

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 19, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-32242

Domino's Pizza, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)
30 Frank Lloyd Wright Drive
Ann Arbor, Michigan
(Address of Principal Executive Offices)

38-2511577
(I.R.S. Employer
Identification No.)

48105
(Zip Code)

(734) 930-3030

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Each Exchange on Which Registered</u>
Domino's Pizza, Inc. Common Stock, \$0.01 par value	DPZ	New York Stock Exchange

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 14, 2022, Domino's Pizza, Inc. had 35,885,105 shares of common stock, par value \$0.01 per share, outstanding.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

(In thousands)	June 19, 2022	January 2, 2022 (1)
Assets		
Current assets:		
Cash and cash equivalents	\$ 114,353	\$ 148,160
Restricted cash and cash equivalents	158,215	180,579
Accounts receivable, net	274,957	255,327
Inventories	70,201	68,328
Prepaid expenses and other	45,645	27,242
Advertising fund assets, restricted	182,499	180,904
Total current assets	845,870	860,540
Property, plant and equipment:		
Land and buildings	108,245	108,372
Leasehold and other improvements	195,834	193,572
Equipment	322,079	312,772
Construction in progress	27,161	27,815
	653,319	642,531
Accumulated depreciation and amortization	(339,507)	(318,466)
Property, plant and equipment, net	313,812	324,065
Other assets:		
Operating lease right-of-use assets	222,780	210,702
Goodwill	16,153	15,034
Capitalized software, net	103,137	95,558
Investments	125,840	125,840
Other assets	40,652	37,968
Deferred income taxes	2,386	2,109
Total other assets	510,948	487,211
Total assets	\$ 1,670,630	\$ 1,671,816
Liabilities and stockholders' deficit		
Current liabilities:		
Current portion of long-term debt	\$ 55,654	\$ 55,588
Accounts payable	99,465	91,547
Operating lease liabilities	41,682	37,155
Insurance reserves	32,157	32,588
Dividends payable	40,624	918
Advertising fund liabilities	175,069	173,737
Other accrued liabilities	130,798	199,208
Total current liabilities	575,449	590,741
Long-term liabilities:		
Long-term debt, less current portion	4,989,578	5,014,638
Operating lease liabilities	194,674	184,471
Insurance reserves	36,213	36,913
Other accrued liabilities	48,724	50,667
Deferred income taxes	6,301	3,922
Total long-term liabilities	5,275,490	5,290,611
Stockholders' deficit:		
Common stock	359	361
Additional paid-in capital	3,589	840
Retained deficit	(4,180,367)	(4,207,917)
Accumulated other comprehensive loss	(3,890)	(2,820)
Total stockholders' deficit	(4,180,309)	(4,209,536)
Total liabilities and stockholders' deficit	\$ 1,670,630	\$ 1,671,816

(1) The condensed consolidated balance sheet at January 2, 2022 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

The accompanying notes are an integral part of these condensed consolidated financial statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(Unaudited)

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
(In thousands, except per share data)				
Revenues:				
U.S. Company-owned stores	\$ 112,502	\$ 116,589	\$ 216,397	\$ 229,333
U.S. franchise royalties and fees	128,098	126,836	250,383	251,322
Supply chain	646,586	602,962	1,256,133	1,171,300
International franchise royalties and fees	66,915	69,745	135,748	136,515
U.S. franchise advertising	111,081	116,340	217,670	227,700
Total revenues	1,065,182	1,032,472	2,076,331	2,016,170
Cost of sales:				
U.S. Company-owned stores	94,065	88,019	181,440	173,761
Supply chain	584,852	536,763	1,140,002	1,045,568
Total cost of sales	678,917	624,782	1,321,442	1,219,329
Gross margin	386,265	407,690	754,889	796,841
General and administrative	97,070	100,448	194,564	191,701
U.S. franchise advertising	111,081	116,340	217,670	227,700
Income from operations	178,114	190,902	342,655	377,440
Other income	—	—	—	2,500
Interest income	219	68	268	90
Interest expense	(44,851)	(45,877)	(91,723)	(85,299)
Income before provision for income taxes	133,482	145,093	251,200	294,731
Provision for income taxes	30,989	28,474	57,743	60,351
Net income	\$ 102,493	\$ 116,619	\$ 193,457	\$ 234,380
Earnings per share:				
Common stock - basic	\$ 2.85	\$ 3.10	\$ 5.38	\$ 6.14
Common stock - diluted	2.82	3.06	5.32	6.06

The accompanying notes are an integral part of these condensed consolidated financial statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(In thousands)	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
Net income	\$ 102,493	\$ 116,619	\$ 193,457	\$ 234,380
Currency translation adjustment	(1,684)	230	(1,070)	416
Comprehensive income	\$ 100,809	\$ 116,849	\$ 192,387	\$ 234,796

The accompanying notes are an integral part of these condensed consolidated financial statements.

Domino's Pizza, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021
Cash flows from operating activities:		
Net income	\$ 193,457	\$ 234,380
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,093	33,641
Loss on sale/disposal of assets	448	456
Amortization of debt issuance costs	2,631	4,438
Provision for deferred income taxes	2,490	2,561
Non-cash equity-based compensation expense	15,738	13,500
Excess tax benefits from equity-based compensation	(174)	(4,264)
Provision for losses on accounts and notes receivable	2,326	296
Unrealized gain on investments	—	(2,500)
Changes in operating assets and liabilities	(102,935)	(17,098)
Changes in advertising fund assets and liabilities, restricted	2,341	30,005
Net cash provided by operating activities	153,415	295,415
Cash flows from investing activities:		
Capital expenditures	(32,664)	(33,163)
Purchase of investments	—	(40,000)
Purchase of franchise operations and other assets	(6,814)	—
Other	(435)	293
Net cash used in investing activities	(39,913)	(72,870)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	—	1,850,000
Repayments of long-term debt and finance lease obligations	(27,528)	(882,547)
Proceeds from exercise of stock options	526	9,025
Purchases of common stock	(97,661)	(1,025,000)
Tax payments for restricted stock upon vesting	(2,395)	(1,087)
Payments of common stock dividends and equivalents	(39,662)	(36,432)
Cash paid for financing costs	—	(14,938)
Other	—	(244)
Net cash used in financing activities	(166,720)	(101,223)
Effect of exchange rate changes on cash	(635)	302
Change in cash and cash equivalents, restricted cash and cash equivalents	(53,853)	121,624
Cash and cash equivalents, beginning of period	148,160	168,821
Restricted cash and cash equivalents, beginning of period	180,579	217,453
Cash and cash equivalents included in advertising fund assets, restricted, beginning of period	161,741	115,872
Cash and cash equivalents, restricted cash and cash equivalents and cash and cash equivalents included in advertising fund assets, restricted, beginning of period	490,480	502,146
Cash and cash equivalents, end of period	114,353	292,095
Restricted cash and cash equivalents, end of period	158,215	184,695
Cash and cash equivalents included in advertising fund assets, restricted, end of period	164,059	146,980
Cash and cash equivalents, restricted cash and cash equivalents and cash and cash equivalents included in advertising fund assets, restricted, end of period	\$ 436,627	\$ 623,770

The accompanying notes are an integral part of these condensed consolidated financial statements.

Domino's Pizza, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited; tabular amounts in thousands, except percentages, share and per share amounts)

June 19, 2022

1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes for the fiscal year ended January 2, 2022 included in the Company's 2021 Annual Report on Form 10-K, filed with the Securities and Exchange Commission on March 1, 2022 (the "2021 Form 10-K").

In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair statement have been included. Operating results for the fiscal quarter and two fiscal quarters ended June 19, 2022 are not necessarily indicative of the results that may be expected for the fiscal year ending January 1, 2023.

2. Segment Information

The following tables summarize revenues and earnings before interest, taxes, depreciation, amortization and other, which is the measure by which the Company allocates resources to its segments and which the Company refers to as Segment Income, for each of its reportable segments. Intersegment revenues are comprised of sales of food, equipment and supplies from the supply chain segment to the Company-owned stores in the U.S. stores segment. Intersegment sales prices are market based. The "Other" column as it relates to Segment Income below primarily includes corporate administrative costs that are not allocable to a reportable segment, including labor, computer expenses, professional fees, travel and entertainment, rent, insurance and other corporate administrative costs.

Fiscal Quarters Ended June 19, 2022 and June 20, 2021						
	U.S. Stores	Supply Chain	International Franchise	Intersegment Revenues	Other	Total
Revenues						
2022	\$ 351,681	\$ 683,298	\$ 66,915	\$ (36,712)	\$ —	\$ 1,065,182
2021	359,765	635,592	69,745	(32,630)	—	1,032,472
Segment Income						
2022	\$ 104,055	\$ 53,633	\$ 52,890	N/A	\$ (5,621)	\$ 204,957
2021	111,847	58,593	56,365	N/A	(9,627)	217,178

Two Fiscal Quarters Ended June 19, 2022 and June 20, 2021						
	U.S. Stores	Supply Chain	International Franchise	Intersegment Revenues	Other	Total
Revenues						
2022	\$ 684,450	\$ 1,325,260	\$ 135,748	\$ (69,127)	\$ —	\$ 2,076,331
2021	708,355	1,234,769	136,515	(63,469)	—	2,016,170
Segment Income						
2022	\$ 201,347	\$ 99,982	\$ 107,936	N/A	\$ (13,331)	\$ 395,934
2021	219,283	111,145	110,833	N/A	(15,715)	425,546

The following table reconciles total Segment Income to consolidated income before provision for income taxes.

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
Total Segment Income	\$ 204,957	\$ 217,178	\$ 395,934	\$ 425,546
Depreciation and amortization	(18,117)	(17,176)	(37,093)	(33,641)
Loss on sale/disposal of assets	(253)	(295)	(448)	(456)
Non-cash equity-based compensation expense	(8,473)	(8,296)	(15,738)	(13,500)
Recapitalization-related expenses	—	(509)	—	(509)
Income from operations	178,114	190,902	342,655	377,440
Other income	—	—	—	2,500
Interest income	219	68	268	90
Interest expense	(44,851)	(45,877)	(91,723)	(85,299)
Income before provision for income taxes	\$ 133,482	\$ 145,093	\$ 251,200	\$ 294,731

3. Earnings Per Share

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
Net income available to common stockholders - basic and diluted	\$ 102,493	\$ 116,619	\$ 193,457	\$ 234,380
Basic weighted average number of shares	35,915,102	37,590,369	35,957,999	38,145,297
Earnings per share – basic	\$ 2.85	\$ 3.10	\$ 5.38	\$ 6.14
Diluted weighted average number of shares	36,296,277	38,122,515	36,368,297	38,665,325
Earnings per share – diluted	\$ 2.82	\$ 3.06	\$ 5.32	\$ 6.06

The denominators used in calculating diluted earnings per share for common stock for the fiscal quarters and two fiscal quarters each ended June 19, 2022 and June 20, 2021 do not include the following because the effect of including these shares would be anti-dilutive or because the performance condition for these awards had not yet been met:

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
Anti-dilutive shares underlying stock-based awards				
Stock options	120,540	84,955	120,540	92,689
Restricted stock awards and units	67,677	—	346	—
Performance condition not met				
Restricted stock awards and units	42,710	64,110	42,710	64,110

4. Stockholders' Deficit

The following table summarizes the changes in stockholders' deficit for the second quarter of 2022.

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
	Shares	Amount			
Balance at March 27, 2022	36,037,373	\$ 360	\$ 3,545	\$ (4,200,341)	\$ (2,206)
Net income	—	—	—	102,493	—
Dividends declared on common stock and equivalents (\$1.10 per share)	—	—	—	(39,603)	—
Issuance and cancellation of stock awards, net	13,866	—	—	—	—
Tax payments for restricted stock upon vesting	(3,950)	—	(1,606)	—	—
Purchases of common stock	(148,248)	(1)	(7,083)	(42,916)	—
Exercise of stock options	605	—	260	—	—
Non-cash equity-based compensation expense	—	—	8,473	—	—
Currency translation adjustment	—	—	—	—	(1,684)
Balance at June 19, 2022	35,899,646	\$ 359	\$ 3,589	\$ (4,180,367)	\$ (3,890)

The following table summarizes the changes in stockholders' deficit for the two fiscal quarters of 2022.

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
	Shares	Amount			
Balance at January 2, 2022	36,138,273	\$ 361	\$ 840	\$ (4,207,917)	\$ (2,820)
Net income	—	—	—	193,457	—
Dividends declared on common stock and equivalents (\$2.20 per share)	—	—	—	(79,368)	—
Issuance and cancellation of stock awards, net	14,206	—	—	—	—
Tax payments for restricted stock upon vesting	(5,825)	—	(2,395)	—	—
Purchases of common stock	(249,058)	(2)	(11,120)	(86,539)	—
Exercise of stock options	2,050	—	526	—	—
Non-cash equity-based compensation expense	—	—	15,738	—	—
Currency translation adjustment	—	—	—	—	(1,070)
Balance at June 19, 2022	<u>35,899,646</u>	<u>\$ 359</u>	<u>\$ 3,589</u>	<u>\$ (4,180,367)</u>	<u>\$ (3,890)</u>

Subsequent to the end of the second quarter of 2022, on July 19, 2022, the Company's Board of Directors declared a \$1.10 per share quarterly dividend on its outstanding common stock for shareholders of record as of September 15, 2022 to be paid on September 30, 2022.

