

# DOMINO'S INVESTOR PRESENTATION

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MARCH 2018





# LEGAL STUFF

This presentation and our accompanying comments include “forward-looking statements.”

These statements may relate to future events or our future financial performance and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. This presentation and our accompanying comments do not purport to identify the risks inherent in an investment in Domino's Pizza and factors that could cause actual results to differ materially from those expressed or implied in the forward looking statements. These risks include but are not limited to those risk factors identified in Domino's Pizza, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as well as other SEC reports filed by Domino's Pizza, Inc. from time to time. Although we believe that the expectations reflected in the forward-looking statements are based upon reasonable estimates and assumptions, we cannot guarantee future results, levels of activity, performance or achievements. We caution you not to place undue reliance on forward-looking statements, which reflect our estimates and assumptions and speak only as of the date of this presentation and you should not rely on such statements as representing the views of the Company as of any subsequent date. We undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances. In light of the above, you are urged to review the disclosures contained in the Domino's Pizza, Inc. SEC reports, including the risk factors contained therein.

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# WHO WE ARE



# A GLOBAL QSR FRANCHISOR

STRONG FRANCHISE MODEL - ENTERPRISE OF 14,800+ STORES

51%

International Global Retail Sales

OVER 85 DEVELOPED AND  
EMERGING MARKETS

**9,269 STORES**  
MASTER FRANCHISEE MODEL



49%

Domestic Global Retail Sales

93% INDEPENDENTLY  
OWNED & OPERATED IN THE U.S.

**5,587 STORES**  
NEARLY 800 FRANCHISEES



# STRONG INTERNATIONAL BASE

**More than Half of  
International Stores  
Owned by Four Public  
Companies**



## Domino's Pizza Enterprises Ltd.

<b>DMP</b>	Market Cap \$3,399M
	Store Count 2,193

## Jubilant FoodWorks Ltd.

<b>JUBI</b>	Market Cap \$2,355M
	Store Count 1,127

## Domino's Pizza Group PLC

<b>DOM</b>	Market Cap \$2,138M
	Store Count 1,149

## Alsea SAB de CV

<b>ALSEA</b>	Market Cap \$2,771M
	Store Count 1,015

Market cap numbers adjusted for local currency. DPE store count and market cap as of H1'18 release (2/14/18). DPG store count and market cap as of Q3'17 trading update (10/10/17). Alsea store and market cap as of Q4'17 release (2/21/18). Jubilant store count and market cap as of Q3'18 release (1/19/18).

# HOW WE MAKE \$\$

**Profits Driven by Franchisee Royalties**

**Domestic Franchisees 5.5% Royalty Rate**

**International Master Franchisees  
~3.0% Royalty Rate on Average**

**Domestic and GOLO digital fees**

**Supply Chain and Company-Owned  
Store Segments**





# HOW WE DEFINE SUCCESS



# WHAT MATTERS MOST TO US

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**Global Retail Sales Driven by Comp and Store Growth Momentum**

