

Q1 2016 Results presentation



telepizza 
the secrets in the dough

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Q1 2016 highlights



1

Spain: 5%+ LfL growth – Delivery sales increasing by 10% y-o-y

2

International: Near double digit growth in constant currency, of which c.7% LFL (excluding MF)

3

c.16% Underlying EBITDA growth

4

Digital sales: 23% y-o-y growth, accounting for one third of delivery sales

5

Franchised stores now represent 66% of network (+3% y-o-y)

6

IPO significantly improving capital structure and financing costs

Q1 2016: profitable growth in Spain and Internationally

Spain growth rate in Q1 2016 increased vs. FY2015, International growth continues to outpace Spain (in constant currency). Group EBITDA now growing at double digit, despite impact of FX

€m (unless otherwise stated)	Q1 2016	Q1 2015	% change	FY2015	FY2014	% change
Spain chain sales	85.8	80.7	6.4%	318.5	300.9	5.8%
LfL sales growth (%)			5.2%			4.6%
International chain sales	42.2	41.0	2.9%	173.3	150.1	15.5%
Constant currency sales growth (%)			9.7%			12.8%
LfL sales growth (%)			5.3%			7.2%
LfL sales growth excluding Master Franchise (%)			6.7%			7.0%
Group chain sales	128.0	121.7	5.2%	491.8	451.0	9.1%
Constant currency sales growth (%)			7.5%			8.1%
LfL sales growth (%)			5.3%			5.5%
LfL sales growth excluding Master Franchise (%)			5.6%			5.3%
Revenues	82.7	83.3	(0.7%)	328.9	326.5	0.7%
Constant currency revenue growth (%)			1.8%			0.7%
Group underlying EBITDA	18.9	16.3	15.8%	57.7	53.4¹	8.1%

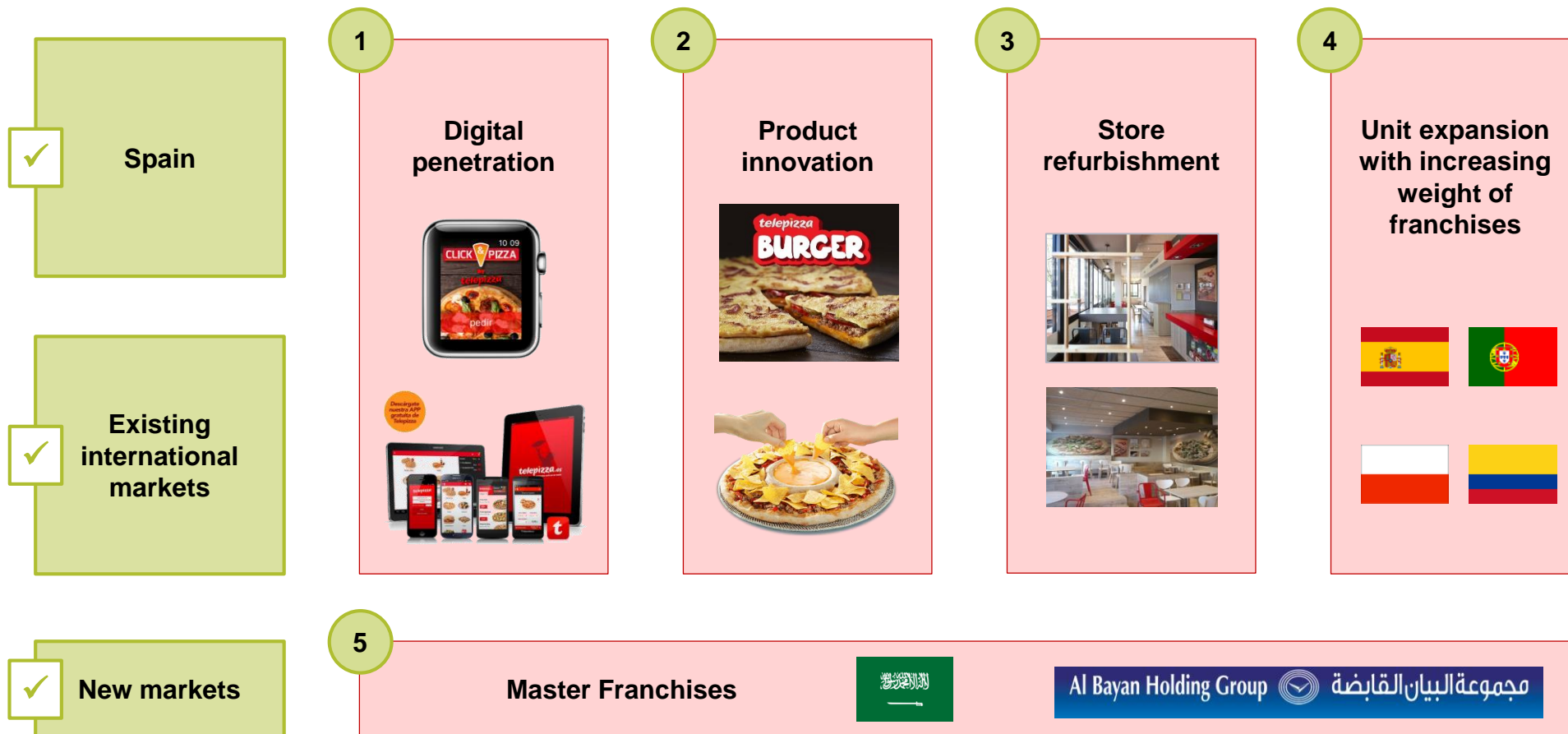
Notes:

1. FY2014 underlying EBITDA adjusted for €14.1m of refinancing costs

5.2% chain sales growth translating into 15.8% underlying EBITDA growth in Q1 2016