The following table summarizes the changes in stockholders' deficit for the second quarter of 2021.

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
	Shares	Amount			
Balance at March 28, 2021	38,818,197	\$ 388	\$ 6,612	\$ (3,240,842)	\$ (2,238)
Net income	—	—	—	116,619	—
Dividends declared on common stock and equivalents (\$0.94 per share)	—	—	—	(34,680)	—
Issuance and cancellation of stock awards, net	837	—	—	—	—
Tax payments for restricted stock upon vesting	(110)	—	(43)	—	—
Purchases of common stock	(2,012,596)	(20)	(12,181)	(987,799)	—
Exercise of stock options	47,243	1	5,331	—	—
Non-cash equity-based compensation expense	—	—	8,296	—	—
Other	—	—	(244)	—	—
Currency translation adjustment	—	—	—	—	230
Balance at June 20, 2021	<u>36,853,571</u>	<u>\$ 369</u>	<u>\$ 7,771</u>	<u>\$ (4,146,702)</u>	<u>\$ (2,008)</u>

The following table summarizes the changes in stockholders' deficit for the two fiscal quarters of 2021.

	Common Stock		Additional Paid-in Capital	Retained Deficit	Accumulated Other Comprehensive Loss
	Shares	Amount			
Balance at January 3, 2021	38,868,350	\$ 389	\$ 5,122	\$ (3,303,492)	\$ (2,424)
Net income	—	—	—	234,380	—
Dividends declared on common stock and equivalents (\$1.88 per share)	—	—	—	(71,155)	—
Issuance and cancellation of stock awards, net	(1,918)	—	—	—	—
Tax payments for restricted stock upon vesting	(2,901)	—	(1,087)	—	—
Purchases of common stock	(2,078,466)	(21)	(18,544)	(1,006,435)	—
Exercise of stock options	68,506	1	9,024	—	—
Non-cash equity-based compensation expense	—	—	13,500	—	—
Other	—	—	(244)	—	—
Currency translation adjustment	—	—	—	—	416
Balance at June 20, 2021	<u>36,853,571</u>	<u>\$ 369</u>	<u>\$ 7,771</u>	<u>\$ (4,146,702)</u>	<u>\$ (2,008)</u>

5. Fair Value Measurements

Fair value measurements enable the reader of the financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. The Company classifies and discloses assets and liabilities carried at fair value in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Fair Value of Cash Equivalents and Investments

The fair values of the Company's cash equivalents and investments in marketable securities are based on quoted prices in active markets for identical assets. The fair value of the Company's Level 3 investment is not readily determinable. The fair value represents its cost with adjustments for observable changes in prices resulting from orderly transactions for the identical or a similar investment of the same issuer or impairments.

The following tables summarize the carrying amounts and fair values of certain assets at June 19, 2022 and January 2, 2022:

	At June 19, 2022			
	Carrying Amount	Fair Value Estimated Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	\$ 76,381	\$ 76,381	\$ —	\$ —
Restricted cash equivalents	117,426	117,426	—	—
Investments in marketable securities	13,740	13,740	—	—
Advertising fund cash equivalents, restricted	150,752	150,752	—	—
Investments	125,840	—	—	125,840

	At January 2, 2022			
	Carrying Amount	Fair Value Estimated Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash equivalents	\$ 87,384	\$ 87,384	\$ —	\$ —
Restricted cash equivalents	115,185	115,185	—	—
Investments in marketable securities	15,433	15,433	—	—
Advertising fund cash equivalents, restricted	140,115	140,115	—	—
Investments	125,840	—	—	125,840

The Company holds a non-controlling interest in DPC Dash Ltd, a privately-held business company limited by shares incorporated with limited liability under the laws of the British Virgin Islands ("DPC Dash"). Through its subsidiaries, DPC Dash serves as the Company's master franchisee in China that owns and operates Domino's Pizza stores in that market. The Company's investment in DPC Dash's senior ordinary shares, which are not in-substance common stock, represents an equity investment without a readily determinable fair value and is recorded at cost with adjustments for observable changes in prices resulting from orderly transactions for the identical or a similar investment of the same issuer or impairments.

The Company did not record any adjustments to the carrying amount of \$125.8 million in the second quarter or two fiscal quarters of 2022. The following table summarizes the reconciliation of the carrying amount of the Company's investment in DPC Dash from the opening balance at January 3, 2021 to the closing balance at June 20, 2021 as a result of the additional investment made in the first quarter of 2021.

	Two Fiscal Quarters Ended June 20, 2021			
	Carrying Amount			Carrying Amount
	January 3, 2021	Purchases	Unrealized Gain	June 20, 2021
Investments	\$ 40,000	\$ 40,000	\$ 2,500	\$ 82,500

Fair Value of Debt

The estimated fair values of the Company's fixed rate notes are classified as Level 2 measurements, as the Company estimates the fair value amount by using available market information. The Company obtained quotes from two separate brokerage firms that are knowledgeable about the Company's fixed rate notes and, at times, trade these notes. The Company also performed its own internal analysis based on the information gathered from public markets, including information on notes that are similar to those of the Company. However, considerable judgment is required to interpret market data to estimate fair value. Accordingly, the fair value estimates presented are not necessarily indicative of the amount that the Company or the debtholders could realize in a current market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair values stated below.

Management estimated the approximate fair values of the Company's 2015, 2017, 2018, 2019 and 2021 notes as follows:

	June 19, 2022		January 2, 2022	
	Principal Amount	Fair Value	Principal Amount	Fair Value
2015 Ten-Year Notes	\$ 756,000	\$ 737,856	\$ 760,000	\$ 777,480
2017 Ten-Year Notes	957,500	901,008	962,500	1,000,038
2018 7.5-Year Notes	410,125	395,361	412,250	420,907
2018 9.25-Year Notes	386,000	368,244	388,000	407,788
2019 Ten-Year Notes	659,813	589,872	663,188	693,031
2021 7.5-Year Notes	841,500	720,324	845,750	849,133
2021 Ten-Year Notes	990,000	832,590	995,000	1,017,885

The Company did not have any outstanding borrowings under its variable funding notes at June 19, 2022 or January 2, 2022.

6. Revenue Disclosures

Contract Liabilities

Contract liabilities primarily consist of deferred franchise fees and deferred development fees. Deferred franchise fees and deferred development fees of \$5.5 million and \$5.4 million were included in current other accrued liabilities as of June 19, 2022 and January 2, 2022, respectively. Deferred franchise fees and deferred development fees of \$23.8 million and \$24.3 million were included in long-term other accrued liabilities as of June 19, 2022 and January 2, 2022, respectively.

Changes in deferred franchise fees and deferred development fees for the two fiscal quarters of 2022 and the two fiscal quarters of 2021 were as follows:

	Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021
Deferred franchise fees and deferred development fees at beginning of period	\$ 29,694	\$ 19,090
Revenue recognized during the period	(2,855)	(2,691)
New deferrals due to cash received and other	2,448	3,805
Deferred franchise fees and deferred development fees at end of period	\$ 29,287	\$ 20,204

Advertising Fund Assets

As of June 19, 2022, advertising fund assets, restricted of \$182.5 million consisted of \$164.1 million of cash and cash equivalents, \$13.5 million of accounts receivable and \$4.9 million of prepaid expenses. As of June 19, 2022, advertising fund cash and cash equivalents included \$7.4 million of cash contributed from U.S. Company-owned stores that had not yet been expended.

As of January 2, 2022, advertising fund assets, restricted of \$180.9 million consisted of \$161.7 million of cash and cash equivalents, \$14.5 million of accounts receivable and \$4.7 million of prepaid expenses. As of January 2, 2022, advertising fund cash and cash equivalents included \$7.2 million of cash contributed from U.S. Company-owned stores that had not yet been expended.

7. Leases

The Company leases certain retail store and supply chain center locations, supply chain vehicles, equipment and its corporate headquarters with expiration dates through 2041.

The components of operating and finance lease cost for the second quarter and two fiscal quarters of 2022 and the second quarter and two fiscal quarters of 2021 were as follows:

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
Operating lease cost	\$ 10,789	\$ 10,326	\$ 21,064	\$ 20,750
Finance lease cost:				
Amortization of right-of-use assets	1,195	1,003	2,403	1,922
Interest on lease liabilities	732	722	1,836	1,748
Total finance lease cost	\$ 1,927	\$ 1,725	\$ 4,239	\$ 3,670

Rent expense totaled \$19.0 million and \$37.9 million in the second quarter and two fiscal quarters of 2022, respectively. Rent expense totaled \$17.9 million and \$36.1 million in the second quarter and two fiscal quarters of 2021, respectively. Rent expense includes operating lease cost, as well as expense for non-lease components including common area maintenance, real estate taxes and other costs for the Company's real estate leases. Rent expense also includes the variable rate per mile driven and fixed maintenance charges for the Company's supply chain center tractors and trailers and expense for short-term rentals. Rent expense for certain short-term supply chain center tractor and trailer rentals was \$1.6 million and \$3.8 million in the second quarter and two fiscal quarters of 2022, respectively. Rent expense for short-term supply chain center tractor and trailer rentals was \$2.0 million and \$3.8 million in the second quarter and two fiscal quarters of 2021, respectively. Variable rent expense and rent expense for other short-term leases were immaterial in both the second quarter and two fiscal quarters of 2022 and 2021.

Supplemental balance sheet information related to the Company's finance leases as of June 19, 2022 and January 2, 2022 was as follows:

	June 19, 2022	January 2, 2022
Land and buildings	\$ 86,839	\$ 86,965
Accumulated depreciation and amortization	(16,804)	(14,423)
Finance lease assets, net	\$ 70,035	\$ 72,542
Current portion of long-term debt	\$ 4,154	\$ 4,088
Long-term debt, less current portion	70,309	72,250
Total principal payable on finance leases	\$ 74,463	\$ 76,338

As of June 19, 2022 and January 2, 2022, the weighted average remaining lease term and weighted average discount rate for the Company's operating and finance leases were as follows:

	June 19, 2022		January 2, 2022	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
Weighted average remaining lease term	7 years	15 years	7 years	15 years
Weighted average discount rate	3.6%	5.8%	3.5%	5.8%

Supplemental cash flow information related to leases for the second quarter and two fiscal quarters of 2022 and the second quarter and two fiscal quarters of 2021 were as follows:

	Fiscal Quarter Ended		Two Fiscal Quarters Ended	
	June 19, 2022	June 20, 2021	June 19, 2022	June 20, 2021
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$ 7,858	\$ 9,105	\$ 18,495	\$ 19,292
Operating cash flows from finance leases	732	722	1,836	1,748
Financing cash flows from finance leases	792	593	1,778	1,297
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	23,407	6,681	31,164	11,353
Finance leases	—	5,261	—	5,660

Maturities of lease liabilities as of June 19, 2022 were as follows:

	Operating Leases	Finance Leases
2022	\$ 29,410	\$ 4,722
2023	43,207	7,523
2024	42,579	8,100
2025	37,063	7,919
2026	34,410	8,615
Thereafter	79,923	77,842
Total future minimum rental commitments	266,592	114,721
Less – amounts representing interest	(30,236)	(40,258)
Total lease liabilities	\$ 236,356	\$ 74,463

As of June 19, 2022, the Company had additional leases for one supply chain center, one storage warehouse facility and certain supply chain tractors and trailers that had not yet commenced with estimated future minimum rental commitments of approximately \$61.1 million. These leases are expected to commence in 2022 and 2023 with lease terms of up to 16 years. These undiscounted amounts are not included in the table above.

The Company has guaranteed lease payments related to certain franchisees' and others' lease arrangements. The maximum amount of potential future payments under these guarantees was \$7.9 million and \$9.1 million as of June 19, 2022 and January 2, 2022, respectively. The Company does not believe these arrangements have or are likely to have a material effect on its results of operations, financial condition, revenues, expenses or liquidity.

8. Supplemental Disclosures of Cash Flow Information

The Company had non-cash investing activities related to accruals for capital expenditures of \$5.8 million at June 19, 2022 and \$5.4 million at January 2, 2022. The Company also had less than \$0.1 million of non-cash investing activities related to lease incentives in the two fiscal quarters of both 2022 and 2021.

9. Company-owned Store Transactions

During the first quarter of 2022, the Company purchased 23 U.S. franchised stores from certain of the Company's existing U.S. franchisees for \$6.8 million, which included \$4.0 million of intangibles, \$1.7 million of equipment and leasehold improvements and \$1.1 million of goodwill.