**Profitable Franchisees, Industry-Leading Unit Economics**

**Ability to Fortress Markets via Unit Growth**

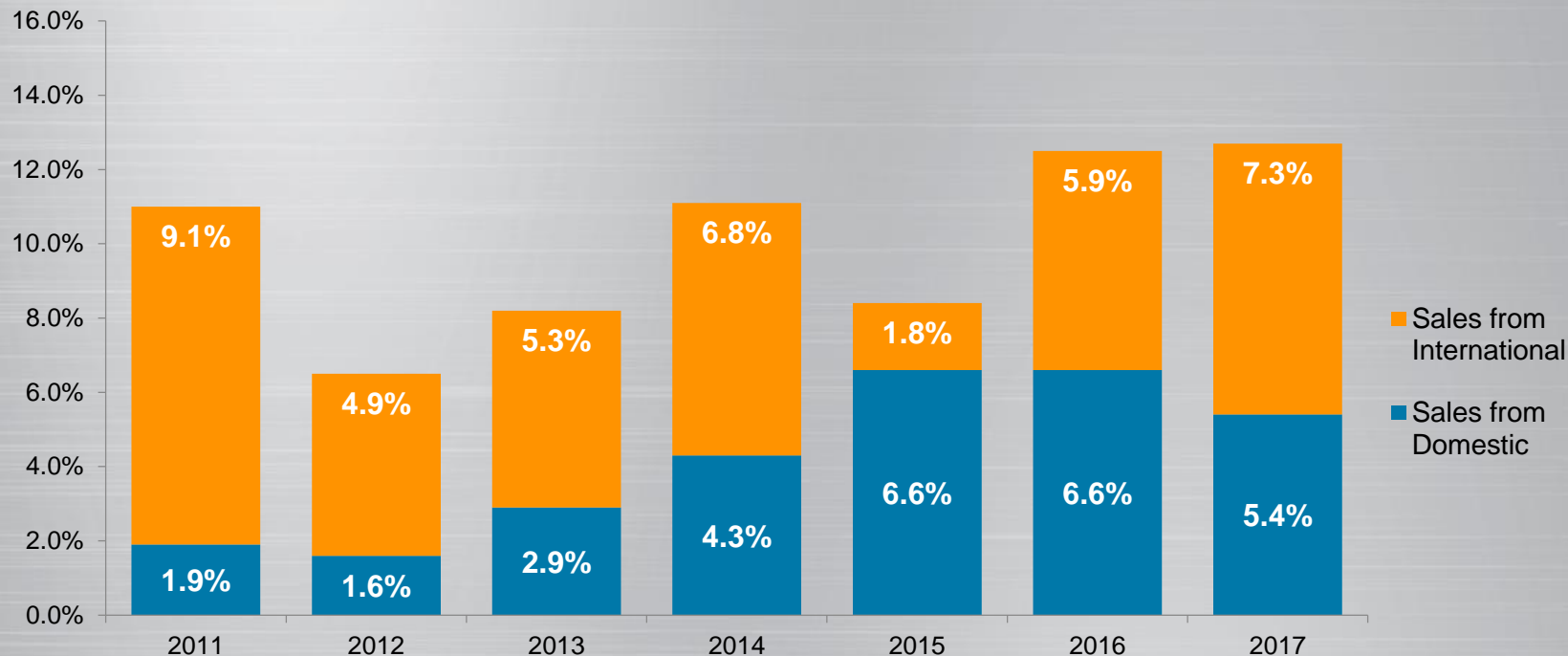
**Fragmented Category, Share Opportunity**

