



# Shakey's Pizza Asia Ventures, Inc.

PIZZA 1Q2022  
RESULTS PRESENTATION  
May 2022



# Latest Financial Performance





# 1Q 2022 Financial Results Highlights

**1Q**  
Growth  
year-on-year

**SYSTEMWIDE  
SALES**

**+ 33%**

**EBITDA**

**+ 22%**

**NET  
INCOME**

**2.7x**

**STORE  
NETWORK**

**+5**

**REPORTED  
RESULTS**

Php million

**2,219**

Php million

**293**

Php million

**76**

**321**

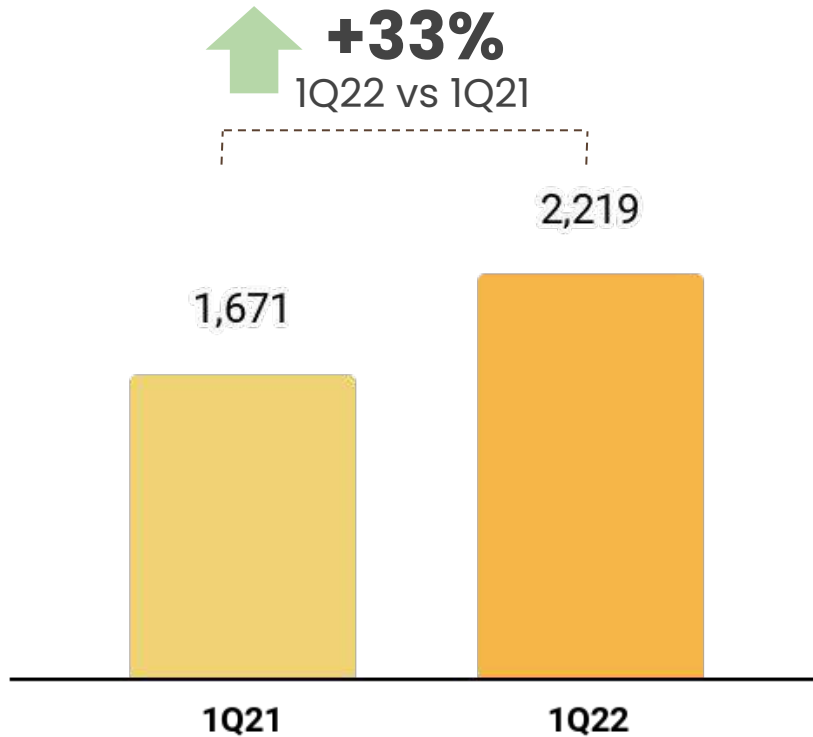
\* Financial metrics are reported on a year-on-year basis and are reported in Php millions as applicable

