



# Q3 2021 Results

November 4, 2021



# Disclaimers

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This presentation contains “forward-looking information” within the meaning of applicable securities laws. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “estimates”, “intends”, “anticipates”, “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “achieve”.

Forward-looking information is necessarily based on a number of assumptions and estimates that, while considered reasonable by the Company as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking information. With respect to other forward-looking information, these factors and assumptions include: potential volatility of Subordinate Voting Share price; payment of dividends; financial reporting and other public company requirements; forward-looking information; significant ownership by the Principal Shareholders; dilution; limited voting rights of the Subordinate Voting Shares; quarterly operating results may fluctuate; securities analysts’ research or reports could impact price of Subordinate Voting Shares; the restaurant industry; competition with other franchisors; quality control and health concerns; security breaches of confidential guest information; public safety issues; damage to the Company’s reputation; availability and quality of raw materials; reliance on suppliers; growth of the Company; franchisees; franchise fees and other revenue; franchisee relations; revenue reporting risks; opening new restaurants; potential inability to consummate acquisitions; integration of acquisitions and brand expansion; retail licensing opportunities; seasonality and weather; regulations governing alcoholic beverages; laws concerning employees; dependence on key personnel; attracting and retaining quality employees; unionization activities may disrupt the Company operations; reliance on information technology; intellectual property; lawsuits; regulation; and Company’s insurance may not provide adequate levels of coverage. These factors and assumptions are not intended to represent a complete list of the factors and assumptions that could affect the Company. These factors and assumptions, however, should be considered carefully.

Although the Company has attempted to identify important factors and assumptions that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors and assumptions that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information contained herein, except as required by applicable securities laws.

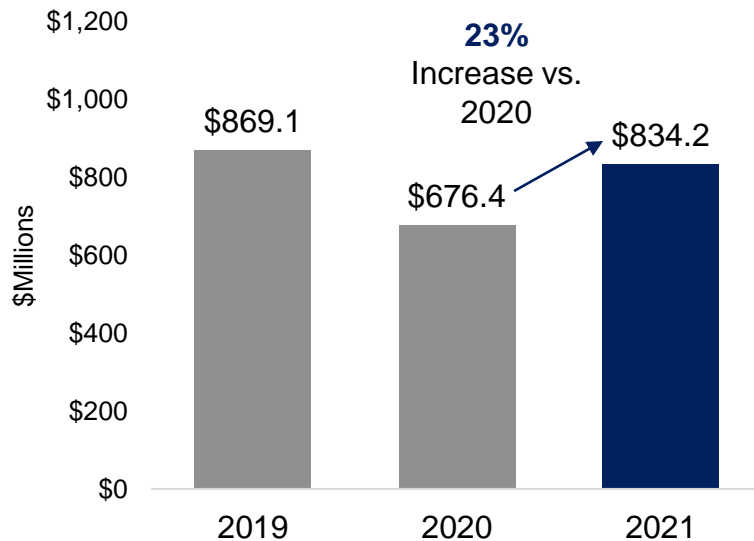


# Q3 System Sales and Operating EBITDA

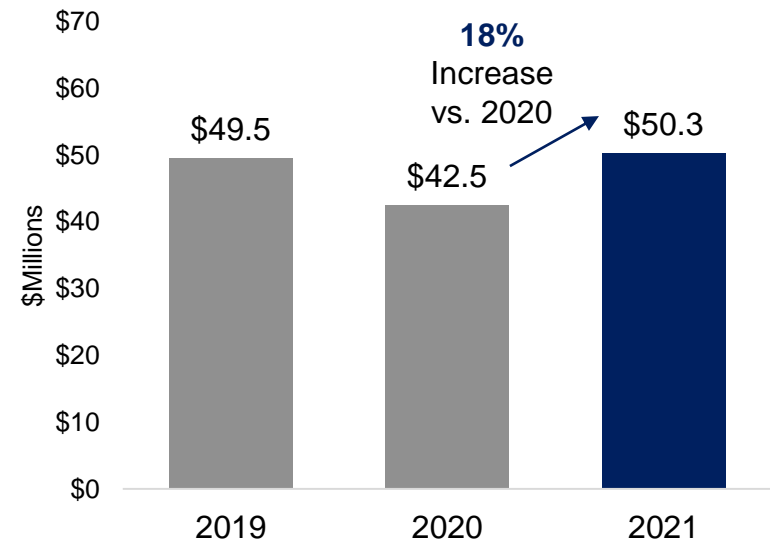
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## System Sales



