



Dodo Brands Reports Second Quarter 2024 Results

Moscow, Russia - 6 September 2024 10:00 AM GMT - DP Global Group Limited (“Dodo Brands” or the “Company”), home of Dodo Pizza, one of fastest-growing pizza chain in the world, announces its financial results in accordance with International Financial Reporting Standards (IFRS) for for the quarter ended 30 June 2024.

Q2 2024 Key Financial Highlights

- Global system sales increased by 41.2% to RUB 28.4 bn.
- Added 50 net new units in the second quarter 2024. Finished the quarter with 1129 units in 22 countries.
- Eurasia comparable system sales in the second quarter 2024 increased by 26.6%; International Master Franchising comparable system sales increased by 18.9% (in RUB terms).
- Adjusted EBITDA amounted to RUB 225 million for the second quarter 2024 vs RUB 298 million in the second quarter 2023.
- Free Cash Flow of RUB (820) thousand for the second quarter 2024 vs RUB 221.1 million for the second quarter 2023.
- RUB 1,422 million net cash (ex. IFRS 16) as of June 30, 2024.

Key Financial Metrics

RUB '000	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Revenue and Income	3,377,193	2,417,101	+39.7%	6,335,774	4,614,676	+37.3%
Royalties	1,239,606	938,940	+32.0%	2,389,812	1,760,389	+35.8%
Retail sales	1,104,347	758,687	+45.6%	2,118,907	1,510,878	+40.2%
Marketing fee	666,600	430,486	+54.8%	1,116,835	762,087	+46.5%
Other revenue and income	366,640	288,988	+26.9%	710,220	581,322	+22.2%
Adjusted EBITDA	225,080	298,060	(24.5%)	410,589	625,643	(34.4%)
EBITDA margin %	6.7%	12.3%	(567bps)	6.5%	13.6%	(708bps)
Free Cash Flow	(820)	221,084	n.a.	220,506	407,779	(45.9%)
FCF margin %	0.0%	9.1%	(917bps)	3.5%	8.8%	(536bps)
Net Cash ex. IFRS 16	(1,422,313)	(1,181,925)	+20.3%	(1,422,313)	(1,181,925)	+20.3%

Store Count	30 June 2024	31 December 2023	change
Eurasia	998	929	+69
Corporate	41	39	+2
Franchised	957	890	+67
IMF	90	71	+19
Startups	41	27	+14
Corporate	20	15	+5
Franchised	21	12	+9
TOTAL	1,129	1027	+102

System Sales, RUB million	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Eurasia	26,798	19,143	+40.0%	51,513	36,343	+41.7%
International Master Franchising	1,382	863	+60.1%	2,642	1,610	+64.1%
Startups	248	127	+95.3%	399	226	+76.5%
TOTAL	28,428	20,133	+41.2%	54,554	38,179	+42.9%

Comparable Sales Growth	Q2 2024	Q2 2023
Eurasia	+26.6%	+22.0%
International Master Franchising	+18.9%	+46.2%
Startups	+2.5%	(35.3%)
TOTAL	+26.1%	+22.6%

Notes

System sales are sales generated by the Company's corporate and franchised stores to external customers (including VAT) and do not represent revenue of the Group.

Comparable sales growth is a comparison of sales between two periods that compares system sales of existing system stores. The Company's system stores that are included in comparable sales calculation are those that have operated for at least 12 full calendar months preceding the beginning of the first month of the period used in the comparable sales for a certain reporting period, assuming the relevant system store has not subsequently closed.

Net debt, adjusted EBITDA and one-off income/expenses are not defined by IFRS. These items are determined by the principles defined by the Company's management. These items which are not defined by IFRS are disclosed by the Company management separately for a better understanding and measurement of the sustainable performance of the Company.

Eurasia business unit includes Dodo Pizza business in Russia, Kazakhstan and Belarus.

