



# Tim's China

Nasdaq: THCH

Q2 2025 Earnings Presentation

*August 26, 2025*

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## 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, professional fees related to warrant exchange and other financing programs, and impairment losses of rental deposits; (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 rental deposits, 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 rental deposits, 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



## 01. Business Update



# Refining Store Unit Economics and Driving Operational Efficiencies: Q2 2025



	Q2			YOY (25 vs. 24)
	2023	2024	2025	
Food and packaging <sup>(1)</sup>	34.0%	30.9%	30.1%	↓ 80bp
Rental and property management fee <sup>(1)</sup>	20.8%	19.3%	20.2%	↑ 90bp
Payroll and employee benefits <sup>(1)</sup>	21.9%	18.9%	17.8%	↓ 110bp
Other operating expenses <sup>(1)</sup>	8.9%	7.6%	7.2%	↓ 40bp
Company owned and operated store contribution margin <sup>(1) (2)</sup>	3.1%	10.1%	9.6%	↓ 50bp
Marketing expenses <sup>(3)</sup>	6.3%	3.5%	4.0%	↑ 50bp
Adjusted general and administrative expenses <sup>(3) (4)</sup>	11.7%	8.3%	9.9%	↑ 160bp
Adjusted corporate EBITDA margin <sup>(3) (5)</sup>	(11.6%)	0.9%	0.6%	↓ 30bp

(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, professional fees related to warrant exchange and other financing programs, and impairment losses of rental deposits

(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 rental deposits, impairment losses of long-lived assets, and loss on disposal of property and equipment

# Resilient Store Network & Loyalty Membership Highlights: Q2 2025



	Q2 23	Q2 24	Q2 25	YoY % (25 vs 24)
Total stores	700	907	1,015	11.9%
Net new stores <sup>(1)</sup>	52	1	(9)	N/M
Registered Loyalty club members (mm)	14.7	21.4	26.2	22.4%
Digital orders % <sup>(2)</sup>	80.6%	86.5%	90.4%	3.9 ppts
Total revenues (RMB mm)	411.7	366.8	349.0	(4.9)%
System Sales (RMB mm) <sup>(3)</sup>	397.6	403.8	409.5	1.4%
Revenues from company-owned stores (RMB mm)	362.6	322.3	281.9	(12.5)%
Same-store Sales Growth for company-owned stores (%) <sup>(4)</sup>	20.4%	(13.8)%	(3.6)%	10.2 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

