



April 15, 2024

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 Delivers 32% Systemwide Sales Growth and 23% Net Income Growth Amidst Inflationary Pressures**

Please be informed that Shakey's Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled ***"Shakey's Pizza Delivers 32% Systemwide Sales Growth and 23% Net Income Growth Amidst Inflationary Pressures"***.

Very Truly Yours,

Jenifer Mae San Juan - Tecson
Investor Relations Manager



Shakey's Pizza Delivers 32% Systemwide Sales Growth and 23% Net Income Growth Amidst Inflationary Pressures

- FY23 Group systemwide sales stood at Php 18.64 billion, up 32% year-on-year (YoY), supported by same-store sales growth (SSSG) of 13% and a 20% network expansion.
- Net income after tax surpassed the Php 1 billion mark at Php 1.08 billion, registering a 23% growth from last year's Php 874 million.
- Global network stands at 2,141 stores and outlets, increasing by 369 for the year.
- SPAVI Board of Directors approves the declaration of dividends amounting to Php 20 centavos per share, increasing from the 10 centavos per share declared in 2023 and pre-pandemic.

Shakey's Pizza Asia Ventures, Inc. (PSE:PIZZA | SPAVI), one of the leading food service groups in the Philippines, reported a strong finish for the year ended 31 December 2023. The Group's net income after tax achieved a milestone of Php 1.08 billion, marking a 23% increase compared to the previous year. Amidst a challenging macroeconomic environment, the Group saw systemwide sales surge to Php 18.64 billion – a 32% jump YoY.

Vicente Gregorio, SPAVI President and Chief Executive Officer, said, “We are grateful for the double-digit growth of our portfolio in 2023. However, persistent inflationary pressures continue to dampen consumer sentiment, leading to a softer growth performance during the second half of the year. Nonetheless, we are pleased to deliver record-high 4Q sales, supported by a festive comeback in December.”

In 2023, SPAVI continued to see healthy foot traffic, which buoyed the Dine-In segment and helped boost SSSG to 13%. In the fourth quarter, PIZZA's Dine-in segment increased by 11%, as guests celebrated the holiday season.

Consolidated revenues amounted to Php 14.13 billion, growing by 39% versus the year before.

“The investments in our brands, our stores, and our people are all designed to deliver the best value to our guests, which is especially relevant in this kind of environment. These allowed our brands to maintain market leadership in the full-service restaurant chain and kiosk chain categories,” Gregorio shared.

SPAVI has a multi-brand portfolio comprised of Shakey's – the leading brand in full-service restaurant chains in the Philippines, Potato Corner – the top brand in kiosks with its signature flavored fries, Peri-Peri Charcoal Chicken & Sauce Bar – the Group's entry in the full-service roasted chicken space, and incubator brands R&B Milk Tea and Project Pie.



As of year end 2023, the Group's global network stood at 2,141, including 268 Shakey's and 77 Peri-Peri stores. Meanwhile, Potato Corner concluded 2023 with 1,784 stores and outlets, having opened 300 Philippine stores throughout year, the most in its 31-year history. In total, PIZZA expanded its network by 369 new stores and outlets in 2023. The group built 59 international stores for Potato Corner and Shakey's and a flagship complex along Mindanao Avenue, housing all its brands.

Gregorio added, "We remain committed to strengthening our partnership with our franchisees, who are aligned with our growth and entrepreneurial mindset as a SPAVI Group. Together with our franchise partners and supply chain ecosystem, we support over 18,000 jobs globally and across 15 territories outside the Philippines. We aim to foster a win-win-win environment, generating more opportunities to further economic development in the Philippines, equipping entrepreneurs in the country, and creating great experiences for our guests."

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In terms of profitability, SPAVI's 2023 net income landed at Php 1.08 billion.

Gross profit increased by 21% year-on-year, however, higher input costs and an inflationary environment led gross margins to soften. SPAVI also reinvested significantly in its brands to ramp up infrastructure in support of both domestic and international expansion. Nonetheless, given its outsized topline resulting in better OPEX recovery, net income grew by 23% YoY. This helped cushion the impact on net margins, which only softened by 100 basis points YoY.

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SPAVI also announced that its Board of Directors approved the declaration of dividends amounting to Php 20 centavos per share, an increase compared to the 10 centavos per share declared in 2023 and pre-pandemic.

Gregorio said, "We are grateful for the past two years of robust post-pandemic performance. Given the plans we have in place, we remain committed to share the value created with our shareholders."

"For 2024, inflationary challenges persist, so we remain vigilant and cautious. On the other hand, we see commodity prices beginning to ease towards the end of 2023. All considered, we are aiming to deliver growth in the mid-teens for both our topline and bottomline. We plan to expand our network footprint by at least 400 stores and outlets. With robust double-digit growth coming from a high base and amidst dynamic macroeconomic backdrop, our built-up multi-brand portfolio primes us for sustainable growth in the years to come," concluded 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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