



FOOD
DELIVERY
BRANDS



6M FY23

RESULTS PRESENTATION

31-08-2023

FY23 RESULTS PRESENTATION

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6M FY23 RESULTS PRESENTATION

EXECUTIVE SUMMARY



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EXECUTIVE SUMMARY

FOOD DELIVERY BRANDS GROUP

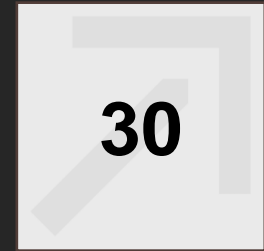
- Market leading pizza delivery operator in core markets: Spain, Portugal, México, Chile, Colombia and Ecuador
- Shift to being a “Brand Operator” following the completion of the agreement with Yum! Brands
- Diversified business model, with profitability generated from
 - Own store sales
 - Royalties 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



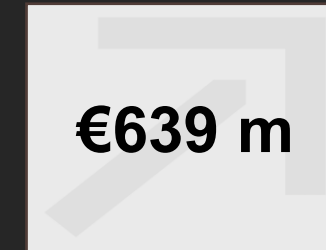
KEY FACTS –1H23



2 GLOBAL BRANDS



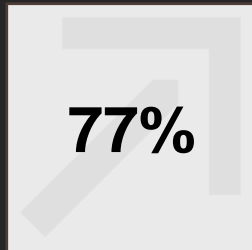
COUNTRIES



SYSTEM SALES



STORES IN THE
MF PERIMETER

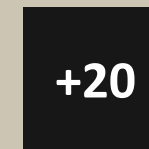


FRANCHISED
STORES

Vertically Integrated Supply Chain



Dough
Production
Facilities



Logistics
Centers



Innovation
Labs

EXECUTIVE SUMMARY

KEY MESSAGES 1/2



- **H1 2023 chain sales of €639m; +3.2% vs. PY (+1.5%¹ at constant FX)**
- **H1 2023 adjusted EBITDA² reached €9.4m, -40.6% vs. H1 2022** as consequence of the still lasting impact of food inflation in our margins and the aggressive competition in the QSR sector
- **Group's liquidity as of 30th June 2023 amounted to €29.2m**
 - **H1 2023 CFADS of -€19.8m**
- **Total store count amount to 2,180; +47 gross openings**
 - **170 Net units' reduction since June 2022** as result of the termination of the master franchise agreement with Pollo Campero for Guatemala & El Salvador

Note:

1. Growth at constant FX.
2. Excluding impacts from IFRS 16



- As anticipated in July, Food Delivery Brands has approved its restructuring plan after an agreement reached with its current shareholders and more than 90% of the bondholders¹
 - The plan, already validated by the expert appointed by the judge, has been submitted for legal sanction at the Madrid's Commercial Court no. 5
 - The restructuring plan will simplify the Group's corporate and operating structure, in addition to a reduction of its net debt by almost 250 million euros, and the extension of the maturity of its remaining financial debt to December 2028
 - The creditors affected will be able to capitalise their claims and acquire control of the entire share capital of the Group, which the current shareholders have agreed to exit. Those creditors who opt not to capitalise their debt will receive consideration in terms materially equal to the shares that they would have received in such case and that would permit them to benefit from a potential future divestiture.
 - The formal execution of all the legal steps of the recapitalization are expected to conclude during Q4 2023

Note:

1. Relevant facts related to the refinancing and recapitalisation procees have been released at Lux Exchange



6M FY23 RESULTS PRESENTATION

FINANCIAL UPDATE



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EXECUTIVE SUMMARY

6M FY23 CURRENT TRADING



	H1 22	H1 23	YoY (%)	YoY Change
Total Owned Stores ¹	527	493	-6.5%	-34
Total Franchised Stores ¹	1,823	1,687	-7.5%	-136
Chain Sales	618.9	638.8	3.2%	19.8
Revenues	199.8	207.9	4.0%	8.1
Adjusted EBITDA	15.9	9.4	-40.6%	-6.5
Adjusted EBITDA under IFRS16	27.2	22.0	-18.9%	-5.1
NetDebt	399.9	444.8	11.2%	44.8
Cash	36.4	29.2	-19.9%	-7.2

➡ **170 Net units'** reduction since June 2022 as result of the termination of the master franchise agreement with Pollo Campero for Guatemala & El Salvador regarding the use of the Telepizza brand