# Consumer Sector Impactful Selection



## 2025 Consumer Sector Impactful Chain by Frost & Sullivan



## 2025 Top 100 Restaurant Franchise Brand by China Chain-Store & Franchise Association



2025 NEW CONSUMPTION FORUM  
CCFA新消费论坛

# Product Innovation Meeting Local Customer Demand



## Hot & Fiery Series



## Butter & Red Bean Bagel



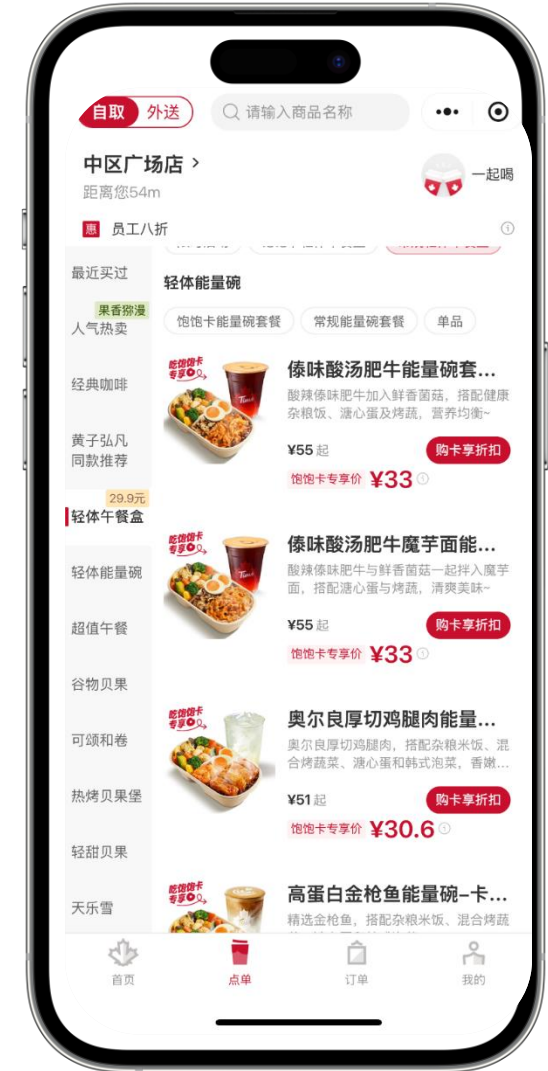
## BayBerry Summer Series



## Buffalo Milk Latte



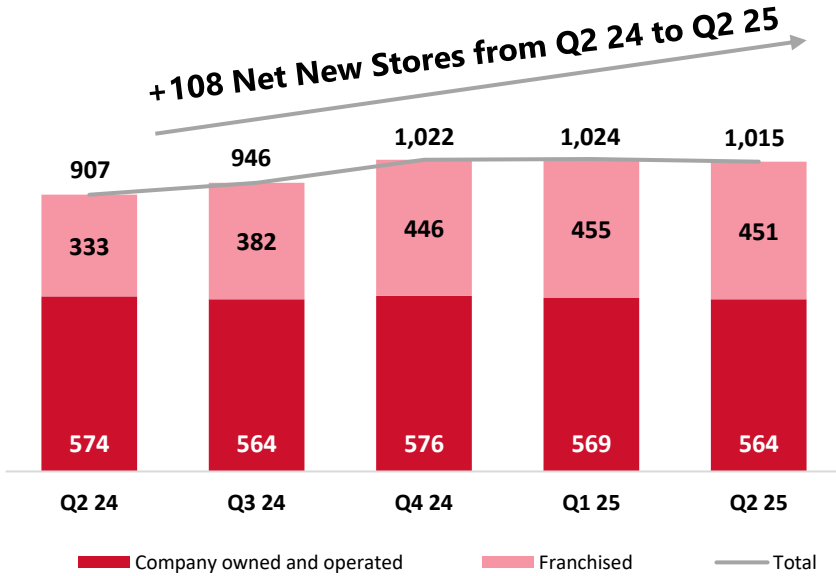
# Brand New Light & Fit Lunch Box Series – Loaded Power Bowls



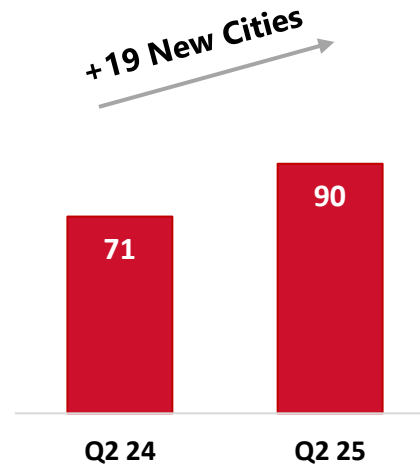
# Focus On Profitable & Capital-Efficient Growth



