



**POPEYES**

**4Q20 EARNINGS CALL**  
**February 26, 2021**



# HIGHLIGHTS 4Q20

■ **Reopening of 100% of restaurants** combined with strong digital growth, accelerates **sales recovery**

■ **Digital channel revenue reaches a record** of R\$ 165 million (+142% versus 4Q19), representing 21% of revenue

■ **Highest historical level** of Market share for BK<sup>1</sup>

■ **Positive EBITDA and operating cash generation**

■ **Resumption of expansion**, with net opening of 5 restaurants in the quarter

■ **Funding of R\$ 510 million through Follow On**, destined to technology, expansion and renovation of restaurants.



# FINANCIAL HIGHLIGHTS 4Q20



## PERFORMANCE 4Q20 x 4Q19:

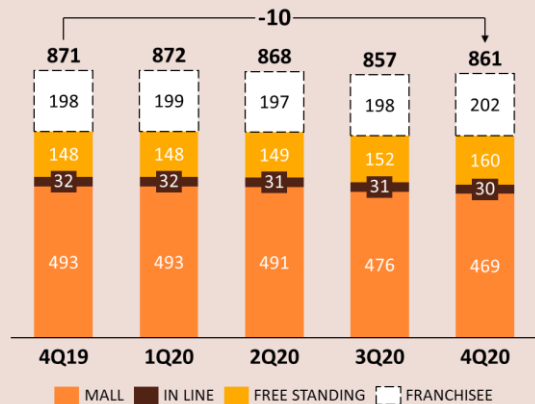
- **R\$ 774.0 million** (-3.7%) Net Operating Revenue
- **-8.6%** BKB (Free Standing +8.6% in the quarter) and **-6.2%** Popeyes - SSS<sup>1</sup>
- **R\$ 164.9 million** (+142%) Revenue from digital channels
- **R\$ 72.1 million** Adjusted EBITDA<sup>2</sup>
- **9.3%** Adjusted EBITDA Margin
- Conclusion of the **Subsequent Offering of Shares 100% primary**, which leads the Company to a net debt of R\$ 10 million
- **MFAs renegotiation** strengthening our long-term agreement with RBI.

## PERFORMANCE 12M20 x 12M19:

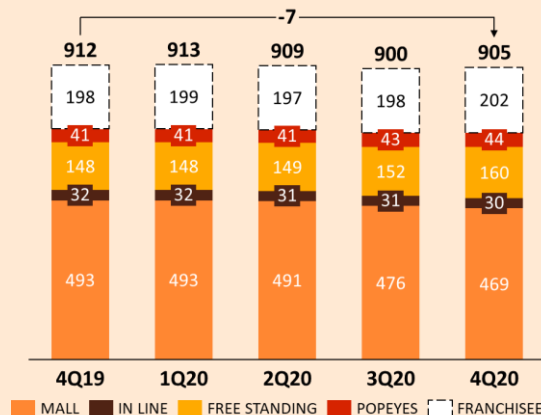
- **R\$ 2,238.1 million** (-22.0%) Net Operating Revenue
- **-12.9%** SSS<sup>1</sup>
- **R\$ -17.5 million** Adjusted EBITDA<sup>2</sup>
- **-0.8%** Adjusted EBITDA Margin
- **R\$ 445.6 million** Net Loss

# RESTAURANTS NETWORK

## BURGER KING NETWORK (# of restaurants)



## TOTAL OF COMPANY'S RESTAURANTS (# of restaurants)



Net opening of 5 stores in 4Q20:

+12 Burger King restaurants

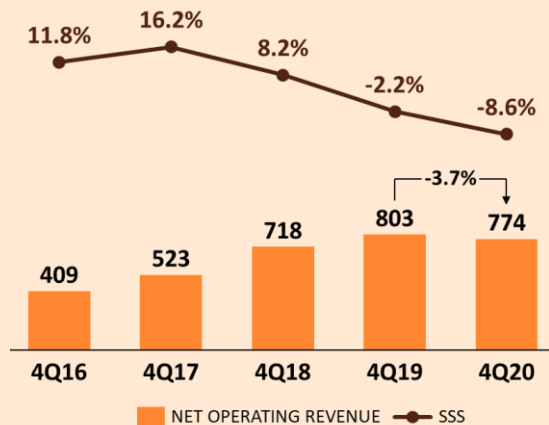
+1 Popeyes restaurant

-8 Burger King restaurants

Closing of 7 restaurants versus the previous year

Ending the 4Q20 with 905 restaurants:  
703 owned and 202 franchisees

# NET OPERATING REVENUE, SSS AND SALES EVOLUTION

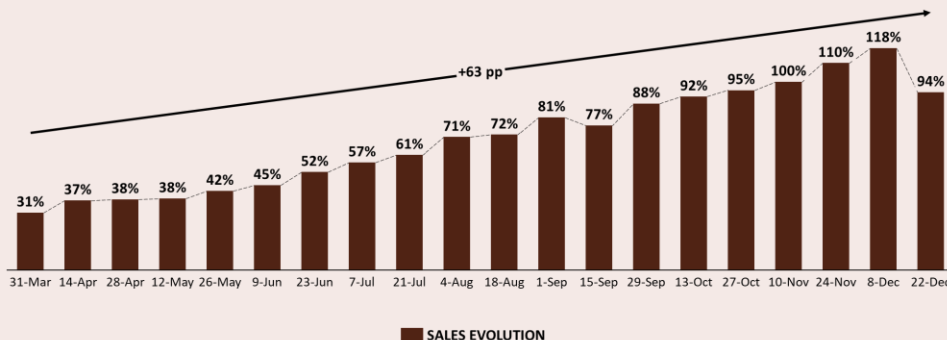


## NOMINAL SALES VARIATION VS THE PRE-PANDEMIC WEEKS (%)

After sales drop of ~70% at the beginning of the pandemic, the strong recovery since September led the Company to 118% of pre-pandemic sales in the first half of December. With the return of restrictive measures, especially in São Paulo after Christmas, the Company experienced a slowdown in sales in the last week of the year due to the closing of operations in shopping malls in the last weekend of 2020.

## NET OPERATING REVENUE AND SSS (R\$ mm and %)

- Net operating revenue of R\$ 774 million (-3.7% vs 4Q19) and an increase of 48.2% compared to 3Q20, due to the combination of the 100% reopening of stores in October and the continuous growth of digital sales.
- SSS of -8.6% for BKB (Free Standing +8.6%) and -6.2% for Popeyes.

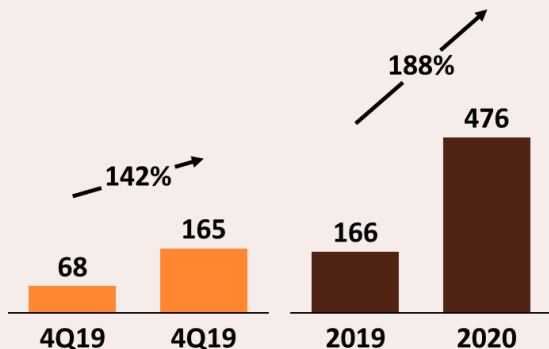


# DIGITAL SALES

## DIGITAL CHANNEL SALES

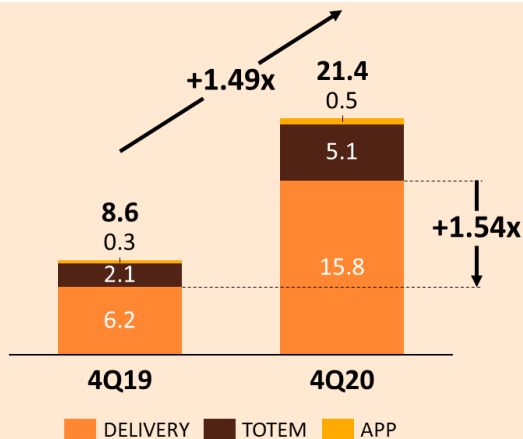
(R\$ mm)

Digital sales followed a growth trajectory and increased 142% (vs. 4Q19), reaching a record of R\$ 165 million in the quarter, representing 21% of the Company's revenue.



