



BK

BRASIL

November 6, 2020
09h (EST) / 11h (BRT)

3Q20



RESULTS



HIGHLIGHTS 3Q20



■ **Reopening of 100%** of restaurants in September

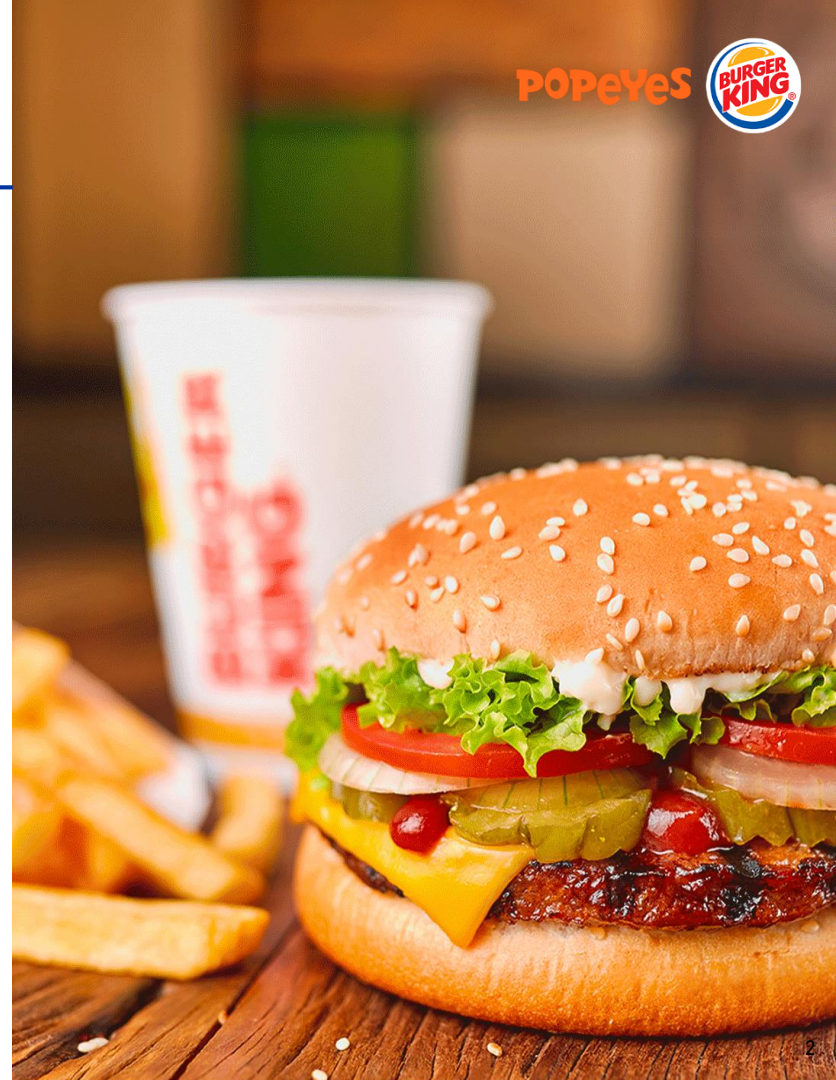
■ Strong **sales evolution** with the **resumption of operations**, **growth of digital channels** and **FS performance**

■ **Significant** recovery of **gross margin**

■ **Significant improvement** in operating cash generation

■ Iconic product launches (**Whopper Clean** and **The Sandwich**)

■ Significant progress in **digital initiatives**



FINANCIAL HIGHLIGHTS 3Q20



PERFORMANCE 3Q20 x 3Q19:

- **R\$ 522.3 million** (-27.8%) Net Operating Revenue
- **Opening of 100%** of operations in September;
- **-27.3%** BKB (Free Standing +9% in august) and **-7.0%** Popeyes (+4% in september) Comparable Sales in Same Restaurants¹
- **R\$ 136.3 million** (+ 217.0%) Revenue from digital channels
- **R\$ -11.4 million** Adjusted EBITDA²
- **-2.2%** Adjusted EBITDA Margin
- **R \$ 105.9 million** Net Loss

PERFORMANCE 9M20 x 9M19:

- **R\$ 1,461.1 million** (-29.1%) Net Operating Revenue
- **-15.3%** Comparable Sales in Same Restaurants¹
- **R\$ -89.6 million** Adjusted EBITDA²
- **-6.1%** Adjusted EBITDA Margin
- **R\$ -348.3 million** Net Loss

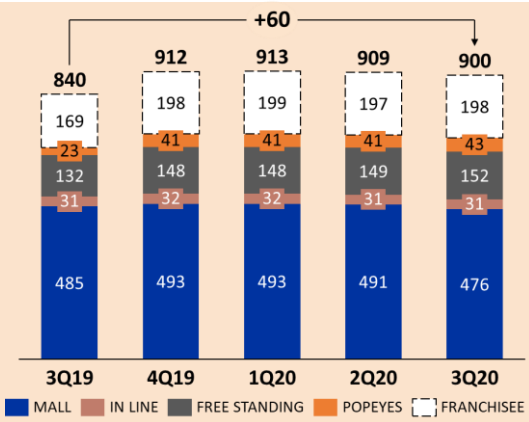
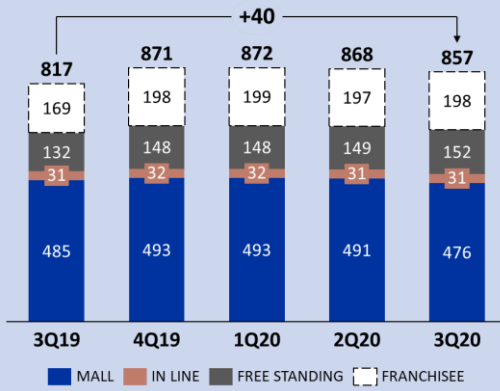
Source: BK Brasil | Note: 1 Following the RBI calculation methodology, it considers sales of Burger King restaurants operated by BK Brasil that have been open for more than 13 months and Popeyes restaurants open for more than 17 months compared to the same period of the previous year. Additionally, restaurants entirely closed for more than 7 consecutive days within a month are excluded from the comparable base; Note 2: 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); and (ii) costs with stock plan.

EXPANSION OF RESTAURANTS AND DESSERT CENTERS NETWORK






EXPANSION OF BURGER KING NETWORK (# of restaurants)

TOTAL OF COMPANY'S RESTAURANTS (# of restaurants)



9 restaurants net closing:

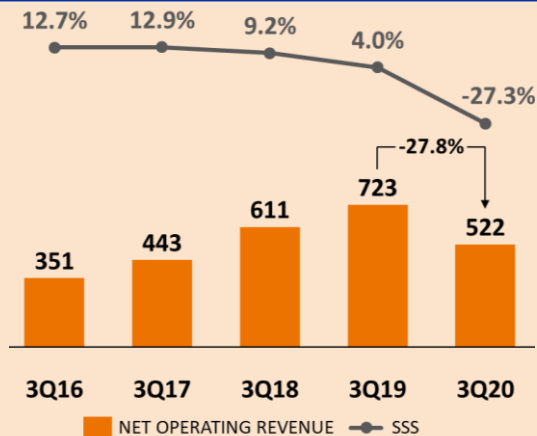
-  Opening of 9 Burger King restaurants
-  Opening of 2 Popeyes restaurants
-  Closure of 20 Burger King restaurants

Net growth of 60 restaurants of the BK Brasil chain versus the previous year

Closing of 3Q20 with 900 restaurants with 702 owned and 198 franchisees

Source: BK Brasil / 1. Mall: Shopping malls, hypermarkets and air | road terminals; In line: Stores with direct access to the public thoroughfare, which have internal lounges with tables and seats; Free standings: Street stores with drive-thru.

NET OPERATING REVENUE, SSS AND SALES EVOLUTION

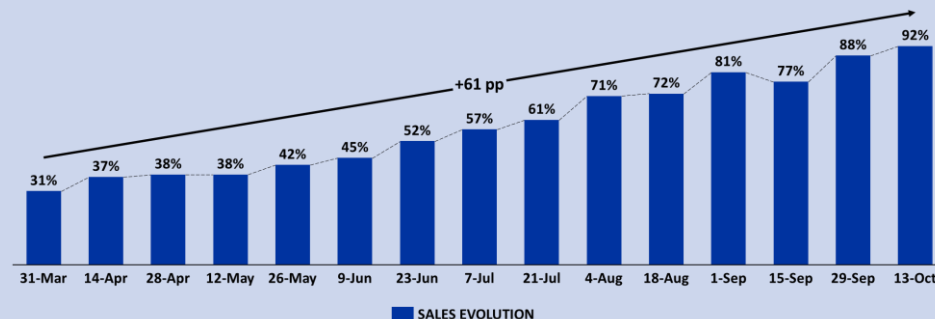


NET OPERATING REVENUE COMPARABLE SALES GROWTH IN SAME RESTAURANTS (R\$ mm/%)