**Using Scale to Maintain Technology and Innovation Leadership**

**Building Shareholder Value**

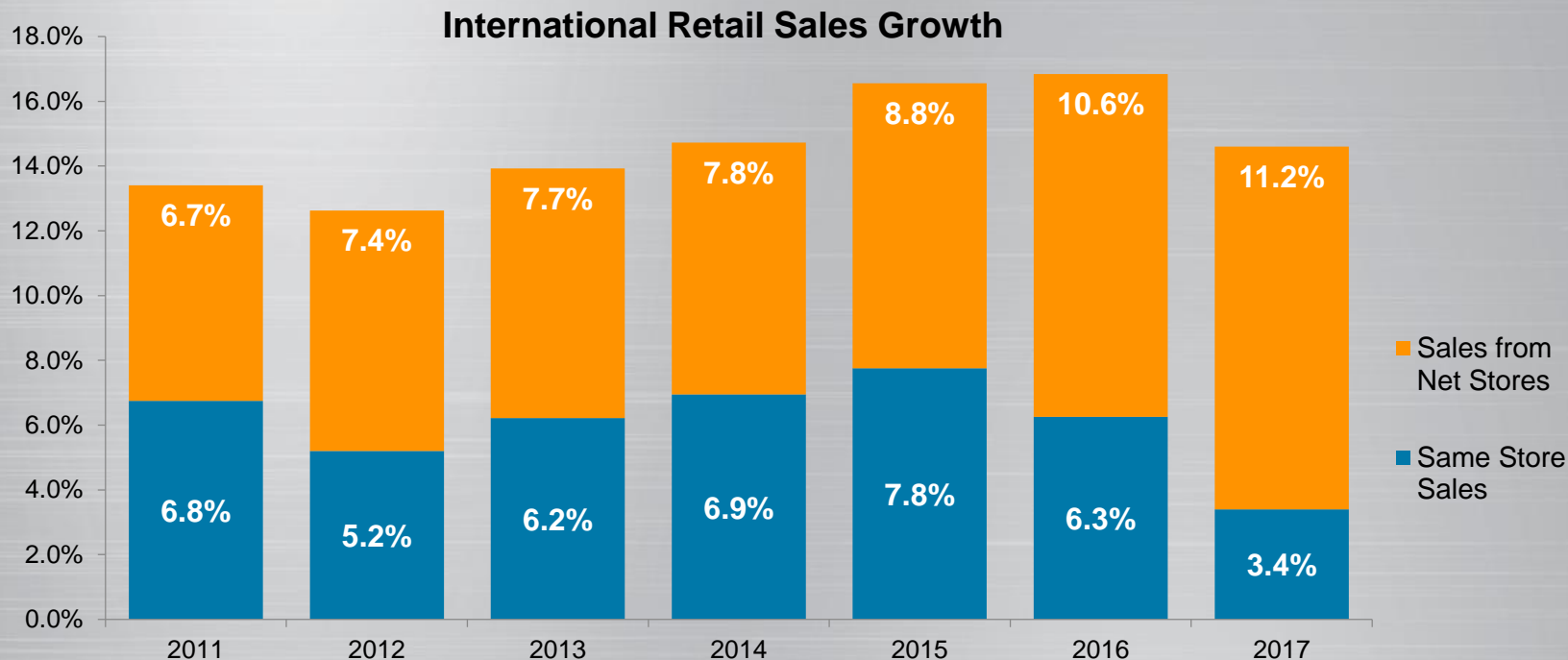


# GLOBAL RETAIL SALES GROWTH



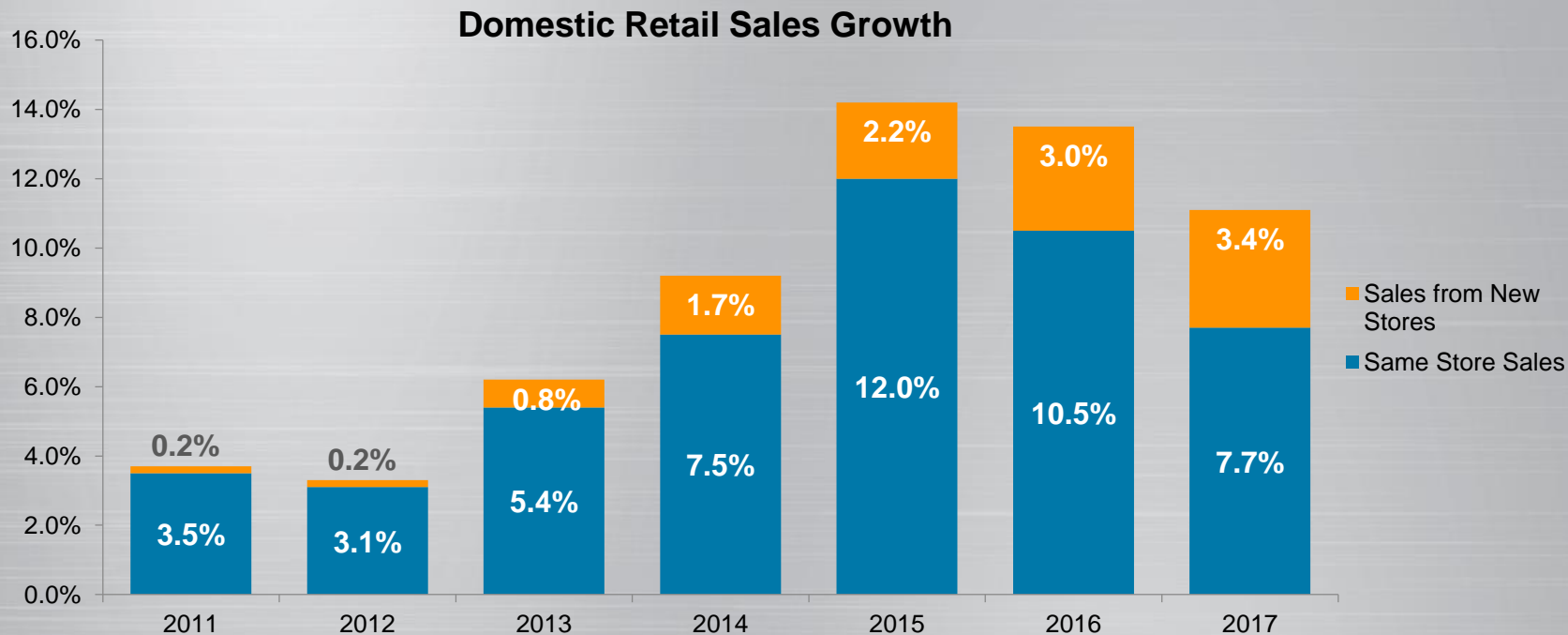
Note: 2015 excludes impact of the 53<sup>rd</sup> week.