10. New Accounting Pronouncements

Accounting Standards Not Yet Adopted

The Company has considered all new accounting standards issued by the Financial Accounting Standards Board ("FASB"). The Company has not yet adopted the following standard.

Accounting Standards Update ("ASU") 2020-04, Facilitation of the Effects of Reference Rate Reform on Financial Reporting

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting ("ASU 2020-04")*, which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform. The Company's variable funding notes bear interest at fluctuating interest rates based on LIBOR. However, the associated loan documents contemplate a transition from LIBOR to secured overnight financing rate ("SOFR") in the event that LIBOR ceases to exist. ASU 2020-04 may currently be adopted and may be applied prospectively to contract modifications made on or before December 31, 2022. The Company does not expect the adoption of this guidance to have a material impact on its condensed consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.
(Unaudited; tabular amounts in millions, except percentages and store data)

The 2022 and 2021 second quarters referenced herein represent the twelve-week periods ended June 19, 2022 and June 20, 2021, respectively. The 2022 and 2021 two fiscal quarters referenced herein represent the twenty-four-week periods ended June 19, 2022 and June 20, 2021, respectively. In this section, we discuss the results of our operations for the second quarter and two fiscal quarters of 2022 as compared to the second quarter and two fiscal quarters of 2021.

Overview

Domino’s is the largest pizza company in the world with more than 19,200 locations in over 90 markets around the world as of June 19, 2022, and operates two distinct service models within its stores with a significant business in both delivery and carryout. Founded in 1960, our roots are in convenient pizza delivery, while a significant amount of our sales also come from carryout customers. We are a highly recognized global brand, and we focus on serving neighborhoods locally through our large worldwide network of franchise owners and U.S. Company-owned stores. We are primarily a franchisor, with approximately 98% of Domino’s stores currently owned and operated by our independent franchisees. Franchising enables an individual to be his or her own employer and maintain control over all employment-related matters and pricing decisions, while also benefiting from the strength of the Domino’s global brand and operating system with limited capital investment by us.

The Domino’s business model is straightforward: Domino’s stores handcraft and serve quality food at a competitive price, with easy ordering access and efficient service, enhanced by our technological innovations. Our hand-tossed dough is made fresh and distributed to stores around the world by us and our franchisees.

Domino’s generates revenues and earnings by charging royalties and fees to our franchisees. Royalties are ongoing percent-of-sales fees for use of the Domino’s® brand marks. We also generate revenues and earnings by selling food, equipment and supplies to franchisees through our supply chain operations, primarily in the U.S. and Canada, and by operating a number of Company-owned stores in the United States. Franchisees profit by selling pizza and other complementary items to their local customers. In our international markets, we generally grant geographical rights to the Domino’s Pizza® brand to master franchisees. These master franchisees are charged with developing their geographical area, and they may profit by sub-franchising and selling food and equipment to those sub-franchisees, as well as by running pizza stores. We believe that everyone in the system can benefit, including the end consumer, who can purchase Domino’s menu items for themselves and their family conveniently and economically.

The Domino’s business model can yield strong returns for our franchise owners and our Company-owned stores. It can also yield significant cash flows to us, through a consistent franchise royalty payment and supply chain revenue stream, with moderate capital expenditures. We have historically returned cash to shareholders through dividend payments and share repurchases. We believe we have a proven business model for success, which includes leading with technology, service and product innovation and leveraging our global scale, which has historically driven strong returns for our shareholders.

Second Quarter of 2022 Highlights

- Global retail sales, excluding foreign currency impact (which includes total retail sales at Company-owned and franchised stores worldwide), increased 1.5% as compared to the second quarter of 2021. U.S. retail sales declined 0.6% and international retail sales, excluding foreign currency impact, increased 3.7% as compared to the second quarter of 2021.
- Same store sales declined 2.9% in our U.S. stores and declined 2.2% in our international stores (excluding foreign currency impact).
- Revenues increased 3.2%.
- Income from operations decreased 6.7%.
- Net income decreased 12.1%.
- Diluted earnings per share decreased 7.8%.

Two Fiscal Quarters of 2022 Highlights

- Global retail sales, excluding foreign currency impact (which includes total retail sales at Company-owned and franchised stores worldwide), increased 2.5% as compared to the two fiscal quarters of 2021. U.S. retail sales declined 1.0% and international retail sales, excluding foreign currency impact, increased 6.0% as compared to the two fiscal quarters of 2021.
- Same store sales declined 3.3% in our U.S. stores and declined 0.5% in our international stores (excluding foreign currency impact).
- Revenues increased 3.0%.
- Income from operations decreased 9.2%.
- Net income decreased 17.5%.
- Diluted earnings per share decreased 12.2%.

Excluding the negative impact of foreign currency, Domino's experienced global retail sales growth during the second quarter and two fiscal quarters of 2022. We believe our commitment to value, convenience, quality and new products continues to keep consumers engaged with the brand. U.S. same store sales declined 2.9% and 3.3% in the second quarter and two fiscal quarters of 2022, respectively, rolling over increases in U.S. same store sales of 3.5% and 8.1% in the second quarter and two fiscal quarters of 2021, respectively. The decline in U.S. same store sales in the second quarter and two fiscal quarters of 2022 was attributable to lower order counts due in part to labor shortages affecting store hours and staffing levels in many of our markets and economic stimulus activity in the U.S. in the second quarter and two fiscal quarters of 2021 in response to the COVID-19 pandemic which did not recur in the respective periods of 2022. These decreases were partially offset by a higher average ticket per transaction resulting from higher menu and national offer pricing, as well as more items purchased per transaction and increases to our average delivery fee. International same store sales (excluding foreign currency impact) declined 2.2% and 0.5% in the second quarter and two fiscal quarters of 2022, respectively, rolling over increases in international same store sales (excluding foreign currency impact) of 13.9% and 12.8% in the second quarter and two fiscal quarters of 2021, respectively. The decline in same store sales (excluding foreign currency impact) in the second quarter and two fiscal quarters of 2022 in our international business was driven in part by a value added tax holiday in the United Kingdom in the second quarter of 2021 that did not recur in the second quarter of 2022. Our U.S. and international same store sales (excluding foreign currency impact) continue to be pressured by our fortressing strategy, which includes increasing store concentration in certain markets where we compete, as well as from aggressive competitive activity.

During the second quarter and two fiscal quarters of 2022, we experienced significant inflationary pressures in our commodity, labor and fuel costs resulting from the macroeconomic environment in the U.S., which had a significant impact on our overall operating results as compared to the respective periods of fiscal 2021.

We continued our global expansion with the opening of 233 net stores in the second quarter of 2022, bringing our year-to-date total to 446. We had 22 net stores open in the U.S. and 211 net stores open internationally during the second quarter of 2022.

Overall, we believe our continued global store growth, along with our global retail sales growth (excluding foreign currency impact), emphasis on technology, operations, and marketing initiatives, have combined to strengthen our brand.

Statistical Measures

The tables below outline certain statistical measures we utilize to analyze our performance. This historical data is not necessarily indicative of results to be expected for any future period.

Global Retail Sales Growth (excluding foreign currency impact)

Global retail sales growth (excluding foreign currency impact) is a commonly used statistical measure in the quick-service restaurant industry that is important to understanding performance. Global retail sales refers to total worldwide retail sales at Company-owned and franchise stores. We believe global retail sales information is useful in analyzing revenues because franchisees pay royalties and, in the U.S., advertising fees that are based on a percentage of franchise retail sales. We review comparable industry global retail sales information to assess business trends and to track the growth of the Domino's Pizza brand. In addition, supply chain revenues are directly impacted by changes in franchise retail sales in the U.S. and Canada. Retail sales for franchise stores are reported to us by our franchisees and are not included in our revenues. Global retail sales growth, excluding foreign currency impact, is calculated as the change of international local currency global retail sales against the comparable period of the prior year.

	Second Quarter of 2022	Second Quarter of 2021	Two Fiscal Quarters of 2022	Two Fiscal Quarters of 2021
U.S. stores	(0.6)%	+7.4%	(1.0)%	+11.1%
International stores (excluding foreign currency impact)	+3.7%	+29.5%	+6.0%	+20.6%
Total (excluding foreign currency impact)	+1.5%	+17.1%	+2.5%	+15.6%

Same Store Sales Growth

Same store sales growth is a commonly used statistical measure in the quick-service restaurant industry that is important to understanding performance. Same store sales growth is calculated by including only sales from stores that also had sales in the comparable weeks of both years. International same store sales growth is calculated similarly to U.S. same store sales growth. Changes in international same store sales are reported excluding foreign currency impacts, which reflect changes in international local currency sales.

	Second Quarter of 2022	Second Quarter of 2021	Two Fiscal Quarters of 2022	Two Fiscal Quarters of 2021
U.S. Company-owned stores (1)	(9.2)%	(2.6)%	(9.8)%	+1.6%
U.S. franchise stores (1)	(2.5)%	+3.9%	(2.9)%	+8.5%
U.S. stores	(2.9)%	+3.5%	(3.3)%	+8.1%
International stores (excluding foreign currency impact)	(2.2)%	+13.9%	(0.5)%	+12.8%

(1) During the first quarter of 2022, we purchased 23 U.S. franchised stores from certain of our existing U.S. franchisees (the "2022 Store Purchase"). The same store sales growth for these stores is reflected in U.S. Company-owned stores in the second quarter and two fiscal quarters of 2022.

Store Growth Activity

Store counts and net store growth are commonly used statistical measures in the quick-service restaurant industry that are important to understanding performance.

	U.S. Company- owned Stores	U.S. Franchise Stores	Total U.S. Stores	International Stores	Total
Store count at March 27, 2022	400	6,197	6,597	12,464	19,061
Openings	1	23	24	249	273
Closings (1)	—	(2)	(2)	(38)	(40)
Store count at June 19, 2022	401	6,218	6,619	12,675	19,294
Second quarter 2022 net store growth	1	21	22	211	233
Trailing four quarters net store growth (2)	12	181	193	1,044	1,237

- (1) Temporary store closures are not treated as store closures and affected stores are included in the ending store count. Based on information reported to us by our master franchisees, we estimate that as of June 19, 2022, there were fewer than 150 international stores temporarily closed.
- (2) Trailing four quarters net store growth does not include the effect of transfers associated with the 2022 Store Purchase.

Income Statement Data

	Second Quarter of 2022		Second Quarter of 2021		Two Fiscal Quarters of 2022		Two Fiscal Quarters of 2021	
U.S. Company-owned stores	\$112.5		\$116.6		\$216.4		\$229.3	
U.S. franchise royalties and fees	128.1		126.8		250.4		251.3	
Supply chain	646.6		603.0		1,256.1		1,171.3	
International franchise royalties and fees	66.9		69.7		135.7		136.5	
U.S. franchise advertising	111.1		116.3		217.7		227.7	
Total revenues	1,065.2	100.0%	1,032.5	100.0%	2,076.3	100.0%	2,016.2	100.0%
U.S. Company-owned stores	94.1		88.0		181.4		173.8	
Supply chain	584.9		536.8		1,140.0		1,045.6	
Total cost of sales	678.9	63.7%	624.8	60.5%	1,321.4	63.6%	1,219.3	60.5%
Gross margin	386.3	36.3%	407.7	39.5%	754.9	36.4%	796.8	39.5%
General and administrative	97.1	9.2%	100.4	9.7%	194.6	9.4%	191.7	9.5%
U.S. franchise advertising	111.1	10.4%	116.3	11.3%	217.7	10.5%	227.7	11.3%
Income from operations	178.1	16.7%	190.9	18.5%	342.7	16.5%	377.4	18.7%
Other income	—	0.0%	—	0.0%	—	0.0%	2.5	0.1%
Interest expense, net	(44.6)	(4.2)%	(45.8)	(4.4)%	(91.5)	(4.4)%	(85.2)	(4.2)%
Income before provision for income taxes	133.5	12.5%	145.1	14.1%	251.2	12.1%	294.7	14.6%
Provision for income taxes	31.0	2.9%	28.5	2.8%	57.7	2.8%	60.4	3.0%
Net income	\$102.5	9.6%	\$116.6	11.3%	\$193.50	9.3%	\$234.4	11.6%

Revenues

	Second Quarter of 2022		Second Quarter of 2021		Two Fiscal Quarters of 2022		Two Fiscal Quarters of 2021	
U.S. Company-owned stores	\$ 112.5	10.6%	\$ 116.6	11.3%	\$ 216.4	10.4%	\$ 229.3	11.3%
U.S. franchise royalties and fees	128.1	12.0%	126.8	12.3%	250.4	12.1%	251.3	12.5%
Supply chain	646.6	60.7%	603.0	58.4%	1,256.1	60.5%	1,171.3	58.1%
International franchise royalties and fees	66.9	6.3%	69.7	6.7%	135.7	6.5%	136.5	6.8%
U.S. franchise advertising	111.1	10.4%	116.3	11.3%	217.7	10.5%	227.7	11.3%
Total revenues	\$ 1,065.2	100.0%	\$ 1,032.5	100.0%	\$ 2,076.3	100.0%	\$ 2,016.2	100.0%

Revenues primarily consist of retail sales from our Company-owned stores, royalties, advertising contributions and fees from our U.S. franchised stores, royalties and fees from our international franchised stores and sales of food, equipment and supplies from our supply chain centers to substantially all of our U.S. franchised stores and certain international franchised stores. Company-owned store and franchised store revenues may vary from period to period due to changes in store count mix. Supply chain revenues may vary significantly from period to period as a result of fluctuations in commodity prices as well as the mix of products we sell.

