



27 February 2025

ASX Listings Compliance

By email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Dear Sir / Madam,

### **Response to ASX Aware letter dated 25 February 2025**

We refer to your letter dated 25 February 2025 (the **ASX Aware Letter**) and set out the response of Guzman y Gomez Limited (**GYG**) to the requests for information made in the ASX Aware Letter, using the same numbering. Unless otherwise indicated, capitalised terms in this letter have the same meaning as given in the ASX Aware Letter.

- 1. Does GYG consider that any measure of its statutory or underlying earnings for the half year period to 31 December 2024 as disclosed in the Results Announcements (Earnings Information) differed materially from the market's expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):**

- 1.1 If GYG had published earnings guidance, that guidance.**

GYG did not publish earnings guidance for the half year period ending 31 December 2024.

- 1.2 If GYG is covered by sell-side analysts, the earnings forecasts of those analysts.**

Management considers Segment Underlying EBITDA to be the most important metric for market participants and management to assess company performance.

GYG does not consider the company's Segment Underlying EBITDA results for the half year ended 31 December 2024 (the **1H25 Results**) to be materially different to the market's expectations.

GYG also considered statutory measures of earnings, including EBITDA, Profit before Tax and Net Profit after Tax. GYG does not consider that the 1H25 statutory results were materially different to the market's expectations of any of those measures either.

- 1.3 If paragraphs 1.1 and 1.2 are not applicable, GYG's earnings for the prior corresponding period, being the half year ended 31 December 2023.**

Not applicable.

- 2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how GYG determined market expectations in relation to each relevant measure of its earnings, including:**

- 2.1 If GYG had published earnings guidance, details of:**

- 2.1.1 that guidance when it was released to the market; and**

- 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.**

GYG has not published earnings guidance for the half year ended 31 December 2024. In its prospectus dated 14 June 2024 (**IPO Prospectus**), GYG published financial forecasts for the financial year which ended 30 June 2024 and the financial year ending 30 June 2025. The IPO Prospectus did not contain any financial forecast for the half-year ended 31 December 2024.

**2.2 If GYG used sell-side analyst forecasts to estimate the market's expectations of its earnings, details of:**

**2.2.1 the method that GYG used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in particular, whether or not GYG used a "consensus estimate" or an "adjusted consensus estimate" or a different specified approach for determining this estimate;**

GYG is covered by 10 sell-side analysts whose forecasts are tracked by GYG as an indicator of the market's earnings expectations. Seven of those analysts provided forecasts of key measures of GYG's earnings for the half year ended 31 December 2024.

GYG adopts a consensus estimate methodology to translate sell-side analyst forecasts into its estimate of market expectations, with the consensus estimate being the average across sell-side analysts for each measure. In relation to 1H25, one analyst was excluded due to being stale (more than 6 months since release of estimates).

GYG reviews its analysis of consensus estimates whenever an analyst report is published and as part of its monthly Continuous Disclosure Committee forum. GYG's view of consensus is also informed by external platform VisibleAlpha which is used as a cross-check of consensus estimates<sup>1</sup>.

**2.2.2 the entity's estimate of market expectations using that method; and**

GYG's assessment of the consensus estimate, based on data compiled on 20 February 2025 (being the date immediately prior to the release of the 1H25 Results), of each of the measures of earnings for the half year ended 31 December 2024 was:

- Group Segment Underlying EBITDA: \$27.6m
- Group Statutory EBITDA: \$32.5m
- Group Profit before Tax: \$14.5m
- Group NPAT: \$7.3m

These consensus estimates did not change materially in the months leading up to the results.

**2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.**

GYG continuously monitors its earnings forecasts relative to the market's expectations. This is formally assessed at monthly disclosure committee

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<sup>1</sup> <https://visiblealpha.com/products/corporate-insights/>

meetings, including on the 23 January 2025 when GYG was aware with a reasonable degree of certainty that its expected earnings for 1H25 were materially in line with consensus.

In the following weeks prior to the results announcement, GYG continued to hold the view that its expected earnings were materially in line with the market's expectations. The table below outlines the variance of reported earnings in the 1H25 Results relative to GYG's estimate of consensus as at 20 February 2025 outlined in 2.2.2.

