



SHAKEY'S PIZZA ASIA VENTURES, INC.



FY23 EARNINGS PRESENTATION

APRIL 2024





FY 2023

FINANCIAL PERFORMANCE



FY 2023 FINANCIAL RESULTS HIGHLIGHTS



FY

NETWORK EXPANSION

+369

Total network: 2,141

SYSTEMWIDE SALES

18,640M

+32% YoY

GROSS PROFIT

3,151M

+21% YoY

NET INCOME

1,079M

+23% YoY

4Q

+120

Stores and outlets

5,144M

+15% YoY

932M

-3% YoY

334M

-21% YoY

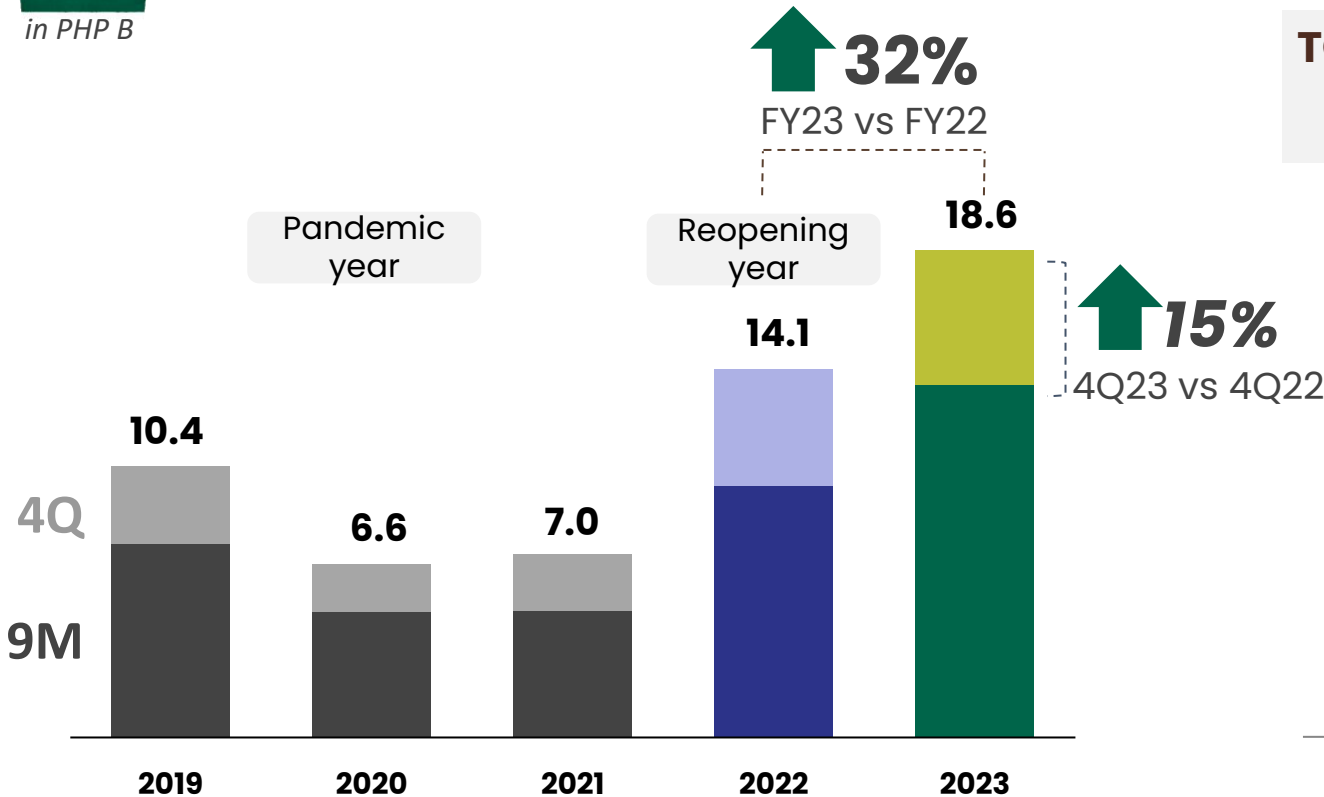


** Financial metrics are reported on a year-on-year basis and are reported in PHP millions as applicable*

FY23 systemwide sales grew 32% year-on-year, supported by strong SSSG and PIZZA's multi-brand portfolio expansion

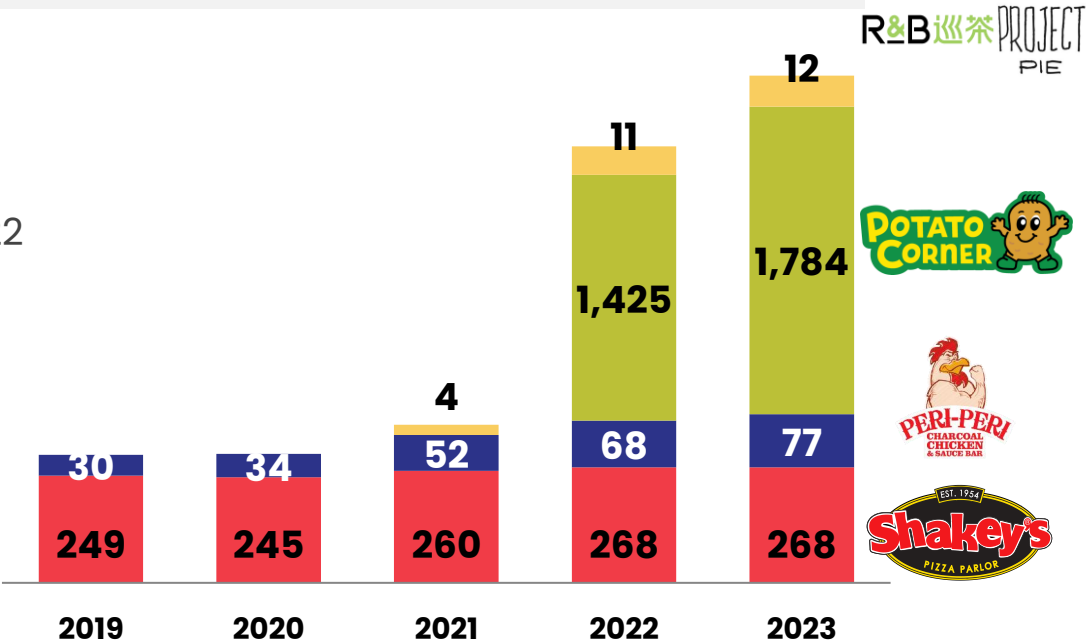


Historical FY Systemwide Sales (SWS)



