



# Tim's China

Nasdaq: THCH

Q1 2025 Earnings Presentation

*June 24, 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, 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



# Continued Improvements Adjusted Corporate EBITDA Margin On Track in Q1



	Q1			YOY (25 vs. 24)
	2023	2024	2025	
Food and packaging <sup>(1)</sup>	35.9%	34.7%	30.4%	↓ 430bp
Rental and property management fee <sup>(1)</sup>	23.0%	21.8%	22.1%	↑ 30bp
Payroll and employee benefits <sup>(1)</sup>	23.5%	22.0%	19.6%	↓ 240bp
Other operating expenses <sup>(1)</sup>	8.1%	8.2%	7.1%	↓ 110bp
Company owned and operated store contribution margin <sup>(1) (2)</sup>	(0.9%)	0.8%	6.7%	↑ 590bp
Marketing expenses <sup>(3)</sup>	5.4%	5.9%	5.8%	↓ 10bp
Adjusted general and administrative expenses <sup>(3) (4)</sup>	20.0%	15.4%	15.7%	↑ 30bp
Adjusted corporate EBITDA margin <sup>(3) (5)</sup>	(24.8%)	(15.8%)	(9.7%)	↑ 610bp

(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

# Resilient Store Network & Loyalty Membership Highlights: Q1 2025



	Q1 23	Q1 24	Q1 25	YoY % (25 vs 24)
Total stores	648	906	1,024	13.0%
Net new stores <sup>(1)</sup>	31	4	2	(50.0)%
Registered Loyalty club members (mm)	12.4	20.0	25.1	25.7%
Digital orders % <sup>(2)</sup>	81.2%	83.6%	86.3%	2.7ppts
Total revenues (RMB mm)	336.5	332.1	300.7	(9.5)%
System Sales (RMB mm) <sup>(3)</sup>	339.4	363.5	376.3	3.5%
Revenues from company-owned stores (RMBmm)	310.5	296.4	254.8	(14.0)%
Same-store Sales Growth for company-owned stores (%) <sup>(4)</sup>	8.0%	(11.7)%	(6.5)%	5.2 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

# Freshly Prepared Food



- ❑ We have completed the “made-to-order” open kitchen renovations of **660** new and existing stores by the end of March 2025
- ❑ Our guests are now able to watch our staff craft fresh meals from start to finish