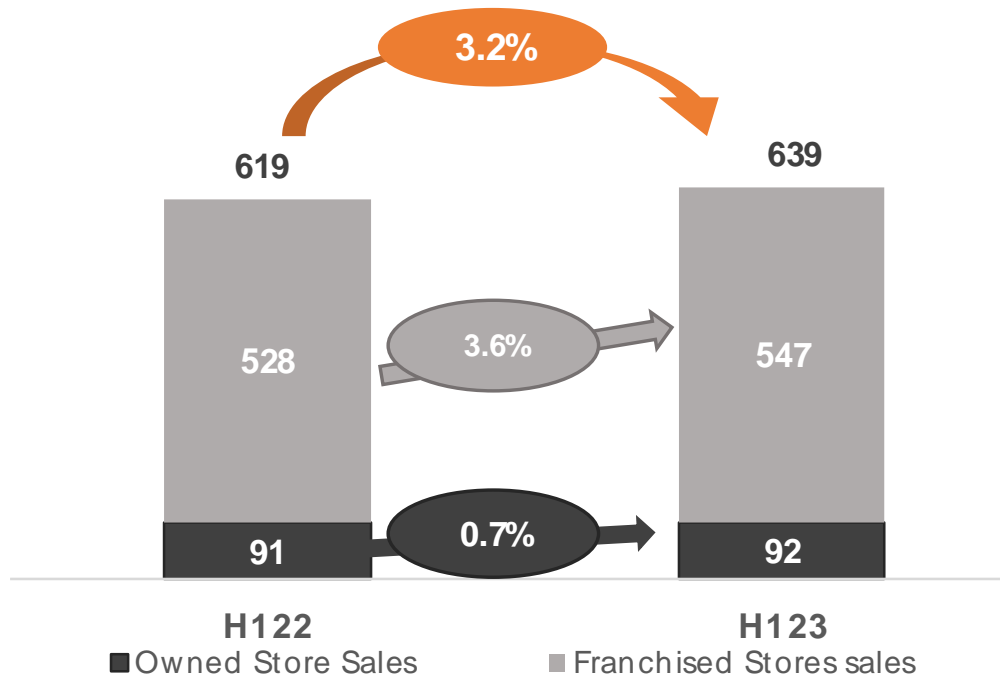
Note:

1. Only includes stores in the MF YUM! Perimeter

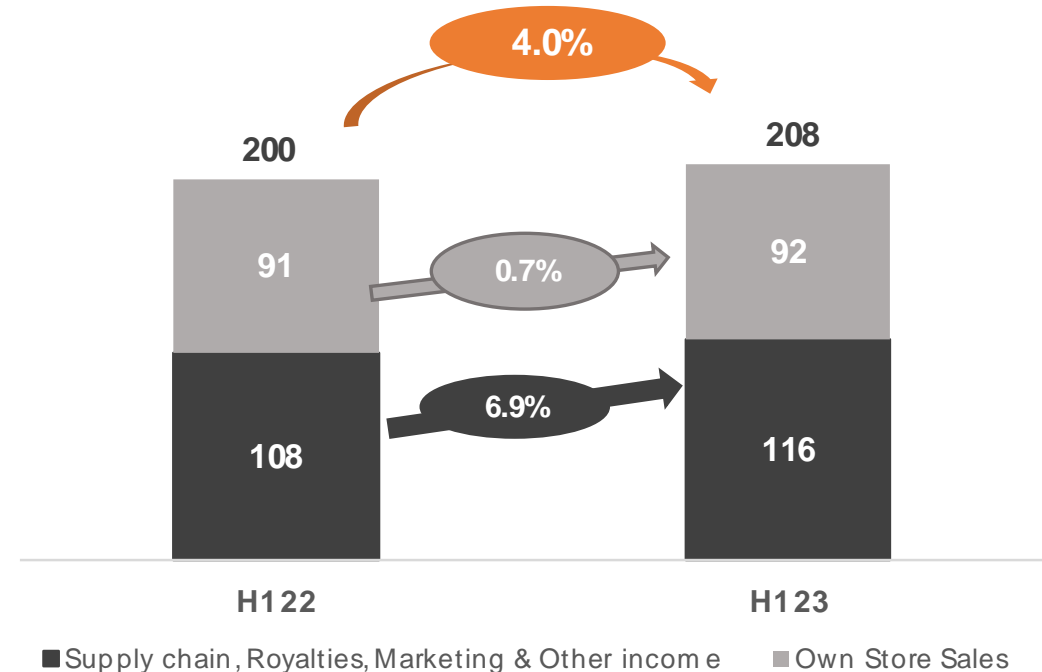


Group System Sales and Revenues (€m)

