



HALF YEAR RESULTS

Period Ending 31st December 2017

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



PRESENTERS

Don Meij

Group CEO & Managing Director

Richard Coney

Group CFO

Nick Knight

Australia & New Zealand CEO

Andrew Rennie

DPE Europe CEO

Josh Kilimnik

Japan President & CEO





RESULTS HIGHLIGHTS

NETWORK SALES GROWTH %

+7.1%

GROUP SSS %

+4.0%

EBITDA GROWTH⁽¹⁾

+5.4%

NPAT GROWTH - UNDERLYING⁽¹⁾

+5.5%

NPAT GROWTH - ADJUSTED FOR SHARE BUY-BACK⁽¹⁾

+7.0%

EPS GROWTH⁽¹⁾⁽²⁾

+5.8%

DIVIDEND (CPS)

+20.0%

FREE CASH FLOW (\$m)

\$45.9m

RETURN ON CAPITAL EMPLOYED

19.2%

RETURN ON EQUITY

32.7%

(1) H118 Underlying comparison to H117 Underlying – see slides 13 and 14 for further details on non-recurring costs

(2) Including the cancellation of 1,967,953 shares, as a result of the share buy-back



GROUP HIGHLIGHTS

	H1 16 Underlying	H1 17 Underlying	H1 18 Underlying ⁽¹⁾	+ / (-) H1 17 Underlying
	\$ mil	\$ mil	\$ mil	%
Network Sales	919.6	1,166.1	1,248.9	7.1%
Revenue	445.3	539.4	567.6	5.2%
EBITDA	87.0	116.2	122.4	5.4%
Depreciation & Amortisation	(16.6)	(22.0)	(25.8)	17.4%
EBIT	70.4	94.2	96.6	2.6%
<i>EBIT Margin</i>	15.8%	17.5%	17.0%	
Interest	(1.3)	(2.7)	(4.1)	50.4%
NPBT	69.1	91.5	92.5	1.1%
Tax Expense	(20.1)	(27.6)	(28.3)	2.5%
NPAT before Minority Interest	49.0	63.9	64.2	0.6%
Minority Interest	(3.4)	(4.2)	(1.3)	(69.6%)
NPAT	45.6	59.7	62.9	5.5%
<u>Performance Indicators</u>				
EPS (basic)	52.4 cps	67.4 cps	71.3 cps	5.8%
Dividend per Share	34.7 cps	48.4 cps	58.1 cps	20.0%
Same Store Sales %	10.3%	9.4%	4.0%	

- **Network Sales up 7.1%**, +\$82.8m, to \$1,248.9m
- **Revenue up 5.2%**, +\$28.3m, to \$567.6m. Note Japan Corporate stores FX headwinds affecting revenue
- **EBITDA up 5.4%**, +\$6.2m, to \$122.4m;
2 year EBITDA up +40.7%, +\$35.4m
- **NPAT up 5.5%**, +\$3.3m on H1 17, to \$62.9m;
2 year NPAT up +39.9%, +\$18.2m
- **Adjusted NPAT up 7.0%**⁽²⁾, +\$4.2m on H1 17
- **Underlying EPS 71.3c**, up 5.8%⁽³⁾
- **Interim dividend 58.1c** (40% franked), up 20.0% on H1 17

(1) See slides 13 and 14 for further details on non-recurring costs

(2) Adjusted to remove incremental financing costs associated with share buy-back of \$0.9m, net of tax

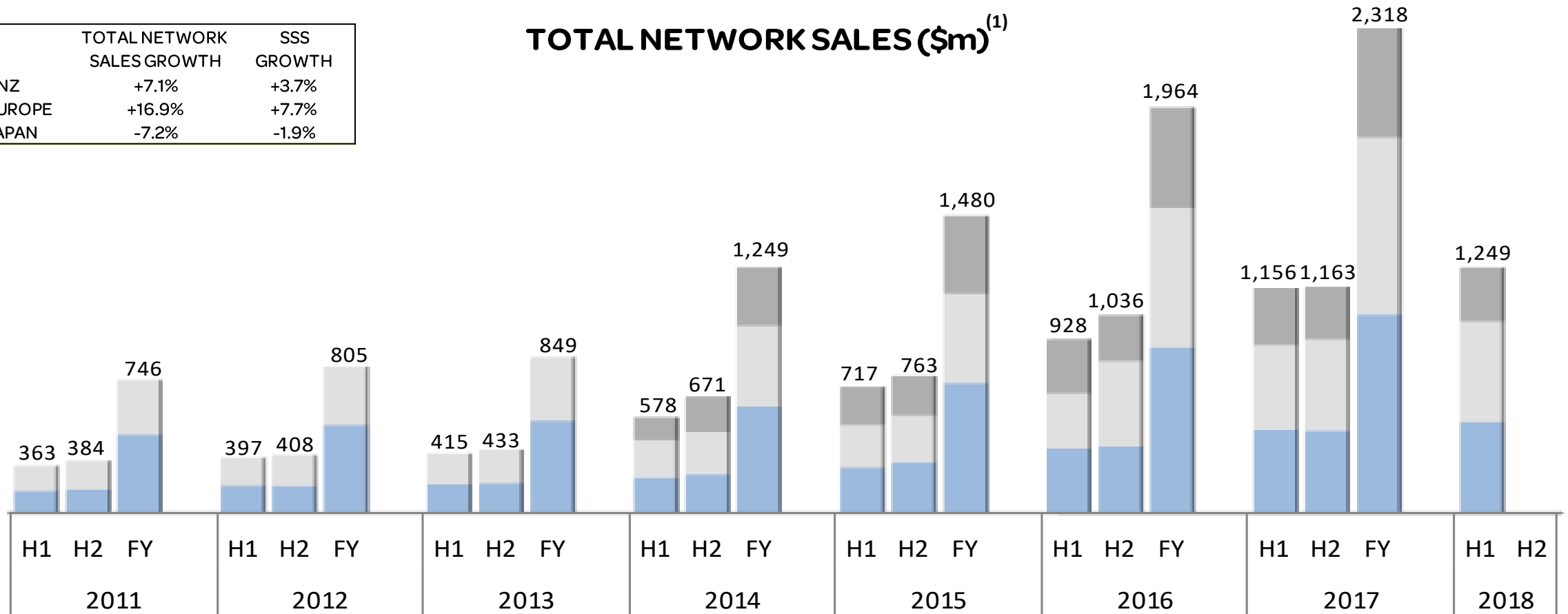
(3) Including the cancellation of 1,967,953 shares, as a result of the share buy-back



NETWORK SALES GROWTH

	TOTAL NETWORK SALES GROWTH	SSS GROWTH
ANZ	+7.1%	+3.7%
EUROPE	+16.9%	+7.7%
JAPAN	-7.2%	-1.9%

TOTAL NETWORK SALES (\$m)⁽¹⁾



- **ANZ** – strong network sales growth, despite rolling +17.4% SSS from H1 17. H2 18 SSS growth is forecasted to be materially higher than H1 18⁽²⁾
- **Europe** – excellent network and SSS growth across all markets, with Netherlands and Belgium a particular highlight (local currency network sales growth +12.6%)
- **Japan** – lower than planned sales growth, largely due to a Christmas-only limited menu promotion that did not meet expectations and lower Yen vs. AUD (local currency network sales growth +1.4%)

(1) H1 and H2 sales for Japan and Europe restated using constant FX rate for both halves

(2) As outlined in the Nov 17 AGM announcement



NETWORK STORE COUNT

	H1 16	H1 17	H1 18
Australia/NZ stores			
Franchised stores	622	666	733
Corporate stores	59	72	66
Aus/NZ Network Stores	681	738	799
<i>Stadium outlets incl in above</i>	17	15	12
Net Stores added in period	11	24	22

European stores			
Franchised stores	423	771	825
Corporate stores	44	67	66
European Network Stores	467	838	891
Net Stores added in period	15	22	26

Japan stores			
Franchised stores	119	160	197
Corporate stores	313	312	306
Japanese Network Stores	432	472	503
Net Stores added in period	48	19	10

Consolidated number of stores			
Franchised stores	1,164	1,597	1,755
Corporate stores	416	451	438
Total Network Stores	1,580	2,048	2,193
Corporate store %	26%	22%	20%
Net Stores added in period	74	65	58

Europe as % of Total Stores	30%	41%	41%
Japan as % of Total Stores	27%	23%	23%

■ 70 new organic stores added to the network in H1 18

➤ 25 new organic stores opened in ANZ⁽¹⁾

➤ 35 new organic stores opened in Europe⁽²⁾:

- 8 Sprint Stores converted to Domino's, with the remaining stores to be converted by the end of FY18

➤ 10 new organic stores opened in Japan:

- A continued focus to franchise existing stores in FY18 has slightly slowed new store growth
- Japan's Franchised stores now comprise 39% of its network, up from 34% at H1 17

