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ASX RELEASE

GROUP RESULTS FY26

Tuesday, 30 June 2026: Collins Foods Limited (ASX: CKF) (**Collins Foods** or **Company**), and the entities it controlled, (together the **Group**) today announced its results for the 53 week **FY26 period** ended 3 May 2026 (FY25: 52 weeks), a period which delivered record revenue and record underlying profitability.

Group FY26 results - record revenues and record underlying profits

- Revenue[1] up 8.6% to a record $1,592.6 million (FY25: $1,466.5 million) with growth in Australia and Europe. Performance reflected an enhanced focus on operational execution and new product launches despite persistent cost of living pressures in both Australia and Europe.
- Statutory NPAT[1] up 280.5% to $47.1 million (FY25: $12.4 million) with FY26 reflecting the inclusion of $7.5 million[2] in restaurant impairment charges, a reversal of impairment in Germany of $1.1 million[2], a $1.4 million[2] provision top-up for prior year potential wage underpayments and $7.3 million[2] in class action settlement and related costs.
- Underlying[3] EBITDA[1] up 6.3% to $244.5 million (FY25: $230.1 million) reflecting total and same store sales (**SSS**) growth and productivity gains.
- Underlying[3] EBIT[1] up 10.1% to $130.7 million (FY25: $118.7 million) due to higher EBITDA offset partially by higher depreciation on investments made.
- Underlying[3] NPAT[1] up 13.0% to $61.4 million (FY25: $54.4 million) as a result of higher EBIT.
- Strong after-tax net operating cash flows of $150.1 million (FY25: $181.4 million) enabling investment in restaurant networks and technology.
- Successful refinancing of the Group's debt facilities.
- Reduction in net debt to $119.6 million (FY25: $137.9 million) and Net Leverage Ratio[4] down to 0.77 (FY25: 0.93) leaving the Group with significant capacity to invest in future growth opportunities.
- Fully franked final dividend of 15.0 cents per ordinary share (cps) declared; total FY26 dividend of 28.0 cps fully franked (FY25: 26.0 cps fully franked).

Commenting on Collins Foods' FY26 results, Managing Director and CEO, Xavier Simonet, said:

"In FY26, we set clear priorities: driving profitable same store sales growth and network expansion in Australia and Germany, improving profitability in the Netherlands, transitioning out of Taco Bell, and strengthening restaurant execution to deliver a better customer experience.

"We delivered strong performance against all these priorities despite an uncertain macro and geopolitical environment. The record results are a credit to the effort, creativity and passion of our restaurant and support centre teams.

"KFC's brand leadership position continued, underpinned by product innovation, strong marketing execution, expanded usage occasions, and improved execution. We announced the acquisition of 8 restaurants in Munich which coincided with us signing new development agreements with Yum! Brands. We restructured and extended the Corporate Franchise Agreement in the Netherlands which will allow us to focus on running great restaurants profitably. We also announced a negotiated exit from Taco Bell.

[1] Continuing operations, excluding Taco Bell results. Comparative numbers have been restated to present the impacts of the current period discontinued operations.
[2] Non-trading item after-tax impact to underlying NPAT.
[3] Underlying results excludes impairment, wage compliance and class action costs, reversal of prior year debt modification loss, acquisition costs and gain on sale of land.
[4] Net Leverage Ratio stated on pre AASB 16 basis consistent with measurement criteria in Syndicated Facility Agreement.

"Our business again generated very strong cash flows, which, combined with disciplined capital deployment, allowed us to reduce net debt once again, and ensures we remain in a very strong financial position with the flexibility and capacity to invest in future growth. This was supported by the successful refinancing of Group debt facilities in September 2025."

KFC Australia

- Revenue up 7.6% to $1,241.3 million (FY25: $1,154.2 million).
- SSS growth of +2.7% (FY25: +0.3%).
- Underlying EBITDA up 6.5% to $237.1 million (FY25: $222.6 million) at a margin of 19.1% (FY25: 19.3%).
- Underlying EBIT up 6.6% to $155.8 million (FY25: $146.2 million) at a margin of 12.6% (FY25: 12.7%).

