



# Pizza Pizza

- ROYALTY CORP. -

Annual General Meeting  
May 28, 2019



PIZZA  
PIZZA



PIZZA  
73

# JAY SWARTZ

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

Chief Financial Officer





# PIZZA PIZZA ROYALTY CORP.

Top Line Royalty Structure



Royalty Pool Retail Sales

Royalty Income

Less: Expenses  
& Taxes

Dividends to Shareholders



# PIZZA PIZZA ROYALTY CORP. ASSETS



**Trademarks & brand names 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 **31,967,706**
- Pizza Pizza Limited's ownership **23.0%**
- Market capitalization **\$320 million**
- Current monthly dividend **\$0.0713**
- Current dividend yield **8.5%**
- Credit facility matures Apr 2020 **\$47M**

# \$35.4 MILLION IN ROYALTY REVENUE

(\$546 MILLION SYSTEM SALES)



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





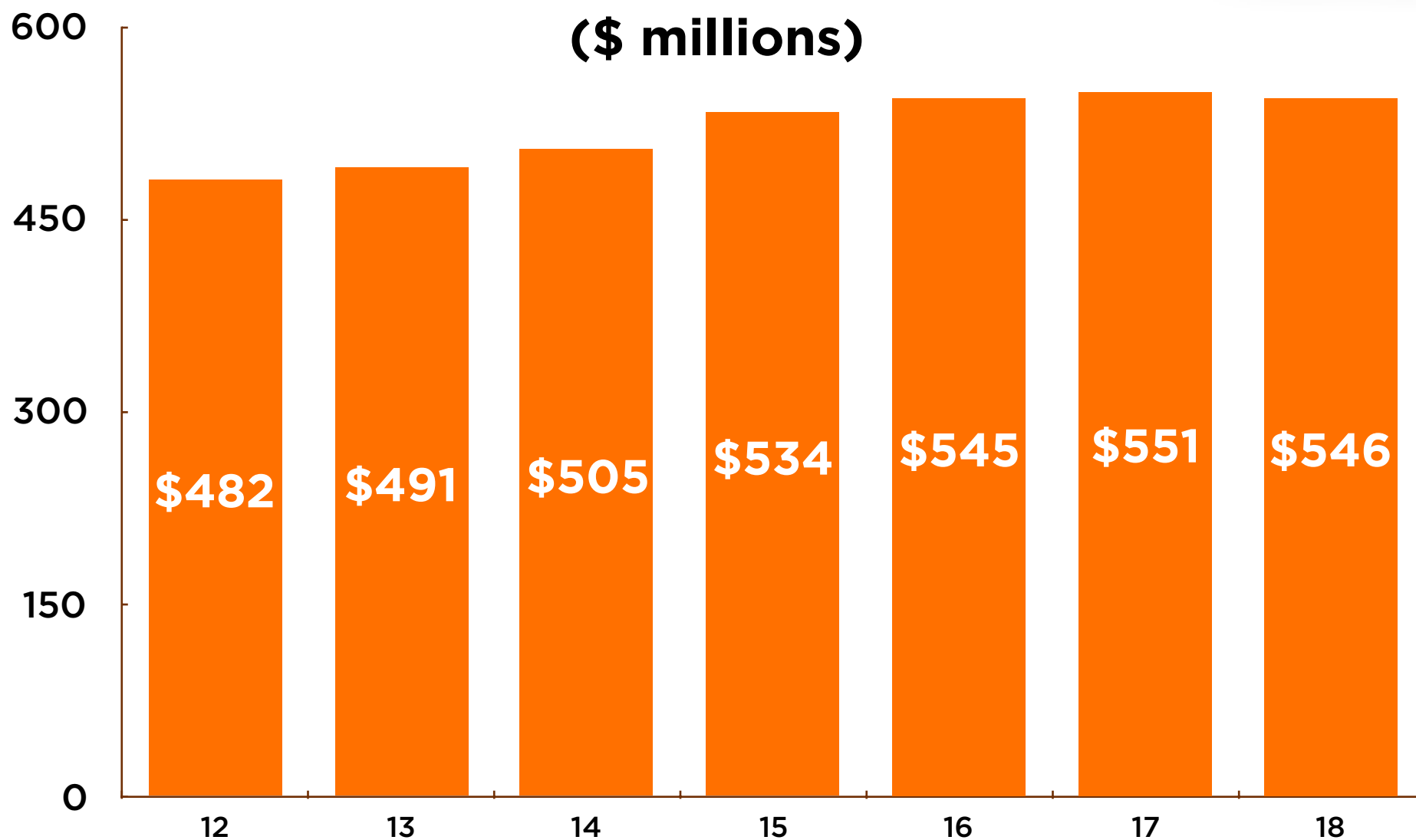
# 2018 PERFORMANCE HIGHLIGHTS

SSSG IS THE KEY DRIVER OF  
SHAREHOLDER YIELD.



