Q1 2020
RESULTS PRESENTATION

29.05.2020

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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 – Q1 FY2020

2 Global Brands	36 Countries	€281m System Sales	2,381 Stores in the MF perimeter	78% Franchised Stores

Vertically Integrated Supply Chain

5	+20	2
Dough Production Facilities	Logistics Centers	Innovation Labs

Key Messages

- COVID-19 has caused significant, unprecedented and unexpected disruptions to our operations but we have reacted promptly and effectively
  - We have taken measures to adapt the business model to the COVID-19 environment, reduce the cost base and protect liquidity, while safeguarding the health, safety and wellbeing of our staff, business partners, customers and other stakeholders
- Q1 FY20 benefitted from good performance in the start of the period (Jan / Feb 2020); however, operations were materially adversely impacted due to COVID-19 in March 2020
  - We converted our operating model in key markets to "delivery-only“, although delivery has not been sufficient to mitigate the adverse impact
  - Q1 FY20: Chain Sales of €281 (-6.3%), Revenues of €96.4m (1.2%) and Adjusted EBITDA of €4m (-79.6%)
- April 2020 results have continued from the negative trends of March and, despite our efforts, our liquidity position is under pressure
  - April 2020: Chain Sales of €55m (-41%), Revenues of €20m (-37.4%) and Adjusted EBITDA of €-0.8m (-113%)
  - Available cash as of April 2020 was €76.5m and we are expected to close May 2020 with approximately €50m of cash
- While we continue to believe in the medium and long-term potential of the business, COVID-19 has created a number of structural impediments to our business model which will require additional capital to resolve
  - In particular, the overall targets of Yum! Alliance need to be updated as a consequence of COVID-19 and the related adverse macroeconomic environment. Failing to do so, there could exist a risk that the YUM! Agreement could be terminated in FY21, potentially having a material adverse impact to the business
- As a consequence, the short term future remains uncertain
  - We expect to close the year with an EBITDA in the range of €17 - 24m and a negative CFADS(1) of €14 – 22m – assuming no second wave of COVID-19 in Q3 – Q4 FY20
  - We expect FY21-FY22 to be turnaround years, focused on re-booting the Yum! Agreement, adjusting store operations and footprint to the new normal, stabilizing Latam operations and delivering strong cost and liquidity optimisation
  - The Company may require up to €95-115m(2) before debt service to deliver its turnaround plan and maintain adequate liquidity (including under the RCF which is currently fully drawn) – we would look to fund the needs through (i) external new money and (ii) available cash and financing lines
- We have engaged advisors to review possible strategic alternatives aimed at optimising Telepizza's capital structure and improving liquidity
- We are in discussions with Spanish commercial banks to obtain state guaranteed financing of up to €20m

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Note:
1. Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing
2. Assumes non-recurrence of COVID-19

Current Trading Update

€ in millions	Q1 FY19	Q1 FY20	YoY (%)	April 2020	May 2020
Total Owned Stores(1)(2)	397	551	38.8%	546	c. 550
Total Franchise Stores(1)(2)	1,937	1,830	-5.5%	1,828	c. 1,800
Chain Sales	300	281	-6.3%	55	62 - 64
Revenues(2)	95	96	1.2%	20	20 - 23
Adjusted EBITDA	18	4	-79.7%	-0.8	0.4 - 0.6
Net Debt	146	301	106.4%	311	330 - 335
Cash	54	83	52.8%	77	50 - 55

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Note:
1. Only includes stores in the MF YUM! Perimeter
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

COVID-19 Update

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COVID-19 Impact

EMEA

Region	Store Closures[1]	System Sales YoY Change[2]
	c.39% of TPZ owned c.20% of TPZ franchise c.100% of PH	Mar: c.(35%) Apr: c.(42%)
	9% of TPZ franchise 44% of PH	Mar: c.(29%) Apr: c.(34%)
	c.20% of all locations	Mar: c.3% Apr: c.(5%)

Latin America

Region	Store Closures[1]	System Sales YoY Change[2]
	c.39% of TPZ owned c.54% of TPZ franchise c.65% of PH owned c.90% of PH franchise	Mar: c.(47%) Apr: c.(75%)
	c.73% of PH owned c.100% of PH franchise	Mar: c.(38%) Apr: c.(67%)
	c.81% of JP owned c.50% of JP franchise c.55% of PH owed	Mar: c.(30%) Apr: c.(53%)
	c.3% of all locations	Mar: c.(8%) Apr: c.(19%)

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

(1) On a March YoY basis

COVID-19 Impact – Company Measures

COVID-19 has caused significant, unprecedented and unexpected disruptions to our operations but we have reacted promptly and effectively