Key growth drivers

Digital, innovation and active management of our store network driving growth

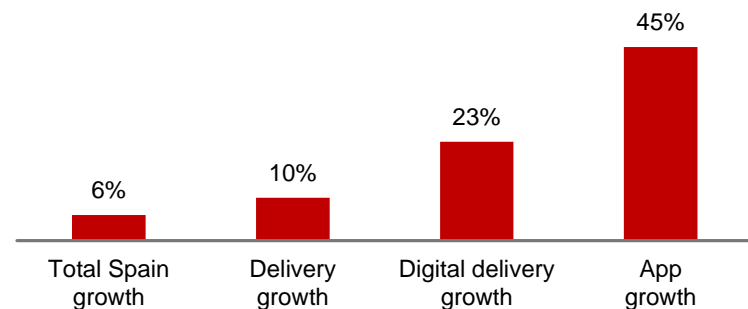


Digital penetration fostering delivery channel growth

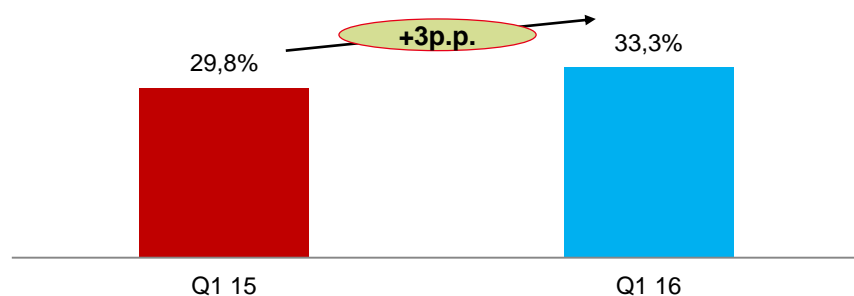
Digital sales growth of 23%, driving delivery growth of 10% y-o-y. Digital now accounts for one third of delivery sales

Continued growth of the delivery channel¹

Digital fostering delivery sales growth...

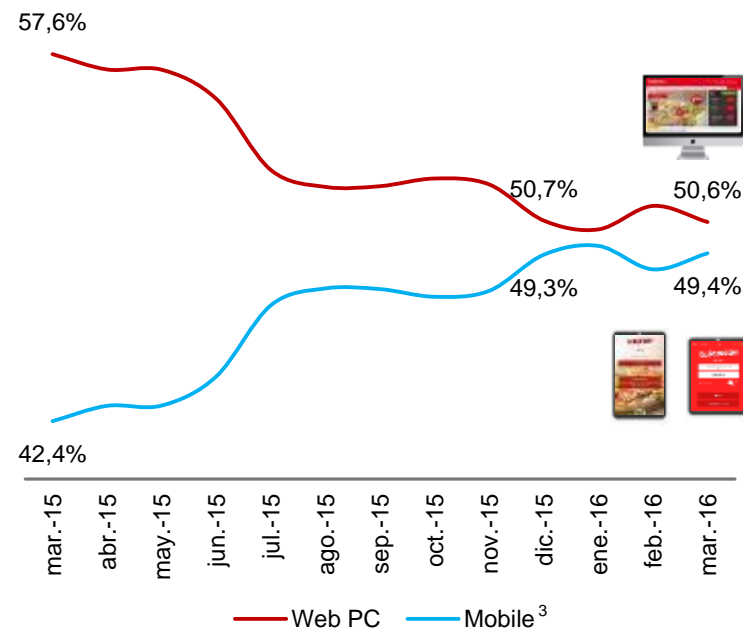


... and resulting in increased digital penetration



- Note:
1. Group data excluding Masterfranchises
 2. Data for Spain based on # of orders
 3. Includes App and web responsive

Digital shifting towards mobile platforms²



➤ App orders have grown 45%+ in Q1 2016 y-o-y

Innovation increasing average ticket

Spain sales with Telepizza Burger (8% in Q1) increasing average ticket by 11%. Telepizza Vulcano being rolled out internationally

New Telepizza Burger (Jan-16)



- ✓ Average ticket of orders including Telepizza Burger **11% higher** than average ticket for delivery in Spain in Q1 2016
- ✓ Represented **8.3% of chain sales** in Q1 2016
- ✓ Best-performing week represented 10% of chain sales

Total innovations launched: 1

New Pizza Vulcano (mid size)



New Pizza Lasagna



Total innovations launched: 2

New Pizza Vulcano



New Pizza Thai Royal



Total innovations launched: 2

New Pizza Vulcano



New Pizza Pollo Vegetariano New Pizza Pollo Carnívoro New pizza Pollo BBQ Creme



Total innovations launched: 4

New Midday Menus



New Slush Beverage



Total innovations launched: 3

Store refurbishments driving LFL growth

Refurbished stores growing 2%+ LFL vs. mirror stores. 10 more owned stores and 6 franchised stores refurbished in Q1 2016