## Operating EBITDA



**EBITDA Margin:**

5.7%

6.3%

6.0%

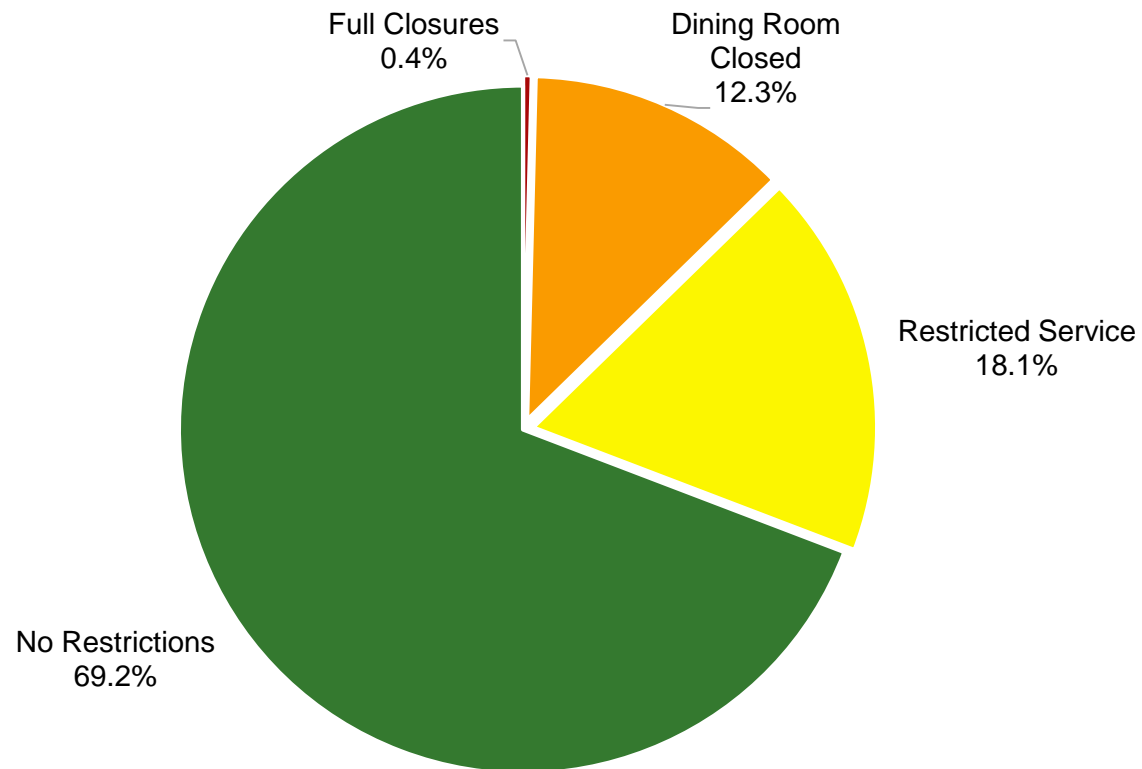


# Impact of Operating Restrictions

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## Q3 Operating Weeks



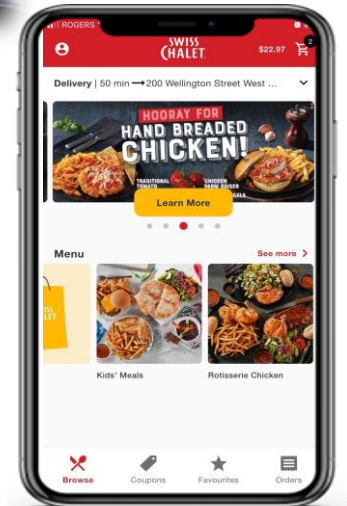
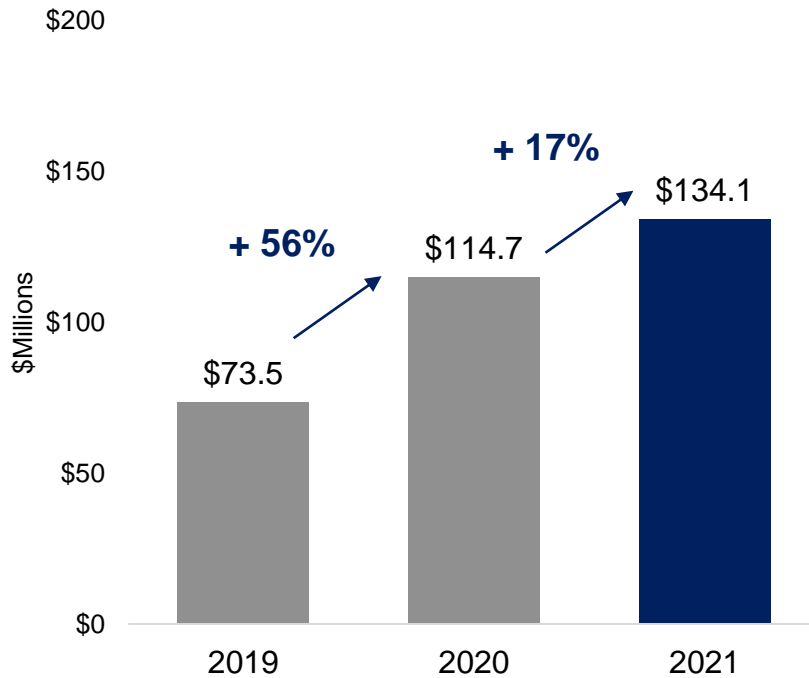
Note: Operating weeks is equal to the sum of the number of weeks in the quarter for each operating restaurant location. For Q3, 2021, there were a total of 16,653 operating weeks.