Historical Network Expansion

TOTAL GLOBAL NETWORK



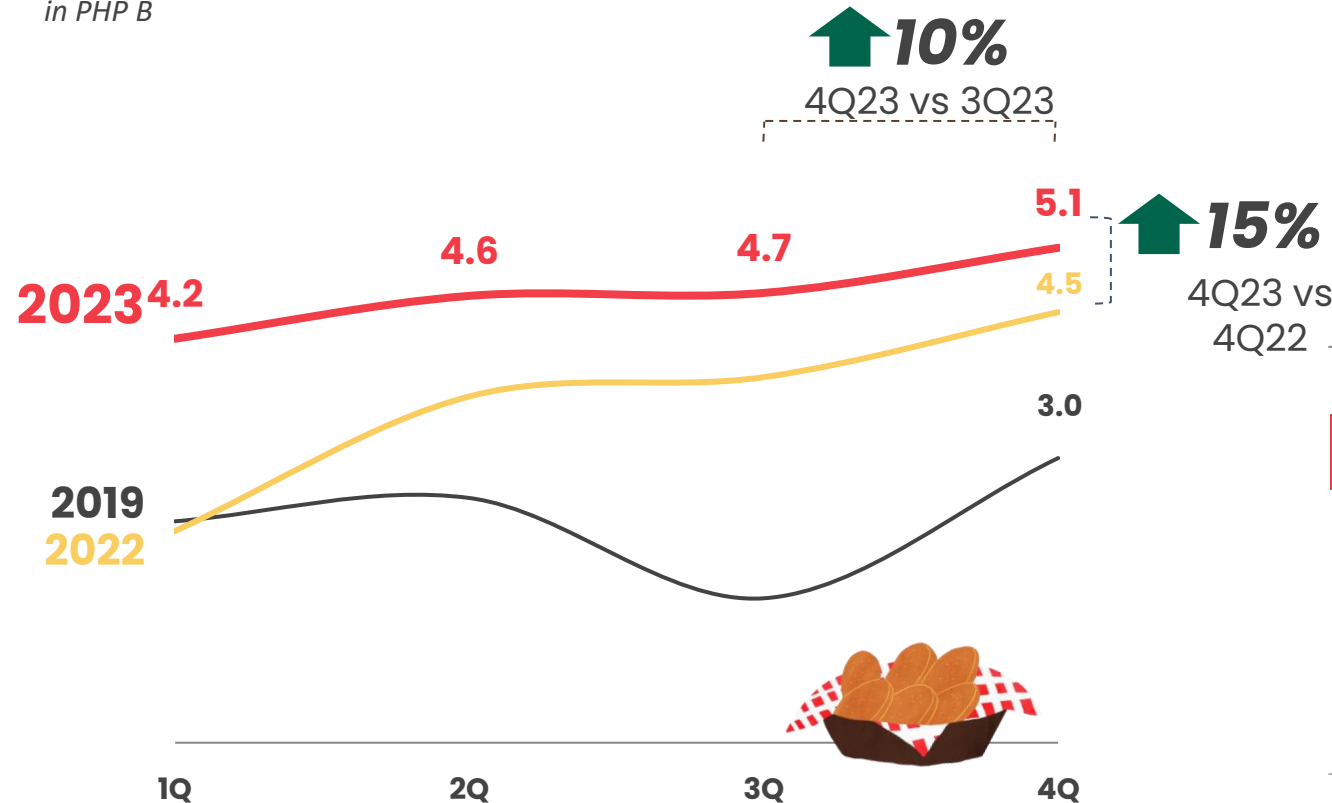
- FY 2023 SWS growth driven by the **return of dine-in**, built up by celebrations, and robust global network expansion
- PIZZA is now a multi-brand portfolio comprised of WOW! Brands – Shakey's, Potato Corner, Peri-Peri Charcoal Chicken & Sauce Bar, R&B Tea, and Project Pie

Healthy same-store sales growth supports FY23 systemwide sales' 32% growth year-on-year

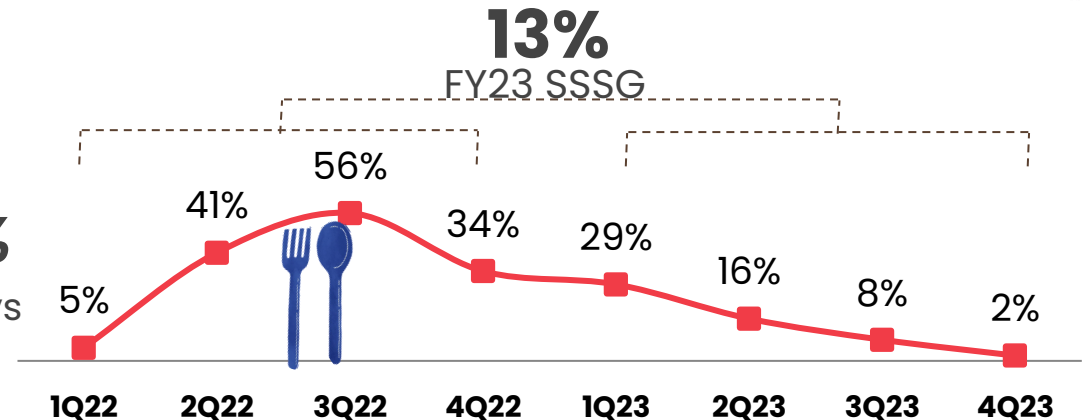


Trailing 4 Quarters Systemwide Sales (SWS)

