

# 9M FY21 RESULTS PRESENTATION

16.11.2021

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# Executive Summary



# Food Delivery Brands Group

- Market leading pizza delivery operator in core markets: Spain, Portugal, México, Chile, Colombia and Ecuador
- Strategic shift to being a “Brand Operator” following the completion of the transformational partnership with Yum! Brands
- Diversified business model, with profitability generated from
  - Own store sales
  - Royalties and services from franchisees
  - Supply chain sales
- Vertically integrated supply chain is a key differentiating factor: provides full production and food service offering to franchisees

## Key Facts – 9M FY21




2 Global  
Brands

33

Countries

€817m

System Sales

2,311

Stores in the  
MF perimeter

77%

Franchised  
Stores

### Vertically Integrated Supply Chain

4

Dough  
Production  
Facilities

+20

Logistics  
Centers

2

Innovation  
Labs

# Key Messages 1/2

- **Performance in Q3 continues showing the growing trend experienced in Q2; we expect a very positive last quarter** as the effects of the pandemic are gradually less relevant
- **9M FY21 chain sales of €817m; +12.5% vs. PY** (+15.7%<sup>2</sup> at constant FX)
  - **+21.5% chain sales growth in Q3 FY21 vs. PY** (+21.9%<sup>2</sup> at constant FX) **to reach €292m**
- **As of September 30th, 2021, 98.5% of our stores were opened** (99% in EMEA; 98% in Latam); most restrictions have been released with only still some residual impacts on dine in
- **9M FY21 adjusted EBITDA<sup>1</sup> reached €27.3m, +100% vs. 9M FY20**, despite still partially impacted by the restrictions
  - **Q3 FY21 adjusted EBITDA<sup>1</sup> reached c.€12.5m, +86% increase on Q3 FY20 and in line with our estimates**
  - **LTM EBITDA increase to €43.3m**

**Note:**

1. Adjusted EBITDA excluding impacts from IFRS 16
2. Growth at constant FX

## Key Messages 2/2

- **Inflationary pressure on goods, salaries and energy prices** seen in Q3 is expected to continue during Q4 and, at least, H1 2022. **Actions to preserve margins and transfer incremental costs to franchisees and consumers** are being deployed
- **Total store count** (within the YUM's perimeter<sup>1</sup>) **reached 2,311**; +69 gross openings in these first 9M **(+34 units in Q3)** and a **strong pipeline** of openings **for Q4** to reach more than **100 new stores at year end**
- **Group's liquidity as of the end of Q3 FY21 amounted to €48.5m**, reflecting the strong investment in the expansion of our network and the reinforcement of our digital and industrial capabilities during this quarter
- The company is **confident that will exceed its initial guidance of €39 to €41m Adjusted EBITDA<sup>2</sup>** and confirms its **guidance of CFADS<sup>3</sup> of -€10 to -€14m** for 2021

### Note:

1. Pizza Hut master franchise perimeter (Spain, Portugal, Switzerland and Latam ex-Brazil), including Telepizza and Pizza Hut stores
2. Adjusted EBITDA excludes impacts from IFRS 16
3. Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing

# 9M FY21 Current trading

€ in millions	9M FY20	9M FY21	YoY (%)	YoY Change	Oct. 2021 <sup>2</sup>	Nov. 2021 <sup>2</sup>
Total Owned Stores <sup>(1)</sup>	547	533	-2.6%	-14	530	539
Total Franchised Stores <sup>(1)</sup>	1,804	1,778	-1.4%	-26	1,795	1,816
Chain Sales	726	817	12.5% <sup>(3)</sup>	91	102	100
Revenues	257	281	9.5%	24	34	33
Adjusted EBITDA	13.7	27.3	100.2%	14	4-5	4-5
Adjusted EBITDA under IFRS16	30.5	42.9	40.6%	12	n.a	n.a
Net Debt	346	382	10.5%	36	386	386
Cash	50	48	-3.2%	-2	46-47	46-47

## Note:

1. Only includes stores in the MF YUM! Perimeter
2. These figures are preliminary and subject to change
3. YoY Chain Sales at constant currency: 15.7%

# Q3 FY21 Trading

€ in millions	Q3 FY20	Q3 FY21	YoY (%)	July	August	September
Total Owned Stores <sup>(1)</sup>	547	533	-2.6%	525	528	533
Total Franchised Stores <sup>(1)</sup>	1,804	1,778	-1.4%	1,765	1,769	1,778
Chain Sales	241	292	21.5% <sup>(2)</sup>	101	101	91
Revenues	86	100	16.1%	34	34	31
Adjusted EBITDA	6.7	12.5	85.8%	4.5	4.5	3.5
Adjusted EBITDA under IFRS16	11.8	17.7	49.1%	6.2	6.2	5.3
Net Debt	346	382	10.5%	376	374	382
Cash	50	48	-3.2%	55	57	48

