

Recipe Unlimited reports Q3 2019 results

VAUGHAN, ON, Nov. 11, 2019 /CNW/ - Recipe Unlimited Corporation (formerly Cara Operations) reported financial results today for the 13 and 39 weeks ended September 29, 2019.

For the third quarter, the company continued to generate solid Operating EBITDA and Free Cash Flow. Operating EBITDA was \$49.5 million for the 13 weeks ended September 29, 2019 and \$155.5 million year to date, and Free Cash Flow was \$36.1 million for the quarter and \$111.6 million year to date.

SRS results were disappointing for the Quarter. "Recipe and the full service industry, as a whole, continue to face headwinds due to more caution in spending being exhibited by consumers; more restaurant seats in the market, and continued staffing and wage pressure due to a four decade low in the unemployment rate," commented Frank Hennessey, Chief Executive Officer.

"While we are pleased with the positive progress made on all our guest satisfaction metrics, we are continuing to create ways to offer a more compelling and relevant consumer proposition for both our dine-in and our fast growing delivery sector. Our healthy balance sheet, and in particular our ability to generate significant free cash flow, allows us to be patient and continue to make investments in our business to meet the needs of both the consumer of today and the consumer of tomorrow," Mr. Hennessey added.

Highlights for the 13 and 39 weeks ended September 29, 2019:

- The Company generates significant Operating EBITDA and Free Cash Flow, which provides the Company the ability to fund growth and enhance shareholder returns. Free Cash Flow before growth capex, dividends, and share repurchases under the Company's normal course issuer bid ("NCIB") for the 13 and 39 weeks ended September 29, 2019 was \$36.1 million and \$111.6 million, respectively. The Company continues to have low leverage with available debt capacity of \$575.7 million, thus enabling the Company to take advantage of opportunistic strategies for growth and to enhance shareholder returns.

Free Cash Flow per share before growth capex, dividends, and NCIB on a diluted basis was \$0.58 and \$1.76 for the 13 and 39 weeks ended September 29, 2019, compared to \$0.58 and \$1.74 in 2018.

During the 13 weeks ended September 29, 2019, the Company repurchased and cancelled 4,629,629 subordinate voting shares for \$125.0 million under a substantial issuer bid ("SIB") completed on September 25, 2019. The impact from the reduction in shares on Free Cash Flow per share before growth capex, dividends, and NCIB on a diluted basis is an increase of \$0.10 per share from \$1.76 to \$1.86 for the 39 weeks ended September 29, 2019, and \$0.12 per share from \$1.74 compared to the 39 weeks ended September 30, 2018, after taking into effect a net increase in annual interest expense after taxes of \$2.7 million.

In addition to the SIB, under the Company's NCIB, the Company purchased and cancelled 618,947 and 1,322,871 Subordinate Voting Shares for \$16.5 million and \$35.2 million during the 13 and 39 weeks ended September 29, 2019. As at September 29, 2019, the Company had 56,338,810 shares outstanding compared to 62,324,207, as at September 30, 2018, a decrease of 5,985,397 shares that will increase Free Cash Flow and Earnings per share on a go forward basis.

- System Sales decreased \$10.7 million to \$869.1 million for the 13 weeks ended September 29, 2019 compared to \$879.8 million in 2018, representing a decrease of 1.2%. The decrease is primarily related to SRS decreases and restaurants closures offset by new restaurant openings and growth in retail and catering sales. Year to date, System Sales grew \$81.1 million to \$2,591.1 million compared to \$2,510.0 million in 2018, representing an increase of 3.2%. The increase in System Sales is primarily related to the addition of The Keg in February 2018 and increases in the retail and catering segment from the Swiss Chalet branded products sold at grocery, increases in frozen pot pie sales from the addition of the new pie production line, and the addition of Marigolds and Onions in December 2018 that offset SRS decreases.
- Same Restaurant Sales ("SRS") Growth was a decrease of 3.1% for the quarter and a decrease of 2.2% year to date compared to the same 13 and 39 weeks in 2018. Recipe and the full service industry, as a whole, continue to face headwinds due to caution in consumer spending; more restaurant seats in the market, and continued staffing and wage pressure due to a four decade low in unemployment. While we are pleased with our early progress on our 4 pillar operating model, as all of our guest satisfaction scores are

trending positively, we believe we have more upside potential by continuing to create more compelling and relevant consumer propositions for both dine-in and off-premise channels.

