



# Pizza Pizza

- ROYALTY CORP. -

Annual General Meeting  
May 30, 2018





# ELIZABETH WRIGHT

Pizza Pizza Royalty Corp.  
Board Chair







# FORWARD- LOOKING STATEMENTS



- This presentation will contain forward-looking statements.
- Investors should be aware that any forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those disclosed here today.
- Investors are directed to the Company's Annual Information Form for a full discussion of risks.
- Management does not intend to discuss any undisclosed material information today.



# CURT FELTNER

Pizza Pizza Limited  
Chief Financial Officer







# PIZZA PIZZA ROYALTY CORP. ASSETS



**Trademarks & Tradenames are  
the Company's major assets**



# SHAREHOLDER INFORMATION

PPRC, A HIGH-YIELD DIVIDEND  
CORPORATION.



- TSX exchange listing **PZA**
- Publicly-traded shares outstanding **24,618,392**
- Fully Diluted shares **31,666,003**
- Pizza Pizza Limited's ownership **22.3%**
- Market capitalization **\$415 million**
- Current monthly dividend **\$0.0713**
- Credit facility matures Apr 2020 **\$47M**



# \$35.6 MILLION IN ROYALTY REVENUE

(\$551 MILLION SYSTEM SALES)



**Licence and royalty agreements with Pizza Pizza Limited provide cash flow stability to investors, without exposure to operational risks.**



# 2017 PERFORMANCE HIGHLIGHTS

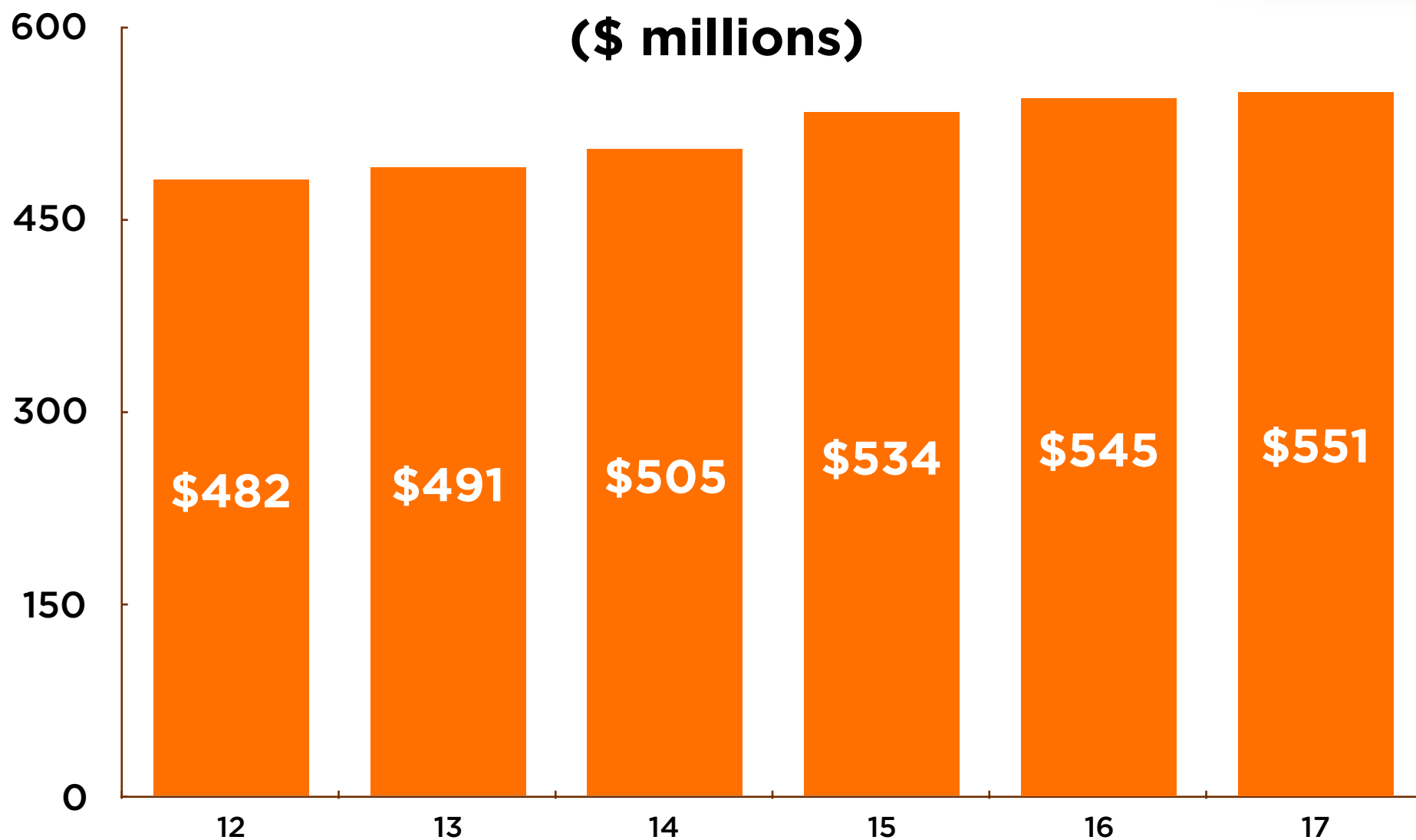
SSSG IS THE KEY DRIVER OF  
SHAREHOLDER YIELD.



