

H1 2020 RESULTS PRESENTATION

28.08.2020

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Executive Summary



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Telepizza Group

- Market leading pizza delivery operator in core markets: Spain, Portugal, Chile 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 – H1 FY2020

| | | | | | |
|--|-------------------------------|-------------------------------------|---|--|--|
|   2 Global Brands | 36 Countries | €486m System Sales | 2,376 Stores in the MF perimeter | 77% Franchised Stores | Vertically Integrated Supply Chain <div> <div> 5 Dough Production Facilities </div> <div> +20 Logistics Centers </div> <div> 2 Innovation Labs </div> </div> |
|--|-------------------------------|-------------------------------------|---|--|--|

Key Messages

- Although the Company was still impacted by COVID-19, the business's performance has started to recover in Q2
 - The measures to adapt our business model to the COVID-19 environment, reduce the cost base and protect liquidity continue to deliver impact Telepizza's geographic footprint
 - The progressive relaxation on the confinement measures has allowed us to re-open most of our stores, enabling the business to benefit from both takeaway and dine-in sales
 - As of 30 June 2020, 83% of our store network has reopened, with 97% of stores open in EMEA and 70% in Latam (which was more heavily impacted by COVID-19)
- Q2 2020 results have improved month by month, showing a consistent recovery trend during this quarter confirming the resilience of our business model
 - The Company generated chain sales of €486m, revenues of €171m, and adjusted EBITDA of €7m during the H1 FY2020 period
 - Available cash as of June 2020 was €64m, including €10m of new financing obtained from a leading Spanish commercial bank guaranteed by ICO
- Discussions with Yum! with regards to amending the master franchisor targets and other aspects of the Yum! Alliance are still ongoing
 - The negotiations intend to reinstate the balance of the parties' contributions to the Alliance affected by COVID-19, amongst other causes
- Assuming no second wave of COVID-19, we reaffirm our previous FY2020 EBITDA and CFADS⁽¹⁾ guidance of €17 to 24m and of negative €14 – 22m, respectively
- The Company is still in the process of evaluating potential alternatives to raise €95-115m⁽²⁾ before debt service to fund its turnaround plan and maintain adequate liquidity
 - The Company paid its Q2 FY2020 interest payment on July 15th as scheduled
- Conversations with Spanish commercial banks to raise additional state-guaranteed financing are ongoing

Note:

1. Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing (excluding c.€33m overdue payables from 2019)
2. Assumes non-recurrence of COVID-19

Current Trading Update

€ in millions

H1 FY19

H1 FY20

YoY (%)

July 2020

August 2020e

| | | | | | |
|---|-------|-------|--------|-------|---------|
| Total Owned Stores ⁽¹⁾⁽²⁾ | 410 | 547 | 33.4% | 542 | - |
| Total Franchised Stores ⁽¹⁾⁽²⁾ | 1,943 | 1,829 | -5.9% | 1,828 | - |
| Chain Sales | 610 | 486 | -20.3% | 79 | 80-82 |
| Revenues ⁽²⁾ | 189 | 171 | -10.0% | 28 | 27-29 |
| EBITDA | 33 | 7 | -79.2% | 2 | 2 |
| Net Debt | 266 | 334 | 25.3% | 350 | 355-360 |
| Cash | 69 | 64 | -6.9% | 46 | 35-40 |

Note:

1. Only includes stores in the MF YUM! Perimeter

2. Variance in split of stores and revenue vs. PY is explained by the change in perimeter from the conversion of franchised to owned stores as a result of the acquisitions of PH operations in Mexico and Chile

Current Trading Update

€ in millions

Q2 FY19

Q2 FY20

YoY (%)

Q2 FY20

April

May

June

| | | | | | | |
|---|-------|-------|--------|-------|-------|-------|
| Total Owned Stores ⁽¹⁾⁽²⁾ | 410 | 547 | 33.4% | 546 | 547 | 547 |
| Total Franchised Stores ⁽¹⁾⁽²⁾ | 1,943 | 1,829 | -5.9% | 1,828 | 1,825 | 1,829 |
| Chain Sales | 309 | 204 | -33.9% | 55 | 73 | 76 |
| Revenues ⁽²⁾ | 94 | 74 | -21.1% | 21 | 25 | 28 |
| EBITDA | 15 | 3 | -78.6% | -1 | 2 | 2 |
| Net Debt | 266 | 334 | 25.3% | 311 | 320 | 334 |
| Cash | 69 | 64 | -6.9% | 77 | 68 | 64 |

Note:

1. Only includes stores in the MF YUM! Perimeter

2. Variance in split of stores and revenue vs. PY is explained by the change in perimeter from the conversion of franchised to owned stores as a result of the acquisitions of PH operations in Mexico and Chile






