



SHAKEY'S PIZZA ASIA VENTURES, INC.



1H23 EARNINGS PRESENTATION

AUGUST 2023





1H 2023

FINANCIAL PERFORMANCE



1H 2023 FINANCIAL RESULTS HIGHLIGHTS

1H

NETWORK
EXPANSION

+164

Total network: 1,936

SYSTEMWIDE
SALES

8,820M

+51% YoY

GROSS
PROFIT

1,437M

+45% YoY

NET
INCOME

489M

+96% YoY

2Q

+79

4,645M

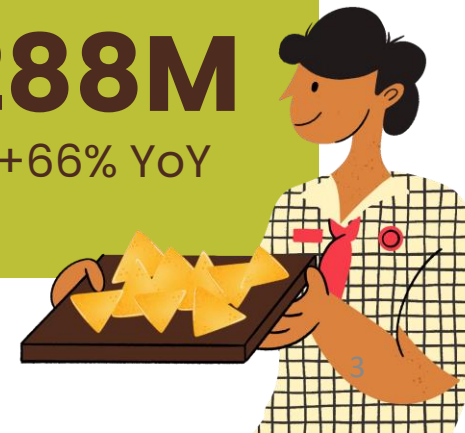
+29% YoY

806M

+59% YoY

288M

+66% YoY

