

FY23 BUSINESS UPDATE

30 JUNE 2023



INTRODUCTION TO GYG

ABOUT GYG



Guzman y Gomez, or “GYG”, is a fast growing Australian fast-food business, **servicing clean, authentic, fresh and made to order Mexican food**



Since opening its first restaurant in Newtown, Sydney in 2006, GYG has expanded its footprint to **202 restaurants¹** today across **Australia, Singapore, Japan and the USA**



GYG's success is driven by a **passion and energy** that underpins everything we do, from our **obsession with food** and speed of service to our **exceptional guest experience**



With significant **whitespace** available in both domestic and international markets, **GYG is only just getting started**



Led by Founder and **CEO Steven Marks**, GYG is focused on becoming the **best restaurant company** in the world

1. As at 31 August 2023.



GYG'S ADVANTAGE



FOOD

Prepared daily in restaurant from fresh produce

100% clean – this means no added preservatives, no artificial flavours, no added colours and no unacceptable additives

The only major Australian fast-food brand to serve 100% fresh free-range chicken

SPEED

Bespoke sticker system and dual linear kitchens allow orders to be prepared at QSR speed

We can serve over 450 burritos an hour... and up to 1,000 per hour on a \$5 opening day!

GUEST EXPERIENCE

From our exceptional guest service and speed, to restaurant design and the care we put into our food, the GYG guest experience is at the forefront of everything we do

ACCESSIBILITY

Available for all day parts (breakfast, lunch, dinner and late night)

Guests can order dine in, takeaway, drive-thru, delivery or via our app or website

PEOPLE & CULTURE

People, food and the GYG culture will always come first and are at the core of the business

We aspire to be Australia's employer of choice and to lead the industry in learning and development

GYG ASPIRATIONS



WHY

Why do we exist?

TO REINVENT FAST FOOD AND CHANGE THE WAY THE WORLD EATS

WHERE TO

Where are we headed?

BE THE BEST AND BIGGEST RESTAURANT COMPANY IN THE WORLD

WHAT

What are the big strategic priorities?

**HIGHEST FOOD
QUALITY & SAFETY**

**BEST GUEST
EXPERIENCE**

**BEST
WORKPLACE**

**BEST REAL
ESTATE**

**BEST
PERFORMANCE**

HOW

How will we be on this journey?