U.S. Stores Revenues

	Second Quarter of 2022		Second Quarter of 2021		Two Fiscal Quarters of 2022		Two Fiscal Quarters of 2021	
U.S. Company-owned stores	\$ 112.5	32.0%	\$ 116.6	32.4%	\$ 216.4	31.6%	\$ 229.3	32.4%
U.S. franchise royalties and fees	128.1	36.4%	126.8	35.3%	250.4	36.6%	251.3	35.5%
U.S. franchise advertising	111.1	31.6%	116.3	32.3%	217.7	31.8%	227.7	32.1%
U.S. stores	\$ 351.7	100.0%	\$ 359.8	100.0%	\$ 684.5	100.0%	\$ 708.4	100.0%

U.S. Company-owned Stores

Revenues from U.S. Company-owned store operations decreased \$4.1 million, or 3.5%, in the second quarter of 2022, and decreased \$12.9 million, or 5.6%, in the two fiscal quarters of 2022 due to a decline in U.S. Company-owned same store sales. These decreases were partially offset by an increase in the average number of U.S. Company-owned stores open during the period resulting from net store growth and the 2022 Store Purchase.

U.S. Company-owned same store sales declined 9.2% and 9.8% in the second quarter and two fiscal quarters of 2022, respectively. U.S. Company-owned same store sales declined 2.6% in the second quarter of 2021 and increased 1.6% in the two fiscal quarters of 2021.

U.S. Franchise Royalties and Fees

Revenues from U.S. franchise royalties and fees increased \$1.3 million, or 1.0%, in the second quarter of 2022 due to an increase in revenues from fees paid by franchisees for the use of our technology platforms, as well as an increase in the average number of U.S. franchised stores open during the period resulting from net store growth. These increases in revenues were partially offset by a decline in U.S. franchise same store sales. Revenues from U.S. franchise royalties and fees decreased \$0.9 million, or 0.4%, in the two fiscal quarters of 2022 due primarily to a decline in U.S. franchise same store sales, and was partially offset by an increase in revenues from fees paid by franchisees for the use of our technology platforms, as well as an increase in the average number of U.S. franchised stores open during the period resulting from net store growth. Revenues from U.S. franchise royalties and fees were negatively impacted by the 2022 Store Purchase in both the second quarter and two fiscal quarters of 2022.

U.S. franchise same store sales declined 2.5% and 2.9% in the second quarter and two fiscal quarters of 2022, respectively. U.S. franchise same store sales increased 3.9% and 8.5% in the second quarter and two fiscal quarters of 2021, respectively.

U.S. Franchise Advertising

Revenues from U.S. franchise advertising decreased \$5.3 million, or 4.5%, in the second quarter of 2022, and decreased \$10.0 million, or 4.4%, in the two fiscal quarters of 2022 due primarily to a decline in U.S. franchise same store sales and to a lesser extent, the 2022 Store Purchase. Approximately \$2.6 million and \$5.1 million in advertising incentives related to certain brand promotions in the second quarter and two fiscal quarters of 2022, respectively, also contributed to the decreases in U.S. franchise advertising revenues. These decreases were partially offset by an increase in the average number of U.S. franchised stores open during the period, resulting from net store growth.

Supply Chain

Supply chain revenues increased \$43.6 million, or 7.2%, in the second quarter of 2022, and increased \$84.8 million, or 7.2%, in the two fiscal quarters of 2022 due to higher market basket pricing to stores, partially offset by lower order volumes at our U.S. franchise stores during the respective periods. Our market basket pricing to stores increased 15.2% during the second quarter of 2022, which resulted in an estimated \$77.1 million increase in supply chain revenues. Our market basket pricing to stores increased 13.6% during the two fiscal quarters of 2022 which resulted in an estimated \$133.2 million increase in supply chain revenues.

International Franchise Royalties and Fee Revenues

Revenues from international franchise royalties and fees decreased \$2.8 million, or 4.1%, in the second quarter of 2022, and decreased \$0.8 million, or 0.6%, in the two fiscal quarters of 2022 due primarily to the negative impact of changes in foreign currency exchange rates of \$5.9 million and \$10.1 million in the second quarter and two fiscal quarters of 2022, respectively. A decline in international same store sales (excluding foreign currency impact) in the second quarter and two fiscal quarters of 2022 also contributed to the decreases in international franchise revenues in the respective periods. An increase in the average number of international franchise stores open during the respective periods, resulting from net store growth, partially offset the declines in revenues.

Excluding the impact of foreign currency exchange rates, international franchise same store sales declined 2.2% and 0.5% in the second quarter and two fiscal quarters of 2022, respectively. Excluding the impact of foreign currency exchange rates, international franchise same store sales increased 13.9% and 12.8% in the second quarter and two fiscal quarters of 2021, respectively.

Cost of Sales / Gross Margin

	Second Quarter of 2022		Second Quarter of 2021		Two Fiscal Quarters of 2022		Two Fiscal Quarters of 2021	
Consolidated revenues	\$ 1,065.2	100.0%	\$ 1,032.5	100.0%	\$ 2,076.3	100.0%	\$ 2,016.2	100.0%
Consolidated cost of sales	678.9	63.7%	624.8	60.5%	1,321.4	63.6%	1,219.3	60.5%
Consolidated gross margin	\$ 386.3	36.3%	\$ 407.7	39.5%	\$ 754.9	36.4%	\$ 796.8	39.5%

Consolidated cost of sales consists of U.S. Company-owned store and supply chain costs incurred to generate related revenues. Components of consolidated cost of sales primarily include food, labor, delivery and occupancy costs. Consolidated gross margin (which we define as revenues less cost of sales) decreased \$21.4 million, or 5.3%, in the second quarter of 2022, and decreased \$42.0 million, or 5.3%, in the two fiscal quarters of 2022 due primarily to lower U.S. Company-owned store revenues, as well as higher food, labor and delivery costs and lower global franchise revenues. Franchise revenues do not have a cost of sales component, so changes in these revenues have a disproportionate effect on gross margin. Additionally, as our market basket prices fluctuate, our revenues and gross margin percentages in our supply chain segment also fluctuate; however, actual product-level dollar gross margins remain unchanged.

As a percentage of revenues, the consolidated gross margin decreased 3.2 percentage points in the second quarter of 2022, and decreased 3.1 percentage points in the two fiscal quarters of 2022. U.S. Company-owned store gross margin decreased 8.1 percentage points in the second quarter of 2022, and decreased 8.0 percentage points in the two fiscal quarters of 2022. Supply chain gross margin decreased 1.5 percentage points in both the second quarter and two fiscal quarters of 2022. These changes in gross margin are described below.

U.S. Company-Owned Store Gross Margin

	Second Quarter of 2022		Second Quarter of 2021		Two Fiscal Quarters of 2022		Two Fiscal Quarters of 2021	
Revenues	\$ 112.5	100.0%	\$ 116.6	100.0%	\$ 216.4	100.0%	\$ 229.3	100.0%
Cost of sales	94.1	83.6%	88.0	75.5%	181.4	83.8%	173.8	75.8%
Store gross margin	\$ 18.4	16.4%	\$ 28.6	24.5%	\$ 35.0	16.2%	\$ 55.6	24.2%

U.S. Company-owned store gross margin (which does not include certain store-level costs such as royalties and advertising) decreased \$10.1 million, or 35.5%, in the second quarter of 2022, and decreased \$20.6 million, or 37.1%, in the two fiscal quarters of 2022 due primarily to lower same store sales, as well as higher food costs. As a percentage of store revenues, the U.S. Company-owned store gross margin decreased 8.1 percentage points in the second quarter of 2022, and decreased 8.0 percentage points in the two fiscal quarters of 2022. These changes in gross margin as a percentage of revenues are discussed in additional detail below.

- Food costs increased 4.1 percentage points to 31.6% in the second quarter of 2022, and increased 4.0 percentage points to 31.3% in the two fiscal quarters of 2022 as a result of higher food basket prices.
- Labor costs increased 1.6 percentage points to 29.0% in the second quarter of 2022, and increased 2.0 percentage points to 29.9% in the two fiscal quarters of 2022 due primarily to continued investments in frontline team member wage rates in our U.S. Company-owned stores, as well as lower sales leverage. These increases were partially offset by lower headcount attributable to labor shortages affecting store hours and staffing levels in many of our markets.
- Occupancy costs, including rent, telephone, utilities and depreciation, increased 1.6 percentage points to 9.0% in the second quarter of 2022, and increased 1.3 percentage points to 9.0% in the two fiscal quarters of 2022 due primarily to lower sales leverage.
- Insurance costs increased 0.7 percentage points to 4.6% in the second quarter of 2022, and increased 0.8 percentage points to 4.4% in the two fiscal quarters of 2022 due primarily to unfavorable claims experience, as well as lower sales leverage.

Supply Chain Gross Margin

	Second Quarter of 2022		Second Quarter of 2021		Two Fiscal Quarters of 2022		Two Fiscal Quarters of 2021	
Revenues	\$ 646.6	100.0%	\$ 603.0	100.0%	\$ 1,256.1	100.0%	\$ 1,171.3	100.0%
Cost of sales	584.9	90.5%	536.8	89.0%	1,140.0	90.8%	1,045.6	89.3%
Supply chain gross margin	\$ 61.7	9.5%	\$ 66.2	11.0%	\$ 116.1	9.2%	\$ 125.7	10.7%

Supply chain gross margin decreased \$4.5 million, or 6.7%, in the second quarter of 2022, and decreased \$9.6 million, or 7.6%, in the two fiscal quarters of 2022 due primarily to higher labor and delivery costs. As a percentage of supply chain revenues, supply chain gross margin decreased 1.5 percentage points in both the second quarter and two fiscal quarters of 2022 due to higher food and delivery costs. The increases in food and delivery costs as a percentage of supply chain revenues resulted from macroeconomic inflationary pressures in the U.S., as well as lower sales leverage. Lower insurance expense resulting from favorable claims experience partially offset the decreases in supply chain gross margin as a percentage of supply chain revenues in the second quarter of 2022.

General and Administrative Expenses

General and administrative expenses decreased \$3.4 million, or 3.4%, in the second quarter of 2022 driven primarily by lower labor costs, partially offset by higher professional fees and travel expenses. General and administrative expenses increased \$2.9 million, or 1.5%, in the two fiscal quarters of 2022 driven primarily by higher professional fees, travel expenses, non-cash equity-based compensation expense and amortization expense for capitalized software. These increases were partially offset by lower labor costs.

U.S. Franchise Advertising Expenses

U.S. franchise advertising expenses decreased \$5.3 million, or 4.5%, in the second quarter of 2022, and decreased \$10.0 million, or 4.4%, in the two fiscal quarters of 2022 consistent with the decreases in U.S. franchise advertising revenues. U.S. franchise advertising costs are accrued and expensed when the related U.S. franchise advertising revenues are recognized, as our consolidated not-for-profit advertising fund is obligated to expend such revenues on advertising and other activities that promote the Domino's brand and these revenues cannot be used for general corporate purposes.

Other Income

During the first quarter of 2021, we recorded a \$2.5 million unrealized gain on our investment in DPC Dash (Note 5) resulting from the observable change in price from the valuation of our additional \$40.0 million investment. We did not record any adjustments to the carrying amount in the second quarter or two fiscal quarters of 2022, or the second quarter of 2021.

Interest Expense, Net

Interest expense, net decreased \$1.2 million, or 2.6%, in the second quarter of 2022 driven primarily by approximately \$2.3 million of incremental interest expense recorded in the second quarter of 2021 in connection with our recapitalization transaction completed on April 16, 2021 (the "2021 Recapitalization"), partially offset by higher average borrowings resulting from the 2021 Recapitalization. Interest expense, net increased \$6.2 million, or 7.3%, in the two fiscal quarters of 2022 driven by higher average borrowings resulting from the 2021 Recapitalization.

The Company's weighted average borrowing rate was 3.8% in both the second quarter and two fiscal quarters of 2022 and 2021.