78.4% **growth** in sales vs. 2Q20 driven by the reopening of shopping malls. 27.8% drop vs. 3Q19, still with a strong impact of restrictive measures in July and August.

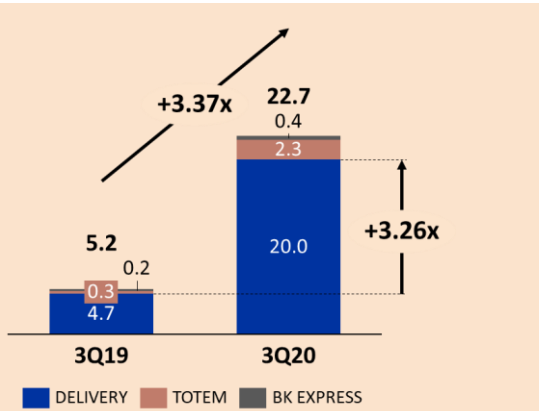
EVOLUTION OF SALES DURING PANDEMIA VS THE PRE-PANDEMIC PERIOD

The combination of the resumption of traffic in malls, with the excellent performance of Free Standings and the growth of digital sales, caused the sale related to the pre-pandemic period to evolve from approximately -69% in early April to close to **100% in October**.



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

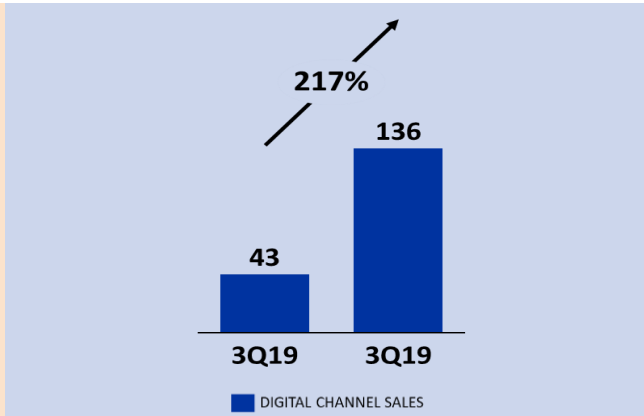
Digital sales reached 22.7% of the Company's revenue vs. 5.2% in 3Q19 (+ 217.0%). Compared to 2Q20 sales, growth was 27.3%.



DIGITAL CHANNEL SALES

(R\$ mm)

Digital sales reached revenue of R\$ 136.3 million in 3Q20 vs. R\$ 43.0 million in 3Q19, despite the significant resumption of consumption at the counter.



DELIVERY:



R\$ 120.1 million in 3Q20, vs. R\$ 38.7 million in 3Q19 (var. +210%)

TOTEM:



R\$ 14.1 million in 3Q20, vs. R\$ 2.6 million in 3Q19 (var. +441%)

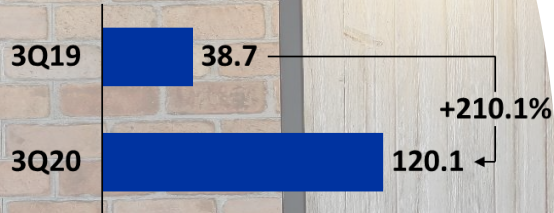
BK EXPRESS:



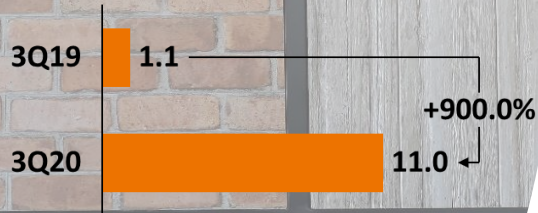
R\$ 2.1 million in 3Q20, vs. R\$ 1.7 million in 3Q19 (var. + 27%)

