FDB 1987
FOOD DELIVERY BRANDS

9M FY22

RESULTS PRESENTATION

25.11.2022

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FOOD DELIVERY BRANDS

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9M FY22 RESULTS PRESENTATION

EXECUTIVE SUMMARY

FOOD DELIVERY BRANDS

EXECUTIVE SUMMARY

FOOD DELIVERY BRANDS GROUP

- Market leading pizza delivery operator in core markets: Spain, Portugal, México, Chile, Colombia and Ecuador
- Shift to being a "Brand Operator" following the completion of the agreement with Yum! Brands
- Diversified business model, with profitability generated from
  - Own store sales
  - Royalties and services from franchisees
  - Supply chain sales
- Vertically integrated supply chain is a key differentiating factor: provides full production and food service offering to franchisees

KEY FACTS – 9M FY22

2 GLOBAL BRANDS

32 COUNTRIES

€958[1]m SYSTEM SALES

2,350[1] STORES IN THE MF PERIMETER

78% FRANCHISED STORES

Vertically Integrated Supply Chain

5	+20	2
Dough Production Facilities	Logistics Centers	Innovation Labs

Note:
1. Sales and stores excluding Discontinued operations PH Spain equity stores

EXECUTIVE SUMMARY

KEY MESSAGES 1/2

- **9M FY22 chain sales of c.€958m; +17.9% vs. PY** (+12.4%[1] at constant FX) due to price increases and positive FX rates vs. euro
  - 9M Group system **sales above pre-pandemic** (+4.6%[1] vs. 9M FY19)
- **Sales slowdown visible** in some markets
- The duration and depth of the economic downturn, beyond our estimates, is eroding the profitability of our business, as well as of our franchisees, and we and they are not yet recovered from the impacts of COVID
- **9M FY22 adjusted EBITDA[2] reached €27.6m,** -5.8% vs. 9M FY21 as result of the difficulties to fully pass on inflation to consumers
- **Group's liquidity at 30th Sep 2022 amounted to €26.5m**

Note:
1. **Growth at constant FX. Equity PH stores in Spain considered as discontinued operations**
2. **Excluding impacts from IFRS 16 and Equity PH Spain considered as discontinued operation**

KEY MESSAGES 2/2

- Total store count[1] amount to 2,350; +134 gross openings over the LTM and +61 gross openings in 9M
- However, we expect a net units´reduction of up to 20 stores for full year 2022 as a result of the deceleration in the rate of openings and further closures due to continued negative market conditions (COVID, inflation, economic downturn…)
- **2022 EBITDA's is expected to drop below the guidance** provided in Q1 **to €36 to 39m** at year end given the weaker sales perspectives for Q4 and the impacts from the persistent inflation
- **2022 CFADS** will also be affected, and is now expected to be **in the range of negative €10 to 15m**
- Given the adverse prospects for the rest of 2022 and for 2023 and the Group's difficult liquidity position, **FDB intends to engage in discussion with stakeholders**, including creditors and Yum!, **to effect changes to the business, capital structure and Yum! Alliance**
- To assist in this**, FDB has engaged Kirkland & Ellis, Uría Menéndez and Houlihan Lokey** as advisors **to evaluate options available to the company**

Note:
1. Pizza Hut master franchise perimeter (Spain, Portugal, Switzerland and Latam ex-Brazil), including Telepizza and Pizza Hut stores. Equity PH stores in Spain considered as discontinued operations

9M FY22 RESULTS PRESENTATION

FINANCIAL UPDATE

FOOD DELIVERY BRANDS

EXECUTIVE SUMMARY

3Q FY22 CURRENT TRADING

in € millions	3Q FY21	3Q FY22	YoY (%)	YoY Change	Jul	Aug	Sep
Total Owned Stores [1]	511	523	2.3%	12	518	521	523
Total Franchised Stores [1]	1,778	1,827	2.8%	49	1,827	1,831	1,827
Chain Sales	291.0	339.2	16.6%	48.2	119.6	113.7	105.9
Revenues	98.9	100.5	1.6%	1.6	38.5	35.1	27.0
Adjusted EBITDA	13.1	11.7	-10.8%	-1.4	7.0	3.2	1.4
Adjusted EBITDA under IFRS16	18.0	17.1	-5.1%	-0.9	8.8	5.0	3.3
Net Debt	382.0	412.7	8.0%	30.7	411.7	410.4	412.7
Cash	48.5	26.5	-45.4%	-22.0	26.3	29.4	26.5