Note:

1. Only includes stores in the MF YUM! Perimeter
2. YoY Chain Sales at constant currency: 21.9%

# COVID-19 Update



# COVID-19 Impact

## EMEA

Region	Store Closures <sup>(1)</sup>	System Sales YoY Change <sup>(2)</sup>
	c.1% of TPZ c.5% of PH	Jul: c 8% Aug: c 2% Sep: c 0%
	All TPZ locations are opened c.2% of PH	Jul: c 11% Aug: c 5% Sep: c 6%
	All locations are opened	Jul: c 37% Aug: c 21% Sep: c 23%

## Latin America

Region	Store Closures <sup>(1)</sup>	System Sales YoY Change <sup>(2)</sup>
	c.4% of TPZ All PH locations are opened	Jul: c 174% Aug: c 55% Sep: c 54%
	c.1% of PH	Jul: c 28% Aug: c 14% Sep: c 17%
	c.2% of JP All PH locations are opened	Jul: c 89% Aug: c 63% Sep: c 62%
	All locations are opened	Jul: c 41% Aug: c 30% Sep: c 34%

Note:  
 1. Temporary store closures as of the end of September 2021  
 2. YoY change on a constant currency basis

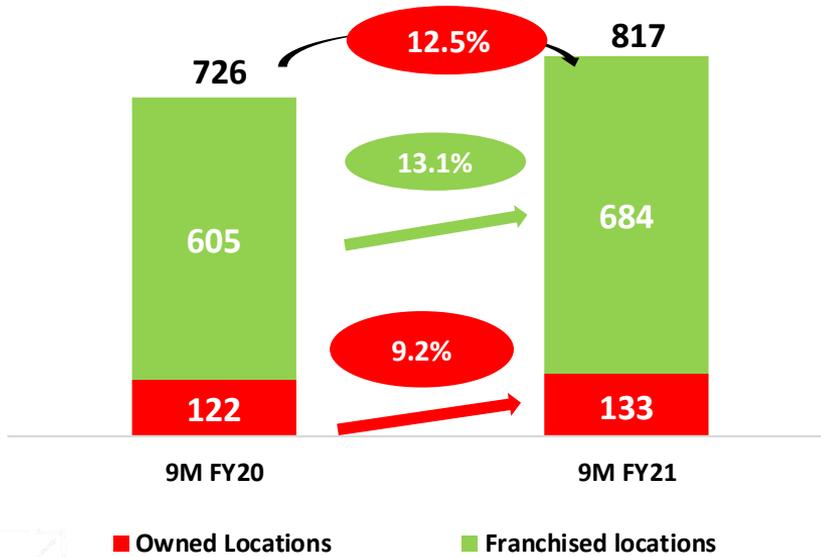
# Financial Update



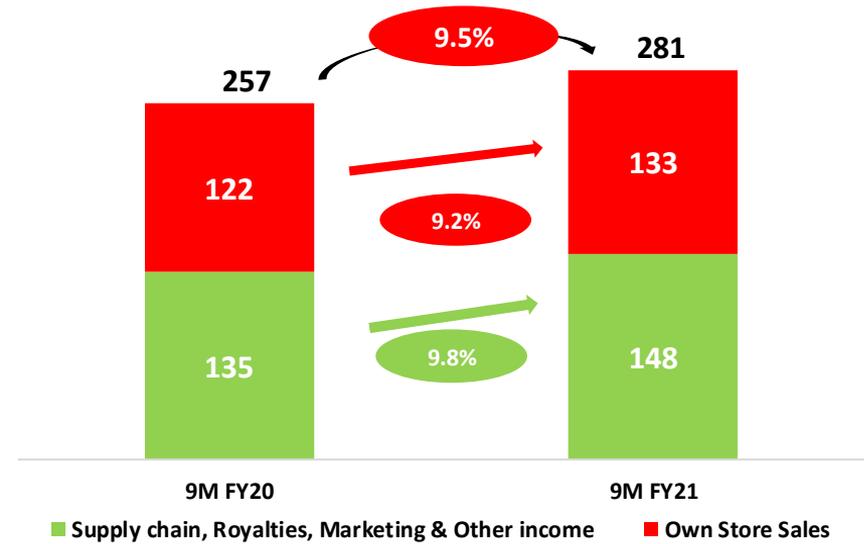
# System Sales and Revenues

## Group System Sales and Revenues (€m)

System sales



Revenues



# Segment Performance – 9M FY21

## System sales across regions



### EMEA

- **Spain and Portugal:** sustained Q3 sales growth of +4.2% vs. PY as restrictions on dine in have been almost fully released in all territories. As of September 30<sup>th</sup> 2021, 99% of our stores were opened
- **Rest of Europe:** continued solid growth in Q3 2021 vs. PY (+15%), as already seen in prior Q's



