



INVESTOR PRESENTATION

JULY 2020



Forward-looking Statements



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This presentation may contain written and oral statements that constitute forward-looking statements. These forward-looking statements may involve, but are not limited to, comments with respect to our business or financial objectives, our strategies or future actions, our targets, expectations for our financial condition or our outlook for our operations and future earn-out and additional equity interest obligations.

Forward looking statements are not guarantees of future results, performance, achievements or developments and actual results, performance, achievements or developments may differ materially from those in the forward-looking statements as a result of various factors, including downturns in general economic conditions, consolidation and globalisation of the industry, the highly competitive nature of the quick service restaurant industry, the greater resources available to much larger global players, low entry barriers for new competitors, our ability to successfully integrate our acquired and to-be-acquired businesses and the retention of key management personnel. Assumptions relating to the foregoing involve judgments and risks, all of which are difficult or impossible to predict accurately and many of which are beyond our control.

Although we believe that the expectations reflected in the forward-looking statements are reasonable based on information currently available to us, we cannot assure that the expectations will prove to have been correct. Accordingly you should not place undue reliance on forward-looking statements. In particular, forward-looking statements do not reflect the potential impact of any merger or acquisitions or other business combinations or divestitures that may be announced or completed after such statements are made. Reference should be made to the most recent annual Management's Discussion and Analysis for an in-depth description of major risk factors.

Non-IFRS Measures



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Unless otherwise indicated, the financial information presented below, including tabular amounts, is expressed in Canadian dollars and prepared in accordance with International Financial Reporting Standards (“IFRS”). MTY uses earnings before interest, taxes, depreciation and amortization (“EBITDA”), because this measure enables management to assess the Company’s operational performance. The Company also discloses same-store sales growth, which are defined as comparative sales generated by stores that have been open for at least thirteen months or that have been acquired more than thirteen months ago, and system sales, which represents the total net sales of the franchised and corporate restaurants of its network.

These measures are widely accepted financial indicators but are not a measurement determined in accordance with GAAP and may not be comparable to those presented by other companies. These non-GAAP measures are intended to provide additional information about the performance of MTY, and should not be considered in isolation or as a substitute for measure of performance prepared in accordance with GAAP.

The Company uses these measures to evaluate the performance of the business as they reflect its ongoing operations. Management believe that certain investors and analysts use EBITDA to measure a company’s ability to meet payment obligations or as a common measurement to value companies in the industry. Similarly, system sales and same-store sales growth provides additional information to investors about the performance of the network that is not available under GAAP. These measures are components in the determination of short-term incentive compensation for some employees.

This presentation should be read in conjunction with the Company’s financial statements and the notes thereto and the Management Discussion and Analysis (MD&A).

Adoption of IFRS 16, Leases

Effective December 1, 2019, the Company implemented IFRS 16, Leases, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. Please refer to the section Changes in accounting policies in the Management's Discussion and Analysis for further details.

Agenda

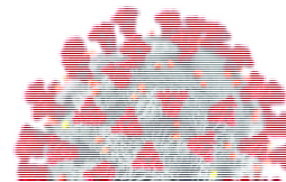
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INVESTMENT
THESIS



OVERVIEW OF
MTY GROUP



UPDATE ON
COVID-19



MARKET
OVERVIEW



STRATEGY AND
FUTURE GROWTH



FINANCIAL
TRENDS



Q2-2020
RESULTS



APPENDIX
(Historical Data)



INVESTMENT THESIS



Investment Thesis

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- Proven consolidator with disciplined acquisition strategy
- Track record of growth
- Strong cash flow generation ability
- Recurring revenue streams in the franchising segment
- Diversified portfolio of over 80 brands
- Knowledgeable and committed team
- Well positioned for more acquisitions





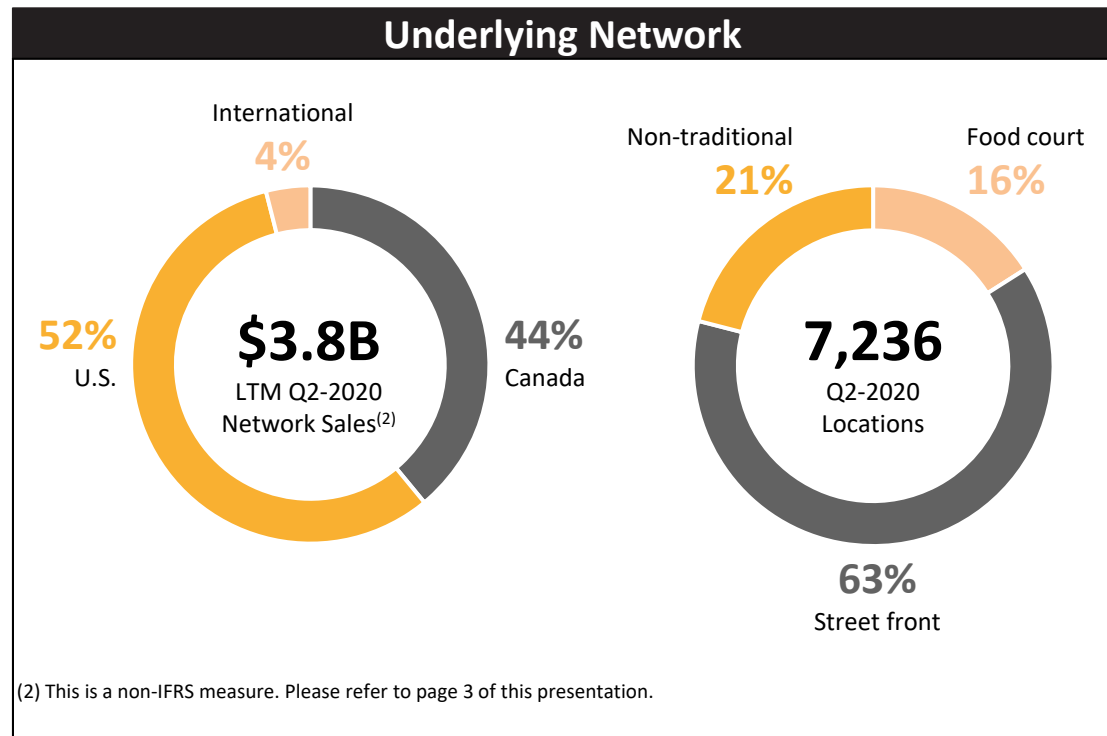
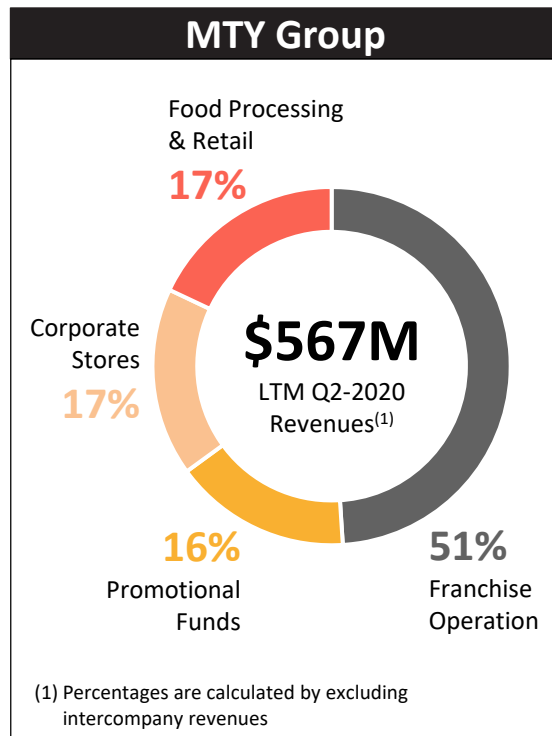
OVERVIEW OF MTY GROUP



MTY Group at a Glance

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Franchises and operates quick-service and casual dining restaurants under ≈ 80 brands



Ticker

MTY

Market Cap.

\$720M

Brands

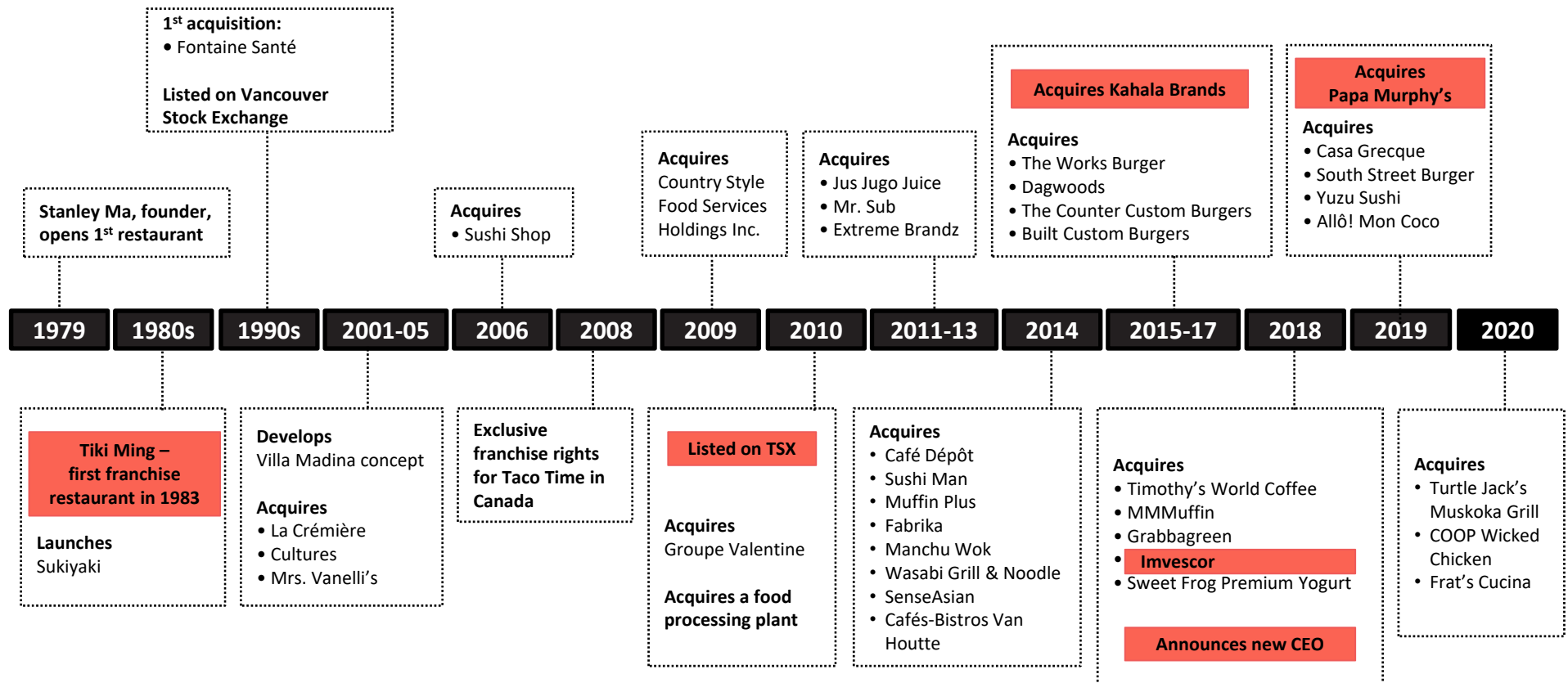
≈ 80

As at July 15, 2020

Milestones in ~40-Year History



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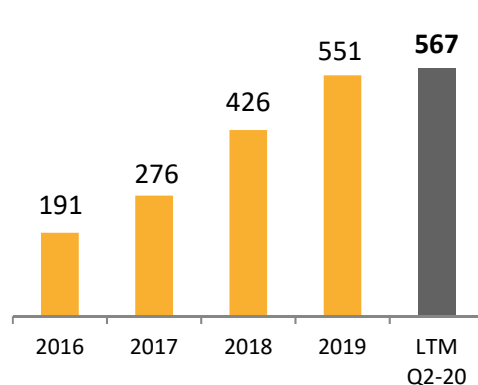