Provision for Income Taxes

Income tax expense increased \$2.5 million, or 8.8%, in the second quarter of 2022 due to a higher effective tax rate, and was partially offset by a decrease in income before provision for income taxes. The effective tax rate increased to 23.2% during the second quarter of 2022 as compared to 19.6% in the second quarter of 2021. Income tax expense decreased \$2.6 million, or 4.3%, in the two fiscal quarters of 2022 due to a decrease in income before provision for income taxes, but was partially offset by a higher effective tax rate. The effective tax rate increased to 23.0% during the two fiscal quarters of 2022 as compared to 20.5% in the two fiscal quarters of 2021. The higher effective tax rate in the second quarter and two fiscal quarters of 2022 was driven in part by a 2.2 and 1.4 percentage point change in excess tax benefits from equity-based compensation, which are recorded as a reduction to the income tax provision, in the second quarter and two fiscal quarters of 2022, respectively. The decreases in excess tax benefits from equity-based compensation were a result of fewer stock option exercises in the second quarter and two fiscal quarters of 2022 as compared to the respective periods in 2021. The increase in the effective tax rate was also a result of lower foreign tax credits.

Segment Income

We evaluate the performance of our reportable segments and allocate resources to them based on earnings before interest, taxes, depreciation, amortization and other, referred to as Segment Income. Segment Income for each of our reportable segments is summarized in the table below. Other Segment Income primarily includes corporate administrative costs that are not allocable to a reportable segment, including labor, computer expenses, professional fees, travel and entertainment, rent, insurance and other corporate administrative costs.

	Second Quarter of 2022	Second Quarter of 2021	Two Fiscal Quarters of 2022	Two Fiscal Quarters of 2021
U.S. stores	\$ 104.1	\$ 111.8	\$ 201.3	\$ 219.3
Supply chain	53.6	58.6	100.0	111.1
International franchise	52.9	56.4	107.9	110.8
Other	(5.6)	(9.6)	(13.3)	(15.7)

U.S. Stores

U.S. stores Segment Income decreased \$7.8 million, or 7.0%, in the second quarter of 2022, primarily due to the \$10.1 million decrease in U.S. Company-owned store gross margin, and was partially offset by the \$1.3 million increase in U.S. franchise royalties and fees revenues, each as discussed above. U.S. stores Segment Income decreased \$17.9 million, or 8.2%, in the two fiscal quarters of 2022, primarily due to the \$20.6 million decrease in U.S. Company-owned store gross margin, as well as the \$0.9 million decrease in U.S. franchise royalties and fees revenues, each as discussed above. U.S. franchise revenues do not have a cost of sales component, therefore changes in these revenues have a disproportionate effect on U.S. stores Segment Income. U.S. franchise advertising costs are accrued and expensed when the related U.S. franchise advertising revenues are recognized and had no impact on U.S. stores Segment Income.

Supply Chain

Supply chain Segment Income decreased \$5.0 million, or 8.5%, in the second quarter of 2022, primarily due to the \$4.5 million decrease in supply chain gross margin discussed above. Supply chain Segment Income decreased \$11.2 million, or 10.0%, in the two fiscal quarters of 2022, primarily due to the \$9.6 million decrease in supply chain gross margin discussed above.

International Franchise

International franchise Segment Income decreased \$3.5 million, or 6.2%, in the second quarter of 2022, primarily due to the \$2.8 million decrease in international franchise royalties and fees revenues discussed above. International franchise Segment Income decreased \$2.9 million, or 2.6%, in the two fiscal quarters of 2022, primarily due to the \$0.8 million decrease in international franchise royalties and fees revenues discussed above. International franchise revenues do not have a cost of sales component, therefore changes in these revenues have a disproportionate effect on international franchise Segment Income.

Other

Other Segment Income increased \$4.0 million, or 41.6%, in the second quarter of 2022, and increased \$2.4 million, or 15.2%, in the two fiscal quarters of 2022, primarily due to lower labor costs partially offset by higher professional fees and travel expenses in the respective periods.

Liquidity and Capital Resources

Historically, our receivable collection periods and inventory turn rates are faster than the normal payment terms on our current liabilities resulting in efficient deployment of working capital. We generally collect our receivables within three weeks from the date of the related sale and we generally experience multiple inventory turns per month. In addition, our sales are not typically seasonal, which further limits variations in our working capital requirements. These factors allow us to manage our working capital and our ongoing cash flows from operations to invest in our business and other strategic opportunities, pay dividends and repurchase and retire shares of our common stock. As of June 19, 2022, we had working capital of \$104.8 million, excluding restricted cash and cash equivalents of \$158.2 million, advertising fund assets, restricted, of \$182.5 million and advertising fund liabilities of \$175.1 million. Working capital includes total unrestricted cash and cash equivalents of \$114.4 million.

Our primary source of liquidity is cash flows from operations and availability of borrowings under our variable funding notes. During the second quarter and two fiscal quarters of 2022, we continued to increase global retail sales (excluding foreign currency impact), which continued our ability to generate positive operating cash flows. As of June 19, 2022, we had a variable funding note facility which allowed for advances of up to \$200.0 million of Series 2021-1 Variable Funding Senior Secured Notes, Class A-1 Notes and certain other credit instruments, including letters of credit (the "2021 Variable Funding Notes"). The letters of credit are primarily related to our casualty insurance programs and certain supply chain center leases. As of June 19, 2022, we had no outstanding borrowings and \$155.8 million of available borrowing capacity under our 2021 Variable Funding Notes, net of letters of credit issued of \$44.2 million.

We expect to continue to use our unrestricted cash and cash equivalents, cash flows from operations, excess cash from our recapitalization transactions and available borrowings under our variable funding notes to, among other things, fund working capital requirements, invest in our core business, service our indebtedness, pay dividends and repurchase shares of our common stock.

Our ability to continue to fund these items and continue to service our debt could be adversely affected by the occurrence of any of the events described under "Risk Factors" in our 2021 Form 10-K. There can be no assurance that our business will generate sufficient cash flows from operations or that future borrowings will be available under our variable funding notes or otherwise to enable us to service our indebtedness, or to make anticipated capital expenditures. Our future operating performance and our ability to service, extend or refinance our outstanding senior notes and to service, extend or refinance our variable funding notes will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Restricted Cash

As of June 19, 2022, we had \$110.6 million of restricted cash held for future principal and interest payments and other working capital requirements of our asset-backed securitization structure, \$47.4 million of restricted cash held in a three-month interest reserve as required by the related debt agreements and \$0.2 million of other restricted cash for a total of \$158.2 million of restricted cash and cash equivalents. As of June 19, 2022, we also held \$164.1 million of advertising fund restricted cash and cash equivalents, which can only be used for activities that promote the Domino's brand.

Long-Term Debt

As of June 19, 2022, we had approximately \$5.05 billion of long-term debt, of which \$55.7 million was classified as a current liability. As of June 19, 2022, our fixed rate notes from the recapitalizations we completed in 2021, 2019, 2018, 2017 and 2015 had original scheduled principal payments of \$25.8 million in the remainder of 2022, \$51.5 million in each of 2023 and 2024, \$1.17 billion in 2025, \$39.3 million in 2026, \$1.31 billion in 2027, \$811.5 million in 2028, \$625.9 million in 2029, \$10.0 million in 2030 and \$905.0 million in 2031.

In accordance with our debt agreements, the payment of principal on the outstanding senior notes may be suspended if our leverage ratio is less than or equal to 5.0x total debt to adjusted EBITDA, as defined in the related agreements, and no catch-up provisions are applicable. As of the fourth quarter of 2020, we had a leverage ratio of less than 5.0x, and accordingly, did not make the previously scheduled debt amortization payment on our then-outstanding notes in the first quarter of 2021. Subsequent to the closing of the 2021 Recapitalization, we had a leverage ratio of greater than 5.0x, and accordingly, resumed making the previously scheduled debt amortization payment on our notes beginning in the second quarter of 2021.

The notes are subject to certain financial and non-financial covenants, including a debt service coverage ratio calculation. The covenant requires a minimum coverage ratio of 1.75x total debt service to securitized net cash flow, as defined in the related agreements. In the event that certain covenants are not met, the notes may become due and payable on an accelerated schedule.

Share Repurchase Programs

Our share repurchase programs have historically been funded by excess operating cash flows, excess proceeds from our recapitalization transactions and borrowings under our variable funding notes. On July 20, 2021, our Board of Directors authorized a share repurchase program to repurchase up to \$1.0 billion of our common stock.

During the second quarter of 2022, we repurchased and retired 148,248 shares of our common stock under our Board of Directors-approved share repurchase program for a total of approximately \$50.0 million. During the two fiscal quarters of 2022, we repurchased and retired 249,058 shares of our common stock under our Board of Directors-approved share repurchase program for a total of approximately \$97.7 million. As of June 19, 2022, we had a total remaining authorized amount for share repurchases of approximately \$606.4 million.

Dividends

On April 26, 2022, our Board of Directors declared a \$1.10 per share quarterly dividend on our outstanding common stock for shareholders of record as of June 15, 2022, which was paid on June 30, 2022. We had approximately \$40.6 million accrued for common stock dividends at June 19, 2022. Subsequent to the end of the second quarter, on July 19, 2022, our Board of Directors declared a \$1.10 per share quarterly dividend on our outstanding common stock for shareholders of record as of September 15, 2022 to be paid on September 30, 2022.

Sources and Uses of Cash

The following table illustrates the main components of our cash flows:

(In millions)	Two Fiscal Quarters of 2022	Two Fiscal Quarters of 2021
Cash flows provided by (used in)		
Net cash provided by operating activities	\$ 153.4	\$ 295.4
Net cash used in investing activities	(39.9)	(72.9)
Net cash used in financing activities	(166.7)	(101.2)
Effect of exchange rate changes on cash	(0.6)	0.3
Change in cash and cash equivalents, restricted cash and cash equivalents	\$ (53.9)	\$ 121.6

Operating Activities

Cash provided by operating activities decreased \$142.0 million in the two fiscal quarters of 2022, primarily due to the negative impact of changes in operating assets and liabilities of \$81.7 million. The negative impact of changes in operating assets and liabilities related to the timing of payments on accrued liabilities, income taxes and prepaid expenses, as well as the timing of collections on accounts receivable in the two fiscal quarters of 2022 as compared to the two fiscal quarters of 2021. The decrease in cash provided by operating activities was also due to a \$27.7 million negative impact of changes in advertising fund assets and liabilities, restricted, in the two fiscal quarters of 2022 as compared to the two fiscal quarters of 2021 due to payments for advertising activities outpacing receipts for advertising contributions. Additionally, net income decreased \$40.9 million. However, this decrease in net income included an \$8.3 million increase in non-cash adjustments, resulting in an overall decrease to cash provided by operating activities in the two fiscal quarters of 2022 as compared to the two fiscal quarters of 2021 of \$32.6 million.

Investing Activities

Cash used in investing activities was \$39.9 million in the two fiscal quarters of 2022, which primarily consisted of \$32.7 million of capital expenditures (driven primarily by investments in technological initiatives, supply chain centers and corporate store operations). As a result of the 2022 Store Purchase, we also acquired 23 U.S. franchise stores from certain of our existing U.S. franchisees in the first quarter of 2022 for \$6.8 million.

Financing Activities

Cash used in financing activities was \$166.7 million in the two fiscal quarters of 2022, which primarily consisted of the repurchase of approximately \$97.7 million in common stock under our Board of Directors-approved share repurchase program, dividend payments of \$39.7 million, repayments of long-term debt and finance lease obligations of \$27.5 million and tax payments for the vesting of restricted stock of \$2.4 million. These uses of cash were partially offset by proceeds from the exercise of stock options of \$0.5 million.

Critical Accounting Estimates

For a description of the Company's critical accounting estimates, refer to "Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2021 Form 10-K. The Company considers its most significant accounting policies and estimates to be long-lived assets, casualty insurance reserves and income taxes. There have been no material changes to the Company's critical accounting estimates since January 2, 2022.

