



April 10, 2018

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City, Philippines

Attention: **MR. JOSE VALERIANO B. ZUÑO III**
Officer-in-Charge, Disclosure Department

RE: **Press Release – SHAKEY’S PIZZA GROWS 2017 EARNINGS BY 14% YEAR-ON-YEAR**

Please be informed that Shakey’s Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled “SHAKEY’S PIZZA GROWS 2017 EARNINGS BY 14% YEAR-ON-YEAR”.

Very truly yours,

GIOVANNA M. VERA
Head – Investor Relations



SHAKEY'S PIZZA GROWS 2017 EARNINGS BY 14% YEAR-ON-YEAR

The Philippines' leading chained full-service restaurant, Shakey's Pizza Asia Ventures Inc. (PSE:PIZZA), ended 2017 with full-year earnings of Php762 million, 14% higher than the previous year's recurring profits of Php669 million.

Net income growth was primarily driven by the sustained increase in revenues, successful store network expansion, and maintained profitability despite higher input costs.

Systemwide sales breached the Php8 billion mark, surging 14% year-on-year to Php8.3 billion, on the back of same-store sales growth of 5%.

Shakey's likewise ended the year with 24 new stores opened, ahead of its earlier target of 20. This brought total Philippine store network to 208 as of end 2017.

"Our strong topline performance, underpinned by healthy same-store sales growth and record new store openings last year, demonstrates the strength of the Shakey's brand even in a highly competitive environment," said Vicente Gregorio, President and CEO of PIZZA.

All in all, the Company saw its total revenues grow 17% to Php7.0 billion for the twelve-month period ending December 2017.

In terms of profitability, PIZZA delivered robust growth of 12% year-on-year for gross profit and 19% for EBITDA. These translated to industry-leading margins of 29% and 20% at the gross profit and EBITDA level, respectively.

"Despite higher raw material prices and the current inflationary environment, synergies realized post-acquisition of the Century Pacific Group, inventory strategies, and various operating efficiencies have supported our above average margins and allowed us to invest in capability-enhancing initiatives," said Gregorio.

PIZZA was likewise able to maintain robust return on equity of 21% as of December 2017.

For 2018, the Company earlier announced plans to open another 20 net new stores in the Philippines which will bring its nationwide store count to 228 at the end of this year.



“Aside from opening several new stores in locations outside of typical first tier cities, we are also upgrading the look and feel of existing stores to enhance our guests’ dining experience. Parallel to these activities meant to strengthen our dine-in presence, we are likewise beefing up delivery systems to support our guests’ growing need for convenience,” he said.

Gregorio added, "While we face a tougher comparable period during the early part of this year, with Filipinos’ consumer confidence high coupled with the various initiatives we have lined up, we are looking forward to another banner year in 2018."

About PIZZA:

Shakey’s has been creating over 40 years of great times and great memories in the Philippines. Having started its first store in Metro Manila in 1975, Shakey’s now operates nationwide with a store count of more than 200 stores. Shakey’s is one of the leading operators of Fast Casual Restaurants in the Philippines, focused on family casual dining. It maintains market leadership in both the chained pizza full-service and chained full-service restaurant categories. Shakey’s believes its superior value arises from its differentiated menu offerings, high-quality products, and a mission to consistently provide great times and great memories to every Shakey’s guest.

SHAKEY’S PIZZA ASIA VENTURES, INC.

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