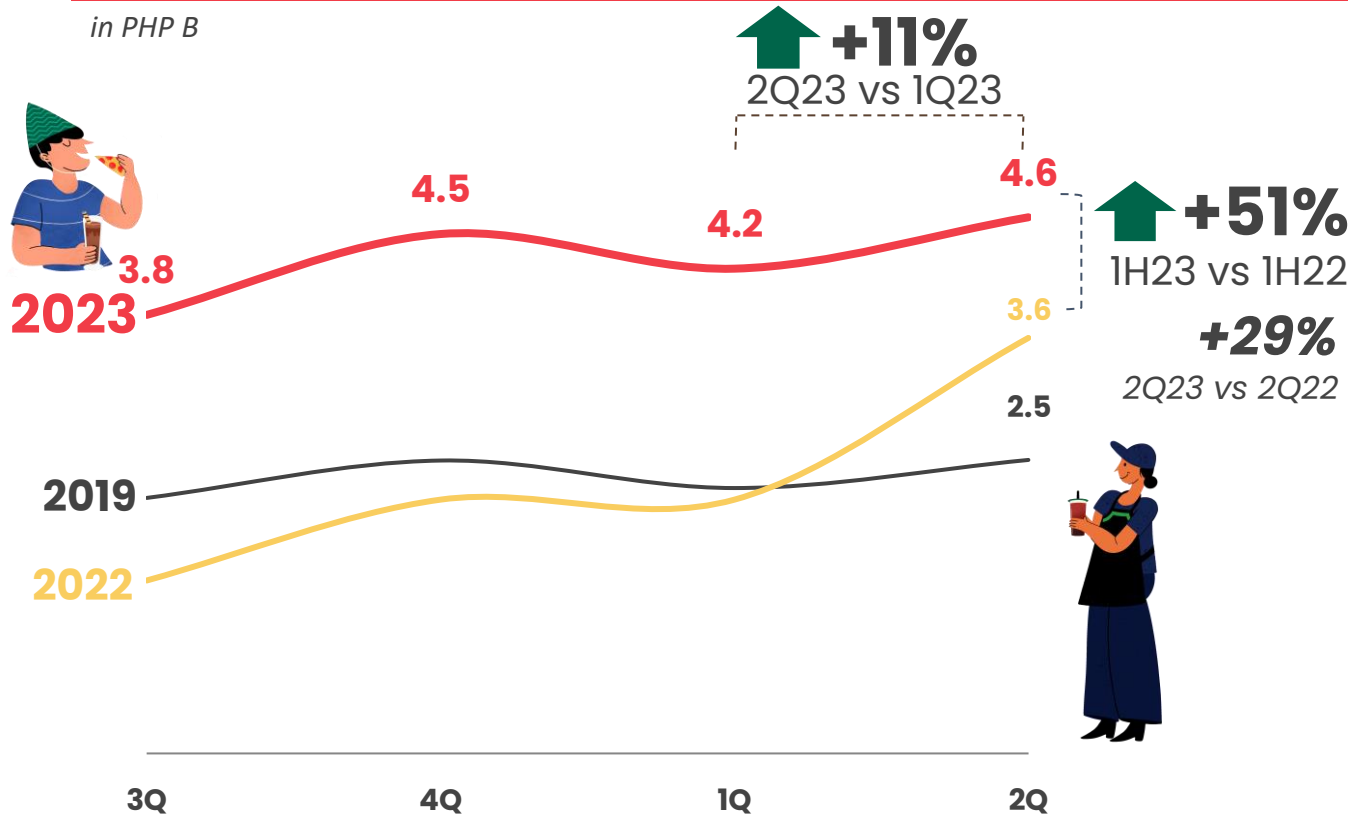


** Financial metrics are reported on a year-on-year basis and are reported in PHP millions as applicable*

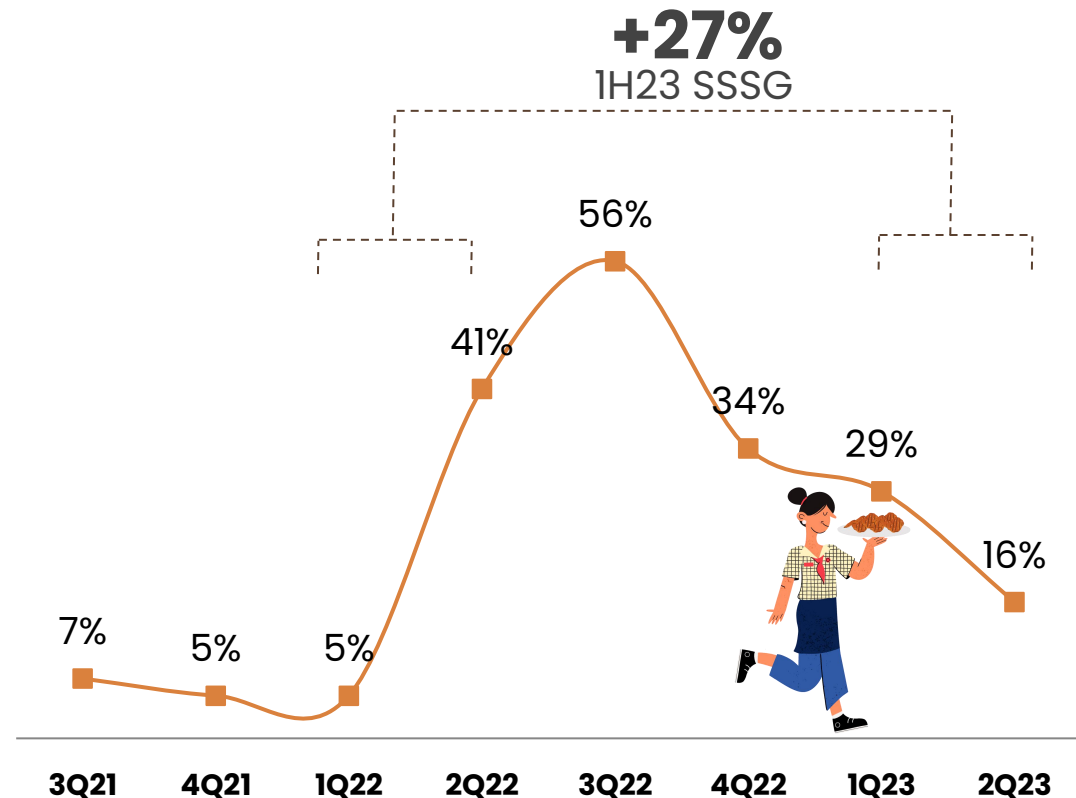
Systemwide sales at peak 2Q level with robust same store sales growth at 16%

Trailing 4 Quarters Systemwide Sales (SWS)

in PHP B



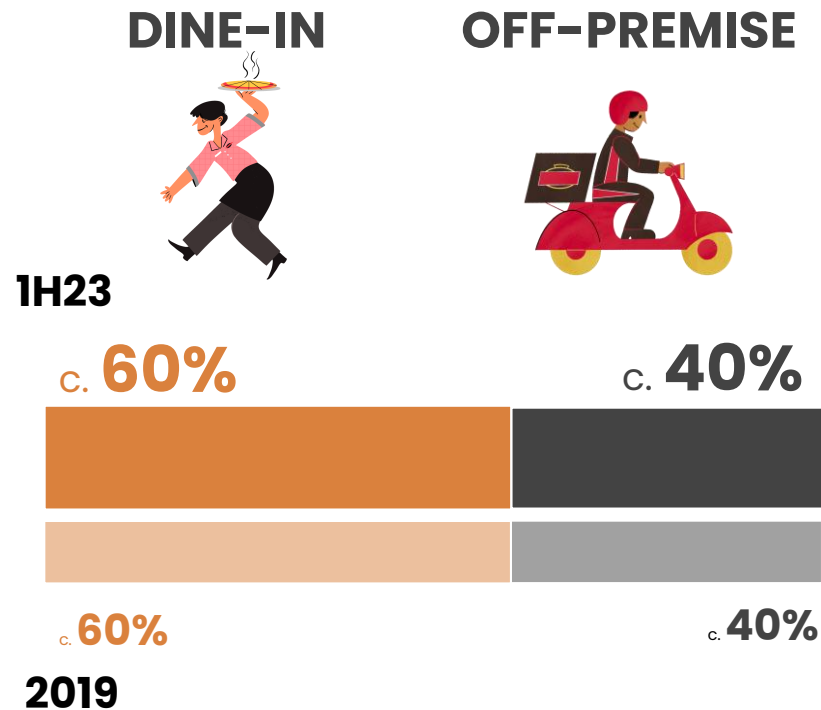
Quarterly Same Store Sales Growth (SSSG)*



