

**DP Eurasia N.V.**

(“DP Eurasia” or the “Company”, and together with its subsidiaries, the “Group”)

**Trading Update for the six months ended 30 June 2022**

Strong trading momentum maintained & FY 2022 guidance reinstated

	<b>For the period ended 30 June</b> (excl. impact of hyperinflationary accounting <sup>(1)</sup> )		<b>Change</b>
	<b>2022</b>	<b>2021</b>	
	<b>(in millions of TRY, unless otherwise indicated)</b>		
<b>Number of stores <sup>(2)</sup></b>	<b>827</b>	<b>789</b>	<b>38</b>
<b>Group system sales <sup>(3)</sup></b>			
Turkey	1,201.0	755.7	58.9%
Russia	492.7	278.6	76.8%
Azerbaijan & Georgia	43.0	19.4	121.6%
<b>Total</b>	<b>1,736.7</b>	<b>1,053.7</b>	<b>64.8%</b>
<b>Group system sales LfL growth<sup>(4)</sup></b> (excl. impact of hyperinflationary accounting <sup>(1)</sup> )			
<b>Group<sup>(5)</sup></b>	38.6%	52.9%	
Turkey	51.0%	64.9%	
Russia (based on RUB)	-2.6%	18.2%	

**Highlights**

- Strong growth achieved at the Group level while set against very strong comparatives, with increased visibility enabling guidance to be re-instated for the full year ending 31 December 2022.
- Group system sales increased 64.8% with a like-for-like (“Lfl”) growth of 38.6%, mainly driven by price adjustments.
- Adjusting for inflation and last year’s VAT reduction of 7ppts to 1% (which lasted until end of July), Lfl growth in Turkey would be flat in 1H 2022 with a low single digit growth in volumes.
- Group online system sales <sup>(6)</sup> growth of 69.7%
  - Turkish online system sales growth of 66%
  - Russian online system sales growth of 77.5% (-6.8% based on RUB)
- Online delivery system sales further increased to 83.2% (June 2021: 77.5%) as a share of delivery system sales <sup>(7)</sup>, reflecting DP Eurasia’s robust positioning for the online ordering channel.
- 21 net store openings in Turkey during the first half of the year maintains our momentum and is on top of record level of openings in 2021.
- Good liquidity position at Period-end with TRY 262.2 million cash and an undrawn bank facility of TRY 107 million.

- The new COFFY concept has performed very well with robust volume growth and accelerating expansion in store network. Having opened seven new stores in the first half of the year, COFFY traded from 15 stores at period-end, 10 of which are franchised.
- Following the appointment of independent non-executive director (INED), Mr Burak Ertas, at the Annual General Meeting (AGM) in June 2022, an additional INED will be appointed at the Extraordinary General Meeting (EGM) which will be held in September 2022.

## Outlook

- The Group is mindful of operating in a volatile environment with the potential for further macro-economic and geopolitical challenges, but as a result of increased full year visibility management is reinstating guidance for 2022.
- The strong store openings momentum in Turkey is anticipated to continue in the second half, driven by solid franchisee demand.
- The Group continues to limit investment into its Russian operations given the sustained conflict in the region and is focused on optimising its existing store network. Management is monitoring the situation in the region closely.
- COFFY remains in the early stages of its development, having launched in 2021, but management believes it represents an outstanding growth opportunity. More store openings are expected in the second half
- Guidance for store openings, LfL growth rates and capital expenditure for 2022 is as follows:

	Turkey	Russia
<b>LfL growth rate</b>	55 - 65%*	0% (based on RUB)
<b>Domino's Pizza net store openings</b>	30 - 40	0
<b>COFFY net store openings</b>	20 - 30	-
<b>Capital expenditure</b>	TRY 90 million*	RUB 190 million

\* excl. impact of hyperinflationary accounting <sup>(1)</sup>

## Commenting on the update, Chief Executive Officer, Aslan Saranga said:

“In first half of 2022, we continued our strong business momentum despite the unprecedented challenges in the regions we operate. This was thanks to our experienced team as we navigated the operating environment very carefully. Even in these difficult times, with our innovative and customer-centric mindset, we managed to grow in a healthy manner. Group system sales grew by 65% with a 39% LfL performance versus a year ago.

“System sales in Turkey grew by 59%, corresponding to 51% LfL growth. This was achieved against a strong comparative period of 72% system sales growth and 65% LfL growth. In the first half 2022, with our diligent price adjustments and sustained volume performance, we broadly caught up with the rapid pace of inflation. While increasing prices, we remain committed to providing the best value for money proposition and ensuring our franchisees remain profitable. We believe that we are well positioned to succeed in this environment and deliver long-term sustainable growth.