Track Record of Growth

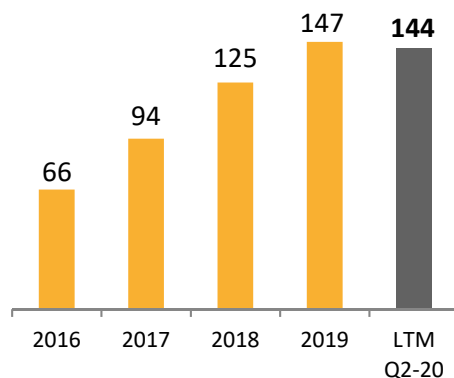


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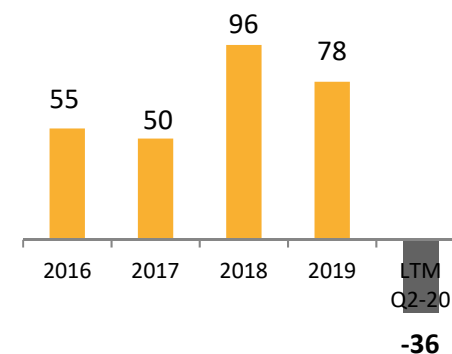
Revenues (M\$)



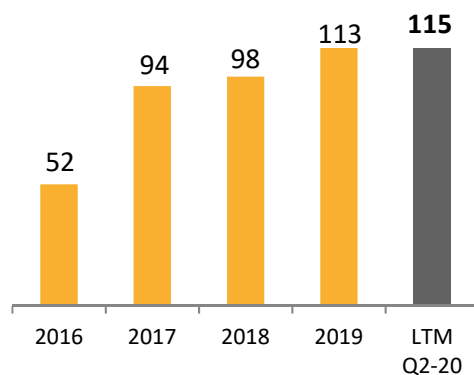
EBITDA⁽¹⁾ (M\$)



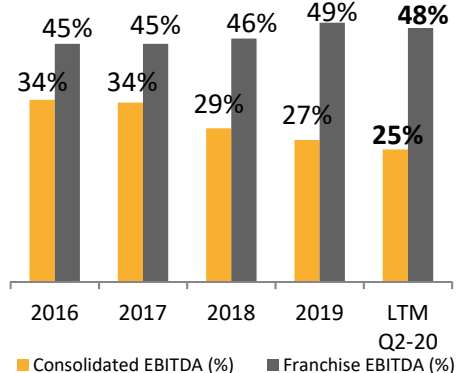
Net Income (M\$)



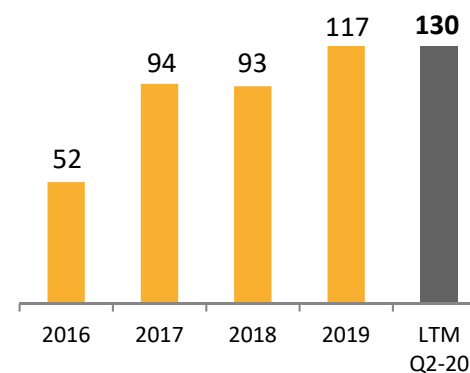
Operating Cash Flow (M\$)



EBITDA⁽¹⁾ Margin (%)



FCF (M\$)



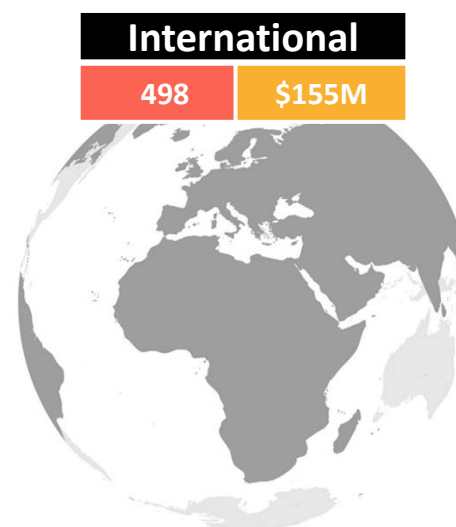
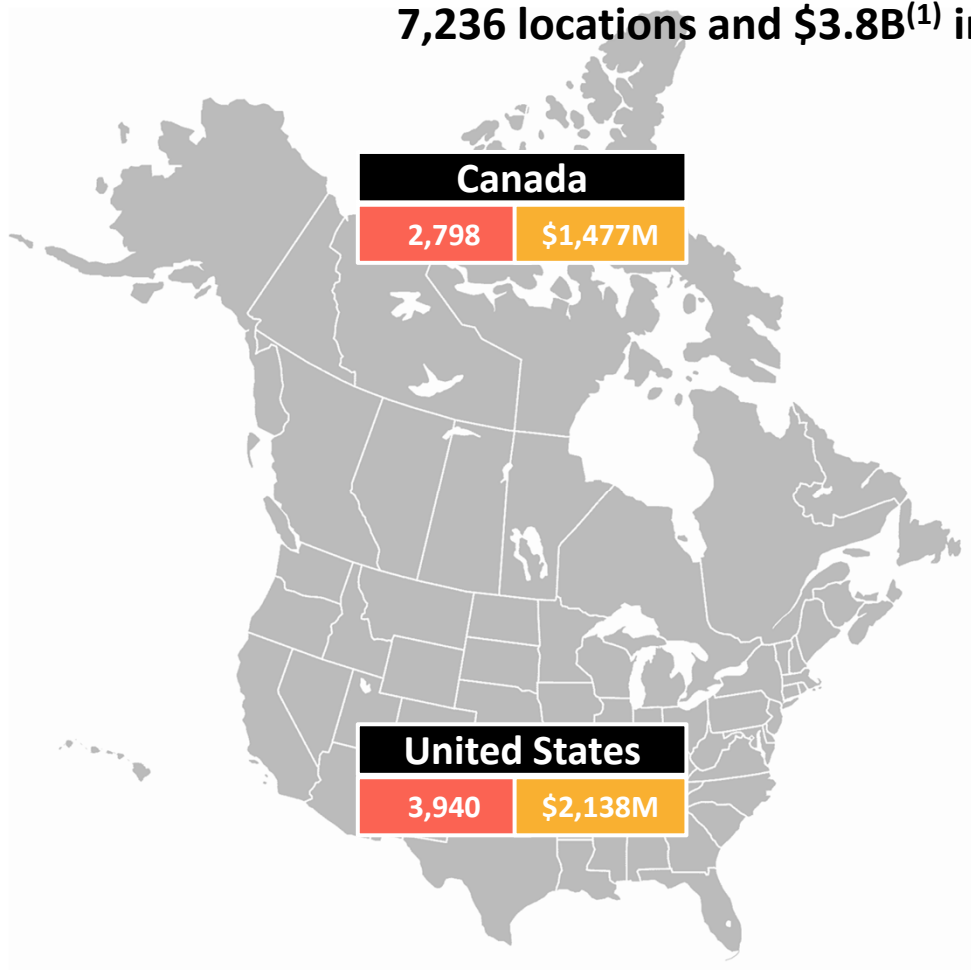
(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.

- Note: 2018 & 2019 figures have been restated to reflect the adoption of IFRS 15.
- Note: 2016-2019 figures have not been restated for IFRS 16.

International Network in 39 Countries

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7,236 locations and \$3.8B⁽¹⁾ in Sales as at LTM Q2-2020

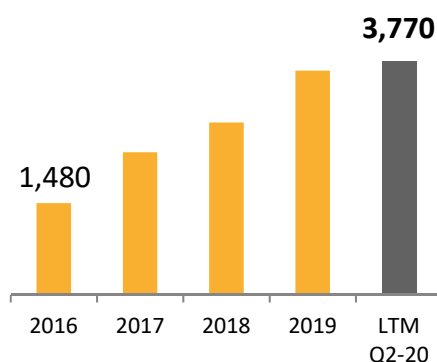


(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.

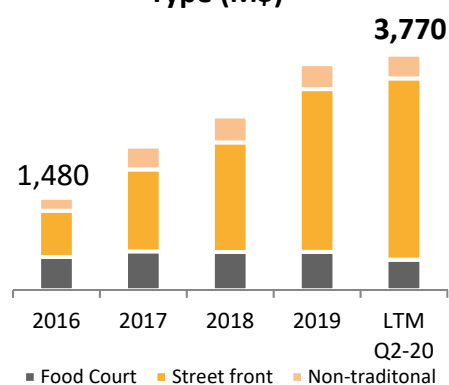
Network Evolution

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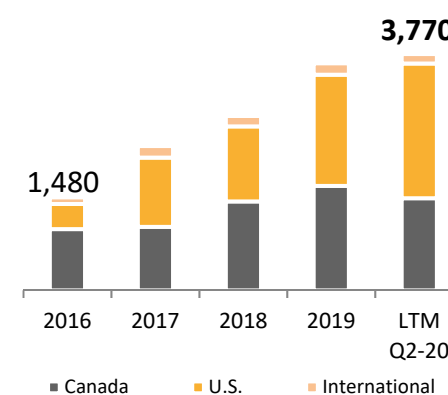
Network Sales (M\$)⁽¹⁾



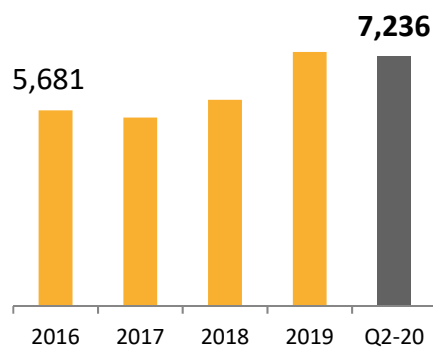
Network Sales by Type (M\$)⁽¹⁾



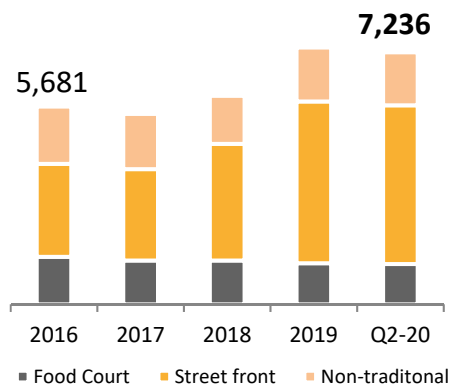
Network Sales by Geography (%)⁽¹⁾



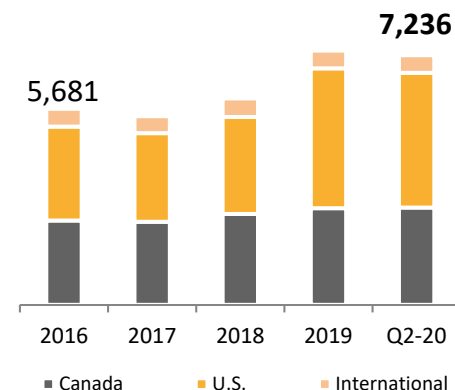
Number of Locations



Locations by Type



Locations by Geography



(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.

