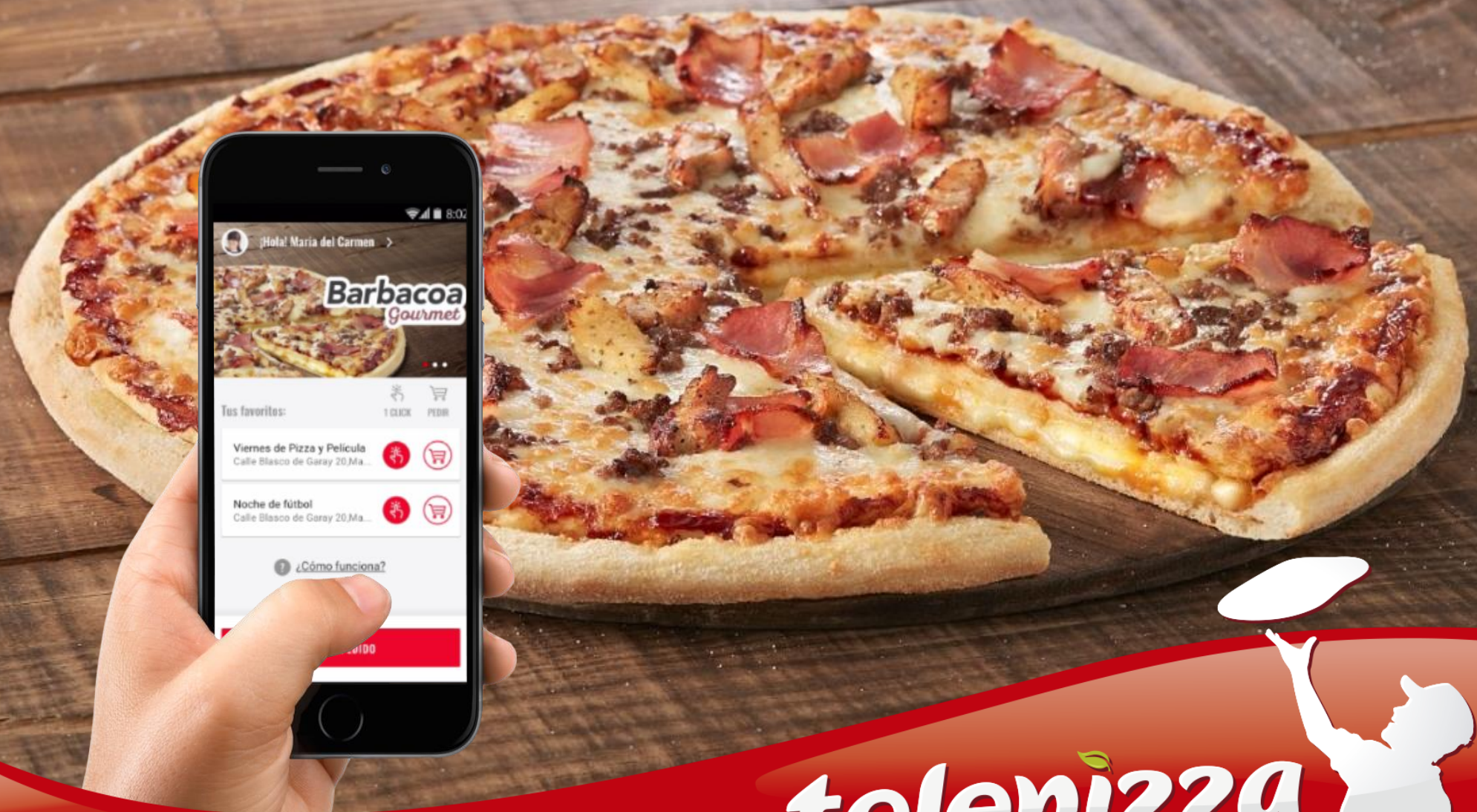


# FY 2016 Results presentation



28 February, 2017

**telepizza**   
the secrets in the dough

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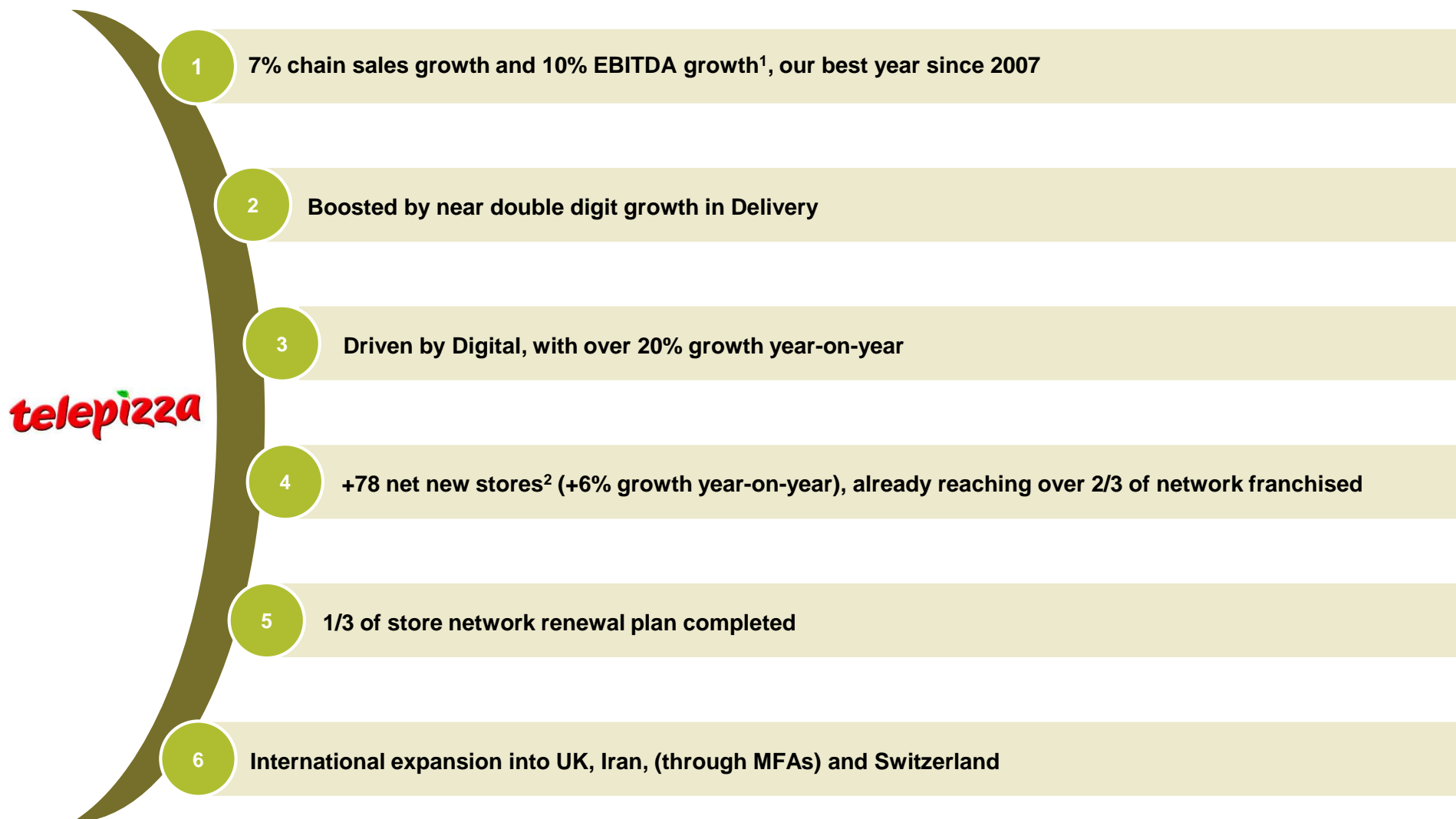
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# FY 2016 highlights



**Notes:**

1. Chain sales excluding Master Franchises, in constant currency. Underlying EBITDA for the Group (excluding €32 million, of IPO related costs in 2016)
2. Including Master Franchised stores; and including Switzerland, with 11 franchised stores

# FY 2016 performance vs guidance

| Guidance <sup>1</sup>  |   | FY actual         |
|--|---|-------------------|
| Spain total chain sales growth: 4-5%                             | ▶ | 5.3%              |
| Core International total chain sales growth <sup>2</sup> : 9-11% | ▶ | 10.8%             |
| Double digit Underlying EBITDA growth                            | ▶ | 10.2%             |
| c.80 net new stores in Core Geographies                          | ▶ | 71 <sup>3</sup>   |
| €20-25 million capex   | ▶ | €27m <sup>3</sup> |

**Note:**

1. Guidance provided at H1 2016 results
2. Constant currency, excluding Master Franchises
3. Including 11 franchised stores in Switzerland, involving €1.8 million investment (78 net new stores including Master Franchises)



# FY 2016: Growth and profitability

Core Geographies<sup>1</sup> chain sales growth of 7%, with International doubling Spain growth (in constant currency), translating into double digit EBITDA growth for the FY 2016

| €m (unless otherwise stated)   | FY2016       | FY2015       | % change (2015-2016) | FY2014       | % change (2014-2015) |
|--|--------------|--------------|----------------------|--------------|----------------------|
| Group chain sales  | 517.0        | 491.8        | 5.1%                 | 451.0        | 9.1%                 |
| Core Geographies <sup>1</sup> chain sales                                | 486.9        | 459.8        | 5.9%                 | 431.2        | 6.6%                 |
| <b>Core Geographies<sup>1</sup> constant currency sales growth (%)</b>   |              |              | <b>6.9%</b>          |              | <b>6.6%</b>          |
| Core Geographies <sup>1</sup> LFL sales growth (%)                       |              |              | <u>4.9%</u>          |              | <u>5.3%</u>          |
| <b>Spain chain sales</b>   | <b>335.2</b> | <b>318.5</b> | <b>5.3%</b>          | <b>300.9</b> | <b>5.8%</b>          |
| Spain LfL sales growth (%)   |              |              | <u>3.6%</u>          |              | <u>4.6%</u>          |
| International chain sales  | 181.8        | 173.3        | 4.9%                 | 150.1        | 15.5%                |
| Core International <sup>1</sup> chain sales                              | 151.7        | 141.3        | 7.4%                 | 130.2        | 8.5%                 |
| <b>Core International<sup>1</sup> constant currency sales growth (%)</b> |              |              | <b>10.8%</b>         |              | <b>8.3%</b>          |
| Core International <sup>1</sup> LFL sales growth (%)                     |              |              | <u>7.9%</u>          |              | <u>6.8%</u>          |
| Revenues   | 339.6        | 328.9        | 3.2%                 | 326.5        | 0.7%                 |
| <b>Constant currency revenue growth (%)</b>                              |              |              | <b>4.9%</b>          |              | <b>0.7%</b>          |
| <b>Group Underlying EBITDA<sup>2</sup></b>                               | <b>63.6</b>  | <b>57.7</b>  | <b>10.3%</b>         | <b>53.4</b>  | <b>8.1%</b>          |

**Notes:**

1. Excluding Master Franchises

2. FY 2016 adjusted for €32 million of IPO related costs, FY2014 adjusted for €14.1 million of non-recurring refinancing cost

# FY 2016 sales evolution through the year

Improving momentum into year-end across all geographies

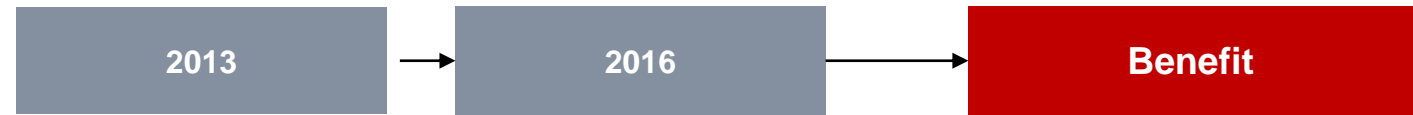
|   | H1 2016 | H2 2016 | Q4 2016 |
|---|---------|---------|---------|
| <b>Spain chain sales (%)</b>                          | 5.1%    | 5.4%    | 8.1%    |
| <b>LFL growth (%)</b>                                 | 3.7%    | 3.5%    | 6.1%    |
| <b>Expansion (%)</b>                                  | 1.4%    | 1.9%    | 1.9%    |
| <b>Core international chain sales<sup>1</sup> (%)</b> | 9.8%    | 11.7%   | 12.0%   |
| <b>LFL growth (%)</b>                                 | 6.2%    | 9.4%    | 9.7%    |
| <b>Expansion (%)</b>                                  | 3.6%    | 2.4%    | 2.3%    |

Note:

1. Constant currency, excluding Master Franchises

# Telepizza repositioning in recent years

Increasingly an asset light international player in digital delivery



**Delivery sales  
(Spain): %**

52%

60%<sup>1</sup>

**Delivery growing  
double digit**



**Digital penetration  
(Spain): %**

25%

40%<sup>2</sup>

**Digital customer spend  
is higher vs phone**



**Franchised  
stores: %**

59%

67%

**Reduces  
capital intensity**



**Geographic  
footprint**

12 countries

20 countries









**New sources  
of growth**

**Notes:**

1. As of Q4 2016
2. As of January 2017

# Strengthening our leadership team

Key hires in 2016 to execute on our strategy

|   |   | Former Company   | Credentials   |
|---|---|--|---|
|    | <b>Giorgio Minardi</b><br>President International |    | Over 30 years in Retail operating executive roles   |
|    | <b>Nick Dutch</b><br>Digital Director             |    | c.15 years developing successful Digital platforms  |
|   | <b>Mar Romero</b><br>Chief People Officer         |   | c.15 years developing talent in QSR platforms       |
|  | <b>César Concepción</b><br>Corporate Development  |  | c.15 years of experience in M&A and capital markets |



# Structural growth levers across all our areas

Telepizza chain sales by area (FY 2016)



