



**Media Release**  
**28 February 2024**

## **GYG DELIVERS RECORD FIRST HALF RESULT**

*Double digit comp growth and new restaurant openings drives strong half year network sales*

- Global network sales of \$471 million, up 31% on pcp, driven by strong comparable sales growth of 11% and new restaurant openings globally
- Australian network sales of \$439m, up 31% on pcp
  - *Australian comparable sales growth of 11%*
  - *GYG's Digital Channel makes up 40% of network sales (delivery aggregators 23% and app/web 17%)*
  - *GYG's app and web network sales up 49% on pcp*
- Underlying Australian EBITDA of \$24.3 million, up 66% on pcp
  - *Australian Corporate restaurant margin of 18.5%, up 400bps on pcp*
- Group weekly AUV of \$87,000, up 12% on pcp
- 16 new restaurant openings, taking total global restaurants to 209

## **1H FY24 FINANCIAL PERFORMANCE**

Guzman y Gomez ('GYG'), one of Australia's leading QSR's, today announced its results for the six months ended 31 December 2023 (1H FY24).

Group network sales of \$471 million was up 31% on pcp (1H FY23: \$360m) driven by strong comparable sales growth and a continued rollout of new restaurants across all regions, with 16 new restaurants opened globally in 1H24, bringing total global restaurants to 209.

The Group's focus on sales growth, new restaurant openings, and improved restaurant unit economics saw Group EBITDA increase on an underlying basis to \$21.2 million, up 64% (1H FY23: \$12.9m).

Commenting on the half year performance and outlook, GYG Founder and Co-CEO Steven Marks said:

*"As we pass over 18 years of operation, our half year results reflect the strength of the GYG brand and business both locally and abroad. With our innovative menu and diversified channel offering, we can meet our customers where they want and capture growing demand for real food, made fresh and using only the best ingredients."*

*"Our performance remained strong, underpinned by double digit comparable sales growth across our businesses in Australia and overseas. The Group also benefited from the addition of 16 new restaurants globally in 1H24, particularly restaurants with drive-thrus where we are building a market leading position."*



## AUSTRALIA

### Financial performance

Australian 1H FY24 network sales of \$439 million was up 31% (1H FY23: \$335m). The Australian network sales growth reflects strong performance across both corporate and franchise restaurants, with network sales of \$137 million and \$302 million, up 38% and 28% on the prior period respectively.

The growth was achieved through 7 new corporate restaurant openings, 6 new franchisee restaurant openings and double-digit comparable sales growth of 11% in 1H FY24 (1H FY23: 17%), despite a challenging macroeconomic landscape. GYG continues to build on its track record of sustained comparable sales growth while also strengthening brand awareness and channel growth in digital and drive thru sales.

A heightened focus on costs in combination with menu price increases of 8.2% (5% in May 2023 and 3% in July 2023) delivered corporate margin expansion of 400bps to 18.5%. This increase, along with franchise income growth of 41%, helped to deliver underlying Australian EBITDA of \$24.3 million up 66% (1H FY23: \$14.6m).

### Operational and strategic update

During the period, GYG continued the rollout of new restaurants, opening 13 new restaurants (1 closure) in Australia including 10 drive-thrus. At the end of 1H FY24, GYG operated 183 restaurants in Australia (FY23: 171) made up of 121 franchised (FY23: 116) and 62 corporate owned (FY23: 55).

Number of Restaurants by Format and Ownership (as at 31 December 2023)

Ownership	Drive Thru	Strip	Other	GYG Total
Franchise	58	34	29	121
Corporate	28	17	17	62
<b>Total</b>	<b>86</b>	<b>51</b>	<b>46</b>	<b>183</b>

Weekly Average Unit Volume (AUV) for the group in 1H FY24 was \$87,000 per week, an 12% increase on pcp (1H FY23: \$78,000) driven by the strong unit economics of drive thrus (1H FY24: \$105,000), strips (1H FY24: \$86,000), and other formats (1H FY24: \$75,000). This was supported by strong comparable growth across all dayparts, in particular 21% growth in Breakfast and 18% growth in After 9pm.

