



## Domestic

- 4,979 franchise stores
- 392 company-owned stores
- 5.5% standard domestic royalty rate
- Average cost to open a new store \$250-\$350K
- U.S. average reported annual EBITDA per franchise store up seven years in a row
  - 2016 was a record \$134K+

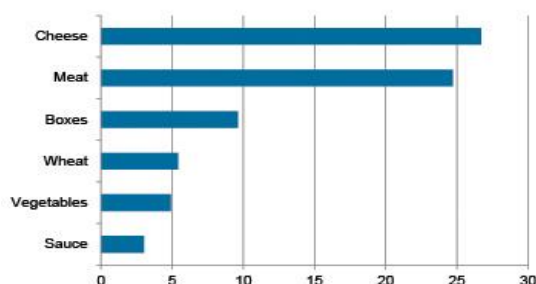
## International

- 8,440 franchise stores
- No company-owned stores
- ~3.0% average international royalty rate
- 23+ years of consecutive positive same store sales

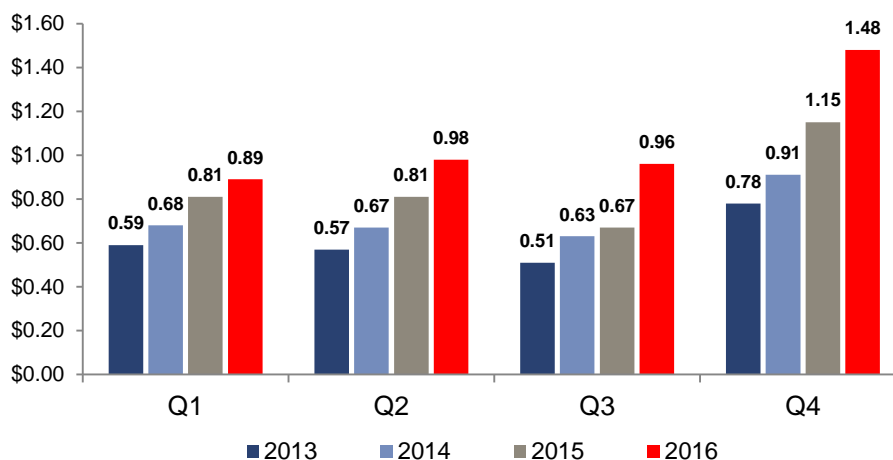
## Supply Chain & Fresh Dough Production

- Sells and delivers food, equipment and supplies to U.S. and Canadian stores
- 19 company-owned supply chain facilities in contiguous U.S.
- 7 company-owned supply chain facilities outside the contiguous U.S. (Canada, Alaska and Hawaii)
- Manufactures fresh dough and thin crust and processes certain vegetables
- Franchise partnership – profit-sharing agreement
- Pricing pass-through on most items – reduces volatility
- 2017 commodity food basket projected to be flat to +2% versus 2016
- Q4 average cheese block price = \$1.67/lb.

## Relative Magnitude of Six Largest Commodity Costs



## Adjusted EPS Growth



Certain EPS amounts are adjusted for items affecting comparability. Items adjusting reported EPS are detailed in the respective earnings release on Form 8-K.

## Capital Structure

- Franchise model works well with leverage
  - Completed refinancing transaction in October 2015
    - \$1.3 billion in new fixed rate notes (blended rate of 4.1%)
  - Remaining existing debt of \$963 million upon completion (5.216%)
    - Q4 2016 balance of \$917 million (callable at par July 2017)
  - Debt-to-EBITDA ratio at 5.3x upon completion (3-6x stated range)

## Use of Cash

- Repurchase shares
  - \$600 million Accelerated Share Repurchase final settlement completed in Q1 2016 upon receipt and retirement of 456,936 shares
  - Board of Directors has authorized replenishment of open market share repurchase program seven times (May 25)
  - Repurchased and retired 102,394 shares at an average price of \$160.09 per share in Q4 2016
- Pay dividends
  - Quarterly dividend raised from \$0.38 from \$0.46 per share beginning in March 2017

## 3-5 Year Outlook\*

- Global net units: +6% to +8%
- Domestic same store sales: +3% to +6%
- International same store sales: +3% to +6%
- Global retail sales: +8% to +12%

(\*Outlook does not constitute specific earnings guidance. Domino's does not provide quarterly or annual earnings estimates.)