

WHOPPER®

Go on. Say it.



Indonesia



Company Overview



Attractive Market Dynamics

- ✓ **Fourth largest population in the world**
- ✓ **Young population with ~60% below the age of 35 and median age of 30**
- ✓ **Spending of food is 20% of GDP – one of the highest in the region***
- ✓ **Income per capita to grow at a CAGR of 7.2% from 2019E to 2022E**
- ✓ **QSR spending to grow at a CAGR of 10.9% between 2018 and 2023***
- ✓ **Strong momentum in online delivery sales of QSR with increasing internet penetration and low platform take rates (~10%)**

Burger King - Amongst the fastest growing QSR chains in Indonesia

- ✓ **2nd largest burger QSR chain and one of the fastest growing QSR chain of scale in Indonesia**
- ✓ **Pan Indonesia exclusive rights till 2039, with the option to sub-franchise and renew**
- ✓ **Led by management with multi-year QSR experience**
- ✓ **Grown from 54 stores in 2016 to 174 stores in 2020 (3.2x)**
- ✓ **Revenue has grown from US\$ 28 mn in 2016 to US\$ 100 mn in 2019**
- ✓ **4 X growth in Store EBITDA from 2016 to 2019**
- ✓ **Product portfolio comprises of widest Menu options across all protein types**

Multi-pronged growth strategy

- ✓ **Aggressive growth plan to (a) close gap with market leaders, (b) penetrate through T1-T3 cities in Indonesia**
- ✓ **Planned expansion of Burger king stores from 174 stores in December 2020 to 330 stores in March 2026**
- ✓ **Increased focus on FSDT format to drive superior unit economics**
- ✓ **Strong CRM Tech stack with 3+ million contact points**
- ✓ **Fill-in identified gap in menu offering relating to chicken & value**
- ✓ **Capitalize on rapid growth of food delivery services**
- ✓ **Optimize day parts by adding Breakfast and Cafe**

Notes:

- 1 Macro Data: BMI, Euromonitor, Worldometer, BPS, World Bank
- 2 * Food spend as a % of GDP, and QSR spending projections are unadjusted for Covid-19, Source: Euromonitor
- 3 Company Data is based on internal estimates

Attractive Market Dynamics

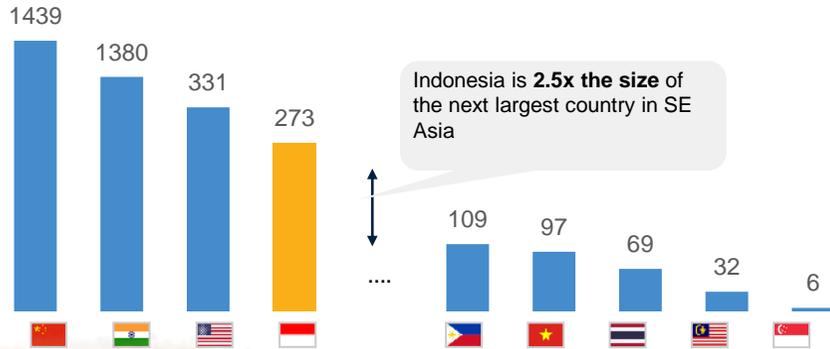




Highly Favorable Demographics

Evolving demographics and growing urbanization will help drive consumption in Indonesia

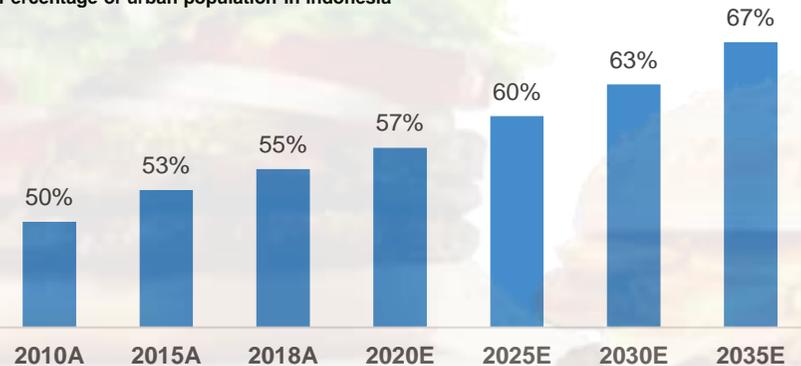
Indonesia is the 4th most populated country in the world



