



**COLLINS FOODS LIMITED**

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## ASX RELEASE

### 2025 AGM – CHAIR’S ADDRESS, AND MANAGING DIRECTOR & CEO’S ADDRESS

**Tuesday, 2 September 2025:** Attached for release is Collins Foods Limited (ASX: CKF) Chair's address; and Managing Director & CEO address for the 2025 Annual General Meeting.

Authorised for release by the Board

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For further information about Collins Foods Limited, please visit [www.collinsfoods.com](http://www.collinsfoods.com)

## 2025 AGM - CHAIR'S ADDRESS

**Tuesday, 2 September 2025:** Collins Foods Limited (ASX: CKF)

FY25 was a transformative year for Collins Foods.

Under the leadership of our new Managing Director and CEO, Xavier Simonet, and his executive team, we reviewed our strategic focus and laid the foundations for long-term growth. Our strategic roadmap centres on the profitable expansion of the KFC brand in Australia and Germany, supported by the consistent delivery of operational excellence across all our operations. We also made the strategic decision to exit the Taco Bell business, allowing us to concentrate resources on our core growth pillars.

In Australia, our KFC operations continue to be a strong engine of growth and profitability. We are expanding our network, innovating across products and services and consistently improving restaurant operations. Our long-standing partnership with Yum! Brands remains a key enabler of this success.

Germany is our second strategic growth pillar. Through a new agreement with Yum! Brands, we plan to accelerate restaurant development, targeting 40-70 new KFC restaurants over the next five years. With more than 80 million consumers and low KFC market penetration, Germany presents a compelling opportunity. Despite being sub-scale today, our restaurant economics are strong, and we are excited about the potential of this market.

In the Netherlands, our immediate priority is improving profitability. We are focused on delivering high-quality customer experiences to drive sales, support brand health, and enhance productivity. As a result, our development aspirations in this market have been moderated in the short term.

### LEADERSHIP CHANGES

In November, the Board appointed Xavier Simonet as Managing Director and Chief Executive Officer. Xavier is a highly experienced global executive with a proven track record of driving growth and profitability across diverse markets. His previous roles include Group CEO and Managing Director of Kathmandu Holdings, CEO of Austrade, and CEO of Radley London. He has hit the ground running at Collins Foods, and the Board is confident that we have the right executive team in place, focused on clear priorities.

We also acknowledge the contribution of Kevin Perkins, who served as Interim Managing Director and CEO before resuming his Non-executive Director role. On behalf of the Board, I'd like to thank Kevin for his steady leadership during a challenging period for the QSR sector.

### FY25 RESULTS

Collins Foods demonstrated the underlying strength of its business in FY25, delivering a robust financial performance in challenging trading conditions. Group revenue in FY25 surpassed a record \$1.5 billion. Underlying EBITDA was relatively stable at \$228.5 million despite cost inflation and weaker consumer sentiment. Underlying NPAT was \$51.1 million, lower than the prior year; however, performance strengthened in the second half, with year-on-year growth in revenue and underlying profits.

Following our strategic review, we impaired 16 restaurants in the Netherlands resulting in a non-cash impact of \$35.0 million. This reflects the impact of cost-of-living pressures and significant labour inflation on profitability of restaurants in that market

To deliver value to our shareholders, we declared a final dividend of 15.0 cents per share, bringing the total dividend for FY25 to 26.0 cents.

## WAGE REMEDIATION

At Collins Foods, our people are at the heart of everything we do.

As part of our commitment to our 21,000 team members, we have undertaken a comprehensive wage compliance review, supported by external advisors. This covers a range of employee entitlements across various roles and time periods. The review remains ongoing, however, we anticipate being in a position to commence remediating impacted team members shortly.

We remain actively engaged with the Fair Work Ombudsman and are committed to fairness, transparency and doing the right thing by our team.

## WELL POSITIONED IN IMPROVING MARKET

Collins Foods is well-positioned to capitalise on improving market conditions. With a clear roadmap for long-term growth, a world-class brand in KFC, and deep operational expertise, we are confident in our ability to deliver sustainable value. Our strong balance sheet and disciplined capital allocation framework will support investment in current and future growth opportunities.

## SUSTAINABILITY

Sustainability is increasingly central to consumer trust and long-term brand value. In FY25, we refined our sustainability priorities and strengthened data quality, governance and compliance readiness ahead of upcoming mandatory reporting standards. Our Sustainability Report 2025 outlines key achievements, including more responsible resource use, and set out our future goals.

Our sustainability efforts are not only about compliance—they're central to building enduring trust and shareholder value.

## THANK YOU

Finally, thank you to our loyal shareholders for your ongoing support, to our team members for their dedication and resilience and to my fellow Directors for their valuable governance and oversight of your Company throughout the year.