# E-Commerce Sales Up 112% vs. Q3 2019

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## Q3 E-Commerce Sales





# Young Brands Offer Exciting Opportunity for Significant New Restaurant Growth

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TACOS & TEQUILA  
**BLANCO**  
*cantina*





## FINANCIAL REVIEW

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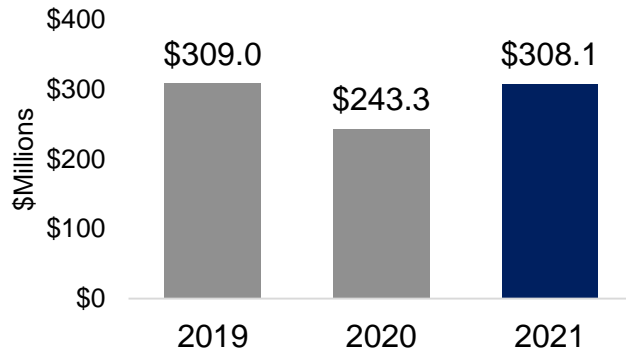


# Q3 Financial Results

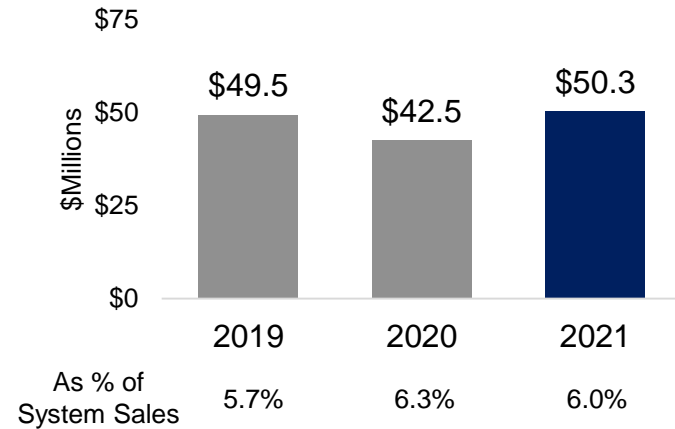
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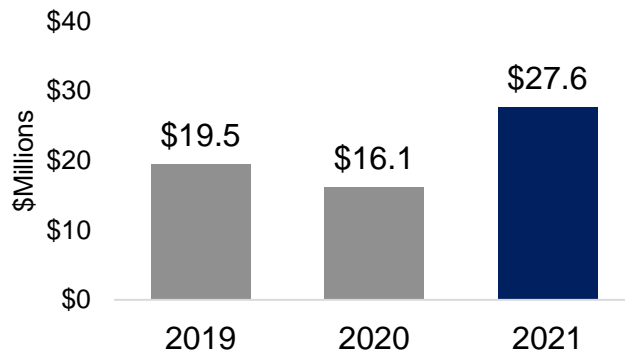
## Gross Revenue