\*\* Store network excludes Potato Corner

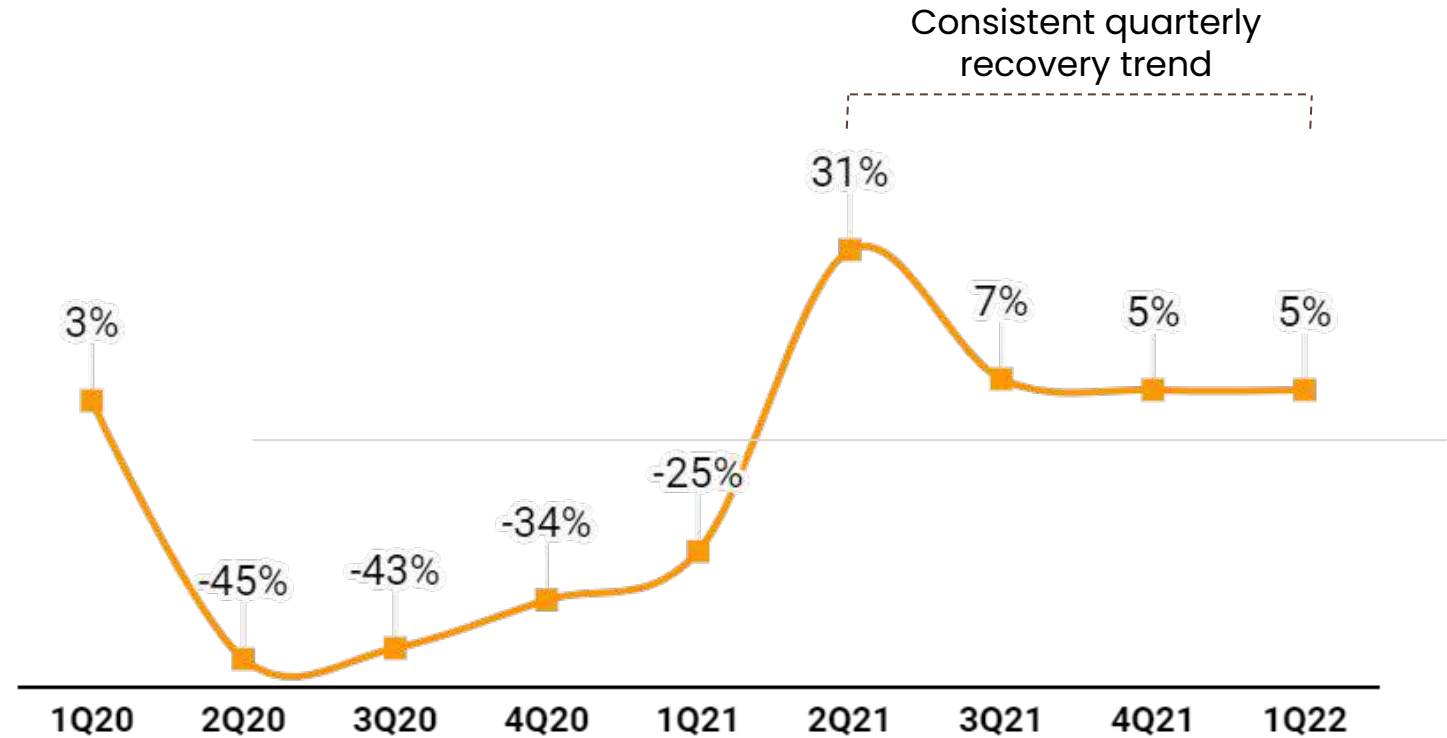
# Robust Systemwide Sales Performance

## 1Q22 Systemwide Sales (SWS)

in PHP M



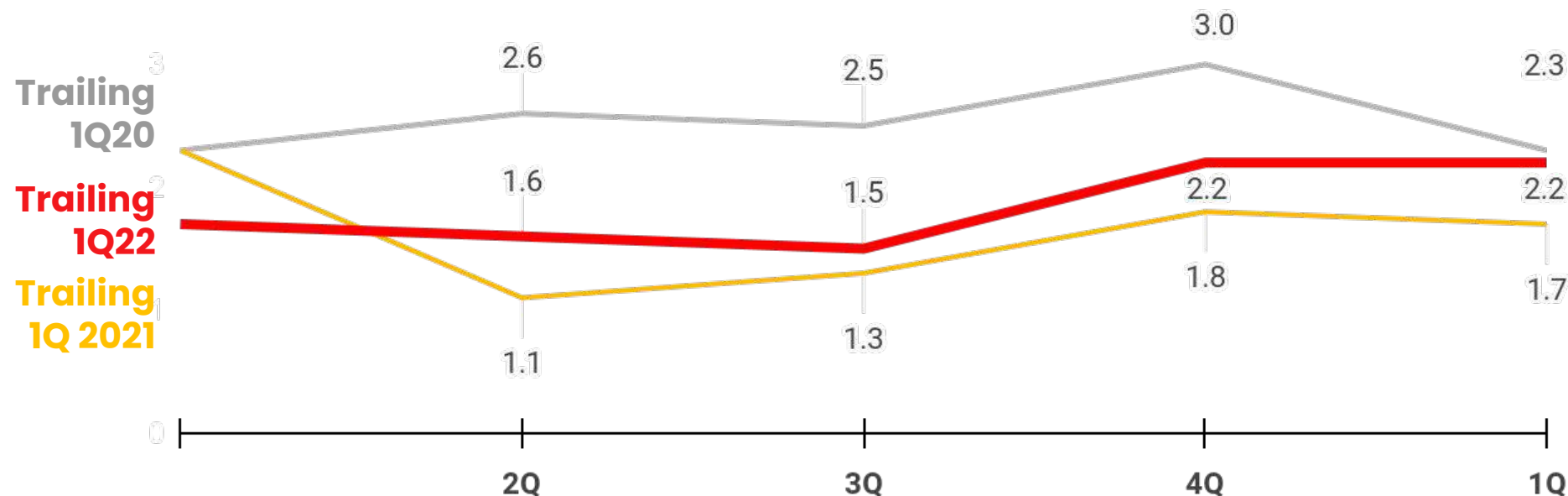
## Quarterly Same Store Sales Growth (SSSG)



- **1Q22 Systemwide sales growth** year-on-year driven by the easing of dine-in restrictions and the addition of Potato Corner in March 2022
- Metro Manila placed under **Alert level 1 in March**; 100% dining capacity was allowed
- Trailing **quarterly SSSG trend reflects a consistent, healthy recovery** from 2020 lows

# Comparative Quarterly Systemwide Sales

Quarterly Systemwide Sales (in PHP B)