SYSTEM SALES



REVENUES



SEGMENT PERFORMANCE – 6M FY23



System sales across regions



H1 23 vs H1 22	EMEA	LATAM	TOTAL
System Sales Growth (%)	-0.6%	6.9%	3.2%
System Sales Growth constant currency (%)	-0.6%	3.4%	1.5%
System Sales Growth constant currency (%) - Telepizza	-1.6%	-48.8%	-6.4%
System Sales Growth constant currency (%) - Pizza Hut	5.9%	8.7%	8.3%
Telepizza System Sales weight (%)	85.8%	4.5%	43.2%
Pizza Hut System Sales weight (%)	14.2%	95.5%	56.8%
TOTAL SALES €m	303.9	334.9	638.8

EMEA

📍 Spain and Portugal:

H1 2023 sales growth of -1.1% vs. PY, due to aggressive QSR competition in both countries

Rest of Europe:

Ireland, H1 2023 sales growth of +10.3%

LATAM

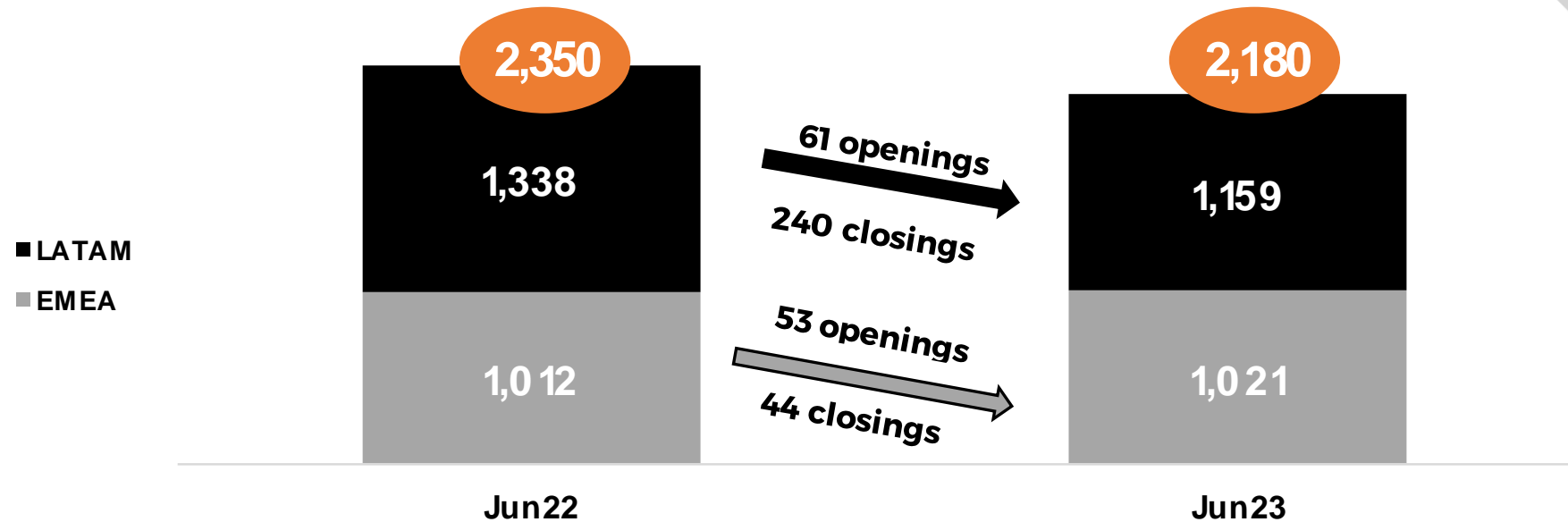
📍 System sales growth of +3.4% (at constant FX) during H1 2023 vs. PY with Telepizza: -48.8% (related to explained by closures and conversions to PH in Chile) & PH +8.7%

