



SHAKEY'S PIZZA ASIA VENTURES, INC.



9M23 EARNINGS PRESENTATION

NOVEMBER 2023





9M 2023

FINANCIAL PERFORMANCE



9M 2023 FINANCIAL RESULTS HIGHLIGHTS



9M

NETWORK EXPANSION

+249

Total network: 2,021

SYSTEMWIDE SALES

13,496M

+40% YoY

GROSS PROFIT

2,218M

+35% YoY

NET INCOME

746M

+64% YoY

3Q

+85

Stores and outlets

4,676M

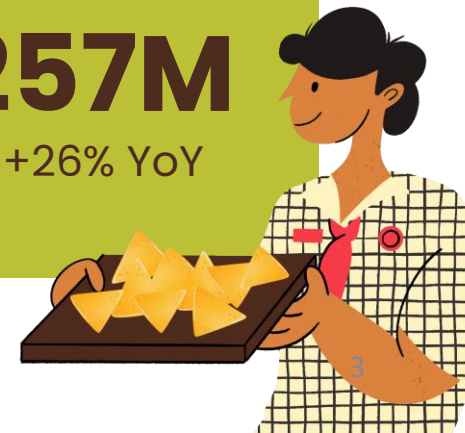
+24% YoY

781M

+21% YoY

257M

+26% YoY

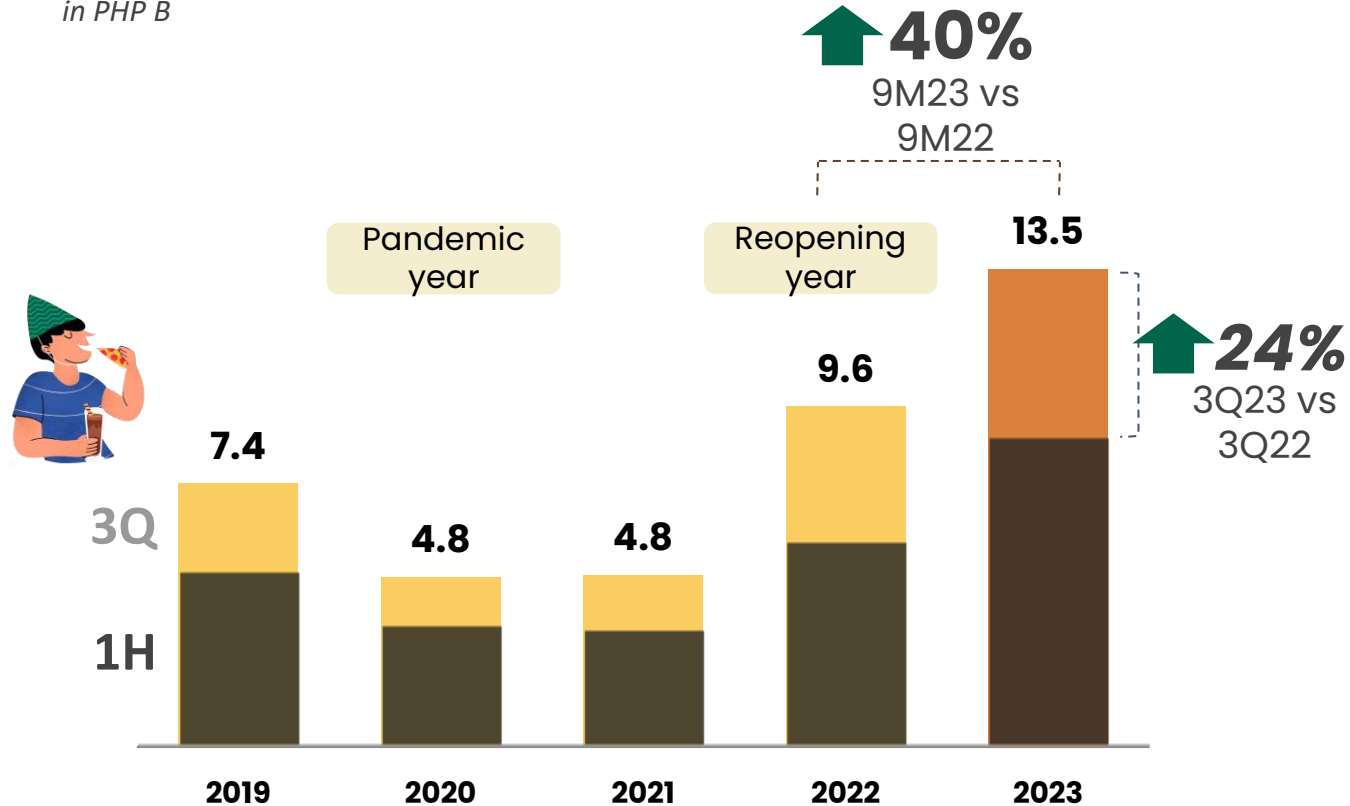


** Financial metrics are reported on a year-on-year basis and are reported in PHP millions as applicable*

9M23 systemwide sales grew 40% year-on-year, supported by PIZZA's multi-brand portfolio expansion