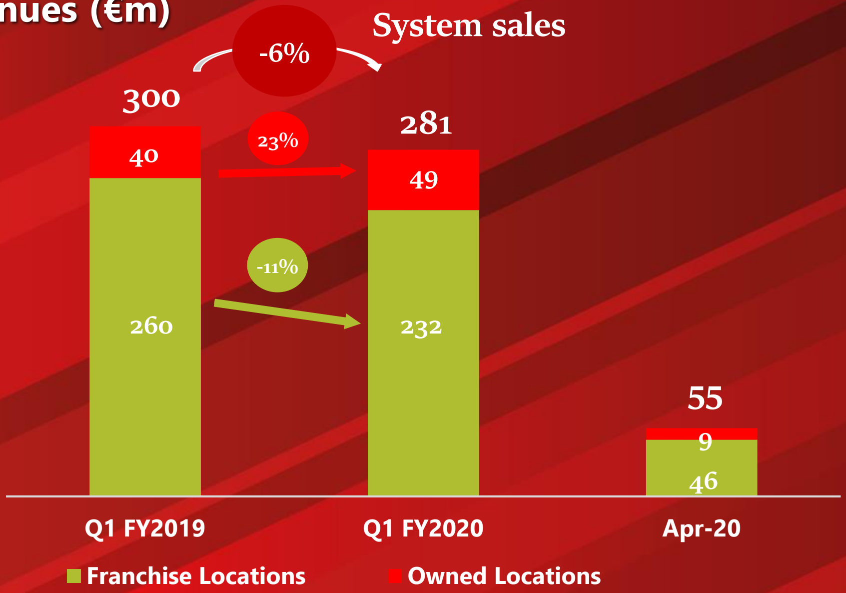
- We immediately shifted our focus on safeguarding the health, safety and wellbeing of our employees, community, customers, suppliers, business partners and stakeholders
- We converted our operating model in key markets to "delivery-only“, although delivery has not been sufficient to mitigate the adverse impact
- We implemented curfew in line with government guidance and public transportation closures and introduced employee transport initiatives in certain geographies
- We proactively started to reduce our cost base and safeguard our liquidity
    - Employee costs were curtailed with temporary layoffs, forced holidays, limited overtime and work hour reductions
    - After discussions with landlords, we temporarily suspended lease payments for April and May and are negotiating further lease reductions with landlords for the remainder of FY20
    - We also conducted a thorough review of discretionary spending
    - We fully drew our RCF facility and received incremental reverse factoring facility

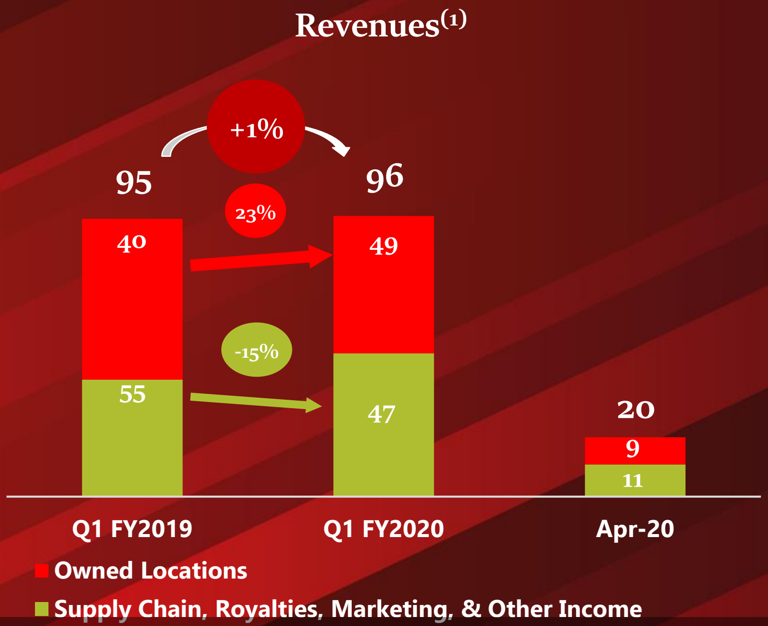
Financial Update

System Sales and Revenues

System sales and revenues were up 6.1% and 5.5% YoY in YTD Feb 2020
Adverse impact of COVID-19 in Mar 2020 resulted in Q1 FY20 system sales down 6% YoY

Group System Sales and Revenues (€m)





Note:
1. Revenue variance 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

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Segment Performance – Q1 FY2020

System sales across regions

	EMEA	Latam	Total
System sales growth(1) (%)	-4.5%	-8.1%	-6.3%
System sales growth(1) constant currency (%)	-4.4%	-7.5%	-6.0%
System sales growth(1) constant currency – Telepizza (%)	-5.2%	-30.0%	-9.1%
System sales growth(1) constant currency – Pizza Hut (%)	-40.1%	-3.3%	-2.8%
Telepizza system sales weight (%)	88%	12%	100%
Pizza Hut system sales weight(%)	14%	86%	100%