International Master Franchising business unit includes Dodo Pizza business in Georgia, Armenia, Azerbaijan, Kyrgyzstan, Tajikistan, Uzbekistan, Cyprus, Croatia, Estonia, Germany, Lithuania, Romania, Poland, Serbia, Slovenia, Turkiye, Nigeria and Vietnam.

Startups segment combines three business units - Dodo Pizza UAE, DrinkIt and Kebster (inc. Doner 42).

Appendix I: System Sales and Comparable Sales Growth by Channel

System Sales, RUB million	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Delivery	17,904	12,510	+43.1%	35,606	24,796	+43.6%
<i>% delivery in total</i>	63.0%	62.1%		65.3%	64.9%	
In-store	10,524	7,623	+38.1%	18,948	13,383	+41.6%
TOTAL	28,428	20,133	+41.2%	54,554	38,179	+42.9%

	System orders, thsd			Average ticket, RUB		
	Q2 2024	Q2 2023	change	Q2 2024	Q2 2023	change
Delivery	14,254	11,188	+27.4%	1,256	1,118	+12.3%
In-store	18,794	14,944	+25.8%	560	510	+9.8%
TOTAL	33,048	26,132	+26.5%	860	770	+11.7%

Appendix II: Financial Statements Highlights and Reconciliations

Profit & Loss Statement Highlights

<i>RUB '000</i>	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Revenue and income	3,377,193	2,417,101	+39.7%	6,335,774	4,614,676	+37.3%
Royalties	1,239,606	938,940	+32.0%	2,389,812	1,760,389	+35.8%
Retail sales	1,104,347	758,687	+45.6%	2,118,907	1,510,878	+40.2%
Marketing fee	666,600	430,486	+54.8%	1,116,835	762,087	+46.5%
Other revenue and income	366,640	288,988	+26.9%	710,220	581,322	+22.2%
Operating Expenses	(3,220,134)	(2,184,896)	+47.4%	(6,095,948)	(4,094,210)	+48.9%
Raw materials and consumables	(434,114)	(309,550)	+40.2%	(848,589)	(621,212)	+36.6%
Employee benefits	(1,406,142)	(891,985)	+57.6%	(2,740,535)	(1,738,750)	+57.6%
Depreciation and amortization	(137,552)	(110,572)	+24.4%	(268,261)	(201,496)	+33.1%
Distribution and advertising	(707,629)	(507,396)	+39.5%	(1,232,847)	(869,635)	+41.8%
Other operating expenses	(534,697)	(365,393)	+46.3%	(1,005,716)	(663,117)	+51.7%
Operating Profit	157,059	232,205	(32.4%)	239,826	520,466	(53.9%)
Finance Income	18,758	30,967	(39.4%)	76,669	55,910	+37.1%
Finance costs	(95,182)	(31,240)	+204.7%	(132,292)	(61,351)	+115.6%
Profit before Tax	80,635	231,932	(65.2%)	184,203	515,025	(64.2%)
Income tax expense	(51,231)	(57,564)	(11.0%)	(96,343)	(113,404)	(15.0%)
Net Income	29,404	174,368	(83.1%)	87,860	401,621	(78.1%)

Adjusted EBITDA Calculation

<i>RUB '000</i>	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Operating Profit	157,059	232,205	(32.4%)	239,826	520,466	(53.9%)
<i>operating margin %</i>	4.7%	9.6%	(496bps)	3.8%	11.3%	(749bps)
Add: Depreciation and amortization	137,552	110,572	+24.4%	268,261	201,496	+33.1%
Less: IFRS16 to IAS17 adjustment	(111,423)	(92,540)	+20.4%	(208,489)	(173,150)	+20.4%
Add: Share-based payments expense	44,437	46,795	(5.0%)	109,311	81,595	+34.0%
Add: Other one-off expenses / (income)	(2,545)	1,028	n.a.	1,680	(4,764)	n.a.
Adjusted EBITDA	225,080	298,060	(24.5%)	410,589	625,643	(34.4%)
<i>EBITDA margin %</i>	6.7%	12.3%	(567bps)	6.5%	13.6%	(708bps)