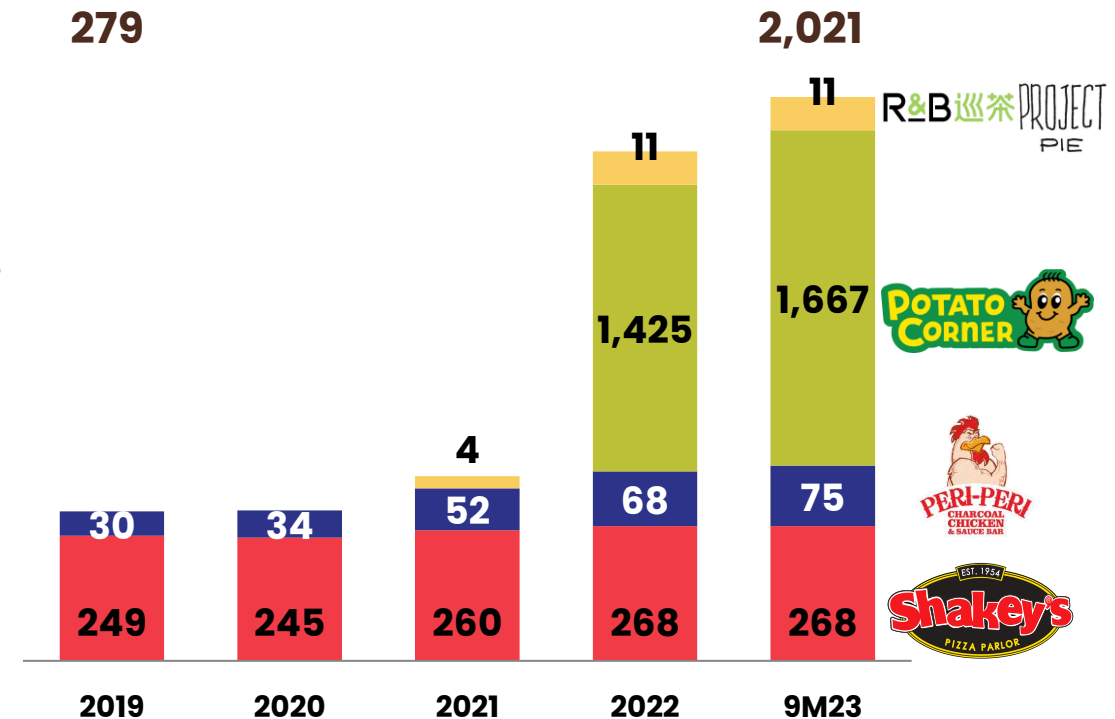
Historical 9M Systemwide Sales (SWS)

in PHP B



Historical Network Expansion

TOTAL NETWORK
279

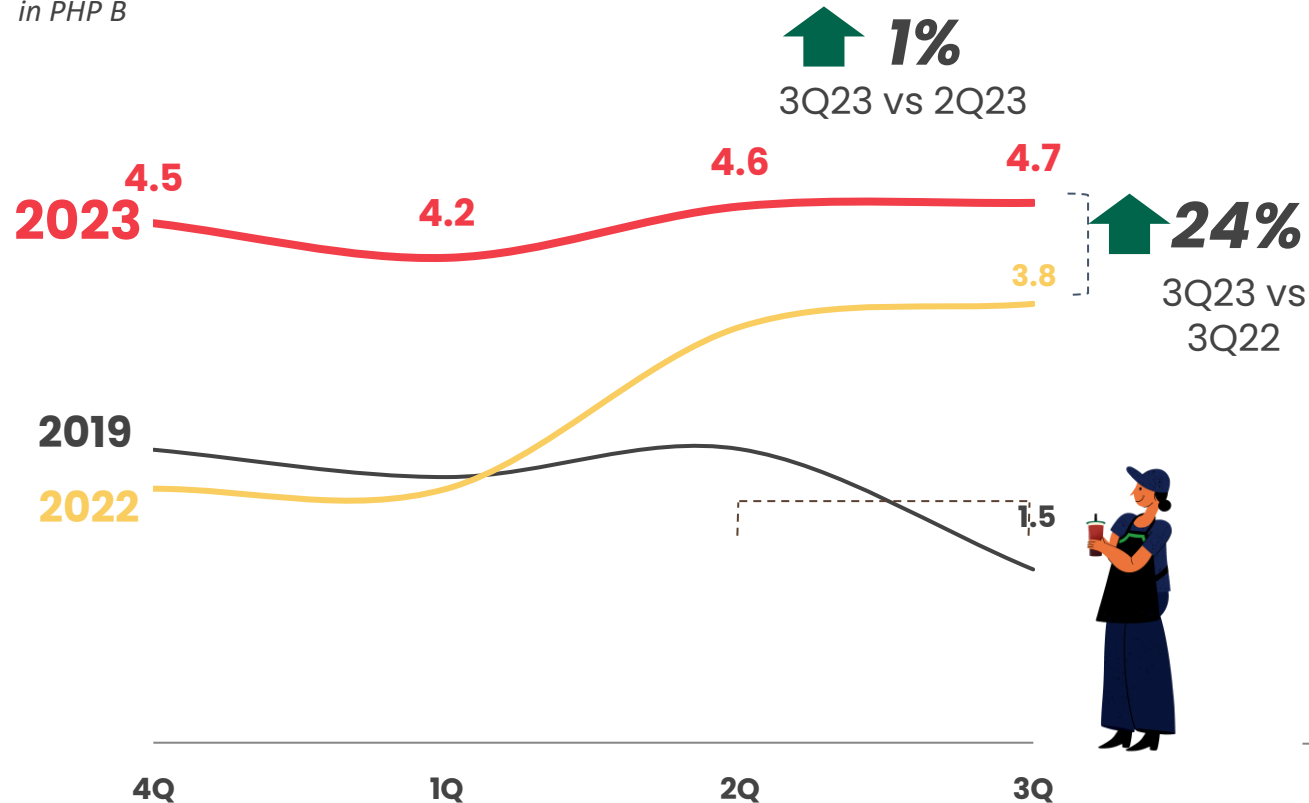


- 9M 2023 SWS growth driven by the return of dine-in, further built up by celebrations during the period
- PIZZA is now a multi-brand portfolio comprised of WOW! Brands – Shakey's, Potato Corner, Peri-Peri Charcoal Chicken & Sauce Bar, R&B Tea, and Project Pie

