

# COLLINS FOODS LIMITED

INVESTOR DAY  
14 October 2021

Authorised for release by the Disclosure Committee







**PEOPLE. BRAND. SCALE.**

# TODAY'S AGENDA AND PRESENTERS

## OVERVIEW



**Drew O'Malley**

**Managing Director and CEO**

- 24+ years' QSR experience in Europe and Australia
- Joined Collins Foods as COO in 2017, appointed CEO in 2020 and Managing Director in 2021
- Other career highlights:
  - 20 years with AmRest (Division President Central & Eastern Europe, Chief Operating Officer, Chief Digital Officer)
  - Consultant with McKinsey & Company
  - MBA University of Michigan

## KFC AUSTRALIA



**Helen Moore**

**Chief Operating Officer**

- 15+ years' Food & Retail experience
- Joined Collins Foods in 2021
- Other career highlights:
  - CEO Oporto
  - Developed the Foodary and Metro concepts at Ampol
  - Senior leadership roles at Woolworths
  - Consumer and retail investment banking with JP Morgan and Deutsche Bank

## KFC EUROPE



**Hans Miete**

**Collins Foods Europe CEO**

- 20+ years' QSR and foodservice experience
- Joined Collins Foods in 2020
- Other career highlights:
  - Managing Director Burger King Netherlands (Master Franchisee)
  - Co-CEO New York Pizza (Netherlands)
  - Division Managing Director at Albron (Netherlands, Belgium)
  - MBA Keele University Business School

## TACO BELL AUSTRALIA



**Krystal Zugno**

**General Manager Taco Bell**

- 20+ years' QSR experience
- Joined Collins Foods in 2000, and appointed to Executive Team in 2021
- Other career highlights:
  - Various leadership positions in KFC Australia at Collins Foods
  - Led Collins Foods' KFC Australia division through COVID-19 pandemic as Interim General Manager in FY20

# A COMPANY BUILT AROUND VISION, MISSION & VALUES

## » Our Vision »

THE WORLD'S **TOP**  
**Restaurant**  
**OPERATOR.**

WE CREATE UNMATCHED EXPERIENCES  
FOR OUR CUSTOMERS & PEOPLE.

## » Our Mission »

**RESTAURANTS**  
done **BETTER.**

WE HAVE AN OBSESSION FOR RAISING THE BAR ON  
WHAT PEOPLE THINK A RESTAURANT EXPERIENCE  
SHOULD BE.

» MORE HUMAN » MORE SUSTAINABLE »

» MORE DIGITAL » MORE FUN »

**WE WILL LEAD THE WAY.**





# OPERATING WORLD-CLASS QSR BRANDS BUILT FOR GROWTH & SCALE



- Powerhouse core business unit, with 254 restaurants
- Strong track record delivering growth in same store sales and margins
- Digital initiatives driving innovation in customer and employee experience
- Delivery providing further growth channel
- Attractive organic growth pipeline



- Emerging opportunity, with 51 restaurants in the Netherlands and Germany
- KFC Netherlands Corporate Franchise Agreement with Yum! provides new strategic opportunities
- Accelerating growth in Netherlands via ramp up of organic pipeline and further franchisee consolidation
- Explore growth options in Germany as economics improve



- Newest growth channel, with 17 restaurants and counting
- Mexican is the fastest growing QSR segment in Australia
- Driving awareness and trial for the brand, reinforcing QSR credentials
- Massive market opening recently in Perth
- Strong organic pipeline re-accelerates growth from 2022