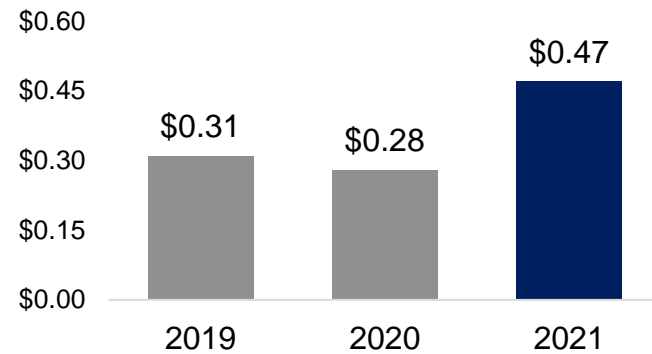
## Operating EBITDA



## Adjusted Net Earnings



## Adjusted Diluted EPS

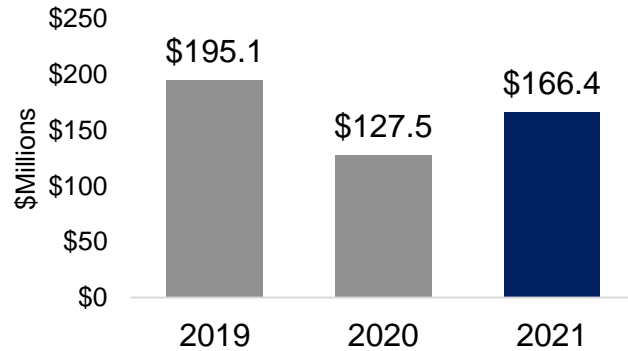


# Q3 Corporate and Franchise Segments

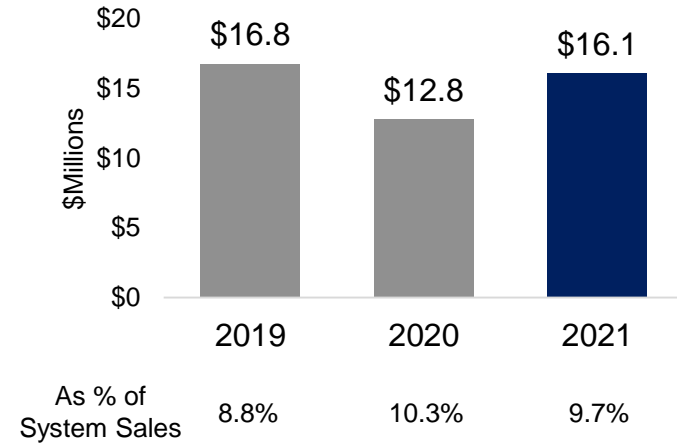
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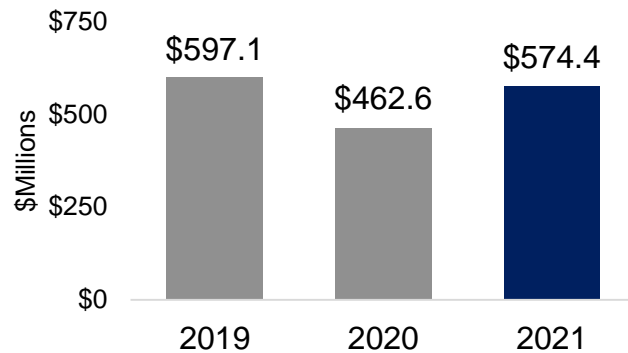
## Corporate System Sales



