



# HALF YEAR RESULTS

03 JANUARY 2016

DON MEIJ - GROUP CEO & MANAGING DIRECTOR

RICHARD CONEY - GROUP CFO

ANDREW RENNIE - EUROPE CEO

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DOMINO'S PIZZA ENTERPRISES

AUSTRALIA NEW ZEALAND BELGIUM FRANCE THE NETHERLANDS JAPAN GERMANY





# HIGHLIGHTS

DOMINO'S PIZZA ENTERPRISES

AUSTRALIA · NEW ZEALAND · BELGIUM · FRANCE · THE NETHERLANDS · JAPAN · GERMANY





## RESULT HIGHLIGHTS

Group Network Sales	SSS +10.3%
ANZ Network Sales	SSS +13.8%
Europe Network Sales	SSS +8.5%
Japan Network Sales	SSS -1.2%
EBITDA <sup>(1)</sup>	+44.9%
NPAT <sup>(1)</sup>	+56.7%
EPS <sup>(1)</sup>	+55.0%
Dividend (cps)	+41.1%
Free Cash Flow (\$m)	\$12.7m
Return on Capital Employed	23.8%
Return on Equity	25.8%

(1) H1 16 Underlying comparison to H1 15 statutory results



# GROUP HIGHLIGHTS

	H114 Underlying	H115 Statutory	H116 Statutory <sup>(1)</sup>	Significant Charges <sup>(2)</sup>	H116 Underlying	+/(-) H115 Statutory
	\$ mil	\$ mil	\$ mil	\$ mil	\$ mil	%
Network Sales	576.2	715.4	919.6		919.6	28.5%
Revenue	265.4	343.6	445.3		445.3	29.6%
<b>EBITDA</b>	<b>42.5</b>	<b>60.0</b>	<b>84.3</b>	<b>2.7</b>	<b>87.0</b>	<b>44.9%</b>
Depreciation & Amortisation	(9.7)	(13.1)	(16.6)		(16.6)	27.1%
<b>EBIT</b>	<b>32.8</b>	<b>47.0</b>	<b>67.7</b>	<b>2.7</b>	<b>70.4</b>	<b>49.9%</b>
<i>EBIT Margin</i>	12.3%	13.7%	15.2%		15.8%	
Interest	(1.1)	(1.2)	(1.3)		(1.3)	4.1%
<b>NPBT</b>	<b>31.6</b>	<b>45.7</b>	<b>66.4</b>	<b>2.7</b>	<b>69.1</b>	<b>51.1%</b>
Tax Expense	(10.3)	(14.7)	(19.7)	(0.4)	(20.1)	37.0%
<b>NPAT before Minority Interest</b>	<b>21.4</b>	<b>31.1</b>	<b>46.7</b>	<b>2.3</b>	<b>49.0</b>	<b>57.8%</b>
Minority Interest	(1.2)	(1.9)	(3.4)		(3.4)	73.5%
<b>NPAT</b>	<b>20.2</b>	<b>29.1</b>	<b>43.3</b>	<b>2.3</b>	<b>45.6</b>	<b>56.7%</b>

- Network sales up 28.5%, +\$204.2m to \$919.6m
- Revenue up 29.6%, +\$101.7m, to \$445.3m
- Strong organic growth in all regions has resulted in underlying EBITDA up 44.9% to \$87.0m
- Underlying NPAT up 56.7% to \$45.6m
- Underlying EPS 52.4c, up 55.0% (statutory EPS up 47.3%)
- Interim dividend 34.7c (70% franked), up 41.1% on H1 15

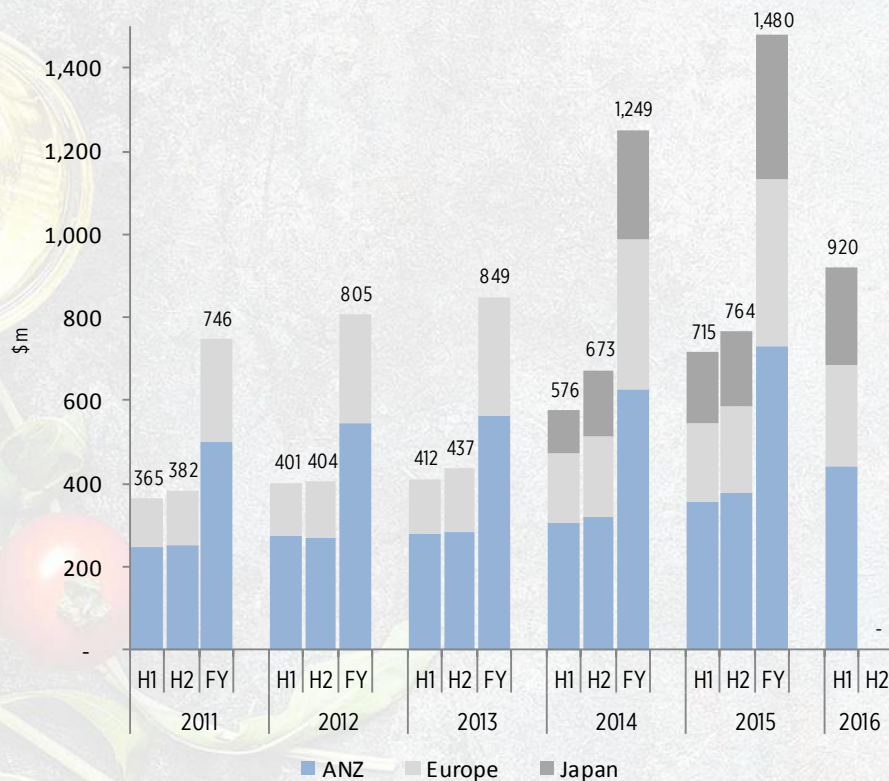
(1) Additional trading week vs. prior comparable period

(2) Significant charges detailed on page 9





# NETWORK SALES GROWTH



**Total Sales**      **Same Store Sales**

Australia/NZ(\$)	+23.9%	+13.8%
Europe (€)	+21.7%	+8.5%
Japan (¥)	+26.0%	-1.2%
Group(\$)	+28.5%	+10.3%

- ANZ's strong SSS growth largely driven by the continued success of the \$5 Cheaper Every Day campaign and GPS Driver Tracker (GPSDT)
- Europe's solid SSS growth driven by effective marketing, product innovation and digital developments
- Japan's sales impacted by a slightly softer Christmas trade