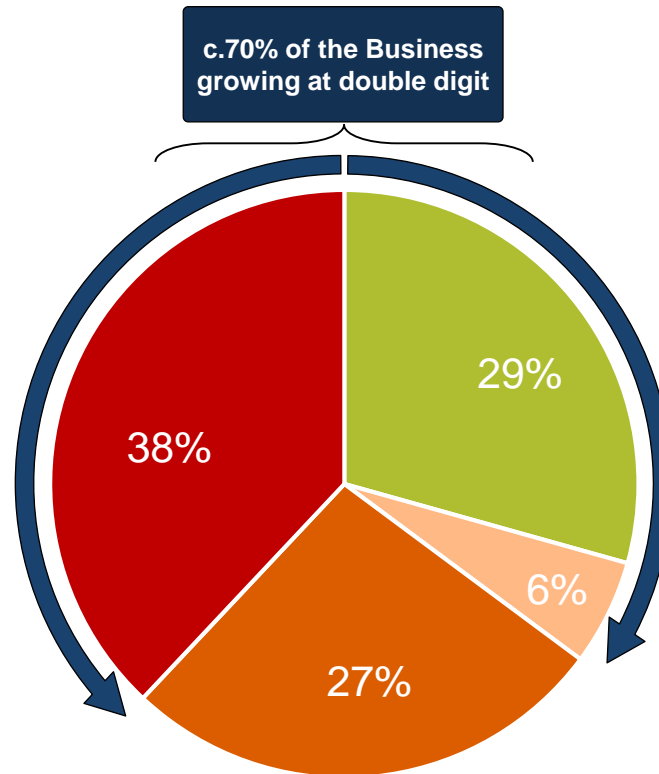
## Spain Delivery

- “Homing” and Digitalisation



## Spain Non-delivery

- Refurbishment and Innovation



## Key growth drivers



## Core International

- Capturing high market growth

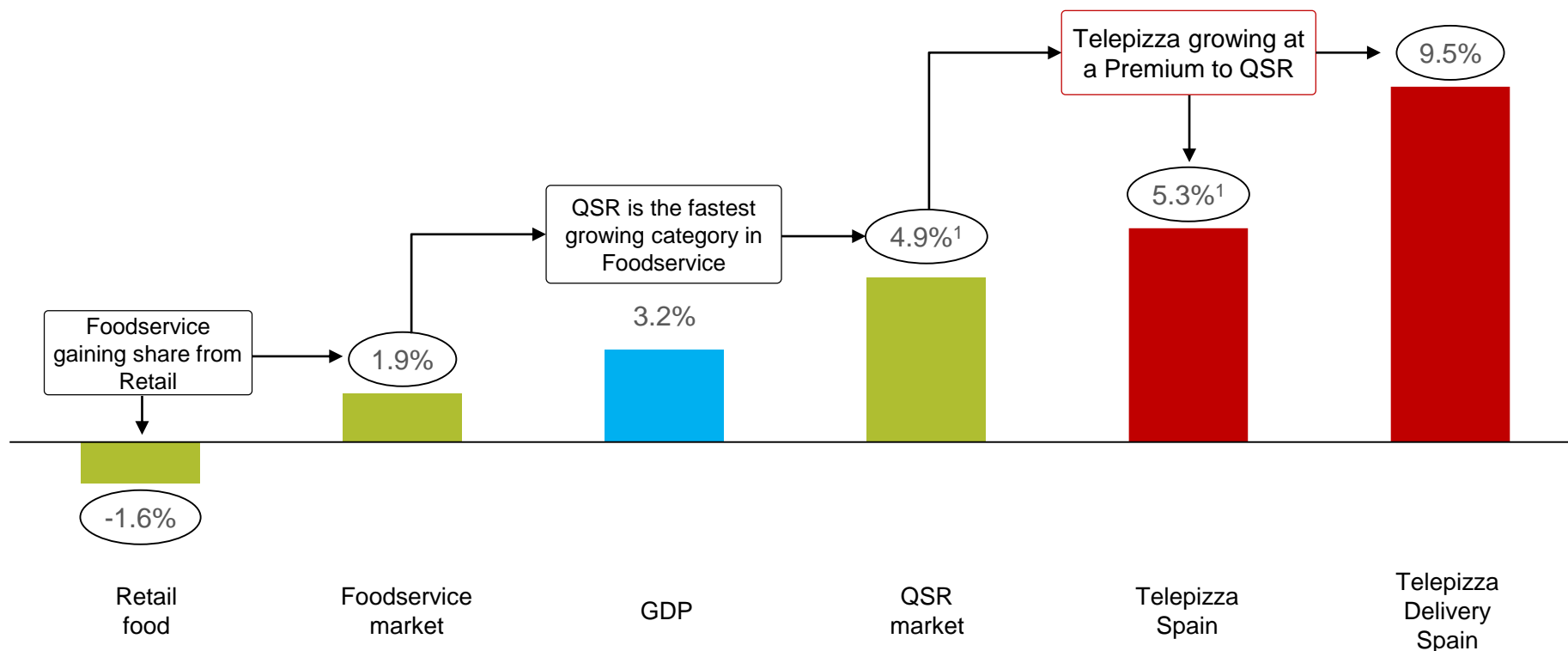


## Master franchises

- Store growth in new geographies

# Telepizza is growing at a premium to the Market, driven by Delivery

Spain food market segments growth in 2016



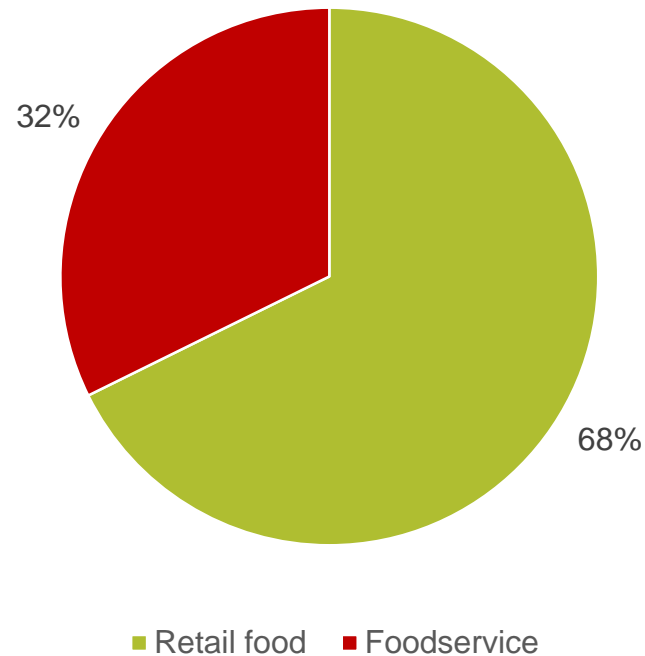
Source: Retail: Kantar; Market data from NPD, GDP data from INE, Telepizza data from Company information

Note:

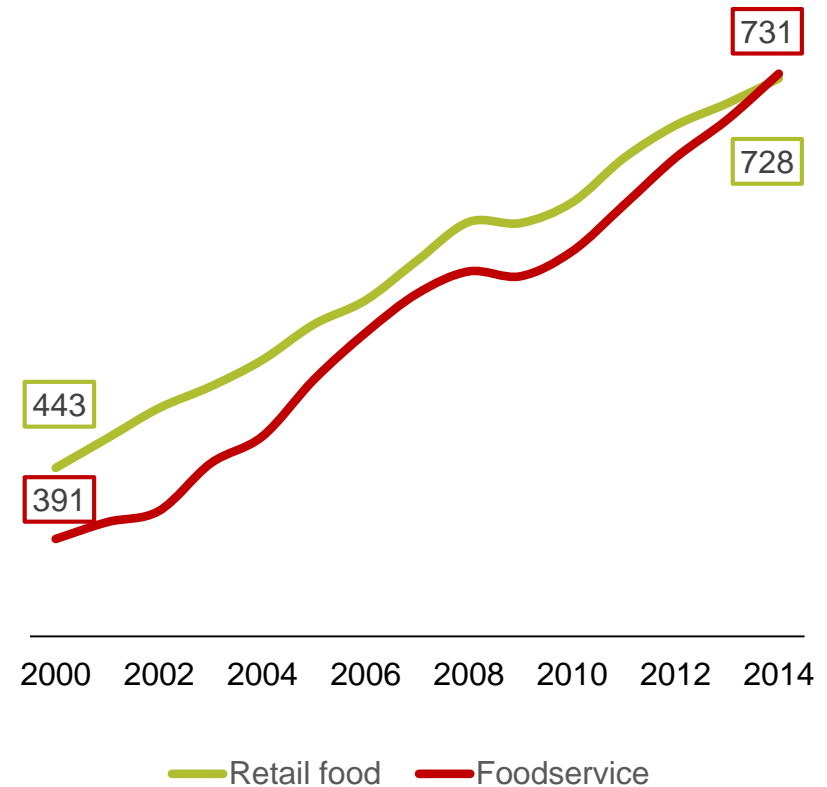
1. Actual data for Telepizza and NPD data for QSR. Gap between Telepizza and QSR according to NPD data is higher: 80bp

# Foodservice market in Spain has structural growth potential ...

Retail food vs Foodservice in Spain

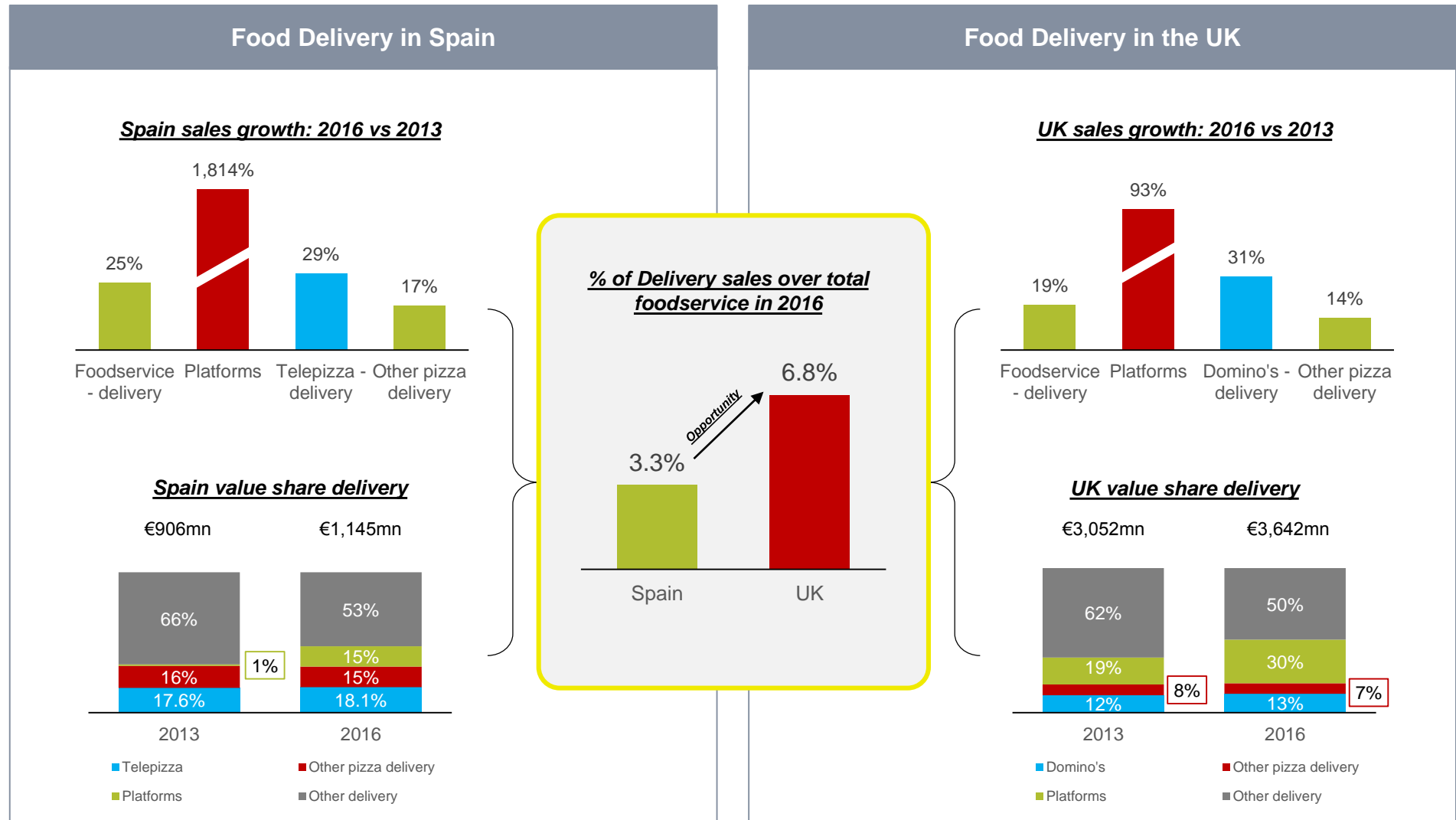


Retail food vs Foodservice in the US (\$bn)

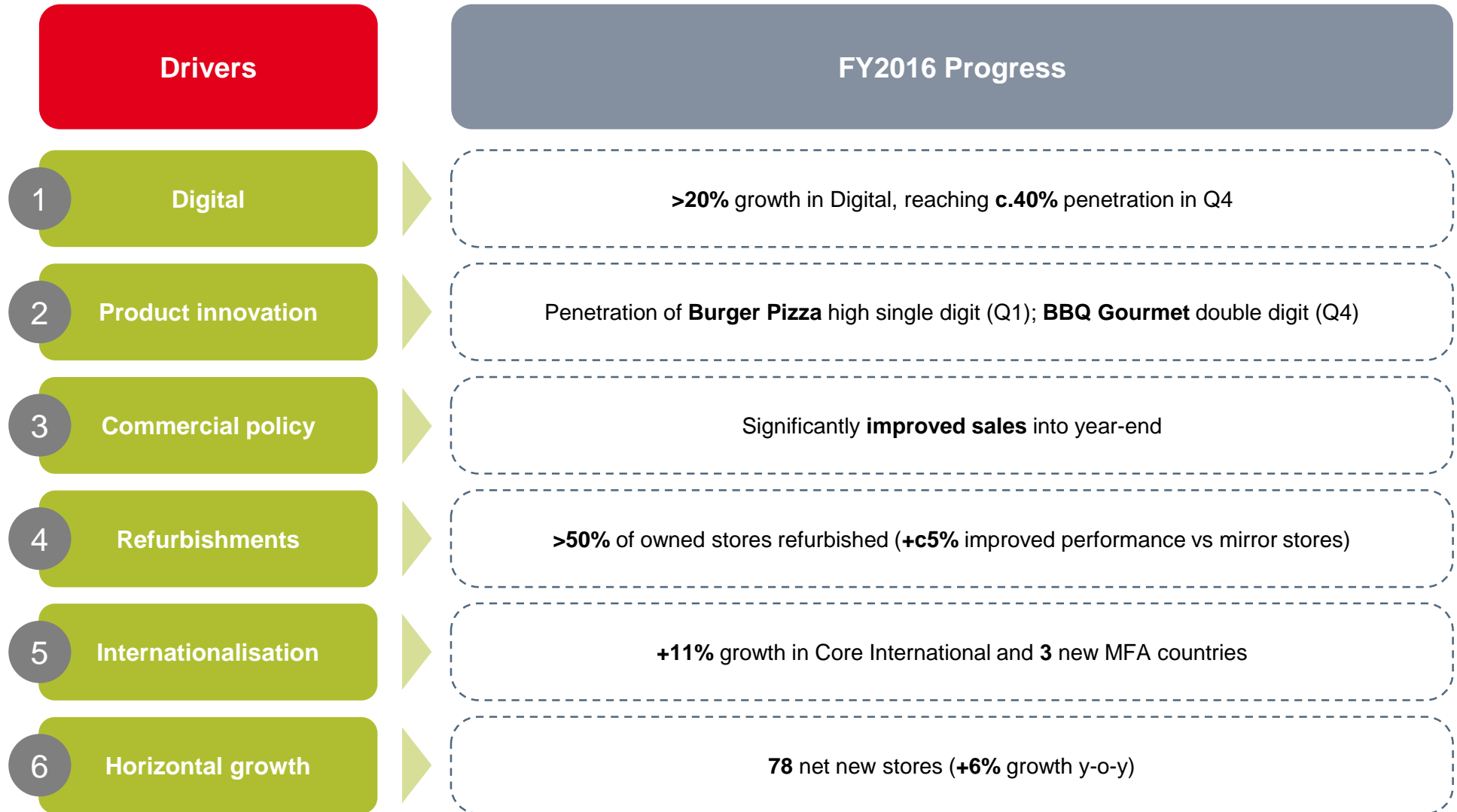


Source: US data: Economic Research Service, USDA; Spain data: Ministry of Agriculture

... And the Delivery segment could more than double to only reach today's penetration in more mature markets



# Actively pursuing the growth opportunity today

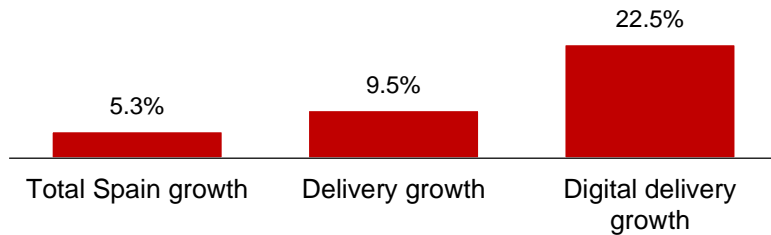


# 1 Digital: The numbers

Digital sales growth of >20% in FY 2016, now accounting for c.40% of delivery sales in Spain<sup>1</sup>

