



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 6,949 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.

FIRST QUARTER HIGHLIGHTS

- Free cash flows⁽¹⁾ per diluted share decreased by 1% compared to Q1-20 to reach \$1.23.
- Cash flows from operating activities of \$31.3 million, up by 1% compared to Q1-20, despite duration of COVID-19 pandemic.
- Adjusted EBITDA⁽¹⁾ of \$32.6 million in the quarter, down 20% compared to Q1-20.
- US & International segment adjusted organic EBITDA growth of \$4.7 million.
- Net income attributable to shareholders of \$13.4 million in the quarter, or \$0.54 per share, down from \$19.0 million, or \$0.76 per share, in Q1-20.
- Long-term debt repayments of \$29.1 million for the quarter.
- System sales⁽¹⁾ of \$761.1 million, down 24% compared to Q1-20. System sales down 48% in Canada, 4% in US and 32% Internationally. Excluding impact of foreign exchange, US system sales generated positive organic growth for a second quarter in a row.
- First quarter digital sales⁽¹⁾ represent 31% and 29% of total system sales for Canada and the US, respectively in the quarter compared to 5% and 14% in Q1-20.
- 338 restaurants were temporarily closed at the beginning of the quarter with 321 still temporarily closed at quarter end. 302 remain temporarily closed as at the date of this press release, which represents less than 5% of the network.
- 1,705 locations were closed one or more days during the quarter, representing 57,100 lost business days.
- Management initiatives resulting in a reduction of recurring controllable expenses of \$6.3 million when compared to Q1-20.

MTY

Toronto Stock Exchange Symbol

\$55.60

Price as at April 9, 2021

High: \$57.95 Low: \$18.20

(52 weeks ended April 9, 2021)

24,706,461

Number of Shares Outstanding
(April 8, 2021)

A WORD FROM MANAGEMENT

The first quarter of our 2021 fiscal year was marked by unprecedented restrictions imposed on our business in Quebec and Ontario that lasted for most of the period while our US business benefitted from the gradual lifting of restrictions in the United States. Considering those circumstances, we are pleased with our first quarter results. Our capacity to rapidly adapt is well reflected in the proportion of our network's system sales coming from digital channels, which is sequentially up compared to the quarter ended November 30, 2020. Cash flows from operations remained solid at \$31 million, stable versus last year. With \$29 million in long-term debt repayments during the quarter, our total repayments since the beginning of the pandemic have now reached close to \$130 million, bringing MTY's leverage to a level that is lower than most of its peers in North America.

With evolving COVID-19 government restrictions, our system sales remained under pressure and adjusted EBITDA decreased by 20% to \$32.6 million. For the quarter, MTY's network was impacted by over 57,000 of lost business days, which was almost twice the number reported for the fourth quarter. This quarter again, Cold Stone Creamery and Papa Murphy's were the main drivers of organic growth in system sales reaching a combined \$61 million and fueling an organic growth in adjusted EBITDA for the US & International segment of 23%. The 55% decline in Canadian adjusted EBITDA more than offset that growth. Continuous cost control is in place and resulted in savings of \$6.3 million in recurring controllable expenses.

Over the last twelve months, we focused our capital allocation on paying down our debt and preparing MTY for the moment the pandemic would dissipate. Because of the sacrifices made since the beginning of the pandemic, the Company finds itself in a solid financial position with \$39 million of cash on hand, over \$290 million available on its credit facility and a steady stream of free cash flows. While it is likely the next few months will remain challenging given the constantly changing intensity of government restrictions throughout the territories in which our franchisees operate, we anticipate MTY will be in a position to resume the payment of dividends, the repurchase of shares for cancellation and if attractive targets become available, its acquisition strategy, in the second half of 2021.

Eric Lefebvre
Chief Executive Officer
April 9, 2021

FINANCIAL HIGHLIGHTS

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

Quarters ended February 28,
(unaudited)

	2021	2020
Revenues	118,960	150,780
Adjusted EBITDA ⁽¹⁾	32,637	41,037
Net income attributable to shareholders	13,397	19,008
Cash flows from operations	31,307	30,980
Free cash flows ⁽¹⁾	30,300	30,738
Free cash flows per diluted share ⁽¹⁾	1.23	1.23
EPS basic	0.54	0.76
EPS diluted	0.54	0.76
System Sales ⁽¹⁾	761,100	999,500
Digital sales ⁽¹⁾	215,200	98,400

⁽¹⁾ This is a non-GAAP measure. Please refer to the "Non-GAAP 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	2020	2019 ⁽²⁾	2018 ⁽²⁾	2017 ⁽²⁾⁽³⁾
System Sales ⁽¹⁾	3,220,700	3,459,100	3,619,800	2,782,500	2,302,000
Revenues	479,297	511,117	550,942	412,346	276,083
Adjusted EBITDA ⁽¹⁾	129,419	137,819	147,395	124,851	93,726
Adjusted EBITDA margin % ⁽¹⁾	27.0%	27.0%	26.8%	30.3%	33.9%
Net income (loss)	(42,523)	(36,895)	77,736	96,187	49,854
EPS diluted	(1.73)	(1.50)	3.08	3.95	2.32
Number of locations	6,949	7,001	7,373	5,984	5,469

⁽¹⁾ This is a non-GAAP measure and is not a measurement determined in accordance with International Financial Reporting Standards ("IFRS") and may not be comparable to those presented by other companies. Refer to the "Compliance with International Financial Reporting Standards" section of the Company's Management's Discussion and Analysis.

⁽²⁾ Figures have not been restated for IFRS 16.

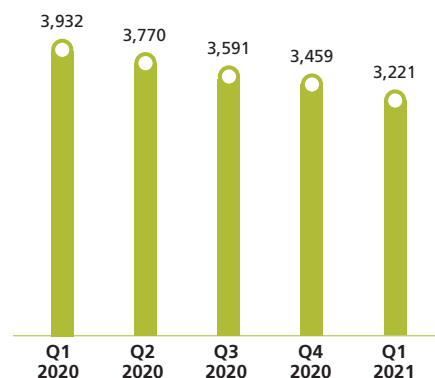
⁽³⁾ Figures have not been restated for IFRS 15.

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

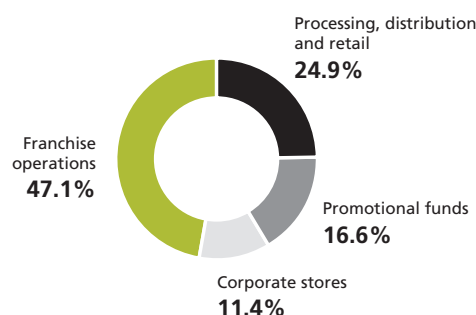
SYSTEM SALES TRAILING 12 MONTHS

(in millions of \$)

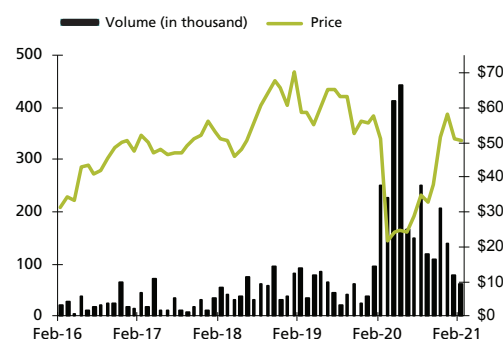


PRODUCT CATEGORIES

(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. 288
 Email: ir@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