KFC Australia revenue increased 7.6% over the prior corresponding year to a record $1,241.3 million, benefitting from new restaurants, an enhanced focus on operational excellence, strong digital growth, and product innovation. SSS growth, assisted by a successful reset of the delivery fee structure, coupled with lower commodity costs and productivity gains drove profitability, offset partially by investment in value for consumers. This resulted in an underlying EBITDA increase of 6.5% over the prior corresponding period to $237.1 million. Underlying EBIT of $155.8 million was up 6.6% on the prior year, reflecting higher EBITDA, partially offset by an increase in depreciation compared to FY25 on continued investment in the KFC brand.

Digital[5] channels accounted for 43.2% of sales in FY26, up from 34.2% for the same period last year, driven by app adoption, kiosk investment and growth in delivery usage. The KFC brand continued to modernise, leveraging core product innovations including Zinger Banh Mi, Upside Down Double, and Hot & Crispy Wrap, all of which attracted new users and assisted already strong brand health metrics[6].

Collins Foods invested further in its restaurant network during FY26, opening 8 new restaurants, with 1 closure and 1 relocation lifting the current footprint to 295 nationally. 33 remodels were delivered, including 3 supercharged[7] restaurants, unlocking operational capacity and improving customer experience.

In relation to KFC Australia's FY26 performance, Mr Simonet commented:

"Our KFC Australia team delivered another solid performance, building momentum across the financial year and achieving growth in both revenue and profitability. KFC continues to dominate the QSR category on key Brand health metrics, including Brand Index, Buzz, Satisfaction and Recommendation. Brand health was supported by modern campaigns, menu innovation, and initiatives to deliver everyday value, underscoring the effectiveness of KFC's long-term brand and customer strategies.

"During FY27 and into FY28, we will roll out KFC's global beverage platform, Kwench by KFC, nationally. We will extend late night opening hours of our restaurants to adapt to consumers' changing eating habits and later this year we will partner with KFC South Pacific (SOPAC) and trial a new Breakfast offering in select restaurants. KFC is underpenetrated in these day parts, providing exciting opportunities for future growth. To support our team in delivering growth, we will up-weight investment in training and development, safety, modern kitchens and technology."

KFC Europe

- Revenue up 12.5% to $351.3 million (FY25: $312.3 million).
- SSS growth of +0.8% (FY25: (2.7)%).
- Underlying EBITDA up 14.0% to $44.9 million (FY25: $39.4 million) at a margin of 12.8% (FY25: 12.6%).
- Underlying EBIT up 94.7% to $14.9 million (FY25: $7.6 million) at a margin of 4.2% (FY25: 2.4%).

KFC Europe revenue grew 12.5% (7.0% in constant currency[8]) on the prior year.

Europe, and the QSR category overall, remained challenging from a consumer perspective. However, Collins Foods' European team delivered material improvements in performance in FY26, driven by a focus on in-restaurant customer experience, investment in digital channels, menu innovation and brand collaborations, alongside disciplined cost control.

[5] Digital channels comprised of delivery, web, app, kiosk, and click and collect.
[6] Data Source - YouGov March 2026. Brand Index is a derived metric reflecting avg score on Quality, Value, Reputation, Satisfaction, Recommend & Impression.
[7] Supercharged means a large scale remodel usually including a dual lane drive-thru, t-line kitchen design and other improvements for operational efficiency.
[8] Removing impact of foreign exchange translation differences.

Digital channels performed well, representing 67.2% of sales in the Netherlands and 76.2% in Germany, benefitting from further investment in kiosks and growth in delivery. Improved brand accessibility and customer experience supported market share gains in the Netherlands, with brand awareness increasing to 71.1%[9] while QSR market share rose 0.2% over the same period last year[10]. The Netherlands also delivered improved customer review scores compared to a year ago reflecting the positive impacts of the team's focus on customer experience.