**IT'S ALL ABOUT
THE FOOD!**

**MAKE EVERY
GUEST LOVE US!**

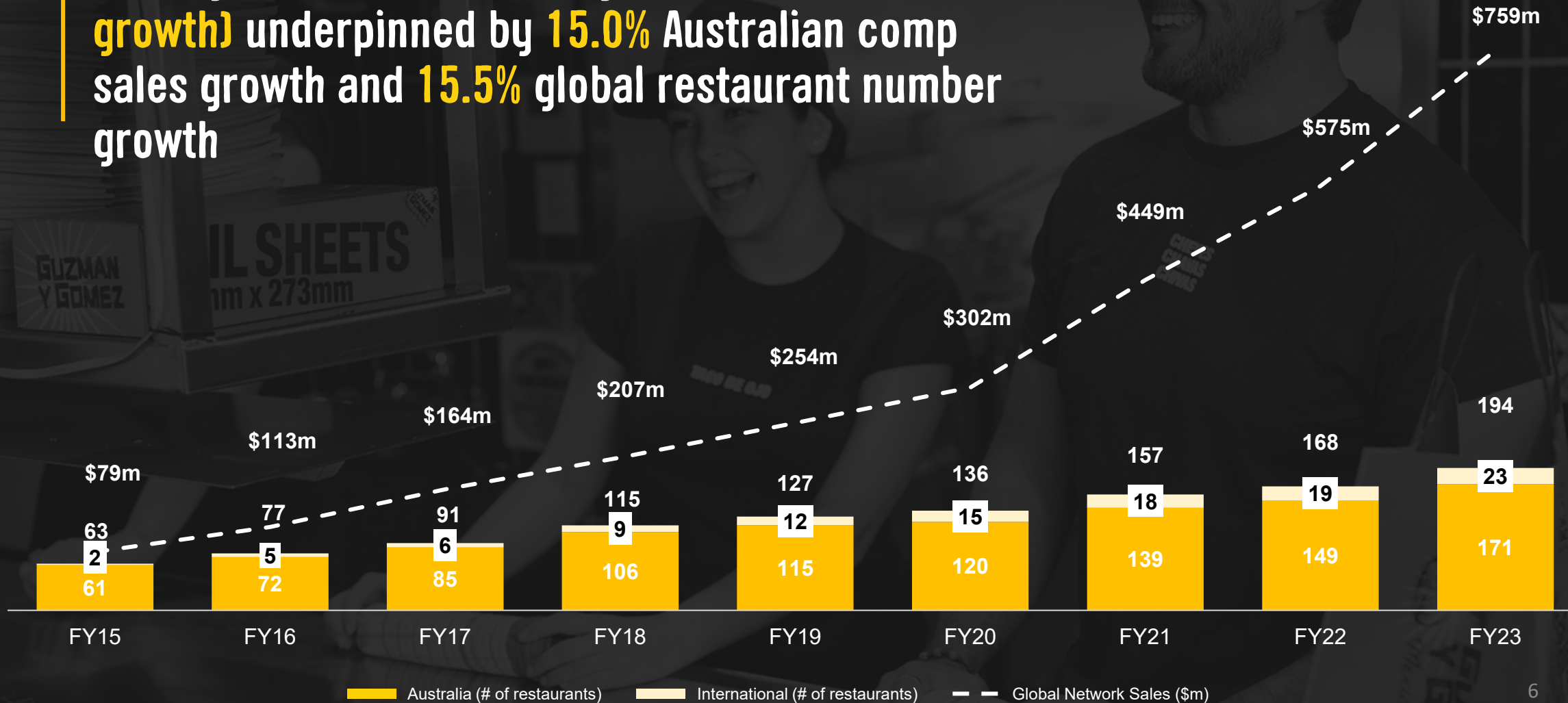
BE REAL

GOT YOUR BACK

IT'S UP TO US!

TRACK RECORD OF GROWTH

GYG'S global network sales grew to **\$759m** (32.1% growth) underpinned by **15.0%** Australian comp sales growth and **15.5%** global restaurant number growth



FY23 UPDATE

FY23 GLOBAL FINANCIAL HIGHLIGHTS

\$759M

Global network sales
+32% growth

GYGI

AU: 15% JAP: 32%
SIN: 14% USA: 12%

Global comps¹ growth

GYGI

\$32M

Underlying Group
EBITDA²
+56% growth

GYGI

194

Global restaurants
operating

GYGI

27

New Global
restaurants opened

GYGI

\$703M

Australian network sales
+31% growth

GYGI

15%

Australian
comps¹ growth

GYGI

\$33M

Underlying Australian
EBITDA²
+57% growth

GYGI

171

Australian restaurants
operating

GYGI

22

New Australian
restaurants opened

GYGI

1. Comparable restaurant sales growth.
2. A reconciliation of underlying EBITDA to statutory profit is provided in the Appendix.

AUSTRALIAN OPERATING HIGHLIGHTS

15.7%

Corporate restaurant margin
+70bps vs pcp

14.5% (1H23) vs 16.9% (2H23)