New store image reinforcing brand equity

Before

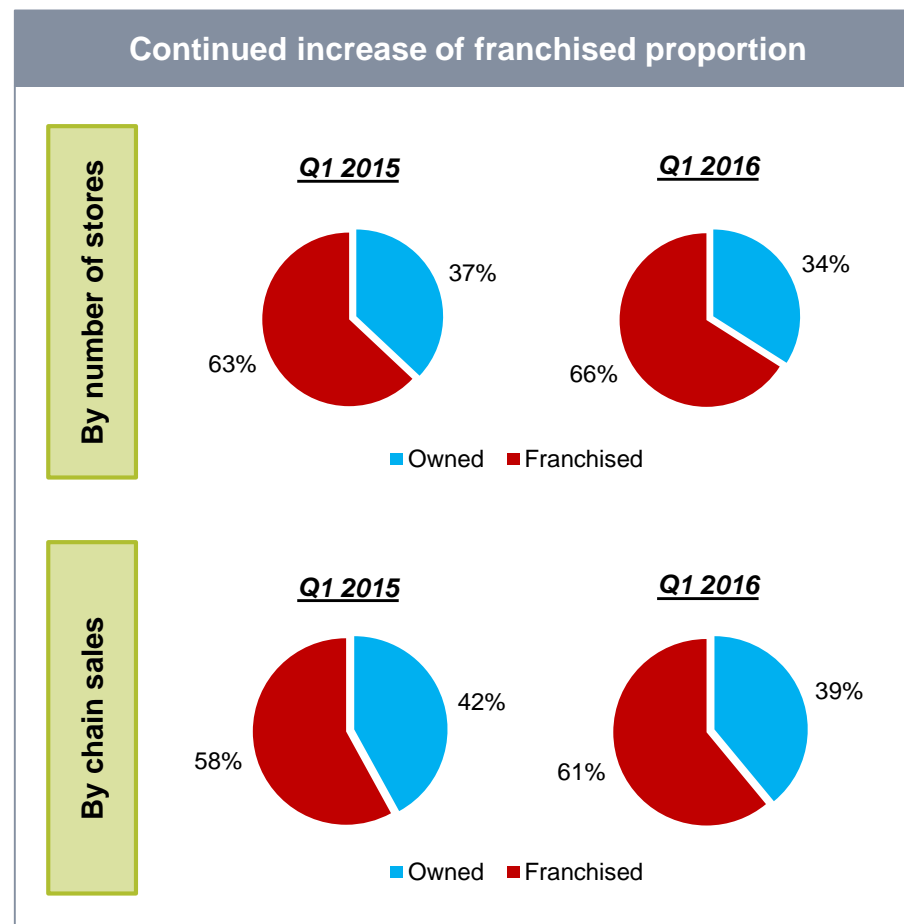
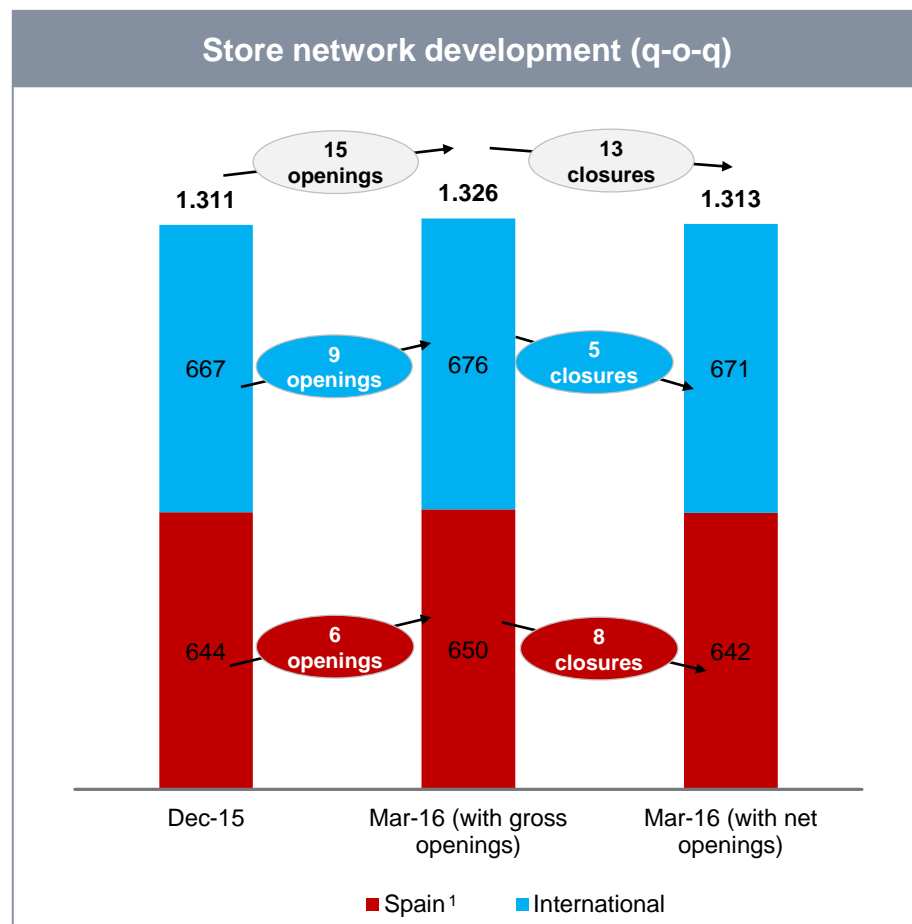


After



Profitable unit expansion with increasing weight of franchises

Active management of store network, with openings of franchised mall units and mini-stores in Spain, continued International expansion and closures of unprofitable locations



➤ Continued increase of franchises, representing 66% of stores and 61% of chain sales in Q1 2016 (+3% yoy)

Notes:

1. Includes one owned store in Morocco

New Master Franchise agreement signed in Saudi Arabia

Master Franchise agreement signed in Saudi Arabia with Al Bayan Holding Group; first stores to be opened in May and June 2016



