April 2020 as part of the COVID-19 lockdown, losing an estimated $40 million in sales over the period. However upon re-opening the business recovered well, with same store sales for the full year up +5.3%. The underlying sales growth has been driven by another good performance by KFC combined with Carl's Jr., both brands sales have remained strong throughout the year with growth through both the delivery and in-store channels. The accelerated expansion of delivery channels as part of the COVID-19 response has also helped. Taco Bell remains only a small portion of the New Zealand business sales with three stores opened during the year and sales from the four existing stores continuing to track above expectations.

EBITDA was up $8.0 million reflecting the higher sales; however the underlying EBITDA as a percentage of sales has remained constant on 18.5%.

As part of the COVID-19 response the New Zealand business received a government wage subsidy of $22.0 million, which was fully passed on to all staff. This number has been included in the statement of comprehensive income. Restaurant Brands elected to retain all staff at 100% of their wages and salaries throughout the lockdown period. Although the wage subsidy helped to offset the cost to the business, there was a shortfall of approximately $0.5 million per week. There were also other fixed costs incurred during the mandated lockdown which contributed to an estimated $4.4 million drop in EBITDA before G&A costs over the closure period.

The Pizza Hut sub-franchising process continues, with 16 stores sold to franchisees during the year. This included three turnkey stores. The company now operates 13 stores with independent franchisees operating 90 stores.

Overall store numbers decreased by 11 during the year with the 16 Pizza Hut stores sold offset with one new KFC store being opened in Central Christchurch and the continued roll out of Taco Bell with three new stores opened in the greater Auckland region. KFC Kapiti was also acquired from an independent franchisee during the period. All five of the new stores are trading well.

Australian Operations

The Australian business contributed total sales of $NZ214.9 million (up 27.1%), and a store EBITDA (excluding the effect of NZ IFRS 16) of $NZ29.4 million (up 16.7%).

	Actual 52 weeks 31 December 2020	**Actual 44 weeks 31 December 2019**	**Proportioned 52 weeks 31 December 2019**	**Change ($)**	**Change (%)**
Sales ($Am)	**202.4**	160.2	189.3	**+42.2**	**+26.3%**
Store EBITDA ($Am)	**27.7**	23.4	27.7	**+4.3**	**+18.4%**
EBITDA as a % of Sales	***13.7***	*15.4*	15.4		
Store Numbers	**70**	65			

The proportioned 52 weeks in the table above is an arithmetical calculation factoring up the 44 weeks ending Dec 2019 (26 February 2019 to 31 December 2019) to a 52 week equivalent. This is for illustrative purposes only.

Total sales in Australia were $A202.4 million, up $A42.2 million (or +26.3%) on last year, and on a proportioned 52 week basis sales were up $A12.1 million primarily due to the effect of additional store openings. Same stores sales were also up 2.0%.

There was significant disruption to stores due to COVID-19 with the temporary closure of all mall stores and the extended closure of all dine-in restaurants. The business has focused on ensuring a continued safe work environment for all members of staff and the highest hygiene standards for customers, whilst providing continued emphasis on providing efficient delivery services.

Investment in KFC store upgrades continued, together with new store openings. Two new drive-thru Taco Bell sites and four additional KFC stores opened during the year, bringing total store numbers to 70.

With the extended closure of the dine in facilities due to COVID-19 the home delivery service was expanded into New South Wales regional locations, which generated further growth in the KFC delivery channel. This has helped maintain same store sales growth over the past 12 months, but has added to the cost pressures of the business which, together with initial Taco Bell set up costs, is reflected in a drop in EBITDA as a percentage of sales to 13.7%.

Store EBITDA margins of $A27.7 million (13.7% of sales) were up $A4.3 million or +18.4% on last year. This reflects the additional eight weeks trading. On an equivalent 52 week basis store EBITDA has remained flat with additional sales offset by higher cost pressures.

Hawaiian Operations

Total sales in Hawaii for the period were $US139.3 million with store level EBITDA of $US21.5 million (15.6% as a percentage of sales vs 13.5% in the prior period).

