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RBI acquires Popeyes China plans to accelerate growthÂ

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Restaurant Brands International Inc. announced two transactions in China, the acquisition of Popeyes China, and the co-investment with Cartesian Capital into the business of TH International Limited. The two transactions reflect RBI's confidence in China, one of the largest QSR markets globally, and its commitment to driving growth in the market. RBI's total amount of capital outlay will be up to $45M for the two transactions.

RBI has agreed to acquire the Popeyes China business from Tims China on a cash-free debt-free basis based on an enterprise value of $15M. Following the transaction, RBI will own and operate Popeyes China, which opened its first restaurant in August 2023 and has 14 restaurants in Shanghai. The pace of restaurant growth is expected to ramp up through investments in local teams and restaurant development. Longer-term, RBI expects to bring on local partners to form a more traditional master franchisee, similar to other Popeyes international markets.

To help fuel the growth of Tims China, Cartesian Capital and RBI agreed to invest up toÂ $50MÂ of capital into the Tims China business via three-year convertible notes, of whichÂ $40MÂ will be issued at closing with the balance funded over the coming 7 months, subject to certain operational and financial conditions. Of the total,Â $20MÂ were issued to Cartesian and up toÂ $30MÂ will be issued to RBI, includingÂ $20MÂ at close. Following the transaction, RBI will effectively have the right to appoint two directors to the Tims China Board and will see its equity ownership in the business increase to up to 18 per cent, on an as-converted basis. The RBI team will continue to work closely with the Tims China management team and Board to drive growth in one of the fastest-growing coffee markets in the world.