

**MTY GROUP (TSX: MTY)** 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 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.



## FIRST QUARTER HIGHLIGHTS

- EBITDA of \$41.0 million, up 45% compared to Q1-19
- Favorable impact from IFRS16 of \$2.5 million compared to Q1-19
- Free cash flows of \$30.7 million, up 23% compared to Q1-19
- Net income attributable to shareholders increased 29% to \$19.0 million or \$0.76 per share
- Consolidated same store sales growth of +2.1%; Canada, USA and International were respectively +1.6%, +4.3% and -5.7%
- System sales of \$999.5 million, up 45% compared to Q1-19
- Repurchased and cancelled 181,044 shares for a total consideration of \$9.7 million in Q1-20
- Cash on hand of \$56.8 million at February 29, 2020
- Announced measures to minimize the impact of COVID-19 on its franchisees, adjustments to its operations to preserve liquidities and temporary suspension of dividend

## MTY

Toronto Stock Exchange Symbol

**\$23.19**

Price as at May 1, 2020

**High: \$66.89      Low: \$16.58**

(52 weeks ended May 1, 2020)

**24,706,461**

Number of Shares Outstanding  
(April 30, 2020)

## A WORD FROM MANAGEMENT

We entered 2020 with a solid first quarter, building on the momentum of the previous year and delivering on a number of key metrics. MTY generated positive organic growth both on EBITDA and system sales, fueled by same store sales growth of 2.1%. Excluding the impact of IFRS 16, adjusted organic EBITDA growth stood at 6%, in the upper range of our objective. Recent acquisitions performed as expected, contributing heavily to the 45% growth in EBITDA, which reached \$41.0 million for the quarter.

While the impact of the COVID-19 pandemic had minimal impact on our first quarter results, we expect at least the next two quarters to be negatively impacted. In March, we took proactive steps to ensure the well-being and safety of our employees, franchisees and customers and the continuity of our operations and businesses. We implemented temporary cost and cash spending reduction measures and are working closely with our various stakeholders to limit the impact on the Company's liquidity. We ended the first quarter in a strong financial position with \$56.8 million in cash and over \$160 million available on our credit facilities. With the visibility we have as of today, we expect to burn approximately \$10 million in cash in the second quarter as our cost reduction measures took some time to bear fruit and we hope to be near cash flows neutral in the third quarter.

In the near-term, our primary focus is to re-open the temporarily closed restaurants by rebuilding customer confidence through the implementation of proper safety measures and adjusting the way we serve customers. Our strategy for the long term remains intact as we believe our strong brands will be able to regain the positive momentum we saw in the first quarter.

Eric Lefebvre  
Chief Executive Officer  
May 1, 2020

## FINANCIAL HIGHLIGHTS

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

	Quarters ended Feb. 29, (unaudited)	
	2020	2019
System sales <sup>(1)</sup>	999,500	687,800
Revenues	150,780	107,297
EBITDA <sup>(1)</sup>	41,037	28,376
EBITDA margin % <sup>(1)</sup>	27.2%	26.4%
Income before taxes	24,140	19,186
Net income attributable to shareholders	19,008	14,748
Cash flows from operations	30,980	26,757
Cash flows from operations per diluted share <sup>(1)</sup>	1.24	1.06
Free cash flows <sup>(1)</sup>	30,738	24,914
EPS basic	0.76	0.59
EPS diluted	0.76	0.58

<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.

## RECENT EVENTS

- April 6, 2020, MTY provided an update on the impact of COVID-19 on its operations
- March 16, 2020, MTY announced measures to support its franchisees

## 5-YEAR FINANCIAL REVIEW

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

	Trail. 12 months <sup>(2)</sup>	2019 <sup>(2)</sup>	2018 <sup>(2)</sup>	2017 <sup>(2)(3)</sup>	2016 <sup>(2)(3)</sup>
System Sales <sup>(1)</sup>	3,931,500	3,619,800	2,782,500	2,302,000	1,480,000
Revenues	594,425	550,942	412,346	276,083	191,275
EBITDA <sup>(1)</sup>	160,056	147,395	124,851	93,726	65,841
EBITDA margin % <sup>(1)</sup>	26.9%	26.8%	30.3%	33.9%	34.4%
Net income	82,007	77,736	96,187	49,854	54,867
EPS diluted	3.26	3.08	3.95	2.32	2.73
Number of locations	7,300	7,373	5,984	5,469	5,681

<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 16.

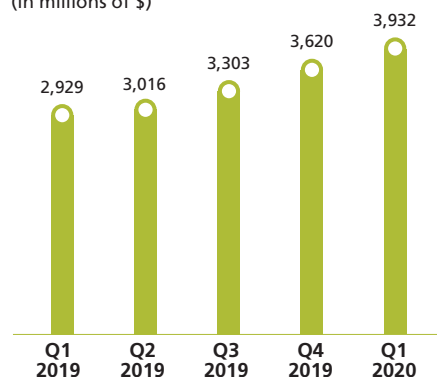
<sup>(3)</sup> Figures have not been restated for IFRS 15.

## 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 (together "Tortoise Group")	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

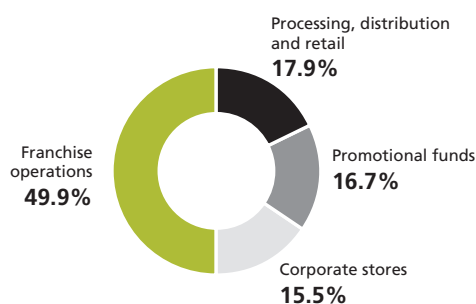
## SYSTEM SALES TRAILING 12 MONTHS

(in millions of \$)

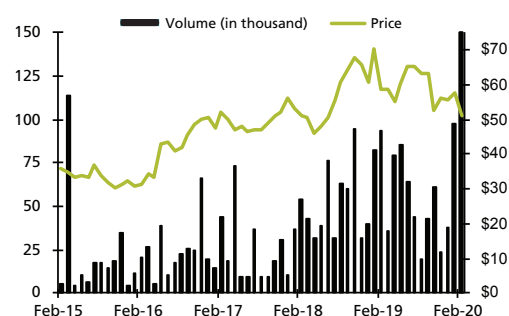


## PRODUCT CATEGORIES

(in % of Q1 Revenue, excluding interco)



## STOCK PERFORMANCE



**MTY FOOD GROUP INC.**  
 8210 Transcanada Road  
 Saint-Laurent, Québec, H4S 1M5  
 Toll Free: 1 (866) 891-6633  
 Phone: 514-336-8885  
 info@mtygroup.com

**INVESTOR RELATIONS**  
 Eric Lefebvre  
 Chief Executive Officer  
 Tel.: 514-336-8885 ext. 8288  
 Email: eric@mtygroup.com

**ANALYST COVERAGE**  
 Nick Corcoran ..... Acumen  
 Derek Lessard ..... TD Securities  
 George Doumet ..... Scotia Capital  
 Vishal Shreedhar ..... National Bank Financial  
 Sabahat Khan ..... RBC Dominion Securities  
 Michael Glenn ..... Raymond James