Note:
1. **Only includes stores in the MF YUM! Perimeter**

EXECUTIVE SUMMARY

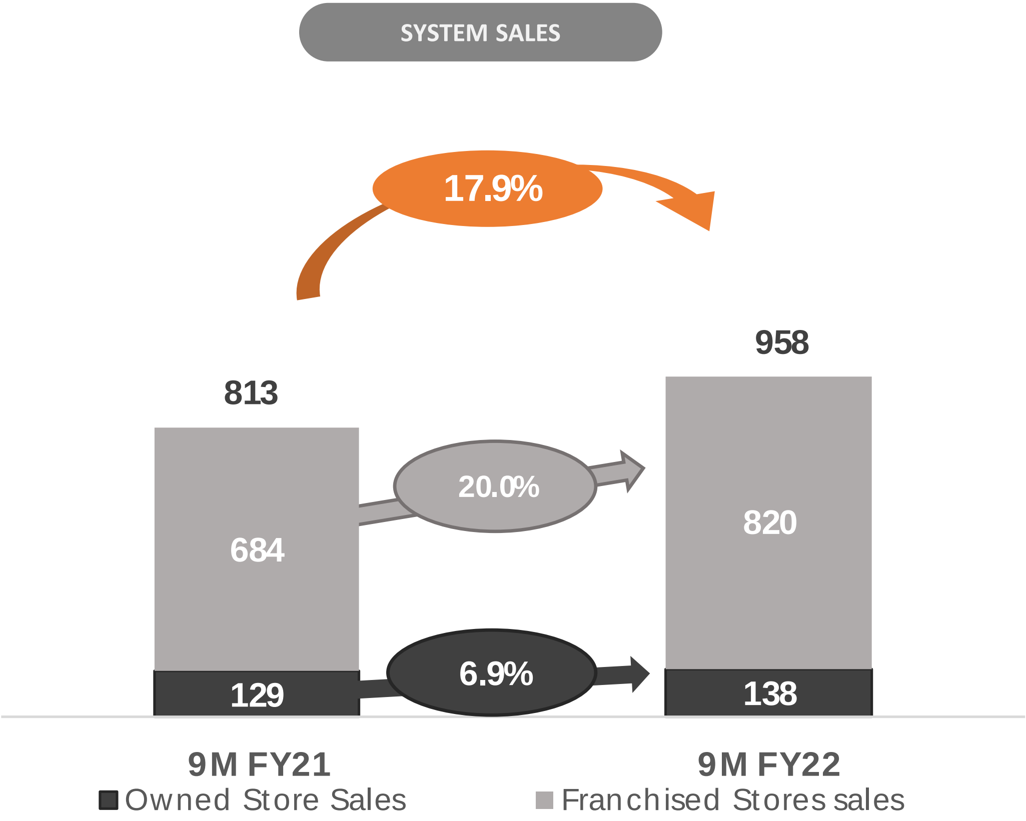
9M FY22 TRADING

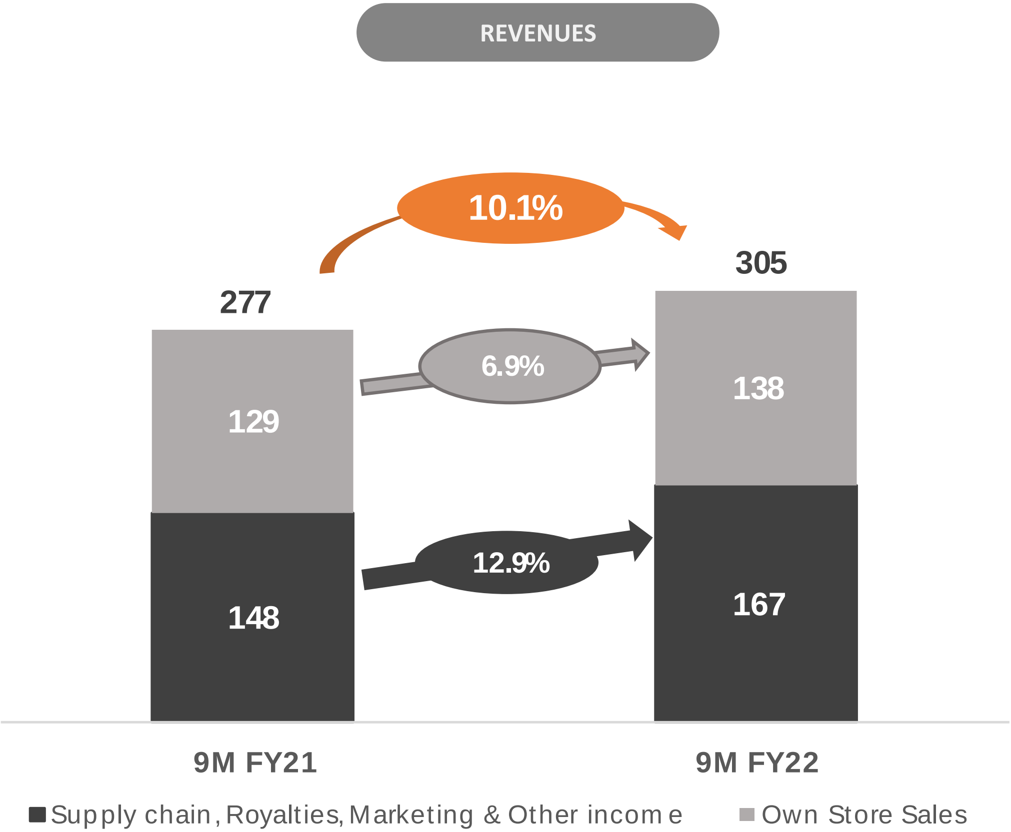
in € millions	9M FY21	9M FY22	YoY (%)	YoY Change	Oct	Nov [3]
Total Owned Stores [1]	511	523	*2.3%*	*12*	524	530-535
Total Franchised Stores [1]	1,778	1,827	*2.8%*	*49*	1,824	1820-1830
Chain Sales [2]	812.6	958.2	*17.9%*	*145.5*	114.8	106.1
Revenues	277.1	305.1	*10.1%*	*28.0*	33-35	33-35
Adjusted EBITDA	29.3	27.6	*-5.8%*	*-1.7*	2.4-2.6	1.5-2
Adjusted EBITDA under IFRS16	44.2	44.3	*0.1%*	*0.1*	---	---
Net Debt	382.0	412.7	*8.0%*	*30.7*	417.8	425-423
Cash	48.5	26.5	*-45.4%*	*-22.0*	22.1	15-17

