



# Tim's China

Nasdaq: THCH

Q4 2024 Earnings Presentation

*April 15, 2025*

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This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Without limiting the generality of the foregoing, the forward-looking statements in this document include descriptions of THIL's future commercial operations, such as the continued expansion of its store network. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, such as THIL's inability to implement its business plans, identify and realize additional opportunities, or meet or exceed its financial projections and changes in the regulatory or competitive environment in which THIL operates. You should carefully consider the foregoing factors and the other risks, uncertainties and factors set forth in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in THIL's annual report on Form 20-F and other documents filed or to be filed by THIL with the U.S. Securities and Exchange Commission from time to time, which could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements. THIL cannot assure you that these forward-looking statements will prove to be accurate and assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, namely company owned and operated store contribution, company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share in evaluating its operating results and for financial and operational decision-making purposes. The Company defines (i) company owned and operated store contribution as fully-burdened gross profit of company owned and operated stores excluding depreciation and amortization; (ii) company owned and operated store contribution margin as company owned and operated store contribution as a percentage of revenues from company owned and operated stores; (iii) adjusted general and administrative expenses as general and administrative expenses excluding share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, and expenses related to the Option Shares, and professional fees related to warrant exchange and other financing programs; (iv) adjusted corporate EBITDA as operating loss excluding certain non-cash expenses consisting of depreciation and amortization, share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, expenses related to the Option Shares, professional fees related to warrant exchange and other financing programs, impairment losses of long-lived assets, and loss on disposal of property and equipment; (v) adjusted corporate EBITDA margin as adjusted corporate EBITDA as a percentage of total revenues; (vi) adjusted net loss as net loss excluding share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, expenses related to the Option Shares, professional fees related to warrant exchange and other financing programs, impairment losses of long-lived assets, loss on disposal of property and equipment, changes in fair value of convertible notes, changes in fair value of warrant liabilities; and changes in fair value of ESA derivative liabilities; (vii) adjusted net loss margin as adjusted net loss as a percentage of total revenues; (viii) adjusted basic and diluted net loss per ordinary share as adjusted net loss attributable to the Company's ordinary shareholders divided by weighted-average number of basic and diluted ordinary share. The Company believes company owned and operated store contribution, company owned and operated store contribution margin, adjusted general and administrative expenses, adjusted corporate EBITDA, adjusted corporate EBITDA margin, adjusted net loss, adjusted net loss margin, and adjusted basic and diluted net loss per ordinary share enhance investors' overall understanding of its financial performance and allow for greater visibility with respect to key metrics used by its management in its financial and operational decision-making. These non-GAAP financial measures are not defined under U.S. GAAP and are not presented in accordance with U.S. GAAP. As these non-GAAP financial measures have limitations as analytical tools and may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies. The Company compensates for these limitations by reconciling the non-GAAP financial measures to the nearest U.S. GAAP performance measures, which should be considered when evaluating the Company's performance. For reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, please see the section of the accompanying tables titled, "Reconciliation of Non-GAAP Measures To The Most Directly Comparable GAAP Measures." The Company encourages investors and others to review its financial information in its entirety and not rely on any single financial measure.



Tim Hortons



Tim Hortons



Tim Hortons



Tim Hortons



# 01. Business Update



# Improving Company Owned and Operated Store Contribution: 2024Q4



	Q4			YOY (24 vs. 23)
	2022	2023	2024	
Food and packaging <sup>(1)</sup>	32.8%	35.1%	31.4%	↓ 370bp
Rental and property management fee <sup>(1)</sup>	27.9%	20.6%	21.0%	↑ 40bp
Payroll and employee benefits <sup>(1)</sup>	24.5%	22.8%	20.3%	↓ 250bp
Other operating expenses <sup>(1)</sup>	8.5%	8.0%	8.4%	↑ 40bp
Company owned and operated store contribution margin <sup>(1) (2)</sup>	(4.7)%	0.9%	4.8%	↑ 390bp
Marketing expenses <sup>(3)</sup>	8.1%	5.6%	4.1%	↓ 150bp
Adjusted general and administrative expenses <sup>(3) (4)</sup>	18.3%	11.2%	23.2%	↑ 1,200bp
Adjusted corporate EBITDA margin <sup>(3) (5)</sup>	(26.6)%	(15.0)%	(14.9)%	↑ 10bp