**+33% SWS Growth**  
1Q22 vs 1Q21

**95% SWS Recovery**  
1Q22 vs 1Q19

## TRAILING 1Q 2022 QUARANTINE STATUS

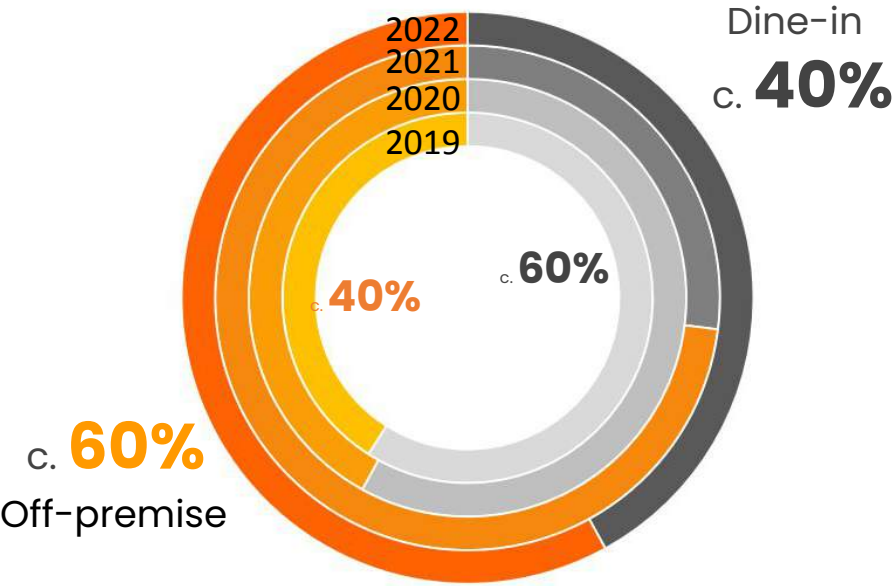


## TRAILING 1Q 2022 DINE-IN STATUS

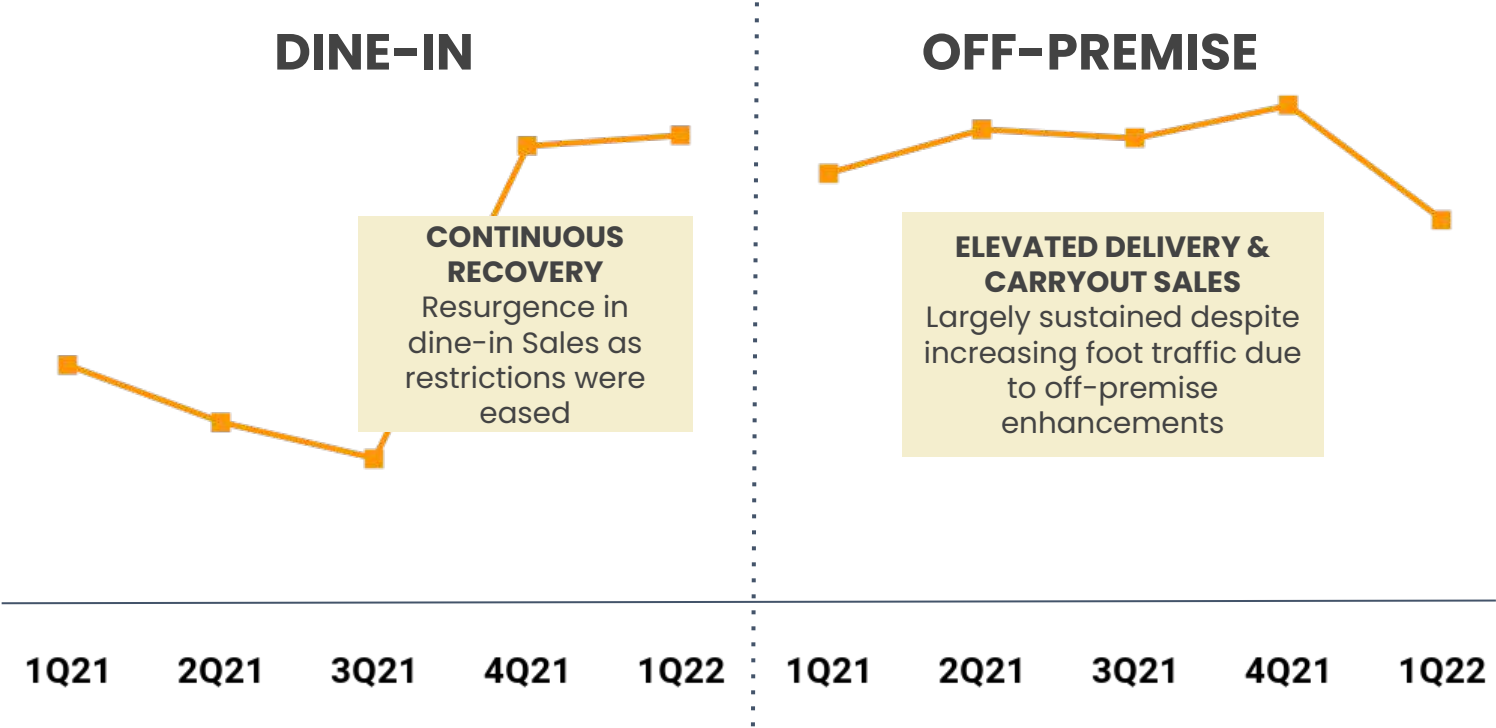


# Resurgence in Dine-In Channel as restrictions were eased in 1Q 2022

1Q Comparative Channel Split



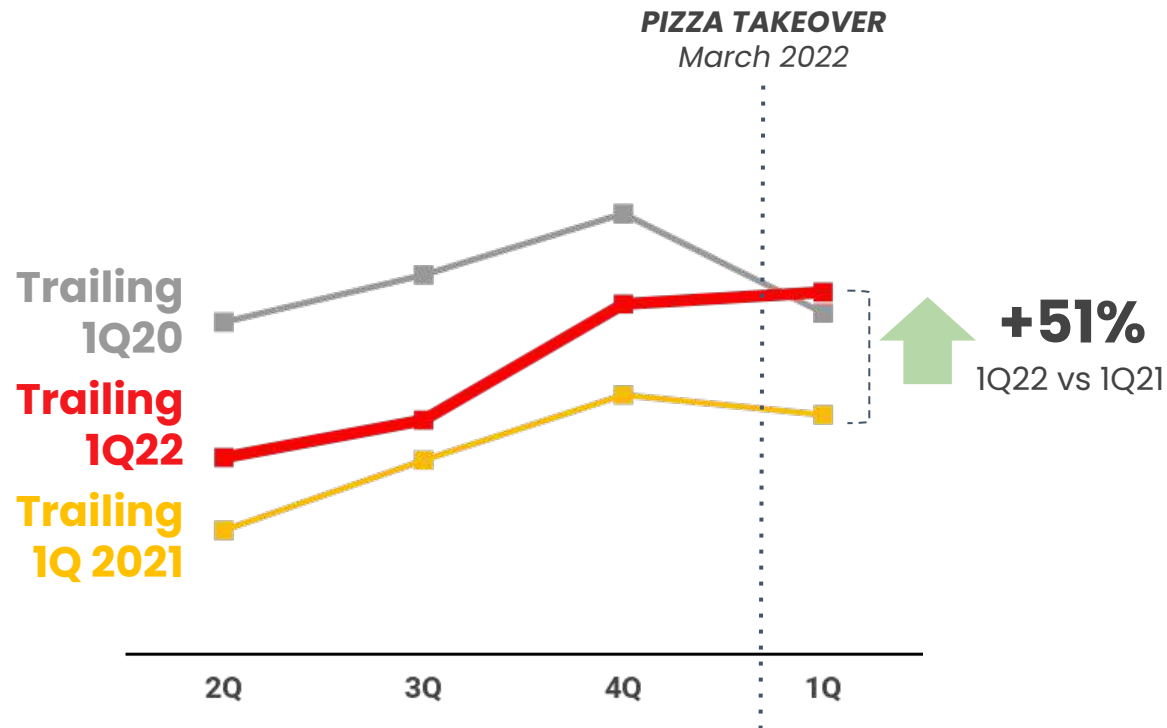
Quarterly Channel SWS Trajectory



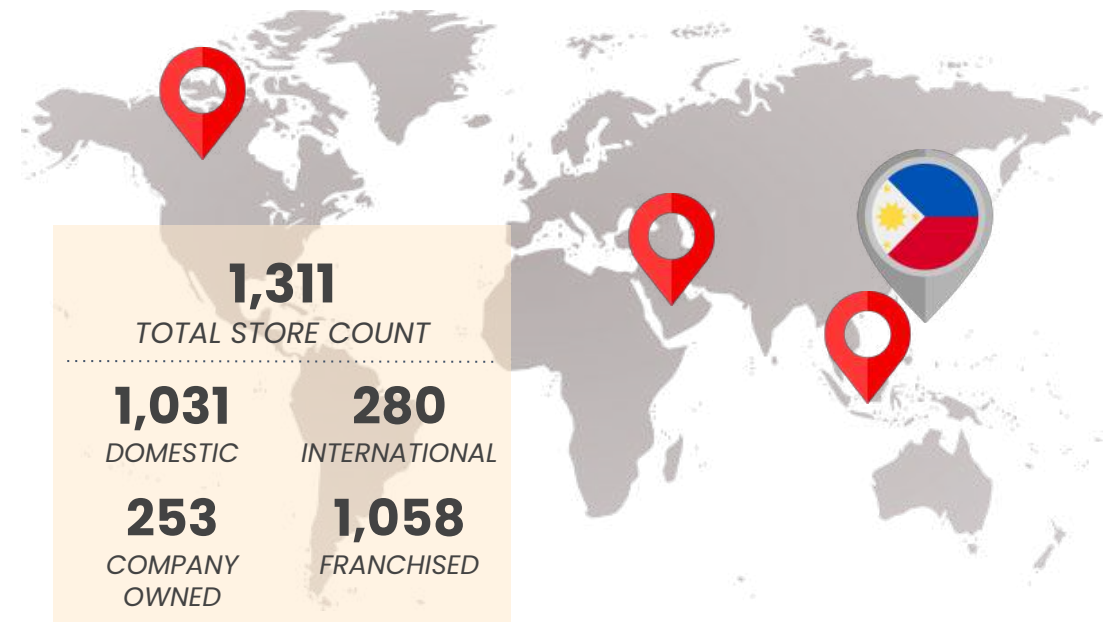
- **Strong dine-in recovery** due to easing of restrictions in 1Q drove which resulted in foot traffic improvement
- **Delivery and carryout were largely sustained** despite dine-in recovery due to investments in delivery and carryout channel

# Systemwide Sales boosted by the integration of Potato Corner

## PC Quarterly Systemwide Sales



## PC Store Network 1Q22



- Potato Corner was **integrated into PIZZA's portfolio in March 2022**
