



May 12, 2021

PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 28th Street cor. 5th Avenue

Bonifacio Global City, Taguig City

Attention: **MS. JANET A. ENCARNACION**

Head, Disclosure Department

RE: Press Release – Shakey’s Pizza continues on its road to recovery; Makes headway on store expansion, on track to hitting 30 new stores this year

Please be informed that Shakey’s Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled “Shakey’s Pizza continues on its road to recovery; Makes headway on store expansion, on track to hitting 30 new stores this year”

Very truly yours,

MARIA ROSARIO YBAÑEZ

Corporate Secretary



Shakey's Pizza continues on its road to recovery; Makes headway on store expansion, on track to hitting 30 new stores this year

- **Reports positive bottomline for the second consecutive quarter since the start of COVID-19 pandemic**
- **Sales show sequential improvement in terms of pre-COVID recovery rate**
- **Expansion plans in full swing, supported by entry of new strategic investor**

Shakey's Pizza Asia Ventures Inc. (PIZZA), the Philippines' leading chain of full-service restaurants, reported a positive bottomline for the second consecutive quarter since the start of COVID-19, posting a net income of Php29 million during the first three months of the year.

Net income before tax ended at Php 40 million, an improvement of 22% versus the period before.

First quarter EBITDA also showed a sequential increase at Php240 million, up 6% from 4Q 2020. EBITDA margins stood firmly at double-digit territory - at 18.7% - in spite of continued challenges brought about by the ongoing pandemic and related government-imposed lockdowns.

These positive results were driven by healthy systemwide sales, which landed at Php1.7 billion - equivalent to a 67% recovery as a percent of 2019 pre-pandemic sales.

Though sales were down 28% year on year, this recovery rate nonetheless represents a 500-basis point improvement versus that of the previous quarter.

Q1 2020, the comparable period last year, also represents a high base as it includes pre-pandemic January, February, and first half of March.

"The ongoing COVID-19 crisis continues to weigh heavily on the restaurant industry, with many consumers challenged by the macroeconomic conditions and/or opting simply to stay home amidst the fear of contracting the virus. The latter part of this quarter also saw the re-imposition of stricter measures to curtail dine-in, disrupting the part of our business which was experiencing a relatively good trajectory before then," said Vicente Gregorio, PIZZA President and CEO.

Dine-in sales, which exhibited positive signs of recovery in Q4 2020, saw a sequential dip in the first three months of the year due to the restaurant industry's seasonality, alongside fears of a more contagious variant and stricter quarantine measures.



Delivery and carryout sales, on the other hand, which now comprises majority of the business, carried the company through the first quarter, posting strong double-digit year-on-year growth. The Company has been strengthening this business segment for years, and is now reaping the benefits of convenient and easy access during times of reduced mobility.

This year, the Company and its brands will continue to fortify its delivery service by opening so-called ghost kitchens and relaunching its delivery website and app for a more seamless guest experience. In the pipeline are also plans to further shorten delivery time - an enhancement to its existing "if it's late, it's free" program.

PIZZA has also restarted its store network expansion plans, with the opening of 8 net new stores during the first three months of the year, putting it on track to hit its 30 net new store target, which excludes ghost kitchens or delivery support. These new branches will follow a smaller format and will be geared to service both in-store and out-of-store consumption in response to guests' emerging needs for fast, convenient, and safe dining experiences.

"This pivot in our store expansion strategy will allow us to widen our reach while reducing the cost of investment and maintaining our short payback periods," said Gregorio.

He added, "At Shakey's, we aim to be as agile as possible -- always looking at and experimenting with new models to profitably serve the needs of our guests and these smaller formats are only one of many other operating adjustments that will allow us to expand in a post-COVID world."

To further strengthen the Company's expansion plans post-COVID, PIZZA is set to welcome JE Holdings – the private investment company of the Gokongweis, one of the Philippines' most prominent business families – to its list of shareholders.

Gregorio said, "Despite the short-term challenges, we too remain optimistic about our long-term prospects and, as result, have begun investing again in our stores, our people, and our various operating capabilities. We believe that we are in a relatively good position financially and, with the added benefit of a new strategic investor, we plan to make the most of both the fresh round of capital and the various synergies that come along with partnering with the Gokongwei group of companies."



About PIZZA:

Shakey's has been creating over 40 years of great times and great memories. 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. Peri is an emerging fast casual and full service restaurant brand in the Philippines. Its mainstay is charcoal-grilled chicken, marinated for 24 hours, served with an assortment of unique sauces to choose from. Over the last few years, the business has demonstrated consistent profitability, brand strength, and robust growth in both system wide sales and store count.



PIZZA Investor Relations
investorrelations@shakeys.biz
+(632) 633 8555