COVID-19 Update

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COVID-19 Impact

EMEA

| Region | Store Closures ⁽¹⁾ | System Sales YoY Change ⁽²⁾ |
|--|-------------------------------|--|
|  | c.3% of TPZ c.6% of PH | Apr: c.(42%) May: c (4%) Jun: c.(9%) |
|  | c.2% of TPZ c.5% of PH | Apr: c.(34%) May: c.(22%) Jun: c.(27%) |
|  | c.2% of all locations | Apr: c.(5%) May: c. 10% Jun: c.6% |

Latin America

| Region | Store Closures ⁽¹⁾ | System Sales YoY Change ⁽²⁾ |
|---|-------------------------------|---|
|  | c.44% of TPZ c.67% of PH | Apr: c.(75%) May: c (72%) Jun: c.(71%) |
|  | c.11% of PH | Apr: c.(67%) May: c (40%) Jun: c.(31%) |
|  | c.43% of JP c.47% of PH | Apr: c.(53%) May: c. (47%) Jun: c.(52%) |
|  | c.6% of all locations | Apr: c.(19%) May: c.(19%) Jun: c.(31%) |

Note:

1. Temporary store closures as of the end of June 2020
2. YoY change on a constant currency basis

COVID-19 Impact – Company Measures

- The measures taken to adapt our business model to the COVID-19 environment, reduce the Company's cost base and preserve liquidity continue to deliver their impact throughout Telepizza's geographic footprint
- The gradual relaxation of confinement measures across many of Telepizza's operating regions has allowed us to re-open many of the Company's stores
 - As a result, the Company is now benefiting from both take-away and dine-in sales
- We believe that COVID-19 may have a lasting impact on consumers' behaviours and we are positioning the Company to take advantage of this emerging trend by reinforcing our delivery capabilities, developing an improved digital and consumer-orientated approach for take-away sales, and reducing the Company's dependency on dine-in and food court sales



Financial Update

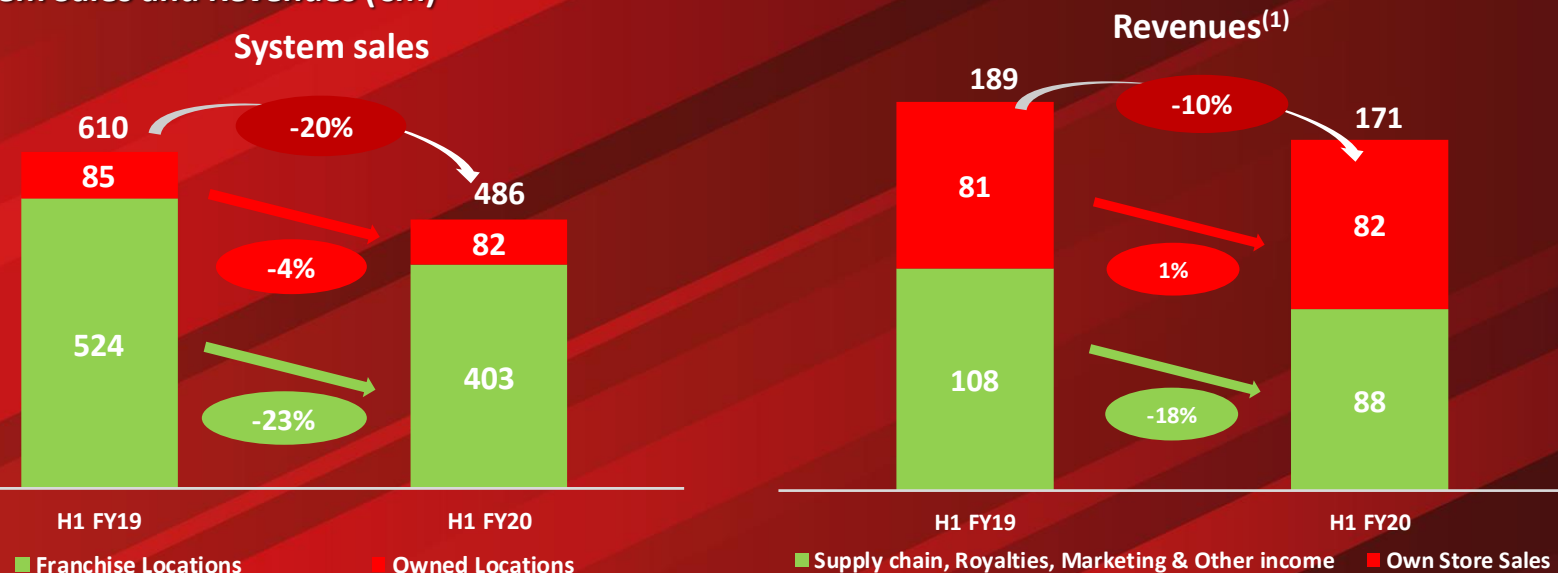
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System Sales and Revenues

