

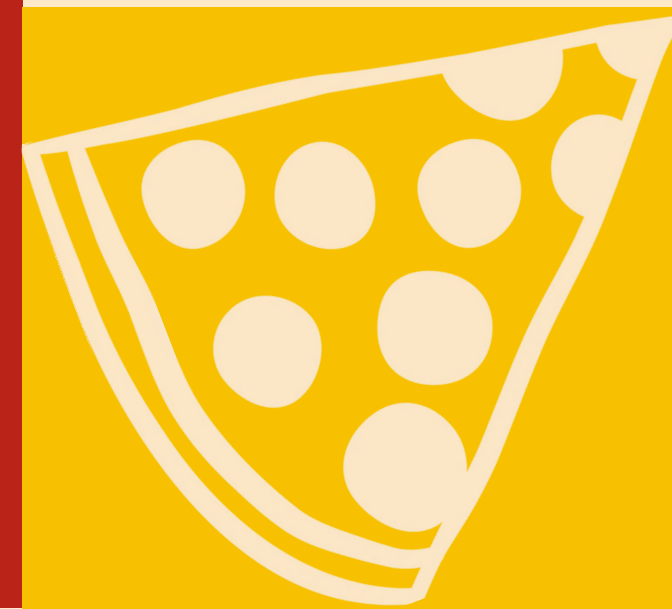
BOUNCING BACK & BEYOND



**SHAKEY'S PIZZA
ASIA VENTURES, INC.**

**PIZZA 1H22
EARNINGS PRESENTATION**

August 2022



LATEST FINANCIAL PERFORMANCE



1H 2022 Financial Results Highlights

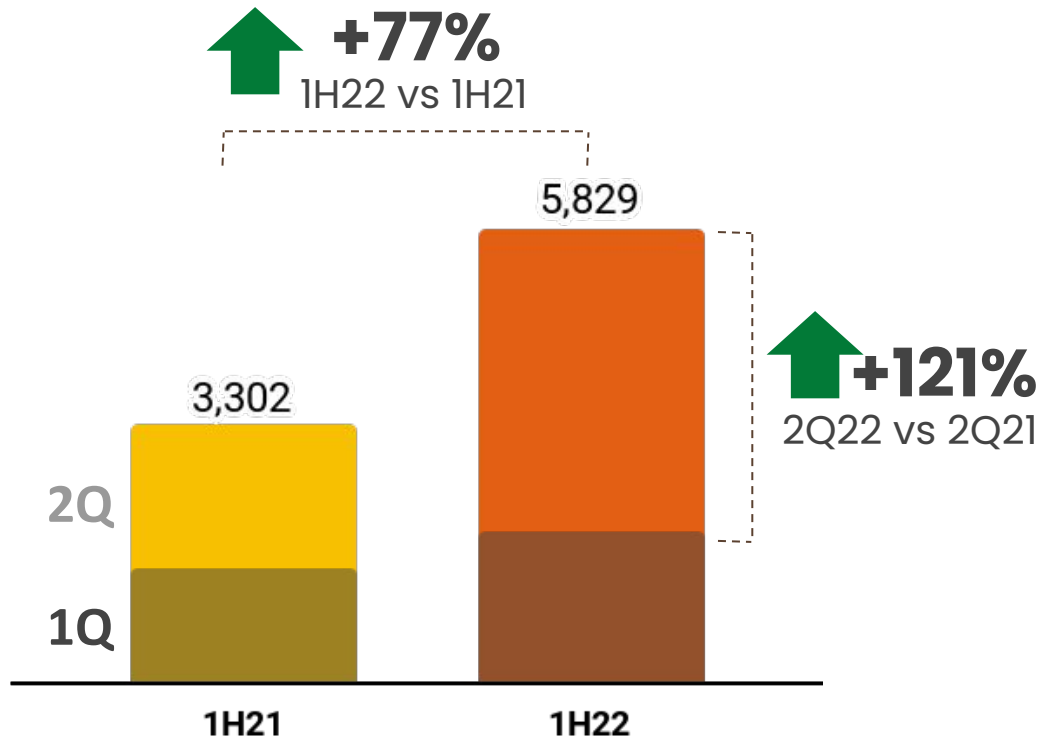
	SYSTEMWIDE SALES	GROSS MARGIN	EBITDA	NET INCOME
1H	+77% YoY	24.3% +210 bps YoY	+80% YoY	250M 18x YoY
2Q	+121% YoY	24.4% +470 bps YoY	+164% YoY	174M +189M YoY

