



ACQUISITION OF PIZZA SPRINT

14 October 2015



TRANSACTION HIGHLIGHTS



KEY HIGHLIGHTS

- ✓ Acquisition of Pizza Sprint, a leading independent pizza chain operating in western France, with 89 stores (77 franchised, 12 corporate owned)
- ✓ Highly complementary store network fit with the existing DPE store network, accelerating entry into regions where Domino's Pizza Enterprises ("DPE") is less penetrated
- ✓ Increases DPE's store count in France from 254 to approximately 330, after brand conversion and optimisation of locations, capitalising on operating leverage arising from increases in scale
- ✓ Pizza Sprint has been successful with store formats for both larger and smaller population centres, with the acquisition providing insights for DPE to target growth in smaller cities in France
- ✓ Pizza Sprint's store network is in close proximity to DPE's commissary in Vertou and well-placed to maximise efficiencies in logistics and distribution
- ✓ Approximately 4% earnings per share ("EPS") accretive to DPE equity holders on a FY15 pro-forma basis (excluding transaction costs)

The acquisition of Pizza Sprint represents a strategic addition to DPE's European store footprint and further enhances our positive momentum in this important region



FINANCIAL SUMMARY

- Initial cash consideration of €31.5 million, with a further €3.5 million in cash payable in instalments over 18 months, based on the satisfaction of certain criteria
- Transaction consideration funded from existing and new DPE Group debt facilities
- Transaction scheduled to complete in January 2016 and DPE will work with the vendors and franchisees towards conversion of the Pizza Sprint stores to Domino's Pizza stores from that time until the end of the 2017 calendar year
- Approximately 4% EPS accretive to DPE equity holders on a FY15 full year pro-forma basis, with the business to be acquired generating normalised EBITDA (excluding transaction costs) of approximately €3.5 million in its 2015 financial year⁽¹⁾
- Impact on FY16 EPS to be slightly positive before transaction costs and approximately breakeven after transaction costs

Note: (1) Pizza Sprint results to 31 March 2015. Normalisation adjustments comprise the removal of vendor salaries and certain general and administrative costs which are not applicable under DPE ownership. Adjustments in FY15 aggregate to €0.7 million



OVERVIEW OF PIZZA SPRINT

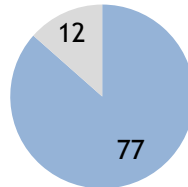


PIZZA SPRINT BUSINESS

- Founded in 1998 by current owner, Franck Guegan
- Operates 89 stores, predominantly franchised
- Successful in store formats for both larger population catchments and smaller population catchments (under 10,000 inhabitants)
- Strong operational disciplines
- Approximately 850 employees (including those of franchise stores)