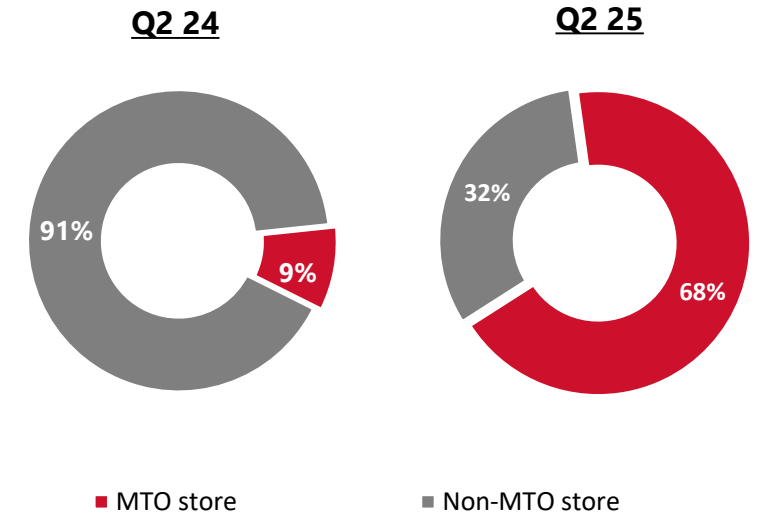
## Total stores<sup>(1)</sup>



## Market Entry



## Store Formats



### (9) Net New Store Openings in Q2 25



### (3) Net Company-owned Store Openings



### (6) Net Franchised Store Openings



(1) Popeyes stores are not included in the count

# The Individual Franchise Has Demonstrated Strong Growth And Remarkable Momentum



Applications

8,100+



Made-to-order Store  
Payback Period

2-3 years



Individual franchise stores

Opened # ~150

Signed # ~280

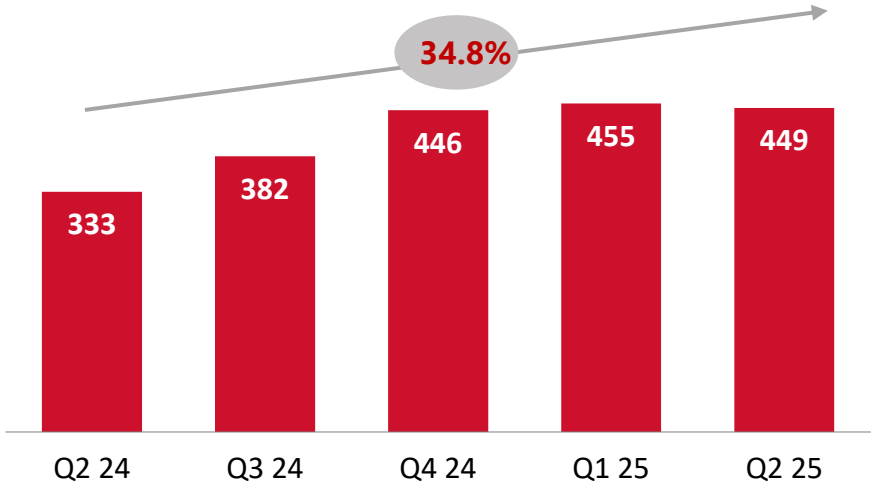
Individual Franchise stores already  
located across 14 provinces:

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

# Further Expansion of Our Franchise Network on Track



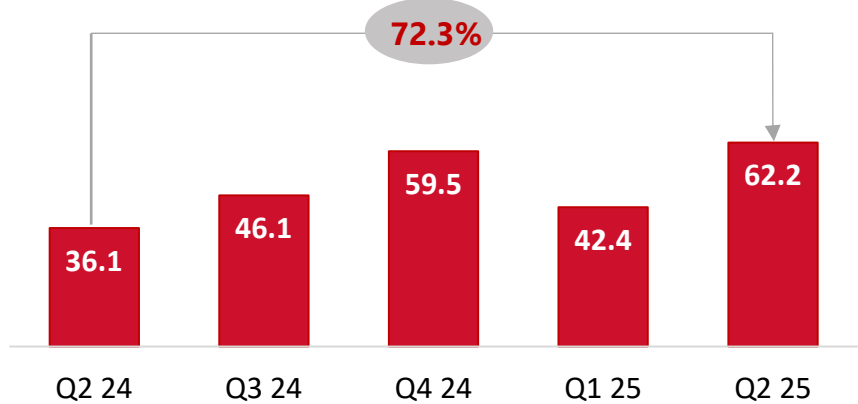
Total Sub-Franchise Stores



Maintain Close Cooperation with Sub-Franchisee Partners



Revenues from Sub-Franchise Business (RMB mm)