Note:
1. **Only includes stores in the MF YUM! Perimeter**
2. **YoY Chain Sales at constant currency: 12.4%**
3. **These figures are preliminary and subject to change**

SYSTEM SALES AND REVENUES

Group System Sales and Revenues (€m)





SEGMENT PERFORMANCE – 9M FY22

System sales across regions

9M 22 vs 9M 21 in € millions	EMEA	LATAM	TOTAL
System Sales Growth (%)	7.8%	29.2%	**17.9%**
System Sales Growth **constant currency** (%)	7.6%	17.4%	**12.4%**
System Sales Growth **constant currency** (%) **- Telepizza**	3.8%	2.5%	**3.7%**
System Sales Growth **constant currency** (%) **- Pizza Hut**	37.0%	19.2%	**212%**
Telepizza System Sales weight (%)	85.4%	9.2%	**46 1%**
Pizza Hut System Sales weight (%)	14.6%	90.8%	**53.9%**
TOTAL SALES €m	**463 2**	**495.0**	**958 2**

EMEA

- **Spain and Portugal:**

  YTD sales growth of +8.8% vs. PY but slowdown in Q3 due to erosion in consumers confidence and adverse economic prospects

- **Rest of Europe:**

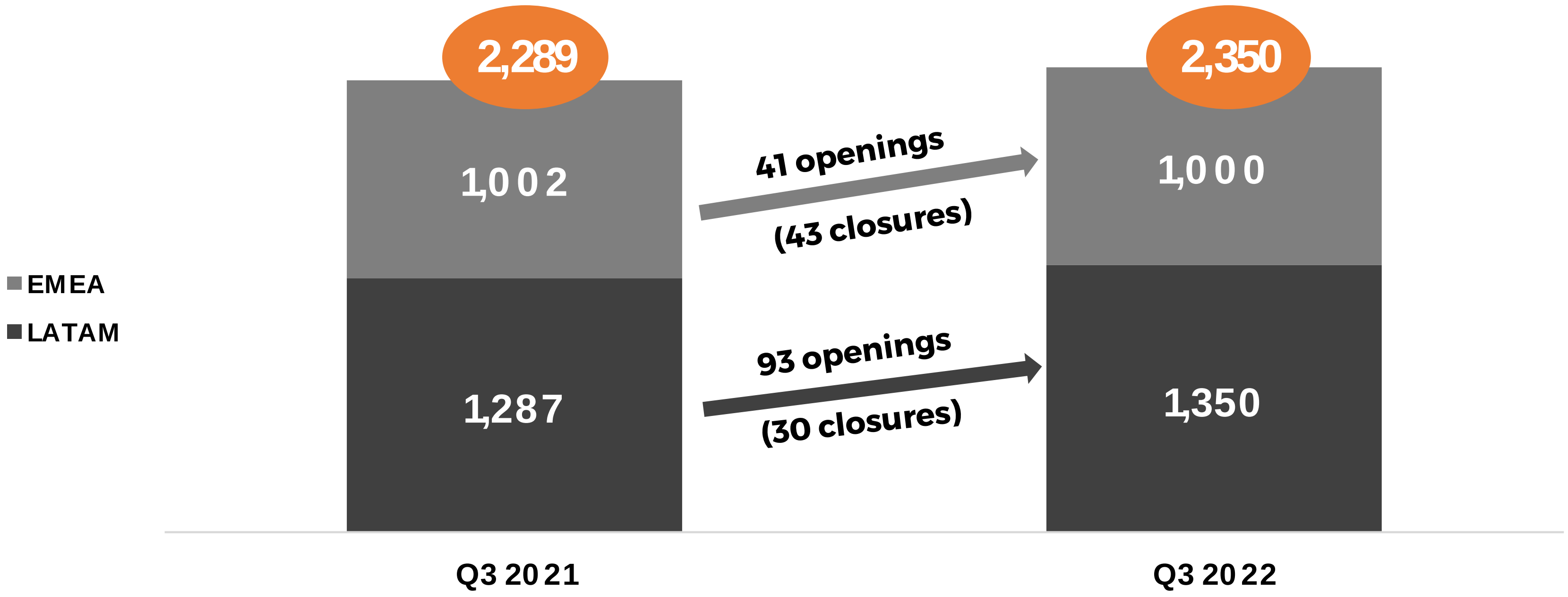
  - + 0.7% 9M FY22 growth vs. PY (at constant FX) with Ireland growing at 9.4%. TPZ stores (7) in Switzerland were closed in July

LATAM

- System sales growth of +17.4% (at constant FX) during 9m FY22 vs. PY with Telepizza: +2.5% & PH +19.2%
- As seen in H1, effects from economic slowdown are still less visible in the region, however risings in COGs, energy and salaries are also starting to impact stores' profitability, reducing franchisees appetite on expansion

UNIT EXPANSION 9M FY22

Total store network within the MF perimeter **increased by 61 net units**(1) to reach 2,350 stores (2).

