

**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 7,123 locations, the many flavours of the MTY Group have the key to responding to the different tastes and needs of consumers today and tomorrow.



### THIRD QUARTER HIGHLIGHTS

- Adjusted EBITDA<sup>(1)</sup> of \$43.4 million in the quarter, up 4% compared to Q3-19
- Management initiatives resulting in a reduction of recurring controllable expenses of \$10.0 million for Q3
- Cash flows from operating activities of \$38.6 million despite dramatic impact of COVID-19
- Net income attributable to shareholders of \$22.9 million in the quarter, or \$0.93 per share
- Repayment of long-term debt of \$38.0 million during Q3
- System sales<sup>(1)</sup> of \$897.5 million, down 17% compared to Q3-19
- 52,900 business days were lost during the quarter. 1,470 restaurants were temporarily closed at the beginning of the quarter with 364 still temporarily closed at quarter end. 339 remain temporarily closed as at the date of this press release, which represents less than 5% of the network

### MTY

Toronto Stock Exchange Symbol

**\$43.20**

Price as at October 9, 2020

**High: \$63.89      Low: \$16.58**

(52 weeks ended October 9, 2020)

**24,706,461**

Number of Shares Outstanding  
(October 8, 2020)

### A WORD FROM MANAGEMENT

We are extremely pleased with our third quarter results given the current context. While our system sales were down 17% year-over-year due to the pandemic, our adjusted EBITDA, net income attributable to shareholders, cash flows from operations and free cash flows all surpassed last year. This improvement was driven by several factors including the strong performance of several brands including our two largest, Cold Stone Creamery and Papa Murphy's, a reduction of recurring controllable expenses as well as tight cash management. As announced in our last conference call, we used the cash generated by our operations to pay down debt, resulting in a repayment of \$38.0 million during the quarter. As at the end of the quarter, we were in a solid financial position with \$43.8 million of cash on hand and over \$230 million available on our credit facilities, and our leverage ratios remain well within the prescribed limit.

We began the third quarter with 1,470 temporary closed locations and ended the quarter with 364 as our franchisees continued to fight to save their businesses. For the next quarter, we will continue to monitor the impacts of the pandemic, adjust our operations to these volatile market conditions, help our franchisees access government programs that are available to them and aggressively manage our expense levels and liquidity. Our primary focus is to re-open restaurants, help our franchisees succeed to the best of our ability and provide customers with a safe and friendly environment while optimizing the profitability of our restaurants in these challenging times.

Eric Lefebvre  
Chief Executive Officer  
October 9, 2020

### FINANCIAL HIGHLIGHTS

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

	Quarters ended Aug. 31, (unaudited)		Nine-month periods ended Aug. 31, (unaudited)	
	2020	2019	2020	2019
Revenues	135,366	161,290	383,954	394,158
Adjusted EBITDA <sup>(1)</sup>	43,388	41,847	102,638	104,368
Income (loss) before taxes	29,328	28,754	(64,831)	72,495
Net income (loss) attributable to shareholders	22,932	22,902	(57,186)	56,987
Cash flows from operations	38,624	27,220	88,811	75,054
Cash flows from operations per diluted share <sup>(1)</sup>	1.56	1.08	3.59	2.98
Free cash flows <sup>(1)</sup>	37,078	26,680	96,742	73,361
EPS basic	0.93	0.91	(2.31)	2.26
EPS diluted	0.93	0.91	(2.31)	2.26
System Sales <sup>(1)</sup>	897,500	1,076,200	2,567,700	2,596,300

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

## 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>	3,591,200	3,619,800	2,782,500	2,302,000	1,480,000
Revenues	540,738	550,942	412,346	276,083	191,275
Adjusted EBITDA <sup>(1)</sup>	145,665	147,395	124,851	93,726	65,841
Adjusted EBITDA margin % <sup>(1)</sup>	26.9%	26.8%	30.3%	33.9%	34.4%
Net income	(36,502)	77,736	96,187	49,854	54,867
EPS diluted	(1.49)	3.08	3.95	2.32	2.73
Number of locations	7,123	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.

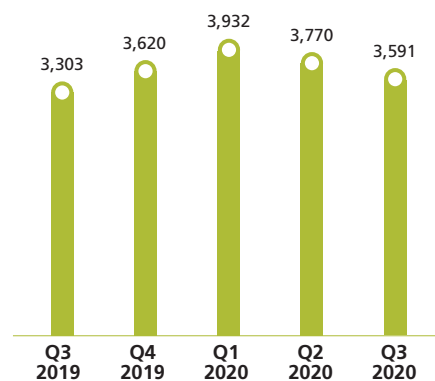
<sup>(3)</sup> Figures have not been restated for IFRS 15.

## 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

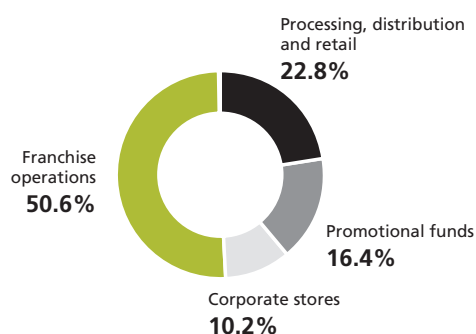
## SYSTEM SALES TRAILING 12 MONTHS

(in millions of \$)

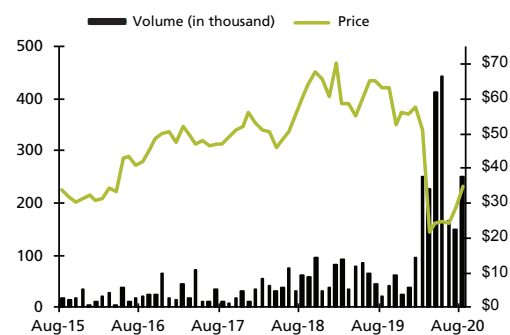


## PRODUCT CATEGORIES

(in % of Q3 Revenue, excluding interco)



## STOCK PERFORMANCE



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