- Operating EBITDA decreased to \$49.5 million for the 13 weeks ended September 29, 2019 compared to \$51.2 million in 2018, a decrease of \$1.7 million or 3.3% for the quarter. Year to date, Operating EBITDA increased to \$155.5 million for the 39 weeks ended September 29, 2019 compared to \$151.4 million in 2018, an improvement of \$4.1 million or 2.7%. The increases year to date were primarily driven by the improved contribution from the franchise, retail and catering segment; and central segments that more than offset a decrease in corporate contribution and strategic costs incurred by the Company related to renovation incentive programs to franchisees of \$1.0 million to support major renovations expected to generate long-term SRS increases.
- Operating EBITDA Margin on System Sales before The Keg royalty expense, was 6.1% for the quarter compared to 6.2% in 2018. Year to date, Operating EBITDA Margin on System Sales before The Keg royalty expense, was 6.4% compared to 6.4% in 2018. Operating EBITDA Margin on System Sales after The Keg royalty expense was 5.7% for the quarter and 5.8% year to date as compared to 6.0% and 6.0% in 2018, respectively. The change in margin rate was primarily driven by improved franchise contribution margin offset by lower corporate contribution margin. The decreases in the corporation contribution margin were driven by lower system sales and taking back under-performing locations.
- Net earnings were \$6.7 million for the 13 weeks ended September 29, 2019 compared to \$23.8 million a decrease of \$17.1 million for the quarter. The net decrease in the quarter was primarily driven by the \$1.7 million decrease in Operating EBITDA, a \$11.7 million increase in non-cash fair value changes, non-cash impairment and non-cash increase in loss on disposal of assets, \$5.5 million increase in depreciation related to an increase in restaurant assets and a prior year 2018 depreciation adjustment of \$3.5 million resulting in lower depreciation in 2018 compared to 2019, and a net \$0.6 million higher expense impact related to the new IFRS Lease Standard (see IFRS 16 – New Lease Standard), partially offset by a \$2.4 million decrease in income tax expense.

Net earnings were \$45.8 million for the 39 weeks ended September 29, 2019 compared to \$64.8 million in 2018, representing a decrease of \$19.0 million year to date. The net \$19.0 million decrease year to date was primarily driven by the \$4.1 million increase in Operating EBITDA and a \$3.4 million reduction in income tax expense, offset by a \$9.7 million net increase in non-cash fair value changes, non-cash impairment and non-cash increase in loss on disposal of assets, \$11.4 million increase in depreciation, higher stock based compensation expense of \$2.1 million, and a net \$1.4 million higher expense related to the new IFRS Lease Standard (see IFRS 16 – New Lease Standard).

- Adjusted Basic Earnings per Share ("EPS") for the 13 weeks ended September 29, 2019 was \$0.32 compared to \$0.41 in 2018, while Adjusted Diluted EPS for the 13 weeks ended September 29, 2019 was \$0.31 compared to \$0.39 in 2018. Year to date, Adjusted Basic EPS was \$1.00 compared to \$1.14 in 2018, while Adjusted Diluted EPS for the 39 weeks ended September 29, 2019 was \$0.96 compared to \$1.10 in 2018.

The impact from the reduction in shares from the SIB on Adjusted Diluted EPS would be an increase \$0.03 per share from \$0.92 to \$0.95 for the 39 weeks ended September 29, 2019, after taking into effect a net increase in annual interest expense after taxes of \$2.7 million.

- Subsequent to September 29, 2019 until November 11, 2019, the Company purchased 249,700 The Keg Royalties Income Fund ("KRIF") units for \$4.0 million. These units are not cancelled and will be held by the Company as an investment in KRIF in addition to the 4,318,857 exchangeable KRIF units held by Keg Restaurants Ltd, a wholly owned subsidiary of Recipe.
- On November 11, 2019 the Company's Board of Directors declared a dividend of 11.21 cents per share on subordinate and multiple voting common stock. Payment of the dividend will be made on December 13, 2019 to shareholders of record at the close of business on November 29, 2019.