1



2



3



4



Al Bayan Holding Group  مجموعة البيان القابضة

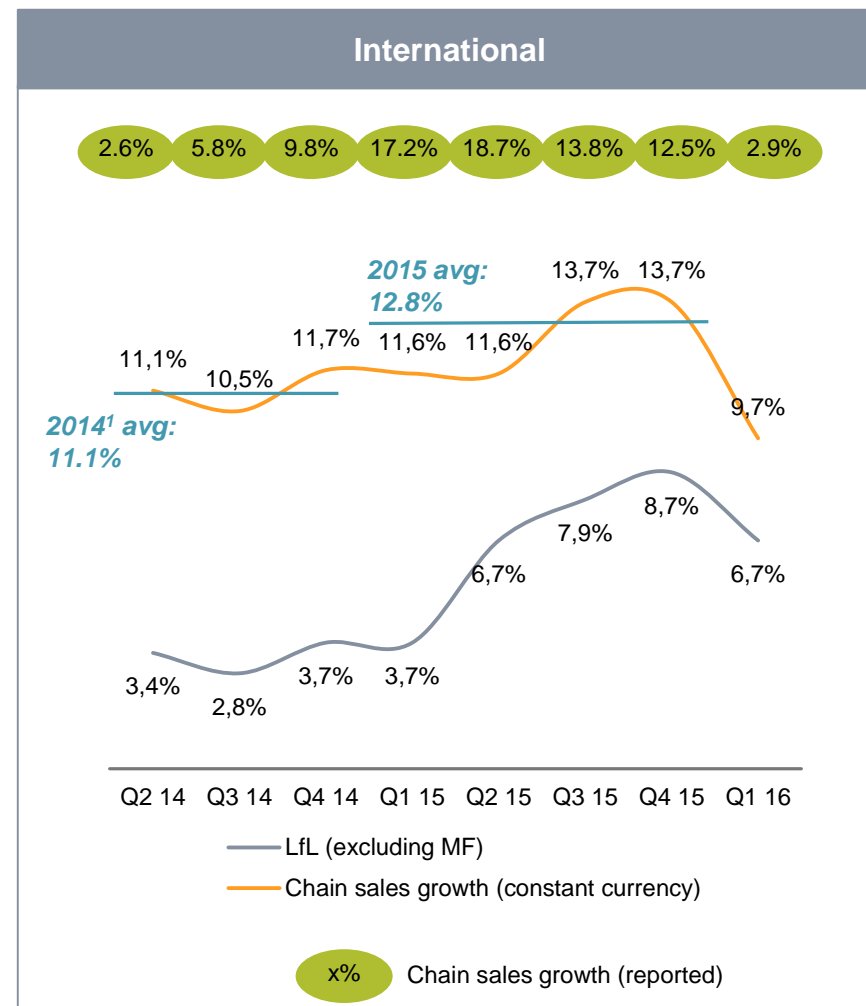
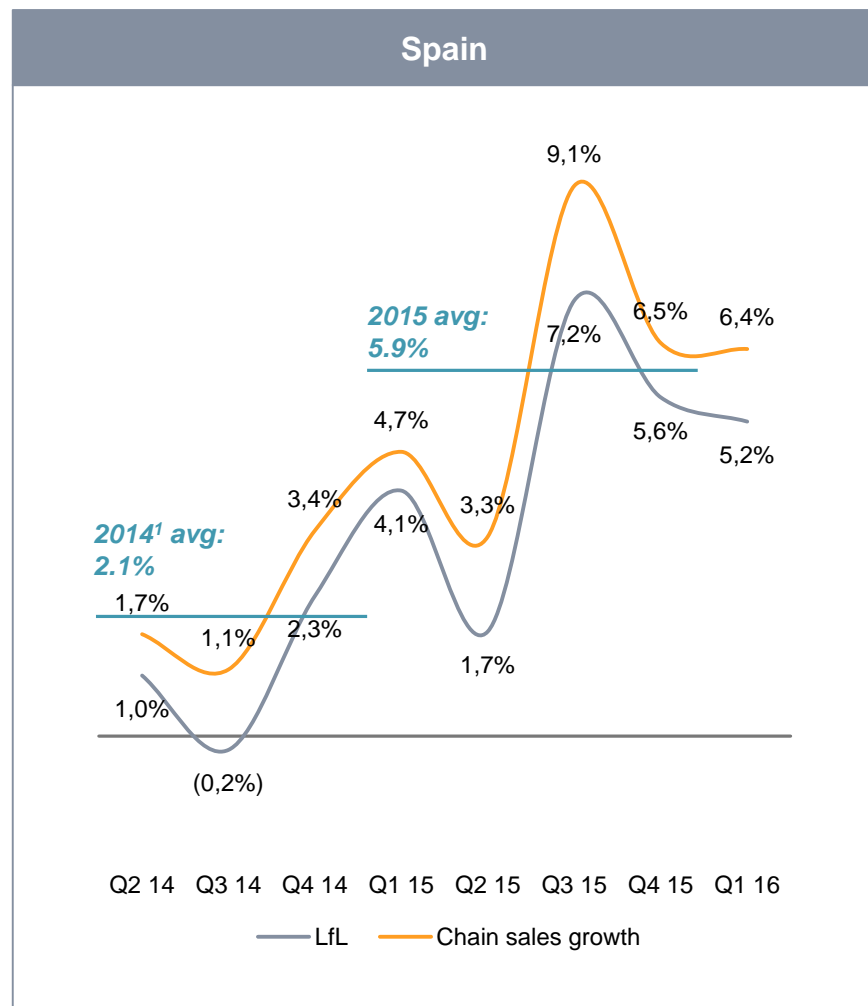
- Founded in 1980, Al Bayan is one of the leading business groups in Saudi Arabia
- The company is present in different businesses, including, among other, Food & Restaurant, Media & Advertising, Logistics and Supply & Trading