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

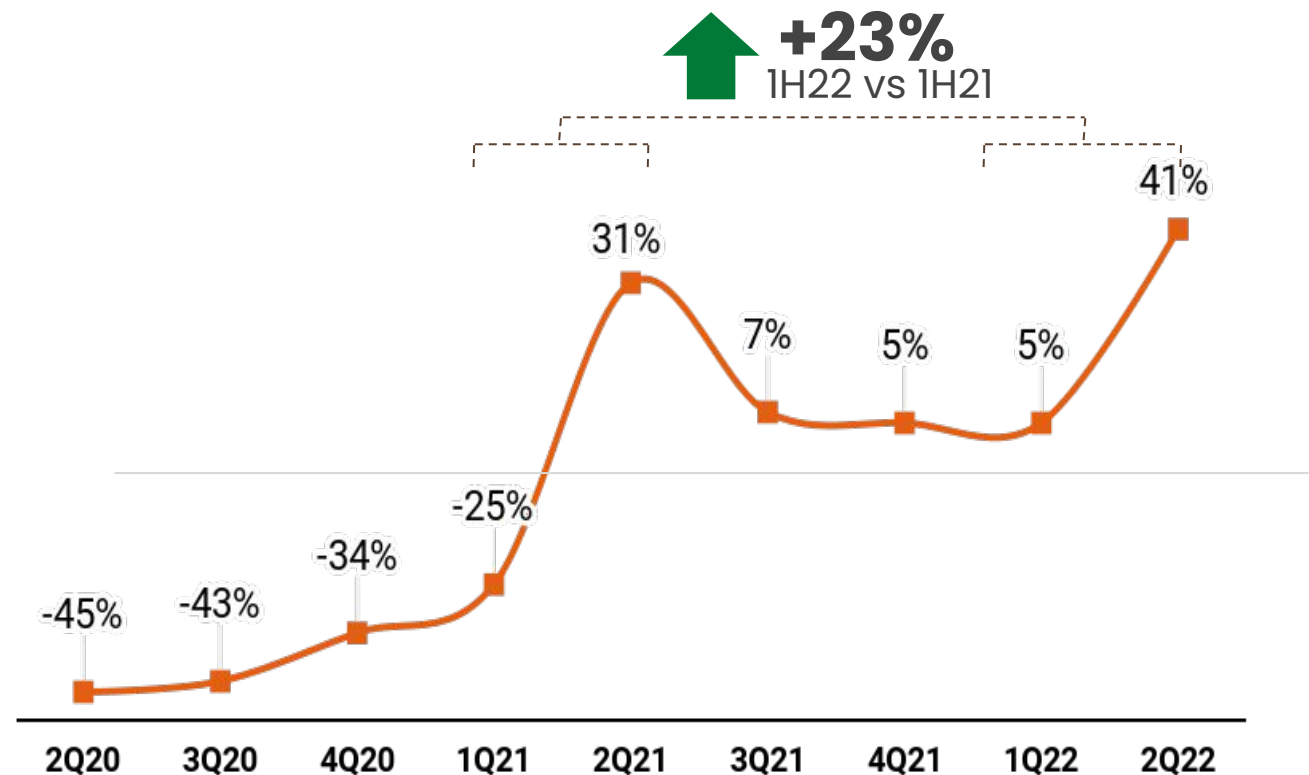
Strong rebound in systemwide sales performance

1H22 Systemwide Sales (SWS)

in PHP M



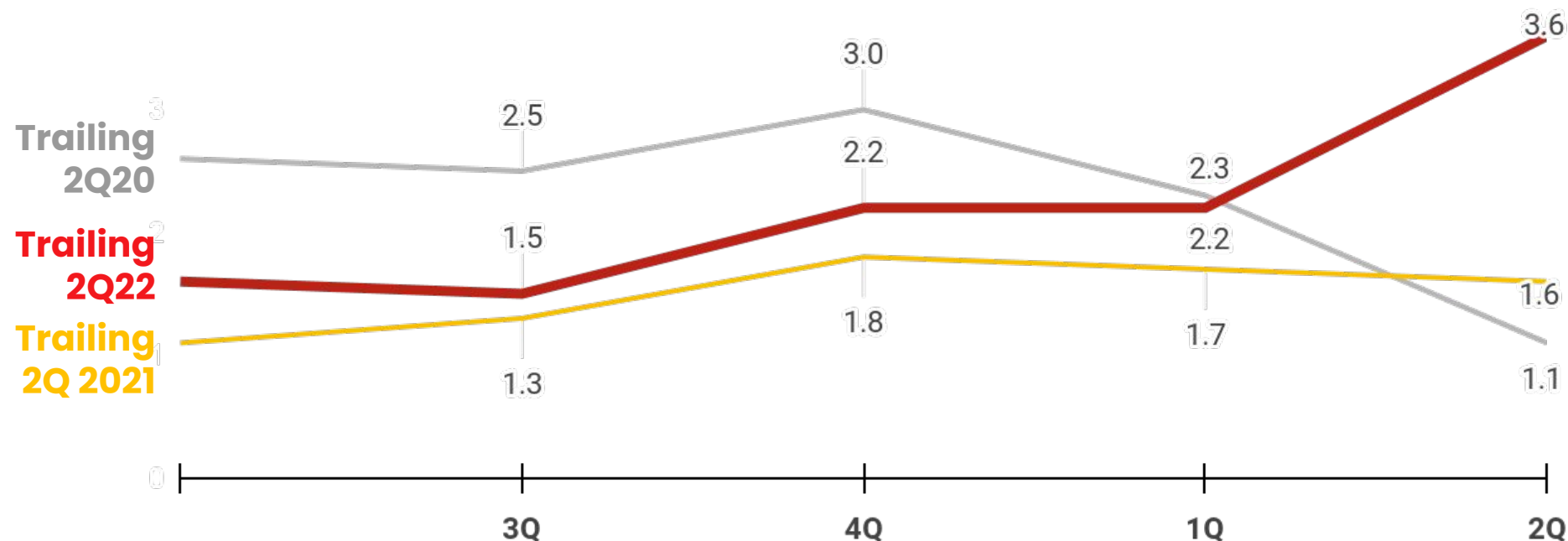
Quarterly Same Store Sales Growth (SSSG)*



- 1H22 systemwide sales year-on-year growth driven by the **easing of dine-in restrictions** and the **addition of Potato Corner** in March 2022
- Metro Manila placed under **Covid-19 Alert level 1 in March 2022**; 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)