# **KFC AUSTRALIA**

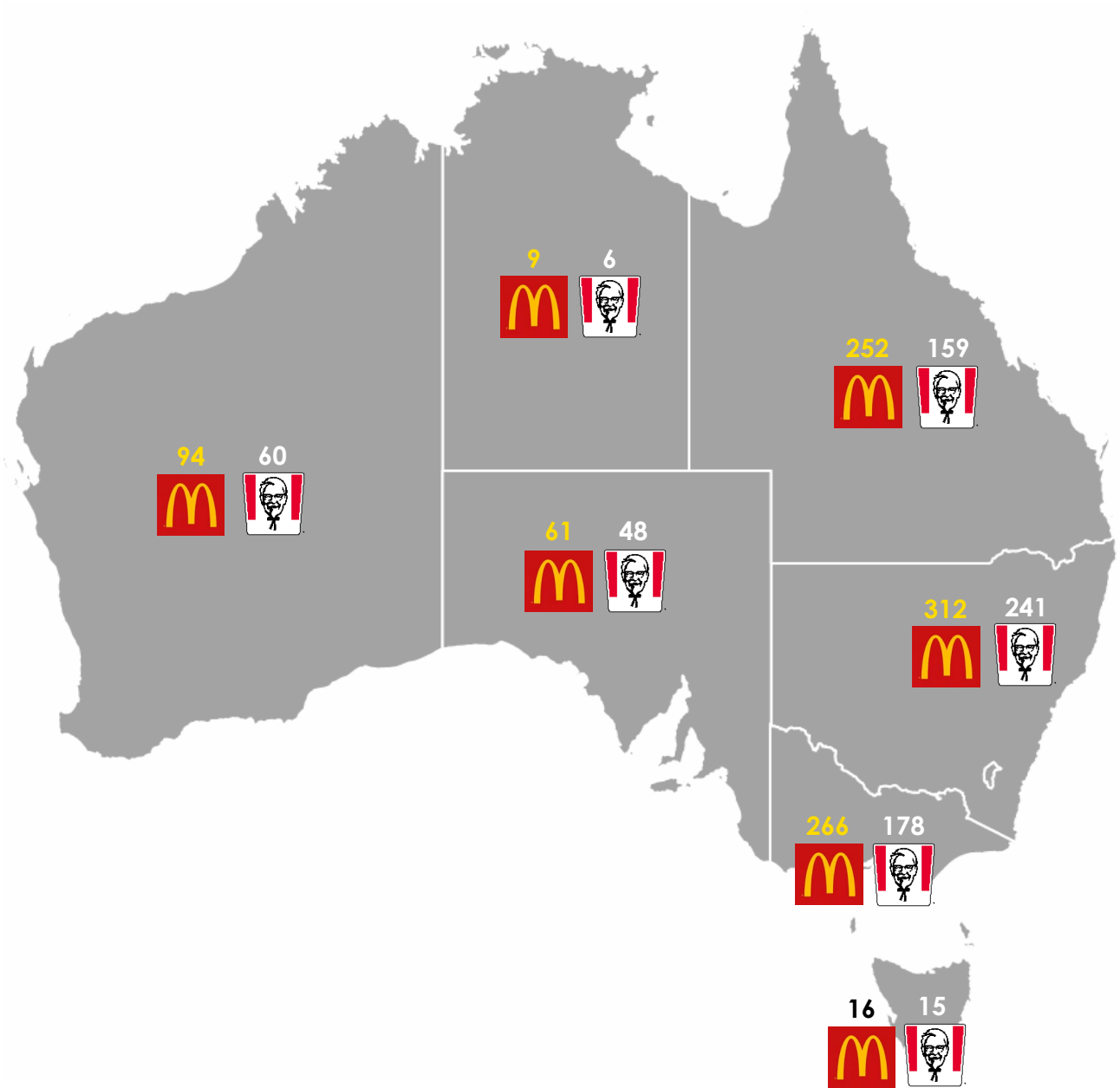
**HELEN MOORE**



# ...WITH CLEAR MARKET GROWTH POTENTIAL

			
QLD	252	159	159
NSW	312	241	12
VIC	266	178	4
TAS	16	15	15
SA	61	48	9
WA	94	60	50
NT	9	6	5
	979	696	254

Source: [mcdonalds.com.au/find-us/restaurants](https://mcdonalds.com.au/find-us/restaurants), Yum!