# NETWORK STORE COUNT

	H114	H115	H116
<b>Australia/NZ stores</b>			
Franchised stores	530	579	622
Corporate stores	80	67	59
<b>Aus/NZ Network Stores</b>	<b>610</b>	<b>646</b>	<b>681</b>
<i>Stadium outlets incl in above</i>	29	17	17
<b>Net Stores added in period</b>	<b>25</b>	<b>34</b>	<b>11</b>
<b>European stores</b>			
Franchised stores	346	383	423
Corporate stores	47	39	44
<b>European Network Stores</b>	<b>393</b>	<b>422</b>	<b>467</b>
<b>Net Stores added in period</b>	<b>8</b>	<b>21</b>	<b>15</b>
<b>Japan stores</b>			
Franchised stores	49	85	119
Corporate stores	238	269	313
<b>Japanese Network Stores</b>	<b>287</b>	<b>354</b>	<b>432</b>
<b>Net Stores added in period</b>	<b>287</b>	<b>34</b>	<b>48</b>
<b>Consolidated number of stores</b>			
Franchised stores	925	1047	1164
Corporate stores	365	375	416
<b>Total Network Stores</b>	<b>1290</b>	<b>1422</b>	<b>1580</b>
Corporate store %	28%	26%	26%
<b>Net Stores added in period</b>	<b>320</b>	<b>89</b>	<b>74</b>
<b>Europe as % of Total Stores</b>	<b>31%</b>	<b>30%</b>	<b>30%</b>
<b>Japan as % of Total Stores</b>	<b>22%</b>	<b>25%</b>	<b>27%</b>

- ANZ on track to open more than 50 stores for the full year with 15 new stores opened in the first half (there were 4 closures)<sup>(1)</sup>
- Europe on track to open in excess of 60 stores (excluding acquisitions) for the full year with 17 new stores opened in the first half (there were 2 closures)
- Japan added a record 48 stores in the first half of the year and are on track to open 65 stores
- Japan's franchise stores account for 28% of total store count, up from 24% in the prior year

(1) Including two low trading leisure centre stores





# FINANCIALS

DOMINO'S PIZZA ENTERPRISES

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# GEOGRAPHIC SUMMARY

	H114 Underlying	H115 Statutory	H116 Underlying	+/(-) H115 Statutory
	\$ mil	\$ mil	\$ mil	%
<b>REVENUE</b>				
Australia/NZ	97.7	102.2	128.0	25.2%
Europe	69.8	87.0	109.2	25.5%
Japan	97.9	154.3	208.0	34.8%
<b>Total Revenue</b>	<b>265.4</b>	<b>343.6</b>	<b>445.3</b>	<b>29.6%</b>
<b>EBITDA</b>				
Australia/NZ	28.3	35.1	44.5	27.0%
Europe	3.0	7.2	15.0	108.1%
Japan	11.2	17.8	27.5	54.8%
<b>Total EBITDA</b>	<b>42.5</b>	<b>60.0</b>	<b>87.0</b>	<b>44.9%</b>
<b>EBITDA MARGIN %</b>				
Australia/NZ	29.0%	34.3%	34.8%	
Europe	4.3%	8.3%	13.7%	
Japan	11.4%	11.5%	13.2%	
<b>Total EBITDA Margin %</b>	<b>16.0%</b>	<b>17.5%</b>	<b>19.5%</b>	
Average exchange rate for New Zealand	1.14	1.10	1.10	
Average exchange rate for Europe	0.69	0.69	0.66	
Average exchange rate for Japan	92.88	96.93	88.20	

- ANZ delivered another strong half with EBITDA growth driven by double digit SSS. On track to achieve 38% EBITDA margin within the next 3 years
- Europe continues to deliver very strong EBITDA growth, with 108.1% achieved in the first half. Margin growth is expected to continue into the second half (landing in the region of 14-15%)
- Japan's EBITDA growth attributable to scale benefits and the additional week's trading including New Years Day (period close 3<sup>rd</sup> January vs. 28<sup>th</sup> December)
- Group recorded strong underlying EBITDA growth of 44.9%(EBITDA growth on a constant currency basis of 39.5%)





# SIGNIFICANT CHARGES

Joey's and Domino's Germany Acquisition costs

\$'000

1,449

Pizza Sprint Acquisition costs

1,261

**TOTAL NPBT IMPACT**

**2,710**

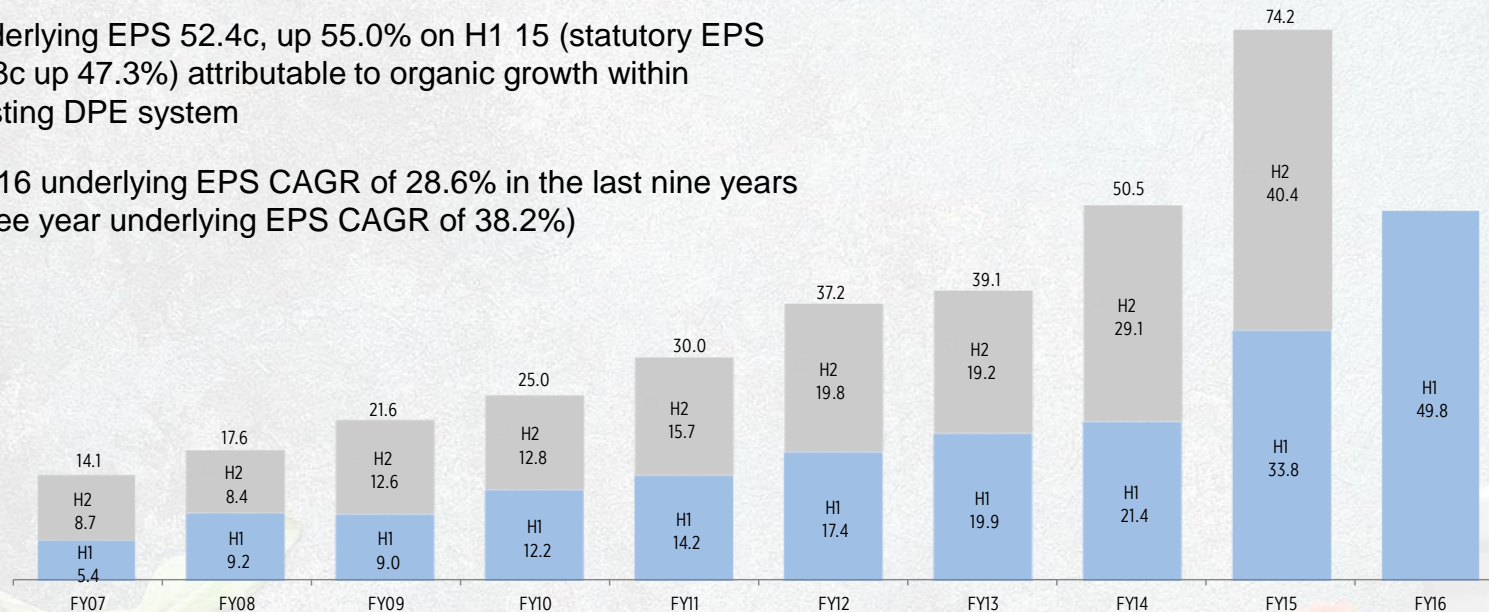
Professional fees & other costs  
directly attributable to the  
acquisitions