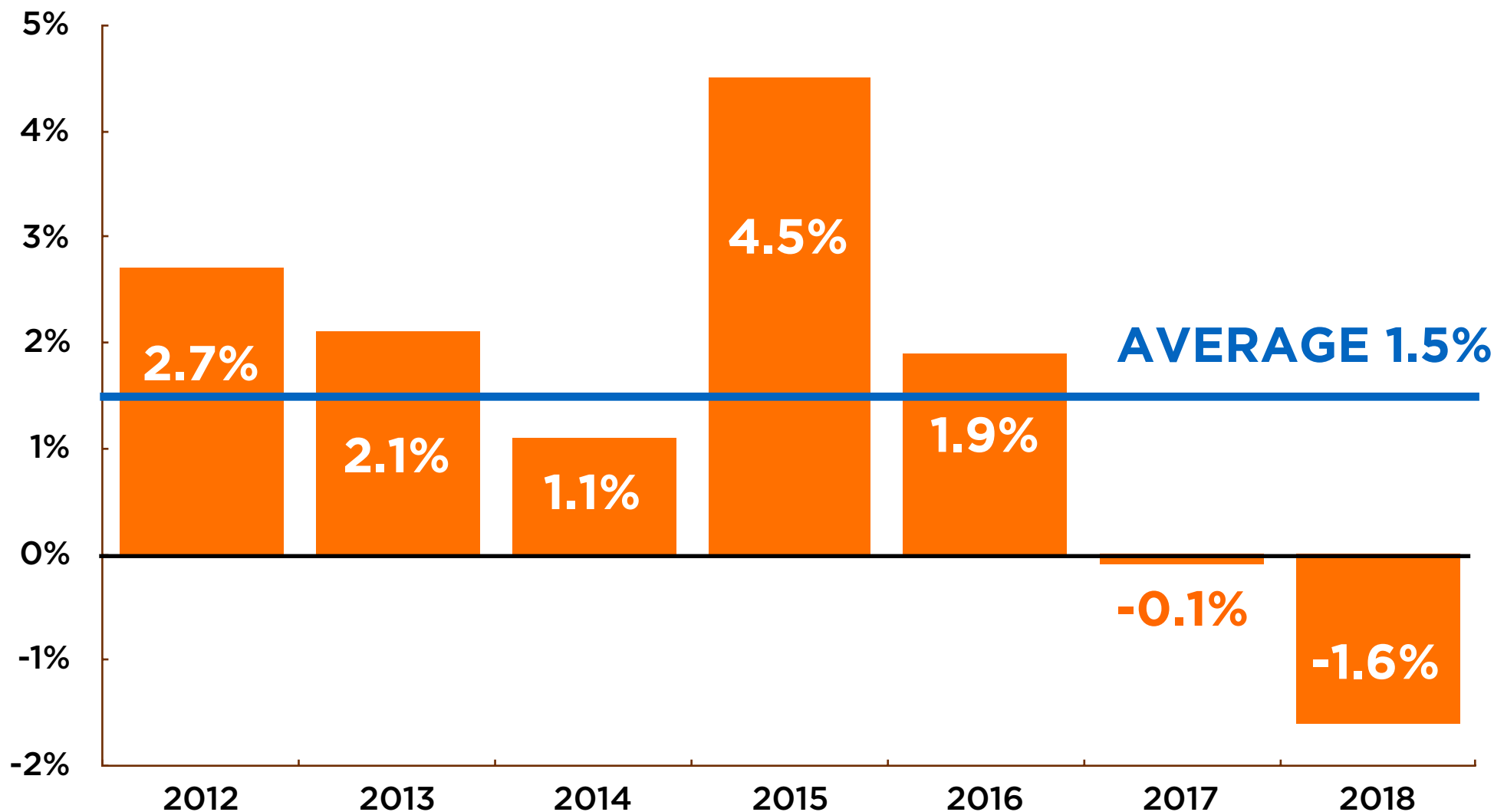
- Royalty Pool System Sales **\$546 M**
- Royalty Pool **758 restaurants (+6)**
- SSS decreased **1.6%**
- Royalty Revenue **\$35.4 M**
- Dividends per share **\$0.8556**
- **\$4.2 million** working capital reserve
- Pay-out ratio **104%**