Source: BMI

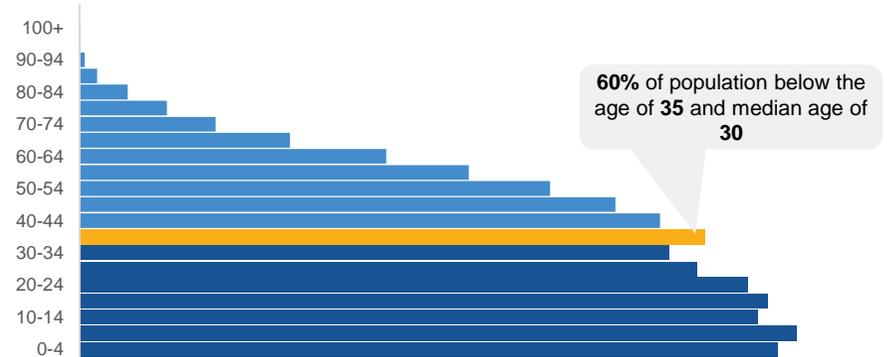
Rapidly increasing urbanisation rate

Percentage of urban population in Indonesia



Source: BPS, World Bank

Young Population to drive multi year growth in QSR



Source: Populationpyramid

Multiple urban centres of dense population

Number of cities with population above 1 million



Source: Worldometer

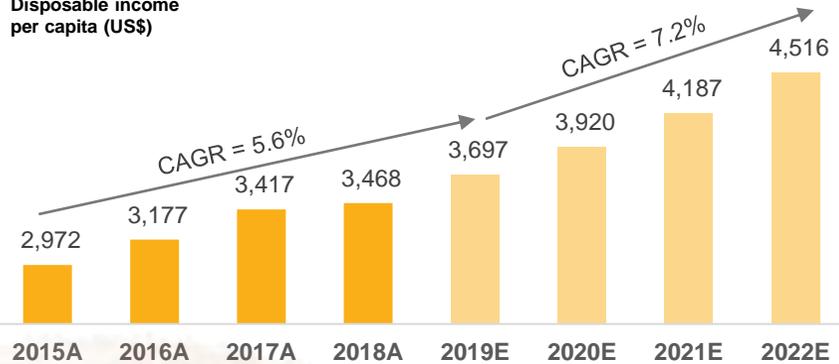


Increase in Disposable Income Driving Food Spend

The QSR industry in Indonesia will be driven by a fast-growing economy, and a high propensity to consume

The middle-income consuming class is growing wealthier

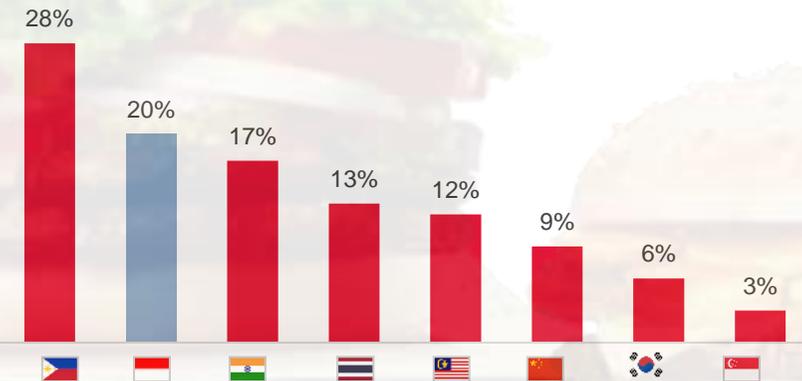
Disposable income per capita (US\$)