# EARNINGS PER SHARE

- Underlying EPS 52.4c, up 55.0% on H1 15 (statutory EPS 49.8c up 47.3%) attributable to organic growth within existing DPE system
- H1 16 underlying EPS CAGR of 28.6% in the last nine years (three year underlying EPS CAGR of 38.2%)







# CASH FLOW

	H115	H116
	\$ mil	\$ mil
Net Profit After Tax before Minority Interest	31.1	46.7
Profit on Sale non-current assets	(1.9)	(4.6)
Depreciation & Amortisation	13.1	16.6
Change in Working Capital	5.9	(5.9)
Movement in current and deferred tax	5.6	2.0
Other	2.8	0.5
<b>Operating Cash Flow</b>	<b>56.5</b>	<b>55.3</b>
Capital Expenditure	(49.2)	(60.7)
Proceeds from Sale of PP&E & Intangibles	9.3	15.9
Loans repaid by/(to) Franchisees	(1.0)	2.1
<b>Net cash investing activities</b>	<b>(40.9)</b>	<b>(42.6)</b>
<b>Free cash flow</b>	<b>15.6</b>	<b>12.7</b>
Dividends Paid	(16.3)	(23.6)
Debt Movement	0.0	18.4
Proceeds from Shares Issued	1.2	7.9
<b>Increase in Cash &amp; Equivalents Held</b>	<b>0.5</b>	<b>15.3</b>

- Strong operating cash flows partially affected by the timing of supplier payments, particularly in Japan
- Net capex/investments grew in line with guidance as we continued to invest in digital platforms and the accelerated roll out of stores in Japan
- Proceeds from sale of stores increased, primarily due to the continued strategic sell down of Corporate stores in ANZ





# BALANCE SHEET

	FY 15	H116	+ / (-) FY15
	\$ mil	\$ mil	\$ mil
Cash & equivalents	43.2	57.2	14.0
Trade & Other Receivables	43.9	57.3	13.4
Other Current Assets	29.5	38.3	8.8
<b>Current Assets</b>	<b>116.5</b>	<b>152.7</b>	<b>36.2</b>
Property, plant & equipment	121.6	147.8	26.2
Goodwill & other intangible assets	352.2	381.5	29.2
Other Non-current Assets	40.2	47.5	7.3
<b>Non-current Assets</b>	<b>514.1</b>	<b>576.7</b>	<b>62.7</b>
<b>Total Assets</b>	<b>630.6</b>	<b>729.5</b>	<b>98.9</b>
Trade & Other Payables	108.8	125.0	16.2
Borrowings	1.9	18.5	16.5
Other Current Liabilities	20.4	14.4	(6.0)
<b>Current Liabilities</b>	<b>131.1</b>	<b>157.8</b>	<b>26.7</b>
Borrowings	122.9	131.0	8.1
Other Non-current Liabilities	71.5	80.0	8.5
<b>Non-current Liabilities</b>	<b>194.4</b>	<b>211.0</b>	<b>16.6</b>
<b>Total Liabilities</b>	<b>325.5</b>	<b>368.8</b>	<b>43.2</b>
<b>Net Assets</b>	<b>305.1</b>	<b>360.7</b>	<b>55.6</b>
Issued Capital & Reserves	198.7	234.6	35.9
Retained Earnings	106.4	126.1	19.7
<b>Equity</b>	<b>305.1</b>	<b>360.7</b>	<b>55.6</b>

- Increase in PP&E and Goodwill of \$55.4m due to the accelerated rollout of stores in Japan, digital investment and FX translation
- Increase in short term borrowings of \$16.5m is predominantly a result of the timing of half year close (movement in working capital facility)
- Subsequent to the half year period, additional debt facilities totalling \$329.8 million (2015 facility \$199.9 million) have been put in place to fund the Pizza Sprint & German acquisitions





## KEY FINANCIAL RATIOS

	H115 Statutory	H116 Underlying
Net Debt to Equity	28.7%	25.8%
Net Debt	\$78.6m	\$92.3m
Interest Coverage	38.8x	55.9x
Return on Equity	20.9%	25.8%
Return on Capital Employed	19.4%	23.8%

- Net Debt to Equity has improved due to higher profits in H1 16 with no material increase in long-term borrowings
- Interest Coverage, Return on Equity and Return on Capital Employed have increased as a result of strong profits in H1 16





# AUSTRALIA & NEW ZEALAND

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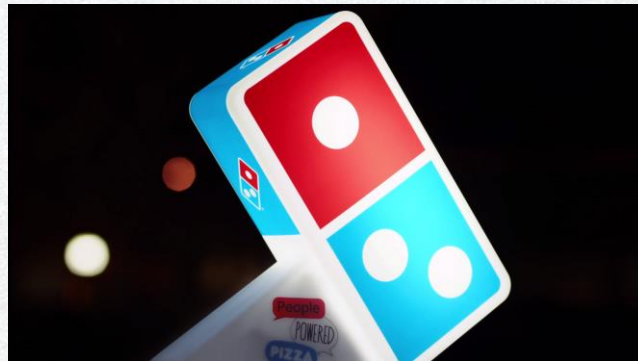