Cash Flow Statement Highlights

RUB '000	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Net Income before Tax	80,635	231,932	(65.2%)	184,203	515,025	(64.2%)
Add: Depreciation and amortization	137,552	110,572	+24.4%	268,261	201,496	+33.1%
Add: Share-based payments expense	44,437	46,795	(5.0%)	109,311	81,595	+34.0%
Change in working capital	17,403	83,499	(79.2%)	331,799	52,876	+527.5%
Income Tax Paid	(80,106)	(75,579)	+6.0%	(167,560)	(117,645)	+42.4%
Net finance cost	110,391	14,399	+666.7%	124,295	30,841	+303.0%
Other adjustments	8,614	(36,749)	n.a.	16,065	(31,661)	n.a.
Operating Cash Flow	318,926	374,869	(14.9%)	866,374	732,527	+18.3%
Purchase of property and equipment	(202,387)	(51,485)	+293.1%	(414,840)	(138,658)	+199.2%
Purchase of intangible assets	(5,936)	(8,590)	(30.9%)	(22,539)	(10,222)	+120.5%
Loans granted	-	-	n.a.	(51,500)	-	n.a.
Other investing cash flows	139,760	1,455	n.a.	140,863	1,940	n.a.
Investing Cash Flow	(68,563)	(58,620)	+17.0%	(348,016)	(146,940)	+136.8%
Interest paid on loans received	-	(1,170)	n.a.	-	(2,718)	(100.0%)
Shares buyback	(61,491)	(52,255)	+17.7%	(61,491)	(52,255)	+17.7%
Payment of lease liabilities and related interest	(112,309)	(93,325)	+20.3%	(210,248)	(174,420)	+20.5%
Net decrease in financial debt	-	(16,148)	n.a.	-	(32,296)	(100.0%)
Financing Cash Flow	(173,800)	(162,898)	+6.7%	(271,739)	(261,689)	+3.8%
Net change in cash and equivalents	76,563	153,351	(50.1%)	246,619	323,898	(23.9%)
Net foreign exchange difference	(35,501)	24,250	n.a.	(24,238)	40,307	n.a.
Cash and equivalents at the beginning of period	1,381,251	1,056,307	+30.8%	1,199,932	869,703	+38.0%
Cash and equivalents at the end of period	1,422,313	1,233,908	+15.3%	1,422,313	1,233,908	+15.3%

Free Cash Flow Calculation

RUB '000	Q2 2024	Q2 2023	change	1H 2024	1H 2023	change
Adjusted EBITDA	225,080	298,060	(24.5%)	410,589	625,643	(34.4%)
Purchase of property and equipment	(202,387)	(51,485)	+293.1%	(414,840)	(138,658)	+199.2%
Purchase of intangible assets	(5,936)	(8,590)	(30.9%)	(22,539)	(10,222)	+120.5%
Change in Working Capital	17,403	83,499	(79.2%)	331,799	52,876	+527.5%
Income Tax Paid	(80,106)	(75,579)	+6.0%	(167,560)	(117,645)	+42.4%
Interest paid on loans received	-	(1,170)	(100.0%)	-	(2,718)	(100.0%)
Inventory loss	25,306	19,360	+30.7%	52,731	39,350	+34.0%
Other adjustments	19,820	(43,011)	n.a.	30,326	(40,847)	n.a.
Free Cash Flow	(820)	221,084	n.a.	220,506	407,779	(45.9%)

Net Debt Calculation

<i>RUB '000</i>	Q2 2024	2023 YE	<i>change</i>
Interest-bearing loans and borrowings (current)	-	-	<i>n.a.</i>
Cash and equivalents	(1,422,313)	(1,199,932)	+18.5%
Net Cash ex. IFRS 16	(1,422,313)	(1,199,932)	+18.5%