



## STOCK INFORMATION

Toronto Stock Exchange Symbol: **MTY**

Price as at February 24, 2020: **\$54.25**

High/Low: **\$66.89 - \$49.77**

(52 weeks ended February 24, 2020)

Number of Shares Outstanding:

(February 23, 2020): **24,947,020**

## FOURTH QUARTER HIGHLIGHTS

- EBITDA for Q4-19 increased 30% to reach \$43.0 million; EBITDA for 2019 up 18% to \$147.4 million
- Free cash flows for Q4-19 of \$43.6 million, up 59% compared to Q4-18; for 2019 free cash flows were \$116.9 million, up 26% compared to 2018
- Net income attributable to shareholders for Q4-19 increased 56% to \$20.7 million or \$0.83 per share
- Consolidated same store sales growth of +1.5% in Q4-19; Canada, USA and International were respectively +1.5%, +2.7% and -7.6%
- System sales of \$1,023.5 million in Q4-19, up 45% from Q4-18; system sales of \$3,619.8 million in 2019, up 30% from 2018
- Announced on January 20, 2020 an increase in the quarterly dividend of 12% to \$0.185
- Repurchased and cancelled 98,543 shares for a total consideration of \$5.2 million in Q4-19
- On December 3, 2019 completed the acquisition of a 70% interest in Turtle Jack's Muskoka Grill, COOP Wicked Chicken and Frat's Cucina
- The Board of Directors, through its Audit Committee, reviewed the allegations made against the Company and was able to confirm that our positions and judgments were reasonable and as such there was no impact on the results or financial statements

## A WORD FROM MANAGEMENT

We finished the year on a high note propelled by the five acquisitions we completed during the year leading us to revenues that are now almost evenly split between Canada and the U.S. Fourth quarter results demonstrated positive same store sales, organic growth in system sales, solid growth in the franchise and retail segments, organic growth in EBITDA and significant free cash flow growth, both on an absolute and on a per share basis. In the quarter, we bought back shares for \$5.2 million and announced an increase of 12% of our dividend in early January, demonstrating our confidence in our ability to continue to generate solid free cash flow in the future.

Fiscal 2019 was a milestone year for MTY as we delivered record-breaking results on several key metrics. System sales surpassed the \$3.0 billion mark for the first time in our history, ending the year with positive same store sales growth for the first time since 2012. We almost doubled our retail, food processing and distribution segment, driven by acquisitions and organic growth and our cash flow from operations reached \$113.0 million, or \$4.48 per diluted share, up from \$97.9 million or \$4.03 per diluted share in 2018.

For fiscal 2020, we will continue to focus on producing positive same store sales, optimizing processes and practices and enhancing the customer experience through innovation, quality of food and customer service. We will continue to focus on shareholder value by continuing our efforts to generate organic growth from our existing concepts, seeking potential acquisitions to increase our market share, returning cash to shareholders through dividends and being opportunistic with share buybacks.

**Eric Lefebvre**  
Chief Executive Officer  
February 24, 2020

## FINANCIAL HIGHLIGHTS

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

	Quarters ended November 30 (audited)		Years ended November 30 (audited)	
	2019	2018	2019	2018
		Restated for IFRS 15		Restated for IFRS 15
System Sales <sup>(1)</sup>	1,023,500	706,400	3,619,800	2,782,500
Revenues	150,004	116,488	550,942	412,346
EBITDA <sup>(1)</sup>	43,027	32,994	147,395	124,851
Normalized EBITDA <sup>(1)</sup>	43,027	33,062	151,662	126,571
Normalized EBITDA margin % <sup>(1)</sup>	28.7%	28.4%	27.5%	30.7%
Income before taxes	25,502	18,843	97,997	80,008
Net income attributable to shareholders	20,688	13,240	77,675	95,776
Cash flows from operations	37,897	30,514	112,951	97,880
Cash flows from operations per diluted share <sup>(1)</sup>	1.51	1.21	4.48	4.03
Free cash flows <sup>(1)</sup>	43,577	27,458	116,938	92,598
Normalized free cash flows <sup>(1)</sup>	43,577	27,526	121,205	94,318
EPS basic	0.83	0.53	3.09	3.95
EPS diluted	0.83	0.53	3.08	3.95
Normalized basic EPS <sup>(1)</sup>	0.83	0.53	3.27	2.54