GYGI

17%

GYG App sales¹ % of network sales

GYGI

47.0%

Franchisee median ROI²

GYGI

44%

Breakfast

32%

After 9pm

Strong daypart comp growth

GYGI

Soft Serve

National Fries

Did You Know

Cheaper than Cooking at Home - Minis

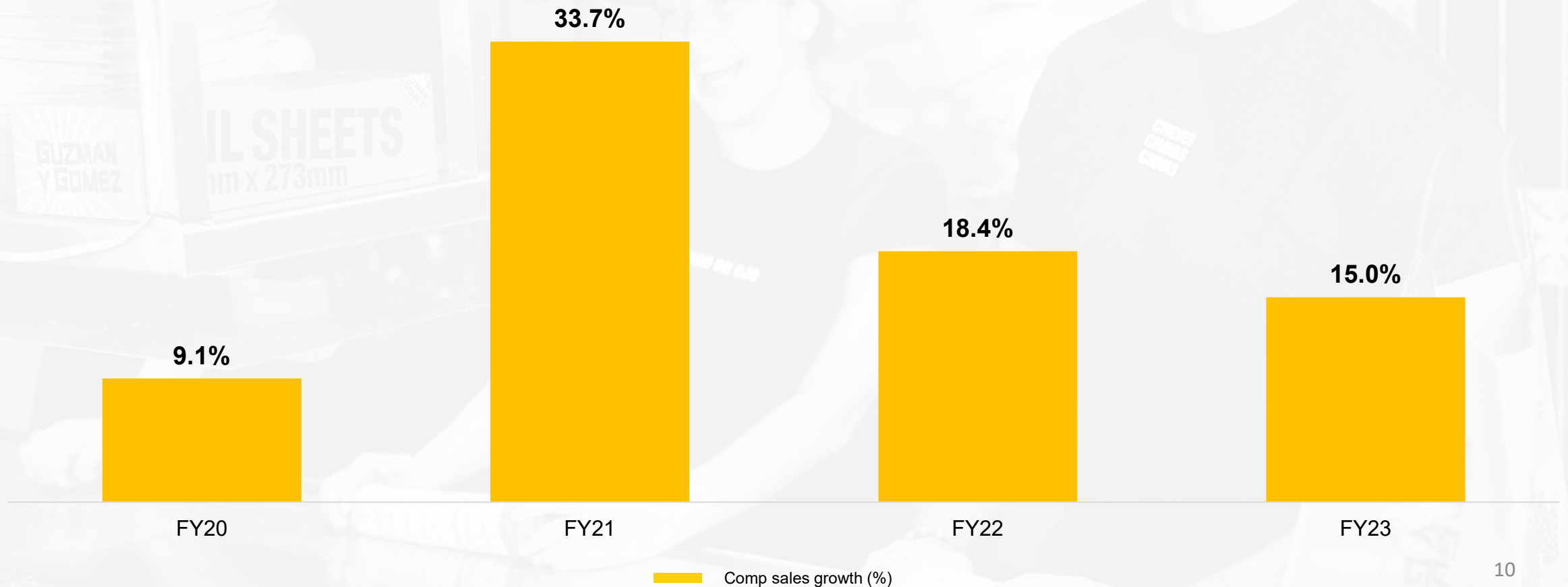
Successful marketing campaigns

GYGI

1. App includes web sales. In the month of June 2023.
2. ROI based on EBITDA post-franchise royalties.

AUSTRALIAN RESTAURANT COMP SALES GROWTH

GYG achieved **15.0%** Australian comp sales growth in FY23, building on a track record of **sustained high comp growth** due to strengthening brand awareness, channel growth in digital and drive-thru sales and **strong growth across all dayparts** (in particular, breakfast and after 9pm)



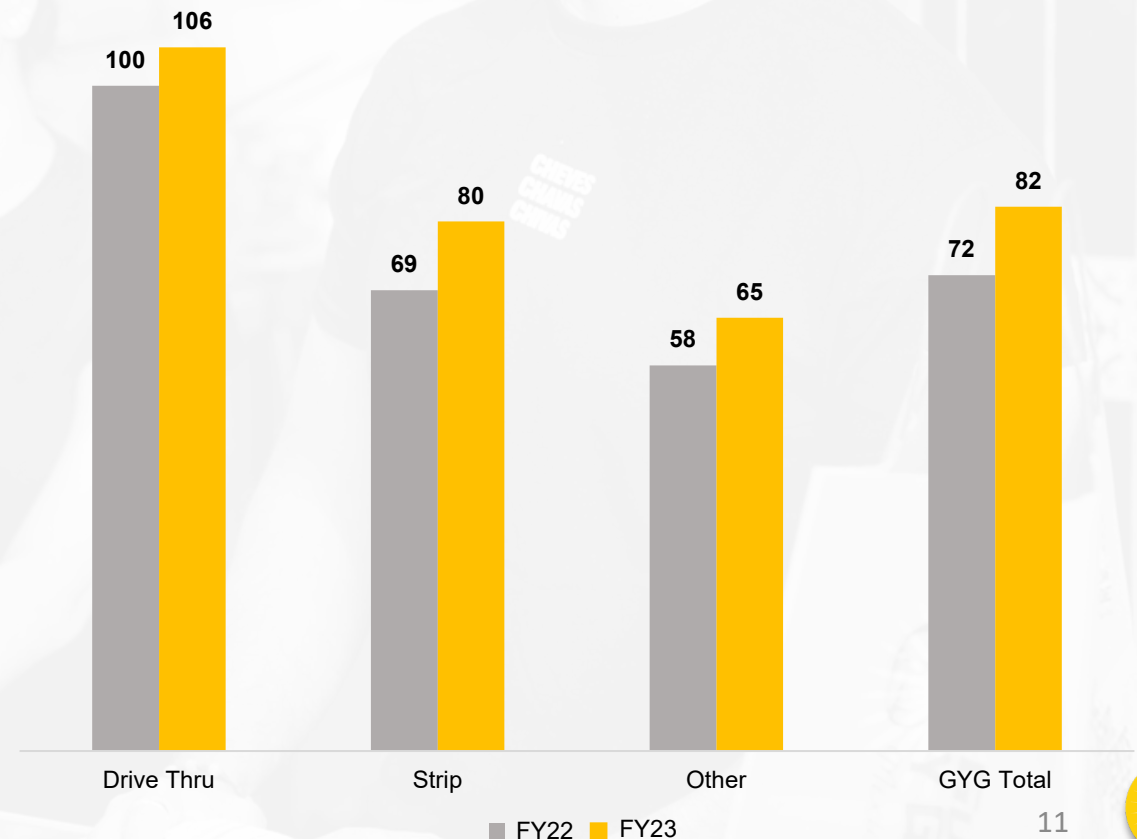
SALES ANALYSIS BY RESTAURANT FORMAT & OWNERSHIP (AUSTRALIA)