## GROWTH AND REPRESENTATIVITY (%) OF DIGITAL SALES OVER TOTAL REVENUE

**Delivery** with growth of 148% vs 4Q19 with a gain of 950 bp. **Totem** increased 131% vs. 4Q19 with 300 bp gain in representation.



# DELIVERY



**DELIVERY SALES**  
(R\$ mm)

4Q19

49

4Q20

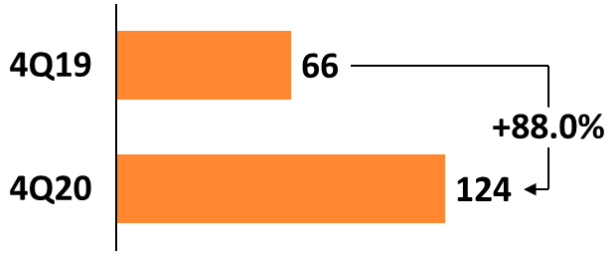
122

+148%

- Even with the **resumption of consumption on-premise**, delivery grew 26% versus 3Q20;
- **Increased capillarity** with 540 stores in operation;
- **Multichannel** of aggregators;
- **White label** present in more than 100 restaurants;
- **Ghost Kitchen** is still in the testing phase, but with sales higher than planned.

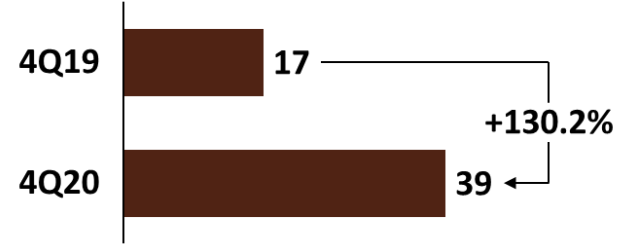
# DRIVE-THRU AND TOTEM

**DRIVE-THRU SALES (R\$ mm)**

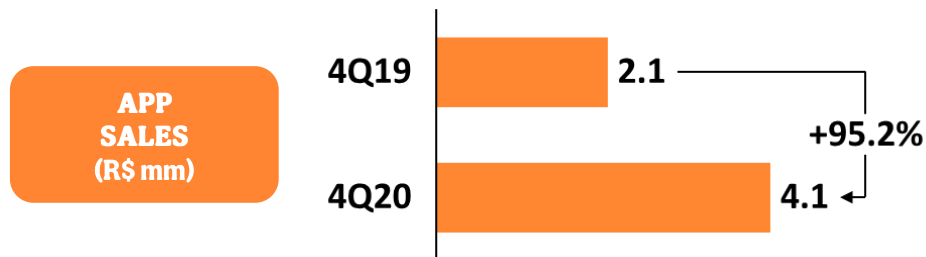


- **Drive-Thru:** representativeness of the channel doubled, with a gain of 780 bp compared to 4Q19.
- Operational maturity and growth in this format still represent great opportunities.
- **Totem** had an increase of ~300 bp in the representativeness of sales;
  - ~ 400 restaurants (~50% of the own store base) and more than 800 equipment available.