# HIGHLIGHTS & ACHIEVEMENTS

## AUSTRALIA/NEW ZEALAND

- Successful rollout of GPS Driver Tracker in all ANZ stores continues to push double digit SSS, improve customer ratings and add operational efficiencies
- Cheaper Everyday campaign continues to contribute to strong SSS
- SMS Ordering campaign helped drive strong sales and double digit SSS
- Launched first ever 10 minute delivery store in New Farm (QLD) in December (see page 20)







# HIGHLIGHTS & ACHIEVEMENTS

## AUSTRALIA/NEW ZEALAND

- Electric Push Bike roll out gathering momentum with 300 bikes operating in stores with a plan to double this by the end of the year
- Franchise profits at record high, driven by strong SSS and improved labour efficiencies
- Focused on delivering more operational efficiencies through technology and the utilisation of real time management tools
- Continued rollout of the “Next generation Entice Image” with 89% of stores now refurbished



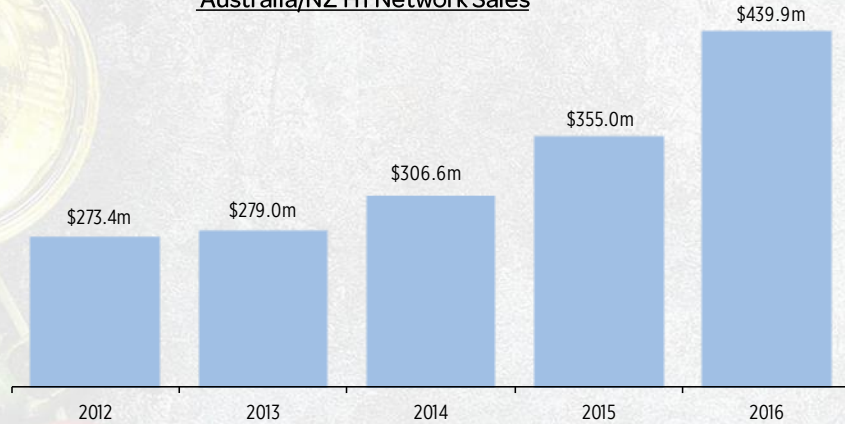




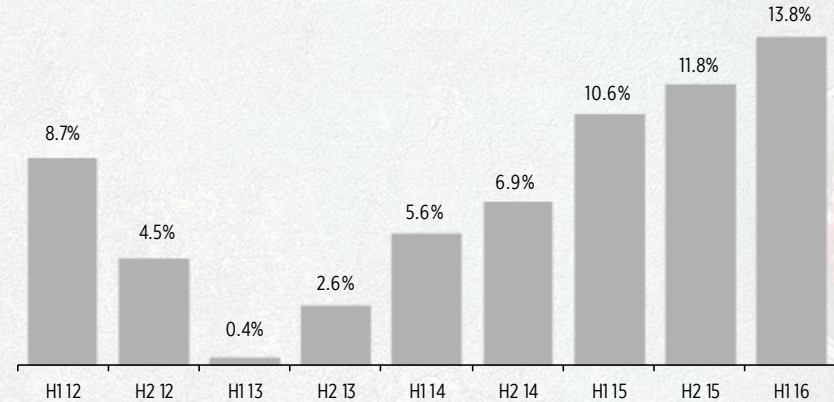
# NETWORK SALES

## AUSTRALIA/NEW ZEALAND

Australia/NZ H1 Network Sales



ANZ SSS Growth



- Network sales growth of 13.8% SSS is primarily driven by the success of GPSDT and the Cheaper Everyday campaign
- Networks sales growth also being supported by the launch of disruptive digital initiatives such as SMS ordering





# LOOKING FORWARD

## AUSTRALIA/NEW ZEALAND

- Launched 'More Than Just Pizza' campaign on 1<sup>st</sup> February highlighting improvements we have made to all aspects of our business
- Launched 15 & 20 Minute Service Guarantees in all stores. National promotion scheduled for March
- Continue to invest more than ever on new disruptive technology that improves customer experiences and efficiencies
- Significant new platforms being launched in the next 6-8 months, that will continue to drive strong SSS and profits
- Planned technology launch pipeline is deeper than ever and on track to deliver 50 digital projects by year end (22 delivered in H1 16)







# LOOKING FORWARD

## AUSTRALIA/NEW ZEALAND

- Continuing our menu development, further upgrading the quality of our ingredients, and enhancing our great sides and desserts range
- Our drive to be artificial free, colour free and preservative free within two years is progressing well ahead of plan
- Transitioning to final stages of Award Modernisation in this half, with notable store level labour increases
- Although a weaker Australian Dollar has put upward pressure on our pricing of soft commodities, we do have plans to mitigate these costs for our stores
- Committed to our “slow where it matters, fast where it counts” philosophy (see page 20)







# SLOW WHERE IT MATTERS, FAST WHERE IT COUNTS

AUSTRALIA/NEW ZEALAND

- Goal for the next 3-5 years is to implement delivery of pizzas in 10-12 minutes and have pick-up pizzas ready in 4-5 minutes
- **Slow where it matters** – No compromise to quality, safe delivery and friendly service at the door
- **Fast where it counts** – New faster ovens, new operational procedures to get the pizza out of the oven into our cars faster, drivers hustling to and from their cars
- This philosophy is a key driver of growth as we roll it out into our network of stores



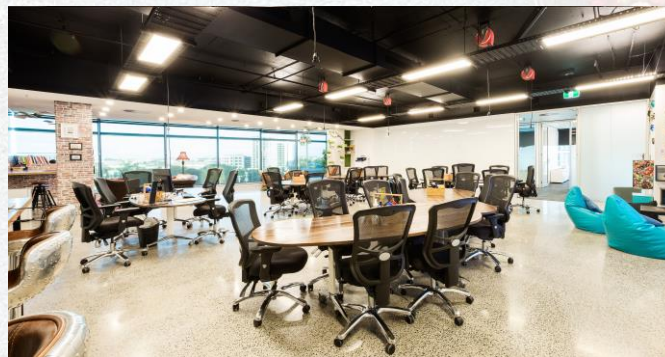




# DLAB

AUSTRALIA/NEW ZEALAND

- DPE's new international innovation lab, DLAB, will evolve from launch stage into a valuable and dynamic part of the business
- The DLAB will be developing and trialling new ideas that will disrupt and revolutionise the QSR and Retail space
- Innovations driven from the DLAB will focus on adding value to the customer and store experience and will allow us to remain ahead of the competition