	Actual 52 weeks 31 December 2020	Actual 44 weeks 31 December 2019	Proportioned 52 weeks 31 December 2019	Change ($)	Change (%)
Sales ($USm)	**139.3**	110.7	130.8	+28.6	+25.8%
Store EBITDA ($USm)	**21.5**	15.0	17.7	+6.5	+43.3%
EBITDA as a % of Sales	***15.6***	*13.5*	13.5		
Store Numbers	**72**	74			

The proportioned 52 weeks in the table above is an arithmetical calculation factoring up the 44 weeks ending Dec 2019 (26 February 2019 to 31 December 2019) to a 52 week equivalent. This is for illustrative purposes only.

In $NZ terms the Hawaiian operations contributed $NZ215.1 million in revenues and $NZ33.5 million in EBITDA for the year. These results were all up (particularly Pizza Hut) on the equivalent December 2019 year despite the operational challenges created by COVID-19.

Reported sales are up $US28.6 million to $US139.3 million primarily due to the comparison with last year's reporting period of 44 weeks. On an equivalent year comparison sales were up $US8.6 million for the period which is reflected in same store sales growth of 7.7% for the year.

Pizza Hut saw a significant increase in both sales and profitability. The excellent response by the Pizza Hut brand to the challenges created by COVID-19 was a major driver of the strong sales performance. With Pizza Hut USA emphasizing food safety, no-touch contactless delivery as well as the roll out of curbside delivery, customers reacted favourably, particularly with the continued influence of COVID-19 in Hawaii. Online ordering grew significantly and now accounts for 60% of sales. The closure of seven old format stores at the end of last year, and a further three stores this year, with a move towards smaller and more efficient delivery and carry-out (delco) style stores also helped drive profitability.

Although Taco Bell was harder hit by the closure of dine in options, the promotions around family size meals and affordable pricing was successful with drive through average customer spend increasing significantly. UberEats and DoorDash also came on board as additional food aggregators (in addition to Grubhub) which has also helped to drive delivery sales.

Store numbers are down by net two from December 2019 following the closure of three Pizza Hut stores as part of the strategy to close some very old dine-in restaurants. During this period one new Pizza Hut store has opened and is performing strongly.

Californian Operations

Following Yum! and landlord approval, the acquisition of 69 stores in California was settled on 2 September 2020. With most of the existing management team in place, the completion was executed smoothly. Even with the impact of COVID-19 on the business effectively closing the dine-in channel, management continuity and the benefit of recently upgraded stores ensured that Restaurant Brands' most recent acquisition delivered initial financial results well ahead of expectations.

Total sales in California for the period were $US35.6 million with store level EBITDA of $US5.8 million (16.4% as a percentage of sales).

In $NZ terms the California operations contributed $NZ51.9 million in revenues and $NZ8.5 million in EBITDA for the four month period from 2 September 2020.

	Actual 52 weeks 31 December 2020	Actual 44 weeks 31 December 2019	Change ($)	Change (%)
Sales ($USm)	**35.6**	n/a	n/a	n/a
Store EBITDA ($USm)	**5.8**	n/a	n/a	n/a
EBITDA as a % of Sales	***16.4***	n/a		
Store Numbers	**69**	n/a		

The California division made a solid contribution to the Group results over the four months since acquisition. Despite the dine in channels being closed due to COVID-19 for the majority of the four months, drive through sales have remained strong and, like the other divisions, delivery sales are well above expectations. The strong sales have driven a higher than expected EBITDA margin percentage to sales of 16.4%, producing the store earnings well above expectations.

The business saw an extensive reinvestment programme prior to settlement. However in line with the strategy to further reinvest in the stores, more capital expenditure is planned for this market, including new store builds of which two are already underway.

Corporate & Other

General and administration (G&A) costs were $45.6 million, up $12.3 million from last year due to the longer current reporting period, but also up $6.2 million on a normalised annual basis. Most of the increase came from long term incentive remuneration and additional G&A charges in California as that acquisition came on stream. G&A as a % of total revenue was 4.9% which is up from 4.5% for the period ended 31 December 2019. This was largely due to the effect of the full closure of the New Zealand stores and the lost sales during that period.