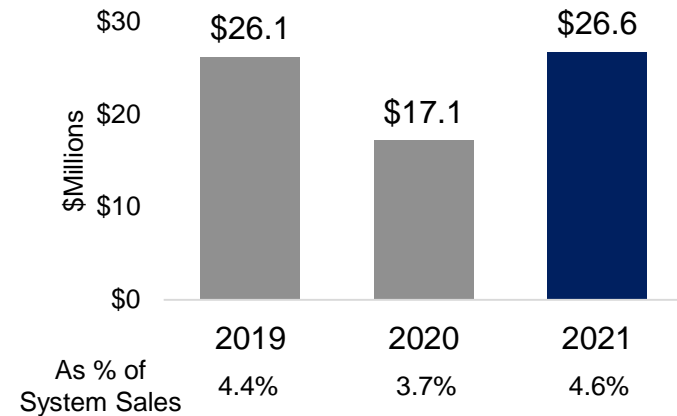
## Corporate Contribution



## Franchise System Sales

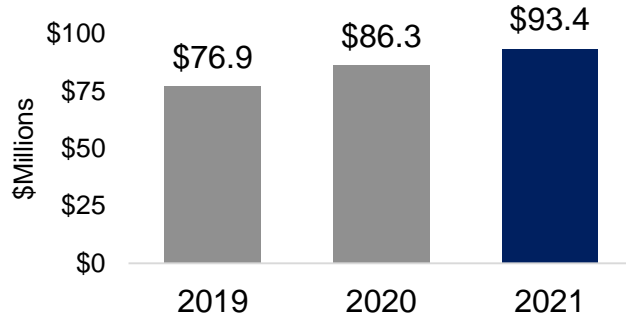


## Franchise Contribution

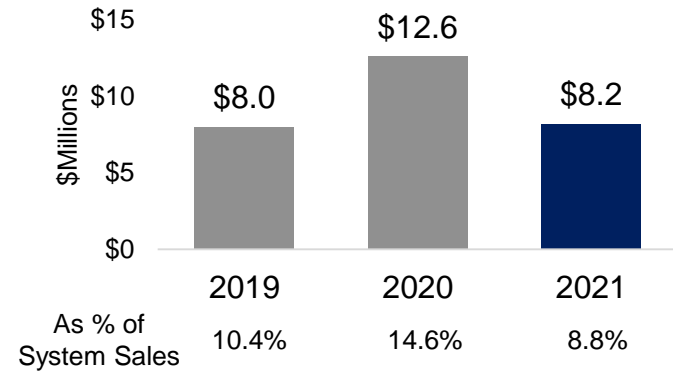


# Q3 Retail & Catering and Central

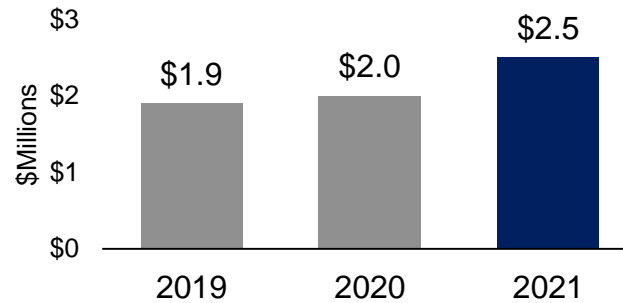
## Retail & Catering System Sales



## Retail & Catering Contribution



## Central Contribution before Royalty Expense



# Restaurant Unit Count

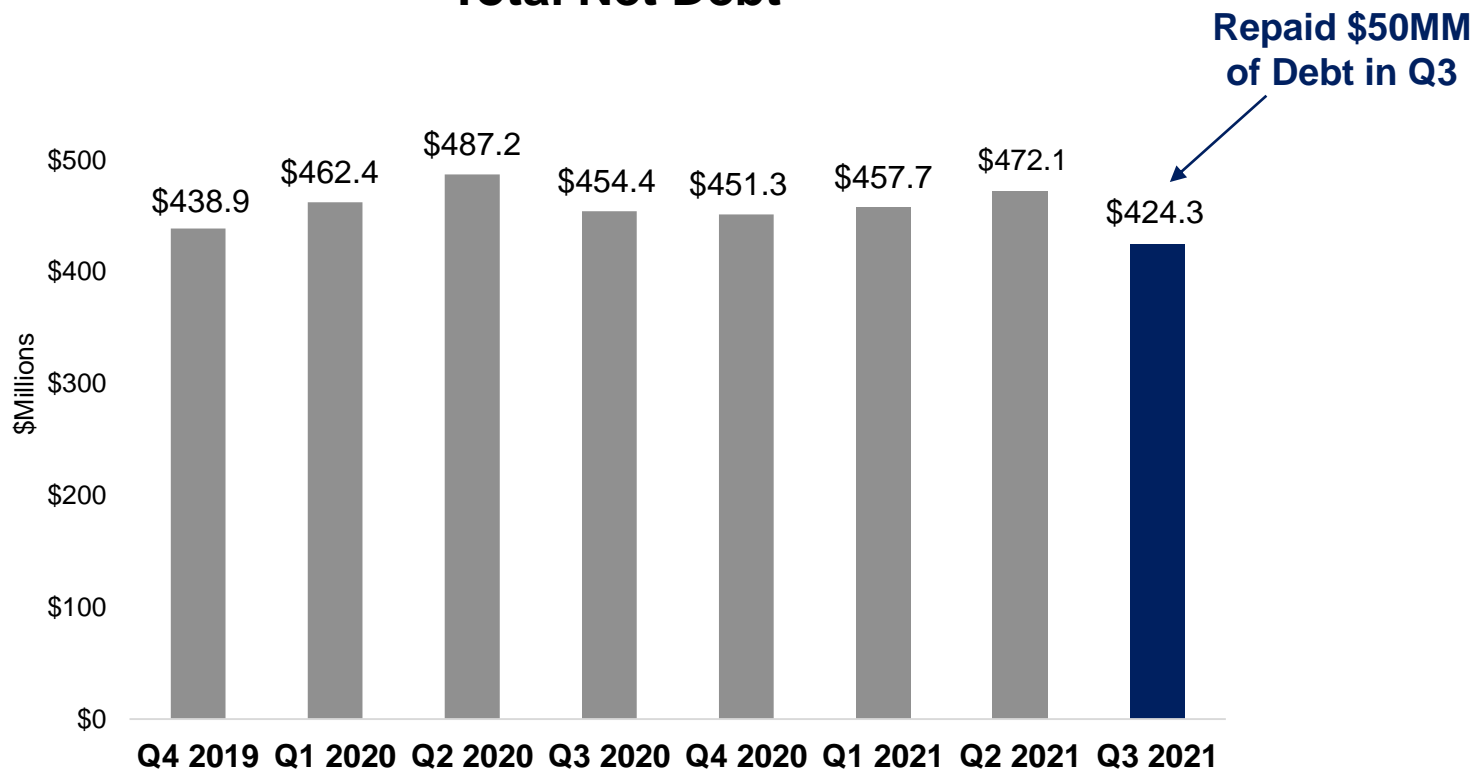
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	Corporate	Franchise	Joint Venture	Total
<b>Number of Units at Beginning of 2021</b>	<b>210</b>	<b>1,085</b>	<b>46</b>	<b>1,341</b>
Acquisitions	26	-	(26)	-
New Openings	5	9	-	14
Closures	(5)	(24)	(1)	(30)
Sold	(27)	(14)	-	(41)
Corporate Buybacks	5	-	(5)	-
Restaurants Re-Franchised	(3)	8	(5)	-
<b>Number of Units at End of Q3 2021</b>	<b>211</b>	<b>1,064</b>	<b>9</b>	<b>1,284</b>
Net Change Since Beginning of 2021	1	(21)	(37)	(57)
Net Change Since Beginning of 2020	9	(61)	(37)	(89)

