



STOCK INFORMATION

Toronto Stock Exchange Symbol: **MTY**

Price as of July 12, 2019: **\$63.15**

High/Low: **\$73.19 - \$53.79**

(52 weeks ended July 12, 2019)

Number of Shares Outstanding:

(July 11, 2019): **25,169,778**

SECOND QUARTER HIGHLIGHTS

- System sales of \$832.3 million, up 12% compared to Q2-18
- Same store sales of +1.4% in Canada, +0.6% in the US and -9.2% in international markets
- EBITDA of \$34.1 million, up 1.2% compared to Q2-18
- Second consecutive quarter with organic growth in EBITDA, which was 1.0% in Q2-19
- Normalized EBITDA of \$38.2 million, up 11.2% compared to Q2-18
- Normalized free cash flow of \$25.8 million, up 5.3% compared to Q2-18
- At the end of the quarter, the network had 7,345 locations in operation
- Net income attributable to shareholders for Q2-19 of \$19.3 million or \$0.76 per share
- Acquired for a total consideration of \$255.2 million, all of the outstanding shares of Papa Murphy's on May 23, 2019
- Acquired for a total consideration of approximately \$4.1 million, the assets of South Street Burger on March 21, 2019
- Entered into an agreement to acquire the assets of Allô! Mon Coco on April 30, 2019
- Entered into an agreement to acquire the assets of Yuzu Sushi on June 06, 2019

A WORD FROM MANAGEMENT

For the second quarter, we are pleased to report that our consolidated same store sales were positive at 0.6%, reflecting growth of 1.4% and 0.6% in Canada and the U.S. respectively, while International sales remained negative. In Canada, this was the seventh consecutive quarter in which we achieved positive same store sales growth. In the U.S., our comparable store performance turned positive, reflecting an improvement on the West Coast. Performance on the East Coast remained strong. System sales reached \$832.3 million, up 12% while net organic change was positive for the quarter and essentially flat year-to-date.

Normalized EBITDA increased by 11.2% to \$38.2 million with the margin being impacted by changes in the revenue mix. We are also very pleased with our free cash flow generation capabilities, which grew by 5% to \$25.8 million on a normalized basis.

Eric Lefebvre
Chief Executive Officer
July 12, 2019

FINANCIAL HIGHLIGHTS

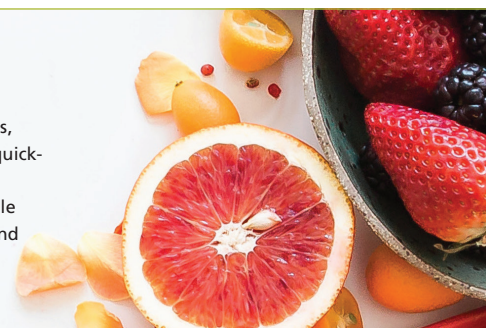
(in thousands of Canadian dollars, except per share information and margin)

	Quarters ended May 31 (unaudited)		Six-month periods ended May 31 (unaudited)	
	2019	2018	2019	2018
	Restated for IFRS 15		Restated for IFRS 15	
System Sales ⁽¹⁾	832,300	744,700	1,520,100	1,286,200
Revenues	130,584	107,363	237,881	182,852
EBITDA ⁽¹⁾	34,145	33,730	62,521	53,098
Normalized EBITDA ⁽¹⁾	38,182	34,350	66,558	54,633
Normalized EBITDA margin (%) ⁽¹⁾	29.2%	32.0%	28.0%	29.9%
Income before taxes	24,555	21,269	43,741	32,610
Net income attributable to shareholders	19,337	16,183	34,085	60,459
Cash flows from operations	21,077	25,422	47,834	39,125
Free cash flows	21,767	23,883	46,681	27,407
Normalized free cash flows	25,804	24,503	50,718	28,942
EPS basis and diluted	0.76	0.64	1.35	2.60
Normalized basic EPS	0.89	0.66	1.47	1.53

⁽¹⁾ This is a non-IFRS financial measure which does not have a standardized meaning prescribed by IFRS and may therefore not be comparable to similar measures presented by other issuers. Please refer to the Non-IFRS financial measures section in the Management's Discussion and Analysis.

