

# DP Poland plc

## Investor presentation

September 2017





## Highlights system performance

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- System Sales +50%
- System Sales like-for-like +17%
- +24% July and +28% August, like-for-like System Sales
- 19 consecutive quarters of double digit like-for-like growth in System Sales
- Combined corporate store EBITDA and commissary variable profit +39%
- 73% delivery System Sales ordered online



## Store openings

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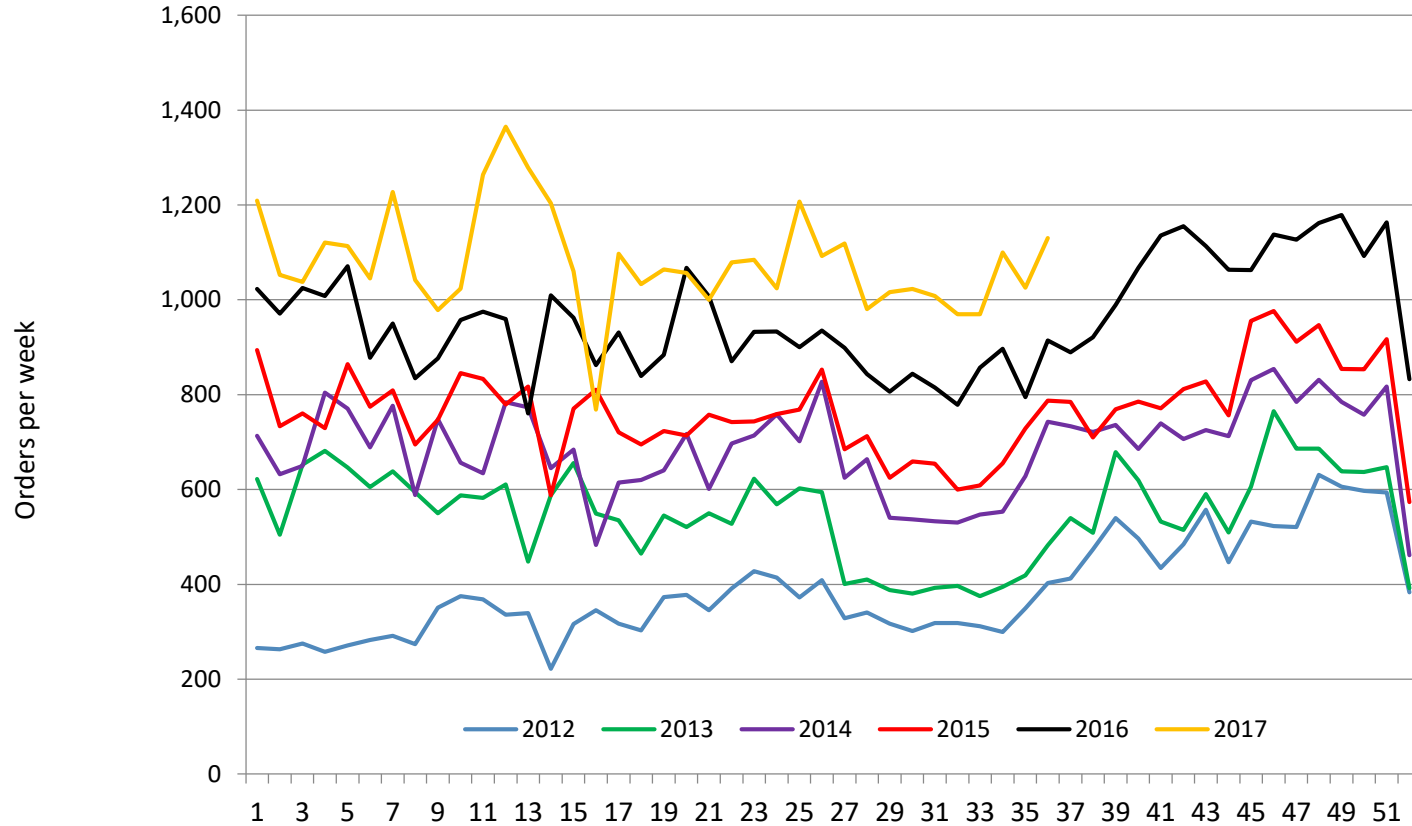
- 48 stores open to date
  - 13 opened January – September 2017
  - 37% increase in store numbers
- 3 stores under construction
- Store number 50 opening in October 2017
- More than 50 stores by YE 2017
- Domino's is now in 19 towns and cities
- Intermediate target of 100 stores YE 2020
- Longer term potential 300+ stores

