



MTY Reports Fourth Quarter Results for Fiscal 2025

GAAP Measures:

- Segment profits increased by 48% to reach \$87.3 million during the quarter primarily due to a one-time catch up of gift card breakage income on unutilized gift cards.
- Net income attributable to owners increased to \$32.1 million, or \$1.40 per diluted share compared to a loss of \$(55.3) million, or \$(2.34) per diluted share in Q4-24.
- Cash flows provided by operating activities of \$46.2 million compared to \$43.7 million in Q4-24, an increase of \$2.5 million mainly attributable to a higher net income and a decrease in interest paid on long-term debt.
- Long-term debt repayments of \$13.8 million for the quarter with net repayments of \$69.9 million since Q4-24.

Management Key Performance Indicators:

- Normalized adjusted EBITDA⁽¹⁾ increased 48% to reach \$87.7 million in the quarter, compared to \$59.4 million in Q4-24 primarily due to a one-time catch up of gift card breakage income on unutilized gift cards.
- Net store openings of 19 locations in Q4-25 compared to net store closures of 13 locations in Q4-24. Ended the year with a net positive opening of 1, ending the year at 7,080 locations.
- Free cash flows net of lease payments⁽²⁾ increased by 38% reaching \$37.7 million or \$1.65 per diluted share compared to \$27.4 million or \$1.16 per diluted share in Q4-24,
- System sales⁽³⁾ for the quarter increased by 3% to reach \$1.4 billion for the quarter due to a 53rd week of sales recorded on some of the concepts. Excluding this 53rd week, system sales decreased by 1% .
- Same stores sales⁽³⁾ decreased by 1.7% during the quarter.
- Adjusted earnings (loss) per share⁽¹⁾ of \$1.88 per diluted share compared to \$(1.38) in Q4-24.

(1) This is a non-GAAP measure. Please refer to the "Non-GAAP Measures" section at the end of this press release.

(2) See section "Definition of supplementary financial measures" found at the end of this press release.

(3) See section "Definition of non-GAAP ratios" found in the Supplemental Information section for definition.

MONTREAL, Feb. 19, 2026 -- MTY Food Group Inc. ("MTY", "MTY Group" or the "Company") (TSX: MTY), one of the largest franchisors and operators of multiple restaurant concepts worldwide, reported today financial results for its fourth quarter of fiscal 2025 ended November 30, 2025.

"We continued to expand our footprint during the quarter with 19 net new store openings, extending the momentum from Q3 and supported by a strong pipeline of development led by experienced franchise operators," said Eric Lefebvre, CEO of MTY. "Despite an unsettled macroeconomic backdrop, our franchisees are navigating these headwinds effectively with modest growth in Canada and slight pressure in the US. Same-store sales were stable in Canada, supported by strength in the casual dining, while the US experienced modest pressure. Importantly, our asset-light, diversified model continues to generate strong free cash flow, positioning us well to support our brands and capitalize as operating conditions improve."

Financial Highlights (in thousands of \$, except per share information)	Q4-2025	Q4-2024	12 Months 2025	12 Months 2024
Revenue	305,395	284,468	1,190,169	1,159,604
Adjusted EBITDA ⁽¹⁾	87,342	58,796	288,281	263,037
Normalized adjusted EBITDA ⁽¹⁾	87,738	59,419	291,913	264,532
Net income attributable to owners	32,085	(55,299)	118,992	24,170
Cash flows from operations	46,180	43,716	184,151	204,807
Free cash flows net of lease payments ⁽¹⁾	37,650	27,368	130,618	137,882
Free cash flows net of lease payments per diluted share ⁽²⁾	1.65	1.16	5.68	5.75
Earnings per share, basic and diluted	1.40	(2.34)	5.18	1.01
System sales ⁽³⁾	1,414,800	1,371,900	5,698,400	5,635,700
Digital sales ⁽³⁾	288,800	286,900	1,151,400	1,118,500

(1) This is a non-GAAP measure. Please refer to the "Non-GAAP Measures" section at the end of this press release.

(2) This is a non-GAAP ratio. Please refer to the "Non-GAAP Ratios" section at the end of this press release.