# GLOBAL RETAIL SALES GROWTH



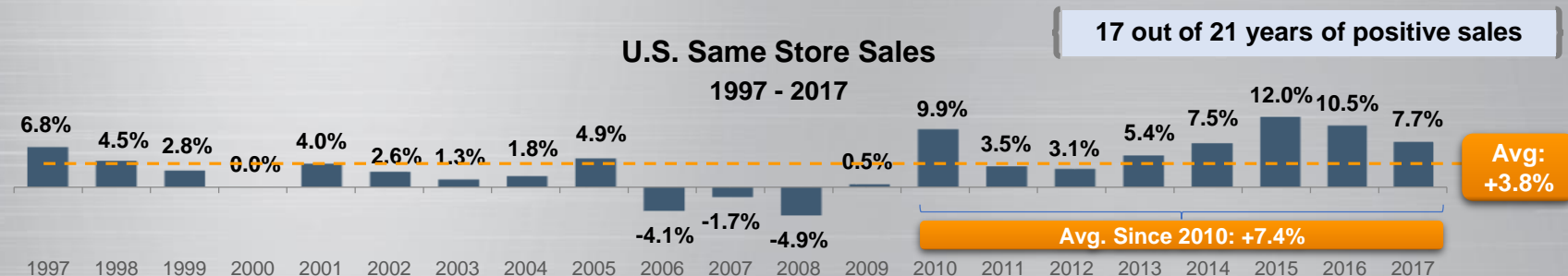
Note: 2015 excludes impact of the 53<sup>rd</sup> week; Constant dollar basis to exclude FX impact.

# GLOBAL RETAIL SALES GROWTH



Note: 2015 excludes impact of the 53<sup>rd</sup> week.

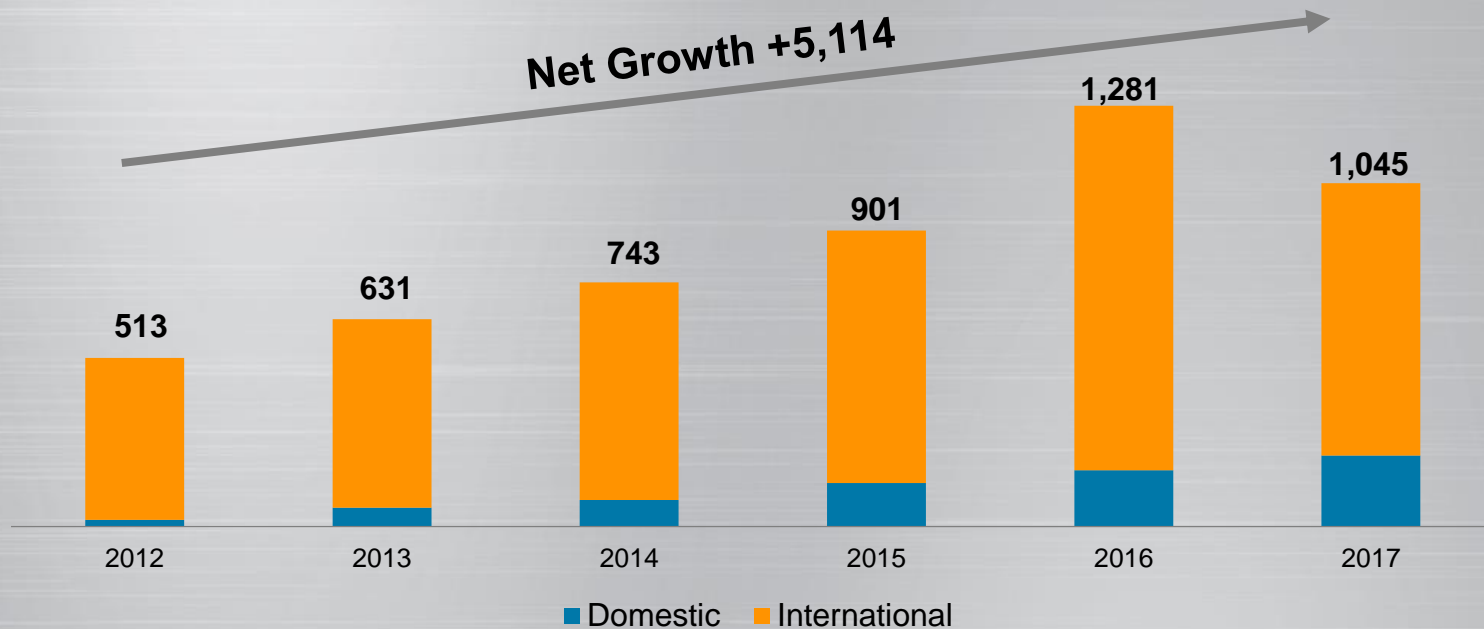
# SAME STORE SALES TRACK RECORD



International sales exclude the impact of foreign currency exchange rate changes.