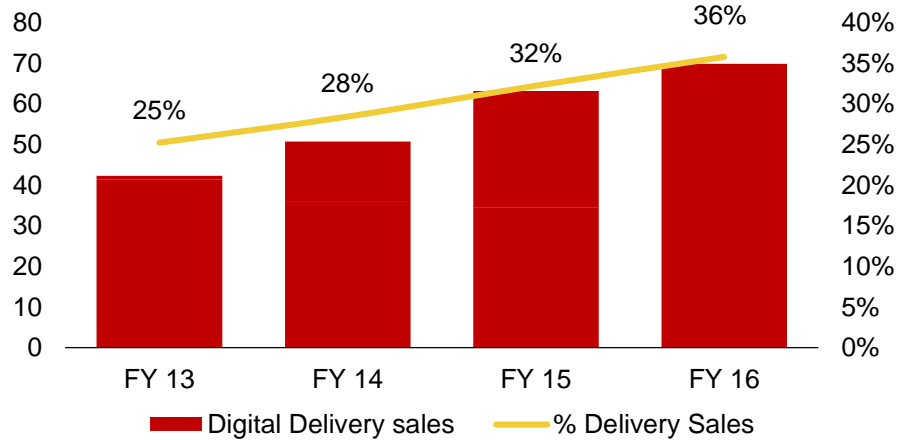
## Continued growth of the delivery channel in Spain

### Digital fostering delivery sales growth (FY 2016) ...

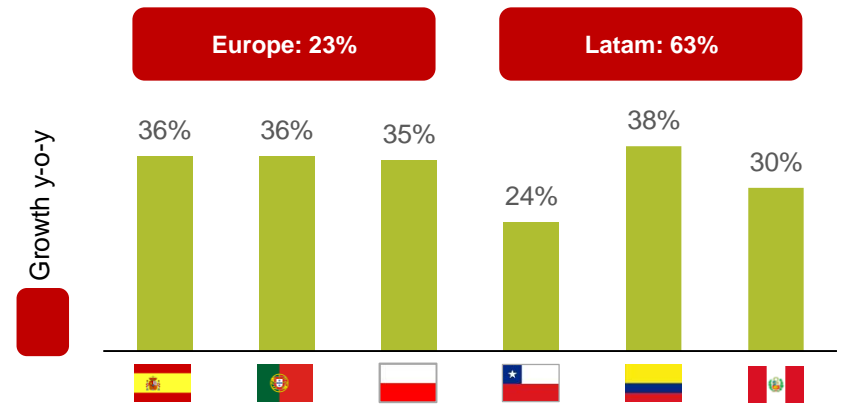


Spain sales (€m)

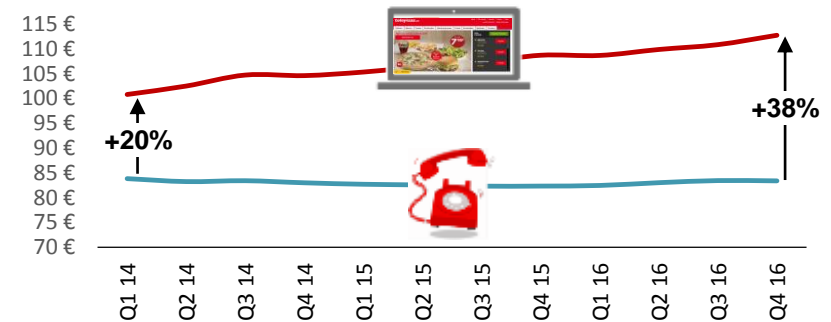
### ... and resulting in increased digital penetration



## Telepizza Digital sales over Delivery across Core Geographies



## Digital customers spend c.38% more on average vs phone customers, with gap increasing over time



Note:

1. Digital sales over Delivery sales in Spain at Q4 2016



# 1 Digital: The channels



Mobile

Web PC



TV

Click & Pizza



Peeble watch

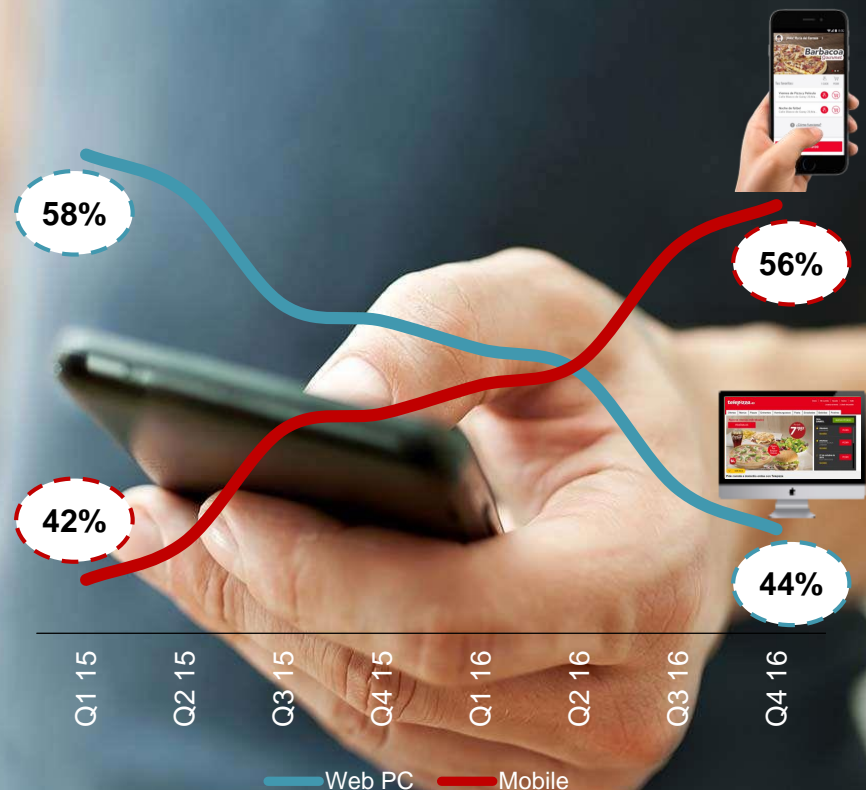


Twitter



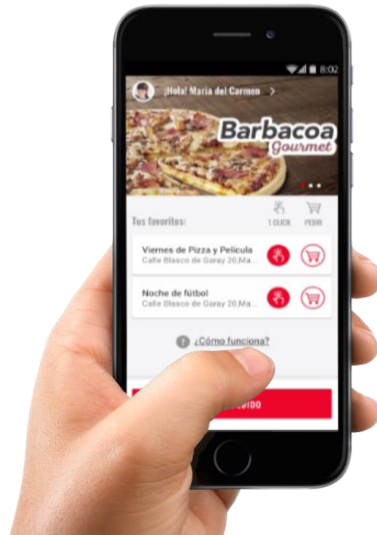
Click to Chat

## Mobile first



# 1 Digital: The future

## Initiatives to drive digital penetration: New App (2017)



### Look and feel



Fast, modern: user is guided throughout the order process, awaken curiosity

Quality feel



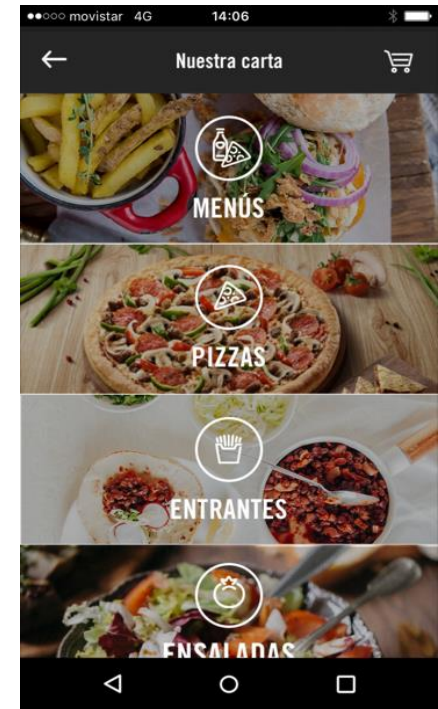
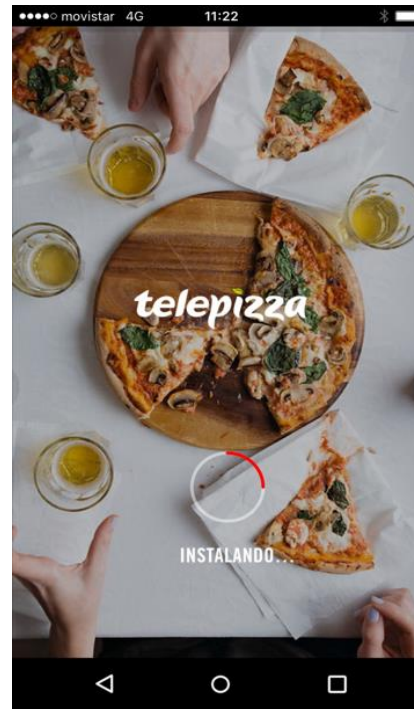
Tastiness feel captures the interest of the user

Modern feel



Proving that Telepizza cares by offering the best experience in the ordering process

Proximity feel



- Catalog
- Tokenized payment gateway
- Store geolocation
- New street database
- Order tracking
- Loyalty program
- Always on Beta testing philosophy
- Frequent future releases with additional functionalities



## 2 Innovation: The Products

Innovation driving higher average ticket, brand differentiation and customer loyalty

Spain



Pizza Burger



Pizza BBQ Gourmet



International



Pizza Vulcano



Pollo  
vegetariano



Pizza Lasagna



Brunch



Frutizza



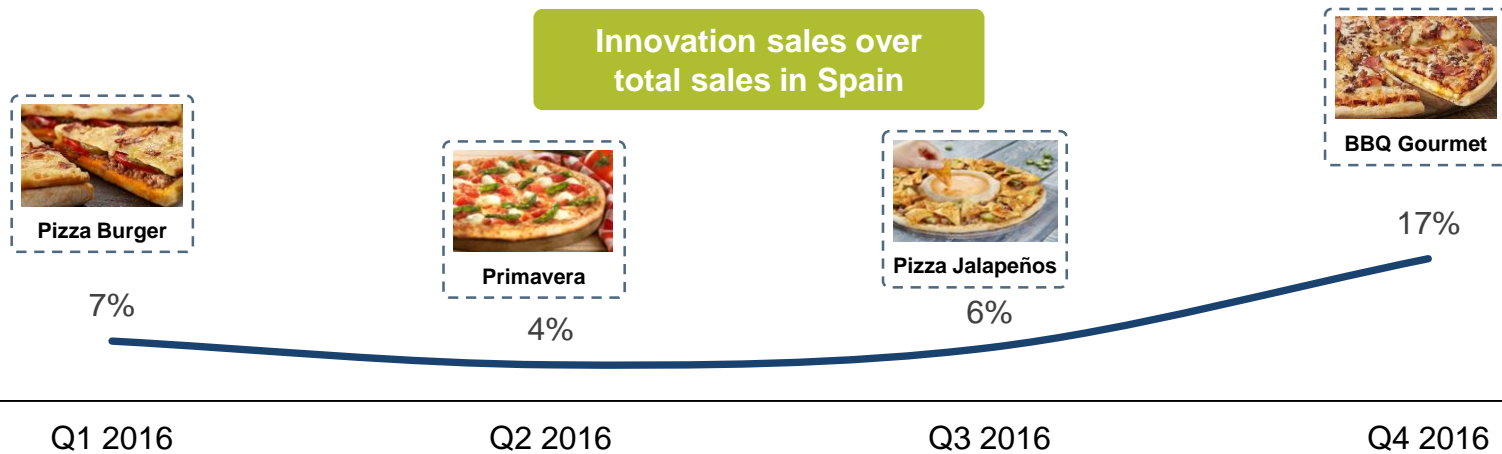
Pizza Royal Thai



## 2 Innovation: The numbers

Innovation priced at a premium, and selling well

### Successful launches during 2016



### Recent innovations



### 3 Commercial policy: The levers and the numbers

#### Commercial policy underpinning recovery of sales in Spain

##### Commercial policy and results

##### Key parameters

- Tactical price reduction in Spain Non-Delivery
- Impact partially offset by product innovation (priced at a premium)
- Consistent communication across entire network
- Target to offset average ticket decline through volume increase
- No impact on Delivery

##### Financial impacts

- Q4 has recorded the highest y-o-y growth in 2016
- c.100bp gross margin compression in Spain y-o-y

Pizza of the month  
7€ range

2016

Oct

Nov

Dec



2017

Jan

Feb

Mar





## 4 Refurbishments: The experience



↑  
Phone + web

Open store  
----->



↑  
New furniture  
----->



↑  
New spaces  
----->



Digital  
Menuboard  
----->



Mobile  
phone  
chargers  
----->



Open Kitchen  
↑



↑  
Playground  
for kids  
----->



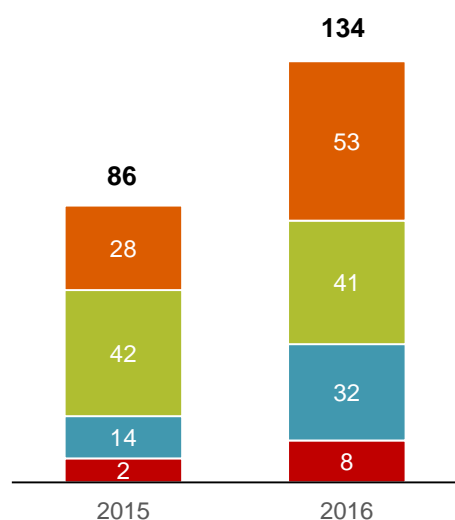


## 4 Refurbishments: The numbers

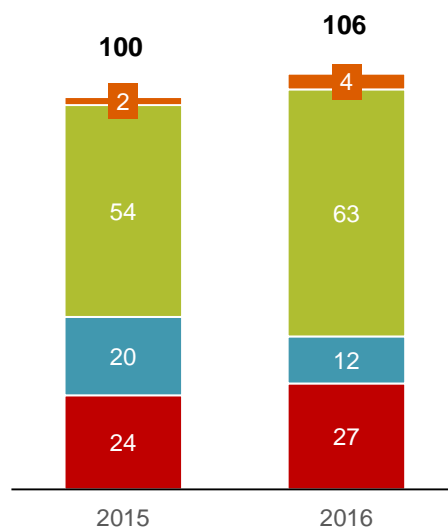
Benefits of refurbishments (+c.5% vs mirror stores) driving acceleration of refurbishment plan

### New image stores

#### Spain



#### Core International



■ Openings with new image (owned)

■ Openings with new image (franchised)

■ Owned stores refurbished

■ Franchised stores refurbished

Capex  
(€m)

Openings (owned)

Refurbishments and  
relocations (owned)

2015

2016

3.5

5.7<sup>2</sup>

4.6

3.9

### Stores with new image<sup>1</sup>

Own  
stores

Franchised  
stores

Total

Spain

Stores with new image

93

127

220

% of stores with new image over total

57%

25%

33%

Core  
International

Stores with new image

168

38

206

% of stores with new image over total

58%

15%

37%

Core  
Geographies

Stores with new image

261

165

426

% of stores with new image over total

57%

21%

35%

Notes:

1. New image includes refurbished and new stores opened with the new image during 2015 and 2016

2. Excluding €1.8 million of investment in Switzerland

Robust positioning, with above market growth rates

## Chile



- c. one third of Core International
- Very high single digit growth (constant currency)
- 143 stores (+5 y-o-y)
- c.2% GDP growth
- Value share gains through increase of average ticket

## Portugal



- c. one third of Core International
- Double digit growth
- 109 stores (+4 y-o-y)
- c.2% GDP growth
- Above market growth across all channels
- VAT reduction tailwind