### Latam

- System sales grew by c.47% (at constant FX) during Q3 (Telepizza: +50%; PH +46%), reflecting also the gradual relaxation of the restrictions. Vs. Q3 2019, still negative by -2% at constant FX, but rapidly closing the performance gap with EMEA
- As of September 30<sup>th</sup> 2021, 98% of stores in the region were opened (+5p.p. vs. Q2)

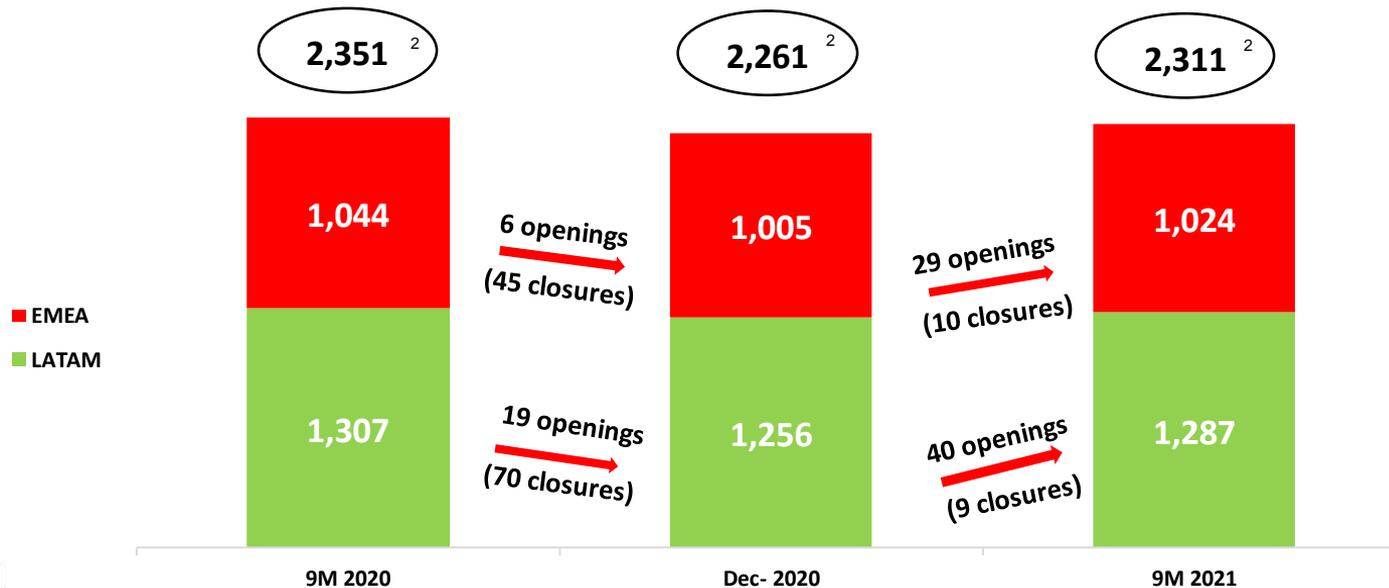
9M 2021 vs 2020 € in millions	EMEA	LATAM	TOTAL
System Sales Growth <sup>(1)</sup> (%)	5.9%	21.0%	12.5%
System Sales Growth <sup>(1)</sup> constant currency (%)	6.1%	28.9%	15.7%
System Sales Growth <sup>(1)</sup> constant currency (%) - Telepizza	6.1%	23.5%	7.6%
System Sales Growth <sup>(1)</sup> constant currency (%) - Pizza Hut	6.0%	29.6%	25.8%
Telepizza System Sales weight (%)	87.7%	11.3%	51.9%
Pizza Hut System Sales weight (%)	12.3%	88.7%	48.1%



