

## Another “Slow Year” for “Fast Food”

<b>Company/ASX CKF</b>	Collins Foods Limited (CKF)
<b>AGM time and date</b>	09:30 AM (QLD time) Tuesday, 2 September
<b>Location</b>	Allens, Level 26, 480 Queen Street, Brisbane QLD 4000, and online
<b>Registry</b>	Computershare
<b>Type of meeting</b>	Hybrid <a href="https://meetnow.global/M2HN74Y">https://meetnow.global/M2HN74Y</a>
<b>Monitor</b>	Peter Cory assisted by Steven Mabb
<b>Pre-AGM Meeting</b>	Yes, with Chairman, Robert Kaye, Directors Nicki Anderson & Mark Hawthorne & Group Chief Legal and Risk Officer and Company Secretary Tracey Wood.

Monitor Shareholding: The individual(s) (or their associates) involved in the preparation of this voting intention do not have a shareholding in this company.

### 1. How we intend to vote

No.	Resolution description	
1	Financial & Other Reports	No Vote
2	Re-election of Director – Mark Hawthorne	For
3	Re-election of Director – Kevin Perkins	For
4	Adoption of Remuneration Report	For
5	Approve Grant of Performance Rights for Xavier Simonet	For
6	Ratification of Previous Issues of Shares Under the Ownership Share Plan	For

### 2. Summary of issues and voting intentions for AGM/EGM

- We would like to see a more detailed Board Skills Matrix to assist with Director elections
- Changes have been made to the Remuneration structure. In accordance with the existing remuneration plan, there was no payment of short or most of the long-term incentive plan for FY25 due to the hurdles not being met (more detail in the remuneration resolution below). We will ask the company about both business performance and management remuneration going forward.
- A decision has been made for Collins Foods to exit its Taco Bell business. Options are being investigated, and it is hoped that more clarity will be provided at the AGM.

### 3. Matters Considered

#### Accounts and reports - No vote required

Group revenue reached a record \$1,519.5 million in FY25 with underlying EBITDA relatively stable at \$228.5 million despite the dual impacts of cost inflation and weaker consumer sentiment. However, UPAT at \$51.1 million, and EPS at 43.4 cents were down 14.8 and 15.7%, respectively, despite performance strengthening in the second half.

#### 2025 Financial Year

While overall revenue increased 1.51%, decreases in EBITDA (0.56%), UPAT (-14.83%) and EPS (-15.7%) were experienced. Total assets increased 4.5% and Net Debt decreased by 16.68% when compared to FY24.

#### 2025 Operational

- **KFC Australia**
  - FY25 total sales up 3.0%
  - Leading brand index scores (2) amongst QSR peers driven by modernity, innovation, taste, and value
  - Current network 288 restaurants, with 10 new openings FY25 and 40 remodels completed, including 8 supercharged
- **KFC Europe**
  - FY25 total sales slightly lower 0.4%;
  - Current network 78 restaurants, with 4 new openings FY25, one closure, and 13 remodels

YUM and Collins Foods have entered into a binding agreement to accelerate strategic growth in Germany. With a market of over 80 million consumers, and currently with ~207 KFC restaurants, the KFC brand is underpenetrated, presenting a significant opportunity for growth.

- **Taco Bell**
  - FY25 sales down 2.5%
  - Restaurant count unchanged at 27

Collins Foods has decided to exit its Taco Bell business. Discussions are currently underway with Taco Bell International (TBI) regarding a potential transition of the business to new ownership.

Collins Foods intends to complete the transition by March 2026, subject to formal terms being agreed.

## Financial performance

(As at FYE)	2025	2024	2023	2022	2021
NPAT (\$m)	8.8	76.7	12.75	54.8	32.9
UPAT (\$m)	51.1	60.0	51.9	59.7	56.9
Share price (\$)	8.24	9.85	8.69	10.34	11.47
Dividend (cents)	26.00	28.00	27.00	27.00	23.00
Simple TSR (%)	-13.71%	16.57%	-13.35%	-7.50%	67.14%
EPS (cents)	43.40	51.5	45.54	46.8	48.58
CEO total remuneration, actual (\$m) (10 months in FY25)	0.641	1.408	0.84	1.68	1.47

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking, by the share price at the start of the year.

## Key Board or senior management changes

While directors' have a short overview listed in their reports, there is no detailed Skills Matrix available, making intelligent voting more difficult.

The Board only has two female Directors on a Board of seven (29%), which is now below ASA preferred 40%.