Continued month-on-month revenue improvement in Q2 2020 with May and June growing at +23% (May vs. April) and +12% (June vs. May)

Group System Sales and Revenues (€m)



Note:

- Revenue variance is explained by the change in perimeter from the conversion of franchised to owned stores as a result of the acquisitions of PH operations in Mexico and Chile. 2019 H1 revenues include restatement vs. reported in H1 19 results considering as discounted as equity operations Peru & Paraguay results to adapt to 2019 audited accounts criteria

Segment Performance – H1 FY20

System sales across regions



EMEA

- **Spain and Portugal:** After the sudden COVID-19 related revenue decrease during March and April, sales volumes have gradually recovered during May and June thanks to the strong growth of delivery as well as the reopening of take-away and dine-in locations across the network. As of June 30th, 97% of stores have reopened
- **Rest of Europe:** This region faced a relatively limited impact from COVID-19 due to softer quarantine measures. In fact, sales in Ireland and Switzerland grew during June 2020 vs. PY



Latam

- Latam experienced positive top line growth through mid-March in both equity and MF countries across the region
 - However, the sales were materially disrupted by COVID-19 from then onwards
- Relative to EMEA, there continues to be a higher COVID-19 impact as quarantine measures in several regions (particularly in Chile and Colombia) were in place longer than expected

€ in millions

| | EMEA | LATAM | TOTAL |
|--|--------|--------|--------|
| System Sales Growth ⁽¹⁾ (%) | -11.4% | -29.0% | -20.3% |
| System Sales Growth ⁽¹⁾ constant currency (%) | -11.3% | -27.3% | -19.3% |
| System Sales Growth ⁽¹⁾ constant currency (%) - Telepizza | -8.8% | -45.7% | -14.4% |
| System Sales Growth ⁽¹⁾ constant currency (%) - Pizza Hut | -26.8% | -23.9% | -24.3% |
| Telepizza System Sales weight (%) | 88.4% | 11.5% | 53.5% |
| Pizza Hut System Sales weight (%) | 11.6% | 88.5% | 46.5% |

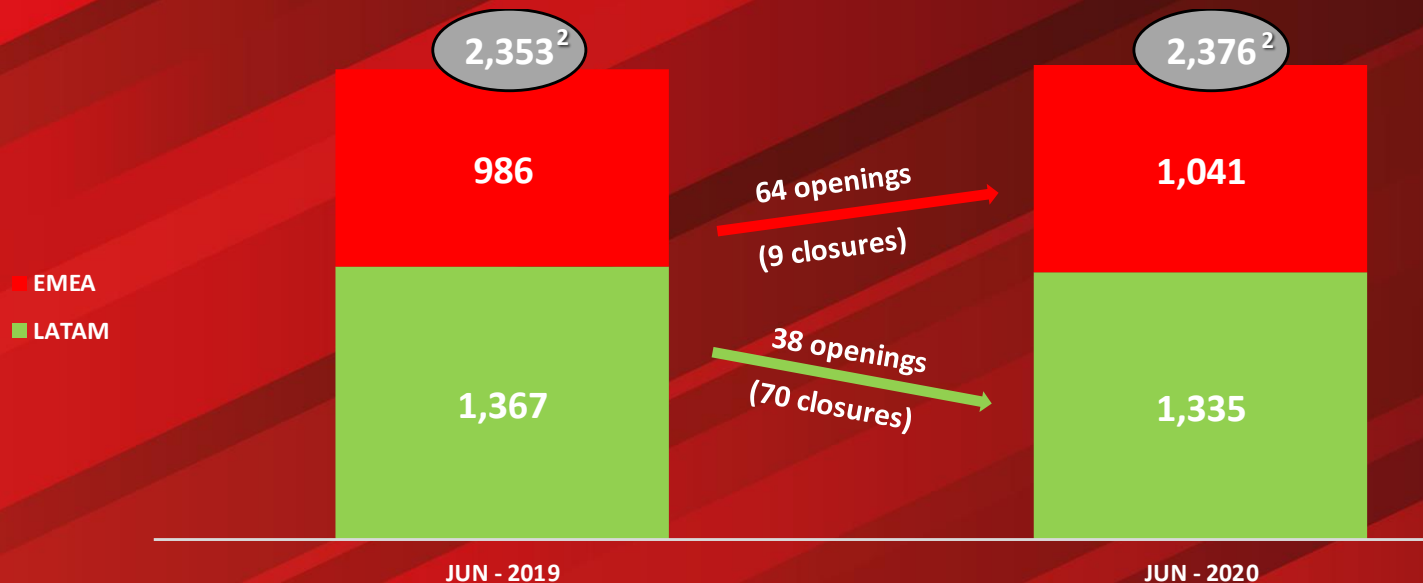
Note:

1. Excluding discontinued operations of Poland and Czech Republic

Unit Expansion H1 FY20

23 net new stores⁽¹⁾ in the MF perimeter in LTM Jun 2020

52 Telepizza stores converted to Pizza Hut in LTM Jun 2020

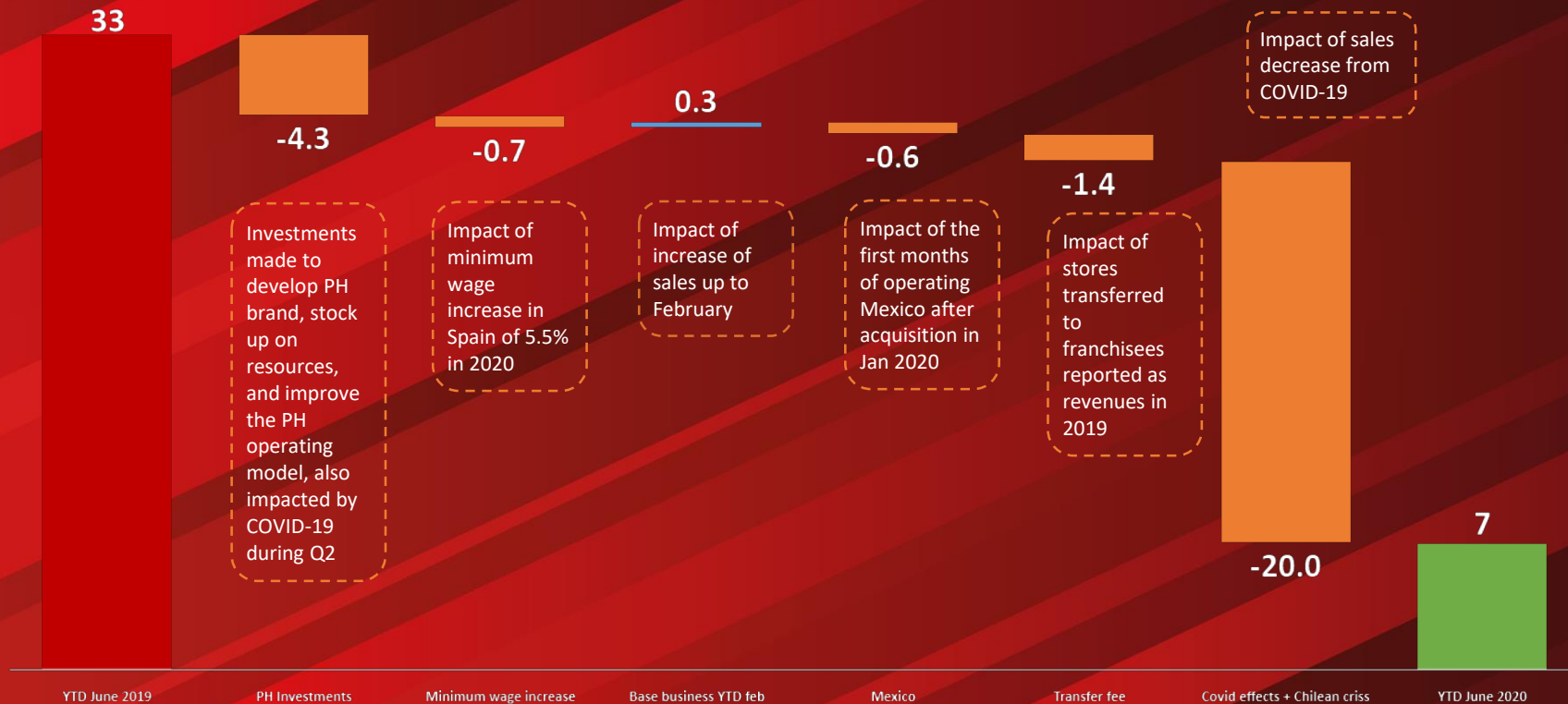


Note:

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 – H1 FY19 to H1 FY20

(€m)



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Income Statement Summary⁽¹⁾⁽²⁾

| €m (unless otherwise stated) | H1 FY19 | H1 FY20 | % change |
|---|--------------|--------------|---------------|
| Own Store Sales | 81.2 | 82.2 | 1.3% |
| Supply chain, royalties, marketing & other income | 108.2 | 88.3 | -18.4% |
| Total revenue | 189.4 | 170.5 | -10.0% |
| COGS | -47.7 | -49.6 | 4.0% |
| % Gross margin | 74.8% | 70.9% | 3.9 p.p |
| Operating expenses | -108.5 | -114.1 | 5.1% |
| Adjusted EBITDA | 33.3 | 6.9 | -79.2% |
| % Adjusted EBITDA margin | 17.6% | 4.1% | 13.5 p.p |
| Non recurring /operating expenses | -8.7 | -5.8 | n.m. |
| Phasing impacts | -3.7 | 0.0 | n.m. |
| Reported EBITDA | 20.8 | 1.1 | -94.6% |

