



**COLLINS FOODS LIMITED**

ACN 151 420 781 | ABN 13 151 420 781

PO Box 286 Lutwyche QLD 4030  
Level 3, KSD1, 485 Kingsford Smith Drive  
Hamilton QLD 4007 Australia  
T +61 7 3352 0800 | F +61 7 3352 0894

## ASX RELEASE

### GROUP RESULTS HY26, TRADING UPDATE AND OUTLOOK

**Tuesday, 2 December 2025:** Collins Foods Limited (ASX: CKF) (**Collins Foods** or **Company**) today announced its results for the half year ended 12 October 2025 (**HY26**), a period which delivered record revenues, margin expansion and earnings growth.

#### Group HY26 results - operational excellence delivering results

- Revenue up 6.6% to a record \$750.3 million (HY25: \$703.5 million) with growth in Australia and Europe. Performance reflected an enhanced focus on operational execution and new product launches despite persistent cost of living pressures in both Australia and Europe.
- Underlying<sup>1</sup> EBITDA up 11.0% to \$113.9 million (HY25: \$102.7 million) reflecting total and same store sales (**SSS**) growth and productivity gains.
- Underlying<sup>1</sup> EBIT up 20.0% to \$63.0 million (HY25: \$52.5 million) due to higher EBITDA and stable depreciation.
- Underlying<sup>1</sup> NPAT up 29.5% to \$30.8 million (HY25: \$23.7 million) as a result of higher EBIT.
- Statutory NPAT up 12.7% to \$27.2 million (HY25: \$24.1 million) inclusive of \$3.1 million impairment relating to previously impaired restaurants and a \$1.3 million provision top-up for potential wage underpayments.
- Strong after-tax net operating cash flows of \$69.1 million (HY25: \$75.3 million) enabling investment in restaurant networks and technology.
- Successful refinancing of the Group's debt facilities.
- Reduction in net debt to \$138.9 million (HY25: \$158.9 million) and Net Leverage Ratio<sup>2</sup> down to 0.89 (HY25: 1.09) leaving the Group with significant capacity to invest in future growth opportunities.
- Fully franked interim dividend of 13.0 cents per ordinary share (cps) declared (HY25: 11.0 cps fully franked).

Commenting on Collins Foods' HY26 results, Managing Director and CEO, Xavier Simonet, said:

"In HY26, we executed on our operational priorities by driving profitable same store sales growth and network expansion in Australia and Europe. Our teams delivered strong performance against key priorities in an environment where consumers are still grappling with cost of living challenges. The KFC brand strengthened, underpinned by improvements in brand health, compelling marketing campaigns, product innovation, and investments in everyday value initiatives.

"Our business again generated very strong cash flows, which, combined with disciplined capital deployment, ensures we remain in a very strong financial position with the flexibility and capacity to invest in future growth. This was supported by the successful refinancing of Group debt facilities in September."

#### KFC Australia

- Revenue up 5.0% to \$563.8 million (HY25: \$536.8 million).
- SSS growth<sup>3</sup> of +2.3% (HY25: (0.1)%).
- Underlying EBITDA up 9.4% to \$111.8 million (HY25: \$102.2 million) at a margin of 19.8% (HY25: 19.0%).
- Underlying EBIT up 11.6% to \$75.5 million (HY25: \$67.6 million) at a margin of 13.4% (HY25: 12.6%).

<sup>1</sup> Underlying results excludes impairments, wage compliance provision, Taco Bell closure costs and fair value gain on debt modification.

<sup>2</sup> Net Leverage Ratio stated on pre AASB 16 basis consistent with measurement criteria in Syndicated Facility Agreement.

<sup>3</sup> SSS is Same Store Sales.

KFC Australia revenue increased 5.0% over the prior corresponding period to a record \$563.8 million, benefitting from new restaurants, an enhanced focus on operational excellence, strong digital growth, and product innovation. SSS growth, lower commodity costs and productivity gains assisted an underlying EBITDA increase of 9.4% over the prior corresponding period to \$111.8 million, with margins up 80 basis points. Underlying EBIT of \$75.5 million was up 11.6% on the prior year, reflecting higher EBITDA and stable depreciation compared to HY25.

Digital<sup>4</sup> channels accounted for 41.7% of sales in HY26, up from 33.7% for the same period last year, driven by kiosk investment and growth in delivery. The KFC brand continued to modernise, leveraging core product innovations including Habanero, Zinger Kebab and Sweet Tokyo, all of which attracted new users and lifted already strong brand health metrics<sup>5</sup>.

Collins Foods invested further in its restaurant network during 2025, opening eight new restaurants lifting the current footprint to 292 nationally, with one more restaurant anticipated to open before the end of the year. On track to deliver 37 remodels in 2025, inclusive of four supercharged remodels, unlocking operational capacity and improving customer experience. Development of profitable restaurants will continue, along with investment in digital channels. Kiosks have been rolled out to all but 87 restaurants as at end HY26, with the company planning to complete the rollout of kiosks to these remaining restaurants within 12 months.