Store count:
87% franchised



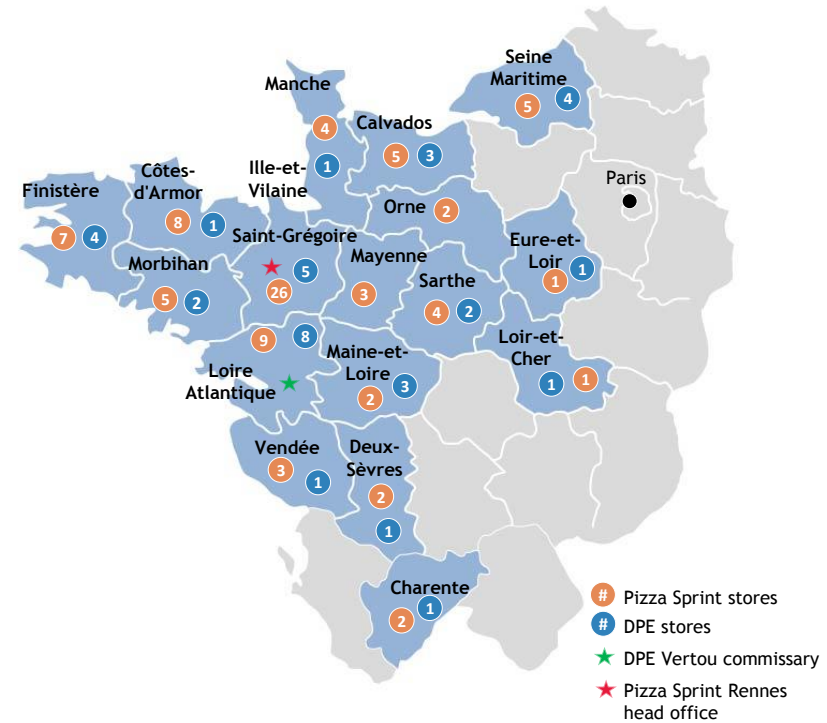
■ Franchise stores ■ Corporate stores



HIGHLY COMPLEMENTARY STORE NETWORKS

- Pizza Sprint is based in Rennes and has built a strong store network in western France
- Highly complementary fit with DPE
- Approximately 10 stores in close proximity to DPE stores, with plans in place to work to optimise. Results in future DPE store count in France of approximately 330
- DPE's commissary in Vertou is ideally located to supply the Pizza Sprint network
 - Acquisition realises significant efficiencies in purchasing, logistics and distribution
 - Sufficient available commissary capacity
 - Further efficiencies available across all of France once DPE's new commissary in Gennevilliers, near Paris, opens in calendar 2016

| Store count | <u>DPE</u> | <u>Pizza Sprint</u> |
|-------------|------------|---------------------|
| in France: | 254 | 89 |



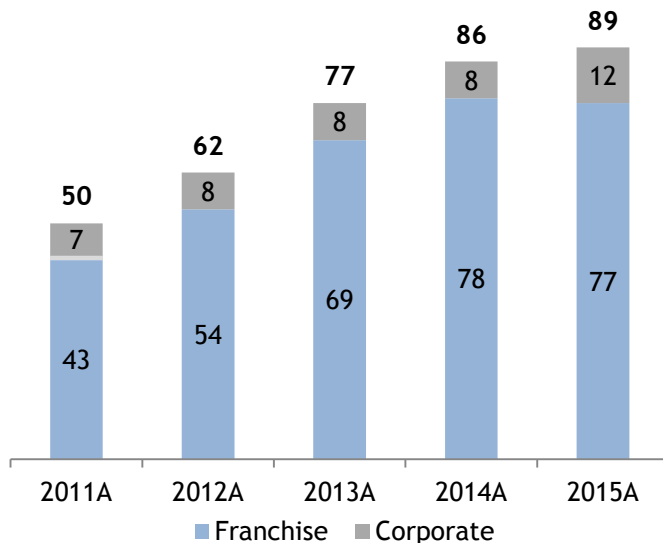


KEY COMPONENTS OF PLAN FOR PIZZA SPRINT

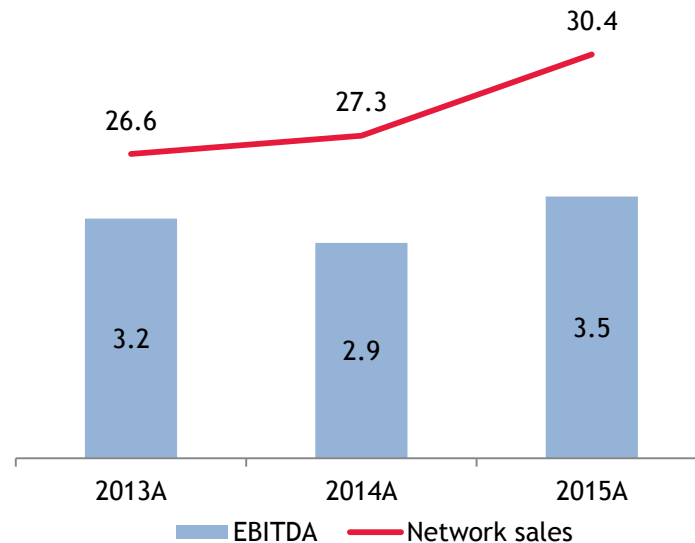
| | |
|-----------------------|---|
| Conversion | <ul style="list-style-type: none">• Work with the vendor to migrate Pizza Sprint stores to the Domino's Pizza brand over c. 18 months |
| Product supply | <ul style="list-style-type: none">• Former Pizza Sprint franchises will be able to access DPE's global buying processes, delivering cost savings |
| Logistics | <ul style="list-style-type: none">• Former Pizza Sprint stores are ideally located near DPE's Vertou commissary, resulting in lower aggregate delivery costs |
| Digital | <ul style="list-style-type: none">• DPE will be able to provide former Pizza Sprint franchisees and customers with its digital expertise, driving sales and improving customer engagement |
| Advertising | <ul style="list-style-type: none">• Increased scale of national advertising, including TV campaigns, will benefit both former Pizza Sprint franchisees and the existing DPE network |
| Sales growth | <ul style="list-style-type: none">• Pizza Sprint stores have lower unit sales (AWUS) than comparable DPE stores, which are expected to improve following conversion |