# STRONG NEW STORE PIPELINE, BOLSTERED BY FORMAT INNOVATION

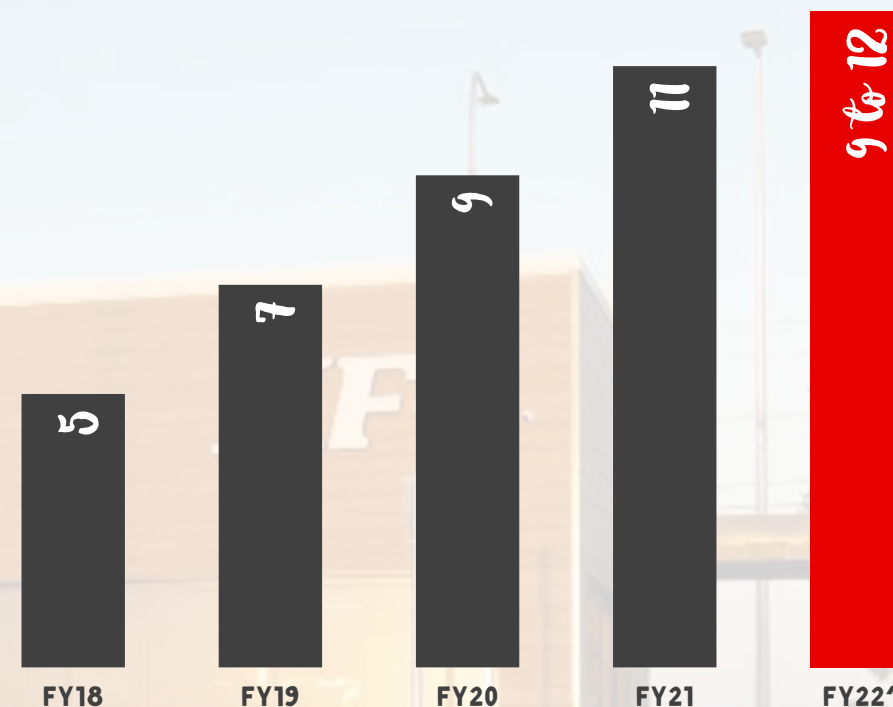
- Development Agreement adds at least 55 new restaurants by 2028
- Free-standing drive thru remains our primary format, plus innovation to future proof our business

**SMALL-BOX**

**DARK-STORE**

**FLAGSHIP**

**T-LINE & OPEN  
KITCHEN**



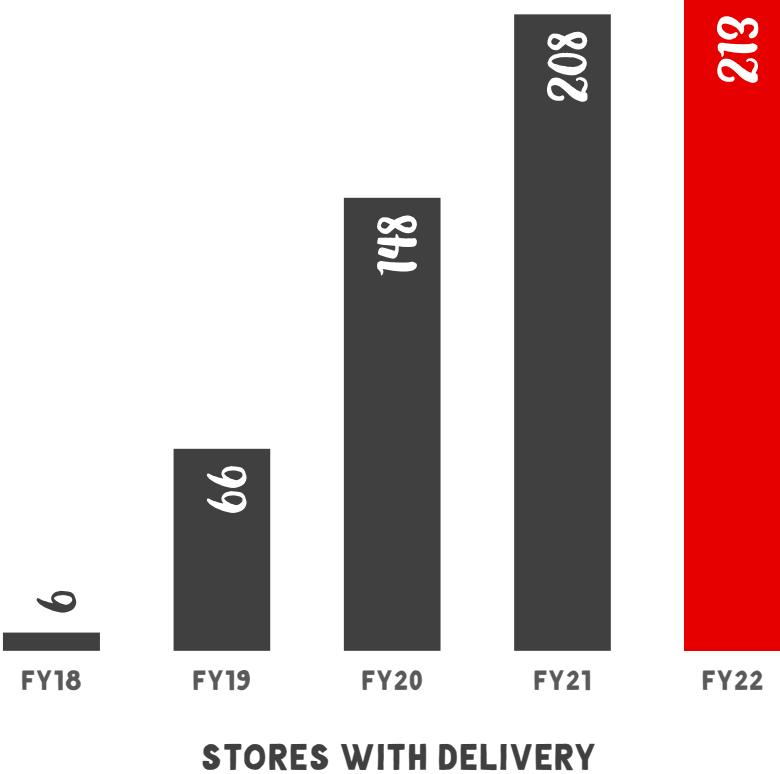
**COLLINS FOODS KFC AUSTRALIA NEW STORES**

^ indicates a target to build restaurants. All other figures indicate restaurants that have been built.