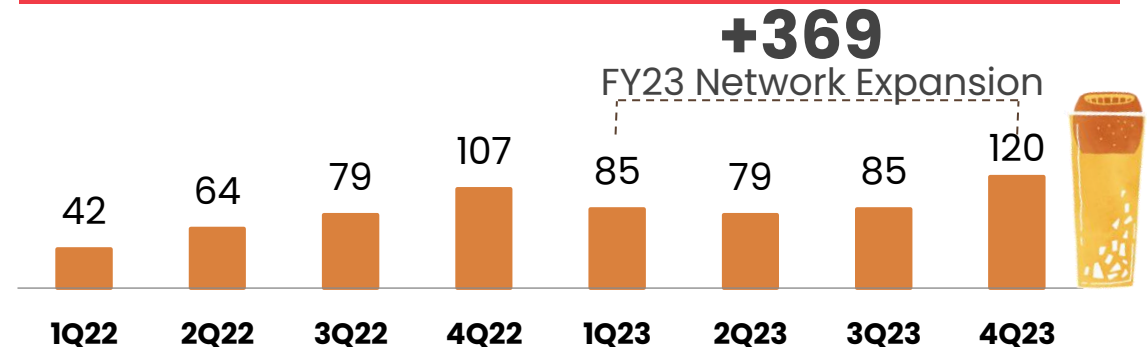
in PHP B



Quarterly Same Store Sales Growth (SSSG)*



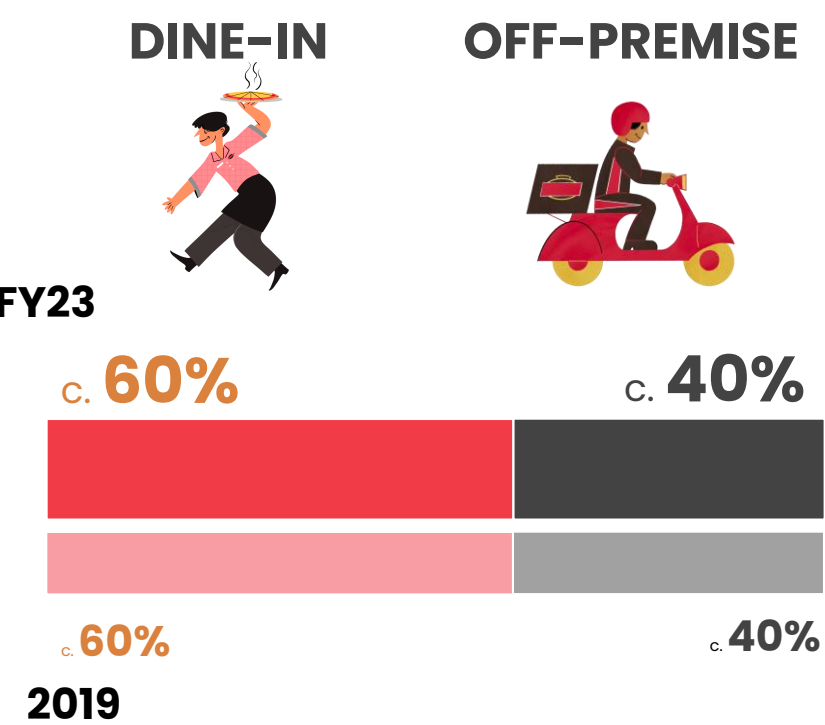
Quarterly Network Expansion



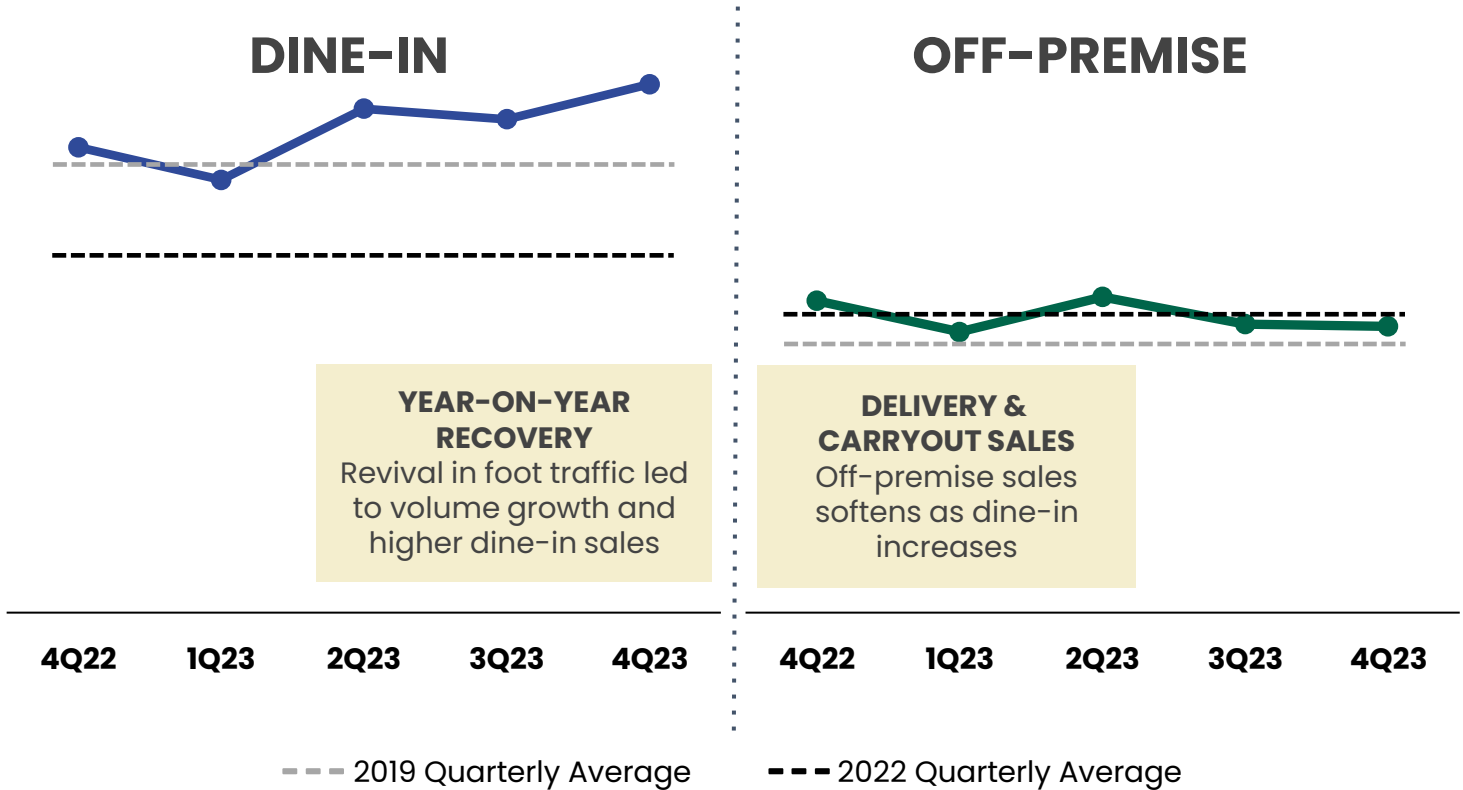
- 4Q 2023 SWS grew 15% YoY growth is supported by **healthy SSSG** and boosted by continued **network expansion**
- Despite persistent inflationary pressures**, 4Q 2023 SSSG stood **at 2% with high base in the same period in 2022** as the country entered the first holiday season after strict quarantine restrictions were fully lifted

