



# DP POLAND PLC

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## FY2023 AUDITED RESULTS & TRADING UPDATE



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# RELEASED COMPANY POTENTIAL TO EXPAND

OPERATIONAL EXCELLENCE BACKED WITH IMPROVING BUSINESS PROFITABILITY

**GROWTH DELIVERED  
&  
FOUNDATIONS FOR  
EXPANSION SET**

**ON THE WAY TO  
DOMINATE MARKET**

- Average weekly store order count (AWOC) **40% growth** over the last two years
- **Like for like system sales** up by **19.7% in 2023** and **19.9% YTD April 2024**
- **EBITDA of 3.5m GBP** for 2023 – up by **100%+**
- Improving store profitability
- Strengthened our Franchisee department in preparation for expansion
- Successful **fundraise of 20.5mGBP** for further company expansion
  
- **Aggressive organic store network roll out** on the back of corporate and subfranchised stores
- Actively looking for M&A opportunities
- **Commissary capacity increase** to serve growing network
- On target to deliver **200 stores**



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# FINANCIAL STATEMENTS 2023



# 2023 FINANCIAL RESULTS

## IMPROVEMENTS EVIDENT IN THE NUMBERS

- Revenue is growing at a great pace, surpassing our break-even point
- Average Weekly Order Count (AWOC) up 19% YoY with a continuous improving trend though the period
- LFL System sales continue to improve, as we increase our consumer base and improve the average ticket size
- Operating leverage beginning to deliver profitability with group EBITDA increasing strongly

### GROUP REVENUE

£44.6 million  
(+25.0%)

### AWOC (POLAND)

731  
(+19.0%)

### GROUP SYSTEM SALES

£46.1 million  
(+25.1%)

### GROUP EBITDA

£3.5 million  
(+108.4%)

Growth rates are calculated for the periods between 1 January and 31 December 2022 and 1 January and 31 December 2023.

System Sales - total retail sales including sales from corporate and sub-franchised stores, unaudited.

Like-for-like System Sales – sales for the same stores operating between 1 January and 31 December 2022 and 1 January and 31 December 2023, unaudited.

AWOC – Average Weekly Order Count per store, unaudited.



# REVENUE GROWTH SUPPORTED BY INCREASED ORDER COUNTS

## ORDER COUNT GROWTH DRIVING IMPROVED UNIT COSTS

### Group Income Statement

Currency: GBPM			
	2023	2022	% change
System Sales	46.1	36.8	25.1%
<b>Revenue</b>	<b>44.6</b>	<b>35.7</b>	<b>25.0%</b>
Cost of goods sold	(13.4)	(11.4)	17.9%
Materials and energy	(2.6)	(1.9)	33.5%
External services	(7.8)	(7.5)	4.1%
Payroll and social charges	(17.1)	(12.9)	32.5%
Other operating costs	(0.2)	(0.3)	(28.4%)
<b>Group adjusted EBITDA*</b>	<b>3.5</b>	<b>1.7</b>	<b>108.4%</b>
Store pre-opening expenses	(0.1)	-	70.3%
Other non-cash and non-recurring items	(1.4)	(0.5)	187.4%
Depreciation and amortisation	(4.7)	(4.3)	9.1%
Share based payments	(0.3)	(0.1)	134.9%
Financial operations	(0.5)	(1.0)	(52.3%)
<b>Loss before taxation</b>	<b>(3.5)</b>	<b>(4.3)</b>	<b>(18.7%)</b>
Taxation	-	(0.1)	(24.9%)
<b>Loss for the period</b>	<b>(3.5)</b>	<b>(4.4)</b>	<b>(18.8%)</b>
Loss per share	(0.50)	(0.67)	

\* excluding non-cash items, non-recurring items and store pre-opening expenses

### 1. Strong revenue growth (+25.0%)

- Group LFL system sales up by 25.3% YoY
- 16.4% LFL growth in Polish order count - high volume mentality delivering
- 19.7% LFL growth in Polish system sales
  - Delivery channels +20.7%
  - Non-delivery channels +17.8%
- Net Promoter Score up by more than 30%.