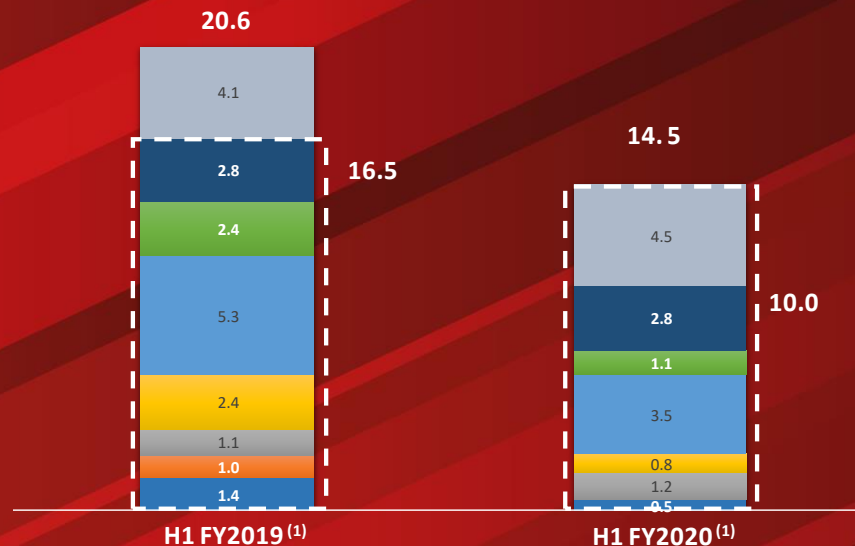
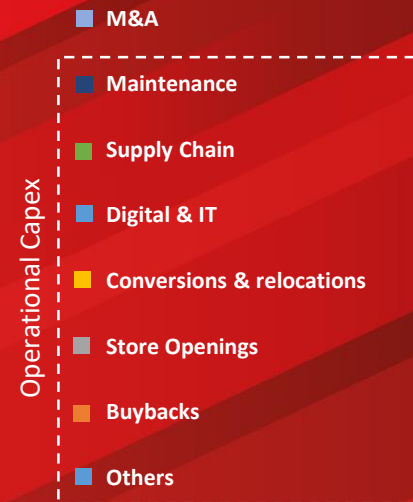
Notes:

1.Financial information excluding impact of IFRS-16. 2019 H1 includes restatement vs. reported in H1 19 results considering as discounted as equity operations Peru & Paraguay results to adapt to 2019 audited accounts criteria

2.Variance of split of stores and revenue is affected by the change in perimeter from the conversion of franchised stores to owned stores as a result of the acquisitions of PH operations in Mexico and Chile

Capital Expenditure – H1 FY20

(€m)



- FY20 capex carefully monitored to preserve liquidity until we have better visibility on the impact that COVID-19 has had on the business and the broader economy
- M&A capex related to the Pizza Hut acquisition in Mexico during Q1 FY20
- Reduced investment in openings and conversion reduced due to COVID-19
- Pipeline under review to adapt to the evolution of the pandemic situation and targets renegotiation with Yum!
- Sustained strong investment in the digital and industrial side to adapt to new environment and capture the growth opportunity from change in customers' behavior

Note:

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

Cash Flow Statement Summary

| €m (unless otherwise stated) | H1 FY19 | H1 FY20 | % change |
|--|--------------|--------------|----------------|
| Adjusted EBITDA | 33.3 | 6.9 | -79.2% |
| Non-recurring / Operating costs | -8.7 | -5.8 | -33.7% |
| Phasing Impacts | -3.7 | 0.0 | -100.0% |
| Reported EBITDA | 20.8 | 1.1 | -94.6% |
| Tax and Others | -3.9 | -1.7 | -55.8% |
| Change in Working Capital | 7.7 | -14.1 | -282.8% |
| Operating Cash Flow | 24.6 | -14.7 | -159.9% |
| Maintenance Capex ⁽¹⁾ | -2.8 | -2.8 | 1.4% |
| Expansion Capex ⁽²⁾ | -13.7 | -7.1 | -48.1% |
| M&A | -4.1 | -4.5 | 9.7% |
| Investing Cash Flow | -20.6 | -14.5 | -29.8% |
| Cash Flow Available For Debt Service (CFADS) ⁽³⁾ | 4.0 | -29.2 | -836.8% |
| Cash Interest | -3.9 | -14.9 | 284.1% |
| RCF, ICO loan and Reverse Factoring | 0.0 | 60.3 | n.m. |
| New Capital Structure 2019 inflow | 12.0 | 0.0 | n.m. |
| Financing Cash Flow | 8.1 | 45.4 | 458.2% |
| Cash Flow for the period | 12.1 | 16.2 | 34.1% |
| Underlying Free Cash Flow ⁽⁴⁾ | 23.0 | 2.3 | -89.9% |

| €m | H1 FY19 | H1 FY20 |
|--------------------------------|-------------|-------------|
| Cash Balance | | |
| Cash BoP ⁽⁵⁾ | 56.7 | 47.9 |
| Δ Cash | 12.1 | 16.2 |
| Cash EoP | 68.8 | 64.1 |