Positive momentum of dine-in resurgence continues from 2022 and throughout 2023

Comparative Channel Split*



Quarterly Channel SWS Trajectory*



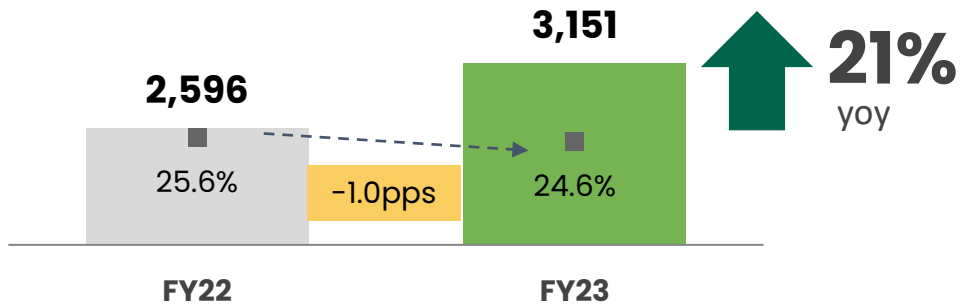
- **Dine-in resurgence** resulted in significant volume growth across all full-service brands
- Versus pre-pandemic levels, the **off-premise channel sales has grown** as the delivery business delivered an incremental double-digit lift

* Per channel figures exclude Potato Corner numbers

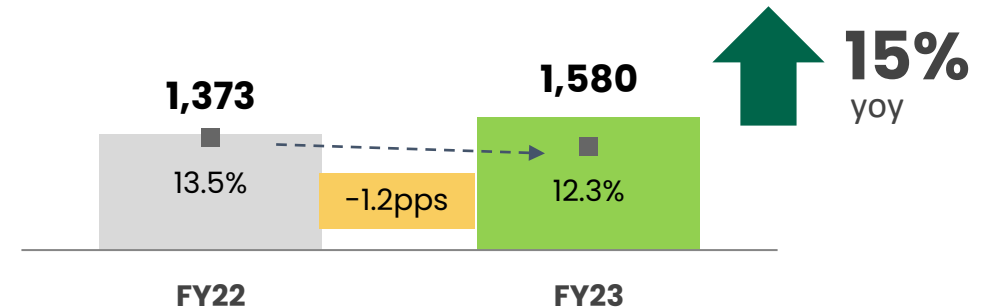
FY23 bottomline profitability strongly grows amidst a continuing, elevated cost environment



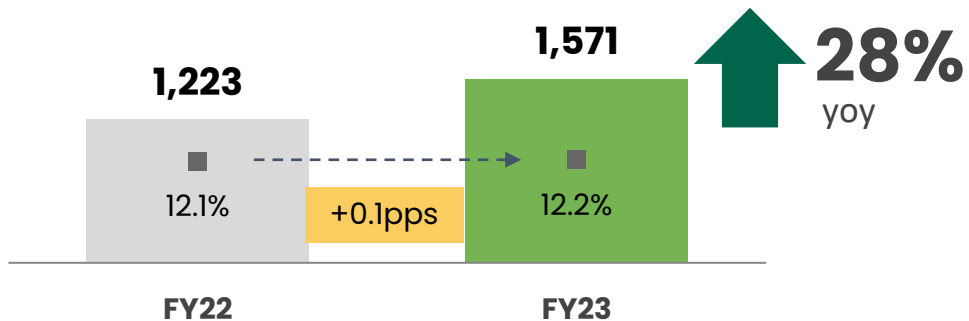
Gross Profit* and Gross Margin



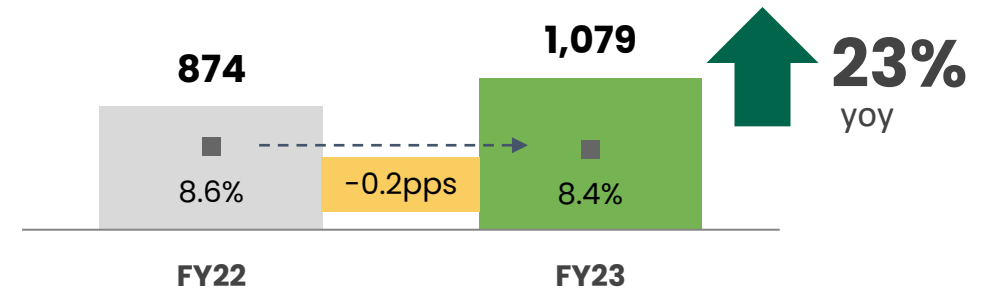
Operating Income* & Operating Margin



Opex* & Opex as % of Sales



Net Income* & Net Margin

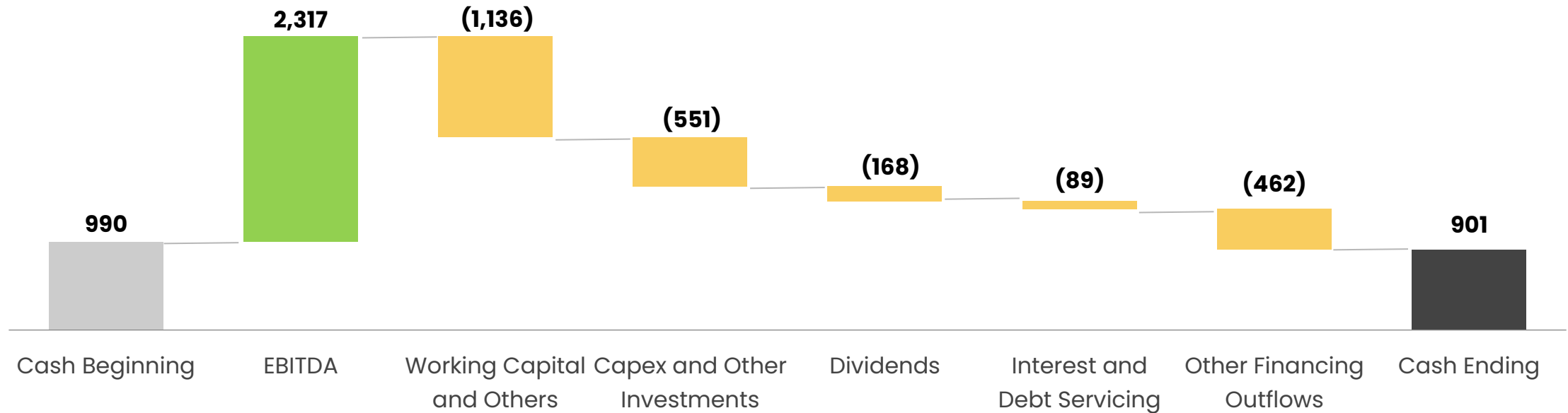


- FY23 gross margin decreases **due to higher input costs**. Operating margin softens by 120 bps as the impact of **sales leverage and price adjustments** partially offsets higher input costs
- Anticipating favorable effective tax rates, going into 2H 2023, **we reinvested significantly in infrastructure including the organization supporting domestic and international expansion**

