



November 12, 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 Accelerates in the Third Quarter of 2024; 3Q24 Systemwide Sales Improve 16% Year-on-year with New Stores and Better Same-Store Sales**

Please be informed that Shakey’s Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled ***“Shakey’s Pizza Accelerates in the Third Quarter of 2024; 3Q24 Systemwide Sales Improve 16% Year-on-year with New Stores and Better Same-Store Sales ”***.

Very Truly Yours,

Jenifer Mae San Juan - Tecson
Investor Relations Manager



Shakey's Pizza Accelerates in the Third Quarter of 2024

3Q24 Systemwide Sales Improve 16% Year-on-year with New Stores and Better Same-Store Sales

- *3Q24 Systemwide sales (SWS) rose by 16% year-on-year (yoy), pulling up year-to-date September SWS growth to 15% yoy, despite consumer sentiment being muted by inflationary pressures.*
- *SPAVI's global network stood at 2,483 stores and outlets as at end 3Q24. The Group opened a total of 342 units during the nine-month period, with 132 units opened in 3Q24.*
- *Profits remained subdued because of investments in expansion, store renovations, and competitive value offerings for consumers.*
- *With the expected seasonal uplift from 4Q, the Group maintains its double-digit topline and bottomline growth outlook for the year.*

Shakey's Pizza Asia Ventures, Inc. (PSE:PIZZA | SPAVI), one of the leading chain restaurant and food service groups in the Philippines, released its unaudited financial statements for the third quarter of 2024. SWS during the three-month period reached Php 5.4 billion, rising by 16% versus the comparable period last year. As expected, 3Q24 profits are flattish year-on-year due to investments in expansion and sales-building activities. Nonetheless, with easing input costs and the seasonal uplift of the fourth quarter, the Group expects to deliver double-digit net income growth for the full year.

Amid a tepid consumer environment, the group continued to post healthy sales performance on the back of sequentially improving same-store sales growth (SSSG) and new stores opened during the period.

The Group's 3Q24 SSSG clocked in at 4%, on an uptrend versus the 3% rate registered in 2Q24. With this acceleration, year-to-date September SWS increased 15% yoy to Php 15.5 billion.

SPAVI opened 342 net new units during the first nine months of the year, ending the period with 2,483 stores and outlets. The Company's expanding international footprint comprise approximately 15% of its network.

In terms of profitability, gross profits rose to Php 853 million in 3Q24, improving by 9%. With investments in expansion, operating expenses (OPEX) grew 20%. Nonetheless, with sales volume growth, 3Q24 OPEX as a percentage of sales was steady versus the same period last year. As a result, 3Q24 NIAT was sustained yoy at Php 250 million.

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Vicente Gregorio, SPAVI President and Chief Executive Officer, said, "As we strive to grow our portfolio of brands globally, we are guided by SPAVI's guest-centric ethos. During these times, consumers feel that



they are paying more but getting less. Thus, we doubled down on investing in our brands, our stores, and our people to broaden our reach, deliver more value, and create better experiences at our stores.”

According to Gregorio, with better outlook on commodities, the Group re-invested in brand-building innovations and value-for-money offerings. These came in the form of new menu choices such as the Shakey’s Hero Sandwich, enticing value bundles like the Peri Flavor Adventure Box, and better products like the Shakey’s Cheesier Thin and Thick Crust Pizzas.

In terms of store network investments, Potato Corner (PC) is making significant progress in scaling up its international presence, opening approximately 90 units during the nine-month period. Currently, PC has presence in key markets such Thailand, Singapore, Malaysia, Canada, and China, among others.

Furthermore, SPAVI has undertaken a store refresh initiative, modernizing its stores and outlets to enhance guest experience across its brands, Shakey’s, Peri-Peri Charcoal Chicken and Sauce Bar, and Potato Corner.

Investments in renovations and new stores brought year-to-date CAPEX close to Php 900 million, increasing by more than threefold from the same period last year.

“Because of these investments, we expect our bottomline to demonstrate an upswing in the fourth quarter as the base normalizes. The holiday season is about to go in full swing. With inflationary pressures easing and an improving consumer landscape, barring any major negative externalities, we look forward to a festive round this year. We are on track to deliver more than 450 new stores and outlets this year, which are essential to sustain our double-digit sales and profit growth trajectory in 2024 and beyond,” said Gregorio.

He continued, “it goes without saying that equally important for this Group’s growth journey is growing in a sustainable and responsible way.” As part of its sustainability focus, Shakey’s has also been investing in people programs promoting learning and development and inclusivity. These include Love ‘Em Down, an initiative aimed at providing job opportunities to individuals with Down Syndrome, and Shakey’s Super League, which promotes sports development among young women.

At the recently held ASEAN Corporate Governance Scorecard Golden Arrow Awards 2024 by the Institute of Corporate Directors (ICD), SPAVI garnered two Golden Arrows for its good corporate governance practices. This marks an improvement from last year’s one Golden Arrow, when the Group was recognized for the first time.

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“2024 was an invest-and-refresh period for us. Our focus now extends beyond year-end, looking ahead to a better 2025, where we will celebrate our organization’s 50th year. We remain ever dynamic, instilled with passion and tenacity to propel this business forward. As such, we aim to deliver sustainable, double-digit growth, reaping the benefits from the investments made in our global, multi-brand portfolio,” Gregorio concluded.

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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