In relation to Collins Foods' KFC Australia's HY26 performance, Mr Simonet commented:

"Laser focused on driving operational execution, our KFC Australia team delivered another solid performance, building momentum in the first half of the financial year with higher same store sales and total revenues up 5.0% over the prior corresponding period. KFC leads its QSR peers on key brand metrics, achieving the highest level of consideration amongst them - and now at a four-year high. Brand health was supported by modern campaigns, menu innovation, and initiatives to deliver everyday-value, underscoring the effectiveness of KFC's long-term brand and customer strategies."

## KFC Europe

- Revenue up 14.6% to \$162.9 million (HY25: \$142.1 million).
- SSS growth of +1.4% (HY25: (3.8)%).
- Underlying EBITDA up 19.6% to \$20.4 million (HY25: \$17.1 million) at a margin of 12.6% (HY25: 12.0%).
- Underlying EBIT up 142.3% to \$6.9 million (HY25: \$2.8 million) at a margin of 4.2% (HY25: 2.0%).

KFC Europe revenue of \$162.9 million was up 14.6% (5.3% in constant currency<sup>6</sup>) on the prior corresponding period.

Revenues in the Netherlands were up 4.4% (constant currency<sup>6</sup>) in what remains a challenging market for the whole QSR sector, driven by continued cost of living pressures. Despite tough conditions, the team focused on execution, built capability, invested in digital channels and delivered menu innovation. Sales in Germany were up 8.3% (constant currency<sup>6</sup>) reflecting improved brand and in-restaurant execution.

SSS were also positive marking a reversal of trends from HY25. Netherlands SSS was +0.4% (HY25: (3.3)%) and Germany SSS +4.8% (HY25: (5.5)%).

Underlying EBITDA was up 19.6% to \$20.4 million reflecting the return to SSS growth, productivity improvements and favourable fixed cost leverage, offset by the continued impact of avian flu on poultry prices in Europe and labour inflation. Higher EBITDA and lower depreciation benefited underlying EBIT, up 142.3% over the prior year to \$6.9 million.

Digital channels performed well, representing 66.9% of sales in Netherlands and 72.7% in Germany, benefitting from further investment in kiosks and growth in the delivery channel. Improved brand accessibility and customer experience supported market share gains in the Netherlands. Brand awareness increased to 72.0%<sup>7</sup> while QSR market share rose 0.3% over the same period last year<sup>8</sup>. The Netherlands delivered improved customer review scores compared to a year ago reflecting the positive impacts of the team's focus on improving customer experience.

Taste and innovation were key drivers of improved brand metrics with KFC continuing to lead the market on best tasting chicken<sup>9</sup>. New products such as Kipsalon and Lava Sauce delivered innovation and value with local insights used to drive relevant innovation.

Collins Foods ended HY26 with a European footprint of 79 restaurants. Portfolio optimisation in the Netherlands has commenced with new developments scheduled to replace underperforming restaurants. Two new restaurants were opened and one closed in the second half with one further closure planned in the near future. In Germany, the priority is executing profitable development opportunities with several new openings planned for 2026.

<sup>4</sup> Digital channels comprised of delivery, web, app, kiosk, and click and collect.

<sup>5</sup> Data Source - YouGov Q3 2025. Brand Index is a derived metric reflecting avg score on Quality, Value, Reputation, Satisfaction, Recommend & Impression.

<sup>6</sup> Removing impact of foreign exchange translation differences.

<sup>7</sup> Data Source - YouGov Unaided Awareness September 2025.

<sup>8</sup> Data Source - Euromonitor Market Share data as at 12 October 2025.

<sup>9</sup> Data Source - YouGov Taste (incl. best tasting chicken) July 2025.

On performance, Mr Simonet, said:

"Despite continuing challenging economic conditions in Europe, new products and impactful brand campaigns continue to positively influence KFC's position as a modern and distinctive brand. Improved perceptions around taste, quality and value are also contributing to market share gains in the Netherlands.

"We continue to focus on operational performance to drive sales, productivity and profitability. We have also started the portfolio optimisation process, with two new restaurants opened since half year end. We have closed one underperforming restaurant in November, with one to follow in the near future.

"In Germany, we are executing on our second growth pillar. We have created a healthy pipeline, with several sites approved for development and we are investing in people capability to support further development, construction and operations. In 2026, we plan to open several new restaurants, and beyond those, we are focused on opportunities in two large German states with significant potential - North Rhine Westphalia and Baden-Württemberg, where a single KFC restaurant currently services 391,000 and 407,000 people respectively (as compared to 34,000 in Australia). We remain open to bolt-on acquisitions which would allow us to accelerate penetration. We look forward to leveraging our expertise to scale this strategic, attractive market."