### 2. Group adjusted EBITDA improved by 108.4%

- Costs of goods sold increase (+17.9%) below revenue growth (+25.0%)
- Food as % of sales falling since May
- Inflation eased starting March 2023, however wage inflation remained high

### 3. Loss for the period 27.6% lower impacted by:

- Improved adjusted EBITDA
- Adjustment to right-of-use asset related to network optimisation in Poland and IFRS16 adjustments to lease liabilities
- Network optimization costs - early termination of rent agreements



# HEALTHY BALANCE SHEET

## NET ASSETS OF THE GROUP AMOUNTED TO £15.8 MILLION

### Group Balance Sheet

Currency: GBPm				
		Dec23	Dec22	% change
<b>Non-current assets</b>	<b>1</b>	32.2	32.9	(2.1%)
Goodwill and intangible assets		18.8	19.3	(2.5%)
Other non-current assets		13.4	13.6	(1.4%)
<b>Current assets</b>		6.8	7.4	(8.5%)
Inventories		1.0	1.0	5.3%
Trade and other receivables	<b>2</b>	3.9	2.7	42.6%
Cash and cash equivalents	<b>3</b>	1.9	3.7	(49.3%)
<b>Total assets</b>		39.0	40.3	(3.3%)
<b>Current liabilities</b>		(16.6)	(8.2)	103.3%
Trade and other payables	<b>4</b>	(6.7)	(5.3)	24.6%
Lease liabilities	<b>5</b>	(2.9)	(2.8)	2.4%
Borrowings	<b>6</b>	(7.1)	-	100.0%
<b>Non-current liabilities</b>		(6.6)	(13.0)	(49.2%)
Lease liabilities	<b>5</b>	(6.0)	(5.7)	6.0%
Deferred tax		(0.6)	(0.5)	8.7%
Borrowings	<b>6</b>	-	(6.8)	(100.0%)
<b>Total liabilities</b>		(23.2)	(21.1)	9.8%
<b>Total equity</b>		15.8	19.1	(17.7%)

- 1. Non-current assets** balance is broadly stable as at Dec23 compared to Dec22 with a (2.1)% decrease due to depreciation charged for the period.
- 2. Trade and other receivables** increase was mainly driven by VAT receivables increase of Dominion S.A.
- 3. Cash and cash equivalents** decrease is due to cash outflows for a number of different strategic and operational projects.
- 4. Trade and other payables** increase is mainly due to accrued expenses and dismantling provision.
- 5. Lease liabilities** (current and non-current IFRS 16 lease liabilities) increase is due to annual indexation of payments for store rent agreements.
- 6. Borrowings** represent a shareholder loan from Malaccan Holdings. An increase is mainly due to accrued interests for the period. In April 2024, the Group has agreed an extension of loan till 30 June 2025 and made a partial repayment (£4.0 million) of outstanding Loan Notes from the proceeds raised during fundraise.



