

# FIRST HALF FY24 BUSINESS UPDATE

31 DECEMBER 2023



# FIRST HALF FY24 HIGHLIGHTS

# FIRST HALF FY24 GLOBAL FINANCIAL HIGHLIGHTS

**\$471M**

Global network sales  
+31% growth

GYGI

AU: 11% JAP: 39%  
SIN: 9% USA: 15%

Global comps<sup>1</sup> growth

GYGI

**\$21M**

Underlying Group  
EBITDA<sup>2</sup>  
+64% growth

GYGI

**209**

Global restaurants  
operating

GYGI

**16**

New Global  
restaurants opened

GYGI

**\$439M**

Australian network sales  
+31% growth

GYGI

**11%**

Australian  
comps<sup>1</sup> growth

GYGI

**\$24M**

Underlying Australian  
EBITDA<sup>2</sup>  
+66% growth

GYGI

**183**

Australian restaurants  
operating

GYGI

**13**

New Australian  
restaurants opened

GYGI

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

# FIRST HALF FY24 AUSTRALIAN OPERATING HIGHLIGHTS

**18.5%**

Corporate restaurant margin  
+400bps vs pcp

GYGI

**17%**

GYG app sales<sup>1</sup> % of network sales

GYGI

**46%**

Franchisee median ROI<sup>2</sup>

GYGI

**21%**

Breakfast

**18%**

After 9pm

Strong daypart comp growth

GYGI

**CHICKEN TENDERS**

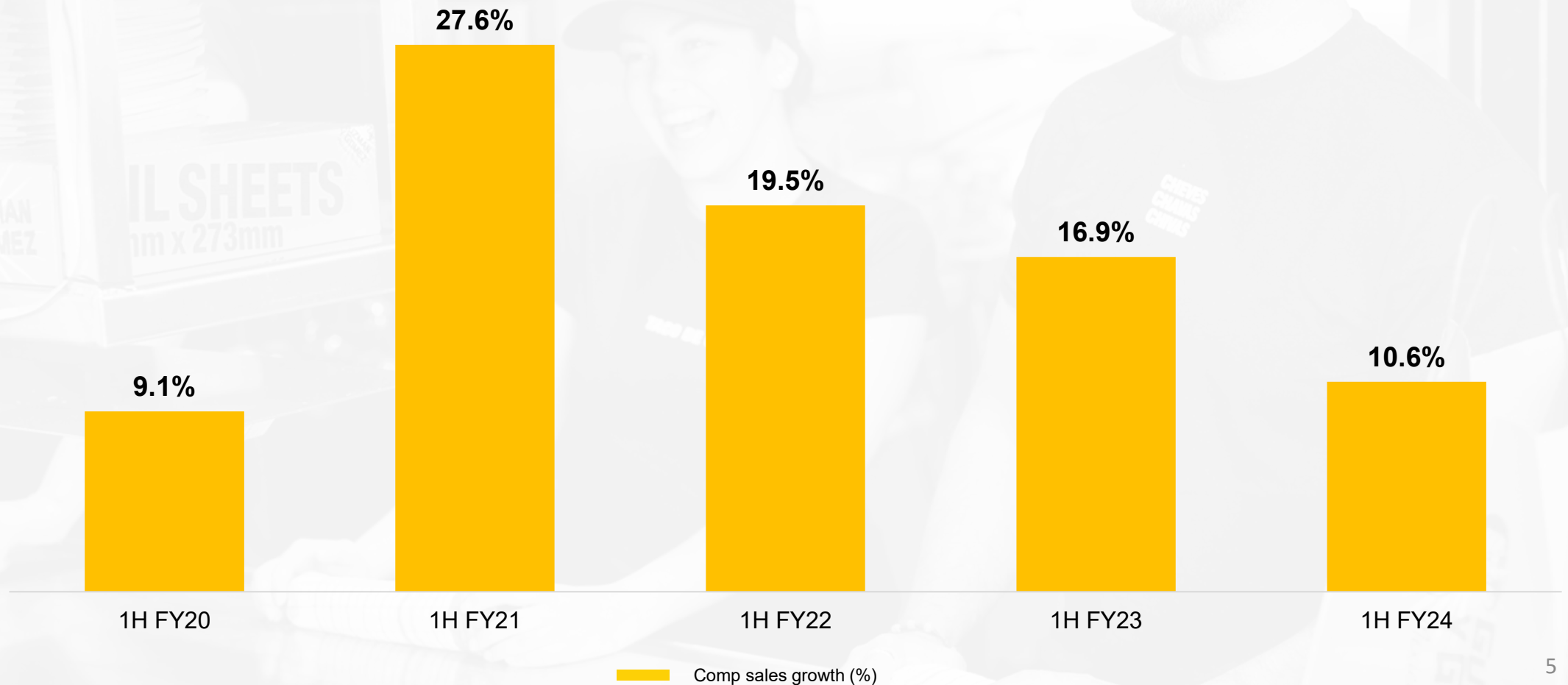
Successful product launch supported by national marketing campaign

