



Trading Review

Area Manager meeting pack

Sales and labour: w/e 28 June vs w/e 21 June 2026

Training and margin: June vs May 2026

NETWORK EBITDA, JUNE

13.2%

-0.16pp vs May

EX-CLUSTER MARGIN GAP

~67% COGS

\$525k mix and \$337k Thickies

AREA 6 ANNUAL COST

\$270-290k

Of \$320k flagged network-wide

PERTH STORES BELOW TREND

13 / 15

New this week across seven AMs

Today's focus

- 1 Area 6 roster change: confirmation in the system across all fifteen stores
- 2 Area 3 vacancy and the Service Model Rollout decision
- 3 Perth's city-wide sales decline and ownership
- 4 COGS pressure from product mix and Thickies input costs
- 5 Training recovery across the fourteen affected stores



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Trading commentary

Network EBITDA is 13.2% for June, down 0.16 percentage points on May. Outside Area 6 and the fourteen training-gap stores, the rest of the network remains 2.3 points below last year. About two-thirds of that gap comes from cost of goods rather than labour.

The product mix moved away from Sparklers and into Benefits. The shift is worth about \$525,000 a year because Benefits costs more to make and current pricing does not recover the difference. Thickies ingredient costs are 9% above last year while the other product pillars remain flat, adding about \$337,000 a year.

Labour remains a smaller pressure. Wage rates increased 4.3%, close to sales growth of around 5%, while productivity improved. Rate and volume-driven hours place labour cost about half a point ahead of sales.

The Lychee Osmanthus Boba launch delivered a positive result after controlling for seasonality and joining the sales history of the three refitted stores. The 106 stores with normal execution grew faster after launch than the fourteen stores with the training gap.

Perth requires investigation. Thirteen of fifteen stores fell against their own trend across seven Area Managers. The calendar and promotion data show no common cause.

Share of the 2.3-point ex-cluster margin gap

COGS ~67%

LABOUR ~33%



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Area Manager priorities

1 Area 6

Confirm the March roster change is active in the system across all fifteen stores. Use \$270,000-\$290,000 as the annual recovery target.

2 Area 3

Resolve the vacant Area Manager position and decide whether the Service Model Rollout pauses or proceeds before the 15 September board paper.

3 Training gap

Separate owner and workstream. Establish why the same fourteen stores lost completion during the Lychee launch and whether turnover contributes.

4 COGS

Run separate reviews for Thickies supplier costs and Benefits pricing. Product mix and ingredient inflation have different owners and responses.

5 Perth

Assign one owner to review the city-wide decline across seven Area Managers and report back before the next Monday pack.



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Meeting agenda

01

Area 6

System confirmation across all fifteen stores and the recovery target.

02

Area 3 and the Service Model Rollout

Pause or resource decision before the board paper.

03

Training gap

Root cause, ownership and the link with turnover.

04

COGS

Thickies supplier costs and Benefits pricing as separate decisions.

05

Perth

One owner for the cross-area investigation.

06

QueueLens

Hold the pilot until the Area 3 and Area 6 changes settle.



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Actions and due dates

ACTION	OWNER	DUE
Confirm Area 6 roster change in all fifteen stores	Area 6 / Retail Operations	This week
Complete Area 6 spot check	Retail Operations	In three weeks
Pause or resource Area 3	GM Retail	Before 15 Sep
Investigate the Perth decline	WA lead	Before next pack
Review Thickies supplier-cost increase	Supplier pricing owner	Date to confirm
Review Benefits pricing and mix	Menu pricing owner	Date to confirm
Open training root-cause review	Lychee launch owner	This week
Run the Monday Exception View	Retail Operations	Weekly

Meeting close

- Confirm the three decisions: Area 6, Area 3 and Perth.
- Name the owner and due date for every follow-up before leaving the room.
- Carry unresolved items into next Monday's exception view.