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**POLAND**

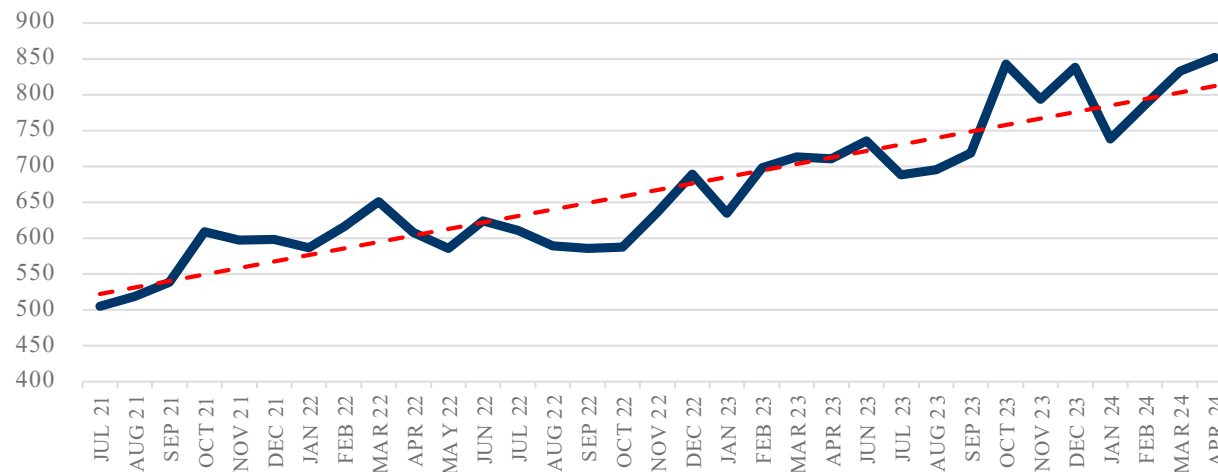




# DOMINO'S POLAND - THE NUMBERS TELL THE STORY

## OPERATIONAL EXCELLENCE PAYS OFF

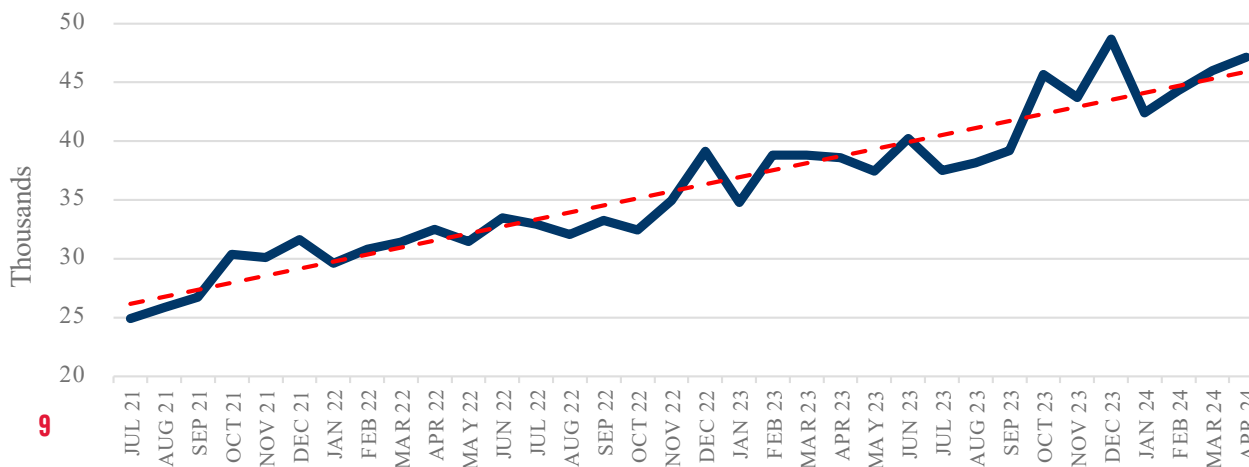
### AVERAGE WEEKLY ORDER COUNT



### AWOC

- Order counts continue to grow. Improving the unit economics
- FY 2023 AWOC of 731 (+19.0% YoY)
- YTD APR'24 AWOC 802

### AVERAGE WEEKLY SALES (KPLN)



### System Sales

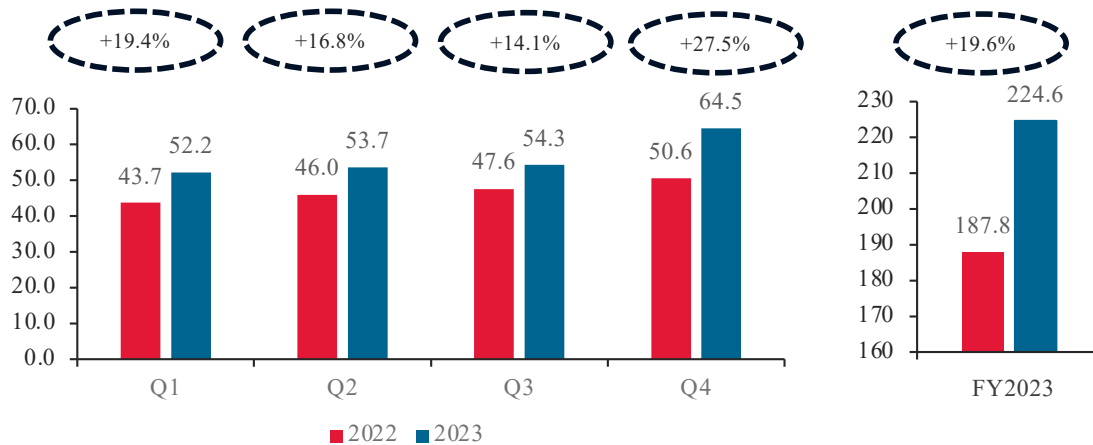
- Sales grow together with orders
- System Sales grew by 19.7% in 2023 YoY
- YTD April System Sales 19.4% YoY
- YTD April Order Count 16.7% YoY
- LFL YTD April System Sales +19.9% YoY
- LFL YTD April Order Count +17.0% YoY