# INVESTMENT IN DIGITAL AND DELIVERY UNDERPINS ENHANCED CUSTOMER EXPERIENCE AND GROWTH...

## 'KFC DELIVERS' TAKING SHARE



**DELIVERY PENETRATION >80%**

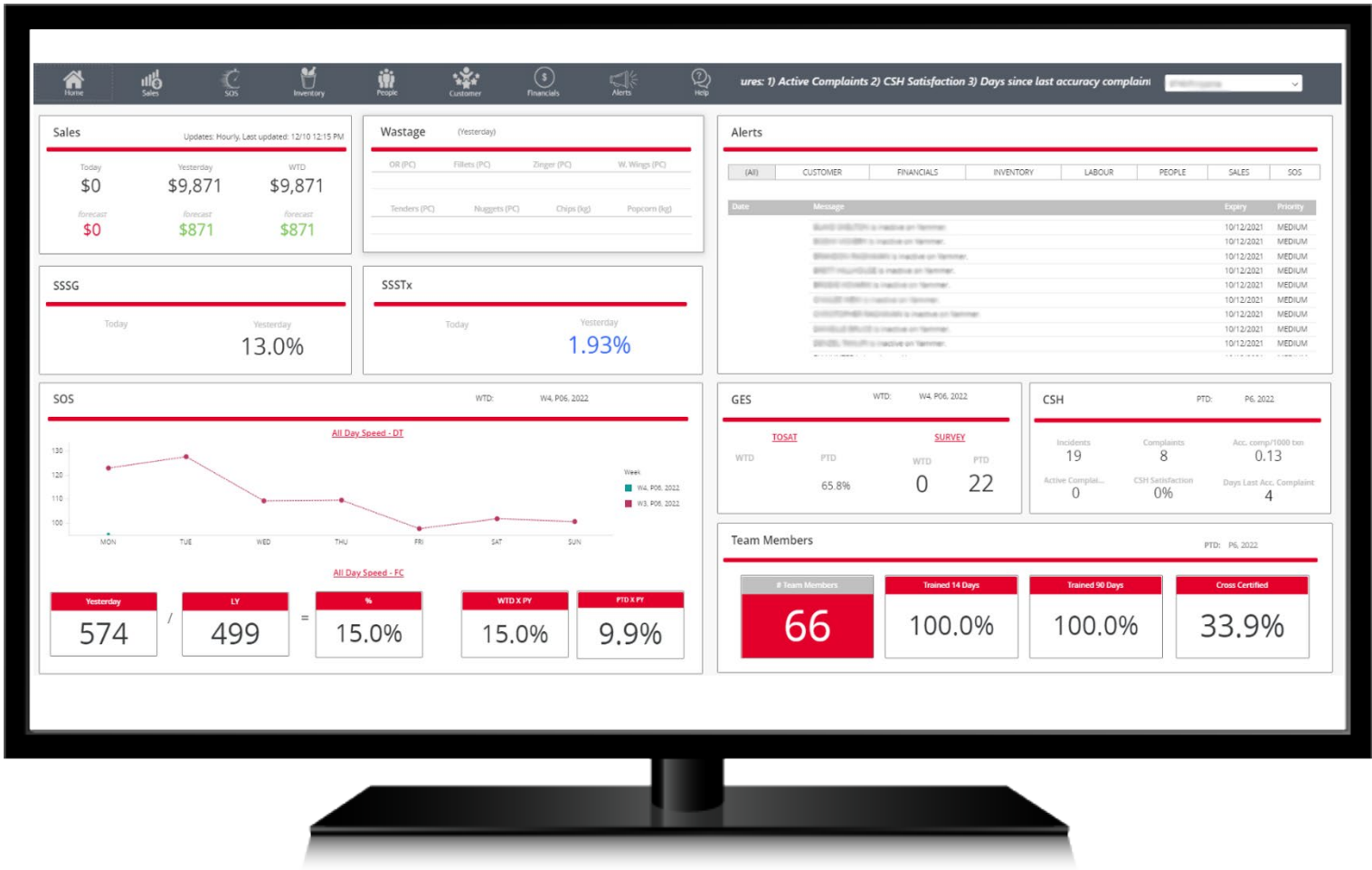


...AND ENABLES OUR PEOPLE TO FOCUS ON WHAT MATTERS

**LIVE OPERATIONS DASHBOARDS**



**ELECTRONIC  
PRODUCTION PLANNING**





# WHAT'S NEXT?

A SNEAK PEAK (IN THE ABSENCE OF LUNCH!)





**...COMING SOON**





**KFC  
EUROPE**

**HANS MIETE**

# CLEAR MARKET GROWTH POTENTIAL



## NETHERLANDS

### QSR MARKET RESTAURANT NUMBERS\*



254

1,446



70

744



80

174

\* This chart depicts the approximate number of restaurants per country. This information has been obtained from various public sources.

● Acquired in 2021

● Existing CF footprint



## GERMANY



# KFC NETHERLANDS' CORPORATE FRANCHISE AGREEMENT UNDERPINS ATTRACTIVE GROWTH OPPORTUNITIES



NEWLY ANNOUNCED CFA WILL ACCELERATE COLLINS FOODS' LED GROWTH IN THE NETHERLANDS

## CFA KEY TERMS

- 10-year agreement to develop, manage and support KFC Netherlands
- Lead total market development pipeline of up to 130 net new restaurants over the next 10 years
- Manage, support, and oversee franchisees (and introduce new ones, if needed)
- Control of brand and marketing strategy
- Fixed Service Fee provided by Yum to offset for increased costs of running the market
- Potential to earn financial incentives for achieving performance metrics