Depreciation charges of $65.0 million for the year ended 31 December 2020 were $17.2 million higher than the prior year primarily due to the impact of the additional reporting weeks. It also included $5.7 million from the newly acquired California division. Of the $65.0 million, $30.9 million related to right of use asset depreciation incurred under NZ IFRS 16.

Financing costs of $30.2 million were up $8.8 million on prior year, once again reflecting the impact of the additional reporting weeks. Interest on bank debt for the period ended 31 December 2020 was $6.5 million, up $1.4 million on last year due to the longer reporting period and the additional debt taken on to acquire the California business. This was partially off-set by a lower effective interest rates following the restructure of the Group's debt facilities which was activated in May 2020.

Tax expense was $14.0 million, up $1.2 million on the prior year. The effective tax rate was 31.2% (29.9% for FY19) with a higher level of non-deductible expenses in the current year.

Other items

Other Net Income and Expense of $8.8 million is up from $4.6 million for the prior period. This primarily relates to acquisition costs associated with the California acquisition of $4.3 million.

Cash Flow & Balance Sheet

The total assets of the Group are $1,173.0 million, up $293.1 million primarily due to the inclusion of $263.2 million of new assets in California. Equally there has been an increase of $270.6 million in liabilities, primarily reflecting the future discounted lease liability on leases acquired and an increase in debt drawdowns arising from that transaction.

Included in the Group's debt is a $11.3 million Paycheck Protection Program loan (PPP loan) in Hawaii from the US federal government. Application has been made for the loan to be forgiven with a decision expected by mid-2021.

Operating cash flows were up $24.2 million to $111.9 million, reflecting the additional weeks being reported, along with the strong trading performance. The inclusion of the California business has also had a positive impact on operating cash flows.

Net investing cash outflows were $178.0 million (versus $59.7 million last year) including the acquisition of the California business for $119.2 million ($US80.7 million). Payments for fixed assets and intangibles of $60.5 million was up from $59.7 million with five new KFC, and five new Taco Bell stores in New Zealand and Australia and significant KFC refurbishment expenditure in both those markets. In addition there were several major Taco Bell refurbishments in Hawaii. This year’s net investing cash flows also included inflows of $4.5 million received, primarily from the sale of Pizza Hut stores in New Zealand.

Outlook

The focus for Taco Bell in New Zealand and Australia remains on investing to build brand presence with more than ten stores expected to open by December 2021. The significance of the brand’s sales will continue to grow as additional stores are opened. However overall the financial impact of the brand on the Group will remain slight for the coming year.

The inclusion of 58 KFC and 11 joint KFC/Taco Bell stores in California will have a positive impact on earnings profile in the 2021 year.

Current trading for the new year remains strong across all divisions; however with the current uncertainties that remain with COVID-19 it is difficult to provide firm guidance. Further updates will be provided at the annual meeting.

Annual Shareholders’ Meeting

The Annual Shareholders’ Meeting of the company will be held on Thursday 27 May 2021. Given the COVID-19 uncertainty, it will be a virtual meeting.

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About Restaurant Brands:

Restaurant Brands New Zealand Limited operates the KFC, Pizza Hut, Taco Bell and Carl’s Jr. brands in New Zealand, the KFC and Taco Bell brands in NSW, Australia, the KFC and Taco Bell Brands in California, and the Taco Bell and Pizza Hut brands in Hawaii and Guam. These brands - four of the world’s most famous - are distinguished for their product, look, style and ambience, service and for the total experience they deliver to their customers around the world.