+121% SWS Growth

2Q22 vs 2Q21

138% SWS Recovery

2Q22 vs 2Q19

117% SWS Recovery

1H22 vs 1H19

TRAILING 2Q 2022 QUARANTINE STATUS

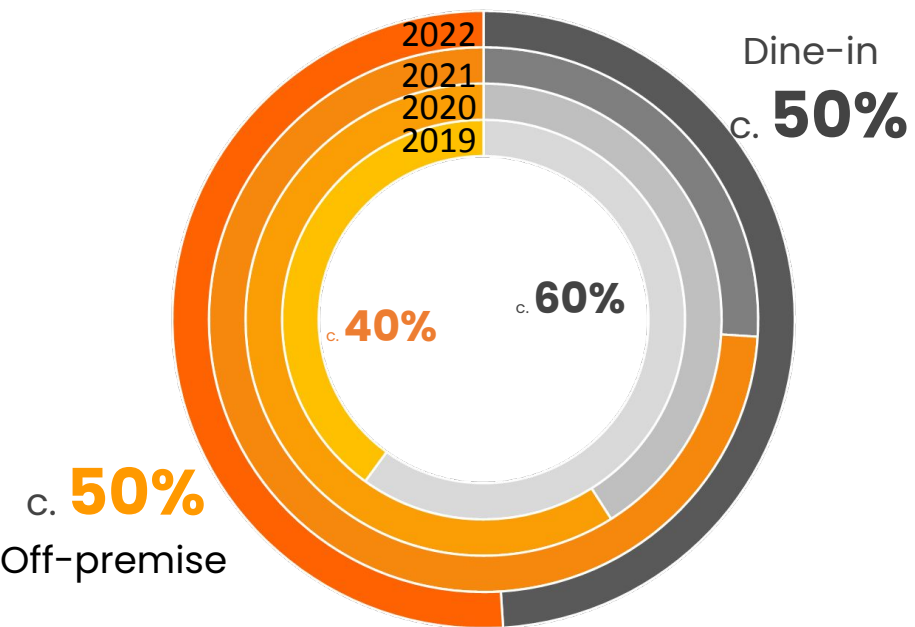


TRAILING 2Q 2022 DINE-IN STATUS

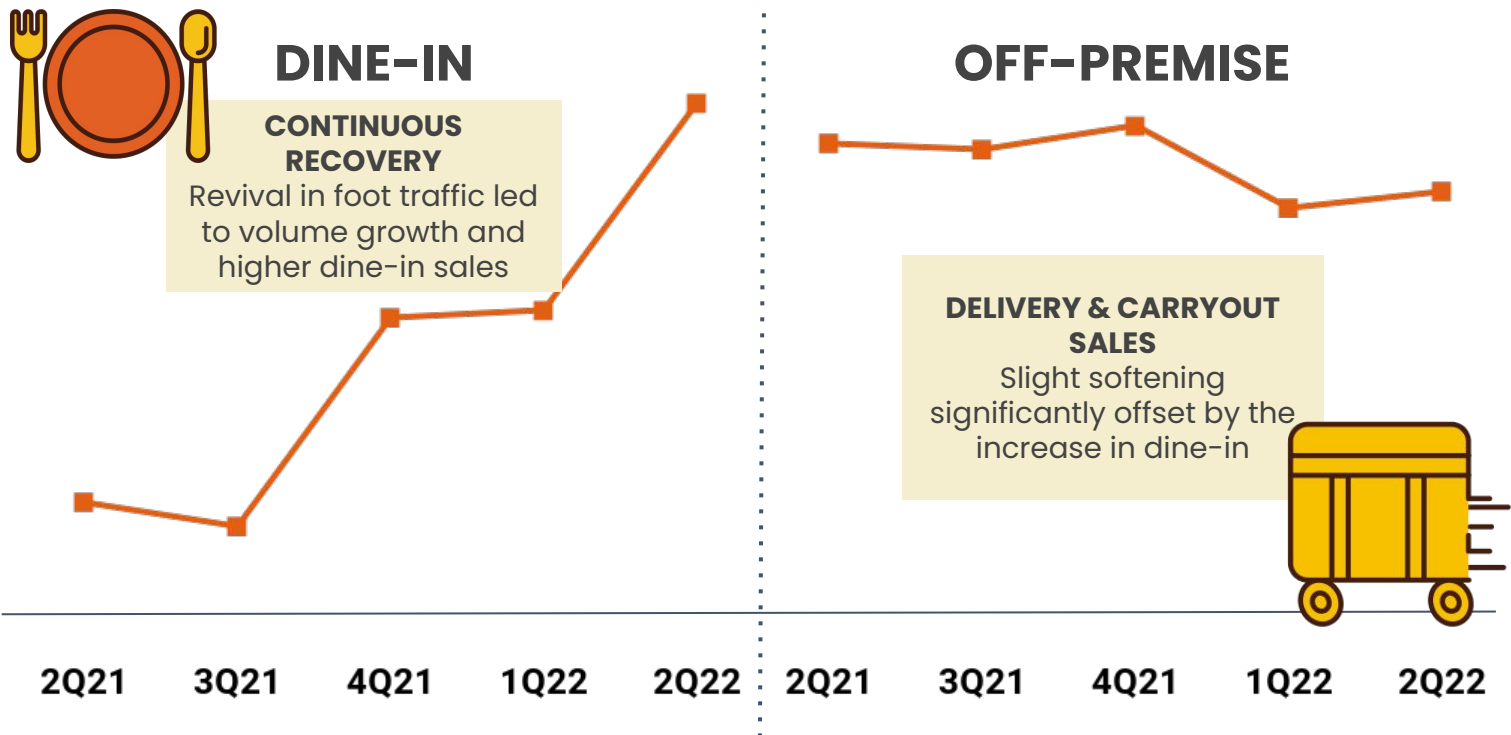


Resurgence in Dine-In Channel as restrictions were eased in 1H 2022

1H Comparative Channel Split*



Quarterly Channel SWS Trajectory*



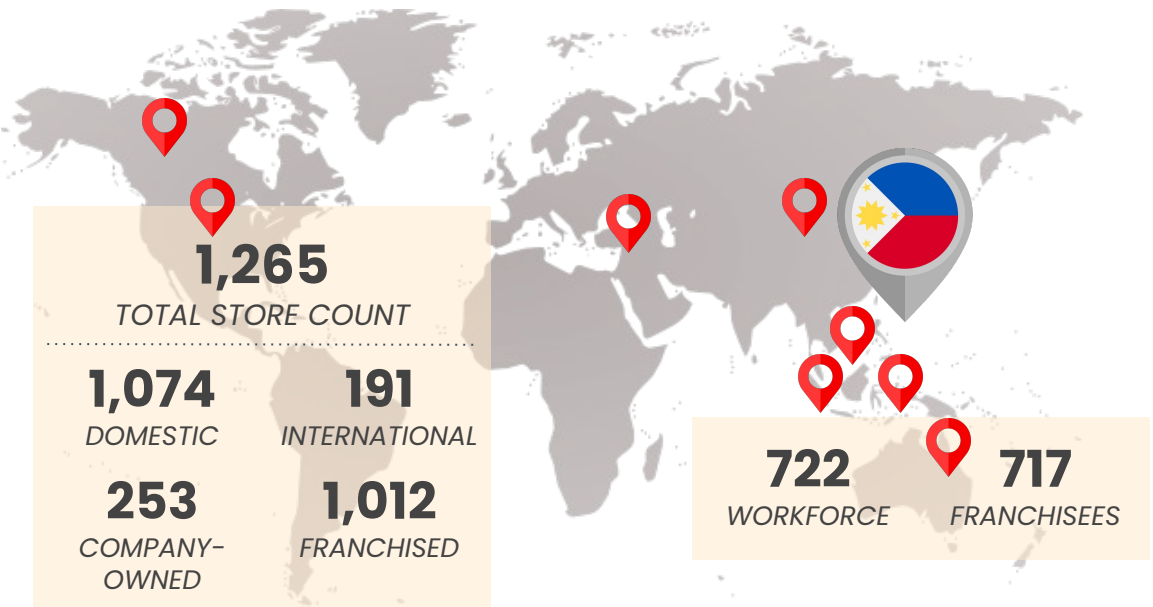
- **Strong dine-in recovery** leads to fuller recovery of fixed costs
- On a 3-year stacked basis, **off-premise channel sales are sustained** from 2019 and 2020 as delivery grew

* Per channel figures exclude Potato Corner numbers

Systemwide sales boosted by the integration of Potato Corner



Potato Corner Network End 1H22*



- Potato Corner **integrated into PIZZA's portfolio in March 2022**