Growing by Acquisitions

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MTY has realized over 50 acquisitions since 1999

1999-2005

- Fontaine Santé/Veggirama
- La Crémère
- Croissant Plus
- Cultures
- Thai Express
- Mrs. Vanelli's
- TCBY – Canadian master franchise right

2006-2010

- Yogen Früz – Canadian master franchise right
- Sushi Shop
- Koya Japan
- Sushi Shop – existing franchise locations
- Tutti Frutti
- Taco Time – Canadian master franchise rights
- Country Style Food Services Holdings Inc.
- Groupe Valentine inc.

2011-2015

- Jugo Juice
- Mr. Submarine
- Koryo Korean BBQ
- Mr. Souvlaki
- SushiGo
- Extreme Pita
- PurBlendz
- Mucho Burrito
- ThaiZone
- Madisons
- Café Dépôt
- Muffin Plus
- Sushi-Man
- Fabrika
- Van Houtte Café Bistros – perpetual franchising license
- Manchu Wok
- Wasabi Grill & Noodle
- Sense Asian
- Big Smoke Burger

2016

Kahala Brands Ltd

Cold Stone Creamery, Blimpie, Taco Time, Surf City Squeeze, The Great Steak & Potato Company, NrGize Lifestyle Café, Samurai Sam's Teriyaki Grill, Frullati Café & Bakery, Rollerz, Johnnie's New York Pizzeria, Ranch One, America's Taco Shop, Cereality, Tasti D-Lite, Planet Smoothie, Maui Wowi and Pinkberry

BF Acquisition Holdings, LLC

- Baja Fresh Mexican Grill
- La Salsa Fresh Mexican Grill
- La Dinerie

2017

- Steak Frites St-Paul
- Giorgio Ristorante
- The Works Gourmet Burger Bistro
- Houston Avenue Bar & Grill
- Industria Pizzeria & Bar
- Dagwoods Sandwiches and Salads
- The Counter Custom Burgers
- Built Custom Burgers

2018

Imvescor Restaurant Group

Baton Rouge, Pizza Delight, Scores, Toujours Mikes and Ben & Florentine

- Grabbagreen
- Timothy's World Coffee
- Mmmuffins

2019

Papa Murphy's

- Casa Grecque
- South Street Burger
- Yuzu Sushi
- Allô! Mon Coco

2020

- Turtle Jack's Muskoka Grill
- COOP Wicked Chicken
- Frat's Cucina

Diversified Portfolio of Over 80 Brands

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Protects MTY from shifts in customer preferences

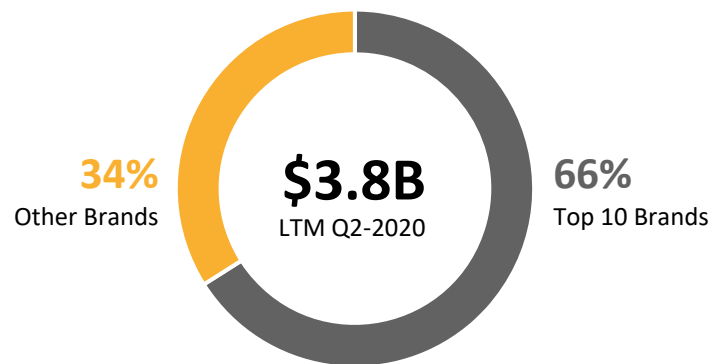
Asian & Indian 	Frozen treats & smoothies 	American 
Sandwiches & Salads 	Mediterranean 	Italian 
Breakfast 	Mexican 	Coffee 

Strong Brands Make Up a Large Part of Portfolio

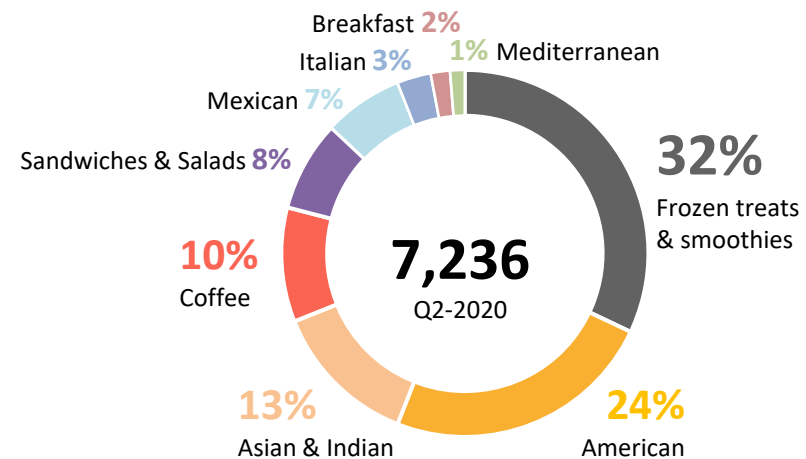
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MTY ranks 21st among Canada's Top 100 foodservice operators⁽¹⁾

Top 10 brands represent
62% of Network Sales⁽²⁾



Frozen treats & smoothies represent
32% of locations



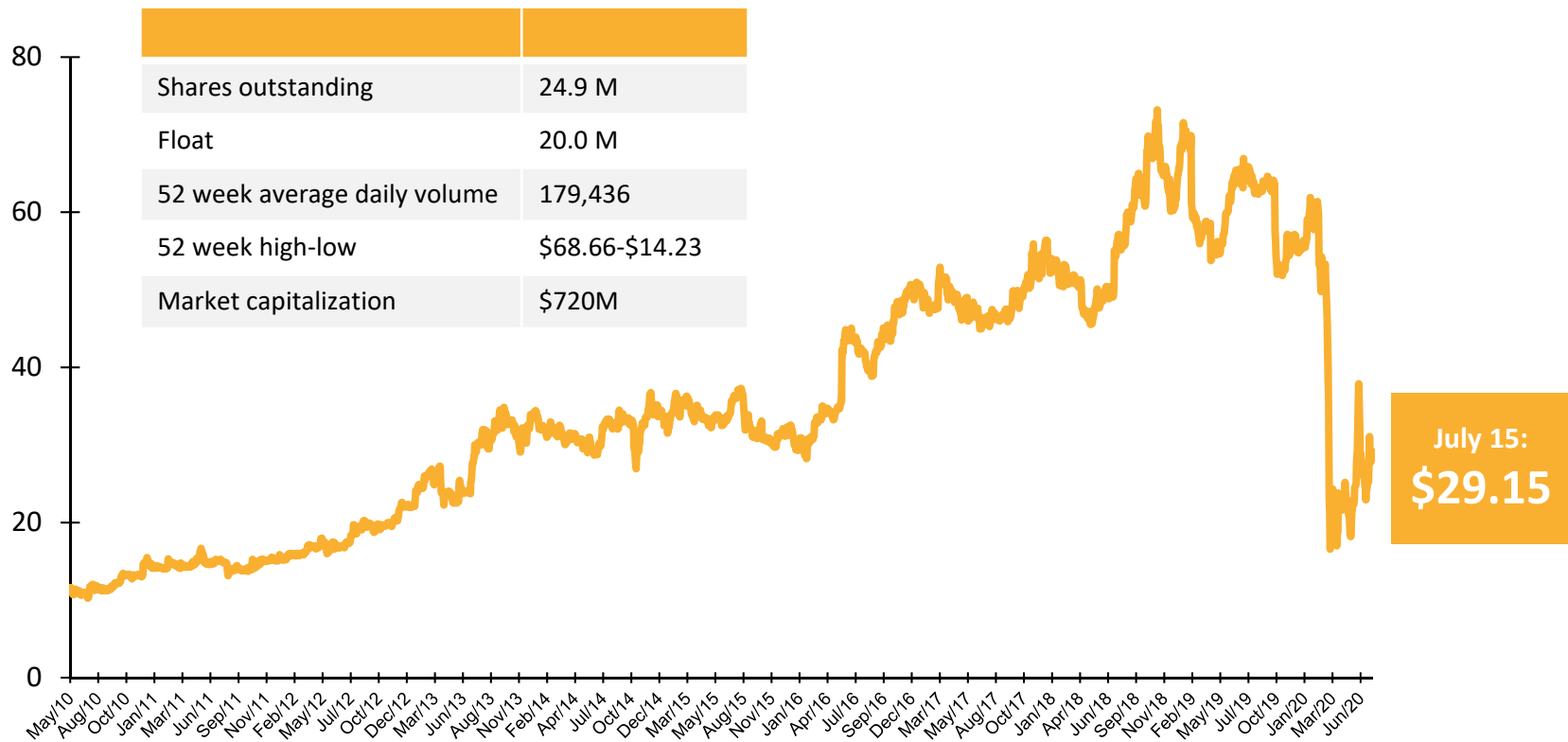
(1) Source: Foodservice and Hospitality, The Annual Top 100 Report, May 2018

(2) This is a non-IFRS measure. Please refer to page 3 of this presentation.

Stock Price Performance Since Listed on TSX

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Management and the Board own 23% of shares



Source: Yahoo Finance. Transactions on the TSX only.

Knowledgeable and Committed Management Team

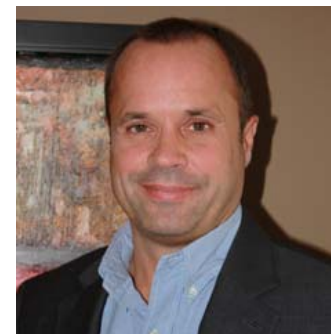
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Eric Lefebvre
Chief Executive Officer



Renée St-Onge
Chief Financial Officer



Jason Brading
COO Quick Service
Restaurants



Marie Line Beauchamps
COO Casual Dining
Restaurants



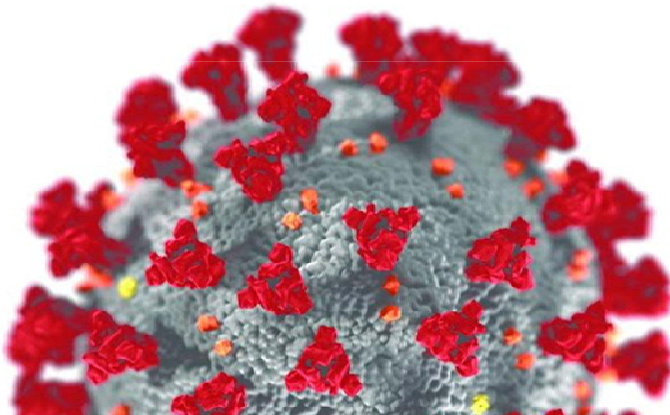
Marc Benzacar
COO Fast Casual
Restaurants



Jeff Smith
COO US Market



UPDATE ON COVID-19



COVID-19 Update – As at July 10, 2020



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There continues to be significant uncertainty in the market related to COVID-19

Q2-20 Facts

- MTY's network lost a total of 138,931 days of combined operations in Q2-20 with a total of 2,757 locations temporarily closing or operating on revised hours
- 1,470 locations still closed at the end of Q2-20
- Customer traffic continued to be impacted
- Recurring controllable expenses decreased by more than \$10M in Q2-20 (not sustainable)

Measures taken in Q2-20

- Implemented a series of measures in an attempt to help franchisees and ensure the safety and well being of employees, guests and partners
- Amended its existing credit facility with more flexible financial covenants for the next 4 quarters
- Implemented temporary cost and cash spending reduction measures