Note:  
1. Excluding discontinued operations in Poland, Czech Republic

# Unit Expansion 9M FY21

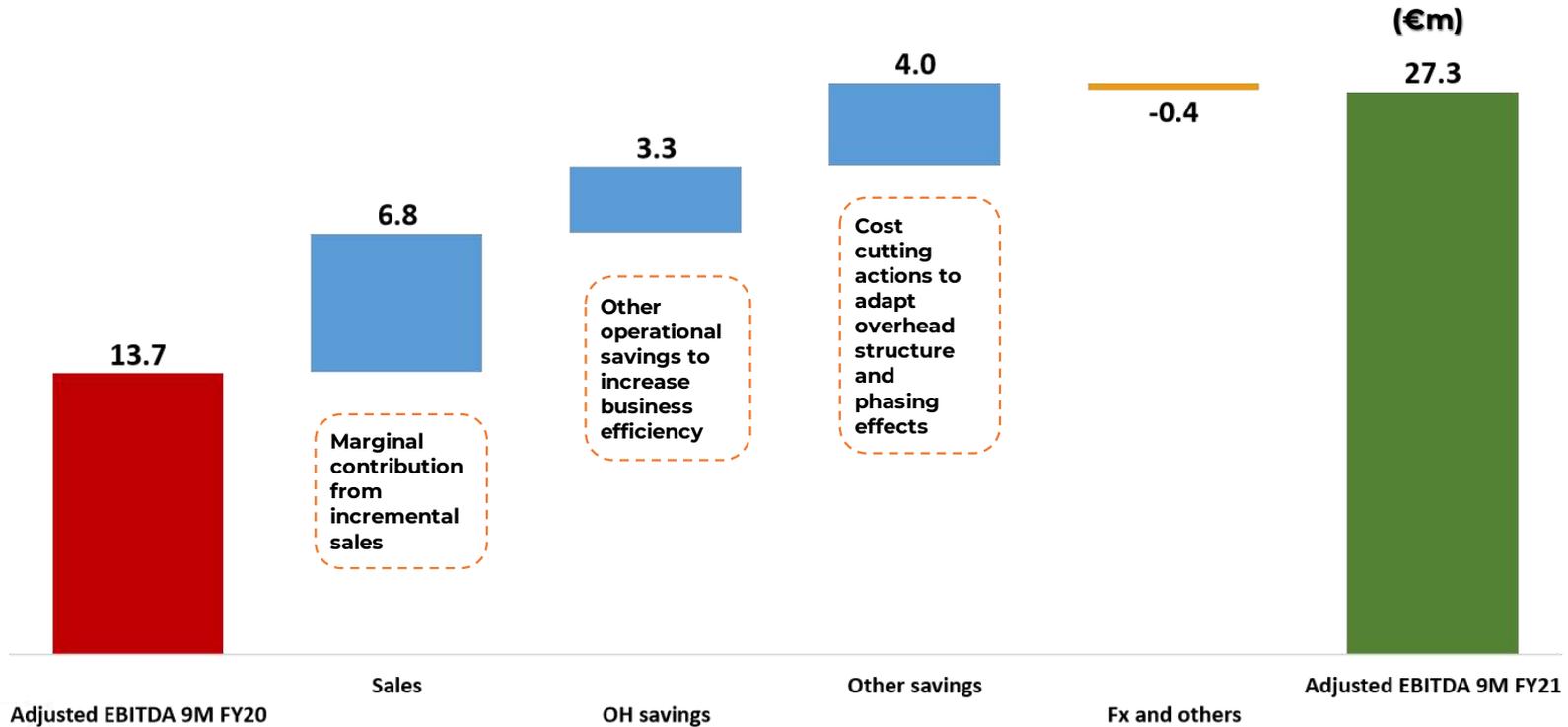
Q3 confirmed the strong recovery in our store network, as anticipated in H1. During these **first 9M of 2021** we increased **50 net new units<sup>(1)</sup>** in the MF perimeter, with 69 **gross openings**. **FY21 forecast of, at least, +100 new stores**



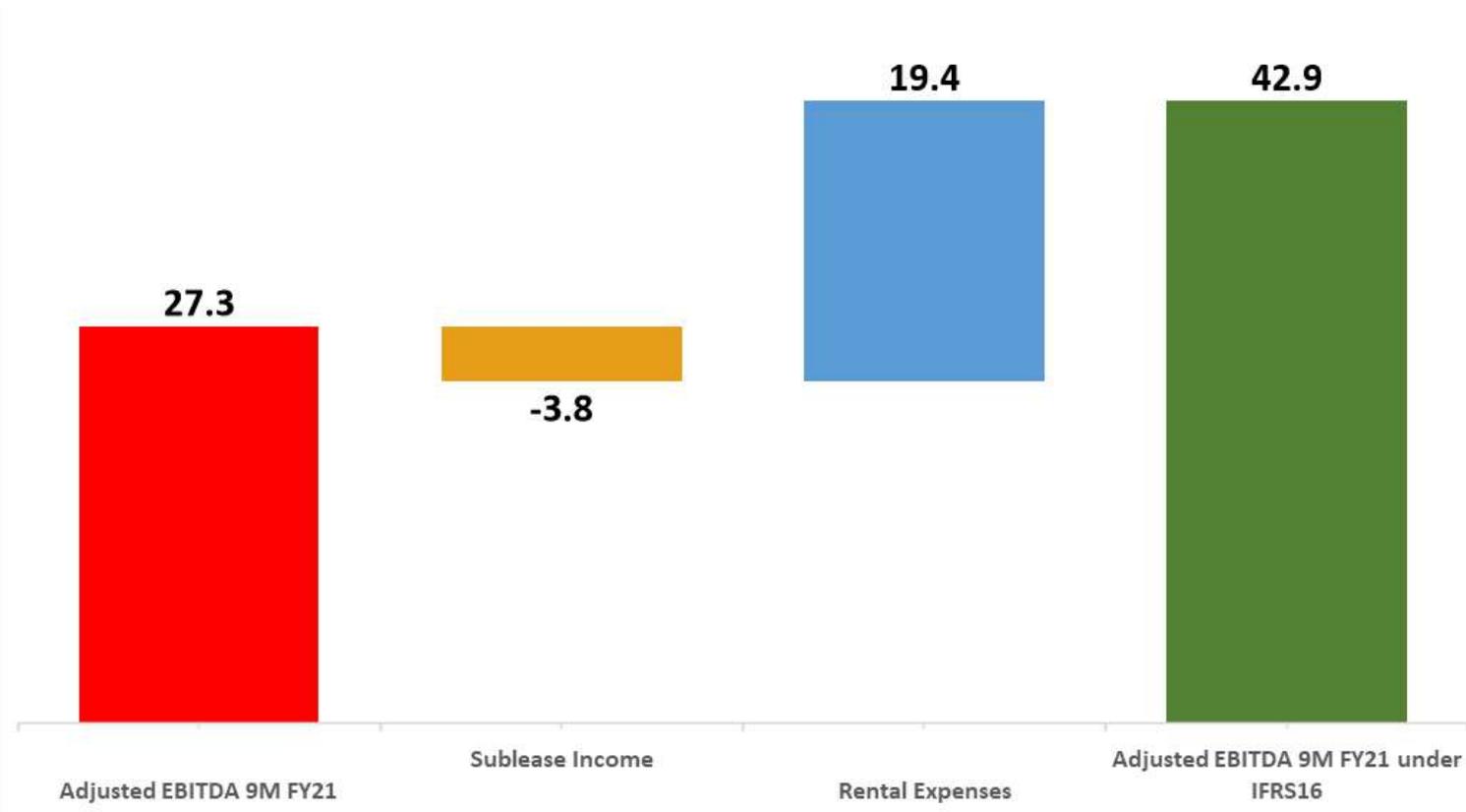
## Note:

1. Total openings minus total closures in the Pizza Hut master franchise perimeter (Spain, Portugal, Switzerland and Latam ex-Brazil), including Telepizza and Pizza Hut stores
2. Only includes stores in the MF Yum! perimeter

# Adjusted EBITDA Bridge – 9M FY20 to 9M FY21



# Adjusted EBITDA Bridge – 9M FY21 (IFRS16 reconciliation)

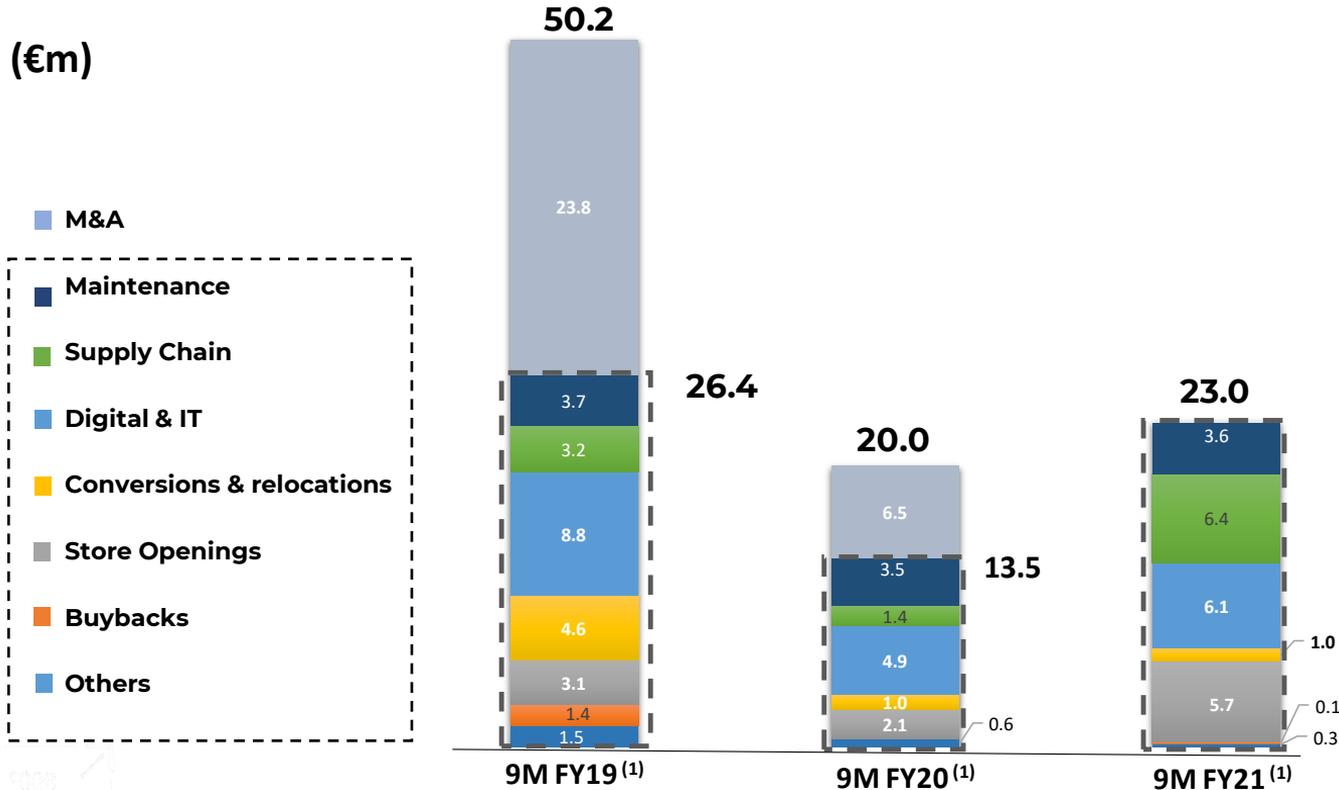


# Income Statement Summary<sup>1</sup>

€m (unless otherwise stated)	9M FY20	9M FY21	% change
Own Store Sales	121.7	132.9	9.2%
Supply chain, royalties, marketing & other income	135.1	148.4	9.8%
<b>Total revenue</b>	<b>256.8</b>	<b>281.2</b>	<b>9.5%</b>
COGS	-74.8	-83.7	11.9%
% Gross margin	70.9%	70.2%	-0.6 p.p
Operating expenses	-168.4	-170.2	1.1%
<b>Adjusted EBITDA</b>	<b>13.7</b>	<b>27.3</b>	<b>100.3%</b>
% Adjusted EBITDA margin	5.3%	9.7%	4.4 p.p
Non recurring /operating expenses	-7.5	-9.3	25.0%
<b>Reported EBITDA</b>	<b>6.2</b>	<b>18.0</b>	<b>191.2%</b>
<b>Adjusted EBITDA under IFRS 16</b>	<b>30.5</b>	<b>42.9</b>	<b>40.7%</b>
% Adjusted EBITDA margin	11.9%	15.3%	3.4 p.p



# Capital Expenditure<sup>1</sup> – 9M FY21



- 9M FY21 Capex of €23m, +€10.5m vs. PY (excluding M&A Capex), reflecting the incremental investment efforts in IT, including the development new Digital capabilities (POS, app& websites, tracking); industrial expansion, with a new dough production site in México; and the store network expansion plan to take advantage of the existing market opportunities**

Note:  
 1. Capex does not include non cash-out investments (e.g . Non cash Buybacks)

# Cash Flow Statement Summary

€m (unless otherwise stated)	9M FY20	9M FY21	% change