There have been several executive changes throughout the year, which resulted in termination payments of \$1.8 million for:

- **Drew O'Malley** - Former Managing Director & CEO
- **Hans Miete** - Former CEO – CF Europe
- **Helen Moore** -Former COO – KFC Australia

## **Sustainability/ESG**

CKF report the following Sustainability/ESG metrics

- ↓ 21% reduction in our relative per-restaurant emissions since 2019
- ↑ 196 restaurants with solar panels (+13 in FY25)
- ↑ 23% waste diverted from landfill
- ↓ 37% reduction in single-use plastic in Europe
- 10,432 trees planted
- Employed 21,688 people with 91 different nationalities
- 43% female leaders

## **Auditors**

A tender process for appointment of auditors has been completed, and an announcement will be made at the AGM. PWC having been auditors for 10 years

### **3. RATIONALE FOR VOTING INTENTIONS**

#### **Resolution 2: Re-election of Mark Hawthorne**

Independent Non-executive Director Mark Hawthorne was initially appointed to the board on the 23 December 2021 and is a member of the Audit and Risk Committee and the People, Culture and Nominations Committee. ASA will support Mark Hawthorne's re-election this year; however, we hope to see more gender balance on the Board soon.

#### **Resolution 3: Re-election Kevin Perkins**

Independent Non-executive Director Kevin Perkins is the longest serving board member at 14 years, initially appointed 15 July 2011, and is a member of the People, Culture and Nominations Committee and was appointed Interim Managing Director & CEO following the resignation of Drew O'Malley (5 February 2024 – 4 November 2024). ASA will support Kevin Perkins' re-election this year however we hope to see more gender balance on the Board in the near future.

#### **Resolution 4: Adoption of Remuneration Report**

The Remuneration Report outlines the Collins Foods Limited remuneration framework and the outcomes for the year ended 27 April 2025 for Key Management Personnel (KMP). We thank the Board for applying the remuneration hurdles diligently and not using discretion to award incentives in FY25, that were not achieved.

### Xavier Simonet, Managing Director and Chief Executive

CEO rem. Framework for FY25	Target \$	% of Total	Received	% of Total
Bases Salary	\$576,923	62%	\$576,923	90%
Other Benefits	\$25,721	3%	\$25,721	4%
STI - Cash	\$288,462	31%	\$0	0%
STI - Equity	\$0	0%	\$0	0%
LTI	\$38,780	4%	\$38,780	6%
Total <b>(10 months)</b>	\$929,886	100%	\$641,424	100%

Interim MD & CEO Kevin Perkins received \$196,154, taking on the role on 5 February 2024 until CEO Xavier Simonet was appointed Managing Director & CEO effective 4 November 2024.

For 2025, the CEO's total actual remuneration of \$0.641 million was **6.25** the Australian Full time Adult Average Weekly Total of \$1,973.70 from data from the [Average Weekly Earnings, Australia, November 2024 | Australian Bureau of Statistics](#)

### Resolution 5: Approve Grant of Performance Rights for Xavier Simonet

It is proposed that the Company's Managing Director and Chief Executive Officer (**CEO**), Xavier Simonet, be granted 140,579 Performance Rights under the Collins Foods Limited LTIP who is the only Director eligible to participate in the LTIP, The Board considers that the proposed grant represents reasonable remuneration for Xavier Simonet in his role as Managing Director and CEO of the Company. ASA support this motion.

### Resolution 6: Ratification of Previous Issues of Shares Under the Ownership Share Plan

As announced on 30 May 2023, the company launched a new employee share plan (Ownership Share Plan) for certain eligible employees including Restaurant Managers and Restaurant Support Centre employees based in Australia and Europe. In June 2025, the Company issued 60,590 shares under the Ownership Share Plan to eligible employees under the Company's 15% placement capacity. ASA support this motion, as in general employees who hold shares in the company assists with shareholder alignment.

## Appendix

### Remuneration framework detail

In FY25, a number of changes to the Executive Remuneration Framework were introduced

#### FY25 REMUNERATION FRAMEWORK

##### Short Term Incentive (STI)

50% of the STI is delivered in cash and the remaining 50% is deferred as restricted rights for one year. 100% is paid for on target performance up to a maximum of 150% for achieving stretch performance.

The hurdles for STI are 60% weighted in financial performance and 40% on non-financial objectives:

- financial – 60% based on achieving at least 95% of Group NPAT targets
- safety – 15% based on low injury rates with zero fatalities
- customer – 15% based on achieving very satisfied scores from customer surveys
- sustainability – 10% based on a reduction of general waste sent to landfill

**As a result of the operating outcomes for the Group, the Board, in accordance with the FY25 STI Plan Rules, determined no payment of STI for the Executive Team.**

##### Long Term Incentive (LTI)

Performance rights vesting based on Group performance over three years.

The hurdles for the LTI are based on:

- three-year compound earnings per share (EPS) growth performance (50%) At 11% EPS growth 50% of performance rights will vest, up to 16.5% or better EPS growth for full vesting.
- three-year Relative TSR (50%). At the 50<sup>th</sup> percentile 25% of performance rights will vest, up to the 75<sup>th</sup> percentile for full vesting.

Relative TSR is calculated by comparing Collins Foods' TSR against the performance of the constituents of the ASX 200.

**The Relative TSR result for the FY22 grant was 30.7%, below the 50% threshold required to trigger vesting of the Relative TSR portion of the LTI grant. As a result, all performance rights relating to this vesting component were forfeited.**

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