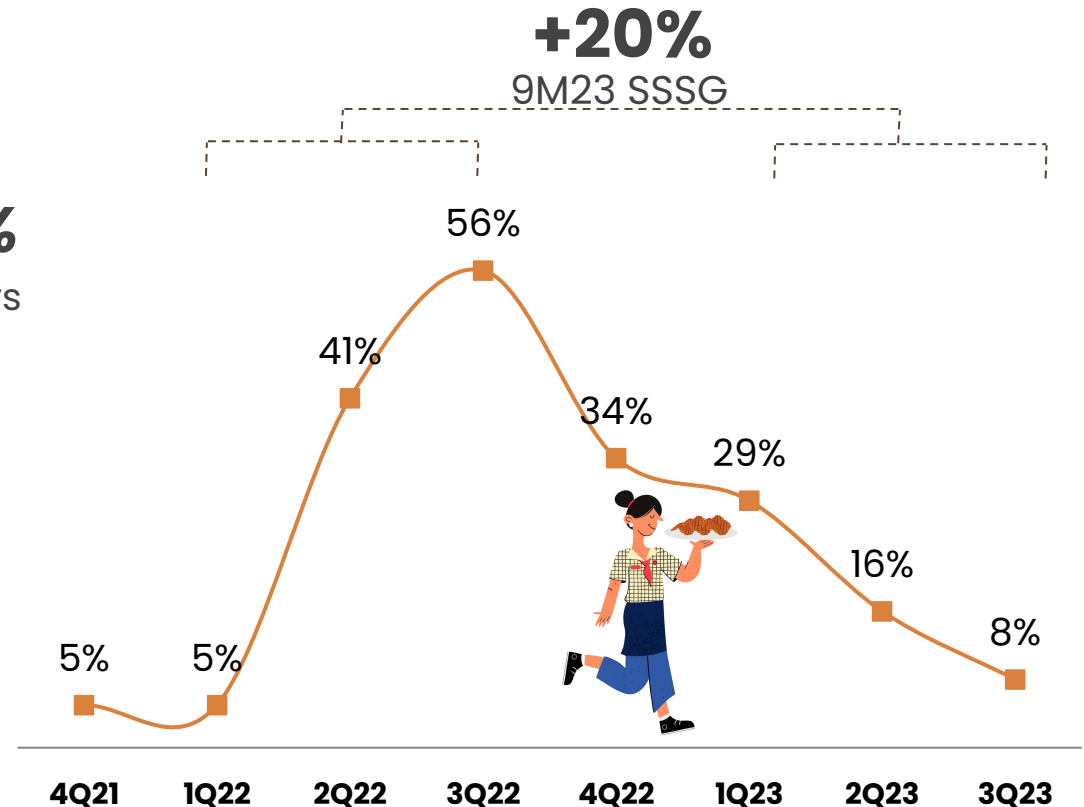
Healthy same-store sales growth supports 9M23 systemwide sales' 40% growth year-on-year

Trailing 4 Quarters Systemwide Sales (SWS)

in PHP B



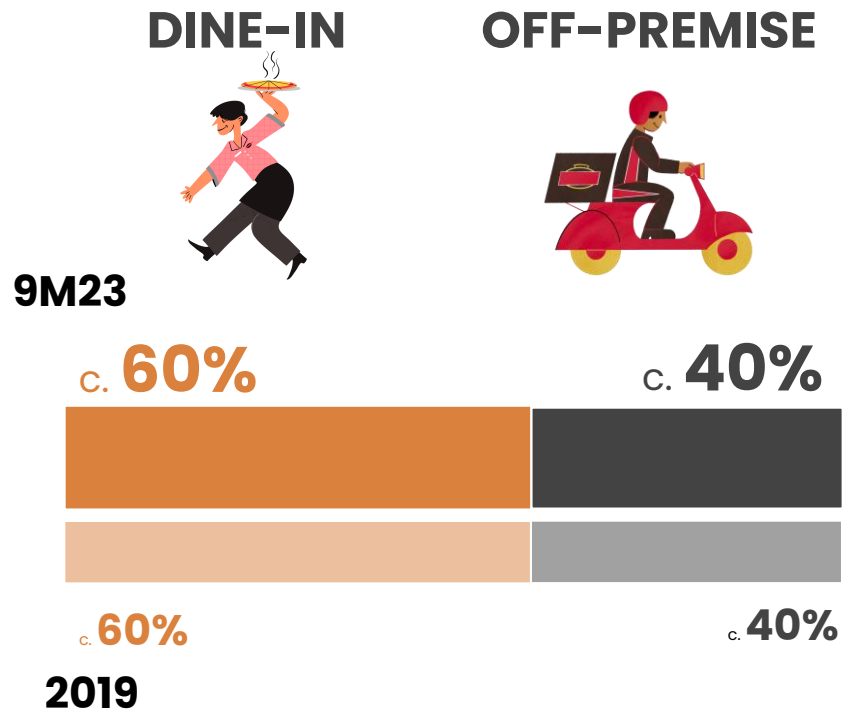
Quarterly Same Store Sales Growth (SSSG)**