Note:

- Maintenance capex is recurring capex for existing stores required to support continued operation
- 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 cashout capex (e.g. buybacks)
- Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing. Includes c.€22m of overdue payments from 2019
- Underlying free cash flow is Adjusted EBITDA minus tax and others, advanced royalty and maintenance capex
- Cash position of new perimeter with Tasty Bidco

Net Debt and Leverage – H1 FY 20

LTM Adjusted EBITDA Metric

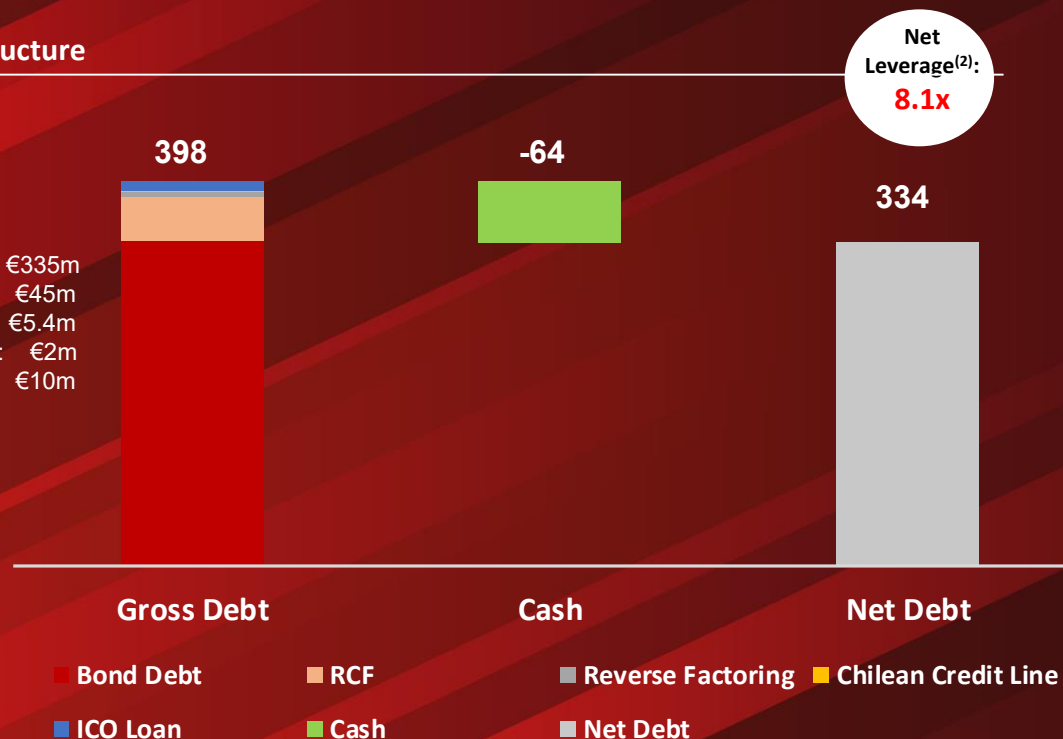
| €m | |
|--|------|
| June 30, 2020 LTM Adjusted EBITDA ⁽¹⁾ | 40.3 |

Capital Structure

Bond Debt: €335m
 RCF: €45m
 Reverse Factoring: €5.4m
 Chilean Credit Line: €2m
 ICO Loan: €10m

Credit Metrics

| | H1 FY20 | FY19 |
|--------------------------------------|---------|------|
| Fixed charge Coverage ⁽³⁾ | 1.5x | 3.4x |
| Gross Leverage | 9.7x | 4.9x |
| Net Leverage | 8.1x | 4.3x |



Notes:

1. Pro forma EBITDA not provided as pro forma adjustments (annualized impact of Chilean M&A and supply synergies) 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
3. Fixed charge coverage ratio is the ratio between LTM Adjusted EBITDA and Consolidated Interest Expense



Guidance and Next Steps

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Guidance and Next Steps

- Despite the short-term and expected medium-term macroeconomic uncertainty (and assuming no second wave of COVID-19) , we reaffirm our full-year EBITDA and CFADS⁽¹⁾ guidance of €17 - 24m and of €14 – 22m, respectively
- The Company continues to work with its advisors to identify potential alternatives to finance its €95-115m⁽²⁾ cash need required to maintain adequate liquidity and to fund the turnaround plan
- Discussions with Yum! with regards to amending the master franchisors targets and other aspects of the Yum! Alliance are still ongoing
- We will provide further updates on these matters in the Q3 FY2020 results presentation in November