GYGI

1. App includes web sales.
2. ROI based on EBITDA post-franchise royalties.

# AUSTRALIAN RESTAURANT COMP SALES GROWTH

GYG achieved double digit Australian comp sales growth of **10.6%** in 1H FY24 despite a challenging macroeconomic landscape, 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)



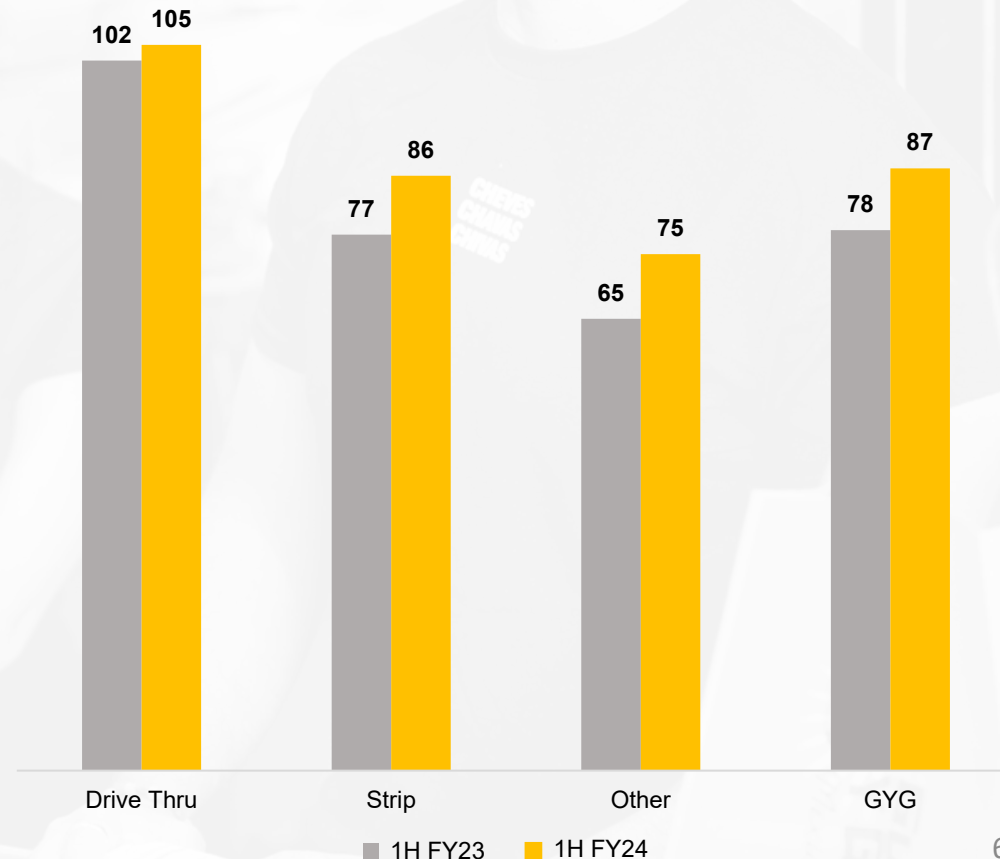
# SALES ANALYSIS BY RESTAURANT FORMAT & OWNERSHIP (AUSTRALIA)