# EUROPE

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# HIGHLIGHTS & ACHIEVEMENTS

## EUROPE

- Strong SSS linked to digital growth in the Netherlands and Belgium supported by higher quality marketing
- Pulse rollout successfully completed in Belgium and commenced rollout in France
- Record digital growth in all three countries
- Franchisee profitability at record highs which is stimulating strong organic growth
- New product development chef creating an exciting pipeline of culturally relevant products
- Entered into contracts to acquire Pizza Sprint and enter Germany, with the acquisition of Joey's Pizza (see pages 27-28)
- New French commissary under construction and on schedule



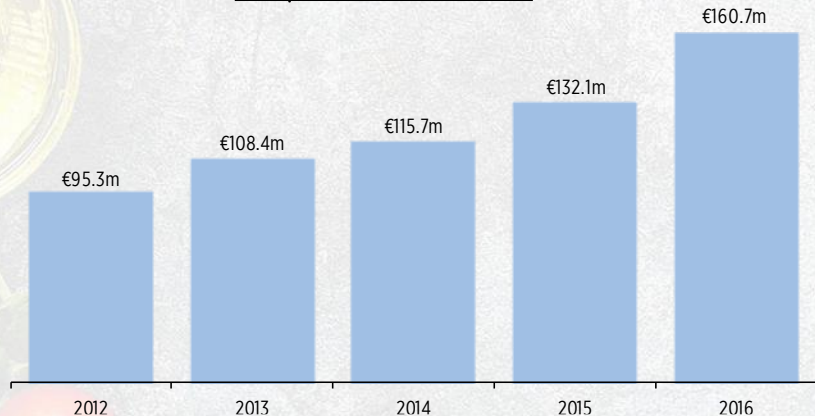




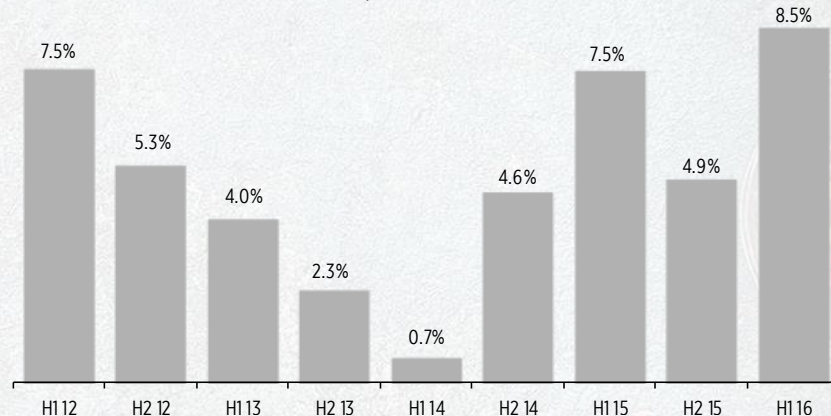
# NETWORK SALES

## EUROPE

European H1 Network Sales



European SSS Growth



- Strong SSS in all three countries has delivered the highest Europe region SSS of 8.5% in the last 6 years
- Networks sales growth also being supported by the roll out of our global point of sale and online ordering platforms

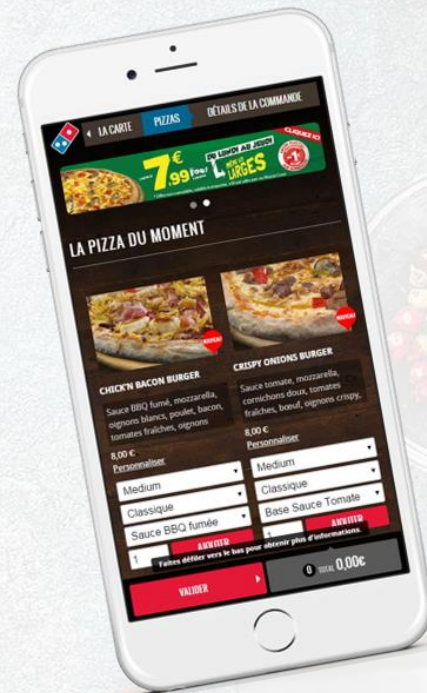




# LOOKING FORWARD

## EUROPE

- Pulse and the OneDigital Platform roll out in France expected to be completed by August 2016 with 90% achieved by year end
- Completion of the new, highly automated, French commissary due in August 2016
- On schedule to open in excess of 60 new stores in FY16. This will be a new organic store record
- Integration of Pizza Sprint stores within 2016 (see page 27)
- Integration of Domino's Pizza Germany and Joey's Pizza with roll out of Pulse and OneDigital Platform expected to be fully completed in early 2017 (see page 28)
- Additional national marketing activities in France due to higher contribution rate from franchisees







# EUROPE ACQUISITIONS

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# PIZZA SPRINT

- Pizza Sprint deal completed on 26<sup>th</sup> January 2016
- Pizza Sprint is a leading independent pizza chain operating in western France, with 89 stores(77 Franchised, 12 Corporate owned)
- First stores start converting early March 2016 and completion expected within 6-9 months
- Transition to Domino's global Pulse platform will occur simultaneously with the store conversion
- The additional marketing contribution from Pizza Sprint stores will add an extra 20% to the national marketing fund
- On the back of no TV marketing presence, management see opportunities to increase market exposure and sales







# JOEY'S PIZZA & GERMAN JOINT VENTURE

- Joey's Pizza and German joint venture transactions completed
- Joey's Pizza is the largest pizza delivery chain in Germany by network sales and number of stores. Comprising of 212 stores (209 franchise stores, 3 corporate owned stores)
- We expect stores to start converting in the second half of the year and the process to conclude within 12 months
- The clear majority of franchisees have already indicated their willingness to convert
- The conversion to the Global Domino's OneDigital Platform to happen simultaneously
- Joey's Pizza has had very little TV exposure in the past – great opportunity to leverage increased TV exposure and increase sales