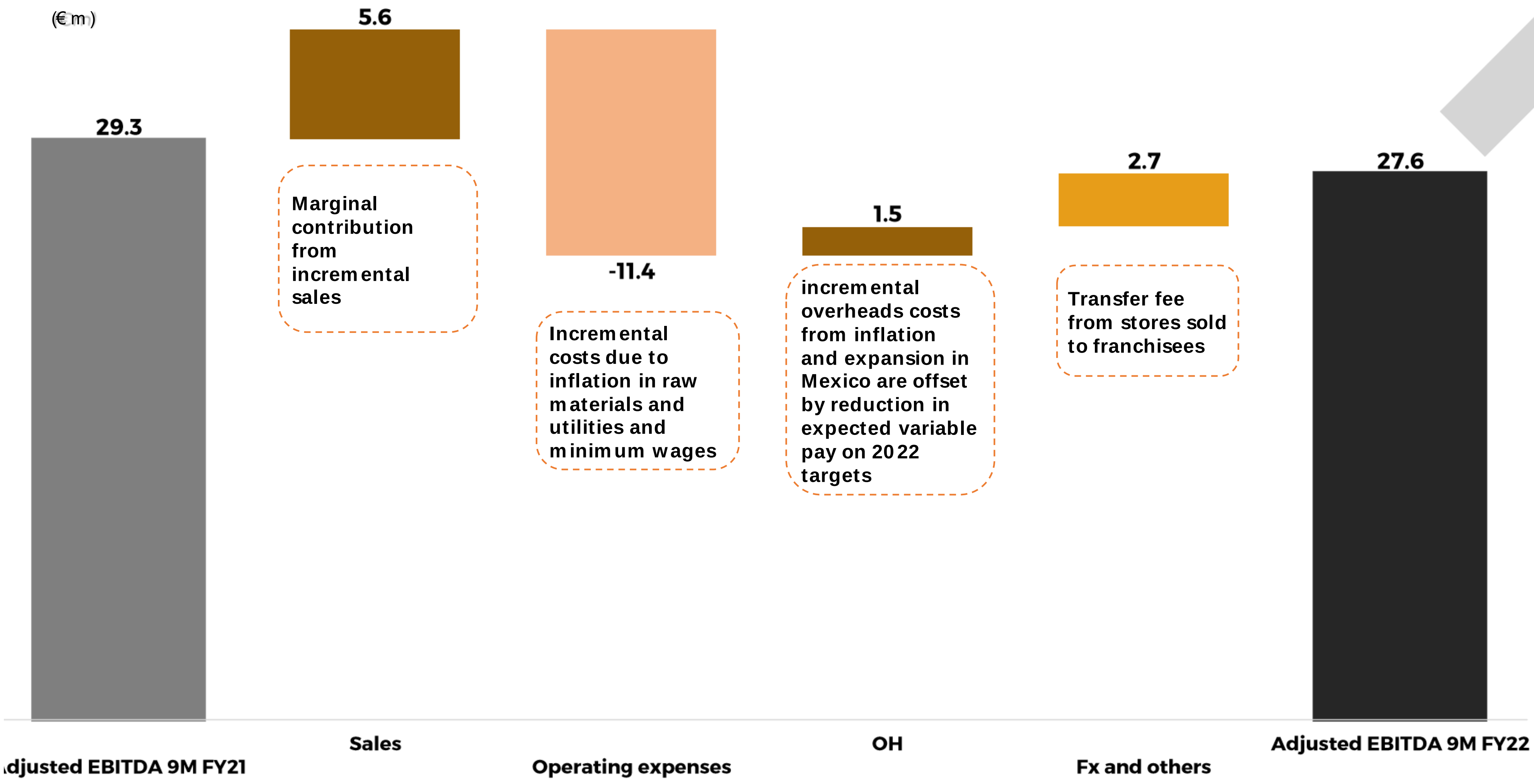


Note:

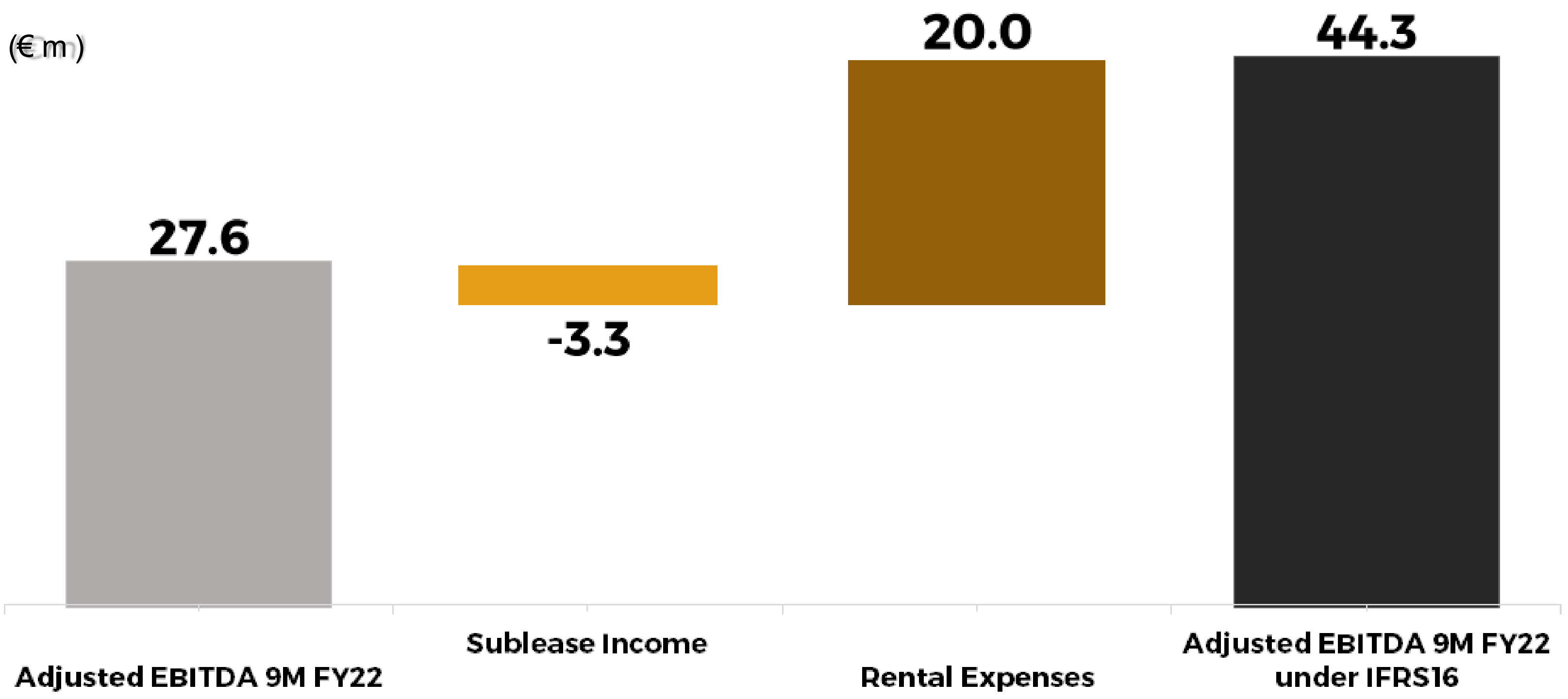
1. **Total openings minus total closures in the Pizza Hut master franchise perimeter (Spain, Portugal, Switzerland and Latam ex-Brazil), including Telepizza and Pizza Hut stores**
2. **Only includes stores in the MF Yum! perimeter**