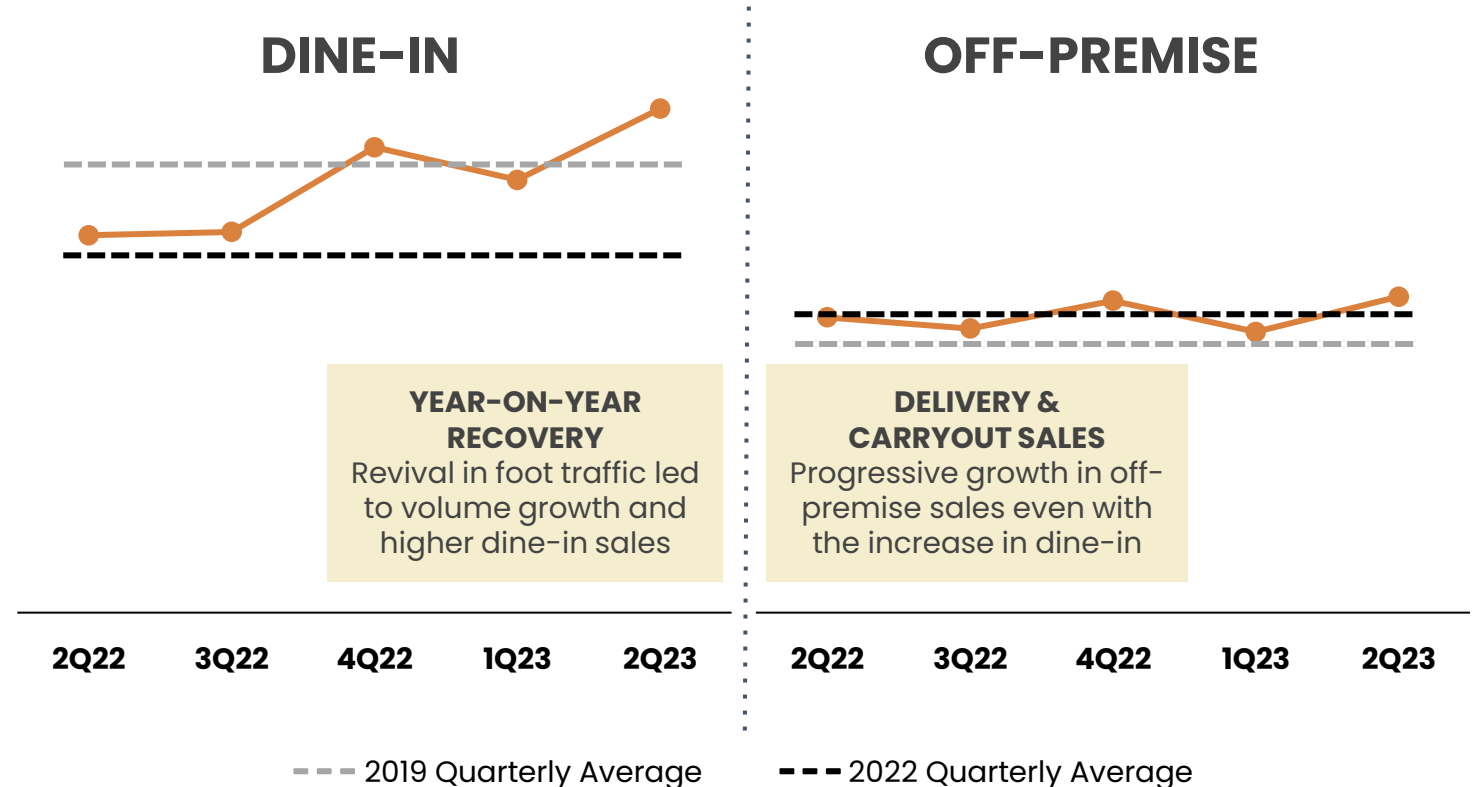
- 1H 2023 SWS posts **strong double-digit year-on-year growth across restaurant brands** with the return of dine-in, further built up by celebrations during the quarter
- SWS growth was further boosted by an **expanded network** and the **integration of Potato Corner results** starting March 2022
- 2Q 2023 SSSG remains robust **at 16% despite a high base in the same period in 2022** when strict quarantine restrictions were fully lifted in the country

Positive momentum of dine-in resurgence continues from 2022 and throughout 1H23

Comparative Channel Split*



Quarterly Channel SWS Trajectory*



- **Dine-in resurgence** resulted in significant volume growth across all full-service brands
- Versus pre-pandemic levels, **off-premise channel sales has grown** as the delivery business delivered an incremental double-digit lift

Deepening the moat by investing in our brands, investing in our stores, and investing in our people