PROFILE

MTY GROUP franchises and operates quick-service and casual dining restaurants under approximately 75 different banners in Canada, the United States and internationally. Based in Montreal, MTY is a family whose heart beats to the rhythm of its brands, the very soul of its multi-branded strategy. For over 35 years, it has been increasing its presence by delivering new concepts in quick-service restaurants and making acquisitions and strategic alliances that have allowed it to reach new heights year after year. By combining new trends with operational know-how, the brands forming the MTY Group now touch the lives of millions of people every year. With over 7,300 locations, the many flavours of the MTY Group have the key to responding to the different tastes and needs of consumers today and tomorrow.



RECENT EVENTS

- On June 27, 2019, the Company announces renewal of normal course issuer bid.

5-YEAR FINANCIAL REVIEW

(in thousands of Canadian dollars, except per share information, margins and number of locations)

	Trail. 12 months	2018 ⁽²⁾	2017 ⁽²⁾	2016 ⁽²⁾	2015 ⁽²⁾
System Sales ⁽¹⁾	3,016,400	2,783,000	2,302,000	1,480,000	1,066,000
Revenues	481,613	353,303	276,083	191,275	145,203
EBITDA ⁽¹⁾	134,274	127,743	93,726	65,841	50,682
EBITDA margin % ⁽¹⁾	27.9%	36.2%	33.9%	34.4%	34.9%
Net income	69,668	98,991	49,854	54,867	26,223
EPS diluted	2.76	4.06	2.32	2.73	1.36
Number of locations	7,345	5,984	5,469	5,681	2,738

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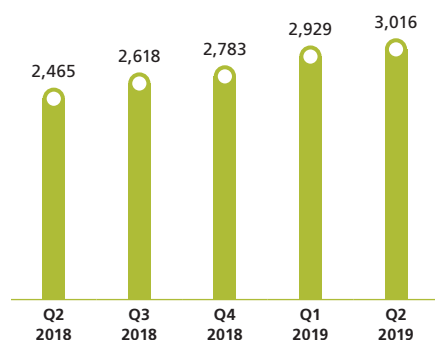
⁽²⁾ Figures have not been restated for IFRS 15.

MOST RECENT ACQUISITIONS

Brand	Date	Percentage of Ownership	Number of franchised locations	Number of corporate locations
Papa Murphy's	May 2019	100%	1,301	103
South Street Burger	March 2019	100%	26	14
Casa Grecque	December 2018	100%	31	—
SweetFrog Premium Frozen Yogurt	September 2018	100%	331	—
Timothy's World Coffee and Mmmuffins – perpetual franchising license	April 2018	100%	32	7

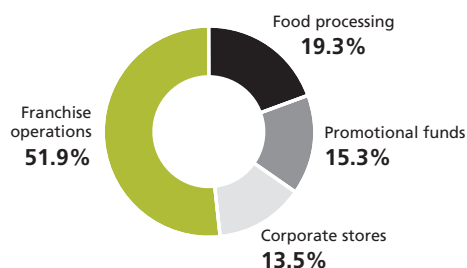
SYSTEM SALES TRAILING 12 MONTHS

(in millions of \$)

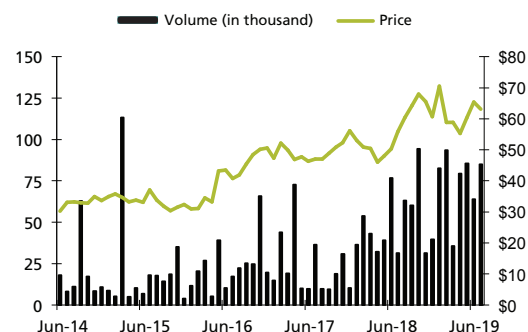


PRODUCT CATEGORIES

(in % of Q2 Revenue, excluding interco)



STOCK PERFORMANCE



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