(\$ millions unless otherwise stated)	13 weeks ended		39 weeks ended	
	September 29, 2019	September 30, 2018	September 29, 2019	September 30, 2018

	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total System Sales ⁽¹⁾⁽³⁾ from continuing operations	\$869.1	\$879.8	\$2,591.1	\$2,510.1
Total System Sales Growth ⁽¹⁾⁽³⁾	(1.2)%	28.5%	3.2%	25.2%
SRS Growth ⁽²⁾⁽³⁾	(3.1)%	1.8%	(2.2)%	1.9%
Number of restaurants (at period end)	1,375	1,370	1,375	1,370
Operating EBITDA ⁽³⁾ before Keg royalty	\$52.9	\$54.8	\$166.2	\$159.9
Operating EBITDA Margin ⁽³⁾ on Total System Sales before Keg royalty	6.1%	6.2%	6.4%	6.4%
Operating EBITDA ⁽³⁾	\$49.5	\$51.2	\$155.5	\$151.4
Operating EBITDA Margin on System Sales ⁽³⁾	5.7%	5.8%	6.0%	6.0%
Corporate restaurant sales	\$191.3	\$199.0	\$580.1	\$548.8
Number of corporate restaurants	208	207	208	207
Contribution from Corporate segment	\$16.8	\$21.6	\$55.8	\$59.0
Contribution as a % of corporate sales	8.8%	10.8%	9.6%	10.8%
Franchise restaurant System Sales	\$597.1	\$607.2	\$1,774.3	\$1,747.1
Number of franchised & JV restaurants	1,167	1,163	1,167	1,163
Contribution from Franchise segment	\$26.1	\$25.7	\$78.5	\$72.8
Contribution as a % of Franchise sales	4.4%	4.2%	4.4%	4.2%
Contribution from retail and catering	\$4.4	\$4.5	\$12.1	\$10.5
Contribution from Central segment (excluding net royalty expense)	\$5.5	\$3.1	\$19.8	\$17.6
Contribution as a % of total System Sales	0.6%	0.3%	0.8%	0.7%
Total gross revenue	\$309.0	\$310.1	\$925.5	\$863.7
Operating EBITDA Margin ⁽³⁾ gross revenue	16.0%	16.5%	16.8%	17.5%
Earnings before income taxes	\$11.9	\$31.4	\$66.7	\$89.2
Net earnings	\$6.7	\$23.8	\$45.8	\$64.8
Adjusted Net Earnings ⁽³⁾	\$19.5	\$25.3	\$60.9	\$70.2
EPS attributable to common shareholders of the Company (in dollars)				
Basic EPS (in dollars)	\$0.11	\$0.38	\$0.75	\$1.05
Diluted EPS (in dollars)	\$0.11	\$0.37	\$0.73	\$1.01
Adjusted Basic EPS ⁽³⁾ (in dollars)	\$0.32	\$0.41	\$1.00	\$1.14
Adjusted Diluted EPS ⁽³⁾ (in dollars)	\$0.31	\$0.39	\$0.96	\$1.10
Free Cash Flow before growth capex, dividends and NCIB ⁽³⁾	\$36.1	\$37.3	\$111.6	\$111.4
Free Cash Flow ⁽³⁾ per share - basic (in dollars)	\$0.59	\$0.60	\$1.82	\$1.81
Free Cash Flow ⁽³⁾ per share - diluted (in dollars)	\$0.58	\$0.58	\$1.76	\$1.74

Quarterly Dividend declared per share (in dollars)	\$0.1121	\$0.1068	\$0.3363	\$0.3204
--	----------	----------	----------	----------

- (1) Results from East Side Mario restaurants in the United States are excluded in the System Sales totals and number of restaurants. See "Non-IFRS Measures" on page 35 of the Company's MD&A for definition of System Sales.
- (2) Results from New York Fries located outside of Canada, East Side Mario restaurants in the United States, Casey's restaurants are excluded from SRS Growth. See "Non-IFRS Measures" on page 35 of the Company's MD&A for definition of SRS Growth.
- (3) See "Non-IFRS Measures" on page 35 of the Company's MD&A for definitions of System Sales, System Sales Growth, SRS Growth, Operating EBITDA, Operating EBITDA Margin, and Operating EBITDA on System Sales.

The Company's unaudited interim consolidated financial statements for the 13 and 39 weeks ended September 29, 2019 and Management's Discussion and Analysis are available under the Company's profile on SEDAR at www.sedar.com.

Outlook

Management provides the following comments regarding its strategies and initiatives:

- *Free Cash Flow* — The Company generates significant EBITDA and Free Cash Flow, which provides the Company the ability to fund growth and enhance shareholder returns. Free Cash Flow before growth capex, dividends, and share repurchases under the Company's NCIB for the 39 weeks ended September 29, 2019 was \$111.6 million and Free Cash Flow per share before growth capex, dividends, and NCIB on a diluted basis was \$1.76 for the 39 weeks ended September 29, 2019 compared to \$1.74 in 2018.