# ROYALTY POOL SYSTEM SALES



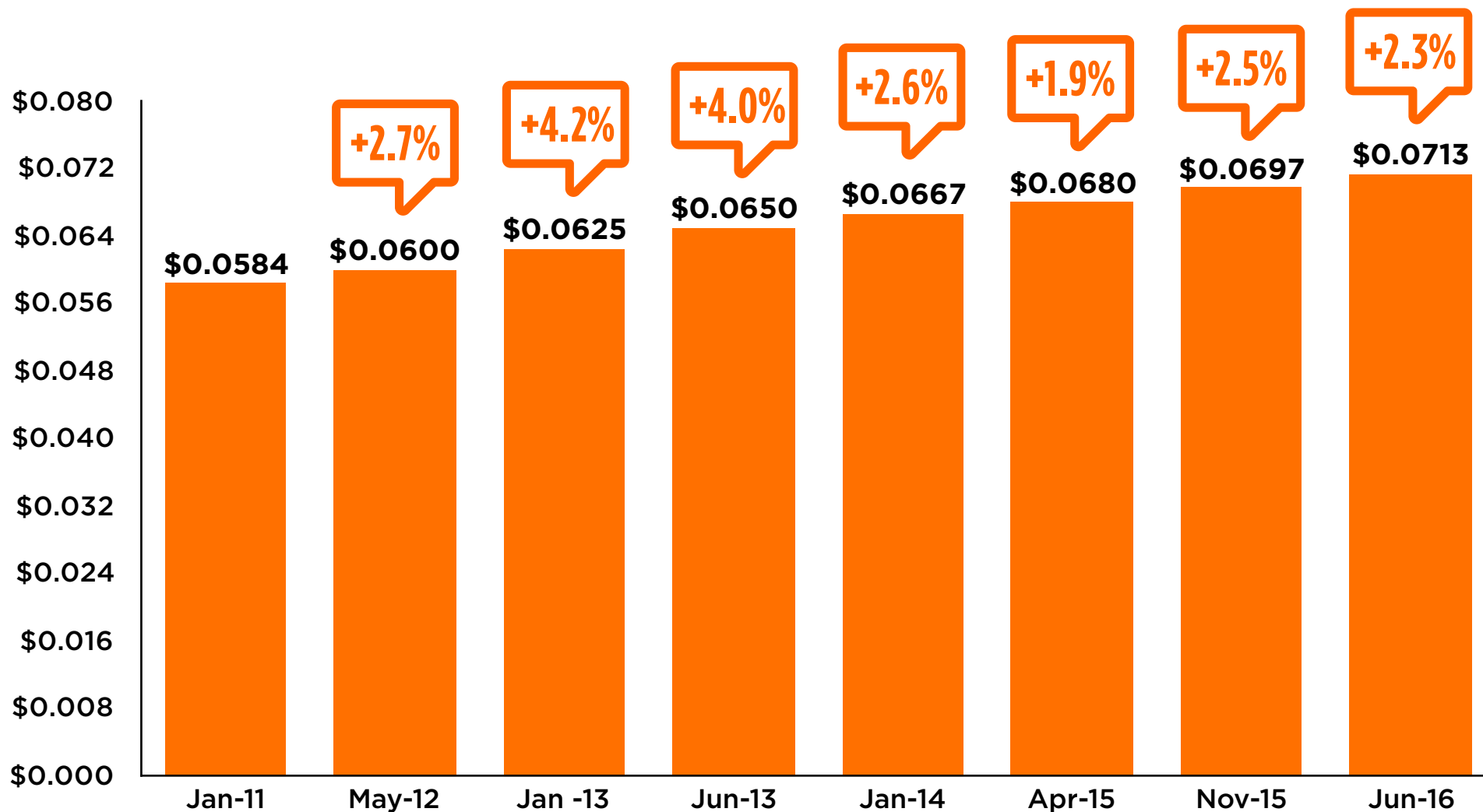
Royalty revenues are based on top-line Royalty Pool System Sales.