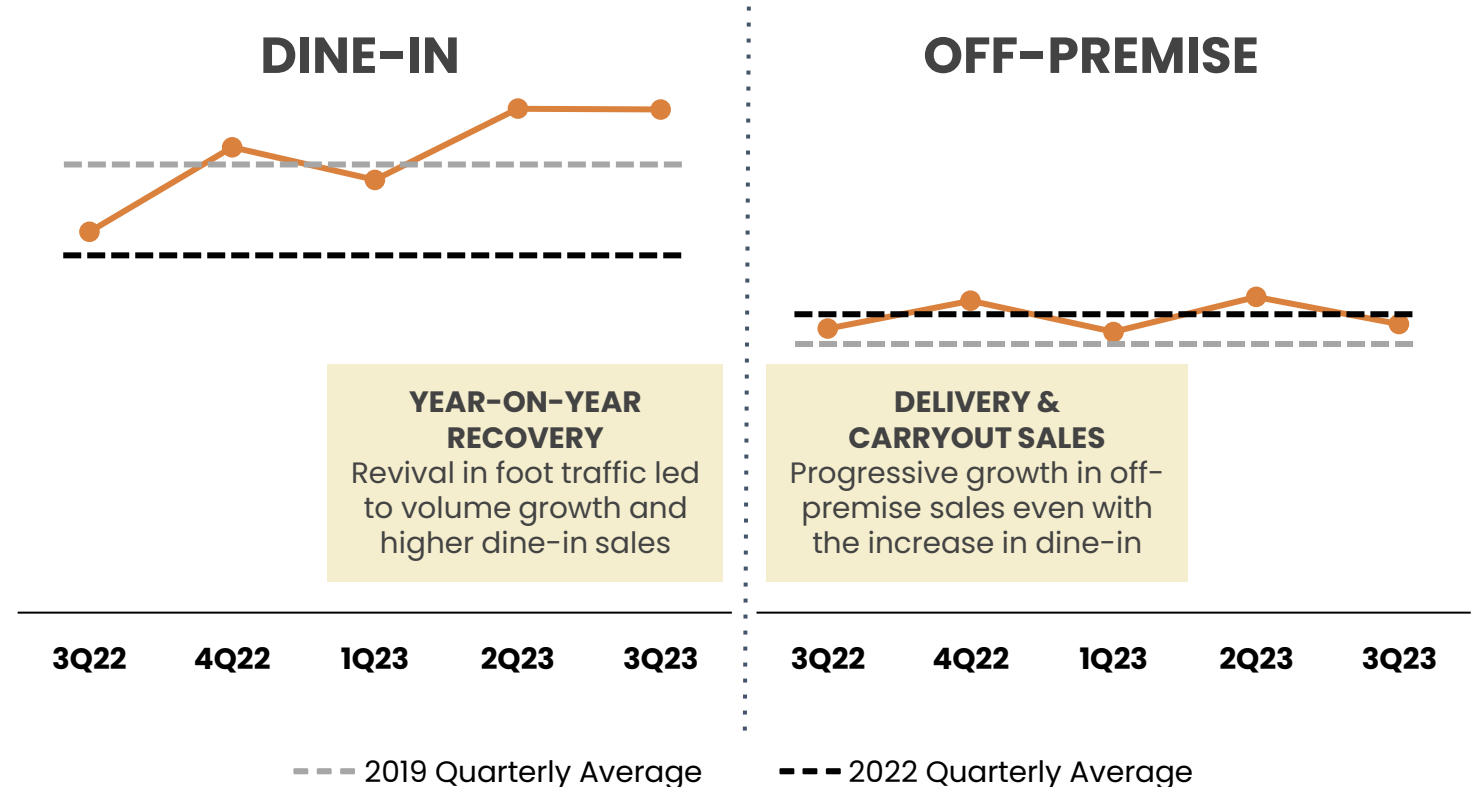
- 3Q 2023 SWS grew 24% YoY growth is supported by **healthy SSSG** and boosted by continued **network expansion**
- 3Q 2023 SSSG stood **at 8% despite a high base in the same period in 2022** when strict quarantine restrictions were fully lifted in the country

Positive momentum of dine-in resurgence continues from 2022 and throughout 3Q23

Comparative Channel Split*



Quarterly Channel SWS Trajectory*

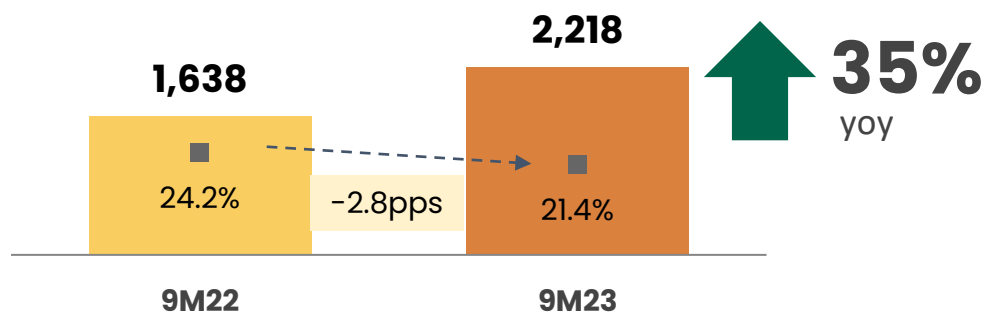


- **Dine-in resurgence** resulted in significant volume growth across all full-service brands
- Versus pre-pandemic levels, **off-premise channel sales has grown** as the delivery business delivered an incremental double-digit lift