# Product Innovation Meeting Local Customer Demand



Taro Boba  
Mammoth Bagel

芋见新春 猛犸来袭

## 猛犸贝果 芋泥啵啵

0反式脂肪酸



柔韧贝果  
嫩滑奶冻  
Q弹啵啵  
芝士芋泥馅  
奶油芋泥馅

新鲜即美味 健康低负担

Flame-Seared Cheese  
Croissant

## 岩烧乳酪可颂

精选黄油搭配香浓岩烧芝士  
咸甜交织, 层次丰富



新鲜即美味 健康低负担

Tims x Eagle  
Americano, Juice & Bagel  
with Ginseng

天好咖啡 × 鹰牌

## 能量满格 天天好状态

NEW 树莓花旗参能量美式  
每杯含≈14颗树莓

NEW 红菜头花旗参能量瓶  
每杯含红菜头红苹果红石榴果汁

NEW 花旗参玫瑰能量贝果  
每个含≈1包鹰牌花旗参

好状态CP  
特别添加  
鹰牌花旗参茶固体饮料



新鲜即美味 健康低负担

Sea Salt Rose & Orchid Latte

## 花香拿铁 与春共舞

NEW 春日小兰花风味拿铁  
兰香高扬 饱满悠长

NEW 海盐玫瑰拿铁  
含重瓣红玫瑰花汁



新鲜即美味 健康低负担

# Brand New Light Bagel Sandwich Lunch Box Series



天好咖啡

轻体午餐盒系列

## 轻体午餐盒系列



新鲜热烤



健康轻盈

3件套 随心搭配

午餐系列  
新选择



NEW

有料能量碗  
午餐盒套餐



充能午餐卷  
午餐盒套餐



吃饱饱卡  
优惠价

24元起

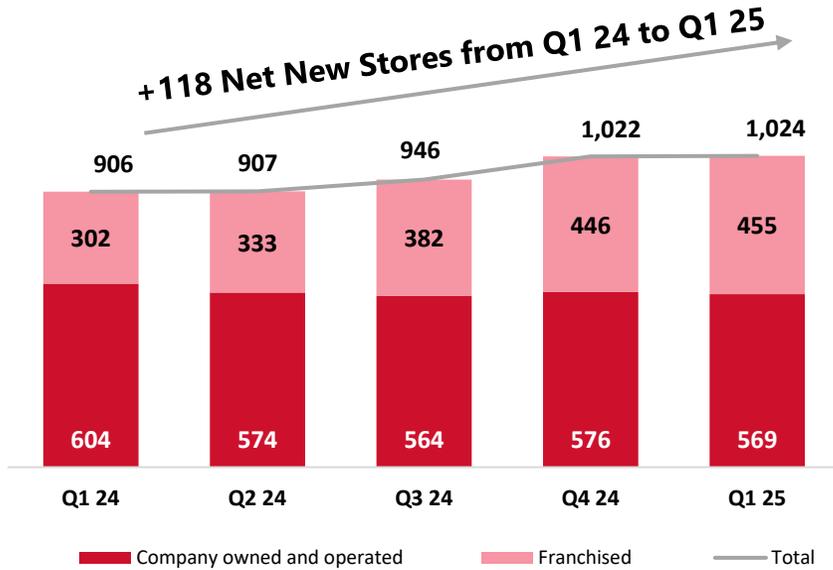
热烤贝果堡  
午餐盒套餐



# Focus on Profitable & Capital-Efficient Growth



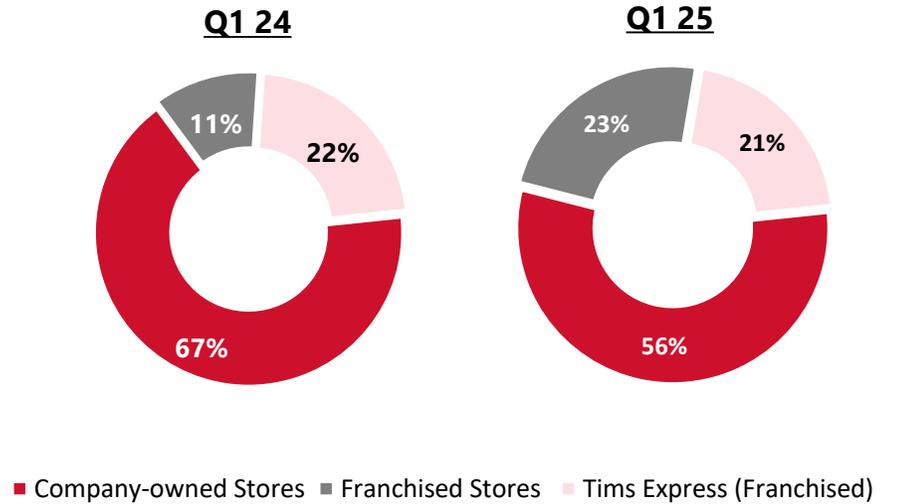
## Total stores<sup>(1)</sup>



## Market entry



## Store formats



## 2 Net New Store Openings in Q1 25



## (7) Net Company-owned Store Openings



## 9 Net Franchised Store Openings



(1) Popeyes stores are not included in the count

# The Individual Franchise Has Demonstrated Strong Growth And Remarkable Momentum



Applications

7,000+



Made-to-order Store  
Payback Period

2-3 years



Individual franchise stores

Opened # ~100

Signed # ~200

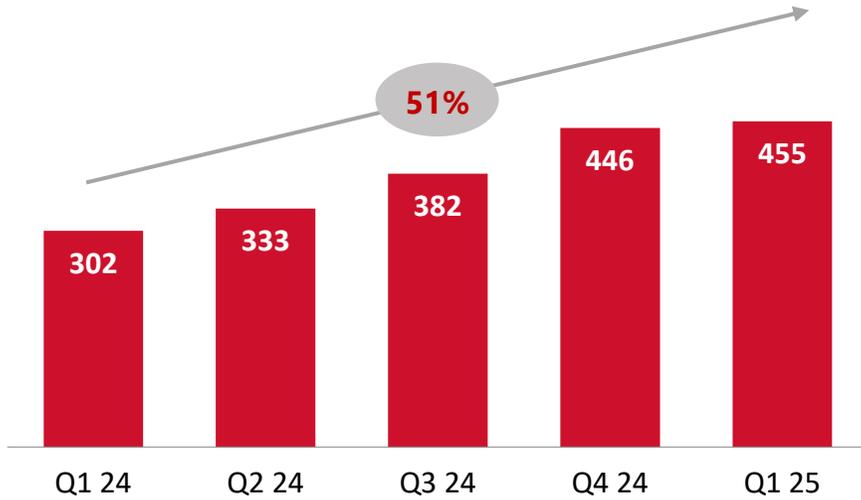
Individual Franchise stores already  
located across 14 provinces:

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**



**Maintain Close Cooperation with Sub-Franchisee Partners**

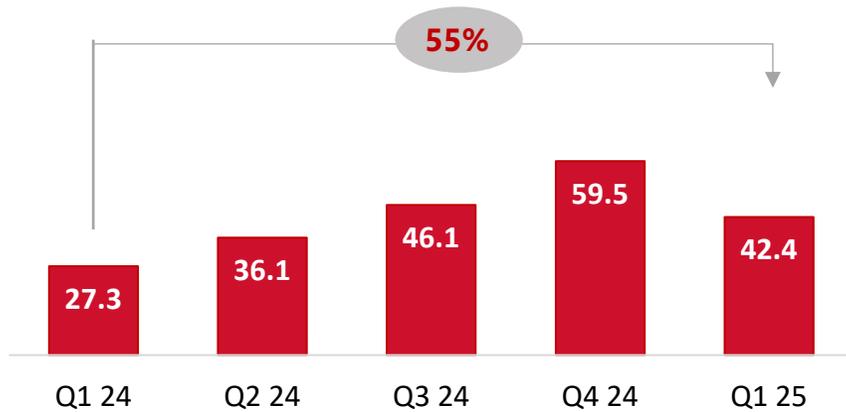


**First store in Nanchang, capital city of Jiangxi Province**



**New store in Chongqing Jiangbei International Airport**

**Revenues from Sub-Franchise Business (mm)**



**Silk Banner from Anhui