At the end of 1H FY24, GYG operated 183 restaurants in Australia (121 franchised, 62 corporate owned). GYG opened 13 new restaurants (1 closure), including 10 drive thrus

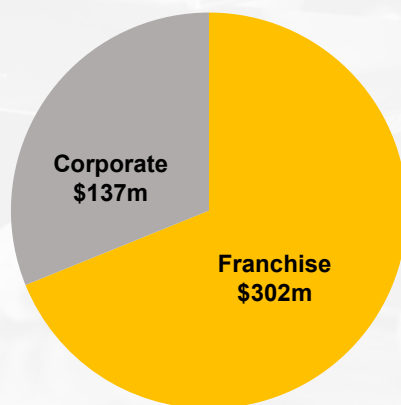
Restaurants and Sales by Format and Ownership – 1H FY24

Ownership	Drive Thru	Strip	Other	GYG Total
<b>No. of restaurants</b>				
Franchise	58	34	29	<b>121</b>
Corporate	28	17	17	<b>62</b>
<b>Total</b>	<b>86</b>	<b>51</b>	<b>46</b>	<b>183<sup>1</sup></b>

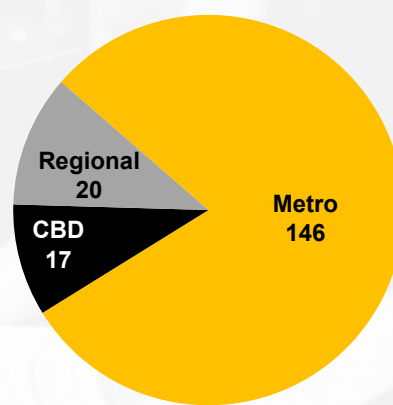
Weekly Average Unit Volume \$'000 – 1H FY23 vs 1H FY24



Sales by Ownership



Restaurants by Location

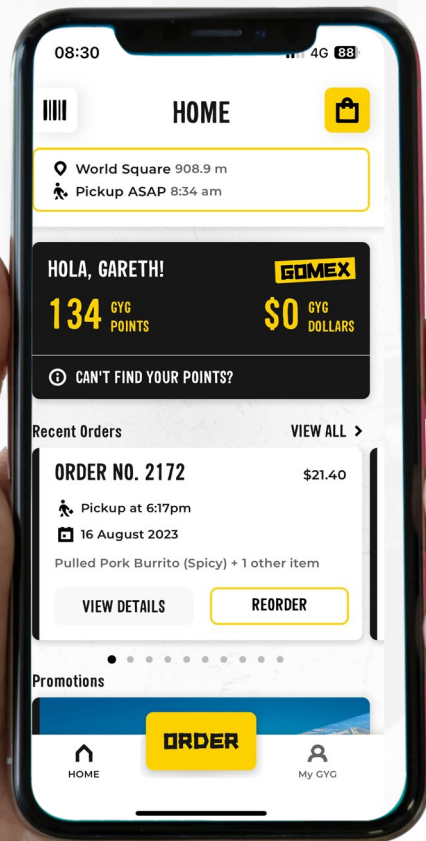


1. For restaurants that were open as at 31 December 2023. As at 18 February 2024, restaurant count is 183 following the opening of 1 restaurant and the closure of 1 restaurant in 2H FY24.



