

Strategic Partnership with Pizza Hut



16th May, 2018

GRUPO

telepizza

Disclaimer

This presentation has been prepared by TELEPIZZA GROUP, S.A. (“**TELEPIZZA GROUP**”) for information purposes only and it is not regulated information and it is not regulated information or information which has been subject to prior registration or control by the Spanish Securities Market Commission (“**CNMV**”). “**Presentation**” means this document, its contents or any part of it, as well as any oral presentation, any question or answer session and any written or oral material discussed or distributed during meetings carried out in connection with this document.

This Presentation may not be reproduced in any form, used or further distributed to any other person or published, in whole or in part, for any purpose without the express and prior written consent of TELEPIZZA GROUP. Failure to comply with this obligation may constitute a violation of applicable securities laws and/or may result in civil, administrative or criminal penalties.

Neither TELEPIZZA GROUP nor any of its employees, officers, directors, advisers, representatives, agents or affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of any information contained or referred to in this Presentation and neither shall they have any liability whatsoever (in negligence or otherwise, whether direct or indirect, in contract, tort or otherwise) for any loss howsoever arising from any use of this Presentation or its contents or otherwise arising in connection with this Presentation.

This Presentation contains forward-looking information and statements about TELEPIZZA GROUP, including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

Although TELEPIZZA GROUP believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of TELEPIZZA GROUP shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of TELEPIZZA GROUP, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the documents sent by TELEPIZZA GROUP to the CNMV.

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of TELEPIZZA GROUP. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements hereby made or otherwise attributable to TELEPIZZA GROUP or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward-looking statements included herein are based on information available to TELEPIZZA GROUP on the date hereof. Except as required by applicable law, TELEPIZZA GROUP does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Market data and competitive position used in this Presentation not attributed to a specific source are estimates of TELEPIZZA GROUP and have not been independently verified. In addition this Presentation may contain certain information in relation to other companies operating in the same sector and industry. This information has been derived from publicly-available sources and TELEPIZZA GROUP accepts no responsibility whatsoever and makes no representation or warranty expressed or implied for the fairness, accuracy, completeness or verification of such information.

Certain financial and statistical information contained in this Presentation is subject to rounding adjustments. Accordingly, any discrepancies between the totals and the sums of the amounts listed are due to rounding. Certain management financial and operating measures included in this Presentation have not been subject to a financial audit or have been independently verified by a third party. In addition, certain figures contained in this Presentation, which have also not been subject to financial audit, may be combined and pro forma figures.

The financial information contained herein may include items which are not defined under the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and which are considered to be “alternative performance measures”. Other companies may calculate such financial information differently or may use such measures for different purposes, limiting the usefulness of such measures as comparative measures. Such financial information must be considered only in addition to, and not as a substitute for or superior to, financial information prepared in accordance with IFRS-EU.

This Presentation does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities. In particular, this Presentation and the information contained herein do not form part of or constitute (i) an offer to acquire or subscribe shares, in accordance with the Spanish Securities Market Act and its implementing regulation or (ii) an offer to purchase, sell or exchange securities, a solicitation of any offer to purchase, sell or exchange securities or a solicitation of any kind of voting rights in the United States or any other jurisdiction. The shares of TELEPIZZA GROUP may not be offered or sold in the United States of America except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

The information contained in this Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice and the information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinion and conclusions on such matters and the market and for making your own independent assessment of the information included in this Presentation. You are solely responsible for seeking independent professional advice in relation to the information contained herein and any action taken on the basis of the information contained herein. No responsibility or liability is accepted by any person for any of the information or for any action taken by you or any of your officers, employees, agents or associates on the basis of the information included in this Presentation.

In reviewing this Presentation, the recipient is agreeing to, and accepting, the foregoing restrictions and limitations.

1

Transaction Overview and Benefits

2

The New Telepizza

3

Implementation Plan and Financials

4

Next Steps and Closing Remarks

5

Appendix



Long-term value creation through a strategic partnership with Pizza Hut



*Expanding the
GROWTH
opportunity for
Telepizza*

Doubling platform and potential addressable market (~500 million population)

A unique platform to best serve our employees, customers and franchisees

Accelerating value creation for Telepizza shareholders

Transaction at a glance

Strategic and long-term agreement with Pizza Hut

Master franchisee of Pizza Hut for Iberia, LatAm¹ and Switzerland

Incorporating 950+ Pizza Hut stores in 30 countries with ~€525m System Sales

Telepizza brand to continue to operate in Iberia
LatAm to progressively convert to Pizza Hut system

Well defined expansion plan targeting 250 net openings in the next 3 years / 1,300 net openings in next 10 years

Telepizza to become authorised supplier of Pizza Hut

Telepizza brand within the scope of the agreement²



Notes:

1. LatAm includes Caribbean countries, but excludes Brazil
2. Pizza Hut will have a call option over the bare ownership over the Telepizza brand. Telepizza will retain the rights to use and enjoy the profits of the brand. Please refer to slide 35 for further information

Benefits of the transaction

1

Creation of the #1 pizza master franchisee globally¹

2

Transforming and Doubling Telepizza's platform

3

Integrated industrial approach expected to unlock significant synergies

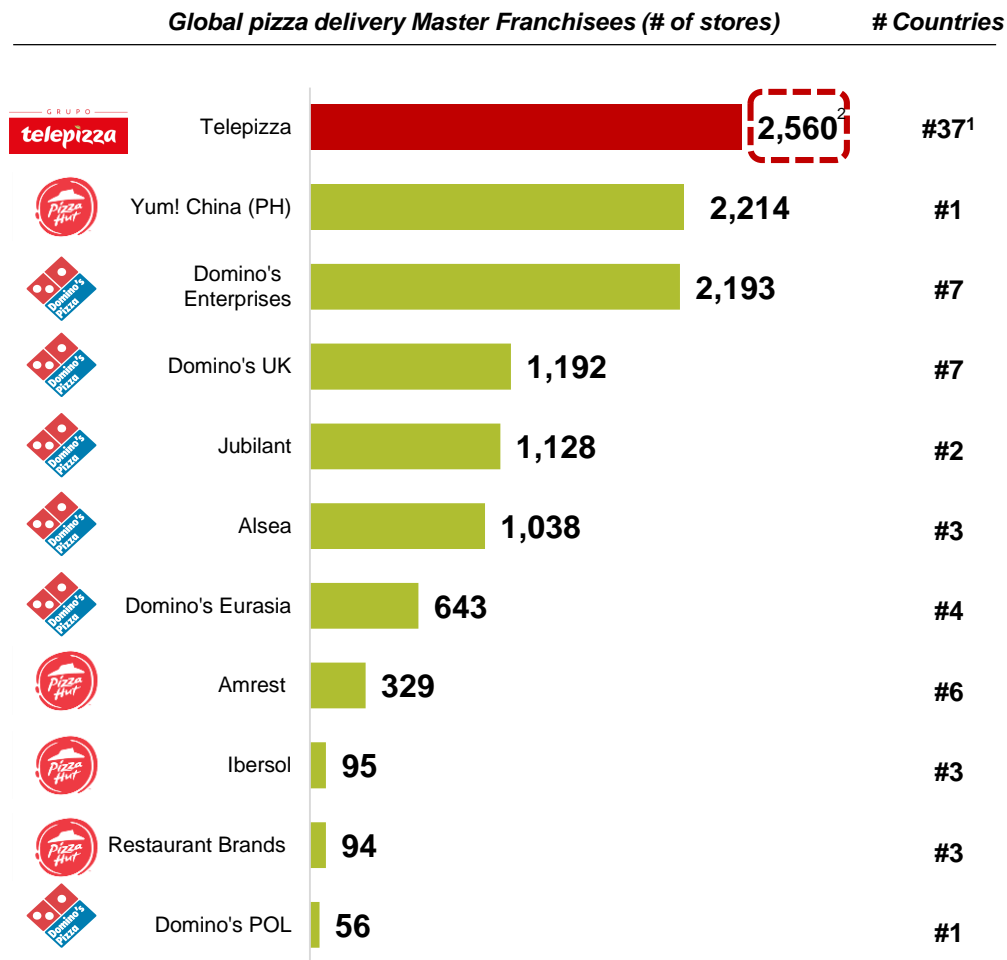
4

New dimension of future growth opportunities

Notes:

1. Will become #1 pizza master franchisee globally by number of total Pizza Hut units to be operated by Telepizza and Telepizza units

1 Creation of the largest pizza master franchisee globally...¹



Source: Companies' latest available reports.

Notes:

- Will become #1 pizza master franchisee globally by number of total Pizza Hut units to be operated by Telepizza and Telepizza units
- Based on sum of total Pizza Hut outlets to be operated by Telepizza as per agreement and Telepizza number of stores at signing
- Excluding Brazil



Sharing best practices and operational know-how to unlock value of brands



A strengthened Iberian leadership with 2 brands



Market leadership in LatAm³

telepizza

: The partner of choice for Pizza Hut



Fully integrated industrial approach



Superior delivery expertise



Deep knowledge of Iberian and LatAm markets

1 ...Leveraging the leading global QSR and pizza brand

Yum!

A global leader in the QSR industry...