Financial information



Quarterly chain sales growth: continued momentum in Q1 2016

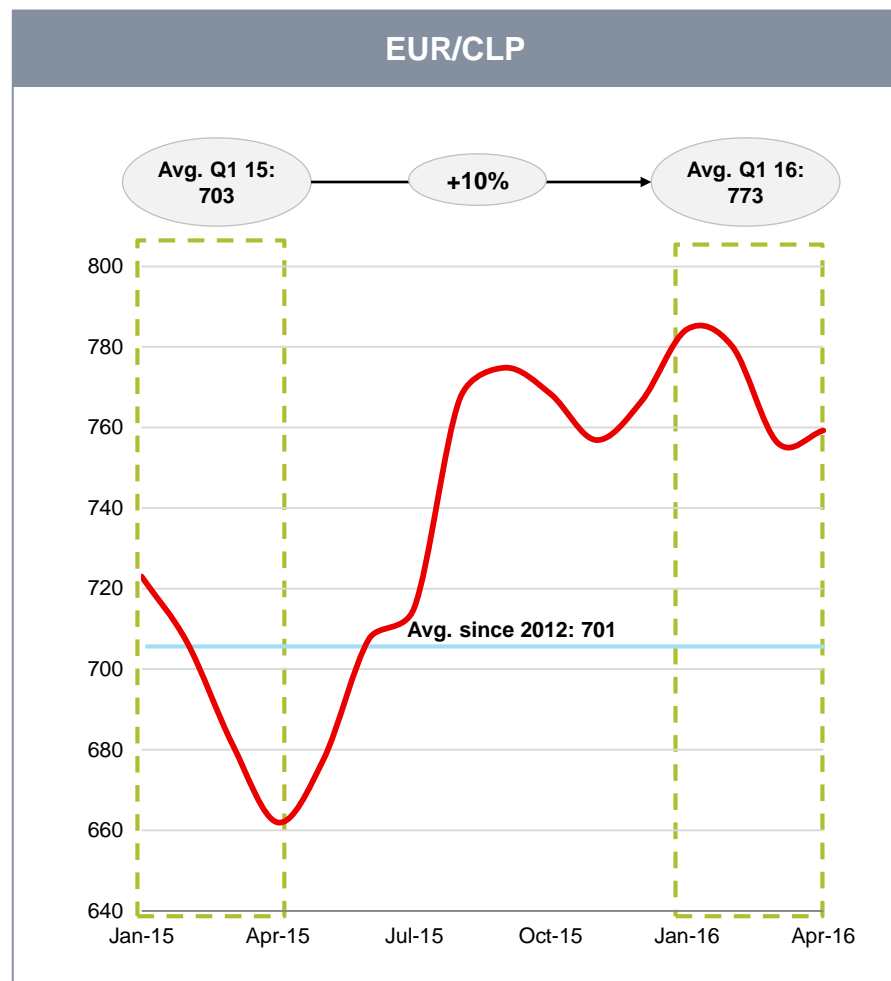
8 consecutive quarters growing in Spain, while posting double digit growth in International



Notes:
1. 2014 average excluding Q1 figures

Translational FX impact in context

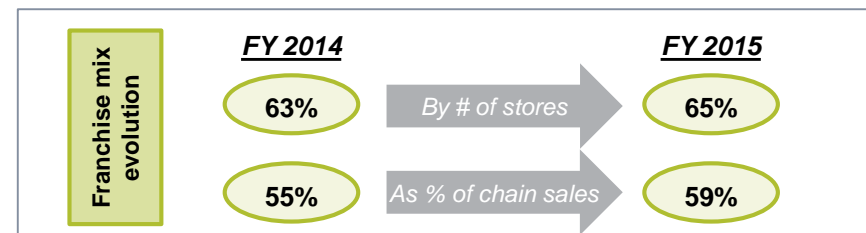
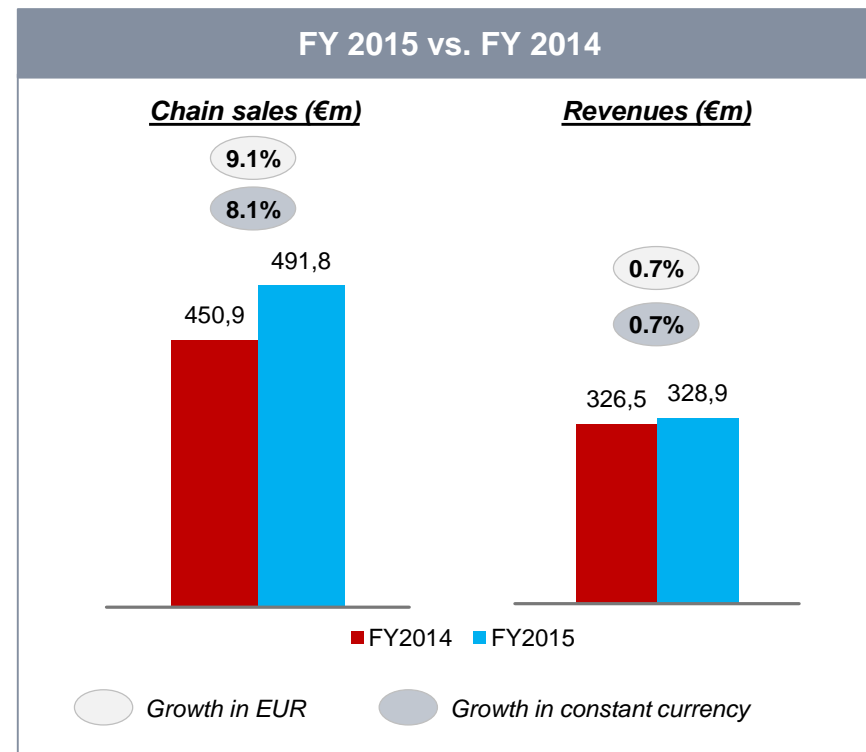
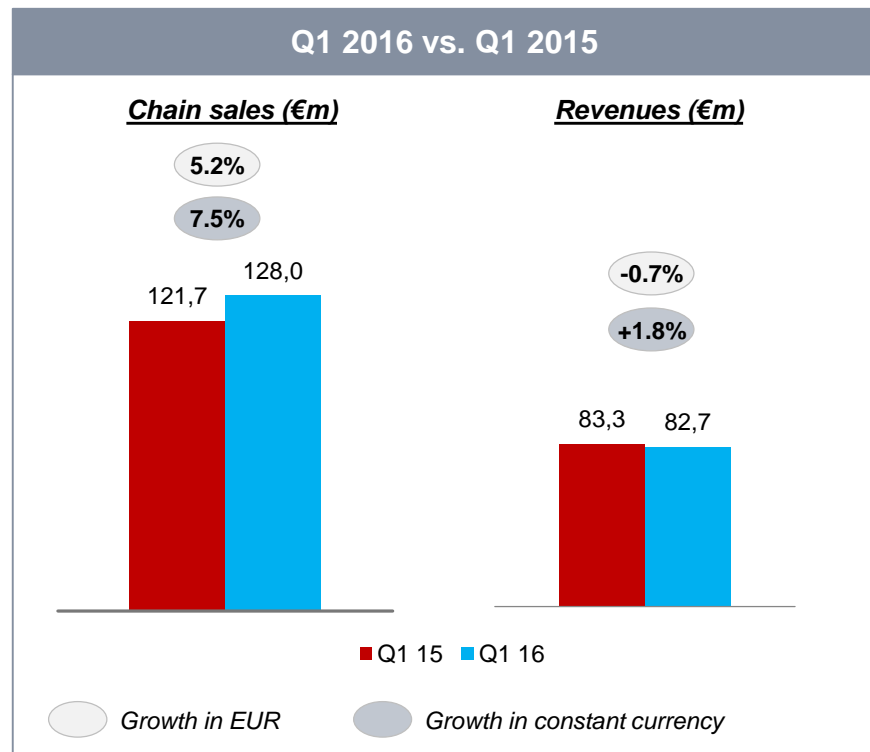
Latam reported financials in EUR impacted by steep decline in local currencies yoy – Impact more pronounced in H1, with current exchange rates in line with H2 2015