- **1Q22 PC SWS at 106% of 1Q20 SWS**, benefitting from improved foot traffic due to loosening restrictions

# 1Q 2022 Performance Highlights



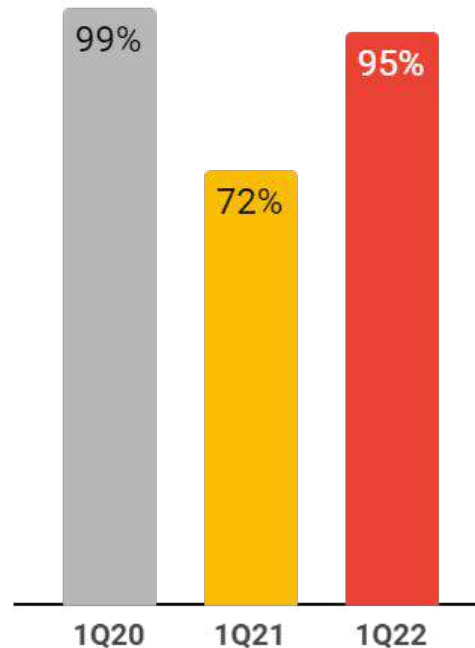
## STRONG DINE-IN RECOVERY + POTATO CORNER



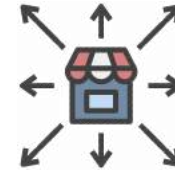
- SWS recovery improvement was driven by dine-in and the addition of PC
- Dine-in recovered in 1Q22 as restrictions were eased, despite the onset of Omicron in January
- Potato Corner was added to PIZZA's roster in March



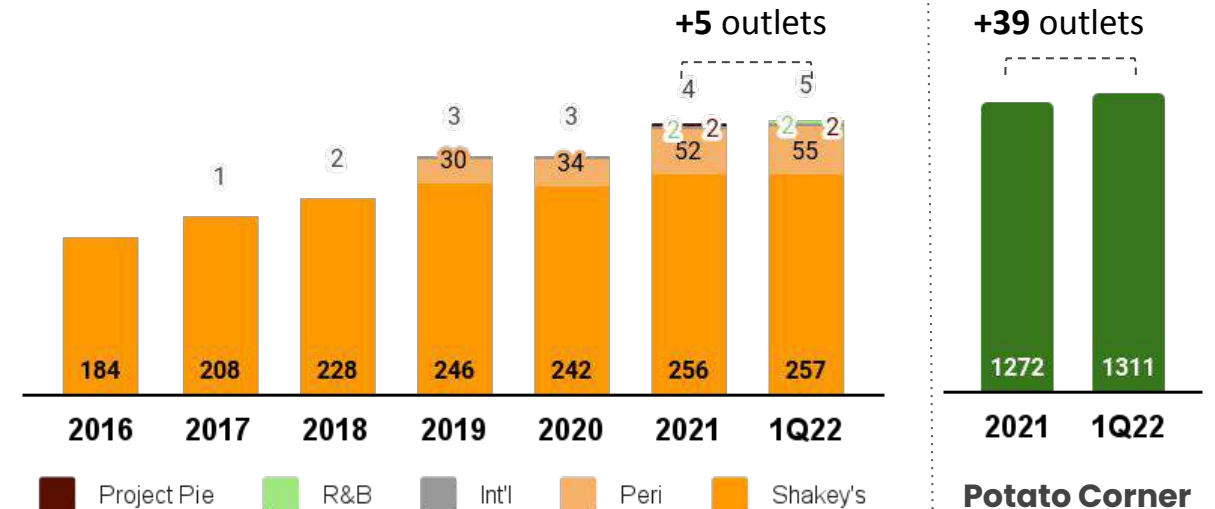
SWS RECOVERY vs 1Q19



## SUSTAINABLE STORE NETWORK EXPANSION



- Existing brands (Shakey's + Peri) opened 5 new stores – 4 company-owned and 1 franchised.
- Potato Corner opened 39 new outlets – 4 company-owned and 35 franchised