Collins Foods has entered FY26 with a clear growth strategy, strong leadership, and a commitment to creating long-term value for our shareholders.

## 2025 AGM - MANAGING DIRECTOR & CEO'S ADDRESS

**Tuesday, 2 September 2025:** Collins Foods Limited (ASX: CKF)

Good morning, everyone. It's a pleasure to be here today.

Since joining Collins Foods as Managing Director & CEO in November, my focus has been sharpening our strategic priorities to grow the business, improve profitability and create long-term shareholder value.

We have a clear strategic direction:

- Grow our KFC Australia operations.
- Accelerate expansion in Germany as a second growth pillar.
- Improve profitability in the Netherlands.
- Drive operational excellence to deliver even better customer experiences.

Over the past 10 months, we've made significant progress. Performance improved in the second half of FY25, and this momentum has continued into FY26.

## STRATEGIC FOCUS AND PORTFOLIO DECISIONS

Disciplined capital allocation toward profitable growth opportunities is our priority.

As part of this, we made the strategic decision to exit our Taco Bell operations. We are working closely with Taco Bell International to transition the business during FY26.

To support our strategic priorities, I've made several leadership changes to strengthen our operational focus.

- Krystal Zugno was promoted to lead KFC Australia.
- Chris Johnson returned to Collins Foods and has now been appointed as General Manager Europe on a permanent basis.

Importantly, the world-class KFC brand remains in strong health in all markets, supported by menu and service innovation and a continued focus on digital customer engagement.

## FINANCIAL PERFORMANCE

In a challenging market, we delivered a solid underlying financial result.

- Group revenue reached a record \$1.5 billion.
- Underlying NPAT was \$51.1 million, down 14.8% year-on-year.

Encouragingly, macro shifts, including easing commodity prices, interest rate cuts and early signs of a consumer-led recovery, emerged in the second half of the financial year and continue in FY26.

Statutory NPAT of \$8.8 million included:

- \$35.0 million impairment of 16 KFC Netherlands restaurants.
- Smaller impairments to a single restaurant in each of Australia and Germany.
- A \$3.2 million provision top-up for potential wage underpayments.

Our balance sheet remains very strong providing capacity for investment in future growth opportunities. Strong cash flows enabled net debt reduction and facilitated network and technology re-investment.

## OPERATIONAL PERFORMANCE

### KFC Australia

Australia remains our largest and most profitable market, generating nearly \$1.2 billion in revenue in FY25, up 3.0% year-on-year. Growth was supported by 10 new builds and 40 remodelled restaurants, including eight supercharged formats. These new and upgraded restaurants unlock operational capacity in peak periods.

Digital sales accounted for 34.2% of revenue, up from 29.4% last year, driven by increased kiosk availability and app penetration. Kiosks were installed in an additional 106 restaurants.

KFC continues to lead its QSR peers on key brand metrics, including brand index, taste and consideration – which reached a four-year high.

### KFC Europe

FY25 was challenging for our European operations, given negative consumer sentiment.

- Revenue was \$312.3 million, slightly down year-on-year.
- Same store sales (**SSS**) declined 2.5% in the Netherlands and 3.3% in Germany.
- SSS performance improved modestly in the second half.

Sales in Germany were impacted by the transition of the management of the German market between Yum! Brands and the previous master franchisee.

In the Netherlands, profitability was impacted by soft consumer spending coupled with significant labour inflation over the last three years.

As a result, we have moderated our development aspirations in the short to medium term. The focus in FY26 is on innovation and operational excellence to drive same-store-sales and profitability.

In Germany, our priority is accelerating profitable restaurant development.

Despite being subscale, average restaurant revenues and margins in Germany are broadly comparable to KFC Australia.

We will initially focus development on two large German states with significant development potential – North Rhine Westphalia and Baden-Württemberg – where a single KFC restaurant currently services 391,000 and 407,000 people respectively. This compares with under 30,000 people in Queensland as a point of reference. In time, we will look at penetrating other states with targeted acquisitions and development.

## **OUTLOOK**

Our strong performance in the second half of FY25 has continued into the new fiscal year.

Total company sales in the first 18 weeks are up 6.7% on the prior corresponding period, driven by same store sales growth in all markets.

- KFC total sales were up +5.1% in Australia, +4.8% in the Netherlands and +8.4% in Germany.
- KFC same store sales growth for the same period was +2.3% in Australia, +1.2% in the Netherlands and +5.8% in Germany.

Our sales outcomes continue to show strong improvement since our last update to the market, reflecting the benefits of enhanced product innovation and a sharper focus on execution in restaurants. We remain focused on improving customer engagement to grow sales, lifting labour productivity and managing costs in a disciplined way to deliver margin improvement.

For FY26, we reiterate our target of year-on-year Group underlying NPAT (post AASB 16) growth in the low to mid-teens (percentage basis).

ENDS