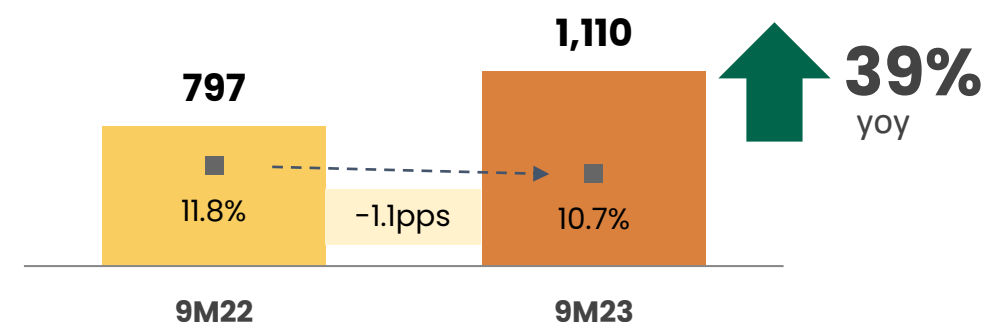
9M23 bottomline profitability strongly grows amidst an elevated cost environment



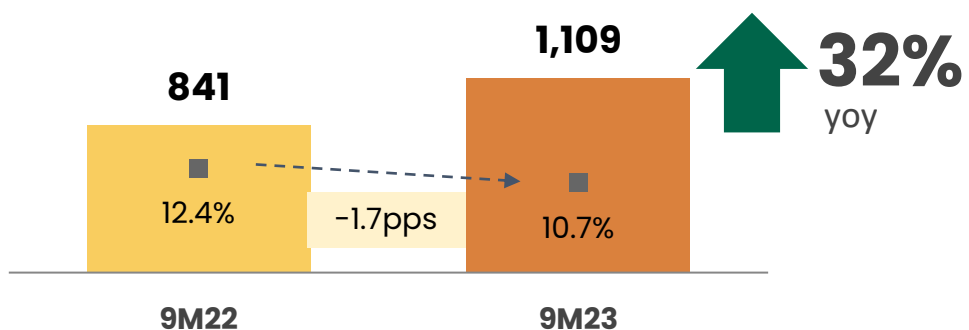
Gross Profit* and Gross Margin



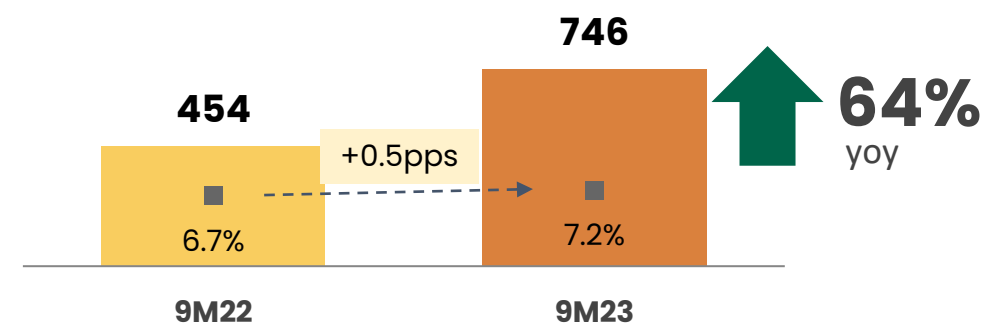
Operating Income* & Operating Margin



Opex* & Opex as % of Sales



Net Income* & Net Margin



9M23 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**



Multi-brand portfolio
delivers
**DOUBLE-DIGIT
GROWTH FROM
HIGH BASE**

**3Q DELIVERS
PEAK SALES**
with resurgence in foot
traffic and increase in
global footprint



**BOTTOMLINE
GROWS STRONGLY**
with operating leverage
and prudent spending





OUTLOOK



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 pillars
- brands, stores and people - and maximize synergies



BRANDS



NoTHIN' Like Shakey's Campaign



National Fries Day Re-run



Potato Corner x Uniqlo Collaboration

We will continue to scale up our network and realize synergies on our multi-brand portfolio



STORES



Shakey's SM Sto. Tomas



Peri-Peri SM Sto. Tomas



Potato Corner Thailand 100th Store

We will continue to strengthen and invest in our most important resource, our people