- Yum! Brands operates **three globally recognised brands: KFC, Pizza Hut and Taco Bell**; through its operations in ~140 countries
- System sales of ~\$47bn¹ and EBITDA of ~2.0bn¹
- Current market cap of ~\$28.0bn

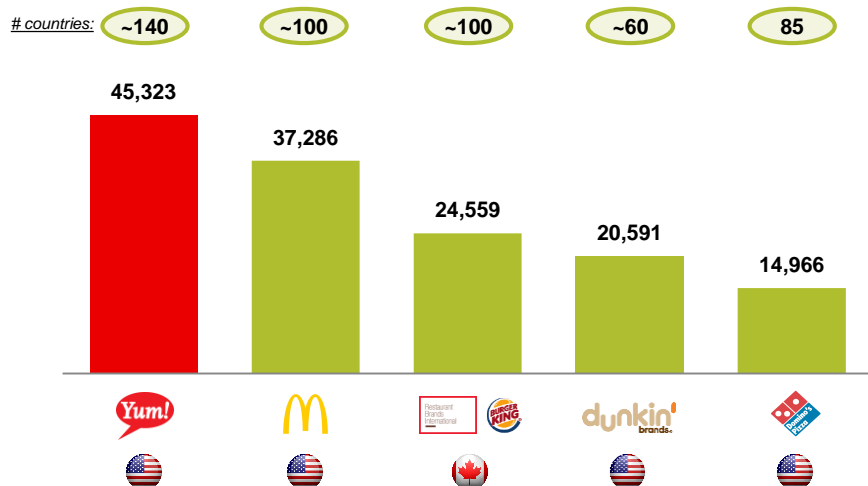


Pizza Hut

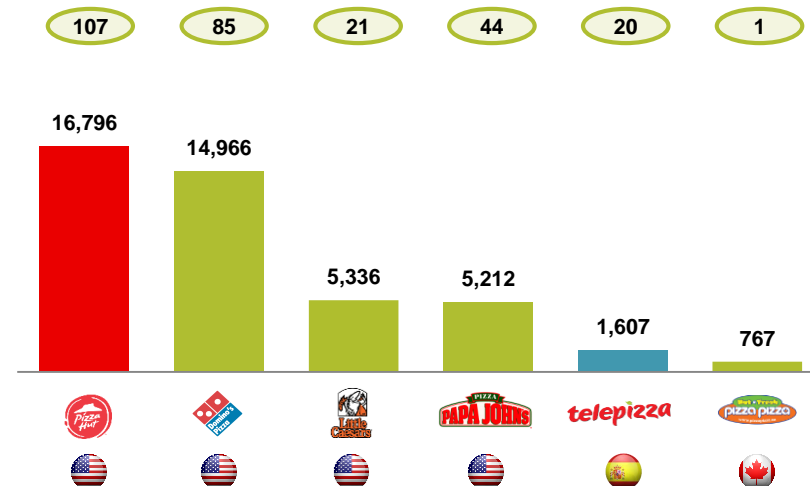
...with the strongest worldwide pizza chain

- Leading brand in the pizza space with **14.3% market share²** and a **global presence in 107 countries**
- 16.8k stores generate ~\$12bn in system sales¹
 - c.1k international stores across LatAm

Presence of global QSR groups (# of stores and countries)



Global pizza chains (# of stores)



This agreement is the result of Yum!'s effort to transform and accelerate Pizza Hut International Business through top-tier partners

Source: Number of stores and geographical footprint as per company websites, latest available.

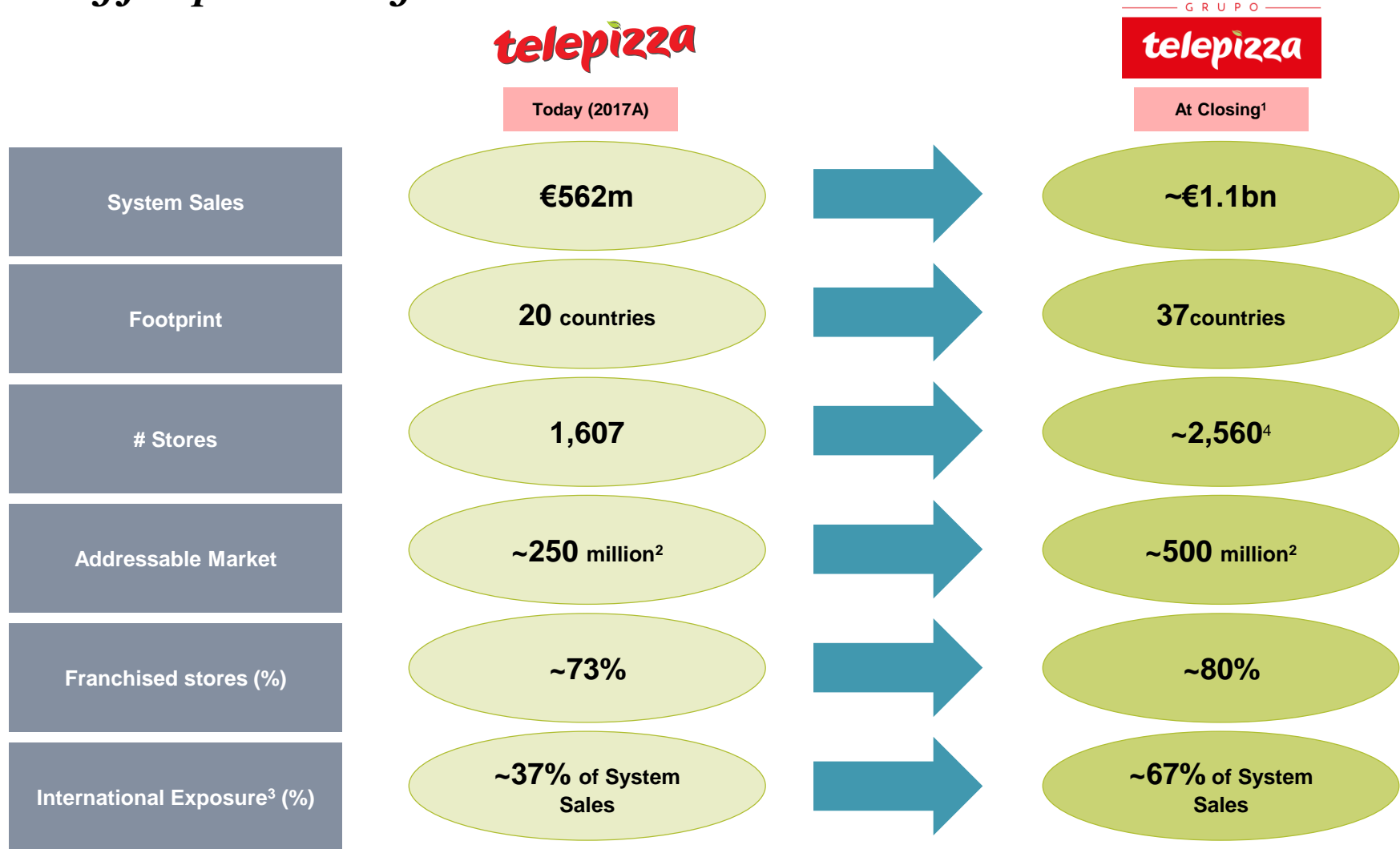
Notes:

1. LTM as of Q1'2018

2. As per Technomic, 2016 data

2 Transforming Telepizza's business profile

Doubling footprint and system sales



Notes:
 1. Expected figures at closing (including Ireland)
 2. Total population in markets where Telepizza has geographical presence
 3. International exposure refers to the % of system sales that are originated outside of Spain
 4. Number of stores at signing (Telepizza + Pizza Hut outlets to be operated by Telepizza as per agreement)

3 Industrial approach to unlock significant synergies

Telepizza's vertically integrated model, applied to a larger footprint, expected to result in significant value creation for its stakeholders

Strong industrial rationale for global footprint...

...and a unique opportunity in LatAm



Supply chain efficiencies expected to generate €10.0 - 15.0m synergies by 2021

- Operating leverage in production facilities
- Increase in procurement volumes
- Scalable logistic platform



Superior operational knowledge and delivery excellence with enlarged customer base