Note:

1. Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing (excluding c.€33m overdue payables from 2019)
2. Assumes non-recurrence of COVID-19

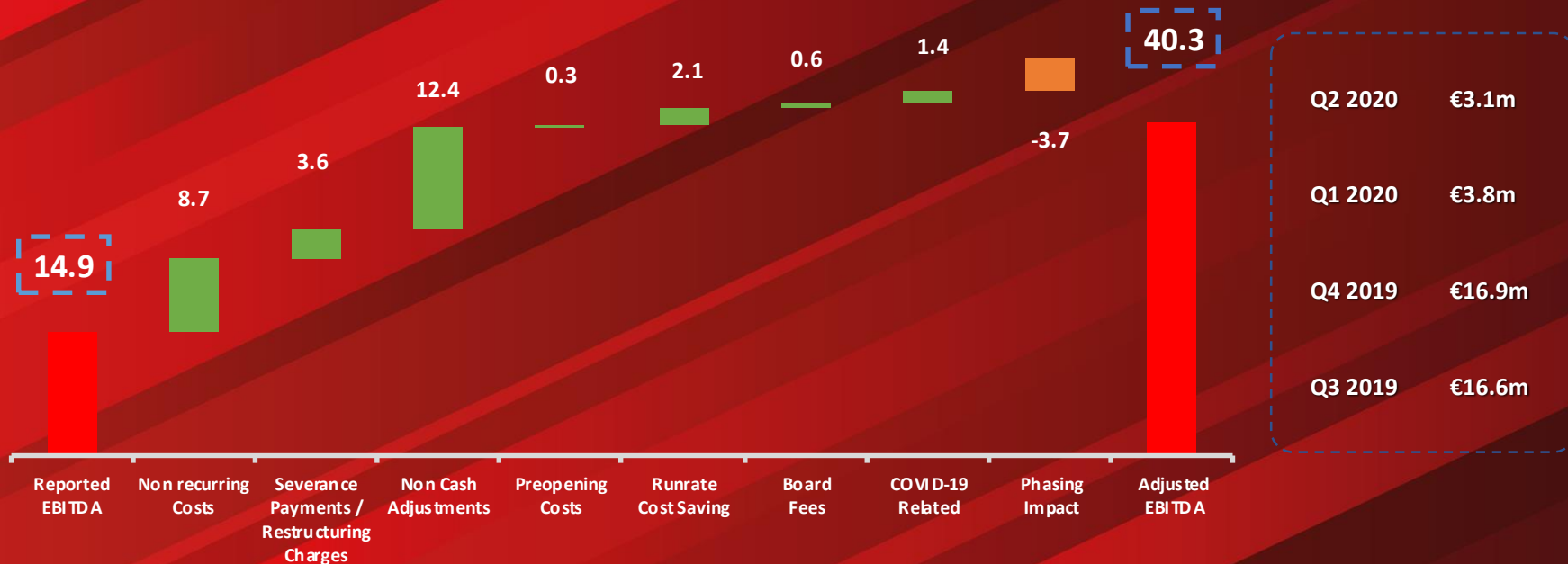
APPENDIX

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Adjusted LTM H1 FY20 EBITDA⁽¹⁾ Reconciliation