(3) This is a supplementary financial measure. Please refer to the "Supplementary Financial Measures" section at the end of this press release.

FOURTH QUARTER RESULTS

Network

- At the end of the fourth quarter of 2025, MTY's network had 7,080 locations in operation, of which 6,831 were franchised or under operator agreements and 249 were corporate-owned. The geographical split among MTY's locations remained stable year-over-year at 57% in the US, 35% in Canada and 8% International.
- During the fourth quarter of 2025, MTY's network opened 85 locations (Q4 2024 – 92 locations) and closed 66 others (Q4 2024 – 79 locations) for a net positive store growth of 19 locations.
- System sales reached \$1.41 billion in the fourth quarter of 2025, representing an increase of 3% due to a 53rd week of sales recorded for some of the Company's concepts as well as positive foreign exchange fluctuation. Excluding this 53rd week and foreign exchange impact, system sales decreased by 2%. The US and International segments experienced an overall sales decrease of 3%, while Canada posted an overall increase of 1%.
- Same-store sales⁽¹⁾ decreased 1.7% year-over-year in the fourth quarter. By region, Canada was in line with the prior period, the US dropped 2.8%, while International saw a decrease of 3.2%.
- Digital sales increased by 1% for the quarter to reach \$288.8 million, including the impact of foreign exchange rates, compared to \$286.9 million in Q4-24. The increase was mainly due to an improvement of 16% in the Canadian segment, partially offset by a decline of 4% in the US. The US decline was due to a drop in one brand in the US. Excluding this brand, US digital sales increased by 6%. Digital sales represented 21% of total sales, unchanged from the prior period.

(1) This is a supplementary financial measure. Please refer to the "Supplementary Financial Measures" section at the end of this press release.

Financial

- Company revenue increased by 7% to reach \$305.4 million in the fourth quarter, driven by growth in franchise operation in the US and the processing, distribution and retail segment, partially offset by a decline in the corporate segments. The US franchising segment benefited from a one-time gift card breakage adjustment of \$29.5 million.
- Net income attributable to owners totaled \$32.1 million, or \$1.40 per share (\$1.40 per diluted share), in the fourth quarter compared to a loss of \$55.3 million, or \$2.34 per share (\$2.34 per diluted share), for the same period in 2024. The year-over-year improvement is mainly attributed to lower impairment losses in 2025.
- Normalized adjusted EBITDA, which excludes acquisition-related expenses and SAP project implementation costs, increased by \$28.3 million year-over-year to reach \$87.7 million in the fourth quarter of 2025 primarily due to a one-time catch up of gift card breakage income on unutilized gift cards.

Calculation of Adjusted EBITDA ⁽¹⁾ and Normalized adjusted EBITDA ⁽¹⁾

<i>(In thousands \$)</i>	Q4-2025	Q4-2024	12 Months 2025	12 Months 2024
Income before taxes	33,654	(71,205)	138,242	15,805
Depreciation – property, plant and equipment and right-of-use assets	14,650	15,276	59,090	59,949
Amortization – intangible assets	8,069	8,253	32,684	31,870
Interest on long-term debt	8,198	10,427	35,007	46,515
Net interest expense on leases	2,665	2,821	10,887	11,205
(Reversal of) impairment charge – right-of-use assets	—	1,145	(535)	1,259
Impairment charge – property, plant and equipment, intangible assets and goodwill	8,191	64,565	14,867	72,947
Unrealized and realized foreign exchange (gain) loss	12,511	26,284	(1,792)	21,763
Interest income	(82)	(100)	(343)	(627)
Gain on de-recognition/lease modification of lease liabilities	(718)	(259)	(653)	(407)
Loss (gain) on disposal of property, plant and equipment	229	552	192	(194)
Revaluation of financial liabilities and derivatives recorded at fair value	(25)	240	635	596
Gain on extinguishment of debt	—	—	—	(131)
Restructuring	—	797	—	2,487
Segment profit	87,342	58,796	288,281	263,037
SAP project implementation costs ⁽²⁾	396	623	2,221	1,495
Transaction costs related to acquisitions ⁽³⁾	—	—	1,411	—

Normalized adjusted EBITDA ⁽¹⁾**87,738****59,419****291,913****264,532**

(1) See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.