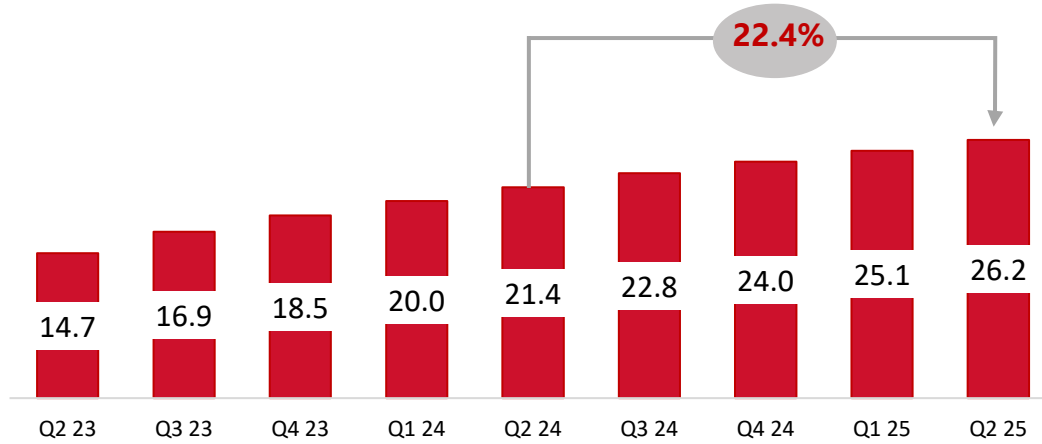


New franchised store opening in Nantong, Jiangsu Province

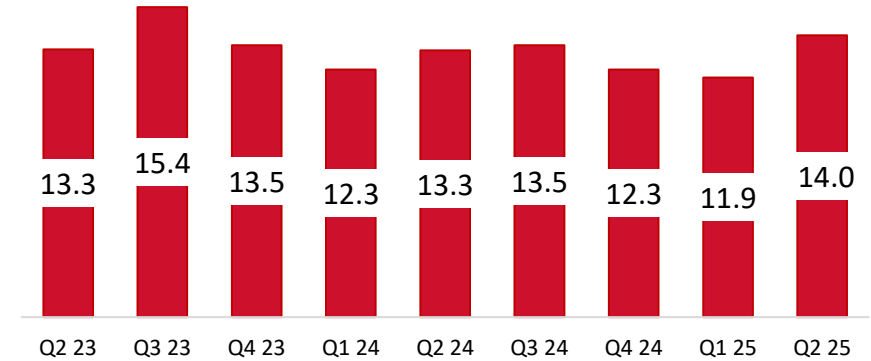
# Steady Growth of Loyalty Club Members and Digital Orders



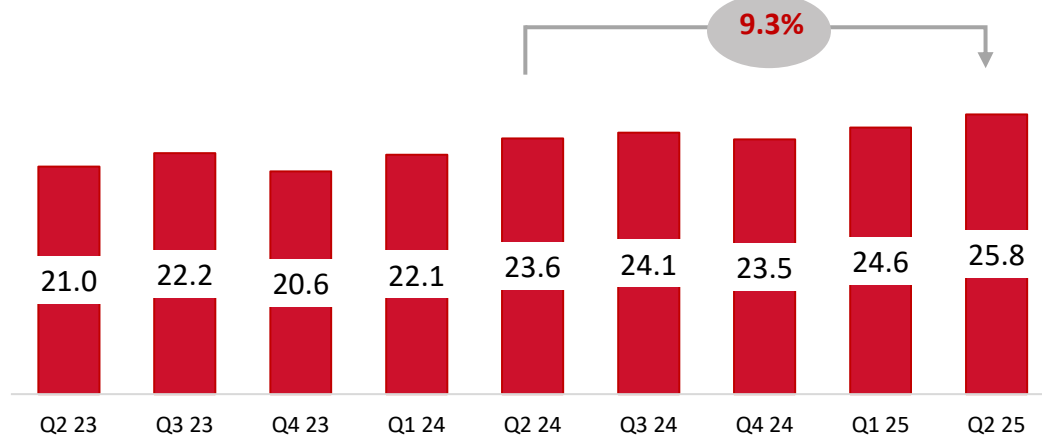
### Registered Loyalty Club Members (mm)



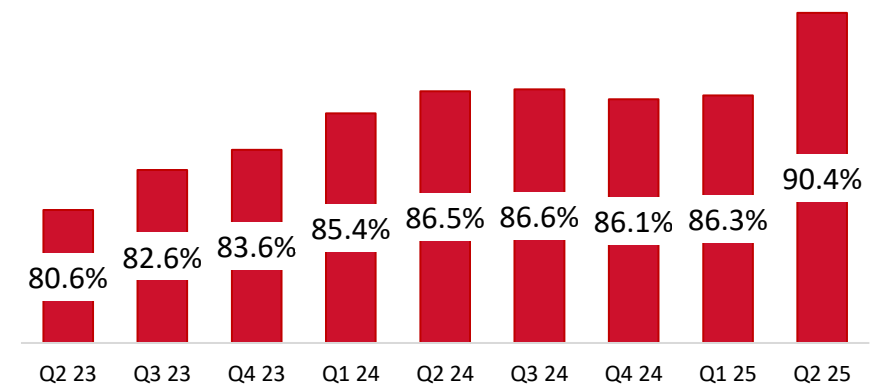
### Number of Orders (mm)