PEOPLE



I. WOW 核心理念

II. WOW 多维度评估



III. WOW 顾客至上



WOW! Culture for International Teams

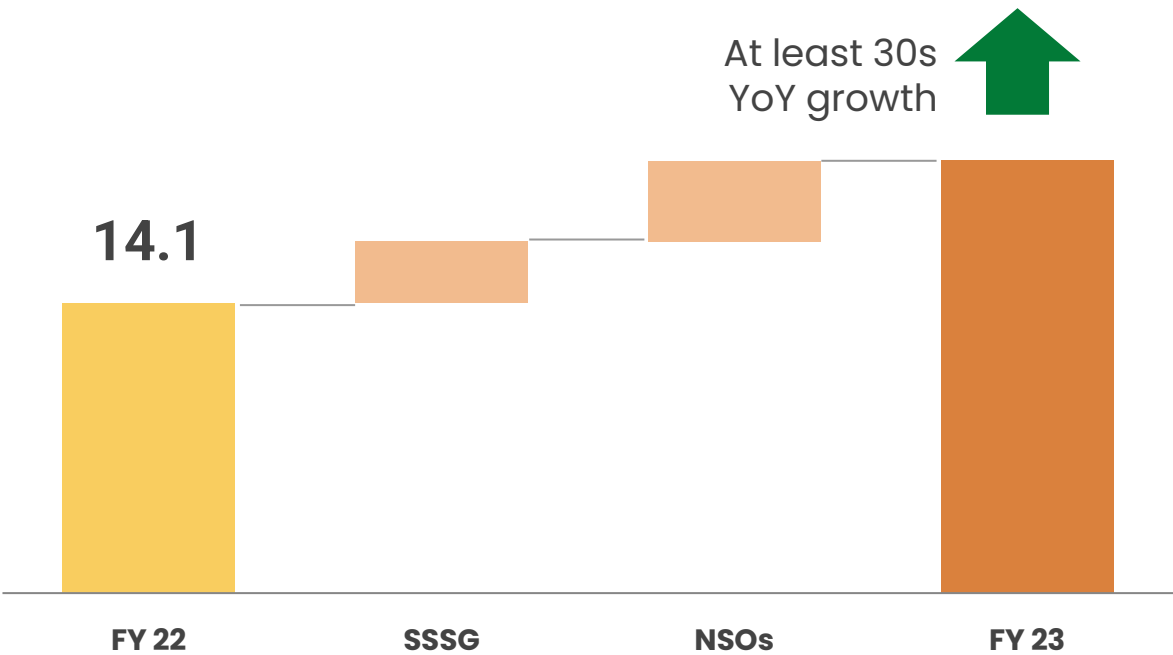
Participation in 2023 Franchise Expo

One Golden Arrow Awardee in ACGS Awards

2023 Topline and Bottomline Growth Outlook

Topline Guidance

in PHP B



Network Expansion

+335 new stores and outlets

Performance Drivers

Continued strength in dine-in, seasonal boost in 4Q

Growth through network expansion

Brand building initiatives and value creation across our brand roster

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

Price increases in line with inflation at most

Bottomline Guidance

Strong bottomline growth delivery

2024 Preliminary Outlook

STRONG
TOPLINE
GROWTH

Driven by growing guests volume
+ network expansion

ACTIVE COST
MANAGEMENT

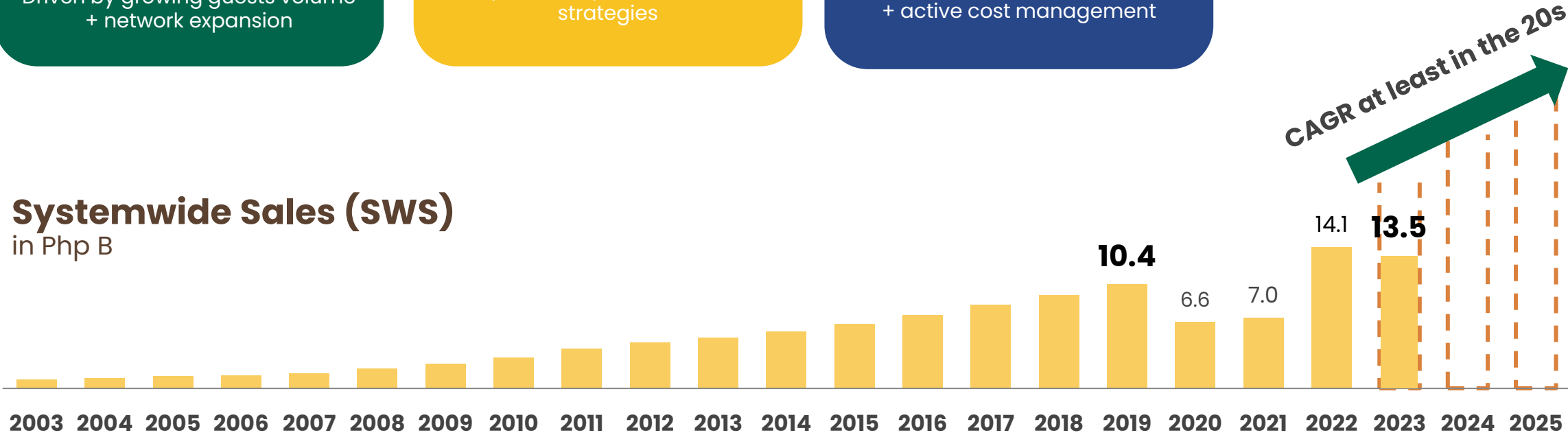
including prudent spending +
proactive procurement
strategies

ROBUST
BOTTOMLINE
GROWTH

driven by topline momentum
+ active cost management

Kickstart
anew a STRONGER
double-digit
growth run

Systemwide Sales (SWS)
in Php B



CAGR at least in the 20s

*Systemwide Sales (SWS) in Billions of Philippine Pesos



SHAKEY'S PIZZA ASIA VENTURES, INC.