Shakey's Singapore  
5th International Store



THAILAND



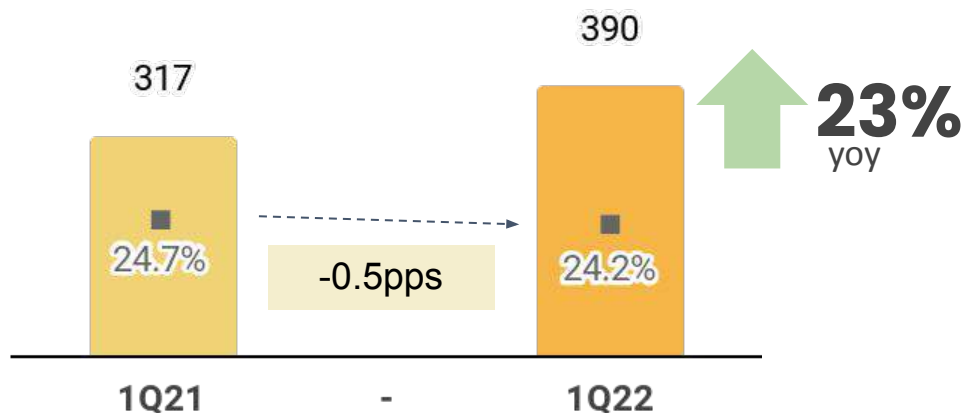
CHINA



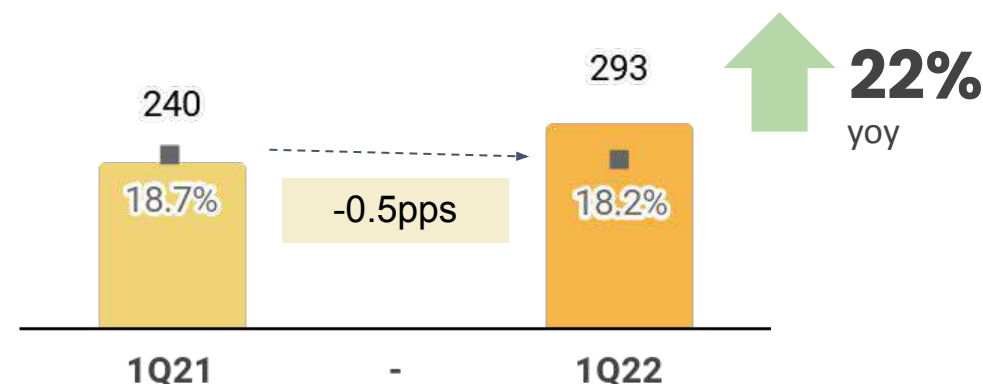
# Healthy 1Q 2022 profitability with resilient margins



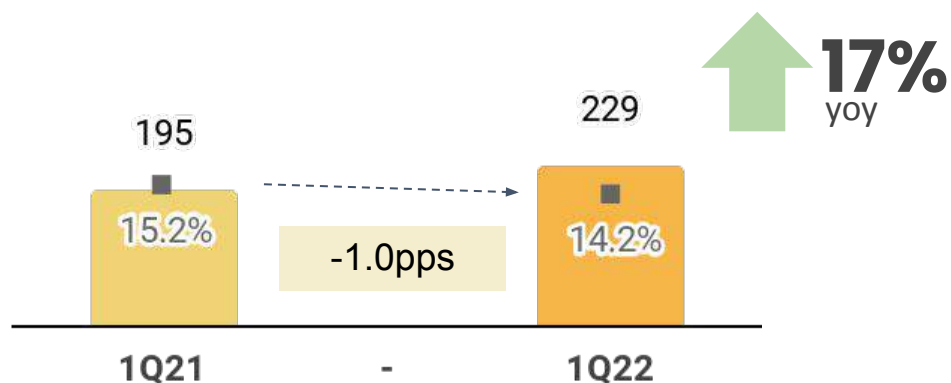
## Gross Profit\* and Gross Margin



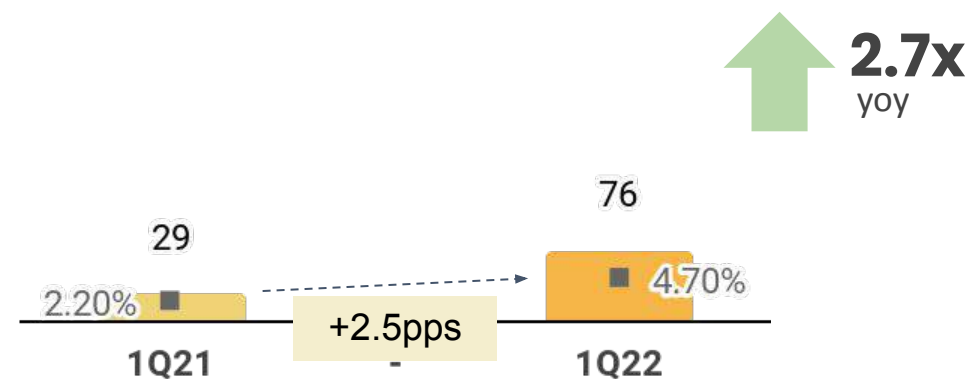
## EBITDA\* & EBITDA Margin



## Opex\* & Opex as % of Sales



## Net Income\* & Net Margin



- 1Q 2022 gross margin softened year-on-year due to the **general rise in input prices**, offset by the impact of the roll-out of **store cost improvement and menu optimization initiatives**
- Given operating leverage, **higher 1Q 2022 topline significantly improved recovery of OPEX, interest & corporate fixed costs** versus 1Q 2021 performance