# JAPAN

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# HIGHLIGHTS & ACHIEVEMENTS

## JAPAN

- Opened 48 stores during the first half of the year, 38 corporate and 10 franchise
- Celebrated the 400<sup>th</sup> store milestone and finished the first half with 432 stores
- Franchised stores are now 28% of the system reaching 119 stores
- “Our Can Do! Partners” franchising program continues to expand with 36 stores
- Television coverage continues to expand with increasing store counts in new markets
- Opened stores in three new markets: Sendai, Shiga and Tokushima







# HIGHLIGHTS & ACHIEVEMENTS

## JAPAN

- Relocated 27 stores to pick up friendly locations, along with remodeling of two stores
- Record digital sales achieved
- Growing pick up sales: 46% of network sales, versus 42% last year
- 110 stores set new monthly sales record in December; 127 stores set new weekly records, with 146 stores setting new daily records
- Launched the resort version of the Mugen 3.0 store design, which features a brighter image and larger dine-in space, including outside terrace area
- More than half of all stores are now Mugen design stores
- A series of sensory panels and other research resulted in the launch of our new pan pizza product in October, which hit a strike rate of 13%



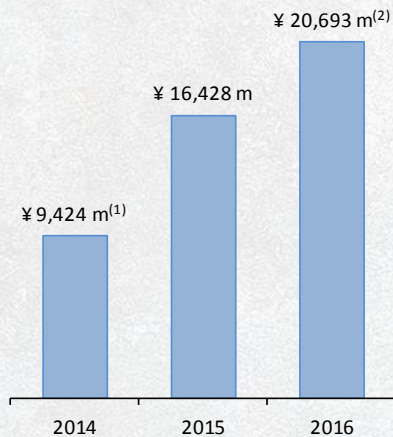




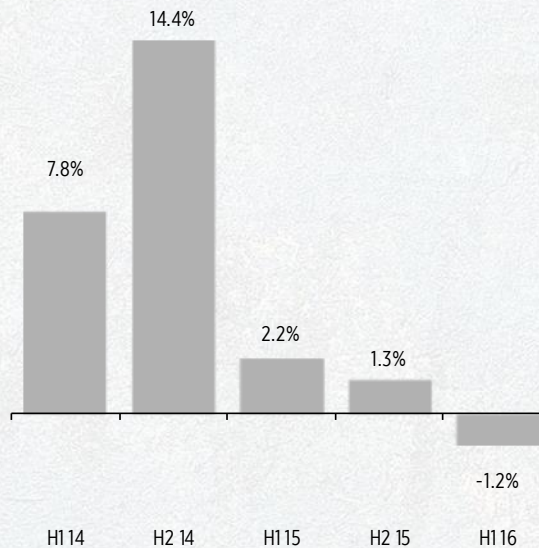
# NETWORK SALES

## JAPAN

Japan H1 Network Sales



Japan SSS Growth



- Network sales grew 26.0% during the first half of the financial year
- Despite softer Christmas trading, we outpaced competition by around 4%

(1) Japan sales in H1 14 only relates to the DPE ownership period from 3<sup>rd</sup> Sep 2013 to 29<sup>th</sup> Dec 2013

(2) Includes additional week's trading and New Year's Day due to timing of half year end

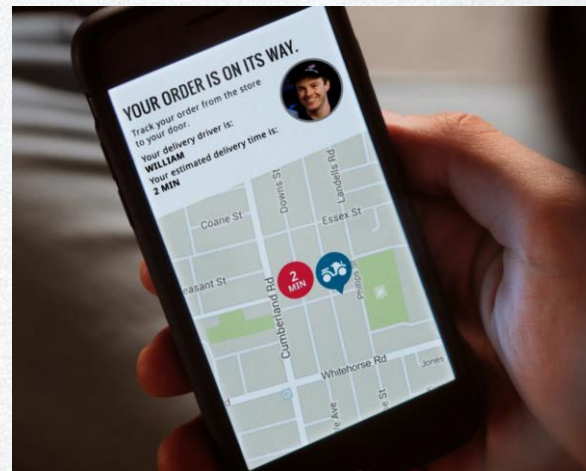




# LOOKING FORWARD

## JAPAN

- National launch of GPS Driver Tracker in Japan set for July 2016
- On schedule to open our 500<sup>th</sup> store by end of 2016
- Roll out of Pulse point of sale system from March to June 2016
- Implementation of DPE's OneDigital due within 2016
- Relocation of 10 stores to pick up friendly locations in the second half
- Continuous growth of “Can Do! Partners” store franchising program, along with 15 additional franchise stores in the second half







# DIGITAL

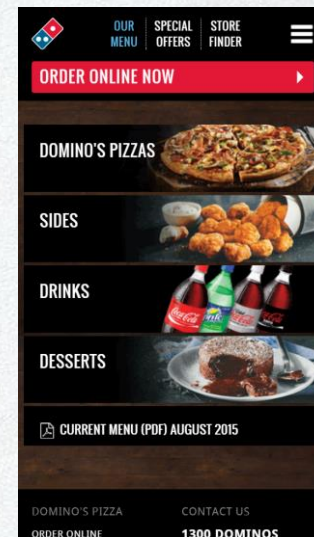
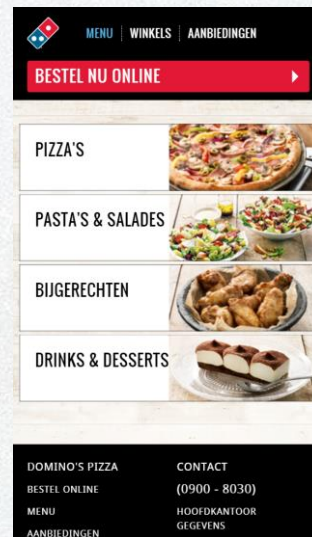
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# GROUP DIGITAL

- Strong online sales growth achieved with new highs recorded in all six markets
- Rolled out a new public website, which saw a direct lift in online sales
- Record 22 digital projects released with a further 28 currently in the pipeline
- Implementing strategy to launch digital releases simultaneously across all markets, realising operational synergies and maximising returns across the group
- Looking to have DPE's OneDigital Platform rolled out into Germany and Japan in 2016