Source: BMI

Indonesians are one of the largest spenders on food in Asia

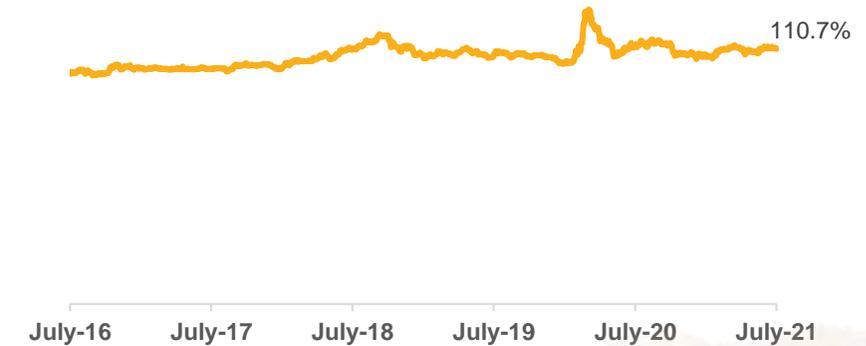
Food spend as % of GDP



Source: Euromonitor / Unadjusted for Covid

Economic indicators have been stable

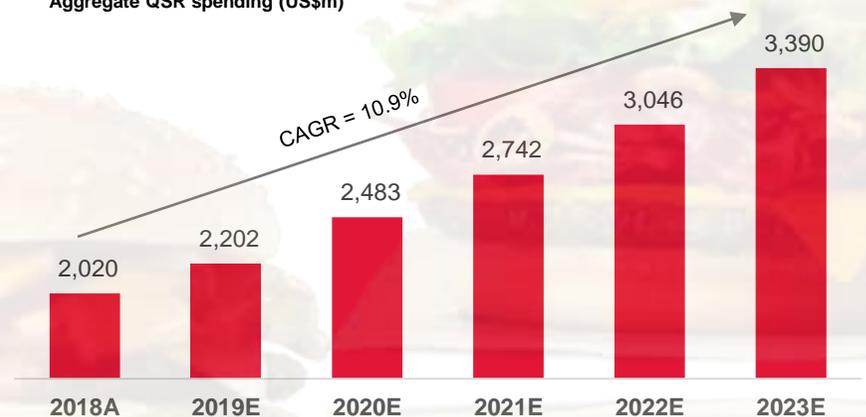
Movement of IDR against USD



Source: investing.com

QSR spending to grow at a rapid pace

Aggregate QSR spending (US\$m)