# Outlook



# Purposefully building a portfolio of WOW Brands with strong equity and industry-leading margins



## NEW GROWTH PILLAR

Unlocking global opportunities  
Leader in Flavored Fries & Kiosks



## EMERGING BRANDS

Exciting concepts  
to future-proof growth



ONE OF THE LEADING MILK TEA BRANDS IN SINGAPORE

## RAPID EXPANSION

Strong Challenger  
in Roast Chicken Space



## CORE LEGACY BRAND

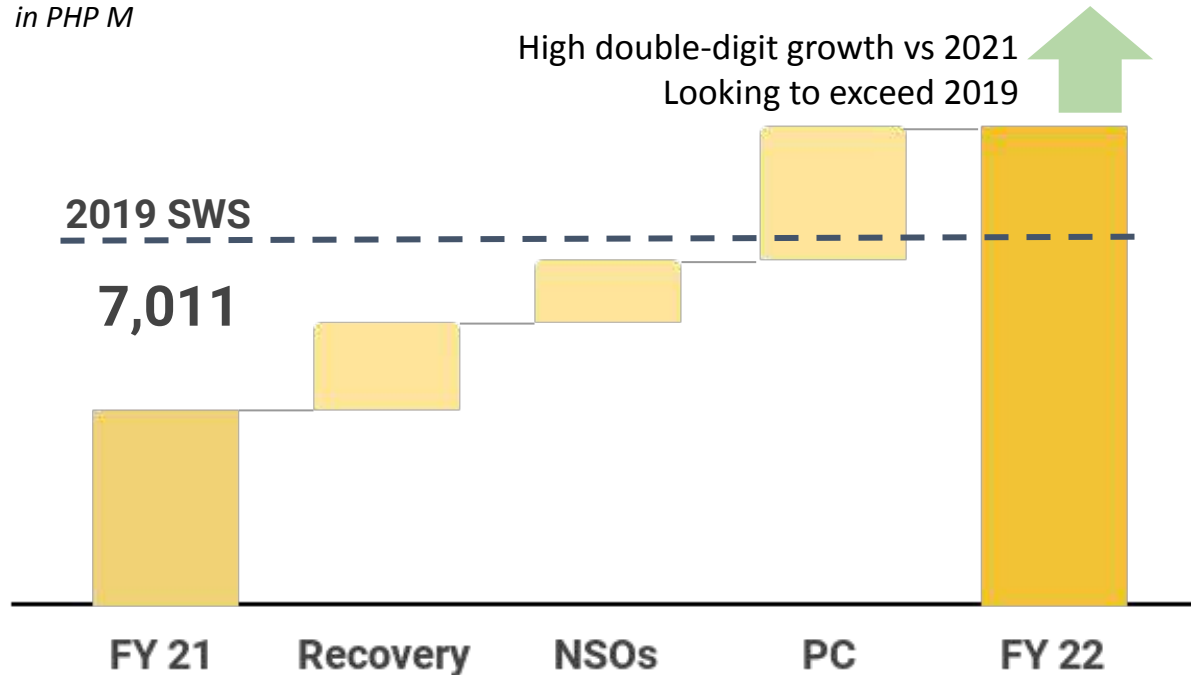
Stable cash generation  
Market Leader Position



# 2022 Outlook

## Topline Guidance

in PHP M



## Performance Drivers

### TAILWINDS

- Philippine Reopening: Easing of quarantine restrictions in light of improving COVID metrics
- Revenge spending leading to dine-in resurgence: Consumers are beginning to spend more and are coming back to our stores to dine-in larger groups

### HEADWINDS

- Rising inflation:
  - Higher input prices may impact profitability
  - higher commodity prices may curb demand & consumer spending
- COVID: New variants emerging in the West

## CAPEX Guidance

**HIGHEST CAPEX IN PIZZA HISTORY**  
Php 650 M in CAPEX investments for 2022 supporting store expansion plans (+42)

## Bottomline Guidance

Pursuing efficiencies, cost optimization to mitigate headwinds, maximize synergies with new brands  
Reach pre-pandemic profitability by 2023





**PLANS IN PLACE  
TO BUILD & SCALE  
OUR BRANDS**

**STRONG  
REOPENING PLAY  
FOR 2022 AND  
BEYOND**

**GROWTH  
MOMENTUM ON  
OUR SIDE**





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# Other Financials



# 1Q 2022 Summarized P&L

In PHP Mill	1Q 2019	1Q 2021	1Q 2022	Δ 2022 vs 2021
<b>Systemwide Sales</b>	<b>2,339</b>	<b>1,671</b>	<b>2,219</b>	<b>33%</b>
<b>Total Revenue</b>	<b>1,839</b>	<b>1,281</b>	<b>1,610</b>	<b>26%</b>
Cost of Sales	(1,325)	(965)	(1,220)	26%
<b>Gross Profit</b>	<b>514</b>	<b>317</b>	<b>390</b>	<b>23%</b>
Operating Expenses	(230)	(195)	(229)	17%
Operating Income	285	122	161	33%
<b>EBITDA</b>	<b>423</b>	<b>240</b>	<b>293</b>	<b>22%</b>
Interest Expense	(45)	(83)	(63)	(24%)
<b>Income before Tax</b>	<b>218</b>	<b>40</b>	<b>102</b>	<b>159%</b>
Income Tax Expense	(44)	(11)	(26)	143%
<b>Net Income</b>	<b>174</b>	<b>29</b>	<b>76</b>	<b>165%</b>
<b>Earnings per Share</b>	<b>0.11</b>	<b>0.02</b>	<b>0.05</b>	<b>141%</b>
<b>Margins</b>				
Gross Profit	28.0%	24.7%	24.2%	-0.5 pps
Operating Income	15.5%	9.5%	10.0%	0.5 pps
EBITDA	23.0%	18.7%	18.2%	-0.5 pps
Net Income	9.5%	2.2%	4.7%	2.5 pps

- **Higher systemwide sales** year-on-year as 1Q22 improved by 33%, driven by **dine-in recovery and the inclusion of PC performance**
- **Store expansion strategy in full swing** with the net addition of 5 stores and 39 PC kiosks in 1Q 2022
- **Dine-in posted a double-digit sales growth**, partially offsetting the softening of off-premise

- **Gross margin remained fairly constant** amid rising input prices
- Change in gross margin **trickled down to EBITDA margin**
- **Net margin improved** with the help of lower interest rates and effective income tax rate



# 1Q 2022 Summarized Balance Sheet

In PHP Mill	FY 2021	1Q 2022	In PHP Mill	FY 2021	1Q 2022
Cash	485	531	Trade Payable and Others	1,081	1,181
Receivables	724	862	Short-Term Debt	48	548
Other Current Assets	920	717	<b>Total Current Liabilities</b>	<b>1,129</b>	<b>1,729</b>
<b>Total Current Assets</b>	<b>2,130</b>	<b>2,110</b>	Long-Term Debt	3,693	5,293
Property, Plant, and Equipment	1,374	1,463	Other Non-Current Liabilities	1,632	1,574
Intangible Assets	7,034	7,031	<b>Total Non-Current Liabilities</b>	<b>5,325</b>	<b>6,867</b>
Other Non-Current Assets	2,097	4,248	<b>TOTAL LIABILITIES</b>	<b>6,454</b>	<b>8,595</b>
<b>Total Non-Current Assets</b>	<b>10,505</b>	<b>12,742</b>	<b>TOTAL EQUITY</b>	<b>6,181</b>	<b>6,257</b>
<b>TOTAL ASSETS</b>	<b>12,635</b>	<b>14,852</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>12,635</b>	<b>14,852</b>