Strengthening Brand Equity While Leveraging on Synergies

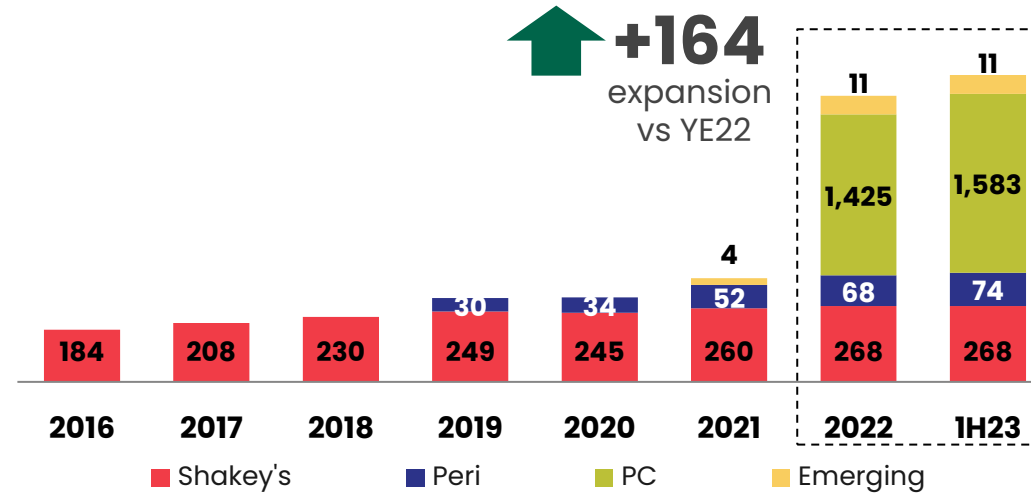


Communications for Thin Crust Pizza



Shakey's X Potato Corner Flavored Mojos

Sustainably Expanding Our Global Network



Peri-Peri Tagaytay



Potato Corner Thailand 100th Store

Bolstering Inclusive Hiring & Franchisee Development



Peri Inclusive Hiring

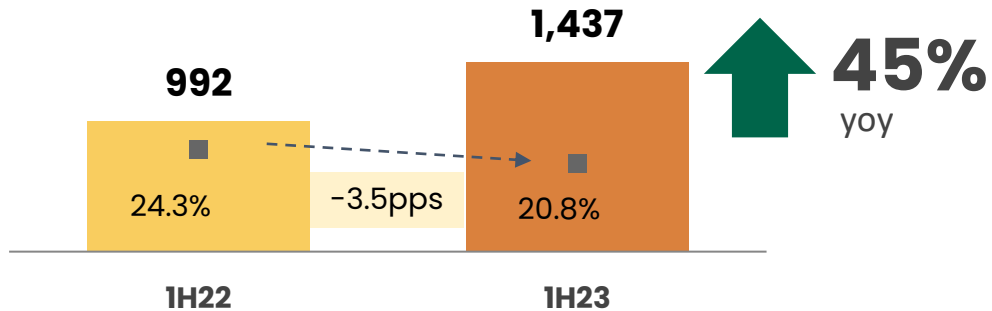


Potato Corner Franchise Roadshow

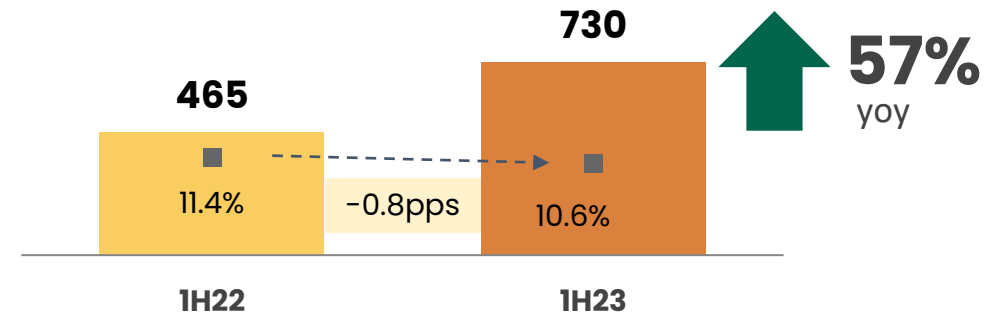
1H23 bottomline profitability improves amidst an elevated cost environment



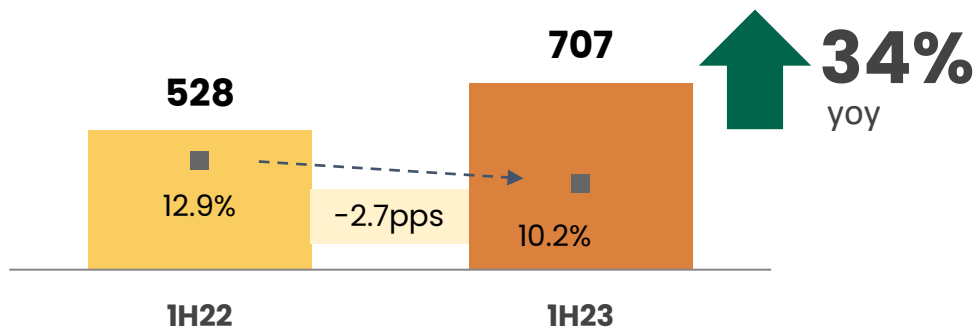
Gross Profit* and Gross Margin



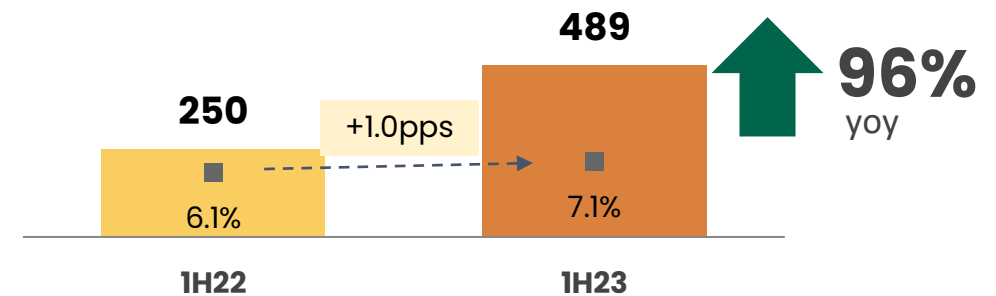
Operating Income* & Operating Margin



Opex* & Opex as % of Sales



Net Income* & Net Margin



1H23 margin year-on-year improvement driven by **sales leverage, price adjustments, and disciplined discretionary spending**, mitigating the **impact of anticipated higher input costs and higher rentals**