At the end of FY23, GYG operated 171 restaurants in Australia (116 franchised, 55 corporate owned). GYG opened 22 net new restaurants¹, including 19 drive-thrus

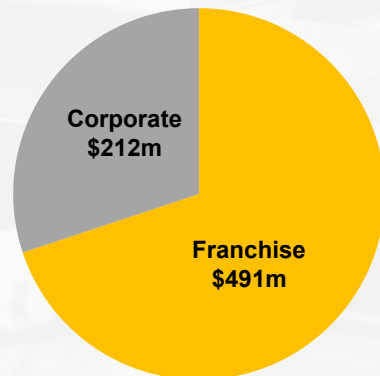
Restaurants and Sales by Format and Ownership – FY23

Ownership	Drive Thru	Strip	Other	GYG Total
No. of restaurants				
Franchise	52	35	29	116
Corporate	24	14	17	55
Total	76	49	46	171²

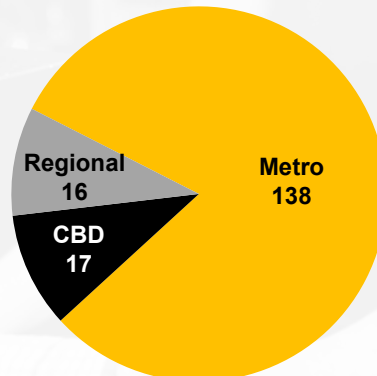
Median Weekly Average Unit Volume \$'000 – FY22 vs FY23



Sales by Ownership



Restaurants by Location



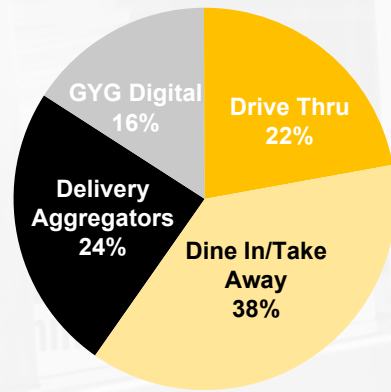
1. Includes one closure and one re-opening.

2. For restaurants that were open as at 30 June 2023. As at 31 August 2023, restaurant count is 179 following the opening of 8 restaurants in FY24 YTD.

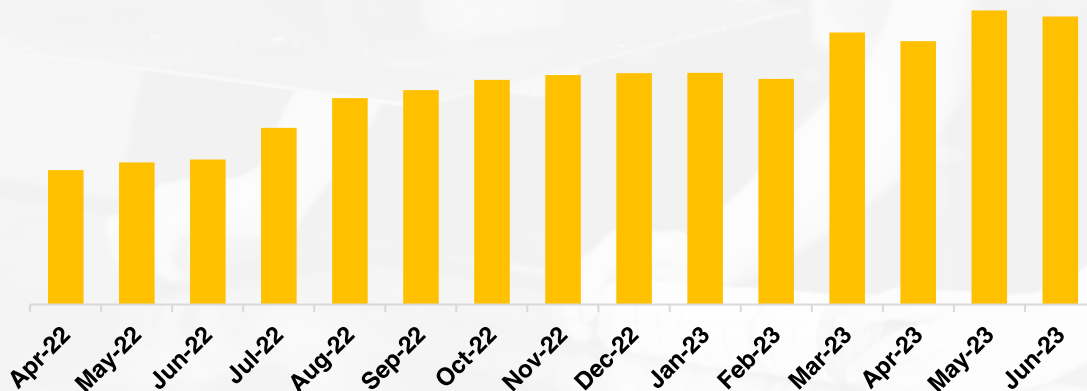
SALES ANALYSIS BY CHANNEL (AUSTRALIA)