Forward-Looking Statements

This filing contains various forward-looking statements about the Company within the meaning of the Private Securities Litigation Reform Act of 1995 (the “Act”) that are based on current management expectations that involve substantial risks and uncertainties which could cause actual results to differ materially from the results expressed in, or implied by, these forward-looking statements. The following cautionary statements are being made pursuant to the provisions of the Act and with the intention of obtaining the benefits of the “safe harbor” provisions of the Act. You can identify forward-looking statements by the use of words such as “anticipates,” “believes,” “could,” “should,” “estimates,” “expects,” “intends,” “may,” “will,” “plans,” “predicts,” “projects,” “seeks,” “approximately,” “potential,” “outlook” and similar terms and phrases that concern our strategy, plans or intentions, including references to assumptions. These forward-looking statements address various matters including information concerning future results of operations and business strategy, our anticipated profitability, estimates in same store sales growth, the growth of our U.S. and international business, our ability to service our indebtedness, our future cash flows, our operating performance, trends in our business and other descriptions of future events reflect the Company’s expectations based upon currently available information and data. While we believe these expectations and projections are based on reasonable assumptions, such forward-looking statements are inherently subject to risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from our expectations are more fully described under the section headed “Risk Factors” in this filing and in our other filings with the Securities and Exchange Commission, including under the section headed “Risk Factors” in our 2021 Form 10-K. Actual results may differ materially from those expressed or implied in the forward-looking statements as a result of various factors, including but not limited to: our substantial increased indebtedness as a result of our recapitalization transactions and our ability to incur additional indebtedness or refinance or renegotiate key terms of that indebtedness in the future; the impact a downgrade in our credit rating may have on our business, financial condition and results of operations; our future financial performance and our ability to pay principal and interest on our indebtedness; our ability to manage difficulties associated with or related to the ongoing COVID-19 pandemic and the effects of COVID-19 and related regulations and policies on our business and supply chain, including impacts on the availability of labor; labor shortages or changes in operating expenses resulting from changes in prices of food (particularly cheese), fuel and other commodity costs, labor, utilities, insurance, employee benefits and other operating costs; the effectiveness of our advertising, operations and promotional initiatives; shortages, interruptions or disruptions in the supply or delivery of fresh food products and store equipment; the strength of our brand, including our ability to compete in the U.S. and internationally in our intensely competitive industry, including the food service and food delivery markets; the impact of social media and other consumer-oriented technologies on our business, brand and reputation; the impact of new or improved technologies and alternative methods of delivery on consumer behavior; new product, digital ordering and concept developments by us, and other food-industry competitors; our ability to maintain good relationships with and attract new franchisees, and franchisees’ ability to successfully manage their operations without negatively impacting our royalty payments and fees or our brand’s reputation; our ability to successfully implement cost-saving strategies; our ability and that of our franchisees to successfully operate in the current and future credit environment; changes in the level of consumer spending given general economic conditions, including interest rates, energy prices and consumer confidence; our ability and that of our franchisees to open new restaurants and keep existing restaurants in operation; the impact that widespread illness, health epidemics or general health concerns, severe weather conditions and natural disasters may have on our business and the economies of the countries where we operate; changes in foreign currency exchange rates; changes in income tax rates; our ability to retain or replace our executive officers and other key members of management and our ability to adequately staff our stores and supply chain centers with qualified personnel; our ability to find and/or retain suitable real estate for our stores and supply chain centers; changes in government legislation and regulations, including changes in laws and regulations regarding information privacy, payment methods and consumer protection and social media; adverse legal judgments or settlements; food-borne illness or contamination of products or food tampering; data breaches, power loss, technological failures, user error or other cyber risks threatening us or our franchisees; the impact that environmental, social and governance matters may have on our business and reputation; the effect of war, terrorism, catastrophic events or climate change; our ability to pay dividends and repurchase shares; changes in consumer tastes, spending and traffic patterns and demographic trends; actions by activist investors; changes in accounting policies; and adequacy of our insurance coverage. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this filing might not occur. All forward-looking statements speak only as of the date of this filing and should be evaluated with an understanding of their inherent uncertainty. Except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission, or other applicable law, we will not undertake, and specifically disclaim, any obligation to publicly update or revise any forward-looking statements to reflect events or circumstances arising after the date of this filing, whether as a result of new information, future events or otherwise. You are cautioned not to place undue reliance on the forward-looking statements included in this filing or that may be made elsewhere from time to time by, or on behalf of, us. All forward-looking statements attributable to us are expressly qualified by these cautionary statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

We do not engage in speculative transactions nor do we hold or issue financial instruments for trading purposes. In connection with the recapitalizations of our business, we have issued fixed rate notes and entered into variable funding notes and, at June 19, 2022, we are exposed to interest rate risk on borrowings under our variable funding notes. As of June 19, 2022, we had no outstanding borrowings under our 2021 Variable Funding Notes.

Our 2021 Variable Funding Notes bear interest at fluctuating interest rates based on LIBOR. There is currently uncertainty around whether LIBOR will continue to exist after 2023. Our 2021 Variable Funding Notes loan documents contemplate a transition from LIBOR to secured overnight financing rate (“SOFR”) in the event that LIBOR ceases to exist. Because the composition and characteristics of SOFR are not the same as those of LIBOR, in such event, there can be no assurance that SOFR will perform the same way LIBOR would have at any given time or for any applicable period. As a result, our interest expense could increase, in which event we may have difficulties making interest payments and funding our other fixed costs, and our available cash flow for general corporate requirements may be adversely affected.

Our fixed rate debt exposes the Company to changes in market interest rates reflected in the fair value of the debt and to the risk that the Company may need to refinance maturing debt with new debt at a higher rate. Our existing fixed rate notes have various maturities such that we would not be required to refinance all of our debt at one time. Refer to the original scheduled principal payments disclosed within the Liquidity and Capital Resources section.

We are exposed to market risks from changes in commodity prices. During the normal course of business, we purchase cheese and certain other food products that are affected by changes in commodity prices and, as a result, we are subject to volatility in our food costs. Severe increases in commodity prices or food costs, including as a result of inflation, could affect the global and U.S. economies and could also adversely impact our business, financial condition or results of operations. We may periodically enter into financial instruments to manage this risk, although we have not done so historically. We do not engage in speculative transactions or hold or issue financial instruments for trading purposes. In instances when we use fixed pricing agreements with our suppliers, these agreements cover our physical commodity needs, are not net-settled and are accounted for as normal purchases.

We have exposure to various foreign currency exchange rate fluctuations for revenues generated by our operations outside the U.S., which can adversely impact our net income and cash flows. Approximately 6.3% of our total revenues in the second quarter of 2022, approximately 6.5% of our total revenues in the two fiscal quarters of 2022, approximately 6.7% of our total revenues in the second quarter of 2021 and approximately 6.8% of our total revenues in the two fiscal quarters of 2021 were derived from our international franchise segment, a majority of which were denominated in foreign currencies. We also operate dough manufacturing and distribution facilities in Canada, which generate revenues denominated in Canadian dollars. We do not enter into financial instruments to manage this foreign currency exchange risk. A hypothetical 10% adverse change in the foreign currency rates for our international markets would have resulted in a negative impact on royalty revenues of approximately \$12.1 million in the two fiscal quarters of 2022.

Item 4. Controls and Procedures.

Management, with the participation of the Company’s Chief Executive Officer, Russell J. Weiner, and Executive Vice President and Chief Financial Officer, Sandeep Reddy, performed an evaluation of the effectiveness of the Company’s disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, Mr. Weiner and Mr. Reddy concluded that the Company’s disclosure controls and procedures were effective.

During the quarterly period ended June 19, 2022, there were no changes in the Company’s internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) that have materially affected or are reasonably likely to materially affect the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

We are a party to lawsuits, revenue agent reviews by taxing authorities and administrative proceedings in the ordinary course of business which include, without limitation, workers' compensation, general liability, automobile and franchisee claims. We are also subject to suits related to employment practices.

While we may occasionally be party to large claims, including class action suits, we do not believe that any existing matters, individually or in the aggregate, will materially affect our financial position, results of operations or cash flows.

Item 1A. Risk Factors.

There have been no material changes with respect to those risk factors previously disclosed in Item 1A "Risk Factors" in Part I of our 2021 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

c. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (2)	Maximum Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (2) (in thousands)
Period #4 (March 28, 2022 to April 24, 2022)	1,250	\$ 397.58	—	\$ 656,437
Period #5 (April 25, 2022 to May 22, 2022)	149,858	337.36	148,248	606,437
Period #6 (May 23, 2022 to June 19, 2022)	1,089	361.36	—	606,437
Total	<u>152,197</u>	<u>\$ 338.03</u>	<u>148,248</u>	<u>\$ 606,437</u>

- (1) 3,949 shares in the second quarter of 2022 were purchased as part of the Company's employee stock payroll deduction plan. During the second quarter, the shares were purchased at an average price of \$366.29.
- (2) On July 20, 2021, the Company's Board of Directors authorized a share repurchase program to repurchase up to \$1.0 billion of the Company's common stock. As of June 19, 2022, \$606.4 million remained available for future purchases of the Company's common stock under this share repurchase program.

Authorization for the repurchase program may be modified, suspended, or discontinued at any time. The repurchase of shares in any particular period and the actual amount of such purchases remain at the discretion of the Board of Directors, and no assurance can be given that shares will be repurchased in the future.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
10.1	<u>Form of Restricted Stock Unit Award Agreement (two-year vesting with acceleration events) under the Amended Domino's Pizza, Inc. 2004 Equity Incentive Plan.</u>
10.2	<u>Form of Restricted Stock Unit Award Agreement (three-year vesting with acceleration events) under the Amended Domino's Pizza, Inc. 2004 Equity Incentive Plan.</u>
10.3	<u>Form of Indemnification Agreement.</u>
31.1	<u>Certification by Russell J. Weiner pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.</u>
31.2	<u>Certification by Sandeep Reddy pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.</u>
32.1	<u>Certification by Russell J. Weiner pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.</u>
32.2	<u>Certification by Sandeep Reddy pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, relating to Domino's Pizza, Inc.</u>
101.INS	XBRL Instance Document – The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover page Interactive Data File (formatted as Inline XBRL and contained in exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 21, 2022

DOMINO'S PIZZA, INC.
(Registrant)

/s/ Sandeep Reddy

Sandeep Reddy
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

Name:	[●]
Number of RSUs subject to Award:	[●]
Date of Grant:	[●]

DOMINO'S PIZZA, INC.
2004 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This agreement (including any exhibits hereto, this "Agreement") evidences an award (this "Award") of restricted stock units (the "RSUs") granted by Domino's Pizza, Inc. (the "Company") to the undersigned (the "Participant") pursuant and subject to the terms and conditions of the Domino's Pizza, Inc. 2004 Equity Incentive Plan (as amended from time to time, the "Plan"), which is incorporated herein by reference. Except as otherwise defined herein, all capitalized terms used herein have the same meaning as in the Plan.

1. RSU Award. The Company grants to the Participant on the date set forth above (the "Date of Grant") the number of restricted stock units (the "Restricted Stock Units") set forth above giving the Participant the conditional right to receive, without payment and pursuant to and subject to the terms and conditions set forth in this Agreement and in the Plan, one share of Stock with respect to each resulting Restricted Stock Unit that becomes vested pursuant to this Award, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Vesting Conditions. The RSUs shall vest as provided for in Exhibit A hereto.

3. Delivery of Shares; Settlement of Award.

- (a) In General. The Company shall, as soon as practicable and in all events no later than thirty (30) days following the applicable Settlement Date, transfer to the Participant (or, in the event of the Participant's death, to the person to whom this Award has passed by will or the laws of descent and distribution) the number of shares of Stock that equals the vested portion of this Award. No shares of Stock will be transferred pursuant to this Award unless and until all legal requirements applicable to the issuance or transfer of such shares have been satisfied.
- (b) Settlement Date. For purposes of this Agreement, "Settlement Date" means the date on or following and by reference to which any vested RSUs subject to this Award are to be settled, if at all, in whole or in part, through the delivery of shares of Stock, as set forth below:
- (i) Other than in the event of a Covered Transaction (as defined in the Plan) or an Acceleration Event (as defined in Exhibit A), the Settlement Date for the First RSU Tranche (as defined in Exhibit A) shall be the First Scheduled Vesting Date (as defined in Exhibit A) and the Settlement Date

for the Second RSU Tranche (as defined in Exhibit A) shall be the Second Scheduled Vesting Date (as defined in Exhibit A).

- (ii) In the event of an Acceleration Event, the Settlement Date for any RSUs that become vested in connection therewith shall be the date of such Acceleration Event.
- (iii) In the event of a Covered Transaction, the Settlement Date shall be the date of consummation of the Covered Transaction, with the Company transferring shares of Stock underlying the RSUs immediately prior to the consummation of such Covered Transaction; *provided* that if the Covered Transaction does not meet the requirements for a “change in control event,” as that term is defined in Treasury Regulations § 1.409A–3(i)(5)(i), the Settlement Date for any portion of this Award that is subject to, and not exempt from, the applicable requirements of Section 409A (the “409A Award Portion”) shall be the Scheduled Vesting Date (as defined in Exhibit A) applicable to the 409A Award Portion.
- (iv) Notwithstanding anything to the contrary in this Agreement, if the Participant is determined to be a “specified employee” within the meaning of Section 409A and the Treasury regulations thereunder, as determined by the Company, at the time of the Participant’s “separation from service” within the meaning of Section 409A and the Treasury regulations thereunder (after giving effect to the presumptions contained therein), then to the extent necessary to prevent any accelerated or additional tax under Section 409A, the settlement and delivery of any shares of Stock hereunder upon such separation from service will be delayed until the earlier of: (a) the date that is six months and one day following the Participant’s separation from service and (b) the Participant’s death.

