

**MTY GROUP (TSX: MTY)** franchises and operates quick-service, fast casual and casual dining restaurants under more than 80 different banners in Canada, the US 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 of restaurants, making acquisitions, and forging strategic alliances, which 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 6,848 locations, the many flavours of the MTY Group hold the key to responding to the different tastes and needs of today's consumers as well as those of tomorrow.



## THIRD QUARTER HIGHLIGHTS

- Adjusted EBITDA<sup>(1)</sup> of \$49.7 million in the quarter, compared to \$43.4 million in Q3-20.
- Cash flows from operating activities of \$46.6 million, up by 21% compared to Q3-20, despite duration of COVID-19 pandemic.
- Free cash flows per diluted share<sup>(2)</sup> increased by 23% compared to Q3-20 to reach \$1.84, in part due to higher adjusted EBITDA.
- Net income attributable to shareholders of \$24.3 million in the quarter, or \$0.98 per diluted share, up from a net income attributable to shareholders of \$22.9 million, or \$0.93 per diluted share, in Q3-20.
- Long-term debt repayments of \$35.2 million for the quarter.
- System sales<sup>(3)</sup> of \$1,016.2 million, up 13% compared to Q3-20. System sales up 29% in Canada, 5% in the US and 7% Internationally.
- Third quarter digital sales<sup>(3)</sup> represent 16% and 21% of total system sales for Canada and the US, respectively compared to 15% and 25% in Q3-20.
- 359 restaurants were temporarily closed at the beginning of the quarter and 164 at the end of the quarter. 139 remain temporarily closed as at the date of the press release.
- 456 locations were closed one or more days during the quarter, representing approximately 19,300 lost business days.
- Quarterly dividend restored with payment of \$0.185 per share on August 13, 2021.

## MTY

Toronto Stock Exchange Symbol

**\$65.23**

Price as at October 8, 2021

**High: \$71.27 Low: \$37.94**

(52 weeks ended October 8, 2021)

**24,706,461**

Number of Shares Outstanding  
(October 7, 2021)

## A WORD FROM MANAGEMENT

We are highly encouraged by our financial results in the third quarter of 2021, which was marked by solid double-digit percentage increases in system sales (+13%), adjusted EBITDA (+15%) and cash flows from operating activities (+21%). This strong financial performance reflects a rebound in customer traffic for many of our brands. It was realized in a difficult context of lingering supply-chain issues, labour shortages and the continuing impact of the COVID-19 pandemic, as shown by the business days lost due to temporary closures (19,300).

On the strength of record free cash flows, an improved financial situation, and a positive outlook for our business, we now have more options in terms of our capital allocation strategy. During the third quarter, we lowered our long-term debt by an additional \$35.2 million in repayments, restored our quarterly dividend with a payment of \$0.185 per share and renewed our NCIB share buyback program. Looking ahead, our long-term strategic plan remains to deliver organic growth, while searching for accretive acquisition targets at the right price and with the right attributes.

Eric Lefebvre  
Chief Executive Officer  
October 8, 2021

## FINANCIAL HIGHLIGHTS

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

	Quarters ended Aug. 31, (unaudited)		Nine-month periods ended Aug. 31, (unaudited)	
	2021	2020	2021	2020
Revenue	150,801	135,366	405,618	383,954
Adjusted EBITDA <sup>(1)</sup>	49,673	43,388	125,791	102,638
Adjusted EBITDA per diluted share <sup>(2)</sup>	2.00	1.76	5.09	4.14
Net income (loss) attributable to shareholders	24,337	22,932	60,762	(57,186)
Cash flows from operations	46,553	38,624	107,401	88,811
Free cash flows <sup>(1)</sup>	45,601	37,078	103,398	96,742
Free cash flows per diluted share <sup>(2)</sup>	1.84	1.50	4.17	3.91
EPS basic	0.99	0.93	2.46	(2.31)
EPS diluted	0.98	0.93	2.46	(2.31)
System sales <sup>(3)</sup>	1,016,200	897,500	2,668,800	2,567,700
Digital sales <sup>(3)</sup>	185,500	184,100	604,100	429,400

<sup>(1)</sup> This is a non-GAAP measure. Please refer to "Non-GAAP Measures" section at the end of the press release.