(2) SAP project implementation costs are included in the Consulting and professional fees, wages and benefits and advertising, travel, meals and entertainment as part of the Operating expenses in the condensed interim consolidated financial statements.

(3) Transaction costs related to acquisitions are included in Consulting and professional fees and Other as part of Operating expenses in the condensed interim consolidated financial statements.

Segment Performance

- The franchise segment revenues increased by 30%, primarily due to an increase in gift card breakage income. Net of this impact, Canada showed growth of 1%, while the US and International was down modestly. Operating expenses for the franchise segment increased 6% primarily driven by higher wages resulting from normal inflation, higher IT licensing costs as we invest in the Company's IT infrastructure, \$0.7 million increase in cost of sales related to gift card programs, attributable to higher sales volumes during the quarter and \$0.3 million in SAP related costs. Normalized adjusted EBITDA increased to \$75.1 million compared to \$49.3 million in prior year.
- Corporate segment revenues decreased by 9% to \$114.3 million, due mainly to lower organic system sales in the US and lower number of corporate stores in Canada. Operating expenses showed a correlated decrease of 11% as a result of the decrease in system sales as well as better cost management. Normalized adjusted EBITDA came in at \$7.9 million, a \$1.5 million increase year-over-year with margin of 7%, compared to 5% last year.
- Food processing, distribution and retail revenues grew by 20% to \$41.6 million, driven by a 22% rise in retail sales. The increase was the result of a shift in the retail model from a licensing agreement to vendor on record for some of the products. Normalized adjusted EBITDA came in at \$4.7 million, up from \$3.7 million last year with margins remaining steady at 11%.

Three-month period ended November 30, 2025

<i>(In millions \$)</i>	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	125.5	114.3	41.6	31.4	(7.4)	305.4
Operating expenses	50.8	106.4	36.9	31.4	(7.4)	218.1
Segment profit	74.7	7.9	4.7	—	—	87.3
Segment profit as a % of Revenue ⁽²⁾	60%	7%	11%	N/A	N/A	29%
SAP project implementation costs ⁽³⁾	0.4	—	—	—	—	0.4
Normalized adjusted EBITDA ⁽¹⁾	75.1	7.9	4.7	—	—	87.7
Normalized adjusted EBITDA as a % of Revenue ⁽²⁾	60%	7%	11%	N/A	N/A	29%

Three-month period ended November 30, 2024

<i>(In millions \$)</i>	Franchise	Corporate	Processing, distribution and retail	Promotional funds	Intercompany transactions	Total
Revenue	96.7	125.3	34.8	31.1	(3.4)	284.5
Operating expenses	48.0	118.9	31.1	31.1	(3.4)	225.7
Segment profit	48.7	6.4	3.7	—	—	58.8
Segment profit as a % of Revenue ⁽¹⁾	50%	5%	11%	N/A	N/A	21%
SAP project implementation costs ⁽²⁾	0.6	—	—	—	—	0.6
Normalized adjusted EBITDA ⁽³⁾	49.3	6.4	3.7	—	—	59.4
Normalized adjusted EBITDA as a % of Revenue ⁽¹⁾	51%	5%	11%	N/A	N/A	21%

(1) See section "Definition of non-GAAP ratios" found in the Supplemental Information section for definition.

(2) SAP project implementation costs are included in the Consulting and professional fees, wages and benefits and advertising, travel, meals and entertainment as part of the Operating expenses in the consolidated financial statements.

(3) See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.

LIQUIDITY AND CAPITAL RESOURCES

- In the fourth quarter of 2025, cash flows generated by operating activities amounted to \$46.2 million compared to \$43.7 million in the fourth quarter of 2024. The increase is mainly attributable to a higher net income and a decrease in interest paid on long-term debt.

- MTY reimbursed \$13.8 million of its long-term debt and paid \$7.5 million in dividends to shareholders.
- As at November 30, 2025, MTY had \$52.0 million of cash on hand and long-term debt of \$632.2 million, mainly in the form of bank facilities and promissory notes on acquisitions. The Company also had a revolving credit facility with an authorized amount of \$900.0 million, of which CAD\$250.0 million and US\$275.0 million had been drawn at quarter-end.