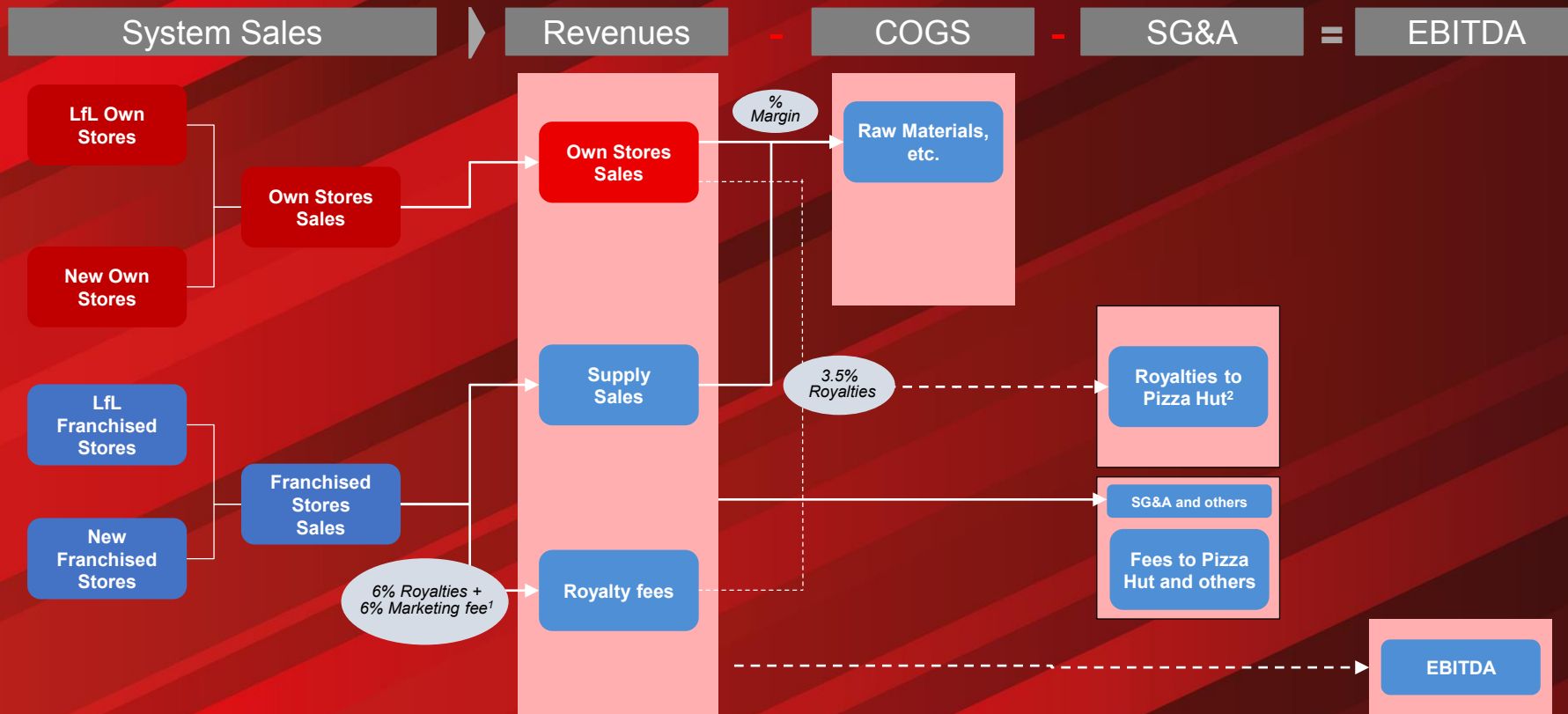
(€m)



Note:

1. Financial information excluding impact of IFRS-16 and calculated as per the definition of Consolidated EBITDA in the indenture

Revenues to EBITDA bridge



Notes:

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

Store Count⁽¹⁾ – H1 FY 2020



| | Actual | | |
|--------------------|--------------|--------------|------------------|
| | Jun-20 YTD | Owned stores | Franchise stores |
| TELEPIZZA | 1,431 | 225 | 1,206 |
| EMEA | 1,057 | 142 | 915 |
| Spain | 739 | 90 | 649 |
| Portugal | 136 | 52 | 84 |
| Ireland | 153 | - | 153 |
| Rest of EMEA | 29 | - | 29 |
| LATAM | 374 | 83 | 291 |
| Chile | 124 | 61 | 63 |
| Colombia | 61 | 21 | 40 |
| Ecuador | 1 | 1 | - |
| Rest of Latam | 188 | - | 188 |
| TOTAL GROUP | 2,551 | 547 | 2,004 |

| | Actual | | |
|---------------------|--------------|--------------|------------------|
| | Jun-20 YTD | Owned stores | Franchise stores |
| PIZZA HUT | 1,120 | 322 | 798 |
| EMEA | 159 | 25 | 134 |
| Spain | 62 | 25 | 37 |
| Portugal | 97 | - | 97 |
| LATAM EQUITY | 415 | 297 | 118 |
| Chile | 91 | 80 | 11 |
| Colombia | 36 | 36 | - |
| Ecuador | 65 | 63 | 2 |
| Mexico | 223 | 118 | 105 |
| LATAM MF | 546 | - | 546 |
| Peru | 96 | - | 96 |
| El Salvador | 60 | - | 60 |
| Guatemala | 54 | - | 54 |
| Costa Rica | 58 | - | 58 |
| Honduras | 57 | - | 57 |
| Puerto Rico | 57 | - | 57 |
| Panama | 35 | - | 35 |
| Rest of Latam | 56 | - | 56 |
| Caribbean | 73 | - | 73 |
| TOTAL GROUP | 2,551 | 547 | 2,004 |

Notes:

1. Includes stores within the MF YUM! perimeter plus other geographies Ireland, Russia, and Angola

- **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, phasing impacts, and non-recurring costs related to the Pizza Hut alliance, the new corporate structure and COVID related expenses
- **Non-operating items:** Certain expenses, mainly related to onerous leases that are non-operating in nature
- **Phasing impacts:** Normalization of certain expenses and revenues across the year
- **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, non recurring COVID related expenses 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, advanced royalty 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

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