## 5 Core International: Emerging geographies

High single digit growth in other Core Geographies, in constant currency

### Rest of Europe

#### Poland



- 120 stores (-1 y-o-y)
- Strong performance of owned stores

#### Switzerland



- 11 stores
- Market with high average ticket

### Other Latam<sup>1</sup>

#### Colombia



- 95 stores (+4 y-o-y)
- Leader in highly fragmented market

#### Peru



- 47 stores (+7 y-o-y)
- #2 player in the market

#### Ecuador

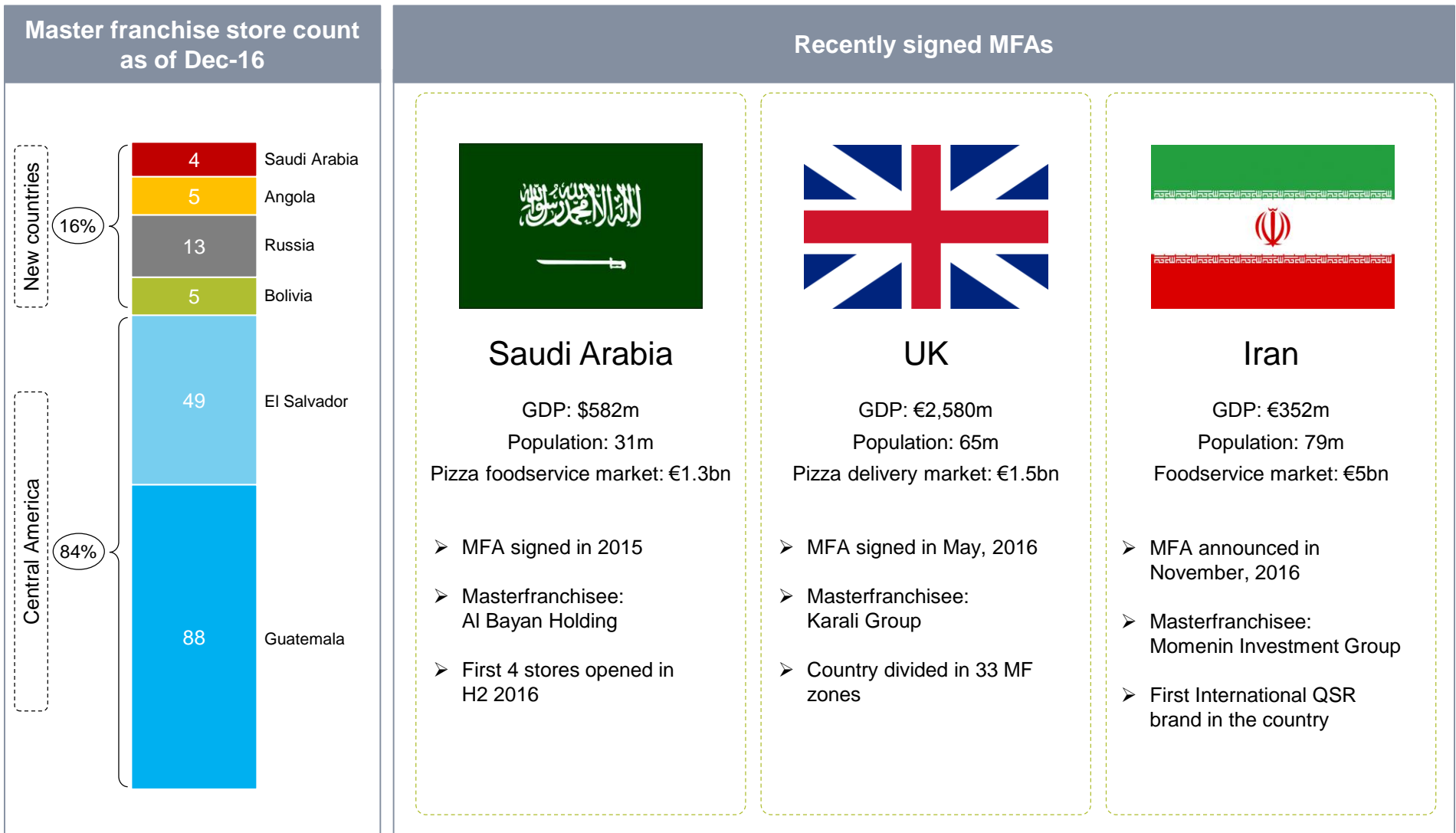


- 23 stores (+4 y-o-y)
- Market leader in Guayaquil

**Note:**  
1. There are also 2 owned stores in Panama

## 5 International: Master franchises

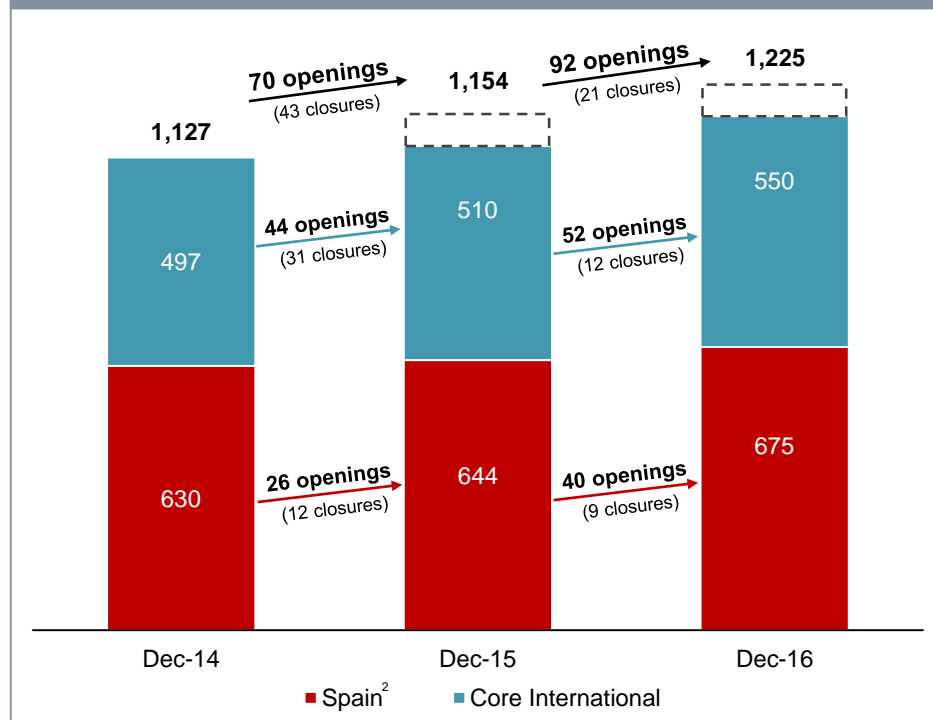
Recently signed countries provide ample room for growth through new store openings



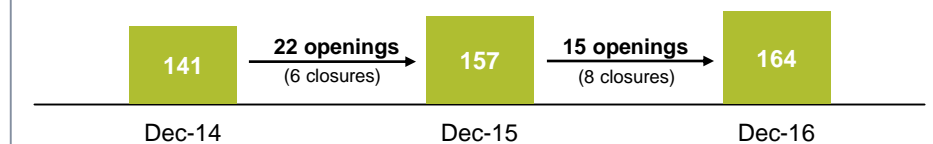
# 6 Unit expansion: More than doubling the rate year-on-year

92 gross / 71 net store openings in Core Geographies in FY 2016 (vs 70 gross / 27 net in FY 2015)

## Core Geographies<sup>1</sup> network development

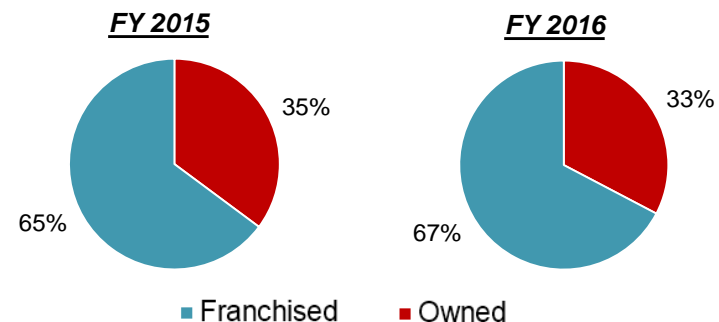


## Master Franchised store network

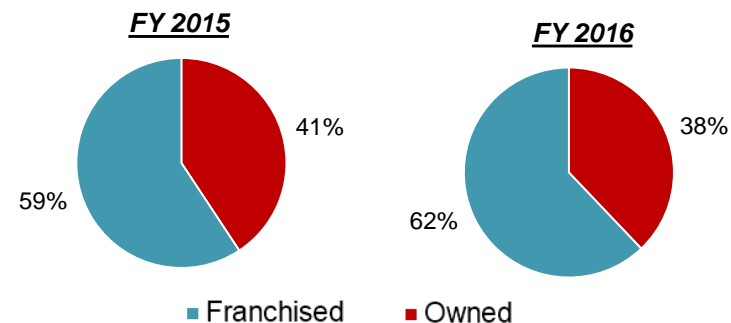


## Franchised vs owned mix y-o-y

By number of stores



By chain sales



Notes:  
1. Excluding Master Franchises, including Switzerland  
2. Includes stores in Morocco

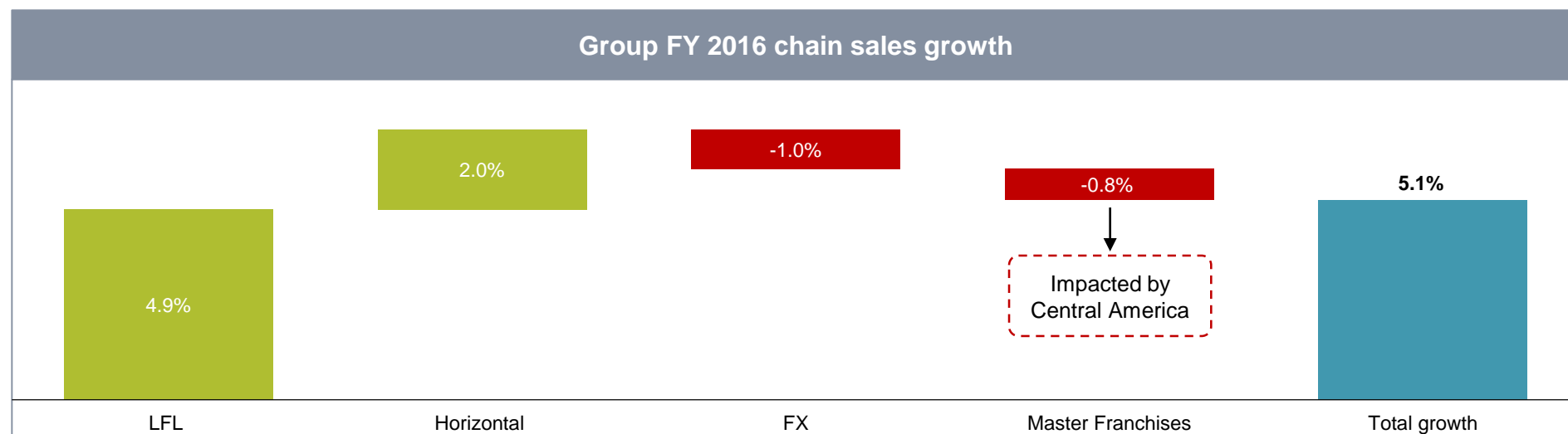
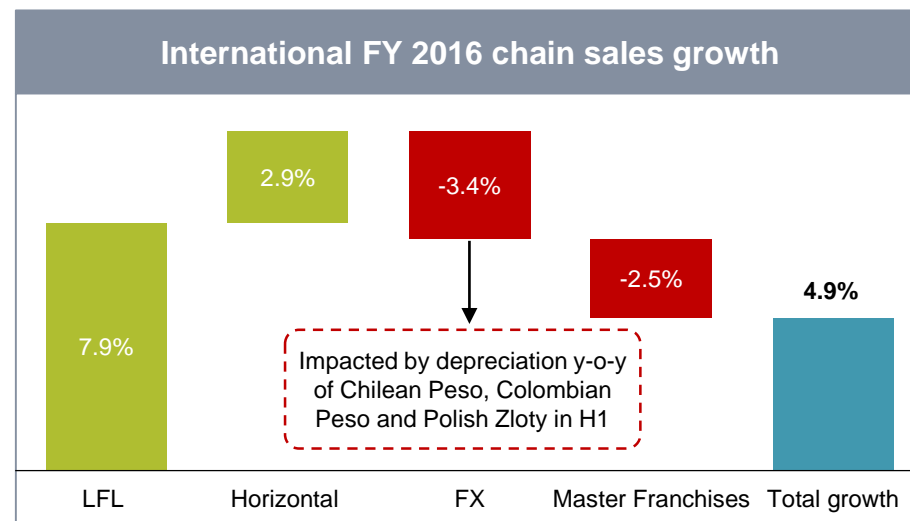
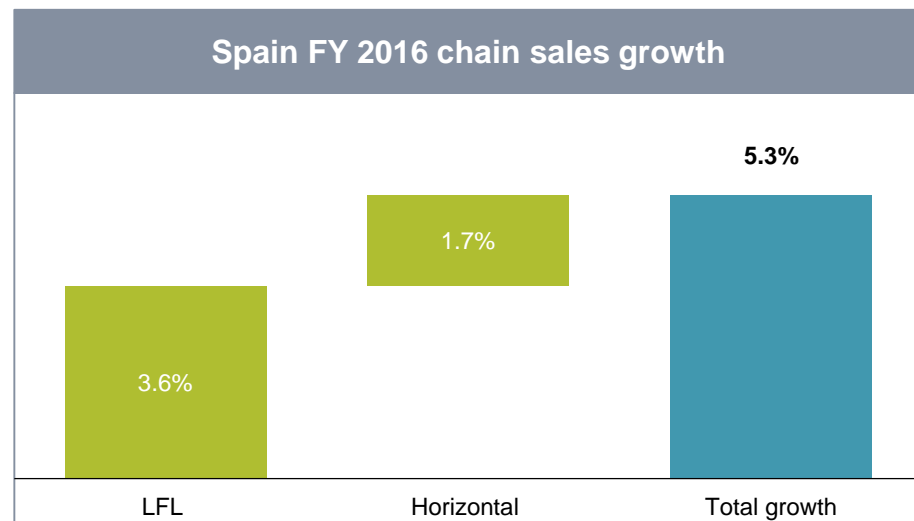
Financial information





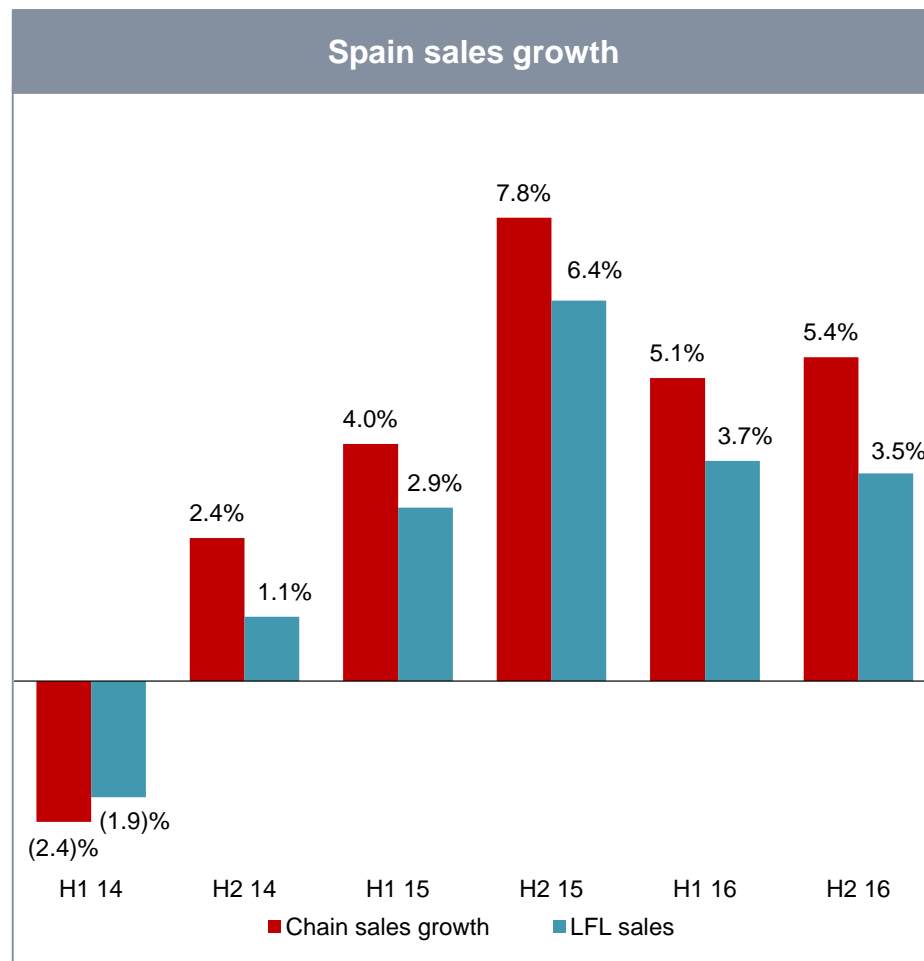
# FY 2016 reported chain sales bridge

Impact of FX and negative contribution of Master Franchises in International sales



