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PRESS RELEASE
FOR IMMEDIATE RELEASE

MTY REPORTS 2018 FOURTH QUARTER AND ANNUAL RESULTS

- **A network of 5,984 locations in 2018, up 9.4% from 2017, mainly as a result of acquisitions**
- **System sales of $707.4 million in Q4-18, up 30% from Q4-17; system sales of $2.8 billion in 2018, up 20.9% from 2017**
- **EBITDA for Q4-18 increased 20.3% to reach $32.7 million**
- **Announced on January 21, 2019 an increase of the quarterly dividend of 10% to $0.165**
- **Net income attributable to shareholders for Q4-18 decreased 33%, to $12.9 million; the decline is attributable to compounding non-recurring items in 2017 and 2018. For 2018, net income attributable to shareholders doubled to $98.6 million**
- **Signed an agreement to acquire the assets of South St. Burger on December 11, 2018**
- **Acquired substantially most of the assets of Casa Grecque on December 11, 2018**
- **Acquired substantially all of the assets of the sweetFrog Premium Frozen Yogurt franchise system on September 25, 2018.**

Montreal, February 15, 2019 - MTY Food Group Inc. ("MTY" or the "Company") (TSX: MTY), franchisor and operator of multiple concepts of restaurants, reported today its results for the fourth quarter and year ended November 30, 2018.

"Despite unusual weather conditions in the US that impacted our sales adversely throughout the fourth quarter we are proud to report that our EBITDA improved by 20.3% during the period. Our growth was mainly driven by the acquisitions realized during the year, and was partially offset by two non-recurring items that impacted the fourth quarter of 2017 favorably. The cash flows produced by our operations in the fourth quarter have continued their strong growth, reaching $30.2 million, an increase of 26% over the fourth quarter of 2017. We also increased our dividend by 10% in January, showing our confidence in our future cash-flow generation capabilities," said Eric Lefebvre, Chief Executive Officer of MTY.

"For fiscal 2019, we expect ongoing competition and increased volatility in earnings, driven by unpredictable weather conditions and the variations in the price of commodities and currencies. Looking forward, we will continue to focus on our strategy to maximize shareholder value by integrating recent acquisitions, adding new locations of our existing brands and seeking potential acquisitions to increase market share."

Financial Highlights **(in thousands of $, except per share information and margin)**	**Q4-18**	**Q4-17**	**2018**	**2017**
System Sales	707,400	544,200	2,782,500	2,301,800
Revenues	108,523	69,733	353,303	276,083
EBITDA(1)	32,747	27,219	127,743	93,726
EBITDA margin (%)(1)	30.2%	39.0%	36.2%	33.9%
Net income attributable to shareholders	12,933	19,424	98,580	49,507
Cash flows from operations	30,197	23,926	97,630	93,531
EPS basic	0.34	0.91	4.07	2.32
EPS diluted	0.34	0.91	4.06	2.32

(1) This is a non-IFRS measure. Please refer to the "Non-IFRS Measures" section at the end of this press release.

FOURTH QUARTER RESULTS

Network:

- At the end of the period, MTY's network had 5,984 locations in operation, of which 65 were corporate and 5,919 were franchised. The geographical split of MTY's locations remained steady with 47% in the United States, 44% in Canada and 9% abroad.
- System sales were up 30% compared to 2017, reaching $707.4 million. The growth is primarily attributable to recent acquisitions.
- Same store sales were down 1.3% compared to the same period last year. Canadian sales were up marginally, making this the fifth consecutive quarter of positive growth. Most territories showed positive results, with the exception of Saskatchewan which remains under significant pressure following the introduction of the meal tax in the second quarter of 2017. Sales in the United States declined by 1.9%, primarily explained by the markets in California, Arizona, Maryland and Oregon. California was negatively impacted by the extreme weather, including major forest fires which disrupted operations for a large part of the state.
- Same store sales for Imvescor restaurants, which are not included in the consolidated same store sales, have grown by 1.9% in the fourth quarter, led by Ben & Florentine, Mikes and Scores.

MTY Results:

- The Company's revenue increased 56%, from $69.7 million to $108.5 million, mainly driven by the acquisitions of Imvescor Restaurant Group and The Counter Custom Burger.
- Cost of sales and other operating expenses increased 79%, from $42.5 million to $75.8 million, mainly driven by acquisitions and an increase in wages. As a percentage of sales, cost of sales and other operating expenses increased from 61.0% to 69.9%.
- EBITDA increased 20% to $32.7 million, or 30% of sales, as compared to $27.2 million, or 39% of sales for the same period last year.
- Net income attributable to shareholders decreased by 33%, to $12.9 million, or $0.34 per share, when compared to $19.4 million, or $0.91 per share, for the same period last year. This variation is due to an impairment charge increase of $3.0 million pre-tax ($2.3 million after tax) compared to the same period last year, a $3.4 million pre-tax ($2.6 million after tax) 2017 gift card revenue catch-up adjustment as well as a $1.9 million pre-tax ($1.4 million after tax) one-time 2017 contract termination settlement offset by the increase in EBITDA from the 2018 acquisitions