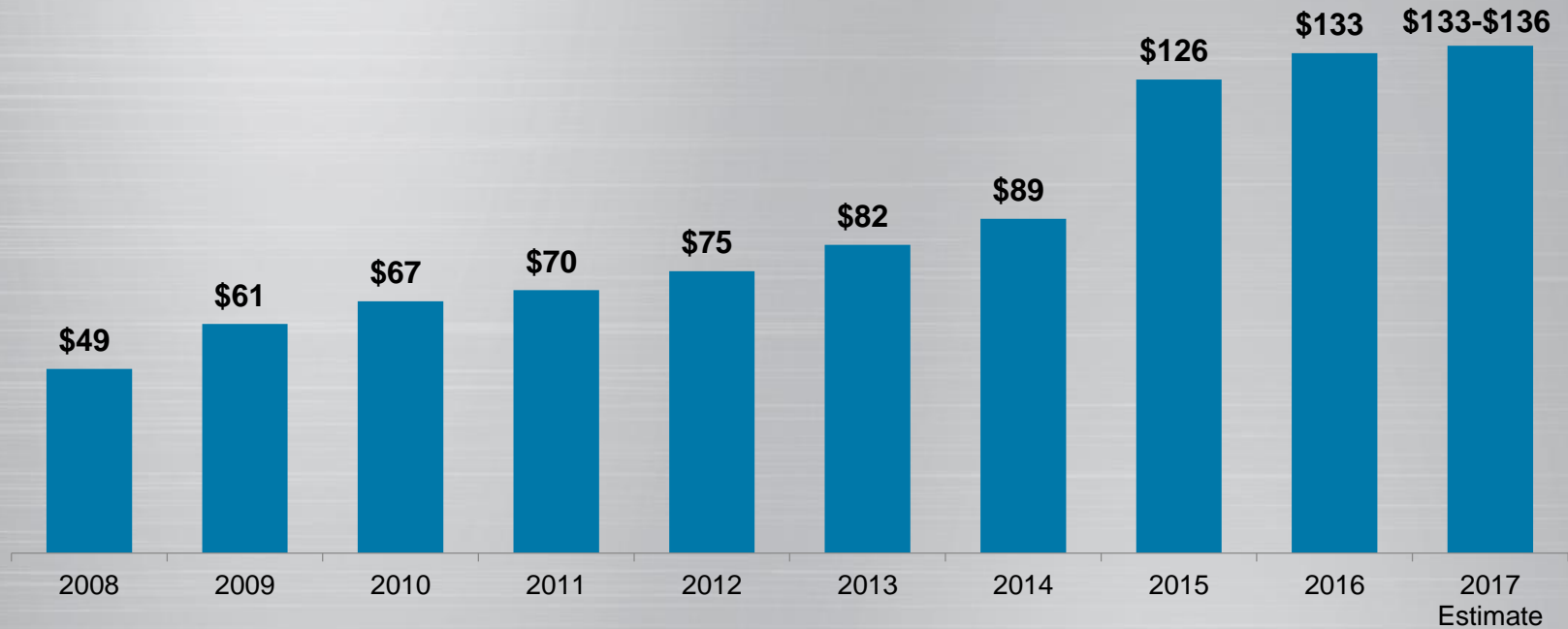
# DOMESTIC & INTERNATIONAL STORE GROWTH RATES



Store conversions within international markets: 64 (2015)...254 (2016)...26 (2017)

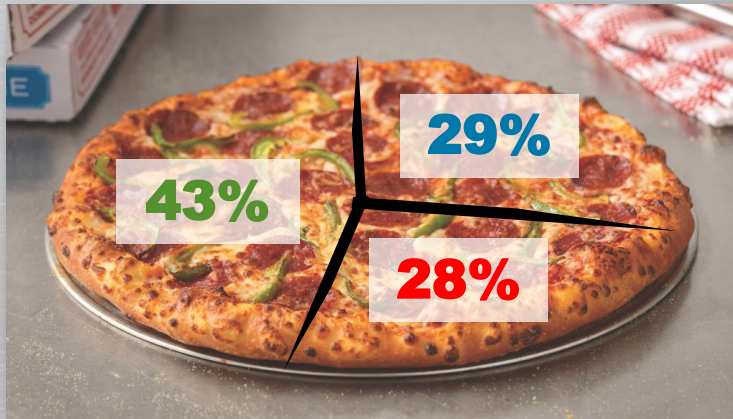
# PROFITABLE FRANCHISEES

Average U.S. Franchise Store EBITDA (in thousands)