Source: Euromonitor / Unadjusted for Covid

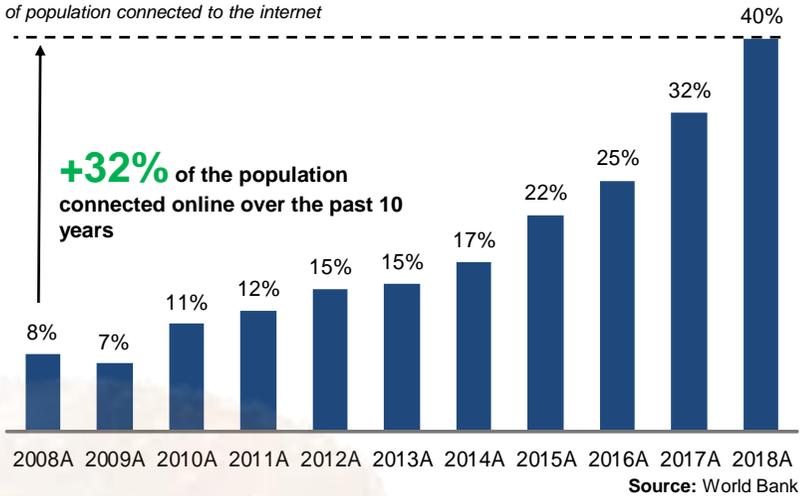


Additional growth driven by mobile technology

The QSR industry stands to benefit in this age of digitisation

1 Rapid growth in internet penetration in Indonesia

% of population connected to the internet



2 Proliferation of disruptive business services

Online payment providers

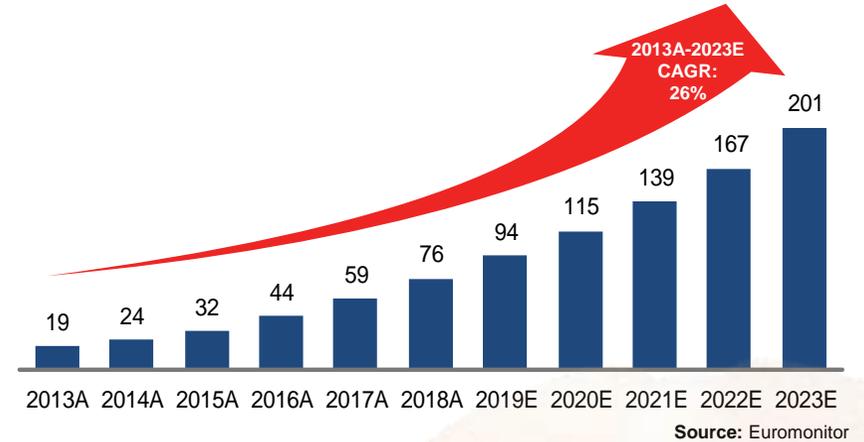


Food delivery aggregators



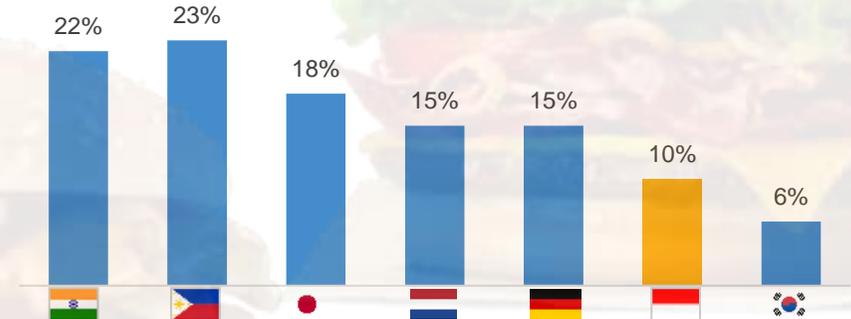
Online QSR delivery on the rise

QSR sales through online channels² in US\$m



Platform take rates are one of the lowest

Average platform take rates



Notes:

- 1 Food and drink sales which are delivered to the consumer by an employee of the outlet or by a third party
- 2 QSR orders made via internet / e-commerce

Company Overview

BURGERS



BEVERAGE



DESSERTS



KING MEALS



SNACKS





Burger King Indonesia at a glance

An impressive QSR platform combining scale, growth and profitability



Master franchisee

Pan Indonesia exclusive rights to 2039, with the option to sub-franchise and renew



2nd largest

Burger QSR chain in Indonesia



Fastest growing

Burger QSR chain of scale in Indonesia



+120 net new stores

added between 2016 and 2020



~185 stores

across 13 provinces by end 2021F



~ 3.0 m contact points

Full CRM Stack



3.6x¹

2016 to 2020 revenue growth to US\$77m



4.0x^{1,2}

2016 to 2020 Store EBITDA growth to ~US\$ 11.6m



12.0x²

2016 to 2020 Company EBITDA growth to US\$ ~4.7m

Notes:

- 1 Local currency converted to US\$ based on 1 US\$: 14,500 IDR
- 2 Store growth based on internal estimates and targets. Estimated as at December 2021

Source: Euromonitor, Company

Burger King Indonesia's journey so far

Quadrupling of store count since F&B Asia's acquisition in 2014



MILESTONES

EATING & DRINKING

INCEPTION

2007
Opened 1st store in Jakarta

x 3

2007A

ACQUISITION

2014
Acquired Burger King Indonesia while retaining Mitra Adiperkasa as a minority partner

x 37

2014A

2015
Entered into favourable long-term MFA with RBI



OPTIMISATION

2016
Introduced management team with an average of c.20 years of relevant experience to optimize business processes and promote operational excellence

x 54

2016A

2017
Overhauled menu to cater to local taste and preferences

2018
Shift emphasis to brand communication to promote next stage of growth

2019
Awarded (i) Gold Crown and (ii) Operator of the Year awards at the 2019 Burger King Global Convention



Expanding reach through channel expansion and digital integration

ACCELERATION

2021-2026

- Enhanced development effort in more profitable FSDT outlets
- Greater marketing budget for TV advertisement, social media engagement and promotion through delivery aggregators

2019-2020
Awarded (i) Gold Crown and (ii) Operator of the Year awards at the 2019 Burger King Global Convention

2020A
 x 174

2023E
 x 225

2026E
 x 330

2020
Gold Crown and Operator of the Year

2023E
Best Operations Market APAC

x Active store count at the end of each year (including 1 sub-franchised store that has been opened since 2018)

Notes:
1 Store growth based on internal estimates and targets. Estimated as at March 2023 and March 2026 respectively