EMEA

- **Spain and Portugal:** Spain and Portugal had solid top line performance until mid March. Since then, there has been a sudden drop in sales due to COVID-19 confinement measures (Spain: delivery only and Portugal: delivery and take away). PH sales were more severely impacted as the brand has a relatively larger weight to dine-in sales
- **Rest of Europe:** Relatively limited impact from COVID-19 due to softer quarantine measures

Latam

- Despite the negative impact from social unrest in Chile during January and February, Latam experienced positive topline growth through to mid March in both equity and MF countries across the region
- Relative to EMEA, there was a higher COVID-19 impact due to the higher weight of dine-in sales, stricter quarantine measures (including curfews and mall closures) in some of the countries, and the complete shutdown of other countries in the region

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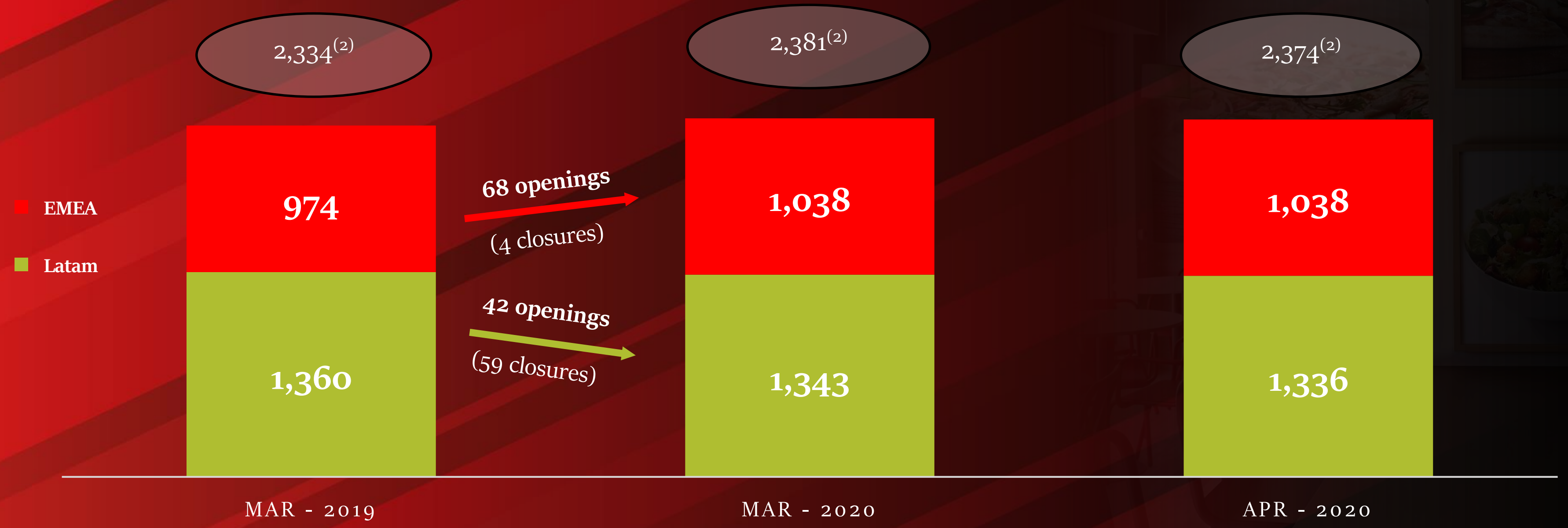
Note:
1. Excluding discontinued operations of Poland and Czech Republic