<b>Adjusted EBITDA</b>	<b>13.7</b>	<b>27.3</b>	<b>100.2%</b>
Non-recurring / Operating costs	-7.5	-9.3	25.0%
<b>Reported EBITDA</b>	<b>6.2</b>	<b>18.0</b>	<b>191.0%</b>
Tax and Others <sup>(6)</sup>	-9.7	-12.2	25.8%
Change in Working Capital	-6.4	-6.3	-1.5%
<b>Operating Cash Flow</b>	<b>-9.9</b>	<b>-0.4</b>	<b>-95.5%</b>
Maintenance Capex <sup>(1)</sup>	-3.5	-3.6	3.3%
Expansion Capex <sup>(2)</sup>	-10.0	-19.4	94.0%
M&A	-6.5	0.0	-100.0%
<b>Investing Cash Flow</b>	<b>-20.0</b>	<b>-23.0</b>	<b>15.2%</b>
<b>Cash Flow Available For Debt Service (CFADS) <sup>(3)</sup></b>	<b>-29.8</b>	<b>-23.4</b>	<b>-21.4%</b>
Cash Interest	-26.5	-24.6	-7.1%
Financing sources	58.5	51.3	-12.2%
<b>Financing Cash Flow</b>	<b>32.0</b>	<b>26.7</b>	<b>-16.4%</b>
<b>Cash Flow for the period</b>	<b>2.2</b>	<b>3.3</b>	<b>52.1%</b>
<b>Underlying Free Cash Flow <sup>(4)</sup></b>	<b>0.5</b>	<b>11.6</b>	<b>2085.3%</b>

€m	9M FY20	9M FY21
Cash Balance		
<b>Cash BoP <sup>(5)</sup></b>	<b>47.9</b>	<b>45.1</b>
Δ Cash	2.2	3.3
<b>Cash EoP</b>	<b>50.0</b>	<b>48.5</b>

Note:

1. Maintenance capex is recurring capex for existing stores required to support continued operation
2. Expansion capex is growth capex associated with i) new store openings, relocations, refurbishment, ii) IT & digital improvements, iii) investments in factories and iv) other growth initiatives. Excludes non-cash out capex (e.g. buybacks)
3. Cash Flow Available for Debt Service defined as Cash Flow from Operations less Cash Flow from Investing
4. Underlying free cash flow is Adjusted EBITDA minus tax and others, expansion incentive and maintenance capex
5. Cash position of new perimeter with Tasty Bidco
6. Tax and others includes VAT payments