Management team



Blend of local and expatriate staff with extensive QSR experience





Key value proposition

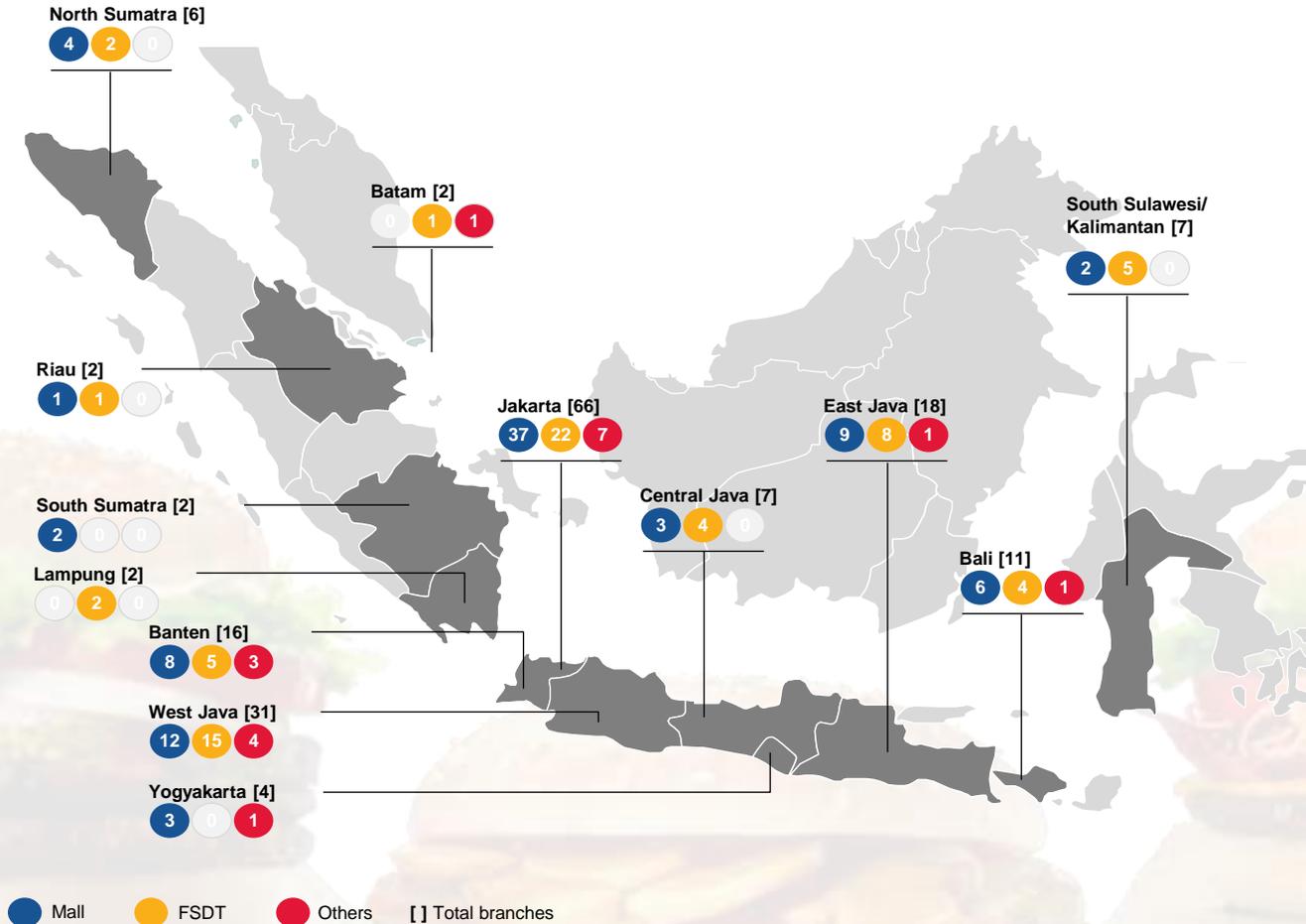
Great tasting food made with quality ingredients, supported by high standards of customer care and service





Store Footprint as of December 2020

Extensive store footprint across 13 provinces in Indonesia...



Notes:

1 Based on owned stores as of Dec 2020

Product portfolio

'Widest Menu options across all protein types'



1 Biggest Best in Class Burgers

- ✓ Flame grilled Excellence
- ✓ Biggest Burgers in town
- ✓ Most extensive Burger



2 One of the largest Chicken Offerings

- ✓ Only Burger King Market in the world to sell fresh Bone in Chicken & Snacks
- ✓ Extensive range of Chicken Burgers and Sides



3 Only QSR in Indonesia to offer Plant Based Options



Product portfolio

Diversified menu across taste profiles with laddered price points...



