



Dodo Brands Reports Third Quarter 2023 Results

Moscow, Russia - 21 December 2023 7:00 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 the three months ended 30 September 2023.

Q3 2023 Key Financial Highlights

- Global system sales increased by 46.3% to RUB 21.9 bn.
- Added 31 net new units in the third quarter 2023. Finished the quarter with 981 units in 17 countries.
- Eurasia comparable system sales in the third quarter 2023 increased by 29.7%; International Master Franchising comparable system sales increased by 72.2% (in RUB terms).
- Adjusted EBITDA amounted to RUB 330 million for the third quarter 2023 vs RUB 269.4 million in the third quarter 2022.
- Free Cash Flow of RUB 411.8 million for the third quarter 2023 vs RUB 352.8 million for the third quarter 2022.
- RUB 1,595 million net cash (ex. IFRS 16) as of September 30, 2023.

Key Financial Metrics

RUB '000	Q3 2023	Q3 2022	change	9M 2023	9M 2022	change
Revenue and Income	2,504,709	1,750,980	+43.0%	7,119,385	5,128,153	+38.8%
Royalties	962,026	608,449	+58.1%	2,722,415	1,782,367	+52.7%
Retail sales	779,200	662,333	+17.6%	2,290,078	1,990,664	+15.0%
Marketing fee	432,310	255,266	+69.4%	1,194,397	700,001	+70.6%
Other revenue and income	331,173	224,932	+47.2%	912,495	655,121	+39.3%
Adjusted EBITDA	329,951	269,413	+22.5%	955,594	659,681	+44.9%
EBITDA margin %	13.2%	15.4%	(221bps)	13.4%	12.9%	+56bps
Free Cash Flow	411,800	352,832	+16.7%	802,855	689,507	+16.4%
FCF margin %	16.4%	+20.2%	(371bps)	11.3%	13.4%	(217bps)
Net Cash ex. IFRS 16	(1,595,191)	(794,390)	+100.8%	(1,595,191)	(794,390)	+100.8%

Store Count	30 September 2023	31 December 2022	change
Eurasia	896	824	+72
Corporate	40	36	+4
Franchised	856	788	+68
IMF	63	49	+14
Startups	22	20	+2
TOTAL	981	893	+88

System Sales, RUB million	Q3 2023	Q3 2022	change	9m 2023	9m 2022	change
Eurasia	20,748	14,347	+44.6%	57,091	40,468	+41.1%
International Master Franchising	1,051	540	+94.6%	2,689	1,751	+53.6%
Startups	121	91	+33.0%	319	240	+32.9%
TOTAL	21,920	14,978	+46.3%	60,099	42,459	+41.5%

Comparable Sales Growth	Q3 2023	Q3 2022
Eurasia	+29.7%	+30.7%
International Master Franchising	+72.2%	(5.5%)
Startups	(40.7%)	(35.5%)
TOTAL	+30.9%	+28.7%

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 Armenia, Kyrgyzstan, Tajikistan, Uzbekistan, Estonia, Germany, Lithuania, Romania, Poland, Slovenia, Turkiye, Nigeria, Vietnam and China.

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

Appendix I: System Sales and Comparable Sales Growth by Channel

System Sales, RUB million	Q3 2023	Q3 2022	change	9m 2023	9m 2022	change
Delivery	13,140	9,182	+43.1%	37,936	27,099	+40.0%
<i>% delivery in total</i>	59.9%	61.3%		63.1%	63.8%	
In-store	8,780	5,796	+51.5%	22,163	15,360	+44.3%
TOTAL	21,920	14,978	+46.3%	60,099	42,459	+41.5%

	System orders, thsd			Average ticket, RUB		
	Q3 2023	Q3 2022	change	Q3 2023	Q3 2022	change
Delivery	11,642	8,833	+31.8%	1,129	1,040	+8.6%
In-store	15,846	12,226	+29.6%	554	474	+16.9%
TOTAL	27,488	21,059	+30.5%	797	711	+12.1%

Appendix II: Financial Statements Highlights and Reconciliations

Profit & Loss Statement Highlights

<i>RUB '000</i>	Q3 2023	Q3 2022	change	9M 2023	9M 2022	change
Revenue and income	2,504,709	1,750,980	+43.0%	7,119,385	5,128,153	+38.8%
Royalties	962,026	608,449	+58.1%	2,722,415	1,782,367	+52.7%
Retail sales	779,200	662,333	+17.6%	2,290,078	1,990,664	+15.0%
Marketing fee	432,310	255,266	+69.4%	1,194,397	700,001	+70.6%
Other revenue and income	331,173	224,932	+47.2%	912,495	655,121	+39.3%
Operating Expenses	(2,253,067)	(1,546,043)	+45.7%	(6,347,277)	(4,666,541)	+36.0%
Raw materials and consumables	(306,171)	(282,610)	+8.3%	(927,383)	(833,659)	+11.2%
Employee benefits	(945,909)	(653,743)	+44.7%	(2,684,659)	(2,037,537)	+31.8%
Depreciation and amortization	(120,280)	(96,376)	+24.8%	(321,776)	(285,691)	+12.6%
Distribution and advertising	(477,810)	(283,779)	+68.4%	(1,347,445)	(782,687)	+72.2%
Other operating expenses	(402,897)	(229,535)	+75.5%	(1,066,014)	(726,967)	+46.6%
Operating Profit	251,642	204,937	+22.8%	772,108	461,612	+67.3%
Finance Income	87,654	10,585	+728.1%	143,564	24,062	+496.6%
Finance costs	(32,482)	(35,631)	(8.8%)	(93,833)	(98,808)	(5.0%)
Profit before Tax	306,814	179,891	+70.6%	821,839	386,866	+112.4%
Income tax expense	(52,078)	(46,186)	+12.8%	(165,482)	(125,947)	+31.4%
Net Income	254,736	133,705	+90.5%	656,357	260,919	+151.6%