First step of a global alliance and relationship with Pizza Hut

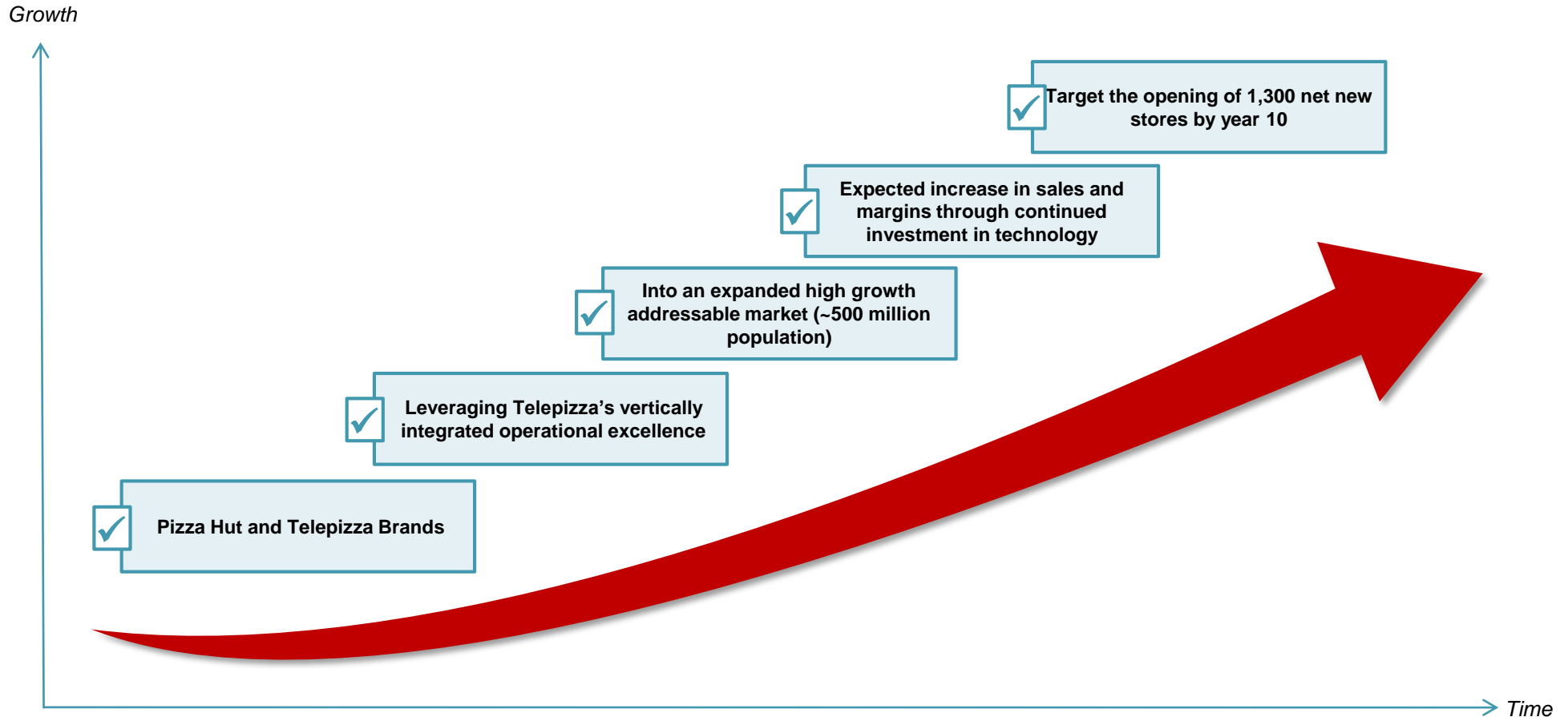


- 3 hubs: Spain, Mexico and Chile

- 5 facilities with logistic platform: Spain, Chile, Colombia, Peru and Ecuador

- Additional facility in Mexico and Chile

4 New dimension of growth opportunities



Delivering long term growth for all stakeholders

1

Transaction Overview and Benefits

2

The New Telepizza

3

Implementation Plan and Financials

4

Next Steps and Closing Remarks

5

Appendix



The new Telepizza footprint

New footprint with 3 hubs in key Iberian, South American and Central American markets

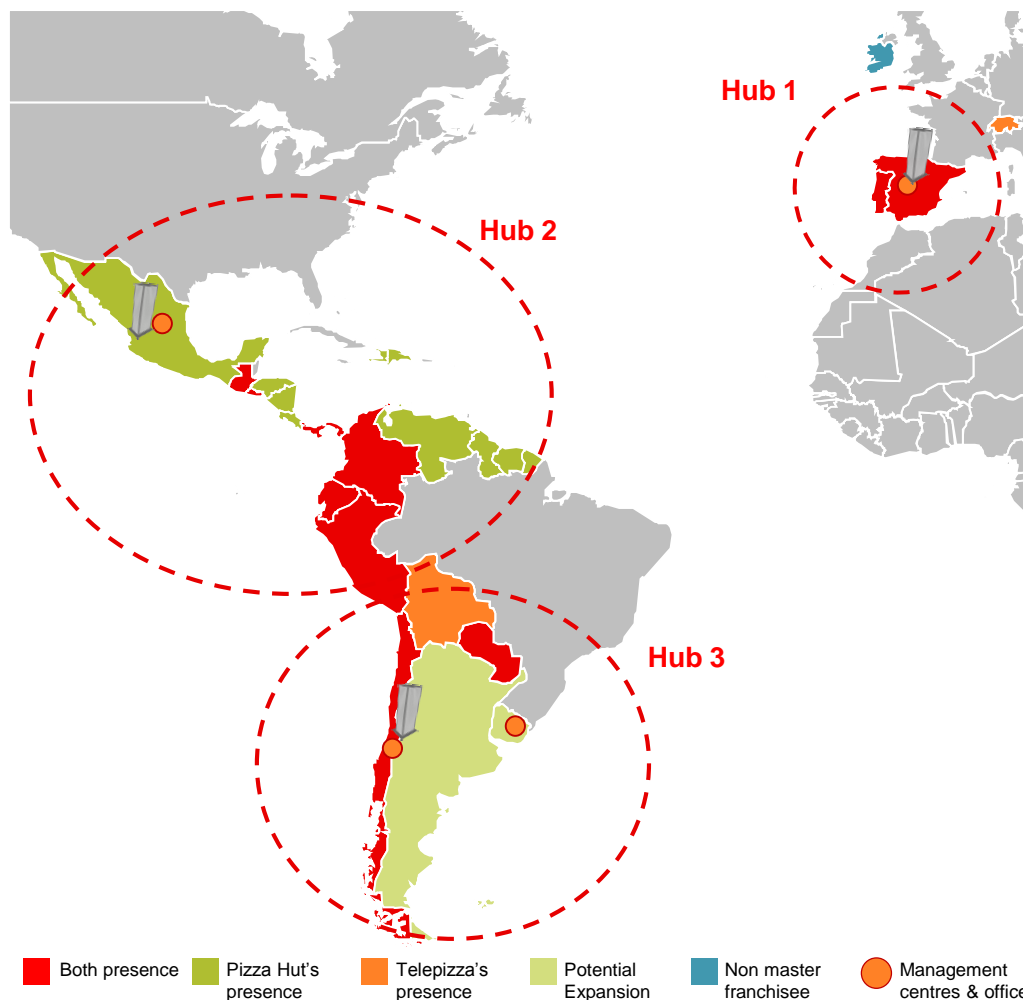
Mexico	
Market position:	#3
Stores:	245

Chile	
Market position:	#1
Stores:	214

Peru	
Market position:	#2
Stores:	131

Colombia	
Market position:	#1
Stores:	101

Central America ¹	
Market position:	#1
Stores:	632



Spain	
Market position:	#1
Stores:	731

Portugal	
Market position:	#1
Stores:	208

Switzerland	
Stores:	9

Hubs	
• Mexico for Americas & Caribbean	
• Santiago (Chile) for Southern Cone	
• Offices in Uruguay	
• Madrid for EMEA	

Non Master Franchise Agreement Territories	
• Ireland ²	
• Poland	
• Czech Republic	
• Russia	
• Other (Iran, UK, Angola, etc.)	

Market position based on number of stores.

Notes:

- Including Guatemala, El Salvador, Costa Rica, Panama, Dominican Republic, Honduras, Nicaragua, Puerto Rico, among others
- Ireland currently not under the master franchise but to remain part of the core Telepizza

Delivering on the opportunity



Building on strengths in Iberia...

...and accelerating growth in LatAm



✓ Telepizza brand to **continue with its operations** in Iberia benefitting from its **leadership** and brand awareness

✓ Pizza Hut: **complementary and selective** expansion strategy in Spain

✓ Dual-brand strategy enables our franchisees to **grow market share in their catchment areas**

✓ Enhancing the **product offering and value proposition** for our customers

✓ Opportunity to enter **new markets** such as Mexico

✓ Leverage our **operational excellence** across larger footprint

✓ Expected to realize significant synergies through **integrated supply chain**

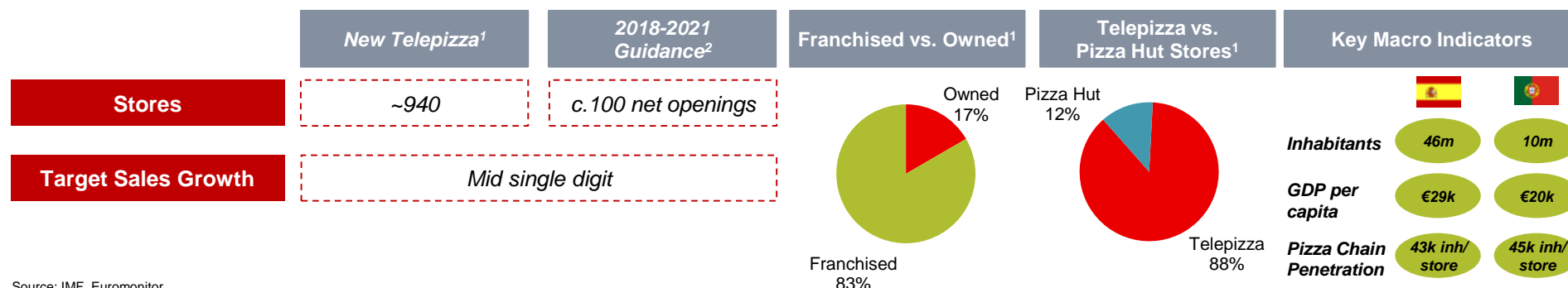
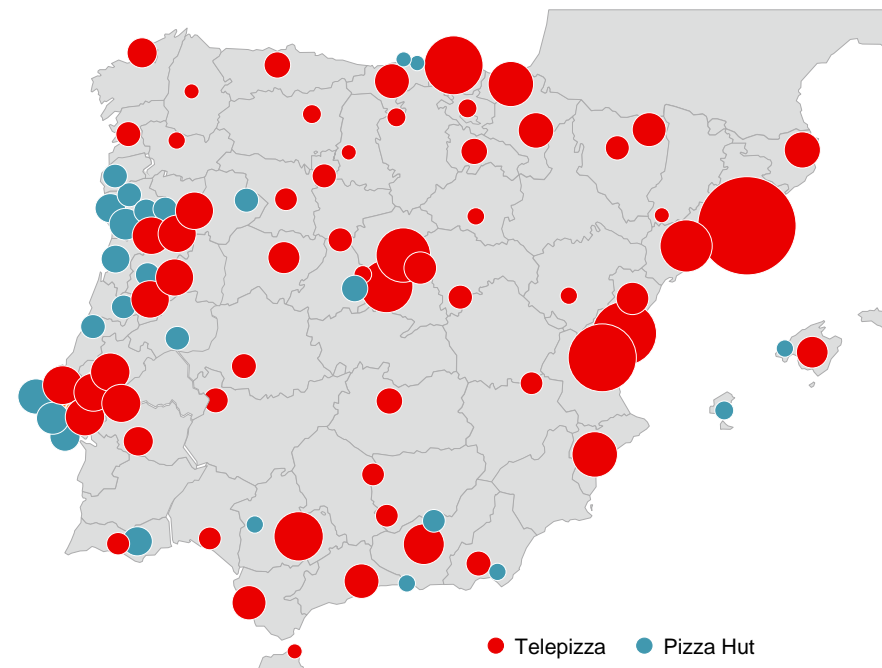
✓ **Strong local teams** in LatAm hubs

Clear strategy to deliver an ambitious plan, unlocking new avenues of growth

1 Iberia

Strengthening its leading position in its core region

- ✓ Further strengthening our **leading position in the Iberian market**
- ✓ Dual-brand strategy secures market leadership
- ✓ **Actively exploring strategic alternatives for the combined footprint in Iberia**
- ✓ **Full flexibility to operate and develop Telepizza and further grow Pizza Hut in Iberia**
- ✓ **Opportunity for existing franchisees** to expand network through new Pizza Hut and Telepizza branded stores
- ✓ Pro forma **system sales** of ~€480m³



Source: IMF, Euromonitor .