**SWS
SUSTAINS
UPSWING
IN 2023**

**DINE-IN
RESURGES AND
CELEBRATIONS
ARE BACK**



**BOTTOMLINE
IMPROVES IN AN
ELEVATED COST
ENVIRONMENT**





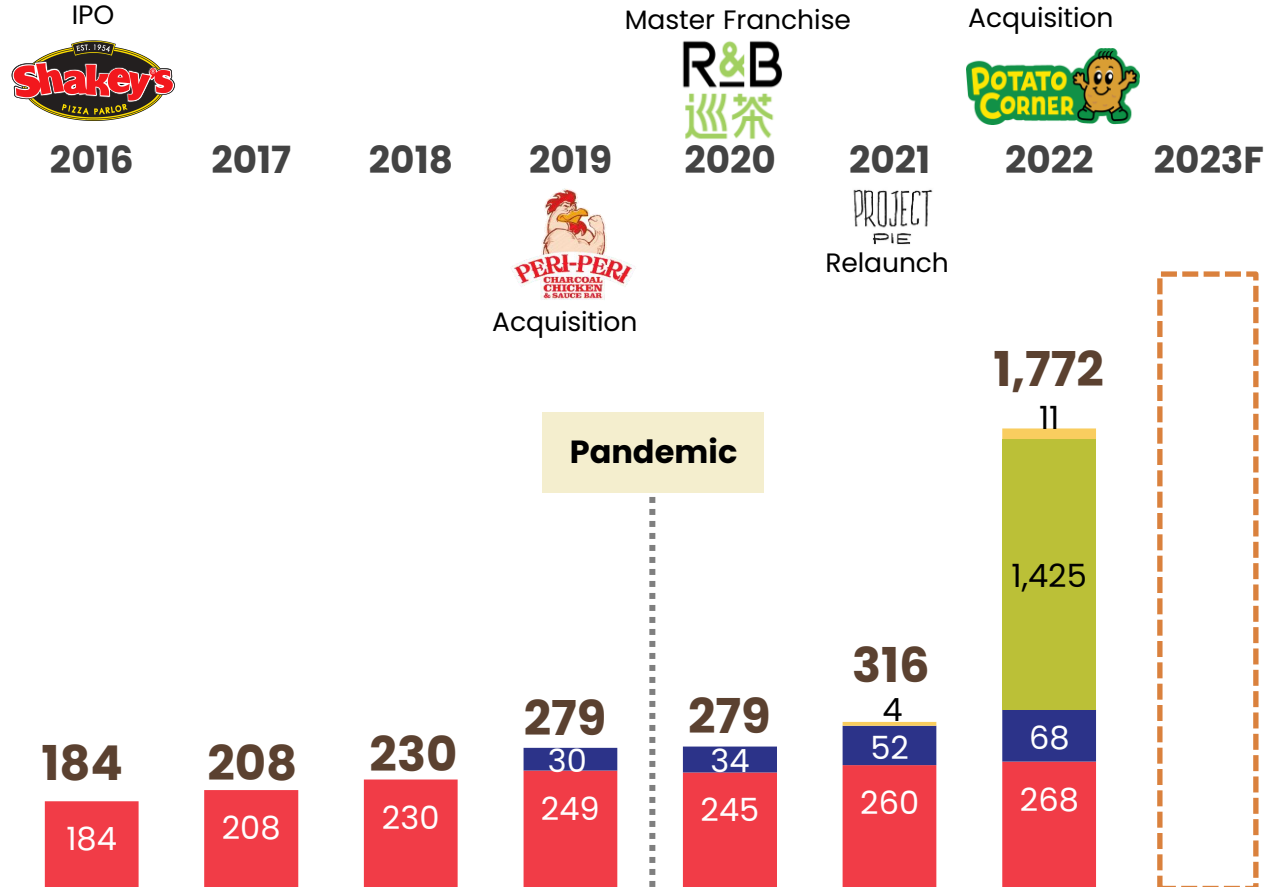
OUTLOOK



From having a single brand upon our IPO, PIZZA now has a portfolio of WOW! Brands

Global network sustainably expands
with the new additions to the WOW! Family of brands

Ownership of PIZZA brands across multiple markets
allow for faster network expansion



Asia
(except Japan and Malaysia),
Middle East, Australia, Oceania

Global

Philippines

Long-term sustainable growth of WOW! Brands supported by shared infrastructure that synergizes across the portfolio



CORE LEGACY BRAND

Providing scale & synergies
Market Leader Position



NEW GROWTH 'BOOSTER'

Unlocking global opportunities
Leader in Flavored Fries & Kiosks



RAPID EXPANSION

Strong Challenger
in Non-fried Chicken Space



EMERGING BRANDS

Exciting concepts
to future-proof growth



SUPPORT INFRASTRUCTURE

SUPPLY CHAIN, BUSINESS DEVELOPMENT, IT & DIGITAL, HUMAN RESOURCES , ETC.