The impact from the SIB and the corresponding reduction in shares on Free Cash Flow per share before growth capex, dividends, and NCIB on a diluted basis would be an increase of \$0.10 per share from \$1.76 to \$1.86 for the 39 weeks ended September 29, 2019, after taking into effect a net increase in interest expense after taxes of \$2.7 million.

In addition to the SIB, under the Company's NCIB, the Company purchased and cancelled 618,947 and 1,322,871 Subordinate Voting Shares for \$16.5 million and \$35.2 million during the 13 and 39 weeks ended September 29, 2019. As at September 29, 2019, the Company had 56,338,810 shares outstanding compared to 62,324,207, as at September 30, 2018, a decrease of 5,985,397 shares that will increase Free Cash Flow and Earnings per share on a go forward basis.

At Q3 2019, the Company's Debt to EBITDA ratio was 2.4x. The Company's strong balance sheet and strong Free Cash Flow will enable the Company to continue to strategically invest in its business despite challenging market conditions. Management will continue to:

- invest in corporate restaurant renovations;
 - support franchisees including restaurant renovation incentive programs;
 - invest in initiatives to support our 4-pillar operations plan including training and technology applications;
 - invest in our new Project 2030 initiative, an ambitious program that seeks to transform all aspects of our restaurant operations, so that we profitably meet the needs of both the consumer of today and the consumer of tomorrow;
 - make extra contributions to franchisee marketing funds where appropriate;
 - continue to evaluate alternatives for capital deployment including growth investments, strategic acquisitions; and
 - enhance shareholder returns through dividends and share buybacks including purchases of KRIF units.
- *Total Operating EBITDA* — Before the impact from the net royalty to KRIF, Total Operating EBITDA margin was 6.1% for the quarter compared to 6.2% in 2018. The combined contributions from Corporate, Franchise, Retail and Catering, and Central segments resulted in Total Operating EBITDA margin of 5.7% for the quarter compared to 5.8% in 2018. While The Keg adds EBITDA dollars, because of net central overhead costs and royalty payments to KRIF in the medium term, The Keg merger will reduce Recipe's

Operating EBITDA margin on System Sales below the target 7% to 8% range. Management's focus will continue to be on improving the earnings efficiency of our assets and our increased sales base to grow Operating EBITDA as a percentage of System Sales back to within our 7% to 8% target range by 2020-2022.

- *Corporate restaurant profitability* — Corporate restaurant profitability for the 13 weeks ended September 29, 2019 was 8.8% compared to 10.5% in the second quarter of fiscal 2019 and 10.8% in the third quarter of 2018. The decline in the quarter was mostly from the reduction in sales, higher wage rates and taking back under-performing franchise restaurants. Alberta wages rates will be more comparable to 2018 in the fourth quarter as the wage increase impact will have cycled through a full year. Management believes that corporate restaurant profitability will improve as the 4-pillar strategy focus on Food, Service, Ambiance, and Value for the Experience progresses and we continue to improve the quality of our portfolio and sales while we respond to increased competition and a cautious consumer.

Management will continue to pursue the sale of certain corporate restaurants in its franchise banners to franchisees, pursue the sale of its share in joint venture locations to the Company's joint venture partners to convert joint venture locations to franchise to improve the corporate-franchise portfolio mix, and will close non-strategic under-performing restaurants.

