



August 14, 2024

**PHILIPPINE STOCK EXCHANGE, INC.**  
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Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
Officer-in-Charge, Disclosure Department

RE: **PRESS RELEASE – Shakey's Pizza Achieves 14% Systemwide Sales Growth Amid Soft Consumer Environment; Opens 210 new units in 1H 2024**

Please be informed that Shakey's Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled ***"Shakey's Pizza Achieves 14% Systemwide Sales Growth Amid Soft Consumer Environment; Opens 210 new units in 1H 2024"***.

Very Truly Yours,

Jenifer Mae San Juan - Tecson  
Investor Relations Manager



## **Shakey's Pizza Achieves 14% Systemwide Sales Growth Amid Soft Consumer Environment Opens 210 new units in 1H 2024**

- € 1H 2024 group systemwide sales posted a growth of 14% year-on-year, landing at Php 10.1 billion, in the midst of a continuing inflationary environment.
- € 1H 2024 net income after tax landed at Php 421 million, softening year-on-year. The Group expects income to recover in 2H, with a mid-teens earnings growth outlook for FY 2024.
- € SPAVI's global network stands at 2,351 stores and outlets, growing by 210 units in 1H 2024.

**Shakey's Pizza Asia Ventures, Inc. (PSE:PIZZA | SPAVI)**, one of the leading chain restaurant and food service groups in the Philippines, reported its unaudited financial performance for the first half of 2024. Amid a soft consumer environment, the Group sustained systemwide sales growth momentum. While earnings performance remained subdued as expected, the Group sees improvements in 2H as input costs improve, maintaining its mid-teens earnings growth outlook for 2024.

SPAVI's Systemwide sales in 1H24 reached Php 10.1 billion, registering a jump of 14% year-on-year (YoY). This was driven by new stores opened during the period and sustained growth in same store sales. For the six month-period, the Group opened 210 new units, laddering up to a total network of 2,351 stores and outlets as at end June. Approximately 13% of its network is comprised of international units. Same-store sales growth clocked in at 2%, returning to pre-pandemic levels.

During the second quarter, systemwide sales amounted to Php 5.3 billion, posting a growth rate of 14% YoY). Sequentially, SWS in 2Q24 topped the first quarter by 11% as quarterly SSSG improves, fueled by celebrations. Furthermore, during the three-month period, a total of 119 new units were opened, more than one unit per day.

Vicente Gregorio, SPAVI President and Chief Executive Officer, said, "We are grateful to be able to sustain our double-digit growth trajectory in these trying times. Our guests are more cautious because of persistent inflationary pressures, which is why it was very uplifting to see the celebratory atmosphere during special occasions such as Mothers' Day, Fathers' day, and the graduation season. Our restaurant brands have always been known for get-togethers and celebrations among families and friends."

Gregorio also shared the Group's emphasis on providing value to consumers to stimulate growth. "Providing value to consumers is an absolute. Apart from bundles and deals that our Group has always been actively pushing, we have been innovating our menu to cater to value-seeking guests and increase purchase occasions. One such example is the relaunch of the Classic Hero Sandwich that comes with its own bundles and combos, an affordable offering that can add incremental volumes to our sales. We also launched our Bunch of Lunch Mix and Match scheme, highlighting value for money solo plates."



In terms of profitability during the first half of 2024, SPAVI's gross profits rose by 10% versus the same period last year to Php 1.6 billion. 1H24 gross margins expanded by 60 basis points YoY to 24.3% as commodities eased.

Given the anticipated improvements in input costs and the respective margin gain, investments were made in the form demand generating activities to support topline growth. Coupled with expenditures to grow the organization for both domestic and international expansion, operating expenses rose by 36% year-on-year. As such, Earnings before interest, taxes, depreciation and amortization (EBITDA) stood at Php 985 million, while net income landed at Php 421 million.

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Initially a single-brand entity, SPAVI's portfolio is now comprised of five main brands. Shakey's continues to serve as the core anchor brand of the group, a platform that provides scale to the entire portfolio. It is the market leader in full service restaurant chains and full service pizza chains in the country. Potato Corner is the latest addition to the group. The market leader in kiosks in the Philippines is a major growth booster for SPAVI and is a platform that enables the group to advocate entrepreneurship. Peri-Peri Charcoal Chicken and Sauce Bar is a strong #2 challenger brand in the roasted chicken space, while R&B Milk Tea and Project Pie are incubator businesses for long-term growth.

"Amid a challenging environment, we see how our Group has been reaping the benefits of a multi-brand portfolio. We have different offerings that cater to the needs of our guests – whether these be large celebrations or daily treats. Furthermore, with easing input costs and a better profitability outlook in the second half, we have room to invest in growth and expansion. Hence, we remain cautiously optimistic with our mid-teens growth outlook in both top and bottomline. Ultimately, at the core of our ambition as a guest centric organization, is the desire to wow our guests by giving them great and unforgettable experiences with our brands, whether in good times or in bad, through thick and thin."

**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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