GYG operates a diverse multi-channel model that meets the customer where they want to transact. The digital channel, including app, web and delivery, is GYG's fastest growing sales channel

FY23 Australian Network Sales by Channel



GYG Monthly Digital Network Sales



Launched **best in class app and website** in April 2022 to enhance digital presence and drive incremental revenue



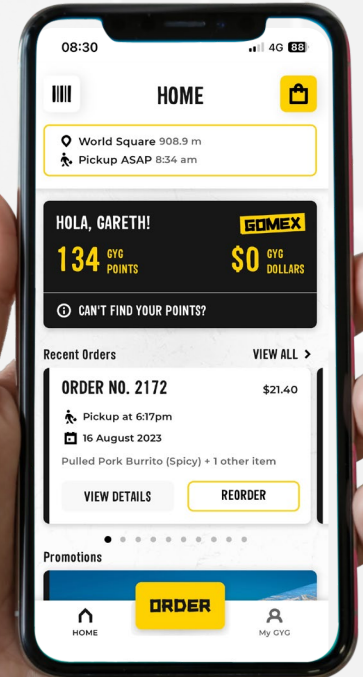
>1.5m downloads since launch. App sales have grown from 12% (June 2022) to 17% (June 2023)



GYG is in the **top few most delivered brands on all of the national delivery platforms**, which includes Uber Eats, DoorDash and Menulog



Our aim is to provide GYG's guests with the **best possible experience** in their **channel of choice**



INTERNATIONAL UPDATE

SINGAPORE

- ▶ **16 restaurants operating** (FY22: 14) under master franchise agreement
- ▶ **3 new restaurants opened** (FY22: 3) and 1 restaurant closed (dark kitchen) due to a return to dine in sales
- ▶ **Comp sales growth** of 14% (FY22: 5%) as the region continues to recover from COVID-19 lockdowns
- ▶ **Delivery channel** continues to dominate, contributing 46% of total sales (FY22: 43%)
- ▶ Focus on **brand campaigns** and **adoption of Australian best practices**

JAPAN

- ▶ **4 restaurants operating** (FY22: 4) under master franchise agreement
- ▶ **Comp sales growth** of 32% (FY22: 13%), with extended state of emergency in Japan lifting in 1H FY23, driving increased transactions
- ▶ **Menu innovation** including launch of Chimi Shredded Mushroom and Quesadillas
- ▶ **New GYG Japan website launched**, with continued work on the GYG Japan app
- ▶ Focus on **brand campaigns** and **new restaurant rollout**

USA

- ▶ **3 corporate restaurants operating** (FY22: 1)
- ▶ **2 new drive-thru restaurants opened** (FY22: 0) in greater Chicago area (Schaumburg in January 2023) and Crystal Lake (May 2023)
- ▶ **Comp sales growth** of 12%, with opening of new restaurants having a positive sales impact on first restaurant in Naperville
- ▶ Focus on **in-restaurant culinary experience, crew development, margin improvements** and **menu innovation**
- ▶ **4th US restaurant** is expected to open in Buffalo Grove in October 2023

FY23 FINANCIALS REVIEW

SALES PERFORMANCE

	FY23	FY22	Change %
Restaurants			
Australia	171	149	15%
Singapore/Japan	20	18	11%
US	3	1	200%
Restaurants – Total	194	168	15%
Network Sales (A\$m)			
Australia	703	535	31%
Singapore/Japan ¹	50	37	35%
US ¹	6	3	100%
Network Sales – Total	759	575	32%
Comparable Sales Growth			
Australia	15%	18%	
Singapore/Japan ¹	16%	7%	
US ¹	12%	(1%)	
Comparable Sales Growth – Total	15%	18%	

Continued rollout of restaurants, with 26 net new restaurants opened, mostly in Australia

Strong network sales growth across all regions, driven by strong comp sales growth across all regions and new drive-thru restaurant openings in Australia

US sales doubled, with new drive-thru restaurant openings supporting brand development in the region

1. Based on following exchange rates (local currency to AUD): Singapore – FY23 1.10 and FY22 1.10; Japan – FY23 0.01 and FY22 0.01; and USA – FY23 1.41 and FY22 1.42.