# SALES CHANNEL INSIGHTS (AUSTRALIA)

GYG operates a diverse multi-channel model that meets the customer where they want to transact



The **digital channel**, which includes app, web, and delivery, represented **40%** of network sales in 1H FY24 (app and web: 17%, delivery: 23%)



Since launch in April 2022, our best in class app and web has had **>2.1m downloads** and generated **>\$225m in sales**



App and web **sales growth of 49%** achieved in 1H FY24 (vs 1H FY23), making it GYG's fastest growing sales channel



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



In 1H FY24, **52%** of drive thru restaurant sales were transacted in drive thru lanes, a reflection of the **speed of GYG's drive thru experience**

# INTERNATIONAL UPDATE

## USA

- ▶ **4 corporate restaurants operating** (1H FY23: 1)
- ▶ **1 new drive thru restaurant opened** (1H FY23: 0) in greater Chicago area (Buffalo Grove in November 2023) with at least 3 restaurants planned to open this calendar year
- ▶ **Comp sales growth** of 15% (1H FY23: 8%) 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**
- ▶ **New app and web** launched with continued focus on digital channel
- ▶ **Menu innovation** including launch of \$2.50 Taco and Big Brekkie Burrito across all restaurants

## SINGAPORE

- ▶ **17 restaurants operating** (1H FY23: 16) under master franchise agreement
- ▶ **1 new restaurant opened** (1H FY23: 2)
- ▶ **Comp sales growth** of 9% (1H FY23: 22%) **driven by focus on consistent operational execution**
- ▶ **Delivery channel** continues to dominate, contributing 48% of total sales (1H FY23: 48%)
- ▶ **Menu innovation** including launch of Marinated Pulled Shitake
- ▶ Focus on **new restaurant rollout** and continued alignment with Australian best practices

## JAPAN

- ▶ **5 restaurants operating** (1H FY23: 4) under master franchise agreement
- ▶ **1 new restaurant opened** (1H FY23: 0)
- ▶ **Comp sales growth** of 39% (1H FY23: 27%) with a strong post COVID-19 recovery
- ▶ **Menu innovation** including launch of LTO Karaage Burrito and Bowl and Yakiniku Burrito and Bowl
- ▶ **Continued focus on menu innovation** and repeat sales on the GYG app to support further sales growth



# FIRST HALF FY24 HIGHLIGHTS

# SALES PERFORMANCE

	1H FY24	1H FY23	Change %
<b>Restaurants</b>			
Australia	183	157	17%
Singapore/Japan	22	20	10%
US	4	1	300%
<b>Restaurants – Total</b>	<b>209</b>	<b>178</b>	<b>17%</b>

<b>Network Sales (A\$m)</b>			
Australia	439	335	31%
Singapore/Japan <sup>1</sup>	27	24	13%
US <sup>1</sup>	5	1	400%
<b>Network Sales – Total</b>	<b>471</b>	<b>360</b>	<b>31%</b>

<b>Comparable Sales Growth</b>		
Australia	11%	17%
Singapore/Japan <sup>1</sup>	13%	23%
US <sup>1</sup>	15%	9%
<b>Comparable Sales Growth – Total</b>	<b>11%</b>	<b>17%</b>

**Continued rollout of restaurants**, with 15 net new restaurants opened globally in 1H FY24 (31 net new restaurants opened globally since 1H FY23)

**Strong Australian network sales growth**, driven by comp sales growth and new restaurant openings across all regions

**Strong international<sup>2</sup> network sales growth of 28%**, driven by comp sales growth and new restaurant openings across these markets

1. Based on following exchange rates (local currency to AUD): Singapore – Dec-23 1.11 and Dec-22 1.07; Japan – Dec-23 0.01 and Dec-22 0.01; and USA – Dec-23 1.41 and Dec-22 1.42.

2. Singapore, Japan, USA.

Note: Numbers may not sum due to rounding.