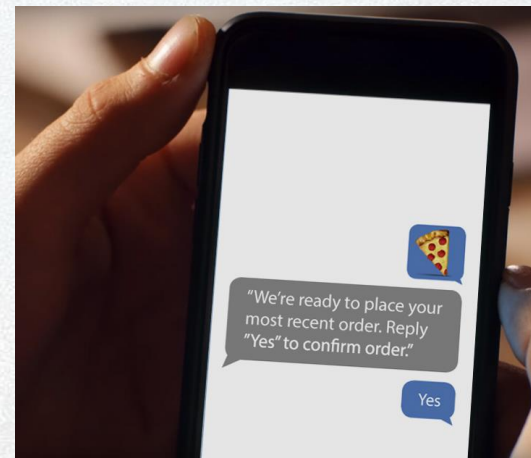






## AUSTRALIA & NEW ZEALAND DIGITAL

- YoY online sales growth of 23.9% achieved for ANZ
- A market first, SMS Ordering was launched in Australia helping drive sales and providing a new level of convenience to customers
- Exceeded 60% of Online Sales via Mobile, setting a new benchmark for the DPE group
- Launched Smart Watch Ordering in Australia, another market first and setting another benchmark in the QSR industry
- 20 Minute Delivery Guarantee taken from prototype test to market launch in Australia, offering customers further convenience and engagement with the brand
- Continued to evolve Pizza Mogul with greater integration into the Australian online platforms







## AUSTRALIA & NEW ZEALAND DIGITAL

- Developed an online pretotype process for rapid and low cost testing of products and ideas
- Launched iTunes integration into GPS Driver Tracker providing a new revenue stream
- Added multi-tasking to the iPad App allowing customers the ability to track their order while completing other activities on their iPad
- Internalised key digital advertising functions, providing cost savings, efficiencies and greater control
- Mobile phone customers can now enter their credit card payment details with a mobile camera removing friction from the online ordering process

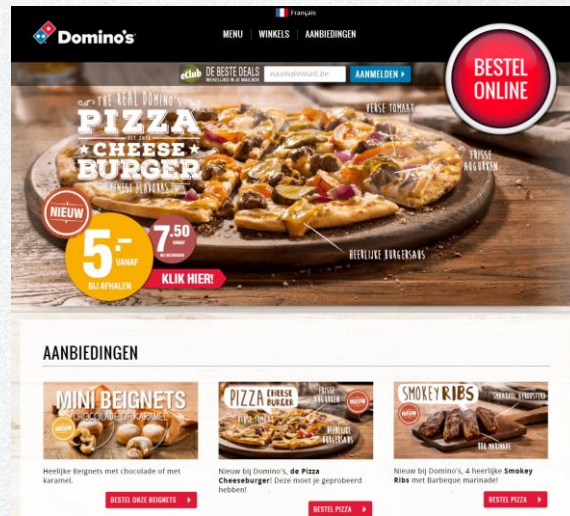






# NETHERLANDS & BELGIUM DIGITAL

- Netherlands YoY digital growth of 31.1% achieved
- Belgium YoY digital growth of 55.4% achieved
- Launched DPE's new OneDigital group online ordering and website platforms leading to increased online sales
- Reinforced and strengthened internal digital team's capabilities and capacity, leading to cost savings and greater effectiveness of digital programs and media
- Extended online payment methods, adding PayPal and Bancontact/Mr. Cash, the number one debit-transaction method in Belgium
- Record social and digital interaction achieved via an innovative "Pizzalab" cross-media campaign, which saw customers submit personalised recipes







## FRANCE DIGITAL

- France YoY digital growth of 33.0% achieved
- France continues to rollout DPE's new group online ordering platform to more stores
- Strong online sales growth being recorded from stores converted to OneDigital platform
- Partnership with Bein Sports and Fox for an online promotion that provided customers access to popular football games or VOD movies
- Launch of “the Digital Days” promotions which are dedicated online promotions with strong customer engagement

DOMINOS.FR  
**MOVIE NIGHT**  
 DU VENDREDI AU DIMANCHE SOIR

**1 MENU MOVIE** = **1 FILM\* EN VOD**  
DOMINO'S

UNIQUEMENT SUR DOMINOS.FR ET EN LIVRAISON

**Kingsman**  
 SERVICE SECRETS

**"JUBILATOIRE ENTRE BOND & TARANTINO"**  
**"FUN POP ROCK 'N' ROLL"**

DU 18 SEPTEMBRE AU 15 NOVEMBRE 2015

FILM DANS L'OFFRE DU BLEU AU 4/7 ET ÉGALEMENT DISPONIBLE SUR GOOGLE PLAY\*

Google play

\*Offre valable du vendredi au dimanche soir dans la limite des codes disponibles, sur une sélection de plus de 20 films en VOD sur Google Play. À l'exception des films dans la sélection Blue au 4/7. Réservez votre Domino's pour profiter de cette offre. Offre de 20 Films. 18 Mois à la demande. Conditions d'utilisation Google Play sur <https://play.google.com/store/all>. © 2015 Domino's. Tous droits réservés.

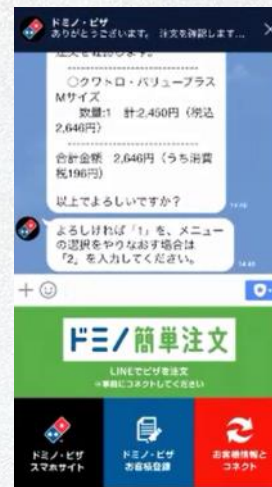
Pour votre santé, mangez au moins cinq fruits et légumes par jour.





## JAPAN DIGITAL

- Japan YoY digital growth of 10% achieved
- Pulse POS project is expected to be rolled out by the end of 2016
- In a world first, during September 15, we launched online ordering on the nation's largest social networking service "LINE"
- Exceeded 50% of online sales via mobile
- Exceeded 70% of online sales during campaigns celebrating our 30<sup>th</sup> anniversary and 400<sup>th</sup> store opening
- Started a new weekend campaign "Mystery Deal" which offers a lottery of promotional offers







# FOOD INNOVATION

DOMINO'S PIZZA ENTERPRISES

AUSTRALIA · NEW ZEALAND · BELGIUM · FRANCE · THE NETHERLANDS · JAPAN · GERMANY





# PROMOTIONS AND MENU IMPROVEMENTS

AUSTRALIA/NEW ZEALAND

- Introduced Chef's Best Prawn Range as an end of year summer celebration
- Refreshed the extra value range with the new Cheesy Garlic Pizza and Chili Beef pizza finished with a buffalo hot sauce
- The Global Development team added even more choice to the menu including a number of popular desserts and sides such as the very successful Chipotle Chicken Kickers
- Listening to our customers by creating a totally GMO FREE menu and launching our new cheesy garlic bread with 50% more cheese
- We are well advanced in eliminating all artificial colours, flavours and preservatives from our menu within our two year target