FINANCIAL UPDATE

ADJUSTED EBITDA BRIDGE – 9M FY21 TO 9M FY22



ADJUSTED EBITDA BRIDGE – 9M FY22 (IFRS16 RECONCILIATION)



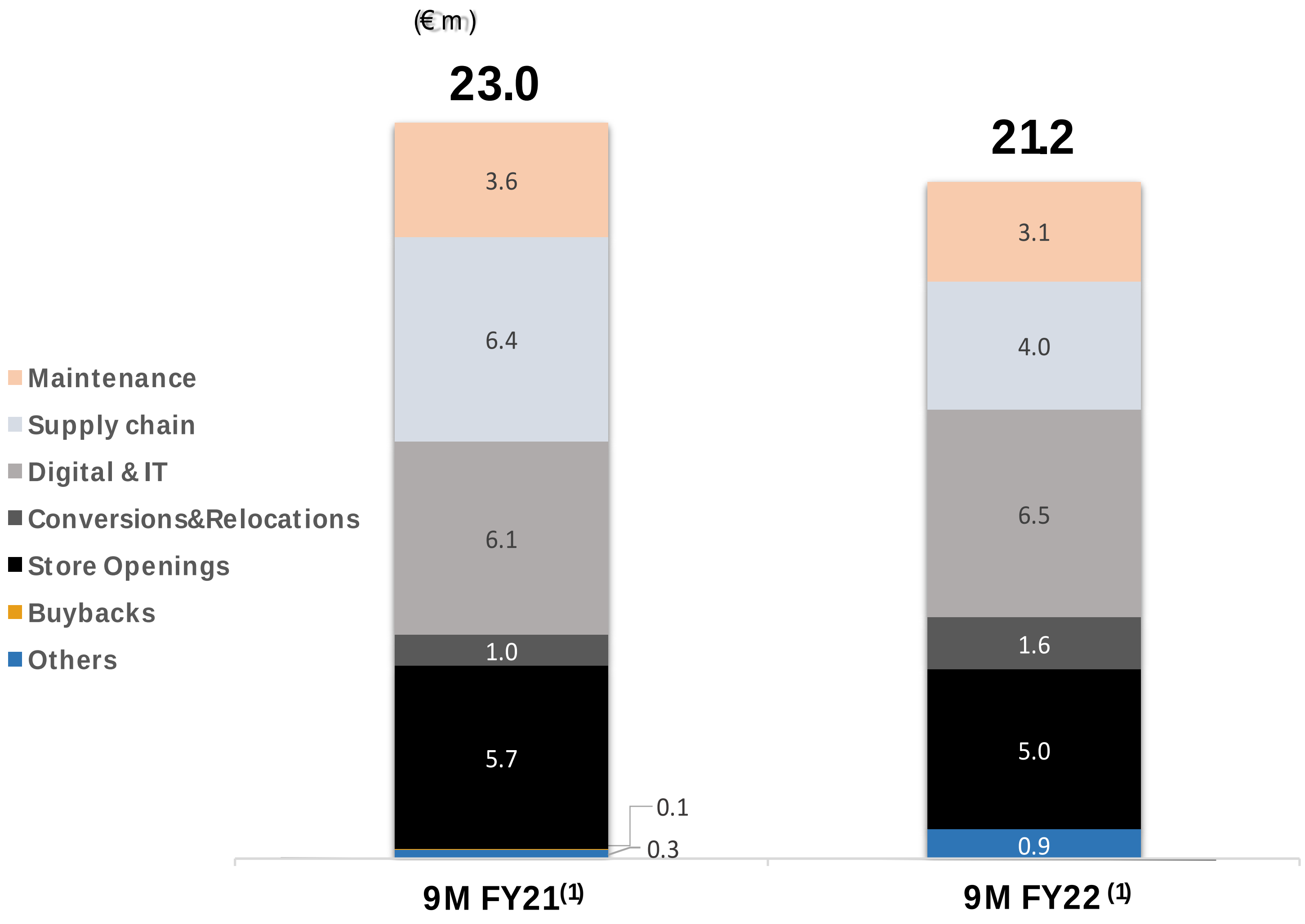
EXECUTIVE SUMMARY

INCOME STATEMENT SUMMARY [1]