(1) As percentage of revenues from company owned and operated store

(2) Company owned and operated store contribution margin stands for company owned and operated store contribution as a percentage of our revenues from company owned and operated stores. Company owned and operated store contribution is calculated as fully-burdened gross profit of company owned and operated stores excluding depreciation and amortization, previously disclosed as adjusted store EBITDA margin

(3) As percentage of total revenues

(4) Adjusted general and administrative expenses. Calculated as general and administrative expenses excluding share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, and expenses related to the Option Shares

(5) Adjusted corporate EBITDA. Calculated as operating loss excluding certain non-cash expenses consisting of depreciation and amortization, share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, expenses related to the Option Shares, professional fees related to warrant exchange and other financing programs, impairment losses of long-lived assets and loss on disposal of property and equipment

# Improving Company Owned and Operated Store Contribution: 2024FY



	FY			YOY (24 vs. 23)
	2022	2023	2024	
Food and packaging <sup>(1)</sup>	33.5%	35.0%	31.5%	↓ 350bp
Rental and property management fee <sup>(1)</sup>	25.2%	20.8%	20.3%	↓ 50bp
Payroll and employee benefits <sup>(1)</sup>	28.7%	21.9%	19.5%	↓ 240bp
Other operating expenses <sup>(1)</sup>	11.5%	8.5%	8.0%	↓ 50bp
Company owned and operated store contribution margin <sup>(1) (2)</sup>	(9.9)%	2.1%	7.4%	↑ 530bp
Marketing expenses <sup>(3)</sup>	8.0%	6.2%	4.7%	↓ 150bp
Adjusted general and administrative expenses <sup>(3) (4)</sup>	21.5%	13.9%	14.2%	↑ 30bp
Adjusted corporate EBITDA margin <sup>(3) (5)</sup>	(35.5)%	(16.8)%	(6.9)%	↑ 990bp

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# Resilient Store Network & Loyalty Membership Highlights: 2024Q4



	Q4'22	Q4'23	Q4'24	YoY % (24 vs 23)
Total stores	617	902	1,022	13.3%
Net new stores <sup>(1)</sup>	131	143	76	(46.9)%
Registered Loyalty club members (mm)	11.3	18.5	24.0	29.7%
Digital orders % <sup>(2)</sup>	81.2%	83.6%	86.1%	2.5ppts
Total revenues (RMBmm)	301.5	377.9	332.6	(12.0)%
System Sales (RMBmm) <sup>(3)</sup>	285.8	375.2	345.7	(7.9)%
Revenues from company-owned stores (RMBmm)	272.5	328.2	270.2	(17.7)%
Same-store Sales Growth for company-owned stores (%) <sup>(4)</sup>	(7.1)%	2.5%	(12.3)%	(14.8) ppts

(1) The number of gross new stores opened during the period minus the number of stores permanently closed during the period.

(2) Revenues from digital orders, including both delivery and mobile ordering for self pick-up, as a percentage of THIL's revenues from company owned and operated stores

(3) System Sales include sales generated from company-owned stores and franchise stores

(4) The percentage change in the sales of company owned and operated stores that have been operating for 12 months or longer during a certain period compared to the same period from the prior year. The same-store sales growth for any period of more than a month equals to the arithmetic average of the same-store sales growth of each month covered in the period. If a store was closed for seven days or more during any given month, its sales during that month and the same month in the comparison period are excluded for purposes of measuring same-store sales growth

# Resilient Store Network & Loyalty Membership Highlights: 2024FY



	FY'22	FY'23	FY'24	YoY % (24 vs 23)
Total stores	617	902	1,022	13.3%
Net new stores <sup>(1)</sup>	227	285	120	(57.9)%
Registered Loyalty club members (mm)	11.3	18.5	24.0	29.7%
Digital orders % <sup>(2)</sup>	80.1%	82.1%	86.1%	4.0ppts
Total revenues (RMBmm)	1,011.1	1,560.0	1,391.2	(10.8)%
System Sales (RMBmm) <sup>(3)</sup>	985.9	1,550.4	1,454.5	(6.2)%
Revenues from company-owned stores (RMBmm)	938.1	1,389.6	1,188.3	(14.5)%
Same-store Sales Growth for company-owned stores (%) <sup>(4)</sup>	0.2%	7.6%	(14.6)%	(22.2) ppts