FINANCIAL UPDATE

UNIT EXPANSION 6M FY23



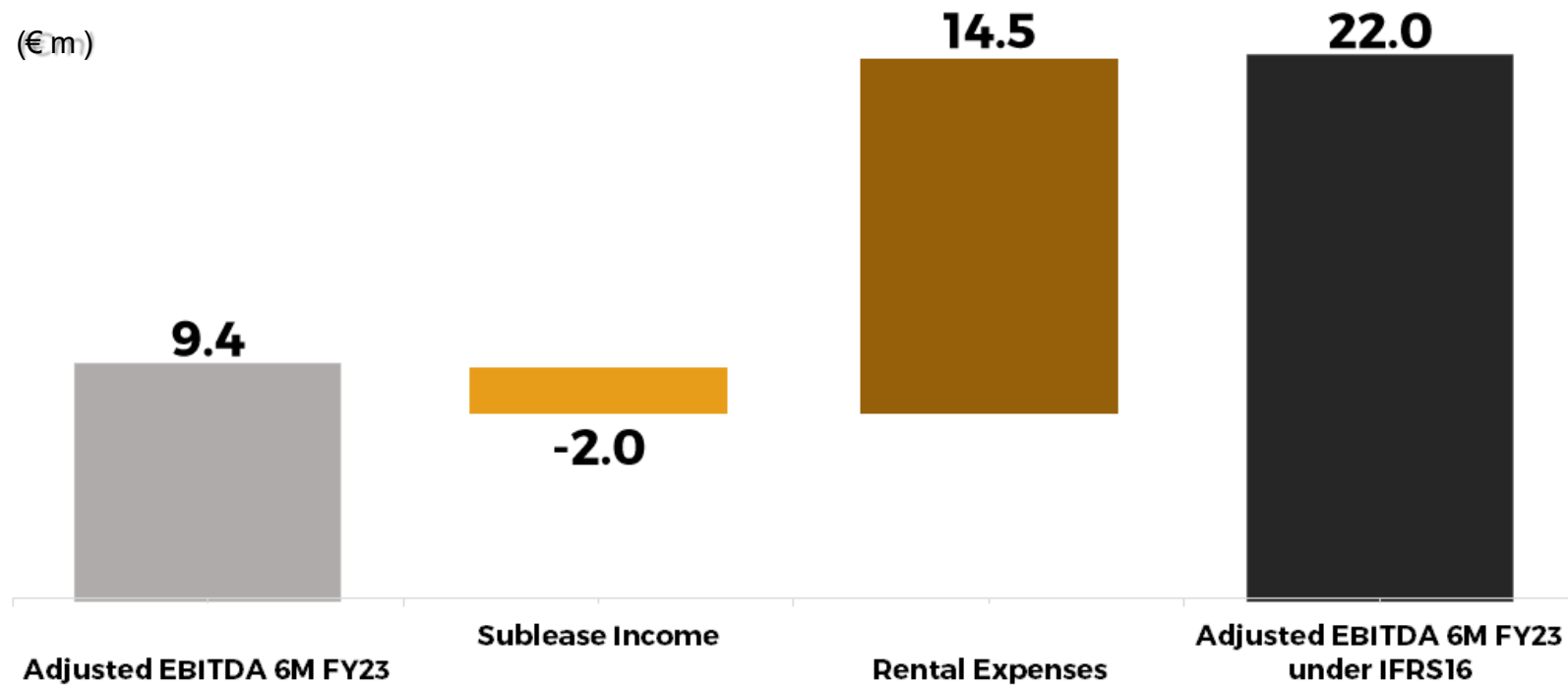
Total store network within the MF perimeter **decreased by 170 net units⁽¹⁾** to reach 2,180 stores ⁽²⁾
Excluding Pollo Campero closings net store movements would be -9 net units less



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, excluding PH Spain own stores considered as discontinued
2. Only includes stores in the MF Yum! perimeter

ADJUSTED EBITDA BRIDGE – 6M FY23 (IFRS16 RECONCILIATION)



EXECUTIVE SUMMARY

INCOME STATEMENT SUMMARY ¹

€m	6M FY22	6M FY23	% change
Own Store Sales	91.4	92.0	0.7%
Supply Chain, Royalties, Marketing & Other income	108.5	115.9	6.9%
Total Revenues	199.8	207.9	4.0%
COGS	-64.1	-69.6	-8.6%
% Gross Margin	67.9%	66.5%	-1.4 p.p
Operating expenses	-119.9	-128.9	-7.5%
Adjusted EBITDA	15.9	9.4	-40.6%
% Adjusted EBITDA margin	8.0%	4.5%	-3.4 p.p
Non recurring / operating expenses	-3.2	-22.1	-592.4%
Reported EBITDA	12.7	-12.6	-199.1%
Adjusted EBITDA under IFRS16	27.2	22.0	-18.9%
% Adjusted EBITDA margin	13.6%	10.6%	-3.0 p.p