Healthy 2023 performance reflected in operating cash flows, funding network and territory expansion and dividends



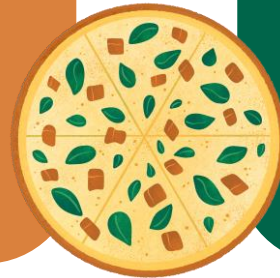
FY 2023 Cash Flows



- Our sustained **healthy cashflow generation** reflects the positive performance of our operations, combined with discipline in working capital management
- PIZZA's healthy cash position allowed **funding of new store openings and other investments to support operations**



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



**4Q DELIVERS
PEAK SALES**
with seasonal boost
from the holidays and
increase in global
footprint

**BOTTOMLINE
GROWS STRONGLY**
with sales leverage
and amidst strategic
investments





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



STRONG CHALLENGER BRAND

Expanding group business presence
in Non-fried Chicken space



EMERGING BRANDS

Incubating concepts
for opportunistic growth



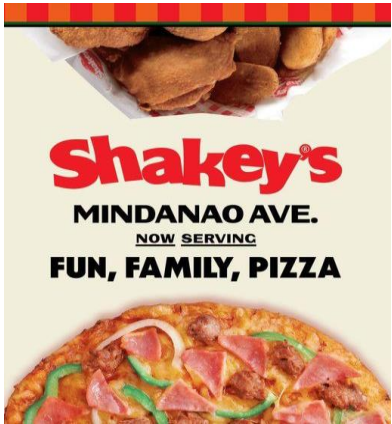
SUPPORT INFRASTRUCTURE

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

BIGGER: With our synergistic portfolio, we are enabled to expand and reach new frontiers in our businesses



Maximizing Synergies
Within Our Multi-Brand Portfolio



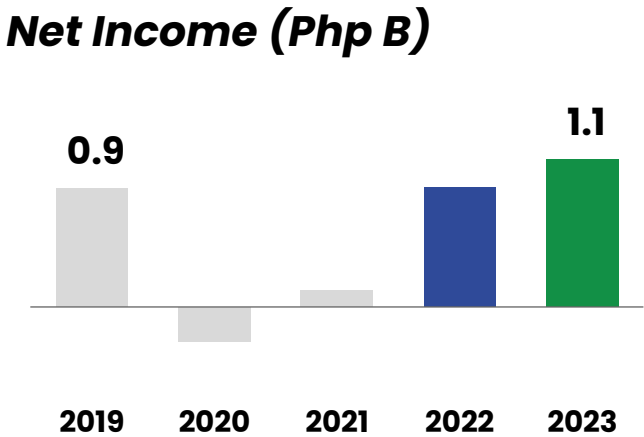
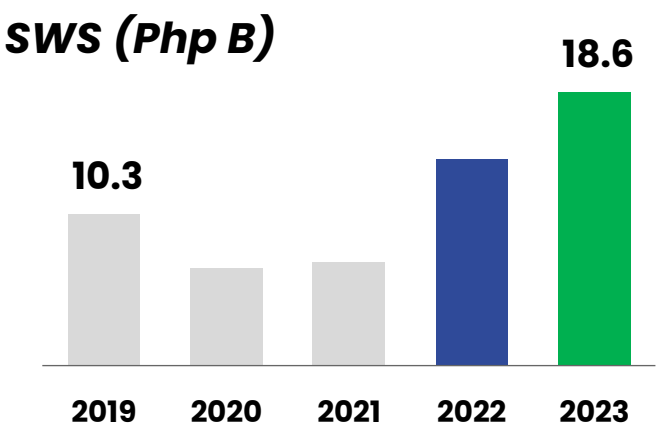
WOW! Brands in Flagship Complex in Mindanao Avenue

300 PC Stores
Opened Nationwide



Over 700 franchisee partners

Surpassing High Water Marks
With Faster Post-Pandemic Growth



Record Highs in SWS and Net Income

BOLDER: By taking bolder moves, we remain ahead of the curve as we invest in our brands, stores, and people



All Brands Store Design Initiatives



Strategic Investments in People and Infrastructure



I. WOW 核心理念

II. WOW 多维度评估



III. WOW 顾客至上

Planting Flags in New Territories



First Company-Owned Store in China



Elevated Store Look and Feel



First Store in Malaysia

International Teams Aligned on WOW! Culture

BETTER: By looking beyond the bottom line, we become a better business for all our stakeholders



Continuing Meaningful Investments in People

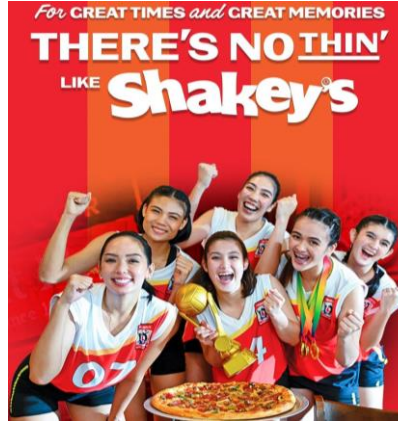


Love
em
Down



More than 18k jobs supported, including inclusive hiring initiatives

Supporting Development of Women's Collegiate Volleyball



Shakey's Super League Year 2

Strengthening Commitment to Good Governance



First Golden Arrows Award

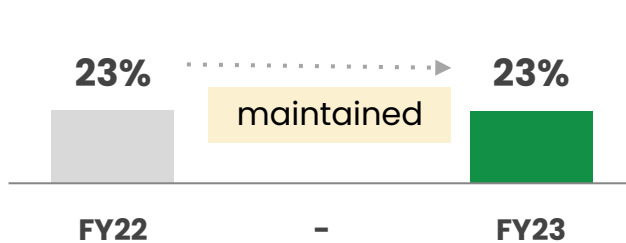
Maintained market leadership in foodservice categories we operate in



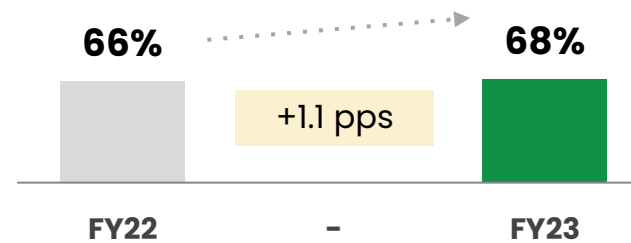
Continue to Strive for #1 As We Provide Value to Our Guests