<b>Measure</b>	<b>Actual result</b>	<b>Consensus estimate</b>	<b>Variance</b>
Underlying Segment EBITDA	\$26.8m	\$27.6m	(2.8%)
Statutory EBITDA	\$31.6m	\$32.5m	(2.7%)
Profit before tax	\$15.2m	\$14.5m	4.8%
Net profit after tax	\$7.3m	\$7.3m	-

**2.3 If paragraphs 2.1 and 2.2 are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, GYG's earnings for the prior corresponding period.**

Not applicable

**3. Does GYG consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of GYG's securities?**

**Please answer separately for each measure of earnings referred to in the Earnings Information.**

Published Earnings Guidance:

Not applicable.

Sell-side Analysts:

No.

As explained above, the consensus Group Underlying Segment EBITDA, Group Statutory EBITDA and Group Profit before tax were within 5% of the actual reported measures, and the consensus Group NPAT was the same as the reported measure for the half year ended 31 December 2024. None of those differences were considered market sensitive (and the variances were well within the parameters set out in paragraph 7.3 of ASX Guidance Note 8).

GYG continually monitors changes to consensus analyst estimates, which are regularly revised to reflect updates in the underlying analyst estimates.

These estimates were regularly compared to internal estimates of earnings for the period and at no point did GYG consider that expected earnings differed materially from estimates of the market's expectations of earnings.

Accordingly, GYG does not consider that, at any point prior to the release of the Results Announcement, there was a variance between its expected earnings and its estimate of market

expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of GYG's securities.

Prior Corresponding Period:

Not applicable.

**4. If the answer to question 3 is “no”, please provide the basis for that view.**

Published Earnings Guidance:

Not applicable.

Sell-side Analysts:

See response to question 3 above.

Prior Corresponding Period:

Not applicable.

**5. If the entity first became aware of the variance before the release of Results Announcements, did GYG make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GYG was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GYG took to ensure that the information was released promptly and without delay.**

Not applicable.

**6. Please provide details of any other explanation GYG may have for trading in its securities following the release of the Results Announcements.**

GYG is not able to make definitive comments as to the factors influencing the trading of its shares.

However, since the release of GYG's 1H25 Results, representatives of GYG have been actively engaging with market participants. Feedback from these discussions to date indicates that the decline in GYG's share price following the release of results on 21 February 2025 was potentially influenced by one or more of the following factors: trading activity prior to the release of results, speculation on the potential partial release of escrowed shares and the FY25 outlook and guidance framework (in particular GYG's restaurant margin outlook).

Trading activity prior to release of 1H25

In the week prior to the release of the 1H25 Results, GYG's share price increased by approximately 10% from \$40.80 (closing price on Friday 14 February 2025) to \$44.99 (closing price on Thursday 20 February 2025, the day immediately prior to the release of the 1H25 Results).

Potential release of escrow

At the time of GYG's listing, the board, senior management, eligible franchisees and major shareholders agreed to voluntary escrow restrictions on their shares until 4.15pm on the trading day following the release of GYG's preliminary final report for the financial year ending 30 June 2025. 25% of these shares (13.6% of issued capital) will be released from escrow restrictions at 4:15 PM (Sydney time) on any trading day following the release of the Company's 1H25 results, if the volume weighted average price (**VWAP**) of GYG shares exceeds \$22.00 by at least 20% for ten consecutive trading days (which means the earliest time for early partial release is 4:15 pm on 7 March 2025).

GYG's discussions with market participants have highlighted the market's awareness of the potential release of escrow and that it may potentially also be impacting trading activity.

Restaurant margin outlook

GYG is currently achieving strong economics within its restaurants, underpinned by high sales volumes, strong margins in corporate restaurants and compelling returns on investment, particularly in its drive-thru format. These economics continue to strengthen as the company delivers comparable sales growth in its restaurants, resulting in margin expansion through operating leverage. Based on investor feedback, the outlook for the pace of margin expansion is a key driver of future earnings growth.

In each of its results published to date, GYG provides guidance on the outlook for corporate restaurant margins for the remainder of the financial year. Over the last six months, internal estimates of corporate restaurant margins for the full year remained in line with published guidance.

As part of its 1H25 Results, GYG reaffirmed its published guidance for full year corporate restaurant margin performance. Notwithstanding that GYG has not provided any update on its published guidance, feedback from market participants suggests that their expectations prior to the release of the 1H25 Results was that corporate restaurant margins would be above the company's guidance.