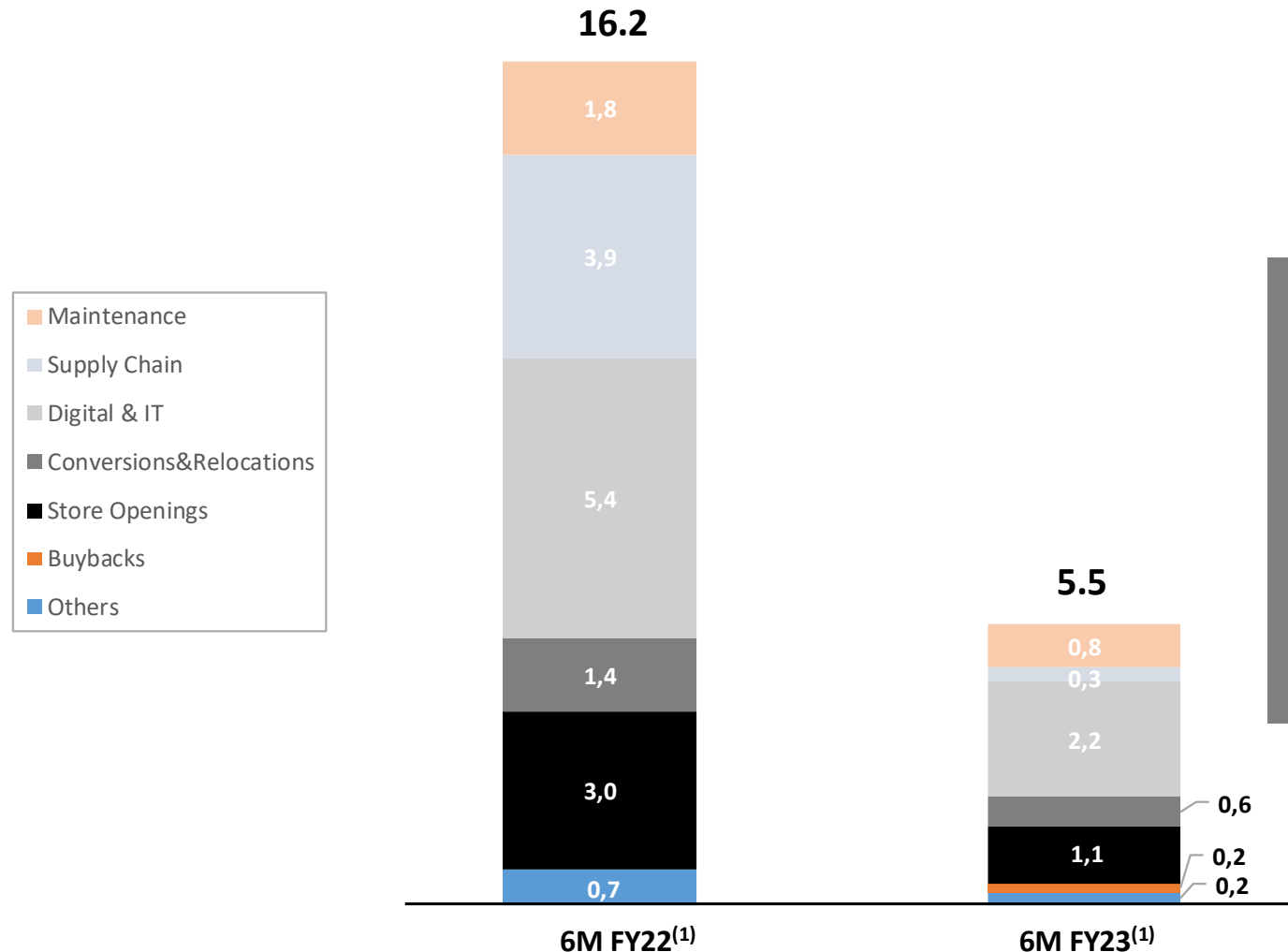


Notes:

1. Financial information excluding impact of IFRS-16

FINANCIAL UPDATE

CAPITAL EXPENDITURE¹ – 6M FY23



📈 FY 2023 Capex of €5.5m, -€10.8m vs. PY

📈 FY23 Capex mostly related to IT (c. €2.2m) and Stores network (c. €2.7m, including openings, store maintenance and relocations & conversions)

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

FINANCIAL UPDATE

CASH FLOW STATEMENT SUMMARY



€m	6M FY22	6M FY23	% change
Adjusted EBITDA	15.9	9.4	-40.6%
Non-recurring / Operating costs	-3.2	-22.1	592.4%
Reported EBITDA	12.7	-12.6	-199.1%
Tax ⁽⁶⁾	-2.8	-2.7	-1.0%
Change in Working Capital	-5.9	1.0	-116.4%
Operating Cash Flow	4.0	-14.4	-456.4%
Maintenance Capex ⁽¹⁾	-1.8	-0.8	-54.3%
Expansion Capex ⁽²⁾	-14.4	-4.6	-68.2%
Investing Cash Flow	-16.2	-5.4	-66.7%
CFADS ⁽³⁾	-12.1	-19.8	63.0%
Cash Interest	-11.6	-2.5	-78.7%
Interim Financing ⁽⁷⁾		38.6	100.0%
Financing sources	2.0	-6.8	-445.9%
Financing Cash Flow	-9.7	29.3	-403.5%
Cash Flow for the period	-21.8	9.6	-143.9%
Underlying Free Cash Flow ⁽⁴⁾	11.3	5.9	-48.1%

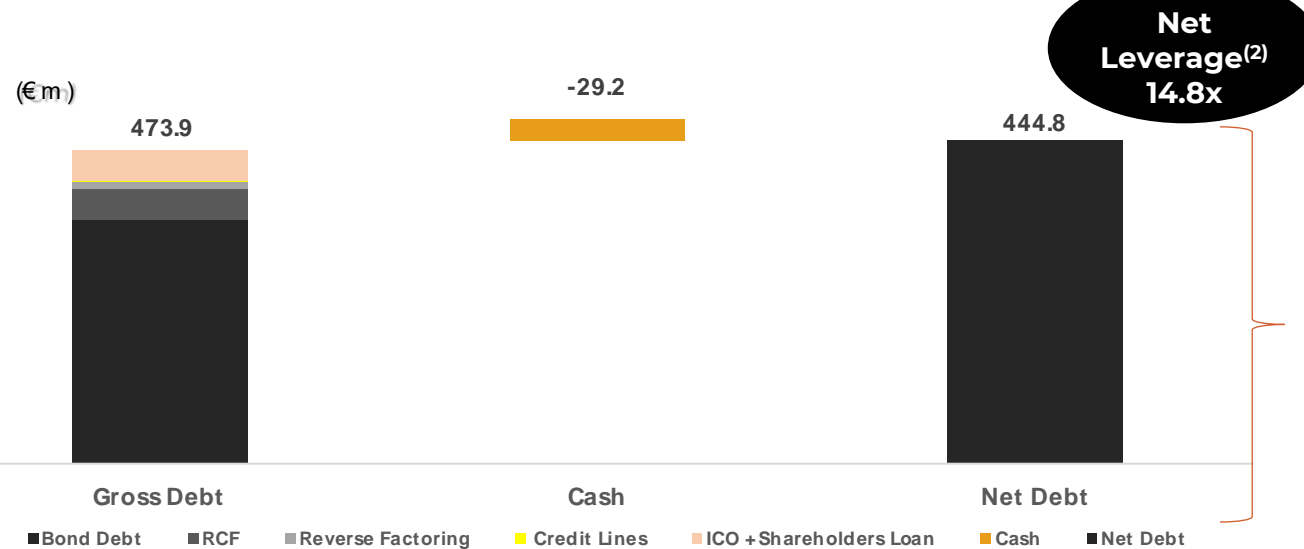
€m	6M FY22	6M FY23
Cash Balance		
Cash BoP ⁽⁵⁾	58.2	19.6
Δ Cash	-21.8	9.6
Cash EoP	36.4	29.2

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 maintenance capex
5. Cash position with Tasty Bidco perimeter
6. Tax includes payments of CIT, local taxes as well as WHT (mostly recoverable against future CIT payments)
7. Interim financing debt of €41.4m (including €2.9m from interest capitalization)