**TOTEM SALES (R\$ mm)**



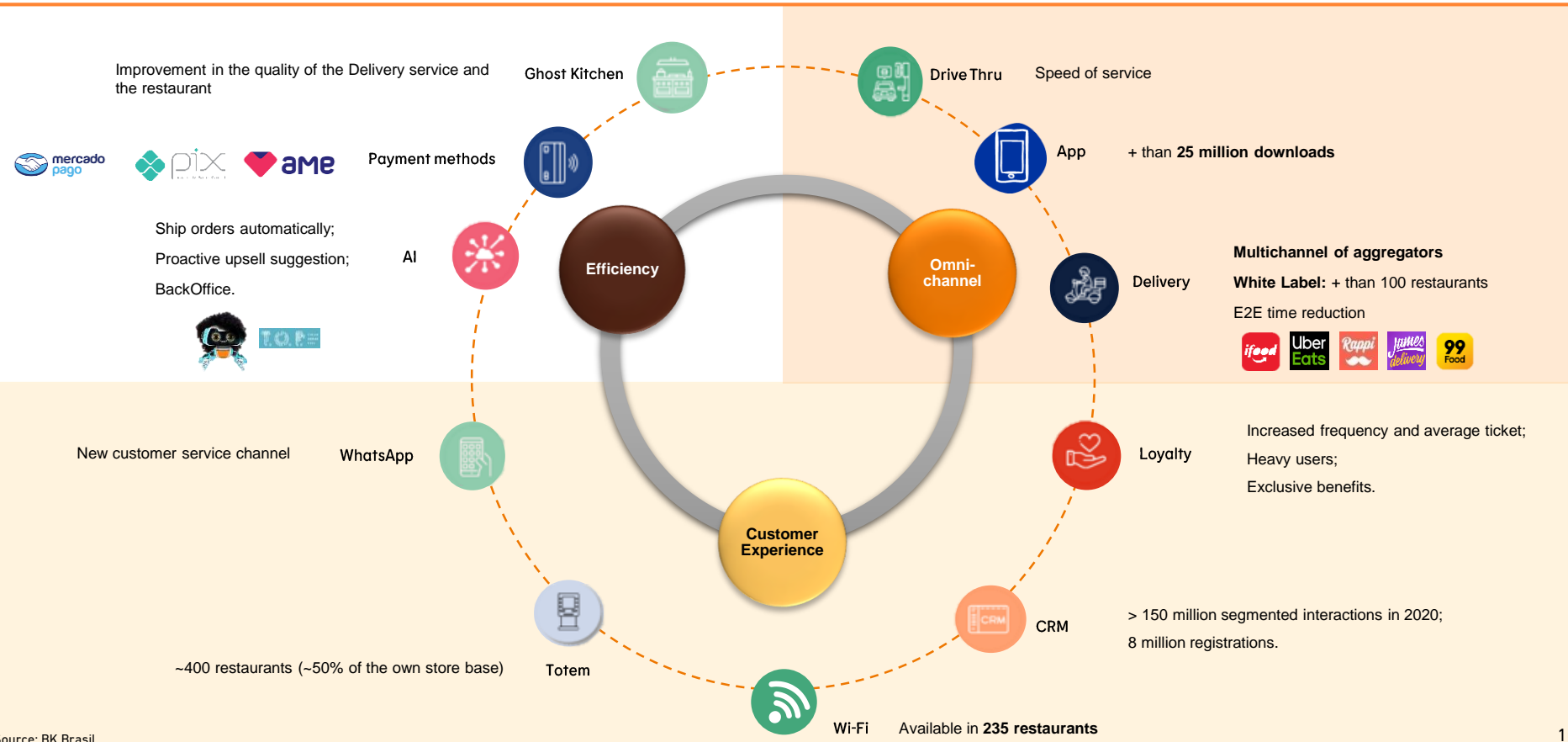
# APP AND BK CLUB



- More than **25 million downloads**;
- **8 million** complete registrations;
- More than **4 million monthly active users** in December;
- **CRM roll out** in 4Q20;
- **New payment method**: Vale Refeição;
- Launch of **BK Club** - Loyalty Program, in Feb/21.