# Stable Leverage

## Total Net Debt



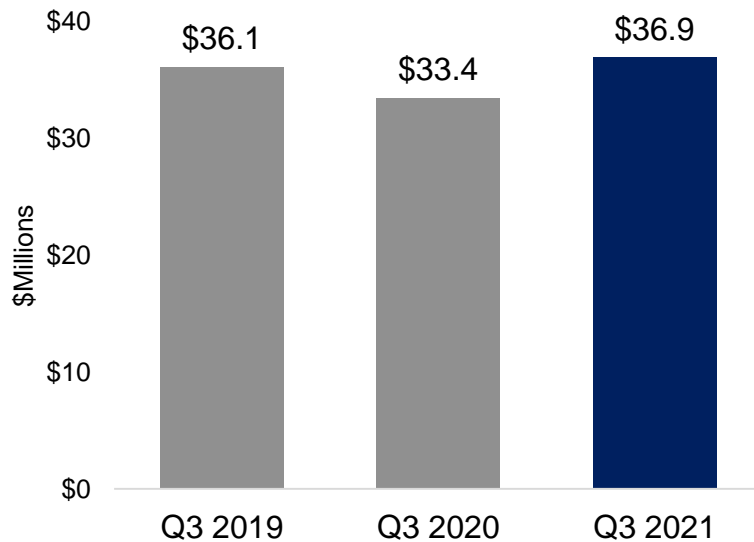
Total Liquidity of \$435.7MM at the end of Q3 2021

# Strong Free Cash Flow

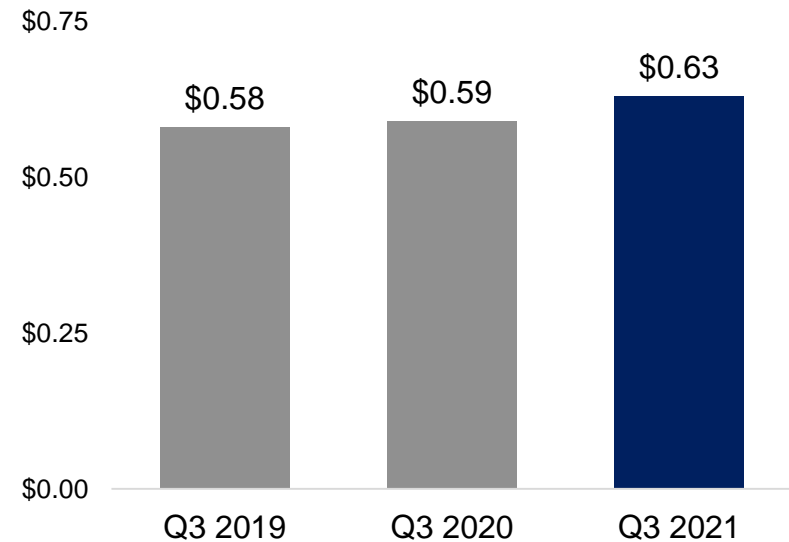
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## Free Cash Flow <sup>(1)</sup>



## Free Cash Flow per Share <sup>(1)</sup>



Notes:

(1) Before growth capital expenditures, dividends and share repurchases under the Company's normal course issue bid.





## CLOSING REMARKS

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# New Grocery SKU's Take 3 Years to Reach Sales Maturity

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Q1 2021 Launch



Q3 F21 Launch





# Continued Commitment to Recipe's Four Pillar Strategy

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Recipe remains committed to delivering great tasting food and drink, exceptional service and value for the experience in an ambience that guests want to come back to

- Hiring and training of over 1,200 teammates in Q3
- Food inflation mitigated through our scale and effective supply chain management
- Price increases less than inflation
- Continued operating efficiencies and digital platform improvements
- Brand / restaurant portfolio optimization



# Awarded "Company of the Year"

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# FOODSERVICE AND HOSPITALITY

CANADA'S HOSPITALITY BUSINESS MAGAZINE



Recipe was named "Company of the Year" by *Foodservice and Hospitality* magazine





Q & A

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