- Opened **101 stores in 1H 2022**: 73 in the Philippines and 28 internationally
- Post-integration, Potato Corner has **717 partner franchisees** around the world as of end June 2022

* End June 2022 Potato Corner store network excludes Indonesia

1H 2022 Performance Highlights

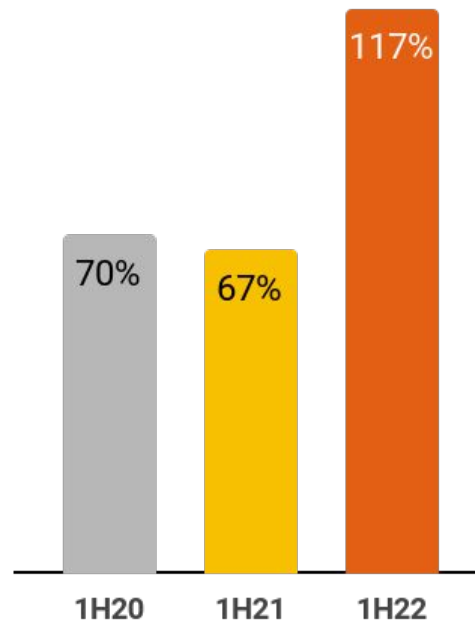
ECONOMIC REOPENING + POTATO CORNER



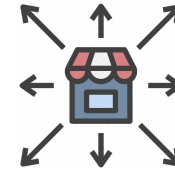
- SWS recovery improvement was driven by dine-in and the addition of PC
- Consumer spending beginning to rebound; guests continue to dine out to treat themselves on occasion



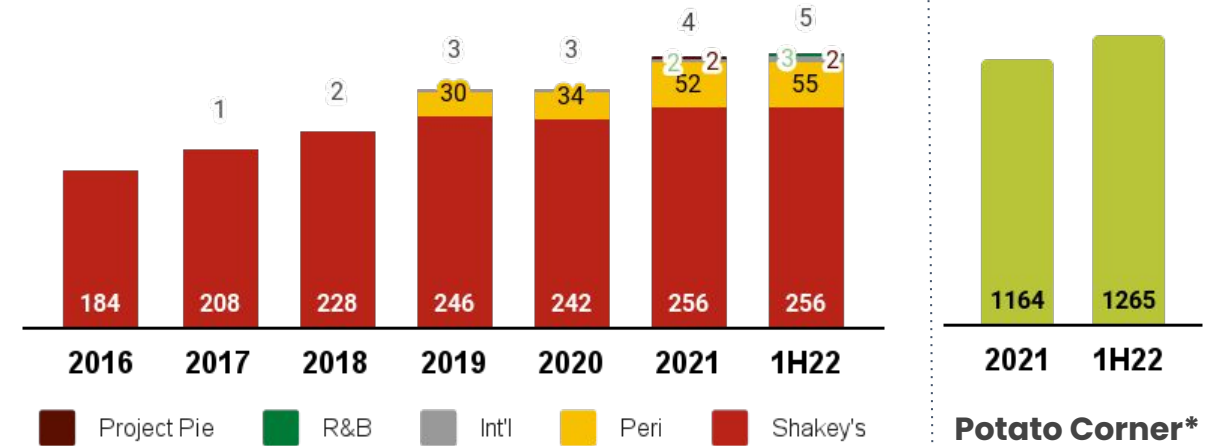
SWS RECOVERY vs 1H19



SUSTAINABLE STORE NETWORK EXPANSION



- Existing brands opened 10 new stores: 7 company-owned and 3 franchised
- Potato Corner opened 101 new outlets: 4 company-owned and 97 franchised