Revenue in the Netherlands grew 6.1% (constant currency[7]). Portfolio optimisation continued with 2 new restaurants opened, 2 closed and 1 acquired. Sales in Germany were up 10.1% (constant currency[7]) reflecting 1 new restaurant, improved brand and in-restaurant execution, with the reduction in VAT rate for dine-in taking effect from 1 January 2026 providing a tailwind. SSS were also positive marking a reversal of trends from FY25. The Netherlands SSS was 0.0% (FY25: (2.5)%) and Germany SSS was +3.7% (FY25: (3.3)%).

Underlying EBITDA was up 14.0% to $44.9 million reflecting improved SSS performance versus the prior year, and productivity improvements, offset by the continued impact of avian influenza on poultry prices in Europe and labour inflation. Higher EBITDA and lower depreciation benefitted underlying EBIT, up 94.7% over the prior year to $14.9 million.

Collins Foods ended FY26 with a European footprint of 80 restaurants.

On Europe, Mr Simonet, said:

"Product innovation and impactful brand campaigns continue to strengthen KFC's position as a modern, distinctive brand across Europe.

"In the Netherlands, we remain focused on operational performance to drive sales, productivity and profitability and will continue to optimise the restaurant portfolio, closing underperforming restaurants where possible and replacing them with higher potential restaurants.

"In Germany, we are executing on our growth plans. During the year, we announced the acquisition of 8 KFC restaurants in Munich, marking our entry into Bavaria, one of the wealthiest and most populated states in Germany.

"Operating restaurants in 3 key German states and 5 of the 10 largest German cities, namely Munich, Stuttgart, Cologne, Essen and Düsseldorf, provides a strong platform for organic growth. We increased our FY30 development target to 45–90 restaurants, up from 40–70 and have established a solid development pipeline, with several sites approved. We are also investing in capability to support development, construction and operations.

"In FY27, we plan to open several new restaurants and remain open to bolt-on acquisitions to accelerate growth. We are confident in the opportunity, supported by a strong brand and continued under-penetration relative to the competition."

Taco Bell

- Revenue down (10.0)% to $47.7 million (FY25: $53.0 million).
- Underlying EBITDA of $(0.3) million (FY25: $(1.6) million) at a margin of (0.6)% (FY25: (3.0)%).
- Underlying EBIT of $(0.4) million (FY25: $(1.7) million) at a margin of (0.8)% (FY25: (3.2)%).

During FY26 the Company announced its planned exit from Taco Bell, with ownership of 20 restaurants to be transferred to a joint venture between a subsidiary of Yum! and Restaurant Brands Australia, and the remaining 7 restaurants being closed. The decision to exit reflects the strategy of aligning capital with the most profitable opportunities and sharpens the focus on the KFC brand in Australia and Europe.

Completion of the transaction is expected to occur in July-August 2026. Once the transition is finalised, the Company anticipates recording a one-off non-cash gain on the transfer of lease liabilities to other parties.

Cash flow and dividends

Collins Foods remained highly cash generative in FY26 with operating cash flow of $150.1 million.

Investing cash outflows of $56.2 million, inclusive of $51.9 million capex, reflected network and digital investment. This included $16.8 million on remodels and $13.8 million for new restaurants.

Financing cash outflows of $120.0 million included $32.9 million in debt repayments (FY25: $10.0 million) and $57.9 million in lease principal payments (FY25: $42.2 million).

Taking into consideration Collins Foods' FY26 record performance and strong balance sheet, the Board declared a fully franked final dividend of 15.0 cents per ordinary share. The final dividend will have a record date of 14 July 2026 and payment date of 11 August 2026. This brings the total FY26 dividend declared to 28.0 cps fully franked (FY25: 26.0 cps fully franked).

[9] Data Source - YouGov Unaided Awareness September 2025.
[10] Data Source - Hiiper Market Share data as at 12 October 2025.