- Royalty Pool System Sales **\$551 M**
- SSS decreased **0.1%**
- Royalty Revenue **\$35.6 M**
- Earnings per share **\$0.867**
- Dividends per share **\$0.8556**
- **\$5.1 million** working capital reserve
- Pay-out ratio **101%**



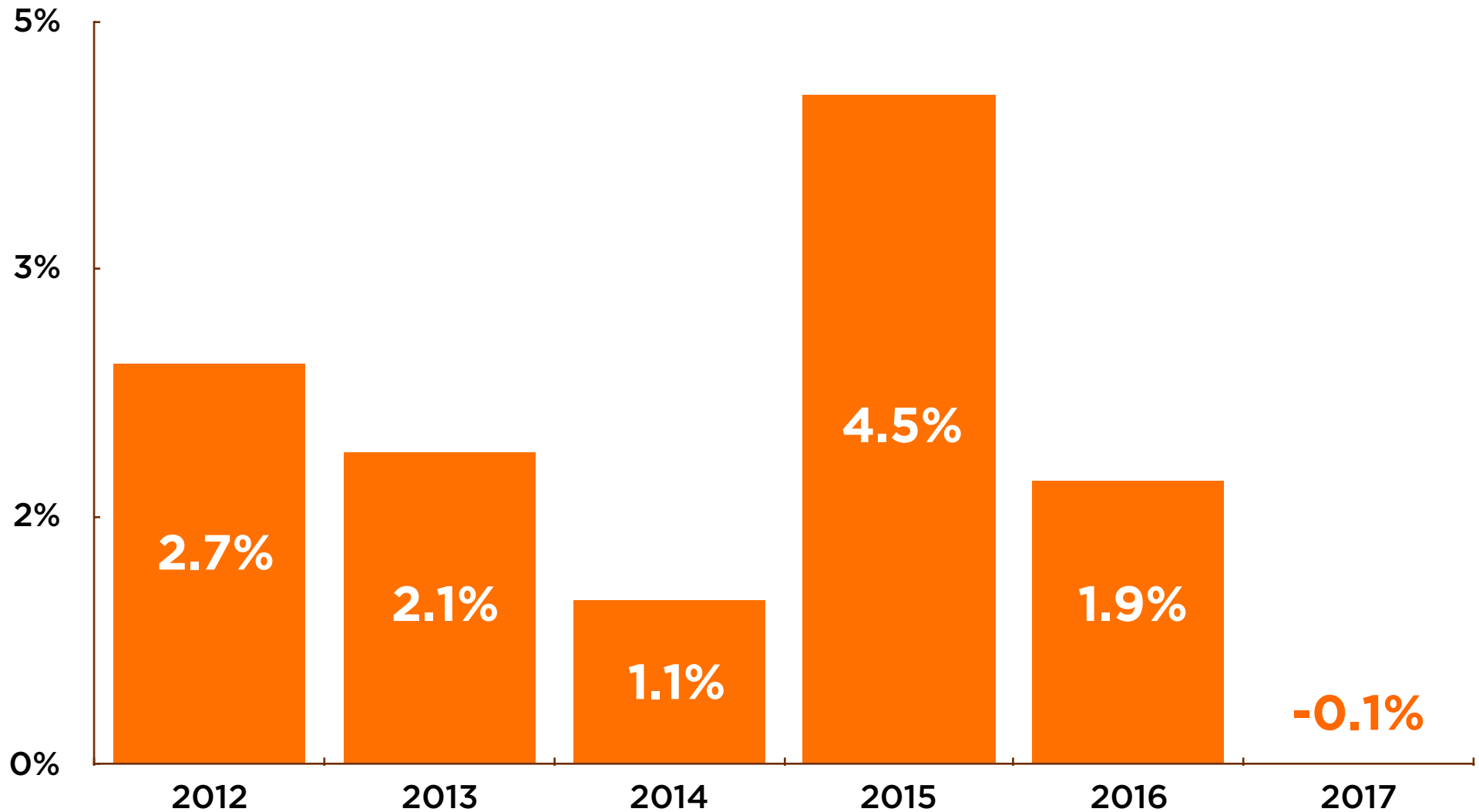
# ROYALTY POOL SYSTEM SALES



Royalty revenues are based on top-line Royalty Pool System Sales.