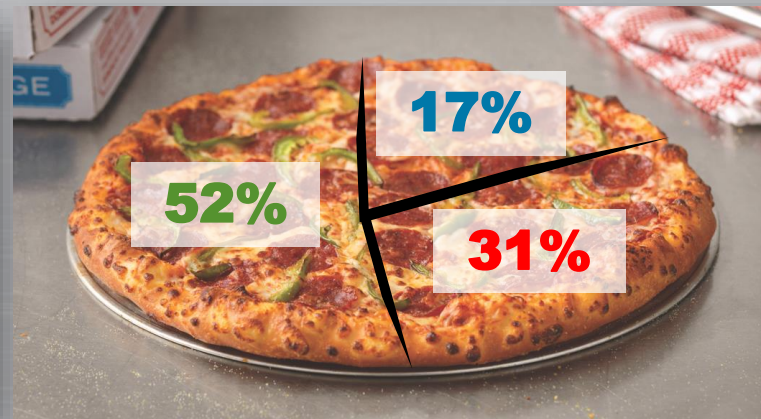


# FRAGMENTED CATEGORY, SHARE OPPORTUNITY

Pizza Delivery Market Share 2017



Total QSR Pizza Market Share 2017



■ Domino's Pizza

■ Other Major Pizza Chains

■ Regional Chains and Independents

	2011	2012	2013	2014	2015	2016	2017
Domino's Delivery Dollar Share	21.9%	22.0%	23.0%	24.4%	26.7%	27.2%	29.3%

# GLOBAL UNIT GROWTH OPPORTUNITY

## DEVELOPED MARKETS

Top Markets	Last Disclosed Store Count*	Potential Store Count
UK / Ireland	1,094	1,675
Australia / New Zealand	799	1,200
Japan	503	850
Canada	472	700
South Korea	444	500
France	370	1,000
Netherlands	242	400
Spain	235	350
Germany	209	1,000
<b>TOTAL</b>	<b>4,368</b>	<b>7,675</b>

## EMERGING MARKETS

Top Markets	Last Disclosed Store Count*	Potential Store Count
India	1,127	1,800
Mexico	701	940
Turkey	514	900
Saudi Arabia	239	450
Malaysia	215	450
Brazil	208	500
<b>TOTAL</b>	<b>3,004</b>	<b>5,040</b>

- **#1 or #2 Pizza Delivery Market Position in Top 15 Markets**
- **Potential for Additional 5,300 Stores in Top 15 Markets Alone**

Delivery market position and potential store count based on Company and master franchisee estimates.

Mexico and Spain store count as of Q4'17 release (February 21, 2018). Australia/New Zealand, Japan, Netherlands, Germany, and France store count as of H1'18 release (February, 14, 2018). India store count as of Q3'18 release (January 19, 2018). United Kingdom store count as of FY'17 release (March 8, 2018). Turkey store count as of FY'17 release (January 23, 2018). All other countries based on DPZ's Q4'17 reported store count.