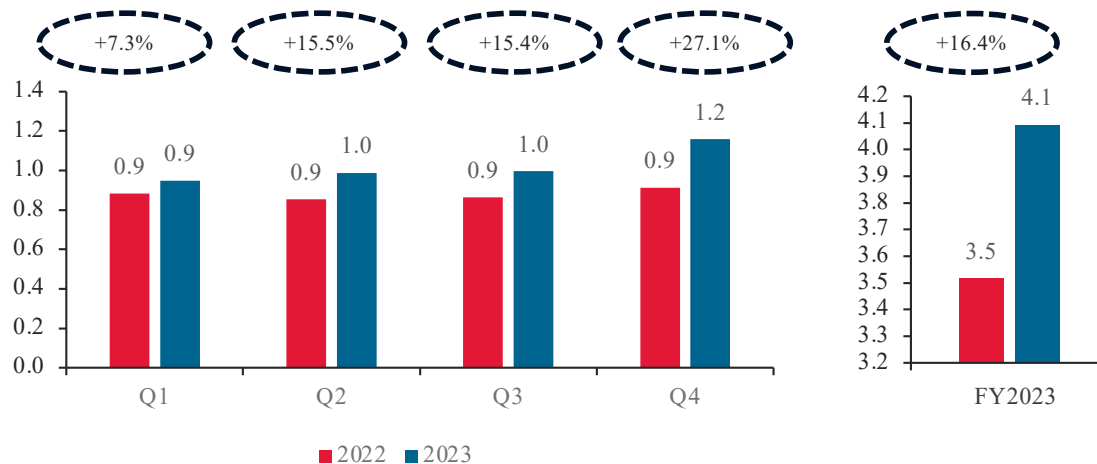
# STRONG POLAND LFL TRADING THROUGH 2023

THE RESULT OF CONSUMER FOCUS AND HIGH-VOLUME MENTALITY

## LFL SYSTEM SALES (PLNM) - POLAND



## LFL SYSTEM ORDERS (IN MIO) - POLAND



An increase of LFL System Sales is mainly driven by:

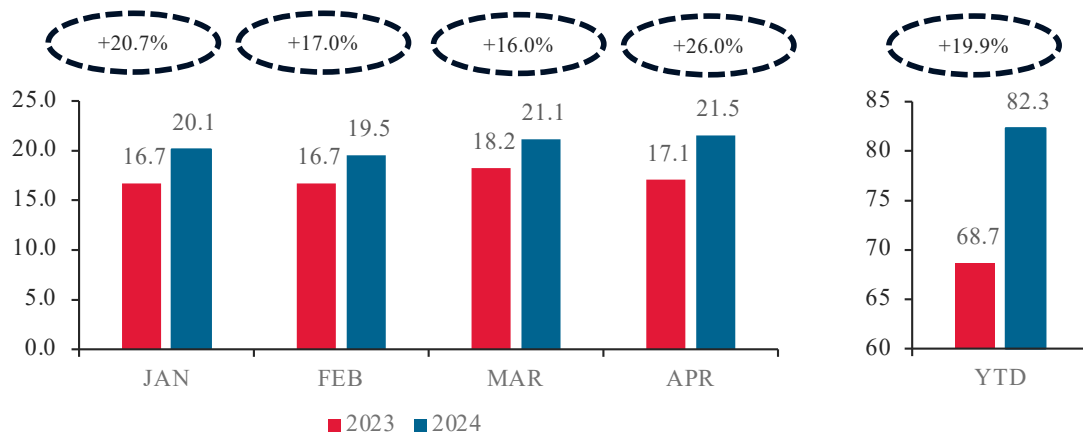
- Our high-volume mentality has been the main driver in increasing our weekly order counts
- Quicker delivery times are boosting customer satisfaction and fostering greater customer loyalty through increased repeat business
- Focus on digital ordering continues to drive revenue growth (already 92% delivery orders placed digitally)
- Growing consumer base – up 24.9% YoY



# MOMENTUM CONTINUES IN 2024

OUR HARD WORK IS PAYING OFF

## LFL SYSTEM SALES (PLNM) - POLAND



## LFL SYSTEM ORDERS (IN MIO) - POLAND



An increase of LFL System Sales is mainly driven by:

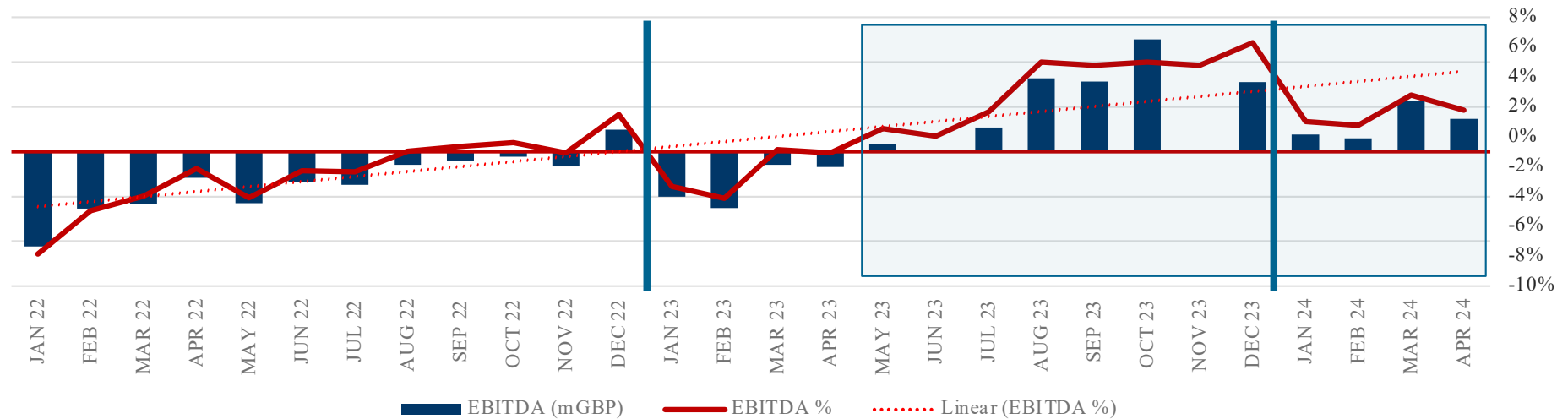
- Constant Focus on operational excellence.
- Keeping delivery times around 25 min during winter
- New product development is increasing customer order frequency, and improving basket size. We launched several new desserts, such as our Kitkat Calzone, and Sweet Rolls with Raspberry and Chocolate



# STORE ECONOMICS CONSISTENTLY IMPROVING

## CASH PRODUCTION STILL LIMITED

### POLAND - STORE EBITDA DEVELOPMENT



\* Unaudited numbers

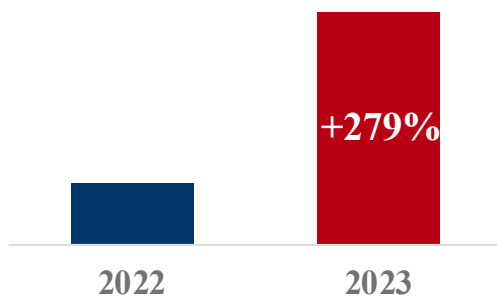
- Store profitability has shown a consistent upward trend over the past 24 months, tracking a positive linear since May 2023
- Unit economics continue to improve, as revenue has surpassed the break-even threshold
- Cost optimisation projects have driven labour and food benefits



# IMPROVED CUSTOMER SATISFACTION

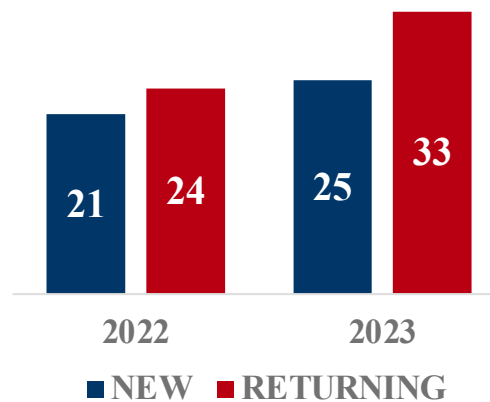
## HIGHER CUSTOMER RETENTION

### MOBILE APP INSTALLATIONS\*



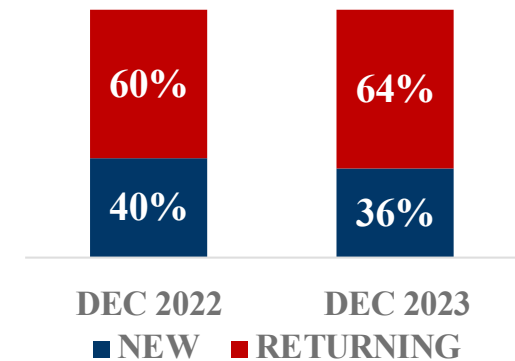
- 92% of delivery orders now placed digitally
- The rise in mobile app installations is fostering greater customer loyalty

### NET PROMOTER SCORE



- Increasing the value proposition to customers with faster delivery times and improved pizza quality is resulting in higher NPS scores
- Improvements across new (+19%) and returning customers (+37%)

### CONSUMER BASE



- Consistency in product, service and image is growing our consumer base, and order frequency