R&B Tea 3rd Store
Festival Mall



Potato Corner International Expansion

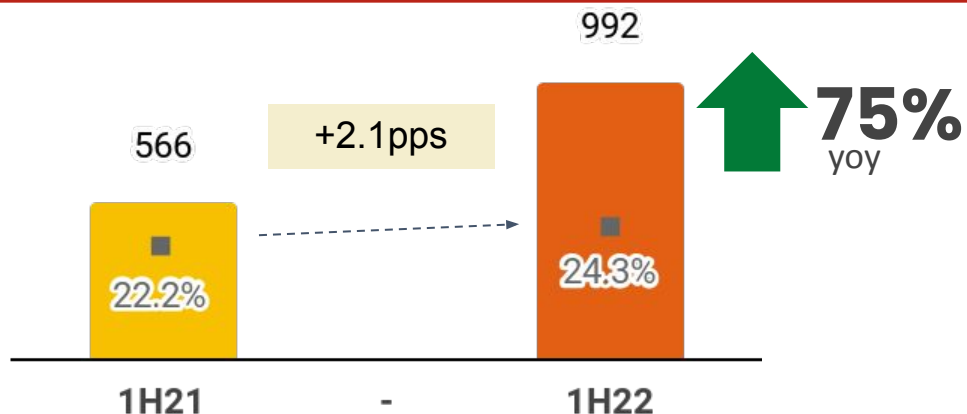


* Potato Corner store network excludes Indonesia

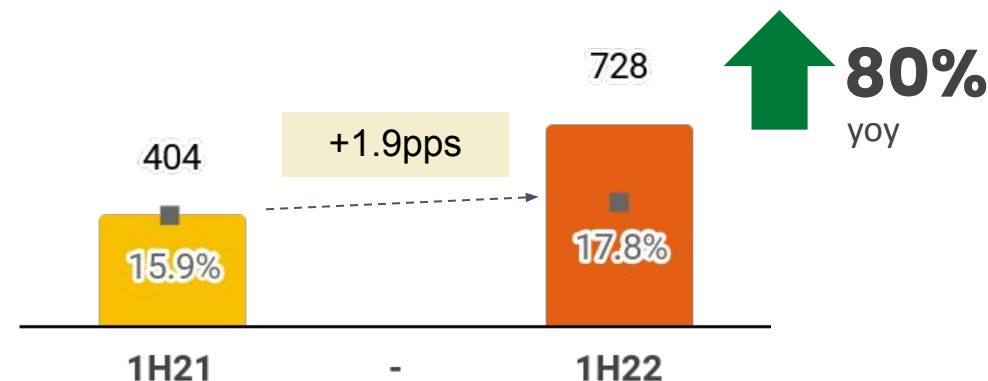
Stronger 1H 2022 profitability with improved margins



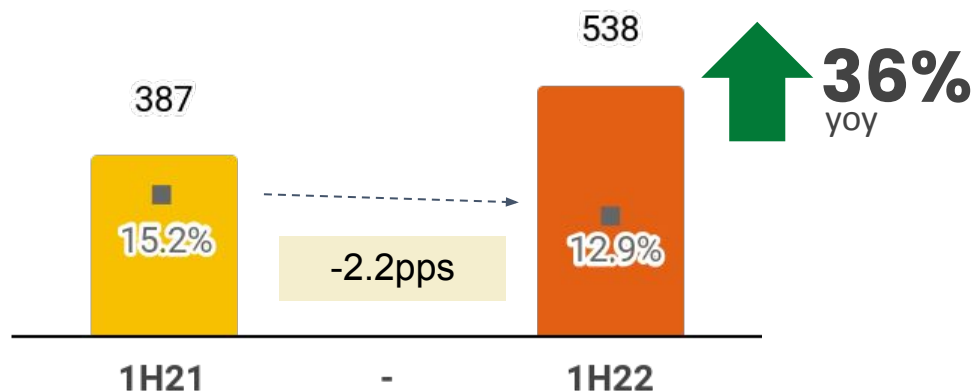
Gross Profit* and Gross Margin



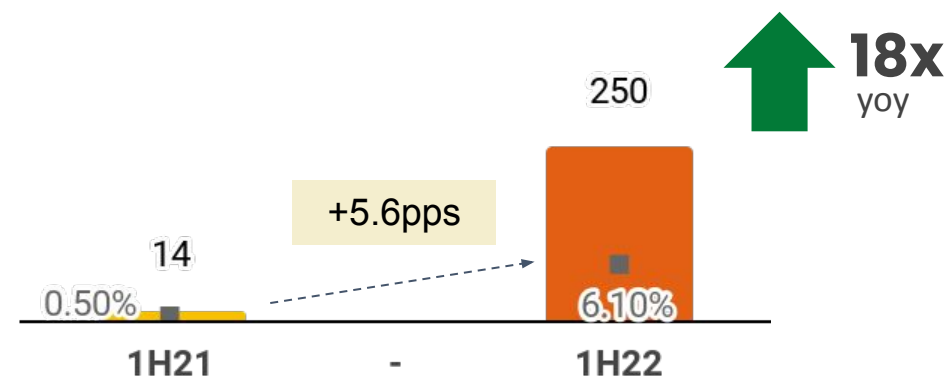
EBITDA* & EBITDA Margin



Opex* & Opex as % of Sales



Net Income* & Net Margin



- 1H 2022 gross margin improved year-on-year due to strong topline and favorable mix, with the **impact of elevated input costs mitigated** by the rollout of **store cost improvement measures and menu optimization initiatives**
- Given operating leverage, **higher 1H 2022 topline significantly improved recovery of OPEX, interest & corporate fixed costs** versus 1H 2021 performance