(1) There were 3 low-trading stadium outlet store closures in ANZ

(2) There were 6 conflict stores that did not convert to Domino's from acquisitions, which is in line with expectations and 3 store closures



GROUP COMMENTARY

NPAT GUIDANCE

- Management maintains NPAT (after MI) guidance of “in the region of 20%” for FY18, as a result of the significant upside we foresee in H2 18

GROUP

- As guided at the AGM, **H1 18 was forecast to be appreciably lower than H2 18**
- ANZ and Europe achieved results slightly ahead of our earlier forecast
- Japan was materially lower than our original forecast** – largely due to a Christmas-only limited menu promotion that did not meet expectations and depreciation of the Yen vs. AUD
- Notable online sales growth across the Group** (significantly ahead of offline), as a result of continued investment in new, world-first, innovative digital technologies
- Operating cash flow and free cash flow were very strong in the first half
- Following partnerships with order aggregators in Europe, Domino's is conducting trials in Australia

ANZ

- The new EBA has been voted up by the overwhelming majority of voters** and an application for its approval has been lodged with the Fair Work Commission. The ANZ team spent significant time preparing for the launch of the new EBA
- The Project 3/10 philosophy continues to deliver productivity and margin improvements**, through initiatives such as: Tanda, our intelligent rostering tool, increased use of E-bikes, faster ovens and relentless focus on process improvements & efficiencies
- Launched the Operations 360 Project**, designed to enhance both Operational and Franchisee performance. All Franchisees now benchmarked against peers
- H2 18 SSS expected to be stronger than H1 18, due to rolling lower SSS and strong promotional pipeline



GROUP COMMENTARY

EUROPE

- **Excellent sales across Europe in H1 18**, increasing brand awareness in France, Franchisee profits at record levels in Germany and further lunch diversification in the Netherlands and Belgium, have been the highlights
- Now that OneDigital is operational in all markets, including France, we forecast **significant upside in online sales in Europe**, as we leverage the strong digital roadmap of cutting-edge Australian technology
- **Germany is performing above expectations**, with the Hallo transaction increasing our footprint in Germany by c. 60-65%
- We **anticipate accelerated profit growth from the Hallo acquisition**, through increased national marketing presence, conversion of Hallo stores to Domino's High Volume Mentality and economies of scale
- The Netherlands and Belgium businesses continue to set new benchmarks for Project 3/10 and as a result **continued very strong SSS growth**

JAPAN

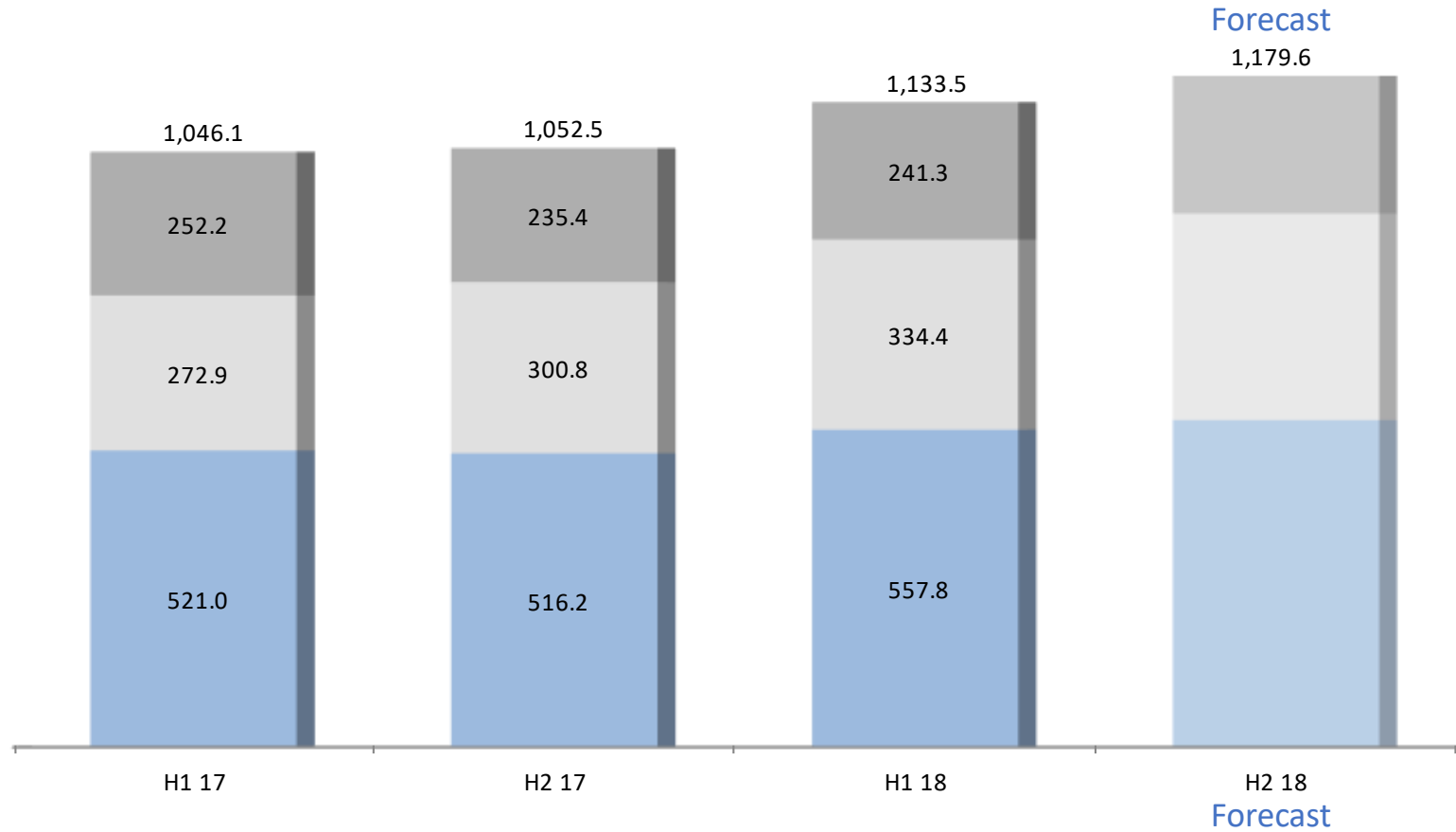
- Although Japan sales performance did not meet expectations, **foundations are already in place for very strong SSS growth**. This will be achieved through:
 - **OneDigital now being live in Japan**, resulting in:
 - Launching one of their **first potential 'big guns': Mission 20** (20/15 Minute Guarantee)
 - Further exploiting technologies and strategies from other Domino's markets
 - **New leadership in Japan**, focussing on driving local store initiatives, designed to accelerate order count growth. Early results are positive



NETWORK SALES GROWTH (EXCLUDING GERMANY)



TOTAL NETWORK SALES (\$m) - EXCLUDING GERMANY



- The above slide illustrates half-on-half sales growth across the Group, normalised to exclude Germany (Domino's and Hallo stores)



H2 18 TRADING UPDATE

	<i>ANZ</i>	<i>EUROPE</i>	<i>JAPAN</i>	<i>GROUP</i>
H2 18 SSS% 01 Jan 18 - 04 Feb 18	5.9%	6.9%	9.0%	6.9%
New Store Openings 01 Jan 18 -14 Feb 18	2	1	2	5

ANZ

- **Strong SSS growth** in the first 5 weeks of H2 18. SSS will accelerate in H2 18, as a result of:
 - a continued focus on both online and offline
 - an exciting pipeline of new products
- Management are forecasting another strong year of new organic store openings, driven by existing Franchisees, or their employees, with the ANZ network now exceeding 800 stores

Europe

- **Excellent SSS across the EU Group**
- Netherlands and Belgium continuing to be the star SSS performers
- Hallo Pizza acquisition expected to add c. 130⁽¹⁾ stores to Germany, with 15 converting to Domino's in H2 18

Japan

- **Great SSS in the first weeks of H2 18**
- SSS forecast to be very strong, as we roll out Mission 20, leverage OneDigital, chase orders and trial various sales-driving initiatives

(1) New store additions include the acquisition of 170 Hallo Pizza stores, with c. 40-45 Domino's or Hallo stores closing over time, due to the proximity between stores, in some locations



FINANCIALS



GEOGRAPHIC SUMMARY

	H1 16 ⁽¹⁾ Underlying	H1 17 Underlying	H1 18 Underlying	+/(-) H1 17 Underlying
	\$ mil	\$ mil	\$ mil	%
REVENUE				
Australia/NZ	128.0	150.1	173.9	15.8%
Europe	109.2	164.2	188.5	14.8%
Japan	208.0	225.1	205.3	(8.8%)
Total Revenue	445.3	539.4	567.6	5.2%
EBITDA				
Australia/NZ	44.5	55.2	64.1	16.2%
Europe	15.0	29.9	34.7	16.3%
Japan	27.5	31.1	23.5	(24.3%)
Total EBITDA	87.0	116.2	122.4	5.4%
EBITDA MARGIN %				
Australia/NZ	34.8%	36.8%	36.9%	
Europe	13.7%	18.2%	18.4%	
Japan	13.2%	13.8%	11.5%	
Total EBITDA Margin %	19.5%	21.5%	21.6%	
New Zealand average FX	1.10	1.05	1.09	
Europe average FX	0.66	0.69	0.66	
Japan average FX	88.20	79.75	87.18	