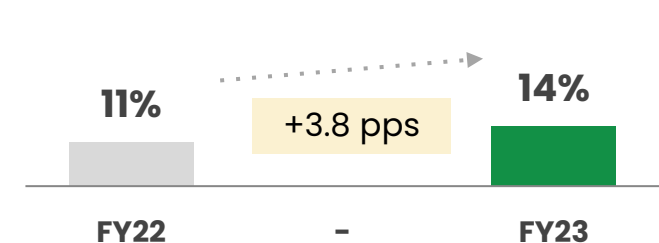
**Full-Service
Restaurant Chain**



**Full-Service
Pizza Restaurant Chain**

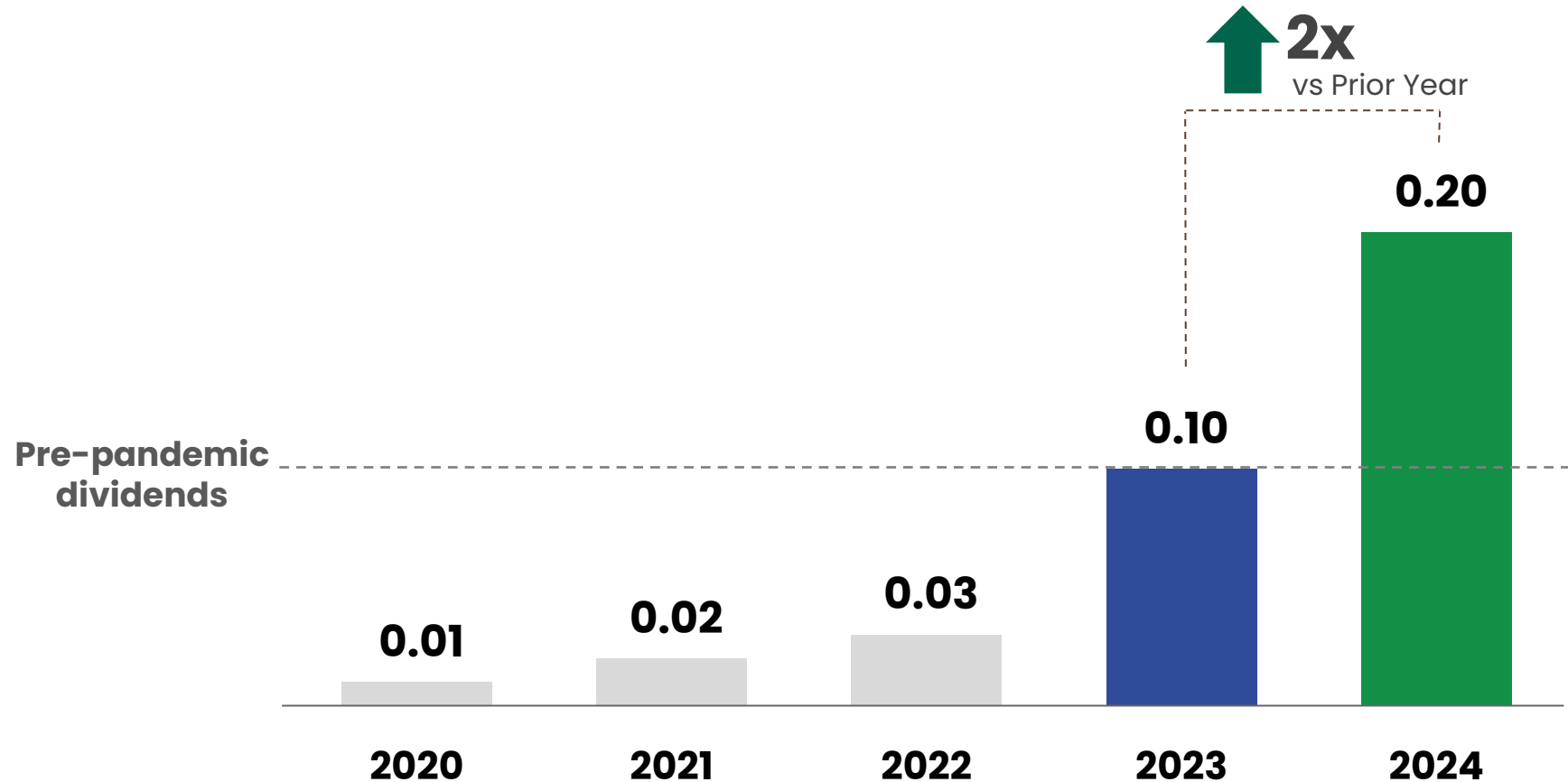


**Kiosk
Chain**



2024 Dividends at Php 0.20/Share

Increased Dividends, Continuing to Share Created Value via Healthy Returns to Investors