# TECHNOLOGY AND INNOVATION LEADERSHIP

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**Proprietary POS System**

**Over 60% of U.S. Sales via Digital Channels**

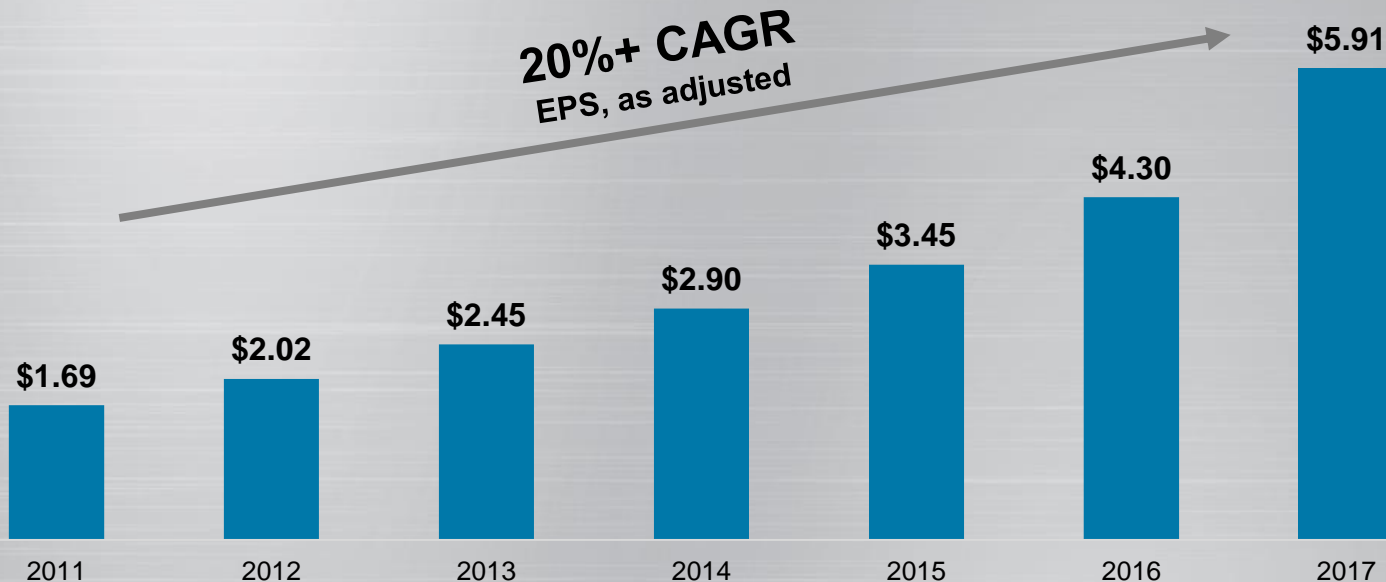
**Top Rated Apps vs. Competition**

**Pizza Profiles, Easy Order and AnyWare Platforms**

**Launched Digital Loyalty Program in Late 2015** (expanded to all orders in Oct. 2017)

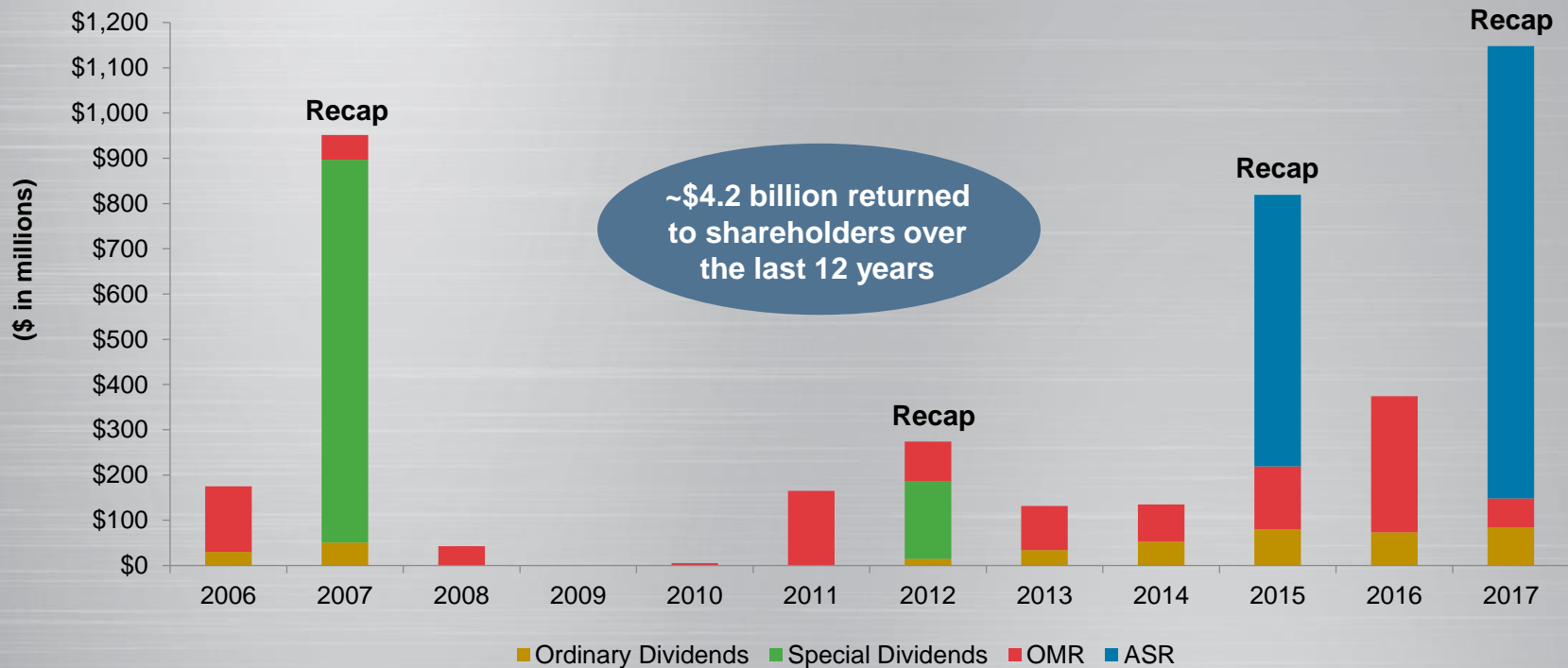
**Sharing Technology Learnings Globally**

# BUILDING SHAREHOLDER VALUE



Certain diluted EPS amounts are adjusted for items affecting comparability.  
Items adjusting comparability are detailed in the respective Earnings Release on Form 8-K.