“Our online channel continues to be the main driver behind our solid growth rates. In Turkey, LfL growth for online system sales was 59.4% (on top of an almost 100% increase last year) and the share of online sales in the Turkish delivery system reached 81.2%. This corresponded to a near seven percentage point increase over the last twelve months.

“In Russia, we faced into a strong comparable period while operating in a difficult geo-political and economic environment. As a result, we had a negative LfL by the end of first half. The online system sales share increased to 93.5% delivering around one and a half percentage points of increase. As previously announced, the Group continues to limit investment into the territory and is focused on optimising the existing store coverage in Russia, resulting in the closure of four stores during the first half of the year. We

continue to monitor the situation in the region closely while the safety and welfare of all the Group's employees and customers remains our primary priority.

"The strong performance in Turkey continues to generate a very robust franchisee demand. We opened 21 net stores in Turkey during the first half of the year. Given our strong pipeline, we remain confident that 2022 will be another solid year for store growth.

"Our new and own-branded COFFY concept has performed extremely well. We achieved robust volume expansion also supported by the enriched product range, which is well received by the Turkish public. Our network reached 15 by the end of June with the addition of new store concepts that serve different consumer profiles. I am personally very excited for the future growth prospects for COFFY and believe it has the ability to make a considerable contribution to our investment story in years to come."

"Whilst the Board is conscious of the ongoing uncertainty, current trends suggest that our adjusted EBITDA<sup>(8)</sup> for 2022 is likely to be above the current market expectations."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

### **Enquiries**

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A conference call for investors and analysts will be held at 9.00am this morning, which will be accessible using the following details:

**Conference call:** Dial-in: +44 (0)330 165 3641  
PIN code: 212745

For international dial-in numbers or any further details, please contact Buchanan on +44 20 7466 5000 / [dp@buchanan.uk.com](mailto:dp@buchanan.uk.com).

A recording of the conference call will subsequently be available at [www.dpeurasia.com](http://www.dpeurasia.com).

### **Notes to Editors**

DP Eurasia N.V. is the exclusive master franchisee of the Domino's Pizza brand in Turkey, Russia, Azerbaijan and Georgia. The Company was admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange plc on 3 July 2017. The Company (together with its subsidiaries, the "Group") is the largest pizza delivery company in Turkey and the third largest in Russia. The Group offers pizza delivery and takeaway/ eat-in facilities at its 827 stores (628 in Turkey, 184 in Russia, 10 in Azerbaijan and five in Georgia as of 30 June 2022) and operates through its owned corporate stores (22%) and franchised stores (78%). The Group maintains a strategic balance between corporate and franchised stores, establishing networks of corporate stores in its most densely populated areas to provide a development platform upon which to promote best practice and maximise profitability. The Group has adapted the Domino's Pizza globally proven business model to its local markets.

## Performance Review

Store count	As at 30 June					
	2022			2021		
	<u>Corporate</u>	<u>Franchised</u>	<u>Total</u>	<u>Corporate</u>	<u>Franchised</u>	<u>Total</u>
Turkey	94	534	628	103	481	584
Russia	92	92	184	116	76	192
Azerbaijan	-	10	10	-	9	9
Georgia	-	5	5	-	4	4
<b>Total</b>	<b>186</b>	<b>641</b>	<b>827</b>	<b>218</b>	<b>571</b>	<b>789</b>

### Delivery channel mix and online LfL growth

The following table shows the Group's delivery system sales<sup>(8)</sup>, broken down by ordering channel and by the Group's two largest countries in which it operates, as a percentage of delivery system sales for the periods ended 30 June 2022 and 2021:

		For the period ended 30 June					
		2022			2021		
		Turkey	Russia	Total	Turkey	Russia	Total
<b>Store</b>		18.3%	6.5%	16.4%	25.6%	7.7%	22.2%
<b>Online</b>	<b>Group's online platform</b>	25.1%	72.2%	38.2%	25.9%	69.5%	36.5%
	<b>Aggregator</b>	56.1%	21.3%	45.0%	48.1%	22.9%	41.0%
	<b>Total online</b>	81.2%	93.5%	83.2%	74.0%	92.3%	77.5%
<b>Call centre</b>		0.5%	-	0.4%	0.4%	-	0.3%
<b>Total</b>		100%	100%	100%	100%	100%	100%

The following table shows the Group's online LfL growth<sup>(2)</sup>, broken down by the Group's two largest countries in which it operates, for the periods ended 30 June 2022 and 2021:

	For the period ended 30 June (excl. impact of hyperinflationary accounting <sup>(1)</sup> )	
	2022	2021
	<b>Group online system sales LfL growth<sup>(4)</sup></b>	
<b>Group<sup>(5)</sup></b>	<b>45.1%</b>	<b>77.6%</b>
Turkey	59.4%	98.0%
Russia (based on RUB)	-2.5%	19.2%

## Liquidity

The Group continues to have a strong liquidity position with TRY 262.2 million of cash and access to an additional banking facility of TRY 107 million.