Notes:

1. Based on sum of total Pizza Hut outlets to be operated by Telepizza as per agreement and Telepizza number of stores at signing
2. Expected cumulative number of store openings from Pizza Hut and Telepizza in Spain and Portugal, in line with overall targets set out in the agreement with Pizza Hut
3. Based on 2017A figures

2 LatAm and Caribbean countries

Entering new geographies with strong global Pizza Hut brand to accelerate growth

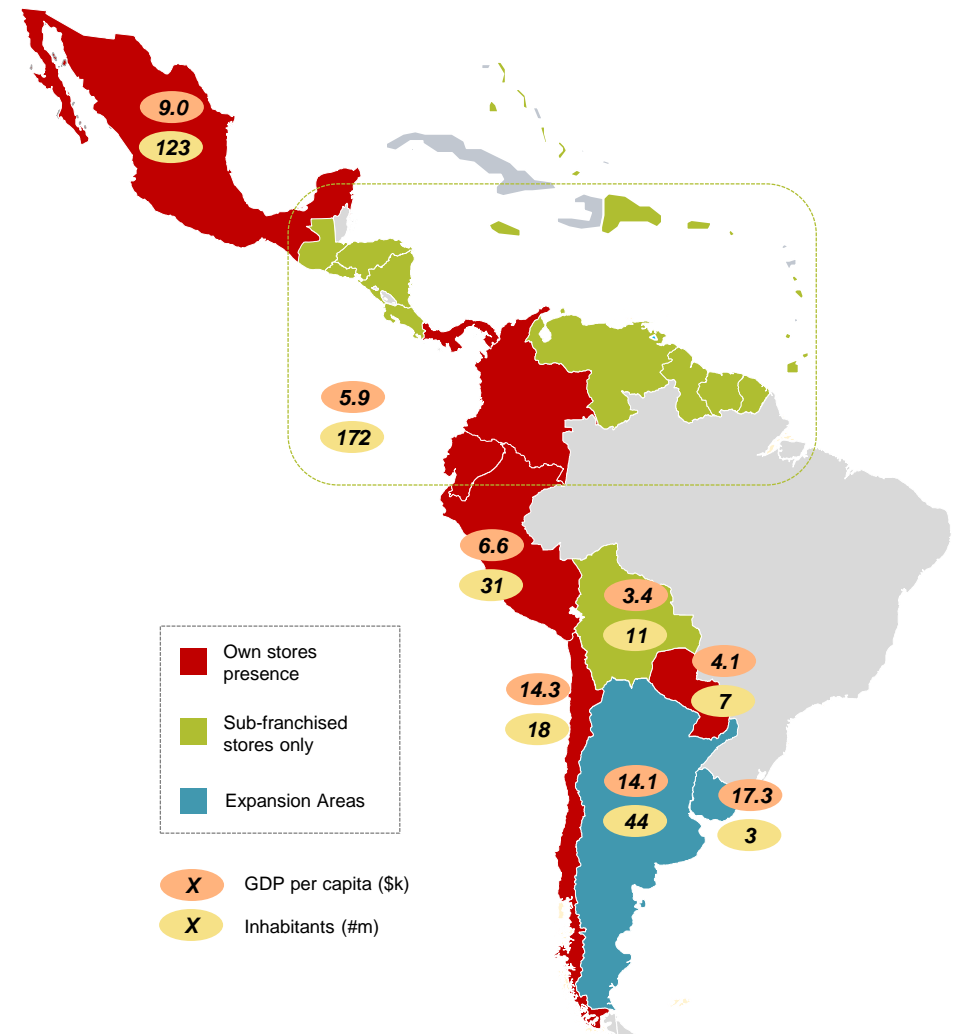
- ✓ Master franchisee of Pizza Hut in LatAm¹
- ✓ Consolidating presence in **fast growing economies** with **increasing disposable income**
- ✓ **Very positive demographics**
- ✓ Operations and brand to be **supervised** from 2 hubs; **Mexico and Chile** with a **commercial office in Uruguay**
- ✓ Leveraging **Pizza Hut's global brand** awareness to boost store network expansion in underpenetrated markets
- ✓ Leading store network in LatAm with >1.5x stores than nearest competitor and balanced mix of franchise vs. equity stores
- ✓ Exploring strategic alternatives to maximize shareholders value
- ✓ Pro forma **system sales** of ~€575m in LatAm²

	New Telepizza ²	2018-2021 Guidance
Stores	~1,320	c.150 net openings
Target Sales Growth	Low double digit	

Source: IMF, Euromonitor.

Notes:

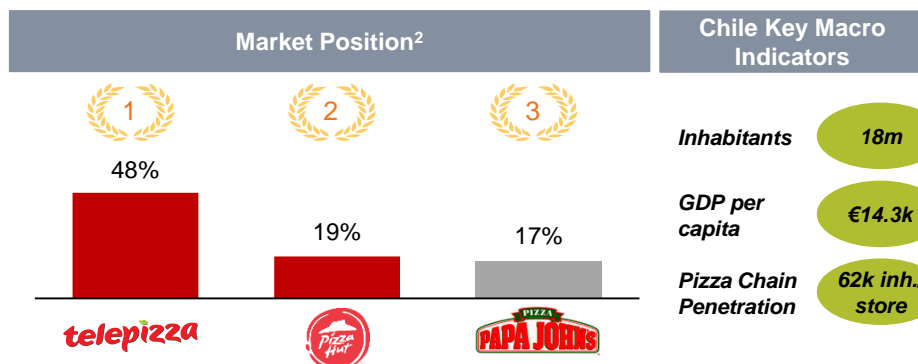
1. LatAm includes Caribbean countries, but excludes Brazil
2. Based on sum of total Pizza Hut outlets to be operated by Telepizza as per agreement and Telepizza number of stores at signing



2a Chile – Southern Cone

Increasing scale in Telepizza's core market in Southern Cone

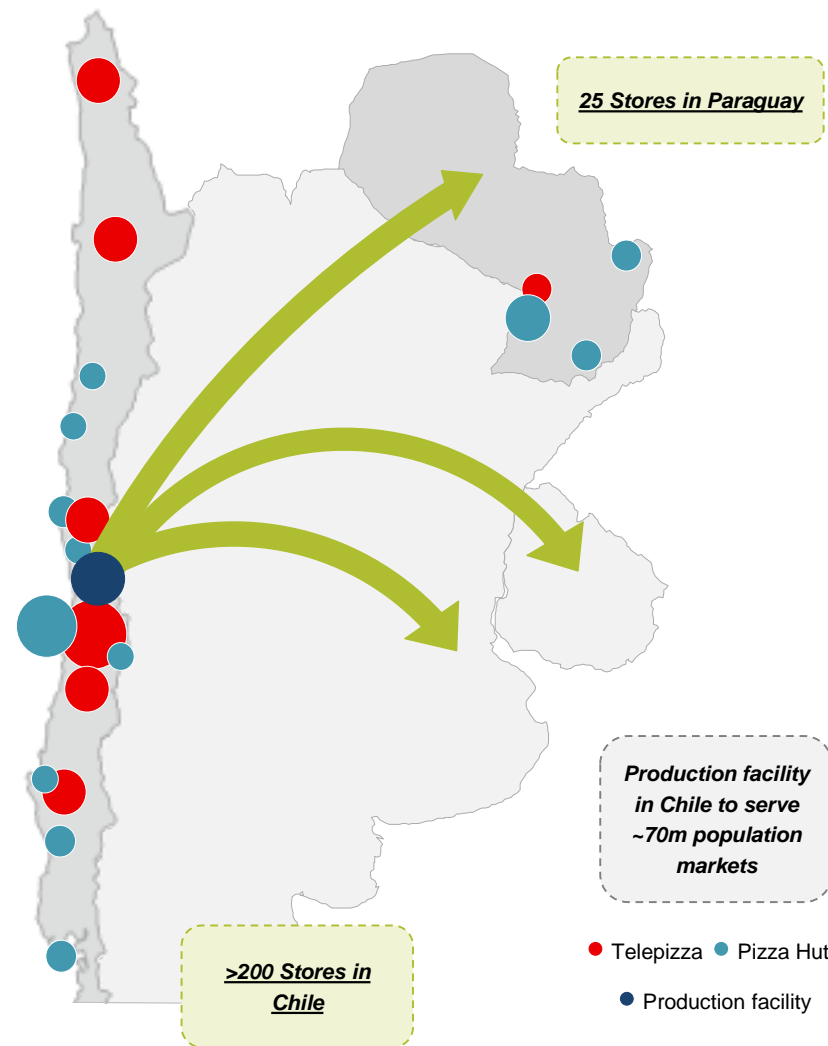
- ✓ Exclusive master franchisee for Pizza Hut in Chile
- ✓ Vertically integrated operating model
 - Incremental scale expected to result in operational synergies
 - Supply chain and local manufacturing plants
- ✓ Local and experienced management team based in Santiago de Chile
- ✓ Enhanced manufacturing facility to be opened
- ✓ Access to a potential addressable market of 50m inhabitants (Argentina and Uruguay)
- ✓ Pro forma system sales of ~€80m¹



Source: Euromonitor, IHS, IMF.

