



31 May 2024

Guzman y Gomez Announces Initial Public Offering and ASX Listing

- Guzman y Gomez is expected to list on the ASX on 20 June 2024
- Market capitalisation at Offer Price of ~A\$2.2 billion
- Primary proceeds to be used to support GYG's growth strategy

Guzman y Gomez ("GYG" or the Company), one of Australia's fastest growing QSR businesses, delivering clean, fresh, made-to-order, Mexican-inspired food to guests at high speeds, today announces a fully underwritten Initial Public Offering of 11.1 million Shares at a price of \$22.00 per share ("Offer Price")¹ to raise approximately A\$242.5 million (the "Offer"), including approximately A\$200 million in primary proceeds and A\$42.5 million of secondary sell-down on behalf of select existing securityholders.

Primary proceeds of the Offer will be used to fund GYG's growth strategy over the coming years, primarily focused on the significant expansion of its corporate restaurant network in Australia. The proceeds of the Offer will also provide substantial flexibility to accelerate this strategy if appropriate opportunities arise.

The Offer comprises:

- **The Institutional Offer**, which consists of an offer to Institutional Investors in Australia and certain other jurisdictions around the world;
- **The Retail Offer**, which consists of:
 - Broker Firm Offer, which is open to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation of Shares from their Broker
 - Priority Offer, which is open to Eligible GYG Shareholders and select investors in Australia and New Zealand who have received a Priority Offer Invitation
 - Employee Offer, which is open to Eligible Employees of the Company, who are residents in Australia
 - Franchisee Offer¹, which is open to Eligible Franchisees, who are residents in Australia and other eligible jurisdictions in the Company's discretion

There is no general public offer. The Offer is underwritten by Barrenjoey Markets Pty Limited ("Barrenjoey") and Morgan Stanley Australia Securities Limited ("Morgan Stanley") (together, the "Joint Lead Managers").

¹ The Franchisee Offer is priced at \$18.00 per share. This is a 18.2% discount to the Offer Price of \$22.00.



GYG has received considerable support and demand from existing shareholders, including Aware Super, Cooper Investors, Hyperion Asset Management, Firetrail Investments and QVG Capital. GYG's other existing large institutional shareholders, TDM Growth Partners and Barrenjoey Private Capital will retain significant investments in GYG post-IPO and are committing to a voluntary escrow through to the release of the FY25 results.

The Board, senior management and existing substantial shareholders² will represent approximately 62% of GYG's issued capital on a fully diluted basis³, with voluntary escrow arrangements in place for 12 months from listing over approximately 58% of shares on issue.⁴

It is expected that trading of Shares on the ASX will commence on 20 June 2024, initially on a conditional and deferred settlement basis, under the ticker 'GYG'.

GYG opened its first restaurant in Sydney in 2006. GYG has since expanded its network to 210 restaurants across four countries, including 185 in Australia, 16 in Singapore, 5 in Japan and 4 in the US.⁵

Steven Marks, Founder and Co-CEO said:

“Over the last 18 years, the team at GYG have been obsessed with providing our guests with the freshest, cleanest and fastest made-to-order Mexican-inspired food. I am incredibly proud to say that we now do this across more than 200 restaurants in Australia, Singapore, Japan and the US. And the most exciting part is that we are just getting started.”

As we commence the next chapter as an ASX-listed company, our vision to reinvent fast food and change the way the masses eat will remain central to what we do. We truly believe that fast food doesn't have to be bad food and we look forward to sharing our food with more guests across Australia and overseas as we look to realise the opportunity we have to grow our network to more than 1,000 restaurants over the next 20+ years.”

Hilton Brett, Co-CEO said:

“GYG has a strong operational and financial track record, with global network sales increasing from \$101 million in FY15 to \$759 million in FY23, a CAGR of 29%. In addition to our delicious food, that growth has been underpinned by compelling restaurant economics which has allowed us to invest in our restaurant network, our teams and our systems.”

² Existing substantial shareholders include shareholders owning 5.00% or more of the Company as at the Prospectus Date.

³ Aware Super's shareholding on Completion subject to the scale back process described in section 7.8.2 of the Prospectus.

⁴ 25% of escrowed shares are eligible to be released from escrow post the release of the 1H25 result provided the share price is 20% above the Offer Price for 10 consecutive trading days post the release.

⁵ As at 31 March 2024.



We expect our sales growth to continue through the opening of new restaurants and increasing sales in existing restaurants. We also expect our profitability to improve as we continue to improve our execution in restaurants and we further leverage the benefits of our increasing scale. As a result, we expect Pro Forma EBITDA to grow from \$29.3 million in FY23 to \$59.9 million in FY25.”⁶

The company is headquartered in Sydney, Australia and the Board consists of Chairman Guy Russo, Bruce Buchanan, Tom Cowan, Jacqui Coombes, Marina Joanou and Ian Rowden. GYG’s Executive Directors include Co-CEO and Founder, Steven Marks and Co-CEO Hilton Brett.

Chairman Guy Russo said:

“As a former CEO of Australia’s largest QSR⁷, I immediately recognised the qualities that make GYG a truly great QSR brand – attention to detail, commitment to the guest experience, and an obsession with food quality and speed. These core principles are central to GYG’s track record of exceptional performance and growth, as well as its future growth opportunity in Australia and overseas.

On behalf of the Board, I am delighted to offer existing and prospective shareholders the opportunity to invest in and be part of GYG’s continued growth journey. We are happy we can offer our employees and franchisees the ability to become shareholders through this Offer, while continuing to appreciate the backing of our existing shareholders in this process. I encourage all prospective investors to read the Prospectus carefully.”