- **Group:** Underlying EBITDA growth of +5.4%
- **ANZ:** Strong EBITDA growth of +16.2%
- **Europe:** Continued strong underlying EBITDA growth of +16.3%, EBITDA margin continues to rise, +4.7% from H1 16
- **Japan:** EBITDA reduction of -24.3%, driven by:
 - Depreciation of the Yen vs. AUD, resulting in an EBITDA translation loss of \$2.2m (EBITDA growth -17.3% in Yen)
 - Softer sales in December, due to a Christmas-only limited menu promotion that did not meet expectations

(1) H116 benefitted from an additional trading week vs. H117 and H118



STATUTORY TO UNDERLYING RECONCILIATION

	H1 17 Statutory	Non-recurring Costs	H1 17 Underlying	H1 18 Statutory	Non-recurring Costs	H1 18 Underlying
	\$ mil		\$ mil	\$ mil	\$ mil	\$ mil
Network Sales	1,166.1		1,166.1	1,248.9		1,248.9
Revenue	539.4		539.4	567.6		567.6
EBITDA	98.1	18.0	116.2	116.1	6.3	122.4
Depreciation & Amortisation	(23.6)	1.6	(22.0)	(25.8)	0.0	(25.8)
EBIT	74.6	19.6	94.2	90.3	6.3	96.6
<i>EBIT Margin</i>	13.8%		17.5%	15.9%		17.0%
Interest	(2.7)		(2.7)	(4.1)		(4.1)
NPBT	71.8	19.6	91.5	86.2	6.3	92.5
Tax Expense	(21.2)	(6.4)	(27.6)	(26.4)	(1.9)	(28.3)
NPAT before Minority Interest	50.6	13.3	63.9	59.8	4.4	64.2
Minority Interest	(0.5)	(3.7)	(4.2)	(1.1)	(0.1)	(1.3)
NPAT	50.0	9.6	59.7	58.7	4.2	62.9
<i>Performance Indicators</i>						
EPS (basic)	56.6 cps		67.4 cps	66.5 cps		71.3 cps
Dividend per Share	48.4 cps		48.4 cps	58.1 cps		58.1 cps
Same Store Sales %	9.4%		9.4%	4.0%		4.0%

- Further details regarding H1 18 non-recurring costs are outlined in the following slide



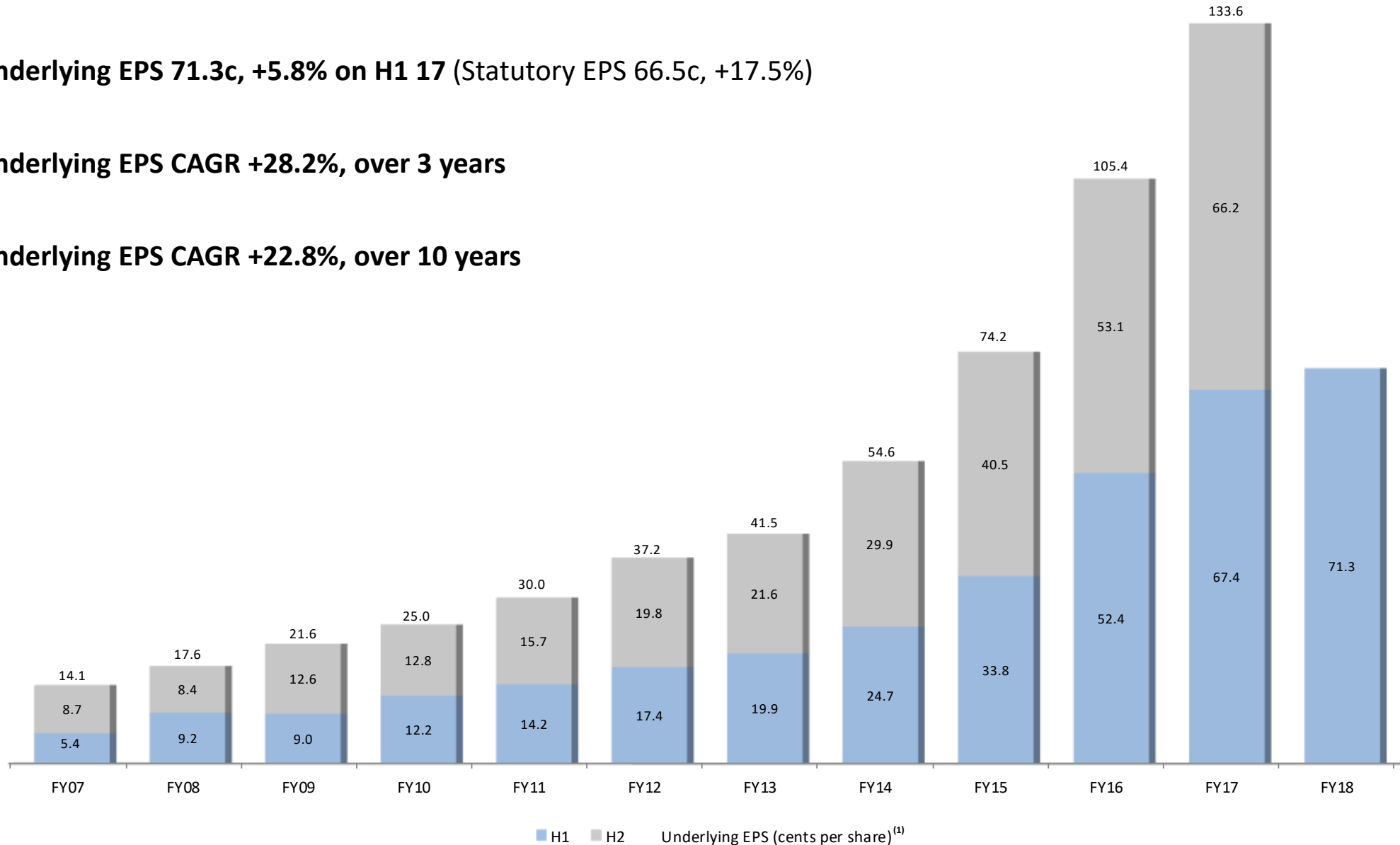
NON-RECURRING COSTS

	H1 18	
	\$'000s	
ANZ - IP dispute resolution and IR audit	4,103	ANZ <ul style="list-style-type: none">Professional fees associated with protecting our operational IP \$3.4mProfessional, advisory and compliance costs associated with the nationwide IR audit process \$0.7m
Europe - Acquisition, conversion & integration	1,715	
Japan - Transaction costs for Minority Interest purchase	517	Europe <ul style="list-style-type: none">France – continued conversion of Pizza Sprint stores to Domino's \$0.9m. Conversions to be complete by the end of FY18Germany – professional fees and other costs directly attributable to the Hallo Pizza acquisition \$0.8m
TOTAL NPBT	6,335	
Tax Expense	(1,940)	
Minority Interest	(149)	
NPAT	4,246	Japan <ul style="list-style-type: none">Transaction costs relating to the Japan MI purchase \$0.5m



UNDERLYING EARNINGS PER SHARE

- Underlying EPS 71.3c, +5.8% on H1 17 (Statutory EPS 66.5c, +17.5%)
- Underlying EPS CAGR +28.2%, over 3 years
- Underlying EPS CAGR +22.8%, over 10 years



(1) Including the cancellation of 1,967,953 shares, as a result of the share buy-back



CASH FLOW

	H1 17	H1 18
	\$ mil	\$ mil
Underlying EBITDA	116.2	122.4
Non-recurring costs	(18.0)	(6.3)
Statutory EBITDA	98.1	116.1
Interest paid	(2.4)	(3.6)
Tax paid	(21.8)	(18.9)
Change in working capital	(15.7)	(7.2)
Profit on sale of non-current assets	(8.5)	(9.4)
Share based payments	5.1	4.7
Other movements	(5.5)	0.3
Operating cash flow	49.3	81.9
Capital expenditure	(56.5)	(46.4)
Proceeds from sale of PP&E & intangibles	12.3	8.0
Loans repaid by franchisees	5.0	2.5
Net cash used in investing activities	(39.3)	(36.0)
Free cashflow before Acquisitions	10.0	45.9
Major Acquisitions	0.0	(42.4)
Dividends paid	(34.1)	(39.9)
Share buy-back	0.0	(87.1)
Debt movement	13.6	111.5
Proceeds from shares issued	16.4	16.1
Net cash generated from (used in) financing activities	(4.1)	0.6
Increase in cash & equivalents held	5.9	4.1

