



May 15, 2023

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue

Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**

Officer-in-Charge, Disclosure Department

RE: **PRESS RELEASE – SHAKEY’S PIZZA STARTS THE YEAR ON A HIGH NOTE; SYSTEMWIDE SALES UP 88% YEAR-ON-YEAR, PROFITS JUMP TO PHP 201 MILLION, UP 163% VIS-A-VIS 1Q22**

Please be informed that Shakey’s Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled **“Shakey’s Pizza Starts the Year on a High Note; Systemwide Sales Up 88% Year-on-Year, Profits Jump to Php 201 Million, Up 163% Vis-a-Vis 1Q22.”**

Very Truly Yours,

Jenifer Mae San Juan - Tecson
Investor Relations Manager



SHAKEY'S PIZZA STARTS THE YEAR ON A HIGH NOTE

Systemwide sales up 88% year-on-year,
Profits jump to Php 201 million, up 163% vis-a-vis 1Q22

- Systemwide sales hit Php 4.2 billion for the quarter, up by 88% year-on-year.
- Quarterly earnings registered at Php 201 million, increasing by 163% compared to the same period last year.
- Shakey's global network stood at 1,857 outlets by the end of the quarter.

Shakey's Pizza Asia Ventures, Inc. (PSE:PIZZA), one the largest casual dining chain of restaurants and food service groups in the Philippines, released a strong set of earnings for the first quarter of 2023 on the back of the continued return of dine in foot traffic and amidst the challenges of an inflationary environment.

Systemwide sales (SWS) hit Php 4.2 billion for the three-month period, increasing by 88% compared to SWS in the first quarter of 2022 and exceeding pre-pandemic levels by 79%. Notwithstanding the impact of its latest acquisition, Potato Corner, the group's SWS grew by 39%, fueled by robust same store sales growth at 29%. Recall that in the first quarter of 2022, the Philippines saw a resurgence in COVID-19 due to the spread of the Omicron variant, impacting foot traffic.

Likewise, revenues for the first three months of the year posted a strong double-digit growth of 94%, reaching Php 3.1 Billion.

The group also increased its number of outlets by 85 during the quarter, resulting in a total of 1,857 outlets by end March. Peri-Peri opened a mix of mall and independent stores, as well as continued the conversion of smaller format Peri Jrs. into larger store formats. Peri-Peri ended the quarter with a total of 72 stores. Potato Corner likewise increased its store footprint, concluding the period with a network of 1,506 outlets.

Vicente Gregorio, Shakey's Pizza's President and Chief Executive Officer said, "We are thrilled by the robust performance of the Shakey's group. We kicked off the year with good momentum, hopefully setting the pace for the year while navigating through hurdles such as higher input costs and occasional supply chain challenges. We also see consumers seeking value amidst high inflation. With this, our brands' primary focus was to double down on delivering exceptional value to our guests, leveraging synergies from the fundamental infrastructures built as a multi-brand portfolio." According to Gregorio, these infrastructures include corporate resources, delivery platforms, and loyalty programs.

Among these is the Shakey's SuperCard, one of the largest loyalty programs in the country with more than 1 million active users. SuperCard holders are given access to special perks – bundles and discounts which they can avail when they dine in or when they order through Shakey's SuperApp. In 2022, the SuperCard was expanded beyond Shakey's, adding Peri-Peri, R&B, and select Potato Corner stores, making the SuperCard even more attractive to guests. During the first quarter of 2023, PIZZA saw registered SuperCards increase by close to 30%.



In terms of profitability, PIZZA's robust results continued to be driven by the significant impact of sales leverage, a favorable mix, and cost discipline especially with respect to discretionary spend. All these helped mitigate the expected full impact of raw material input cost increases seen since 2022. As a result, gross profit grew by 62% while operating expenses only grew by 46%.

Net income for the first quarter of 2023 clocked in at Php 201 million, 2.6 times of PIZZA's earnings in the first quarter of 2022. Net margin decently expanded by 170 basis points to 6.4%.

Gregorio added, "While our brands have proven their resilience amidst the pandemic and even beyond, challenges, such as lingering inflation and increased input costs, continue and competition increases. Hence, it is imperative for us to make sound investments in our brands, stores and people to further drive value for our business and guests. We are navigating the year still with cautious optimism. While we are happy with our first quarter performance, we recognize that this is partly driven by a relatively lower base from last year. Nonetheless, with our balance of year outlook and the strength of our Wow Brands, we still expect to comfortably grow by at least 20% for both revenues and profits for the year, barring new major externalities."

"We are now entering a new growth mode for PIZZA, with Shakey's giving us the scale, Potato Corner and Peri-Peri driving growth and penetrating new markets, and our emerging brands incubating to become potential stars for the group. Given these and the resulting synergies from our multi-brand strategy, PIZZA is on track to deliver accelerated, sustainable, and profitable double-digit long-term growth," finished Gregorio.

Disclaimer:

This press release includes forward-looking statements. Such forward-looking statements are management's present expectations of future events and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements.

The reader is cautioned not to rely on such forward-looking statements, which speak only as of the date they were made. All subsequent forward-looking statements attributable to the Company, its affiliates or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referred to in this press release.

About PIZZA:

Shakey's Pizza has been creating over 40 years of great times and great memories. It is one of the leading Fast Casual Restaurants in the Philippines, focused on family casual dining. It maintains market leadership in both the chained pizza full-service and chained full-service restaurant categories.

Peri-Peri Charcoal Chicken and Sauce Bar is an emerging fast-casual and full-service restaurant brand in the Philippines. Its mainstay is charcoal-grilled chicken, marinated for 24 hours, served with an assortment of unique sauces to choose from. Since its acquisition in 2019, PIZZA has already doubled the store footprint of Peri-Peri.

PIZZA owns the master franchise of R&B Milk Tea in the Philippines. R&B Milk tea is one of the leading milk tea players in Singapore. It is available in Shakey's stores and now has two independent stores, one of which is the first drive-through milk tea store in the country.



In 2021, PIZZA relaunched Project Pie, a modern and upscale pizza concept and an artisan pizza chain known for its build-your-own pizzas.

In 2022, PIZZA acquired Potato Corner, one of the leading food kiosk brands in the Philippines renowned for its flavored fries. Potato Corner has over 1,000 stores in the Philippines and a wide store network internationally.



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