Outlook

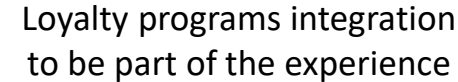
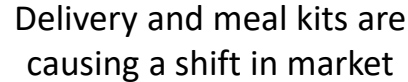
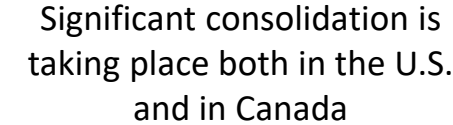
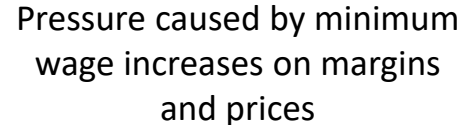
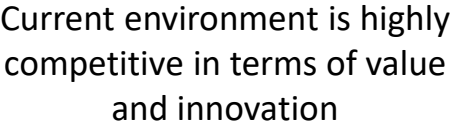
- There is uncertainty as to whether a second wave of the disease will result in sheltering measures being reinforced and the halt once again of the market
- The majority of the brands in MTY's portfolio will continue to be impacted negatively for the coming months
- MTY expects that the number of affected locations will continue to fluctuate in response to the rapidly-changing environment, with a corresponding effect on customer traffic volumes and revenue at these locations
- Over the next few quarters, our primary focus is to re-open restaurants and provide customers with a safe and friendly environment and optimize the profitability of our restaurants despite the limits and restrictions



MARKET OVERVIEW



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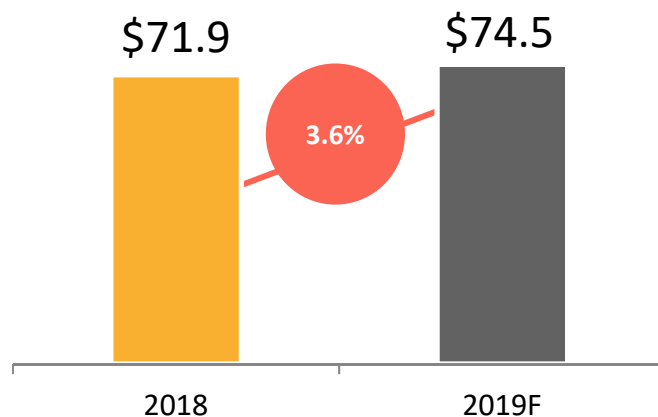


Market Size by Sales

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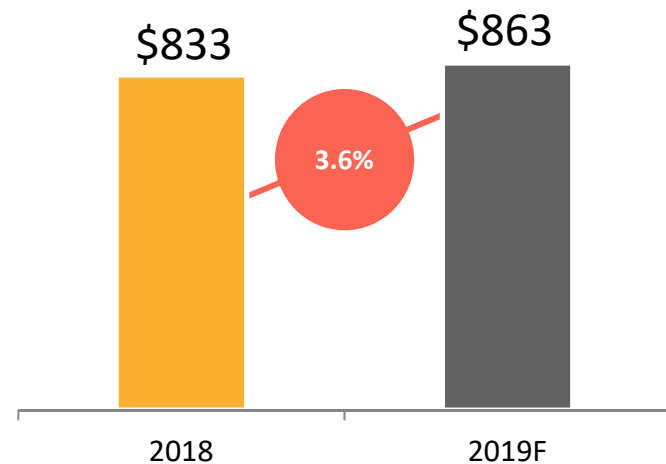
MTY has less than 1% market share in North America

Commercial Foodservice Sales in Canada (in billions of C\$)



Source: Restaurants Canada, Foodservice Industry Forecast, 2019-2023

Restaurant Industry Sales in the U.S. (in billions of \$US)



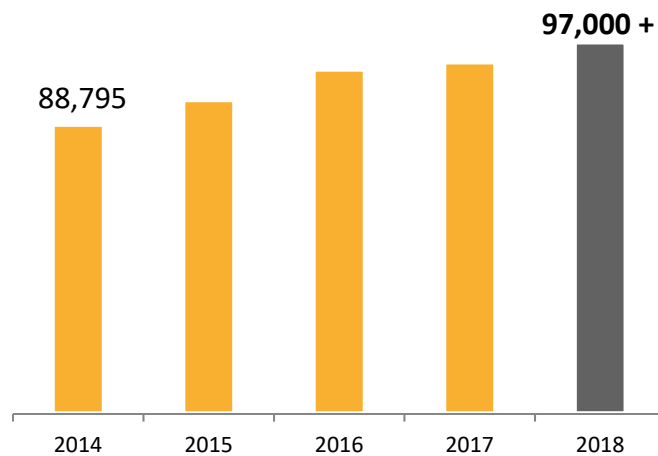
Source: <https://www.nrn.com/sales-trends/us-restaurant-sales-reach-record-863b-2019-nra-says>

Market Size by Number of Restaurants

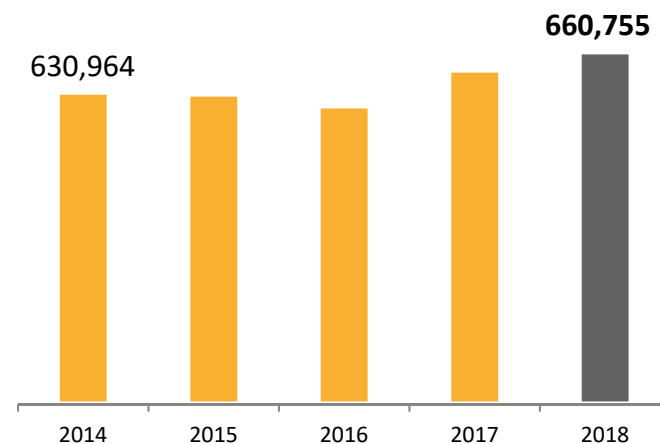
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Number of restaurants constantly growing

Commercial Foodservice Units (Canada)



Establishments in U.S. Fast Food Industry



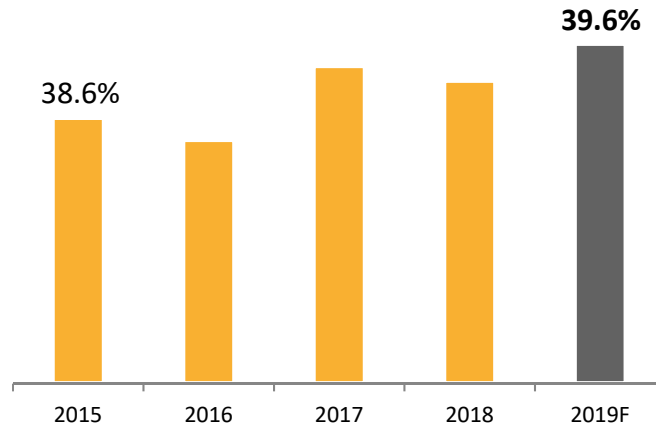
Sources: Restaurants Canada, Industry Key Facts; <https://www.statista.com/statistics/244616/number-of-qsr-fsr-chain-independent-restaurants-in-the-us/>

Market Size by Food Dollars Spent in Restaurants

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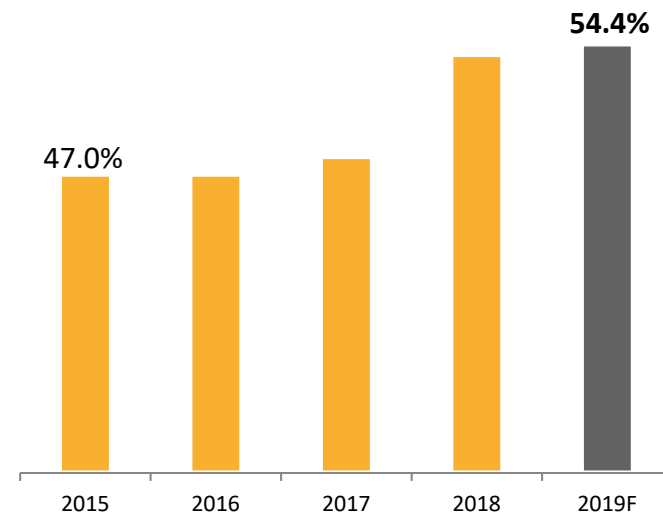
**Proportion of food dollars spent in restaurants on the rise in Canada
but still way below that of the U.S.**

% Spent of food \$ (Canada)



Source: Restaurants Canada, Foodservice Industry Forecast, 2019-2023

% Spent of food \$ (U.S.)

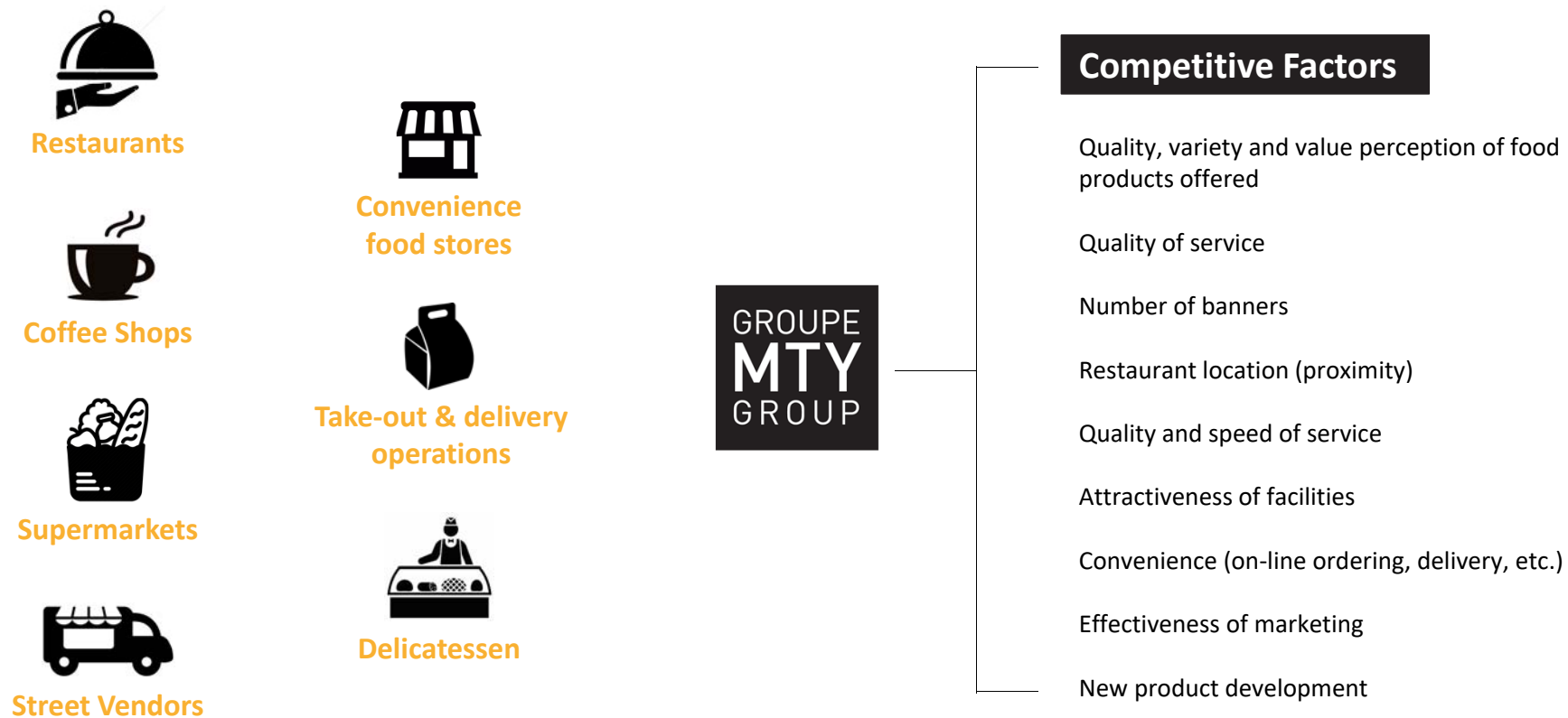


Source: United States Department of Agriculture:
<https://www.ers.usda.gov/data-products/ag-and-food-statisticscharting-the-essentials/food-prices-and-spending/>

Highly Competitive Industry with Low Barriers to Entry

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MTY Competes with a variety of players in each of its local markets



MTY Key Success Factors

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MTY Effectively Responds to Consumer Needs



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MTY Competitive Advantages

Preparation often in front of customers enhances perception of freshness and quality

Presence in shopping malls, on main arteries, office towers, etc.