Variety across price points provide an ability to increase ticket size



Product portfolio

...Best in class innovation – “InstaDelicious”



- ✓ Innovation that looks good and tastes better
- ✓ Thematic execution across burgers, chickens, snacks , beverages and desserts



Sakura Collection



Tropical Delight



Black Kuro Burger



Bluetterfly



Rad!



Sakura Fusion
Sakura Super Float
Sakura Yakiniku Fries



Tropical Fusion
Habanero Chicken
Mango Super Float



Black Cheese Fries
Cookies N' Cream
Coke Float



Bubblegum Ice Cream
Bluetterfly Float



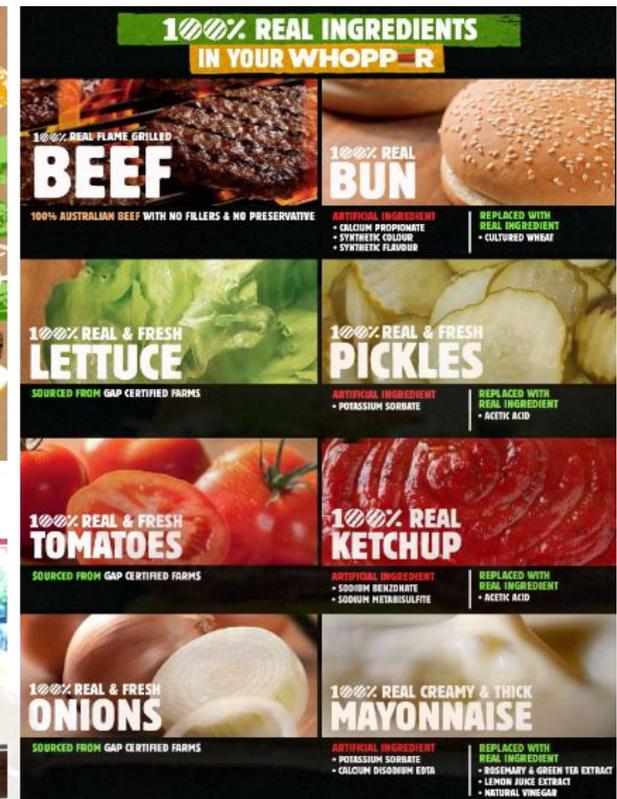
Rad Float
Rad V-usion
Rad Sauce Fries

Product portfolio

...Clean ingredients – no artificial colors, artificial preservatives or taste enhancers



- ✓ 90%+ ingredients are clean. Aiming for 100% by year end 2021. Only QSR brand to claim this in Indonesia
- ✓ 1st Market in Asia to launch the 100% Clean Whopper



Operational Excellence

Best in class food safety and Guest Service



✓ Top Tiered Ops market within the Burger king System across 3rd party audit and guest feedback



✓ Enhanced COVID Safety ~95% of Staff Vaccinated- 100% Vaccination target by EOM September 2021



Notes:
1 Source: SMG, NSF

Sustainability initiatives in place throughout the system



Sustainability on PEOPLE through employment equality



3 restaurants, 100+ employees ,
partnership with ILO

Sustainability for the PLANET through eco-friendly packaging



~20 tons of plastic reduction from
straws and plastic cups annually

Sustainability on FOOD through clean ingredients



100% clean Whopper, 90%+ ingredients
cleaned, 100% target by EOY2021

Source: BKI Analysis

Marketing strategy

Build top of mind through bold challenger approach while keeping functional competitiveness



Key Focus

Functional Strength

Brand Swagger- Bold

Communication channels

TV, Social media, OTT, OOH

Social Media



Paid TV advertisements to promote value-oriented fried chicken offerings and brand consideration



Utilises trendy social media formats that cater to millennials' taste and preference, leading to improved engagement

Strategy evolution from billboards and traditional print media press to a national omni-channel approach with an increasing focus on digital marketing

Marketing strategy

...Best in class innovation – “InstaDelicious”