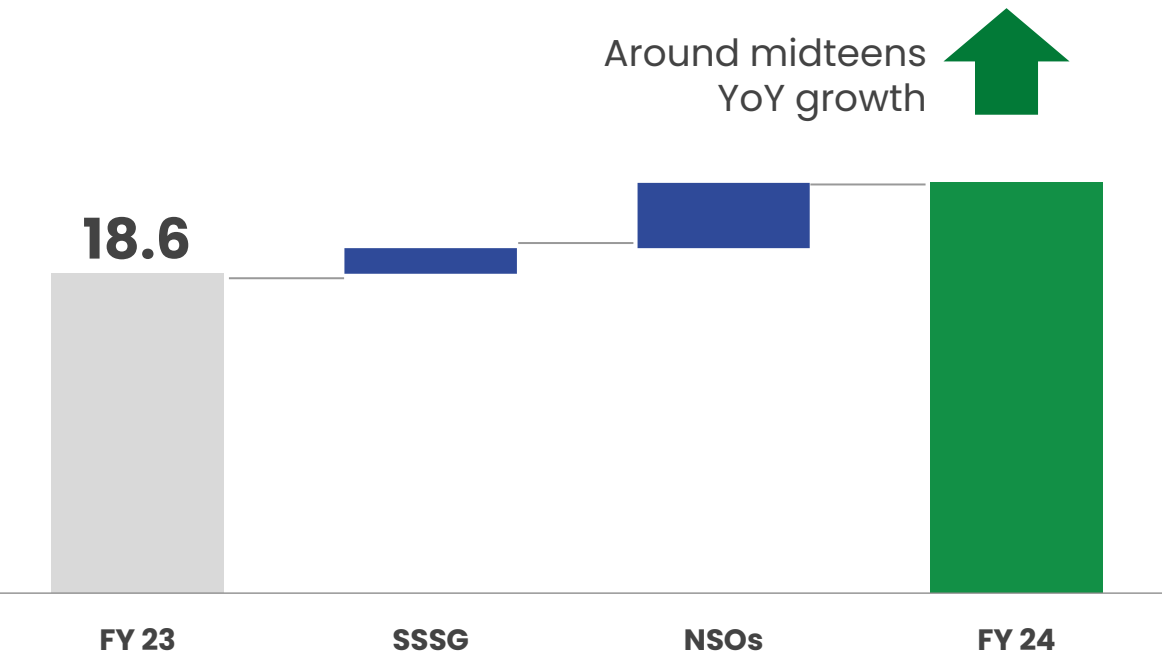
31%
Payout vs
FY23 Net Income

May 15
Record Date
May 30
Payment Date

2024 Topline and Bottomline Growth Outlook

Topline Guidance

in PHP B



Network Expansion

+400 new stores and outlets

Performance Drivers

Inflationary challenges persist, but commodities start to ease

Network expansion to ramp up in the 2nd quarter

Investments in global expansion to continue throughout the year

Margins to improve in the second half as inventory covers go down and commodities soften

Bottomline Guidance

Net income to grow by at least the same pace as topline; growth is back-ended

2024 Preliminary Outlook

CONTINUING
STRONG GROWTH
TRAJECTORY

Driven by growing guest volume
+ network expansion, on top of a
high base

INVESTMENT IN
PEOPLE AND
INFRASTRUCTURE

To support topline growth for the
next 3-5 years

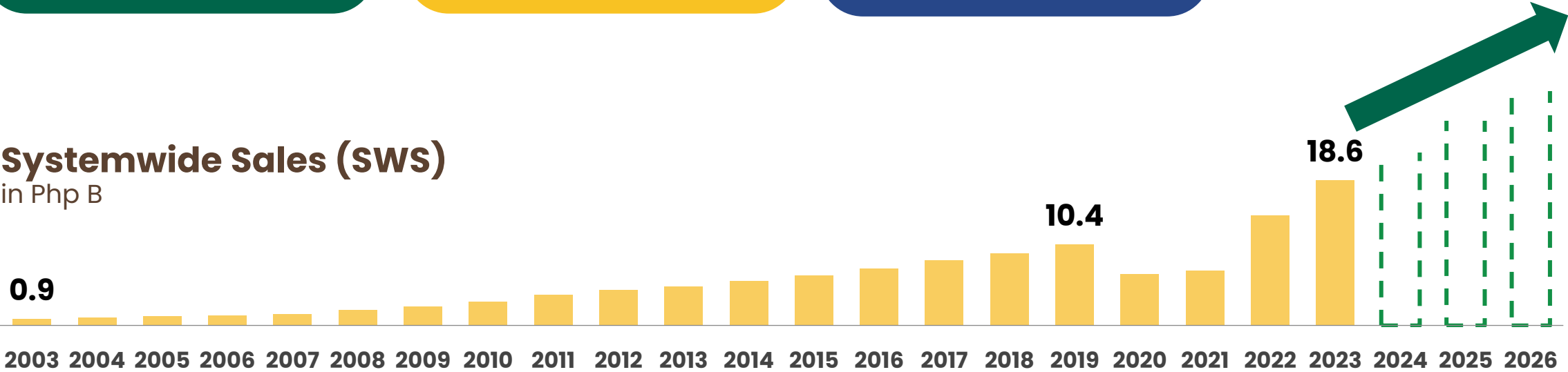
SUSTAINABLE
BOTTOMLINE
GROWTH

driven by topline growth
trajectory, improving input costs,
and strategic investments

Sustaining our
NEW, 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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APRIL 2024





OTHER FINANCIALS



FY 2023 Summarized P&L

In PHP M	FY 2019	FY 2022	FY 2023	Δ FY23 vs FY22
Systemwide Sales	10,384	14,087	18,640	32%
Total Revenue	8,239	10,142	12,824	26%
Cost of Sales	(5,827)	(7,547)	(9,673)	28%
Gross Profit	2,412	2,596	3,151	21%
Operating Expenses	(1,052)	(1,223)	(1,571)	28%
Operating Income	1,360	1,373	1,580	15%
EBITDA	1,971	2,059	2,317	13%
Interest Expense	(311)	(324)	(361)	12%
Income before Tax	1,108	1,098	1,244	13%
Income Tax Expense	(243)	(224)	(165)	-26%
Net Income	865	874	1,079	23%
Earnings per Share	0.57	0.52	0.64	23%
Margins				
Gross Profit	29.3%	25.6%	24.6%	-1.0 pps
Operating Income	16.5%	13.5%	12.3%	-1.2 pps
EBITDA	23.9%	20.3%	18.1%	-2.2 pps
Net Income	10.5%	8.6%	8.4%	-0.2 pps

- FY23 systemwide sales **grew 32% YoY**, primarily driven by **dine-in growth** and our global **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 declines were mitigated** despite elevated input prices (1) as OPEX and financing costs are better recovered driven by the strong rebound in topline and (2) given a favorable tax position

FY 2023 Summarized Balance Sheet

In PHP M	FY 2022	FY 2023	In PHP M	FY 2022	FY 2023
Cash	990	901	Trade and Other Payables	2,132	1,753
Receivables	1,133	1,225	Short-Term Debt	548	748
Inventories	1,001	1,712	Other Current Liabilities	125	448
Other Current Assets	731	635	Total Current Liabilities	2,805	2,949
Total Current Assets	3,855	4,473	Long-Term Debt	5,243	5,195
Property, Plant, and Equipment	1,765	1,834	Other Non-Current Liabilities	2,615	2,525
Intangible Assets	10,340	10,367	Total Non-Current Liabilities	7,858	7,720
Other Non-Current Assets	1,749	1,954	TOTAL LIABILITIES	10,663	10,669
Total Non-Current Assets	13,854	14,155	TOTAL EQUITY	7,046	7,959
TOTAL ASSETS	17,708	18,628	TOTAL LIABILITIES AND EQUITY	17,708	18,628

- **Cash remains at healthy levels.** Working capital increases as business performance continues to grow
- Long-term loans all **peso-denominated with fixed interest rates for the next 2 years**