80 banners, often with multiple banners in one given location to capture customers' food dollars

Decentralized approach to innovation provides a wide array of novelties

Affordable meals usually around \$10

Bonapp for technology-driven consumers

New dedicated team to develop and promote retail and production operations



STRATEGY & FUTURE GROWTH



Growth Strategy – Increasing Market Share

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LEVERAGING

our solid platforms to expand throughout North America

FOCUSING

on high-quality of revenues that are recurring in nature

IMPROVING

MTY's digital presence via new applications, on-line functionalities and integration of our gift card and loyalty platforms



DEVELOPPING

our Canadian brands in the U.S.

SEEKING

international Master franchise opportunities

UPGRADING

the image of our concepts and innovating with new menu offerings

Growth Strategy – Acquisitions

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REINFORCING

Canadian platform by regions

LEVERAGING

our U.S. platform to integrate acquisitions

PROVIDING

additional depth and breadth in offering

PAYING FAIR PRICE

for good quality earning potential

ACCESSING

a wide range of target sizes and concept maturity

TRANSACTIONS

Immediately accretive from an EBITDA⁽¹⁾ standpoint



Strong reputation for
paying a 'fair' price



Experienced
integration team



Vendor's awareness
of MTY's appetite



Increased capabilities
given increased size of
the organization

(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.



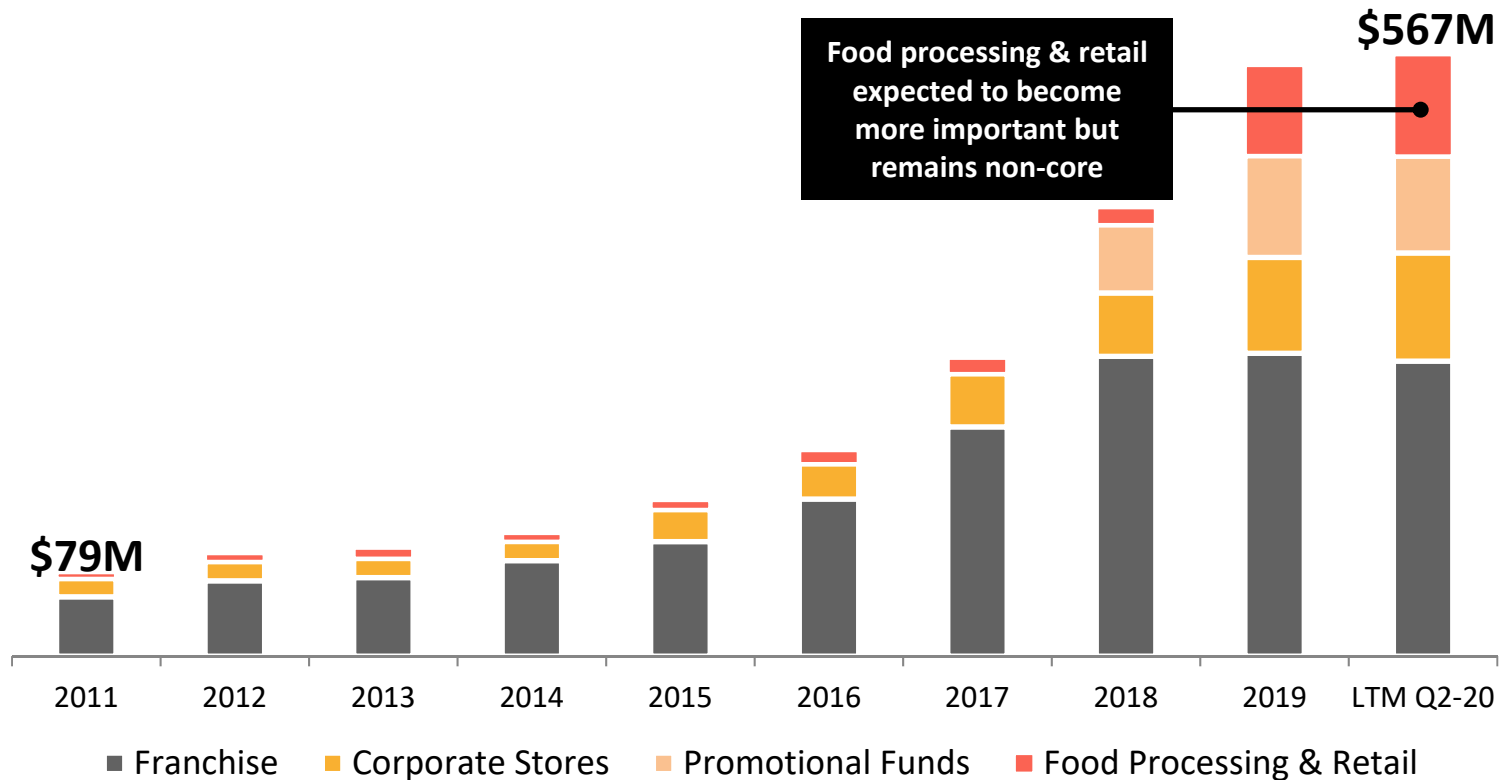
FINANCIAL TRENDS



Diversifying Product Mix

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Consistent growth in revenue in our core franchising operations



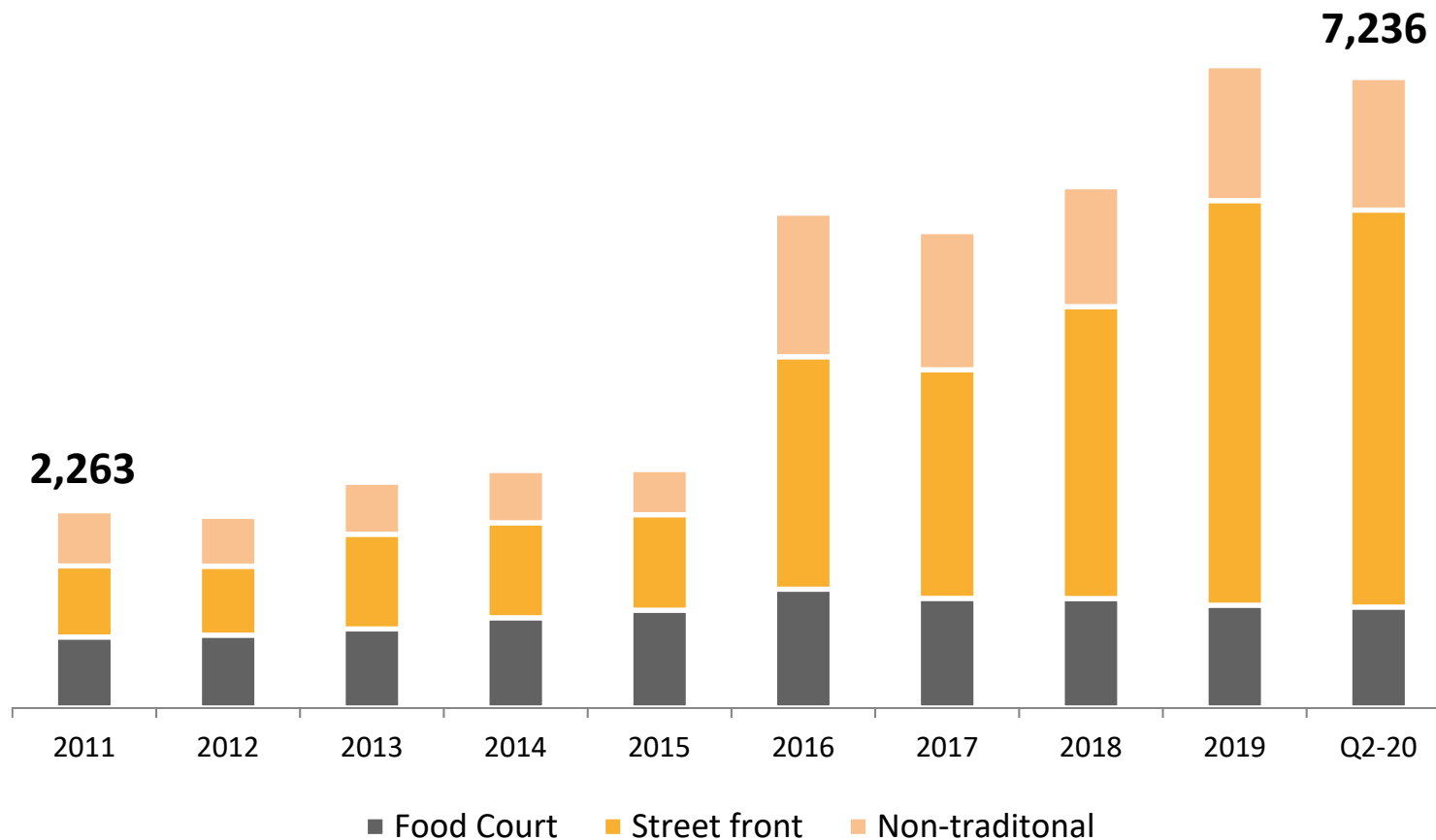
Note: Total revenues include interco.

* 2018 & 2019 figures have been restated to reflect the adoption of IFRS 15.