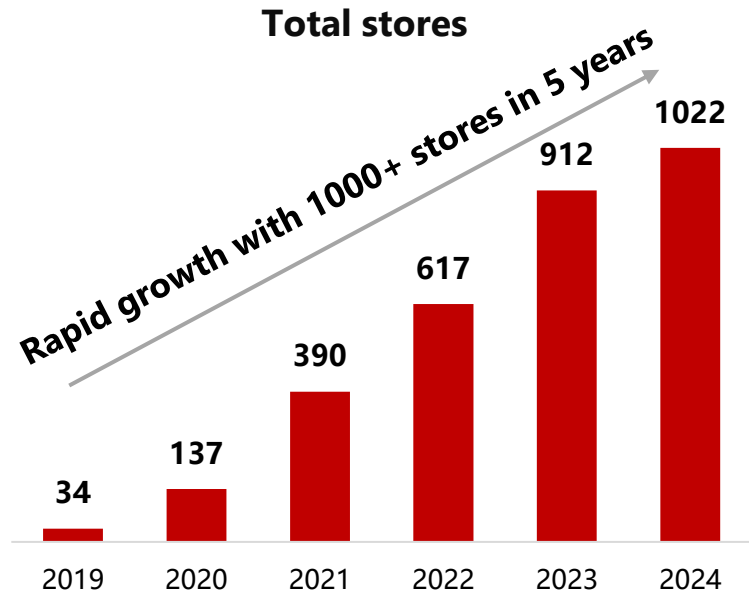
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# Major Milestone with 1,000th China Store Opening



# Our Differentiated Value Proposition: "Coffee Plus Freshly Prepared Food" – All-day Solutions



## Breakfast



### 现烤酥脆可颂季

可颂+咖啡早餐 **14.9**元起

超值套餐价 每天10点前

圆圆可颂

14.9元起



芝士流心蛋可颂

17.9元起



饱饱卡套餐价

岩烧乳酪可颂

18元起



蛋香牛肉芝士可颂

21元起



Everything全能可颂

21元起



得4张6折券  
百种组合任意挑选

## Lunch



### Tims午餐新搭子

轻体贝果堡午餐盒系列

健康轻盈

新鲜热烤

3件套  
随心搭

牛油果鸡肉贝果堡  
午餐盒3件套



黑松露培根安格斯贝果堡  
午餐盒3件套



金枪鱼芝士贝果堡  
午餐盒3件套



吃饱饱卡优惠价

**25.8**元起

2/18-3/17 限时0.01元购【吃饱饱套餐卡】即享优惠价



## Afternoon Tea



### 天好下午茶

买套餐抽好运红包!

招牌贝果下午茶套餐

**¥69**起

贝果 (2个)

微笑贝果系列 / 花环贝果系列

小食 (4个)

香柠薯饼 / 烟熏风味烤肠 / 可露丽

饮品 (2杯)



猛犸贝果咖啡套餐

**¥49**起

猛犸贝果-芋泥啵啵 (1个) + 饮品 (2杯)



任意饮品

**+5.9**元

换购高纤可露丽 (1个)



# Freshly Prepared Food



- ❑ We have completed the “made-to-order” renovation of **636** new and existing stores by the end of December 2024.
- ❑ With this investment, our guests can watch our staff craft fresh meals from start to finish



# Product Innovation Pleasing Local Tastes



### Black Gold Cheese Mammoth Bagel

Tims 天好咖啡

# 猛犸贝果 黑金芝士

0反式脂肪酸

New

- 香浓车打芝士酱
- 醇香芝士奶酪酱
- 夹心可酥饼干
- 香烤杏仁

1.25元

### Black Truffle Bacon & Angus Beef Bagel Burger

Tims 天好咖啡

New

# 黑松露培根 安格斯贝果堡

100%+  
纯安格斯牛肉

1.5元

### Maple Syrup Latte

Tims 天好咖啡

# 魁北克枫糖 加倍北美风情

New 加倍枫糖拿铁

New 加倍可可拿铁

奶精 + 植脂末 + 速溶茶粉 + 氢化植物油 + 反式脂肪酸

1.5元

### Walnut & Date Latte

Tims 天好咖啡

New

# 核桃奶枣拿铁

醇香丝滑!