We will continue to invest in our strategic business pillars and maximize synergies



BRANDS



STORES



11%
Store network ex-PC
CAGR since IPO



~1/day
PC outlets opened
since acquisition

PEOPLE



R&D

IT & DIGITAL

SUPERCARD

INTERNATIONAL

BUSINESS DEVELOPMENT

FRANCHISE MANAGEMENT

ENGINEERING

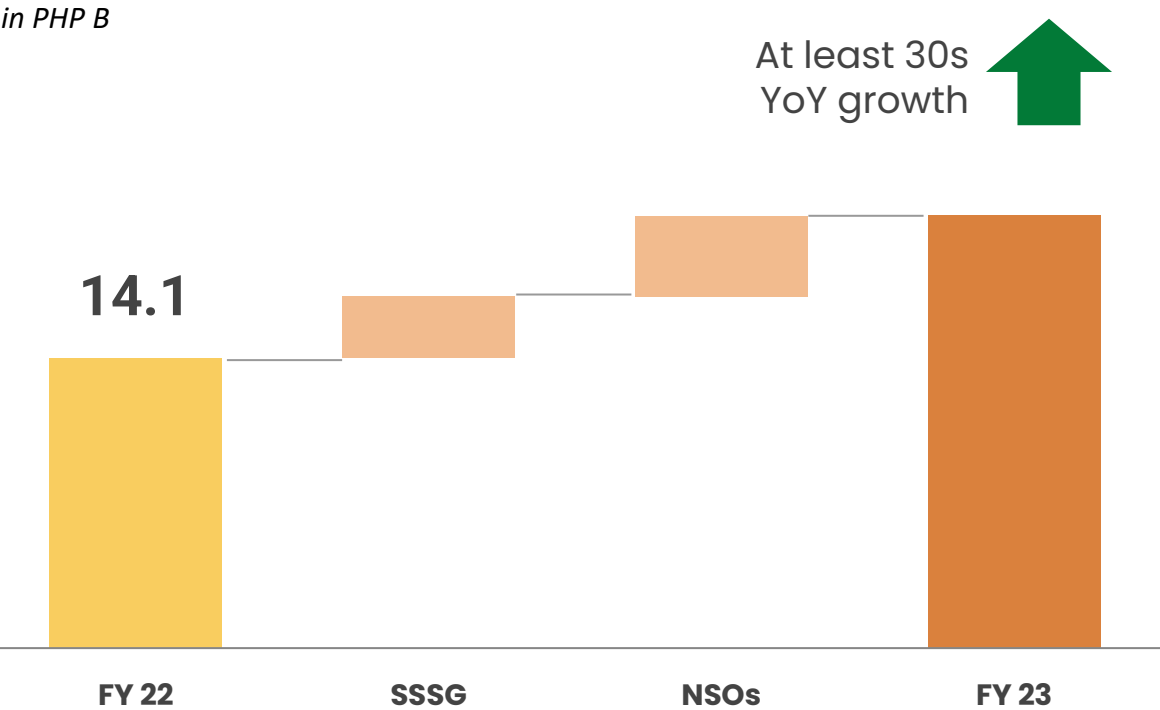
SUPPLY CHAIN

HUMAN RESOURCES

FRANCHISE MANAGEMENT

Upgraded 2023 Topline and Bottomline Growth Outlook

Topline Guidance



Network Expansion

+335 new stores and outlets

Performance Drivers

Continued strength in dine-in, seasonality uplift

Growth coming from global network expansion

Brand building initiatives and value creation across our brand roster

Elevated cost inputs to persist in 2023, but mitigating actions (inventory covers, cost optimization) in place

Price increases to be in line with inflation at most

Bottomline Guidance

Net income to grow by at least the same pace as topline

2023 Outlook

STRONG
TOPLINE
GROWTH

Driven by growing guests volume
+ network expansion

ACTIVE COST
MANAGEMENT

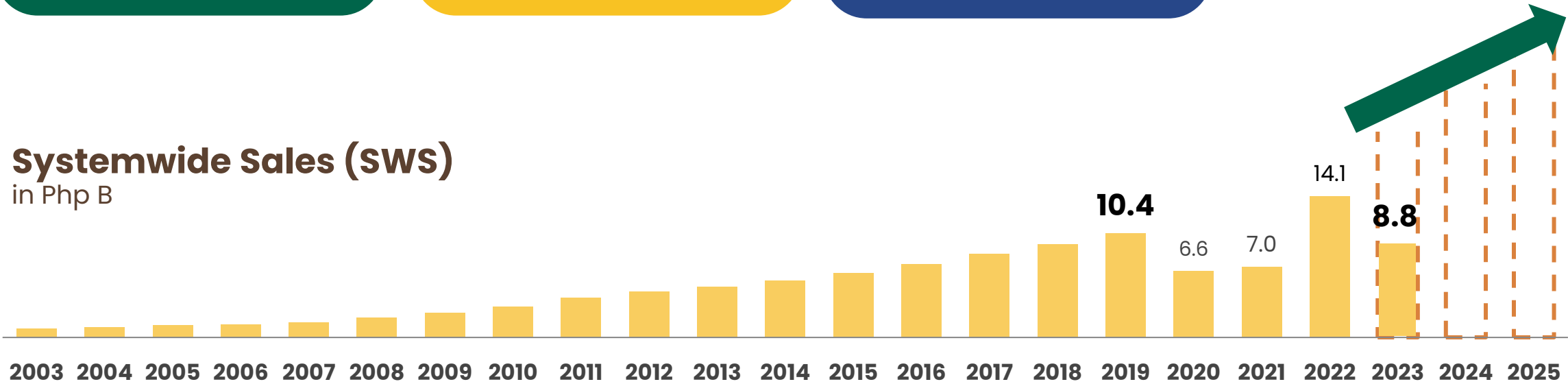
including cost optimization
measures + proactive
procurement strategies

ROBUST
BOTTOMLINE
GROWTH

driven by topline momentum
+ active cost management

Kickstart
anew a STRONGER
double-digit
growth run

Systemwide Sales (SWS)
in Php B



*Systemwide Sales (SWS) in Billions of Philippine Pesos



SHAKEY'S PIZZA ASIA VENTURES, INC.