Source: Bank of Spain

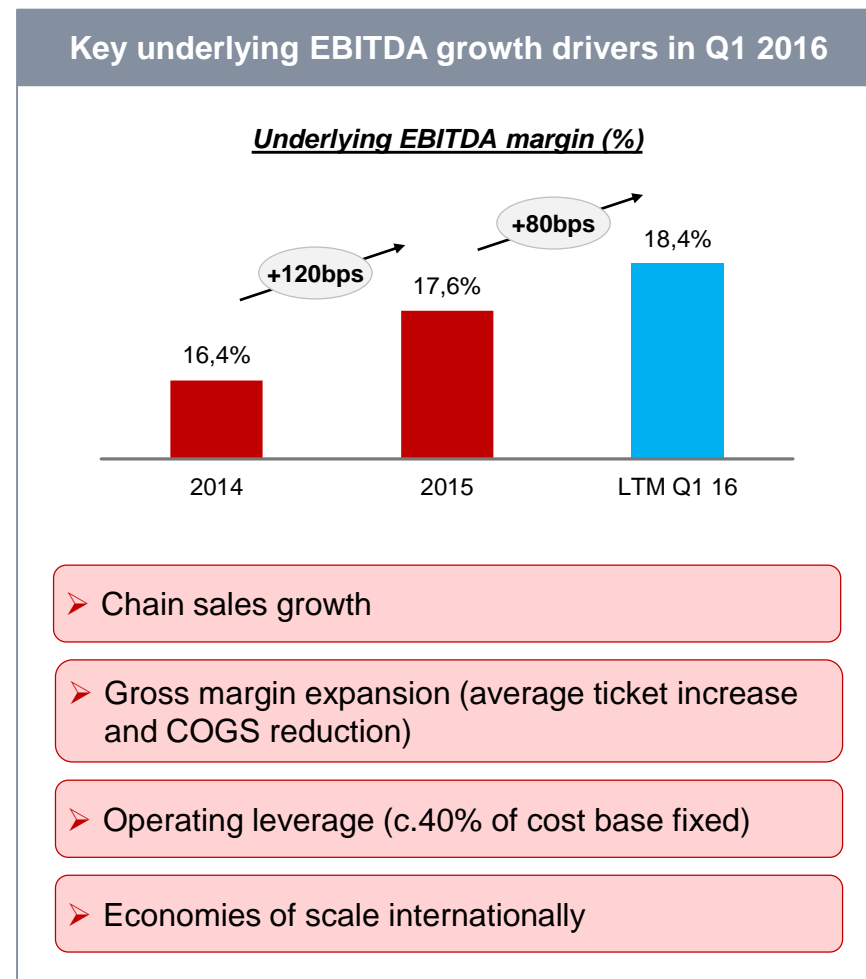
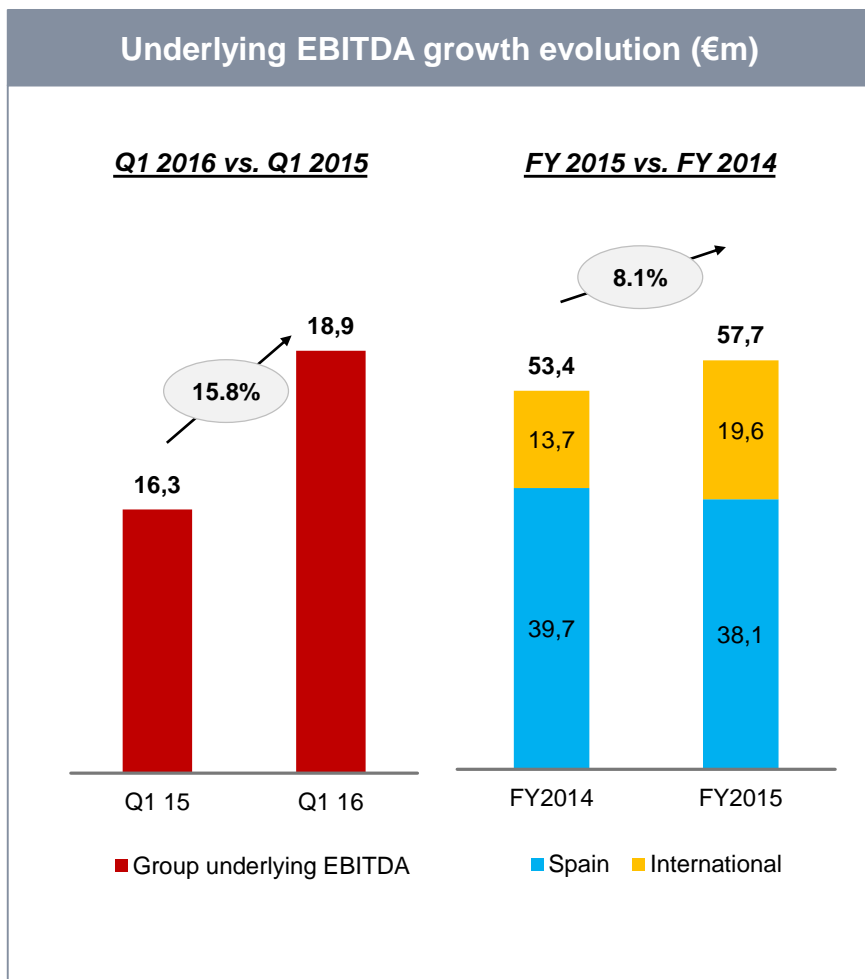
Increasing proportion of franchised stores