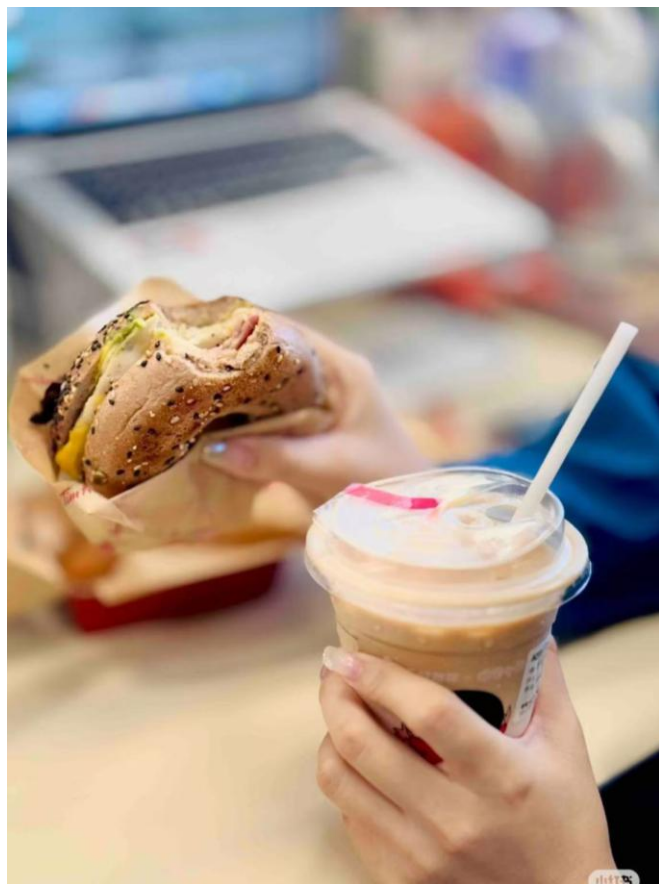
奶精 + 植脂末 + 速溶茶粉 + 氢化植物油 + 反式脂肪酸

1.5元

# Precision Targeting of Customer Segments



## White-collar



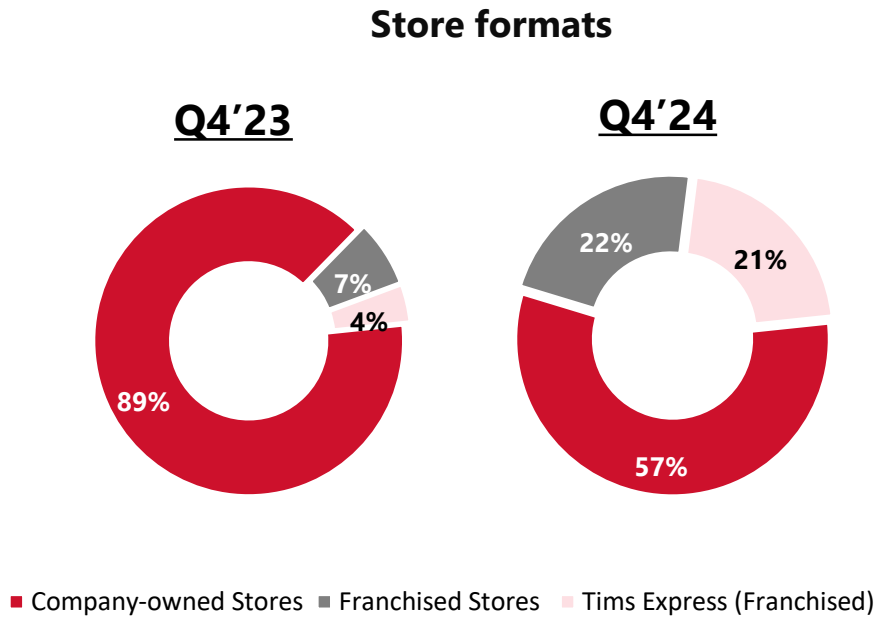
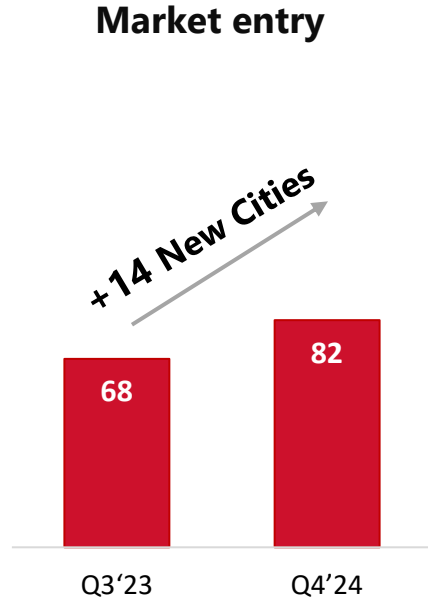
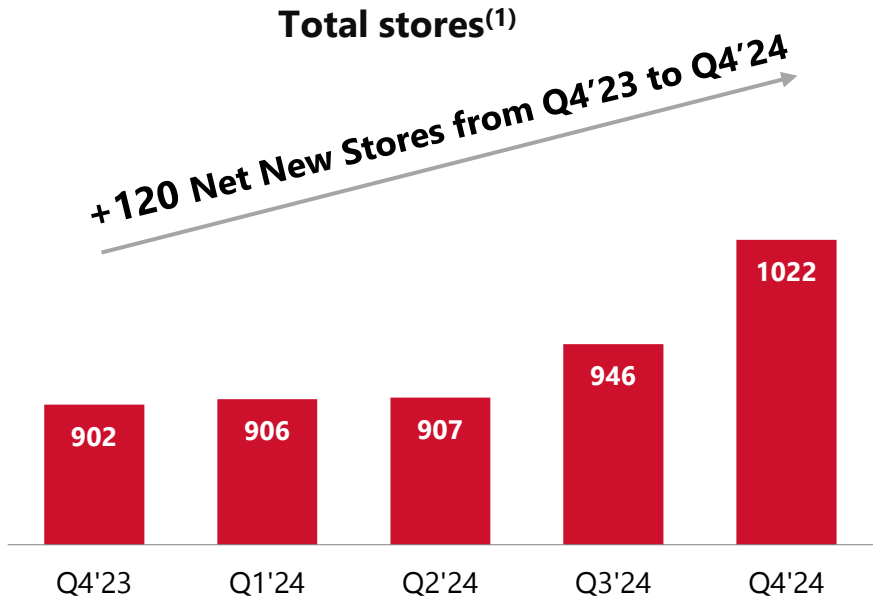
## Family