Notes:

1. Based on 1Q/2018 figures assuming 1.29 EUR/USD
2. Market Position by number of stores as per IHS, Euromonitor



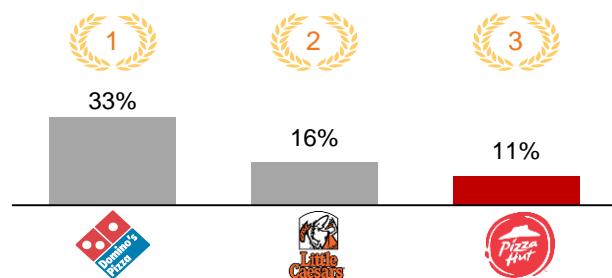
2b Mexico

Entering a ~128m population market with a sizeable platform

- ✓ High potential, underpenetrated market with significant growth of urban, middle class population
- ✓ Significant operational upside – utilising vertically integrated operating model
- ✓ New manufacturing facility
- ✓ Partnership with leading local retailer and introduction of local management team to ensure best-in-class platform implementation
- ✓ System sales of ~€67m²



Market Position⁽¹⁾



Key Macro Indicators

Inhabitants ~128m

GDP per capita €9.0k

Pizza Chain Penetration 66k inh/store

Source: Euromonitor, IHS, company information.

Notes:

1. Market Position by number of stores
2. Based on Pizza Hut 1Q'2018 LTM figures assuming 1.29 EUR/USD

1

Transaction Overview and Benefits

2

The New Telepizza

3

Implementation Plan and Financials

4

Next Steps and Closing Remarks

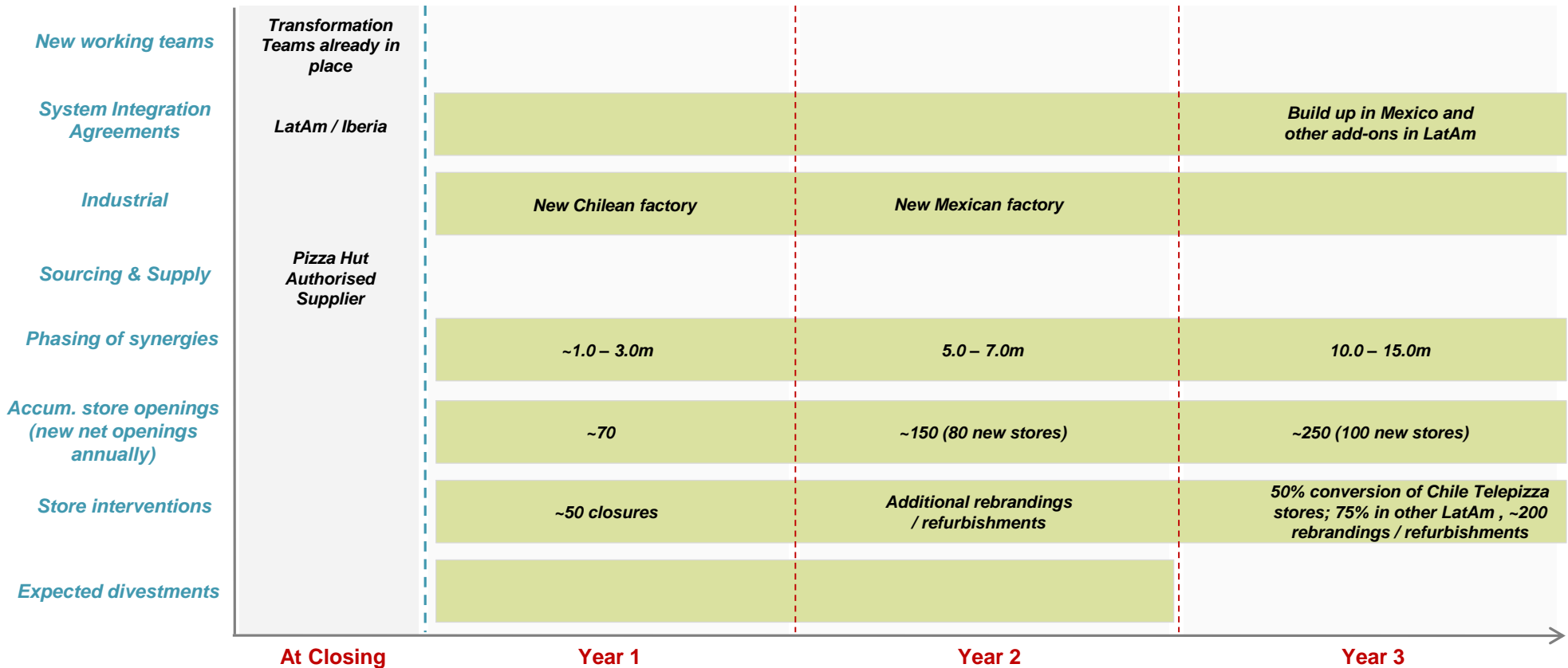
5

Appendix



Implementation Plan

Three year initial implementation phase



Maintaining positive growth and cash flow momentum throughout

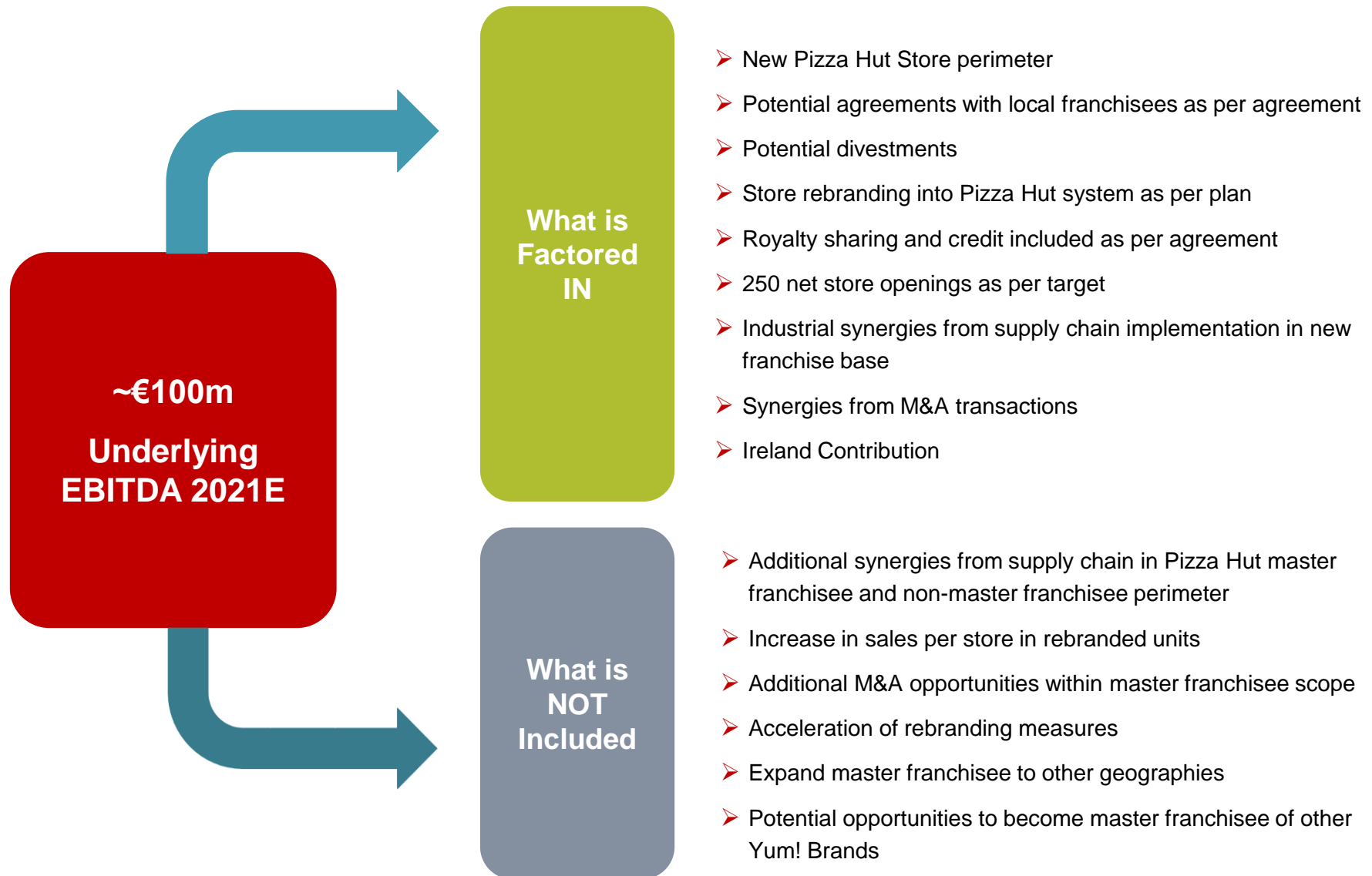
Path to 2021 - Financial targets

2017A ¹		At Signing	2019	2020	2021
1,607	Stores ²	~ 2,560	2,600-2,650	2,650-2,700	2,750-2,800
€562m	System Sales	~€1.1bn	~ €1.2bn	~ €1.3bn	~ €1.5bn
€67.2m	Underlying EBITDA		€75m - €80m	€80m - €90m	~€100m
€27.8m ³	Capex		~€40m average capex per year ⁴		
1.7x	Leverage		<0.7x ND/EBITDA by 2021		
20% payout in 2017	Dividend		Maintain current dividend policy		