# KFC NETHERLANDS' CORPORATE FRANCHISE AGREEMENT

COLLINS FOODS' EUROPEAN TEAM HAS THE CAPABILITY AND EXPERIENCE TO DELIVER ON THE TERMS OF THE CFA



## COLLINS FOODS' SUCCESS FACTORS

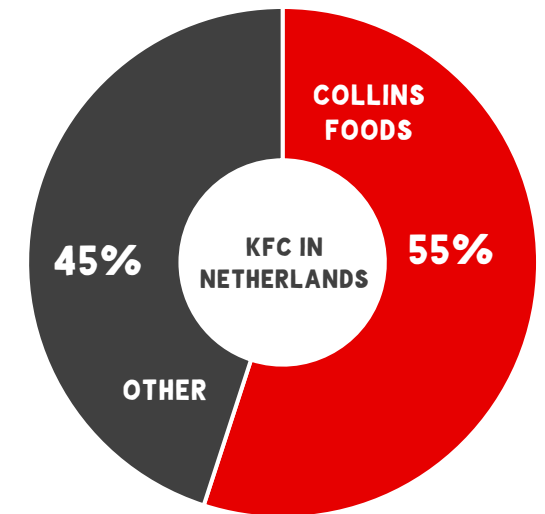
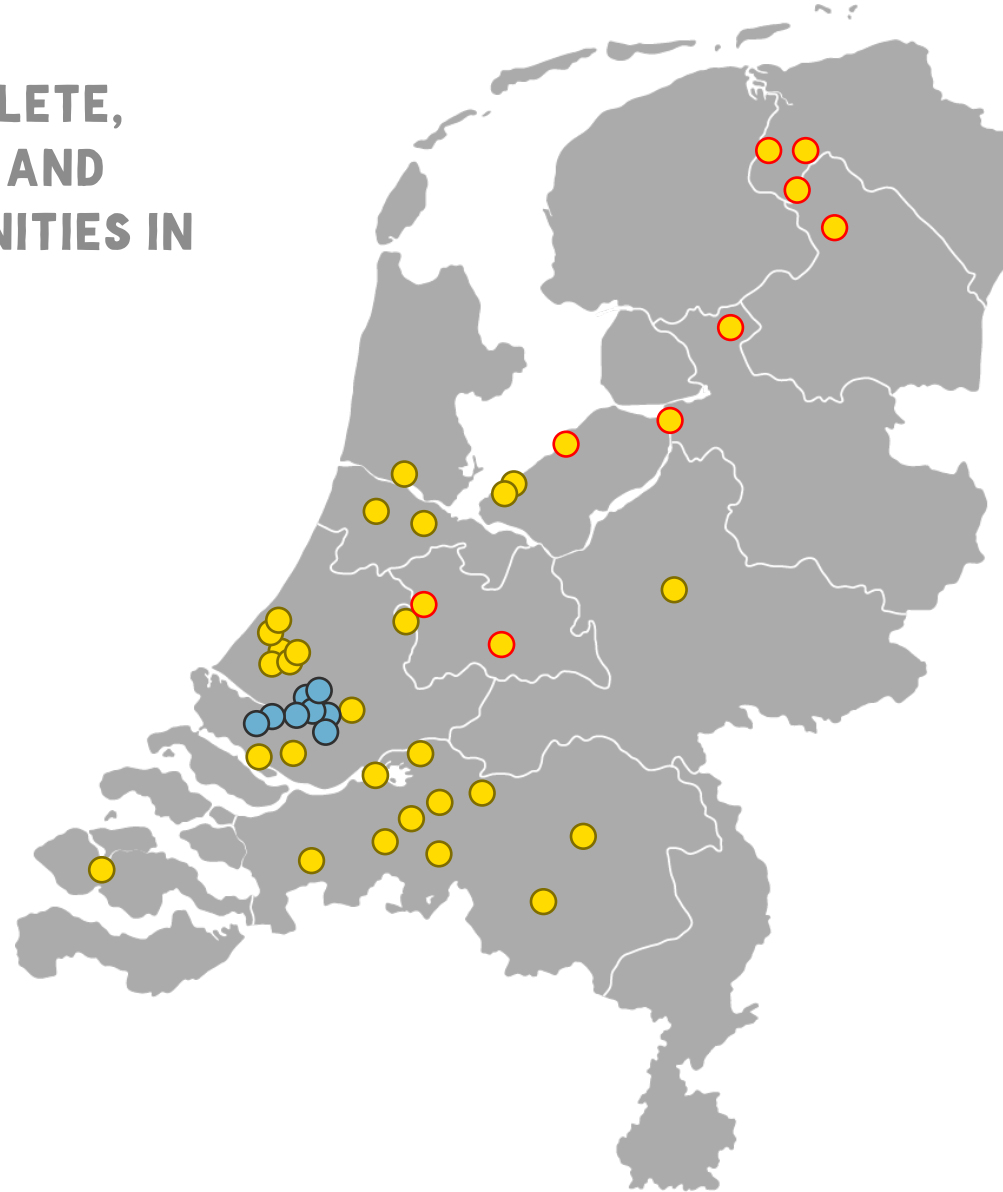
- Collins Foods' European team now in place – strong local leadership and capability
- Hiring of new Chief Marketing Officer David Timm brings proven KFC brand expertise to the market
- Experienced Yum! Netherlands team joining Collins Foods supports seamless CFA transition
- Consolidated franchisee structure makes market easier to manage and develop
- Strong relationships with KFC Netherlands' franchisees
- Global support from Yum on Marketing and Supply chain
- Easing restrictions from Covid-19



