



24 February 2023

Mr Alan Zhao
Compliance Officer
Listings Compliance (Sydney)
Australian Securities Exchange
20 Bridge Street, Sydney NSW 2000

By email – ListingsComplianceSydney@asx.com.au

Dear Alan

Domino's Pizza Enterprises Limited (ASX:DMP) – Aware Query

We refer to your letter of 22 February 2023 and respond as follows using the numbering in your letter under the heading 'Request for Information'.

- 1 DMP does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities.
- 2 The basis for DMP's view in paragraph 1 follows:
 - (a) **(Basis of valuation not half year result)** DMP considers that its mid to long term earnings is the material driver of the value of its shares, rather than near term earnings such as a single half year result. However, even if the view is taken that the H1FY23 earnings alone are material, DMP considers that there is a reasonable basis to believe that the reported results are within market expectations for the reasons below.
 - (b) **(Previous disclosures)** On 2 November 2022, DMP signalled in its ASX announcement '*AGM Media Release 2022*' that earnings would be challenged by the difficult start to the year as Domino's offset inflationary headwinds which were expected to continue into the 2023 calendar year. DMP considers that the market had already factored these challenges into the price and value of DMP securities and this is evidenced by the earnings consensus estimate.
 - (c) **(Market expectation of earnings – sell side analyst forecasts)** The appropriate indicator of market expectations for DMP's H1FY23 earnings is the H1FY23 earnings forecasts of sell-side analysts and not the earnings in the prior corresponding period. This is because DMP did not publish H1FY23 earnings guidance and DMP is heavily covered by sell-side analysts. The prior corresponding period reflects past performance and is not considered a reliable indicator of likely earnings in H1FY23¹.
 - (d) **(Consensus estimate)** DMP used a consensus estimate of H1FY23 earnings based on 10 high-quality and reputable sell-side analysts which published estimated H1FY23 earnings ranging from \$69.4m to \$78m. DMP considers the consensus estimate is the central measure of analyst forecasts and the best available estimate of the expectations of the market as a whole for its H1FY23 earnings.
 - (e) **(Measure of earnings – Underlying NPAT)** The consensus estimate of H1FY23 earnings published by sell-side analysts is profit from ordinary activities after tax attributable to members on an underlying basis.

¹ Per ASX Guidance Note 8 at paragraph 7.3(1).



(f) **(Underlying NPAT - adjustments)** The significant items which were taken into account in the Underlying NPAT included external legal and acquisition costs that relate to discrete matters and costs relating to structural changes in the business². DMP considers these adjustments to be appropriate because the costs adjusted out do not have a material effect on the price or value of its securities as they are non-recurring. In the case of the acquisition and integration costs associated with the acquisitions of Domino's Malaysia and Singapore, they have been previously disclosed³.

(g) **(Size of variance)** The reported and consensus estimates of H1FY23 Underlying NPAT are as follows.

Mean broker consensus estimate (m)	Reported (m)	Variance (m)	Variance (%)
\$75.2	\$71.7	(\$3.5)	(4.7%)

(h) **(Materiality)** The reported result was not materially different to the consensus estimate⁴ and DMP considers there was a reasonable basis to believe that the reported result was within market expectations.

3 DMP first became aware of the information on Friday, 17 February 2023 when the Board received the draft Half Year Report.

4 Not applicable.

5 DMP confirms that it is in compliance with the ASX Listing Rules, in particular, ASX Listing Rule 3.1.

6 DMP's responses to ASX's questions have been authorised and approved in accordance with its Continuous Disclosure and External Communications Policy.

Yours faithfully

Craig Ryan
 Company Secretary

² See page 3 of DMP's half year report.

³ See page 7 of announcement titled 'Market Presentation about Acquisition of Three Asian Markets' dated 24 August 2022.

⁴ For example, the variance is significantly less than ASX's guidance that a 15% or greater difference between the Company's actual earnings and the earnings forecasts of sell-side analysts, be considered market sensitive - Guidance Note 8, paragraph 7.3(4)(b).

22 February 2023

Reference: 68718

Mr Craig Ryan
Company Secretary
Domino's Pizza Enterprises Limited
Level 1 KSD1
485 Kingsford Smith Drive
Hamilton QLD 4007

By email:

Dear Mr Ryan

Domino's Pizza Enterprises Limited ('DMP'): Aware Query

ASX refers to the following:

- A. DMP's announcement entitled "Appendix 4D & Financial Statements FY2023" released on the ASX Market Announcements Platform at 8:06 AM today on 22 February 2023 (the 'Announcement'), disclosing that the profit from ordinary activities after tax attributable to members was down 28.3% compared to the prior corresponding period ('Information').
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks DMP to respond separately to each of the following questions and requests for information:

1. Does DMP consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did DMP first become aware of the Information?
4. If the answer to question 1 is "yes" and DMP first became aware of the Information before the Announcement, did DMP make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe DMP was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DMP took to ensure that the information was released promptly and without delay.
5. Please confirm that DMP is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that DMP's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DMP with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AEST Monday, 27 February 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DMP's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require DMP to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in DMP's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;

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- how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DMP's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DMP's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that DMP's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Alan Zhao
Compliance Officer, Listings Compliance