Adjusted EBITDA Calculation

<i>RUB '000</i>	Q3 2023	Q3 2022	change	9M 2023	9M 2022	change
Operating Profit	251,642	204,937	+22.8%	772,108	461,612	+67.3%
<i>operating margin %</i>	10.0%	+11.7%	(166bps)	10.8%	9.0%	+184bps
Add: Depreciation and amortization	120,280	96,376	+24.8%	321,776	285,691	+12.6%
Less: IFRS16 to IAS17 adjustment	(96,337)	(80,356)	+19.9%	(269,487)	(235,217)	+14.6%
Add: Share-based payments expense	49,650	50,149	(1.0%)	131,245	120,965	+8.5%
Add: Derecognition and impairment of non-current assets	4,190	2,644	+58.5%	7,504	38,447	(80.5%)
Add: Other one-off income	526	(4,337)	n.a.	(7,552)	(11,817)	(36.1%)
Adjusted EBITDA	329,951	269,413	+22.5%	955,594	659,681	+44.9%
<i>EBITDA margin %</i>	13.2%	15.4%	(221bps)	13.4%	12.9%	+56bps

Cash Flow Statement Highlights

RUB '000	Q3 2023	Q3 2022	change	9M 2023	9M 2022	change
Net Income before Tax	306,814	179,891	+70.6%	821,839	386,866	+112.4%
Add: Depreciation and amortization	120,280	96,376	+24.8%	321,776	285,691	+12.6%
Add: Share-based payments expense	49,650	50,149	(1.0%)	131,245	120,965	+8.5%
Add: Derecognition and impairment of non-current assets	4,190	2,644	+58.5%	7,504	38,447	(80.5%)
Change in working capital	193,988	188,636	+2.8%	246,864	302,416	(18.4%)
Income Tax Paid	(56,570)	(56,799)	(0.4%)	(174,215)	(125,349)	+39.0%
Net finance cost	(31,976)	33,792	n.a.	(1,135)	93,696	n.a.
Other adjustments	19,046	(15,586)	n.a.	(32,653)	1,205	n.a.
Operating Cash Flow	605,422	479,103	+26.4%	1,321,225	1,103,937	+19.7%
Purchase of property and equipment	(86,676)	(43,905)	+97.4%	(225,334)	(166,785)	+35.1%
Purchase of intangible assets	(9,815)	(58)	n.a.	(20,037)	(5,605)	+257.5%
Other investing cash flows	945	(2,710)	n.a.	2,885	(1,216)	n.a.
Investing Cash Flow	(95,546)	(46,673)	+104.7%	(242,486)	(173,606)	+39.7%
Interest paid on loans received	(794)	(1,952)	(59.3%)	(3,512)	(6,823)	(48.5%)
Shares buyback	(32,875)	(14,125)	+132.7%	(85,130)	(14,125)	+502.7%
Payment of lease liabilities and related interest	(97,182)	(80,841)	+20.2%	(271,602)	(236,672)	+14.8%
Net decrease in financial debt	-	(37,514)	(100.0%)	(32,296)	(73,369)	(56.0%)
Financing Cash Flow	(130,851)	(134,432)	(2.7%)	(392,540)	(330,989)	+18.6%
Net change in cash and equivalents	379,025	297,998	+27.2%	686,199	599,342	+14.5%
Net foreign exchange difference and credit losses	34,241	(205)	n.a.	74,548	(3,609)	n.a.
Cash and equivalents at the beginning of period	1,217,184	607,674	+100.3%	869,703	309,734	+180.8%
Cash and equivalents at the end of period	1,630,450	905,467	+80.1%	1,630,450	905,467	+80.1%

Free Cash Flow Calculation

RUB '000	Q3 2023	Q3 2022	change	9M 2023	9M 2022	change
Adjusted EBITDA	329,951	269,413	+22.5%	955,594	659,681	+44.9%
Purchase of property and equipment	(86,676)	(43,905)	+97.4%	(225,334)	(166,785)	+35.1%
Purchase of intangible assets	(9,815)	(58)	n.a.	(20,037)	(5,605)	+257.5%
Change in Working Capital	193,988	188,636	+2.8%	246,864	302,416	(18.4%)
Income Tax Paid	(56,570)	(56,799)	(0.4%)	(174,215)	(125,349)	+39.0%
Interest paid on loans received	(794)	(1,952)	(59.3%)	(3,512)	(6,823)	(48.5%)
Inventory loss	5,105	17,091	(70.1%)	44,455	48,923	(9.1%)
Other adjustments	36,611	(19,594)	n.a.	(20,960)	(16,951)	+23.6%
Free Cash Flow	411,800	352,832	+16.7%	802,855	689,507	+16.4%

Net Debt Calculation

<i>RUB '000</i>	Q3 2023	2022 YE	<i>change</i>
Interest-bearing loans and borrowings (current)	35,259	67,145	(47.5%)
Cash and equivalents	(1,630,450)	(869,703)	+87.5%
Net Cash ex. IFRS 16	(1,595,191)	(802,558)	+98.8%