Only modest growth in revenues in Q1 (in constant currency), as franchised mix continues to increase, reducing capital intensity of the business



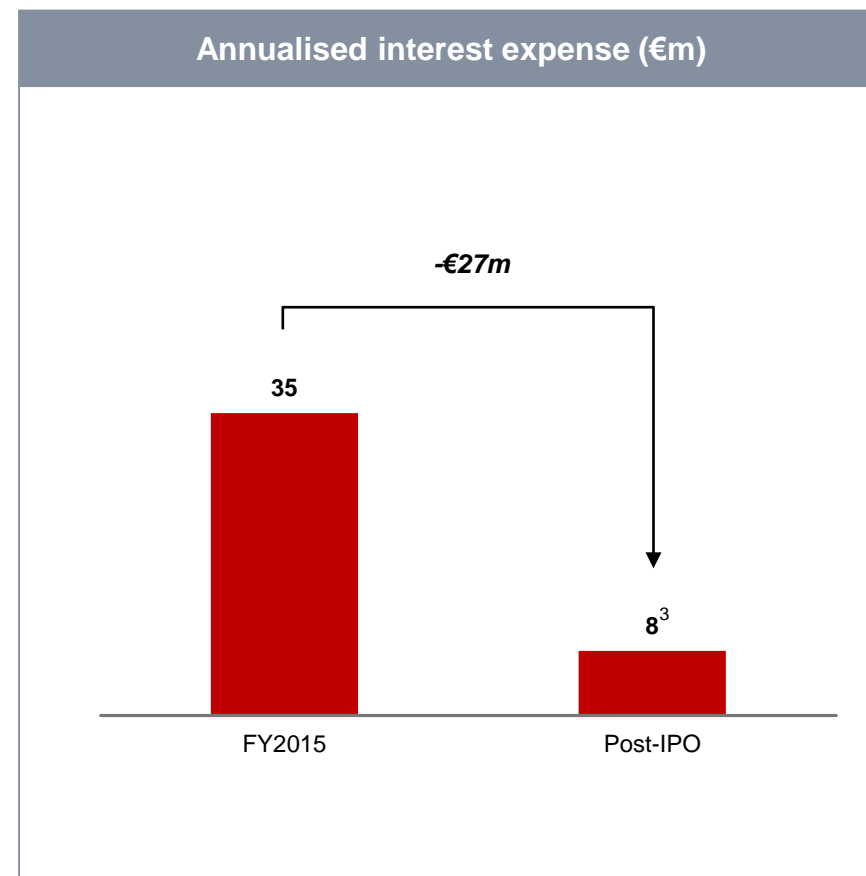
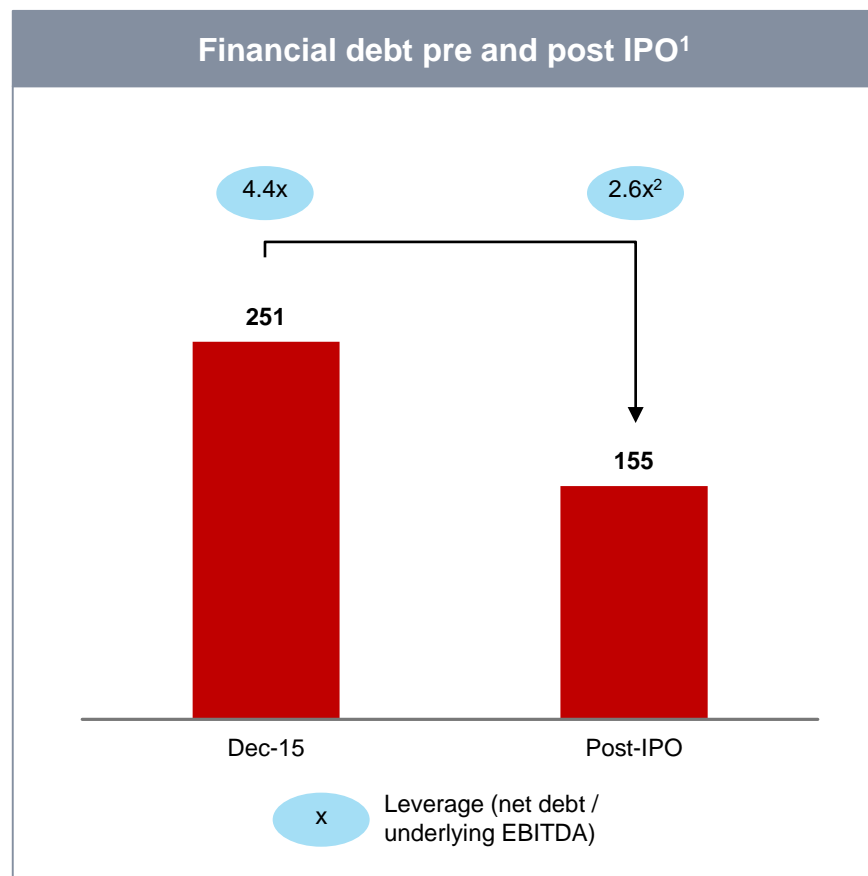
Chain sales growth translating into double digit EBITDA growth