Growing Street Front & Non-Traditional Locations

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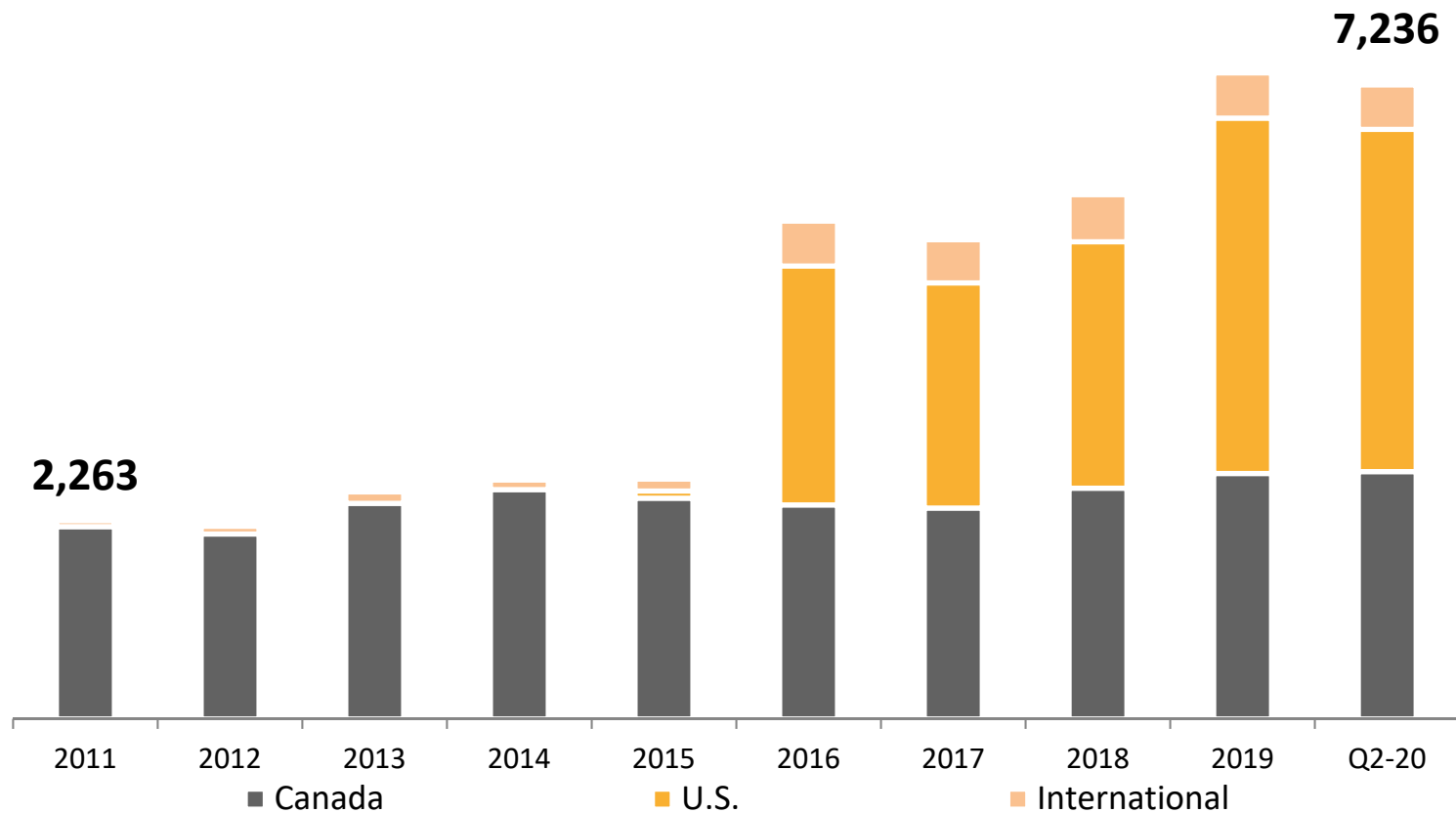
Food courts not prone to grow, reflecting shopping center limited growth



Continuing to Penetrate the U.S. Market

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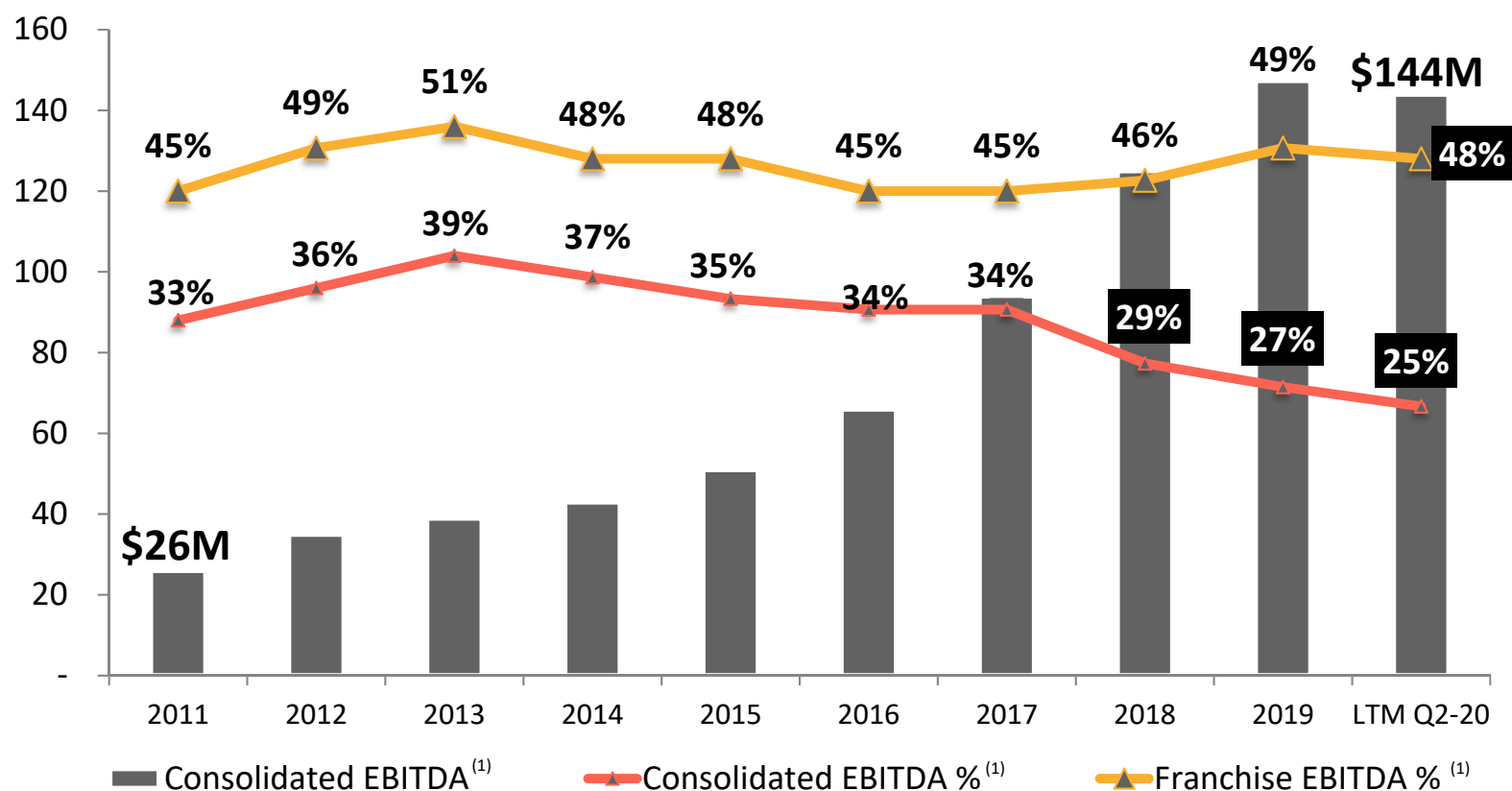
Over 50% of locations are in the U.S. following Papa Murphy's acquisition



Growing EBITDA⁽¹⁾ Consistently

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EBITDA⁽¹⁾ is primarily driven by the franchising segment

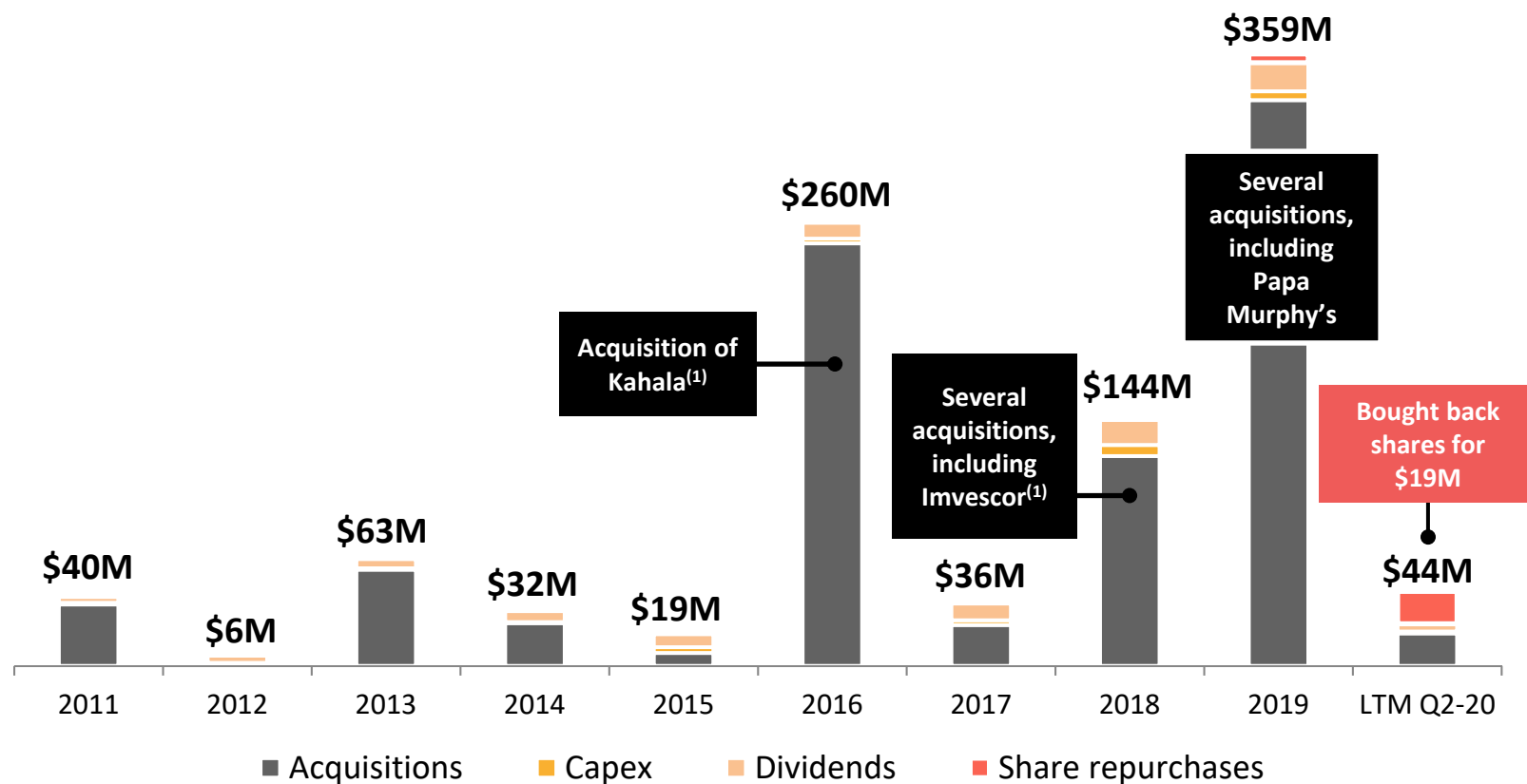


(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.

- Note: 2018 & 2019 figures have been restated to reflect the adoption of IFRS 15.
- Note: 2011-2019 figures have not been restated for IFRS 16.