4. Forfeiture; Recovery of Compensation.

The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting this Award, the Participant expressly acknowledges and agrees that his or her rights under this Award, and those of any permitted transferee of this Award, including the right to any shares of Stock acquired under this Award or proceeds from the disposition thereof, are subject to any applicable clawback or incentive compensation recovery policy of the Company as may be in effect from time to time. Nothing in the preceding sentence shall be construed as limiting the general application of Section 10 of this Agreement.

5. Dividends; Other Rights.

This Award shall not be interpreted to bestow upon the Participant any equity interest or ownership in the Company or any Affiliate prior to the date on which the Company delivers shares of Stock (if any) to the Participant. The Participant is not entitled to vote any shares of Stock by reason of the granting of this Award, and the Participant shall have the rights of a

shareholder only as to those shares of Stock, if any, that are actually delivered under this Award. Notwithstanding the foregoing, upon the delivery of any shares of Stock in respect of any vested RSUs subject hereto, the Participant shall be entitled to a cash payment by the Company in an amount equal to the amount that the Participant would have received, if any, as a regular cash dividend had the Participant held such shares of Stock from the Date of Grant to the date such shares of Stock are delivered hereunder, less all applicable taxes and withholding obligations. Any such payment shall be paid, if at all, without interest on the date such shares of Stock are delivered hereunder.

6. Certain Tax Matters.

The Participant expressly acknowledges that because this Award consists of an unfunded and unsecured promise by the Company to deliver Stock in the future, subject to the terms hereof, it is not possible to make a so-called "83(b) election" with respect to this Award. This Award is intended to be exempt from, or comply with, Section 409A and shall be construed by the Administrator accordingly. Notwithstanding the preceding, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of any of them, shall be liable to the Participant by reason of any acceleration of income, or any tax or additional tax, asserted (A) by reason of any failure of this Award or any portion thereof to satisfy the requirements for exemption from, or compliance with, Section 409A or (B) by reason of Section 4999 of the Code. All references to "Section 409A" in this Agreement shall be references to Section 409A of the Code, the Treasury Regulations promulgated thereunder and such other guidance as determined by the Company in its sole discretion.

7. Withholding. The Participant shall pay to the Company, or make provision satisfactory to the Company for payment of, any taxes required by law to be withheld in connection with the vesting and/or settlement of the RSUs (including, without limitation, any amount that is treated as "wages" for FICA/FUTA or Medicare tax purposes on a current basis rather than when distributed). The Administrator may, in its sole discretion, require that a portion of the shares of Stock that would have otherwise been delivered to the Participant upon vesting and settlement of the RSUs be sold by the Participant or retained by the Company to satisfy any applicable federal, state or local income, employment or other tax withholding and payment obligations, or in the case of any such taxes due upon vesting and prior to delivery of shares of Stock hereunder that the number of shares subject to this Award may be reduced to satisfy such tax withholding and payment obligations (but, with respect to any amounts constituting deferred compensation subject to Section 409A, as determined by the Company in its sole discretion, not in excess of amounts permitted to be accelerated by Section 409A including Treasury Regulation Section 1.409A-3(j)(4)(vi)). The Company and its Affiliates may, to the extent permitted by law, deduct any unsatisfied tax obligations from any payment of any kind otherwise due to the Participant.

8. Transfer of Award.

This Award may not be transferred except as expressly permitted under Section 6(a)(4) of the Plan.

9. Effect on Employment.

This Agreement is not a contract of employment between the Company (or any Subsidiary) and the Participant. The Participant retains the right to terminate his or her employment with the Company (or one of its Subsidiaries, as applicable), and the Company (and its Subsidiaries as applicable) retains the right to terminate or modify the terms of the Participant's employment, subject to any rights retained by either party under the Participant's employment agreement, if Participant has an employment agreement, and no loss of rights, contingent or otherwise, under this Agreement upon termination of employment shall be claimed by the Participant as an element of damages in any dispute over such termination of employment.

10. Provisions of the Plan.

This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting all or any part of this Award, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall control (except as otherwise expressly provided herein).

11. Acknowledgements.

The Participant acknowledges and agrees that (i) this Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument, (ii) this agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, shall constitute an original signature for all purposes hereunder and (iii) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

[Signature page follows.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer.

DOMINO'S PIZZA, INC.

By: _____
Name:
Title:

Dated:

Acknowledged and Agreed:

By: _____
[●]

Name:	[●]
Number of RSUs subject to Award:	[●]
Date of Grant:	[●]

DOMINO'S PIZZA, INC.
2004 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This agreement (including any exhibits hereto, this "Agreement") evidences an award (this "Award") of restricted stock units (the "RSUs") granted by Domino's Pizza, Inc. (the "Company") to the undersigned (the "Participant") pursuant and subject to the terms and conditions of the Domino's Pizza, Inc. 2004 Equity Incentive Plan (as amended from time to time, the "Plan"), which is incorporated herein by reference. Except as otherwise defined herein, all capitalized terms used herein have the same meaning as in the Plan.

1. RSU Award. The Company grants to the Participant on the date set forth above (the "Date of Grant") the number of restricted stock units (the "Restricted Stock Units") set forth above giving the Participant the conditional right to receive, without payment and pursuant to and subject to the terms and conditions set forth in this Agreement and in the Plan, one share of Stock with respect to each resulting Restricted Stock Unit that becomes vested pursuant to this Award, subject to adjustment pursuant to Section 7 of the Plan in respect of transactions occurring after the date hereof.

2. Vesting Conditions. The RSUs shall vest as provided for in Exhibit A hereto.

3. Delivery of Shares; Settlement of Award.

- (a) In General. The Company shall, as soon as practicable and in all events no later than thirty (30) days following the applicable Settlement Date, transfer to the Participant (or, in the event of the Participant's death, to the person to whom this Award has passed by will or the laws of descent and distribution) the number of shares of Stock that equals the vested portion of this Award. No shares of Stock will be transferred pursuant to this Award unless and until all legal requirements applicable to the issuance or transfer of such shares have been satisfied.
- (b) Settlement Date. For purposes of this Agreement, "Settlement Date" means the date on or following and by reference to which any vested RSUs subject to this Award are to be settled, if at all, in whole or in part, through the delivery of shares of Stock, as set forth below:
- (i) Other than in the event of a Covered Transaction (as defined in the Plan) or an Acceleration Event (as defined in Exhibit A), the Settlement Date for the First RSU Tranche (as defined in Exhibit A) shall be the First Scheduled Vesting Date (as defined in Exhibit A), the Settlement Date for

the Second RSU Tranche (as defined in Exhibit A) shall be the Second Scheduled Vesting Date (as defined in Exhibit A) and the Settlement Date for the Third RSU Tranche (as defined in Exhibit A) shall be the Third Scheduled Vesting Date (as defined in Exhibit A).

- (ii) In the event of an Acceleration Event, the Settlement Date for any RSUs that become vested in connection therewith shall be the date of such Acceleration Event.
- (iii) In the event of a Covered Transaction, the Settlement Date shall be the date of consummation of the Covered Transaction, with the Company transferring shares of Stock underlying the RSUs immediately prior to the consummation of such Covered Transaction; *provided* that if the Covered Transaction does not meet the requirements for a “change in control event,” as that term is defined in Treasury Regulations § 1.409A–3(i)(5)(i), the Settlement Date for any portion of this Award that is subject to, and not exempt from, the applicable requirements of Section 409A (the “409A Award Portion”) shall be the Scheduled Vesting Date (as defined in Exhibit A) applicable to the 409A Award Portion.
- (iv) Notwithstanding anything to the contrary in this Agreement, if the Participant is determined to be a “specified employee” within the meaning of Section 409A and the Treasury regulations thereunder, as determined by the Company, at the time of the Participant’s “separation from service” within the meaning of Section 409A and the Treasury regulations thereunder (after giving effect to the presumptions contained therein), then to the extent necessary to prevent any accelerated or additional tax under Section 409A, the settlement and delivery of any shares of Stock hereunder upon such separation from service will be delayed until the earlier of: (a) the date that is six months and one day following the Participant’s separation from service and (b) the Participant’s death.

4. Forfeiture; Recovery of Compensation.

The Administrator may cancel, rescind, withhold or otherwise limit or restrict this Award at any time if the Participant is not in compliance with all applicable provisions of this Agreement and the Plan. By accepting this Award, the Participant expressly acknowledges and agrees that his or her rights under this Award, and those of any permitted transferee of this Award, including the right to any shares of Stock acquired under this Award or proceeds from the disposition thereof, are subject to any applicable clawback or incentive compensation recovery policy of the Company as may be in effect from time to time. Nothing in the preceding sentence shall be construed as limiting the general application of Section 10 of this Agreement.

5. Dividends; Other Rights.

This Award shall not be interpreted to bestow upon the Participant any equity interest or ownership in the Company or any Affiliate prior to the date on which the Company delivers

shares of Stock (if any) to the Participant. The Participant is not entitled to vote any shares of Stock by reason of the granting of this Award, and the Participant shall have the rights of a shareholder only as to those shares of Stock, if any, that are actually delivered under this Award. Notwithstanding the foregoing, upon the delivery of any shares of Stock in respect of any vested RSUs subject hereto, the Participant shall be entitled to a cash payment by the Company in an amount equal to the amount that the Participant would have received, if any, as a regular cash dividend had the Participant held such shares of Stock from the Date of Grant to the date such shares of Stock are delivered hereunder, less all applicable taxes and withholding obligations. Any such payment shall be paid, if at all, without interest on the date such shares of Stock are delivered hereunder.

6. Certain Tax Matters.

The Participant expressly acknowledges that because this Award consists of an unfunded and unsecured promise by the Company to deliver Stock in the future, subject to the terms hereof, it is not possible to make a so-called “83(b) election” with respect to this Award. This Award is intended to be exempt from, or comply with, Section 409A and shall be construed by the Administrator accordingly. Notwithstanding the preceding, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of any of them, shall be liable to the Participant by reason of any acceleration of income, or any tax or additional tax, asserted (A) by reason of any failure of this Award or any portion thereof to satisfy the requirements for exemption from, or compliance with, Section 409A or (B) by reason of Section 4999 of the Code. All references to “Section 409A” in this Agreement shall be references to Section 409A of the Code, the Treasury Regulations promulgated thereunder and such other guidance as determined by the Company in its sole discretion.

7. Withholding. The Participant shall pay to the Company, or make provision satisfactory to the Company for payment of, any taxes required by law to be withheld in connection with the vesting and/or settlement of the RSUs (including, without limitation, any amount that is treated as “wages” for FICA/FUTA or Medicare tax purposes on a current basis rather than when distributed). The Administrator may, in its sole discretion, require that a portion of the shares of Stock that would have otherwise been delivered to the Participant upon vesting and settlement of the RSUs be sold by the Participant or retained by the Company to satisfy any applicable federal, state or local income, employment or other tax withholding and payment obligations, or in the case of any such taxes due upon vesting and prior to delivery of shares of Stock hereunder that the number of shares subject to this Award may be reduced to satisfy such tax withholding and payment obligations (but, with respect to any amounts constituting deferred compensation subject to Section 409A, as determined by the Company in its sole discretion, not in excess of amounts permitted to be accelerated by Section 409A including Treasury Regulation Section 1.409A-3(j)(4)(vi)). The Company and its Affiliates may, to the extent permitted by law, deduct any unsatisfied tax obligations from any payment of any kind otherwise due to the Participant.

8. Transfer of Award.

This Award may not be transferred except as expressly permitted under Section 6(a)(4) of the Plan.

9. Effect on Employment.

This Agreement is not a contract of employment between the Company (or any Subsidiary) and the Participant. The Participant retains the right to terminate his or her employment with the Company (or one of its Subsidiaries, as applicable), and the Company (and its Subsidiaries as applicable) retains the right to terminate or modify the terms of the Participant's employment, subject to any rights retained by either party under the Participant's employment agreement, if Participant has an employment agreement, and no loss of rights, contingent or otherwise, under this Agreement upon termination of employment shall be claimed by the Participant as an element of damages in any dispute over such termination of employment.

10. Provisions of the Plan.

This Agreement is subject in its entirety to the provisions of the Plan, which are incorporated herein by reference. A copy of the Plan as in effect on the Date of Grant has been furnished to the Participant. By accepting all or any part of this Award, the Participant agrees to be bound by the terms of the Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Plan, the terms of the Plan shall control (except as otherwise expressly provided herein).

11. Acknowledgements.

The Participant acknowledges and agrees that (i) this Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument, (ii) this agreement may be executed and exchanged using facsimile, portable document format (PDF) or electronic signature, which, in each case, shall constitute an original signature for all purposes hereunder and (iii) such signature by the Company will be binding against the Company and will create a legally binding agreement when this Agreement is countersigned by the Participant.

[Signature page follows.]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer.