# Chain sales growth: solid performance in FY 2016

In FY 2016, chain sales consolidated in Spain, with mid-single digit growth, while Core International<sup>1</sup> posted a record double digit growth performance

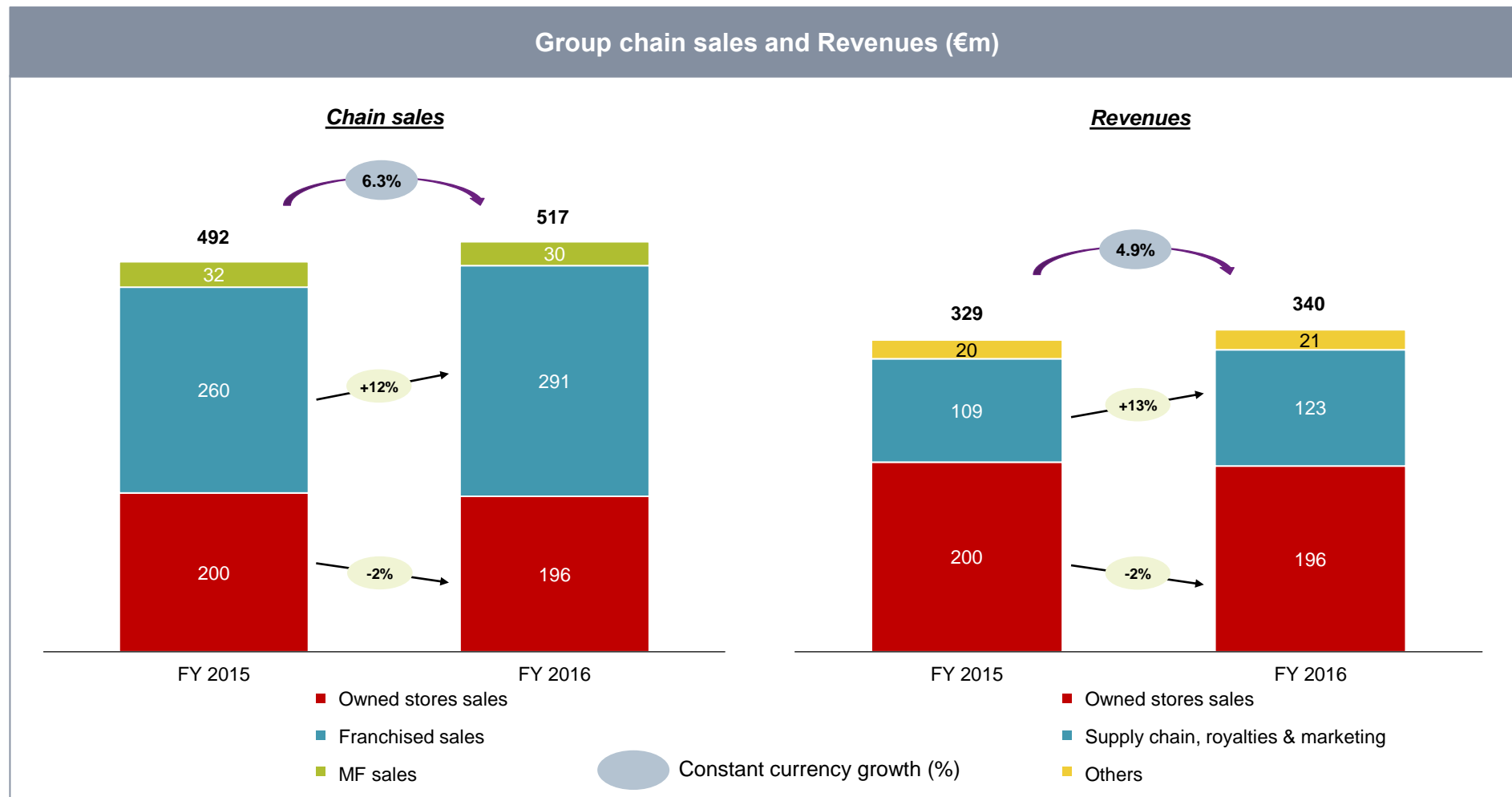


Note:

1. Constant currency, excluding Master Franchises

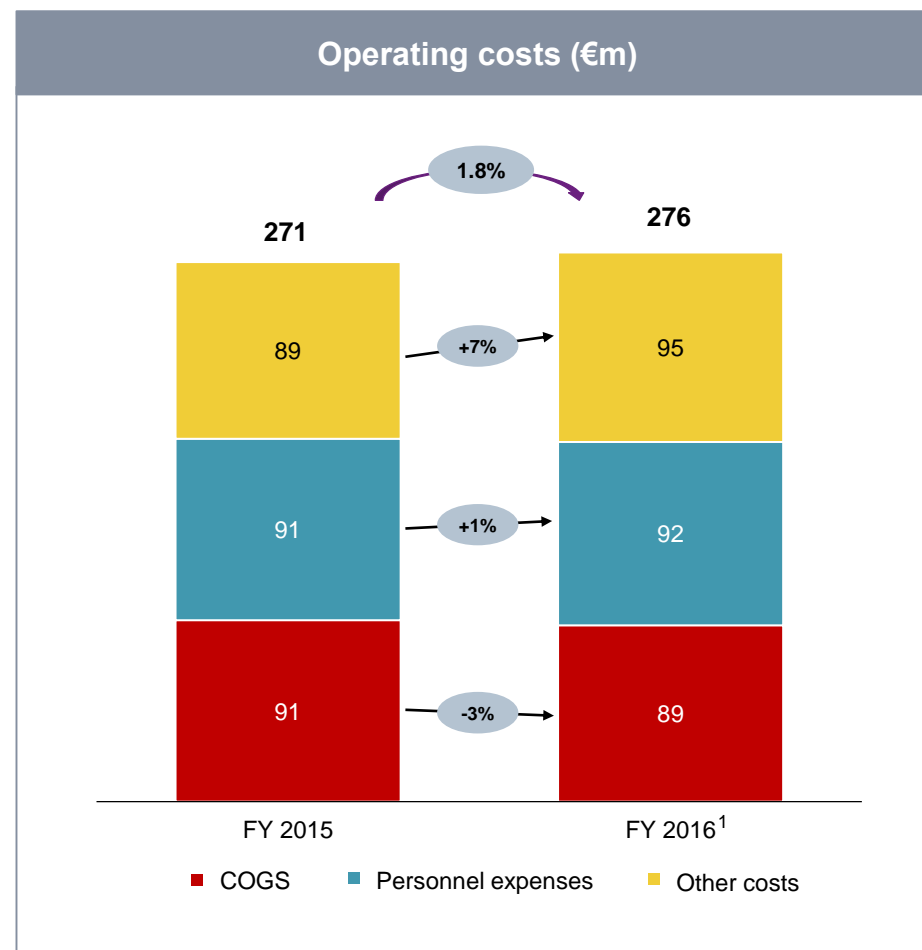
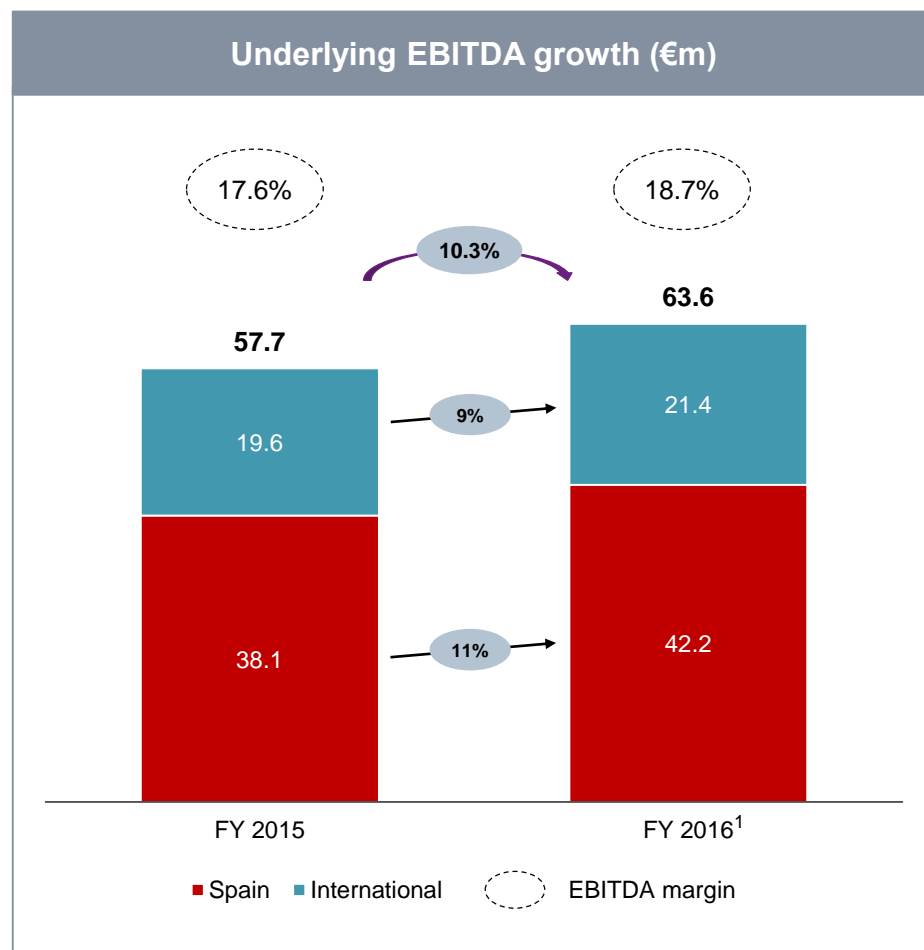
# Chain sales and Revenues

Strong growth in franchised chain sales, as the franchisee network expands, delivering similar growth in franchisee-related revenues



# Underlying EBITDA

Double digit Underlying EBITDA growth on the back of LFL growth and gross margin expansion



Note:

1. FY 2016 adjusted for €32 million of IPO related costs

# Summary income statement

| €m (unless otherwise stated)                           | FY 2016      | FY 2015      | % change (2015-2016) |
|--|--------------|--------------|----------------------|
| <b>Total revenues</b>                                  | <b>339.6</b> | <b>328.9</b> | <b>3.2%</b>          |
| <b>Underlying EBITDA</b>                               | <b>63.6</b>  | <b>57.7</b>  | <b>10.3%</b>         |
| <i>Underlying EBITDA margin (%)</i>                    | <i>18.7%</i> | <i>17.6%</i> | <i>1.2%</i>          |
| Depreciation and amortisation (excl. PPA amortisation) | (11.6)       | (10.8)       | 7.0%                 |
| <b>Underlying EBIT</b>                                 | <b>52.1</b>  | <b>46.9</b>  | <b>11.0%</b>         |
| IPO costs  | (32.0)       | -            | -                    |
| PPA amortisation                                       | (5.8)        | (5.8)        | 0.0%                 |
| Net financial income / (expense)                       | (21.8)       | (35.4)       | (38.5%)              |
| Other <sup>1</sup>                                     | (0.7)        | (4.0)        | (82.6%)              |
| Income tax   | 19.0         | (2.8)        | n.m                  |
| <b>Results for the period</b>                          | <b>10.7</b>  | <b>(1.1)</b> | <b>n.m</b>           |

## Tax assets as of 31 December

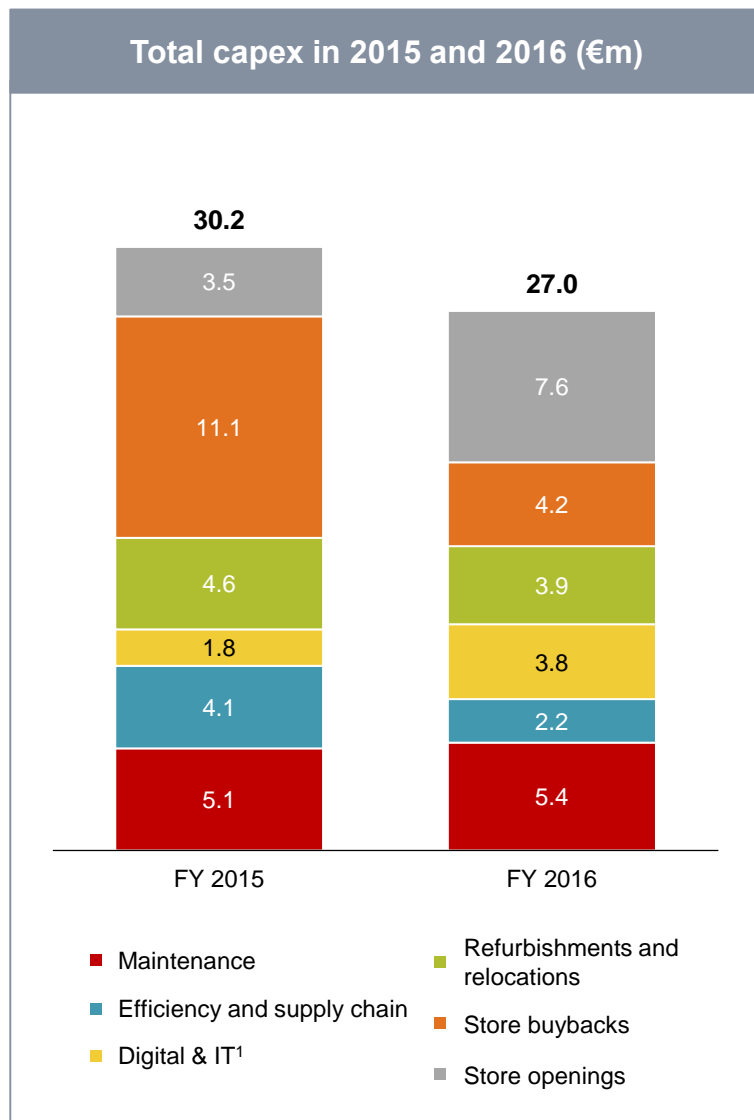
€43m NOLs<sup>2</sup>

€164m of interest carried forward  
(deductible up to 30% of annual EBITDA)

### Notes:

1. Includes impairment losses and losses on sale of PP&E
2. Net operating losses

# Capital expenditure



## ■ Store openings:

- Higher number of openings in 2016
- €1.8 million investment in 2016 related to new stores in Switzerland

## ■ Buybacks:

- Material reduction in buybacks from franchisees in 2016 as store network becomes increasingly optimized

## ■ Capex policy:

- Continued investments in new store openings
- Single, strategic acquisitions of larger store networks possible, but not budgeted
- Target to complete majority of owned stores refurbishments within 2017