- Increase in cash mainly driven by **strong cash flows from operations**
- Long-term loan of PHP5.2 billion all **peso-denominated with fixed interest rates**

# 1Q 2022 Summarized Cash Flows

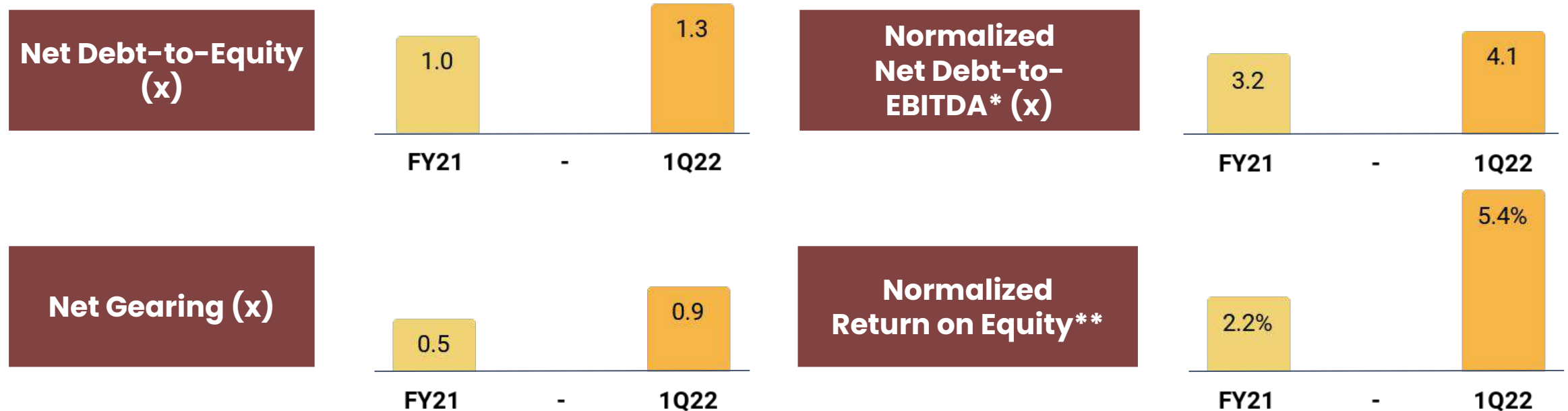
In PHP Mill	1Q 2021	1Q 2022
Income before Income Tax	40	102
Depreciation and Amortization	118	128
Changes in Working Capital	(27)	(132)
Others	95	62
<b>Net Operating Cash Flow</b>	<b>225</b>	<b>161</b>
Capital Expenditures	(48)	(166)
Other Investments	144	(1,957)
<b>Net Investing Cash Flow</b>	<b>95</b>	<b>(2,123)</b>
Proceeds from (Payment of) Loan	(300)	2,100
Payment of Interest	(56)	(42)
Others	(53)	(50)
<b>Net Financing Cash Flow</b>	<b>(409)</b>	<b>2,008</b>
Beginning Cash	608	485
<b>Change in Cash</b>	<b>(88)</b>	<b>46</b>
<b>Ending Cash</b>	<b>520</b>	<b>531</b>
<b>Free Cash Flow</b>	<b>177</b>	<b>(5)</b>

- Healthy **operating cash flow generation** following continued sales recovery and cost structure optimization

- Capex primarily for **investments in new stores**

- Php2.1 billion in loan proceeds to **cover investment requirements for the year**, including funding of the PC acquisition

# Financial Ratios

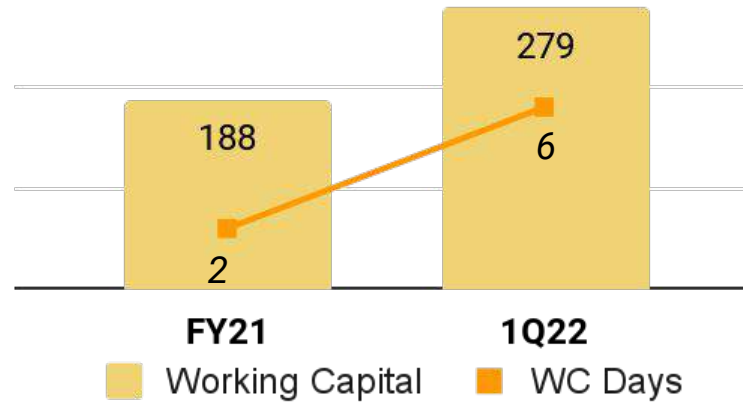


- **Movement in leverage ratios** following additional debt taken up in 1Q22
- Gearing ratios remain **compliant with debt covenants**
- PIZZA has **untapped credit facilities** capable of supporting operations and short payback investments

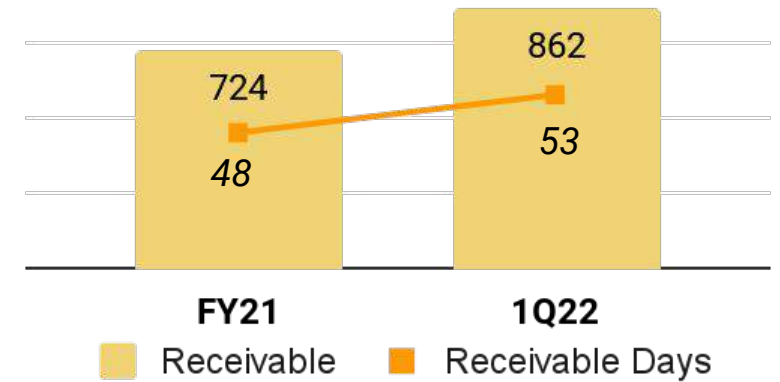
# Cash Conversion Cycle

- Increase in receivable days to **support franchisee partners**
- Higher inventory days to **build supply security** and avoid disruptions
- Higher payables due to **renegotiation**