Consolidated Income Statement For the year ended 31 December 2020					
	31 Dec 2020 52 weeks		**vs Prior %**	**31 Dec 2019 44 weeks**	
$NZ000's					
Sales					
Total New Zealand sales	**410,399**		***11.7***	**367,521**	
Total Australia sales	**214,923**		***27.1***	**169,105**	
Total Hawaii sales	**215,113**		***27.4***	**168,915**	
Total California sales	**51,924**		***n/a***	**-**	
Total sales	**892,359**		*26.5*	**705,541**	
Other revenue	32,369		*15.1*	28,125	
Total operating revenue	**924,728**		***26.0***	**733,666**	
Cost of goods sold	(761,695)		*(29.6)*	(587,874)	
Gross margin	**163,033**		***11.8***	**145,792**	
Distribution expenses	(7,138)		*(79.5)*	(3,976)	
Marketing expenses	(48,344)		*(22.3)*	(39,524)	
General and administration expenses	(45,595)		*(36.9)*	(33,306)	
Government grants	22,013		***n/a***	-	
Other items	(8,777)		*(90.2)*	(4,616)	
Operating profit	**75,192**		***16.8***	**64,370**	
Financing expenses	(30,220)		*(40.8)*	(21,464)	
Net profit before taxation	**44,972**		***4.8***	**42,906**	
Taxation expense	(14,034)		*(9.5)*	(12,815)	
Net profit after taxation (NPAT)	**30,938**		***2.8***	**30,091**	
		% sales			% sales
Concept EBITDA before G&A					
Total New Zealand	**75,856**	***18.5***	***11.7***	**67,907**	***18.5***
Total Australia	**29,408**	***13.7***	***16.7***	**25,202**	***15.4***
Total Hawaii	**33,547**	***15.6***	***46.7***	**22,865**	***13.5***
Total California	**8,516**	***16.4***	***n/a***	**-**	***n/a***
Total concept EBITDA before G&A	**147,327**	***16.5***	***27.0***	**115,974**	***16.4***
Ratios					
Net tangible assets per security (net tangible assets divided by number of shares) in cents	(26.2)			9.9	

Cost of goods sold are direct costs of operating stores: food, paper, freight, labour and store overheads.
Distribution expenses are costs of distributing product from store.
Marketing expenses are order centre, advertising and local store marketing expenses.
General and administration expenses (G&A) are non-store related overheads.
EBITDA excludes the impact of NZ IFRS 16.

Consolidated Income Statement
For the year ended 31 December 2020
Annualised unaudited results for 52 weeks - based on audited 44 week period results

$NZ000's	Reported 31 Dec 2020 Audited 52 weeks	Annualised[1] 31 Dec 2019 Unaudited 52 weeks	Annualised % change	Reported 31 Dec 2019 Audited 44 weeks
Sales				
Total New Zealand sales	**410,399**	**434,343**	*(5.5)*	**367,521**
Total Australia sales	**214,923**	**199,852**	*7.5*	**169,105**
Total Hawaii sales	**215,113**	**199,626**	*7.8*	**168,915**
Total California sales	**51,924**	**-**	*n/a*	**-**
Total sales	**892,359**	**833,821**	*7.0*	**705,541**
Other revenue	32,369	33,239	*(2.6)*	28,125
Total operating revenue	**924,728**	**867,060**	*6.7*	**733,666**
Cost of goods sold	(761,695)	(694,760)	*(9.6)*	(587,874)
Gross margin	**163,033**	**172,300**	*(5.4)*	**145,792**
Distribution expenses	(7,138)	(4,699)	*(51.9)*	(3,976)
Marketing expenses	(48,344)	(46,710)	*(3.5)*	(39,524)
General and administration expenses	(45,595)	(39,365)	*(15.8)*	(33,309)
Government grants	22,013	-	*n/a*	-
Other items	(8,777)	(5,455)	*(60.9)*	(4,616)
Operating profit	**75,192**	**76,072**	*(1.2)*	**64,370**
Financing expenses	(30,220)	(25,367)	*(19.1)*	(21,464)
Net profit before taxation	**44,972**	**50,706**	*(11.3)*	**42,906**
Taxation expense	(14,034)	(15,145)	*7.3*	(12,815)
Net profit after taxation (NPAT)	**30,938**	**35,562**	*(13.0)*	**30,091**
Concept EBITDA before G&A[2]				
Total New Zealand	**75,856**	**80,253**	*(5.5)*	**67,907**
Total Australia	**29,408**	**29,784**	*(1.3)*	**25,202**
Total Hawaii	**33,547**	**27,023**	*24.1*	**22,865**
Total California	**8,516**	**-**	*n/a*	**-**
Total concept EBITDA before G&A	**147,327**	**137,060**	*7.5*	**115,974**

