

MTY FOOD GROUP INC.
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NEWS RELEASE

MTY REPORTS RESULTS FOR THE FIRST QUARTER OF ITS 2018 FISCAL PERIOD

Montreal, April 9, 2018 - MTY Food Group Inc. (“MTY” or the “Company”) (TSX: MTY), franchisor and operator of multiple concepts of restaurants, reports today the results of its operations for the first quarter of its 2018 fiscal year.

Highlights of the first quarter of 2018:

ACQUISITION

On December 1, 2017, the Company announced that it had completed the acquisition of the limited liability company interests in CB Franchise Systems LLC (“The Counter”) and Built Franchise Systems LLC (“Built Custom Burgers”). The purchase price was \$31.0 million (\$US 24.3 million) of which \$28.3 million (\$US 22.3 million) was paid at closing. At closing, 41 franchised and 3 corporately owned restaurants were in operation.

At the end of the quarter, MTY’s network had 5,422 locations in operations, of which 79 were corporate and 5,343 were franchised. The geographical split of MTY’s locations remained steady with 46% in the United States, 45% in Canada and 9% abroad.

NETWORK SALES

- The system sales for the quarter grew by 4% to reach \$542.5 million. Of the increase in system sales, \$48.5 million was due to acquisitions completed during 2017 and 2018.
- Foreign exchange variations had a negative impact of \$13.6 million on system sales.
- Same store sales for the quarter were up by 0.7%, over the same period last year. Both the Canadian and US markets had positive same store sales, with increases of 0.8% and 0.7% respectively.

EBITDA AND NET INCOME

- EBITDA was \$19.9 million, a growth of 22% when compared to the same period last year. Approximately 48% of the growth in EBITDA came from US operations despite an unfavorable variation in foreign exchange rates.
- During the quarter, the Company incurred approximately \$0.8 million in expenses related to the acquisition of Imvescor Restaurant Group Inc., which was completed on March 1st, 2018.
- Canadian operations represented 68% of the total EBITDA earned (71% in prior year) while US and International operations were 32% of the current quarter’s EBITDA (29% in prior year).
- Net income attributable to owners increased from \$2.0 million (\$0.09 per diluted share) in the first quarter of 2017 to \$45.3 million (\$2.12 per diluted share) in the first quarter of 2018. A large part of the increase is attributable to a one-time adjustment in the prospective income tax rate for the United States used to calculate the deferred income taxes. Excluding the impact of this non-recurring adjustment, net income attributable to owners would have been \$9.1 million or \$0.42 per share (\$0.42 per diluted share).

(in thousands of \$, except per share information)

	3-month period ended		Variance
	February 28, 2018	February 28, 2017	
Revenues	63,715	64,016	(0%)
Operating expenses	43,803	47,680	(8%)
EBITDA	19,912	16,336	22%
Amortization and depreciation charges	5,598	6,540	(14%)
Interest on long-term debt	2,447	2,701	(9%)
Foreign exchange gains (loss)	(40)	(5,365)	99%
Other income and charges, including interest	58	386	(85%)
Income before taxes	11,885	2,116	462%
Net income attributable to shareholders	45,332	2,015	2150%
Normalized net income attributable to shareholders	9,062	2,015	350%
Basic and diluted EPS	2.12	0.09	
Normalized EPS	0.42	0.09	

Note: These are financial highlights only. Management's Discussion and Analysis, the condensed interim consolidated financial statements and notes thereto for the three-month period ended February 28, 2018 are available on the SEDAR website at www.sedar.com and on the Company's website at www.mtygroup.com.

Certain information in this News Release may constitute "forward-looking" information that involves known and unknown risks, uncertainties, future expectations and other factors which may cause the actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this News Release, this information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" and other terminology. This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this News Release. Except as required by law, we assume no obligation to update or revise forward-looking information to reflect new events or circumstances. Additional information is available in the Company's Management Discussion and Analysis, which can be found on SEDAR at www.sedar.com.

On Behalf of the Board of Directors of
MTY Food Group Inc.

Stanley Ma, Chairman, President & CEO

For more information please contact Eric Lefebvre, Chief Financial Officer at 1-514-336-8885 or by email at ir@mtygroup.com, or visit our website: www.mtygroup.com or SEDAR's website at www.sedar.com under the Company's name.