OUTLOOK



2022 Outlook

Topline Guidance

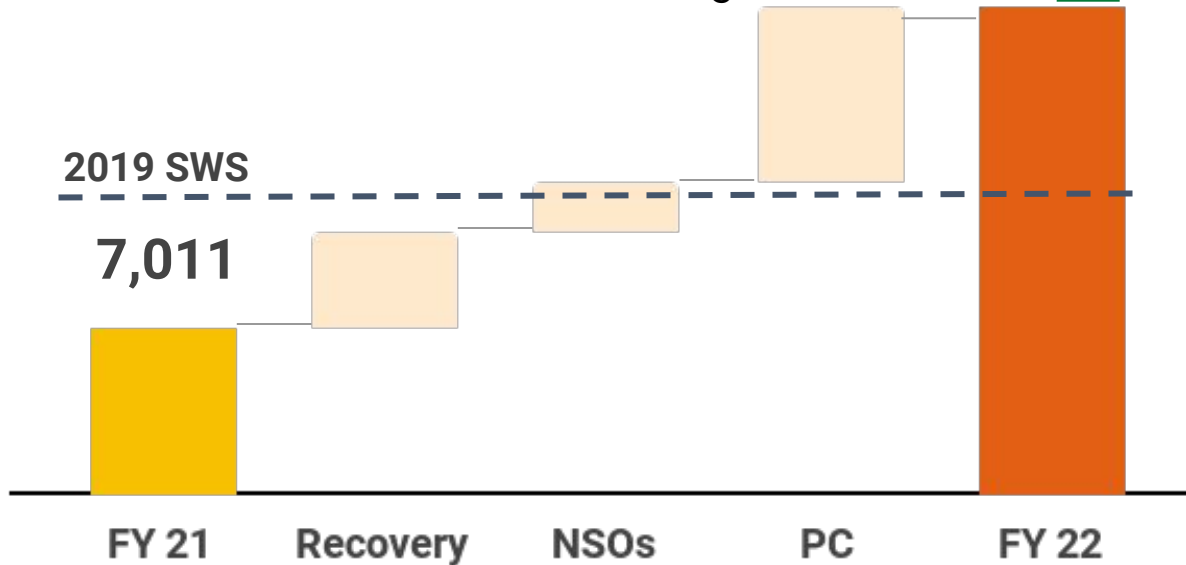
in PHP M

High double-digit growth vs 2021
Looking to exceed 2019



2019 SWS

7,011



Bottomline Guidance

Exponential increase vs 2021, close to pre-pandemic levels
Surpass pre-pandemic bottomline by 2023

Performance Drivers

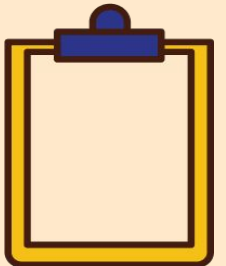
TAILWINDS

- Philippine re-opening: Increasing trend in foot traffic in retail spaces, schools expected to open in 3Q
- Investments in stores, brands, and people
 - Continuous rollout of value-for-money promotions and bundles
 - Launching new innovations
 - Store network expansion ramping up in 2H
 - Reinforcing our training, systems, and procedures
- Dine-in resurgence to continue into the 4Q holiday season



HEADWINDS

- Elevated input costs persist
 - Mitigated by locking in most inventories for the year and continuing store cost optimization initiatives
 - Menu optimization to support profitability at the gross margin level



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



RAPID EXPANSION

Strong Challenger
in Roast Chicken Space



CORE LEGACY BRAND

Stable cash generation
Market Leader Position





**ON TRACK TO
EXCEED
PRE-PANDEMIC
LEVELS**

**PLANS IN PLACE
TO SCALE UP
THE BUSINESS**

**STRONG ROSTER
OF BRANDS TO
FUEL GROWTH FOR
2022 AND BEYOND**



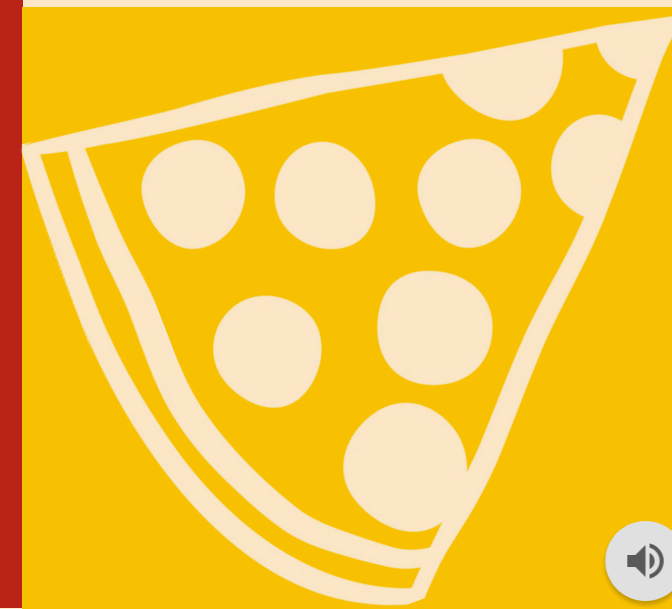
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OTHER FINANCIALS