**7. Please confirm that GYG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

Confirmed.

**8. Please confirm that GYG's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GYG with delegated authority from the board to respond to ASX on disclosure matters.**

Confirmed.

Yours sincerely,



Claudine Tarabay  
Company Secretary  
Guzman y Gomez Limited



25 February 2025

Reference: 106570

Ms Claudine Tarabay  
Company Secretary  
Guzman Y Gomez Limited  
Level 2, 64-76 Kippax Street  
SURRY HILLS NSW 2010

By email

Dear Ms Tarabay

**Guzman Y Gomez Limited ('GYG'): ASX Aware Letter**

ASX refers to the following:

- A. GYG's announcements released on the ASX Market Announcements Platform on 21 February 2025 in connection with its half year results ('Results Announcements'), being:
  - 1.1 2025 GYG Appendix 4D and Half-Year Report at 8:32 AM AEDT;
  - 1.2 2025 GYG Half-Year ASX Announcement at 8:33 AM AEDT; and
  - 1.3 2025 GYG Half-Year Results Briefing Presentation at 8:36 AM AEDT.
- B. The change in the price of GYG's securities from \$44.99 immediately prior to the release of the Results Announcements to a low of \$38.58 following the release of the Results Announcements.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

*"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
  - "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
    - 3.1A.1 One or more of the following 5 situations applies:
      - It would be a breach of a law to disclose the information;
      - The information concerns an incomplete proposal or negotiation;
      - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;

- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

- G. ASX’s policy position on “market sensitive earnings surprises”, which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

*“...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact.”...*

*“...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity’s securities.”...*

### **Request for information**

Having regard to the above, ASX asks GYG to respond separately to each of the following questions and requests for information:

1. Does GYG consider that any measure of its statutory or underlying earnings for the half year period to 31 December 2024 as disclosed in the Results Announcements (‘Earnings Information’) differed materially from the market’s expectations, having regard to the following three base indicators (in decreasing order of relevance and reliability):
  - 1.1 If GYG had published earnings guidance, that guidance.
  - 1.2 If GYG is covered by sell-side analysts, the earnings forecasts of those analysts.
  - 1.3 If paragraphs 1.1 and 1.2 are not applicable, GYG’s earnings for the prior corresponding period, being the half year ended 31 December 2023.

Please answer separately for each measure of earnings referred to in the Earnings Information. In your response, please have regard to ASX’s commentary in paragraphs 4(a) and 4(b) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1. In doing so, please specify how GYG determined market expectations in relation to each relevant measure of its earnings, including:
  - 2.1 If GYG had published earnings guidance, details of:
    - 2.1.1 that guidance and when it was released to the market; and
    - 2.1.2 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, that guidance.
  - 2.2 If GYG used sell-side analyst forecasts to estimate the market’s expectations of its earnings, details of:
    - 2.2.1 the method that GYG used to translate sell-side analyst forecasts into its estimate of market expectations for each measure of earnings referred to in the Earnings Information and, in



particular, whether or not GYG used a “consensus estimate” or an “adjusted consensus estimate” or a different specified approach for determining this estimate;

- 2.2.2 the entity’s estimate of market expectations using that method; and
  - 2.2.3 the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, its estimate of these expectations.
- 2.3 If paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** are not applicable, the date when the entity first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, GYG’s earnings for the prior corresponding period.
3. Does GYG consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of GYG’s securities?
- Please answer separately for each measure of earnings referred to in the Earnings Information.
4. If the answer to question 3 is “no”, please provide the basis for that view.
5. If the entity first became aware of the variance before the release of Results Announcements, did GYG make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe GYG was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps GYG took to ensure that the information was released promptly and without delay.
6. Please provide details of any other explanation GYG may have for the trading in its securities following the release of the Results Announcements.
7. Please confirm that GYG is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
8. Please confirm that GYG’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of GYG with delegated authority from the board to respond to ASX on disclosure matters.

### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEDT Friday, 28 February 2025.**

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, GYG’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out above and may require GYG to request a trading halt immediately if trading in GYG’s securities is not already halted or suspended.

Your response should be sent by e-mail to [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Suspension



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If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in GYG's securities under Listing Rule 17.3.

**Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to GYG's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that GYG's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

**Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

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ASX Compliance