# Average Weekly Orders

10 stores, each 5-6 years old



## Year on year comparison like-for-like stores



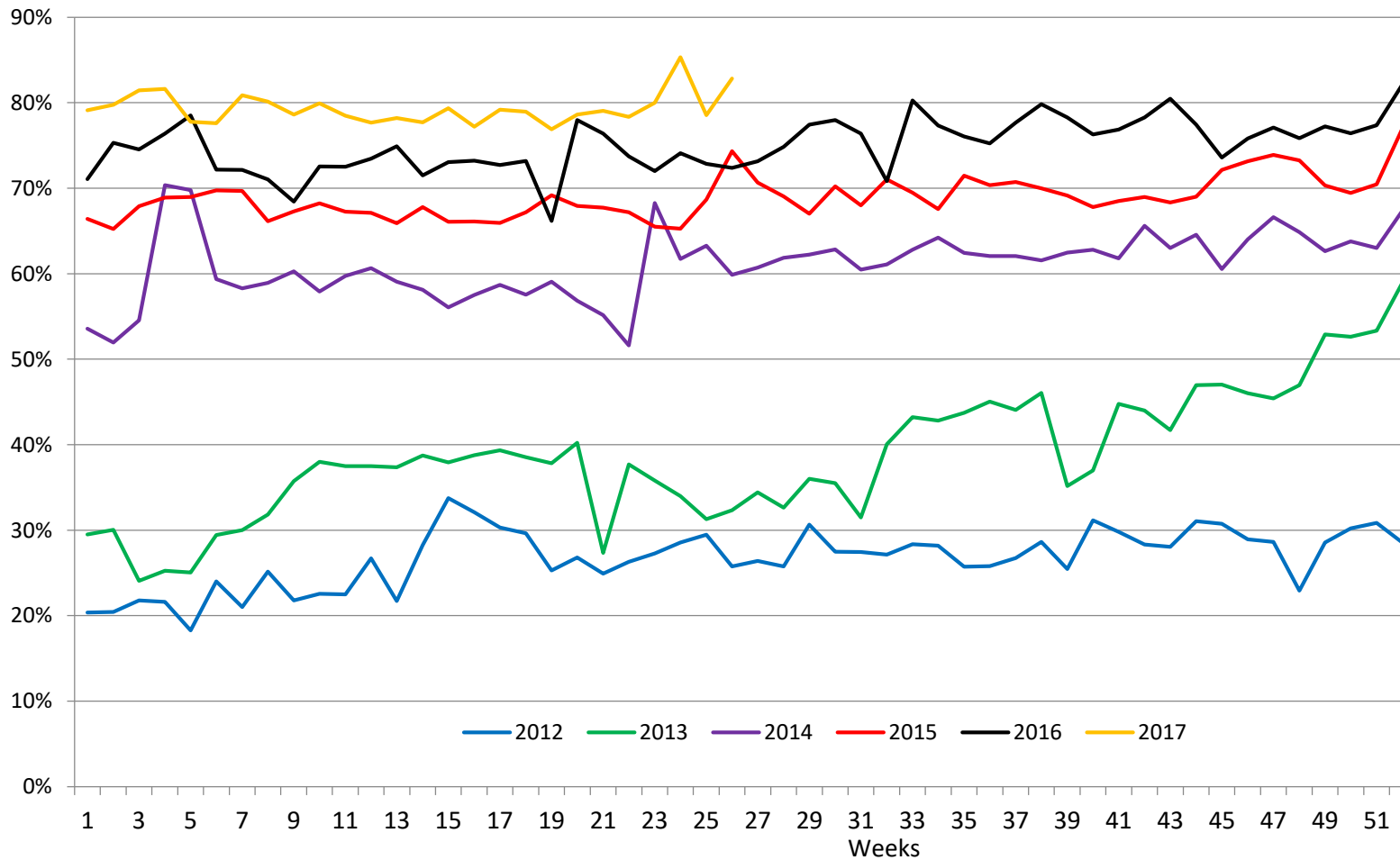
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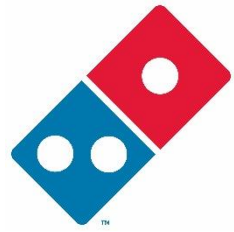
# Delivery sales made online