# Net Debt and Leverage – 9M FY21

## Capital Structure

Bond Debt:	€335m
RCF:	€45m
ICO Loan:	€40m
Shareholders Loan:	€3m
Reverse Factoring:	€5m
Chilean Credit Line:	€2m



Net  
Leverage<sup>(2)</sup>  
**8.6x**

## Credit Metrics

	FY 2020	9M FY 2021
Fixed charge Coverage <sup>(3)</sup>	1.1x	1.5x
Gross Leverage	13.2x	9.7x
Net Leverage <sup>(2)</sup>	11.7x	8.6x

## LTM Adjusted EBITDA Metric

€m	
September 30, 2021 Adjusted EBITDA <sup>(1)</sup>	43.3

### Notes:

1. Pro forma EBITDA not provided as pro forma adjustments could not be reliably estimated in the current COVID-19 environment
2. Net Leverage is the ratio between Senior Secured Indebtedness minus cash and cash equivalents and LTM adjusted EBITDA. LTM EBITDA does not include any pro forma on acquisitions due to COVID uncertainty
3. Fixed charge coverage ratio is the ratio between LTM Adjusted EBITDA and Consolidated Interest Expense

# Closing remarks



## Closing remarks

- Despite still some headwinds (inflation, goods and energy prices, salaries increase), we think that **the worst is now behind** and **Q4 will confirm our positive expectations for the period**
- **The action plan**, designed to face the new market challenges, which includes amongst other, the deployment of new digital capabilities, the repositing of its brands to attract younger consumers and its aggressive network expansion, especially in Mexico and Iberia, **is being executed precisely and timely**
- We are **confident to exceed the guidance provided for FY21** of Adjusted EBITDA in the range of €39 to 41m and to achieve CFADS of -€10 to -€14m at year end.

# APPENDIX



# Adjusted LTM September-21 EBITDA<sup>(1)</sup> Reconciliation

(€m)