## Fitness Enthusiast



# Focus on Profitable & Capital-Efficient Growth



**76** Net New Store Openings in Q4'2024



**12** Net Company-owned Store Openings



**64** Net Franchised Store Openings



(1) Popeyes stores are not included in the count

# The Individual Franchise Has Demonstrated Strong Growth And Remarkable Momentum



Applications

6,200+



Made-to-order Store  
Payback Period

2-3 years



Individual franchise stores

Opened #      ~100

Signed #      ~200

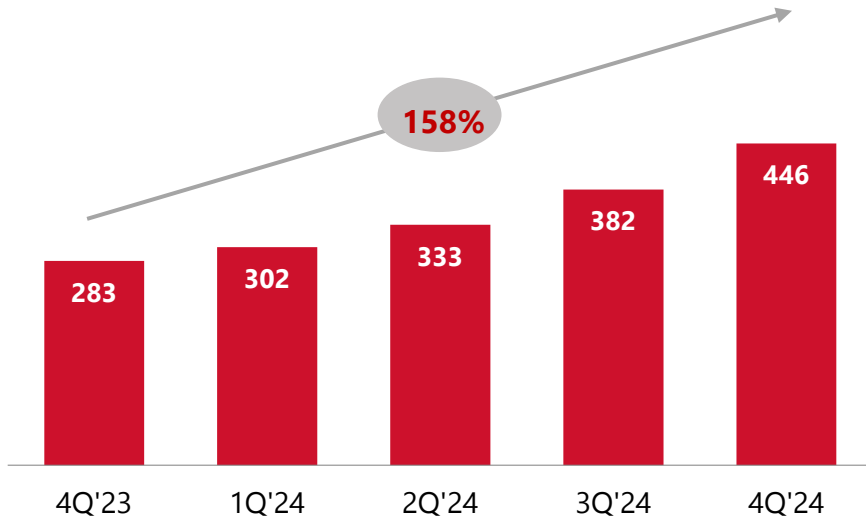
**Individual Franchise stores already  
located across 14 provinces:**

Shanghai, Beijing, Zhejiang, Jiangsu, Anhui,  
Sichuan, Henan, Hebei, Shandong, Shanxi,  
Guangdong, Liaoning, Heilongjiang, Tianjin.....