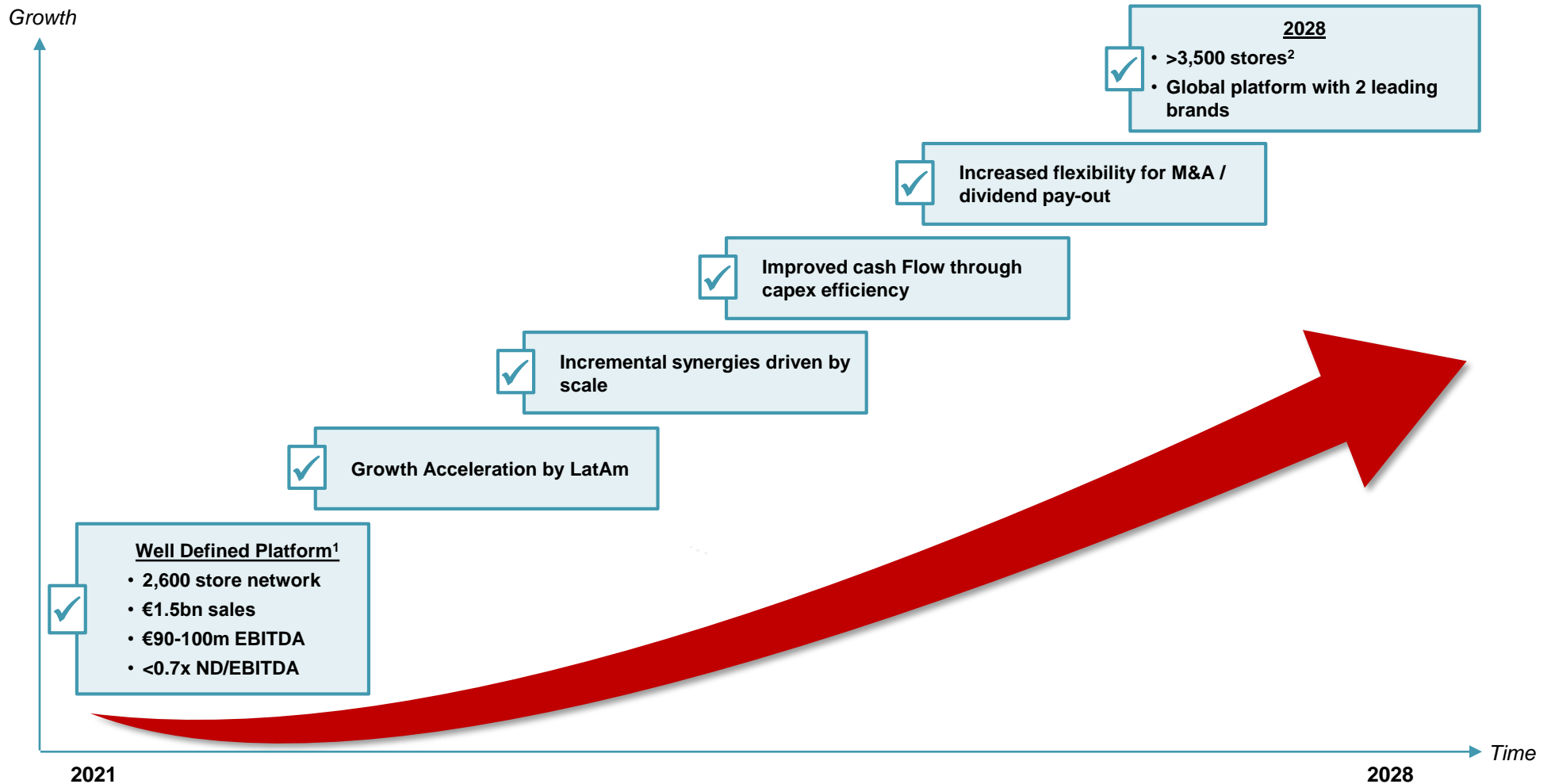
Notes:

1. Based on FY2017 results
2. Excluding potential divestments, overlaps and leakages
3. Excluding acquisition of Ireland
4. Excludes impact of acquisitions and divestments over the period

Path to 2021 - Target EBITDA assumptions



Targeting growth acceleration beyond 2021



Delivering long term growth for all stakeholders

Notes:

1. Expected figures as per agreement
2. Number of stores taking into account, leakage, divestments, expansion and M&A.

1

Transaction Overview and Benefits

2

The New Telepizza

3

Implementation Plan and Financials

4

Next Steps and Closing Remarks

5

Appendix



Next steps

Milestones	Timeline
1 Announcement	16th May
2 AGM Call	End of May
3 Waiver from financing banks	End of May
4 Telepizza's Extraordinary / Annual General Shareholders' Meeting	End of June
5 Antitrust approval	Q4 2018
6 Expected Closing	Q4 2018

A light gray world map is centered on the slide. Overlaid on the map is a large, solid red circle with a white border. Inside this circle, the text "Expanding the GROWTH opportunity for Telepizza" is written in white, bold, italicized font. The word "GROWTH" is underlined.

*Expanding the
GROWTH
opportunity for
Telepizza*

1

Transaction Overview and Benefits

2

The New Telepizza

3

Implementation Plan and Financials

4

Next Steps and Closing Remarks

5

Appendix



Largest non-US pizza delivery player with presence in 20 countries through 1,607 franchised and owned stores

Key Facts

Leading pizza delivery player in its core markets

€562m 2017 Group system sales

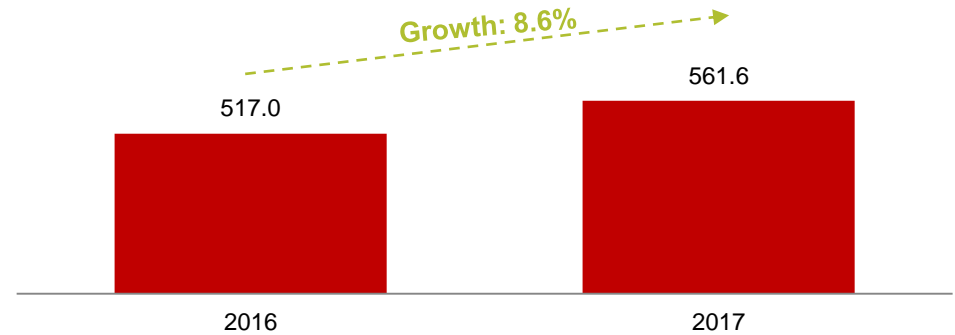
1,607 stores globally (73% franchised/27% owned) FY 2017