- H1 18 Operating cash flow up 66.2% vs H1 17 to \$81.9m
- Free cashflow (before Japan MI purchase) increased to \$45.9m from \$10.0m
 - Negative working capital predominately caused by timing of marketing campaign spend across all regions
 - Continued new store growth & digital investment in each region
 - Proceeds from sale excludes non-cash loans of \$25m
 - Net CAPEX slightly better than guidance due to timing
 - Acquisition of remaining 25% in Japan
 - Share buy-back \$87.1m for the half
 - New loan facilities for Japan MI purchase and share buy-back



BALANCE SHEET

	FY17	H1 18	+ / (-) FY 17
	\$ mil	\$ mil	\$ mil
Cash & equivalents	50.5	54.7	4.2
Trade & other receivables	72.6	83.1	10.5
Inventories	21.1	25.8	4.7
Other current assets	43.7	58.3	14.7
Current Assets	187.8	222.0	34.2
Property, plant & equipment	198.7	195.9	(2.8)
Goodwill & other intangible assets	689.9	686.5	(3.3)
Other non-current assets	56.4	70.4	13.9
Non-current Assets	945.0	952.8	7.8
Total Assets	1,132.8	1,174.8	42.0
Trade & other payables	136.4	152.3	15.9
Borrowings	17.9	3.5	(14.5)
Other current liabilities	75.9	29.8	(46.1)
Current Liabilities	230.1	185.5	(44.6)
Borrowings	311.3	447.0	135.6
Other non-current liabilities	176.3	184.3	8.0
Non-current Liabilities	487.6	631.2	143.6
Total Liabilities	717.7	816.7	99.0
Net Assets	415.1	358.1	(57.0)
Issued capital & reserves	254.5	178.7	(75.8)
Retained earnings	160.6	179.4	18.8
Equity	415.1	358.1	(57.0)
New Zealand spot FX	1.05	1.10	
Europe spot FX	0.67	0.65	
Japan spot FX	86.16	87.94	

- Receivables and inventories increased in Japan (Christmas holiday trading peak)
- Other current & non-current assets have increased due to additional Franchisee loans and timing of marketing expenditure
- Trade & other payables increased in Japan (Christmas holiday trading peak)
- Other current liabilities have decreased due to the Japan MI purchase
- Additional borrowings for Japan MI purchase and share buy-back
 - Extended tenure of existing facilities and raised additional committed multi-currency loan facilities of \$406.7m (5 year term)
- Share buy-back has reduced equity by \$87.1m (slightly offset by exercise of options & reserve movements)



KEY FINANCIAL RATIOS

	FY17 Underlying	H1 18	
Net Debt to Equity	61.9%	104.2%	<ul style="list-style-type: none">▪ Gearing ratios have increased, due to the combined impact of:<ul style="list-style-type: none">– \$87.1m share buy-back– \$41.8m Japan MI purchase▪ Leverage ratio still low at 1.3x earnings
Net Leverage Ratio ⁽¹⁾	1.1x	1.3x	
Net Debt ⁽¹⁾	\$256.7m	\$373.0m	<ul style="list-style-type: none">▪ Net debt +\$116.3m
Interest Coverage	37.2x	23.4x	
Return on Equity	31.2%	32.7%	<ul style="list-style-type: none">▪ Return on Equity has improved to 32.7%, as a result of share buy-back, strong profit growth & additional profit contributions from recent acquisitions, funded by low interest bearing debt▪ Return on Capital Employed has marginally decreased, due to recent strategic acquisitions
Return on Capital Employed	19.5%	19.2%	

(1) Excludes debt pertaining to DPE's Germany Joint Venture Partner and capitalised borrowing costs



AUSTRALIA AND NEW ZEALAND



ANZ - CORE PILLARS



DIGITAL INNOVATION



OPERATIONAL EXCELLENCE

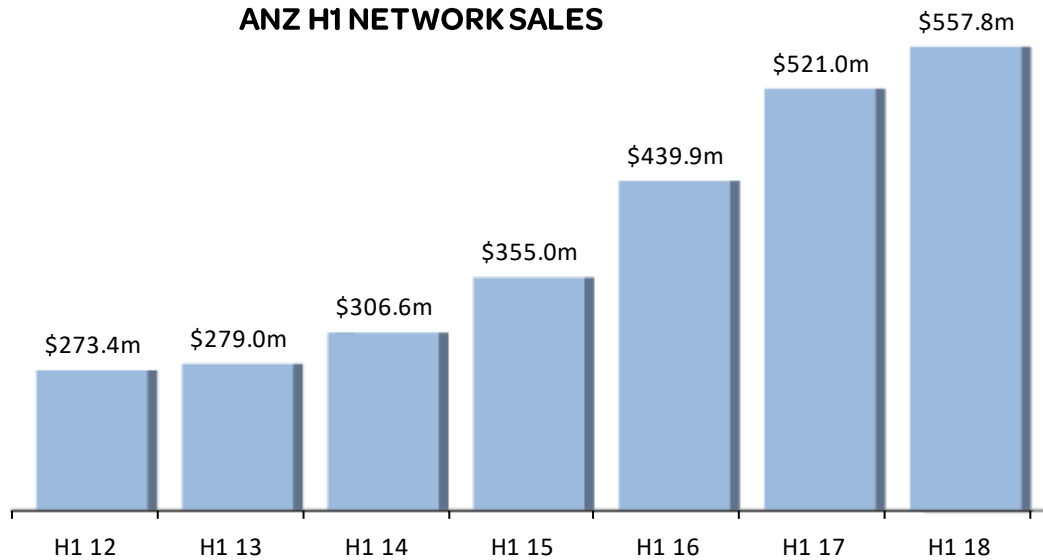


FOOD INNOVATION

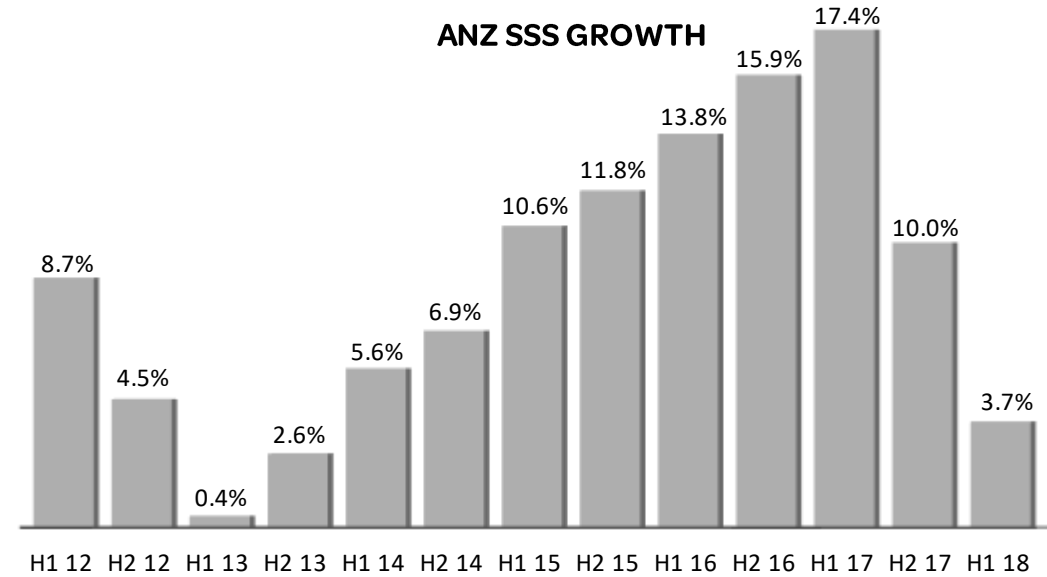


ANZ - NETWORK SALES

ANZ H1 NETWORK SALES



ANZ SSS GROWTH



- **H1 18 network sales up +7.1%, +\$36.8m**, due to continued strong SSS and new store additions
- **SSS continues to grow +3.7% in H1 18**, rolling 17.4% from H1 17
- As outlined at the AGM, due to rolling high prior year comparatives, SSS is appreciably lower in the first half
- **H2 18 SSS is already off to a strong start**, +5.9% in the first 5 weeks of trade. **SSS will accelerate in the second half**, as a result of:
 - a continued focus on both online and offline
 - an exciting pipeline of new products
 - softer prior year sales comparatives



ANZ – OPERATIONAL EXCELLENCE

Achieved:

- Opened **25 new organic stores**, finishing H1 18 with 799 stores
- 96% of our new stores were **opened by existing Franchisees, or their employees**, demonstrating the continued confidence in our business model and brand

Looking Forward:

- Another **strong year of store openings** planned in FY18, with ANZ
- Existing Franchisees, or their employees, will continue to be the main driver of organic new store openings
- **Domino's is conducting trials with order aggregators**, to test whether they add incremental sales, work for our operational model and benefit local Franchisees. Key to this approach is retaining Domino's core competencies – making and delivering food, fast and safely





ANZ – OPERATIONAL EXCELLENCE

Project 3-10 – safer, more efficient deliveries, ensuring food is hot, fresh and fast

Achieved:

- **Over 75% of new stores were opened via store splits**, bringing the customer closer to the store, reducing delivery times and increasing food freshness
- **E-Bike roll-out continues**, replacing scooters & cars and reducing delivery costs

Looking Forward:

- Targeting the **lunch market** and other meal occasions, backed by our **20 minute delivery guarantees**

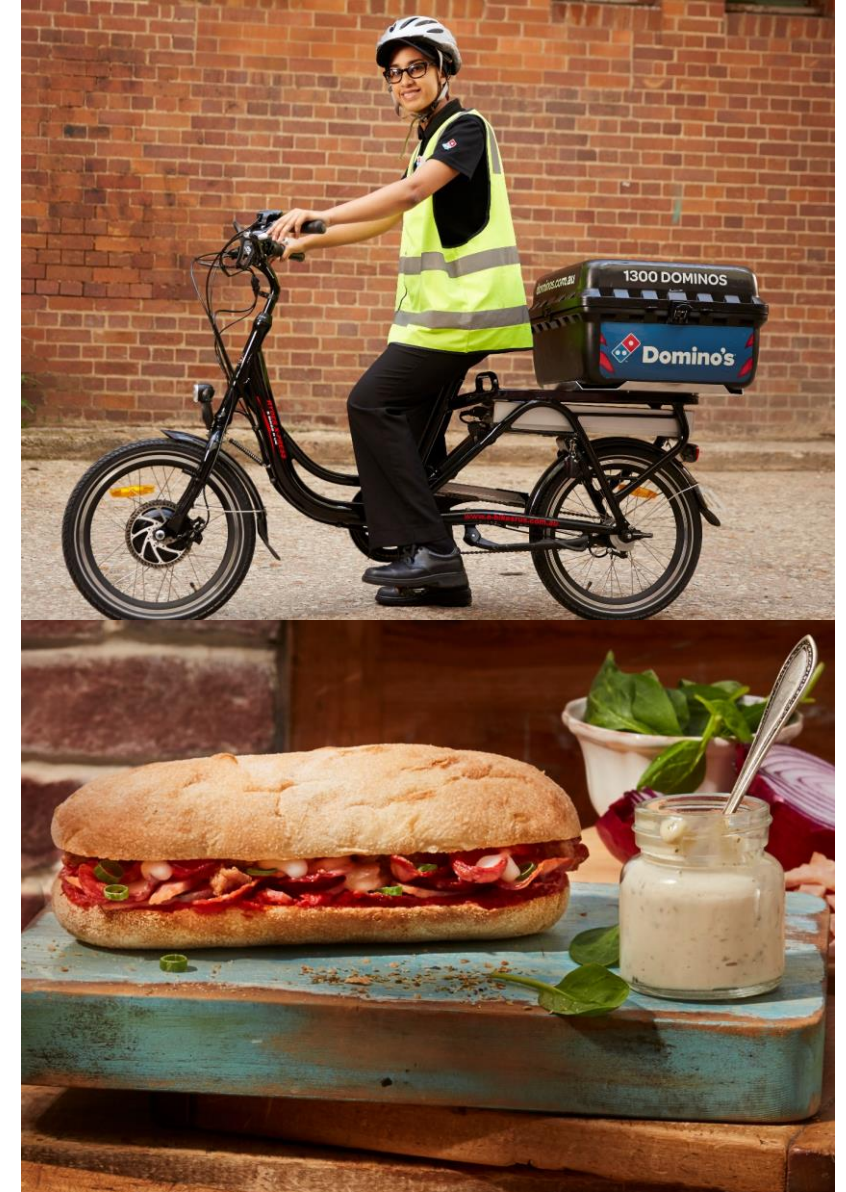
Operations 360 – supporting Franchisee performance

Achieved:

- Launched the **Operations 360** Project, designed to enhance both operational and Franchisee performance. All Franchisees now benchmarked against peers

Looking Forward:

- Establishing and delivering support programs to educate Franchisees
- Maximize profit opportunities for each Franchisee
- Providing feedback via scorecard and associated tools





INDUSTRIAL RELATIONS AND EBA (1 OF 2)

Enterprise Bargaining Agreement (EBA)

- Existing EBAs were terminated on 24 January 2018, as reported previously
- The new EBA has been voted up by team members by an overwhelming majority of voters, and an application for its approval has been lodged with the Fair Work Commission
- Strategic productivity initiatives have been put in place to offset forecasted changes in wage rates and conditions
- Reaffirming previous guidance, from H1 17 – as a result of award modernisation, labour as a percentage of sales will increase by an average of 2%, before strategic initiatives are implemented

Wages Audit

The assessment of Australian stores is now close to completion and the results from the 669 stores that have been assessed are:

- 646 stores requiring little or no action
- 15 stores (relating to 4 Franchisees) have been issued breach notices for a variety of issues
- 5 store assessments have been delayed, as a result of change in ownership, and are expected to be completed by the end of February
- 3 full external audits being conducted
- 10 stores have not been captured by this assessment, due to having opened recently. These stores will be captured in the new investigative process that has been developed on the basis of the Deloitte recommendations



INDUSTRIAL RELATIONS AND EBA (2 OF 2)

Deloitte project

- The comprehensive action plan that was developed to implement the recommendations from the Deloitte report is close to completion
- Key parts of the action plan involved the development of a new monitoring and investigative process which will utilise sophisticated systems and methodologies developed in conjunction with Deloitte as a proactive strategy for the identification of undesirable activities. This process is expected to be in use by mid-March

Fair Work Ombudsman

- Domino's has now provided the Fair Work Ombudsman (FWO) with all material that it has requested under a number of Notices to Produce (NPDs). Domino's continues to co-operate with the FWO in its investigation. The FWO has not yet provided any feedback to Domino's



ANZ – FOOD INNOVATION

Achieved:

- 16” New Yorker Range – **launched New Yorker style pizzas**, a sharing meal loaded with cheese
- Delivered **Domino’s first dessert pizza**, adding to dinner orders
- **Free your Flavour campaign** highlighted exciting new ingredients, including avocado – a first for the ANZ menu
- Following extensive customer feedback, **introduced premium vegan cheese**, adding orders from new and lapsed customers

Looking Forward:

- Launch of **Oven-baked sandwiches**, offering a whole new food category and targeting time-poor lunch customers
- **New 40cm King Size Pizza** range including ‘Giga-meat’, ‘Quattro’, ‘Duo’ and ‘King Supreme’, capitalising on success of New Yorker range
- Notably gained net new customers with the vegan cheese launch. As a result, we plan to **release additional new vegan options**





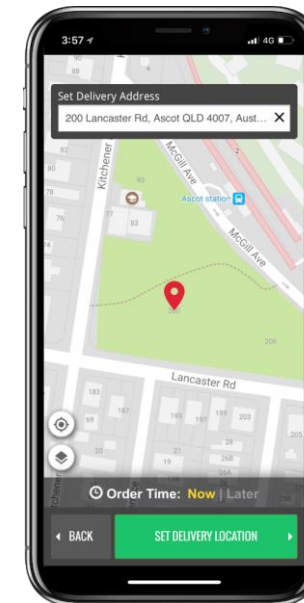
ANZ – DIGITAL INNOVATION

Achieved:

- **13% online sales growth half-on-half**, with online growing significantly faster than offline
- Following its successful European launch, **introduced Order Anywhere**, letting customers order Domino's directly to outdoor areas, like the park or beach
- Multiple **enhancements to the successful Offers App** driving sales growth
- A continued focus on **refinements to the online ordering experience**, enhancing the customer experience and driving up customer conversion rates
- Strong growth in the iPhone Ordering App ratings

Looking Forward:

- **Pizza Checker launch**
- Launch Partner for **Amazon's Alexa flagship Echo speakers**, enabling online ordering via voice, an Australian market first
- **Leveraging upgrades to Offers App**, driving sales
- **Continuous refinement – owned media**, e.g. SMS & email, to help drive additional sales