# SAME STORE SALES GROWTH



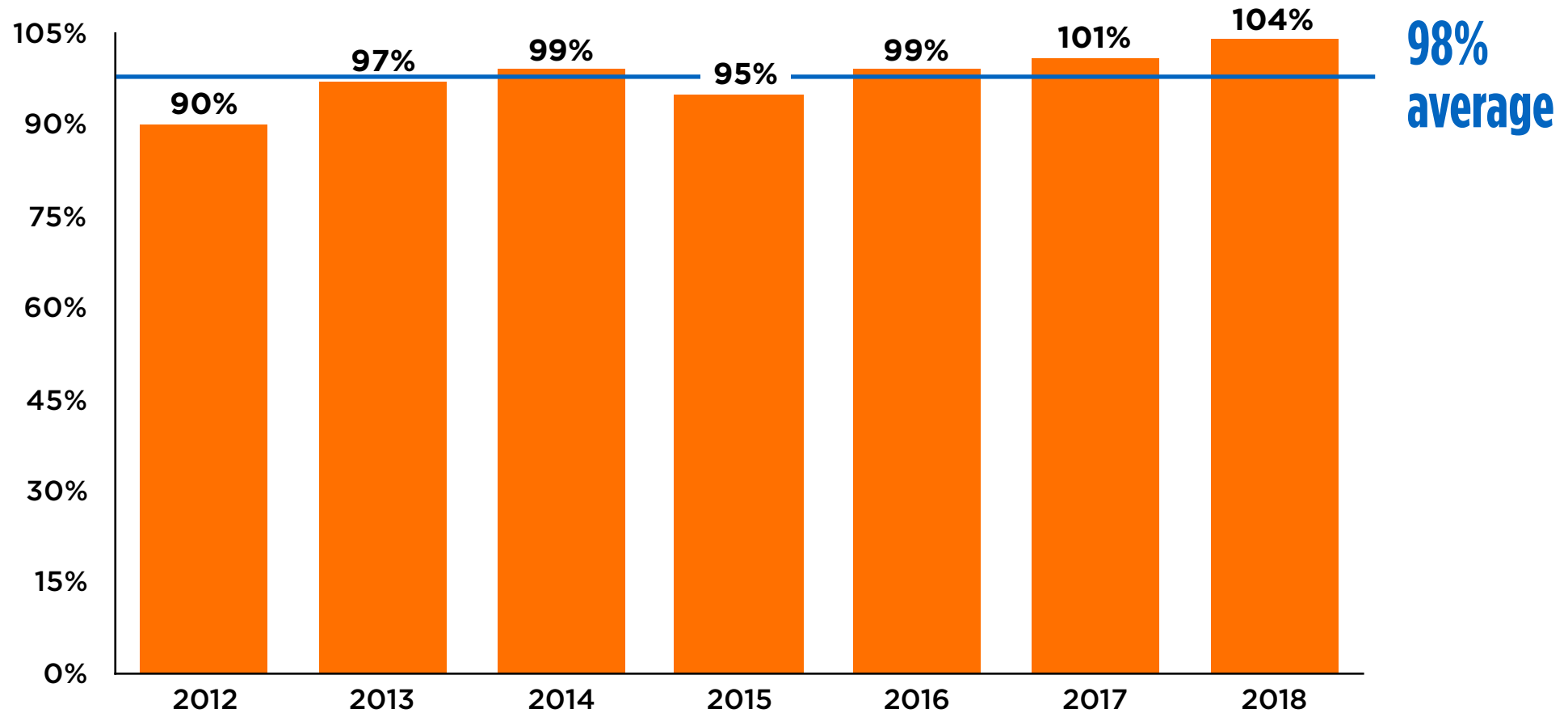
**SSSG is the key driver of shareholder yield growth.**

# MONTHLY DIVIDEND GROWTH



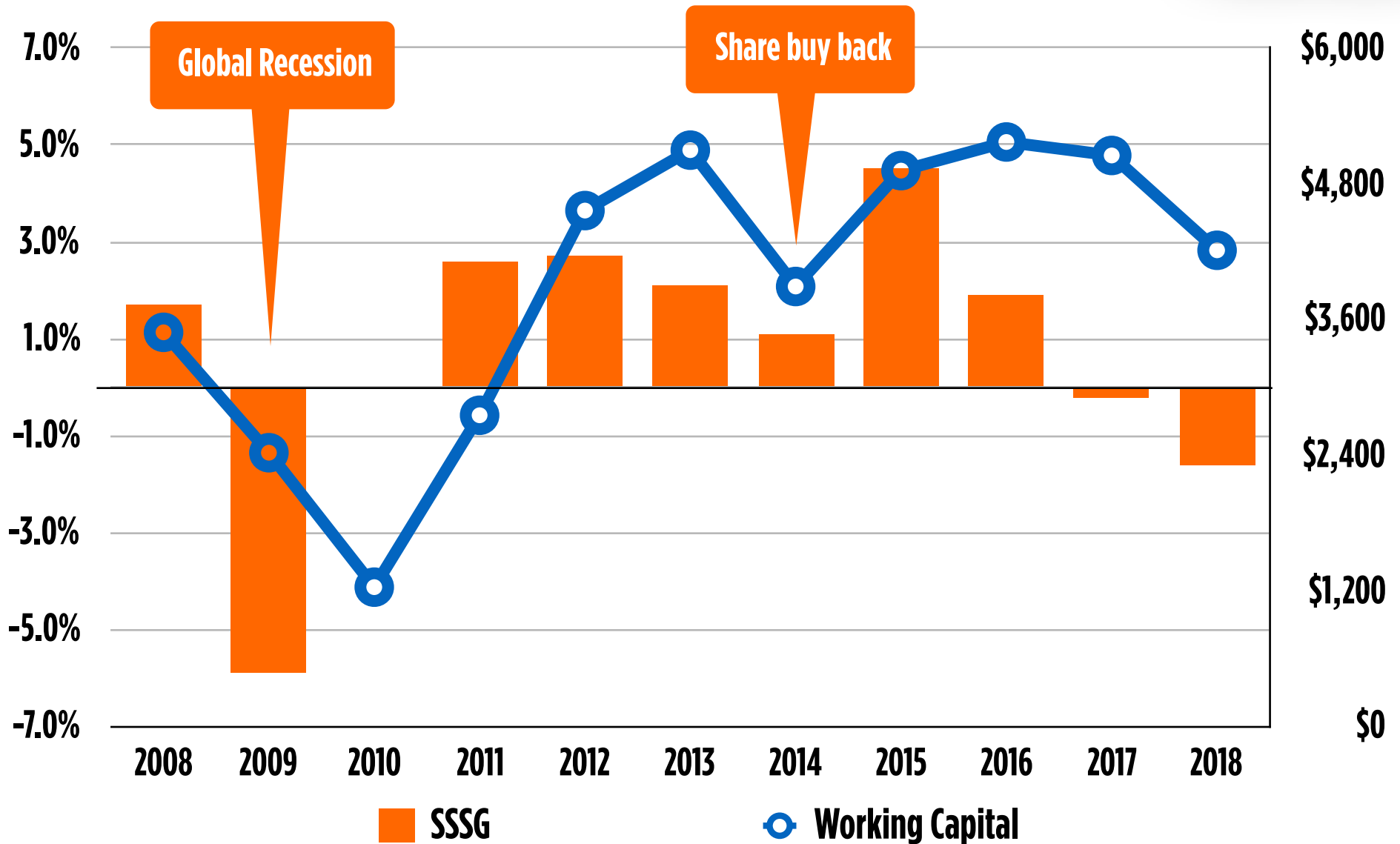
**PPRC increased dividends seven times in seven years.**