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# CROATIA



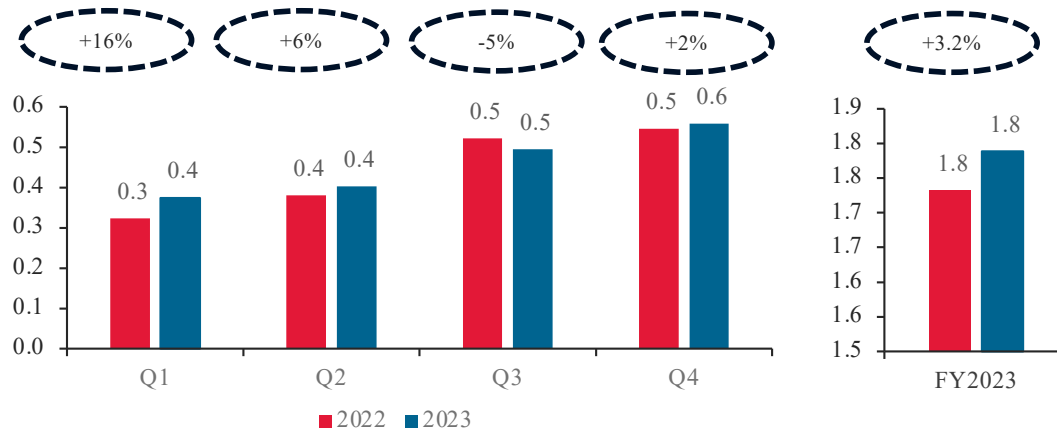
# CROATIA

## STRONG STORE PROFITABILITY FROM THE OUTSET

### TOTAL SYSTEM SALES (EURM)



### LFL SYSTEM SALES (EURM)



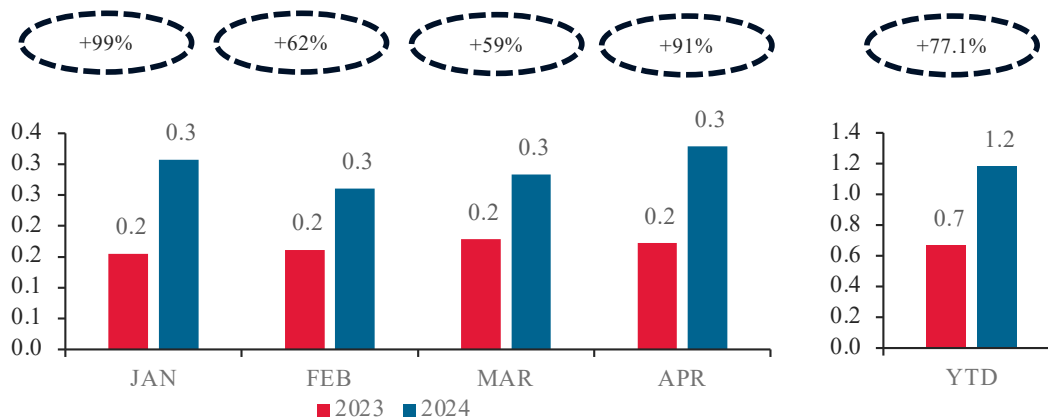
- **Acquired in June 2022**, started by Nils & Andrew in July 2020
- LFL sales expected to continue to grow, as the brand becomes more recognised in the market
- **Running 5 profitable restaurants at the end of 2023** (2 outlets added in 2023)
- Building a strong business in Zagreb to kick start sub-franchising, first franchised store expected in Q4 2024/ Q1 2025