€m	9M FY21	9M FY22	% change
Own Store Sales	128.8	137.7	6.9%
Supply chain, royalties, marketing & other income	148.3	167.4	12.9%
Total revenue	**277.1**	**305.1**	**10.1%**
COGS	-82.3	-98.6	19.8%
% Gross margin	70.3%	67.7%	-2.6pp
Operating expenses	-165.6	-178.9	8.1%
Adjusted EBITDA	**29.3**	**27.6**	**-5.8%**
% Adjusted EBITDA margin	10.6%	9.0%	-1.5pp
Non recurring/operating expenses	-9.3	-4.3	-54.5%
Reported EBITDA	**19.9**	**23.3**	**17.1%**
Adjusted EBITDA under IFRS 16	**44.2**	**44.3**	**0.1%**
% Adjusted EBITDA margin	16.0%	14.5%	-1.4pp

Notes:
1. **Financial information excluding impact of IFRS-16**

CAPITAL EXPENDITURE[1] – 9M FY22



- 9M 2022 Capex of c.€21.2m, -€1.8m vs. PY
- Full year 2022 Capex expected to be within the range of €27-30m
  - 9M FY22 Capex mostly related to stores network (c. €9.8m): openings, maintenance and conversions & relocations

Note:
1. Capex does not include non cash-out investments (e.g . Non cash Buybacks)

FINANCIAL UPDATE

CASH FLOW STATEMENT SUMMARY

FOOD DELIVERY BRANDS

€m	9M FY21	9M FY22	% change
Adjusted EBITDA	29.3	27.6	-5.8%
Non-recurring / Operating costs	-9.3	-4.3	-54.5%
Reported EBITDA	19.9	23.3	17.1%
Tax (6)	-12.2	-4.6	-62.5%
Change in Working Capital (7)	-6.3	-6.3	0.5%
Discontinued Ops (8)	-1.9	-4.5	131.2%
Operating Cash Flow	-0.4	8.0	-1971.9%
Maintenance Capex (1)	-3.6	-3.1	-12.4%
Expansion Capex (2)	-19.4	-18.1	-7.1%
Investing Cash Flow	-23.0	-21.2	-7.9%
CFADS (3)	-23.4	-13.2	-43.8%
Cash Interest	-24.6	-24.7	0.4%
Financing sources	51.3	6.1	-88.1%
Financing Cash Flow	26.7	-18.6	-169.4%
Cash Flow for the period	3.3	-31.7	-1055.4%
Underlying Free Cash Flow (4)	11.6	19.9	71.4%

€m	9M FY21	9M FY22
Cash Balance		
Cash BoP (5)	45.1	58.2
Δ Cash	3.3	-31.7
Cash EoP	48.5	26.5

Note:

1. Maintenance capex is recurring capex for existing stores required to support continued operation
2. Expansion capex is growth capex associated with i) new store openings, relocations, refurbishment, ii) IT & digital improvements, iii) investments in factories and iv) other growth initiatives. Excludes non-cash out capex (e.g. buybacks)
3. Cash Flow Available for Debt Service defined as Cash Flow from Operations less Cash Flow from Investing
4. Underlying free cash flow is Adjusted EBITDA minus tax, Discont. Ops, expansion incentive and maintenance capex
5. Cash position with Tasty Bidco perimeter
6. Tax includes payments of CIT, local taxes as well as WHT (mostly recoverable against future CIT payments)
7. WC includes net VAT payments (€9.9m and €8.9m in YTD 2021 and 2022 respectively)
8. Discontinued Ops includes losses and one offs costs related to the closing of the Equity Spain PH stores

FINANCIAL UPDATE

NET DEBT AND LEVERAGE – 9M FY22

FOOD DELIVERY BRANDS

Net Leverage[2] 7.8x

CAPITAL STRUCTURE

Bond Debt: €335m
RCF: €45m
ICO Loan: €38.4m
Shareholders Loan: €3.9m
Reverse Factoring: €13.4m
Credit Lines: €3.4m

CREDIT METRICS

	FY21	9M FY22
Fixed charge Coverage [2]	1.7x	1.6x
Gross Leverage	8.5x	8.4x
Net Leverage [1]	7.3x	7.8x

LTM ADJUSTED EBITDA METRIC

€m	
LTM up to Sep 30, 2022 Adjusted EBITDA	50.0

Notes:

1. **Net Leverage is the ratio between Senior Secured Indebtedness minus cash and cash equivalents and LTM adjusted EBITDA. LTM EBITDA does not include any pro forma on investments**
2. **Fixed charge coverage ratio is the ratio between LTM Adjusted EBITDA and Consolidated Interest Expense**