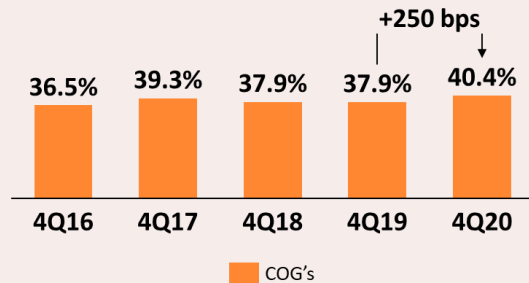
# DIGITAL ENVIRONMENT



# COGS, SELLING EXPENSES IN RESTAURANTS AND G&A

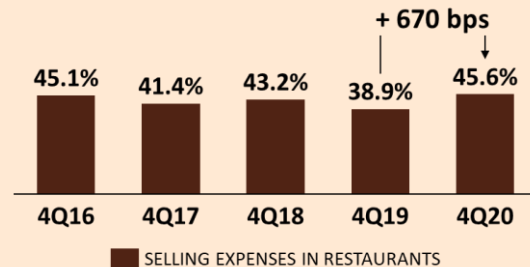
## COST OF GOODS SOLD (as % of net operating revenue)

Challenging scenario of food inflation due to commodity prices, especially in protein, contributed to an inflationary pressure partially balanced with the revenue management strategy.



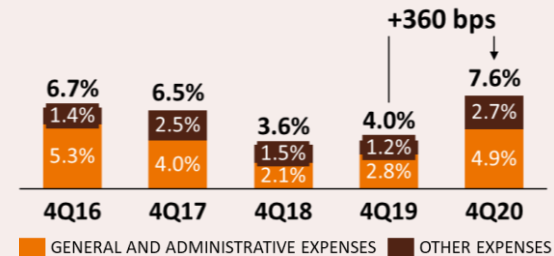
## SELLING EXPENSES IN RESTAURANTS (as % of net operating revenue)

Increase in expenses related to the growth in delivery sales (take rate), reduction in rental discounts and increase in hygiene and cleaning expenses in restaurants due to the pandemic.



## GENERAL AND ADMINISTRATIVE EXPENSES (as % of net operating revenue)

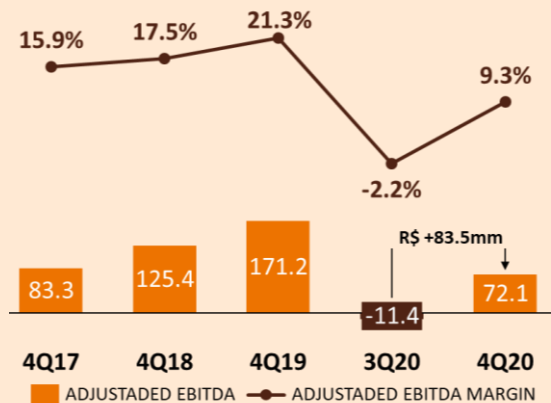
Increase related to personnel expenses for technology structure, also counting on consultancy services and software development. In addition, the effect of the prioritization of maintenance and service desk services and one off impacts in the amount of R\$6 million in the quarter



# ADJUSTED EBITDA, NET INCOME AND LEVERAGE

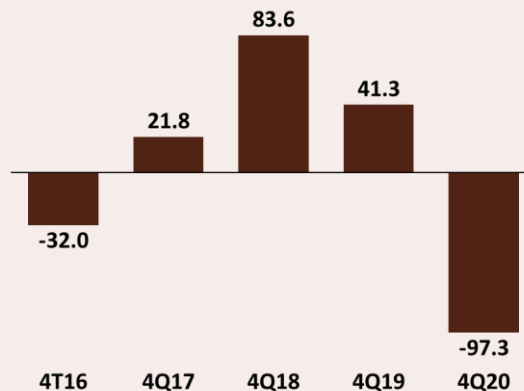
## ADJUSTED EBITDA<sup>1</sup> AND ADJUSTED EBITDA MARGIN (R\$ mm and %)

Operational deleveraging combined with sales growth via delivery, resulted in margin compression. Significant increase vs. 3Q20 due to the strong improvement in operating results.