# Further Expansion of Our Franchise Network on Track



## Total Sub-Franchise Stores



## Penetrated Into New Cities With Our Franchisees

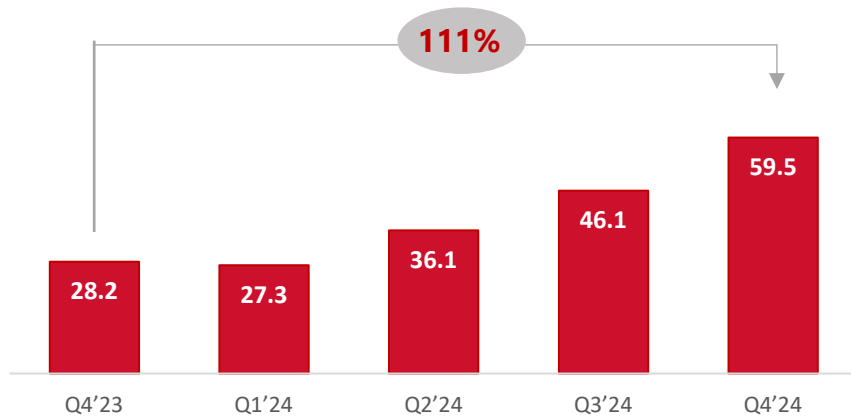


The grand opening of our 1000<sup>th</sup> Store in Shanghai



First store in Chuzhou, a tier-2 city located in Anhui Province

## Revenues from Sub-Franchise Business (mm)



First store in Jiangmen, a tier-2 city located in Guangdong Province

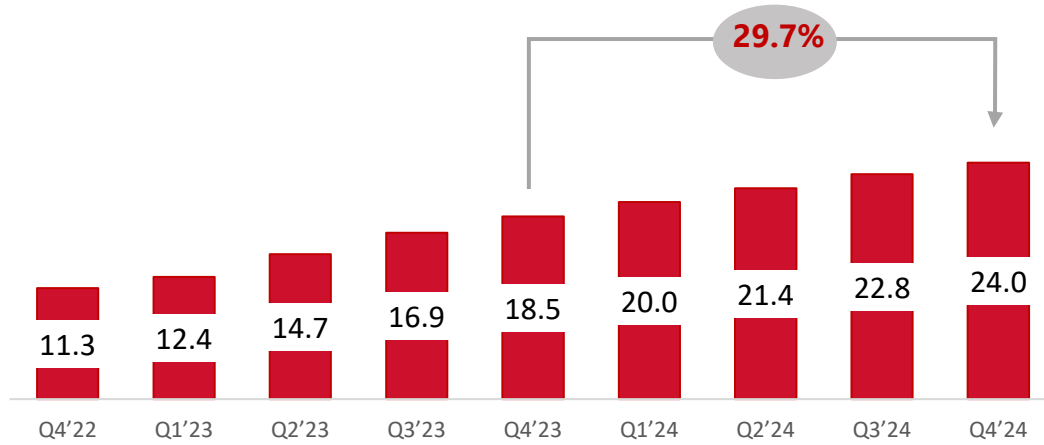


First store in Hengshui, a tier-2 city located in Hebei Province

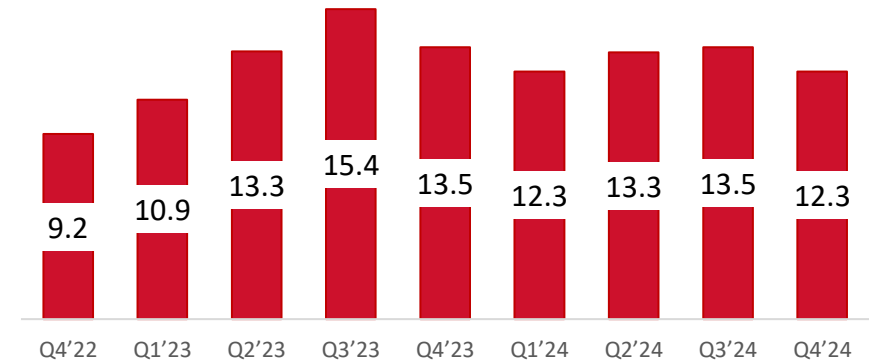
# Steady Growth of Loyalty Club Members and Digital Orders