9M FY22 RESULTS PRESENTATION

CLOSING REMARKS

FOOD DELIVERY BRANDS

CLOSING REMARKS

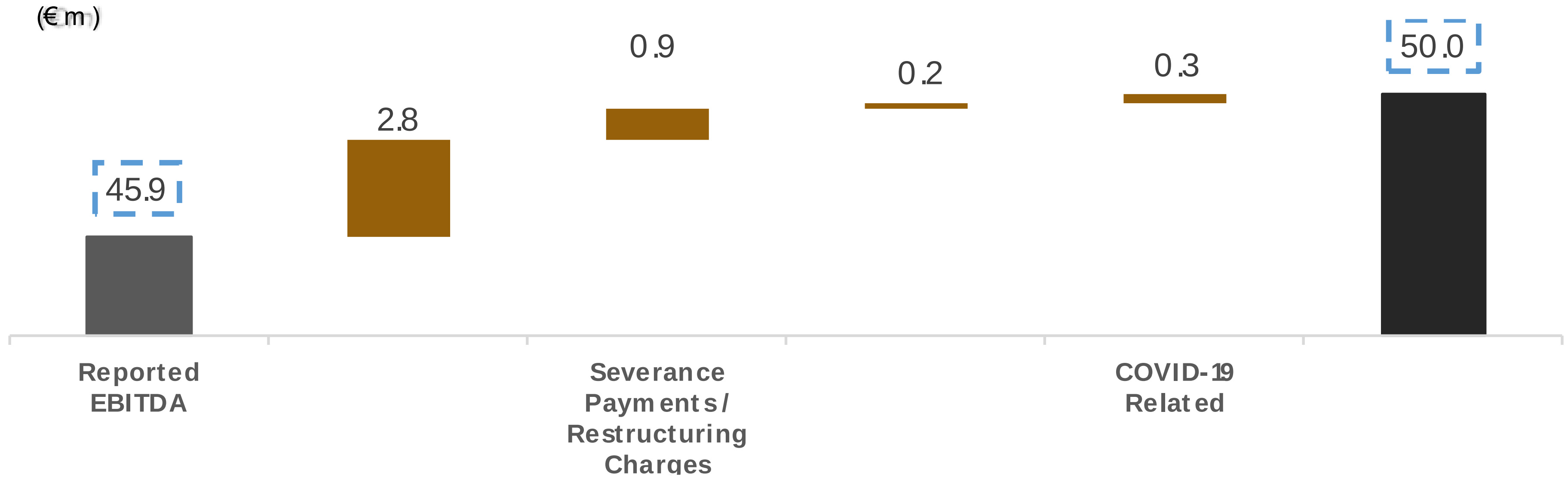
- **Signs of slowdown** are starting to be perceived after the summer and 2023 prospects remain difficult
- **Persistent high inflation** is hitting our financial performance as well as our franchisees' profitability, thus **impacting our EBITDA guidance for 2022 and NNUs expansion** planned for the year
- As a result, **CFADS will be also impacted and Group liquidity continues as the key priority,** above any expansion targets or other business commitments from the alliance with Yum
- Given the adverse prospects for 2022 and 2023 and the Group's difficult liquidity position, **FDB intends to engage in discussion with stakeholders, including creditors and Yum!, to effect changes to the business, capital structure and Yum! Alliance**
- To assist in this, **FDB has engaged Kirkland & Ellis, Uría Menéndez and Houlihan Lokey as advisors to evaluate options available to the company**