DOMINO'S PIZZA, INC.

By: _____
Name:
Title:

Dated:

Acknowledged and Agreed:

By: _____
[●]

INDEMNIFICATION AGREEMENT

This Agreement, made and entered into this [_____] day of [_____] 2022 (“Agreement”), by and between Domino’s Pizza, Inc., a Delaware corporation (“Company”), and [_____] (“Indemnitee”):

WHEREAS, it is reasonable, prudent and necessary for the Company to obligate itself to indemnify, and to advance expenses on behalf of, its directors and executive officers to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified; and

WHEREAS, Indemnitee is willing to serve, continue to serve the Company as a director and/or executive officer and to take on additional service for or on its behalf on the condition that he be so indemnified.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee agrees to serve as a director and/or executive officer of the Company. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law).
2. Indemnification - General. The Company shall indemnify, and advance Expenses (as hereinafter defined) to, Indemnitee (a) as provided in this Agreement and (b) (subject to the provisions of this Agreement) to the fullest extent permitted by applicable law in effect on the date hereof and as amended from time to time. The rights of Indemnitee provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement.
3. Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 3 if, by reason of Indemnitee’s Corporate Status (as hereinafter defined), Indemnitee was, is, or is threatened to be made, a party to or a participant in any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 3, Company shall, to the fullest extent permitted by law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses, judgments, liabilities, losses, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee’s conduct was unlawful.

4. Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 4 if, by reason of Indemnitee's Corporate Status, Indemnitee was, is, or is threatened to be made, a party to or a participant in any threatened, pending or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company.
5. Partial Indemnification. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding, Indemnitee shall be indemnified against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter. In addition, for purposes of this Section 5, settlement of any such claim, issue or matter prior to a final judgment by a court of competent jurisdiction with respect to such Proceeding, shall be deemed to be a successful result as to such claim, issue or matter; provided, however, that any settlement of any claim, issue or matter in such a Proceeding shall not be deemed to be a successful result as to such claim, issue or matter if such settlement is effected by Indemnitee without the Company's prior written consent. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of the Expenses, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, penalties, fines and amounts paid in settlement) reasonably incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion to which Indemnitee is entitled.
6. Indemnification for Additional Expenses.
- a. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within seven (7) business days of such request) advance such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for (i) indemnification or

advance payment of Expenses by the Company under this Agreement or any other agreement or by-law of the Company now or hereafter in effect; or (ii) recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance expense payment or insurance recovery, as the case may be.

- b. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

- 7. Advancement of Expenses. The Company shall advance all reasonable Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding within seven (7) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by an undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses. Indemnitee shall repay such amounts advanced if and to the extent that it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken that Indemnitee is not entitled to be indemnified by the Company for such Expenses. Such repayment obligation shall be unsecured and shall not bear interest. The Company shall not impose on Indemnitee additional conditions to advancement or require from Indemnitee additional undertakings regarding repayment.

- 8. Procedure for Determination of Entitlement to Indemnification.

- a. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification, in compliance with Section 20 of this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.
- b. Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 8(a) hereof, a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control (as hereinafter defined) shall have occurred, by Independent Counsel (as hereinafter defined) in a written opinion to the Board of Directors, a copy of which shall be delivered to Indemnitee; or (ii) if a Change of Control shall not have occurred, (A) by a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum of the Board,

or (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (C) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within seven (7) days after such determination. The Company and Indemnitee shall each cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification), and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

- c. In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) hereof, the Independent Counsel shall be selected as provided in this Section 8(c). If a Change of Control shall not have occurred, the Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change of Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board of Directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 17 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 8(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as

Independent Counsel under Section 8(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 8(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 8(c), regardless of the manner in which such Independent Counsel was selected or appointed, and if such Independent Counsel was selected or appointed by Indemnitee or the Court, shall provide such Independent Counsel with such retainer as may requested by such counsel. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 10(a)(iii) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

- d. Except as otherwise provided below, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company will not be liable to Indemnitee under this Agreement for any legal or other Expense subsequently incurred by Indemnitee in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ his or her own counsel in such action, suit or Proceeding, but the Expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee unless (i) the employment of counsel by Indemnitee has been authorized by the Company, (ii) Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such action, or (iii) the Company shall not in fact have employed counsel to assume the defense of such action, in each of which cases the Expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any action, suit or Proceeding brought by or on behalf of the Company or as to which Indemnitee shall have made the conclusion provided for in (ii) above; and The Company shall not be liable to indemnify any Indemnitee under this Agreement for any amounts paid in settlement of any action or claim affected without the Company's written consent. The Company shall not settle any action or claim in any manner which would impose any cost, penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the Company nor Indemnitee will unreasonably withhold their consent to any proposed settlement.

9. Presumptions and Effect of Certain Proceedings.

- a. In making a determination with respect to entitlement to indemnification or the advancement of expenses hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification or advancement of expenses under this Agreement if Indemnitee has submitted a request for indemnification or the advancement of expenses in accordance with Section 8(a) of this Agreement, and the Company shall have the burden of proof

to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including its board of directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including its board of directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

- b. If the person, persons or entity empowered or selected under Section 8 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 9(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 8(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board of Directors has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 8(b) of this Agreement.
- c. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

- d. Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Company or relevant enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Company or relevant enterprise in the course of their duties, or on the advice of legal counsel for the Company or relevant enterprise or on information or records given in reports made to the Company or relevant enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company or relevant enterprise. The provisions of this Section 9(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.
- e. Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Company or relevant enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

10. Remedies of Indemnitee.

- a. In the event that (i) a determination is made pursuant to Section 8 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 7 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 8(b) of this Agreement within 90 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 6 or 7 of this Agreement within seven (7) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made within seven (7) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by the Court of Chancery of the State of Delaware, or any other court of competent jurisdiction, of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 10(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.
- b. In the event that a determination shall have been made pursuant to Section 8(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 10 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and

Indemnitee shall not be prejudiced by reason of that adverse determination. If a Change of Control shall have occurred, in any judicial proceeding or arbitration commenced pursuant to this Section 10, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

- c. If a determination shall have been made pursuant to Section 8(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 10, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.
- d. In the event that Indemnitee, pursuant to this Section 10, seeks a judicial adjudication of or an award in arbitration to enforce his rights under, or to recover damages for breach of, this Agreement, Indemnitee shall be entitled to recover from the Company, and shall be indemnified by the Company against, any and all expenses (of the types described in the definition of Expenses in Section 17 of this Agreement) reasonably incurred by him in such judicial adjudication or arbitration, but only if he prevails therein. If it shall be determined in said judicial adjudication or arbitration that Indemnitee is entitled to receive part but not all of the indemnification or advancement of expenses sought, the expenses incurred by Indemnitee in connection with such judicial adjudication or arbitration shall be appropriately prorated. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within seven (7) days after receipt by the Company of a written request therefor) advance such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' or officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.
- e. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 10 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

11. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

- a. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the By-Laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of

this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the Delaware General Corporation Law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's By-Laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

- b. The Company shall use its reasonable best efforts to purchase and maintain a policy or policies of insurance with reputable insurance companies with A.M. Best ratings of "A" or better, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not the Company would have the power to indemnify Indemnitee against such liability. Such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other director or officer of the Company. If the Company has such insurance in effect at the time it receives from Indemnitee any notice of the commencement of an action, suit, proceeding or other claim, the Company shall give prompt notice of the commencement of such action, suit, proceeding or other claim to the insurers and take such other actions in accordance with the procedures set forth in the policy as required or appropriate to secure coverage of Indemnitee for such action, suit, proceeding or other claim. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such action, suit, proceeding or other claim in accordance with the terms of such policy. The Company shall continue to provide such insurance coverage to Indemnitee for a period of at least ten (10) years after Indemnitee ceases to serve as a director or an officer or in any other Corporate Status.
- c. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit or enforce such rights.
- d. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

- e. The Company's obligation to indemnify or advance expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

12. Duration of Agreement.

- a. This Agreement shall continue until and terminate upon the later of: (i) 10 years after the date that Indemnitee shall have ceased to serve as a director and/or executive officer of the Company (or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which Indemnitee served at the request of the Company); or (ii) the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 10 of this Agreement relating thereto.
- b. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries), if any, is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Company's Certificate of Incorporation, By-laws, and Delaware General Corporation Law. The foregoing notwithstanding, this Agreement shall continue in force as provided above after Indemnitee has ceased to serve as a director and/or executive officer of the Company.
- c. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his heirs, executors and administrators.

13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be

invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

14. Exception to Right of Indemnification or Advancement of Expenses. Except as provided in Section 6(a) of this Agreement, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee to enforce his rights under this Agreement), or any claim therein, unless the bringing of such Proceeding or making of such claim shall have been approved by the Board of Directors.
15. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.
16. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.
17. Definitions. For purposes of this Agreement:
 - a. “Change in Control” means:
 - i. The acquisition by any person, corporation, partnership, limited liability company or other entity (a “Person”, which term shall include a group within the meaning of section 13(d) of the Securities Exchange Act of 1934 (the “Exchange Act”)) of ultimate beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly of 30% or more of either (i) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (ii) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Outstanding Company Voting Securities”); provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control: (i) any such acquisition directly from the Company, except for acquisition of securities upon conversion of other securities of the Company (ii) any such acquisition by the Company, (iii) any such acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any such acquisition by any corporation pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (iii) of this Section 17(a); or
 - ii. Individuals who, as of the date hereof, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director

subsequent to the date hereof whose election, or nomination for election, by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

- iii. Consummation of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company in one or a series of transactions (a "Business Combination"), in each case, unless, following such Business Combination, (1) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, immediately following such Business Combination more than 50% of, respectively, the outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and outstanding Company Voting Securities, as the case may be, (2) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) ultimately beneficially owns, directly or indirectly, 30% or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination and (3) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or
 - iv. approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.
- b. "Corporate Status" describes the status of a person who is or was a director, officer, employee, fiduciary or agent of the Company or of any other corporation,

partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

- c. “Disinterested Director” means a director of the company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee and does not otherwise have an interest materially adverse to any interest of the Indemnitee.
- d. “Effective Date” means [_____], 2022.
- e. “Expenses” shall mean all direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees and costs, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding or an appeal resulting from a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys’ fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, contribution or any other right provided by this Agreement. Expenses, however, shall not include amounts of judgments or fines against Indemnitee.
- f. “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party, or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.
- g. “Proceeding” includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding,

whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, in which Indemnitee was, is, may be or will be involved as a party or otherwise, by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or of any inaction on his part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; in each case whether or not he is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement; except one (i) initiated by an Indemnitee pursuant to Section 10 of this Agreement to enforce his right under this Agreement or (ii) pending on or before the Effective Date.

18. Enforcement.

- a. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director and/or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director and/or officer of the Company.
- b. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. Any failure by Indemnitee to notify the Company will relieve the Company of its advancement or indemnification obligations under this Agreement only to the extent the Company can establish that such omission to notify resulted in actual and material prejudice to it which cannot be reversed or otherwise eliminated without any material negative effect on the Company, and the omission to notify the Company will, in any event, not relieve the Company from any liability which it may have to indemnify Indemnitee otherwise than under this Agreement. If, at the time of receipt of any such notice, the Company has director and officer insurance policies in effect, the Company will promptly notify the relevant insurers in accordance with the procedures and requirements of such policies.

21. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered by hand and receipted for by the party to whom said notice or other communication shall have been direct, or (ii) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

a. If to Indemnitee to:

[INDEMNITEE'S NAME]
[ADDRESS]

b. If to the Company to:

30 Frank Lloyd Wright Drive
Ann Arbor, Michigan 48106
Attention: General Counsel

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

23. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 10(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not a resident of the State of Delaware, irrevocably [] as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding against such party with the same legal

force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or otherwise inconvenient forum.

24. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

DOMINO'S PIZZA, INC.

By: _____
Name:

Title:

INDEMNITEE:

Name:
Title:

CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF DOMINO'S PIZZA, INC.

I, Russell J. Weiner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Domino's Pizza, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 21, 2022
Date

/s/ Russell J. Weiner
Russell J. Weiner
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER OF DOMINO'S PIZZA, INC.

I, Sandeep Reddy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Domino's Pizza, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

July 21, 2022
Date

/s/ Sandeep Reddy
Sandeep Reddy
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended June 19, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, Russell J. Weiner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Russell J. Weiner
Russell J. Weiner
Chief Executive Officer

Dated: July 21, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Domino's Pizza, Inc. (the "Company") on Form 10-Q for the period ended June 19, 2022, as filed with the Securities and Exchange Commission (the "Report"), I, Sandeep Reddy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that based on my knowledge:

- 1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Sandeep Reddy.
Sandeep Reddy
Chief Financial Officer

Dated: July 21, 2022

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Domino's Pizza, Inc. and will be retained by Domino's Pizza, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