Class action and wage remediation

Collins Foods remains committed to upholding the highest standards of governance and fair treatment of our team members. During the year, the Company announced the settlement of class action proceedings regarding 10-minute rest breaks, which remains subject to court approval. The Group also made material progress in remediating impacted team members as part of its voluntary wage remediation program.

During the year, the wage remediation provision was increased to $17.3 million before tax (FY25: $8.1 million) including $9.0 million relating to the settlement of the class action, and related costs.

Collins Foods continues to proactively engage with the Fair Work Ombudsman.

FY27 trading update

In the first 8 weeks of FY27, Collins Foods' KFC total sales grew 6.7% in Australia, 26.4% in Germany (including the impact of acquired restaurants in Bavaria for 4 weeks), while sales in the Netherlands were (5.2)% lower. Collins Foods' SSS growth for the same period was +4.0% in Australia, but lower in Germany by (7.2)% and the Netherlands by (7.8)%.

In KFC Australia, the team executed well on a strong pipeline of innovation and limited time offers to deliver robust performance. Australia continued to perform strongly and remains the main driver of Collins Foods' profitability.

European SSS was lower in the early part of FY27 than in the prior corresponding period. Consumer sentiment was impacted by the Middle East conflict and high fuel prices, which weighed on sales from Q4 FY26 into the early part of FY27. The recent heatwave across Europe also disrupted sales. These impacts were exacerbated by weaker performance of limited time offers which lapped a strong limited time collaboration with Squid Game in the prior year. The fundamentals of the European business remain sound and a clear program of initiatives is underway, in collaboration with Yum!, to rebuild sales momentum over the short and long term.

From a cost perspective, Collins Foods expects a relatively stable cost environment to prevail overall in FY27. Commodity inflation is expected to be flat to modest in Australia, while in Europe, deflation is anticipated. Fuel surcharge impacts on the cost base have been modest to date. Whilst labour inflation remains elevated in Australia and Europe, productivity initiatives driven by AI powered operations and automation are progressing to plan.

With respect to avian influenza in Europe, impacts are expected to dissipate over coming months. In Australia, at the time of reporting, there has been no avian influenza detected in poultry, however, biosecurity measures have been activated. There are also supply contingency plans in place across the KFC network.

In FY27, the Company will continue to invest in its strategic growth pillars.

Collins Foods expects to build 7-10 restaurants in Australia and c. 7 in Germany with development pipelines strengthening. In Germany, the Bavarian acquisition has opened this attractive state for development, with the team already working on prospects. Investment in resources will support the significant acquisition, development and construction activity required to progress development at pace.

In Australia, Collins Foods will support KFC's program of core innovation, alongside investing in training, development and talent to enable late night trading, the roll out of Kwench by KFC across the network in FY27 and FY28 and a trial of a new Breakfast menu on the Gold Coast.

Collins Foods' expects capital expenditure to be between $80 million and $100 million for FY27.

Commenting, Mr Simonet said:

"Our record FY26 performance was an outstanding achievement. In FY27, we will again be laser focused on driving operational performance, sales and margins.

"We are excited about the strategic growth potential of our business, in particular in Australia and Germany and will invest in a disciplined way in growth opportunities to create shareholder value. Underpinning this, we continue to strengthen our partnership with Yum! Brands regionally and locally to deliver mutually beneficial outcomes.

"Finally, the cash-generative nature of our business and our strong balance sheet provide us with plenty of capacity to fund organic and inorganic future growth opportunities."

Investor conference call today

A briefing session for investors and analysts will be held at 11:00am AEST today, 30 June 2026.

Participants can register for the briefing session via: http://s1.c-conf.com/diamondpass/10055409-q4ccfr.html

Please select either the 'Teleconference Registration' tab for audio participation only or 'Webcast Registration' to also view the slide presentation.

Please note that registered participants will receive a calendar invite once registration is complete. Registered participants for the Teleconference will also receive their dial in number upon registration.

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Authorised for release by the Board of Directors

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About us
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