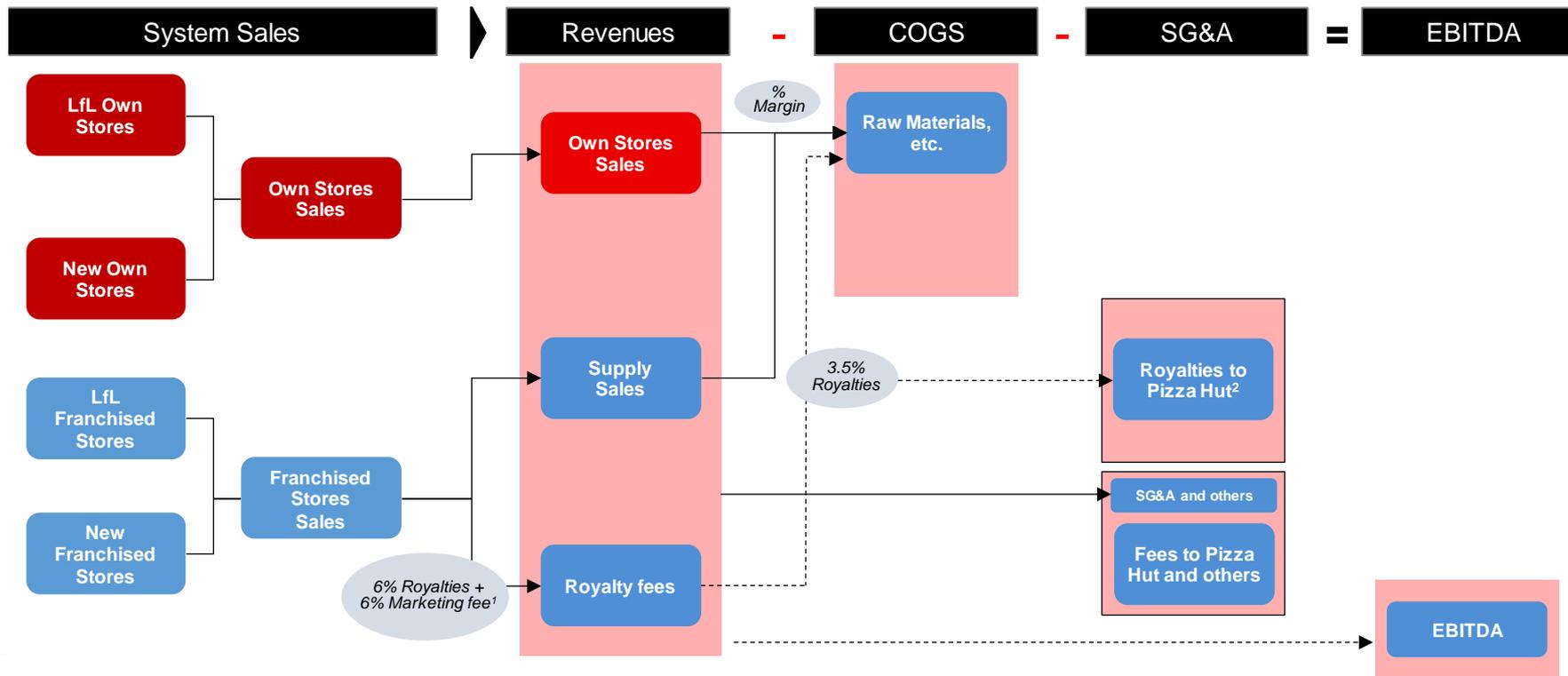


Adjusted EBITDA by quarter

Q4	€16.0m
Q1	€6.0m
Q2	€8.8m
Q3	€12.5m



# Revenues to EBITDA bridge



Notes:

1. Marketing fee expended in full
2. Net royalty paid reduced due to royalty credit

Store Count<sup>(1)</sup> – 9M FY21


	Actual		
	9M FY21	Owned stores	Franchise stores
<b>TELEPIZZA</b>	<b>1,354</b>	<b>197</b>	<b>1,157</b>
<b>EMEA</b>	<b>1,031</b>	<b>103</b>	<b>928</b>
Spain	704	51	653
Portugal	147	52	95
Ireland	173	-	173
Rest of EMEA	7	-	7
<b>LATAM</b>	<b>323</b>	<b>94</b>	<b>229</b>
Chile	114	84	30
Colombia	48	10	38
Ecuador	-	-	-
Rest of Latam	161	-	161



	Actual		
	9M FY21	Owned stores	Franchise stores
<b>PIZZA HUT</b>	<b>1,130</b>	<b>336</b>	<b>794</b>
<b>EMEA</b>	<b>166</b>	<b>22</b>	<b>144</b>
Spain	66	22	44
Portugal	100	-	100
<b>LATAM EQUITY</b>	<b>427</b>	<b>314</b>	<b>113</b>
Chile	91	80	11
Colombia	34	34	-
Ecuador	70	68	2
Mexico	232	132	100
<b>LATAM MF</b>	<b>537</b>	<b>-</b>	<b>537</b>
Peru	107	-	107
El Salvador	62	-	62
Guatemala	55	-	55
Costa Rica	54	-	54
Honduras	56	-	56
Puerto Rico	56	-	56
Panama	12	-	12
Rest of Latam	61	-	61
Caribbean	74	-	74
<b>TOTAL GROUP</b>	<b>2,484</b>	<b>533</b>	<b>1,951</b>

- **System sales / chain sales:** System 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 system sales growth:** LfL system sales growth is system 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 system 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 system sales excluded in each of such periods (“excluded system sales”) because they were obtained in operating months that were not operating months in the comparable period, by (ii) the prior period’s system sales as adjusted to deduct the excluded system sales of such period (the “adjusted system sales”). In this way, we can see the actual changes in system 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 system 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
- **Reported EBITDA:** EBITDA is operating profit plus asset depreciation and amortization and other losses, excluding the effect of IFRS 16
- **Adjusted EBITDA:** Adjusted EBITDA is Reported EBITDA adjusted for costs that are non-operating in nature, non cash adjustments, and non-recurring costs related to; severance payments of restructuring processes, the Pizza Hut alliance, the new corporate structure, the refinance and COVID related expenses
- **Non-operating items:** Certain expenses, mainly related to onerous leases that are non-operating in nature
- **Non-recurring costs:** Extraordinary expenses related to the set-up of the Pizza Hut alliance (strategy consulting, legal fees, performance bonuses and other expenses), also extraordinary expenses related to the set-up of new corporate structure (finance consulting, legal fees and other expenses), severance payments of restructuring process, non-recurring COVID related expenses, onerous leases and minor impact related to discontinued operations

- **Accounting adjustments:** It refers to the expense in 2019 for the cancellation of a management share-based incentive plan resulting from the acceleration of vesting due to the takeover bid
- **Cash Flow Available for Debt Service (“CFADS”):** Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing
- **Underlying free cash flow:** Underlying free cash flow is Adjusted EBITDA minus tax and others, expansion incentive and maintenance capex
- **Net debt:** Net debt is total outstanding amount of issued senior secured notes and bank debt (including the RCF, Chilean credit line, and reverse factoring lines) minus cash position at the end of the period
- **Net Leverage:** Ratio between Senior Secured Indebtedness minus cash and cash equivalents and LTM adjusted EBITDA
- **Maintenance Capex:** Maintenance capex is recurring capex for existing stores to support their continued operation
- **Expansion Capex:** expansion capex is growth capex

associated with i) new store openings, relocations, refurbishment, ii) IT & digital improvements, iii) investments in factories and iv) other growth initiatives

Thank you