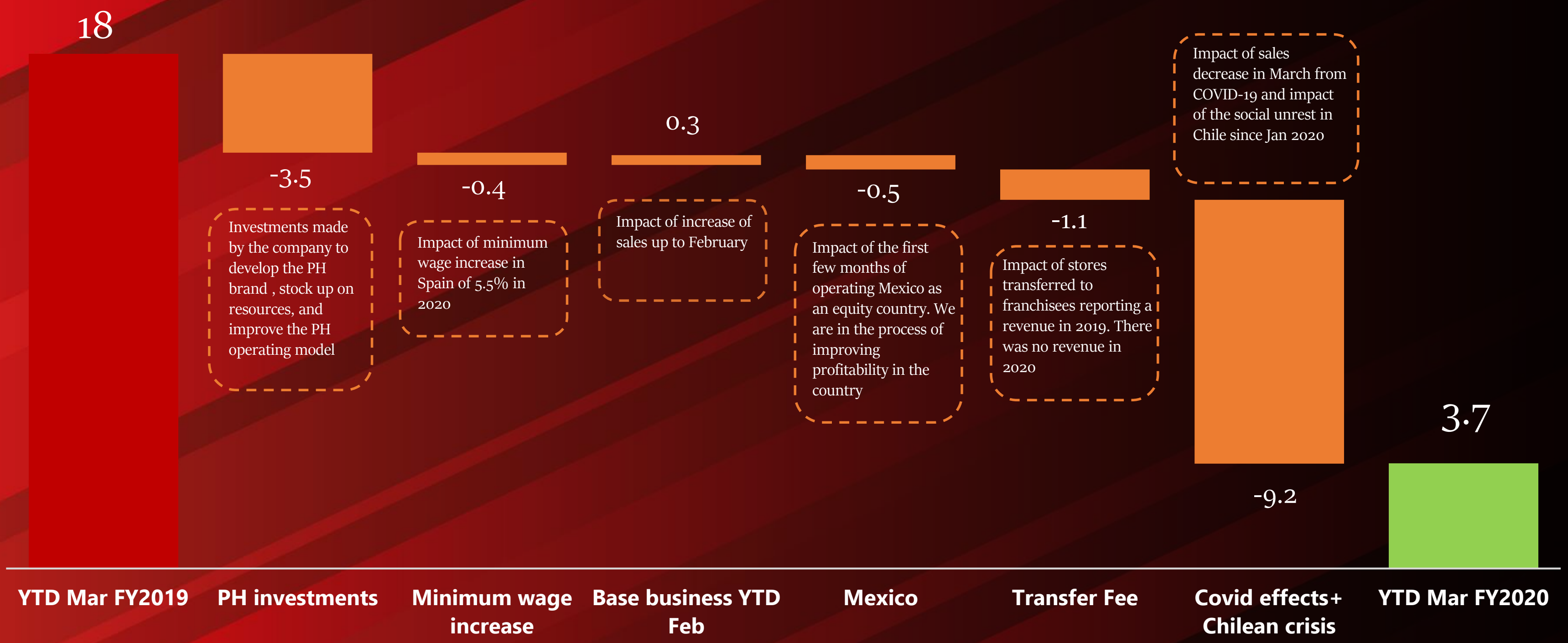
Unit Expansion Q1 2020

47 net new stores[1] in the MF perimeter in LTM Mar 2020
85 Telepizza stores converted to Pizza Hut in LTM Mar 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 – Q1 FY19 to Q1 FY20 (€m)



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Income Statement Summary[1][2]

€m (unless otherwise stated)	Q1 2019	Q1 2020	% change	Apr-20
Own Store Sales	40.1	49.2	*22.7%*	9.3
Supply chain, royalties, marketing & other income	55.2	47.2	*-14.5%*	11.0
Total revenue	**95.2**	**96.4**	***1.2%***	**20.3**
COGS	-23.6	-27.2	*15.4%*	-6.1
% Gross margin	75.2%	71.8%	-3.5p.p.	69.8%
Operating Expenses	-53.6	-65.5	*22.2%*	-15.1
Adjusted EBITDA	**18.0**	**3.7**	***-79.7%***	**-0.8**
% Adjusted EBITDA margin	*18.9%*	*3.8%*	*-15.1p.p*	n.m.
Non-recurring expenses	-1.7	-2.8	*n.m.*	-0.8
Non-operating items	-0.6	-0.4	*n.m.*	-0.1
Phasing impacts	-1.5	0.0	*n.m.*	0.0
Accounting Adjustments	-1.0	0.0	*n.m.*	0.0
Reported EBITDA	**13.2**	**0.5**	***-96.1%***	**-1.7**