Double digit underlying EBITDA growth on the back of strong LfL and operating leverage



Post-IPO capital structure

Primary IPO proceeds reducing leverage to c.2.6x LTM EBITDA. Average cost of debt of c.3% (on gross debt of €200m)



Notes:

1. Calculated as gross financial debt minus cash
2. Based on LTM March-2016 EBITDA of €60.3m
3. On an annualised basis

Additional financial information

Impact of IPO related expenses

Non-recurring IPO related expenses to have significant impact in reported P&L in Q2 2016

Cash flow impact fully financed at IPO

Tax credits

€41m NOLs¹ at IPO

c.€156m of interest carried forward (deductible up to 30% of yearly EBITDA)

Note:

1. Net Operating Losses

Outlook



Continued chain sales growth, driven by LFL sales and unit expansion



Increasing share of franchisees



EBITDA to grow faster than chain sales on back of operating leverage



Annual capex of €15-20 million in medium term, to fund store refurbishments, unit expansion and maintenance capex



Selectively exploring acquisition opportunities and Masterfranchise agreements

Q&A



Appendix



Key financial metrics

€m	Q1 2016	Q1 2015	% change	FY2015	FY2014	% change	LTM Q1 2016
Total chain sales	128.0	121.7	5.2%	491.8	451.0	9.1%	498.2
Constant currency sales growth (%)			7.5%			8.1%	
LfL sales growth (%)			5.3%			5.5%	
LfL sales growth excluding Master Franchise (%)			<u>5.6%</u>			<u>5.3%</u>	
Spain chain sales	85.8	80.7	6.4%	318.5	300.9	5.8%	323.7
LfL sales growth (%)			<u>5.2%</u>			<u>4.6%</u>	
International chain sales	42.2	41.0	2.9%	173.3	150.1	15.5%	174.5
Constant currency sales growth (%)			9.7%			12.8%	
LfL sales growth (%)			5.3%			7.2%	
LfL sales growth excluding Master Franchise (%)			<u>6.7%</u>			<u>7.0%</u>	
Total revenues	82.7	83.3	(0.7%)	328.9	326.5	0.7%	328.3
Constant currency revenue growth (%)			1.8%			0.7%	
Underlying EBITDA	18.9	16.3	15.8%	57.7	53.4	8.1%	60.3
Underlying EBITDA margin (%)	22.8%	19.6%	16.6%	17.6%	16.4%	7.3%	18.4%
Depreciation and amortisation (excl. PPA)	(3.3)	(2.5)	31.9%	(10.8)	(11.5)	(5.9%)	(11.6)
Underlying EBIT	15.6	13.8	13.0%	46.9	41.9	11.9%	48.7
PPA amortisation	(1.5)	(1.5)	-	(5.8)	(5.9)	(2.0%)	(5.8)
Net financial income / (expense)	(9.4)	(10.3)	(8.9%)	(35.4)	(68.4)	(48.2%)	(34.5)
Other ¹	(0.1)	(0.0)	n.m.	(4.0)	105.7	(103.8%)	(4.1)
Profit before tax on continued operations	4.7	2.1	128.8%	1.7	73.3	(97.7%)	4.3

Note:

1. includes impairment losses, losses on sale of PP&E, and extraordinary refinancing costs in 2014

Chain sales breakdown

€m	Q1 2016	Q1 2015	% change	FY2015	FY2014	% change	LTM Q1 16
Total chain sales	128.0	121.7	5.2%	491.8	451.0	9.1%	498.2
Owned store sales	49.7	51.1	(2.7%)	200.1	202.4	(1.1%)	198.7
Franchised and Master Franchised store sales	78.3	70.6	11.0%	291.6	248.6	17.3%	299.4
<i>LfL sales growth (%)</i>			5.3%			5.5%	
<i>Scope adjustment</i>			2.2%			2.7%	
<i>Exchange rate adjustment</i>			(2.2%)			0.9%	

Glossary

- ✓ **Chain sales:** Chain sales are own store sales plus franchised and master franchised store sales as reported to us by the franchisees and master franchisees
- ✓ **LfL chain sales growth:** LfL chain sales growth is chain sales growth after adjustment for the effects of changes in scope and the effects of changes in the euro exchange rate as explained below.
 - Scope adjustment. If a store has been open for the full month, we consider that an “operating month” for the store in question; if not, that month is not an “operating month” for that store. LfL chain sales growth takes into account only variation in a store’s sales for a given month if that month was an “operating month” for the store in both of the periods being compared. The scope adjustment is the percentage variation between two periods resulting from dividing (i) the variation between the chain sales excluded in each of such periods (“excluded chain sales”) because they were obtained in operating months that were not operating months in the comparable period, by (ii) the prior period’s chain sales as adjusted to deduct the excluded chain sales of such period (the “adjusted chain sales”). In this way, we can see the actual changes in chain sales between operating stores, removing the impact of changes between the periods that are due to store openings and closures; and
 - Euro exchange rate adjustment. We calculate LfL chain sales growth on a constant currency basis in order to remove the impact of changes between the euro and the currencies in certain countries where the Group operates. To make this adjustment, we apply the monthly average euro exchange rate of the operating month in the most recent period to the comparable operating month of the prior period
- ✓ **EBITDA:** EBITDA is operating profit plus asset depreciation and amortization
- ✓ **Underlying EBITDA:** Underlying EBITDA is EBITDA excluding the operating costs associated with our 2014 refinancing
- ✓ **Digital delivery chain sales:** Digital delivery chain sales are the delivery chain sales made through digital channels (PC, web responsive and Telepizza application), expressed in percentage terms. Digital delivery chain sales (both own and franchised) are recorded automatically in the Company’s SAGA store information system when the online order is placed by the customer