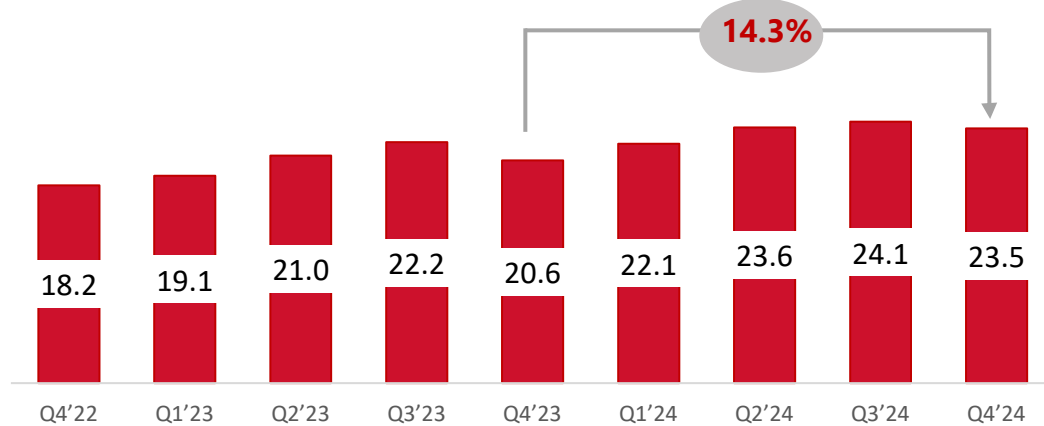
### Registered Loyalty Club Members (mm)



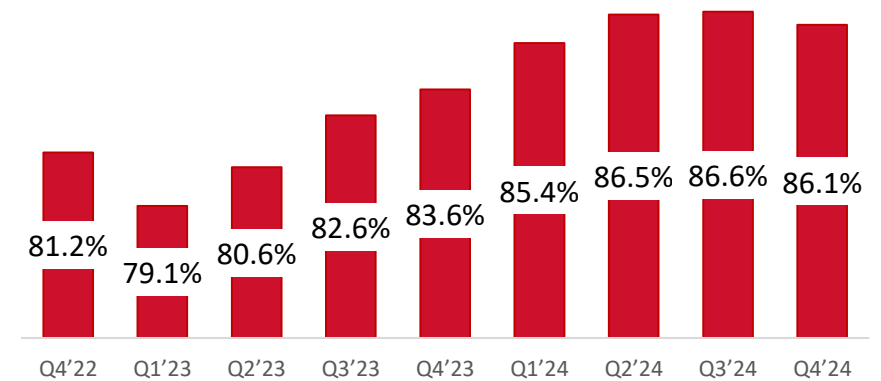
### Number of Orders (mm)



### Average Club Members Per Store (thousands)



### Digital Orders% (1)



(1) Revenues from digital orders, including both delivery and mobile ordering for self pick-up, as a percentage of THIL's revenues from company owned and operated stores



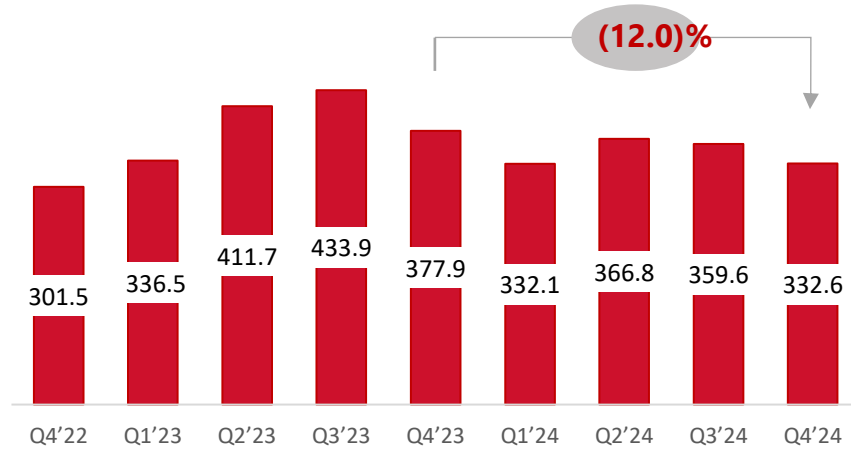
## 02. Financial Highlights



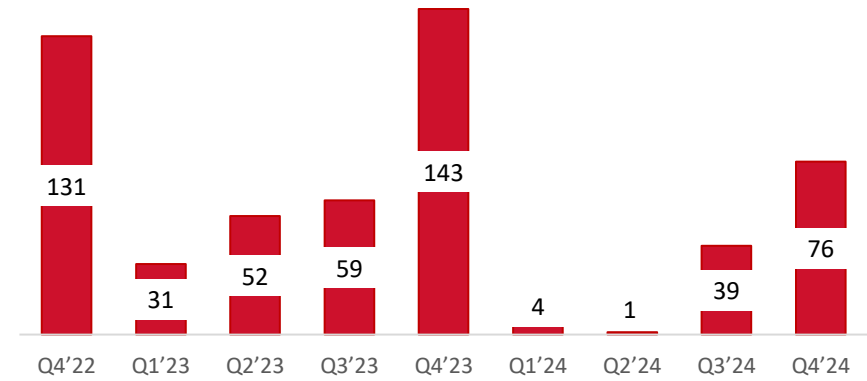
# Top-line Under Pressure Temporarily and Franchise Store Growth