1H 2022 Summarized P&L



In PHP Mill	1H 2019	1H 2021	1H 2022	Δ 2022 vs 2021
Systemwide Sales	4,964	3,302	5,829	77%
Total Revenue	3,853	2,551	4,080	60%
Cost of Sales	(2,743)	(1,984)	(3,088)	56%
Gross Profit	1,110	566	992	75%
Operating Expenses	(484)	(387)	(528)	36%
Operating Income	626	180	465	159%
EBITDA	773	404	728	80%
Interest Expense	(95)	(161)	(141)	(12%)
Income before Tax	539	18	332	1792%
Income Tax Expense	(121)	(4)	(82)	2221%
Net Income	418	14	250	1685%
Earnings per Share	0.27	0.01	0.15	1550%
Margins				
Gross Profit	28.8%	22.2%	24.3%	2.1 pps
Operating Income	16.2%	7.0%	11.4%	4.4 pps
EBITDA	20.1%	15.9%	17.8%	1.9 pps
Net Income	10.8%	0.5%	6.1%	5.6 pps

- 1H systemwide sales **improved by 77%** year-on-year driven by **dine-in recovery** and the **full quarter impact of PC performance**
- **Dine-in posted a double-digit sales growth**, partially offsetting the softening of off-premise

- **Gross profit improved** amid rising input prices due to favorable shift in sales mix and leverage impact of a stronger topline
- Change in gross margin **trickled down to EBITDA margin**
- **Net margin improved** as well with the help of lower interest rates

1H 2022 Summarized Balance Sheet

In PHP Mill	FY 2021	1H 2022	In PHP Mill	FY 2021	1H 2022
Cash	485	752	Trade Payable and Others	1,081	1,323
Receivables	724	901	Short-Term Debt	48	548
Other Current Assets	920	754	Total Current Liabilities	1,129	1,871
Total Current Assets	2,130	2,406	Long-Term Debt	3,693	5,268
Property, Plant, and Equipment	1,374	1,508	Other Non-Current Liabilities	1,632	1,554
Intangible Assets	7,034	7,028	Total Non-Current Liabilities	5,325	6,821
Other Non-Current Assets	2,097	4,130	TOTAL LIABILITIES	6,454	8,692
Total Non-Current Assets	10,505	12,666	TOTAL EQUITY	6,181	6,380
TOTAL ASSETS	12,635	15,072	TOTAL LIABILITIES AND EQUITY	12,635	15,072

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

1H 2022 Summarized Cash Flows

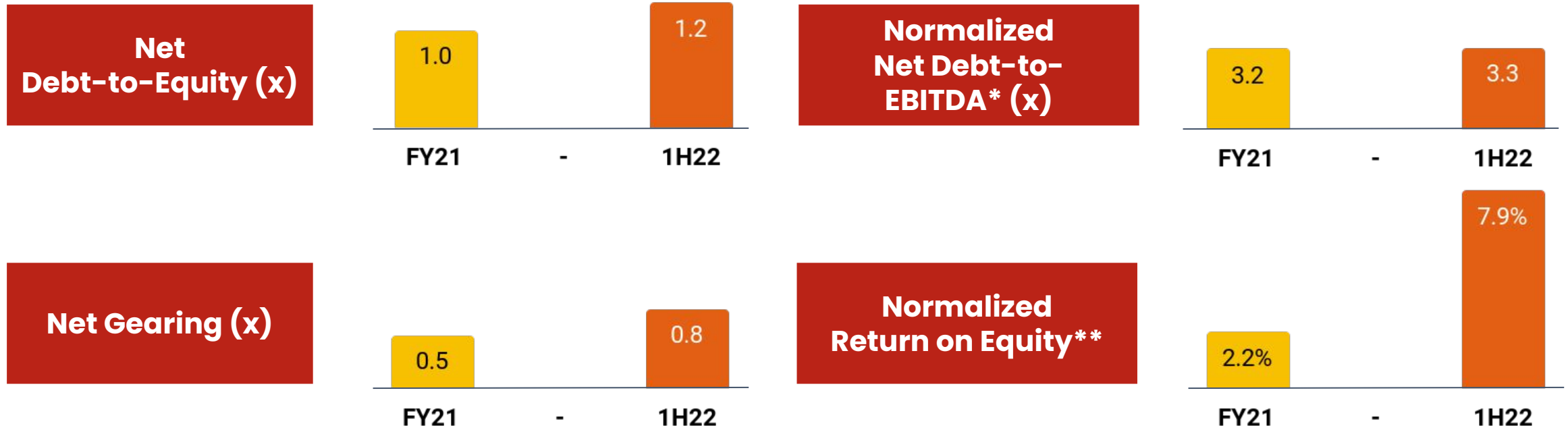
In PHP Mill	1H 2021	1H 2022
Income before Income Tax	18	332
Depreciation and Amortization	226	255
Changes in Working Capital	(58)	(133)
Others	182	170
Net Operating Cash Flow	367	624
Capital Expenditures	(91)	(288)
Other Investments	135	(1,939)
Net Investing Cash Flow	44	(2,226)
Proceeds from (Payment of) Loan	(325)	2,075
Payment of Interest	(107)	(100)
Others	1,250	(106)
Net Financing Cash Flow	720	1,868
Beginning Cash	608	485
Change in Cash	1,132	266
Ending Cash	1,739	752
Free Cash Flow	277	336