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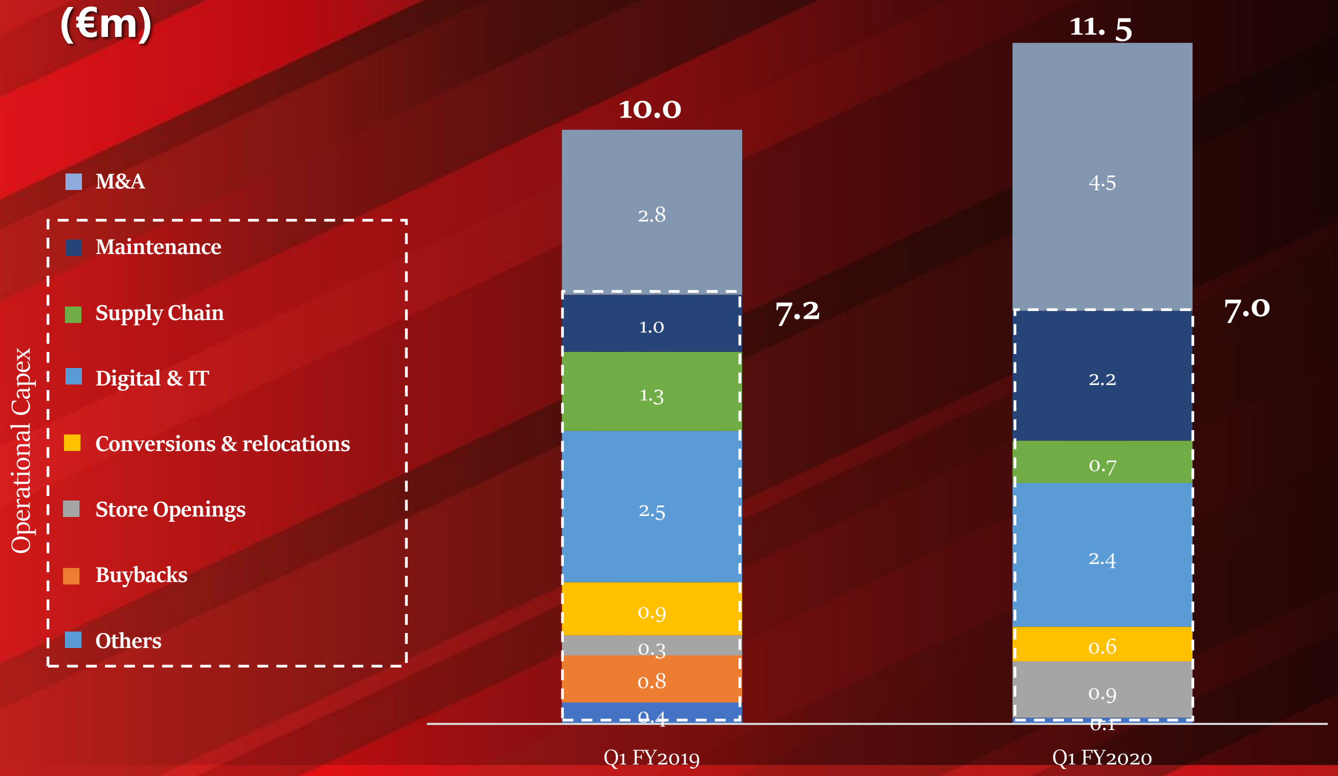
Notes:
1. Financial information excluding impact of IFRS-16
2. Variance of split of stores and revenue is affected by the change in perimeter from the conversion of franchised stores to owned stores as a result of the acquisitions of PH operations in Mexico and Chile

Capital Expenditure – Q1 FY 2020



- M&A capex mainly related to the Pizza Hut acquisition in Mexico during Q1 FY20
- Maintenance capex increased during Q1 FY20 due to the higher number of owned stores in the period compared to Q1 FY19 and investments made to improve the PH network
- Starting from Apr-20, capex has been reduced to a minimum level until we have better visibility on the impact COVID-19 has had on the business and the broader economy

Cash Flow Statement Summary

€m (unless otherwise stated)	YTD Mar-19	YTD Mar-20	*% change*	Apr-20
Adjusted EBITDA	**18.0**	**3.7**	***-79.4%***	**-0.8**
Non-recurring / Operating Costs	-4.8	-3.1	*n.m.*	-0.9
Reported EBITDA	**13.2**	**0.6**	***-96.2%***	**-1.7**
Tax and Others	0.2	-2.6	*n.m.*	-0.6
Change in Working Capital	-5.5	16.8	*n.m.*	-6.5
Operating Cash Flow	**7.9**	**14.8**	***90.9%***	**-8.8**
Maintenance capex[1]	-1.0	-2.2	*120%*	-0.3
Expansion capex[2]	-6.3	-4.8	*-23.8%*	-0.5
M&A	-2.8	-4.5	*60.7%*	0.0
Investing Cash Flow	**-10.0**	**-11.5**	***15.0%***	**-0.8**
Cash Flow Available for Debt Service (CFADS)	**-2.1**	**3.3**	***n.m.***	**-9.6**
Cash Interest	-0.4	-14.8	*n.m.*	0.0
RCF and reverse factoring	0.0	46.5	*n.m.*	3.4
Financing Cash Flow	**-0.4**	**31.7**	***n.m.***	**3.4**
Cash Flow for the Period	**-2.5**	**34.9**	***n.m.***	**-6.2**
Underlying Free Cash Flow[3]	***15.5***	***-1.1***	***n.m***	***-1.8***

€m	Q1 2020	Q1 2019
Cash Balance		
Cash BoP	**47.9**	**56.7**
Δ Cash	34.9[4]	-2.5
Cash EoP	**82.8**	**54.2**