FY 2023 Summarized Cash Flows

In PHP M	FY 2022	FY 2023
Income before Income Tax	1,098	1,244
Depreciation and Amortization	637	758
Changes in Working Capital	(404)	(1,016)
Other Operating Cash Flows	287	195
Net Operating Cash Flow	1,618	1,181
Capital Expenditures	(767)	(501)
Other Investing Cash Flows	(1,767)	(50)
Net Investing Cash Flow	(2,534)	(551)
Proceeds from (Payment of) Loan	2,050	150
Financing Costs	(222)	(238)
Dividends	(51)	(168)
Other Financing Cash Flows	(358)	(461)
Net Financing Cash Flow	1,419	(719)
Beginning Cash	485	990
Change in Cash	504	(88)
Ending Cash	990	901
Free Cash Flow	852	680

FY 2023 increase in working capital

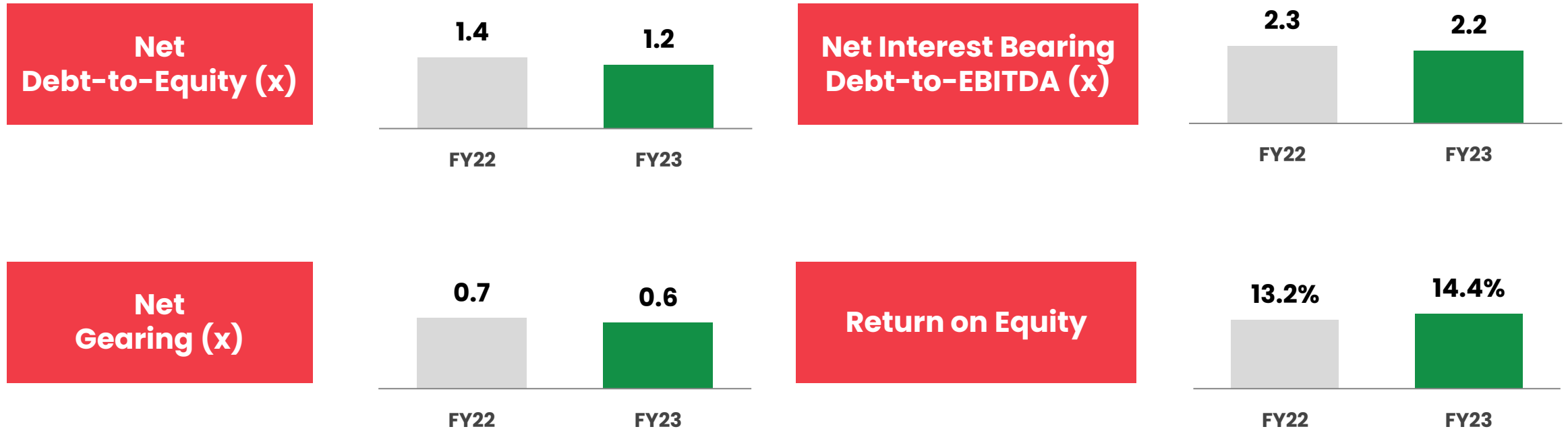
primarily driven by:

- 1) Increase in receivables driven by growth in franchisee volumes
- 2) Increase in inventory covers to build supply security

Capex primarily focused on **investments in new and existing stores**, as well as expenditures on IT infrastructure

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

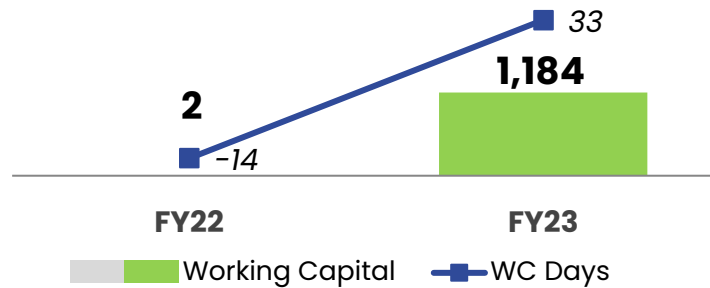
Key Financial Ratios



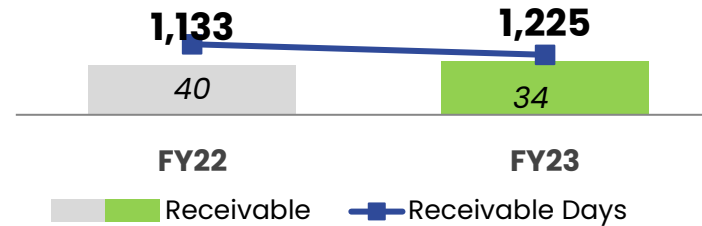
- Net debt-to-equity decrease is driven by lower total liabilities in 2023
- Gearing ratios are manageable and at healthy levels
- ROE remains attractive in the mid-teens levels

Cash Conversion Cycle

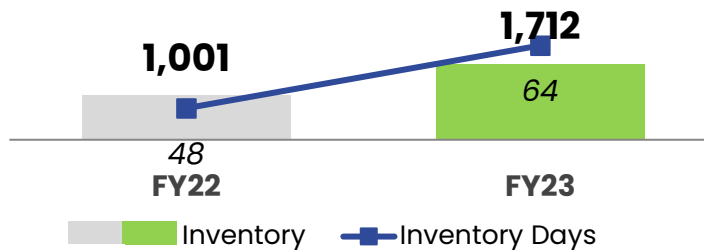
WORKING CAPITAL



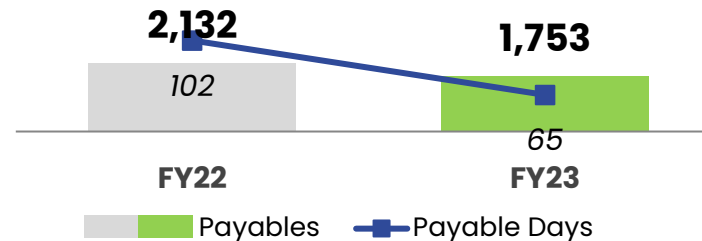
RECEIVABLES



INVENTORY



PAYABLES



- Lower receivable days given **better collection of franchisee receivables**
- Inventory days higher with **ample inventory covers** to build supply security
- Payable days **normalize** following heightened levels in the prior year


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PIZZA iR


Paranaque City, Philippines

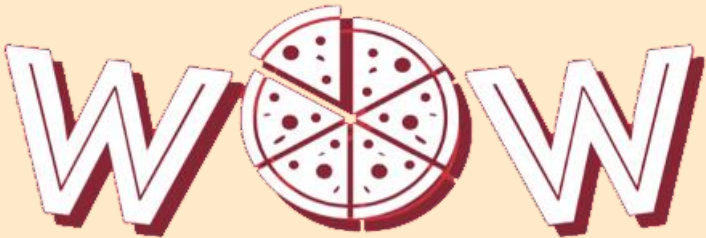
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Serving you through Thick & Thin.



R&B 巡茶