# STRATEGIC ACQUISITION OF 9 RESTAURANTS ADDS SCALE

THE NEWEST ACQUISITION, WHEN COMPLETE, WILL INCREASE COLLINS FOODS' SCALE AND FACILITATE FURTHER GROWTH OPPORTUNITIES IN THE NETHERLANDS

- Acquisition of a highly reputable KFC operator
- Next largest KFC Netherlands franchisee after Collins Foods
- Increases scale to 44 KFC restaurants
- Secures an additional trade zone
- **In combination with our Corporate Franchise Agreement, facilitates further growth opportunities**





## ENHANCED BRAND/ MARKETING ACTIVITIES...





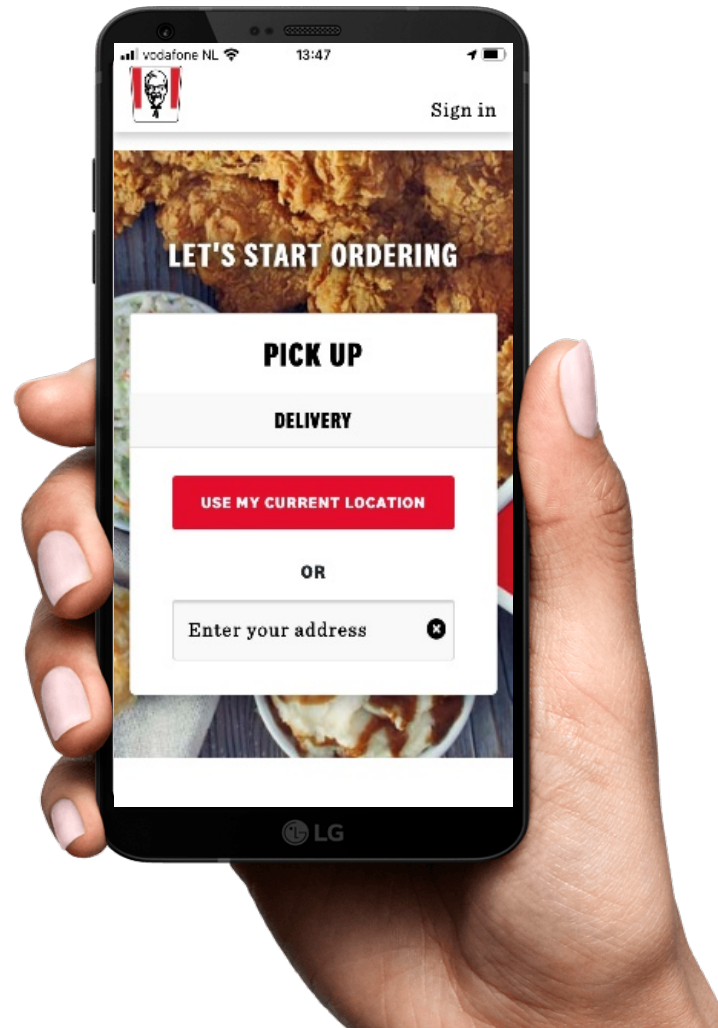
# RELENTLESSLY IMPROVING THE CUSTOMER EXPERIENCE



**LOBBY HOST &  
TABLE SERVICE**



**MOBILE ORDER &  
PICK UP**



**FIRST DUAL-LANE DRIVE THRU**



**1ST SMALL BOX INLINE**

# FOCUSED ON KEY DRIVERS FOR FUTURE GROWTH

**1.**

**TURNAROUND  
FINANCIAL  
PERFORMANCE**

**2.**

**DRIVE  
SUSTAINABLE  
SALES GROWTH**

**3.**

**ACCELERATE  
GROWTH IN  
THE NETHERLANDS**

**4.**

**PLAY OUR PART  
IN ORGANIC  
GROWTH IN  
GERMANY**

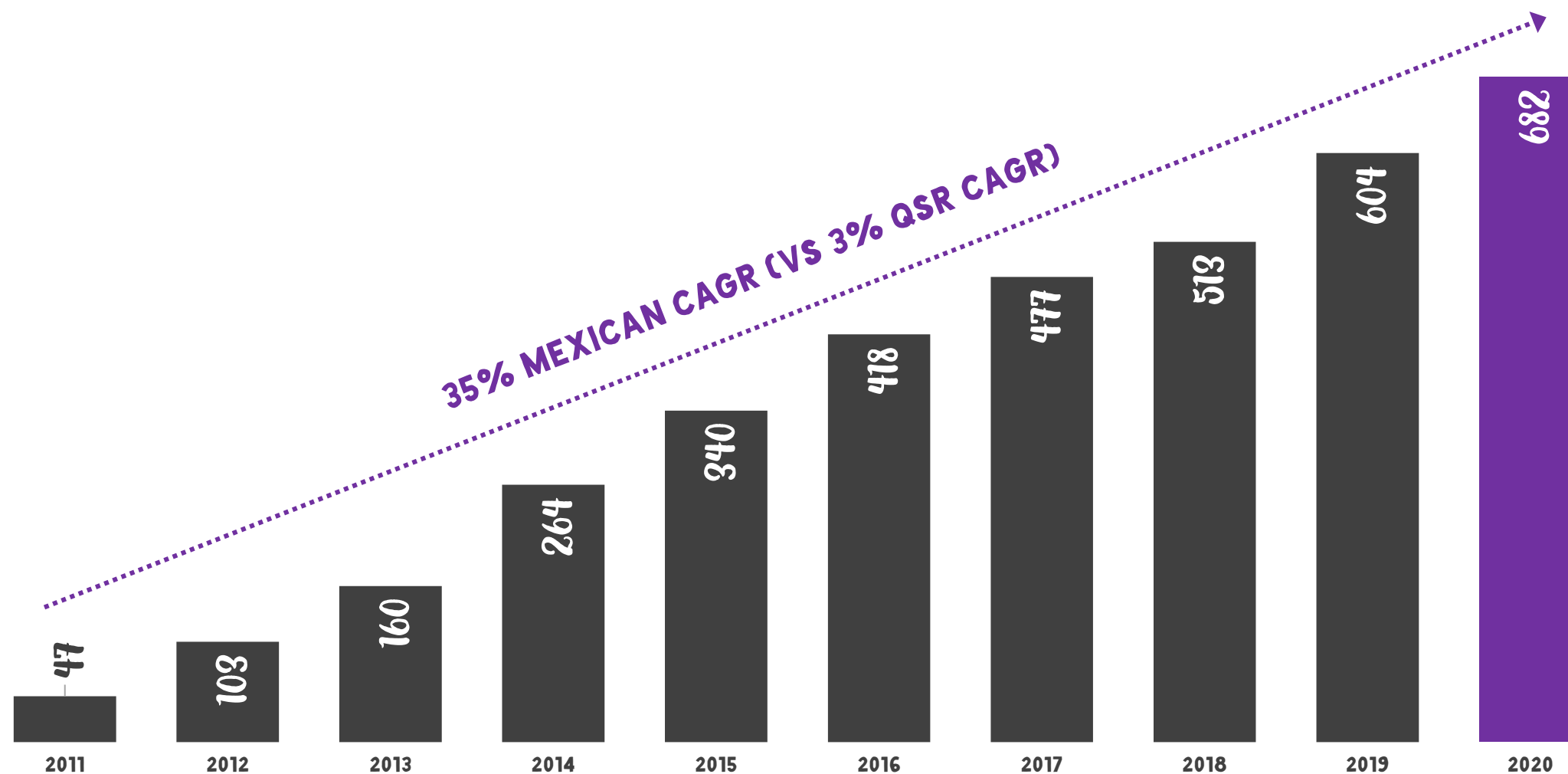




# **TACO BELL AUSTRALIA**

**DREW O'MALLEY +  
KRYSTAL ZUGNO**

# MEXICAN IS THE FASTEST GROWING SEGMENT OF AUSTRALIAN QSR



**MEXICAN QSR SALES IN AUSTRALIA (\$M)\***



# TACO BELL IS A 'CATEGORY OF ONE' IN MEXICAN

THE ONLY 'PURE PLAY QSR' IN THE SEGMENT, WITH OUR MENU DELIVERING STRONG VALUE, BETTER THAN OTHER MEXICAN BRANDS



**MENU**

**"MEXICAN-INSPIRED", EDGY**

**PRICING  
VALUE**

**PRIMARY ASSET**

**FREE STANDING DRIVE-THRU**



**MENU**

**"AUTHENTIC" MEXICAN**

**PRICING  
MODERATE/ASPIRATIONAL**