# FINANCIAL PERFORMANCE

(A\$m) <sup>1</sup>	1H FY24	1H FY23	Change %
<b>Global Network Sales<sup>2</sup></b>	<b>470.8</b>	<b>360.2</b>	<b>30.7%</b>
<b>Corporate Restaurants<sup>3</sup></b>			
<b>Sales</b>	<b>136.6</b>	<b>99.1</b>	<b>37.8%</b>
<b>Gross Profit</b>	<b>95.7</b>	<b>67.3</b>	<b>42.2%</b>
<i>Gross Profit %</i>	70.1%	68.0%	
Cost of Doing Business (CODB)	(70.4)	(53.0)	32.8%
<i>CODB %</i>	51.5%	53.5%	
<b>Restaurant Margin</b>	<b>25.3</b>	<b>14.3</b>	<b>76.9%</b>
<i>Restaurant Margin %</i>	18.5%	14.5%	
<b>Franchising Income</b>	<b>29.7</b>	<b>21.0</b>	<b>41.4%</b>
General & Administrative Costs (G&A)	(30.7)	(20.7)	48.3%
<b>Underlying AU EBITDA<sup>3</sup></b>	<b>24.3</b>	<b>14.6</b>	<b>66.4%</b>
Depreciation & Amortisation <sup>4</sup>	(7.5)	(5.8)	29.3%
<b>Underlying AU EBIT</b>	<b>16.8</b>	<b>8.8</b>	<b>90.9%</b>
Net Interest Received/(Paid)	0.4	0.2	
<b>Underlying AU Profit Before Tax</b>	<b>17.2</b>	<b>9.0</b>	<b>91.1%</b>
<b>Other disclosures (A\$m)<sup>1</sup></b>			
US Operating Losses	(0.5)	(0.2)	150.0%
US General & Administrative Costs	(2.6)	(1.5)	73.3%
Underlying Group EBITDA	21.2	12.9	64.3%
Underlying Group EBIT	13.1	7.1	84.5%
Underlying Group NPBT	13.4	7.3	83.6%

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.

Note: Numbers may not sum down due to rounding.

## COMMENTS RELATE TO RESULTS OF AUSTRALIAN OPERATIONS:

**Global Network Sales of \$471m, up 30.7% vs pcp** driven by strong comp sales growth and new restaurant openings in all regions

**Opened 7 new Australian corporate restaurants** in 1H FY24

**Australian Corporate Restaurant Sales of \$136.6m, up 37.8% vs pcp**

**Corporate Restaurant Gross Margin of 70.1%**, up from 68.0% in pcp driven by tighter COGS controls and the recent menu price increases

**Corporate Restaurant Margin of 18.5%**, up from 14.5% in pcp driven by heightened focus on restaurant economics and menu price increases of 8% (5% in May 2023 and 3% in July 2023)

**Underlying Australian EBITDA of \$24.3m, up 66.4% vs pcp**

**Underlying Group EBITDA of \$21.2m, up 64.3% vs pcp**

# FINANCIAL POSITION

Consolidated (A\$m)	Dec-23	Jun-23
<b>Assets</b>		
Cash and cash equivalents	13.6	36.5
Trade and other receivables	21.2	23.9
Inventories	3.2	2.2
Finance lease receivable	10.5	10.8
Other assets	4.4	3.6
<b>Total Current Assets</b>	<b>52.9</b>	<b>76.9</b>
Trade and other receivables	1.0	1.1
Property, plant and equipment	78.0	69.5
Right of use assets	122.3	98.9
Finance lease receivable	57.6	58.6
Intangibles	11.7	15.2
Deferred tax asset	7.0	4.2
<b>Total Non-Current Assets</b>	<b>277.6</b>	<b>247.6</b>
<b>Total Assets</b>	<b>330.5</b>	<b>324.5</b>
<b>Liabilities</b>		
Trade and other payables	22.0	32.6
Contract liabilities	2.4	1.7
Lease liabilities	20.0	20.2
Income tax	9.7	3.6
Provisions	5.4	8.3
<b>Total Current Liabilities</b>	<b>59.5</b>	<b>66.5</b>
Contract liabilities	2.2	2.2
Borrowings	3.0	3.0
Lease liabilities	188.1	161.6
Provisions	3.8	3.3
<b>Total Non-Current Liabilities</b>	<b>197.0</b>	<b>170.1</b>
<b>Total Liabilities</b>	<b>256.5</b>	<b>236.5</b>
<b>Net Assets</b>	<b>74.0</b>	<b>88.0</b>