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

- Capex primarily focused on **investments in new stores**

- Loan proceeds to **cover investment requirements for the year**, including funding of the PC acquisition

Key Financial Ratios



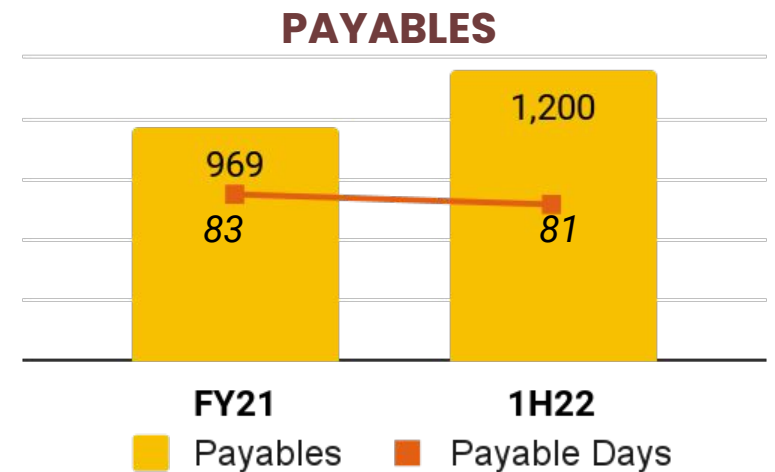
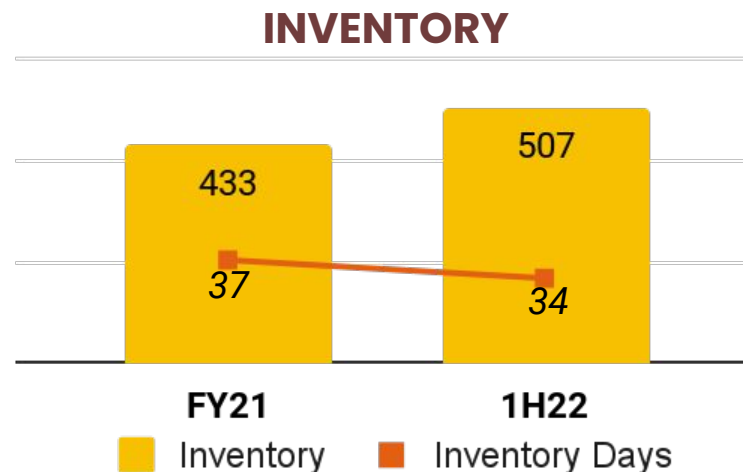
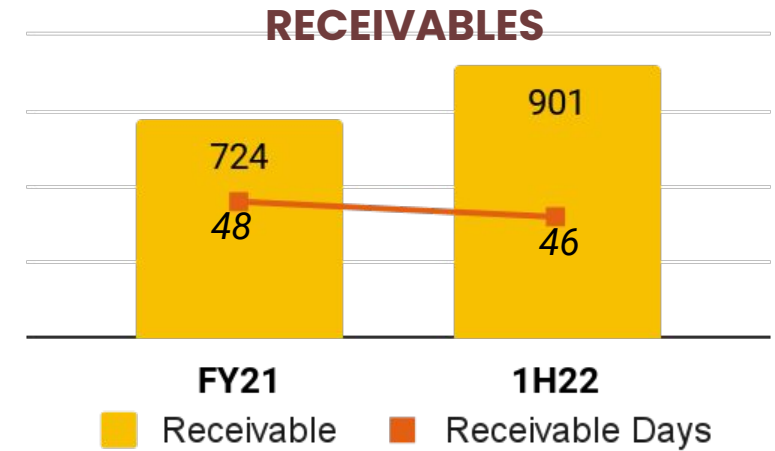
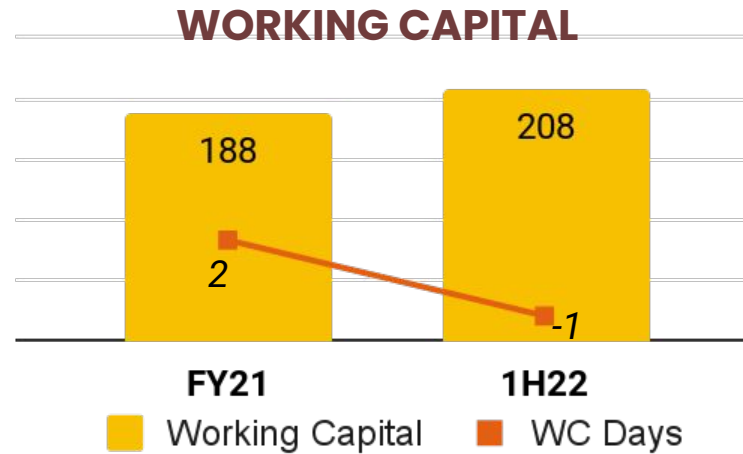
- **Movement in leverage ratios** following additional debt taken up in 1Q 2022
- Gearing ratios remain **compliant with debt covenants**
- PIZZA has **untapped credit facilities** capable of supporting operations and short payback investments

*1H 2022 adjusted to include Potato Corner trailing 12-month EBITDA

**1H 2022 adjusted to include Potato Corner trailing 12-month Net Income

Cash Conversion Cycle

- Improved receivable days given the **favorable impact of PC operations**
- Lower inventory days, with **ample inventory maintained** to build supply security and avoid operational disruptions
- Payable days slightly lower due to timing differences. **Renegotiations ongoing** to improve current position



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