FINANCIAL PERFORMANCE

(A\$m) ¹	FY23	FY22	Change %
Global Network Sales²	758.8	575.0	32.0%
Corporate Restaurants³			
Sales	212.0	139.2	52.3%
Gross Profit	144.5	95.5	51.3%
<i>Gross Profit %</i>	68.2%	68.6%	
Cost of Doing Business (CODB)	(111.2)	(74.6)	49.1%
<i>CODB %</i>	52.5%	53.6%	
Restaurant Margin	33.3	20.9	59.3%
<i>Restaurant Margin %</i>	15.7%	15.0%	
Franchising Income	45.2	32.3	39.9%
General & Administrative Costs (G&A) ³	(45.1)	(31.9)	41.4%
Underlying AU EBITDA	33.4	21.3	56.8%
Depreciation & Amortisation ⁴	(12.1)	(6.9)	75.4%
Underlying AU EBIT	21.2	14.4	47.2%
Net Interest Received/(Paid)	0.7	0.0	
Underlying AU Profit Before Tax	21.9	14.4	52.1%
Tax	(2.4)	(2.7)	
Underlying AU NPAT	19.5	11.7	66.7%
Other disclosures (A\$m)¹			
US Operating Losses ⁵	(1.3)	(0.7)	85.7%
Cost of Establishing US Business ⁶	(3.3)	(2.2)	50.0%
Underlying Group EBITDA	32.1	20.6	55.8%
Underlying Group EBIT	19.6	13.8	42.0%
Underlying Group NPBT	20.3	13.8	47.1%

Note: Numbers may not sum down due to rounding.

COMMENTS RELATE TO RESULTS OF AUSTRALIAN OPERATIONS:

Australian corporate restaurant activity: 4 new restaurant openings, 6 restaurants converted to corporate from franchised and 1 restaurant closed

Global Network Sales of \$759m, up 32.0% vs pcp driven by strong comparative restaurant sales growth and new restaurant openings in all regions

Australian Corporate Restaurant Sales of \$212.0m, up 52.3% vs pcp

Corporate Restaurant Gross Margin of 68.2%, down from 68.6% in pcp due to food cost inflation

Corporate Restaurant Margin of 15.7%, up from 15.0% in pcp driven by labour efficiency initiatives. Margin improved from 14.5% in 1H23 to 16.9% in 2H23

Underlying Australian EBITDA of \$33.4m, up 56.8% vs pcp

Underlying Group EBITDA of \$32.1m, up 55.8% vs pcp

1. A reconciliation of underlying EBITDA, EBIT, NPBT and NPAT to statutory measures is provided in the Appendix.
2. Australia, USA, Singapore, Japan.
3. Excludes contribution from existing US corporate restaurants and US head office costs.
4. Excludes amortisation of re-acquired restaurant rights.
5. Represents contribution from existing US corporate restaurants and US head office costs.
6. Additional costs incurred in establishing the US operations.

FINANCIAL POSITION

Consolidated (A\$m)	FY23	FY22
Assets		
Cash and cash equivalents	36.5	54.4
Trade and other receivables	23.9	16.3
Inventories	2.1	2.0
Finance lease receivable	10.8	10.9
Other assets	3.6	2.8
Total Current Assets	76.9	86.4
Trade and other receivables	1.1	0.6
Property, plant and equipment	69.5	36.6
Right of use assets	99.0	49.1
Finance lease receivable	58.6	57.5
Intangibles	15.2	15.4
Deferred tax asset	4.2	2.8
Total Non-Current Assets	247.6	162.0
Total Assets	324.5	248.4
Liabilities		
Trade and other payables	32.6	28.0
Contract liabilities	1.7	1.3
Borrowings	-	3.4
Lease liabilities	20.2	16.8
Income tax	3.6	-
Provisions	8.4	3.5
Total Current Liabilities	66.5	53.0
Contract liabilities	2.2	1.9
Borrowings	3.0	-
Lease liabilities	161.5	109.8
Provisions and other	3.3	2.6
Total Non-Current Liabilities	170.0	114.3
Total Liabilities	236.5	167.3
Net Assets	88.0	81.1

Net cash position of \$33.5m

Trade and other receivables represents debtor receivables from franchisees for new restaurant builds and refurbishments in progress

Other assets represent prepayments and bank guarantee securities

Property, plant and equipment increased due to the investment in new corporate restaurants, refurbishments to existing restaurants and the purchase of 6 franchise restaurants

Trade and other payables increased due to the timing of payments made to suppliers across year end and the timing of final fortnightly pay in the year

Finance lease receivable, Right of use assets, and Lease liabilities denote the assets and liabilities classified to present the financials per the lease accounting standard (AASB16)