**Net cash position** of \$10.6m. Decrease relates to share buy-back relating to final settlement of claim for former US executives

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 represents investment in new corporate restaurants and refurbishments to existing restaurants

Trade and other payables decreased due to the timing of payments made to suppliers

Provisions represents employee provisions and make good provision

Note: Numbers may not sum down due to rounding.

# CASH FLOW

Consolidated (A\$m)	1H FY24	1H FY23 <sup>1</sup>
<b>Operating Cash Flows</b>		
Receipts from customers	200.8	143.5
Payments to suppliers and employees	(187.6)	(129.8)
Interest received	0.5	0.3
Interest and other finance costs paid	(0.2)	(0.2)
Income taxes	0.5	(0.1)
<b>Total Cash Flows from Operations</b>	<b>14.1</b>	<b>13.7</b>
<b>Investing Cash Flows</b>		
Capex	(14.9)	(16.1)
Acquisition and disposal of assets	-	(5.4)
<b>Total Cash Flows from Investing</b>	<b>(14.9)</b>	<b>(21.5)</b>
<b>Financing Cash Flows</b>		
Proceeds from issue of shares	0.1	4.5
Option fees received	0.2	0.3
Payments for share buy-backs	(15.9)	-
Repayment of borrowings	-	(0.2)
Lease interest paid	(3.0)	(1.8)
Repayment of lease liabilities	(3.6)	(4.9)
<b>Total Cash Flows from Financing</b>	<b>(22.1)</b>	<b>(2.2)</b>
<b>Increase/(Decrease) in Cash</b>	<b>(22.9)</b>	<b>(10.0)</b>

\$6.1m capex for new Australian corporate restaurants in 1H FY24 (1H FY23: \$10.6m)  
 \$5.5m capex for new US corporate restaurants (1H FY23: \$0m)  
 Remainder of capex relates to existing restaurant refurbishments and head office

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

Share buy-back relates to final settlement of claim for former US executives

1. Comparative information in the cash flow statement has been restated to reflect the current period presentation of lease interest payments as financing activities.

Note: Numbers may not sum down due to rounding.

# FY24 OUTLOOK

# INDICATIVE RESTAURANT ECONOMICS

**DRIVE THRU**



**GAIRNS  
QLD**

**STRIP**



**SWANSTON  
STREET  
VIC**

**Annual Sales**

~\$5.5m

**Restaurant  
Margin%<sup>1</sup>**

>20%

**Capex<sup>2</sup>**

~\$1.8m

**Cash ROI<sup>3</sup>**

Corporate >60%	Franchise >30%
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**Annual Sales**

~\$4.2m

**Restaurant  
Margin%<sup>1</sup>**

~20%

**Capex<sup>2</sup>**

~\$1.5m

**Cash ROI<sup>3</sup>**

Corporate >50%	Franchise >30%
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1. Restaurant Margin 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 <sup>1</sup>
	183 <sup>2</sup>
	1,223
	1,018
	734
	786
	598
	461

## 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

-  14 new restaurants opened FY24 YTD<sup>2</sup> with an additional 12 restaurants in the pipeline
-  Targeting 30-40 restaurant openings p.a. over the long term
-  Deep pipeline provides coverage for next 2+ years, with 98 Board approved restaurants, including 40 with DAs approved (of which, 37 have signed leases) and 26 with DAs lodged

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

- Peer data obtained from GapMaps. Updated as at 12 February 2024.
- For restaurants that were open as at 18 February 2024.