Sub-Franchisee**

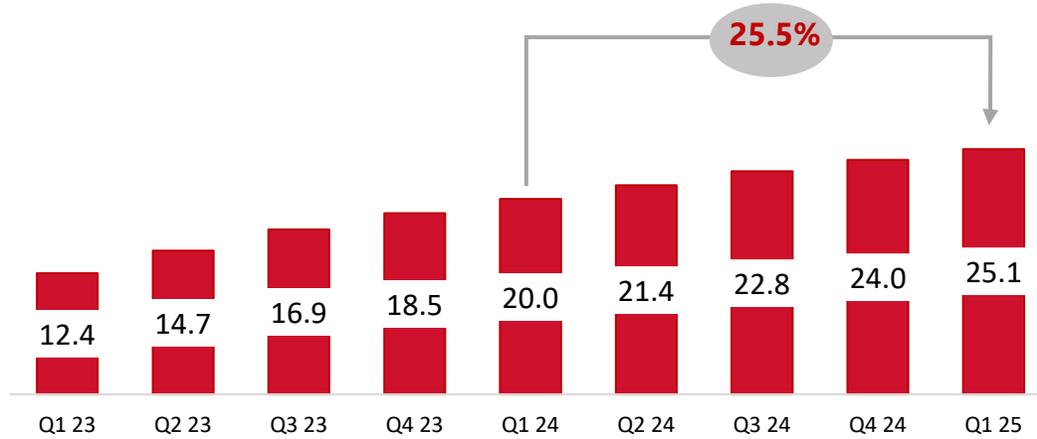


**Another Silk Banner from Tianjin Sub-Franchisee**

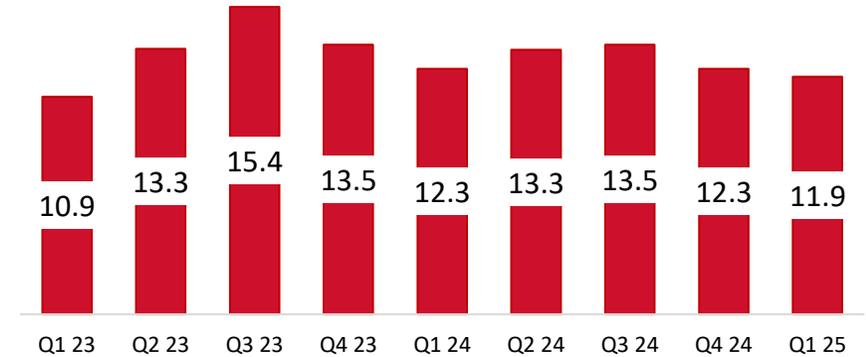
# Steady Growth of Loyalty Club Members and Digital Orders



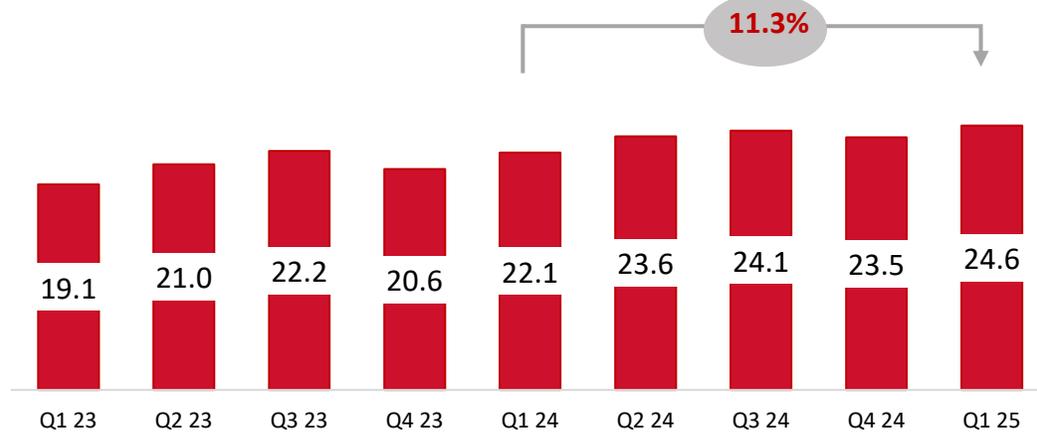
### Registered Loyalty Club Members (mm)



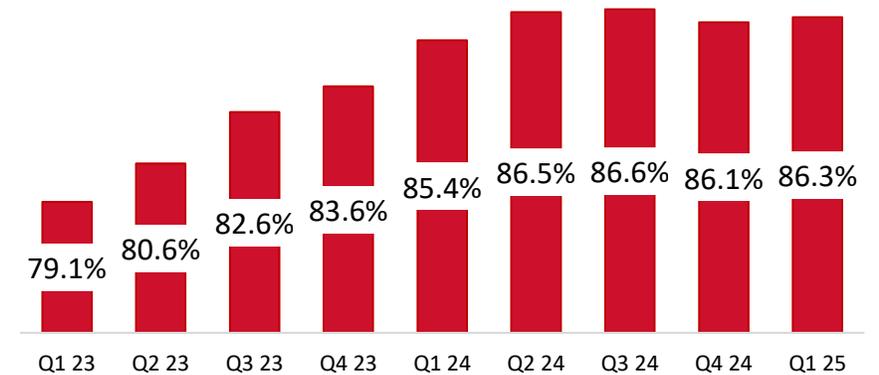
### Number of Orders (mm)



