



Retail Food Group Limited
Level 4, 35 Robina Town Centre Drive
Robina Qld 4226

26 February 2026

1H26 Result Reflects Network Resiliency & Strategy Reset

- **Domestic Network Sales of \$254.6m**, underpinned by Same Store Sales (SSS) growth of **0.2%**, reflects resilient network impacted by challenging trading conditions
- **Underlying EBITDA of \$9.2m (-43.1% vs PCP)** within guidance range
- **FY26 Underlying EBITDA guidance of \$20.0-24.0m maintained**, reflecting anticipated 2H26 improvements (vs 1H26).
- **Transformation process underway focussed on improving cost base, enhancing Franchise Partner earnings, and increasing store retention**
- **Company store strategy reset progressed, with 70% of targeted transitions/exits/closures agreed or complete**
- **Debt refinancing completed, providing balance sheet support and funding certainty for strategic priorities.**

Retail Food Group Limited (ASX:RFG) today released its 1H26 Half Year Report, Appendix 4D and Results Presentation.

Commenting on these results, RFG Executive Chairman Peter George said: "Positive domestic SSS and AWS growth, despite challenging 1H26 trading conditions, point to the underlying resiliency and ongoing potential of the network. Given recent performance, previously announced cost base savings and the broader transformation program we are outlining today are designed to materially reduce our cost base, enhance our operating model, and improve Franchise Partner profitability. Overall, these changes are intended to generate value for our Franchise Partners, and in turn, RFG's shareholders, and we look forward to keeping the market informed of our progress."

Network Performance

- **Total Domestic Network Sales of \$254.6m** (-1.0% vs PCP) remain resilient and were achieved despite difficult trading conditions, non-core brand outlet closures, and the company store strategy reset. **Core Brand Network Sales were up 0.8% vs the PCP at \$247.0m.**
- **Total Domestic SSS growth of 0.2%** was driven by Crust (+2.2%) and Beefy's (+4.6%), which offset weakness in other CCB brands (-0.7%).
- **Total Domestic Trading Outlets were down 29 on June-2025**, with the opening of 22 new outlets offset primarily by closures amongst low performing stores and site exits forming part of the company store strategy reset. 13 outlets closed across non-core brands.
- **70% of company stores previously identified for transition** have been sold to Franchise Partners, have agreed sales in place, or have been closed.

Underlying Revenue, EBITDA, and NPAT

- **Underlying Revenue of \$51.7m** (-1.3% vs PCP) benefited from increased company store revenue (Beefy's & CIBO), offset by cycling a one-off receipt of insurance proceeds in 1H25 (\$2.7m).



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- **Underlying EBITDA of \$9.2m** (-43.1% vs PCP) was within guidance range and reflected:
 - Challenging 2Q26 trading conditions;
 - Slower than anticipated contributions from newer Beefy's outlets;
 - Cycling of one-off insurance proceeds (\$2.7m);
 - A reduction in lease provision releases vs PCP (\$1.5m); and
 - Lower coffee margins attributable to delays associated with commissioning the new Türkiye supply hub (which is now operational) and delayed implementation of wholesale price increases to 2H26 to support domestic Franchise Partners.
- **Statutory NPAT of \$2.0m** (-72.9% vs PCP).

Balance Sheet & Cashflow

- As at 26 December 2025, **the Group had total cash reserves of \$16.7m** (27 June 2025: \$26.0m) including unrestricted cash of \$5.4m (27 June 2025: \$13.9m)
- **Operating Cash Flow of \$1.9m** (vs \$11.8m in the PCP) declined primarily due to:
 - the one-off receipt of insurance proceeds in the PCP (\$2.7m);
 - lower operating performance, including a \$1.8m decline in Gross Profit across Coffee attributable to the factors noted above; and
 - \$2.9m in additional outflows related to non-core activities, including setup of the new International hub and Firehouse Subs.
- **The initiatives outlined below** are focussed on improving Operating Cash Flow in 2H26.
- **RFG's senior debt facility was successfully refinanced in February 2026** via establishment of a new \$41.2m facility with major shareholder Washington H Soul Pattinson (WHSP). The new facility refinanced existing facilities with WHSP and provides a further \$7.5m drawdown along with the capitalisation of establishment costs. The new facility, which matures 31 August 2027, provides balance sheet stability and funding certainty for the Group's strategic priorities.

Strategic Focus & Transformation

- RFG's focus is shifting to improve support for our Franchise Partners through:
 - Operational process improvements to enhance service delivery;
 - Improved procurement and supply chain management targeting enhanced sourcing value; and
 - A back-to-basics marketing strategy targeting core customers.
- These initiatives are designed to drive Network Sales growth across Core Brands and improve store-level profitability through enhanced network sales and improved buying, maximising value for Franchise Partners and shareholders.

FY26 Outlook and Trading Update

- **Trading Update** – During the first 7 weeks of CY2026, Core Brand Network Sales were down 5.5% vs the PCP, predominantly reflecting customer count challenges in CCB as a result of outlet closures. In the same period, Core Brand SSS declined 0.1% vs the PCP, indicative of the inherent resilience of RFG's brands despite challenging trading conditions.
- **FY26 Guidance** – RFG maintains FY26 Underlying EBITDA guidance of \$20.0-24.0m, which indicates an improvement in 2H26 vs 1H26 performance.



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- **Cost savings** – The transformation program encompasses the recently-disclosed cost savings targets of \$1.2-1.8m in FY26 and \$5.0-7.0m in FY27, while the company store strategy reset is expected to deliver a \$5m+ cashflow improvement in the medium-term.
- **The first Firehouse Subs store is expected to launch in FY26**, with key suppliers identified and leasing negotiations well advanced.

Investor Briefing Details

RFG's Executive Chairman, Peter George, and Chief Financial Officer, Ryan Chellingworth, will host a briefing for investors and analysts at 10:30am AEDT on Thursday 26 February 2026.

The webinar will be streamed live and can be accessed through the link below. Participants can also pre-register to ask questions during the briefing.

<https://investorhub.rfg.com.au/webinars/7eXR2P-rfg-1h26-results-presentation>

A recording of the webinar will be made available after the conclusion of the event.

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

- (1) This Announcement should be read in conjunction with RFG's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), available at www.asx.com.au. This announcement contains certain non-IFRS financial measures, including underlying Revenue and EBITDA. Non-IFRS measures have not been subject to audit or review. A reconciliation and description of the items that contribute to the difference between RFG's underlying and statutory results is provided in the Company's 1H26 Results Presentation lodged with the ASX.
- (2) Unless otherwise specified, operational metrics (\$SS, AWS, Customer Count) provided in this Announcement are based on unaudited reported sales by Franchise Partners and corporate stores amongst stores trading, in the case of a half year, a minimum of 23 of 26 weeks, versus unaudited reported sales by Franchise Partners and corporate stores against same stores trading a similar number of weeks during the prior comparable period (PCP).
- (3) Network Sales is based on unaudited reported sales across all domestic network outlets.
- (4) Unless otherwise specified, trading outlets includes domestic active physical stores, mobile and virtual outlets as at the end of the financial period, excluding non-trading locations.

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About Retail Food Group

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise manager and is the owner of iconic brands including Gloria Jean's, Donut King, Brumby's Bakery, Crust Gourmet Pizza and Beefy's Pies. The Company holds the exclusive licence to grow Firehouse Subs restaurants in Australia and expects to open the first restaurant in FY26. RFG distributes high quality pies from our Sunshine Coast Bakery and coffee through its Sydney Roastery.

For more information about RFG, visit: www.rfg.com.au