# FY24 TRADING UPDATE

## FY24 TRADING UPDATE

**AS AT 18 FEBRUARY 2024, YEAR-TO-DATE:**

### AUSTRALIA

- ▶ 14 new restaurants opened and 2 closed in Australia
- ▶ Network sales growth of 29%
- ▶ Comp sales growth of 10% (YTD 18 February 2023: 16%)

### INTERNATIONAL

- ▶ Network sales growth of 24%
- ▶ Comp sales growth of 12%

## FY24 OUTLOOK

**GYG WILL CONTINUE TO DRIVE EBITDA GROWTH THROUGH:**

- ▶ Continued new restaurant openings in Australia, of which >80% are drive thru 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

# APPENDIX

# UNDERLYING EBITDA RECONCILIATION

(A\$'000)	Statutory	AASB 16 adjustments	AASB 2 share-based payments	Amortisation of reacquired rights	Non-cash revenue <sup>1</sup>	One-off income and expenses <sup>2</sup>	Underlying Group	US operating losses	US general & administrative costs	Underlying Australia
<b>31 December 2023</b>										
<b>EBITDA</b>	<b>18,904</b>	<b>(8,217)</b>	<b>6,020</b>	-	<b>(39)</b>	<b>4,554</b>	<b>21,222</b>	<b>507</b>	<b>2,588</b>	<b>24,317</b>
Depreciation & amortisation	15,900	(6,324)	-	(1,434)	-	-	8,142	(663)	-	7,479
<b>EBIT</b>	<b>3,004</b>	<b>(1,893)</b>	<b>6,020</b>	<b>1,434</b>	<b>(39)</b>	<b>4,554</b>	<b>13,080</b>	<b>1,170</b>	<b>2,588</b>	<b>16,838</b>
Interest (paid)/earned	(4,083)	4,437	-	-	-	-	354	-	-	354
<b>NPBT</b>	<b>(1,079)</b>	<b>2,544</b>	<b>6,020</b>	<b>1,434</b>	<b>(39)</b>	<b>4,554</b>	<b>13,434</b>	<b>1,170</b>	<b>2,588</b>	<b>17,192</b>
Income tax expense	(2,881)									
<b>NPAT</b>	<b>(3,960)</b>									
<b>31 December 2022</b>										
<b>EBITDA</b>	<b>14,562</b>	<b>(5,711)</b>	<b>2,731</b>	-	<b>173</b>	<b>1,119</b>	<b>12,874</b>	<b>229</b>	<b>1,503</b>	<b>14,606</b>
Depreciation & amortisation	12,592	(5,399)	-	(1,378)	-	-	5,815	(6)	-	5,809
<b>EBIT</b>	<b>1,970</b>	<b>(312)</b>	<b>2,731</b>	<b>1,378</b>	<b>173</b>	<b>1,119</b>	<b>7,059</b>	<b>235</b>	<b>1,503</b>	<b>8,797</b>
Interest (paid)/earned	(1,622)	1,819	-	-	-	-	197	-	-	197
<b>NPBT</b>	<b>348</b>	<b>1,507</b>	<b>2,731</b>	<b>1,378</b>	<b>173</b>	<b>1,119</b>	<b>7,256</b>	<b>235</b>	<b>1,503</b>	<b>8,994</b>
Income tax expense	(1,469)									
<b>NPAT</b>	<b>(1,121)</b>									

Note: Numbers may not sum down due to rounding.

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)	31 December 2023	31 December 2022
One-off system implementation costs	2,351	2,116
Government compensation for compulsory acquisition of land	-	(1,930)
Employee related re-structure and development costs	265	914
Liquidity event costs	-	19
Final settlement of claim and legal costs relating to proceedings initiated by former US executives	1,938	-
Other	-	-
<b>One-off income and expenses</b>	<b>4,554</b>	<b>1,119</b>

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