Free cash flows net of lease payments⁽¹⁾ related to cash flows provided by operating activities.

<i>(In thousands \$)</i>	Q4-2025	Q4-2024	12 Months 2025	12 Months 2024
Cash flows provided by operating activities	46,180	43,716	184,151	204,807
Additions to property, plant and equipment	(2,777)	(4,036)	(13,505)	(24,687)
Additions to intangible assets	(242)	(1,577)	(2,039)	(3,039)
Proceeds on disposal of intangible	—	314	—	314
Proceeds on disposal of property, plant and equipment	5,867	617	7,675	4,302
Net lease payments	(11,378)	(11,666)	(45,664)	(43,815)
Free cash flows net of lease payments ⁽¹⁾	37,650	27,368	130,618	137,882

(1) See section "Definition of non-GAAP measures" found in the Supplemental Information section for definition.

STRATEGIC REVIEW

On November 17, 2025, MTY Group announced that the Board of Directors of the Company had initiated a strategic review process and engaged a financial advisor to identify, review and evaluate potential strategic alternatives with a view toward continuing to enhance shareholder value. While the Company cannot provide a specific timeline or assurance that any transaction will result, we confirm that the process referred to in our previous press release is ongoing. The Company will provide an update or make an announcement as appropriate or as required by law.

OUTLOOK

- MTY continues to navigate a dynamic operating environment. The macro-economic conditions continue to create short-term headwinds and the Company continues actively implementing a range of strategic initiatives to position the business for growth once the environment improves. These include, and are not limited to, driving menu innovation, maintaining product quality and consistency, enhancing both online and in-store customer experiences, and reinforcing a strong value proposition across its banners.
- The pipeline of future locations remains strong. This quarter's positive net openings was in line with expectations. MTY continues to anticipate an improvement in the pace of openings in the coming quarters, excluding normal seasonality in the first quarter of the year, and continues to see strong demand for its brands, especially the larger ones.
- Management notes certain macroeconomic and policy-related uncertainties could affect performance. To date MTY has only seen modest direct impacts from tariffs. In both Canada and the US, the Company primarily sources products domestically, which helps limit the potential exposure. Management remains confident in its ability to navigate potential impacts through its strong supply chain and procurement capabilities, strategic menu adjustments, and, when necessary, pricing actions.
- Management expects stability in normalized adjusted EBITDA margins across each of its segments, though the Company may experience some fluctuations in corporate store margins, such as this quarter. Overall, management remains confident about its ability to drive margin improvement through positive unit growth, enhanced efficiencies, and an ongoing reduction in the number of less profitable corporate stores.
- Management continues to expect to drive strong free cash flows into 2026, supported by lower capex over prior year.

DIVIDEND PAYMENT

On January 21, 2026, MTY declared a quarterly dividend payment of \$0.37 per common share, an increase of 12%. The dividend was paid on February 13, 2026 to shareholders registered in the Company's records at the end of the business day on February 3, 2026.

CONFERENCE CALL

The MTY Group will hold a conference call to discuss its results on February 19, 2026, at 8:30 AM Eastern Time. All interested parties can instantly join the call by phone, by following the URL <https://emportal.ink/4t8tCNo> to easily register and be connected into the conference call automatically or the conventional method by dialing 1-416-945-7677 or 1-888-699-1199 with the conference identification of 92758#. Parties unable to call in at this time may access a recording by calling 1-888-660-6345 (North American Toll Free) or 1-289-819-1450 (International participants) and entering the passcode 92758#.

ABOUT MTY FOOD GROUP INC.

MTY Group franchises and operates quick-service, fast casual and casual dining restaurants over 80 different banners in Canada, the US and Internationally. Based in Montreal, MTY is a family whose heart beats to the rhythm of its brands, the very soul of its multi-branded strategy. For over 45 years, it has been increasing its presence by delivering new concepts of restaurants, making acquisitions, and forging strategic alliances, which have allowed it to reach new heights year after year.