DELIVERY

TOTAL SALES (R\$ mm)



DELIVERY POPEYES (R\$ mm)



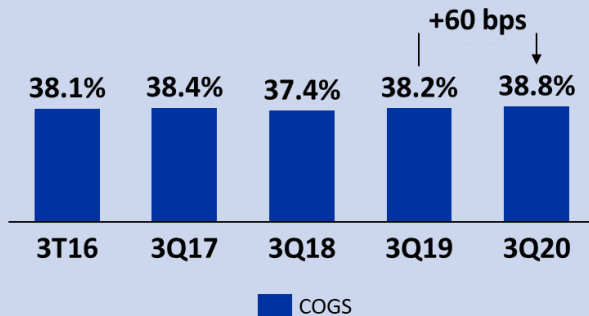
- **Record sales of the channel in 3Q20**
- **Entry of new aggregators** (James Delivery and 99Food)
- **512 stores with Delivery** (57% of the portfolio)
- **Continuous improvements in own delivery**
- **Launch of The Sandwich with 900%** increase in Sales of Delivery of Popeyes versus 3Q19
- Popeyes average sales on Delivery apps grows **268%** from the beginning of quarantine to September 2020

COGS, SELLING EXPENSES IN RESTAURANTS AND G&A

COST OF GOODS SOLD

as % of net operating revenue)

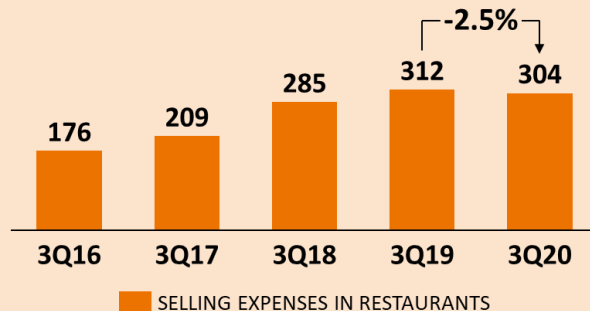
Strong sales recovery, better portfolio distribution and Revenue management strategy, gross margin recovered to levels close to 2019



SELLING EXPENSES IN RESTAURANTS

(R\$ mm)

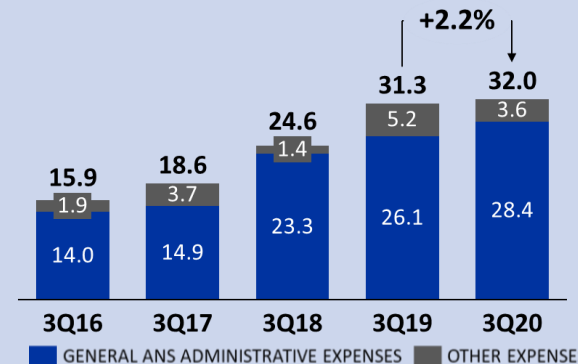
Even with more than 30 own restaurants in the operational base, the Company manages to **reduce restaurant expenses** when compared to the same period in 2019.



GENERAL AND ADMINISTRATIVE EXPENSES

(%)

Cost discipline and the implementation of measures resulting from the pandemic allow G&A to remain stable throughout the quarter.



ADJUSTED EBITDA , NET INCOME AND LEVERAGE

ADJUSTED EBITDA¹ AND ADJUSTED EBITDA MARGIN

(R\$ mm and %)

Adjusted EBITDA still heavily impacted by operational deleveraging, but **close to break even**

NET INCOME

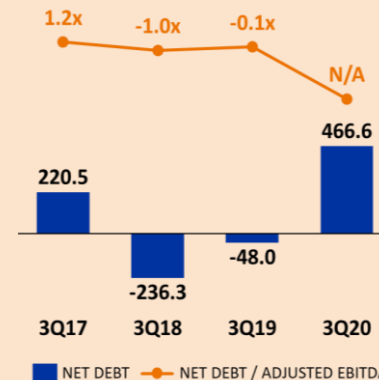
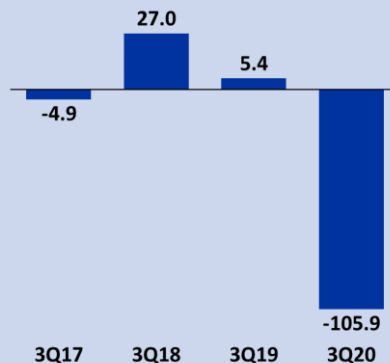
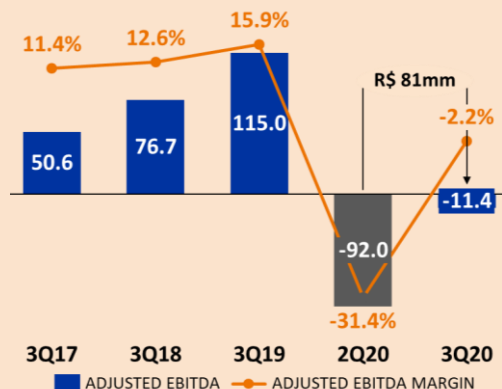
(R\$ mm)

