



Dodo Brands Reports Second Quarter 2021 Results

Moscow, Russia - 9 September 2021 11:00 AM GMT - DP Global Group Limited (“Dodo Brands” or the “Company”), home of Dodo Pizza, the largest pizza chain in Russia and the 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 June 2021.

Fyodor Ovchinnikov, founder and CEO, commented on the results “In the second quarter 2021 our business continued to demonstrate exceptional performance. Delivery comparable sales increased by 17.7% from the already strong lockdown-impacted levels of the last year. In-store sales recovered above 2019 levels and showed 2-year comparable sales growth of 11.9%. New wave of coronavirus-related restrictions in Moscow and several other cities in Russia did not materially impact our performance although we remain wary of potential future risks. Over the course of the past summer more than four thousand of our employees got vaccinated. I want to thank them for their commitment to keep their colleagues and customers safe.”

Q2 2021 Key Financial Highlights

- Global system sales increased by 82% to RUB 9.5bn.
- Added 19 net new units in the second quarter 2021. Finished the second quarter with 714 units in 13 countries.
- Eurasia comparable system sales in the second quarter 2021 increased by 60.1%; International Master Franchising comparable system sales increased by 57.3%.
- Adjusted EBITDA increased to RUB 103.6 million for the second quarter 2021 vs RUB 56 million in the second quarter 2020.
- Free Cash Flow of RUB 122 million for the second quarter 2021 vs RUB 100 million for the second quarter 2020.
- RUB 358 million net cash (ex. IFRS 16) as of June 30, 2021.

Key Financial Metrics

RUB '000	Q2 2021	Q2 2020	change	1H 2021	1H 2020	change
Revenue and income	1,245,123	526,311	+136.6%	2,393,544	1,251,031	+91.3%
Royalties	414,448	227,925	+81.8%	800,755	486,661	+64.5%
Retail sales	450,049	190,068	+136.8%	868,599	467,079	+86.0%
Marketing fee	195,000	616	<i>n.a.</i>	377,203	88,161	+327.9%
Other revenue and income	185,626	107,702	+72.4%	346,987	209,130	+65.9%
Adjusted EBITDA	103,585	56,189	+84.3%	213,852	96,642	+121.3%
<i>EBITDA margin %</i>	<i>8.3%</i>	<i>10.7%</i>	<i>(236bps)</i>	<i>8.9%</i>	<i>7.7%</i>	<i>+121bps</i>
Free Cash Flow	122,213	100,195	+22.0%	241,628	43,386	<i>n.a.</i>
<i>FCF margin %</i>	<i>9.8%</i>	<i>19.0%</i>	<i>(922bps)</i>	<i>10.1%</i>	<i>3.5%</i>	<i>+663bps</i>
Net Debt / (Cash) ex. IFRS 16	(358,051)	(110,801)	+223.1%	(358,051)	(110,801)	+223.1%

Store Count	30/06/2021	30/06/2020	change
Eurasia	673	586	+87
Corporate	31	27	+4
Franchised	642	559	+83
IMF	32	25	+7
Startups	9	7	+2
TOTAL	714	618	+96

System Sales, RUB million	Q2 2021	Q2 2020	% change	1H 2021	1H 2020	% change
Eurasia	8,988	4,930	+82.3%	17,319	10,765	+60.9%
International Master Franchising	455	255	+78.5%	894	507	+76.3%
Startups	67	42	+57.9%	126	71	+77.7%
TOTAL	9,510	5,227	+81.9%	18,339	11,343	+61.7%

Comparable Sales Growth	Q2 2021	Q2 2020
Eurasia	60.1%	(9.3%)
International Master Franchising	57.3%	(2.4%)
Startups	(26.2%)	+48.4%
TOTAL	59.0%	(9.0%)

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, Nigeria and the USA.

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

Appendix I: System Sales and Comparable Sales Growth by Channel

System Sales, RUB million	Q2 2021	Q2 2020	% change	1H 2021	1H 2020	% change
Delivery	5,904	4,447	+32.8%	11,971	8,221	+45.6%
<i>% delivery in total</i>	62.1%	85.1%		65.3%	72.5%	
In-store	3,606	780	+362.0%	6,368	3,122	+104.0%
TOTAL	9,510	5,227	+81.9%	18,339	11,343	+61.7%

Comparable Sales Growth	Q2 2021	Q2 2020
Delivery	+17.7%	+40.8%
In-Store	+296.5%	(71.3%)
TOTAL	59.0%	(9.0%)

Appendix II: Financial Statements Highlights and Reconciliations

Profit & Loss Statement Highlights

<i>RUB '000</i>	Q2 2021	Q2 2020	change	1H 2021	1H 2020	change
Revenue and income	1,245,123	526,311	+136.6%	2,393,544	1,251,031	+91.3%
Royalties	414,448	227,925	+81.8%	800,755	486,661	+64.5%
Retail sales	450,049	190,068	+136.8%	868,599	467,079	+86.0%
Marketing fee	195,000	616	<i>n.a.</i>	377,203	88,161	+327.9%
Other revenue and income	185,626	107,702	+72.4%	346,987	209,130	+65.9%
Operating Expenses	(1,172,253)	(529,665)	+121.3%	(2,203,845)	(1,258,726)	+75.1%
Raw materials and consumables	(174,573)	(60,696)	+187.6%	(340,821)	(158,524)	+115.0%
Employee benefits	(499,985)	(298,717)	+67.4%	(962,489)	(622,733)	+54.6%
Depreciation and amortization	(66,333)	(61,675)	+7.6%	(137,134)	(116,409)	+17.8%
Distribution and advertising	(237,897)	(12,438)	<i>n.a.</i>	(414,637)	(147,611)	+180.9%
Other operating expenses	(193,465)	(96,139)	+101.2%	(348,764)	(213,449)	+63.4%
Operating Profit / (Loss)	72,870	(3,354)	<i>n.a.</i>	189,699	(7,695)	<i>n.a.</i>
Finance Income	23,512	65,914	(64.3%)	16,094	3,507	+358.9%
Finance Loss	(24,704)	(25,522)	(3.2%)	(50,737)	(125,100)	(59.4%)
Profit / (Loss) Before Tax	71,678	37,038	+93.5%	155,056	(129,288)	<i>n.a.</i>
Income tax expense	(24,818)	(10,515)	+136.0%	(45,943)	3,346	<i>n.a.</i>
Net Income / (Loss)	46,860	26,523	+76.7%	109,113	(125,942)	<i>n.a.</i>