EUROPE



EUROPE CORE PILLARS



DIGITAL INNOVATION



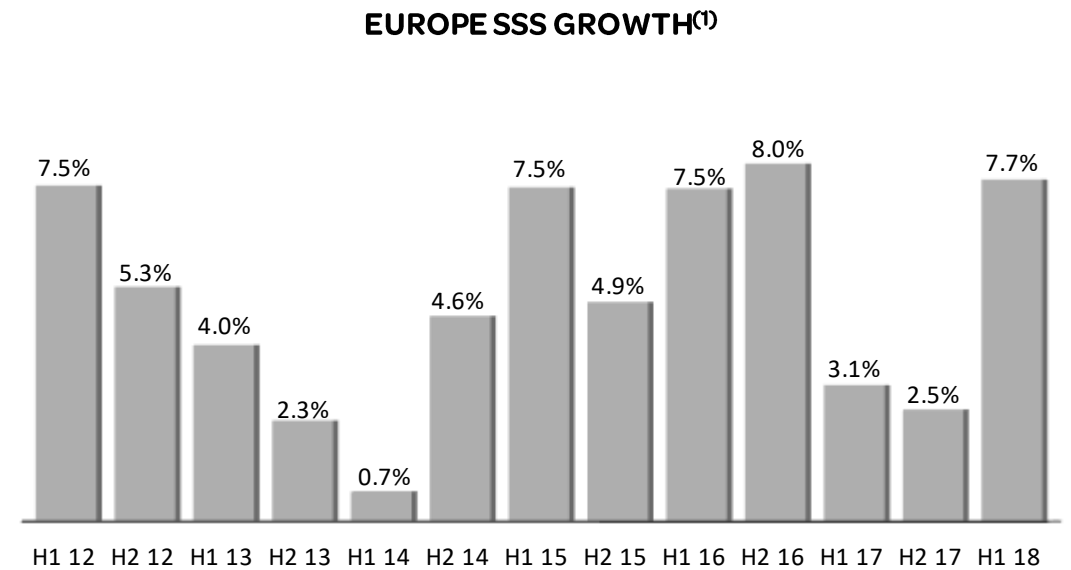
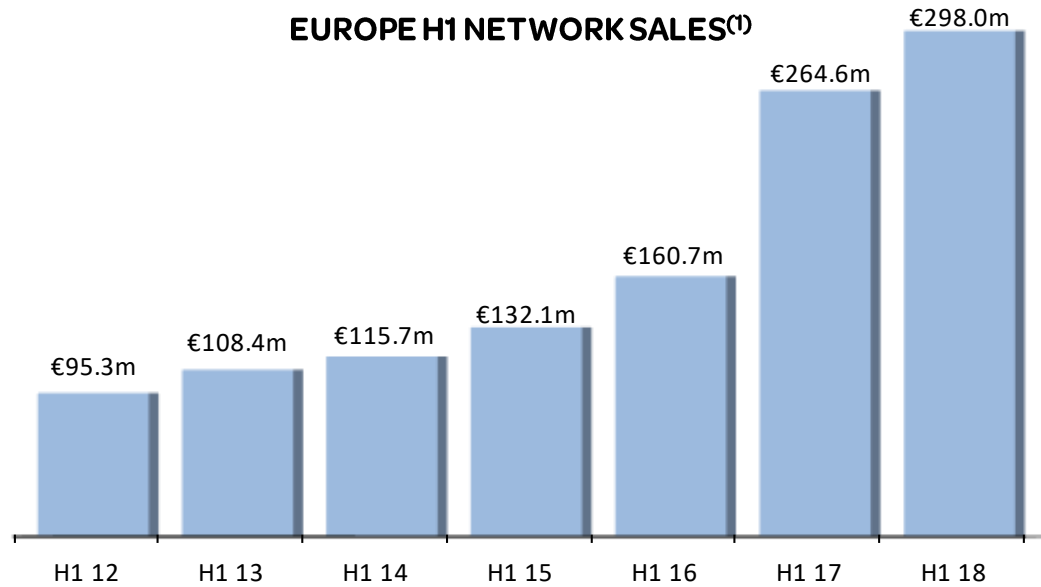
OPERATIONAL EXCELLENCE



FOOD INNOVATION



EUROPE - NETWORK SALES



- **H1 18 network sales up 12.6%, +€33.4m**
- **France: Strong SSS growth**, driven by increased brand awareness and focusing on value for customer
- **Germany:** Pleasing SSS growth, with **best-performing Franchisees recording record profits**
- **Netherlands and Belgium:** Excellent SSS in both Netherlands and Belgium, **highest ever summer SSS in Netherlands**, with **lunch business doubling last year in the Netherlands**
- **H2 18 SSS excellent across the Group**, +6.9% in the first 5 weeks of trade

(1) Including acquisitions from the date of DPE ownership



FRANCE – OPERATIONAL EXCELLENCE

Achieved:

- **Opened 12 organic new stores** and **converted a further 8 Pizza Sprint stores**, adding to our market-leading position
- Domino's now operates more than three times as many stores as the next biggest pizza company
- **Best Pizza Award in France** in 2017 for Domino's Pizza⁽¹⁾
- **Increasing awareness and appreciation of Domino's brand** and food quality, demonstrated through:
 - +6 points to Aided Brand Awareness⁽²⁾ in H1 18 vs. H1 17
 - Record 72% Aided Brand Awareness in November
- Various successful initiatives to drive sales, such as:
 - **Re-launch of “promo boost week”**: 666 and 999 promo in August and Megadays (any pizza, any size €7,99) in September, resulting in double-digit growth for both months
 - **Re-launch of the “Lunch deal”**, 50% of the network is now offering this deal

Looking Forward:

- **Selecting and training future Franchisees from a group of excellent operators**, in conjunction with the Chamber of Commerce's new “Emerging Leader Program”



(1) Source YouGov (fr.yougov.com)

(2) Source Inma stratmarketing (www.quiestlemeilleur.com)



FRANCE – FOOD INNOVATION

Achieved:

- Reworked all the pizza recipes and launched the French version of “**Taste the colour**” #dévorezlemilleur, highlighting the quality of our ingredients
- **Excellent performance of the “Pizza Burger”** campaign in September and October, with a record mix of 20%

Looking Forward:

- Introducing **Cinnastix** in January, based on the success of this product in other markets
- Launching the **Spicy Range** in March

NOUVEAU
DES RECETTES REVISITÉES
100%
DES INGRÉDIENTS PLUS SAVOUREUX

#DÉVOREZLEMEILLEUR

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



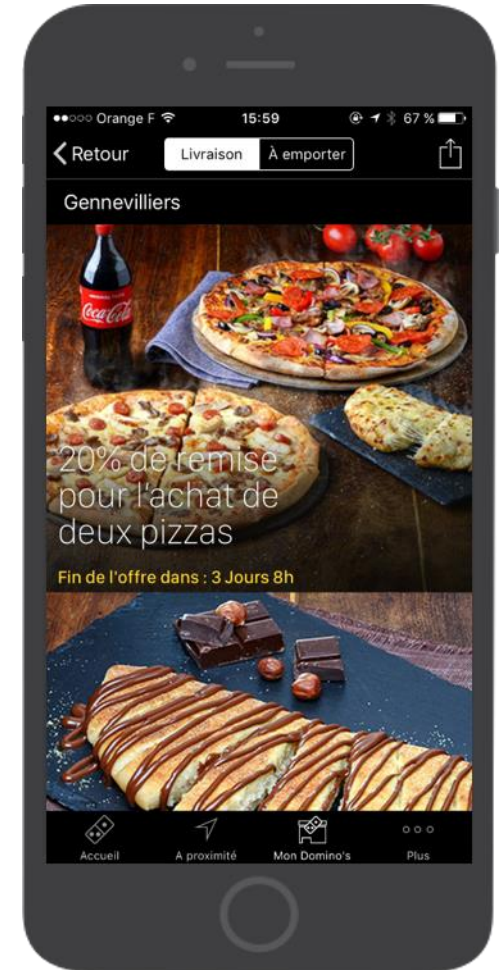
FRANCE – DIGITAL INNOVATION

Achieved:

- **40% online sales growth** half-on-half
- **Over 140,000 Promo's App installs** since launch in May 2017
- **Surpassed 1 million email newsletter subscribers** in September 2017
- **Significant improvements to website conversion rates** throughout H1 18 as a result of ongoing AB testing and platform enhancements. Over 5% improvement to conversion rates half-on-half
- **Over 50% of H1 18 sales were driven from online**

Looking Forward:

- With OneDigital live, **France is leveraging the strong roadmap of cutting-edge Australian technology.** Expecting higher efficiencies and customer satisfaction as a result
- Migrating to **new Omnichannel Marketing Platform** for advanced CRM marketing activity, with full launch in France, January 2018





GERMANY ACQUISITION

Achieved:

- On the 5th January 2018 the **DPE majority owned joint venture completed the acquisition of the 170 store Hallo Pizza chain**
- The acquisition **increases our footprint in Germany by c. 60-65%** and increases our European store presence by c. 15-20%
- **Franchisees owning 115 stores have already signed their Domino's franchise contract** to convert their stores in 2018
- The very early stages of the acquisition are progressing well thus far and are ahead of plan

Looking Forward:

- We **anticipate accelerated profit growth from the Hallo acquisition**, through increased national marketing presence, conversion of Hallo stores to Domino's High Volume Mentality and economies of scale
- Due to timing of completion, as announced, the transaction will only have a **small positive contribution to FY18 underlying earnings**

GERMANY STORE COUNT



■ Existing Domino's Stores Germany ■ Hallo Pizza Acquired Stores



GERMANY – OPERATIONAL EXCELLENCE

Achieved:

- Best performing Franchisees now **recording record profits**
- Phase two of the **conversion to High Volume Mentality** is now well under way and progressing well
- **New job/careers page launched** for stores, designed to attract the next generation of Dominoids

Looking Forward:

- **Scale benefits from Hallo integration**
- **Operational excellence via GPS** is the next part of the plan
- Germany likely to be a **500 store network** within 3-4 years





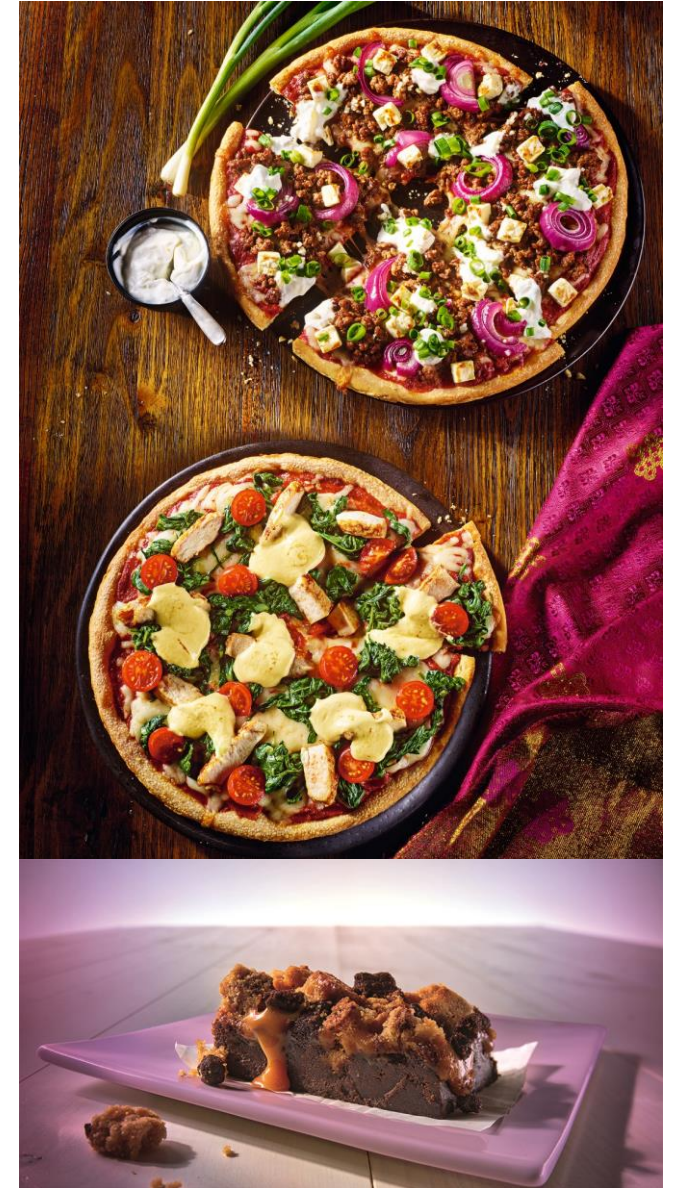
GERMANY – FOOD INNOVATION

Achieved:

- **New flavour pizzas introduced**, including:
 - **Greek-style pizza**, with minced lamb, shepherd's cheese, red onion, garlic, tzatziki and spring onions – 49,000 sold in November and December alone
 - **Smoky Chicken**, with spicy BBQ chipotle sauce, chicken breast, red onions, cherry tomatoes and mozzarella balls

Looking Forward:

- **Continued diversification of the menu** through: inspiring new pizza flavours and new sides, such as:
 - **Pizza breads**, with garlic parmesan and herb butter & mozzarella
 - **Pizza Erlaucht**, with popcorn chicken, crispy bacon, spring onions, fresh mushrooms and hollandaise sauce
 - **Vegan Pizza**, with vegan cheese, fresh mushrooms, broccoli florets and fresh tomatoes





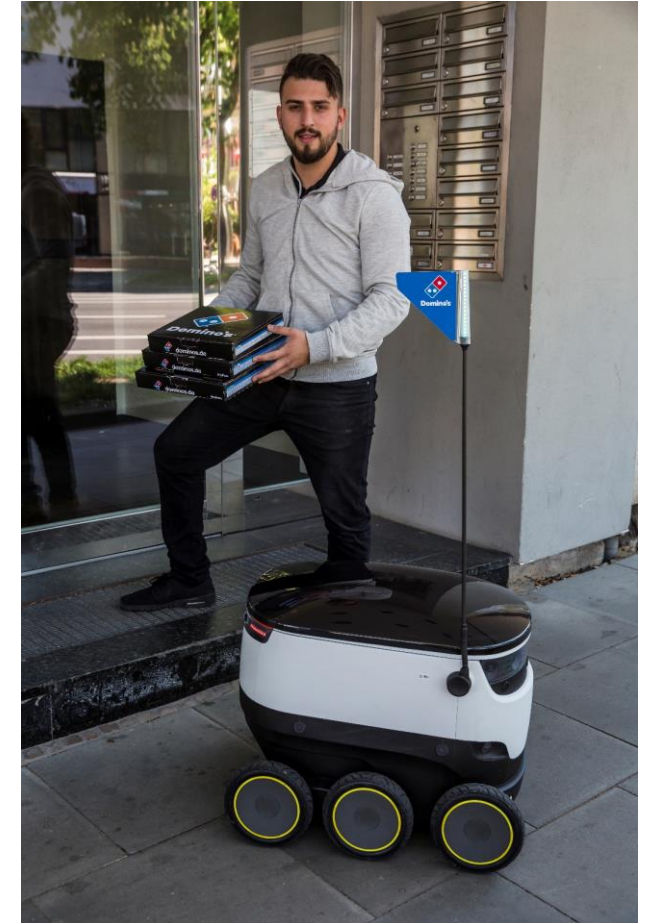
GERMANY – DIGITAL INNOVATION

Achieved:

- **64% online sales growth** half-on-half, with record OLO percentages. Some weeks exceeding 70%
- Achieved **regular Starship Robot Deliveries** from two stores in Germany, with a third to launch soon
- **Over 100,000 Promo's App installs** since launch in May 2017 and **surpassed 750,000 email newsletter subscribers** in July 2017
- **Completed successful integration with takeaway menu aggregators**, adding incremental sales
- **Increased website conversion rates**, through ongoing AB testing and platform enhancements
- **Continued enhancements to digital tools and activities**, including:
 - Launch of Instagram activities
 - EDM sales share up, to 19% of online sales
 - New Customer Feedback tool implementation, reducing dissatisfied customers to 1.5%

Looking Forward:

- **Germany will be launching various digital initiatives designed to drive sales**, including: new Ordering App, GPS Driver Tracker and extension of video content to YouTube and Facebook



Achieved:

- Opened 23 organic new stores, a **first half record**
- A **very strong SSS in H1**, in both the Netherlands and Belgium
- Using cutting edge technology, Domino's improved upon its existing **Global weekly record average delivery time**, to 5 minutes and 43 seconds, in the Nieuwerkerk aan de IJssel store, the Netherlands
- Domino's Belgium **surpassed Pizza Hut in delivery and carryout sales** and continues to exceed expectations

Looking Forward:

- **Strong organic new store openings pipeline**
- The Netherlands to become the **biggest QSR chain measured by store count** in FY18
- Launch of EU Digital Development team in Amsterdam Office, providing local digital development for EU markets



NETHERLANDS & BELGIUM – FOOD INNOVATION

Achieved:

- **Removed all artificial colourings and flavourings from pizza toppings** in both the Netherlands and Belgium
- **Introduced pizzarolls**, based on its success in Germany
- **Introduced sandwiches in the Netherlands**, strengthening our lunch offering

Looking Forward:

- **Continuous improvement of consumer favourites**, currently including: Pizza Hawaii with juicier pineapple, Pizza Hot & Spicy with tastier tomatoes and Veggie Pizza





NETHERLANDS & BELGIUM – DIGITAL INNOVATION

Achieved:

- **49% online sales growth half-on-half.** This represents faster growth than the previous half – Belgium alone achieved the highest online sales growth in Europe of 83% half-on-half
- **41% growth in unique users to OLO** and the website half-on-half
- **Over 195,000 Promo's App installs in Netherlands and Belgium** since launch in May 2017
- Migrated to **new Omnichannel Marketing Platform** for advanced CRM marketing
- **Doubled the downloads of Domino's Deals App** (Offers App) in the Netherlands, with a successful December advertising campaign
- **Introduced digital and physical Giftcards Dec 2017**, driving sales and customer retention
- **Improved ordering app user ratings** in app stores