<sup>(1)</sup> 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 over 80 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 40 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 January 20, 2020 the Company announced an increase of 12% of its quarterly dividend payment, which increases from 16.5 ¢ per share to 18.5 ¢ per share.
- On December 3, 2019, one of the Company's wholly owned subsidiaries completed its acquisition of a 70% interest in Turtle's Jack's Muskoka Grill, COOP Wicked Chicken and Frat's Cucina (together "Tortoise Group"), three casual dining concepts operating in the province of Ontario, for a consideration of \$19.0 million.

## 5-YEAR FINANCIAL REVIEW

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

	2019	2018	2017 <sup>(2)</sup>	2016 <sup>(2)</sup>	2015 <sup>(2)</sup>
System Sales <sup>(1)</sup>	3,619,800	2,782,500	2,302,000	1,480,000	1,066,000
Revenues	550,942	412,346	276,083	191,275	145,203
EBITDA <sup>(1)</sup>	147,395	124,851	93,726	65,841	50,682
EBITDA margin % <sup>(1)</sup>	26.8%	30.3%	33.9%	34.4%	34.9%
Net income	77,736	96,187	49,854	54,867	26,223
EPS diluted	3.08	3.95	2.32	2.73	1.36
Number of locations	7,373	5,984	5,469	5,681	2,738

<sup>(1)</sup> 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.

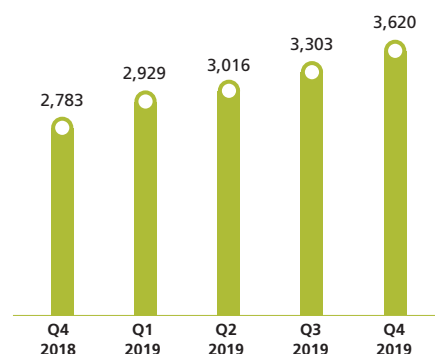
<sup>(2)</sup> Figures have not been restated for IFRS 15.

## MOST RECENT ACQUISITIONS

Brand	Date	Percentage of Ownership	Number of Franchised Locations	Number of Corporate Locations
Turtle Jack's Muskoka Grill, COOP Wicked Chicken and Frat's Cucina (together "Tortoise Group")	December 2019	70%	19	2
Allô! Mon Coco	July 2019	100%	40	—
Yuzu Sushi	July 2019	100%	129	—
Papa Murphy's	May 2019	100%	1,301	103
South Street Burger	March 2019	100%	26	14

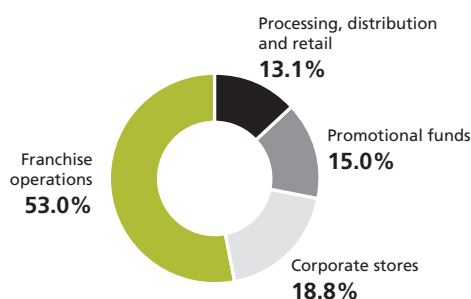
## SYSTEM SALES TRAILING 12 MONTHS

(in millions of \$)

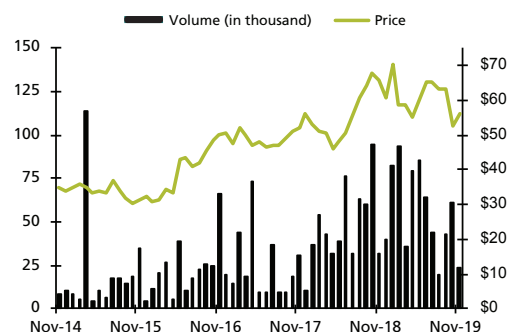


## PRODUCT CATEGORIES

(in % of Q4 Revenue, excluding interco)



## STOCK PERFORMANCE



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