**PRIMARY ASSET**

**IN-LINE**

	PRICING	
	BURRITO	TACO
	\$7.95	\$3.50
	\$11.90	\$5.00
	\$11.90	\$5.50
	\$10.95	\$5.95

# VALUE-ORIENTED MENU PRICING SUPPORTS QSR CREDENTIALS

## PROVIDING A YOUTHFUL AND EXCITING ALTERNATIVE IN A PREDICTABLE QSR MARKET

- Taco Bell's combo meals represent equivalent or superior value for money vs QSR brands
- Snack range delivers low entry price point for value seekers, below competitor QSR pricing, and driving transaction volumes

	PRICING		
	PRODUCT *	A LA CARTE	REGULAR COMBO
	CALI BURRITO	\$7.95	\$10.95
	BIG MAC	\$6.40	\$11.70
	WHOPPER	\$7.30	\$11.70
	ZINGER	\$6.00	\$8.95



\* SE Queensland, October 2021



# INNOVATING IN AUSTRALIA OUTSIDE THE BOUNDARIES OF 'AUTHENTIC MEXICAN'...



... WITH OPPORTUNITIES TO INTRODUCE  
INNOVATIONS FROM A DEEP PANTRY OF  
PRODUCTS GLOBALLY





# STRENGTHENING THE FOUNDATIONS FOR LONG-TERM SUCCESS

BRAND ECONOMICS WILL BE FULLY VALIDATED UPON ACHIEVING SCALE...  
WE ARE MOVING AGGRESSIVELY TO DRIVE BRAND TRIAL, DEEPEN TALENT PIPELINE, AND OPERATE AT A WORLD-CLASS LEVEL

- Leverage Collins Foods' KFC talent to strengthen Taco Bell capability
- Achieve 'brilliant at the basics' operationally
- Refine business model to identify additional margin
- Further enhance media effectiveness
- Drive awareness and trial amongst Australian QSR consumers





# ACCELERATING GROWTH TO GET TO SCALE WITHIN 3 TO 4 YEARS

- 17 restaurants now (QLD: 12, VIC: 4, WA: 1)
- 9 to 12 new restaurant openings expected in FY22