Provisions represents employee provisions and make good provision

CASH FLOW

Consolidated (A\$m)	FY23	FY22
Operating Cash Flows		
Receipts from customers	295.6	190.6
Payments to suppliers and employees	(264.8)	(167.7)
Interest and other revenue	0.7	(2.8)
Income taxes	(0.3)	(0.4)
Total Cash Flows from Operations	31.1	19.7
Investing Cash Flows		
Capex	(42.7)	(26.4)
Acquisition and disposal of assets	(5.7)	(5.3)
Total Cash Flows from Investing	(48.4)	(31.7)
Financing Cash Flows		
Proceeds from issue of shares	5.1	8.9
Repayment of borrowings	(0.3)	(0.5)
Payments of lease liabilities	(5.4)	(4.1)
Total Cash Flows from Financing	(0.7)	4.3
Increase/(Decrease) in Cash	(17.9)	(7.7)

Capex primarily relates to new corporate restaurants and existing restaurant refurbishments and investments made in the IT infrastructure and digital platforms to enable and facilitate a platform for growth

Acquisition and disposal of assets relates to the purchase and sale of franchised restaurants

Note: Numbers may not sum down due to rounding.

FY24 OUTLOOK



INDICATIVE RESTAURANT ECONOMICS



DRIVE THRU

**TARNEIT
VIC**



STRIP

**WOLLONGONG
NSW**

Annual Sales
~\$5.5m

Restaurant Margin% ¹
>20%

Capex ²
~\$1.8m

Cash ROI ³	
Corporate >60%	Franchise >30%

Annual Sales
~\$4.2m

Restaurant Margin% ¹
~20%

Capex ²
~\$1.5m

Cash ROI ³	
Corporate >50%	Franchise >30%

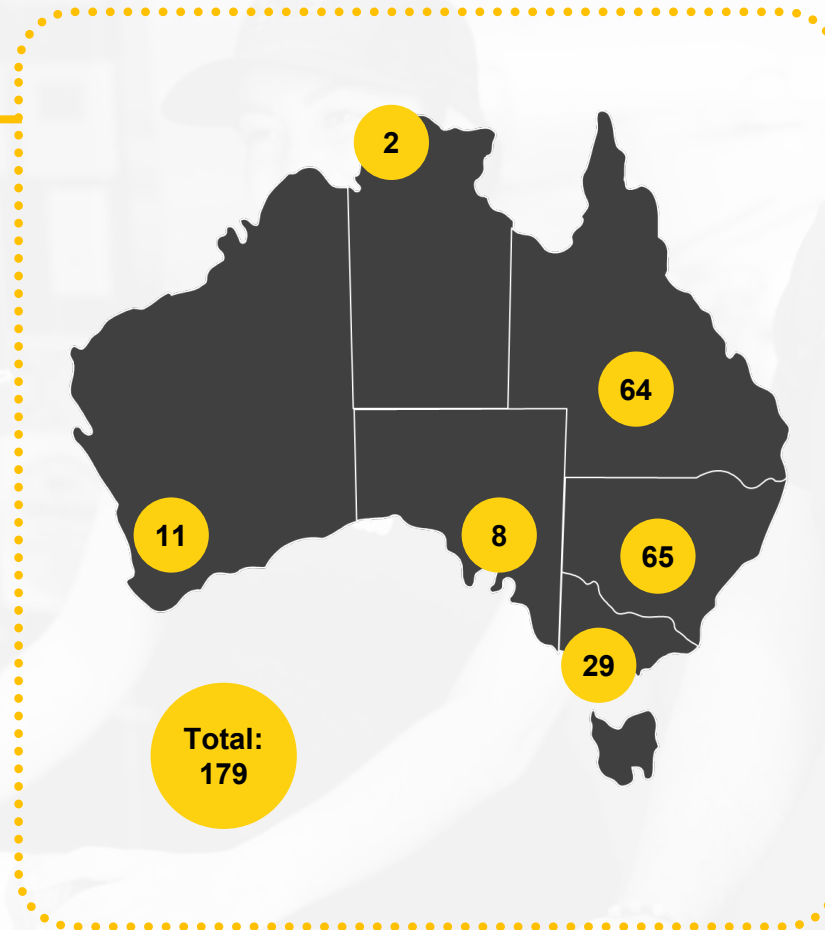
1. EBITDA is pre-franchise royalties.
 2. Upfront capital assumes no capital contribution from the landlord.
 3. Corporate ROI is pre-franchise royalties. Franchise ROI is post-franchise royalties of 8% on first \$60k of sales per week and 15% on sales above \$60k per week, adjusted for credits on delivery commissions.