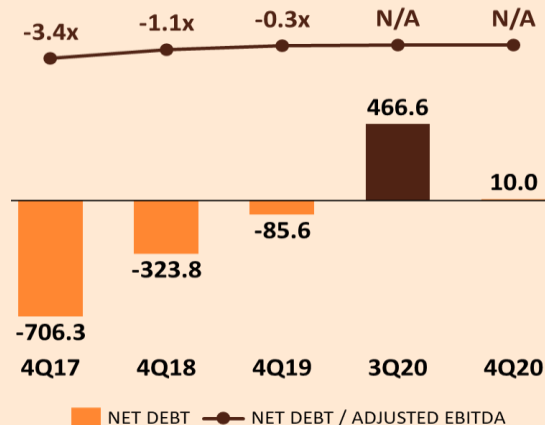
## NET (LOSS) INCOME (R\$ mm)

Net loss of R\$ 97.3 million in 4Q20, versus net income of R\$ 41.3 million in 4Q19. The Company chose not to recognize the deferred taxes on the tax loss and negative CSLL base, until there is a more probable scenario of realization of these tax credits.



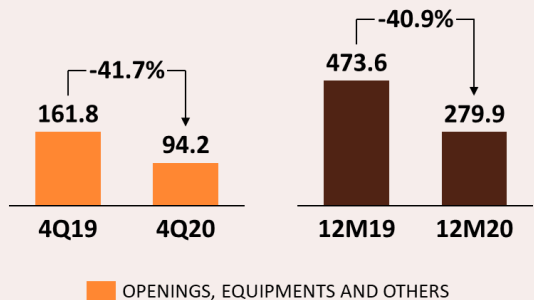
## NET DEBT AND LEVERAGE (R\$ mm, xAdj. EBITDA<sup>1</sup>)

Net debt of R\$ 10 million. Completion of the subsequent stock offering (+R\$ 510 million) and renegotiation with creditors to extend short-term debt.



Source: BK Brasil | Note: 1 Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's operating performance, including: (i) write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestments and provisions of impairment); 12 and (ii) costs with stock plan.

# CAPEX AND OPERATING CASH FLOW

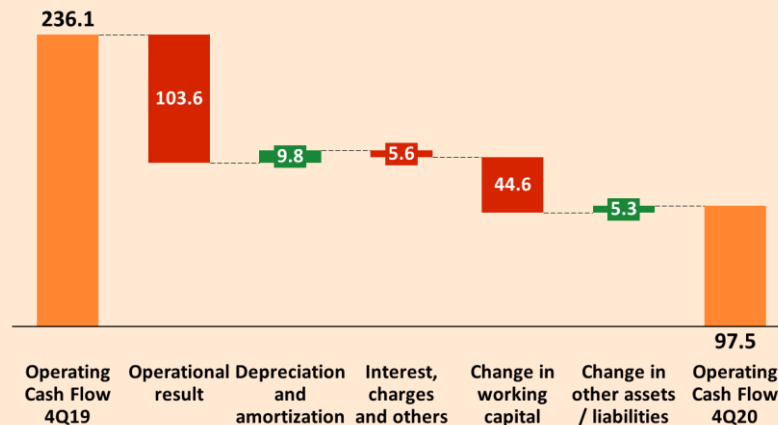


## CAPEX (R\$ mm)

The drop is linked to the reduction, in 2020, of the pace of expansion of the Company due to the liquidity protection measures. However, the Company resumed the opening of stores with a net of 5 restaurants and investments in technology were intensified - only in the 4Q, R\$ 20 million were invested

## OPERATING CASH FLOW (R\$ mm)

4Q20 result still impacted versus 4Q19, but with significant evolution versus 3Q20, moving from operating cash close to break even to cash generation in 4Q20.





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# STRATEGIC PRIORITIES 2021



**Sales and Market Share**



**Growth of digital channels**



**Speed up the opening of BK Free Standings**



**Popeyes nationalization plan**



**Menu 100% without preservatives and artificial flavorings**



**Customer Experience**



# BK

# BRASIL

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CEO

**Clayton Malheiros**  
CFO and IRO

**Gabriel Guimarães**  
Finance and IR Officer

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