2018 RESULTS

Network:

- System sales were up 21% compared to 2017, reaching $2,782.5 million. The growth is primarily attributable to recent acquisitions.
- Same store sales were slightly negative compared to the same period last year. Canadian sales grew by 1.0%, while sales in the United States declined by 0.9%, primarily as a result of the California market.
- Same store sales for Imvescor restaurants, which are not included in the consolidated same store sales, have grown by 2.1% in 2018.

MTY Results:

- The Company's revenue increased 28%, from $276.1 million to $353.3 million, mainly driven by the acquisitions of Imvescor Restaurant Group and The Counter Custom Burger.
- Cost of sales and other operating expenses increased 24%, from $182.4 million to $225.6 million, mainly driven by acquisitions. As a percentage of sales, cost of sales and other operating expenses decreased from 66.1% to 63.8%, reflecting operational leverage.
- EBITDA increased 36% to $127.7 million, or 36% of sales, as compared to $93.7 million, or 34% of sales for the same period last year. The Imvescor Restaurant Group acquisition contributed $20.1 million to EBITDA.
- Net income attributable to shareholders doubled from $49.5 million to $98.6 million, while earnings per share increased by $1.75 per share to reach $4.07 per share, for the same period last year, mainly explained by higher EBITDA and an adjustment to deferred income taxes arising from the change in prospective tax rates in the United States. This was partially compensated by an impairment charge increase of $4.5 million pre-tax ($3.3 million after tax).

LIQUIDITY AND CAPITAL RESOURCES

- In 2018, cash flows generated by operating activities were $97.6 million, compared to $93.5 million for the same period in 2017. Excluding the variation in non-cash working capital items, income taxes and interest paid, operations generated $129.0 million in cash flows in 2018, compared to $96.6 million in 2017.
- As at November 30, 2018, the Company had $32.3 million of cash on hand, and a long-term debt of $275.6 million in the form of holdbacks on acquisition and bank facilities.

ACQUISITION

- On September 25, 2018, the Company announced that it had completed the acquisition of substantially all of the assets of sweetFrog Premium Frozen Yogurt for US$32.1 million. Of this total, US$28.9 million was paid on closing.

SUBSEQUENT EVENTS

- On December 11, 2018, the Company completed its acquisition of substantially most of the assets of Casa Grecque for a total consideration of $22.4 million, of which $20.8 million was financed from MTY's cash on hand and existing credit facilities, while $0.3 million in net liabilities was assumed and $1.3 million was held back. As at February 14, 2019, a preliminary purchase price allocation has not yet been completed.
- On December 11, 2018, the Company announced that one of its wholly owned subsidiaries had signed an agreement to acquire the assets of South St. Burger, a chain of gourmet burger restaurants. The acquisition is expected to be completed within 90 days of the announcement.
- On January 21, 2019, the Company approved an increase of its quarterly dividend of 10% to $0.165 per common share to be paid out February 15, 2019.

CONFERENCE CALL

MTY Group will hold a conference call to discuss these results on February 15, 2019, at 8:30 AM Eastern Time. Interested parties can join the call by dialing 1-647-788-4922 (Toronto or overseas) or 1-877-223-4471 (elsewhere in North America). Parties unable to call in at this time may access a recording by calling 1-800-585-8367 and entering the passcode 7095219. This recording will be available on Friday, February 15, 2019 as of 1:30 PM Eastern Time until 11:59 PM Eastern Time on Friday, February 22, 2019.

ABOUT MTY FOOD GROUP INC.

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 approximately 5,900 locations, the many flavours of the MTY Group have the key to responding to the different tastes and needs of consumers today and tomorrow.

NON-IFRS FINANCIAL MEASURES

EBITDA (earnings before interest, taxes, depreciation and amortization), same-store sales growth, system sales, operating cash flow before variation in non-cash working capital items, income taxes and interest paid are widely accepted financial indicators but are not a measurement determined in accordance with International Financial Reporting Standards ("IFRS") and may not be comparable to those presented by other companies. The Company uses these measures to evaluate the performance of the business as they reflect its ongoing operations. Refer to the section "Compliance with International Financial Reporting Standards" in the Company's MD&A.

FORWARD-LOOKING STATEMENTS

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.

Note to readers: Management's Discussion and Analysis, the consolidated financial statements and notes thereto for the fourth quarter and year ended November 30, 2018 are available on the SEDAR website at www.sedar.com and on the Company's website at www.mtygroup.com.