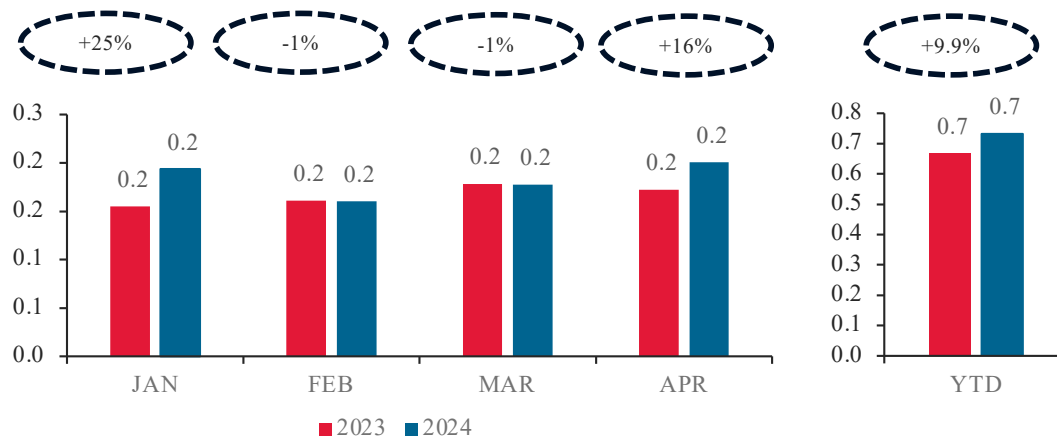
# MOMENTUM CONTINUES IN 2024

## ROBUST LFL SYSTEM SALES

### TOTAL SYSTEM SALES (EURM)



### LFL SYSTEM SALES (EURM)



- Concentrating on operational excellence to outpace newcomers to the market (Dodo and PizzaHut) and deliver best-in-class offering
- Growing LFL topline almost 10%, despite competition entering the market
- Stuffed crust was introduced to the market, contributing to the strong sales results
- Continue to search for new locations outside Zagreb to increase store network density
- Revenue will continue to increase, as store 6 and 7 open in Q4 2024 / Q1 2025



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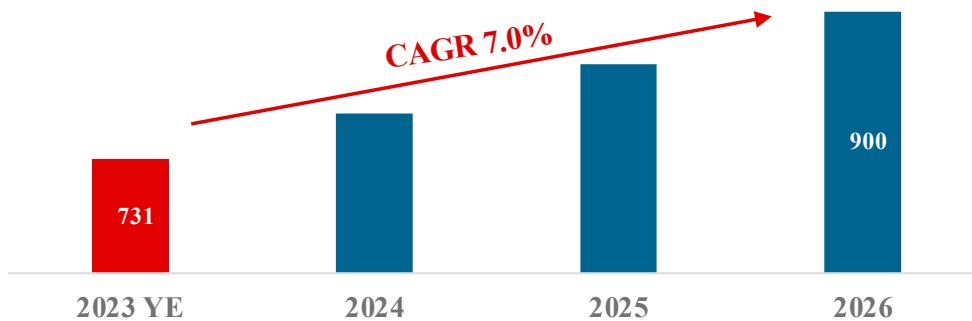
# BUSINESS EXPANSION



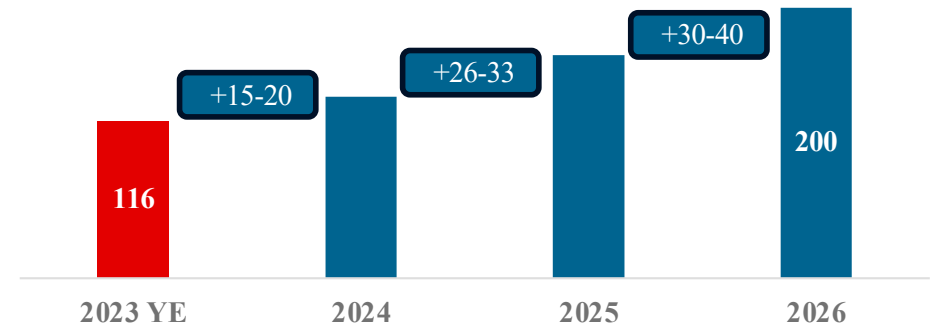
# REACH 200 STORES IN 3 YEARS IN POLAND AND CROATIA

AND CHALLENGE NO.1 POSITION IN THE MARKET

## AWOC

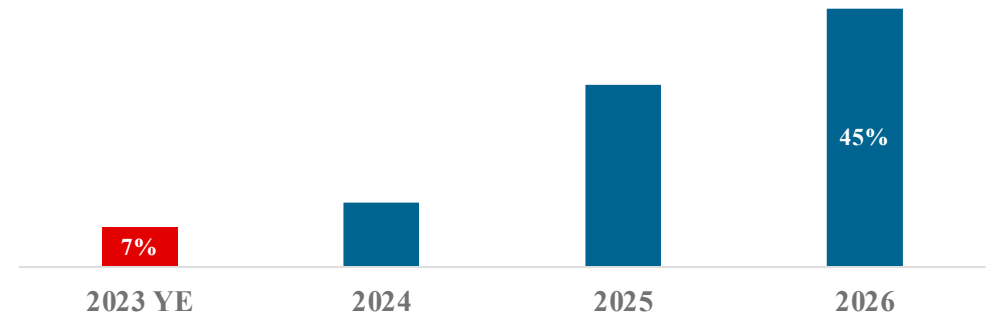


## NO OF STORES



- Goal to replicate the success of Domino's in other markets
- Concentrating on big cities to build leadership position while expanding
- As stores grow faster, store territories will be split
- Increasing sales and profitability are key to the franchise roll out