# HISTORIC PAYOUT RATIO



**PPRC average payout ratio for the last 7 years is 98%**

# SSSG and WORKING CAPITAL



PPRC's healthy cash reserve available during sales variability



# Q1 '19 PERFORMANCE HIGHLIGHTS



- Royalty Pool System Sales **\$134 M**
- Royalty Pool **772 restaurants (+14)**
- SSS decreased **1.5%**
- Dividend per share **\$0.214**
- Pay-out ratio **107%**
- **\$3.9 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
- PPL's ownership 23%

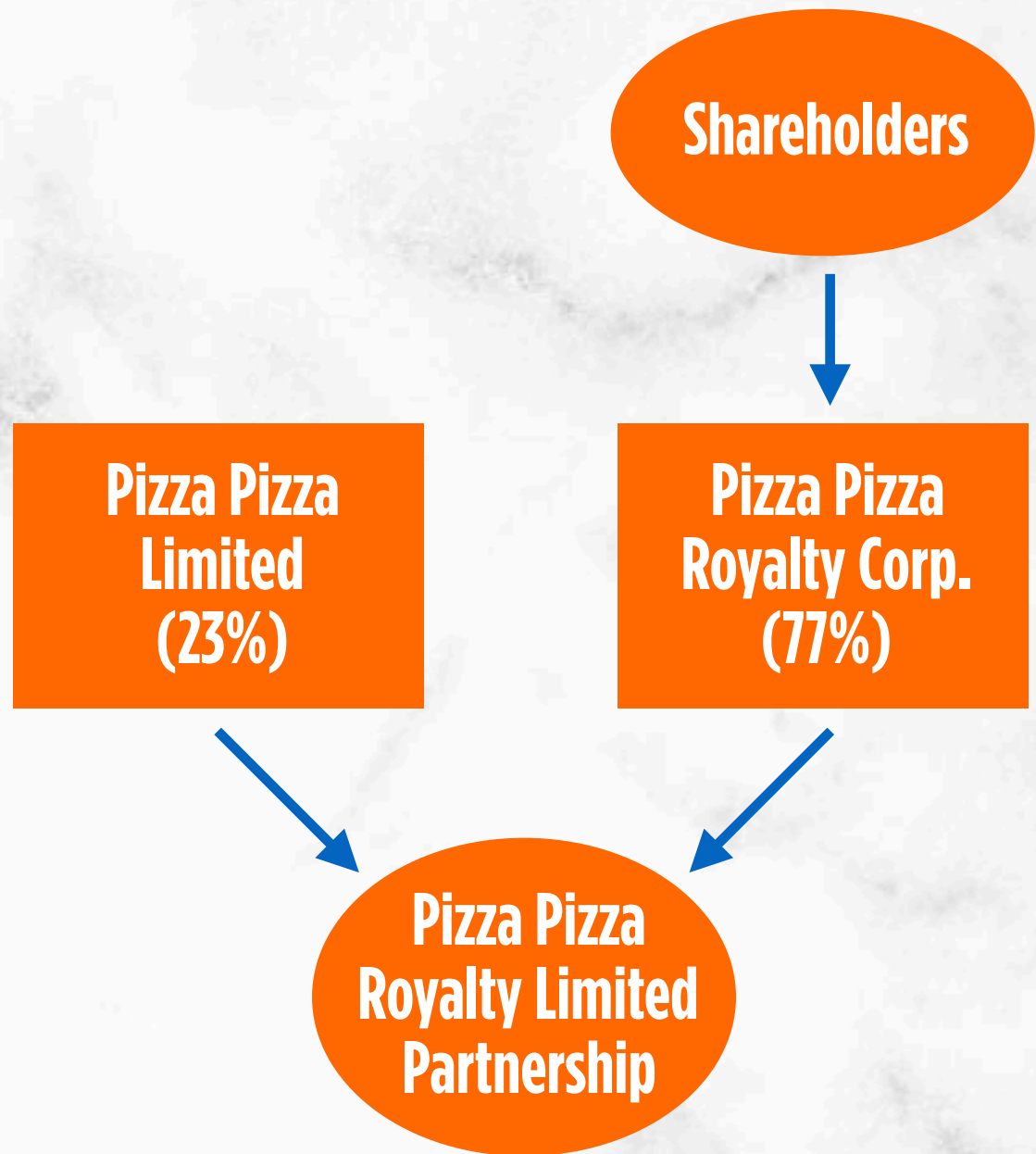


# PAUL GODDARD

Chief Executive Officer