By combining new trends with operational know-how, the brands forming the MTY Group now touch the lives of millions of people every year. With 7,080 locations, the many flavors of the MTY Group hold the key to responding to the different tastes and needs of today's consumers as well as those of tomorrow.

NON-GAAP MEASURES

Adjusted EBITDA (revenue less operating expenses), normalized adjusted EBITDA (revenue less operating expenses excluding transaction costs related to acquisitions and SAP project implementation costs), adjusted earnings per share (net income attributable to owners less tax effected unrealized and realized foreign exchange gain (loss) divided by weighted daily average number of common shares – diluted) and free cash flows net of lease payments (net cash flows provided by operating activities, used in additions to property, plant and equipment and intangible assets and provided by proceeds on disposal of property, plant and equipment; and net of lease payments) are non-GAAP (generally accepted accounting principles) measures, do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

The Company believes that adjusted EBITDA is a useful metric because it is consistent with the indicators management uses internally to measure the Company's performance, to prepare operating budgets and to determine components of executive compensation. The Company believes that normalized adjusted EBITDA is a useful metric for the same reasons as adjusted EBITDA, without including the impact of transaction costs related to acquisitions or SAP project implementation costs, which vary in occurrence and in amount. The Company believes that free cash flows net of lease payments is a useful metric because they provide the Company with a measure related to decision-making about cash-intensive matters such as capital expenditures, compensation, and potential acquisitions. The Company also believes that these measures are used by securities analysts, investors and other interested parties and that these measures allow them to compare the Company's operations and financial performance from period to period. These measures provide them with a supplemental measure of the operating performance and financial position and thus highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP measures.

Refer to the "Compliance with International Financial Reporting Standards" section of the Company's Management's Discussion and Analysis of the financial position and financial performance ("MD&A").

NON-GAAP RATIOS

Free cash flows net of lease payments per diluted share (free cash flows net of lease payments divided by diluted shares) and normalized adjusted EBITDA as a % of revenue (normalized adjusted EBITDA divided by revenue) are non-GAAP ratios, do not have a standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers. The Company believes that free cash flows net of lease payments per diluted share is a useful metric because it is used by securities analysts, investors and other interested parties as a measure of the Company's cash flows that are available to be distributed to debt and equity shareholders, including to pay debt, to pay dividends, and to repurchase shares. The Company believes that normalized adjusted EBITDA as a % of revenue is a useful metric because it is consistent with the indicators management uses internally to measure the Company's profitability from operations, including to gauge the effectiveness of cost management measures, as well as provides a measure of the Company's performance that does not include the impact of transaction costs related to acquisitions, which may vary in occurrence and in amount. Refer to the "Compliance with International Financial Reporting Standards" section of the Company's MD&A.

SUPPLEMENTARY FINANCIAL MEASURES

Management discloses supplementary financial measures as they have been identified as relevant metrics to evaluate the performance of the Company. These include system sales (sales of all existing restaurants including those that have closed or have opened during the period, as well as the sales of new concepts acquired from the closing date of the transaction and forward), digital sales (sales made by customers through online ordering platforms), and same-store sales (comparative sales generated by stores that have been open for at least 13 months or that have been acquired more than 13 months ago).

FORWARD-LOOKING STATEMENTS

Certain information in this press release may constitute "forward-looking" information that involves known and unknown risks, uncertainties, future expectations and other factors, which may cause the actual results, performance or achievements of the Company or industry to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this press release, this information may include words such as "anticipate", "estimate", "may", "will", "expect", "believe", "plan" and other terminology.

This information reflects current expectations regarding future events and operating performance and speaks only as of the date of this press release. Except as required by law, the Company assumes no obligation to update or revise forward-looking information to reflect new events or circumstances. Additional information is available in the Company's MD&A, which can be found on SEDAR+ at www.sedarplus.ca.

Note to readers: The MD&A, condensed interim consolidated financial statements and notes thereto for the fourth quarter ended November 30, 2025, are available on the SEDAR+ website at www.sedarplus.ca and on the Company's website at www.mtygroup.com.

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