## FRANCHISE SHARE





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# STORE OPENINGS AND NETWORK UPGRADE

## SPEEDING UP NEW STORE OPENINGS AND REFURBISHMENT PROCESSES

**35 NEW STORES IN  
POLAND AND 2 IN  
CROATIA CURRENTLY  
IN REVIEW**

- 1 store opened (Wroclaw)
- 7 rent contracts signed (openings Q3/ Q4)
- 5 locations in feasibility study
- 17 locations in the pipeline for full evaluation
- 5 locations earmarked for 2025 in new developments
- 2 locations for Croatia in planning (expected to open Q4 2024)

**6 STORE  
REFURBISHMENTS**

- 1 store refurbishment finished in Q2
- 2 store refurbishments planned for Q3
- 3 store refurbishments planned for Q4

We are also actively searching for acquisitions to speed the growth up even further



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# BACK OFFICE AND SUPPLY CHAIN PREPARING FOR INCREASED VOLUME

## COMMISSARY UPGRADE AND FOCUS ON EFFICIENT PROCESSES

**ON THE WAY TO  
DOUBLE  
COMMISSARY  
CAPACITY**

**OPTIMIZATION OF  
PROCESSES**

**REDUCED DEBT BY  
CA.60%**

- Investment in silos in Lodz (ready for operations in July 2024)
- Lodz commissary increase of production capacity (new equipment) – available Q3 2024
- Works on whitespace increase in WAW commissary (Q3 2024)
- Automated order placing from aggregators (May 2024)
- Cash collection optimization (new system, new process)
- Automated employee contract warehouse development
- Partial pay off of Malaccan debt (4.0m GBP in April 2024)



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# SUMMARY

## BECOMING THE DOMINANT QSR IN POLAND AND CROATIA

- YTD LFL again ca. 20% YoY
- Growth trend continues both top line and EBITDA
- Focus on product quality, service and brand image continues to drive higher customer satisfaction and LFL sales
- Store economics continue to improve as Average Weekly Order Count surpasses 800
- Organic store rollout and store refurbishments on course to meet targets
- Partial pay off of Malaccan debt (4mio GBP) at the end of April 2024



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# APPENDIX



# MANAGEMENT TEAM & BOARD

## STRENGTHENED BOARD WITH PRIOR DOMINO'S EXPERIENCE

### EXECUTIVE DIRECTORS

#### **Nils Gornall - CEO**

Appointed August 2022

- 28 years of operational experience at Domino's Pizza, working with Andrew Rennie since 1994.
- Previously owned 23 stores in Australia, including 5 of the top 10 stores.
- Numerous awards for national store manager and franchisee of the year.
- Opened Domino's in the Croatian market in July 2020

#### **Edward Kacyrz - CFO**

Joined December 2022

- Chartered Accountant with 18 years of experience.
- Has held a number of financial, strategy and management roles.
- Most recently at Smyk, Poland's leading toy and children's retailer.
- Prior roles at Mars, Levi Strauss and Kimberly Clark in Poland.

### NON-EXECUTIVE DIRECTORS

#### **David Wild - Chairman**

Appointed January 2023

- Domino's Pizza Group CEO from 2014-2020.
- Ex-CEO of Halfords plc.
- Previously a senior executive at Tesco PLC.
- Prior experience in Poland.

#### **Jeremy Dibb - NED**

Appointed January 2022

- Chartered Accountant with 20 years' experience in finance, investor relations & corporate development.

#### **Przemyslaw Glebocki - NED**

Appointed January 2021

- 20 years of experience in private equity and corporate finance.
- Managing Partner and Chief Investment Officer at Accession Capital Partners, DP Poland's largest shareholder.

#### **Jakub Chechelski - NED**

Appointed January 2021

- Investment Director of ACP with 15 years of experience in corporate finance and private equity.

#### **Stoffel Thijs – NED**

Appointed January 2024

- 26 years with Domino's
- CEO of Domino's Pizza in Germany 2018 – 2023
- Ex-executive of Domino's France and Domino's Pizza in the Netherlands.
- Since Feb 2024 – Director of Joint Ventures and Real Estates at Domino's Pizza Group, UK,
- Nominated DPP board member by DPG

