



Dodo Brands Reports Fourth Quarter 2022 Results

Moscow, Russia - 02 March 2022 13:00 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 year ended 31 December 2022.

Q4 2022 Key Financial Highlights

- Global system sales increased by 41% to RUB 16.2bn.
- Added 43 net new units in the fourth quarter 2022. Finished the quarter with 893 units in 16 countries.
- Eurasia comparable system sales in the fourth quarter 2022 increased by 27.6%; International Master Franchising comparable system sales increased by 3.6% (in RUB terms).
- Adjusted EBITDA amounted to RUB 162.0 million for the fourth quarter 2022 vs RUB 54.8 million in the fourth quarter 2021.
- Free Cash Flow of RUB 8.9 million for the fourth quarter 2022 vs RUB (314.0) million for the fourth quarter 2021.
- RUB 803 million net cash (ex. IFRS 16) as of December 31, 2022.

Key Financial Metrics

RUB '000	Q4 2022	Q4 2021	change	FY 2022	FY 2021	change
Revenue and income	2,046,774	1,597,129	+28.2%	7,174,927	5,257,328	+36.5%
Royalties	653,652	505,822	+29.2%	2,436,019	1,757,963	+38.6%
Retail sales	740,317	507,546	+45.9%	2,730,981	1,809,535	+50.9%
Marketing fee	404,870	373,612	+8.4%	1,104,871	936,016	+18.0%
Other revenue and income	247,935	210,149	+18.0%	903,056	753,814	+19.8%
Adjusted EBITDA	162,035	54,814	+195.6%	821,716	488,286	+68.3%
EBITDA margin %	7.9%	3.4%	+448bps	11.5%	9.3%	+216bps
Free Cash Flow	8,942	(313,968)	n.a.	698,450	10,706	n.a.
FCF margin %	0.4%	-19.7%	+2,010bps	9.7%	0.2%	+953bps
Net Debt / (Cash) ex. IFRS 16	(802,558)	(131,412)	+510.7%	(802,558)	(131,412)	+510.7%

Store Count	31/12/2022	31/12/2021	change
Eurasia	824	720	+104
Corporate	36	34	+2
Franchised	788	686	+102
IMF	49	40	+9
Startups	20	11	+9
TOTAL	893	771	+122

System Sales, RUB million	Q4 2022	Q4 2021	% change	FY 2022	FY 2021	% change
Eurasia	15,484	10,916	+41.8%	55,952	38,005	+47.2%
International Master Franchising	660	556	+18.7%	2,417	1,948	+24.1%
Startups	80	61	+31.1%	314	230	+36.5%
TOTAL	16,224	11,533	+40.7%	58,683	40,183	+46.0%

Comparable Sales Growth	Q4 2022	Q4 2021
Eurasia	+27.6%	+33.1%
International Master Franchising	+3.6%	+13.7%
Startups	(44.5%)	n.a.
TOTAL	+26.1%	+31.7%

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

Startups segment combines three business units - Dodo Pizza UK, Drink It and Doner 42.

Appendix I: System Sales and Comparable Sales Growth by Channel

System Sales, RUB million	Q4 2022	Q4 2021	% change	FY 2022	FY 2021	% change
Delivery	10,912	8,018	+36.1%	38,012	26,314	+44.5%
<i>% delivery in total</i>	67.3%	69.5%		64.8%	65.5%	
In-store	5,312	3,515	+51.1%	20,672	13,869	+49.1%
TOTAL	16,224	11,533	+40.7%	58,684	40,183	+46.0%

	System orders, thsd			Average ticket, RUB		
	Q4 2022	Q4 2021	% change	Q4 2022	Q4 2021	% change
Delivery	10,346	7,707	+34.2%	1,055	1,040	+1.4%
In-store	11,498	7,924	+45.1%	462	444	+4.1%
TOTAL	21,844	15,631	+39.7%	743	738	+0.7%

Appendix II: Financial Statements Highlights and Reconciliations

Profit & Loss Statement Highlights

RUB '000	Q4 2022	Q4 2021	change	FY 2022	FY 2021	change
Revenue and income	2,046,774	1,597,129	+28.2%	7,174,927	5,257,328	+36.5%
Royalties	653,652	505,822	+29.2%	2,436,019	1,757,963	+38.6%
Retail sales	740,317	507,546	+45.9%	2,730,981	1,809,535	+50.9%
Marketing fee	404,870	373,612	+8.4%	1,104,871	936,016	+18.0%
Other revenue and income	247,935	210,149	+18.0%	903,056	753,814	+19.8%
Operating Expenses	(1,890,748)	(1,660,528)	+13.9%	(6,557,290)	(5,042,427)	+30.0%
Raw materials and consumables	(320,458)	(205,451)	+56.0%	(1,154,117)	(715,274)	+61.4%
Employee benefits	(718,379)	(641,209)	+12.0%	(2,755,916)	(2,175,115)	+26.7%
Depreciation and amortization	(73,750)	(86,029)	(14.3%)	(359,442)	(295,945)	+21.5%
Distribution and advertising	(500,276)	(405,086)	+23.5%	(1,282,963)	(1,016,428)	+26.2%
Other operating expenses	(277,885)	(322,753)	(13.9%)	(1,004,852)	(839,665)	+19.7%
Operating Profit / (Loss)	156,026	(63,399)	n.a.	617,637	214,901	+187.4%
Finance Income	25,371	4,114	+516.7%	49,433	18,412	+168.5%
Finance costs	(29,990)	(30,325)	(1.1%)	(128,798)	(107,060)	+20.3%
Profit / (Loss) Before Tax	151,407	(89,610)	n.a.	538,272	126,253	+326.3%
Income tax expense	(44,995)	(33,291)	+35.2%	(170,942)	(98,679)	+73.2%
Net Income / (Loss)	106,412	(122,901)	n.a.	367,330	27,574	n.a.