9M FY22 RESULTS PRESENTATION

APPENDIX

FOOD DELIVERY BRANDS

ADJUSTED LTM 9M FY22 EBITDA[1] RECONCILIATION

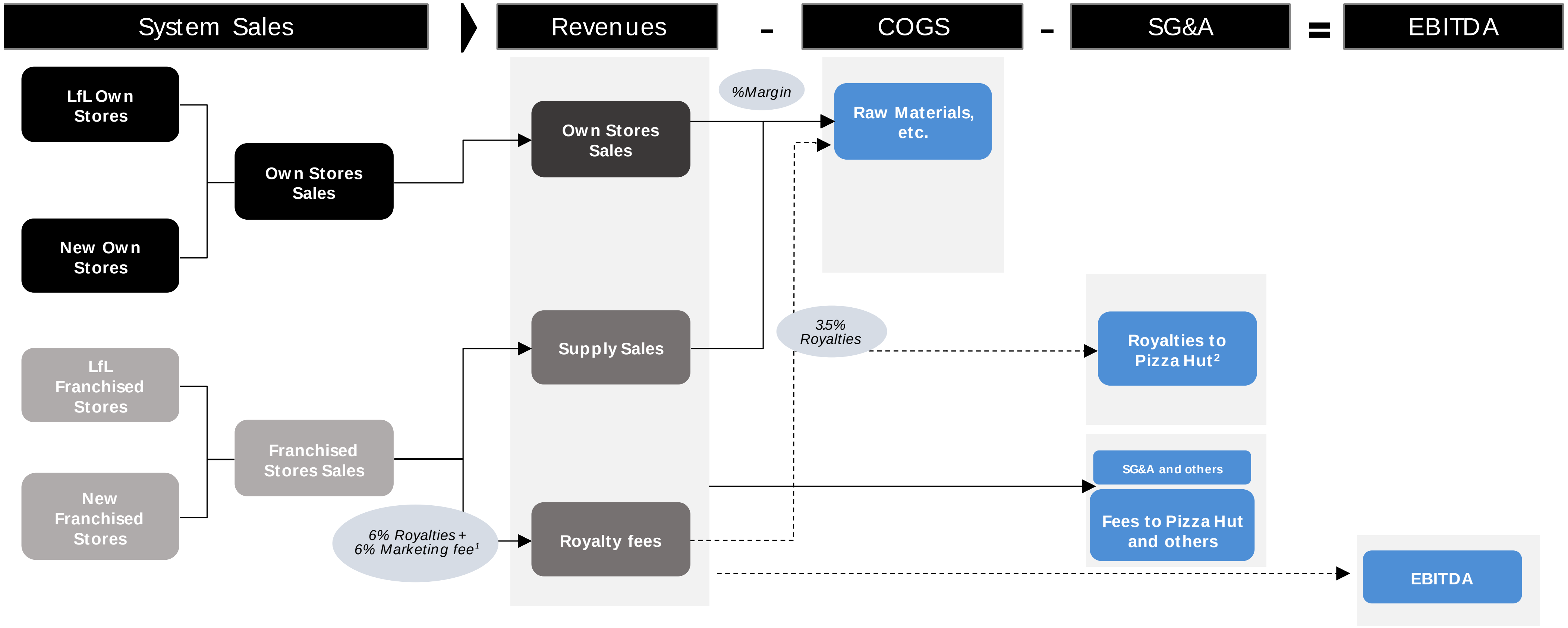


ADJUSTED EBITDA BY QUARTER

Q4	€22.5m
Q1	€7.4m
Q2	€8.4m
Q3	€11.7m

Note:
1. Financial information excluding impact of IFRS-16 and calculated as per the definition of Consolidated EBITDA in the indenture

REVENUES TO EBITDA BRIDGE



Notes:
1. Marketing fee expended in full . % might vary by markets
2. Net royalty paid reduced due to royalty credit

STORE COUNT[1] – 9M FY22

FOOD DELIVERY BRANDS

telepizza

	Actual		
	9M FY22	Owned stores	Franchise stores
TELEPIZZA	**1,372**	**164**	**1,208**
EMEA	**1,056**	**75**	**981**
Spain	715	26	689
Portugal	158	49	109
Ireland	183	-	183
Rest of EMEA	-	-	-
LATAM	**316**	**89**	**227**
Chile	106	79	27
Colombia	46	10	36
Ecuador	-	-	-
Rest of Latam	164	-	164

Pizza Hut

	Actual		
	9M FY22	Owned stores	Franchise stores
PIZZA HUT	**1,161**	**359**	**802**
EMEA	**127**	**-**	**127**
Spain	24	-	24
Portugal	103	-	103
LATAM EQUITY	**473**	**359**	**114**
Chile	89	79	10
Colombia	37	37	-
Ecuador	73	71	2
Mexico	274	172	102
LATAM MF	**561**	**-**	**561**
Peru	117	-	117
El Salvador	67	-	67
Guatemala	56	-	56
Costa Rica	55	-	55
Honduras	59	-	59
Puerto Rico	58	-	58
Panama	12	-	12
Rest of Latam	61	-	61
Caribbean	76	-	76
TOTAL GROUP	**2,533**	**523**	**2,010**

Notes:

1. **Includes stores within the MF YUM! perimeter plus other geographies (Ireland**

GLOSSARY 1/2

- **System sales / chain sales**: System 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 system sales growth:** LfL system sales growth is system 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 system 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 system sales excluded in each of such periods ("excluded system sales") because they were obtained in operating months that were not operating months in the comparable period, by (ii) the prior period's system sales as adjusted to deduct the excluded system sales of such period (the "adjusted system sales"). In this way, we can see the actual changes in system 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 system 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

- **Reported EBITDA:** EBITDA is operating profit plus asset depreciation and amortization and other losses, excluding the effect of IFRS 16

- **Adjusted EBITDA:** Adjusted EBITDA is Reported EBITDA adjusted for costs that are non-operating in nature, non cash adjustments, and non-recurring costs related to; severance payments of restructuring processes, the Pizza Hut alliance, the new corporate structure, the refinance and COVID related expenses

- **Non-operating items:** Certain expenses, mainly related to onerous leases that are non-operating in nature

- **Non-recurring costs:** Extraordinary expenses related to the set-up of the Pizza Hut alliance (strategy consulting, legal fees, performance bonuses and other expenses), also extraordinary expenses related to the set-up of new corporate structure (finance consulting, legal fees and other expenses), severance payments of restructuring process, non-recurring COVID related expenses, onerous leases and minor impact related to discontinued operations

GLOSSARY 2/2

- **Accounting adjustments:** It refers to the expense in 2019 for the cancellation of a management share-based incentive plan resulting from the acceleration of vesting due to the takeover bid
- **Cash Flow Available for Debt Service ("CFADS"):** Cash Flow Available for Debt Service defined Cash Flow from Operations less Cash Flow from Investing
- **Underlying free cash flow:** Underlying free cash flow is Adjusted EBITDA minus tax and others, expansion incentive and maintenance capex
- **Net debt:** Net debt is total outstanding amount of issued senior secured notes and bank debt (including the RCF, Chilean credit line, and reverse factoring lines) minus cash position at the end of the period
- **Net Leverage:** Ratio between Senior Secured Indebtedness minus cash and cash equivalents and LTM adjusted EBITDA
- **Maintenance Capex:** Maintenance capex is recurring capex for existing stores to support their continued operation
- **Expansion Capex:** expansion capex is growth capex associated with i) new store openings, relocations, refurbishment, ii) IT & digital improvements, iii) investments in factories and iv) other growth initiatives

THANK YOU

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