FINANCIAL UPDATE

NET DEBT AND LEVERAGE – 6M FY23



CAPITAL STRUCTURE

Bond Debt:	€335m
RCF:	€45m
ICO Loan:	€38.4m
Interim financing	€41.4m
Shareholders Loan:	€4.5m
Reverse Factoring:	€7.9m
Credit Lines:	€1.7m

CREDIT METRICS

	FY22	6M FY23
Fixed charge Coverage ⁽²⁾	1.2x	1.6x
Gross Leverage	11.8x	15.8x
Net Leverage ⁽¹⁾	11.3x	14.8x

LTM ADJUSTED EBITDA METRIC

€m	
LTM up to Jun 30, 2023 Adjusted EBITDA	29.1

Notes:

1. 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 investments
2. Fixed charge coverage ratio is the ratio between LTM Adjusted EBITDA and Consolidated Interest Expense



6M FY23 RESULTS PRESENTATION

APPENDIX



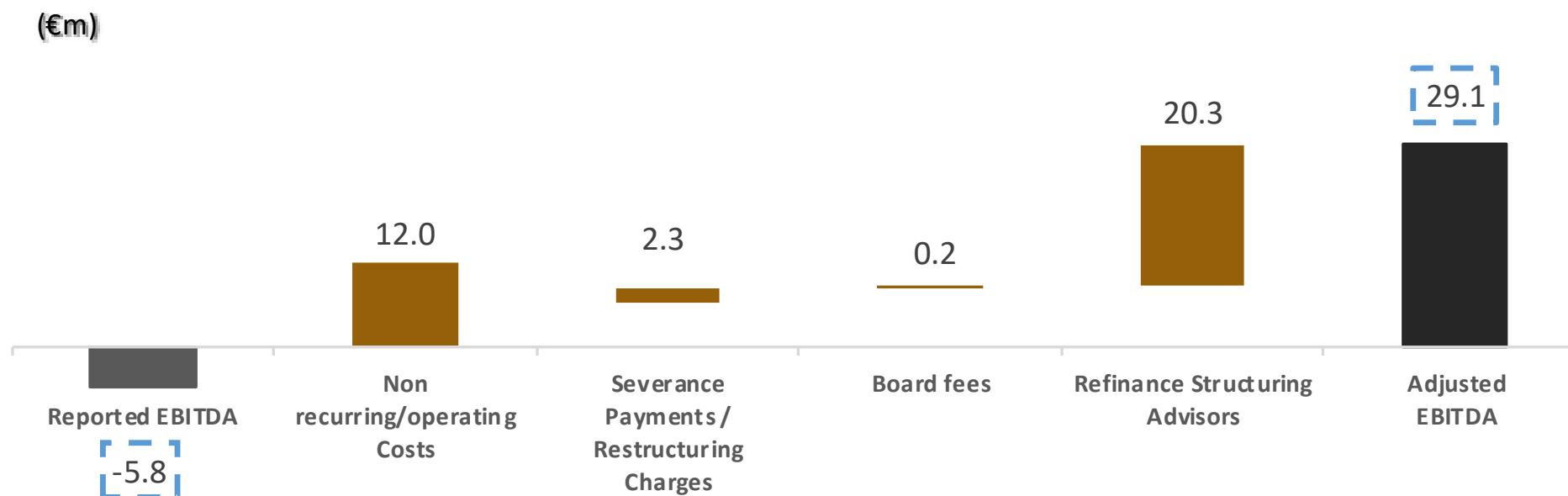
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6M FY23 RESULTS PRESENTATION