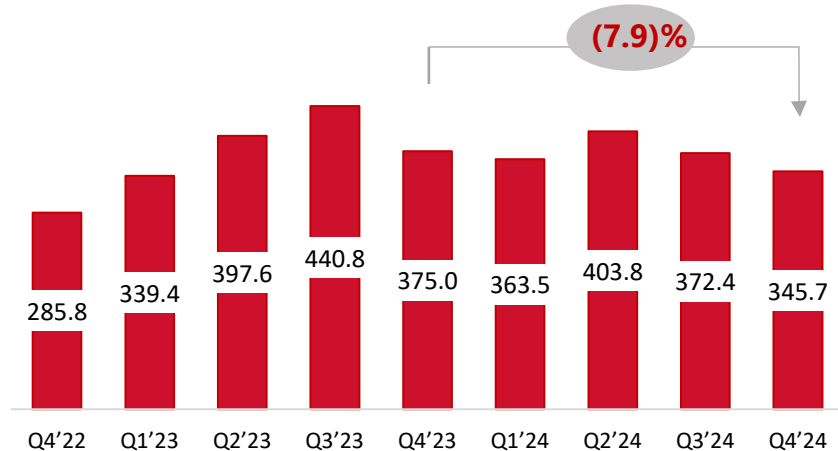
**Total Revenues (mm)**



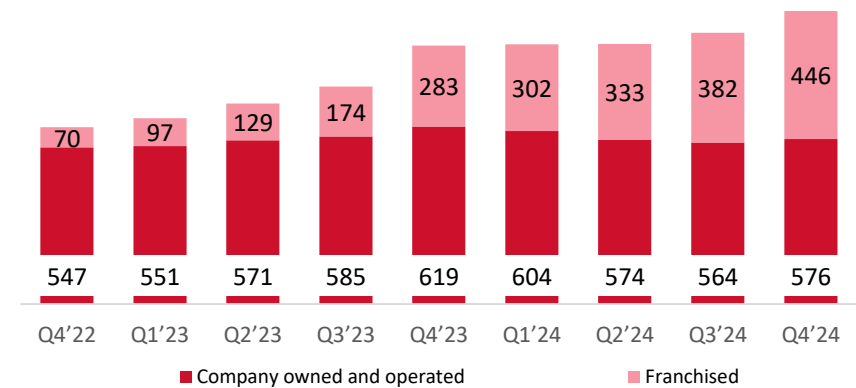
**Net New Store Openings<sup>(1)</sup>**



**System Sales<sup>(2)</sup>**



**System-wide Stores<sup>(1)</sup>**



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(3) As percentage of total revenues

(4) Adjusted general and administrative expenses. Calculated as general and administrative expenses excluding share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, and expenses related to the Option Shares

(5) Adjusted corporate EBITDA. Calculated as operating loss excluding certain non-cash expenses consisting of depreciation and amortization, share-based compensation expenses, expenses related to the Commitment Shares, the ESA Offering Costs, expenses related to the Option Shares, professional fees related to warrant exchange and other financing programs, impairment losses of long-lived assets and loss on disposal of property and equipment

# Near-Term Financial Priorities



**Improve Adjusted Corporate EBITDA Margins<sup>(1)</sup>**

**Optimize Cost Structure**

**Deliver Sustainable Revenue Growth**

**Expand Store-Level Profitability**

**Accelerate Growth Franchise Store Network**

<sup>(1)</sup> Calculated as adjusted corporate EBITDA as a percentage of total revenues.



## **About TH International Limited**

TH International Limited (Nasdaq: THCH) (“Tims China”) is the parent company of the exclusive master franchisees of Tim Hortons coffee shops in mainland China, Hong Kong. Tims China was founded by Cartesian Capital Group and Tim Hortons Restaurants International, a subsidiary of Restaurant Brands International (TSX: QSR) (NYSE: QSR).

The company’s philosophy is rooted in world-class execution and data-driven decision making and centered on true local relevance, continuous innovation, genuine community, and absolute convenience. For more information, please visit <https://ir.timschina.com/>.

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