Deploying Capital Mainly for Acquisitions

Not a capital intensive business

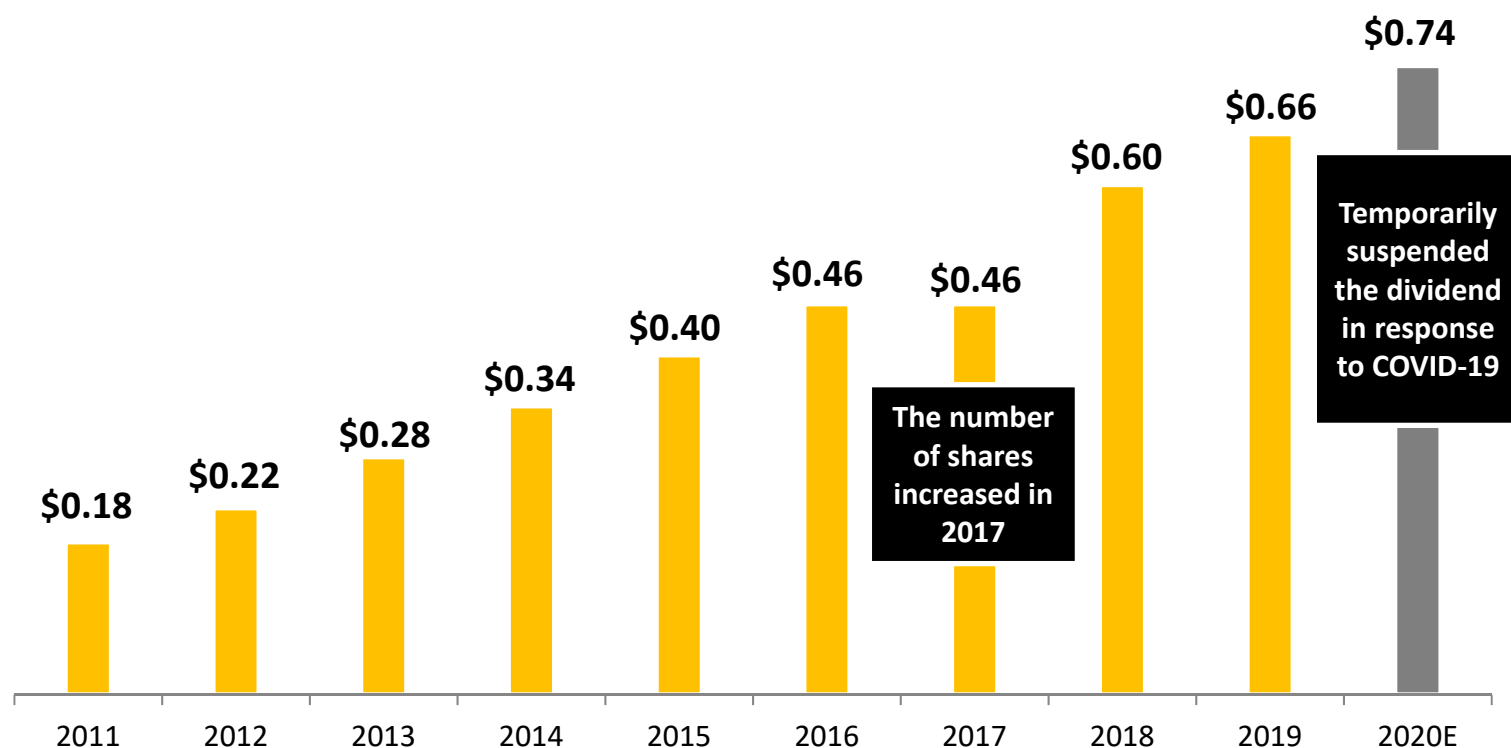


(1) Net cash outflow only.

Increasing Dividends Consistently

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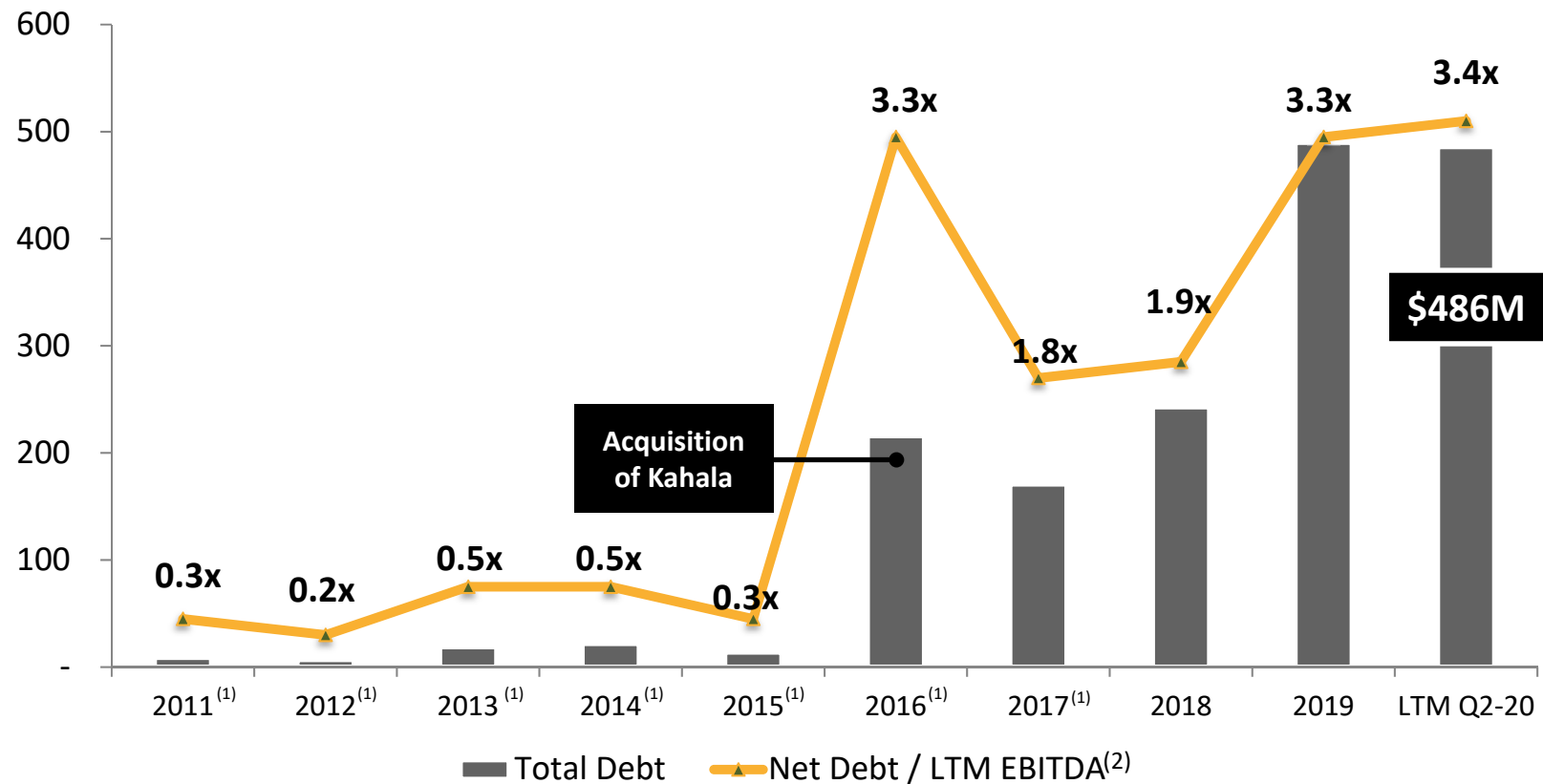
Dividend typically represents 15-20% of FCF⁽¹⁾



(1) FCF is EBITDA less taxes and interest. EBITDA is a non-IFRS financial measure. Please refer to page 3 of this presentation.

Optimizing Financing Structure

Maintaining a solid balance sheet



(1) On a total debt basis.

(2) This is a non-IFRS financial measure. Please refer to page 3 of this presentation.

* 2018 & 2019 figures have been restated to reflect the adoption of IFRS 15.



Q2 2020 RESULTS



Typical Seasonality of MTY Results

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Network sales⁽¹⁾ fluctuate with the seasons

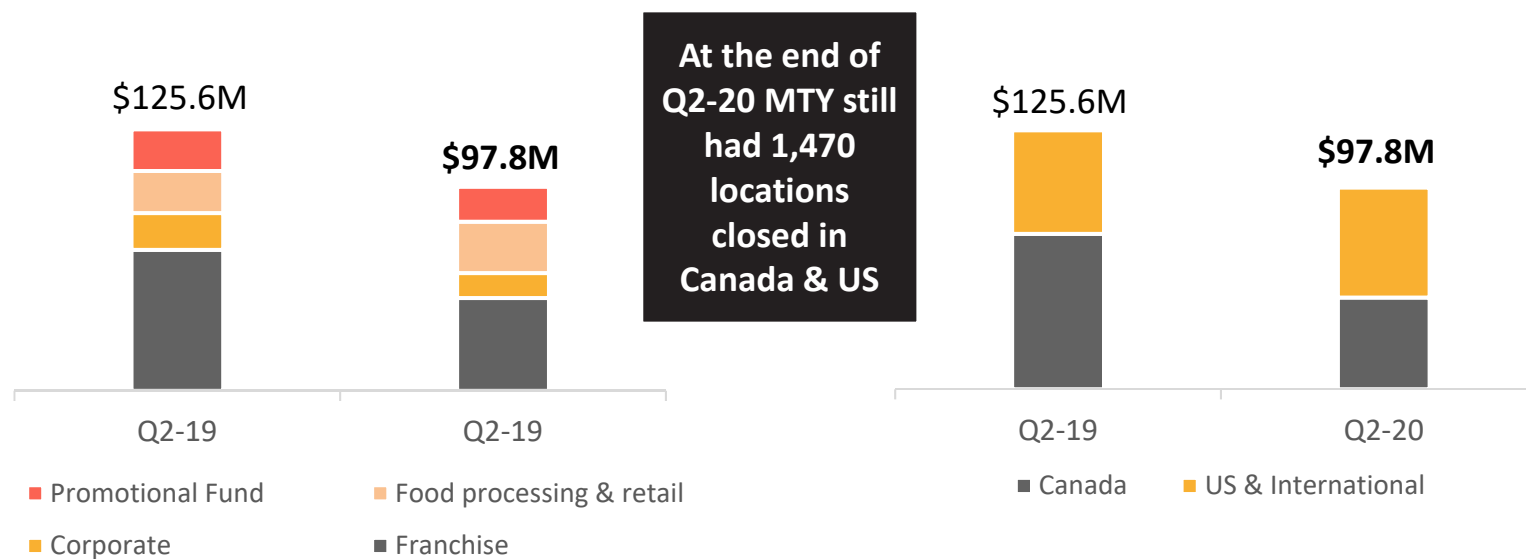
	Q1 Dec-Jan-Feb Winter	Q2 March-Apr-May Spring	Q3 June-July-Aug Summer	Q4 Sept-Oct-Nov Fall
Sales for Frozen treats & smoothies	SOFT	STRONG	STRONGEST	SOFT
Sales for Papa Murphy's	STRONG	STRONG	SOFT	STRONGEST
	Food court sales are higher during December because of Holiday shopping 	 	Higher street front sales Higher sales from food courts 	Halloween is the biggest sales day for Papa Murphy's 

(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.

Q2-20 Revenues decreased due to COVID-19

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Food processing & retail increased 25% due to higher consumer spending in grocery stores



Note: Revenues include interco.

* Q2-2019 figures have not been restated to reflect the adoption of IFRS 16.

Q2-20 EBITDA⁽¹⁾ decreased due to COVID-19

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Acquisitions contributed \$9.4M in the second quarter



(1) This is a non-IFRS financial measure. Please refer to page 3 of this presentation.

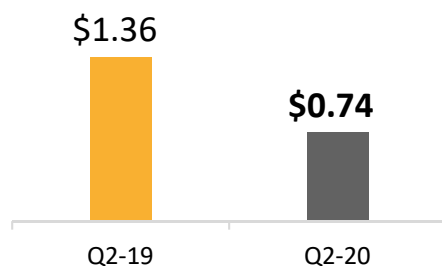
* Q2-2019 figures have not been restated to reflect the adoption of IFRS 16.