9M23 EARNINGS PRESENTATION

NOVEMBER 2023





OTHER FINANCIALS



9M 2023 Summarized P&L

In PHP M	9M 2019	9M 2022	9M 2023	Δ 9M23 vs 9M22
Systemwide Sales	7,427	9,611	13,497	40%
Total Revenue	5,897	6,773	10,358	53%
Cost of Sales	(4,220)	(5,135)	(8,139)	59%
Gross Profit	1,677	1,638	2,218	35%
Operating Expenses	(747)	(841)	(1,109)	32%
Operating Income	930	797	1,110	39%
EBITDA	1,378	1,206	1,597	32%
Interest Expense	(201)	(221)	(250)	13%
Income before Tax	740	591	884	50%
Income Tax Expense	(165)	(137)	(138)	1%
Net Income	575	454	746	64%
Earnings per Share	0.38	0.27	0.44	64%

Margins

Gross Profit	28.4%	24.2%	21.4%	-2.8 pps
Operating Income	15.8%	11.8%	10.7%	-1.1 pps
EBITDA	23.4%	17.8%	15.4%	-2.4 pps
Net Income	9.8%	6.7%	7.2%	+0.5 pps

- 9M23 systemwide sales **grew 40% 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 softened** amid elevated input prices and higher rental expenses
- **Net margin expanded** as OPEX is better recovered driven by the strong rebound in topline and a favorable sales mix

9M 2023 Summarized Balance Sheet

In PHP M	FY 2022	9M 2023	In PHP M	FY 2022	9M 2023
Cash	990	629	Trade and Other Payables	2,132	2,196
Receivables	1,133	1,722	Short-Term Debt	548	548
Inventories	1,001	1,674	Other Current Liabilities	125	199
Other Current Assets	731	732	Total Current Liabilities	2,805	2,943
Total Current Assets	3,855	4,757	Long-Term Debt	5,243	5,218
Property, Plant, and Equipment	1,765	1,766	Other Non-Current Liabilities	2,615	2,751
Intangible Assets	10,340	10,306	Total Non-Current Liabilities	7,858	7,968
Other Non-Current Assets	1,749	1,706	TOTAL LIABILITIES	10,663	10,911
Total Non-Current Assets	13,854	13,778	TOTAL EQUITY	7,046	7,623
TOTAL ASSETS	17,708	18,535	TOTAL LIABILITIES AND EQUITY	17,708	18,535

- **Cash 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**

9M 2023 Summarized Cash Flows

In PHP M	9M 2022	9M 2023
Income before Income Tax	591	884
Depreciation and Amortization	394	463
Changes in Working Capital	(138)	(1,283)
Other Operating Cash Flows	255	120
Net Operating Cash Flow	1,102	183
Capital Expenditures	(462)	(261)
Other Investing Cash Flows	(1,945)	332
Net Investing Cash Flow	(2,407)	72
Proceeds from (Payment of) Loan	2,075	(25)
Financing Costs	(160)	(188)
Dividends and Others	(210)	(402)
Net Financing Cash Flow	1,705	(616)
Beginning Cash	485	990
Change in Cash	400	(361)
Ending Cash	886	629
Free Cash Flow	640	(77)

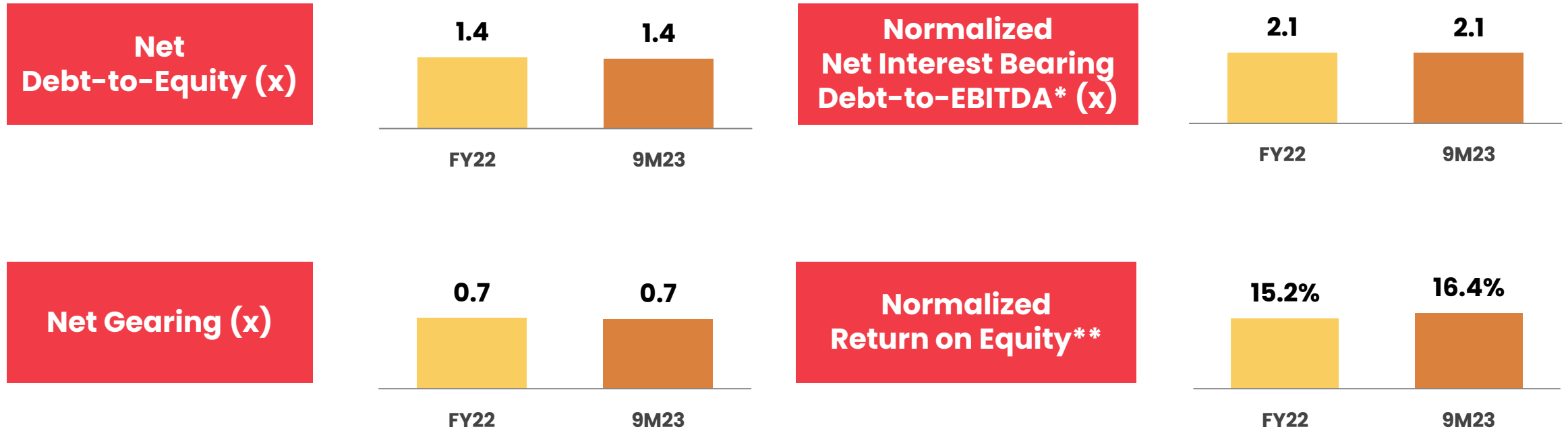
9M 2023 increase in working capital primarily driven by:

- 1) Increase in receivables driven by growth in franchisee volumes
- 2) Increase in inventory covers to build supply security and avoid operational disruptions, especially going into the 4Q holidays

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

Dividends paid in August 2023 back to pre-pandemic levels of **Php0.10/share**

Key Financial Ratios



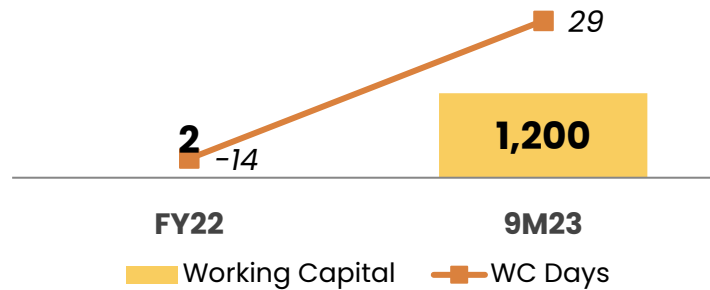
- Gearing ratios are manageable and at healthy levels
- ROE is progressively improving and remains attractive in the mid-teens levels

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

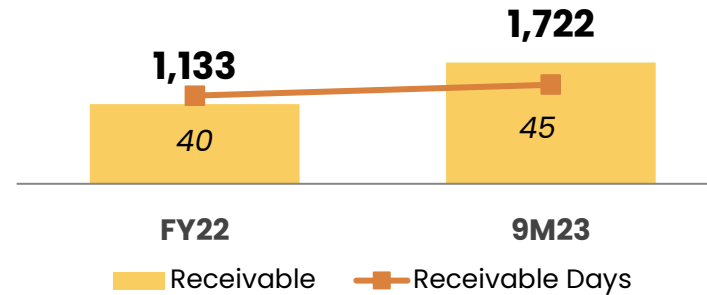
**2022 figures adjusted to include Potato Corner trailing 12-month Net Income

Cash Conversion Cycle

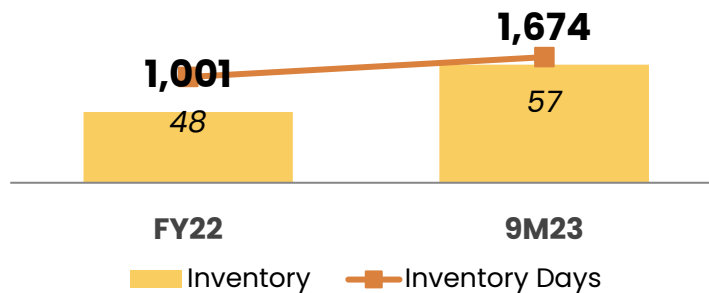
WORKING CAPITAL



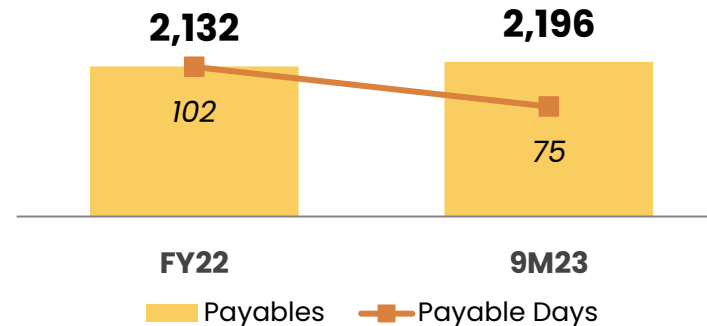
RECEIVABLES



INVENTORY



PAYABLES



- Slightly higher receivable days given **higher volumes, hence, receivables from franchisees**
- Inventory days higher with **ample inventory covers** to build supply security and avoid operational disruptions during the upcoming holiday season
- Payable days lower in line with **managing relationships with suppliers**

This document is highly confidential and being given solely for your information and for your use and may not be, or any portion thereof, shared, copied, reproduced or redistributed to any other person in any manner. The statements contained in this document speak only as of the date which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or to correct any inaccuracies in any such information which may become apparent.

This presentation contains statements, including forward-looking statements, based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements in particular involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this document are cautioned not to place undue reliance on these forward-looking statements.

Any reference herein to "the Company" shall mean, collectively, Shakey's Pizza Asia Ventures, Inc. and its subsidiaries.

PIZZA iR

Paranaque City, Philippines



investorrelations@shakeys.biz



+632 8742 5397



<http://edge.pse.com.ph>
www.shakeyspizza.ph



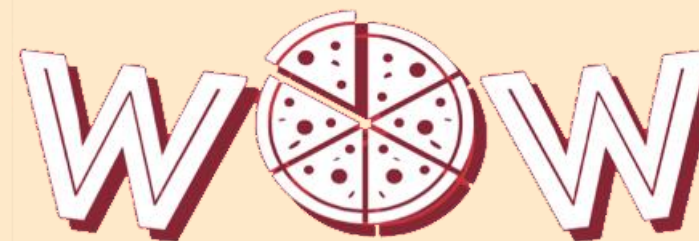
<https://www.linkedin.com/company/shakeyspizzaasiaventuresinc/>



<https://www.facebook.com/ShakeysPH>



R&B 巡茶



Serving you through Thick & Thin.