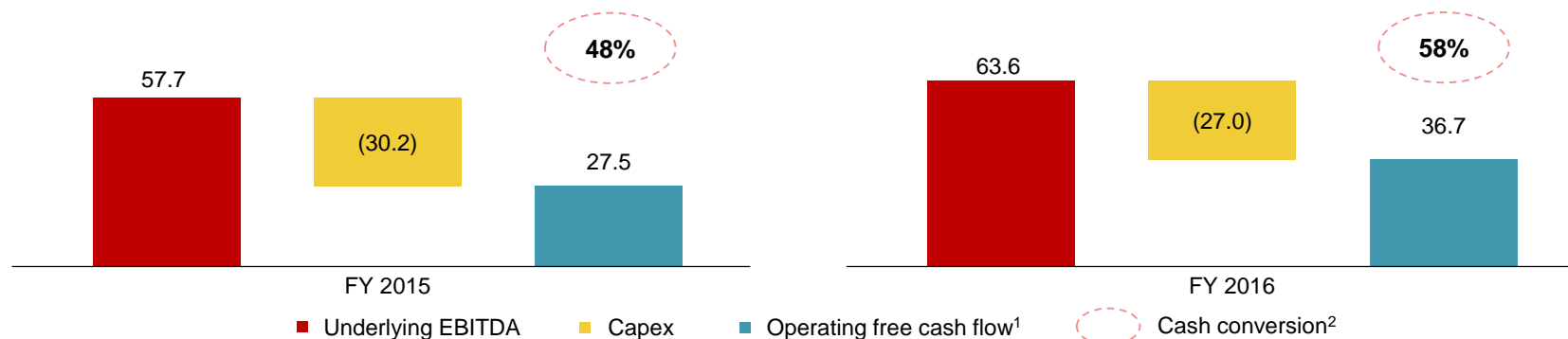
Note:

1. Including IT-related maintenance capex

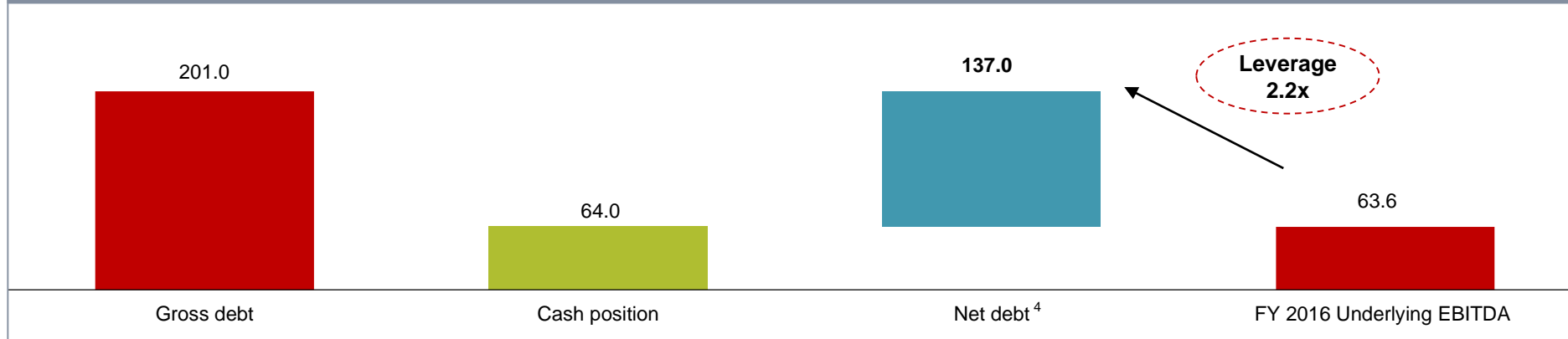


# Cash conversion and Leverage

## Cash conversion (Underlying EBITDA – Capex) (€m)



## Leverage ratio<sup>3</sup> as of 31st December: 2.2x



### Notes:

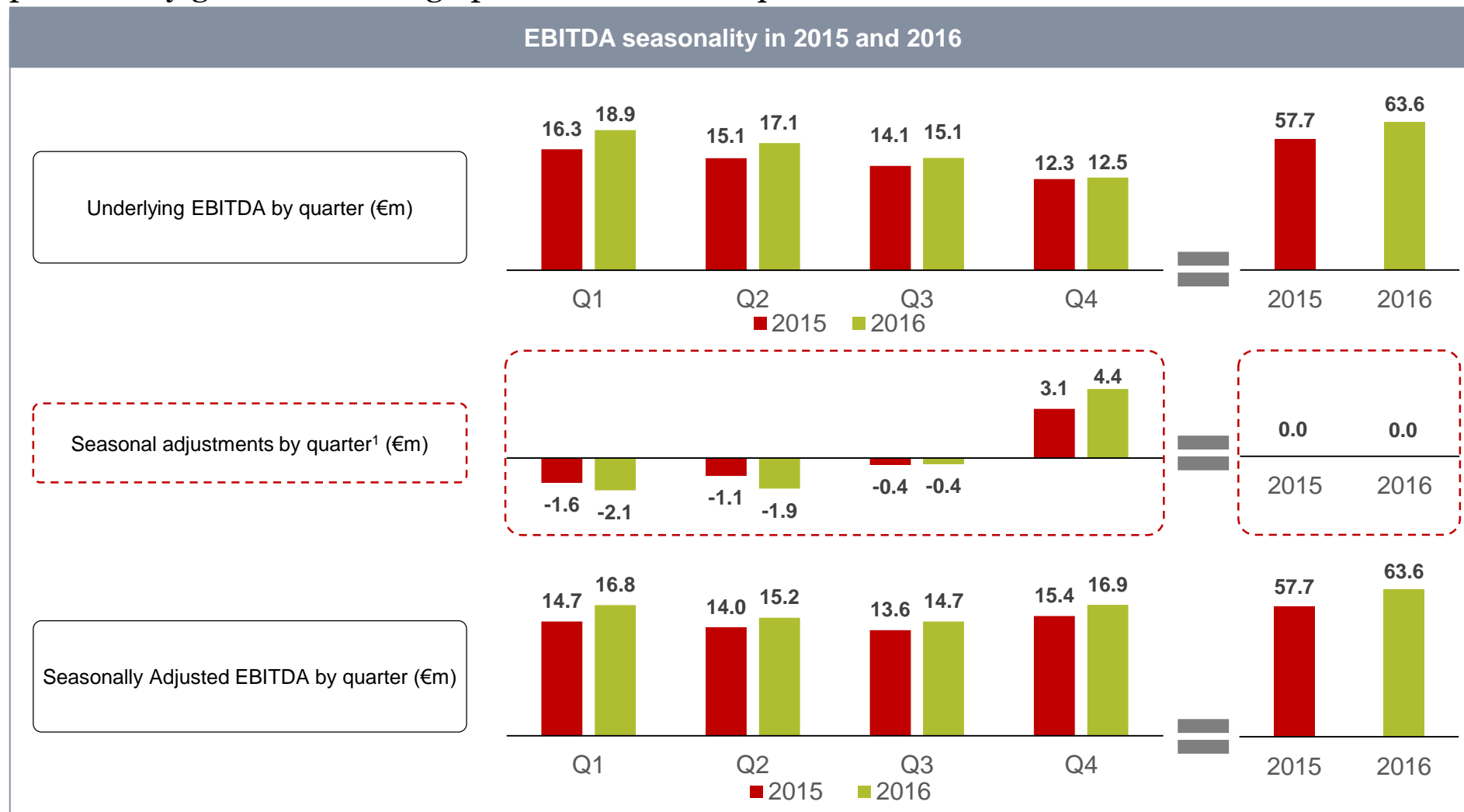
1. Operating cash flow measured as Underlying EBITDA - Capex
2. Cash conversion measured as operating cash flow divided by Underlying EBITDA
3. Measured as Net Debt / Underlying EBITDA
4. Net debt measured as gross debt – cash position

FY 2017 trends



# Seasonally Adjusted EBITDA

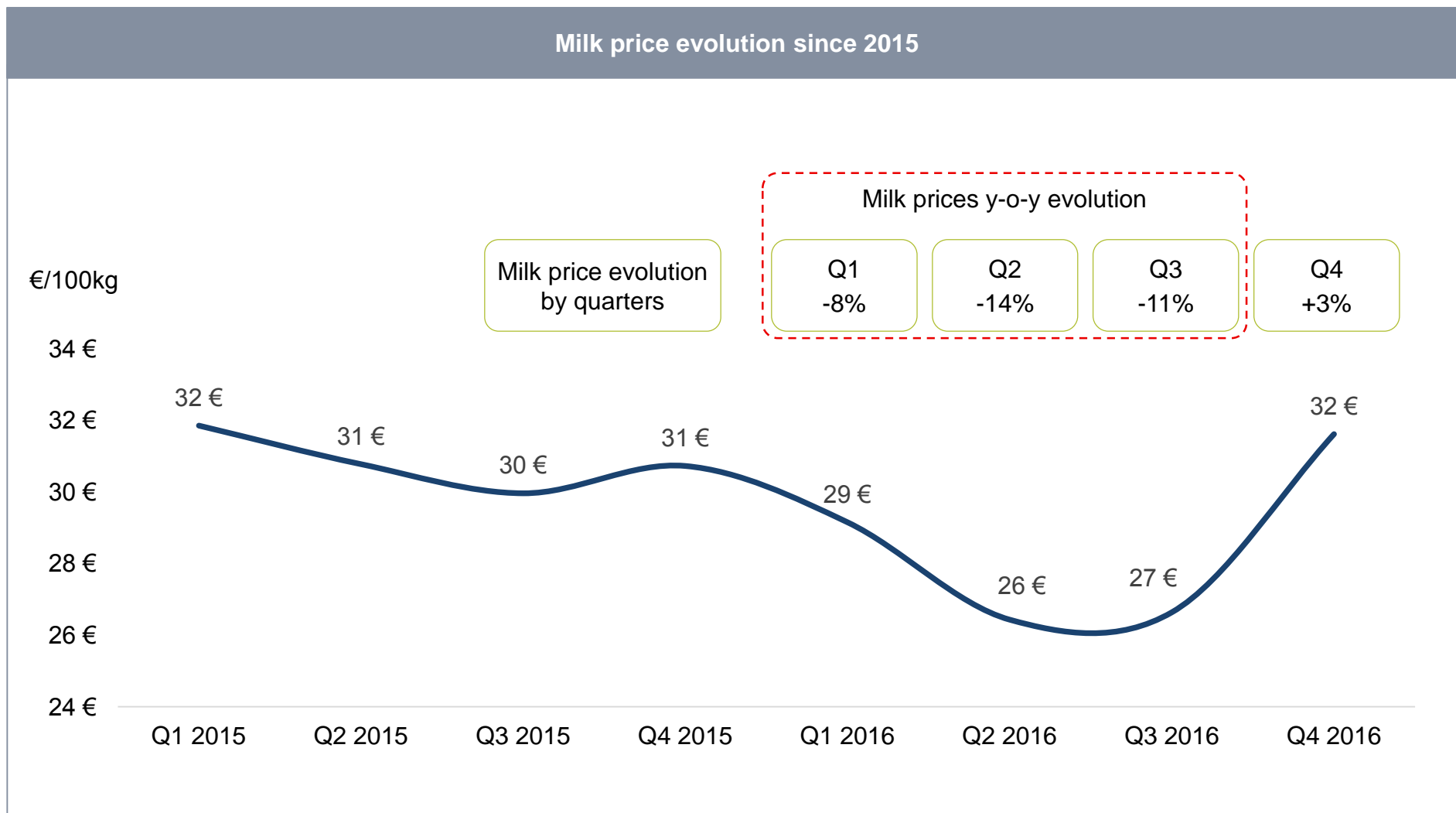
Set out below is an Adjusted level of quarterly EBITDA that more accurately correlates with the profitability generated through product sales each quarter



Note:

1. Quarterly deviations vs yearly average on level of rebates, marketing costs and franchise fees

# Raw materials prices year-on-year evolution



Source: Weighted average milk prices in the EU, EU Milk Market Observatory, DG Agriculture (European Commission)

# Elements impacting quarterly performance in 2016 and 2017

## 2017 quarterly effects in chain sales and EBITDA

| Factors impacting chain sales growth y-o-y in Spain | FY 2016 | Q1                    |                          | Q2                    |                          | Q3                    |                          | Q4                    |                          | FY 16                 |                          |
|---|---------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
|   |         | Calendar impact y-o-y | Previous year LFL growth | Calendar impact y-o-y | Previous year LFL growth | Calendar impact y-o-y | Previous year LFL growth | Calendar impact y-o-y | Previous year LFL growth | Calendar impact y-o-y | Previous year LFL growth |
|   | FY 2016 | 0.9%                  | 4.1%                     | -1.7%                 | 1.7%                     | 0.7%                  | 7.2%                     | -0.5%                 | 5.6%                     | -0.1%                 | 4.6%                     |
|   | FY 2017 | -2.8%                 | 5.2%                     | 1.1%                  | 2.1%                     | 0.5%                  | 0.6%                     | -0.8%                 | 6.1%                     | -0.5%                 | 3.6%                     |

Calendar impact y-o-y

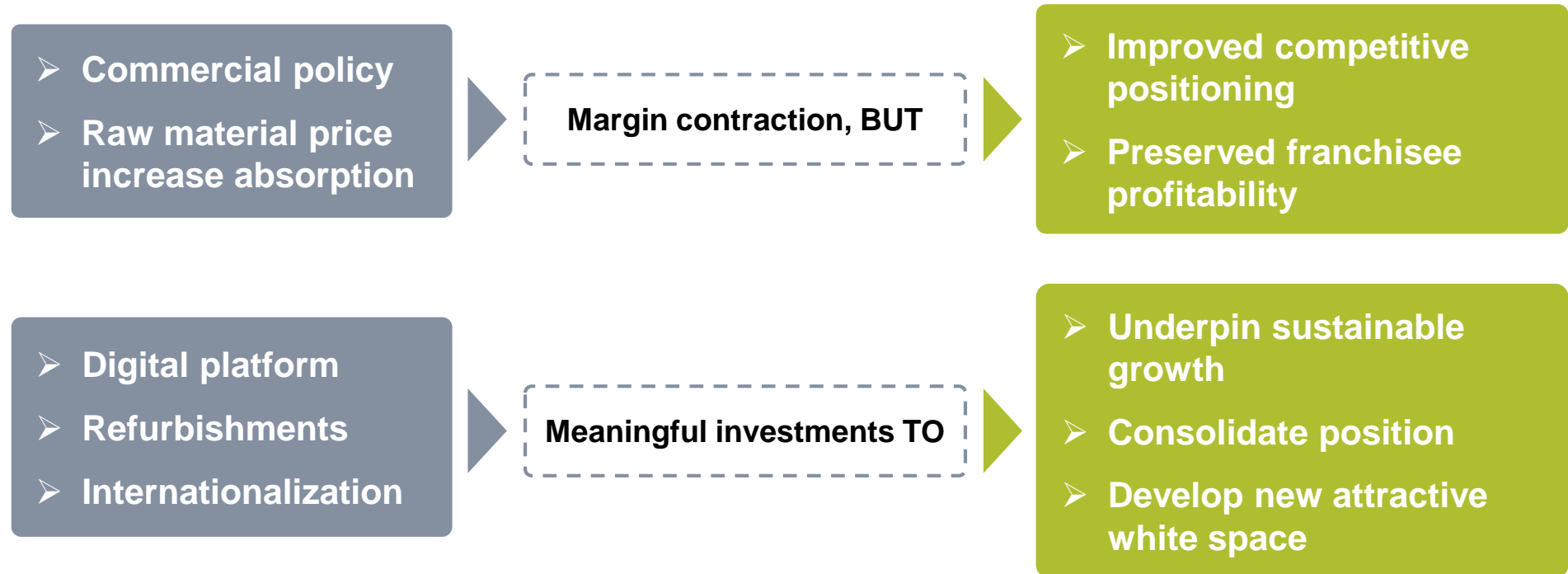
Previous year LFL growth

| Factors impacting margin y-o-y at Group level | FY 2016 | Q1                    |                     | Q2                    |                     | Q3                    |                     | Q4                    |                     | FY 16                 |                     |
|---|---------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|-----------------------|---------------------|
|   |         | Avg. Ticket evolution | Raw materials price | Avg. Ticket evolution | Raw materials price | Avg. Ticket evolution | Raw materials price | Avg. Ticket evolution | Raw materials price | Avg. Ticket evolution | Raw materials price |
|   | FY 2016 | ↑                     | ↑                   | ↑                     | ↑                   | =                     | =                   | ↓                     | ↓                   | ↑                     | ↑                   |
|   | FY 2017 | ↓                     | ↓                   | ↓                     | ↓                   | ↓                     | ↓                   | =                     | =                   | ↓                     | ↓                   |