ADJUSTED LTM 6M FY23 EBITDA¹ RECONCILIATION



ADJUSTED EBITDA BY QUARTER



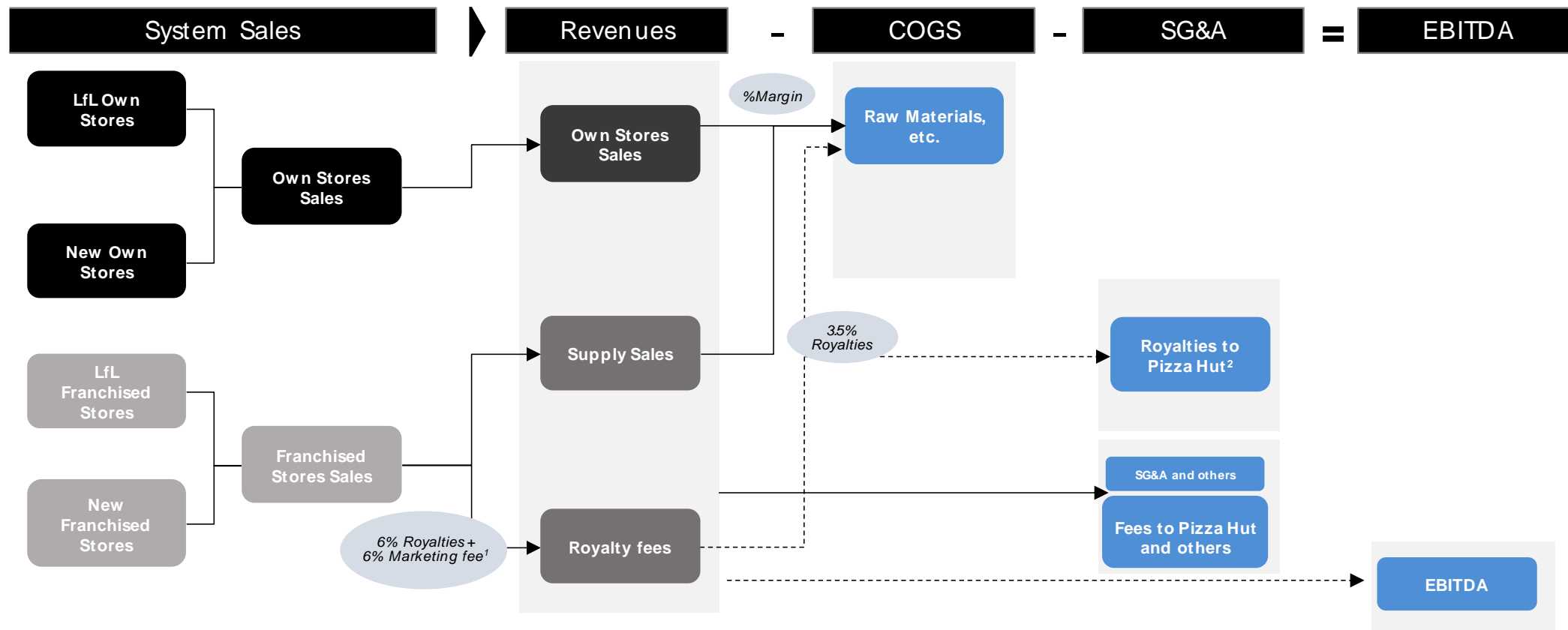
Q3	€11.7m
Q4	€7.9m
Q1	€4.2m
Q2	€5.3m

Note:

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

FY22 RESULTS PRESENTATION

REVENUES TO EBITDA BRIDGE



Notes:

1. Marketing fee expended in full . % might vary by markets
2. Net royalty paid reduced due to royalty credit

STORE COUNT

STORE COUNT¹ – 6M FY23

telepizza

	1H23		
	Actual	Owned stores	Franchise stores
TELEPIZZA	1,220	137	1,083
EMEA	1,093	69	1,024
Spain	736	21	715
Portugal	161	48	113
Ireland	196	0	196
Rest of EMEA	0	0	0
LATAM	127	68	59
Chile	82	58	24
Colombia	45	10	35
Ecuador	0	0	0
Rest of Latam	0	0	0



	1H23		
	Actual	Owned stores	Franchise stores
PIZZA HUT	1,156	356	800
EMEA	124	0	124
Spain	17	0	17
Portugal	107	0	107
LATAM EQUITY	473	356	117
Chile	75	65	10
Colombia	37	37	0
Ecuador	74	73	1
Mexico	287	181	106
LATAM MF	559	0	559
Peru	110	0	110
El Salvador	68	0	68
Guatemala	57	0	57
Costa Rica	59	0	59
Honduras	61	0	61
Puerto Rico	57	0	57
Panama	0	0	0
Rest of Latam	72	0	72
Caribbean	75	0	75
TOTAL GROUP	2,376	493	1,883



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Notes:

1. Includes stores within the MF YUM! perimeter plus other geographies (Ireland)

FY22 RESULTS PRESENTATION

GLOSSARY 1/2



- **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

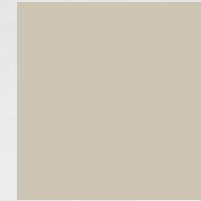
where the Group operates. To make this adjustment, we apply the monthly average euro exchange rate of the operating month in the most recent period to the comparable operating month of the prior period

- **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



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