# ORGANIZATIONAL CHART





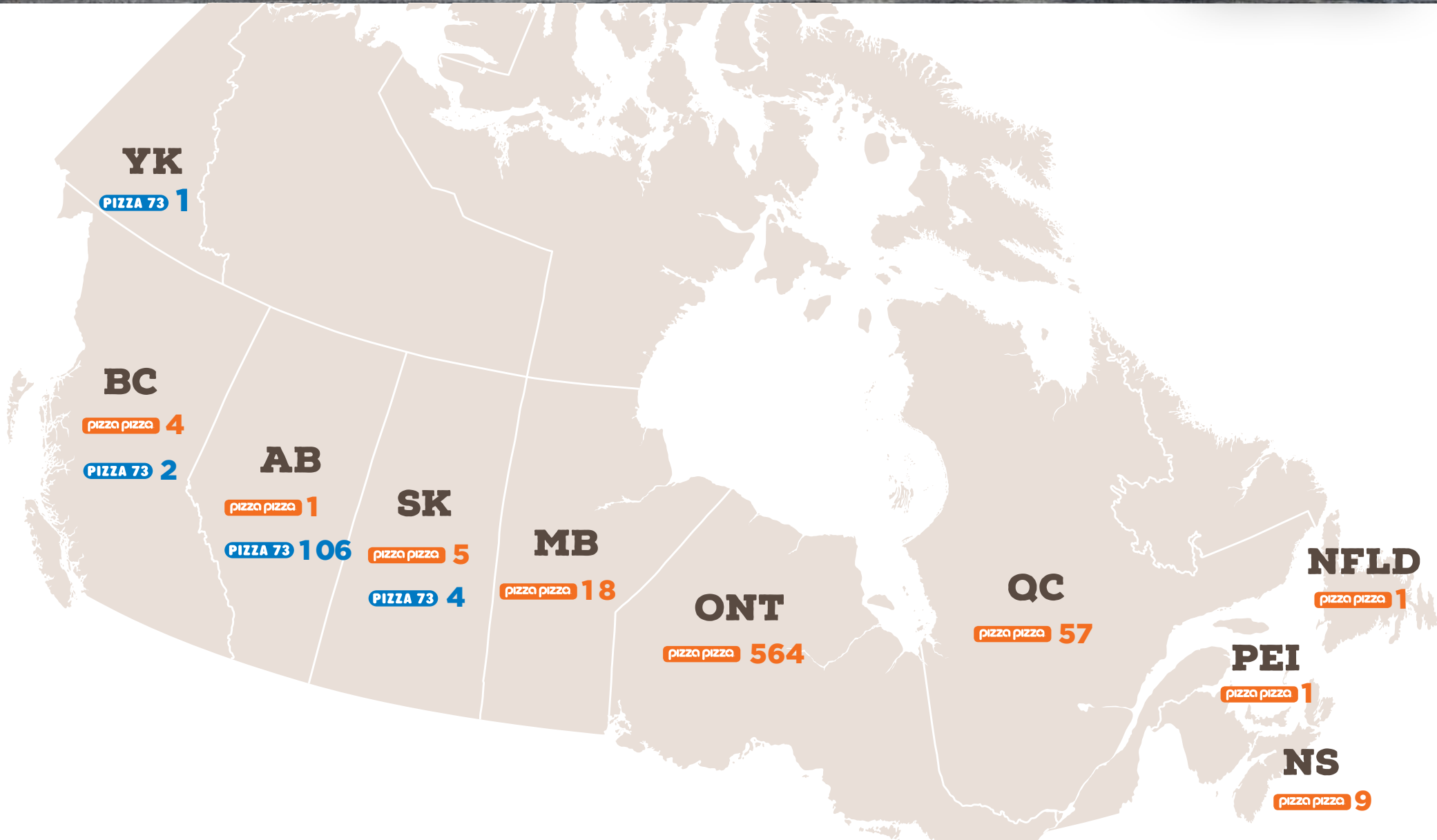
# FUNDAMENTALS



# AWARD WINNING FRANCHISE MODEL

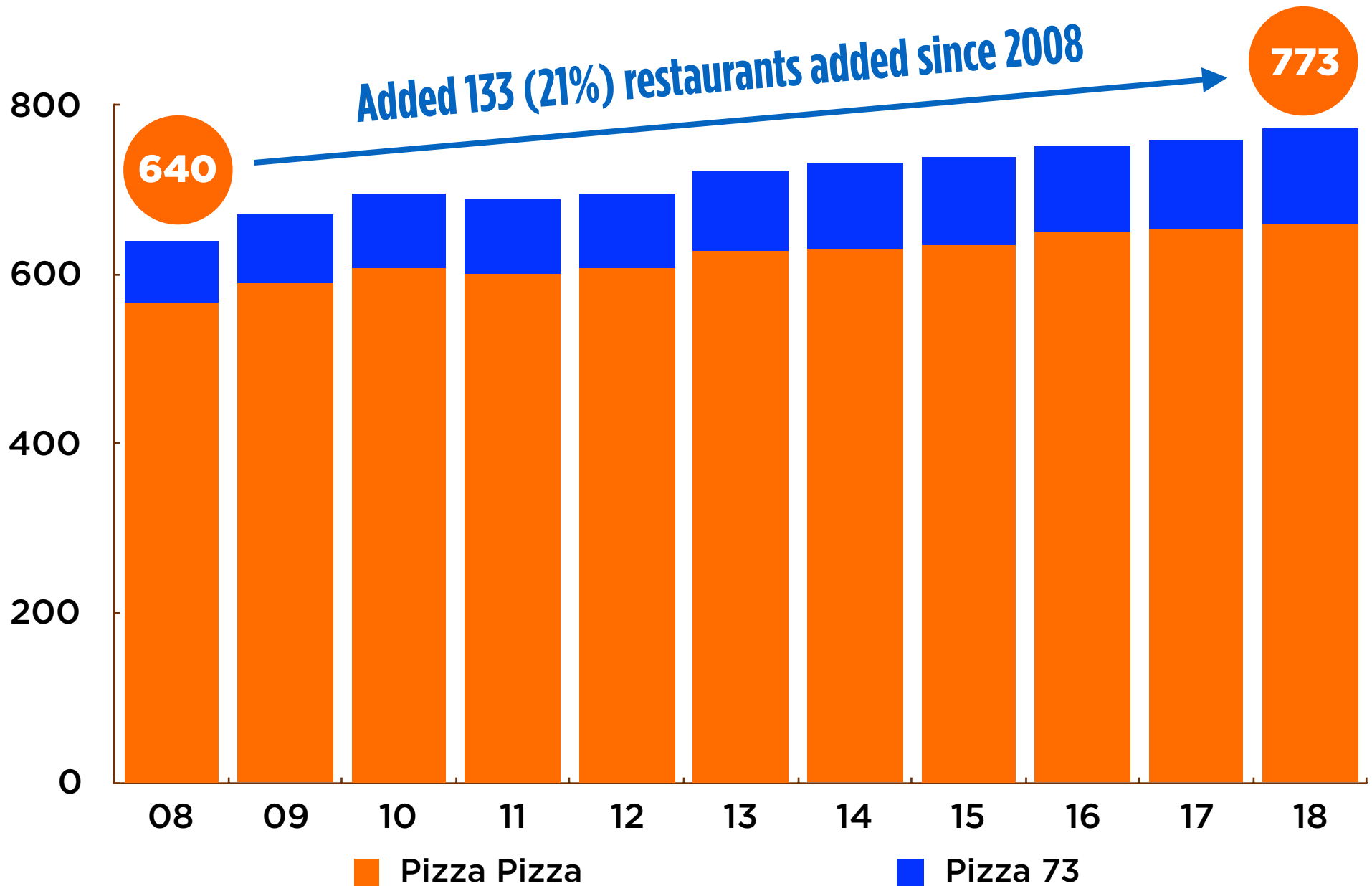


# CANADA'S #1 PIZZERIA



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

# RESTAURANT GROWTH



# EXPANDING BRAND AWARENESS



## Sponsorships



## Non-Traditional Locations



## Special Events



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



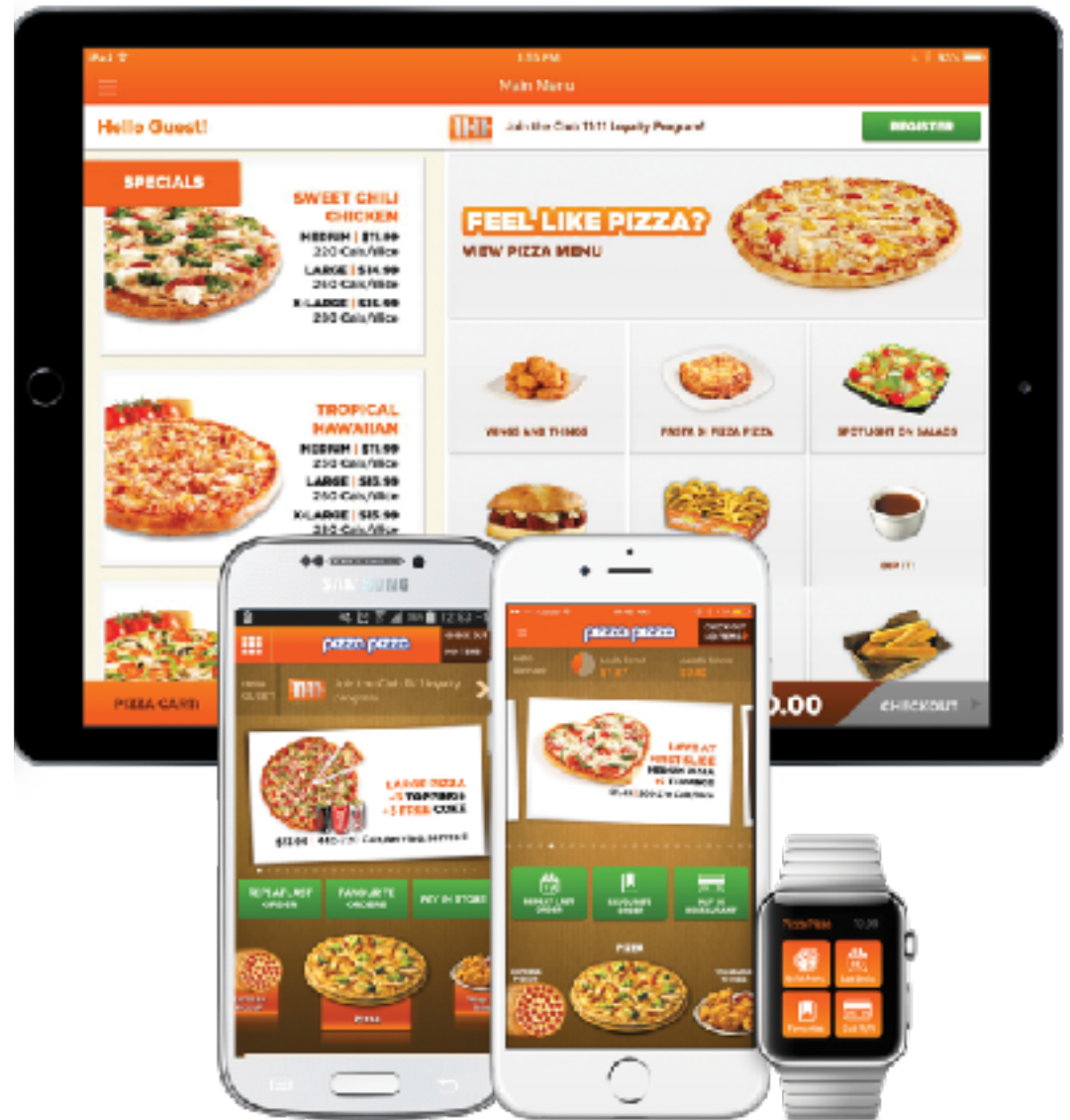
# RESTAURANT RE-IMAGING





# TECHNOLOGY INNOVATION

PARTNERING INNOVATION WITH  