10 stores, each 5-6 years old



## Year on year comparison like-for-like stores



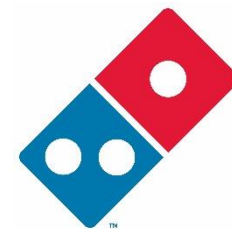


## Strong sales performance

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- System sales up 50%
- Strengthening like-for-like System Sales growth performance: July +24% and August +28%
- Continued growth in online sales

	H1 2017	H1 2016	Change %
System sales PLN	26,856,460	17,928,548	+50%
L-F-L system sales	+17%	+28%	
Delivery system sales ordered online	+73%	+69%	



## Group performance 2017 on 2016

- Strong growth in Group Revenue
- Group EBITDA lags revenue growth
  - new stores loss making in first months
  - older stores demonstrate profit potential
  - supported by commissary variable profit stream

### Constant exchange rate of £1: PLN 4.9625

Group Revenue & EBITDA	H1 2017	H1 2016	Change %
Revenue PLN	21,845,267	16,613,361	+31%
Revenue £	4,402,069	3,347,781	+31%
Group EBITDA £	(725,190)	(764,902)	+5%

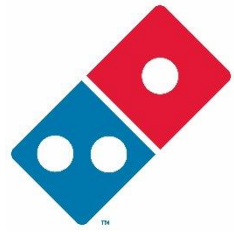
### Actual average exchange rates for H1 2017 and H1 2016

Group Revenue & EBITDA	H1 2017	H1 2016	Change %
Revenue PLN	21,845,267	16,613,361	+31%
Revenue	4,402,069	2,961,489	+49%
Group EBITDA £	(725,190)	(702,528)	-3%

### Actual average exchange rates for H1 2017 and H1 2016

Group Loss for the period	H1 2017 £	H1 2016 £	Change %
Group loss for the period	(1,084,824)	(944,378)	-15%

Group Loss for the period impacted by FX, store pre-opening costs, depreciation and amortization



## Cash position

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- June fund raising of £5m net
- Cash consumption, excluding June fund raising, (£2.7m)
  - including fund raising expenses

	1 January 2017	Cash increase*	30 June 2017
Cash in bank £	6,308,260	2,507,848	8,816,108

\* Cash consumption of £2.7m actual



# Store expansion

Update on store openings



## Extending coverage

- 48 stores to date
  - 25 corporate
  - 2 under management contract
  - 21 sub-franchised
- Domino's is now in 19 towns and cities
- Store 50 in October 2017
- 50+ stores by YE 2017
- Moving towards critical mass
  - benefiting: procurement, marketing (TV)
- 100 stores by 2020, intermediate target
- 300+ stores in longer term, with continuing economic growth

## Towns and cities with Domino's





## Additional c.100 store capacity has come on stream

- Capital light fit-out
- Central location will reduce distribution costs to North, South and West
- Efficient production
- Lodz and Warsaw commissaries provide c.150 store supply capacity
- 2 production centres spread business risk





## Online plus national marketing opportunity

- 73% delivery System Sales made online (69% H1 2016)
- 90% delivery orders placed online during certain promotions
- 100% possible in near future
- Upgrading mobile platform
- GPS trials
- Chatbot technology using AI
- Increased marketing supported like-for-likes in July and August
- Prospect of national TV advertising
- New products launched in H1: Bombay Chicken, Greek Style, new Italian, Tandoori Chicken and Chorizo.





## Current trading and plans for H2 2017

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- Return to 24% and 28% like-for-like System Sales growth in July and August respectively
  - suggests that H2 like-for-likes will be higher than H1
- Polish economy outperforms predictions
  - Moody's predicts 4.3% growth for 2017, versus its previous prediction of 3.2%
- 50 store milestone to be reached early Q4 2017
- National TV test once distribution of stores expands to more towns and cities
- New commissary is operational: more Direct costs + distribution savings
- More sub-franchised store openings
- Group EBITDA will modestly improve 2017 on 2016
  - new store openings drag on corporate store EBITDA before they hit breakeven
  - as the store estate matures the impact of new store openings on EBITDA will reduce
  - supported by commissary variable profit stream
  - step change anticipated in 2018