GYG business model

In Australia, the Company has 185 restaurants⁸, including 62 corporate restaurants and 123 franchise restaurants. GYG also has 16 restaurants in Singapore and 5 restaurants in Japan which are owned and operated by separate master franchisees, as well as 4 corporate restaurants in the US.

GYG’s network of 210 restaurants⁹ operate under a variety of different formats, including drive thru, strips, and other formats such as food courts and universities. Customers can also order through GYG’s app or website or have it delivered via one of our partners.

One of GYG’s core values is “it’s all about the food” as it provides customers Mexican-inspired, clean food. The quality of its food is central to its operational model, with every item of food on its Australian menu prepared using 100% Clean ingredients from September 2019.

GYG has adopted a hybrid restaurant ownership model consisting of a mix of corporate and franchise restaurants. GYG recognises that the health and profitability of its franchisees is

⁶ See Section 4 of the Prospectus for more information regarding Pro Forma forecasts.

⁷ By sales.

⁸ As at 31 March 2024.

⁹ As at 31 March 2024.



fundamental to the continued growth of the business, with a median Return on Investment for Australian franchisees of 51%.¹⁰

Between FY15 and FY23, GYG's global network sales have increased from \$101 million to \$759 million and is expected to reach \$1,138 million by FY25, supported by strong comparable sales growth and ongoing network expansion.¹¹

GYG's sales growth is underpinned by compelling restaurant economics which allows the business to continue to invest in expanding its restaurant network, improving the guest experience and leveraging the benefits of scale. These investments are expected to deliver continued strong earnings growth with Pro Forma EBITDA increasing from \$29.3 million in FY23 to \$59.9 million in FY25.¹²

Market opportunity

GYG believes there is a significant network opportunity, both in Australia and globally, to support a long duration of growth.

In Australia, GYG expects to open 30 new restaurants in FY25 and believes it has substantially built the team, restaurant pipeline and infrastructure to increase this to 40 restaurants per annum within 5 years. The focus will be on drive thru restaurants due to their potential to deliver superior restaurant economics. GYG believes there is an opportunity to grow its Australian network to more than 1,000 restaurants over the next 20+ years.

GYG also has an emerging presence in Singapore, Japan (both operated under a master franchise arrangement) and the US (operated via a corporate ownership model). GYG's operations in the US is currently limited to 4 restaurants in the suburbs of Chicago, with a further 3 restaurants to be opened in the same area in FY25. While the Company believes there is a large growth opportunity in the US QSR market, it will continually assess and adjust the pace of restaurant expansion to ensure it is underpinned by robust restaurant economics.

¹⁰ Based on annualised actuals for the 6 months to 31 December 2023. See Section 3.3.11.3 of the Prospectus for more information regarding Franchisee Return on Investment.

¹¹ See Section 3.2 of the Prospectus.

¹² See Section 4 of the Prospectus.



Current timetable for the IPO

Prospectus Date	Friday, 31 May 2024
Offer opens (Broker Firm Offer, Priority Offer, Employee Offer and Franchisee Offer)	Monday, 10 June 2024
Offer closes (Broker Firm Offer, Priority Offer, Employee Offer and Franchisee Offer)	Thursday, 14 June 2024
Expected commencement of trading of Shares on ASX on a conditional and deferred settlement basis	Thursday, 20 June 2024
Settlement of the Offer	Friday, 21 June 2024
Issue and allotment of Shares under the Offer (Completion of the Offer)	Monday, 24 June 2024
Expected commencement of trading on ASX on a normal settlement basis	Tuesday, 25 June 2024
Expected dispatch of holding statements	Tuesday, 25 June 2024

The dates above are indicative only and may change.

Barrenjoey and Morgan Stanley are acting as Joint Lead Managers, Bookrunners and Underwriters. Gilbert + Tobin is acting as the legal adviser to GYG.

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IMPORTANT NOTICES

This document contains certain forward-looking statements and comments about future events, including the Company's expectations about the performance of the Company's businesses and growth strategy, as well as expected trends in the industry sectors in which the Company currently operates, and estimates and forecasts of the Company's potential total addressable market and market share. Forward-looking statements can generally be identified by the use of forward-looking words such as, 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. A number of important factors could cause the Company and the Group's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements, and many of these factors are beyond the Company and the Group's control. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of the Company and the Group. As such, undue reliance should not be placed on any forward-looking statement.

Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company and the Group.



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The information in this document remains subject to change without notice. No responsibility or liability is assumed by the Company, its related bodies corporate or any of their respective officers, employees, advisers and agents for updating any information in this document or to inform any recipient of any new or more accurate information or any errors or mis-descriptions of which any member of that group may become aware.

Full details about the Offer are contained in the Prospectus dated 31 May 2024 issued by Guzman y Gomez limited (ACN 125 554 743) and GYG SaleCo Limited (ACN 677 361 581).

The Prospectus is available in electronic form to Australian residents on the Company's offer website, www.gyg.automicgroup.com.au. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia and is not available to persons in any other jurisdictions, including the United States. A hard copy of the Prospectus is available free of charge during the offer period to any person in Australia by calling the GYG IPO Information Line on 1300 441 602 (within Australia) or +61 2 9934 0529 (outside Australia) between 8:30am and 7:00pm (Sydney time), Monday to Friday, excluding national public holidays.

Applications for Shares may only be made on the Application Form attached to, or accompanying, the Prospectus in its hard copy form, or in its soft copy form available online at www.gyg.automicgroup.com.au, together with an electronic copy of the Prospectus. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, the Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus. A person should consider the prospectus in deciding whether to acquire the securities.

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