# PROMOTIONS AND MENU IMPROVEMENTS

## EUROPE

- Chicken popcorn and Burger Pizza were successfully launched in France providing customers with greater variety and choice
- Cheesy Bread with the iconic “Raclette” French Cheese recognising the importance of provenance and local produce
- Introduced Mini Doughnuts and freshly baked Chocolate Lava Cakes broadening the dessert menu
- BBQ Fiesta range launched to celebrate summer was a great success
- Capitalising on the street food trend, Tokyo Chicken Bites were introduced in the Netherlands







# PROMOTIONS AND MENU IMPROVEMENTS

## JAPAN

- Extended the Chicken Dish range with a new garlic & mayo flavour
- The Mille Crepe Cake has proved a popular dessert for the winter months and end of year festivities
- Launched the Winter Quattro, featuring aged beef and crab gratin
- A new Pan Pizza was introduced in October, setting Domino's apart from the competition. The result of 12 months of consumer sensory research







# OUTLOOK

DOMINO'S PIZZA ENTERPRISES

AUSTRALIA · NEW ZEALAND · BELGIUM · FRANCE · THE NETHERLANDS · JAPAN · GERMANY





# FUTURE OUTLOOK – GROUP STORE COUNT



Australia/NZ  
900 Stores



681 Stores



Europe  
2,500 Stores



467 Stores



Japan  
850 Stores



432 Stores

Potential to 2025

Post Conversion of Acquisitions

3<sup>rd</sup> January 2016

- Group potential remains unchanged at 4,250 stores by 2025
- Europe added a further 311 stores following the acquisition of Pizza Sprint (89 Stores) and German Joint Venture (222 Stores)
- We continue to look at ways to accelerate growth through network expansion, leveraging innovation and acquisitions





# FY16 GROUP GUIDANCE

## FY16 Guidance

	<i>FY15 Actual</i>	<i>Previous FY16 Guidance</i>		<i>Latest FY16 Guidance</i>
SSS%				
- ANZ	11.3%	9-11%	↑	11-13%
- Europe	6.4%	6-8%	↑	8-10%
- Japan	1.8%	1-2%	↓	-2-0%
New Store Openings	177	480-500 <sup>(1)</sup>	→	460-500 <sup>(1)(2)</sup>
EBITDA Growth <sup>(3)</sup>	34.4%	in the region of 30%	↑	in the region of 35%
NPAT Growth <sup>(3)</sup>	40.0%	in the region of 30%	↑	in the region of 35%
Net Capex	\$72.6m	\$180-195m <sup>(1)</sup>		\$180-195m <sup>(1)</sup>

(1) Including investment activities from Pizza Sprint and German joint venture incl. Joey's Pizza acquisition

(2) Better than expected progress with German acquisition may result in lower organic store openings in Europe

(3) Underlying growth





## TRADING UPDATE

	<i>Australia/NZ</i>	<i>Europe</i>	<i>Japan</i>	<i>Group</i>
SSS% <sup>(1)</sup>	14.8%	6.1%	-4.5%	10.5%
New Store Openings <sup>(2)</sup>	2	3	1	6

- ANZ SSS growth has continued its strong momentum into the second half, lifted by digital sales growth, SMS ordering, “We’re no longer Domino’s Pizza, we’re Domino’s” and the new BBQ Pulled Beef and Bacon activity
- Increased marketing activity in France, strong new product launches in the Netherlands, along with strong digital growth, across all three European countries, has continued to support strong SSS growth in the second half
- Lapping a prior comparable period SSS growth rate of 9.9%, Japan is in line with recent trading. Management has expectations of stronger sales once the DPE Digital Platforms begin rolling out

(1) For the first 5 weeks of H2 16

(2) As at 17<sup>th</sup> February 2016





# SUMMARY

DOMINO'S PIZZA ENTERPRISES

AUSTRALIA · NEW ZEALAND · BELGIUM · FRANCE · THE NETHERLANDS · JAPAN · GERMANY





## CONCLUSION

- Record sales, lead by digital innovation in Europe and ANZ, supported by record store openings in Japan resulted in strong earnings growth in the first half
- Strong margin growth was delivered in all three regions, as we continue to leverage benefits of scale
- “Slow where it matters, fast where it counts”, is expected to deliver strong growth throughout the DPE Group for years to come
- Product Innovation, transparent and engaging store designs, along with Digital disruptive technologies, will continue to play a significant role in our organic growth and outlook
- The Digital Pipeline will continue to improve productivity and drive sales in ANZ in the second half and beyond
- Store Franchisee profitability in ANZ and Europe are at record highs







## CONCLUSION

- The acquisition of Pizza Sprint and Joey's Pizza in Europe will also contribute to underlying earnings in the second half
- Great leadership in Europe is driving the successful digital roll out that has enabled progressive upgrades to our earnings
- The rollout of Pulse in France, increased marketing spend from higher Franchisee contributions and further digital releases, will see continued strong organic growth in Europe
- Trading in Japan expected to remain soft in the second half, with positive growth commencing upon rollout of GPS Driver Tracker and the DPE OneDigital system in 2016
- Japan's seasonal earnings were inflated in the first half, by the additional week that included New Year's earnings that typically fall into the second half
- With our positive sales outlook, store growth and margin improvement we are upgrading our underlying EBITDA and NPAT guidance growth to in the region of 35%







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- A number of figures in the tables and charts in this presentation pack have been rounded to one decimal place. Percentages (%) have been calculated on actual figures.

### Statutory Profit and Underlying Profit

- Statutory profit is prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards, which comply with International Financial Reporting Standards (IFRS).
- Underlying profit is the Statutory profit contained in Appendix 4E of the Domino's FY16 Half Year Financial Report adjusted for significant items specific to the period. Comparisons to prior periods in financial statements are generally made on an underlying basis, rather than statutory. In this document, H1 16 and FY14 statutory results have been adjusted for significant items (as shown in the DPE Half Year Results to December 2015 presentation), hence FY14 and H1 16 numbers are both statutory and underlying.