Avg. Ticket evolution

Raw materials price

## FY 2017: Key parameters



Investing in the Company and our Shareholders

# FY 2017 outlook

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**Spain total chain sales growth: 4% to 6%**

**Core International total chain sales growth: 9% to 11%**

**Underlying EBITDA growth: Low to mid-single digit**

**Net new stores in Core Geographies: 60 to 80**

**Capex: c.€30 million (excluding larger acquisitions)**

**Cash EPS(A)<sup>1</sup>: €0.30 to €0.35 per share**

**Initiation of a dividend for year-end 2017, with payout ratio in the 15% to 20% range**

**Note:**

1. Based on cash taxes and before PPA amortization charges

Q&A





# Appendix



# Store Count

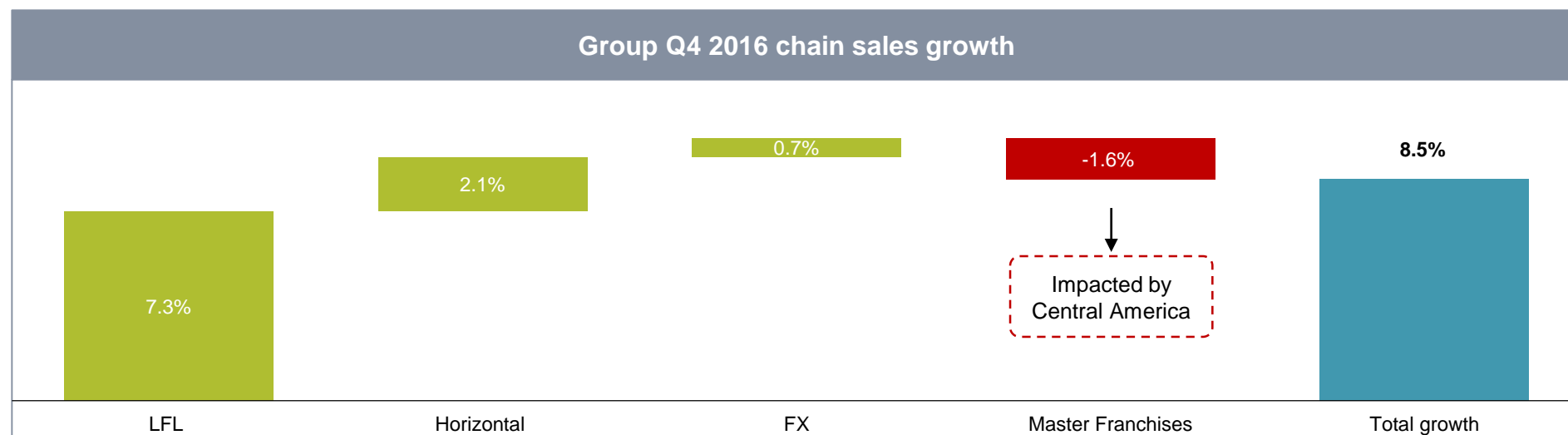
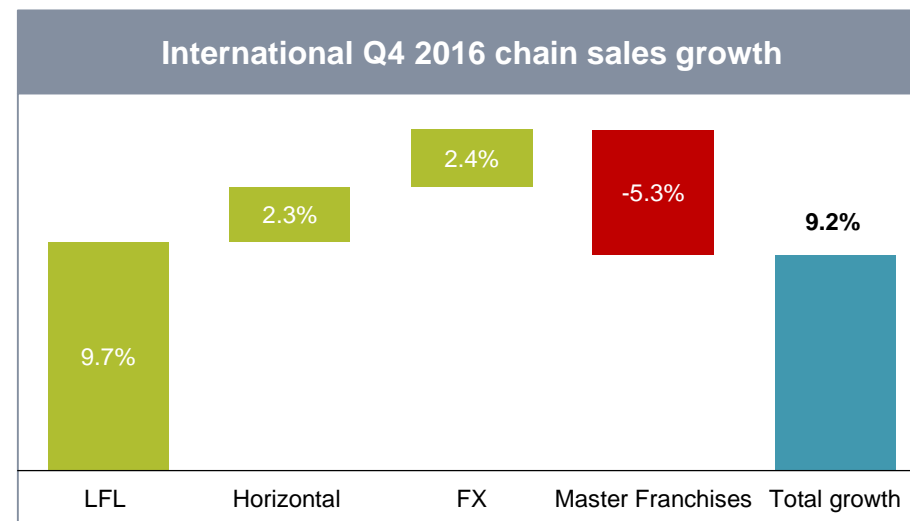
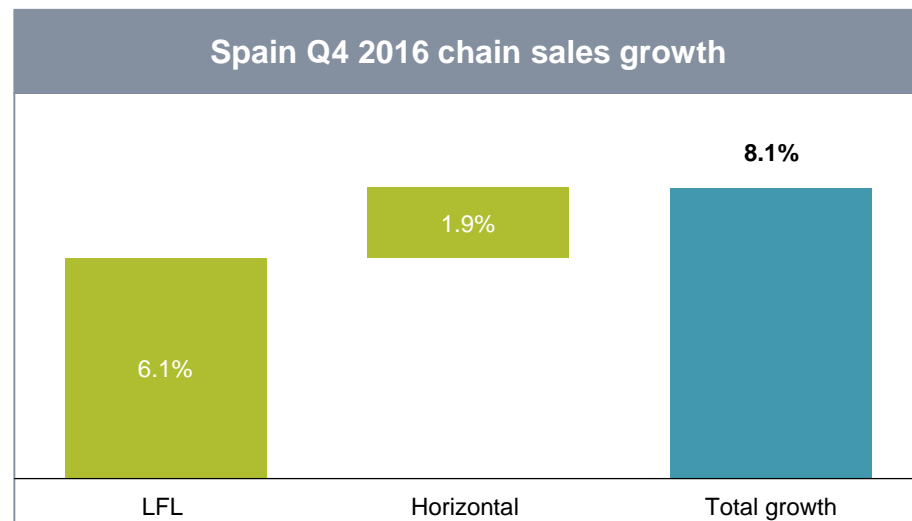
| Number of Stores          | 2016       |                   |              | 2015       |                   |              | 2014       |                   |              |
|---------------------------|------------|-------------------|--------------|------------|-------------------|--------------|------------|-------------------|--------------|
|                           | Own stores | Franchised stores | Total stores | Own stores | Franchised stores | Total stores | Own stores | Franchised stores | Total stores |
| <b>Core Geographies</b>   | <b>454</b> | <b>771</b>        | <b>1,225</b> | <b>461</b> | <b>693</b>        | <b>1,154</b> | <b>464</b> | <b>663</b>        | <b>1,127</b> |
| <b>Spain</b>              | <b>164</b> | <b>511</b>        | <b>675</b>   | <b>183</b> | <b>461</b>        | <b>644</b>   | <b>191</b> | <b>439</b>        | <b>630</b>   |
| <b>Core International</b> | <b>290</b> | <b>260</b>        | <b>550</b>   | <b>278</b> | <b>232</b>        | <b>510</b>   | <b>273</b> | <b>224</b>        | <b>497</b>   |
| <b>Rest of Europe</b>     | <b>73</b>  | <b>167</b>        | <b>240</b>   | <b>73</b>  | <b>153</b>        | <b>226</b>   | <b>74</b>  | <b>149</b>        | <b>223</b>   |
| Portugal                  | 41         | 68                | 109          | 44         | 61                | 105          | 44         | 64                | 108          |
| Poland                    | 32         | 88                | 120          | 29         | 92                | 121          | 30         | 85                | 115          |
| Switzerland               | 0          | 11                | 11           | 0          | 0                 | 0            | 0          | 0                 | 0            |
| <b>Latin America</b>      | <b>217</b> | <b>93</b>         | <b>310</b>   | <b>205</b> | <b>79</b>         | <b>284</b>   | <b>199</b> | <b>75</b>         | <b>274</b>   |
| Chile                     | 91         | 52                | 143          | 89         | 49                | 138          | 85         | 52                | 137          |
| Colombia                  | 61         | 34                | 95           | 64         | 27                | 91           | 82         | 20                | 102          |
| Peru                      | 43         | 4                 | 47           | 35         | 1                 | 36           | 22         | 1                 | 23           |
| Ecuador                   | 20         | 3                 | 23           | 17         | 2                 | 19           | 10         | 2                 | 12           |
| Panama                    | 2          | 0                 | 2            | 0          | 0                 | 0            | 0          | 0                 | 0            |
| <b>Master Franchises</b>  | <b>0</b>   | <b>164</b>        | <b>164</b>   | <b>0</b>   | <b>157</b>        | <b>157</b>   | <b>0</b>   | <b>141</b>        | <b>141</b>   |
| Guatemala                 | 0          | 88                | 88           | 0          | 83                | 83           | 0          | 83                | 83           |
| El Salvador               | 0          | 49                | 49           | 0          | 47                | 47           | 0          | 49                | 49           |
| Russia                    | 0          | 13                | 13           | 0          | 14                | 14           | 0          | 2                 | 2            |
| Angola                    | 0          | 5                 | 5            | 0          | 5                 | 5            | 0          | 1                 | 1            |
| Bolivia                   | 0          | 5                 | 5            | 0          | 4                 | 4            | 0          | 2                 | 2            |
| Saudi Arabia              | 0          | 4                 | 4            | 0          | 0                 | 0            | 0          | 0                 | 0            |
| Others                    | 0          | 0                 | 0            | 0          | 4                 | 4            | 0          | 4                 | 4            |
| <b>Total Group</b>        | <b>454</b> | <b>935</b>        | <b>1,389</b> | <b>461</b> | <b>850</b>        | <b>1,311</b> | <b>464</b> | <b>804</b>        | <b>1,268</b> |

# Chain sales breakdown

| €m (unless otherwise stated)            | FY 2016      | FY 2015      | % change (2015-2016) | Q4 2016      | Q4 2015      | % change (2015-2016) |
|---|--------------|--------------|----------------------|--------------|--------------|----------------------|
| <b>Total chain sales</b>                | <b>517.0</b> | <b>491.8</b> | <b>5.1%</b>          | <b>138.5</b> | <b>127.6</b> | <b>8.5%</b>          |
| Own store sales                         | 196.0        | 200.2        | -2.1%                | 51.6         | 50.9         | 1.5%                 |
| Franchised and master franchised stores | 321.0        | 291.6        | 10.1%                | 86.8         | 76.8         | 13.1%                |
| <b>Core Geographies chain sales</b>     | <b>486.9</b> | <b>459.8</b> | <b>5.9%</b>          | <b>130.9</b> | <b>118.9</b> | <b>10.1%</b>         |
| Constant currency growth (%)            |              |              | 6.9%                 |              |              | 9.3%                 |
| LfL sales growth (%)                    |              |              | 4.9%                 |              |              | 7.3%                 |
| Horizontal (%)                          |              |              | 2.0%                 |              |              | 2.1%                 |
| Exchange rate adjustment (%)            |              |              | -1.0%                |              |              | 0.7%                 |
| <b>Spain chain sales</b>                | <b>335.2</b> | <b>318.5</b> | <b>5.3%</b>          | <b>89.1</b>  | <b>82.4</b>  | <b>8.1%</b>          |
| LfL sales growth (%)                    |              |              | 3.6%                 |              |              | 6.1%                 |
| Horizontal (%)                          |              |              | 1.7%                 |              |              | 1.9%                 |
| <b>International chain sales</b>        | <b>181.8</b> | <b>173.3</b> | <b>4.9%</b>          | <b>49.4</b>  | <b>45.2</b>  | <b>9.2%</b>          |
| <b>Core International chain sales</b>   | <b>151.7</b> | <b>141.3</b> | <b>7.4%</b>          | <b>41.8</b>  | <b>36.5</b>  | <b>14.5%</b>         |
| Constant currency growth (%)            |              |              | 10.8%                |              |              | 12.0%                |
| LfL sales growth (%)                    |              |              | 7.9%                 |              |              | 9.7%                 |
| Horizontal (%)                          |              |              | 2.9%                 |              |              | 2.3%                 |
| Exchange rate adjustment (%)            |              |              | (3.4%)               |              |              | 2.4%                 |

# Reported chain sales bridge

Impact of FX and negative contribution of Master Franchises in International sales



# Delivery vs non delivery in 2016

## Delivery vs Non-delivery sales in Spain

|                                | H1 2016          |                  | H2 2016          |                  |
|--------------------------------|------------------|------------------|------------------|------------------|
| Delivery sales                 | Growth y-o-y (%) | % of total sales | Growth y-o-y (%) | % of total sales |
|                                | 9.5%             | 59%              | 9.5%             | 58%              |
| Non-delivery sales             | Growth y-o-y (%) | % of total sales | Growth y-o-y (%) | % of total sales |
|                                | -0.7%            | 41%              | -0.1%            | 42%              |
| Total chain sales growth y-o-y | Q1 2016          | Q2 2016          | Q3 2016          | Q4 2016          |
|                                | 6.4%             | 3.7%             | 2.6%             | 8.1%             |

# Balance sheet

| € '000 (unless otherwise stated) | FY 2016 | FY 2015 |
|----------------------------------|---------|---------|
|----------------------------------|---------|---------|

|                           |                       |                       |
|---------------------------|-----------------------|-----------------------|
| <b>Non current assets</b> | <b><u>826,379</u></b> | <b><u>792,404</u></b> |
|---------------------------|-----------------------|-----------------------|

|                               |         |         |
|-------------------------------|---------|---------|
| Property, plant and equipment | 46,042  | 40,158  |
| Goodwill                      | 387,322 | 382,694 |
| Other intangible assets       | 330,223 | 333,982 |
| Other non-current assets      | 62,792  | 35,570  |

|                       |                       |                      |
|-----------------------|-----------------------|----------------------|
| <b>Current assets</b> | <b><u>119,637</u></b> | <b><u>93,956</u></b> |
|-----------------------|-----------------------|----------------------|

|                                       |                       |                      |
|---------------------------------------|-----------------------|----------------------|
| <b><u>Subtotal current assets</u></b> | <b><u>119,637</u></b> | <b><u>93,956</u></b> |
|---------------------------------------|-----------------------|----------------------|

|                                      |        |        |
|--------------------------------------|--------|--------|
| Inventories                          | 11,623 | 11,392 |
| Receivables and other current assets | 44,042 | 42,618 |
| Cash and cash equivalents            | 63,972 | 39,946 |

|  |     |     |
|--|-----|-----|
| Assets classified as discontinued operations | 305 | 130 |
|--|-----|-----|

|                     |                       |                       |
|---------------------|-----------------------|-----------------------|
| <b>Total assets</b> | <b><u>946,321</u></b> | <b><u>886,490</u></b> |
|---------------------|-----------------------|-----------------------|

|  | FY 2016 | FY 2015 |
|--|---------|---------|
|--|---------|---------|

|               |                       |                       |
|---------------|-----------------------|-----------------------|
| <b>Equity</b> | <b><u>607,059</u></b> | <b><u>354,342</u></b> |
|---------------|-----------------------|-----------------------|

|                                |                       |                       |
|--------------------------------|-----------------------|-----------------------|
| <b>Non-current liabilities</b> | <b><u>285,024</u></b> | <b><u>472,988</u></b> |
|--------------------------------|-----------------------|-----------------------|

|                               |         |         |
|-------------------------------|---------|---------|
| Borrowings                    | 195,611 | 286,176 |
| Shareholders loans            | 0       | 96,704  |
| Other non-current liabilities | 89,413  | 90,108  |