Adjusted EBITDA Calculation

<i>RUB '000</i>	Q2 2021	Q2 2020	change	1H 2021	1H 2020	change
Operating Profit / (Loss)	72,870	(3,354)	<i>n.a.</i>	189,699	(7,695)	<i>n.a.</i>
<i>operating margin %</i>	5.9%	(0.6%)	+649bps	7.9%	(0.6%)	+854bps
Add: Depreciation and amortization	66,333	61,675	+7.6%	137,134	116,409	+17.8%
Less: IFRS16 to IAS17 adjustment	(57,441)	(27,889)	+106.0%	(109,589)	(64,284)	+70.5%
Add: Share-based payments expense	23,307	36,223	(35.7%)	50,804	52,129	(2.5%)
Less: Marketing fund adjustment	(15,044)	(3,395)	+343.2%	(61,705)	5,520	<i>n.a.</i>
Add: Impairment of non-current assets	29,993	-		36,525	-	
Add: Other one-off expenses / (income)	(16,433)	(7,071)	+132.4%	(29,016)	(5,437)	+433.7%
Adjusted EBITDA	103,585	56,189	+84.3%	213,852	96,642	+121.3%
<i>EBITDA margin %</i>	8.3%	10.7%	(236bps)	8.9%	7.7%	+121bps

Cash Flow Statement Highlights

<i>RUB '000</i>	Q2 2021	Q2 2020	change	1H 2021	1H 2020	change
Net Income / (Loss) before tax	71,678	37,038	+93.5%	155,056	(129,288)	n.a.
Add: Depreciation and amortization	66,333	61,675	+7.6%	137,134	116,409	+17.8%
Add: Share-based payments expense	23,307	36,223	(35.7%)	50,804	52,129	(2.5%)
Change in working capital	33,008	61,950	(46.7%)	26,361	28,748	(8.3%)
Income Tax Paid	(36,335)	(13,098)	+177.4%	(48,488)	(14,684)	+230.2%
Other adjustments	43,071	(37,191)	n.a.	78,779	108,867	(27.6%)
Operating Cash Flow	201,062	146,597	+37.2%	399,646	162,181	+146.4%
Purchase of property and equipment	(17,348)	(16,630)	+4.3%	(40,114)	(51,477)	(22.1%)
Purchase of intangible assets	(130)	-	n.a.	(131)	-	n.a.
Other investing cash flows	2,981	241	n.a.	5,347	1,075	+397.4%
Investing Cash Flow	(14,497)	(16,389)	(11.5%)	(34,898)	(50,402)	(30.8%)
Interest paid on financial loans received	(3,930)	(1,883)	+108.7%	(8,184)	(3,034)	+169.7%
Payment of lease liabilities and related interest	(57,801)	(28,050)	+106.1%	(110,434)	(64,931)	+70.1%
Net increase / (decrease) in financial debt	(67,870)	37,182	n.a.	(78,590)	115,838	n.a.
Financing Cash Flow	(129,601)	7,249	n.a.	(197,208)	47,873	n.a.
Net change in cash and equivalents	56,964	137,457	(58.6%)	167,540	159,652	+4.9%
Net foreign exchange difference	(5,164)	(20,864)	(75.2%)	1,120	4,875	(77.0%)
Cash and equivalents beginning of period	420,458	274,293	+53.3%	303,598	226,359	+34.1%
Cash and equivalents end of period	472,258	390,886	+20.8%	472,258	390,886	+20.8%

Free Cash Flow Calculation

<i>RUB '000</i>	Q2 2021	Q2 2020	change	1H 2021	1H 2020	change
Adjusted EBITDA	103,585	56,189	+84.3%	213,852	96,642	+121.3%
Purchase of property and equipment	(17,348)	(16,630)	+4.3%	(40,114)	(51,477)	(22.1%)
Purchase of intangible assets	(130)	-	n.a.	(131)	-	n.a.
Adjusted change in Working Capital	61,558	65,345	(5.8%)	114,929	23,228	+394.8%
Income Tax Paid	(36,335)	(13,098)	+177.4%	(48,488)	(14,684)	+230.2%
Interest paid on financial loans received	(3,930)	(1,883)	+108.7%	(8,184)	(3,034)	+169.7%
Inventory loss (surplus)	8,303	3,524	+135.6%	14,935	8,493	+75.9%
Other adjustments	6,510	6,748	(3.5%)	(5,171)	(15,782)	(67.2%)
Free cash flow	122,213	100,195	+22.0%	241,628	43,386	+456.9%

Net Debt Calculation

<i>RUB '000</i>	Q2 2021	2020 YE	change
Interest-bearing loans and borrowings	114,207	192,797	(40.8%)
Current	64,207	117,797	(45.5%)
Non-current	50,000	75,000	(33.3%)
Cash and equivalents	(472,258)	(303,598)	+55.6%
Net debt / (cash) ex. IFRS 16	(358,051)	(110,801)	+223.1%