### Average Club Members Per Store (thousands)



### Digital Orders%<sup>(1)</sup>



(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



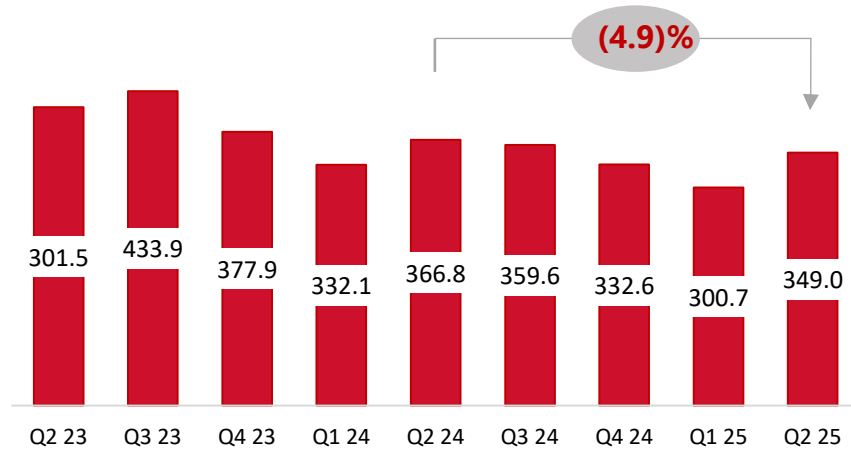
## 02. Financial Highlights



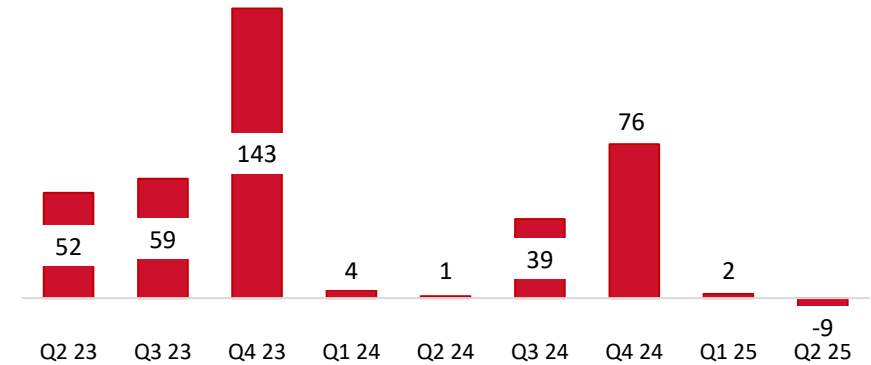
# Top-line Under Pressure Temporarily and Franchise Store Growth



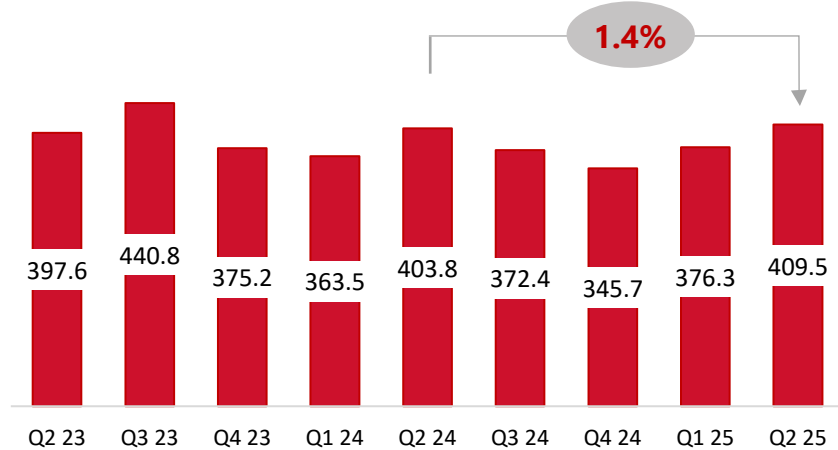
**Total Revenues (RMB mm)**



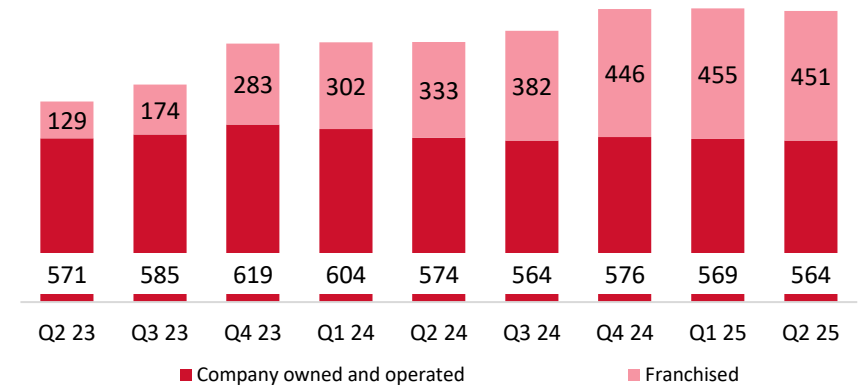
**Net New Store Openings<sup>(1)</sup>**



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



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



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# Near-Term Financial Priorities



**Accelerate Franchising Store Development**

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

**Deliver Sustainable Revenue Growth**

**Expand Store-Level Profitability**

**Optimize Cost Structure**

<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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