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COLLINS FOODS LIMITED

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2 October 2020

ASX Market Announcements Office
10 Bridge Street
SYDNEY NSW 2000

Via ASX Online

Dear Sir/ Madam

ANNOUNCEMENT FOR RELEASE VIA MARKET ANNOUNCEMENTS PLATFORM

Please find **attached** an announcement entitled, "*Sizzler Australia*" (**Announcement**) for release via the ASX Market Announcements Platform.

The Announcement sets out contact details for queries relating to the Announcement.

By Order of the Board

Frances Finucan
Company Secretary

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ASX RELEASE

SIZZLER AUSTRALIA

Friday, 2 October 2020: Collins Foods Limited (ASX: CKF) advises that its nine remaining Sizzler restaurants in Australia will permanently close by 15 November 2020.

In announcing the closure, Collins Foods said that the financial performance of its network of Sizzler Australia restaurants has been under constant review since 2015, when, following a brand review, Collins Foods announced that Sizzler Australia was no longer considered to be core to the Company's strategic growth. Since then and until this year, trading continued in stores with forward lease obligations and cash-flow positive earnings, while 19 Sizzler restaurants have been closed along the way.

However, of the three restaurant brands that Collins Foods operates, Sizzler has been hardest hit during the COVID-19 pandemic. Based around a casual dining concept, and unlike Collins Foods' KFC and Taco Bell restaurants, Sizzler revenues and earnings have been slow to recover from peak COVID-19 impacts, and the overall Sizzler business has continued to operate at a loss since the onset of the crisis.

The Sizzler restaurants closing are located in Queensland at Mermaid Beach, Loganholme, Toowoomba, Maroochydore and Caboolture; in Western Australia in Innaloo, Kelmscott and Morley; and in New South Wales in Campbelltown. These restaurants are all company-owned leasehold sites. As all nine leases are due for renewal over the next four months, costs associated with lease breaks will be minimal.

Sizzler's approximately 600 dedicated employees have been offered appropriate redundancy packages and access to outplacement support, though Collins Foods is looking to redeploy as many affected Sizzler employees as possible to its KFC and Taco Bell network, which continues to grow.

Collins Foods will continue to licence the Sizzler brand in Asia as it has done for the past 29 years, and there is no change envisioned to those operations.

Commenting on the Sizzler Australia restaurant closures, Collins Foods' CEO, Drew O'Malley said:

"This has been a difficult decision for Collins Foods, especially given the impact it will have on our dedicated Sizzler employees and customers in Australia.

"As a casual dining concept, Sizzler has been the brand in our portfolio most impacted by the COVID-19 pandemic. The ongoing impact of COVID-19 on revenues has meant that unfortunately, these restaurants have not established a clear path to profitability in the foreseeable future.

"In FY20, Sizzler Australia revenues accounted for less than 3 percent of Collins Foods' total revenue. While the Sizzler Australia closure will allow us to minimise current-year and future losses, there will be some one-off closure costs that will be reflected in the upcoming half-year results.

"Closing restaurants is not something we do often and not a decision we take lightly, especially for a brand as beloved as Sizzler which has been such an important part of the Collins Foods' history. We are extremely grateful to our dedicated employees, suppliers and customers for their support and look forward to engaging with them through our other brands as Collins Foods' overall growth story continues."

Authorised for release by the Board.

ENDS

For further information, please contact:

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About us

Collins Foods Limited (ASX: CKF) is a KFC and Taco Bell franchisee in Australia and KFC franchisee in the Netherlands and Germany, the owner of Sizzler restaurants in Australia and the franchisor for Sizzler in Asia. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Establish Collins Foods as a leading restaurant holding company, which operates premier brands where people love to eat and are proud to work." For further information please visit www.collinsfoods.com

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