- *Franchise segment* — Franchise contribution as a percentage of franchise sales has improved to 4.4% in the quarter compared to 4.2% in 2018. The increase is primarily related to improvement to quality of sales due to the ongoing practice to open new franchise restaurants at the standard royalty rate while closing or taking back under-performing previously subsidized locations. Management believes the effective royalty recovery rate will gradually increase over time closer to 5% as the Company adds new franchisees, renews existing locations at the standard royalty rate, and exits under-performing locations.
- *Retail and catering* — Contribution dollars from retail and catering were \$4.4 million in the quarter compared to \$4.5 million in 2018. A new pie production line was added in the third quarter 2018 which has increased production capacity and enabled the Company to meet the increased demand for its St-Hubert and Swiss Chalet frozen pie products with less reliance on higher cost third party producers. Since the acquisition of St-Hubert in 2016, the Company has successfully launched a number of products, including Swiss Chalet ribs and pot pies, across the country in grocery chains. The Company will be adding a new rib line in Q4 2019 to increase its rib production capacity to meet the increased demand and will be launching Montana's ribs in Q4 2019. Management is also pursuing the launch of several more Recipe branded retail products to expand its retail presence in national grocery chains.
- *Growth, acquisitions and share buy-backs* — The Company currently has a net debt to EBITDA ratio of approximately 2.4x compared to 1.9x at the end of Q3 2018. At this debt level, and with strong cash flow from operations, the Company has the ability to consider more growth opportunities, including acquisitions, while continuing to reduce its debt, and by opportunistically repurchasing its subordinate voting shares for cancellation under the NCIB and purchase of KRIF units. During the 39 weeks ended September 29, 2019, the Company purchased and cancelled 5,952,500 Subordinate Voting Shares for \$160.7 million under the Company's NCIB and SIB programs plus 250,000 units in KRIF. In addition, the Company's new financing structure positions Recipe for strategic and opportunistic growth at long-term favourable borrowing rates and credit terms

The foregoing description of Recipe's outlook is based on management's current strategies and its assessment of the outlook for the business and the Canadian Restaurant Industry as a whole and may constitute "forward-looking" statements within the meaning of applicable Canadian securities legislation, which involve known and unknown risks, uncertainties and other factors that may cause actual results to vary. A description of the risks and uncertainties that impact the Company's business are discussed in detail under the heading "Risk Factors" in the Company's Annual Information Form dated March 29, 2019, available on SEDAR. See "Forward Looking Information."

Non-IFRS Measures

These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non IFRS measures including "System Sales", "SRS Growth", "EBITDA",

"Operating EBITDA", "Operating EBITDA Margin", "Operating EBITDA Margin on System Sales", "Adjusted Net Earnings", "Adjusted Basic EPS", "Adjusted Diluted EPS", and "Free Cash Flow" to provide investors with supplemental measures of its operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. The Company also believes that securities analysts, investors and other interested parties frequently use non IFRS measures in the evaluation of issuers. The Company's management also uses non IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to determine components of management compensation.

"System Sales" represents top-line sales from restaurant guests at both corporate and franchise restaurants including take-out and delivery customer orders. System Sales includes sales from both established restaurants as well as new restaurants. System sales also includes sales received from its food processing and distribution division. Management believes System Sales provides meaningful information to investors regarding the size of Recipe's restaurant network, the total market share of the Company's brands sold in restaurant and grocery and the overall financial performance of its brands and restaurant owner base, which ultimately impacts Recipe's consolidated financial performance.

"System Sales Growth" is a metric used in the restaurant industry to compare System Sales over a certain period of time, such as a fiscal quarter, for the current period against System Sales in the same period in the previous year.

"SRS Growth" is a metric used in the restaurant industry to compare sales earned in established locations over a certain period of time, such as a fiscal quarter, for the current period against sales in the same period in the previous year. SRS Growth helps explain what portion of sales growth can be attributed to growth in established locations and what portion can be attributed to the opening of net new restaurants. Recipe defines SRS Growth as the percentage increase or decrease in sales during a period of restaurants open for at least 24 complete fiscal months relative to the sales of those restaurants during the same period in the prior year. Recipe's SRS Growth results excludes Casey's restaurants as the Company is in the process of winding down its operations; and sales from international operations from 42 New York Fries and 3 East Side Mario's.

"EBITDA" is defined as net earnings before: (i) net interest expense and other financing charges; (ii) income taxes; (iii) depreciation of property, plant and equipment; (iv) amortization of other assets and deferred gain.

"Operating EBITDA" is defined as net earnings before: (i) net interest expense and other financing charges; (ii) income taxes; (iii) depreciation of property, plant and equipment; (iv) amortization of other assets and deferred gain; (v) impairment of assets, net of reversals; (vi) losses on early buyout / cancellation of equipment rental contracts; (vii) restructuring and other; (viii) conversion fees; (ix) net (gain) / loss on disposal of property, plant and equipment; * stock based compensation, costs related to its restricted share units, and one-time cash payments related to the exercise and settlement of stock options; (xi) changes in onerous contract provision; (xii) expense impact from fair value inventory adjustment resulting from the St-Hubert purchase relating to inventory sold during the period; (xiii) acquisition related transaction costs; (xiv) change in fair value of non-controlling interest liability; (xv) change in fair value of Exchangeable Partnership units; (xvi) the Company's proportionate share of equity accounted investment in joint ventures; (xvii) interest income from the Partnership units; and the rent expense impact related to the implementation of IFRS 16, "Leases".