GYG WHITESPACE & TARGET PIPELINE

OPPORTUNITY

Brand	# of Restaurants ¹
	179 ²
	1,218
	1,029
	757
	748
	596
	444

GYG CURRENT RESTAURANT NUMBERS BY STATE



GYG PIPELINE

We believe that the opportunity exists to grow the network to 1,000+ restaurants, with a strategic focus on opening drive-thru locations



Targeting >30 restaurant openings in FY24 (>80% drive-thru restaurants and >40% corporate restaurants)



Targeting >40 restaurant openings p.a. over the medium term



Deep pipeline provides coverage for next 2 years, with 89 Board approved restaurants, including 40 with DAs approved (of which, 27 have signed leases) and 19 with DAs lodged

Note: Pipeline defined as approved (Board approved restaurants).

- Peer data obtained from GapMaps, company websites and financial reports. Updated as at 4 August 2023.
- For restaurants that were open as at 31 August 2023.

FY24 TRADING UPDATE

FY24 TRADING UPDATE

AS AT 31 AUGUST 2023, YEAR-TO-DATE: AUSTRALIA

- ▶ 8 new restaurants opened in Australia
- ▶ Total sales growth of 36%
- ▶ Total comp sales growth of 14%
- ▶ 5% menu price increase taken in May 2023 and 3% taken in July 2023 (cumulative price increase of 8.2%)

INTERNATIONAL

- ▶ Total sales growth of 26%
- ▶ Total comp sales growth of 6%

FY24 OUTLOOK

GYG IS EXPECTING TO ACHIEVE APPROX. ~\$50M IN UNDERLYING AU EBITDA¹, DRIVEN BY:

- ▶ >30 new restaurant openings in Australia, of which >80% are drive-thru restaurants and >40% corporate restaurants
- ▶ Sustained comp sales growth
- ▶ Increased app engagement and sales
- ▶ Further menu innovation and targeted marketing in all dayparts
- ▶ Improved corporate restaurant margins
- ▶ Attracting great talent by making GYG 'the best place to work' and continuing to invest in and build the capabilities and talent of our crew and leaders

1. Excludes US operating losses and costs associated with establishment of US business.

APPENDIX

UNDERLYING EBITDA RECONCILIATION

(A\$'000)	Statutory	AASB 16 adjustments	AASB 2 Share-based payments	Costs associated with establishment of US business	Amortisation of reacquired rights	Non-cash revenue ¹	One-off income and expenses ²	Underlying Group	US operating losses	Underlying Australia
FY23										
EBITDA	29,621	(11,213)	4,240	3,308	-	487	5,662	32,105	1,282	33,387
Depreciation & amortisation	25,555	(10,332)	-	-	(2,747)	-	-	12,476	(328)	12,148
EBIT	4,066	(881)	4,240	3,308	2,747	487	5,662	19,629	1,610	21,239
Interest paid/(earned)	3,910	(4,569)	-	-	-	-	-	(659)	-	(659)
NPBT	156	3,688	4,240	3,308	2,747	487	5,662	20,288	1,610	21,898
Income tax expense	(2,423)	-	-	-	-	-	-	(2,423)	-	(2,423)
NPAT	(2,267)	-	-	-	-	-	-	17,865	1,610	19,475
FY22										
EBITDA	23,906	(7,979)	1,436	2,174	-	(96)	1,171	20,612	682	21,294
Depreciation & Amortisation	14,460	(6,656)	-	-	(947)	-	-	6,857	-	6,857
EBIT	9,446	(1,323)	1,436	2,174	947	(96)	1,171	13,755	682	14,437
Interest paid/(earned)	2,835	(2,829)	-	-	-	-	-	6	-	6
NPBT	6,611	1,506	1,436	2,174	947	(96)	1,171	13,749	682	14,431
Income tax expense	(2,700)	-	-	-	-	-	-	(2,700)	-	(2,700)
NPAT	3,911	-	-	-	-	-	-	11,049	682	11,731

1. Amortisation of franchise fees less cash received for new franchisees.

2. One-off income and expenses breakdown as follows:

One-off income and expenses (A\$'000)	FY23	FY22
One-off system implementation costs	3,807	-
Government compensation for compulsory acquisition of land	(1,930)	(545)
Employee related re-structure and development costs	3,064	1,513
Liquidity event costs	19	173
Normalisation of new restaurant costs pre-opening	668	-
Other	34	30
One-off income and expenses	5,662	1,171

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