Result impacted by operating activity during the quarter.

NET DEBT AND LEVERAGE

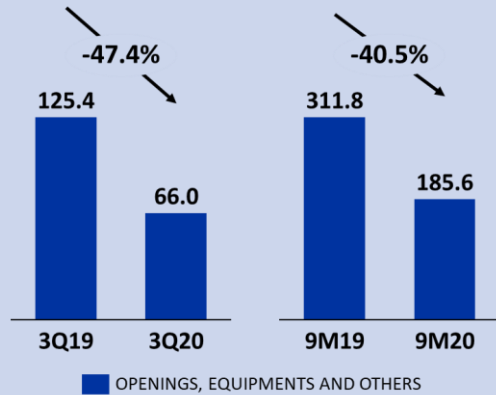
(R\$ mm, xAdj. EBITDA¹)

Net debt of R\$ 466.6 million. Even in a challenging scenario in terms of operating results, we had an **AA rating maintained by Fitch Ratings**.



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); and (ii) costs with stock plan.

CAPEX AND OPERATING CASH FLOW

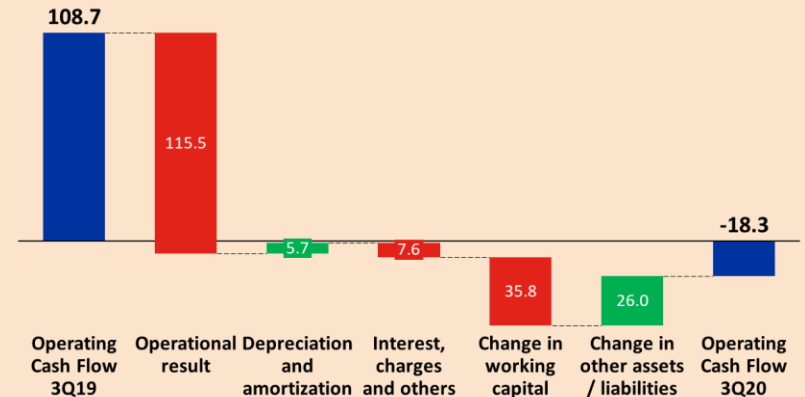


CAPEX (R\$ mm)

Reduction linked to the temporary suspension of the Company's expansion plan due to liquidity protection measures. **Resumption of investments in 3Q with the opening of 11 stores.**

OPERATING CASH FLOW (R\$ mm)

Cash consumption resulting from the decline in operating income, impacted by the retraction in sales **due to the closing of stores by COVID-19**. Strong impact of stock replenishment to support the resumption of sales safely.





Delivery

- **Own Delivery** : > 100 restaurants
- **Expansion of Aggregators:** James Delivery and 99 Food
- **Delivery Expansion:** 101% increase in the number of stores with Delivery versus the previous year



Ghost Kitchen

- **Improvement** in the quality of Delivery service



BK Express

- + **25 million** downloads

E-payment methods

- **Variety of payments**
- Partnership with ConectCar



CRM/Loyalty

- **Customized** communication
- Customized **promotions** and pricing
- **Unique** experience
- **Coupons:** Exclusive Offers
- **Registrations:** + 7 million complete registrations

Wi-fi

- Available in **217 restaurants**



Self Ordering Kiosks

- Available in **259 restaurants**



BK WhatsApp

- **New customer service channel**

WHAT'S NEXT ?



- **Continue to protect** our employees, customers and business
- **Accelerating** digital initiatives
- **Resume growth** of our brands

BK

BRASIL

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