- ✓ Our food innovation is one of the biggest brand drivers
- ✓ Most exciting burger brand for the instagram/tiktok generation & influencers



Historical Financial Performance

In USD



Parameters	Unit	2016 A	2017A	2018A	2019A	2020A	2021 H1
Stores	#	54	84	123	163	174	176
Mall	#	34	54	76	86	87	87
FSDT	#	7	13	27	58	69	71
Others	#	13	17	20	19	18	18
Sales	US\$ mn	28	43	66	100	77	37
Gross Profit	US\$ mn	17	25	38	57	44	21
Labour Costs	US\$ mn	(4)	(5)	(8)	(12)	(11)	(5)
Rent ¹	US\$ mn	(2)	(3)	(3)	(4)	(2)	(1)
Other Operating Expenses ²	US\$ mn	(6)	(10)	(15)	(23)	(19)	(9)
Store EBITDA	US\$ mn	5	7	12	18	12	6
Company EBITDA	US\$ mn	2	4	7	12	5	2
<i>Gross Profit %</i>	%	59.5%	58.6%	57.8%	56.8%	57.4%	57.8%
<i>Store EBITDA %</i>	%	16.6%	17.6%	18.3%	18.2%	15.1%	15.9%
<i>Company EBITDA %</i>	%	7.2%	9.4%	11.0%	11.9%	6.0%	4.6%
<i>Avg. Daily Sales</i>	US\$' 000	1.7	1.8	1.9	1.9	1.2	1.2

Notes:

1 Post IFRS 16 adoption

2 Other operating expenses include (1) Energy and Utilities, (2) Marketing, (3) Royalties, (4) Delivery Commission, and (5) Other Opex

3 Local currency converted to US\$ based on 1 US\$: 14,500 IDR

Historical Financial Performance

In IDR



Parameters	Unit	2016A	2017A	2018A	2019A	2020A	2021 H1
Stores	#	54	84	123	163	174	176
Mall	#	34	54	76	86	87	87
FSDT	#	7	13	27	58	69	71
Others	#	13	17	20	19	18	18
Sales	IDR bn	410	618	956	1,446	1,118	533
Gross Profit	IDR bn	244	362	552	822	641	308
Labour Costs	IDR bn	(57)	(79)	(117)	(174)	(160)	(72)
Rent ¹	IDR bn	(24)	(37)	(47)	(52)	(23)	(14)
Other Operating Expenses ²	IDR bn	(95)	(138)	(213)	(332)	(289)	(137)
Store EBITDA	IDR bn	68	108	175	264	169	85
Company EBITDA	IDR bn	30	58	105	172	67	24
<i>Gross Profit %</i>	%	59.5%	58.6%	57.8%	56.8%	57.4%	57.8%
<i>Store EBITDA %</i>	%	16.6%	17.6%	18.3%	18.2%	15.1%	15.9%
<i>Company EBITDA %</i>	%	7.2%	9.4%	11.0%	11.9%	6.0%	4.6%
<i>Avg. Daily Sales</i>	IDR mn	25.2	25.5	26.9	27.2	17.9	17.2

Notes:

1 Post IFRS 16 adoption

2 Other operating expenses include (1) Energy and Utilities, (2) Marketing, (3) Royalties, (4) Delivery Commission, and (5) Other Opex



Growth initiatives: summary overview

Multi-pronged growth strategy designed to (i) **further scale the business**, (ii) **entrench market leading position**; and (iii) increase **barriers to entry** for competitors



1

Expansion of FSDT format

FSDT format allows for higher traffic capacity, reduced rental costs and superior unit economics



2

Launch Bk Café & Breakfast

Launch two brand new product categories tackling different day parts without cannibalisation optimising 24 hour operation



3

Enhance chicken, Value & Innovation

Fill-in identified gap in menu offering relating to chicken, the largest segment in the Indonesian QSR market & continue adding Innovative builds



4

Technology / CRM

Introduce digital integration to better understand and cater to rapidly changing consumer tastes and preferences



5

Drive online delivery

Capitalise on rapid growth of food delivery services and growing mobile penetration rates, as well as opening up new geographic catchment areas