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AUGUST 2023





OTHER FINANCIALS



1H 2023 Summarized P&L



In PHP M	1H 2019	1H 2022	1H 2023	Δ 1H23 vs 1H22
Systemwide Sales	4,964	5,828	8,820	51%
Total Revenue	3,853	4,080	6,901	69%
Cost of Sales	(2,743)	(3,088)	(5,464)	77%
Gross Profit	1,110	992	1,437	45%
Operating Expenses	(484)	(528)	(707)	34%
Operating Income	626	465	730	57%
EBITDA	773	728	1,069	47%
Interest Expense	(95)	(141)	(171)	22%
Income before Tax	539	332	575	73%
Income Tax Expense	(121)	(82)	(86)	5%
Net Income	418	250	489	96%
Earnings per Share	0.27	0.15	0.29	96%
Margins				
Gross Profit	28.8%	24.3%	20.8%	-3.5 pps
Operating Income	16.2%	11.4%	10.6%	-0.8 pps
EBITDA	20.1%	17.8%	15.5%	-2.4 pps
Net Income	10.8%	6.1%	7.1%	+1.0 pps

- 1H23 systemwide sales **grew 51% YoY**, primarily driven by **dine-in resurgence** and **store network expansion**
- **Dine-in posted double-digit sales growth** whilst off-premise sales are sustained

- **Gross margin declined** amid elevated input prices and higher rental expenses
- **Net margin increased** as OPEX is better recovered driven by the strong rebound in topline and a favorable sales mix

1H 2023 Summarized Balance Sheet

In PHP M	FY 2022	1H 2023	In PHP M	FY 2022	1H 2023
Cash	990	651	Trade and Other Payables	2,132	1,698
Receivables	1,133	1,039	Short-Term Debt	548	548
Inventories	1,001	1,618	Other Current Liabilities	125	179
Other Current Assets	731	424	Total Current Liabilities	2,805	2,425
Total Current Assets	3,855	3,732	Long-Term Debt	5,243	5,218
Property, Plant, and Equipment	1,765	1,807	Other Non-Current Liabilities	2,615	2,539
Intangible Assets	10,340	10,333	Total Non-Current Liabilities	7,858	7,756
Other Non-Current Assets	1,749	1,675	TOTAL LIABILITIES	10,663	10,182
Total Non-Current Assets	13,854	13,816	TOTAL EQUITY	7,046	7,366
TOTAL ASSETS	17,708	17,548	TOTAL LIABILITIES AND EQUITY	17,708	17,548

- **Cash position remains at healthy levels** as business performance continues to rebound
- Long-term loans all **peso-denominated with fixed interest rates for the next 2 years**

1H 2023 Summarized Cash Flows

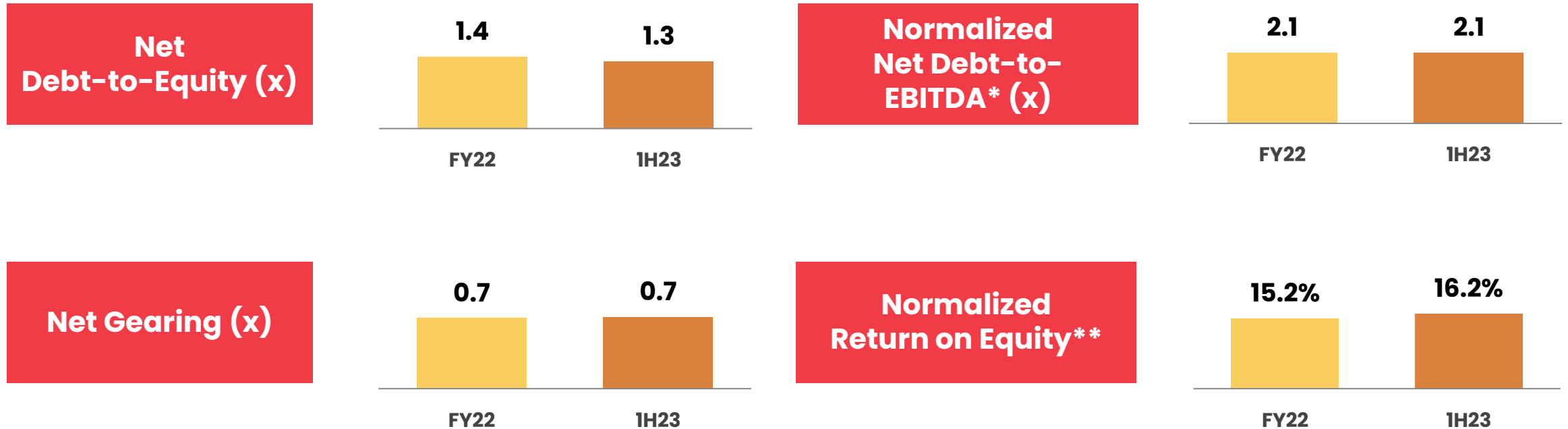
In PHP M	1H 2022	1H 2023
Income before Income Tax	332	575
Depreciation and Amortization	255	322
Changes in Working Capital	(133)	(834)
Others	170	85
Net Operating Cash Flow	624	149
Capital Expenditures	(288)	(229)
Other Investments	(1,939)	(9)
Net Investing Cash Flow	(2,226)	(238)
Proceeds from (Payment of) Loan	2,075	(25)
Financing Costs	(100)	(125)
Others	(106)	(99)
Net Financing Cash Flow	1,868	(249)
Beginning Cash	485	990
Change in Cash	266	(338)
Ending Cash	752	651
Free Cash Flow	336	(80)