GYG operates a diverse multi-channel model that meets the customer where they want to transact. GYG's Digital Channel makes up 40% of network sales (delivery aggregators 23% and app/web 17%). GYG's app and web achieved significant sales growth of 49% on pcp in 1H FY24 (vs 1H FY23) making it GYG's fastest growing sales channel. In the half, 52% of drive thru sales were transacted in drive thru lanes, a reflection of the speed of GYG's drive thru experience.



GYG has a strong pipeline of new site locations in Australia, which provides ample room for new restaurant growth over the next 2+ years. Currently GYG has identified 98 Board approved restaurants, including 40 with DAs approved (of which, 37 have signed leases) and a further 26 locations with DAs lodged.

## INTERNATIONAL

### *Financial performance*

Singapore and Japan's network sales grew to \$27 million, up 13% on pcp (1H FY23: \$24m). Similarly, the USA realised growth in network sales of 400% to \$5 million (1H FY23: \$1m).

The performance in the USA reflects a combination of 3 new restaurant openings and growth in comparable sales as GYG's brand recognition develops in this region. The business delivered strong comparable sales growth in both Japan and the USA, with Japan growing 39% (1H FY23: 27%) and USA increasing 15% (1H FY23: 9%). In Singapore, GYG delivered comparable sales growth of 9% (1H FY23: 22%), driven by a focus on consistent operational execution.

### *Operational and strategic update*

GYG is taking a considered and measured approach to expansion internationally, ensuring the unit economics and menu offering work as standalone propositions in each region. At the end of 1H FY24, GYG operated 26 restaurants internationally with 17 restaurants in Singapore (1H FY23: 16), 5 restaurants in Japan (1H FY23: 4) and 4 restaurants in the United States (1H FY23: 1).

In Singapore, 1 new restaurant has been opened in 1H FY24 as the business focused on consistent operational execution. GYG continues to target growth in the region by focusing on menu innovation, new restaurant rollout and continued alignment with Australian best practices.

In Japan, 1 new restaurant was opened in 1HFY24 as the business delivered strong comparable sales growth. Future sales growth in the region will be delivered by a continued focus on menu innovation tailored to the local market (i.e. LTO Karaage Burrito and Bowl) and repeat sales on the GYG app.

In the USA, the business continues to focus on building the real estate pipeline in the greater Chicago area with at least 3 new restaurants slated to open this calendar year. The first location in the USA, GYG Naperville (opened January 2020) is currently experiencing double digit comp growth. GYG remains relentless in the pursuit to drive revenue and deliver the best guest experience possible.

## FY24 TRADING UPDATE

GYG has delivered a record trading result for the beginning of calendar year 2024. In Australia, the business has delivered total YTD network sales growth of 29% and comparable YTD network sales growth of 10% (as at 18 February 2024).



Internationally, GYG grew total YTD network sales by 24% and comparable YTD network sales by 12% (as at 18 February 2024).

## OUTLOOK

In FY24, GYG is expecting to achieve Underlying Australian EBITDA growth, driven by:

- A further 12 new restaurant openings (>80% are drive-thru restaurants) for the remainder of the year, having opened Wilsonton in Australia in February
- 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

In Australia, GYG is targeting to open 30-40 new restaurants per year over the long term and believes there is the opportunity locally for the company to expand fivefold, given the strength and demand for GYG's offering. Given the stronger unit economics and ROI of drive thru over strip and other restaurants, GYG will weigh its future restaurant openings more heavily towards drive thrus.

Hilton Brett, Co-CEO of GYG said:

*"The fast-food category is ready for mass disruption on a global scale and GYG really is re-inventing fast-food. The quality of our food, our incredible guest experience, white space in Australia and globally as well as our restaurant economics, are some of the best in the world.*

*In Australia we have at least 800 restaurants to roll out which gives us an unbelievable growth runway for many years to come.*

*We're just getting started in the USA and have substantial opportunity for growth in Singapore and Japan, with the rest of the world waiting for us."*

**ENDS**

For further information, visit Guzman y Gomez at <https://www.guzmanygomez.com.au>

The release of this announcement was authorised by the Board of Directors.



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