HISTORICAL PERFORMANCE OF PIZZA SPRINT

Store count



Network sales and normalised EBITDA (€m)⁽¹⁾



(1) Pizza Sprint results to March year end. Normalisation adjustments comprise the removal of vendor salaries and certain general and administrative costs which are not applicable under DPE ownership. Aggregate normalisation adjustments were €0.5m, €0.7m and €0.7m in 2013, 2014 and 2015 respectively

PRO-FORMA HISTORICAL TRANSACTION IMPACT

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| A\$m | DPE Group 30 June 2015 Underlying | Pizza Sprint 30 March 2015 Normalised ⁽¹⁾ | Pro-forma adjustments ⁽³⁾ | Pro-forma FY15 for acquisition | Change (%) |
|------------------------|---|--|---|-----------------------------------|------------|
| Stores | 1,506 | 89 | | 1,595 | 6% |
| Network sales | 1,480 | 48 | | 1,528 | 3% |
| EBITDA | 127.8 | 5.6 | | 133.4 | 4% |
| NPAT to equity holders | 64.0 | 3.6 | (0.8) | 66.8 | 4% |

- The transaction is 4% EPS accretive on a FY15 pro-forma basis
- No change in leverage policy or dividend payout ratio

(1) Pizza Sprint results to 31 March 2015. Normalisation adjustments of €0.7 million comprise the removal of vendor salaries and certain general and administrative costs which are not applicable under DPE ownership; (2) Converted at €0.6277 / A\$; (3) Reflects impact of debt financing. Numbers may not add due to rounding



OUTLOOK

DPE GROUP UPGRADED STORE TARGET

12



Australia / NZ
900 stores



Europe
↑ **New: 1,500 stores**
Prior: 1,350 stores



Japan
850 stores

- As a result of recent performance and the acquisition of Pizza Sprint, DPE is upgrading its Europe store count target from 1,350 to 1,500 stores
- The updated Group plan now reaches 3,250 stores by 2025
- In light of the acquisition of Pizza Sprint, DPE revises its guidance for new store openings in FY16 to between 260 and 280 stores, up from its previous guidance of 180 to 200 stores
- DPE will update on its year to date trading at its AGM on 4 November 2015



CONCLUSIONS

- ✓ Pizza Sprint represents a small but important acquisition for DPE Group which is highly complementary to DPE's existing network in France
- ✓ These stores are ideally located near DPE's Vertou commissary, delivering material logistic and freight efficiencies
- ✓ DPE to collaborate with the vendor to ensure store conversion to the Domino's Pizza brand is as seamless as possible, with franchisees expected to be more profitable following conversion
- ✓ Significant sales upside potential in the Pizza Sprint network as franchisees access DPE's product range and digital expertise
- ✓ DPE Group continues to look to accelerate growth through innovation, organic store rollout and further bolt-on and strategic acquisitions