CONVENIENCE LEADS TO SALES GROWTH.



# TECHNOLOGY INNOVATION

PARTNERING INNOVATION WITH  
CONVENIENCE LEADS TO SALES GROWTH.



pizza pizza

CLUB 11/11

ADD  
COUPON

Delivery in Toron...  
(416) 567-1111

Sign In  
Create  
Account

Hi, I'm the Pizza Assistant, what can I help you order?



FEATURED

See all



## FAN FAVOURITE

Choose a small, medium or large  
3 topping pizza + 3 FREE Coke.  
Upsize to X-large for for \$3.50  
more.

440 to 720 Cals/serving, serves 5

Additional charge for premium  
toppings

**\$14.99**

ORDER NOW

MENU

MAKE YOUR OWN MASTERPIECE



OLD-SCHOOL  
FAVES



GOURMET ZAS



2 Items

\$36.13

# PRODUCT QUALITY & INNOVATION

NEW PRODUCT LAUNCHES ARE  
KEY TO SALES BUILDING.





# POWERFUL BRANDS & MARKETING



# POWERFUL BRANDS & MARKETING



# MARKETING VALUE MESSAGE



# SOCIAL RESPONSIBILITY



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



# OUTLOOK

- Deliver extreme convenience
- Focus on food quality
- Improve brand relevance
- Drive baseline sales
- Enhance service excellence
- Maximize value for customers





**Thank  
You.**

