



August 11, 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 – PIZZA BOTTOMLINE SWINGS TO POSITIVE TERRITORY IN 1H21; COMPANY
ADDS 16 OUTLETS TO STORE NETWORK**

Please be informed that Shakey's Pizza Asia Ventures Inc (PIZZA) is issuing the attached press release entitled "PIZZA bottomline swings to positive territory in 1H21; Company adds 16 outlets to store network."

Very Truly Yours,

Jenifer Mae San Juan - Tecson
Investor Relations Manager



PIZZA bottomline swings to positive territory in 1H21; Company adds 16 outlets to store network

- **1H21 systemwide sales at 96% of 1H20; same-store sales growth strongly recovers to 31% in 2Q**
- **Delivers Php404M 1H EBITDA, registering double-digit EBITDA margin of 15.9%**
- **Expands store network by 16 outlets, landing at 295 stores by end June**

Shakey's Pizza Asia Ventures Inc (PSE: PIZZA), the Philippines' leading full-service restaurant chain, delivered a positive bottomline of Php14 million in the first half of 2021, an upswing from the Php290 million net loss reported in the same period last year. The first half of 2020 saw the height of strict quarantine restrictions in the country brought about by COVID-19.

Systemwide sales in the second quarter grew to Php1.63 billion, 43% higher compared to the same period in 2020.

The increase is driven by strong same-store sales growth (SSSG) of 31% notwithstanding the dine-in restrictions implemented at the end of March 2021. SSSG has sequentially improved quarter-on-quarter amidst the different phases of lockdowns since the pandemic hit at the end of first quarter 2020.

Consequently, first half 2021 systemwide sales totaled Php3.3 billion, close to the Php3.45 billion registered during the same period in 2020.

Earnings before interest, tax, depreciation, and amortization (EBITDA) for the first six months of the year stood at Php404 million. EBITDA margins reverted to a double-digit level of 15.9%, a significant improvement from last year's 6.5%.

"The first half results are a testament to the resilience and relevance of our brands even during this most difficult period. We were able to leverage our industry-leading margins and operating capabilities to strategically pivot our growth plans and cost structures. The efforts, prudence, and discipline built amidst extreme challenges helped us weather through the past 15 months," said Vicente Gregorio, PIZZA's CEO and President.

PIZZA's healthy balance sheet and cash position enabled the Company to steadily execute its store network expansion strategy that was put on hold last year. During the first six months of 2021, the Company added 16 outlets, bringing its total store network count to 295 stores. These new stores generally have smaller footprints and reduced investment requirements, ensuring that payback periods are kept short and returns on capital remain high.



PIZZA also welcomed the entry of JE Holdings, the private investment company of the Gokongwei family, as a strategic investor at the end of the first half. JE Holding's capital infusion of Php1.25 billion further strengthened the Company's financial position and gives PIZZA the flexibility to pursue organic and inorganic opportunities that may arise.

Gregorio continued, "We are still very much in uncertain times, thus we remain cautiously optimistic, anticipating uncertainties that may potentially delay the path to recovery."

In late July, to curb the spread of the Delta variant, another round of strict lockdowns prohibiting dine-in was imposed upon the greater part of the country.

The Company expects the impact to be partially cushioned by the sustained growth in their off-premise business, a driver of business performance amidst recurring dine-in restrictions. PIZZA has been continuously upgrading its delivery platform and digital infrastructures to increase speed and better service.

"More importantly, we are encouraged that the vaccination rollout in the country has been ramping up in the past few months. We hope this will increase mobility and boost consumer confidence to fuel our recovery," Gregorio added.

As a food business, PIZZA recognizes that company-wide vaccine adoption is paramount in providing safe and sustainable operations even as dine-in restrictions have yet to ease. As of this date, approximately half of PIZZA's employees have been fully vaccinated. Earlier this year, the Company committed to deploy vaccine doses for free to all employees.

PIZZA also recently launched '*Bakuna Rewards*' which offers free product incentives for vaccinated guests. Apart from upholding guest and employee safety, Gregorio said that these initiatives are opportunities for the Company to contribute to the nationwide efforts to combat the pandemic.

Gregorio said, "In these tough times, we strive to keep Shakey's standing as a trusted chain of top-of-mind food brands. Central to this is the expansion of our store network, value creation for our guests, and investments in our off-premise presence. These serve as foundations for our long-term growth. Combined with the continued brand love and support from our loyal and growing guest base, we believe we are better positioned to thrive in this constantly changing environment. Trust that we'll continue to invest in our brands and our organization to build on our portfolio of brands for long-term success."



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-Peri is an emerging fast cast 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  **iR** PIZZA Investor Relations
investorrelations@shakeys.biz
+(632) 8 633 8555