## **Taco Bell**

- Revenue down 3.9% to \$23.6 million (HY25: \$24.6 million).
- Underlying EBITDA of \$(0.5) million (HY25: \$(0.9) million) at a margin of (1.9)% (HY25: (3.7)%).
- Underlying EBIT of \$(0.5) million (HY25: \$(1.1) million) at a margin of (2.1)% (HY25: (4.3)%).

Taco Bell delivered revenue of \$23.6 million, slightly lower than HY25. Digital channels accounted for approximately a third of all sales, up compared to the same period last year. EBITDA at a restaurant level was \$0.8 million, reflecting strong cost control.

Discussions with Taco Bell International to transition the business to new ownership are ongoing.

## **Cash flow and dividends**

Collins Foods remained highly cash generative in HY26 with operating cash flow of \$69.1 million.

Investing cash outflows of \$26.9 million, inclusive of \$23.0 million capex, reflected network and digital investment. This included \$7.3 million on remodels and \$5.1 million for new restaurants.

Financing cash outflows of \$59.9 million included \$17.9 million in debt repayments (HY25: nil) and \$27.1 million in lease principal payments.

Taking into consideration Collins Foods' HY26 performance and strong balance sheet, the Board declared a fully franked interim dividend of 13.0 cents per ordinary share (HY25: 11.0 cps fully franked). The interim dividend will have a record date of 8 December 2025 and payment date of 5 January 2026.

## **Remediation of unpaid entitlements**

Collins Foods remains committed to meeting its obligations under the Fair Work Act and ensuring that team members are paid correctly.

As part of the Group's wage remediation program, communication to impacted team members began on 12 November 2025 and payments commenced on 18 November 2025. The Company will continue to work diligently to ensure impacted team members receive their unpaid entitlements.

As at 12 October 2025, the wage remediation provision was increased to \$10.5 million (FY25: \$8.1 million) to recognise potential additional amounts that may have been unpaid during the review period. The provision includes amounts for salaried employee entitlements to be calculated based on pay period set off rather than based on an annual set off.

Collins Foods continues to constructively engage with the Fair Work Ombudsman.

## **Trading update and outlook**

Sales growth in the first seven weeks of H2 FY26 continued positively with KFC total sales up 5.3% in Australia, 5.6% in the Netherlands and 7.8% in Germany. SSS growth for the same period was 3.6% in Australia, (0.5)% in the Netherlands and 2.3% in Germany.

Collins Foods remains focused on operational execution to support performance in all markets.

For KFC Australia, the Company expects a return to normal levels of commodity inflation in 2026 following a period of deflation. In Europe, pressure on poultry costs, due to avian flu, is expected to ease in H2 FY26.

Following the HY26 results and trading in the first seven weeks of H2 FY26, Collins Foods is targeting year-on-year group underlying NPAT (post AASB16) growth in the mid to high-teens (percentage basis), up from the previous expectation of low to mid-teens (percentage basis) growth.

Commenting, Mr Simonet said:

"Our HY26 performance was encouraging. In H2 FY26, we will again be laser focused on driving operational performance, sales and margins.

"We are investing in growth, through network expansion and brand modernisation in Australia, elevating the customer experience to support brand health, which is key to lifting sales. In Europe, we will balance near-term optimisation in the Netherlands with creating long-term opportunity in Germany, through profitable network development. We are excited about the potential of this key strategic opportunity and have made progress on execution.

"Finally, the cash-generative nature of our business and our strong balance sheet provide us with plenty of capacity to fund organic and inorganic future growth opportunities."

### **Investor conference call today**

A briefing for investors and analysts will be held at 12.00pm AEDT / 11.00am AEST today. Participants can register for the briefing session via: <https://sl.c-conf.com/diamondpass/10051710-hg6t5r.html>.

Please select either the "Teleconference" tab for audio participation only or "Webcast" to also view the slide presentation.

Please note that registered participants will receive a calendar invite once registration is complete. Registered participants for the Teleconference will also receive their dial in number upon registration.

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Authorised for release by the Board of Directors

For further information, please contact:

#### **Investors**

Andreas Lundberg    Steve Loxton  
Fortitude IR        Fortitude IR  
M: +61 457 650 482    M: +61 412 595 133  
[andreas.lundberg@fortitudeir.com.au](mailto:andreas.lundberg@fortitudeir.com.au)    [steve.loxton@fortitudeir.com.au](mailto:steve.loxton@fortitudeir.com.au)

#### **Media**

Max Hewett  
Patterson Advisory  
M: +61 432 332 215  
[mhewett@pattersonadvisory.com](mailto:mhewett@pattersonadvisory.com)