### 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



Tim Hortons



Tim Hortons



Tim Hortons



Tim Hortons



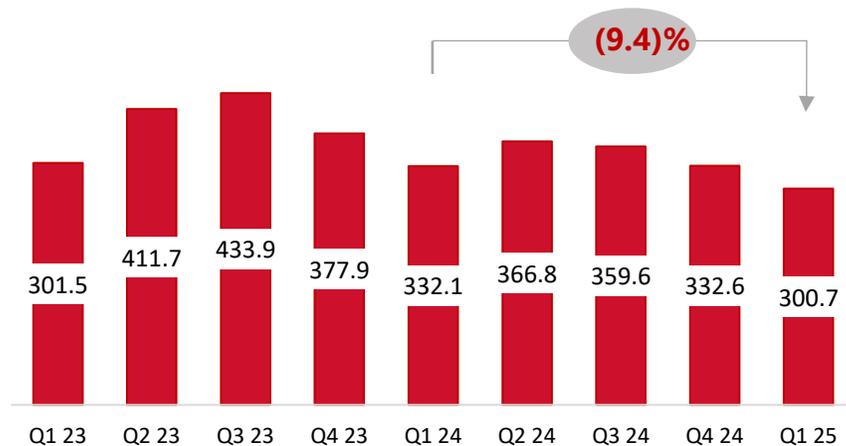
## 02. Financial Highlights



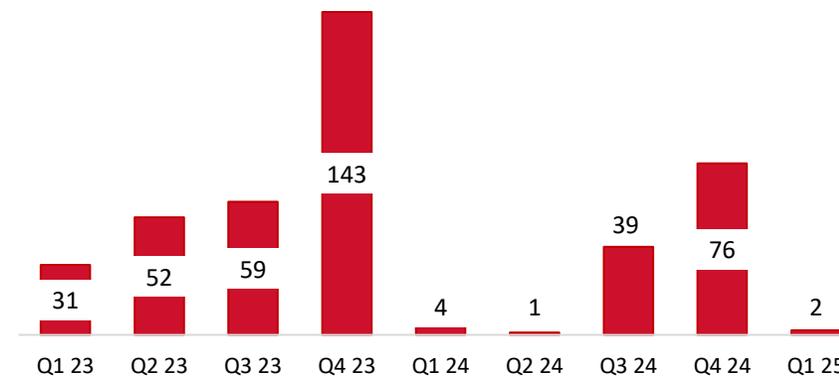
# Top-line Under Pressure Temporarily and Franchise Store Growth



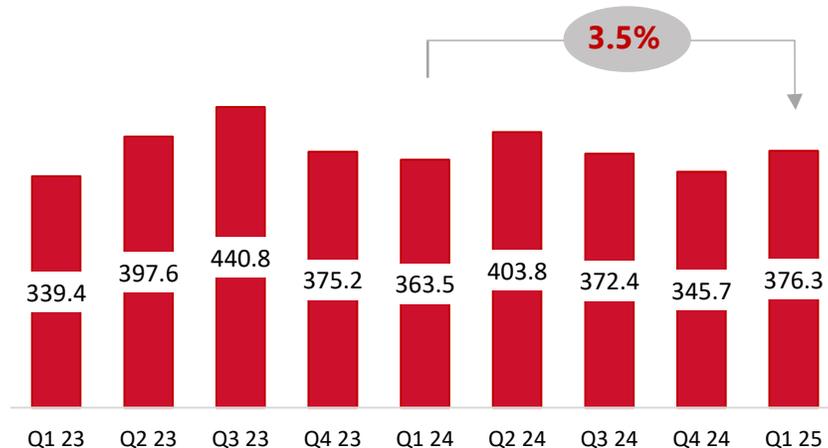
### Total Revenues (mm)



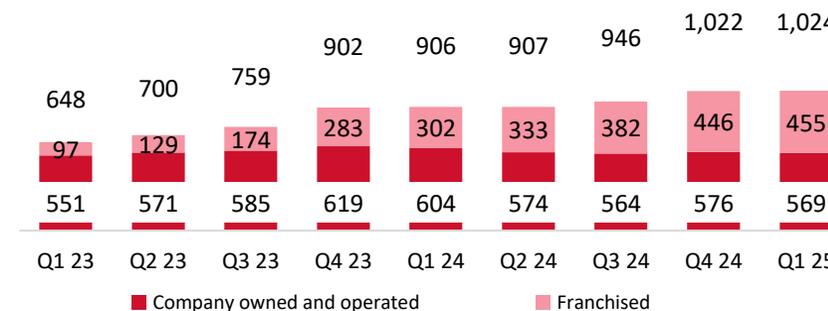
### Net New Store Openings<sup>(1)</sup>



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



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



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# Strategic Near-Term Financial Priorities

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**Improve Adjusted Corporate EBITDA**



**Accelerate Growth Franchise Store Network**



**Deliver Sustainable Revenue Growth**



**Expand Store-Level Profitability**



**Optimize Cost Structure**



## **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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