Growth Initiative: Expansion of FSDT format

FSDT has superior unit economics and will be a core component of future growth

Full Service Restaurant

- 24-hour operation potential
- Serving all day parts including Breakfast & late-night meals
- Opportunity to add café given enough dine in space
- Servicing all order modes Drive through, Takeout, Dine-in & Delivery with separate 3rd party Delivery window and waiting area
- Own Parking for cars & bikes for ease of customer and an enhanced experience
- Open air- and air-conditioned seating
- Play areas for kids
- Restrooms



Massive Growth Opportunity

- Opportunity to open 200+ FSDT given market footprint of competition and avb of retail space
- FSDTs have higher mature EBITDA margins than malls, underpinned by lower rental costs and stronger earnings potential due to longer operating hours
- Capex for new FSDTs is higher compared to malls, however their stronger earnings profile more than offsets the incremental costs, allowing for a shorter payback period and higher ROIC
- The Company aims to focus on scaling its FSDT presence



Growth Initiative: New Menu Implementation

Breakfast and Bk Café to become growth pillars optimizing 24 hour operations

Breakfast / Midnight



Café / Beverage



- Kickstart breakfast in Q4 2021 – certain menu available all day
- Opportunity to launch in 100+ FSDT stores across Indonesia by EOD 23
- Ignite 24 hour opportunity with late-night/early morning menu

- Kickstart testing Bk Café Q4 2021
- Extensive beverage menu including Speciality Coffee/ Boba/ Bursties
- 20% ADS opportunity



Growth Initiative: Enhance chicken and value offering

Ongoing tailoring of menu to suit local tastes, driven by primary research to help drive Average Daily Transaction (“ADT”) growth at the store level

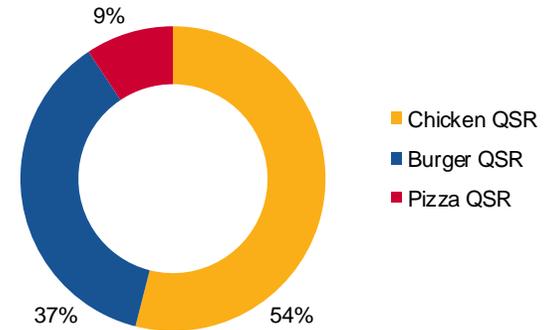


Opportunity

~54% of the total western QSR spending in Indonesia on chicken, suggesting potential for Burger King Indonesia to further scale up its Bone in chicken business

Strategy

Introduced fresh chicken to compete with key players with full back of house capabilities
New Recipe set to launch in Q4 2021



Opportunity

60% under 30 with a growing middle class
Value menus are key to introduce /induct and build frequency and close traffic gap

Strategy

Introduced all new Bokek Menu with prices starting at 5000 IDR
Aggressive innovation across value platforms



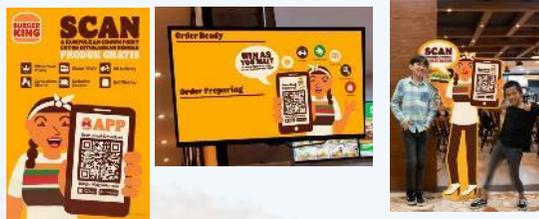


Growth Initiative: Technology & CRM

Push to be a digital native by pushing known digital sales

1 Aggressive Data Collection & connected Tech 2 App and Loyalty programe 3 Clevertap- Segmentation & Analysis

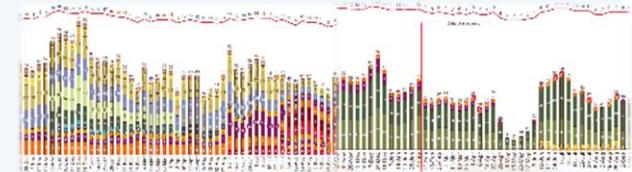
- 25% known sales- target 50%+ EOY
- Data coming through tills, app & website and Kiosks
- State of the art Back-end tech integrated



- Only QSR to have a robust loyalty program
- Gamification through Shake and Win
- Exclusive offers
- Pre Order Pick/ Delivery/ Contact Less Dine in



- Partnered with Stamps , Clevertap , branche to build a comprehensive CRM stack.
- Kickstarted RFM segmentation with over 3 Million owned Data points set to double in 1 year



Greater understanding of rapidly changing consumer taste and preferences leading to...

1 ...effective tailoring of menu that entices local consumers



2 ...and significant increase in known guests

CRM Data base



Notes:
1 Legend of product level analysis hidden due to confidentiality

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