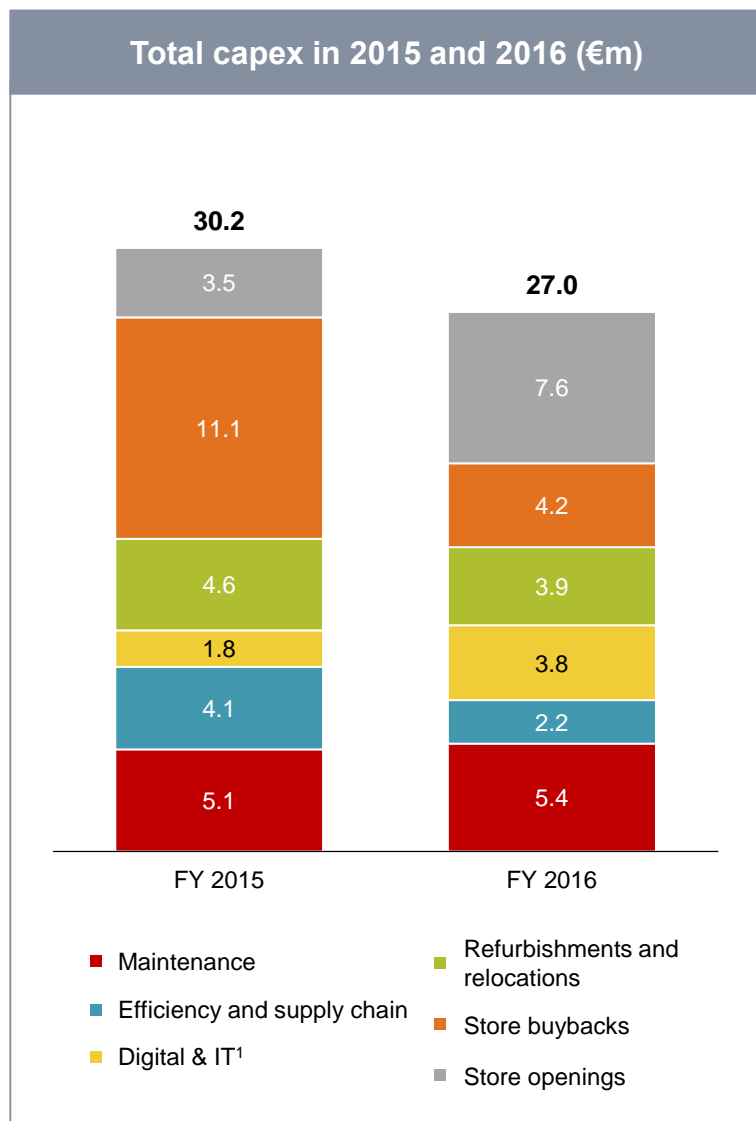
|                            |                      |                      |
|----------------------------|----------------------|----------------------|
| <b>Current liabilities</b> | <b><u>54,153</u></b> | <b><u>59,075</u></b> |
|----------------------------|----------------------|----------------------|

|                           |        |        |
|---------------------------|--------|--------|
| Trade and other payables  | 50,218 | 48,696 |
| Other current liabilities | 3,935  | 10,379 |

|   |    |    |
|---|----|----|
| Liabilities classified as discontinued operations | 85 | 85 |
|---|----|----|

|                                     |                       |                       |
|-------------------------------------|-----------------------|-----------------------|
| <b>Total equity and liabilities</b> | <b><u>946,321</u></b> | <b><u>886,490</u></b> |
|-------------------------------------|-----------------------|-----------------------|

# Capital expenditure



**Note:**  
1. Including IT-related maintenance capex

**Maintenance**

**€5.4m in FY 2016**

- Maintenance of owned stores, production facilities and headquarters

**Efficiency and supply chain**

**€2.2m in FY 2016**

- Investments in supply chain and efficiency plans

**Digital and IT**

**€3.8m in FY 2016**

- Investing in maintaining and upgrading the digital platform

**Store refurbishments and relocations**

**€3.9m in FY 2016**

- Store network renewal plan and selective relocations to adapt to changes in urban landscape

**Store buybacks**

**€4.2m in FY 2016**

- Strategic buybacks of franchised stores to optimize network

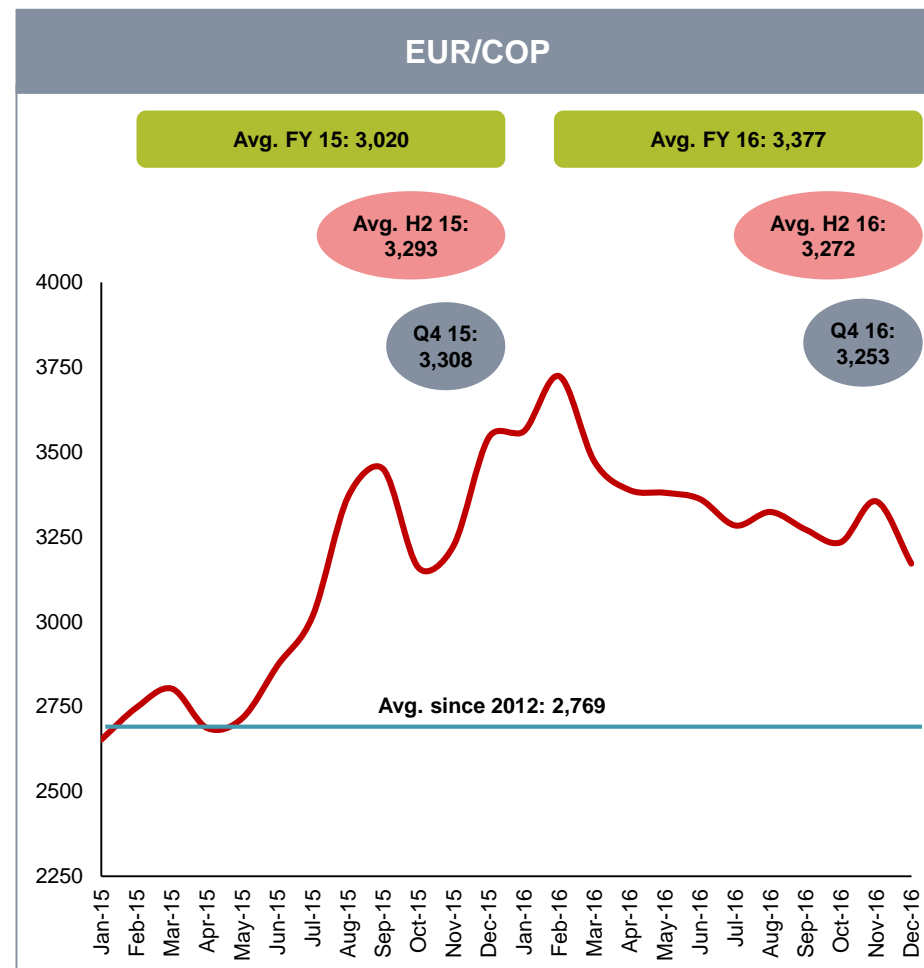
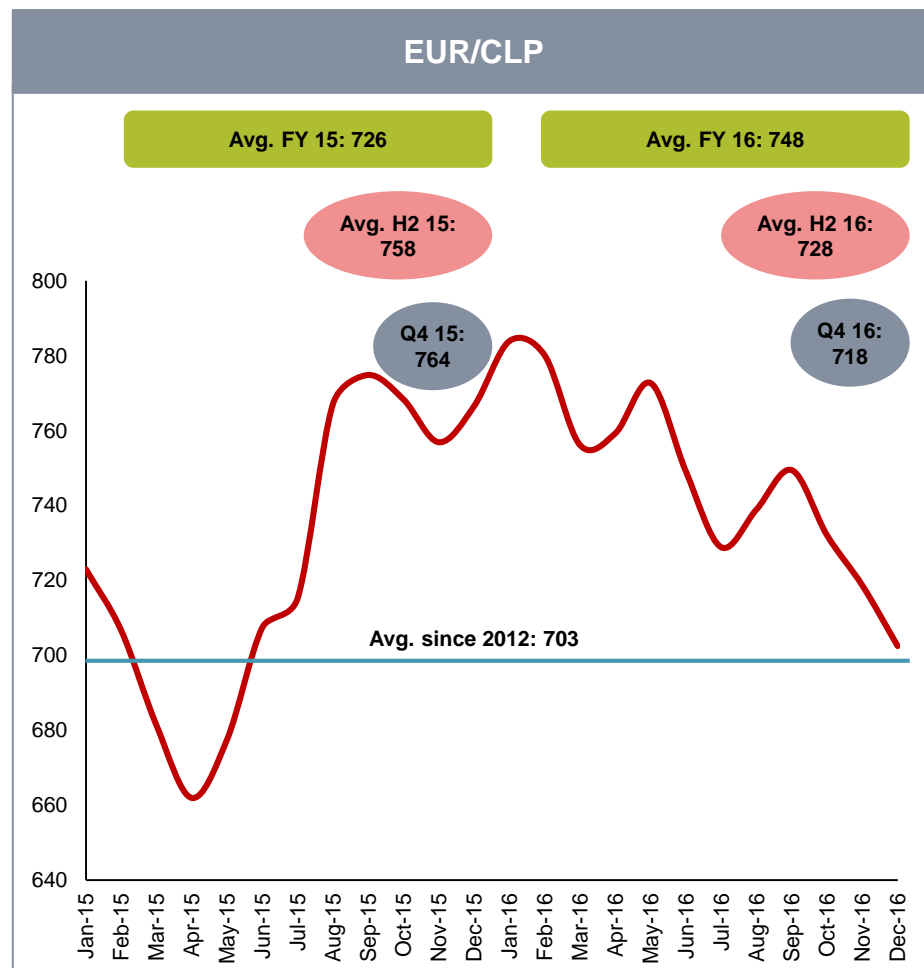
**Store openings**

**€7.6m in FY 2016**

- Majority of owned store openings in LatAm

# Translational FX impact in context

Latam reported financials in EUR impacted by steep decline in local currencies yoy – Impact more pronounced in H1, with current exchange rates in line with H2 2015



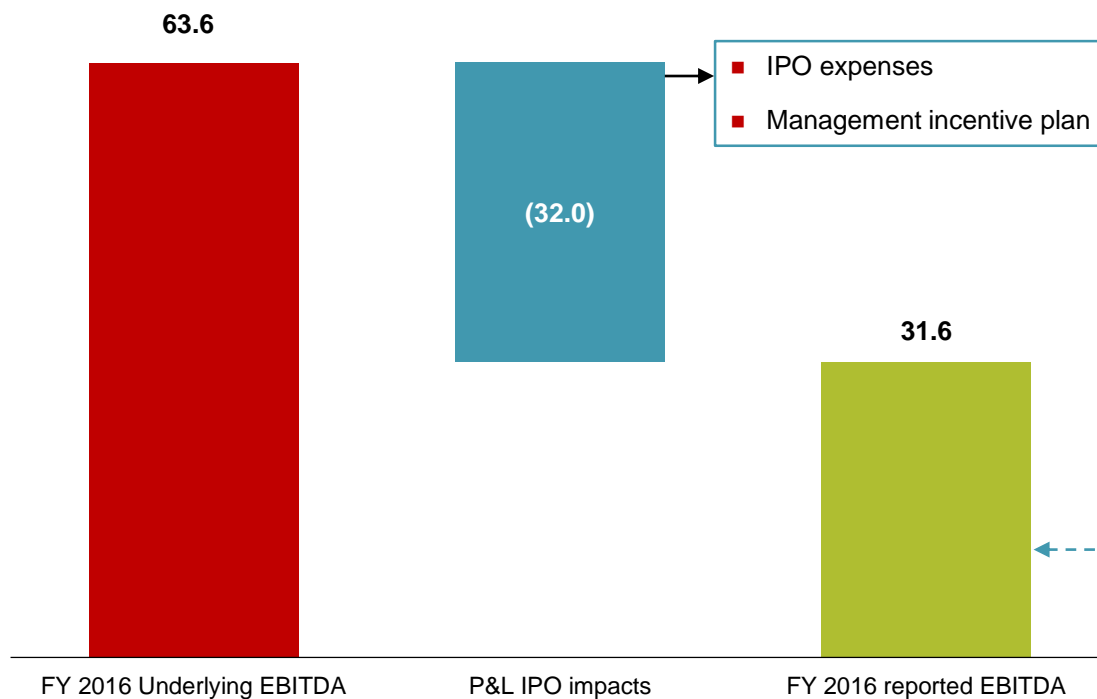
Source: Bank of Spain



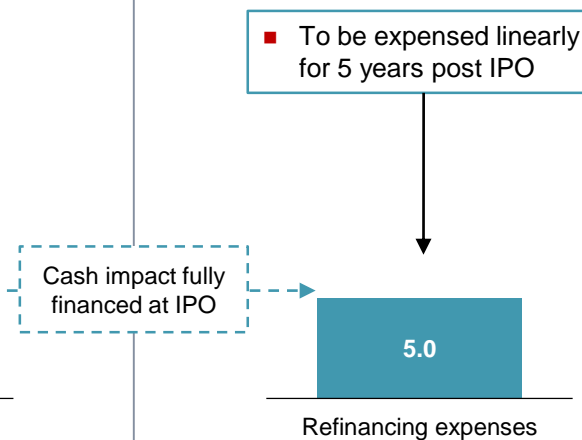
# Impact of IPO charges

## IPO costs (€m)

### FY 2016 EBITDA bridge



### IPO refinancing charges



# Glossary

- **Chain sales:** Chain sales are own store sales plus franchised and master franchised store sales as reported to us by the franchisees and master franchisees
- **LfL chain sales growth:** LfL chain sales growth is chain sales growth after adjustment for the effects of changes in scope and the effects of changes in the euro exchange rate as explained below
  - Scope adjustment. If a store has been open for the full month, we consider that an “operating month” for the store in question; if not, that month is not an “operating month” for that store. LfL chain sales growth takes into account only variation in a store’s sales for a given month if that month was an “operating month” for the store in both of the periods being compared. The scope adjustment is the percentage variation between two periods resulting from dividing (i) the variation between the chain sales excluded in each of such periods (“excluded chain sales”) because they were obtained in operating months that were not operating months in the comparable period, by (ii) the prior period’s chain sales as adjusted to deduct the excluded chain sales of such period (the “adjusted chain sales”). In this way, we can see the actual changes in chain sales between operating stores, removing the impact of changes between the periods that are due to store openings and closures; and
  - Euro exchange rate adjustment. We calculate LfL chain sales growth on a constant currency basis in order to remove the impact of changes between the euro and the currencies in certain countries where the Group operates. To make this adjustment, we apply the monthly average euro exchange rate of the operating month in the most recent period to the comparable operating month of the prior period
- **EBITDA:** EBITDA is operating profit plus asset depreciation and amortization
- **Underlying EBITDA:** Underlying EBITDA is EBITDA excluding the operating costs associated with our refinancing operation in FY2014 and IPO related costs in FY2016
- **Digital delivery chain sales:** Digital delivery chain sales are the delivery chain sales made through digital channels (PC, web responsive and Telepizza application), expressed in percentage terms. Digital delivery chain sales (both own and franchised) are recorded automatically in the Company’s SAGA store information system when the online order is placed by the customer