<sup>(2)</sup> This is a non-GAAP ratio. Please refer to "Non-GAAP Ratios" section at the end of the press release.

<sup>(3)</sup> This is a supplementary financial measure. Please refer to "Supplementary financial measures" section at the end of the press release.

## 5-YEAR FINANCIAL REVIEW

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

	Trail. 12 months ended Aug. 31, 2021	2020	2019 <sup>(1)</sup>	2018 <sup>(1)</sup>	2017 <sup>(1)(2)</sup>
System sales <sup>(3)</sup>	3,560,200	3,459,100	3,619,800	2,782,500	2,302,000
Revenue	532,781	511,117	550,942	412,346	276,083
Adjusted EBITDA <sup>(4)</sup>	160,972	137,819	147,395	124,851	93,726
Adjusted EBITDA as a % of revenue <sup>(5)</sup>	30.2%	27.0%	26.8%	30.3%	33.9%
Net income (loss)	81,134	(36,895)	77,736	96,187	49,854
EPS diluted	3.27	(1.50)	3.08	3.95	2.32
Number of locations	6,848	7,001	7,373	5,984	5,469

<sup>(1)</sup> Figures have not been restated for IFRS 16.

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

<sup>(3)</sup> This is a supplementary financial measure. Please refer to "Supplementary financial measures" section at the end of the press release.

<sup>(4)</sup> This is a non-GAAP measure. Please refer to "Non-GAAP Measures" section at the end of the press release.

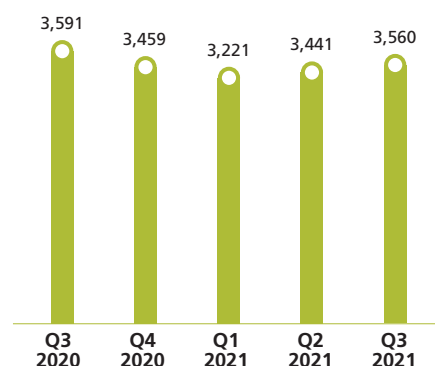
<sup>(5)</sup> This is a non-GAAP ratio. Please refer to "Non-GAAP Ratios" section at the Company's Management's Discussion and Analysis of the financial position and financial performance.

## MOST RECENT ACQUISITIONS

Brands	Date	Percentage of ownership	Number of franchised locations	Number of corporate locations
Turtle Jack's Muskoka Grill, COOP Wicked Chicken and Frat's Cucina	December 2019	70%	20	3
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%	24	13

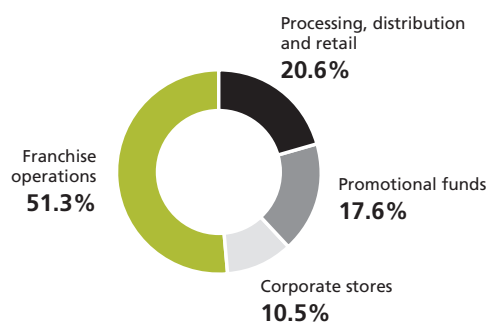
## SYSTEM SALES TRAILING 12 MONTHS ENDED AUG. 31 2021

(in millions of \$)

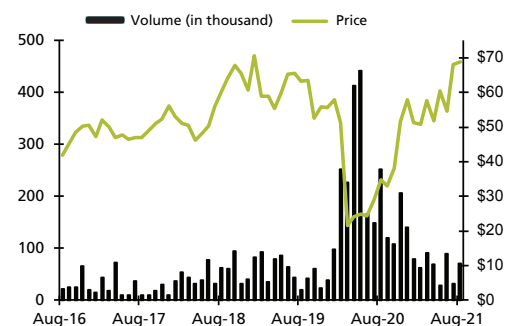


## PRODUCT CATEGORIES

(in % of Q3 Revenue, excluding interco)



## STOCK PERFORMANCE



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## ANALYST COVERAGE

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