The Group's sufficient liquidity position enables it to pre-pay its bank borrowings in Russia, despite the recent devaluation of TRY, if required. The Group obtained a waiver from Sberbank with respect to its covenants for all four quarters of 2022 and is in negotiations to reset the covenants or repay the remaining loan. The principal outstanding amount under the Sberbank loan currently amounts to RUB 0.7 billion, of which RUB 0.02 billion is supported by a cash collateral deposit.

### Additional disclosure for the period from 1 January 2022 to 31 March 2022

Jubilant Foodworks Limited, a significant shareholder in DPEU holding approximately 44% of the Company's ordinary share capital, has certain regulatory disclosure requirements regarding its investment in DPEU. In connection with this, going forward DPEU will disclose on a quarterly basis profit after tax and other comprehensive income.

For the period from 1 January 2022 to 31 March 2022, DPEU recorded unaudited loss after tax of TRY 29.7 million and unaudited other comprehensive income of TRY 4.2 million.

## Notes

<sup>(1)</sup> IAS 29 'Financial Reporting in Hyperinflationary Economies' is currently applicable in Turkey and the Company's interim results for the period ending 30 June 2022, expected to be published in September 2022, will be adjusted accordingly. The figures disclosed in this announcement of 21 July 2022 are unaudited and are not inflation adjusted unless stated otherwise.

<sup>(2)</sup> Excluding Coffy stores

<sup>(3)</sup> System sales are sales generated by the Group's corporate and franchised stores to external customers and do not represent revenue of the Group.

<sup>(4)</sup> Like-for-like growth is a comparison of sales between two periods that compares system sales of existing system stores. The Group's system stores that are included in like-for-like system sales comparisons are those the Group considers to be mature operations. The Group considers mature stores to be those stores that have operated for at least 52 weeks preceding the beginning of the first month of the period used in the like-for-like comparisons for a certain reporting period, assuming the relevant system store has not subsequently closed or been "split" (which involves the Group opening an additional store within the same map of an existing store or in an overlapping area).

<sup>(5)</sup> Group like-for-like growth is a weighted average of the country like-for-like growths based on store numbers as described in Note (4).

<sup>(6)</sup> Online system sales are system sales of the Group generated through its online ordering channel.

<sup>(7)</sup> Delivery system sales are system sales of the Group generated through the Group's delivery distribution channel.

<sup>(8)</sup> EBITDA, adjusted EBITDA and non-recurring and non-trade income/expenses are not defined by IFRS. These items are determined by the principles defined by the Group management and comprise income/expenses which are assumed by the Group management to not be part of the normal course of business and are non-trading items. These items which are not defined by IFRS are disclosed by the Group management separately for a better understanding and measurement of the sustainable performance of the Group.

## Appendices

### Exchange Rates

Currency	For the period ended 30 June			
	2022		2021	
	Period End	Period Average	Period End	Period Average
EUR/TRY	17.522	16.196	10.365	9.485
RUB/TRY	0.321	0.200	0.119	0.105
EUR/RUB	53.858	83.520	86.203	89.547

### Delivery – Take away / Eat in mix

	For the period ended 30 June					
	2022			2021		
	Turkey	Russia	Total	Turkey	Russia	Total
<b>Delivery</b>	75.7%	75.9%	75.4%	83.2%	77.2%	81.4%
<b>Take away / Eat in</b>	24.3%	24.1%	24.6%	16.8%	22.8%	18.6%
<b>Total<sup>(2)</sup></b>	100%	100%	100%	100%	100%	100%

### Forward looking statements

This press release includes forward-looking statements which involve known and unknown risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Directors' current beliefs and expectations about future events. They appear in a number of places throughout this press release and include all matters that are not historical facts and include predictions, statements regarding the intentions, beliefs or current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth and strategies of the Group and the industry in which it operates.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements.

Forward-looking statements contained in this press release speak only as of the date of this press release. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this press release to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based.