1 The annualised December 2019 figures are an arithmetic calculation grossing up the 44 week audited results to reflect an equivalent 52 week period. This has been done for illustrative purposes only.
2 EBITDA excludes the impact of NZ IFRS 16.

Non-GAAP Financial Measures
For the year ended 31 December 2020

The Group results are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with New Zealand International Financial Reporting Standards ("NZ IFRS"). These financial statements include non-NZ GAAP financial measures that are not prepared in accordance with NZ IFRS. The non-NZ GAAP financial measures used in this presentation are as follows:

1. **EBITDA before G&A, NZ IFRS 16 and other items.** The Group calculates Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") before G&A (general and administration expenses) and other items by taking net profit before taxation and adding back (or deducting) financing expenses, other items, depreciation, amortisation and G&A. The Group also refers to this measure as **Concept EBITDA before G&A and other items.** This measure provides the results of the Group's core operating business and excludes those costs not directly attributable to stores. This is believed to be a useful measure to assist in the understanding of the financial performance of the Group.

   The term **Concept** refers to the Group's seven operating divisions comprising the New Zealand divisions (KFC, Pizza Hut, Taco Bell and Carl's Jr.), two Australia divisions (KFC and Taco Bell) and the two Hawaii divisions (Taco Bell and Pizza Hut). The term **G&A** represents non-store related overheads.

2. **Total NPAT excluding the impact of NZ IFRS 16**. Total Net Profit After Taxation ("NPAT") excluding the impact of NZ IFRS 16 is calculated by taking profit after taxation attributable to shareholders and adding back (or deducting) lease items whilst also allowing for any tax impact of those items. This measure reflects the performance of the business, excluding costs associated with the adoption of NZ IFRS 16 and is considered a useful measure to assist with understanding the financial performance of the Group.

3. **Capital expenditure including intangibles**. Capital expenditure including intangibles represents additions to property, plant and equipment and intangible assets. This measure represents the amount of reinvestment in the business and is therefore a useful measure to assist the financial position of the Group.

The Group believes that these non-NZ GAAP measures provide useful information to readers to assist in the understanding of the financial performance and position of the Group but that they should not be viewed in isolation, nor considered as a substitute for measures reported in accordance with NZ IFRS. Non-NZ GAAP measures as reported by the Group may not be comparable to similarly titled amounts reported by other companies.

The following is a reconciliation between these non-NZ GAAP measures and net profit after taxation:

$NZ000's	Note*	31 Dec 2020	31 Dec 2019
EBITDA before G&A, NZ IFRS 16 and other items	1	**147,327**	**115,974**
Depreciation		(33,812)	(25,250)
Net gain / (loss) on sale of property, plant and equipment (included in depreciation)		(276)	(106)
Lease deprecation		(30,908)	(22,395)
Lease costs		44,919	32,369
Amortisation (included in cost of sales)		(2,740)	(2,178)
General and administration costs - area managers, general managers and support centre		(40,541)	(29,428)
Other income		615	722
Other expenses		(9,392)	(5,338)
EBIT		**75,192**	**64,370**
Financing expenses		(30,220)	(21,464)
Net profit before taxation		**44,972**	**42,906**
Taxation expense		(14,034)	(12,815)
Net profit after taxation		**30,938**	**30,091**
Add back IFRS 16 impact		9,741	6,076
Taxation expense on IFRS 16 impact		(2,737)	(1,547)
Total NPAT excluding the impact of NZ IFRS 16	2	**37,942**	**34,620**

* Refers to the list of non-NZ GAAP measures as listed above.