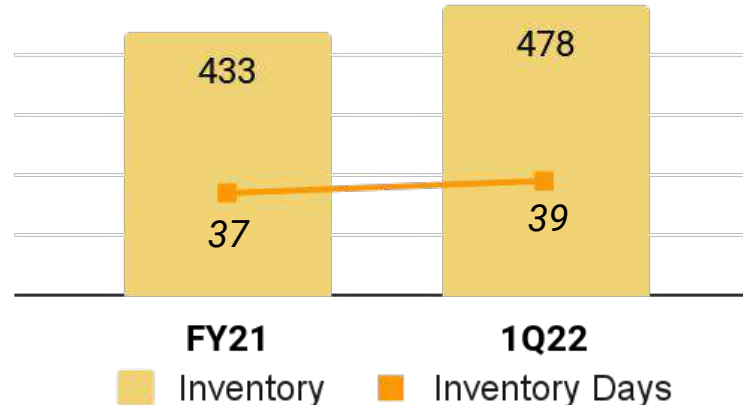
## WORKING CAPITAL



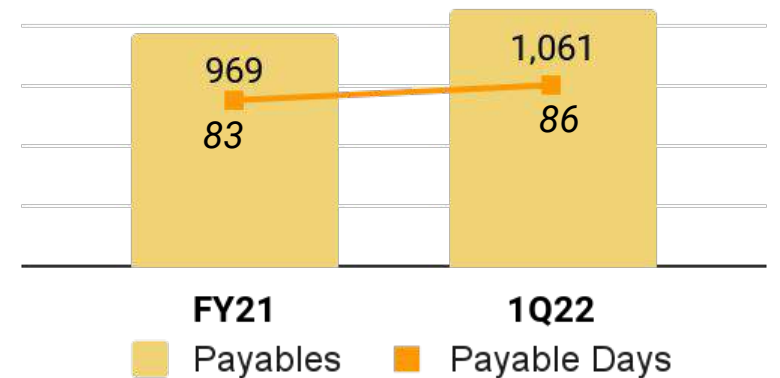
## RECEIVABLES



## INVENTORY



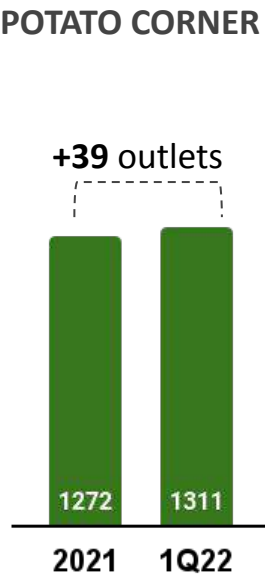
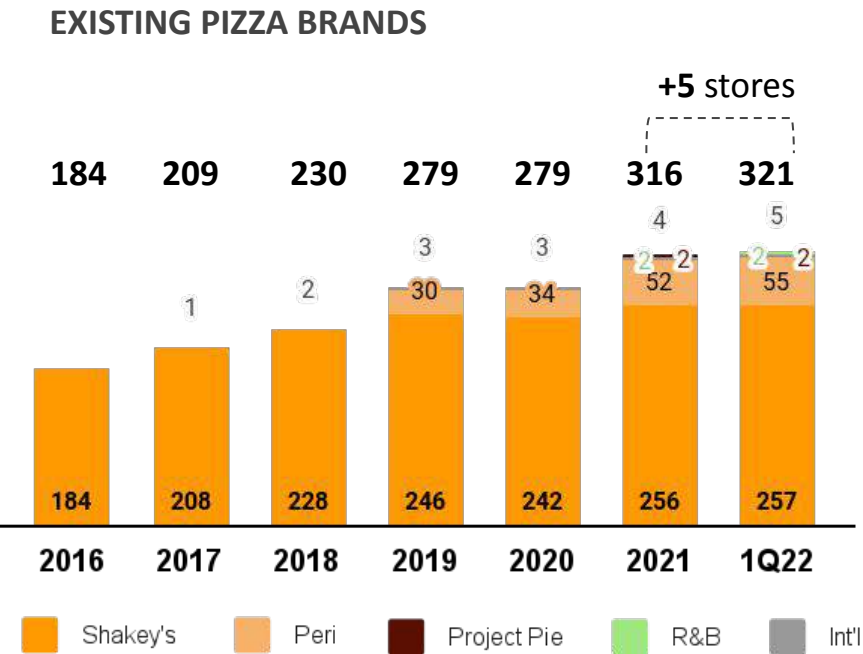
## PAYABLES



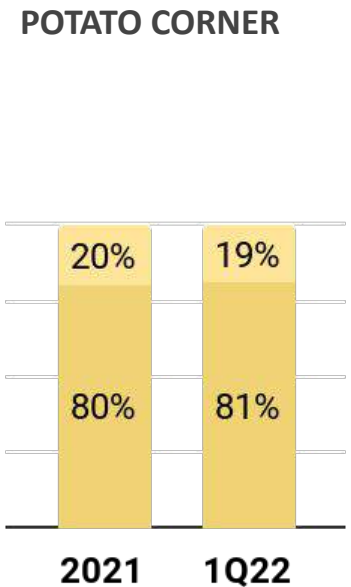
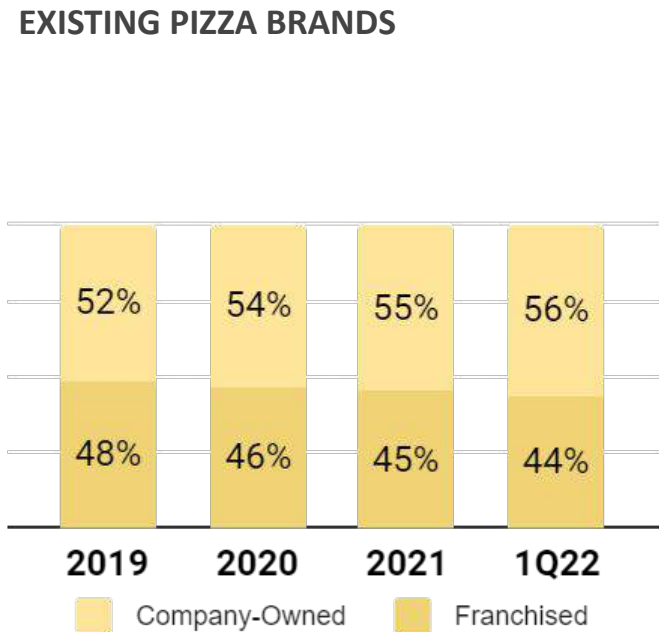


# Store Network Profile

STORE NETWORK BREAKDOWN, 2016 - 1Q22



STORE OWNERSHIP PROFILE, 31 MARCH 2022



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# WOW

## Serving you through Thick & Thin.