Q2-20 Profitability decreased due to COVID-19

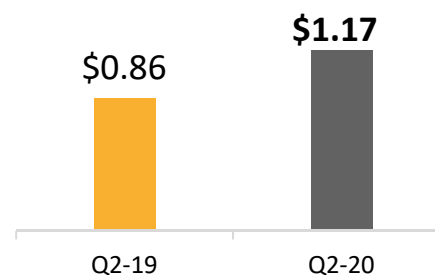
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Free cash flows amounted to \$28.9M in Q2-20, up 33% due to the refranchising of two groups of Papa Murphy's corporate locations in the quarter

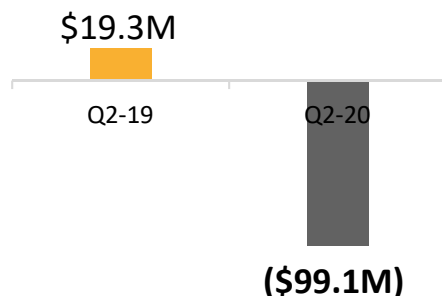
EBITDA/share



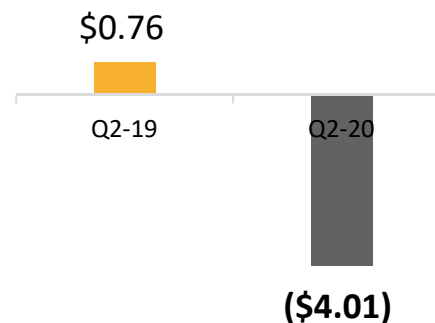
FCF/share



Net income



EPS



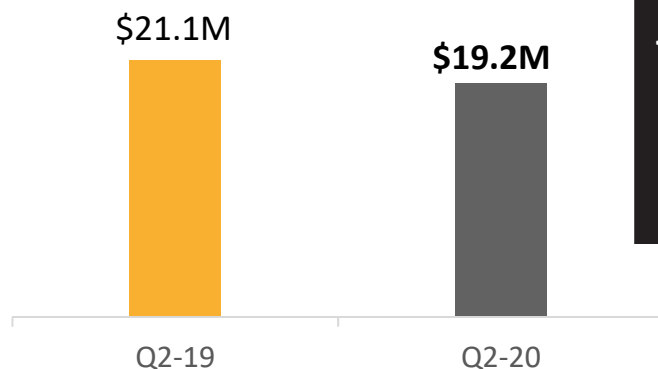
* Q2-2019 figures have not been restated to reflect the adoption of IFRS 16.

Q2-20 Cash Flow from Operations & Use of Cash

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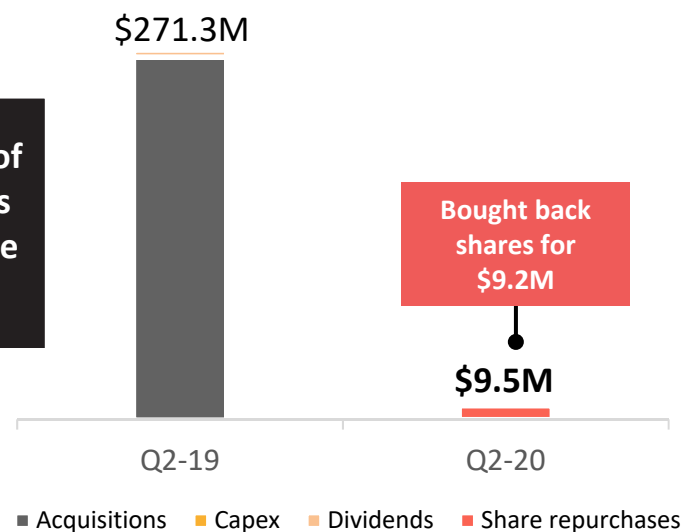
The decline in cash flows generated from operations was limited by strict working capital management to preserve liquidities

Cash Flow from Operations



The payment of dividends was suspended due to COVID-19

Use of Cash

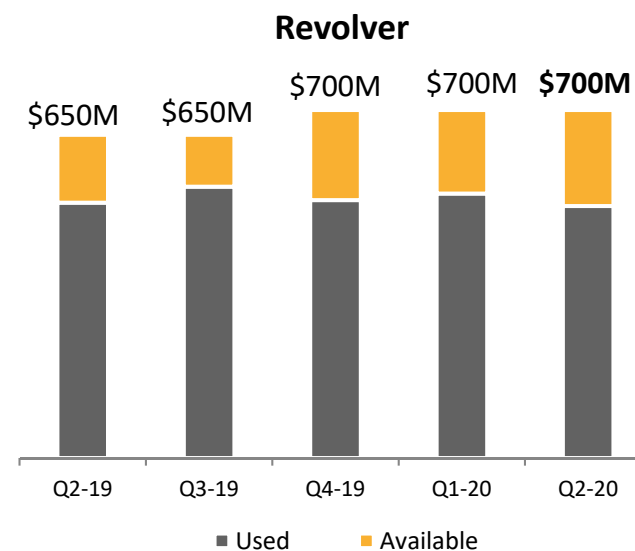
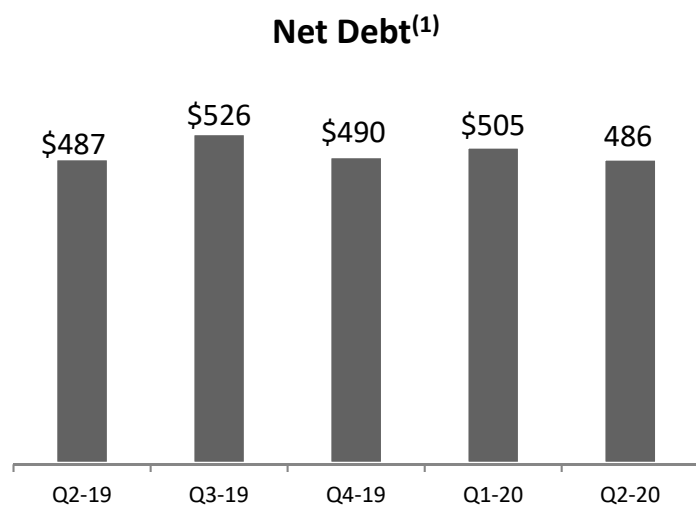


* Q2-2019 figures have not been restated to reflect the adoption of IFRS 16.

Q2-20 Healthy Financial Position

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In Q2-20 MTY amended its existing credit facility with more flexible financial covenants for the next four quarters

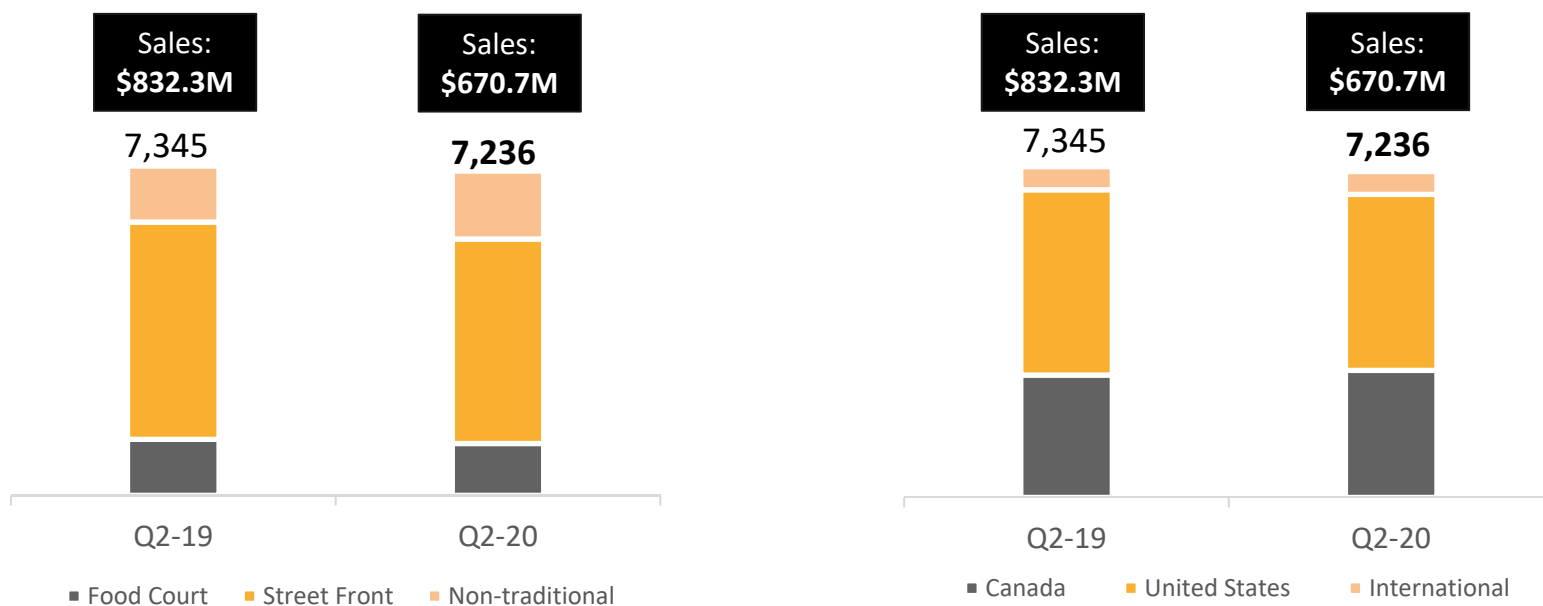


(1) This is a non-IFRS financial measure. Please refer to page 3 of this presentation.

Q2-20 Network Locations and Network Sales⁽¹⁾

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Network locations and Network sales⁽¹⁾ decreased due to COVID-19



(1) This is a non-IFRS financial measure. Please refer to page 3 of this presentation.

Q2-20 Network Location Evolution



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Net location closures represent on average 1% of total locations

	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20
Beginning of period	5,941	7,345	7,441	7,373	7,300
Opened	75	84	84	53	48
Closed	(115)	(157)	(152)	(149)	(111)
Acquired	1,444	169	-	23	-
JV closed	-	-	-	-	(1)
End of period	7,345	7,441	7,373	7,300	7,236
Net	1,404	96	(68)	(73)	(64)
Net closures as a % of number of locations	0.7%	1.0%	0.9%	1.3%	0.9%



APPENDIX 1

Historical Data



Income Statement - 5-Year Financial Summary



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(thousands of \$, except margin and EPS)	2019 ⁽²⁾	2018 ⁽²⁾	2017 ^{(2) (3)}	2016 ^{(2) (3)}	2015 ^{(2) (3)}
Sales	550,942	412,346	276,083	191,275	145,203
EBITDA ⁽¹⁾	147,395	124,851	93,726	65,841	50,682
<i>EBITDA margin %⁽¹⁾</i>	<i>26.8%</i>	<i>30.3%</i>	<i>33.9%</i>	<i>34.4%</i>	<i>34.9%</i>
Net income	77,736	96,187	49,854	54,867	26,223
EPS - diluted	3.08	3.95	2.32	2.73	1.36

(1) This is a non-IFRS financial measure. Please refer to page 3 of this presentation.

(2) Figures have not been restated for IFRS 16.

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

Financial Position - 5-Year Financial Summary



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(thousands of \$, except ratio)	2019	2018 ⁽³⁾	2017 ⁽³⁾	2016	2015
Total assets	1,648,768	1,239,520	859,241	852,650	225,387
Total debt ⁽¹⁾	489,913	243,312	171,354	216,417	14,256
Shareholders' equity	664,748	609,614	316,828	310,184	166,654
Total debt to trailing 12-month EBITDA ^(1,2)	3.3x	1.9x	1.8x	3.3x	0.3x

(1) For 2016 to 2019, net debt and net debt to trailing 12-month EBITDA.

(2) This is a non-IFRS financial measure. Please refer to page 3 of this presentation.

(3) Figures have been restated for IFRS 15.

Network - 5-Year Financial Summary



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	2019	2018	2017	2016	2015
Network sales ⁽¹⁾ (millions of \$)	3,620	2,783	2,302	1,480	1,066
Locations	7,373	5,984	5,469	5,681	2,738

(1) This is a non-IFRS measure. Please refer to page 3 of this presentation.



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