Looking Forward:

- **Expecting to start deliveries with DRU** in H2 18
- **Introduced Fresh Pick Up Points (Hot Lockers)** as test concept in Eindhoven store



JAPAN



Domino's®



JAPAN CORE PILLARS



DIGITAL INNOVATION



OPERATIONAL EXCELLENCE

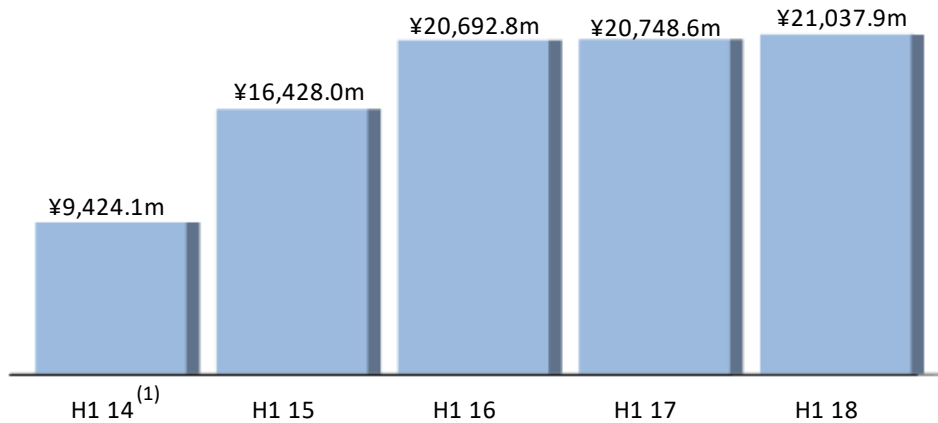


FOOD INNOVATION

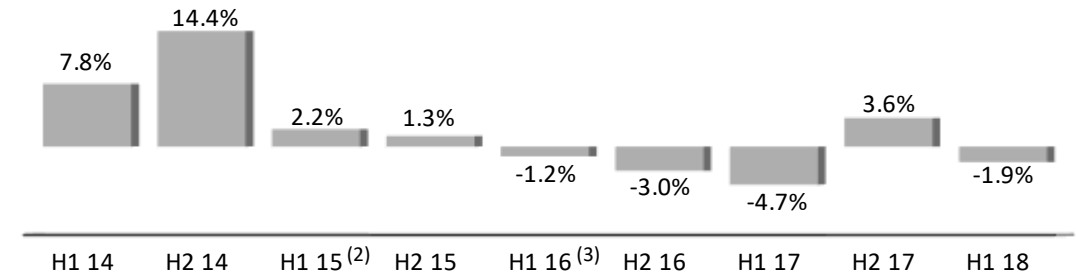


NETWORK SALES JAPAN

JAPAN H1 NETWORK SALES



JAPAN SSS GROWTH



- **H1 18 network sales +1.4%**, +¥289.3m. Sales were softer than anticipated in December, largely due to a Christmas-only limited menu promotion that did not meet expectations
- We are **forecasting strong SSS in H2 18**, as we **roll out Mission 20** and trial a range of new initiatives designed to drive order count and sales
- H2 18 new store openings will be higher than H1 18, but will level off compared to FY17, as we **focus on Franchisee profitability and SSS growth**
- Great SSS in the first weeks of H2 18, at 9.0%

(1) From the date of DPE ownership

(2) SSS calc. realigned to Group policy from H115 onwards

(3) Due to the timing of half year end, H116 benefitted from New Year's Day trading. H116 also contained an additional trading week



JAPAN – OPERATIONAL EXCELLENCE

Achieved:

- Celebrated **500th store** opening in Japan during September, ending H1 18 with 503 stores
- **Record sales** of ¥21b in the first half of the year
- **Highest daily sales record** of ¥637m for the network, on Christmas Eve
- **Multiple records** broken in December:
 - 195 stores set new daily sales record
 - 15 stores set new weekly sales record
 - 30 stores set new monthly sales record
- **3:30 minute oven rollout** including product engineering in 27 stores
- Commenced local store initiatives to **accelerate order count growth**
- **One third of Japan stores are now the latest image** (Mugen design)
- We now have **197 franchise stores**, 39% of the network
- **8 stores converted to carry-out friendly locations and design**





JAPAN – OPERATIONAL EXCELLENCE

Looking Forward:

- Developing a new store design: Mugen 4.0
- **Mission 20** is a key part of our strategy for Japan, designed to drive online delivery sales, reduce delivery times and increase average ticket
- Establishing a methodology to **gain new customers through active Franchisee engagement**
- Testing and preparations underway to improve customer loyalty in Japan





JAPAN – FOOD INNOVATION

Achieved:

- **Relaunched Hot Sub as Pizza Sando**
- Launched Sukiyaki Pizza, which recorded a strike rate of up to 25%
- **Tactical promotion on side menu** to increase customer awareness
- Great new food options:
 - ¥500 Pizza
 - Ultimate Pizza
 - Curry and bread stick
 - Choco Lava Cake

Looking Forward:

- **Testing “Everyday Low Prices”** in the Hokuriku market
- The OneDigital platform is now live in Japan from January, a key sales-driver moving forward





JAPAN – DIGITAL INNOVATION

Achieved:

- **Launched OneDigital**, enabling Japan to leverage technologies and strategies from other Domino's markets
- **Record monthly OLO** in October 2017 of 64.2%
- Half-on-half online sales growth of 6.5%
- **Mission 20 launched on the OneDigital** platform, setting a market first and helping set apart online order from competitors in the market

Looking Forward:

- Experimenting with online/offline differentiated prices in the Nagoya market
- Developing, localising and launching the Offers App in Japan





Netherlands
Germany
Belgium
France

Japan

OUTLOOK



Australia

NZ

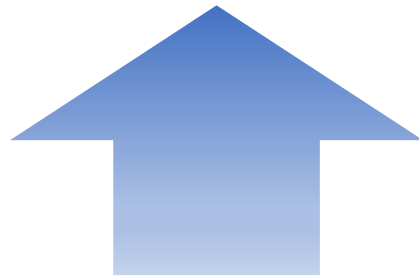
DECEMBER 2017
2,193 STORES

JUNE 2025
4,650 STORES



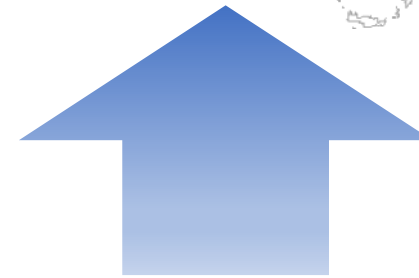
FUTURE OUTLOOK - GROUP STORE COUNT

FUTURE OUTLOOK
TO 2025

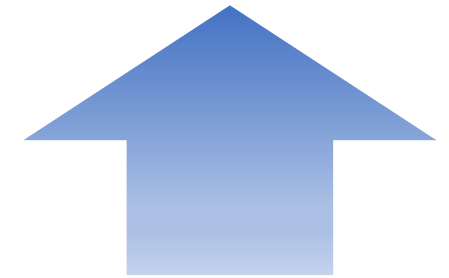


H1 18
STORE COUNT

799 Stores



891 Stores



503 Stores

- Management believes that there is **significant future growth potential in our existing organic businesses** over the next 7 years
- We are therefore reaffirming our Group future outlook of 4,650 stores by 2025
- **Domino's remains active in pursuing suitable acquisitions**, in addition to our strong organic growth



FY18 GROUP GUIDANCE

	<i>Aug-17 GUIDANCE</i>	<i>Nov-17 GUIDANCE</i>	<i>LATEST FY18 GUIDANCE</i>
SSS%			
ANZ	7-9%	7-9%	6-8%
EUROPE	5-7%	6-8%	6-8%
JAPAN	0-2%	0-2%	0-2%
NEW STORE ADDITIONS⁽¹⁾	180-200	180-200	310-330
NPAT GROWTH⁽²⁾⁽³⁾	in the region of 20%	in the region of 20%	in the region of 20%
NET CAPEX⁽⁴⁾	\$80-90m	\$80-90m	\$80-90m

(1) New store additions include the acquisition of 170 Halo Pizza stores, with c. 40-45 Domino's or Halo stores closing over time, due to the proximity between stores, in some locations

(2) Excluding incremental interest costs associated with share buy-back

(3) Including 100% of Japan's earnings

(4) Excludes the purchase of the Minority Interest in Japan



FY18 CONCLUSION

- *Forecasting another record performance year for the Group*
- *Management maintains our guidance of “in the region of 20%”*



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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 (%) and variances 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 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. Where highlighted in this document, Statutory results have been adjusted for significant items (as shown in previous Market Presentations).