"Operating EBITDA Margin" is defined as Operating EBITDA divided by total gross revenue.

"Operating EBITDA Margin on System Sales" is defined as Operating EBITDA divided by System Sales.

"Free Cash Flow before capex, dividends and NCIB" is defined as Operating EBITDA less (i) cash interest paid; (ii) maintenance capex; and (iii) cash taxes paid.

"Free Cash Flow after capex, dividends and NCIB" is defined as Operating EBITDA less (i) cash interest paid; (ii) maintenance capex; (iii) cash taxes paid; (iv) growth capex; (vi) dividends paid; (vi) shares repurchased under the NCIB; and (vii) proceeds from sale of assets.

"Adjusted Net Earnings" is defined as net earnings plus (i) change in fair value of non-controlling interest liability; (ii) change in fair value of Exchangeable Partnership units; (iii) one-time transaction costs; (iv) non-cash impairment charges; (v) restructuring and other; (vi) amortization of unearned conversion fees income; (vii) losses on early buyout/cancellation of equipment rental contracts; (viii) net gain on disposal of property, plant and equipment and other assets; and (ix) write-off of deferred financing fees.

"Adjusted Basic EPS" is defined as Adjusted Net Earnings divided by the weighted average number of shares outstanding.

"Adjusted Diluted EPS" is defined as Adjusted Net Earnings divided by the weighted average number of shares

outstanding plus the dilutive effect of stock options and RSUs.

Forward-Looking Information

Certain statements in this press release may constitute "forward-looking" statements within the meaning of applicable Canadian securities legislation which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this press release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties, including those related to: (a) the Company's ability to maintain profitability and manage its growth including SRS Growth, System Sales Growth, increases in net income, Operating EBITDA and Operating EBITDA Margin on System Sales, and Adjusted net earnings (b) competition in the industry in which the Company operates; (c) the general state of the economy; (d) integration of acquisitions by the Company; (e) risk of future legal proceedings against the Company. These risk factors and others are discussed in detail under the heading "Risk Factors" in the Company's Annual Information Form dated March 29, 2019. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those contained in forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release.

Related Communications

Frank Hennessey, Chief Executive Officer and Ken Grondin, Chief Financial Officer, will hold an investor conference call to discuss 2019 third quarter results at 9:00 am Eastern Time on Tuesday, November 12, 2019.

To access the call, please call (647) 427-7450 or 1-888-231-8191, five to ten minutes prior to the start time. The Conference ID is 6591034. A telephone replay of the call will be available until midnight on December 3, 2019. To access the replay, please dial (416) 849-0833 or 1-855-859-2056 and enter passcode 6591034.

About Recipe

Founded in 1883, RECIPE Unlimited Corporation (formerly Cara Operations) is Canada's oldest and largest full-service restaurant company. The Company franchises and/or operates some of the most recognized brands in the country including Swiss Chalet, Harvey's, St-Hubert, The Keg, Milestones, Montana's, Kelsey's, East Side Mario's, New York Fries, Prime Pubs, Bier Markt, Landing, Original Joe's, State & Main, Elephant & Castle, The Burger's Priest, The Pickle Barrel, Marigolds & Onions, and 1909 Taverne Moderne.

RECIPE's iconic brands have established the organization as a nationally recognized franchisor of choice. As at September 29, 2019, Recipe had 24 brands and 1,375 restaurants, 85% of which are operated by franchisees and joint venture partners, operating in 10 countries (Canada, USA, Bahrain, China, Macao, Oman, Panama, Qatar, Saudi Arabia and the UAE). RECIPE's shares trade on the Toronto Stock Exchange under the ticker symbol RECP. More information about the Company is available at www.recipeunlimited.com.

SOURCE Recipe Unlimited Corp.

For further information: Investor Relations: Recipe Unlimited Corp, Ken Grondin, (905) 760-2244, Chief Financial Officer, Email: kgrondin@recipeunlimited.com or investorrelations@recipeunlimited.com

<https://recipeunlimited.investorroom.com/2019-11-11-Recipe-Unlimited-reports-Q3-2019-results>