



COLLINS FOODS LIMITED

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ASX RELEASE

STRATEGIC REVIEW AND MANAGEMENT CHANGES

15 April 2025: Collins Foods Limited (ASX: CKF) (**Collins Foods** or the **Company**) today provides a strategic update and announces changes to its executive leadership team, following a review.

Managing Director and Chief Executive Officer Xavier Simonet's key priorities following his appointment were:

- (a) operational excellence, leveraging the restaurant network to deliver great customer experiences, drive growth and margin improvement;
- (b) creating scale via profitable new restaurant development, complemented by disciplined capital allocation including mergers & acquisitions as the right opportunities emerge which meet investment thresholds; and
- (c) to review Collins Foods' growth strategy to drive shareholder value.

STRATEGIC INITIATIVES

Following the review, Collins Foods will focus on:

(1) Australia – Core Growth Market

Australia remains a highly profitable growth market for Collins Foods. The Company will continue to focus on driving growth both organically (same store sales) and through new restaurant openings under its current development agreement with Yum! Brands, Inc. (**YUM**).

The Company will continue its partnership with YUM to deliver top line sales growth through product and service innovation, engaging consumers digitally, enhancing operational execution and focusing on cost management to support ongoing profit growth.

(2) Germany – Accelerating Expansion

YUM and Collins Foods have entered into a binding agreement to accelerate strategic growth in Germany. With a market of over 80 million consumers, and currently with ~207 KFC restaurants, the KFC brand is underpenetrated, presenting a significant opportunity for growth.

Key highlights:

- Targeting (but not limited to) between 40 and 70 new KFC restaurant openings across Germany over the next 5 years.
- Additionally, YUM has granted a period of exclusivity to open and operate KFC restaurants in certain trade areas within two regions (North Rhine Westphalia and Baden-Württemberg) where the Company already operates. Those two regions account for approximately 35% of the population of Germany. Extensions of exclusivity periods will be dependent on performance.
- Potential acquisition opportunities will be considered to support faster scaling, with Germany expected to become Collins Foods' second strategic growth pillar.

(3) Netherlands – Operational Realignment

The QSR sector in the Netherlands has faced headwinds from cost-of-living pressures, labour inflation, and development constraints. This has impacted the profitability of the Netherlands portfolio. In response, Collins Foods will:

- Focus on operational excellence to lift same store sales performance and drive cost efficiencies.
- Review and optimise the existing restaurant portfolio.
- Align restaurant development plans in the short term to reflect more challenging market conditions.

Material changes to restaurant numbers are not anticipated in the short term, with new restaurant openings broadly offsetting closures.

A partial impairment of the Netherlands restaurant portfolio is expected in FY25, with the non-cash impact estimated to be between \$25.5m to \$32.7m (€14m to €18m)¹ based on the early impairment work completed to date. A further update will be provided in the Company's full year results release in June 2025.

These changes reflect the Company's aim that the Netherlands operation delivers sustainable profitability moving forward.

The Company is also in discussions with YUM regarding the terms of the Corporate Franchise Agreement due to expire at the end of 2026.

(4) Taco Bell – Business Exit

Collins Foods has decided to exit its Taco Bell business. Discussions are currently underway with Taco Bell International (**TBI**) regarding a potential transition of the business to new ownership. Collins Foods intends to complete the transition within the next 12 months, subject to formal terms being agreed.

A further update will be provided, including estimated exit costs, as matters progress. If a new operator cannot be identified and/or an agreement cannot be reached, other exit options will be explored.

Xavier Simonet, Manager Director and CEO, commented on the Company's strategic update, "Collins Foods has successfully operated KFC restaurants for over 50 years, building a reputation as a trusted operator.

"The initiatives announced today provide strategic clarity and renewed purpose. We remain laser focussed on delivering operational excellence in our core market, Australia, where we continue to successfully adapt to a dynamic consumer landscape.

"We are excited about accelerating expansion into Germany where the market remains underpenetrated, offering a clear runway for growth. Our partnership with YUM will fast-track our ability to scale in Europe, and we remain open to broader opportunities in this region.

"In a challenging economic environment, the customer remains at the heart of our business. We will continue to deliver high-quality food at accessible prices, leveraging the heritage of the KFC brand at a time when consumer trust has never been more important.

"We maintain a disciplined approach to capital deployment and operational excellence, optimising our existing network with carefully targeted expansion to ensure ongoing value for customers, partners, and shareholders."

MANAGEMENT CHANGES

The Company announces the following leadership changes:

Chief Executive Officer – Europe

- Hans Miete (Chief Executive Officer – Europe), has stepped down from his role after 4.5 years. The Board extends its sincere thanks to Hans for his contribution to the business over his time with the Company. He had a significant impact, building the organisation and expanding the European footprint, as well as managing and positioning the KFC brand in the Netherlands.
- Chris Johnson (Chief Operating Officer – Europe), has been appointed as Acting General Manager – Europe, effective 15 April 2025. Chris recently returned to Collins Foods in January 2025 after previously working with the business in 2018. This interim appointment will ensure continued operational leadership while a formal recruitment process is undertaken.

Chris brings extensive international experience in QSR operations, having begun his career with YUM in South Africa in 2012. Over the past decade, he has held several senior leadership roles across key international markets including South Africa, the United Kingdom, and Western Europe.

In 2018 Chris played a key role in establishing Collins Foods' presence in Europe, contributing to the successful launch and early growth of the business. His operational expertise, deep market knowledge, and leadership capabilities make him very well placed to lead the European business.

¹ \$A = 0.55€ as at 14 April 2025

Chief Operating Officer – KFC Australia

- Helen Moore (Chief Operating Officer – KFC Australia), has today left Collins Foods after almost 4 years in the business. The Board sincerely thanks Helen for the impact she has made during her time with Collins Foods, especially her leadership in strengthening customer experience, operational performance and delivering meaningful improvements across the business.
- Krystal Zugno (General Manager of Taco Bell and previously Interim General Manager for the KFC Australia Division at Collins Foods), has been promoted to General Manager of Australian Operations, where she will lead operations for both KFC and Taco Bell.

With 24 years at Collins Foods, Krystal is a highly respected leader known for her deep operational expertise, strong people leadership, and consistent track record of driving performance and cultural excellence across teams. Her strategic insights have also informed key decisions that have supported growth at Collins Foods.

Krystal's leadership of the KFC Australia division was essential during the challenges of the COVID-19 pandemic. Her focus on performance contributed significantly to Collins Foods achieving record FY20 financial results, with sales surpassing \$1 billion. In addition to her operational successes, her leadership in fostering cultural excellence has played a pivotal role in uniting teams.

These appointments reflect Collins Foods' commitment to operational excellence.

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Authorised for release by the Board.

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