- Building out clusters in tightly concentrated areas, with a targeted suburban focus







**ESG**

**DREW O'MALLEY**



# A BOLD ESG STRATEGY ON EMISSIONS & WASTE REDUCTION

OUR PEOPLE, OUR COMMUNITIES AND OUR PLANET DESERVE OUR WHOLEHEARTED COMMITMENT. WE WANT OUR GROWTH TO BE SUSTAINABLE.

## PRIMARY GOALS:

### PEOPLE AND COMMUNITIES

Establish **Collins Foods Giving** as a best-in-class signature program by 2026 with **75% + ENROLMENT**

### PLANET

Reduce our carbon footprint by achieving a **25% REDUCTION** in **greenhouse gas emissions** by 2026

Increase **diversion of waste** from landfill by **25%** by 2026

### GOVERNANCE

Commitment to **CONTINUOUS IMPROVEMENT** in **best practice governance standards** in all our business activities

# MAKING A POSITIVE IMPACT FOR OUR PEOPLE & PLANET

We have worked hard to  
**DECREASE**  
our LTIFR from 20.66 in 2017-18

We have a stable  
**GENDER BALANCE**  
and no gender pay gap

Over three years,  
cooking oil use  
has decreased by  
around  
**167,000L**  
despite 32 new  
restaurant  
openings

**518** young people took  
part in our traineeship  
program in 2021

In 2021  
**\$912,000**  
was raised for our charity  
partners by our customers  
and employees





**TAKE-AWAY**

**DREW O'MALLEY**



**PEOPLE. BRAND. SCALE.**





COLLINS FOODS LIMITED

# QUESTIONS AND ANSWERS

## FOR FURTHER INFORMATION PLEASE CONTACT

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**COLLINS FOODS LIMITED**

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