1H 2023 increase in working capital primarily driven by:

- 1) Increase in inventory covers to build supply security and avoid operational disruptions
- 2) Decrease in payables in line with supplier relationship management

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

Key Financial Ratios



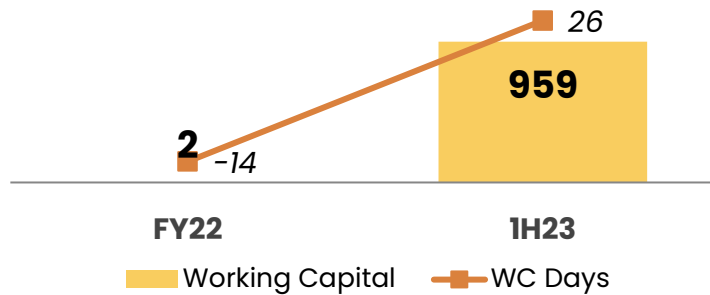
- Gearing ratios are manageable and at healthy levels
- ROE is progressively improving and remains attractive in the mid-teens levels

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

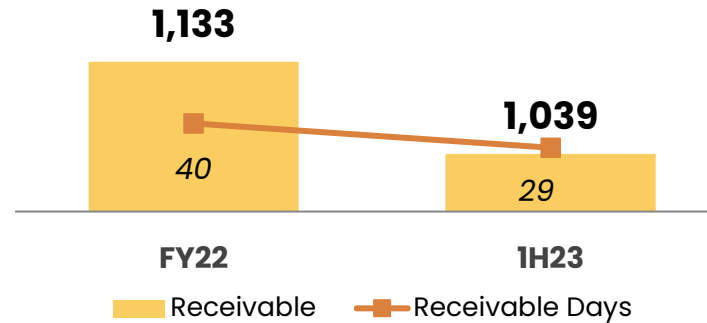
**2022 figure adjusted to include Potato Corner trailing 12-month Net Income

Cash Conversion Cycle

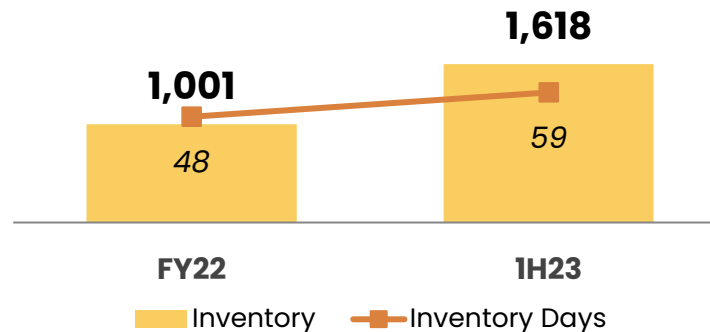
WORKING CAPITAL



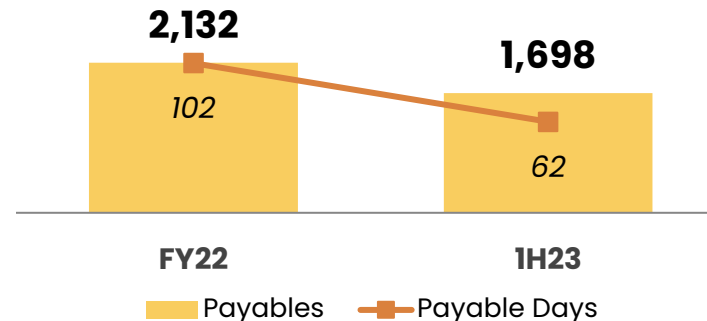
RECEIVABLES



INVENTORY



PAYABLES



- Improved receivable days given the **favorable impact of PC operations**
- Inventory days maintained with **ample inventory covers** to build supply security and avoid operational disruptions
- Payable days lower in line with **managing relationships with suppliers**

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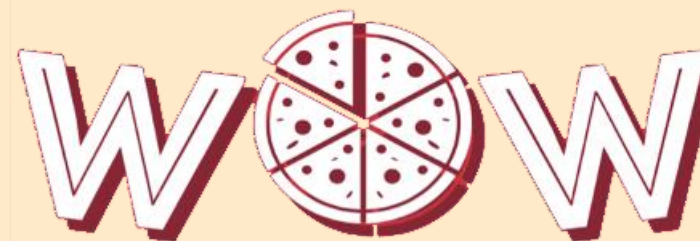
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R&B 巡茶



Serving you through Thick & Thin.