# CONSISTENT SHAREHOLDER RETURN



# MODEL FUNCTIONS WELL WITH LEVERAGE

- **Current Debt:**

- \$3.2 billion total (completed latest refinancing in July 2017)
- Debt added in 2017 includes \$1.6 billion in new fixed rate notes and \$300 million in variable rate notes (blended rate of 3.61%)
- Existing \$1.3 billion (2015 fixed rate notes, blended rate of 4.1%)
- Debt-to-EBITDA ratio at 5.9x upon completion (3-6x is stated range)

- **Have Used Free Cash Flow to:**

- Buy Back Shares
  - \$750 million current repurchase authorization
  - \$1.06 billion in 2017, included \$1 billion ASR completed Q3 2017
  - \$300 million in 2016 and \$739 million in 2015
- Pay Dividends
  - Quarterly dividends of \$84 million (2017), \$74 million (2016) and \$80 million (2015)
  - Special dividends in 2007 and 2012





WHERE WE'VE BEEN

# **DECADE-LONG PROCESS OF BUILDING FUNDAMENTALS**

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**2010 Pizza Turnaround, Improved Quality and Expanded Menu**

**Disciplined Decisions via Strategy, Insights and Research**

**Product Strategy: Permanent Items and Simple Operations**

**Focus on Order Counts and Growing Traffic**

**Common POS, Vertically Integrated In-House Technology Program**

**Leaner, More Efficient Franchisee Base (2009 A/B/F Rating System)**

# **STRONG FUNDAMENTALS LEAD TO SUSTAINED SUCCESS**

**96 Consecutive Quarters of International  
Same Store Sales Growth**

**27 Consecutive Quarters of Domestic  
Same Store Sales Growth**

**U.S. Digital Sales from 0% to over 60%  
in Roughly a Decade**

**Driven by Order Count and Traffic Growth,  
Rare in Our Industry**





**WHERE WE'RE HEADED**



# OUR FOCUS GOING FORWARD

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**With Reimage Substantially Complete, Best Image in QSR  
Beginning in 2018**

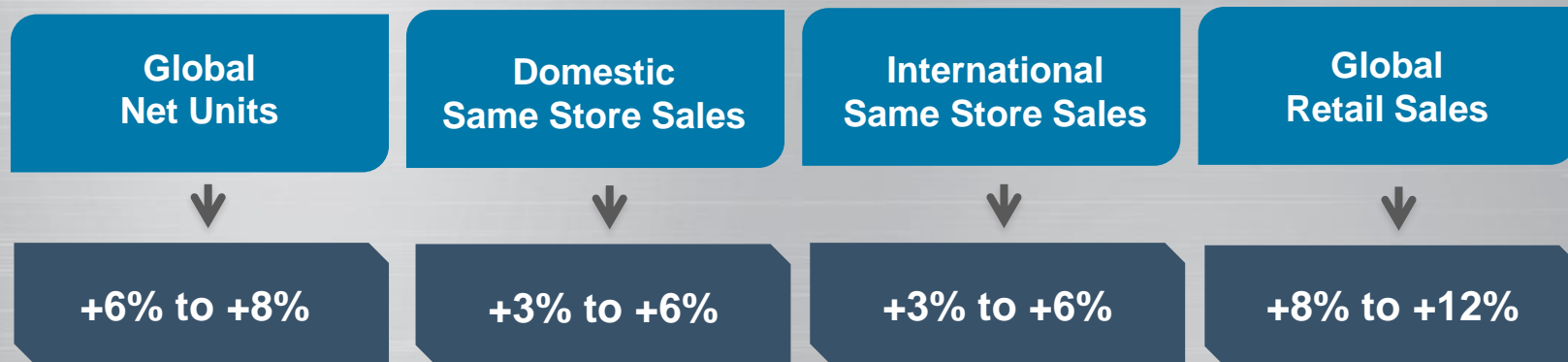
**Aggressive, Forward-Thinking Investments to Maintain Lead,  
Evolve Digital Experience and Drive the Business**

**Continue to Expand Carryout, Day-Part Opportunities**

**Execute Our Steady Strategy, Deliver on 3-5 Year Outlook**

**Become Dominant Global #1**

## 3-5 YEAR OUTLOOK



# 2018 OUTLOOK

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**FX: Flat to \$4 million positive impact (vs. 2017)**

**Commodities up 2-4% (vs. 2017)**

**G&A Investment of ~\$380-385 million**

**CapEx Investment of ~\$90-100 million**



**DPZ**

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LISTED

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**NYSE**

**THANK YOU!**