Adjusted EBITDA Calculation

RUB '000	Q4 2022	Q4 2021	change	FY 2022	FY 2021	change
Operating Profit / (Loss)	156,026	(63,399)	n.a.	617,637	214,901	+187.4%
<i>operating margin %</i>	7.6%	-4.0%	+1,159bps	8.6%	4.1%	+452bps
Add: Depreciation and amortization	73,750	86,029	(14.3%)	359,442	295,945	+21.5%
Less: IFRS16 to IAS17 adjustment	(93,873)	(76,365)	+22.9%	(329,090)	(243,548)	+35.1%
Add: Share-based payments expense	23,831	45,014	(47.1%)	144,796	152,648	(5.1%)
Add: Derecognition and impairment of non-current assets	164	55,724	(99.7%)	38,611	92,274	(58.2%)
Less: income on government grants	(1,003)	(1,222)	(17.9%)	(6,220)	(28,558)	(78.2%)
Add: Other one-off expenses / (income)	3,140	9,033	(65.2%)	(3,460)	4,624	n.a.
Adjusted EBITDA	162,035	54,814	+195.6%	821,716	488,286	+68.3%
<i>EBITDA margin %</i>	7.9%	3.4%	+448bps	11.5%	9.3%	+216bps

Cash Flow Statement Highlights

RUB '000	Q4 2022	Q4 2021	change	FY 2022	FY 2021	change
Net Income / (Loss) before tax	151,407	(89,610)	<i>n.a.</i>	538,272	126,253	+326.3%
Add: Depreciation and amortization	73,750	86,029	(14.3%)	359,442	295,945	+21.5%
Add: Share-based payments expense	23,831	45,014	(47.1%)	144,796	152,648	(5.1%)
Add: Derecognition and impairment of non-current assets	164	55,724	(99.7%)	38,611	92,274	(58.2%)
Change in working capital	(19,638)	(198,856)	(90.1%)	315,371	(161,467)	<i>n.a.</i>
Income Tax Paid	(43,773)	(45,631)	(4.1%)	(169,122)	(102,715)	+64.7%
Net finance cost	17,508	1,398	<i>n.a.</i>	111,204	95,094	+16.9%
Other adjustments	(1,637)	41,415	<i>n.a.</i>	(33,024)	(19,789)	+66.9%
Operating Cash Flow	201,612	(104,517)	<i>n.a.</i>	1,305,550	478,243	+173.0%
Purchase of property and equipment	(95,861)	(130,880)	(26.8%)	(262,646)	(208,838)	+25.8%
Purchase of intangible assets	(1,238)	(703)	+76.1%	(6,843)	(811)	+743.8%
Other investing cash flows	841	2,735	(69.3%)	(375)	5,767	<i>n.a.</i>
Investing Cash Flow	(96,258)	(128,848)	(25.3%)	(269,864)	(203,882)	+32.4%
Interest paid on loans received	(1,698)	(2,603)	(34.8%)	(8,521)	(14,340)	(40.6%)
Shares buyback	-	-	<i>n.a.</i>	(14,125)	-	<i>n.a.</i>
Payment of lease liabilities and related interest	(94,358)	(76,838)	+22.8%	(331,030)	(245,351)	+34.9%
Net increase / (decrease) in financial debt	(44,844)	1,904	<i>n.a.</i>	(118,213)	(6,492)	<i>n.a.</i>
Financing Cash Flow	(140,900)	(77,537)	+81.7%	(471,889)	(266,183)	+77.3%
Net change in cash and equivalents	(35,546)	(310,902)	(88.6%)	563,797	8,178	<i>n.a.</i>
Net foreign exchange difference and credit losses	(218)	2,830	<i>n.a.</i>	(3,828)	(2,042)	+87.5%
Cash and equivalents beginning of period	905,467	617,806	+46.6%	309,734	303,598	+2.0%
Cash and equivalents end of period	869,703	309,734	+180.8%	869,703	309,734	+180.8%

Free Cash Flow Calculation

RUB '000	Q4 2022	Q4 2021	change	FY 2022	FY 2021	change
Adjusted EBITDA	162,035	54,814	+195.6%	821,716	488,286	+68.3%
Purchase of property and equipment	(95,861)	(130,880)	(26.8%)	(262,646)	(208,838)	+25.8%
Purchase of intangible assets	(1,238)	(703)	+76.1%	(6,843)	(811)	+743.8%
Change in Working Capital	(19,638)	(198,856)	(90.1%)	315,371	(161,467)	n.a.
Income from government grants	1,003	1,222	(17.9%)	6,220	28,558	(78.2%)
Income Tax Paid	(43,773)	(45,631)	(4.1%)	(169,122)	(102,715)	+64.7%
Interest paid on loans received	(1,698)	(2,603)	(34.8%)	(8,521)	(14,340)	(40.6%)
Inventory loss (surplus)	16,850	13,462	+25.2%	65,773	39,092	+68.3%
Other adjustments	(8,738)	(4,793)	+82.3%	(63,498)	(57,059)	+11.3%
Free cash flow	8,942	(313,968)	n.a.	698,450	10,706	n.a.

Net Debt Calculation

RUB '000	2022 YE	2021 YE	change
Interest-bearing loans and borrowings	67,145	178,322	(62.3%)
Current	67,145	128,322	(47.7%)
Non-current	-	50,000	(100.0%)
Cash and equivalents	(869,703)	(309,734)	+180.8%
Net debt / (cash) ex. IFRS 16	(802,558)	(131,412)	+510.7%