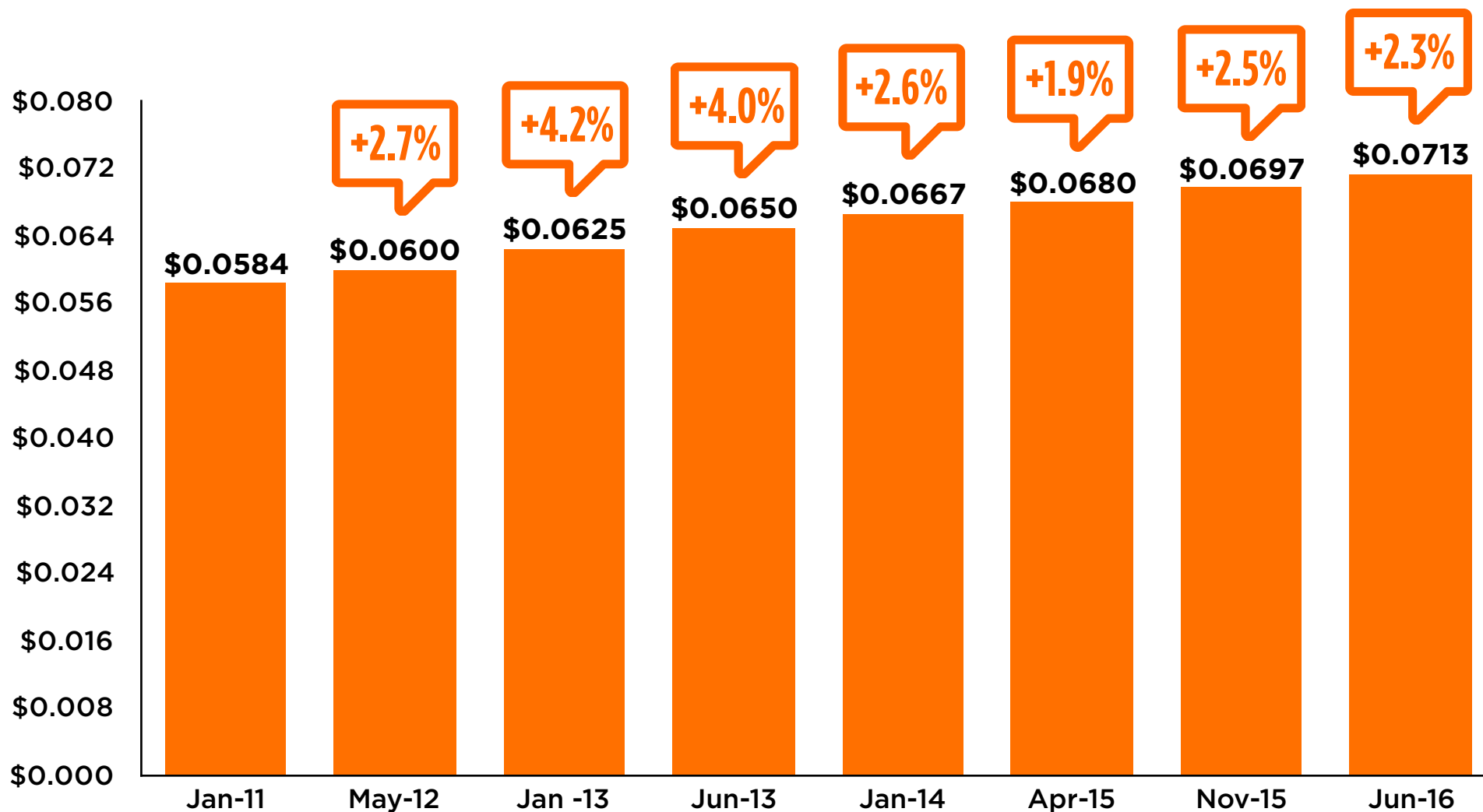
# SAME STORE SALES GROWTH



**SSSG is the key driver of shareholder yield growth.**



# MONTHLY DIVIDEND GROWTH



**PPRC increased dividends seven times in six years.**



# Q1 '18 PERFORMANCE HIGHLIGHTS

- Royalty Pool System Sales **\$135 M**
- SSS decreased **0.2%**
- Earnings per share **\$0.217**
- Dividend per share **\$0.214**
- Pay-out ratio = **107%**
- Royalty Pool = **758 restaurants**
- **\$4.7 million** working capital reserve







# ADVANTAGES OF PZA



- Royalty Structure
- High-yield Dividend Corp
- Sales Growth History
- Stable Quick Service Industry
- Exceptional Brand Recognition
- Strong Cash Position



# PAUL GODDARD

Pizza Pizza Limited  
Chief Executive Officer





# CELEBRATING OUR 50TH ANNIVERSARY

THE PRIVATE OPERATING COMPANY  
PAYS A MONTHLY ROYALTY FOR USE OF  
THE TRADEMARKS.