€67.2m 2017 Underlying EBITDA

Digital accounts for 39% of delivery sales in Spain in 2017

18.6% Underlying EBITDA margin

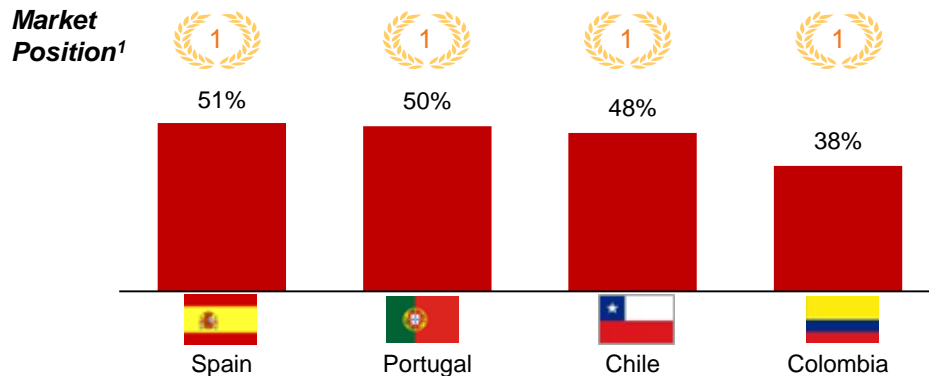
System Sales



Market Leader in Core Markets

Europe

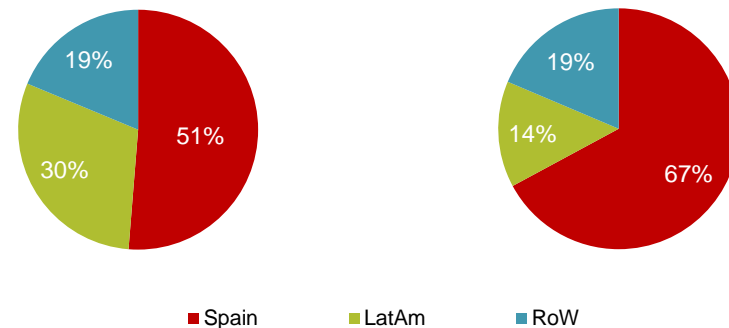
Latin America



Geographic Breakdown as of Dec-17

By Store Network

By System sales



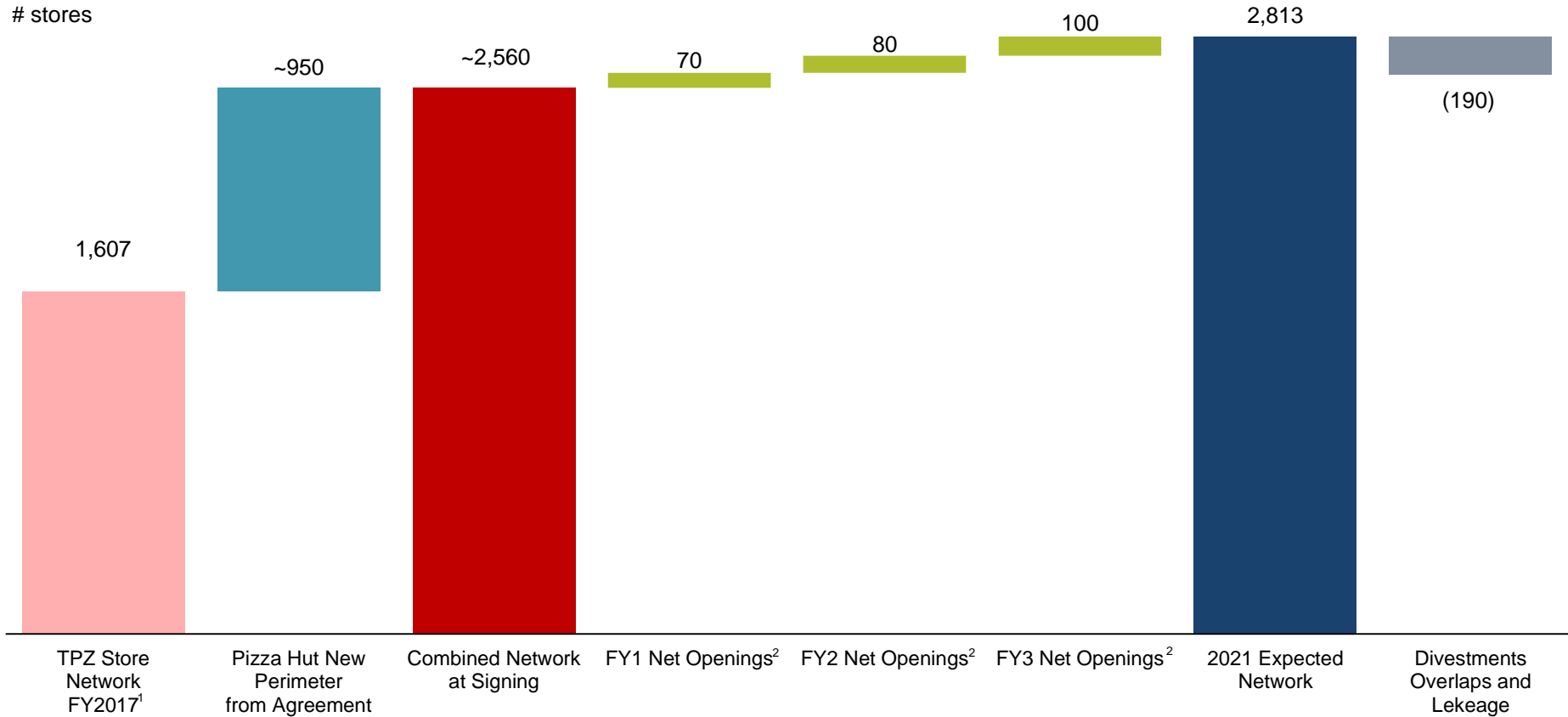
Source: Market share by value in Spain, NPD data, Market share by number of stores in other countries, Company data.

Notes:

1. Based on FY 2017 data for Spain, and 2016 data for other countries

Store network evolution

2017-2021 Store Network Evolution



Notes:

1. Based on FY2017 results
2. Net store opening targets per year as per agreement

Breakdown of new Telepizza's reporting segments



LatAm Countries + Caribbean

 Chile	 Nicaragua
 Mexico	 El Salvador
 Colombia	 Honduras
 Peru	 Panama
 Venezuela	 Ecuador
 Paraguay	 Bolivia
 Puerto Rico	 Guatemala
 Jamaica	 Bolivia
 Costa Rica	+ Other Caribbean Countries (i.e. Nassau, Guyana, etc)



telepizza



Iberia

 Spain	 Portugal
---	--








Rest of the World

 Poland	 UK
 Switzerland	 Saudi Arabia
 Czech Republic	 Ireland
 Angola	 Iran
 Russia	

Growth opportunity in Telepizza's markets

Assessing the growth opportunity in the Telepizza's new footprint

Key Stats of Telepizza's Core Markets

Country	GDP (€bn, 2016)	Macroeconomic Data			Chain Pizza Restaurants		
		Population (m) Inhabitants, 2016	Urban Population (%), 2016	GDP per Capita (€k, 2016)	Stores (# 2016)	Penetration (k) Inhabitants/Stores 2016	M. share top three %, 2016
 Spain	1,320	46	80%	29	1,072	43	79%
 Portugal	208	10	64%	20	227	45	96%
 Chile	243	18	90%	14	292	62	84%
 Mexico	1,116	123	80%	9	1,939	66	60%
 Colombia	331	49	77%	7	238	204	79%
 Argentina	405	44	92%	14	465	94	23%
 Peru	175	31	79%	7	237	134	71%

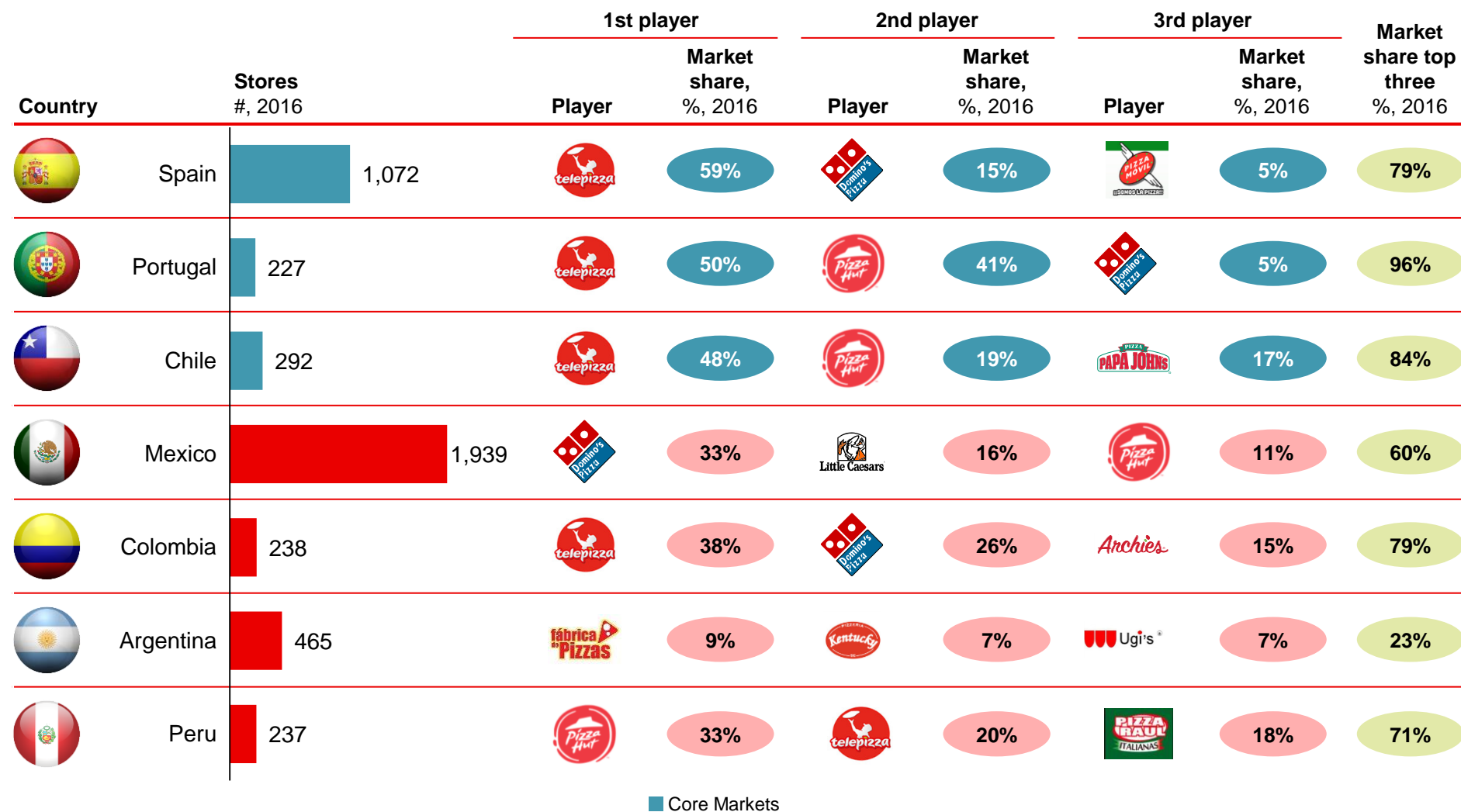
■ Telepizza Core Markets

Considerations

- ✓ **Strong demographical and GDP growth**, together with **expansion in urban middle classes** in LatAm countries, **should drive growth of fast casual dining formats and the overall QSR industry**
- ✓ **Growth potential in more underpenetrated markets such as Colombia, Peru or Argentina** vs. more mature markets such as Spain and Portugal
 - Chile and Peru have recently undergone strong pizza chain penetration processes in the last 10 years, but still far from developed European markets
 - In addition to this, Mexico and Argentina are still relatively fragmented markets