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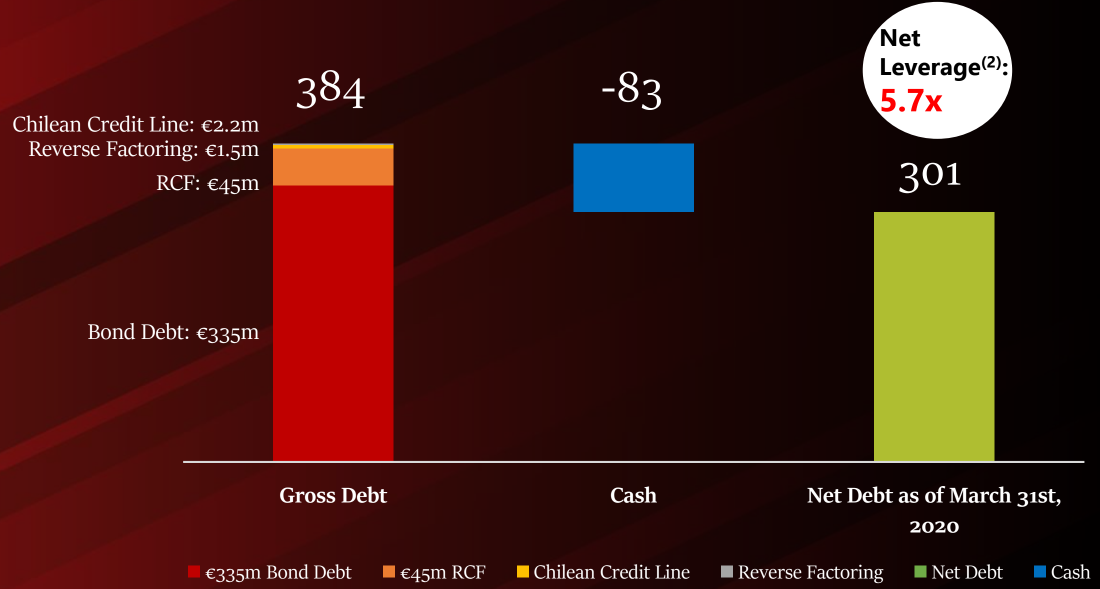
Note:
1. Maintenance capex is recurring capex for existing stores required to support their continued operation
2. Expansion capex is growth capex associated with i) new store openings, relocations, refurbishment, ii) IT & digital improvements, iii) investments in factories and iv) other growth initiatives
3. Underlying free cash flow is Adjusted EBITDA minus tax and others, advanced royalty and maintenance capex
4. Cash position of new perimeter with Tasty Bidco

Net Debt and Leverage – Q1 FY 2020

LTM Adjusted EBITDA Metric

€m	
March 31, 2020 LTM Adjusted EBITDA[1]	52.4

Capital Structure



Credit Metrics

	Q1 FY2020	FY2019
Fixed charge Coverage[3]	2.1x	3.4x
Gross Leverage	7.3x	4.9x
Net Leverage	5.7x	4.3x

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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 net debt and LTM Adjusted EBITDA
3. Fixed charge coverage ratio is the ratio between LTM Adjusted EBITDA and Consolidated Interest Expense

Outlook

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Market Trends

Pre COVID-19

- **Digital Penetration:** The development of specific branded apps or aggregators is accelerating in EMEA and Latam with high penetration ratios already witnessed in both regions
- **Urbanization:** Populations are moving from rural locations to urban areas in both EMEA and Latam
- **Beneficial Latam Population Demographics:** Latam benefits from a young population who are the highest consumers of QSR products
- **Continued Growth of the Middle Class:** The growing middle class has resulted in an increased demand for food delivery due to the middle class's higher disposable income and their willingness to spend more time at home with friends and family

Post COVID-19

- Macroeconomic, socioeconomic and demographic trends remain supportive for food delivery over the long term and there is potential for each trend to strengthen as the impact from COVID-19 normalizes, but the medium term outlook is difficult to address

Structural Considerations

YUM! Alliance	COVID-19 and the related adverse macroeconomic environment will make it challenging to meet the agreed targets in terms of openings and conversions. Furthermore, COVID-19 has materially delayed the returns from the start up investments made in FY19, which were previously expected to be achieved in FY20. We have engaged in discussions with Yum! to reinstate the economic balance of the alliance through a set of potential changes to the contractual framework, including targets, fees and termination clauses. Should the negotiation fail, a termination of the YUM! Agreement could be a consequence, potentially having a material adverse impact to the business
Store Operations	Restrictions on mobility have impacted dine-in and take-away volumes. We are boosting our delivery capabilities and will need to optimise our store network. We are further increasing our safety and sanitary standards to ensure the best and safest dine-in experience for our customers
Household consumption	Despite sound underlying secular trends, we are experiencing a sharp decline in household consumption, which we expect to persist over the near terms in the COVID-19 economy. Consumers are expected to be more value-focused and we are adapting our offer to this new reality. The strength of the brands we operate will be the keys to our success
Digital Platform	COVID-19 has accelerated both our front-end and back-end digital transformation. We are working to upgrade our in-store and web platforms, and we are providing our back-office operations with optimal digital skills and tools
Latam Operations	During FY19, the effectiveness of the integration of the PH operations in Latam has been negatively impacted by riots in Chile and Ecuador as well as COVID-19. Our focus continues to be on achieving the desired level of integration in the region
Operating Leverage	Anticipating adverse macroeconomic conditions and its impact on our business, we have kicked-off an internal review of every discretionary and non-discretionary spending to reduce operating leverage

Guidance

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Guidance

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	Operational	Financial[1]