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# FUNDAMENTALS





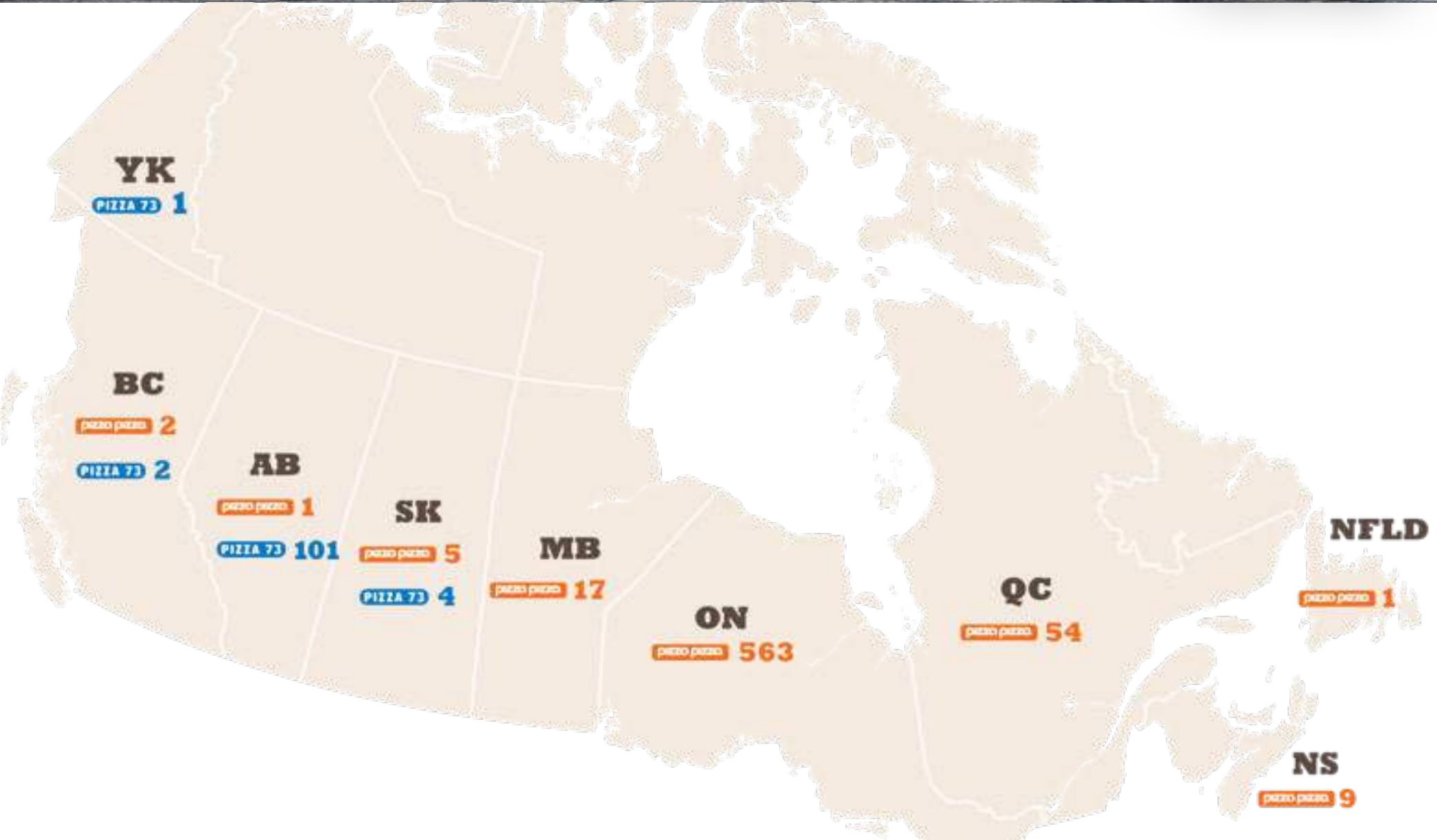


# AWARD WINNING BRAND





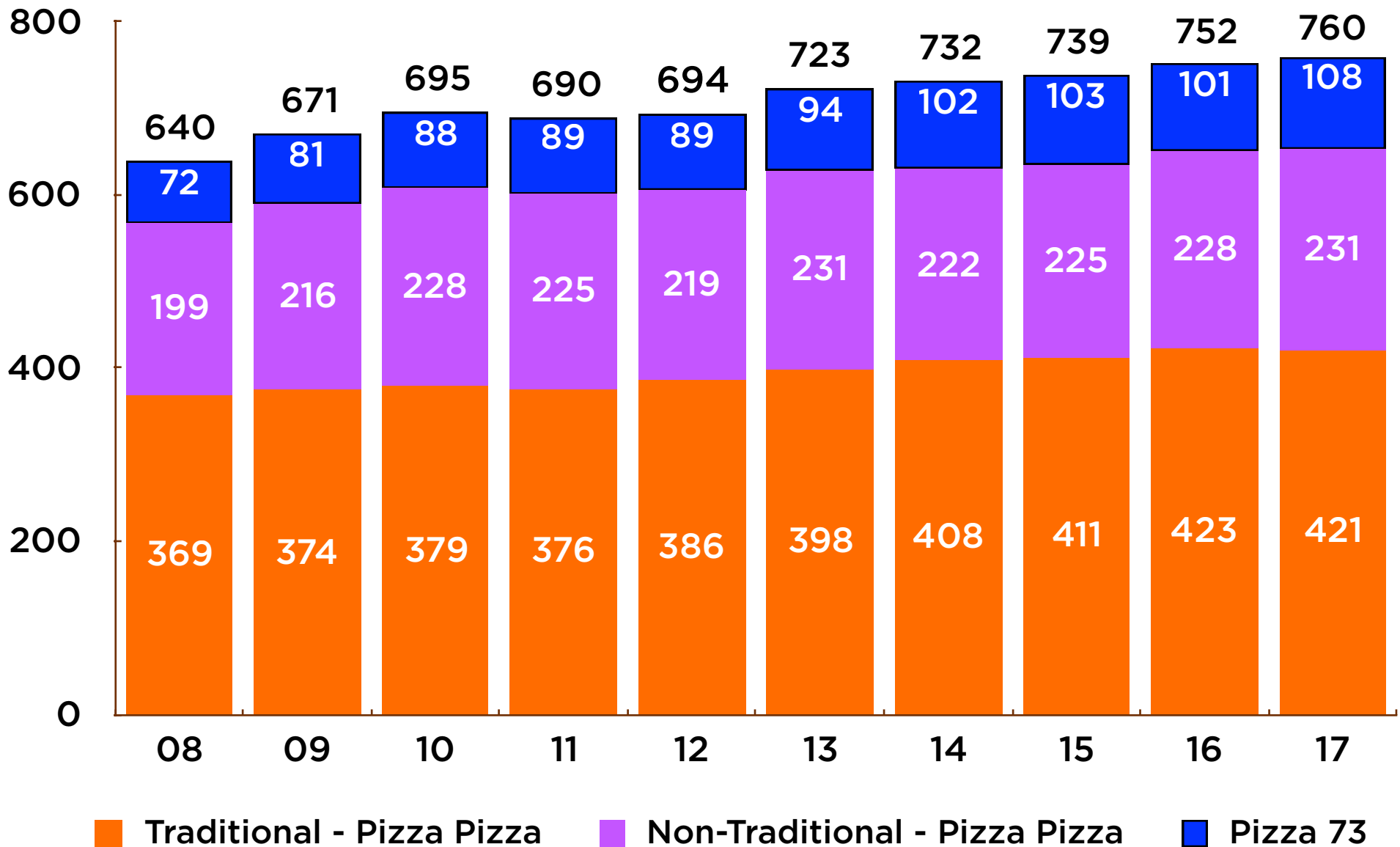
# CANADA'S #1 PIZZERIA



Building a national presence outside our core Alberta and Ontario markets.



# RESTAURANT GROWTH





# NON-TRADITIONAL PARTNERSHIPS



## Sponsorships



## Non-Traditional Locations



## Special Events



Partnering with major sports arenas, entertainment venues and special community events provides marketing and business opportunities.