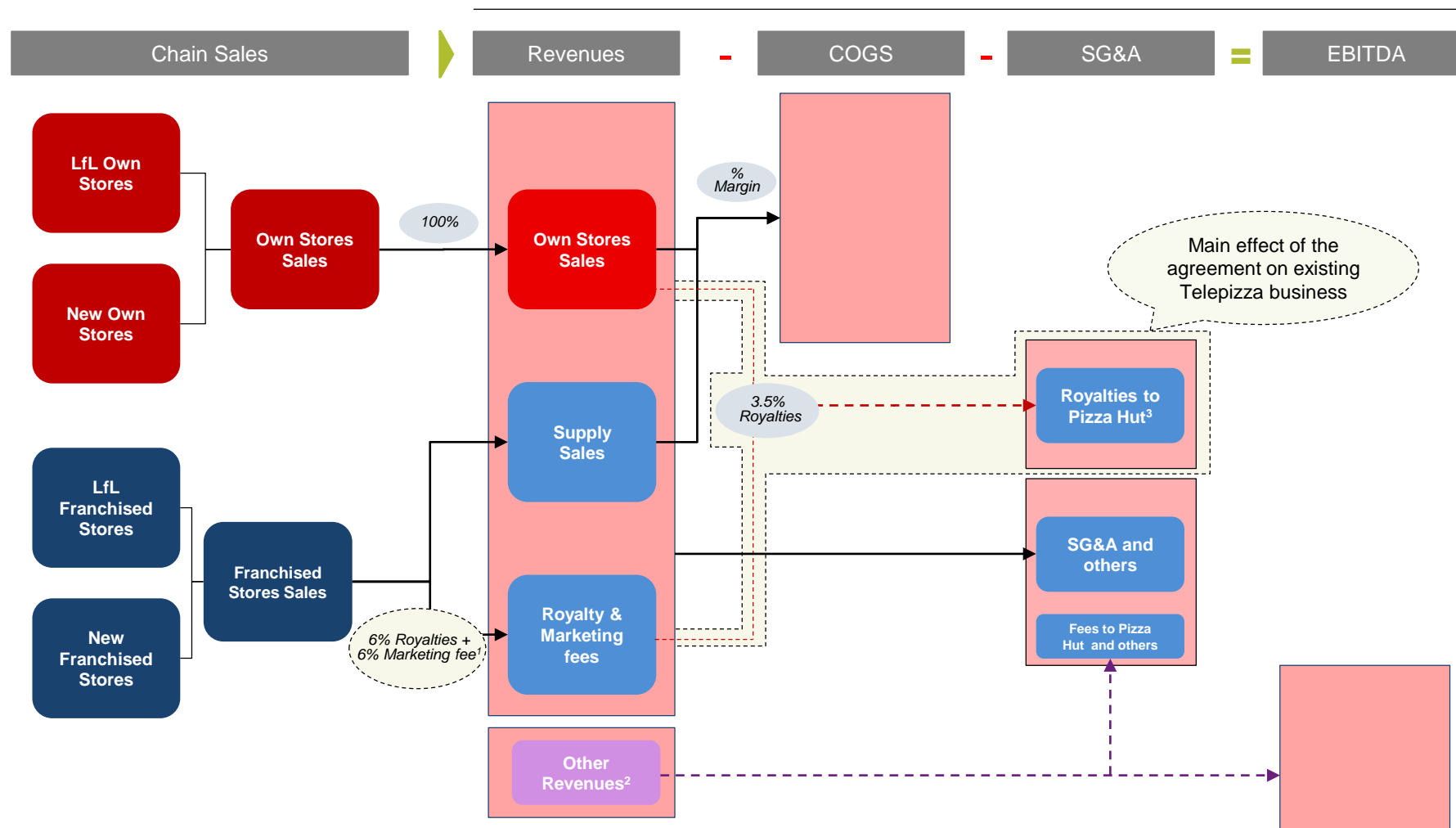
A position of leadership in Iberia and LatAm

Telepizza / Pizza Hut have a significant presence in Iberia and the major LatAm markets



Telepizza business included in the MFA perimeter

Revenues to EBITDA bridge

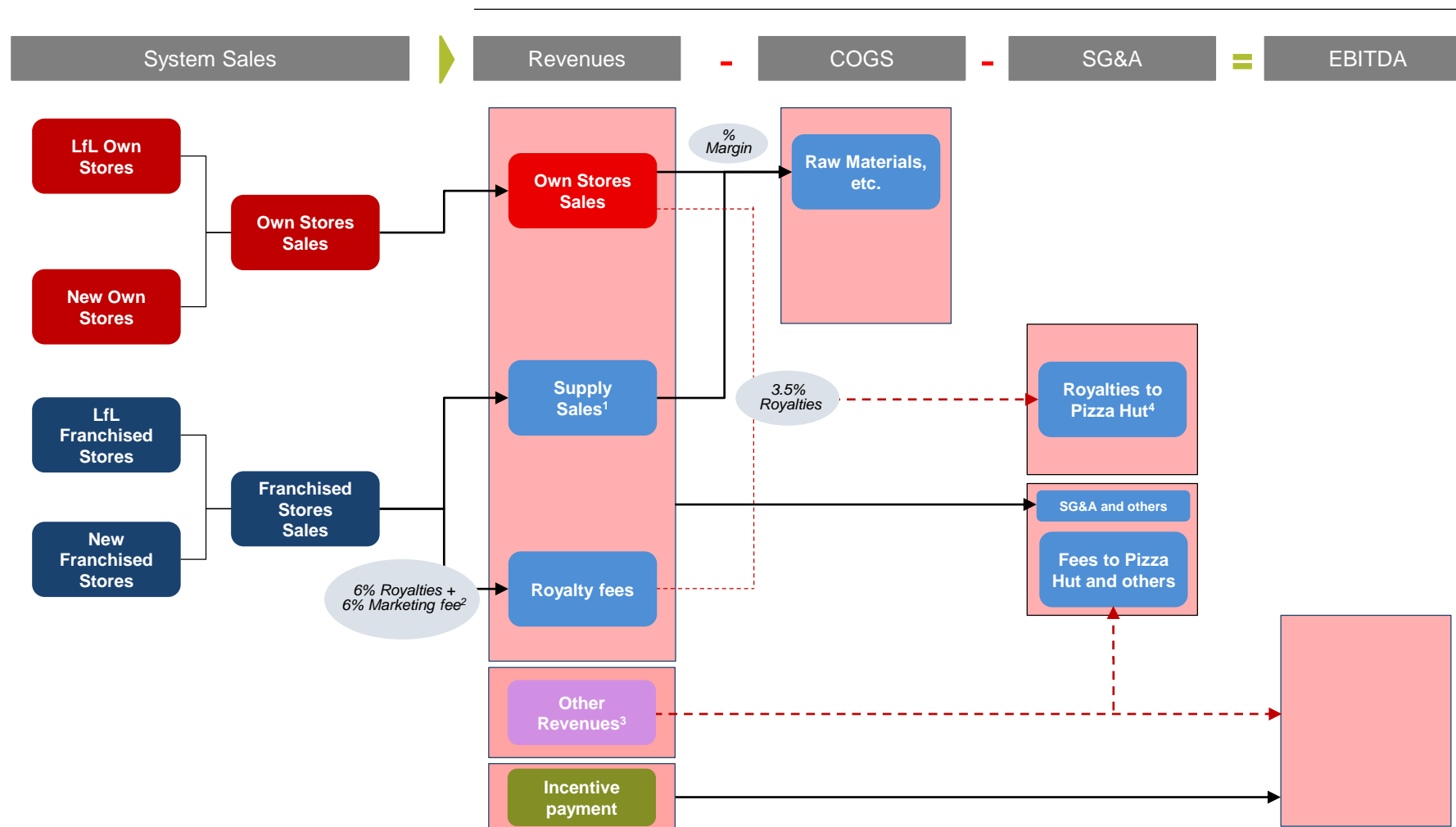


Notes:

1. 6% royalty + 6% marketing fee expected to be reached after renegotiations of existing contracts with franchisees, marketing fee expended in full
2. Includes opening or renewal franchise fees, transfer fee and other ancillary services to franchisees and others. Renewal fees and other fees partly transferred to Pizza Hut. Telepizza to enjoy certain waivers on fees.
3. Net royalty paid reduced due to royalty credit

Pizza Hut business included in the MFA perimeter

Revenues to EBITDA bridge

**Notes:**

1. Not meaningful at signing, as part of the rational of the agreement, is expected to arise from potential supply agreements with franchisees over time
2. Marketing fee expended in full
3. Includes opening or renewal franchise fees, transfer fees and other fees. Telepizza to enjoy certain waivers on fees, including with respect to Telepizza units converted units to Pizza Hut during the first years of the agreement.
4. Net royalty paid reduced due to royalty credit

Additional transaction detail

Strategic and long-term partnership with Pizza Hut

Master Franchise Agreement Overview

- Telepizza to become exclusive Master Franchisee of Pizza Hut in Spain¹, Portugal, Switzerland, Latin America² and the Caribbean
- Duration
 - Spain, Portugal and Chile: 30yrs +10yrs +10yrs
 - Remaining MFA territories: 10yrs +10yrs +5yrs
- Gradual conversion of Telepizza stores to Pizza Hut
 - Spain and Portugal: full flexibility (no conversion commitment)
 - Chile: 50% by Y3, 100% by Y10
 - Other jurisdictions³: 75% Y3, 100% by Y5
- Target the opening of 1,300 net new stores in the next 10yrs (250 in the initial 3yrs)
- Telepizza to manage 950+ contributed stores by Pizza Hut in ~30 countries, accounting for ~€525m system sales
- Telepizza and Pizza Hut will receive royalties and other economics generated in this combined network during the term of the agreement; additionally Pizza Hut will receive alliance fees from Telepizza linked to the operations of the Telepizza network
- Telepizza will have the right to manage supply chain in MFA countries and, subject to approval, to be recognized as authorized supplier to Pizza Hut

Telepizza Distinctive Signs

- Pizza Hut and Telepizza will incorporate a Joint-Venture (“JVCo”) which will hold the bare ownership on the Telepizza distinctive signs
- Telepizza will retain the rights to use and enjoy the profits of the Telepizza distinctive signs (including, among others, the right to license and sub-license the Telepizza distinctive signs)
- Pizza Hut will have a call option over the bare ownership over the Telepizza distinctive signs, exercisable on Y3 + 18 months

Notes:

1. Including Andorra
2. Excluding Brazil
3. Except for Guatemala, El Salvador and Bolivia

Flexible store formats

Three different Pizza Hut store formats to foster network expansion

Pizza Hut's 3 store formats, with proven international success, offer significant flexibility for network expansion



Unique opportunity to rely on a proven successful concept to accelerate growth & roll-out strategy in LatAm



Complementary value-added proposition with Telepizza's existing network in Iberia: unique opportunity for our franchise base to increase capillarity, defend market share and extract higher value in their catchment areas

Overview of 3 Store Formats

Express



Fast Casual Delco



Dine In