FY2020	• Focus on health & safety (employees, customers, suppliers, stakeholders)
	• React to COVID-19 crisis
	  • Delivery
	  • Cost controls
	  • Liquidity management
	• Reboot YUM! Agreement
		• Adjusted EBITDA: €17 - 24m
		• CFADS[2]: €-14 – -22m
		• Net leverage[3]: 16x - 22x
		• *Assumes non-recurrence of COVID-19*

FY2021	• Prepare for post COVID-19 environment
	  • Boost digital and delivery
	  • Reduce operating leverage
	  • Adjusting store operations and footprint to the new normal
	• Review of discretionary spending
	• Stabilizing Latam operations
	• Deliver tactical growth opportunities
	• Reboot YUM! Agreement
		• NNU: 2 stores (+10 / - 10)
		• Store economics: Substantially in-line with FY19
		• Cost out: 10 – 15% central cost reduced
		• Capex and one-off: €60 – 70m
		• *Assumes non-recurrence of COVID-19*

FY2020 and FY2021 Liquidity Outlook[1][3]

The Company may require up to €95-115m before debt service to deliver its turnaround plan and maintain adequate liquidity (including under the RCF which is currently fully drawn) – we would look to fund the needs through (i) external new money and (ii) available cash and financing lines

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Notes:

1. Assumes non-recurrence of COVID-19
2. Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing
3. Assumes no further credit facilities availed

Next Steps

Next Steps

- Telepizza is currently revisiting its business plan and requires additional capital to execute an operational turnaround and arrive at a more sustainable capital structure
- We are exploring all available options to improve our liquidity and look to secure support from shareholders and bondholders
- To that effect, we have engaged Kirkland & Ellis and Houlihan Lokey as advisors to evaluate options available to the Company