# RESTAURANT RE-IMAGING





# HISTORY OF INNOVATION







# PRODUCT INNOVATION

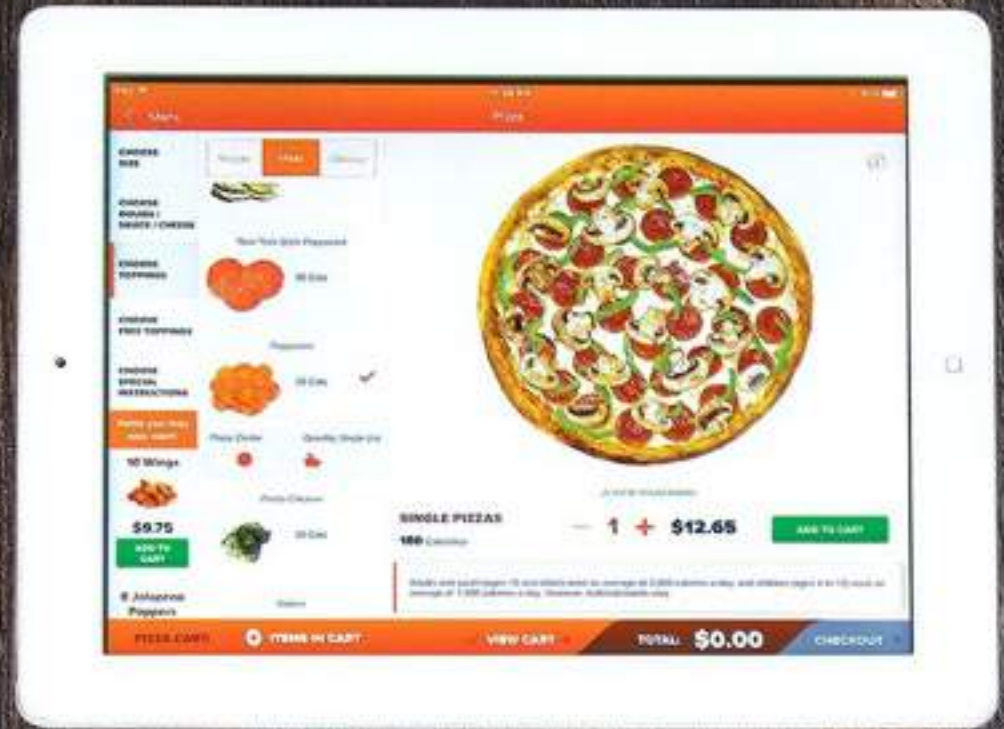
NEW PRODUCT LAUNCHES ARE  
KEY TO SALES BUILDING.





# TECHNOLOGICAL INNOVATION

PARTNERING INNOVATION WITH CONVENIENCE LEADS TO SALES GROWTH.





# POWERFUL BRANDS & MARKETING



**PIZZA PIZZA**

**DINNER+ MOVIE!**

LARGE PIZZA +3 TOPPINGS\*  
+3 CANS OF *Coca-Cola*  
440-720 CALS/SERVING, SERVES 5

**+2 for 1 MOVIE COUPON**

**CINEPLEX**

**\$14.99**

**FAST & EASY EXPRESS PICKUP!**

**UP TO \$13.50 IN VALUE!**

Place your order from our mobile app for iPhone, iPad and Android and get it delivered, hot & fresh!

Now available for Apple Watch; order on-the-go and pay from your wrist at your door or in-store with Apple Pay!

Save time waiting in line by ordering online or with our mobile app for convenient EXPRESS PICKUP IN-STORE!





**PIZZA  
PIZZA**

**+2 for 1**



**CINEPLEX  
MOVIE COUPON**





# Vegetarian & Vegan





# SOCIAL RESPONSIBILITY



**Our fundraising events have raised over \$3,300,000 for various charities including the Children's Miracle Network.**



## VISION

“Always the  
best food,  
*made especially  
for you.*”

## MISSION

Our mission is to make each and every occasion with us an enjoyable and memorable experience by offering the highest quality of fresh products and exemplary service, *guaranteed!*

## PRINCIPLES

### OUR RECIPE FOR SUCCESS:

- R** Respectful Relationships and Recognition
- E** Empowerment for our Employees
- C** Communications and Community
- I** Integrity, Initiative and Innovation
- P** Pride, Performance and Profitability
- E** Enthusiasm, Enjoyment and Engagement

## CORE VALUES

- Use the best ingredients
- Make an outstanding product
- Serve with friendliness and enthusiasm
- Keep the environment bright, clean and safe



**Thank You.**