APPENDIX

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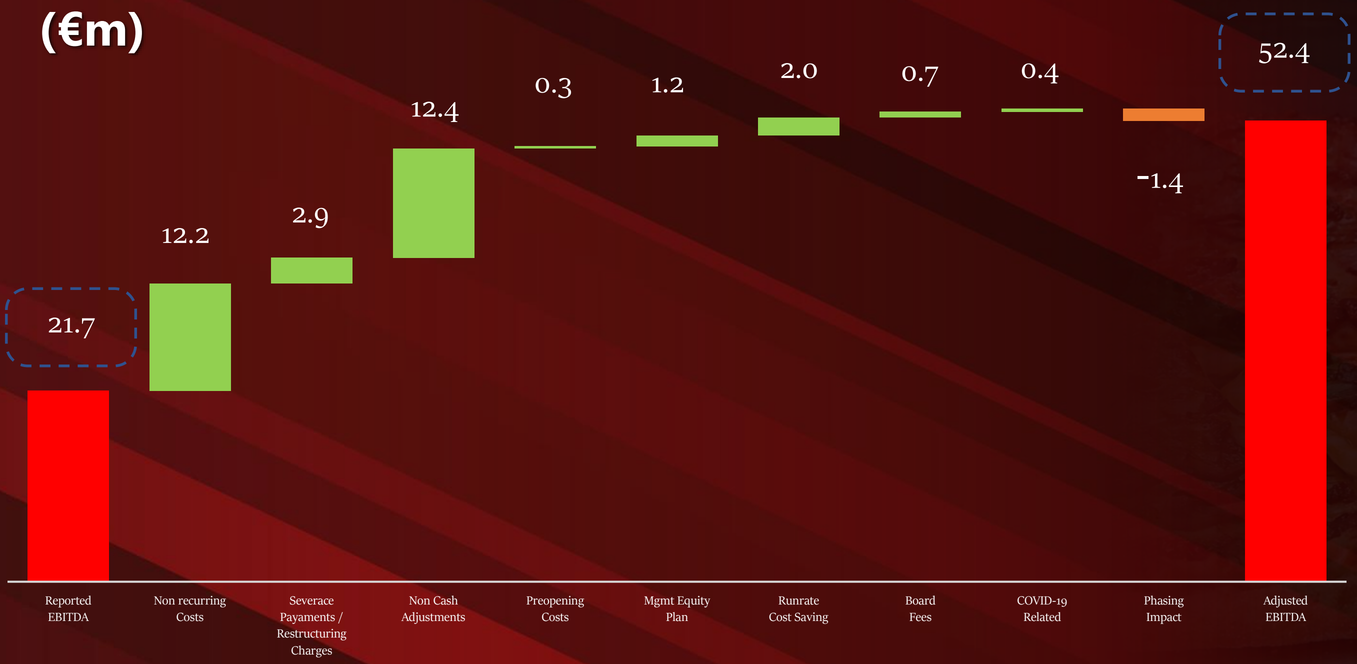
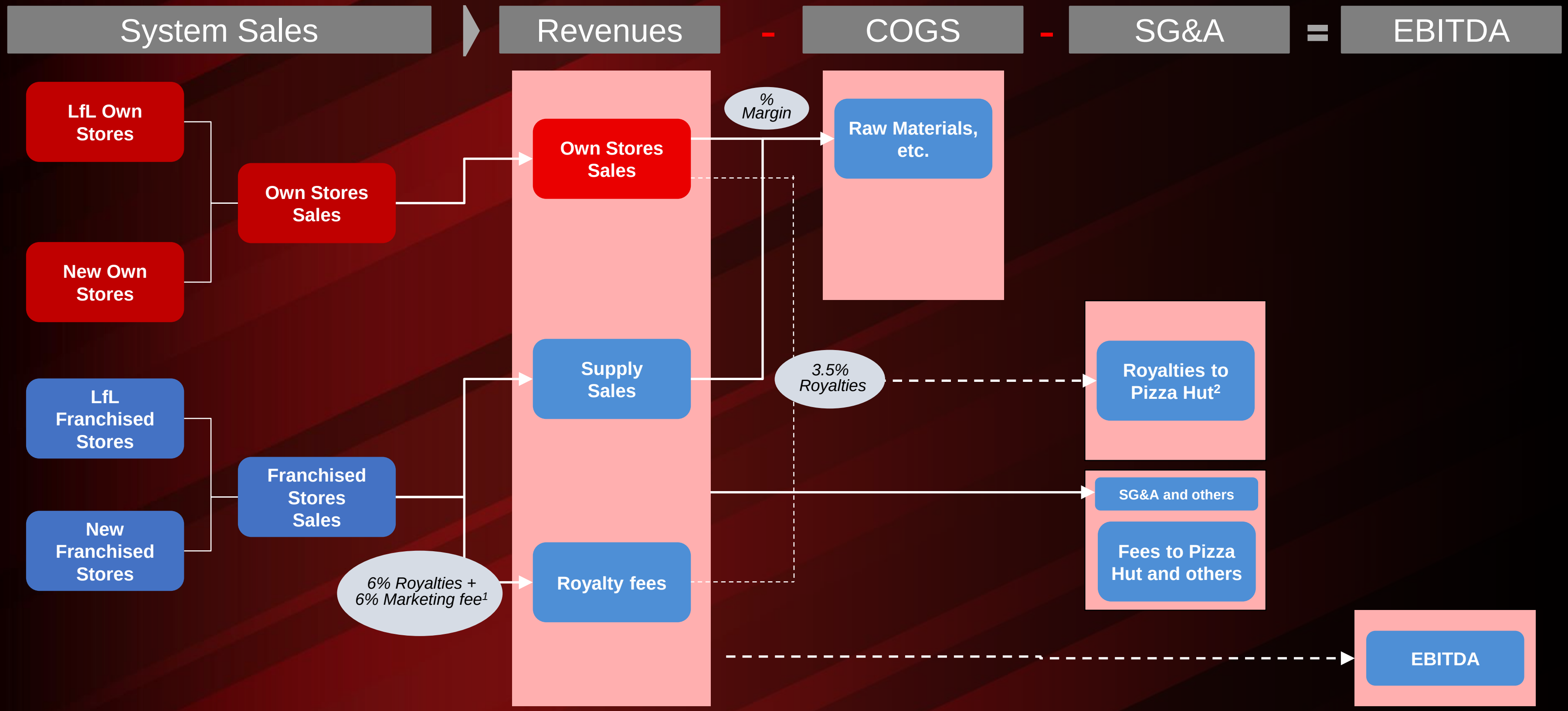
Adjusted LTM Q1 FY20 EBITDA[1] Reconciliation



Q1 2020	€3.8m
Q4 2019	€16.9m
Q3 2019	€16.5m
Q2 2019	€15.2m

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] – Q1 FY 2020

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	Actual		
	Mar-20 YTD	Owned stores	Franchise stores
TELEPIZZA	1,431	225	1,206
EMEA	1,054	141	913
Spain	739	90	649
Portugal	133	51	82
Ireland	152	-	152
Rest of EMEA	30	-	30
LATAM	377	84	293
Chile	127	62	65
Colombia	61	21	40
Ecuador	1	1	-
Rest of Latam	188	-	188
TOTAL GROUP	2,555	551	2,004

Pizza Hut

	Actual		
	Mar-20 YTD	Owned stores	Franchise stores
PIZZA HUT	1,124	326	798
EMEA	158	25	133
Spain	61	25	36
Portugal	97	-	97
LATAM	193	180	13
Chile	91	80	11
Colombia	37	37	-
Ecuador	65	63	2
LATAM MF	773	121	652
Mexico	227	121	106
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	2,555	551	2,004

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

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, phasing impacts, and non-recurring costs related to both the Pizza Hut alliance and the new corporate structure

- **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) and minor impact related to discontinued operations

GLOSSARY 2/2

- **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:** Leverage is the ratio between net debt 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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